

DEEPTech M&A AND FINANCING REPORT 2025

# Stable financing environment and subdued M&A give way to rising unicorns

Welcome to the latest edition of Silverpeak's Deeptech M&A and Financing Report, providing an in-depth review of European fundraising and deal activity in the deeptech sector.

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## KEY FINDINGS

- European deeptech financing transaction value remains stable, with a quarterly average of \$1bn, 2.5x higher than pre-covid
- Series B activity shows particular strength, with deal value increasing 13% QoQ to \$426m and a median deal value of \$37m
- The UK continues to lead financing deal activity by volume, although Germany leads in series A and B value thanks to few large deals
- New unicorns have emerged across a diverse set of industries, including Tekever and Quantum Systems
- Deeptech represents 28% of total financing value
- M&A transactions totalling \$1.1bn in Q1, together with record holding periods, suggest a deepening pool of exit candidates capable of achieving strategic valuations

## DEAL METRICS

Q1 2025

Financing transaction value	\$695m
Median Series B	\$37m
Median Series A	\$12m
M&A transaction value	\$1,089m





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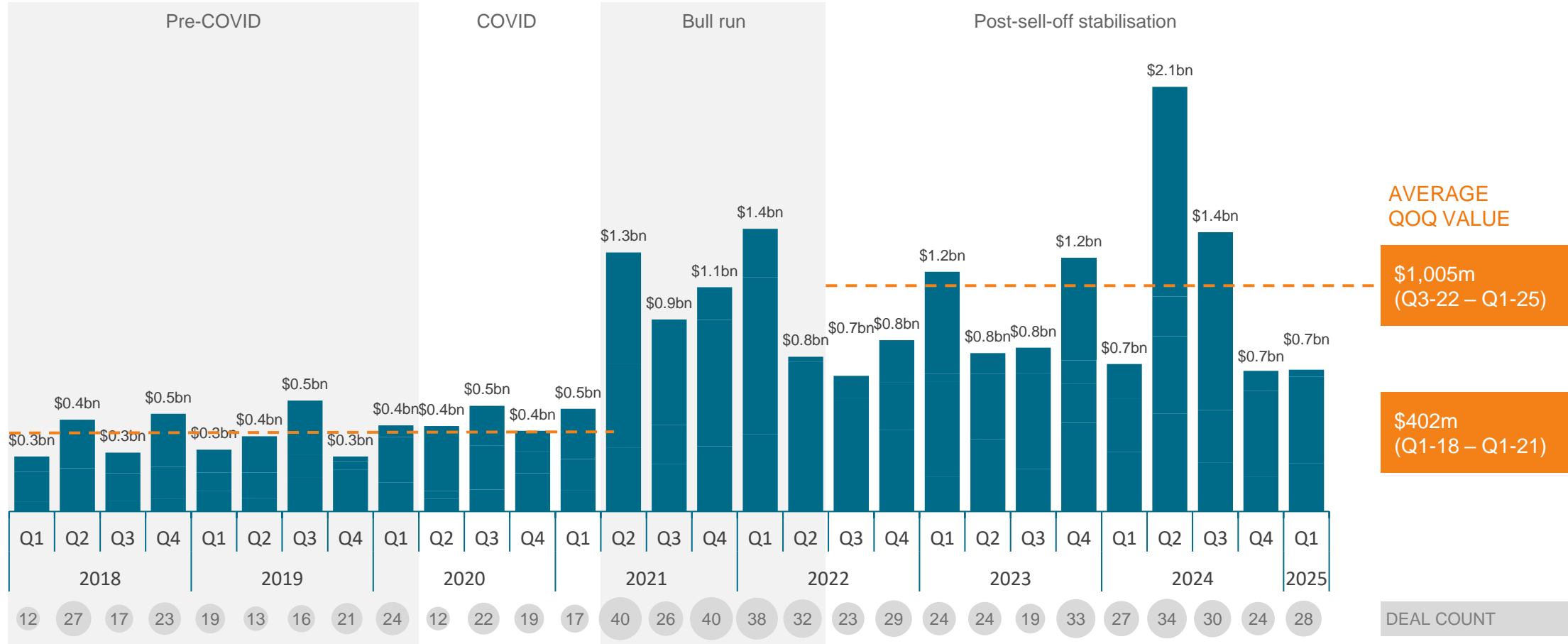
SECTION 1

# Financing environment



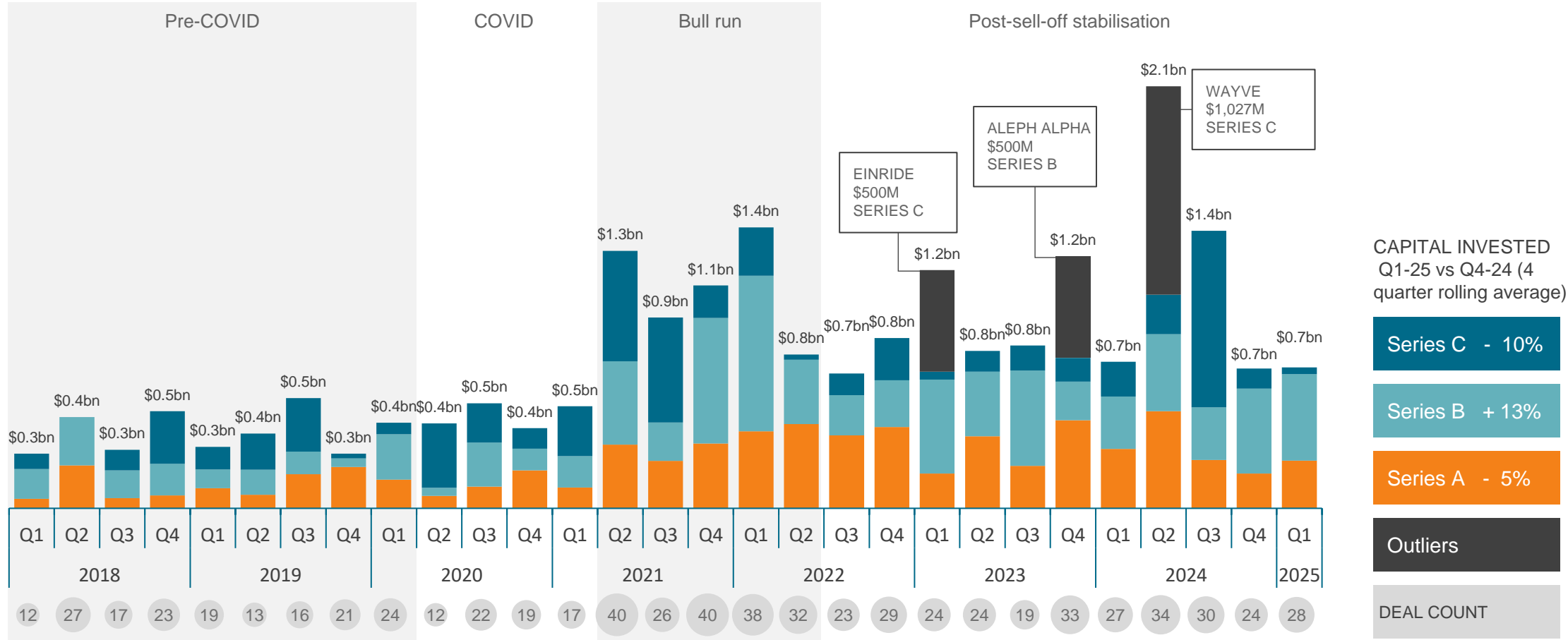
Financing deals in Europe have stabilised at 30 deals and c.\$1bn per quarter on average, a 2.5x increase from pre-Covid levels

TOTAL FINANCING AMOUNTS AND DEAL COUNT, 2018 – Q1 2025



Series B rounds have increased, series A rounds are stable, whilst large Series C rounds decreased

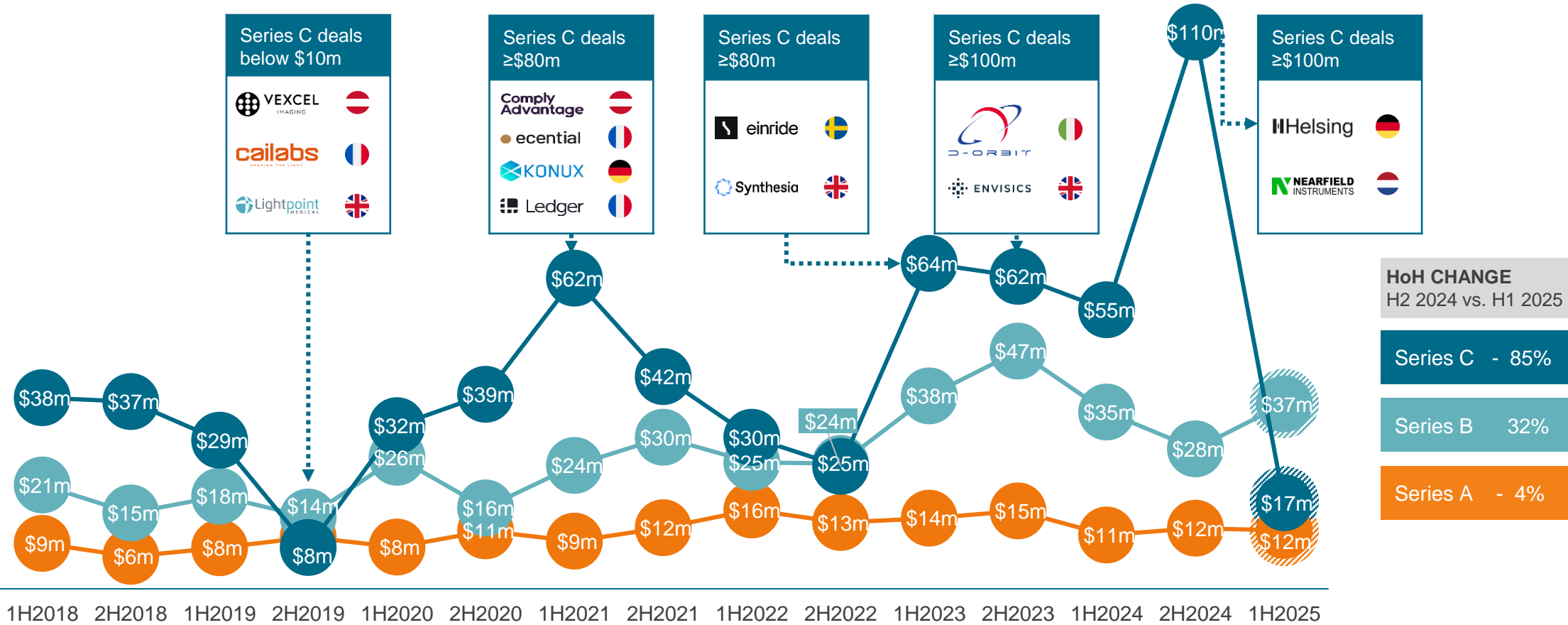
SERIES A, B & C TOTAL FINANCING AMOUNTS AND DEAL COUNT, 2018 – Q1 2025





A typical deeptech Series B round size is \$30-40m, on the rise, and a Series A round is \$10-15m

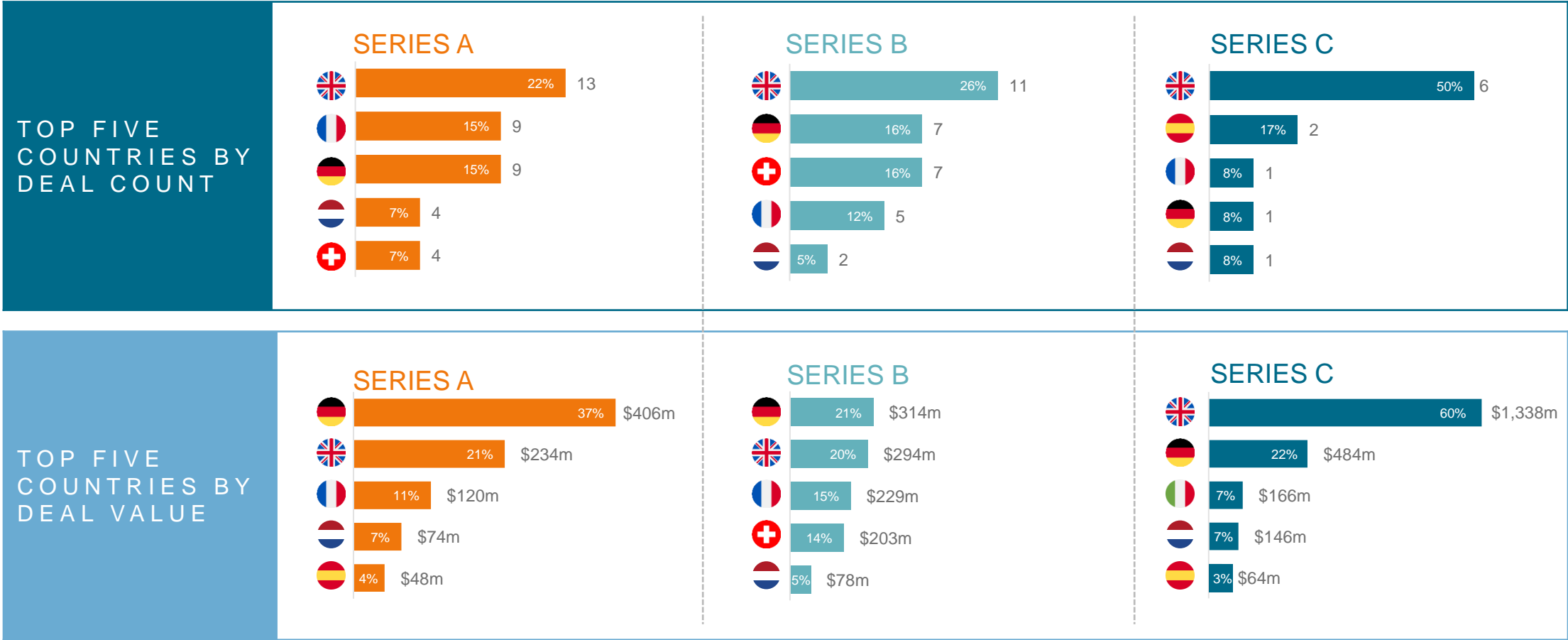
MEDIAN SIZE OF SERIES A, B & C ROUNDS, 2018 – Q1 2025













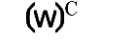






























UK is the most active market by deal count, followed by Germany, France, Switzerland and The Netherlands

SERIES A, B & C DEAL COUNT AND VALUE BY COUNTRY, 2024 – Q1 2025



# Robotics (often AI/ML enabled), semiconductor, space, defence are the main deeptech sectors of interest for investors

## SELECTED FUNDING ROUNDS IN UK & EUROPE, Q2 2024 – Q1 2025

SELECTED EUROPEAN ROUNDS	DEAL SIZE	DATE	HQ	COMPANY	STAGE	SECTOR	SELECTED INVESTORS
	\$484m	Jul-24		<b>MHelsing</b>	Series C	Aerospace & Defence	 <b>GENERAL CATALYST</b>  <b>GREENOAKS</b>
	\$276m	Jun-24		<b>black semiconductor</b>	Series A	Semiconductor	 
	\$167m	Sep-24		 <b>D-ORBIT</b>	Series C	Space	
	\$146m	Jul-24		 <b>NEARFIELD INSTRUMENTS</b>	Series C	Semiconductor	 <b>TEMASEK</b> 
	\$100m	Jan-25		 <b>NEURA ROBOTICS</b>	Series B	Cognitive Automation (robotics)	 
	\$88m	Dec-24		 <b>AMVbotics</b>	Series B	Robotics	 
	\$70m	Sep-24		 <b>MarvelFusion</b>	Series B	Fusion	 
SELECTED UK ROUNDS	DEAL SIZE	DATE	HQ	COMPANY	STAGE	SECTOR	SELECTED INVESTORS
	\$1.0bn	May-24		 <b>WAYVE</b>	Series C	Autonomous Driving (Software)	 <b>Microsoft</b>  <b>NVIDIA</b> 
	\$111m	Apr-24		 <b>Skyports</b>	Series C	Aerospace & Defence	
	\$80m	Oct-24		 <b>DEXORY</b>	Series B	Robotics	
	\$75m	Aug-24		 <b>river lane</b>	Series C	Quantum	 
	\$47m	Mar-25		 <b>Alloyed</b>	Series B	Additive Manufacturing	 
	\$44m	Oct-24		 <b>ALL.SPACE</b>	Series C	Space	
	\$26m	Mar-25		 <b>20 PHOTONICS</b>	Series A	Semiconductor	 

A pool of 71 repeat deeptech investors participated in 3 or more rounds in the last 2 years

ROUND PARTICIPATION – Q1 2023 - Q1 2025

Lead and followers







# Europe is home to a group of growth-stage deeptech unicorns



## April and May featured diverse sector funding, but deal volume remained low

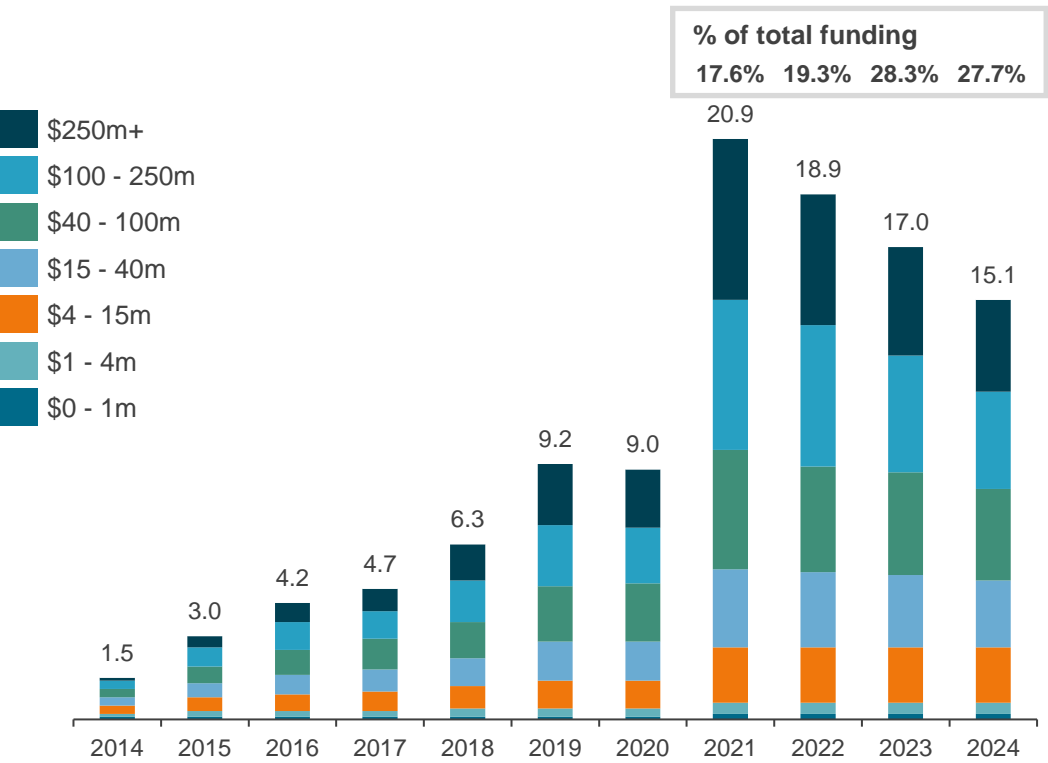
### SELECTED FUNDING ROUNDS IN EUROPE, APRIL – MAY 8<sup>TH</sup> 2025

DEAL SIZE	DATE	ROUND	HQ	TARGET	SECTOR	INVESTOR
\$180m	May-25	C		 QUANTUM SYSTEMS	Drone Technology	 HV CAPITAL
\$73m	May-25	B		 ORCA AI	Maritime Autonomy	 ANKONA  HYPERLINK VENTURES
\$42m	May-25	B		 hilo	Remote Patient Monitoring	 Molten  khosla ventures
\$34m	Apr-25	A		 ARX ROBOTICS	Aerospace Defense Systems	 NIF  Project A
\$28m	Apr-25	B		 sekoia	Cybersecurity Platform	 BrightPixel Sensor  bpi france
\$23m	Apr-25	A		 SPARROW QUANTUM	Quantum Photonics	 European Innovation Council 
\$19m	Apr-25	B		 skin analytics	AI Dermatology Diagnostics	 INTREPID
\$17m	Apr-25	A		 chipiron	Quantum MRI Technology	 European Innovation Council   bpi france

Since 2021 deeptech held up better than the overall tech investment market, and is attracting now a 28% share of total private investments in EU tech

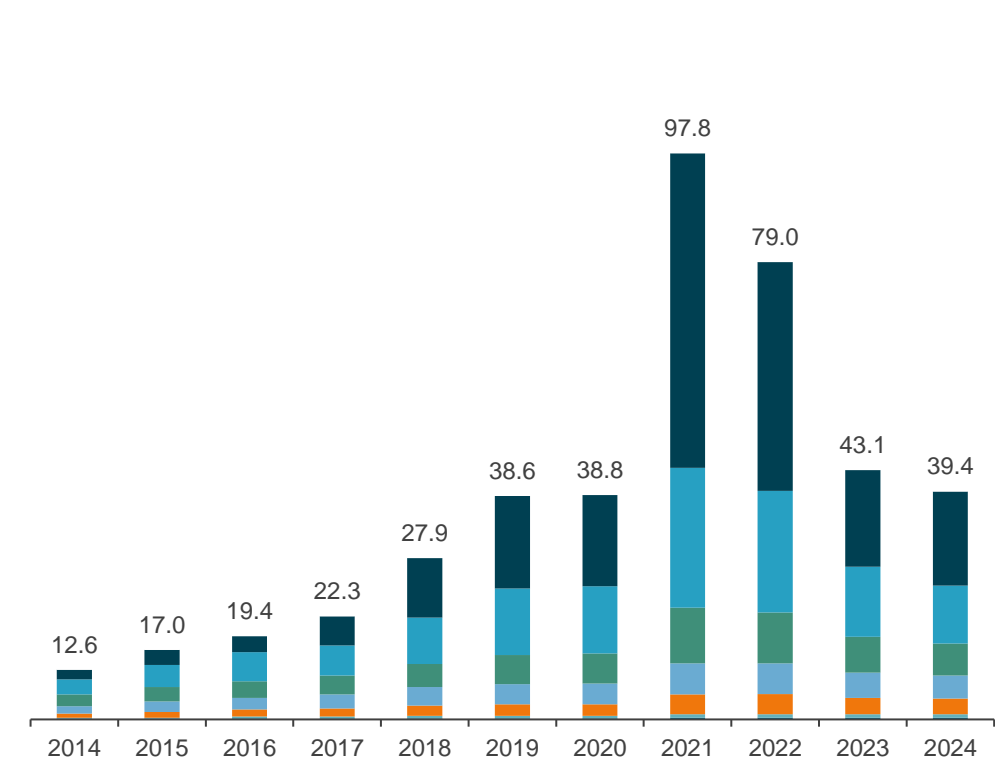
DEEPTECH

VC FUNDING IN EUROPEAN DEEPTECH STARTUPS BY STAGE



REGULAR TECH

VC FUNDING IN EUROPEAN REGULAR TECH STARTUPS BY STAGE



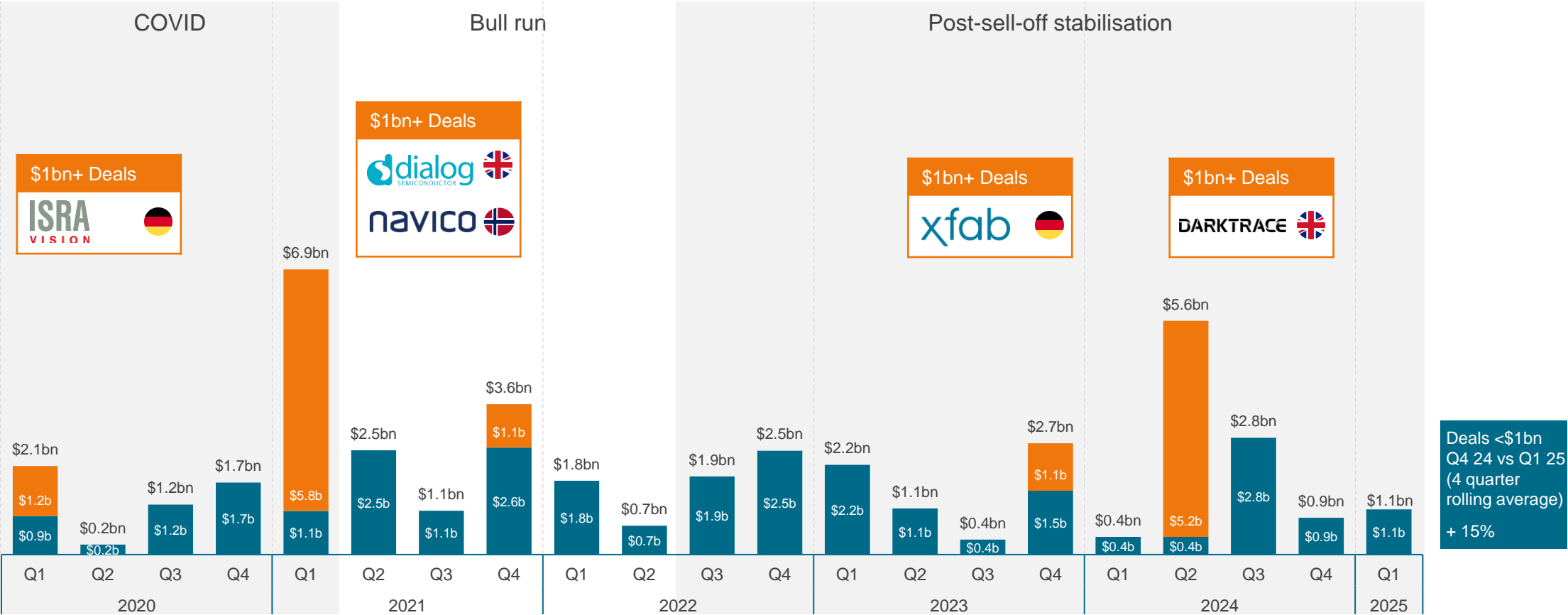


SECTION 2

# M&A environment

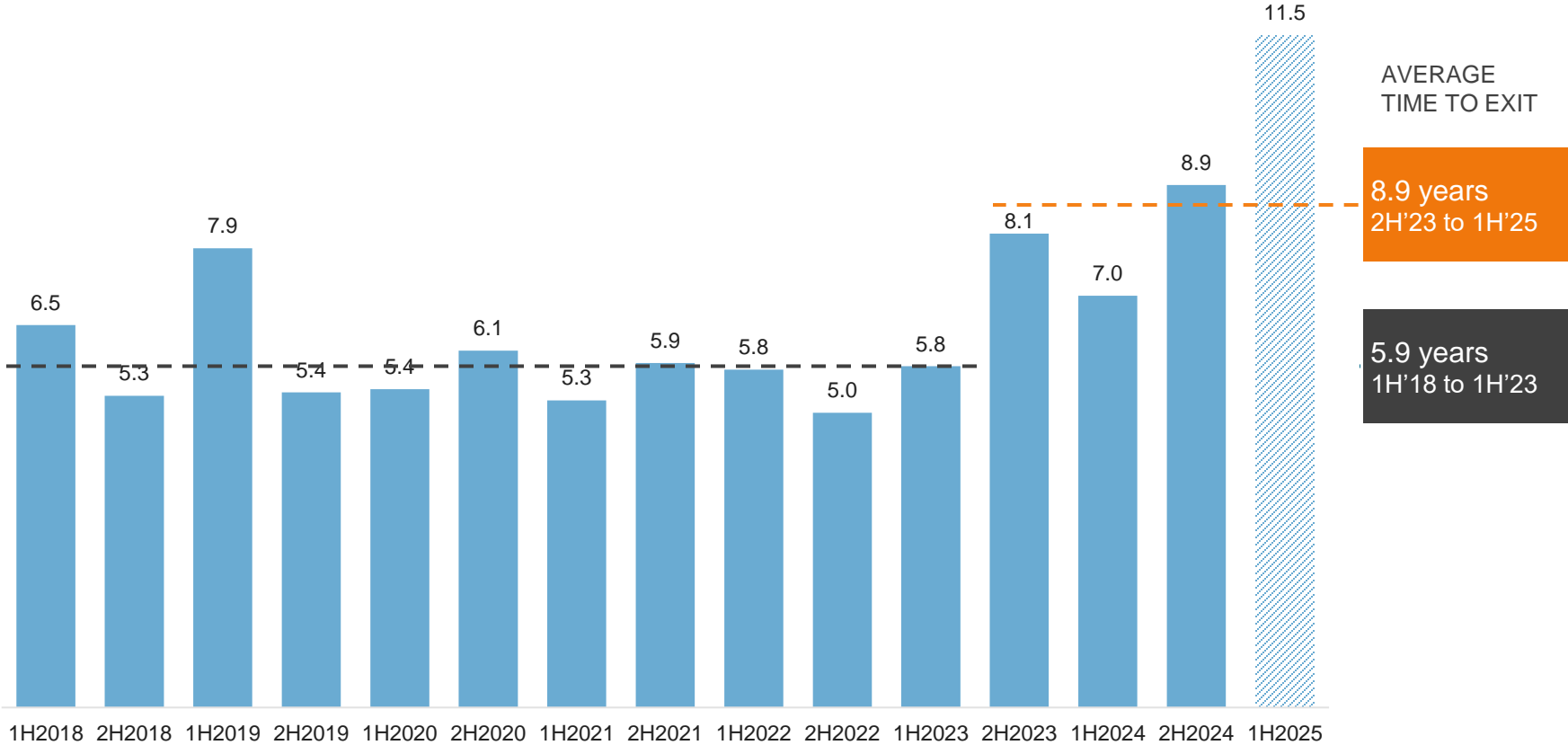
Deeptech M&A deal value is volatile ranging from \$4.0bn to \$7.3bn per year, excl. outliers  
The cumulative value including outliers is \$43.4bn in the period 2020-25YTD

EUROPEAN DEEPTECH TOTAL M&A DEAL VALUE AND COUNT 2018 – Q1 2025



# Holding times from first institutional investment to exit are now at 8-9 years

MEDIAN TIME BETWEEN FIRST INSTITUTIONAL INVESTMENT AND EXIT (# YEARS)

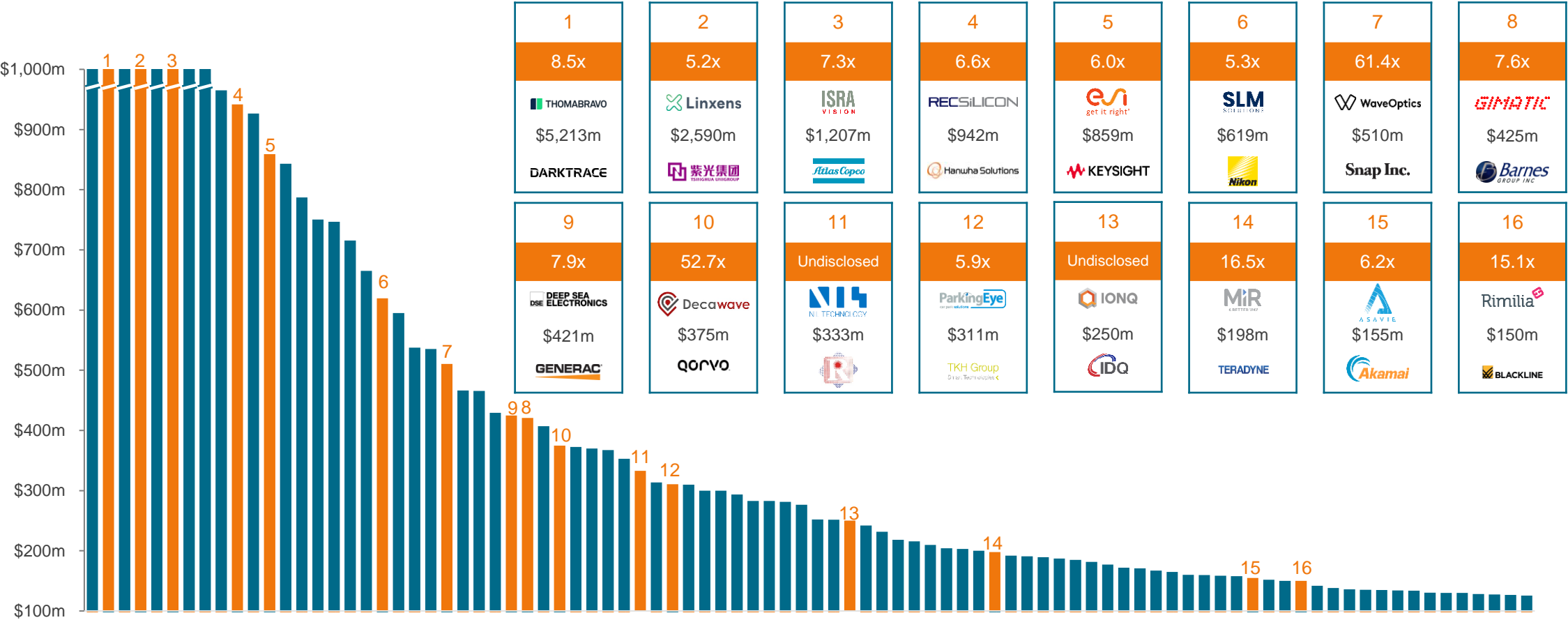


- Despite investor perception that deeptech investments will require a relatively long hold period, our analysis shows hold periods to be at the lower end of what is typical for VCs
- Deeptech investments are often funding significant upfront capex before commercialisation and come with more technology risk than, for example, software companies
- Although investors tend to invest at an earlier stage, deeptech companies can exit early at strategic valuations once product-market-fit is proven



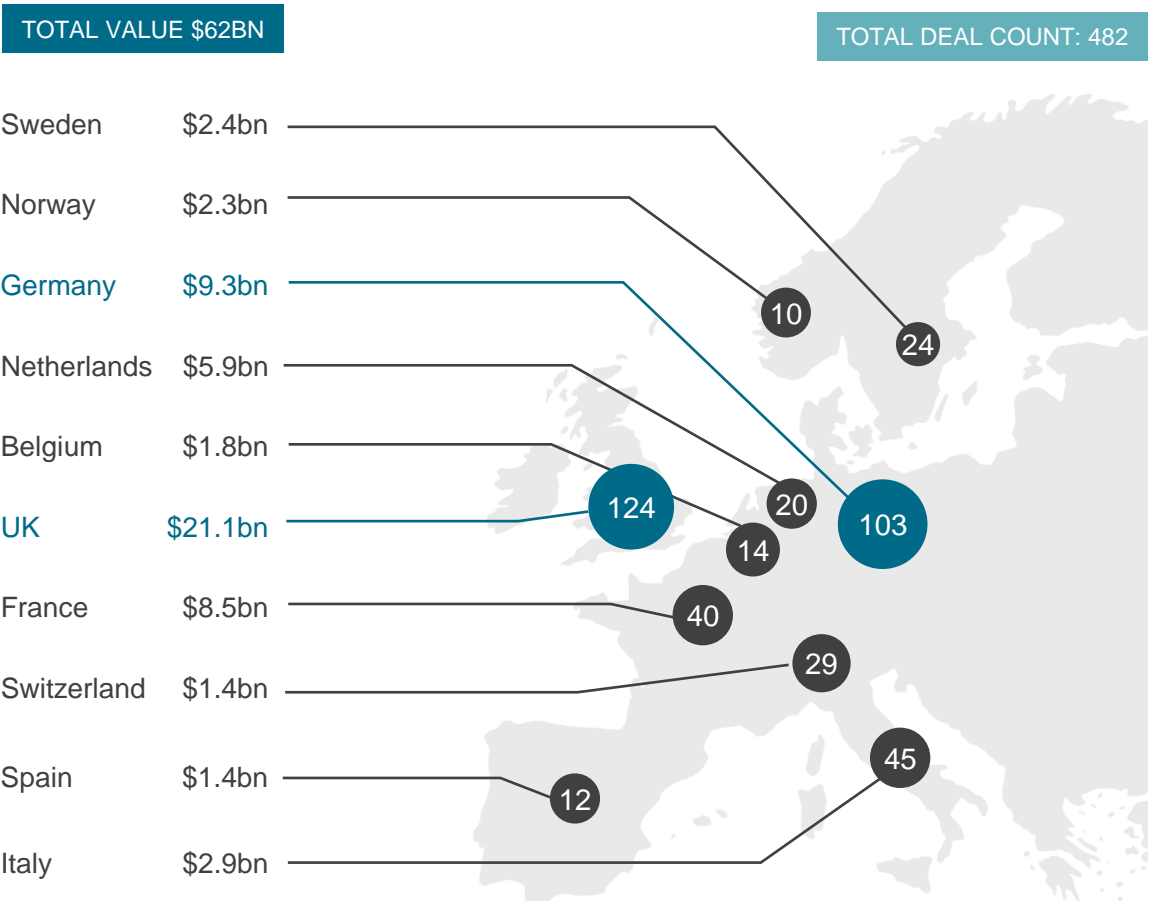
In deeptech there is a wide range of EV/revenue multiples because the value is often “strategic” and only a minor portion of the deals reports valuation metrics

M&A ENTERPRISE VALUE >\$100M AND SELECTED EV/REVENUE MULTIPLES > 5X 2018 – Q1 2025

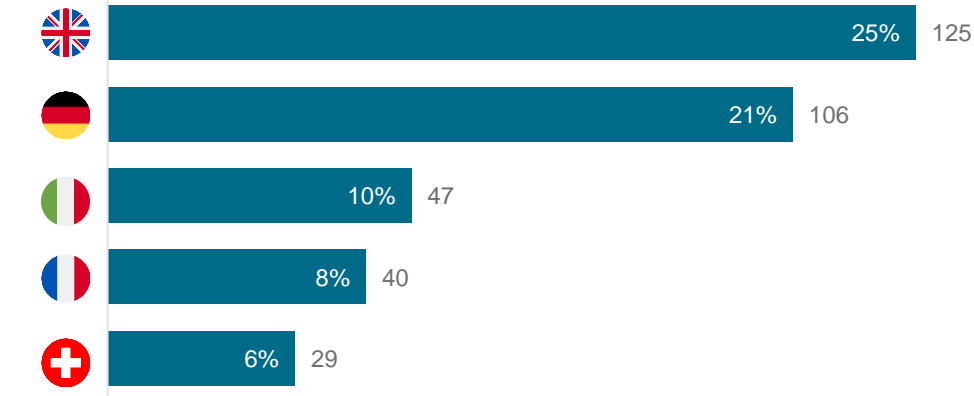


# UK is most active for deeptech M&A activity, followed by Germany

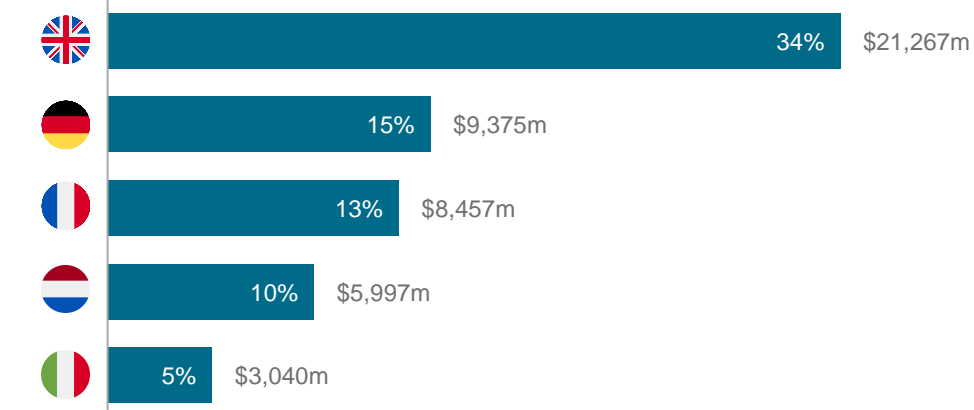
TOP 10 COUNTRIES BY M&A DEAL VALUE IN EUROPE, 2018 - Q1 2025



DEAL COUNT






























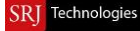


ENTERPRISE VALUE



## 2024 and the first quarter of 2025 saw a variety of sectors covered in deeptech European M&A

### SELECTED M&A IN EUROPE, Q1 2024 – Q1 2025

EV	DATE	HQ	TARGET	SECTOR	BUYERS
\$5.2bn	Oct-24		<b>DARKTRACE</b>	Cyber Security	
\$595m	Feb-25			Precision Optics	 NYse <sup>1</sup>
\$313m	Jul-24			Medical Equipment	 Nasdaq
\$250m	Feb-25			Quantum Networking	 NYse <sup>1</sup>
\$85m	Jan-25			Precision Optics	 
\$61m	Feb-25			Electrodes	 ALTOR
\$49m	Feb-25			Semiconductors	 Nasdaq
\$45m	Oct-24			AR / VR (Software)	
\$36m	Jan-25			Test & Measurement Equipment	 LSEG
\$20m	Jul-24			Robotics	 ASX

SECTION 3

# 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

# Sector coverage

## Software

Application software  
Applied AI  
Data analytics  
Infrastructure software  
RPA /LowCode  
Vertical software  
› Construction  
› Edtech  
› Fintech  
› Healthcare  
› Maritime  
› Martech  
› Mobility  
› Sustainability  
› Travel

## Deeptech

Advanced manufacturing  
Algorithms/AI & ML  
AR/VR  
High performance computing  
Medical devices  
Networking and IoT  
NewSpace  
Photonics  
Quantum computing  
Robotics & computer vision  
Security software  
Semiconductors

## Digital services

Data services  
IT consulting  
Managed services  
Marketplaces  
Telecom services  
Cloud Services

# Strong track record in later stage deeptech transactions





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