



dr**Q**pbike

Freedom to go.

Smart bike sharing.



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Operational plan.

The purpose of this document is to provide details on a number of operational elements of a Dropbike program.

If you have any questions, please email Emmett Meacher at emmett@dropbike.ca.



Working with care.

Robust system planning.

To launch in a new region, the Dropbike team takes an expert approach. Dropbike researches the needs of community members specific to that region. We look at topography, demographics, neighbourhood density, and much more. We combine this knowledge with information about:

- The most popular destinations in the region for commuters.
- The gaps left by existing transit infrastructure.
- Conversations with locals (commuters, tourists, shop owners, etc.) and government officials.

With a comprehensive view of how to adapt to best serve the community, where Dropbike Havens would be most useful and how many bikes to start with, our team then reaches out for a discussion and future partnerships with local stakeholders.

Best-in-class service.

Dropbike's operational team monitors the real-time locations of each bicycle. There is a fast response team to pick up any bicycles left in inappropriate locations. Dropbike also works on in-app safety features and signage reminders to allow more people to learn about cycling rules and safety. In the Dropbike app, real-time user data and feedback will allow cities unprecedented insight into travel behaviour.

Local commitment.

Engaging local authorities, being accountable to the concerns of governments and adapting our system to the needs of residents allow us to incorporate Dropbike into the fabric of a community and its transit system, creating valuable infrastructure that's focused on serving residents in the long term.

In our many current markets in and around Toronto, Kingston and Montreal—including partnerships with cities, universities, local groups and private partners—we have hired and maintain a team of local operators.

Creating local jobs.

At Dropbike, we believe in local managers, operators and manufacturing. Our HQ team includes tech entrepreneurs, municipal and federal government experience, and supply chain and operational experience across continents.

HQ team.

Canadian crew.

Our HQ team consists of business development, government relations, software engineering, design, operations, warehouse management, communications and talent acquisition experts. As an all-Canadian and locally-based crew, we take pride in giving our own citizens first-class service, understanding the nuances of our cities, and creating excellence on our soil. We put Canada first.

General Managers.

Expert city operators.

General Managers are operations experts, responsible for launching Dropbike in a city. General Managers are Dropbike brand leaders who can grow, manage and motivate a team, implement creative growth marketing strategies and execute on them, and are not afraid to be hands on. At its core, a General Manager's responsibility is to to run a world-class operation system that makes cities proud to partner with us.

Dropbike Warriors.

Knowledge experts.

Bike Warriors are brand ambassadors, knowledge experts, Dropbike's rebalancing team and the true lifeblood of the Dropbike ecosystem.

The primary responsibility of a Bike Warrior is to ensure that all dropbikes are appropriately parked at Dropbike Havens (as previously defined) while not in use, repaired or checked for quality, and kept within appropriate boundaries.

Business model.

How is Dropbike able to operate with **zero subsidies**?

More than 10x more convenient.

Most bike sharing systems are limited to fixed docks. By creating Havens (practically virtual posts), Dropbike saves money and time. Docked systems have 5-500 stations—Dropbike can turn 17,500 bike posts into Havens. Shared bicycles are a network that's only as valuable as the number of its nodes—with every new bike and added Haven, the convenience of bike sharing makes it a better transit option for residents. Research has consistently backed up this simple fact: the more bikes and the more places to leave bikes, the higher the growth of ridership in a city.

More than 10x more affordable.

Physical docks are the most expensive part of a shared bicycle system: up to \$3,500 of a \$5,000/bike cost. Dropbikes are over 10x cheaper (including all tariffs, shipping, etc.) than traditional bike share systems—making Dropbike a more affordable option for riders, as well. Currently, we offer our service for only \$1/hour.

Aligned incentives.

Dropbike does not make money by selling bicycles to cities. Dropbike only wins when more people ride bikes more often, which is perfectly aligned with government objectives. This is why cities can trust Dropbike with their best interests.

Venture-backed & unit costs.

For more details on Dropbike's operational costs, unit economics, sustainable business model or venture success, please contact us directly (contact information is on the final page).

Details and operations.

We thought you'd never ask. A breakdown of everything else—the elephants in the room.

Deployment.

Once an agreement is made between a city and Dropbike to permit usage of our product within a certain geography, dropbikes will be privately transported from our main Dropbike warehouse to a local storage locker until the agreed date of deployment.

At the date of deployment, dropbikes will be released gradually into the agreed upon location.

Rebalancing.

Since dropbikes aren't tied to docks, our app encourages riders to park all dropbikes at Havens when they are finished with their ride.

Dropbike HQ knows exactly where each dropbike is located before and after a ride. Bike Warriors are responsible for moving dropbikes from inappropriate locations or overcrowded Havens to areas where there are fewer bikes and assigned Havens. Dropbikes are maintained by Bike Warriors 12 hours/day.

In the event that a dropbike is not parked by the previous user at a Haven, our Bike Warriors are notified to move the bike back to an appropriate location.

We make an effort to encourage users to park their dropbike at a Haven by providing the ultimate level of clarity in our app (where users can see all surrounding Havens on the map), and penalizing riders for inappropriate parking by charging an extra fee, called out-of-Haven pricing.

Our city General Manager is responsible for collecting all bikes that have been taken outside of designated boundaries.

Misplacement.

Thanks to a combination of Bluetooth, LTE and GPS technology, Dropbike HQ knows exactly where each dropbike is located. However, if a dropbike appears to have been stolen, is missing or is parked at an inappropriate location, we encourage the finder to call Dropbike directly at 1-855-341-2453 so that we can dispatch a General Manager or Bike Warrior to immediately collect the stolen bike. This number is provided on each bike and in our app.

Recovery.

If (in case of inclement weather or an agreement with the city) dropbikes need to be transported off the street, the

Dropbike operations team will take care of this move.

The dropbikes may then be held at our local storage locker, or may be privately transported to our main Dropbike warehouse.

Incidents.

In the case of incidents involving either our staff or users, we urge that 911 (or an applicable local non-emergency number) be called for two reasons. Though the affected party might not be visibly injured, a medical professional should confirm that no injuries were sustained during the incident. As our app does not currently allow for riders under the age of 18, no incidents will involve a minor. It is also important for incidents to be officially documented by local authorities.

We also encourage our staff and users to call Dropbike directly at 1-855-341-2453 in case of an incident. This number is provided on each bike and in our app. This number provides a direct line to the General Manager who will walk the involved parties through the process of calling local authorities.

Dropbike has the appropriate insurance to deal with incidents (including commercial general liability and full third-party liability).

Inclement Weather.

Unless under threat of extreme weather conditions, all dropbikes will remain in the designated geographic area. In the case of extreme weather conditions, all dropbikes will be moved by the local General Manager to our local storage locker.

Theft.

Dropbike is 100% liable for all hardware that is stolen. It is important to note that all bikes are equipped with a hard back lock, and anti-theft screws (which can't be unscrewed by regular tools, and require a specific Dropbike screwdriver). However, in the event that a bike is stolen, Dropbike will ensure that a new bike is placed in the geography.

We believe that with proper market saturation, there will be no marketplace to buy a stolen dropbike. The bike will be easily identifiable for use and will re-enter the market. Finally, as dropbike parts are non-standard, there will be no marketplace for them.

Broken Bikes.

As with any bike, dropbikes will need regular repair and maintenance.

In our app, riders will have the ability to mark a bike in need of repair. This dropbike will immediately be decommissioned for riding to the next rider seeking a dropbike. Bike Warriors are immediately notified to move the bike back to our repair shop or our General Manager is notified to collect the bike and transport it to our local storage locker. As mentioned, Bike Warriors also have the ability to mark a bike in need of repair.

Additionally, Dropbike will have a bike repair professional routinely check a portion of the dropbikes to ensure that they are in good condition for use.

Bike Repairs.

Dropbike believes in promoting local people and businesses. In addition to

employing local General Managers and Bike Warriors, Dropbike would love to create a mutually beneficial working relationship with a student repair group and/or local bike repair shops for the duration of our program.

Liability.

Users sign a waiver during registration. Also, Dropbike indemnifies the city so users deal exclusively with the company.

24/7 operations.

Dropbike's operational team monitors the real-time locations of each bicycle. There is a fast response team to pick up any bicycles left in inappropriate places. Based on the chain of custody, Dropbike is able to effectively and efficiently identify the individual responsible.

GPS monitoring.

Dropbike's third-generation bikes are equipped with onboard GPS units. An operational backend monitors these units to ensure bikes are not placed in inappropriate locations. If they are, our on-the-ground operations team is on-call to ensure that bicycles are left appropriately.

Chain of custody.

For security reasons, Dropbike tracks which users were using which bicycles at a given time throughout the day, week or month. This allows Dropbike to pinpoint any negative behaviour and community misconduct. We will then assign responsibility, warn and/or potentially remove users engaging in misconduct.

Sharing user data with the city.

Dropbike offers an unprecedented opportunity for governments to better understand their cycling infrastructure. In a formal partnership, Dropbike shares relevant (anonymized) data that helps cities make better decisions.

Engineering care.

Dropbike is a software company in an industry traditionally slowed by expensive, physical docks. In a software-driven bike share model, it is imperative to incentivize positive user behaviour.

Dropbike uses a combination of rewards, Havens, negative reinforcements and other user experience strategies to nudge user behaviour in a positive direction. We strongly believe in leveraging technology to help build a community that respects the bikes and the city in which they are used.