PURE
PLATFORM

January 2022

Pure Platform Founder / First Investor / CEO

Moe Alkhafaji
Founder and CEO

Pure Platform founder and CEO, Moe Alkhafaji, was a computer science Ph.D. candidate at the University of Chicago with industry scale experience in Artificial Intelligence, Blockchain and scalable cloud-based systems. He enjoys a long and successful history in setting up and managing innovative startups and applications. Moe is the first investor in Pure Platform, and has been the acting CEO and CTO of the business

In 10 years, he co-founded 7 profitable, award-winning startups, including:

First company
Sold 3 years after inception
- Virtual doctor with over 98.7% accuracy for reading typed notes
- Algorithm beat IBM's Dr. Watson in accuracy in 2010

Second company
Sold 5 years after inception
- Cost management for over 15 million government patient records

Pure Platform at a glance

Founded in 2019 **Pure Platform's mission is to create a frictionless, trustless, and seamless platform** where people can buy anything they need, from local stores to global e-commerce vendors

Pure Platform **brings the world of e-commerce to a cash-based economy without defaulting to cash-on-delivery models**, allowing Iraqi consumers to access global brands

Pure Platform's mobile application / platform uses a **digital token/ point system (Kidu)** where customers can access local services or goods and global e-commerce vendors from within the same platform, without any transaction fees

The Kidu is a digital token / rewards point that is used to **simplify upfront payment and provide an alternative for consumers** who may find it inconvenient and inaccessible to use traditional digital payments such as credit cards and mobile wallets

|	
~175,000	Customers registered
+9,000 lbs.	Consumer products shipped monthly to Iraq
5	International hubs (US, GE, UK, TR, and AE)
+54%	Subscriber retention (third purchase is over 30%)
4	Prepayment methods (credit card, mobile wallet, Kidu, and Qi card)

Iraq's economic and demographic trends present a strong market opportunity

Strong market fundamentals

- With a GDP per capita of ~US$6K as of 2020 – **Iraq is a middle-income country**, leading many frontier markets both in MENA and elsewhere

- **GDP per capita has quadrupled** since 2004

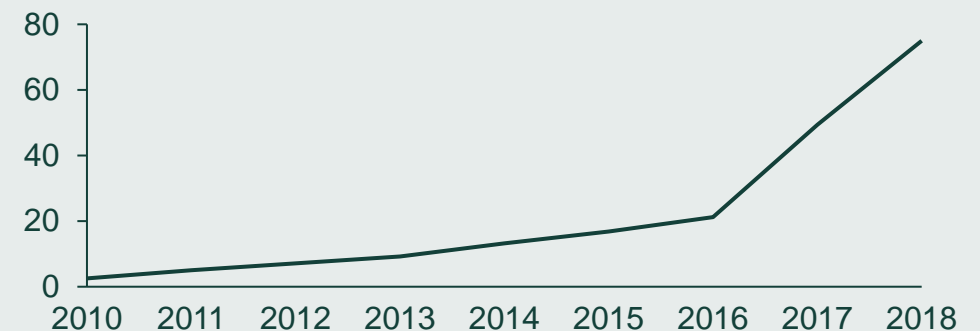- 41 million consumers, UNICEF projects **53 million by 2030**

GDP per capita – Iraq and other frontier markets ($US)

Bahrain	
Oman	
Iraq	5,955
Jordan	
Tunisia	
Morocco	
Egypt	
Vietnam	
Pakistan	
Ethiopia	
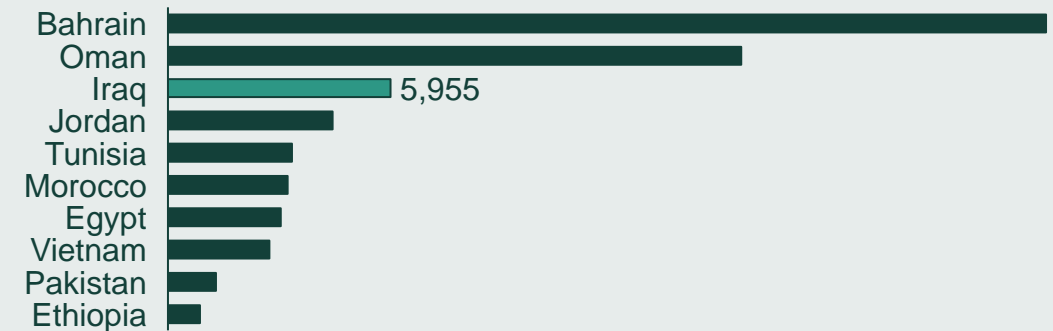
Digital-ready

- 60% of country is under the age of 25

- Increasingly well-educated population with a **growing acceptance of tech-enabled solutions**

- **39M mobile connections** (95% of population)

- Rapidly **increasing internet connectivity**

Internet users in Iraq (as a % of population)

Chart showing values from 2010 to 2018, rising from near 0 in 2010 to ~20 in 2016 and ~75 in 2018. Y-axis: 0, 20, 40, 60, 80.

E-commerce is a large and growing market in Iraq…

TAM forecast to grow at a 10% CAGR over the next four years

$5.6B
2025

$3.5B
2021

And user penetration is forecast to grow from 43% in 2021 to over 50% in 2025

…but Iraqi consumers still struggle to access online retail

Cash-based society
- Only ~20% of adults hold a bank account, and only ~2% have a credit or debit card

Lack of trust in existing players and brands
- Ecosystem is saturated with counterfeit products

Retail is still concentrated offline
- Less than 2% of retail transactions occur online in Iraq

High transaction fees
- Alternative online payment methods are very expensive

Highly fragmented retail landscape
- Retail is still highly concentrated in smaller brick and mortar players

Pure Platform brings e-commerce to a cash-based market

Customers purchase Kidu through flexible channels…

Live Kidu representatives
- Interface with customers directly to exchange Kidu for cash payment

Charge backs and earned rewards
- Collected while shopping at brick-and-mortar stores

E-payments
- Integrated payment processing accepts major credit cards, mobile wallets, and Qi card

Transfers between customers
- Peer-to-peer exchange with two factor authentication

…and access a range of vendors through the online platform

Leading international brands

Local e-commerce

6

Functionality

Online marketplace
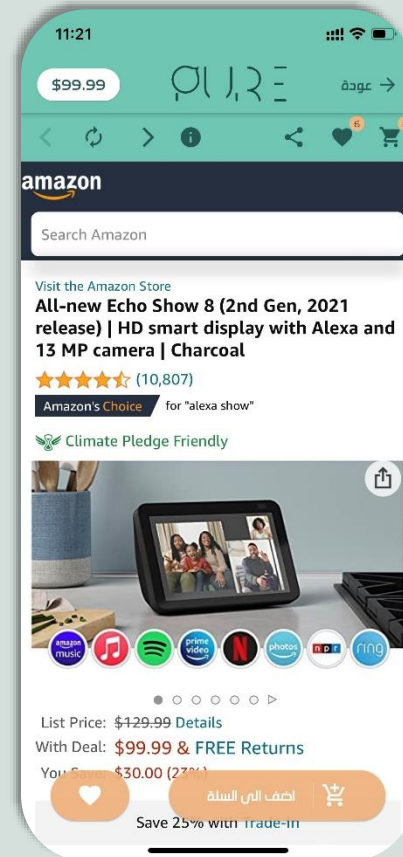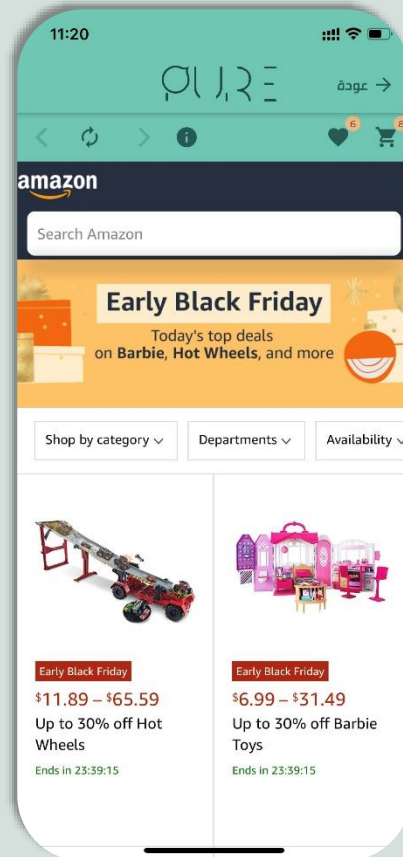
Functionality
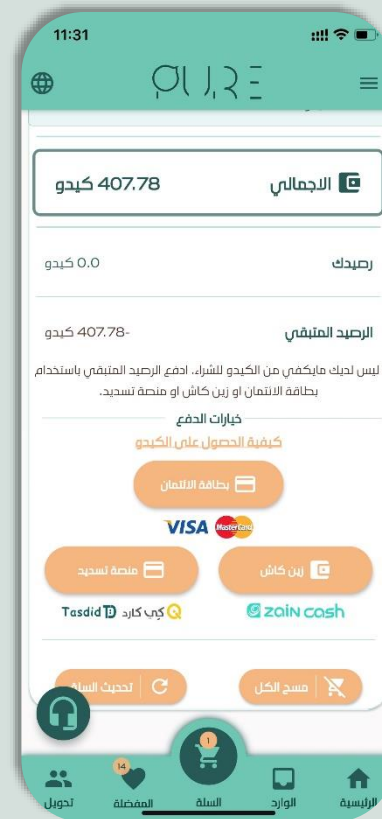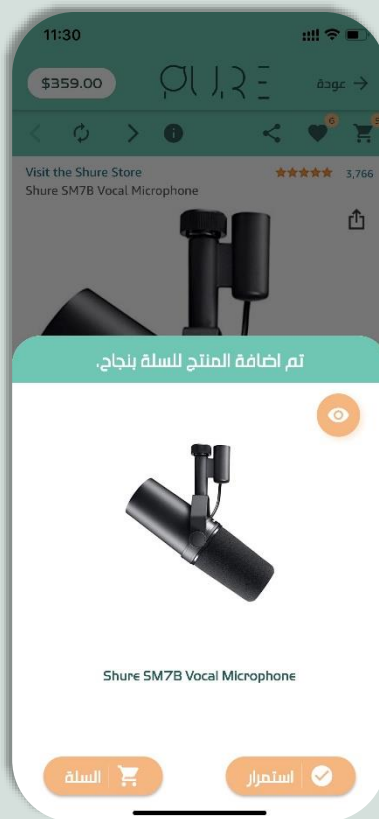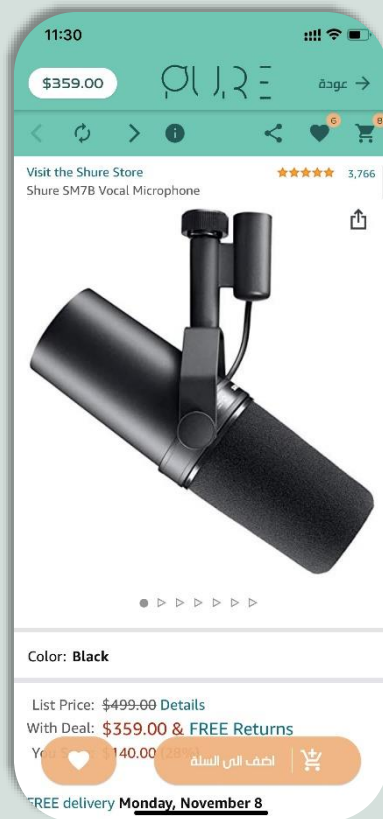
Local businesses
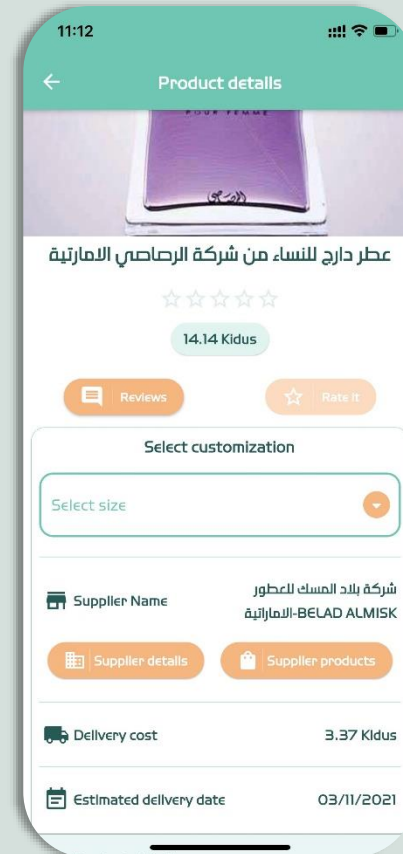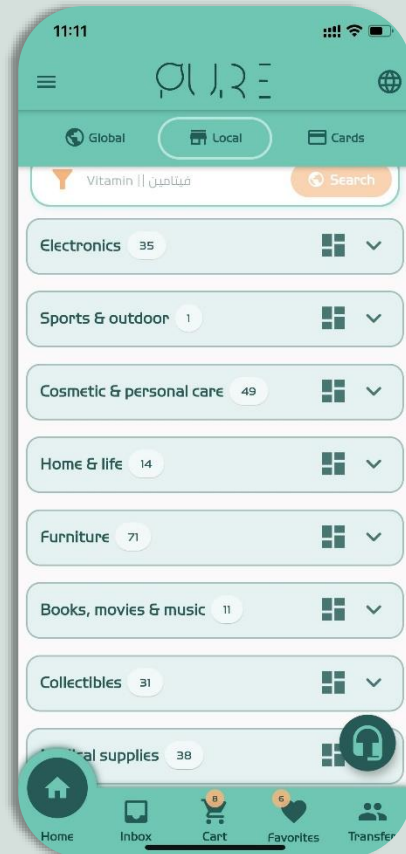
Business model aligns incentives for both companies and customers

Customer

Breadth of offering

- Direct access to verified global and local e-commerce, with a seamless transaction experience
- Genuine brands
- Universal shopping cart
- Easy payment solutions
- Centralized search interface for all global markets
- Easy to track

Support

- First-class customer service and guaranteed customer satisfaction

Vendor

Access

- Wider access to customers through seamless online transactions and guaranteed payment collection

Ease

- Removes hassle of technology and logistics management, with no added cost to busines

Flexible points system

- Can be attached to any form of existing payment or service / product offering

Analytics

- Vendor access to out-of-the-box analytics, intelligence, guidance, and customer suggestions

Strong growth in customer acquisition despite no outbound marketing spend

New subscribers (K)

Total subscribers (K)

— New subscribers

■ Total subscribers

2019   2020   2021

*As of September 2021
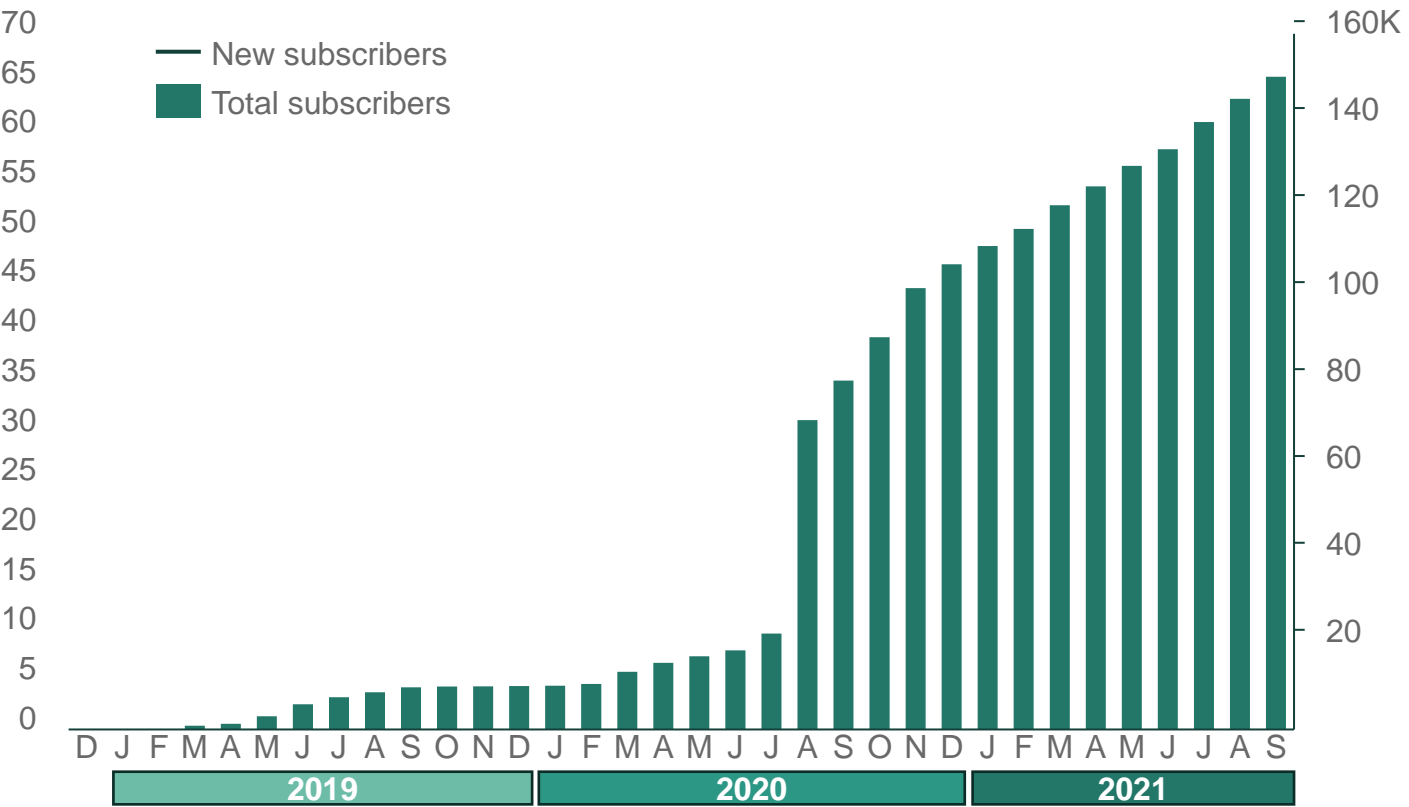
Strong engagement indicators

54%   Subscriber retention, with 22% purchasing more than four times

30%   Growth in order volumes

14%   Orders per user growth

113%   New subscriber 2Y CAGR*

3050   Daily average unique active sessions in September 2021

Rapidly improving vendor distribution in 2021

Pure Platform has a robust network of vendors, and revenue concentration in Amazon has steadily declined in 2021

Percent of orders fulfilled on Amazon (% of total)

-20 ppts

January 2021: 64%
61%
March 2021: 55%
44%
May 2021: 51%
51%
July 2021: 44%
46%
September 2021: 44%
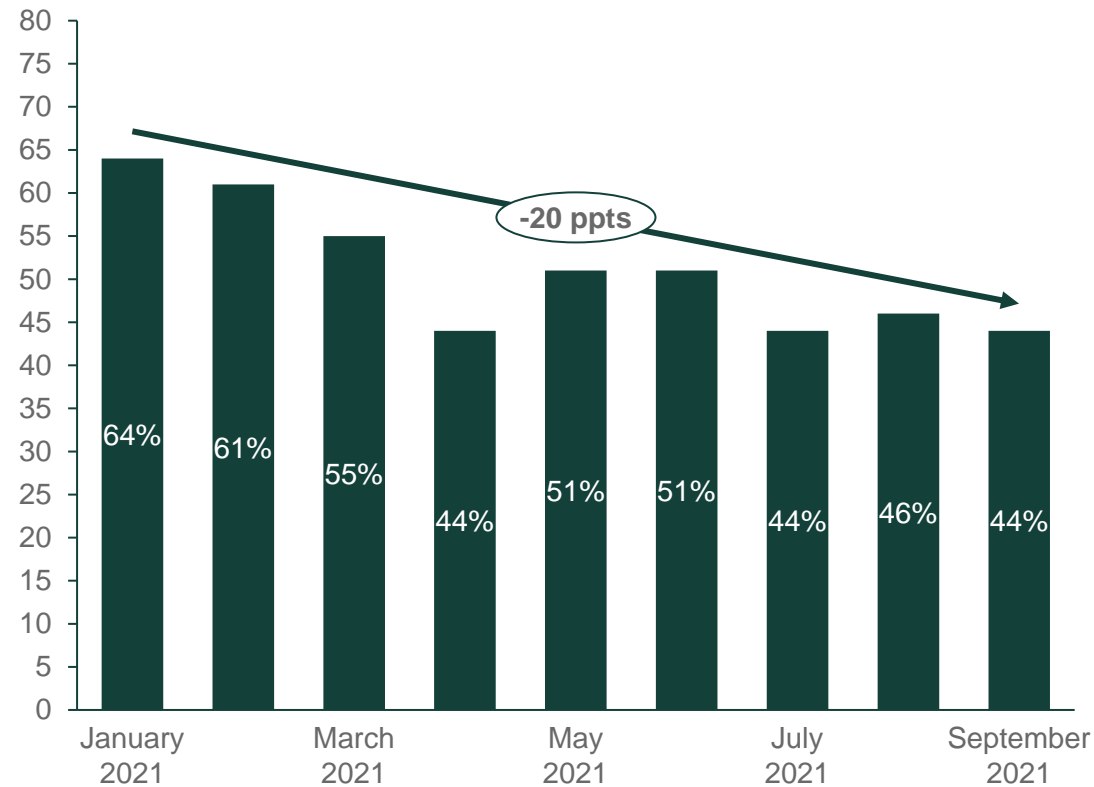
Meanwhile, the number of unique vendors generating revenue each month on the platform has rapidly increased

Vendors on the platform with orders each month (count of vendors)

January 2021: 57
50
March 2021: 81
87
May 2021: 100
85
July 2021: 109
107
September 2021: 136
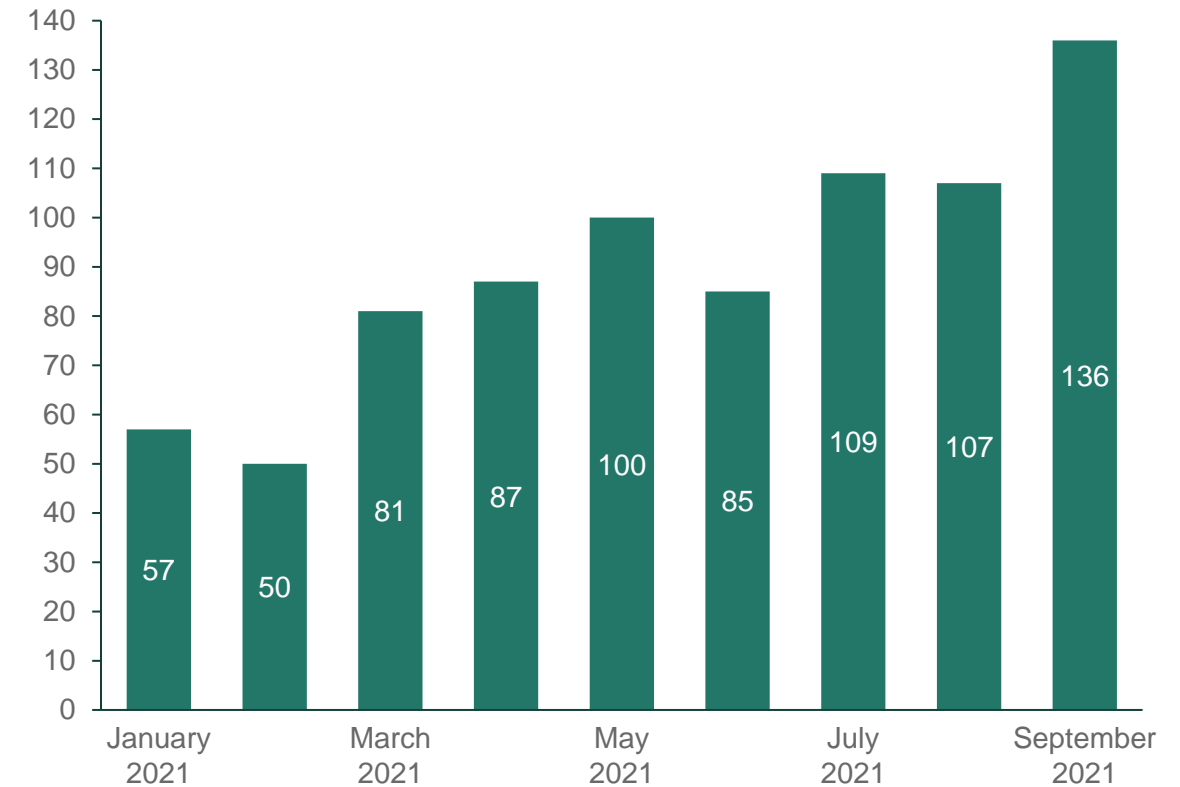
Occupying a unique intersection between local vendors and international shipping companies

|	International shipping companies	PURE PLATFORM	Local e-commerce players
Access to fully-vetted global brands	✓ *Customer is responsible for accessing these brands and shipping them to the company*	✓ *Links the customer directly with vetted, authentic global brands*	✗ *Limited to international brands with established presence in Iraq*
Digital currency / points system	✗ *Typically offer e-payment and cash-on-delivery*	✓ *In addition to e-payment options, Kidu offers alternative to cash-based transactions*	✗ *Typically offer e-payment and cash-on-delivery*
Access to local brands	✓ *Limited only to local brands with international exposure*	✓ *Direct access to local brands through platform*	✓ *Direct access to local brands through platform*
Asset light model	✓ *Typically have light warehousing models, leveraging 3PL providers*	✓ *Limited to one warehouse, leveraging third party partners for delivery*	✗ *In most cases rely on local warehousing footprint*
Cost-effective shipping & guarantees	✗ *Products typically shipped directly without inspection – higher return rates*	✓ *Products are inspected before shipping, lowering cost of mistakes / damage*	✓ *Products are inspected before shipping, lowering cost of mistakes / damage*
360-degree tracking	✗ *Limited-to-no package tracking*	✓ *Full tracking from order to delivery*	◐ *Typically offer tracking only from dispatch to customer's home*
Real-time access to international sales	✓ *Customer can access directly and ship to the company*	✓ *Full access directly on the platform*	✗ *In most cases rely on local warehousing footprint*

✓ Core offering   ◐ Limited / case-by-case   ✗ No offering

Leading tech stack

Pure Platform's technology is a clear differentiator in the Iraq e-commerce landscape, offering unparalleled flexibility and a novel payment system
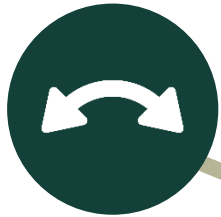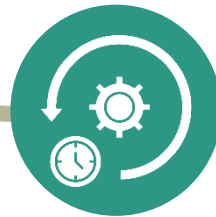
Flexibility

App is not region or country specific, and can scale to new countries, locales (languages, geography, currency) quickly

Reliable

Tested across Iraq, including in areas with weak or limited internet access

Development

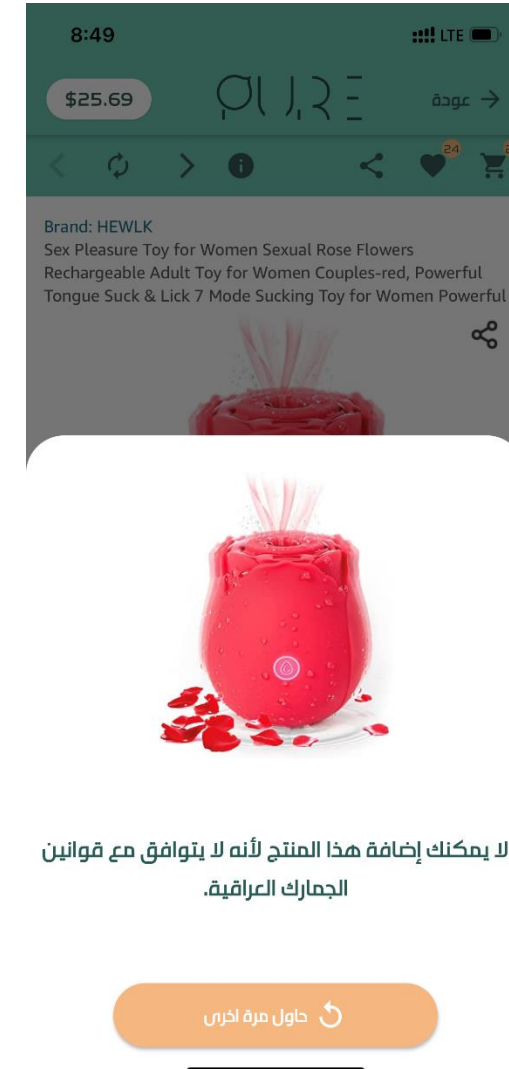Tech team delivers new set of features every two weeks in highly agile process
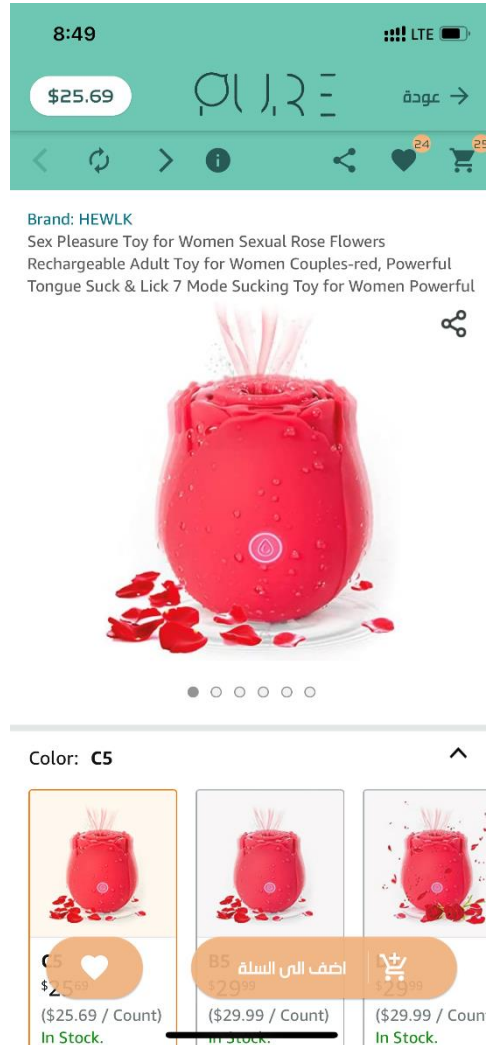
Secure

2FA (2-factor authentication) and 3D-secure to perform all sensitive transactions
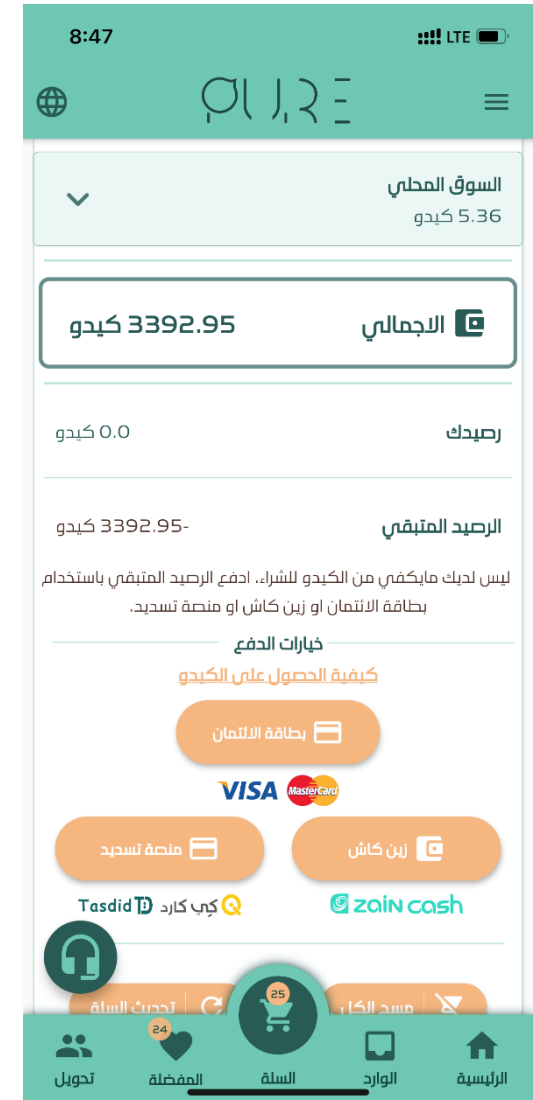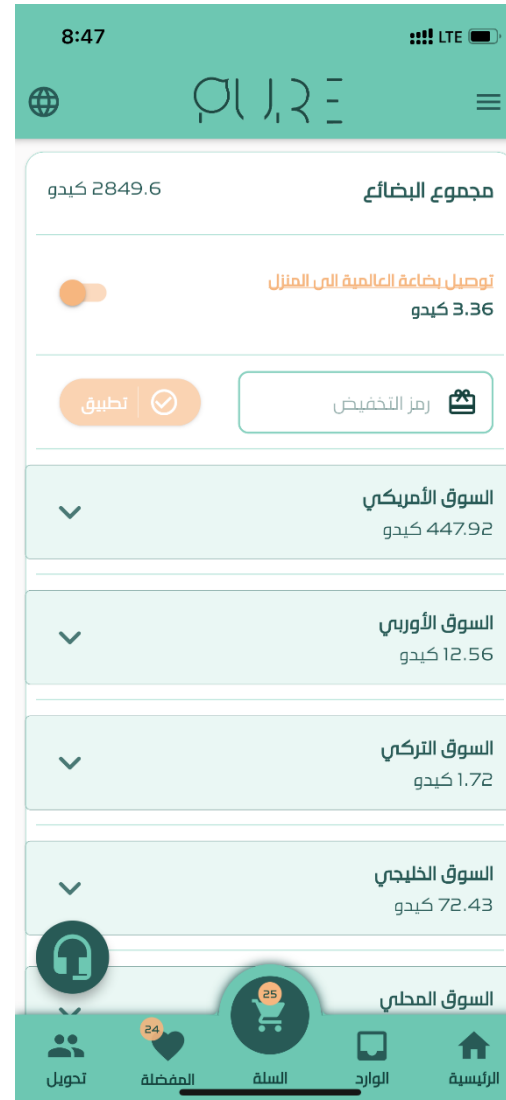
Built in-house

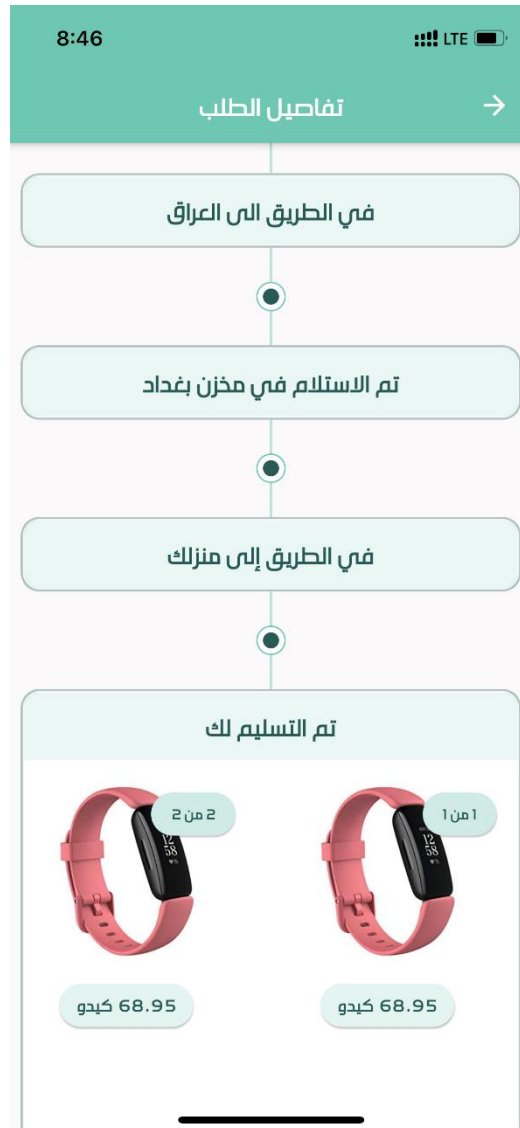No risks associated with building a technology team or the app itself

Advanced detection algorithms

Universal shopping cart

Advanced universal tracking

Advanced global search (Arabic / English / Iraqi slang)
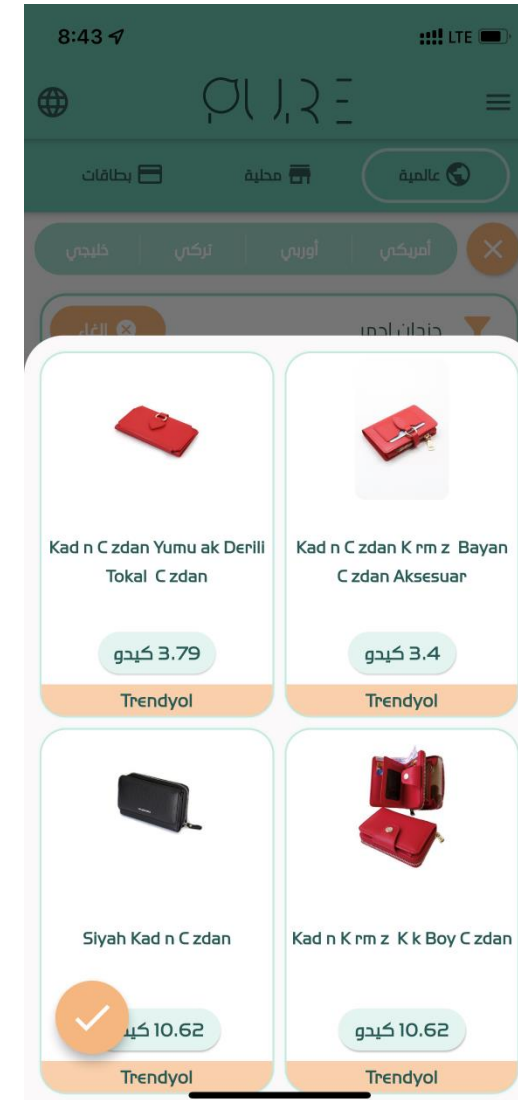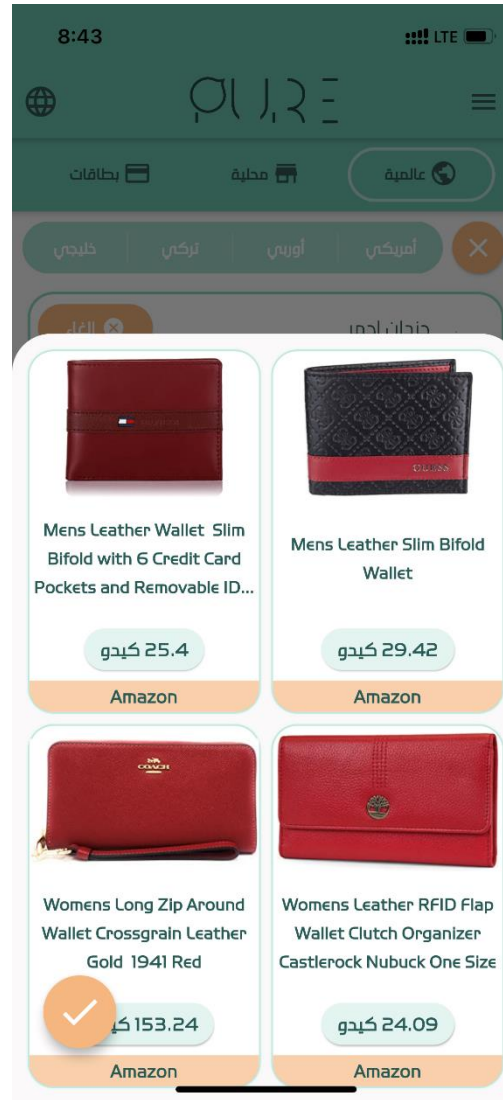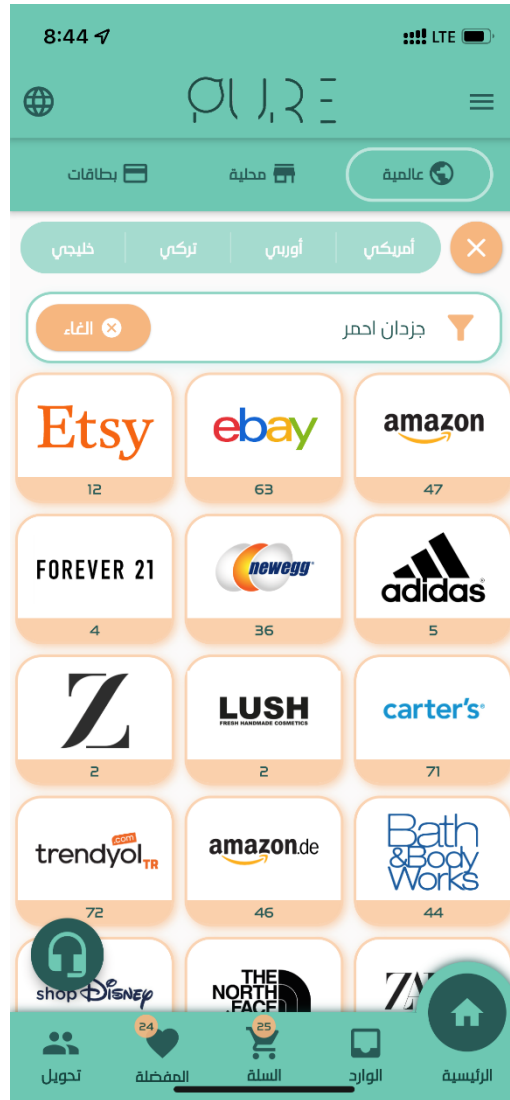
Mountains climbed

Cash on delivery (COD) culture
- Most cash-based economies such as Iraq, rely heavily on COD as the main form of payment. Cash is King!
- Consumers lack of trust in private sector businesses
- High upfront risk undertaken by the seller

Solution
- Payment upfront
- Gain trust, change behavior!
- Average basket size around $250

Shipping and customs
- No official shipping accounts for businesses
- Expected losses and delays
- No SLAs
- Over $100,000 of reimbursements issued to customers

Solution
- Official and independent DHL Express business account
- Proper handling of customs, and avoidance of prohibited items
- Over 15 months without loss in shipment

Mountains climbed

Staffing and management
- Lack of quality staff in Iraq, with private sector and entrepreneurial mentality
- Remote management has been difficult with bad Internet connection

Solution
- Built a decentralized and remote work environment
- Created protocols and governance controls
- Relied on metrics and KPIs to drive daily operations
- Built, in-house, a complete logistics system to enforce liabilities and responsibilities

Customer support
- Providing high quality customer support is difficult due to lack of examples or precedence
- Customers become upset quickly especially when they had potentially paid thousands of dollars upfront

Solution
- Built a brand around trust and credibility. Not a single customer as of today has not received either their products or money back in full
- A rare offering of 24/7 online support with less than 10 minutes response rate
- A rare "very responsive" badge on Facebook

Mountains climbed

Payment fraud

- A high percentage of identity theft and stolen cards, leading to high percentage of disputes
- Lack of interest (or capability) on the side of banks and card issuers to resolve the problem
- Lack of interest (or capability) on the side of the government to enforce the law on identity theft criminals

Solution

- We built our own fraud detection system
- We keep up with 3D Secure protocols

Difficult market

- Individuals or organizations may post false information and stories on their experiences with us
- False advertising is common (1st, best, biggest, etc.)
- Fraudulent dealings where businesses may offer cheap prices or faster delivery to compete with us, but hit the customer with last minute cost to compensate or delays

Solution

- We ignored the noise, and focused on great service, and great support
- Hardly any comparisons to others on social media in the past year or so

Unfamiliar approach

Recruiting of motivated, ambitious and capable youth
- On the job training
- Performance-driven
- WFH
- Dev bootcamp style for employees in tech
  - Accumulated over 60 years of aggregated technology experience
- Unparalleled benefits: Unlimited paid vacation, salaries in US $, continuous evaluation (promotions, paid training, bonuses, salary increases)

Results: Motivated, driven, energetic, and loyal employees

Where does "Kidu" come from?

The ancient Sumerian city-state of Uruk was located in a region that is part of modern Iraq. One of the historical kings of Uruk was Gilgamesh.

In legend, Gilgamesh, 2/3 divine and 1/3 human is a brutal, oppressive ruler. As punishment, the God, Anu, creates a Wildman named Enkidu, and sends him to take on Gilgamesh. At first, Enkidu battles Gilgamesh. However, eventually, impressed by each others' strength and power, Gilgamesh and Enkidu become inseparable companions who undertake heroic adventures together.

The name of the Kidu is derived from Enkidu (by removing the "En")