



RESEARCH REPORT

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

Q1 2024

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Navigating the challenges of early 2024, the European tech sector is showing signs of a potential resurgence, notably in Series B investments. The dominance of cleantech and the increasing share of investment into France reflect strategic shifts within the market. Furthermore, the renewed commitment from US and Asian lead investors signals a favourable turn in market trends.

DAVID FORD
PARTNER, SILVERPEAK

2024: THE YEAR OF CLEANTECH?

UPTICK IN SERIES B FUNDING

Navigating the challenges of early 2024, the European tech sector is showing signs of a potential resurgence, notably in Series B investments. This first quarter is showing a notable uptick despite a decline year-on-year. This volatility is evidence that European tech investments in Series B & C rounds have been navigating a dynamic and challenging landscape.

CLEANTECH AND AI CONTINUE TO DOMINATE

These two sectors captured 50% of the largest Series B deals in the last 6 months. The sustained interest in these deeptech verticals⁽¹⁾ indicates the increasing significance of these domains in driving innovation and economic growth across Europe.

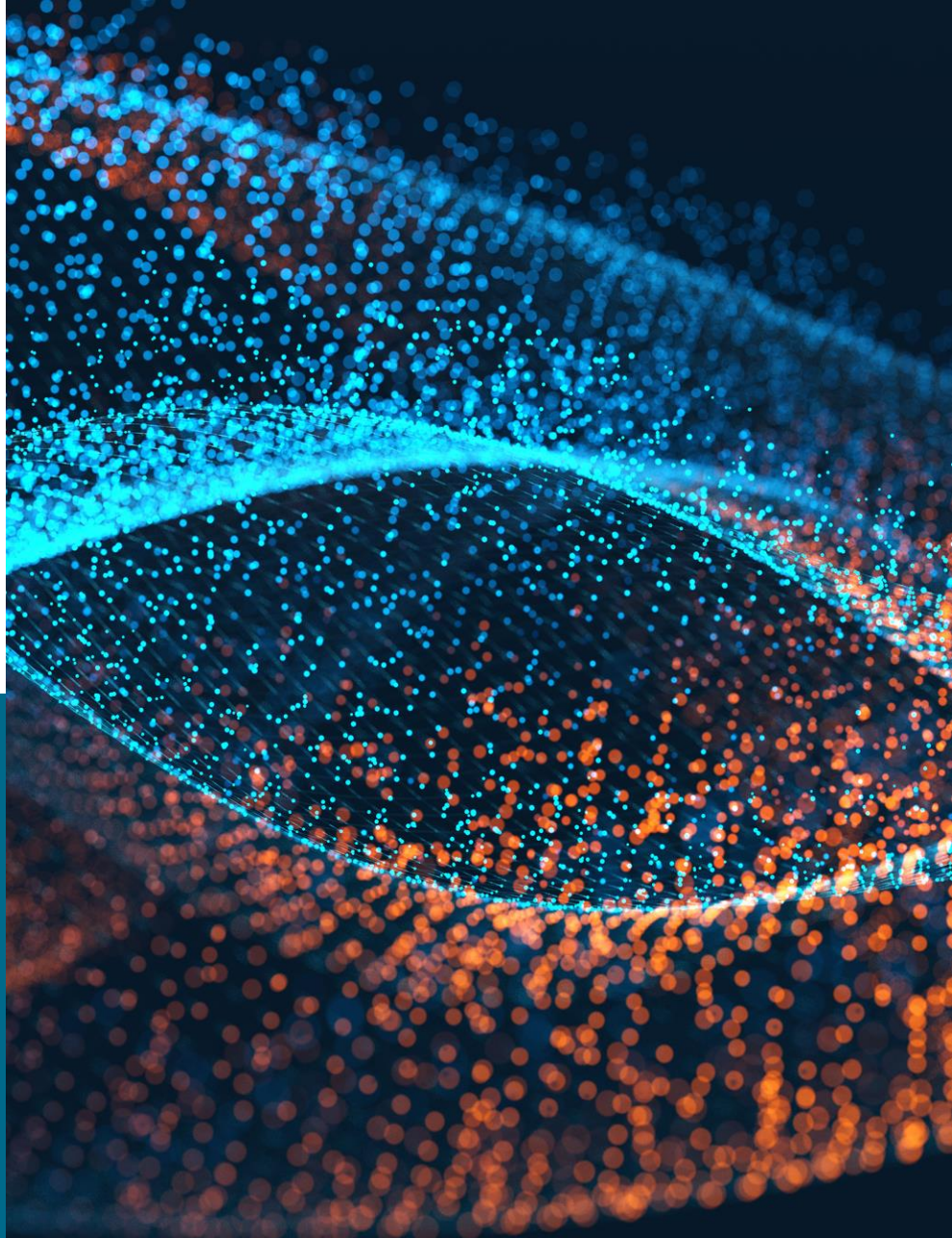
FRANCE IS NOW OUTPACING THE UK AS THE PREMIER INVESTMENT DESTINATION IN EUROPE

Q1 2024 saw France commanding an impressive 29% share of the total deal value, demonstrating that it is a key hub for mega rounds particularly in cleantech.

US AND ASIAN INVESTORS ARE STARTING TO MAKE A COMEBACK

Following a post-covid retreat in late 2022/ early 2023, a renewed commitment from US and Asian lead investors in European tech signals a favourable turn in market trends.

⁽¹⁾ Silverpeak's deeptech classification includes robotics and drones, IoT, AI & ML, space technology, augmented reality, nanotechnology, 3d printing, climate tech, cleantech and quantum computing



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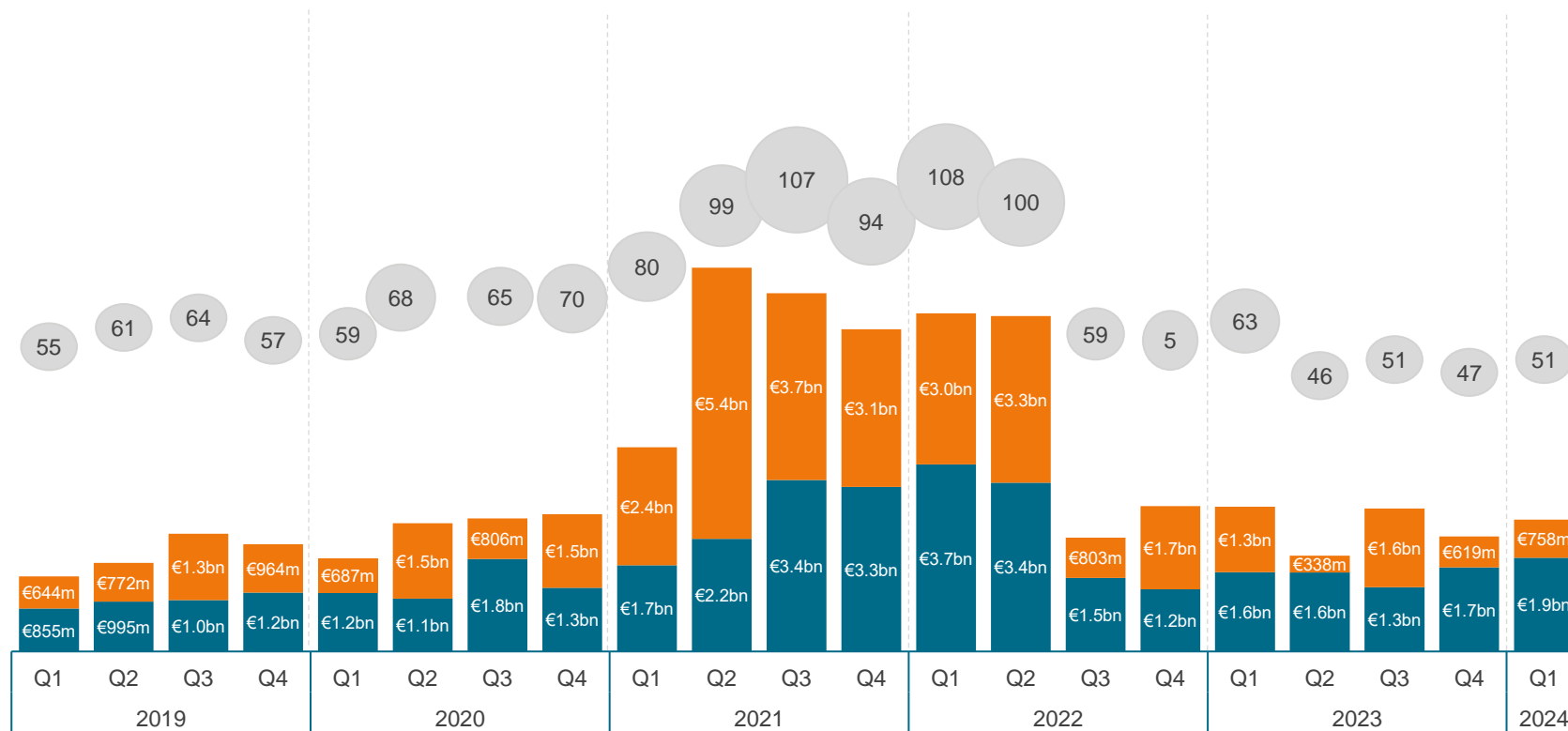
SECTION 1

Venture growth investment trends



Series B & C rounds show a slight rebound following a slow end to 2023

SERIES B&C TOTAL FINANCING AMOUNTS, Q1 2019 – Q1 2024

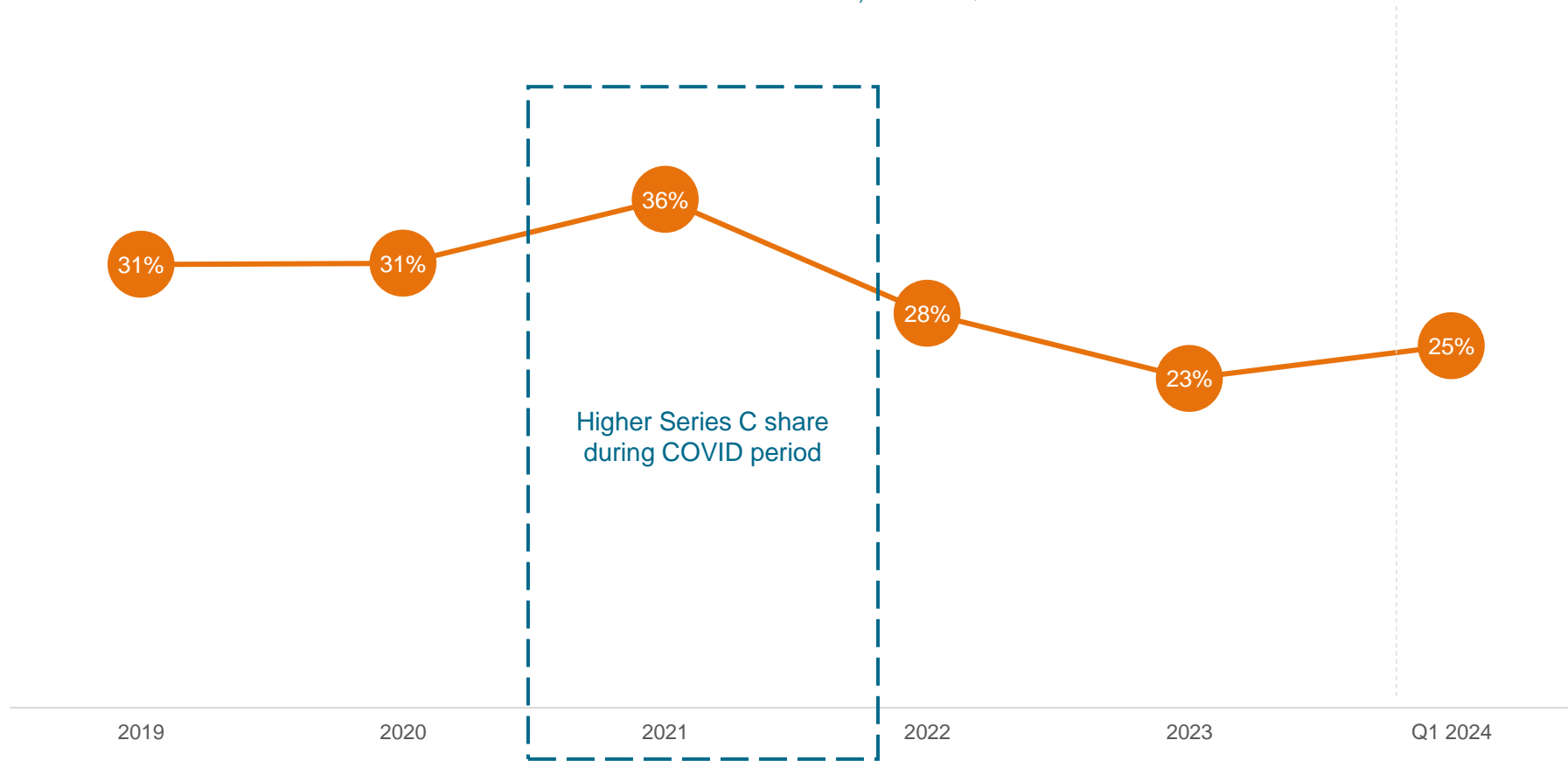


Q1 2024 vs. 2023 AVERAGE

SERIES B & C DEAL COUNT	-1%
SERIES C CAPITAL INVESTED	-21%
SERIES B CAPITAL INVESTED	+8%

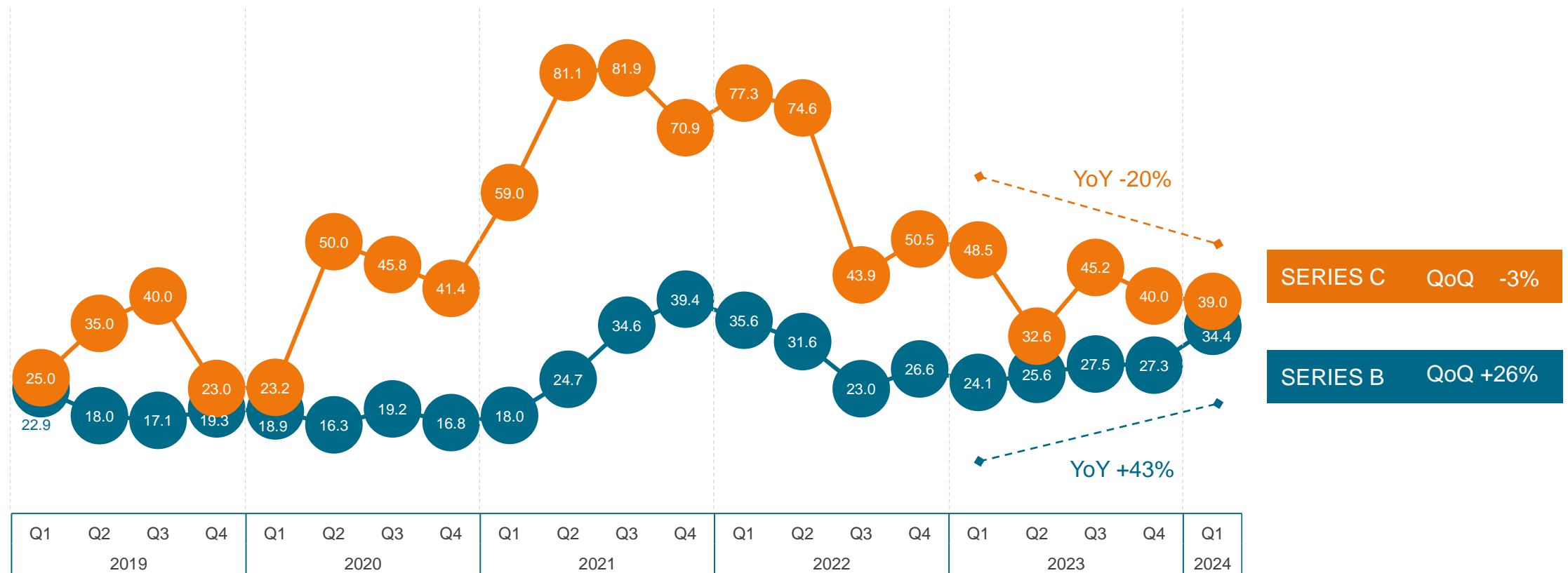
Series C deal volume share cooled following the pandemic but showing signs of stabilisation at 25%

SERIES C DEAL COUNT AS A PROPORTION OF TOTAL DEAL COUNT, 2019 – Q1 2024



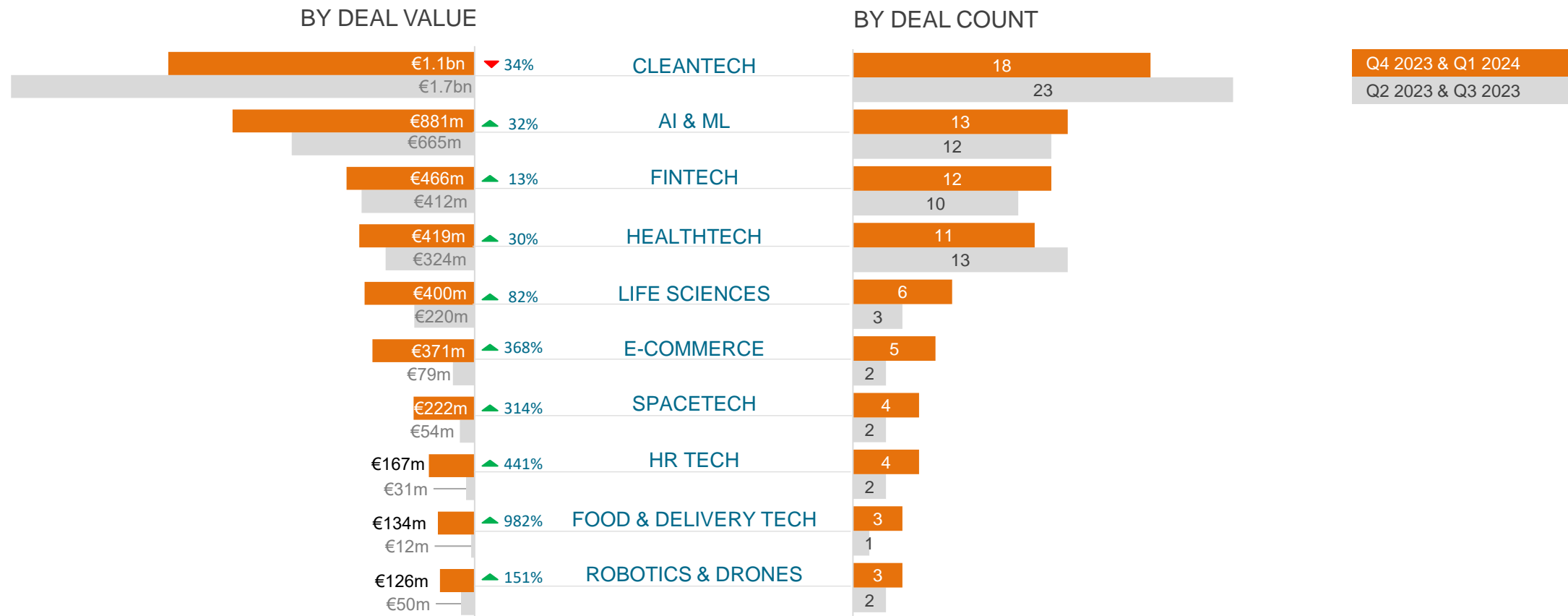
Series B median deal values maintain an upward trajectory, while Series C values stabilise

SERIES B&C ROUNDS, MEDIAN DEAL VALUES (€M), Q1 2019 – Q1 2024



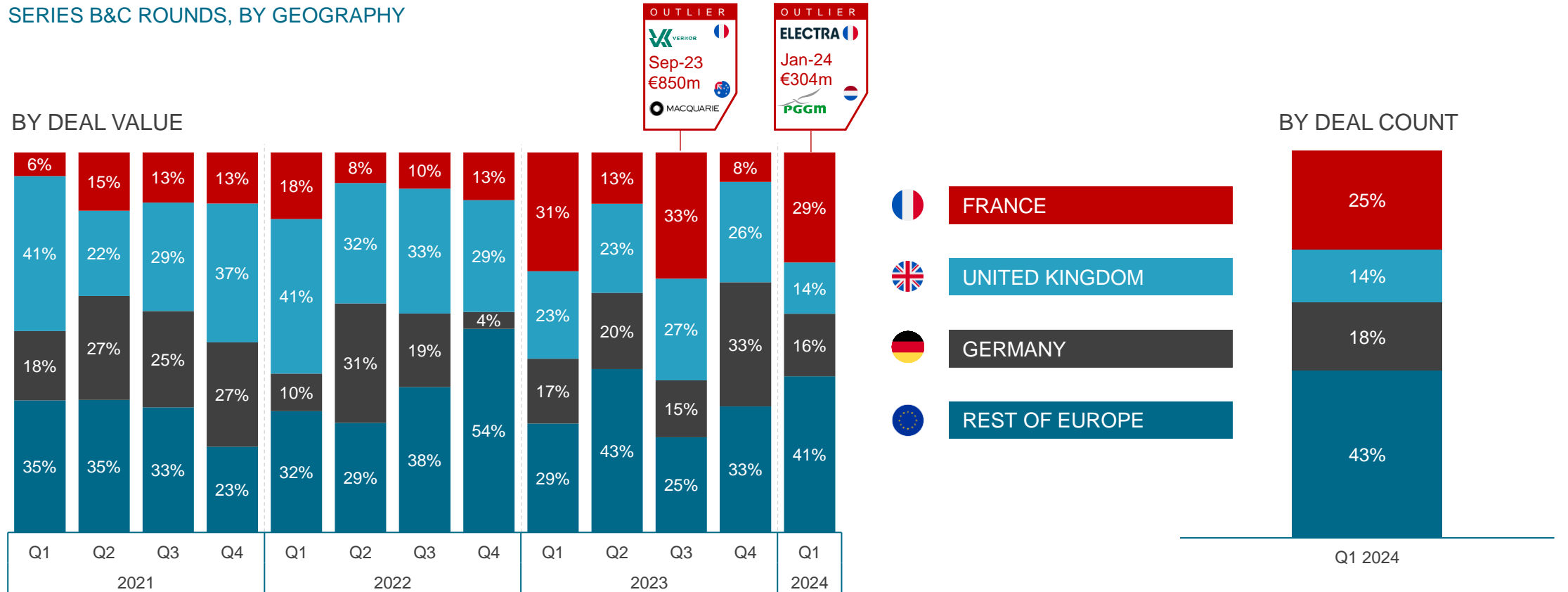
Cleantech and AI continue to lead the pack

SERIES B&C ROUNDS, BY VERTICAL



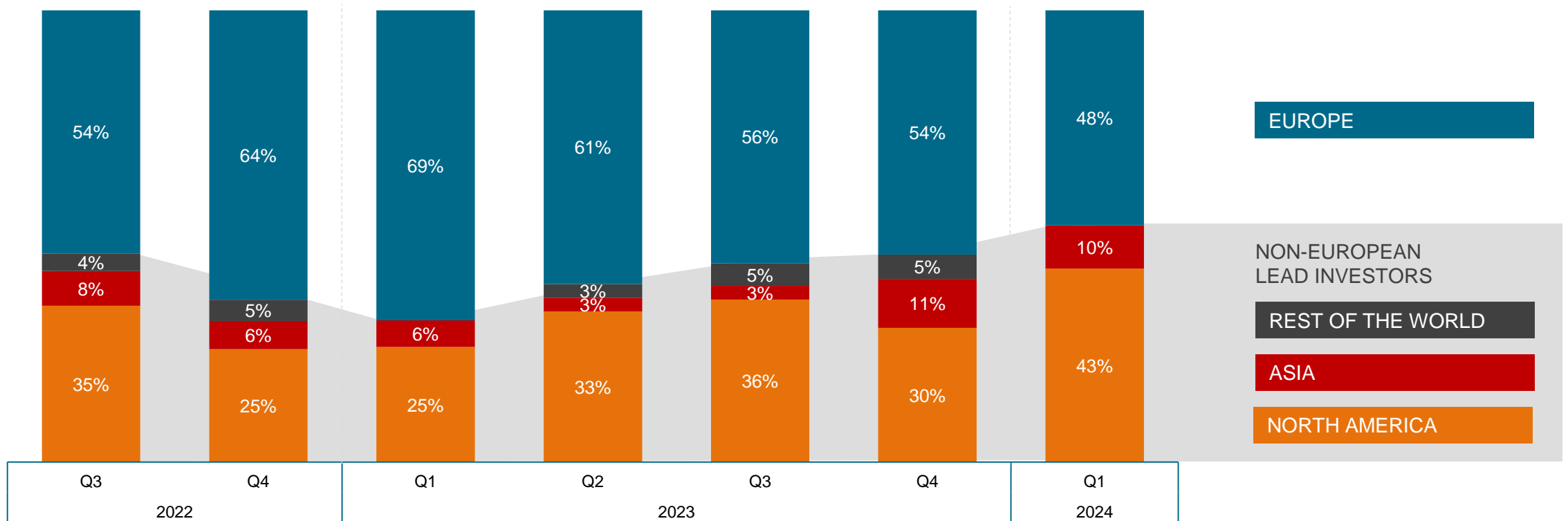
France is outpacing the UK and fast becoming a hub, particularly for cleantech outlier deals

SERIES B&C ROUNDS, BY GEOGRAPHY



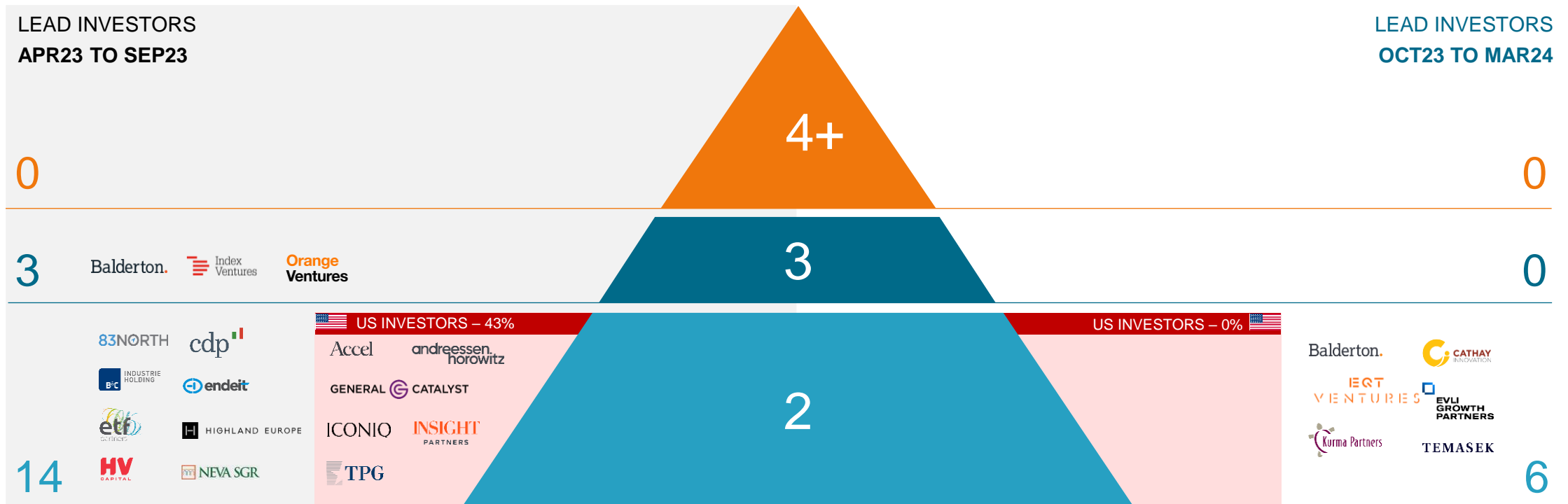
US and Asian lead investors continue their return to the European market following a post-covid retreat

GEOGRAPHIC DISTRIBUTION OF LEAD INVESTORS FOR SERIES B&C ROUNDS (BY DEAL COUNT) Q3 2022 – Q1 2024



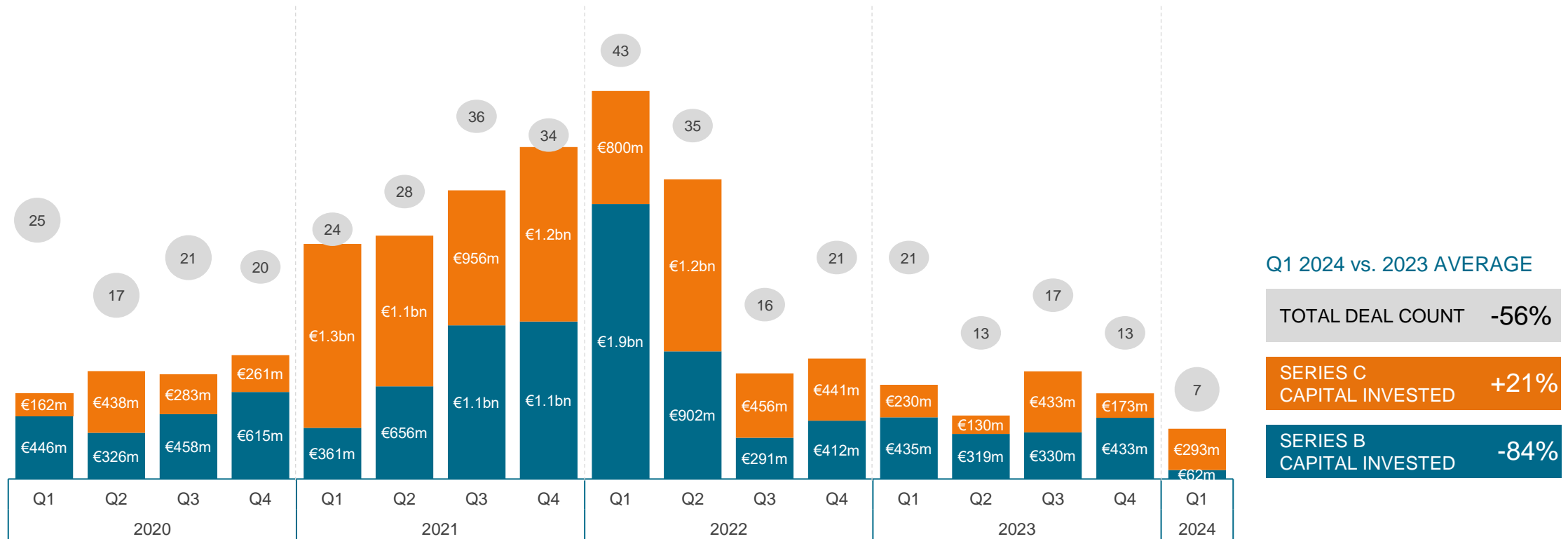
Repeat lead investors disappear, with only six investors leading two or more rounds over the last 6 months

NO OF DEALS BY REPEAT LEAD INVESTORS¹



UK series B deal values fall to a 3-year all-time low, while Series C values hover around pandemic levels

SERIES B&C TOTAL FINANCING AMOUNTS AND DEAL COUNT, UK ONLY, Q1 2020 – Q1 2024



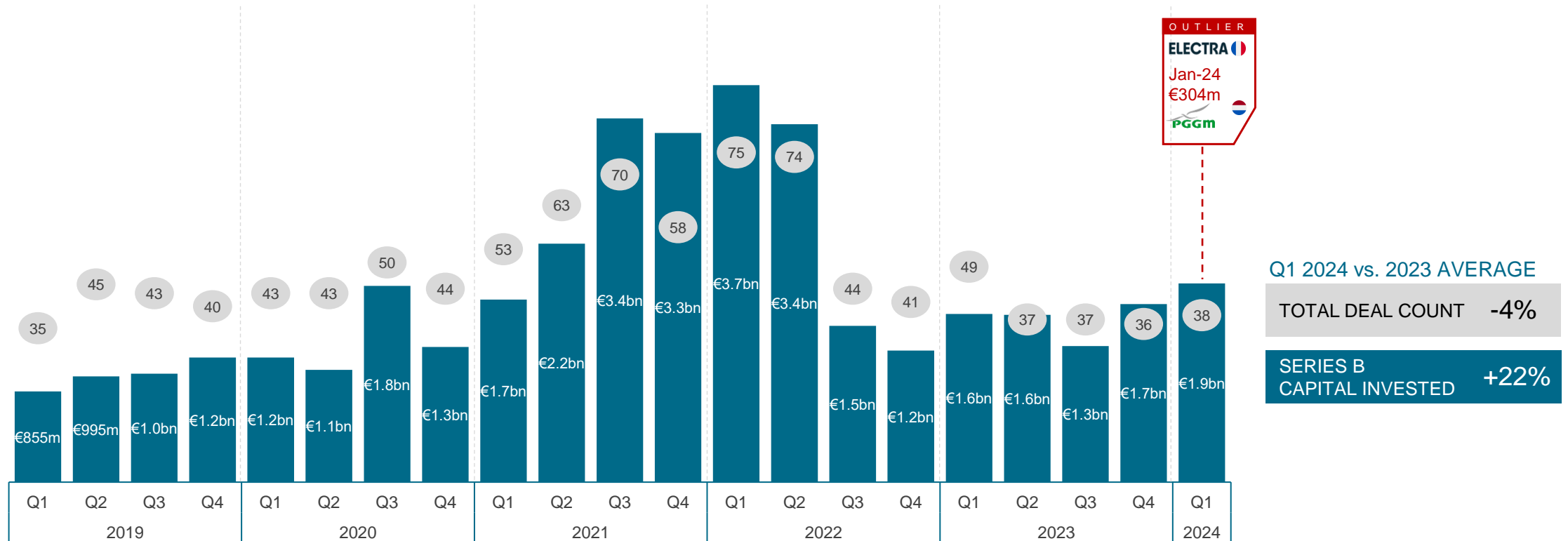
SECTION 2

Series B rounds



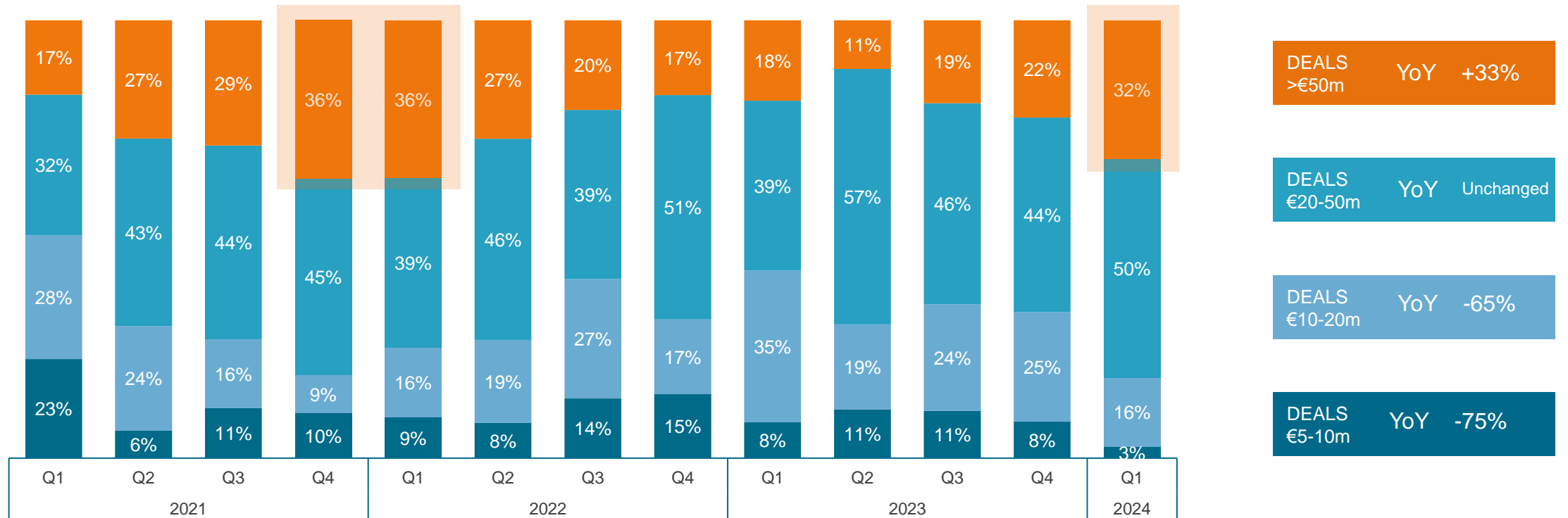
Series B investments continue their recent climb

SERIES B TOTAL FINANCING AMOUNTS AND DEAL COUNT, 2019 – Q1 2024



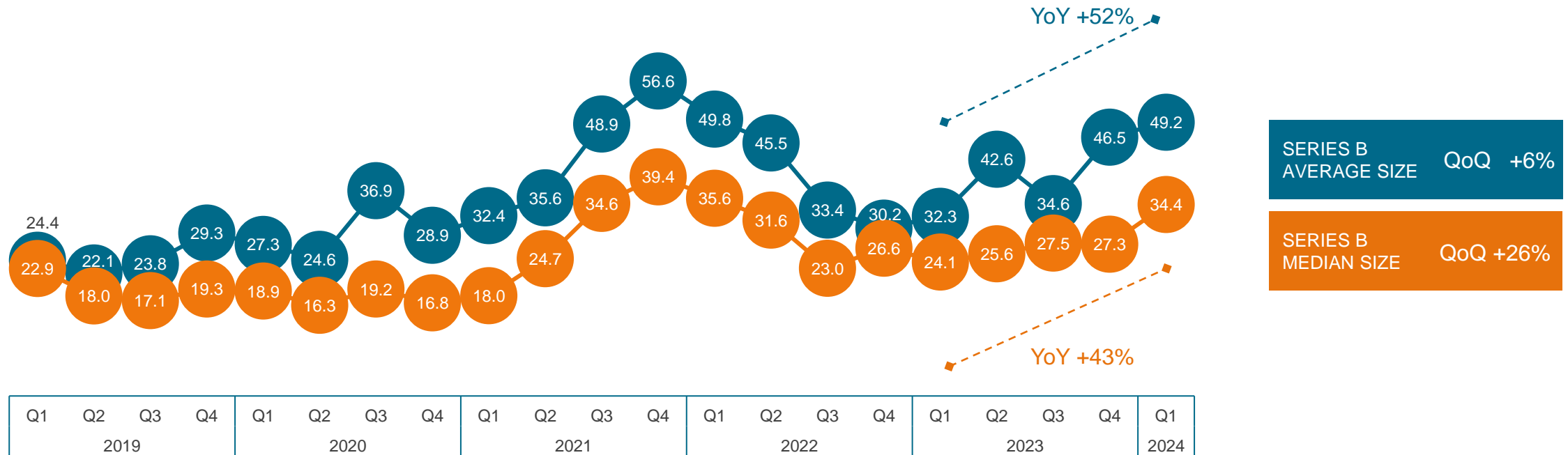
Larger Series B deals (€50m+) are returning to Q4 2021 and Q1 2022 high share levels

BREAKDOWN OF SERIES B ROUNDS BY VALUE, 2021 – Q1 2024



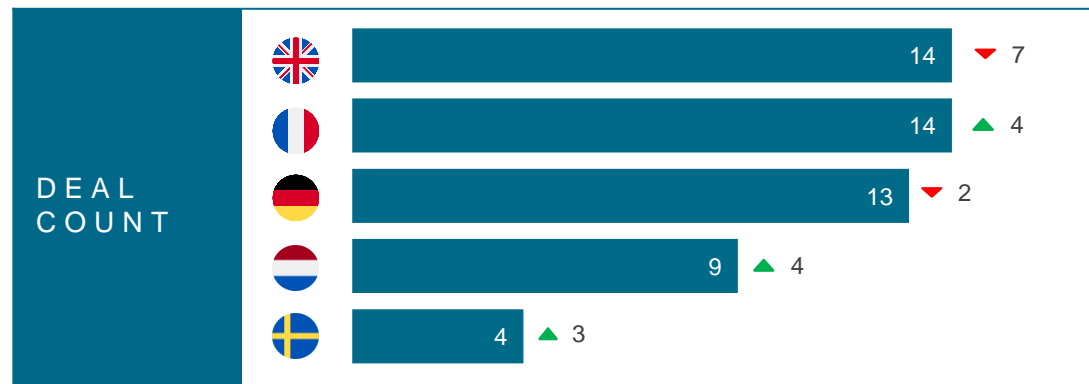
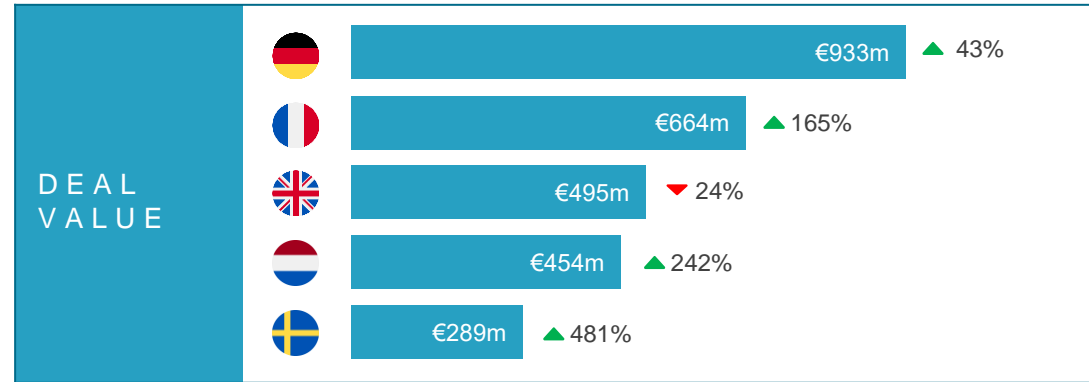
Series B deal sizes show consistency with a steady increase

MEDIAN AND AVERAGE SIZE OF SERIES B ROUNDS, 2019 – Q1 2024



Germany maintains the top spot in deal value with a greater concentration in larger deals

SERIES B ROUNDS BY COUNTRY, Q4 2023 & Q1 2024



▲ change from (Q2 2023 & Q3 2023)
▼ change from (Q2 2023 & Q3 2023)

	DEAL VALUE	DEAL COUNT
GERMANY	€933m	13
FRANCE	€664m	14
UNITED KINGDOM	€495m	14
NETHERLANDS	€454m	9
SWEDEN	€289m	4
ITALY	€142m	4
SPAIN	€141m	4
NORWAY	€91m	1
SWITZERLAND	€79m	4
DENMARK	€79m	1

Cleantech mega rounds⁽¹⁾ make up over 40% of the largest deals in the last four quarters

LARGEST SERIES B ROUNDS, Q2 2023 – Q1 2024

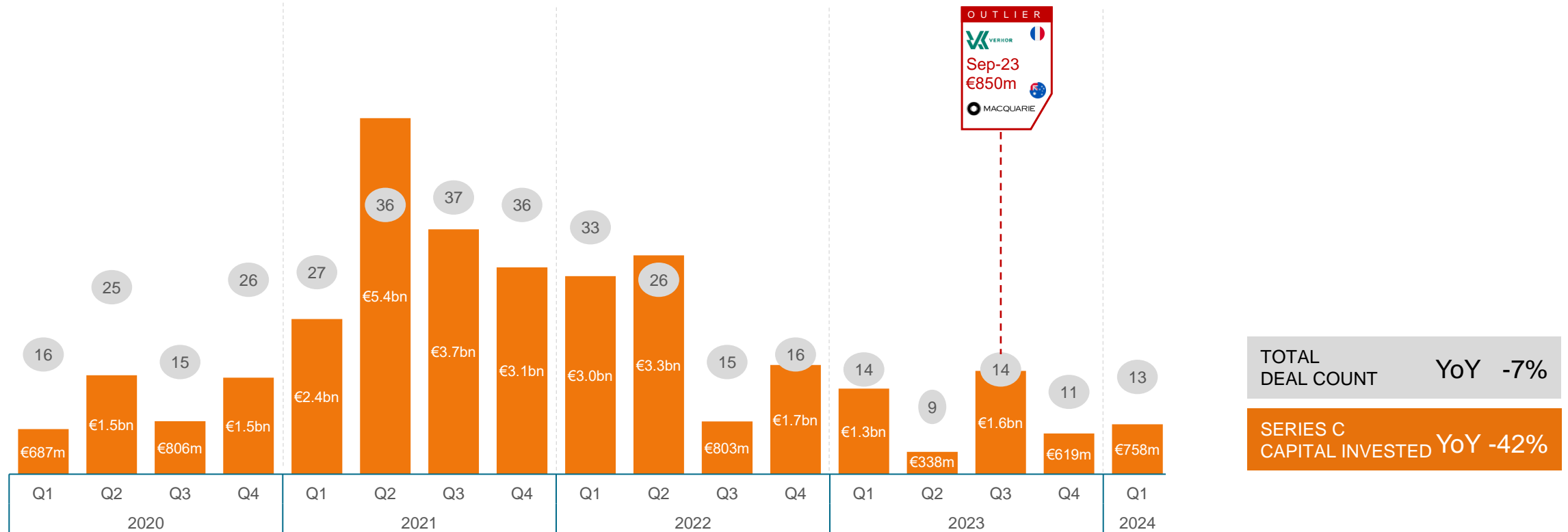
	DEAL SIZE	DATE	HQ	COMPANY	SECTOR	SELECTED INVESTORS
Q 2 2023	€185m	Jun-23		1KOM MAS5	CLEANTECH	G2 VENTURE PARTNERS
	€98m	Apr-23		INFOGRID	IOT	a/c proptech NORTHZONE
	€60m	Apr-23		KeRe	E-COMMERCE	HV CAPITAL
Q 3 2023	€209m	Sep-23		Helsing	AI & ML	GENERAL CATALYST
	€91m	Jul-23		PVcase	CLEANTECH	ELEPHANT
	€68m ⁽²⁾	Sep-23		STOREBOX	SUPPLY CHAIN TECH	ActivumSG
Q 4 2023	€459m	Nov-23		ALEPH ALPHA	AI & ML	Bosch Ventures Bosch Ipai SCHWARZ
	€98m	Dec-23		Heart Aerospace	AEROSPACE	Breakthrough Energy VENTURES IEGT VENTURES SAGITTA BOOSTING INNOVATION
	€93m	Nov-23		OQC	QUANTUM COMPUTING	SBI Investment
Q 1 2024	€304m ⁽²⁾	Jan-24		ELECTRA	CLEANTECH	PGGM
	€145m	Jan-24		[AIRA]	CLEANTECH	ALTOR KINNEVIK TEMASEK
	€117m	Jan-24		CIC INERATEC	CLEANTECH	PIVA

SECTION 3

Series C rounds

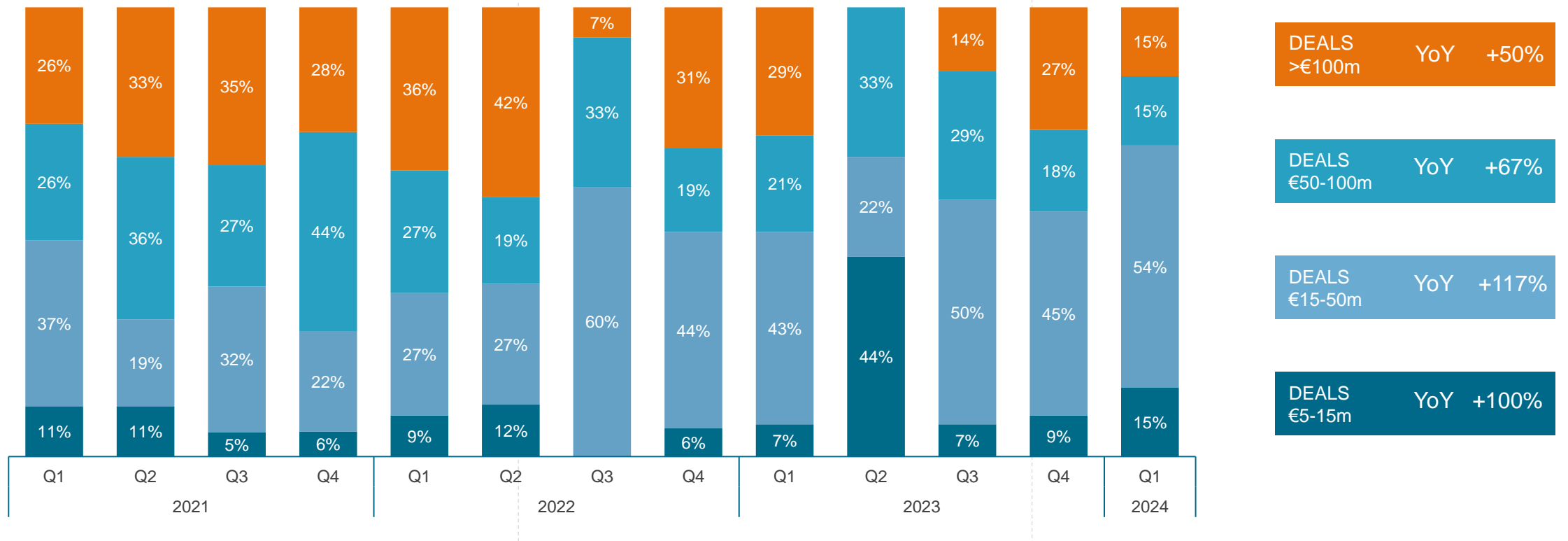
Series C trends hold steady after adjusting for the Q3 2023 outlier

SERIES C TOTAL FINANCING AMOUNTS AND DEAL COUNT, 2020 – Q1 2024



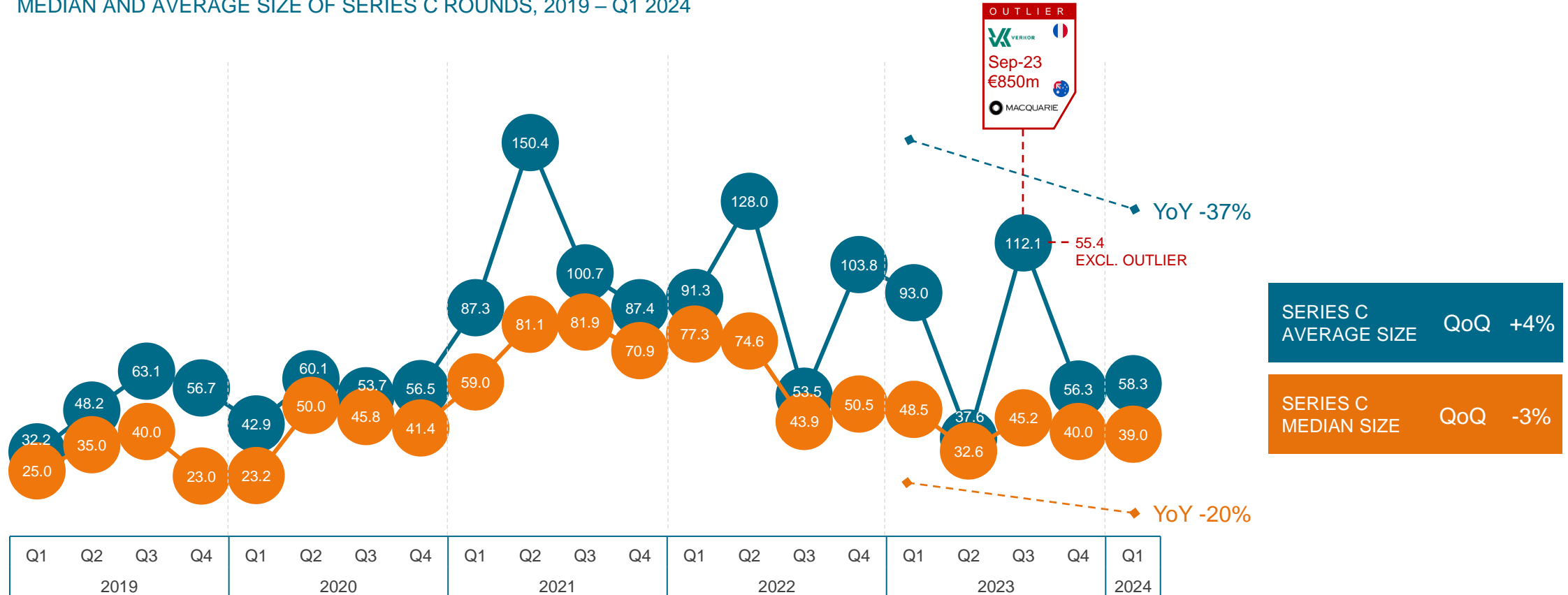
Smaller and mid-sized Series C rounds are on the increase

BREAKDOWN OF SERIES C ROUNDS BY VALUE, 2021 – Q1 2024



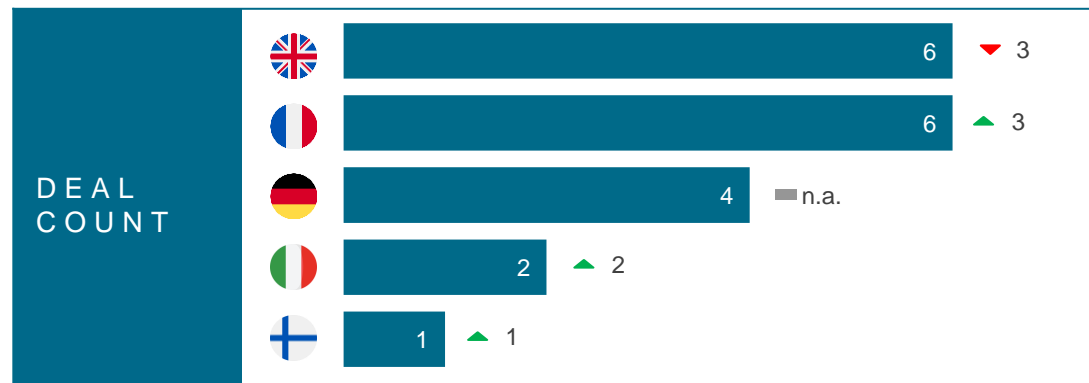
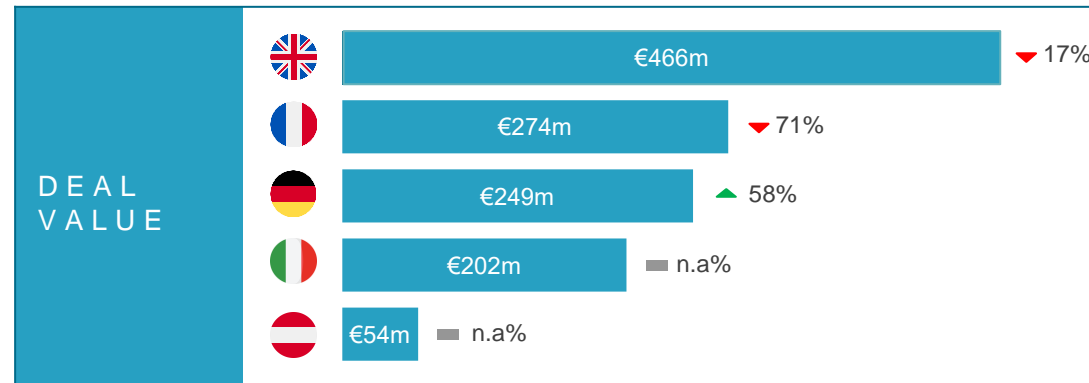
Series C investments find a new balance as deal sizes stabilise

MEDIAN AND AVERAGE SIZE OF SERIES C ROUNDS, 2019 – Q1 2024



UK still leads in Europe despite drop in number and value of deals

SERIES C ROUNDS BY COUNTRY, Q4 2023 & Q1 2024



▲ change from (Q2 2023 & Q3 2023)
▼ change from (Q2 2023 & Q3 2023)

	DEAL VALUE	DEAL COUNT
UNITED KINGDOM	€466m	6
FRANCE	€274m	6
GERMANY	€249m	4
ITALY	€202m	2
AUSTRIA	€54m	1
FINLAND	€54m	1

The UK still dominates mega-rounds

LARGEST SERIES C ROUNDS, Q2 2023 – Q1 2024

	DEAL SIZE	DATE	HQ	COMPANY	SECTOR	SELECTED INVESTORS
Q 2 2023	€88m	May-23		patient ²¹	HEALTHTECH	pitango
	€72m	Jun-23		synthesia	AI & ML	Accel
	€71m	Jun-23		Pigment	PRODUCTIVITY SOFTWARE	ICONIQ
Q 3 2023	€850m ⁽¹⁾	Sep-23		VEROR	CLEANTECH	MACQUARIE
	€208m	Aug-23		APOLLO THERAPEUTICS	LIFE SCIENCES	PATIENT SQUARE CAPITAL
	€92m	Sep-23		ENVISICS	AUGMENTED REALITY	gm VENTURES HYUNDAI MOBIS
Q 4 2023	€141m	Nov-23		URBANIC	E-COMMERCE	D1 CAPITAL PARTNERS MIRABAUD ASSET MANAGEMENT NEXUS VENTURE PARTNERS SEQUOIA
	€100m	Dec-23		FINN	MOBILITY TECH	PlanetFirst PARTNERS
	€100m	Nov-23		DORBY	SPACE TECHNOLOGY	丸紅株式会社 Marubeni
Q 1 2024	€238m ⁽²⁾	Jan-24		APOLLO THERAPEUTICS	LIFE SCIENCES	PATIENT SQUARE CAPITAL
	€102m	Feb-24		MMI	HEALTHTECH	Fidelity
	€87m	Jan-24		Instagrid	CLEANTECH	Morgan Stanley INVESTMENT MANAGEMENT ONTARIO TEACHERS PENSION PLAN TEACHERS VENTURE GROWTH

SECTION 4

About Silverpeak



25+

team concentrated
in a single office

400+

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
- Cleantech
- 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

BG | IE Feb 2024

GemSeek

Data science & analytics provider for CX transformation

Sale to

accenture

UK | UAE Aug 2023

SHIPSERV

Maritime e-procurement platform

Sale to

Marcura backed by

MARLIN EQUITY PARTNERS

AU | DE Dec 2022

camplify

Travel P2P marketplace

€30m acquisition of Germany market leader

Paul Camper

UK | US Nov 2022

AVVIO

Hotel technology platform driving direct bookings

Sale to

SHR backed by **Serent CAPITAL**

UK | UK Mar 2022

worksmart

Regtech SaaS solution

Sale to

Davies

UK | UK Oct 2021

cloudtrade

Data extraction & document automation SaaS ML platform

Sale to

advanced
People. Partnership. Solutions.

NO | CA Sep 2021

Safran

Project management and risk analysis software

Sale to

JDM Technology Group

FINANCING

CA | US | UK | ROW Aug 2023

photonics

Photonically networked silicon spin quantum computers

\$100m financing

Microsoft **BCI**

Amadeus Capital Partners **NATIONAL SECURITY INVESTMENT CORPORATION** **INNOVATION VENTURES FUND** **AFRICAPARTNERS**

inovia **MUBADALA**

UK | JP | WW Apr 2023

zodia CUSTODY

Institutional digital asset infrastructure provider

\$36m Series A financing

SBI **scventures** by Standard Chartered

AND UNDISCLOSED INVESTORS

EU | UK | FR Mar 2023

SIPEARL

High-end CPU for AI applications

€115m Series A financing

European Investment Bank **European Innovation Council** **European Union**

EVIDEN an atos business

arm **FRANCE 2030**

CH | PL | LU | US Dec 2022

clearspace today

In-orbit servicing and space debris removal

\$29m Series A investment by

gtb **swisscom** **VENTURES** **LIKE** **S&B**

LUXEMBOURG FUTURE FUND **iqt** **INNOVATION PARTNERS**

UK | NO | US | AE Oct 2022

vaarst ROVCO

Autonomous subsea robotics technology

\$26m+ Series B

Legal & General **equinor** **iqt**

Martlet **Foresight**

IT | US May 2022

CRP TECHNOLOGY **CRP USA**

Additive manufacturing services and proprietary composite materials

Investment by

ITT

IT | WW Jan 2022

D-ORBIT

In-space services and satellite transport

€51.5m pre-SPAC convertible bond by

COBHAM **iqt** **IN-Q-TEL** & OTHER INVESTORS



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