



## Zwift Raises \$450 Million Investment; Series C Round Led By KKR

September 16, 2020

Zwift, the global online fitness platform for cyclists and runners, today announced a \$450 million minority investment led by leading global investment firm KKR, accompanied by other new investors Permira, Specialized Bicycle Components' venture capital fund, Zone 5 Ventures and the Amazon Alexa Fund and existing investors including True, Highland Europe, Novator and Causeway Media. The investment will be used to accelerate the development of Zwift's core software platform and bring Zwift-designed hardware to market, making Zwift a more immersive and seamless experience for users.

Zwift uses the power of gaming technology to bring the outdoor experience indoors, making at home exercise a fun, engaging and social experience by connecting cyclists and runners in immersive 3D computer-generated worlds. Users of the Zwift platform interact, train and compete together by wirelessly pairing a bike trainer or treadmill to the Zwift app, to power their in-game avatars. This fully immersive experience brings the experience of the outside world into the virtual, simulating the gradients of mountain climbs and the draft of other riders. The platform offers its members the opportunity to explore 240 miles of terrain in 10 virtual worlds where they can also follow structured training plans, enjoy group rides or take part in any one of the hundreds of daily mass participation events. The social aspect of the platform helps deliver the experience of competitive and communal training for users who want to ride or run together and maintain social connections from the comfort of their homes, with the user experience continually improving as the community grows.

Since launching in 2015, Zwift has seen over 2.5 million accounts registered across 190 countries, positioning Zwift as a global leader in the at-home connected fitness market. Zwift's prominence has increased significantly in 2020 as many turned to the platform to provide not just a fitness solution but also a means to help them maintain their social connections by joining Zwift's vibrant community who work out together online. Zwift has also led the way in a new category of physically-powered esports, hosting a number of professional events including the first Virtual Tour de France in July, an event broadcast to over 130 countries worldwide that saw the world's best male and female professional cyclists compete. Later this year, Zwift will be the host platform for the inaugural UCI Cycling Esports World Championships.

Stephen Shanley, Director at KKR, said: "Zwift is the preeminent digital brand for the global cycling community with a best-in-class product that sits at the intersection of digital health,

gaming and at-home fitness. We see tremendous potential ahead as Zwift invests further in its digital and physical products to enhance the experience for its global community of enthusiastic users. This investment fits perfectly with our growth equity strategy of backing leading tech entrepreneurs as they scale globally." Patrick Devine, Principal at KKR, added: "We are delighted to lead this round, supporting Eric and his team with access to KKR's global platform and resources."

Andrew Young, a Principal in Permira's Menlo Park office, said: "Zwift is a perfect fit with Permira's DNA, not least because we have a big Zwift fanbase in the firm, but also an extensive track record of investing in consumer technology businesses to deliver global growth. We're excited to partner with Eric and the team as they seek to turbo charge product investment and to solidify Zwift's position as the leader of at-home fitness."

Paul Cocker, Co-Founder of True, said: "As existing investors, we are delighted to have significantly increased our support for Zwift in this round, which reflects the strength of the relationship we have built with Eric and the team, as well as the confidence we have developed in the technology and brand over the last two years. This is our first \$100m investment and we are excited about the increased opportunity this transaction now gives Zwift to further transform at-home fitness."

Eric Min, Zwift CEO and Co-Founder, said: "With this investment, Zwift is primed to operate in a broader fitness market and deliver on our ambition to provide gamified fitness through integrated software and hardware, to anyone who wants to have fun while getting fit at home. We will be accelerating our investment in the core business, improving the overall product experience, and bringing forward new features, more content and Zwift designed hardware, all with the support of KKR and our new outside investors who can help drive our growth. To make this happen, we will be increasing headcount within our core product teams, investing in the very best people. We begin by welcoming Ilkka Paananen to Zwift both as an investor and independent board member."

Ilkka Paananen, Co-Founder & CEO, Supercell, said: "Zwift is uniquely positioned to lead the way and grow a new global fitness community, combining video gaming and sports, two of my great passions. I have been incredibly impressed by Eric's vision and ambition, and his commitment to building a world-class product for the community. There are many exciting growth opportunities for Zwift and I'm looking forward to being a part of this journey."

Specialized's investment represents the beginning of a strategic partnership between the global cycling brand and Zwift. Both brands share the belief that cycling, whether indoor or outdoor, has the power to improve lives. Chris Yu, Leader of Product and Innovation at

Specialized, stated "our goal is to pedal the planet forward by getting more riders riding, and we are beyond excited at the opportunity to partner with Zwift to break down the barriers to riding indoors on the world's most engaging platform."

KKR's investment was made through its Next Generation Technology Growth Fund II, a global fund dedicated to growth equity investments in the technology space. KKR has established a strong track record of supporting technology-focused growth companies, having invested over \$2.7 billion in related investments since 2014. Permira's investment was made through its Growth Opportunities Fund I, which focuses on minority investments in growth-focused, tech-enabled businesses. Specialized's investment was made through its venture fund, Zone 5 Ventures, which focuses primarily on minority investments at the intersection of sports, media, technology and health and wellness. In connection with the financing, some investors will purchase shares from certain existing shareholders. J.P. Morgan Securities LLC acted as Sole Placement Agent on the financing.

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### **About Zwift**

Zwift is the fitness company born from gaming. We're dedicated fitness enthusiasts that also happen to be experienced software and video game developers. Combining that passion and deep understanding of the fitness world, Zwift is the first company to use massively multiplayer gaming technology to bring the outdoor experience indoors. Athletes from around the globe can train and compete with each other in rich, 3D-generated worlds simply by connecting their existing devices & hardware (e.g. cycle trainers, power meters, treadmills, heart rate monitors, etc) wirelessly via open industry standard ANT+ and BLE. From friendly competition, to racing & structured training programs, Zwift is building a community of like-minded athletes united in the pursuit of a better social fitness experience.

### **About KKR**

KKR is a leading global investment firm that manages multiple alternative asset classes, including private equity, credit and real assets, with strategic partners that manage hedge funds. KKR aims to generate attractive investment returns for its fund investors by following a patient and disciplined investment approach, employing world-class people, and driving growth and value creation with KKR portfolio companies. KKR invests its own capital alongside the capital it manages for fund investors and provides financing solutions and investment

opportunities through its capital markets business. References to KKR's investments may include the activities of its sponsored funds. For additional information about KKR & Co. Inc. (NYSE: KKR), please visit KKR's website at [www.kkr.com](http://www.kkr.com) and on Twitter @KKR\_Co.

### **About True**

True ([www.true.global](http://www.true.global)) is Europe's only retail and consumer sector specialist that operates across the entire investment vertical. True invests in business models which represent the future of the industry. True's Live Network model brings together its private equity companies, startup and growth businesses, investors and industry partners to add value, both strategically and operationally, across the retail and consumer spectrum.

### **About Permira**

Permira is a global investment firm. Founded in 1985, the firm advises funds with a total committed capital of approximately US\$50bn (€44bn) and makes long-term investments, including majority control investments as well as strategic minority investments, in companies with the objective of transforming their performance and driving sustainable growth. The Permira funds have made over 250 private equity investments in four key sectors: Technology, Consumer, Services, and Healthcare. Permira employs over 250 people in 14 offices across Europe, North America, and Asia.

### **About Zone 5 Ventures**

Zone 5 Ventures, Specialized Bicycle Components' venture fund, focuses on helping innovative technology companies at the intersection of sports, media, technology and health and wellness. Leveraging its extensive network and collective experience in sports, entrepreneurship, technology and operations, Zone 5 Ventures invests its capital, resources and expertise to help entrepreneurs accelerate growth and innovation. Zone 5 Ventures, along with its partner companies, offers a one-of-a-kind platform to enable its portfolio companies to redefine how the inner athlete in all of us harnesses technology to achieve goals and ultimately improve lives. To learn more about Zone 5 Ventures visit [zone5ventures.com](http://zone5ventures.com)