



RunningMan Equity Crowdfunding Offer

Investment Highlights



Runningman Instant Delivery Sdn. Bhd.

Registration Number: 1156700-H

Company Features

- Speedy last mile logistic company
- Strong growth averaging 20% month on month
- Revenue quadrupled within a year
- Expanding fast into new localities

Equity Crowdfunding Offer

RM175,000 for 14% Equity

Lead Investors

Nexea Angels, BizAngel Network, WTF Accelerator



RunningMan Equity Crowdfunding Offer

Overview



RunningMan is a fast growing marketplace platform with instant delivery (typically within an hour) that users can reach to reach out to nearby shops and restaurants. Users pick the product they want and runners deliver them in super-fast time. RunningMan riders are stationed at strategic points within its coverage area.

RunningMan distinguishes itself by being a delivery service for everything. Having initially specialized in food delivery, we have expanded to become a delivery service for everything. Today, RunningMan users are ordering food, groceries, pet supplies, stationaries and more.

We have also moved into servicing SMEs interested to outsource their delivery tasks. We aim to grow into a one-stop online marketplace, logistic and delivery solution for residents and SMEs in the urban areas.

The company is growing fast and is now raising funds for technology development and to expand into more areas.



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The Story Thus Far



RunningMan was born in early 2015 as a startup idea by 2 university students who saw an opportunity to serve the busy urban lifestyle. We started operations in Setapak in Kuala Lumpur, offering fast low-cost services. Response was good and the venture broke even very quickly.

Our success attracted the interest of two pre-seed investors who put in funds to launch the service in another zone (Sg Long / Cheras). RunningMan then participated in November in the ASEAN Startup Campus Accelerator bootcamp held in conjunction with the 1AES summit in Kuala Lumpur organized by WatchTower and Friends (WTF) Accelerator. The judges picked RunningMan as the top startup of the Campus Accelerator bootcamp, earning us a spot in Batch #3 in WTF Accelerator programme. WTF Accelerator also committed to invest RM50K into RunningMan.

After the WTF Accelerator Batch #3 Demo Day, RunningMan attracted investment interest from various parties. After negotiations and consultations, RunningMan has decided to raise funds on pitchIN Equity Crowdfunding platform for a Seed Funding Round led by Lead Investors.

RunningMan's Solution

RunningMan was created to solve many of the problems plaguing delivery offerings. Among major problems it addresses:-

- Current solutions are expensive, making them viable for a very small segment of society
- Many offerings are very niche, targeting to serve specific markets and products. Having separate apps for just grocery deliveries, food deliveries and document deliveries are limiting in their nature
- At the same time, consumers in urban areas are facing time pressures and are in need of one effective solution.

RunningMan's B2C solution is inexpensive, fast and comprehensive. Users can order food, get their groceries picked up from a supermarket or send an item to someone, all at one place and at very attractive fixed rates. Our B2B offering empowers businesses to focus on their core offerings and take advantage of RunningMan's last mile logistics services.



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Business Model

RunningMan makes money from delivery fees, commissions and logistics outsourcing.

RunningMan charges users flat fees for delivering food and other items. Food outlets that list with them also share a percentage from the bill of ordered items. For order fulfilment, RunningMan relies on a core pool of full time riders augmented by on demand part timers.

While maintaining its B2C delivery business, RunningMan is also focused on growing its logistics outsourcing offering where online businesses outsource last mile deliveries to it.

Current Status

From Setapak and Cheras, RunningMan expanded into the KL city centre in April 2016. It is now poised to spread into more areas.

RunningMan has also established delivery arrangements with B2B partners too. We are currently operating primarily through a website and telephone service.

Management Team

The management team of RunningMan is helmed by the co-founders. Two university mates have also joined our management team.

Andrew Chee



Andrew Chee is co-founder and CEO of RunningMan. He graduated with a Bachelor Degree in Psychology in 2016 from Tunku Abdul Rahman University College.

Andrew monitors the company's overall operations, setting monthly goals and making sure that the goals are being fulfilled. He also plays the role of managing the software development of the platform and the technology support.



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Tan Wei Yong



Tan Wei Yong is co-founder and serves as the Sales and Marketing Director. He graduated with a Diploma in Media Studies (Mass Comm.) in May 2014 from Tunku Abdul Rahman University College.

He is in charge of recruiting new merchants, acquiring customers and maintaining them through effective marketing strategies.

Lee Hao Ting



Lee Hao Ting is the CFO and Logistic Manager of Running Man. He graduated with a Diploma in Media Studies (Mass Comm.) in May 2014 from Tunku Abdul Rahman University College.

He manages the finances and budgets of the company. He also works with partners and service providers to coordinate logistics faster and better.



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Cham Khai Siang



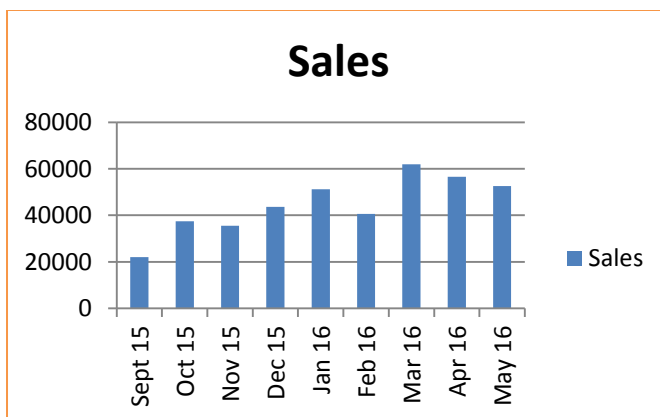
Cham Khai Siang is HR Director and Customer Support Manager. He graduated with a Diploma in Counselling (Psychology) in May 2014 from Tunku Abdul Rahman University College.

He manages the recruitment and training of staff, monitor customer satisfaction and handles customer related issues.

Financials

RunningMan was incorporated on 25 August 2015. Its current operations are divided into 3 zones, Setapak, Cheras and KL City Centre.

Revenue has been growing. Since the start of operations in September 2015 till May 2016, RunningMan has generated revenue in excess of RM400,000. Gross margins are over 40%. In its first year of operations and expanding to two new locations, when costs such as marketing and promotions are high, RunningMan has still managed to keep its burn rate to less than an average of only RM1,500 per month, effectively breaking even.





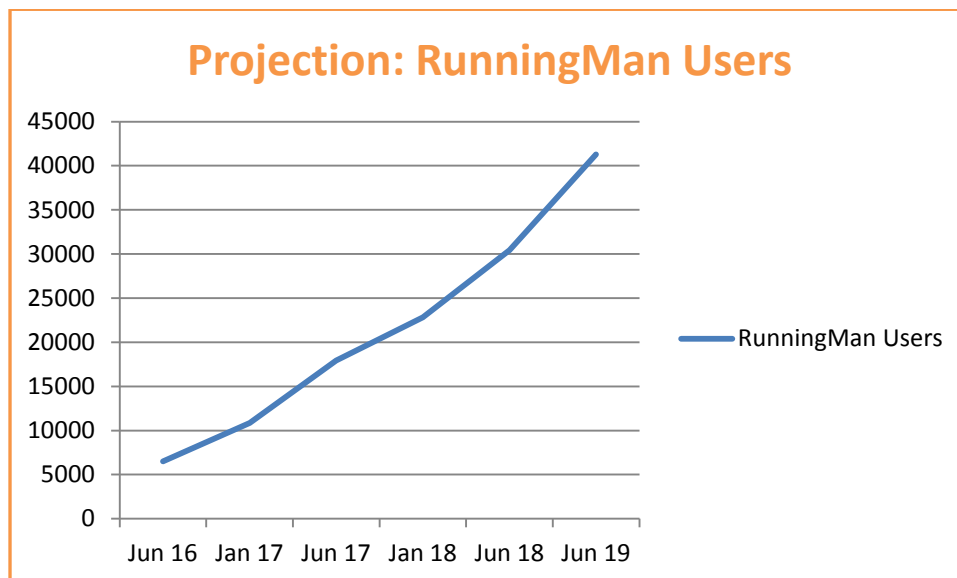
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RunningMan Financial Performance: September 2015 – May 2016

	Sept-Dec 2015 (RM)	Jan-May 2016 (RM)	Total (RM)
Sales	138755	262899	401654
Cost of Goods	72593	157409	230002
Gross margin	66162	105491	171653
Expenditure	70566	112736	183302
Profit before tax	-4404	-7244	-11648

Going forward, after this funding round, RunningMan has a roadmap for expansion that will result in nationwide expansion by end of 2018. By the end of 2017, RunningMan aims to be in major cities in Peninsula Malaysia. One year later, it targets to cover most viable areas in Peninsula Malaysia. By then, plans will be in place to expand to other regions.

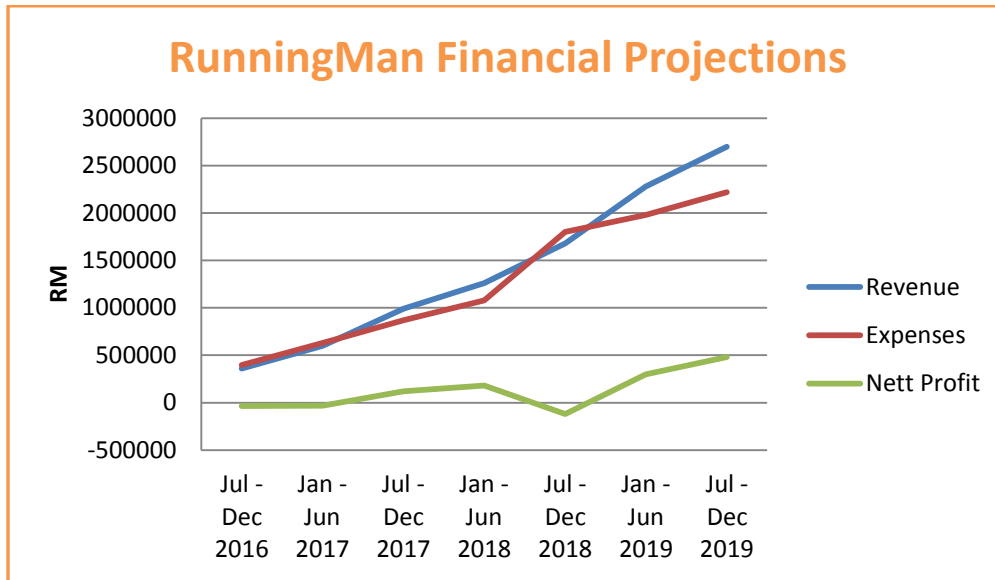
RunningMan's expansion plans will be pinned on increasing the number of users. The projections for user growth are shown in the chart below.





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Growth will be steady, with profits ploughed back into expansion. The financial projections with takes into account our plans to expand throughout Klang Valley, followed by major cities and then nationwide by 2019 is shown below.



Funding Need

We have the opportunity to expand to all over the Klang Valley and later Peninsula Malaysia. Once RunningMan is established in Malaysia, we will expand into the region.

To do that we need a strong back end system to handle order taking, routing and records keeping. We need an app for our runners so that we can maximise utilisation and efficiency. We also need funds for marketing.

The amount identified was RM350,000. Of this amount RM100,000 has been provided by the initial angel investors and WTF Accelerator.

IT development needs are estimated to be RM150,000. Of this amount Nexea Angels has undertaken to become the technology lead by providing technology development management services in kind valued at RM75,000.

The balance of RM175,000 will be sought from investors through this equity crowdfunding campaign



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HOW FUNDS WILL BE UTILISED

Utilization of Funds	Amount
IT Development	RM75,000
Marketing	RM50,000
Operations	RM50,000
TOTAL	RM175,000

THE LEAD INVESTORS

A strong team of Lead Investors are coming on board to help RunningMan scale to higher levels.

Watchtower and Friends

WatchTower and Friends are venture builders. Under the tagline, “We start things”, its tech accelerator WTF Accelerator identifies emerging and interesting startups, gives them initial seed capital, instils necessary skills in them and launch their venture. WTF Accelerator has over 20 startups in its portfolio.

Nexea Angels

Nexea Angels is a Venture Builder based in Kuala Lumpur. It builds and funds startups in Malaysia and the rest of Southeast Asia. The partners at Nexea are businesspeople who have exited their companies via Trade Sales and IPOs. Further, they have a progressive technology team that specialises in scaling startups. It focuses on supporting startups that they understand, and with which they are able to create an extensive unfair advantage to outperform the competition.

BizAngel Network

BizAngel Network will invest through its corporate vehicle, Miracap Sdn Bhd. BizAngel Network is a platform where investors discover interesting projects to fund and entrepreneurs look for startup funding. BizAngel Network was created by a group of successful entrepreneurs, investors, marketing and management experts, lawyers and accountants who have built companies in a diverse set of industries.

BizAngel Network also works with investors, marketing strategists, management experts and financial gurus who combine their skills and experience to work with our target entrepreneurs and make them highly successful business owners. We are more than just Angel Investors. We are a community of experts that invest our time, expertise, and money in exchange for equity with the objective to perpetuate free enterprise, capitalism and support the entrepreneur spirit while creating wealth, happiness and fulfillment for all those involved.



RunningMan Equity Crowdfunding Offer

THE OFFER

We have put together a funding exercise that will include raising RM175,000 through equity crowdfunding .

The post money valuation of the company has been set at RM1,250,000 through assessment of its current revenue, future growth prospects and valuations of similar local and regional startups.

In conjunction with this equity crowdfunding exercise, the company will have paid up capital of RM275,000, split into 275,000 ordinary shares. The authorized share capital of the Company post-investment shall remain unchanged at RM400,000.

Lead Investor WTF Accelerator has 22,000 shares.

Technology Partner Nexea Angels shall receive 16,500 ordinary shares in the company in consideration of Nexea rendering its technology development expertise to build the business of the Company

Lead Investor BizAngel Network, through its corporate vehicle Miracap has committed to take up 19,250 shares of the equity crowdfunding offer.

Equity Crowdfunding Offer

Amount to be raised	RM175,000
Post investment valuation of company	RM1,250,000
Equity Offered	14%
Number of Shares	38,500
Type of shares	Ordinary shares
Minimum investment amount	RM1,000
Investment blocks	RM500 per investment block

Terms & Conditions

All investors and shareholders shall abide by a shareholders agreement prepared in conjunction with this equity crowdfunding offer. A copy of this Shareholder's Agreement is available upon request.



RunningMan Equity Crowdfunding Offer

Upon Successful Raise

Upon success of this crowdfunding round, the shareholding structure will be as follows:-

Shareholders	Description	No. of Shares	Equity in %
Andrew Chee Lamn Kwan	Founder	77,000	28%
Tan Wei Yong	Founder	77,000	28%
Lee Hao Ting	Management Team	11,000	4%
Cham Khai Siang	Management Team	11,000	4%
Beh Peng Tiow	Pre-seed investor	11,000	4%
Lee Shiow Fong	Pre-seed investor	11,000	4%
WatchTower and Friends Sdn Bhd	Lead Investor	22,000	8%
Nexea Angels Sdn Bhd	Lead Investor	16,500	6%
Equity Crowdfunding Exercise			
Miracap	Lead Investor	19250	7%
Other equity crowdfunding investors		19250	7%
TOTAL		275,000	100%

Exit Strategies

There are a few potential exit opportunities for RunningMan.

- Acquisition: RunningMan could become attractive to regional players looking to consolidate the industry.
- IPO: RunningMan growth rates could lead to potential IPO in the medium to long term.
- Dividends: RunningMan could, in the long term, announce dividends when it has achieved profitability and stability.

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