



Go4Venture Advisers

European Venture & Growth Equity Market Monthly Bulletin | April 2015

Technology / Media / Telecoms / Internet / Healthcare / Cleantech / Materials

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Providing innovative, fast-growing companies and their investors with independent corporate finance advice to help them evaluate, develop and execute growth strategies

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About this Bulletin

The Go4Venture Advisers' European Venture & Growth Equity Market Monthly Bulletin provides a summary of the most prominent private investment transactions among emerging European TMT companies.

Investment activity is measured using **Go4Venture's European Tech Headline Transaction Index (HTI)**, which is based on the number and value of transactions reported in professional publications. The HTI captures transactions at all stages of investment, from seed to pre-IPO, and is an early indicator of the progression of the private market cycle.

The Bulletin provides analysis of Venture Capital (VC) and Private Equity (PE) financings, including growth equity and financing rounds with single secondaries components (recapitalisations), of a value greater than or equal to our **Large Transaction threshold (£5mn / €7.5mn / \$10mn)**. Transactions below the threshold are captured in the HTI, but not profiled in the Bulletin.

Europe is defined as Western, Central and Eastern Europe, excluding Israel.

For more details, please refer to the [Methodology Note](#) available on our website.

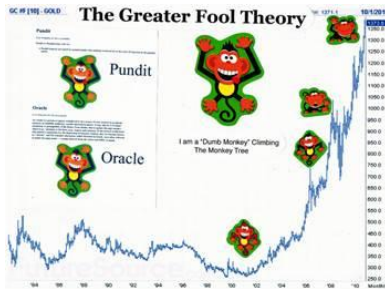
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This Month in Brief

Dear Clients and Friends,

Welcome to the latest edition of the Go4Venture Monthly European Venture & Growth Equity Market Bulletin, featuring our proprietary Headline Transaction Index (HTI) of investment activity.

The Greater Fool Theory



Who is the monkey?

It is only fitting that we are reporting on April, which of course starts with April Fool's day. As we've been reporting for so many months, **the bubble is growing and one by one, the dam's barriers are breaking**. More details below. What is disturbing is that now everybody knows – **so we're getting into this silly period where you're damned if you do (join in at too high valuations), and you're damned if you don't (stop playing)**.

And what is even more disturbing is that **the unnatural macro environment unleashed on us (QE everywhere) will both prolong the game and bring it to an abrupt stop**: at the moment, investors have to play in tech because they need growth, any kind of growth. And from their point of view, they're only dabbling at the margins (venture and growth investing is still a minute portion of institutional assets), but for our industry this dabbling equates to waves of cash. Of course, the final step will be bringing in the last fool - the retail investor: so bring in crowdfunding (largely funded by tax breaks), the JOBS Act Title III/IV and of course, the good old IPO market – retail tranche.

We are not quite there yet, but [the artificially high valuations of private unicorn](#) (> \$1 billion) companies as captured by law firm Fenwick & West are a warning sign. To the point where some are asking the question whether [private companies with large valuations should disclose metrics](#) since the headline valuations peddled around (e.g. on [Spotify](#) and [Uber](#)) are simply presenting an artificial view of what companies are worth: **with preferences, my dollar is not worth your dollar, as Sonos's CEO reminded everyone**.

For conservative market participants like ourselves, there is not much to enjoy: we'll be described as party poopers at best, or worse fools who don't get it, or insiders who don't want to play the game. Our take? After the dust settles, everybody will be back to defensible investments, real IP, disruptive innovation and sensible investment plays. **So we like IP rich businesses and investments that don't require hundreds of \$ millions** so that a) you don't have to add layers of prefs (by the way, why are late investors allowed to have prefs?) which penalize early investors and employee stock options and b) you are not dependent on being picked up by trade buyers or the market at \$1 billion or more (that doesn't happen that often – and even less in Europe). Call us old fashioned innovation investors. We'll miss out on the next Uber but we hope that our client and their investors will be here for many years to come.

☺ **CHANGES ARE COMING – Read On!**



The Bulletin is now 10 years old!

During those years the market has changed (“Scale Up” and “Cross-border” have become an accepted mantra – even if US investors in Europe are still better at the game than most home-grown players!) and Go4Venture has changed with the market.

As Advisers, 50% of our work is now M&A. And most of the transactions we work on are in excess of €10 million. In short, the venture end of our business is getting smaller. So we have decided to rebrand and strengthen our advisory activities – more will be revealed in the coming weeks.



As market observers, our Bulletin has taken a life of its own: over 11,000 recipients, a must-read in the industry, republished by large players like BoA Merrill Lynch, and used by leading institutions such as the European Investment Fund (EIF) or the European Commission. So we have decided to dedicate the Go4Venture name to the Bulletin and to offer our community of readers even more options to learn about up-and-coming companies – and to help each other in the process.



BETA

Go4Venture.com will become the home of the HUB, the place where investors, non-executives and service providers connect with **Hot, Up** and coming **Businesses** – curated by the Go4Venture Team.

Expect to find information on VC-grade companies (revenues of more than €1 million or have raised more than €1 million), including:

- **Companies which have raised more than \$10 million** (i.e. Large Headline Transactions Index (HTI) companies)
- **Companies which we find of interest** – because we feel these companies have a good chance of making it (and we’ll tell you why and what we see as their challenges)

As ever our aim is to contribute to the development of the market (more cross-border, more open), and show we are in the flow and in the know. From our readers’ perspective, **the only change will be that you have to register and click on the web site to download the Bulletin** as opposed to have it delivered in your mailbox. So look out for the new logo in the coming weeks!

April was, once more, a record month. **The HTI was up by over 100% for the month and ditto for year-to-date.** In a way, April was the perfect rainbow showing all the trends of the European market which we have mentioned before:

- **Sector – It is all about internet services, and marketplaces in particular:** fintech of course, both B2B and B2C (in fact serving SMEs mostly), but also food delivery (yet again), fashion, furniture and car sharing. Only one e-commerce play (with all the logistics hassle). The rest was “software” plays (difficult to draw the border clearly these days) with 3 B2C mobile apps (for mobile payment, banking services and photo sharing), and one B2B enterprise-class treasury management play.
- **Geography – Germany is powering ahead** on the back of its 80 million consumer market (5 Large HTI transactions). Followed by the UK (4). With France a distant third (2), just head of Ireland and Luxembourg (one each).

- **Stage – The pace of investment is such that many of the internet services darlings are now coming for late-stage (ie. a 4th serving or more).** The largest rounds (both mega rounds of more than EUR 100 million) were both in that category. But what is striking is that the activity is all across the board – everybody is rushing to join the party.

Although the velocity of the market seems ferocious to the point of disbelief (can one execute at that speed – really?), **some of the numbers for these marketplaces and ecommerce plays are staggering** (for instance close to €500 million in sales for Global Fashion Group and already 9,500 staff) which may justify the market enthusiasm. **As a result oxygen is sucked out from traditional tech investment plays which by comparison look mundane and slow.** Hence why corporate venturers are having a field day – even if they are finding it increasingly difficult to have lead financial investors who have by and large deserted IP-rich businesses.

Enjoy the reading. Please direct any questions or comments to g4vBulletin@go4venture.com. If you do not wish to receive future HTI updates from us, please send an email with the title "unsubscribe" to g4vBulletin@go4venture.com.

The Go4Venture Team

Where to Meet the Go4Venture Advisers Team in June 2015 – see www.go4venture.com/contact

SAVE THE DATE – June 11, Stockholm, Sweden

Go4Venture Advisers is pleased to announce that we are co-hosting a **seminar with Bank of America Merrill Lynch on: “Sweden: a model for all European countries?”**

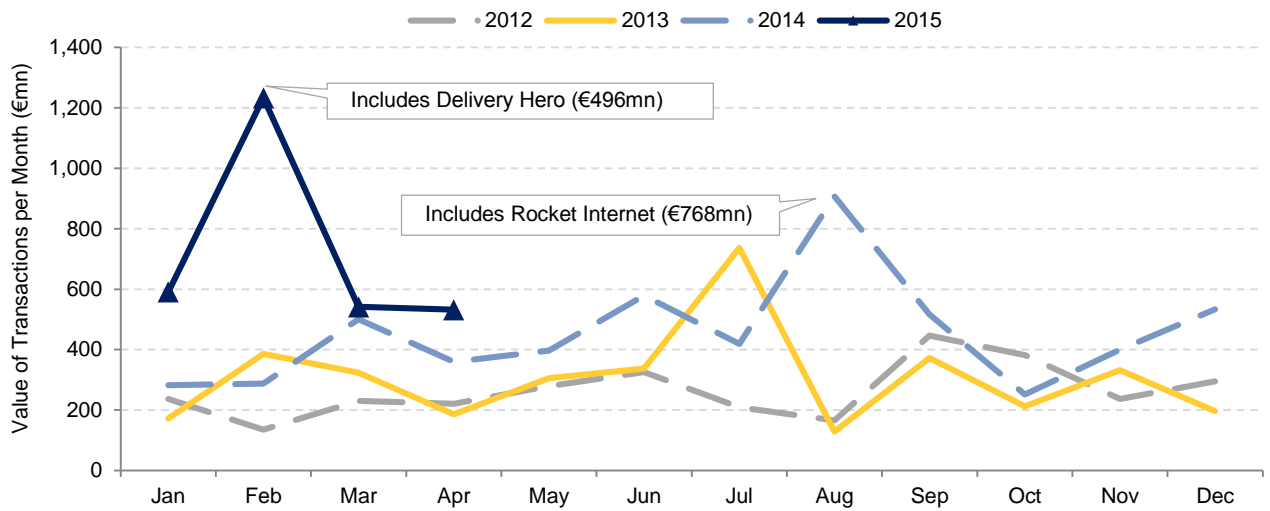
This an opportunity for the tech investor community to get together and discuss how investment is changing in Scandinavia. Among the speakers will be Anthony J. Grosso, Merrill Lynch’s San Francisco office. The seminar is primarily targeted at investors we are close to, and some of you will have received a personal invite. We have, however, set aside a number of tickets for those investors we missed out, and for selected companies which wish to come along. So please contact events@go4venture.com if you would like to join. First come, first served basis.

- **June 2-3 – London, UK – [Global Corporate Venturing Symposium](#)**
- **June 4 – London, UK – [The Digital Masters Awards 2015](#)**
- **June 9 – London, UK – [French Connect London - Fintech Startup Event](#)**
- **June 11 – Stockholm, Sweden – [Go4Venture – Merrill Lynch Investor Networking Seminar](#)**
- **June 14-16 – Barcelona, Spain – [CEO-CF Summer Meeting / This Way Up](#)**
- **June 16 – London, UK – [The Europas Startup Awards and Conference 2015](#)**
- **June 26 – London UK – [Second Home – Outset dinner](#)**
- **June 30/July 1 – Lausanne, Switzerland – [Tech Tour Healthtech Summit](#)**

For more details about the Headline Transactions Index (HTI), please visit our [website](#).

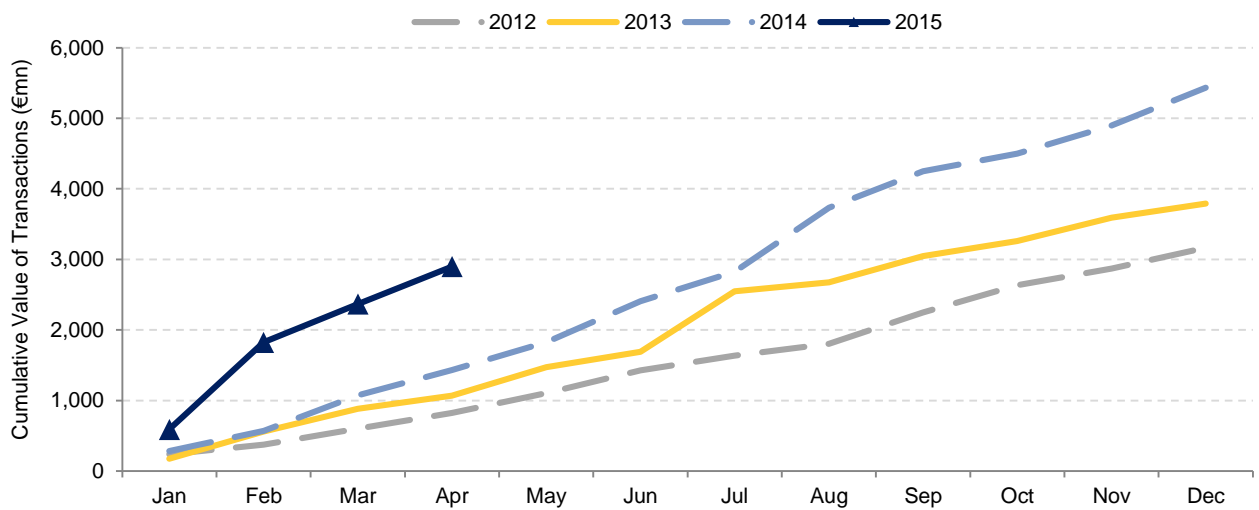
Headline Transaction Index (HTI)

Go4Venture HTI Index by Deal Value



Source: Go4Venture Advisers HTI Database

Go4Venture HTI Index by Cumulative Deal Value



Source: Go4Venture Advisers HTI Database

April		2014	2015	Var.
Large Transactions	#	13	13	-
	€mn	321	430	34%
Other Transactions	#	11	41	273%
	€mn	38	102	169%
All Headline Transactions	#	24	54	125%
	€mn	359	532	48%
Of Which:				
Landmark Transactions	#	6	5	(17%)
	€mn	253	331	31%

Year-to-Date		2014	2015	Var.
Large Transactions	#	57	66	16%
	€mn	1,217	2,525	107%
Other Transactions	#	64	157	145%
	€mn	213	373	75%
All Headline Transactions	#	121	223	84%
	€mn	1,430	2,898	103%
Of Which:				
Landmark Transactions	#	18	33	83%
	€mn	768	2,012	162%

Definitions

Large Transactions: ≥ £5mn / €7.5mn / \$10mn
 Other Transactions: < £5mn / €7.5mn / \$10mn
 Landmark Transactions: subset of Large Transactions ≥ €20mn

Large Transactions Summary

(≥ £5mn / €7.5mn / \$10mn)

Ranked by Round Size (€mn, including estimates) in Descending Order, then Alphabetically

#	Company	Sector	Round	€mn	Description	Investors
1	Funding Circle (UK) www.fundingcircle.com	Internet Services	Late Stage	139.0	Lending platform that allows individuals and institutions to lend money to small businesses	BlackRock, DST Global , Sands Capital Management, Temasek
2	Foodpanda (Germany) www.foodpanda.com	Internet Services	Late Stage	92.7	Operator of a portal that provides centralised ordering from a variety of take-away food suppliers	Goldman Sachs Investment Partners , Rocket Internet
3	Lyst (UK) www.lyst.com	Internet Services	C	37.1	E-commerce fashion site enabling shoppers to purchase from multiple stores and brands	14W, Accel Partners, Balderton Capital, DFJ Esprit, Groupe Arnault
4	Global Fashion Group (Luxembourg) www.global-fashion-group.com	Internet Services	A*	32	Online fashion retailer for emerging markets	Tengelmann Ventures, Verlinvest
5	Westwing Home & Living (Germany) www.westwing.de	Internet Services	Late Stage*	30.0	Operator of an online furniture shopping club 2	Access Industries, Fidelity Worldwide Investment, Investment AB Kinnevik , Odey Asset Management, Rocket Internet, Summit Partners, Tengelman Ventures
6	Kyriba (France) www.kyriba.com	Software	C	19.5	Provider of Software-as-a-Service (SaaS) treasury and payment solutions	BRED Banque Populaire, Daher Capital, HSBC , Iris Capital, Upfront Ventures
7	EyeEm (Germany) www.eyeem.com	Internet Services	B	16.7	Social media app for photo sharing	Atlantic Internet, Earlybird Venture Capital, Open Ocean Capital, Passion Capital Investment, Valar Ventures , Wellington Partners
8	Smava (Germany) www.smava.de	Internet Services	Late Stage	14.8	Provider of a Peer-to-Peer (P2P) lending platform	Earlybird, Neuhaus Partners, Phenomen Ventures
9	eToro (UK) www.etoro.com	Internet Services	Late Stage ^N	11.1	Provider of a currency, commodity and index trading social platform	CommerzVentures, Ping An, Sberbank
10	CurrencyFair (Ireland) www.currencyfair.com	Internet Services	B	10.0	Peer-to-Peer (P2P) currency exchange platform	Frontline Ventures, Octopus Investments
11	Number26 (Germany) www.number26.de	Software	A	10.0	Developer of a mobile banking app	Earlybird, Individual Investors, Redalpine, Valar Ventures
12	Yoyo (UK) www.yoyowallet.com	Software	A	9.3	Provider of a mobile wallet app	Firestartr, Imperial Innovations , Individual investors
13	Drivy (France) www.drivy.com	Internet Services	B	8.0	Provider of a Peer-to-Peer (P2P) car rental marketplace	Alven Capital, bpifrance, Index Ventures, Via-ID

Source: Go4Venture Advisers HTI Database

Key

Bold indicates lead investor(s)

^N: Deal not profiled, as this round was an extension of a previous round

Funding Circle

UK | www.fundingcircle.com



#	Sector	Round	€mn	Description	Investors
1	Internet Services	Late Stage	139.0	Lending platform that allows individuals and institutions to lend money to small businesses	BlackRock, DST Global , Sands Capital Management, Temasek

Funding Circle (UK), operator of an online platform for crowd-sourced lending to SMEs, raised **£98mn (€139mn)** in a **Late Stage** round led by new investor **DST Global** with support from additional new investors **BlackRock, Sands Capital Management** and **Temasek**. While the company's CEO, Samir Desai, was quoted as saying "We didn't really need the money" and that the "vast majority [of April 2014's round] is still on the balance sheet" the funds will likely be used for international expansion beyond the UK and US. This is speculated by [TechCrunch](#) to be eastward, given DST Global's (Russian) and Temasek's (Singaporean) involvement. Part of the funding will also be spent on driving brand awareness.

Funding Circle appeared in our [Bulletin](#) exactly twelve months ago, when it raised €48.1mn from Accel Partners, Index Ventures, Ribbit Capital and Union Square Ventures. The money was nominally to continue its US and UK expansion (which it has done, see below) and to expand into new markets (which it has yet to do).

According to [Techworld](#), the company's US lending in Q1 2015 was seven times larger than for the same period in 2014. In the UK, Funding Circle is estimated to be the fifth largest net new lender to small businesses (Desai was [quoted by Reuters](#) as saying his company would "become the largest net new lender to small business in the UK, within 2 years"). So far, the company has lent more than £600mn (€830mn), and it is on track to also lend the same amount in 2015 alone.

The key challenge it faces is from a lack of brand awareness: in a [TechCrunch interview](#) Desai said "Less than 5% of businesses have heard of us, and the proportion is even less in the US". Overall, the awareness of P2P lending in the UK is low, so Funding Circle is more likely to compete with traditional banks than other lending platforms. While they may seem in direct opposition, bank and P2P lending are not direct substitutes: often businesses have risk profiles that prevent banks from offering them loans, while other times businesses would get a better rate from a bank than they would from P2P lending. As a result, the company has struck a deal with Santandar (mentioned in our last coverage) and with Royal Bank of Scotland (more recently) whereby the banks will direct businesses ineligible for traditional loans to Funding Circle.

Funding Circle being met by competition from both below and above: the German smava raises c. €15mn this month (page 14) and Lending Club (US) was valued at \$5.4bn (€5bn) in its [December IPO](#). The European Fintech sector is without a doubt heating up, with fundings rising in size and frequency. The notable ones we have covered were Kreditech's €29mn in [June 2014](#), Transferwise's €50mn in [January](#) and WorldRemit's €88mn in [February](#) this year.

Investors

With this round Funding Circle's total investment to date rises to \$273mn (€250mn). While the valuation was not disclosed, the company is rumoured to have joined the Unicorn Club (>\$1bn valuation). Indeed, this is one of the London tech scene's (and the lending platform industry's) largest investments so far.

Lead investor private equity and venture capital firm [DST Global](#) is run by Russia-born billionaire Yuri Milner, who has backed well-known companies such as Alibaba Group, Airbnb, Facebook, Twitter and Xiaomi. Most recently, it was part of fashion retail platform Farfetch's €79.3mn late stage round in [March 2015](#).

[BlackRock](#) is one of the world's largest and best-known asset managers with c. \$4.8tn (€4.4tn) under management. The last time it was mentioned in our Bulletin was in the capacity of [BlackRock Private Equity Partners](#) (€200mn (2015); AUM €15bn), which invested in on-board driver assistant systems provider Mobileye, in [July 2013](#).

[Sands Capital Management](#) (AUM €28bn) an evergreen fund manager focused on the FinTech, Healthcare Technology and SaaS sectors, appears for the first time in our Bulletin. Founded in 1992 by Frank Sands Sr., it is now run by his son, Frank Jr. Also investing in large cap public companies, it has in the past owned large shares of Apple, Facebook and Google.

[Temasek](#) (AUM €150bn) is owned by the Singaporean Government and targets Singapore, as well as Asia. Temasek's investment preferences are thematic rather than sector-based, such as transforming economies and deepening competitive advantages (themes strongly present in Funding Circle). Despite the firm's focus on Singapore and Asia, it also has offices in Europe, Latin America and the US; its last European investment we covered was payment processing software provider adyen's €203mn late stage round in [December 2014](#).

Foodpanda

Germany | www.foodpanda.com



#	Sector	Round	€mn	Description	Investors
2	Internet Services	Late Stage	92.7	Operator of a portal that provides centralised ordering from a variety of take-away food suppliers	Goldman Sachs Investment Partners, Rocket Internet

Foodpanda (Germany), operator of a portal that provides centralised ordering from a variety of take-away food suppliers, raised **\$100mn (€92.7mn)** in a **Late Stage** round led by new investor **Goldman Sachs Investment Partners**, with support from existing investor **Rocket Internet**. The money will be used to strengthen its position in existing markets, mainly by improving its services.

Launched in 2012, Foodpanda is a typical example of Rocket Internet’s model, which launches copycats of successful businesses and quickly ramps up their operations in numerous emerging markets (i.e. Africa, Asia, Eastern Europe and Latin America). Penetration in those countries is relatively inexpensive, which allows Rocket Internet to build a strong customer service and logistics network that it can then leverage to grow its other startups, operating in different verticals (e.g. Foodpanda’s tailored payments system for countries with low-credit card penetration can also be used by its other e-commerce businesses operating in the same emerging markets).

Foodpanda offers take-away delivery services from local restaurants in 580 cities across 40 countries in five continents, and claims to have over 60,000 restaurants on its menu. Those figures have been reached following a major acquisition binge (as mentioned in our [February 2015](#) Bulletin) that saw Rocket Internet buy into Delivery Hero and acquire nine other food delivery startups across the world since November last year, including rivals in Asia, Central America and Europe. All of these were included under the Foodpanda brand. Although Foodpanda revenues were not disclosed, 2014 was a year of growth for the company that saw orders increase by 430% and revenues increase by 385%.

Although Foodpanda claims it ranks as market leader in its business category in 32 of the 40 countries where it operates, competition is fierce. Many companies aim to dominate the food take-away industry, estimated at [€90bn globally by 2019](#) (€80bn in 2014 and increasing at a 2.3% CAGR): including [GrubHub](#) (which IPO’d on the NYSE in April 2014 raising \$100mn, valuing the company at more than \$1bn) and [Just-Eat](#) (which IPO’d on the LSE in April 2014 raising £387mn, valuing the company at c. £1.5bn).

Investors

This round brings total investment in Foodpanda to more than \$310mn (€275mn). The company recently bought competing food delivery services in Brazil, Eastern Europe, India, Mexico, Russia and Southeast Asia. Foodpanda last featured in our [February 2014](#) Bulletin when it raised €14.7mn in a Series B round.

Lead investor [Goldman Sachs Investment Partners](#) (AUM €6.5bn) is a global multi-disciplinary hedge fund within Goldman Sachs Asset Management. It typically invests in convertibles, distressed securities, equity, risk and capital structure arbitrages, as well as credit and private less liquid investments.

Founded in 2007 and employing more than 25,000 staff globally, [Rocket Internet](#) (XTRA:RKET) is a Berlin-based e-commerce group that has recently been very active since it listed on the Frankfurt Stock Exchange raising €1.4bn resulting in a market cap of €6.5bn. In addition to featuring twice this month (it also contributed to a €30mn late-stage round in Westwing Home & Living – see page 11), the firm featured [last month](#) in our Bulletin when it contributed to Helping’s €43mn Series B round, three times in [February 2015](#), in [January 2015](#), [December 2014](#) and [October 2014](#).

Foodpanda is part of the [Global Online Takeaway Delivery](#) group created earlier this year by Rocket Internet, which “identifies food and groceries as the next frontier of e-commerce”. For this purpose, Rocket has combined its stakes in Delivery Hero and Foodpanda, as well as 100% of online food delivery services La Nevera Roja in Spain and Pizzabo in Italy. On a combined basis, the group is present in 64 countries and works with c. 140,000 restaurants. This is Rocket’s second major vertical consolidation after putting (along with Kinnevik and other investors) five of their emerging market fashion e-commerce brands into [Global Fashion Group](#) (an online fashion retailer for emerging markets), which raised €32mn in an internal Series A round from Tengelmann Ventures and Verinvest (see page 10 for more details).

Lyst

UK | www.lyst.com



#	Sector	Round	€mn	Description	Investors
3	Internet Services	C	37.1	E-commerce fashion site enabling shoppers to purchase from multiple stores and brands	14W, Accel Partners, Balderton Capital, DFJ Esprit, Groupe Arnault

Lyst (UK), an e-commerce fashion site enabling shoppers to purchase from multiple stores and brands, raised **£26mn (€37.1mn)** in a **Series C** round from new investors **14W** and **Groupe Arnault**, with support from existing investors **Accel Partners**, **Balderton Capital** and **DFJ Esprit**. The money will be used to support the global roll out of the company's shopping cart technology and strengthen its web and mobile presence.

Lyst was founded in 2010 by Chris Morton, ex-investor at US-based venture capital firm [Benchmark Capital](#) and UK-based private equity and venture capital firm [Balderton Capital](#), where he focused on early-stage consumer internet companies. Lyst's e-commerce fashion site offers inventory from more than 11,500 brands and retailers globally – including upscale ones such as Alexander McQueen, Barneys, Gucci, Neiman Marcus and Saks, and updates information on whether items are in stock in real time. In 2013, the company launched its 'first universal shopping cart' which allows shoppers to purchase from multiple stores and brands from a single site. Other features of Lyst's site include allowing fashion bloggers to link to the website and earn a percentage of any resulting sales, letting customers create their own style feed of brands they like, and a social aspect by combining recommendations from fashion blogs with suggestions from their friends. Lyst's technology also enables the company to analyse the data generated by its users – worth 4.5mn [data points](#) per hour (from product changes and user behaviour to sales and active browsing) – to better understand shoppers and improve its service. As a result, the company started generating 'lysts' of items that it thinks will be of interest, as according to the CEO this would prevent customers to waste time browsing multiple stores to find their preferred labels or design.

Lyst makes its money through an affiliate revenue sharing scheme - with commissions ranging from 7% to 20% and based on the transaction price, including delivery. With an average shopping cart value of c. €370, the firm has to date generated sales of more than c. €140mn since inception – up from c. €37mn in April 2014 – i.e. sales of more than c. €100mn for the past twelve months. The company has [tripled revenue](#) year-over-year for the past three years. Lyst ships in more than 150 countries but c. 57% of purchases come from North America, and CEO Chris Morton intends to expand internationally and build web sites for individual countries, particularly in China which is one of Lyst's fastest growing markets.

Companies providing similar services include US-based [Cosmic Cart](#) and [Keep.com](#), which [launched 'OneCart' in 2014](#), its 'universal online shopping cart' in partnership with Apple, as well as Groupe Arnault-backed [Spring](#), which has opted for a strategy that contrasts with Lyst's in that it only has a mobile presence. Well-known e-commerce competitors include London-based [ASOS](#), [Farfetch](#) (which raised €79.3mn in a late-stage round as featured in our Bulletin [last month](#)) and [Net-A-Porter](#) (which [recently merged](#) with Italian retailer [Yoox](#), creating a combined company worth more than [\\$2.5bn](#)), as well as online retailing giant Amazon which is currently looking to increase its presence in the fashion vertical (Amazon India registered a 300% increase in its sale of apparel and footwear over a three-month period ending March 2015, making fashion one of its top three categories in the country).

Investors

This round brings total investment in Lyst to €56mn in five rounds. The firm last featured in our Bulletin in [January 2014](#) when it raised €10.3mn in a Series B round from Accel Partners, Balderton Capital, DFJ Esprit and individual investors.

New investors in this round include [14W](#) (a US-based consumer-focussed venture capital firm) and France-based [Group Arnault](#) – the private equity firm of [Bernard Arnault](#), the billionaire owner of luxury fashion house [LVMH](#) (the largest shareholder in the Louis Vuitton brand).

[Accel Partners](#) (€877mn (2014); AUM €8.4bn) is a Palo Alto-based venture capital firm which last featured in our [February 2015](#) issue for its participation in WorldRemit's €88.1mn Series B round, KnCMiner's €13.2mn Series B round and ClusterHQ's €10.6mn Series A round. [Balderton Capital](#) (€284mn (2014); AUM €2.1bn) is a London, UK-based venture capital firm founded in 2000. The firm featured [last month](#) for its participation in WorldStores' €34.6mn late-stage round and typically seeks to invest in the communications, ecommerce, financial services, internet, security, semiconductor and software sectors. [DFJ Esprit](#) (AUM €278mn) is a London-based venture capital firm focusing on European technology companies. It last featured in our Bulletin in [July 2014](#) when it contributed to a €19.2mn late-stage round in Xmos (a fabless semiconductor company specialising in multi-core chips).

Investors also include an undisclosed New York-based hedge fund.

Global Fashion Group

Luxembourg | www.global-fashion-group.com

GLOBAL | FASHION | GROUP

#	Sector	Round	€mn	Description	Investors
4	Internet Services	A*	32	Online fashion retailer for emerging markets	Tengelmann Ventures, Verlinvest
* Internal round					

Global Fashion Group (GFG) (Luxembourg), an online fashion retailer for emerging markets, raised **€32mn** in a **Series A** round from existing investors **Tengelmann Ventures** and **Verlinvest**. The money will be used to invest in higher-margin services (e.g. selling private label items) and strengthen its presence in emerging markets.

Founded in 2014 by investment firm [Investment AB Kinnevik](#) and well-known startup incubator [Rocket Internet](#), GFG results from the consolidation into a single entity of five of Rocket Internet's online fashion retailers operating in emerging markets. These companies, which include [Dafiti](#), [Jabong](#), [Lamoda](#), [Namshi](#) and [Zalora](#), offer apparel and accessories from a mix of international (e.g. Mango, Nike, TopShop) and local brands, as well as a selection of private label items (e.g. Lara Karen and Sangria by Jabong, Zalora and Ezra by Zalora): [Dafiti](#) (founded in 2010), is based in Germany and operates across Latin America; [Jabong](#) (founded in 2012), is based in India where it solely operates; [Lamoda](#) (founded in 2010), is based in Russia where it operates in addition to Commonwealth of Independent States (CIS) countries (the company featured twice to date in our Bulletin, in [January 2014](#) and [September 2012](#)); [Namshi](#) (founded in 2011), is based in United Arab Emirates and operates across the Middle East; [Zalora](#) (founded in 2012), is based in Singapore and operates across Australia and South East Asia. These companies still operate their local activities via their old web sites, which customers can reach directly or via GFG's. Through the combination of these web sites GFG is active across 27 countries on four continents and targets more than 2.5bn people, a market opportunity worth [€630bn](#) in 2015.

Among the reasons for the five companies' success (in addition to building local private label brands) is their effort to overcome emerging markets' lack of reliable transport delivery networks, which are critical for their business model. Jabong in India, Lamoda in Russia and Zalora in South East Asia have created their own delivery network of branded vans and motorcycle drivers that deliver online purchases to customers and handle returns. GFG outsources delivery operations where local services are available but it considers its physical delivery network a key strategy for connecting to its customers.

GFG employs c. 9,500 staff, of which c. 40% are in delivery, stock-picking and warehousing functions. For the first six months of 2014, GFG web sites had 353mn unique visitors, received 8.4mn orders and generated a total of €436mn in sales. While GFG is now approaching 5mn active subscribers, none of the individual operations are yet profitable according to [TechCrunch](#).

As part of the transaction GFG has strengthened its management by appointing veteran head of Amazon France [Romain Voog](#) as CEO and former Managing Director and CFO at Lamoda [Nils Chrestin](#) as CFO. GFG's Board of Directors includes [Lorenzo Grabau](#) (CEO of Kinnevik) as Chairman, [Oliver Samwer](#) (CEO of Rocket Internet) as Deputy Chairman and representatives of the other largest shareholders.

Due to its global presence in emerging markets, the company is one of the biggest internet empires outside China and the US. However it is still facing local competitors such as [Flipkart](#) in India, [Luxola](#) in Asia, as well as [KupiVIP](#) and [Ozon.ru](#) in Russia. Moreover, competition is about to intensify at a larger scale as Amazon [recently announced](#) the launch of its own fashion brand with operations starting in India.

Investors

The company raised €32mn at a pre-money valuation of [€2.7bn](#) (the same valuation as the one used for the merger and creation of GFG which came from the sum of the valuations of the five companies for their last funding). The €32mn investment is a drop in the ocean for GFG as prior to its creation the five regional businesses had attracted investments in excess of €1.1bn from investors including Access Industries, Kinnevik, Ontario Teachers' Pension Plan, Summit Partners, Tengelmman and Verlinvest. As of April 7, 2015, the three largest investors in GFG are Kinnevik (25.1%), Rocket Internet (23.5%) and [Access Industries](#), the US-based holding company of Russian-American billionaire [Len Blavatnik](#) (7.4%).

[Tengelmann Ventures](#) is the Germany-based venture capital arm of German multi-sector retail giant Tengelmman. It typically invests in e-commerce, internet and marketplaces, and holds investments in Dafiti, Jabong, Lamoda, Namshi and Zalora.

[Verlinvest](#) (AUM €1bn) is a Belgian family office (for families de Mévius and de Spoelberch, owners of beer giant AB-Inbev). It typically invests in food and beverage, retail and hospitality, as well as digital and media sectors. It coinvests with other large Fast-Moving Consumer Goods (FMCG) brands and holds direct investments in Jabong and Zalora.

Westwing Home & Living

Germany | www.westwing.de



#	Sector	Round	€mn	Description	Investors
5	Internet Services	Late Stage*	30.0	Operator of an online furniture shopping club	Access Industries, Fidelity Worldwide Investment, Investment AB Kinnevik , Odey Asset Management, Rocket Internet, Summit Partners, Tengelmann Ventures

* Internal round

Westwing Home & Living (Germany), an operator of an online furniture shopping club, raised **€30mn** in a **Late Stage** internal round led by **Investment AB Kinnevik**, with support from **Access Industries, Fidelity Worldwide Investment, Odey Asset Management, Rocket Internet, Summit Partners** and **Tengelmann Ventures**. The money will be used to improve the company's infrastructure and technology, expand supplier relationships and increase brand awareness through measures such as TV advertising.

Founded in 2011 by Stefan Smalla (CEO), Delia Fischer, Georg Biersack, Matthias Siepe and Tim Schaefer, Westwing is a global e-commerce company offering home accessories and furniture during daily sales. Westwing (which trades under the Dalani brand in Italy) offers 3,500 brands in time-limited sales at up to 70% discounts to the Recommended Retail Price (RRP). These discounts are achieved through cooperating with brands that want to sell surplus inventory. The company has c. 20mn members and had 788,000 active customers in 2014 (+76% year-on-year), 85% of which are female. Westwing processed 2.2mn (+85% year-on-year) orders in 2014, approximately four every minute, with a key driver of its success being its members' loyalty: 70% of sales come from existing members.

The company is currently active in 15 markets (Austria, Belgium, Brazil, the Czech Republic, France, Germany, Hungary, Italy, Kazakhstan, the Netherlands, Poland, Russia, Slovakia, Spain and Switzerland) across three continents and employs more than 1,600 staff globally. For its fiscal year ending December 2014, Westwing reached revenues of €183m (+66% year-on-year), up from €110mn (+168%) in 2013 and €41mn in 2012. Approximately 40% (and increasing) of the revenues were generated on mobile devices such as smartphones and tablets via the Westwing app – which had been downloaded 1.7mn times by the end 2014. The company has also seen strong growth in WestwingNow, its online shop launched with a pre-opening in Germany in February 2015, enabling customers without Westwing membership to have access to a range of constantly available home accessories and furnishings.

According to the company, the home and living retail sector was worth c. €400bn in 2014 and various players compete to get a share of the market. Examples include UK-based Made.com, which offers consumers designer furniture online at factory prices (c.€16mn raised to date with backers including Brent Hoberman, the founder of lastminute.com, and Silicon Valley Bank) and Achica, an online members-only club offering time-limited sales of luxury home and lifestyle brands backed by venture capital and private equity firm Balderton Capital. The company also competes with traditional home furnishing retailers such as Ikea.

Investors

This round brings total investment in Westwing to c. €180mn in five rounds. Prior to this round, the company raised €72mn in a late-stage round as featured in our [March 2014](#) Bulletin.

Lead investor is listed Swedish investment firm [Investment AB Kinnevik](#) (NASDAQ OMX:KINV), which is one of the largest family-owned investors. Regular in our Bulletin, it last featured in [January 2015](#) when it contributed to a €34.3mn Series B round in [Saltside Technologies](#) (a Sweden-based provider of a platform for online classified sites).

[Access Industries](#) is the US-based industrial holding company of Russian-American billionaire [Leonard Blavatnik](#). Although global with primary interests in chemicals, media and telecommunications, real estate, and natural resources, Access is becoming something of a regular in our Bulletin devoted to European technology investment. [Rocket Internet](#) (XTRA:RKET) is a global incubator of internet businesses headquartered in Berlin, which IPO'd in October 2014 on the Frankfurt Stock Exchange raising €1.4bn resulting in a market cap of €6.5bn. It featured [last month](#) in our Bulletin when it contributed to Helping's €43mn Series B round, as well as on page 8 for Foodpanda's €92.7mn raise. [Summit Partners](#) (AUM €14.8bn) is a US headquartered private equity and venture capital firm which invests globally. [Fidelity Worldwide Investment](#) (AUM €264bn) provides asset management services to individuals and institutions outside the US and Canada. This is the second time London-based hedge fund [Odey Asset Management](#) (AUM €10.2bn) features in our Bulletin, following its [March 2014](#) investment in Westwing. Well-known e-commerce investor [Tengelmann Ventures](#) is the venture capital arm of the German retail giant Tengelmann. The firm typically invests in e-commerce, internet and web technologies, marketplaces and social businesses.

Kyriba

France | www.kyriba.com



#	Sector	Round	€mn	Description	Investors
6	Software	C	19.5	Provider of Software-as-a-Service (SaaS) treasury and payment solutions	BRED Banque Populaire, Daher Capital, HSBC , Iris Capital, Upfront Ventures

Kyriba (France), a provider of Software-as-a-Service (SaaS) treasury and payment solutions, raised **€19.5mn** in a **Series C** round led by new investor **HSBC**, with support from existing investors **BRED Banque Populaire**, **Daher Capital**, **Iris Capital** and **Upfront Ventures**. The money will be used to further develop its product and support the company's global expansion.

Kyriba was founded in 2000 by Nathaniel Fraiberger as a spin-out from French financial software company XRT, a company he had launched in the US in 1996 and which led Kyriba's €4.4mn seed round in May 2000. Nathaniel Fraiberger left the company late 2002 following disagreements with shareholders, and early 2003, serial entrepreneur [Jean-Luc Robert](#) became CEO, a position he still holds in addition to being Chairman. Prior to this Jean-Luc founded Eurosept Associés (a consulting firm) that was [acquired](#) by EDS in 1994 (undisclosed amount) and European Engineering Software (a provider of financial software) that was acquired by [SunGard Data](#) in the 1990s (undisclosed amount).

The company provides Kyriba Enterprise, a multi-tenant SaaS Treasury Management Solution (TMS). Kyriba Enterprise includes features for cash and liquidity management, bank relationship management (allowing clients to improve their banking relationships through tracking, management and change management processes), payment management (for clients to initiate, approve and release payments to any of their banks globally), financial transaction management (allowing clients to track and manage borrowing, FX, interest-rate derivative and investment transactions) and risk management (allowing clients to compute the market value of their FX, interest and debt financial instruments from market data available via Kyriba or imported from third-party data sources). Additionally, the company provides a treasury application for iPads and iPhones.

Kyriba, which originally focused on selling to banks, extended its operations to corporates in 2003. It now serves more than 950 customers globally – of which 170 (c. 18%) were added in 2014 – including mid-size organisations and Fortune 500 companies. These include brands such as Auchan, Bridgestone, Dassault Systèmes, EDF, Eurostar, Mercy Health, PSA Peugeot Citroën and Qualcomm. Kyriba employs more than 300 staff and it reached revenues of [€17.7mn](#) in 2013. Originally based in Paris, Kyriba relocated its headquarters to San Diego in 2008 and kept its Parisian office. It has additional offices in Hong Kong, London, New York, Rio de Janeiro, Singapore and Tokyo. According to a [2015 survey](#) from industry specialist gtnews, 54% of organisations globally use on-premise TMS, 33% use SaaS TMS, and the remaining 13% use TMS modules within their Enterprise Resource Planning (ERP) software. This leaves plenty of room left for growth, all the more as according to [Ernst & Young](#), "[TMS] SaaS will be largely considered at renewal time for many companies". Competitors include German supplier [BELLIN](#), [GTreasury](#), [Reval](#), [SunGard](#) and [Wall Street Systems](#).

Investors

This brings total money invested in Kyriba to c. €76mn in 9 rounds. However, it is only the third time the company features in our Bulletin, following a €13.7mn late-stage round in [August 2013](#) and a €7.6mn late-stage round in [October 2010](#).

New and lead investor is global bank [HSBC](#) (NYSE:HSBC), which has invested through its strategic investments program as it looks to explore business opportunities with Kyriba according to Christophe Chazot (Group Head of Innovation at HSBC). This is the first time HSBC appears in our Bulletin since 2006, when it participated to a €10.7mn buyout round in [Wriggle](#), a UK-based online retailer of accessories for the outdoor pursuits market.

[BRED Banque Populaire](#) is a Paris-based commercial bank that also provides private equity financing, typically for e-commerce businesses. This is the first time the firm appears in our Bulletin since its last investment in Kyriba in [August 2013](#). [Daher Capital](#) is a Beirut-based privately owned family office. It typically invests across the Middle-East, South America and the US, in public equity and alternative investment markets. [Iris Capital](#) (AUM €486mn) is a global venture capital firm that typically invests up to €20mn in European technology companies. [Upfront Ventures](#) (AUM €926mn) is a US-based private equity firm. It was formerly Global Retail Partners, founded by Carrefour's head of US investments, Yves Sistero; indeed, Carrefour was a key Limited Partner (LP). Originally focused on retail, it rebranded to Upfront in 2013 and now invests globally with a focus on technology companies within consumer, digital media, retail and SaaS sectors.

EyeEm

Germany | www.eyeem.com



#	Sector	Round	€mn	Description	Investors
7	Internet Services	B	16.7	Social media app for photo sharing	Atlantic Internet, Earlybird Venture Capital, Open Ocean Capital, Passion Capital Investment, Valar Ventures , Wellington Partners

EyeEm (Germany), a social media app for photo sharing, raised **\$18mn (€16.7mn)** in a **Series B** round led by new investor **Valar Ventures**, with support from existing investors **Atlantic Internet, Earlybird Venture Capital, Open Ocean Capital, Passion Capital Investment** and **Wellington Partners**. The money will be used to expand internationally and increase visibility, mainly by increasing galleries (physical events where its users come to show off and sell their work).

EyeEm was founded in 2011 by [Florian Meissner](#) (CEO), Gen Sadakane, Lorenz Aschoff and Ramzi Rizk, with the aim of helping photographers expand their audience. For this purpose the company has developed an app enabling users to take and edit photos, as well as sell them. It provides a camera including 24 distinct free filters and editing tools including for contrast, exposure and saturation. A key feature of the app is Open Edit, which allows anyone using the app to see which edits photographers made. This enables users to re-use the same editing combination for their own photos, a way for EyeEm to lower the barrier of how editing works for casual photographers. EyeEm also helps photographers to interact, learn and share experiences about taking pictures on any device. The app is available on Android, iOS and online. The company is currently building a photo-recognition software to identify what is captured in a photo, which will ultimately help shoppers find more precisely what they are looking for. In this regard, it acquired last year French startup [Sight.io](#) (undisclosed amount) whose technology helps computers analyse, evaluate and recognise an image based on aesthetics. EyeEm has 13mn registered users (a respectable number but nowhere near Instagram's 300mn) across 150 countries.

On the surface EyeEm looks a lot like Instagram, but instead of selling ads EyeEm makes money by selling photographers' work. One way it does this is by allowing marketers to launch campaigns for specific photos they intend to buy (or distribute to help photographers build their brand); EyeEm takes a 50% commission fee on the price of the photo. The company has also partnered with c. 100 brands including well-known Airbnb, Mercedes-Benz and Uber. [In 2014](#) it partnered with [Getty](#) (a US content broker with 5,000 registered photographers) enabling some photos shared through the EyeEm app to be purchased by Getty subscribers. It also offers a marketplace (launched last month in the US), enabling members to sell their photos online. By subscribing to annual licensing programs – from \$20 (€18) to \$250 (€231) per month – people can access EyeEm's photo archive and buy photo licenses for professional use.

Competitors include [Picsart](#), a mobile app and community for making and sharing photos, which has gained attention for generating revenue quickly (both through ads and the sale of premium features to its users). It recently raised \$10mn (€9.3mn) from Sequoia Capital and is in talks to raising an additional \$15mn (€13.9mn). EyeEm's other competitors include stock photo sellers like [Flickr](#), [Getty Images](#) (with which EyeEm is partnered) and [iStockphoto](#).

Investors

This round brings total investment in the company to €21.3mn in three rounds.

Lead investor is US-based venture capital firm [Valar Ventures](#) (AUM €155mn), one of Peter Thiel's (who co-founded PayPal) many funds. Others include [Founder's Fund](#) (early and VC), [Mithril](#) (late stage) and [Clarium Capital](#) (global macro hedge fund). Valar however, has a mandate to invest in technology companies based outside of the US. The firm also features in our Bulletin this month for its investment in Number26 (an online banking service using smartphones) (see page 16).

Follow-on investor [Atlantic Internet](#) is a venture capital firm with offices in Germany and Switzerland. It typically invests in seed and early-stage companies in the consumer internet, mobile, media and technology sectors. [Earlybird Venture Capital](#) (AUM €700mn) is a venture capital firm with offices in Germany and Turkey. It typically invests in the consumer, healthcare, IT, life sciences, SaaS and software sectors. Based in Helsinki, [Open Ocean Capital](#) is an venture capital firm backed by founders of MySQL (acquired by Oracle) that targets software companies, typically in crowdsourcing, mobile, open source, SaaS and [two-sided networks](#) sectors. [Passion Capital Investment](#) (AUM €56mn) is a London-based early-stage venture capital firm that typically invests in early-stage internet, mobile and technology companies. [Wellington Partners](#) (AUM €826mn) is a Germany-headquartered venture capital firm primarily investing in life sciences and technology companies.

smava

Germany | www.smava.de



#	Sector	Round	€mn	Description	Investors
8	Internet Services	Late Stage	14.8	Provider of a Peer-to-Peer (P2P) lending platform	Earlybird, Neuhaus Partners, Phenomen Ventures

smava (Germany), a provider of a Peer-to-Peer (P2P) lending platform, raised **\$16mn (€14.8mn)** in a **Late Stage** round led by **Phenomen Ventures** with support from existing investors **Earlybird** and **Neuhaus Partners**. The money will be used to further accelerate development of the company’s proprietary credit scoring models.

Founded in 2005, smava is a P2P consumer lending platform connecting private borrowers in Germany with private lenders. Its co-founder [Alexander Artopé](#) is an experienced entrepreneur having previously founded [datango](#), a provider of software for the rollout, upgrade and operation of enterprise applications, which he sold to [SAP](#) in 2011.

The company offers an alternative source of finance to traditional bank loans by connecting consumers directly with private lenders through its platform. Utilising a proven model that is common within this space, the company has developed a collection of proprietary credit scoring algorithms to screen loan applications made by users. Using the output of these models, smava can then determine a suggested interest rate and payment schedule for the loan that would suit each consumer’s unique financial circumstances. smava then handles the clearing of the loan and facilitates its distribution. The company’s platform currently caters for consumer loans of between €1,000 and €125,000, with typical uses including automobile purchase, debt consolidation and home improvement. smava is also able to offer users independent advice from its in-house loan specialist teams. The incentive for consumers to use the platform is primarily the cost savings that arise, as the platform provides quick access to a range of lenders, as well as the ability to negotiate the terms of the loan directly with the lender.

To date, smava has lent more than \$600mn (€556mn) through its platform, with growth in loan originations increasing at a rate of 100% year-on-year. The effectiveness of the company’s credit scoring algorithms is reflected in the quality of its borrowers, with smava having experienced only a 5% default rate. The company was recently named as winner of EURO magazine’s Best German Loan Comparison portal award.

P2P lending seems to be a particularly strong area of Fintech in Germany with the company’s best-known domestic competitors being [Auxmoney](#), which featured in our [May 2014](#) Bulletin for raising an €11.6mn Series C round led by Foundation Capital, and [Kreditech](#), which featured in our [June 2014](#) Bulletin for raising an €29.4mn Series B round co-led by Blumberg Capital and Varde Partners. As well as B2B, Smava offers B2SME lending services. Interestingly, smava has already begun expanding internationally and is reported to hold a significant stake in [Prestiamoci](#), an Italian competitor that is also backed by Italian bank [Banca Sella](#), through its Fintech focused accelerator [SELLALAB](#).

smava is headquartered in Berlin, Germany and employs more than 80 people. The company has raised a total of \$30mn (€27.8mn) to date.

Investors

[Phenomen Ventures](#) (€278mn (2013); AUM €278mn) is a Moscow-based venture capital firm. As part of the firm’s investment, [Igal Weinstein](#) will be joining smava’s board. P2P lending is a familiar area for Phenomen, with the firm having participated in US-based provider of a P2P lending marketplace Prosper’s \$70mn (€65mn) series C round in May 2014. It last featured in our Bulletin in [December 2014](#) for its participation in German operator of a domestic cleaning booking platform Helpling’s €13.8mn series A round.

[Earlybird](#) (€182mn (2012); AUM €700mn) is a German venture capital firm investing in technology companies across Europe, with particularly high activity in the DACH region. The average size of its initial investments is typically €2.5mn, although this has historically ranged from between €250k to €10mn as the firm is relatively stage-agnostic. Founded in 1997, Earlybird has raised five funds that have committed capital to 111 investments to date. The firm last featured in our [October 2014](#) Bulletin for its participation in Germany-based provider of a cloud-based B2B real-time payment platform Traxpay’s €11.8mn series B round.

[Neuhaus Partners](#) (€74mn (2007); AUM €126mn) is a German venture capital firm typically investing in companies in the technology and telecommunications industries. Its founder [Dr Gottfried Neuhaus](#) previously started and led Neuhaus Computer, best-known for manufacturing the earliest modems and PC-fax boards in Germany, which was subsequently sold to SAGEM in 1994. The firm typically seeks to act as a co-investor, with a typical investment size of between €1mn and €2mn, although it is willing to take smaller stakes starting from €0.5mn.

CurrencyFair

Ireland | www.currencyfair.com



#	Sector	Round	€mn	Description	Investors
10	Internet Services	B	10.0	Peer-to-Peer (P2P) currency exchange platform	Frontline Ventures, Octopus Investments

CurrencyFair (Ireland), a provider of a Peer-to-Peer (P2P) currency exchange platform, raised **€10.0mn** in a **Series B** round led by **Octopus Investments** with support from existing investor **Frontline Ventures**. The money will be used for further marketing of the firm's platform in its existing markets, as well as to expand the number of currency corridors that it offers.

Founded in 2009, CurrencyFair enables individuals to change currency or make overseas money transfers at a fraction of the cost of traditional banks or brokers. Its customers are typically expatriates working or living abroad and individuals running a business or purchasing property overseas who require a currency exchange of more than €2,000. Users begin by transferring the monies in the currency to be sold to their CurrencyFair bank account. Once the firm confirms receipt of a user's monies, they are credited to the user's account and made available for exchange. The user then has to make a choice as to the method of exchange. Either the currency is exchanged immediately at the best rate available (usually no worse than 0.5% from the interbank rate, and sometimes better than the interbank rate), or the user can place an order at a better exchange rate and wait for the order to be matched with another user exchanging on the opposite market. Any monies that are not matched on the platform are aggregated by rate, and may be exchanged in part or in full at any time. Once a transfer is complete, users can instruct CurrencyFair to arrange transfer of the monies to an account of their choice.

CurrencyFair's average fee for effecting a transfer is currently 0.35%, compared to rates ranging from between 2% and 5% charged by larger institutions such as PayPal, Stripe, VISA and traditional banks. Its platform currently caters for 16 different currency pairs. To date, CurrencyFair has exchanged more than \$1bn (€927mn) of currency via P2P transfers and boasts that c. 9%-12% of its customers typically beat the interbank rate for their transfer. [According to CurrencyFair's estimates](#) the market for P2P foreign exchange is growing at 500% p.a. and will service £250bn (€345mn) of currency transfers by 2017, of which the UK will account for between 40% to 50%.

Online currency exchange has been a highly prominent area of Fintech as evidenced by the success of CurrencyFair and leading competitors [Azimo](#), [TransferWise](#) and [WorldRemit](#). Many players are increasingly targeting expansion into the US market, to compete with the likes of [Xoom](#) and [Western Union](#). Interestingly, many companies in the field are all powered by Currency Cloud (whose €7.2mn series B we covered in [April 2014](#)).

CurrencyFair is headquartered in Dublin, Ireland with additional offices in Australia and the UK. It currently employs more than 50 staff

Investors

Founded in 2002, lead investor in this round [Octopus Investments](#) (€54mn (2013); AUM €6.7bn) is a UK-based asset manager with a diversified portfolio of products including Venture Capital Trusts (VCTs), Enterprise Investment Schemes (EIS) and Inheritance Tax (IHT) solutions, investing between £250k (€337k) and £5mn (€6.7mn) in UK-based early-stage businesses across all sectors. Notably, the firm recently secured an arrangement for shares in its Octopus Aim, Apollo and Titan VCTs to be listed on an independent wrap platform for the first time, enhancing its ability to reach retail investors. It last featured twice in our [February 2015](#) Bulletin, firstly for its participation in the €11.9mn series B round of TrialReach, a provider of a marketplace for clinical trials, and secondly for its participation in the €9.7mn series A round of Shopa, a provider of a social shopping app and website. It has also backed high-profile UK businesses like [Graze](#) (healthy snack subscription boxes) and [SwiftKey](#) (predictive smartphone keyboards).

[Frontline Ventures](#) (AUM €62m) is an early-stage venture capital fund that is focused on investing in software companies across Europe. Within software, the firm is particularly interested in companies targeting the areas of big data, cloud services, Internet and mobile. Frontline typically invests in either seed or series A rounds, with a preference for being the first institutional investor. Its typical investment size is between €100k and €175k for seed rounds and between €1mn and €2mn for series A rounds. In addition, the firm has the capacity to make follow-on investments, as is the case in this round. Frontline first became involved with CurrencyFair by leading the firm's \$2.5mn (€2.3mn) series A round in November 2013. It last featured in our Bulletin in [October 2013](#) for its participation in the €7.3mn series A round of Logentries, a cloud-based service provider for collecting and analysing machine-generated log data. The fund is managed from offices in London and Dublin.

Number26

Germany | www.number26.de



NUMBER26

#	Sector	Round	€mn	Description	Investors
11	Software	A	10.0	Developer of a mobile banking app	Earlybird, Individual Investors, Redalpine, Valar Ventures

Number26 (Germany), a developer of a mobile banking app, raised **€10.0mn** in a **Series A** round led by **Valar Ventures** with support from existing seed investors **Earlybird** and **Redalpine**, as well as participation from **Swiss entrepreneur Daniel Aegerter**. The money will be used to expand the company's customer support team and invest further in marketing.

Number26 provides a mobile banking service enabled by the German bank [Wirecard](#). This partnership enables the company to offer bank accounts, issue MasterCards and connect to the MasterCard network in order to offer real-time banking information to its users.

Users can quickly open a bank account with Number26 by entering their personal details into the company's app. This is accompanied by a video call with one of the firm's representatives for identity verification purposes. The user's account is then paired with their mobile phone and directly integrated with the Number26 app, which is needed to authorise any transactions. Users are sent a MasterCard ([a credit card issued by Wirecard Bank AG](#)) and can then begin depositing money to their account. The Number26 app offers a simple interface with which users can manage their account. For example, users can receive push notifications to approve transactions, enabling greater vigilance over fraudulent use. Further, the app also enables users to set daily, weekly or monthly spending limits. Notably, Number26 does not charge any fees for the setup or ongoing maintenance of an account, instead the firm receives a small percentage of MasterCard's fee on every transaction. In addition, the firm does not charge any fees for foreign exchange transactions. Ultimately, Number26 aims to remove any need for users to visit a physical bank branch or call a customer support hotline.

The firm launched its service in the Austrian and German markets in January 2015 and already boasts more than 8,500 banking clients, with an additional 15,000 people already signed up to the company's waiting list. In order to maintain the quality of its customer experience in the face of such strong demand, the firm is currently limiting its acceptance of new users to c. 300 per day.

The closest European competitor to Number26 is [Holvi](#), a Finland-based payment services company that offers an app for money management and accounting, which is targeting expansion into Austria and Germany. In the US market, Number26's closest competitor is [Simple.com](#), which was acquired by Spain-based banking group BBVA for \$117mn (€108mn) in February 2014.

Number26 currently employs more than 30 staff at its headquarters in Berlin, Germany.

Investors

This is lead investor [Valar Ventures](#)' (€94mn (2015); AUM €154mn) first investment in a German company and its second in European Fintech. The firm is one of Peter Thiel's (who co-founded PayPal) many funds. Others include [Founder's Fund](#) (early and VC), [Mithril](#) (late stage) and [Clarium Capital](#) (global macro hedge fund). Valar however, has a mandate to invest in technology companies based outside of the US. The firm has made ten investments so far across Australia, Canada, Europe and South America. It last featured in our [January 2015](#) Bulletin for its participation in the €49.7mn series C round of TransferWise, a provider of a money transfer platform. The firm also features on page 13 for its participation in EyeEm's €16.7mn series B round.

[Earlybird](#) (€182mn (2012); AUM €700mn) is a German venture capital firm investing in technology companies across Europe, with particularly high activity in the DACH region. The average size of its initial investments is typically €2.5mn, although this has historically ranged from between €250k to €10mn as the firm is relatively stage-agnostic. This is the second time the firm features in our Bulletin this month, having also participated in smava's €14.8mn late-stage round covered on page 14.

[Redalpine](#) is a Zurich-based venture capital firm investing in early-stage technology and life sciences companies. Founded in 2007, it typically invests between €100k and €2.5mn in its portfolio companies. Redalpine is currently in the process of raising a third fund, which will exclusively invest in the online travel sector.

The individual investor in this round was Swiss entrepreneur [Daniel Aegerter](#), best known for founding TRADEX Technologies, provider of a software platform for B2B marketplaces, which was subsequently sold to Ariba for \$5.6bn (€5.1bn) in March 2000.

Yoyo

UK | www.yoyowallet.com



#	Sector	Round	€mn	Description	Investors
12	Software	A	9.3	Provider of a mobile wallet app	Firestarttr, Imperial Innovations , Individual investors

Yoyo (UK), a provider of a mobile wallet app, raised **\$10mn (€9.3mn)** in a **Series A** round led by existing investor **Imperial Innovations** with support from existing investor **Firestarttr** and new **individual investors**. The money will be used to expand its engineering and product development team, and to launch its first university partners in the US by end of 2015.

Yoyo was founded in May 2013 by serial entrepreneur [Alain Falys](#) and [Michael Rolph](#), with the aim of simplifying and speeding in-store transactions, combining payment and loyalty points in one scan. Alain previously founded two companies: OB10 (in 2000), acquired by UK-based investment vehicle [Tungsten](#) (AIM:TUNG) for €116mn as featured in our [September 2013](#) Bulletin; and [Omnis Mundi](#) (in 2006), an incubator of internet, services and technology companies.

Yoyo is a mobile payment application combined with an automatic loyalty point collection system. Once downloaded, it requires users to link their debit or credit card to their app. They can then preload money on the app and make payments using a unique [Quick Response \(QR\) code](#) (the trademark for a type of a two-dimensional barcode) generated for each transaction, as well as receive loyalty points with the transactions. Like Starbucks' app, users can accrue points from retailers, which can then be redeemed for offers or shared. The company recently announced the app integration with the Apple Watch, enabling users to 'Yoyo' (make payments) with the flick of their wrist. Users can download the app via the App Store and GooglePlay. For retailers, Yoyo provides a marketing platform enabling them to engage customer in-store through loyalty rewards, offers and incentives. Via the platform, retailers have access to a large set of purchasing data, enabling them to track and target customers more effectively. This payment method doesn't require proprietary technology, just a 2D barcode-scanner, which can already be found in c. 50% of retailers.

The app was first launched at Imperial College London early 2014, and the company which originally targeted universities (it now covers 15 British ones) has extended its activities to high street chains such as Fernandez & Wells and Hummus Bros. Additionally, in [December 2014](#) it partnered with Malaysian low cost airline [AirAsia](#) for in-flights payments. As a result, Yoyo processes around 150k transactions each month, which makes it the second largest mobile wallet in Britain, second only to Starbucks' own app. At the universities where the app has rolled out, it accounts for about 25-50% of all transactions on campus (for reference, contactless payments hover far lower, at c. 5 to 8%). The app's retention rate approaches c. 80% and according to Business Insider, Yoyo users spend more than non-users per transaction on average.

Yoyo, which is regulated by the Financial Conduct Authority, generates revenues by charging commission fees on each transaction, as well as for offer and reward redemptions. It employs 25 staff coming from companies such as MasterCard, PayPal and Visa, and in July 2014 it was named as one of the [Top 10 hottest startups](#) in London by [WIRED UK](#).

Competitors include [Clinkle](#) (a provider of a mobile payment platform), which raised \$25mn in a seed round before succumbing to a quagmire of developmental difficulties and is now rumoured to be in talks with Apple about an acquisition, as well as payment systems such as [Square](#). Representing a more serious threat are Apple and Google which are both working on their own mobile wallets, Apple Pay and Google Wallet respectively.

Investors

This round brings total money invested in Yoyo to \$15mn (c. €13mn) in 2 rounds following a \$5mn (€3.6mn) seed round in May 2014 led by Imperial Innovations with support from Firestarttr and telecommunications company [Telefonica Group](#).

Lead investor is [Imperial Innovations Group](#) (AIM:IVO), the venture capital and private equity firm specialising in all stages of development for UK university [Imperial college](#). [Firestarttr](#) is a London-based angel investor that typically invests from seed to Series A rounds in companies in the internet and software sectors.

Other investors include a number of figures from London's [FinTech Innovation Lab](#) scene such as Taavet Hinrikus (co-founder of TransferWise), Anil Aggarwal and Jonathan Weiner (both founders of Money 20/20 and venture partners of Oak HC/FT, a growth equity fund focusing on HealthTech and FinTech), Philip Riese (former President of American Express Consumer Cards) and Michael Tobin (former CEO of TeleCity Group).

Drivy

France | www.drivy.com



#	Sector	Round	€mn	Description	Investors
13	Internet Services	B	8.0	Provider of a Peer-to-Peer (P2P) car rental marketplace	Alven Capital, bpifrance, Index Ventures, Via-ID

Drivy (France), a provider of a Peer-to-Peer (P2P) car rental marketplace, raised **€8.0mn** in a **Series B** round from new investors **bpifrance** and **Via-ID**, with support from existing investors **Alven Capital** and **Index Ventures**. The money will be used to accelerate the company's expansion into other European markets, beginning with Spain.

Founded in 2010, Drivy enables users to organise car rental arrangements with other users, at a lower cost than otherwise renting a car directly from a brick-and-mortar agency. Renters benefit from cost savings, while lenders have the opportunity to earn money by utilising an asset that would otherwise go unused.

To offer their car for rental, lenders begin by uploading a picture, description and key information relating to their vehicle, such as the available rental dates and price per day. In addition, they must specify the road worthiness of the vehicle including its mileage to date and provide evidence that it has been serviced. The lender's car is then listed on Drivy for rental. Drivy's marketplace is differentiated by its inclusion of comprehensive insurance coverage for users in the cost of rental, through a unique deal with German insurance company [Allianz](#). While lenders are required to have their own car insurance, for the duration of the rental period this policy is substituted by Drivy's policy which combines third-party, partial and all-risks insurance coverage for the user. In addition, Allianz also provides Drivy users with a 24-hour roadside assistance service in case of emergency, such as a mechanical problem or involvement in a road traffic accident.

The company currently counts more than 500,000 registered users and 26,000 cars available on its platform. The average rental time and distance driven for users of Drivy's platform is 3.5 days and 100km respectively. Drivy charges users 15% of the rental cost of each transaction, of which 70% of the fee is distributed to the lender, 15% of the fee is used to cover the cost of the user's insurance coverage, while the remainder goes to Drivy. The company tripled its revenues last year, rising to c. €2mn.

As well as closing this fundraising, Drivy has also announced the acquisition of France-based competitor [Buzzcar](#). This transaction is reported to have increased its user base by c. 20% and further consolidated its domestic position as the market leader. Drivy's current position is reflective of the wider European P2P car rental market, in which each country has strong local players with little to no international presence. Examples of this trend include [easyCar club](#) in the UK, [GoMore](#) in Denmark and [SocialCar](#) in Spain. Also finding success are companies within the car-pooling market such as [BlaBlaCar](#), which last featured in our [July 2014](#) issue for its €74.0mn Series C round. Drivy is headquartered in Paris, France and has an additional office in Berlin, Germany. It currently employs c. 30 staff and has raised total financing of €16mn to date.

Investors

[bpifrance](#) (€327mn (2011); AUM €1.1bn) was created in 2013 through the merger of several state-funded investment and financing organisations: CDC Enterprises, the FSI, FSN-PME and OSEO. Stage and sector agnostic, bpifrance invests solely in French companies. It invested in this round via its Environmental Technologies Fund, which counts ADEME (the French Agency for Environment and Energy Management) among its limited partners. bpifrance last featured in [March 2015](#) for its participation in the €10.0mn series C round of Balyo, a provider of solutions to make traditional forklifts driverless.

New investor [Via-ID](#) is the corporate venture capital arm of French automobile repair and equipment company [Mobivia Groupe](#). Interestingly, Mobivia was the previous owner of Buzzcar having launched the rival service alongside leading sustainable mobility expert [Robin Chase](#) in 2011. The firm expects to realise synergies through selling its car maintenance services to users of the Drivy platform. Via-ID invested in Drivy in addition to the disposal of Buzzcar.

Returning investor [Alven Capital](#) (€144mn (2013); AUM €250mn) is a Paris-based seed to mid-stage venture capital firm targeting e-commerce, digital media, internet services, mobile, software and other applied technology businesses. It typically commits between €1mn and €5mn per round and up to €10mn over the lifetime of a deal, but can also make very small seed investments. Alven last featured in our [May 2014](#) Bulletin for its participation in provider of a SaaS HR data management platform PeopleDoc's €12.7mn series B round.

Existing investor [Index Ventures](#) (€701mn (2015); AUM €3.3bn) is a multi-stage venture capital firm focused on the consumer and enterprise technology sectors, with offices in Geneva, London and San Francisco. It is best known for its early investments in Dropbox, JustEat and Skype. It last featured in our [March 2015](#) Bulletin for its participation in the €7.2mn series A round of Property Partner, a provider of a platform enabling individuals to acquire and trade shares of residential properties. The company is very active in France with and hired Dominique Vidal in 2007 to cover the French market. The firm's other notable French investment include BlaBlaCar and Criteo.

List of Acronyms

Financial Terms

k	used as abbreviation for 1,000 for example, €1k means €1,000)
mn	Million
bn	Billion
AUM	Asset Under Management
CAGR	Compound Annual Growth Rate
CEO	Chief Executive Officer
ECM	Equity Capital Markets
IPO	Initial Public Offering
LBO	Leveraged Buyout
LLP	Limited Liability Partnership
M&A	Merger and Acquisition

Business / Technical Terms

CIS	Commonwealth of Independent States
EIS	Enterprise Investment Schemes
ERP	Enterprise Resource Planning
EIF	European Investment Fund
FMCG	Fast-Moving Consumer Goods
GFG	Global Fashion Group
IHT	Inheritance Tax
P2P	Peer-to-Peer
QR	Quick Response
RRP	Recommended Retail Price
SaaS	Software-as-a-Service
TMS	Treasury Management Solution
VCTs	Venture Capital Trusts

Go4Venture Advisers LLP

48 Charles Street +44 (0)20 7529 5400
Berkeley Square g4vbulletin@go4venture.com
London
W1J 5EN

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This report has been compiled by Jean-Michel Deligny, Managing Director – for and on behalf of Go4Venture Advisers.

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