



# SILVERPEAK

M&A + FINANCING ADVICE

**The state of the market for Series B&C rounds  
in European tech companies**

Q3 2022 update

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# 1. SILVERPEAK OVERVIEW

# Our connections, ability and focus will deliver the best outcomes for your business

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

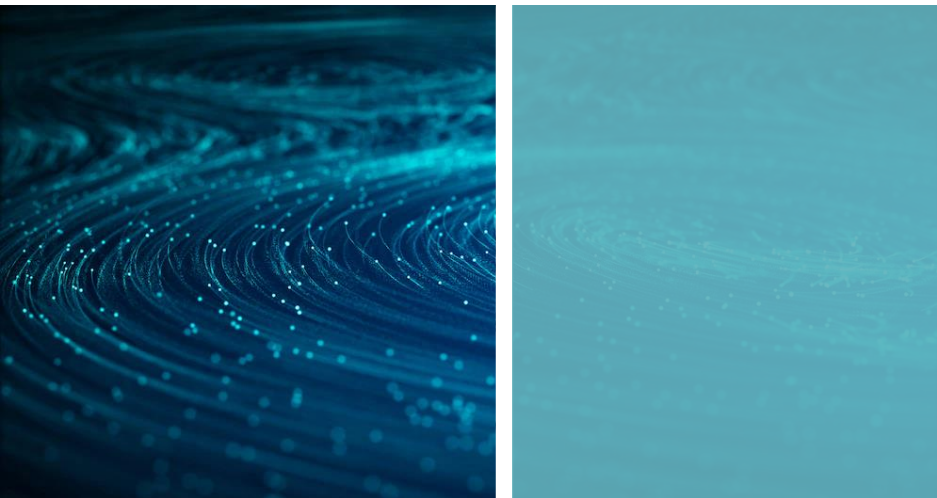
**300+** completed  
deal experience

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



# WE HAVE ACCESS TO THE RIGHT INVESTORS AND ACQUIRERS WHEREVER THEY MAY BE

A SELECTION OF INVESTORS AND ACQUIRERS ON SUCCESSFUL TRANSACTIONS





# 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

GB | US  
November 2022

**AVVIO**

Hotel technology platform driving direct bookings

Sale to



backed by



AU | DE  
October 2022



Travel P2P marketplace

APPROVAL PENDING for €30m acquisition of



GB | UAE  
October 2022

**vaarst ROVCO**

Autonomous subsea robotics technology

Series B extension to \$26m+





IT | US  
May 2022



Additive manufacturing services and proprietary composite materials

Investment by



GB | GB  
March 2022

**worksmart**  
REGULATORY CHANGE MEETS BUSINESS ADVANTAGE

RegTech SaaS solution

Sale to



GB | GB, NO, US  
March 2022

**vaarst ROVCO**

Autonomous subsea robotics technology

\$20M+ Series B investment by







IT | WW  
January 2022




In-space services and satellite transport

€51.5m pre-SPAC convertible bond by




& OTHER INVESTORS

GB | GB  
October 2021



Data extraction & document automation SaaS ML platform

Sale to



NO | CA  
September 2021



Project management and risk analysis software

Sale to



NL | US  
September 2021



Application testing software

Majority sale to



GB | GB  
June 2021



Trading and automation SaaS for renewable energy

£20m investment led by



GB | SE  
April 2021




Construction workforce management platform & SaaS

Sale to



backed by



GB | LU, US  
February 2021



Satellite antenna technology

\$40m investment by




GB | EU  
October 2020



Video compression solutions

\$33m investment by

INVESTMENT FIRMS & TECH ENTREPRENEURS



## **2. European tech: venture environment recent trends**

# European tech Series B&C rounds value have fallen to 2019 'record' levels

- Series B&C **deal activity exhibited a substantial slowdown QoQ**, with total deal value falling to €2.27bn, -66%, the same as Q3 2019 which was, however, a record at the time. Deal count reduced to 59, -41%.
- **In Q3 only one fund led 2 or more Series B or C rounds** - ECBF leading 2 Series B rounds. In Q1 and Q2 17 funds led 2 or more series B and 6 led 2 or more Series C.
- **Overall, median deal sizes are getting smaller.** Series B and C experienced a QoQ decrease of 27% and 41%, respectively to €23m and €44m median value.
- **In Q3 there was only 1 Series C megadeal above €100m**, compared to c.39% of Series C rounds in Q1 and Q2 being over €100m.
- **UK, the dominant recipient of growth funding in Europe**, received reduced investment, with total Series B&C value down 65%, and volume falling to 16 deals.
- In Q3 the largest vertical, **fintech, suffered volume reduction of 50%, -10 deals**, the biggest QoQ volume reduction of any vertical.



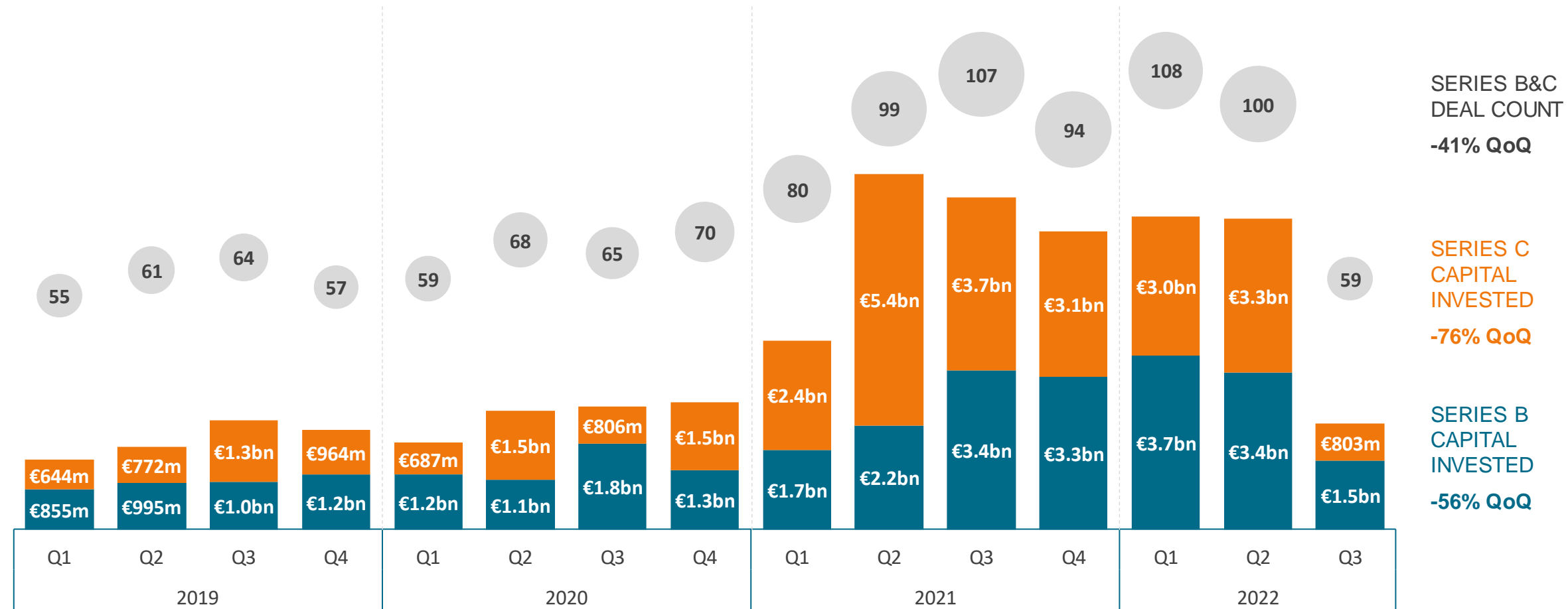
“

The last 2 years have been an aberration - the 66% Q3 funding drop is to the same level as Q3 2019 which was a record at the time. Funds' criteria have tightened but there is still masses of dry powder seeking great management teams. ”

Paddy MccGwire  
MANAGING PARTNER

# Series B&C Q3 rounds declined to 'record' Q3 2019 level

SERIES B&C TOTAL FINANCING AMOUNTS AND DEAL COUNT, 2019 – Q3 2022



SERIES B&C  
DEAL COUNT  
-41% QoQ

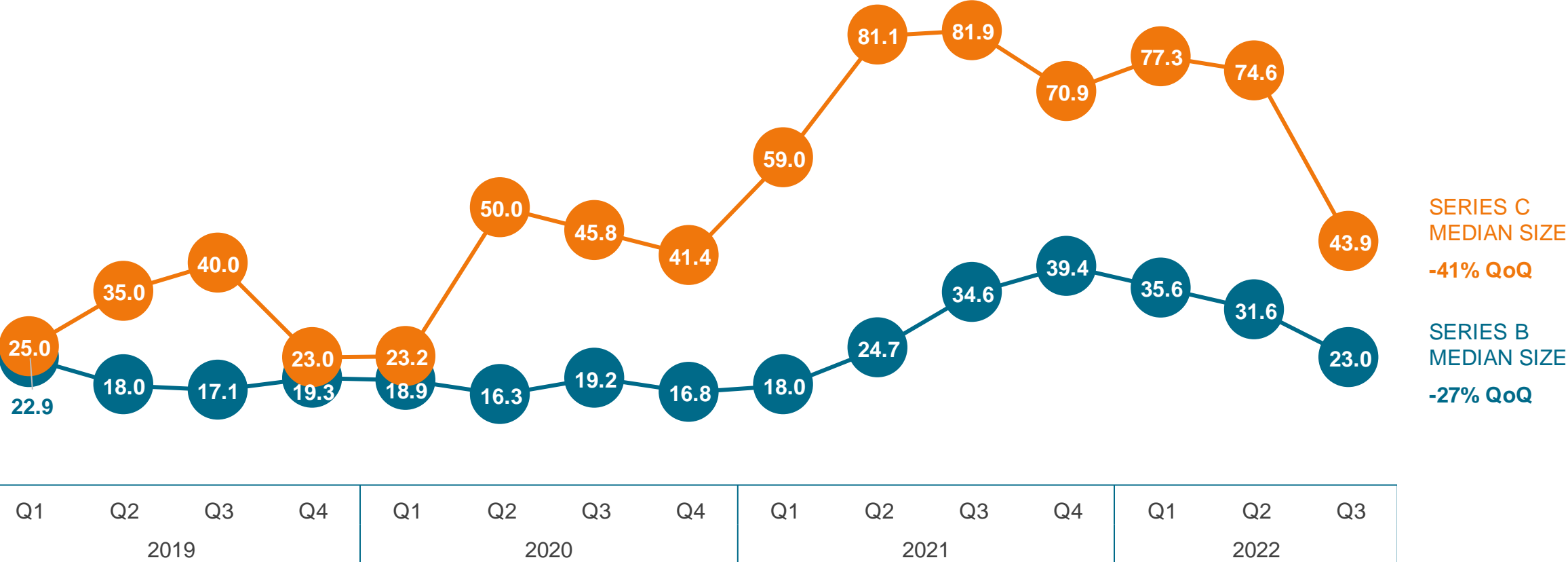
SERIES C  
CAPITAL  
INVESTED  
-76% QoQ

SERIES B  
CAPITAL  
INVESTED  
-56% QoQ

Source: Pitchbook | Deals below €5m have been excluded | Data as of 30/09/2022

# Not only did deal numbers plummet in Q3, but so did the median deal size

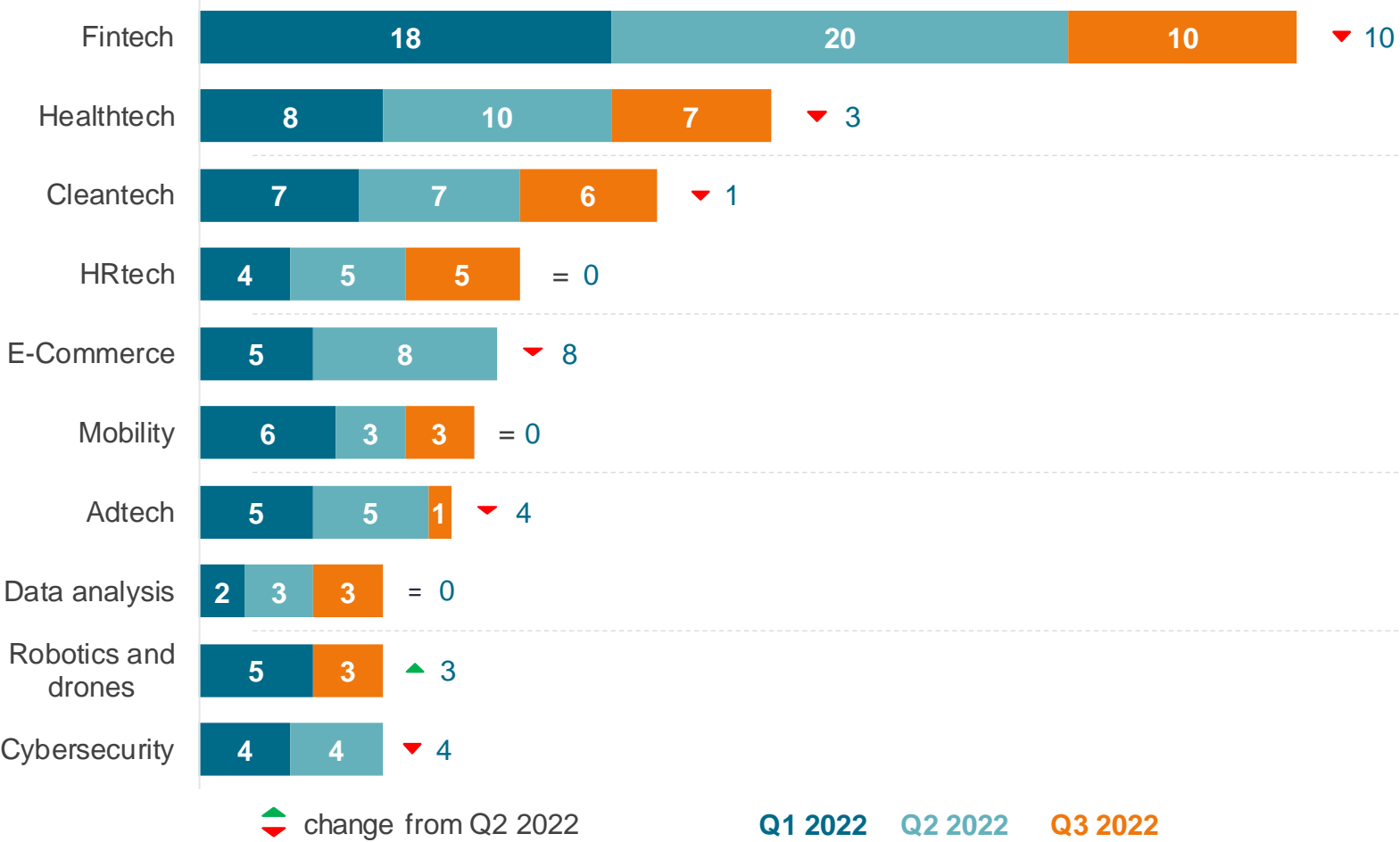
MEDIAN SIZE OF SERIES B&C ROUNDS, 2019 – Q3 2022



Source: Pitchbook | Deals below €5m have been excluded | Data as of 30/09/2022

# Fintech and E-commerce verticals suffered the largest decrease in Q3 deals

VOLUME OF B&C ROUNDS BY VERTICAL, BY QUARTER, Q1 – Q3 2022



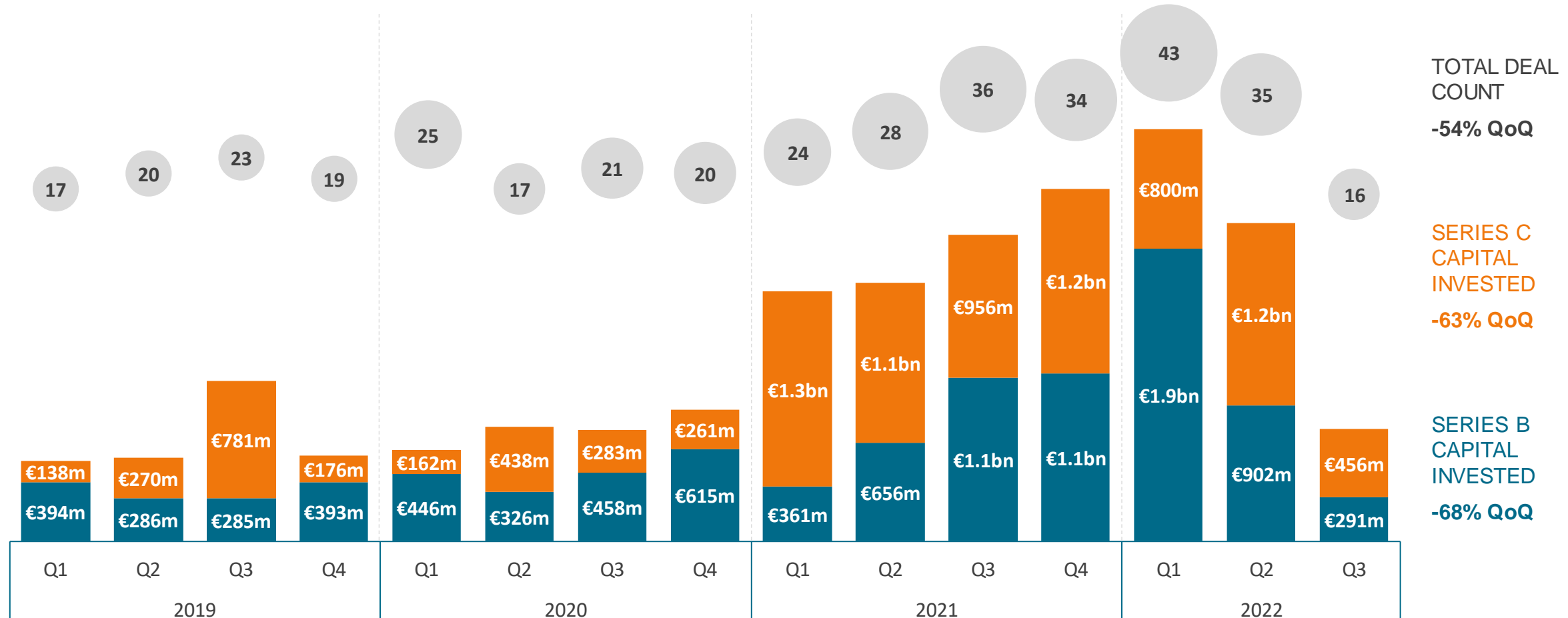
## Selected companies Q1-3

Genesis	fonoa
nuclera	TRICares
H2green steel	Blue World
happeo	wire
ankorstore	Swappie
ONTO	WAYVE
alpin	ZOOLU
Pigment	Latana
MMI MicroInstruments	GANYMED ROBOTICS
veriff	SEON

Source: Pitchbook | Deals below €5m have been excluded | Data as of 30/09/2022

# UK deal activity falls to lowest level in over 3 years

SERIES B&C TOTAL FINANCING AMOUNTS AND DEAL COUNT IN THE UK, 2019 – Q3 2022 



Source: Pitchbook | Deals below €5m have been excluded | Data as of 30/09/2022



### 3. European tech: Series B rounds

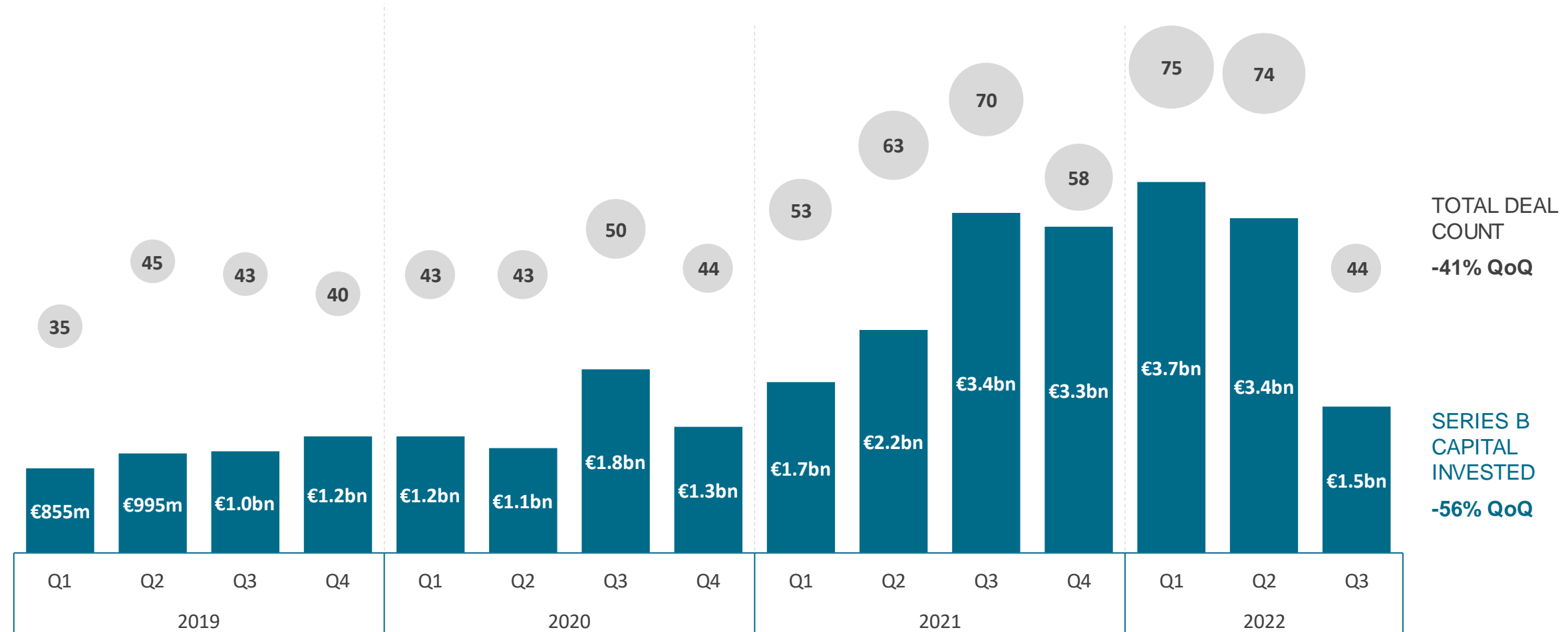
Series B rounds take businesses past the development stage. They provide acceleration money to fuel growth and to fully exploit market opportunities.

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.

# Q3 ends the trend of pandemic era record highs

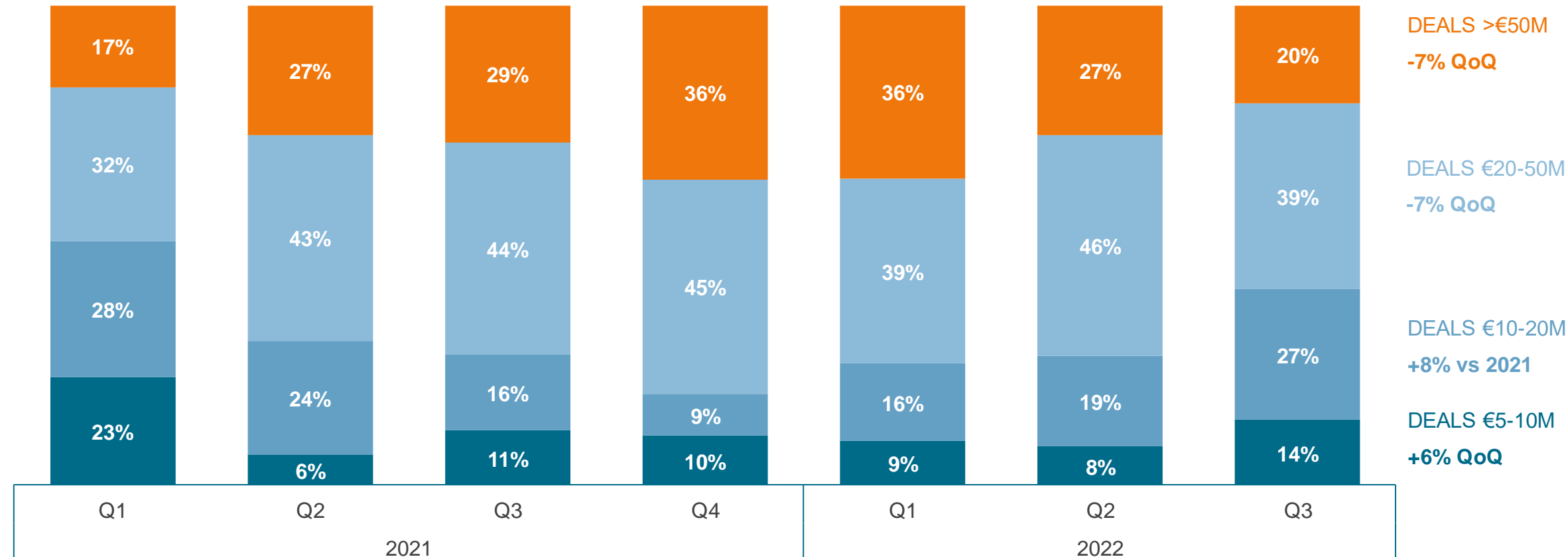
SERIES B TOTAL FINANCING AMOUNTS AND DEAL COUNT, 2019 – Q3 2022



Source: Pitchbook | Deals below €5m have been excluded | Data as of 30/09/2022

# Small deals (<€20m) represented 41% of the Q3 total, up from 27% last quarter

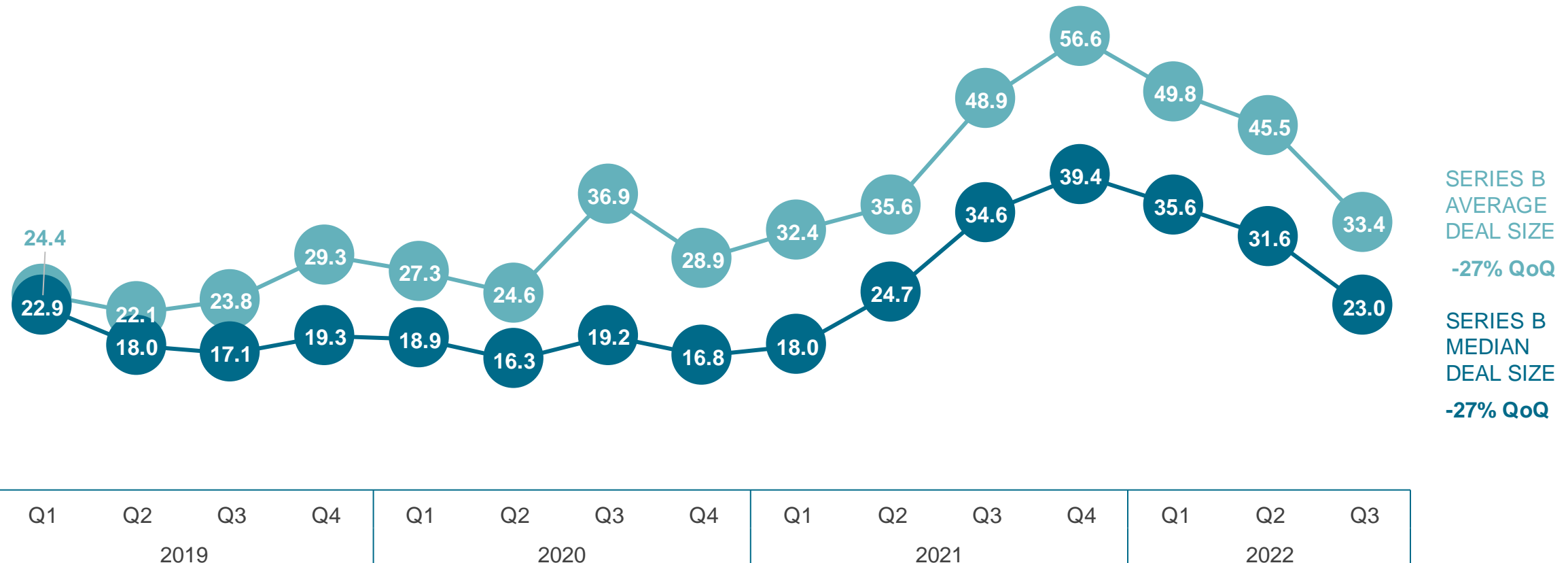
BREAKDOWN OF SERIES B ROUNDS BY VALUE 2021 – Q3 2022



Source: Pitchbook | Deals below €5m have been excluded | Data as of 30/09/2022

# Despite decreasing Series B deal sizes, medians remain higher than in 2020

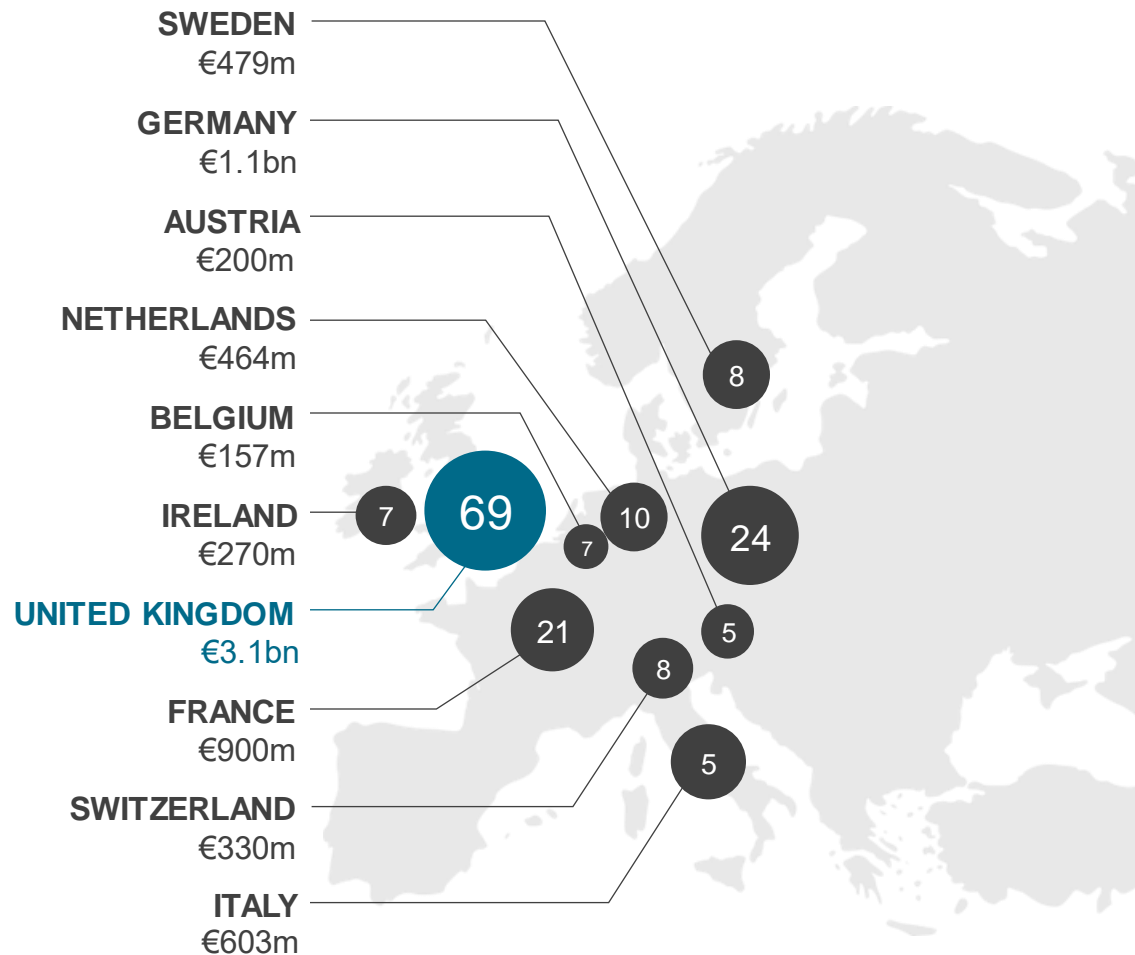
AVERAGE AND MEDIAN SIZE OF SERIES B ROUNDS, 2019 – Q3 2022



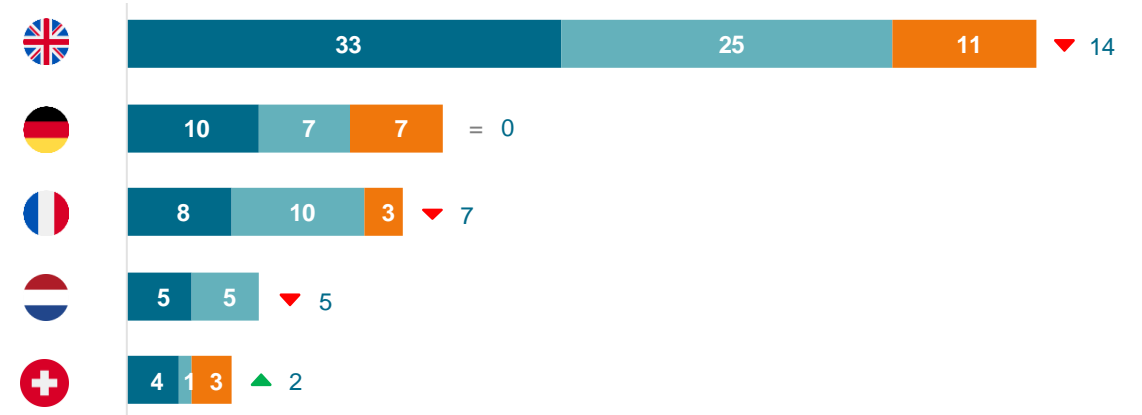
Source: Pitchbook | Deals below €5m have been excluded | Data as of 30/09/2022

# The UK is significantly ahead of other countries in 2022 Series B activity

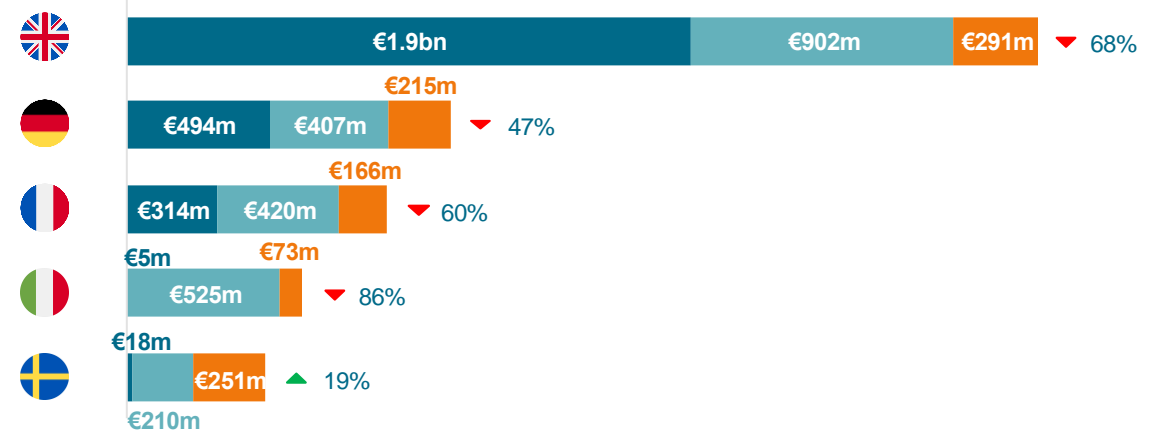
## SERIES B DEAL COUNT AND VALUE BY COUNTRY, Q1 - Q3 2022



## # of Series B rounds by quarter



## Value of Series B rounds by quarter



Source: Pitchbook | Deals below €5m have been excluded | Data as of 30/09/2022

▲ change from Q2 2022 ▼

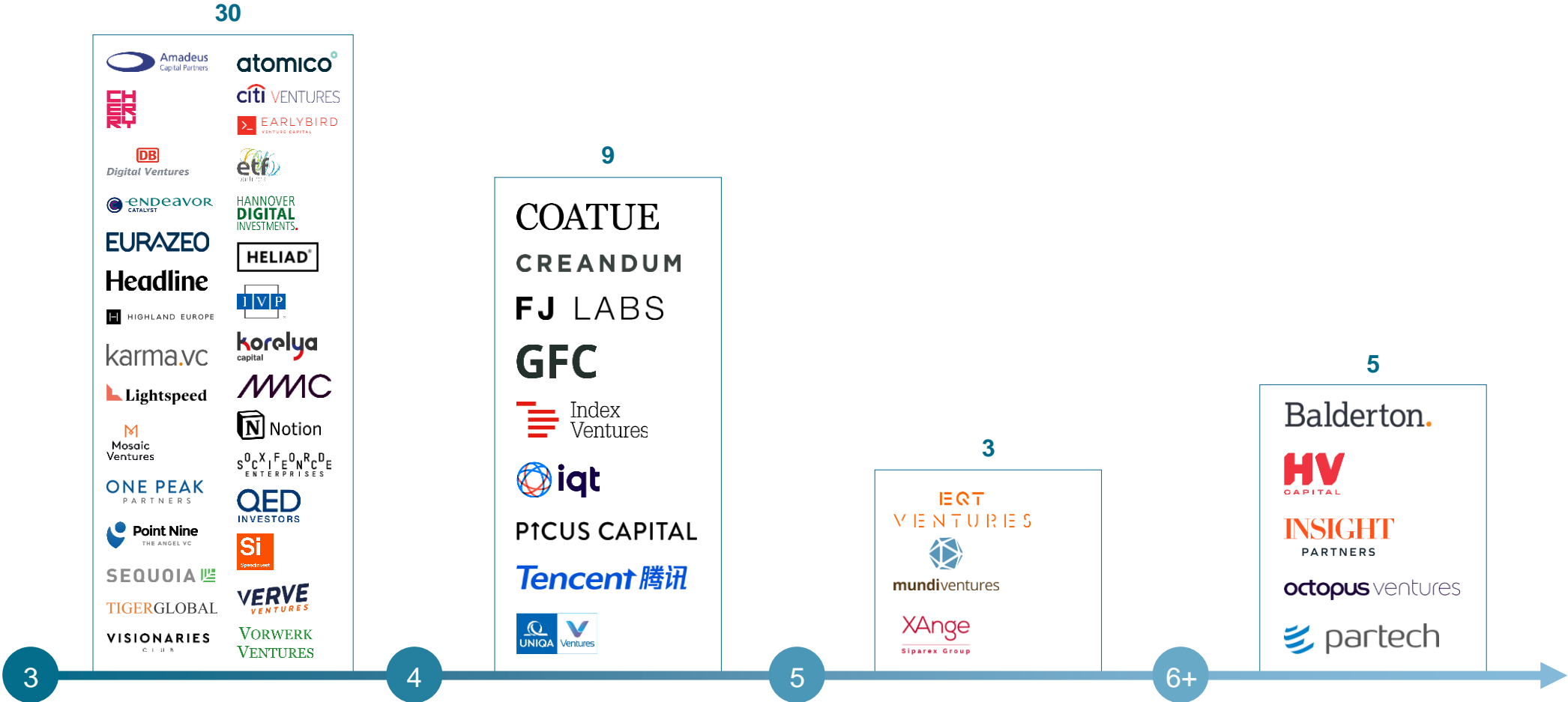
Q1 2022

Q2 2022

Q3 2022

# The pool of repeat B round investors is very large...

47 INVESTORS PARTICIPATED IN THREE OR MORE SERIES B FUNDING ROUNDS FROM Q1 – Q3 2022

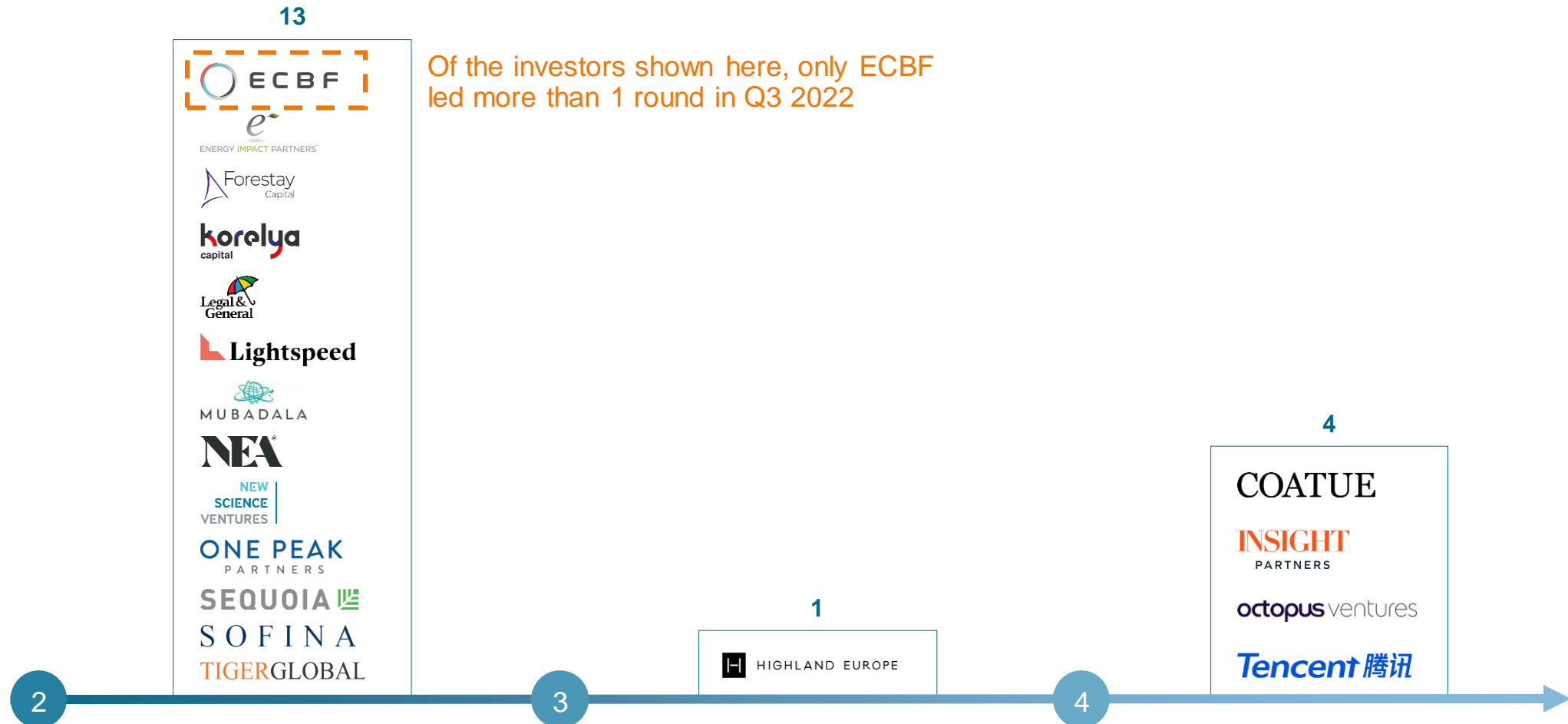


Source: Pitchbook | Deals below €5m have been excluded | Data as of 30/09/2022



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














18 INVESTORS LED TWO OR MORE SERIES B ROUNDS FROM Q1 – Q3 2022



# Q3 showcased lower deal sizes with only one deal above €100m

## LARGEST SERIES B ROUNDS, Q1 – Q3 2022

### TOP DEALS Q1

	 <b>WAYVE</b>	€205m
		Jan-22
		AI MOBILITY SOFTWARE
<hr/>		
	 <b>ZAPP</b>	€192m
		Jan-22
	 <b>LIGHTSPEED 468 CAPITAL</b> 	GROCERY DELIVERY
<hr/>		
	 <b>TRIPLEDOTE</b>	€159m
		Feb-22
		GAMING

### TOP DEALS Q2

	 <b>SCALAPAY</b>	€486m
		May-22
	 <b>TENCENT 腾讯</b> 	FINTECH
<hr/>		
	 <b>JUNI</b>	€193m
		May-22
	 <b>MUBADALA</b>	FINTECH
<hr/>		
	 <b>FINN</b>	€104m
		May-22
	 <b>KORELYA CAPITAL</b> 	CAR RENTAL SUBSCRIPTION

### TOP DEALS Q3

	 <b>H2GREEN STEEL</b>	€190m
		Aug-22
	  	CLEANTECH
<hr/>		
	 <b>NOT SO DARK</b>	€80m
		Sep-22
	 <b>KHARISCAPITAL</b>	ONLINE DELIVERY
<hr/>		
	 <b>MMI MICROINSTRUMENTS</b>	€73m
		Jul-22
	 <b>DEERFIELD</b> Advancing Healthcare®	MEDICAL ROBOTICS

## 4. European tech: Series C rounds

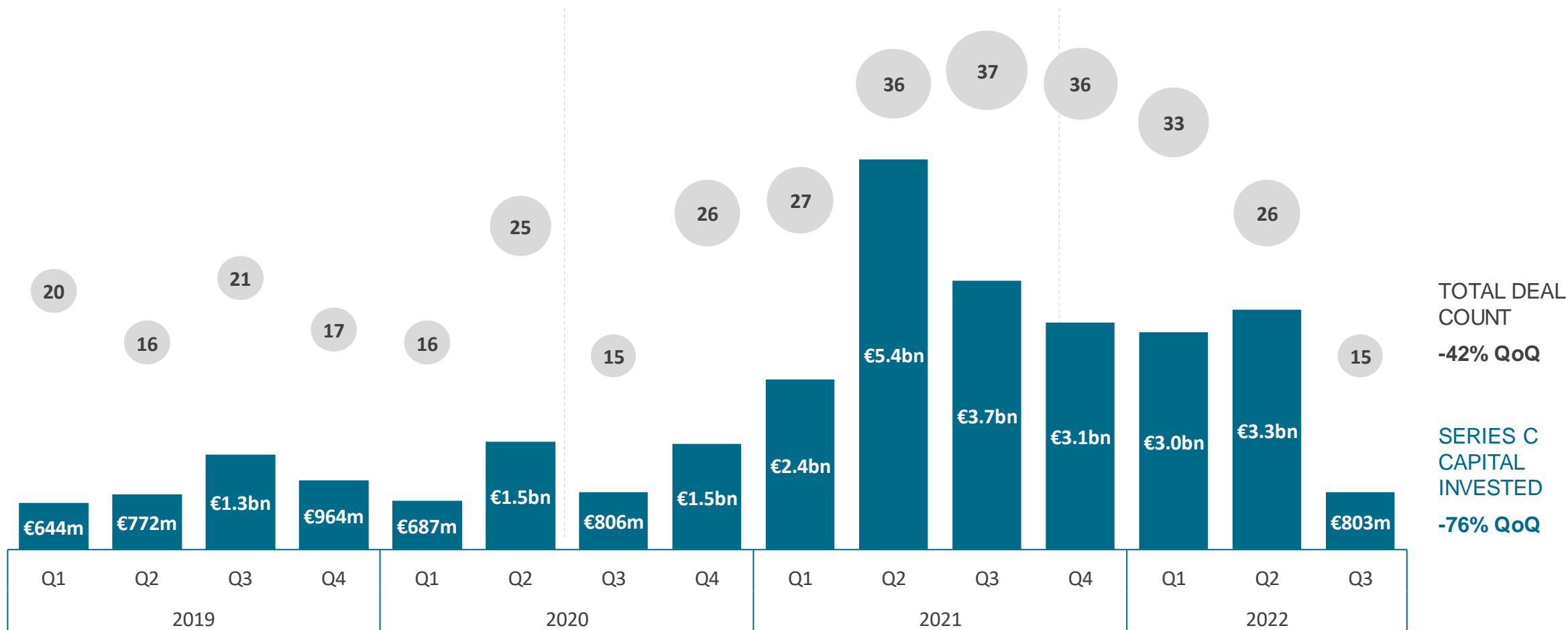
A Series C round is the fourth stage of a company's financing, and typically the last stage of venture capital financing. However, some companies opt to conduct more rounds, such as Series D, E, etc.

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 decline in volume and value to 2019/2020 levels

SERIES C TOTAL FINANCING AMOUNTS AND DEAL COUNT, 2019 – Q3 2022



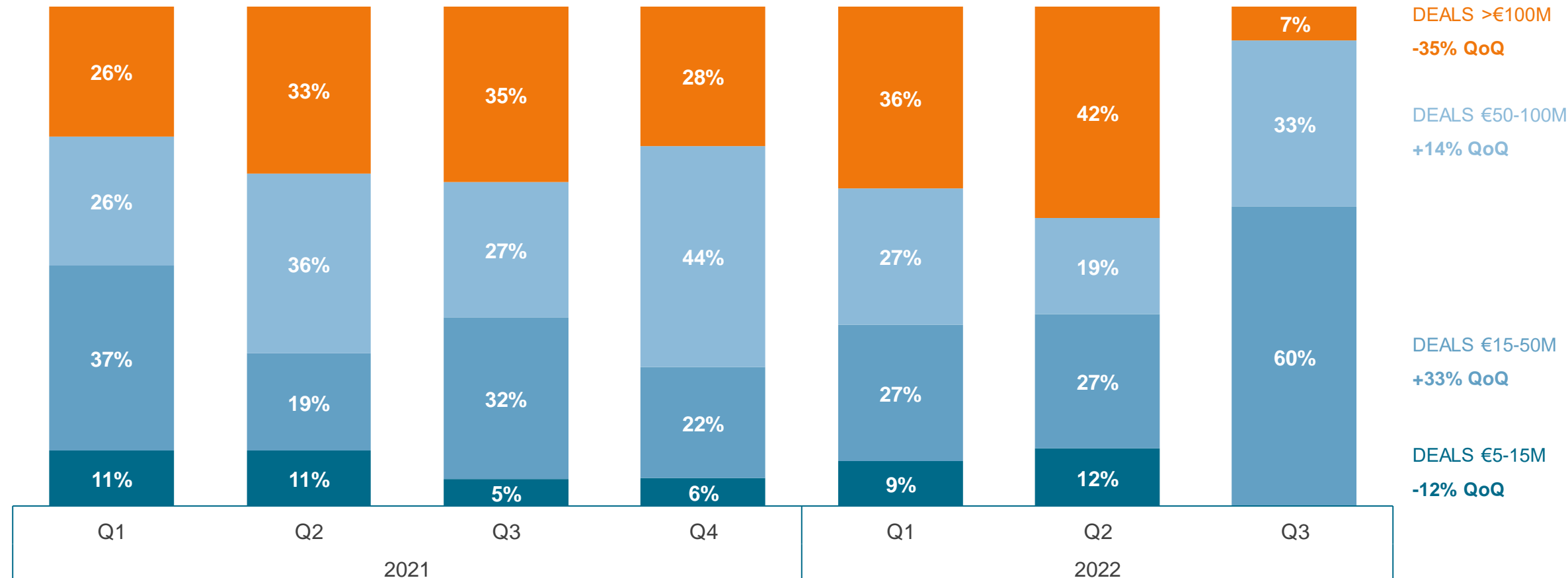
TOTAL DEAL COUNT  
-42% QoQ

SERIES C CAPITAL INVESTED  
-76% QoQ

Source: Pitchbook | Deals below €5m have been excluded | Data as of 30/09/2022

# Megadeals evaporate as €15-50m range takes over in Q3

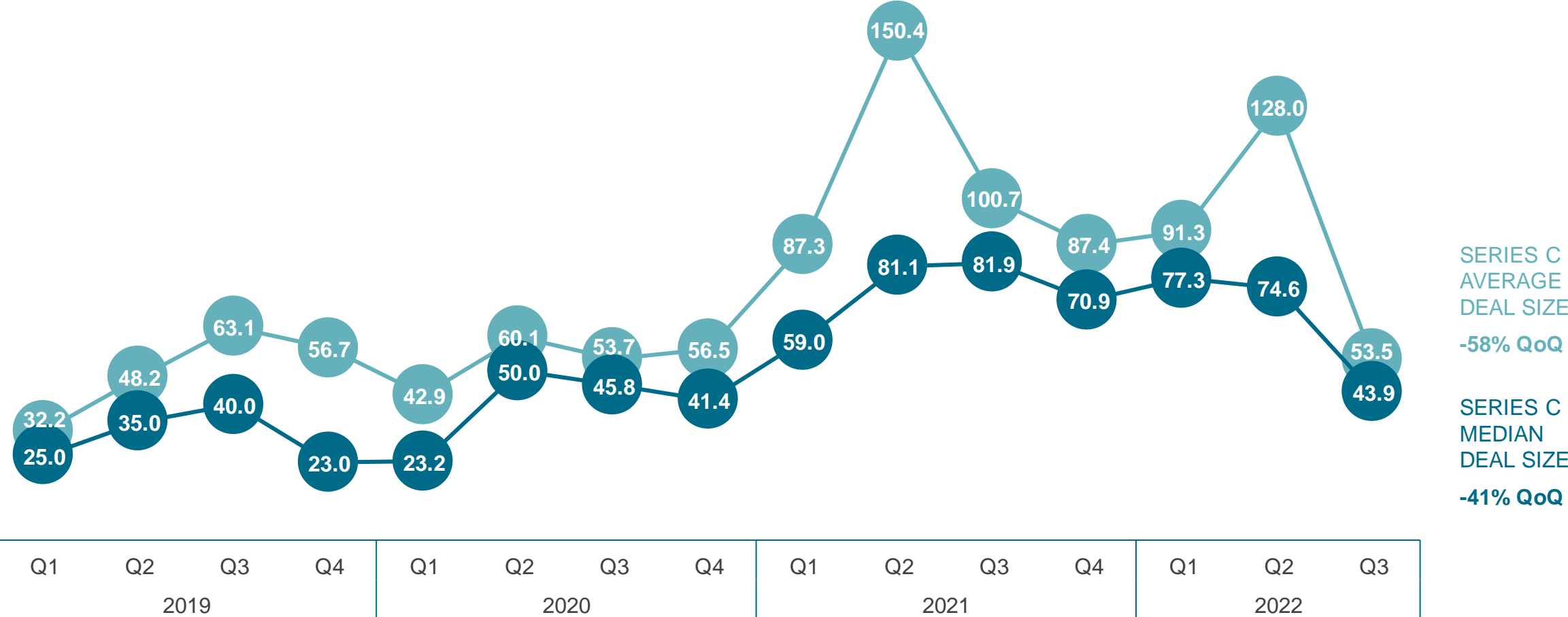
BREAKDOWN OF SERIES C ROUNDS BY VALUE 2021 – Q3 2022



Source: Pitchbook | Deals below €5m have been excluded | Data as of 30/09/2022

# Average Series C round sizes have decreased 47% YoY

MEDIAN AND AVERAGE SIZE OF SERIES C ROUNDS, 2019 – Q3 2022

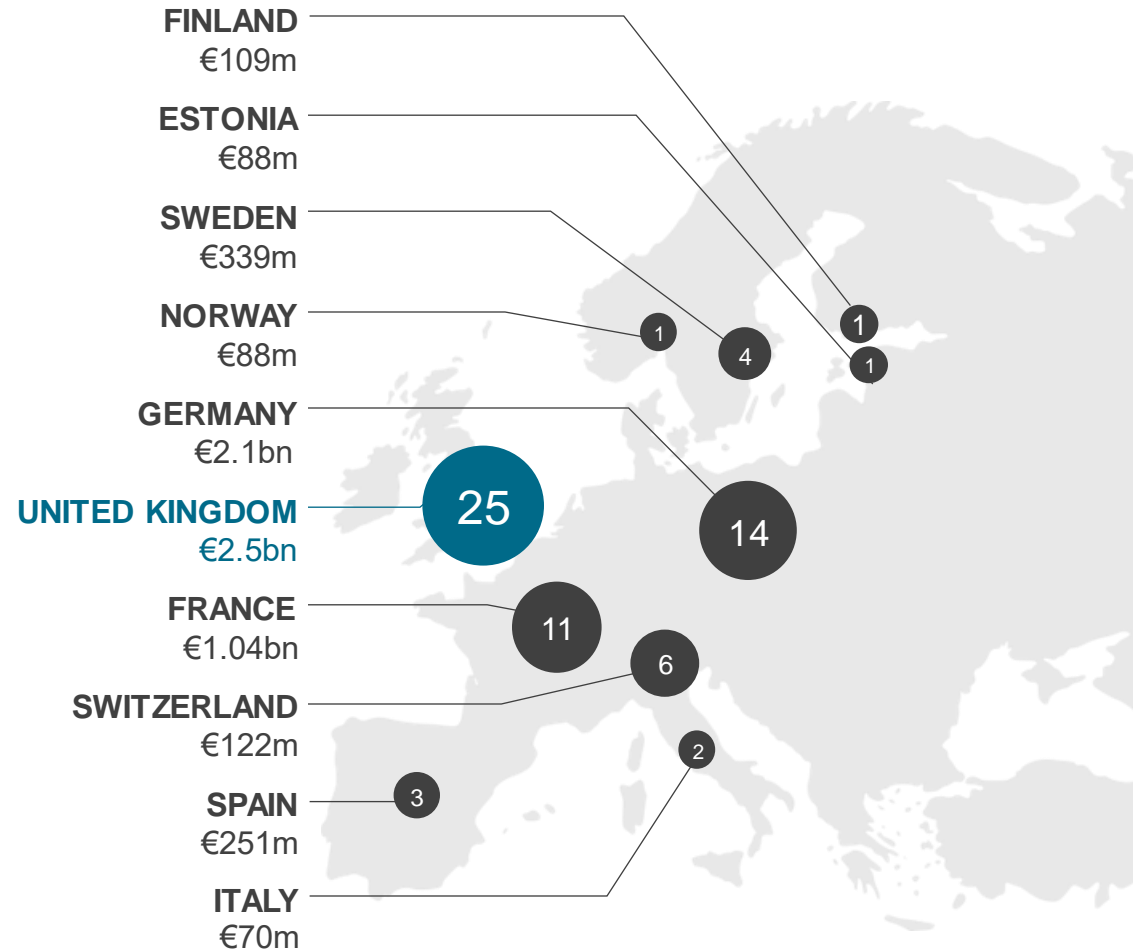


Source: Pitchbook | Deals below €5m have been excluded | Data as of 30/09/2022

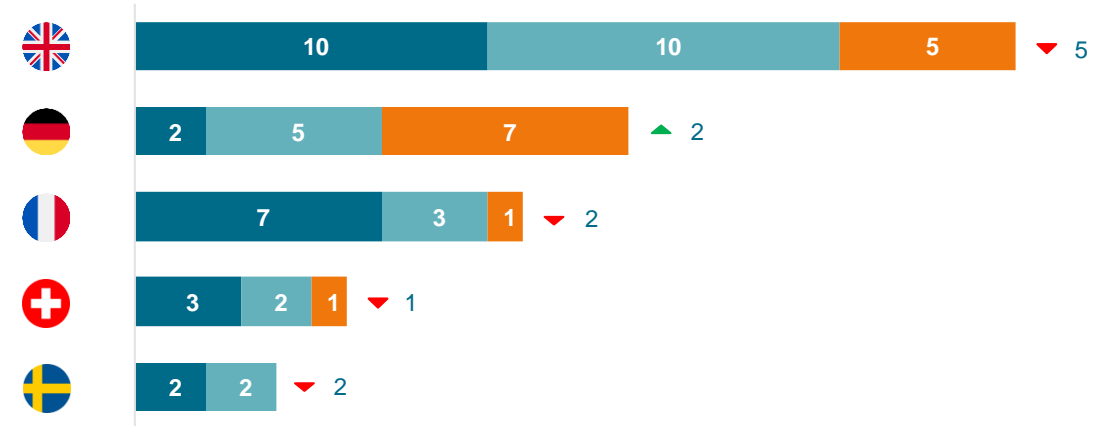


# UK and Germany total deal values have fallen by an average of 75% QoQ

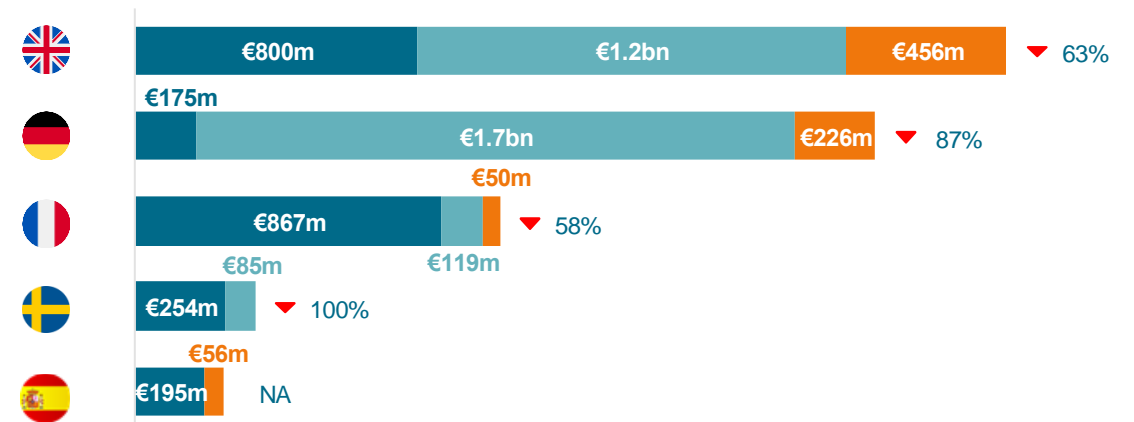
## SERIES C DEAL COUNT AND VALUE BY COUNTRY, Q1 - Q3 2022



## # of Series C rounds by quarter



## Value of Series C Rounds by quarter



Source: Pitchbook | Deals below €5m have been excluded | Data as of 30/09/2022

▲ change from Q2 2022

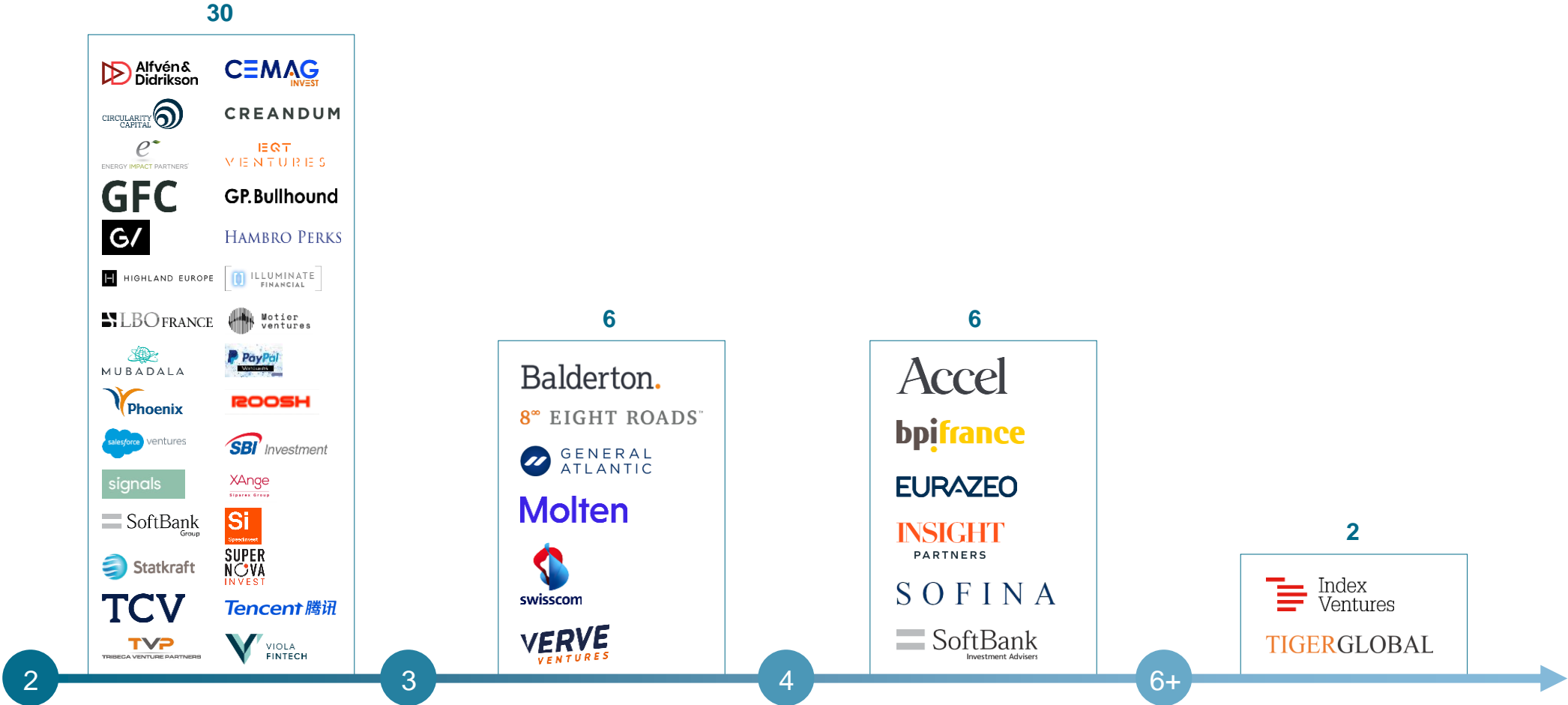
Q1 2022

Q2 2022

Q3 2022

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

44 INVESTORS PARTICIPATED IN TWO OR MORE SERIES C FUNDING ROUNDS FROM Q1 – Q3 2022



Source: Pitchbook | Deals below €5m have been excluded | Data as of 30/09/2022

...however, only a small number of repeat lead investors, and none in Q3







6 INVESTORS LED TWO OR MORE SERIES C FUNDING ROUNDS FROM Q1 – Q3 2022





# The largest deals in 2022 were concentrated across UK, Germany and France

## LARGEST SERIES C ROUNDS, Q1 – Q3 2022









### TOP DEALS Q1

	<b>Ankorstore</b>	€250m
		Jan-22
	<b>BOND</b> TIGERGLOBAL	E-COMMERCE MARKETPLACE
	<b>VOLTA TRUCKS</b>	€230m
		Feb-22
	LUXOR CAPITAL	ELECTRIC TRUCKS
	<b>alma</b>	€211m
		Feb-22
	HEDOSOPHIA	PAYMENTS

### TOP DEALS Q2

	<b>TRADE REPUBLIC</b>	€1,089m
		Jun-22
	 SEQUOIA	TRADING PLATFORM
	<b>Grover</b>	€297m
		Apr-22
	 ENERGY IMPACT PARTNERS	ELECTRONICS RENTAL
	<b>CoachHub</b>	€188m
		Jun-22
	 SoftBank Investment Advisor	EMPLOYEE COACHING

### TOP DEALS Q3

	<b>Genesis</b>	€215m
		Jul-22
	TIGERGLOBAL	CAPITAL MARKETS
	<b>yu Life</b>	€87m
		Jul-22
	 DAI-ICHI LIFE	INSURANCE PLATFORM
	<b>ONTO</b>	€76m
		Jul-22
	 Legal & General	ELECTRIC CAR RENTAL



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