



2020

Industry Trends Report

From healthcare to home services, fintech to food and beverage, take a deep dive into the sector trends we saw emerge in 2020, and what we expect to change this coming year.

Important information

This report has been approved as a financial promotion by Seedrs Limited (Seedrs). Seedrs is a limited company registered in England & Wales (No. 06848016), with its registered office at Churchill House, 142-146 Old Street, London EC1V 9BW. Seedrs is authorised and regulated by the Financial Conduct Authority (No. 550317).

Investing in the types of businesses referred to in this report involves risks, including loss of capital, illiquidity, lack of dividends and dilution, and it should be done only as part of a diversified portfolio. For more information about the risks of investing, please visit: www.seedrs.com/risk_warning.

The performance figures set out in this report refer to the past, and past performance is not a reliable indicator of future results. The figures reflected in this report were calculated over a 12 month period using unaudited management accounts and are not inclusive of fees.

Seedrs does not provide legal, financial or tax advice of any kind, and nothing in this report constitutes such advice. If you have any questions with respect to legal, financial or tax matters, you should consult a professional adviser.

Please note that the data and analysis in this --- were prepared prior to the Covid-19 pandemic, and this ---has not taken into account any impact that the pandemic may have on valuations or performance.

Funding success rate is defined as the percentage of campaigns that closed in 2020 from those that went live in 2020.

Contents

| | |
|-----------------------|----|
| 1. Finance & Payments | 4 |
| 2. Food & Beverage | 6 |
| 3. Healthcare | 9 |
| 4. Saas/Paas | 11 |
| 5. Home & Personal | 14 |
| 6. Insurtech | 16 |

1. Finance & Payments

Industry Insights



*Written by Alex Dunning,
Venture Lead at Seedrs*

Profit shift for European fintech's

The unprecedented Covid-19 pandemic turned the European and Global economies on their heads in a matter of weeks in early March. For many early stage private companies this meant a shift away from strategy of growth over profit, with the aim of reaching a critical mass of users before shifting to positive unit economics. While the government Future Fund provided a vital alternative funding strategy to the record private fintech investment we have seen over the past few years, many established European Fintech's accelerated their path to profit. This culminated in many household names such as Starling, Revolut and Lendable all announcing profit years or quarters through 2020.

Good year for Insurtech, bad year for P2P lending

Within the UK fintech sector there were a number of interesting sub-sector developments. Challenger Insurtech companies have been following in the footsteps of their neo-bank predecessors by challenging legacy institutions. This trend accelerated in 2020 with substantial growth rounds for many fast growing Insurtechs including the likes of BoughtByMany, Cuuva, ByMiles, and Seedrs portfolio companies DeadHappy and Laka. Conversely, 2020 was a tough year for the more established P2P debt industry. Uncertainty brought about by the pandemic and default rates have reduced investor confidence in debt as an asset class. This resulted in RaterSetter, which was once valued at over £250m being acquired by MetroBank for just £12m. Competitor Zopa also had its valuation slashed to below £100m despite once being valued at £400m, while the now public Funding Circle's share price remains 5 times less than their 2018 debut price of 440GBX.

Crypto's resurgence

2020 saw a resurgence in cryptocurrencies. Cryptocurrencies took a financial and reputational dive after the ICO boom in 2017. Investor interest in crypto and blockchain companies waned as the price of many major currencies crashed. However, the uncertainty of many fiat and central bank backed currencies in 2020 has fuelled a revival in crypto held assets, with many major financial institutions allocating funds to new and established cryptocurrencies. This resulted in a new all-time high Bitcoin price at the tail end of the year. It remains to be seen if this will lead to a new ICO boom and pivot of the funding strategies for European fintechs.

Finance & Payments Sector Stats

63 campaigns in 2020

£78.8M invested in campaigns in 2020

+67% growth in businesses funded vs 2019

Top Finance & Payments Campaigns from 2020



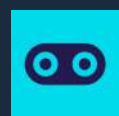
Coinrule

Raised **£531,423** from **658** investors



Ziglu

Raised **£6,120,782** from **1,245** investors



Snoop

Raised **£10,053,130** from **1,712** investors



Yayzy

Raised **£746,003** from **1,002** investors

Testimonial

"Building a community is really important to us at Snoop. We were delighted to recently welcome 1,700 new investors and raise over £10m. We felt very well supported by the team at Seedrs who helped us each step of the way in our first crowdfund."

– Kenneth Donald, Co-Founder & COO, **Snoop**

2. Food & Beverage

Industry Insights



*Written by Scott Simpkin,
Team Lead Seed Campaigns at Seedrs*

It's been a record year for Food & Beverage as a sector on Seedrs. We've funded over 50 businesses for the first time, including 15 campaigns raising over £1m - a 3x increase on any previous year!

It's been a year of change for many, and the future of pretty much every sector looks very different in December 2020 than it did in December 2019. FMCG businesses have remained pretty stable, though this year has certainly accelerated a shift online. Restaurants, bars and cafes have struggled and have quickly had to implement new revenue streams going well beyond their core product. Trends from 2019 including veganism and sustainability have continued unaffected, and agritech remains as important as before. But what have been the three biggest changes we've seen on Seedrs?

The vegan and sustainable food train rolls on

Look no further than the two largest fundraises we've had in the sector this year - [Allplants](#) and [THIS](#). Both businesses run their entire product on the concept of veganism and meatless living, and curiously, both are making real attempts to introduce veganism to meat eaters. This second point offers a potential clue to what we might continue to see in 2021 - the increasing focus of marketing from plant-based food companies towards flexitarians.

Other highly successful vegan/sustainable food campaigns include: [Livia's](#) (£1.9m), [Farmstand](#) (£831k) and [TheVeganKind](#) (£670k).

Takeaway and Delivery has flourished

The delivery space has had a meteoric rise in awareness during 2020. With restaurants unable to host customers for large swathes of the year, they've suddenly required efficient delivery options just to survive. Equally, with fewer ways for consumers to spend their disposable income, demand for delivery services is on the rise too. Former Delivery Hero Nordic CEO, and now founder of Curb, Carl Tenberg has said "[this is the 1995 of food delivery](#)" - and whilst comparisons to the rise of the internet may be hyperbolic, it's easy to see why he's excited.

This has opened a gap for businesses like [Cook + Thief](#) (£1.3m) and [Big Night](#) (£273k) to exploit, with both capitalising on existing restaurant brand's frustrations with the growing pains existing delivery partners have. It's also spawned the very compelling coming-of-age of the "dark kitchen" concept, which is something [Feastr](#) (£280k) and [Peckwater Brands](#) (£230k) have helped with.

With demand for delivery potentially sustaining and growing, the growth of alternative delivery platforms and dark kitchens is something to definitely keep an eye on in 2021 and beyond.

Convenient Cooking from Home

This year also featured the birth of a new F&B unicorn - [Gousto](#), who achieved this with a £25m financing round in November. It also resulted in a compelling Seedrs acquisition, [Mindful Chef sold to Nestle](#) in the same month. Two such groundbreaking pieces of news are hard to ignore when looking at trends that could continue into 2021.

This year at Seedrs, we've seen businesses like [byRuby](#) (£260k) and [Equals Health](#) (£200k) create healthy ready meals, and of course [Allplants](#) (£4.5m) focussing purely on the vegan offering in the ready meal market. [Oddbox](#) (£2.5m) and [Fresh Range](#) (£750k) are also proving that grocery delivery companies are continuing to play their part in consumers moving away from the high-street and the supermarket, and opting for convenience.

Benefitting from the same tailwinds that are influencing the takeaway market, raw goods deliveries and ready meal providers could potentially be set to take advantage of consumer changes in 2021 and beyond. It will be interesting to see whether the consumer demand changes accelerated by the pandemic stick.

Food & Beverage Sector Stats

121% growth in investments in 2020

85% funding success rate in 2020

+29% businesses versus 2019

Top Food & Beverage Campaigns from 2020



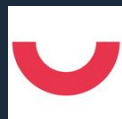
Allplants

Raised **£4,503,887** from **1,857** investors



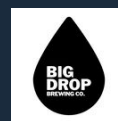
THIS

Raised **£4,476,520** from **1,844** investors



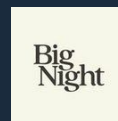
Feastr

Raised **£346,487** from **365** investors



Big Drop Brewery

Raised **£617,566** from **716** investors



Big Night

Raised **£274,168** from **291** investors



Mighty Pea

Raised **£909,750** from **56** investors

Testimonial

"All of us at THIS loved working with the Seedrs team. They're masters (and mistresses?!) of their craft, and supported us from start to finish, with excellent guidance. Seedrs was also the perfect platform to bring our following, as well as meet theirs. All in all, we are very happy - and now well funded - campers."

– Andy Shovel, Co-Founder, **THIS**

3. Healthcare

Industry Insights



*Written by David Houghton,
Campaign Development Associate at Seedrs*

Another sector turned completely on its head this year is Healthcare. Covid-19 has impacted almost every facet of the industry from telehealth through to biotech.

Digital disruption (Telehealth)

The medium of how patients interact with doctors has shifted away from in-person medical visits to digital telehealth solutions. The pandemic has accelerated digital healthcare adoption by 5-10 years as we try to limit exposure to coronavirus. Moreover, patients have demonstrated that they no longer want to navigate the cumbersome appointment system and lengthy waiting times that traditional medical practices have offered. Instead, patients have been overwhelmingly adopting virtual telehealth services, with research* showing a 4,325% increase in non-urgent virtual appointments from February to April in 2020. We've seen this trend evidence itself on the Seedrs platform, with portfolio business [Q Doctor](#) closing a strong round early last year. Alongside this are Seedrs portfolio company, [Span Health](#), who are leading the way in providing nutrition services for lifestyle-related illnesses.

*Source: Journal of the American Informations Association

Covid focus

Elsewhere, we've seen how quickly the biotech and pharmaceutical industry has adapted to support development of novel covid treatments. Historical therapeutic development processes have had to be drastically expedited to create treatments and vaccines that are being used to bring the pandemic under control. At Seedrs, we're pleased to have invested in [Pharmaseal](#) earlier this year who are revolutionising how biotech companies conduct clinical trials, bringing treatments to market faster.

Healthcare Sector Stats

292% growth in investments in 2020

89% funding success rate in 2020

+183% businesses versus 2019

Top Healthcare Campaigns from 2020



Heights

Raised **£1,724,023** from **696** investors



Span Health

Raised **£134,892** from **279** investors



Q Doctor

Raised **£1,386,200** from **520** investors



One Year No Beer

Raised **£1,815,980** from **511** investors

Testimonial

"Launching our crowdfund on seedrs was a lifelong ambition come true in the best ways, passionate investors, great fanbase, amazing results that have added so much value to our brand, helping us build the braincare category and reach our Heights."

– Dan Murray-Serter, Co-Founder, **Heights**

4. Saas/Paas

Industry Insights



*Written by Max Noble,
Campaign Development Associate at Seedrs*

SAAS and PAAS thrives as the pandemic accelerates digital adoption for businesses

There are a number of SAAS/PAAS startups seeking to capitalise on the new market conditions. In 2020 Seedrs ran 29 campaigns, raising a total of £18m with 6 companies raising over £1m. This is a slight increase from 28 campaigns raising £16.8m in 2019.

Two key highlights for the year

1. Hectare which raised £2.6m from 606 investors at a valuation that has grown x16 from its seed round on seedrs in November 2015.
2. Following 2020's primary sector trend - digital security startup Safetonet raised £2.5m of new equity while also successfully completing the first secondary share offering in the equity crowdfunding industry.

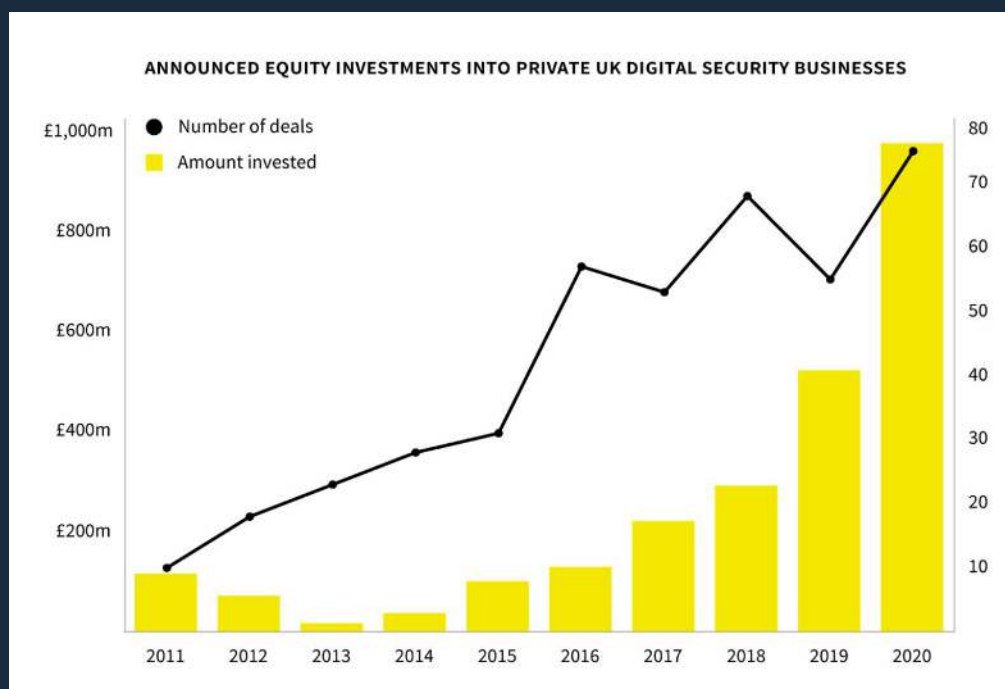
Key sector trend - Digital security

With new compliance regulations around Digital security and data proving to be a huge issue as the pandemic accelerates digitalisation, many companies are investing in software to make sure they are not caught out and as a result digital security has seen a substantial increase in activity. Beauhurst data reports that throughout 2020, £976m was deployed over 75 rounds, marking a 87% increase in value and 36% increase in deals completed.

The largest fundraise of 2020 in this space goes to OneTrust who raised 2 gigantic funding rounds of £162m in February and £224m in december reporting a valuation of over £5bn.

Other notable mentions are:

- Snyk who develops tools that alert users and help fix security vulnerabilities in their open-source coding who also closed a January raise of £115m and September raise of £154m at £2.15bn pre-money valuation.
- Privitar who raised £71m in April to scale their software that allows the mining of sensitive data sets by preserving the privacy of the underlying individual.
- Onfido who provides employers with an online platform to carry out background checks and employment screening also raised £79m in April.



Sector highlight: 30x valuation growth in 9 months for Hopin

Riding the wave of videoconferencing we saw in 2020 - Hopin became the UK's fastest ever (USD) unicorn starting the year with a £5m fundraise at £25.8m valuation closing 20th February, raising an additional £32.2m at £160m pre money valuation to then close out £94.9m fundraise at £766m pre money valuation. The number of users surged from 16,000 in March to 175,000 in June, and today boasts over 3.5 million users.

Saas/Paas Sector Stats

£20.7M invested in campaigns in 2020

84% funding success rate in 2020

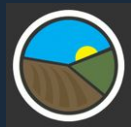
28 campaigns closed in 2020

Top Saas/Paas Campaigns from 2020



Poq

Raised **£2,009,352** from **27** investors



Hectare

Raised **£2,672,902** from **606** investors



Pass the Keys

Raised **£1,069,632** from **377** investors

5. Home & Personal

Industry Insights



*Written by Katherine Gilroy,
Campaign Development Associate at Seedrs*

2020 saw everyone's home life turned on its head as the global pandemic shut down businesses, schools and workplaces. As a result, the home and personal sector took on a whole new meaning. This year we saw 4 key trends within the home and personal space.

Sustainability

Over the past few years the so-called "green revolution" has been gathering momentum, and 2020 has been no exception. The shift in focus and priorities this year has meant that investors care about the impact of their investments more than they ever did before. As we all spent more time at home this year, the products we use on a daily basis came into focus. Sustainable consumer goods businesses such as The Cheeky Panda, Bambooloo and &Sisters saw a huge uptake from investors on the Seedrs platform, and Propelair and Loowatt each attracted over 800 investors into their sustainable sanitation businesses.

Wellbeing

The virus has focused attention on health, but also wellbeing more generally. As the pandemic shut down bricks and mortar businesses such as gyms, hairdressers and barbershops we saw a boost in online gym classes and wellbeing platforms focusing on mindfulness and meditation. Businesses such as Urban also had success on the platform as the beauty industry geared up to relaunch at the end of the national lockdown.

D2C Consumer goods

As physical shops were shut and we were all encouraged to stay at home, consumers turned their attention online to buy their everyday essentials such as beauty and cleaning products. Subscription services also really came into their own this year. In 2018 more than 1 in 4 Brits were subscribed to at least one subscription service, and this year we expect that number to increase as online retailers built out subscription options for all of your everyday goods.

Privacy

Remote working this year brought with it a lot of benefits: less time commuting, more time with family, and taking meetings from your sofa. Apps such as Zoom, Slack and Hopin were a lifeline to both businesses and consumers, but also highlighted a range of privacy and security issues when it comes to moving your work and personal life online. Businesses such as Zobi, which focus on privacy at home, saw a huge uptake from investors on the Seedrs platform.

Home & Personal Sector Stats

50% growth in investments in 2020

88% funding success rate in 2020

Top Home & Personal Campaigns from 2020



Zobi

Raised **£511,386** from **918** investors



&Sisters

Raised **£679,783** from **405** investors



Urban

Raised **£5,877,517** from **901** investors



The Cheeky Panda

Raised **£2,434,752** from **1,051** investors

Testimonial

"We've partnered with Seedrs for the second time alongside our institutional investment rounds and it has been a great experience all-round. They offer by far the best tech solution to enable us to harness the power of our community through their nominee structure, investor community engagement tools, S/EIS processing which ultimately allows us to bring our users on our equity journey and reinforces our community through vested interest."

– Jack Tang, Co-Founder & CEO, **Urban**

6. Insurtech

Industry Insights



*Written by Hugo de Stacpoole,
Team Lead Scale Campaigns at Seedrs*

The insurance industry is on the precipice of huge change. As one of the last bastions to be influenced and disrupted by tech, the insurtech ecosystem is finally coming to terms with the notion of putting their customers first and the businesses that do this successfully have realised huge growth and raised highly successful investment rounds on Seedrs.

Throughout 2020 there have been three key trends within the insurance space.

Customers

Firstly, to reiterate on the above, customers, their demands and how insurtechs adapt to these demands is defining how insurtechs operate. Whereas incumbent insurers have focussed on operational efficiency, competitive pricing and a certain degree of customer inertia to drive retention, insurtech disruptors have shown strong success in building their businesses around the customer experience, revolutionizing traditional customer pain points, from claim settlement to flexible policies.

Innovation for survival

Secondly, research reveals that for insurance businesses to grow and scale quickly they must continue to innovate and move away from traditional insurance products and services and grow through more unique service offerings, products and business models. These, alongside a greater focus on prevention, will allow insurtechs to follow a different roadmap for growth.

Digital disruption

Lastly, similar to all industries, digital disruption and technological change is having an impact on all trends within the insurance space. Acknowledging new technological advancements and using them to your advantage will allow insurance businesses to deploy the right tech to combat the right issues facing the industry. Those businesses that fail to do this, risk being left behind.

'Incumbent firms can no longer rely on organic growth or internal innovation. The winners will be those that can forge alliances with innovative start-ups; ally with InsurTech; and consolidate with their peers'.

On Seedrs in 2020 we have seen a huge shift in investor confidence and appetite to get into insurtech deals raising investment on the platform. Businesses like Deadhappy, Laka, Equipsme and Rnwl have all run highly successful rounds on Seedrs raising millions from their customers and from Seedrs investors. Through our exclusive partnership with Insurtech UK it has never been a better time for an insurtech to raise on the platform. Bring on 2021!

Source: (<https://www2.deloitte.com/content/campaigns/uk/insurancetrends/insurancetrends/insurancetrends.html>)

Insurtech Sector Stats

327% growth in investments in 2020

5 days on average to hit 100% in 2020

Top Insurtech Campaigns from 2020



Laka Insurance

Raised **£2,106,630** from
1,515 investors



DeadHappy

Raised **£2,752,640** from
1,208 investors



Equipsme

Raised **£286,119** from **249**
investors

Testimonial

"I had always been wary of crowdfunding, but Seedrs provided excellent support through the process and now we have over 1000 new investors sitting alongside our VC's who we can use as a sounding board for new ideas and concepts and act as 'Uber-Users', adding another valuable tool to support our disruption of the Death services space."

– Phil Zeidler, Co-Founder, **DeadHappy**

