

The logo for Allegro, consisting of the word "allegro" in a lowercase, white, sans-serif font. The background of the slide features a large, semi-transparent orange circle on the left side, and a blurred photograph of a person's hands typing on a laptop keyboard on the right side. The person is wearing a light blue sweater. In the background, there are several cardboard boxes, suggesting a warehouse or shipping area.

allegro

we simplify shopping and selling

Introduction to Allegro

January 2024

Disclaimer

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Allegro seamlessly connects consumers, merchants and partners



Our markets

						
	Poland	Czechia	Slovakia	Hungary	Slovenia	Croatia
TAM (\$bn) ²	177	56	26	40	12	20

1. LTM, as of Q3'23, for the whole Group

2. TAM = Total Addressable Market; Euromonitor data for total retail markets, 2022



OUR MISSION

We simplify
shopping
and selling

OUR VISION

To be the most loved online
shopping destination in Europe!

- **Safe shopping** with the widest selection of trusted products at competitive prices
- **Best-in-class Smart!** program that rewards Customer engagement & loyalty
- **Preferred partner** for Merchants and Brands to grow their businesses
- **Easy to use fintech** products that fit our Customers' daily lives
- Orders delivered by **fast, reliable and low-cost** pan-European logistics
- **Tech that innovates and scales** to regularly delight Customers
- The place for **diverse talents to grow** and make a difference

Allegro Group today: the benchmark for online shopping in Poland, ready to scale in CEE

#1

Position in Poland, making us the largest e-commerce player of European origin¹

18.9m

active buyers in 2023³

\$615m+

EBITDA in 2023³
2.5bn PLN

\$330bn+

Total Addressable Retail Market²

\$14bn+

GMV in 2023³
57bn PLN

80%+

cash conversion in 2023⁴

■ Presence under **Allegro** brand ■ Presence under **Mall / Mimovrste** brand



1. Measured by traffic in 2023, source: SimilarWeb

2. Euromonitor data for retail market in Poland, Czechia, Hungary, Slovakia, Croatia and Slovenia, 2022

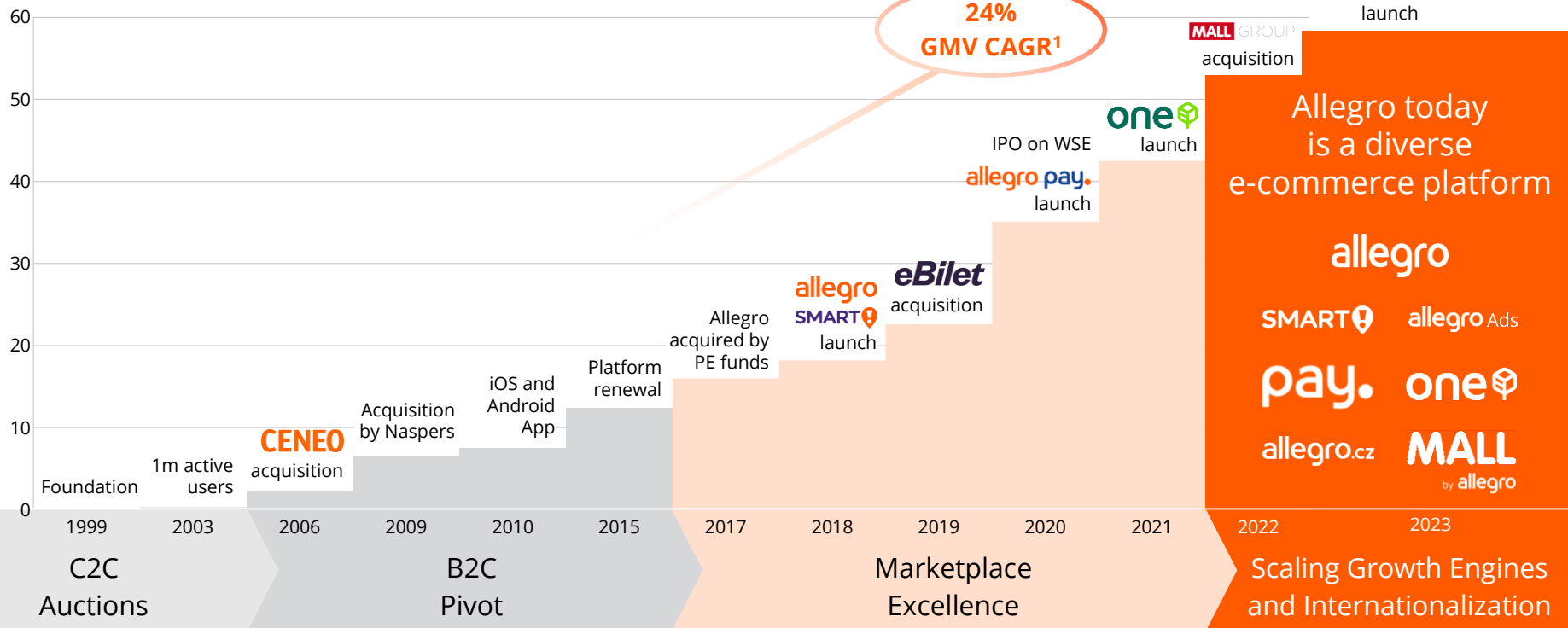
3. LTM, as of Q3'23, 1 USD = 3.96655 PLN

4. 9M 2023. Cash conversion defined as (adjusted EBITDA - Capex) / adjusted EBITDA

5. Allego.sk to be launched in Q1'24

Building on 25 years of growth in Poland, we are starting a new chapter

GMV evolution over years, PLN bn



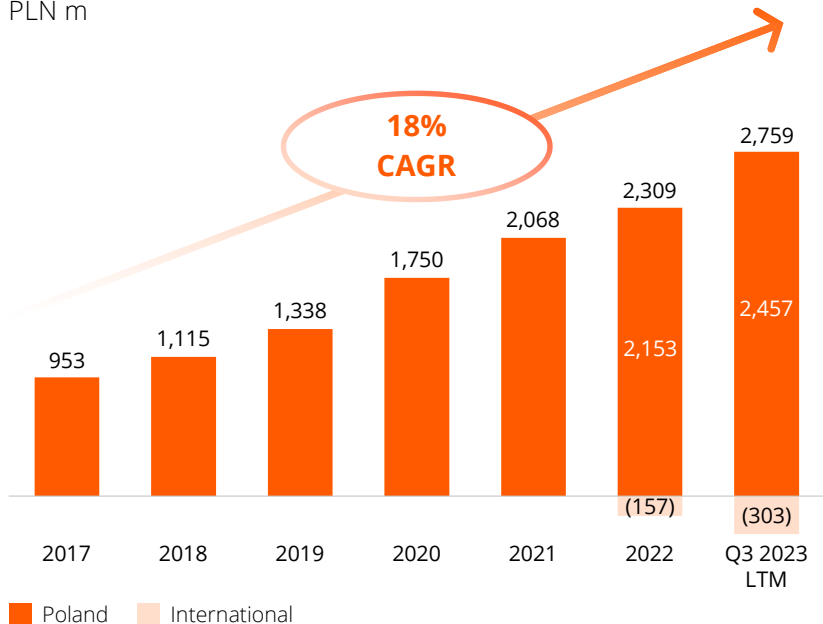
1. CAGR calculated for 2017 – Sep-2023 period

Source: Company information

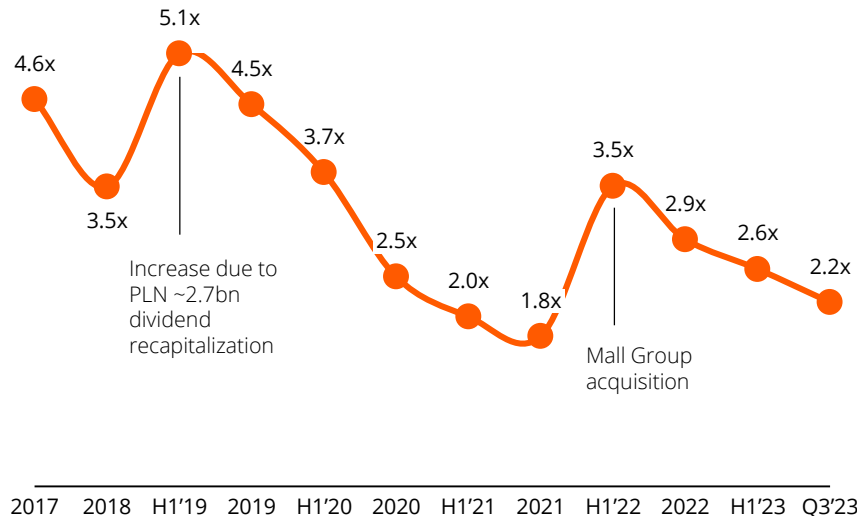
World-class financial performance

Adjusted EBITDA

PLN m



Leverage¹



1. Defined as Net Debt / adjusted EBITDA

Our investment thesis

01

Go-to shopping destination in Poland, strategically expanding its footprint into the underserved, high potential CEE markets

02

Allegro's marketplace serves as a magnet for both merchants and consumers, generating a powerful flywheel effect

03

Accelerating business through strategic growth engines: advertising, fintech and logistics

04

International expansion playbook for accelerated CEE roll-out

05

Cutting-edge tech organization that runs a scalable and resilient platform, enabling fast innovation

06

Leading sustainable growth, profitability, and cash conversion at scale

07

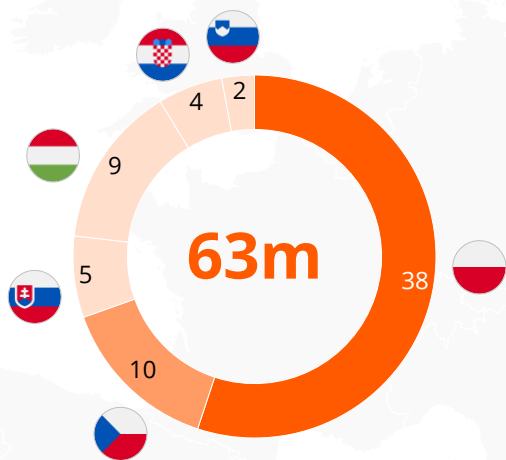
Experienced management team fostering a culture centered on innovation and operational excellence



01 | Allegro has a unique position in the large CEE e-commerce landscape

CEE is home to millions of online users...

m, population¹

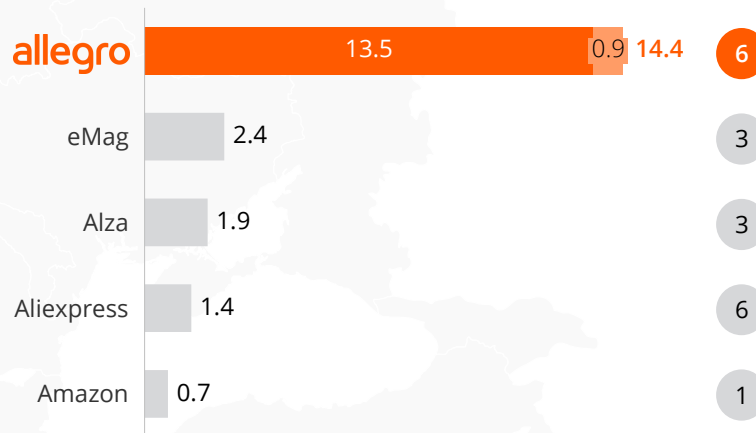


Population size comparable with **France** (68m) and **UK** (67m)

... where Allegro enjoys unmatched scale and reach

GMV (\$US bn)²

○ # of countries in CEE



■ Poland ■ International

1. Worldbank, 2022

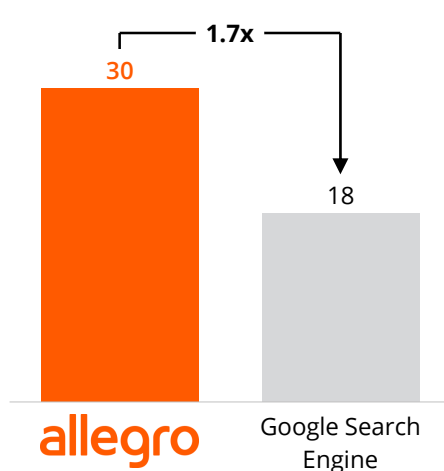
2. LTM Sep-2023 for Allegro. Others CY2022 based on Euromonitor estimates for the whole CEE footprint

FX: 1 USD = 3,96655 PLN

01 | Go-to shopping destination in Poland, strategically expanding into CEE's untapped, high potential markets

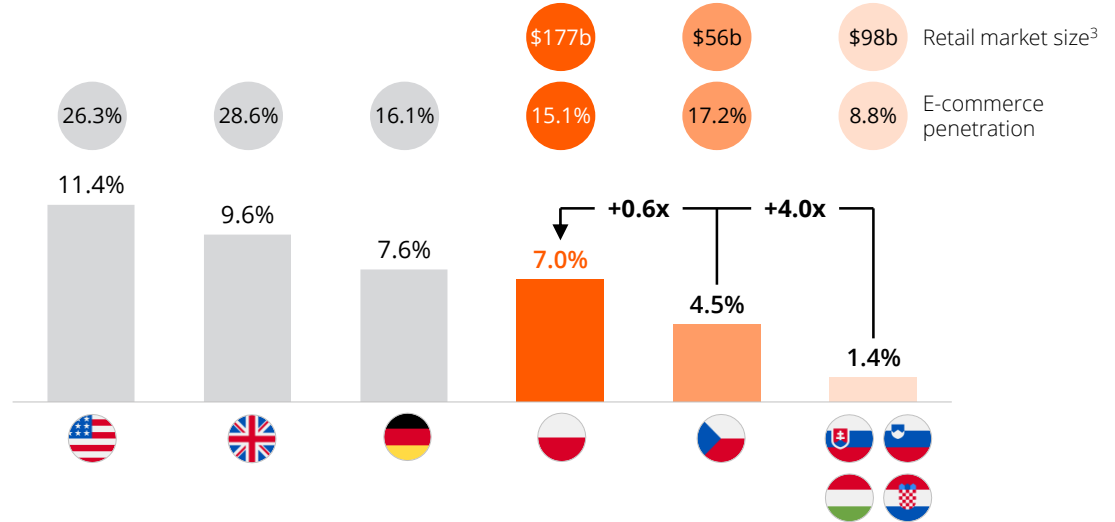
Allegro is primary consumer touchpoint for online shopping in Poland...

% of respondents¹



... while in CEE market still underpenetrated and the door is open for a strong e-commerce leader

2022, market concentration, TOP3 online players GMV as % of total retail market²



1. ATENA Research & Consulting as of Jun-22
 2. Euromonitor e-commerce data, as of Oct-23. Data for e-commerce size / retail size by country
 3. Euromonitor, as of 2022

02 | Allegro serves as a magnet for both merchants and consumers, generating a powerful flywheel effect



1. Compound annual growth rate (CAGR) for Dec-18 – Sep-23 period

2. Active Buyer represents, as of the end of a period, each unique email address connected with a buyer that has made at least one purchase on any of Allegro.pl, Allegrolokalnie.pl or eBilet.pl in the last twelve months (LTM)

3. Represents Q3'23 LTM GMV divided by the number of Active Buyers as of the end of a period

02 | Excelling in the retail basics of pricing, selection, convenience, inspires love and trust among customers

Selection



~435m
(+60% YoY)

Active offers¹

Price



>90%
(+3pp YoY)

Products at lowest price in the market²

Convenience

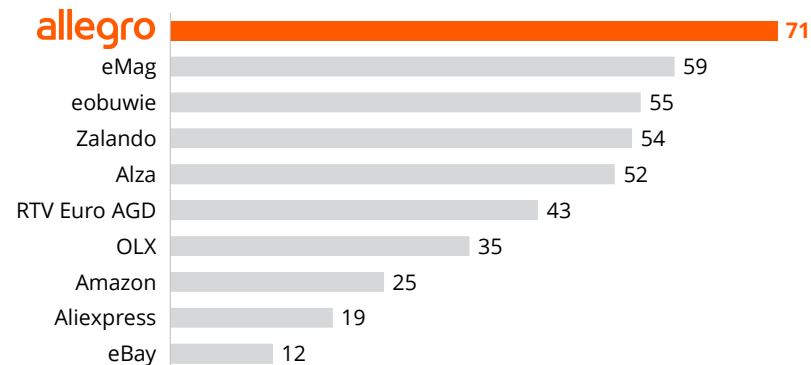


>85%
(+3pp YoY)

Products delivered within 2 days³



Best-in-class NPS score in CEE⁴



Service Quality Star 2023



Retail Business Awards 2023



Benefactor of the Year 2023

1. As of Sep-23, in Poland

2. LTM ending in Sep-23, based on a sample of 1.7m products

3. 1-to-2 days delivery share calculated in working days for Polish operations

4. Competitive NPS research was ordered by Allegro and conducted by Kantar Polska in Sep-23. Interviews were conducted online (CAWI method) on a random sample of online shoppers in Poland (ca. 500 interviews for each brand)

02 | For merchants: Allegro is the preferred partner to expand their business

We serve 145k+ merchants thanks to our unique value proposition

18.9m

customers in
6 countries

13%

of GMV
financed via
Allegro Pay¹

Widest customer base
18.9m customers
accessed instantaneously

High customer trust
Buyers Protection Program
Allegro Protect and
convenient delivery solutions

Tailored financial services
Seamless payments, D+1 payouts,
Allegro Pay Business, **convenient
payment terms, loans & credits**



Creating the demand

Allegro boosts its ecosystem by driving traffic and client engagement through the **Smart!** loyalty program, **App** and promotional events like **Allegro Days** and **Smart! Week**

Competitive rates and extensive merchant support

Allegro combines **attractive take rates** with extensive support through **Allegro Academy**, equipping merchants with educational materials, sales analytics, and legal insights

Fast and affordable deliveries

Smart! and our delivery platform are our key investments – they increase client loyalty and convenience, at the same time supporting Merchants' sales

50+

sales events and
campaigns
managed by
Allegro annually

100+

courses, movies
and podcast for
merchants in
Allegro Academy

1. LTM ending in Sep-23

02 | Smart! loyalty program accelerates flywheel and boosts consumers' and merchants' engagement

Free delivery and free returns program

Exclusive Smart! shopping events, pre-sales, premieres

+86

Smart! customers
tNPS

>5.0x

Order frequency vs
non-Smart! customers

Only highest quality merchants
(with recommendation rate of at least 98% and 5 positive reviews in LTM)

Smart! merchants grow

5x

quicker than those
who don't participate
in the program

Smart! offers are

~3.0x

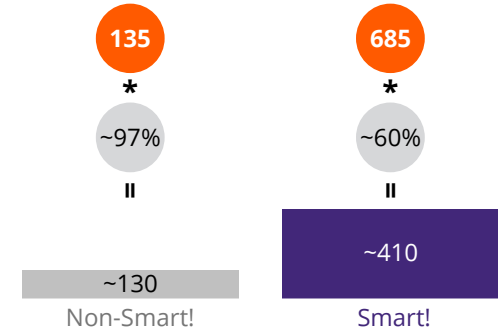
more popular than
the rest of the offers
on the marketplace¹



On average a Smart! subscriber not only has over **4.5x higher** GMV/customer spend² than a non-Smart! one, but also...

... an average Smart! customer has a significantly higher **positive direct contribution** on Allegro's economics

Illustrative User Economics



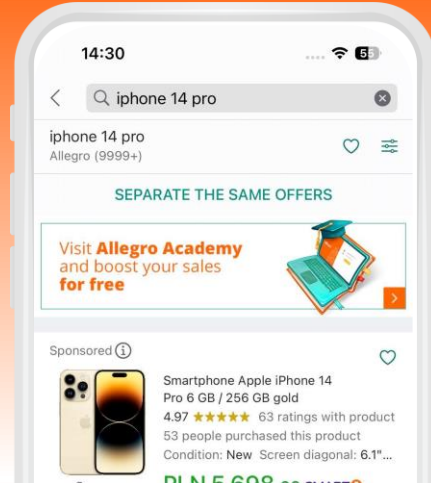
- Revenue per customer (GMV * take-rate), PLN
- Gross margin of take-rate, %
- Direct contribution per user, PLN per annum

1. The number of orders per sold offer in LTM perspective for Smart! offers vs non-Smart! offers
2. LTM ending in Sep-23, Smart! GMV per buyer at 6.0 KPLN for the same period

03 | Growth engines driving Allegro's future development

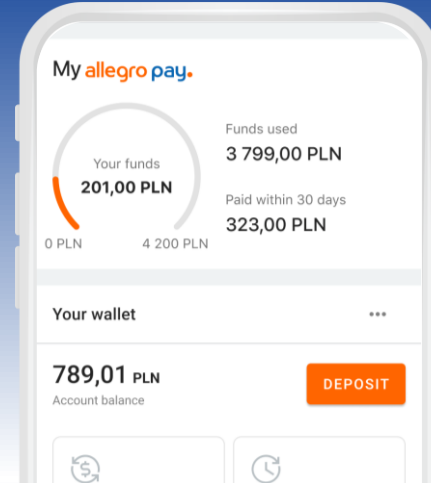
Advertising

Capturing incremental revenue through on-platform ads



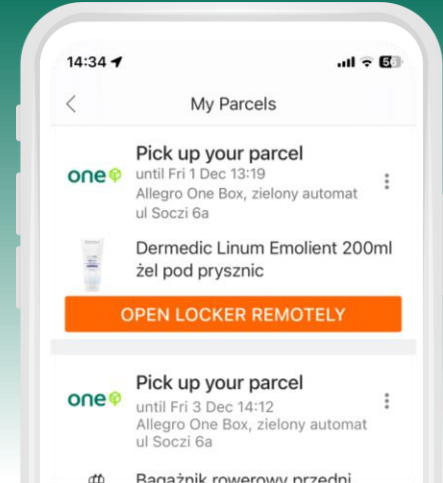
Fintech

Driving GMV through customer-centric financial products



Logistics

Optimizing delivery costs and experience through in-house solutions



Allegro's growth engines – advertising, fintech and logistics – collectively amplify revenue streams, enhance customer loyalty to secure the marketplace's long-term sustainable growth

03 | In-house advertising platform allows for targeted, user friendly monetization...

Various Ad Formats for Optimal Visibility



Display Self Service

Displayed on the Allegro home page and above the search results list



Banner Ads

Displayed above the search results list, with dedicated graphic and selected offers



Sponsored Offers

Allows merchant to position selected offers on top 2 search results based on specific user search phrases



External network

Advertising on external platforms such as Facebook and Google

Diverse Portfolio of Clients Sourced Through a Range of Channels

Merchants

Direct acquisition

Small to medium merchants: fully self-service, mass acquisition

Large to VIP merchants: individual support, targeted acquisition

Indirect acquisition

Partnership Program Agencies: external service / agencies needed to operate on AllegroAds, targeted at large to VIP merchants

~70%

~17%

Brands

Direct Cooperation & Media Agencies

Tailored towards **top-tail brands:** individual support and education. Operated in two models: (i) direct acquisition and (ii) indirect via media agencies

~13%

Revenue share

03 | ... tapping into high margin revenue streams for Allegro with a significant upside potential

Allegro Ads attract over 25% of merchants and offers them proven high returns¹...



Merchant adoption

>25%

of merchants use Allegro Ads



High return

~11x

GMV generated from each PLN invested

Unlocking new revenue avenues for Allegro Ads

Increasing Ads Inventory



Improved Pricing



Machine Learning



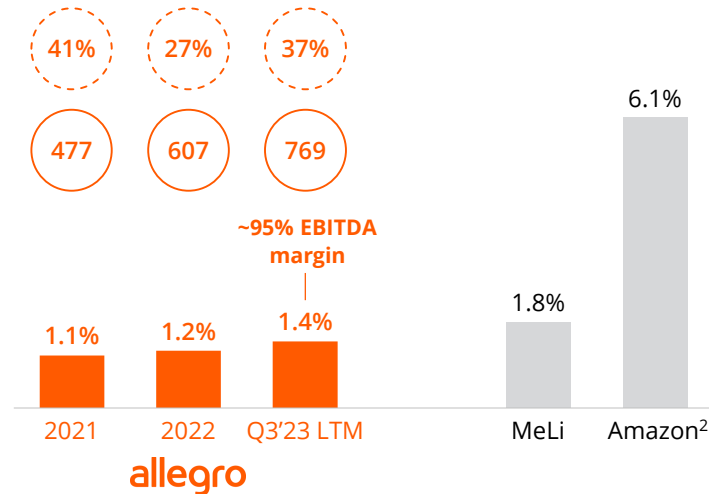
Increasing Retention



Significant headroom for Allegro's advertising growth

Advertising revenue as a % of GMV

○ Growth rate, %
○ Sales, PLN m



1. Allegro ROI - average for all categories, display self service and sponsored offers 2021-2023, Advertisers Penetration [%], Dec'23

2. Amazon Global Services Sales / Total GMV for LTM, as of Q3'23

03 | Fintech products are accelerating our flywheel

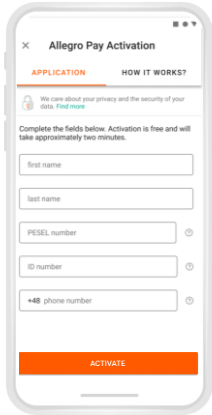


1. Allegro Cash to be launched in H1'24

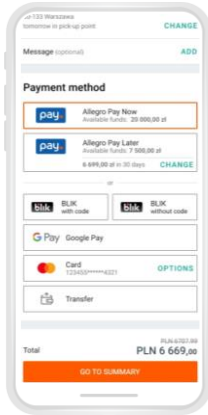
03 | Allegro Pay: seamless fintech solutions drive customer satisfaction and loyalty...

Allegro Pay is deeply integrated into the customer purchase path...

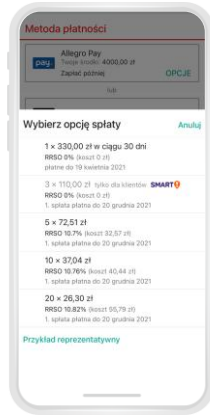
Activation of **funds within 15 seconds** with **allegro pay.**



One-click shopping and payment with **allegro pay.**



Installments with **allegro pay.**



... which positively impacts purchase conversion and customer satisfaction

allegro pay.

>90+ **35%+**

NPS

of sales is incremental¹

... and benefits the platform



Supporting platform growth

- Increases the GMV generated on the Allegro platform
- Synergies with other initiatives, such as Smart! and App



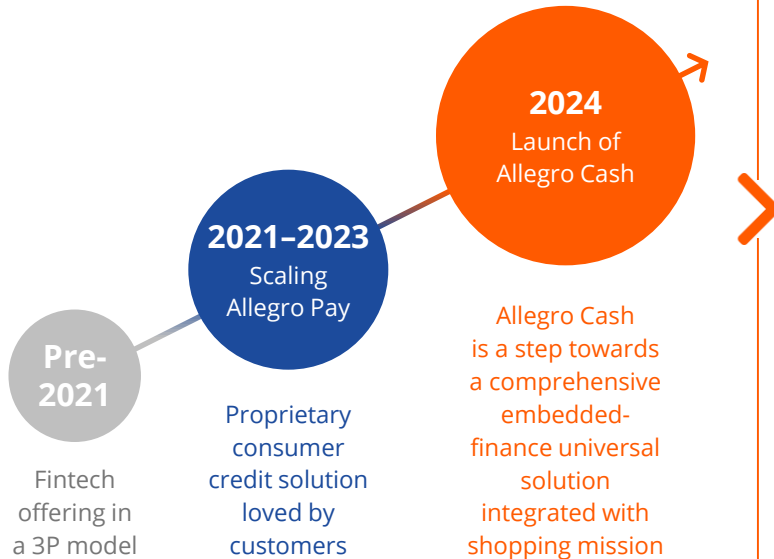
Nurturing unique customer experience

- Delivering services in accordance with Allegro standards in a simple and consumer-friendly way
- Credit risk assessment owned by Allegro Pay

1. Based on an AB test for Allegro Pay customers vs non-Allegro Pay customers, 2023

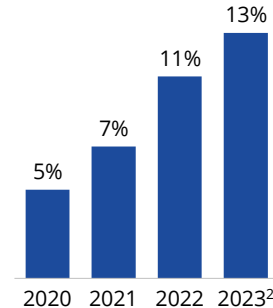
03 | ... accelerating GMV and unlocking further opportunities in financial services

Allegro Pay is the initial building block in the development of Allegro's comprehensive financial services platform

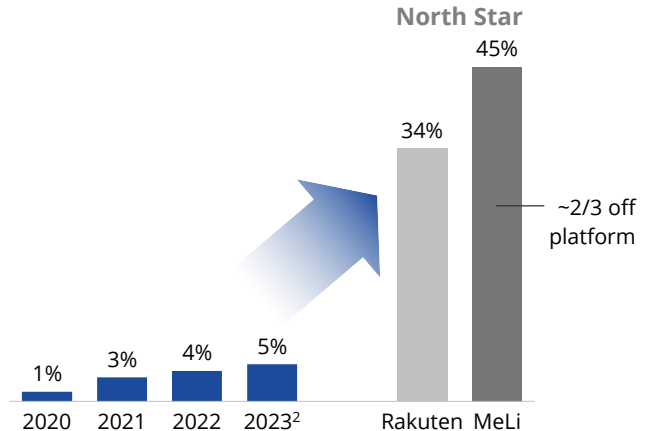


GMV financed by fintech already represent 13% of Allegro's GMV but potential is much larger

Share of the FinTech GMV
Total Allegro (%)



Share of the FinTech revenues¹
Total Allegro (%)



1. Fintech Revenue consist of interest and commission revenue as well as allocation of success fee earned on incremental transactions
2. LTM Q3'23

03 | Maximizing efficiency with a capital-light business model for fintech

Strategic financial principles for sustainable fintech growth



Direct financial revenues from interest-bearing loans and merchant contribution



Risk tightly controlled with expected credit losses below 1%



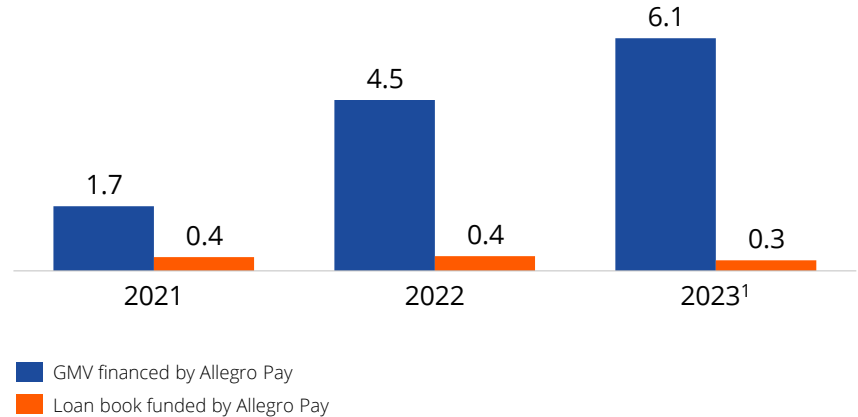
Off balance sheet funding from financial partners



Accelerated development but with limited capital requirement

Limited balance sheet risks for Allegro

PLN bn



1. LTM Q3'23

03 | We're providing asset efficient 3P logistics with first class user centric delivery experience

Allegro's key delivery partners



Managed and integrated
3P delivery network

Own delivery capabilities to further drive **speed and improve convenience**

Our merchants are provided with tools and incentives to **improve quality**



03 | We developed advanced in-house technology to provide a superior delivery experience in a 3P model

Our delivery experience is built on three pillars

Speed and reliability

>85% of orders delivered within **1-2 days**¹

>45% of orders delivered the **next day**

Delivery promise with **90-95% accuracy**

Price

Free delivery on Smart!

Standard **low prices for non-Smart!** orders

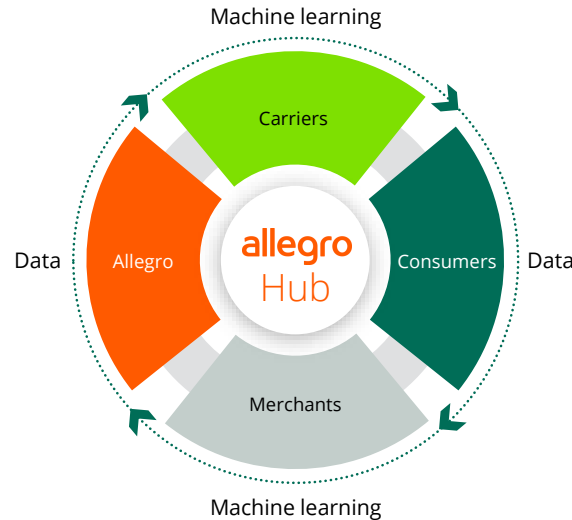
Convenience

Easy returns

Heavy and bulky deliveries

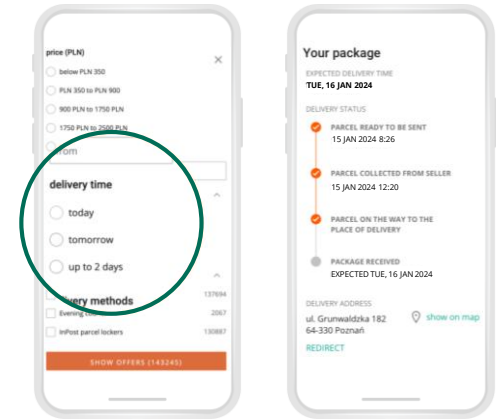
Value-added services including carry in, installation, etc.

We developed advanced in-house technology to provide a superior delivery experience in a 3P model



By applying advanced data analytics and machine learning, Allegro tracks performance of all deliveries

The result is a simple and intuitive delivery experience for consumers



Introduction of Next Day Delivery prediction mechanism resulted in **positive GMV impact**

1. Delivery speed calculated in working days

03 | Allegro One: own shipping solutions for cost and delivery speed optimization

Allegro One Courier & WE|DO



Allegro One Box



Allegro One Fulfillment



GOAL: Improve speed, convenience and lower cost for Smart!

- **>1,000 vans** available during the peak season, with high quality level D+1 SLA at 96-98%¹
- **2 sorting hubs** in Piotrków Trybunalski (PL) and Ostredek (CZ)

- **>3,500** parcel machines at Q4'23
- On average **23% reduction of CO2e** emission vs home delivery

GOAL: Accelerate International Sellers' acquisition and GMV increase

- **35k sqm** of space near Warsaw
- **>60% of orders** delivered next-day²
- **100% powered by renewable energy** based on guarantees of origin

1. Cumulative for WE|DO and Allegro One
2. Delivery speed calculated in working days

04 | We accelerated Allegro international strategy through the Mall Group acquisition

With acquisition of Mall Group, we gained access to...



TAM nearly doubled

32m
population



Popular e-store brands

MALL.CZ
CZC.CZ
mimovrste



Anchor customer base

4.1m
unique active customers¹



One Courier business & last-mile distribution

1k+
pick up points & lockers

WE||DO



Critical fulfilment operations

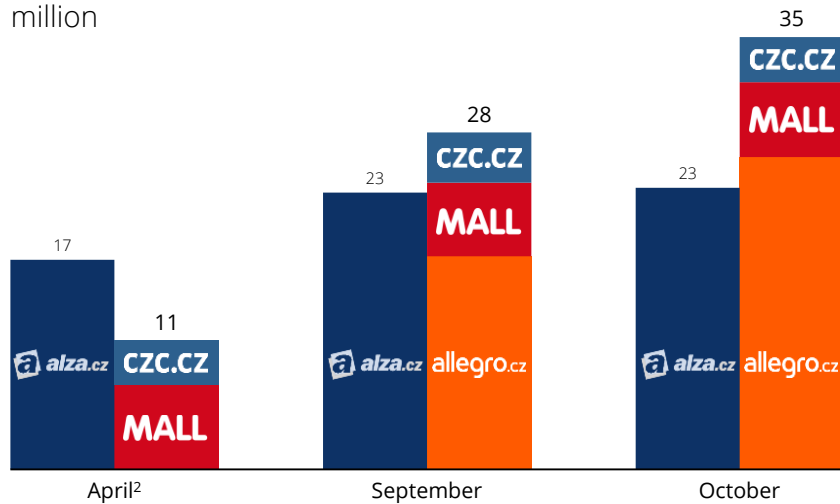
194k m²
logistics footprint
3
warehouses

1. Customers with a purchase done in the LTM

04 | Allegro transforms Czech e-commerce with a dynamic marketplace launch

Monthly visits¹

million



- >800k Active Buyers
- >400k Smart! users
- ~90% prompted brand awareness
- #2 in terms of app downloads in CZ

After launching in early May²³, **allegro.cz is now CZ's #1 most visited shopping platform.** Over **20k merchants** provide **>160m offers** – 10x more than any competitor – incl. >70m from PL sellers, >90m from International Sellers and ~1m from CZ³

1. All channels – desktop, mobile, app. Source: SimilarWeb & DataAI
2. Prior to Allegro.cz launch
3. LTM ending in Sep-23



04 | Allegro.cz playbook enabling efficient CEE expansion

Platform & Product



International marketplace platform
"List once – sell everywhere"



In-house built translation engine
2-3x fewer errors for translations compared to alternative translation providers



Low cost
Czech implementation cost 25.4m PLN of development CAPEX¹

Selection



Competitive **global brand portfolio**, leveraging scale for premium offerings at **unbeatable prices**



Extensive, locally curated product range tailored to regional preferences by merchants

Logistics



Providing **all locally-relevant delivery methods** in both OOH and to-door



Supplemented by **Hybrid Model:** tailor-made solution resulting in significant savings versus traditional E2E delivery

SMART

Traffic & customers acquisition:

Free activation

5 orders with free delivery & returns

Customers' loyalization & retention:

Annual & monthly subscriptions

Unlimited free delivery & returns

allegro
SMART 
TRIAL

allegro
SMART 

Playbook and experience from Czechia enables future capital light expansion

05 | Core tech solutions crafted for scalability and rapid customer-focused innovation

Scalable and modular platform developed in-house

Data centre based infrastructure complemented by multi and hybrid cloud enabling fast **plug-and-play scaling across Europe**

Continuous deployment and delivery resulting in more than 200+ releases daily



Channel agnostic approach

65% customers use app every month
4.9 App Store Rating

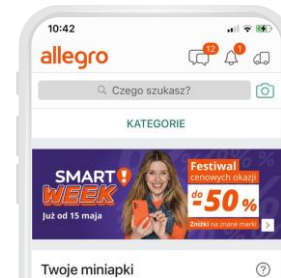
Strategically cultivating talent and fostering a culture of innovation for sustained growth



Allegro Tech Talks

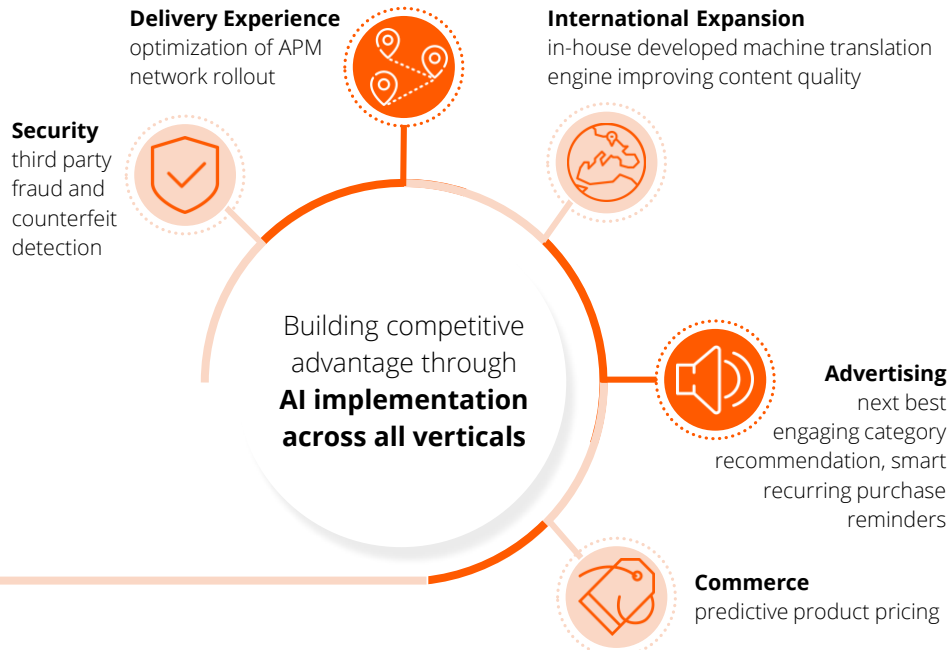


1,600+ microservices



One of the **largest and technologically advanced projects in CEE** in combination with Allegro Meet-ups, Hackathons, Podcasts and Blog allow for building an engaged tech community (2,100+ employees)

05 | AI in action: operational efficiency and elevated customer experience



35% of staff in Allegro are product, tech and data experts...

... who are constantly guiding the culture of tech and product innovation...

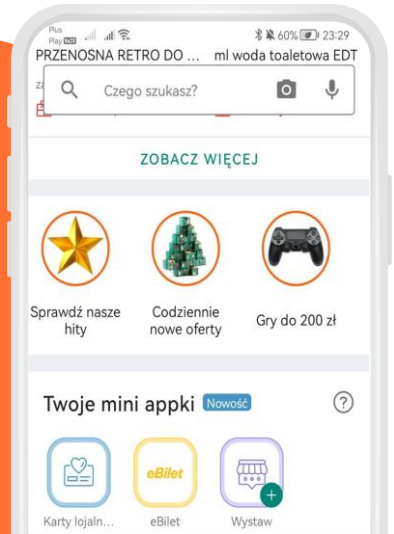
... thus, we're able to attract and retain top European talent.

Case study: AI implementation directly translates into GMV growth

Search engine optimization

Since introduction of AI to Allegro search, we have moved towards more and more advanced intelligent algorithms to **help customers find what they need more easily**. Current deep learning models result in over

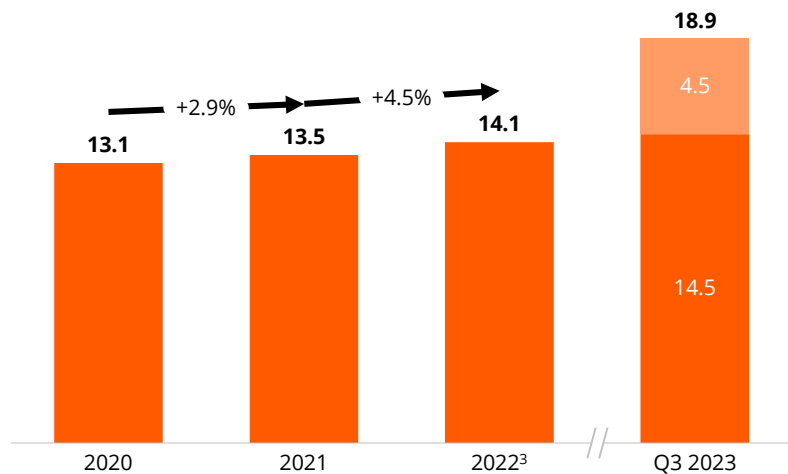
1bn PLN
Incremental GMV annually attributable to AI improvements



06 | Cultivating Customer Engagement and Growth

Allegro continues to attract new clients...

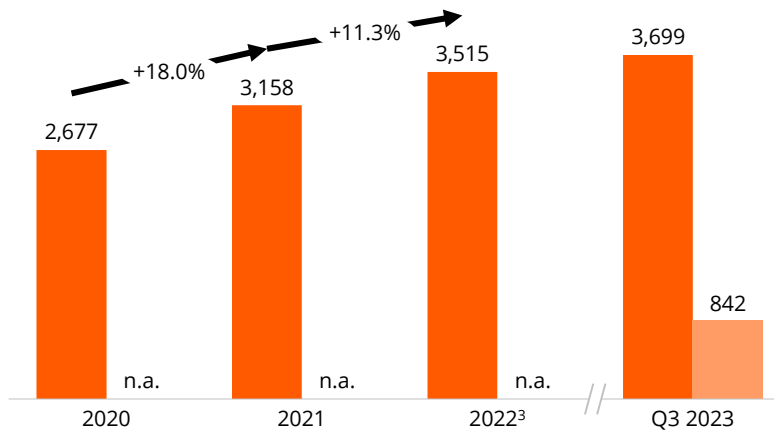
Active Buyers (period end)¹, m



Poland International

... and existing ones consistently increase their spending

LTM GMV / Active Buyer (period end)², PLN m



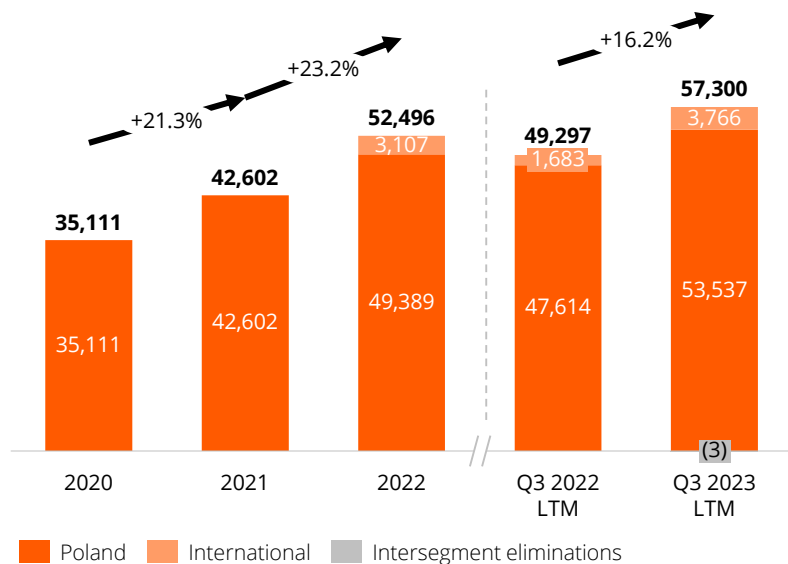
Poland International

1. "Active Buyers" represents, as of the end of a period, each unique email address connected with a buyer that has made at least one purchase in the preceding twelve months
 2. "GMV per Active Buyer" represents LTM GMV divided by the number of Active Buyers as of the end of a period, for the (i) Polish Operations or (ii) International Operations respectively
 3. As reported, no LTM data for International until 12 months after Apr-22 Mall acquisition

06 | Expanding GMV and elevating revenue

Continued GMV uplift

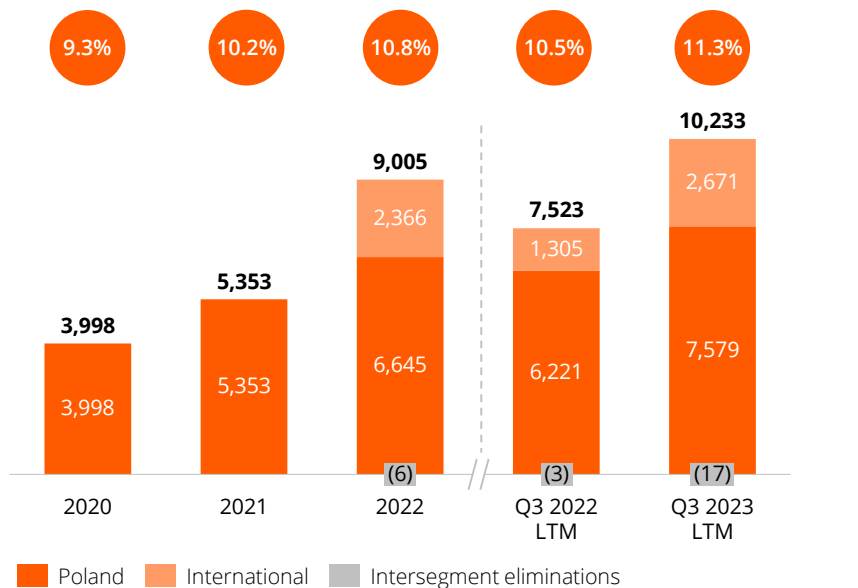
GMV, PLN m



Strategic monetization driving revenue growth¹

Net revenue, PLN m

Take rate Poland, %



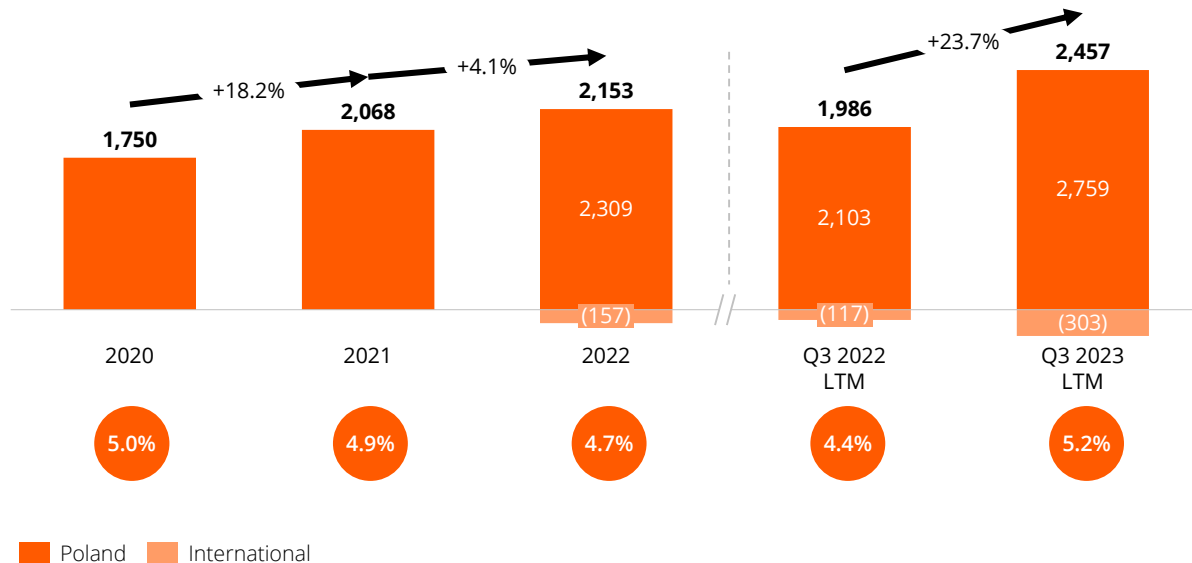
1. In Poland 1P sales account for ~1% of GMV, while international operations still significantly skewed towards 1P business model

06 | Topline growth and effective cost optimization secured robust EBITDA growth

EBITDA's positive trajectory driven by marketplace growth and operational excellence

Adjusted EBITDA, PLN m

● As % of GMV (Polish operations)



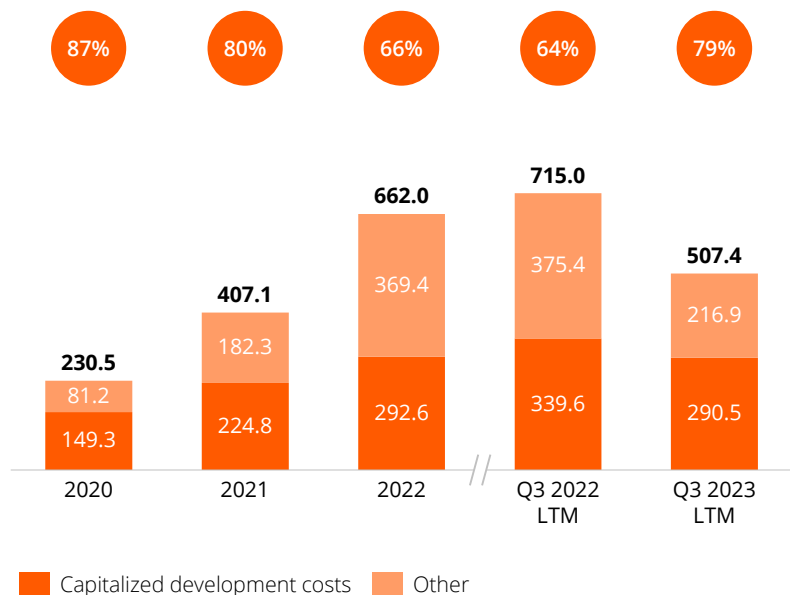
- EBITDA primarily fueled by our robust revenue increase, marketplace's GMV expansion and enhanced year-over-year take rates
- The **success of our 'Fit to Grow'** program has surpassed quarterly objectives and maintained a disciplined approach to SG&A expenses
- Significant uptick in our **high-margin advertising** revenue, which continues to grow and boost our overall profitability
- Despite a rise in Smart! GMV share and necessary cost indexations, we've **effectively managed delivery costs** by optimizing courier usage
- Negative international EBITDA coming from **legacy 1P business loss** and **investments in start-up marketplace in Czechia**

06 | Strong cash flows and targeted investments resulted in consistent deleveraging

Strategic investments and solid cash flow generation

Capex, PLN m

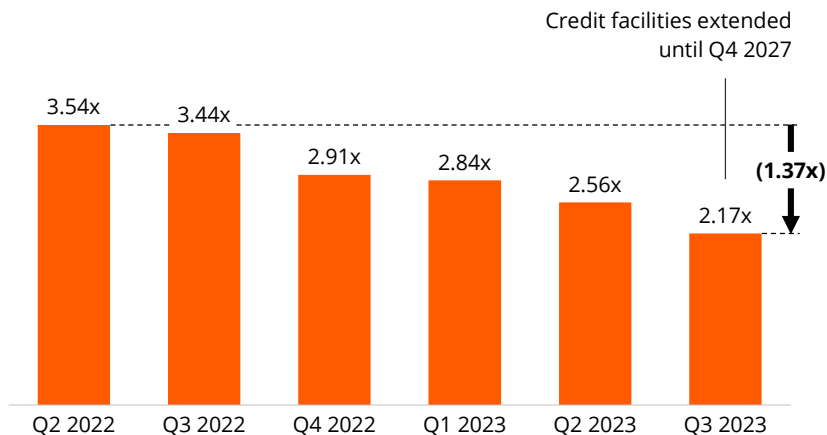
Cash Conversion¹, %



1. Cash conversion defined as (adjusted EBITDA – Capex) / adjusted EBITDA
 2. Net leverage defined as Net Debt / adjusted EBITDA

Steady downward leverage trajectory

Net leverage over time², x



07 | Experienced management team fostering a culture centered on innovation and operational efficiency



Roy Peticucci
CEO



Jon Eastick
CFO



Sandra Bichl
Chief Human
Resources Officer



Wojciech Bogdan
Chief Marketing &
Financial Services Officer



Grzegorz Czapski
Chief Business
Accelerators Officer



Matthias Frechen
Chief Commercial
Officer



Jakub Kłoczewiak
Chief Operating
Officer



David Roberts
Chief Technology
& Product Officer



Tom Ruhan
Chief Legal
Officer

Our internal culture, grounded in innovation and efficiency, ensures a focused commitment to both consumer and merchant needs

31

Nationalities in Allegro foster cultural diversity



~34%

Managerial roles are performed by women



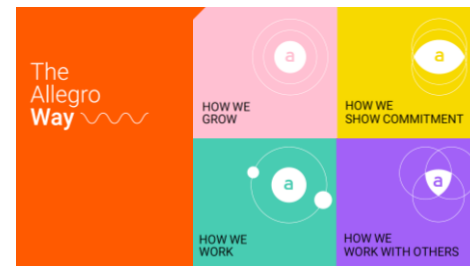
No.1

Retail employer and no. 18 overall best employer in Poland by Forbes²



~35%

Employees are engineers



1. 2022 Pulse Check survey
2. "Poland's best employers" – 2023 survey by Forbes and Statista

Source: Company information

Strong focus on ESG leading to highest ESG rating

MSCI
ESG RATINGS



CCC B BB BBB A AA AAA

Allegro is a leader among 340 companies in the retail - consumer discretionary industry.

#SUSTAINABLEALLTOGETHER

ALL 4 PEOPLE

<5% gender pay gap

PLN 56m in customer donations via Allegro Charytatywni

>80 rNPS in the customer satisfaction survey

ALL 4 PLANET

-10.4% CO2e emission in the value chain

75% of Allegro's 1P packaging is sustainable

30% more pre-owned offers in Allegro Lokalnie

ALL 4 PROSPERITY

+450m PLN Group's income tax paid in FY 2022

6,453 of active workforce² in 6 countries

Almost 480k unique sellers who visited the Allegro Academy e-learning platform

GOOD GOVERNANCE

Board oversight on ESG issues

Set of ESG policies¹

Highest EU standards of ESG Reporting

1. Human Rights, Climate, Diversity, Charity, Security, Transparency, Code of Conduct for Suppliers

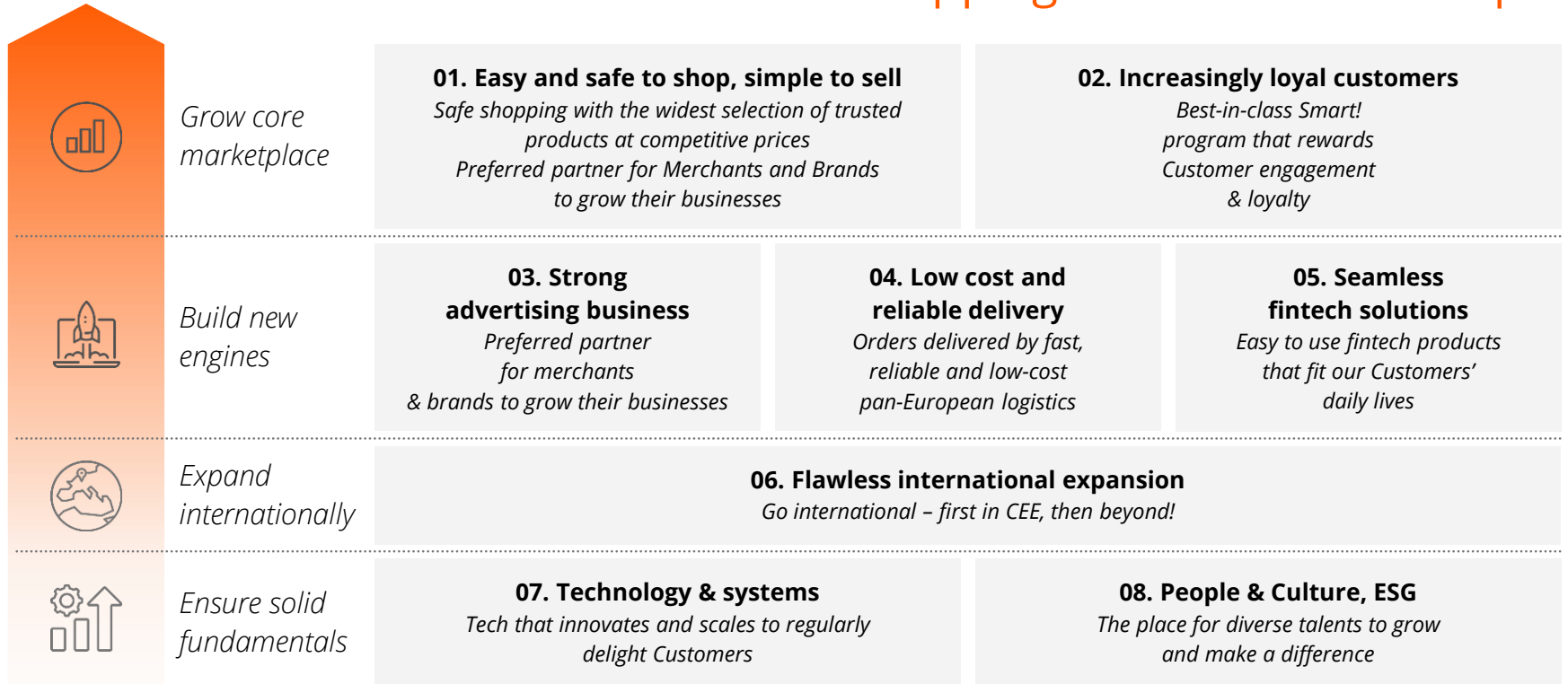
2. Sum of employees, contractors and civil contracts

MSCI ESG Rating of AAA since Oct-23

Data for 2022. For more information visit the [Allegro ESG Report](#)
The 2024-2026 ESG strategy will be published in 2023 ESG report

Key strategic pillars summary

To be the most loved online shopping destination in Europe!



allegro

Allegro: 3P marketplace with 1P user experience

ILLUSTRATIVE

What are 3P marketplaces?

Business model driven by commission (e.g. take rate) and additional services (e.g. ads)

- ⊕ Asset light business model (e.g. stock owned by 3rd Party merchants)
- ⊕ Technical capabilities to ensure the best user-experience
- ⊕ Competition of 3rd Party merchants for lowest prices with positive influence on marketplace revenues
- ⊖ Reliability on 3rd Party merchants sales quality (e.g. limited control over dispatch time, quality of items)

Example: Etsy, MercadoLibre, AliExpress, eBay, Zalando Partner

What are 1P e-commerce players?

Business model driven by positive sales margin

- ⊕ Full ownership of customer experience (e.g. fast dispatch from own warehouses)
- ⊖ Technical capabilities and operational excellence (higher overhead & CAPEX)
- ⊖ Heavy cost base (e.g. OPEX: stock, CAPEX: warehouses) and a risk of negative margin (e.g. low sales prices)

Example: Walmart, Kingfisher, Mytheresa, BestBuy



allegro combines the best elements of both worlds

While we benefit from profitable 3P marketplace asset light model we, as 1P players, take full ownership of shopping experience which is proven by world-class 70+ NPS