

# Otrium

⌚ 02 May 2019, 08:45 (CEST)

## Otrium raises €7m to build world's leading online fashion outlet and signs up 100 brands



**Amsterdam, 2 May 2019** – □Otrium, an innovative online fashion outlet, has raised €7 million to grow its international footprint and brand partnerships. Otrium's mission is based on the belief that every piece of clothing deserves an owner that appreciates it. It has developed a unique model for selling excess inventory – a growing challenge in the fashion industry.

The Series A round was led by venture capital firm Index Ventures, a backer of Asos and Farfetch. Index's partner Danny Rimer joins the board with this round. Otrium already counts among its investors Fred Gehring and Ludo Onnink, the former CEO and CFO respectively of Tommy Hilfiger Global, and Victor Knaap, founder of creative digital production company Mediamonks.

Founded in 2016, Otrium now has over 100 brand partnerships including up-and-coming designers and global names, such as G-Star, Puma, Vans, Pepe Jeans and Scotch & Soda. More than 600,000 shoppers are subscribed to buy on the platform, and revenue is growing 400% annually.

‘Billions of dollars of valuable clothing are collecting dust in warehouses every season, going to waste, sold at knock-down prices and even being burned,’ say Milan Daniels and Max Klijnstra, founders of Otrium. ‘Our aim is to help apparel makers minimise waste and give their inventory a second chance, selling to a gated community of shoppers where they control the channel.’

Over 10% of clothing is left unsold once sales season ends. With the rise of e-commerce, ‘fast-fashion’ and increasingly rapid retail cycles, apparel manufacturers struggle to keep up.

Instead of offloading unsold items via flash sales, to stock-buyers at little or no profit, or in expensive-to-run physical outlets, Otrium’s platform delivers higher margins and gives brands more autonomy and flexibility. Clothing companies retain full control over price-point, merchandising and promotions. With Otrium as the intermediary, they also avoid cannibalising and competing with their own new-season offerings.

Uniquely rich data about the most popular lines and items, which Otrium provides to its partners, can help brands come up with strategies for ‘continuation stock’ – items developed specifically for off-price sale.

‘Otrium has seen an impressive uptake by fashion brands, who see the new model as an appealing alternative to discounters or running their own outlet operations. With Otrium, brands increase their margins and maintain control of where their stock is sold and at what price,’ commented Danny Rimer, Partner at Index Ventures. ‘Otrium is quickly becoming a trusted online outlet partner for in the fashion industry.’

The market for so-called ‘off-price’ apparel is growing faster than any other retail sector, with over €30 billion worth of annual sales in Europe and \$250 billion worldwide.

Founders Milan Daniels and Max Klijnstra, who first met in primary school, confronted the excess inventory challenge when they built □Breaking Rocks□, an internet meme-based clothing brand. Despite the overwhelming success of the business, which they sold in 2015, they found themselves with over €100,000 worth of stock in their warehouse. The problem prompted them to create Otrium. The pair have since been garnered recognition, including making the 2019 Forbes Magazine 30 under 30 list for the best entrepreneurs.

## About Otrium

Founded in 2016, Otrium's mission is to build the world's leading online outlet, connecting previous collections with fashion-lovers. Founded in 2016, Otrium now has over 100 brand partnerships including up-and-coming designers and global names, such as G-Star, Puma, Vans, Pepe Jeans and Scotch & Soda.

## About Index Ventures

Index Ventures is a London and San Francisco-based international venture capital firm that helps the most ambitious entrepreneurs turn bold ideas into global businesses. Index-backed companies that are reshaping the world around us include Adyen, Bird, Dropbox, Farfetch, Glossier and Slack.

To learn more, visit w□ww.indexventures.com.□

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## ABOUT OTRIUM

We're here to unlock the full potential of fashion outlet online. Otrium's full-service marketplace enables fashion brands to open an outlet store with zero effort and all the benefits. Through their Otrium store brands can sell outlet and previous collections to an online community of fashion lovers, while keeping full ownership of all items until sold. By opening a sale channel on Otrium's online marketplace, brands get faster turnover on their outlet and previous collections, access a fast-growing international shopping community and gather insightful data on their sales and following. We offer a full-priced service on off-priced collections. Our marketplace is brand strengthening and our customers always have a first-class shopping experience.

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