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MANAGEMENT DISCUSSION SECTION

Operator: Good afternoon. My name is Alexander and I will be your conference operator today. At this time, I would like to welcome everyone to the Coupang Earnings Conference Call. All lines have been placed on mute to prevent any background noise. After the speakers' remarks, there will be a question-and-answer session. [Operator Instructions] Thank you.

Now, I'd like to turn the call over to Michael Senno, Vice President of Investor Relations. You may begin your conference.

Michael Senno, Vice President-Investor Relations, Coupang, Inc.

Thanks, operator. Welcome to Coupang, Inc.'s quarterly earnings conference call for the first quarter ended March 31, 2021. I'm pleased to be joined on the call today by our Founder and CEO, Bom Kim; and our CFO, Gaurav Anand.

The following discussion, including responses to your questions, reflects management's views as of today's date only. We do not undertake any obligation to update or revise this information, except as required by law. Certain statements made on today's call are forward-looking statements. You should not place undue reliance on forward-looking statements. Actual results may differ materially from these forward-looking statements.

Please refer to today's earnings release as well as to the risks and uncertainties described in our prospectus filed with the SEC on March 11, 2021 and in other filings made with the SEC and available for information about factors which could cause our actual results to differ materially from these forward-looking statements. During today's call, we will present both GAAP and non-GAAP financial measures. Additional disclosures regarding these non-GAAP measures, including reconciliations of non-GAAP measures to the most comparable GAAP measures, are included in our earnings release and our filings with the SEC, each of which is posted on the company's investor relations website at ir.aboutcoupang.com. I will remind you that these numbers are unaudited and may be subject to change.

And with that, let me turn the call over to Bom.

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Bom Kim, Chief Executive Officer & Chairman, Coupang, Inc.

Thanks, Michael. Since this is our first earnings call, before we talk to the results, I'd like to take a moment here to speak about why we're so excited about the decades-long opportunity ahead of us at Coupang. To understand Coupang, we begin with our mission: to create a world where customers wonder how I did ever lived without Coupang. Our orientation is our most important advantage. We work backwards from the customer from a vision of a world where our customers have it all, jaw-dropping convenience without a convenience tax.

Historically, online shopping has forced customers to choose between amazing service, low prices and broad selection. Delivery within hours isn't amazing if your selection shrinks to that of a convenience store, or if it forces you to pay higher fees or prices. We aim to break these tradeoffs. It's only when we deliver all three in harmony, amazing service, low prices and broad selection, that we deliver a true wow experience for our customers and sustain long-term growth for the company.

So, we built an end-to-end integrated e-commerce system that we believe is setting a new standard for commerce globally. And we ingrained into our culture a willingness to be brave to take risks, to make bold choices, and to learn from our failures. These values are at the core of our DNA and drive our continuous innovation today.

Here's an example. A few years ago, while almost all Rocket orders were one-day delivery, we learned that many customers were returning home late at night and were only able to use what they had ordered the following day, which meant that our one-day delivery was, in effect, a two-day experience. So, we launched Dawn and Same Day Delivery with access to not just convenience store selection, but millions of items from computers to baby food.

Customers can order seconds before midnight, head off to sleep and wake up to find their items waiting at their doorstep before 7:00 AM via Dawn Delivery for free. It's like Christmas morning every day. And how convenient was our service if customers could get every brand of cereal on Rocket, but still have to drive out to a store for milk. So, we launched the nationwide online grocery service, offering customers one of the largest selection of fresh goods delivered within hours at low prices. As a result, we've quickly become the leading nationwide online grocer.

And why couldn't returns be as effortless as placing an order online? For returns on Rocket, you simply open the app, tap a few times and leave the item out in front of your door for pickup. No packaging, printing of a label or cumbersome scheduling with a carrier required. And the moment our driver scans the item in front of your door at pickup, we initiate the refund. And returns within 30 days on Rocket WOW are completely free.

We tackled another convenience tax at e-commerce packaging waste. Packaging is required to protect the items during shipment. But because we control the entire process end to end, we found a way to protect the items without boxes. Today, more than 75% of the deliveries we process and ship are boxless, in a simple sleeve with no additional cardboard, air cushions or bubble wrap. And we didn't stop there. We asked, can we get rid of all disposable packaging? We introduced eco-bags for Rocket Fresh, which replaces nearly all disposable packaging with completely reusable bags that are picked up by our delivery network for reuse.

Today, our trucks that once left full and returned empty are coming back with returns from customers and eco-bags for reuse. We estimate that in Q1 alone, we saved over 8,000 tons or over 15 million pounds of packaging waste due to innovations like boxless delivery and eco-bags. Breaking tradeoffs is hard work, that's why few have done it. But it's our life's work and we're passionate about it.

We've invested the last seven years and billions of dollars into countless internal systems, algorithms and 25 million square feet of e-commerce infrastructure. Today, 70% of the Korean

population lives within 7 miles of one of our centers. We also manage the largest fleet of full-time drivers in Korea, directly employing 15,000 delivery drivers who utilize our proprietary software and custom-designed trucks.

And proprietary technology is critical to our ability to provide a wide selection delivery experience and free shipping. Our dynamic orchestration technology, for example, predicts and assigns the fastest and most efficient path for every order out of hundreds of millions of combinations of inventory, processing, truck, and route options within seconds of an order being placed.

We are a technology company at our core, and the homegrown technology that underpins our value proposition is designed to optimize our one-of-a-kind end-to-end integration. As a result of our unmatched e-commerce investment in the market and years of scaling and iteration, we remain the only major e-commerce company in Korea that delivers 365 days per year, guaranteeing one-day delivery or faster on millions of items, and keeping our promise on nearly 100% of our Rocket orders even on peak days before Lunar New Year or Korean Thanksgiving.

And it's not just delivery speed. Our unique investments and growing scale create operational efficiencies, which we can pass on to our customers in the form of lower prices. According to a recent third-party study, Coupang's prices were cheaper on average across all surveyed product categories. And we estimate that Rocket WOW customers saved over $200 million in shipping fees in the first quarter alone. The most exciting part is that we're still early in the journey. All of the things that we've built are getting better every year and we plan to build more square footage of infrastructure over the next year than in any year since our inception.

Our plan is to increase our nationwide footprint by over 50% in the coming year. We have a differentiation that will keep growing over time. The size, growth and structure of the market is another tailwind. Korea is a massive e-commerce opportunity. It's the fifth largest globally and grew at a 20% CAGR over the last five years, second only to China. And it's the largest e-commerce opportunity not won by Amazon our Alibaba, but there is a broader play here.

Similar to China, Korea is leapfrogging to offline retail revolution. The US has more than 10 times the offline retail footprint per capita of Korea. We believe we're at the center of two revolutions, not just the transition from offline to online, but also a retail revolution that happened first offline in the US, but is now starting online in Korea.

The market also boasts a highly connected tech-savvy consumer base with high mobile usage. We believe these structural characteristics create strong tailwinds for e-commerce that will lead to higher online penetration than other markets. That makes this a broader commerce opportunity. Korea's total commerce market is expected to exceed $530 billion by 2024 and we were still less than 5% of the total market last year. And Coupang has been rapidly gaining traction, growing at a multiple of the overall e-commerce segment over the last few years, even as our scale increased. That trend continued in Q1 with year-over-year revenue growth approximately 3 times faster than the overall Korean e-commerce segment.

All cohort behavior confirms that trend. As we showed in our S-1 filing, our annual cohorts are accelerating in size and spend each year, further evidenced of the engagement and loyalty that our customer experience creates. And even our oldest cohorts are still increasing their spend indicating that we're still at the early stages of our growth cycle. All the benefits we offer customers are amplified by a Rocket WOW membership, fueled by access to services like Dawn and Same Day Delivery as well as our streaming video offering Coupang Play, Rocket WOW members purchase with significantly higher frequency and across more categories than non-WOW members.

Fundamentally, Coupang is not a consumer goods company or a delivery company, or even an e-commerce company. Coupang is, at its essence, a company that challenges tradeoffs and delivers

wow in customers' daily lives. We started with product e-commerce, but has since launched two new services in Fresh and Eats. I'd like to spend a moment on their early success.

In Rocket Fresh, we offer one of the largest selection of groceries online with the only nationwide Dawn and Same Day Delivery service. We also offer, according to a recent third-party study, the lowest fresh prices among competitive services. As a result of our value proposition, Fresh revenue in Q1 was more than 2.5 times of revenue in the same period last year.

Coupang Eats started small and focused on the Gangnam region in Seoul until the middle of 2020. A little less than a year later, Eats launched in Jeju Island and is now national. In Q1, Coupang Eats was the most downloaded mobile app in Korea and the service has scaled faster than any in our history. Despite rapid growth in 2020, our penetration in both categories remain low. And while Fresh and Eats were the first new services we've launched into product commerce, they won't be the last. We're confident about the runway ahead and we'll continue to invest aggressively in these and more offerings in the future.

Finally, we're excited to be reporting our first quarter results because we think they validate the investments we've made and speak to the continued execution along our strategy. In Q1, we delivered total revenue growth of 74% year-over-year and our quarterly active customers increased 21% to 16 million. Keep in mind that our strong first quarter growth comes against two headwinds. First, a comp against a strong quarter last year that experienced large order spikes due to the COVID-19 outbreak, which started in Korea in late January. And second, a challenging operating environment that persists due to the pandemic.

To that second point, we had 20 complete closures of operational centers due to COVID at various times in Q1, an average of nearly two closures per week. In spite of those and countless other challenges, we upheld our high on-time delivery rates. It's a testament not only to the capabilities that we've built in our end-to-end integrated network and technology, but also to the dedication of our teams. The lost operational bandwidth and opportunity costs were real, but our team's commitment and hard work helped make our workplace safer, while keeping our promise to our customers. I couldn't be prouder of our teams.

In conclusion, we're excited to be on this journey with our shareholders and we're just getting started. While our business will continue to evolve, we won't change how we operate. We'll always work backwards from an ambitious goal for the customer. We won't hesitate to make difficult decisions and bold investments for the long term. We'll keep attacking tradeoffs between service, selection and price to create a world where customers wonder how did I ever live without Coupang.

With that, I'll turn the call over to Gaurav.

Gaurav Anand, Chief Financial Officer, Coupang, Inc.

Thank you, Bom, and thank you, everyone, for joining today. Before going into the quarter, let me begin with the framework we use to manage our financial profile. Our primary objective is to delight customers as we believe that building enduring customer relationships will maximize long-term value for all our stakeholders, our customers, vendors, sellers and shareholders.

On the financial front, that means we intend to prioritize these investments to drive long-term cash flows over short-term profit optimization. With investments, we'll continue to use the same disciplined approach to deploy capital that we have always used, similar to how we deliver offerings like Fresh and Eats.

When our teams see a sizable market and an opportunity to create a differentiated customer experience, we start with small investments to test and then focus on iterating on the product and

model till we build confidence in customer behavior and unit economics. Only then do we scale investments. While we'll remain bold and ambitious in pursuing new opportunities, we start small and our teams have to earn their way into bigger investments.

Turning to our first quarter results, we delivered strong 74% reported revenue growth and a 63% increase on a constant currency basis. That came against challenging comps to last year's first quarter revenue benefit from the COVID lockdowns. For context, while the Korean e-commerce segment declined on a quarter-over-quarter basis, Coupang grew total revenue 11% quarter-over-quarter and 9% on a constant currency basis.

Last year, February was the first full month we saw our revenue spike due to COVID. And against that comparison, our constant currency revenue growth in Feb and March remained in the high 50% range. There remains uncertainty around how consumers will respond to developments in the pandemic. However, we are very excited as the fundamentals of our business are as strong as they have ever been.

Quarterly active customers grew 21% year-over-year in Q1 to 16 million as our customer retention rate remains very high and our superior experience continues to attract new customers. Revenue per active customer grew 44%. The higher mix of new customers who initially spend less impacted growth rate, but we are happy to make that trade as our customer cohorts have proven to have strong retention and increase spend over time.

In terms of revenue mix, despite the difficult year-over-year comparison, net other revenue growth accelerated related to prior quarters increasing 126% year-over-year. The higher growth is related to revenue from Coupang Eats and advertising, two newer offerings that have continued to scale over the past year. Gross profit increased 70% to $733 million in Q1. Our gross margin was about 40 basis points lower than last year due to the revenue mix across our offerings and additional investments. But we're encouraged that the underlying operating leverage in the business is improving.

With our new offerings like Fresh end Eats, we continue to prioritize investments to drive growth and build scale. Also, Bom noted how our teams continued to navigate operational challenges related to COVID safety protocols and shutdowns, which have come with an opportunity cost of delaying efficiency efforts in the near term. As we move past COVID, further scale new offerings, and optimize operations and supply chain, we expect to see increasing efficiencies and meaningful gross margin expansion longer term.

Excluding equity compensation and depreciation, operating, general and administrative costs increased to 20.9% of revenue in Q1. The increase is mainly from investments in technology to support continued product enhancements and more corporate personnel. The first quarter also includes non-recurring costs related to our IPO. As a result of the higher expense growth, our adjusted EBITDA loss was $133 million in the first quarter.

For cash flow, we focus on trailing 12-month numbers, which we believe are better indicator of ongoing business performance. Trailing 12-month operating cash flow was negative $197 million in the first quarter due to the timing of inventory investments and payroll cycles in Q1 related to the first quarter of last year.

Last quarter, we made inventory investments following a strong growth late last year to offer customers broader selection. Meanwhile, Q1 2020 cash flow benefited from initial surge in sales from the COVID lockdown and inventory replenishment lagged a bit. But our cash conversion cycle is unchanged and we expect these factors to normalize as the year progresses.

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Overall, we are pleased to have carried our operating momentum into 2021. And we are confident that the investments we are making and our focus on operational excellence to deliver an exceptional customer experience will continue to pay off.

I'll now turn the call back to the operator to begin the Q&A.

QUESTION AND ANSWER SECTION

Operator: Thank you. [Operator Instructions] We have your first question from Stanley Yang with JPMorgan. Your line is open.

<Q – Stanley Yang – JPMorgan Securities Far East Ltd. (South Korea)>: Thank you for your very first quarter result. I have two questions. First question is, you have competitive landscape, the Emart and Market Kurly, the pure grocery player, announced to keep the low-price strategy, I think conscious of the Coupang, and seeing your growth momentum. So, what's the countermeasure of your company? And should we expect any disruptive marketing competition going into the second quarter and onward?

And my next question is, I'm just wondering about this 1P versus 3P GMV list change during the first quarter? Can you please color any GMV trend and any product category trends in terms of GMV? Thank you.

<A – Bom Kim – Coupang, Inc.>: Hi. Thanks for the question. I'll take the first part of that, and I think maybe, Gaurav, you can tackle the second question. So, I think as we stressed in our opening, I think the most important competitive advantage that Coupang has is really our orientation. We've always worked backwards from the customer. It's never been appealing to us to be reactive to competitive changes. And we always – we believe that enduring long-term trust with customers really comes from consistently delivering the best experience at the low price every day to all customers. And I think that's an important context.

We've invested billions of dollars into our end-to-end network. In Fresh, for example, we believe we're the only nationwide Dawn Delivery and Same Day Delivery. We believe we have the best selection and we believe we have the lowest price, because we have structural advantages and efficiencies that we've shared in part back with our customers. So, for example, Stanley, we have the lowest shipping – free shipping threshold in Fresh that we know of anywhere in the world, at least that we know of, which is about $13 minimum, or KRW 15,000. That's the kind of everyday, low-price, fast delivery experience that we're delivering consistently at scale. And it's not an easy thing to do. We've built hard things, invested a lot of capital to build that unique end-to-end network. That's why you're seeing the growth that you saw in the first quarter.

In Q1, Fresh was 2.5 times the size it was in Q1 of 2020, and that's not on a small scale. So even at large scale, you're starting to still see very high growth and that's not because we reacted to any competitive – that's not because of a countermeasure or the short term promotion. That's because we built the infrastructure and the technology nationwide to provide the best selection, the best service at the lowest price consistently, every day to everyone. And we'll continue to invest in that. Fresh is one of our new initiatives that we're really excited about, we're focused on, and we will invest in, in the upcoming year.

<A – Gaurav Anand – Coupang, Inc.>: Stanley, on your second question, 1P versus 3P mix change. We continue to see strong growth in both 1P and 3P, and there is no material change in mix at this time. So, we are focused on both the services and continue to drive initiatives in each of them. However, over time, we will become agnostic between our owned inventory and third-party selection. We'll continue to optimize for total gross profit dollars. And in the long term, there'll be no difference in of customer experience, we'll prioritize whatever is more profitable for a given term.

<A – Michael Senno – Coupang, Inc.>: Thanks. Operator, we can take the next question.

Operator: Your next question comes from the line of Eric Cha with Goldman Sachs. Your line is open.

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<Q – Eric Cha – Goldman Sachs (Asia) LLC (South Korea)>: Hi. Thank you for the opportunity. I just had two questions, if I may. First one is we noticed that there seems to be pretty strong growth coming or pretty strong sustained growth coming from the active users. Just wanted to know what's the driver behind this. And the second question is, there's been a couple of, I think, news out on Coupang regarding its overseas expansion initiatives. Just wanted to hear from the management whether – how focused Coupang is on this overseas expansion? And if they are, is it on the e-commerce part or is it for the other sort of initiatives? So, just wanted to know a little bit more details around that as well. Thank you.

<A – Bom Kim – Coupang, Inc.>: Yeah. Thank you. Thanks for your question, Eric. On the first part – on the first question, we think the drivers of that active customer growth are the same drivers that you saw drive the high adoption and spend growth that we shared in the S-1. If you look at cohort behavior, our adoption, it continues to accelerate. And we think it's a culmination of and really validation of, in our view, of the long-term strategy investments we've made. We really believe, no matter what category you are looking at, customers want all three of those pillars: service, selection and price. And what we're really excited about is that the primary driver of our growth continues to be organic. Word of mouth is spreading. And you saw that number, that adoption continue to grow.

The vast majority of online shoppers in Q1 in Korea did not purchase Rocket yet, right, did not purchase Rocket in Q1. So, we're just so excited to see that penetration go up. And we're excited because even if these are new customers, we have a lot of evidence that once they experience that selection, service, and price differentiation consistently and they build that trust, their spend and loyalty to our services grows and accelerates over time. And we really believe that as we add on more offerings, like Fresh and Eats, that it creates more opportunity and more reasons for customers to become loyal to our platform, to put – place their trust in us. So, we're seeing all of those investments really compound our customer adoption and loyalty.

On the second question of overseas expansion, I think it's important context. I just want to make sure – I think some of this will be obvious to many, if not everyone on the call, that we have a tremendous runway ahead. We're so early in our journey in our existing market, this is one of the largest and fastest-growing markets in the world in Korea. The fact that our oldest cohorts are still increasing spend at a fast rate, the fact that our most mature categories are still gaining online share, growing faster than their online segment, and overall growth being 3 times out of the e-commerce segment, even in a quarter like this quarter that comps COVID months last year, just I think speaks to how early we are on this journey and how much runway we have.

And the wonderful thing about having such a large and growing opportunity like the one we have in front of us is that it gives us ample opportunity to continue to build more and hone our capabilities, which means that when we extend those capabilities to new markets, we'll have a greater chance of success. And we, of course, will examine and explore opportunities in new markets as they come to us. And we'll pursue them. We'll pursue opportunities if we find an attractive one if we identify attractive one.

<A – Michael Senno – Coupang, Inc.>: Thanks, Eric. Operator, we'll take our next question.

Operator: Your next question comes from the line of Peter Milliken with Deutsche Bank. Your line is open.

<Q – Peter Milliken – Deutsche Bank AG (Hong Kong)>: Yes. Good morning. Thanks guys. Firstly, do you have any specific plans for what to do with the $3.5 billion you've raised from the IPO, because it seems to me to give you an even better chance to further your lead in the market? And secondly, logistics is really a great competitive advantage you have. Can you explain any recent developments you had maybe in the 3P fulfillment side? And whether you think merchants

will accept more than one e-commerce platform doing 3P fulfillments or whether they would settle for one company doing that? Thank you.

<A – Bom Kim – Coupang, Inc.>: Hi. Thanks for your question. I think those two questions are somewhat related for us. At least the answer will be related. I think when you look at – so I think you're well aware that we've invested billions of dollars over the last seven-plus years building 25 million square feet of fulfillment logistics infrastructure. Not only that, but a unique tech stack, just countless systems and processes and algorithms that we've invested in and we continue to invest in to optimize and upgrade. And we're not resting on that lead. Our goal is not to rest on that lead. We have capital that we're going to use to extend that advantage.

So we're going to build more in our coming year than we've ever built in any year in our history. Just in infrastructure alone, set aside the technology investments, just in e-commerce infrastructure alone. We are going to build over 50% of what we've built in our entire history in just the coming year. So, we're really going to continue to push and extend the structural advantages that we've built. And it's not just advantages and customer experience. It's efficiencies that come out of that scale, come out of the processes that we keep iterating on and refining and enhancing with our technology.

And those savings, we're going to pass on, in part, to our customers and share with our partners. And I think when you think about whether it's 1P, 3P, I think that's – I think the way to think of it is who can build infrastructure that creates structural advantages and efficiencies that can be shared back. And if you don't have that scale, that technology, that infrastructure, it's actually not efficiencies, but higher cost. And I think that's the way we're continuing to build and it's an advantage in experience and cost, the best experience at lowest cost.

We'll also continue to invest in new offerings. As we mentioned, we're going to – we're excited about the progress we're making in Fresh and Eats. And they won't be the last investments. They won't be the last new offerings. We're constantly testing more opportunities and we'll increase our investments, as opportunities gain traction.

<A – Michael Senno – Coupang, Inc.>: Thank you. Operator, we'll take next question.

<Q – Peter Milliken – Deutsche Bank AG (Hong Kong)>: That's very clear. Thank you very much.

Operator: Your next question comes from the line of So-Yun Shin with Credit Suisse. Your line is open.

<Q – So-Yun Shin – Credit Suisse Securities Europe Ltd. (South Korea)>: Yes. Thank you for the opportunity. I have two questions. The number one on your 3P business, how should we think about the average on the 3P take-rate comparing with other marketplaces in Korea? And then also, how fast can this grow along with the expansion of the Jet Delivery services?

My second question on your customer base, can you give us more color like in terms of like the age groups or certain areas? So, I would like to think where we can see the upside on the current population in Korea? And then also, I would like to know like the percentage of like Rocket WOW membership and subscribers. And also, if you can provide any target ratio of the Rocket WOW on the subscriber, that'd be great. Thank you.

<A – Bom Kim – Coupang, Inc.>: Yeah. Thank you. That's a lot of questions. So, let me try to tackle. Hopefully, I'll try to cover as much ground as I can. So, just to give you a sense of the opportunity – you asked about the age groups and the demographics. This is how we're seeing it, we're still underpenetrated in almost every age category you can think of – every demographic. So, in Q1, at least according to the sources that we found, there were 37 million shoppers online in

Korea, over 37 million in Q1. We had 16 million, which is of course a big jump from what we had a year-over-year and that continues to grow.

And you know from our cohort data that we share that once they start adopting our services that you see the spend grow every year and accelerate. And so, we're still very early and we're excited to see us growing in every age group and gender demographic you can think of, because we believe that the vast majority of online shoppers should be shopping on Coupang and shopping on Rocket at the end of the day. And so, we still have a lot of runway and a lot of growth, a lot of adoption that we have to still target.

And you mentioned some services, we're always – because we're trying to create more chances and more contact points so that people can discover our services, people come into our services through so many different channels, some will start on Rocket, some will start on Eats, some will start on Rocket and go to Fresh. We, of course, talk a lot about Fresh and Eats. But at any given point right now, we have dozens of new experiments that we are testing, if not over 100 that we're testing. And we are experimenting, we're learning, we're iterating. And we'll continue to improve, enhance, and invest more so that we can create more opportunities for us to engage customers and get them started on that journey with us. Yeah.

<Q – So-Yun Shin – Credit Suisse Securities Europe Ltd. (South Korea)>: Thank you.

<A – Bom Kim – Coupang, Inc.>: Thank you. Thank you so much.

Operator: Your next question comes from the line of James Lee with Mizuho. Your line is open.

<Q – James Lee – Mizuho Securities USA LLC>: ...taking my questions. My first question for Gaurav. Can you talk about maybe revenue growth expectations for second quarter in FY 2021? Is the expected deceleration pretty consistent with your prior view? And looks like you guys did a good job on EBITDA. Can you also talk about your expectations for the same period as well?

For Bom, specifically, maybe some follow-up question on competition, given the potential capital raising by one of your major competitors, that being Naver, and also potential increased competition, can you talk about maybe the difficulty for someone to replicate your end-to-end network here? And if they decide to increase the competition, maybe replicated network, how do you plan to respond to new competitive pressure here? Thanks.

<A – Gaurav Anand – Coupang, Inc.>: Thank you for the question. So, as I mentioned earlier, in February and March, we saw the year-over-year comps of the COVID – after COVID hit Korea in 2020. And since that time, the comps we are seeing is a growth in high-50s in constant currency and approximately high-60s in US dollars. And there's a lot of uncertainty going forward, but that's where we are – what we have seen so far.

<A – Bom Kim – Coupang, Inc.>: Yeah. I think just to touch a little bit on the profitability side, I think you'll continue to see, in the near term, there's going to be fluctuations in gross margin because of revenue mix across different services, things that are growing at different rates and also with new investments that we make. But I think in the long run, the momentum you see in our business, and I think Gaurav just mentioned that our February and March, for example, even against fully comped COVID numbers, was growing in the high-50s [constant currency]. We see strong momentum. Of course, there's uncertainty related to how the year progresses, how the COVID pandemic progresses, but there's strong momentum that we've built because we made choices in the past, we made investments in the past that maximized or sought to maximize long-term cash flow over short-term profit. And we're fortunate to be in a position to do that.

We are still fortunate to be in that position, to be stewards of capital for very long-term investors, for employees or customers, who all turn to us. We believe we're building a generational company.

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We're making investments that are targeting decades-long opportunities. We have a chance to build a groundbreaking customer experience to break tradeoffs. And we are going to continue to make investments whenever we see attractive opportunities to maximize long-term cash flow. Over short-term profit optimization, we will always choose long-term cash flow, and that's our orientation. That's what we'll continue to do.

And similarly, in that vein – and I think what gives us additional confidence to do this is that the underlying operating leverage that we see in our business is improving, especially in our most mature investments. And so, that gives us a lot of confidence that, again, if we make just the right decisions for the customer and for the long term, they really do – I think we're headed in the right direction of providing the best experience at the lowest cost.

I think your second question was around competition. And again, it doesn't change our strategy. It's not as though we're just starting to make investments. We've been making investments over the last decade, especially the last seven years, in this end-to-end integration, in a fulfillment, logistics infrastructure that now blankets the market, in technology that really is driving the scale and efficiency here. And we're going to invest. We've invested in what we think is unprecedented scale in e-commerce, technology, and infrastructure. And we believe we'll be unmatched in our future investments as well.

As I mentioned, just the next coming year alone, just on the fulfillment, logistics infrastructure side, not to mention the technology side, we plan to build over 50% of what we've built over the entire history of our company in the coming year. So, we're going to be as aggressive, if not more – as aggressive as we've been in our past.

<A – Michael Senno – Coupang, Inc.>: Thanks, James. Operator, we'll take our next question.

Operator: We will now take our last question from the line of John Yu with Citi. Your line is open.

<Q – John Yu – Citigroup Global Markets Korea Securities Ltd.>: Thank you. Thank you for the presentation and the opportunity to ask questions. My first question is about the operating cash flow. In the first quarter, operating cash flow came down to negative territory from the positive figure a year ago. At first a glance, it looks like it was related to the increase of inventory level as well as the net loss. So, I would like to understand what would be the reasons or if it was related to the increasing GMV mix of grocery or Rocket Fresh?

And the second question is about fulfillment service, recently Coupang has started to provide fulfillment services to 3P sellers. So, I would like to understand how many sellers onboarded so far or how the feedback was and how much monetization opportunity you are expecting. Thank you.

<A – Gaurav Anand – Coupang, Inc.>: Thank you, John, for the question. So, structurally, on our operating cash flow, there are no changes to the fundamentals of our business. The operating cash flow is negative primarily because of timing of inventory procurement and accounts payable days. We expect it to normalize in the foreseeable future. Our fundamentals still remain strong for both our inventory days and our AP mix. So, there's no change on that.

<A – Bom Kim – Coupang, Inc.>: Yeah. I think that's – yeah, that's right. On the fulfillment services question, I think the way we think about this is that we are building structural advantages and efficiencies, whether it's serving – whether it's in our retail that we can share back with our customers and with our suppliers. I think that you mentioned fulfillment services, with all the things that – with any one of our new initiatives, we always start at a small scale to test, to iterate, to learn.

I don't know if you know the background for Eats, for example. We started in just one part of Seoul Gangnam region. And we were for much of last year, the middle of last year, it was still primarily focused on just parts of the Gangnam region of Seoul. And now, it's national, because we were

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able to build the capabilities and to get confidence that we could provide the best experience, again, at the lowest cost. And that's the same way we think about our Rocket experience that we − whether it's suppliers or different parties that we partner, that we work with, what we build for retail should help non-retail.

We are building scale, structural advantages, and efficiencies that we can share back with our customers with lower prices, free shipping, free returns and for suppliers enhance growth at lower cost. So, that's the scale. There are going to be so many different ways for our suppliers to engage with us and different services that we can create out of that, but the foundation of all of that is still the same. It's still our e-commerce infrastructure and technology and our e-commerce scale, our Rocket scale that allows us to build structural advantages and efficiencies, that will allow us to create the best experience for the customers at the lowest cost, which means ultimately the lowest price. Hopefully, that gives you a sense. And we're going to have lots of different opportunities, different experiments on that foundation that we'll continue to invest time in.

<A – Michael Senno – Coupang, Inc.>: Thanks, John.

Operator: Mr. Senno, I'd turn the call back over to you.

Michael Senno, Vice President-Investor Relations, Coupang, Inc.

Thank you, everyone, for joining us today. We appreciate the interest. Operator, we can end the call.

Bom Kim, Chief Executive Officer & Chairman, Coupang, Inc.

Thank you.

Gaurav Anand, Chief Financial Officer, Coupang, Inc.

Thank you.

Operator: This concludes today's conference call. You may now disconnect.

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