

This is ReWearAI!



Company Name
ReWearAi

Date
July 2024

Try Pitch



ReWearAI: Simplifying Second-Hand Clothes Selling

Value Proposition

Problem: Selling second-hand clothes online is **time-consuming** and **complicated**, with many manual listing processes and **inconsistent pricing** that overwhelm sellers, second-hand retailers and buyers.

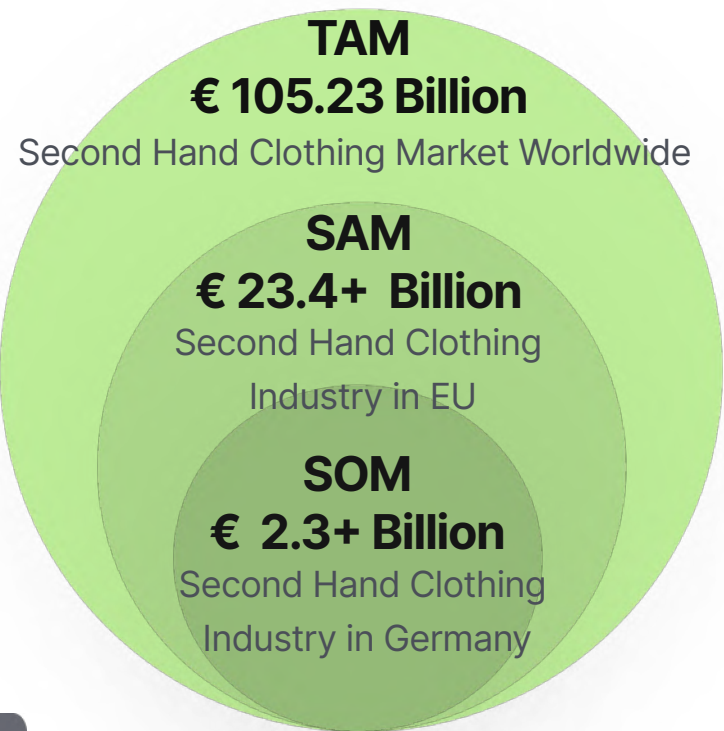
Solution: ReWearAI automates these processes and steps with the help of an advanced AI algorithm and enables **Advanced label extraction**, AI-powered **Listing Assistant**, and **Predictive Analytics**.

Why now?

67%

Brands uninterested in resale claim that the **complexity** of resale is their reason for disinterest.

Market and Competition

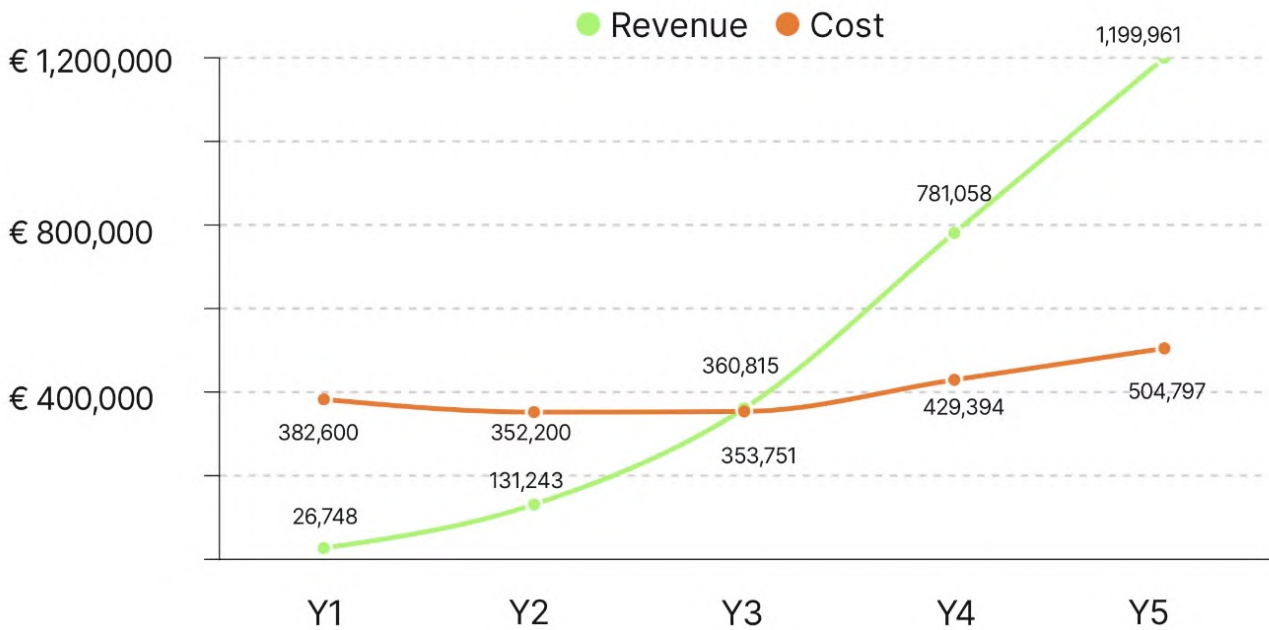


Our solution does **not require additional hardware** and has features that our competitors not offering.

Implementation

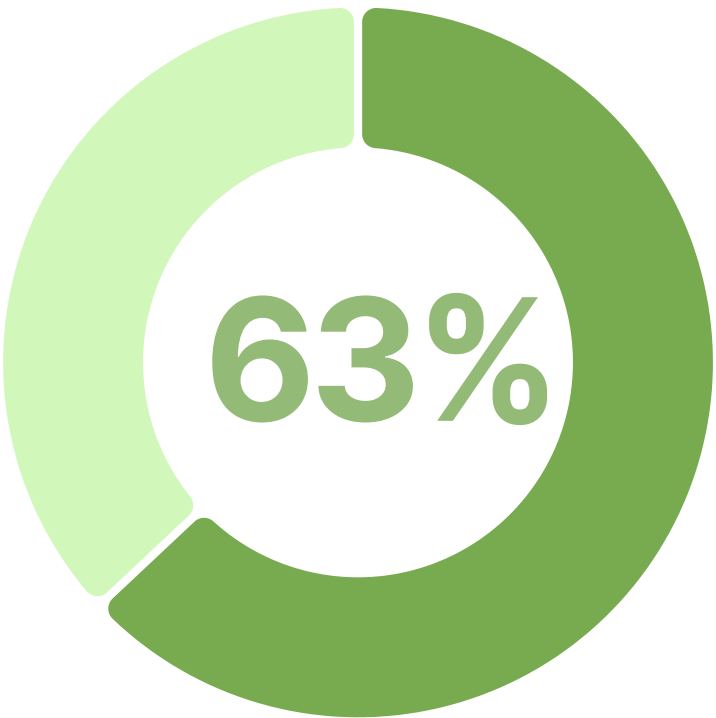
In the 1st year we will develop a **fully functioning AI algorithm** and start our **customer acquisition in Munich area**. In year 2, we will further enhance our AI algorithm and enable **more accurate features** such as price suggestions, condition assessment, etc. In year 3, we are planning to develop an **AI authentication feature** and enter other EU markets.

Financials



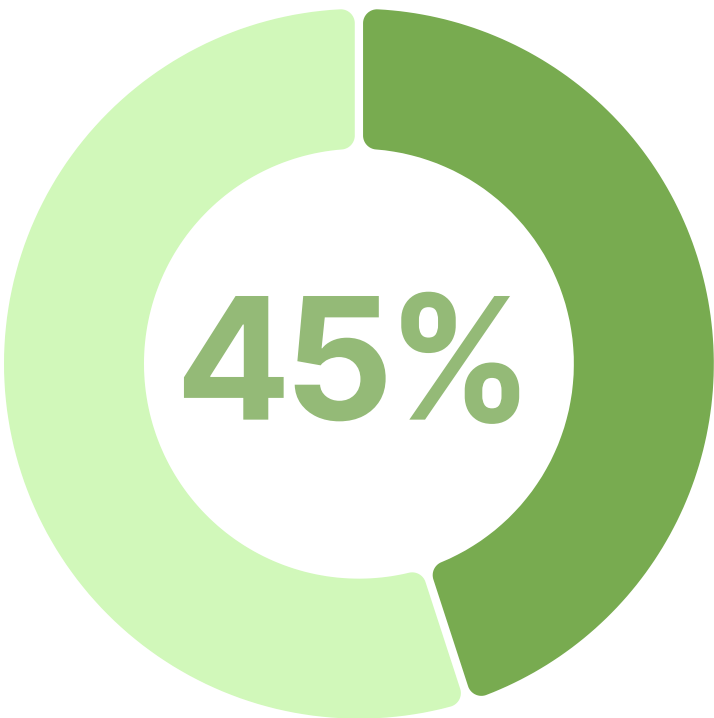
Depending on the user and customer acquisition we plan to **reach steady-state** depends on **customer and user growth** and is estimated to be **reached by year 3**.

Consumer Insights



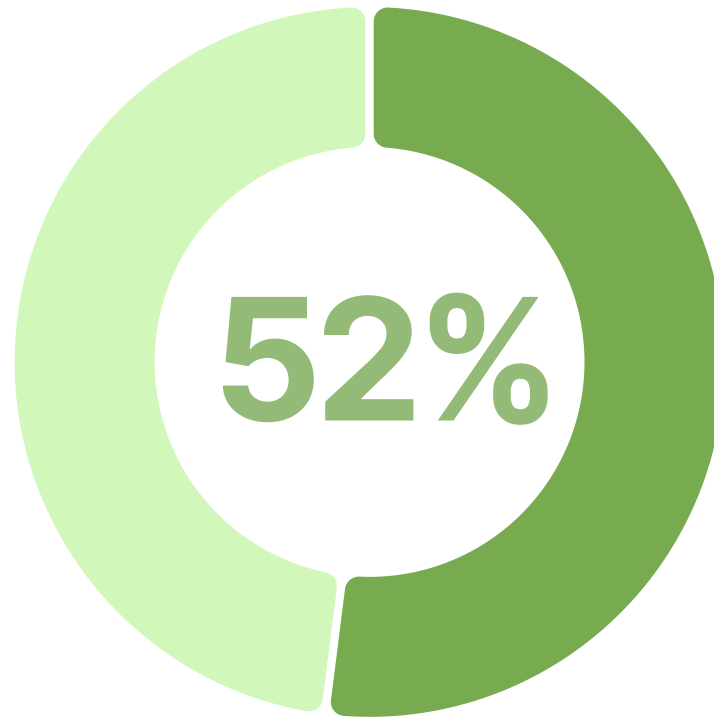
Consumers buying secondhand in 2023 bought online, up 17% from 2022.

● THREDUP: Resale Report 2024



Gen Z and Millennials mostly buy secondhand clothes online, with 38% preferring in-store shopping.

● THREDUP: Resale Report 2024



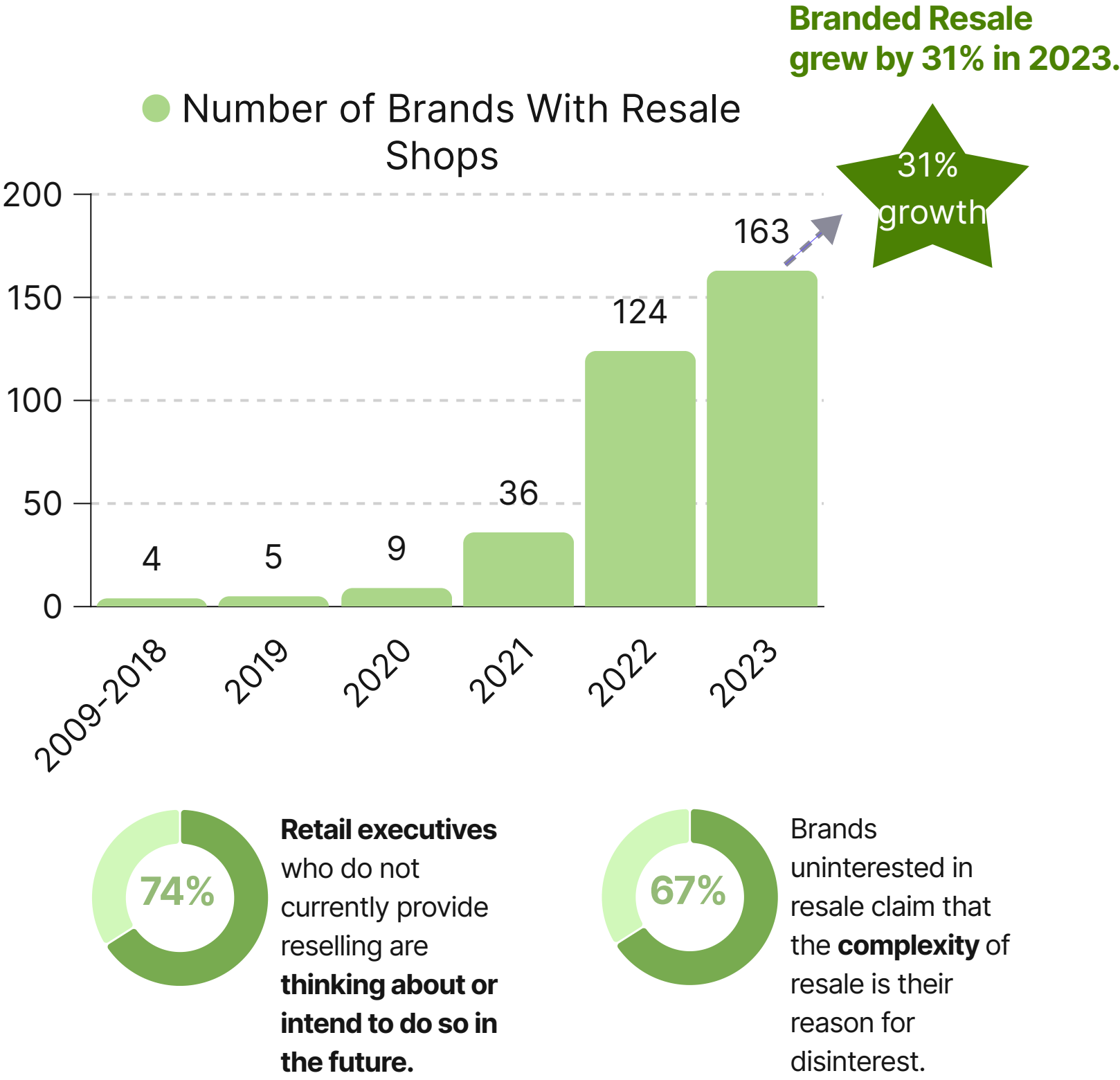
Consumers shopped secondhand apparel in 2023.

● THREDUP: Resale Report 2024

Market Trends



The global second-hand apparel market will grow 3 times faster than the overall global apparel market, reaching \$350 billion by 2028.



ReWearAI makes the second hand clothing business more efficient

"it takes time to list them and sometimes the process is tedious "

USER

Our users are **individuals** who want to sell their clothes with less effort and **enhance the sustainability** of the world.

Problems



- **Lengthy process** of listing multiple items
- **Uncertainty** about **how quickly** an item will sell
- **Uncertainty in** second hand clothing **prices**

Solutions



- **Completely automated clothing selling process** that guides sellers through each step with accuracy, from uploading photos and descriptions to selling point
- **Sellers** will get **notified shortly if the item will be bought** by the second hand businesses.

CUSTOMER

Our customers are businesses such as **second-hand retailers, brands,** and **sorting facilities** that want to **automate manual** clothes sorting **steps.**

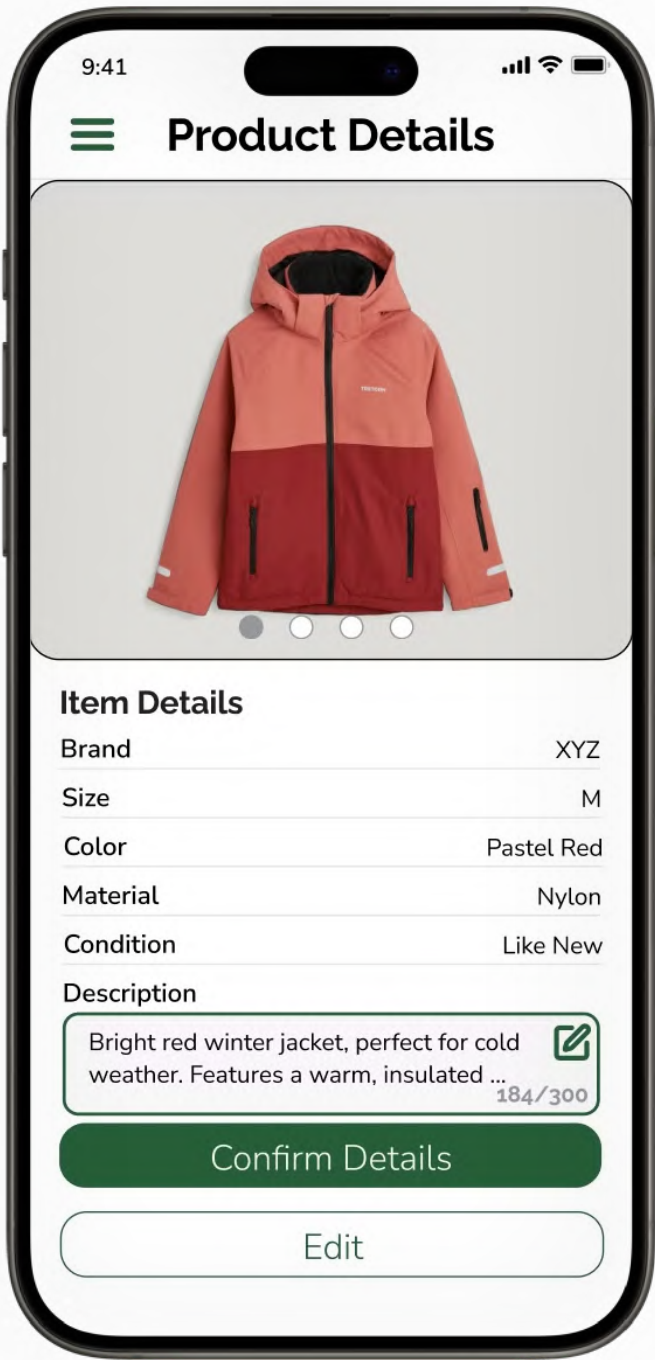
"In many cases, items we receive are not correctly described, it makes the process more complicated."

- **Inaccurate labelling** of clothing
- **Condition verification** challenges
- **Tedious manual labor** in sorting of second hand clothes

- The tedious **manual labor will be automated** though our **advanced AI algorithm**
- AI solution that **extracts the labels and clothing features** to successfully identify the clothing item and provide necessary information
- Customers can **verify** important aspects such as the **condition and quality** of the item remotely before it is bought, which will **reduce unnecessary logistics.**



ReWearAI enhances the experience of selling second hand clothing



Advanced Label Extraction

Customer uploads photos; RW analyzes and provides accurate results.



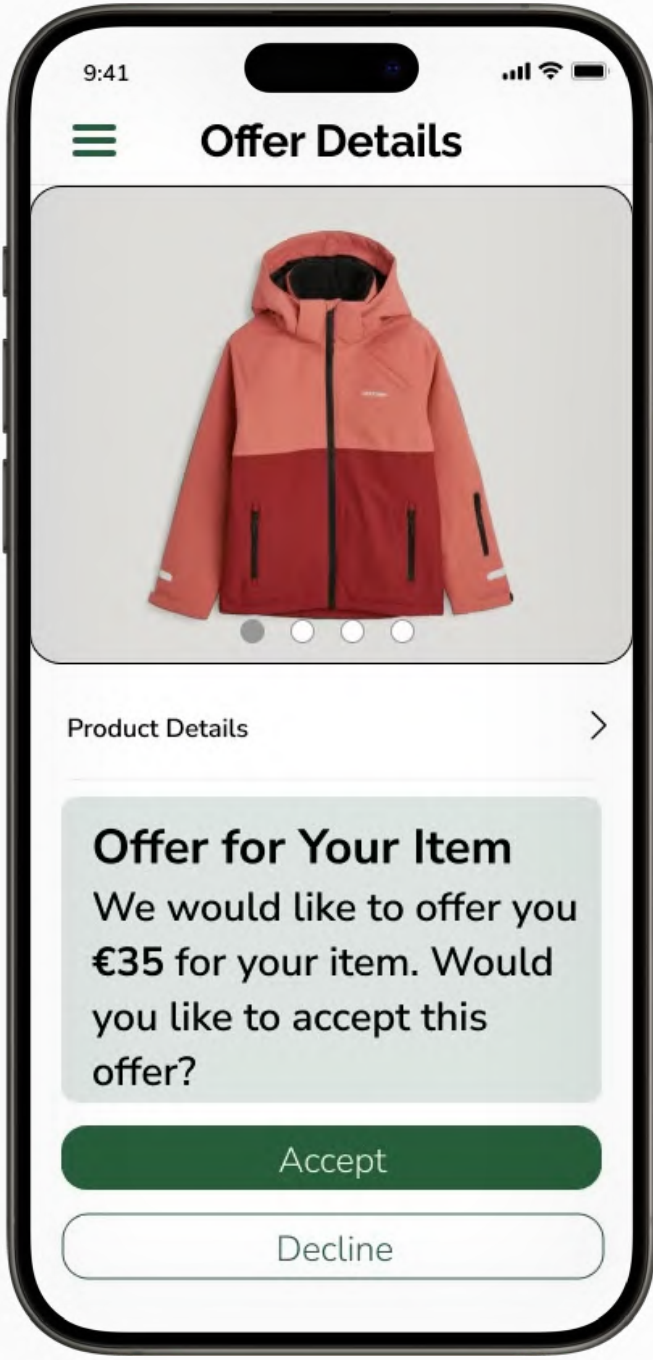
Accurate Size Detection

RW measures cloth size with a meter placed nearby.



Condition Assessment

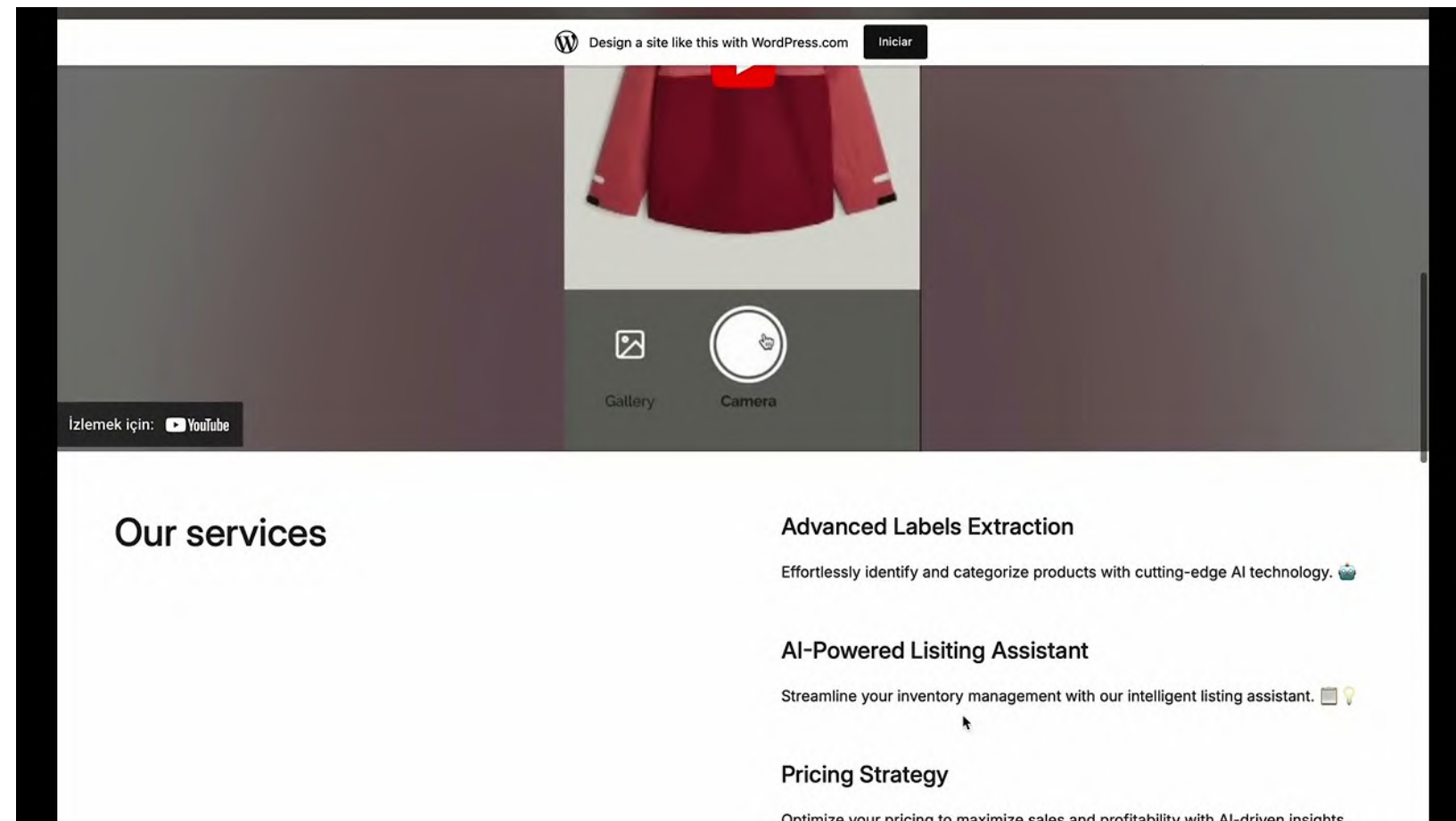
RW detects torn or worn parts of the cloth.



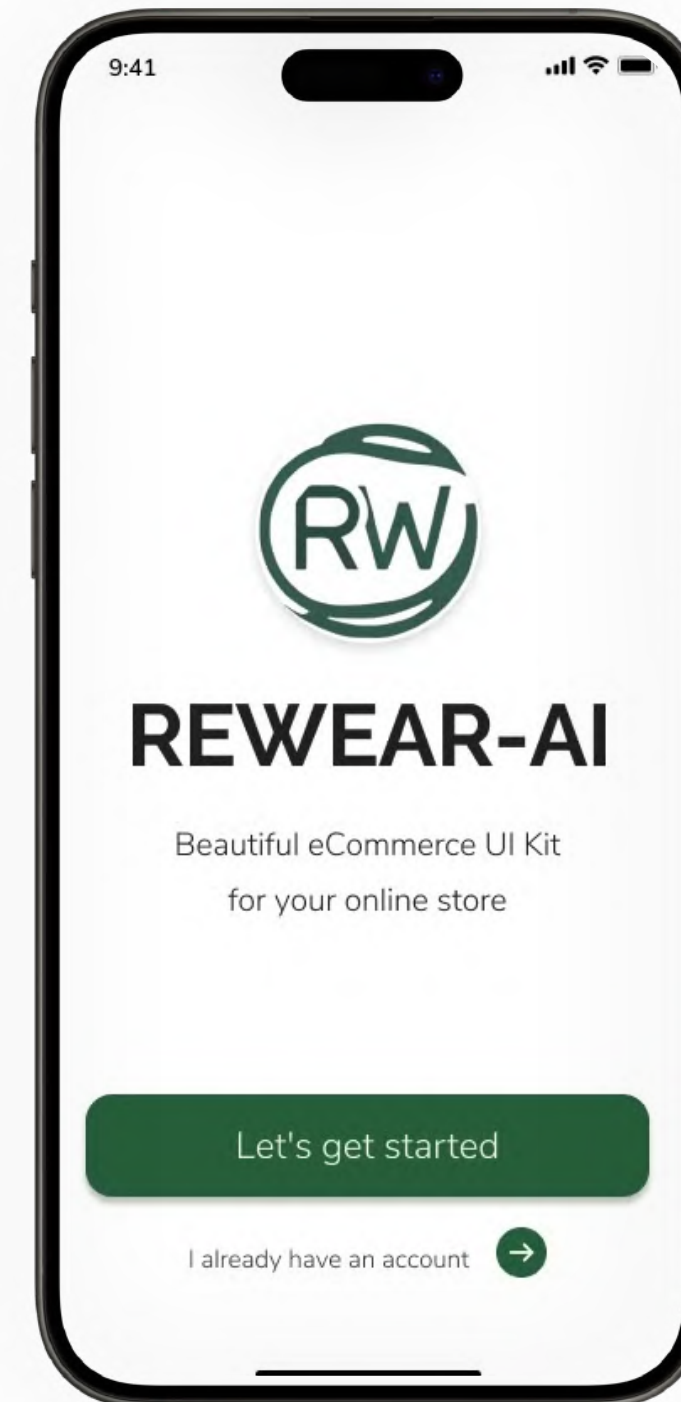
Price Range Suggestion

RW uses its database to determine the correct price.

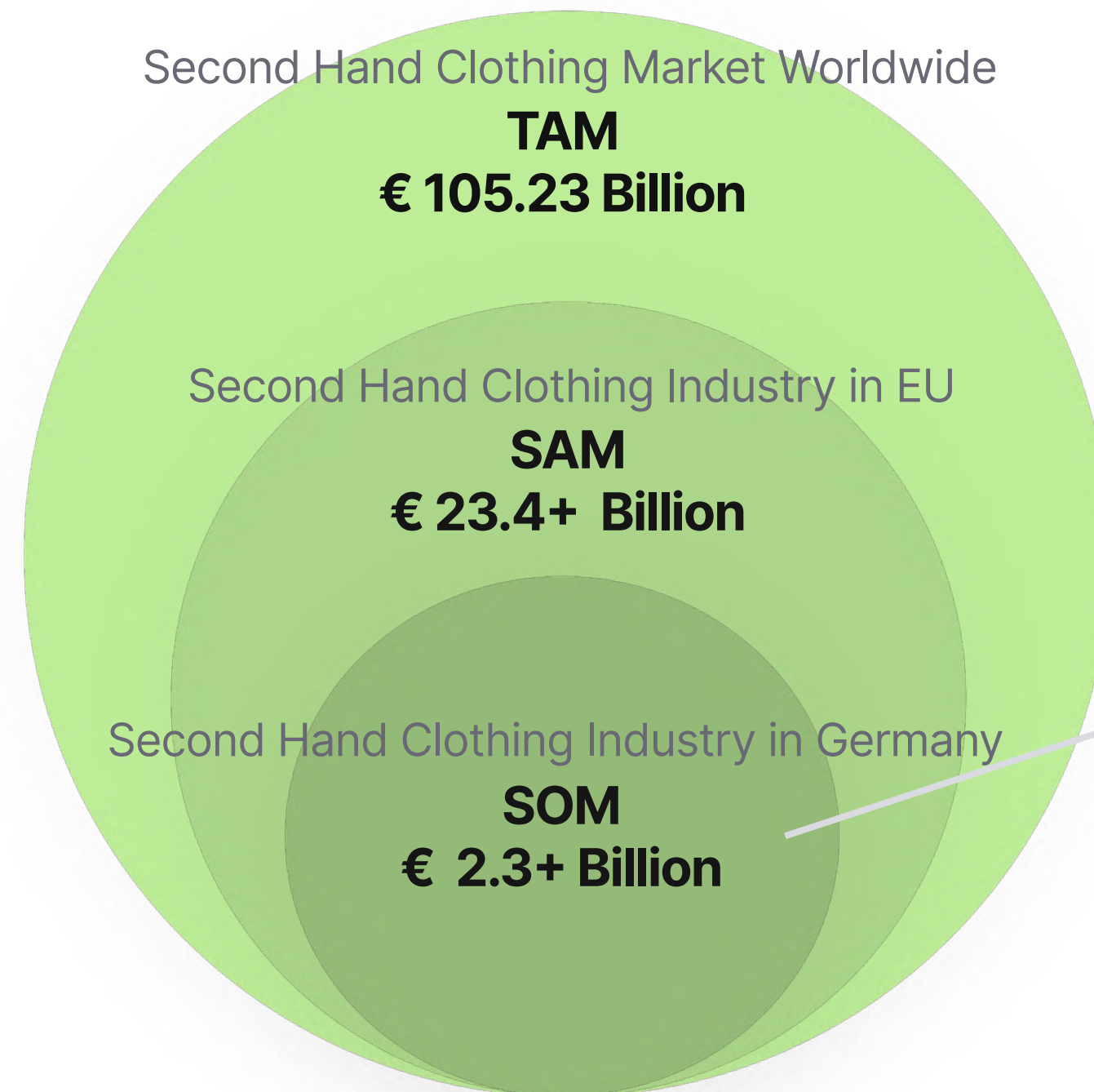
Landing Page



Prototype



Second hand clothing industry is significantly becoming popular



"Second-hand apparel online shops in Germany are gaining popularity year by year and are expected to increase significantly"

11,600+

Second Hand Businesses
IBISWorld 2023

87%

87% secondhand shopping
due to eco-friendliness
Statista 2021

26,658+

Employees
IBISWorld 2023

21%

of the second hand purchases
was clothing
statista 2024

IBISWorld: Second-Hand Clothing Industry Market Size in Germany 2023

Statista: Value of the second-hand fashion market in the European Union (EU) from 2017 to 2025

THREDUP: Resale Report 2024

ReWearAI contributes to the sustainability and efficiency of the second-hand industry

Key Activities

- Developing and maintaining our backend solution
- Customer and market acquisition
- Customer support
- Periodically requesting for feedback from our customers and users

Key Resources

- Robust backend
- Fullstack developers for an outstanding solution
- Strong business development and sales professionals to ensure successful market acquisition

Sustainability

- **Environmental:** enhancing the second-hand clothing industry to lead society to eco-friendliness
- **Economic:** drastically reducing unnecessary logistics of second-hand clothes

Key Partners

- Cloud service providers to host and manage our IT infrastructure
- Second hand clothing businesses



Future Roadmap



ReWearAI will begin generating profit from year 3 on

Revenue

- customers pay 19 cents per successful clothing identification/transaction and save significant costs compared to manual labour at warehouse

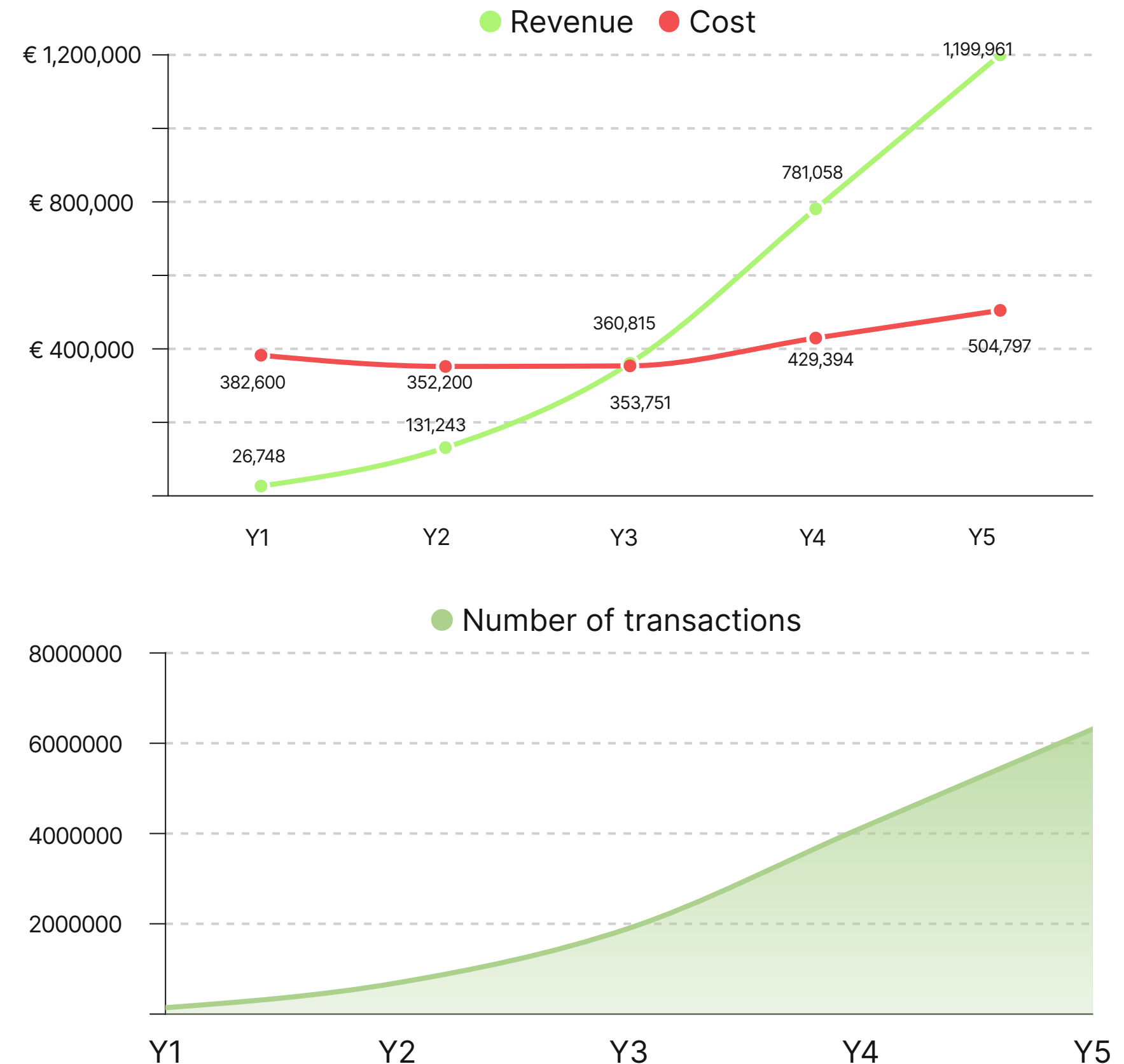
Costs

- human capital such as software developers, research and development, and marketing and sales
- technical equipment and the maintenance of IT infrastructure
- insurance, especially cyber liability

Investments

- steady-state depends on customer and user growth and is estimated to be reached by year 3
- To cover the costs, we will need initial investment of €383,000

For Income statement, SG&A, and COSS refer to Appendix



Our Team



Anand Erdenebat

**Business
Development**



Nader Bennour

**Data Analytics &
Backend**



Ayşenur Özbek

**Product Design &
Development**



Afonso Araújo

**Finance &
Accounting**



Mohamed Ali Bouafif

**Operations
Management**

THANK YOU

ReWearAI

Appendix

I. Meet Renee Gonzales!

28/Marketing Manager/Berlin

Motivations

Efficiency	*****
Accuracy	*****
Convenience	****

Habits

- Updates wardrobe frequently
- Sells clothes online regularly
- Shops at thrift stores and vintage shops

Frustrations

- Lack of Time
- Faded Labels
- Inaccurate Listings

Selling and Buying Points



"I need a quick, reliable way to sell my clothes online without wasting time."

Customers

II. Interview Results

We have divided our semi-structured expert interview process into two parts. On the one hand, we interviewed our potential users with the help of acquaintances and connections, and on the other hand, we interviewed our potential customers and industry experts in live interviews via Zoom meetings. Five **customers** and a total of 19 potential **users** participated in our interview.

"Whenever I have to sell clothes on current platforms, it takes time to list them and overall sometimes it's not easy because the process is tedious and some details can be easily overlooked. Also, setting the right price and managing multiple items can be overwhelming and time-consuming."

"We have professional clothes checkers at our warehouse, but the logistics are not the best. If this were automated, we would definitely use it."

"Sometimes, clothes sit unsold for months, even for a year. If there were a solution that instantly buys clothes, it would make the process of selling second-hand clothes much easier."

"In many cases, items we receive are not correctly described, it makes the process more complicated."



III. Financials

	Year 1	Year 2	Year 3	Year 4	Year 5	Margin Y5 (%)	Grand Total
Number of transactions	140,778	690,751	1,899,025	4,110,830	6,315,584		2,730,554
Paying customers revenue	26,748	131,243	360,815	781,058	1,199,961	100.0%	2,499,825
Total revenue	26,748	131,243	360,815	781,058	1,199,961	100.0%	2,499,825
Developers and IT support costs	-171,000	-156,000	-156,000	-156,000	-156,000	92.9%	-794,999
Cloud infrastructure costs	-12,000	-12,000	-12,000	-12,000	-12,000	7.1%	-36,000
COGS	-183,000	-168,000	-168,000	-168,000	-168,000	14.0%	-519,000
Gross profit	-156,252	-36,757	192,815	613,058	1,031,961	86.0%	-195
Sales and marketing	-68,000	-68,000	-68,000	-68,000	-68,000	36.9%	-204,000
Research and development	-52,200	-52,200	-52,200	-52200	-52200	28.3%	-156,600
Administrative	-79,400	-64,000	-64,000	-64,000	-64,000	34.7%	-207,400
SG&A	-199,600	-184,200	-184,200	-184,200	-184,200	17.8%	-568,000
Operating profit	-355,852	-220,957	8,615	428,858	847,761	70.6%	-568,195

IV. Financials (2)

COGS

TOTAL	14,000
Human Capital	13,000
Development (2)	10,000
IT support	3,000
Infrastructure	1,000
Cloud services per month	1,000
One Time Costs	15,000
Laptops	12,000
Headsets	600
Keyboards	300
Monitors	2,100
Total Equipment	15,000

SG&A

TOTAL	187,200
Sales & Marketing	68,000
Marketing & Sales Salary (1 person)	48,000
Marketing Campaign	20,000
Research & Development	52,200
R&D Salary (1 people)	49,200
Travel Costs (1 people)	3,000
Administrative	64,000
Reserving Office in Munich	10,000
Total Office	10,000
Commercial Property Insurance	12,000
Commercial General Liability Insurance	12,000
Cyber Liability Insurance	30,000
Total Insurance	54,000
Other	3,000
Maintnance of IT infrastructure	1,000
One Time Costs	12,400
Laptops	10,000
Headsets	250
Keyboard	250
Monitor	1,750
Equipment	4,000
Total Equipment	12,250
Copyright	150



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