Cotton IP: How the Brand Earns

Summary

Cotton IP GmbH, a Swiss company wholly owned by Cotton Holding, owns the Cotton brand: the master brand, the trademarked sub-brands, the brand bible and the domains.

Every Cotton venue, pop-up and product line pays Cotton IP on one standard framework. It is signed once and rolled out to each new market with a short local schedule, so growth never requires renegotiation.

Two agreements per venue

The brand and the services are kept separate, each with its own pricing and invoices.

	Brand Licence	Group Services
What the venue gets	The right to trade as Cotton, exclusive in its city or island, plus the brand bible and visual identity	Brand and creative direction, culinary and concept development, supplier negotiation, group marketing, central management support
Price	5% of net revenue	Cost plus 8%
Term	10 years, renewing in 5-year blocks	Annual budget and scope

New venues pay a reduced royalty while they establish themselves: 2% in the opening year, 3.5% in the second, and 5% from the third year onward.

The licence also protects the brand. Each venue must operate to the brand bible, and Cotton IP can inspect and require fixes. Any new concept, recipe or design created at a venue belongs to Cotton IP, so the group's assets stay together as it grows.

Rate card

One price list covers everything Cotton operates or licenses, today and in future.

Category	What Cotton IP earns
Cotton's own venues	5% of net revenue, after the 2% and 3.5% opening years
New venue development	€100,000–150,000 one-off, for brand build-out and opening support
Third-party franchise	€250,000+ initial fee, 6% royalty, 2% marketing contribution
Pop-up edition	€15,000–25,000 flat per edition
Products (Cotton Eyewear, 1868)	6% of wholesale value, 8% where Cotton IP funds the design
Boats, villas and other services	5% of net revenue

The 5% royalty sits within the typical 3–6% range for hospitality brand licences.

Roll-out by market

The same licence is signed in every market, starting with the 2027 season.

Market	Brand	Status
Ibiza, Cala Tarida	Cotton Beach Club	Trading; licence from the 2027 season
Zakynthos, south	Cotton Club	Trading; licence from the 2027 season
Zakynthos, north	Cotton Hotel	In development
St. Moritz, Engadin	Cotton Mountain Lodge	In development
London	Cotton Grand Café	In development
Ibiza, Cala Tarida	Cotton Cabana Club	In development
Travelling programme	Cotton Pop-Up	Active, fee per edition
Products	Cotton Eyewear, 1868	Active, wholesale royalty

Why it matters for shareholders

• **The brand is the asset.** Cotton IP owns the brand and everything created under it, so the value stays in one place as venues multiply.

• **Income grows with every opening.** Each new venue, pop-up and product line adds royalty income to the group without new negotiations.

• **New venues are not drained.** The 2% and 3.5% opening years leave cash in the business while it establishes itself.

• **The standard is protected.** Inspection rights and the brand bible keep every Cotton at the level that built the name.

FOR MORE INFORMATION PLEASE CONTACT:

Chris Cotton
Lifestyle Concept Creator
+34 633 622 000
christian@cottonlifestyle.com
www.cottonlifestyle.com