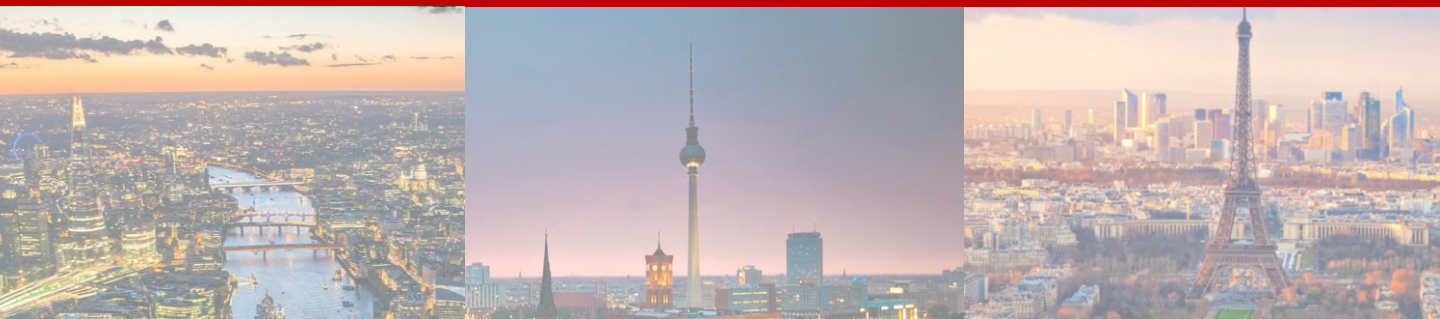


CLIPPERTON

In collaboration with **Digimind.**

EUROPEAN INNOVATION FINANCING FULL YEAR 2018



CONTRIBUTORS

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About Clipperton

Clipperton is a European independent corporate finance advisory firm exclusively dedicated to the Technology space, advising innovative companies on M&A transactions, debt financings and equity offerings. With offices in London, Berlin, and Paris and an international reach, Clipperton is a European leader in Technology financial advisory. Over the past 15 years, the team has successfully completed more than 250 high profile transactions globally.

About Digimind and WhoGotFunded

Digimind is a SaaS intelligence software company based in Paris, Boston and Singapore, providing advanced information management platforms and technologies that perform massive data collection, automatic intelligence extraction and visualisation. Using its unique web mining expertise, Digimind developed WhoGotFunded.com, the world's most comprehensive funding database, discovering over 100 fresh funding deals every day in real time all across the world.

EDITORIAL



In our January 2018 report, we were wondering whether the 2017 record vintage for European tech financing would be the last step before a down-cycle. 2018 proved to be a time for stabilization, with a slightly lower total invested amount linked to less inflated mega-deals. The data indicate a lower activity of early stage transactions - just like in 2017 - which should have a negative impact in the medium term. Nevertheless the thesis of a soft landing at work seems convincing.

In this stable environment, it is worth pointing out the super strong performance of the French Tech, with tech investments in France not so far from the UK (the gap narrowed at c.20%). In terms of financial sustainability, the health of the ecosystem in the years to come will require major exits. France, in particular, needs to score a few home-runs: the last couple of years evidenced a lack of unicorn exits, especially compared to the UK and Germany.

Thibaut Revel

Managing Partner at Clipperton



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Headlines

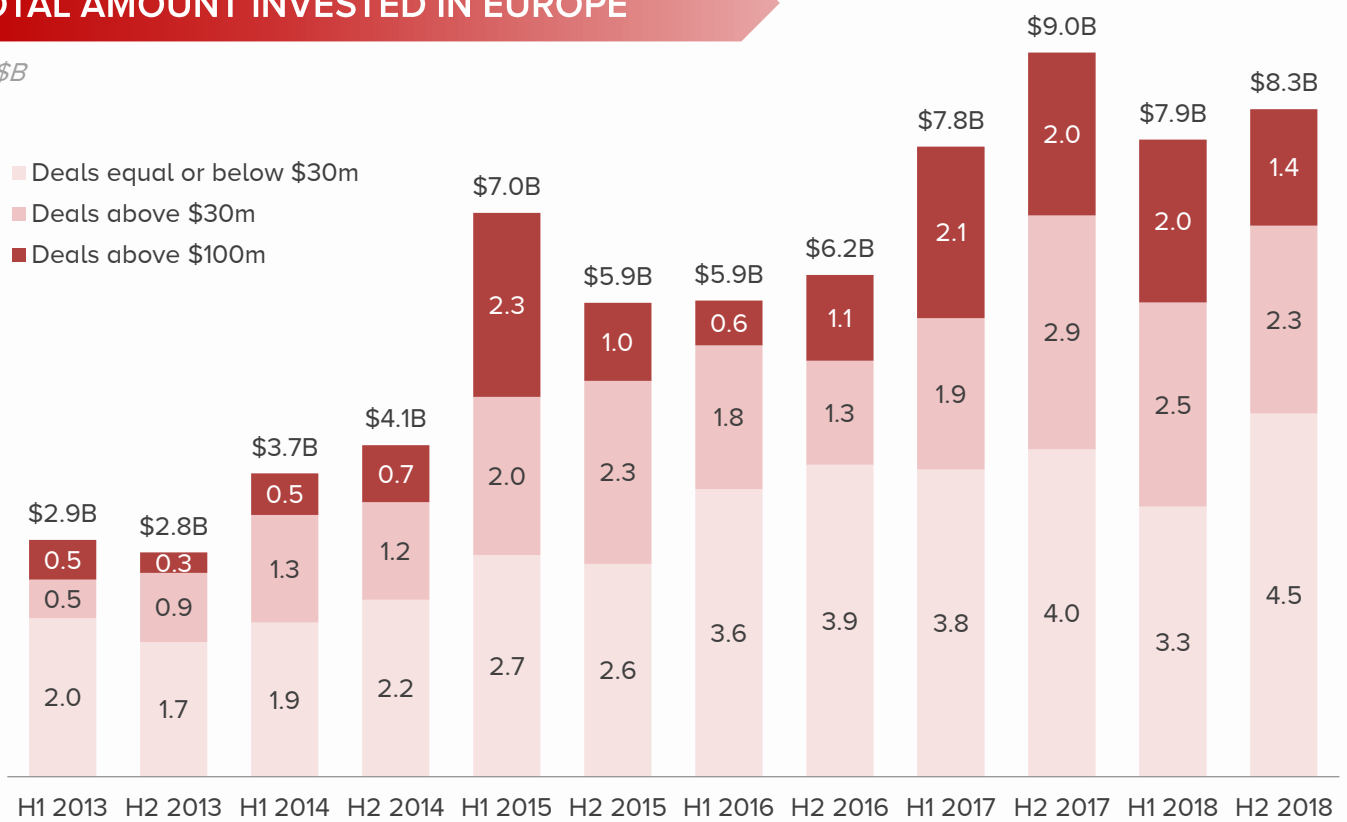
- Almost stable investment amount vs. 2017 at \$16Bn.
- Confirmation of the deceleration of the volume of early stage deals.
- French Tech is booming: +45% yoy for a record \$4Bn.
- Large deals driven both by "confirmed leaders" such as *Auto1, Deezer, N26, Cabify* and rising stars *Voodoo, Graphcore, Dataiku, Nexthink* etc.

Following a record-high vintage in 2017, investments in European innovation stabilized at \$16.3B in 2018 (-4% vs. 2017). We identified above 1,100 transactions closed, with a notable increase of the number of funding rounds above \$10m. Despite the absence of 'mega-rounds' (>\$300m), 2018 remains a strong year for European innovation.

TOTAL AMOUNT INVESTED IN EUROPE

In \$B

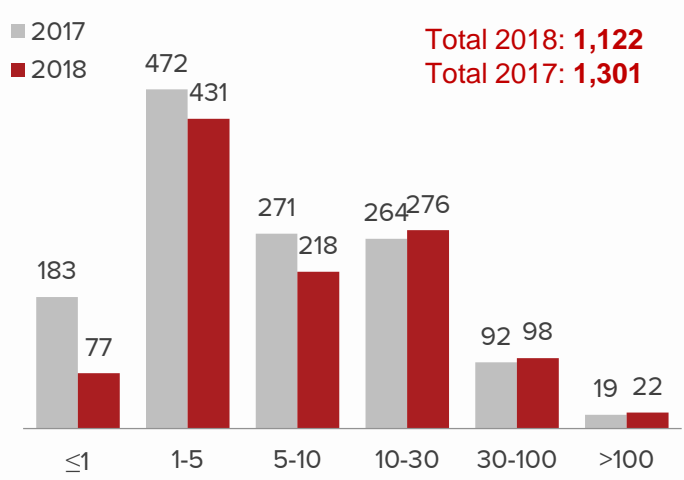
- Deals equal or below \$30m
- Deals above \$30m
- Deals above \$100m



Sources: Clipperton – WhoGotFunded

DISTRIBUTION BY ROUND SIZE (\$m)

In number of transactions



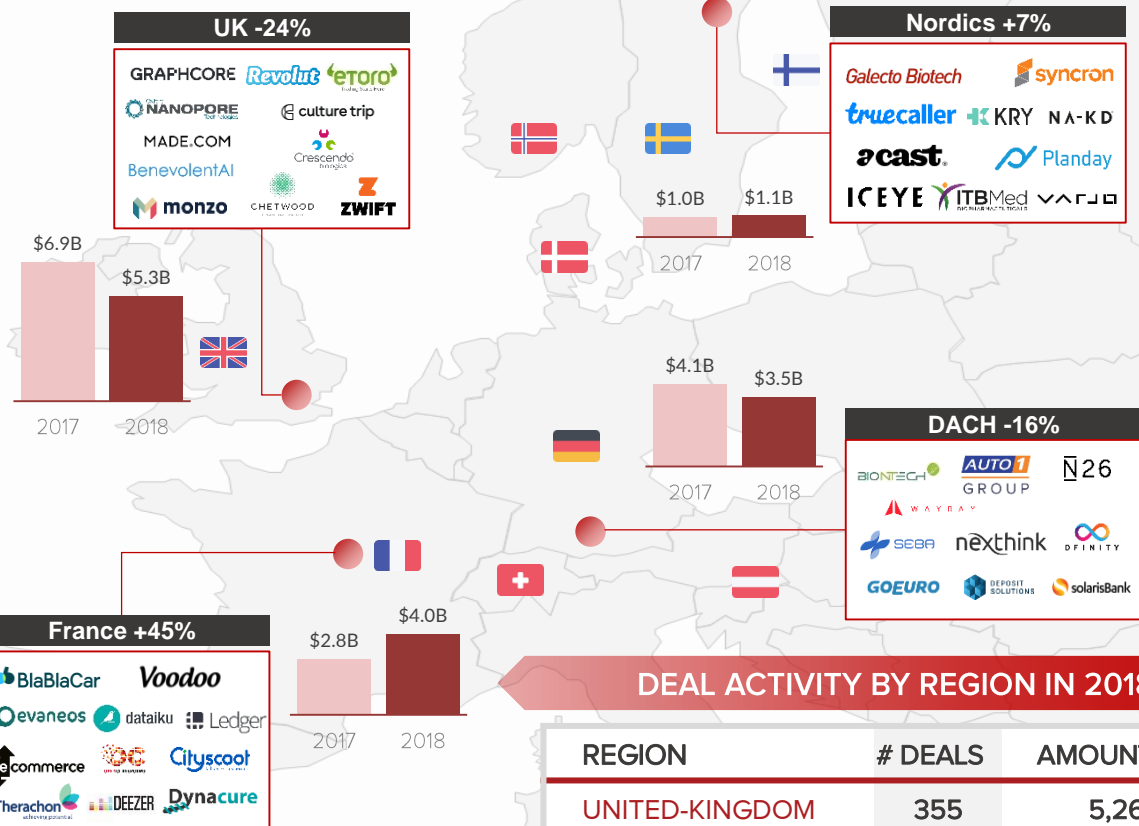
Sources: Clipperton – WhoGotFunded

TOP 10 DEALS IN 2018

BIONTECH	DE	\$270m	Cancer therapies
AUTO1	DE	\$264m	Used cars marketplace
REVOLUT	UK	\$250m	Online banking
VOODOO	FR	\$200m	Gaming
GRAPHCORE	UK	\$200m	Computing accelerators
DEEZER	FR	\$186m	Online music streaming
TAXIFY	ES	\$175m	On-demand taxi
ETORO	UK	\$162m	Social trading platform
CABIFY	SP	\$160m	On-demand taxi
N26	DE	\$160m	Online banking

GEOGRAPHIES – 2018 vs 2017

- **Exceptionally strong year in France** with \$4.0B invested in French start-ups, an increase by 45% vs. 2017. Such performance is notably driven by the large number of acceleration rounds (above \$30m): we identified 24 transactions above this threshold vs. only 15 in 2017.
- Historically driven by a handful of “mega-rounds” (e.g. *Improbable's* \$500m deal last year), the UK saw a **decline of the amount invested** in 2018 by 24%. However, activity remains strong as the number of financings remained stable vs. 2017. A notable fact, British fintech start-ups continue to attract significant amounts of VC money in the wake of *Revolut*, *Etoro* or *Monzo*...
- Amounts invested in the **DACH region decreased by 16%** vs. 2017 with \$3.5B invested. However, the region keeps being driven by large rounds, in particular in the Life Sciences sector.
- In other geographies, the **Nordics posted a solid year (+7% vs. 2017, above \$1B)** and **Spain & Portugal confirmed the upward trend** observed in 2017 (+33% at \$539m, of which \$160m and \$134m respectively for taxi hiring platform *Cabify* and on-demand delivery start-up *Glovo*).



DEAL ACTIVITY BY REGION IN 2018

REGION	# DEALS	AMOUNT (\$m)
UNITED-KINGDOM	355	5,260
FRANCE	398	4,048
DACH	165	3,474
NORDICS	71	1,069
BENELUX	58	752
SPAIN & PORTUGAL	21	522
ITALY	10	113
OTHER*	44	887

* Other: Ireland, Southern Europe and Eastern European countries (including Russia)

Sources: Clipperton – WhoGotFunded

Top Deals per Geography – 2018:

UNITED-KINGDOM

COMPANY	AMOUNT	INVESTORS
REVOLUT	\$250m	DST Global, existing investors
GRAPHCORE	\$200m	BMW I Ventures, Microsoft, Foundation Capital RBCV, Draper Esprit, Sequoia Capital, Other
ETORO	\$162m	Cubit Investments, Spark Capital, BRM Capital, Social Leverage, Commerzventures
OXFORD NANOPORE	\$140m	GIC, Hostplus, China Construction Bank International
ZWIFT	\$120m	Wetransfer, Highland Europe, Huel, Malwarebytes, Egym
FREELINE THERAPEUTICS	\$116m	Syncona Partners
BENEVOLENTAI	\$115m	Woodford Investment Management
MONZO BANK	\$108m	Stripe, Passion Capital, Orange DV, Goodwater, Accel, General Catalyst, Thrive Capital
THE CULTURE TRIP	\$80m	PPF Group
CRESCENDO BIOLOGICS	\$70m	Quan Capital, Andera Partners, Biodiscovery V

FRANCE

COMPANY	AMOUNT	INVESTORS
VOODOO	\$200m	Goldman Sachs
DEEZER	\$166m	Kingdom Holding Company, Orange
BLABLACAR	\$116m	SNCF, existing investors
DATAIKU	\$101m	Dawn Capital, Firstmark, Iconiq, Alven, Battery Ventures
EVANEOS	\$81m	Partech, Xange, Serena Capital, Bpifrance, Quadrille Capital
LEDGER	\$75m	Digital Currency Group, Draper Esprit, Korelya, Firstmark Capital, Caphorn, Cathay
RECOMMERCE	\$62m	Labrüyère, Capzanine, Creadev
OPENCLASSROOMS	\$60m	General Atlantic, Alven, Bpifrance, Citizen Capital
THERACHON	\$60m	Bpifrance, Tekla CM, Cowen, Versant, Novo Holdings, Orbimed, Inserm TI, Pfizer Ventures
DYNACURE	\$55m	Bpifrance, Pontifax VC, Kurma Partners, Andera Partners

Sources: Clipperton – WhoGotFunded

DACH

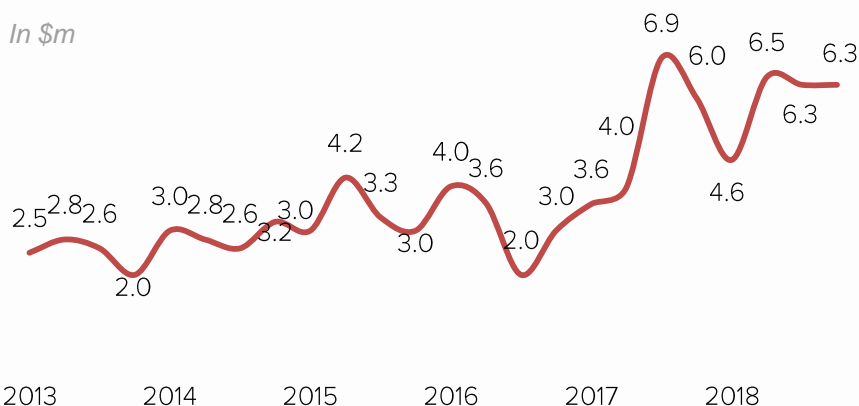
COMPANY	AMOUNT	INVESTORS
BIONTECH	\$270m	Redmile Group, Fidelity Management & Research Company
AUTO1	\$264m	Softbank Vision Fund
N26	\$160m	Insight Venture Partners, GIC, Greyhound Capital
GOEURO	\$150m	Kinnevik, Temasek, Hillhouse Capital
DFINITY	\$105m	SV Angel, Amino Capital, K11, Andreesen Horowitz, Village Global, Scalar Capital, Other
SEBA	\$102m	Summer Capital, Black River Asset Management
DEPOSIT SOLUTIONS	\$100m	Greycroft, Vitruvian Partners, Kinnevik, E.ventures
NEXTHINK	\$85m	Highland Europe, Forestay Capital, Index., Galéo Capital, Auriga Partners, Vi Partners
WAYRAY	\$80m	Jyckenwood, Hyundai Motor, China Merchants Capital, Alibaba, Porsche
SOLARIS BANK	\$70m	Visa Inc, BBVA, Sbi Group, Arvato Financial Solutions, Digital Impact Fund, Lakestar

OTHER COUNTRIES

COMPANY	AMOUNT	INVESTORS
TAXIFY (ES)	\$175m	Daimler, Korelya Capital, existing investors
CABIFY (SP)	\$160m	Lil Ventures, Theventurecity, Endeavor Catalyst, Rakuten Capital, Gat Investments
GLOVO (SP)	\$134m	Amrest, Idivest Partners, Rakuten, Seaya Ventures, existing investors
WAVES PLATFORM (RU)	\$120m	Dolfin
GALECTO BIOTECH (DK)	\$91m	Maverick Ventures, Sunstone Capital, M Ventures, Seventure, Orbimed, Other
TRUECALLER (SE)	\$90m	Zenith Venture Capital
ITEOS THER. (BE)	\$75m	MPM Capital, SRIW, HBM Partners, 6 Dimensions Capital, Fund+, Curative ventures
ITBMED (SE)	\$67m	Pablo Legorreta
SYNCRON (SE)	\$67m	Summit Partners
KRY (SE)	\$66m	Project A, Accel, Creandum, Index, Creandum

Sources: Clipperton – WhoGotFunded

MEDIAN DEAL VALUE



- After a sharp increase in 2017, the median deal value stabilized around \$6m in 2018.
- This evidences a new stage for European innovation financing with an increasing number of scale-up operations, aiming at supporting emerging tech leaders.

Top Deals per Sector – 2018:

IT – Top 15 2018

COMPANY	AMOUNT	INVESTORS
AUTO1	\$264m	Softbank Vision Fund
REVOLUT	\$250m	DST Global, existing investors
VOODOO	\$200m	Goldman Sachs
GRAPHCORE	\$200m	BMW I Ventures, Microsoft, Foundation Capital RBCV, Draper Esprit, Sequoia, Other
DEEZER	\$166m	Kingdom Holding Company, Orange
TAXIFY	\$175m	Daimler, Korelya Capital, existing investors
CABIFY	\$160m	Lil Ventures, Theventurecity, Endeavor Catalyst, Rakuten Capital, Gat Investments
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DFINITY	\$105m	SV Angel, Amino Capital, Kr1, Andreessen Horowitz, Village Global, Scalar Capital

Sources: Clipperton – WhoGotFunded

LIFE SCIENCES – Top 5 2018

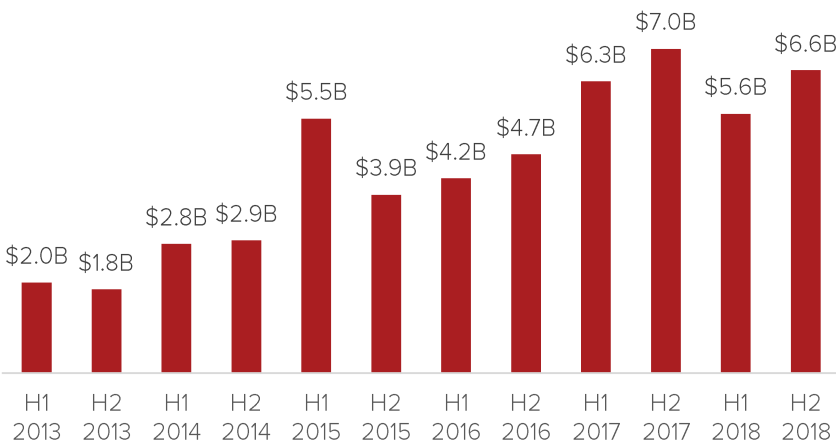
COMPANY	AMOUNT	INVESTORS
BIONTECH	\$270m	Redmile Group, Fidelity Management & Research Company
OXFORD NANOPORE	\$140m	GIC, Hostplus, China Construction Bank International
FREELINE THERAPEUTICS	\$116m	Syncona Partners
BENEVOLENTAI	\$115m	Woodford Investment Management
GALECTO BIOTECH	\$91m	Maverick Ventures, Sunstone, M Ventures, Seventure, Orbimed, Other

CLEANTECH & AGRITECH – Top 5 2018

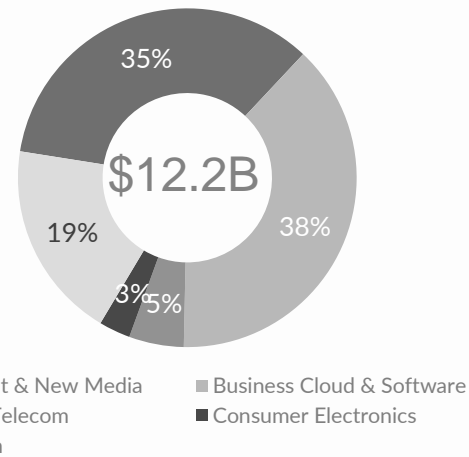
COMPANY	AMOUNT	INVESTORS
RECOMMERCE GROUP	\$62m	Labrugère, Creadev, Capzantine
INNOVAFEED	\$46m	Temasek Holdings, Creadev
REACTION ENGINES	\$44m	BAE Systems, Boeing HorizonX Ventures
NAVYA	\$44m	European Innovation Bank
ALEDIA	\$36m	Intel Capital, Supernova, Sofinnova, IKEA, Demeter, Braemar

IT investments in Europe

AMOUNTS INVESTED IN IT – 2013 to 2018



IT SEGMENTS SPLIT - 2018



- If **innovation money continues to be primarily geared towards IT start-ups** (\$12B or 75% of the total), the sector declined by 9% vs. last year notably due to decreasing investments in Internet & New Media. On the contrary the business cloud & software segment is on the rise and attracted 39% of investments in IT (vs. 24% last year).
- Strong **momentum for investments in Cleantech & Agritech** which increased by over 60% vs. 2017, notably driven by a handful of French deals (e.g. *Recommerce, Navya, Aledia*).
- As for **Life Sciences**, the segment received **9% more investments** than in 2017, close to \$900m.

Methodology

This report is based on collaborative work and research performed by *Digimind* and *Clipperton Finance*. Based on *Digimind's WhoGotFunded* comprehensive financing deals database which is built in real-time through text-mining technologies, the analysis is focused on European deals with the following characteristics:

- Investments completed in a European company (Russia included/ Israel excluded)
- The company is considered innovative i.e. with a clear technology or business model innovation – which excludes companies who operate technologies that they have not developed
- Investments higher than \$500k, in order to exclude “friends & family” seed rounds
- Secondary deals (i.e. minority sales of shares to private funds) are included, majority deals are excluded.
- Fundraisings through public markets (IPO or public equity financing) are excluded

This represents a list of about 200-400 deals per quarter, which are then allocated to an innovation universe (IT / Life Science / Cleantech) and to a sub-segment (e.g. Consumer Internet within IT).

Disclaimer

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