

Avendus Capital advises DealShare on USD 144 million investment from Tiger Global & existing investors

Mumbai, July 8, 2021

DealShare, India's fastest growing social ecommerce startup known for pioneering the community group buying (CGB) model in India, has announced that they have raised USD144 million in their latest funding round. The round was led by Tiger Global and was co-led by WestBridge Capital, Alpha Wave Incubation (a venture fund backed by ADQ and managed by Falcon Edge Capital) & Z3Partners with participation from Partners of DST Global, Matrix Partners India, and Alteria Capital. This transaction marks the third funding for the company in a span of seven months, with the valuation increasing nine-fold on the back of high growth momentum. With the current round, the total funding raised by DealShare stands at USD 183 million.

Avendus Capital acted as the exclusive financial advisor to DealShare on this transaction.

DealShare has built a new disruptive retail model for India with a focus on the affordability and price component for mass consumers. It offers high quality, low priced essentials coupled with a gamified, fun and virality-driven vernacular shopping experience that makes it easy for first-time internet users to experience online shopping. Founded by Vineet Rao, Sourjyendu Medda, Sankar Bora and Rajat Shikhar, DealShare provides a sharp and curated assortment at highly competitive prices and has built an innovative community leader driven ultra-low-cost delivery mechanism collectively leading to best-in-class unit economics.

Commenting on the fundraising, **Mr Vineet Rao, CEO and Founder, DealShare**, said, "We believe India is a unique market with its highly diverse demographics and requires an indigenous model that is built based on first principles and differentiates itself from western and Chinese e-commerce models. DealShare has pioneered this model with innovations in app experience and technology, direct from factory procurement, gamified and viral demand generation and building a DealShare dost (community leader) network that enables DealShare to operate at the lowest cost operations in the world. We are proud to have a strong team of innovators who love to continually learn consumer behaviour and solve hard business problems. This has enabled DealShare to rapidly grow to USD 200 million GMV ARR.

We would be utilizing the funds primarily to invest in AI-driven innovations in our user experience leading to a highly personalized, fun-filled and gamified experience. Our monthly active users already use our app over 40 times a month making it the most engaging ecommerce app and we will continue to add more innovative capabilities and services to serve a wider range of user needs. We will also invest in improving and scaling up our operations rapidly. We expect our footprint to increase from current 20 warehouses across 5 states to over 200 warehouses across 10 states by end of this year", added Mr Rao.

"We are excited to partner with DealShare as they grow the Indian E-commerce market. DealShare's unique approach combines discovery-led social sharing, group buying, and a gamified shopping experience with a simple consumer interface. They are well positioned to power the next wave of Indian ecommerce growth", said **Griffin Schroeder, Partner at Tiger Global**.

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Sharing his views on the fundraising and the growth trajectory of the company, **Mr Sourjyendu Medda, Founder, Chief Business Officer and Chief Finance Officer, DealShare**, said, “The funds will be used to augment our current growth trajectory. In FY 20-21 fiscal, we grew 5X to reach USD 200 million Annual GMV Runrate. In a short span of 2 years, we have serviced more than 3 million consumers and over 20 million orders. We are confident of hitting a USD 1 billion GMV Runrate by end of the year thereby building a strong 10 million customer base. We currently serve 40 cities and towns across 5 states and will increase our footprint to 100 cities & towns and 10 states by year end.

Since the very first day, DealShare has been focused on developing indigenous brands across states and has enabled them to grow exponentially. We are the only retailer in the country building a unique and large network of local manufacturers in the grocery space enabling them to compete with large multi-national brands. We are truly aligned to further our country’s mission of Make in India and the cherry on the top is that we are very close to breakeven”, added Medda.

Mr Sandeep Singhal, Co-founder, WestBridge Capital said, “We are very impressed with the traction that DealShare has been able to achieve especially amongst first-time internet users in the hinterlands of the country. We are confident they will be able to scale up further with the new round of funding.”

“We currently have over 1000+ micro-entrepreneur partners promoting the community group buying (CGB) model in the country thereby generating a massive amount of employment opportunities across all tiers of cities and towns. We plan to strengthen our network further and increase it to 5000+ by this year-end. Along with this, we are planning to fuel the growth by building state-of-the-art technology and infrastructure-related assets which will ensure efficiency”, added **Mr. Sankar Bora, Founder, Chief Operation Officer, DealShare**.

“We invested in DealShare in its seed days and have seen the company grow rapidly, while consuming minimal capital - a refreshing change in an industry plagued by heavy capital consumption. DealShare demonstrates best-in-class unit economics and capital efficiency (5.0x+), while delivering a compelling value proposition to its customers, value-conscious middle Indians in Tier 2 and 3 cities who crave local / regional products. DealShare is constantly iterating and improving its playbook of viral customer acquisition through group buying and gamification, while driving steady retention /cohort and unit economic improvements. DealShare’s best in class fulfilment capabilities allows it to deliver this value proposition at attractive unit economics. Today, DealShare is a business that expects to break-even in the next 12 months. The Company will also expand internationally, starting with the UAE and is establishing its first base in Abu Dhabi. We are thrilled to continue backing DealShare, across rounds”, added **Mr. Navroz Udwadia, Co-Founder and CEO, Falcon Edge Capital**.

Tarun Davda, Managing Director, Matrix India, commented, “Matrix has had the privilege of co-leading DealShare’s Seed & Series A rounds along with Falcon Edge. This fundraise is a testament to DealShare’s exponential growth and capital-efficient business model, which uniquely serves the needs of Tier 2/3 consumers that are embracing online grocery shopping like never before! We are delighted to be re-investing in the DealShare team once again and wish the team all the very best as they seek to transform the social-commerce landscape in India, and we welcome Tiger Global to the partnership.”

Rajat Shikhar, Co-founder, Chief Product Officer, DealShare, commented, “Building scalable technology amounts to solving some hard problems and technical challenges that are posed by our unique target group of Bharat users. Key problems revolve around savviness, efficient logistics, and making shopping convenient, cost-effective and fun with social engagement, personalization and gamification.

This round of investment would help us continue to build a top-notch team and build a highly performant platform by which we will scale to the next level of evolution as a company."

Neeraj Shrimali, Executive Director, Digital and Technology Investment Banking at Aventus Capital said, “It has been a privilege to partner with Vineet, Sourjyendu and the DealShare team. DealShare has innovated on a unique model to enable the large base of new-to-internet users from low and middle-income households to shop grocery online. It is the fastest growing social commerce platform in India with best-in-class unit economics making it a fundamentally sustainable and highly scalable business, a dual distinction not many businesses have. The team has demonstrated

exceptional execution, backed by their deep insights into the target segment, leveraging technology and acquiring customers organically through social sharing and virality. This deal validates that immense value creation is expected from new-age social commerce platforms targeting unaddressed customer segments of Bharat.”

About Avendus

Avendus Group is a leading financial services firm with presence in the areas of Investment Banking, Wealth Management, Credit Solutions and Asset Management. Established in 1999 in Mumbai, India, Avendus is today present in 10 cities across India, US, UK and Singapore. Avendus partners with the Indian entrepreneur ecosystem to provide differentiated solutions that enable clients to meet their strategic aspirations.

Avendus Capital, the investment banking arm, is consistently ranked among the top investment banks in the country on the back of its in-depth domain understanding and a best in the class track record of domestic and cross-border transactions. Avendus’s wide range of clients is testimony to its ability to serve its corporates throughout their life cycle – from growth stage funding to large-sized transactions, and M&A advisory.

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