

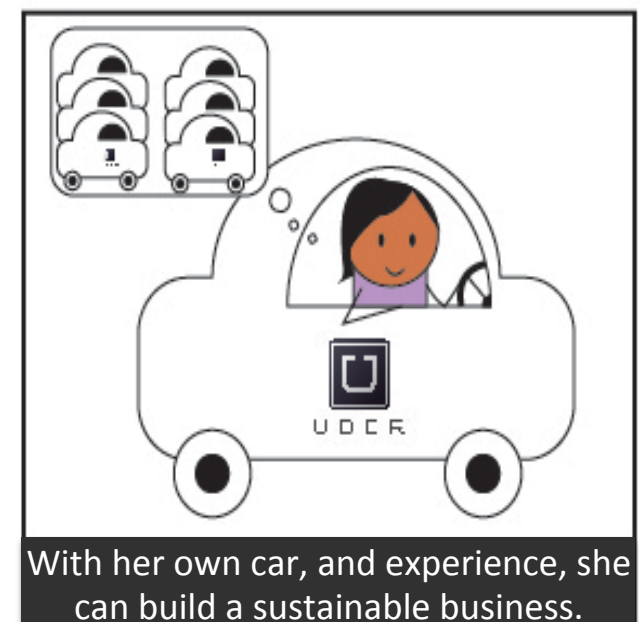
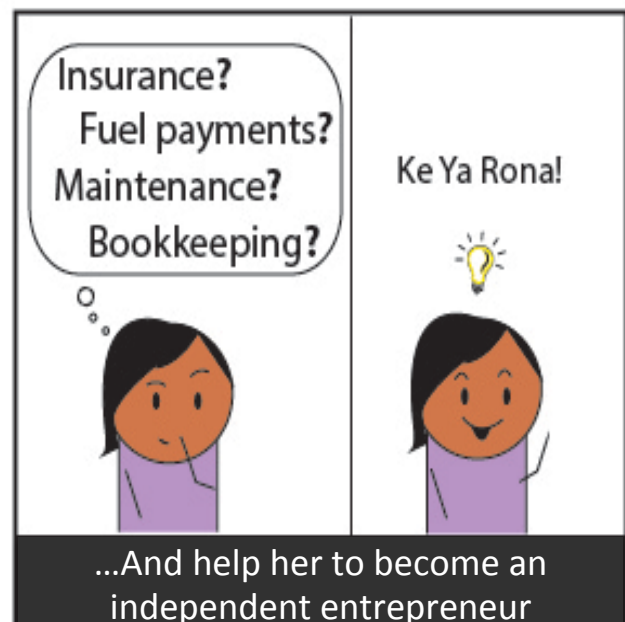
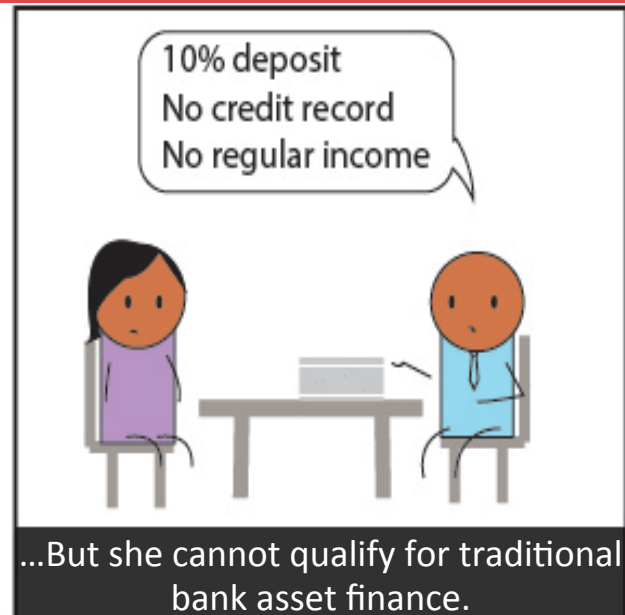
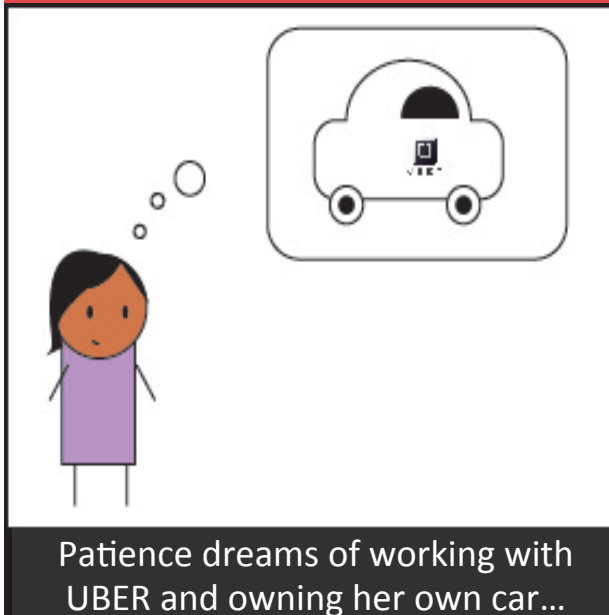


IT BELONGS TO US

# Ke Ya Rona Business Introduction

Ke Ya Rona business model, vehicle  
profitability, and business forecast

# Ke Ya Rona helps drivers to become successful UBER partners



# Our rent-to-buy model has been developed through a pilot in Johannesburg, South Africa

## Ke Ya Rona's rent-to-buy revenue share model

## Assumptions

### Revenue share



20%

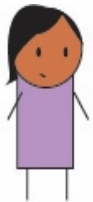
Our drivers work with UBER. UBER takes a standard 20% of the taxi fare as booking fee.



30%

Ke Ya Rona takes 30% of revenue to cover interest, loan repayment, vehicle insurance, overheads, and profit. There is a **minimum payment**, regardless of driver revenue.

or min. payment



Driver

50%

The driver takes 50% of the revenue share and pays for all other costs including fuel.

### Risk management



#### Maintenance Savings Account

The driver makes compulsory monthly contributions to a savings account for any maintenance or insurance excess. The driver **keeps any positive balance** when the vehicle is paid off.



#### Payment Process

**We get paid first:** payment flows from passenger credit card → UBER → Ke Ya Rona weekly. We pay our drivers monthly.



Repayment term:  
**3-5 years**







Vehicle value:  
e.g. **R150k Toyota Corolla**

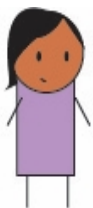


Minimum payment:  
**From R7,000 /month**








# Ke Ya Rona is building a holistic driver support systems from providing vehicle finance, working capital, fleet and business management

		<b>Wumdrop</b> <b>Delivery Bikes</b> 	<b>Uber X</b> 	<b>Uber Black</b> 	<b>Uber Van</b> 
Revenue projected by our drivers' past performance	<b>Revenue</b>	8,000	22,000	40,000	40,000
Uber takes 20-25%	<b>Booking fee</b>	2,000	4,400	10,000	8,000
We take 30% or a minimum payment	<b>Ke Ya Rona fee</b>	2,000	6,000	12,000	14,000
Drivers cover all other expenses	<b>Fuel</b>	500	4,500	8,500	12,000
	<b>Maintenance</b>	500	2,000	2,000	3,000
	<b>Other</b>	-	-	-	-
	<b>Driver profit</b>	<u>2,900</u>	<u>4,500</u>	<u>7,500</u>	<u>4,500</u>



**Our drivers are independent business owners. We focus on driver profitability to align incentives, manage risks and empower drivers.**

# Uber X, Black, and Scooters currently attractive best asset classes

		<b>Wumdrop Delivery Bikes</b> 	<b>Uber X</b> 	<b>Uber Black</b> 	<b>Uber Van</b> 
<b>Current <i>pilot</i> fleet</b>		1 bike	2 Corollas	2 Mercs	1 Hyundai
<b>Principal per vehicle</b>		17,000	150,000	280,000	400,000
<b>Term</b>		1 year	3-5 years	3-5 years	5 years
<b>Monthly repayment</b>		±1,200	±3,800	±7,100	±10,600
<b>Income statement per vehicle</b>					
<b>Ke Ya Rona min. income</b>		2,000	6,000	10,500	14,000
<b>Repayment + interest</b>		1,200	3,800	7,100	10,600
<b>Insurance</b>		300	1,100	1,300	1,500
<b>Tracker</b>		-	320	320	320
<b>Min. operating profit</b>		500	780	1,780	1,580

Uber X currently offers good returns with lower capital requirements.  
Uber Black returns are currently higher, but the market has been more volatile.

# We've designed our model to manage key risks

Key risks	How we manage them
Vehicle theft	<ul style="list-style-type: none"><li>Trackers installed in all vehicles</li></ul>
Accident liability	<ul style="list-style-type: none"><li>Comprehensive insurance with professional third party cover on all vehicles</li></ul>
Cash theft	<ul style="list-style-type: none"><li>We are cashless: Passenger credit card → Uber → Ke Ya Rona. We don't wait to see if our drivers pay us back. We get paid first, and we transfer what's left to our drivers.</li></ul>
Fuel price increase	<ul style="list-style-type: none"><li>Drivers bear the risk of fuel price increases</li><li>Best-in-class vehicles selected based on fuel efficiency: Merc C180; Toyota Corolla 1.3; Hyundai H1 diesel</li></ul>
Interest rate risk	<ul style="list-style-type: none"><li>Comfortable interest cover on each deal</li><li>Drivers' minimum payment linked to floating interest rate</li></ul>
Capital repayment schedule	<ul style="list-style-type: none"><li>Aggressive 3 year loan terms can be relaxed to standard 5 year terms if necessary</li></ul>

# We're excited about our growth potential

## Key sources of growth

Identify favourable sources of capital

Scale up working asset classes

Identify other revenue sources

Expand to new cities

Pilot new business models

## Our plans in brief

- **Approach impact investment / development finance / trial online platforms such as Indigogo and Kick-starter to lower our cost of capital and increase driver affordability**
- **Expand in our best-performing asset classes**
- **Identify additional revenue sources for existing vehicles e.g. Uber Van which can benefit from school, hotel, and funeral contracts**
- **We have already launched a Wumdrop Delivery Bike pilot in Cape Town**
- **We have already identified African and Indian cities ripe for KYR expansion with Grad students from Bocconi**
- **We are piloting with Uber and Wumdrop; We remain on the look out for similar opportunities and closer collaboration with Uber / Wumdrop**

Our next step is to scale our pilot in Jo'burg, and pilot in another market

## Jo'burg

### Uber X + Black



Grow by ±50 cars in Jo'burg in 2015

#### KYR monthly revenue potential

25 x R22,000 = R550,000 pm

25 x R40,000 = R1,000,000 pm

#### KYR Funding requirement

25 x R150,000 = R3,750,000

25 x R280,000 = R7,000,000

## e.g. Nairobi

### Uber X



### Uber Black



### Uber Van



Pilot in Nairobi:

#### Funding requirement

2x Uber X = R300,000

2 x Uber Black = R560,000

1 x Uber Van = R400,000

We hope to fund our projected ±R13m expansion through a finance partner aligned with our empowerment objectives



# We have already began looking at the Nairobi Uber market

We conducted a high-level assessment of the Nairobi Uber market earlier this year with a group of graduate students from Bocconi University.

## Nairobi: Legal Affairs

Tedious application procedures; Financial options from commercial banks are only offered to individuals who can already with higher social status



### Local Incorporation Procedure

- Reserve a unique company name
- Stamp the memorandum and articles of association, and a statement of the nominal capital
- Pay stamp duty at a designated bank
- Sign the Declaration of Compliance before a commissioner of oaths
- Register with the Registrar of Companies at the Attorney General Chambers
- Register for taxes at the Kenya Revenue Authority
- Apply for a business permit
- Register with the National Social Security Fund
- Register with the National Hospital Insurance Fund
- Make a company seal
- Minimum duration: 30 days, cost: 30,000 KSH

<http://www.doingbusiness.org/data/exploreeconomies/kenya/starting-a-business/>



### Vehicle Registration

- Documents required by the Kenya Revenue Authority/ Road Transport Department [16]
- <http://www.kra.go.ke/roadtransport/roadvehicleregistration.html>



### Bank financing for used cars

- High loan amount of KSH 5M for used cars.
- Required minimum downpayment: 20%
- Max. Repayment period: 5 years
- Financing Package: Vehicle value, cost of insurance and car tracking device

- Eligibility: Salaried with a minimum gross salary of KES 75,000 per month
- Salary account with Standard Chartered Bank before the loan is disbursed.

<https://www.sc.com/ke/borrow/loans-auto.html>

- Documents required: Introduction letter from employer on company letterhead
- Proof of income (certified copy of pay slip) and last 6 months bank statement (for new accounts)
- Copy of ID / passport
- 1 x passport sized photograph for new customers
- PIN certificate
- Proforma Invoice

- Additional requirements for used vehicles: Log book, Valuation report, Sale agreement

9

Personal Learning Funnel Approach Nairobi Lagos New Delhi Bangalore Recommendation

## Nairobi: Financials

Even under the very conservative assumptions of the Base Case, KeYa Rona driver's profit is slightly above local upper salary of taxi drivers

Driver's Profit per Month (KSH)			Assumptions	
	Base Case	Normal	25 work days per month	
Currency: KSH			Fuel: 20% of revenue	
Revenue	150,900	225,000	Insurance: 10% Car Value p.a.	
Booking Fee	30,180	45,000	Base Case	
Ke Ya Rona	45,270	67,500	6 Avg Rides/Day for 1500KSH/Rides	
Fuel	30,180	45,000	Normal Case	
Maintenance	15,000	15,000	Per day: 2 airport trip + 3 inner-city trips	
Driver	30,270	52,500	Exchange rate	Feasibility Check
Currency: ZAR	3,723	6,458	KSH/ZAR	Normal taxi driver monthly income is btw: 30,000-40,000 KSH
			0.123	

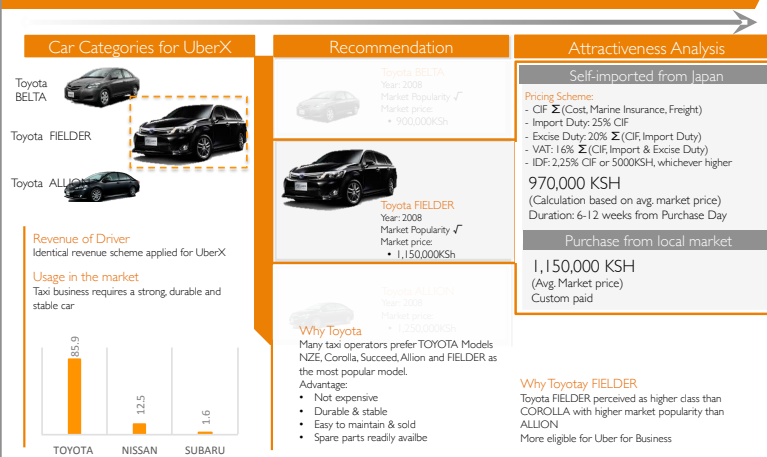
Monthly Revenue Simulation									
Base Case								Normal Case	
Revenue Simulation	Base (UBER Rate)	min (UBER Rate)	KSH/min (UBER)	km	KSH/km (UBER)	Price/Ride	Ride/Day	Monthly	
Airport	UBER Flat Price							75000	
Business center: Expat hub	100	33	4	13	60	1012	3	75900	
Revenue								150900	
									Avg. Price
									Ride/Day
									Revenue Monthly
									1500
									6
									225,000

11

Personal Learning Funnel Approach Nairobi Lagos New Delhi Bangalore Recommendation

## Nairobi: Car models suggestion

Toyota FIELDER is the best choice within UberX category to target Business Customers



10

Personal Learning Funnel Approach Nairobi Lagos New Delhi Bangalore Recommendation

Next steps focus on finding the right finance partner to scale and pilot

Finance deal pipeline for South Africa

Pilot our model in other cities with a large / growing Uber market where drivers have limited access to capital e.g. our prioritised cities Nairobi, Lagos, Delhi, Bangalore