



BrandVised

B u s i n e s s P l a n

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1. Executive Summary

1.1 Overview

Brandvised is an FBA acquirer that will utilize its owner expertise to buy brands that looking for sell for either reason. Thereafter, the company aims to have an average growth of 100% within the first year.

1.2 Vision

Brandvised's mission is to build a diversified and profitable portfolio of acquisitions from the e-commerce market and scale them to reach higher ceilings and growth factors.

1.3 Business Opportunity

There are two prominent factors for where **Brandvised's** business opportunity stems from:

1. The successful track record of Mr. Gefen's current companies
2. The sheer size, validation, and potential of the acquisition market

1.4 Business Strategy



1.5 Go-to-Market

<i>Phase 1</i>	<i>Phase 2</i>	<i>Phase 3</i>
Recruit personnel	Approach target audience	Business model validation with first acquisitions
Build potential acquisition database	Acquire 6 Brands	Reach 100% brand growth
Marketing optimization		Continue to build portfolio, one acquisition at a time

1.6 Investment Requirements

Investment requirements are:

- Brandvised aims to raise \$12M
- 50% debt, 50% equity

2. The Company & Its Solutions

2.1 Company Overview

Brandvised is entering the market for third party seller acquisition via the most recognizable e-commerce platform Amazon. **Brandvised** will examine the marketplace to find successful third party brands who are reaching their revenue ceiling, and use capital to buy them out. With the business and entrepreneurial expertise of the **Brandvised** team, they will scale the acquisition to substantially **increase its revenue and EBITDA**.

2.2 Company Mission

Brandvised's mission is to build a diversified and profitable portfolio of acquisitions from the e-commerce market and scale them to reach higher ceilings and growth factors.

2.3 Current Status

Currently, **Brandvised** founder, Dor Gefen, is the owner of two successful e-commerce brands. These two companies, NinjaBatt and Cutluxe Knives, will be a starting point for **Brandvised's** portfolio and have given insight into the third party seller's market. This has helped build the entrepreneurial and venture capitalist skillset that a buyer in the market needs to have in order to be successful. With the current success that Mr. Gefen has been exhibiting, large companies have inquired about buying half of his business.

2.4 Companies Fast Facts

	NinjaBatt Batteries	Cutluxe Knives
<i>Current Operations</i>	UK/EU & US/CA	US
<i>Founded</i>		
<i>Cash in Bank</i>	\$460,000	\$98,000
<i>Loan Status</i>	\$885,000	\$101,000
<i>Inventory Value</i>	\$3,437,230	\$287,807
<i>Revenue Jan-Jun 2021</i>	\$7,636,166	\$733,039

2.5 Business Proposition

Brandvised's business proposition is fundamentally derived from the process of acquisition. When the third party seller has desire to sell their business, whether due to them reaching their revenue ceiling or just because they need an exit strategy, (company name)'s acquisition business model is their profitable solution.

The process of acquiring brands will be starting by building a comprehensive data base of successful brands which currently operate at a satisfactory level. Thereafter, **Brandvised** will start its due diligence process until the acquisition is agreed and completed by both parties.

2.6 Future Developments

The entrepreneurial mindset and strive to continuously evolve and develop has led Mr. Gefen's current brands and spiked his success to new highs. Ergo, the future plans hold several quality levels that will help **Brandvised** landscape grow even further. This will be done across several tiers:

- Business Expansion
 - Approach big conglomerates and retailers such as Walmart and eBay for a joint venture possibility.
- Scaling up
 - Currently, NinjaBatt's sales operation is worldwide while Cutluxe Knives operates solely in the US with a high potential for international growth in the EU/UK. Together with the additional selected luxurious brands that will be purchased and added to the portfolio, **Brandvised** growth could stagnate.
- International Expansion
 - Brands will have an international exposure, sales, and profits, and raise brand awareness.
- Branding & Creative
 - Continuous development of the brands through packaging design, listing optimization, supply chain utilization, and advertising enhancement.

500% customer growth?>

<https://www.cnbc.com/2021/05/25/thrasio-disruptor-50.html>

3. Business Opportunity

3.1 Overview

There are two prominent factors for where **Brandvised’s** business opportunity stems from:

3. The successful track record of Mr. Gefen’s current companies
4. The sheer size, validation, and potential of the acquisition market

3.1.1 Track Record (NinjaBatt and Cutluxe Knives)

As mentioned, Mr. Gefen is the founder of two successful e-commerce brands, which will be used as the foundation for **Brandvised’s** acquisition portfolio. Figure 1 depicts the revenues of both companies, NinjaBatt Batteries and Cutluxe Knives, throughout the years 2020 and 2021 (Cutluxe Knives sales starting in the third quarter of 2020).

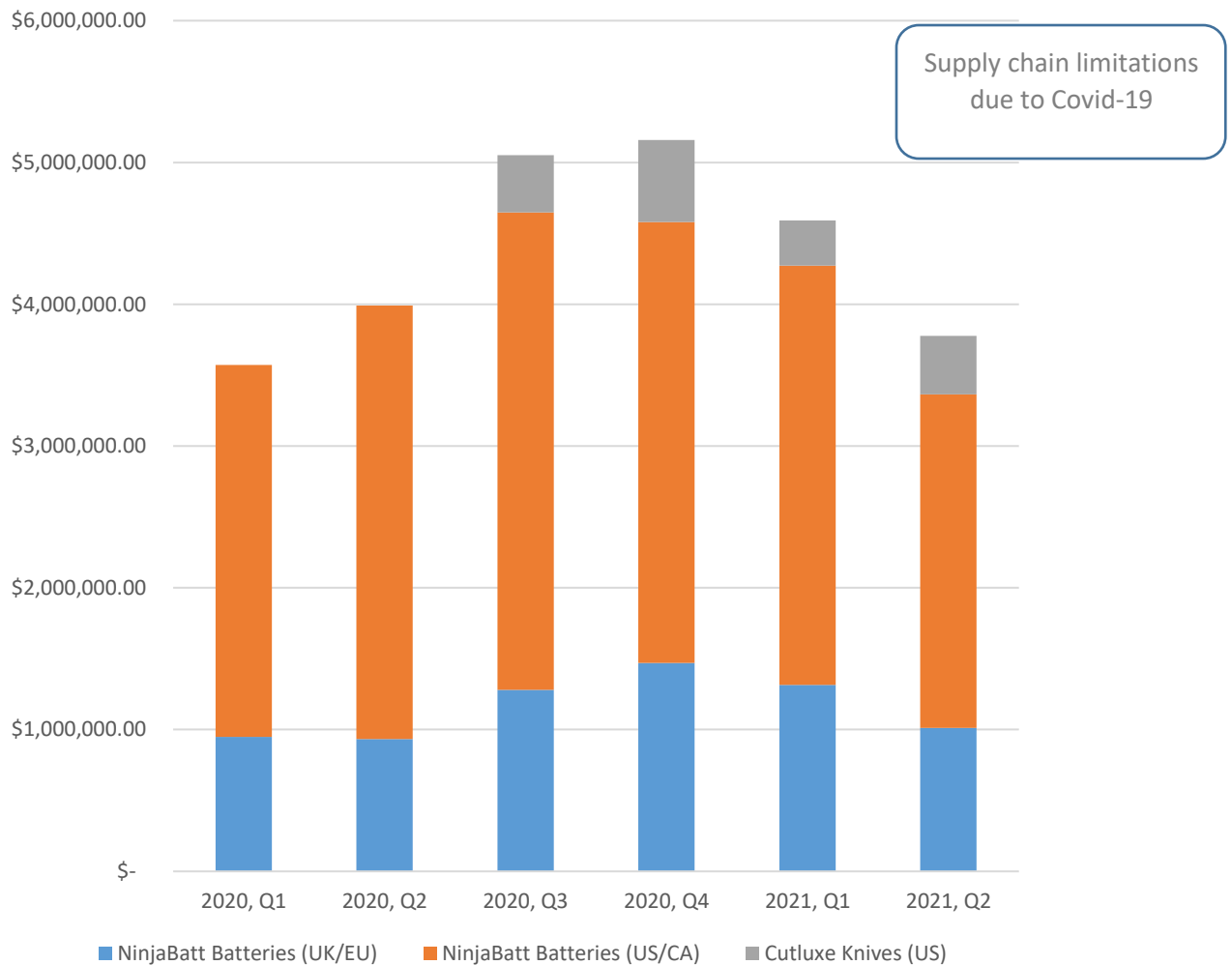


Figure 1: Revenues of NinjaBatt and Cutluxe Knives by Year and Quarter in USD

3.1.2 The Potential

Research shows that most successful third party sellers hit their revenue cap between **\$3-5 million**¹, and acquirers have the power to grow that valuation by **2.5-4x** in just a few years.² Figure 2 illustrates the average pre and post-acquisition revenue valuations of one company.

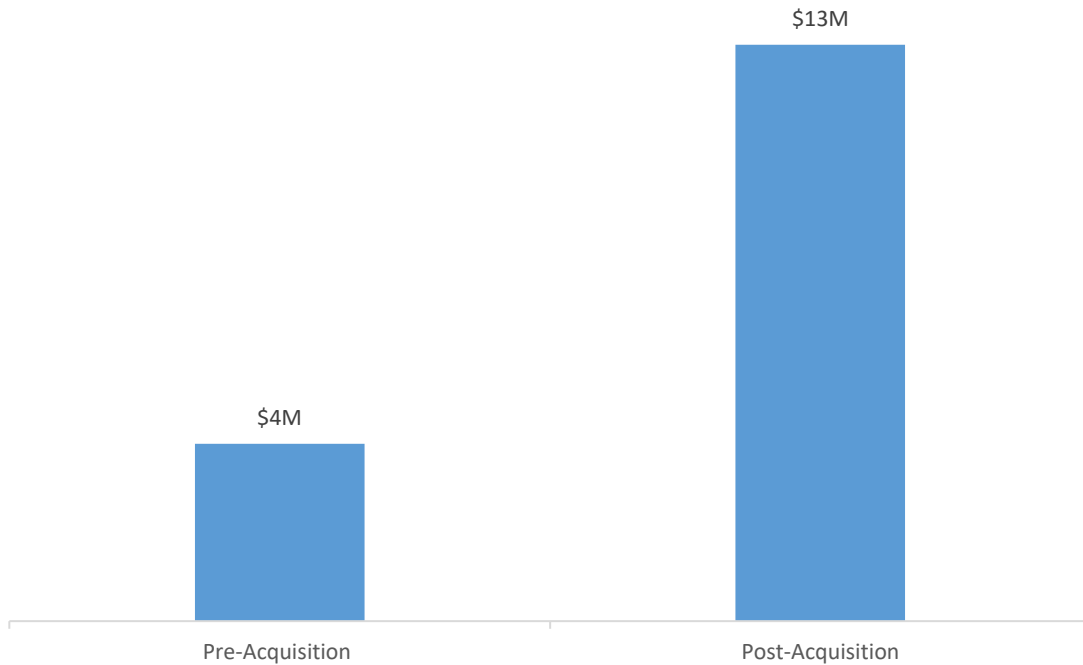


Figure 2: Average Company Revenue Valuation Pre-Acquisition vs. Post-Acquisition in millions of USD

Evidently, an average growth of **3.25x** from pre-acquisition to post-acquisition is a strong margin. This average valuation is just within the first few years, and has significant potential for continued growth for years to come. **Brandvised** specifically aims and believes it is possible to grow their acquisitions by **6-7x the value** at the time of sale.

¹ <https://www.retailwire.com/discussion/are-huge-marketplace-seller-aggregators-a-good-thing-for-amazon-and-retail/>

² <https://www.marketplacepulse.com/marketplaces-year-in-review-2020#sellersgrowth>

4. The Market

4.1 Market Overview

Acquiring third party brands which operate and produce the majority of their revenue via Amazon, has proven to be a thriving market as of late. The idea is simple; there are successful brands on Amazon and institutional buyers or firms will acquire the business and scale it to grow their revenues and EBITDA. Most times acquirers have the ability to make the business worth **2.5-4 x** more valuable within just a few years, like described before.³

The players in this market are referred to as FBA (Fulfillment by Amazon) aggregators or acquirers, and since just April 2020, they have attracted nearly **\$7.5 billion** in capital raised, as seen in Figure 3.⁴

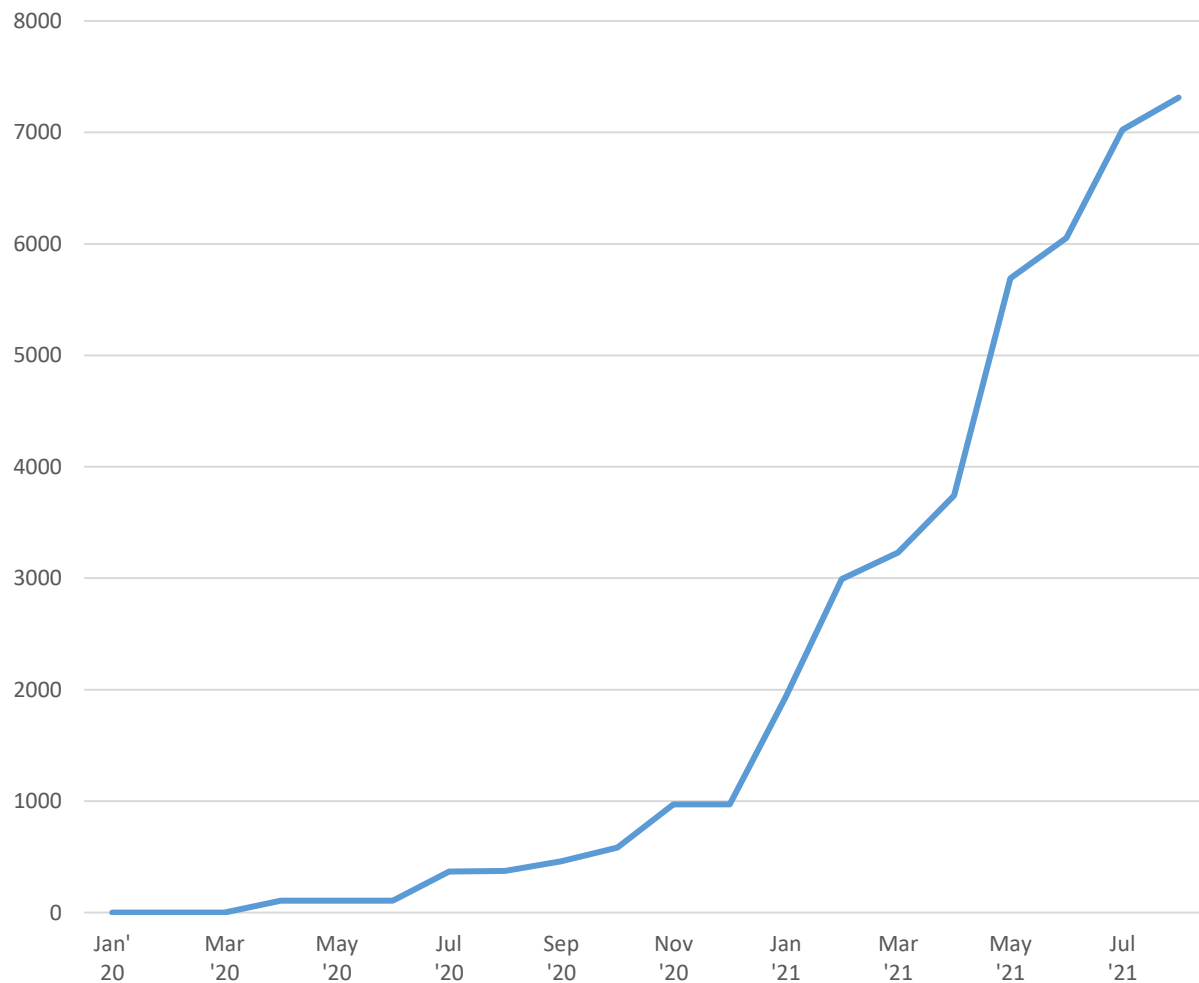


Figure 3: Cumulative Capital Raised by FBA Acquirers in millions of USD

³ <https://www.marketplacepulse.com/marketplaces-year-in-review-2020#sellersgrowth>

⁴ <https://www.marketplacepulse.com/acquirers>

4.2 Factors for Market Growth

There are a few key factors as to why the market for FBA aggregators has boomed so successfully in the last year.

- **First and foremost, COVID-19 has encouraged and accelerated spending on Amazon and other e-commerce platforms.** All of the capital generated during the pandemic has validated the marketplace, therefore increasing e-commerce demand. Although this could be viewed as a temporary influx of spending, online shopping as a whole has become a norm for people all over the world and we can expect to see continued growth in e-commerce dependency and spending for years to come regardless of COVID-19.⁵
- **Secondly, large players in the market have done astoundingly well, assuring the potential value of this type of business model,** further encouraging others to enter the FBA acquisition market. Specifically, the largest player in the market, Thrasio, raised **over \$250 million in 2020** and set the pace for other competitors. This proved that FBA acquisition is a positive thing for both the third party seller, the acquirer, and the general strength of the market.⁶
- **Lastly, we are starting to see native-Amazon companies go public,** promoting the real growth potential behind some of these third party sellers. The company Anker specifically was a big example of this. Anker going public further substantiated the value that this business model creates.⁷ With how vast the e-commerce market is, the growth of companies through acquisition starts to look like a “gold-rush” scenario. All of the successful third party sellers become the gold, and the FBA acquirers become the miners as they see the value that can be generated from the small sellers.⁸

4.3 Insights

4.3.1 Regional Insights

Looking at the distribution of where most Amazon sellers come from is an important aspect to analyze in regard to potential acquisitions and assessing the market. A large majority of sellers are located in the United States. Sellers are located in 93 different countries, but **more than half** of them are **based in the U.S.** Figure 4 depicts a breakdown by percentage of where Amazon sellers are located in the world to help understand this distribution.⁹

⁵ <https://insights.nozzle.ai/rise-of-the-amazon-fba-aggregators>

⁶ https://fourweekmba.com/thrasio-business-model/#What_makes_up_a_good_Amazon_business_for_Thrasio_The_R_Cubed_Model

⁷ <https://www.marketplacepulse.com/acquirers>

⁸ <https://www.geekwire.com/2021/inside-booming-market-buying-amazon-sellers-secrets-insights-acquirer/>

⁹ <https://www.junglescout.com/wp-content/uploads/2020/02/State-of-the-Seller-Survey.pdf>

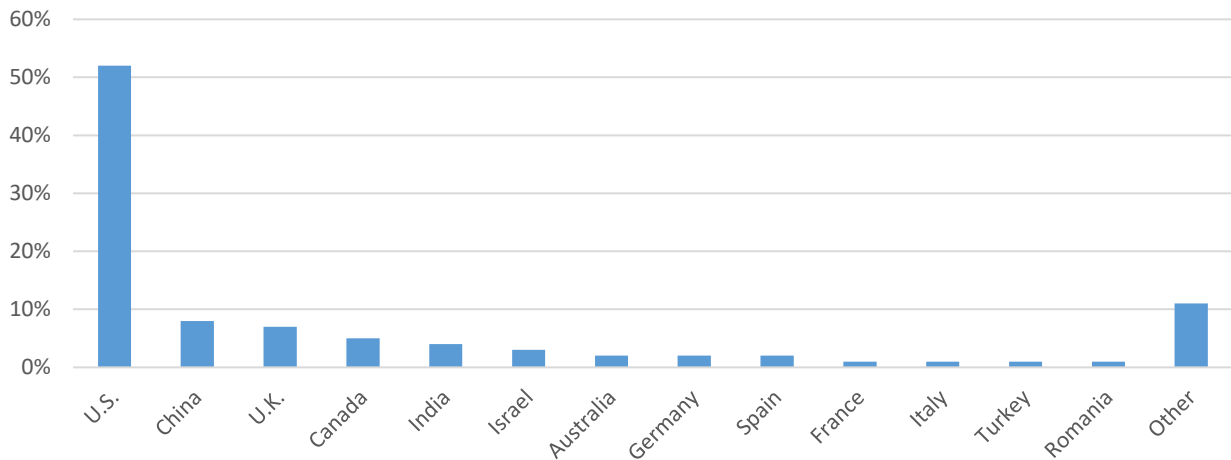


Figure 4: Percentage of total Amazon Sellers by Country

Knowing the distribution of Amazon sellers by location is an important statistic to the FBA acquirer in order to understand target market and audience, which will be discussed later in the business plan.

4.3.2 Insights by Industry

Another important insight to look at within the market is the breakdown of sellers by industry type. The distribution of sellers by industry is shown in Figure 5.¹⁰

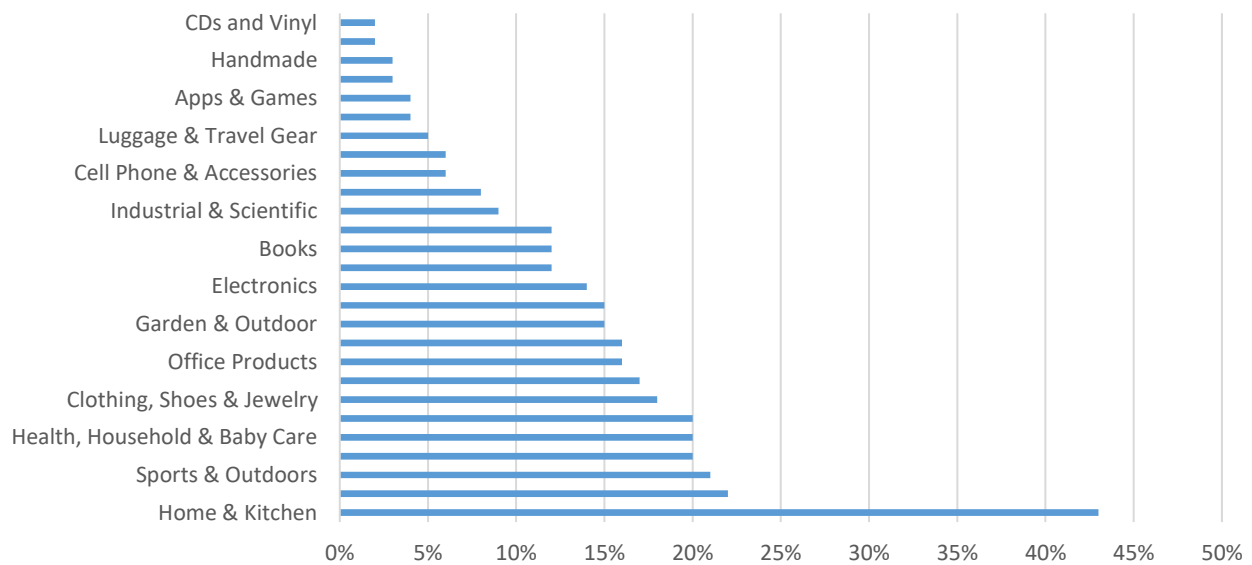


Figure 5: Percent of total Amazon Sellers by Industry

¹⁰ <https://www.junglescout.com/wp-content/uploads/2020/02/State-of-the-Seller-Survey.pdf>

The breakdown of sellers by industry is another important analysis to understand. From the perspective of an FBA acquirer, it is a key part of the market for determining target acquisitions and being informed on what industries are thriving more than others at a given time.

4.4 Market Segmentation

As a whole, the e-commerce market is huge and can be segmented into groups by types of consumer. This could be relative to age, gender, interests, or location of consumer. However, when specifically looking at the market of FBA acquirers, it is more important to segment the market into type of seller. Specifically, by fulfillment method, and whether or not they are first party or third party sellers.

4.4.1 FBA vs. FMA

First, the market can be segmented by the fulfillment method chosen by the seller. One option is **FBA (fulfillment by Amazon)**, where the seller sends their product to Amazon warehouses and Amazon stores, ships, and manages customer support for the business. The acquisition market targets this segment because it is much simpler to manage multiple businesses this way.

There is also **FBM (fulfillment by merchant)**, where the seller lists their products on Amazon, however they personally manage storage, shipping, and customer support for their business.

Of the nearly 3 million active sellers on Amazon, **92% use the FBA method.**¹¹ Figure 6 depicts this breakdown of FBA and FBM sellers. This large of a differentiation strongly suggests that the potential obtainable market is massive for FBA acquirers.

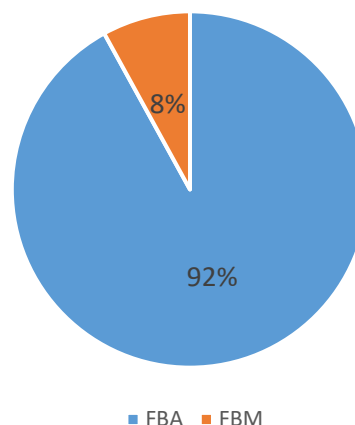


Figure 6: Percentage of sellers using FBA vs. FMA

4.4.2 First Party Sales vs. Third Party Sales

It is very important to look at the share between first party sellers and third party sellers on Amazon, and distinguishing how much of the total market each one controls. For reference, first party sellers are companies who sell their own manufactured and branded goods to Amazon, whereas third party sellers use white or private label business models to sell through Amazon directly to consumers. Third party sellers are the ones that can be acquired. Figure 7 illustrates the trends between first and third party sellers in the market.¹²

¹¹ <https://www.junglescout.com/blog/amazon-fba-vs-fbm/>

¹² <https://www.marketplacepulse.com/marketplaces-year-in-review-2020#sellersgrowth>

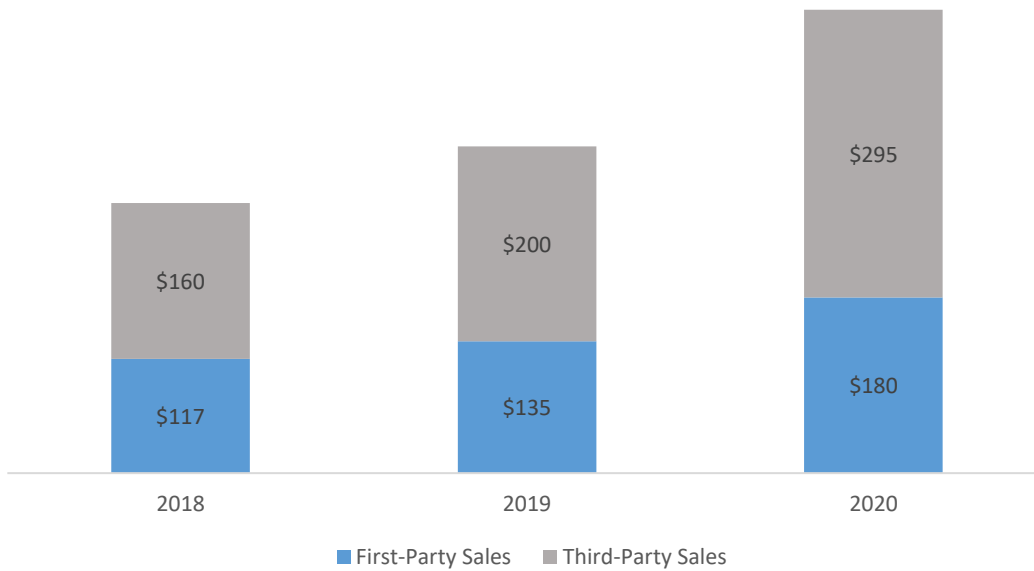


Figure 7: Worldwide Amazon GMV in billions of USD

Notably, in 2020, the estimated worldwide Amazon gross merchandise volume (GMV) was up to **\$475 billion** and third party sellers controlled **\$295 billion** of it. It is also apparent that over time, third party sellers continue to have a larger growth rate than first party sellers. Over these three years, third party-sellers went from controlling **58% of sales** to **62% of sales** in the market. This positive trend in growth from third party sales illustrates that the market for FBA acquisitions is also growing.

\$295 billion (62%)
Amazon GMV controlled by third party sellers

\$197 billion
Amazon GMV controlled by third party, FBA sellers

Most importantly, from the \$295 billion in sales controlled by third party business, **2/3 of that comes from FBA** companies. This means that the total potential obtainable market for FBA acquirers was valued at about **\$197 billion** in 2020.¹³ Figure 7 illustrates the market share of third party FBA, third party FMA, and first party sellers in 2020.

¹³ <https://www.bigcommerce.com/blog/amazon-fba/#what-is-amazon-fba>

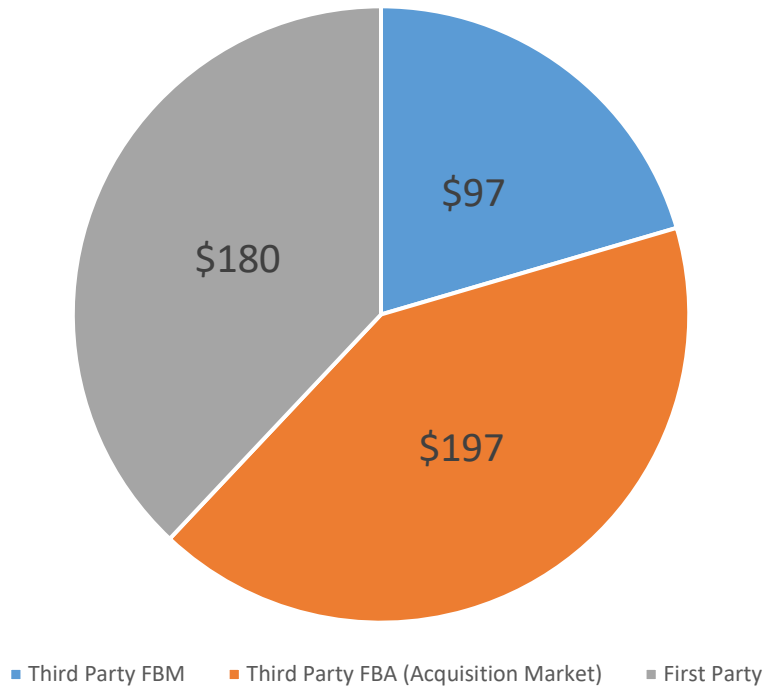


Figure 7: Amazon Market Share by Type of Seller in billions of USD, 2020

4.5 Market Constraints¹⁴

There are a few market constraints to take into consideration when analyzing FBA acquisitions. These constraints consist of:

1. Dependence on Amazon and other e-commerce sites
 - a. If Amazon doesn't do well, neither can FBA acquirers
2. Third party seller success rate
 - a. Similar to number 1, if there are a limited amount of successful third party sellers in the market at a certain time there will be a lower chance of successful acquisition
3. Rules and regulations imposed by Amazon and other e-commerce platforms
 - a. For example, in March 2020, Amazon decided to temporarily stop accepting shipments of non-essential goods and prioritized household and medical supplies, cutting off shipments and sales of many FBA companies
4. Large players in the market with high profiles and rapport likely have priority on acquiring the most sought out third party sellers
5. Newer brands exhibit slower growth rates which can limit profit and sales in the short term

¹⁴ <https://www.marketplacepulse.com/marketplaces-year-in-review-2020#sellersgrowth>

5. Competitive Landscape

5.1 Competitor Overview

As explored above, the third party seller acquisition market has been on the rise in the last 2 years in correlation to the continued growth of the e-commerce market. In reality, the FBA acquisition market only came into existence a 2-3 years ago as large firms started to enter the market. They turned the acquisition business model into something significant and paved the way for others entering the market. This further provoked its exponential growth rates.

This growth has opened the door for more competitors to enter, making it so there are quite a few existing players in the market with large shares already. Although it is a fairly new market, there have already been more than 40 big competitors emerge.¹⁵ In the beginning, competitors in this market need to start out with more of a pursuit to find the best sellers for acquisition, however once you build brand recognition, sellers begin to seek you out to sell, which is the case for some of the competitors now.

The largest competitors in the market as of now are Thrasio, Perch, Razor Group, and Unybrands. Although these large competitors have set the pace for the market, there is always room for entrance with the plethora of third party sellers out there.¹⁶

5.2 Competitor Analysis



Founded	2018	2019	2020	2020
Total Funds	\$1,746,500,000	\$908,800,000	\$434,760,000	\$325,000,000
Last Round Funding	\$100,000,000 April 2021	\$775,000,000 May 2021	\$20,800,000 May 2021	\$300,000,000 July 2021

5.3 Competitor Breakdown

¹⁵ <https://www.retailwire.com/discussion/are-huge-marketplace-seller-aggregators-a-good-thing-for-amazon-and-retail/>

¹⁶ <https://www.hahnbeck.com/fba-acquirers>



- Founded in 2018
- **Thrasio** is currently the largest competitor in the market with a valuation of \$1,746,500,000¹⁷
- This company was a major trendsetter and was one of the first to validate the FBA acquisition business model
 - They noticed the trend that Amazon sellers, in most cases, would hit a ceiling with their business when approaching \$3-5 million in revenues and realized they could use capital, usually financed through debt, to grow the company
- Claims that their acquisitions typically see 30% sales increase within the first two months¹⁸ and 156% annual profit growth¹⁹. To exemplify, Shiatsu Foot Massage, a brand that was acquired by Thrasio, has experienced a staggering 275% revenue increase post acquisition²⁰.
- Acquired more than 100 brands in their portfolio²¹
- Global focus for acquisitions
- Primarily focus on “simple everyday hard-good objects” with revenues between 1-30 million dollars, and lower amounts of SKU’s (fewer products but more sales)²²
- Thrasio acts as an investor in the process of sourcing and acquiring businesses, and then runs and manages them once acquired
- Thrasio’s future plans indicate an IPO via a merger with Churchill Capital Corp V, with a combined value of \$2B.²³

Developed the “R Cubed (Reviews, Rating, and Rank)” model to determine if a seller is worthy of acquisition²⁴

<p>Review:</p> <p>Do they have reviews that establish them as a leader in their industry?</p>	<p>Rating:</p> <p>Do they have their rating and product quality to sustain their position?</p>	<p>Rank:</p> <p>Are they ranking organically on high keyword volume?</p>
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¹⁷ <https://www.hahnbeck.com/fba-acquirers>

¹⁸ <https://www.cnbc.com/2021/05/25/thrasio-disruptor-50.html>

¹⁹ <https://min.news/en/tech/63644378e2506f2e2f9628e82e0c6788.html>

²⁰ <https://www.prnewswire.com/news-releases/thrasio-continues-record-breaking-growth-with-acquisition-of-100th-amazon-business-301248549.html>

²¹ <https://www.retailwire.com/discussion/are-huge-marketplace-seller-aggregators-a-good-thing-for-amazon-and-retail/>

²² https://fourweekmba.com/thrasio-business-model/#What_makes_up_a_good_Amazon_business_for_Thrasio_The_R_Cubed_Model

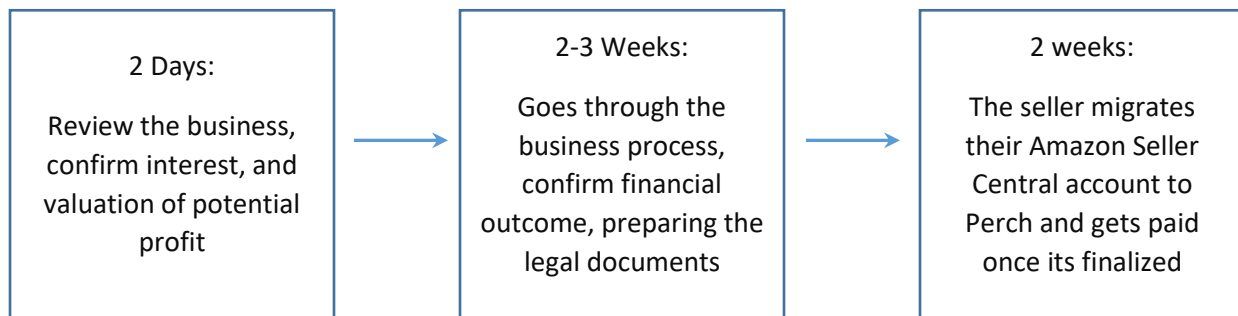
²³ <https://www.bloomberg.com/news/articles/2021-06-11/thrasio-is-said-in-talks-to-go-public-via-michael-klein-spac?sref=TBdibEcD>

²⁴ https://fourweekmba.com/thrasio-business-model/#What_makes_up_a_good_Amazon_business_for_Thrasio_The_R_Cubed_Model



- Founded in 2019
- **Perch** is the second largest competitor in the market with a company valuation of \$908,800,000²⁵
- In round A, Perch has raised \$775,000,000
- They have more than 70 brands acquired in their portfolio
- Based out of Boston, Massachusetts
- Global focus for acquisitions
- 25% of Perch entire labor force consist of software engineers. This means that some algorithmic processes.

*Acquisition timeline*²⁶



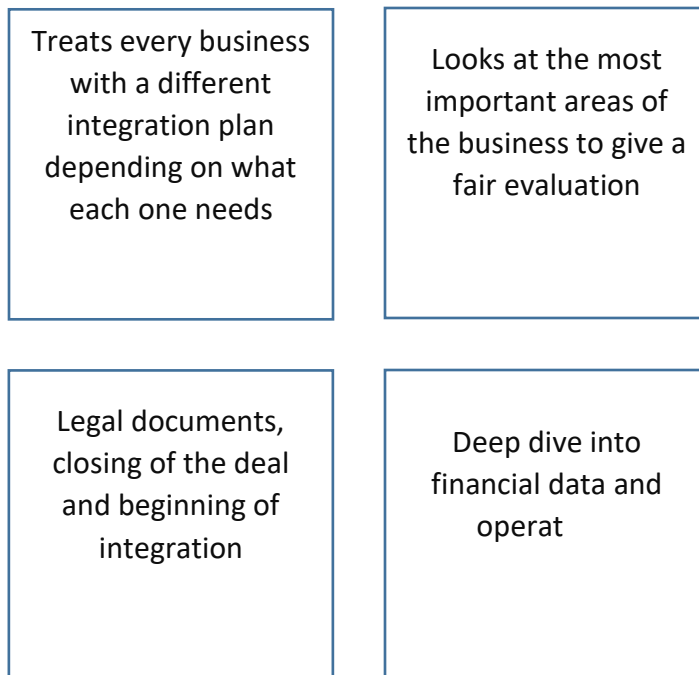
²⁵ <https://www.hahnbeck.com/fba-acquirers>

²⁶ <https://www.perchhq.com/sell-your-ecommerce-business>



- Founded in 2020
- **Razor Group** is another large player in the FBA acquisition market and is currently the company is valued at \$434,760,000²⁷
- Based out of Berlin
- Global focus for acquisitions
- Uses their pre-seed funding, Series A funding, debt and equity and capital from shareholders to finance their business and acquisitions.²⁸

*Acquisition process:*²⁹



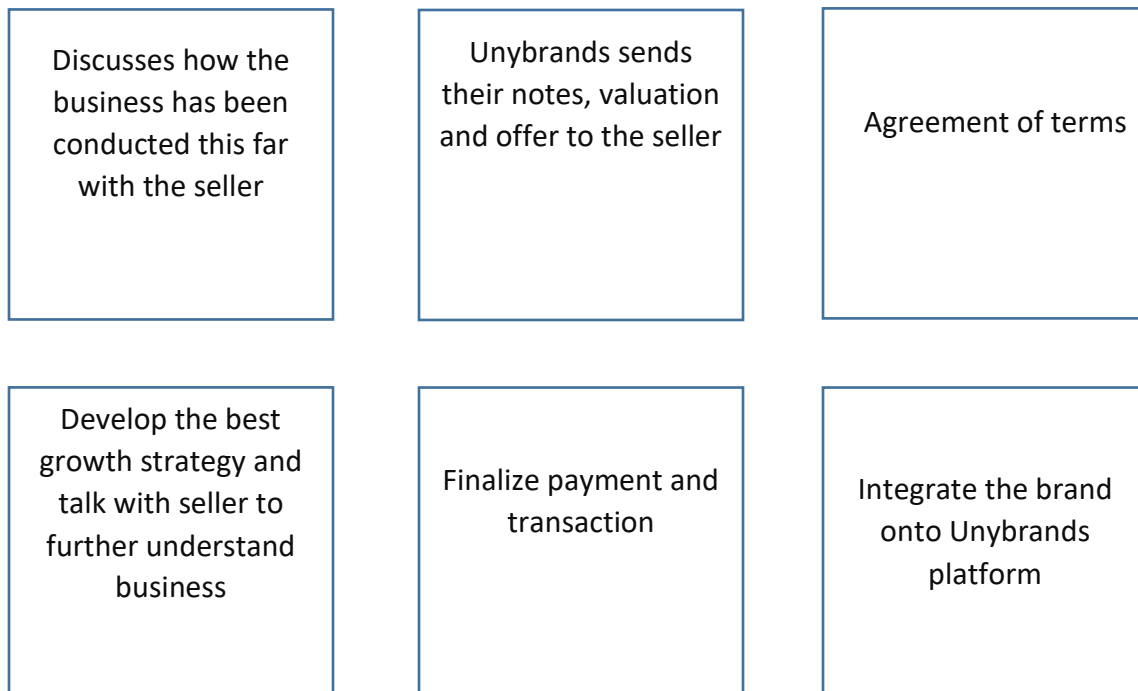
²⁷ <https://www.hahnbeck.com/fba-acquirers>

²⁸ <https://www.hahnbeck.com/fba-acquirers>

²⁹ <https://razor-group.com/sell-process>

unybrands

- Founded in 2020
- **Unybrands** is valued at \$325,000,000³⁰
- Focused on the North American, UK, and EU markets
- **Unybrands** is backed by successful growth and VC investors as well as European family offices, allowing them to deploy their capital at a fast pace
- Their headquarters are located in Miami; however have additional teams based out of London, Berlin, and Seattle³¹
- Steps for acquisition (4 week period):³²



³⁰ <https://www.hahnbeck.com/fba-acquirers>

³¹ <https://www.hahnbeck.com/fba-acquirers>

³² <https://unybrands.com/sell-to-us/>

6. SWOT Analysis³³



Strengths

- Founder with a strong track record of third party selling experience
- Starting portfolio with two successful companies
- Lean operational model
- Already has access to manufacturing and distribution chains and relevant third party service providers
- Large data base of potential acquisition brands built through analyzing Amazon categories and running different queries (number of reviews, products, revenues, etc.)



Weaknesses

- Inexperience in acquiring brands
- Operational structure is not constructed yet (due diligence, database portfolio, etc)
- Limited portfolio diversification leading to higher risk due to budget limitation



Opportunities

- Continuous growth of third party sellers entering the market
- Third party sellers controlling the majority of the market
- Significant growth of e-commerce and digital dependency around the world
- Many large competitors in the market with strong brand awareness giving opportunity for exit strategy



Threats

- Reliance and dependency on e-commerce platforms like Amazon
- Many large competitors in the market with higher purchasing power
- Oversaturation leading to less attractive brands on the market and to higher costs³⁴

³³ <https://www.marketplacepulse.com/marketplaces-year-in-review-2020#fba>

³⁴ <https://www.pickfu.com/blog/amazon-fba-acquirers/>

7. Business Strategy

7.1 Business Model

At its most basic form, **Brandvised** will derive its value and business model from offering third party sellers a profitable exit strategy when approaching their revenue cap. Similarly to its competitors, **Brandvised** will use a mix of venture capital and entrepreneurial skills to buy the business. The acquisition process will require the seller to uphold to multiple financial and operational standards regarding revenue, EBITDA, etc. Depending on the company's desires, they may be offered shares of the company after acquisition, resulting in continued profit for the original owner.

Based on the performance of market leaders in the industry³⁵ which are able to significantly grow their acquired brands, **Brandvised** will aim to reach a brand growth of 100% within the first year of operations.

7.2 Target Market

Brandvised's target market consists of successful e-commerce sellers who are looking to sell their brand for reasons such as:

- Brand reached revenue cap
- Operational disutility due to cash flow
- Seller wants out of the market due to personal reasons

Based on the research conducted and after discerning the largest and most successful parts in this market, **Brandvised** will target companies who are selling preferably in one market which will enable **Brandvised** to exponentially grow on an international level. Notwithstanding, as 43% of sellers in the market³⁶ come from the US, therefore, **Brandvised** will put emphasize on this market.

7.3 Target Audience

Brandvised's target audience will specifically be individuals who use Amazon for selling brands within its aforementioned market. These individuals and accordingly, their brands, will be qualified based on numerous financial and operational factors such as revenue averages and reviews rating.

- Sellers whose main operation is primarily made through Amazon
- Primarily sellers that have sales operation in a single market
- Relatively low SKU's (stock keeping unit)
- Brands with a range of \$1-4M in revenue
- Net margin of minimum 10%

³⁵ <https://min.news/en/tech/63644378e2506f2e2f9628e82e0c6788.html>

³⁶ <https://www.junglescout.com/wp-content/uploads/2020/02/State-of-the-Seller-Survey.pdf>

Due to the fact that FBA acquisition is directly linked to e-commerce, **Brandvised** will allocate its focus towards reaching the desired audience through multiple marketing channels on which we will discuss further.

7.4 Business Model

Brandvised's revenue will be made through the sale of products from each acquired third party brand. Before acquisition, the third party seller will have to meet certain operational standards of success in order for **Brandvised** to proceed with the acquisition. Such standards are:

- Average of \$3M in revenue
- EBITDA of 20%
- COGS are 35% of the revenue
- Inventory value of \$400K

Subsequently, **Brandvised** will use its capital to scale, increase, and sustain profits from the already existing business.

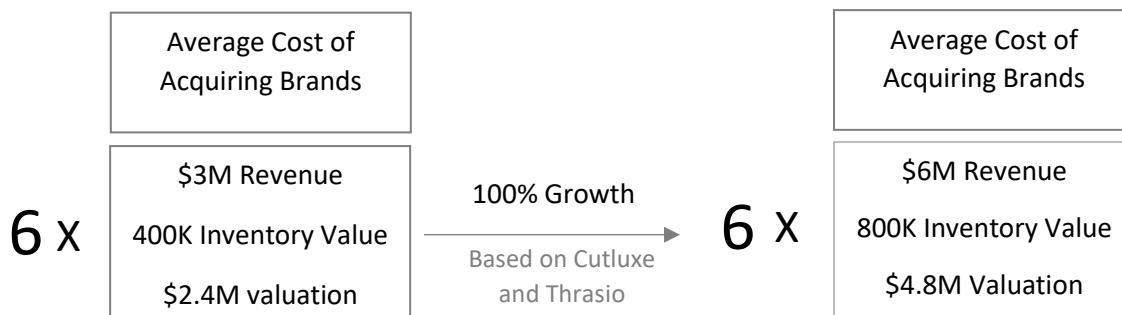
In order to grow the acquired brands,

When entering the market, there will need to be a strong acquisition team to build a brand portfolio and increase the revenues. However, over time when brand awareness grows, more and more third party sellers will reach out to **Brandvised** in hopes to initiate a sale and **Brandvised** will have to analyze their business model to insure it can be scaled properly.

7.5 Business Strategy Chart

The following chart is based on numerous assumptions:

- Account Revenue Range: \$1-4M (Average of \$3M)
- EBITDA: 20%
- Account value: $4 * 20% * \$3M = \$2.4M$
- Inventory Value: \$400K
 - Based on industry data; 35% COGS proportionate to the revenue (\$87.5 per month) and a stock turnover of 4 + manufacturing deposit payments for a range of \$50-80K. A buffer of \$90K was added as well.



$$\$2.4M * 6 + \$0.4M * 6 = \$16.8M$$

First and foremost, **Brandvised** will aim to acquire 6 existing brands, adding them to the current portfolio of Cutluxe Knives and NinjaBatt Batteries. These brands will be acquired based on multiple criteria that will emphasize their potential. Thereafter, **Brandvised** will set its pace and have a catalytic effect on the brands' progress, with a target of 100% growth per brand within the first year.

7.6 Go-to-Market Strategy

<i>Phase 1</i>	<i>Phase 2</i>	<i>Phase 3</i>
Recruit personnel	Approach target audience	Business model validation with first acquisitions
Build potential acquisition database	Acquire 6 Brands	Reach 100% brand growth
Marketing optimization		Continue to build portfolio, one acquisition at a time

In order to obtain a global footprint and become a key market player in the FBA acquirers market, **Brandvised** will undertake the following strategy; after the completion of the potential sellers' database, the company will begin networking with a selected group within this database and by optimizing its marketing channels, along with recruiting key personnel, attract the best sellers and grow the existing portfolio. A core group of 6 brands will be selected and acquired and will serve as POC (Proof of Concept) and will validate **Brandvised** model which aims for 70%-100% brand growth within the first year of operations. Thereafter, **Brandvised** will gain its desired reputation and raise its brand awareness through exposure in social media platforms, website, and PR and by doing so, attract better FBA sellers,

eliminate the need to approach them directly, and grow its portfolio and its diversification. The company's goal is to give brands the option to sell at a multiplier of 3-4, and expedite the expertise of the owner to grow the brand beyond its previous capabilities.

7.7 Marketing Channels

Brandvised will use the following marketing channels to fully utilize its potential customers gain:

7.7.1 Sales Team

Brandvised will use its skilled sales team to conduct market research and compile a database of potential acquisitions. This database will be the first step in establishing **Brandvised** a player in the market and will be strategically accumulated through websites like Jungle Scout. As mentioned earlier, it will help transition them into a well-known player in the market sought out by sellers themselves looking for acquisition. This will be done primarily through the company website where **Brandvised** standards and process for acquisition will be stated.

7.7.2 Digital Marketing

Digital marketing is a substantial part to any e-commerce platform and its advertising. Specifically, social media platforms such as Facebook and Instagram, will play a key role in helping **Brandvised** advertise themselves as an established FBA acquirer.

7.7.3 Content Marketing

Content marketing is used to create a new client base through multiple lanes:

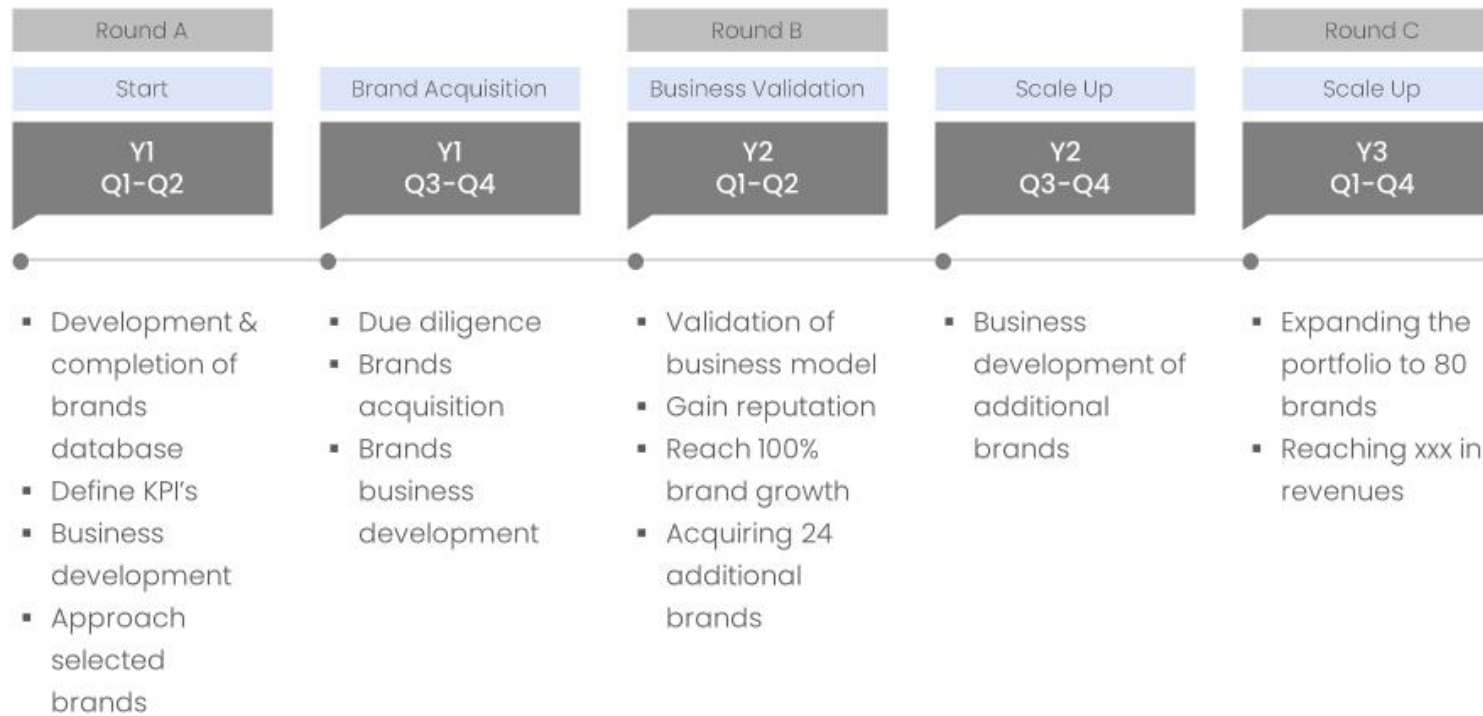
- Blogs
 - With approximately 55% of marketers declaring that blogging is their top inbound marketing priority, it becomes a crucial part of marketing as a whole. Its increasing company leads by 67% per month and a multiplier of 13 on ROI.³⁷
- Videos
 - Video marketing represented a staggering 41% of B2B marketing and sales strategies in 2020. With 99% of marketers who are using this strategy (and continue to do so), video marketing becomes a key element when choosing an execution plan.³⁸
- SEO
 - SEO is critical in positioning a company at the top of search results and rankings and thus, move ahead of the competition. To exemplify the importance of SEO, 61% of marketers mentioned that improving their SEO is at their top priority.³⁹

³⁷ <https://blog.hubspot.com/marketing/business-blogging-in-2015>

³⁸ <https://www.smartinsights.com/digital-marketing-platforms/video-marketing/video-marketing-statistics-to-know/>

³⁹ <https://www.crazyegg.com/blog/seo/benefits/>

7.7.4 Timeline





8. Financial Highlights

8.1 Working Assumptions

Brand Requirements	
Revenue Average	\$ 3,000,000
EBITDA	20%
Inventory Value	\$ 400,000
COGS (as a % of Revenue)	35%
Stock Turnover	4
Buffer	\$ 900,000
Account Value	\$ 2,400,000

Acquired Brands Marketing & Sales Expense	
Marketing Channel	Percentage of Budget
Amazon	84%
Instagram	8%
Facebook	8%
Marketing as a % of Revenue	16%

Personnel Capabilities	
Brand Manager Capacity	3
Social Media Manager Capacity	3
Supply Chain & Purchasing	4
Customer Success	5

Growth Factors						
	Y1 (By Quarter)	Y2	Y3	Y4	Y5	
Brand Growth	0%	100%	50%	30%	10%	
NinjaBatt Growth	0%	10%	10%	10%	10%	
Income per Brand	\$ 3,000,000	\$ 6,000,000	\$ 9,000,000	\$ 11,700,000	\$ 12,870,000	

Brand Expenses Structure	
Refunds	2.5%
Amazon Promotions	2.5%
Amazon Fees (Fulfillment & Platform Fees)	26%
Purchases	35%



8.2 Revenue

Revenues	Brand Acquisition	Business Validation	Scaling Up		
	12	12	12	12	12
	Year 1	Year 2	Year 3	Year 4	Year 5
Cutluxe & NinjaBatt	2	2	2	2	2
New Brands Acquired	6	15	30	60	75
Y1 Old Brands	-	6	15	30	60
Y2 Old Brands	-	-	6	15	30
Y3 Old Brands	-	-	-	6	15
Y4 Old Brands	-	-	-	-	6
Total Brand Portfolio	8	23	53	113	188
Revenue Cutluxe	\$ 1,466,078	\$ 2,199,117	\$ 2,858,852	\$ 3,144,737	\$ 3,459,211
Revenue NinjaBatt	\$ 14,726,332	\$ 16,198,965	\$ 17,818,862	\$ 19,600,748	\$ 21,560,823
Revenue New Brands	\$ 6,750,000	\$ 45,000,000	\$ 90,000,000	\$ 180,000,000	\$ 225,000,000
Revenue Y1 Brands	\$ -	\$ 36,000,000	\$ 90,000,000	\$ 180,000,000	\$ 360,000,000
Revenue Y2 Brands			\$ 54,000,000	\$ 135,000,000	\$ 270,000,000
Revenue Y3 Brands				\$ 70,200,000	\$ 175,500,000
Revenue Y4 Brands	\$ -	\$ -	\$ -	\$ -	\$ 77,220,000
Revenue	\$ 22,942,410	\$ 99,398,082	\$ 254,677,714	\$ 587,945,485	\$ 1,132,740,034



8.3 Cash Flow

Cash Flow	Y1	Y2	Y3	Y4	Y5
Revenues	\$ 22,942,410	\$ 99,398,082	\$ 254,677,714	\$ 587,945,485	\$ 1,132,740,034
COGS	\$ 8,029,844	\$ 34,789,329	\$ 89,137,200	\$ 205,780,920	\$ 396,459,012
Expenses					
G&A	\$ 7,918,478	\$ 32,340,583	\$ 81,487,735	\$ 186,391,666	\$ 357,380,310
M&S	\$ 4,016,386	\$ 17,599,293	\$ 45,123,154	\$ 104,028,878	\$ 198,377,190
R&D	\$ 410,400	\$ 954,000	\$ 1,543,680	\$ 2,511,180	\$ 3,506,366
Total Expenses	\$ 20,375,107	\$ 85,683,205	\$ 217,291,769	\$ 498,712,644	\$ 955,722,878
Cash Flow Pre Acquisition	\$ 2,567,303	\$ 13,714,877	\$ 37,385,945	\$ 89,232,841	\$ 177,017,156
Acquisition Costs	\$ 14,400,000	\$ 36,000,000	\$ 72,000,000	\$ 144,000,000	\$ 180,000,000
Cash Flow Post Acquisition	\$ (11,832,697)	\$ (22,285,123)	\$ (34,614,055)	\$ (54,767,159)	\$ (2,982,844)

8.4 Valuation

Investment requirements are:

- **Brandvised** aims to raise \$12M
- 50% debt, 50% equity

