

Allegro steps up profitability growth and continues the international rollout of its platform

Financial highlights

- **Gross merchandise value (GMV)** from Polish Operations reached PLN 13.6bn in Q1 2024 as growth **accelerated to 10% YoY** to once again outpace nominal retail sales.
- **Revenue¹ from Polish operations was up by 21.8% YoY** to PLN 2.1bn in Q1 thanks to GMV growth and further take rate and advertising sales improvement.
- Continued strict cost management coupled with monetisation initiatives **helped to lift Adjusted EBITDA from Polish operations by 36.6% YoY** to PLN 820m in Q1, releasing more resources to invest in further growth initiatives.²
- Strong profitability coupled with the full impact of new merchants' fee netting scheme further **improved cash conversion and helped cut leverage to 1.4x**, half the level from twelve months ago.
- Shoppers keep rewarding Allegro's ever-growing selection at great prices with their loyalty and shopping frequency. Allegro's **active buyers base in Poland rose for an eighth consecutive quarter**, hitting 14.8m in Q1. The average **GMV per active buyer was 5.8% higher YoY**, accelerating its growth rate QoQ to arrive at PLN 3,790 per annum.
- **Allegro Smart! has become a regional benefit program**, helping to cut delivery costs for consumers using the Allegro platforms in Poland, Czechia, and Slovakia, as well as in Slovenia via our Mimovrste brand. The number of Allegro Smart! users in Poland crossed 6 million this month, while over 520,000 benefit from it internationally.
- The value of **loans originated by Allegro Pay reached PLN 2.1bn, financing 14.4% of GMV in Q1**. At the same time, Allegro continued to develop its fintech proposition with the pilot launch of the Allegro Cash deposit account with cashback.
- **Allegro.sk successfully launched in Slovakia**, debuting less than a year after Allegro.cz at one-fifth of the cost of the Czech launch. Allegro's gradual international rollout continues as the number of active buyers across Allegro's regional footprint **reached a record 19.9m**.
- **Group GMV**, including International Operations, **grew by almost 9%** in Q1, while **consolidated Adjusted EBITDA accelerated by 33% YoY**.
- Allegro is expecting Q2 GMV growth for **Polish operations** in a 10-11% range YoY, with revenue foreseen to rise by 22-24%, and Adjusted EBITDA up by 26-29% YoY. Q2 GMV for **International Operations** is expected to increase by 3-6% while revenue would decline by 21-25% YoY. Adjusted EBITDA loss is planned at PLN 130-150m. CAPEX is foreseen at PLN 140-150m in Poland and PLN 25-35m in International Operations during Q2. **Consolidated** GMV is expected to grow by 9-10% YoY, with revenue planned

¹ The sum of Total Revenue and Other Operating Income.

² Allegro has included certain alternative performance measures in this Press release that are not measures defined within the International Financial Reporting Standards. Definitions of alternative performance measures used by Allegro can be found in the Group's interim report, page 15-17, available at <https://about.allegro.eu/financial-results>.

to grow by 11-14% in Q2. The group's Adjusted EBITDA growth is predicted at 22-27% YoY, with CAPEX seen coming in at PLN 165-185m.

"We are strong in Poland and getting stronger abroad after the successful launch of Allegro.sk in Slovakia. We are now a business serving 20 million active buyers across our regional footprint, with more than 5 million from outside Poland already shopping on international marketplaces. We are not stopping there. Thanks to Allegro.cz and Allegro.sk we have added around 16m of potential new customers, as we look to nearly double Poland's 38m-strong potential customer base by launching our platforms across five new countries where we already operate in," said **Roy Perticucci, Allegro CEO**. "Allegro.sk followed Allegro.cz in less than a year as we now have a playbook for our international rollout. Our expansion model is asset-light, which means declining capital investment with each launch while driving coverage and unlocking new GMV. Each platform we launch instantly gives local consumers access to the largest selection available in their home market, while offering merchants new possibilities to reach a growing audience. We want to continue to grow our core marketplace, ensuring client loyalty with safe and easy shopping. At the same time, we are building new growth engines in advertising and fintech to boost our potential. We also take good care of long-term margins through expanding our low-cost delivery capabilities, investments into advanced technology and managing productivity."

Poland Update: Allegro makes good on financial expectations, further expanding shopping and selling convenience on the country's most popular platform

Allegro met or exceeded all of its Q1 financial expectations in its home market, where it generates 95% of the overall business. The platform continues as the go-to online shop, with the number of active buyers in Poland hitting 14.8m while their average annual GMV spending was 5.8% higher YoY in Q1. They can pick and choose from 445m offers for nearly 130m products from more than 150 thousand merchants. Allegro Smart! is already a regional programme and together with Best Price Guarantee, Allegro Protect, or Allegro Pay - each a byword for convenient and affordable e-shopping - they reinforce each other as demand levers and boost customer loyalty. The value of all loans originated by Allegro Pay, Allegro's fintech arm, jumped by 27% YoY to PLN 2.1bn in Q1, financing 14.4% of the platform's GMV. Allegro Pay has a new financing partner, Banco Santander, and Allegro Cash - a new cashback deposit account for consumers - is now in test mode. The Allegro app remains the gateway to all this innovation right at one's fingertip as the most popular shopping app in Poland.

The group continues to upgrade its delivery appeal by boosting its own capacity and expanding cooperation with its valued logistics partners. One Kurier continues to expand its catchment area while the group's One Box parcel machine network systematically increases its utilisation. DPD will now also deliver to One Boxes and One Punkts, while a new 7-year agreement with Ruch covers deliveries to the out-of-home networks of Orlen Paczka, as well as One Box and One Punkt. Along with the recent volume-discount annex to the long-standing and highly successful cooperation with InPost, these agreements are part of Allegro's ongoing efforts to scale and diversify the network of parcel machines and pick-up/drop-off points (PUDOs) available to buyers.

As Polish consumers show more willingness to spend, they continue to reward Allegro with their trust when shopping online. Overall, hundreds of millions of attractively priced offers from thousands of merchants translated into Allegro's Polish GMV rising by 10% YoY in Q1, again outpacing the country's overall nominal retail sales. Consumers turn to Allegro for safe and easy shopping, with Supermarket and Health & Beauty categories outpacing average GMV growth by 1.5-2.0x. At the same time, merchants and brands look to attract millions of shoppers on the platform, boosting Allegro's advertising revenue in Poland by 26% YoY in Q1. Higher GMV growth and take rates, together with rising advertising revenue and continued cost control pushed Adjusted EBITDA almost 37% higher YoY, raising margins and helping halve the leverage YoY to 1.4x.

International Update: Marketplace expansion is ongoing, as Allegro.sk follows Allegro.cz

Allegro now offers the widest selection available in Poland, Czechia and Slovakia, with customers in all three countries already benefiting from Smart!, Best Price Guarantee on hundreds of thousands of offers, and a wide selection of local and cross-border delivery methods. Allegro.sk launched in Slovakia in March with as many as 100 million offers, or 10 times more than any other e-shop in the market. Allegro.sk and Allegro.cz in Czechia jointly have over 2 million active buyers, with 1.3 million of those shoppers new to the group. Allegro now has over 520,000 international Smart! users - a third more than a quarter earlier - while the number of merchants selling on Allegro.cz and Allegro.sk jumped by a fifth YoY to over 45 thousand, including legacy brands MALL and CZC.

Allegro is gradually transforming MALL and CZC into effective Allegro merchants. GMV and revenue declines in the MALL Segment pushed the respective figures lower than expected in the overall International Segment in Q1, but the business' gradual transformation and the start of the new platforms translated into a lower-than-expected Adjusted EBITDA loss in the International Segment. Allegro will continue to deploy its asset-light expansion model into new markets across the region. Every new launch will cost less while driving coverage and GMV.

"Allegro got off to a strong start in 2024, with Polish GMV accelerating its pace of growth to 10% YoY in Q1. Monetisation changes coupled with ongoing cost management initiatives continue to pay off, helping propel Adjusted EBITDA growth to almost 37% YoY during the first three months of the year which usually are a slow season for e-commerce," said **Jon Eastick, Allegro's CFO**. "The first quarter saw us invest in our delivery capabilities and diversify supplier relationships, as well as signing up Banco Santander as a second funding partner for Allegro Pay. We also completed our transition to deducting merchant commissions at source which, together with strong profitability and cash flow, brought the group's leverage down to 1.4x."

About Allegro

Founded in Poland almost 25 years ago, Allegro now operates a leading online marketplace across Central and Eastern Europe. Based in Luxembourg and listed on the Warsaw Stock Exchange after the largest IPO in the bourse's history, Allegro solidifies its position as the largest online marketplace of European origin. The platform connects millions of buyers from across Eastern and Central Europe as well as the EU with thousands of international merchants who provide hundreds of millions of offers. Having established itself as the go-to marketplace for all customers during the pandemic, Allegro consistently proves the most convenient and cost-efficient platform in times of inflation, aiming to become the most loved online shopping destination in Europe.