



# 2Hand Executive Summary

## SUMMARY February 2020

2Hand

The Rightmove of second hand market places

[www.2hand.co.uk](http://www.2hand.co.uk)

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### General information:

- Established 2018
- MVP launches March 2020
- 4 Founding members
- Self-funded to date
- SEIS advanced assurance granted

### Key achievements:

- Initial pilot to understand market and build relationship with second hand audience of Busy Mums (2012)  
[www.outgownit.net](http://www.outgownit.net)
- Survey monkey of Outgownit users lead us to pivot to 2Hand
- Social listening confirmed Upcycler activity
- Developed and costed wire frames
- Contracts secured to distribute content from 3 marketplaces
- 2 further contracts in discussion
- MVP launching March 2020
- Warm test audience ready from Outgownit
- 4 further audience profiles completed, costed marketing plan in place, influencers connected with

*This document has been prepared by Jo Spolton. It is intended only for sophisticated investors categorised by the FCA as 'Intermediate Customers'. It is not intended for US investors. RISK WARNING: At this stage this document does not constitute an invitation to invest and is for information purposes only. Note that unquoted early stage investments are high risk and are not readily realisable as there is no recognised market for shares and investors may not be able to obtain reliable information about value or risk exposure.*

## BUSINESS OVERVIEW

**Problem:** There are too many platforms offering second hand items for users to search through, this is time consuming and limits their choice. Research tells us users give up and buy new if not found within two weeks. The cost to the planet of irresponsible consumerism is vast, the UK alone has 22M items of small furniture and 28M toys thrown away each year (North London Waste Authority)

“Consumers are in search of more affordable used items, leading to growth in the second hand economy” (“What's happening now” from Mintel 2030 Trends)

**Solution:** 2Hand brings together content from many second hand marketplaces, aggregating results daily, giving the user more choice, saving money and enabling them to be green and join the circular economy. “I want to spend time with my kids, not scrolling through screens to find clothes and toys for them” says Busy Mum, 2019.

The 2Hand team has a detailed understanding of this market. They own Outgownit.net and have built and engaged target customer groups through this site. 2Hand has been developed with these consumers and launches nationally in March 2020 to maximise content. 5 target audiences have been identified to focus market spend and drive conversion. With 4 revenue streams on a model similar to Preloved, 2Hand is ready to launch with a proven commercial strategy.

## MARKET INFORMATION

Revenue of the UK Second Hand Market in 2019 was £3B. There are over 30 established second hand sites with new entrants to market yearly and 24M users of Ebay alone. The 5 initial target markets with a strong use case for 2Hand are; Busy Mum, Upcycler, Savvy Fashionista, DIY Enthusiast, Ethical Shopper. We tested social media marketing on Busy Mums and have a commercially sustainable CPA. Having also built good content partnerships with 20 upcycling influencers, we are ready for a strong promotional launch. An estimated 235M items of clothing worth £140M goes into UK landfill each year (WRAP). If action isn't taken, 1/4 of our total impact on climate change will be due to clothes consumption by 2050 (Harrabin, 2018).

## MANAGEMENT TEAM

- **Jo Spolton - CEO** 8 yrs experience in the second hand market place, 10 Years professional sailing (British Team and VOR) 20 years fine artist, a resourceful problem solver
- **Sam Turner - CMO** Snr marketing professional, experienced at developing and managing digital and offline marketing campaigns, Prudential, Teamspirit, McCarthy & Stone, VCCP
- **Stephen Homan-Berry - CTO** Highly experienced digital architect with track record delivering scalable solutions, Ogilvy and Mather, Lush, BAE
- **Neil Rafferty - NED** Commercial business development experience, mentor for Tech Stars and Barclays accelerator
- **Art Leyzerovich - NED** Senior exec with unrivalled experience developing and deploying global consumer facing technology in market places, Ebay, Groupon, Google, Shibstead

## FINANCIAL FORECAST - Expected and (Stretch)

	2020/21		2021/22		2022/23		2023/24		2024/25	
Actv users	1.6k	2k	21 k	24k	176k	244k	1.4m	2.3m	4.5m	8.2m
Rev £	21k	37k	384k	467k	2.6m	3.3m	16m	25m	61m	109m
Grs prof £	20k	31k	320k	391k	2m	2.5m	12m	18m	44m	78m
EBIT £	-360k	-373k	-550k	-459k	-243k	72k	3.2m	6m	15m	30m

## INVESTMENT REQUIREMENT

£250K for 23% equity to engage 2Hands' first 5K customers, test 3 routes to market and establish the revenue model. Deepen USP by securing more supplier contracts. SEIS assurance granted.

## EXIT STRATEGY

Trade sale within 5 years to Shibstead, OLX, THG or Ebay

