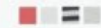# Single platform for retailers and buyers

RETHINKING ONLINE SHOPPING: WHERE CHOICE BECOMES ART WITHOUT MISTAKES AND COSTLY CONSEQUENCES

ROUND-NECK T-SHIRT

$19 $10

Problems

Online shopping opens up new horizons for us, making available products and opportunities that we could only dream of before. However, at the same time they bring **new challenges** for both **consumers** and **retailers**.

Customers

1 | Have difficulty selecting products online due to problems determining the correct size and fit.

2 | Have difficulty finding and selecting products online that meet specific needs, including style preferences, circumstances (such as work, leisure, sports), events (such as weddings, graduations), and products that work with items they already have in their wardrobe and meet budget constraints.

Brands (Retailers)

1 | Many products purchased online are returned because the size, fit or style is not as expected.

2 | The DTC (direct-to-consumer) channel is expensive and often has low conversion rates.
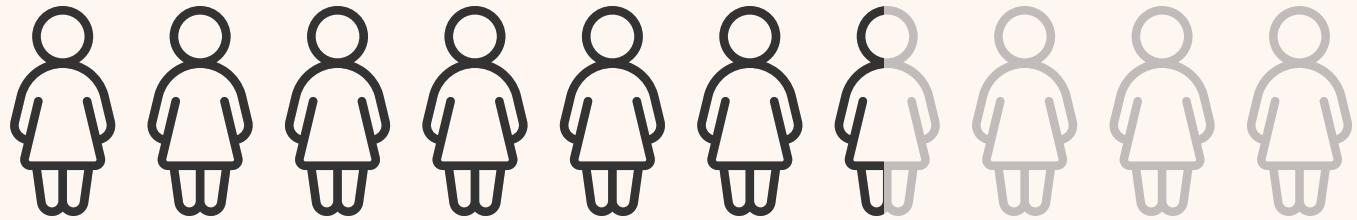
PROBLEM 1

Difficulty finding the right size

15%

15% of returned online purchases are due to "**bracketing**", where the same items are ordered in different sizes and colors

65%

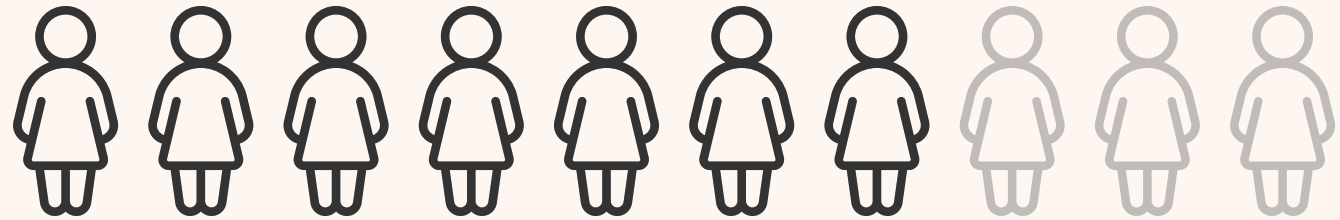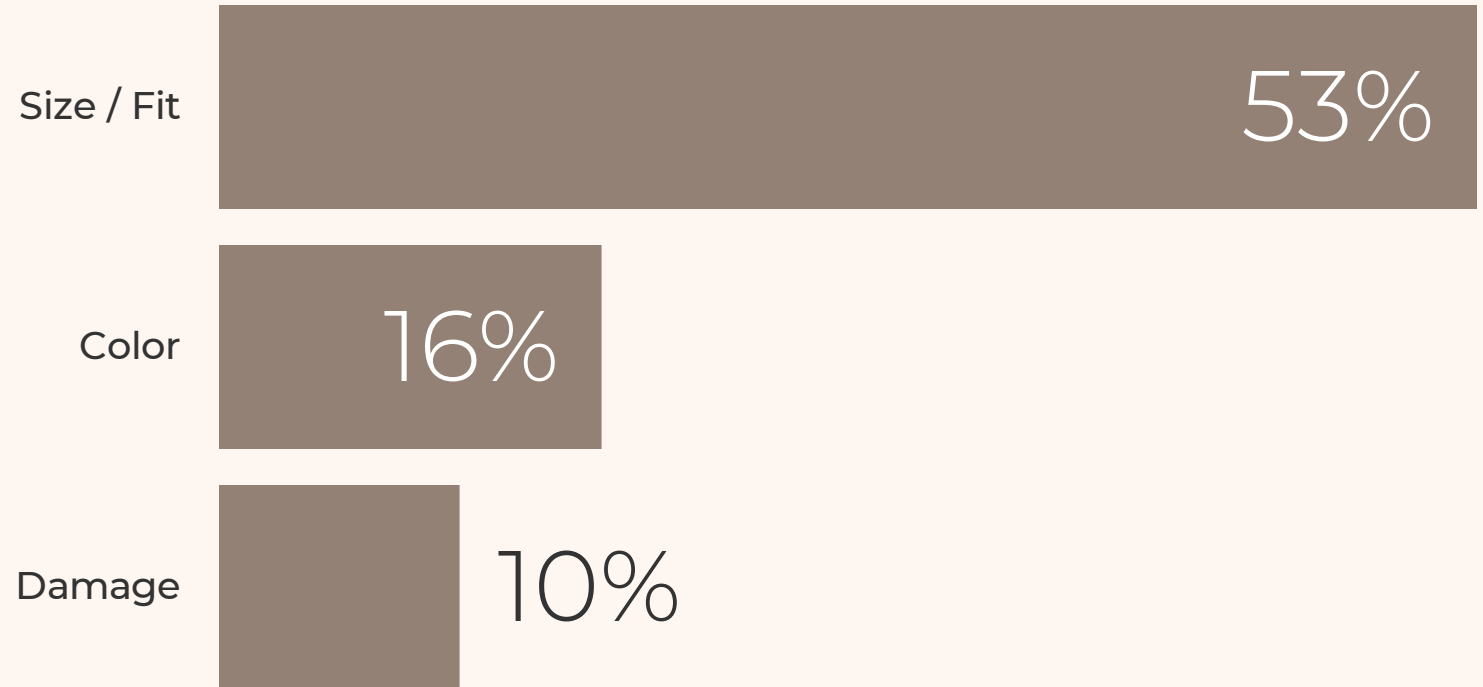65% of apparel shoppers have returned items **because of dissatisfaction with the fit**

70%

70% of consumers find it "**very difficult**" to find clothes that fit them perfectly

Main reasons for returns

Size / Fit — 53%
Color — 16%
Damage — 10%

Coresight Research: The True Cost of Apparel Returns: Alarming Return Rates Require Loss-Minimization Solutions (US)

PROBLEM 2

Difficulties in selecting goods

In today's world, where technology permeates every aspect of our lives, consumers face a **new set of challenges** when purchasing products online. One of the current problems is the **difficulty in finding and selecting products** that **meet specific needs and preferences**.

Current online shopping experience

1 | **Information Overload**: Hundreds of thousands of products are available on multiple platforms, resulting in information overload. Users spend hours browsing through catalogs without finding the perfect product.

2 | **Lack of personalization**: Most platforms offer standard product listings without taking into account the individual preferences and needs of the buyer.

3 | **Difficulty in choosing**: Shoppers are often unsure of which style or color to choose, which contributes to high return rates.

PROBLEM 3

High number of returns due to size mismatch

50%

Wrong size results in **high return rates** ranging from 30% to 50% for online clothing purchases

24%

The average return rate for online clothing orders was **24.4% for the 12 months** ended March 6, 2023

Costs to retailers range from **$21 to $46 on average per item returned**.

A 24.4% return rate for clothing purchased online could result in processing costs of **$25.1 billion in 2023**.

The value of returned goods will be **$38 billion in 2023**.

Return cost per item

$46

Returns processing costs

$25B

Cost of returned goods

$38B

McKinsey & Company: The State of Fashion 2023 (Worldwide)

Coresight Research: The True Cost of Apparel Returns: Alarming Return Rates Require Loss-Minimization Solutions (US)

The DTC model is expensive and often has low conversion rates

The viability of the DTC model is being questioned due to rising digital marketing costs and adjustments in e-commerce. Brands will need to diversify distribution channels, including the use of wholesale and **third-party platforms**, along with DTC.

Soaring Facebook advertising prices have caused **significant damage to the DTC industry**, with costs doubling and even tripling in the US over the past two years. This has put DTC companies in a difficult position, as they have long relied on affordable Facebook advertising for growth.

In 2022, the stock prices of 10 DTC apparel brands fell by about 70 percent in the first three quarters, indicating **problems in the DTC model**.

Public DTC companies with market capitalizations greater than $800 million are facing declining revenues, shrinking margins, runaway losses, or a combination of all these factors. **They have lost billions in market cap in 2022**.

Increase in advertising prices

3x

Falling stock prices

-70%

Declining market capitalization

>16B

McKinsey & Company: The State of Fashion 2023 (Worldwide)

CNBC: The direct-to-consumer craze is slamming into reality (US)

Solution

THE STARTUP OFFERS A COMPREHENSIVE SOLUTION, COMBINING TOOLS THAT COMPLEMENT EACH OTHER

AI Fit Matcher

FINDING THE PERFECT SIZE

1 | The user enters his parameters, such as age, height, weight and others.

2 | Performs a "scan" of the body using a camera — it's enough to make one 360-degree rotation.

3 | A machine learning-based algorithm creates a digital silhouette of the user to accurately determine many important body parameters, including dimensions.

3 | An algorithm based on machine learning determines how a particular thing fits in size and fit to a particular person — his digital twin. The model uses measurements, contours, fabric type, and other information about things.

4 | The model is constantly being improved based on feedback, returns data, and other context.

AI Shopping Assistant

INSTANT SEARCH FOR PRODUCTS THAT MEET REAL NEEDS

1 | Instead of scrolling through endless lists of products, the user voices his need in natural language:

"I need a blouse, skirt and shoes in pastel or gold shades for going to Eleven Madison Park restaurant in the second half of September on the occasion of my birthday. A blouse made of natural materials with a long sleeve. A midi-length skirt, not tight. Shoes with a block heel or on the platform."

2 | The machine learning-based algorithm takes into account the entire context, including the user's profile, the content of the request and other factors, and returns exactly what the user wanted.

This is not just a set of things — these are images of perfectly matching items, taking into account both fashion trends and the user's style preferences.

3 | If desired, the user can look through a personalized feed consisting of sets of things that go well together and will suit his taste.

Or he can upload a picture of things he saw somewhere and immediately find similar ones without effort.

4 | Have questions about specific items selected? You can ask the **AI Shopping Assistant** without switching anywhere and get an answer right away.

5 | The model is constantly being improved based on feedback, data on current trends in fashion and other contexts.

AI Real Mirror

ONLINE TRY-ON EXPERIENCE THAT MIRRORS REALITY

1 | A machine learning-based algorithm creates 3D models of both avatars and clothing that can be combined. All you need is a few photos.

2 | With one click, the user can try on the images selected for him on a virtual avatar.

3 | At the first stage, this is one of the proposed avatars, which is customized to replicate the features of the user's body.

Subsequently, this is a photorealistic avatar of the user himself.

4 | The model is constantly improved based on feedback and other context.

5 | The virtual try-on capability complements the **AI Fit Matcher** and **AI Shopping Assistant** solutions and brings the online shopping experience even closer to the traditional offline approach.

Shopping Platform

THE FIRST SHOPPING PLACE THAT COMES TO MIND

1 | A single platform to solve problems in the online fashion industry for both retailers and consumers.

2 | For retailers, it offers free integration for apparel, footwear, accessories, jewelry and makeup data, valuable analytics, diversification of the costly direct sales channel, and a solution to high return rates.

3 | For consumers, it improves the shopping experience by eliminating the hassle of sizing and fitting, providing personalized selection based on real needs, virtual try-on capabilities and access to a diverse product range.

4 | The platform promotes growth and sustainability by connecting retailers and consumers. It personalizes the shopping experience and addresses issues related to size, fit and individual preferences. Thus, a new product is created that did not previously exist on the market.

"The whole is greater than the sum of its parts."

Aristotle

Existing Alternatives

Regular alternatives

- Visit offline stores.

- Return or exchange items that are not the right size or style.

- Use the services of individual tailoring or correction of already purchased clothes.

- Just put up with the problem or don't buy things.

Technological alternatives to solve the sizing problem

- **Sizer.me ($5.0M - $10.0M)**: Uses AI to measure a customer's body and provide accurate sizing recommendations.

- **MTailor ($10.0M - $15.0M)**: Offers 3D body scanning via smartphone to create custom made-to-measure clothing sizes.

- **TrueFit ($15.0M - $25.0M)**: Uses large amounts of data, including information from retailers and brands, to provide sizing recommendations.

- **NetVirta ($25.0M - $50.0M)**: Specializes in 3D body scanning to create accurate models and size recommendations.

The figures show the current annual revenue according to SimilarWeb

Technological alternatives to solve the problem of selecting items that meet specific needs

- **Wishi ($2.0M - $5.0M)**: Uses personal stylists to create custom looks for a variety of events, providing recommendations that fit the user's individual preferences and budget.

- **Streamoid ($15.0M - $25.0M)**: Offers a "Styling as a Service" solution that uses artificial intelligence to personalize style recommendations.

- **Stitch Fix (> $1.0B)**: Offers a personalized styling service by sending clients curated clothing sets based on their style, size and budget.

The figures show the current annual revenue according to SimilarWeb

Technological alternatives for implementing the possibility of online fitting

- **Revery.ai ($1.0M - $2.0M)**: Uses artificial intelligence and machine learning technologies to create realistic 3D models that allow users to virtually try on clothes before purchasing.

- **TrynDBuy ($2.0M - $5.0M)**: Their virtual fitting room allows online shoppers to try on clothes, jewelry and makeup before purchasing.

The figures show the current annual revenue according to SimilarWeb
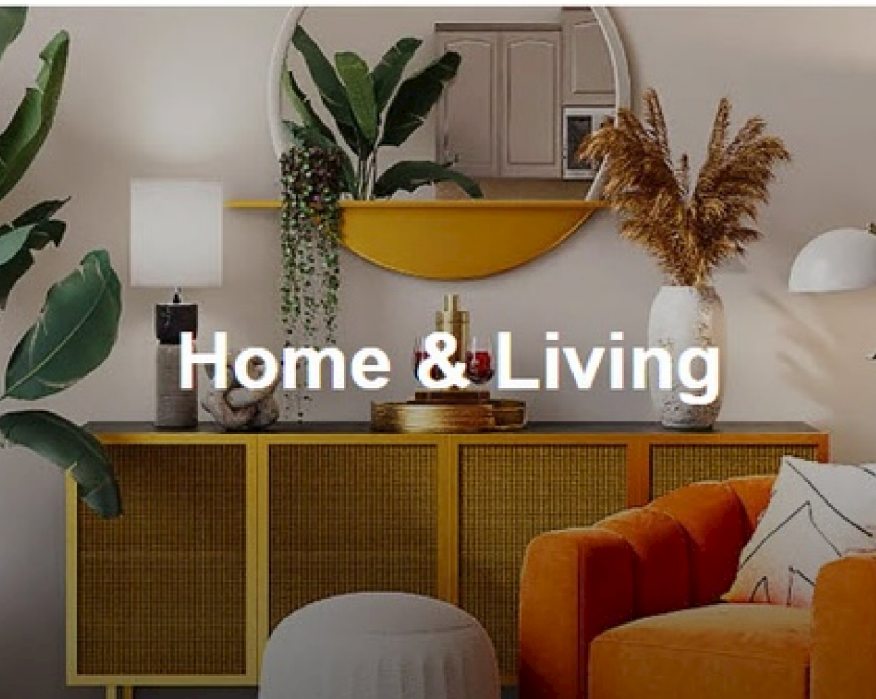
Technological alternatives to diversify the DTC model

- **Stylight ($25.0M - $50.0M)**: Provides a fashion shopping platform where retailers can list their products in various categories such as women's and men's clothing, shoes and accessories.

- **Farfetch (> $1.0B)**: The platform offers a wide range of products in the premium categories of women's, men's and children's clothing, as well as cosmetics.

The figures show the current annual revenue according to SimilarWeb

Target Market

The fashion industry has undoubtedly made its way into people's lives, and with online retail sales reaching **trillions of dollars worldwide**, it is no surprise that the fashion e-commerce market continues to grow every year.

The global fashion e-commerce market is projected to reach a value of **over US$820 billion in 2023**.

By 2027, it could reach just **over US$1.2 trillion**.

Global market size in 2023

$820B

Global market size in 2027

>$1.2T

The largest fashion e-commerce market is in Asia, followed by North America. In Asia, fashion e-commerce revenues will reach **more than US$680 billion by 2027**, roughly double the projected fashion e-commerce revenues in North America in the same year.

Market size in Asia in 2027

$680B

Market size in North America in 2027

$270B

Clothing accounts for the majority of online shopping, with accessories and shoes also generating significant revenue.

With Asia being the largest fashion e-commerce market, **net sales** among leading fashion e-tailers **mainly come from** companies headquartered in the **Eastern continent**.

The startup plans to begin its expansion in the APAC market

PHILIPPINES
INDONESIA SOUTH KONG
JAPAN INDIA MALAYSIA
MACAU HONG KOREA THAILAND
SINGAPORE TAIWAN

Desired market to enter is China

(MAINLAND) CHINA

Monetization Model

Our platform provides a **unique space** where brands can list their products and consumers can quickly and easily find and buy them. We create a win-win situation for everyone: brands get **more visibility and sales**, and consumers get a **convenient and personalized shopping experience**.

The main source of income for our platform is commissions from brands. Every time a consumer makes a purchase through our platform, **we charge a commission on the price of the item**.

This commission ranges **from 15 to 40%** of the cost of the product, depending on the agreement with a particular brand.

It is important to note that for the consumer the **price of the product remains unchanged** and **corresponds to the price on the brand's official website**. In this way, we ensure transparency and honesty in our relationships with clients.

Commission on the cost of the goods

15-40%

Expected Earnings

Evaluating the effectiveness of the monetization model

Key metrics we use to evaluate the effectiveness of our monetization model and calculate projected revenues.

Gross Merchandise Volume (GMV)

The sum of all sales through the platform.

Average Order Value (AOV)

Average cost of one order on the platform.

Total number of unique customers (Unique Customers)

Number of unique users who make purchases.
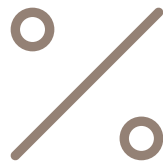
Average Commission Rate

Average commission percentage we charge brands.

Number of Transactions

The total number of purchases made on the platform.

Purchase Frequency

The average number of times one user makes a purchase per period of time.

Total sales
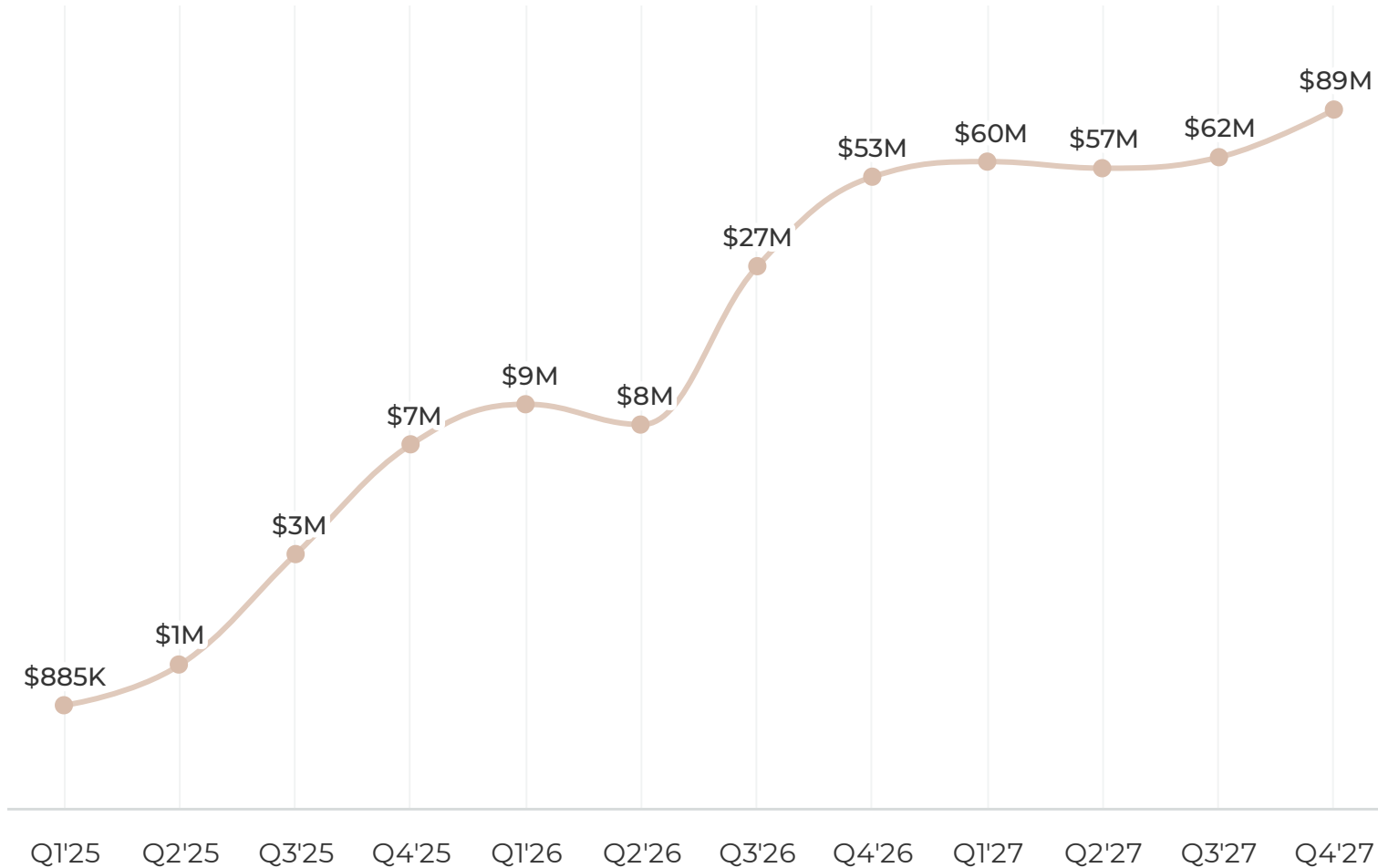
240%

Growth rate in Q3'26 compared to Q2'26

Given the significant increase in user activity and the number of transactions, we forecast exponential growth in total sales in Q3 2026.
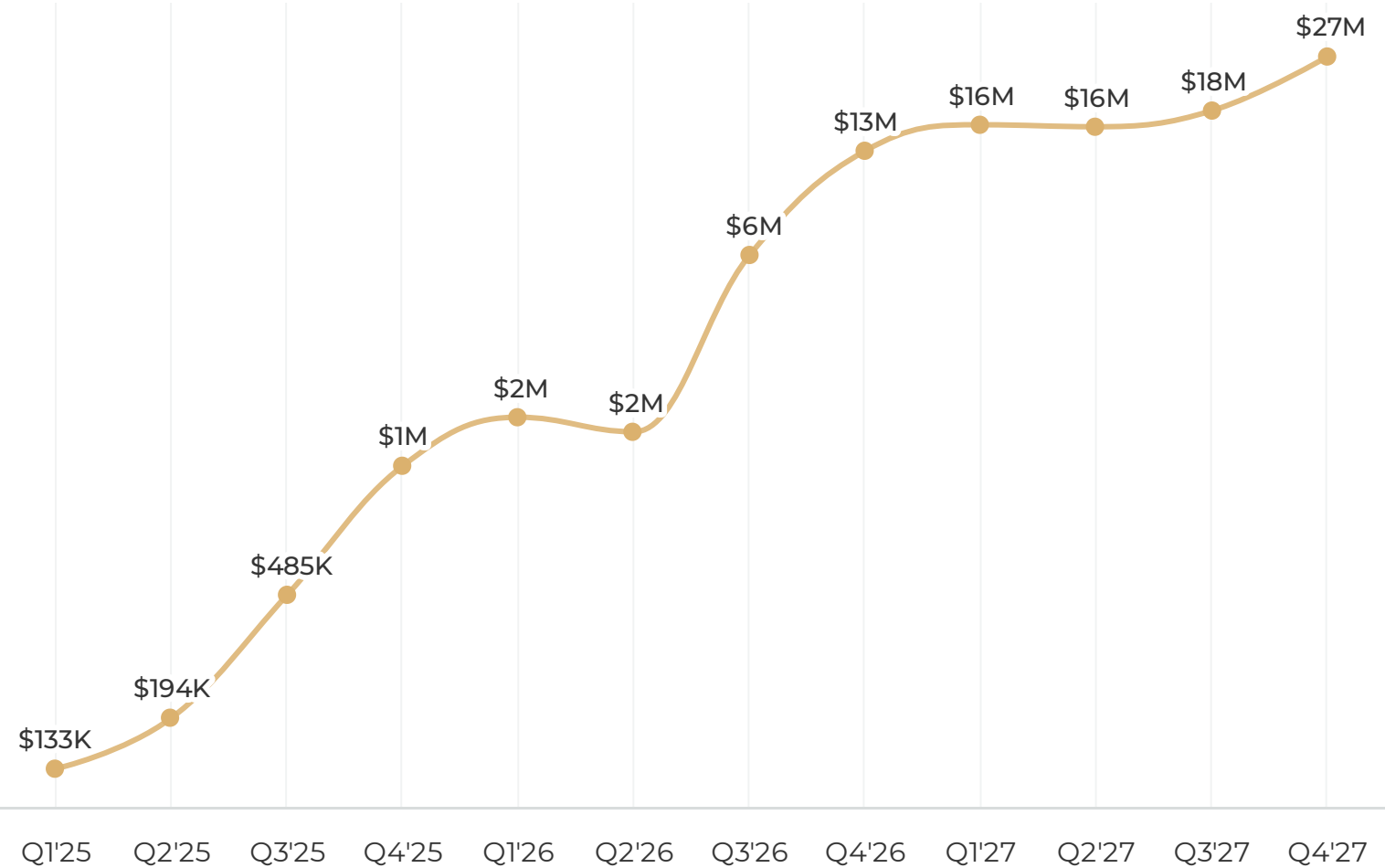
Average commission percentage

15% Q1'25
16% Q2'25
17% Q3'25
19% Q4'25
20% Q1'26
21% Q2'26
23% Q3'26
25% Q4'26
27% Q1'27
28% Q2'27
29% Q3'27
30% Q4'27
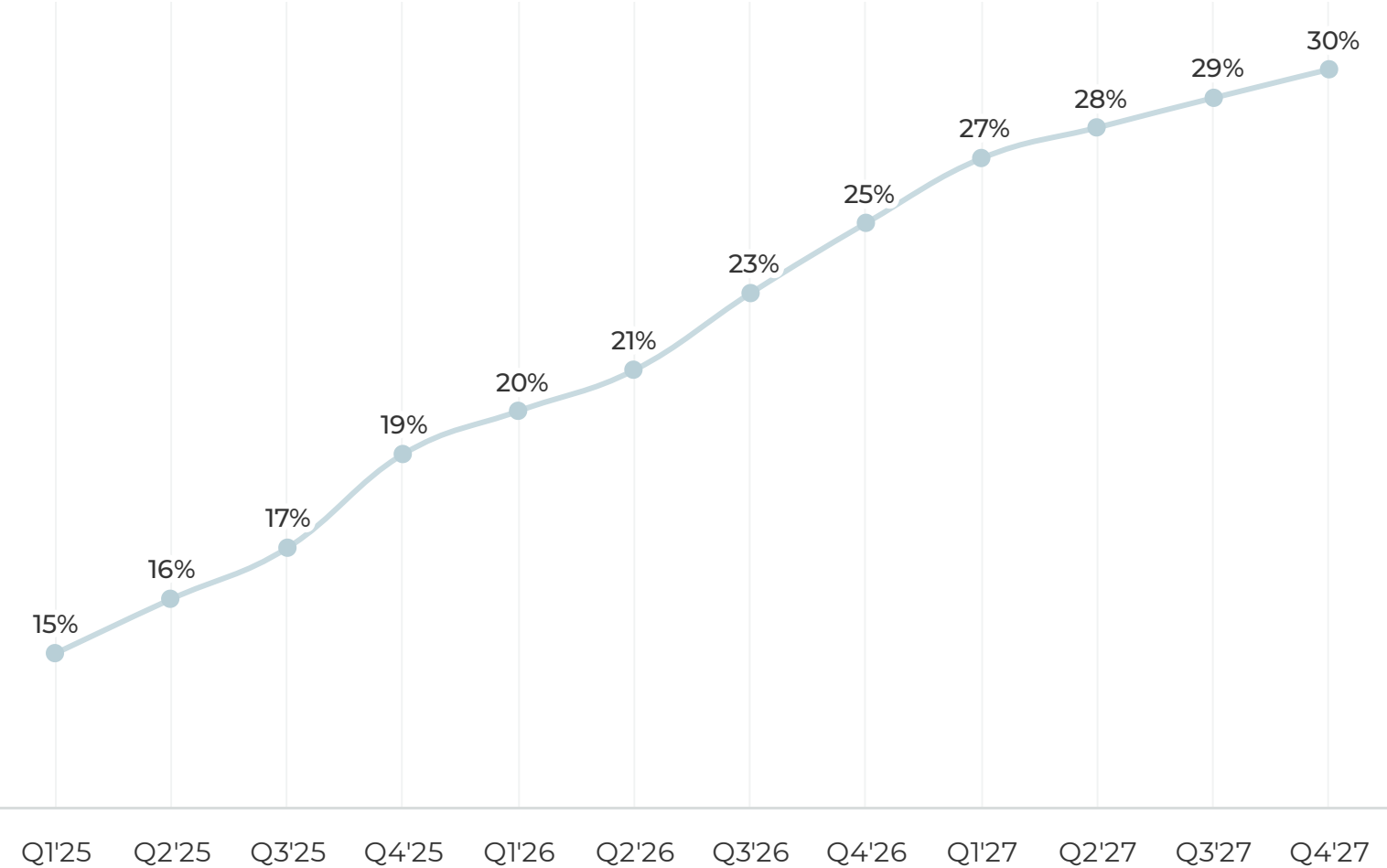
100%

Growth rate in Q4'27 compared to Q1'25

Between the first quarter of 2025 and the fourth quarter of 2027, we plan to double the average commission percentage charged to brands.

Cost Structure

Costs in the project phase

$176K

$191K

$209K

$256K

$282K

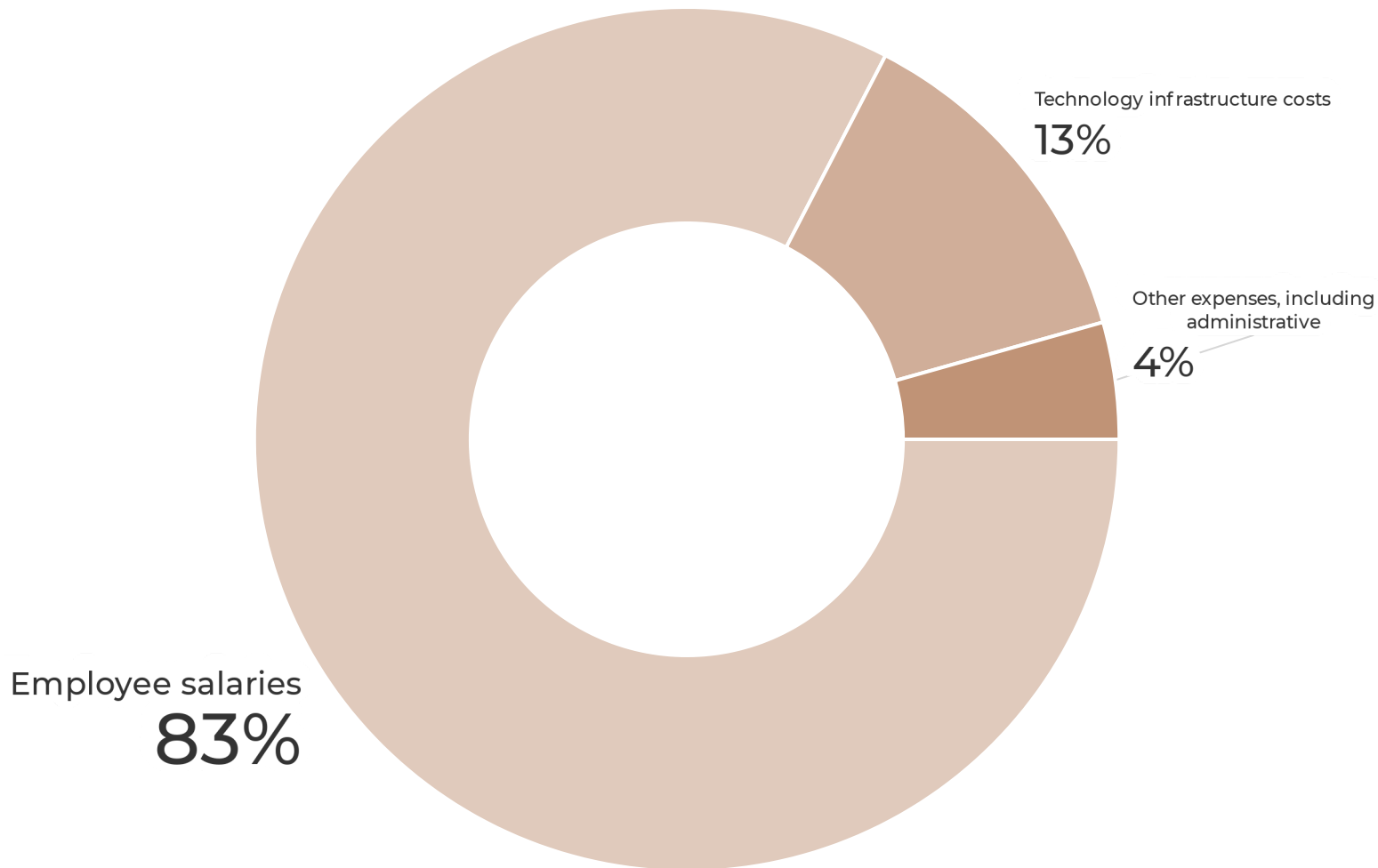Q4'23   Q1'24   Q2'24   Q3'24   Q4'24
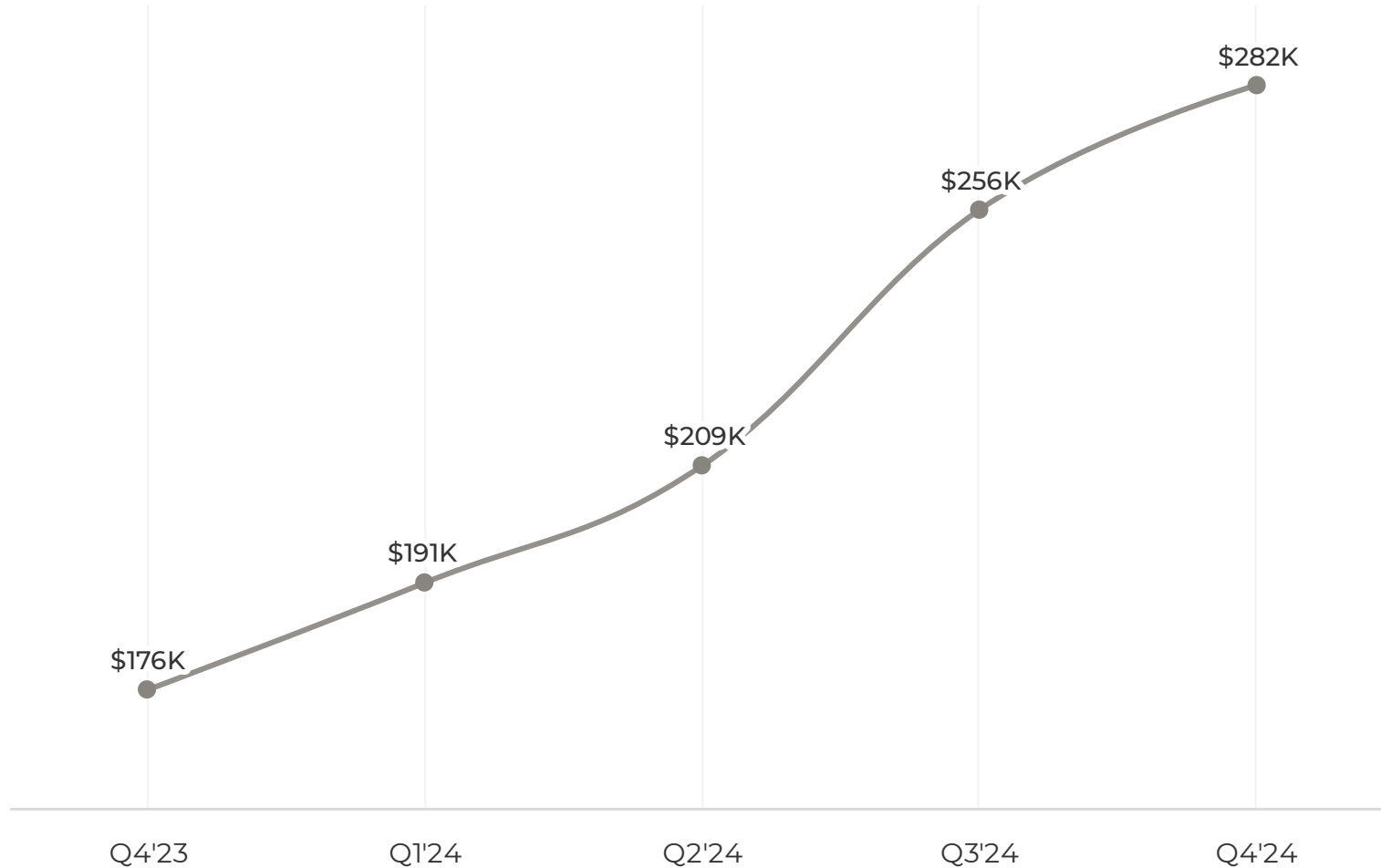
$1,114,000

Costs in the project phase

In the project phase, expenses gradually increase, which is associated with active preparation for the launch of the main activity.

Costs in the operating phase

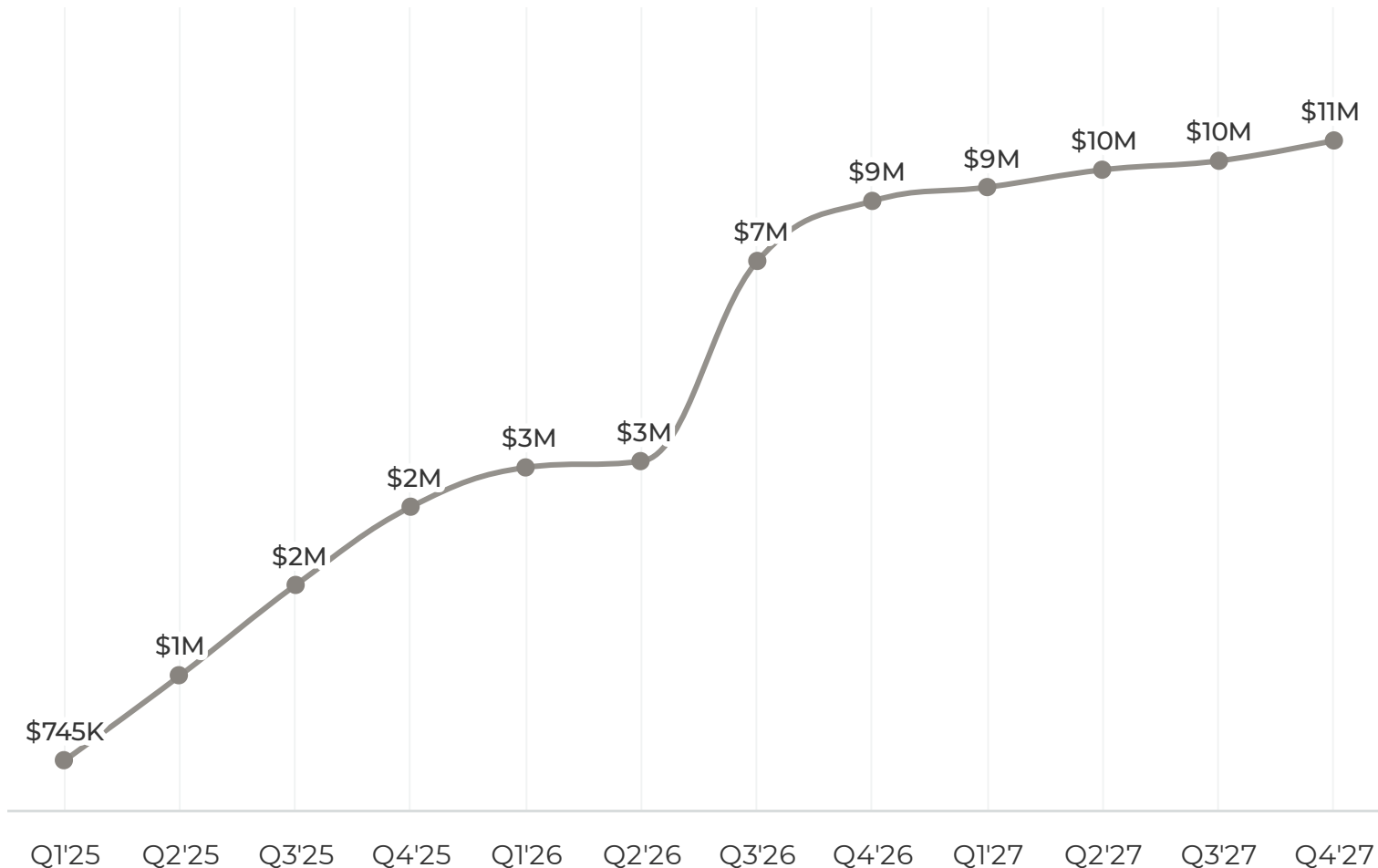$745K · $1M · $2M · $2M · $3M · $3M · $7M · $9M · $9M · $10M · $10M · $11M

Q1'25 · Q2'25 · Q3'25 · Q4'25 · Q1'26 · Q2'26 · Q3'26 · Q4'26 · Q1'27 · Q2'27 · Q3'27 · Q4'27

14 times

Growth rate in Q4'27 compared to Q1'25

A significant increase in expenses in the operating phase correlates with income growth, being the basis for this growth due to an increase in the number of attracted clients, and is an indicator of successful business expansion and the implementation of strategic goals.

Cost structure in the operating phase

Employee salaries
12%

Technology infrastructure costs
2%

Other expenses, including administrative
0%

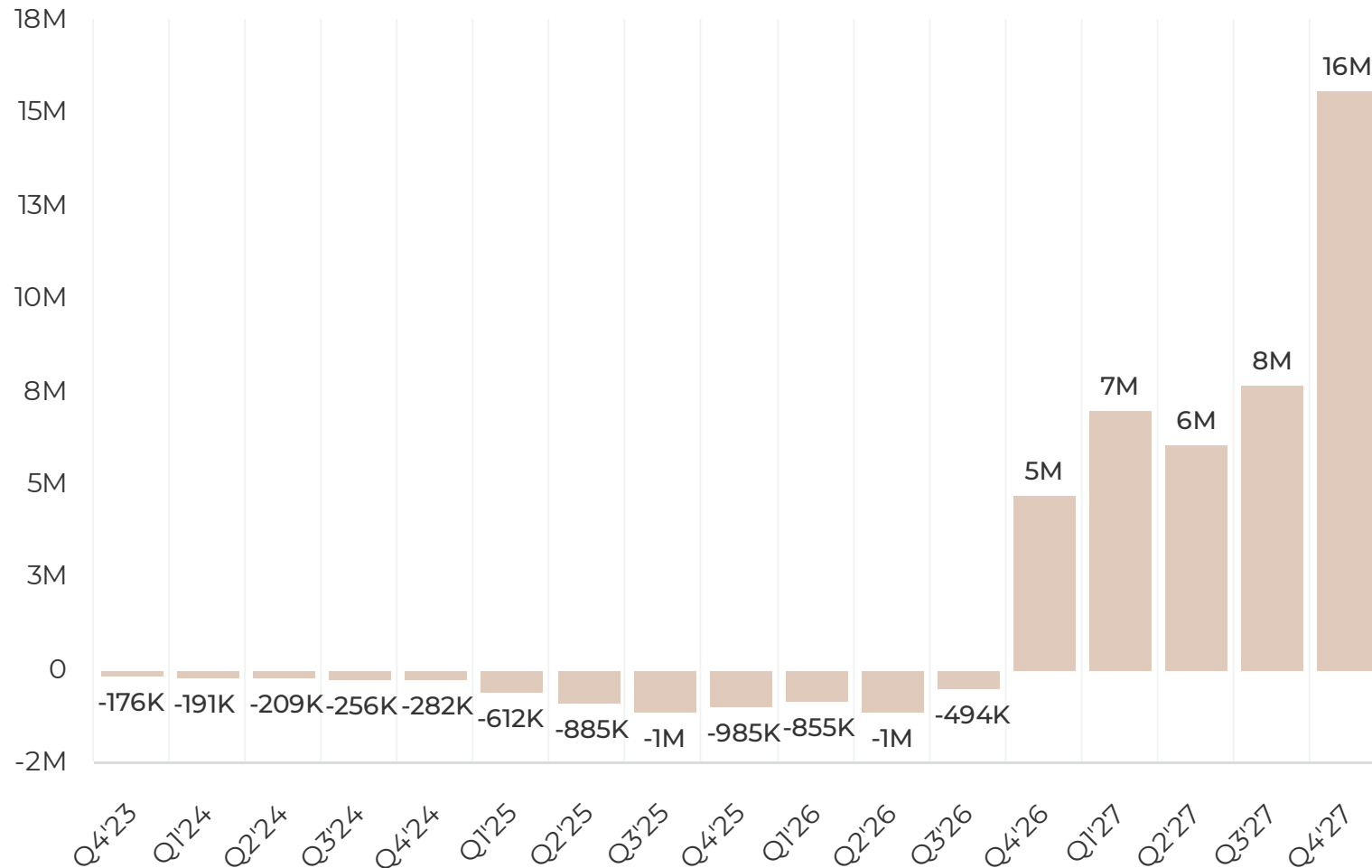Marketing and advertising
86%
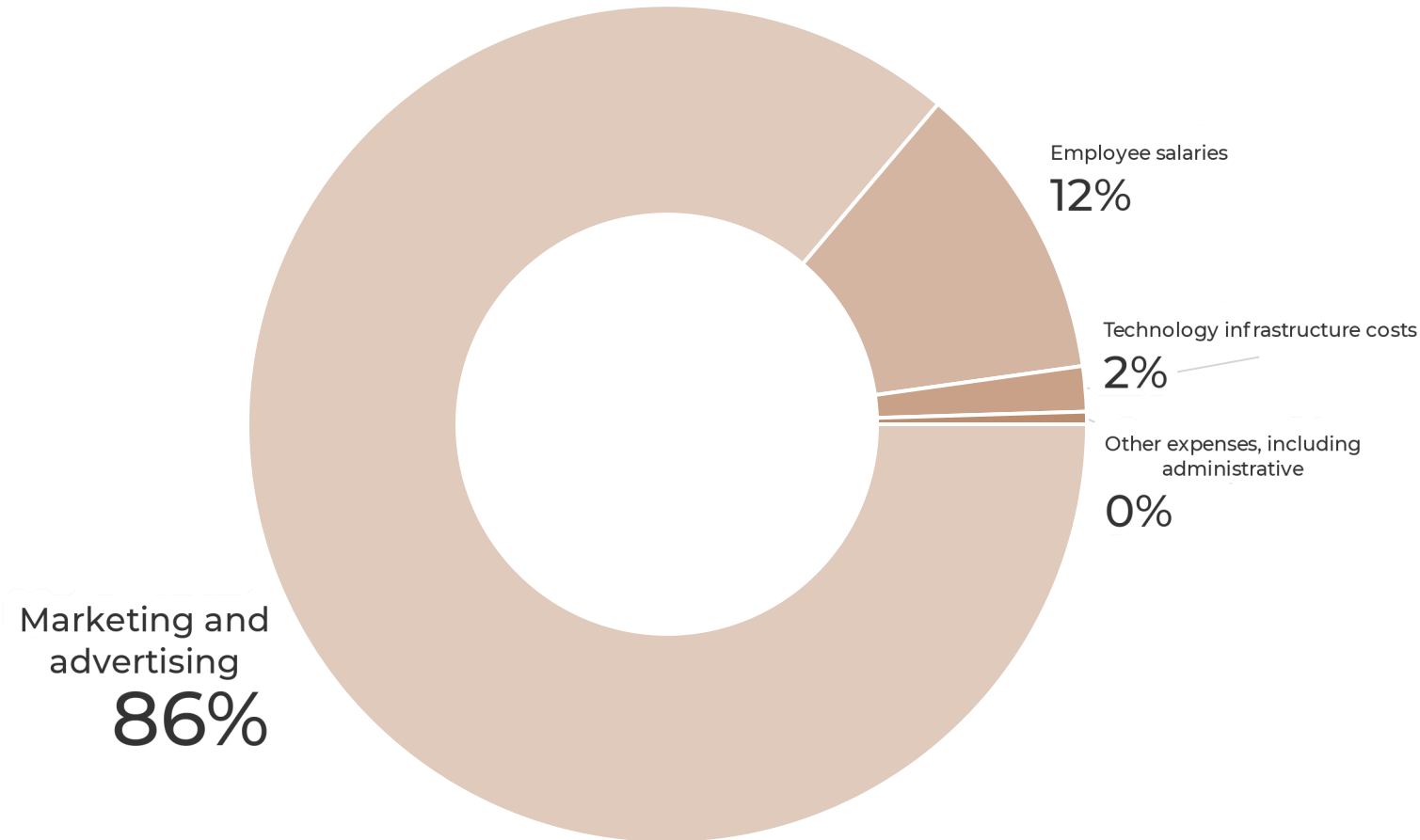
86%

The main expense item is promotion

In the operating phase from Q1'25 to Q4'27, the vast majority of expenses are occupied by marketing and advertising (86.16%), which reflects the strategic focus on attracting and retaining customers. Employee salaries amount to 11.61%, emphasizing the importance of the human factor, but to a lesser extent compared to the project phase. Technology infrastructure and other expenses account for a relatively small share, 1.74% and 0.48% respectively.

Profit and Return on Investment
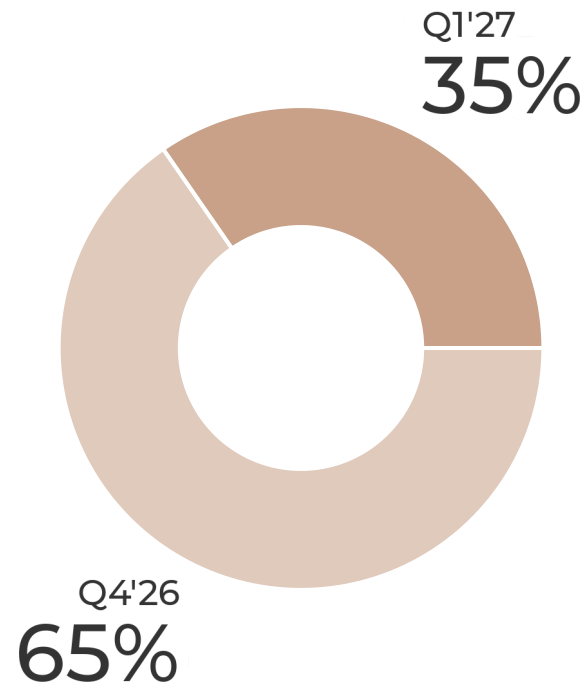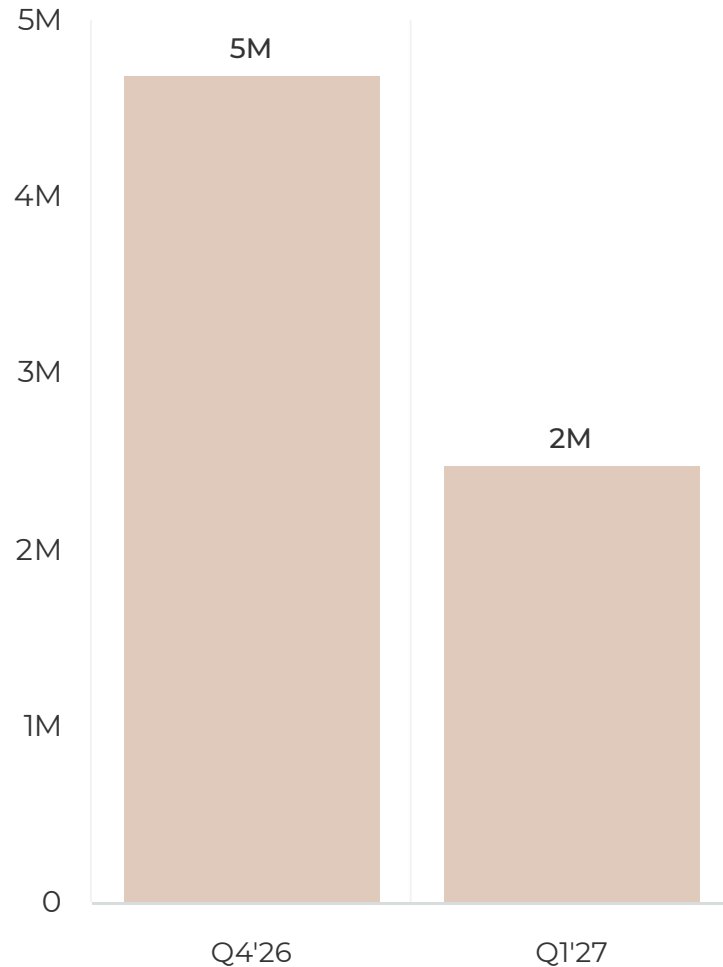
Operating profit

Quarter	Value
Q4'23	-176K
Q1'24	-191K
Q2'24	-209K
Q3'24	-256K
Q4'24	-282K
Q1'25	-612K
Q2'25	-885K
Q3'25	-1M
Q4'25	-985K
Q1'26	-855K
Q2'26	-1M
Q3'26	-494K
Q4'26	5M
Q1'27	7M
Q2'27	6M
Q3'27	8M
Q4'27	16M

Q4'26

Transition to profitable activities

Since Q4'26, there has been a positive trend reversal and a sharp rise in operating profit, which is associated with the successful implementation of the strategy and increased efficiency.
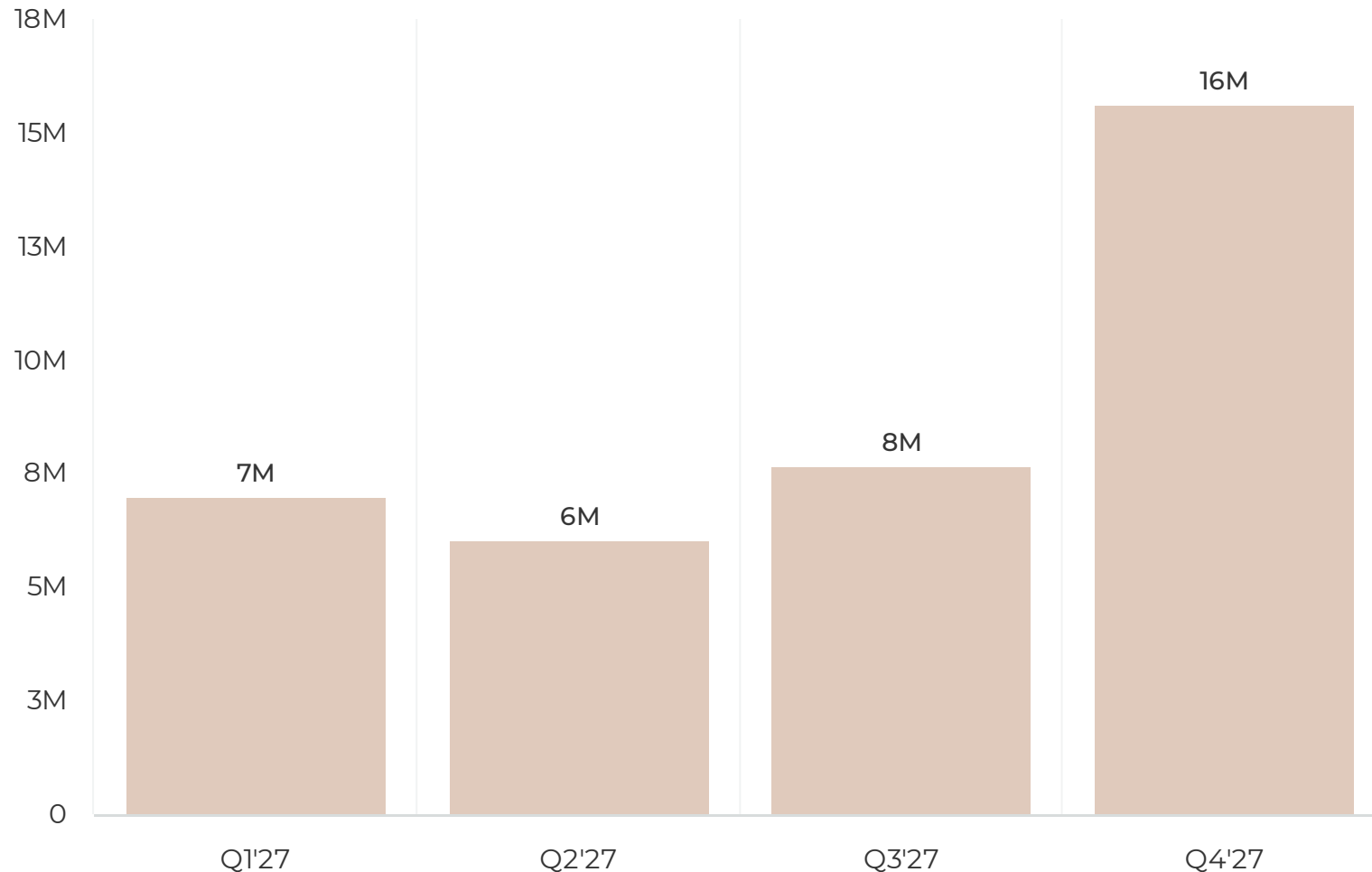
Sustained profitability stage

Q1'27

Transition to sustainable profitability

Starting from the first quarter of 2027, the company moves to the stage of sustainable profitability. This period is characterized not only by the receipt of operating profit, but also by its stable growth. By the fourth quarter of 2027, profits are already $15,617,577, indicating efficient use of resources and successful strategic planning.

Key Metrics

Evaluating the effectiveness of the monetization model

Key metrics we use to evaluate the effectiveness of our monetization model.

Average Revenue Per User (ARPU)

How much does a company earn from one client over a period of time?

Customer Acquisition Cost (CAC)

The amount of money a company spends to attract one new customer.

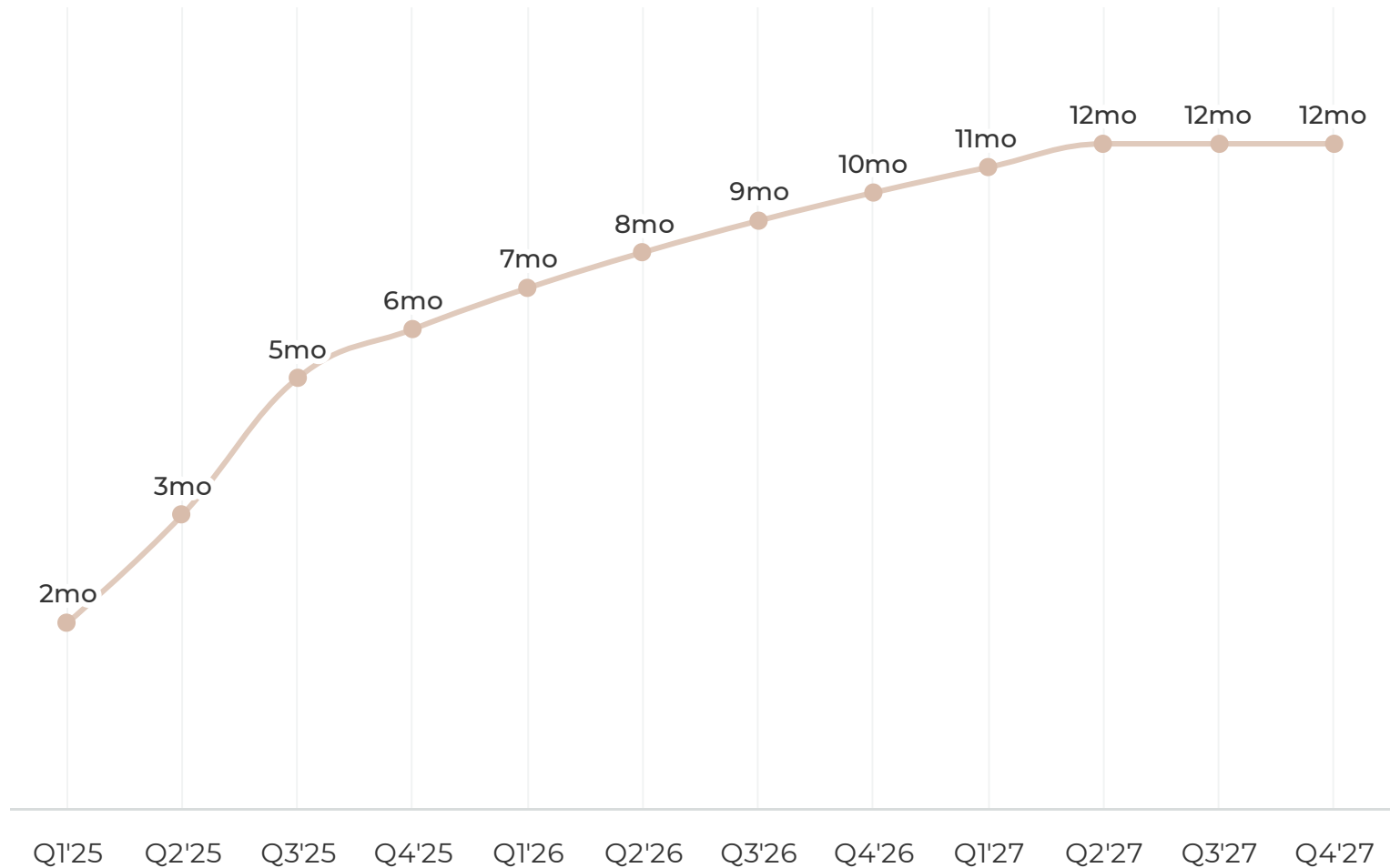**Average customer retention period (Customer Lifetime, L)**

How long on average does a client stay with a company after being recruited?

Customer Lifetime Value (CLV)

The total profit that a company can receive from one client throughout the entire time of interaction with him.
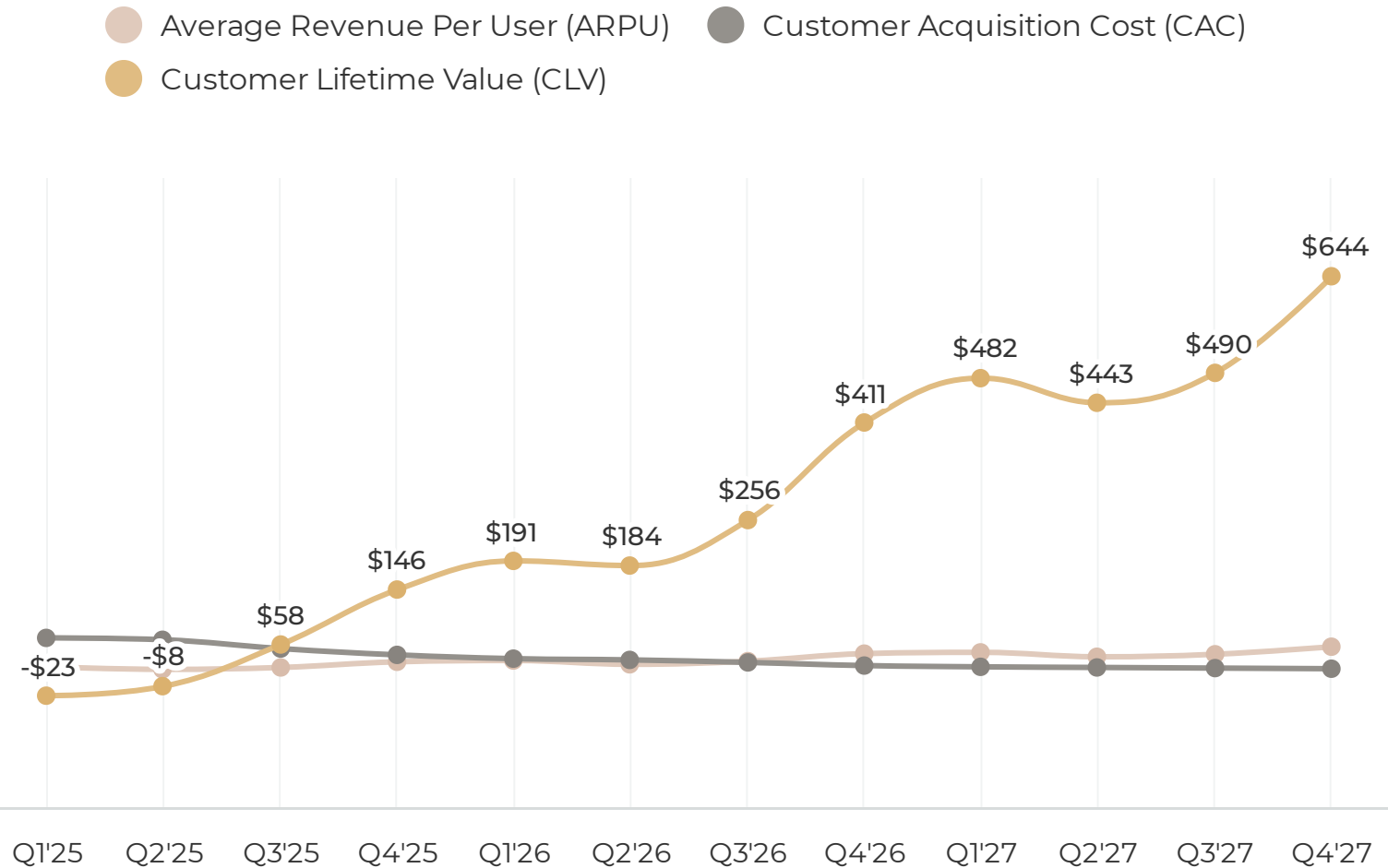
Average customer retention period

1 year

To Q4'27 compared to Q1'25

Over the next 8 quarters, we plan to increase the average customer retention period to at least 1 year.

Customer value

Average Revenue Per User (ARPU)   Customer Acquisition Cost (CAC)
Customer Lifetime Value (CLV)

-$23   -$8 $58 $146 $191 $184 $256 $411 $482 $443 $490 $644

Q1'25   Q2'25   Q3'25   Q4'25   Q1'26   Q2'26   Q3'26   Q4'26   Q1'27   Q2'27   Q3'27   Q4'27

29 times

In Q4'25 compared to Q3'25

Over 8 quarters, we plan to increase customer value by almost 30 times. This is due to the positive dynamics of the average retention period and average client income, as well as due to a decrease in the cost of acquisition.

Summary and proposal

Together for smart shopping

☆ We create an online shopping platform that solves key problems for both consumers and retailers. Our feature-rich platform includes **AI Fit Matcher**, **AI Shopping Assistant** and **AI Real Mirror**.

☆ Using AI to solve sizing and style issues significantly reduces the likelihood of returns, improves the user experience, increases conversions, and drives the platform's popularity.

☆ Our financial performance indicates stable growth and a sustainable business model.

☆ Already in the 4th quarter of 2026, a transition to return on investment is planned.

We offer to become a key link in the online shopping revolution

"Don't wait for the 'perfect time', you will wait forever. Always take advantage of the time that you're given and make it perfect for you."

— DAYMOND JOHN

Aleksandr Filippov

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