

MaddyMoney, an ecosystem on the up powered by Artificial Intelligence and Machine Learning

Maddyness has partnered with Focal, the platform that is reinventing the fundraising model for startups to bring investor sentiment to this week's Maddymoney.

Total

£357.82M

Number of deals

10

Despite a challenging and uncertain climate in 2023, at Focal we have seen a number of signs to suggest that the startup ecosystem is on the up. Across the year, Focal's two demo days received a combined 3,800 startup applicants, up 27% from 2022, with 43% of applicants being companies one year old or

younger.

The *quality* of startups also appears to be increasing, with 51 finalists being chosen to pitch at Demo Day (based on VC partner and Focal team voting), in comparison to 35 the year prior. Those that weren't chosen to pitch were still able to draw value, with 700 of our W23 applicants receiving at least one introduction request from a Focal VC partner.

In October 2023, for the first time since Focal records began, AI/ML overtook SaaS as the most popular applicant industry, with nearly a third claiming to be building in this area. We will delve deeper into this, amongst other trends, in next week's dose of Maddymoney, where we will be looking ahead to 2024.

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

Jenesys AI Secures £870K Pre-Seed to 'Hire Jack' an AI as the Bookkeeper and Auditor

Jenesys AI, a pioneering force in B2B invoice management and payments, announces raising £870K in a highly competitive pre-seed funding round. The 12-month-old startup's valuation is unknown due to a £399.2K extension being negotiated with further investors. The funding round was led by veteran AI investors Nick Slater and John Spindler at London's Twin Path Ventures, with participation from Fuel Ventures, Antler, Hatcher+ in Singapore, and seasoned angel investors from the US and UK. The fresh capital will be deployed to engineering, customer success and expanding global payment compliance.

Established in November 2022, Jenesys AI focuses on elevating the role of bookkeepers and accountants with an AI co-pilot called "Jack". By shifting human accountants to supervisory positions, Jenesys AI's technology minimises errors and inconsistencies in transaction reconciliation, compliance and payments.

"Jack", an AI co-pilot powered by their proprietary Accounting Language Model (ALM). Jack will update budgets and complete the bookkeeping reconciliation, fraud, and compliance check in under 30 seconds before making a domestic or global payment, effectively operating from bookkeeper to internal auditor to ensure adherence to accounting policy and international financial regulations.

“With the current explosion in AI capabilities, we believe Jenesys is well placed to take advantage. The team passed extensive technical due diligence to prove their use of cutting edge AI, integrating it directly into everyday workflows to allow for seamless productivity gains. We are very excited about what they can achieve.” says Nick Slater, Partner at Twin Path Ventures.

Fintech Meniga raises £12.82M to scale and accelerate new strategy

Meniga, a leader and pioneer in Personal Finance Management solutions, which has delivered work for some of the world’s largest banks and financial institutions, today announces that it has raised £12.82M in Series D funding. The investment round includes major European banks, Groupe BPCE and Crédito Agrícola, and the leading Icelandic VC group, Omega ehf, with participation from several existing shareholders. Total funding in Meniga to date amounts to £47.35M

Meniga is a global leader in digital banking solutions, serving over 100 million banking customers across 30 countries in Europe, North America, the Middle East and Asia. Its customers include some of the most influential banks of these regions, such as UOB, UniCredit, Groupe BPCE, Crédito Agrícola, Swedbank, and Commercial Bank of Dubai.

Part of the capital injection will be used towards clearing existing debt, rendering Meniga almost debt-free. The funding will also be invested in the roll-out of Meniga’s new strategy, focusing on further developing its core capabilities around Data Enrichment and Hyper Personalised Insights for the financial services sector. Further to this, the new strategy emphasises the enablement of Payments capabilities for banks in the ever-growing Open Banking and Open Finance ecosystem.

Active Partners back the UK's leading fresh cat food brand KatKin to set new standard in the industry

Active Partners is delighted to welcome KatKin into its portfolio of world-class brands as it announces its investment in the UK's leading fresh food brand for cats, joining existing investors Perwyn, V3 Ventures (Verlinvest) and Octopus Ventures as its backers.

KatKin was founded by brother and sister duo Brett and Nikki O'Farrell, and Ed Westcott, to set a new industry standard for cat care. Its vet-formulated fresh food uses 100% real meat that's gently cooked to lock in nutrients and flavour and then frozen fresh. This provides cats, which are obligate carnivores, with the meat required for their nutrition and best health. Through KatKin's pioneering products, cat parents can keep their cats healthy and prevent problems like obesity, kidney disease and poor dental health.

KatKin is challenging the norms of the industry with its totally fresh approach to cat care. Cat parents build personalised meal boxes which are tailored to their cat's unique traits and delivered directly to their home via a monthly subscription. Founded in 2020, KatKin has now delivered over 35 million fresh meals to 200,000 cats. The brand also recently announced its first retail partnership with online grocery store Ocado to reach a more mass market. The new funds will be used to fuel growth through DTC channels and retail partnerships, drive category awareness for fresh cat food, expand its team and invest in further product innovation.

"We're excited for Janice and the Active team to join us on this mission, bringing their deep knowledge and expertise in building world-class brands and scaling businesses." says Brett O'Farrell, Co-Founder of KatKin

Read also

Understanding the consumer to build world-class brands, a profile of Active Partners

European Space Agency-backed Insurtech secures seven-figure investment to further develop digital underwriting and natural catastrophe modelling software

BirdsEyeView, a European Space Agency-backed insurtech startup, has closed an investment round led by the *European Space Agency*, Big 5 Investors, *InsurTech NY* and *ACF Investors*. This latest investment, for an undisclosed seven-figure sum, will be used to drive growth in the UK and US markets and further develop BirdsEyeView's RAPTOR™ technology, which is set to democratise insurers' access to NatCat modelling, exposure management, and underwriting automation.

BirdsEyeView is an insurtech space startup that uses satellite data to structure insurance solutions for severe weather and provide SMEs access to weather-based parametric insurance products.

The insurance industry is grappling with a new reality where annual losses attributed to climate change regularly exceed *£79B a year*. In this environment, traditional insurance approaches have proven inadequate in covering the mounting losses resulting from climate-induced extreme weather changes. BirdsEyeView's RAPTOR™ technology addresses this by automating manual underwriting processes, and delivering usable access to powerful Nat Cat analytics and models at the quotation stage – all of which are critical for efficient risk selection. This, in turn, enables a more precise and efficient risk selection process — aiding better risk management.

Zellar hits funding target on its mission to unlock climate action for 5.5 million UK SME

Zellar, the SMART sustainability company, today announced the overfunding of its crowdfunding campaign. The company has surpassed its initial target to raise £600K to aid its mission to accelerate climate action for SMEs. With more investment it plans to accelerate change even faster and is remaining open for investment on the Crowdcube platform.

Zellar's platform helps businesses track, measure, and reduce their carbon footprint, providing them with the data and insights they need to make informed decisions and take action. Zellar is committed to empowering the UK's 5.5 million SMEs to make a difference in the fight against climate change.

Zellar's scoring system earns SMEs points for each climate action they complete and every carbon reduction milestone they reach. These points contribute to an overall score that helps SMEs track and share their progress in a single number – live on a public-facing sustainability profile. This has the power to create a universal, transparent tool for anyone looking to understand how sustainable any business is.

AbbeyCross raises £5.18M in seed funding round led by Valar Ventures to further support Wholesale Emerging Market FX and Payment platform launch

AbbeyCross, the world's first wholesale FX platform focused on improving the payment market infrastructure for Emerging Market currencies, announced today that it has raised £5.18M in its seed funding round. The funding round led by Valar Ventures alongside investors including BNY Mellon, Third Prime and Gaingels follows a pre-seed funding round led by Third Prime last year of £1.95M.

Working with banks, their Emerging Market liquidity providers, and other financial services participants, AbbeyCross brings deeper currency liquidity, price transparency and market data to a fragmented Emerging Market currency payment industry.

The funds raised will be used to further develop and deploy AbbeyCross' ABX Sync platform. The platform enables banks, payment companies and NGOs to reduce costs, improve operational efficiency, enhance supervisory processes, and ensure regulatory compliance.

“This is a significant milestone in the evolution of the business and will enable us to continue to refine and build the service, extending our reach and making the costs for Emerging Market payment transfers not only more transparent, but the overall environment more compliant and easier to administer for all market participants.” said Mike Robertson, CEO and Co-Founder of AbbeyCross.

Qogita emerges from stealth with £69M Series B round led by Dawn Capital to become the Amazon of wholesale procurement

Qogita – the platform making wholesale procurement as simple as shopping on Amazon – is emerging from stealth and announcing it has raised £69M in Series B funding led by Dawn Capital. The round, which included participation from previous investors including Series A lead Accel, and Seed co-leads LocalGlobe and Bessemer Venture Partners, brings the total raised by the company to £102.6M. The funding will be used to invest in product development and category expansion.

Qogita connects buyers and sellers, with a focus on the health and beauty sector. The platform optimises procurement, making it as simple as buying products at Amazon. Buyers, usually small and medium-sized retailers, select their desired items, choosing from popular brands, whilst Qogita finds the best

available prices for each product, removing the need to compare deals and negotiate with different sellers. All customers need to do is check out and use the platform to keep track of orders, with Qogita taking care of the whole purchase, including shipping and delivery.

Qogita's unique solution to product procurement has seen it take a large slice out of the wholesale market, with only the US and Europe annual turnover expected to reach over £15.75T. With buyers across 28 countries including Europe and the UK, and over 300 sellers, the team has grown to 75 people with employees in 12 countries. Earlier this year, Manolis Manassakis was appointed CEO to expand the platform. A former Director of EMEA Operations at Uber, Manassakis joined Qogita as COO in 2021 and has used his marketplace operations experience to drive the platform's growth.

Sensing solutions company set to create 25 jobs after £1.5M funding round

Tribosonics, a company whose smart sensing solutions help industry to improve performance has raised a further £1.5M from NPIF – Mercia Equity Finance, which is managed by Mercia and part of the Northern Powerhouse Investment Fund, and Mercia's EIS funds.

Tribosonics' solutions are used to monitor industrial machinery and components and manage process efficiency and product quality. Its integrated systems – which incorporate hardware, software and advanced 'edge' analytics – provide data and insights to help companies improve performance, extend plant life, reduce maintenance and energy use and meet sustainability goals.

The investment will support Tribosonics' ongoing product development and bring its solutions to a wider audience. The Sheffield-based company also plans to expand its 42-strong team with the creation of around 25 new jobs in the next 18 months across its technical teams. It will also continue to invest in its award-winning apprenticeship scheme, Tribosonics Future Leaders Programme. Tribosonics has tripled its revenue in the past two years and is on course to double it again in the current financial year. The company, which received previous investment rounds from Mercia and NPIF, has raised over £4M to date.

#DEEPTeCH

Jenesys AI
£870K

Twin Path Ventures, Fuel Ventures, Antler, Hatcher+ & Angels

#FINTECH

Sumup

£244M

Bain Capital, Sixth Street Growth & Fin Capital

#PLATFORM

GFO X

£23.85M

M&G Investments

#FINTECH

Meniga

£12.82M

Groupe BPCE, Crédito Agrícola & Omega eh

#PETTECH

Katkin

N/A

Active Partners, Perwyn, V3 Ventures (Verlinvest) & Octopus Ventures

#SPACETECH

BirdsEyeView

N/A

European Space Agency, Big 5 Investors, InsurTech NY & ACF Investors

#GREENTECH

Zellar

£600K

Crowdfunding

#PLATFORM

AbbeyCross

£5.18M

Valar Ventures, BNY Mellon, Third Prime & Gaingels

#ECOMMERCE

Qogita

£69M

Dawn Capital, Accel, LocalGlobe & Bessemer Venture Partners

#INDUSTRY

Tribosonics

£1.5M

NPIF – Mercia Equity Finance & Mercia's EIS funds

In other International Investment news

Mistral AI announces a £331.6M raise

After rumours emerged in recent days, Mistral AI, the French artificial intelligence startup created last May, has announced that it has raised £331.6M. The operation, led by the Californian fund Andreessen Horowitz, includes several American tech giants such as the software publisher Salesforce, but also the Nvidia group.

Mistral AI is on a mission to push AI forward, to serve the open community and their enterprise customers. They are committed to driving the AI revolution by developing open-weight models that are on par with proprietary solutions.

This fundraising should allow the three co-founders of Mistral AI, Timothée Lacroix (ex-Meta), Guillaume Lample (ex-Meta, creators of the LLaMA language model) and Arthur Mensch (ex-DeepMind, Google's AI laboratory) to achieve their ambitions to become European champion of the sector, while the EU has just agreed on a future regulation of artificial intelligence, without restricting European innovation. The American press is already citing Mistral AI as a potential rival to Open AI, the creator of Chat GPT. A feat since the French startup is only 8 months old.

Arbonics raises £4.73M to scale its forest-carbon removal platform to meet growing demand for quality carbon

removal

Arbonics – the naturetech pioneer building the highest-quality, scalable forest carbon removal platform in Europe – has secured a £4.73M Seed investment from NordicNinja, Plural and Tilia Impact Ventures to meet growing demand for quality carbon removal. The investment will allow Arbonics to continue scaling its innovative climate change solution across the continent.

Founded in 2022 by CEO Kristjan Lepik and COO Lisett Luik, Arbonics is setting a new standard for how transparent, scalable, and impactful forest carbon projects can, and should, be. Not just for those looking to invest in forestry projects, but for the thousands of landowners who are increasingly looking to Arbonics to better quantify the environmental benefits of their land.

The Arbonics platform combines 30+ layers of data – from on-the-ground sensors to soil readings and satellite imagery – with in-house ecology and forestry expertise, to remotely, and accurately, calculate the carbon removal potential of land in European countries. It can determine everything from which trees are needed to reach the land's potential, to establishing their carbon impact, in seconds.

French fintech Aria lands £12.92M to bring the digital payment experience to all businesses

French fintech Aria is today announcing a £12.92M funding round to expand their deferred payment infrastructure across the platform economy and B2B marketplaces. The funding round was led by 13books Capital with participation from Adevinta Ventures, Ankaa Ventures, Otium Capital and angel investors including Laurent Ritter (Purple), Mark Ransford and Guillaume Princen (former Stripe exec).

Aria enables any merchant, B2B marketplace or vertical SaaS company that sells goods and services online and offline to offer their sellers a wide array of payment methods and terms, and get paid instantly — all in a single platform. Aria is able to connect with B2B marketplaces, transactional SaaS platforms and ERP systems to distribute early payment of supplier invoices and offers deferred payment options for end-clients via their API.

Aria will offer businesses a check out experience akin to B2C users and underlying this the embedded payment infrastructure will cover funding,

KYC/KYB, debtor risk analysis, anti-fraud analysis, credit insurance and debt recovery. A detailed dashboard will provide a clear overview of their payments landscape.

In other Investment news

Smedvig Ventures join Minut Series B round investing £4M to capitalise on strong growth

Smedvig Ventures announces their £4M investment in short-term rental property monitoring leader, Minut, raising the total of the Series B round to £16M. Smedvig joins Almaz Capital, Zenith, Kompas, Karma, KPN Ventures, SOSV, Verve, and other existing investors.

The Minut sensor monitors noise, occupancy, cigarette smoke, motion and temperature in rental properties, helping hosts prevent parties, enhance guest experience and protect their homes, without sacrificing guest privacy. With powerful automations and integrations, Minut empowers property managers to grow their businesses while keeping operations lean.

Following a successful year of rapid growth and exciting product enhancements, Minut seized the opportunity to extend the funding round, allowing the business to double down on product development and drive international expansion, increasing the team across Europe and the USA.

Pave Bank launches with £4.08M funding round for programmable money revolution

PaveBank, a new programmable bank at the intersection of traditional finance and digital assets, comes out of stealth with an approved digital banking licence from Georgia and a £4.08M seed funding round led by 468 Capital with participation from Quona Capital, FT Partners, BR Capital, w3.fund, Daedalus and angel investors.

Pave Bank is the world's first fully regulated commercial bank where clients can not only get the best in class business banking products (such as multi-

currency operating accounts, global payment connectivity, and treasury management solutions) but will also have access to multi-asset custody, virtual IBANs, safeguarding accounts and PaveNet, which is a multi-asset, always instant and always on network of Pave Bank customers.

Pave Bank promises an ironclad level of trust and confidence in all their products. In honouring this commitment they are a full reserve bank, which means that all deposits and funds held with the bank are always there, never lent out and never invested.

“We are championing a new path where Pave Bank customers will get access to the financial products that they are used to, but also a range of digital asset enabled products which will help them bank more efficiently within a regulated and secure environment.” commented Salim Dhanani, Co-Founder & CEO of Pave Bank

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