ClooV

CIRCULAR FASHION ENABLER

Problem: the need to become more sustainable and the difficulty in acquiring a conscious, price-driven customer base

1 The fashion industry has one of the largest **negative environmental impacts**

6th
most **polluting i**ndustry

20%
water waste produced by the fashion industry

4.3m
tons of clothes in landfills yearly in Europe

2 Luxury shopping is becoming **less accessible** to customers

Purchasing power in **2011**

Chanel RRP **€2.900**
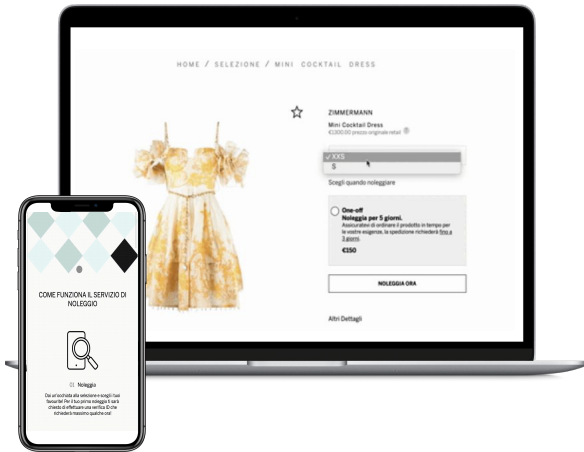
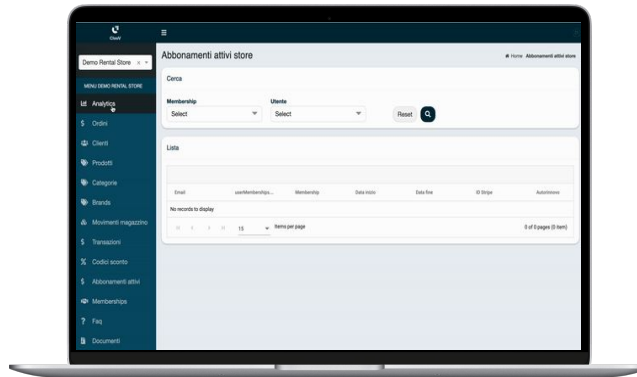Purchasing power in **2021**

Chanel RRP **€8.800**

Solution: Cloov is B2B2C startup that enables retailers to offer a rental experience directly to their customers

1 We create a **rental store** for our partners, authentic to their brand equity

2 We provide Cloov proprietary software to **manage the rental store** and empower our partners through data

3 We **manage our partners' inventory**, product reconditioning and repair

3

We create a two-sided discovery engine for our partners

Customers find new brands they love and **Brands attract new customers** in a **sustainable** way

Deep brand engagement

Vast preferences and revenue data

Seamless customer experience

Brands

Customers

CO2 emissions reduction

Brand discovery

Customer engagement and word of mouth

4

Personalized customer journey

Burberry
Quilted Leather Mini Lola Bag
€1290 retail price

U

Choose your favorite way to rent

○ **One-off**
Rent for 5 days
Choose a flexible option for your special occasion!
120 €

○ **Subscription GOLD**
Rent for 1 month
Enjoy this product for a longer period
180 €

RENT NOW

Product details

Description

Product care

Shipping info

Your rental store

HOME   HOW IT WORKS   COLLECTION   CONTACTS   Cerca prodotto

HOW IT WORKS

01 Rent   02 Wear   03 Return

EXPLORE OUR EXCLUSIVE
RENTAL SELECTION.
New looks. New styles. Always

EXPLORE SELECTION

100% customizable modules to **mirror partners' brand identity** and to enable a seamless customer journey

5

+3.000 brands in our target across 4 key verticals

Luxury accessories retailers	Occasion-wear retailers	Kidswear retailers	Specialty sports retailers
ZIMMERMANN	ATELIER EMÉ	MONNALISA	COLMAR
LUISAVIAROMA.COM	PRONOVIAS	BRAVE KID	THE NORTH FACE
Valextra	RINASCIMENTO	BOBO CHOSES	SAVE THE DUCK
STELLA McCARTNEY	ELISABETTA FRANCHI	il gufo	
PRADA	MaxMara		MONCLER
MYTHERESA			

Market size and opportunities ahead

€46bn
Total Addressable Market

€5bn
Serviceable Addressable Market

€104mn
Serviceable Obtainable Market
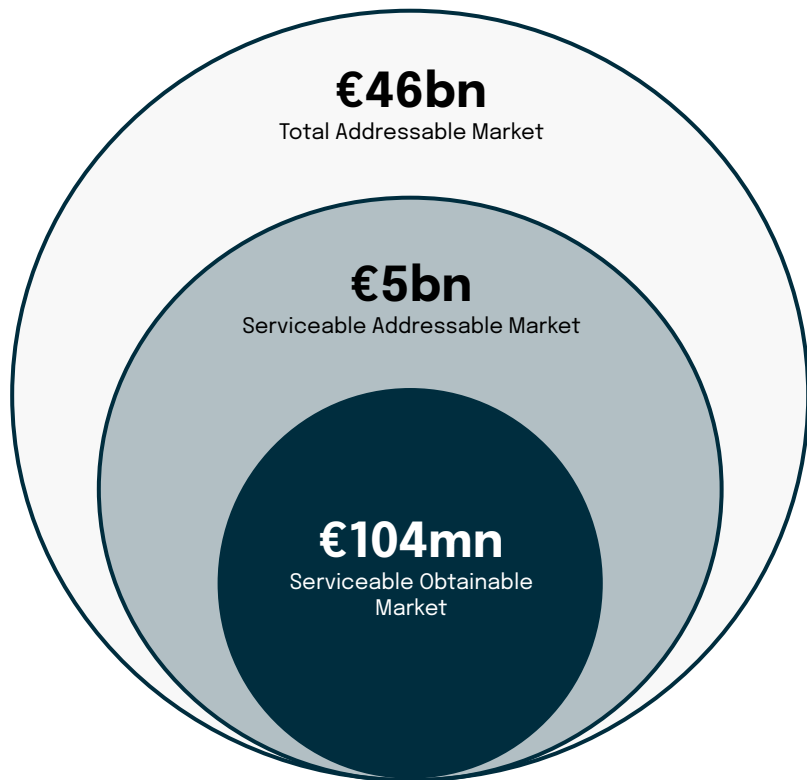
24% CAGR fashion rental 2019–2030

$167bn
Global rental market 2030

55% of Gen Z prefer renting over buying

EU regulation on textile waste incentivises brands to explore rental and resale

Competitive landscape and key differentiating factors

	International players		European players	
	HURR ENTERPRISE	The**PAAC**	**Lizee**	**ClooV**
One-off and subscription simultaneously	✘	✘	✘	✔
Product durability insights	✘	✘	✔	✔
Scalability potential in Europe	✘	✘	✘	✔
OMS and reverse logistics	✔	✔	✔	✔
Luxury positioning	✔	✘	✘	✔
Marketing services	✘	✘	✘	✔
Geography	UK 🇬🇧	Italy 🇮🇹	France 🇫🇷	Europe 🇪🇺

Successful example US (most developed market) **CaaS**tle

A business model based on 3 revenue streams

Set-up fee

€1.000 – €4.000[1,2]
/one-off

Website and domain creation

Personalization

Payments integration

+

SaaS Model

€950[2]
/monthly

Product catalogue upload

Order management

Data & analytics

Integrated invoicing

Customer services

+

Variable fee

20%-50%
on transactions
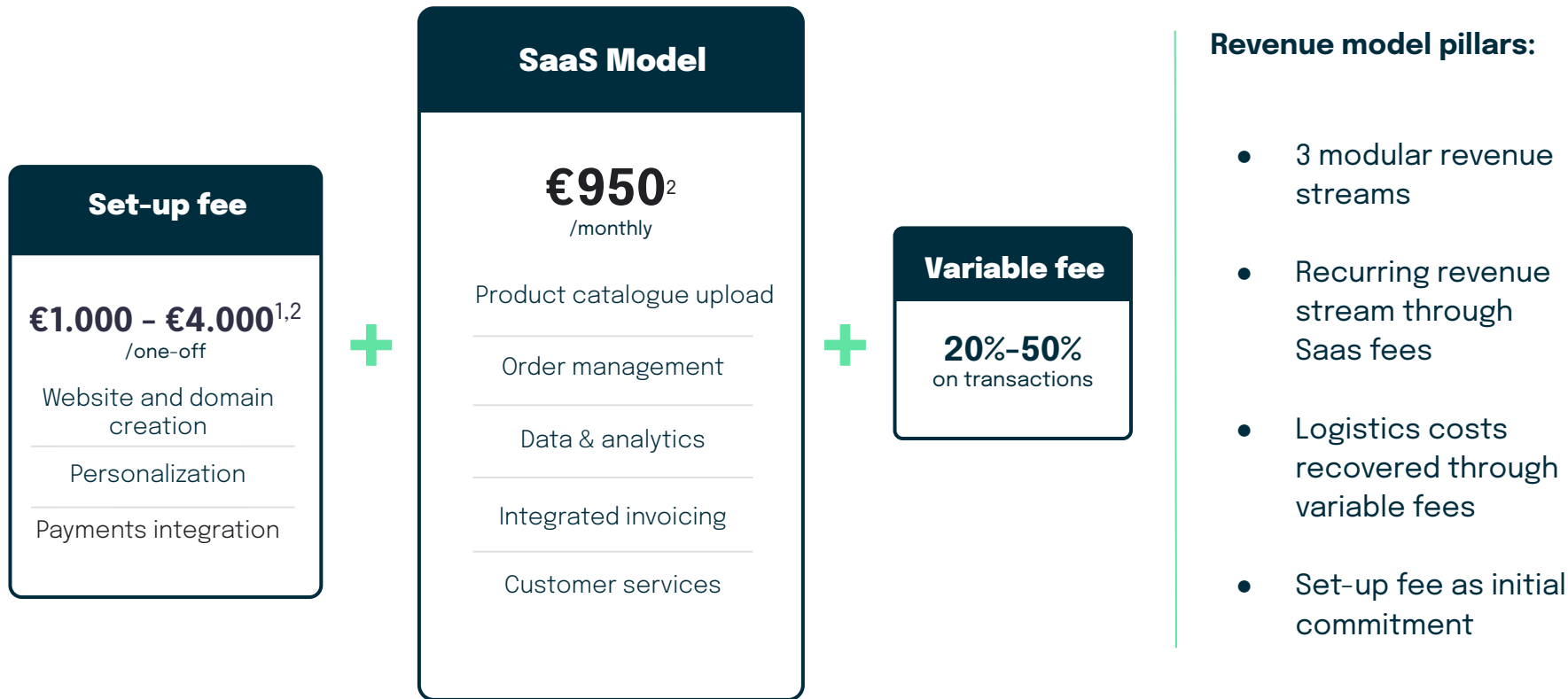
Revenue model pillars:

- 3 modular revenue streams

- Recurring revenue stream through Saas fees

- Logistics costs recovered through variable fees

- Set-up fee as initial commitment

Note: 1. Set up fee price variable depending on partner's size and needs; 2. Excluding VAT

Our traction in the market

COMMERCIAL CONVERSATIONS

ALBERTA FERRETTI   TEDDY GROUP

BRAVE KID

ATELIER EMÉ   MONNALISA

▲LUISAVIAROMA.COM

COMMERCIAL PIPELINE CONVERSION

Reach out	Introduction	Proposal	Negotiation	Contract signed
100%	19%	57%	75%	33%

1 PARTNER LIVE

SP
SOFIA PROVERA®
BRIDAL & COUTURE

Digital innovation advisor

Chief Technology Officer

CLOOV INCORPORATION

€60k PANiNi®

LEAD INVESTOR

GROWING TEAM

Q2-2022	Q3-2022	Q4-2022	Q1-2023

5 years business plan

■ Gross Revenues   ■ EBITDA   ■ FCFO

(€,k)

Gross Revenues:
- 2023: 70
- 2024: 713
- 2025: 2,534
- 2026: 6,695
- 2027: 13,764

EBITDA:
- 2023: (209)
- 2024: (429)
- 2025: (483)
- 2026: 511
- 2027: 2,428

FCFO:
- 2023: (208)
- 2024: (407)
- 2025: (433)
- 2026: 330
- 2027: 2,001

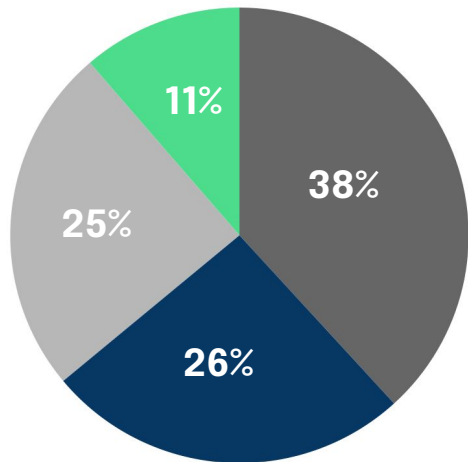| 2023 | 2024 | 2025 | 2026 | 2027 |

43
partners
(SME & Enterprise)

+770k
orders managed

11

Our ask to expand partnerships and scale

- **Business dev.** — 38%
- **Software dev.** — 26%
- **Marketing** — 25%
- **Admin** — 11%

Partnership foundation

Technology foundation

Customer experience foundation

GOAL: €400k

Cloov Team

Management Team

Olimpia Santella
CEO & Co-founder

- Professional experience:
  M&A FIG, Mediobanca,
  Green transition strategic
  planning, SNAM

- Academics:
  Business and Management,
  Bocconi University
  MBA, IIM Bangalore

Chiara Airoldi
COO & Co-founder

- Professional experience:
  Strategy & Planning, Klarna
  Commercial strategy
  analyst, Otrium B.V

- Academics:
  Business Strategy &
  Management, SDA Bocconi
  Marketing, IULM University

Gianluca Innocente
CTO

- Professional experience:
  10+ years as freelance
  software developer and
  android and iOS developer

- Academics:
  AWS certified developer

Support Team

Giuseppe Stigliano

*Advisor (CEO Spring
Studios)*
+20 years of experience in
marketing and
communication,
experienced in digital
innovation

Marie-Laure Lequain

*Advisor (former Vice
President Digital Gucci)*
+20 years in luxury and
fashion, expert in
merchandising,
experienced in steering
innovative businesses at
global level

13

"The sauce of **growth** comes from innovative business models: **rental is one of them**"
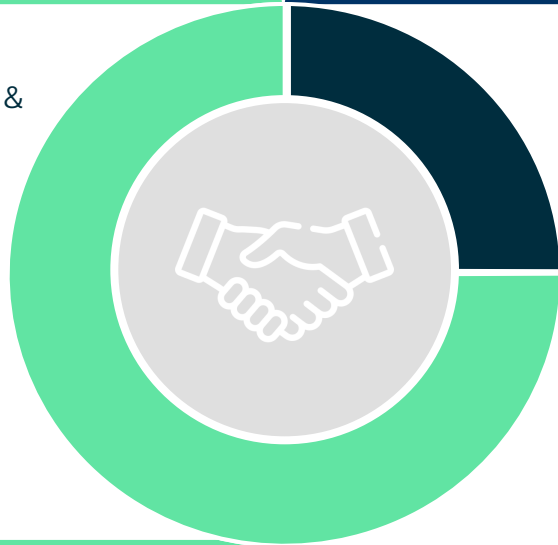
Contacts: *info@cloov.tech*

Backup

How we collaborate with our partners

ClooV

1. Rental platform setup
2. Order management (subscription & one-off)
3. Acquisition & retention marketing
4. Fulfillment & reverse logistics
5. Customer service
6. Dashboard & Insights
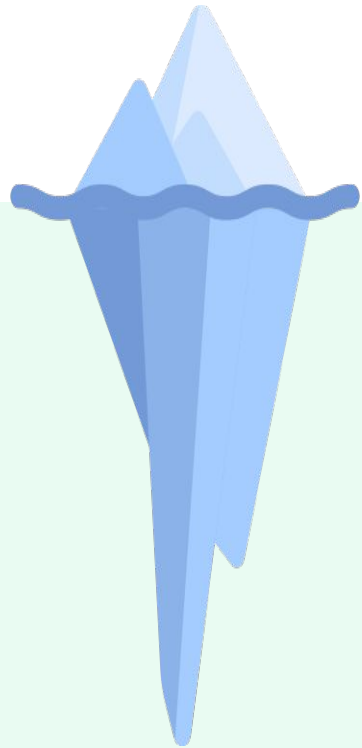7. Invoicing to customers

Our partners

1. Stock definition
2. Pricing definition
3. Organic marketing

Cloov operates on behalf of its partners thanks to its **proprietary software**. Cloov empowers its partner by providing access to performance and customers **data**, products durability and merchandising **insights**

End-to-end solution

1. Rental platform set-up:

Launch partners' rental offer - website:
- Offers: 3 subscription plans (incl. one-off rental)
- Seamless customer journey
- Personalization

2. OMS: Order Management System (catalog, payment lists, order lists, calendar, etc..)

A back-end managed by ClooV:
- Partners' own content (products, prices)
- Payments
- Insurance
- Order management
- Customer list

4. Data & analytics

Data tracking to optimize partners' rental offer
- Dashboard on customers & products data
- e-commerce dashboard

3. r-WMS: reverse Warehouse management system

Third-party provider to reduce fixed costs

Reverse logistics management for every product:
- Integrated logistic
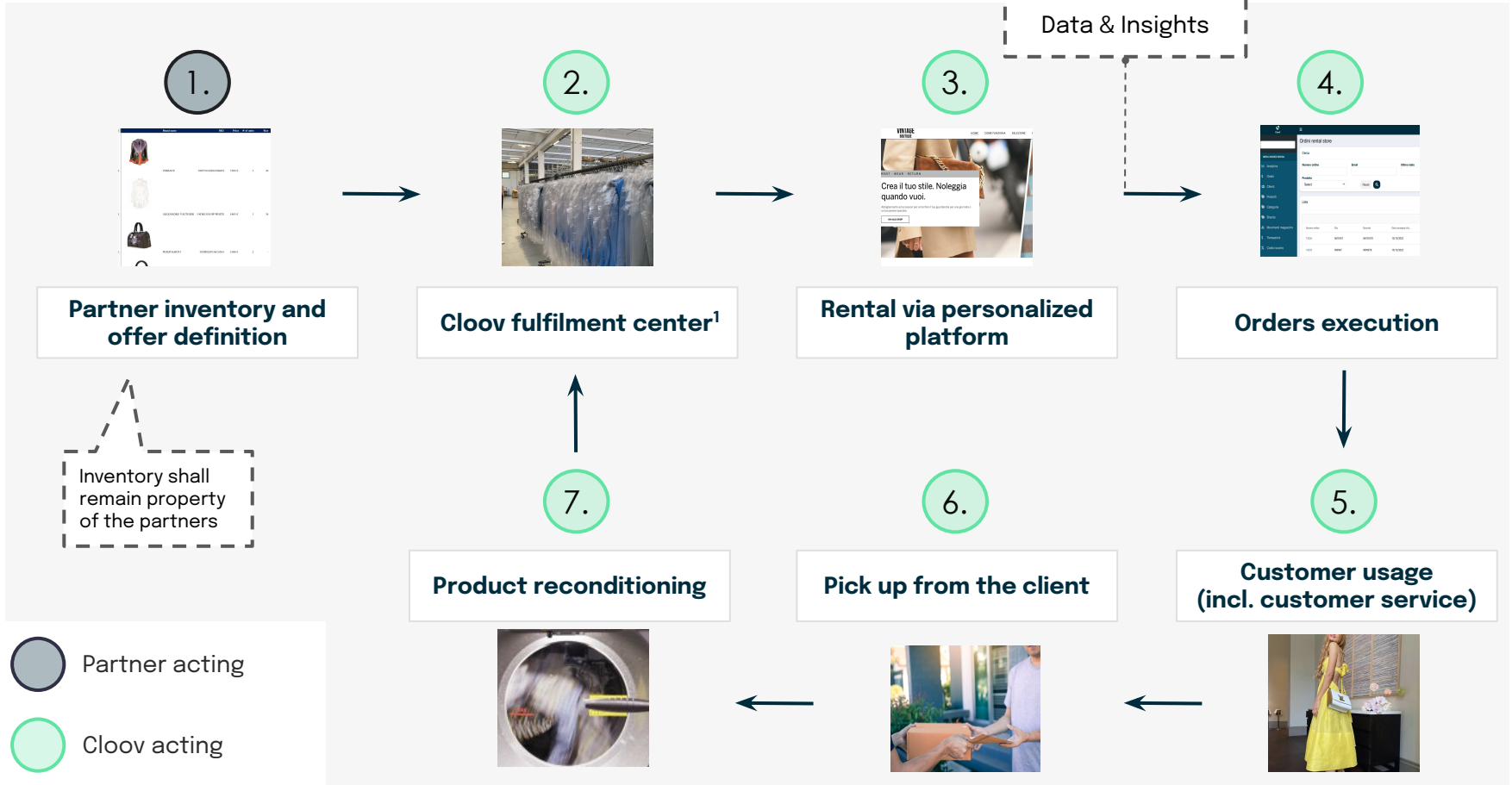- Transportation
- Quality control
- Dry cleaning
- Reconditioning

How we simplify the operational flow for our partners

Data & Insights

1. Partner inventory and offer definition

Inventory shall remain property of the partners

2. Cloov fulfilment center[1]

3. Rental via personalized platform

4. Orders execution

5. Customer usage (incl. customer service)

6. Pick up from the client

7. Product reconditioning

Partner acting

Cloov acting

Notes: 1. Performed through a third-party provider

Key benefits for partners

1.

New target of clients

Acquiring and retaining conscious and price sensitive customers

55%
of Gen Z prefer to rent over buy

2.

Data & Analytics

Data on user preferences to calibrate partners offer

Data collection:
- Sales performance
- Operations
- Post-use
- Customers

3.

Profitability

Incremental revenue streams while maintaining control over inventory

15–40%
gross margin[1]

4.

Sustainability

Maximisation of product life cycle and product waste reduction

41%
Co2 emission reduction[2]

Notes: 1. Gross margin as gross revenues net of cost of production and variable fees; 2. Reduction of CO2 emissions through a B2C rental model compared to a linear sales model. Sources: "Circular business models: redefining growth for a thriving fashion industry", Ellen MacArthur Foundation (2021),"Moda a noleggio, i giovani trainano la domanda!, Il Sole24 ore (2021).

Details in the next slides

Customer acquisition: Gen Z and Millennials

Who's the typical rental buyer-persona?

20–40
years old

75%
with limited free time

90%
full-time professional women

80%
with college or master degree

90%
sustainability driven

+2
social events per week

2. Data at your service through 4 pre-configured reports

Rental store performance
= The analytics to measure financial impact

- Revenues
- MoM revenues
- Margins
- Total rentals

Product performance
= The analytics to drive inventory strategy

- Best performing products
- Detractor products
- Categories split
- Recovery value
- Materials

Customers performance
= The analytics to measure success with customers

- Total customers
- MoM customers growth
- CLV

Operations and transactions
= The analytics to maintain control over inventory

- Real time stock status
- Raw data on transactions
- Unique product use data

3. Example of profitability model for multibrands compared to current solutions

1. Full price sales

Retail price	€1000
Cost	€400[1]
Quantity	1
Gross margin	**€600**[3]

2. Off-price sales

Retail price	€1000
Cost	€400[1]
Quantity	1
Discount	40%
Gross margin	**€200**[3]

3. Rental

Retail price	€1000
Cost (whs)	€400[1]
Number of rentals	11
Gross margin	**€667**[3]

11 rentals with a gross margin per unit of 97€

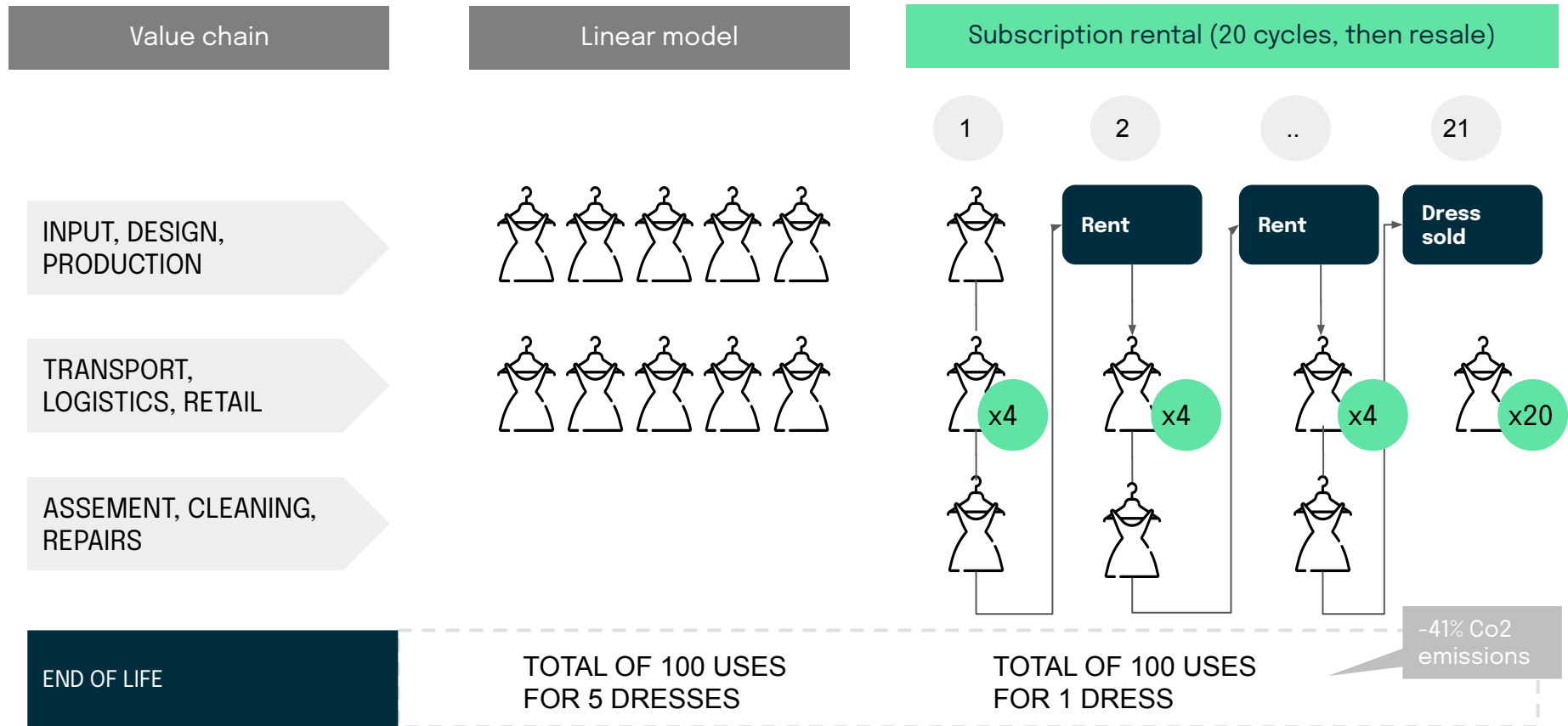| €150	€(53)[2]	€97
Rental price	Variable costs	Unit margin

~**4** rentals for *breakeven*

Notes: 1. Estimated 2.5x markup; 2. 35% Cloov fee; 3. Gross margin defined as revenue minus cost of sales and direct variable costs.
Sources: https://www.bain.com/insights/luxco-2030-a-vision-of-sustainable-luxury/

4. Rental can generate a reduction in Co2 emissions of up to 41%

Value chain	Linear model	Subscription rental (20 cycles, then resale)

INPUT, DESIGN, PRODUCTION

TRANSPORT, LOGISTICS, RETAIL

ASSEMENT, CLEANING, REPAIRS

END OF LIFE

1   2   ..   21

Rent   Rent   Dress sold

x4   x4   x4   x20

TOTAL OF 100 USES FOR 5 DRESSES

TOTAL OF 100 USES FOR 1 DRESS

–41% Co2 emissions