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Quadrivio's AI fund eyes technology integration, vertical applied AI deals

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Summary

- More than five deals currently under exclusivity, hopes for several more by year-end

- Debut fund reached second close of EUR 170m-EUR 180m, targeting EUR 300m

- Could step-up in deal size as global sponsors seek local, tech-proficient partners

Quadrivio Group's artificial intelligence (AI) strategy is examining a slew of opportunities relating to integration of the technology into the wider economy, said Fabio Boschi, managing partner of the fund.

The likes of systems integrators, independent software vendors, cybersecurity specialists and data management providers – businesses that aid corporate AI adoption – account for most of the deals currently under consideration. In total, Boschi has more than five under exclusivity and hopes to complete several more by year-end.

Further opportunities exist in what Boschi described as "vertical applied AI" – engineering-led companies where AI can transform products and operations. Relevant industries include advanced electronics, automation and robotics. Quadrivio has one such deal under consideration.

These investments will come from the firm's debut AI fund, which reached a second close of EUR 170m- EUR 180m over the summer. Most of the participating LPs are global institutional investors and family offices, according to Boschi. The fund has a EUR 300m target and a EUR 400m hard cap.

Initial investments

Deployment began in October 2025, following a first close of EUR 100m the previous month, and there are likely to be 8-10 platform investments plus numerous add-on acquisitions.

“The deployment of this fund has been exceptional,” Boschi said, pointing to the volume of opportunities generated in the first year of operation. He believes deal flow has been particularly rich because entrepreneurs recognise the industrial and operational contribution Quadrivio can make, in addition to committing capital.

Quadrivio offered an early insight into how the strategy would function with the acquisition of Pipeline, One4 and MDM Consulting, which merged to form Lucient Group in December 2025. Prior to the merger, the companies had approximately EUR 25m in combined revenue with margins of 15%.

In addition to pursuing operating synergies, Quadrivio has overseen the acquisition of Dev4Side Group, which is expected to close within weeks, Boschi said. Dev4Side develops AI-augmented software solutions for use with Microsoft applications. It is expected to boost Lucient’s revenue to EUR 40m, helping the company towards a target of EUR 100m within three years.

Boschi said the add-on expands Lucient's capabilities in areas including digital workplace, learning and customer relationship management efficiency, complementing its existing systems integration, data analytics and AI capabilities. "The objective of the fund is to be a catalyst for evolution," he added.

Consolidation plays

In March, Quadrivio said it expected to deploy around 70% of Fund II in Italy, with the remainder potentially invested elsewhere in Europe. Boschi is already searching for opportunities across Europe, anticipating acceleration in the consolidation of the region's technology sector. Quadrivio's offices in London, Luxembourg and Paris are supporting this effort.

The AI strategy generally focuses on companies generating EUR 5m-EUR 15m of EBITDA but can consider larger investments where the strategic rationale is compelling, Boschi said. The firm has received inbound enquiries from international sponsors seeking to invest in Italy alongside a local lead investor with relevant expertise, which could facilitate the pursuit of bigger targets.

The fund is managed by a multidisciplinary investment team with experience spanning technology acquisitions, private equity, investment banking and consulting, Boschi said. In addition, there is a value-creation group comprising technology entrepreneurs, one of whom is also CEO of a portfolio company.

The combination of internal and external expertise – third-party advisors are brought in to work onspecific portfolio development projects – is seen as a competitive advantage in deal sourcing. “When there is an industrial project, they come to us,” Boschi said. “If it is a straightforward competitive auction based on pricing, we are not there.”

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