

Allegro.eu IPO commences trading on the Warsaw Stock Exchange

Investment in the customer proposition, management team and platform drives value creation

Allegro.eu (“Allegro” or “the Group”), a global top ten e-commerce platform and the leading and most recognised internet brand in Poland, completed its successful listing on the Warsaw Stock Exchange (“WSE”) today with its shares trading under the symbol “ALE”. The listing, which was executed via a placing to both institutional and retail investors, represents the largest initial public offering (“IPO”) on the WSE to date. At the IPO price of PLN 43 per share, the implied market capitalisation is PLN 44 billion (€9.8 billion).

Funds advised by Cinven, Permira and Mid Europa Partners (together “the Sponsors”) acquired Allegro.eu in January 2017 for US\$3.25 billion (€2.75 billion). The value creation strategy involved investing in the experience and convenience of Allegro’s services to both consumers and merchants. Initiatives included the development of a best-in-class mobile app, improved logistics solutions and pricing tools, and the launch of Allegro SMART! – the subscription-based loyalty program whose subscriber base has grown to 2.1 million subscribers at 30 June 2020.

The impact of these initiatives, under leadership of Allegro’s Chairman Darren Houston, CEO François Nuyt and the enhanced management team recruited to the Group, has been significant. Over the lifetime of the Sponsors’ investment, GMV grew by 99%, net revenue by 102% and adjusted EBITDA by 113% on a last-twelve month (“LTM”) basis. Most recently, GMV growth increased further to 54% (LTM to 30 June 2020) as consumers turned to Allegro to provide them with goods during the ongoing COVID-19 pandemic.

In addition to the significant business growth and value creation, Allegro has seen a substantial increase in employees from 1,380 at the end of 2016 to nearly 2,300 as at 30 June 2020.

Due to the strength of investor demand the original offer of shares was up-sized, with c. 182.6 million shares sold by the Sponsors in the IPO (in aggregate), raising PLN 7.85 billion (€1.76 billion) while retaining an aggregate equity stake in the Group of c. 73% post-listing (before exercise of the over-allotment option). Should the over-allotment option be fully exercised, the Sponsors will realise a further PLN 1.38 billion (€308.72 million).

Commenting on the IPO, David Barker, Partner of Cinven said:

“When we originally invested in Allegro in 2017, it was a good business with a good reputation. We brought in a new management team, led by the highly experienced Chair, Darren Huston, and CEO, François Nuyts. Together with management and our co-shareholders, we focused on improving the experience for both customers and merchants on the platform and created the ongoing improvements evident in the operating metrics and financial performance of the business. As a result, Allegro is now a great business with an excellent reputation and has an exciting outlook for future growth.”

Richard Sanders, Partner of Permira added:

“Over the last four years, Allegro has grown from strength to strength. With a long-term growth mindset, the company has continued to make significant investments in headcount and technology to improve the consumer

and merchant experience. This has spanned everyday retail basics – such as lowering prices and broadening selection – to longer-term strategic bets like Smart!, which are fundamentally transforming the quality of the online shopping experience in Poland. Today marks the next step in the company’s growth trajectory, and we are very excited to continue working with Darren, Francois and the management team.”

Paweł Padusiński, Partner and Head of Warsaw Office of Mid Europa Partners added:

“Allegro’s success story is one of the best testimonies to Mid Europa’s strategy focused on supporting the leading consumer facing businesses in Poland and Central Europe. During our investment in Allegro, we have provided our local investor perspective to the Board and, through our Warsaw based team, have worked closely with Allegro’s highly talented and motivated management. Jointly with our partners, we have helped develop Allegro into a Top 10 global e-commerce marketplace. I am very pleased that this CEE success story was recognized by so many reputable institutional and retail investors. Allegro can now start its new growth chapter as a public company, after having completed the largest ever IPO on the Warsaw Stock Exchange.”

Lazard & Co., Limited acted as Independent Financial Advisor; Goldman Sachs International and Morgan Stanley & Co. International plc acted as global coordinators and joint bookrunners; Barclays Bank PLC, BofA Securities Europe SA, Citigroup Global Markets Limited and Dom Maklerski Banku Handlowego S.A. as joint bookrunners; Santander Bank Polska S.A and BM PKO BP as joint bookrunners and co-offering agents in Poland in connection with its offer to retail investors; Bank Polska Kasa Opieki Spółka Akcyjna, Crédit Agricole Corporate and Investment Bank, Erste Group Bank AG, Pekao Investment Banking S.A. and Raiffeisen Centrobank AG, as co-lead managers.

Clifford Chance acted as legal counsel to the Issuer; Allen & Overy acted as legal counsel to the underwriters; Greenberg Traurig Grzesiak acted as legal counsel to the underwriters with respect to legal matters of Poland and on the admission of Allegro shares to listing on the Warsaw Stock Exchange; PwC acted as reporting accountant; E&Y acted as tax advisor; FTI Consulting LLP and NBS Communications provided strategic communications advice to Allegro.eu internationally and in Poland, respectively.

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About Mid-Europa Partners

Mid Europa Partners is a leading private equity firm focused on the growth markets of Central and Eastern Europe. Operating from London, Warsaw, Bucharest, Budapest and Istanbul, Mid Europa Partners has raised and managed funds of approximately €5.3 billion.

Mid Europa has a pan-regional approach, acquires market leading companies, principally in domestic-focused growth industries, and since inception in 1999, has completed 41 investments across 18 countries in the region.

For additional information on Mid Europa Partners please visit: www.mideuropa.com

About Permira

Permira is a global investment firm. Founded in 1985, the firm advises funds with a total committed capital of approximately US\$50bn (€44bn) to make long-term investments in companies with the objective of transforming their performance and driving sustainable growth. The Permira funds have made over 250 private equity investments in four key sectors: Technology, Consumer, Services, and Healthcare. Permira employs over 250 people in 14 offices across Europe, North America, and Asia. For more information, please visit www.permira.com

About Cinven

Cinven is a leading international private equity firm focused on building world-class global and European companies. Its funds invest in six key sectors: Business Services, Consumer, Financial Services, Healthcare, Industrials and Technology, Media and Telecommunications (TMT). Cinven has offices in New York, London, Frankfurt, Paris, Milan, Madrid, Guernsey, Luxembourg and Hong Kong.

Cinven takes a responsible approach towards its portfolio companies, their employees, suppliers, local communities, the environment and society.

For additional information on Cinven please visit www.cinven.com and www.linkedin.com/company/cinven/.