

September 2016

## Executive Summary

# “Avenue Montaigne in China” AMIC



## €1m Series A financing in AMIC

\*\*\*

---

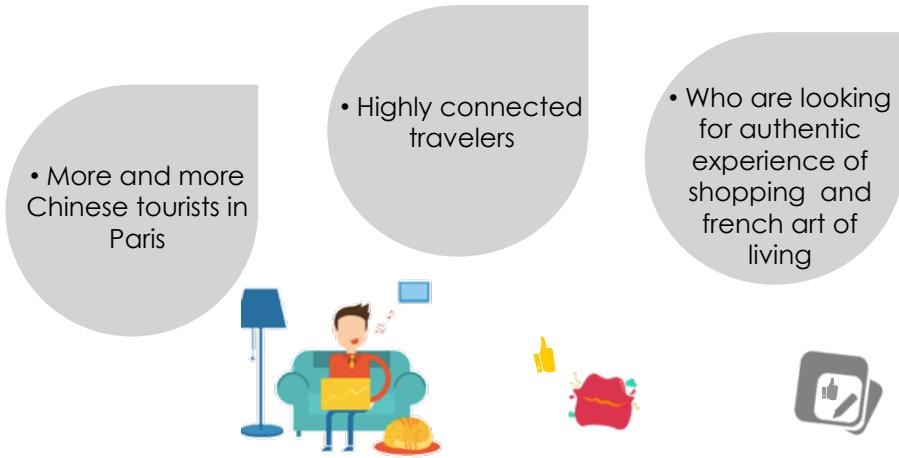
*Disclaimer: The attached document (“Document”) is based on materials given by AMIC and has been written by Delphine Minas. This Document seeks a preliminary expression of interest and does not contain the information needed for final investment decision. In no way shall Delphine Minas be held responsible for the accuracy of this Document. The information contained herein is strictly confidential and cannot be reproduced or given to third parties.*

AMIC is a digital “drive-to-store” service provider and a cross-border e-commerce actor, dedicated to Chinese global shoppers, with a high-end-luxury positioning. It's a unique Chinese shopping app for Chinese tourists in Paris. The app is free. AMIC makes its revenues with the brands by selling innovative “drive-to-stores” services solutions and with Chinese customers by selling French products to them.

AMIC can be also seen as a free shopping and travelers' guide for French lifestyle and Parisian glam, meant to enjoy local brands like Parisians would.



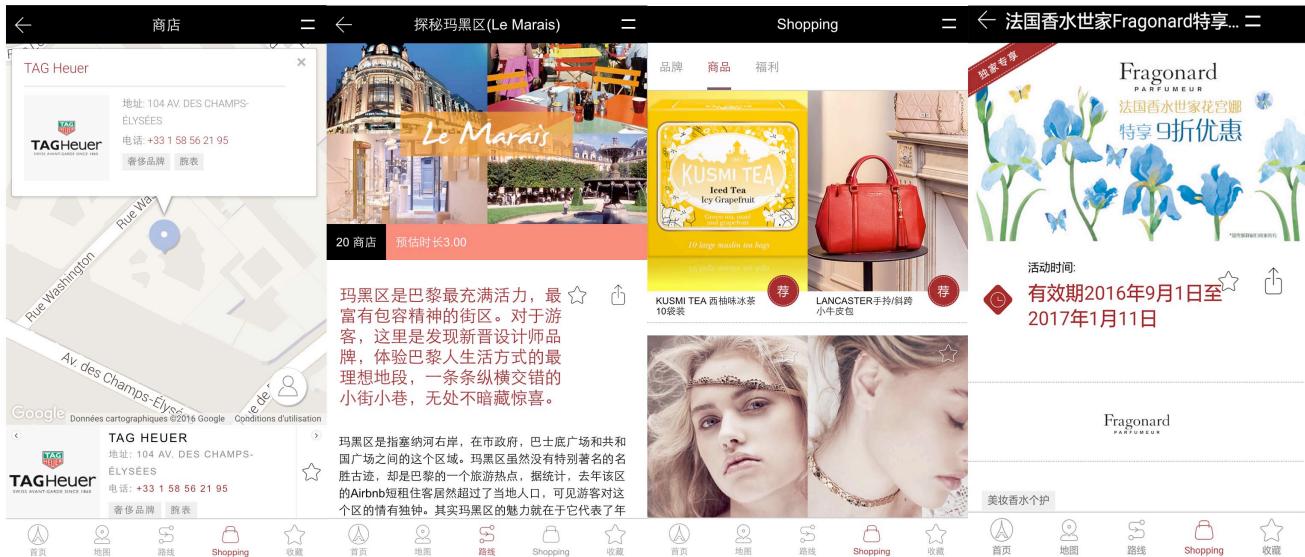
### Why AMIC was born



AMIC was founded in November 2015. The company was created by its President, (Former Chinese diplomat, HEC Paris, long experience in business development both in multinational and as consultant) with a capital of €165k and her Chief Editor, (Fudan University graduate in Shanghai, Vogue China), united by their passion for French art de vivre and their desire to share it.

### The app

The app runs both under iOS and Android. It offers a wide range of services to Chinese travelers: Real-time map locating with about 700+ selective boutiques and thematic itineraries to guide travelers and save their times. It already has hundreds brands with different tags, from cutting-edge designer brands to high-end luxury/traditional ones. Filtering feature lets users easily find nearest boutiques they are interested in. The app provides product recommendations with drive-to-store features and exclusive offers allowing users to get better offers than local Parisians. A loyalty program, after shops check-in, enables to earn points, redeemable in nice gifts. Chinese travelers are willing to experience the French way of living and the app is meant for it. From the brands' perspective, the app is a powerful solution to increase notoriety, store traffic and sales. It also offers a powerful digital tool for marketing purpose (special offers, best sellers, news in etc.), brand communication and cross-border sales.



**The app has been downloaded 3 300+ times end of August**

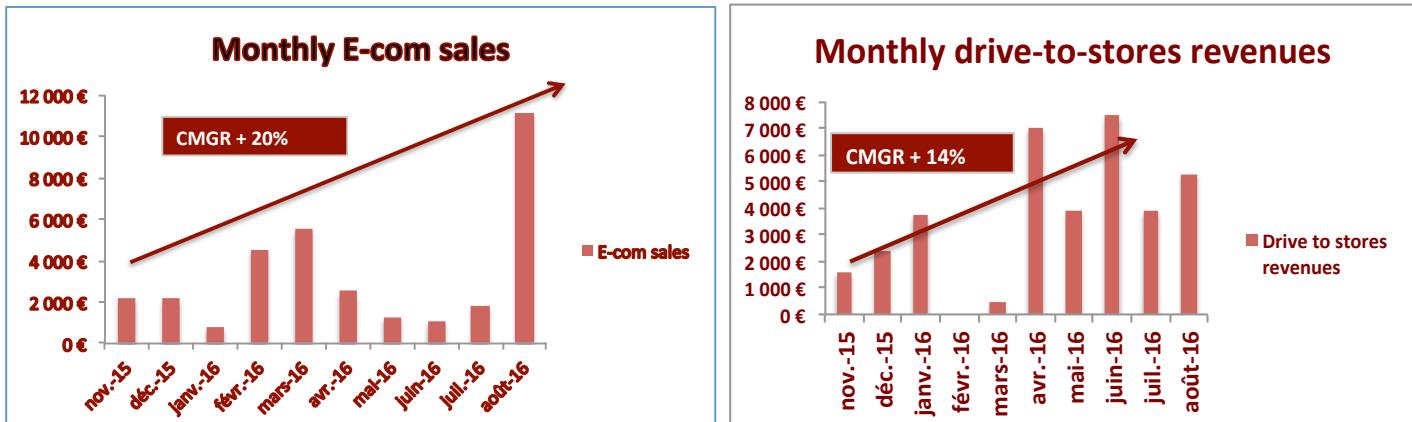
## Investment highlights

- A strong demand and no offer. The number of Chinese tourists in France is soaring with an expected +15 % CAGR until 2020. 2.2 millions of Chinese visited France in 2015.
- In France about €5.5b are spent by Chinese travelers in shopping in 2015. French market size should represent an opportunity of €10b + in 2020. Note that estimates have been revised after terrorist attacks.
- The app fits the way of living of the Chinese travelers in Paris: well-connected, average age of 32+, the profile of Chinese tourist-shoppers has evolved: they are seeking authenticity and art of living and want to know the local brands.
- The app fits their way of shopping: they check on line and buy in store. The “drive to store” concept is here highly relevant from the brand’s perspective. A recent survey made in Hong Kong showed that they buy three times more luxury goods, when a retailer sells both on on-line and in-store. AMIC is a O2O service provider.
- The business model is highly profitable, breakeven in FY19 and the company will generate high cash flows from FY22.

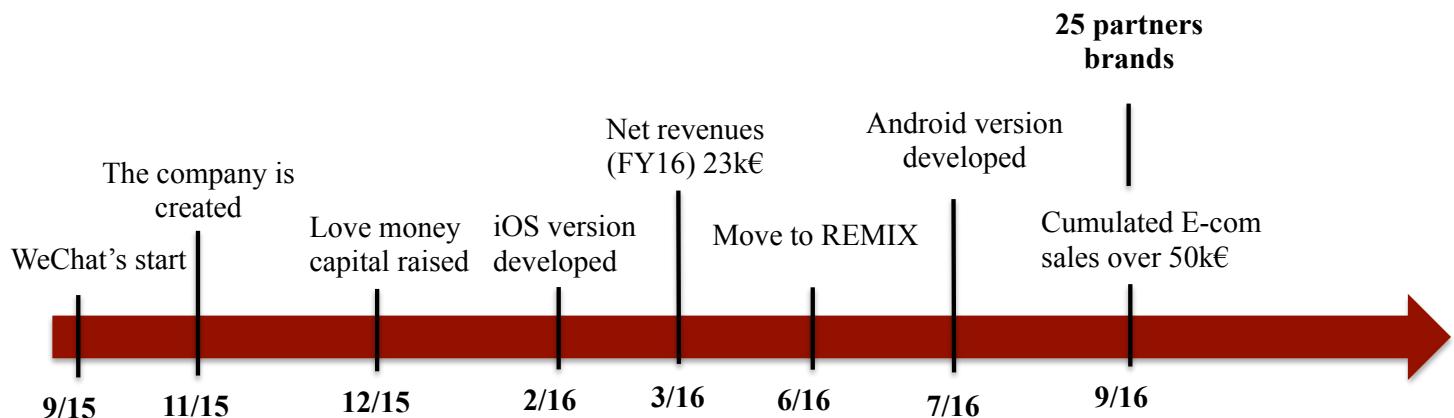
- The concept can be implemented worldwide. The number of trips by Chinese outside China is exploding as well (expected +10% annual growth until 2020). Though there is no digital service for Chinese tourists in France and in most countries around the world.
- The team and the support from Business France, Atout France and OTCP (Office du Tourisme et des Congrès de Paris).

## Achievements up to date

- Net sales €244k in 2017e;
- 25,000+ WeChat followers (Aug 2016);
- 1,8m + pages views since its creation;
- 400+ referenced brands; 700+ geo-located stores; 25 “partner brands”;
- 5 full time employees (Aug 2016).

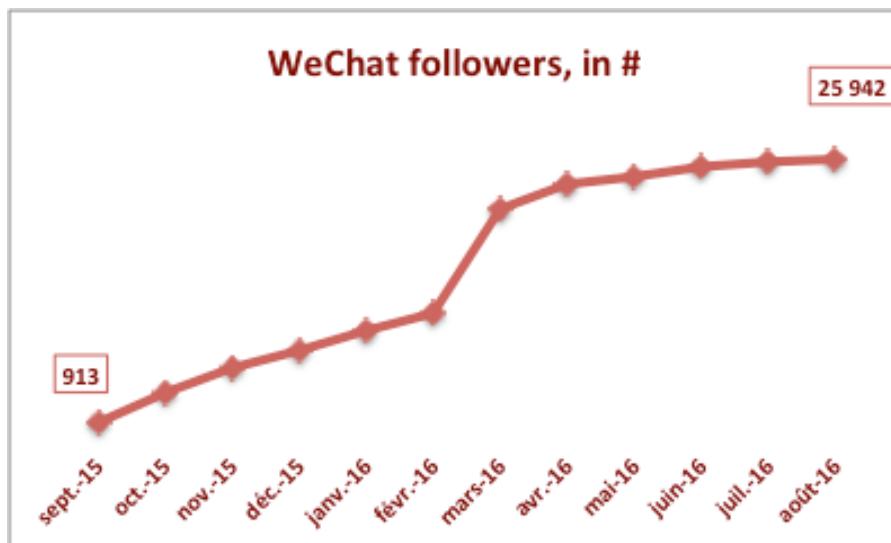


## Timeline and Sample of partner brands



## How does AMIC efficiently communicate?

---



- AMIC uses WeChat as main way of communication to improve its notoriety and increase its number of users.
- The Company communicates on key Chinese social web platforms: Sina, Weibo, PCLady, etc.
- In addition the Company has built partnerships with Air France, China Telecom and China Union Pay to make cross advertising campaigns and is working on new partnerships.

## Vision

---

AMIC intends to become the worldwide leading shopping app for Chinese global shoppers. The Company plans to grow from a €23k net sales app (2016A) to a Group of €34,2m (2020e) with nine offices worldwide.

## Business Plan

---

To meet its objectives, the Company plans to:

1) Expand its “drive-to-stores” services operations by growing its base of “partners brands” and by opening new destinations from 2017 to 2021: Côte d’Azur et Bordeaux, Firenze, Milan, London, Barcelona, Seoul, Tokyo, NYC; and,

2) Grow its e-commerce activity dedicated to Chinese.

The Company plans to develop a new version of the app by adding the e-commerce feature. Other incremental improvements will be brought.

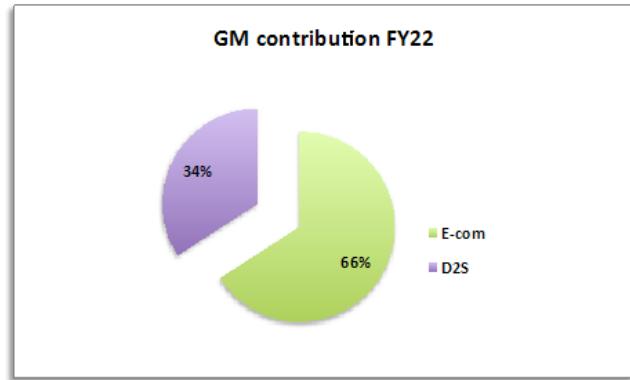
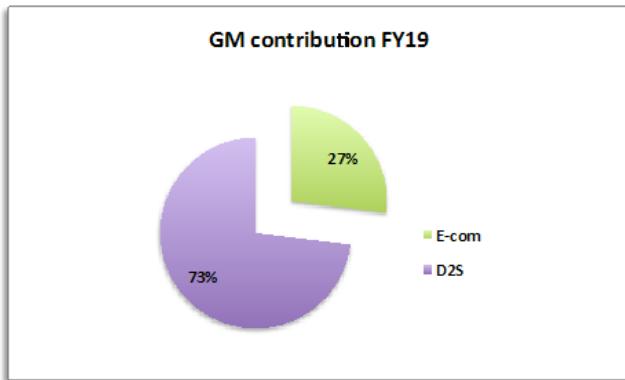
## Projections and comments

---

### P&L (in k€)

	31/03/2016A	31/03/2017e	31/03/2018e	31/03/2019e	31/03/2020e	31/03/2021e	31/03/2022e
<b>Net sales</b>	<b>23,3</b>	<b>243,5</b> <i>x10,5</i>	<b>1 325,7</b> <i>x5,4</i>	<b>3 333,6</b> <i>x2,5</i>	<b>7 774,4</b> <i>x2,3</i>	<b>16 950,4</b> <i>x2,2</i>	<b>34 201,3</b> <i>x2,0</i>
<b>GM</b>	<b>14,8</b>	<b>174,2</b>	<b>863,4</b>	<b>2 057,0</b>	<b>4 582,9</b>	<b>9 609,8</b>	<b>18 786,1</b>
<i>GM, in % of net sales</i>	<i>64%</i>	<i>72%</i>	<i>65%</i>	<i>62%</i>	<i>59%</i>	<i>57%</i>	<i>55%</i>
<b>Operating Expense</b> <i>in % of net sales</i>	<b>(52,3)</b> <i>(224%)</i>	<b>(247,9)</b> <i>(102%)</i>	<b>(780,5)</b> <i>(59%)</i>	<b>(1 556,6)</b> <i>(47%)</i>	<b>(3 156,3)</b> <i>(41%)</i>	<b>(5 970,3)</b> <i>(35%)</i>	<b>(10 542,9)</b> <i>(31%)</i>
<b>G&amp;A</b> <i>in % of net sales</i>	<b>(5,3)</b> <i>(23%)</i>	<b>(192,0)</b> <i>(79%)</i>	<b>(375,8)</b> <i>(28%)</i>	<b>(500,0)</b> <i>(15%)</i>	<b>(1 166,2)</b> <i>(15%)</i>	<b>(1 695,0)</b> <i>(10%)</i>	<b>(3 420,1)</b> <i>(10%)</i>
<b>EBITDA</b> <i>in % of net sales</i>	<b>(42,8)</b> <i>(184%)</i>	<b>(265,8)</b> <i>(109%)</i>	<b>(292,9)</b> <i>(22%)</i>	<b>0,4</b> <i>0%</i>	<b>260,4</b> <i>3%</i>	<b>1 944,5</b> <i>11%</i>	<b>4 823,1</b> <i>14%</i>
<b>Net result</b> <i>in % of net sales</i>	<b>(43,2)</b> <i>(185%)</i>	<b>(269,6)</b> <i>(111%)</i>	<b>(311,9)</b> <i>(24%)</i>	<b>(22,6)</b> <i>(1%)</i>	<b>233,4</b> <i>3%</i>	<b>1 399,2</b> <i>8%</i>	<b>3 194,5</b> <i>9%</i>

- To gain new users and grow its sales, the Company will steadily invest in marketing and communication. Spending in communication will represent at least 6-7% of net sales until FY22.
- Break-even point reached as of FY19.
- Gross margin (GM) contribution of each activity will evolve over the business plan period:



- In 2022, there will be highly valuable upsides: growth potential as most destinations will have not reached their maturity, growth potential of new users and e-com revenues, market positioning of leading app for Chinese tourists, and growing cash flows linked to improved profitability while business gets mature.

**To achieve its business plan, the Company is seeking €1m Series A financing.**

### Contact:

Delphine Minas  
[delphine@a-kross.com](mailto:delphine@a-kross.com)  
 cell: +33 6 27686267