Go4Venture Advisers

European Venture & Growth Equity Market
Monthly Bulletin | July 2014

Technology / Media / Telecoms / Internet / Healthcare / Cleantech / Materials

About Go4Venture Advisers

Providing innovative, fast-growing companies and their investors with independent corporate finance advice to help them evaluate, develop and execute growth strategies

www.go4venture.com

Equity Capital Markets (ECM)

- Equity private placements
- Growth equity financings and secondaries
- Pre-IPO advisory

Mergers & Acquisitions (M&A)

- Sellside
- Buyside / Buy and build
- Valuation services

Visit www.go4venture.com/Bulletin to read past Bulletins

Published by Go4Venture Research, the Equity Research unit of Go4Venture Advisers LLP
Go4Venture Advisers LLP is authorised and regulated by the Financial Conduct Authority (FCA)

Contents

This Month in Brief 2

Investments

1.1 - Headline Transaction Index (HTI) 6

1.2 - Large Transactions Summary 7

1.3 - Large Transactions Profiles 9

M&A Transactions

2.1 - M&A Activity Index 26

2.2 - Top 5 Global TMT M&A Transactions Summary 27

2.3 - Headline European VC & PE-Backed M&A Transactions Summary 28

2.4 - Headline European VC & PE-Backed M&A Transaction Profiles 29

List of Acronyms 35

About this Bulletin

The Go4Venture Advisers' European Venture & Growth Equity Market Monthly Bulletin provides a summary of corporate finance activity among emerging European TMT companies:

- **Investments**, i.e. Venture Capital (VC) and Private Equity (PE) financings, including growth equity, financing rounds with single secondaries components (recapitalisations); and
- **M&A Transactions** where the sellers are VC and PE-backed European companies, including all majority transactions with no new investment going into the business (e.g. acquisitions, Management Buyouts (MBOs) and other buyouts).

Investment activity is measured using **Go4Venture's European Tech Headline Transaction Index (HTI)**, which is based on the number and value of transactions reported in professional publications.

M&A activity is measured using data from a combination of external sources, primarily Capital IQ, with complementary reporting from 451 Group and VentureSource.

Europe is defined as Western, Central and Eastern Europe, excluding Israel.

For more details, please refer to the Methodology Note available on our website.

This Month in Brief

Dear Clients and Friends,

Welcome to the latest edition of the Go4Venture Monthly European Venture & Growth Equity Bulletin, featuring our proprietary Headline Transaction Index (HTI) of investment activity, as well as a quick summary of VC & PE-backed TMT M&A exits of $50 million or more.

Heading for the Investment Sun

All these startups are great opportunities - we're off to investing

As we head back our desks with the strong intention to have a glorious end of the year, here are the numbers for the month of July, which closes the first part of the year. In short, **we are ahead of last year** and, despite a couple of large late-stage deals in July 2013 (Mobileye's €306mn and Zalando's €100mn), we finished year-to-date (YTD) July 2014 at just over 10% more in value and 20% less in volume compared to YTD 2013, showing **an average size of HTI transactions grown by 44%**. Something is afoot and the summer holiday was a good time to reflect on what is happening. Read on.

Investments

From an investment standpoint, July was in line with what we have seen so far this year, with **a maturation of the European funding activity, which is a comforting sign**. Signs of maturity include:

- **The average round size of all companies appearing in the HTI is now €11.9mn (YTD July 2014)**, i.e. higher than the threshold for reporting a Large HTI Transaction (£5mn / €7.5mn / $10mn).
- **US investors are now involved in two thirds of the Large HTI rounds** – something we will be shortly publishing a report on. In short, tech funding is becoming a global activity and European companies ignore US investors at their peril.
- Much of the activity is late-stage, i.e. C or later (10 of 18 transactions in July). Moreover, many of today's Series A rounds are for companies that have had significant seed funding and would have been considered Series B in the last cycle. Many Series B companies now have significant traction, and would probably have been considered Series C in the mid-2000s. In short, as the risk appetite of investors has decreased since 2008, **companies have to show more traction to get to a similar venture stage compared to the last cycle**.

Sector-wise, activity is diversifying away from consumer-facing internet and apps companies, with software, telecoms services, content, medtech and cleantech all showing up among the featured Large HTI transactions. **Germany and the UK lead the way**, with smaller countries making progress (in July: Spain, Switzerland and the Netherlands). **France has lost ground considerably**, even though it shows signs of brilliance as exemplified by BlaBlaCar's spectacular $100mn Series C round.

Against this backdrop, and as charted in our last Bulletin issue, there are also signs that we are progressing in the upper part of the investment cycle. Our view is that **we are past the middle of the upper part of the cycle**, **i.e. we have a couple of years before the inevitable downturn**. Signs include:
As documented in previous issues:

- Obsession with headline valuations.
- Headline valuations increasingly made senseless by behind-the-cover preference shares.
- Runaway valuations – including inflation at the late-stage, and the record level of up rounds (in Fenwick & West's Silicon Valley Venture Survey - Second Quarter 2014, up rounds exceeded down rounds 80% to 6%, i.e. a 74 point difference, which is the largest since the calculation started in 1Q02).
- Controversial public companies being supported by retail investors.

And also:

- Recently IPO'd companies trading level with, or well down on, their intro price (e.g. Criteo, Just Eat, King Digital (Candy Crush) or Zynga).
- Inane companies getting funded, such as Yo (the chat app which only says "yo") raising $1mn in June 2014.
- Me-too fundings – at least 6 parking companies got funding (Just Park, Parking Panda, Parko, ParkWhiz, Passport and SpotHero), following the umpteen pizza delivery, restaurant booking, hotel booking, online music, car sharing and taxi companies (most recently GetTaxi's $150mn round) which all received investment.
- Insiders selling, like Rocket Internet selling down its stake in Zalando ahead of the IPO planned this fall.
- The constantly growing list of incubators.
- The increasing number of "opportunistic" investors getting involved, i.e. investors with deep pockets but little experience of tech investing, be they hedge funds, private equity funds or traditional asset managers.
- And finally, the first admissions on record from venture insiders that the downturn may be coming, e.g. Techcrunch reporting that both Andreessen Horowitz's Scott Kupor and Upfront Ventures' Mark Suster agreed that "we may simply still be in a pre-bubble phase" or Mark Suster himself referring to the "next inevitable bear cycle".

At the same time, **the worst is yet to come, which gives us time to continue to score points for European growth and venture funding**:

- We have not seen yet big fundings of stupid ideas – this time will come.
- Me-too financings are at least going after large markets – we will soon similar fundings for narrower verticals.
- Retail investors are still not involved in a big way – but wait for Zalando's IPO later this autumn, which may well start the trend.

And the slowdown will not be a "crash and burn" like last time, because:

- The remaining companies will still have substantial fundamentals, even if investors got ahead of themselves (and valuations with them); and
- Europe will then have shown its potential for billion-dollar companies, with 30 European companies reckoned to have a value of $1bn or more.

Exits

From an exit standpoint, July was a bit of an anti-climax. Considering the level of funding activity, one would have expected acquirers to rush to complete deals before the summer recess, but there was little evidence of this happening. If we take our own experience as corporate finance advisers, there is excitement in funding but corporate acquisitions are still subject to considerable board scrutiny and, generally speaking, discipline has remained throughout the cycle.

The experience is similar in the US IPO market, as captured in a slide from Scott Kupor in the Techcrunch article referred above:

	1999	2013
Median company age @ IPO	4 yrs	9 yrs
Median sales @ IPO	$12M	$106M
Median price/sales @ IPO	26.5x	5.5x
Total Tech IPO proceeds	$33.5B	$8.5B
$ raised by VC firms	$55B	$17B

In July 2014, only one global M&A transaction was worth north of $1bn. It is worth noting that **all but one of the Top 5 Global TMT M&A Transactions involved a private equity seller**, showing how intricate private funding has become part of the fabric of the tech industry. **At European level, once again much of the activity for M&A exits of $50mn of more was driven by private equity sellers** rather than growth or VC funds.

However, there were **two large wins for European growth and VC funds**:

- Palamon Capital scoring big with the sale of Retail Decisions to ACI Worldwide for €151mn; and
- Movea being acquired by InvenSense for €53mn, a success for its venture backers CEA Investissement, GIMV, I-Source Gestion and Intel Capital.

Of course we would like to see more examples but again, if our experience is anything to go by, a number of transactions will have slipped to completion in September so **more good news is on the way**.

Enjoy the reading. Please direct any questions or comments to g4vBulletin@go4venture.com. If you do not wish to receive future HTI updates from us, please send an email with the title "unsubscribe" to g4vBulletin@go4venture.com.

The Go4Venture Team

Where to Meet the Go4Venture Advisers Team in September 2014 – see www.go4venture.com/contact

SAVE THE DATE – SEPTEMBER 19
Go4Venture Advisers is helping organise Portugal's First International Investors Forum
This event aims to give international investors an understating of the innovation coming from Portugal, which of course reaches out to 250 million Portuguese speakers worldwide, including 200 million people in Brazil. The day is structured to give you the opportunity to meet all key local investors and c. 40 of the most promising local tech companies, from growth equity to startups.
You can find the full programme here and the list of presenting companies here, both technology and life sciences companies.
For those who would like to come along, please request an invitation or contact events@go4venture.com. First come, first served basis.

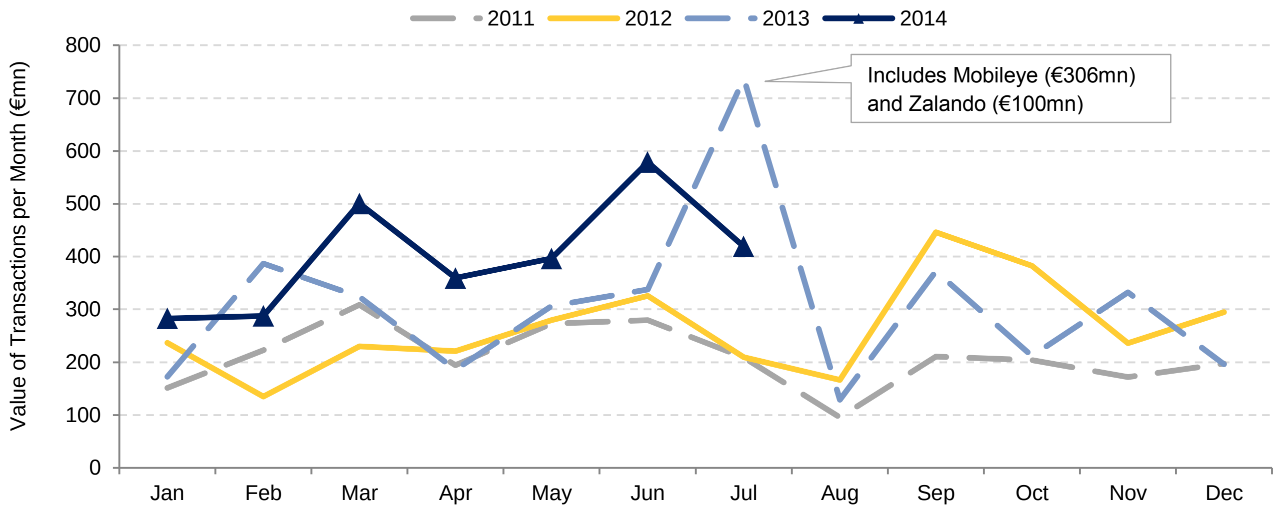
SAVE THE DATE – SEPTEMBER 25
Go4Venture Advisers is pleased to announce that we are co-hosting a seminar with Bank of America Merrill Lynch on "New Enterprise Software Models".
This an opportunity for the tech investor community to get together and discuss how investment is changing in the enterprise software space.
Among the speakers will be Frank ("Buz") L. Walters, who leads venture coverage group out of Merrill's Palo Alto's office.
The seminar is primarily targeted at investors we are close to, and some of you will have received a personal invite.
We have, however, set aside a number of tickets for those investors we missed out, and for selected companies which wish to come along. So please contact events@go4venture.com if you would like to join. First come, first served basis.

- **September 16-18 – San Francisco, CA** – HealthXL Projects Selection
- **September 19, Lisbon, Portugal –** International Investors Forum
- **September 25, London, UK -** Merrill Lynch - Go4Venture Investor Seminar: New Enterprise Software Models

For more details about the Headline Transactions Index (HTI), please visit our website.

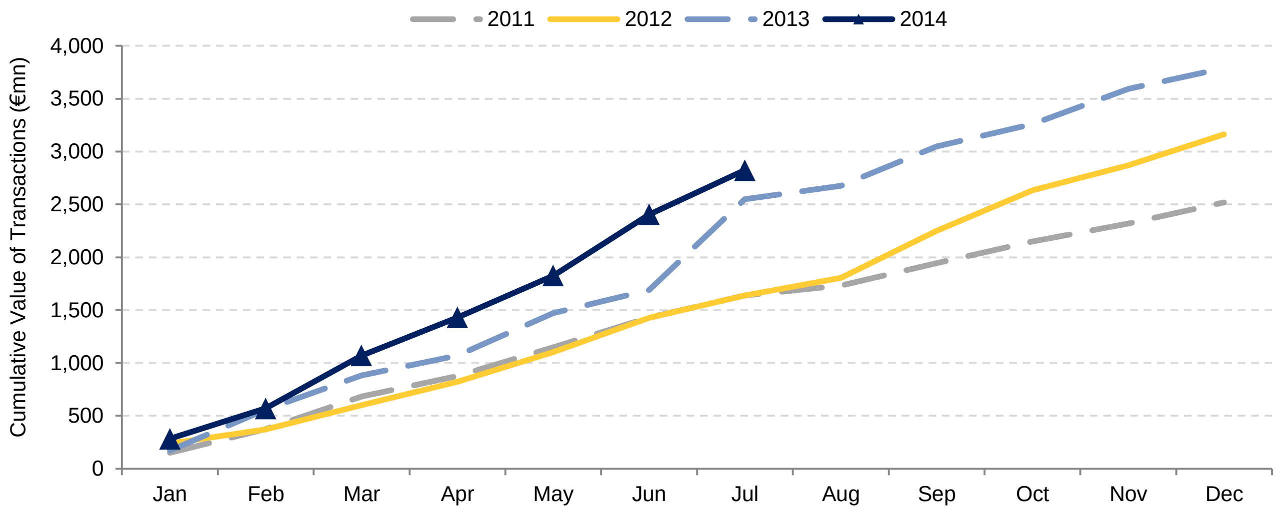
1.1 Headline Transaction Index (HTI)

Go4Venture HTI Index by Deal Value



Source: Go4Venture Advisers HTI Database

Go4Venture HTI Index by Cumulative Deal Value



Source: Go4Venture Advisers HTI Database

July		2013	2014
Large Transactions	#	18	18
	€mn	649	357
Other Transactions	#	41	21
	€mn	88	62
All Headline Transactions	**#**	**59**	**39**
	€mn	**737**	**419**
Of Which:			
Landmark Transactions	#	6	4
	€mn	516	180

Year-to-Date		2013	2014
Large Transactions	#	81	110
	€mn	1,922	2,426
Other Transactions	#	224	127
	€mn	606	398
All Headline Transactions	**#**	**305**	**237**
	€mn	**2,528**	**2,824**
Of Which:			
Landmark Transactions	#	21	36
	€mn	1,223	1,566

Definitions
Large Transactions: > £5mn / €7.5mn / $10mn
Other Transactions: < £5mn / €7.5mn / $10mn
Landmark Transactions: subset of Large Transactions > €20mn / £13mn / $27mn

1.2 Large Transactions Summary

(>£5mn / €7.5mn / $10mn)

Ranked by Round Size (€mn, including estimates) in Descending Order, then Alphabetically

#	Company	Sector	Round	€mn	Description	Investors
1	**Scytl** (Spain) www.scytl.com	Internet Services	C[N]	76.7	Electronic voting and election management systems.	Adams Street Partners, Industry Ventures, SAP Ventures, **Vulcan Capital**, Vy Capital Management
2	**BlaBlaCar** (France) www.blablacar.com	Internet Services	C	74.0	Operator of a marketplace for ride-sharing.	Accel Partners, Index Ventures, Isai, Lead Edge Capital
3	**Funding Circle** (UK) www.fundingcircle.com	Internet Services	Late Stage*	48.1	Operator of an online platform for crowd-sourced lending to SMEs.	Accel Partners, **Index Ventures**, Ribbit Capital, Union Square Ventures
4	**NewVoiceMedia** (UK) www.newvoicemedia.com	Telecom Services	Late Stage	36.9	Cloud-based contact centre solutions provider.	Bessemer Venture Partners, Eden Ventures, Highland Capital Partners, Notion Capital, salesforce.com, **Technology Crossover Ventures**
5	**Social Point** (Spain) www.socialpoint.es	Internet Services	C	22.2	Developer of social games for Facebook and smartphones.	**Highland Capital Partners**, Idinvest Partners
6	**Xmos** (UK) www.xmos.com	Hardware	Late Stage	19.2	Fabless semiconductor company specialising in multi-core chips which can be customised for a variety of embedded systems.	Amadeus Capital Partners, DFJ Esprit, Foundation Capital, Huawei Technologies, Robert Bosch Venture Capital, Xilinx Technology Ventures
7	**GetYourGuide** (Switzerland) www.getyourguide.com	Internet Services	B*	18.4	Operator of a booking platform for tours, attractions and activities.	Highland Capital Partners, Spark Capital
8	**Quandoo** (Germany) www.quandoo.de	Internet Services	C	18.4	Developer and operator of a reservations platform for local businesses such as restaurants.	Atlantic Capital Partners, DN Capital, Holtzbrinck Ventures, **Piton Capital**
9	**Mediakraft Networks** (Germany) www.mediakraftnetworks.de	Internet Services	B	16.5	Online television network.	Capnamic Ventures, **Iris Capital**, Shortcut Ventures
10	**Cyclomedia** (Netherlands) www.cyclomedia.com	Hardware	Late Stage	13.8	Provider of geomatic services based on a proprietary vehicle-mounted imaging system.	**ESO Capital**
11	**eGym** (Germany) www.egym.com	Software	B	11.1	Provider of connected weight training machines, a fitness app and tracking portal as well as software for Gym operators.	Bayern Kapital, High-Tech Gruenderfonds, **Highland Capital Partners**
12	**JobAndtalent** (Spain) www.jobandtalent.com	Internet Services	B	10.4	Online recruitment platform.	FJME Ventures, Kibo Ventures, **Qualitas Equity Partners**
13	**Sophia Genetics** (Switzerland) www.sophiagenetics.com	Medtech	B	10.2	Provider of 'dry lab' bio-informatics services for genetic testing.	Endeavour Vision, **Invoke Capital**, Swisscom Ventures
14	**Tado** (Germany) www.tado.com	Cleantech	B*	10.0	Developer of home automation systems for Heating, Ventilation and Air Conditioning (HVAC).	Shortcut Ventures, Target Partners

Source: Go4Venture Advisers HTI Database

Key
Bold indicates lead investor(s)
* Internal Round
[N] Deal not profiled, as it is an extension of an investment round which took place within the last six months

1.2 Large Transactions Summary (Cont'd)

(>£5mn / €7.5mn / $10mn)

Ranked by Round Size (€mn, including estimates) in Descending Order, then Alphabetically

#	Company	Sector	Round	€mn	Description	Investors
15	**Gigaclear** (UK) www.gigaclear.com	Telecom Services	A	9.7	Operator of fiber broadband networks in rural UK communities.	**CF Woodford Equity Income Fund**
16	**AyoxxA Biosystems** (Germany) www.ayoxxa.com	Medtech	B	9.0	Developers of technology for conducting multiplex protein analysis.	b-to-v Partners, Creator Venture, High-Tech Gruenderfonds, HR Ventures, KfW Bankengruppe, NRW.BANK, Wellington Partners
17	**Wine in Black** (Germany) www.wine-in-black.com	Internet Services	C	9.0	Online shopping platform for wine in Germany.	**b-to-v Partners**, Bright Capital, e.ventures, Passion Capital, Project A Ventures
18	**Crowdcube** (UK) www.crowdcube.com	Internet Services	B	6.3	Operator of a crowdfunding platform which allows retail investors to back SMEs with both equity and debt.	**Balderton Capital**

Source: Go4Venture Advisers HTI Database

Key
Bold indicates lead investor(s)

BlaBlaCar

France | www.blablacar.com

#	Sector	Round	€mn	Description	Investors
2	Internet Services	C	74.0	Operator of a marketplace for ride-sharing.	Accel Partners, **Index Ventures**, ISAI, Lead Edge Capital

BlaBlaCar (**Comuto**) (**France**), operator of a marketplace for ride-sharing, raised **$100.0mn** (**€74.0mn**) in a **Series C** round led by **Index Ventures** with support from fellow new investor **Lead Edge Capital** and existing investors **Accel Partners** and **ISAI**. The money will be used for growth both in new cities in the geographies where the firm operates already, and also to expand to new countries such as Brazil, India and Turkey. The firm does not intend to enter the US market.

Set up in Paris in 2006, BlaBlaCar provides an alternative to public transport, taxi services (such as Uber, Lyft and conventional cabs) and car rental (often confusingly referred as "car sharing") services such as CiteeCar (see our April 2014 Bulletin) and ZipCar. The firm provides a marketplace for ride-sharing which lets drivers offset the cost of their journeys by taking a paying passenger while giving passengers a cheaper, more comfortable and more sociable alternative to public transport.

Although it was founded in 2006, the firm has only recently begun to expand more rapidly: BlaBlaCar did not even expand beyond France until 2012 when it raised €10.0mn in a Series B round led by Accel with support from Cabiedes and Isai. In part this growth was driven by the proliferation of smartphones and increased consumer confidence in buying services through mobile apps. Another driver is the increased fuel costs at a time when consumers feel squeezed by the aftermath of the economic downturn of 2008.

This long gestation period gave BlaBlaCar time to hone its product. Features which encourage travellers to use BlaBlaCar include suggested pricing (which avoids haggling), driver ratings (similar to those for sellers on eBay) as well as the option to specify a female driver (as a safety feature for female passengers). Furthermore, with an average of 2.8 passengers per vehicle for BlaBlaCar journeys compared with only 1.6 normally, the service is attractive to the environmentally cautious.

BlaBlaCar generates revenues through a 12% commission on each journey. Unlike Lyft and Uber, drivers do not make a profit and this should avoid some of the regulatory issues which have dogged the other firms. While not yet profitable, the firm now operates in Belgium, France, Germany, Italy, Luxembourg, the Netherlands, Poland, Portugal, Russia, Spain the Ukraine and the UK. Its 9mn members make over 1mn trips each month, averaging 20 miles at an average cost of €19.

BlaBlaCar's expansion over the last two years has been very rapid, partly fuelled by the acquisition and assimilation of pre-existing ride-sharing businesses under the BlaBlaCar brand. Its direct competitors include Avego (trading as Carma) in Ireland, which concentrates on intra-city trips, and Carpooling.com in Germany (which featured in our July 2012 Bulletin). Similar firms, notably Zimride, operate in the US but have had limited success so far as the cost of motoring in the US is still relatively low. Indeed, Lyft recently sold ZimRide to Enterprise Rent-A-Car. For this reason BlaBlaCar has said explicitly that it does not wish to enter the US market as the cost of motoring is so low and there is therefore less incentive for travellers to use its services.

Investors

This €74mn round, which values BlaBlaCar at over €740mn, is one of the largest ever in France. It is only surpassed by the €100mn for Deezer which featured in our October 2012 issue. The transaction was led by Index Ventures (€400mn (2014); AUM €3bn) which had no less than five investments in last month's Bulletin.

The other new investor was Lead Edge Capital (AUM €294mn). Based in New York, the firm is a growth equity investor targeting software, e-commerce and other internet businesses. Its current portfolio has 17 investments but this is LeadEdge's first investment in Europe.

The returning investors were Accel Partners (€350mn (2014); AUM €5.5bn) and Isai (€50mn (2013)). Like Index, Accel is a regular in our Bulletin and recently recruited Fred Destin as a partner in its London office from Atlas Venture in Boston. ISAI was set up in 2009 by a group of successful French entrepreneurs. Originally ISAI acted as more of an angel network, backing early-stage technology companies. While many wondered what ISAI was doing when it was fairly quiet most of last year, the firm closed its 'ISAI Expansion' fund at €50mn in September. This fund, whose backers now include corporate investors as well as angels, targets investments of €1mn to €7mn.

Funding Circle

UK | www.fundingcircle.com

#	Sector	Round	€mn	Description	Investors
3	Internet Services	Late Stage*	48.1	Operator of an online platform for crowd-sourced lending to SMEs.	Accel Partners, Index Ventures, Ribbit Capital, Union Square Ventures

Funding Circle (**UK**), operator of an online platform for crowd-sourced lending to SMEs, raised **$65.0mn** (**€48.1mn)** in a **Late Stage internal** round from **Accel Partners**, **Index Ventures**, **Ribbit Capital** and **Union Square Ventures**. The money will be used to continue the firm's US expansion and to enter new markets beyond the UK and the US.

Funding Circle last appeared in our Bulletin in October 2013 with a €27mn Series C round led by Accel used to expand in the US. To skirt the complexity and costs of dealing with the US's per-state regulation of P2P lenders, Funding Circle accomplished its US expansion by merging with San Francisco-based competitor Endurance Lending Networks, which was already regulated in 31 states and now trades under the Funding Circle brand. One of the key regulatory differences with the UK is that only institutional or suitably accredited investors are eligible to lend to US businesses. This is very different to the UK, where business lending is open to ordinary retail investors. Ultimately, Funding Circle hopes to influence the US regulatory environment to be more like the British one in this respect. The firm has already shown itself capable of influencing government policy. In 2011 it co-operated with British competitors Zopa and RateSetter to launch a trade body (the P2P Finance Association) and to lobby the British Government for regulation changes. As of April 2014, P2P lending in the UK has been regulated by the Financial Conduct Authority (FCA).

In the UK institutional investors are increasingly using Funding Circle's platform now that longer term performance statistics are available (as we saw with our coverage of German P2P consumer lender Auxmoney in our May Bulletin). For instance local councils, universities and the government have acted as lenders. The increased diversity of the lender base makes the platform much better able to withstand lending market fluctuations. Loan sizes have also increased, with companies now able to borrow up to £1mn (€1.2mn).

At the same time, the firm has expanded its UK loan book to £330mn (€416mn), lent to 5,500 businesses by 30,000 people. This compares with only c. £180mn (€227mn) at the time of Funding Circle's Series C in October 2013. The US business has been particularly successful; increasing its lending by 500% since Funding Circle took over and expecting to lend £60mn (€76mn) by the end of the year. Overall, the firm expects to lend £360mn (€436mn) in 2014. By the end of the decade, the industry as a whole is expected to be lending $1tn (€740bn).

The fact that the large, traditional lending institutions are now becoming interested in crowd-sourced debt platforms is not just a sign of the industry maturing. It also suggests that they now see the industry that Funding Circle and competitors (Kabbage, Lending Club, OnDeck Capital etc.) have built as a serious competitive threat. Despite their general sloth, some of the traditional firms are becoming proactive in managing this risk. Santander, for example, has just entered into a partnership with Funding Circle whereby Santander will refer clients to Funding Circle when all they need is a cost-effective, efficient loan. In return, Funding Circle will refer clients to Santander when it seems that they might require traditional relationship banking.

Meanwhile, US competitor Lending Club (which has facilitated c. €4bn in loans since its inception in 2007) has filed for an IPO (announced on the August 27). Valued at more than €3bn in its latest fund-raising in April 2014 where it received $65mn (€48mn) from BlackRock, T. Rowe Price and Wellington Management, along with $50mn (€37mn) from several investment banks, the company plans to raise $500mn (€370mn) in the float.

Investors

Funding Circle is not the only recent fintech investment by well-known global technology investor Accel Partners (€350mn (2014); AUM €5.5bn). In March, Accel was the sole investor in a €29mn Series A round for global remittance company WorldRemit.

Equally well known Index Ventures (€400mn (2014); AUM €3bn), which recently raised a new €400mn early-stage tech fund for Europe, Israel and the US, had no less than four fintech deals (Adyen, Osper, SavingGlobal and TransferWise) in last month's issue and has also just led a $7mn (€5mn) round for UK-based Credit Benchmark.

Silicon Valley based Ribbit Capital is a relatively new investor specialising purely in financial services and financial technology across ten different countries. Its best known investment to date is probably online pawnbroker Borro. Slightly older than Ribbit, Union Square Ventures (€130mn (2014); AUM €660mn) is an early-stage technology investor targeting IT-enabled services in media, marketing, financial services, healthcare and telecoms.

NewVoiceMedia

UK | www.newvoicemedia.com

#	Sector	Round	€mn	Description	Investors
4	Telecom Services	Late Stage	36.9	Cloud-based contact centre solutions provider.	Bessemer Venture Partners, Eden Ventures, Highland Capital Partners, Notion Capital, salesforce.com, **Technology Crossover Ventures**

NewVoiceMedia (**UK**), a cloud-based contact centre solutions provider, raised **€36.9mn** in a **Late Stage** round led by **Technology Crossover Ventures** with support from new investor **Salesforce.com** and existing investors **Bessemer Venture Partners**, **Eden Ventures**, **Highland Capital Partners** and **Notion Capital**. The money will be used to bolster the firm's infrastructure, sales, marketing and professional services capacity in order to support continued expansion in the Asia Pacific, Europe and North America.

We saw NewVoiceMedia twice last year – once in February with a €15mn round to be used for the opening of a North American office and again in September with a €26mn round for continued expansion in North America as well as a push into the Asia-Pacific region.

In a 2012 report, Gartner predicted that the North American contact centre as a service market would grow at a CAGR of 18% through to 2016. A more recent report put the 2012 growth rate of the global market at more than 30%. This growth is driven by three concurrent technological trends – provision of services with cloud-based infrastructure as a way to reduce costs; mobile internet and text messaging as an almost universal alternative to conventional telephony; and the use of social media to monitor customer opinion.

These trends mean that consumer-facing companies are increasingly abandoning on-premises solutions from Avaya and Cisco for cloud-based solutions such as those from Inside Sales, LiveOps and inContact as well as a number of regional providers.

In the last twelve months, the firm has had to double its staffing to meet customer demand and now serves over 13,000 agents in 40 countries on five continents. Current clients include BT, Impact, Parcelforce, Prism, QlikView, SHL Group and Truphone. NewVoiceMedia reached revenues of $10mn (€7mn) for the year ended April 2013, and expects these to grow by c.100% this year – 3x to 5x faster than the market.

Investors

NewVoiceMedia was founded in the last 1990s and spent a long time developing its offering before taking its first external investment in May 2010: a $4mn (€3mn) Series A round from Eden Ventures and Notion Capital.

This latest round (the firm's fifth) brings total funding to over $110mn (€81mn), $105mn (€78mn) of which has been raised in the last eighteen months. NewVoiceMedia's previous round in September 2013 valued the firm at more than $150mn (€111mn), and the company is widely viewed as a hot candidate for an IPO in the near future.

Speculation about an IPO will only be increased by this transaction's lead investor. Like many of the investors in our Bulletin Technology Crossover Ventures (TCV) (€2.2bn (2007); €5.7bn AUM) provides growth capital for technology companies. Unlike other investors, TCV operates what it calls a cross-over model in which it invests both pre and post IPO.

Strategic investor salesforce.com, according to TechCrunch, had already participated in a previous undisclosed round. NewVoiceMedia was actually founded in the same year as salesforce.com (1999), but the CRM industry made the transition to the cloud in circa 2001 which meant salesforce.com was able to go public in 2004. There is an obvious synergy between salesforce.com and NewVoiceMedia. The products and services of both companies together could serve a customer from pre-sale all the way through to the end of the customer life-cycle. With a current market capitalisation of $34bn (€25mn), in principle a salesforce.com acquisition could provide an alternative exit to an IPO.

Returning investors included Bessemer Venture Partners (BVP) (€1.2bn (2011); AUM €3bn), Eden Ventures (€133mn (2007)), Highland Capital Partners (€292mn (2013); AUM €2.8bn) and Notion Capital (€91mn (2012)), which are well-known to our readers.

Social Point

Spain | www.socialpoint.es

#	Sector	Round	€mn	Description	Investors
5	Internet Services	C	22.2	Developer of social games for Facebook and smartphones.	Idinvest Partners, **Highland Capital Partners**

Social Point (**Spain**), a developer of social games for Facebook and smartphones, raised **$30.0mn** (**€22.2mn**) in a **Series C** round led by **Highland Capital Partners** with participation by existing investor **Idinvest Partners**. The money will be used to launch seven new games over the next eighteen months as well as to enter the lucrative Asian market.

Social Point was set up in 2008 in Barcelona in the very early days of social gaming. Unusually for a games studio, Social Point's founders – Horacio Martos and Andrés Bou – did not come from the gaming industry but had previously been IT analysts and technology consultants.

The firm makes its money through in-app purchases and initially focussed on Facebook games such as Social Empires. By 2011 it ranked amongst the top 25 developers of games for the platform. Following a $14mn (€10mn) Series B investment led by Idinvest in summer 2012, the firm expanded headcount from a dozen to over 200, expanded the capacity of its gaming platform and transitioned into the development of mobile games.

Social Point now has a portfolio of some 25 games including successful titles Dragon City and Monster Legends. The latter are part of a popular genre known as 'breeding games' where the player must somehow nurture and grow a herd of creatures. These have proven successful, with Dragon City and Monster Legends getting 150mn downloads and reaching 50mn Monthly Active Users (MAU). Repeating its Facebook success, Social Point's games have consistently been in top positions on iOS and Android markets.

Social Point is now focused on the Mobile Action Social Strategy (MASS) genre which it hopes will produce deeper immersion, longer-term engagement with players and hence increased profitability per game. The firm intends to launch three MASS games in the second half of 2014 and four more in 2015. While moving into an untested genre is clearly risky, Social Point's transition from Facebook to mobile suggests it may have the relevant design flare.

Despite its increased headcount, Social Point has been profitable for the last seven quarters and is on target for revenues of $100mn (€74mn) this year. According to a recent report by marketing firm AppLift and games industry market research firm Newzoo, the mobile games industry will grow from c. $18bn (€13bn) in 2013 to over $35bn (€26bn) in 2017; a CAGR of over 19%.

Entering the Asian market, which invented the in-game purchase revenue model and is still one of the most profitable regions for this business strategy, should help both mitigate the risk of entering a new genre and also offset the gradual increase in marketing costs.

Investors

This transaction is both a direct investment of new money, and a partial secondary to provide liquidity for Nauta Capital, BBVA and the founders.

New investor Highland Capital Partners (€292mn (2013); AUM €2.8bn), which has a branch office in Shanghai and significant experience of Asian markets, will clearly help with entry into the Asian market. HCP's Europe Fund, which targets growth equity opportunities in internet, mobile and software companies with revenues of more than €10mn, has been particularly active this month with two other investments – eGym and GetYourGuide – appearing in this issue.

Existing investor Idinvest Partners (€214mn (2014); AUM €4.2bn) is a Paris-based private equity firm which makes a variety of investments in European SMEs including direct equity investments, secondary investments, mezzanine finance and investments in funds. The firm is one of the most active in Europe, appearing most recently in May 2014 for participating in memory producer Crocus' €44mn late-stage round. It is also one of Europe's more active investors in the gaming space, having featured in our Bulletin for a €10mn investment in social casino platform Plumbee and €9mn investment in mobile games developer Grand Cru in December and July 2013 respectively.

XMOS

UK | www.xmos.com

#	Sector	Round	€mn	Description	Investors
6	Hardware	Late Stage	19.2	Fabless semiconductor company specialising in multi-core chips which can be customised for a variety of embedded systems.	Amadeus Capital Partners, DFJ Esprit, Foundation Capital, Huawei Technologies, Robert Bosch Venture Capital, Xilinx Technology Ventures

XMOS (**UK**), a fabless semiconductor company specialising in multi-core chips which can be customised for a variety of embedded systems, raised **€19.2mn** in a **Late Stage** round from new investors **Huawei Technologies**, **Robert Bosch Venture Capital** and **Xilinx Technology Ventures** with support from existing investors **Amadeus Capital Partners**, **DFJ Esprit** and **Foundation Capital**. There was also participation by another undisclosed venture firm. The money from this round will be used to further expand XMOS' customer support as well as for product development.

Costs of designing Application Specific Integrated Circuits (ASICs) the traditional way where all logic is encoded in the silicon are prohibitive for many applications. Programmable chips are therefore increasingly popular, especially when they are accompanied by a design platform such as that provided by XMOS.

We last saw Bristol University spin-out XMOS in December 2013 with a €10mn internal round from Amadeus Capital, DFJ Esprit and Foundation Capital. The money from that round was to be used to set up a support centre in China, sales offices in Germany and Japan, expand XMOS' US sales force and double the company's engineering headcount. In terms of well-positioned new investors (see below), not only is Huawei an industry leader in China, but Xilinx also has a strong presence in there along with Japan and India. This will help XMOS with setting up the sales offices it announced in December 2013. Although 2012 revenues were just under €2.5mn, XMOS' new CEO Nigel Toon believes the company can achieve profitability in 2014 and turnover more than €70mn within five years. Prior to XMOS, Mr. Toon was a co-founder at Icera and CEO of Picochip, both of which featured in our Bulletin. Having already drawn the attention of the press to the fact that XMOS' chips are ideal for the 'internet of things' all this bodes well for the firm's IPO plans.

Investors

Believed to value XMOS at $100mn (€74mn), this round brings total investment to just over €40mn since its €1mn seed round in September 2006. It is actually an extension of the company's €10mn internal round from December 2013.

Whereas all of the December 2013 investors were traditional venture firms – Amadeus Capital Partners (€40mn (2013); AUM €556mn), DFJ Esprit (€150mn (2009); AUM €840mn) and Foundation Capital (€208mn (2013); AUM €2bn) – all the new investors are strategic.

Perhaps the most interesting of these strategic investors is Huawei Technologies, a Chinese networking equipment company founded in 1987 which produces infrastructure for mobile phone networks. A private company owned by its employees, Huawei had 2012 revenues in excess of $35bn (€26bn). The US has been extremely reluctant to do business with Huawei because it believes the firm poses a national security risk. With the problem exacerbated by the previous military career of Huawei's founder Ren Zhengfei, Huawei has been blocked from bidding on public contracts in Germany and Australia. In North America, Huawei is focusing on Canada rather than the US. In Europe, the firm has demonstrated its interest in the UK with a commitment to invest £1.3bn (€1.6bn) in its operations in the country.

Of particular interest in the context of XMOS, is Huawei's plan to invest £10mn (€13bn) in UK university research in general and a Bristol R&D centre in particular. While this is Huawei's first venture investment in a British company, the firm has already made two European acquisitions – British photonics firm CIP Technologies in 2012 and Belgian optical transceiver developer Caliopa in 2013. Terms were not disclosed for either deal. Huawei is believed to have set up a dedicated corporate venture team with the aim of doing two deals a year in Europe.

The strategic interests of its parent firm (the Bosch Group) mean that Robert Bosch Venture Capital (RBVC) concentrates on automotive, consumer goods, energy, building technology and industrial firms. It has a preference for taking minority stakes of 10-20% in mid-stage rounds. An initial investment will typically be in the region of €1.5 to €4mn and total investment over the lifetime of a deal can be up to €10mn. RBVC most recently featured in our Bulletin for its part in a €12mn investment in mobile video processor developer Movidius in July 2013.

Xilinx Technology Ventures is the investment arm of Silicon Valley-based Xilinx. As a specialist in programmable chips Field Programmable Gate Arrays (FPGAs) and Systems-On-Chips (SoCs) this is a very natural investment for Xilinx. Headquartered towards the southern end of Silicon Valley in San Jose, Xilinx is noted as having pioneered the fabless business model and posted 2014 revenues of $2.4bn (€1.8bn).

GetYourGuide

Switzerland | www.getyourguide.com

#	Sector	Round	€mn	Description	Investors
7	Internet Services	B*	18.4	Operator of a booking platform for tours, attractions and activities.	Highland Capital Partners, Spark Capital

GetYourGuide (**Switzerland**), operator of a booking platform for tours, attractions and activities, raised **$25.0mn** (**€18.4mn**) in an **internal Series B** round from **Highland Capital Partners** and **Spark Capital**. The money will be used to further support growth in new markets as well as fund the development costs of the firm's mobile activities.

Founded in 2008 as a spin-out from the ETH Zurich University, GetYourGuide is an online marketplace for travel activities. We last saw the firm in our January 2013 issue with a €10.5mn Series A round from the same investors.

The last eighteen months have been rather eventful for the firm with expansion into France, Italy, the Netherlands and Spain. The firm now offers just under 25,000 activities all over the world. This growth has been through a combination of acquisitions and collaboration, including partnerships with TUI (a German travel agency) and Air One (Alitalia's budget carrier).

The company's first acquisition was Gidsy – a Berlin-based Peer-to-Peer (P2P) platform for discovering local experiences and things to do in over 140 cities in more than 40 countries. Terms were not disclosed but one of Gidsy's investors was Sunstone Capital, which went on to become an investor in GetYourGuide later in 2013. In July 2013, GetYourGuide acquired IGottaGuide – another P2P platform connecting tourists and guides in New York. Again terms were not disclosed but both transactions are symptomatic of consolidation as travel and tourism platforms like GetYourGuide seek a critical mass of users large enough to attract tours and attractions to work with their site.

Perhaps more significantly for the future of its business, GetYourGuide's has been heavily developing mobile interfaces for its service over the last 18 months. In October 2013 the firm launched native iOS and Android apps giving access to its platform on smartphones, allowing users to make bookings. An advantage of using GetYourGuide on a mobile is that the app is location-sensitive and can tailor content accordingly.

According to research firm PhoCusWright, Europe accounts for half of the €740bn global travel activities market. This means that there is a plethora of professional suppliers of tours and activities vying to get their product in front of potential customers. Following its expansion, GetYourGuide allows professional suppliers to upload and manage their products with a multi-language Content Management System (CMS) that also handles bookings and payments.

Investors

Although we have described this as a Series B round and the last round to feature in our Bulletin was its January 2013 Series A, GetYourGuide also extended its A round by $4.5mn (€3mn) in October 2013. Unusually, this extension round was led by two individuals – Kees Koolen (former CEO and current chairman of Booking.com) together with Fritz Demopoulos (founder and former CEO of Qunar.com) with support from institutional investor Sunstone Capital (€89mn (2012); AUM €700mn). Adding two former travel industry CEOs as investors, particularly one with experience of operating in the booming Asian market, is a great example of bringing industry savvy to a younger company and reflects best practice which is becoming increasingly common in European venture to encourage scaling.

Danish technology and life science investor Sunstone Capital was only founded in 2007 but has already built up a portfolio of some 50 investments as well a half dozen trade sales and IPOs to its name. In technology, the firm concentrates on early-stage – often even pre-launch – companies in Northern and Eastern Europe. Investments typically range from a few hundred thousand euros up to a few million.

Pan-European growth equity fund Highland Capital Partners (HCP) (€292mn (2013); AUM €2.8bn) is also an investor in eGym which features later in this issue. One of relatively rare venture firms with a truly global footprint, with three offices in the US, two in Europe and one in Shanghai, HCP is now investing from its recent €250mn Highland Europe Technology Growth Fund. This fund had a target of €200mn when first offered but closed at €250mn early this year. Typically investing €120mn a year with deal sizes ranging from €5mn or less all the way up to €50mn, HCP had a significant success early this year when it sold Android information service provider Aviate to Yahoo for $80mn (€60mn).

Fellow returning investor Spark Capital (€375mn (2014)) is a US-based early-stage investor focusing on internet and mobile investments. Founded almost ten years ago in 2005, Spark has raised two funds recently – Spark IV in 2013 at $450mn (€333mn) and Spark Capital Growth Fund in 2014 at $375mn (€288mn).

Quandoo

Germany | www.quandoo.de

#	Sector	Round	€mn	Description	Investors
8	Internet Services	C	18.4	Developer and operator of a reservations platform for local businesses such as restaurants.	Atlantic Capital Partners, DN Capital, Holtzbrinck Ventures, **Piton Capital**

Quandoo (**Germany**), developer and operator of a reservations platform for local businesses such as restaurants, raised **$25.0mn** (**€18.4mn**) in a **Series C** round led by **Piton Capital** with support from existing investors **Atlantic Capital Partners**, **DN Capital** and **Holtzbrinck Ventures**. The money will be used for further European expansion as well as to enter the Asian and Latin American markets.

Originally known as eCabo, Quandoo was set up in November 2012 by Philipp Magin and Daniel Glasner, who co-founded Berlin-based Groupon clone MyCityDeal in December 2009 and sold it to Groupon in May 2010. MyCityDeal's investors had included Holtzbrinck Ventures, which co-led Quandoo's previous round alongside DN Capital. Though Groupon's 2012 IPO performed poorly, the experience of running MyCityDeal gave Quandoo's founders a solid understanding of localised businesses such as restaurants and beauty salons.

In the past few years, we have seen a number of platforms for ordering takeaway food – including DeliveryHero, Hungryhouse and Just-Eat – but Quandoo is something new. Set up in November 2012, it provides a modular cloud-based booking and payment platform for businesses providing services to a local community rather than selling goods online. A key use case is the restaurant industry, where the company provides modules for reservation management, a website and phone app, management of 'special offers', a reservation calendar, integrated POS system and an analytics dashboard. However, as plenty of other localised service businesses (e.g. beauty salons, barbers, opticians) have highly similar IT requirements, there is enormous potential upside in extending the platform beyond restaurants.

Since the first restaurant started using Quandoo's platform in Q1 2013, Quandoo's customer base has grown to over 3,000 restaurants in eight different countries – Austria, Germany, Holland, Italy, Switzerland, Turkey and the UK. This is contrasted against industry incumbent OpenTable which was founded in 1998, dominates North America and has over 30,000 restaurants. Unlike OpenTable, which charges on a per reservation basis, Quandoo charges a flat monthly fee depending on which of its various modules are used.

Activity in the space has been increasing this year. OpenTable was recently acquired by Priceline (a hotel and travel reservations provider) for $2.6bn (€1.9bn) in June, while in April Just-Eat raised £1.5bn (€1.9bn) in one of the tech sector's largest IPOs in 8 years.

Investors

This Series C round was led by new investor Piton Capital which specialises in marketplaces, exchanges and platforms – all businesses which benefit from some kind of network as they achieve scale. Based in London, the firm focuses on Europe but is stage agnostic and will invest anywhere from €200k to €15mn. We last saw Piton with a €15mn round for Bullion Vault in June 2010.

Existing investors DN Capital (€52mn (2012); AUM €158mn) and well-known Holtzbrinck Ventures (€177mn (2011)) co-led Quandoo's €6mn Series B in December 2013. Prior to this, Quandoo had been funded by CRES Columbus Internet Group – an investment vehicle set up by Philipp Magin and Daniel Glasner in 2012 to focus on so-called 'local commerce' investments – and Texas Atlantic Capital (previously Atlantic Capital Partners).

Founded in 2000, DN Capital has made over 50 investments and 8 successful exits. As an early-stage and growth investor, DN commits €1mn to €5mn per round and up to €10mn over the life of a deal. From its offices in Berlin, London and Palo Alto, DN has so far invested only in Europe and the US but in principle will invest anywhere in the world.

DN's target sectors are digital media, e-commerce, software and mobile companies. Within these sectors, however, the firm has backed several 'marketplace businesses' like Quandoo. Most relevant is hotel booking platform Just Book! which DN sold to Secret Escapes earlier this year. DN has recently expanded, adding two new venture partners and one new principal in just over a year, as well as having just closed its €80mn Global Venture Capital III fund.

Founded in 2010, fellow existing investor Texas Atlantic Capital (previously Atlantic Capital Partners) targets digital media, e-commerce and software companies in Europe, Israel and the US from its offices in Texas and Berlin. Stage agnostic, the firm has backed 14 different companies so far.

Mediakraft Networks

Germany | www.mediakraftnetworks.de

#	Sector	Round	€mn	Description	Investors
9	Internet Services	B	16.5	Online television network.	Capnamic Ventures, **Iris Capital**, Shortcut Ventures

Mediakraft Networks (**Germany**), an online television network, raised **€16.5mn** in a **Series B** round led by **Iris Capital** with support from **Capnamic Ventures** and existing investor **Shortcut Ventures**. The money will be used to expand the firm's creative team and infrastructure and to produce more premium content in order to build audience loyalty.

Mediakraft Networks was set up in 2011 as an online television channel broadcasting German-language content for the 14-35 year old 'Millennial' generation. According to research firm GfK this demographic spends more time online than watching conventional television – 168 minutes a day online versus 137 minutes watching TV.

Just like a conventional TV network, Mediakraft makes its money from advertising, meaning it had to reach a critical mass of viewers to be attractive to advertisers. Producing enough content to do this themselves would be time-consuming and prohibitively expensive, so Mediakraft sources content through a network of content-producing partners – typically specialising in a particular form of content such as comedy, beauty or health and fitness and unable to reach a critical mass of viewers on their own. By the end of its first year Mediakraft had over 120 partner channels.

Headquartered in Munich, Mediakraft now has c. 36mn subscribers in Germany, the Netherlands, Poland and Turkey who view the firm's content more than 350mn times per month. Its 2,000 channels, which include well known 'Daaruum' and comedy trio 'Y-Titty', are distributed through Clipfish, SnackTV and Youtube. Mediakraft's 100 employees run a full-service TV network with a broadcast centre and studios in Köln, an advertising team in Hamburg, and a newsroom in Berlin. The firm has also opened offices in Amsterdam and Warsaw.

According to Mediakraft, it is now the best medium for targeting the German-speaking 14-35 year olds and reaches 45% of its target market. As an online TV network, the firm is able to offer not just traditional TV advertising and product placement but also banner advertising and advertising targeted at individual viewers.

Investors

Paris-based Iris Capital (€170mn (2012); AUM €850mn) has invested over €1bn in more than 230 companies since it was founded in 1986. Since 2012, Iris has managed the joint venture capital initiative of Orange and Publicis, and expanded internationally, working from offices in Paris, Cologne, San Francisco, Montreal, Riyadh, Dubai, Beijing and Tokyo.

Committing anywhere between €1mn to €20mn, Iris focuses on Europe and, occasionally, North America. Its deal preference is to provide growth capital for companies which have either recently become profitable or are on the cusp of profitability. It will also fund small buy-outs, corporate spin-offs, PIPEs, public-to-private deals and secondaries. It is one of the few European investors with experience across both IT and Media, as evidenced by its recent €29mn investment in data technology company Talend in December 2013, as well as €11mn in ad retargeting provider and MyThing and €15mn in ad-supported gaming platform MediaStay (both media companies) in March 2012 and April 2011, respectively.

The other new investor in this transaction – Capnamic Ventures – is a relatively new investor with offices in Berlin and Köln. Founded in 2013, Capnamic is an early-stage investor targeting consumer focused businesses which can be scaled and distributed through digital media. The firm is slightly unusual in that its Limited Partners are all corporates rather than institutional investors, including DuPont, Gauselmann, HR Alpha, Rheinische Post and Universal Music; resultantly it calls itself a 'multi-company venture capital fund'. Investments and successful exits include adjust, Glamloop, Interhyp, Learnship, lieferando, Mister Spex, navabi, Picanova, reBuy, Tradoria and Travador. In 2013 Capnamic announced a partnership with Iris for early-stage deals in the German market. The idea is to combine Iris' worldwide network with Capnamic's local expertise.

Returning investor Shortcut Ventures invested a seven figure sum in a Series A round in December 2012. Concentrating on early-stage games, internet, mobile and social media businesses, Shortcut is managed by successful entrepreneurs Dirk Freise, Martin Ostermayer and Thorsten Rehling (blau.de, handy.de) and has a portfolio which includes SumUp, tado (see later) and yuilop.

Cyclomedia

Netherlands | www.cyclomedia.com

#	Sector	Round	€mn	Description	Investors
10	Hardware	Late Stage	13.8	Provider of geomatic services based on a proprietary vehicle-mounted imaging system.	**ESO Capital**

CycloMedia (**Netherlands**), provider of geomatic services based on a proprietary vehicle-mounted imaging system, raised **€13.8mn** in a **Late Stage** round from **ESO Capital**. The money will be used to support the working capital costs of delivering contracts in new markets such as the US and for further international expansion.

Cyclomedia was founded in 1980 as the result of research at Delft University of Technology thirty years ago (for which one of Cyclomedia's directors was awarded his PhD). The firm's patented IP is centred on camera technology. Its USP is the ability to produce highly detailed panoramic images (named 'Cycloramas' by the firm) which are parallax-free and hence can be used to accurately locate and measure features of the urban environment.

In 2003, the firm introduced technology which could capture a continuous panorama from a moving vehicle. This replaced stationary capture and made image collection much more efficient. Cyclomedia can now capture images at five meter intervals from a vehicle moving at up to 120kph and takes only two days to go from drive-by to hosted images.

The company makes money not by selling its camera technology or licensing its IP but by selling geomatic services that depend on them. The 170mn images captured to date encompass some 1mn kilometres of road and take up 1,200Tb of disk space which makes Cyclomedia one of the largest storage users in the Netherlands. As well as providing an image hosting service which delivers over 500,000 customer views per week, Cyclomedia also has an API for developers creating applications which use its geomatic data and can provide consulting services.

Geo-mapping companies vary, with consumer-focused geo-web players like Google and Microsoft at one end and small companies providing engineering-grade imagery on the other. Somewhere in the middle, many of Cyclomedia's customers include municipal and national governments, civil-engineering companies and utilities companies as well as firms in real estate – insurers, real estate services firms and financial institutions.

Over the past five years, Cyclomedia has been slowly expanding from its core Dutch market. The firm has covered Belgium for large-scale base mapping, carried out surveys in the UK, Germany and Ireland, as well as collaborating with Saab to develop camera applications for the Scandinavian market. This has grown Cyclomedia's turnover to c. €20mn.

CycloMedia has just won contracts to map the cities of Washington DC and Frankfurt, and added a new office in California to serve as a bridge-head to significant expansion into the US market.

Investors

Based in London and Zurich, ESO Capital (AUM €375mn) is an investment manager targeting special situations such as undervalued assets, turnarounds of distressed assets and SMEs facing liquidity constraints due to high growth or insolvency. ESO is also unusual in investing across the capital structure – debt, equity, mezzanine etc. Since it was founded in 2006, the firm has invested over $500mn (€370mn).

ESO's preferred structure is a €5mn to €40mn self-originated structured loan with a time horizon of 2 to 4 years in creditor-friendly jurisdictions. Regardless of the industry sector, asset type and blend of debt and equity, the firm's primary focus is the liquidation value of realisable collateral. ESO prefers to work alongside counterparties with sector expertise and ensures an alignment of interests through structures such as co-investment, preferred returns, claw-backs, cross-collateralisation of investment pools and carried interest plans.

This is not the first time CycloMedia has received significant growth capital. In August 2008, NIBC Bank put in €20mn and became the majority shareholder. The business unit of NIBC which conducted the deal span-out from NIBC in 2011 as Avedon Capital Partners with the first €100mn of a €200mn fund provided by the EIF, Goldman Sachs and NIBC. Avedon is a growth equity investor putting between €5mn and €30mn into companies with enterprise values from €30mn to €300mn. Late in 2009 Dutch private equity firm 2SQR put in an undisclosed additional sum.

eGym

Germany | www.egym.com

#	Sector	Round	€mn	Description	Investors
11	Software	B	11.1	Provider of connected weight training machines, a fitness app and tracking portal as well as software for Gym operators.	Bayern Kapital, High-Tech Gruenderfonds, **Highland Capital Partners**

eGym (**Germany**), provider of connected weight training machines, a fitness app and tracking portal as well as software for Gym operators, raised **$15.0mn** (**€11.1mn**) in a **Series B** round led by **Highland Capital Partners** with support from exising investors **Bayern Kapital** and **High-Tech Gruenderfonds**. The money will be used for product development and international expansion.

For a long time the $50bn (€37bn) gym market has been dominated by business models based on membership and the payment of monthly or annual membership fees. Initially this was very profitable, as many members would join in January but then stop using the gym's services in February. From the gym's point of view, it is very hard to retain members (and hence membership subscriptions) in an increasingly competitive market. For the same reason, gyms are always seeking some way to differentiate their service from nearby competitors.

Founded January 2010, eGym has developed a range of equipment and software that aims to solve both of these problems. Firstly, the firm developed a range of 18 strength training (weight training) machines. Unlike conventional machines where the user has to decide for themselves how much weight to use to provide resistance, eGym's machines are electronic and the level or resistance is set automatically.

Alongside this equipment, the company provides software which enables users and their trainers to design tailored exercise programs based on the latest sports science, customised to individual goals. This software, which is available both through an internet portal and also as a smartphone app, also allows users to record, track and analyse both their vital statistics and performance. This software will interface not only with eGym's own equipment but also with other common fitness equipment such as wearable activity trackers from Fitbit and Withings, Garmin vital statistics monitors, Jawbone's weight and sleep trackers, and RunKeeper's running tracker.

The fact that eGym's software is cloud-based means that the training program, performance statistics and progress are available on each eGym or compatible device that the user trains on. This gives everybody access to some of the high-end training methodologies previously only available to professional athletes. In April 2014, the firm launched software for gyms and trainers which provides a complete overview of the entire membership. The software also helps gyms with both on- and offline marketing activities. Not only can gyms increase revenues by attracting more members, but cross-selling facilitated by eGym's software can make each member more profitable.

This range of services covering the entire value chain seems to have traction with customers. Unlike many other firms providing training programmes, tracking software or hardware, eGym was profitable in its first full financial year (2013) while simultaneously growing headcount to 100 employees. Currently operating in the DACH region (Austria, Germany and Switzerland) as well as in the Netherlands, eGym plans to expand elsewhere in Europe.

Investors

Transaction leader Highland Capital Partners (HCP) (€292mn (2013); AUM €2.8bn), which has just sold boutique health club chain YogaWorks to private equity firm Great Hill Partners for $45mn (€33mn), is a truly global investor. However, its particular strength in America means that the international expansion plans eGym referred to in its press release may well include the $22bn (€16bn) US health club industry.

HCP was supported by returning investors High-Tech Gruenderfonds (HTGF) (€304mn (2011); AUM €576mn) and Bayern Kapital (€200mn). Early-stage technology investor HTGF, founded in 2005 with both corporate and state backing, has featured increasingly often in our Bulletin. We last saw it in February this year for its part in a €13mn investment in shopping club Outfittery, as well as in July 2013 for its part in a €15mn investment in data centre software developer Zimory.

Less familiar is Bayern Kapital, a Bavarian regional fund set up in 1995 founded as a wholly-owned subsidiary of Bavarian development bank LfA Foerderbank Bayern. Preferring to be a co-investor, in 2003 Bayern Kapital teamed up with its parent and government-sponsored bank Technologie-Beteiligungs-Gesellschaft to form Seedfonds Bayern – a seed fund providing up to €250k per company and often collaborating with HTGF.

JobAndTalent

Spain | www.jobandtalent.com

jobandtalent

#	Sector	Round	€mn	Description	Investors
12	Internet Services	B	10.4	Online recruitment platform.	FJME Ventures, Kibo Ventures, **Qualitas Equity Partners**

JobAndTalent (**Spain**), an recruitment platform, raised (**$14.0mn**) **€10.4mn** in a **Series B** round led by **Qualitas Equity Partners** with support from fellow new investor **FJME Ventures** and existing investor **Kibo Ventures**. The money will be used to expand the firm's London team as well as to enter new markets elsewhere in Europe and in South America.

There are many jobsites catering for job-seekers – BranchOut, Bright.com, eFinancialCareers, JIBE and Monster etc.. Traditionally these have operated as marketplaces where job-seekers could search for advertisements and recruiters could advertise. This 'online recruitment 1.0' was just traditional job advertising transferred to the web.

Set up in 2009 in Madrid, JobAndTalent spent three years trying out various approaches to online recruitment, rather than building just another marketplace. In collaboration with the Research Institute for Applied Linguistics of Universitat Pompeu Fabra in Barcelona, JobAndTalent developed an algorithm which uses natural language processing to assess CVs, monitor social media (Facebook as well as the more directly relevant LinkedIn), and map career paths in order to match candidates with employers. Unsurprisingly the service is available on both web and smartphone.

In some ways, this mimics what a headhunter would do, but makes it accessible to job hunters lower down the recruitment food chain. This also means that the pool of candidates available to recruiters includes those who have previously used the platform as well as those who are currently seeking a new position. Just like a conventional recruitment platform, the money is made by recruiters paying £350 (€441) per job to advertise.

In principle this could solve a number of problems. As is often said, job-hunting is a full time job. It takes an enormous amount of time to search all of the various job sites which means that only those who are actively seeking a new job are likely to persevere. This makes it very hard for recruiters to reach so-called passive job-seekers – those who are not completely dissatisfied with their present position but who are open to something new.

JobAndTalent went live in the UK in 2012 and now has almost 2mn job seekers on its platform. Firms using JobAndTalent post c. 3mn vacancies each month. Customers include Accenture (which was JobAndTalent's first customer), Amazon, Deloitte, Ericsson, G4S, Kellogg's, L'Oreal and Morgan Stanley.

Investors

This transaction is publicised as being Series A but JobAndTalent's previous rounds include a €500k seed round from regional fund Inversion y Gestion de Capital de Riesgo de Andalucia in June 2010, and a €2mn round from Kibo Ventures and individual investors in July 2013. There was also a €200k loan from Empresa Nacional de Innovacion in July 2010. As well as new investment, this round was a partial secondary with an exit for seed investor Inversion y Gestion de Capital de Riesgo de Andalucia.

Transaction leader Qualitas Equity Partners (AUM €150mn) is a fund manager specialising in alternative investments. Its private equity arm specialises in sustainable businesses with revenues over €20mn and, ideally, the potential to be leveraged. Founded in 2003, the firm is still investing from its €150mn first fund and aims to put in €10-30mn per company. Qualitas has made seven investments to date.

Kibo Ventures, which led JobAndTalent's Series A round in 2013, is an early-stage venture firm targeting internet and mobile companies. Based in Madrid, the firm will put in anywhere between €250k and €5mn per company and likes to acquire equity stakes of up to 20%. Set up in 2012, Kibo is currently investing from its first fund which has not yet closed – the firm has raised €42mn of a targeted €45mn. Its first fund may not technically have closed, but Kibo has been very active with 21 investment rounds for 17 different companies. The vast majority of these investments have been in Spain, with one or two now in the US. Kibo's Limited Partners include the usual assortment of insurers (Mutua Madrileña), corporates (Telefonica) and large funds (Axis – ICO's private equity arm), and the Spanish State.

Other participants in this round were FJME Ventures, a family office, and returning Angel Investor Felix Ruiz, who sold Spanish social network Tuenti to Telefónica for €80mn and has now been appointed chair of JobAndTalent's board.

Sophia Genetics

Switzerland | www.sophiagenetics.com

#	Sector	Round	€mn	Description	Investors
13	Medtech	B	10.2	Provider of 'dry lab' bio-informatics services for genetic testing.	Endeavour Vision, **Invoke Capital**, Swisscom Ventures

Sophia Genetics (**Switzerland**), a provider of 'dry lab' bio-informatics services for genetic testing, **raised €10.2mn** in a **Series B** round led by **Invoke Capital** with participation from **Endeavour Vision** and **Swisscom Ventures**.

Personalised medicine has been a biotech buzzword for some time with many firms trying to develop either predictive or diagnostic genetic tests. As yet, there are relatively few examples of simple single gene tests which yield clinically useful information. Most of the time, multiple genes are involved and the results are not clear.

One of the difficulties is the relatively small numbers of genetic tests ordered by front-line clinicians, which makes it uneconomical for many in-house 'wet labs' (which do sample collection, DNA extraction, amplification and sequencing) to have in-house 'dry lab' systems to analyse the data from the sequencing machine.

Founded Jan 2011, Sophia takes the FASTQ or SFF files which are the standard output formats for modern sequencing machines and runs analysis and quality assurance checks from its cloud-based bioinformatics infrastructure. Various clinically appropriate visualisations of the results are then generated. The services are paid for on a per use basis under a strict Service Level Agreement (SLA).

This system, known as dropGen™, benefits from all the usual advantages of a SaaS system (cost savings, speed of deployment etc.). Because running the dry lab is all Sophia does, its results are also usually more accurate than in-house labs. dropGen also conforms to the ISO-13485 standard for process quality in medical devices, the practical impact of which is that certain test pathways can be CE-marked, which is clearly vital for the test developer.

Sophia operates on a highly confidential basis, being both based in Europe (offices in Switzerland, France and the UK) with its strict privacy laws, and operating in a medical field where patient-caretaker confidentiality is at particular risk due to analyses being based on patients' DNA. As well as providing secure logins to its systems, all data is anonymised before it leaves the clinician responsible for the patient. While clinicians are able to share the data with other medical professionals, Sophia never gets to know the identity of the patients.

Investors

Transaction leader Invoke Capital (AUM €740mn) was set up early in 2013 by Autonomy co-founder Mike Lynch. Having sold Autonomy to HP for $11bn (€8bn) in 2011, like many successful entrepreneurs before him Dr Lynch has ended up setting up a fund to back early-stage companies.

In the UK, Invoke has offices in both London and Cambridge. Cambridge is just as vibrant a hub for technology investment as it ever was, even though Silicon Roundabout is more talked about than Silicon Fen. It is not Cambridge's suitability for a venture office but its suitability as a research centre which led Invoke to set up there. Invoke claims to be the only investment team in Europe with a dedicated in-house R&D team.

So far, the few investments Invoke has made all exploit the understanding of how to interpret big data which comes from its Autonomy heritage. Sophia is no different because the firm also provides data banking services: as this anonymised data set grows, it becomes increasingly valuable. Synergies with Genalys – another Invoke portfolio company which applies big data techniques to genomic information – put Sophia in a good position to capture this value.

This sort of approach has been tried before. For example, in the late 1990s there was a phase of trying to use anonymised data extracted from Electronic Patient Record (EPR) systems for research. Given its pedigree, however, Invoke is in a better position than most to pursue this and has said that it is likely to back other startups using big data techniques in healthcare.

Other investors in Sophia were Geneva-based life science and information technology investor Endeavour Vision (€103mn (2007)) and the venture arm of Swisscom – Swisscom Ventures (€10mn (2013)) which have both featured in our Bulletin recently for their participation in distributed storage technology developer Amplidata's €8mn March 2014 late-stage round.

Tado

Germany | www.tado.com

#	Sector	Round	€mn	Description	Investors
14	Cleantech	B*	10.0	Developer of home automation systems for Heating, Ventilation and Air Conditioning (HVAC).	Shortcut Ventures, Target Partners

Tado (**Germany**), a developer of home automation systems for Heating, Ventilation and Air Conditioning (HVAC), raised **€10.0mn** in a **Series B internal** round from **Shortcut Ventures** and **Target Partners**. The money will be used to support roll-out of the company's system to other European countries.

According to Tado, one third of the world's energy consumption is used for heating or cooling buildings. Therefore, even marginal energy conservation by HVAC systems will have an enormous impact on overall global energy consumption. Despite this, almost all homes still control their heating using simple 'dumb' thermostats. These are straightforward, convenient and require little maintenance, but are wasteful and operate independently of whether or not a building is occupied and require user-intervention to change settings when, for example, going on holiday.

The obvious solution is some form of home automation system. However, most home automation systems have been too complicated for most consumers, as a result of which they have only been bought by technologically literate 'early adopters'. With the advent of the smartphone and near universal home internet connections, this is changing. The confluence of these two technologies means that almost everybody carries with them a device with which they are familiar (which has more than enough computing power to act as a remote control for a house) and also that there is a natural way for this device to connect with house appliances.

Set up in Munich in January 2011, Tado provides simple kits which allow customers to control their heating systems through their existing internet connection using an app on their smartphone. The company's name comes from the Japanese greetings "tadaima" (meaning "I'm home") and "okaeri" (meaning "Welcome home"). All customers need from Tado is a small amount of additional hardware to connect their heating system to their internet connection. This can be either bought or leased as the customer prefers. The control itself comes in the form of a familiar app download.

Tado minimises the need for active user intervention by using location information from the customer's smartphone to determine whether or not they are at home or on their way home. This location information is combined with web-based weather forecasts and information which Tado's systems learns about how rapidly a customer's house or apartment heats up. Once configured over the web, therefore, users get the cost-savings and other benefits of Tado's systems irrespective of whether they do anything else – potentially one of the reasons for the low uptake of home automation.

Tado's heating control product was launched across the DACH region in November 2012. It entered the British market in 2013 and is in the process of launching its cooling product. According to Tado, it systems can reduce household energy consumption by roughly a third.

Investors

With the exception of a small €300k bridge round in May provided solely by Target Partners (AUM €230mn), all of Tado's institutional investment rounds have been led by Target Partners and supported by Shortcut Ventures. The firm also raised €150k on crowd-funding platform Kickstarter in June which was allocated to the roll-out of the firm's cooling system.

While this is the fifth round of investment for Tado, we have chosen to describe it as Series B. Although undisclosed, Tado's first external investment in November 2011 supported the company's beta testing and we would describe it as a seed round. The €2mn round in July last year was a conventional Series A round of the traditional size and, with this current round, makes total funding for Tado around €13mn.

Munich-based Target Partners is an early-stage technology investor investing primarily in the DACH region of Europe. The firm will contemplate seed investments but a typical round would be from €1mn to €3mn with €6mn to €8mn invested over the lifetime of a deal. Founded in 2000, Target has an active portfolio of a dozen investee companies in sectors ranging from cleantech, e-commerce, internet, mobile and software, and has made eight successful exits.

This is the second investment by Shortcut Ventures to feature in this issue of our Bulletin – the first being only TV company Mediakraft.

Gigaclear

UK | www.gigaclear.com

#	Sector	Round	€mn	Description	Investors
15	Telecom Services	A	9.7	Operator of fiber broadband networks in rural UK communities.	**CF Woodford Equity Income Fund**

GigaClear (**UK**), an operator of fiber broadband networks in rural UK communities, raised **£7.8mn** (**€9.7mn**) in a **Series A** round from the **CF Woodford Equity Income Fund** and returning **angel investors**. The money will be used for rolling out 25 new fibre networks by the end of the year.

Those of us living and working near major cities tend to forget that, without a plentiful supply of customers wanting high speed internet, rural areas are not very appealing to the major ISPs and rarely have access to the latest commercial broadband offerings. Just over a year ago, the National Audit Office (NAO) reported that the Government's plan to bring high-speed internet to rural areas was 22 months late and more than €250mn over budget.

The NAO also stated that former public sector monopoly, BT, did not have transparent pricing and was exploiting its legacy market dominance from owning infrastructure to win most of the contracts for broadband roll-out in rural areas. In total, BT won over £500mn (€630mn) of state funding to roll-out fast broadband to rural communities under the BDUK programme. As a result, BT agreed to make public which areas are scheduled to be connected to 'superfast broadband'.

Founded in 2010 and approved by regulatory body Ofcom in 2011, Gigaclear aims to plug the gaps that other broadband providers do not yet reach. Many of these areas are relatively affluent and, as they are first canvassed to gauge demand and BT's roll-out schedule is known, present little actual commercial risk. Moreover, once one broadband service is available it would not make commercial sense for a competitor to come in which means that Gigaclear is left with a captive audience paying monthly fees for a relatively low maintenance asset. The problem, of course, is that this is a very capital intensive business and the first mover captures entire villages for significant periods of time.

To date Gigaclear has rolled out its services through a mixture of acquisition and self-build. In May 2011 the firm bought a majority stake in local access pioneer Rutland Telecom for an undisclosed sum. Well known for its delivery of community broadband services, Rutland was a specialist in delivering Fibre-To-The-Home (FTTH). By running fibre from each individual building directly to Telehouse, Rutland was able to deliver download speeds of up to 50Mbps. Unusually, Gigaclear avoids BT's internet backhaul (to connect a village to the core network), relying instead on Vodafone-owned Cable & Wireless Network and then its own fibre-optic cable for the so-called last mile (up to the home).

In 2012 Appleton, Eaton and Besselsleigh in Oxfordshire were connected to Gigaclear, followed by Uppingham (Rutland), Erbistock (Wales), Fyfield and Frilford (Oxfordshire) in 2013. The firm has more fibre being laid in Oxfordshire and Kent and has announced plans to build in Northamptonshire and Peterborough. Gigaclear's typically charges £37 (€47) per month for just broadband. Unlike other ISPs, Gigaclear does not provide other TV or telecoms services.

Investors

We have described this as a Series A round because Gigaclear's previous (undisclosed) round in November 2012 was an Angel round and this is the first institutional round, albeit with an unusual investor. The investor is CF Woodford Equity Income Fund – a fund manager only a few months old which provided £5mn (€6mn) of the total. CF Woodford was set up in June by one of Britain's most well-known fund managers, Neil Woodford, who is best known for achieving 23x returns over two decades while simultaneously delivering steady income streams.

Mr. Woodford had been at Invesco for quarter of a century and long been at the helm of Invesco's Perpetual Income and High Income funds which had a total of £21.5bn (€27bn) in AUM. When Invesco first announced that Mr. Woodford would be stepping down in October 2013, investors were led to believe that he would continue to play a role in the running of these funds right up until his departure. In the event, Mr Woodford left in early March – two months earlier than expected.

Mr. Woodford's new firm was highly efficient in obtaining regulatory approval and also came to an agreement to use the infrastructure of existing investment business Oakley Capital in order to start operating as soon as possible.

While noted as a contrarian investor, a venture capital investment in private company Gigaclear is certainly an unusual early investment for a fund manager. However, with BT's roll-out schedule public and customer demand canvassed and practically signed up in advance, in many ways this investment has the risk profile of debt but with likely returns more in line with venture capital expectations.

What makes this investment more conventional for a fund manager is that Gigaclear had already been considering a flotation in order to meet its capital requirements, alongside continued talks with institutional and private equity funds. An exit to the public markets would obviously be highly profitable for CF Woodford.

AyoxxA Biosystems

Germany | www.ayoxxa.com

#	Sector	Round	€mn	Description	Investors
16	Medtech	B	9.0	Developer of technology for conducting multiplex protein analysis.	b-to-v Partners, Creator Venture, High-Tech Gruenderfonds, HR Ventures, KfW Bankengruppe, NRW.BANK, Wellington Partners

AyoxxA Biosystems (**Germany**), a developer of technology for conducting multiplex protein analysis, raised **€9.0mn** in a **Series B** round from new investors **b-to-v Partners, Creathor Venture** and **HR Ventures** with support from all of its existing investors – **High-Tech Gruenderfonds**, **KfW Bankengruppe**, **NRW.BANK** and **Wellington Partners**. The money will be used to scale up production of the proprietary biochips used in the firm's assay equipment.

AyoxxA was set up in 2010 as a spin-out from the University of Singapore by German expatriates. The company retains its research presence in Singapore but chose Köln in Germany as its global headquarters (the founders and senior management are all German, and the Co-Founder and VP of R&D both completed their PhDs in Köln). It has developed proprietary technology for conducting multiplex protein analysis – measuring how many of a number of different proteins there are in a single sample. One application is the detection of antigens for diagnostic tests. The R&D component alone of the market for protein immunoassays is worth €2.3bn, and growing at 25% per annum, according to management. Other applications include quality control in various industries.

AyoxxA's test will compete with the standard Enzyme-Linked Immunosorbent Assay (ELISA). Both methods use antibodies that induce colour changes in a sample of proteins, which can then be interpreted as data. The advantage of AyoxxA's test is that it can deal with more proteins and extremely small sample volumes (as little as 3µL compared to 30µL for conventional systems), and upfront costs are relatively low.

Another advantage of AyoxxA's test over the standard ELISA tests is that it uses an array of beads coated with antibodies mounted on a flat surface. Post colour change, the resulting pattern is indicative of the combination of proteins present and can be read automatically through a fluorescence microscope using software.

Investors

This is the first of two investments by b-to-v Partners in this issue (see Wine in Black below), both of which are in Germany rather than in the firm's Swiss base. It is not the firm's first foray into the molecular diagnostics market – b-to-v was also an early backer of Exosome which appeared in our March 2007 issue. The firm's outlook has long been international – since 2007 it has run invitation-only conferences for potential members of its angel network and advisors all over the world. The next is in San Francisco in September.

Fellow new investor Creathor Venture Management (€80mn (2011); AUM €140mn) is one of the older investors in Europe having backed over 200 companies since being set up in the early 1980s. Targeting technology investments primarily in Germany and Switzerland, the firm prefers to get involved at an early-stage with no minimum investment but can invest up to €10mn over the life of a deal. As well as taking part in secondary transactions and buyouts, the firm has particular expertise in backing spin-outs from research institutions.

The third new investor in this round is HR Ventures, a low-profile early-stage investor based in Frankfurt, which concentrates on co-investments.

While only founded in 2005, State and corporate-backed seed German technology investor High-Tech Gruenderfonds (€304mn (2011); AUM €576mn) has invested over 250 companies in its first five years. The success of the firm's first fund meant that it was able to attract a number of industrial firms as LPs when it raised its second fund in 2011. These included BASF, Carl Zeiss, Daimler, Deutsche Telekom, Robert Bosch and Siemens. As the firm's modus operandi is to invest relatively small amounts (typically €500k for an equity stake of 15%) to help companies either build prototypes or prove their products in the marketplace, High-Tech Gruenderfonds not only provides these industrial LPs with an easy way to act as strategic investors, but it also acts as a deal pipeline for those such as Robert Bosch which have their own corporate venture arm.

Raising tens of billions of euros in the capital markets every year, KfW Bankengruppe (AUM €511bn) is one of Europe's largest issuers of capital. Owned by the German State, KfW is a major supporter of the Deutsche Mittelstand and often acts in concert with state-backed High-Tech Gruenderfonds. In a venture capital context, NRW.BANK acts as a regional investor in the German state of North Rhine-Westphalia. Like KfW, but on a smaller scale, NRW also has a mandate to support the Mittelstand.

The other returning investor was well-known life science and technology firm Wellington Partners (€70mn (2012); AUM €850mn) which featured in last month's Bulletin with a €15mn round for medical imaging specialist Definiens.

Wine in Black

Germany | www.wine-in-black.com

#	Sector	Round	€mn	Description	Investors
17	Internet Services	C	9.0	Online shopping platform for wine in Germany.	**b-to-v Partners**, Bright Capital, e.ventures, Passion Capital, Project A Ventures

Wine in Black (**Germany**), an online shopping platform for wine in Germany, raised **€9.0mn** in a **Series C** round led by **b-to-v Partners** with support from existing investors **Bright Capital**, **e.ventures**, **Passion Capital** and **Project A Ventures**. The money will be used to continue Wine in Black's international expansion.

Perhaps surprisingly for a technology Bulletin, in the last year we have seen two investments related to one of Europe's oldest industries – wine! In July 2013 we covered a €7.9mn round for wine label deciphering app Vivino, followed by a €7.5mn round for e-tailer and investment platform NakedWines in August 2013. Before this, the last wine-related investment we saw was a €9mn PIPE for Euronext-listed upscale wine e-tailer 1855 in February 2010.

Wine in Black is one of many e-commerce businesses to emerge from the vibrant tech scene in Berlin. Set up in January 2011 the company operates a free-to-join club which offers discounts of up to 60% to its members. Just like the fashion e-tailers which pioneered this business model, Wine in Black carefully curates its selection of wines. Only prize-winning or other premium wines are included. This has two effects. Firstly there is only a relatively small supply of such wine which means that there is a high turnover of stock and hence no requirement for expensive long-term storage in climate-controlled cellars. Secondly, the average spend per bottle is €15 compared with only €2.6 in supermarkets. As a result, two-thirds of new members become repeat customers.

At the time of Wine in Black's last round – a €5mn round led by Bright Capital in March 2013 – the company had a membership of 200,000. Over the past eighteen months this has increased to more than 350,000 and is growing at about 10,000 a month. Already operating in Austria, France and the Netherlands, Wine in Black addresses 45% of the European wine market by revenue. Nonetheless the firm plans to expand elsewhere in Europe, particularly to Italy, Portugal and the UK, which respectively account for 20%, 4% and 10% of the European wine market by revenue.

Current trends in the wine industry make this investment particularly timely. Most obviously, while the volume of wine consumed has changed little over the last few years, the premium end of the market is expanding as consumers spend more per bottle, thus the total value of the European wine market has been increasing. Secondly, partly due to a structural reduction in capacity, demand for wine currently exceeds supply with 2012 having shown the deepest shortfall in wine production in four decades of records. While current consumption can be supplied from previous vintages, over the next few years the 2012 vintage will start to be drunk and prices will increase. In addition, just as we have seen in the fashion industry, there is also the likelihood that the proportion of wine which is bought online will increase from its present level of only 5%.

Investors

Transaction leader b-to-v Partners is slightly unusual in that it is both a conventional venture capital firm and also an investor network with some 200 members. The firm specialises in internet businesses, especially med-tech and cleantech firms, primarily in the DACH region of Europe (although 20% of its capital is ear-marked for investments in Asia, Israel and the US). Stage agnostic, b-to-v will invest anywhere from €200k to €10mn.

b-to-v has recently been quite active in Germany – we covered another of its German investments (AyoxxA) earlier in this issue. Although the firm is based in St Gallen in Switzerland, which is close to the German border, in June the firm announced the opening of a German branch office in Berlin.

Existing investor Bright Capital led Wine in Black's €5mn Series B round in March 2013. Originally based in Moscow but now with a branch office on Sand Hill Road in Palo Alto, Bright is focused on cleantech and digital investments, and agnostic in both stage and geography. Currently investing from three active funds, the firm makes around ten investments a year. One of the ways in which it often helps its investee companies is with entering the CIS markets which strongly suggests that some of Wine in Black's planned expansion may take it eastwards. While the Russian drinks market is dominated by vodka and beer, as with so many e-commerce opportunities there is huge growth potential owing to a large population of younger consumers with increasing access to the internet.

The three other returning investors – e.Ventures, Passion Capital Investments (€43mn (2011)) and Project A Ventures (which rarely features in our Bulletin due to its early-stage focus), have all supported Wine in Black since its first round in December 2011. e.Ventures brings a wealth of relevant experience from its investment in Vinetrade. While Vinetrade ultimately failed, this is far from unusual for venture investments and failures are often more instructive than successes.

CrowdCube

UK | www.crowdcube.com

#	Sector	Round	€mn	Description	Investors
18	Internet Services	B	6.3	Operator of a crowdfunding platform which allows retail investors to back SMEs with both equity and debt.	**Balderton Capital**

CrowdCube (**UK**), operator of a crowdfunding platform which allows retail investors to back SMEs with both equity and debt, raised **£5mn** (**€6.3mn**) in a mixed **Series B** and **crowd-funding** round with the venture capital part provided by **Balderton Capital**. The money will be used to support continued expansion in the UK as well as an entry into overseas markets. In particular, the firm plans to double its team to 50 people as well as open satellite offices in London and Scotland alongside its head office in Exeter.

Founded in January 2010 and authorised by the FCA in February 2013, CrowdCube operates a P2P platform which allows retail investors to make equity and debt investments in private British companies. For equity investments, the firm makes its money from a £250 (€315) fee charged for listing on its platform, a 5% success fee and a £1,000 (€1,260) fee for administering the process and share certificates. In addition to these fees, those raising money through CrowdCube must also pay £1,250 (€1575) to lawyers who oversee the transaction as well as a 50bp fee for wiring funds.

Initially offering only equity investments, CrowdCube extended its offering to mini-bonds for companies looking to raise in excess of £1mn (€1.3mn) as of mid-June 2014. With fixed terms and fixed interest rates of up to 8%, the first and best known use of this form of debt was by John Lewis in 2011 to raise £50mn (€63mn). Hitherto it has been quite expensive to raise debt in this way owing to the legal, structuring and administrative work done. The cost of issuing mini-bonds using CrowdCube's platform is not publicly known but given that the platform provides an efficient way of communicating with investors it ought to be significantly cheaper than a traditional private placement. According to Crowd Valley, research firm Capita forecasts that total annual issuance of mini-bonds will reach £8bn (€10bn) by 2017.

Since it launched in 2011, CrowdCube has facilitated investment of just over £40mn (€50mn) in 141 companies by almost 86,000 investors registered on its platform. The firm now seems to have significant traction as half of this was raised in 2014 alone. Moreover, with around 65% of investments coming from repeat investors the platform looks to be stable. Despite the advantages of diversification, more than three quarters of those registered to use CrowdCube have only one investment (though this must be considered in the context of the platform's rapid growth).

Investors

Prior to this round, CrowdCube had raised two rounds using its own platform in what must be one of the more unusual forms of boot-strapping. In 2011 the firm raised £320k (€403k) in seed money from 162 private individuals followed by a £1.5mn (€2mn) crowd-funded Series A round in 2013 at a valuation of £7.1mn (€9mn).

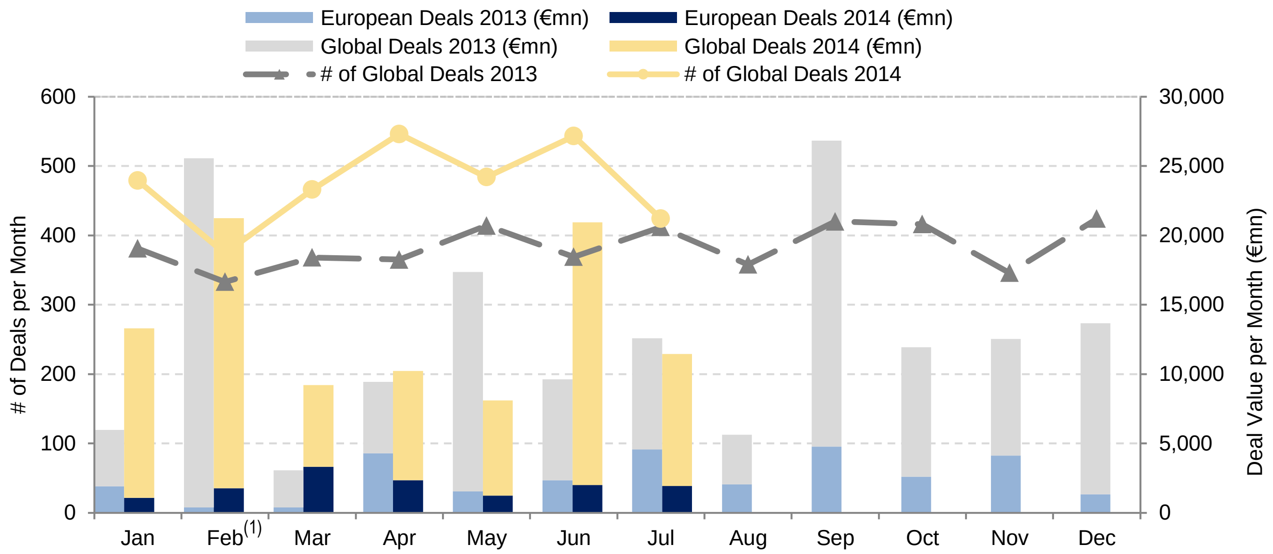
It is for this reason that CrowdCube and Balderton describe this round as a Series B investment. CrowdCube also made use of its platform for this round, raising an additional £1.2mn (€1.5mn) from private investors, but has stated publicly that it wanted not just money but also experience and insight – one of the classic value-adds that VC firms cite to distinguish themselves from their competitors.

The £3.8m invested by Balderton Capital (€230mn (2014); AUM €1.4bn) brings this round to £5mn (€6mn) and total external investment in CrowdCube up to £5.6mn (€6.5mn). From its base in London, well known early-stage technology investor Balderton invests anywhere in the world, although in practice more than half of its investments are in the UK. Investments can range from €500k to €60mn.

Having recently closed its fifth fund, Balderton is now quite active and has made fifteen investments so far this year – eight in the UK, four elsewhere in Europe and three in the US. Despite leading a €24mn round for online discretionary wealth manager Nutmeg as described in our June issue, Balderton is not yet as active a fintech investor as Index and Accel. It does, however, have the distinction of being one of the early backers of P2P lending pioneer Zopa with a $15mn (€11mn) Series B round alongside Benchmark, Bessemer and Wellington in March 2006. While Zopa is a C2C funding platform rather than a C2B one like CrowdCube, Balderton has gained highly relevant expertise working alongside the Zopa management team (which had previously founded pioneering internet bank Egg) to steer the business through expansion in Italy and the US, eventually helping Zopa become the dominant C2C lender with over 85% of the market.

2.1 M&A Activity Index

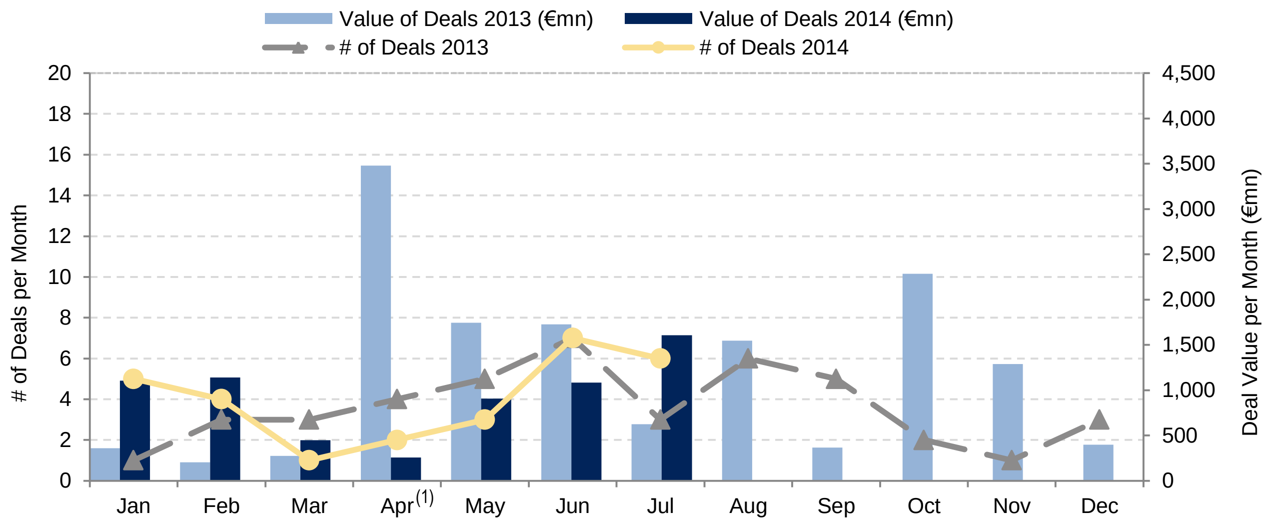
Disclosed Global TMT M&A Transactions



Source: Capital IQ; Go4Venture Advisers Analysis

(1) Includes Dell acquisition by Silver Lake for €22.3bn (2013) and WhatsApp acquisition by Facebook for €13.9bn (2014)

Disclosed European VC & PE-Backed TMT M&A Transactions (>£30mn / €35mn / $50mn)



Source: Capital IQ; The 451 Group; VentureSource (including transaction value estimates); Go4Venture Advisers Analysis

(1) Includes ista International acquisition by CVC Capital Partners for €3.1bn (2013)

Disclosed European VC & PE-Backed TMT M&A Transactions (2014) >£30mn / €35mn / $50mn

			Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Monthly	Number	#	5	4	1	2	3	7	6					
	Value	€mn	1,106	1,140	448	258	906	1,083	1,607					
	Median	€mn	240	259	448	129	215	129	200					
Cumulative	Number	#	5	9	10	12	15	22	28					
	Value	€mn	1,106	2,246	2,695	2,953	3,859	4,942	6,549					
	Median	€mn	240	39	303	186	228	175	175					

2.2 Top 5 Global TMT M&A Transactions Summary

Ranked by Price (€mn, including estimates) in descending order

#	Target	Acquirer	Target Sector	Price (€mn)	Revenues (€mn)	P/R
1	**Trulia** (US NYSE:TRLA) www.trulia.com	**Zillow** (US NASDAQ:Z) www.zilllow.com	Internet Services	2,439	156	15.6x
	Noteworthy sellers: Caledonia Investments; Citadel Advisors; Deep Fork Capital; Polaris Partners; Sequoia Capital Trulia, operator of a real estate classified ads website that lists property for rent or sale by consumers in the US, will be acquired by Zillow, another operator of US estate classified ads websites. The acquisition will provide the combined entity (which will maintain both consumer brands) with an enlarged customer base, since there is little overlap between the companies. It will also enable Zillow to offer users improved free information about homes and real estate, and to provide advertising and software solutions for real estate professionals.					
2	**ViaWest** (US) www.viawest.com	**Shaw Communications** (Canada TSX:SJR.B) www.shaw.ca		885	N/A	N/A
	Noteworthy Sellers: Barclays Private Credit Partners; GI Partners; Oak Hill Capital Partners; Solar Capital (NASDAQ:SLRC); Solar Capital Partners ViaWest, a provider of data centre infrastructure, cloud technology and managed IT solutions, will be acquired by Shaw Communications, a telecoms services provider. The acquisition, which follows its purchase of fiber-optic network operator ENMAX Envision (€164mn) in April 2013, will enable Shaw Communication to improve its data services and cloud capabilities, and also to target mid-market companies.					
3	**GlobalCollect** (Netherlands) www.globalcollect.com	**Ingenico** (France ENXTPA:ING) www.ingenico.com		826	350	2.3x
	Noteworthy Sellers: WCAS Xi-GC, Welsh Carson Anderson & Stowe GlobalCollect, a provider of online payment services, will be acquired by Ingenico, a provider of multi-channel payment solutions. The acquisition will enable Ingenico to strengthen its presence in the Americas and Asia Pacific region, and to enhance its card-not-present offerings (specifically for mobile payments). For more details, please see the Headline European VC & PE-Backed M&A Transactions section.					
4	**NQ Mobile** (China NYSE:NQ) www.nq.com	**Bison Capital Holding Company** (China) [N/A]		570	143	2.5x
	Noteworthy Sellers: Altimeter Capital Management, China Rock Capital Management, GSR Ventures Management, Kylin Management, Mayfield Fund, QUALCOMM (NASDAQ:QCOM), RPL Holdings, Sequoia Capital China, Toro Investment Partners NQ Mobile, a provider of mobile games and security software, will be acquired by Bison Capital Holding, an investment holding company majority owned by Peixin Xu (founder of children's' toys e-commerce site Redbaby). The acquisition will enable Bison to consolidate its investments in NQ Mobile, having acquired part of the company's FL Mobile gaming unit in May 2014.					
5	**Aegis US** (US) http://www.aegisglobal.com	**Teleperformance** (France ENXTPA:RCF) www.teleperformance.com		450	296	1.5x
	Aegis US, the US businesses of global business services, outsourcing and technology company Aegis, will be acquired by Teleperformance, a outsourced customer experience management provider. The acquisition will add 19,000 employees based in the Americas to Teleperformance and greatly increase its US footprint, busting its market share and resulting in combined revenues of $4bn (€3bn).					

Source: Capital IQ; The 451 Group; Go4Venture Advisers Analysis

Key
P/R – Price / Last 12 Months Revenues

2.3 Headline European VC & PE-Backed M&A Transactions

>£30mn / €35mn / $50mn

Ranked by Price (€mn, including estimates) in descending order

#	Target	Acquirer	Target Sector	Price (€mn)	Revenues (€mn)	P/R	Funding (€mn)	P/F
1	**GlobalCollect** (Netherlands) www.globalcollect.com	**Ingenico** (France ENXTPA:ING) www.ingenico.com	Payment Services	820	350	2.3x	N/A	N/A
	Noteworthy Sellers: Welsh Carson Anderson & Stowe							
2	**SPTS Technologies** (UK) www.spts.com	**Orbotech** (Israel NASDAQ:ORBK) www.orbotech.com	Hardware	273	115	2.4x	N/A	N/A
	Noteworthy Sellers: Bridgepoint							
3	**Quintiq** (Netherlands) www.quintiq.com	**Dassault Systèmes** (France ENXTPA:DSY) www.3ds.com	Software	248	N/A	N/A	N/A	N/A
	Noteworthy Sellers: LLR Partners, NewSpring Capital							
4	**Retail Decisions** (UK) www.redworldwide.com	**ACI Worldwide** (US NASDAQ:ACIW) www.aciworldwide.com	Software	151	N/A	N/A	N/A	N/A
	Noteworthy Sellers: Palamon Capital Partners							
5	**Movea** (France) www.movea-tech.com	**InvenSense International** (US NYSE:INVN) www.invensense.com	Hardware	55	N/A	N/A	10	5.5x
	Noteworthy Sellers: CEA Investissement, Gimv (ENXTBR:GIMB), I-Source Gestion, Intel Capital, Technicolor							
6	**Phlexglobal** (UK) www.phlexglobal.com	**Bridgepoint Development Capital** (UK) www.bridgepoint.com	Software	53	6	8.9x	N/A	N/A
	Noteworthy Sellers: Inflexion Private Equity Partners							

Source: Capital IQ; The 451 Group; VentureSource; Go4Venture Advisers Analysis

Key

P/R – Price / Last 12 Months Revenues
P/F – Price / Total Funding

P/F > 1x indicates an investment where all investors have made a positive return on their investment
P/F < 1x indicates poor returns for some, but early or late investor entrants may still show a positive return on investment

#	Target	Acquirer	Target Sector	Price (€mn)	Revenues (€mn)	P/R	Funding (€mn)	P/F
1	**GlobalCollect** (Netherlands) www.globalcollect.com	**Ingenico** (France ENXTPA:ING) www.ingenico.com	Payment Services	820	350	2.3x	N/A	N/A

GlobalCollect (**Netherlands),** a provider of online payment services, will be acquired by **Ingenico** for **€820mn** in **cash.** The seller is private equity firm **Welsh, Carson, Anderson & Stowe**. This acquisition, which is Ingenico's largest deal since 2002 according to The 451 Group, will enable the company to strengthen its presence in the Americas and the Asia Pacific region. It will also improve its card-not-present offering (i.e. mobile payment) and its payment services offering expand its customer base by c. 600 Tier 1 e-commerce merchants.

Target	Acquirer
globalcollect™ payments. knowledge. growth.	ingenico

Founded in 1994, GlobalCollect provides web-based and mobile credit and debit payment services for businesses globally. Via its WebCollect platform, GlobalCollect acts as a hub enabling online merchants from over 200 countries to accept payments in 150 currencies through several international and local payment methods. In addition, GlobalCollect offers various back-end and front-end payment processing services, as well as other services such as payment performance analysis. The company has signed partnerships with well-known payment firms including American Express, CB, Maestro, MasterCard, Visa and Western Union.

GlobalCollect employs more than 500 people globally. In fiscal year 2013, it processed over €1.4bn in sales, reported net revenue of €111mn and adjusted EBITDA of €50mn (45%margin). 65% of its revenues come from outside Europe, including 36% from the US, 23% from the Asia-Pacific region and 6% from Latin America. Customers include firms such as Emirates, KLM, Levi's, Nike, Skype and The Financial Times.

Founded in 1980, Ingenico provides multi-channel payment solutions, including a range of fixed and wireless Point-of-Sale (PoS) systems, as well as related transaction processing software for businesses globally.

Ingenico has installed over 22mn PoS systems globally, and has over 50,000 customers including Barclays, BNP Paribas, Google, Ikea, McDonalds, Microsoft, PayPal, RBS, Ryanair, Visa and Walmart. It employs over 4,500 staff across 125 countries and reached revenues of €1.4bn in 2013 (+14% year-on-year), split across the Single Euro Payments Area (43%), Asia Pacific (17%), Latin America (14%), Europe Middle East and Africa (9%), North America (9%) and Other (8%). 67% of these revenues came from payment terminals, 28% from payment and maintenance services, and 5% from TransferTo (Ingenico's subsidiary providing international airtime remittance, which it sold in December 2013 in a management buyout).

Ingenico last featured in our Bulletin in January 2013, when it acquired payment processing platform for e-commerce Ogone for €360mn.

Noteworthy Sellers

Welsh Carson Anderson & Stowe (€2.7bn (2009); AUM €15.6bn) is a private equity firm that invests in business and information services, as well as healthcare. Operating primarily in the US, the company makes investments including corporate carve-outs, buy-and-build transactions, growth equity investments and large public-to-private acquisitions. The company has no deal size criteria, focusing on the best opportunities in its target sectors of business services, healthcare and information technology.

Welsh Carson Anderson & Stowe has invested between $750mn (€553mn) and $1bn (€738mn) annually for the past ten years, and became involved in GlobalCollect in 2010 when it acquired a majority stake from General Atlantic and GlobalCollect's management.

#	Target	Acquirer	Target Sector	Price (€mn)	Revenues (€mn)	P/R	Funding (€mn)	P/F
2	**SPTS Technologies** (UK) www.spts.com	**Orbotech** (Israel NASDAQ:ORBK) www.orbotech.com	Hardware	273	115	2.4x	N/A	N/A

SPTS Technologies (UK), a manufacturer of deposition, etch and thermal processing equipment for the microelectronics industry, will be acquired by **Orbotech** for **$370mn (€273mn)** in **cash.** The seller is private equity firm **Bridgepoint**. This acquisition will enable Orbotech to accelerate execution of its growth and diversification strategy, and to move up the electronics value chain. It will also expand Orbotech's presence in Europe and North America, and reciprocally provide SPTS with a greater reach throughout the Pacific region, particularly in China.

Target	Acquirer
SPTS	orbotech

Target

SPTS Technologies was formed in 2009, when Sumitomo Precisions Products' (SPP) Process Technology Systems acquired Aviza Technology and subsequently merged Aviza with its subsidiary Surface Technology Systems (STS).

SPTS provides Chemical and Physical Vapour Deposition (CVD and PVD), etch and thermal wafer processing equipment for the microelectronics industry. End-market products include advanced packaging, such as 3D-Integrated Circuits (ICs), high speed Radio Frequency ICs (RFICs), Light-Emitting Diodes (LEDs), Micro-Electromechanical Systems (MEMS) and semiconductors.

With manufacturing facilities in the UK (Newport, Wales) and US (Allentown, California, Pennsylvania and San Jose), the company operates across 19 countries in Asia-Pacific, Europe and North America.

SPTS reached revenues of $154mn (€115mn) and EBITDA of $36mn (€27mn), a 24% margin, for the twelve months ending 31 March 2014. The company received the estnet company of the year award 2014 and was ranked 2nd in the Sunday Times 100 Profit Track 2013 as well.

Acquirer

Founded in 1981 and headquartered in Israel, Orbotech provides equipment and services for the electronics industry supply chain. It provides inspection, production, repair, test and yield optimisation equipment for electronics manufacturers involved in the production of Flat Panel Displays (FPDs), Printed Circuit Boards (PCBs) and touch screens, including automated optical inspection, automated optical rework, laser plotting and direct imaging systems. Orbotech also provides services for FPD and PCB manufacturers, including training, equipment installation and maintenance.

Orbotech employs over 1,700 staff (of which more than a quarter are scientists and engineers) split across its offices in China, Europe, Japan, North America and the Pacific Rim, in addition to its offices in Israel. The company reached revenues of €327mn (+14% year-on-year) and EBITDA of €40mn (12% margin) for its fiscal year ending December 2013.

Noteworthy Sellers

Readers might be familiar with private equity firm Bridgepoint (€4.8bn (2008); AUM €12bn), which last featured in our Bulletin in June 2014 when its subsidiary Bridgepoint Development Capital (AUM €800mn) sold Pulsant (a provider of managed, hosted data centre and IT infrastructure services to the mid-market) to Oak Hill Capital Partners (a private equity firm) for $340mn (€250mn). Bridgepoint Development Capital typically invests between €10mn and €75mn per company.

Bridgepoint itself invests between €75mn and €400mn in businesses valued between €200mn and €1bn. It targets companies across various sectors including business services, financial services, healthcare, manufacturing and industrial, and media and technology, primarily in Europe.

Bridgepoint became involved in the deal when it acquired SPTS in June 2011 for $200mn (€144mn).

#	Target	Acquirer	Target Sector	Price (€mn)	Revenues (€mn)	P/R	Funding (€mn)	P/F
3	**Quintiq** (Netherlands) www.quintiq.com	**Dassault Systèmes** (France ENXTPA:DSY) www.3ds.com	Software	248	N/A	N/A	N/A	N/A

Quintiq (**Netherlands**), a provider of Supply Chain Planning (SCP) and operations planning and optimisation software, will be acquired by **Dassault Systèmes** for **€248mn** in **cash.** The sellers are private equity firms **LLR Partners** and **NewSpring Capital**. This acquisition will enable Dassault Systèmes to extend its interactive animation platform 3DEXPERIENCE to business operations planning. It is Dassault Systèmes' second transaction this month, following the acquisition of Germany-based multi-body simulation software provider SIMPACK for an undisclosed sum, again to improve its 3DEXPERIENCE platform.

Target

Founded in 1997, Quintiq provides on-premise and cloud-based Supply Chain Planning (SCP) and optimisation software. Via a single platform, it provides solutions for logistics, production and workforce planning for a large range of industries including aviation to metal, broadcasting, logistics, manufacturing, rail and retail. In 2012, its software planned the production of 25% of all aluminium produced globally.

The company, which claims to be profitable since 1997, has grown organically to c. 800 staff. It has over 250 customers across 90 countries including ArcelorMittal, AkzoNobel, ASML, Danone, DB Schenker, DHL, Lafarge, Novelis, TNT and Walmart. Quintiq has developed partnerships with brands such as Accenture, Capgemini, IBM, Ordina, SAP and Siemens, and was recognised as a Leader in Gartner's Magic Quadrant 2014 as an "SCP System of Record".

The company has two headquarters, in the Netherlands and the US, and operates globally via subsidiaries in Australia, China, Finland, Germany, Italy, Malaysia and the UK.

Acquirer

Dassault Systèmes is a France-based Computer-Generated Imagery (CGI) software provider for businesses globally. Though publicly-listed, the company remains majority-owned by Dassault Group, better known for its commercial and military aircraft, following its spin-out in 1981. Dassault Systèmes has since diversified beyond Computer-Aided Design (CAD) software into software and services for CGI-aided product mock-ups, and product lifecycle management.

The company employs over 10,000 staff and serves more than 170,000 customers. It reached revenues of €2.1bn (2% growth year-on-year) and EBITDA of €651mn (31% margin) for its fiscal year ending December 2013.

Dassault Systèmes has acquired at least one company per year since 2000 and, in 2013, acquired nine companies. Quintiq represents its third acquisition this year following SIMPACK (July 2014, size undisclosed) and Accelrys (January 2014, for $750mn (€547mn)), which featured in our January 2014 Bulletin.

Noteworthy Sellers

LLR Partners (€701mn; AUM €1.6bn) is a US-based private equity firm that targets businesses with revenues between $15mn (€11mn) and $150mn (€111mn). It invests between $15mn (€11mn) and $100mn (€74mn) in business services, consumer and education, financial services, healthcare services, security and government, as well as software and IT services sectors. While it invests globally, the majority of its portfolio is US-based.

NewSpring Capital (€184mn; AUM €712mn) is a US-based private equity firm founded in 1999; it invests via four funds including NewSpring Growth (which targets companies in the business services, information technology and technology sectors), NewSpring Healthcare (which targets healthcare services, particularly within the pharmaceutical and medical technology sectors), NewSpring Mezzanine (which provides mezzanine debt and equity to support growth, acquisitions and recapitalisation along with other sponsors) and NewSpring Holdings (which invests in growing and profitable companies). Quintiq was a NewSpring Growth investment. NewSpring Capital has an investment portfolio of over 90 companies.

Both firms first invested in Quintiq as part of its June 2011 growth round, for which the terms were not disclosed.

#	Target	Acquirer	Target Sector	Price (€mn)	Revenues (€mn)	P/R	Funding (€mn)	P/F
4	**Retail Decisions** (UK) www.redworldwide.com	**ACI Worldwide** (US NASDAQ:ACIW) www.aciworldwide.com	Software	151	N/A	N/A	N/A	N/A

Retail Decisions (**UK**), a provider of fraud prevention technology for e-commerce, will be acquired by **ACI Worldwide** for **€151mn** in **cash.** The primary seller is private equity and venture capital firm **Palamon Capital Partners**. This acquisition will enable ACI to extend its offering to better address the fraud concerns of its payment processing customers; having previously focused on fraud-related risk management features.

Target

Founded in 1999, Retail Decisions provides fraud prevention technology and services for e-commerce companies. Its ReD Shield fraud prevention software, which leverages pooled risk and fraud data from more than 190 countries, is used by merchants as well as payment service providers to minimise fraudulent chargebacks and other types of fraud for both online and mobile commerce. ReD Shield, which analyses behavioural patterns for fraudulent activities, works complimentarily with Retail Decisions' other fraud products including ReD Alert, ReD Fraud Xchange and ReD PRISM. The company also offers scalable payment processing services that integrate with its fraud products, to provide clients with an all-in-one solution capable of securely handling international payments and multi-currency transactions.

Retail Decisions' main competitors include the fraud prevention units of leading credit card companies, as well as independent players like ThreatMetrix, Trustev and ZoiD.

The company, headquartered in the UK, serves customers on six continents across all sectors of e-commerce.

Acquirer

ACI Worldwide is a payments technology company headquartered in Naples, Florida. Founded in 1975 as a software developer building systems to link ATMs for retail banking, it has since expanded to offer payments systems for wider retail banking applications, as well as wholesale banking and retailers.

The company began expanding internationally soon after founding and by the mid-1980s, had 131 customers in 14 countries. It now has more than 5,000 customers worldwide, including 21 of the top 25 global banks, 14 leading global retailers and 170 payment processing providers.

Since 2011, ACI Worldwide has experienced 27% annual revenue growth, reaching sales of €656mn and EBIDTA of €141mn (a 22% margin) in the fiscal year ending December 2013. Its growth can be in part attributed to a string of 16 acquisitions, which started in 2005 with the purchase of S2 Systems (a payment technology provider). Since then the company has made at least one acquisition per year.

Noteworthy Sellers

Primary seller Palamon Capital Partners (€215mn (2011); AUM €1.3bn) is a UK-based growth investor that emphasises its pan-European outlook, with a distribution of investments roughly matching that of the European venture industry as a whole. It typically makes investments of €15-80mn, in service businesses which depend on technology (such as software services, media and communications businesses), as well as investing in non-technology companies (such as business services, healthcare, financial services, leisure and retail). Resultantly its investments are not always reported in our Bulletin and, despite its high level of activity (10 deals since the beginning of 2013), it last appeared in December 2012 for its €25mn investment in feelunique.com, an online beauty retailer. As well as private equity and venture investments, the firm also participates in recapitalisations, turnarounds, buyouts and deleveraging transactions.

Palamon became involved in Retail Decisions through a £168mn (€269mn) buyout in September 2006, acquiring the company from a group of seven asset managers that included BlackRock, Gartmore, Schroders and others.

#	Target	Acquirer	Target Sector	Price (€mn)	Revenues (€mn)	P/R	Funding (€mn)	P/F
5	**Movea** (France) www.movea-tech.com	**InvenSense International** (US NYSE:INVN) www.invensense.com	Hardware	55	N/A	N/A	10	5.5x

Movea (**France**), a developer of motion processing technology, will be acquired by **InvenSense International** for **€55mn** in **cash.** The sellers are venture capital and corporate venturing firms **CEA Investissement, Gimv (ENXTBR:GIMB), I-Source Gestion, Intel Capital** and **Technicolor**. The acquisition will widen InvenSense's IP portfolio and help it move up the value chain in mobile, entertainment and wearable technology.

Target

Founded in 2007, Movea provides motion processing application software, firmware, hardware and middleware to the wearable and consumer electronics industry.

Movea produces data fusion engines, models and development tools that allow device manufacturers to add motion sensing capability to their products. The company's technology has been adopted and deployed in over 20 products across the three key industries of mobile, home electronics and wearables. Movea combines its MotionCore engine and MicroElectroMechanical Systems (MEMS) sensors to provide indoor (non-GPS) pedestrian navigation solutions for mobiles. Its MoveaTV platform provides motion enabled interactive TV and content navigation. The MoveFit engine and MEMS sensors are used in wearable technology to analyse and improve the movement of athletes, for physical therapy and joint assessment.

Thanks to a combined 425 man-years of R&D, Movea has built a portfolio of 91 patent families with 506 patent publications. With 55 employees, Movea is headquartered in Grenoble, France, with a US subsidiary in Silicon Valley, California.

Acquirer

InvenSense is a semiconductor provider focused on motion sensing and sound processing in consumer electronics.

InvenSense's multi-axis system-on-chip MEMS motion sensors combine gyroscopes, accelerometers, compasses and other types of sensors into unified datastreams usable by device operating systems to interpret movement. Its chips are used in smartphones, tablets, wearables, gaming devices, optical image stabilisation and remote controls for Smart TVs. Its 9-axis sensor is the smallest and most energy efficient of its kind. It also provides both analogue and digital MEMS-based microphones, which again emphasise minimal form factor and power consumption, used in a similar range of devices. It furthermore also provides development platforms and firmware for its chips.

The company, founded in 2003, employs c. 500 and has increased its revenue by more than 2.6x since 2011, growing 21% to €191mn for the fiscal year ending March 2014, with an EBITDA of €22mn (12% margin).

Noteworthy Sellers

CEA Investissement (AUM €65mn) is a seed fund affiliated with the French Atomic Energy Commission, CEA . It often backs spin-offs from CEA, or companies set up to exploit IP developed by CEA scientists, and has backed over 50 French startups since its founding in 1999. It focuses on the electronics, machinery, materials segments and wider technology. We last profiled it in May 2010 for its part in an €8mn investment in memory provider Crocus.

Publicly-listed (EBR:GIMB) Benelux-focused GIMV (€609mn (2010); AUM €1.8bn) was last profiled in June 2013 for joining Iris Capital to invest €15mn in online travel agency PlanetVeo. Another well-known name is the prolific Intel Capital (€80mn (2012); AUM €1.7bn), appearing for the sixth time in 2014, most recently for investments in mobile payment technology provider iZettle (May, €40mn) and big data storage technology developer Amplidata (March, €8mn).

I-Source Gestion (€20mn (2012)) is a venture capital firm specialising in seed, early-stage and growth capital investments in the online, software, media and telecommunications sectors. It typically invests up to €2mn per company in the first round of financing, and can increase its overall investment to €6mn in subsequent rounds. It typically invests in smaller rounds than our HTI Bulletins cover (even more so since it raised its €20mn Angel Source fund in December 2012), and consequently its last appearance was for the €38mn sale of review website Qype to Yelp in October 2012.

Technicolor (formerly known as Thomson) is best known for bringing colour to film in the early 20th Century. In addition to providing entertainment-related technology, Technicolor also operates in the connected home and signal processing technology segments. During its €6.5mn August 2012 round (below our reporting threshold), Movea acquired some technology assets from Technicolor.

#	Target	Acquirer	Target Sector	Price (€mn)	Revenues (€mn)	P/R	Funding (€mn)	P/F
6	**Phlexglobal** (UK) www.phlexglobal.com	**Bridgepoint Development Capital** (UK) www.bridgepoint.com	Software	53	6	8.9x	N/A	N/A

Phlexglobal (**UK**), a provider of specialist document and project management for pharmaceutical research, will be acquired by **Bridgepoint Development Capital (BDC)** for **£42mn (€53mn)** in **cash.** The seller is **Inflexion Private Equity Partners**. This secondary transaction will gain BDC a portfolio company that it believes has a strong position in a market management estimates is worth £700mn (€880mn) in 2014, and is growing at 5% per annum for the foreseeable future due to increased regulation and research activity. Furthermore, BDC believes that its geographic reach and business network will help further accelerate Phlexglobal's growth.

Target	Acquirer

Based in Amersham, UK, Phlexglobal is a provider of software and services to the pharmaceutical research industry, centred around Trial Master Files (TMFs). TMFs are collections of essential documents created during the pharmaceutical trial processes that are mandated by most regulators.

Phlexglobal, in addition to providing outsourced TMF management services, also provides electronic Transaction Master File (eTMF) management software, known as PhlexEview. PhlexEview is a specialised document management solution for the research industry, with an emphasis on reviewing functionality, metadata tagging and free-text searches. PhlexEview also integrates project and personnel management features.

For year ending December 2013, the company achieved sales of £15mn (€19mn) and an EBITDA of £5mn (€6mn, a 29% margin).

Featuring for the second time in this Bulletin, BDC is part of the well-known UK-based Bridgepoint, whose notable investments include Pret a Manger and Virgin Active and which manages over €13bn in committed capital.

While its parent focuses on buyouts of pan-European businesses valued up to €1bn, BDC invests between €10mn to €75mn in companies based in France, the Nordics and the UK. BDC's 14 investors focus particularly on the consumer / leisure, financial services, healthcare, industrials, media, technology and services sectors. It manages €800mn in capital and its latest fund (BDC II) has had its first close at €365mn.

Bridgepoint also appeared last month in our June Bulletin for its €250mn sale of cloud hosting and IT infrastructure services company Pulsant to Oak Hill Capital Partners.

Noteworthy Sellers

Inflexion Private Equity Partners (€120mn (2012); AUM €950mn) is a UK-based private equity firm investing in small-to-mid market growth businesses domiciled, but not necessarily operating, in the UK. The firm's Limited Partners (LPs) are primarily pension and insurance funds, fund of funds and family offices. While 49% of its investors are Europe-based (18% of which in the UK), 44% are based in North America, 6% in Australia and 1% in Japan. The company also maintains local teams in Brazil, China and India to help foster the overseas operations of its portfolio companies. It prefers to invest between £10-100mn (€12-118mn) in companies with at least £2mn (€2.4mn) in EBITDA and the potential to double that over 3-5 years. In terms of sectors, it prefers business services, infrastructure, financial services, healthcare, retail, engineering and TMT.

Inflexion first became invested in Phlexglobal in March 2011 through a management buyout; terms of the deal were not disclosed at the time, however unquote reports that the firm made a 2.8x return, implying a c. £15mn (€19mn) initial investment.

List of Acronyms

Financial Terms

k	used as abbreviation for 1,000 (for example, €1k means €1,000)
mn	million
bn	billion
AUM	Assets Under Management
CAGR	Compound Annual Growth Rate
EBIT	Earnings Before Interest and Tax
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
ECM	Equity Capital Markets
EV	Enterprise Value
FYE	Fiscal Year-End
IPO	Initial Public Offering
LBO	Leveraged Buyout
MBO	Management Buyout
LTM	Last Twelve Months
M&A	Mergers and Acquisitions
P/E	Price to Earnings ratio
P/R	Price to Revenues Ratio
P/F	Price to Funding ratio
PE	Private Equity
PIPE	Private Investment in Public Equity
VC	Venture Capital

Business / Technical Terms

ASIC	Application Specific Integrated Circuit
BVP	Bessemer Venture Partners
CVD	Chemical Vapour Deposition
CAD	Computer-Aided Design
CGI	Computer-Generated Imagery
CM	Content Management System
EPR	Electronic Patient Record
eTMF	electronic Transaction Master File
ELISA	Enzyme-Linked Immunosorbent Assay
FTTH	Fibre-To-The-Home

FPGA	Field Programmable Gate Array
FPD	Flat Panel Display
HVAC	Heating, Ventilation and Air Conditioning
HCP	Highland Capital Partners
HTGF	High-Tech Gruenderfonds
IC	Integrated Circuit
LED	Light-Emitting Diode
LP	Limited Partner
MEMS	Micro-Electromechanical System
MAS	Mobile Action Social Strategy
MAU	Monthly Active Users
NAO	National Audit Office
P2P	Peer-to-Peer
PVD	Physical Vapour Deposition
PoS	Point-of-Sale
PCB	Printed Circuit Board
RFIC	Radio Frequency Integrated Circuit
RBVC	Robert Bosch Venture Capital
SLA	Service Level Agreement
SPP	Sumitomo Precisions Products'
SCP	Supply Chain Planning
STS	Surface Technology Systems
SoC	Systems-On-Chip
TCV	Technology Crossover Ventures
TMF	Trial Master File

Go4Venture Advisers LLP

48 Charles Street
Berkeley Square
London
W1J 5EN

+44 (0)20 7529 5400
g4vbulletin@go4venture.com

This report was published on September 04, 2014

Disclaimer

This report has been prepared and issued by Go4Venture Advisers LLP who are authorised and regulated by the Financial Conduct Authority.

All information used in the publication of this report, has been compiled from publicly available sources that are believed to be reliable, however no representation, warranty, or undertaking, express or limited is given as to the accuracy or completeness of the information or opinions contained in this report. Opinions contained in this report represent those of Go4Venture Advisers LLP at the time of publication. This research is non-objective. This document is provided for information purposes only and should not be construed as an offer or solicitation for investment. Furthermore, as the information contained in this document is strictly confidential it may not be reproduced or further distributed.

The value of investments and any income generated may go down as well as up. Past performance is not necessarily a guide to future performance. Investors may not get back the amount invested. This publication is not intended to be relied upon in making any specific investment or other decisions. Appropriate independent advice should be obtained before making any such decision.

This report has been compiled by Jean-Michel Deligny, Managing Director – for and on behalf of Go4Venture Advisers.

Registered address: 10 Wellington Street, Cambridge, CB1 1HW Incorporation number OC336611
Authorised and Regulated by the Financial Conduct Authority