

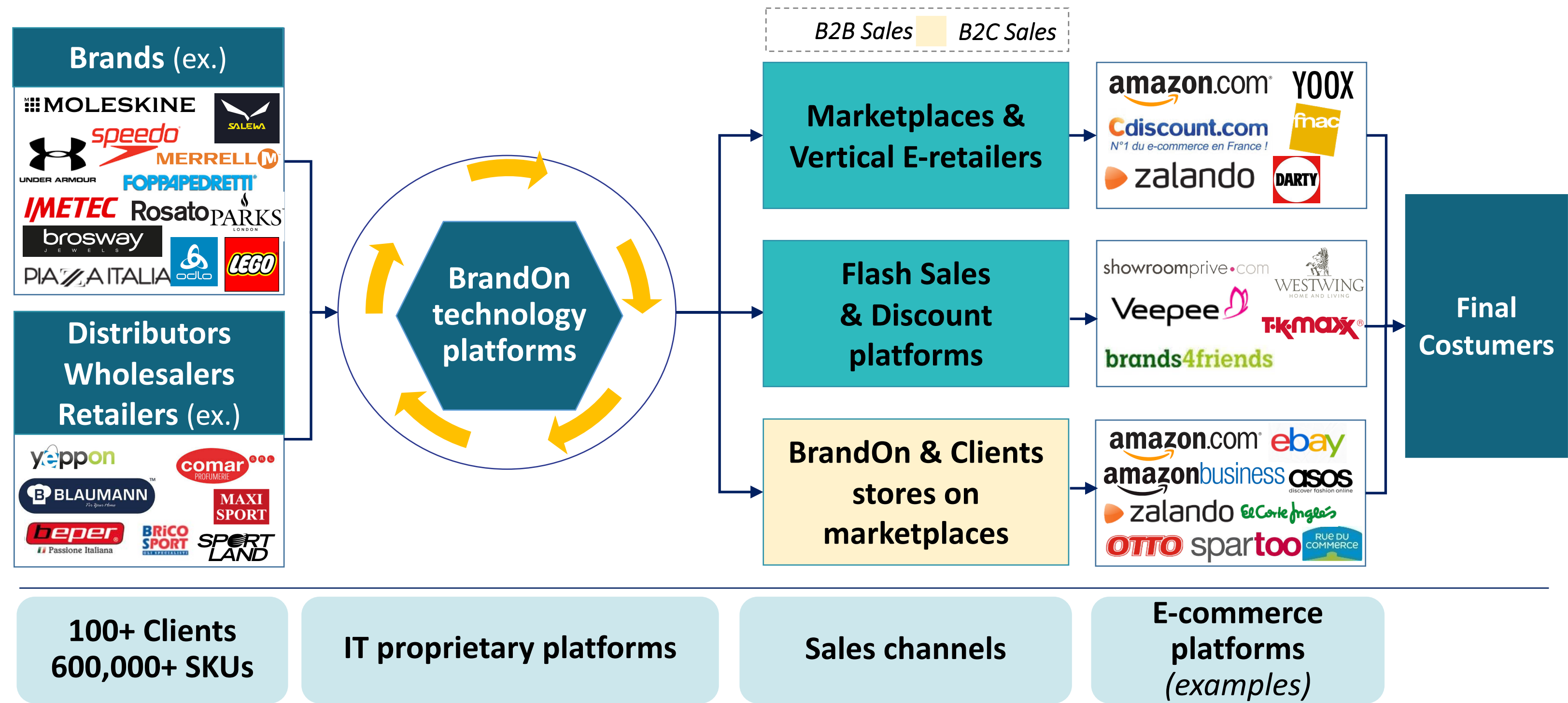


## **BrandOn Group**

**BRING BRANDS WHERE DIGITAL CUSTOMERS ARE**

**07 November 2019**

# Business model: B2B and B2C end-to-end online sales management



Source: internal data and elaboration

# BrandOn Revenue Model: variable fee and short-term payment conditions



## B2B CHANNELS

- **Markup** on cost of products, all inclusive of sales channels fees, logistics, customer care and services
- **Average markup 25% - 35%**, depending on selected services
- **Target sales margin 20-25%**
- **60-90 days cash flow optimization for Clients**

## B2C CHANNELS

- **One-off set up fee** covering store creation and catalog optimization by marketplace
- **Monthly fee** covering store operation costs and any third-party fees
- **Revenue share fee of 25-27%** (including marketplace and marketplace integrators revenue share fees)
- **Target sales margin 12-17%**

- **BrandOn never buys in advance** as it buys products only after receiving and accepting orders
- Brands sign with BrandOn a **multi-year exclusivity contract** for target channels and countries

Source: internal elaboration

## B2B CHANNELS

B2B IT Platforms Average payment terms: **60-90 days**

**BrandOn Cash Flow optimization** through:

- Bank:
  - **Invoice Discounting,**
  - **Purchase Order finance,**
  - **Stand-by letter** (rolling credit letter)
  - **Bank guarantees & sureties**
- Fintech: **Factoring** (Credimi)

**Additional instruments under evaluation:**

- inventory finance (or inventory monetization)
- Reverse factoring
- Amazon advance payment service

## B2C CHANNELS

B2C IT Platforms Average payment terms: **15 days**

⇒ **Positive Cash Flow**

**Main marketplace payment terms**

- **Amazon:** every 15 days total value sold, fees deducted;
- **Ebay: direct credit** on BrandOn **Paypal** account, fees deducted;
- **CDiscount:** each week total value sold, fees deducted;
- **Spartoo:** each month total value sold, fees deducted;
- **Cosmesi-Italia.it: direct credit** on BrandOn **Paypal** account.

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