

A decorative graphic consisting of a blue line forming a shape similar to a stylized 'L' or a bracket, with a small cluster of blue squares at the top right end.

Artificial Intelligence

*& Generative AI in a Growing
Investor and M&A Landscape*

Industry Snapshot

July 2023

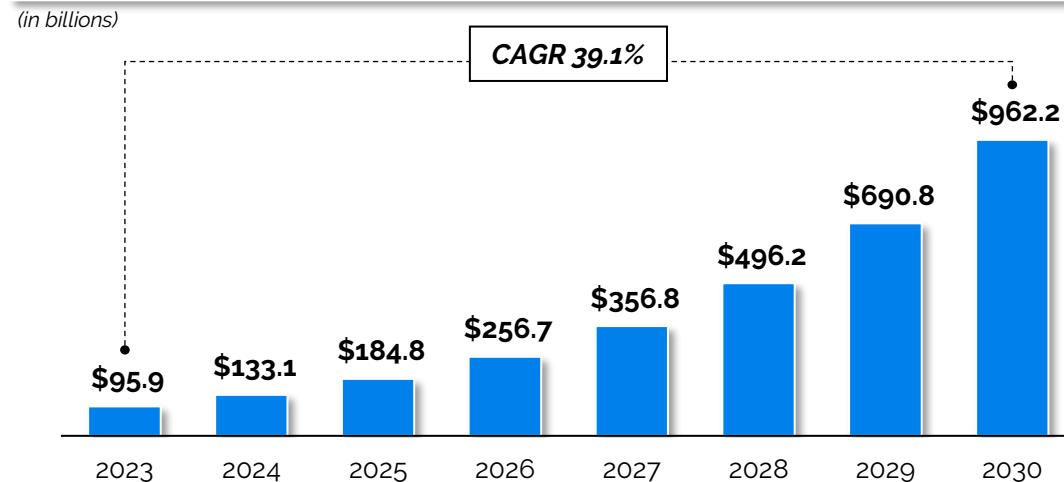


Artificial Intelligence in the Modern Business World

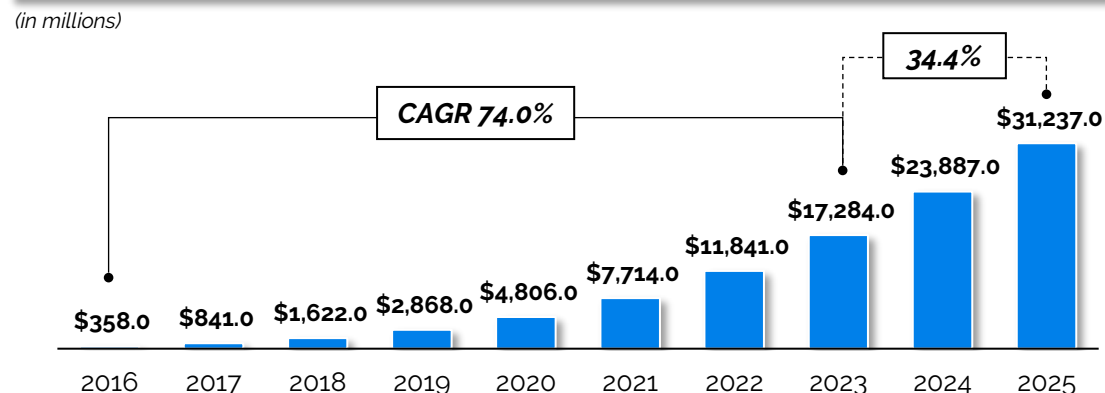
Global AI Industry & Evolving Use Cases

- The **global AI market is projected to reach nearly \$1 trillion by 2030**, driving diverse implementations and use cases across industries as organizations leverage AI to unlock new opportunities and drive innovation.
- AI's potential economic impact is immense, with an **estimated \$15 trillion expected to be added to the global economy by 2030, surpassing the combined output of China and India**. This underscores the importance of strategic AI implementations in harnessing its transformative power for economic growth and gaining a competitive advantage.
- The adoption of AI capabilities is on the rise, with **organizations integrating an average of 3.8 AI capabilities per organization in 2022**. This growing recognition of AI's potential across sectors, from robotic process automation to computer vision and natural-language processing, streamlines processes, enhances decision-making, and unlocks new efficiencies.
- AI technologies have already demonstrated their value, with **80% of executives reporting noticeable productivity and performance improvements within their organizations**. This tangible impact has further driven AI implementation, as organizations witness firsthand the benefits of AI adoption. By leveraging AI, businesses can achieve greater operational efficiency, reduce costs, improve customer experiences, and gain valuable insights from data-driven decisions.
- The AI industry continues to attract substantial investments, with **over 50% of organizations allocating more than 5% of their digital budgets to AI initiatives**. This growing confidence in AI's potential fuels continuous innovation and expands the range of AI use cases, propelling the industry forward and empowering organizations to stay at the forefront of AI adoption.

Revenue Growth Trends for a Booming Global AI Market



Growing AI Revenue in Enterprise Applications



Generative AI Leading a Rebound In Investments

Increasing VC and M&A Investment Interest

- The AI industry presents an attractive investment opportunity for strategics and venture capitalists. However, developing, training, and running AI systems have historically required significant capital investment. **This interdependence between AI and capital has led to a rise in M&A activities and funding.**
- In the first quarter of 2023, **AI accounted for 186 technology deals, with a combined value of \$12.7 billion.** Notably, Microsoft's investments in OpenAI for \$10 billion represented the largest disclosed funding in the industry.
- The interest in early-stage VC investments in generative AI startups has surged dramatically. In 2022 alone, these **startups raised an impressive \$2.6 billion across 110 deals.** This influx of funding showcases the confidence and excitement surrounding the potential of generative AI.
- AI's interdependence with capital has led to increased strategic investments and M&A, which seems to be **a trend that will continue to boom this decade.**

High Profile AI/Generative AI Transactions

January 2023

has taken investments from

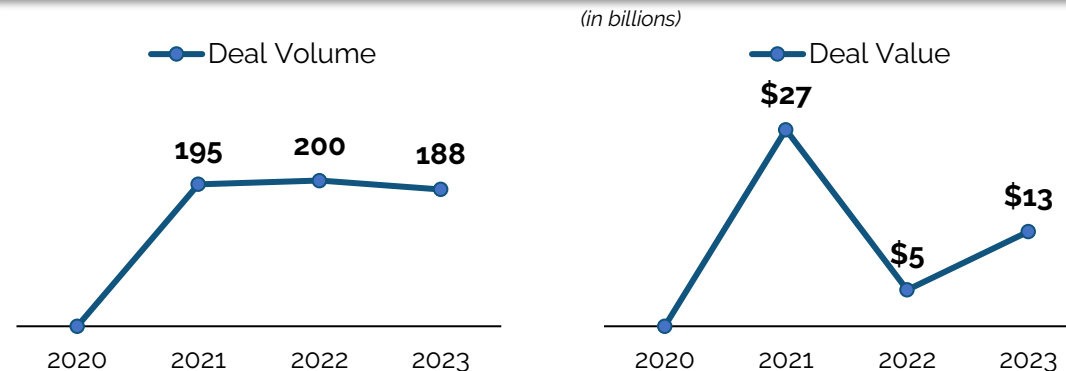
January 2023

has been acquired by

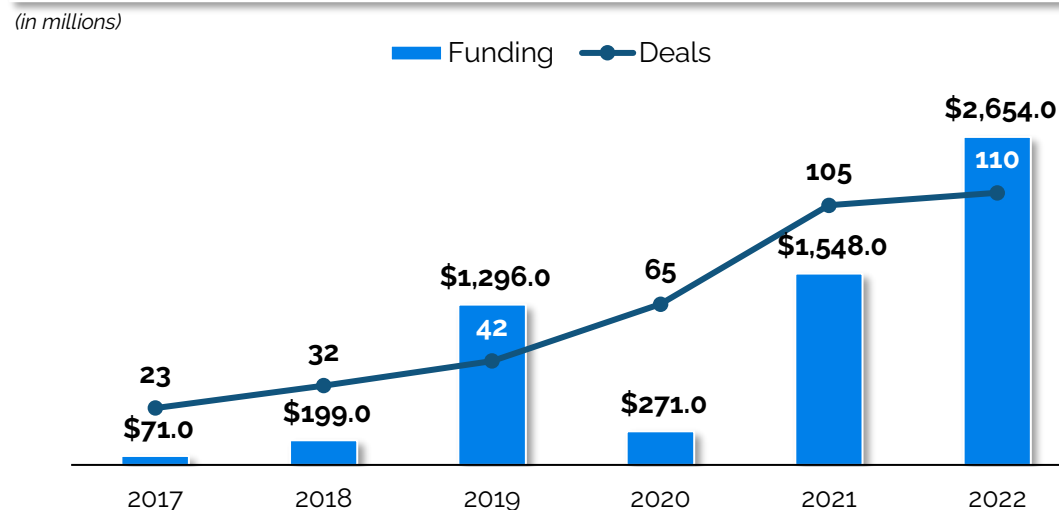
June 2023

has been acquired by













AI/Generative AI M&A Deals by Volume and Value



Generative AI Leads A Significant Upswing in Deal Flow



Notable AI & Generative AI Recent M&A Transactions

Date	Target	Acquirer	Target Description
Oct 2022	 SFL SCIENTIFIC	Deloitte.	<ul style="list-style-type: none"> SFL Scientific is a leading, award-winning artificial intelligence strategy and data science consulting firm serving clients in both the public and private sectors.
Jan 2023	 myst ai	 snowflake	<ul style="list-style-type: none"> Myst is a company specializing in time series forecasting, one of the most applied AI data science techniques in business. It is used in supply chain management, planning, and finance.
Jan 2023	 InstaDeep™	BIONTECH	<ul style="list-style-type: none"> With the acquisition of InstaDeep, validated and novel BioNTech-trained AI- and ML-based models are planned to be embedded across BioNTech's discovery platforms.
Jan 2023	 iguazio	McKinsey & Company	<ul style="list-style-type: none"> Iguazio is a Tel-Aviv-based leader in artificial intelligence and machine learning. QuantumBlack, AI by McKinsey will be able to accelerate and scale AI deployments dramatically.
Mar 2023	 Flutura <small>Actional. Not just insights.</small>	accenture	<ul style="list-style-type: none"> Flutura's AI platform provides self-service solutions for advanced analytics that help engineering teams assess, predict, and improve the asset performance and efficiency.
April 2023	 Simplify360	 nextiva <small>SIMPLIFYING BUSINESS COMMUNICATIONS</small>	<ul style="list-style-type: none"> Simplify360 uses AI and automation to help over 5,000 global businesses seamlessly deliver world-class customer support across channels, including email, live chat, and social media.
April 2023	 REELY	 VIDEOVERSE <small>truly limitless</small>	<ul style="list-style-type: none"> Reely.ai has gained industry recognition for its cutting-edge AI technology tailored to gamers which streamlines video content creation and automates the editing process.
May 2023	G2K	servicenow	<ul style="list-style-type: none"> G2K's AI technology allows organizations to connect real-time data across storefronts and other physical spaces for a complete view of operational data.
Jun 2023	 mosaic ^{ML}	 databricks	<ul style="list-style-type: none"> MosaicML's machine learning and neural networks specialists conduct pioneering AI research to improve model training efficiency. The transaction is valued at \$1.3B.
Jun 2023	BOSTON <small>Servers Storage Solutions</small>	Source Code cerberus	<ul style="list-style-type: none"> Boston Limited's areas of expertise include consulting and training services in machine learning, AI, security, and storage. The acquisition will drive growth in business around data, media, and AI as well as traditional IT workloads.

Solganick & Co. Technology M&A Experience

Select Recent Solganick Transactions

Technology Services has been acquired by 	Technology Services has merged with backed by	Technology Services has been acquired by 	Technology Services has been recapitalized by 	Technology Services has merged with
Technology Services has been recapitalized by 	Technology Services has been acquired by 	Technology Services has been acquired by backed by	Software has been recapitalized by 	Software has been acquired by
Healthcare IT has been acquired by backed by	Healthcare IT has been acquired by 	Healthcare IT has been acquired by backed by	Healthcare IT has been acquired by 	Healthcare IT has been acquired by

Highlighted Transaction: *Nextira*

5/31: Solganick advised Nextira in its sale to Accenture

- Nextira, an AWS Premier Partner established in 2008 and headquartered in Austin, TX, uses AWS to deliver cloud-native innovation, **artificial intelligence, predictive analytics, and immersive experiences** for their clients.
- Because of Solganick & Co.'s deep experience with the IT services buyer universe, valuation drivers and M&A environment, Solganick & Co. was engaged to run a highly targeted, **efficient and competitive M&A process**.
- The Solganick team worked closely with Nextira management to attractively position the business and quickly solicit several attractive offers that significantly **exceeded initial valuation expectations**.
- Solganick & Co. supported the client's selection of Accenture through a **successful close** of the transaction.

Technology Services has been acquired by 	Artificial Intelligence
	Predictive Analytics
	Cloud Computing

Questions? Please Contact Us Directly

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