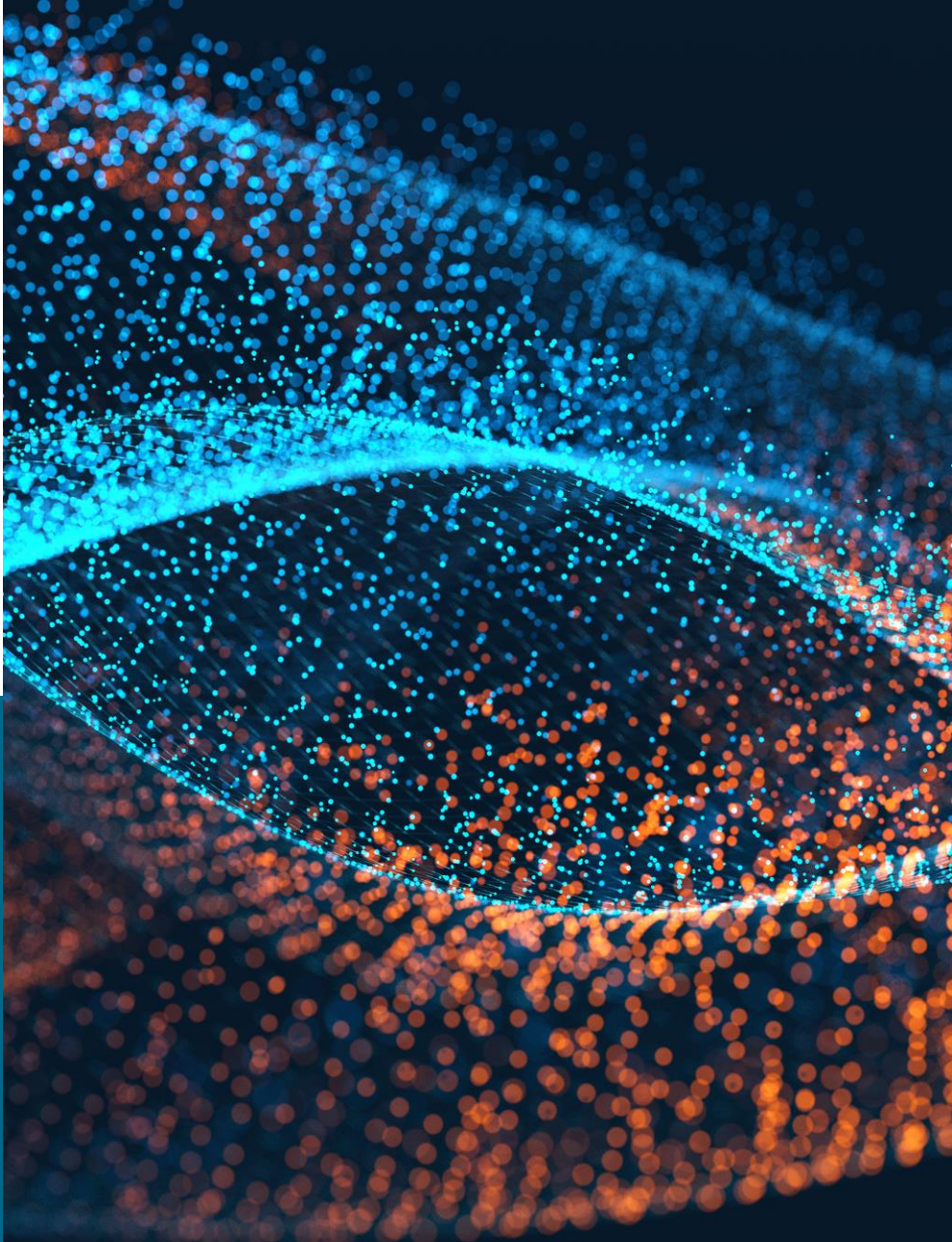


RESEARCH REPORT

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



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SECTION 1

European tech: Growth trends



2023, the ascendance of B&C deeptech rounds in European tech

- In the landscape of Series B and C financing, **we expect a significant overall decline in 2023 when compared to 2022.** We project a year-on-year decrease of 48% in total deal value, accompanied by an overall 34% drop in deal numbers. **Nevertheless, there are promising signs of recovery, particularly in deal value, marked by a resurgence in Series C rounds during the most recent quarter.**
- **Fintech investment has been knocked off the top spot for the first time in years,** with a substantial 40% decrease in the number of deals and a notable 70% reduction in deal values over the past two quarters compared to the preceding six months. This shift underscores a prevailing market trend favouring deeptech⁽¹⁾, with cleantech and artificial intelligence emerging as the leading sectors.
- After displacing the UK from its persistent position as the #1 European investment destination two quarters ago, **France is once again in the top spot** – albeit this time down to a single mega deal. The UK meanwhile still leads the continent in deal numbers.
- After a pullback, **US investors are starting to make a comeback to the European market,** leading 36% of the total deals in Q3-23.

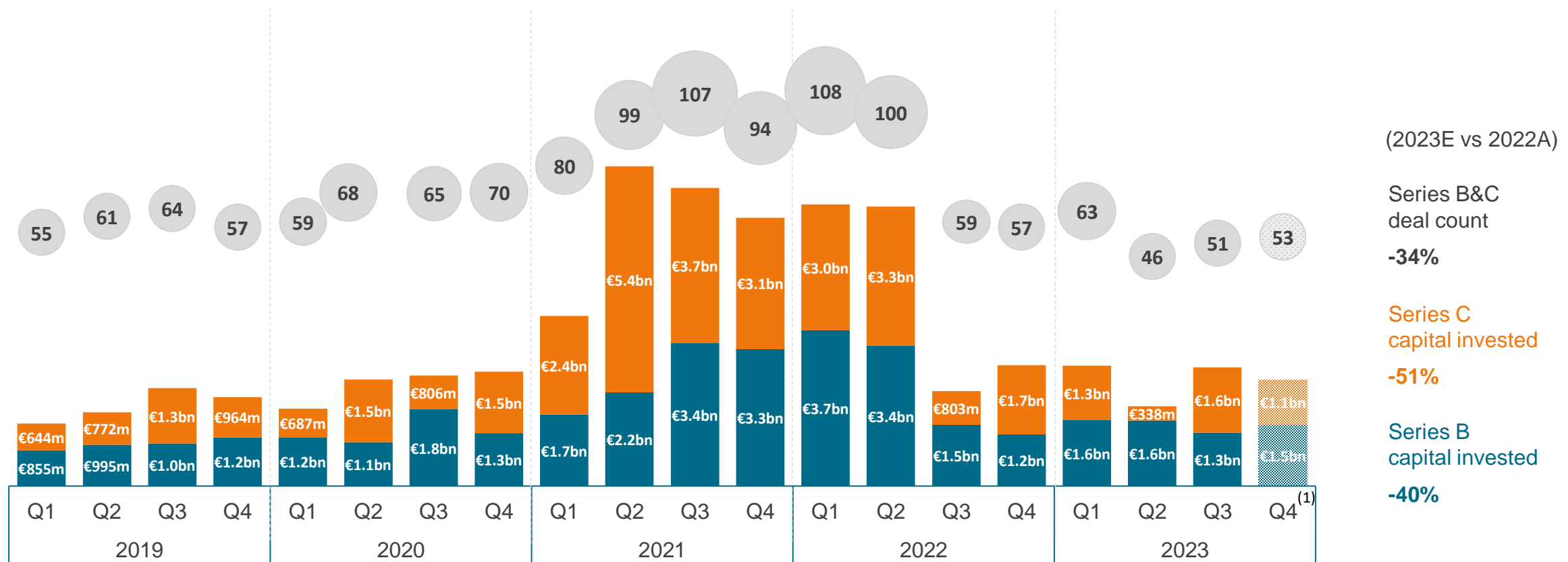


During H1-23, we have observed a stabilisation in the market, following the market correction experienced in H2-22. As 2023 progresses, this “new normal” level has largely been maintained, although we are beginning to detect encouraging signs of a recovery. Notably, Series C rounds are showing a rebound, deeptech deals are emerging, and US investors are making a comeback, which suggests a positive shift in market dynamics.

David Ford
PARTNER

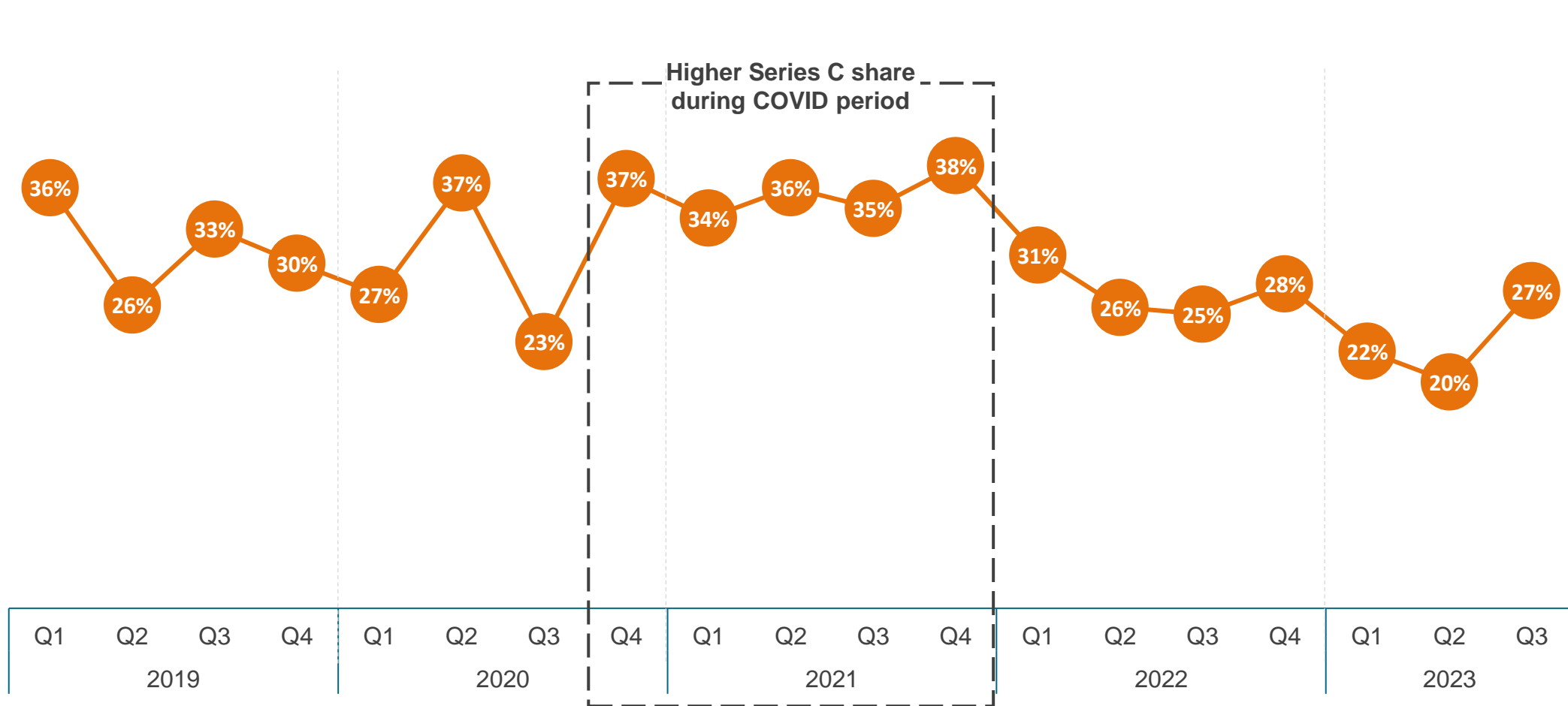
Series B&C total financing amounts, Q1-19 - Q4-23E

Series C total value is showing signs of growth, while Series B value has stabilised at c.€1.4bn for the fifth quarter in a row



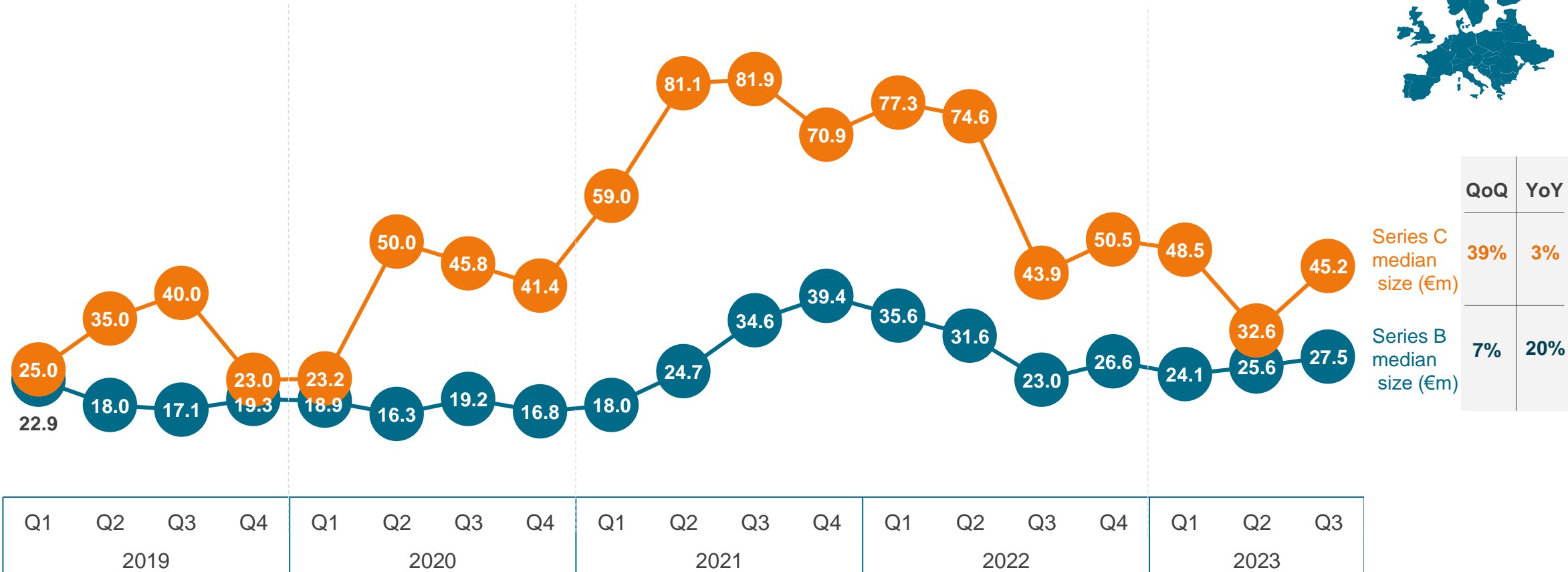
Series C deal count as a proportion of total deal count, Q1-19 – Q3-23

Series C deal volume rebounds:
Now 27% of quarter deal count, but still lagging historical averages



Median size of series B&C rounds, Q1-19 – Q3-23

Series B median continues recent climb, with Series C re-normalising

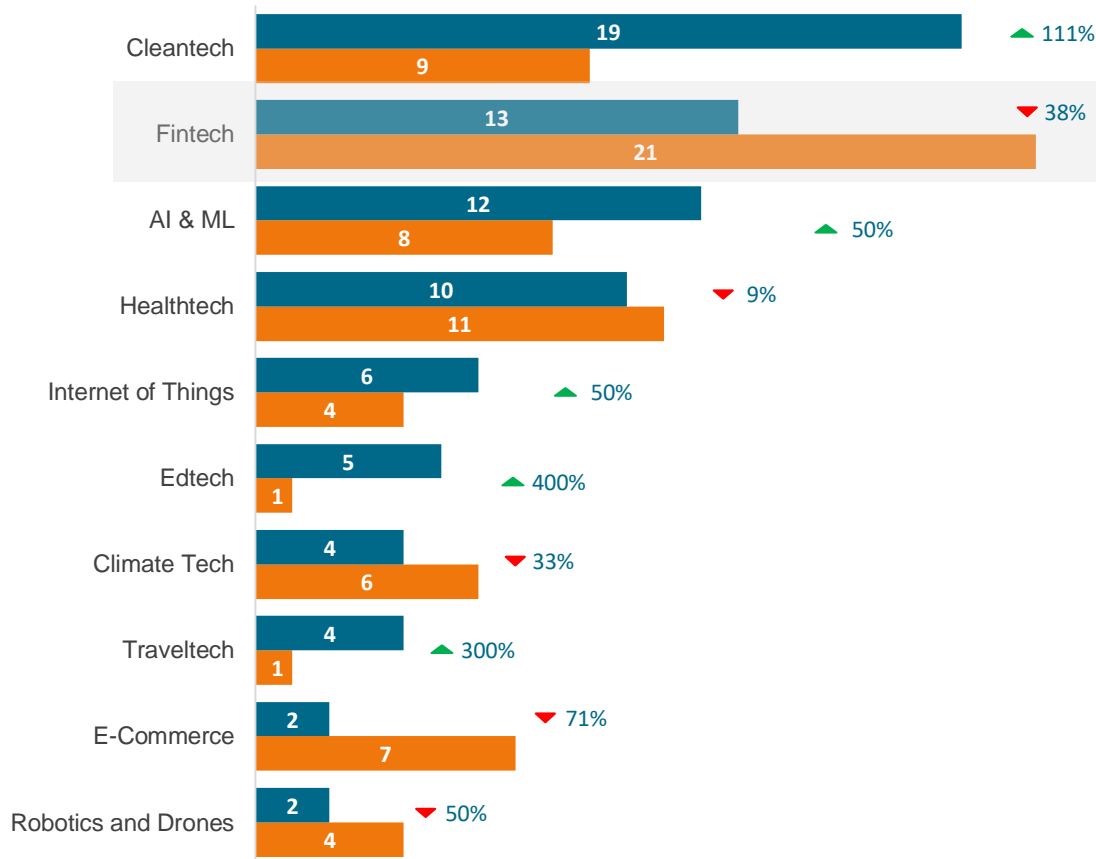


	QoQ	YoY
Series C median size (€m)	39%	3%
Series B median size (€m)	7%	20%

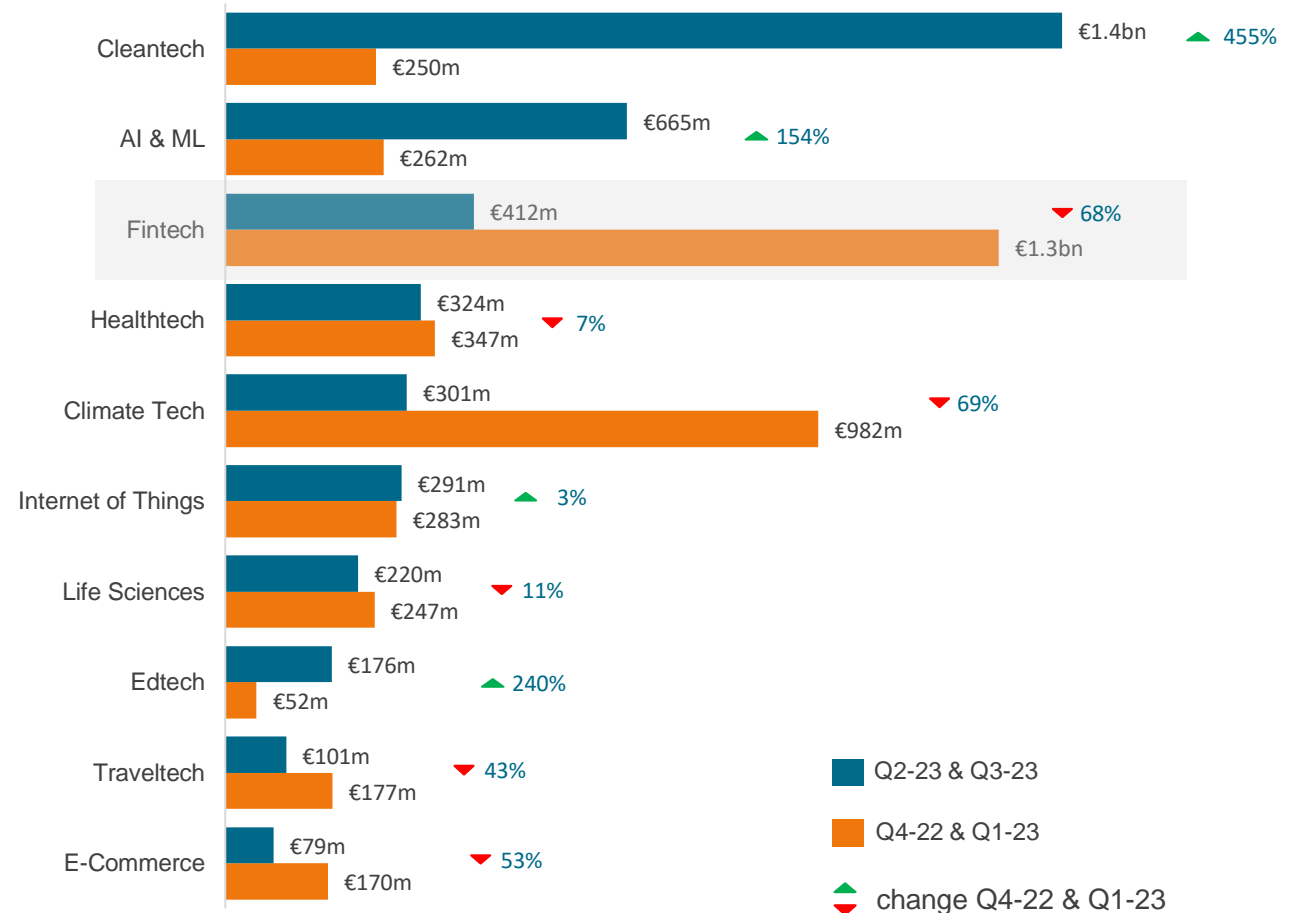
B&C rounds by vertical,
Q2-23 & Q3-23 vs. Q4-22 & Q1-23

Fintech's tumble – for the first time in years not the most active vertical; with cleantech and AI taking the top spots

DEAL COUNT BY VERTICAL

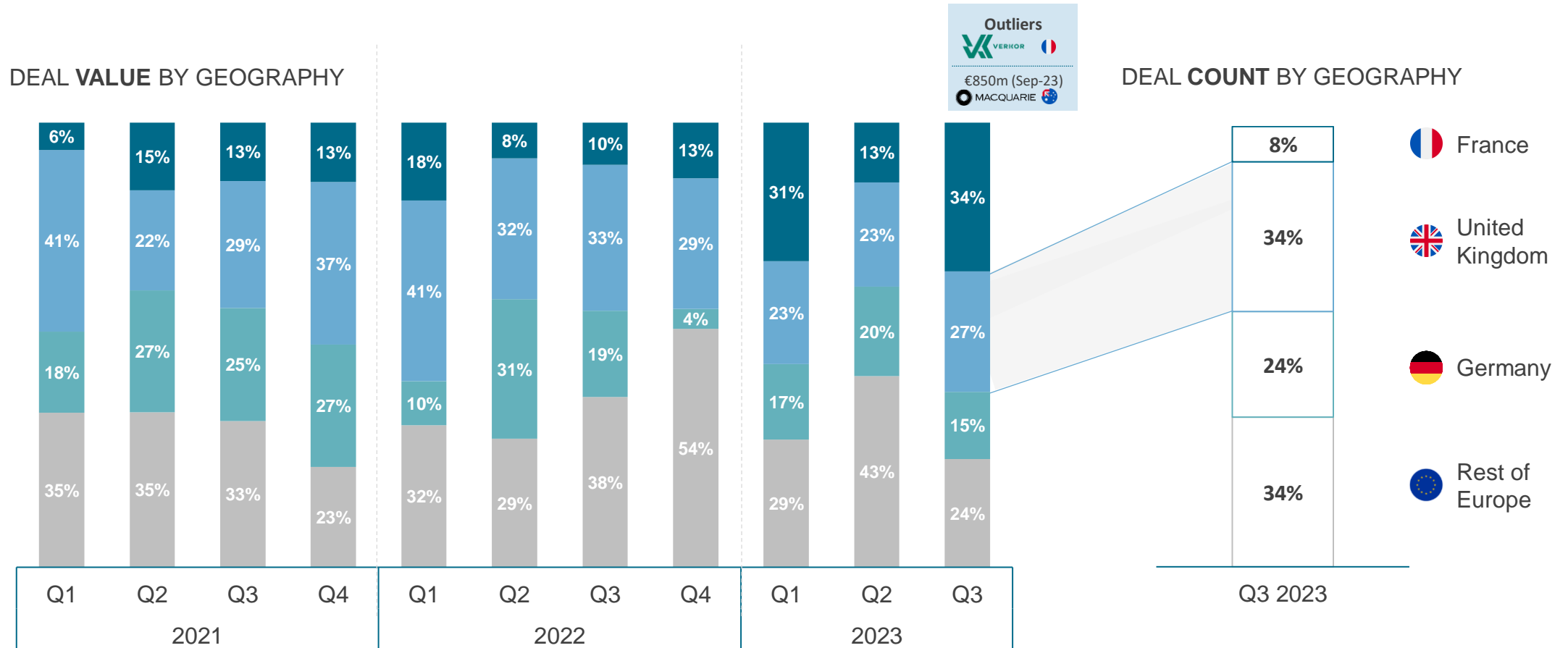


DEAL VALUE BY VERTICAL



Series B&C deal count and deal value by geography, Q1-21 – Q3-23

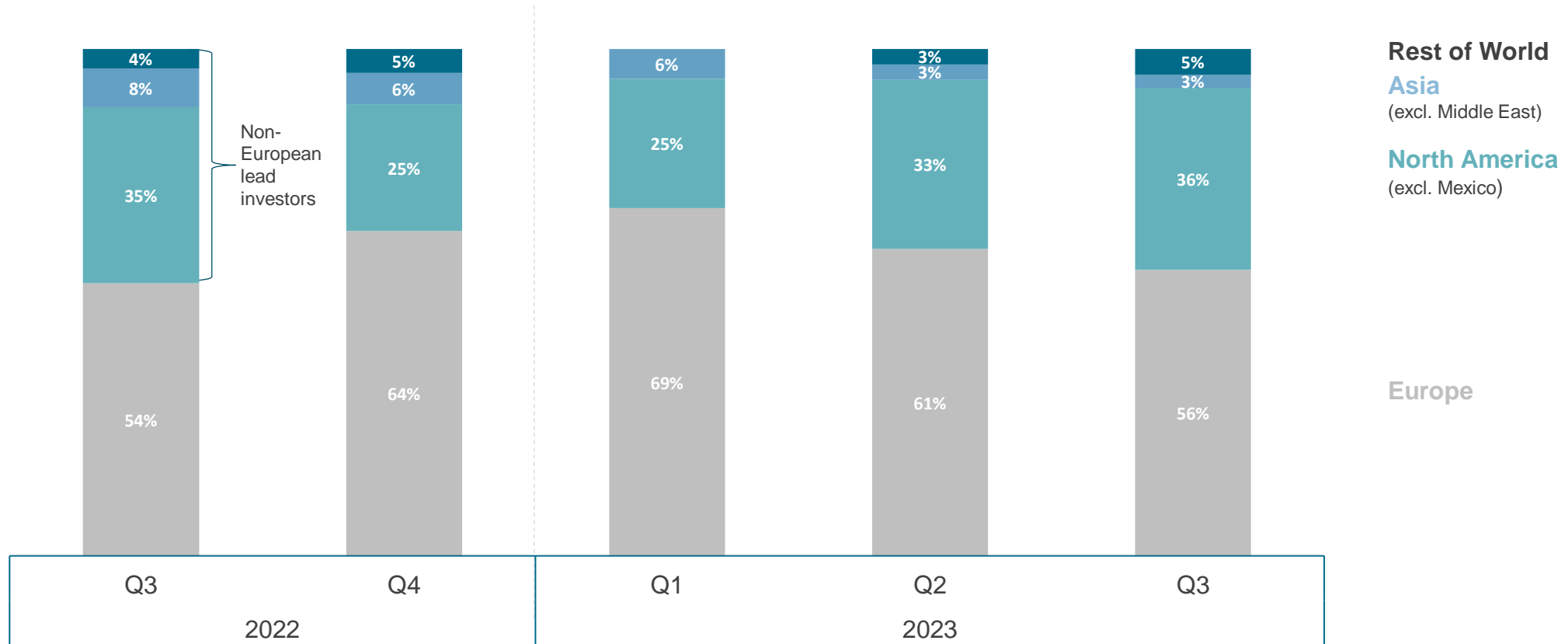
France leads on deal value for a second time – but down to one mega-deal



Geographic distribution of lead investors for Series B&C rounds, Q3-22 – Q3-23

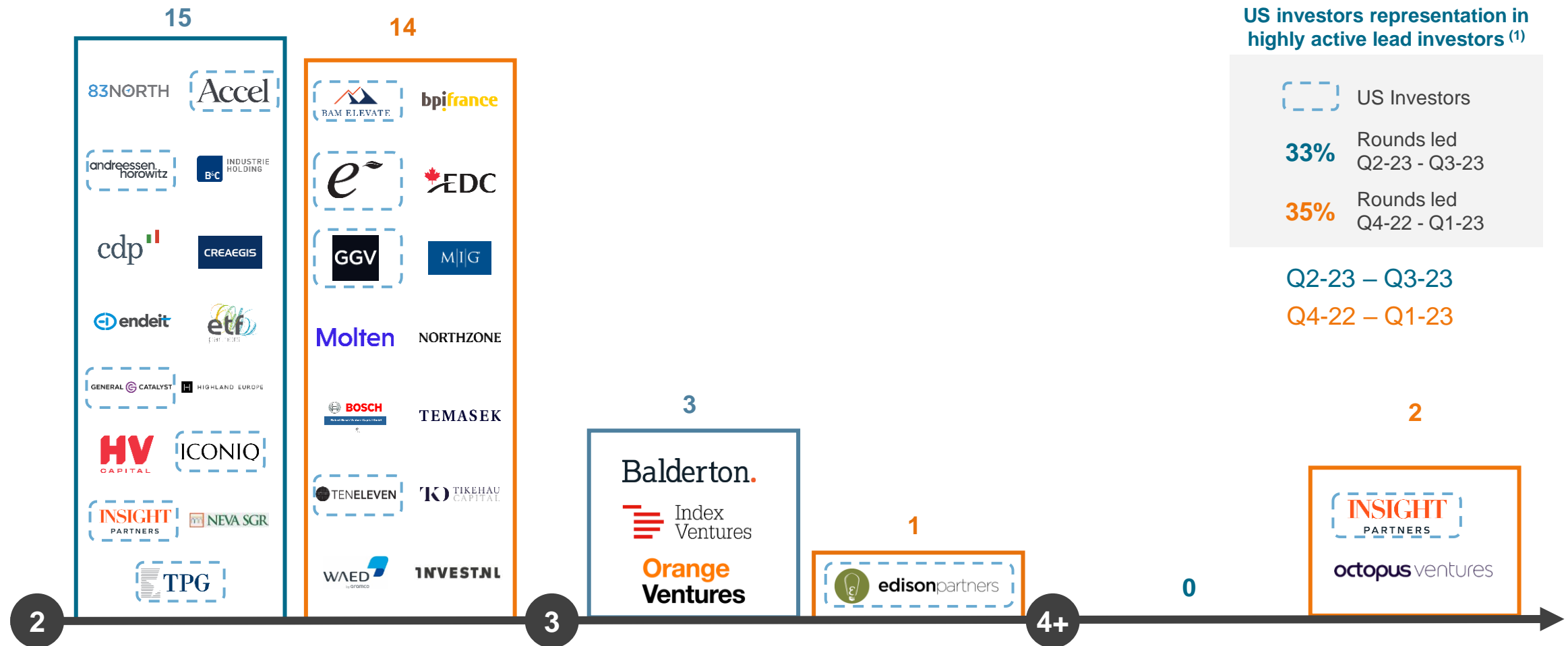
More US lead investors coming back to European deals after post-covid retreat

DEAL COUNT BY GEOGRAPHY



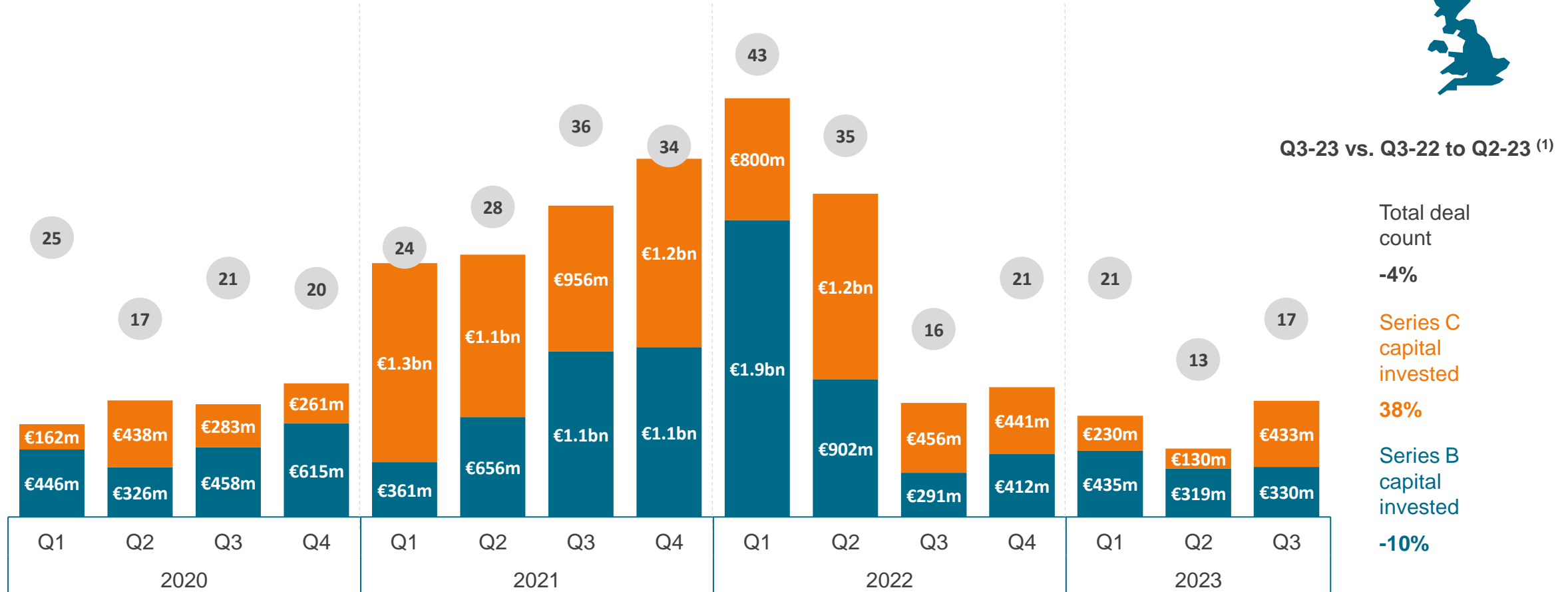
Series B&C round lead investors, Q2-23 – Q3-23

Over the last 6 months, 18 investors led two or more rounds



Series B&C total financing amounts and deal count in the UK only, Q1-20 – Q3-23

Steady UK Series B deal values, Series C at highest level since Q4-22

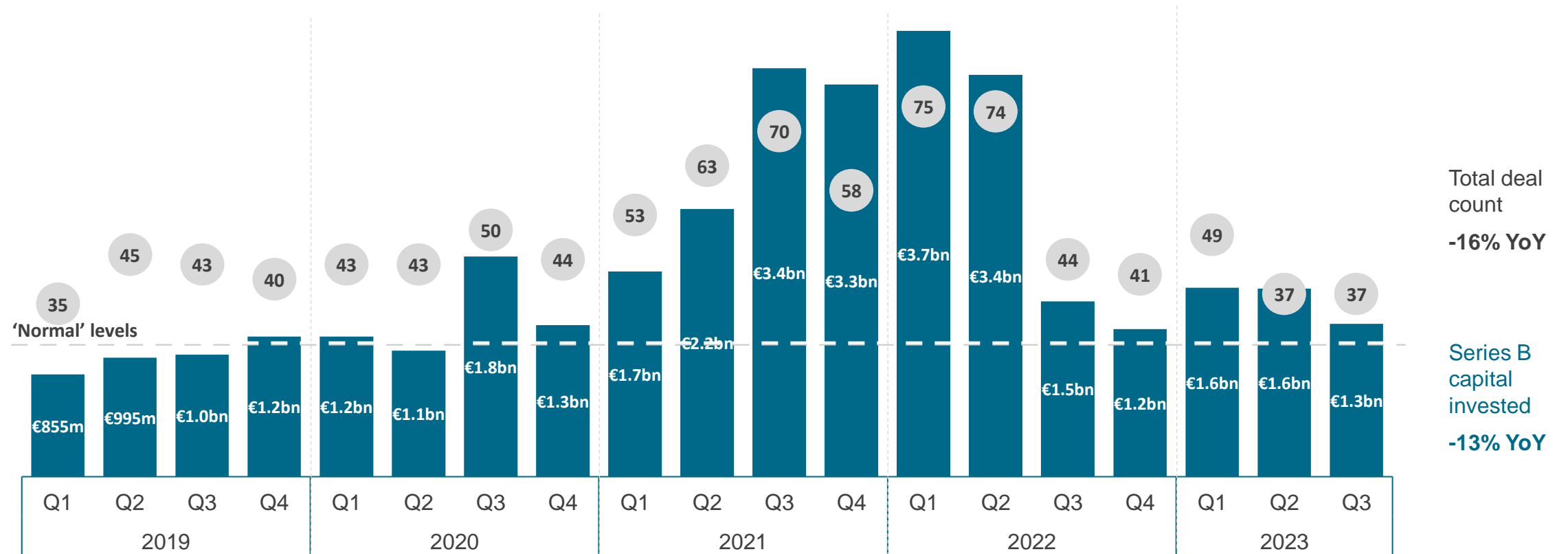


SECTION 2

European tech: Series B rounds

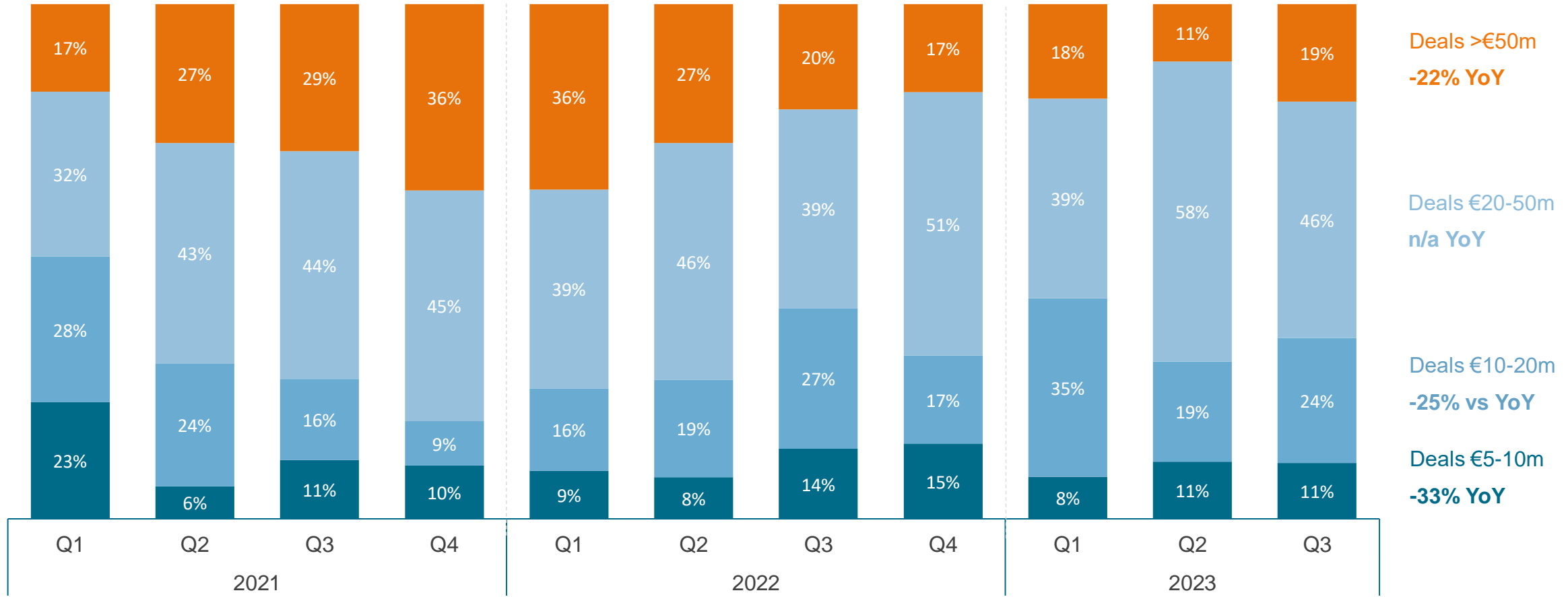
Series B total financing amounts and deal count, 2019 – Q3-23

Series B investment stabilised at c. €1.4bn for the fifth quarter in a row



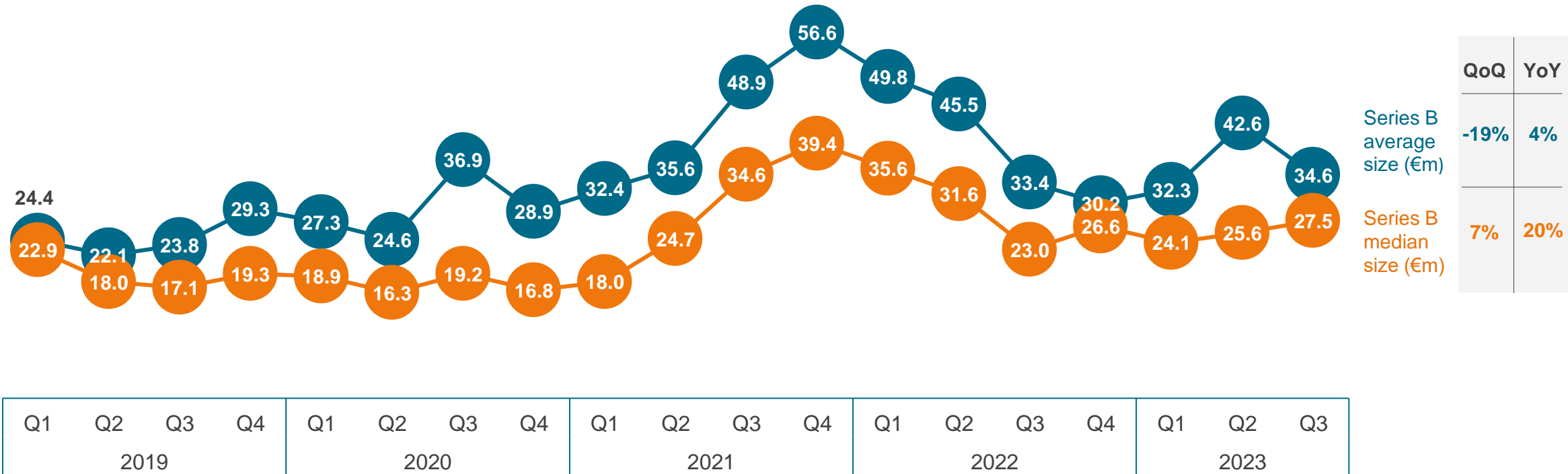
Breakdown of Series B rounds
by value, 2021 – Q3-23

Larger Series B deals (€50m+) are
starting to make a comeback



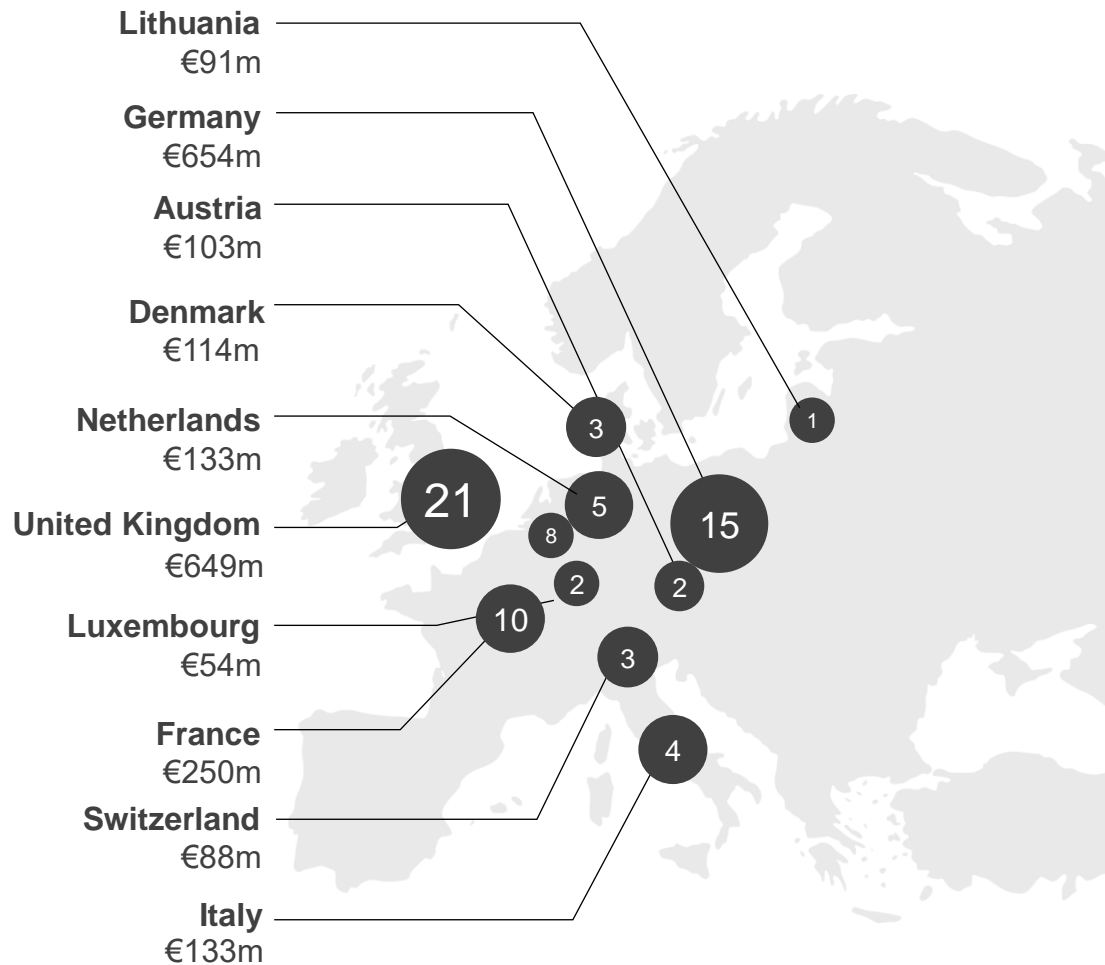
Median and average size of Series B rounds, 2019 – Q3-23

Median Series B deal size remains stable with a decreasing spread

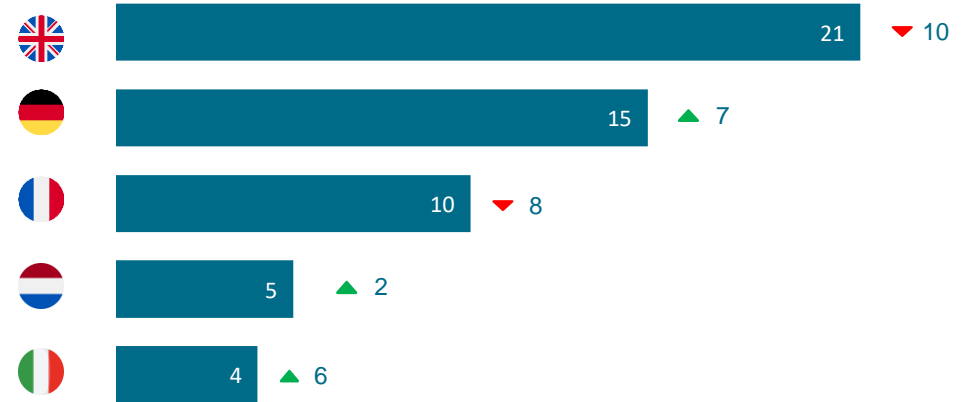


Series B deal count and value by country, Q2-23 & Q3-23

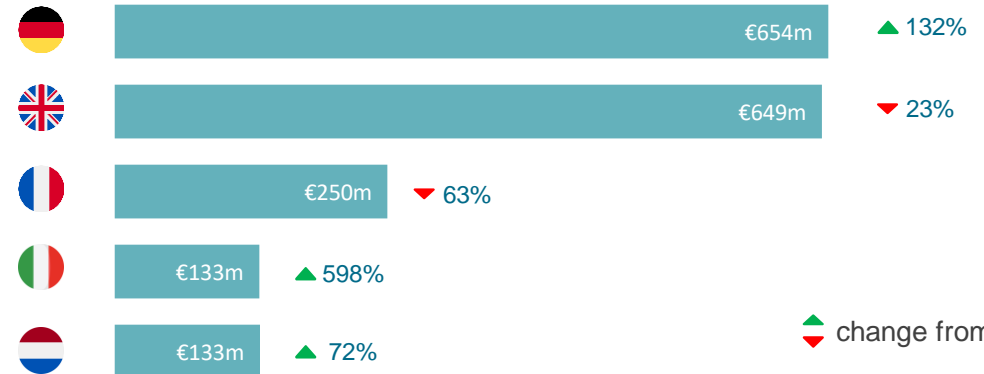
Germany is gradually climbing towards the top spot, both in terms of deal value and count



of Series B rounds in Q2-23 & Q3-23



Value of Series B rounds in Q2-23 & Q3-23



▲ change from (Q1-23 & Q4-22)

Largest Series B rounds, Q4-22 – Q3-23

Deeptech large deals have been at the front row for two consecutive quarters




TOP DEALS Q4-22

 <p>€101m</p> <p>Oct-22</p> <p>QUADRILE GAMING</p>
 <p>€82m</p> <p>Oct-22</p> <p>ADDITION Felicis CYBER SECURITY</p>
 <p>€81m</p> <p>Oct-22</p> <p>TDR Capital FINTECH</p>

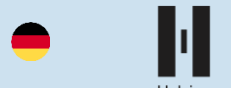

TOP DEALS Q1-23

 <p>€125m</p> <p>Feb-23</p> <p>ACCESS BIOTECHNOLOGY DIGITAL HEALTH</p>
 <p>€100m</p> <p>Jan-23</p> <p>VONOVIA CONSTRUCTION TECH</p>
 <p>€100m</p> <p>Jan-23</p> <p>TEMASEK QUANTUM COMPUTING</p>

TOP DEALS Q2-23

 <p>€185m</p> <p>Jun-23</p> <p>G2 VENTURE PARTNERS CLIMATE TECH</p>
 <p>€98m</p> <p>Apr-23</p> <p>a/c proptech NORTHZONE IOT</p>
 <p>€60m</p> <p>Apr-23</p> <p>HV CAPITAL E-COMMERCE</p>

TOP DEALS Q3-23

 <p>€209m</p> <p>Sep-23</p> <p>GENERAL CATALYST AI & ML</p>
 <p>€91m</p> <p>Jul-23</p> <p>ELEPHANT ENERGIZE CLIMATE TECH</p>
 <p>€68m⁽¹⁾</p> <p>Sep-23</p> <p>ActivumSG SUPPLY CHAIN TECH</p>

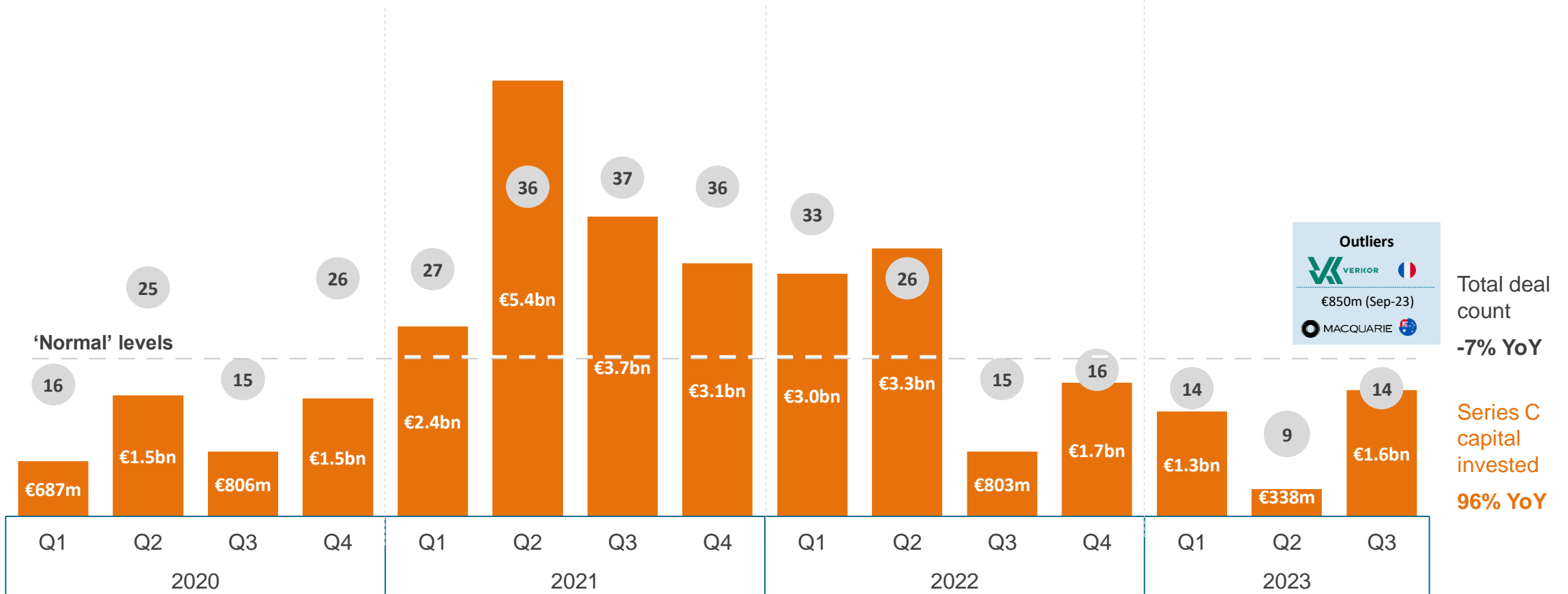
Deeptech transactions

SECTION 3

Series C rounds

Series C total financing amounts and deal count, 2020 – Q3-23

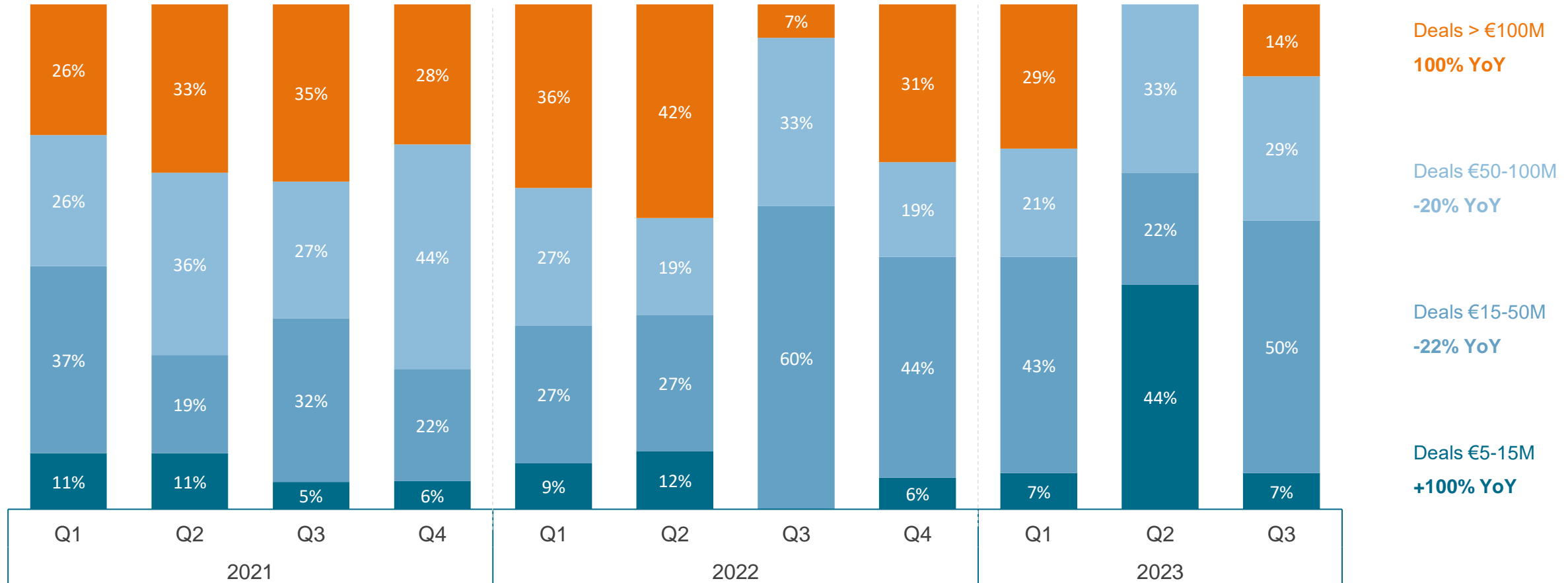
Q3-23 rebound shines over Q2-23 slump



SECTION 3. SERIES C ROUNDS

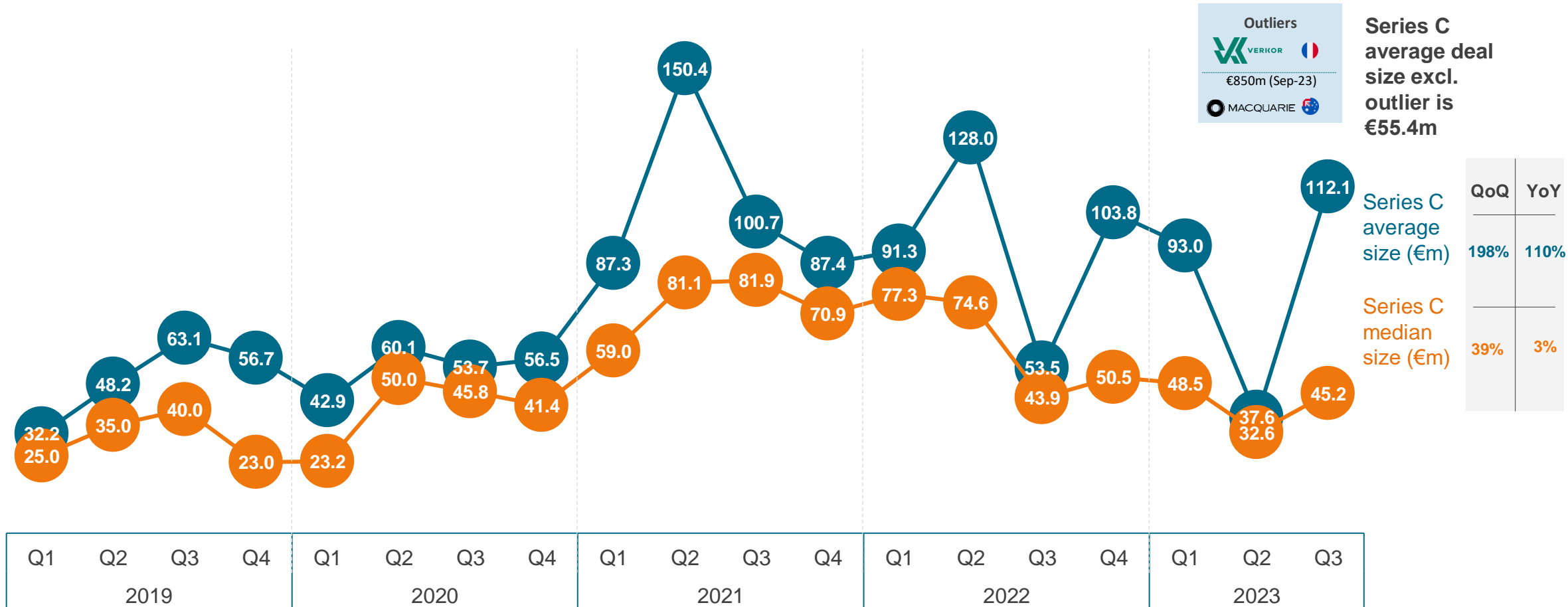
Breakdown of Series C rounds
by value, 2021 – Q3-23

Return to normalcy: deal mix reverts after
Q2-23 characterised by small deals



Median and average size of Series C rounds, 2019 – Q3-23

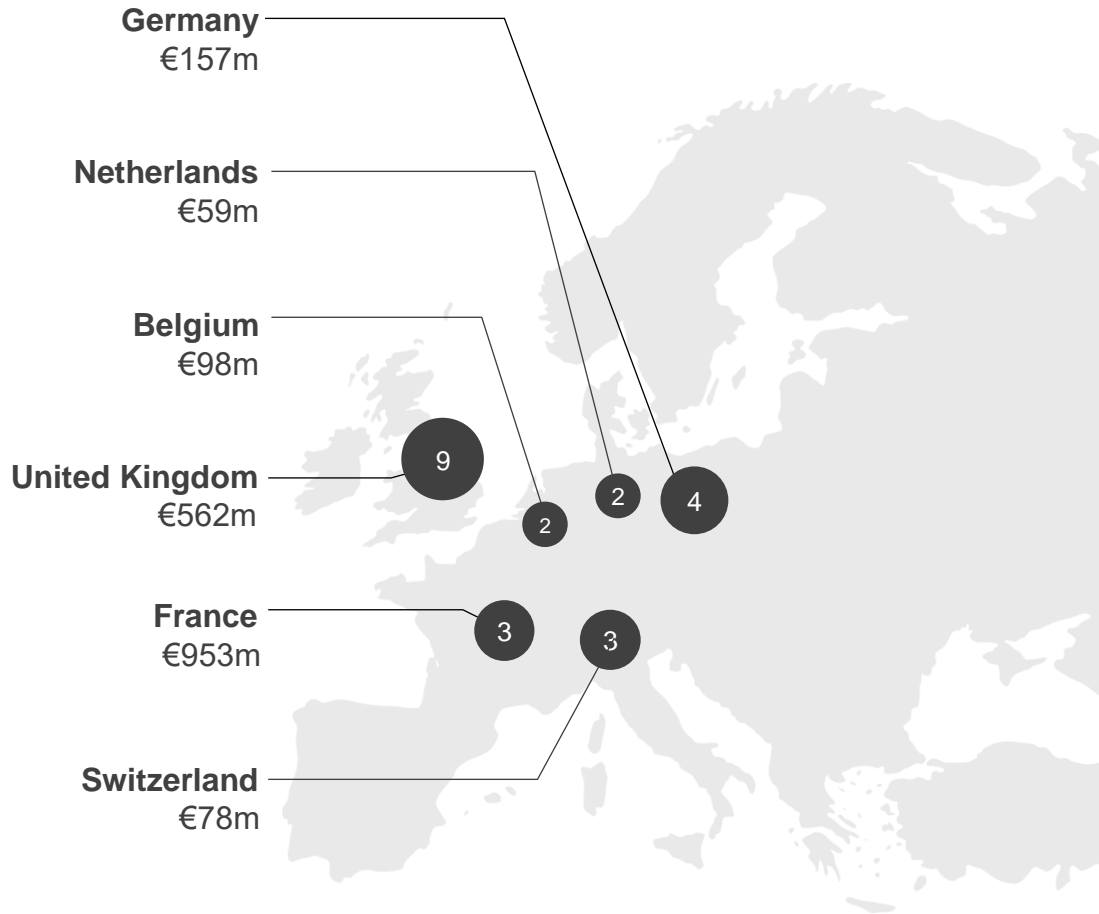
Series C median deal sizes stabilise



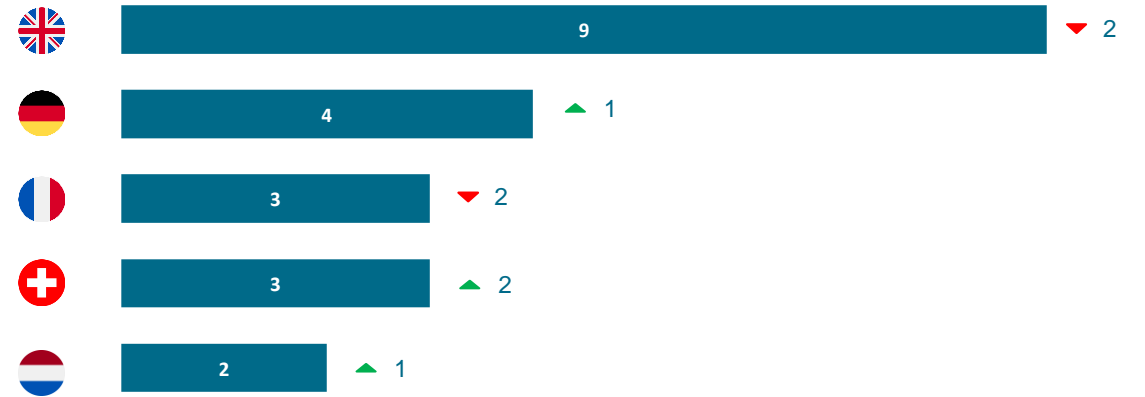
SECTION 3. SERIES C ROUNDS

Series C deal count and value by country, Q2-23 & Q3-23

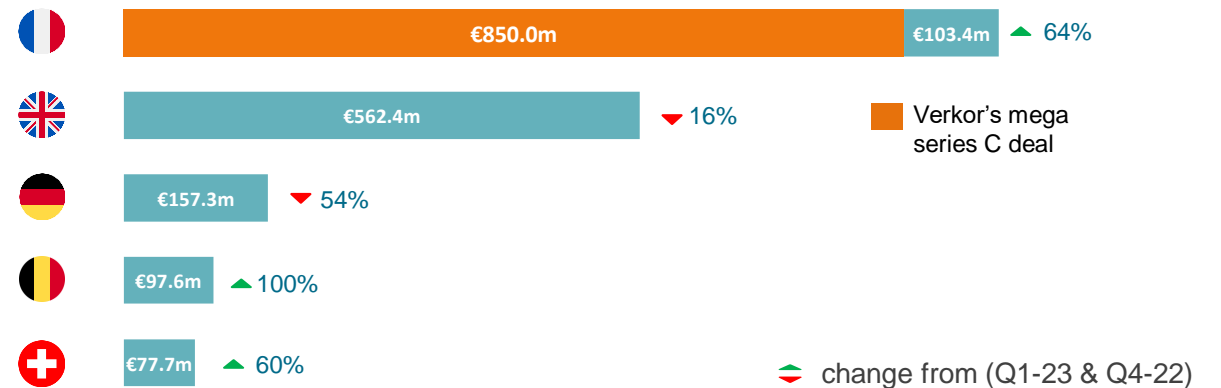
UK maintains highest number of transactions, though total value is skewed by one French mega-deal



of Series C rounds in Q2-23 & Q3-23







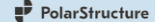





Value of Series C rounds in Q2-23 & Q3-23













Largest Series C rounds, Q4-22 - Q3-23

More outlier Series C deals in Q3-23












TOP DEALS Q4-22

  einride	€484m
	Dec-22
  	AUTONOMOUS VEHICLES
 VOLTA TRUCKS	€290m
	Nov-22
	ELECTRIC TRUCKS
 MEWS	€177m
	Dec-22
	PROPERTY MANAGEMENT













TOP DEALS Q1-23

 [LEDGER]	€461m
	Mar-23
	CRYPTO
 Moonfare	€140m
	Feb-23
	FINTECH
 	€132m
	Jan-23
	AUTONOMOUS VEHICLES

TOP DEALS Q2-23

 patient21	€88m
	May-23
	HEALTH TECH
 	€72m
	Jun-23
	AI & ML
 	€71m
	Jun-23
	PRODUCTIVITY SOFTWARE

TOP DEALS Q3-23

 	€850m ⁽¹⁾
	Sep-23
	CLEAN TECH
 APOLLO THERAPEUTICS	€208m
	Aug-23
	LIFE SCIENCES
 	€92m
	Sep-23
 	AUGMENTED REALITY

€100m+ deals

change from (Q1-23 & Q4-22)

SECTION 4

About Silverpeak



25+

team concentrated
in a single office

300+

completed deal
experience

60%+

transactions with North
American counterparties
in the last 3 years

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.

Silverpeak's **three pillars** for success

1

Passion for technology

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

2

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

3

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
Applied AI
Data analytics
Infrastructure software
RPA /LowCode
Vertical software

- › Construction
- › Edtech
- › Fintech
- › Martech
- › Mobility
- › Sustainability
- › Travel

Deeptech

Additive manufacturing
Algorithms/AI & ML
AR/VR
High perf. computing
Networking and IoT
NewSpace
Photonics
Quantum Computing
Robotics & Computer Vision
Security software
Semiconductors

Digital services

Data services
IT consulting
Managed services
Marketplaces
Telecom services

We go further to understand a company's full value

We identify the hidden value in the technology, growth potential, management team and their vision.

Only when we unlock all of the potential value do we articulate it to the acquirers or investors that would benefit most.

Selected recent transactions

M&A

UK | UAE
August 2023



Maritime e-procurement platform

Sale to



backed by



AU | DE
December 2022




Travel P2P marketplace

€30m acquisition of




UK | US
November 2022



Hotel technology platform driving direct bookings

Sale to



UK | UK
March 2022




RegTech SaaS solution

Sale to




UK | UK
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



FINANCING

UK | JP | WW
April 2023




Institutional digital asset infrastructure provider

\$36m Series A financing






AND UNDISCLOSED INVESTORS

EU | UK | FR
March 2023

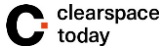


High-end CPU for HPC and data centres

€90m Series A financing










CH | PL | LU | US
December 2022



In orbit servicing and space debris removal

\$29m Series A investment by

UK | UK | NO | US | AE
Oct 2022



Autonomous subsea robotics technology

\$26M+ Series B







IT | US
May 2022



Additive manufacturing services and proprietary composite materials

Investment by



IT | WW
January 2022



In-space services and satellite transport

€51.5m pre-SPAC convertible bond by




& OTHER INVESTORS

UK | UK
June 2021



Trading and automation SaaS for renewable energy

£20m investment led by





SILVERPEAK

+44 (0) 20 7529 5400

silverpeakib.com

SILVERPEAK LLP

123 VICTORIA STREET, LONDON, SW1E 6DE, UK