

The background features a dark blue grid with several large, semi-transparent blue arrows pointing upwards and to the right. In the upper right corner, there is a stylized bar chart with a line graph overlaid, showing an upward trend. The overall aesthetic is modern and data-driven.

Welcome

Current trends in tech exits and financing

Tuesday 23 November 2021

This session will begin at 17:30 GMT

SH ∞ SMITHS

SILVERPEAK

Speakers

Connect with the speakers on LinkedIn by scanning the QR codes below.



Alastair Peet

Partner | Shoosmiths



Steve Barnett

Partner | Shoosmiths



Paddy McGwire

Managing Partner | Silverpeak



Pietro Strada

Managing Partner | Silverpeak



Speakers

Connect with the speakers on LinkedIn by scanning the QR codes below.



Lisa Faragher

Senior Associate | Shoosmiths



Simon King

Partner in Ventures Team
Octopus Ventures



David Cocks

Co-founder | CloudTrade



M&A AND FINANCING TRENDS IN TECH

Pietro Strada, Managing Partner



COMPANY SNAPSHOT

Silverpeak advises **outstanding technology companies**
on M&A and larger financing transactions



European clients – **Global** counterparties

OUR PRESENCE IN THE TECHNOLOGY SECTOR

Silverpeak has deep sector knowledge and extensive execution experience in the technology sector




SELECTED RECENT TRANSACTIONS

GB | GB





Data extraction & document automation SaaS ML platform


Sale to



A portfolio company of

October 2021



NO | CA



Project management and risk analysis software

Sale to



September 2021



NL | US



Application testing software

Majority sale to



September 2021



GB | GB



Trading and automation SaaS for renewable energy

£20m investment led by



June 2021



GB | US




Fibre broadband network operator

£100m investment by



September 2020



GB



Satellite antenna technology

\$40m investment by



February 2021



GB | EU



Video compression solutions


€33m investment by

INVESTMENT FIRMS & TECH ENTREPRENEURS

October 2020




GB | SE




Construction workforce management platform & SaaS

Sale



April 2021



PT | US



Technology venture capital

Continuation fund, including:



Low-code SaaS leader

September 2020




LT | JP | GB




Mobility-as-a-Service platform


Investment by



June 2020




ES | US




Gaming cloud streaming


Sale



December 2019




GB | US




Cloud transformation consultancy

Sale



November 2019



EU | EU


CONFIDENTIAL

SaaS FinTech platform

Investment

\$150m

September 2019



FR | US



M2M cybersecurity for the industrial internet

Sale to

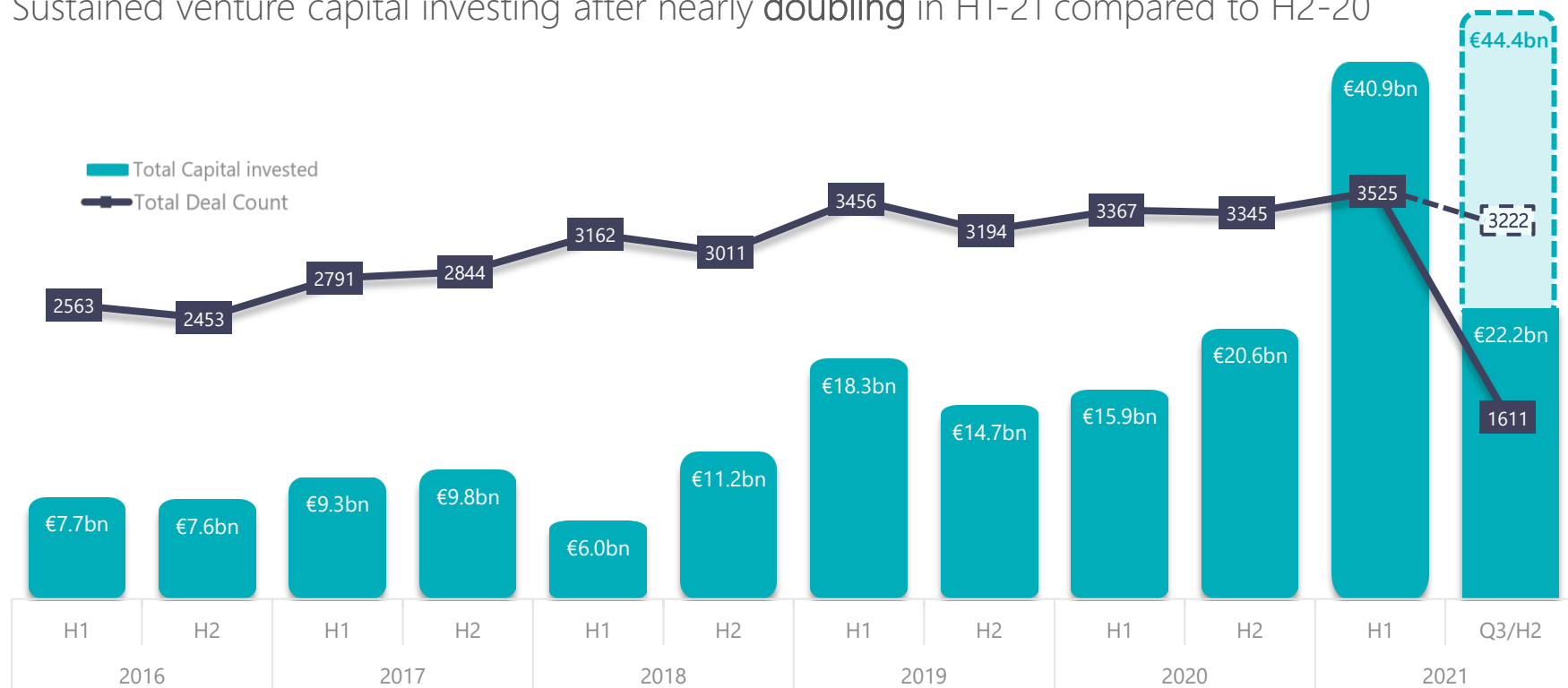


August 2019



TOTAL VENTURE CAPITAL FINANCING IN EUROPEAN TECH

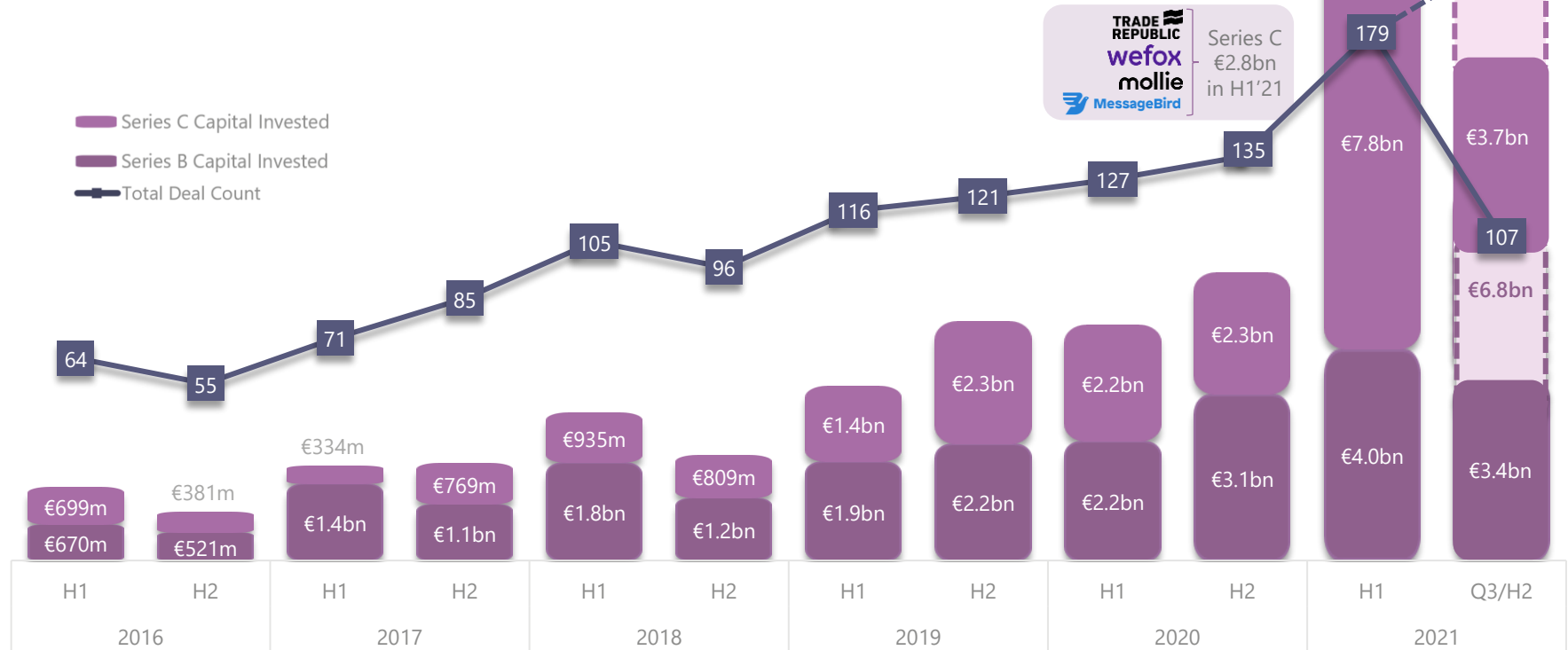
Sustained venture capital investing after nearly doubling in H1-21 compared to H2-20



Source: Pitchbook | Completed deals >€0.1m | Only disclosed deals counted

EUROPEAN TECH SERIES B&C FINANCING ROUNDS

Series B&C financing rounds in 2021 reached record highs, in particular B rounds



Source: Pitchbook | Completed deals >€5m | Only disclosed deals counted

MOST ACTIVE LEAD INVESTORS IN TECH SERIES B&C ROUNDS

32 investors led three or more B&C rounds since January 2020, including diverse types:

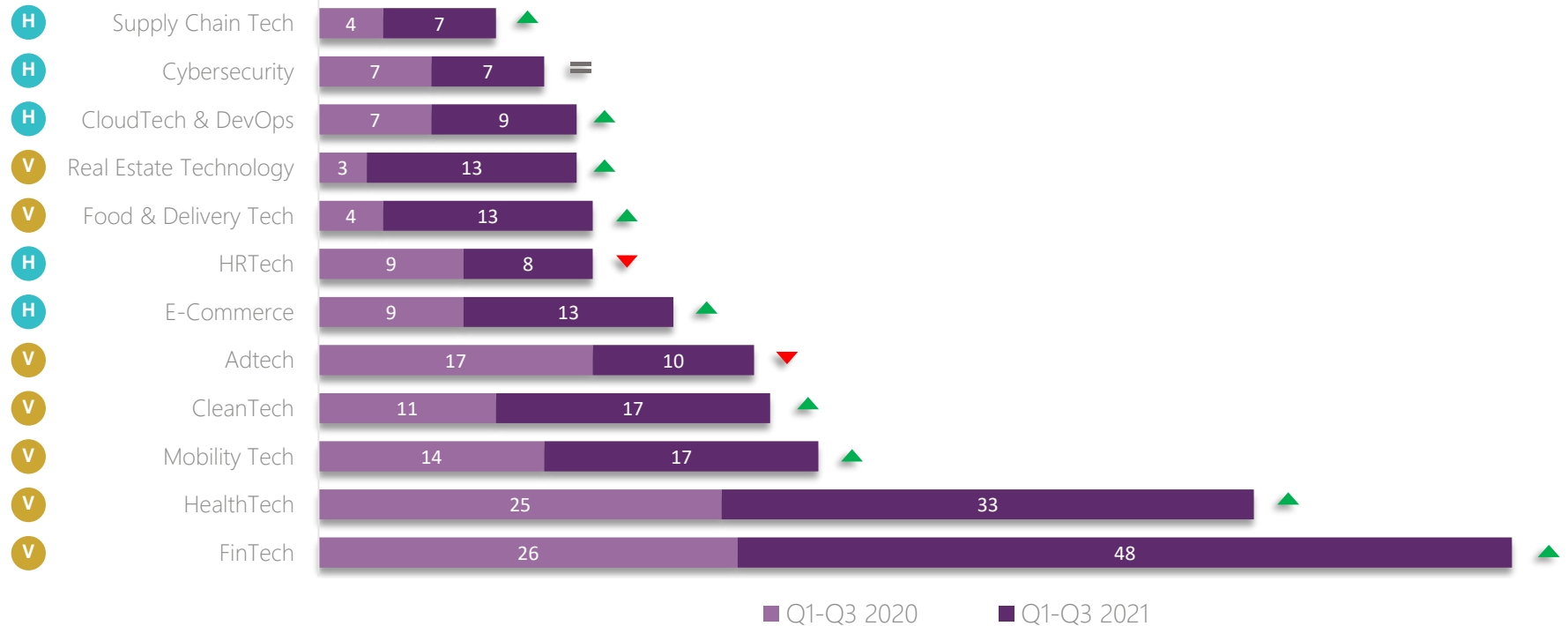
- 6 originally US funds (Bessemer, TCV, Valar, Accel, GA, Insight)
- 2 state-backed funds (BGF, Bpifrance)
- 3 strategic funds (Leaps by Bayer, Axa Venture Partners, Tencent)
- 2 hedge funds (Coatue, Tiger Global)



Source: Pitchbook | Completed deals >€5m | Only disclosed deals counted

BREAKDOWN OF EUROPEAN B&C ROUNDS: BY SEGMENT

Fintech and health are the most active among a range of other segments

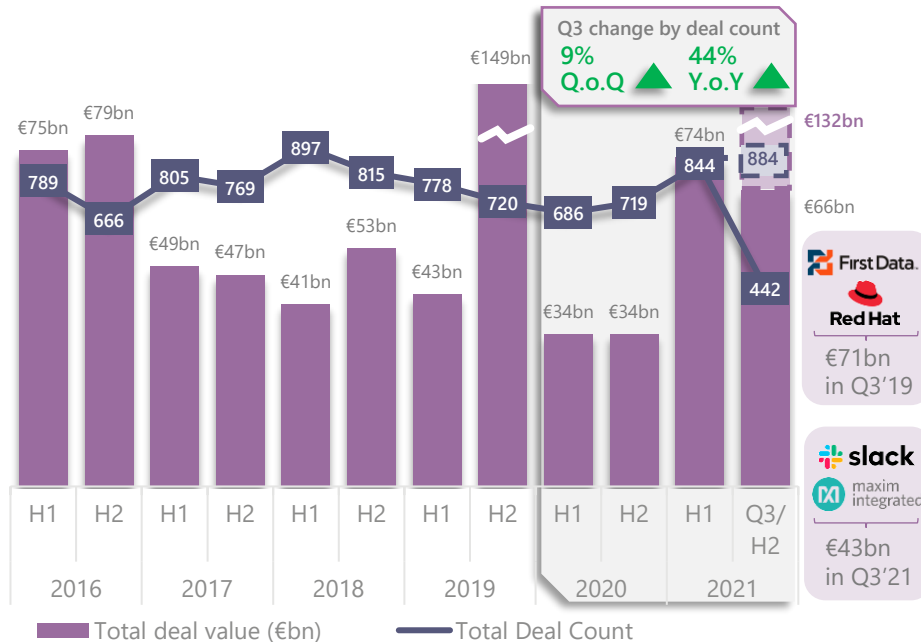


Source: Pitchbook | Completed deals >€5m | Only disclosed deals counted | Frequent verticals only

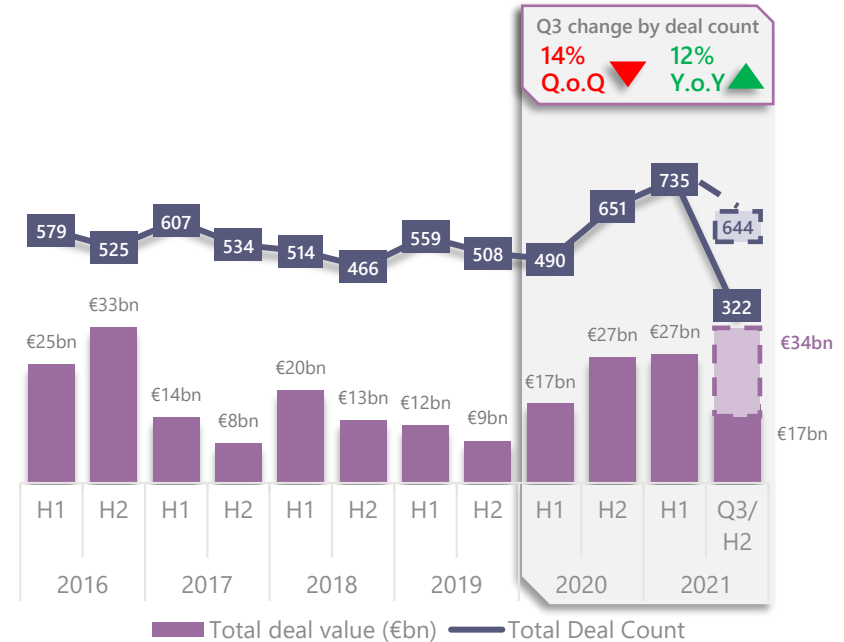
TECH M&A BREAKDOWN BY REGION

US & Canada form the largest tech M&A market, but Europe is on track for a record year

USA & Canada



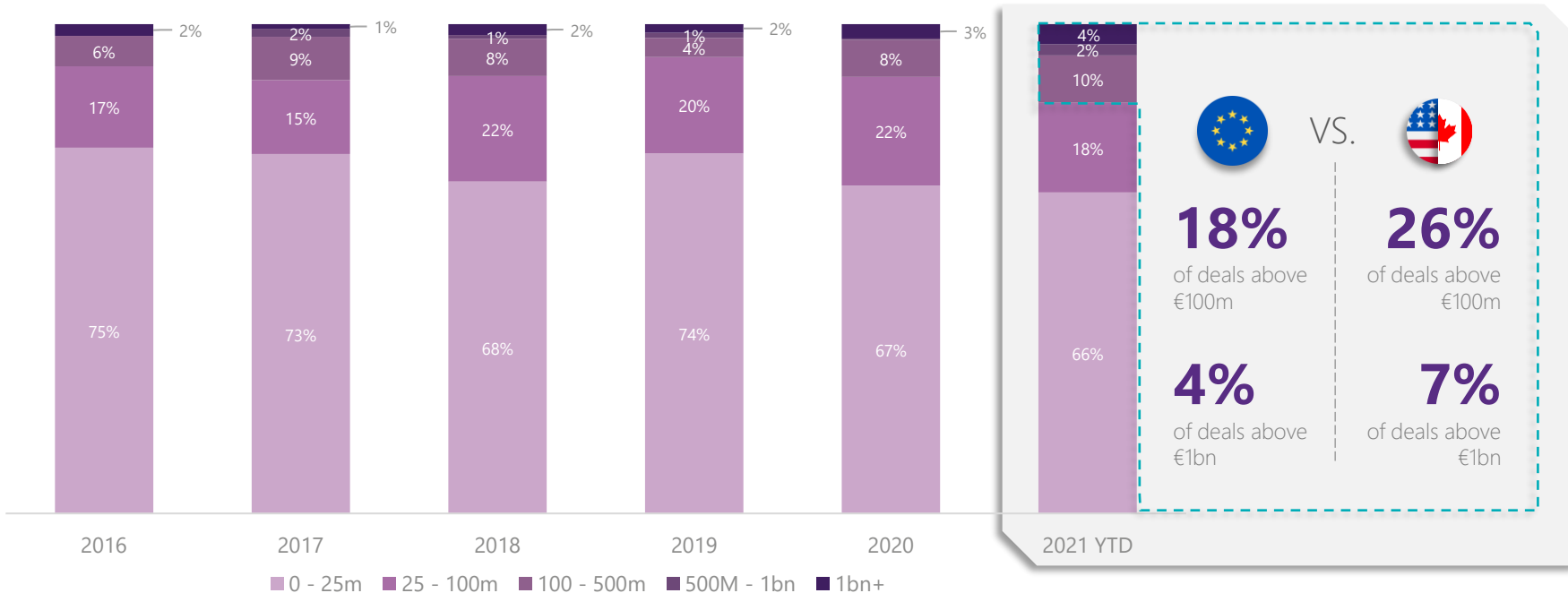
Europe



Source: Pitchbook | Completed deals >€0.1m | Only disclosed deals counted

TECH M&A BREAKDOWN BY SIZE – EUROPE

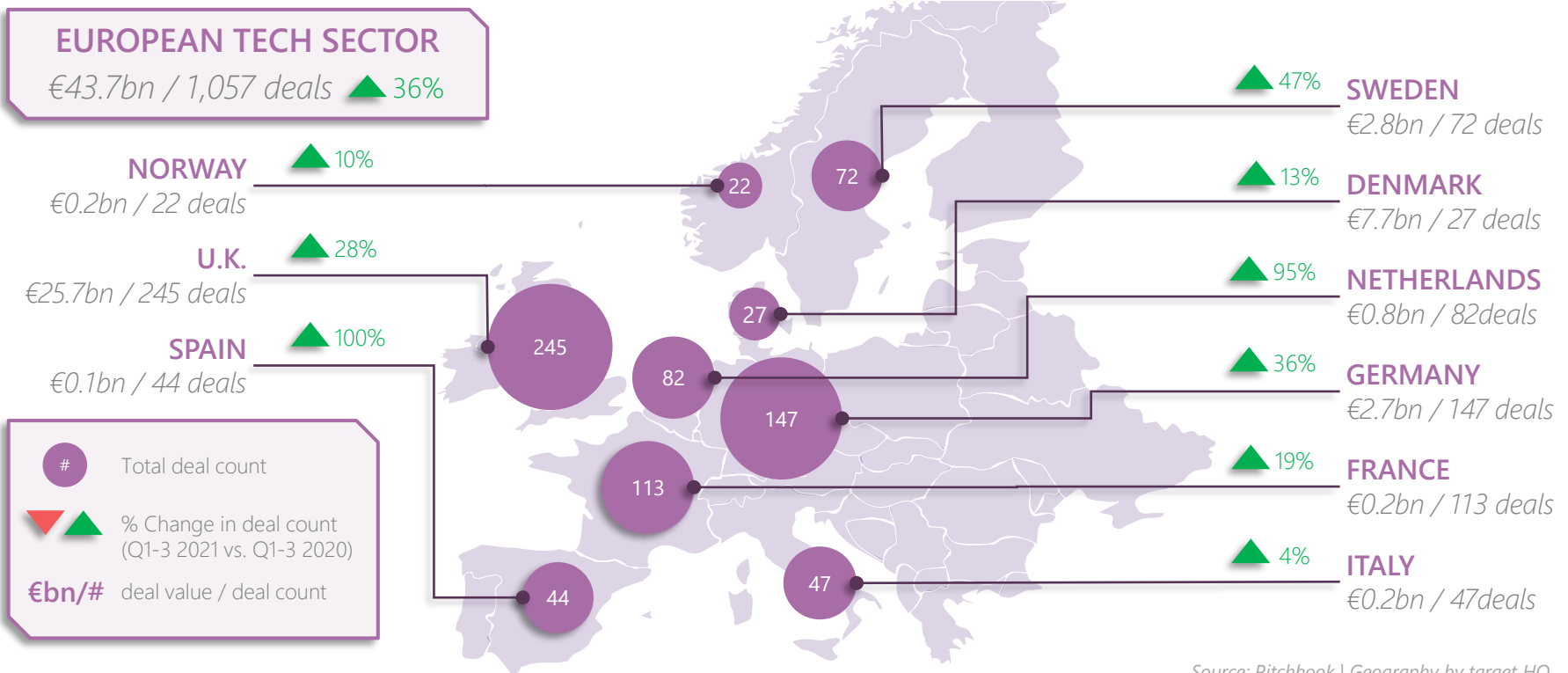
Share of >€1bn deals in Europe reaches new high although \$100+m deals remain well below the US & Canada level



Source: CapIQ, Pitchbook | YTD: Q1-3 | Completed deals >€0.1m | Only disclosed deals counted

Q1-Q3 2021⁽¹⁾: M&A ACTIVITY IN SELECTED EU COUNTRIES

General uplift in the number of European M&A transactions post COVID-19, UK most active




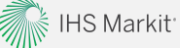






















Source: Pitchbook | Geography by target HQ

























BIGGEST TECH DEALS 2020-2021 YTD

Mega-deals on both sides of the Atlantic, however, European buyers do not seem to cross the pond when making acquisitions

Europe Targets

Acquirer	Deal Value/Date	Target
 	€37.2bn/Nov-20 ⁽¹⁾	 
 	€33.8bn/Sep-20 ⁽¹⁾	 
 	€12.2bn/Jan-21	 
 	€7.8bn/Oct-20	 
 	€7.6bn/Jul-21	 
 	€7.4bn/Jan-20	 

USA & Canada Targets

Acquirer	Deal Value/Date	Target
 	€29.7bn/Oct-20 ⁽¹⁾	 
 	€23.3bn/Jul-21	 
 	€19.5bn/Aug-21	 
 	€13.5bn/Apr-21 ⁽¹⁾	 
 	€12.4bn/Jul-21 ⁽¹⁾	 
 	€9.6bn/Sep-20	 

Source: CapIQ, Pitchbook | Data as of 17/11/2021 | ⁽¹⁾ Announced

THEMES IN TECH: 2021

01



2021: The year of the SPAC?

Global SPAC Stats:

2020: 248 SPACs - \$83bn raised

2021*: 544 SPACs - \$148bn raised

SPACs have become very popular, with H1-21 numbers reaching new highs.

Recently the SPAC market has cooled down: harder to raise PIPEs and higher level of redemptions

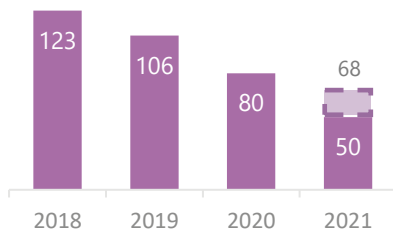
The question is; at what level is the SPAC financing market going to stabilise?

02



New VC funds levelling out

New €100m+ tech VC funds continue to be raised in USA, Canada & Europe, but seem to be levelling out:



03



Food delivery market boom helped by the pandemic

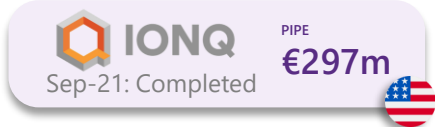
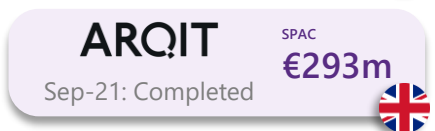
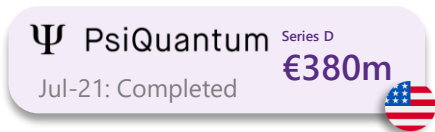
In Q1 2021 the revenue of DoorDash, the largest food delivery app in America, increased by more than three-fold.



04



Quantum computing applications have attracted large investment in Q3 2021:



Source: Pitchbook, Spacinsider | Data as of 17/11/2021 | YTD: 17/11/2021

The Legal View

Steve Barnett and Lisa Faragher, 23 November 2021

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General thoughts

- Deal-flow remains high (investments and exits)
- Investor appetite for secondary transactions continues:
 - Not just on later rounds
 - Opportunity to tidy up cap tables as well as partial exit for founders
- Not all good news for investors and founders...plenty of lower-value exits
- Wide range of investors now seeing opportunities in the UK:
 -leading to some non-standard terms

National Security and Investment Act 2021 (1)

- Comes into force on 4 January 2022
- **Mandatory Notification Regime:**
 - Low control threshold (more than 25%)
 - Share purchase deals only
 - No materiality thresholds
 - The 17 specified sectors include:
 - Advanced materials
 - Advanced robotics
 - AI
 - Communications
 - Cryptographic authentication
 - Data infrastructure
 - Energy
 - Quantum technologies
 - Satellite and space technologies

National Security and Investment Act 2021 (2)

- Draconian penalties - a failure to obtain clearance where required means that the transaction will be void
- **Voluntary notification:**
 - Gives rise to national security concerns
 - Material influence in the entity
 - Control over qualifying assets (e.g. land, intellectual property)
- **Call in powers:**
 - 5 years from the date the transaction completed
 - Important to note has retrospective effect and will apply to transactions that have taken place since 12 November 2020
- Potential impact on VC investments and exits



PANEL DISCUSSION - LESSONS FOR AN OPTIMUM TRANSACTION

Paddy MccGwire, Moderator

Simon King, Octopus Ventures

David Cocks, CEO of Cloud Trade

Alastair Peet, Shoosmiths

Pietro Strada, Silverpeak

Thank you

Current trends in tech exits and financing webinar

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