Carwow Raises £12.5 Million Series B Led By Accel

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Carwow, the site that offers a better way to buy a new car, today announces a £12.5 million ($18.75 million) Series B investment led by Accel. Previous investors Balderton Capital, Samos Investments and Episode 1 Ventures, its first backer, also participated in the round, which follows a £4.6 million Series A investment in December 2014.

carwow was launched by James Hind (CEO), Alexandra Margolis and David Santoro in 2013 to make car buying a delightful experience from discovery through to purchase. The platform turns the traditional car buying process on its head: buyers pick the car they like, and then carwow sends up to five offers from the best-rated dealers in Britain. If interested, the buyer can contact the dealer anonymously through the carwow system and buy the car directly from the dealer.

The service is free for consumers and through carwow, buyers save a substantial £3,600 on average off the price of a new car, while dealers benefit from lower marketing costs, a faster sales process, and exposure to a younger, web-savvy target market.

Consumers and dealers alike enjoy the benefits of a beautifully-designed website that allows car buyers to get the right car at a great price from a great dealer. Over £400 million-worth of cars have been bought through the platform.

Traditionally, buyers have to travel to a number of different dealerships before making a purchase, while dealers are required to spend a great deal of time and resources on a lengthy sales experience. Neither buyers nor dealers enjoy the often difficult price-haggling part of the process.

Hind said, “We're excited to roll out our service even further on the back of strong growth in 2015. A new car is an important purchase, typically a person's biggest after their home. At carwow, we enjoy working with the industry to make things simpler and more efficient for all involved. This new round of funding gives us the firepower we need to change the way the UK buys cars.”

Zeinab Salem, of Mercedes-Benz of Grimsby, said: “Car buyers are so much better informed now, and it's likely that they've chosen the make and model of car they want to buy next before they even step foot in a showroom – they simply need to make an informed and educated decision about who to buy the car from. carwow is a fantastic and innovative way for customers to compare deals available in the marketplace, and it makes dealers fight harder for their precious business.”

carwow will use the new funding to fuel further growth through brand-building and marketing. In addition, the company will look to improve their service through new products and offerings.

As part of the investment, Fred Destin, Partner at Accel, will be joining the board. Destin said: “carwow reminds me of Zoopla in the early days – they're changing the discovery experience through a superb online platform and better information and are creating a win-win for consumers and dealers, brought to you by a wonderful founding team.”

Rob Moffat, Partner of Balderton Capital, said: “The company has grown more than 10 times, and has built a great operation since Balderton first invested two years ago. But the founding team don't want to stop here, and have much greater ambition. We believe that carwow is in a position to lead the evolution of the car retail experience over the coming years.”

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About carwow

carwow launched in 2013 and offers users the best experience throughout the new car buying process, guiding them seamlessly from research to purchase. carwow users end up with the right car at a great price from a great dealer.

The site was founded by James Hind, Alexandra Margolis and David Santoro. It is based in Holborn and made up of a rapidly growing team of 50.

www.carwow.co.uk

About Accel

Accel is a leading early- and growth-stage venture capital firm, powering a global community of entrepreneurs. Accel backs entrepreneurs who have what it takes to build a world-class, category-defining business. Founded in 1983, Accel brings more than three decades of experience building and supporting hundreds of companies. Accel's vision for entrepreneurship and business enables it to identify and invest in the companies that will be responsible for the growth of next-generation industries. Accel has backed a number of iconic global platforms, which are powering new experiences for mobile consumers and the modern enterprise, including Atlassian, BlaBlaCar, Dropbox, Etsy, Facebook, Flipkart, Funding Circle, Kayak, QlikTech, Simplivity, Slack, Spotify, Supercell, WorldRemit and others.

About Balderton Capital

Balderton Capital is one of the largest venture capital firms in Europe, committed to finding and helping talented entrepreneurs build great companies. Based in London, the firm manages $2.3 billion. Since 2000, Balderton has invested in over 100 companies, principally across Europe. Notable realised investments include NaturalMotion (the mobile gaming developer, sold to Zynga in 2014), Betfair (the online betting exchange, 2010 IPO), LOVEFiLM (the home entertainment subscription service, sold to Amazon in 2011), MySQL (the open-source database software, sold to Sun Microsystems in 2008) and YOOX Group (the online retailer of leading fashion brands, IPO in 2009). The current portfolio includes innovative companies such as Nutmeg, CrowdCube, Lyst, 3D Hubs, Globoforce, Banjo, Prodigy Finance, Credit Benchmark, Kobalt, Openet, Scytl, Talend, The Hut Group, Tictail and WorldStores.

About Episode 1 Ventures

Episode1 Ventures is a software-only venture capital firm that invests £250k to £1m in early-stage, revenue-generating startups and plays an active and supportive role in turning them into growth businesses. With experience of startups from the inside, it provides frank and fast feedback to founders as well as strong entrepreneurial 'know-how' and a passion for building successful businesses.

With 20+ years of experience investing in software businesses, its partners have made early investments in some of the UK's best known success stories including Betfair, LoveFilm, Natural Motion, ScanSafe, Shazam, Shutl, Zoopla and Viagogo.

Founded in 2013 and based in London, the firm is rapidly forming a portfolio of software businesses with enormous potential for growth. Its investments include Cluster HQ, Raising IT, Scurri, SwiftShift, Touch Surgery, TripTease, TV Beat and User Replay.

About Samos Investments

Samos Investments is a private equity investor with a focus on early-stage, high-growth UK businesses. Samos invests across a range of sectors including consumer internet, digital media, e-commerce, retail, and financial services/technology. Samos takes a proactive approach with its portfolio companies, working alongside many of the US and Europe's top venture funds, family offices and private investors. Past and existing investments include Betfair, Ocado, Goal.com, Charlotte Tilbury and Business of Fashion.

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