



Karfu

Karfu has developed an impartial vehicle & mobility comparison platform to help consumers save money, time & the planet

Problem: Consumer mobility decisions are getting more complex. With new access choices (from ownership to usership), vehicle types (from electric cars to electric scooters) and environmental concerns, people are confused about what is right for their needs. Comparing between new and traditional options is slow, manual, complex and frustrating process.

Solution: Our ambition is to provide every vehicle and mobility product and service within one impartial comparison website, to guide consumers to the best choice for them very quickly, saving people money, time & effort (as well as the planet). We uniquely compare financial and environmental total cost of use over time allowing comparison of diverse options

Business: Karfu makes money when a consumer purchases a Provider's product or service via a Referral / Affiliate link, which we provide to the consumer. In future we plan to monetise the data we hold on consumers by selling aggregated and anonymised insight.

Market: Karfu is a 2 sided marketplace. 1 side is environmentally conscious consumers focused on value living in suburban areas, assessing their vehicle options. The other is global vehicle and mobility service providers looking to sell to these consumers.

Accomplishments: - Achieved FCA AR status
- B Corporation certification
- Signed 18 MoU's with marketplace providers
- 1 of 5 firms approved for FCA's Green FinTech Challenge Regulatory Sandbox
- Beta testing programme with 500 users to develop launch product.

Pitch deck: files.dealum.com/2022-11/8nixby2wougn...

Team



Samuel Ellis

Co-founder & CEO

Experience: Executive MBA, previously Head of Innovation at M&C Saatchi including managing development team. Agency lead for Jaguar Land Rover across Retail, Digital and CRM. Launched app based insurance start-up Back Me Up.

15+ years innovation management, marketing director and start-up commercialisation.



Dominic Thomas

Co-founder & COO

Experience: Executive MBA, previously Senior Derivatives Trader, an expert in probability and risk modelling, data-driven analytics and decision-making. Compliance aware, has managed and lead large technical and data teams.

15+ years algorithm development and project analysis.



GREENBACKERS INVESTMENT SHOWCASE

Step: Live Deals
Tags: COP 27 Pitch

Powered by Dealum

Registered Jun, 2019

www.karfu.com

Country: United Kingdom

www.linkedin.com/company/karfu

twitter.com/karfu_co

MVP/Seed Stage

Software

Automotive, Cleantech
E-commerce

Marketplace services, Special purpose algorithm
Smart mobility

B2C

Capital seeking (£): 600,000 - 1,000,000

Funding stage: Seed Round

Already raised of current funding round (£): 300,000

Minimum ticket size (£): 10,000

Pre-money valuation (£): 5,000,000

Registered/incorporated: Yes

Company legal name: Karfu Limited

Company registration number: 12029292

EIS/SEIS approved: Both SEIS & EIS approved

What is your business model?: Hybrid (SaaS & Marketplace)

Primary currency: GBP

Contact: Samuel Ellis, +443333 057 507, samuel.ellis@karfu.com

**Jon Chandler**

Co-founder & CTO

Experience: Head of Software Engineering for M&C Saatchi for 17 years. Built car comparison sites for MINI, finance calculators for BMW, accessories shops for Porsche and multiple global CMS and owner platforms in automotive.

20+ years software development.

**Chris Marting**

Senior Backend Developer

Experience: As an experienced developer who has spent most of his development career in the travel industry, Chris has experience in leading development projects which involve everything from quickly, and efficiently, processing large amounts of data to bringing complex frontend designs into reality.

**Harry Leahey**

Marketing & Content Execu..

Experience: Harry graduated with a degree in Journalism at Liverpool John Moores University in 2019. During his studies, he gained some experience in PR at bespoke sports car firm BAC, and accreditation from the Broadcast Journalism Training Council (BJTC). He is now a graduate of Coventry University's unique MA course in Automotive Journalism, having completed his studies in August 2022.

**Shafiq Abidin**

Marketing & Content Execu..

Experience: Shafiq is a double graduate, holding a BA degree in journalism from City, University of London, and an MA degree in automotive journalism from Coventry University. Previously, he has written for the likes of Electrifying, CarThrottle and Drive Tribe, and has enjoyed a breadth of experiences in the opening years of his career in motoring journalism.

Number of team members: 6

Number of employees: 6

Second point of contact: Dominic Thomas

Their email: dominic.thomas@karfu.com

Their phone number: +443333 057 507

Solution

What stage is your technology at?: Ready/starting to commercially launch

Technology readiness level (TRL): TRL 6 - Technology demonstrated in relevant environment

Market

Geographic markets: Eastern Europe, Western Europe

Northern America

United Kingdom

What steps have you taken to validate the market?: Karfu is the result of 4 years of research into the mobility market, which started at Imperial College Business School as part of an Executive MBA project. We've spoken to hundreds of consumers through interviews and focus groups to validate their confusion regarding the ever changing market for vehicles and mobility services and their frustrations with trying to compare a variety of diverse new and traditional options. We've built 4 prototypes and tested them with consumers to stress test our hypothesis and help develop our launch product, with 500 beta testers trialling different iterations. We've contacted 100's of vehicle and mobility product and service providers to understand their challenges inflicted by the COVID-19 pandemic and the cost of living crisis. We have a strong sales pipeline, with MoUs signed with 15 providers include car dealers, leasing and subscription companies, supporting services like Insurance and Charging, as well as Bicycle and Scooter OEMs and retailers.

Approximate market size, in millions (£): 201

How did you estimate the market size?: The global mobility market is projected to reach \$26.6 trillion by 2030. In the UK alone, in 2019 the mobility market was £80bn, across car purchase, car ownership, new mobility providers and mobility enablers, all of which are potential revenue streams for Karfu. Our TAM calculation focused on potential revenue capture from marketing customer acquisition budgets, with research into over 300 companies proving that this is rarely less than 5% of a

sale. This entire 5% can be captured as a referral and affiliate commission, and whilst it is often over 9.5% on average, we have used 5% in our modelling to estimate a minimum TAM of £4bn. Utilising demographic and attitudinal data, we have estimated that 5% of UK households are engaged in the automotive and mobility markets. From this we have calculated a conservative estimate that the total serviceable market for this new category of mobility comparison is £201m in the UK. Additional research and links are available in a separate document.

What is the competitive advantage of your company?: We are creating a new business category of 'Mobility Comparison', in which we are first mover and can become the global market leader. Our research indicates there are no impartial mobility comparison platforms in existence, and no mobility platforms that compare as wide a variety of vehicle and mobility choices. There are no platforms or algorithms in the comparison sector that focus on Total Cost of Use (e.g. cost of vehicle / tax / fuel / insurance / maintenance over time) for consumer recommendations. We have also found that there are no automotive or mobility platforms that highlight consumer environmental impact using vehicle lifecycle based analysis (i.e. across production, delivery, use and end of life including recycling). Finally, there are no existing vehicle based platforms that put impartiality at the core of their business to ensure consumers get the best deal for their individual requirements, and no comparison platforms who have achieved certified B Corporation status.

Which companies do you consider to be your main competitors and why?: There are no mobility comparison websites in the UK, but we have identified adjacent competitors. Car listings include Carwow (new) and Autotrader (used), as they are the market leaders and we view the most ambitious players in the automotive landscape, but they have ignored mobility to date. [Confused.com](#) have begun to spread out from their insurance and finance heritage more directly into automotive, but their efforts appear to be poorly focused. Citymapper is focused on individual trips and what you need to do right now - your immediate needs - but they don't predict the future or consider the long term. Which? are arguably the closest brand to us in ethos, in that they create impartial content, but it is car, not mobility focused. We most fear either an existing comparison website or Amazon / Google, as they have significant economies of scale in consumer marketing, as well as the software engineering resources to scale quickly, but they are also potential future Karfu acquirers.

Business Model

What is your business model type?: Marketplace

Can you list, in detail, your sales pipeline for the next six months?: We've initially been focused on Provider recruitment, to fill up the supply side of our marketplace, to ensure consumers have products and services to buy. Our sales pipeline overall is focused on 'Tier 2' Providers (i.e. not market leaders, but those trying to catch-up) and new to market Providers, who need additional distribution to help them acquire new customers. Providers provide their data through APIs or a stock feed, and we use their existing integrations to reduce the friction of joining. Provider outreach will be via our CEO and COO directly to executives and senior sales and marketing contacts, with over 95% of conversations progressing from initial outreach. We'll also continue to utilise bespoke B2B content on business focused social media to raise our profile with targeted providers (particularly on LinkedIn), as well as in-person meetings at identified key trade shows. Our immediate focus for the next 6 months will focus on acquiring and integrating additional car dealerships, a car supermarket provider, as well as a national car sharing and rental provider. We also plan to fill out the remaining spots in our running cost section for each vehicle type for both essential (e.g. insurance) and recommended (e.g. breakdown cover) costs, focusing on those for cars, before turning to vans, motorcycles, bicycles and scooters. Finally, we will supplement the existing bicycle and scooter OEMs and retailers we have already acquired to ensure a wider variety of choice.

Finance

Monthly burn (£): 35,000

Months of runway: 8

Has the company received any funding or investments to date?: Yes

Type of funding and investments received: Business Angel, Own Investments

Raising capital: Yes

Capital seeking (£): 600,000 - 1,000,000

Funding stage: Seed Round

Already raised of current funding round (£): 300,000

Minimum ticket size (£): 10,000

Do you have a lead investor?: I'm looking for a lead investor

Pre-money valuation (£): 5,000,000

How much are you planning to raise in the future? (£): 3,000,000 - 5,000,000

When are you planning to raise the next funding round(s)?: 12 - 18 months, dependent on the wider economic environment

Strategy

What milestones are you planning to reach with current funding round?: -Launch updated Product to consumers in early Q1 23, targeting 1,000 referrals in <9 months to confirm CAC to Revenue modelling is in line with Forecasts.

- Sign commercial agreements with 50 Providers in identified categories in <9 months to confirm marketplace attractiveness.
- Develop Product by launching 6 new user journeys identified during Beta research in <9 months
- Expand content by launching Vehicle Ratings section within <6 months, to increase user time spent on platform.

Explain in short, what are your international ambitions?: - Karfu has been designed as an international business from day 1

- We have trademarked Karfu in the EU, with a USA trademark pending
- Our ambition is to launch and scale the core concept in the UK, before scaling to the most attractive market in either an EU country or USA state, based on the learnings from the UK
- We then plan to scale on a country by country and state by state basis

Sustainable Development Goals: GOAL 11: Sustainable Cities and Communities, GOAL 13: Climate Action

Explain how your company is contributing to the goal 11 (Sustainable Cities and Communities): As a consumer product, Karfu shows consumers the reality of the environmental impact of their mobility choices, so our customers can view their individual total impact, and explains how we measure vehicle lifecycle and usage data. Our information helps people in cities and communities understand their impact and then helps them to explore different forms of active travel and the circular economy possibilities of shared mobility, ride-hailing, micro-mobility. As shown with our work with Milton Keynes as part of their Accelerator programme, we can help cities and communities to track the number of transactions completed of less-polluting vehicles (e.g. electric cars) and near non-polluting vehicle sales (e.g. bicycles, scooters) in their local area. The platform also allows them to track the number of sustainability projects and sustainable businesses supported, as well as the adoption rates and number of subscriptions to circular economy services. We can also help cities and communities identify the interest in currently unavailable services, informing local councils and entrepreneurs of needs and opportunities available to support the interests of local people.

Explain how your company is contributing to the goal 13 (Climate Action): Karfu compares and visualises CO2 equivalents and Air Quality (NOX and PM10) to demonstrate the environmental impact of a consumer's choice of vehicle and mobility service. We do this using our internally developed Lifecycle Assessment model. We make clear a consumer's contribution to tackling climate change matters and is achievable, and help them explore the circular economy possibilities of shared mobility, ride-hailing, or micro-mobility. We measure tons of CO2e saved and promote local, more sustainable and active travel based services. To support our mission we have already achieved B Corporation status, The Planet Mark certification and are members of the SME Climate Hub and Tech Zero.

What is your exit strategy?: Competitor buyout, Company buyout
Shareholder/employee buyout
IPO/RPO

What is your exit timeline? Explain.: We plan to pursue an exit in 5-7 years, assuming we do not agree to pursue further expansion through revenue or debt after discussions with shareholders. We want to ensure our investors are remunerated for their faith in the business and team within a reasonable angel investment and/or venture capital timeline, with some examples below:

- 1) IPO - to provide the funds required for global expansion
- 2) A trade exit - as the platform could be valuable to an existing player in the automotive or mobility industry
- 3) A comparison platform - who are looking to expand their scope into the growing mobility market
- 4) A private equity firm (or large global VC) - who could take on the platform to scale globally
- 5) A media company - looking for new content and ecommerce revenue opportunities to expand into due to the decline in advertising revenue
- 6) The founders raise enough debt to repurchase the business - to guarantee commitments to impartiality are maintained in the long run.

Other

If you have secured patents, are they assigned to an individual, to the company, or licensed in?: Not applicable

Have you participated in any accelerator or incubator program?: Yes

Business Plan (pdf, pptx, docx): <files.dealum.com/2022-11/sd45a8jmx69a...>
