

ABOUT ARETE CAPITAL ASIA

Arete Capital Asia is a boutique financial advisory firm based in Hong Kong. Our Directors & Senior Team each have over 25+ years experience in international financial markets.

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

ABOUT MARKET KURLY

Founded in 2015, Market Kurlly is the leading online premium grocery service company based in South Korea, also one of the fastest growing companies in the Korean e-commerce.

Kurlly's end to end food delivery and logistics platform that enables users to order food online before 11 pm and receive it the following morning. The company delivers fresh high-end desserts, bread, milk, bottled water, condiments such as flour & salt, processed foods, and more.

Our base case is for a 12 to 18-month hold, with a potential exit gross return of 3.5x to 4x invested capital.

COMPANY HIGHLIGHTS

- South Korea is one of the fastest-growing E-Commerce markets, predicted \$325bn in 2025 at CAGR of 19.9%.
- Revenue grew at 3-year CAGR of 137%, with 2019 + 180% & 2020 + 138%. Est. 2021 revenue + 160% to \$1.4B.
- End 2019 Kurlly members + 179% y-o-y to 3.9 million at the from 1.4 million in 2018.
- Kurlly has a sticky customer base repurchase rate of 65.2%, more than double the South Korean average of 28.8%.
- Our targeted entry valuation implies Price-to-Sales ("P/S") of **1.37x estimated 2021 revenue** and **0.86x estimated 2022 revenue** - at the low end of the range versus comparable listed companies.
- Kurlly is said to be pursuing an IPO within the next 6 to 12 month very possibly in the US market, following the successful IPO of Coupang in April 2021.

KURLY BUSINESS STRENGTHS

- **Dawn Delivery** Products are distributed to Greater Seoul regions - all orders placed by 11pm arrived 7am next morning
- Logistics costs are saved given dawn deliveries require less refrigerated delivery trucks
- **Curated Themes** include low carb high fat diets, breakfast, seasonal food. Satisfied customers with the curation service are likely to return and make repurchases.

FINANCIALS

Market Kurlly Summary Income Statement

(USD Millions)	2019A	2020A	2021E	2022E	2023E	2024E	2025E	2026E
Revenue	367.90	875.97	1,751.93	2,803.09	4,204.64	5,886.49	7,652.44	9,182.92
(Cost of Sales)	(307.56)	(720.35)	(1,423.19)	(2,249.07)	(3,342.07)	(4,634.75)	(5,986.92)	(7,138.39)
Gross Profit	60.34	155.61	328.74	554.02	862.56	1,251.74	1,665.52	2,044.54
(Operating Expenses)	(147.80)	(262.47)	(393.55)	(524.57)	(708.01)	(936.03)	(1,180.97)	(1,395.64)
Operating Income	(87.46)	(106.86)	(64.81)	29.45	154.55	315.70	484.55	648.90

Market Kurlly Food Delivery Comparables Valuation Metrics Summary

Listed Comparable Companies	Market Cap (US \$B)	P/S PY ('20)	P/S CY ('21)	'21 Revenue Growth
DoorDash	\$44.4B	15.4x	10.6x	45.53%
GoodFood Market	\$451M	1.9x	1.4x	33.52%
Delivery Hero	\$33.38B	11.0x	4.3x	155.87%
High		15.4x	10.6x	155.87%
Median		11.0x	4.3x	45.53%
Mean		9.4x	5.4x	78.31%
Low		1.9x	1.4x	33.52%

Market Kurlly Projected Returns Summary

Returns Scenario	Entry Valuation	Exit Valuation	Multiple Over Invested Capital	IRR
Ecomm High P/S	\$2,396.86MM	\$31,227MM	11.73x	1,840%
Ecomm Median P/S	\$2,396.86MM	\$10,061MM	3.78x	396%
Ecomm Low P/S	\$2,396.86MM	\$2,161MM	0.81x	-22%
Food Delivery High P/S	\$2,396.86MM	\$29,634MM	11.13x	1,722%
Food Delivery Median P/S	\$2,396.86MM	\$12,090MM	4.54x	519%
Food Delivery Low P/S	\$2,396.86MM	\$4,000MM	1.50x	63%
Combined High P/S	\$2,396.86MM	\$31,227MM	11.73x	1,840%
Combined Median P/S	\$2,396.86MM	\$10,425MM	3.91x	418%
Combined Low P/S	\$2,396.86MM	\$2,161.14MM	0.81x	-22%
M&A High P/S	\$2,396.86MM	\$41,681.64MM	15.65x	2,648%
M&A Median P/S	\$2,396.86MM	\$34,856.27MM	14.54x	2,415%
M&A Low P/S	\$2,396.86MM	\$28,030.90MM	11.69x	1,834%

Market Kurlly E-Commerce Comparables Valuation Metrics Summary

Listed Comparable Companies	Market Cap (US \$B)	P/S PY ('20)	P/S CY ('21)	'21 Revenue Growth
Coupang	\$69.55B	5.8x	3.7x	56.26%
Amazon	\$1,647B	4.3x	3.4x	26.74%
eBay	\$41.86B	4.1x	3.5x	17.81%
Rakuten	\$17.41B	1.3x	1.2x	12.48%
Etsy	\$21.38B	12.4x	9.3x	33.28%
Alibaba	\$577.5B	4.9x	3.9x	25.06%
Mercado Libre	\$69.07B	17.4x	11.1x	56.05%
JD.com	\$115.06B	1.0x	0.8x	27.93%
High		17.4x	11.1x	56.26%
Median		4.6x	3.6x	27.34%
Mean		6.4x	4.6x	31.95%
Low		1.0x	0.8x	12.48%

INVESTMENT PARTICULARS

Issuer	Kurlly Co. Ltd.
Type of Purchase	Secondary of Preferred Shares
Entry Valuation	2021 Est Price / Sales 1.37x, 2022 Est Price / Sales 0.86
Purchase Valuation	c. USD 2.397 Post Money May 2021 round
Last Funding Round	c. USD 780m in May 2020
Expected Holding Period	6 to 12 months to IPO, + 6 month lock up
Deal Timing	Closing Mid to Late June or as allocated. Best efforts.

FOUNDER & CEO

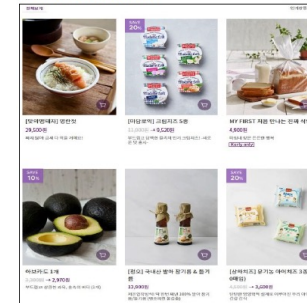


Seul-A Sophie KIM left a career as a management consultant to tap South Korea's growing e-commerce market. Kim earned a bachelor's degree in political science from Wellesley College in Massachusetts before stints at Goldman Sachs, McKinsey, Temasek and Bain.

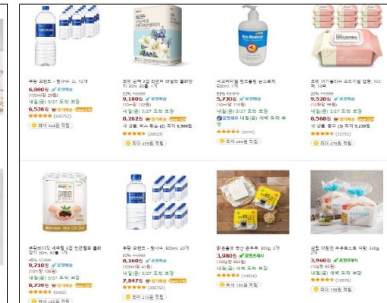
MARKET KURLY'S BEST SELLERS

Kurlly focuses on offering premium quality fresh food as opposed to rival Coupang. Kurlly's products are picked entirely based on quality + in demand "half cooked" items that are price competitive vs. traditional retailers. Barriers to entry will be greater in fresh foods due to potential spoilage. This requires a finely tuned logistics system, and over time will allow for greater business profitability and customer stickiness.

KURLY's Best Sellers



COUPANG's Best Sellers

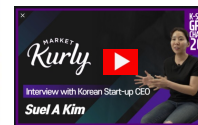


TOTAL FUNDED CAPITAL \$643m KEY INVESTORS

- Dec 2016: Series B: USD 15.1m
- Sep 2018: Series C: USD 59.6m
- Apr 2019: Series D: USD 120.1m
- May 2020: Series E: USD 178m
- Plus: Q2 2021: PRE-IPO c. USD 270m @ c. KRW 97k



HELPFUL LINKS



Korean Start-up CEO Interview with Sophie Kim
<https://www.youtube.com/watch?v=6aEfu-GOWvs>



Sophie Kim Amazon Web Services event
<https://www.youtube.com/watch?v=yppqLcGbyNf0>



The Presentation contains proprietary information and is confidential to its recipient and, subject to applicable law requiring its disclosure by the recipient, may not without the prior written consent of ACAL be reproduced, sold or redistributed, or its contents otherwise disclosed, in whole or part by any recipient to any person other than the recipient's professional advisors. The Presentation may not be distributed in any jurisdiction where it is unlawful to do so. Prospective Purchasers should make their own independent investigations and analyses and should rely upon their own enquiries, business judgment and appropriate professional advice, in reviewing the information contained or referred to in this Information Memorandum.