

HOP

On demand ride sharing

HOP is an on-demand ride-sharing platform which uses Hertz rental cars to connect riders and drivers. HOP launched a unique ride-sharing model leveraging off existing Hertz rental cars. Drivers over 25 years of age are able to rent a Hertz car and pick-up customers and keep 100% of all fares. Fares charged are 40% below a taxi fare and vehicles are usually less than 18 months old. HOP receives commission based on part of the daily rental fee paid by the driver to Hertz.

Competition for Uber

HOP's focus is to provide drivers with a fair deal and to provide riders with high quality vehicles and reduced fares. The key attributes of the HOP business compared with Uber include:

- With HOP drivers do not need to provide a car – cars are rented from Hertz and insurance is also covered
- Drivers keep 100% of the fares
- Drivers are guaranteed \$300 for a 8-hour shift
- Cars are 18 months old or less
- Riders can select quality of vehicle to be provided
- There is no surge pricing and riders are charged fares which are 40% cheaper than taxis.

Reducing costs and increasing benefits

The HOP proposition by using rental cars which can be rented by the hour or for periods of up to 90 days with prices starting at \$6 per hour provides capital constrained drivers with the ability to participate in the ride sharing business

Drivers begin by registering through the HOP app and after providing the necessary documentation and attending a driver information session they are approved and able to rent a car. Passengers download the app, fill in their payment details, make a vehicle choice and book a trip. A fare estimate is provided and passengers are charged a \$2 booking fee. There is also an option to book a ride from the street because HOP has 'ushers' working at busy street spots to help book rides for those who have not downloaded the app.

Competition

HOP faces competition from the taxi industry, from Uber and ride sharing businesses such as GoCatch.

Share details

Investment to date	A\$0.75M
Number of shareholders	11

Capital raising timetable

December 2016	\$0.26M
July 2017	\$0.5M

Upside Case

- Allows capital constrained drivers to enter the market
- Offers lower fares than taxis (40% reduction)
- Provides riders with a choice of near new vehicles

Downside Case

- Competition from taxis, Uber and ride-sharing start-ups
- Revenues not related to volume (based on % of fixed rental fees)
- Future competition from driverless cars

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