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Warsaw, 10th June 2021

Shoper announces intention to float on the WSE

Shoper S.A. ("Shoper", "Company"), the owner of Poland's most popular e-commerce platform for running an online shop on the SaaS (Software as a Service) model, with a customer base of over 20,000, confirms its plans to conduct an initial public offering of shares on the WSE (the "Offering").

The final decision will depend on market conditions. Details of the Offering will be published in the Prospectus following its approval by the Financial Supervision Authority ("FSA").

Basic information about the Company

- Shoper is a leader in the Polish market of e-commerce platforms available on the SaaS model, which allows entrepreneurs to conveniently, quickly and easily set up their own online shop and conduct sales in the online channel. Shoper operates primarily in Poland.
- The Company's offer is comprehensive and includes the Shoper platform, available by subscription (offered in several variants allowing for its flexible adaptation to the needs of a given client), as well as a number of additional services aimed at increasing the sales effectiveness of shops operating on its platform.
- The number of Shoper platform users exceeds 20,000 (including approx. 15,800 direct shops and approx. 4,800 shops sold through partners) and is diversified in terms of the industries represented. In 2020, Shoper's 10 largest customers accounted for 4% of the Company's total revenue. Such diversification helps avoid seasonality of the business and makes the Company independent of individual platform users.
- The Company's SaaS-based business model is scalable, allowing it to achieve increasing margins as the number of customers and the sales generated in their shops increase.
- The Company's revenue growth is driven by increasing sales of existing platform users due to the pay-as-you-grow (PAYG) model covering additional services offered by the Company and the growing base of new Shoper platform users.
- The Company offers its ancillary services under the PAYG model, correlated directly to the number of orders or the volume of turnover (GMV) generated by shops on the platform. This allows the Company to grow with its customers' business.

- GMV generated by direct customers in 2020 amounted to PLN 4 billion, which translates into an increase of 87% y-o-y (excludes revenues of shops sold by the Company's partners on a private label basis and excludes revenues generated by integration with external marketplaces).
- The cumulative annual growth rate (CAGR) in revenue for the years covered by the historical financial information (2018-2020) was 51%, the EBITDA margin in 2020 increased y/y by 13.6 p.p. and reached 42%.
- The origins of Shoper date back to 2005, when the company was founded by Krzysztof Krawczyk and Rafał Krawczyk, and from the beginning offered software for online shops, mainly dedicated to small and medium-sized enterprises.
- Since 2010, Shoper has offered its solution on the SaaS model, which involves providing software in the form of a service in exchange for a subscription fee. The Shoper platform is constantly enriched with a number of additional services, the most important of which include Shoper Applications, Shoper Payments, Shoper Campaigns and Shoper Shipping.
- In 2017, Shoper began working with key business and technology partners such as Google and, from 2019 it has also been working with Allegro and Facebook, among others, as part of the development of the Shoper Campaigns service, to run traffic-oriented advertising campaigns for the platform users' online shops.
- The Company's strategy assumes, among other things, continued development of the Shoper platform and maintaining its status as the most popular solution for running an online shop on the SaaS model in Poland, as well as the development of additional services, thanks to which it offers a complete e-commerce ecosystem for small and medium-sized companies, large enterprises and public administration.

Details of the planned debut

- The Offering will comprise approximately 27.1% of the existing shares of Shoper S.A., including approximately 2.5% under a stabilization option. The sellers of the shares are the Company's current shareholders, i.e. the private equity fund V4C POLAND PLUS FUND S.C.A. SICAV FIAR. , Modhaus sp. z o.o. , KFF S.a r.l., Krzysztof Krawczyk and Rafał Krawczyk.
- There are no plans to increase the share capital or to raise additional cash under the Offering for the Company.
- The timing of the Offering is subject to market conditions and other conditions customary for share offerings, including obtaining all necessary regulatory approvals (including but not limited to the approval of the prospectus by the Polish Financial Supervision Authority) and the registration of the Company's shares with the NDS, as well as any applicable corporate decisions by the Selling Shareholders.
- The listing of the Company's shares on the WSE will depend on the admission and introduction of the shares to trading on the regulated (main) market of the WSE.
- The Selling Shareholders and the Company have agreed not to sell or issue shares in the Company for a period of 360 days following the Offering.
- The Managers of the Offering are:
 - mBank S.A., acting as a Joint Global Coordinator and Joint Bookrunner,
 - PKO Securities, acting as a Joint Global Coordinator and Joint Bookrunner,
 - WOOD & Company Financial Services, a.s., acting as a Joint Bookrunner.
- The Company's legal advisor in connection with the Offering is the law firm MJH Moskwa, Jarmul, Haładyj i Partnerzy - Adwokaci i Radcowie Prawni sp.p.

- The legal adviser to the Managers in connection with the Offering is the law firm DLA Piper Gizinski Kycia sp.j.

Key advantages of Shoper

- The most popular platform for online shops on the SaaS model in Poland (data for 2020)
 - Market share in Poland at the level of approximately 45% (57% when taking into account users of the Shoper platform acquired by partners).
 - The number of users of the Shoper platform increased by 32% in direct shops and total user growth was 19% year-on-year.
 - The number of Shoper Standard users increased by 30% y/y and Shoper Premium by 60% y/y. The Company's clients include Wawel, Kanał Sportowy, Pat&Rub, Kruger&Matz, Military Property Agency.
- High level of scalability of the business model
 - Operating leverage allows us to generate higher percentage margins as revenues increase.
 - Stable level of capital expenditure independent of the number of users of the Shoper platform.
- Diversification of user base
 - The ten largest users of the Shoper platform accounted for 4% of the company's revenue in 2020.
 - Customers from the three most popular sectors (home and garden, clothing, health and beauty) did not exceed 40% in aggregate of the total number of users.
- High level of conversion of EBITDA into cash flow
 - High level of revenue generated by prepaid subscriptions (33.7% share in total revenue).
 - Negative working capital.
 - Linkage of a proportion of revenue to the number of orders (PAYG) or turnover (GMV).
- Stable financial position and diversification of revenue sources
 - Absence of external funding in the form of loans from banks.
 - Increase in revenue from additional services offered under the PAYG model.
- Increase of PAYG's share in revenues and comprehensiveness of the offer
 - Market leadership in terms of comprehensiveness of the offer, providing all the elements and functionalities needed to effectively run a shop in the online channel.
 - Ability to flexibly adjust the offer to individual needs through a wide range of integrations - over 150 applications are available in Shoper Applications, - which allows for flexible selection of functionalities by the shop.
 - The offer of additional services, among which the most important are Shoper Campaigns (running campaigns oriented to obtaining orders for the shop), Shoper Payments (handling payments in the e-shop) or Shoper Shipping (supporting sellers in the area of product logistics).
 - Established technological and business partnerships with leading companies in the global and Polish markets - the Company cooperates directly and offers services of such companies as Allegro, Facebook, Google and InPost, among others.
- Supporting omnichannel sales
 - Sales automation through popular trading platforms such as Allegro and Amazon as well as price comparison sites such as Ceneo and Skąpiec.
 - Sales process and management within the functionality of the Shoper platform or via software from external providers (Shoper Applications).

- Development of the ErpBox application enabling integration of the Shoper platform and individual online shops with external suppliers, including foreign ones.
- High growth rate compared to the market
 - The estimated increase in GMV of online sales of the entire Polish e-commerce market in 2020 y/y was 36% vs 87% for shops on the Shoper platform.
 - The estimated number of entities selling on the Polish e-commerce market increased by 12% y/y in 2020 vs 32% for Shoper counting direct shops or 19% including shops acquired by partners.
- Qualified and experienced managers
 - Marcin Kuśmierz, CEO, long-term president of home.pl, with 25 years of experience in managerial positions. Winner of many Polish and foreign awards, including "CEO of the year" awarded by the Polish Association of Capital Investors.
 - Krzysztof Krawczyk, co-founder and COO, with 15 years of experience in the e-commerce industry.
 - Paweł Rybak, CCO, long-time president of Sunrise System, with over 15 years of experience in the Internet marketing services industry.
- Innovation and continuous platform development
 - A comprehensive ecosystem for online sales.
 - Advanced solutions using AI and Machine Learning.
 - Ongoing monitoring of e-commerce trends and expectations.

Market environment

- Poland is in a phase of strong growth and bridging the gap to the more developed economies of Western Europe.
- The share of online shoppers in Poland (aged 16-74) was 61% in 2020, compared to 83% in Germany, 88% in the US and 90% in the UK.
- In 2020, the value of online shopping in Poland amounted to approximately PLN 83 billion (excluding services), which corresponded to a 14% share of the online channel in retail sales in Poland. The y/y growth rate in 2020 reached 35%, while the 2017-2019 average annual growth rate (CAGR) was 18%.
- The Polish market of SaaS solutions for e-commerce, in terms of the number of shops, on which Shoper is the leader, at the end of 2020 had a share of 42% versus the open source model (48%) and other individual solutions (10%).
- The y/y growth rate in 2020 in terms of the increase in the number of shops using a given model was 27% for SaaS and 5% for open source.
- Over the last 3 years, the number of shops using SaaS solutions increased by around 53% (around 34,900 shops by the end of 2020).

Selected financial data and key numbers

	Profit & Loss Account				
	PLN thousand				
	Q1 2021	Q1 2020	2020 FY	2019 FY	2018 FY
	from 01.01 to 31.03.2021	from 01.01 to 31.03.2020	from 01.01 to 31.12.2020	01.01 to 31.12.2019	01.01 to 31.12.2018
Sales revenues	15 807	9 243	46 945	27 856	20 515
Operating profit/(loss)	5 543	3 272	16 655	5 445	4 294
Net profit/(loss)	4 548	2 363	12 492	3 917	2 992
Revenue growth year on year (%)	71,0%	/a	68,5%	35,8%	/a
Return on sales (%) *	34,9%	35,4%	35,8%	20,1%	21,0%
Net profit margin (%) **	28,8%	25,6%	26,6%	14,1%	14,6%

* calculated by dividing operating profit by sales revenue

** calculated by dividing net profit by sales revenue

	Balance Sheet			
	PLN thousand			
	As of 31 March 2021	As at 31 December 2020	As at 31 December 2019	As at 31 December 2018
Total assets	40 013	43 094	30 092	27 989
Equity	16 080	24 125	16 112	15 985
Net financial liabilities (non-current liabilities plus current liabilities minus cash)	6 175	-1 999	5 354	5 964

The Company has paid dividends to its shareholders over the last five financial years. It does not have a policy in this regard, although it is the intention of the Management Board in principle to recommend the payment of dividends to shareholders. The key consideration for the Company's Management Board in the context of a potential profit distribution to its shareholders will in each case be to retain the flexibility to invest in the further development of the Company's business.

	For the period from 01.01 to 31.12.2020	For the period from 01.01 to 31.12.2019	For the period from 01.01 to 31.12.2018
	(thousands PLN)		
Dividend	12 630,53	4 428,49	3 649,33

GMV value:

	LTM	2020	2019	2018
	from 01.04.2020 to 31.03.2021	from 01.01 to 31.12.2020	01.01 to 31.12.2019	01.01 to 31.12.2018
	PLN thousand			
GMV	4 460 615	3 999 219	2 135 625	1 239 813

GMV is the sum of revenues of all shops operating on the Shoper platform, excluding revenues of shops sold by the company's partners on a private label basis and excluding revenues generated by integration with external marketplaces.

EBITDA value:

	LTM i.e. from 01.04.2020 to 31.03.2021	from 01.01 to 31.12.2020	01.01 to 31.12.2019	01.01 to 31.12.2018
	PLN thousand			
Adjusted Management EBITDA	24 960	21 789	10 679	6 537

Adjusted managerial EBITDA is operating profit plus depreciation and amortisation plus the difference in revenue between the cash basis (managerial) and accounting basis (accounting for subscription services over time) excluding the impact of non-recurring and non-recurring events. The ratio is calculated based on data from IAS/IFRS financial statements and management data.

Number of shops:

	As of 31 March 2021	As at 31 December 2020	As at 31 December 2019	As at 31 December 2018
Total number of shops	21 271	20 582	17 235	17 267
Number of direct shops	17 023	15 794	11 967	10 903
Number of shops sold by partners	4 248	4 788	5 268	6 364

Shoper development strategy

Maintaining a leading market position in offering software on the SaaS model

- Continuous development of additional services.
- A comprehensive e-commerce ecosystem for small and medium-sized enterprises.

Increasing the user base of the Shoper platform

- Organic growth by acquiring a large number of new users of the Shoper platform starting their e-commerce business.
- Acquiring new users through best-in-class offerings, acquiring customers moving from open source to SaaS and customers of competing SaaS solutions.

- Acquisitions of competing, smaller SaaS-based e-commerce platforms to acquire their customer base or expand their service offerings.
- The Company is open to international expansion in the future, in the countries of the European Union and the so-called emerging markets.

Dynamic growth in revenue from the PAYG model

- Further development of the services offered by the Company and increasing the penetration of the Shoper platform user base with additional services.
- Expanding the Shoper user base and tapping into consumer trends and attitudes towards online shopping.
- Directing additional services settled in the PAYG model beyond the Shoper platform user base.
- Introducing new PAYG services linked to the number or value of orders processed in online shops (GMV).

Development of an offer supporting multi-channel sales

- Expanding the offer within the own brand sector and by developing services offered in cooperation with external suppliers.
- Development of the ErpBox application, which brings together tools to automate processes in an online shop and integrate the Shoper platform and individual online shops with external suppliers, including foreign ones.
- With ErpBox, Shoper users' operating costs are optimized, their sales are increased within the channels they use, and they gain access to sales channels in Europe.

Comments by the Chief Executive

- Shoper is a company that has developed over 15 years, during which it has established itself as a market leader in the provision of software for e-commerce on the SaaS model and has become the platform of first choice for new users who decide to set up their online shop on this model. From the beginning, the Company wanted to create a single place that would be able to offer all the necessary tools to conduct effective sales in the online channel and that is why Shoper has such a rich and comprehensive offer, creating a full ecosystem of solutions dedicated to e-commerce. Currently we are in a place that is conducive to further strengthening our position in the market thanks to the dynamically growing industry and a steady trend in gaining market share by the SaaS model on which we offer our Shoper platform - said Marcin Kuśmierz, CEO of Shoper.

- The most important objective for us is to maintain our leading position and to constantly expand our offer, especially in terms of additional services, which will translate into a growing number of users of the Shoper platform, and, thanks to the SaaS model we specialize in, this will translate directly into our financial results. The pandemic that occurred in 2020 changed the habits of a large part of consumers, who more and more boldly and systematically use the solutions offered by the online channel and online shops that operate in it or expand their ways to reach the end user. This makes us optimistic about the coming years and the IPO will play a significant role in our development - said Marcin Kuśmierz, CEO of Shoper.

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*The only legally binding document containing information about Shoper S.A. with its registered office in Kraków (the "**Company**"), the offering of the Company's securities in Poland (the "**Offering**"), as well as their admission and introduction to trading on the regulated market operated by the Warsaw Stock Exchange S.A., based on which the initial public offering of the Company's shares in Poland will be conducted, will be a prospectus (the "**Prospectus**") drawn up in accordance with Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market and repealing Directive 2003/71/EC (the "**Prospectus Regulation**"). The Prospectus, once approved by the Polish Financial Supervision Authority (the "**PFSA**"), will be published and available on the Company's website: www.shoper.pl.*

In approving the Prospectus, the PFSA does not review or endorse the Company's business model, method of doing business or method of financing its business. In the proceedings on the approval of the Prospectus, neither the veracity of the information contained in the Prospectus nor the level of risk related to the activity conducted by the Company and the investment risk related to the acquisition of securities of the Company are subject to assessment.

Potential investors are urged to read the Prospectus in its entirety and, in particular, the risks associated with investing in the Company's shares set out under "Risk Factors" and the terms of the public offering. Any investment decision concerning the securities of the Company should be made only after consideration of the contents of the entire Prospectus, including any supplements, updates and other information provided in accordance with the Prospectus Regulation and the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organized Trading, and Public Companies of 29 July 2005 (Journal of Laws of 2020, item 2080, as amended.).

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