

Antifungal drugs, haptics and carbon accounting 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

20 September 2024

Montant

£134.95M

Nombre d'opérations

7

F2G raises £75.7M to develop novel antifungal drug Olorofim in the US

F2G Ltd, a clinical-stage biopharmaceutical company developing therapies for rare fungal infections, has raised £75.7 million in a financing round led by AMR Action Fund and ICG, with participation from existing investors like Novo Holdings and Sofinnova Partners. The funds will support the late-stage development, regulatory approval, and U.S. commercialisation of olorofim, a novel oral antifungal therapy.

Olorofim, the first of its kind in the orotomide class, offers a new mechanism to treat invasive fungal infections like invasive aspergillosis (IA), addressing the limitations of existing treatments. It has been granted Breakthrough Therapy Designation by the FDA for multiple indications.

F2G CEO Francesco Maria Lavino highlighted the importance of this funding in advancing the company's growth and preparing for commercialisation. New board members Dr. Henry Skinner (AMR Action Fund) and Dr. Toby Sykes (ICG Life Sciences) expressed the critical need for innovative antifungal treatments to address the growing global threat of fungal infections, especially given the limitations of current therapies.

Peratech closes £23.4M round on the scale-up confidence of its tactile sensing and haptics products

Peratech, a leader in force and haptic-based user interfaces, is set to accelerate its revenue growth using its QTC® force-sensing technology, leading haptic feedback, and Hydra® AI-powered interface software. Peratech's solutions enhance PC products, gaming, and creative software by making them more intuitive, engaging, and accessible for both novices and professionals.

CEO Jon Stark emphasized the impact of their tech, which makes PC user interfaces more intelligent, improving usability and enjoyment. The company's products are already seeing commercial success in keyboards, trackpads, and automotive interfaces, helping reduce driver distractions.

Scott Bell, Joint Managing Partner at Dark Matter Partners, praised Peratech's innovative platform, strong IP, and proven global traction, expressing excitement in supporting its scale-up ambitions.

Zevero announce £5.3M seed raise

Zevero, a global carbon accounting platform, has raised £5.3M in its inaugural seed funding round led by Spiral Capital, with participation from East Ventures and angel investors. The funding will drive Zevero's expansion into key markets like Japan, the U.S., Australia, and Asia-Pacific.

Zevero, already working with major brands like DEYA and Delphis Eco, helps businesses meet sustainability goals using AI to track emissions and integrate supply chain data. The platform provides detailed carbon accounting and LCA tools to guide companies on their path to net zero.

Cofounder and CEO Shigeo Taniuchi highlighted the growing demand for robust sustainability solutions, with the funding enabling Zevero to expand globally and enhance its product offerings.

Alesi raises £5M to reduce risk from surgical smoke in operating theatres

Alesi Surgical, a UK-based company specialising in surgical smoke management, has raised £5M in a funding round led by Mercia Ventures with participation from existing investors IP Group and Panakès Partners. This brings the company's total funding to over £21M. The raise follows FDA clearance for IonPencil, Alesi's first surgical tool incorporating its smoke management technology for routine surgeries, which account for 80% of all procedures.

Surgical smoke poses risks like reduced visibility and potential health hazards to staff, but current solutions are cumbersome. Alesi's technology uses electrical filtration to eliminate smoke, with its Ultravision system already used in over 40,000 surgeries. Its newly FDA-approved

Ultravision2 can be integrated into surgical tools, providing a solution for all smoke-generating surgeries.

With new US legislation requiring smoke management policies in 18 states, Alesi is well-positioned to capitalise on the growing demand. The company will use the funding to expand sales in the US and seek regulatory approval in Europe and Japan.



Reform RX secures £3.85M funding to fuel global expansion for enhanced pilates

Reform RX, the creator of the world's first digitally connected Pilates reformer, has raised £3.85M in a funding round led by Clarendon Fund Managers, marking the largest initial investment for a single company in Northern Ireland by the fund. This investment will support the company's global expansion and the further development of its patented technology,

which aims to enhance personalisation and mind-body connection in Pilates.

Founded in 2018 by Yvette McGaffin, a functional movement specialist, and Neal McGaffin, Reform RX quickly made an impact, generating \$1M in revenue within two weeks of launch and selling out its product line in early 2023. Their flagship product combines traditional Pilates principles with advanced technology, offering real-time biometric tracking and connecting users to on-demand classes and wearable devices for a fully integrated workout experience.

Reform RX plans to use the funds to expand globally, delivering its innovative Pilates experience to boutique studios, gyms, and direct-to-consumer markets. CEO Yvette McGaffin highlights the company's mission to go beyond physical fitness, promoting mental clarity and a deeper connection between body and mind.

The company benefits from industry experts like Sam Bowen, formerly of Peloton, and Frank van de Ven, ex-Life Fitness, as well as backing from high-profile investors like Bernadette Caulfield, producer of *Game of Thrones*, who has long been a student of Yvette McGaffin's Pilates training.

Aquark Technologies raises £4.2M in seed financing led by NATO Innovation Fund for quantum sensing

Aquark Technologies, a UK-based quantum technology company, has raised £4.2M in a seed round led by the NATO Innovation Fund (NIF), with support from EIFO, UKI2S (managed by Future Planet Capital), and MBDA. This investment will advance Aquark's proprietary quantum technology, which is crucial for securing the infrastructure behind defence,

telecommunications, and finance sectors, where precise signals for positioning, navigation, and timing (PNT) are essential.

GPS systems, vulnerable to interference, are becoming increasingly unstable, leading to significant economic risks, with potential losses of £1B per day from GPS disruptions. Aquark has developed a cold atom quantum sensor without the need for magnetic fields, reducing the size, weight, power consumption, and cost, making it adaptable for remote and challenging environments, such as underwater and aerial applications.

“Safeguarding our infrastructure - from communication, to navigation and financial transactions - is key to building resilient businesses and boosting national security,” said Kelly Chen, Partner, NATO Innovation Fund.

Aquark’s work will contribute to the quantum readiness of NATO, enhancing the alliance's defence and security capabilities through better PNT and secure data communications.

Funding platform Ferovinum raises £17.5m for global expansion in the wine and spirits industry

Ferovinum, a platform focused on funding and supply chain solutions for wine and spirits businesses, has secured £17.5M in a Series A funding round led by Notion Capital, with participation from Shapers VC, Semapa Next, and existing shareholders. Jos White, General Partner at Notion Capital, will join Ferovinum’s board.

Ferovinum addresses key industry challenges such as liquidity constraints, complex supply chains, and regulatory hurdles by offering an end-to-end digital platform. With over £170M in product transactions and a 1,000% growth in sales since early 2023, the platform has deployed

over £114M to support UK producers. The new funding will fuel expansion into the US and Europe, as well as broaden Ferovinum's product offerings.

The company's platform is used by a range of high-growth customers, including Holyrood Distillery, Port of Leith Distillery, Ridgeview Wine Estate, and Moth Drinks. CEO Mitchel Fowler expressed enthusiasm for the growth potential and the support from Notion Capital, highlighting the platform's mission to modernize the \$800 billion global industry.

In other investment news

Vera Baker joins 4P Capital as partner to lead early-stage VC strategy

4P Capital, a European asset manager focused on Climate, Health, and Education investments, has appointed prolific angel investor Vera Baker as its newest partner. Baker, known as one of France's top angel investors, joined the firm over the summer and will lead its Early-Stage VC strategy. She has already made her first investment from the Resilience 1 fund.

Baker, originally from San Francisco, has an entrepreneurial background in political fundraising in Washington D.C. She transitioned to the French Tech ecosystem over a decade ago, where she became a prominent figure, taking on operational and advisory roles. In 2020, she began angel investing with Atomico, building a portfolio of 30 impact-driven startups including Emidat, Climate-X, Green-Got, and PlanetFWD.

Baker expressed her excitement to contribute to 4P Capital's expansion in Europe and the U.S., emphasising her passion for supporting innovative talent. Xavier Sarras, 4P's Founding Partner, praised Baker's unique background and impact on the startup ecosystem, noting her reputation

as a key advisor for founders.

Baker's appointment highlights the increasing representation of women of color in senior venture capital roles, addressing a gap in the European ecosystem.



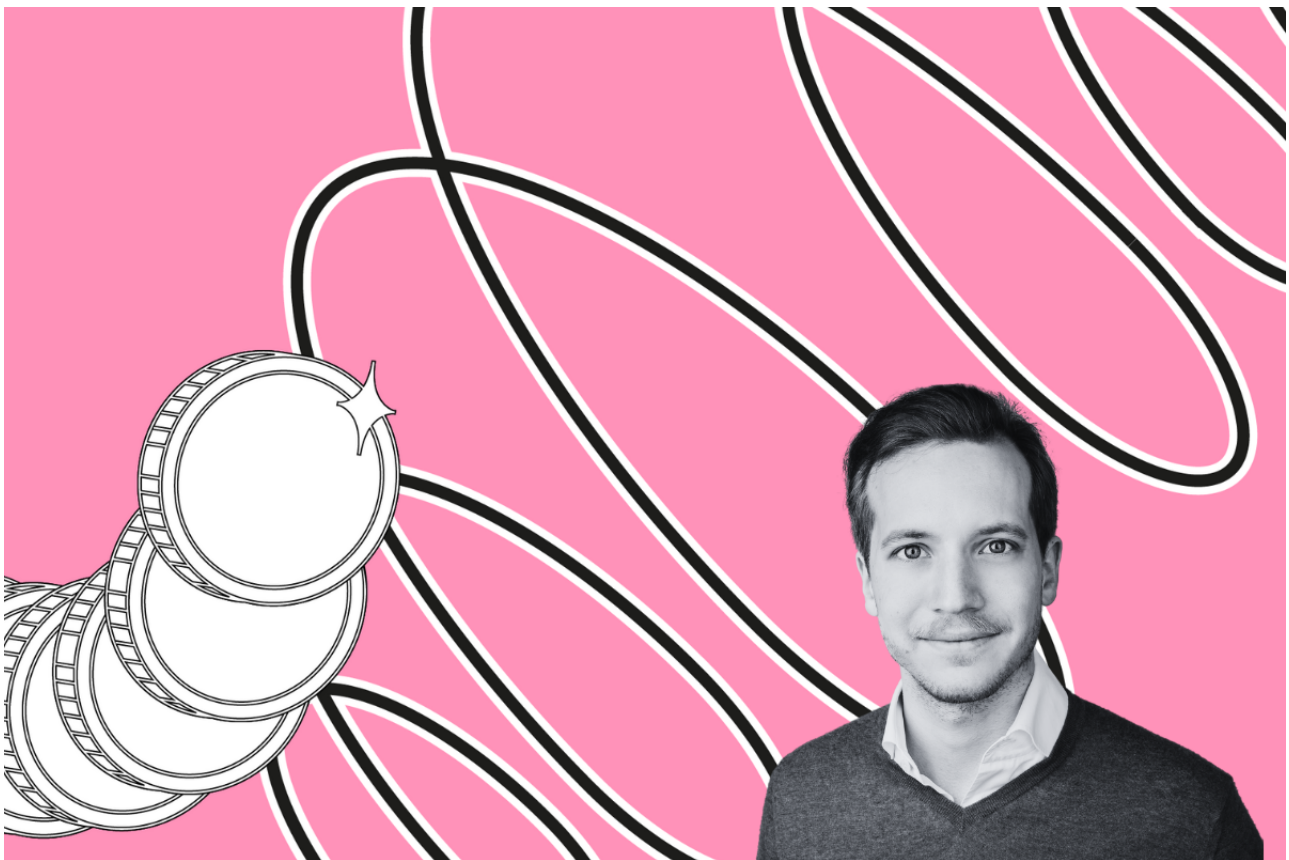
Headline raises \$865M for Global Growth Fund IV to boost European startups

Global investor *Headline* has raised \$865M for its Headline Global Growth IV fund, aiming to support companies at Series B and beyond. This comes as Europe faces a significant growth capital gap compared to the U.S., with startups raising 50% less capital by their 10th year.

While early-stage funding in Europe surged until 2022, recent market corrections have left a funding shortage, especially for scale-ups.

Headline's new fund seeks to fill this gap, investing \$20-70M in high-growth companies across the U.S. and Europe, using proprietary tech platforms to identify opportunities.

Backed by KfW Capital and the European Investment Fund (EIF), the fund aims to strengthen Europe's venture ecosystem, which lags behind the U.S. in available capital. The fund will be led by Shalini Rao and a team focused on supporting startups through their critical growth phases.



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In other international investment news

Reverion raises \$62M to enter serial production of next-generation renewable power plants

Reverion, a company developing reversible, carbon-negative power plants, has raised \$62M in an oversubscribed Series A funding round. The round was led by Energy Impact Partners (EIP), with participation from Honda and the European Innovation Council Fund (EIC Fund). Existing investors including Extantia Capital, UVC Partners, Green Generation Fund, Doral Energy-Tech Ventures, and Possible Ventures also joined the round. The funding will support Reverion's shift to serial production to fulfill over \$100M in pre-orders already collected.

Reverion's innovative power plants utilise biogas more efficiently than traditional gas engines, achieving up to 80% efficiency in power generation—double that of conventional engines. The technology allows for the production and storage of renewable natural gas or green hydrogen during electricity surpluses, providing enhanced grid flexibility. Furthermore, Reverion's plants capture the CO₂ produced during power generation, enabling carbon-negative energy production.

Ashwin Shashindranath, Partner at EIP, commended Reverion's rapid progress and market traction, positioning them as potential leaders in renewable energy globally. Reverion has seen significant interest from farmers and industrial customers, with farmers drawn to its ability to double biogas output, while industrial clients benefit from its integration with thermal and chemical processes for electricity, heat, and gas generation.

Varda to boost European soil health as part of EU's €6M investment into subsoil sampling

Varda, an agritech data service provider, has joined the DeepHorizon project, a four-year, €6M initiative funded by Horizon Europe, aimed at addressing subsoil degradation across Europe. Varda, founded by Yara, a leader in nutrient production, will use its platform SoilHive to manage and share subsoil data. This will involve creating the first European-level subsoil dataset and enhancing SoilHive for better data discovery, including at the horizon level.

The DeepHorizon Consortium, comprising 16 companies and universities, will focus on understanding subsoils' critical role in carbon storage, water retention, nutrient cycling, and biodiversity. Subsoils have been overlooked despite their importance to ecosystem health, agriculture, and climate change mitigation. The project aims to unlock their potential through data collection, modelling, and collaboration among stakeholders.

Simone Sala, Director of Soil and Ecosystem Solutions at Varda, emphasised the importance of soil transparency and collaboration in tackling climate change. Professor Mathieu Javaux from UCLouvain, coordinator of DeepHorizon, highlighted the project's holistic approach to soil research, aiming to develop new tools to improve subsoil health.

Phlair raises €14.5M to rapidly scale its hydrolyzer-based Direct Air Capture (DAC) technology

Phlair has raised €14.5M in a seed round led by Extantia Capital. Other investors include Planet A, Verve Ventures, and a €2.5M grant from the EIC Accelerator. This funding will help Phlair launch its first DAC plants by

2025, serving customers like Shopify, Stripe, Klarna, and Deep Sky.

Founded in 2022 by Malte Feucht, Paul Teufel, and Steffen Garbe, Phlair's technology uses a pH-swing mechanism for scalable and low-cost CO₂ capture. The system integrates off-the-shelf components, allowing rapid scalability and durability, and eliminates the need for costly battery storage. The funding will support the development of two 260 t-CO₂/year plants, Electra 01 and Electra 02, and a larger >20,000 t-CO₂/year plant called Dawn, set for 2026.

Phlair's goal is to drive costs down to below \$100/tCO₂, positioning the company to lead in the next generation of DAC technology. Torben Schreiter, Partner at Extantia Capital, praised the company's fast execution and potential to scale cost-effectively.



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