BUSINESSPLAN

Cence Holding GmbH

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1. Executive Summary

To be clear, Cence isn't an improved social media product, like Facebook, Instagram, Twitter etc. It's also not a video streaming site or video platform. Even an advertising provider would be wrong, in my opinion. Cence is more the answer to the transitioning market of social media. The community take a whole different path, combine well thought-out functions and earn a profit. It has to be known, that every person can be an active, interacting bro! This only requires that there is an interest in stories and activities of this person. The platform is a medium for stars of every realm, influencers, bloggers, e-gamers, etc. So that these contents can be placed effectively for their fans and users to see.

Together these stars and their viewers will create and build up a community and their very special world of users. Especially because Cence focuses on togetherness and makes an exclusion of diverse people and groups through negative feedback only very difficult. The social media platforms overtook themselves!! The user demands unlimited transparency, the opportunity to interact. They distance themselves from hate posts or hate comments and feels very annoyed by fake news and accounts.

Products and services

People in public life (celebrities) have various ways of presenting themselves on the Internet. In the last years there has been a strong development away from static websites to the well-known social networks. Many celebrities no longer maintain their own websites, but concentrate entirely on self-presentation on Facebook, Twitter, Instagram, etc. Texts, photos and videos are constantly and extensively loaded onto the respective platforms to provide fans with exclusive news. The content is edited by the star as well as family members, friends or agencies.

None of these celebrities, some of whom spend considerable financial resources to maintain the social networks, benefits from the advertising revenues generated by this free content. For example, Facebook generated sales of more than 12 billion US dollars in 2017 - also with the active support of the viral content of the celebrities.

Some of the top stars already offer their fans individual mobile apps for download. This modern communication channel and the technical potential of the current generation of mobile phones are not used at all or only to a very limited extent. In most cases the existing apps are only

mobile websites. Competitors use the feed from social networks to provide content to paid mobile apps. The exclusivity is lost - advertising possibilities are not offered.

The path of Cence is the story of a new generation. You speak a totally new language, comment less and still meaningful. Cence combines transparency, innovative functions, simplicity and the joy to dwell. The security of all user data goes without saying.

Marketing

Cence addresses 3 core target groups:

Content creators

Influencers and public figures can bring their message to their fans and followers via existing social media channels, but they can hardly monetize the resulting interest and the traffic generated.

User

The first target group is the generation of smartphone users, i.e. those aged 5 to 59 years and thereafter also those who use desktop-based devices.

Brands

For company and marketing partners a completely new platform / channel is offered, which offers several advantages in order to profit from the many marketing and cooperation possibilities. Furthermore, affiliate partners can sell their products in the web shops of the celebrities for commission, provided their consent is given.

Business model

The business model is based on the following basic pillars:

1) Influencer Academy

2) Mobile App

3) Merchandise

4) Click Through

5) Influencer packages

6) Brand packages

Company structure

The founding team of Cence Holding GmbH has a wide range of strengths and experience. The team consists of three entrepreneurs who already have several years of project experience. In addition to the complementary skills from different professions, the project team is distinguished above all by its cooperative, open-minded way of working, which can be regarded as very progressive due to the extensive use of new Internet technologies.

- CEO Patrick Riegler
- COO Sigrid Riegler
- Head of sales Peter Olsson
- Chair of board Jiggy Rawal
- CTO Thomas Rivette

Status of technical development

As part of the Cence Holding, BroMee GmbH has very successfully started the proof of content marketing (monetization) in the area of single content marketing on the basis of single apps. Below is a brief excerpt.

Premier League Footballer
- Created tailored app
- IOS + Android downloads = 18k+ in one week
- He made a turnover of €43k in 1 week
-

Facebook star in Austria

221k+ followers

- Created tailored app + geo-point
- IOS + Android downloads = 53k+ in one week
- No.1 download for 3 weeks in a row
- He made a turnover of €74k in 3 weeks

The successful individual marketing is carried out under BroMee GmbH as part of Cence Holding GmbH and is constantly improved.

The Cence Platform is based on the technical achievement of BroMee and is currently in the development phase.

Financing

To date, BroMee has been financed through equity, sales and subsidies. In the first phase, Cence Holding GmbH will be financed by external investors and in the course of business operations will be financed by the turnover generated.

The financing requirement is € 6,000,000. The funds are mainly used for technical development (approx. 40%); the remainder is spent on personnel costs and other costs such as marketing, setting up branches and growth.

Potentiality

BroMee offers the chance to conquer an international market and to expand the services for other target groups and similar areas. The low market shares underlying the already profitable business model show the high future potential. In addition, the influenza market is expected to continue to grow in the coming years, which is very much in line with BroMee's efforts.
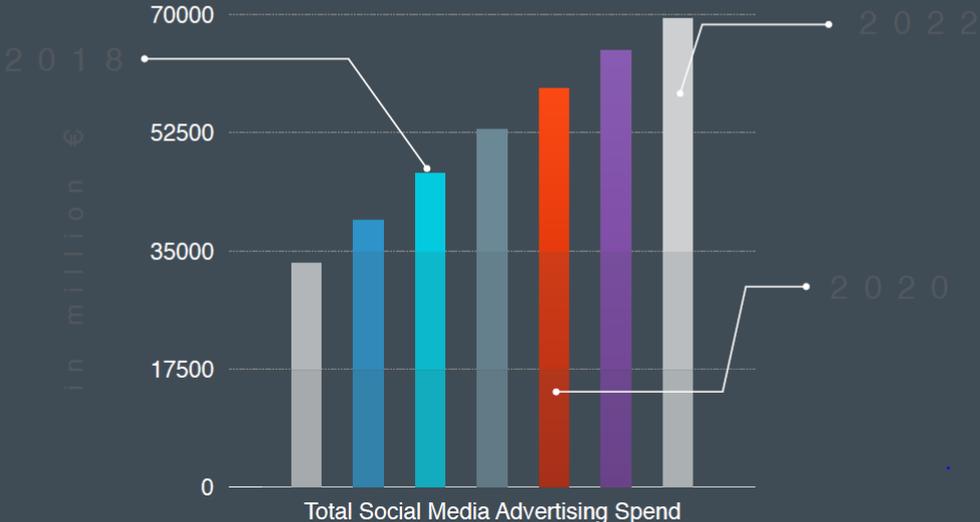
Performance

	18.Sep	18.Okt	18.Nov	18.Dez	Jan-Mar 19	Apr-Jun 19	Jul-Sept 19	Oct-Dec 19	Jan-Jun 20	Jul-Dec 20	2021	2022	2023	2024
Revenue														
Influencer Academy Revenue	-	4 620	7 182	14 259	41 160	63 840	95 393	124 845	439 851	699 804	1 460 416	1 556 028	1 646 605	1 762 166
Mobile App Revenue	-	-	-	-	70 000	70 000	80 000	80 000	345 000	402 500	1 202 900	-	-	-
Merchandise Revenue	-	5 000	5 000	5 000	36 000	48 000	96 500	285 000	3 877 500	11 880 000	85 240 500	237 503 500	591 921 000	939 987 000
Click Through Revenue	-	69 369	62 678	65 359	473 907	1 089 528	2 103 299	5 564 955	31 878 275	56 459 700	181 454 532	232 843 710	262 574 084	297 188 788
Net Revenue	-	78 989	74 860	84 618	621 067	1 271 368	2 375 192	6 054 800	36 540 626	69 442 004	269 358 347	471 903 238	856 141 689	1 238 937 953
Costs														
Technology	-	650 000	50 000	50 000	550 000	550 000	550 000	550 000	1 100 000	900 000	1 800 000	1 600 000	1 900 000	1 900 000
Marketing	-	567 000	231 000	145 000	522 000	692 000	682 000	663 000	756 000	904 000	1 853 000	1 823 000	1 803 000	1 803 000
Overheads	-	120 930	52 430	69 430	117 290	27 290	27 290	37 290	48 580	63 580	79 160	79 160	79 160	79 160
Total Costs	-	1 337 930	333 430	264 430	1 189 290	1 269 290	1 259 290	1 250 290	1 904 580	1 867 580	3 732 160	3 502 160	3 782 160	3 782 160
PBT	-	(1 258 941)	(258 570)	(179 812)	(568 223)	2 078	1 115 902	4 804 510	34 636 046	67 574 424	265 626 187	468 401 078	852 359 529	1 235 155 793
Influencer Package Net Profit														
-Bronze	70	70	70	70	70	70	70	70	86	86	97	102	107	113
-Silver	175	175	175	175	175	175	175	175	202	202	220	231	242	254
-Gold	280	280	280	280	280	280	280	280	308	308	332	348	366	384
Brand Package Influencer Profit Margins														
-View (Per thousand)	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%
-Click (Per click)	35%	35%	35%	35%	35%	35%	35%	35%	35%	35%	35%	35%	35%	35%
-Geo point	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	29%	28%	27%	27%
Merchandise Margin	0%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%

2. Product concept

2.1.   Customer needs and problem solutions

Currently there is a huge discussion about user verification in the blockchain as well as surveillance of the content in social networks. The demanded transparency from the users can't or won't be offered. Governments are indicting laws, where networks, like Facebook can be held accountable. Negative comments, allegations, inappropriate or even obscure videos and images can influence careers drastically. The data of the users is often collected and reutilized to earn a profit, without the consent of the users. Furthermore, this data is being abused to have an advantage in advertisement. Unwanted ads are often not welcome at a user's doorstep. And social networks are basically flooded with this, which reflects in the user's behaviour through low visiting time, for example. Also, these networks copy content from the web and mostly use it on their platform to make a profit. The content creator often doesn't get anything from that either.

Cence is building a two sided platform… A platform connecting influencers & brands to maximise influencers network through targeted marketing.

- Influencer

Increased engagement whilst being compensated for the engagement.

- Brands

Focused marketing generating a better return on marketing spend

= Improved business

= Unique customer experience

= Efficiency of marketing spend

Every journey has a beginning. The one of creating your own community is no different. The journey for influencer and brands has the same core fundamentals.

Discovery

Influencer: The need to discover themselves

Brands: The need to discover the key influencers

Personalisation
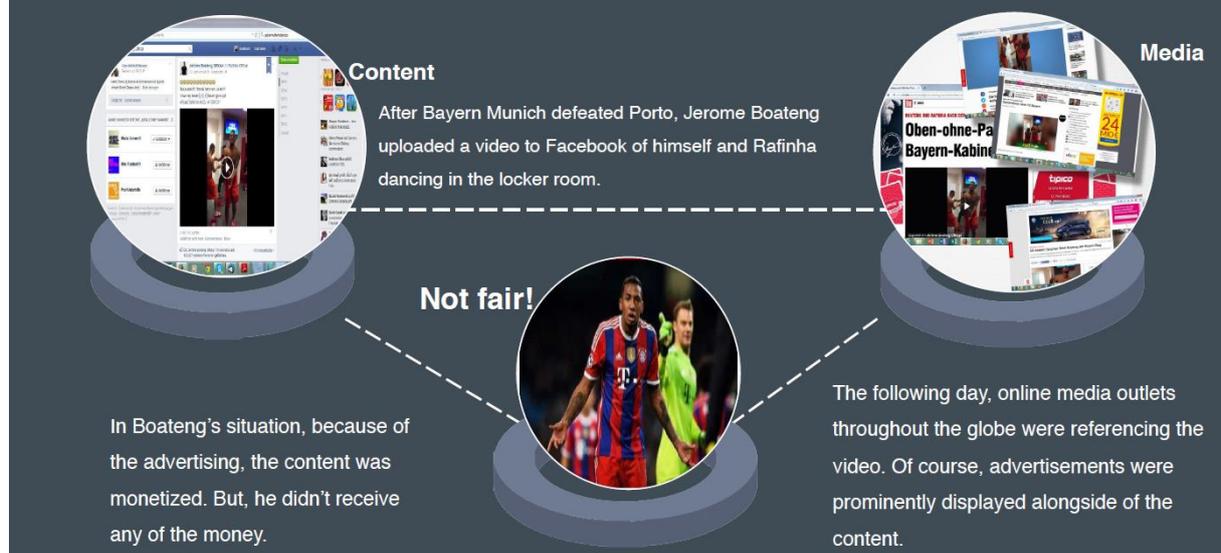
Influencer: The need to create their own audience

Brands: The need to target market to the audience

Demand Creation

Influencer: The need to increase customer engagement

Brands: The need to increase customer engagement

Influencer / Artist issues today

- Cannot monitize form brand promotion

- Cannot control fake news

- Cannot prevent piracy

- Larger influencers overlooked due to unknow name

- Cannot control advertisements on page

- Large fees paid to the platforms for distribution only

- No advice provided on improving engagement

Corporate / Brand issues of current social media platforms

- Cannot easily identify key influencers

- Low ROI on marketing spend

- Lack of click through data

- Unable to manage content

- Cannot adapt marketing to target audience

Solution

The platform contains several key features which makes Cence different from other social networks involving users, stories, and academy. It's both platform and app

- 1 influencer = 1 registration = 1 accoung

- App (installed on user's Android or IOS phone

- Server architecture

- CMS (content management system)

The world without cence

- Spotify – Large revenue taken by Spotify
- Instagram – Limited targeted marketing. No visibillity on larger influencers. High cost of acquisition
- iTunes – 40% revenue taken by iTunes
- facebook – Limited targeted marketing. High cost of acquisition
- Twitter – Limited marketing. No click through data
- YouTube – 50% revenue taken by YouTube. Limited targeted marketing
- Pintarest – Limited targeted marketing. No click through data

The world with cence
Targeted marketing – 70% revenue kept by artist / influencer click through data.
- Influencer

Manage content – earn revenue – grow self distribution / merchandise – removes fake news
- Brand

Ability to see top influencers – ability to target marketing – increase marketing ROI – create tailored advertising – reduce cost of acquisition

The artist world with Cence

- Manage content
- Earns 70% revenue
- Protect piracy
- Create own distribution
- Create merchandise
- Increase follower engagement
- Ability to remove fake news

Management company
- Ability to provide a higher return for their artist
- Ability to mitigate piracy
- Ability to provide merchandise opportunity
- Ability to create own distribution models
- Ability to remove fake news

How we do this?
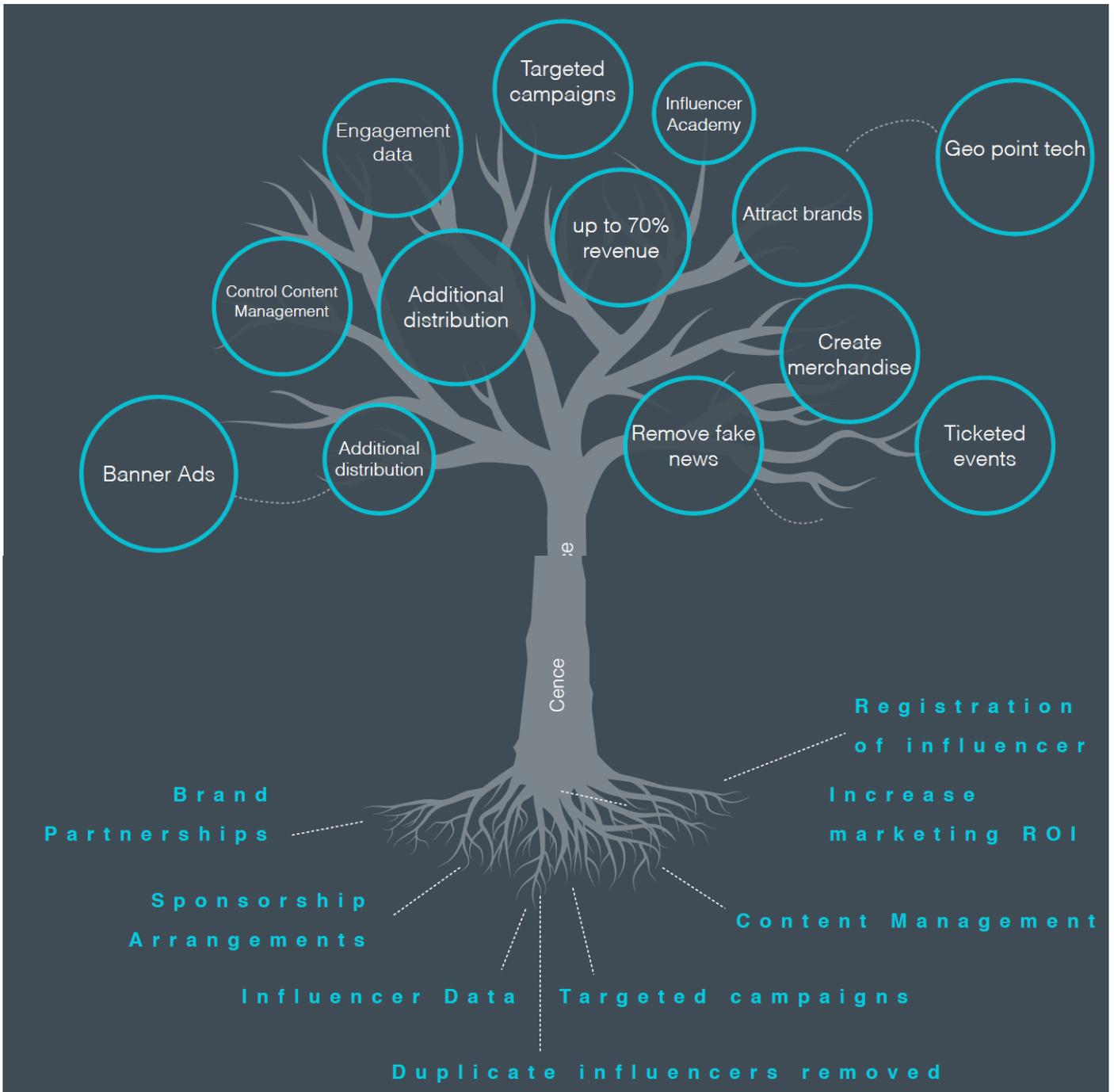
2.2. The platform

Geo – point

Geo Tagging

1. Tag items on an influencers page
2. Influencers strut their stuff
3. Followers like influencers stuff
4. Followers click on items connecting directly to brands
5. Purchase made through retailer site

Geo Location

For offline purchases, the app can use the GPS feature to identify the nearest retail

3. Team

3.1.   Founding team

The team combines the commercial and technical skills and experience of the founders into a powerful team of entrepreneurs with a vision that has already been lived.

DI Patrick Riegler, MSc.
Founder, CEO

A visionary entrepreneur who started life in the logistics industry. Having been the head of logistics for a large global player in the marketplace as well as holding general manager in Esportrada where he managed several large projects such as Arsenal stadium and Strum in Graz, Patrick was exposed to the issues faced by sporting stars. In 2015, Patrick embarked on journey to close a gap in the ever growing social media space.

Jiggy Rawal,
Chair of Board

With nearly a 20-year fast track career in financial services, Jiggy has joined Cence to lead to lead its board alongside its CEO. She has a proven impressive fast track career in finance which combines advanced financial management capabilities with high levels of commercial acumen identifying change priorities and putting in place value-added solutions for improving operating model delivery. Jiggy has spent a significant part of her career working with businesses at start up level and taking them through change and ultimate growth. Her most recent position she took a number 7 player in the UK insurance markets to number 2. Her skills in understanding, transforming and driving businesses forward as well as leadership skills has seen her awarded with a fellowship status with the accounting boards- the highest ranks. She is one of few thousand women to hold this globally.

Thomas Rivette

CTO

30+ years experience in IT, Telecommunications, Manufacturing, Health Care and International Finance for Fortune 500 companies and startups. A Serial entrepreneur and certified scrum master, Thomas has led some of the largest high-value projects for notable clients. Thomas continues to focus on delivering technology that stands at the forefront of the industry.

Sigrid Riegler

COO

An OP nurse for over 15 years, Sigrid is an expert in dealing with usual pressured environments. She was always clear that her creativity to solve problems within an operational capacity were not limited to the medical field. Sigrid has led the operational areas of Cence to date with ease and has applied her ability to solve problems to help drive the business forward. Sigrid is a true human catcher and has a multi-talented approach for the unusual and stressful situations.

Peter Olsson

Head of sales

Peter's career began in Germany in 1984 within sports marketing. Managing sporting legends such as Muhamed Ali. Boris Becker, Tokyo Hotel and many more. Peter quickly rose the ranks to sitting on the board of ISPR, the worlds leading sports rights agencies. Peter went onto creating his own agency which was later acquired by Omnicom Group in 2008. He has since left and went onto founding other new successful agencies within a group of over 15 agencies. Peter was awarded sports manager of the year in 2004 and is the founder of German Sport Sponsoring Association.

4. Marketing

4.1. Total market

The overall market for the use of BroMee is defined worldwide. Any content creator in the world can create a personal profile and actively use it.

4.1.1. Usage

Mobile phone users look at their mobile phone every 12 minutes!

In an as yet unpublished study, researchers have recorded the mobile phone use of 50 students over six weeks. A quarter of the participants used their mobile phones for more than two hours a day. On average, they activated their mobile phones more than 80 times a day and on average every twelve minutes during the day. For some participants the figures were even twice as high as the researchers report. Typical users only phoned other people for about eight minutes a day and wrote 2.8 text messages. Nevertheless, mobile phone use was primarily used for communication, as the researchers found out. More than half of the time the study participants use so-called messengers or spend their time on social networks. Using What'sApp alone took 15 percent of the time, Facebook was nine percent.

25 % of mobile phone users shop on mobil. 25 % of Germans are using smartphones and tablets for online shopping. Whereas only one in nine respondents in a PwC study had even made mobile purchases in 2011, one in four already uses a

Mobile device for shopping. Gerd Bovensiepen, Head of the Retail and Consumer Goods Division at PwC, comments on the results: "Smartphones and tablets have become a natural everyday companion for many consumers. Instead of sending online orders in the evening from your home PC, this can now be done much faster on the go thanks to shopping apps and optimized websites.dank Shopping-Apps und optimierter Webseiten viel schneller von unterwegs erledigen.

4.1.2. USA

The trend towards mobile life is far more pronounced in the USA than in Europe, as the following chart shows
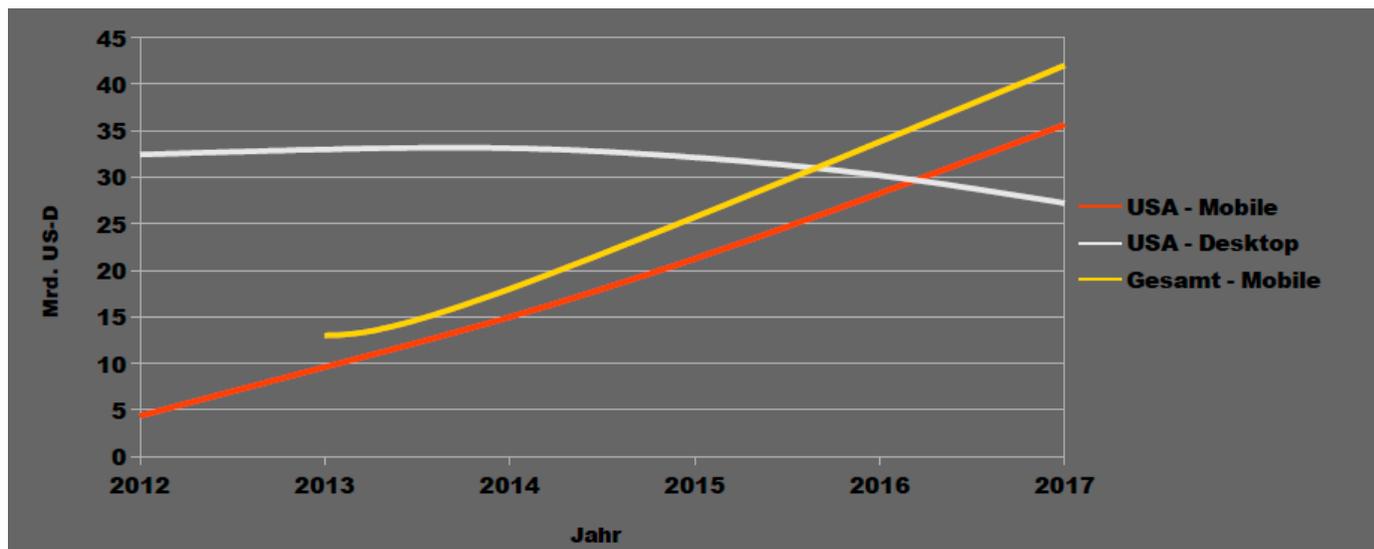
4.2. Social Media Advertising

2018 – 2022 revenue is expected to show an annual growth of 10.5% The revenue in the social media advertising segment currently corresponds to 0.07% of a country's GDP. The average revenue per internet user currently is €15.61.

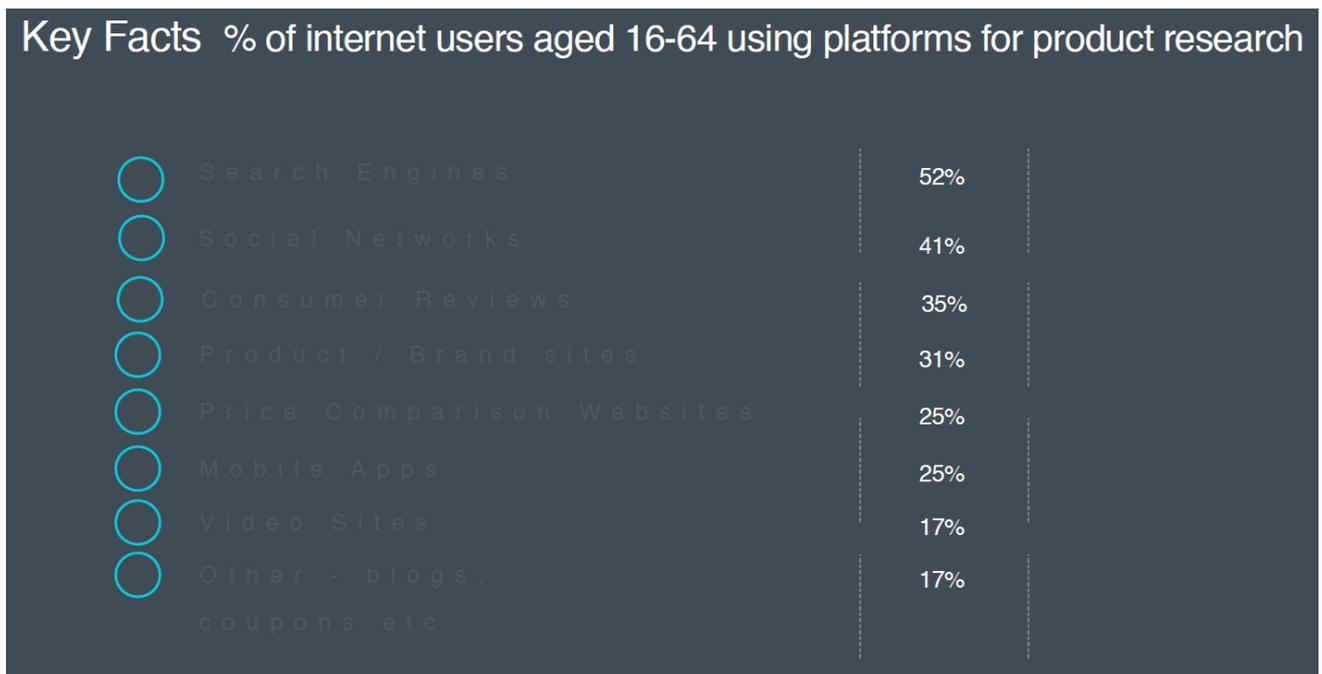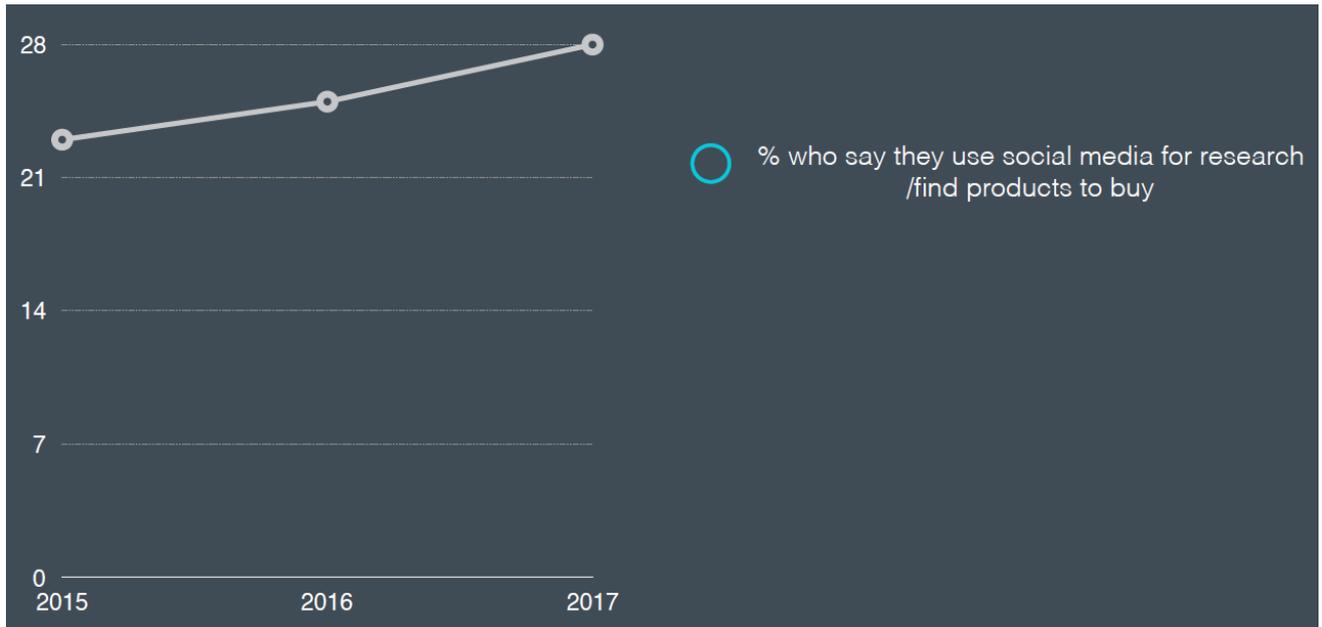2017 total digital ad spend = $209 billion worldwide. TV = $178 billion.

Note: Ad spend generated by social networks sponsored posts other advert in social network.

Excludes: Revenue from membership / premium fee accounts.

The role that social media plays has evolved. Consumers are now as likely to use social to follow the news as they are to identify it as a platform for keeping in touch with friends.

4/10 internet users say they are following their favourite brands on social, while 1/4 are following brands from which they are thinking of making a purchase from.

Influencer marketing makes the most impact among 16-24s. Even amongst this age group, its just 18% who say they find new brands via celebrity or influencer endorsements. They often rind new brands through more individual influencers.

Social commerce is primary in the research and brand interaction stages of purchase journey. But when it comes to the final purchase, the appetite to do so in these platforms remains los wand most move to the retail site to do so.

Key Facts % of internet users aged 16-64 using platforms for product research

Search Engines	52%
Social Networks	41%
Consumer Reviews	35%
Product / Brand sites	31%
Price Comparison Websites	25%
Mobile Apps	25%
Video Sites	17%
Other - blogs, coupons etc	17%

What motivates online shoppers to purchase – advocacy

- Search engines and social media remain central

Led by younger – more smartphone centric – users, alternative routes like social networks and online videos sites are becoming more important.

- Consumer reviews

Its younger groups in fast-growth markets are the most vocal online, whereas older groups are more likely to be using reviews to inform purchasing decisions rather than posting themselves.

- After purchase

Delivering on the wants and needs or the consumers is essential in winning over as an advocate. For younger groups, this means improving their social status and providing entertaining content. For older ones, this means giving them the high quality experience they expect when interacting with brands.