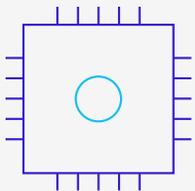# DEEP TECH UPDATE

M&A ● VENTURE CAPITAL

SEMICONDUCTORS & IP

AI & APPLICATIONS
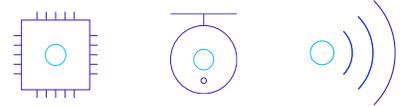
EDGE INTELLIGENCE

ANNUAL UPDATE

WINTER 2026

DEEP TECH

2025 was a remarkable year for Deep Tech M&A and capital. The exit market, investment market and public markets are fully recovered from the COVID overhand that corrected the market in the 2022 timeframe.

✓ Stock market record highs and 3rd year of strong growth

✓ Deep Tech M&A grew in terms of both deal counts and average valuations

✓ Deep Tech capital raises grew in average pre-money

These results were tempered by some caution in the employment market, as unemployment has crept up for the third year in a row. Overall, past performance is never an indicator of future performance, but the outlook for 2026 for exits and capital raises remains solid.

CES

KICKING OFF 2026

CES was highly attended in 2026 with 148,000 attendees, the highest post-COVID. For CVA, 2026 was our busiest CES ever, hosting over 60 meetings with clients, former clients, semiconductor buyers, investors and prospective clients. If you're busy like us, you don't get much of a chance to walk the show floor and give insights to what you saw. But we can give some insights from many of our 1:1 meetings. Here are some key themes that we heard from our industry contacts:

o AI compute power consumption is a real challenge. The need is so large that Meta signed an agreement to leverage nuclear power for its data centers.

o Because of power consumption and processing cycles, we saw a lot of need for AI acceleration and approaches like in-memory computing (IMC) both in the data center and the edge. In prior years we saw so much activity around AI model optimization and compression, this year we are seeing a lot more activity around better inference at the edge.

o We also saw a lot more interest in companies to provide full applications, not just dev kits.

o With so many edge AI software companies taken off the board in 2025 like Edge Impulse, Deeplite, Neuton.ai, there is a little bit of musical chairs. Chip vendors are looking to partner with or acquire someone so that their customers are not left out.

o Finally, unrelated to tech, we heard a lot of grumbling about the prices in Las Vegas (hello, $10 coffee!). The consensus is that Vegas is starting to get its comeuppance, because as of today 39/50 states now allow sports betting. Why go to Vegas to bet on March Madness when you can do it from your smart phone? Maybe it will drop prices next year, but we're not holding our breath.

DEEP TECH HIGHLIGHTS - 2025

Most Acquisitions 2025[1]	**Qualcomm** — **11 Acquisitions** In 2025 acquired: ARDUINO, EDGE IMPULSE, ALPHAWAVE SEMI
Biggest M&A[1]	QORVO to acquired by SKYWORKS **$22B**
Biggest IPO[1]	CoreWeave **$1.5B**
Best News	Strong Deep Tech M&A + stock market returns + VC
Worst News (?)	AI is booming. Are we in a bubble?

METRICS – 2025 A GREAT YEAR, CAUTION AHEAD?

Metric	2024	2025	Change	
# Deep Tech Strategic Acquisitions[1]	1,087	1,496	⬆	**38%**
Average Revenue Multiple[1]	3.0x	3.7x	⬆	**23%**
# Deep Tech Series A Deals[1]	1,583	1,753	⬆	**11%**
Average Pre-Money, Series A[1]	$80M	$127M	⬆	**59%**
Dow Jones[2]	42,544	48,370	⬆	**14%**
US Unemployment[3]	4.2%	4.6%	⬆	**10%**
US Inflation[4]	2.9%	2.7%	⬇	**(7%)**

TOP DEEP TECH M&A TRANSACTIONS

STRATEGIC M&A

NVIDIA LICENSES GROQ TECHNOLOGY, HIRES KEY STAFF

DEAL METRICS: $20B ● 485 Employees ● $3.3B (6.1x) Invested Capital

NVIDIA has entered into a non-exclusive license agreement for Groq's inference technology. NVIDIA's license of Groq's Language Processing Unit (LPU) IP focuses on inference, not training, which NVIDIA already dominates. While technically not an M&A transaction, NVIDIA has acquired Groq's IP and engineering team, giving similar results as an acquisition but allowing the company to continue to operate. Read more and here

groq™

to be acquired by

NVIDIA

AI Compute
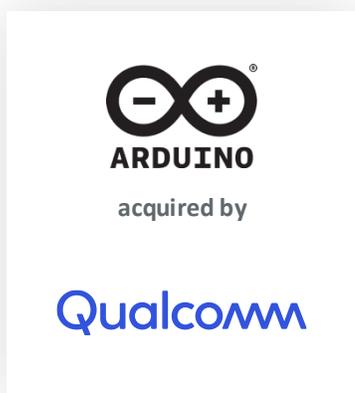
ARDUINO ACQUIRED BY QUALCOMM

DEAL METRICS: $NR ● 185 Employees ● $59M Invested Capital

Qualcomm has acquired Arduino, the leading open-source hardware and software platform for makers, in order to tap into its strong global ecosystem of developers – engineers, students and hobbyists. Along with Edge Impulse acquisition, this signals a strong intent by Qualcomm to support a broader mass market ecosystem of users. Qualcomm has announced that Arduino will retain its independent brand, tools and mission, while giving Arduino's developer network to the Qualcomm ecosystem. Previously, Arduino had raised a Series B with investors including Bosch Ventures, Renesas, ARM and ANZU Partners. CVA's team advised on the Series B.[1] Read more

ARDUINO

acquired by

Qualcomm

Open-Source Ecosystem
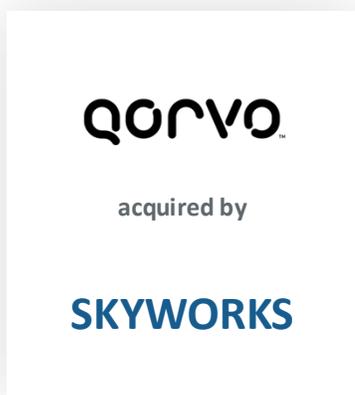
QORVO TO BE ACQUIRED BY SKYWORKS

DEAL METRICS: $22B ● 2.2x Revenue ● $9.1x EBITDA

Skyworks plans to merge with Qorvo to create a dominant US-based leader in high-performance RF and mixed-signal semiconductors, in order to compete with larger rials like Qualcomm. The combined company will bring together 8,000 engineers and 12,000 patents, and a combined $7.7B in revenue. The transaction is expected to close in early 2027 after government regulatory approvals. Read more

QORVO™

acquired by

SKYWORKS

RF Semiconductor

TOP SEMICONDUCTOR & IP TRANSACTIONS

STRATEGIC M&A

ALPHAWAVE SEMI

to acquired by

Qualcomm

High-speed SerDes IP

ALPHAWAVE ACQUIRED BY QUALCOMM

DEAL METRICS: **$2.4B ● 991 Employees ● 7.8x Revenue**

Based in the UK, Alphawave Semi reached agreement to be acquired by Qualcomm on June 9, 2025. Alphawave provides high-speed SerDes semiconductor IP, which can help Qualcomm develop chips more capable of modern AI workloads and data centers. Both ARM and Intel were reported to have interest in Alphawave as well. Alphawave is not solely an IP company, it also sells chiplets and custom ASICs. The transaction is subject to regulatory approvals and expected to close in the first quarter of 2026. Read more at EE Times and Qualcomm

kinara

acquired by

NXP

AI Accelerator

KINARA ACQUIRED BY NXP

DEAL METRICS: **$307M ● 88 Employees ● $50.5M Invested Capital**

Based in Santa Clara, CA with development in India, Kinara was acquired by NXP on February 18, 2025. Kinara develops energy-efficient NPUs for AI inference at the edge. Primary products included the Ara-1 and Ara-2 NPUs. The acquisition is expected to strengthen NXP's ability to provide complete and scalable AI platforms. To date, Kinara had sold about 500K of its AI chips, mostly in the industrial and consumer sectors, and NXP expects to expand them into automotive sectors. Read more at EE Times

mixel®

acquired by

SILVACO

MIPI Semiconductor IP

MIXEL ACQUIRED BY SILVACO

DEAL METRICS: **NR ● 108 Employees ● Privately Funded**

Based in Silicon Valley with engineering operations in both Egypt and Vietnam, Mixel was acquired by Silvaco in August 2025. Silvaco, a leading provider of EDA software and IP solutions, acquired Mixel for its leadership position in MIPI PHY silicon IP solutions. Mixel is trusted by 40% of the top 20 semiconductor suppliers and key customers included ADI, ST, Microsoft and NXP. CVA was exclusive financial advisor to Mixel. Read more

TOP SEMICONDUCTOR – AI TRANSACTIONS

STRATEGIC M&A

Intelligent Agent Neuton

to be acquired by

NORDIC SEMICONDUCTOR

Optimized TinyML

NEUTON.AI ACQUIRED BY NORDIC SEMICONDUCTOR

DEAL METRICS: **NR ● >>10x Revenue**

Based in the San Francisco Bay area, Neuton.ai offers a powerful TinyML no-code platform that enables developers to create ultra-lightweight AI models deployable directly on microcontrollers and edge devices without requiring any prior machine learning expertise. Neuton.ai's technology allows for seamless deployment of AI across power-constrained and memory-limited environments, enabling new applications in industrial, medical, smart home, and IoT markets. CVA was exclusive financial advisor to Neuton.ai.
Read more

Deeplite

to be acquired by

ST

Models as a Service for NPU

DEEPLITE AQUIRED BY ST

DEAL METRICS: **NR ● >>10x Revenue**

Based in Toronto, Canada, Deeplite is a deep learning edge AI software company that accelerates the adoption of AI processors. Deeplite provides optimized AI models at the edge, reducing time to market for NPUs. Deeplite's innovative platform enables significant performance increases on low-cost resource-constrained edge processors. Models are up to 95% smaller, consume up to 75% less power and perform edge inference up to 6x faster than baseline models. Investors included TandemLaunch, PJC, Innospark Ventures, Differential Venture Capital and BDC. Transaction details were not publicly announced. CVA was exclusive financial advisor to Deeplite.
Read more

EDGE IMPULSE

acquired by

Qualcomm

AI Software Development

EDGE IMPULSE ACQUIRED BY QUALCOMM

DEAL METRICS: **NR ● 107 Employees ● $54M Invested Capital ● $229M Last Post Money Valuation**

Based in San Jose, CA, Edge Impulse provides an edge AI software development platform that helps developers build, deploy and scale machine learning (ML) models for edge devices like microcontrollers and smart sensors. Edge Impulse worked with many semiconductor partners in the industry including NVIDIA, ST, Renesas, CEVA, Microchip and Nordic, as well as AWS. Qualcomm reportedly will leverage Edge Impulse to expand its AI ecosystem for its Dragonwing processor portfolio optimized for edge devices.

TOP DEEP TECH BUYERS

SEMICONDUCTORS, AI, COMPUTER VISION, EDGE INTELLIGENCE

TOP BUYERS – DEAL COUNT SINCE 2021

Deal Count	Buyers
21	Meta
20	Qualcomm
17	Apple
15	NVIDIA
13	IBM
10	CISCO, HEXAGON
9	Google, SNAP
8	AMD, OpenAI
7	BOSCH, intel
6	AUTODESK, RENESAS, SONY
5	amazon, cādence, GlobalFoundries, Hewlett Packard Enterprise, indie, Infineon, Microsoft, NXP, SIEMENS
4	MARVELL, MICROCHIP, NORDIC SEMICONDUCTOR, onsemi, SYNOPSYS
3	Itron, Navitas, Qorvo, SAMSUNG, Sensata Technologies, ST
1	**4,163 buyers** with 1 or 2 deals

DEEP TECH STRATEGIC M&A

SEMICONDUCTORS, AI, COMPUTER VISION, EDGE INTELLIGENCE

TRANSACTIONS

Deal counts grew 69% from 2023-25

	2021	2022	2023	2024	2025
Deal Count	1,117	1,009	887	1,087	1,496
Revenue Multiple	4.0	2.4	2.3	3.0	3.7

■ Deal Count ——— Revenue Multiple
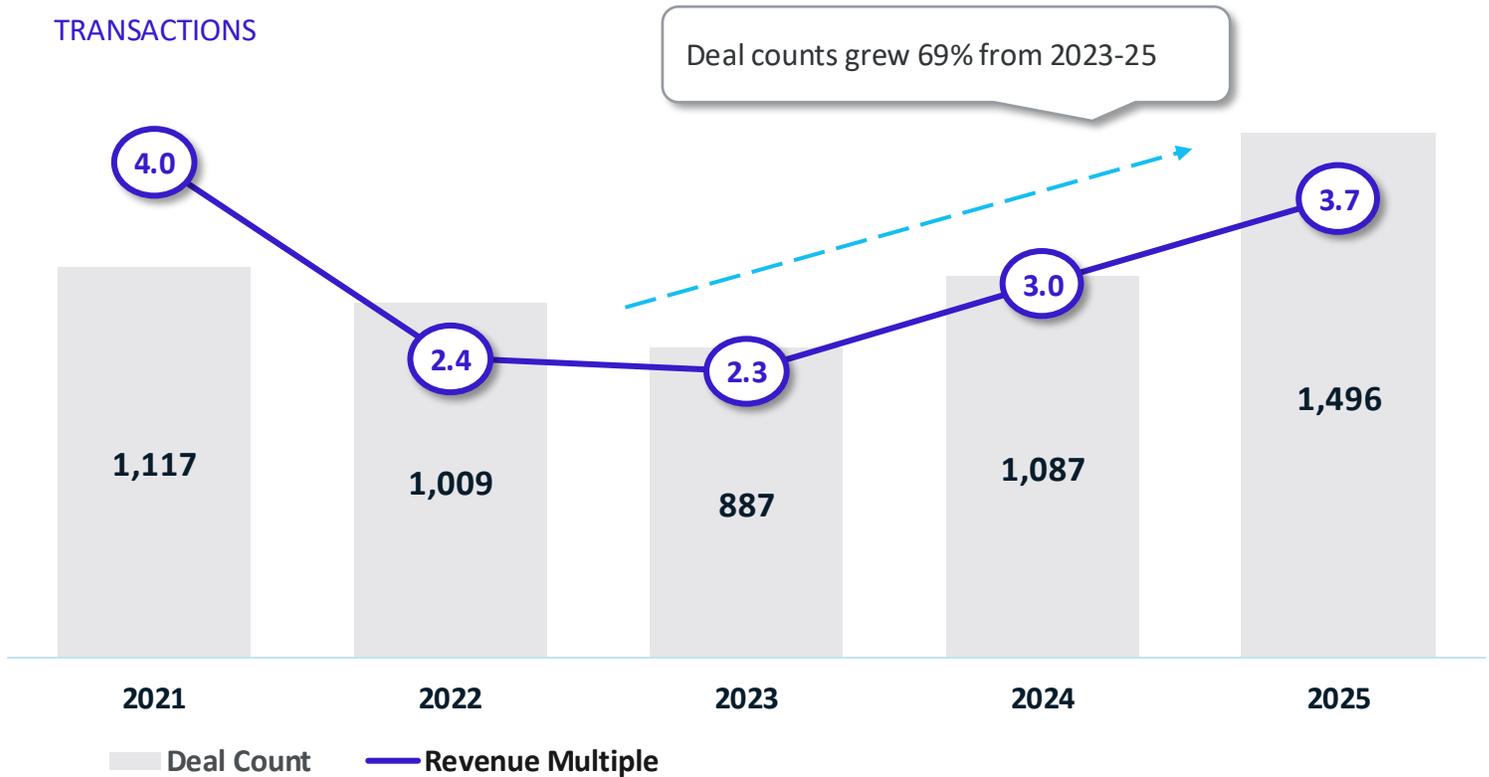
DEEP TECH M&A INSIGHTS

DEAL COUNT – 2025 was a very strong year for Deep Tech M&A, surpassing the peak from 2021 and growing 69% from just two years ago in 2023.

REVENUE MULTIPLES[1] – 2025 also delivered very strong valuations. While not a perfect measure of valuation, revenue multiples are a proxy for relative transaction value. Revenue multiples peaked in 2021 (as many metrics did), dropping nearly 50% in 2023. In 2025, revenue multiples nearly surpassed the 2021 peak.

CONCLUSIONS

2025 was a very strong year for both Deep Tech M&A deal activity and valuations, showing the market fully recovered from the 2022-2023 correction.
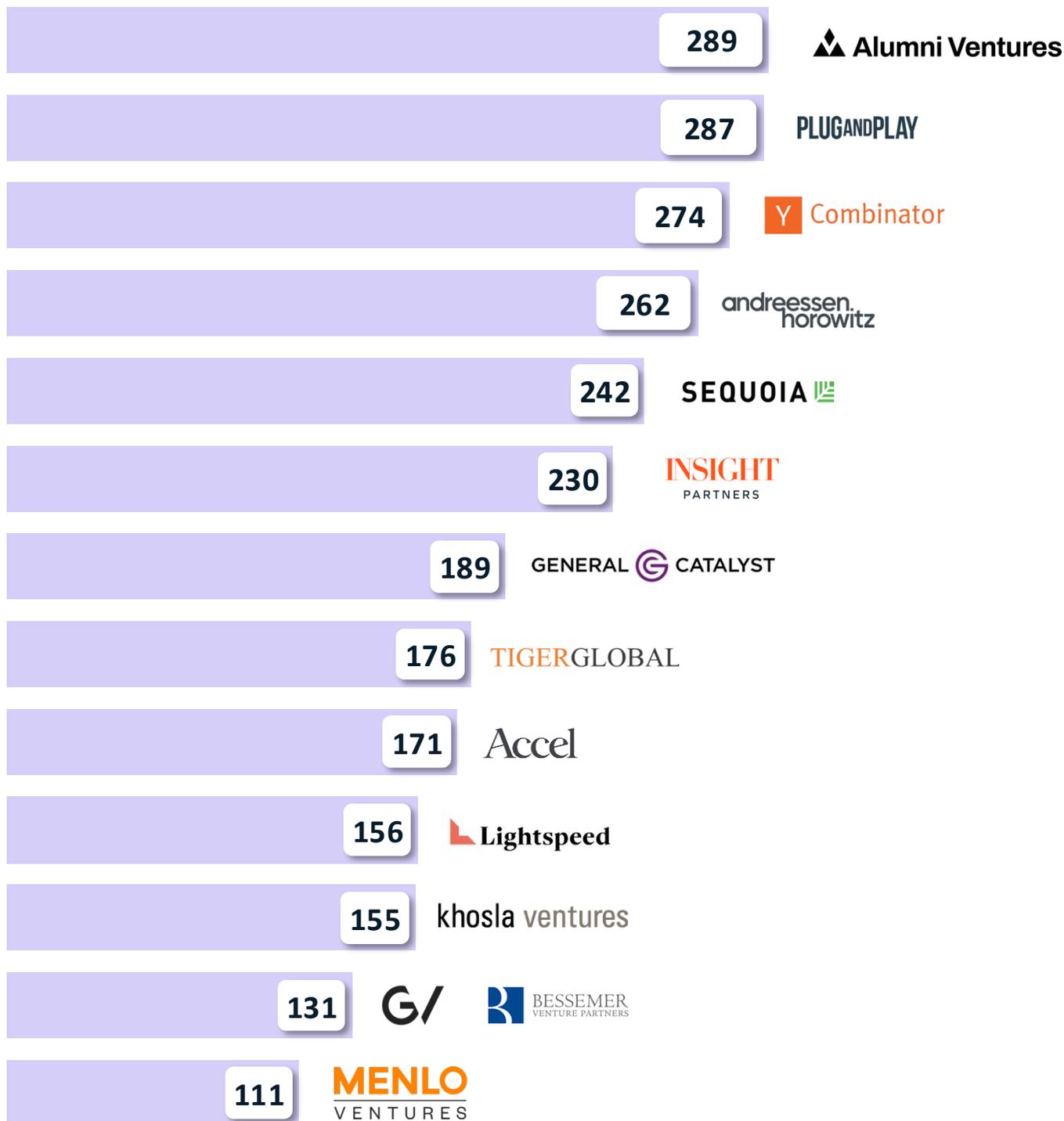
TOP 2025 DEEP TECH M&A TRANSACTIONS

STRATEGIC ACQUISITIONS

TARGET	BUYER	VALUE ($M)	REVENUE MULTIPLE	DESCRIPTION
Groq	NVIDIA	20,000	40.0x	Language processing unit (LPU) for LLM
Alphawave Semi	NVIDIA	2,400	7.5x	High-speed wired connectivity IP
Luminar Semiconductor	Quantum Computing	110		Photonic chip solutions for LiDAR
Celestial AI	Marvell Technology	6,000		Data center AI computing platform
Qorvo	Skyworks Solutions	22,000	6.0x	RF filters, amplifiers and front-end
Aviva Links	NXP	243		Automotive connectivity fueling needs of AI
Spirent Communications	Keysight Technologies	1,463	3.1x	Communications products, data centers and IoT testing
Pixelworks	VeriSilicon	133		Video and display processing solutions
emotion3D	indie Semiconductor	20		3D human sensing for automotive
Juniper Networks	Hewlett Packard Enterprise	16,230	3.1x	High performance networking and testing
TTTech Auto	NXP	766	7.5x	Automotive software networking platform
CentML	NVIDIA	400		AI optimization software for GPU/TPU
io Products	OpenAI	6,500		AI-enabled smart gadgets
Weights & Biases	CoreWeave	1,700	125.0x	AI dataset optimization platform
ZT Systems	AMD	4,409		AI compute infrastructure for cloud and telecom
Gretel	NVIDIA	320		Creator of privacy-safe AI training data
AdHawk Microsystems	Alphabet (Google)	115		Full-stack eye tracking model MEMS
Kinara	NXP	307		NPU AI co-processor for AI acceleration

TOP DEEP TECH INVESTORS

VC SERIES A, B, C

TOP INVESTORS – DEAL COUNT SINCE 2021

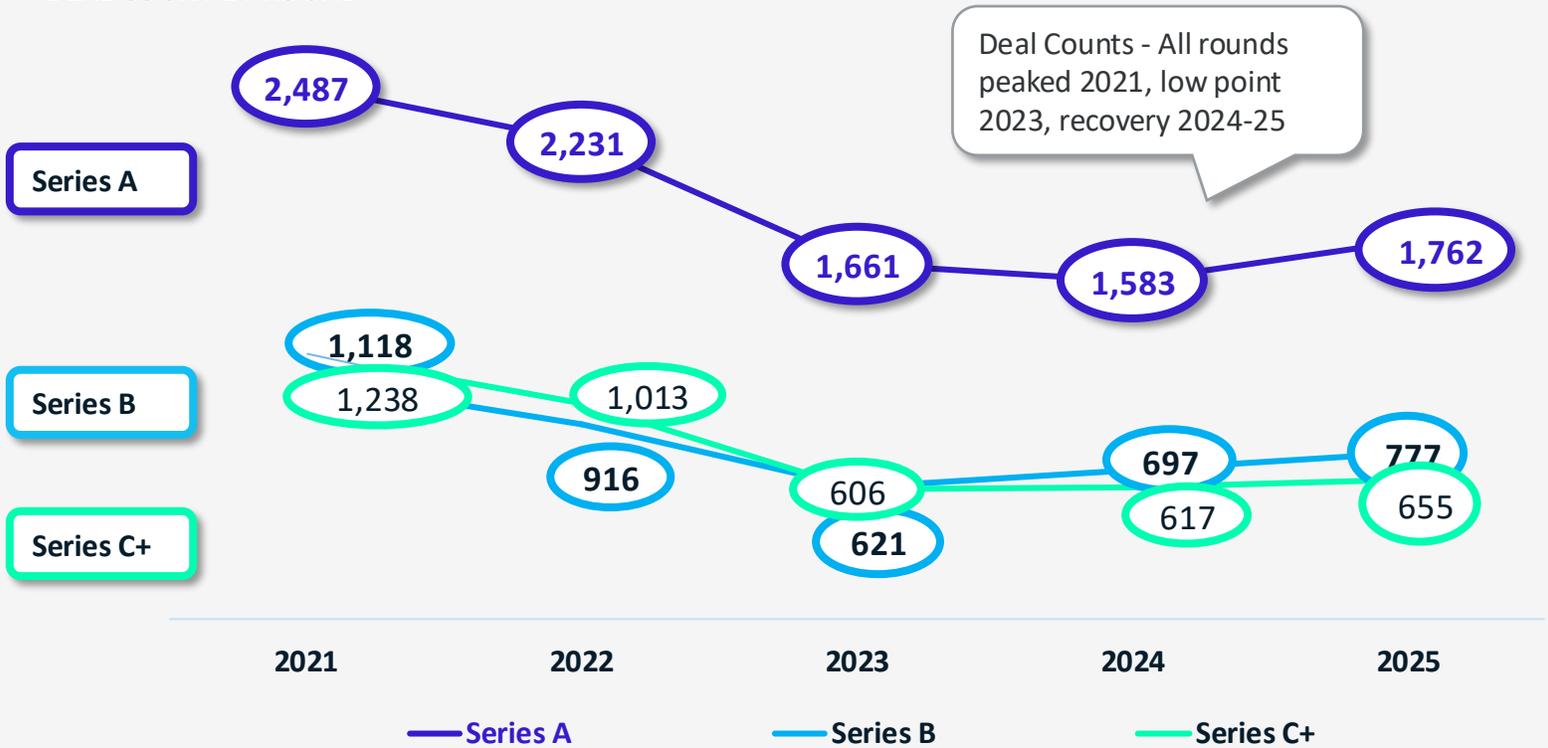|	
289	**▲▲ Alumni Ventures**
287	**PLUG**AND**PLAY**
274	Y Combinator
262	andreessen. horowitz
242	SEQUOIA
230	INSIGHT PARTNERS
189	GENERAL G CATALYST
176	TIGERGLOBAL
171	Accel
156	Lightspeed
155	khosla ventures
131	GV BESSEMER VENTURE PARTNERS
111	MENLO VENTURES

24,189 investors with at least 1 deal

DEEP TECH CAPITAL RAISES BY YEAR

FEWER DEALS BUT VALUATIONS SHOWING GROWTH SINCE 2022

DEAL COUNT BY ROUND

Series A

Series B

Series C+

	2021	2022	2023	2024	2025
Series A	2,487	2,231	1,661	1,583	1,762
Series B	1,118	1,013	621	697	777
Series B (line)	916		606		
Series C+	1,238		606	617	655

Deal Counts - All rounds peaked 2021, low point 2023, recovery 2024-25

— Series A   — Series B   — Series C+

MEAN PRE-MONEY BY ROUND

Series C+

Series B

Series A

Series B – Most volatile

Series C+ – 2025 Driven by AI: OpenAI, Anthropic, Databricks, Scale AI

Series A - 2x valuation from 2023-25

	2021	2022	2023	2024	2025
Series C+	$1.3B	$742	$833	$1B	$3.6B
Series B	$226	$232	$213	$708	$414M
Series A	$61M	$64M	$59M	$80M	$127M

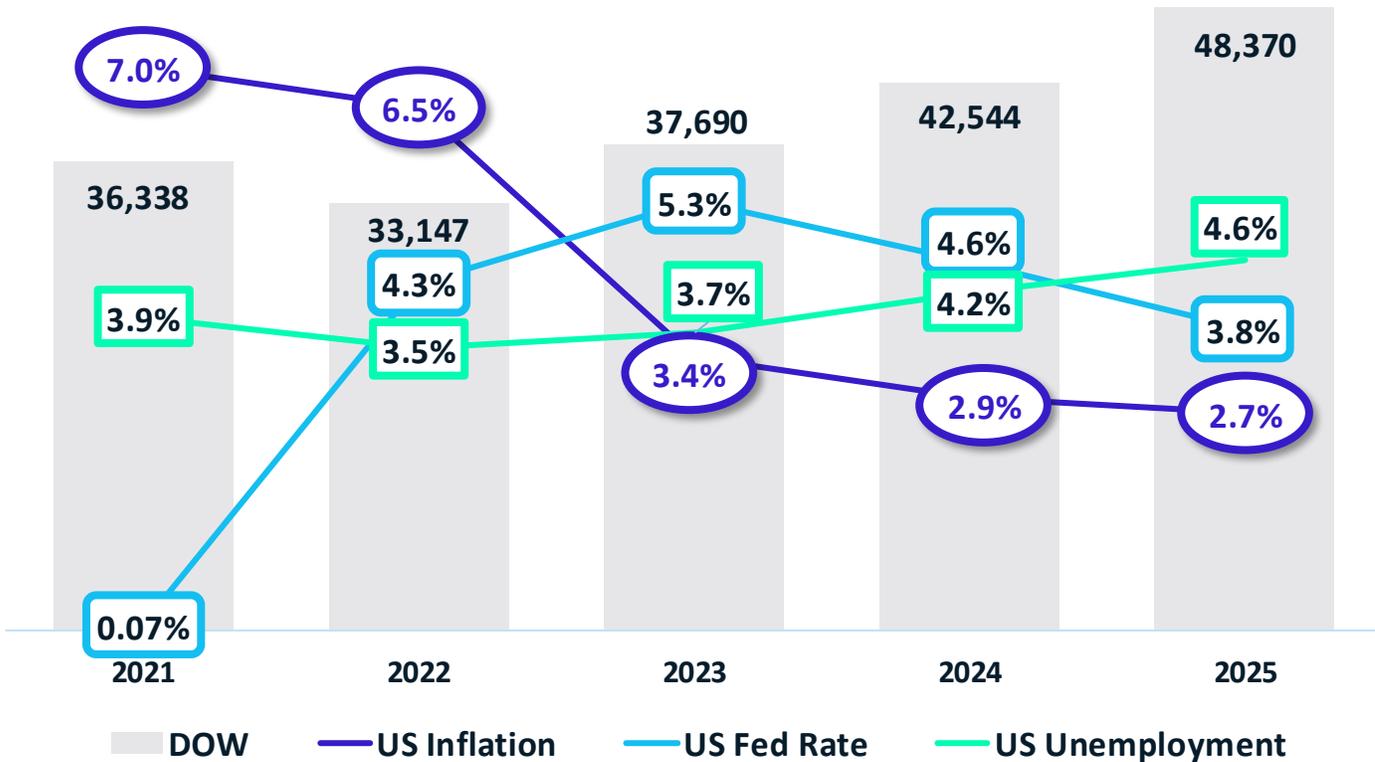— Series A   — Series B   — Series C+

Source: PitchBook

RECENT DEEP TECH VC TRANSACTIONS

VC SERIES A, B, C

COMPANY	ROUND	Up or Down Round		DEAL SIZE ($M)	PRE MONEY ($M)	DESCRIPTION
Lovable	Series B	Up	⬆	425	6,175	AI-powered software development platform create software without coding
Solve Intelligence	Series B	Up	⬆	40	327	Patent writing software to speed process
Newsonic Technologies	Series C			38	443	RF filters for high-end acoustics
Vinci4D	Series A	Up	⬆	36	134	AI-driven hardware for 3D designs
Edgescale AI	Series A			25	84	Cloud-native software to deploy AI
Momentic	Series A	Up	⬆	15	85	AI-powered software testing tools
Physical Intelligence	Series B	Up	⬆	600	4,800	Foundational models and algorithms for robotic systems
Openhands	Series A	Up	⬆	19	57	Open-source AI agents for developers
PowerLattice Technologies	Series A			31	63	Power delivery chiplet for AI and data center
Sakana AI	Series B	Down	⬇	135	130	AI model for creating text, images, video and code
Classiq Technologies	Series C	Up	⬆	137	275	Quantum software platform for algorithm design
Code Metal	Series A	Up	⬆	43	207	AI-powered automation development platform for coding
Rogo Technologies	Series B	Up	⬆	50	300	Analytics platform for utilizing LLM
EnCharge AI	Series B	Up	⬆	100	330	AI hardware and software for edge computing
Quantinuum	Series B	Up	⬆	839	10,000	Quantum computing hardware
Modal Labs	Series B	Up	⬆	87	1,013	Scaling of compute-intensive workloads for ML and data processsing
Fireworks AI	Series C	Up	⬆	250	3,750	Runs and fine-tunes LLMs with low latency and high throughput
Summer Robotics	Series A	Up	⬆	10	30	3D Robotic visual intelligence software

MACRO ECONOMY OVERVIEW – USING U.S. AS PROXY

2025 WAS A GREAT YEAR. WHAT'S NEXT IN 2026?

Chart data:

Year	DOW	US Inflation	US Fed Rate	US Unemployment
2021	36,338	7.0%	0.07%	3.9%
2022	33,147	6.5%	4.3%	3.5%
2023	37,690	3.4%	5.3%	3.7%
2024	42,544	2.9%	4.6%	4.2%
2025	48,370	2.7%	3.8%	4.6%

INSIGHTS

Stock Market – Dow Jones continues its 3-year run at or near all-time highs. Will it continue?

Inflation – Inflation steady in the 3% range after COVID highs in 2021-22. Many expect US inflation to rise with the ongoing US tariff trade war, but as of year-end 2025, this has not occurred.

Unemployment – Unemployment has been on the rise, growing to 4.6% from the 2022 low of 3.5%.

Geopolitical – 2025 ended with more stability in the Middle East and hopes for a Ukraine deal.

CONCLUSIONS

Overall, CVA's opinion is that the macroeconomy is generally stable and should continue to be positive towards Deep Tech capital and M&A transactions in 2026. Points of caution are a potential stock market correction with any perceived AI bubble. Companies appear to be taking a conservative pragmatic approach towards employee headcounts, with modest reductions in 2025. Reductions in head-counts can temper M&A markets, where talent acquisition are one of the key rationales. Inflation has remained low but may rise as tariff activity increases.

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DEEP TECH INVESTMENT BANKING
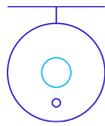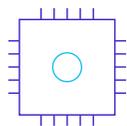
+ **We are a deep tech investment banking firm**. We advise on M&A and capital raise transactions and are experts at driving strategic value in technology deals.

+ **We aren't your typical financial bankers**. We are electrical engineers and former executives, and we have seen deals from all sides: large tech, startups and as bankers. Our experience gives us unique insights that helps us drive the best outcome for our clients.

+ **We focus on AI, Computer Vision, Semiconductor Ecosystems and Edge Intelligence,** working with market-leading software, hardware and IP companies. We follow markets like Automotive, Industrial Automation, Smart Buildings, Consumer Electronics and Enterprise.

+ **Our team is global**, based in the USA, Europe and Canada. We have deep experience doing deals across North America and Europe.

+ **We work with buyers and investors** like Qualcomm, Renesas, Cadence, Sony, Bosch, Cisco, ST, ARM, Bosch, Lattice, Faurecia and many more.

Transactions

ARDUINO Series B **BOSCH** arm RENESAS ANZU PARTNERS	**EUROPEAN LPWAN** To be acquired by **Global IoT Network**	**miXel** Has been acquired by **SILVACO**	**Deeplite** Has been acquired by **ST**	**Intelligent Agent Neuton** Has been acquired by **NORDIC** SEMICONDUCTOR	**SUMMER ROBOTICS** Series A **APPLIED Ventures**
mirametrix Has been acquired by **LATTICE** SEMICONDUCTOR	**PROJECT COMPASS** Buy-side advisor **US Public Power Semiconductor**	**twentybn** Has been acquired by **Qualcomm**	**MOD.CAM** Has been acquired by **CISCO**	**nyansa** Insight From Network Data Has been acquired by **vmware**	**STERADIAN** Has been acquired by **RENESAS**

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