

Say hello to one of the world's largest private equity marketplaces

Seedrs and Crowdcube have just announced that they're merging, subject to approval by shareholders, the CMA and the FCA. What does this mean for the UK's £12B equity funding market?

Temps de lecture : minute

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Seedrs is a top online investment platform, which since its launch in 2012 has funded nearly 1,150 deals (with around £1B invested to date).

Crowdcube is the world's first investment crowdfunding site, which is thriving following the 'busiest year on record' for crowdfunding in 2019.

On Monday, the two marketplaces announced they had agreed terms for a merger - joining together to make it easier for businesses to raise funds, and for investors to find diverse and exciting companies to fund. Seedrs and Crowdcube hope that by combining forces they will democratise the investment landscape, and make their expertise, services and returns more widely available. There are also plans for new innovations and products following completion.

According to Darren Westlake, CEO and co-founder of Crowdcube, the agreement is "an incredibly exciting milestone that will benefit high growth businesses, their investors who believe in their vision, and the wider entrepreneurial ecosystem that supports them."

Jeff Kelisky, CEO of Seedrs, said:

“We are both fintech pioneers that have challenged the landscape of capital raising in Europe, building marketplaces for private equity investment. We believe that you need to be a player of greater scale to serve companies and the investors who support them. Now is the right time to bring our strengths together, in order to meet our common mission to deliver a step change in the accessibility and efficiency within private company investing.”

The future looks bright as Seedrs and Crowdcube, who already have unicorns BrewDog, Monzo and Revolut (collectively valued at over £7B) under their belt, look towards dominating Europe’s equity ecosystem.

Once the transaction is approved, Kelisky will serve as CEO of the combined company, and Westlake will serve as Executive Chairman. Existing Crowdcube shareholders and option holders will own 60% of the combined company, and existing Seedrs shareholders and option holders will own 40% of the combined company. The deal is expected to be completed by the end of this year/ the start of 2021.