



## ZIYA INVESTOR REPORT – APRIL 2025

 Date: May 2<sup>nd</sup>, 2025

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### 1. About Us

Ziya is pioneering financial inclusion in Africa through an ethical, technology-driven ecosystem. By integrating lease-to-own mobility solutions and microloans, we empower underserved communities, enabling small businesses and women entrepreneurs to access capital and build sustainable livelihoods.

Our model is rooted in ethical principles prioritizing zero-interest financing, shared value, and asset-backed lending. We aim to build a financial ecosystem that is accessible, inclusive, and scalable across Africa.

 **Our Vision:** To create an interconnected financial ecosystem that enhances trust, affordability, and access for Africa's unbanked populations.

 **Current Focus:** Expanding our presence in Mombasa, Kenya, with nationwide expansion planned by 2027.

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### 2. Executive Summary

April 2025 marked a period of strategic stabilization and operational recalibration for Ziya. After an aggressive growth trajectory in Q1, we faced a temporary pause in disbursements due to liquidity constraints. Despite this, the team demonstrated remarkable agility in maintaining strong field engagement, optimizing our systems, and continuing to grow our user base.

Key milestones include:

- ✓ A 7% increase in total loan disbursements (KES 5.77M, up from KES 5.18M in March).
- ✓ Growth to 597 active borrowers, even with paused lending.
- ✓ Zero default rate reflecting the strength of our credit appraisal process and borrower trust.
- ✓ Full digitization of borrower records through our internal Loan Management System
- ✓ Launch of a bulk SMS system to strengthen borrower communication and reminders
- ✓ Expanded engagement with impact investors to address liquidity and scale operations

This report provides insights into our progress, financial performance, investment opportunities, challenges, and strategic goals for May 2025 and beyond.

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### 3. Key Highlights – April 2025

April was a foundational month for Ziya in terms of relationship building and market positioning. While operational liquidity limited new disbursements, our team focused on deepening existing partnerships and laying the groundwork for future strategic alliances that will be critical to our growth and diversification.

#### A. Business Development & Partnerships

##### Strategic Partnerships:

- Ziya is in the final negotiation stages with Car & General (C&G), a leading distributor of motorcycles, tuk-tuks, and power products in East Africa. This partnership is designed to anchor our lease-to-own vehicle finance product providing affordable, income-generating assets to low-income earners, particularly youth and informal workers in peri-urban areas. This partnership represents a strategic move beyond microloans into asset-backed mobility financing, unlocking new market segments and recurring revenue potential.
- We are currently in advanced discussions with several home appliance distributors to develop a household asset financing program targeted at women-led businesses and low-income families. This initiative is grounded in the understanding that access to productive home assets like fridges, blenders, and cookers can significantly improve microenterprise viability and household income. This vertical will allow Ziya to tap into essential durable goods financing a largely unmet need in the informal sector.
- We are preparing a Live Q&A Webinar, scheduled for May 5th, to showcase our business model, impact traction, and funding strategy. The session will: Provide current and potential investors an opportunity to ask questions directly to our leadership, spotlight our beneficiaries through pre-recorded testimonials, share strategic updates and the path to Series A funding.

This webinar builds brand trust, nurtures our investor community, and opens up channels for future syndicate and CSR partner participation.

- We're actively pursuing Corporate Social Responsibility (CSR) partnerships with organizations seeking impact-driven deployment of their community engagement budgets. Our current conversations involve: Matching grant structures to expand the women entrepreneurship fund, branded community activations in Kisauni and Likoni and Impact reporting aligned with SDGs and ESG standards.

This approach offers corporates measurable social ROI while helping Ziya scale its impact without depending solely on investor capital.

- Ziya successfully obtained a Data Protection Compliance Certificate from Kenya's ODPC (Office of the Data Protection Commissioner), confirming our alignment with national and global privacy standards. This is a critical requirement for future partnerships with banks, regulators, and international funders, and enhances stakeholder confidence in our data integrity and customer safeguarding practices.

#### B. Customer Acquisition & Engagement

April demonstrated the resilience of Ziya's customer base and the trust we've cultivated with our community, even in the face of paused disbursements. While many institutions experience drop-offs during funding delays, our consistent borrower engagement and community first approach allowed us to retain and even modestly grow our user base.

- ✦ Active Borrowers: Increased from 582 to 597 despite no new loans issued in April, field officers actively maintained client relationships, provided repayment reminders, and ensured user support was uninterrupted.
- ✦ Cumulative Loans: Reached 1,161 loans issued to date, with repeat borrowers now making up a growing share demonstrating satisfaction and trust in our offering.
- ✦ Zero Default Rate: We maintained a 100% repayment rate, underscoring both the discipline of our credit process and the strong borrower commitment to Ziya.

### **Community Engagement**

Our approach blends digital tools with on-the-ground relationship management:

- ✦ Weekly field visits in Kisauni and surrounding areas for borrower check-ins.
- ✦ Continued financial literacy education, especially on managing seasonal income and responsible borrowing.
- ✦ Referral incentives are being explored for our most reliable borrowers, turning them into community ambassadors.

This level of engagement ensures that Ziya is more than a lender but as a financial ally helping households and microbusinesses thrive.

### **C. Technology & Product Development**

Ziya's technology stack is core to our scalability, efficiency, and investor transparency. April was a defining month in terms of laying digital infrastructure that will support 10x growth in the coming quarters.

#### **Internal Systems**

- Loan Management System (LMS): We are in the process of completing the full migration of borrower records to Ziya's proprietary LMS. This gives us:
  - ✦ Real-time visibility on repayments
  - ✦ Smarter data analysis for risk and retention
  - ✦ Streamlined backend workflows for credit officers

Data Integrity: Our system will now ensure that every disbursement, repayment, and borrower interaction is auditable a key requirement for larger funders.

#### **Customer-Facing App (In Development)**

- We are building an Android-first MVP to let users:
  - ✦ Apply for new loans
  - ✦ Track outstanding balances
  - ✦ Receive personalized updates

This self-service portal will reduce field workload, improve trust, and introduce automated prompts for repayment behavior, boosting efficiency.

#### **Bulk SMS Platform – Now Live**

- We integrated Switch Link to automate customer messaging:

- 📌 Payment reminders
- 📌 Loan schedule confirmations
- 📌 Community news and opportunities

Initial feedback has been overwhelmingly positive. Clients appreciate timely, professional communication and feel more connected to Ziya.

### AI-Based Financial Insights (Early Stage)

A pilot is underway to layer AI analytics onto our loan and borrower data to:

- 📌 Improve credit scoring and cycle upgrade decisions
- 📌 Generate dynamic investor dashboards and impact metrics

This initiative is designed to increase transparency, reduce manual work, and unlock deeper insights for decision-making.

## 4. Financial Performance

### A. Revenue & Expenditure Overview

💰 **Revenue:** KSh 78,500.

🔧 **Operational Expenses:** KSh 645,000 (covering technology, salaries, and marketing).

📊 **Asset Capitalization:** KSh 2.45M.

We maintained lean operations while preparing for scale with a strong focus on system investment rather than short-term gains.

### B. Funding & Cash Flow

💰 **Total Capital Raised:** \$60,000 (internal funding & early-stage investors).

🏦 **Current Cash Position:** \$18,000. Our liquidity remained carefully managed while disbursements were paused. All operational obligations were met.

📢 **Investor Discussions:** Ongoing talks for a **\$2.75M pre-seed funding round** as described below:

Funding Round	Pre-Seed
Amount Sought	\$2.75 Million with a target of \$1M by June 2025
Investment Type	Convertible or equity as per investor preference
Status	Ongoing Fundraising
Purpose of Funding	Scaling operations, expansion of financial services, mobility, and logistics ecosystem; technology development and infrastructure scaling, customer acquisition and market expansion, regulatory compliance and public policy engagement
Target Investors	Impact investors, venture capital firms, and strategic partners aligned with our mission

## 5. Investment & Grant Opportunities

Ziya is structuring its funding strategy with a dual lens: enabling mission-aligned capital to scale our ethical finance model, and offering innovative instruments that suit various risk and return appetites. In April, we refined three core offerings:

### A. Investor Lending Program – *Fixed-Return Instrument*

To complement equity fundraising, we launched a **pilot investor lending product** with compelling fixed returns:

- **Return:** 2% per month (pilot rate for early adopters through June)
- **Minimum Tenure:** 12 months
- **Max Raise Limit:** \$500,000
- **Use of Proceeds:** Direct deployment into mobility financing, microloans, and infrastructure scaling

This product allows high-trust investors including diaspora supporters and angel groups to earn predictable returns while supporting high-impact communities. We've so far received early interest from mission-aligned private capital.

### B. Grant Initiative – Women Entrepreneurs Fund

Ziya continues to prioritize women-led businesses through our zero-interest microloan fund, partially grant-backed and highly catalytic.

#### Program Summary:

- Fund Size: KES 50,000
- Disbursed: KES 5,000 each to 10 businesses
- Repayment Terms: Zero-interest microloan (grant-style with repayment flexibility)
- Impact Monitoring: Field officers collect case studies and usage outcomes monthly

We are now seeking to expand this fund 10x with support from: Corporate CSR programs (e.g., FMCG, telcos), Development partners focused on gender inclusion and Faith-based finance partners aligned with interest-free models

### C. SAFE (Simple Agreement for Future Equity)

Our flagship equity instrument remains the **SAFE**, tailored for early-stage investors:

- **Valuation Cap:** \$15 million
- **Discount:** Negotiable (based on tranche size and timing)
- **Conversion Trigger:** Next priced equity round
- **Investor Profile Fit:** Angel investors, early-stage VCs, and donor-backed blended finance vehicles

The SAFE structure ensures investor alignment while giving Ziya flexibility to continue investing in tech, partnerships, and product design in the short term without premature equity dilution.

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## 6. Team Growth and HR Process

Ziya operates with a lean but highly adaptive team of 14 staff, spanning field credit, tech, finance, operations, and strategy. In April, all personnel operated under consultancy contracts to allow operational flexibility during fundraising, with formal employment contracts planned for July 2025.

We continued to invest in team capacity through weekly all-hands meetings focused on transparency, cross-functional problem-solving, and data literacy. This approach is helping us maintain strong morale, execution discipline, and readiness to scale.

## 7. Challenges & Mitigation Strategies

Challenge	Description	Mitigation strategy
<b>Liquidity Constraints</b>	Disbursements paused in April due to temporary capital depletion	Investor outreach escalated; pilot investor loan product introduced; pre-seed round expanded
<b>User Attrition Risk</b>	Risk of borrower churn as clients seek alternatives	Strengthened customer service, transparent updates, and proactive communication via SMS + field support
<b>Operational Load for Scaling</b>	With 1,100+ loans, team must balance growth with service quality	Hiring pipeline activated; LMS automation rolled out
<b>Regulatory Complexity</b>	Increased scrutiny on digital lenders and data handling	ODPC compliance achieved; legal counsel onboarded
<b>HR Uncertainty</b>	Temporary contracts may impact retention	Transparent communications and defined conversion pathway for staff from July

## 8. Strategic Goals for Q2 (End of June 2025)

The period from April to June is **mission-critical**. Our Q2 goals are divided into four core pillars:

### A. Market Growth & Community Reach

- Expand borrower base to 1,200+ active users by June
  - Resume disbursements in May.
  - Double presence in Kisauni and Likoni with new borrower hubs
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### B. Technology Infrastructure & Digital Tools

- Launch MVP version of Ziya Loan App for Android
  - Complete rollout of automated bulk messaging
  - Integrate dashboard reporting system for internal + investor use
  - Pilot AI credit scoring tool to inform cycle upgrades and loan terms
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### C. Investor Engagement & Capital Strategy

- Secure committed capital from investors by June
  - Host investor events, including:
    - May 5th Live Q&A
    - Roundtable with CSR partners and gender funders
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### D. Strategic Partnerships


- Finalize MoU with Car & General
- Execute pilot distribution with appliance partner
- Secure at least three CSR commitment from an aligned corporate (focus: women empowerment or green finance)


## 9. Conclusion

April 2025 was a month defined by resilience, recalibration, and readiness. While liquidity constraints required a temporary pause in disbursements, Ziya remained steady in its mission strengthening internal systems, deepening partnerships, and maintaining full borrower trust. Our zero-default loan performance, sustained borrower growth, and operational momentum reflect the effectiveness of our ethical, tech-driven model. Meanwhile, progress in our investor engagement, digital infrastructure, and team capacity positions us for a strong Q2 recovery and scalable expansion. As we step into May, our focus is clear: resume disbursements, secure investor commitments, and accelerate our path towards national scale. Ziya is not just a microfinance platform, it is a blueprint for financial dignity and inclusive growth across Africa.

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**Ziya – Simple. Ethical. Future.**