

Social mobility, energy platform and the 'Shopify-for-law' 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

19 April 2024

Total

£98.12M

Number of deals

12

London-based Tangent secures £868K pre-seed investment to bolster social mobility in tech

Tangent, a London-based technology start-up, has closed a £868K pre-seed round to bolster social mobility in tech. The investment round included participation from Zinc VC, Google Black Founders Fund, and the Syndicate Room. Key angel investors include Leonard Picardo (#2 employee at Deliveroo), Catherine Lenson (prior to her move to Phoenix

Court Group), Andrew Robb (former COO at FarFetch), and more, as well as Scouts from Atomico and Ada Ventures.

Founded by LinkedIn and EE alumni Gary Izunwa and Joe Adams, Tangent is a platform that connects jobseekers from low socioeconomic backgrounds with employees in tech for mentoring and employee referrals.

Tangent's public launch comes at a time where recent data reports that only 9% of all UK tech employees come from low socioeconomic backgrounds despite making up 39% of the total UK population (Tech Talent Charter, 2024). This figure is significantly worse than the finance and law industries, where 29% and 23% of employees respectively come from low socioeconomic backgrounds. Starting with entry-level tech sales roles (B/SDRs), the platform connects jobseekers directly with employees from London's leading tech employers including Stripe, Amazon, and Revolut, who offer mentoring, advice, and referrals to Tangent's pool of socially diverse talent.

"Tangent sits at the heart of Zinc's thesis of building commercial solutions to solve the world's most pressing problems. We've been inspired by the progress that Gary and Joe have achieved in a short space of time and are excited to continue to partner with them on the next phase of their journey," said Ella Goldner, General Partner at Zinc VC.

GridBeyond closes £44.62M Series C round to continue its platform evolution and invest in new markets

GridBeyond, the leading intelligent energy and smart grid platform provider for distributed energy resource management, has closed its £44.62M Series C financing round. The round was led by *Alantra's Energy Transition Fund, Klima*. The Series C round also included new and returning investors *Energy Impact Partners, Mirova, Act Venture Capital, ABB, Constellation* and *Yokogawa* Electric Corporation.

GridBeyond's technology unleashes the latent power within every connected asset, including utility-scale renewables generation, battery storage, and energy demand load. This bridges the gap between distributed energy resources and the requirements of the power grid, enabling stakeholders across the energy value chain, from generators and network operators to end users, to optimise energy use for price and carbon footprint.

The funding will be used to further evolve GridBeyond's technology and demonstrate its leadership in Grid Edge Virtual Power Plant (VPP) worldwide. It will enable GridBeyond to build on its capability in optimising assets like demand response, storage and renewables and support grid operators and local utilities to maximise the use of flexible assets and low-carbon technologies rapidly integrating into the system through the electrification of heat and transportation.



Lawhive secures £9.5M to grow groundbreaking platform that combines AI with human lawyers

Pioneering legal-tech company *Lawhive* has raised £9.5M in Seed funding, advancing its mission to make it easier and more affordable for consumers and small businesses to access quality, expert legal help. Led by *GV*, with participation from *Episode 1 Ventures*, the funding round follows a £1.5M investment in April 2022 which enabled the business to achieve rapid growth in the past 12 months.

Dubbed the 'Shopify-for-law', Lawhive operates an AI-powered platform

for lawyers. Lawyers can work with their own clients or be matched with consumers and small businesses through the Lawhive marketplace. By using cutting-edge AI to handle many aspects of legal work, the Lawhive platform enables huge time-savings for lawyers and major cost and efficiency benefits for their clients. As a result, Lawhive is able to tackle a vast array of common legal matters that up until now have been the domain of traditional high street law firms.

To date, Lawhive has helped thousands of consumers seeking support on a range of issues, from family and property disputes, to consumer rights and small business issues.

"This investment underscores our belief in Lawhive's potential to redefine the legal industry. " says Vidu Shanmugarajah, Partner at GV

IW Capital announces £3M follow-on investment in Daily Dose

IW Capital, a leading investment house specialising in providing growth capital for life-changing companies, has announced a further £3M investment into its portfolio company, *Daily Dose*, the UK's fastest growing cold-pressed juice and functional drinks business with sustainability at its core. Daily Dose will use the follow-on investment to fund the next stage of its growth.

With a farm-to-fridge ethos, Daily Dose partners directly with British farmers, taking waste produce that would otherwise be thrown away, and turning it into high quality cold pressed juice sold under its own brand 'Daily Dose' and through private label contracts.

Daily Dose was founded in 2016, and, since its inception, has grown rapidly. In the past year, and off the back of IW Capital's original investment in 2023, the company has delivered another year of growth and has won a number of contracts that have seen it stocked on the shelves of major retailers. It has also acquired a new production facility in Corby, which will enable the scale-up of its juice production operations.

London-Based Hometree snaps up renewable energy installers with BlackRock funding to lead Home Energy Revolution

Hometree, the London-founded company transforming how homeowners manage their energy needs, is embarking on an nationwide acquisition spree to buy up renewable energy and heat pump installers, with a new debt facility from funds and accounts managed by *BlackRock*.

Hometree is a tech-enabled leading UK challenger brand in residential energy services. With an initial focus on home emergency breakdown and insurance, Hometree has since expanded into renewable installations and financing, positioning itself to become a key partner for homeowners looking for low-carbon home energy solutions.

It now has over 100,000 customers who rely on Hometree to keep their homes running smoothly with emergency heating, plumbing, electrical repairs and maintenance plans, which are delivered by its nationwide network of over 5,000 multi-trade engineers and installers. In addition, through its Hometree Finance division, Hometree has the largest portfolio of residential heat, solar and battery leases in the UK which it finances and owns the assets for homeowners, so they can benefit from the lower energy bills, without the upfront cost of installation.

"Our mission has always been to support homeowners to decarbonise their homes, and this funding from BlackRock gives us the capacity to increase our scale at pace through M&A." says Simon Phelan, Founder & CEO of Hometree.

As UK life expectancy falls, HealthKey secures £1.13M in seed funding, led by Aviva Ventures to improve how employees access and pay for healthcare

HealthKey, the pioneering UK Healthtech firm changing how healthcare is accessed and paid for, announced the closure of a £1.13M seed round, led by Aviva Ventures, with support from Ascension, Oxford Capital, and Cur8 Capital.

HealthKey is a leading UK Healthtech startup dedicated to revolutionising how health and well-being services are accessed and paid for. Through its innovative multi-sided platform, HealthKey seamlessly connects health and well-being providers with health payers, giving users more control over their access to healthcare with easier access to a wide range of products and services. The company's mission is to unlock and simplify access to everything individuals need to live a healthier life.

With funding secured, HealthKey will now focus on further enhancing its platform's capabilities, and expand the number of integrations with health and life insurers, health plan providers, and corporate employers, and broaden the range of health service providers available.

Phlo raises additional £9M in unique growth round to fuel pivotal transformation of digital health services

Phlo have announced the close of a £9M funding round, accessing additional investment for their group of businesses amid a challenging investor market. The new capital will power significant scaling of the digital healthcare business, and its evolution from a digital pharmacy innovator into a holistic digital healthcare leader. The round's lead investor was *Par Equity*, who made a significant investment from their *recently-announced* £100M venture capital fund: Par Equity Ventures I LP. Par Equity was joined by *Thairm Bio* and *Scottish Enterprise*, who also invested in Phlo's 2023 Series A.

The Phlo ecosystem comprises industry-leading digital pharmacy products and healthcare e-commerce brands. This includes the NHS and private medication management service, *Phlo Digital Pharmacy*, the UK market-leading API-driven digital infrastructure platform for healthcare providers, *Phlo Connect*, and the newly-launched *Phlo Clinic* on-demand treatment service, alongside *Hello Eve*, a dedicated women's healthcare brand, which both provide patients with on-demand, regulatory-approved treatments from qualified clinicians.

Over the next 12 months, Phlo plans to expand the geographic footprint of its UK operations to provide patients easier access to their growing range of digital healthcare services – from at-home prescription delivery to treatments and services delivered online. This includes their new weight management service and their ever-expanding women's healthcare service.



Read also

Go with the Phlo: the future of pharmacy?

FYLD secures £12M funding round to take platform global

Breaking ground in the infrastructure sector, *FYLD*, the AI-powered field work execution platform, announces that it has closed a £12M funding round led by *Ontario Teachers' Pension Plan (Ontario Teachers')*, a leading investor in infrastructure. To date, FYLD has raised a total of £26M, which has helped accelerate the adoption of its AI-powered platform and achieve 3x revenue growth in 2023.

Founded in 2020, FYLD offers an AI-driven digital platform that empowers field managers to make proactive, data-led decisions in real time and transform operational processes and procedures with data.

FYLD will use this new capital to scale its commercial team, accelerate product development, enhance its AI-driven predictive analytics platform, and expand in its existing markets and into new markets globally.

"We look forward to accelerating FYLD's global expansion and delivery of its AI-powered predictive analytics platform through this investment." says Dale Burgess, Executive Managing Director Infrastructure & Natural Resources at Ontario Teachers

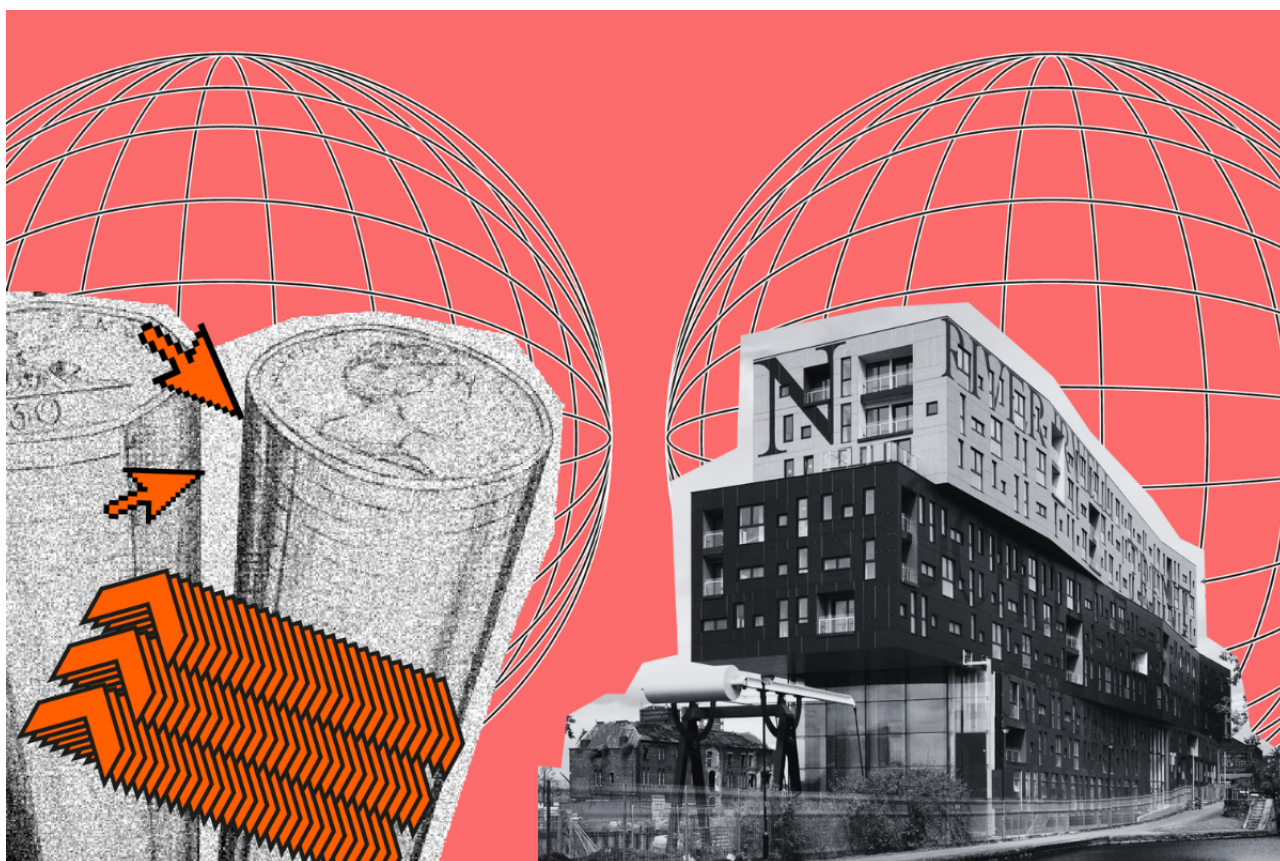
Lemon raises £500K in pre-seed funding to enable SMBs to save thousands on SaaS spending

Manchester-based fintech Lemon is announcing it has successfully raised its pre-seed funding round, securing £500K to support the business through the next stage of development. The investment was led by SFC Capital, the UK's most active early stage VC, and Pitchdrive, a European fund specialising in pre-seed and seed investment. In addition to the leading VC investment, Lemon has also received angel investment from ex Partner of Debt Advisory at KPMG, Nick Dodd, and Kimberley Waldron, Co-Founder of fintech communications agency, SkyParlour Started, who both join the Lemon advisory board.

At its core, Lemon is a platform that allows SMBs to discover, finance, and control their SaaS. According to research from Lemon, SMBs can spend upwards of £30K on SaaS software each year, however some businesses are completely unaware that their SaaS expenditure is so high. Using

Lemon, SMBs can manage their subscriptions in one place to establish overspend, gain clarity of company-wide SaaS usage, and streamline business costs, reducing average spend by 20%. Many SMBs rely on software subscriptions to increase efficiencies within their business, through HR, marketing, and accounting programs. Through the Lemon subscription management tool, SMBs are able to save thousands on these software subscription expenses, with zero additional work.

This raise is particularly significant as it shows there is still demand for new fintechs which can solve real problems for real businesses across the globe, despite the challenging economic climate. Furthermore, SaaS fintechs are currently seeing a drop in funding and interest from investors, making the closure of this round even more prevalent.



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Manchester, the engine room of the Northern startup powerhouse

Wagestream to 'serve the millions overlooked by banking', with £17.5M funding boost

Wagestream, whose financial benefits platform is used by employers like Asda, Burger King, Bupa and Hilton, has raised a further £17.5M in funding from new and existing investors. The round includes funding from new investors British Patient Capital (the UK's largest domestic investor in venture and venture growth opportunities and a subsidiary of British Business Bank), Lombard Odier Investment Managers, and participation from existing investor Northzone.

With investment from social impact funds including Big Society Capital, Social Tech Trust and Fair By Design, Wagestream was founded in 2018 to tackle the £430 'premium' low and middle-income households pay for essential services - because high street providers overcharge them for inflexible products designed for higher-earners, or exclude them altogether.

Wagestream will use the latest funding to expand that range of services and become a 'complete financial platform' for low and middle-income workers. New services this year will include a credit-builder card for those previously denied access to credit, shopping discounts for those impacted by soaring inflation, AI-powered coaching for those priced out of the financial advice sector, and loans for those previously overcharged by credit providers.

“Wagestream is growing at a rapid pace, while still delivering on the important social mission at its core - we've been impressed by the team's clear

*vision and agile execution." says Ian Connatty,
managing director, Direct & Co-Investment, at
British Patient Capita*



Read also

Meet Wagestream, a financial wellbeing platform for frontline workers

In other international investment news

finmid raises £30M to bring its embedded financing solutions to small businesses across Europe

finmid - the financial infrastructure innovator helping B2B platforms offer their small and medium-size customers access to tailored financing support - has emerged from stealth to announce it has raised £30M in

early-stage equity funding from *Blossom Capital*, *Earlybird VC* and N26-founder *Max Tayenthal*. The funding comes as finmid also announces it has partnered with Wolt, a leading European tech company known for its local commerce platform.

Founded in 2021 by former N26 employees, *Max Schertel* and *Alexander Talkanitsa*, finmid is reinventing banking for small businesses by enabling B2B software companies to offer financing solutions to their customers, quickly and without risk. With just a few lines of code, finmid partners can offer a growing range of capital and payment solutions their SMBs need to scale.

In the past three months, finmid has tripled revenues and signed up some of the world's best-known platforms as partners. The new funding will be used to continue expanding and onboarding customers across core European markets, while offering platforms more financing options and a smoother user experience.

Bridgewise secures £16.86M in new funding to support the global expansion of its AI-powered financial intelligence platform for global securities

Bridgewise, the innovative AI-based analysis platform for global securities, has announced the completion of a £16.86M funding round, bringing its total capital raised to £28.1M. The round was led by *SIX Group* with participation from *Group11*, *L4 Venture Builder*, and other global financial institutions. For this funding round Bridgewise chose investors from leading finance companies that can act as strategic partners in key regions.

Bridgewise is a rapidly growing provider of AI-driven investment analysis serving exchanges, banks, trading platforms, investment houses, wealth advisors, and financial media & education platforms. The company currently has clients and operations in over 15 countries including Australia, Brazil, Japan, Singapore, Switzerland, UAE, UK, US, and more. It will use the new funding to accelerate market penetration and growth.

The Bridgewise platform delivers a suite of products tailored for the needs of leading financial institutions and service providers. These include detailed AI generated reports and on-demand analysis of any financial instrument or security, a natural-language AI conversational chat - Bridget™, a robo advisor that provides personal recommendations based on users existing portfolios, and more.

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