

Notonthehighstreet.com secures £21m of investment to accelerate growth plan

28th August 2016, Richmond - Notonthehighstreet.com, the leading curated marketplace for creative small businesses, announces that it has raised £21m of funds to help the business accelerate its ambitious strategy for long-term growth. The news comes as the company posts year-on-year sales growth of 19% - its tenth consecutive year of double-digit growth.

The funding round (Series E) was led by Hubert Burda Media ("Burda"), one of Europe's leading media and technology companies, with additional support from existing investors including Index Ventures, Industry Ventures and Eight Roads Ventures. Notonthehighstreet.com will use the funds to:

- Further invest in the technology, innovation, marketing and operations that allow the company's 5,000 strong and growing Partner (seller) community to connect with more customers and scale their businesses using Notonthehighstreet.com's technology platform
- Continue to build Notonthehighstreet.com's core gifting offer, expanding categories and developing the customer experience both on and offline
- Open up Partners' access to new markets, and build the business' international vision

Notonthehighstreet.com CEO Simon Belsham commented:

"Notonthehighstreet.com was born out of the belief that customers want products that are more thoughtful, unique and personal and that, through technology, we could connect thousands of independent businesses – the makers of these great products - with customers around the world. This purpose remains even more relevant today in a world where customers are craving something more than the ubiquity of the mass market."

"Finding an investor that shared our vision and could provide strategic support, as well as new funds to support our multi year growth plan, was key. Burda has a longstanding reputation as an investor in cutting-edge consumer and technology businesses and an international reach that will help us accelerate the potential we see both at home and overseas."

Martin Weiss, Managing Director at Burda Principal Investments said:

"Notonthehighstreet.com has built up a very successful Ecommerce business beyond the classic retail model that fits very well with our portfolio. We see significant growth potential for this unique business, both in and outside the UK, making it an obvious partner for us as we continue to grow our portfolio of consumer and technology brands internationally."

Hubert Burda Media currently holds a portfolio of consumer-related digital businesses and has a track record investing in entrepreneurial companies with a clear vision for growth and innovation. Current investments include XING, the number one business network in Germany and Europe. Burda is behind one of Europe's biggest and most influential digital and innovation conferences, DLD (Digital Life Design) and publishes a number of key media titles including Wedding and Your Home in the UK, as well as Elle, Elle Decoration, and InStyle in Germany, which will benefit Notonthehighstreet.com as it looks to grow the brand further at home and abroad.

Performance Highlights

The investment comes as the retailer reports a period of strong sales for the 12 months to 31st March 2016. During this period the company grew Full Year TTV by 19%, with underlying EBITDA loss of £1.6m compared to an EBITDA loss of £3.0m for the same period for the previous year. It also made a number of senior hires to drive the business as it enters its second decade of trading and embarks on its accelerated plan for growth. These appointments include: Simon Belsham, CEO; Darren Shapland, Chairman; David Phillips, CFO; Hugh Fahy, CTO; Hannah Webley-Smith, Customer Director. This newly formed team has a wealth of diverse and relevant experience in consumer industries and technology that will be vital in growing the business and allowing it to fulfil its potential.

Belsham added: *"It has been an incredibly exciting twelve months for Notonthehighstreet.com, marked not only by this new investment but another year of strong growth and several significant senior hires that put strong foundations in place for continued success."*

Further detail on how Notonthehighstreet.com will invest the new funds:

Investment in the Partner community

- As part of its mission to help creative small businesses scale, Notonthehighstreet.com will further invest in the suite of services currently offered to our Partner community, including developments in technology, marketing, delivery and packaging
- The business will also continue to invest in growing new talent through [Pitch Up](#), Notonthehighstreet.com's flagship programme for start-ups to pitch their products to the marketplace; and the Passion for Pattern project, in collaboration with the University of the Arts (UAL), which uses designs from winning art students in the Notonthehighstreet.com product range

Investment in Notonthehighstreet.com's core gifting offer, expanding categories and developing the customer experience

- Gifting represents a significant share of Notonthehighstreet.com's sales today and the business will invest in more marketing and brand partnerships to grow its position within the important gifting market
- Experiential gifts are the fastest growing category, recording over 100% growth each year, and Notonthehighstreet.com will look to broaden the range of memorable experiences it offers. It will also continue to unearth and bring to the site highly innovative products made using cutting-edge design techniques, such as those used by two of its latest Partners: Dot One, who use DNA chains to produce personalised designs, and Chisel And Mouse, who combine traditional sculpting, moulding and casting with CAD and 3D printing to produce products
- The business will continue to invest in driving the customer experience through technology and innovation. In Autumn 2016 Notonthehighstreet.com will become one of the first companies in the world to bring Apple Pay technology to its website, making it even more convenient, quick and safe for customers to shop online. Apple Pay is already available on

Notonthehighstreet.com's mobile [Gift Finder](#) app, which has helped drive sales conversion by 200% compared to traditional credit card checkouts

- Following Notonthehighstreet.com's first experiential project, Open Door, the business plans to further explore opportunities to bring customers closer to Partners and their unique products through physical manifestations of the online marketplace. This concept will become a key lever in the marketing mix for the future with the next physical event taking place at Stylist Live in October 2016

International expansion

- Notonthehighstreet.com last year shipped to 154 countries worldwide with international representing 5% of sales. As part of its growth plan, the business continues to look at opportunities to build its reach across its core UK market, as well as internationally.

ENDS

Definitions

Definition: Total Transaction Value ("TTV") is gross sales

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ABOUT NOTONTHEHIGHSTREET.COM

Notonthehighstreet.com is the leading curated modern marketplace connecting the best small creative businesses, with the world. The brand has gained the trust and loyalty of its customers through offering an alternative to the High Street: a curated product selection with unique designs, high-quality craftsmanship and inspiring stories behind the people that make them.

Customers choose to support small creative businesses and therefore contribute to building the great creative talent and community of artisans across the United Kingdom. Shopping with Notonthehighstreet.com is an opportunity for customers to be a conscious consumer, bringing human values back into retail and enabling the things they buy to say something about who they are.

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Founded in 2006 by Holly Tucker MBE and Sophie Cornish MBE, the brand has experienced exceptional growth with gross sales (TTV) in 2016 reaching £158 million and delivering a compound growth rate of 135% since launch. Under the leadership of newly appointed CEO Simon Belsham, there is renewed energy and focus on building a brand that will captivate customers for decades to come by supporting Partners' growth and innovation.

With a team of over 250 at its headquarters in Silicon Upon Thames, South West London, Notonthehighstreet.com is Chaired by retail veteran Darren Shapland and backed by media and technology company, Hubert Burda Media and venture capitalists including Index Ventures, Industry Ventures and Eight Roads Ventures.

About Hubert Burda Media

Hubert Burda Media, headquartered in Munich, is an international technology and media company with over 540 brands and products that are oriented to the needs of consumers. Burda has 175 million users and approximately 60 million paying consumers. Its commercial success is driven by over 10,000 employees around the world: Burda is active in 19 markets, above all in Germany – where it is one of the countries' largest media groups – in Europe, the United States and Asia. Innovation is the driving force behind the organization, which builds on its original roots and values as a family-owned company.

Burda has been a pioneer in adopting digital technology and is a trusted partner for the long-term success of digital business. With DLD (Digital, Life, Design) Hubert Burda Media has established a global network on innovation, digitization, science and culture with conferences around the world. Burda Principal Investments is the company's unit to provide growth capital to digital ventures in the United States, Europe, and Asia.