

Ratesetter



Country: United Kingdom
 Founded: 2010
 Founders: Rhydian Lewis, Peter Behrens
 Sector: Consumer lending marketplace

Ratesetter is a consumer lending marketplace, one of the first to be established in the UK. Having been operating for 10 years and completed 8 rounds of funding, the firm was acquired by Metro Bank in 2020.

Prior to the acquisition by Metro Bank, the company had raised a total of £58m of equity. The last funding round was in December 2018 when the company was valued at £279m. However, the continuing losses and the challenges of the pandemic meant that the company had to be rescued by Metro Bank for a price of £12m, wiping out most of the capital of existing shareholders.

Since 2010, Ratesetter has been through two different stages of growth and performance. The company was performing relatively well in 2015, its 5th year of operation, making a small profit on revenues of £13m. The company then raised substantial funding to expand more rapidly and losses accelerated to £28m in 2018. As of the end of 2019, cumulative losses had reached £65m.

At the last round of funding, the 2 founders had retained a 16% share of the business with a valuation of £43m, though this would have also been wiped out by the takeover.

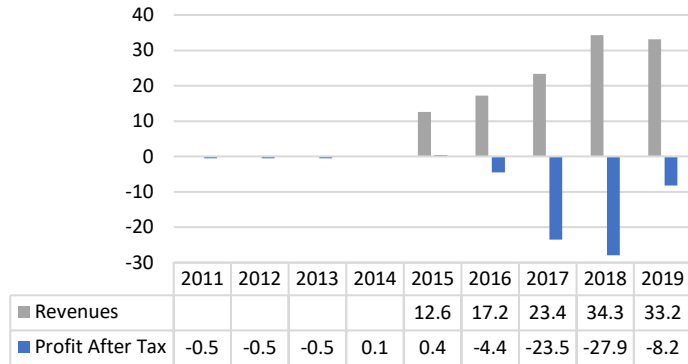
Summary Information Updated as of 31st December 2020

| | | |
|---|----|------------|
| Total Equity Raised | £m | 58.0 |
| Announced Funding Not Yet Registered | £m | 0.0 |
| Latest Valuation (prior to takeover) | £m | 278.7 |
| First Round Date | | 22/04/2010 |
| First Round Amount Raised | £m | 0.85 |
| First Round Share of Investors | | 51% |
| First Round Valuation | £m | 1.7 |
| Total Rounds | | 8 |
| Days Between Rounds | | 450 |
| Date of Last Round | | 07/12/2018 |
| Days Since Last Round | | 755 |
| Value Increase from First Round | x | 52.6 |
| IRR from First Round | | n/a |
| Founders Share Latest | | 15.5% |
| Founders Value Latest (prior to takeover) | £m | 43.1 |
| Year End | | March |
| Latest Accounts Filed | | 2019 |
| Cumulative Profit After Tax | £m | -65.0 |

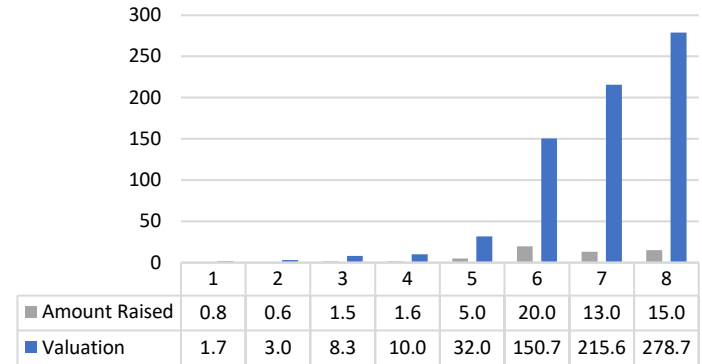
This series of fintech case studies from the UK are extracted from our research sample of over 100 fintech startups. The objective of the research is to monitor the financing, performance and valuation of these companies. For more information contact Michael Pearson at michael@clarusinvestments.com.



Financial Performance (£m)

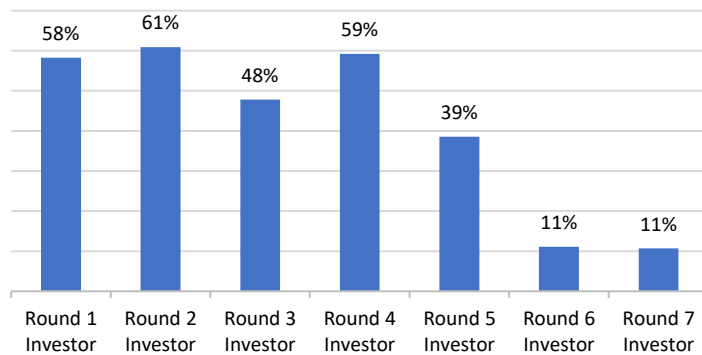


Amount Raised and Valuation at Each Round (£m)



IRR at the Latest Round for Investors in Each Round

These figures are prior to the acquisition by Metro Bank in 2020



Share Price at Each Round (£)

