

Silicon-Quantum, gamified virtual fitness and a female friendship app all intrigue in this week's Maddymoney

Every week, Maddyness brings you the latest investment news from the UK startup ecosystem. Here's a recap of this week's investments.

Total

£95.1M

Number of deals

10

Quantum Motion raises largest round for UK quantum at £42M

Quantum Motion, a UK-based quantum computing scale-up has raised over £42M in equity funding from some of the world's leading quantum and technology investors. The oversubscribed round was led by Bosch Ventures. All existing investors from earlier rounds again participated.

Quantum computers offer an opportunity for transformative computing power with the potential to disrupt sectors ranging from energy and pharmaceuticals to finance and logistics. Quantum Motion's vision is to develop scalable quantum computers by harnessing highly advanced silicon transistor manufacturing processes. Over the last two years the company has made a series of peer-reviewed and record-breaking achievements that underline how silicon could be the fastest, most cost-effective and scalable way of producing the millions of qubits that are needed to create fully-functional, fault tolerant quantum computers.

Quantum Motion's latest funding round brings the total raised to £62M. The company has previously raised over £20m in equity and grant funding from the UK and EU and existing investors which have supported the company through its early-stage work and growth, enabling it to hit a sequence of milestones that demonstrate a clear path towards building quantum computers. It has designed and validated integrated circuits capable of generating, routing and processing signals at deep cryogenic temperatures, operating down to a few tenths of a degree above absolute zero. Recent demonstrations such as the mass characterisation of thousands of multiplexed quantum dots fabricated in a tier one foundry have further underlined the company's advantage.

This is one of the most significant raises in UK quantum computing and allows Quantum Motion to accelerate its development of silicon quantum processors by developing deeper ties with its manufacturing partners and trebling the size of its central London headquarters.

QiO Technologies secures £8.3M to help businesses reduce emissions

QiO Technologies, an AI sustainability tech start-up which supports energy-intensive businesses to deliver rapid reductions in greenhouse gas emissions (GHG) and energy costs, has closed a \$10M Series B funding round from Wave Equity Partners, a leading impact investment firm based in Boston, USA.

Energy-intensive industries contribute 24.2% of global GHG emissions each year. QiO developed its Foresight Sustainability Suite™ in response to the difficulties faced by industry in leveraging large, disparate sources of operational data to reduce GHG emissions and improve operational efficiency. By applying its AI optimisation technology in sectors ranging from automotive, steel, glass, cement, oil & gas, data centers and telecoms, Foresight Sustainability Suite™ has delivered up to 20% savings on energy and maintenance costs and reduced GHG emissions by up to 10%.

QiO will use this funding to expand its operations in USA and Europe, enhance the capabilities of its Foresight Sustainability Suite™, and accelerate customer acquisition in sectors which face the biggest challenges in achieving net zero GHG emissions.

Fitness gaming developer Quell Raises £8.3M

Quell, a UK-based fitness gaming developer and publisher pioneering the future of fitness gaming technology, has announced the completion of a \$10M Series A funding round led by Tencent. This latest round brings Quell's total financing to \$15.6M.

Quell is a UK-based fitness gaming developer and publisher that is aiming to pioneer the future of fitness gaming technology. Its 'Impact' platform is a dedicated fitness gaming system where you can complete a gamified work out in an immersive digital world. Quell's lightweight motion and fitness-tracking technology is combined with athlete-grade resistance bands to deliver feedback, resistance and tracking to player action, burning over 600kcal an hour on average. The Impact device will be released in 2023 alongside the company's first game, 'Shardfall', developed in-house by a leading team of engineers and fitness experts.

The Series A round enables Quell to upsize its launch game, Shardfall, and continue to expand its video game library. The company will also commence large-scale production of its 'Impact' fitness gaming system, a proprietary motion and biometric tracking technology with haptic sensors that offers a fully immersive video gaming. Quell has seen very strong pre-orders and expects to roll out the product globally later this year.

Startup taking shipping industry paperless sails to six-figure round

eTEU, a SaaS platform that removes the need for physical shipping paperwork, has secured a new round of funding from early-stage focused venture capital firm Jenson Funding Partners alongside others.

Shipping trade documentation has historically been paper-intensive and resource heavy. On average a single shipping document package contains 50 sheets of paper that are exchanged between up to 30 stakeholders. eTEU's platform aims to solve these pain points by issuing a digital version of the Bill of Lading on the blockchain. This preserves the uniqueness of the paper document and creates an audit trail of documentation for every shipment that will improve supply chain resilience and efficiency, allowing the exchange of the trade documentation with a single click of a button.

The investment will fund the commercial product launch of eTEU's electronic Bill of Lading (eBL) – a document of title for the cargo – and extend this service to both shipping and freight forwarding companies.

HedgeFlows launches with £2M to empower SMEs for international trade

HedgeFlows, a fintech platform for small and medium sized enterprises (SMEs) has launched this week following a £2M funding round. The HedgeFlows platform enables SMEs to seamlessly manage foreign payments, cashflows and invoices, giving ambitious companies access to services which are often denied by the big banks.

In a similar way to companies such as Xero and Quickbooks which have revolutionised the accounting market, HedgeFlows aims to empower businesses to better plan and manage their financial needs in any currency. The Hedgeflows platform helps businesses grow and improve their international trade capabilities to sell across borders. It also automates management of the risks involved in foreign trade such as volatile exchange rates, fraud or hidden costs.

Alex Axentiev, co-founder, HedgeFlows, said: "SMEs are the lifeblood of the economy, yet so many of these innovative and ambitious businesses struggle to expand into international markets due to a lack of resources. Our platform will change all that, giving fast-growing companies a one-stop solution for accelerating international trade and payments, allowing them to reach their full

potential.”

Kita secures £4M seed investment to bring essential carbon insurance products to market

Kita completed an over-subscribed £4M seed funding round led by Octopus Ventures, alongside existing investors.

Kita is a carbon insurance specialist; helping reduce risk in carbon credit transactions with insurance products that safeguard the quality and performance of carbon purchases. Trillions of pounds in investment are required to scale carbon dioxide removal solutions at speed. These investments are largely transacted via the Voluntary Carbon Market (VCM). However, the lack of transparency and quality metrics within the VCM create a high-risk environment for carbon dioxide removal investments, which is a deterrent to financing at scale. Insurance is a solution – by reducing risk and increasing transparency, insurance can act as an essential enabler.

Kita is using this investment to build its team, scale its underlying technology-based risk modelling, and launch its first insurance product, *Carbon Purchase Protection Cover*. The investment will also enable Kita to begin building a wider portfolio of carbon insurance products to cover the full spectrum of risks in the carbon markets.

Healthtech company DrDoctor bags £10M investment

Patient engagement platform DrDoctor has raised £10M in funding from YFM Equity Partners (“YFM”), Ananda Impact Ventures and 24 Haymarket.

The company provides digital care solutions to increase communication and engagement between patients and clinicians, managing 25% of NHS outpatient appointments. This is primarily via patient-led booking, waitlist management and digital access to clinicians, improving provider productivity and helping the NHS tackle the backlog of patients. In a world where the demands on healthcare are increasing, with more people needing care every day, services are under more pressure than ever. DrDoctor’s patient engagement solutions give over 19M patients better access to care, whilst supporting clinicians in addressing the inherent system inefficiencies across the healthcare system.

Following the Series A in 2020, this funding round will allow DrDoctor to further expand the sales and development teams, make greater investment in the product and continue to scale across the NHS.

#QUANTUM

Quantum Motion

£42M

Robert Bosch Venture Capital, Porsche SE, British Patient Capital, Inkef, IP Group, NSSIF, Octopus Ventures, Oxford Sciences Enterprises & Parkwalk Advisors

#GREENTECH

QiO

£8.3M

Wave Equity Partners

#GAMING

Quell

£8.3M

Tencent, Khosla Ventures, Heartcore Capital, Social Impact Capital & Angels

#LOGISTICS

eTEU

N/A

Jenson Funding Partners, Larix Equity, Pinto Ventures & ANgels

#FINTECH

HedgeFlows

£2M

N/A

#INSURTECH

Kita

£4M

Octopus Ventures, Insurtech Gateway, Carbon13, Climate VC, Chaucer Group & Hartree Partners

#MOBILITY

AeroCloud

£10.5M

Stage 2 Capital, I2BF Global Ventures, Triple Point Ventures, Praetura Ventures, Playfair Capital & Haatch

#GREENTECH

Topolytics

£1.5M

UK Research and Innovation & Others

#PLATFORM

Carmoola

£8.5M

QED Investors, VentureFriends & InMotion Ventures

#HEALTHTECH

DrDoctor

£10M

YFM, Ananda Impact Ventures & 24 Haymarket

In other international investment news

Paleo raises €12M to bring the real taste of meat to plant-based foods

Food company Paleo has closed a Series A funding of €12M to scale up production of key ingredients for plant-based meat and fish alternatives through precision fermentation technology. It also enables the move into commercial production.

Paleo is a Belgian precision fermentation company that allows food manufacturers to offer a “real taste” experience, by providing key ingredients for environmentally friendly and cruelty-free meat and fish alternatives. To scale and grow, Paleo raised €12M in a Series A funding round, led by DSM Venturing and Planet A Ventures.

Conventional meat production has an immense environmental burden, from the production of greenhouse gases, energy and land use, to its heavy reliance on antibiotics, hormones, and water. Plant-based meat and fish alternatives are more sustainable, but for many consumers their taste and nutritional value are not convincing. Paleo developed a technology to produce ingredients that lift these obstacles.

This Series A venture round will enable Paleo to hit strategic milestones and commercial objectives. The first aim is scaling the technology and move towards commercial production. In parallel, Paleo will file for regulatory approval in key markets.

gofrendly, The Female Focused Friendship App, Raises \$1.25M

gofrendly, the AI-driven app that helps women find like-minded friends, fellow entrepreneurs, events and groups based on their lifestyles and interests, has raised a \$1.25M round led by Swedish VC fund, *JNE Invest*.

Founded in Stockholm, Sweden, in 2015 by Ulrika Lilja (CEO) and Claudia Gård (COO), the free-to-join app makes it easier for women to develop real connections and experience friendships. gofrendly's technology, data and large community is designed to allow its users to find good matches and build platonic relationships that are likely to work. gofrendly was created following the two founders meeting on a Facebook group for a 'friendship date', as one of them wanted to meet other female entrepreneurs after returning to Sweden from the United States. Since launching, gofrendly has so far onboarded almost 250,000 Nordic-based female users, including 65% of all 20-35 year old women in Stockholm, who are using the app to forge meaningful friendships and arrange meet-ups. To date, the app has so far generated nearly 11 million direct messages, 4,600 coffee dates, 2,537 friends groups, and 70 trips away.

The startup will use the funding to expand into the UK and enhance its AI capabilities.