

Allegro meets Q3 expectations and is readying for the peak season with marketplaces up and running in four CEE countries

Financial highlights

Consolidated Group

- **Group gross merchandise value (GMV)**, including International Operations, **grew by almost 10%**, or at the higher end of expectations, while **consolidated Adjusted EBITDA slightly beat Q3 outlook with an 8.6% rise YoY**.¹
- **Active buyers hit 20.5 million** across Allegro's regional footprint, including over 5.5 million consumers outside Poland.

Poland

- **GMV from Polish Operations grew** by 10.8% YoY — more than **five times faster than the country's nominal retail sales** — to reach PLN 14.7bn in Q3, again underlying that Allegro is the go-to place for online shopping.
- **Revenue² in Poland rose 17.1% YoY** to reach PLN 2.29bn in Q3, with advertising revenue up by more than 30% YoY.
- **Adjusted EBITDA from Polish operations jumped 13.5% YoY** — slightly above expectations — to PLN 883m in Q3. **Adjusted EBITDA margin** came in at 6% of GMV, again **ahead of Allegro's midterm aspirations** range of 5.3-5.7%.
- Continued cost management and robust cash conversion helped **cut leverage to 0.95x** from 2.2x a year earlier.
- Unmatched selection at great prices translates into customer loyalty. Allegro's **active buyers base in Poland exceeded 14.9m** in Q3, with the average **GMV per active buyer accelerating growth to 6.8% YoY** at PLN 3,950 per annum.
- Since the program launched in 2018, **Allegro Smart!** has helped more than **6 million beneficiaries** in Poland to **save more than PLN 13bn** through free deliveries.
- **Allegro Pay has over 2 million users** and has just started expanding its product portfolio with a **Visa payment card** that enables the use of Allegro Pay beyond Allegro. The value of loans originated by Allegro's fintech arm **rose by 33% YoY to PLN 2.7bn**, financing 14.2% of GMV in Q3.

¹ 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 14-16, available [here](#).

² The sum of Total Revenue and Other Operating Income.

International

- More than **2.8m Czech and Slovak consumers are active buyers** on Allegro's new platforms, with 2m new to the group. **Allegro.hu is now up and running** in Hungary, just half a year after the launch in Slovakia, giving Hungarian consumers access to an unmatched selection.
- The pool of merchants selling on Allegro's Czech and Slovak marketplaces **grew by 13% QoQ to over 60 thousand**, with sales by Czech and Slovak merchants **up by 40% QoQ**.
- There were almost **900 thousand Allegro Smart! users** in Czechia and Slovakia at the end of Q3. **Smart! is expanding its reach across the region**, helping cut costs for consumers in Poland, Czechia, Slovakia, Slovenia, and Hungary.
- The three new platforms **expanded Allegro's addressable market** by almost 26 million people. Future launches in Slovenia and Croatia will add around 6 million more.

Outlook

- Allegro is expecting Q4 GMV growth for **Polish operations** in an 11-13% range YoY, with revenue projected to rise by 13-16%, and Adjusted EBITDA up by 4-7% YoY. Q4 GMV for **International Operations** is expected to fall by 25-28% YoY. Due to the ongoing reduction of loss-making sales in the MALL Segment, offsetting the organic growth of Allegro international marketplaces, revenue may decline by 48-52% YoY, while the Adjusted EBITDA loss is anticipated at PLN 210-230m. CAPEX is foreseen at PLN 170-180m in Poland and PLN 30-40m in International Operations during Q4. **Consolidated** GMV is expected to grow by 8-10% YoY, with revenue seen between -2% and +2% YoY in the last quarter of the year. The group's Adjusted EBITDA decline is predicted at 2-6% YoY, with consolidated CAPEX seen coming in at PLN 200-220m.

"Allegro will turn 25 next month, and I'm glad we can celebrate further steps to becoming the most loved online shopping platform across our operating footprint. We are implementing our successful marketplace model across four Eastern European countries, with more to come," said **Roy Peticucci, Allegro CEO**. "Within eighteen months, Allegro launched platforms in three new markets, with millions of consumers already buying with us and thousands of local merchants boosting their businesses on Allegro. It demonstrates the adaptability of our model. Allegro is now serving 20.5 million active buyers across the region, simplifying e-commerce for consumers and merchants everywhere we operate."

The CEO added: "As Allegro gradually expands its addressable market, it focuses on building solid fundamentals for further growth. In our business, it comes from translating ever-growing selection into increased shopping frequency and this goal underlies everything we do: from productisation to findability, and from shopping convenience to consumer trust. Soon, we will be operating on a single shared software stack, allowing also for the same way of coordinated work everywhere in our group. We want to boost our business by removing any barriers to

buying or selling, and our marketplace model provides the best answer. At the same time we seek to ensure efficient logistics locally and internationally, and recruit the best talent everywhere we go. There is no better time to prove our strength and unmatched selection than during the peak Christmas season. We are ready for it with Allegro platforms up and running in Poland, Czechia, Slovakia, and Hungary. We are preparing the launches in Slovenia and Croatia which should arrive in the coming quarters.”

Poland Update: Allegro performs in line with expectations, with margins still above midterm aspirations

Allegro met all of its Q3 financial expectations for Polish operations, coming in slightly above its target range for Adjusted EBITDA. The expanding base of nearly 15 million active buyers in Poland continues to take advantage of the millions of attractive offers from over 157 thousand merchants selling on Allegro. The average GMV per active buyer accelerated YoY growth to 6.8% in Q3, the fastest pace in a year, contributing strongly to the platform’s overall GMV growing by 10.8% YoY in Poland — a pace more than five times stronger than the country’s nominal retail sales. Priority categories — Supermarket & Health & Beauty — continue to outperform, growing nearly twice as fast as the overall Q3 GMV. Adjusted EBITDA from Polish operations grew by 13.5% YoY, boosted by monetisation improvements made at the start of the year. This kept Allegro’s GMV margin at 6%, comfortably above midterm aspirations, and helped push financial leverage below 1x versus 2.2x a year earlier.

Growth in e-commerce comes from customer loyalty, which Allegro spurs with its brands dedicated to facilitating online shopping. Allegro Smart! has already helped its users save over PLN 13 billion on deliveries while boosting sales, and the group’s fintech arm Allegro Pay helped finance 14.2% of overall GMV in Q3 alone. They have already become bywords for convenient e-shopping among millions of consumers. Allegro Smart! is now available on more than 220 million offers, while Allegro Pay has just offered its first payment card by Visa that allows to use Allegro Pay beyond Allegro. Allegro Delivery is another example of how Allegro starts with the consumer perspective when designing great experiences. It combines the strength of Allegro’s logistics partnerships for the sake of consumer convenience, aiming to bring carrier selection decisions into a single interface where the customer only needs to pick their preferred locker or choose home delivery. It makes for even more efficient cooperation in logistics, helping all sides boost volumes. Allegro Delivery now spans lockers in over ten thousand locations, including ORLEN Paczka and Allegro One Boxes. More will come next year, and all carriers are welcome to join.

International Update: Allegro.hu launch in Hungary marks another step for the group’s regional marketplace rollout

Allegro’s Czech platform Allegro.cz and Allegro.sk in Slovakia gained 300 thousand new active buyers in Q3, bringing the overall number to 2.8 million consumers actively buying on Allegro’s two new platforms. A growing pool of over 60 thousand merchants contributed to the unmatched selection in the two countries. This translated into 96 million visits and 5.7 items sold on the marketplaces during the last quarter, with sales of Czech and Slovak merchants up by

40% on a quarterly basis. Due in large part to the new platforms, Allegro's International Operations booked Q3 results in line with expectations. GMV at Czech legacy brands declined YoY in-line with expectations as Allegro continues to minimise low-margin sales and trim selection at MALL. At the same time, GMV and revenue from Allegro's new marketplaces approximately doubled YoY in Q3, resulting in a slightly lower than anticipated overall Adjusted EBITDA loss at International Operations.

With footholds now in place in Czechia and Slovakia, Allegro wants to boost international growth by building shopping frequency. To that end, the group is gradually turning its successful branded features international. The number of Smart! paid subscriptions in Czechia and Slovakia neared 900 thousand and the One Box automatic parcel machine network in Czechia grew to 270. Allegro.cz and Allegro.sk expand Allegro's addressable market by 16 million people, with almost 10 million more added thanks to the launch of Allegro.hu in Hungary in October, just half a year after its Slovak predecessor. The new platform arrives with an unrivalled selection of over 150 million international offers across a broad catalogue of everything from electronics, home and garden supplies, fashion, and health & beauty products to automotive parts, books, and collectables. Hungarian consumers can instantly benefit from Allegro Smart!, Best Price Guarantee or Allegro Protect, as well as a variety of delivery and payment options, with merchants gaining a new online shopping platform and potential gateway to regional clientele. Similar platforms in Slovenia and Croatia are due in the coming quarters.

Financial Update

"Allegro maintained excellent profit margins in the Polish business during the third quarter and continued to scale its marketplace model internationally," said **Jon Eastick, Allegro CFO**. "Profitability in Poland and on the group level landed slightly ahead of expectations, while Allegro's overall leverage dipped below 1x group Adjusted EBITDA. This is a strong financial position that gives us confidence for further gradual expansion in the region, and investment into our growth engines in advertising, fintech and logistics. Allegro's Polish shoppers have been increasing their spending with us at the fastest annualised rate in a year, despite signs of weakening retail sales. Our guidance for Q4 demonstrates our confidence, as we aim to accelerate GMV growth to as much as 13% YoY. We know this will cost more in terms of marketing, but we also believe Allegro will be rewarded for great Christmas offers with increasing customer loyalty. While our Adjusted EBITDA growth is expected to slow in Q4, our full-year Adjusted EBITDA margin should stay above our medium-term aspiration of 5.3-5.7% of GMV."

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. Allegro has already established itself as the go-to marketplace for consumers in Poland and the flywheel of the Polish economy, helping to generate around 1% of the country's gross domestic product (GDP) and its total workforce. It wants to echo the positive impact in every country where it operates, aiming to become the most loved online shopping destination in Europe.