

A new app helps children to prepare for surgery, European SMEs get a boost, and GoCardless turns unicorn 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.

Temps de lecture : minute

11 February 2022

Total

£403.4M

Number of deals

15

Proptech firm raises £275K to create 'Airbnb for house shares'

A new property management platform that wants to be the 'Airbnb for shared living' has raised £275K. The entrepreneur behind the idea, Vann Vogstad, has raised funding from the MEIF Proof of Concept & Early Stage Fund, which is managed by Mercia and part of the Midlands Engine

Investment Fund, and private investors.

Inspired by fond memories of house sharing after leaving university, Vann created the only platform of its type specifically designed for houses of multiple occupation (HMOs). COHO aims to accelerate the growing trend for co-living amongst people of all ages. It allows property investors to manage their portfolio and tenants to find a suitable house share with likeminded people.

Vann joined forces with long-term collaborator Liam Cooper to launch the platform in 2021, and have since signed up over 80 landlords and letting agents who manage thousands of rooms between them. Vann believes that "Co-living offers a positive lifestyle choice for many people living alone or struggling to afford their own home. By making house sharing easier to manage for both landlords and tenants, COHO aims to bring it to the mainstream."

Alternative lender SME Capital closes funding round

British alternative lender SME Capital scooped a new investment from three family offices to expand its offering in the under-served lower middle market. The investors, from Mustard Kick, Hambleden Capital and Karan Capital, will join the company's board as part of the deal.

The investment allows SME Capital to accelerate growth, fund new loans, and develop a new product which it will bring to market later this year. Currently writing tickets up to £6M, the firm is sector-agnostic and provides cash flow loans to the lower middle market, which has struggled in recent years to fund events like M&A, MBOs and MBIs due to the retrenchment of mainstream banks.

The investors joining the board bring a wealth of experience and know-how as founders from a variety of sectors, including healthcare, e-commerce, transport, retail, real estate and financial services. James Kaberry, founder and CEO of SME Capital said: "Having like-minded investors as energised as we are about supporting SMEs is vital. When financing in this part of the market was hurt by scaled back bank lending, it masked a huge number of quality, ambitious British companies ripe for growth. Many of them are family businesses and entrepreneur led, and all are looking to get to the next level. This fresh support from our new investors will help them achieve that, and in turn drive the UK economy forward."

m3ter launches from stealth with £12.9M in funding to make usage-based pricing easy for every SaaS business

m3ter, a metering and pricing engine for 'software as a service' (SaaS) companies, today launches from stealth with the announcement of \$17.5M in funding. The investment will support m3ter as it builds on significant early traction to expand into new markets, grow its team, and extend its product. Kindred Capital, Union Square Ventures, and Insight Partners all participated in the round.

m3ter's early traction corresponds with a rapid increase in the number of SaaS businesses switching to usage-based pricing (UBP). The pricing model is becoming popular because charging customers for what they consume allows for easier adoption, costless upsell, better margin control, and greater customer satisfaction.

m3ter was co-founded in London by Griffin Parry and John Griffin, repeat entrepreneurs who previously built and sold a back-end-as-a-service

business, GameSparks, to AWS. Speaking on the funding, Griffin Parry said “usage-based pricing offers huge rewards for SaaS businesses, but it isn’t easy to implement. We experienced the pain ourselves when building our previous startup, but we also saw what good tooling can look like at AWS. Today, we're proud to launch m3ter so that all SaaS businesses can intelligently deploy and manage usage-based pricing.”

Digital coaching startup Rocky Robots raises £300K to motivate professionals

Harry Novic, CEO and founder at Rocky Robots, believes that "one-off training isn't enough to help people upskill. To become successful, young professionals really need a buddy to coach them through their daily activities and monitor their learning to really change them for good. With AI, we've been able to create this mentoring personal assistant that is affordable and can be with users all the time."

Rocky Robots, the digital coaching startup designed to guide and motivate young professionals, has closed a £300,000K pre-seed investment from Jenson Funding Partners alongside other investors. The company is the developer of Rocky.AI, an app with an interactive sparring partner, powered by Artificial Intelligence, that encourages self-improvement and reflection to help ambitious workers build a growth mindset.

Rocky was founded in 2019 by Harry Novic, a corporate veteran with experience of sales, software, talent development and product management in the technology space. Sensing an opportunity to help professionals unlock their full potential with technology, Harry explored ways that artificial intelligence could deliver ongoing daily support to achieve their desired objectives for progression.

GoCardless joins tech unicorns as it secures £230M to accelerate growth in open banking

GoCardless, a leading fintech in direct bank payment solutions, today announced that it has secured a Series G funding round of \$312M, making it the latest European and UK tech unicorn at a valuation of \$2.1B.

The investment is led by Permira, which brings significant experience in backing best-in-class payments and financial software businesses including Klarna, Clearwater Analytics and Carta. New investor BlackRock Private Equity Partners also joined the round. The funding will allow GoCardless to accelerate its growing footprint in the open banking space through both product and geographical expansion as it targets becoming the world's leading network for direct bank payments.

GoCardless processes more than \$25B in transactions per year and serves over 70,000 businesses around the world, including DocuSign, Klarna, TripAdvisor, and Epson. Since its last funding round in December 2020, the company's valuation has more than doubled, while headcount has grown by 85%.

Klarna recently selected GoCardless to offer bank debit payments to its over 21 million customers in the US, leveraging GoCardless' expertise in account-to-account payments as it expands in the market. In addition, PayPal and GoCardless have signed a strategic agreement which will see GoCardless become a direct debit partner for PayPal.



Read also

Meet GoCardless, the startup that wants to change the way you collect payments

Medic raises £1.5M for app to help children prepare for surgery

A doctor who has developed an app to help reduce anxiety in children undergoing surgery has raised £1.5M from NPIF – Mercia Equity Finance, which is managed by Mercia and is part of the Northern Powerhouse Investment Fund (NPIF), Mercia's own funds, and private investors.

Dr Chris Evans, an anaesthetist who works with children and is a father himself, joined forces with product designer Sophie Copley to launch Little Journey. The app enables patients to take virtual tours of the hospital and explains, through interactive animations, what will happen and who they will meet at each stage of their journey.

Little Journey has been shown to reduce anxiety by 30% in high-risk patients such as those with autism or ADHD, reduce the number of operations cancelled on the day by 42%, and improve recovery times by 30%. It is currently being used in over 50 hospitals worldwide. The Leeds-based company recently won a contract with one of the world's largest clinical research organisations, which is planning on using Little Journey to support participants in a complex, international paediatric clinical trial.

#INSURTECH

Percayso
£3.4M

#PROPTECH

Coho
£275K

#DATA

Veed.io
£25.8M

#BETTING

Midnite
£11.8M

#FINTECH

Qredo
£59M

#FINTECH

SME Capital
N/A

#CYBERSECURITY

Cynomi
£2.6M

#DATA

m3ter
£12.9M

#HR

Rocky Robots
£300K

#DEATHTECH

Biscuit Tin
£253K

#FINTECH

GoCardless

£230M

#AI

Actable AI
£800K

#FINTECH

Fintern
£40M

#HEALTHTECH

Numan
£14.8M

#HEALTHTECH

Little Journey
£1.5M

In other investment related news

SuperSeed launches £50M fund to back early-stage technical founders who are creating the future of business

SuperSeed, a venture capital firm investing in the future of business automation, today announces it has completed the first closing of its new fund at £31M, targeting a final close of £50M. The fund will invest

between £500K and £1.5M into 30-35 UK based startups, and those looking to use the UK as a springboard to the rest of the world.

SuperSeed was conceived by Dan Bowyer and Mads Jensen in 2018, believing that the venture ecosystem needs to do more to support European startups. The founders believe that startups are the primary engine of positive change, and with venture capital supplying the fuel, European venture capital firms can and should play a much more supportive role at the delicate early stages.

Recent research from McKinsey shows that 66% of large companies are piloting new automation processes, and WEF found that 80% of business leaders are considering 'speeding up' their automation processes following the pandemic.



Read also

Selling as and with startups, a profile of Superseed

Article by Maddyneess UK