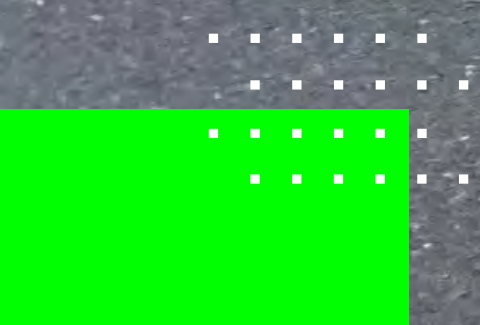




GREEN RIDERS

BUSINESS MODEL



INTRODUCTION

The **Green Riders** business model is geared towards a greener, cleaner future for Africa, achievable by:

- converting the huge number of fuel-guzzling delivery vehicles to more affordable e-mobility options;
- providing the continent with the opportunity for asset ownership, sustainable earning and development in an ever-growing economy;
- significantly reducing the carbon footprint of the last-mile delivery sector; and
- promoting education and upliftment of individuals and communities.

The food and small goods delivery market in South Africa consists of approximately 50 000 motorbikes used predominantly by independently contracted drivers who work within large companies. Generally, they earn barely above minimum wage due to high fuel costs and gross industry inefficiencies. With the peaks and troughs of the industry, drivers often sit idle for many hours a day.



MARKET DISRUPTION

A photograph showing a delivery rider on the left, wearing a black helmet, a black face mask, and a high-visibility yellow and white safety vest over a dark long-sleeved shirt. The rider is handing a white pizza box to a staff member on the right. The staff member is wearing a black t-shirt with 'CIAO PIZZA' written on it and a black cap with 'CIAO PIZZA' on it. They are standing behind a counter in what appears to be a pizza shop or restaurant. The background shows a brick wall and shelves with stacks of white pizza boxes. The scene is lit with warm indoor lighting.

Replacing the majority of petrol-driven motorbikes with e-bikes and e-motorbikes

With the recent surge in the delivery and e-commerce sectors, the need for delivery vehicles is expected to double by 2025. This will have a devastating impact on our planet if we do not make a rapid move towards cleaner and greener e-mobility options.

The operating costs of e-bikes and e-motorbikes are considerably lower than those of petrol-driven motorbikes, making this an attractive option for current drivers.

Empowering a massive fleet of new e-bike riders

Unemployed youths do not need a driver's licence to operate an e-bike which lowers the market's barrier to entry. These young delivery riders will also benefit from training in safe-riding skills, basic business skills, communication skills, customer relations and so on. The delivery market is expanding at an exponential rate enabling many new potential jobs in this sector.

Offering riders access to a much larger network of delivery aggregators

Currently, most delivery riders work for one company with many idle off-peak hours each day. [Green Riders](#) has partnered with all the major delivery platforms in South Africa to offer its riders a maximized earning opportunity, via omni-channel integrated technology, to perform deliveries and offer services on multiple platforms simultaneously.

Rural markets are facing huge logistical problems. Green Riders is, therefore, introducing an off-road e-bike custom-built for African terrain to support delivery in these markets where delivery via normal vehicles is prohibitively expensive.

Building an organisation that cares for the individual

At present, delivery drivers are left to fend for themselves, with no technical, administrative or customer service support. They are often exploited, earn very little and have no-one to turn to when they need assistance or mentorship on how to maximize their earnings.

The **Green Riders** mentorship programme and full support team (including online dashboard support, technical response and rider management) assist the rider, not only with day-to-day issues, but also with background administrative tasks for fast-tracked platform onboarding and 'starter kits' which set the individual up for immediate success. **Green Riders** also incentivizes riders and offers free masterclasses and seminars to further upskilling and development.

The results are that **Green Riders** has some of the most effective and highly rated delivery riders in the industry.



OPERATING MODEL

Green Riders trains and upskills new trainees to be competent delivery riders. We are supported by various government, non-profit and private companies who have aligned themselves with our goals of reducing poverty and carbon emissions.

Once trained, we place the rider on an e-bike (and will later offer the option of an e-motorbike). The market for delivery riders is vast, but we need the capital to purchase these e-bikes, including safety and communication equipment which costs around ZAR 40 000 per rider. This is a capital-intensive project and one for which we need support.

Our rent-to-own model gives the rider the opportunity to own his e-bike within 12-24 months. For boosted earning potential, we place the rider on multiple platforms through our partnership with the major delivery aggregators in South Africa. The rider then pays **Green Riders** a weekly e-bike fee which covers maintenance, insurance, tracking, support and covers a small contribution towards the purchase of the asset. The total costs per rider are about ZAR 700 per week - considerably less than the ZAR 1 250 per week that a motorbike driver is currently paying. By moving to an e-bike, the rider can save up to ZAR 30 000 a year, doing the same job as a traditional motorbike driver AND with the opportunity to own the asset (after which time, the running costs are reduced and monthly cost-savings are increased).

Green Riders has partnered with corporate sponsors to assist with subsidising the costs of the e-bikes, enabling the riders to emerge as skilled and highly-qualified delivery riders, who will own their asset, and be able to continue building their growing businesses as micro-entrepreneurs in this flourishing market.

Green Riders runs on very small operating margins. Our objective is to build a significant business and then profit from economies of scale. We intend to build a modular business with a number of hubs in key areas, each servicing 100 - 200 delivery riders. These riders will fulfil the delivery demands in these areas and be able to use their e-bikes for commuting between their homes and work, eliminating unnecessary transport costs. This also reduces the need for **Green Riders** to operate from large premises. The hubs need only be small administrative centres with enough space for a technical workshop for e-bike maintenance and repairs, as needed.



The business is built on the success of the direct selling model where small teams of sales people operate in areas but collectively contribute to a massive organization. **Green Riders** builds each hub along similar lines. We continually train, motivate and upskill the riders but emphasize that they are independent contractors and micro-entrepreneurs in their own right with no upper limit to their earnings which are the result of their own efforts.

Green Riders aims to build clusters of hubs in all the main centres in South Africa within the next two years before expanding into other Southern African countries and less populated areas thereafter.

Green Riders has partnered with AdReach, one of the largest outdoor advertising companies in South Africa. We will be placing corporate branding on our e-bikes for advertising, enabling the rider to earn additional passive income each month. Our trademarked **ViziCube™**, an LED screen fitted onto the back of the e-bike delivery box which has smart geo- and time-targeted advertising functionality, can promote companies or brands in the mobile digital advertising space.

Our e-bikes are custom-built for tough African conditions. E-bikes built for the European, American or Asian markets are either too sophisticated and complex (leading to challenging maintenance problems) or built for lighter loads and shorter trips. Our robust e-bikes, designed to carry an 80 - 90kg rider plus 100kg of goods, with optimized safety features and very little maintenance requirements, are the result of a multi-year testing process and will be a significant improvement on anything currently being used in the African market.

Our superior battery technology includes two large 1 000 kWh batteries per e-bike which, together, have a range of approximately 120km, when carrying a full load – significantly more than our competitors who all use a single, smaller battery. Our batteries are also simple to swap-out or replace at our convenient battery swap-out stations. In practical urban market tests, our e-bikes were proven as effective as motorbikes doing the same job.

GROWTH PLAN

Our initial, **start-up test phase** using 100 e-bikes is nearing completion. This phase was conducted in the West Coast area in Cape Town, South Africa.

Our **acceleration phase**, placing another 500 e-bikes on South African roads, will start in October 2022 as part of our national expansion. These e-bikes have been ordered, built and are being shipped from China end-August. This phase will consist of six hubs – three in Cape Town and three in other major metropolitans in South Africa – with 100 e-bikes each.

Simultaneously, we are importing a few test e-motorbikes, and developing the registration and licensing processes and homologation for roll-out in 2023.

From here, our next **growth series** starts early in 2023 with the ambition to add another 2 000 e-bikes and 500 e-motorbikes to the major districts throughout South Africa.

Our **rapid growth phase** will commence in 2024 with the addition of another 5 000 e-bikes as well as 4 500 e-motorbikes, bringing the total fleet size to 12 500 e-vehicles, with continued expansion into the major centres of South Africa, and the larger cities in other Southern African countries.

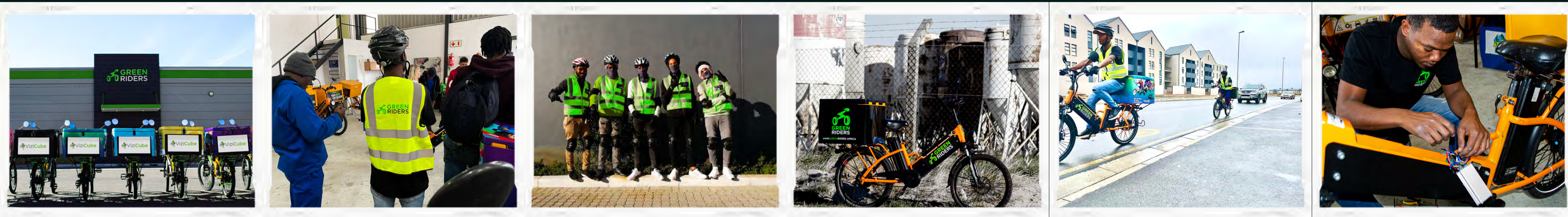
We then aim to grow our fleet to 50 000 e-vehicles by 2026, by aggressively replacing existing petrol motorbikes with mixed e-mobility modes across Southern Africa and introducing this cleaner alternative to previously untapped markets. By then, the improved battery technology, price reductions and battery swap-out infrastructure will give our product offering a massive competitive advantage as **the most effective solution** for last-mile deliveries in Southern Africa.



ADDITIONAL FACTORS

The above market growth strategy is based solely on the food and small parcels delivery market, without consideration of the significant opportunity for rural market transport in Southern Africa. Our e-bike will cater specifically to the hundreds of thousands of people who face daily commuting issues.

With additional funding, this growth strategy can be accelerated. The only impediment could be the e-bike funding. The model is simple, tried and tested and the market is existing and growing.



Cutting-edge IOT technology will make this industry world-class and enable Green Riders to claim Carbon Credits for its contribution in fighting climate change, while also ticking 15 of the 17 SDG goals.