

Vestiaire Collective



TIGERGLOBAL

Vestiaire Collective announces a new €178m (US\$ 216m) financing round backed by Kering and Tiger Global Management to accelerate its growth in the second-hand market and drive change for a more sustainable fashion industry.

Paris, March 1st, 2021 - The leading global platform for desirable second-hand fashion today announces the completion of a new €178 million financing round, backed by global French luxury group Kering (KER.PA) and US investment firm Tiger Global Management. Existing shareholders including Vestiaire Collective's CEO, Max Bittner, Bpifrance (Large Venture), Condé Nast, the Eurazeo Group (Eurazeo Growth and Idinvest Venture) (RF.PA), certain funds managed by Fidelity International, Korelya Capital (backed by NAVER) (KRX: 035420), Luxury Tech Fund (LTF & Cuir Invest) and Vitruvian Partners also reinvest. Following a strong year that saw the platform's transaction volume grow over 100% year-on-year, this financing round grants Vestiaire Collective unicorn status and ideally positions it for its next cycle of accelerated growth.

The pre-owned fashion sector has experienced rapid growth over the last three years with a further acceleration during the pandemic. This has been predominantly driven by younger consumers' increased focus on sustainability and a growing trend for social shopping and online communities. The amount of secondhand pieces in people's closets is predicted to grow from 21% in 2021 to 27% in 2023 with the value of the secondhand sector forecasted to be worth over \$60 billion by 2025.

Maximilian Bittner, Vestiaire Collective's CEO commented: "This latest round of investment confirms the incredible trajectory of Vestiaire Collective, founded during the 2008 crisis, the model has clearly demonstrated its ability to continue to thrive during challenging conditions. The resale sector as a whole is experiencing rapid growth, especially amongst Millennial and Gen Z consumers, which will come to shape the retail landscape of the future. We are incredibly excited to welcome Kering and Tiger Global Management, both of which will be instrumental in our mission to build a more sustainable fashion industry and further grow our incredible global community".

By investing in Vestiaire Collective (c. 5% stake) and by being represented at the Vestiaire Collective Board of Directors, global Luxury Group Kering illustrates its pioneering strategy, supporting innovative business models, embracing new market trends and exploring new services to fashion and luxury customers.

François-Henri Pinault, Chairman and CEO of Kering, said: "Pre-owned luxury is now a real and deeply rooted trend, especially among younger customers. Rather than ignoring it, our wish is to seize this opportunity to enhance the value we offer our customers and influence the future of our industry towards more innovative and more sustainable practices. This fits naturally with our entrepreneurial spirit, our pioneering sustainability strategy, and our modern vision of Luxury."

Grégory Boutté, Kering’s Chief Client and Digital Officer, added: “Our innovation strategy aims at investing in brands and technologies for the next generation of consumers, focusing on disruptive business models that allow us to better serve our clients and improve our performance. The investment in Vestiaire Collective makes full sense from both perspectives.”

Kering and Vestiaire Collective share a joint vision in their commitment to driving innovation to build a more sustainable fashion industry for the future.

Tiger Global Management, a U.S.-based technology investor, brings on board deep experience supporting high-growth disruptive companies to scale, such as Facebook and Spotify. In addition, the firm’s rich understanding of the U.S. market will support Vestiaire Collective’s ambitions to expand in the region.

Griffin Schroeder, Partner, Tiger Global, commented: “We are excited to support Vestiaire Collective’s continued global expansion plans, which focus on seizing the momentum of already spectacular growth in the United States and Asia Pacific. As of January 2021, local sellers in those regions had increased their items sold by more than 250% year-over-year.”

Since its inception in 2009, Vestiaire Collective’s mission has been to extend the lifecycle of products in the fashion industry, supporting a disruptive move towards a circular economy by empowering a community of ‘fashion activists’ to drive profound change. With its combined pillars of global community, strong fashion and sustainability DNA and the high level of trust it has built on the platform, Vestiaire Collective is uniquely positioned to capture an increasing share of the global resale market, demonstrated by its 90% year-on-year membership growth achieved in 2020.

Vestiaire Collective will use this financing round to scale up its technology and data innovation roadmap, accelerating its circularity vision along with initiating strategic change in the fashion industry. This will be supported by a sustainability roadmap focused on 4-main innovative pillars:

- *Triggering change in luxury fashion: the “Brand Approved” service*
- *Empowering and growing its community of ‘fashion activists’: the ‘Fashion Activist’ badge and ‘Follow the Leaf’ program*
- *Reducing environmental footprint: carbon neutral by 2026*
- *Being an exemplary company: B Corp certified business*

Triggering change in luxury fashion: the “Brand Approved” service

The apparel industry’s current way of working needs to evolve; the global fashion industry produced around 2.1 billion tonnes of GHG emissions in 2018. Vestiaire Collective offers a key solution to this challenge, facilitating an increase in reuse and reduction of waste. Vestiaire Collective believes that emphasizing the importance of durability and extending the lifespan of pieces will help combat the negative environmental impact of over-consumption. In answer to this challenge, Vestiaire Collective has launched a ‘*Brand Approved*’ service, offering an innovative Buy-back circular solution for brands, supporting the decoupling of economic profit from the use of natural resources. The new program recently launched in collaboration with Kering House Alexander McQueen, empowering the brand to integrate circularity into its business model.

Empowering and growing its community of 'fashion activists': The 'Fashion Activist' badge and 'Follow the Leaf' program

The broad global community of 'fashion activists' standing at the heart of Vestiaire Collective, is already helping to drive change by choosing another way to consume fashion. The platform will continue to empower the voice of its global community through tools such as the 'Fashion Activist' badge which encourages members to adopt a '1 in, 1 out' behaviour, further expansion of its Direct Shipping service and the 'Follow the Leaf' program which highlights the most sustainable options for each member. It will also continue to focus on further driving consumer awareness through continued educational campaigns and partnering with renowned 'fashion activists'.

Reducing environmental footprint: carbon neutral by 2026

Buying pre-owned helps avoid the environmental damage caused by fashion production, the simple act of buying a second-hand bag on Vestiaire Collective can reduce the environmental impact by up to 91%. As part of sustainability strategy Vestiaire Collective has just completed a full lifecycle assessment, the business is now focused on becoming carbon neutral by 2026. They have initiated a carbon emissions reduction roadmap, working to reduce shipping distances through a local-to-local scheme and expansion of their Direct Shipping. With over 50% of orders now completed through Direct Shipping, the service has already saved over 1,150 tons of CO₂ since launching. Further to this the business will also offer more green shipping options and has just launched its new 'less is more' packaging that is 100% reduced, recycled and recyclable.

Being an exemplary company: B Corp certified business

Vestiaire Collective is dedicated to becoming an exemplary company, to achieve this goal it has launched a number of strategic initiatives. This notably includes an application to become a B Corp certified business, while also empowering its employees to act on important causes through 15 hours to help community work and the launch of 5 employee diversity & inclusivity task forces.

Vestiaire Collective's technology and data innovation roadmap is key to empowering its circularity vision. The strategy will focus on further developing artificial intelligence and leveraging data to enhance the customer experience. The business will more than double the size of its technology team, generating 155 new positions, available across data science, engineering, tech and product development. This will enable the platform to further support its community through increased functionalities such as profile and product recommendations based on users' behavior, a dynamic pricing algorithm that gives real-time feedback to sellers and a digital wallet function will help incentivize sellers to reinvest in pre-owned.

Goldman Sachs served as strategic advisor and private placement agent to Vestiaire Collective on the financing round.

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About Vestiaire Collective

Vestiaire Collective is the leading global app for desirable pre-loved fashion. It is dedicated to transforming the fashion industry for a more sustainable future by promoting the circular fashion movement as an alternative to overproduction and overconsumption and the wasteful practices of the fashion industry. It provides its 'fashion activist' community with inspiration, tools and features to lead the change as they sell and buy unique pre-loved pieces from each other's wardrobes. The platform is unique thanks to its highly engaged activist community and its rare, desirable inventory of 3 million items that includes 140,000 new listings every week. Launched in Paris in 2009, Vestiaire Collective has offices in Paris, New York, Hong Kong, Singapore and a tech hub in Berlin. Find out more by downloading the app, visiting vestiairecollective.com and following @vestiaireco on Instagram.

Vision: We transform the fashion industry for a more sustainable future by empowering a community of 'fashion activists' to drive systemic change

Vestiaire Collective is a member of the Ellen Macarthur Foundation, Paris Good Fashion and the UN Fashion Alliance

About Kering

A global Luxury group, Kering manages the development of a series of renowned Houses in Fashion, Leather Goods, Jewelry and Watches: Gucci, Saint Laurent, Bottega Veneta, Balenciaga, Alexander McQueen, Brioni, Boucheron, Pomellato, DoDo, Qeelin, Ulysse Nardin, Girard-Perregaux, as well as Kering Eyewear. By placing creativity at the heart of its strategy, Kering enables its Houses to set new limits in terms of their creative expression while crafting tomorrow's Luxury in a sustainable and responsible way. We capture these beliefs in our signature: "Empowering Imagination". In 2020, Kering had over 38,000 employees and revenue of €13.1 billion.

About Tiger Global Management

Tiger Global Management, LLC is an investment firm that focuses on private and public companies in the global Internet, software, consumer, and payments industries. The Firm's private equity strategy was launched in 2003 and has invested in hundreds of companies across more than 30 countries, in all stages of funding – from Series A to pre-IPO. The venture business, which recently finished investing its twelfth fund, aims to partner with dynamic entrepreneurs operating market-leading growth companies; investments include JD.com, Meituan, Facebook, LinkedIn, Spotify, Peloton, Credit Karma, Toast, Stripe, ByteDance, Stone, Warby Parker, Flipkart, Despegar, Ola and DiDi. Tiger Global was founded in 2001 and is based in New York with affiliate offices in Hong Kong, Beijing, Singapore and Bangalore.