

Automated due diligence, low-emission shipping and spacetech 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

6 September 2024

Montant

£45.8M

Nombre d'opérations

2

Capsa AI, a startup revolutionising due diligence in private equity, has secured £1.7M in seed funding

The round was led by Outward VC, with contributions from Cornerstone VC, Antler, and notable angel investors like Chris Adelsbach. Since its inception just eight months ago, *Capsa AI* has already generated revenue, working with PE funds managing over \$30B across the US, UK, and Germany.

Capsa AI has developed an AI operating system that automates low-skill due diligence tasks, freeing up private equity investors to focus on more critical activities. The technology has co-developed features with leading PE funds, resulting in an average 20% time-saving in due diligence and a 90% customer satisfaction rate. The company plans to use the new funding to expand its team, enhance its product, and deepen its market reach.

Founded by Danyal Özdüzenciler and Callum Downie during an Antler residency, Capsa AI benefits from Danyal's extensive experience in private equity and Callum's expertise in AI and machine learning. Their combined skills have led to the rapid development of a product already making significant impacts in the industry, with backing from top investors who see great potential in the startup's future.

“Capsa AI has received such a positive reaction from investors and customers alike because we are using AI to address a clear and pressing challenge in one of the world's biggest industries. We are already driving productivity and efficiency in major PE firms and I have every confidence that we can build a product which will transform collaboration, knowledge sharing and decision making in private equity and private capital worldwide.” Danyal Özdüzenciler, cofounder of Capsa AI.

E-commerce fulfilment company raises £2.1M to meet growing demand

Warehow, an e-commerce fulfilment company serving fashion and homeware retailers, has raised £2.1M in a Series A funding round. The round was led by the Midlands Engine Investment Fund II, managed by Mercia Ventures, with additional support from existing investor MENA Moonshots. Warehow enables retailers to sell on multiple marketplaces like eBay and John Lewis through a single fulfilment service, operating

from its two warehouses near Worksop.

The new investment, bringing Warehow's total funding to over £3.75M, will be used to enhance its technology, expand storage capacity, and boost sales and marketing efforts. Co-founder and CEO Pete Harris expressed that this funding is a significant milestone, allowing the company to accelerate its growth and better execute its business plan. Warehow has already established partnerships with major brands like River Island, Hoover, and Puma, and is poised to meet the growing demand in the e-commerce sector.

The Midlands Engine Investment Fund II, which provides early-stage finance to small and medium-sized businesses across the Midlands, played a crucial role in this funding round. Howard Mitchell of Mercia Ventures noted that Warehow's innovative use of technology and efficient warehouse operations are key to its success, and this investment will help the company scale to meet increasing demand. The fund aims to drive sustainable economic growth by supporting innovative and ambitious SMEs in the region.

Signal raises £2.5m to harness the human factor in emissions-intensive industries

Signal has raised £2.5M in a funding round led by New York-based venture capital firm TMV, with participation from global shipping companies UltrNAV and MOL PLUS, as well as previous investor East Innovate. Signal leverages behavioural science to reduce emissions in hard-to-abate industries like shipping and aviation by optimising human decision-making. The company has already helped its clients save over 100,000 metric tonnes of CO₂ without requiring technological changes to ships or aircraft.

TMV's co-founder Marina Hadjipateras highlighted the importance of investing in solutions that improve sustainability and efficiency in legacy industries, noting that Signol's human-centric approach can transform operational behavior in sectors like maritime and aviation. The investment will enable Signol to enhance its technology and increase commercial traction in these industries while also exploring AI integration to further empower workers. Signol plans to expand its reach by implementing a proof-of-concept in the corporate travel sector, aiming to reduce emissions from business travel.

Signol's CEO, Michael Fanning, emphasised that securing investment from industry leaders like UltranaV and MOL PLUS underscores the maritime industry's recognition of the value in human-centered sustainability strategies. The funds will help Signol scale its impact, and the addition of Hadjipateras and UltranaV's Per Lange to the board is expected to accelerate the company's growth. MOL PLUS CEO Takuya Sakamoto expressed enthusiasm for Signol's approach to supporting seafarers and committed to strong support for the startup's journey.

In other investment news

Sarasin Bread Street raises €124M for inaugural Multi Vintage PE fund

Sarasin Bread Street, the private equity arm of Sarasin & Partners, has secured €124M in investor commitments for its Bread Street Multi Vintage Private Equity Fund (MVPE Fund). This marks the first private equity strategy launched by the team since their 2022 move to Sarasin & Partners. The MVPE Fund is designed for long-term investors and aims to capture the growth potential and superior returns associated with private company investments.

The MVPE Fund's portfolio comprises 96 high-quality global companies and will also include a primary commitment to Carlyle's Corporate Private Equity platform. This fund aligns with Sarasin & Partners' global thematic approach, offering exposure to key themes shaping the future. Despite a challenging fundraising environment, the fund attracted commitments from a range of investors, including family offices, UHNW investors, charities, and specialist private equity secondary funds.

"Despite a challenging private equity fundraising environment, investors have shown appetite for this strategy that mitigates much of the traditional private equity 'J-curve'. The fund's differentiated features have appealed to investors - including the accelerated deployment of capital into an attractive portfolio and efficient capital recycling." Alex Barr, Head of Sarasin Bread Street at Sarasin & Partners.

In other international investment news

ATLAS Space Operations raises \$15M in its latest growth investment round

ATLAS, a Ground Station as a Service (GaaS) and Ground Software as a Service (GSaaS) provider, operates the largest U.S.-owned global federated ground network, supporting space missions across the commercial, civil, and defence sectors. Its proprietary Freedom® Software integrates over 50 antennas across 34 ground stations, serving LEO, MEO, and GEO orbits, enabling secure and scalable data transmission.

The recent \$15M investment led by NewSpace Capital will fuel ATLAS's growth, allowing it to meet rising industry demand while benefiting from the investor's expertise in the space sector. This funding also supports ATLAS's international expansion into European, Middle Eastern, and

African (EMEA) markets.

NewSpace Capital's Martin Halliwell, who will join the ATLAS board, highlighted the company's innovative solutions for addressing fragmented ground communications. Existing and new investors, including Michigan Capital Network and Red Cedar Ventures, also participated in the funding round. With headquarters in Traverse City, Michigan, and offices in Colorado Springs, ATLAS's leadership team boasts over 130 years of combined commercial and government experience.

Reonic raises €13M Series A to help deploy sustainable energy solutions across Europe

Climatetech Reonic has raised €13M in a Series A funding led by Northzone, with participation from existing investors Point Nine and Puzzle Ventures. Reonic focuses on helping SME installers in the renewable energy market streamline their processes and accelerate growth. The company's software functions as an operating system for renewable energy installers, serving over 200,000 companies across Europe.

This funding follows a successful year for Reonic, which tripled its recurring revenue in just six months and opened a second office in Berlin. The investment will be used to expand into neighbouring European markets, starting with France, and to continue growing the team, currently 21 members strong. Co-founder Lars-Manuel Schneider emphasised the startup's mission to provide renewable installers with the best digital tools to help them compete and grow, while also offering additional services in procurement, payment, and financing.

“The energy transition is one of the most significant challenges and opportunities of our time. Reonic is at the forefront of this movement,

offering a solution that not only simplifies the adoption of renewable technologies, but one that also drives significant progress towards a more sustainable future. We are proud to back a team that is making such a profound impact on the energy landscape.” Markus Gleim, Principal at Northzone



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