

Classifieds¹

Operational performance



Key statistics

Revenue
US\$951m
 (FY23: US\$755m)
 (26% YoY growth US\$196m)
 (19% YoY growth in local currency, excluding M&A)

Number of employees
2 811

Trading profit
-US\$187m
 (FY23: US\$47m)
 (20% trading profit margin)

Adjusted EBITDA
-US\$211m
 (FY23: US\$74m)
 (22% EBITDA margin)

Stakeholder material matters

- Employees**
- › Job security, career development, and competitive benefits.
- Customers**
- › Trust, safety and convenience.

Strategic focus

- › Investments in AI and ML
- › Differentiating through category-specific user experience and services
- › Accelerate profitability to reach best-in-class industry margins
- › Leveraging services to capture monetisation upsides
- › Scaling pay-and-ship capabilities to enhance and expand goods category
- › Enabling faster innovation through technology and data.

Risks

- › Disruptive technology such as AI and GenAI
- › Legislative changes derived from stricter enforcement of consumer protection laws and competition regulations
- › Geopolitical risks from the conflict in Ukraine
- › Macroeconomic uncertainty.

Value drivers

- › Continuous improvement of toolkit for professional listers across motors and real estate categories to improve the visibility and effectiveness of their listings
- › Tech unification programmes enhancing agility, innovation capabilities and go-to-market speed
- › Extension of pay-and-ship to more categories and expanded shipping options to improve conversion.

SDG 12 SDG 13 SDG 17

Profitable growth and scaling new capabilities

The OLX classifieds business continued to accelerate growth, margin expansion and cash flow generation.

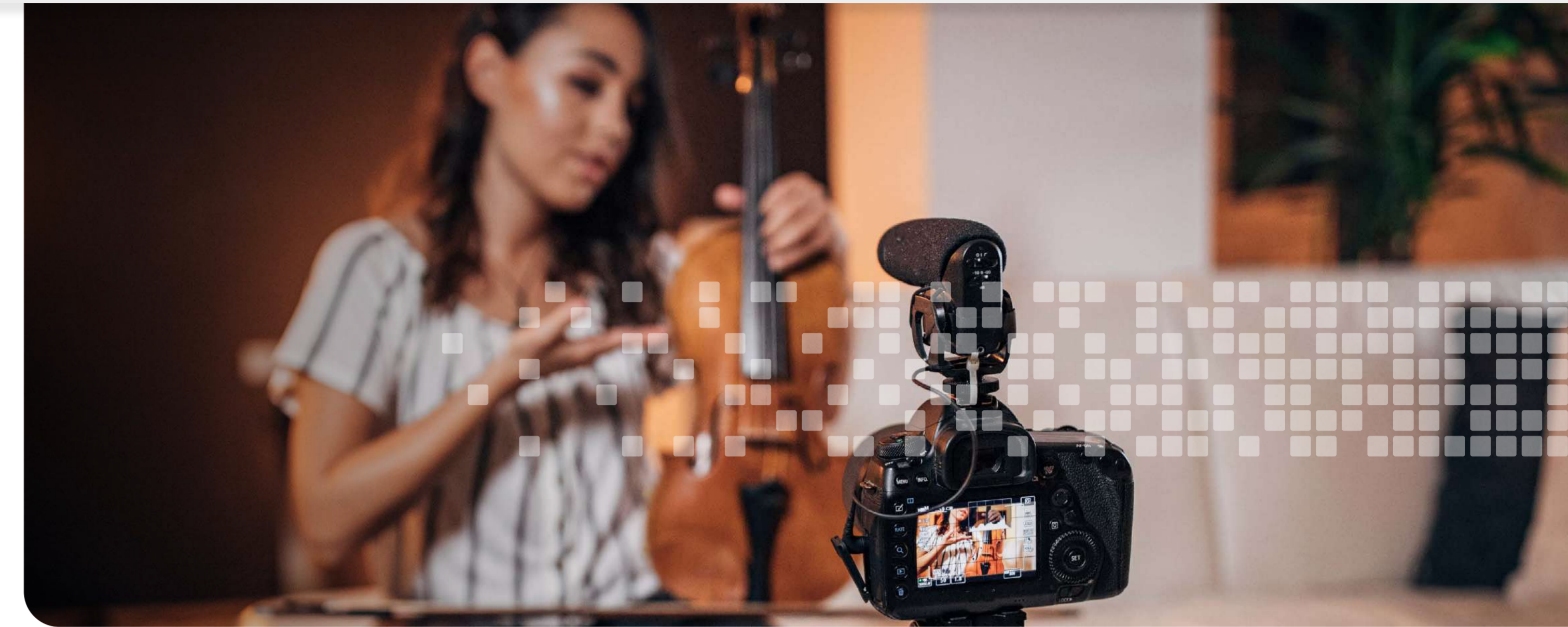
Classifieds consolidated revenue grew 36% (27%) to US\$707m. The strong performance was mainly driven by OLX Europe, where the motors category grew 45% across both horizontal and vertical platforms, and OLX Ukraine’s marketplace activities recovered to pre-conflict levels. Additionally, pay-and-ship revenue grew 73% (69%) to US\$45m, driven by improved monetisation and product optimisation. Despite the impact of high interest rates on property transactions across our markets, the real estate category experienced growth, with a solid 25% increase in revenue, reaching US\$96m. South Africa continued to grow both its vertical platforms and sustained its profitability, delivering revenue of US\$46m for the year.

Trading profit more than tripled to US\$172m from US\$56m, with margins expanding sharply to 24% from the previous year’s 11%. This improvement was driven by strong revenue growth, balanced investment and optimisations across technology hubs to leverage costs through scale. Additionally, the business restructured headcount to streamline operations and optimise resource allocation.

As noted, we exited OLX Autos, our automobile transaction business, by selling businesses during the year in India, Indonesia, Chile and Turkey, and closing operations in Mexico, Colombia and Argentina. We continue to explore options for our WeBuyAnyCar business in the US.

After a successful year, we are optimistic about the future business opportunities and plans of OLX. We expect the strong value proposition of its platforms to continue to drive further profitable growth and cash generation.

On an economic-interest basis, Classifieds grew revenue by 26% (19%) to US\$951m and more than tripled trading profits to US\$187m, from US\$47m.



OLX Europe

Building an ecosystem

OLX Europe is a leading classifieds ecosystem, operating online marketplaces in eight countries in Europe and Central Asia with 11 brands. It attracts over 14 million daily active users and exposes them to 62 million daily active listings on average.

The OLX vision is to build leading marketplace ecosystems, enabled by tech, powered by trust and loved by customers. Core to achieving this vision is facilitating the easiest access to great deals for buyers and providing the best liquidity for sellers in multiple ways:

- › Under the OLX brand, we operate horizontal marketplaces for a broad range of categories, catering to both private and professional sellers
- › Specialised verticals in motors and real estate offer richer experiences that target predominantly professional sellers, including car dealers and real estate agents
- › OLX also manages smaller marketplaces such as Fixly for home repairs, Carsmile for car subscriptions, and Obido for new developments in real estate.

In combination, these horizontal and vertical marketplaces operate as a strong traffic and inventory-sharing ecosystem. The horizontals are the main traffic drivers, with the goods category (including pay-and-ship) attracting the most users – 1.8 million out of 4.7 million daily active users in Poland, for example. The motors and real estate verticals serve as sources of high-quality inventory for OLX.

To illustrate, 4.4 million listings are cross-listed from Otomoto to OLX in Poland, while OLX generates 23% of Otomoto’s traffic with a 1.9x higher conversion than the latter’s native traffic. The verticals are also our key monetisation engine with ARPU (average revenue per user) >4x higher than for our horizontals.

Performance

OLX Europe forms the bulk of the OLX Group and delivered another strong performance in the review period, with sustained growth and improved profitability. It is well placed for further growth and margin expansion and will remain a key focus for Classifieds.

OLX Europe is evolving from traditional classifieds to transactions and adjacent services to expand along the value chain. In addition, we are building central platform capabilities that serve our categories in a scalable manner:

- › In goods, we facilitate over 2.5 million pay-and-ship transactions per month on average
- › In jobs, we offer adjacent services including a candidates database for employers and transactions in the form of an ‘apply’ button for job seekers
- › In services, we are enhancing our online booking functionality with a calendar showing the service provider’s availability
- › In motors, we are providing transparency beyond traditional classifieds by offering car history reports, inspection services and dealer ratings
- › In motors, we also expanded to car loans to provide a one-stop-shop for buyers
- › In real estate, we offer tenant verification, virtual tours, mortgage brokerage and data services for agents and developers.

¹ In presenting and discussing our performance, we use certain alternative performance measures not defined by IFRS, referred to as non-IFRS-EU financial measures, alternative performance measures or APMs. Such measures include economic-interest-basis information, trading profit, adjusted EBITDA, headline earnings, core headline earnings, and growth in local currency, excluding acquisitions and disposals. Segment reviews in this report are prepared showing revenue on an economic-interest basis (which includes consolidated subsidiaries and a proportionate share of associated companies and joint ventures), unless otherwise stated. Numbers included in brackets represent the equivalent measure on the basis of growth in local currency, excluding acquisitions and disposals. For further explanation of the use of APMs, refer to ‘About this report’ in the governance section.

Classifieds

Trust and safety remains critical. A series of product improvements led to 835 000 fewer malicious views, and a reduction of around 9% bad ads per month. We have also made progress in complying with the Digital Services Act regulation that became effective in Europe in February 2024. The aim here is to create a safer digital space where the fundamental rights of users are protected and to establish a level playing field for businesses. Our investments in AI and GenAI are improving trust and safety significantly.

OLX Brasil

OLX Brasil, our 50% joint venture with Adevinta, is navigating a weak macroeconomic environment and focusing on cost optimisation, mainly through headcount restructuring. Revenue and trading profit increased 1% and 79%, to BRL887m and BRL243m, respectively. Our local management team is committed to reinvigorating growth in this very important ecommerce market with balanced investments.

Continuing to rebuild our Ukrainian business

The ongoing war in Ukraine is having a massive impact on its society and economy, including high inflation, currency devaluation and a contraction of the economy. Despite this, our Ukrainian team has demonstrated exceptional resilience. After an initial drop in all metrics in the early months of the war, the platform is recovering, with daily active users back to 94% of pre-war levels. Revenue has recovered similarly, growing 88% YoY and delivering positive trading profits.

Our ESG priorities

The OLX Group and its users contribute to building a more sustainable world through trade. In FY24, OLX invested in developing an ESG strategy to fulfil its purpose, and comply with upcoming EU ESG regulations.

As part of our ESG strategy, we focused on promoting thought leadership in the circular economy, particularly in our largest market, Poland. We launched a campaign involving various stakeholders to discuss the benefits of recommerce and secondhand trading. OLX actively participates in the Ellen MacArthur Foundation, the largest global circular economy NGO, and the Coalition of Marketplaces Europe to advocate for circular economy and reuse in the EU sustainability agenda.



In the year ahead, we will expand our thought-leadership programme by releasing the fourth edition of our annual circular impact report www.olxgroup.com/impact/impact-report-series/. Our operational environmental footprint is relatively small due to our low-carbon platforms and use of renewable energy in our offices and data centres. We have been measuring our scope 1, 2 and 3 emissions for the past four years and have a robust carbon-accounting process.

Our focus next year is to fully prepare for CSRD compliance and enhance our public-reporting maturity on ESG-related topics. We have conducted a gap analysis, and a roadmap towards CSRD compliance by FY26, and our double-materiality assessment will serve as the foundation for our ESG programmes from FY25 to FY27.



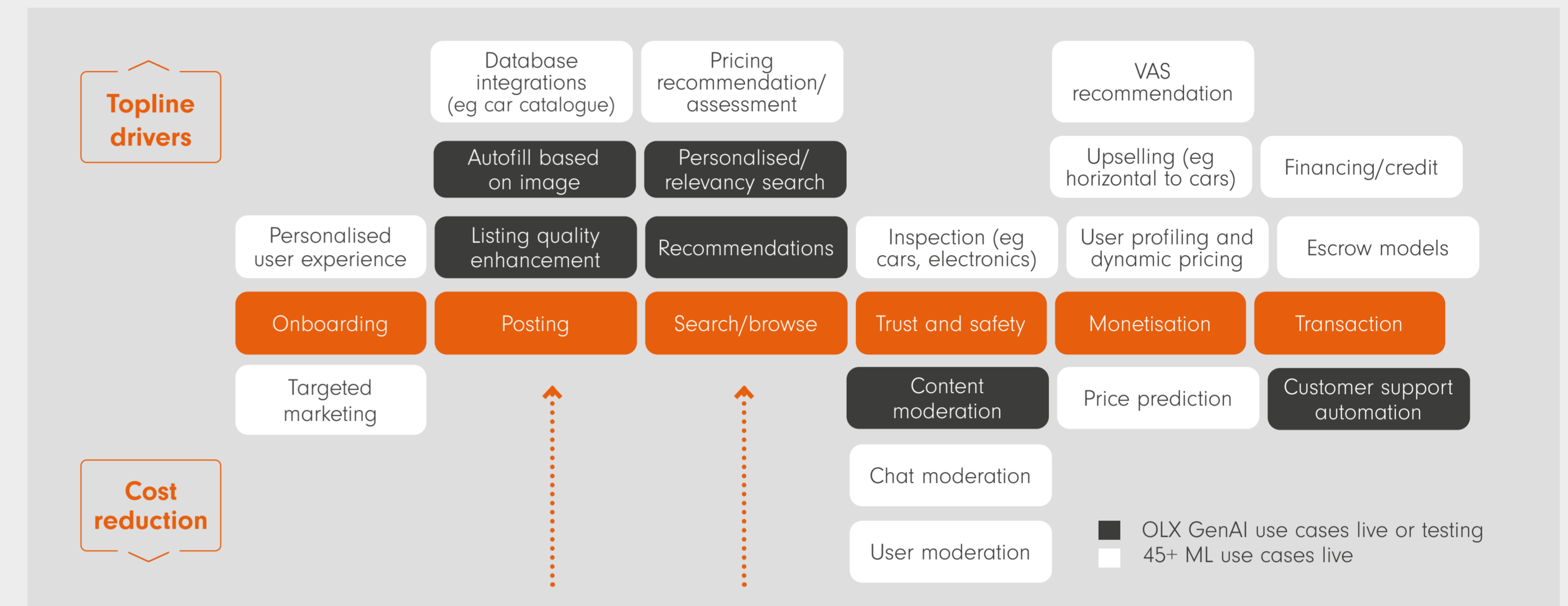
Looking forward

OLX Europe has three key strategic priorities for FY25:

- › Accelerate the development of a transactional marketplace in goods, focusing on pay-and-ship development
- › Increase user growth by improving search engine optimisation, customer relationship management and mobile app engagement
- › Strengthen common tech-platform capabilities, particularly by developing a unified ad domain service.

Our investments in AI and ML

We created a dedicated AI team in early FY19/20 and have invested in building AI and ML capabilities for some years. We deployed more than 45 use cases across every part of the customer journey that drive topline growth and/or reduce costs, as illustrated below.



In FY24, GenAI has been a key investment area, given its potential to significantly improve the user experience in classifieds. Its immediate impact is on search, where it allows users to express their needs in natural language and fine-tune their queries for more precise results. GenAI can also assist sellers in writing better product descriptions, monitoring and detecting fraud, enhancing product photos and suggesting prices.

GenAI is particularly impactful in sectors that offer unique, personalised services, with much unstructured data such as real estate and jobs. These unstructured data categories are those where the respective goods or services are not directly replaceable and selection towards a specific desirable subset requires more work compared to a typical ecommerce experience. In real estate, GenAI can process a shopper's natural language search based on available listings and additional web information, such as home locations and local amenities. In jobs, GenAI can be highly beneficial due to the complexity of job descriptions and candidate profiles.

We have dedicated investments and a concrete roadmap for GenAI, including some major use cases:

- › **Enriching job ads:** Better titles, keywords and other details (already live, resulting in better quality ads and increased conversion)
- › **Trust and safety:** Using embeddings (vector descriptions of images) created by GenAI in a joined representation of image and text (already live, resulting in improved accuracy and 15% reduction to the cost of detecting bad content)
- › **Improved content exploration via chat (A/B test is running). Posting flow enhancements (starting with motors):** Provide suggestions for auto-completing ad fields. The initial result in horizontals reduced the manual effort to post an ad for some categories by 40% (with the same or better quality).
- › **Real estate virtual assistant chatbot:** Improved content exploration via chat. A/B test is running.