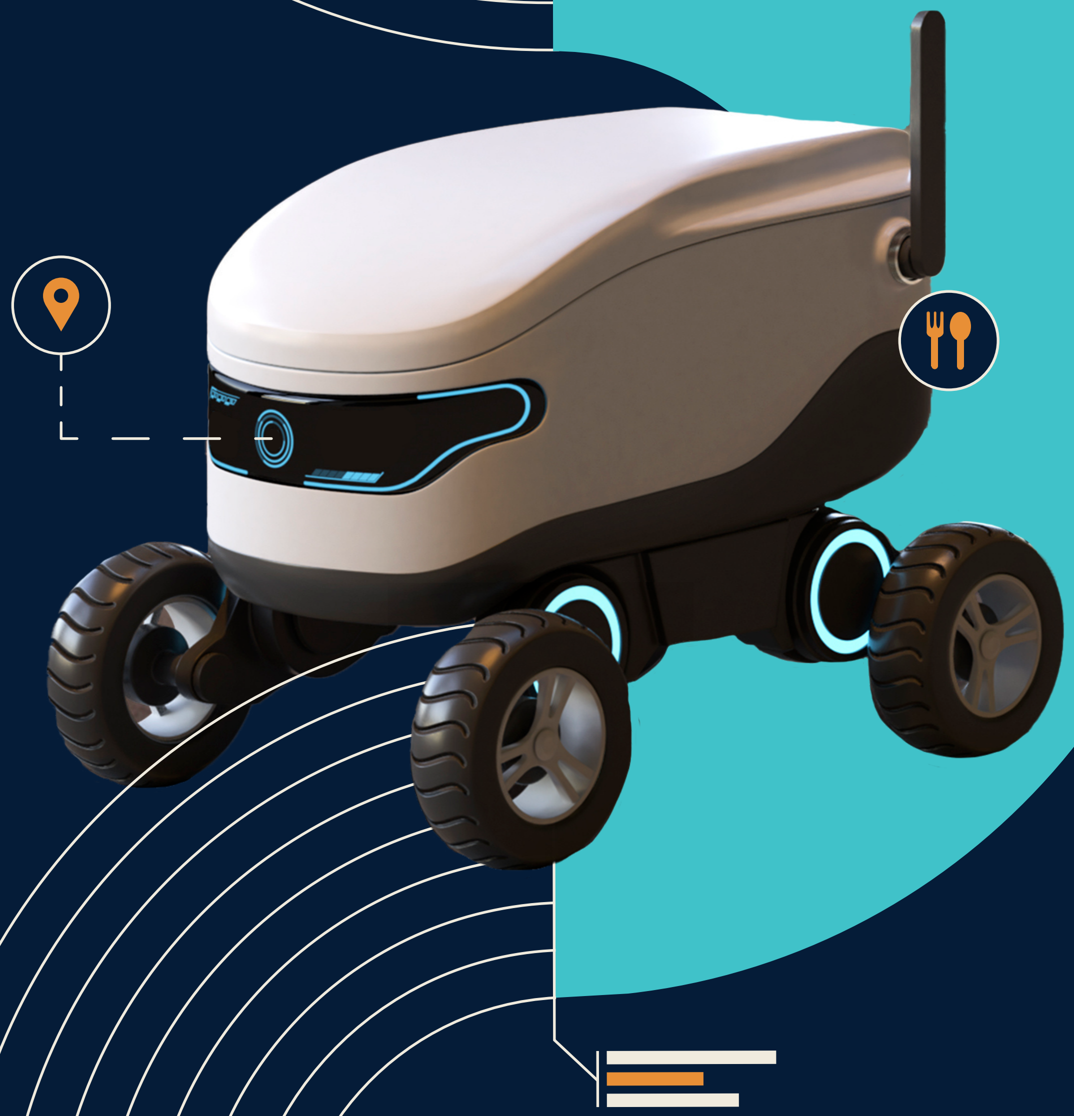
EMERGING TECH RESEARCH

Supply Chain Tech Report

VC trends and emerging opportunities



Q1 2024

Contents

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Analysis

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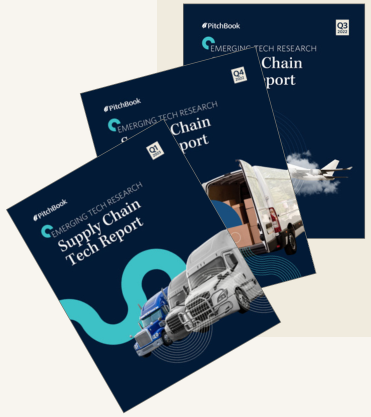


For previous updates as well as our complete supply chain tech research, please see the designated analyst workspace on the PitchBook Platform.

Vertical update

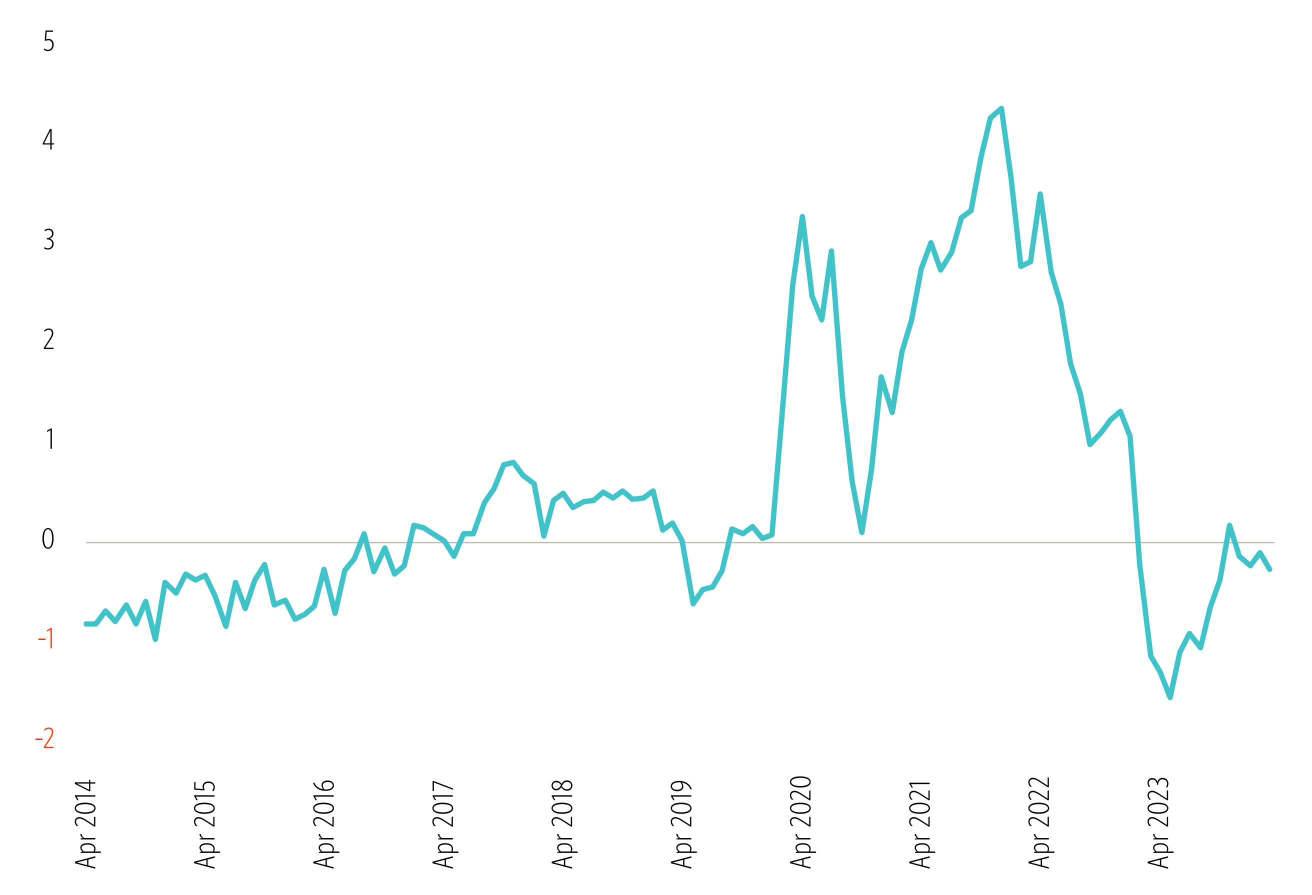
In the first quarter, global supply chain activity remained close to normal, as outlined by the Federal Reserve Bank of New York Global Supply Chain Pressure Index.[1] Blockages through the Suez Canal stemming from attacks on shipping led to rerouting and curtailment. Tesla cited supply chain issues related the Suez Canal for production problems at its European factory.[2] Drought in Panama led to low water levels in the Panama Canal, which forced significant shipping disruption through that vital channel. The drought is expected to last into May.

VC activity remained mixed in the first quarter. Deal value was up QoQ, but deal volume declined. The freight tech and last-mile delivery segments rose, while the enterprise supply chain management and warehousing tech segments declined.

In this report, we highlight potential regulatory changes in tariff treatment that could impact major Chinese exporters, as well as startups that have enjoyed duty-free trade under the de minimis tax rule.

The report also highlights startups including online grocer Picnic, robot delivery company Starship, and drone cargo developer Elroy Air, which all received significant funding during the quarter.

Global Supply Chain Pressure Index (standard deviations from average)*



Sources: Federal Reserve Bank of New York, Bureau of Labor Statistics, Harper Petersen Holding GmbH, Baltic Exchange, IHS Markit, Institute for Supply Management, Haver Analytics, Refinitiv
Geography: Global • *As of March 31, 2024

1: "Global Supply Chain Pressure Index (GSCPI)," Federal Reserve Bank of New York, March 31, 2024.
2: "Tesla, Volvo Car Pause Output as Red Sea Shipping Crisis Deepens," Reuters, Victoria Waldersee, Anna Ringstrom, and Marie Mannes, January 12, 2024.

Q1 2024 timeline

VC deal

January 9

Netherlands-based online grocer and delivery service Picnic raises $389.1 million in a late-stage deal that includes German grocer Edeka Zentrale, the Bill & Melinda Gates Foundation, and other investors. The Gates Foundation had previously led a round in 2021, when the company raised $707.5 million.

VC deal

January 19

Flexport raises $260.0 million in the form of convertible debt from Shopify. Collective Liquidity participates in the round as well. Flexport acquired the logistics operations of Shopify in June 2023 in a deal that included a 13% equity stake in Flexport.

VC deal

January 24

Autonomous delivery provider Starship raises $90.0 million in a late-stage VC deal led by Iconical and Plural Platform. Other investors in the deal include Coefficient Capital, Nordic Ninja, and the European Investment Bank.

VC deal

February 5

Elroy Air raises $48.9 million through a combination of Series AAA and AAA-1 funding. Shield Capital leads the round, which includes other investors such as Lockheed Martin Ventures, Marlinspike, and Snowpoint Ventures.

VC deal

February 22

Crisp raises $85.0 million in a combination of $30.0 million of debt and $55.0 million of equity in a Series B+. The deal is led by First Mark Capital and includes Spring Capital, 9Yards Capital, Gaingels, and Tapas Capital, among others.

VC deal

February 27

India-based last-mile delivery provider Shadowfax raises an estimated $100.0 million combination of debt and equity in a Series E led by TPG NewQuest. Qualcomm Ventures, Trifecta Capital Partners, and Mirae Asset Global Investments also participate in the round.

Jan 1 | Feb 1 | Mar 1 | Mar 31

Q1 VC deal count summary

129
total deals

-24.1%
QoQ growth

-52.4%
YoY growth

Q1 VC deal value summary

$2.3B
total deal value

16.7%
QoQ growth

-19.3%
YoY growth

Supply chain tech landscape

1 Enterprise supply chain management

2 Warehouse tech

3 Freight tech

4 Last-mile delivery

Supply chain tech VC ecosystem market map

This market map is an overview of venture-backed or growth-stage companies that have received venture capital or other notable private investments. Click to view the full map on the PitchBook Platform.

1 Enterprise supply chain management

ERP & inventory management
FAIRE, RELEX, Assent, Loggi, elasticrun, INXEPTION, JUSDA, FOURKITES

Asset tracking & management
Wiliot, ROUTE, ALIEN, 趣链科技 Hyperchain, nexxiot, SKYCELL, tracelink, KONUX, SHIPPEO, biologid

Other SCM
DeHaat, Controlant, 易海供应链, MIXMOVE, 聚玻网 atjubo.com, stellapps, 标果工厂, AgVend, ISO

Procurement & sourcing
XINGYUN GROUP 行云集团, Tradeshift, AppDirect, Qonto, 百布 baibu, INFRA.MARKET, 中商惠民, ninjacart, behalf

Supply chain finance & payments
SUNING 苏宁金融, PayCargo, Marketlend, BESPOKE FINANCIAL, termus, PrimeRevenue, CERC, PRIMATRADE, Beacon, twinco capital

2 Warehousing tech

Augmented reality
realwear, ATHEER, OX, iristick, ZEROKEY

Other warehousing
欧冶工业品 Ouyeel, crewdible., picavi, HACKLE, CARGOBOX, GALAXIS, ZEVO

Sustainable packaging
geno, RWDC INDUSTRIES, TemperPack, ecovative, TIPA, Poly materia, Transcend Packaging, CIMC 中集载具, 箱箱共用, vericool

Warehouse automation
Geek+, EXOTEC, LOCUS ROBOTICS, GreyOrange, Fabric, Ecom Express, covariant, Quicktron, Takeoff, VECNA ROBOTICS

Warehousing & fulfillment
ShipBob, Stord, Flexe, waresix, Huboo, GoBolt, PRINTFUL, 快准车服, red rover, byrd

3 Freight tech

Fleet management
G7, PLATFORM SCIENCE, netradyne, nauto, PORTER, GreenRoad, wise systems, Zendrive, COBLI, OFLOAD

Marine, rail & port logistics
flexport, forto, YQNLINK, XENETA, nuvocargo, zencargo, NYSHEX, cargo.one, CYLUS, Dray Alliance

Marine/air/rail freight
BLUE CARGO, fr8Labs, MyDello, CRGO, Jaylo, HEROSHE

Other freight
TEVVA, MOTIV DELIVERS, 鸭嘴兽 DUCKBILL, easypost, WRIGHTSPEED, ENOW SYSTEMS, SimpliRoute, DAMO Trucks, The Meta Equity Group

Trucking logistics
Uber Freight, project44, Motive, sennder, FLOCK Freight, BLACKBUCK, cargoX, FOR-U SMART FREIGHT, loadsmart, Shiprocket

Autonomous trucks & middle mile
WAYMO, 嬴彻科技, einride, Plus, Gatik, Outrider, kodiak, CiDi, waabi, ISEE

4 Last-mile delivery

Autonomous delivery
nuro, OXA, STARSHIP, Agility Robotics, NEOLIX, autox, coco, kiwibot, BOX BOT, REFRACTION AI

Delivery services
兴盛优选, 饿了么, SWIGGY, Rappi, LALAMOVE, PharmEasy, PICNIC, 丰巢 HIVE BOX, ninjavan, KITOPI

Drones & eVTOL logistics
dji, Zipline, BETA, Skydio, Skyports, DroneDeploy, SKYSPECS, WINGCOPTER

Other delivery
maergo, Fillogic, Pipedream, HubBox, HAILIFY, normo, Paymnt

Reverse logistics
optoro, Lyve, sway, inTarvo, ReverseLogix, RETURNLOGIC, Blubirch, supercircle, reverse.io, BIZLOG

Ultrafast delivery
getir, Bolt, Flink, JOKR, ZAPP, Cloud Retail, Krave Mart, deliberry, macai

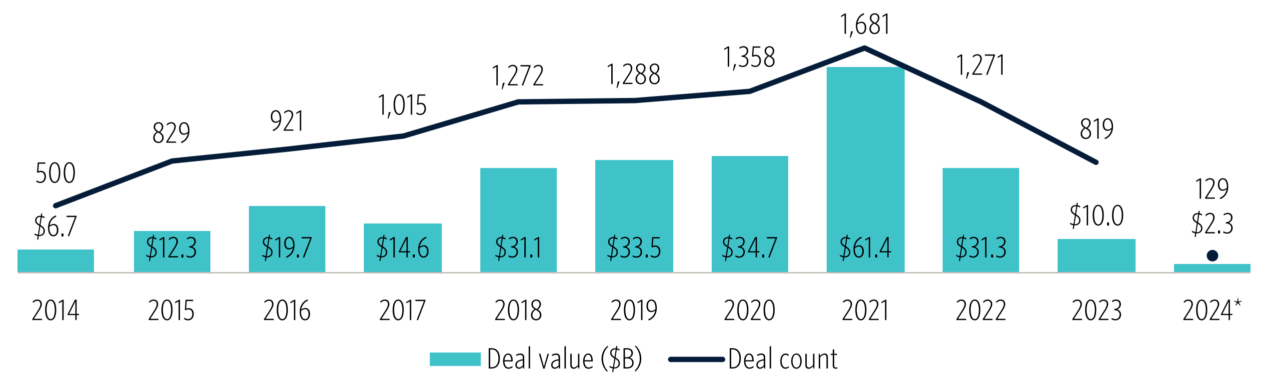
VC activity

VC activity in the first quarter of 2024 remained tentative. Deal value for the quarter rose 16.7% QoQ to $2.3 billion, while the number of deals declined 24.1% to 129 deals. On a YoY basis, deal value and count were down 19.3% and 52.4%, respectively. Q1 2023 marked the high point of last year for both deal count and value. Concerns over key startups such as Flexport and its management changes, as well as the abrupt bankruptcy filing of trucking logistics startup Convoy, negatively impacted deal activity in the latter half of 2023. Across segments, enterprise supply chain management deal count and value both declined by more than 40% QoQ. Freight tech deal value nearly doubled QoQ and exceeded every quarter in 2023, while deal count for the segment declined by 24.0%. Last-mile delivery deal value also spiked QoQ, with deal count off slightly. Warehousing tech experienced similar declines to enterprise supply chain management in Q1.

Notable deals in the quarter included online grocery and last-mile delivery service Picnic, which raised $389.1 million. Flexport saw additional funds flow in in Q1 following a $200.0 million loan from KKR in Q4 2023. Elroy Air raised $48.9 million in Q1, along with heightened interest in defense-tech-related themes. A notable trend in the quarter was the inclusion of debt in several deals, which likely reflects a more cautious deal environment and muted growth in valuation.

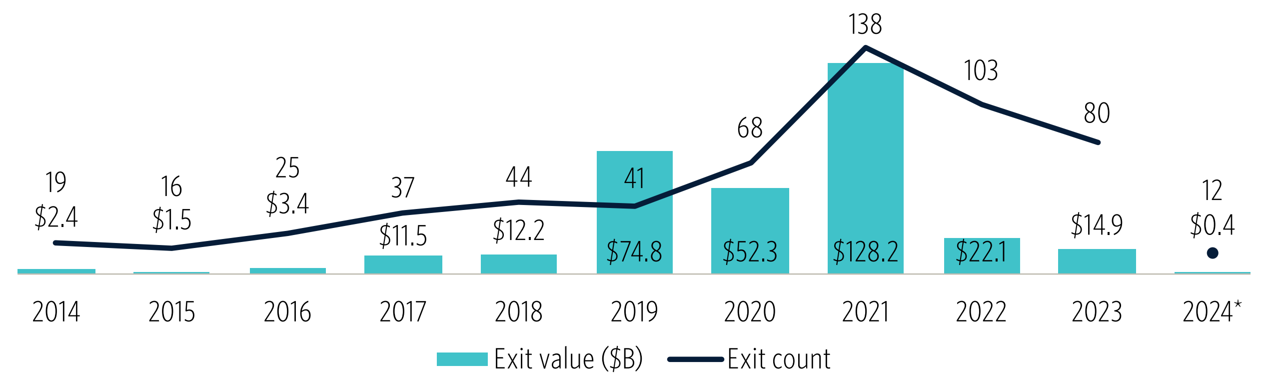
Key exits in the quarter include RIAMB Technology, a Chinese warehouse automation provider, which went public on the Shanghai Stock Exchange in January. Italian online grocery delivery platform Everli was acquired by Palella Holdings in February for $24.5 million. Also in February, delivery management platform Sorted was listed on the London Stock Exchange via a reverse merger.

Supply chain tech VC deal activity



Source: PitchBook • Geography: Global • *As of March 31, 2024

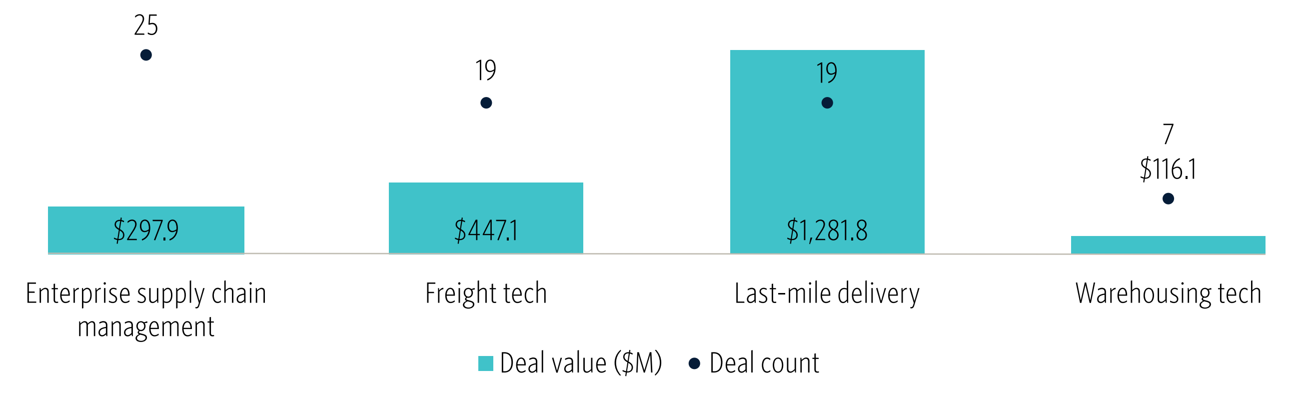
Supply chain tech VC exit activity



Source: PitchBook • Geography: Global • *As of March 31, 2024

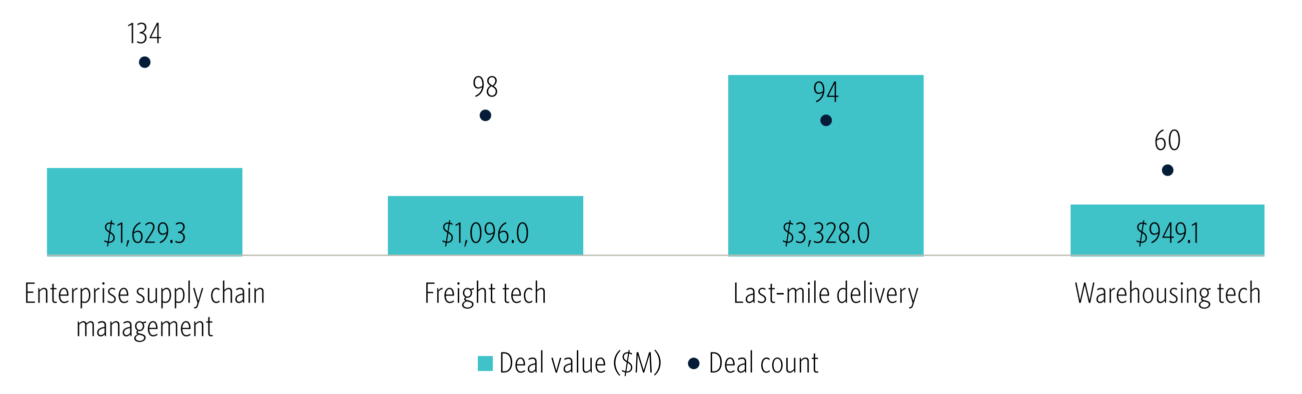
VC ACTIVITY

Q1 2024 supply chain tech VC deal activity by segment*



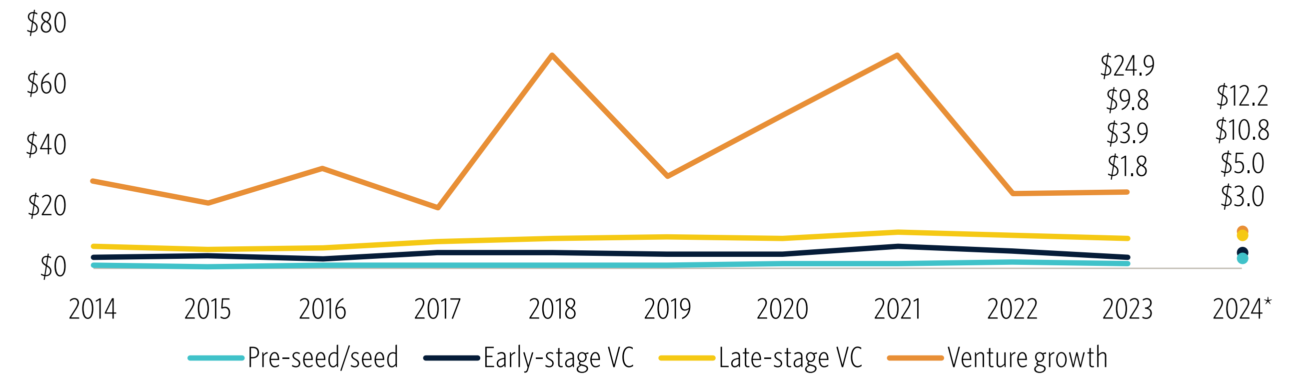
Source: PitchBook • Geography: Global • *As of March 31, 2024

TTM supply chain tech VC deal activity by segment*



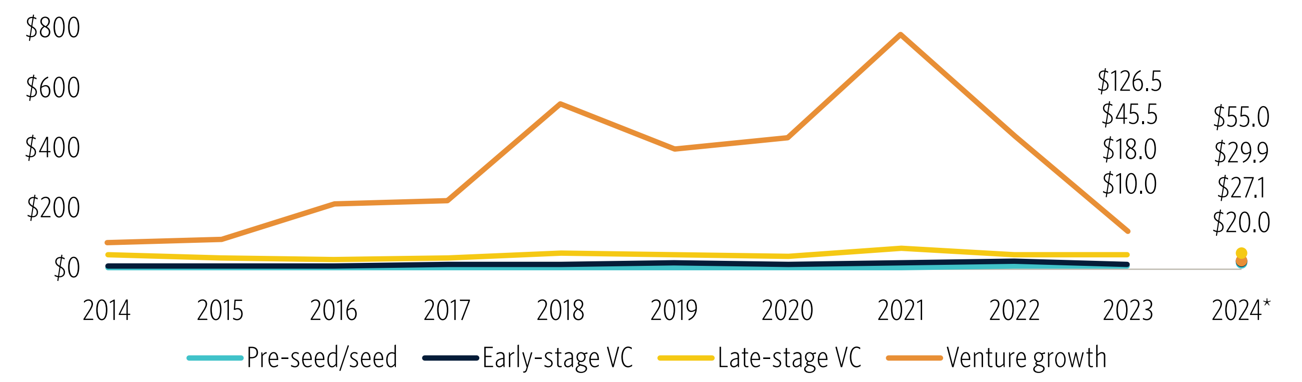
Source: PitchBook • Geography: Global • *As of March 31, 2024

Median supply chain tech VC deal value ($M) by stage



Source: PitchBook • Geography: Global • *As of March 31, 2024

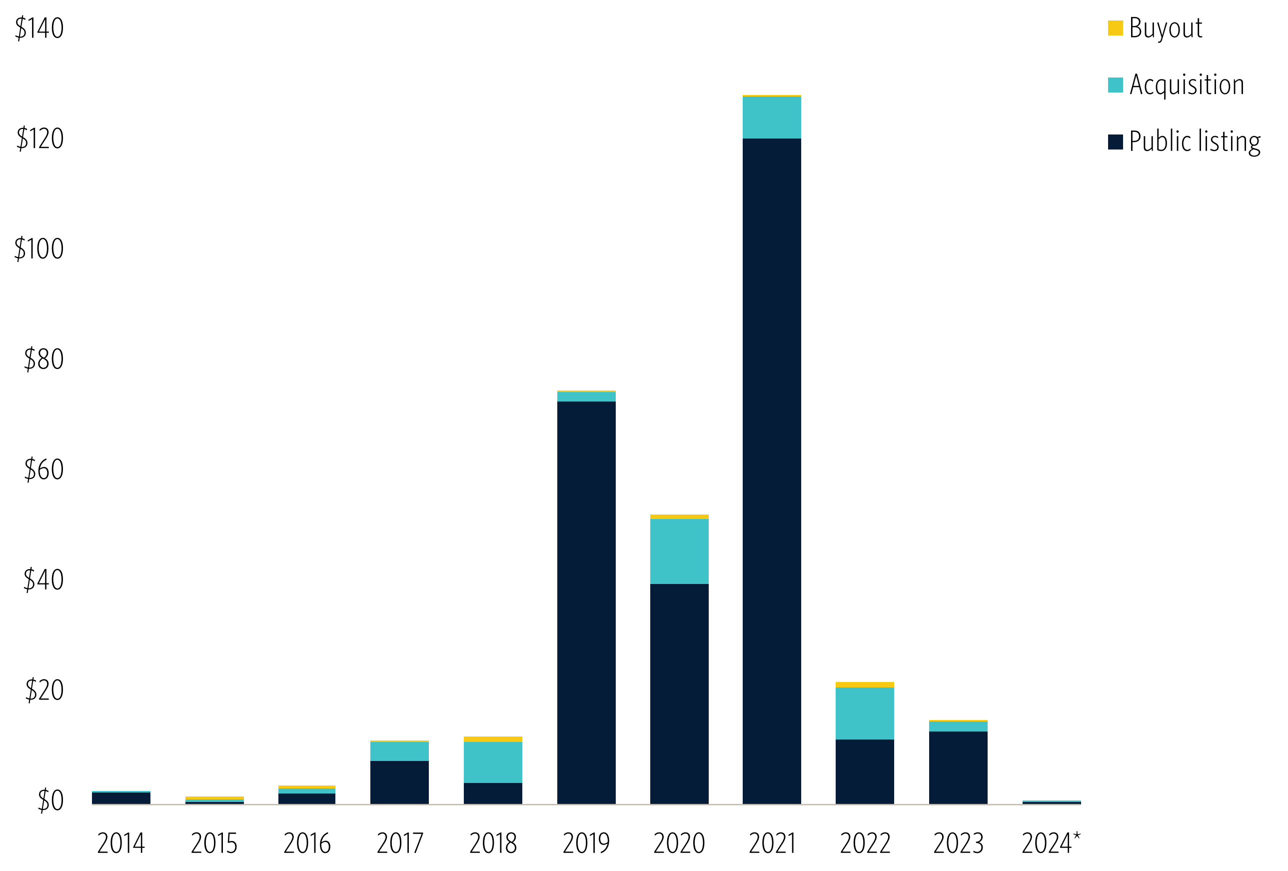
Median supply chain tech VC pre-money valuation ($M) by stage



Source: PitchBook • Geography: Global • *As of March 31, 2024

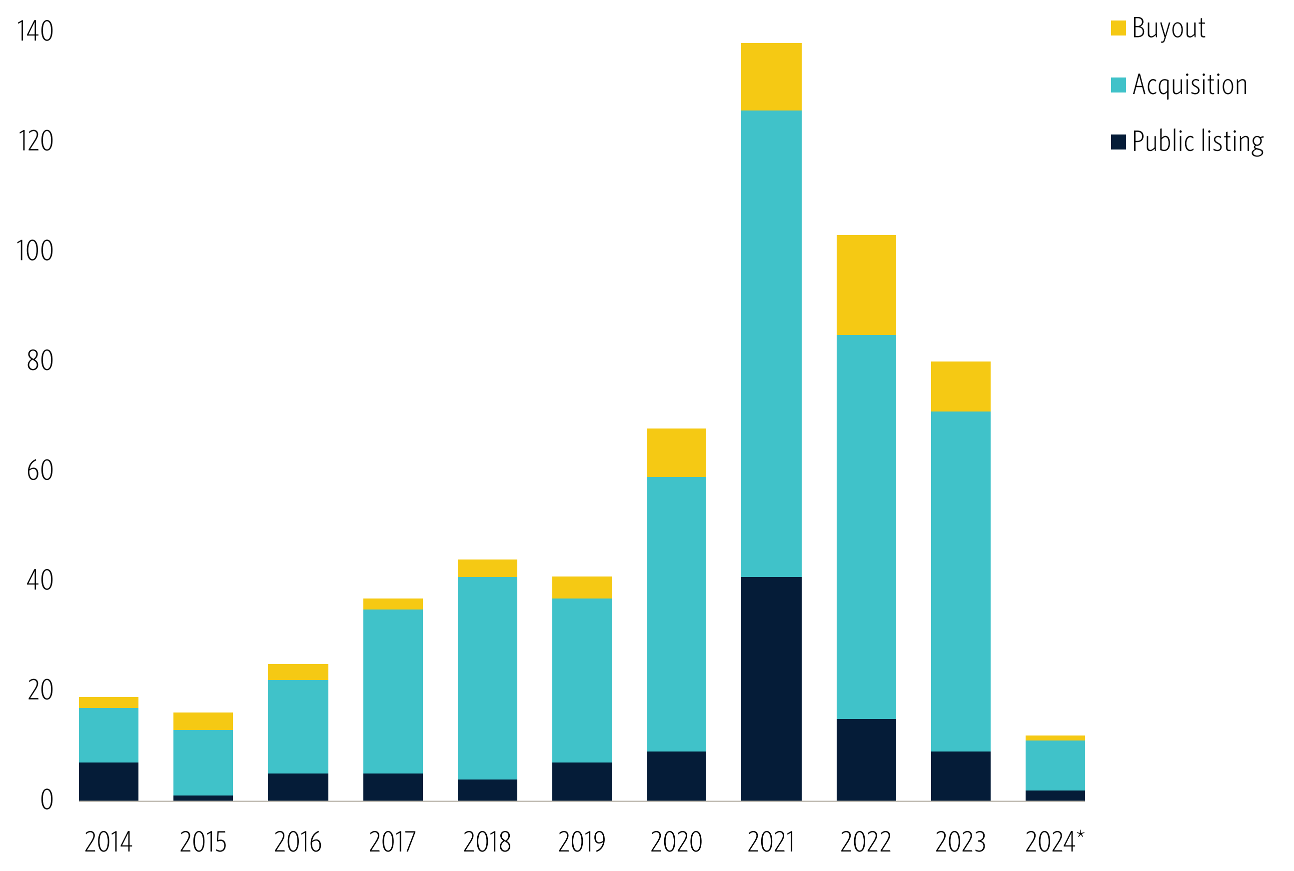
VC ACTIVITY

Supply chain tech VC exit value ($B) by type



Source: PitchBook • Geography: Global • *As of March 31, 2024

Supply chain tech VC exit count by type



Source: PitchBook • Geography: Global • *As of March 31, 2024

Key supply chain tech VC deals in Q1 2024*

Company	Close date	Category	Deal value ($M)	Deal type	Lead investor(s)
PharmEasy	January 31	Delivery services	$421.0	Late-stage VC	N/A
Picnic	January 9	Delivery services	$389.1	Late-stage VC	N/A
Flexport	January 19	Marine, rail & port logistics, trucking logistics	$260.0	Late-stage VC	N/A
Shadowfax	February 27	Delivery services	$100.0	Late-stage VC	TPG NewQuest
Starship	January 24	Autonomous delivery	$90.0	Late-stage VC	Iconical, Plural Platform
Crisp	February 22	Delivery services, other SCM	$85.0	Late-stage VC	3L Capital
Neolix Technologies	March 27	Autonomous delivery, autonomous trucks, middle-mile	$83.5	Late-stage VC	N/A
Elroy Air	February 5	Drones & eVTOL logistics, autonomous delivery	$48.9	Late-stage VC	Shield Capital
ProducePay	February 5	N/A	$38.0	Late-stage VC	Syngenta Group Ventures
WAVE BL	January 11	Marine, rail & port logistics	$37.0	Late-stage VC	NewRoad Capital Partners

Source: PitchBook • Geography: Global • *As of March 31, 2024

Key supply chain tech VC exits in Q1 2024*

Company	Close date	Category	Exit value ($M)	Exit type	Acquirers(s)	Post-money valuation ($M)
RIAMB Technology	January 30	N/A	$363.7	Public listing	China Logistics Group, China Structural Reform Fund, JINGXING, Tongkun Group	$484.9
Everli	February 21	Delivery services	$24.5	Acquisition	Palella Holdings	$24.5
D2P - Diagnosis to Perform	March 5	N/A	$4.0	Acquisition	New Soft Intelligence	$4.0
Carry	March 15	N/A	N/A	Acquisition	Ship Essential	N/A
Sorted	February 20	Delivery services	N/A	Public listing	Sorted Holdings Group	N/A
CattleEye	March 13	N/A	N/A	Acquisition	GEA Group	N/A
Stored	February 16	N/A	N/A	Acquisition	YouStock	N/A
Next Trucking	February 8	Trucking logistics	N/A	Acquisition	CDL 1000	N/A
LC Lite	February 6	N/A	N/A	Acquisition	Incomlend	N/A
LID Technologies	January 24	Fleet management	N/A	Acquisition	Amphenol	N/A

Source: PitchBook • Geography: Global • *As of March 31, 2024

Top strategic acquirers of supply chain tech companies since 2018*

Investor	Deal count	Investor type
Farmers Business Network	5	VC-backed company
WiseTech Global	5	Corporation
Descartes Systems Group	5	Corporation
Valsoft Corporation	5	PE-backed company
Trimble	4	Corporation
Uber	4	Corporation
Lineage Logistics Holdings	4	PE-backed company
Just Eat Takeaway.com	4	Corporation
Telus	4	Corporation
John Deere	4	Corporation
project44	4	Corporation

Source: PitchBook • Geography: Global • *As of March 31, 2024

Top VC investors in supply chain tech companies since 2018*

Company	Deal count	Investor type
FJ Labs	118	VC
Tiger Global Management	101	VC
Alumni Ventures	69	VC
500 Global	58	VC
Bossanova Investimentos	54	VC
Gaingels	52	VC
HongShan	49	VC
8VC	48	VC
SOSV	46	VC

Source: PitchBook • Geography: Global • *As of March 31, 2024

Top VC-backed supply chain tech companies by total VC raised to date*

Company	VC ($M) raised to date	Category	IPO probability	M&A probability	No exit probability
Ele.me	$7,335.5	Delivery services	N/A	N/A	N/A
Waymo	$5,500.0	Autonomous trucks, middle-mile	42%	56%	2%
Xingsheng Selected	$5,440.0	Delivery services	N/A	N/A	N/A
Swiggy	$3,530.4	Delivery services	87%	10%	3%
Uber Freight	$2,733.5	Trucking logistics	26%	72%	2%
Flexport	$2,496.9	Marine, rail & port logistics, trucking logistics	91%	7%	2%
Lalamove	$2,399.9	Delivery services	84%	14%	2%
Rappi	$2,362.3	Delivery services	69%	29%	2%
PharmEasy	$2,299.1	Delivery services	95%	3%	2%
Getir	$2,294.0	Ultrafast delivery	83%	11%	6%

Source: PitchBook • Geography: Global • *As of March 31, 2024
Note: Probability data is based on PitchBook VC Exit Predictor methodology.

Emerging opportunities

Freight tech

The regulatory environment could be changing for de minimis shipments.

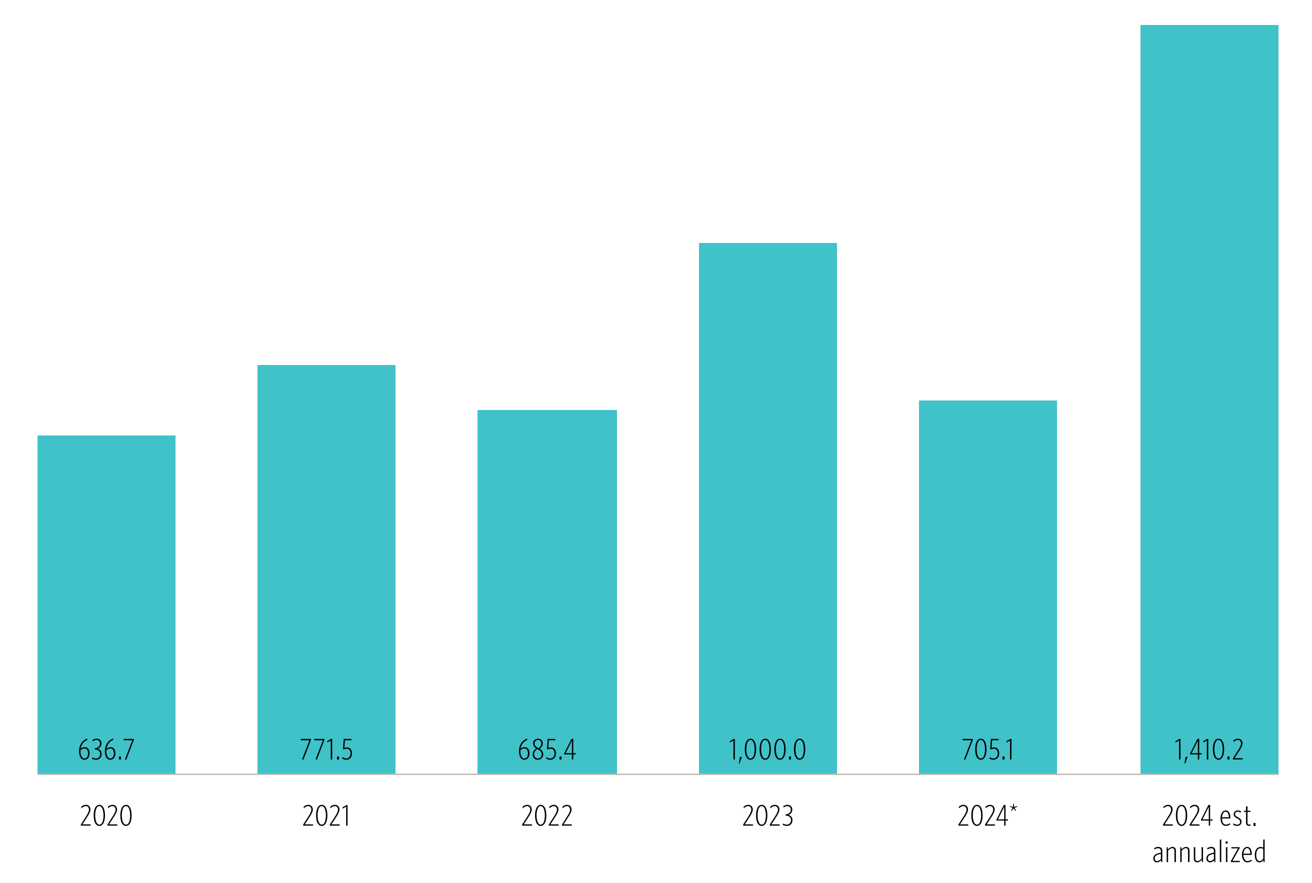
Freight tech

Global trade is in flux. The free-trade regime that bolstered dramatic global wealth creation over the past several decades is finding fewer and fewer supporters. Barriers are going up. New tariffs in one country trigger counter tariffs in another. Decades of effort to reduce trade frictions and lower costs are being cast aside. Industrial policy is showering billions of dollars in tax subsidies and aid to spur or attempt to revive domestic industry that long ago moved overseas to lower cost regimes. The result, inevitably, will be higher prices for all. Meanwhile, pundits puzzle at persistent inflation. Like water flowing in and around obstacles, however, markets and participants, driven by competition and profits, often find a way.

The US Customs and Border Protection de minimis rule, also known as Section 321, was established in 1938 as an amendment to the Tariff Act of 1930.[3] As a result of the Tariff Act, almost every product imported or brought into the US was subject to customs and tariffs. The effort expended by customs officials for low-priced items brought diminishing returns in terms of revenue, however, so the 1938 de minimis rule set price thresholds for duty-free items. Essentially, it was established to support American tourists returning from overseas with souvenirs. The original prices were set at $5 for gifts and $1 for other situations and rose to $200 by 1994. In 2016, Congress bumped the de minimis threshold up to $800. Cross-border e-commerce spurred de minimis shipments, but the series of Trump administration tariffs on Chinese imports in 2018 created a unique situation that turbocharged growth. The result was a loophole for cross-border e-commerce direct-to-consumer shipments. As long as they are under $800 and addressed to individual customers, which encompasses most e-commerce orders, they are not subject to the 15% to 25% tariffs imposed by the Trump administration, among other tariffs. US Customs data showed the known value of de minimis shipments erupted from $40 million in 2012 to more than $67 billion in 2020. The number of de minimis shipments rose from 299 million in 2017 to 771 million in 2021.[4]

3: "From Past to Present: A Historical Overview of Section 231 and Its Influence on Customs Compliance," CustomsCity, n.d., accessed April 20, 2024.
4: "The $67 Billion Tariff Dodge That's Undermining U.S. Trade Policy," The Wall Street Journal, Josh Zumbrun, April 25, 2022.

De minimis shipment volume (millions)



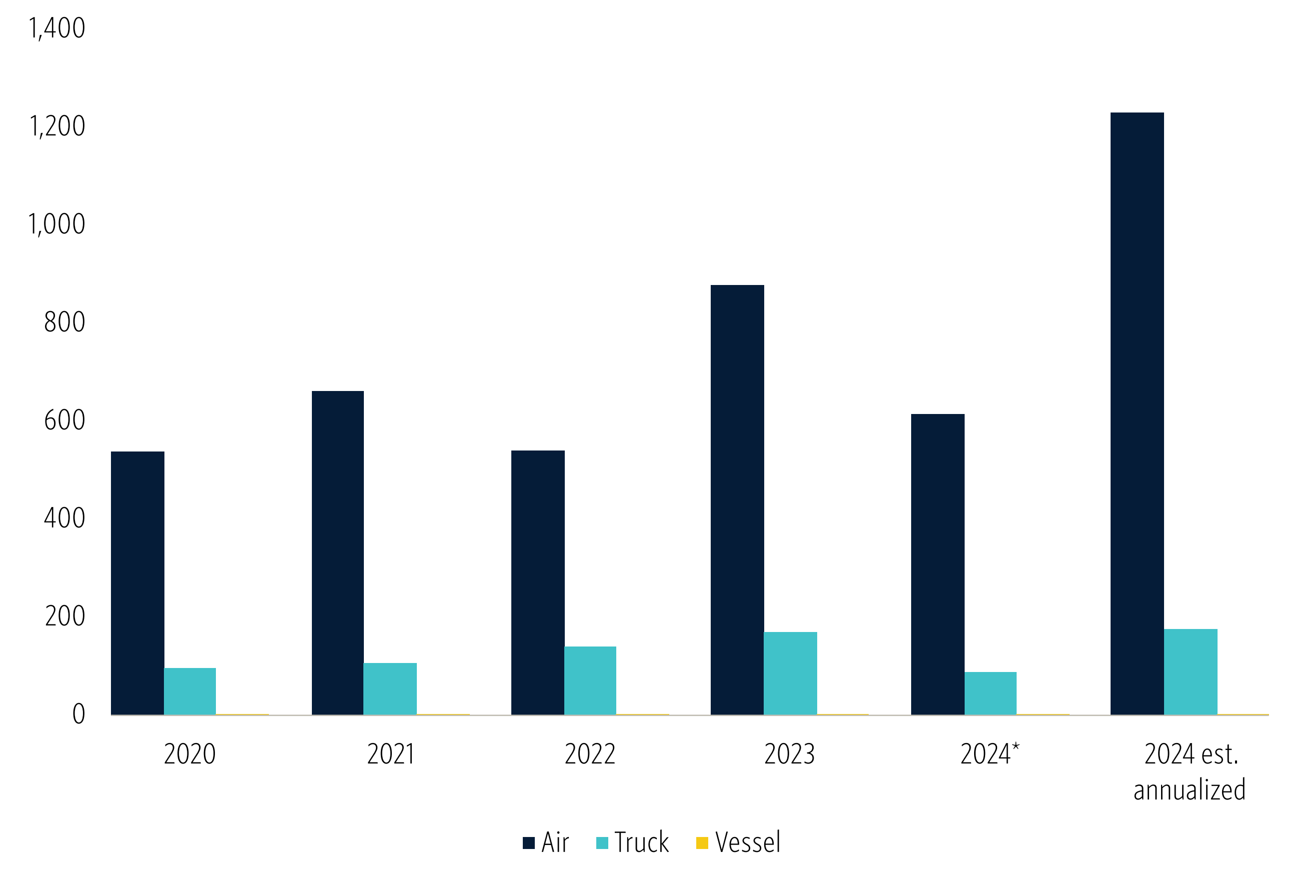
Source: US Customs and Border Protection • Geography: US • *As of March 31, 2024

The tariffs and shift to de minimis shipments have had several unintended consequences, but have also created opportunities for nimble startups. Strategies created by the loophole have resulted in some $10 billion in annual lost tariff revenue for the US Treasury, according to NY Fed analysts.[5] Logistics and shipping have been turned upside down. Rather than truck or maritime container shipments that move to US warehouses and are then distributed domestically, air freight of individual packages has been the predominant mode of entry for de minimis orders. Flexport reportedly has a sizable airfreight deal with fast-fashion brand Shein that involves two 747 flights per week full of the company's goods.[6] Combined shipments from Temu, Shein, Alibaba, and TikTok equate to an estimated 108 Boeing 777 air freighters per day.[7]

Another logistics wrinkle is de minimis goods in containers that do land in US ports but are then sealed and immediately trucked to Mexican or Canadian warehouses to then be shipped to US customers, avoiding duties all along the way. Demand for warehouse space in Tijuana, Mexico, with proximity to the ports of Los Angeles and Long Beach, California, is booming.[8] In recent years, third-party logistics startups such as ShipMonk expanded fulfillment operations in the region. Importal was founded in 2022 to help brands with trade compliance such as Section 321 shipments through Mexican logistics facilities.[9] In March 2024, shipping giant Maersk opened a warehouse facility in Tijuana, with a notable statement in its press release about "leveraging the Section 321 Shipment Type."[10] Meanwhile, Chinese tariffs imposed on US agriculture and food in retaliation cost US farmers $25.7 billion in revenue between 2018 and 2019, according to the USDA.[11]

5: "The $67 Billion Tariff Dodge That's Undermining U.S. Trade Policy," The Wall Street Journal, Josh Zumbrun, April 25, 2022.
6: "Shein's China-US Imports Boost Flexport," The Information, Theo Wayt and Ann Gehan, April 23, 2024.
7: "Focus: Rise of Fast-Fashion Shein, Temu Roils Global Air Cargo Industry," Reuters, Arriana McLymore, Casey Hall, and Lisa Barrington, April 10, 2024.
8: "Tijuana Warehouse Space a Boom Town," Tijuana Warehouses, September 28, 2022.
9: "How US Sellers Are Embracing Trade 'Loophole' That has Boosted Shein and Temu," The Information, Theo Wayt and Ann Gehan, March 29, 2024.
10: "Maersk Opens New Warehouse Facility in Tijuana, Mexico for Cross-Border Capabilities," Maersk, March 21, 2024.
11: "The Economic Impacts of Retaliatory Tariffs on US Agriculture," USDA Economic Research Service, Stephen Morgan, et al., January 2022.

De minimis shipping volume (millions) by mode



Source: US Customs and Border Protection • Geography: US • *As of March 31, 2024

Despite the investments and activity, a fair bit of regulatory uncertainty surrounding Section 321 rules remains. Amid the current political environment that is critical of trade with China, as well as concerns that illegal drugs and other items were slipping through via de minimis shipments, the House of Representatives passed the Import Security and Fairness Act in 2022. The act sought to deny de minimis treatment for all Chinese goods, but did not make it through the Senate. Domestic brands are turning up the lobbying heat as well. The Gap, for example, reportedly paid $700 million in import duties in 2022, compared with $0 for Shein and Temu.[12] More recently, the House introduced the more narrowly titled End China's De Minimis Abuse Act. Despite the apparent tighter focus, provisions of the act do not apply to all Chinese goods. Given the current political climate and momentum, Congress could close or possibly narrow the scope of the Section 321 loophole, with significant impact on all the parties involved.[13] That said, additional customs reporting and regulatory complexity introduced by the legislation could in fact spur new and incremental opportunities for startups to provide logistics services.[14]

12: "Fast Fashion and the Uyghur Genocide: Interim Findings," The Select Committee on the Chinese Communist Party, n.d., accessed April 25, 2024.
13: "Proposals to De Minimis Customs Rules Spike US Importer Interest," Bloomberg Tax, Luis Abad, Donald Hok, and Noemi Campos Santana, January 30, 2024.
14: "Do You Use Section 321 Tariffs? Then Be Prepared!" Gartner, Brian Whitlock, December 5, 2023.

Select company highlights

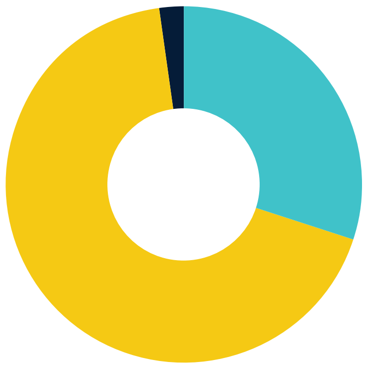
Overview

Based in the Netherlands, Picnic describes itself as a "supermarket on wheels."[15] Customers order online with a €40 minimum and choose a delivery time, and then Picnic provides free delivery in its electric vans. The company's chief technology officer (CTO) can often be found out on deliveries.[16] The delivery vehicle in turn picks up empty bottles and cans for deposit, recycling, and even package returns via DHL. Without the cost of supporting physical stores, Picnic can offer competitive pricing across a broad range of items and has enjoyed rapid growth. The company also takes advantage of lower grocery pricing on key brands by delivering from adjacent countries such as Germany. Picnic's services and activities are focused on the Netherlands, but the company is expanding into Germany and France, having already established distribution centers in Hamburg, Berlin, and Paris.

Key company information

Founded 2015	**Last financing valuation** N/A	**Lead investor(s)** N/A
Employees 15,000	**Total raised** $1.5B	**Last financing** January 9, 2024

Exit Predictor



IPO: 30% probability **M&A:** 68% probability **No exit:** 2% probability

Success: 98% probability

15: "About Picnic," Picnic, n.d., accessed April 25, 2024.
16: "Picnic: Next-Level Supermarket," I Amsterdam, March 7, 2024.

Note: Probability data is based on PitchBook VC Exit Predictor Methodology.

Leadership

The company was founded in 2015 by Gerard Scheij, Daniel Gebler, Michiel Muller, Frederik Nieuwenhuys, Joris Beckers, and Bas Verheijen. The company is aggressively implementing warehouse automation to streamline operations and drive down costs. To balance the uniquely challenging characteristics of online grocery and delivery, such as perishability, Picnic invests in demand forecasting systems, with much of it, such as temporal fusion transformers, built in house.[17] Sustainable packaging is also a key part of the mix to reduce costs and improve efficiency. Sales for 2023 were up 40% from 2022 to approximately €1.3 billion.[18] In September 2021, Picnic raised €600.0 in a Series D led by the Bill & Melinda Gates Foundation. In January 2024, the company raised €355.0 million from investors including the Bill & Melinda Gates Foundation and German grocer Edeka Zentrale.

17: "Under the Hood of Picnic's Demand Forecasting Model: A Deep Dive Into the Temporal Fusion Transformer," Picnic, Daniela Solis, April 22, 2024.
18: "Amsterdam's Picnic Gets €335M Funding; Grows 40% to €1.25B in Turnover in 2023," Silicon Canals, Vignesh R., January 10, 2024.

STARSHIP

Overview

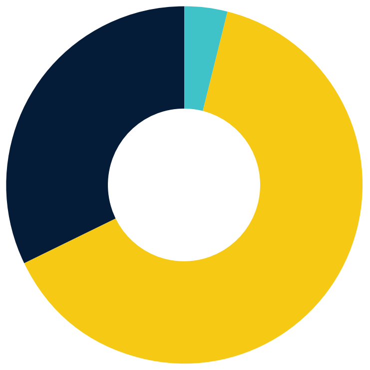
Starship Technologies has developed autonomous delivery robots for small package and food deliveries. The company also offers a delivery-as-a-service solutions for stores and restaurants. The company's robots have made over 6 million deliveries as of February 2024. Starship provides services to 50 college campuses in the US and several cities in the US, UK, and Finland. At industrial sites, Starship robots deliver parts, office equipment, chemical samples, and mail. The robot's sensors include cameras, range finding, and radar, as well as alarms and LEDs for easy visibility. The robot's containers remain locked until opened by the specified end user. The robots travel at 6 kph with 12 hours of driving time on a 1,260-watt-hour battery. They weigh 35 kilograms and have maximum payload of 10 kilograms.

The company was founded in 2014 by Janus Friis and Ahti Heinla, who had previously co-founded Skype. The company has raised $218.2 million to date. In January 2024, the company raised $90.0 million in a late-stage VC deal led by Iconical and Plural Platform. Nordic Ninja, Morpheus Ventures, and the European Investment Bank also participated in the round. Competitor Serve Robotics, which was spun out of Uber, listed on the NASDAQ exchange in spring 2024. According to its registration filing, Uber accounted for 71% of the Serve Robotics' revenue in 2023, and the company has a goal of building a fleet of 2,000 delivery robots for Uber before the end of 2025. Serve sees ongoing and future revenue as a combination of delivery fees and branding. Other competitors include Kiwibot, Coco, and Cartken.

Key company information

Founded 2014	**Last financing valuation** N/A	**Lead investor(s)** Iconical and Plural Platform
Employees 451	**Total raised** $218.2M	**Last financing** January 24, 2024

Exit Predictor



IPO: 4% probability **M&A:** 64% probability **No exit:** 32% probability

Success: 68% probability

Note: Probability data is based on PitchBook VC Exit Predictor Methodology.

ELROY AIR

Overview

Elroy Air was founded in 2016 by Dave Merrill and Clint Cope. Merrill has a Ph.D. from the Massachusetts Institute of Technology and previously founded Sifteo, which was acquired by 3D Robotics. Cope was a mechanical design engineer at 3D Robotics focused on unmanned aircraft vehicle (UAV) software and hardware technologies. The two launched Elroy Air, which focuses on drone cargo for commerce, humanitarian, and defense markets. Since founding, the company has worked with the US Air Force under phase 2 to 3 Small Business Innovation Research (SBIR) contracts. In 2023, the company had first flight of its hybrid vertical takeoff and landing (VTOL) aircraft, Chapparal C1. The drone aircraft can autonomously pick up 300 to 500 pounds of cargo, can take off vertically from a 50-square-foot landing area, and has a delivery range of up to 300 miles. A turbine hybrid electric power plant provides long-range capability for vertical lift and forward flight. Modular cargo pods allow for rapid delivery and turnaround. The aircraft can be quickly converted by swinging the wing parallel to the fuselage like scissors to fit inside a shipping container or cargo aircraft for rapid deployment.[19] In October 2023, the company announced it had a demand backlog of 1,000 aircraft, with commitments from customers such as FedEx, Bristow, and Mesa Airlines.

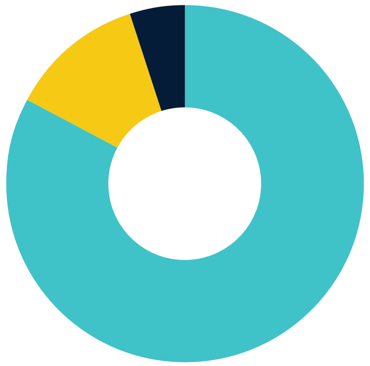
The company has raised $106.1 million in funding to date. In February 2024, it completed a late-stage VC deal for $48.9 million, resulting in a pre-money valuation of $156.1 million. The deal was led by Shield Capital and included Lockheed Martin Ventures, Marlinspike, Snowpoint Ventures, Yes VC, Aster Capital, Sprint VC, Catapult Ventures, Cubit Capital, Assured Asset Management, and SV Pacific Ventures, among others.

19: "Elroy Air Unveils Its Chaparral, a First-of-Its-Kind, Autonomous, Hybrid-Electric VTOL Cargo Aircraft," Elroy Air, January 26, 2022.

Key company information

Founded 2016	**Last financing valuation** $205.0M (post)	**Lead investor(s)** Shield Capital
Employees 72	**Total raised** $106.1M	**Last financing** February 5, 2024

Exit Predictor



IPO: 83% probability **M&A:** 12% probability **No exit:** 5% probability

Success: 95% probability

Note: Probability data is based on PitchBook VC Exit Predictor Methodology.

About PitchBook Industry and Technology Research

Independent, objective, and timely market intel

As the private markets continue to grow in complexity and competition, it's essential for investors to understand the industries, sectors, and companies driving the asset class.

Our Industry and Technology Research provides detailed analysis of nascent tech sectors so you can better navigate the changing markets you operate in—and pursue new opportunities with confidence.

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