



DEPOT & REPAIR CENTER

Cooperation through the Concept: PalletBiz Approved Partners (PAPs)

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PART I – PAP CONCEPT

Development of PalletBiz Approved Partners (PAPs)

What forms of Partnering are we currently applying?



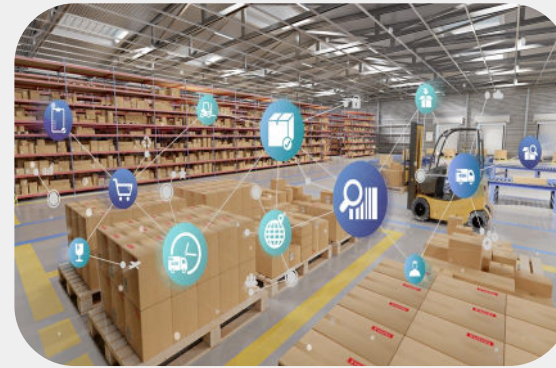
MASTER FRANCHISE

Master Franchisees are mainly Regional Development companies that are typically a subsidiary of the Franchisor in a joint venture with a major (Country) Franchisee in the region, and are responsible for developing and coordinating the activities of the regional Franchisees.



COUNTRY FRANCHISE

A Country Franchisee typically owns a Factory and/or a Repair Center - or will establish/improve such facilities with the assistance of the Franchisor / Master Franchisee. The Country Franchisee is marketing and selling in the trade name of PalletBiz and has exclusivity to all sales within its agreed territory.



APPROVED PARTNERS

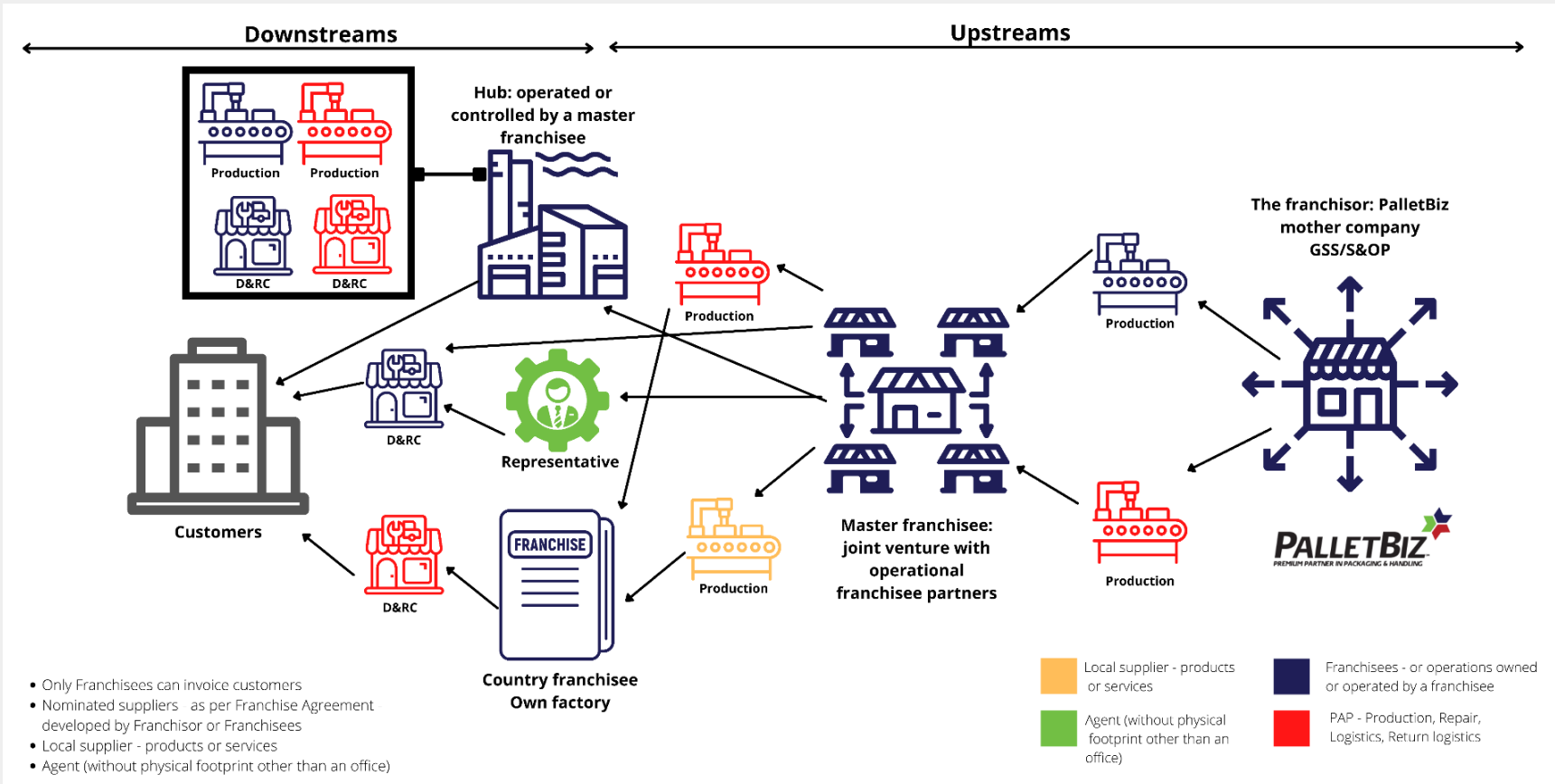
An Approved Partner is a nominated supplier with a strategic commitment to Franchisees. They enable all Franchisees to have access to the same wide product and service offerings, and can operate, a.o., as production facilities, storage & repair depots, or (return) logistics providers.



LOCAL SUPPLIERS

A local supplier is typically the essential source of or channel to our products and services, including raw material suppliers, transport providers, machinery and equipment manufacturers, etc. The overall quality of our products is dependent on our reliable and trustworthy value chain.

The PalletBiz Partnering Universe



PalletBiz is a network of **Packaging & Handling Materials** manufacturers, vendors, and consultants.

The network participants can be **Franchisees, Partners and Suppliers**.

Franchisees or Partners can be part of the Franchisor Group (through Equity participation) – or they can be independent – however, always abiding by the **PalletBiz Way®**.

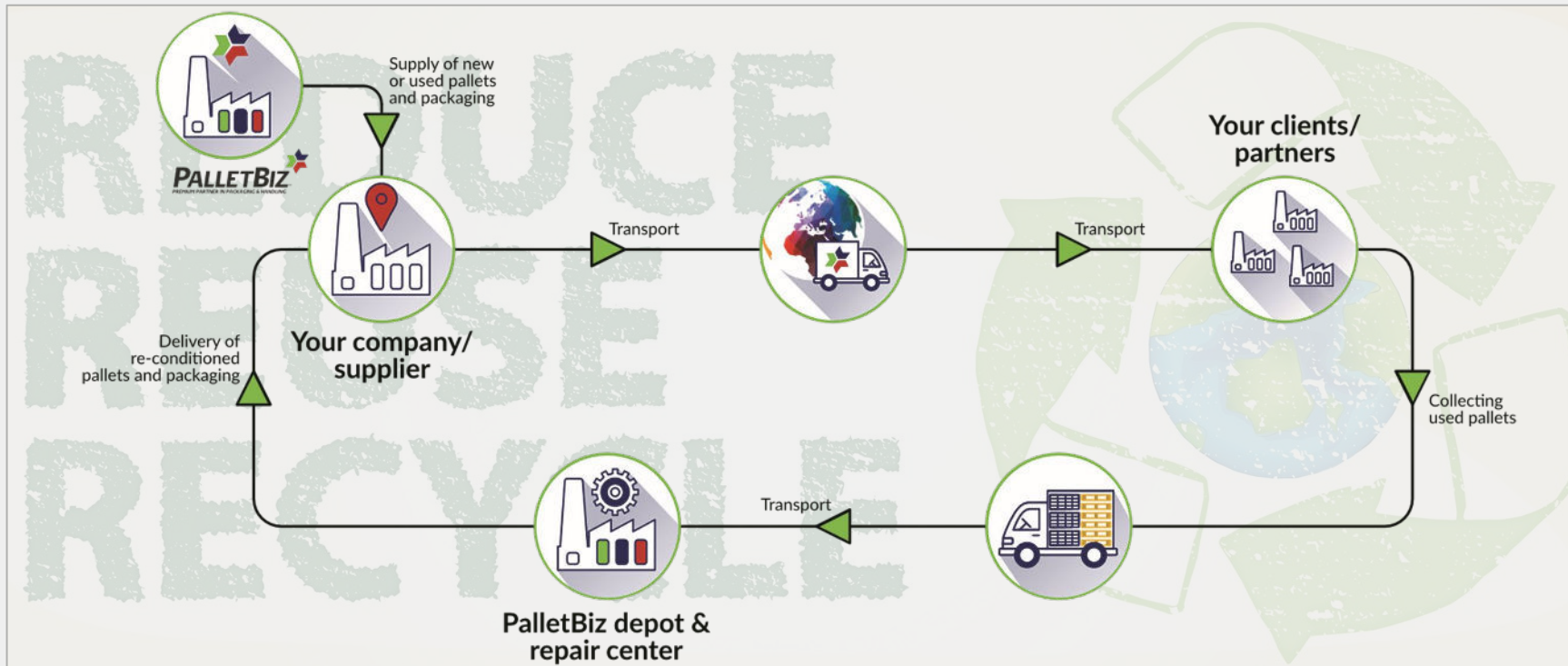
Definition of the PAP Concept

- ✳ The PalletBiz Franchise Network is developing in **Europe, Middle East and Africa** – and has a constant and growing need for materials and supply of a multitude of services.
- ✳ **Partnering** is a central prerogative for the PalletBiz vision and mission – and is essential for our strategy.
- ✳ Becoming a Franchisee in the Network requires a sizeable entry capital investment and royalty payments – while the **PalletBiz Approved Partners (PAP) are independent suppliers that have chosen to work closely with the PalletBiz Network** – to obtain the benefits of long-term cooperation, with security of volumes and price stability.
- ✳ **Usually** there are **no sizeable entry investments** if the acceding partner is already doing business in our industry – however, the minimum requirements are dealt with in slide 10.
- ✳ PalletBiz Approved Partners are usually **operating in their own name** and do not pay royalty.
- ✳ The benefits of being a PAP are dealt with in slide 12.

While the **Franchise Concept** is a very stringent concept with very **little flexibility** as to the contractual structure, investment requirements, and other rights and obligations –

the **PAP concept** has **more room for flexible ways** of implementing the partnership and ramping-up of the cooperation.

The Life-Cycle of Handling Materials



The World needs **green and sustainable solutions** – and reduced CO2 footprint.

One of the ways to achieve this to increase the **circular economy through return logistics concepts** like pallet exchange, pooling, buyback etc.

The **Depot & Repair Centers** play a vital role in the circular economy.

Depot & Repair Center (D&RC) - Description

- ✦ A PalletBiz D&RC does collection, sorting, storage, and repair services – based on a long-term contract with the **PalletBiz Master Franchise** for the region in question – and in cooperation with the other franchises in the region.
- ✦ The **D&RC collects** handling materials of **all kinds** – wood, metal, plastic.
- ✦ The D&RC does the collection using different means of settlement: **exchange** (barter), **buyback**, **pooling** a.o.
- ✦ When pallets/handling materials are sorted and **repaired** - the D&RC will store the materials (both dry and wet storage) until **PalletBiz** pick-ups the materials for its **customer** base.
- ✦ **Financial settlement** with PalletBiz franchisees is usually done on a monthly basis.
- ✦ **Repair services** related to certain standard pallets will require a **certification**!

The regional **PalletBiz Master Franchises** currently are:

Region	Entity	Embedded countries
Central Europe – South (CES)	PalletBiz CES GmbH	CZ, SI, AT, HU, SK, HR, BA, ME
Central Europe – North (CEN)	DDCA CEN Sp. z o.o.	DE, PL, LT, LV, EE
South East Europe	SC PalletBiz Srl	RO, UA, MD, BG, RS, AL,, MK, GR, TR
Middle East – GCC (ME-GCC)	PalletBiz Middle East Trading LLC	SA, BH, AE, OM, KW, QA
SADC	PalletBiz SADC (Pty) Ltd.	AO, BW, CD, LS, MG, MW, MU, MZ, NA, SC, ZA, TZ, ZM, ZW

PART II – DEPOT & REPAIR CENTER

Requirements, workflow, and benefits

PAP – D&RC - Requirements

COMPANY & ADMINISTRATIVE READINESS

- ☐ VAT Registered company
- ☐ Bank account for the company
- ☐ Min. one PC/laptop
- ☐ PalletBiz Communication Systems – including ERP (small monthly fee)
- ☐ Certification to repair certain standard pallets

FACILITIES & EQUIPMENT (OWNED OR LEASED)

- ☐ Land – approved for light industry – min. 3.000 m² – fenced
- ☐ 500 m² building with cement floor to be used for repair works and small office
- ☐ 500 m² roof for storage
- ☐ Electric power – min. 300 kW
- ☐ Compressor & piping
- ☐ 2-3 repair tables
- ☐ Conveyors/lifters (or full line)
- ☐ Nail guns & hand tools
- ☐ Optional: chipper line

LOGISTICS CAPABILITIES (OWNED OR LEASED)

- ☐ Forklift truck – 2.5 ton
- ☐ 3.5-ton lorry
- ☐ Larger lorry (optional)

ORGANIZATION & TRAINED PEOPLE

- ☐ Manager/owner
- ☐ Supervisor
- ☐ 1-2 drivers
- ☐ 2-4 Depot & repair workers
- ☐ Somebody to do paperwork & accounting

High-level workflow

Commercial Process

Marketing and Sales activities – to find companies within industry and logistics as well as private people, who have too many pallets, or other handling materials – or too little = +/- customers.

- Signage at the roadside
- PalletBiz landing page, Facebook, LinkedIn etc.
- Direct contact with all interesting potential +/- customers
- Conclude contracts with potential +/- customers in the area
- Participate in PalletBiz customer projects

- Receive orders for pick-up or drop-off
- Collect/deliver at the +/- customers locations
- Receive/deliver products at D&RC site
- Sorting of collected/received materials – into ready for sale products, products for repair, and scrap material
- Repair/Clean products
- Store products either outside, under roof or inside
- Upgrade and/or sell scrap materials
- Trade with new/second hand products in cooperation with PalletBiz

Supply Chain Process

Partner benefits

Benefits

- Marketing of Partner in PalletBiz network and to the market
- **Guaranteed sale** of all collected and sorted standard materials – if the prices are right
- Cooperation on **sale** of other types of handling materials – for domestic and **export** clients
- Cooperation on sale of scrap fractions (mainly chips and metal scrap)
- **Easy administration**, billing, and settlement of funds
- **Cooperation** on other type of handling materials (wood, metal & plastic a.o.) – new and used.

Benefits for PalletBiz:

- **Guaranteed share** of collected pallets (in accordance with agreement)
- **Possibility** to drop excess pallets at the partner site
- Possibility to get **pallets repaired**
- Possibility to **trade products** in cooperation with the D&RC

Monthly Collection of 3000 pallets of which 2500 are standard and rest special pallets (not included in calculation):

Revenue: approx. € 2.500 x 12 = € 30.000

Cost of collected pallets: 2.500 x € 6 = € 15.000

Indirect costs (gasoline, electricity etc.) = € 2.000

Gross profit = **€ 13.000**

Organizational costs = € 5.000

Facilities and equipment = € 5.000

Net profit before company tax = **€ 3.000**

Pricing examples

PART III – NEXT STEPS

Our call-to-action

What next? – Getting started

Based on a mutually continued interest, we ask You to take part in the following steps:

You initiate contact
– by letting us know
your area(s) of
interest

You are contacted
by your PalletBiz
representative

You are invited to
an initial IP
conference

We determine
mutual interest &
partnering options

THANK YOU

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