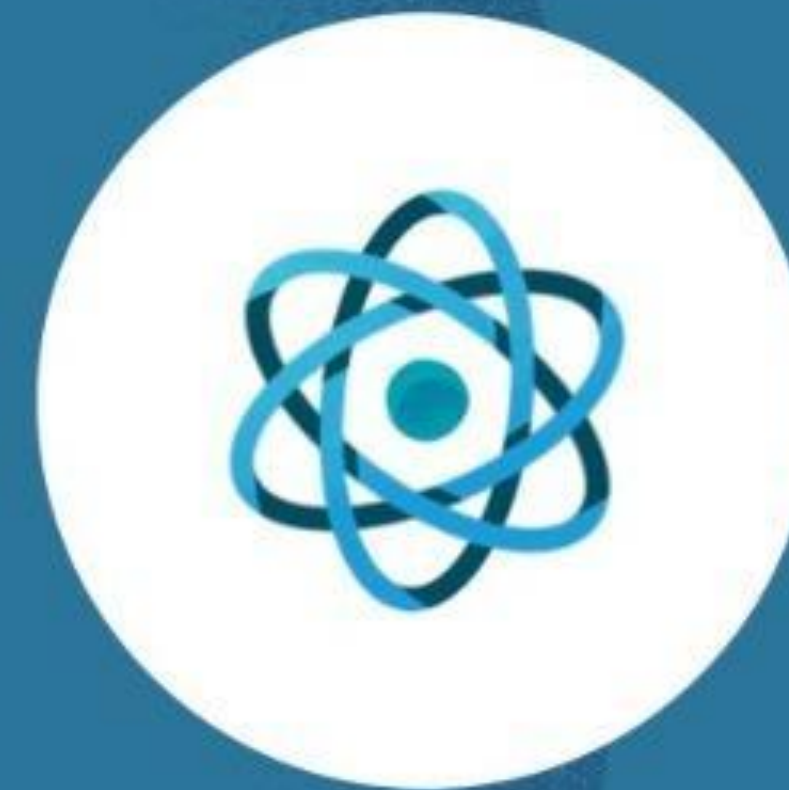




Brighteye Ventures

**EUROPEAN  
EDTECH  
FUNDING  
REPORT  
2024**

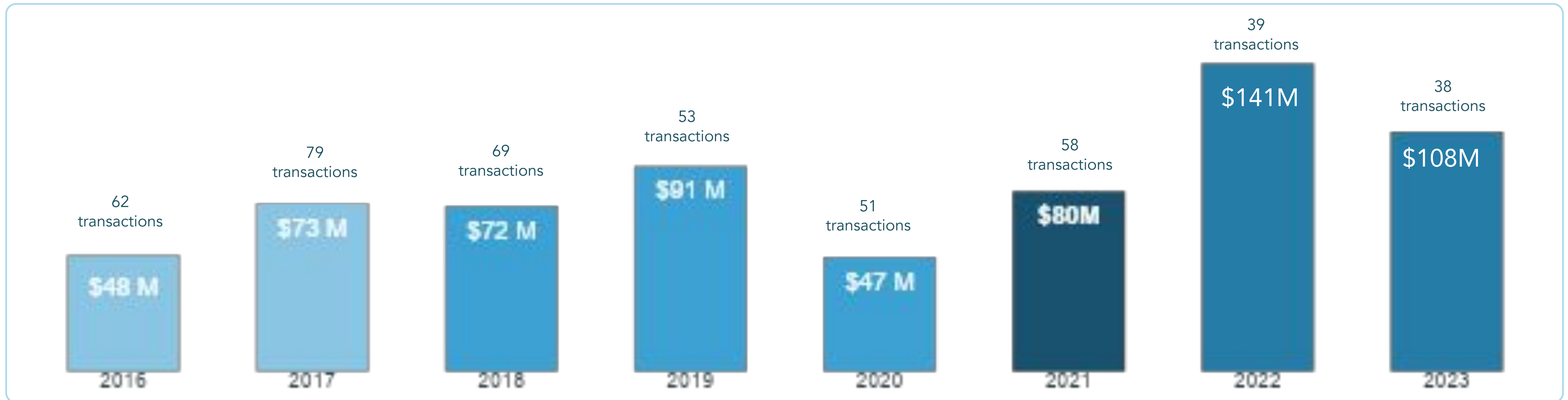


5th Edition

A brief Nordic focus

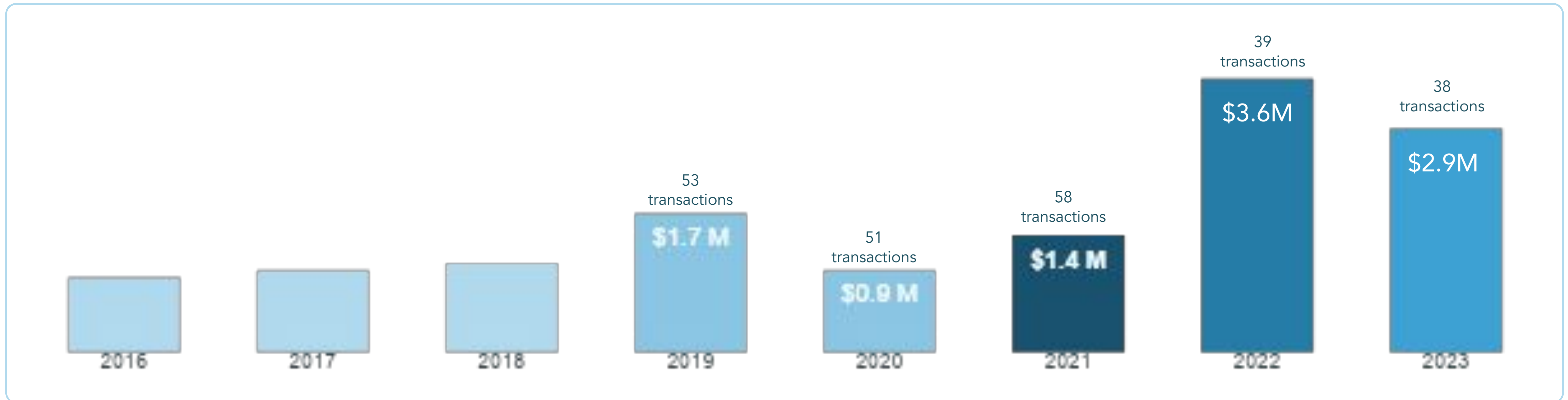


## A small fall for Nordic Edtech between 2022 and 2023, when compared to wider European context



- Edtech VC funding in the Nordics in 2023 was slightly down on 2022 levels, standing at \$108M relative to \$140M at the end of 2022. This represents the region's second highest total, \$28M higher than 2021.
- The number of deals done stayed relatively stable in 2023 compared to 2022, despite the serious headwinds experienced across the startup ecosystem. Indeed, 38 deals were done in 2023 compared to 39 deals in 2022. Both of these tallies are lower than the record 79 secured in 2017. As a collective, the 2023 deal count would place the region second in the list of European markets, behind the UK and fourth by funding secured, after the UK, France and Germany.

## Deal number held strong, with average deal size more than double 2021 levels

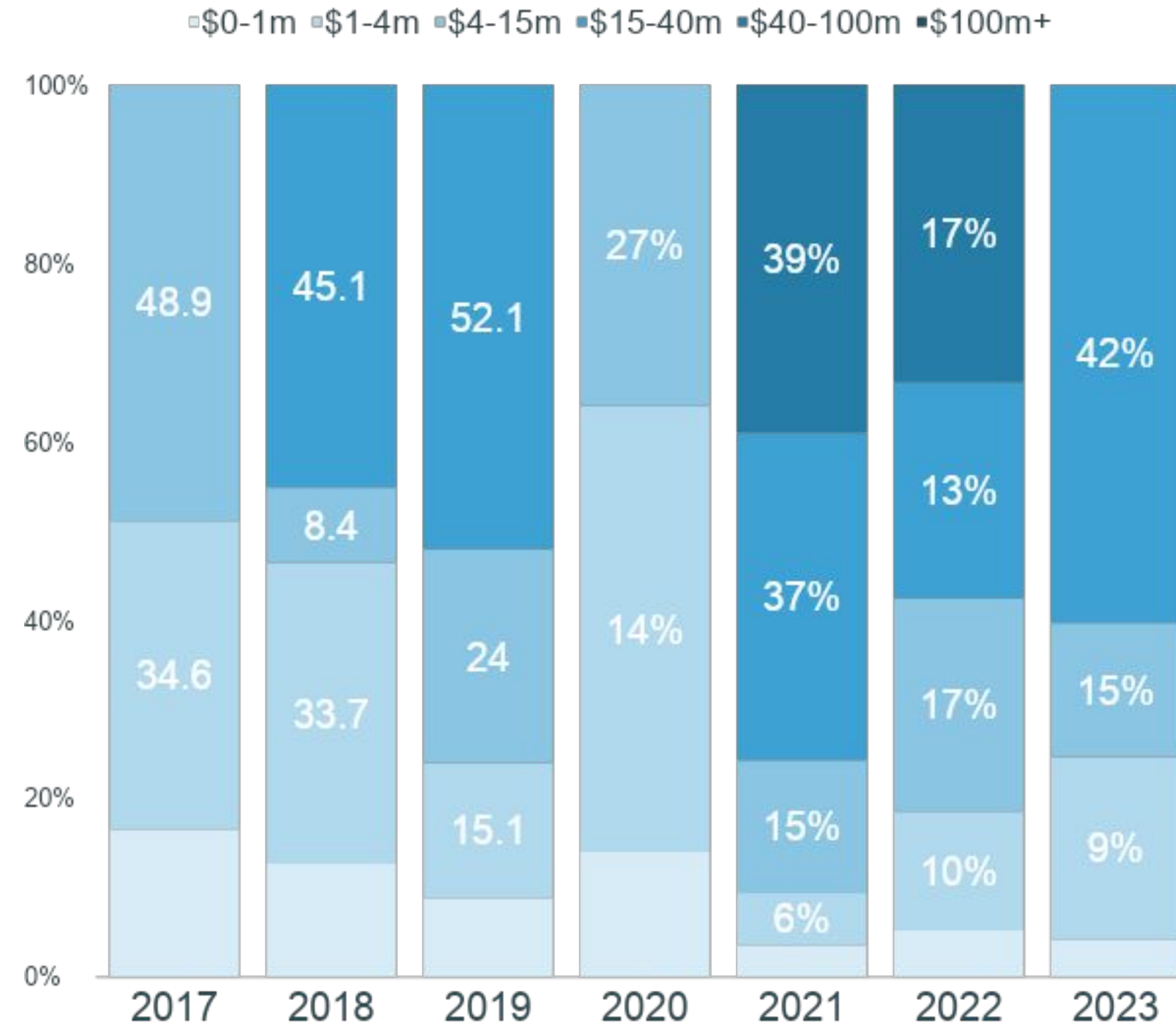


With only one less deal than in 2022, 2023 represented a relatively strong year for the Nordic Edtech ecosystem.

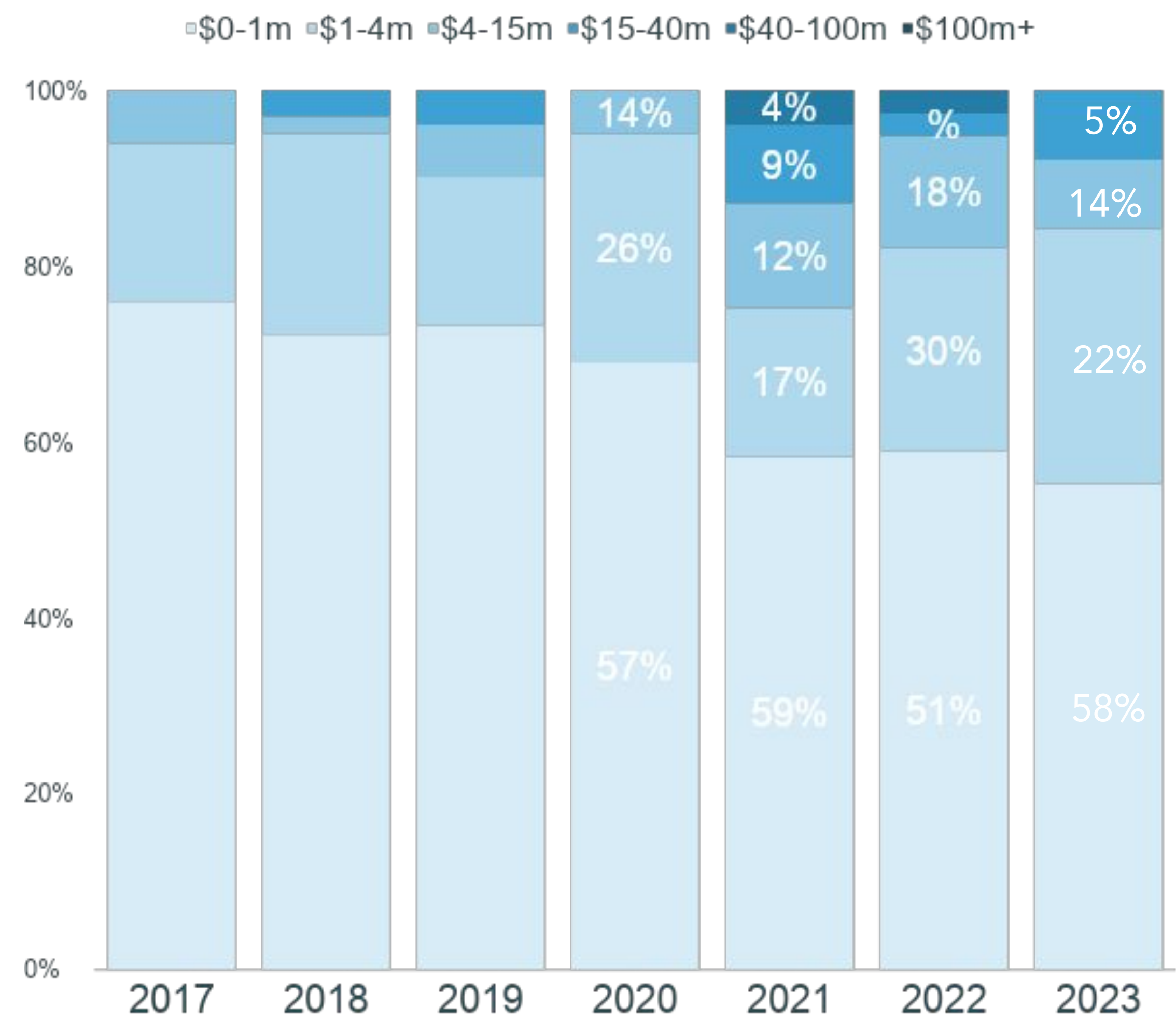
38 deals were done across the region. This resulted in a slight fall in average deal size between 2022 and 2023 of \$0.7M. It is worth noting the deal count is quite significantly below levels observed in previous years- for example, 58 deals were done in 2021, 51 in 2022 and 53 in 2019.

Maintained higher funding and a lower number of deals reflects startups moving through the funding rounds, which bodes well for the longer-term health of the ecosystem.

As with macro-European context, funding distribution by deal size veers towards smaller deals



Number of deals by deal size remains approx. constant, with 80% of deals under \$4M











Sources: Dealroom.co, consolidated by findings in Brighteye’s Edtech Funding Reports and associated exclusions (growth, PE, grants, debt financing deals).



# Sana leads the way with the largest deal, with a good spread of clusters amongst emerging leaders

IPO & M&A transactions excluded

Company	HQ	Cluster	Recent raise	Investors*	Valuation*
 Sana	Stockholm 	Knowledge Management	\$28M	New Enterprise Associates, Workday Ventures	\$180M
 LMS365	Aarhus 	LMS for teams	\$19M	Blue Cloud Ventures, Kamet Capital	\$99M
 humly	Gothenburg 	Substitute teaching	\$14M	Viking Venture, Alfvén & Didrikson	-
 Curipod	Oslo 	Presentation software	\$5M	Reach Capital, Sondo Capital	\$29M
 Kognity	Stockholm 	Intelligent textbooks	\$5M	Mars Growth Capital	\$100M

Across Europe, in 2020, 2 deals exceeded \$50M, in 2021, this figure rose to 11, before falling to 7 deals in 2023 and 4 in 2023.

As in 2021 and 2022, GoStudent secured the largest European deal of the year with \$95M raised to further product development and build resilience in the business.

As in previous years, these largest rounds tend to be extremely spread across both Europe and clusters, suggesting that the ecosystem is maturing and deepening, with investors recognizing the broadening range of verticals and sub-verticals in which it might be possible to reach \$100M+ in ARR. Evidence synthesis and AI training videos appear for the first time in the largest European deals...







*Valuation at time of deal based on Dealroom methodology where not publicly available.*

*\*Some but not all investors are included.*

*Sources: Pitchbook.com; Dealroom.co*

## Notable exits in 2023 - a good year for Nordic Edtech exits!

### Notable exits in the global Edtech context






Company	Acquiror	~Valuation	Exit Type	Companies
 <b>parchment</b> US	Instructure (US)	\$835 M	Acquisition	Credential management platform → K12/HE learning platform
 <b>dreambox</b> US	Discovery (US)	~\$800 M	Acquisition	Maths and Literacy programmes → creator of digital resources
 <b>n2y</b> Cayman Islands	Five Arrows Principal Investments	\$821 M	Buyout/LBO	Special education publishing platform → PE fund
 <b>Remind</b> US	ParentSquare	Und.*	Acquisition	Parent communication platform → larger direct competitor
 <b>Astutis</b> UK	Wilmington (UK)	\$21.5 M	Acquisition	Workforce H&S training → risk and compliance intelligence platform
 <b>SoapBox</b> Ireland	Curriculum Associates	Und.	Acquisition	Voice AI for kids to read and speak → classroom instruction and assessment provider

Despite the broader narrative of fewer exits in 2023 than in previous years, some meaningful consolidation took place across the Edtech sector.

Within an expansive definition of Edtech, we observe the largest deal as Parchment's exit to Instructure, followed by Dreambox Learning's exit to Discovery, both for >\$800M.

Most notable exits were to strategic acquirors, including deals not mentioned in the table, such as Go1's acquisition of Blinkist, announced in May 2023.




### Notable exits in European Edtech






Company	Acquiror	~Valuation	Exit Type	Companies
 <b>Strawbees</b> Sweden	Albert (SW)	\$6 M	Acquisition	Creativity & tech education for children → children's games
 <b>edufLOW</b> Denmark	Multiverse (UK)	Und.	Acquisition	Student grading platform → upskilling / hiring tech employees
 <b>firefly</b> UK	Veracross (US)	Und.	Acquisition	LMS for K12 → larger, US-based competitor
 <b>RM</b> UK	CBPE Capital	\$16 M	Acquisition	Finance solution for schools → PE fund
 <b>Kahoot!</b> Norway	Goldman Sachs	\$1.7 B	Buyout/LBO	Interactive learning (games) for K12 → asset management firm & partners

#### Spotlight on the Kahoot! deal:

Though completed in January 2024, the main exit story of 2023 was the deal to take Kahoot! private, in which the Norway/UK-based company received a \$1.7 billion offer, led by Goldman Sachs and including General Atlantic and Lego Groups' Kirkbi, among others. Their compelling cash offer represented a greater than 10x multiple on revenue. The company had previously been listed on the Norwegian stock exchange, as of March 2021.

## Sweden leads the way in 2023 total funding, but Norway the most active market with most deals

Individual European markets		
	2023	
	Market	Funding
1	UK 	\$547M 93 deals
2	France 	\$162M 14 deals
3	Germany 	\$111M 35 deals
4	Austria 	\$97M 3 deals
5	Spain 	\$82M 20 deals

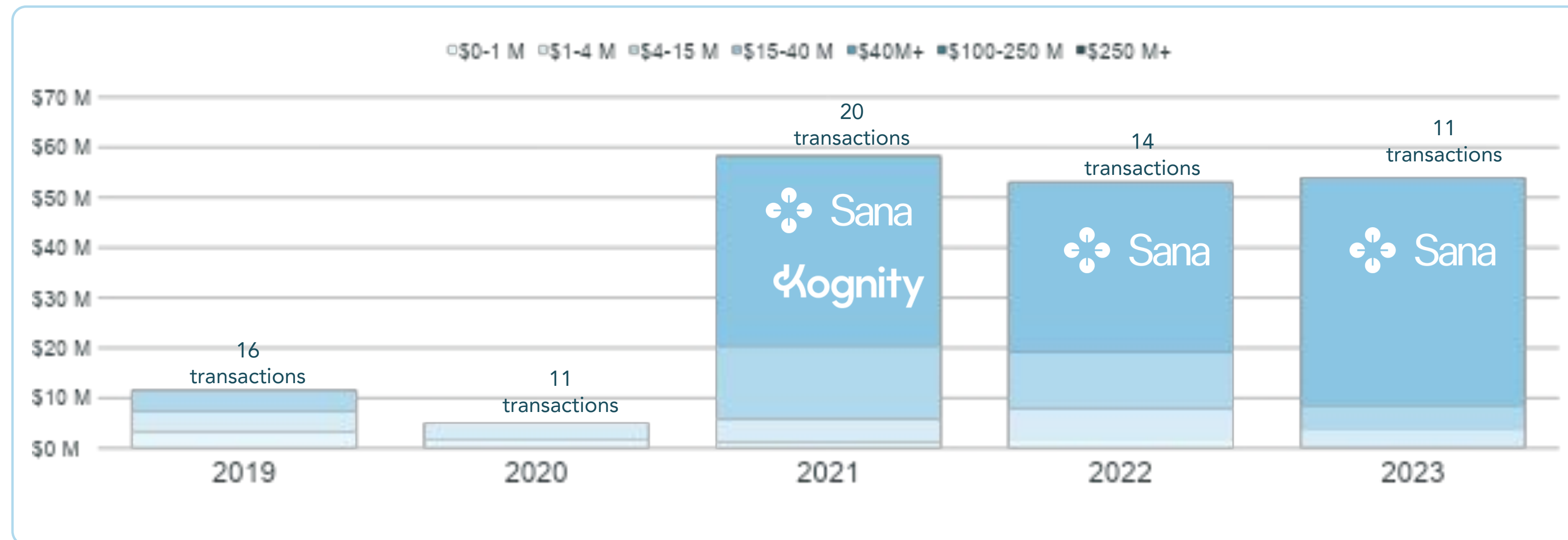
Nordic markets							
		2021		2022		2023	
	Market	Funding	Average	Funding	Average	Funding	Average
1	Sweden 	\$61M 14 deals	\$4.4M	\$51M 11 deals	\$4.6M	\$54M	\$4M 13 deals
2	Norway 	\$58M 4 Deals	\$14.5M	\$17M 8 deals	\$2.1M	\$28M	\$1.75M 16 deals
3	Denmark 	\$144 M 8 Deals	\$18M	\$57M 3 deals	\$19M	\$25M	\$12.5M 2 deals
4	Iceland 	\$0.6M 1 deal	\$0.6M	\$1.5M 2 deals	\$0.8M	\$1.2M	\$0.6M 2 deals
5	Finland 	\$35M 7 Deals	\$5M	\$10M 10 deals	\$1M	\$0M	\$M 0 deals

Sweden leapt up the rankings in 2023 to lead the way, despite a slight drop in funding relative to 2022. Norway leapfrogged Denmark to take second and Denmark rounded up the top 3.

Interestingly, Norway saw the second consecutive doubling in the number of Edtech deals done, first between 2021 and 2022 and now between 2022 and 2023. Will we see 32 deals for Norwegian companies in 2024? Most of these deals were very early stage, evidenced by the average deal size, standing at \$1.75M, compared to larger averages for Sweden and Denmark.



## Spotlight: Sweden - how has the Swedish Edtech ecosystem evolved?

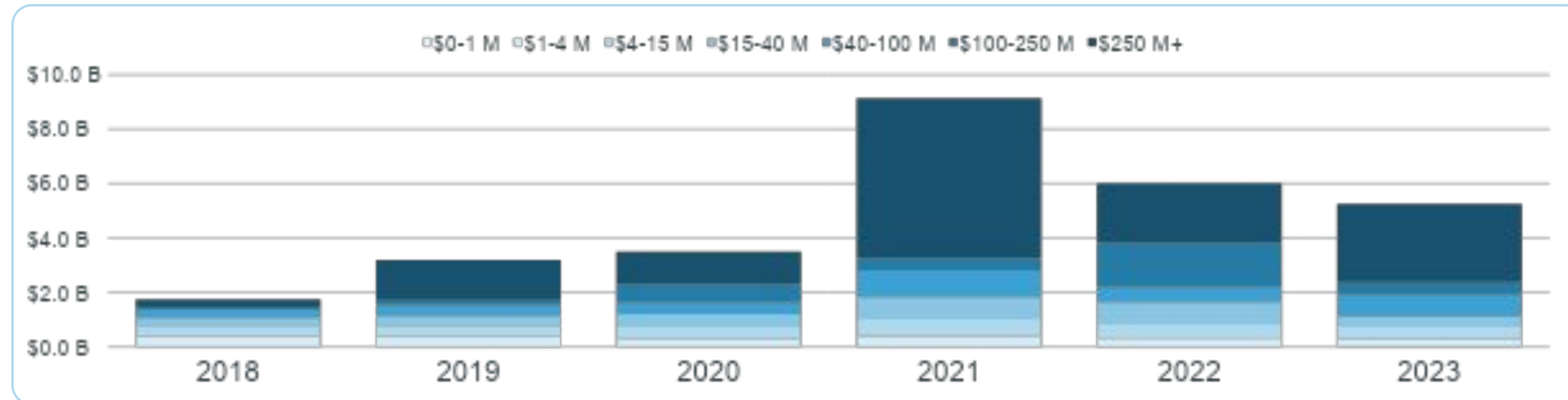







Sweden's tech ecosystem is renowned for category leading – and often defining – companies. Think Spotify, Klarna, Northvolt, Kry, Polestar, Oatly... The list could go on. These companies are spread across a range of sectors, from health to food to energy to music, covering a range of naturally creative sectors as well as hard engineering sectors like energy and steel.

The ecosystem is home to a number of possible Edtech sector leaders too, with the most prominent being Sana Labs and Kognity. Sana provides a category leading solution to workplace knowledge management while Kognity focuses on developing the next generation of textbooks. The two companies almost dual-handedly have raised the profile of Swedish Edtech, as is evident in the data. What's clear is that considerably more Edtech funding (and interest) is flowing into Sweden as a result of their presence in the market. Though the number of deals has stayed approximately similar without an explosion, it's clear that an upward trend in funding has firmly taken hold. The market is also showing signs of maturity via internal consolidation – for example, Albert announced the acquisition of Strawbees in January 2023.

Brighteye added a Swedish company to the portfolio in 2023.

## Spotlight: Sweden – the wider ecosystem and biggest Edtech deals



Largest Swedish Edtech deals on record	HQ	Cluster	Recent raise	Investors*
 Sana	Stockholm	Workforce learning management	\$83M	NEA, Menlo Ventures, EQT Ventures
 Kognity	Stockholm	Next gen textbooks	\$32M	Alfvén & Didrikson
 humly	Gothenberg	Substitute teaching matching	\$18M	Alfvén & Didrikson, Viking Ventures
 Lexplore	Stockholm	Student reading support	\$12M	Gabriel Urwitz, Pomona Group, Sparkmind
 magma	Stockholm	Maths teaching support	\$6M	Per Emanuelsson, William Olsson, Kim Olsson, Fros Ventures