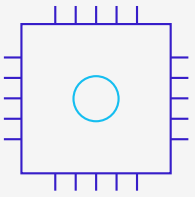


# DEEP TECH MID-YEAR UPDATE

M&A and VC Markets

JUNE 2026



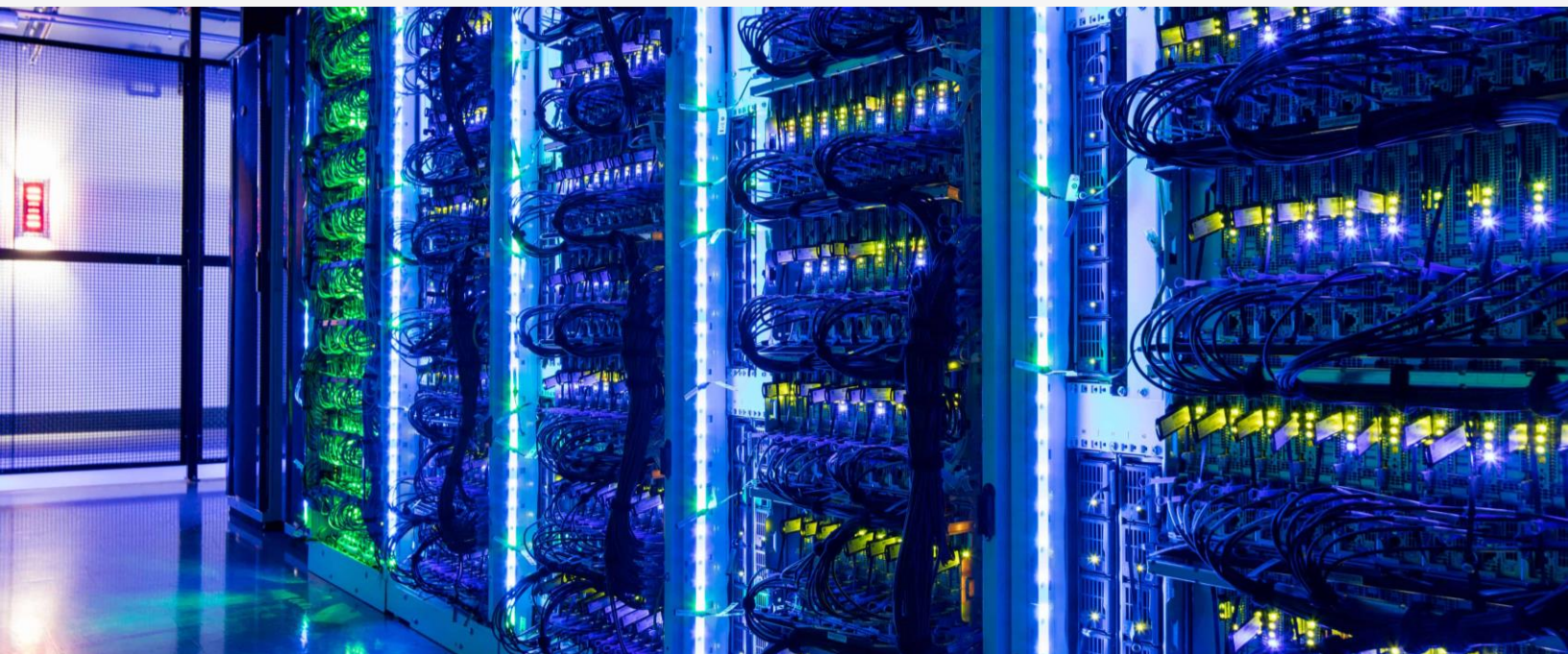
**SEMICONDUCTORS**



**AI & COMPUTER  
VISION**



**EDGE  
INTELLIGENCE**



# 2026 THE YEAR AI BECAME REAL

THE INFERENCE POWER BILL IS COMING DUE

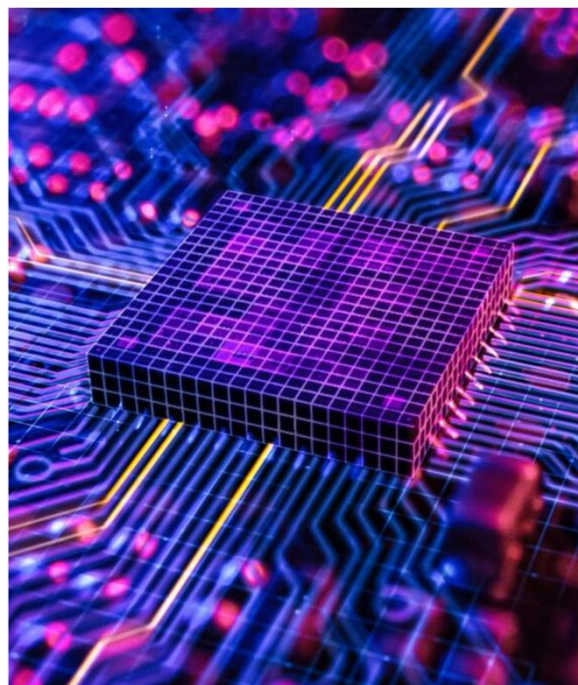


**Enterprise AI adoption, for real.** Recently “AI” meant pilots or students playing with ChatGPT. In 2026 that has changed. Tools like Anthropic’s Claude moved into daily Fortune 500 production — drafting contracts, financial modeling, shipping code, and running customer operations. Real use cases for AI.

**AI IPOs.** OpenAI and Anthropic are both preparing to go public at potentially \$1 Trillion valuations, the labs that defined the modern LLM era are nearing the public markets — a sign that AI revenue is becoming real.

**Power problem.** That usage carries a physical cost. Queries run in power-hungry data centers — many built by hyperscalers like Microsoft and Google — and communities nationwide are resisting new sites over strain on power grids.

**Inference is the key.** Every Claude or ChatGPT prompt is an inference run: the trained model executing live. With millions of users in production, that always-on demand is driving the race for power-efficient AI chips from NVIDIA and rivals with accelerators like NPUs and in-memory computing (IMC).



ANTHROPIC

OpenAI

Microsoft

Google

NVIDIA

## QSBS

WHAT DO ENTREPRENEURS AND INVESTORS NEED TO KNOW?

In the US, Qualified Small Business Stock (QSBS) gives founders and investors a path to exclude up to 100% of federal gains upon exit. In 2025, QSBS was expanded to a cap of up to \$15 million. [Read more](#)

100%

of federal capital-gains  
excludable at exit

\$15M

tax-free per investor  
— up from \$10M

3 yrs

to first exclusion  
— no more 5-yr cliff

### WHO QUALIFIES

- ✓ Domestic C-Corp stock bought at original issue
- ✓ ≥80% of assets in an active business; individual holders only
- ✓ Excludes pro services, finance, hospitality & mining

### WHERE YOU LIVE MATTERS









- ✓ 30+ conforming states (NY, TX, MA): \$0 state tax
- ✓ 6 non-conforming (CA, PA, OR, AL, MS, DC): full state tax
- ✓ A \$15M CA exit ≈ \$2M state tax vs ~\$0 elsewhere

# DEEP TECH






MID-2026 UPDATE



## DEEP TECH HIGHLIGHTS - 2026

Most Acquisitions Since 2025 <sup>1</sup>	 <b>OpenAI</b>  <b>ASTRAL</b> <b>21 Acquisitions</b> 
Biggest M&A <sup>1</sup>	 acquired by  <b>SPACE X</b> <b>\$250B</b>
Pending IPOs	<b>ANTHROPIC</b>  <b>OpenAI</b> <b>\$1T+ ?</b>
Best News	 AI reaching mass scale with tools like Claude
Biggest Challenges	 Geopolitical instability, inflation, looming correction?

## METRICS – 2026 HAS BEEN STEADY, CAN IT KEEP UP?

Metric	2025	2026	Change
# Deep Tech Strategic Acquisitions <sup>1</sup>	1,634	1,891 <sup>5</sup>	 <b>16%</b>
# Deep Tech Series A Deals <sup>1</sup>	2,031	1,668 <sup>5</sup>	 <b>(18%)</b>
Dow Jones <sup>2</sup>	48,370	50,872	 <b>5.2%</b>
US Unemployment <sup>3</sup>	4.6%	4.3%	 <b>(0.3%)</b>
US Inflation <sup>4</sup>	2.7%	3.8%	 <b>41%</b>

Notes and sources

1. PitchBook
2. [Dow Jones: Wall Street Journal](#) as of 06/09/2026
3. [US Unemployment](#) as of April 2026
4. [US Inflation](#) as of April 2026
5. Deal counts for 2026 are annualized

# TOP DEEP TECH M&A TRANSACTIONS

## STRATEGIC M&A



to be acquired by



**Embedded IVR**

### EMPOWER SEMICONDUCTOR TO BE ACQUIRED BY ANALOG DEVICES

DEAL METRICS: **\$1.5B** • **73 Employees** • **5x Revenue**

Analog Devices has announced agreement to acquire Empower Semiconductor, a Silicon Valley-based developer of integrated voltage regulators (IVRs) designed to deliver power directly inside the AI processor package. As AI compute scales, power density has become the critical bottleneck limiting system performance, Empower's FinFast™ technology addresses this by eliminating discrete components and enabling power conversion closer to the processor, strengthening ADI's grid-to-core power platform for next-generation AI compute. [Read more](#)



acquired by



**AI Services and Data**

### XAI ACQUIRED BY SPACEX

DEAL METRICS: **\$250B** • **4,900 Employees** • **78x Revenue**

SpaceX has acquired xAI, the maker of the Grok chatbot, in the largest M&A transaction in history, surpassing Vodafone's \$203B acquisition of Mannesmann in 2000. The deal values xAI at \$250 billion and SpaceX at \$1 trillion, combining a space-and-defense contractor with a fast-growing AI developer ahead of a planned SpaceX IPO. The merger is expected to draw regulatory scrutiny given Musk's overlapping leadership roles across multiple firms and SpaceX's billions in federal contracts with NASA and the Department of Defense. [Read more](#)



acquired by



**Data Streaming Platform**

### CONFLUENT ACQUIRED BY IBM

DEAL METRICS: **\$12B** • **10x Revenue** • **9.1x EBITDA**

IBM has completed its acquisition of Confluent, the real-time data streaming platform used by over 6,500 enterprises including 40% of the Fortune 500, for \$12 billion. Built on Apache Kafka, Confluent streams live operational data into IBM's AI models, agents, and workflows — addressing the critical gap between AI experimentation and production where continuously refreshed data is essential. [Read more](#)

# TOP SEMICONDUCTOR & IP TRANSACTIONS

## STRATEGIC M&A



SILICON LABS

to be acquired by



Wireless Connectivity

### SILICON LABS TO BE ACQUIRED BY TEXAS INSTRUMENTS

DEAL METRICS: **\$7.5B** • **1,930 Employees** • **9.6x Revenue**

Texas Instruments agreed to acquire Silicon Labs in an all-cash deal valued at ~\$7.5B enterprise value (\$231.00/share, announced Feb 2026), strengthening TI's embedded processing strategy with Silicon Labs' wireless connectivity portfolio. Expected to close 1H 2027 with ~\$450M of targeted annual synergies. [Read more](#)

celestial AI™

acquired by



Photonic Interconnect

### CELESTIAL AI ACQUIRED BY MARVELL TECHNOLOGY

DEAL METRICS: **\$6.0B** • **152 Employees** • **\$588.9M Raised**

Marvell completed its \$6.0B all-cash acquisition of Celestial AI (Feb 2026), adding the company's Photonic Fabric optical interconnect technology for scale-up AI connectivity. The deal expands Marvell's data-center portfolio into high-bandwidth, low-latency photonic networking. [Read more](#)

ReSound  
rediscover hearing

to be acquired by



Hearing Technology

### RESOUND (GN HEARING) TO BE ACQUIRED BY AMPLIFON

DEAL METRICS: **\$2.66B** • **1,078 Employees** • **2.4x Revenue**

Amplifon agreed to acquire GN Hearing — maker of ReSound, Beltone and Jabra Enhance — for ~\$2.66B (DKK 17B) in a cash-and-stock deal (announced Mar 2026), creating a vertically integrated audiology leader. GN becomes a strategic Amplifon shareholder; close expected end of 2026. [Read more](#)

Rivos

acquired by



RISC-V Silicon

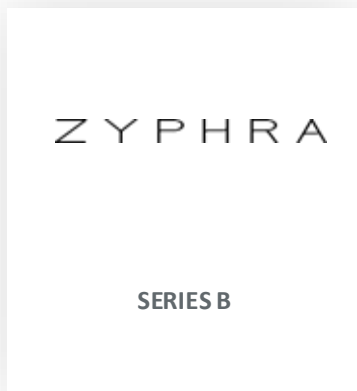
### RIVOS ACQUIRED BY META PLATFORMS

DEAL METRICS: **\$2.5B** • **400 Employees** • **\$870.0M Raised**

Meta acquired Rivos for \$2.5B (closed Feb 2026), bringing in-house the startup's RISC-V CPU and data-parallel GPU accelerator designs for power-efficient LLM and data-analytics compute. The deal anchors Meta's custom-silicon roadmap, positioning Rivos as its foundational processor team. [Read more](#)

# INTERESTING DEEP TECH VC TRANSACTIONS

SERIES B AND ABOVE



Frontier AI Infrastructure

## ZYPHRA \$500M SERIES B

PRE-MONEY: \$4.5B • 5.1x Valuation Step-Up

INVESTORS: AMD Ventures

Developer of an open AI platform for building frontier foundation models, AI infrastructure, and enterprise agent systems on AMD and alternative hardware.



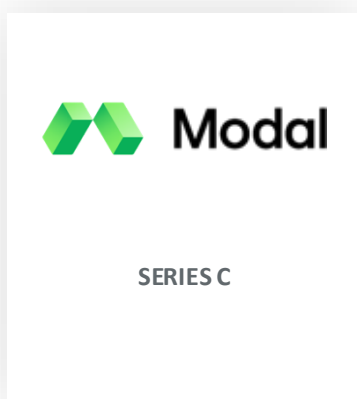
Inference Accelerators

## POSITRON \$234M SERIES B

PRE-MONEY: \$831M • 4.05x Valuation Step-Up

INVESTORS: ARENA Private Wealth, Jump Trading, ARM, + others

Developer of custom transformer-inference accelerator hardware and memory-optimized appliances for running generative AI and large language models at lower power and cost.



Serverless AI Cloud

## MODAL LABS \$355M SERIES C

PRE-MONEY: \$4.3B • 3.9x Valuation Step-Up

INVESTORS: Redpoint Ventures, General Catalyst, + others

Developer of a serverless cloud platform for deploying and scaling compute-intensive ML and data workloads, with code-defined containers and on-demand GPU autoscaling.

# TOP DEEP TECH BUYERS

SEMICONDUCTORS, AI, COMPUTER VISION, EDGE INTELLIGENCE

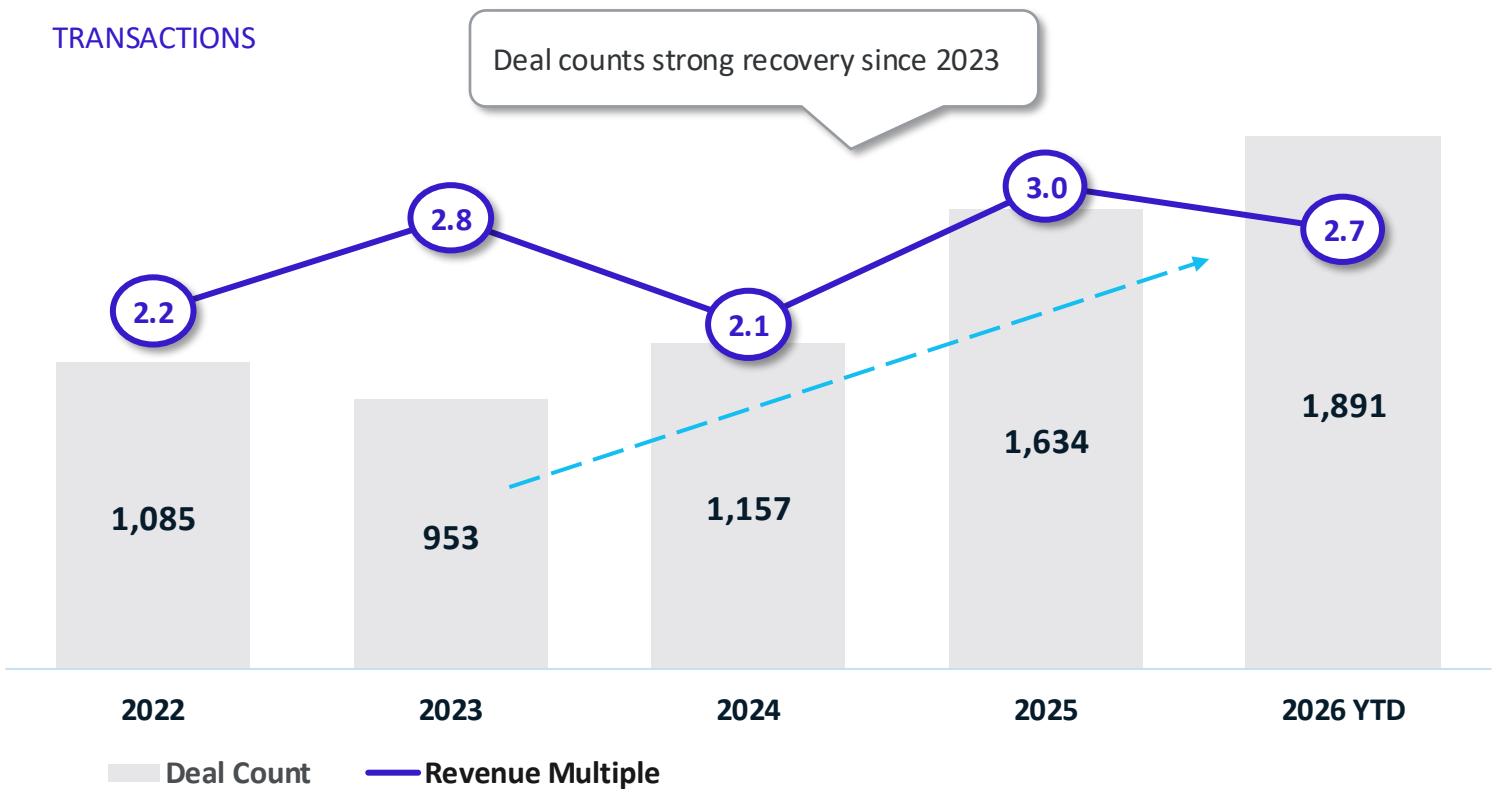
TOP BUYERS – DEAL COUNT SINCE 2025



# DEEP TECH STRATEGIC M&A

SEMICONDUCTORS, AI, COMPUTER VISION, EDGE INTELLIGENCE

## TRANSACTIONS



## DEEP TECH M&A INSIGHTS

**DEAL COUNT** – Deal counts have risen strongly since 2023. If 2026 annualized holds up, deal counts will be 2x of 2023, showing a strong post-COVID M&A recovery and transition to the AI era.

**REVENUE MULTIPLES<sup>1</sup>** – While not a perfect measure of valuation, revenue multiples are a proxy for relative transaction value. Revenue multiples for deep tech deal including silicon, software and hardware have remained relatively consistent around upper 2's to 3x revenue.

## CONCLUSIONS

Driven by technologies related to AI, 2026 is tracking to another year of significant growth. At some point the market will correct but we do not have indicators that any correction is imminent.

# TOP RECENT DEEP TECH M&A TRANSACTIONS

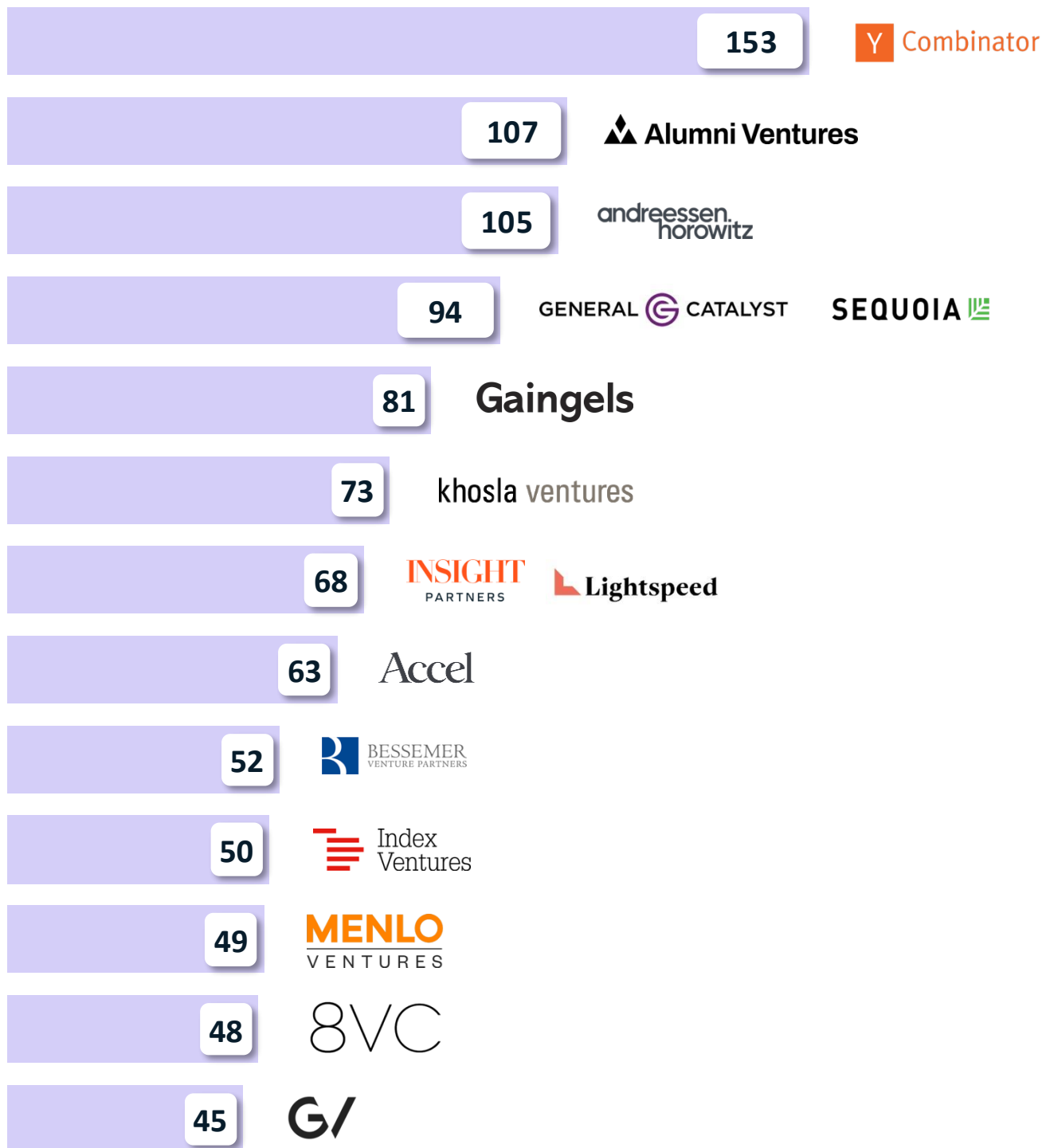
## STRATEGIC ACQUISITIONS

TARGET	BUYER	VALUE (\$M)	REVENUE MULTIPLE	DESCRIPTION
MaintainX	Autodesk	3,600		Mobile maintenance & work order platform
Empower Semiconductors	Analog Devices	1,500	5.0x	IVR semiconductors for data center AI
Armis	ServiceNow	7,750	25.8x	Cybersecurity asset intelligence platform
Kinetic Technologies	Cyient Semiconductors	85	2.1x	Power management semiconductors
Aechelon Technology	Shield AI	2,000		3D defense simulation software
Confluent	IBM	11,947	10.2x	Real-time data streaming platform
ReSound	Amplifon	2,662		Wireless digital hearing aids
Rivos	Meta	2,500		RISC-V server chips for AI workloads
XConnTech	Marvell Technology	550		CXL interconnect for AI data centers
Mentee Robotics	Mobileye Global	900		AI humanoid warehouse robots
Renesas Timing Division	SiTime	3,000		Timing & clock semiconductors
Silicon Laboratories	Texas Instruments	7,500	9.7x	Wireless IoT connectivity chips
xAI	SpaceX	250,000	78.1x	AI model & search platform
Celestial AI	Marvell Technology	6,000		Photonics AI computing platform
Luminar Semiconductor	Quantum Computing	110		LiDAR chips for autonomous driving
Chronosphere	Palo Alto Networks	3,350		Cloud-native observability platform
SkyWater Technology	IonQ	1,800	4.1x	U.S. semiconductor foundry
Quantum Circuits	D-Wave Quantum	550		Superconducting quantum computers

# TOP DEEP TECH INVESTORS

VC SERIES A, B, C

TOP INVESTORS – DEAL COUNT SINCE 2025

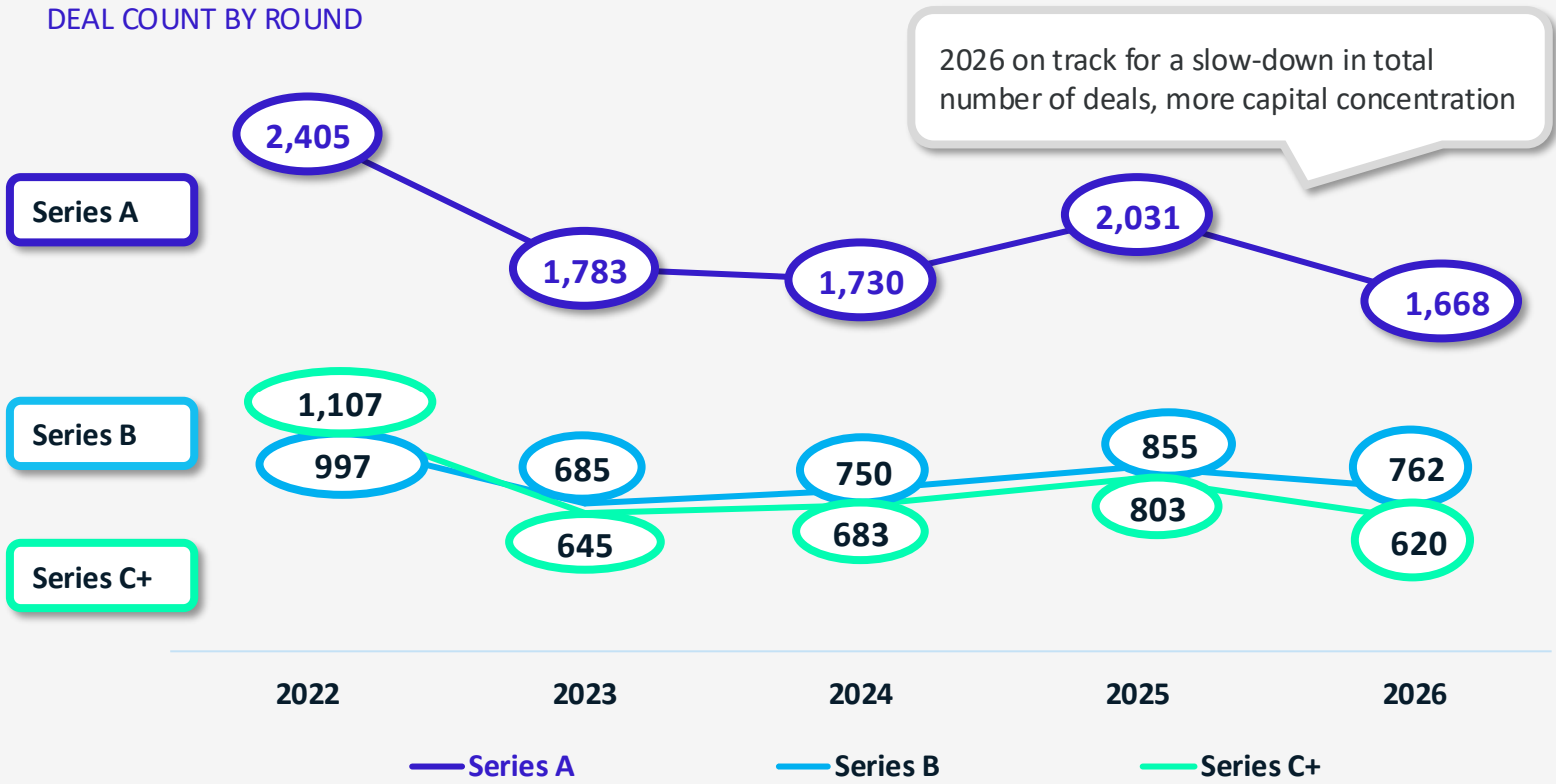


9,596 investors with at least 1 deal

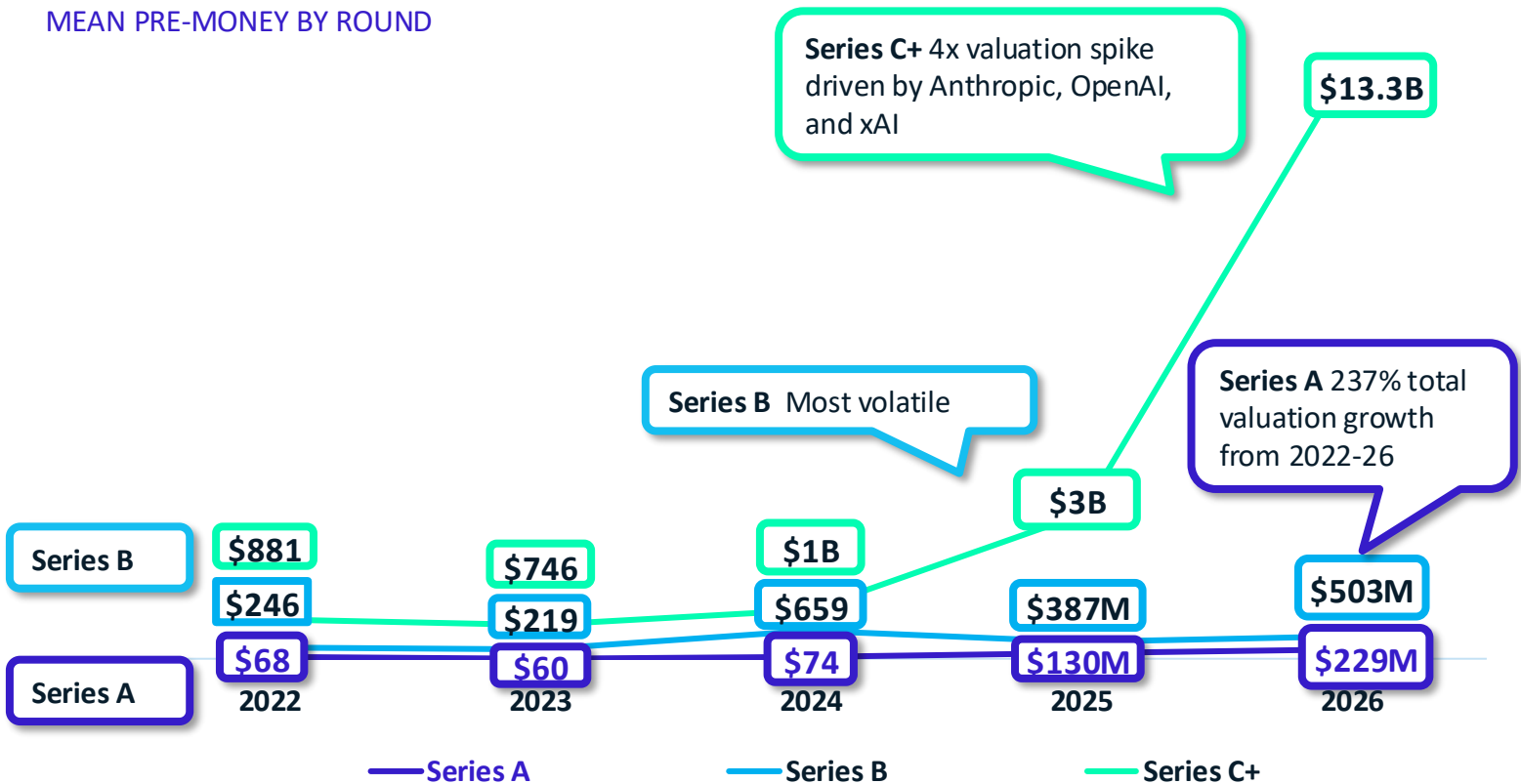
# DEEP TECH CAPITAL RAISES BY YEAR

FEWER DEALS BUT VALUATIONS SHOWING GROWTH SINCE 2022

## DEAL COUNT BY ROUND



## MEAN PRE-MONEY BY ROUND



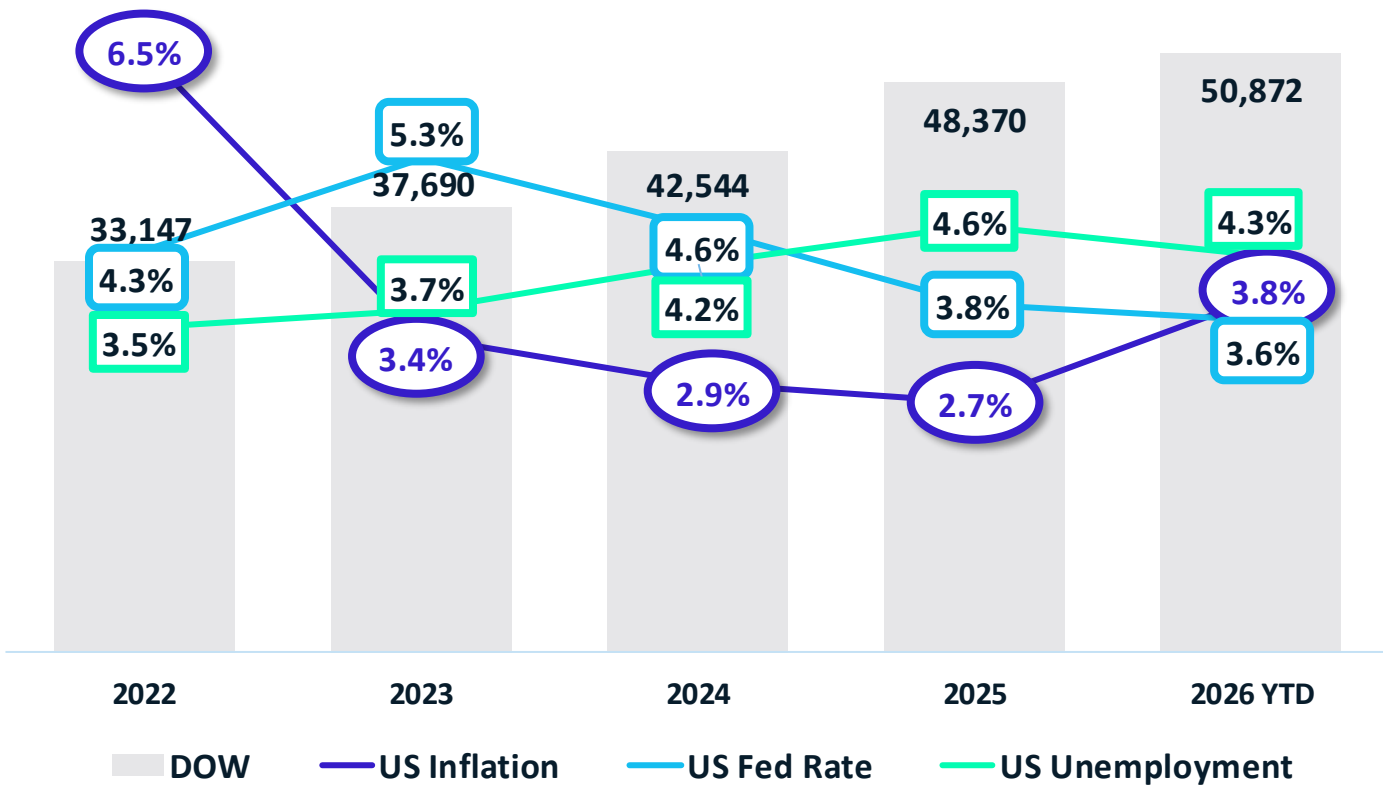
# RECENT DEEP TECH VC TRANSACTIONS

VC SERIES A, B, C

COMPANY	ROUND	Up or Down Round	DEAL SIZE (\$M)	PRE MONEY (\$M)	DESCRIPTION
Hark	Series A	Up 	700	5,300	AI hardware for task automation
Reflection AI	Series C	Up 	2,500	25,000	AI models for autonomous coding
Modal Labs	Series C	Up 	355	4,295	Serverless cloud platform for AI/ML
Zyphra	Series B	Up 	500	4,500	Open platform for AMD-based models
MatX	Series B	Up 	500	3,869	AGI chips for large language models
Positron	Series B	Up 	234	831	Inference accelerator hardware
Armada	Series B	Up 	230	2,135	Edge AI computing infrastructure
Nexthop AI	Series B	Up 	500	3,700	AI networking for data centers
Agrani Labs	Series A	Up 	100	350	AI GPU hardware and software
Kandou AI	Series A	Down 	225	175	Chiplets for AI interconnect
Eridu	Series A	Up 	200	242	Silicon optimizing AI workloads
Point2 Technology	Series B	Up 	76	124	Terabit mixed-signal SoC for AI and 5G
Normal Computing	Series B	Up 	50	145	Thermodynamic AI semiconductors
nEye.ai	Series C	Up 	80	340	Silicon photonics AI switching
mmTron	Series A2	Up 	45	130	mm-wave chips for defense
GridCARE	Series A	Up 	64	270	AI grid power optimization
Gimlet Labs	Series A	Up 	80	166	AI compute orchestration
Aria Networks	Series A	Up 	125	655	AI switches for GPU workloads

# MACRO ECONOMY OVERVIEW – USING U.S. AS PROXY

2026 STRONG MARKET CONTINUES TO DATE



## INSIGHTS

**Stock Market** – Dow Jones remains at or near all-time highs, strong enthusiasm for AI, despite geopolitical unrest and inflation pressures.

**Inflation** – Inflation surged to 3.8% in April, driven by the Iran war oil shock – energy costs jumped 18% YoY, the steepest since Sep 2022 + effect of tariffs.

**Unemployment** – Unemployment remains low but has slowly increased since 2022.

**Geopolitical** – 2026 began with the Iran war, spiking fuel prices and instability in the Middle East.

## CONCLUSIONS

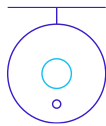
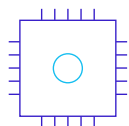
Overall, CVA's view is that the macroeconomy remains strong for Deep Tech M&A and capital raises, though caution is warranted. Inflation, now at its highest since May 2023 at 3.8%, driven by the Iran war oil shock and compounding tariff pressures, is a primary risk along with fears of an AI bubble. CVA expects some market correction is likely within the next 12-24 months as the AI bubble narrative, inflation pressure, and geopolitical instability converge.

Sources

1. [Dow Jones: Wall Street Journal](#) as of 06/09/2026
2. [US Inflation](#) as of April 2026
3. [US Fed Rate](#) as of May 2026
4. [US Unemployment](#) as of April 2026

# ABOUT CONNECTED VISION ADVISORS

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 help us drive the best outcome for our clients.

+ **We focus on Semiconductors, AI, Computer Vision, IoT 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, Lattice, Faurecia and many more.

## Transactions

 <b>ARDUINO</b> Series B     PARTNERS	 <b>Activity</b> Has been acquired by 	 <b>mixel</b> Has been acquired by 	 <b>Deeplite</b> Has been acquired by 	 Intelligent Agent <b>Newton</b> Has been acquired by 	 <b>SUMMER ROBOTICS</b> Series A 
 <b>mirametrix</b> Has been acquired by 	<b>PROJECT COMPASS</b> Buy-side advisor 	 <b>twentybn</b> Has been acquired by 	<b>MOD.CAM</b> Has been acquired by 	 <b>nyansa</b> <small>Insight from Network Data</small> Has been acquired by 	<b>STERADIAN</b> Has been acquired by 



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