



# SILVERPEAK

M&A + FINANCING ADVICE

## The State of the Market for Series B&C Rounds in European Tech Companies

September 2022

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# 1. SILVERPEAK OVERVIEW

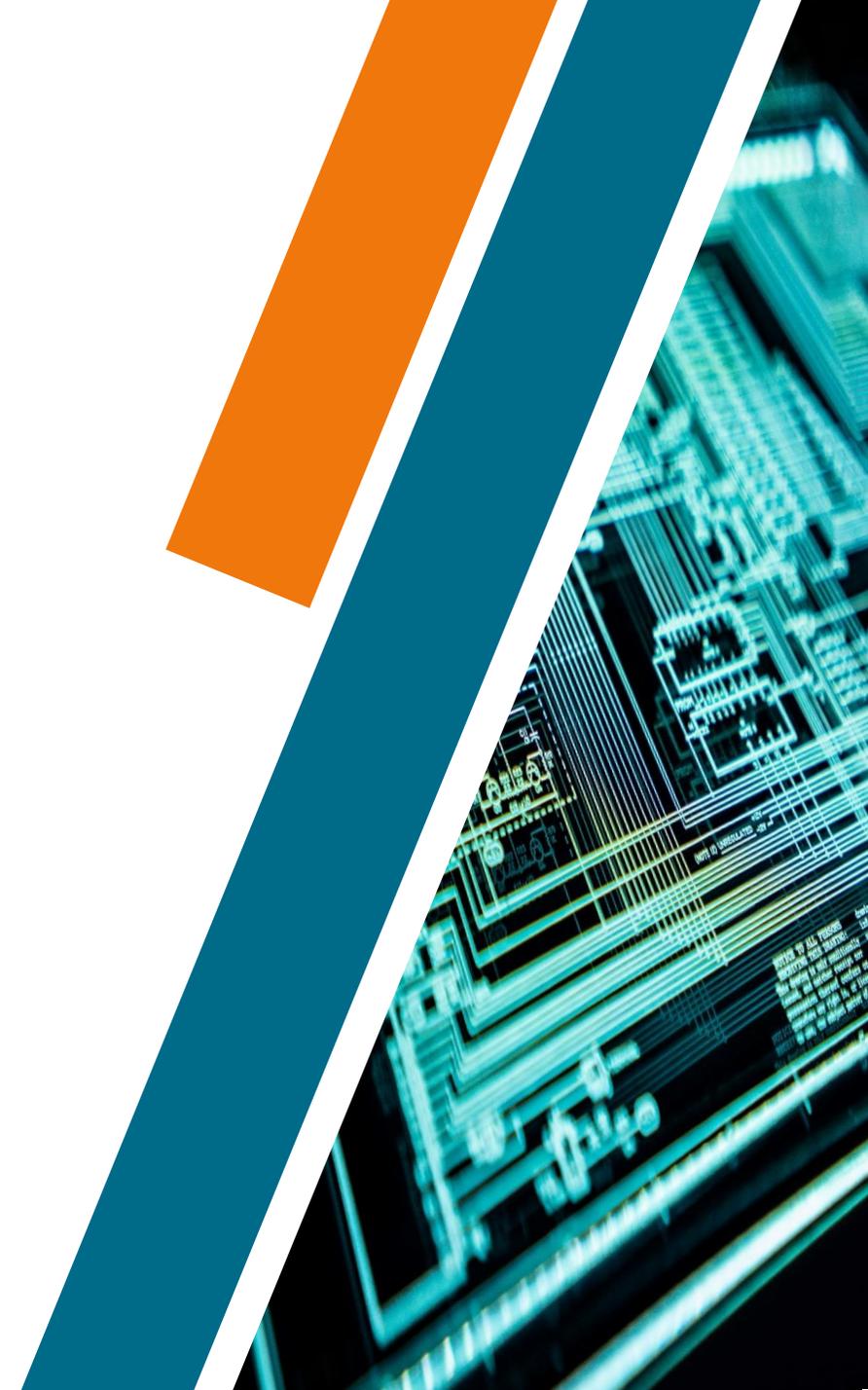


WE ARE MID-MARKET TECHNOLOGY SPECIALISTS representing European growth businesses in M&A and financing transactions involving the most relevant investors and acquirers, wherever they are.

**25+** team concentrated  
in a single office

**300+** completed  
deal experience

**60%+** transactions with North  
American counterparties in the last 3 years



# Silverpeak is built for success

## **PASSION FOR TECHNOLOGY**

A high energy team of technology enthusiasts with the creativity and courage to overcome any challenges

## **ABILITY TO ARTICULATE YOUR FULL VALUE**

Deep business and product understanding focused on discovering the full strategic value and demonstrating this to the right acquirers and investors

## **EXCEPTIONAL GLOBAL EXECUTION**

The experience and connections to execute your transaction flawlessly, with global reach, within a process built just for you



# Sector Coverage

## SOFTWARE



-  Application Software
-  Cloud
-  DevOps
-  Infrastructure Software
-  Mobility
-  RPA / LowCode
-  Sustainability

## DEEP TECH



-  Additive Manufacturing
-  Algorithms/AI & ML
-  AR/VR
-  High Perf. Computing
-  MedTech
-  Networking and IoT
-  NewSpace
-  Photonics
-  Security Software
-  Semiconductors

## SERVICES



-  IT Consulting
-  Managed Services
-  Outsourcing
-  Telecom Services

# Selected recent transactions

<p>GB   UAE June 2022</p>  <p>Autonomous subsea robotics technology</p> <p>Series B extension To \$26m+</p>   	<p>IT   US May 2022</p>  <p>Additive manufacturing services and proprietary composite materials</p> <p>Investment by</p> 	<p>GB   GB March 2022</p>  <p>RegTech SaaS solution</p> <p>Sale to</p> 	<p>GB   GB, NO, US March 2022</p>  <p>Autonomous subsea robotics technology</p> <p>\$20M+ Series B investment by</p>     	<p>IT   WW January 2022</p>  <p>In-space services and satellite transport</p> <p>\$51.5m pre-SPAC convertible bond by</p>   <p>IN-Q-TEL &amp; OTHER INVESTORS</p>	<p>GB   GB October 2021</p>  <p>Data extraction &amp; document automation SaaS ML platform</p> <p>Sale to</p>  <p>People. Partnership. Solutions.</p>	<p>NO   CA September 2021</p>  <p>Project management and risk analysis software</p> <p>Sale to</p> 
<p>NL   US September 2021</p>  <p>Application testing software</p> <p>Majority sale to</p> 	<p>GB   GB June 2021</p>  <p>POWER OVER ENERGY</p> <p>Trading and automation SaaS for renewable energy</p> <p>£20m investment led by</p> 	<p>GB   SE April 2021</p>  <p>Construction workforce management platform &amp; SaaS</p> <p>Sale to</p>  <p>backed by</p> 	<p>GB   LU, US February 2021</p>  <p>Satellite antenna technology</p> <p>\$40m investment by</p>   	<p>GB   EU October 2020</p>  <p>Video compression solutions</p> <p>\$33m investment by</p> <p>INVESTMENT FIRMS &amp; TECH ENTREPRENEURS</p>	<p>GB   US September 2020</p>  <p>Fibre broadband network operator</p> <p>£100m investment by</p> 	<p>PT   US September 2020</p>  <p>Venture capitalist</p> <p>Continuation fund led by</p>  <p>Incl.  outsystems</p> <p>Low-code SaaS leader</p>

## 2. EUROPEAN TECH: VENTURE ENVIRONMENT; RECENT TRENDS

# European Tech Series B&C rounds on par with H2 2021

- **€13.4bn was invested in European Tech Series B&C rounds** in H1 2022, remaining on par with 2021 highs despite the current global recession.
- Total **Series B investment continued to increase** for the 7<sup>th</sup> consecutive half year, while **Series C has continued to decline** since peaking in H1 2021.
- Compared to the same period last year, **mega-rounds (€100m+) have increased 50%+** to 38, highlighting the abundance of dry powder.
- Given the economic uncertainty, companies are raising more money at the Series B stage, with **median investments growing 41% since H1 2021**.
- The UK continues to attract the most Series B&C investment of any country in Europe. The **€4.8bn invested in the UK surpasses the two next best countries** combined: Germany (€2.7bn) and France (€1.7bn).
- **FinTech captured the most B&C round investments in H1 2022**; its 38 deals are double the next highest vertical, HealthTech (18). With cryptoassets becoming increasingly in demand, FinTech deals are expected to remain high in number as the financial sector expands into digital assets.

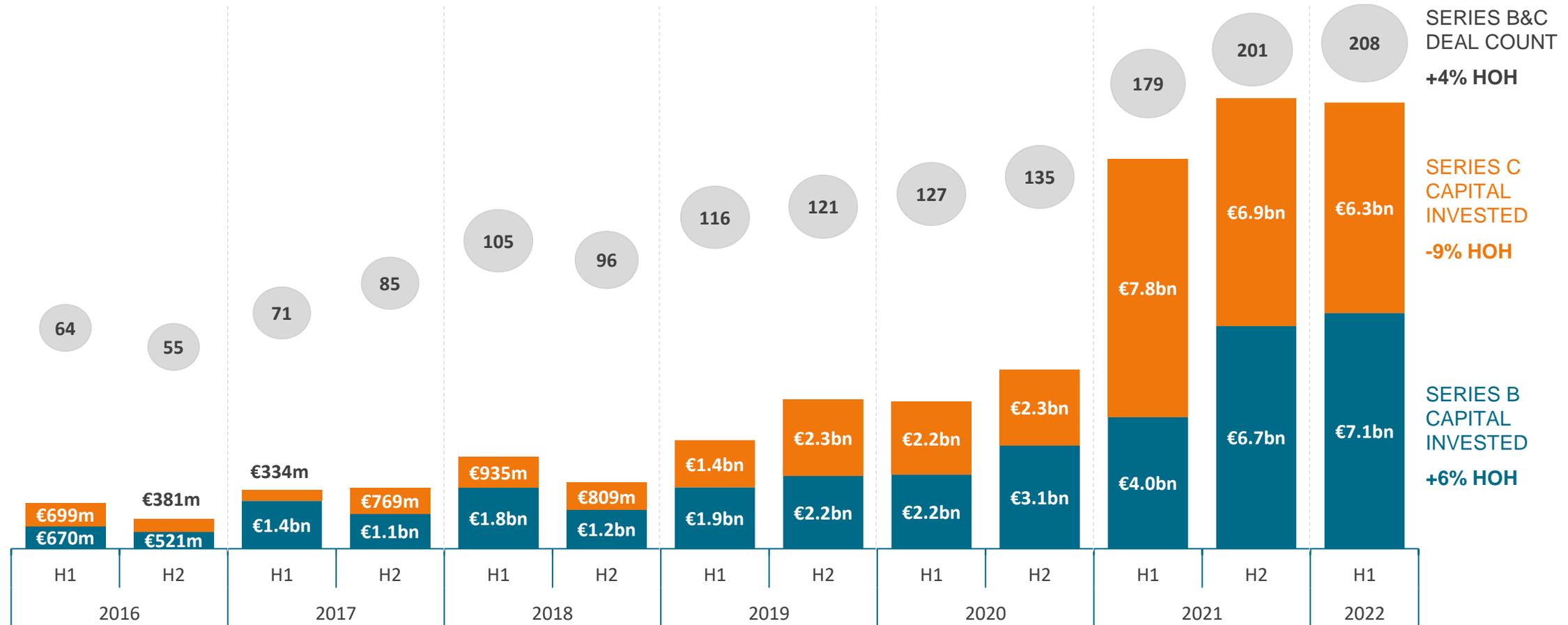


Gross Series C investment continues to decline as companies adapt business models for lower growth and aim for an earlier path to cash breakeven. However, there is still a lot of capital available.

Paddy MccGwire  
MANAGING PARTNER

# H1 2022 continued the trend of record highs in B&C round investments

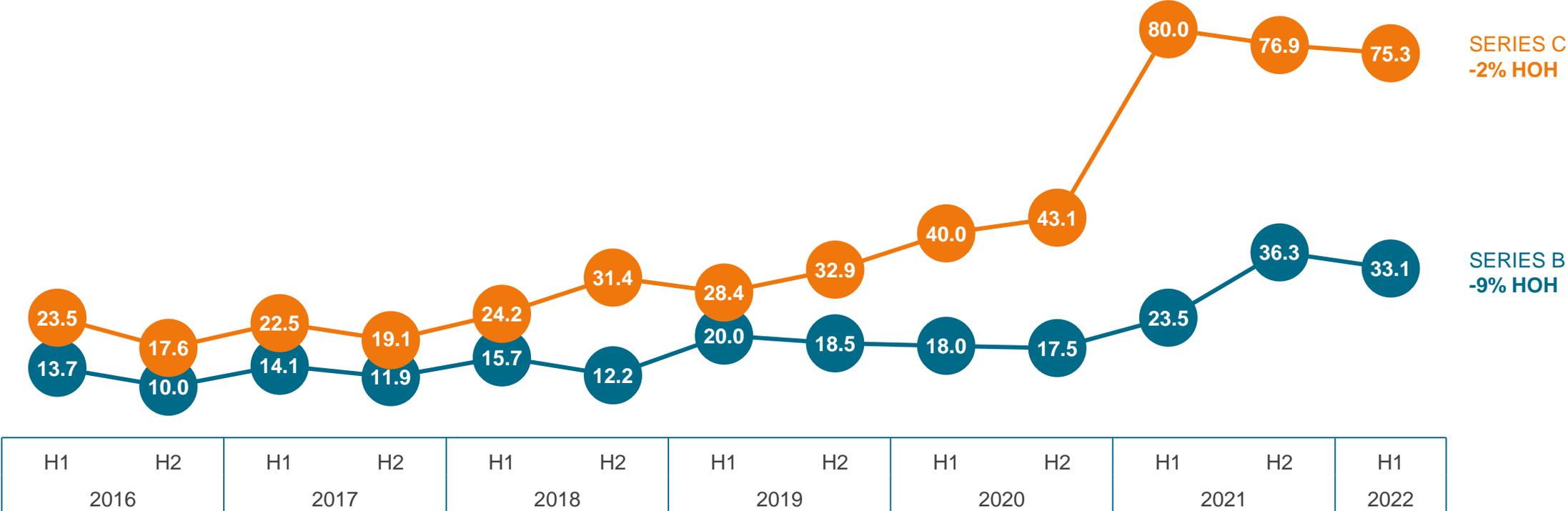
SERIES B&C TOTAL FINANCING AMOUNTS AND DEAL COUNT, 2016 - H1 2022



Source: Pitchbook | Deals below €5m have been excluded | Data as of 30/06/2022

# Series B&C median deal sizes stayed on par with H2 2021

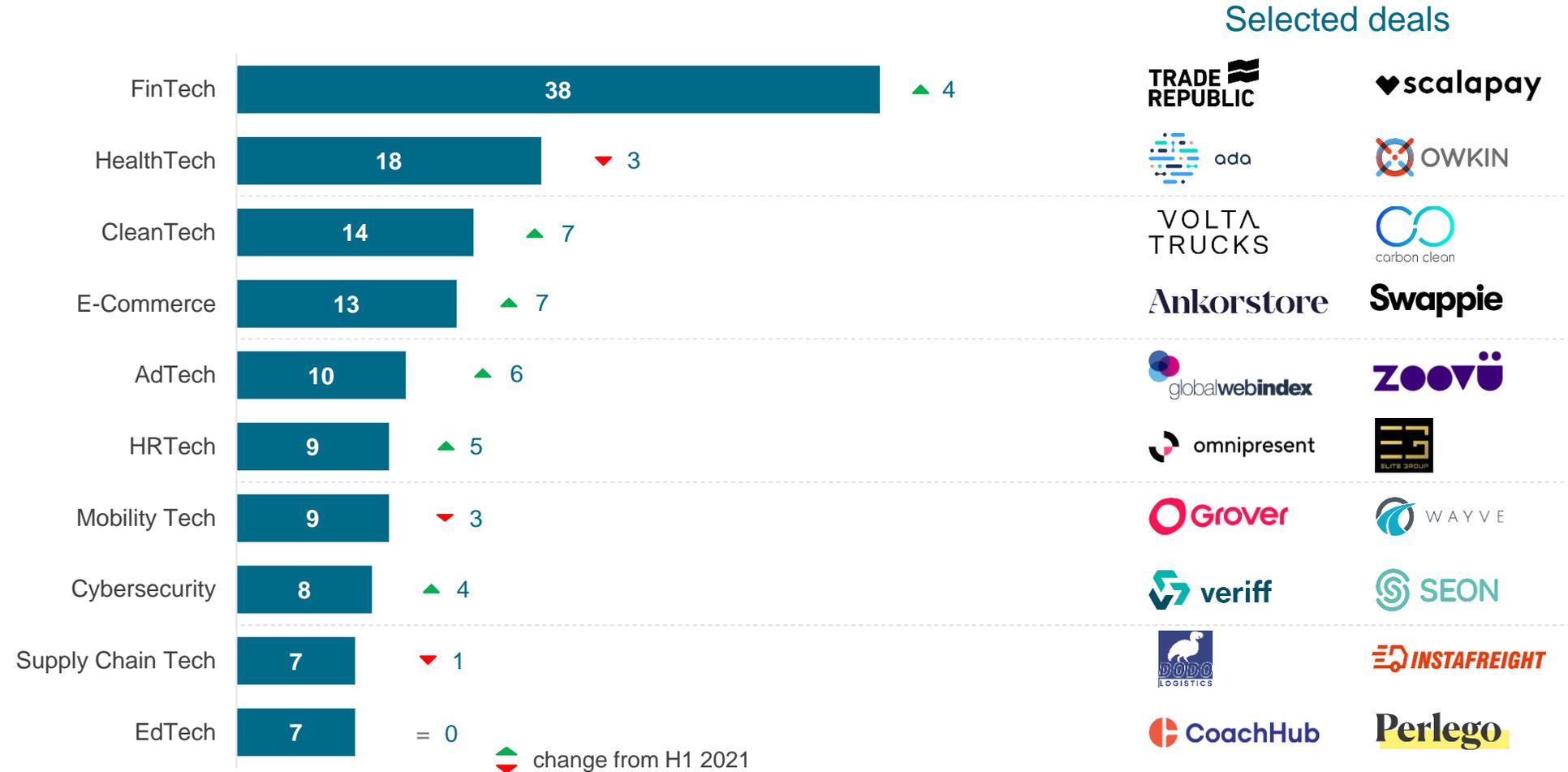
MEDIAN SIZE OF SERIES B&C ROUNDS, 2016 - H1 2022



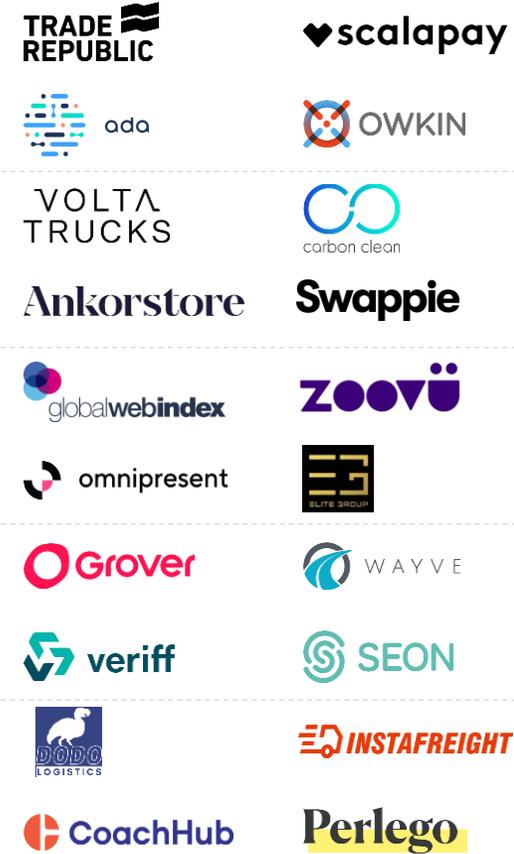
Source: Pitchbook | Deals below €5m have been excluded | Data as of 30/06/2022

# CleanTech, HRTech and E-Commerce deals surged in H1 2022

## VOLUME OF B&C ROUNDS BY VERTICAL, H1 2022



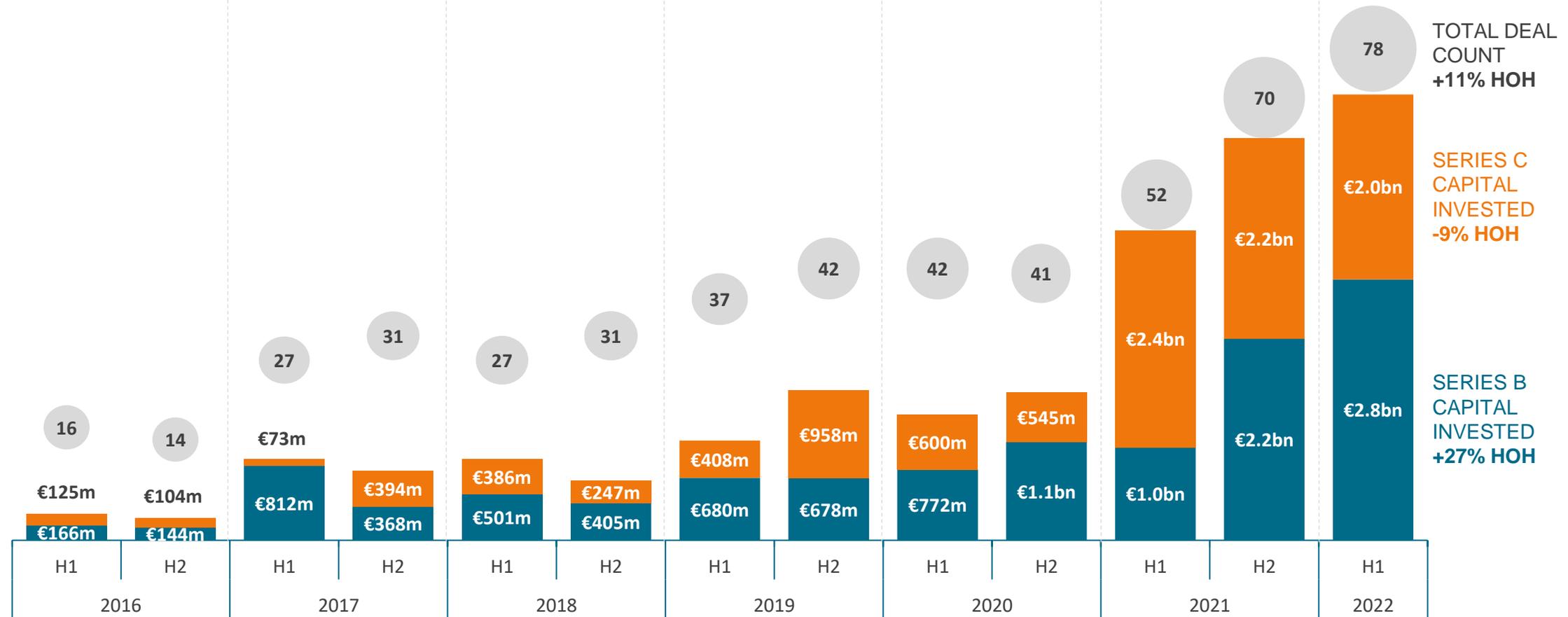
### Selected deals



Source: Pitchbook | Deals below €5m have been excluded | Data as of 30/06/2022

# Capital invested in UK Series B&C rounds grew 9% HoH to €4.8bn

SERIES B&C TOTAL FINANCING AMOUNTS AND DEAL COUNT IN THE UK, 2016 - H1 2022



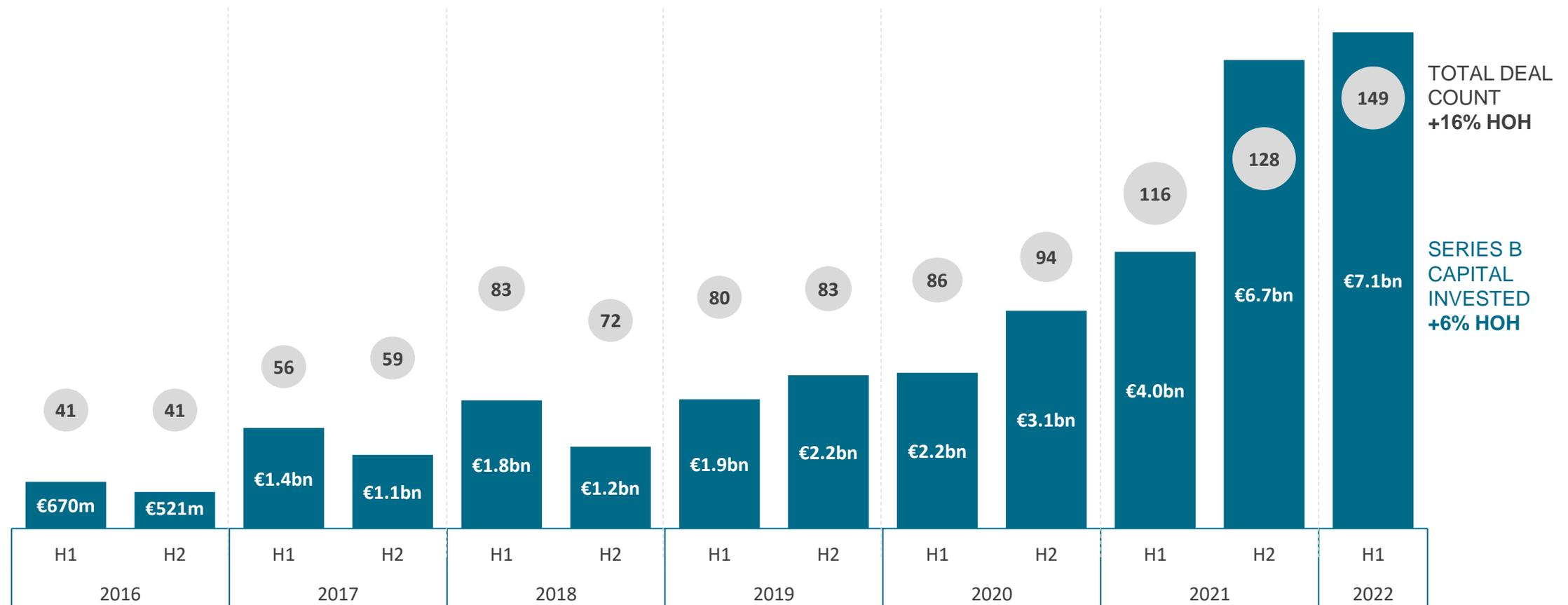
Source: Pitchbook | Deals below €5m have been excluded | Data as of 30/06/2022

### 3. EUROPEAN TECH: SERIES B ROUNDS

- Series B rounds take businesses past the development stage. They provide acceleration money to fuel growth and to fully exploit market opportunities.
- Typically, companies have established their team, product and go-to-market strategy following a Series A round and completed significant milestones.
- For our report, we have included Series B rounds above €5m for European-headquartered businesses using Silverpeak's proprietary technology sector filters.

# H1 2022 saw a continued rise in Series B capital invested and deal count

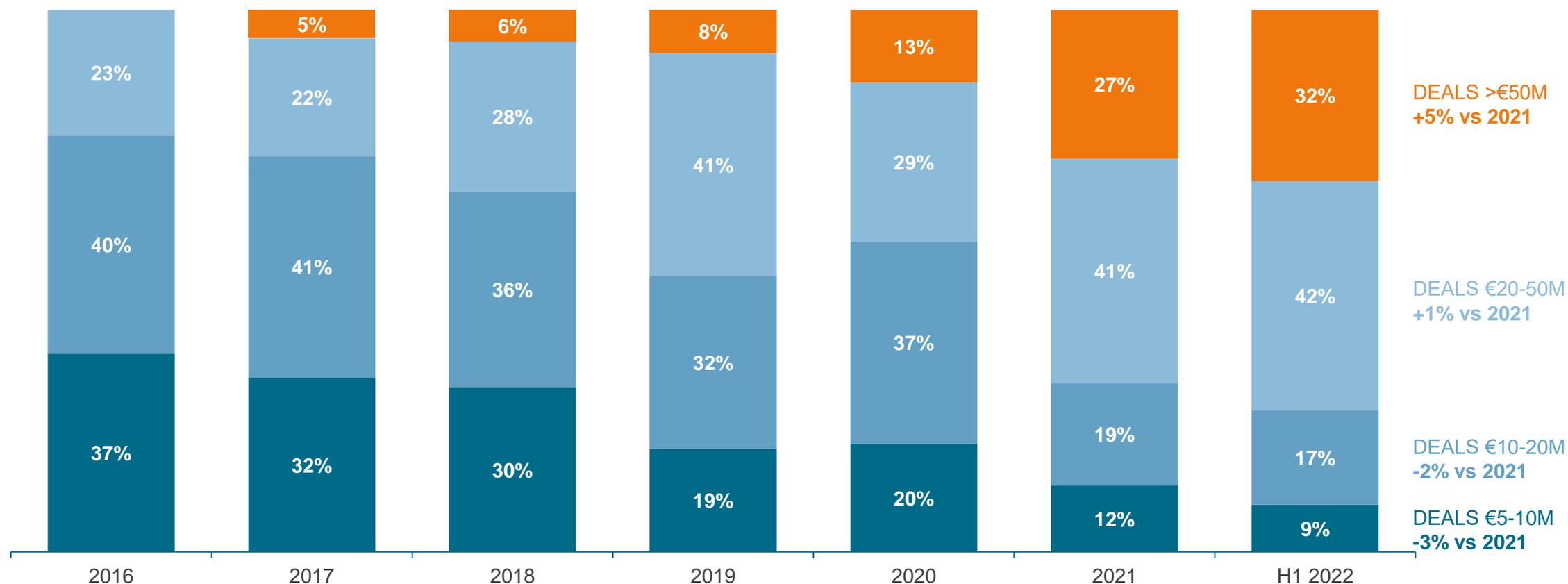
SERIES B TOTAL FINANCING AMOUNTS AND DEAL COUNT, 2016 - H1 2022



Source: Pitchbook | Deals below €5m have been excluded | Data as of 30/06/2022

# Nearly a third of all Series B rounds exceeded €50m, quadruple 2019 levels

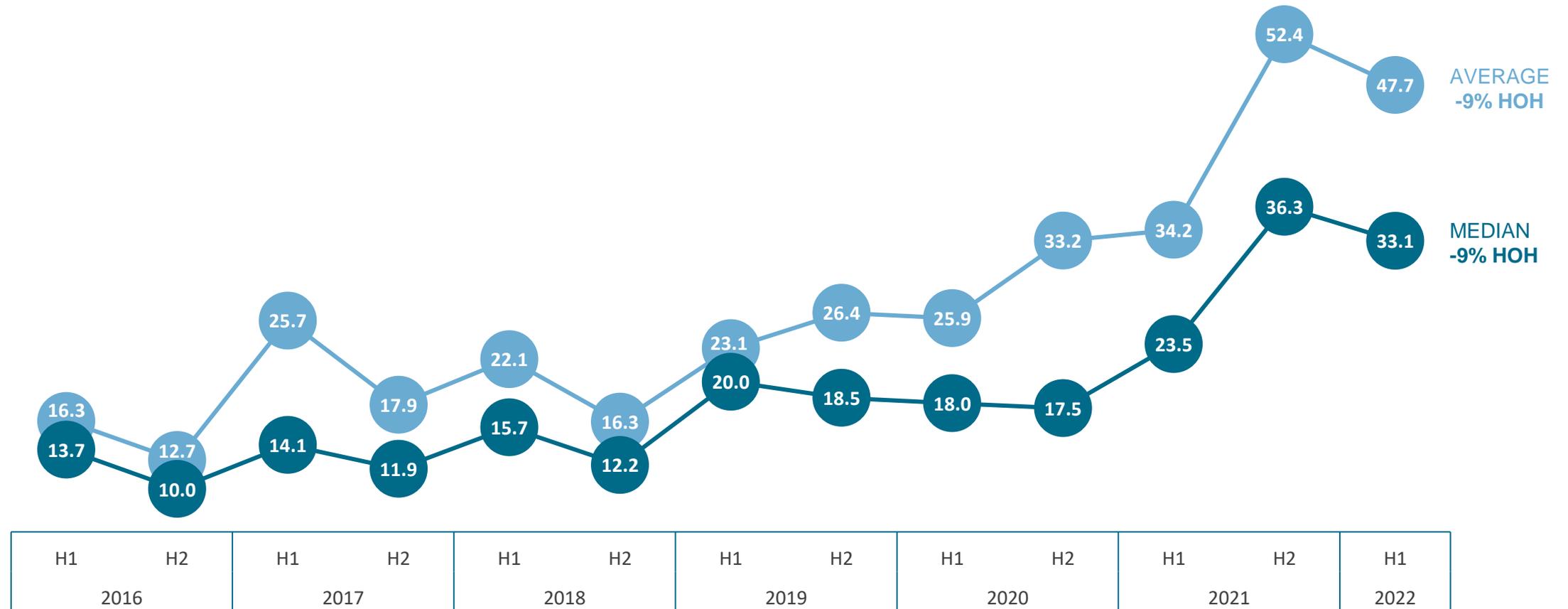
BREAKDOWN OF SERIES B ROUNDS BY VALUE 2016 - H1 2022



Source: Pitchbook | Deals below €5m have been excluded | Data as of 30/06/2022

# Median Series B round sizes have almost doubled since 2020

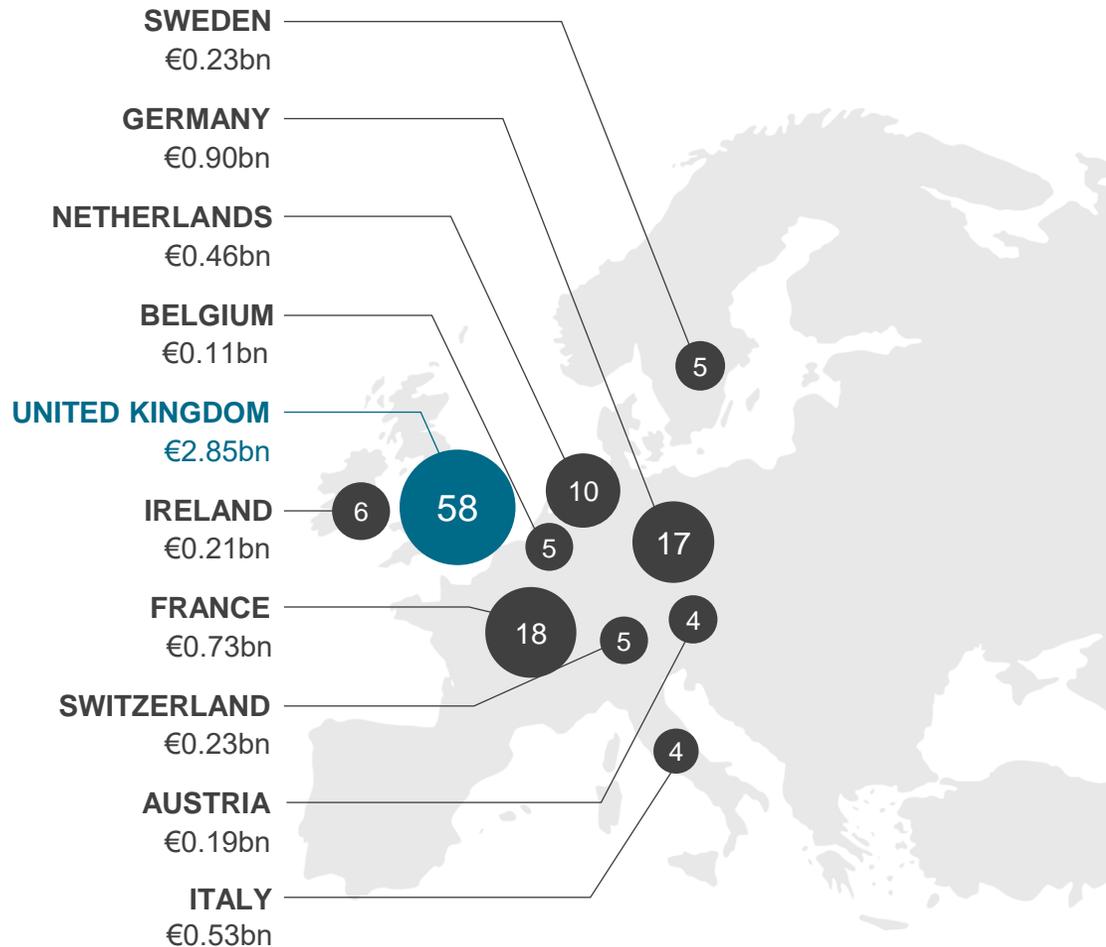
AVERAGE AND MEDIAN SIZE OF SERIES B ROUNDS, 2016 - H1 2022



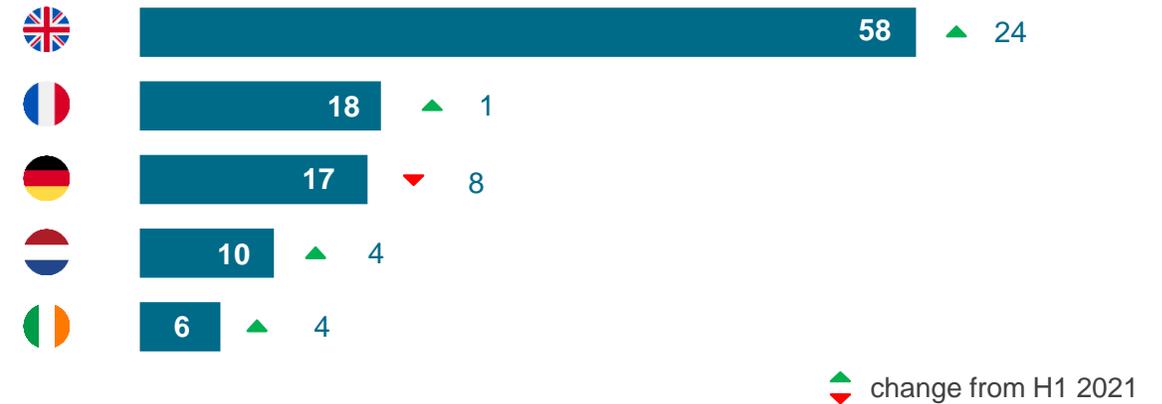
Source: Pitchbook | Deals below €5m have been excluded | Data as of 30/06/2022

# UK attracted almost half of all Series B capital invested in Europe

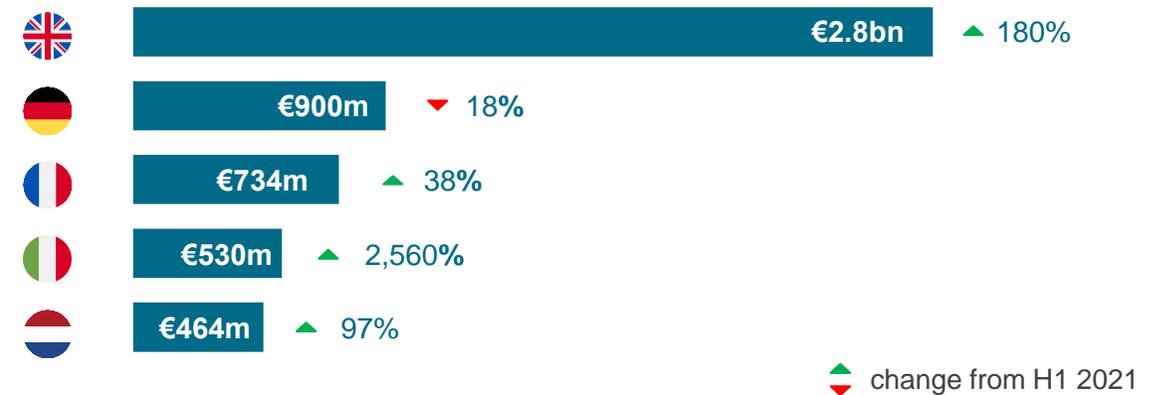
## SERIES B DEAL COUNT AND VALUE BY COUNTRY, H1 2022



### # of Series B rounds



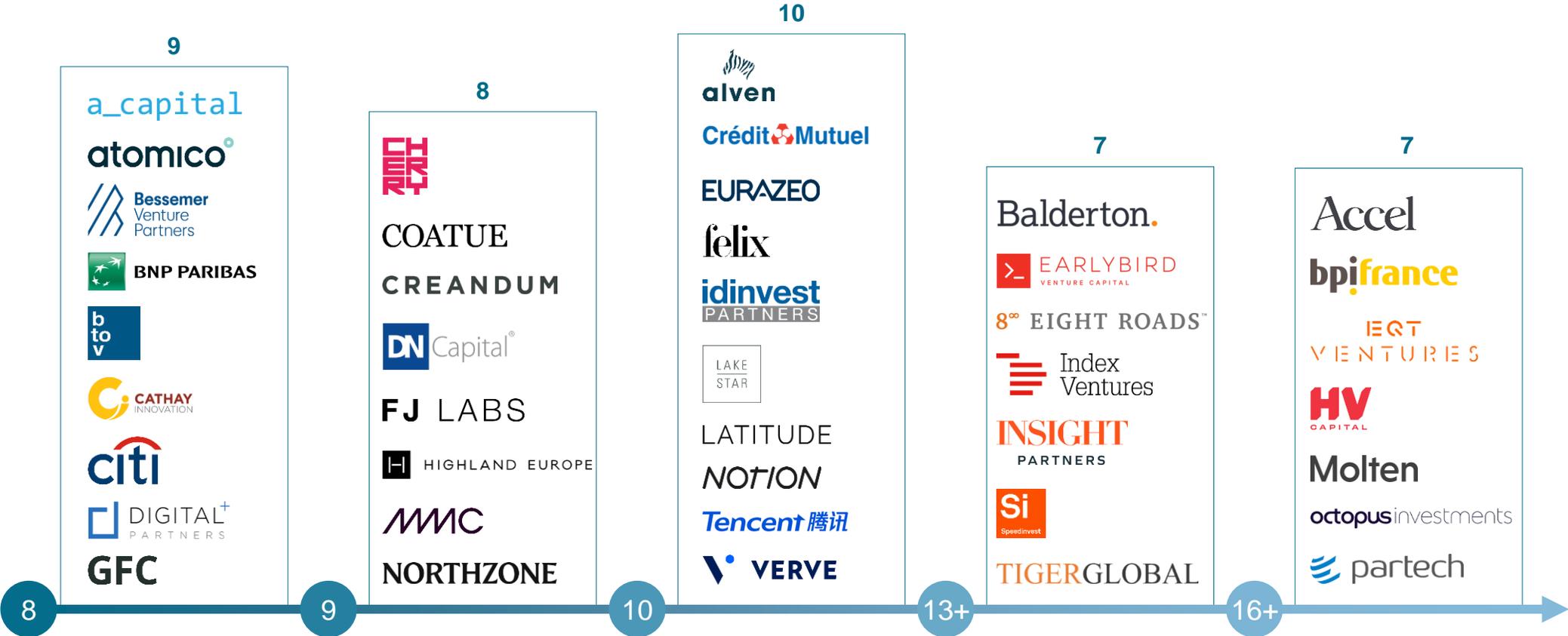
### Value of Series B rounds



Source: Pitchbook | Deals below €5m have been excluded | Data as of 30/06/2022

# The pool of frequent B round investors was very large...

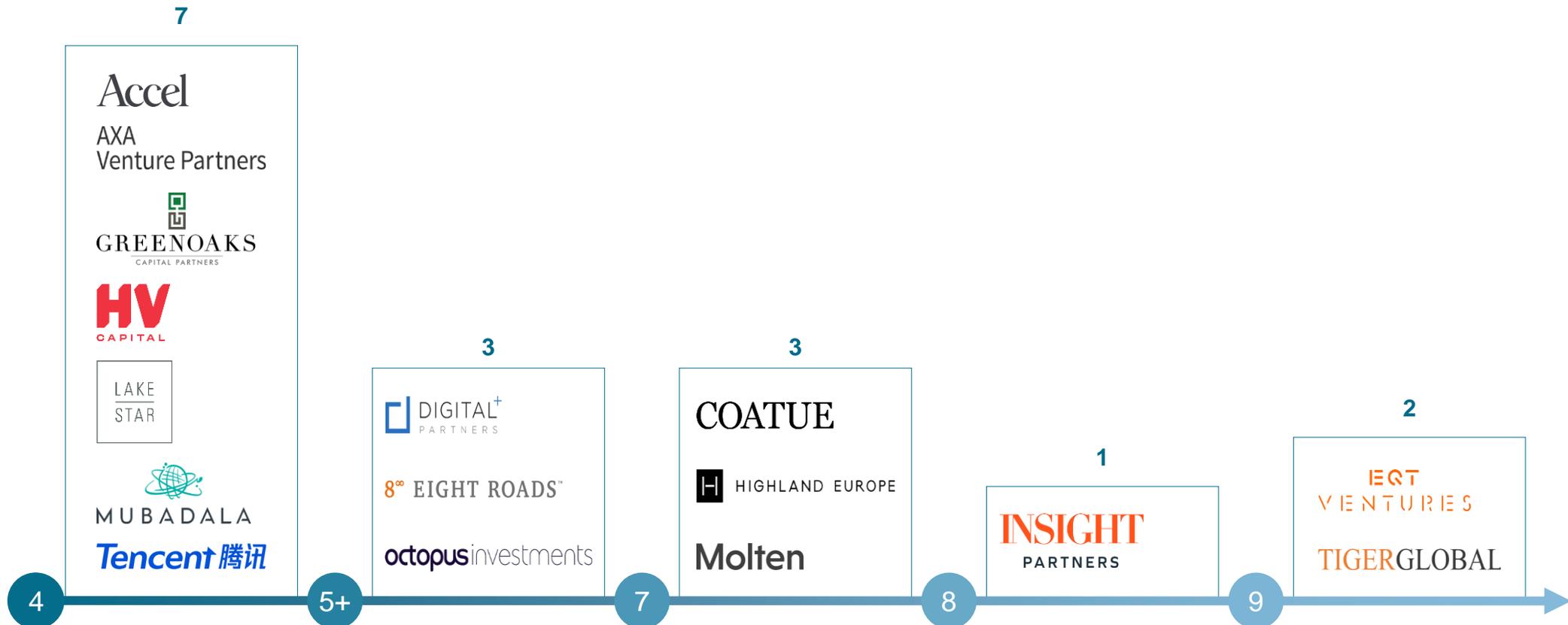
41 INVESTORS PARTICIPATED IN 8 OR MORE SERIES B FUNDING ROUNDS FROM 2020 - H1 2022



Source: Pitchbook | Deals below €5m have been excluded | Data as of 30/06/2022

# ...but only a select few frequently led investments

16 INVESTORS LED FOUR OR MORE ROUNDS FROM 2020 - H1 2022



Source: Pitchbook | Deals below €5m have been excluded | Data as of 30/06/2022

# 15 Series B mega-rounds were recorded in H1 2022

## LARGEST SERIES B ROUNDS, H1 2022

### UNITED KINGDOM

 ECLIPSE	>	 WAYVE	€205m Jan-22	MOBILITY TECH
 Lightspeed 468 Capital	>	 ZAPP	€192m Jan-22	FOOD & DELIVERY TECH
 20VC	>	 tripledote	€159m Feb-22	GAMING
 PERMIRA	>	 GWI	€159m Jan-22	BIG DATA
 lightrock	>	 SELINA	€134m Feb-22	FINTECH

### REST OF EUROPE

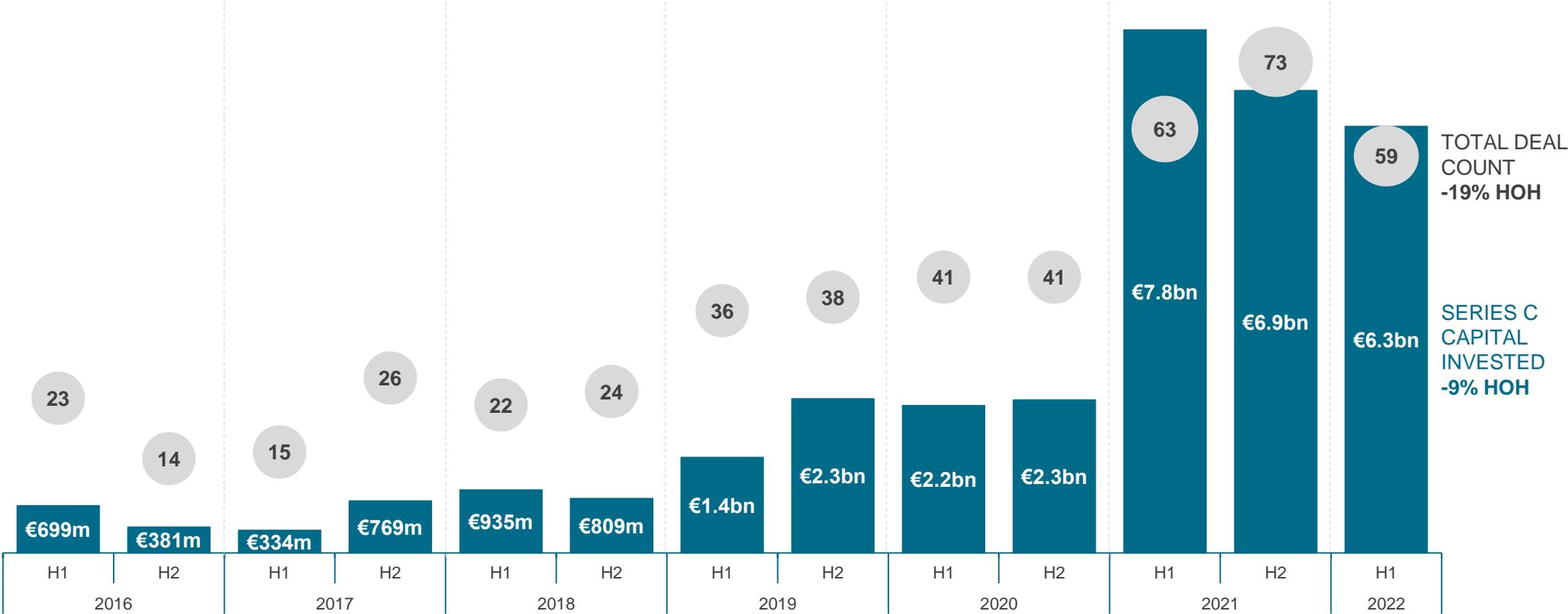
 Tencent 腾讯	>	 scalapay	€486m May-22	FINTECH
 WILLOUGHBY CAPITAL	>	 MUBADALA	€193m May-22	FINTECH
 abrdn	>	 dott	€137m Feb-22	MOBILITY TECH
 SOFINA	>	 QED INVESTORS DST GLOBAL	€133m Feb-22	FINTECH
 wayflyer	>	 HIGHLAND EUROPE	€107m Jan-22	INSURTECH
 DESCARTES				

## 4. EUROPEAN TECH: SERIES C ROUNDS

- A Series C round is the fourth stage of a company's financing, and typically the last stage of venture capital financing. However, some companies opt to conduct more rounds, such as series D, E, etc.
- Companies that aim to obtain Series C funding are no longer start-ups.
- They are usually established, successful companies in their late stages of development, with solid revenues. Their core products or services generate strong demand in the marketplace, attracting a substantial customer base.

# Series C capital invested decreased nearly 20% from H1 2021 to H1 2022

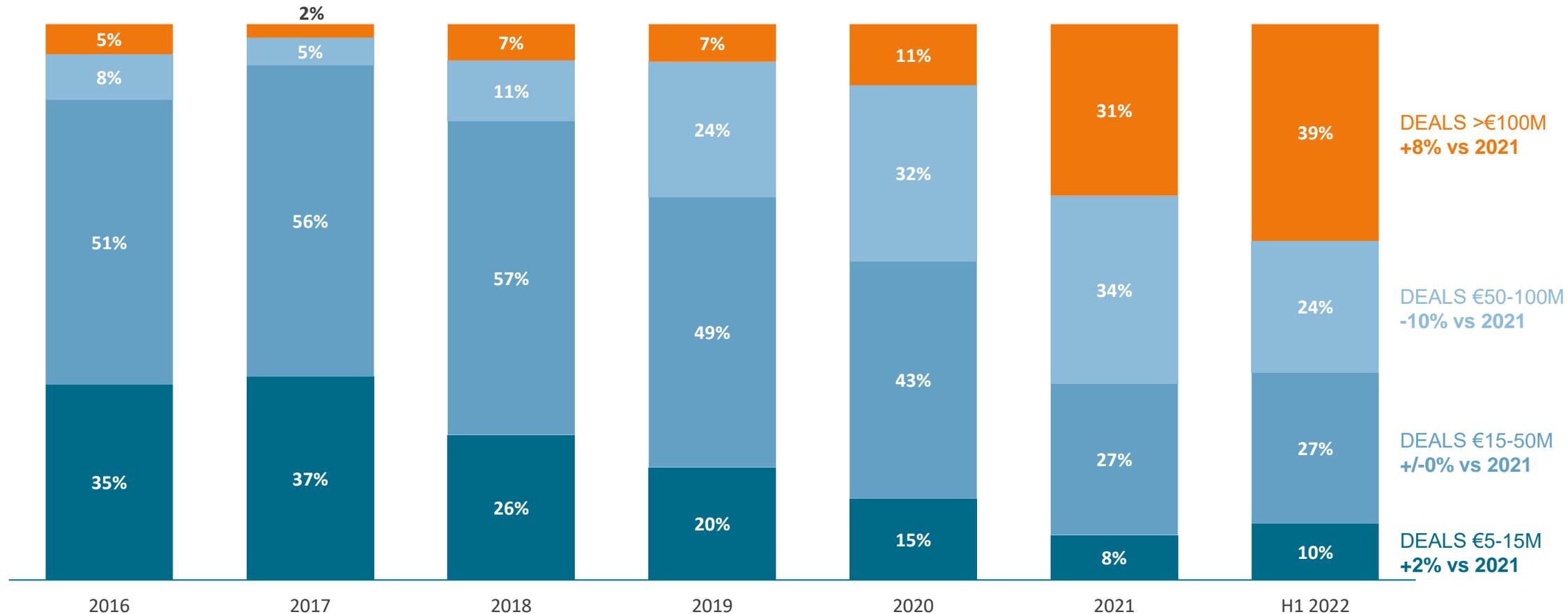
SERIES C TOTAL FINANCING AMOUNTS AND DEAL COUNT, 2016 - H1 2022



Source: Pitchbook | Deals below €5m have been excluded | Data as of 30/06/2022

# Mega-rounds made up nearly 40% of all Series C deals in H1 2022

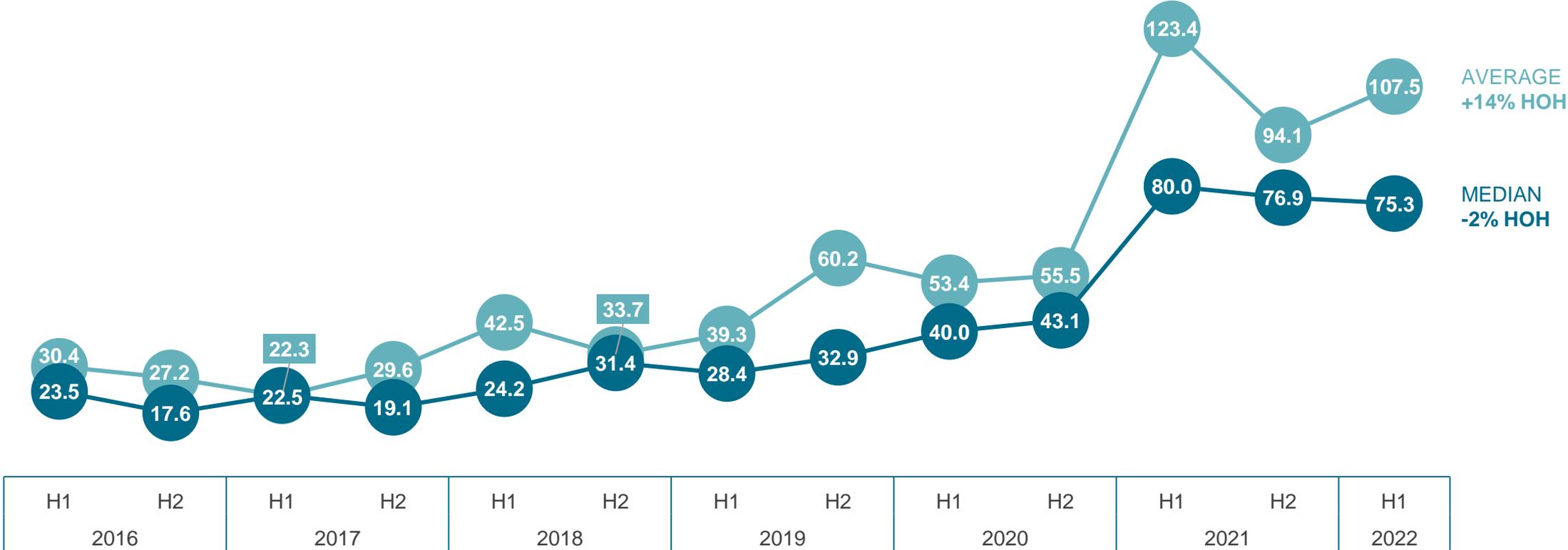
BREAKDOWN OF SERIES C ROUNDS BY VALUE 2016 - H1 2022



Source: Pitchbook | Deals below €5m have been excluded | Data as of 30/06/2022

# Average Series C round sizes have decreased 15% since H1 2021

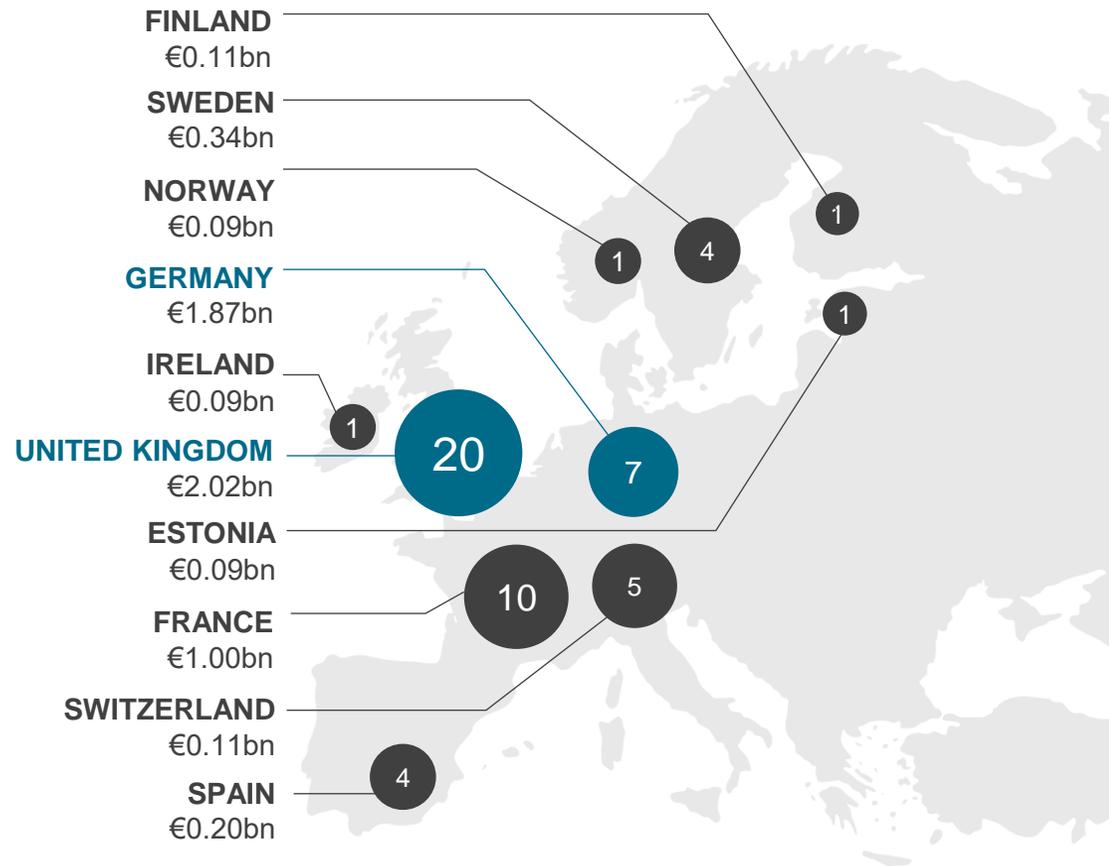
MEDIAN AND AVERAGE SIZE OF SERIES C ROUNDS, 2016 - H1 2022



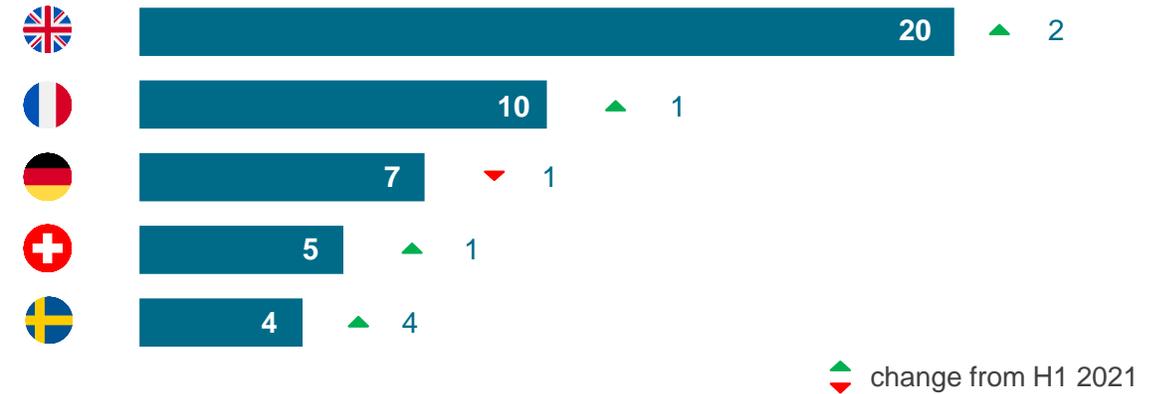
Source: Pitchbook | Deals below €5m have been excluded | Data as of 30/06/2022

# UK and Germany attracted 62% of Series C capital invested in H1 2022

## SERIES C DEAL COUNT AND VALUE BY COUNTRY, H1 2022



### # of Series C Rounds



### Value of Series C Rounds



Source: Pitchbook | Deals below €5m have been excluded | Data as of 30/06/2022

# There was a sizeable pool of frequent C round investors...

26 INVESTORS PARTICIPATED IN SEVEN OR MORE SERIES C FUNDING ROUNDS FROM 2020 - H1 2022



Source: Pitchbook | Deals below €5m have been excluded | Data as of 30/06/2022

# ...however, there was only a small number of repeat lead investors

11 INVESTORS LED FOUR OR MORE SERIES C FUNDING ROUNDS FROM 2020 - H1 2022



Source: Pitchbook | Deals below €5m have been excluded | Data as of 30/06/2022

# Europe attracted the largest rounds, its top 7 deals were larger than UK's #1

## LARGEST SERIES C ROUNDS, H1 2022



### UNITED KINGDOM

	>		€179m May-22	CLEANTECH
	>		€177m Feb-22	MOBILITY TECH
	>		€168m Feb-22	TRADING
	>		€159m Apr-22	FINTECH
	>		€159m Jun-22	AI & ML



### REST OF EUROPE

 SEQUOIA	>		€1bn Jun-22	TRADING
	>		€297m Mar-22	MICRO MOBILITY
 TIGERGLOBAL	>		€250m Jan-22	E-COMMERCE
	>		€230m Feb-22	MOBILITY TECH
	>		€211m Feb-22	FINTECH



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