

Seedrs pitches earn £293M total investment in 2020

Private company investment platform Seedrs has much to celebrate after reporting a record-breaking 2020, with £293M invested into pitches. The new figures bring the total amount invested through the platform since launch to over £1B.

The 2020 total reflects a 16% growth in investment against 2019, despite the economic challenges brought by the global pandemic. Seedrs completed 265 deals in 2020 and delivered nearly 14,000 investor exits on its secondary market.

In 2020, Seedrs helped businesses from 18 different countries raise funds, and received investment from 75 different countries. In addition, 73 campaigns raised in excess of £1 million.

Highlights include the largest raise of the year by Snoop, the money saving app founded by ex-Virgin Money execs, who raised over £10M, and online property management platform Howsy, who raised over £2.3M, which was nearly 10 times their funding target.

AFC Wimbledon football club also became the Seedrs record-holder for most community investors in a single campaign, raising money from over 5,000 investors to build a new stadium just 230 metres from the club's original

ground.

Changing habits

Seedrs saw a shift in the types of companies investors put their money into during the past 12 months. While fintech remained the leading sector with £78M invested, Seedrs saw growing interest in healthcare (292% investment growth), home and personal care (50% investment growth) and food and beverage (121% investment growth). Changing consumer priorities were also reflected in a decline in investment in travel and leisure (-16%) and property businesses (-32%).

Jeff Lynn, executive chairman and cofounder of Seedrs, said:

“Given the huge challenges that 2020 posed for all businesses, it is a source of great pride for the Seedrs team that have come to the end of year having delivered meaningful growth across all key metrics.

“The fact that we continued to break records even in these tough conditions is a validation of one of our founding hypotheses: that equity investment in growing private companies is a largely non-correlated activity that can thrive in good times and in bad.

“Equally, they are a testament to the hard work and tremendous dedication of our whole team, working under unprecedented circumstances to deliver the best possible outcomes for our entrepreneurs and investors.”

Investment potential

In a year where Covid brought challenges to the largest and smallest of businesses, Seedrs remained focused on helping ambitious, innovative businesses in all sectors to raise much needed capital to help ride out the economic disruption. Among these were 45 businesses who raised capital

through the Seedrs that was matched by the UK government's Future Fund.

Seedrs also saw its secondary market further extend its lead in the industry with many new features added, notably the opening up access to all private businesses in September and variable pricing. These developments led to the secondary market's biggest year-to-date delivering nearly 14,000 investor exits, with total investor profit growing 260% from the January market to the December market.

The Seedrs secondary market now offers up to 400 companies during each monthly open and averages nearly half a million pounds of trades during that week.

Seedrs also saw a record seven profitable company-level exits from its portfolio in 2020. These included Mindful Chef's acquisition by Nestle, as well as ANNA Money, who secured a £17.5M investment from ABH Holdings SA to take a majority stake in the company.

Article by KIRSTIE PICKERING