

ABOUT ARETE CAPITAL ASIA

Arete Capital Asia is a boutique financial advisory firm based in Hong Kong. Our three Responsible Officers each have over 25+ years experience in international financial markets.

We are truly independent advisers - this means we offer advice based on the best solutions available and we are able to source relevant and niche opportunities. The Arete Team digs deep and push boundaries to uncover and offer compelling risk / reward opportunities for our clients.

ABOUT DIDI GROCERY

Formally launched in June 2020, DiDi Grocery is the grocery e-commerce business of China's leading ride-hailing platform Didi Chuxing. It has become the fastest growing business for the DiDi Group and is poised to have the largest growth engine expected to surpass its ride hailing business GMV by 2022 and EBIT by 2023.

BUSINESS MILESTONES

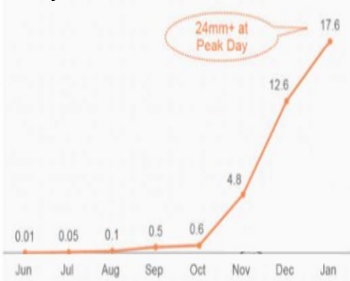
- Entered around 300 cities and 1300 counties, covering almost all cities and around 70% of counties in China within half a year.
- Monthly active customers c. 50m million in January, with rapid monthly growth
- Monthly active community leaders of 2 million in January, also growing rapidly.
- Average daily orders of 18 million, 40% MoM growth over December.
- Significant run rate on 2021 GMV and rapid growth over ramp up.

DiDi Projections (USD mm)

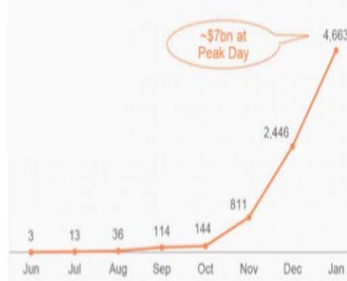
	2020A	2021E	2022E	2023E	YoY Growth		
					20/21	21/22	22/23
GMV							
Ride Hailing	31,800	41,340	52,709	65,886	30%	28%	25%
Auto Solutions	5,200	5,720	6,292	6,921	10%	10%	10%
Micro Mobility (Bicycle)	1,000	2,000	3,000	3,400	100%	50%	13%
Grocery	299	22,751	108,267	226,376	7514%	376%	109%
Freight	111	3,064	7,462	12,638	2650%	144%	69%
Autonomous	1	3	9	16	200%	200%	78%
TOTAL GMV	38,411	74,878	177,738	315,237	95%	137%	77%

	2020A	2021E	2022E	2023E	YoY Growth		
					20/21	21/22	22/23
EBIT							
Ride Hailing	600	800	1,500	2,000	33%	88%	33%
Auto Solutions	52	57	63	69	10%	10%	10%
Micro Mobility (Bicycle)	-700	-125	-50	0	38%	60%	100%
Grocery	-402	-3,066	463	7,134	-663%	115%	1441%
Freight	-100	-649	-133	242	-552%	80%	282%
Autonomous	-97	-151	-197	-252	-56%	-30%	-30%
TOTAL EBIT	-146	-3,134	1,646	9,188	-2044%	153%	458%
EBIT Ex-Grocery in '20 & 21	255	-68	1646	9,188	-127%	2512%	458

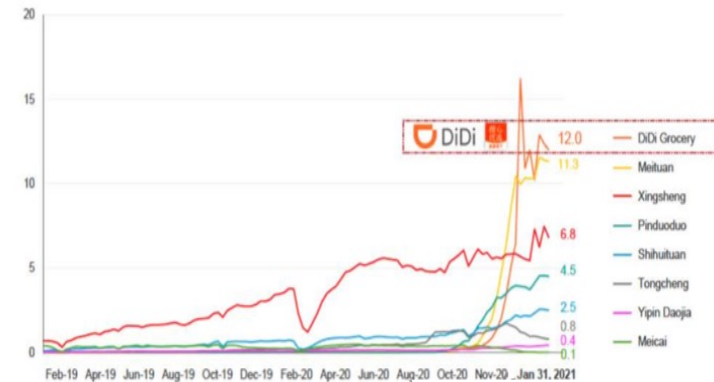
Daily Orders (mm)



Run-rate GMV (USD mm)



DAU COMMUNITY GROUP BUYING (millions)



INVESTMENT PARTICULARS

Investment Structure	Cap Table SPV
Type of Purchase	Primary Round, Direct to Cap Table
Type of Security	Series A-1 Preferred Shares
Purchase Valuation	Effective USD 1.582 bn Pre-money
Last Round Valuation	N/A
Deal Timing	Firm interest ASAP . Doc signed April 6/7. Fund by April 12. Best efforts basis.

EXECUTIVES

CHENG DING
CEO

He is currently the Chief Manager of Xiaoju, DiDi's care service platform and was appointed by Cheng Wei to head the DiDi Grocery together with Liu Zicheng as the President.

COMPETITION

Platform	Strategy	Remarks
DiDi	Venture Build	Top tier competitor, first of major platforms to launch in June 2020
Tencent	Investment Xingsheng Youxuan (Ms. Fresh)	Pioneer of community model, Hunan as foundation; \$8b post money valuation Series D 1Q 2021. comparable scale in DiDi Grocery
Meituan	Venture Build	Founded July 2020, most serious competitor to DiDi Grocery
Pinduoduo	Venture Build	Tier 2 competitor, launched in August 2020, lagging behind daily orders and DAU
Alibaba	Investment	Second mover, launched in Oct 2020 in Wuhan
JD	Investment Xingsheng Youxuan	December 2020

KNOWN INVESTOR



CITICPE is a private equity investment and asset management firm based in China. They recently participated in DiDi's Series I round together with IDG Capital, CCB International, Russia-China Investment Fund etc.

HELPFUL LINKS

Chinese tech giants battle it out in the community group-buying sector
<https://bit.ly/3cd4obg>
 Group-buying sites fined for unfair price competition
<https://bit.ly/31M75uB>

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