

JumpStory in talks for pre-seed round with US investors; Series A within 9 months – CEO

Jumpstory, the Danish AI-technology company, is in dialogue with US business angels and seed investors for a smaller pre-seed round ahead of a Series A round in six to nine months, CEO and co-founder Jonathan Low told *Mergermarket*. The stake size up for grabs will be negotiable, he added.

The pre-seed round could be a couple of million Danish kroner while the Series A round is now expected to be around DKK 20m-DKK 40m (EUR 2.6m-EUR 5.2m), Low said. In early March, he had told *Mergermarket* it was looking to raise DKK 15m-DKK 20m in a Series A round late 2020 or early 2021, as [reported](#).

However, the COVID-19 outbreak has boosted JumpStory's growth and it is keen to exploit the momentum to accelerate this, the CEO said.

JumpStory has not done a more recent valuation of the business, however, it will be higher than the DKK 17.5m valuation that applied six months ago when it raised EUR 0.9m in February, as [reported](#).

With the current burn rate of approximately DKK 200,000 per month, JumpStory has the funds to keep the business going for at least two years, the CEO said. However, to accelerate growth, it needs further funds, hence the fundraises, he added.

The potential pre-seed round is also to get the right investors onboard, such as those with solid knowledge of the US market, he added.

Preparations for the Series A round have begun, Low said. JumpStory receives a couple of approaches from interested investors each week but welcomes further approaches, he said.

There are no advisors currently mandated. However, JumpStory uses **Cowan, DeBaets, Abrahams & Sheppard** for legal assistance and the US law firm will also provide legal advising when closing the funding rounds, he said.

Funds from the series A round will be spent on recruiting new employees and establishing offices in the US and Canada, the CEO said.

JumpStory does not generally disclose turnover, he said, but added turnover has doubled each month for the past couple of months.

For its first year in operation, the full year ending 30 June 2019, JumpStory reported a gross loss of DKK 1.4m, according to its annual report.

Classification:

Regional Head Offices

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JumpStory has also taken market share in the US, he said, though without giving further details except to say it has taken customers from its large US competitors such as **Shutterstock**, **Getty Images** and **Adobe**.

The US is now JumpStory's largest market with roughly 80% of its business there, he said. Canada and Australia are the second and third largest markets, he added.

JumpStory has developed an AI-based technology platform that can help marketers find images in its picture gallery. But where its competitors are photo agencies, JumpStory is a technology company. The advantage with JumpStory's technology platform is that it is cheap, he said, adding many companies are focusing on lowering costs in the wake of the COVID-19, which has had a negative impact on the economy.

The company has recently received a loan of DKK 6m from **Vækstfonden**, the Danish state's investment fund, the CEO said. Including this loan, it has raised approximately DKK 15m to date, he added.

JumpStory has 20 employees and paying customers in 140 countries, the CEO said.

A Series B funding round is also in the cards, probably 12 to 18 months after the Series A round, he said. This fundraise is not planned in detail but is expected to be at least twice as big as the Series A round, he said.

Longer term, an exit through a sale to a strategic partner, either a competitor or a media or advertising agency, is still considered the most likely, the CEO said.

JumpStory was founded in 2018 by Low, Anders Thiim Harder and Nikolaj Stockholm. The founders still own 51% of the company, with the rest held by business angels and employees. The founders will see their stake diluted in future financing rounds, the CEO said.

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