

Text-to-speech, market intelligence and children's audio 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

18 October 2024

Total

£112.15M

Number of deals

10

Neuphonic raises £3M to transform Voice AI with world's fastest text-to-speech solution

Neuphonic has raised £3M in pre-seed funding led by Moonfire VC, with participation from Tiny VC, Salica Oryx Fund, and Cur8 Capital. The company, co-founded by Sohaib Ahmad and Jiameng Gao, has developed the world's fastest text-to-speech (TTS) solution, with a patent-pending algorithm that generates speech in real-time with ultra-low latency of just 25 milliseconds. Neuphonic's technology enables more natural, human-like interactions with Large Language Models (LLMs), unlocking new use

cases in sectors like gaming, customer service, and real-time translation.

The funding will help Neuphonic expand its language capabilities, enhance model performance, and develop on-device solutions. With its innovative incremental speech generation approach, Neuphonic's API allows customers to integrate human-like speech in their products, offering significant improvements in voice AI experiences across industries. The company is already attracting interest from hundreds of potential users and businesses.

Neuphonic's breakthrough is poised to transform industries reliant on voice AI, with applications in areas such as ed-tech, digital avatars, and localization. As the global voice AI market is projected to reach USD 41.39 billion by 2030, the company is positioned for rapid growth, with investors and industry experts hailing its potential to redefine human-AI communication.

Diesta secures £2.9M seed funding to transform how insurance companies process B2B premium payments

Diesta, a London-based B2B SaaS company transforming payment operations for the insurance industry, has secured £2.9M in a Seed funding round led by FinTech Collective with participation from Commerce Ventures and existing investors Restive Ventures and SixThirty. This follows Diesta's pre-seed round last year, highlighting the company's rapid growth across the UK, Europe, and the US. Diesta aims to modernise the highly fragmented insurance industry, which processes \$1.75T in commercial premiums annually, by addressing inefficiencies in B2B payments that cost the sector \$32B each year.

Diesta's platform provides a financial operations backbone for the

insurance industry by unifying payment and premium data sources to streamline and automate the premium payment process. This technology is already gaining significant traction in the London market, serving both emerging insurtechs and large enterprises. Julian Schoemig, Co-Founder and CEO, announced the funding at the ITC Vegas conference, emphasising Diesta's ability to deliver substantial value by tackling premium payment challenges, traditionally seen as unsolvable, for entities of all sizes.

With the new funding, Diesta plans to expand its presence across the UK, Europe, and the US, targeting new insurance classes and geographies. The company will also enhance its platform with AI-driven integrations and embedded fintech partnerships to offer real-time payments, reconciliation, and treasury management. Diesta aspires to become the go-to payment operations solution for the insurance industry, driving digital transformation in one of the world's most outdated sectors.

BGF invests £6M into Signify Research

BGF, the UK and Ireland's leading growth capital investor, has invested £6 million in *Signify Research*, a specialist in health tech market intelligence. This multi-million-pound investment is aimed at accelerating Signify Research's growth and expanding its market presence. The company provides high-quality research, consultancy, and market intelligence across key healthcare technology areas such as Medical Imaging, Digital Health, AI in Healthcare, and more. The investment will enable Signify to broaden its coverage areas and deepen its research offerings, maintaining its role as a trusted resource for industry leaders.

Signify Research will continue to be led by co-founders Steve Holloway (CEO) and Alex Green (COO). Additionally, Gareth Miller, former CEO of BGF-backed Cornwall Insight, has been appointed as non-executive Chair,

bringing his expertise in scaling B2B services. Holloway expressed enthusiasm for the partnership with BGF, highlighting the investment's role in scaling operations and enhancing the company's product offerings. He also praised Miller's relevant experience in supporting their ambitious growth strategy.

The deal, led by BGF's Mark Nunny and Elena Kovalikhina, reflects BGF's ongoing commitment to backing high-potential businesses. Mark Nunny emphasised the opportunity to work closely with Signify's team to drive further advancements in healthcare technology, while Mike Tillson of Grant Thornton, who advised Signify, noted that the partnership will accelerate growth initiatives and provide equity alignment for the management team.



Read also

Growth capital for small and mid-sized businesses, a profile of BGF

Hometree expands with £50M from CPP Investments and partners with leading

installers and utilities

Hometree has raised a £50M mezzanine financing facility backed by CPPIB Credit Investments Inc., part of the Canada Pension Plan Investment Board (CPP Investments). This funding, along with a £250M senior asset-backed debt facility from Barclays, will finance the installation of up to 35,000 residential solar panel systems, batteries, and heat pumps across the UK over the next two years. Hometree aims to decarbonise over one million homes by 2030 and establish itself as Europe's leading provider of integrated energy services.

The demand for renewable energy systems is rising due to increased energy prices, with over 180,000 solar panel installations recorded last year. Hometree is working with energy supply chain partners, including Project Solar and So Energy, to provide affordable long-term financing and make renewable energy accessible to homeowners.

With the new capital, *Hometree plans to innovate financing solutions*, including zero-deposit leases and 'pay as they save' models, allowing homeowners to spread installation costs over up to 25 years. Rory Duff, Managing Director of Hometree Finance, highlighted the importance of financing in enabling homeowners to adopt renewable energy technologies. CPP Investments' involvement will support Hometree's expansion while tapping into the growing appetite for green financing solutions in the UK.



Read also

Meet Hometree, accelerating the decarbonisation of homes

Cyber company raises further £500,000 for platform to safeguard SMEs

Melius Cyber, a Newcastle-based cybersecurity company, has raised £500,000 from the North East Venture Fund (NEVF), managed by Mercia and supported by the European Regional Development Fund. This latest investment will support the launch of a new version of its CyberSafe platform and help expand the team by creating six new jobs. The CyberSafe platform, designed for SMEs, provides continuous monitoring of IT networks, websites, and mobile apps, automating vulnerability scanning and penetration testing while helping businesses gain certifications such as Cyber Essentials and ISO 27001.

The new version of CyberSafe, set to launch soon, will feature enhanced reporting and analytics, anti-ransomware protection, advanced email security, automated alerts, and the ability to check over 250,000 vulnerabilities daily. The funding round brings the total

raised by Melius Cyber to £1.35M, helping the company move towards building a full security operations center (SOC) and a security information and event management (SIEM) solution.

Since its founding in 2019, Melius Cyber has expanded its customer base, now serving over 60 clients, including Virgin Wines, Crafters Companion, and Jules B. CEO Richard Brown highlighted that CyberSafe reduces the detection time for cyber breaches from 277 days to just one, allowing companies to respond quickly. Ian Wilson, Fund Principal at Mercia, praised Melius' progress and noted the platform's potential to become a leader in the cybersecurity market for SMEs.

Global children's audio platform Yoto secures a £11.5M funding package to support international growth

Yoto, a UK-based children's audio platform, has secured a £11.5M funding package from HSBC UK's Growth Lending Fund to support its international growth and increase global market presence. This funding will help Yoto boost its inventory and free up working capital, allowing the business to expand its reach beyond its current operations in five countries. The platform recently launched in Australia and aims to nearly double its exports, increasing hardware distribution globally.

Yoto's CFO, Ben Averis, emphasised that the funding would help accelerate the company's growth, enabling them to meet the growing demand for their audio players and content cards. Yoto expects to double its revenues as a result of the investment. The company's mission is to provide high-quality, child-centric audio content without screens, microphones, or ads, inspired by Montessori values. Their extensive

library includes over 1,200 audio cards featuring content from partners like Disney, Penguin Random House, and Universal Music Group.

Aman Nirwal, Director at HSBC UK, praised Yoto's innovative products and its increasing popularity in international markets, expressing excitement about supporting the company's strategic expansion.

HSBC UK's Growth Lending Fund is designed to help high-growth tech scale-ups, and Yoto's strong equity backing and proven sales record made it an ideal candidate for this funding. Founded in 2015, Yoto offers a screen-free alternative for children, focusing on fostering creativity and independence.

AI-powered inventory platform autone raises £13M from General Catalyst to shape a new era of retail built on data

Autone, an AI-powered platform that helps retailers optimise their inventory management, has raised £13M in a Series A funding round led by General Catalyst, with participation from previous investors including Speedinvest, Y Combinator, Seedcamp, and notable angels from LVMH, Sephora, and Moncler. The funding will be used to enhance product development, expand into the US and Europe, and hire additional team members.

Founded in 2021 by Adil Bouhdadi and Harry Glucksmann-Cheslaw, who previously worked together at Alexander McQueen, Autone has already secured over 50 global clients, including renowned brands like Roberto Cavalli, Stüssy, and Zadig & Voltaire. The platform leverages AI, machine learning, and predictive analytics to help retailers forecast demand, reduce inventory levels by up to 55%, and improve sales accuracy by 25%. Autone integrates millions of data points to offer real-time insights

and recommendations, significantly cutting manual tasks and increasing profitability while promoting sustainability by minimising overproduction.

With the new funding, Autone aims to evolve into a comprehensive operational platform for mid-market retailers, integrating supply chain, remanufacturing, and reordering management to replace legacy systems. The company plans to scale its presence in the US and Europe, with support from General Catalyst's expertise in retail technology.

Mindtech raises over £4M to power the future of computer vision training

Mindtech Global, a Sheffield-based leader in synthetic data for AI vision systems, has raised £4.4M in a funding round led by Edge, with participation from Mercia Ventures and the Northern Powerhouse Investment Fund. The investment will help Mindtech further develop its Chameleon platform, which uses games technology to create diverse, realistic images for AI training. This enables companies to train AI systems to recognise humans and objects across various scenarios while reducing costs, complying with privacy laws, and avoiding data bias.

The funding will also support Mindtech's expansion into key markets such as Japan, the US, and Europe. In addition to Chameleon, the company's Dolphin platform addresses issues of bias and diversity in AI training datasets. Mindtech's technology is already being used in sectors like retail, healthcare, and robotics. With the rise of synthetic data expected to dominate AI training by 2025, Mindtech is positioned as a leader in solving the industry's data scarcity challenges.

CEO Steve Harris highlighted the investment's importance in advancing Mindtech's AI vision solutions, while Fiona Dent of Edge and Ashwin

Kumaraswamy of Mercia Ventures emphasized the company's potential to transform AI training by providing realistic and compliant synthetic datasets.

Omnea raises £15.4M Series A, led by Accel, to take the pain out of procurement and supplier management

Omnea, an AI-powered procurement and supplier risk management platform, has raised £15.4M in Series A funding led by Accel, with participation from First Round Capital, Point Nine, and angel investors. The company aims to simplify the complex procurement process, which often involves multiple stakeholders and lengthy timelines, by offering a platform that automates the full supplier lifecycle. With clients like McAfee and TeamViewer, Omnea's platform enhances spend control and risk management through no-code workflows, making procurement more efficient and user-friendly.

Founded in 2022 by Ben Freeman and Ben Allen, Omnea addresses the inefficiencies of decentralized procurement systems that create risks, shadow IT, and wasted spending. Freeman, having previously led international growth at Tessian, saw the need for a more scalable and efficient solution for companies navigating increasing capital efficiency and compliance demands. The platform integrates with existing procurement systems like Coupa and SAP Ariba, offering custom workflows for various departments and reducing manual procurement tasks.

Omnea's recent funding will be used to expand its team, invest in R&D, and open US offices. Alongside the funding, the company has introduced enhanced AI capabilities and advanced third-party risk management

features to further improve the procurement experience and automate supplier lifecycle management.

Zerve raises £5.85M to maximise AI & data business impact

Zerve, a data science and AI development platform, has raised a £5.85M seed round led by Paladin Capital Group, with participation from Elkstone and angels like Rob Hickey, former Executive VP of Engineering at DataRobot. Established in 2021, Zerve aims to streamline AI and data workflows for code-first teams with its developer-centric platform. By automating infrastructure management, version control, and deployment, Zerve reduces cycle times by up to 9x, helping teams overcome common hurdles in scaling AI projects.

Since its commercial launch in February, Zerve has quickly gained traction, onboarding elite code-first teams globally and attracting over 4,000 users in just three months. The platform's unique features enable teams to maximise their impact by simplifying the development and deployment of AI workflows. Co-founded by Phily Hayes, Jason Hilary, and Greg Michaelson, Zerve is designed to ensure resilience and scalability for high-performing data teams.

Ken Pentimonti of Paladin Capital Group highlighted the limitations of current solutions in AI development, noting that Zerve's platform unlocks innovation by improving both speed and reliability. With AI spending in Europe expected to grow by 30% annually, Zerve is well-positioned to capitalise on the expanding market.



In other investment news

NewSpace Capital announces appointment of Lieutenant-General John E. Shaw and Ruy Pinto to Advisory Board

Global private equity firm NewSpace Capital has appointed Lieutenant-General John E. Shaw, former U.S. Space Command deputy commander, and Ruy Pinto, former CEO of Luxembourg-based SES, to its Industry Advisory Board. Shaw, a highly experienced military leader, was the first commander of the U.S. Space Force's Space Operations Command and brings extensive expertise in space and defense. Pinto, who has held leadership roles at SES and Inmarsat, is also advising on the European Commission's IRIS2 Space Program. Both appointments will bolster NewSpace Capital's network and influence across the space and defense sectors.

Founded in 2018, NewSpace Capital focuses on investing in leading companies within the space supply chain, particularly those involved in components manufacturing, broadcasting, telecommunications, earth

observation, and navigation. Their portfolio includes companies like ATLAS Space Operations, ICEYE, Kayrros, Cailabs, and Simera Sense, all of which are making significant impacts across industries such as insurance, finance, and energy. With Shaw and Pinto on board, the firm will further strengthen its strategic leadership and broaden its access to expertise within the growing space ecosystem.

Lieutenant-General Shaw emphasised the growing importance of space in defense, sustainability, and global infrastructure, noting the critical role of NewSpace Capital in supporting innovation within the sector. Pinto echoed Shaw's sentiments, commending NewSpace Capital's focus on solving fundamental industry challenges and expressing excitement about contributing to the firm's ongoing efforts in driving space sector transformation.



Read also

Investing in the "picks and shovels" of the space industry, a profile of NewSpace Capital

In international investment news

Y Combinator-backed open-source AIOps platform Keep raises \$2.7M Pre-Seed round

Keep, an open-source AIOps platform, has raised \$2.7M in a Pre-Seed round led by Runa Capital, with participation from notable venture firms like Firestreak and Y Combinator. Angel investors including tech founders Shay Baron (Elastic), Andrew Miklas (PagerDuty), David Cramer (Sentry), and others also contributed to the round. Founded in 2023 by Tal Borenstein, Shahar Glazner, and Matvey Kukuy, the company is rapidly gaining traction with its AI-powered platform that simplifies observability for enterprises.

The funding will enable Keep to accelerate AI research and development and scale its enterprise-focused, open-source AIOps platform. The platform, which integrates with existing observability tools, uses proprietary AI models for intelligent alert correlation, significantly reducing alert noise for companies. Keep has already signed a \$500K+ enterprise contract and is running pilots with five Fortune 500 companies.

Since launching in 2023, Keep has achieved strong momentum, with over 3,000 stars on GitHub, 400 community members, and 60 contributors. The platform's early enterprise users have reported a 97% reduction in noise from alerts. Keep plans to leverage this new funding to lead the growing AIOps market, projected to reach \$32 billion by 2028.



MADDYNEWS UK

The newsletter you need for all the latest from the startup ecosystem

[SIGN UP](#)

Article by Maddynews UK