



send money across platforms

# Societal Problem

- With the advent of digital wallets technology, multiple digital wallets payment providers have sprung up in this sectors and each has its own userbase.
- If a person is subscribed to one provider but wants to send money to another provider, they are forced to open an extra account with that provider.
- For vendors, they are forced to also open multiple accounts with different digital wallet payment providers to cater for their customers preferences.

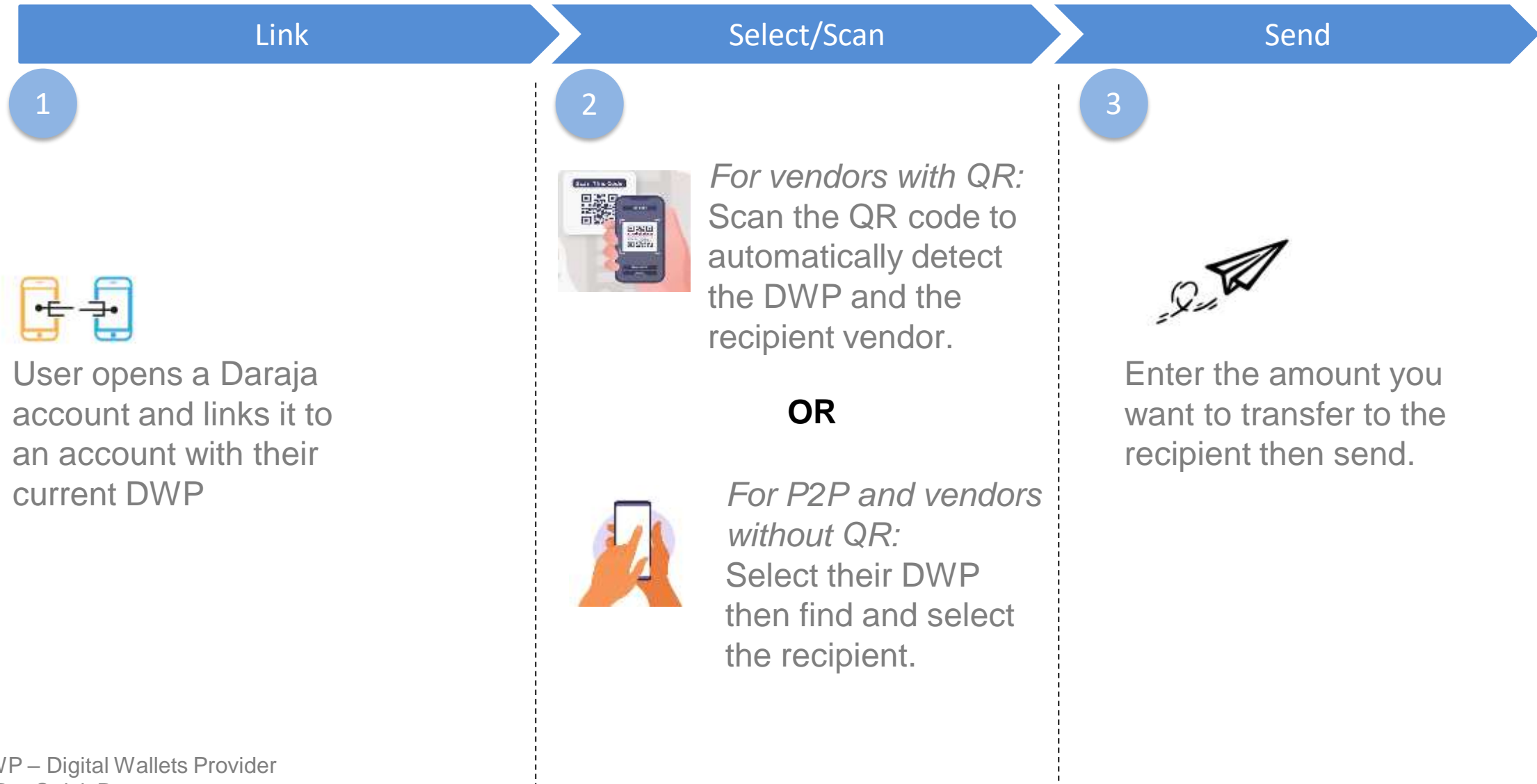


# Solution

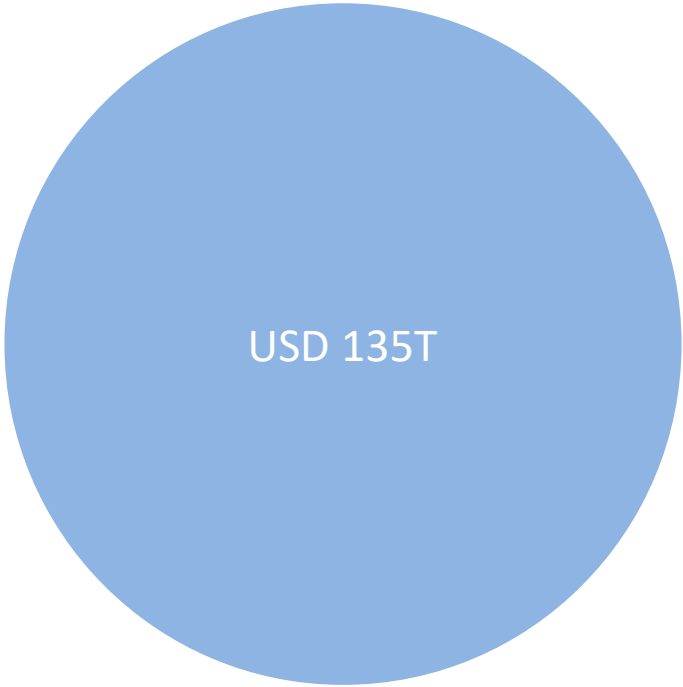
- A **software system** inform of a **mobile application** that acts like a bridge that enables the transfer of money across different digital wallet payment providers.
- For vendors, with only a single account from a certain provider, they can receive payment even from customers with different providers.
- For individuals, they can send money to another provider without having to open an extra account with them.



# WE OFFER A SEAMLESS AND CONVENIENT WAY TO SEND MONEY ACROSS PLATFORMS



# THE MARKET SHARE WE TARGET IS THE P2P, E-COMMERCE AND RETAIL TRANSACTIONS THROUGH DIGITAL WALLET



**Total money transacted  
(worldwide)**  
Total Available Market



**Transactions via mobile  
payments**  
Serviceable Available Market



**Transactions facilitated by  
digital wallets**  
Share Of Market

# OUR BUSINESS MODEL WILL BE FOCUSED ON BRIDGING MULTIPLE DWP TO ALLOW CROSS PLATFORMS TRANSFER OF FUNDS

- The transactional fees will be 5% of the amount the user wants to transact.
- The fees will be shared between us (Daraja) and the users DWP in the ratio 3:2, we take 60% and the DWP takes 40%.



## EXAMPLE:

A Paypal user in US wants to send USD 150 to an Mpesa user in Kenya. The transactional fees is 5% of the amount to transact.

Amount to transact = \$150

Transactional fees =  $5/100 * 150 = \$7.5$

Daraja commission =  $60/100 * 7.5 = \$4.5$

DWP commission =  $40/100 * 7.5 = \$3$

# ON AVERAGE WE WILL MAKE A GROSS PROFIT OF 28% ON EACH P2P TRANSACTION AND 67% ON EACH ECOMMERCE TRANSACTION.

|                           | per transaction |               | Customer Lifetime Value |                |
|---------------------------|-----------------|---------------|-------------------------|----------------|
|                           | P2P             | eCommerce     | P2P                     | eCommerce      |
| No. of transactions       | 1               | 1             | 50                      | 50             |
| Monthly churn             | 2%              | 2%            | 2%                      | 2%             |
| Revenue                   | \$0.69          | \$1.53        | \$34.50                 | \$76.50        |
| <b>COGS</b>               |                 |               |                         |                |
| Hosting                   | \$0.20          | \$0.20        | \$10.00                 | \$10.00        |
| Support                   | \$0.20          | \$0.20        | \$10.00                 | \$10.00        |
| API usage                 | \$0.05          | \$0.05        | \$2.50                  | \$2.50         |
| Data storage              | \$0.05          | \$0.05        | \$2.50                  | \$2.50         |
| <b>Total</b>              | <b>\$0.50</b>   | <b>\$0.50</b> | <b>\$25.00</b>          | <b>\$25.00</b> |
| <i>Gross Margin</i>       | \$0.19          | \$1.03        | \$9.50                  | \$51.50        |
| <b>GM%</b>                | <b>27.5</b>     | <b>67.3</b>   | <b>27.5</b>             | <b>67.3</b>    |
| <b>Blended CAC</b>        | \$40            |               | \$40                    |                |
| <b>Post-Market Profit</b> | -\$38.78        |               | \$21                    |                |
| <b>LTV:CAC Ratio</b>      |                 |               | 1.525                   |                |

## Assumptions

### P2P:

Average money transacted per user = \$23

Transactional fee =  $5/100 * 23 = \$1.15$

Daraja's commission =  $60/100 * 1.15 = \$0.69$

### eCommerce:

Average money transacted per user = \$51

Transactional fee =  $5/100 * 51 = \$2.55$

Daraja's commission =  $60/100 * 2.55 = \$1.53$

### Monthly churn rate:

Average churn rate for a DWP = 2%

lifetime no. of transaction / customer  
 $= 1/0.02=50$

### Breakeven point per customer:

$= \$40 / \$(0.19 + 1.03) = 32$  transactions



# IN 2027, WE WILL SURPASS THE 1000000 TRANSACTIONS MARK WHICH WILL RESULT IN OVER \$1000000 IN REVENUE

|                 | 2024    | 2025    | 2026   | 2027    | 2028    |
|-----------------|---------|---------|--------|---------|---------|
| Share of Market | 0.0049% | 0.0054% | 0.006% | 0.0065% | 0.0072% |
| Transcations    |         |         |        |         |         |
| P2P             | 300000  | 405000  | 546750 | 738113  | 996452  |
| eCommerce       | 200000  | 270000  | 364500 | 492075  | 664301  |
| Total           | 500000  | 675000  | 911250 | 1230188 | 1660753 |
| Revenues        |         |         |        |         |         |
| P2P             | 207000  | 279450  | 377258 | 509298  | 687552  |
| eCommerce       | 206000  | 278100  | 375435 | 506837  | 684230  |
| Total           | 413000  | 557550  | 752693 | 1016135 | 1371782 |

The share of market is the number of transactions facilitated by Daraja to the total number of transactions done worldwide. It will be growing at a rate of 8-10% annually.

We expect to complete at least 500000 transactions in our first year of operations. Our expected growth rate by number of transactions will be 35% annually which will also result in 35% growth of revenue annually



# ADAPTION STRATEGY

## Distribution Channel

Our distribution channel will be 100% online since it will be offered as a software product to the end user.



## Acquiring our first customers

### a. Partnerships

We will partner with the digital wallets providers so that the end user can easily open an account on our platform that directly links to their account with their digital wallet providers.

### b. Social Awareness

- Participation in tech expos.
- Targeted advertising to individuals and businesses.
- Content marketing through blog posts and videos.