\sifted/Reports

Q3 2024 review

Tech's out of office summer

Introduction

If renewed optimism was the theme of H1, European tech was hit with a reality check in Q3. Following two strong quarters that injected €47.6bn of capital into the ecosystem, a seemingly endless summer holiday season only mustered up a miserly €11.5bn in funding. Still, more than 1,200 funding rounds — analysed in detail in this report — is not nothing and there's plenty to unpack over the coming pages, including the now-short-lived bursts in megarounds, debt financing and fintech activity.

The bright sparks: momentum and consistency at early stage; the steady performance of healthtech; the rise of Germany — Munich has firmly established itself as one of Europe's leading tech hubs — and the birth of two unexpected unicorns, Flo Health and Egym. You'll find case studies on both on pages 22 and 23.

Some of the startups who did well this summer might not have the same glitz and glamour as those that raised massive sums in the first half of the year (Wayve, Mistral AI and H to name a few), but represent a different kind of company: those with robust business models that aren't over complicating the tech.

The M&A landscape had a quiet summer as well. There are signs, however, that PE funds and US buyers are out shopping, particularly in AI. Europe's technology and technical talent is attracting global recognition but quite how straightforward it will be to hang on to (let alone nurture) it will be under close scrutiny by the EU and UK governments.

So, a lot to get one's head around, and maybe we're overreacting. You be the judge of where you think European tech is at right now, but as far as we can tell, a bumpier ride filled with lots of unexpected twists and turns feels like the new normal.

***Jonathan Sinclair**,*
head of research

October 2024

Q3 highlights

Q3 INVESTMENT:
Equity, debt and grant investment in Q3 totalled €11.5bn from 1,206 rounds, taking the total for the year to €59bn. Funding and deal count fell by 48% and 19% respectively compared to Q2.

EQUITY:
Dilutive financing summed to €10.3bn, 34% lower than Q2 and down on the same period last year.

DEBT:
The total raised in Q3 was €1.2bn from 30 deals, plummeting from €12.6bn in Q1 and €6.3bn in Q2 .

STAGES:
Pre-seed, seed and Series A deals accounted for 34% (€3.9bn) of total funding. Late-stage investment fell by 70% on Q2 to €2.1bn.

ROUNDS:
Pre-seed is generating momentum: the median round size has jumped from €0.7m to €0.8m to €0.87m over the past three quarters — averaging growth of 11.7%.

MEGAROUNDS:
27 rounds of $100m+ were announced in Q3, down from 47 in Q2.

BIGGEST DEALS:
Belgian app developer team.blue (€550m) and AI defence startup Helsing (€450m) secured the most capital in Q3, followed by Tallinn's renewable energy startup Sunly (€300m debt).

UNICORNS:
Europe minted two new $1bn companies in Q3: London-based period tracking app Flo Health and Munich fitness tech company Egym.

COUNTRIES:
The UK (€3bn) led Germany (€2.4bn); France finished way back in third with €1.2bn raised. UK and French investment fell by 71% and 75% respectively but Germany's grew by 12% on Q2.

CITIES:
London (€2.1bn) landed the most funding, followed notably by Munich (€1.2bn) and Paris (€836m). Ghent (€631m) made a surprise appearance at #5.

VERTICALS:
Climate tech received the most investment (€2.9bn), followed by B2B Saas (€2.6bn) and healthtech (€2.5bn).

SECTORS:
Drug discovery (€980m), biotech (€703m) and electric vehicles (€562m) stole the show; while medtech (66), biotech (65) and foodtech (58) topped the deal count ranks.

INVESTORS:
Sifted tracked 2,460 investors that made at least one investment into a European startup in Q3. 404 of them made at least two and 40 made at least five.

MOST ACTIVE:
Antler was Europe's most active private investor in Q3 with 20 investments, followed by High-Tech Gründerfonds (16) and SFC Capital (14).

NEW FUNDS:
Over €8.1bn of fresh capital has been raised by Europe's VCs in Q3.

Q3 by the data

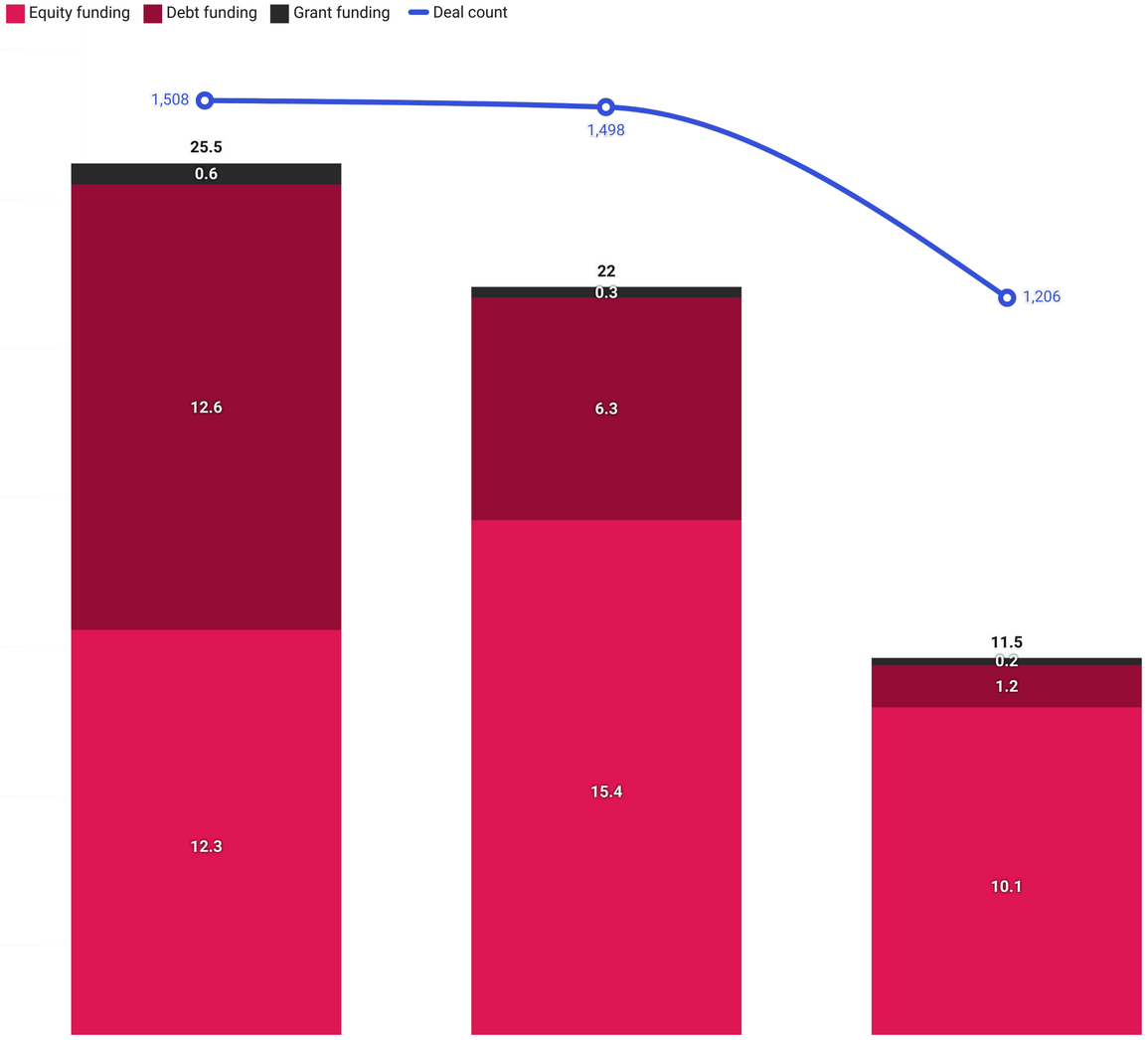
Q3 failed to flatter after strong H1

July through September was the quietest stretch we've seen since 2020, with both total investment and deal count plunging by 48% and 19% respectively when compared to Q2. Equity alone grew 25% between Q1 and Q2, but has since dipped 34% in the opposite direction. The main drivers: debt and late-stage funding falling off a cliff — more on that to come.

"A summer lull hasn't been the norm for several years now, with July and September usually making up for August holidays. Q3 was actually the pick of the bunch last year. Despite industry sentiment being fairly positive right now, the hard data says otherwise — it suggests European tech's momentum has stalled."

***Jonathan Sinclair**, head of research*

European funding rounds by quarter, Q1-Q3 2024 (€bn)



Source: Sifted

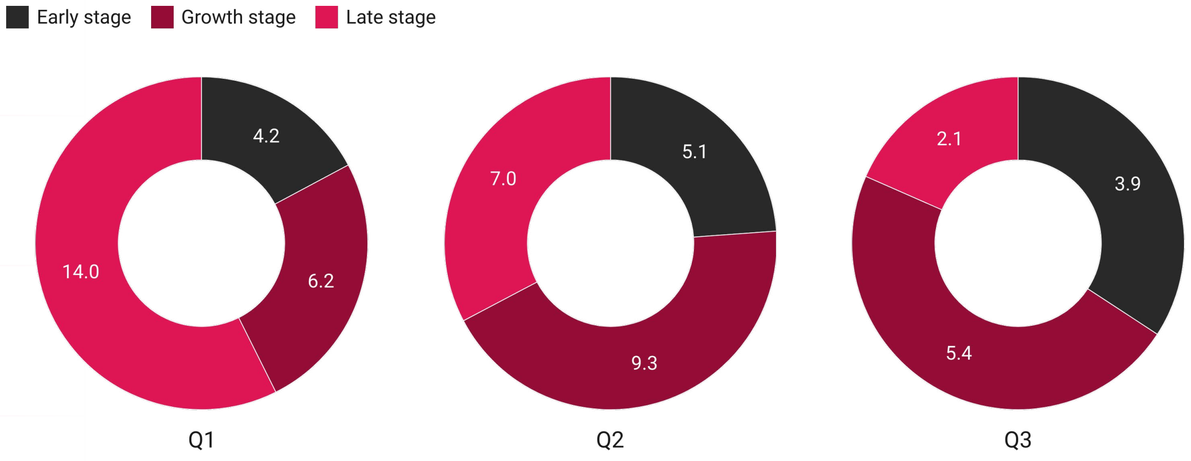
Late-stage funding fell 70% on Q2

Funding at all stages fell quarter over quarter, but late stage saw the most dramatic slide — down 70% on Q2 to €2.1bn (and the Q2 figure was already half of Q1's action). Growth stage didn't fair much better in Q3 with a drop of just over 42% on the previous quarter; however, it's less significant as Q2 was likely just an overperformance.

"Thinking that big late-stage deals don't happen in Q3? Think again. All of Northvolt, Stegra, Zenobe and Verkor — four of Europe's five most capitalised climate tech startups — raised big sums during this period last year, making Q3 the best quarter for funding in 2023."

***Ruggero Di Spigna**, senior analyst*

Funding by stage, Q3 2024 (€bn)



Source: Sifted
Sifted defines growth stage as Series B and C (incl. extensions) and late stage as Series D up to but excluding IPO.

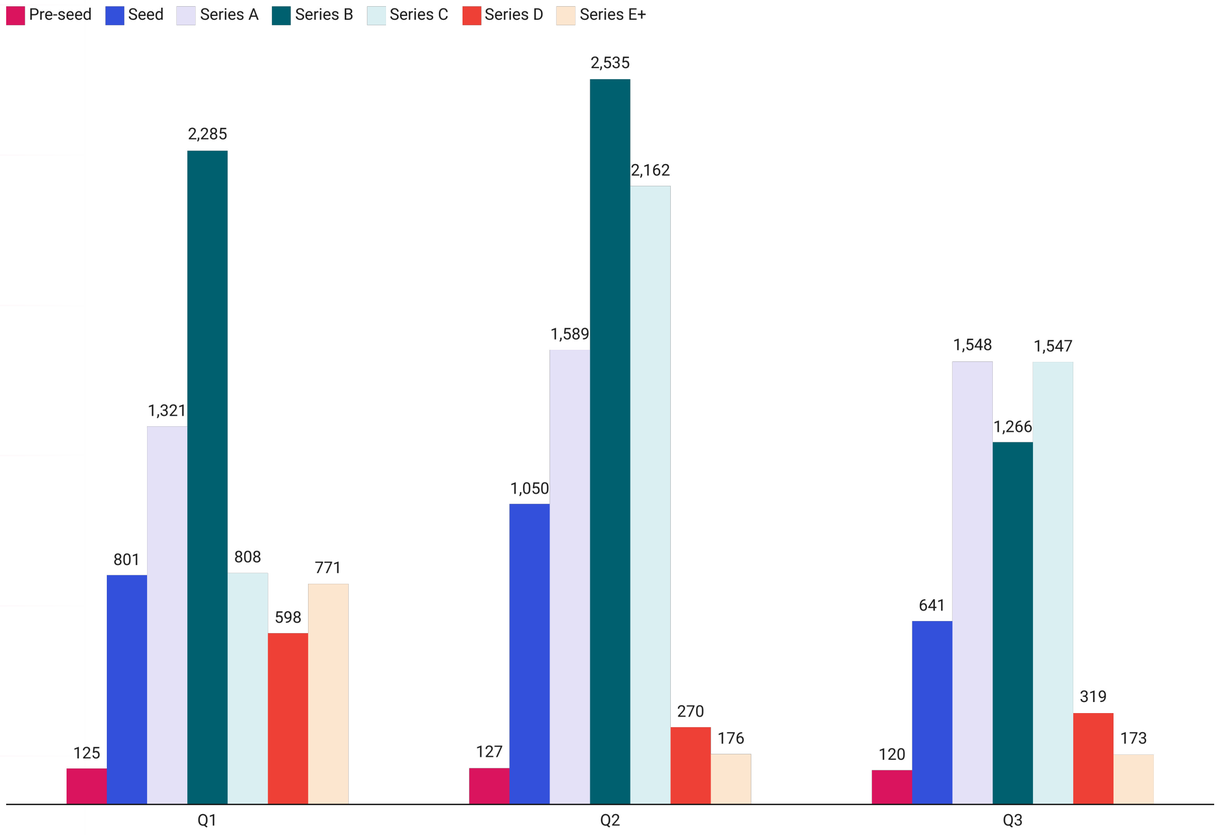
Series A was the best funded round type in Q3

We interrupt the gloomy findings with a positive data point: July was the top month for Series A deals this year. Series B and C rounds usually win this specific contest, but Series A has performed steadily this year, and beat Series C to be the best funded named round type in Q3. Just over a third (110 of 323) of the number of Series A and extension rounds from Q1-3 came in between July and September.

"It's a surprise to see Series A come out on top but it says more about the underwhelming growth-stage activity than anything else. Series B funding in particular bit the bullet in Q3, falling 50% on Q2."

***Hessa Alabbas**, data analyst*

Total funding per equity round type when disclosed, Q1-Q3 2024 (€m)



Source: Sifted
Each round type includes named extensions of that round

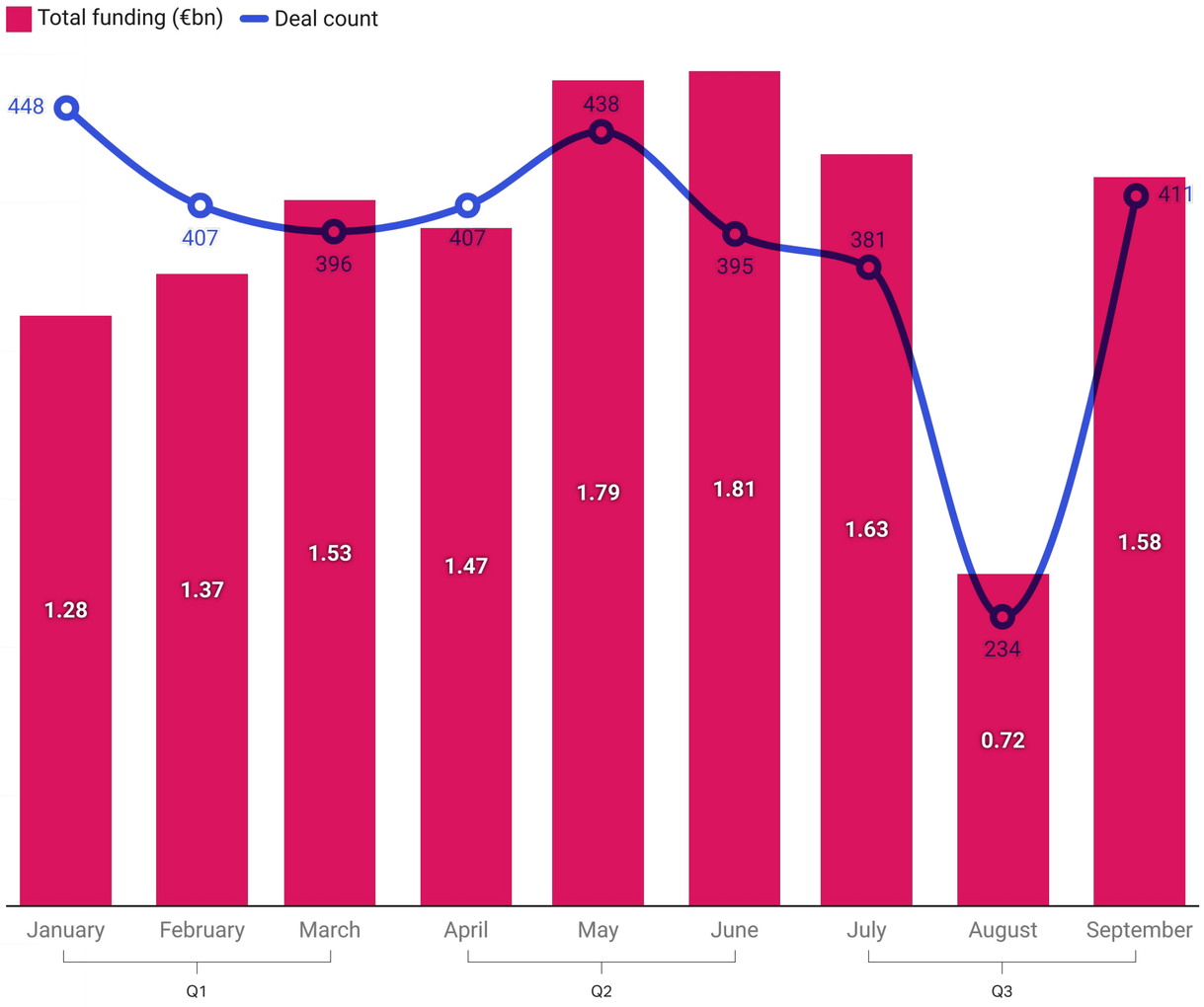
A very consistent year for early-stage funding

Early-stage companies (up to and including Series A and extension rounds) absorbed 34% of total VC capital in Q3. Looking at the data month-on-month, it's easy to see why: with the exception of August, the early-stage figures deviate very little.

"Early-stage funding has been a model of consistency for some time now. Even though some of the continent's most prolific early-stage investors (see the investor chapter) were less active in Q3 than previous quarters, it didn't prevent lots of up-and-coming startups from finding capital."

***Jonathan Sinclair**, head of research*

European early-stage funding by month, Jan-Sep 2024



Source: Sifted
Sifted defines early stage as up to and including Series A

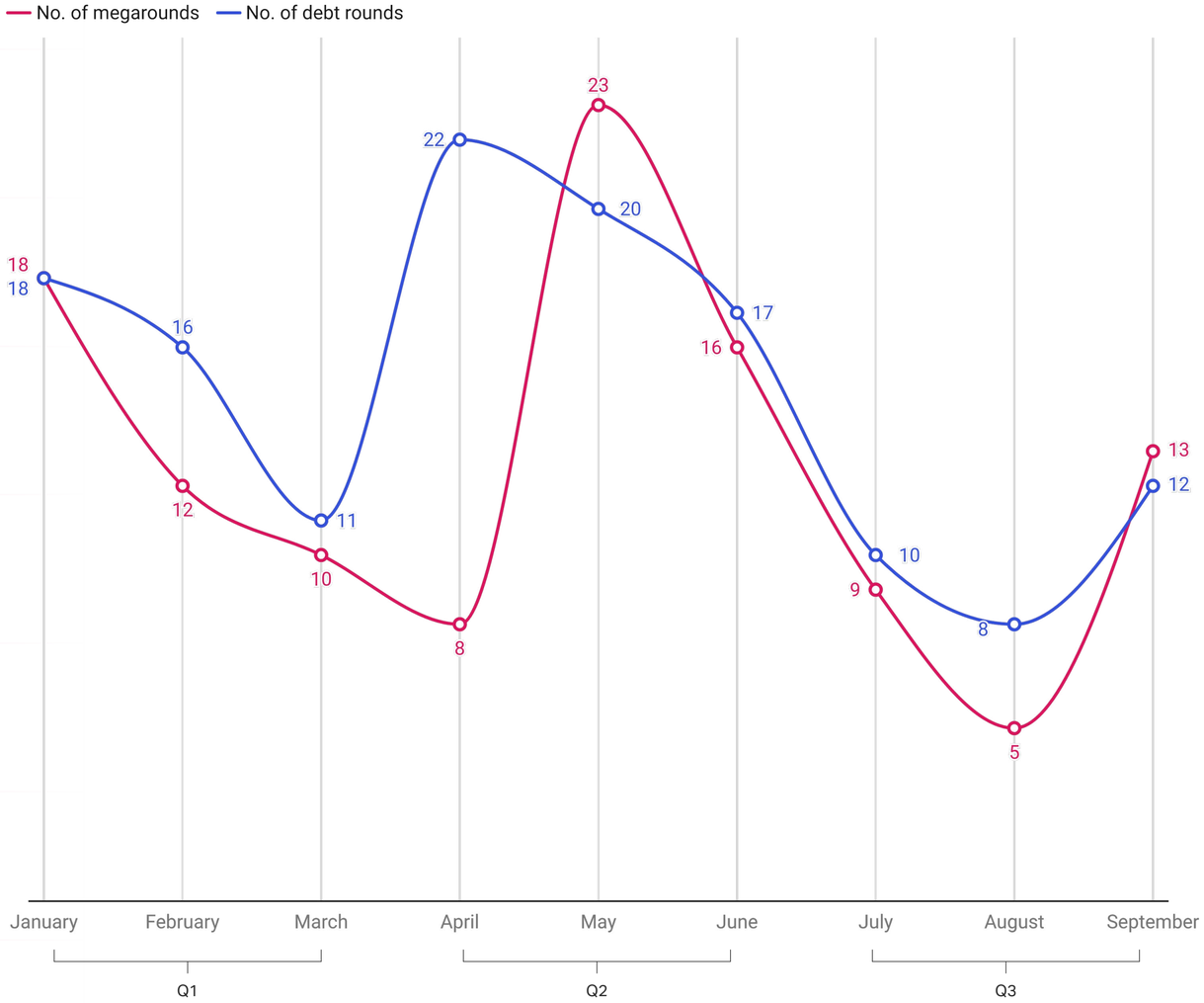
Megarounds and debt funding take hits in Q3

Things had been going so well for the $100m+ deal club in 2024. We saw 42 of them in Q1 and 47 in Q2. In Q3, however? Just 27 (and only three of these deals were north of $250m). Debt rounds, which were so prominent in Q1, have also cratered from €12.6bn to €6.1bn in Q2 to €1.2bn in Q3.

"Cancel the comeback: the megaround didn't have a mega quarter. One has to wonder, too, if Northvolt's tricky year — for context: the battery maker is scrambling to find new funds, despite raising so much already — is giving some banks second thoughts about offering big debt facilities."

***Éanna Kelly**, contributing editor*

Deal count by round type, Jan-Sep 2024



Source: Sifted
Sifted defines a megaround as any funding round of $100m+

Round sizes: what the benchmarks tell us

Seed deals may still be the most common, but pre-seed is Europe's newest, shiniest round with an 11.71% average quarterly median growth. Q3 also had the largest pre-seed round of the year: Convergence AI's $12m raise led by Balderton Capital. Round denomination, we should say, can be tricky — Sifted strictly tracks self-declared rounds and models typical ranges based on those.

"In the absence of hefty megarounds, European tech is restarting from ever-reliable pre-seed and seed rounds, that is, from anywhere between €0 and €5.5m. Early-stage has been Europe's backbone for some time now and it's keeping pace with past trends."

***Federico Scolari**, senior analyst & data lead*

Median equity round sizes, Q1-Q3 2024 (€m)

Round (or equivalent)	Deal count	Q1 median (€m)	Q2 median (€m)	Q3 median (€m)	Avg. quarterly growth (%)
Pre-seed	941	0.70	0.80	0.87	11.71%
Seed	1082	2.70	2.88	2.66	−0.49%
Series A	572	9.60	9.24	9.30	−1.55%
Series B	243	27.63	23.00	25.90	−2.08%
Series C	94	46.00	46.20	50.00	4.3...
Series D+	41	115.00	101.00	104.00	−4.60%

Funding distribution per round or equivalent, Q1-Q3 2024

	€0-5m	€5-10m	€10-25m	€25-50m	€50-75m	€75-100m	€100m+	Typical interval
Pre-seed	99.6	0.3	0.1	0	0	0	0	€0m - €1.5m
Seed	87.9	9	2.1	0.7	0	0.1	0.2	€1.5m - €5.5m
Series A	9.3	50.2	34.4	4.2	1.2	0.5	0.2	€5.5m - €15.5m
Series B	0.4	3.7	46.5	36.2	6.6	2.9	3.7	€15.5m - €38m
Series C	1.1	2.1	9.6	44.7	22.3	9.6	10.6	€38m - €67m
Series D+	0	0	0	0	4.9	41.5	53.7	€67m+

Sources: Sifted
Where rounds do not have a specified round type e.g. Series A, rounds are modelled on typical quintile analysis.
Excludes funding rounds where the deal value is undisclosed.

Two new unicorns joined the ranks in Q3: Flo Health and EGYM

Q3's top deals went to Belgium app developer team.blue and German defence tech Helsing. This reflects a big range of verticals drawing VC eyes in Europe this year. Q3 also saw Flo Health and Egym join the unicorn ranks, reaffirming the appeal of health-focused bets. EV charger startup Powerdot, meanwhile, secured Portugal's largest deal to date in 2024.

"Have a look at who's leading these big deals. It's primarily PE and crossover funds, banks and pension funds, rather than VCs. Three debt deals made it into the top ten but it is much less prominent than the two previous quarters ."

***Ruggero Di Spigna**, senior analyst*

Top 10 biggest disclosed funding rounds, Q3 2024

Healthtech | Climate tech | Deeptech | Fintech | B2B SaaS | Consumer

Company	City	Country	Founded	Sector	Deal size (€m)	Round type	Month	Lead investor(s)
team.blue	Ghent		2019	App development	550	Secondary	July	Canada Pension Plan Investment Board
Helsing	Munich		2021	Defence & dual-use tech	450	Series C	July	General Catalyst
Sunly	Tallinn		2019	Wind & solar / energy storage	300	Debt	August	Undisclosed
Fundu	Kurikka		2014	Digital lending	200	Lending capital	September	Pollen Street Capital
Flo Health	London		2015	Femtech	185	Series C	July	General Atlantic
EGYM	Munich		2010	Sports	184	Undisclosed	September	Undisclosed
Alan	Paris		2016	Insurtech / digital health	173	Series F	September	Belfius
Powerdot	Lisbon		2018	Electric vehicles	165	Debt	August	Undisclosed
Lockall	Paris		2021	Proptech / Logistics	155	Undisclosed	September	Starwood Capital Group
CatalYm	Munich		2016	Drug discovery	139	Series D	July	Canaan Partners, Bioqube Ventures

Source: Sifted

Healthtech boasts Q3's 3 biggest early-stage deal

A trio of biotech and drug discovery startups scored Q3's top early-stage deals — the continuation of a turnaround story for the sector, which also had a strong first six months of 2024.

"This result speaks to the resilience of European biotech. Investors tell me that exit opportunities brought about by big pharma trying to find new revenue streams ahead of the approaching "patent cliff" — which will see several revenue-driving drug patents expire — are driving confidence in the sector."

***Kai Nicol-Schwarz**, UK tech and healthtech reporter*

Top 10 biggest early-stage funding rounds, Q3 2024

Healthtech | Climate tech | Deeptech | Fintech | B2B SaaS

Company	City	Country	Founded	Sector	Deal size (€m)	Round type	Month	Lead investor(s)
Myricx Bio	London		2019	Biotech	105	Series A	July	Novo Holdings, Abingworth
Pantera	Mol		2022	Drug discovery	93	Series A	September	EQT
SciRhom	Munich		2016	Biotech	63	Series A	July	Andera Partners, Kurma Partners, Hadean Ventures, MIG Capital, Wellington Partners
Reverion	Munich		2015	Biomass & biogas	56	Series A	September	Energy Impact Partners
Gcore	Luxembourg		2014	Data & analytics	56	Series A	July	Wargaming
Constructive Bio	London		2021	Biotech	53	Undisclosed	September	Ahren, OMX Ventures, Paladin Capital Group
planqc	Munich		2022	Quantum tech	50	Series A	July	CATRON Holding, DeepTech & Climate Fonds
Neat	Bordeaux		2022	Insurtech	50	Undisclosed	September	Hedosophia
Evroc	Stockholm		2022	Data & analytics	45	Series A	August	Undisclosed
MYNE	Berlin		2021	Proptech / Travel	40	Series A	August	Limestone Capital

Source: Sifted
Sifted defines early stage as funding rounds up to and including Series A

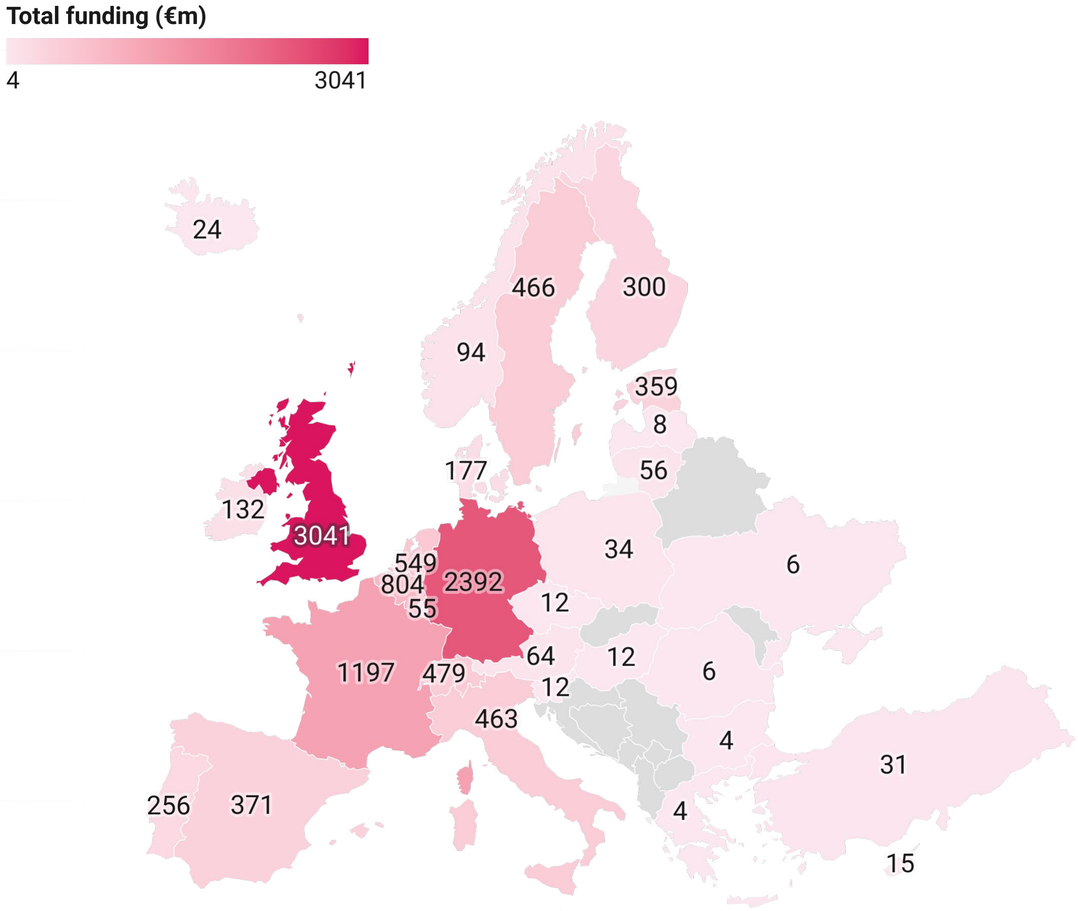
Two speed Europe

A visual reminder here, if any were needed, of how concentrated VC capital is in Europe and how far behind countries from the eastern half of the region are. Estonia is an exception, as startups here again had a decent quarter.

"And what about Belgium? Not often it bests its Dutch neighbour on tech. It was a banner quarter for the Belgians, even if a fair whack of this money was raised by just one company (team.blue)."

***Becca Lipman**, intelligence editor*

Funding by country, Q3 2024 (€m)



Source: Sifted

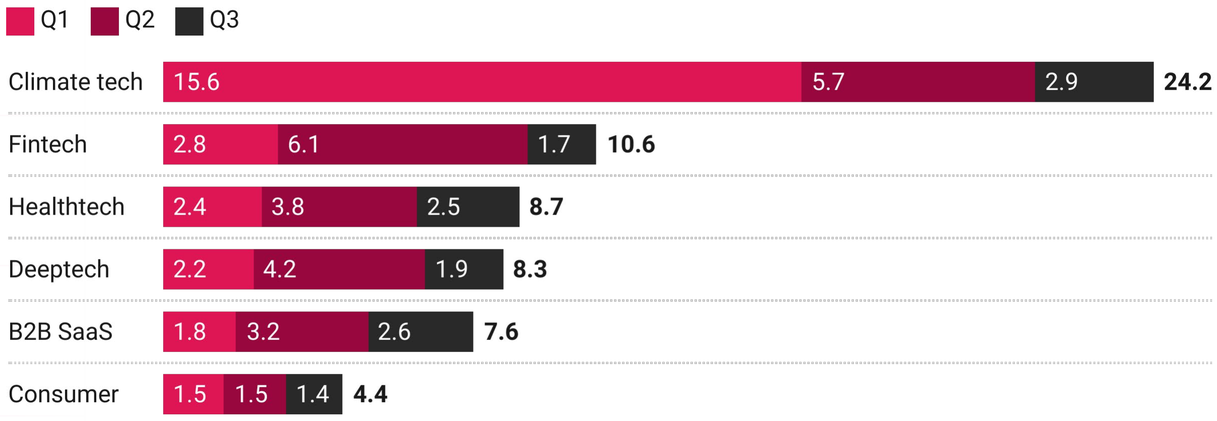
Climate and fintech sink

The H1 overachievers, climate tech and fintech, saw growth slow significantly in Q3. Climate startups grabbed 22.3% of the funding (€2.9bn) in Q3 — enough for the sector to win the quarter but sharply down on a bumper Q1 (€15.6bn). Q3 was the worst quarter of the year for fintech after a Q2 resurgence, down 72% quarter-on-quarter.

"While the summer period may partly explain fintech's lull, another factor is that more mature companies are relying on alternative forms of financing, such as secondaries. Revolut's employee share sale in August is a prime example. It included investors such as Coatue, D1 Capital Partners and Tiger Global. In October, Monzo announced a similar round which saw its valuation increase to $5.9bn."

***Tom Matsuda**, fintech reporter*

Cumulative quarterly investment by vertical, Q1-Q3 2024 (€bn)



Source: Sifted
Some funding rounds have multiple vertical tags, resulting in overcounting. Includes debt and grant funding.

Median round sizes are rising for most verticals

Median equity round sizes have increased for all verticals in 2024, except deeptech (-5.6%). Still, the vertical is drawing more early stage investors than it used to. Meanwhile, 58.6% of fintech rounds fell within the €5m-or-below bracket in Q3, and the "golden vertical" struggled with a hefty -19.4% average drop in funding. Healthtech has been the most stable vertical this year.

"Building an early-stage deeptech startup may have become more attractive than a fintech, as the former is drawing investors to allocate capital more frequently at earlier stages. The data suggests that fintech deals have been larger but scattered, a trend that may translate to deeptech as AI scales out in its favour."

***Hessa Alabbas**, data analyst*

Median equity round sizes by vertical, Q1-Q3 2024

Vertical	Deal count	Q1 median (€m)	Q2 median (€m)	Q3 median (€m)	Avg. quarterly growth (%)
B2B SaaS	888	1.50	1.8	2.20	21.10%
Climate tech	665	2.90	3.3	5.00	33.50%
Consumer	460	1.10	1.5	2.30	44.80%
Deeptech	483	3.00	3	2.70	−5.60%
Fintech	423	3.70	2.9	4.50	16.70%
Healthtech	580	3.00	3.9	3.20	6.50%
Other	35	1.20	1.7	2.10	32.80%

Funding distribution per vertical, Q1-Q3 2024 (%)

	€0-5m	€5-10m	€10-25m	€25-50m	€50-75m	€75-100m	€100m+
B2B SaaS	75.9	10.1	7.2	3.8	0.9	0.8	1.2
Climate tech	59.1	16.5	12.0	6.5	1.8	1.7	2.4
Consumer	78.0	8.5	7.2	3.3	1.1	0.7	1.3
Deeptech	63.1	13.0	13.0	5.8	1.4	1.2	2.3
Fintech	58.6	13.7	13.9	8.3	1.7	1.7	2.1
Healthtech	60.2	12.8	15.2	5.7	2.6	1.6	2.1
Other	77.1	11.4	2.9	5.7	2.9	0.0	0.0

Source: Sifted
Some funding rounds have multiple vertical tags, resulting in overcounting.

Q3's big talking points

Out of office August

August was the quietest month for funding (€1.37bn) since April 2017 and the lowest for deal count since August 2014. Sifted tracked just 250 rounds across the month — 43.3% less than this year's rolling average.

"August is always slow in Europe — this year took the cake, however. After two solid quarters, it's very interesting that investors felt that the ecosystem was in a good enough place that they could take the whole month off. Yes, European tech moves at a ferocious pace at times, but you wouldn't catch anyone taking a four-week summer vacation in Palo Alto."

***Jonathan Sinclair**, head of research*

How August compares vs YTD monthly average

Metric	August	YTD monthly average	Difference (%)
Deal count	250	441	-43.3%
Total funding	€1.37bn	€4.15bn	-67%
Early-stage funding	€697m	€1.4bn	-50.2%
Growth & late-stage funding	€629m	€2.64bn	-76.2%
Average deal size	€6.94m	€11.55m	-39.9%
No. of megarounds	2	8.6	-76.7%
No. of debt rounds	8	14.8	-45.9%
Largest round	€111m	€970m	-88.6%
No. of VC-backed acquisitions	61	82	-25.4%

Source: Sifted
Debt and grant funding is excluded except for no. of debt rounds

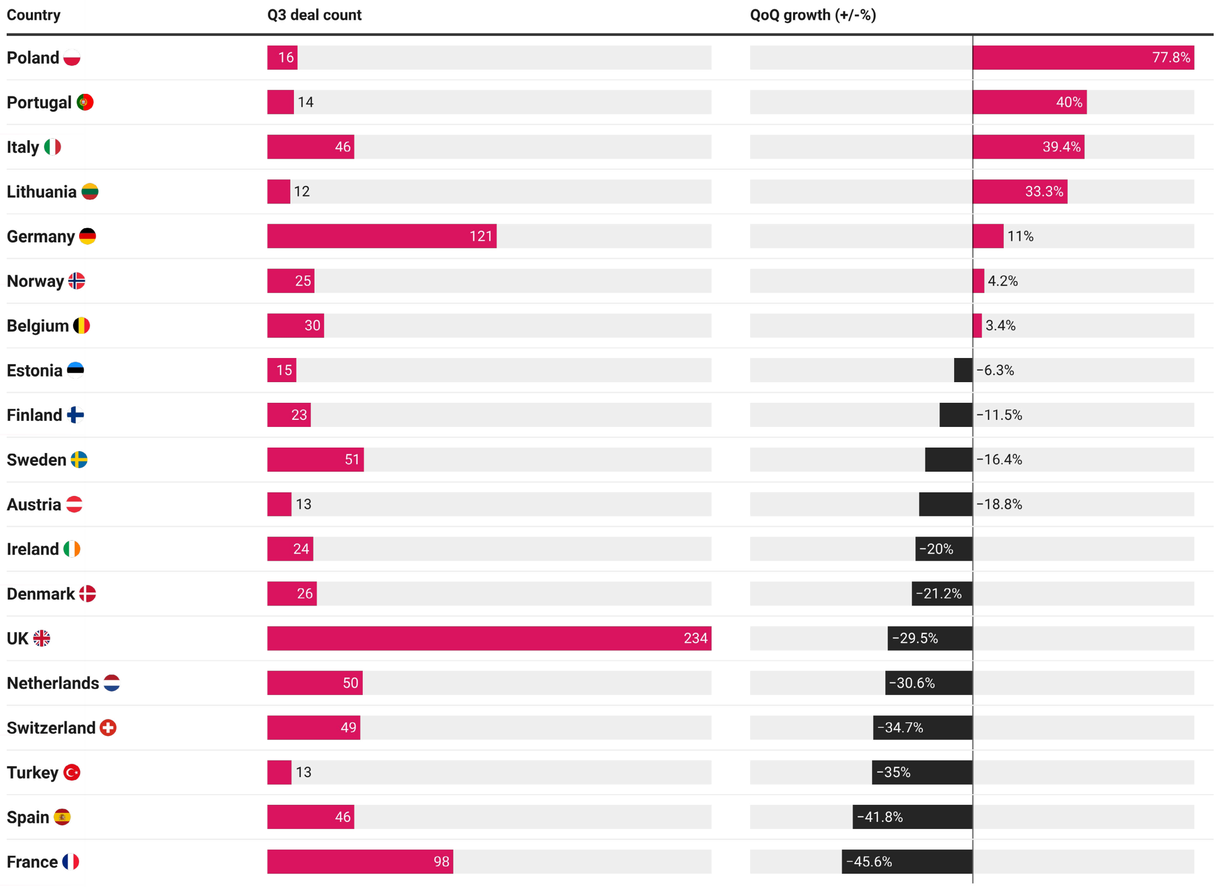
Catastrophe française

France, in particular, had big out of office energy this summer. Sifted tracked just 10 deals here in August; by contrast, in the same month, there were 71 deals announced in the UK and 48 in Germany. July in France wasn't much better, with 31 deals announced.

"Summer is not exactly the most active time for France. Add the Olympics and a dose of political limbo and we can start to understand why summer 2024 was particularly quiet. With lots of uncertainty surrounding the makeup of France's new parliament/government, many startups adopted a wait-and-see attitude — with concerns running high that the country's new leaders would turn out to be less friendly to the startup nation."

***Daphné Leprince-Ringuet**, French tech reporter*

Q3 deal count and quarter-over-quarter growth per country, 2024



Source: Sifted
Only includes countries with at least 10 funding rounds

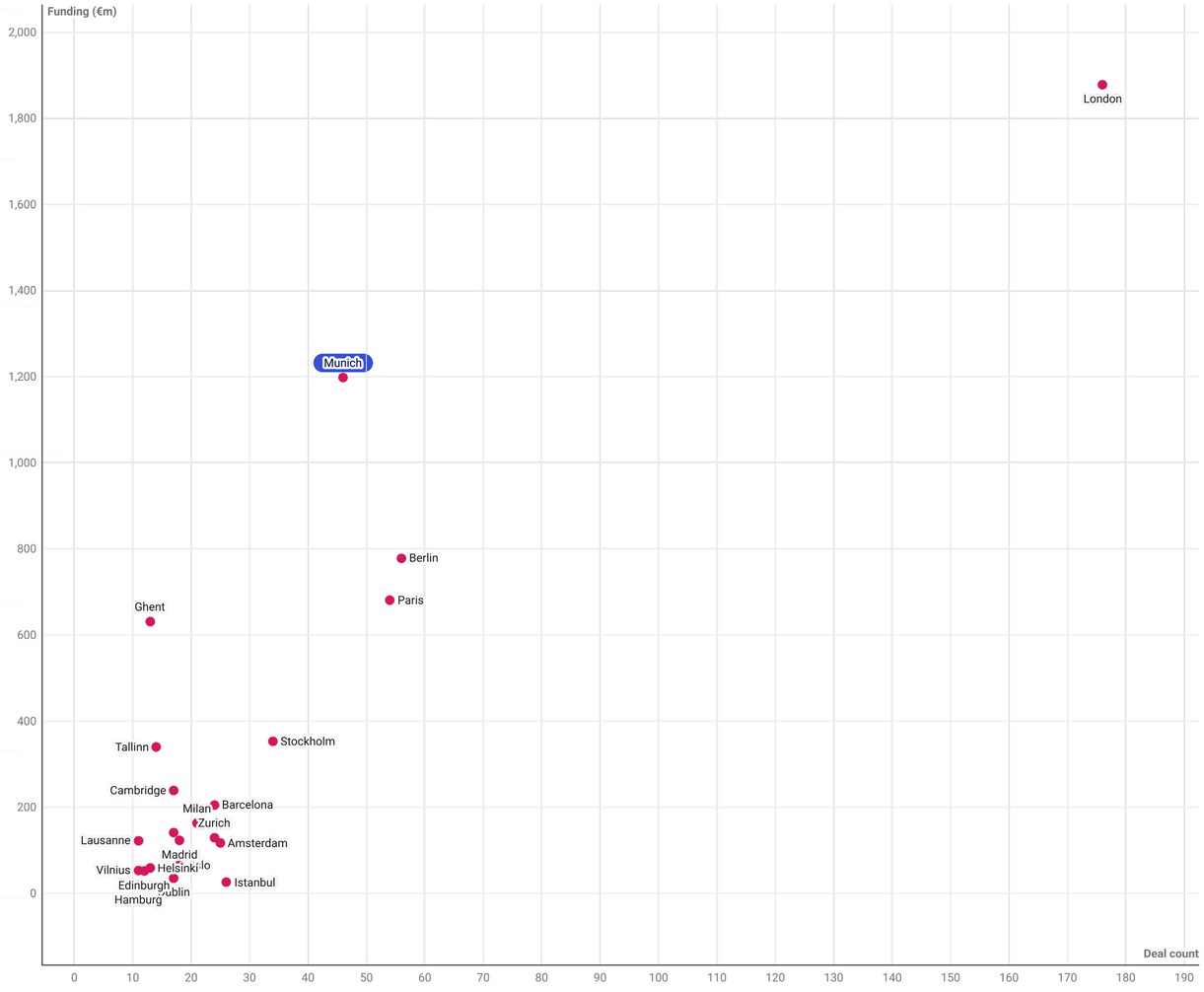
Munich had a banger Q3

London, Berlin and Paris were Q3's top dealmaking cities by count. So far, so predictable. But Munich was second in Europe overall for funding (€1.2bn) in Q3. It also beat out lots of European capitals for total number of deals cut in the quarter. It's a steady climb for Germany's second tech city, which is looking increasingly strong in deeptech, healthtech and climate.

"Germany overall had a great Q3, with Munich and Berlin — when combined — besting London thanks to three whopper deals (Helsing, Egym and CatalYm). But most impressively, for me anyway, was how Munich beat Berlin at all funding stages in Q3."

***Jonathan Sinclair**, head of research*

Deal count and investment (€m) for European tech hubs with 10+ funding rounds, Q3 2024



Source: Sifted

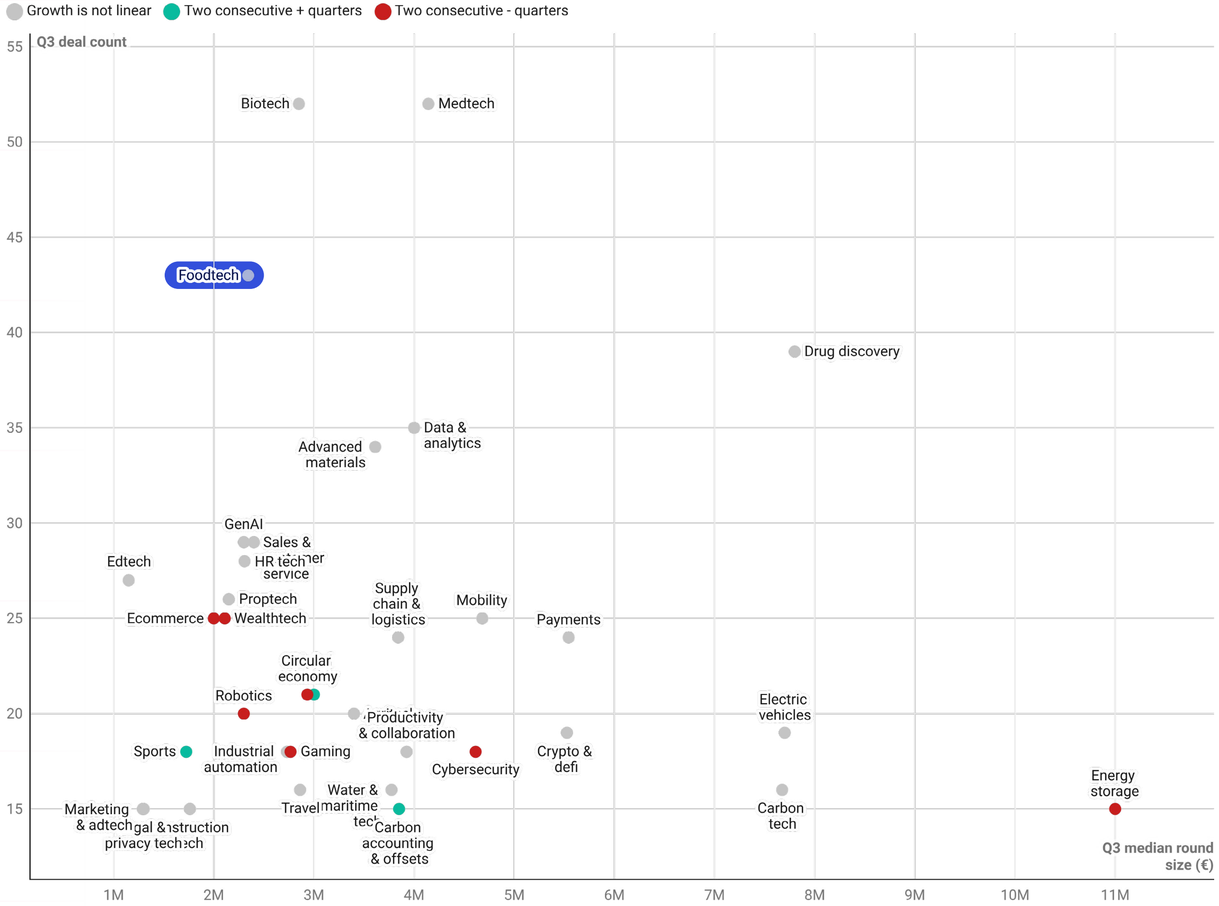
Foodtech's having a quietly tasty year

VCs are increasingly peckish for a slice of the sector: the year kicked off with the region's biggest mycelium round to date (Hamburg-based Infinite Roots' €58m Series B). Then, in July, Meatly became the first European startup to have a cultivated meat product approved for sale (in the UK). June saw French cultivated meat company Gourmey file the EU's first-ever application to sell cultivated meat.

"All that said, founders tell me that there are still lots of teething problems and barriers — namely regulation, and the huge cost of and inexperience in scaling such new tech — that are holding the sector back, which will need to be tackled before more investors decide to have a nibble."

***Sadia Nowshin**, foodtech & biotech reporter*

Median round size and deal count for tracked sectors with 15+ investments, Q3 2024 (€m)



Source: Sifted

Case studies

Going against the Flo

Why not everyone celebrated Europe's first unicorn femtech

Flo Health became Europe's first femtech unicorn in Q3.

Its Series C raise — which saw General Atlantic, previously a backer of the likes of Uber and Klarna, commit all the cash — made headlines for a couple of reasons. Firstly, it was the joint-biggest deal for a femtech — along with US fertility startup Prelude Fertility — and the biggest ever for a digital-only femtech, according to Dealroom.

But the raise also sparked a backlash online, with many arguing that Flo's all-male founding team pointed towards systemic issues in the funding landscape for women founders in Europe.

EUROPE'S FIRST FEMTECH UNICORN

Founded in 2015, Flo's platform allows users to track their period cycle, monitor symptoms and access educational resources. It's grown into the most-downloaded women's health app on both Google Play and AppStore, according to market insights platform Sensor Tower. Flo told Sifted it had 70m monthly active users and close to 5m paid subscribers as of June 2024 — with half in the US and half in the UK and EU.

It's an impressive feat given how underfunded the femtech sector has historically been. In 2023, European femtechs raised just $192m, according to Dealroom, a fraction of the $9.7bn shelled out on the wider healthtech sector.

Before July, there'd never been a nine-figure femtech raise in Europe. Previously, the largest was Elvie's £70m Series C, picked up across two rounds in 2021. Before that was Sweden's Natural Cycles' $55m raise in May 2024, Flo's 2021 $50m Series B and Peppy's $45m in 2023.

DEEP FUNDING ISSUES

What all of those companies have in common is at least one male cofounder — and perhaps the bigger story of the Flo raise was the makeup of the company's founding team: the all-male duo, brothers Dmitry and Yuri Gurski.

"A company founded by men, led by men and funded by men became the first WOMEN'S health app to achieve unicorn status. If this doesn't show you everything that's wrong with the ecosystem, I don't know what will," Anna-Sophie Hartvigsen, cofounder of investment learning app and community for women Female Invest, wrote in a viral LinkedIn post. "I'm not saying it's bad that a femtech company is doing well," she later added in the comments. "I'm saying it's bad that only men are able to succeed in this space."

Many others shared similar thoughts — and there was also a debate in a WhatsApp group seen by Sifted about whether female founders should add a token male founder to their team in an effort to increase their chances of getting funding.

Atomico's State of European Tech report found that just 7% of funding rounds went to all-women founding teams in the first nine months of 2023 — amounting to 3% of total capital. Numbers are worse at the later-stages. A 2023 report from VC SISTA found that less than 1% of €50m+ rounds went to all-women founding teams in 2022.

Others, however, like Deepali Nangia, a partner at Speedinvest, said that Flo's raise should be celebrated — and could encourage more investment into the femtech space — in response to Hartvigsen's LinkedIn post.

"We firmly believe that women's health has been critically overlooked, undervalued and underfunded for far too long," Flo said in a statement to Sifted. "Our sincere hope is that Flo's funding will inspire more investors to recognise the immense potential in this space." The company added: "We're proud to say that more than half (56%) of Flo's employees are women, including our leadership team."

WHAT'S NEXT FOR FLO?

Going forward, growth is, unsurprisingly, top of the agenda. Flo said it wants to expand into new user segments like menopause and perimenopause.

It plans to deploy some of the fresh capital to increase R&D headcount, as the company looks to roll out more personalisation on its app, including symptom predictions and tailored health insights.

On longer-term plans, Dmitry told Sifted that the company was "not announcing specific IPO plans at this time." Dmitry added: "Our immediate focus remains on executing our growth strategy and further solidifying our position as a leader in femtech."

***Kai Nicol-Schwarz**, UK tech and healthtech reporter*

Sweat equity

A German gym giant got ripped in Q3

Munich-based Egym — which builds internet-connected gym equipment that help track what users are doing — closed a Series G round of just over $200m in Q3. The funding came in at a reported post-money valuation of more than $1.2bn.

That rare thing: a European sports-focused unicorn. So how did Egym get here? By becoming a vertically integrated business: the company sells connected workout stations to gyms, alongside the software that runs on those machines.

CEO and cofounder Philipp Roesch-Schlanderer has said the idea for Egym arose from his experience as "an unsuccessful gym goer", when he didn't know how to use any of the equipment and didn't enjoy being left to his own devices.

Fast forward to now and some 18k fitness and health centres use Egym machines and services, working out to some 6m people using Egym's products monthly, according to TechCrunch.

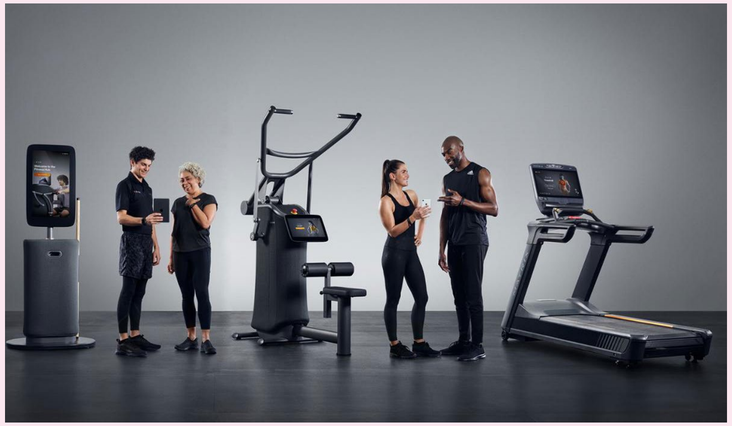
That's just one part of this business — there's also a marketplace where Egym connects those gyms to companies that are developing their own wellness programmes for their employees. Egym's "wellpass" offers companies subscription-based access to sports and health facilities and training programmes.

Then there's the company's big punt on the future: it's developing AI coaches that help track user activity and offer more suggestions to improve their activity and outcomes (generative AI leader OpenAI has a similar AI gym product in development).

Egym, which appears firmly en route to an IPO, has had investors queuing up: it's now scored Europe's biggest sports tech deal for two years running. Last July, Egym clinched a €207m round led by the investment firm started by Donald Trump's son-in-law Jared Kushner.

Egym wasn't an overnight success; it's been around for nearly 15 years — it was founded in 2010 — and nearly went under during the pandemic when all gyms were closed.

Acquisitions have been a key part of the company's growth. In 2022, Egym bought Paris-based Gymlib, a company that offers gym access to



employees. In March this year, Egym snapped up a similar company, UK-based Hussle, signalling an intention to become a dominant force in the UK's corporate wellness world.

The integration gives the company access to a network of around 1,500 gyms, pools, and spas in the UK to expand its wellpass product, which — as well as being available in Germany and France — is also in Austria and Belgium.

Egym has also strengthened its top team this year, by appointing fitness industry veterans Steve Barton, Chris Clawson and Rob Barker. Watch out for more muscle flexes from Egym in the future.

***Éanna Kelly**, contributing editor*

Most active investors

Most active investors (private)

Europe's top dealmaker in Q3 — with 22 deals (8 new and 14 follow ons) — was UK VC fund Mercia Ventures. The other big Q3 players were Antler, High-Tech Gründerfonds and SFC Capital.

"The sentiment in H1 was marked by caution due to ongoing geopolitical tensions, but optimism is slowly returning. What really stands out is the high volume of follow-on financings in our portfolio. So, surprisingly, Q3 was quite conducive to closing deals this year. Maybe everyone was just in a hurry to wrap things up before heading off to the beach."

***Romy Schnelle**, managing director, High-Tech Gründerfonds*

Most active VCs and accelerators, Q3 2024

Investor	HQ	Type	Deal count	Compared to H1 quarterly average
Mercia Ventures	UK	VC fund	22	14.0
Antler	Singapore	Accelerator	20	−21.0
High-Tech Gründerfonds	Germany	VC fund	16	−1.5
SFC Capital	UK	VC fund	14	−25.0
Y Combinator	US	Accelerator	13	−5.0
imec	Belgium	R&D hub	11	8.5
Venture Kick	Switzerland	Accelerator	8	2.0
Balderton Capital	UK	VC fund	8	4.5
Lakestar	Germany	VC fund	7	5.5
Partech	France	VC fund	7	4.5
Plug and Play	US	Accelerator	7	2.5
Techstars	US	Accelerator	7	3.0

Source: Sifted
Deal counts reflect publicly announced funding rounds and those submitted to Sifted
Excludes debt rounds, grants and crowdfunding

Most active investors (public)

Familiar faces at the top here, with a slight uptick in activity from CDP Venture Capital, Scottish Enterprise, the European Investment Bank and the Development Bank of Wales.

"The UK funds all put out their financial results recently and it's worth summarising. Scottish Enterprise hailed its best year for investment, while the Development Bank of Wales vowed to step up its activity (perhaps we're already seeing this). The British Business Bank, meanwhile, announced a £122m post-tax loss, which owed a lot to falling tech valuations."

***Becca Lipman**, intelligence editor*

Top 10 most active public investors, Q3 2024

Investor	Country	Deal count	Compared to H1 quarterly average
Bpifrance	France	26	−5.5
European Innovation Council	Europe	17	−5.0
CDP Venture Capital	Italy	13	4.0
Scottish Enterprise	UK	9	0.5
European Investment Bank	Europe	5	1.5
EIT	Europe	7	−4.0
Export and Investment Fund of Denmark	Denmark	6	−2.5
British Business Bank	UK	5	−1.0
CDTI	Spain	5	−3.5
Development Bank of Wales	UK	5	2.0
Enterprise Ireland	Ireland	4	−2.5

Source: Sifted
Deal counts reflect publicly announced funding rounds and those submitted to Sifted
Excludes debt rounds and grants

The investors who pumped the brakes slightly in Q3

French VCs, as we've already noted, had a relatively quiet Q3, at least as far as announced deals go — and several appear on this list.

> "But as VCs are sure to remind us, a "quiet" quarter doesn't capture the full picture: the investors here presumably all spent Q3 cooking up as-yet unannounced deals. Stealthy activity abounds, as several investors have privately assured us."
>
> ***Jonathan Sinclair**, head of research*

The investors with the biggest decrease in investments compared to their H1 quarterly average

Investor	HQ	Deal count	Decrease in deal count
SFC Capital	UK	14	−25
Kima Ventures	France	4	−8
Octopus Ventures	UK	4	−8
Eurazeo	UK	1	−7
BNP Paribas	France	6	−6
Zürcher Kantonalbank	Switzerland	0	−6
Sequoia Capital	US	0	−6
Bpifrance	France	25	−6
Earlybird Venture Capital	Germany	4	−5
Elaia Partners	France	3	−5
Seedcamp	UK	2	−5
HSBC Innovation Banking	UK	1	−5

Source: Sifted
Deal counts reflect publicly announced funding rounds and those submitted to Sifted. They may not be fully representative due to some rounds staying in stealth.
Includes debt rounds.

Q3's biggest fund raises

A trio of VC big shots — Index, Balderton and Atomico — closed huge multi-stage funds of over €1bn each in Q3, enabling them to invest early and stick with their winners all the way to exit.

"Europe's VCs are increasingly going big or going specialist. Plenty of smaller, newer funds are honing in on sectors — particularly deeptech, healthtech and climate — to win over founders and LPs."

***Amy Lewin**, editor*

The top 10 funds raised by closed fund value, Q3 2024

Investor	Country	Fund size (€m)	Focus	Stage(s)
Index Ventures	UK/US	2,100	Sector agnostic	Early/Growth/Late
Balderton Capital	UK	1,200	Sector agnostic	Early/Growth/Late
Atomico	UK	1,150	Sector agnostic	Early/Growth/Late
Kennet Partners	UK	266	B2B SaaS	Growth/Late
Nordic Alpha Partners	Denmark	266	Climate tech	Growth/Late
UVC Partners	Germany	250	B2B SaaS, deeptech, climate tech, mobility and AI	Early/Growth
SET Ventures	Netherlands	200	Climate tech	Early/Growth
Forestay Capital	Switzerland	200	B2B SaaS, AI	Growth/Late
Asabys Partners	Spain	180	Healthtech	Early/Growth
Redalpine	Switzerland	180	Climate, deeptech, healthtech	Early

Source: Sifted

Most active growth + late stage investors

Among the big plays by this group in Q3: Sofinnova Partners got in on the biggest early stage deal of the quarter (London-based Myricx's €105m round), HV Capital led a €62.8m round for Marvel Fusion, which aims to produce the elusive energy via spanking-edge lasers, and Balderton Capital led what we've already discovered is the biggest pre-seed deal of the year in Europe in 2024: Convergence's $12m bet on developing personal AI agents.

> "And in another deal of note, Accel, an early backer of Facebook and Spotify, found itself investing in a defence tech company (Helsing) for the first time in Q3."

***Éanna Kelly**, contributing editor*

Most active growth/late stage investors, Q3 2024

Investor	HQ	Type	Deal count	Compared to H1 quarterly average
Sofinnova Partners		VC fund	4	3.0
HV Capital		VC fund	4	2.5
Accel		VC fund	4	3.0
Santander		Bank	4	2.5
European Investment Bank		Public funding	3	−1.0
Balderton Capital		VC fund	3	2.0
Novo Holdings		CVC	3	2.0
Wellington Partners		VC fund	3	2.0
Coatue		PE firm	3	2.0

Source: Sifted
Deal counts reflect publicly announced funding rounds and those submitted to Sifted
Excludes grants and crowdfunding

M&A and IPOs

AI deals were big in Q3

M&A players love secrecy on price tags. There were no disclosed acquisitions over €1bn in Q3 — a rare occurrence — but there were big names out shopping, especially for AI. Exscientia, an AI drug discovery company, was bought all-stock by US competitor Recursion Pharma for $688m; AI lab Silo AI was snapped up by chip giant AMD for $665m; and metaverse startup LandVault went for $450m (XR unicorn Infinite Reality was buying).

"Q3's AI deals hint at a shift in activity beyond the usual healthtech megadeals. Europe's technical talent is being recognised there too — but there will be mixed feelings over the loss of control on important technologies."

***Federico Scolari**, senior analyst & data lead*

Top 10 disclosed acquisitions

Acquired company	Country	Vertical	Acquisiton price (€m)	Acquiror
FairJourney Biologics		Healthtech	900	Partners Group
Exscientia		Healthtech	633	Recursion Pharma
Silo.AI		B2B SaaS	612	AMD
LandVault		B2B SaaS	414	Infinite Reality
NIL Technology		Deeptech	250	Radiant Opto-Electronics
Convion		Climate tech	72	HD KSOE
Ecosio		B2B SaaS	64	Vertex
Athom		Consumer	56	LG Electronics
Chef Sam		B2B SaaS	40	Dislog Group
Bulutistan		Deeptech	36	DXBV

**Companies must be VC-backed and launched after 2005.*

The unicorns' shopping list

A few billion-dollar beasts expanded into Europe in Q3 in order to integrate new product features. Out of eight acquisitions tracked by Sifted, two were made by non-domestic unicorns — Salesforce's purchase of Spoke Technologies and Deel's move for Hofy. The PE strategy of buying struggling companies for untapped potential was also in evidence this quarter from Bending Spoons and team.blue.

"Jokingly described as "an 11-year overnight success" by founder Luca Ferrari, Bending Spoons' ruthless business model is setting a new exit standard in tech land — a money-making one, as the company generated $392m in revenue in FY2023 from both acquisitions and own products. Still, let's not forget the human side of M&A: Bending Spoons laid off 75% of WeTransfer's workforce after buying it in July."

***Federico Scolari**, senior analyst & data lead*

List of European companies acquired by unicorns

Company	Acquisition date	Company location	Unicorn	Unicorn location
Ninetailed	Aug 20	Berlin	Contentful	Berlin
Bird Eats Bug	Aug 27	Berlin	BrowserStack	Dublin *
TaxScouts	Jul 2	London	Taxfix	Berlin
Spoke Technologies	Jul 17	Berlin	Salesforce	San Francisco
Hofy	Jul 18	London	Deel	San Francisco
WeTransfer	Jul 31	Amsterdam	Bending Spoons	Milan
Veri	Sep 11	Helsinki	ŌURA	Oulu
Metricool	Sep 17	Madrid	Team.blue	Ghent

**founded elsewhere but headquartered in Europe*

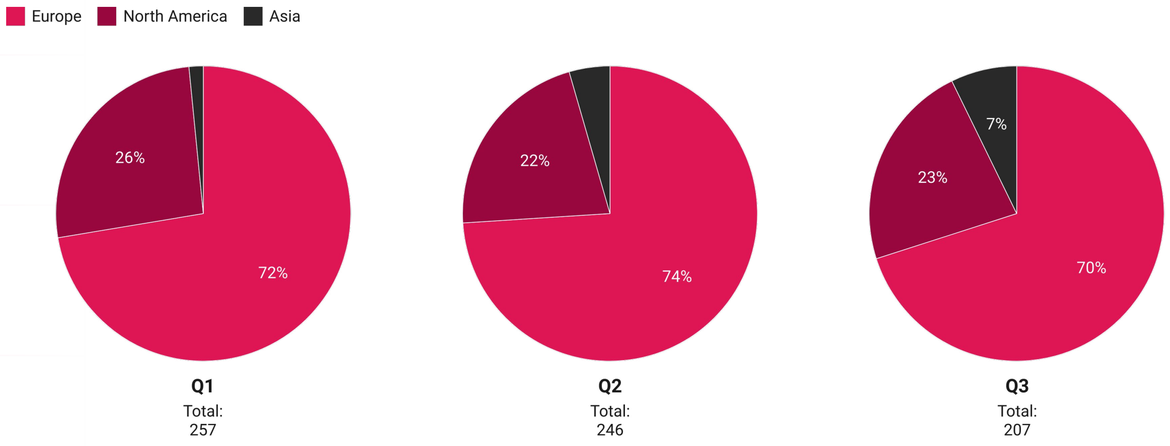
Where are the big American suitors?

Most European M&A activity is still domestic — Europe-to-Europe acquisitions have accounted for 70% of all M&A transactions, on average, in 2024, against 23% for US-Europe M&A and a mere 3% for Asia-Europe M&A. It's an even picture for the three quarters so far this year.

"An IPO isn't the dream exit scenario it once was. Many European companies would more than settle for a moneybags suitor on the other side of the Atlantic. Looking at the numbers, however, US companies are not stepping up their European acquisitions in a meaningful way this year."

***Federico Scolari**, senior analyst & data lead*

Share of acquirers by origin, Q1-Q3 2024



**regions with little European activity were excluded from the analysis – percentages may not total 100.*

*Report edited by **Becca Lipman**, intelligence editor*

Taxonomy

Sifted tracks funding rounds raised by European startups and scaleups operating in the technology sector founded in or after 2005. Reasonable exceptions apply.

Stages
- Early-stage: Pre-seed, seed and Series A
- Growth stage: Series B and C
- Late-stage: Series D+

Verticals
- Climate tech
- Fintech
- Healthtech
- Deeptech
- B2B SaaS
- Consumer

Sifted currently tracks 98 different sectors e.g. electric vehicles within these six verticals.

The funding data compiled by Sifted does not claim to be exhaustive as some deals are kept confidential.

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