

B & C FINANCING REPORT Q3 2024

Improvement in European tech financings dominated by Series C mega rounds

OCTOBER 2024

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Welcome to the latest edition of the Silverpeak B & C Financing Report, offering a comprehensive bi-annual analysis of the funding landscape for Series B and C rounds in European tech companies.

Our dataset encompasses European Series B and C fundraising rounds exceeding €5m, meticulously qualified and segmented to reveal insights and trends over time.

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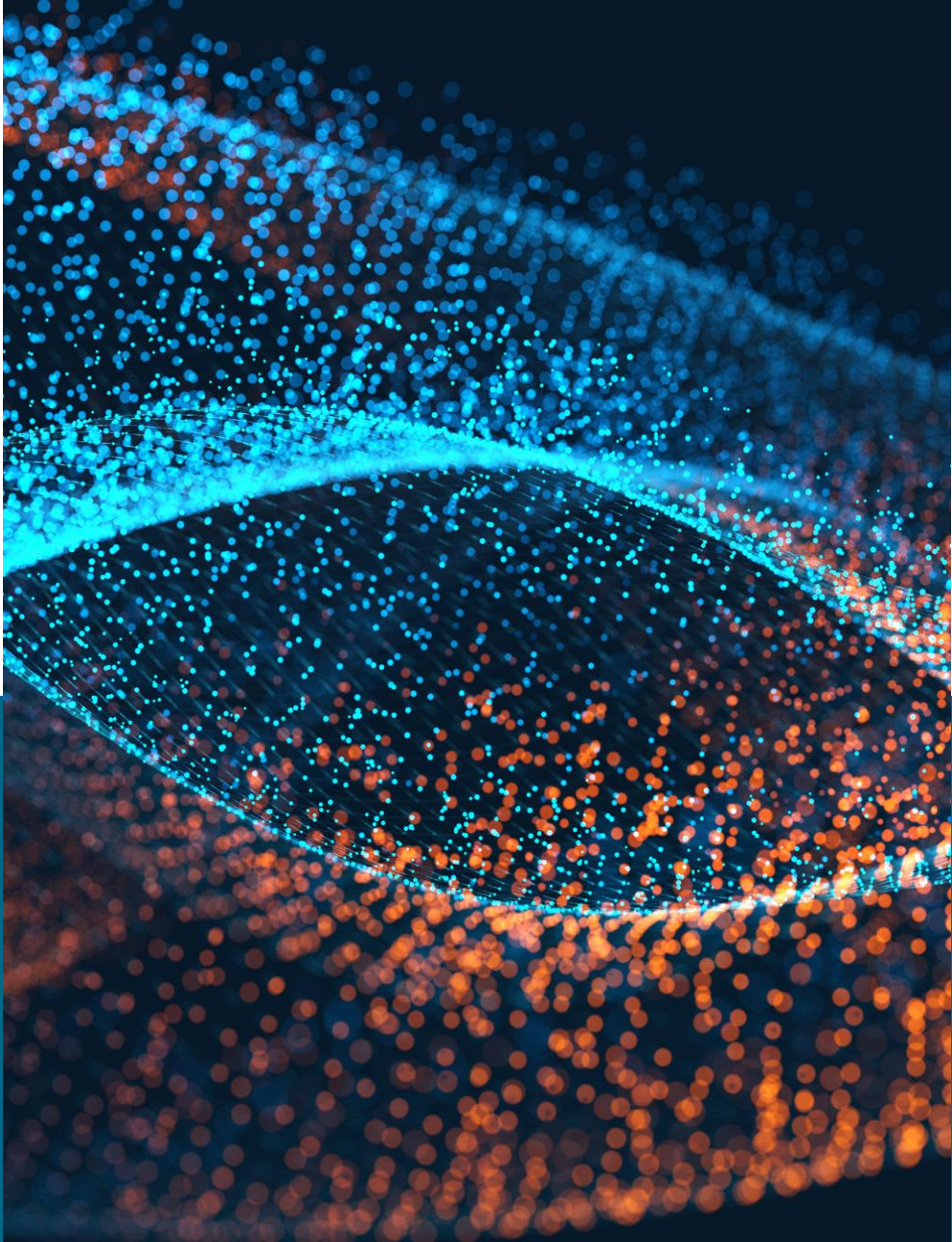
European tech continues to show signs of improvement, with Q3 2024 marked by a rise in Series C mega-rounds. Despite challenges, including a steady decline in Series B deal sizes and fewer repeat US investors, the market remains strong, albeit volatile, compared to the flat performance in 2023. Growth is primarily concentrated in key verticals like fintech and AI, with the UK and Germany leading in both deal size and volume. Pre-money valuations and dilution levels have remained stable since the end of 2022.

DAVID FORD
PARTNER, SILVERPEAK

KEY FINDINGS

- **Positive trends in Series C**
The market is being driven by large Series C deals, some exceeding €100m, while Series B rounds have declined in both deal size and volume.
- **AI and fintech lead the charge**
AI continues to lead in deeptech¹ innovation, and fintech is making a strong comeback, securing top spots in both deal value and count. New growth in femtech and mobilitytech is also evident.
- **Geographical shifts**
The UK and Germany emerged as leaders in fundraising, with mega-rounds boosting their positions. Q3 saw the UK dominating in total deal count, while Germany led in deal size.
- **Challenges in US investor participation**
The market has seen a sharp drop in US repeat investors, a key factor in the ongoing uncertainty and sporadic investment activity across Europe.
- **Stable pre-money valuations and dilution levels**
Despite the seemingly volatile market, valuation and dilution levels have shown signs of stability, with moderate increases in pre-money valuations compared to 2023.

⁽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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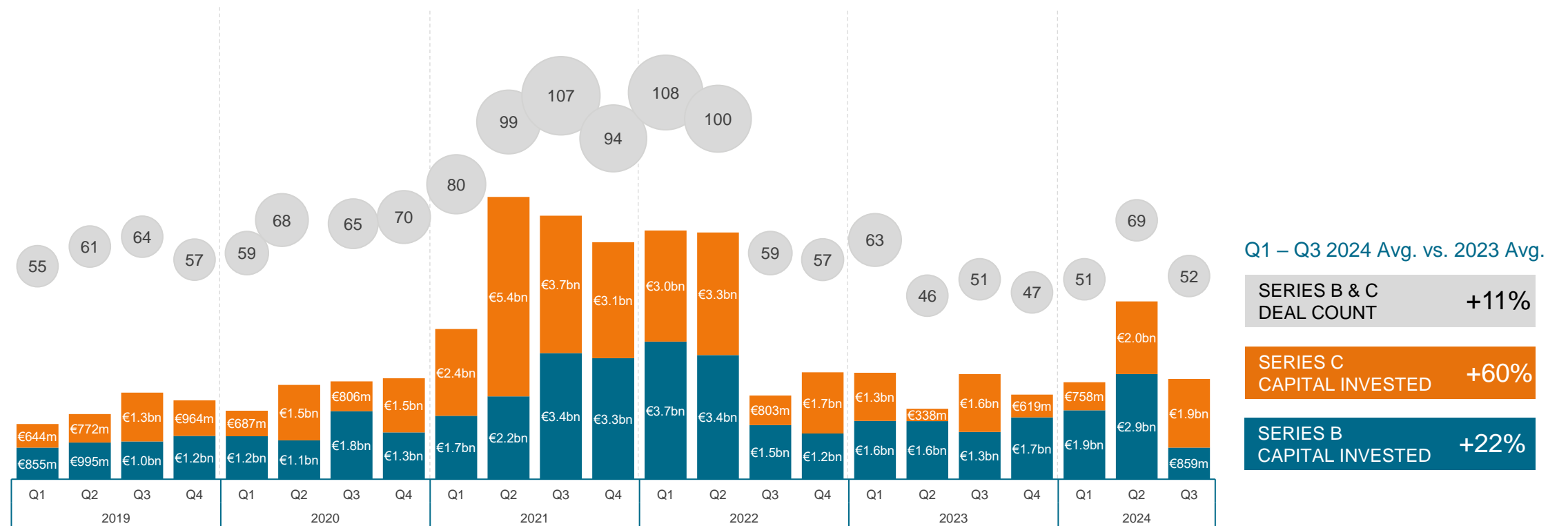
Venture growth investment trends



Following a flat 2023, Series B and C funding rounds are showing an uptick so far in 2024

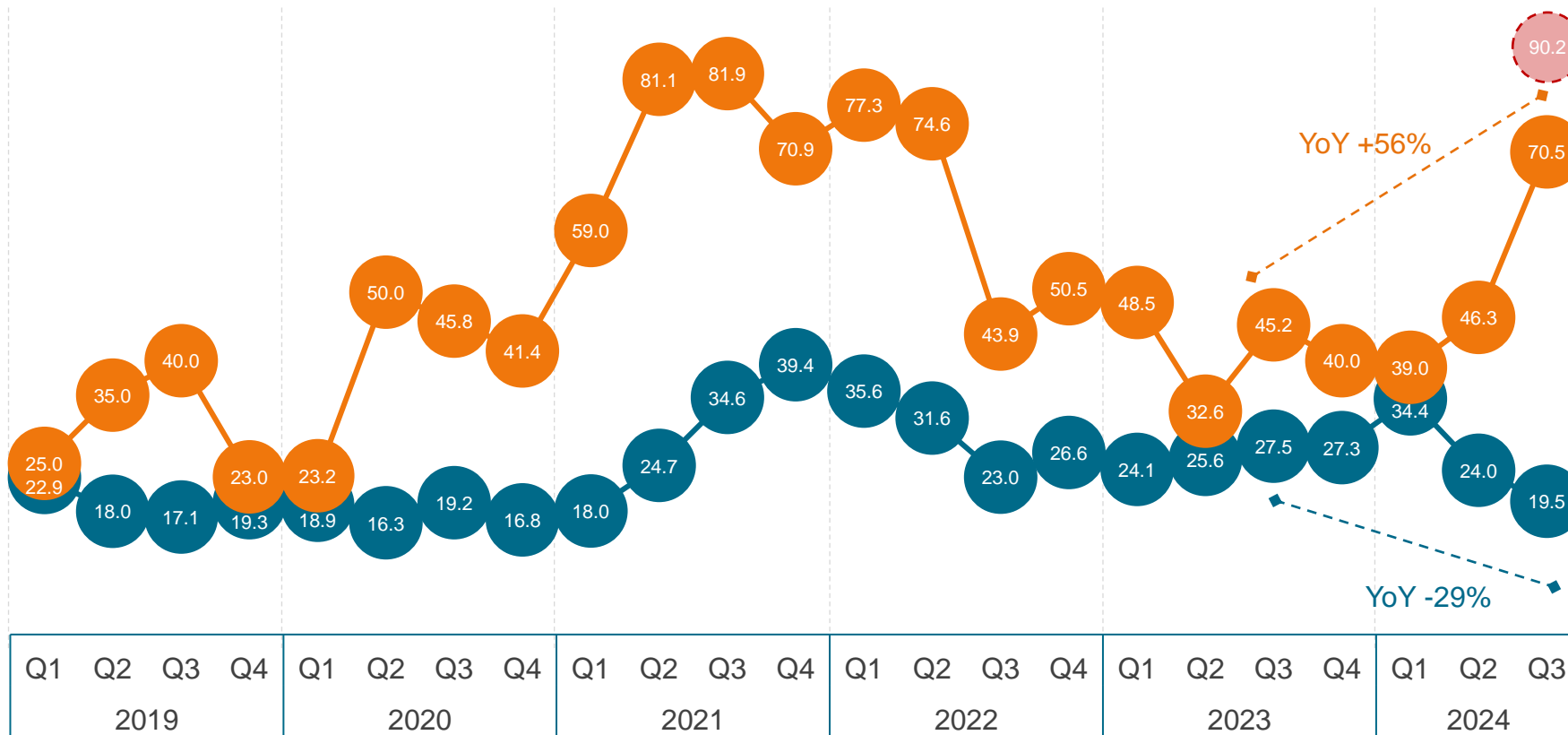
16,000

SERIES B&C TOTAL FINANCING AMOUNTS, Q1 2019 – Q3 2024



Median deal values for Series B are steadily declining, while Series C rounds increased sharply in Q3 2024

SERIES B&C ROUNDS, MEDIAN DEAL VALUES (€M), Q1 2019 – Q3 2024



Outlier Series C deals valued at over > €250m

- Helsing Jul-24 €450m
- isar aerospace Jul-24 €259m

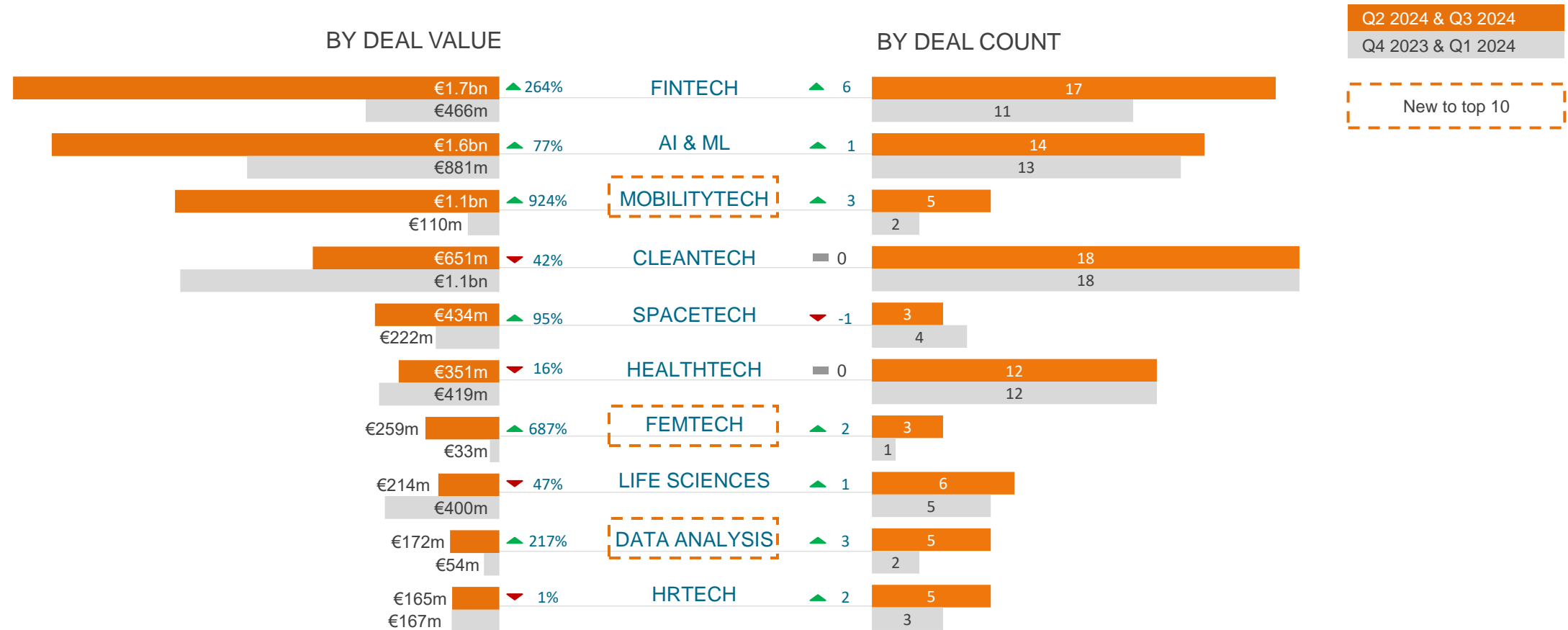
SERIES C QoQ +52%

SERIES B QoQ -19%

With outliers

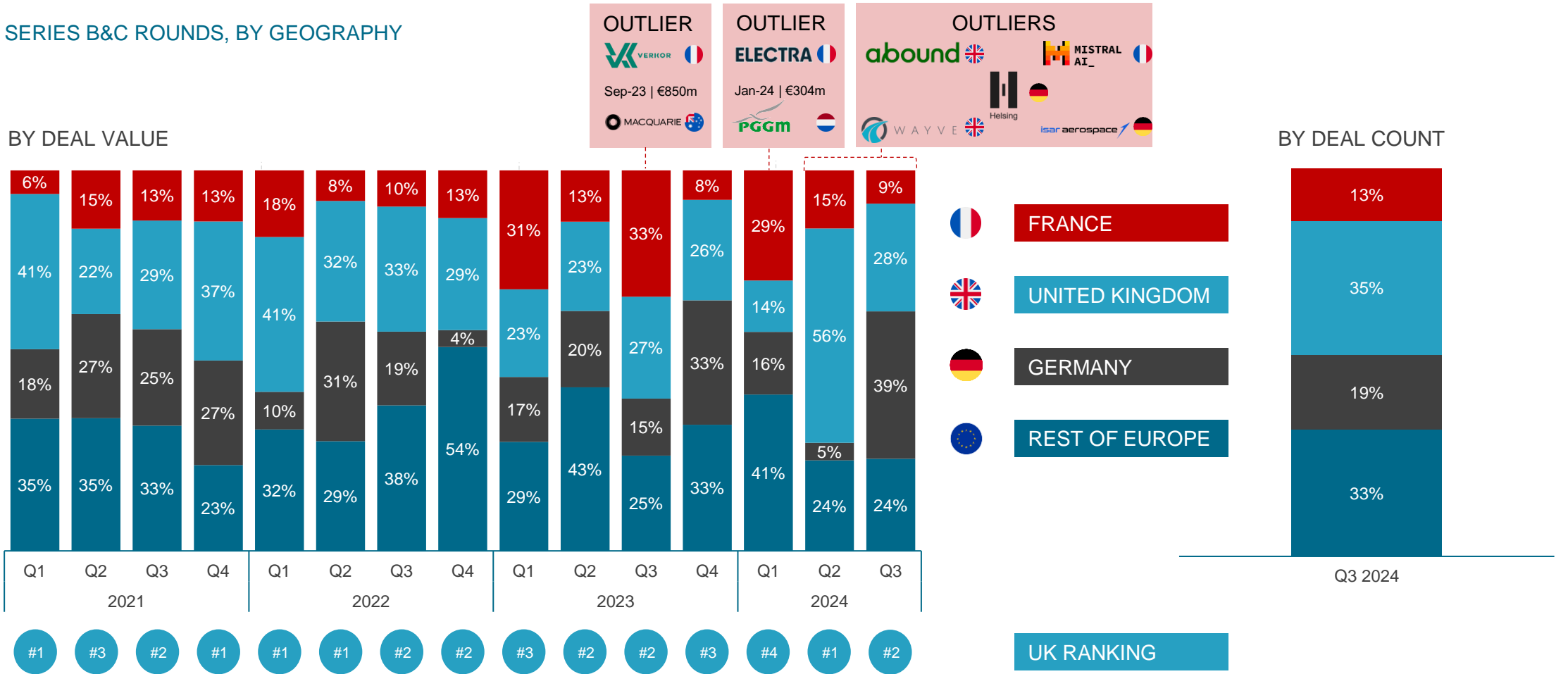
Fintech makes a strong comeback, with AI maintaining high deal value and volume, while mobilittech and femtech gain notable traction

SERIES B&C ROUNDS, BY VERTICAL



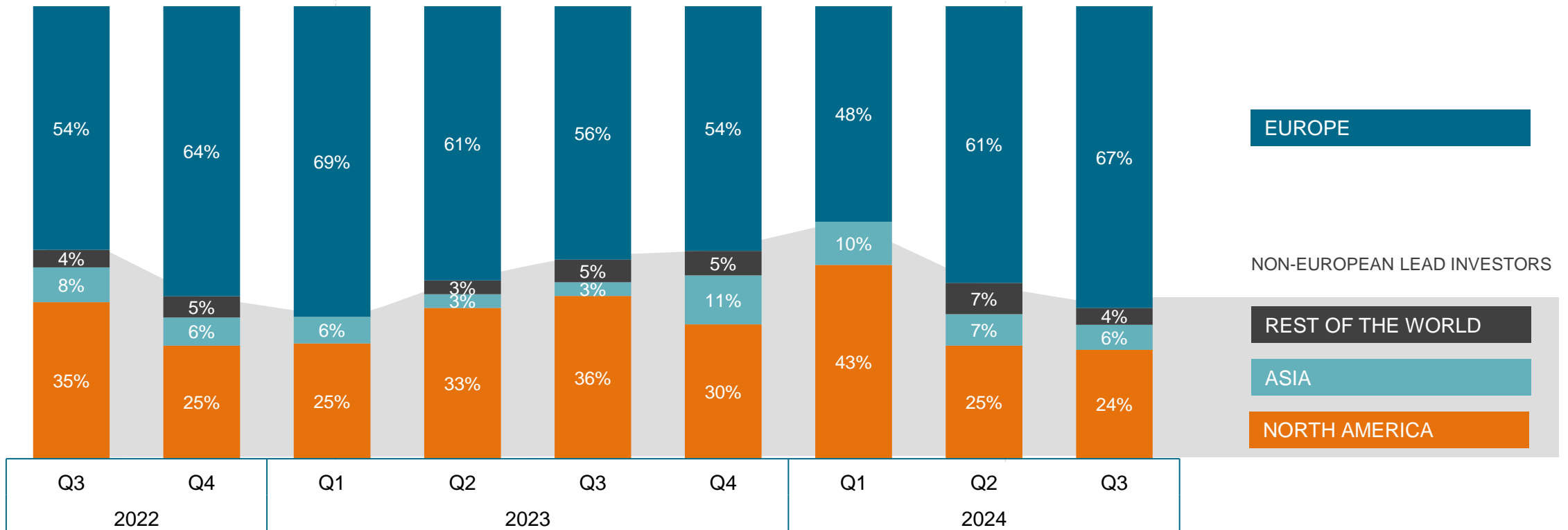
Though traditionally the UK market has been the largest recipient, the geographic split of funding rounds has become less predictable since Q3 2022

SERIES B&C ROUNDS, BY GEOGRAPHY

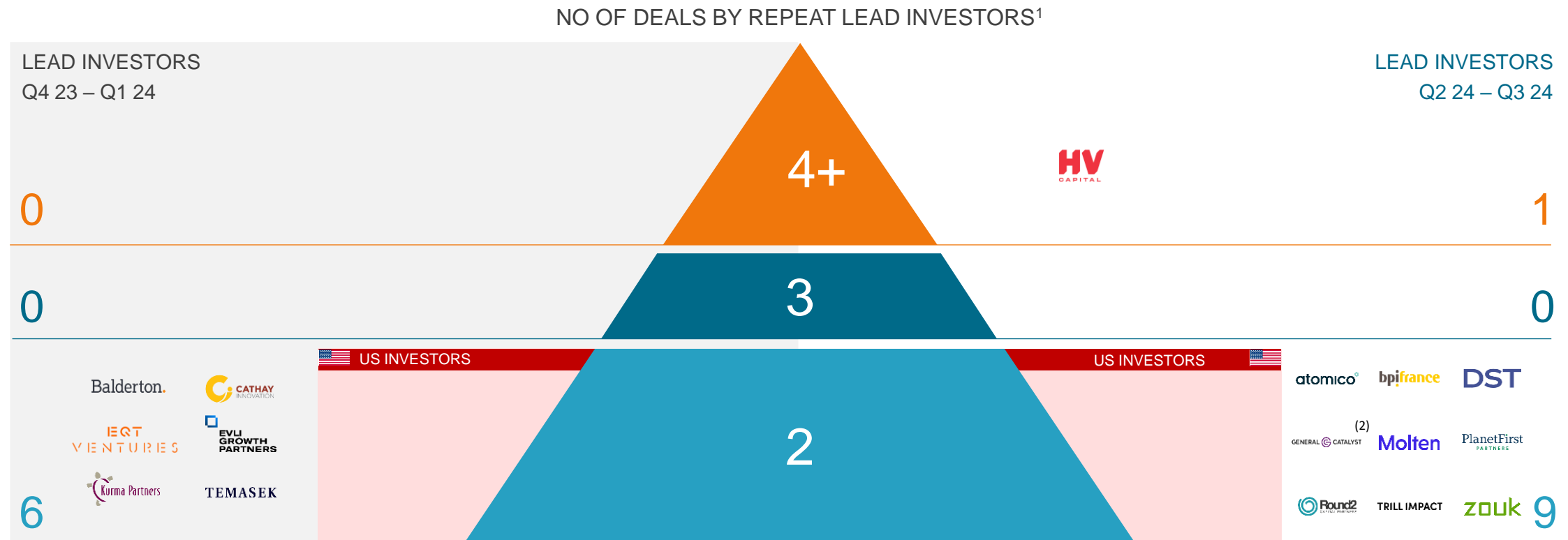


The return of non-European lead investors during 2023 has been waning in the last two quarters

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

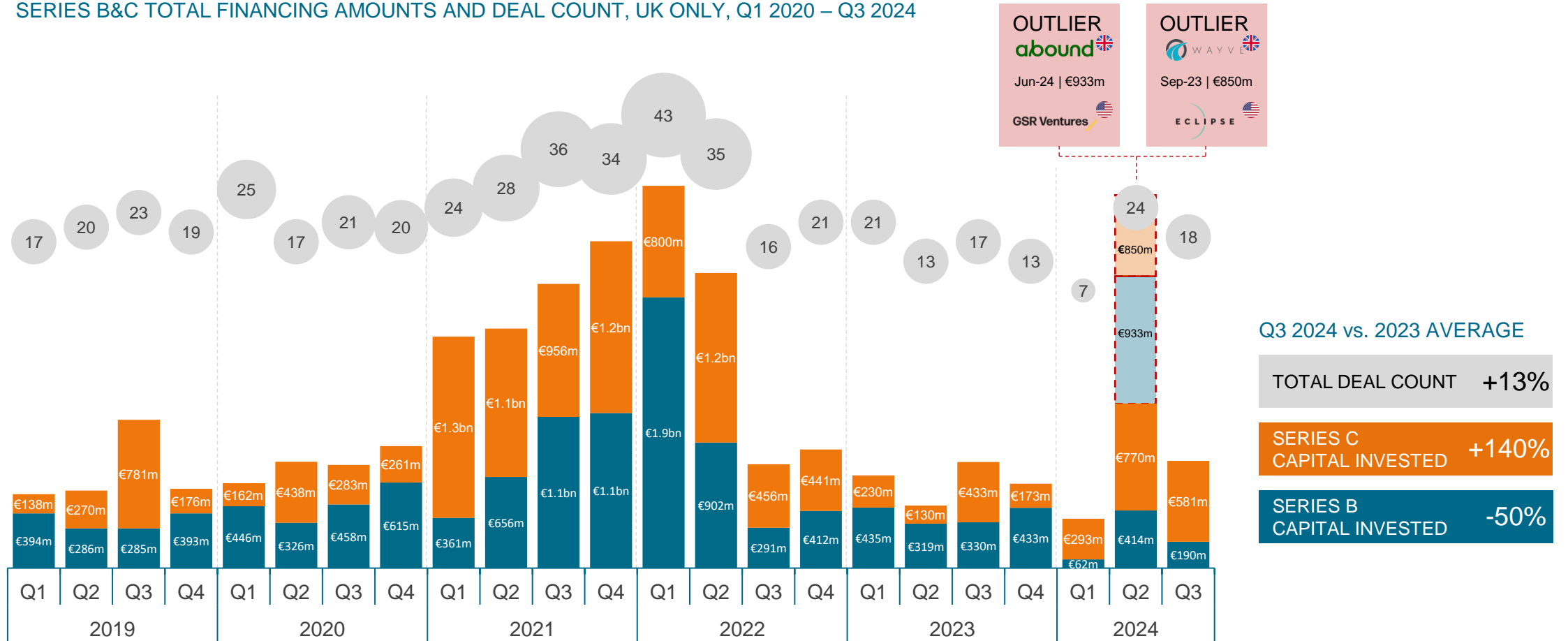


US repeat investors have vanished from the European market, whilst HV Capital dominate following the closing of their 9th fund in 2023



UK Series B and C deal values surged in Q2 2024 due to mega-rounds, then reverted to 2023 trends, yet Series C still demonstrated robust overall growth

SERIES B&C TOTAL FINANCING AMOUNTS AND DEAL COUNT, UK ONLY, Q1 2020 – Q3 2024

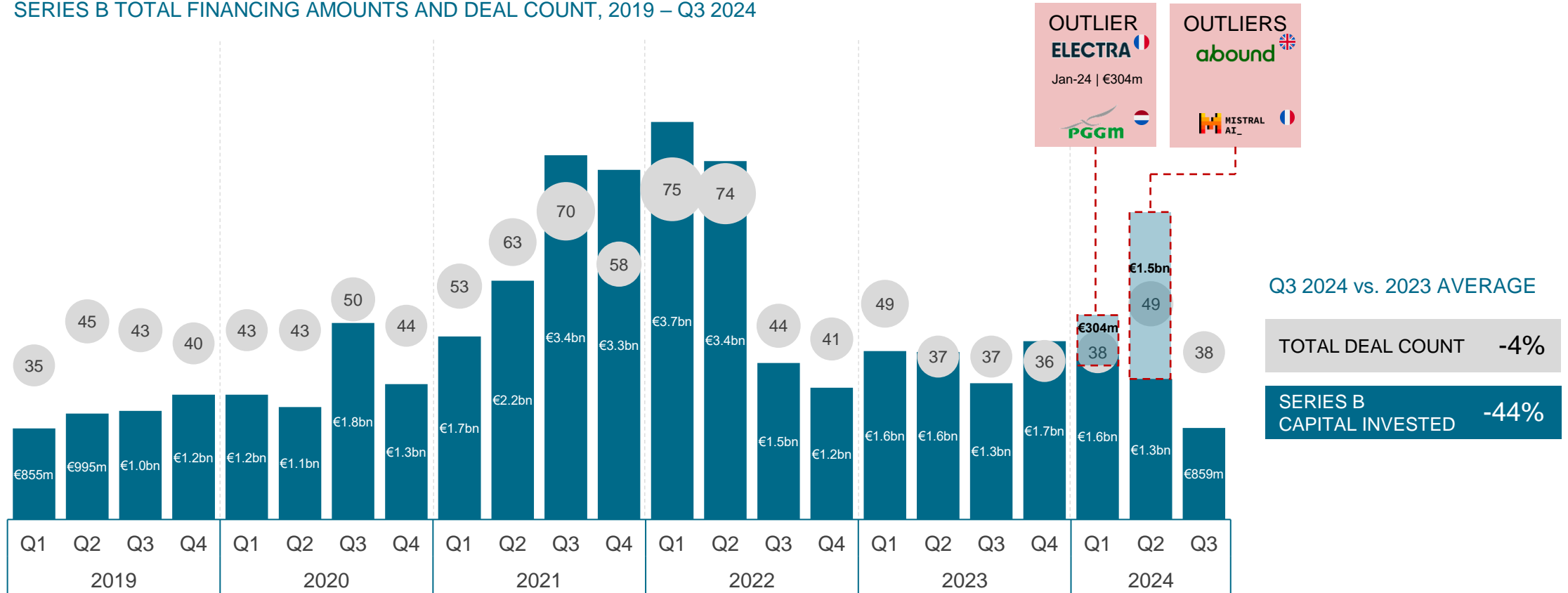


SECTION 2

Series B rounds

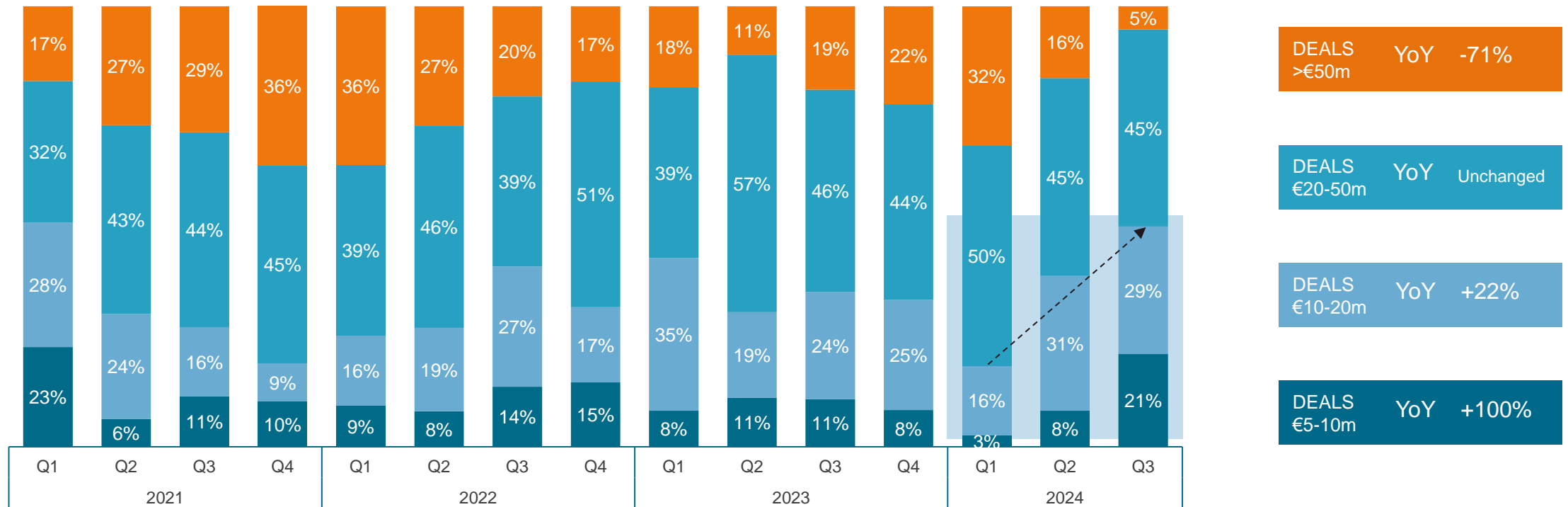
Series B investment maintains a high deal count, but capital invested falls sharply in Q3 2024 from lower ticket sizes

SERIES B TOTAL FINANCING AMOUNTS AND DEAL COUNT, 2019 – Q3 2024



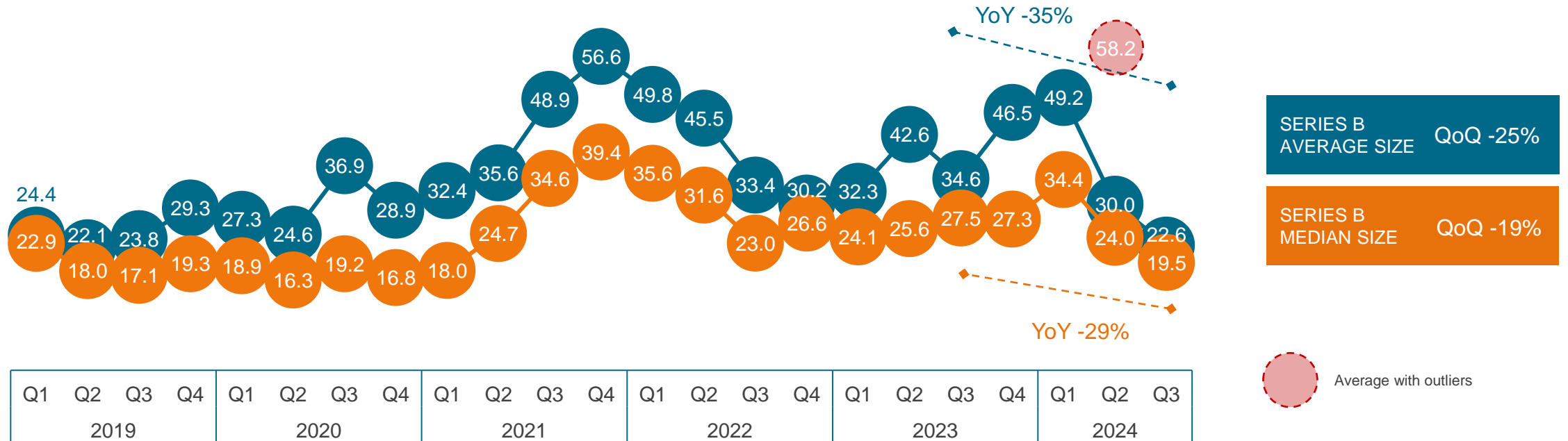
Deals < €20m are rising in proportion of total deal volume in the last two quarters of 2024, now forming half of Series B rounds

BREAKDOWN OF SERIES B ROUNDS BY VALUE, 2021 – Q3 2024



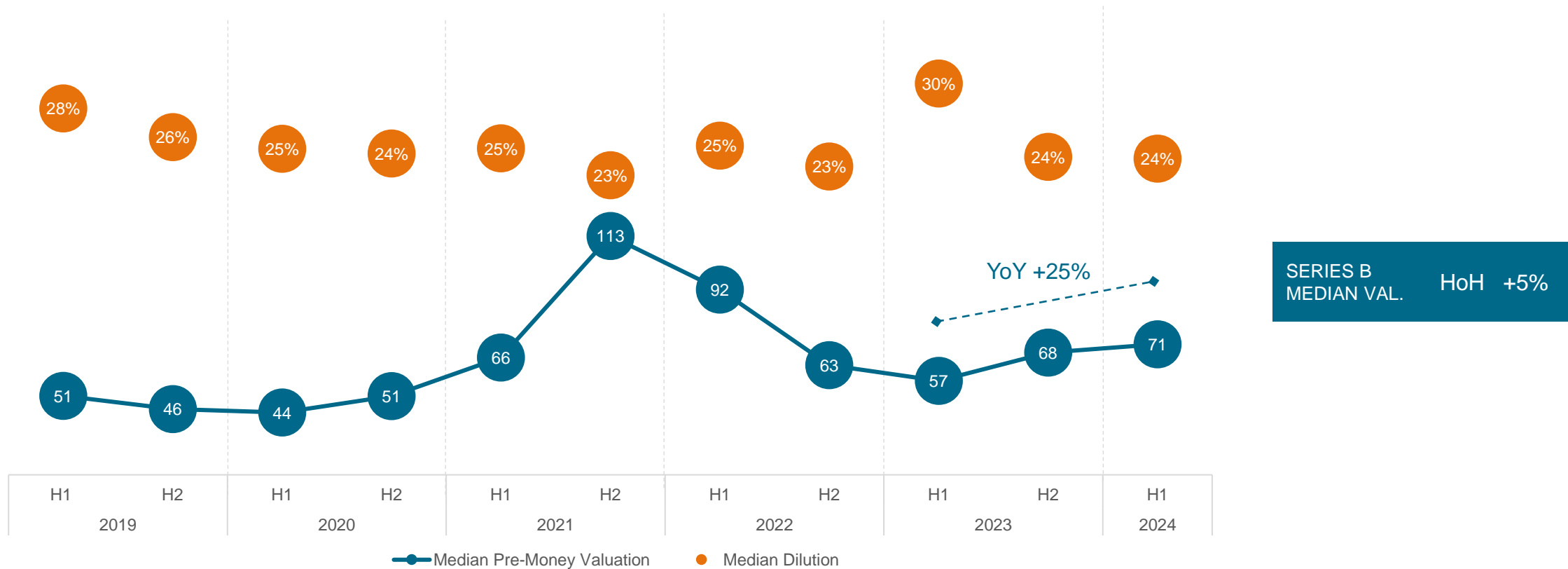
Sharp drop in Series B deal sizes, with the average now the lowest for five years

MEDIAN AND AVERAGE SIZE OF SERIES B ROUNDS, 2019 – Q3 2024



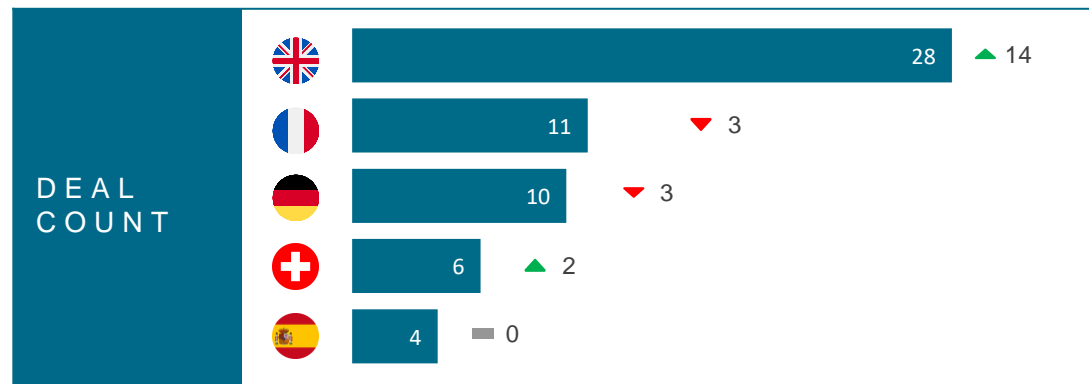
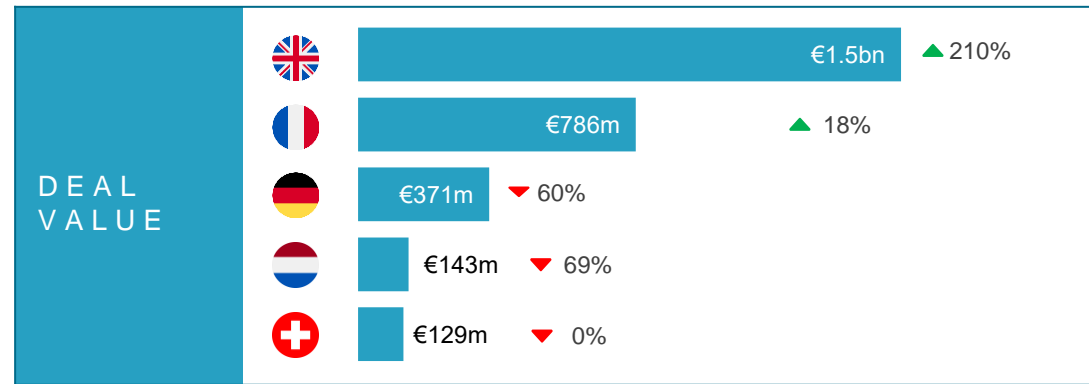
Despite the valuation swings, dilution levels have remained quite stable

MEDIAN PRE-MONEY VALUATION AND DILUTION OF SERIES B ROUNDS, 2019 – Q3 2024



UK retakes the top spot, overtaking France and Germany

SERIES B ROUNDS BY COUNTRY, Q2 2024 & Q3 2024








































▲ change from (Q4 2023 & Q1 2024)
▼

	DEAL VALUE	DEAL COUNT
UNITED KINGDOM	€1.5bn	28
FRANCE	€786m	11
GERMANY	€371m	10
NETHERLANDS	€143m	6
SWITZERLAND	€129m	4
BELGIUM	€101m	4
SWEDEN	€97m	3
AUSTRIA	€95m	3
SPAIN	€87m	3
ITALY	€66m	3

A rebound in AI/ML and fintech mega-rounds

LARGEST SERIES B ROUNDS, Q4 2023 – Q3 2024

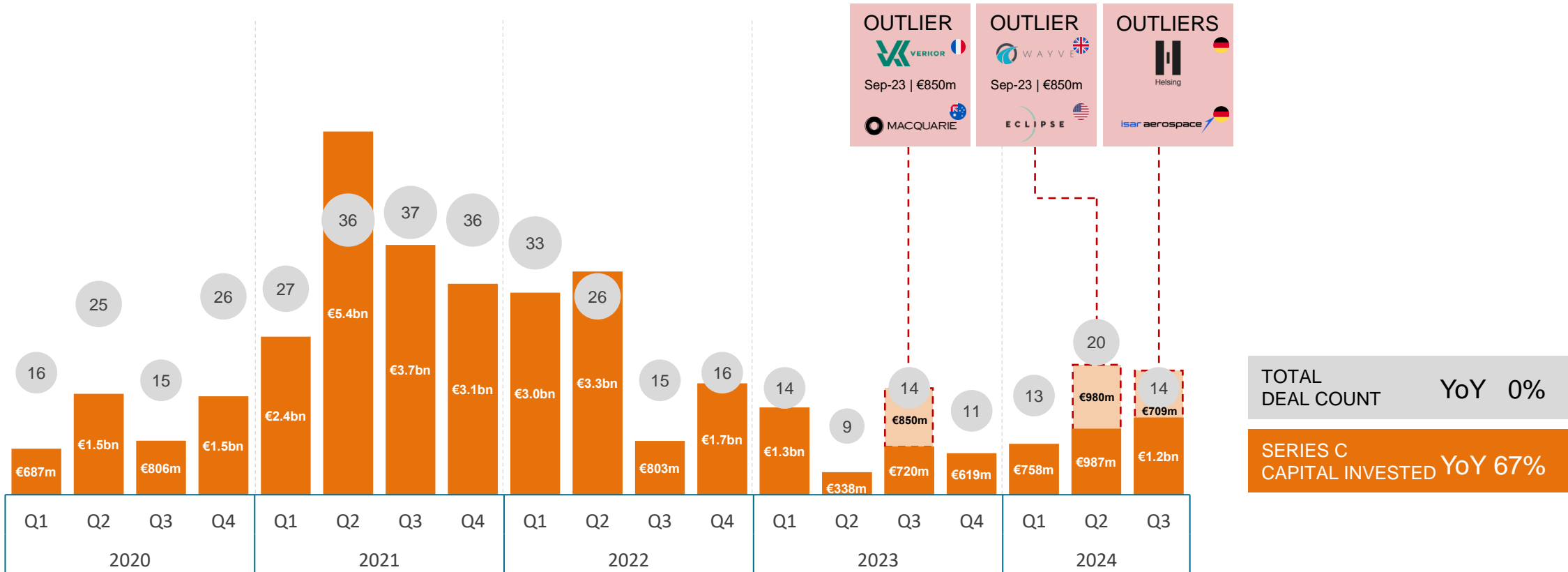
	DEAL SIZE	DATE	HQ	COMPANY	SECTOR	SELECTED INVESTORS
Q 4 2023	€459m	Nov-23		 ALEPH ALPHA	AI & ML	Bosch Ventures  Ipa 
	€98m	Dec-23		 Heart Aerospace	AEROSPACE	Breakthrough Energy  EQT VENTURES 
	€93m	Nov-23		OQC	QUANTUM COMPUTING	SBI Investment 
Q 1 2024	€304m ⁽²⁾	Jan-24		ELECTRA	CLEANTECH	PGGM 
	€145m	Jan-24		[AIRA]	CLEANTECH	ALTOR  TEMASEK
	€117m	Jan-24		 DIC INERATEC	CLEANTECH	PIVA 
Q 2 2024	€933m ⁽³⁾	Jun-24		abound	FINTECH 	GSR Ventures  K3 VENTURES
	€600m ⁽⁴⁾	Jun-24		 MISTRAL AI	AI & ML 	DST GLOBAL  CATALYST
	€60m	Jun-24		 AXELERA	AI & ML 	cdp 
Q 3 2024	€63m	Sep-24		 MarvelFusion	CLEANTECH	HV CAPITAL 
	€53m	Sep-24		 BASELOAD CAPITAL	FINTECH 	INGKA INVESTMENTS 
	€49m	Sep-24		Qualifyze	LIFE SCIENCES	INSIGHT PARTNERS 

SECTION 3

Series C rounds

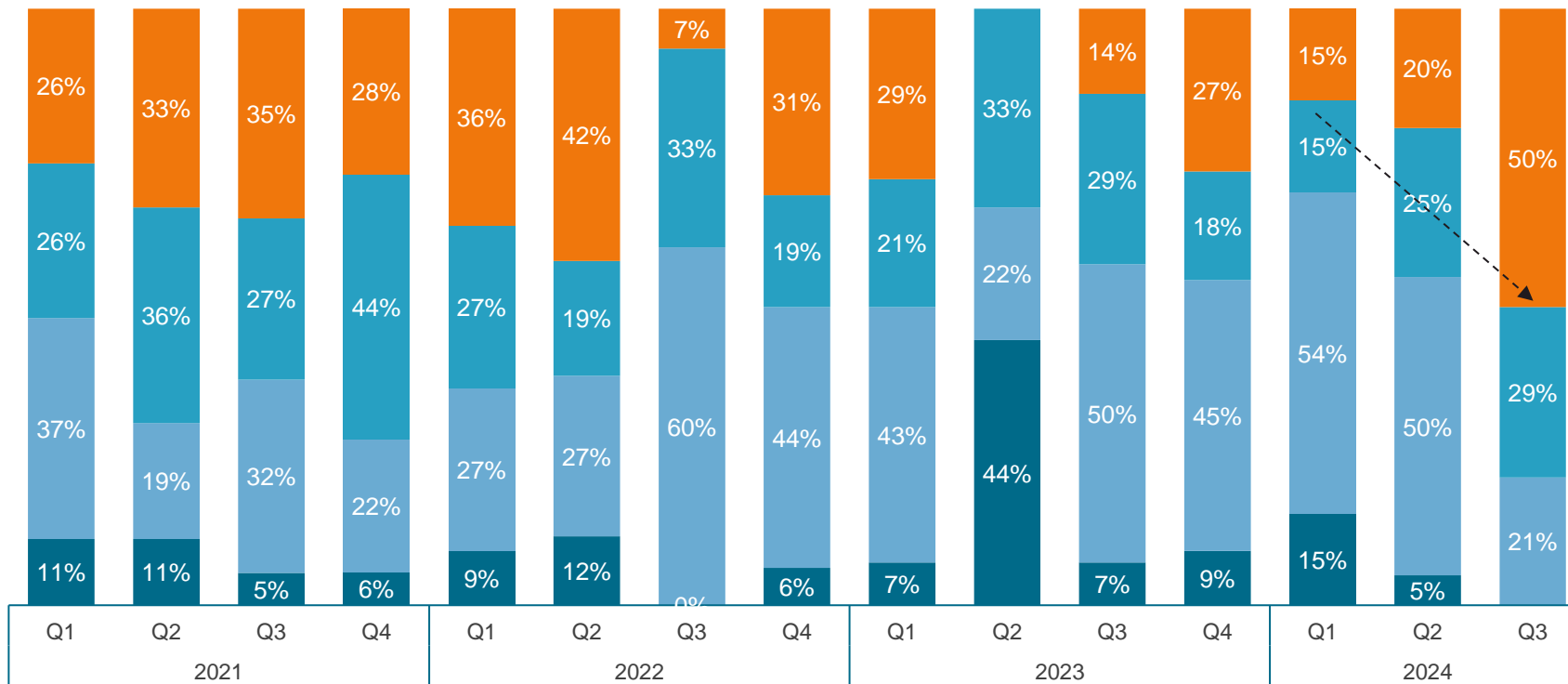
Series C mega-rounds made a comeback in the past two quarters, showing strong momentum compared to 2023

SERIES C TOTAL FINANCING AMOUNTS AND DEAL COUNT, 2020 – Q3 2024



In contrast to Series B, there has been a sharp increase in Series C mega-rounds for Q3 2024

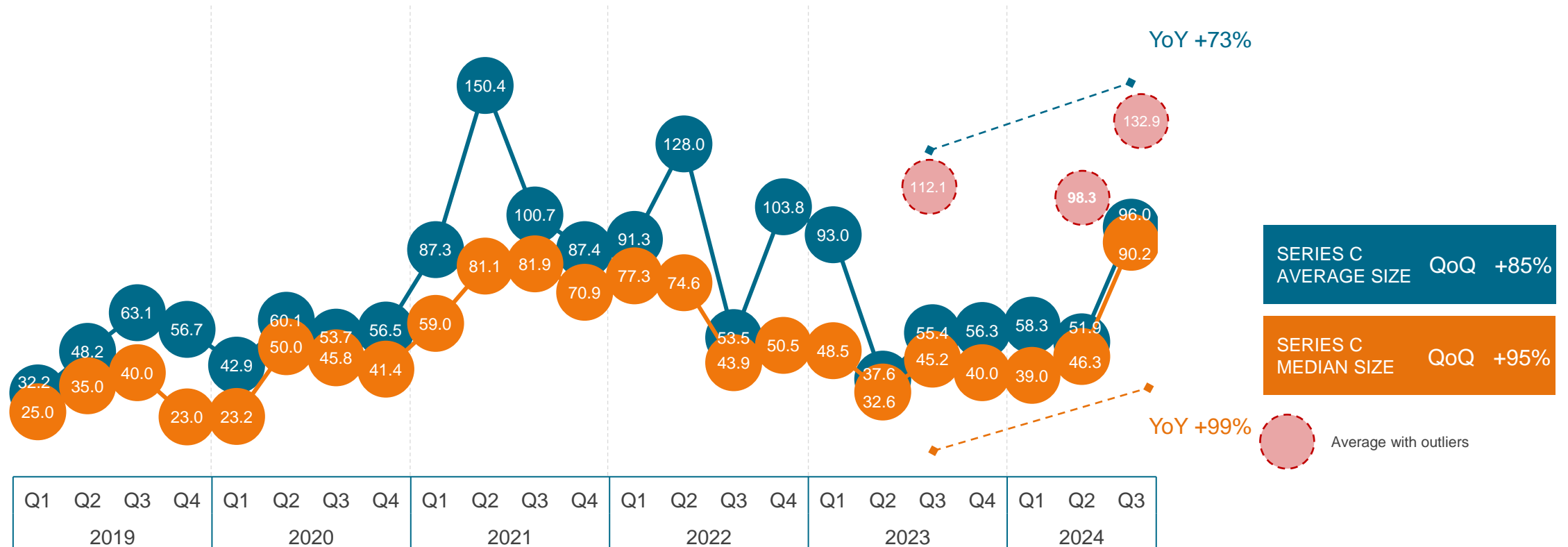
BREAKDOWN OF SERIES C ROUNDS BY VALUE, 2021 – Q3 2024



DEALS >€100m	YoY	+250%
DEALS €50-100m	YoY	0%
DEALS €15-50m	YoY	-57%
DEALS €5-15m	YoY	-100%

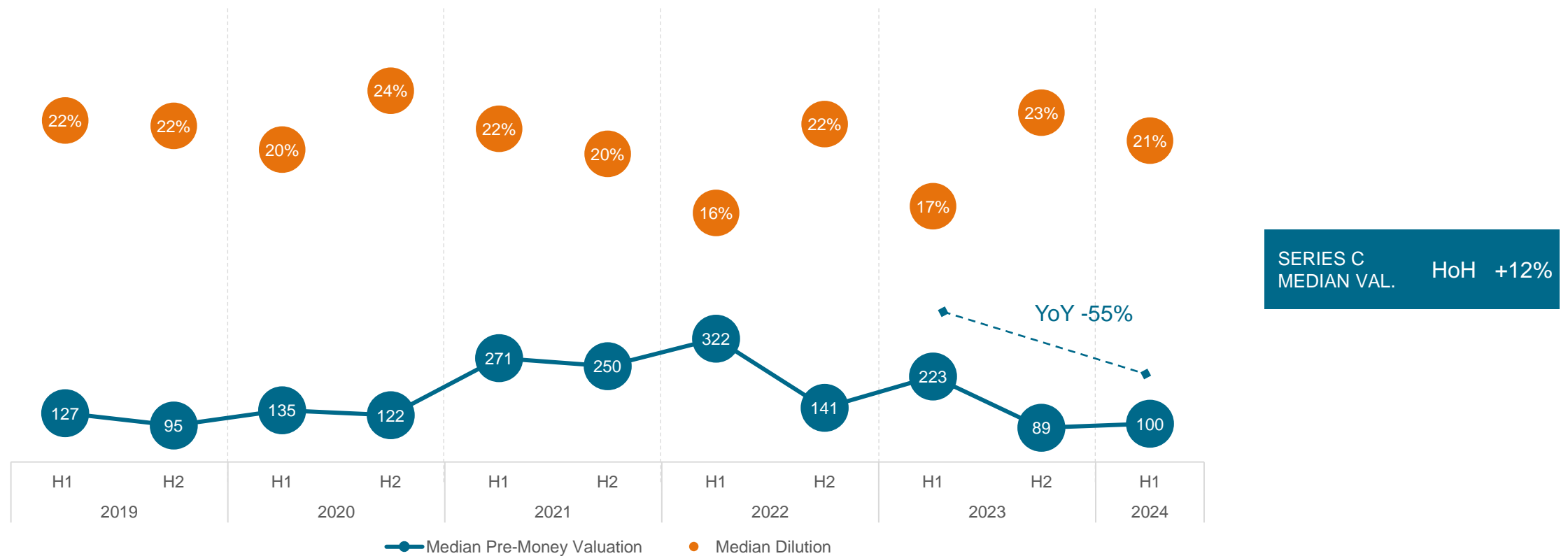
Series C deal sizes have increased substantially in 2024

MEDIAN AND AVERAGE SIZE OF SERIES C ROUNDS, 2019 – Q3 2024



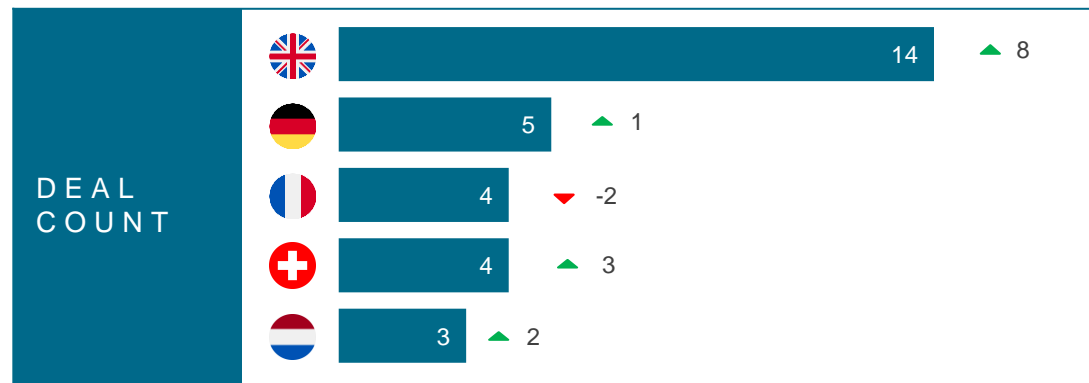
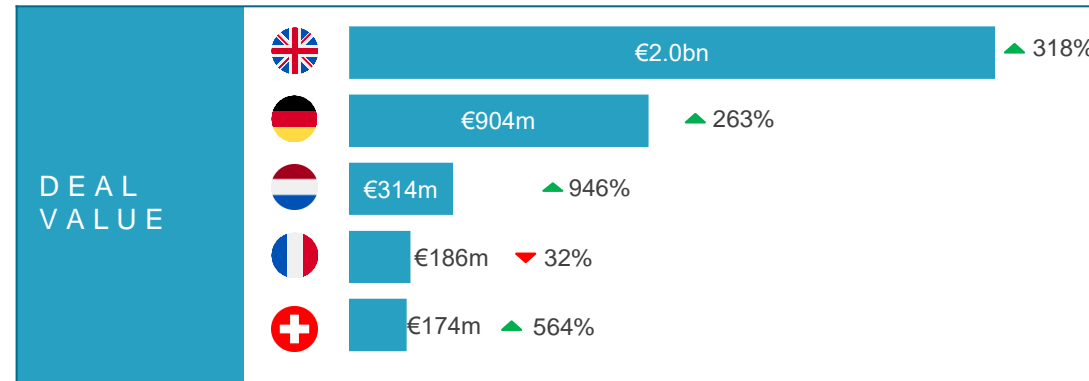
Series C pre-money valuations have slightly rebounded in H1 2024 following a disappointing end to 2023; dilution levels remain stable

MEDIAN PRE-MONEY VALUATION AND DILUTION OF SERIES C ROUNDS, 2019 – Q3 2024



UK continues to lead the pack in Europe in both round sizes and deal count

SERIES C ROUNDS BY COUNTRY, Q2 2024 & Q3 2024















































▲ change from (Q4 2023 & Q1 2024)

	DEAL VALUE	DEAL COUNT
UNITED KINGDOM	€2.0bn	14
GERMANY	€904m	5
NETHERLANDS	€314m	3
FRANCE	€186m	4
SWITZERLAND	€174m	4
ITALY	€150m	1

The UK continues to dominate mega-rounds, with a rise in mobilitytech

LARGEST SERIES C ROUNDS, Q4 2023 – Q3 2024

	DEAL SIZE	DATE	HQ	COMPANY	SECTOR	SELECTED INVESTORS
Q 4 2023	€141m	Nov-23		URBANIC	E-COMMERCE	   
	€100m	Dec-23		FINN	MOBILITY TECH 	
	€100m	Nov-23			SPACE TECHNOLOGY	
Q 1 2024	€238m ⁽¹⁾	Jan-24		APOLLO THERAPEUTICS	LIFE SCIENCES	
	€102m	Feb-24			HEALTHTECH	
	€87m	Jan-24			CLEANTECH	  
Q 2 2024	€980m	May-24			MOBILITYTECH 	  
	€140m	Apr-24			CLEANTECH	
	€102m	Apr-24			MOBILITYTECH 	
Q 3 2024	€450m	Jul-24			AI & ML 	
	€259m	Jul-24			SPACETECH	
	€199m	Sep-24		FORM3	FINTECH 	

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 M&A transactions

M&A						
<p>AUT AUT Oct 2024</p>  <p>Quartz, silicon, and ceramic for semiconductors</p> <p>Majority sale to</p> 	<p>UK NO Sep 2024</p>  <p>Maritime software company</p> <p>Sale to</p> 	<p>BG IE US Mar 2024</p>  <p>Data science & analytics provider for CX transformation</p> <p>Sale to</p> 	<p>UK UAE Aug 2023</p>  <p>Maritime e-procurement platform</p> <p>Sale to</p>  <p>BACKED BY MARLIN EQUITY PARTNERS</p>	<p>AU DE Dec 2022</p>  <p>Travel P2P marketplace</p> <p>€30m acquisition of</p>  <p>MARKET LEADER IN GERMANY</p>	<p>UK US Nov 2022</p>  <p>Hotel technology platform driving direct bookings</p> <p>Sale to</p>  <p>BACKED BY Serent CAPITAL</p>	<p>UK UK Mar 2022</p>  <p>Regtech SaaS solution</p> <p>Sale to</p> 
<p>UK UK Oct 2021</p>  <p>Data extraction & document automation SaaS ML platform</p> <p>Sale to</p> 	<p>NO CA Sep 2021</p>  <p>Project management and risk analysis software</p> <p>Sale to</p> 	<p>NL US Sep 2021</p>  <p>Application testing software</p> <p>Majority sale to</p> 	<p>UK SE Apr 2021</p>  <p>Construction workforce management platform & SaaS</p> <p>Sale to</p>  <p>backed by SUMMAEQUITY</p>	<p>ES US Dec 2019</p>  <p>Gaming cloud streaming</p> <p>Sale to</p> 	<p>UK US Nov 2019</p>  <p>Cloud transformation consultancy</p> <p>Sale to</p> 	<p>FR US Aug 2019</p>  <p>IIoT M2M cybersecurity</p> <p>Sale to</p> 

Selected recent financing transactions

FINANCING						
<p>DK Apr 2024</p> <p>FOUNDERS</p> <p>Venture Capital</p> <p>Fintech single asset secondary sale</p> <p>MULTIPLE INVESTORS</p>	<p>CA US UK ROW Aug 2023</p> <p>phonic</p> <p>Photonically networked silicon spin quantum computers</p> <p>\$100m financing</p> <p>Microsoft BCI Amadeus National Security Investments Fund inovia</p>	<p>UK JP WW Apr 2023</p> <p>zodia CUSTODY</p> <p>Institutional digital asset infrastructure provider</p> <p>\$36m Series A financing</p> <p>SBI scventures AND UNDISCLOSED INVESTORS</p>	<p>EU UK FR Mar 2023</p> <p>SIPEARL</p> <p>High-end CPU for AI applications</p> <p>€115m Series A financing</p> <p>European Investment Bank European Innovation Council EVIDEN arm</p>	<p>CH PL LU US Dec 2022</p> <p>clearspace today</p> <p>In-orbit servicing and space debris removal</p> <p>\$29m Series A investment by</p> <p>otb swisscom VENTURES TAKE STAR LUXEMBOURG FUTURE FUND iqt</p>	<p>UK NO US AE Oct 2022</p> <p>vaarst ROVCO</p> <p>Autonomous subsea robotics technology</p> <p>\$26m+ Series B</p> <p>Legal & General equinor iqt Martlet Foresight</p>	<p>IT US May 2022</p> <p>CRP</p> <p>Additive manufacturing services and proprietary composite materials</p> <p>Investment by</p> <p>ITT</p>
<p>IT WW Jan 2022</p> <p>DORBIT</p> <p>In-space services and satellite transport</p> <p>€51.5m pre-SPAC convertible bond by</p> <p>COBHAM iqt & OTHER INVESTORS</p>	<p>UK UK Jun 2021</p> <p>Origami POWER OVER ENERGY</p> <p>Trading and automation SaaS for renewable energy</p> <p>£20m investment led by</p> <p>BARCLAYS</p>	<p>UK LU, US Feb 2021</p> <p>isotropic systems</p> <p>Satellite antenna technology</p> <p>\$40m investment by</p> <p>SES BOEING HORIZONX</p>	<p>UK EU Oct 2020</p> <p>VNOVA</p> <p>Video compression solutions</p> <p>\$33m investment by</p> <p>INVESTMENT FIRMS & TECH ENTREPRENEURS</p>	<p>UK US Sep 2020</p> <p>ZOOMM</p> <p>Fibre broadband network operator</p> <p>£100m investment by</p> <p>OAKTREE</p>	<p>PT US Sep 2020</p> <p>ARMILAR VENTURE PARTNERS</p> <p>Venture capitalist</p> <p>Continuation fund led by</p> <p>GENERAL ATLANTIC Incl. outsystems Low-code SaaS leader</p>	<p>LT JP, UK Jun 2020</p> <p>Trafi</p> <p>Mobility-as-a-Service platform</p> <p>Investment by</p> <p>MS&AD Aioi Nissay Dowa Sumitomo European Bank octopusinvestments</p>



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