



Fortunale

Short Project Description: Fortunale is a project entirely eco-friendly, and inspired by modern principles of circular economy. Fortunale sweater is entirely made of pure Italian natural wool, obtained by cruelty-free farm, coloured with more than 200 natural ingredients. They are developed in Italy by laboratories specialized in the production of garments of excellence which can take advantage of the most modern textile technologies and the skillful hands of the most expert tailors. A Fortunale sweater is designed, from its origin, to be recycled at the end of its natural use. The total absence of synthetic fibers enables us to recycle a sweater up to 80%. We will be glad to accept a return of your old Fortunale in exchange for a 30% discount on a sweater of our new collection. Even the packaging is entirely reusable. Fortunale invests part of his profit in environmental protection projects with the commitment to plant a tree for each sweater delivered. You will find its identification number embroidered on the sweater.

One-Line Pitch: Fortunale is an Italian natural sweater, incredibly soft and recyclable up to 80%, made of natural wool and dyed with natural pigments

Business Summary: Fortunale produces a sweater made of pure natural wool, dyed with natural pigments free of chemical additives, produced in Italy by specialized artisans and recyclable up to 80%. The customer can return his sweater, obtaining a 30% discount on a new one. For each sweater Fortunale plant a numbered tree and the number of which is embroidered on the sweater making it exclusive. Fortunale planted 600 pomegranates in land confiscated from the mafia.

Customer Problem: The textile sector is the 2nd most polluting sector in the world. Responsible for 20% of the global waste of water and 10% of the carbon dioxide emissions. 80 billion new garments create 5.8 billion tons of waste (only 1% of textile waste is recycled). Among the 10% of Italian dermatological diseases depend on contact with clothing. The phenomenon of fast fashion is evolving, so an indiscriminate production of poor quality clothing takes place

Products and Services: Fortunale proposes a new product and a circular economy model: 1) very high quality wool obtained from cruelty free farms. 2) natural dyeing from flowers and plants (certified by Woolmark) 3) Made in Italy. 4) Plastic-free, reusable and recyclable packaging. 5) sweater is recyclable up to the 80% of its fibers. The customer can return his sweater, obtaining a 30% of discount: a way to create a direct and lasting relationship with the customers.

Target Market: Sustainability is an increasingly important global issue and a growing trend in fashion, as a consequence to the climatic emergency. 70% of consumers are willing to choose an eco-sustainable product instead of one with a greater environmental impact. Today 23% of the products purchased from stores in the world are sustainable, but the average is expected to increase to 42%. Only in Italy, the demand of eco-textile increased by 78% 2017-2019

Sales & Marketing Strategy: To date, majority of the sales have been done online, with limited spend on media buying. The strategy is to increase the budget in order to increase online visibility. Fortunale has shown that it draws a attention to its project on social networks and involves famous endorsers such as Fabio Volo, Alessandro Gassman and the fashion blogger Carotilla.

Business Model: Leveraging well-established partnerships with supplier of yarn, Fortunale manufactures its products in outsourcing, while quality control and delivery to the customers are done internally. The products are mostly sold online in its ecommerce platform. Due to the existing pandemic, the ecommerce have become very important.

Competitors: The ecological textile market is growing rapidly. Consumer demand is for quality garments that respect the environment. However, it is not easy for companies to convert their production into eco-sustainable and many opt to add capsule ecological collections to the standard ones. Among the competitors operating in the market with complete collections we can mention: Rebello, Falconeri, Revolution, Algonatural, Lize natural clotng, Icicle, Rifò.

Company Profile

City: Cassano delle Murge
State/Province: BA
Country: ITALY
URL: www.fortunale.eu
Industry: Retail & Consumer Goods
Sector: Other Retail and Consumer
Subsector: Retail and Consumer: Other
Founded in: 2018

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Financial Information

Company Stage: \$0-\$500K in Trailing 12 Mo. Revenue
Previous Capital: 0
For capital seeking and other economics, please refer to company presentation.



Competitive Advantage: Fortunale has various competitive advantages: ecological in all its elements, as per consumer requests. Each product is unique and exclusive thanks to the number embroidered on the garment that indicates the number of trees planted. A long experience in the textile sector that allows us to better procure natural yarns, obtaining high-quality products. A continuous search for fibers and natural colors that make it an exclusive proposal worldwide.

Management Team: In the fortunale team there are 4 people with high specializations: Ivan Aloisio, ceo e founder, with multi-year experience in the field of clothing and knitwear. Francesca Gresia, communication Manager, is responsible of communication. Gaia Cantatore, student of Fashion Art Direction at the Polimoda, is responsible for the style and the image and stile. Rosangela Aloisio, graduated in Business Administration at the Bocconi University, trade responsib

Advisory Board: Our team has involved various senior professionals in the development and improvement of the project. At the moment we can count on the support of: Roberto Sfoglietta, ceo SF Deal, start-up consultancy company; Claudio La Torre, senior advisor with experience in multinational companies in Italy and abroad; Stefano Casini, ceo and founder of SMT, top textile manufacturing company in Italy; Davide Dal Maso, international strategy analyst.

Revenue Model: There are 3 channels: Fortunale own e-commerce and other marketplaces (Yoox, Shopify), which represent the majority of the revenue; sector events and temporary stores; presence in specialized and selected stores, including a potential corner inside the new Green Pea shopping center (Turin). For every sweater sold, Fortunale plant a tree, increasing corporate responsibility. Fortunale provide 30% discount when existing customers return old items.

Break-Even Analysis: According to our estimates, the break-even point will be reached at the end of the 3 year of activity, when the quantity of garments produced and sold will be largely sufficient to repay the marketing efforts and human resources costs. At that point the business model of the project will allow Fortunale to diversify product mix, with constant and sustainable growth.

Previous Investments: Fortunale is an innovative start-up, leveraging the experience of the Majra Moda Maglieria, which has been producing knitwear for over 30 years. All initial research investments on yarns (€ 5,500); prototype construction (€ 12,500); trademark registration and documentation (€ 5,000); market test and promotion during the two successful crowdfunding campaigns (€ 52,000); for a total investment of € 75,000

Use of Funds: Fortunale requires € 500,000 to continue in 3 directions: start a large-scale marketing campaign to establish the brand and make it recognizable as the "Made in Italy" eco-sustainable brand; structure the company by strengthening the team, improving the operations, acquiring raw materials and accessories; continue the search for new materials and natural dyes; Expanding the range and quality of its items in the collection.

Past Significant Milestones: In just 18 months of activity, Fortunale achieved important results: it participated in two Kickstarter crowdfunding campaigns, obtaining more than € 66,000 in funding, managing to reach the goal in 26 hours. The QVC Corporate Fast Track won an acceleration course within the Marzotto Prize. He got second place in the start up competition heroes of Maratea. His project was presented on Rai Due, Radio DeeJay and Il Sole 24 Ore.

Exit Strategy: The sustainable fashion industry is growing exponentially and every consolidated player is making a move to shift to a more environmental friendly offering. For this reason, Fortunale might become a target for big players in the fashion industry, including luxury. Moreover, Private Equity funds might fund Fortunale further in order to boost its appeal and international presence

Comparable Exit Markets: Most companies operating in the "fashion tech" sector adopted an exit strategy with M&A operations, rather than with IPO. The average transaction value of European operations within the "Innovative Materials" category is between 50 and 150 million of Euro. ALTASFORMER = Acquired by Latour Capital in 2019; BRILLE 24=acquired by Exillor in 2019; COLOMER LAETHER GROUP =acquired by Chanel in 2018; DRIES VAN NOTEN= acquired by Puig in 2019.

Value Proposition: The Fortunale investment case allows an excellent return on investment. Able to generate cash every year, with cash flow in 2024 expected to be € 2,271,500 Million euro, thanks to the fact that Turnover is expected to constantly grow with a big increase in profitability in 2024 + 45%. Based on our calculations this allows you to calculate the ROI of 37% by 2024.

Resources Beyond Capital: Fortunale leverage already very important partnerships with SMT company, national leader in the production of luxury knitwear and Tintoria di Quaregna, the only company in the world to have certified vegetable dyes from Woolmark. However, it would be important to have strong relationships with few distributors, especially department stores in



China and USA.

Additional Information: Fortunale has activated new research projects to counter the emergency covid 19: the production and marketing of DPI face masks, washable and usable up to 10 times, has already started, with excellent market results (10,000 pcs sold and 15,000 in negotiation with a major NGO). In addition, research continues with start up PIGMENTO to test dyes from food waste on yarns in order to offer customers exclusive colors and production processes.