

Fintech, spinouts, ecommerce and mobile connectivity 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

£237.12

Number of deals

15

Gresham House Ventures makes £1.75M
follow-on investment in e-commerce

innovator Patchworks

Gresham House Ventures, a growth equity investor specialising in software and digitally-driven businesses in the consumer, healthcare and service sectors, has made a follow-on investment of £1.75M into Patchworks, a software company helping e-commerce businesses automate and manage data flows across complex IT systems. The investment, in the form of a convertible loan note, is Gresham House Ventures' fourth in Patchworks. Forming part of a £2M round, it brings Gresham House Ventures' total investment in the business to £10.5M since its first injection of capital in July 2021.

Patchworks offers software that connects key e-commerce systems including shopfront, ERP, CRM and warehouse management, enabling businesses to streamline the integration of their technology stack.

Led by Grant Paul-Florence from Gresham House Ventures, the investment will be used to drive further innovation and new features in the business's existing software as a service (SaaS) platform, which has already been adopted by leading e-commerce businesses including Huel, Gymshark and Lounge Underwear, and to support its expansion internationally.

“Our previous investments have supported Patchworks in broadening its product offering and expanding its client base, so we are excited to see the business go from strength to strength with this additional funding as it develops its software platform further this year.” says Grant Paul-Florence, director of investment at Gresham House Ventures.

Read also

London-based embedded connectivity startup, shaka, comes out of stealth to announce £780K Seed round

shaka, the London-based embedded mobile connectivity startup, has announced a £780K seed funding round. Coming out of stealth mode to make the announcement, shaka is using eSIM technology to allow brands to offer mobile packages to consumers at the click of a button. The round was led by Haatch, an award-winning UK seed fund, Purple Ventures, the VC firm backing purpose-led tech startups in Central and Eastern Europe and Antler, the most active private early stage VC in Europe, alongside a number of prominent telecommunications angel investors.

shaka is working with brands to offer mobile plans to customers instantly, at no cost, with a SaaS end-to-end product and a simple API layer, driving significant revenue opportunities and customer loyalty in the process.

shaka is able to do this through innovation in eSIM technology. This technology is already revolutionising the telco space by disrupting a value chain dominated by traditional telecoms providers and shaka has already signed up a number of large brands to adopt the new technology.

Holiform secures £18.5M to scale up to 15kta production capacity from Rhapsody Venture Partners and Clean Growth Fund

Holiform Limited has recently closed a Series B funding round. This has seen further funds invested by Rhapsody Venture Partners, a leading Boston based deeptech VC and Clean Growth Fund, a leading UK cleantech VC, both previous Series A investors.

Holiferm Limited is a spin-out from the University of Manchester focused on the development of innovative and sustainable methods for the production of biosurfactants. The methods pioneered by the company aim to remove the use of harmful petrochemicals from the production process and thereby making a lasting impact on the chemical manufacturing industry.

The funds raised will allow the company to forge ahead with our scale up plans for our commercial plant. Holiferm's Wallasey plant has a current capacity of 1.1 KTA. With this new investment new fermenters will be installed in the plant, increasing capacity to 3.5 KTA around the end of 2024, then further scaling up to 15kta capacity. This will enable full market launches by major multinational customers.

Manchester fintech Ryft continues its upward trajectory by securing Innovate UK grant

Ryft, a revolutionary PSD2 compliant payments provider, announces that it has obtained a grant from Innovate UK under the 'Innovation within Professional and Financial Services' tender.

Traditionally, payments processing systems within the travel industry have been managed by manual, archaic systems, which are not conducive for modern transactions. Knowing the difficulties expressed by large travel merchants which the team is currently working with, Ryft is looking to fully automate payment flows within the travel industry, removing existing frictions and promoting ease of use.

Ryft has grown exponentially throughout 2023, seeing figures rise by 300% across the business. To continue this trajectory and maximise innovation, Ryft will be using the grant to fund several areas of business growth, including expansion into the travel and events industries. To aid in this, Ryft will be expanding its technical team to bring new functionality to its existing product, allowing for expansion into new markets.

Read also

Automated next day payouts for marketplaces and their merchants, meet Ryft

Digital asset management software startup ZILO™ raises £25M

ZILO™, the UK-based FinTech specialising in global asset and wealth management software, is pleased to announce a £25M Series A funding round. The fundraising, which was oversubscribed, was co-led by Fidelity International Strategic Ventures (FISV) and Portage, with participation from State Street and Citi signalling strong confidence in ZILO™'s vision and commitment to becoming the leading financial services software innovation company.

ZILO™ is focused on transforming global transfer agency software by reducing cost, complexity and creating sustainable value for global asset and wealth management firms and the customers they serve. ZILO™'s software enables firms to replace legacy software and end-of-life systems, many of which were developed 20+ years ago and leapfrog to a real time, digital user experience.

The Series A funds will be utilised to further accelerate product development, drive user acquisition, and grow ZILO™'s position in the FinTech sector. Moreover, ZILO™ plans to leverage the investment to expand its reach into new markets and pursue strategic partnerships that will broaden its service offerings.

“We are focusing on empowering financial service institutions to remove outdated legacy technologies and dramatically improve the cost efficiencies of their operations by using ZILO™ to transform to a modern digital solution supporting existing fund structures, new digital assets and improving client experiences.” said Philip Goffin, founder, and Chief Executive Officer at ZILO™.

Morgan Stanley Expansion Capital leads £26.7M Series C investment in Vortexa

Vortexa, the leading real-time global analytics platform for energy and freight markets, is excited to announce the successful completion of its £26.7M Series C funding round. Investment funds managed by Morgan Stanley Expansion Capital spearheaded the funding, with strong participation from existing investors Notion Capital, Monashees, Metaplanet, FJ Labs and Communitas Capital.

In the global multitrillion dollar energy and multibillion dollar freight markets, Vortexa helps energy traders, market analysts, charterers and data scientists make high-stake, real-time decisions. The scale, precision and speed of Vortexa's information and analytics drive greater efficiency in the flows of energy globally, helping society balance its security, affordability and sustainability objectives.

The investment, which brings the total amount raised by Vortexa since inception to more than £47.14M, will be used to further accelerate the company's international expansion, state-of-the-art technology and first-class quality of service to its clients and partners.

NumberEight secures £2.12M funding to deliver AI-powered 'privacy first' solutions for the advertising industry

NumberEight, a London-based startup using on-device AI to deliver 'privacy-first' identity solutions for the advertising industry, has raised £2.12M in Pre-Series A funding led by ACF Investors. This round includes investment from early backers Nauta Capital, Ascension Ventures, and Enterprise 100 angels, new groups such as COREangels EnterpriseTech, COREangels Big Data & AI Europe, and strategic angels – including mobile gaming veterans such as John Libby and Nick Button-Brown, and seasoned adtech mavens such as Ionut Ciobotaru.

Amidst a global climate ripe for privacy-first solutions, NumberEight is uniquely positioned to leapfrog market incumbents. At the core is its pioneering on-device AI. The technology astutely detects real user behaviors, crafting precise user segments. Advertisers, in turn, can deliver razor-sharp, relevant ads, all while bypassing the need for traditional cookies or IDs — a true game-changer in enabling personalisation while ensuring user privacy.

The latest investment comes after a period of sustained growth and significant market interest. The company already operates globally with audio, gaming, and advertising customers, including the likes of Southern Cross Austereo (SCA), Adverty, and AdInMo. The investment will be used to drive commercial growth, bolster product development, and expedite US expansion following significant inbound market interest.

“NumberEight’s innovative approach to identity and privacy has the potential to make a significant impact in the industry, by addressing the challenges facing advertisers and consumers alike. We are delighted to be a part of this remarkable journey.”
says Tim Mills, Managing Partner at ACF Investors.

DSW Ventures and NGBio lead £1.4M investment into University of York spinout Mesenbio

Mesenbio, a University of York spinout that is developing a novel treatment for arthritis created from engineered human stem cells, has raised £1.4M in an investment round co-led by DSW Ventures and NG Bio alongside grant funding from Innovate UK.

Current therapies can ease pain and inflammation but – unlike Mesenbio’s therapies – lack the combined actions of reducing inflammation and protecting the tissue from further damage. Mesenbio’s treatment is based on nano-sized messengers created from engineered human stem cells that not only curb inflammation but can kick-start the process of regenerating damaged tissue.

The treatment will initially target rheumatoid arthritis, an autoimmune disease that impacts nearly half a million adults and children in the UK alone, causing debilitating joint pain and inflammation of the hands, knees, elbows, ankles, and wrists. The funding will enable them to create three new roles, develop

pilot manufacturing processes, carry out pre-clinical studies and prepare the regulatory dossier in readiness for clinical trials.

“Mesenbio’s technology is uniquely placed to address this problem and we look forward to supporting this talented team on the next step in their journey.” says Jason Goldstein, co-founder at NG Bio

Bio-tech company FA Bio secures a £5.3M tranche of investments

FA Bio, the British bio-tech company with a vision to protect natural ecosystems by identifying superior microbial bio-products that will improve soil health and boost crop production, has secured a £5.3M tranche of investment from three European venture capital investment funds as well as existing shareholders and new private investors. The investment was co-led by Clean Growth Fund, one of the UK’s leading clean-tech venture capital (VC) funds, and Pymwymic, a Dutch-based impact VC fund focused on investing in food and agriculture technologies. Ship2B Ventures, a Spanish impact VC fund investing in early-stage companies addressing key environmental and social issues, has also invested in the round. The investment underlines the growing financial commitment to the bio-tech sector by VC funds across global markets.

Based at the Rothamsted Research Centre in Harpenden, a world-leading research facility that focuses on agricultural science, FA Bio (previously known as FungiAlert) is leading the discovery and development of superior microbial bioproducts, including biocontrols, biostimulants and biofertilisers that can replace chemical inputs in agriculture. The company is led by Dr Angela de Manzanos Guinot and Dr Kerry O’Donnelly Weaver.

FA Bio utilises its innovative SporSenZ technology, a unique targeted microbial sampling strategy, to collect data and microbial isolates from agricultural fields. With its team of expert scientists, the company then looks to develop the most promising microbes into agricultural bioproducts for the most

important crops in our global food systems.

Climate-tech firm Furbnow raises £950k to decarbonise 1 million homes by 2030

Furbnow, a new UK climate-tech start-up tackling home decarbonisation at scale, has announced a £950K pre-seed investment. *SFC Capital* led the investment round, with participation from *Norrskan Accelerator*, and angel investor *Daniel Luhde-Thompson*. The round also includes a grant from *Innovate UK's Future Economy Investor Partnership* and *Nesta and Founders Factory's Mission Studio*.

Furbnow helps homeowners plan their home energy improvement roadmap with a Home Energy Plan and supports the project stage with packages priced to suit every customer. The firm is developing new planning methods to provide robust lower-cost options for the domestic market using building information and energy performance data. It will also be working closely with green finance providers and insurers to provide a full end-to-end service.

Birmingham-based Furbnow was founded by *Becky Lane* and *Laurence Watson*. With almost 20 years – of experience across energy, buildings and technology, they are on a mission to retrofit one million homes by 2030 by eliminating the hassle from every stage of the home energy improvement process. With customers already undertaking retrofit projects with the help of Furbnow, this latest investment will support the expansion of its supplier network to support customers with insulation, ventilation, new energy generation and low-carbon heating installations in their homes.

#PLATFORM

Patchworks

£1.75M

Gresham House Ventures

#TELECOMS

Shaka

£780K

Haatch, Purple Ventures, Antler & Angels

#HEALTHTECH

Genomics

£35M

F-Prime Capital, Foresight Partners, Infinity Investment Partners & MassMutual

#BIOTECH

Holiferm

£18.5M

Rhapsody Venture Partners & Clean Growth Fund

#ENERGY

Tokamak Energy

£39.32M

Beauhurst, Legal & General Capital & Others

#FINTECH

Ryft

N/A

Innovate UK

#FINTECH

Zilo

£25M

Fidelity International Strategic Ventures, Portage, State Street & Citi

#LOGISTICS

Vortexa

£26.7M

Morgan Stanley Expansion Capital, Notion Capital, Monashees, Metaplanet, FJ Labs & Communitas Capita

#MARTECH

NumberEight

£2.12M

ACF Investors, Nauta Capital, Ascension Ventures & Others

#BIOTECH

Mesenbio

£1.4M

DSW Ventures, NG Bio & Innovate UK

#AGRITECH

FA-Bio

£5.3M

Clean Growth Fund, Pymwymic & Ship2B Ventures

#SPACETECH

Oxford Space Systems

£3M

UK Innovation & Science Seed Fund

#CYBERSECURITY

Yoti

£20M

HSBC

#CLIMATECH

Furbnow

£950K

SFC Capital, Norrsken Accelerator, InnovateUK & Others

#INSURTECH

Hyperexponential

£57.3M

Andreessen Horowitz & Battery Ventures

Dragons Den for VC Fund Managers

If you thought startup fundraising was bad (which it most certainly is!), you should see how painful it is to raise a VC fund.

For starters, trying to find LPs is like trying to find El Dorado. At least VCs like to shout about themselves, so it's relatively easy for startups to find them!

GPs spend, literally, months just identifying LPs through online research but

also begging other VCs in their network for some ideas! But most LPs they've reached out to don't invest in emerging managers, or in the sector, stage, or geography where they're operating.

Enter, Focal Deploy; the group best known for its startup demo day (powered by over 250 VCs such as Atomico, Accel & Balderton), but is now applying the same playbook to GPs pitching LPs.

The game-changing playbook:

1. Hundreds of GPs to apply to pitch
2. Partner LPs (over 100, global entities at an institutional level) filter through and vote on the GPs they'd most like to see pitch
3. The 10-20 GPs with the most votes pitch in front of hundreds of LPs in one go, at the virtual demo day
4. LPs can request intros to any of the GPs they're interested in speaking to

Best of all, it is a completely free initiative for both parties, with no intro or placement fees.

Interested? GP applications are open for one more week [here](#).

GP applications now open

In other International investment news

Keepit secures £31.44M in refinancing from HSBC Innovation Banking to boost growth

Keepit has today announced *HSBC Innovation Banking*, the global, specialised banking partner for businesses in cutting-edge sectors, has provided a £31.44M refinancing package in partnership with *The Export and Investment Fund of*

Denmark (EIFO). The new funding frees up capital for further investments in international expansion, hiring, business operations, and product development as Keepit continues to scale and build out its market-leading platform for SaaS data protection. The new £31.44M refinancing package from HSBC Innovation Banking follows Keepit's £23.6M Series A funding round in 2020, and a total of £17.3M debt financing in 2022 from Silicon Valley Bank UK, now HSBC Innovation Banking, and Vækstfonden, now the Export and Investment Fund of Denmark (EIFO), the national promotional bank and export credit agency of Denmark.

Founded in 2007 in Copenhagen, Denmark, Keepit is a leader in SaaS backup and recovery and the world's only vendor-independent cloud dedicated to SaaS data protection.

Keepit will use the fresh capital to sustain the current growth trajectory and continue its substantial expansion strategy. The organisation has strategically leveraged funds to propel its growth by introducing innovative products and advancing platform development for cutting-edge data protection solutions.

“This is an exciting milestone in our long-term partnership with Keepit and we’re proud to be part of this next step in the company’s journey alongside the EIFO.” says Jean-Laurent Pelissier, Managing Director and Head of Enterprise Software at HSBC Innovation Banking UK