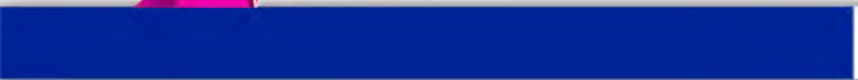
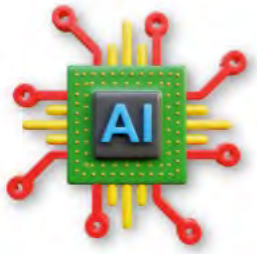




# 2022

## The State of The French Tech Ecosystem



# Table of Contents

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01. Executive Summary

02. Metrics and Tech Trends

03. Market Update

04. Funds Investing in France

05. Angels

06. Other Key Stakeholders in the Ecosystem

07. French Unicorns

08. Startup Mafias

09. Exits

10. What's Next for 2023?



## Section 01. Executive Summary



*Source: Midjourney. Prompt: "Joyful scene picturing cyclists riding on les Champs Elysées during the Tour de France."*

# Introduction

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Welcome to the 3<sup>rd</sup> edition of the State of the French Tech Ecosystem!

My name is Alex. I've been an investor in the early-stage team at Eurazeo for almost 4 years. I spend a lot of time covering the French ecosystem for the fund. I'm lucky to have worked on 20+ investments that Eurazeo made in France and to work with French startups including Stockly, Prismic, Homa, Jow, Specify, Fintecture and Ondorse. In my spare time, I write a weekly newsletter on tech called Overlooked which has over 5k subscribers. If you like this report, you should definitely subscribe!

Every year, I try to publish the most comprehensive report on our ecosystem. It's a craftsman work. I hope that you'll enjoy it. I did it on my own spending more than 150 hours crunching funding rounds data, interviewing key stakeholders in the ecosystem and drafting all the different slides. The report reflects my views and opinions and do not necessarily reflect the views or positions of my employer. If you have any feedback or if you spot any mistake in the report, please do send me an email at [alexandre.dewez@gmail.com](mailto:alexandre.dewez@gmail.com).

I'd like to thank everyone who contributed to the report, both interviewees and sparring partners who provided me with ideas and feedback. More specifically and as always, thanks to Julia.



# Executive Summary

1

**2022 was a challenging year for tech.**

- **Public tech stocks had a meltdown.** The NASDAQ finished the year down by 33%, driven by 2 main factors: (i) rising interest rates to fight inflation and (ii) a post-covid hangover for tech stocks (e.g. e-commerce reverting back to secular growth trend).
- **The private venture capital market is also impacted because its valuations are indexed to public market valuations** - especially for growth-stage companies. As a result, (i) many private companies have unsustainable valuations, (ii) private companies are trading at significant discount on the secondary market, (iii) growth capital from cross-over funds (e.g. Tiger) and exotic investors (e.g. Softbank) has disappeared, (iv) the exit window via IPO is closed for private companies, (v) challenging or cash intensive business models have become non fundable (e.g. full-stack businesses à la Carvana or Cazoo), (vi) funding rounds are also being impacted with extreme cases like bankruptcies, self-repricing or down-rounds.

2

Contrary to the broader European ecosystem, **the French tech ecosystem managed to grow in 2022.** French startups raised over €11.5bn (6% YoY growth) across 689 funding rounds (17% YoY growth) and France is now the 2<sup>nd</sup> largest tech ecosystem in Europe only behind the UK.

3

Nonetheless, when we dive deeper, **a massive funding slowdown started in Q2-22** and we have **early data-points that the French ecosystem is also being impacted** (layoffs, down-round, contraction in the number of rounds at series A onwards).

4

A new paradigm is coming. **Every stakeholder should adapt quickly and energetically to this new reality.** There is a high likelihood that 2023 will be a contraction year for the French tech ecosystem but **we should view this crisis as an opportunity.** The **ecosystem has strong foundations** (global & European category leaders, ecosystem flywheel spinning at a fast pace, a strong investor base at seed & series A). A downturn will separate the wheat from the chaff and **we know what it takes to bring the ecosystem to the next level** (being more diverse, startups & local investors building a stronger international mindset, filling the European growth capital gap, taking real risks for both entrepreneurs & funds, attracting experienced operators who can scale up to IPO).

5

**In the mid-term, there is no reason not to be enthusiastic about the French ecosystem:** (i) massive tech paradigm shifts are occurring creating opportunities for new businesses (climate, AI, crypto), (ii) the quality of entrepreneurs and operators in France has never been as high as it is (talents coming back from the US, serial entrepreneurs/operators rising), (iii) there is dry powder in European funds which will always look at backing the best percentile of French startups

## Section 02. Metrics & Tech Trends



# Key Messages

- Contrary to the broader **European ecosystem which saw its investment level decline by 18% YoY in 2022** from \$104bn to \$85bn, **the French ecosystem managed to grow by 6% YoY with French startups raising over €11.5bn.**
- When we dive deeper into quarterly data, **we see that the French ecosystem had a massive Q1-22 mainly driven by growth rounds done in 2021 before experiencing a steep YoY decline in funding in the following quarters.** As a result, there is a **strong likelihood that the French tech ecosystem will decline in 2023.**
- For the 1st time in its history, **France has become the 2<sup>nd</sup> largest tech ecosystem ahead of Germany and only behind the UK.**
- In 2022, **foreign investors were less active in France** compared with 2021, being involved in 25% of rounds raised (vs. 26% in 2021) and 60% in absolute amount raised (vs. 75% in 2021).
- French startups **raised less capital in mega rounds** (€50m+ rounds) in 2022 compared to 2021 but raised more capital in all other categories (€0-50m) implying that **growth has been the most impacted stage** by the current environment. It's an insight that is cross-checked with the **average amount raised by French startups which decreased from €18.4m in 2021 to €16.7m in 2022** when the median amount raised remained stable at €4.0m.
- Sector-wise, **Finance (19%), Retail & eCommerce (9.4%), Healthcare (8%), Cloud (8%), Food (8%) and HR (7%)** accounted for **almost 60% of the capital raised by French startups in 2022.** Business-model wise, **SaaS (42%), Commission-Based (16%), Hardware (14%) and Marketplaces (13%)** were the most common business models funded in 2022.
- **Climate, AI and crypto are the 3 investment themes with the most momentum.** Besides them, startups raised on the following trends: cybersecurity for SMBs, RBF, electric bikes, reusable containers for the food industry, infrastructure tooling for e-commerce, financial tooling for web3 businesses, sales commission SaaS, EVs, open-source, alternative meat, real estate democratization, web3 games, carbon tracking & accounting, 3D in e-commerce, robotics, embedded insurance, fighting food waste, vertical SaaS, CFO tooling, B2B BNPL, drug discovery, second hand marketplaces, HR best practices turned into products, API management and B2B marketplaces.

## Section 02. Metrics & Tech Trends

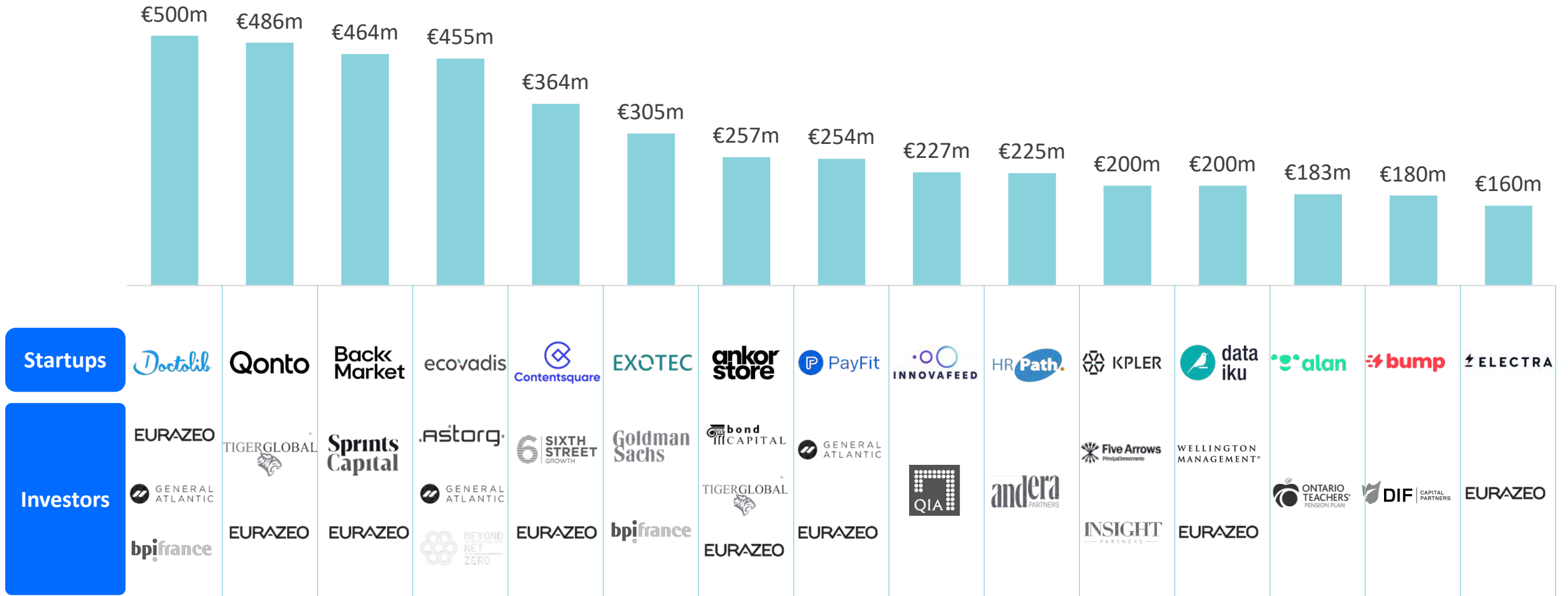
### Part A. General Metrics





# The 15 Largest Rounds Raised €4.2bn (37% of Total) with Doctolib, Qonto and Backmarket Being the Largest Funding Rounds in 2022

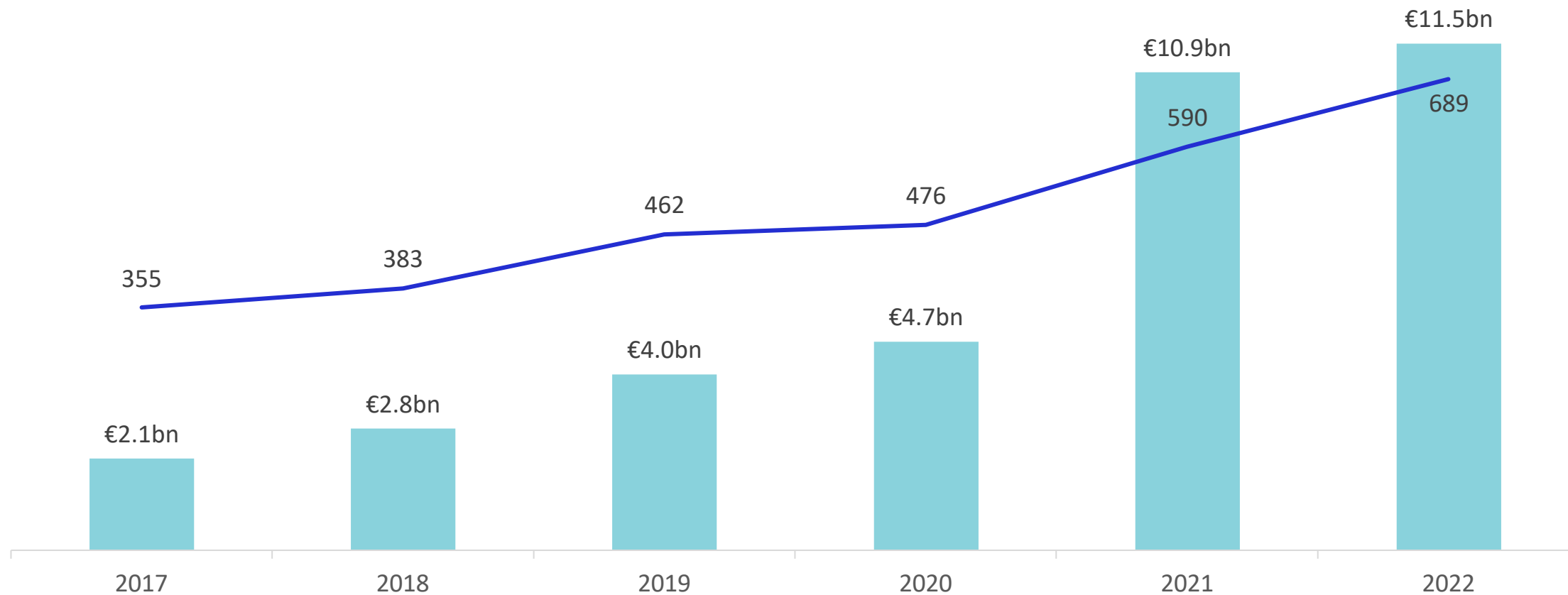
*Top 15 Funding Rounds in France in 2022*



Source: Personal database aggregating data from Crunchbase, Dealroom & eCap.

# In 2022, French Startups Raised Over €11.5bn (6% YoY Growth) Across 689 Funding Rounds (17% YoY Growth) Showing More Resilience than its European Peers

*2017-2022 Evolution of Amount Raised and Number of Rounds*



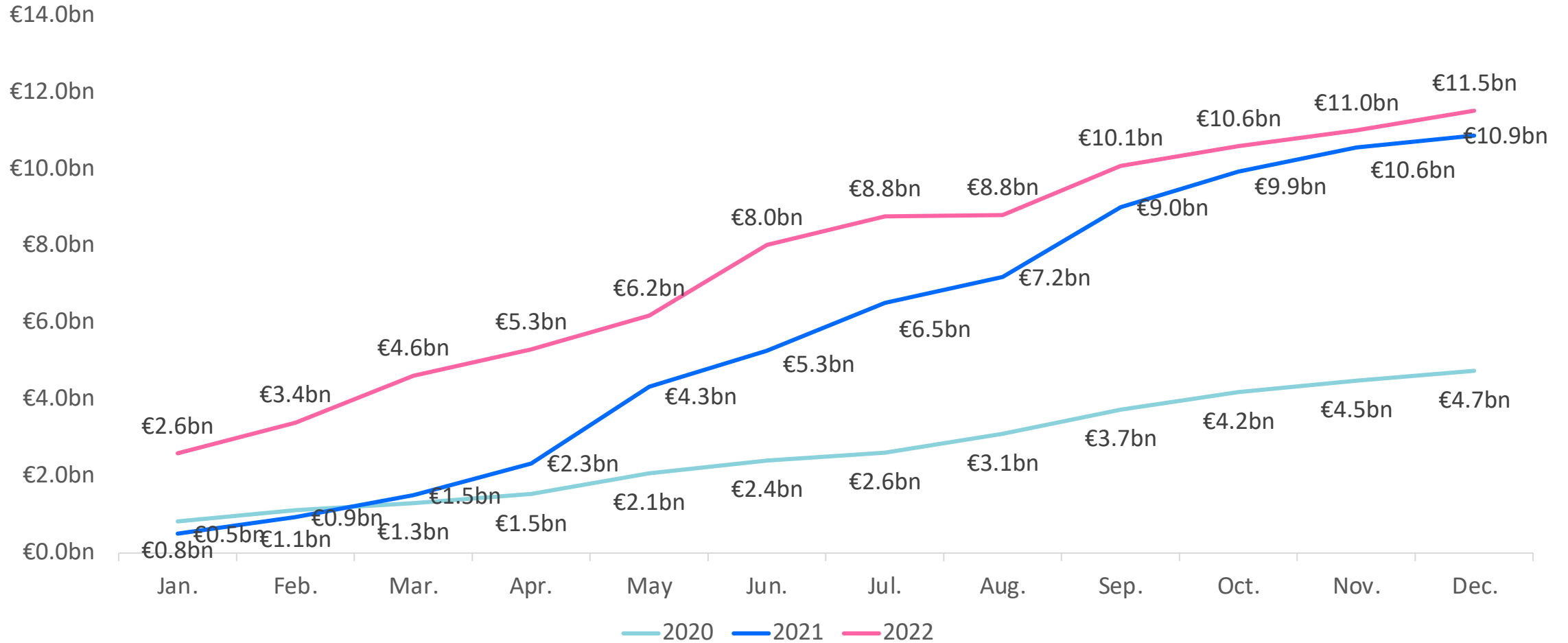
Source: Personal database aggregating data from Crunchbase, Dealroom & eCap.

Powered by



# In 2022, The French Tech Ecosystem had its Best Ever Q1 Mainly Driven by Growth Rounds Done in 2021 Before Seing a Real Slowdown in Q3 and Q4

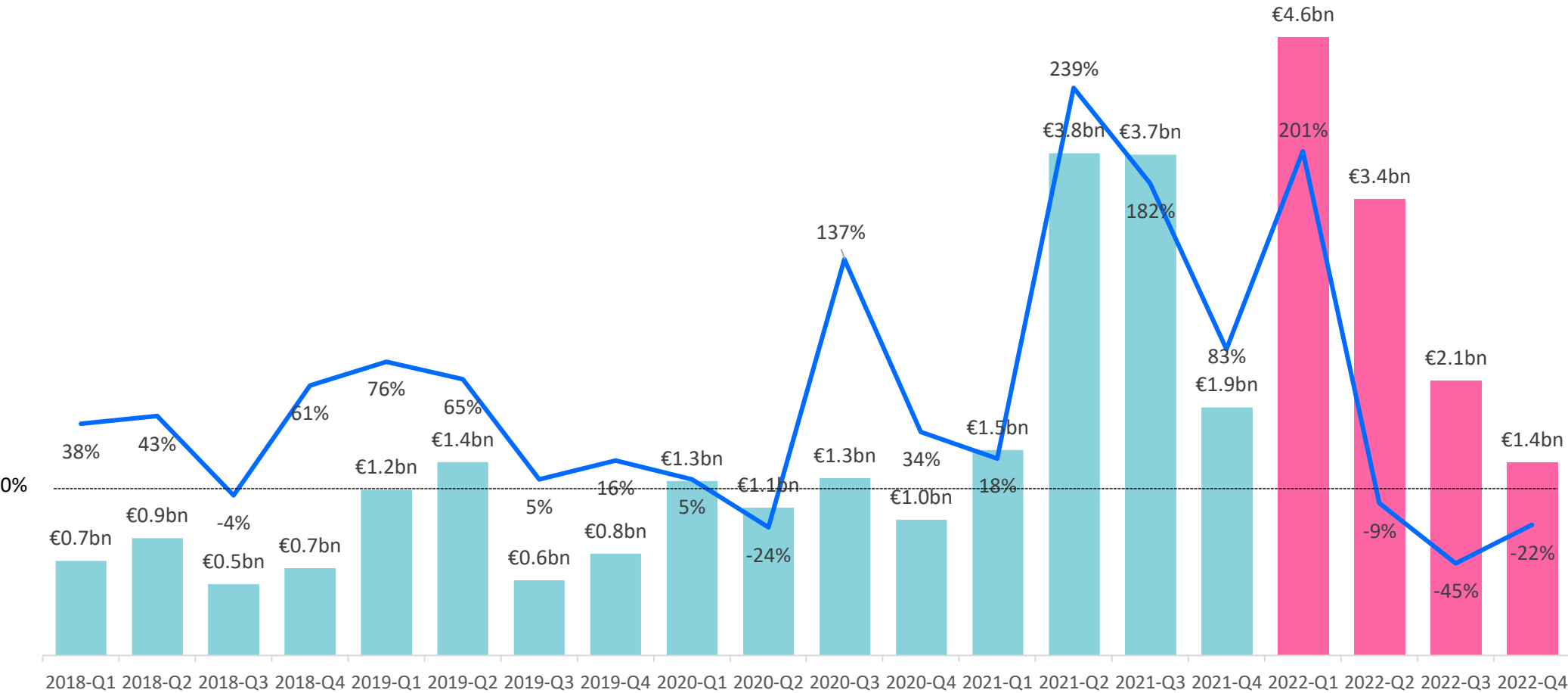
*Cumulative Evolution of the Amount Raised by French Startups Month over Month (2020-2022)*



Source: Personal database aggregating data from Crunchbase, Dealroom & eCap

# Except in Q1-22, French Startups Raised Less Capital on a Quarterly Basis in 2022 Compared to 2021

*Quarterly Amount Raised by French Startups and YoY Growth Between 2017 and 2022*

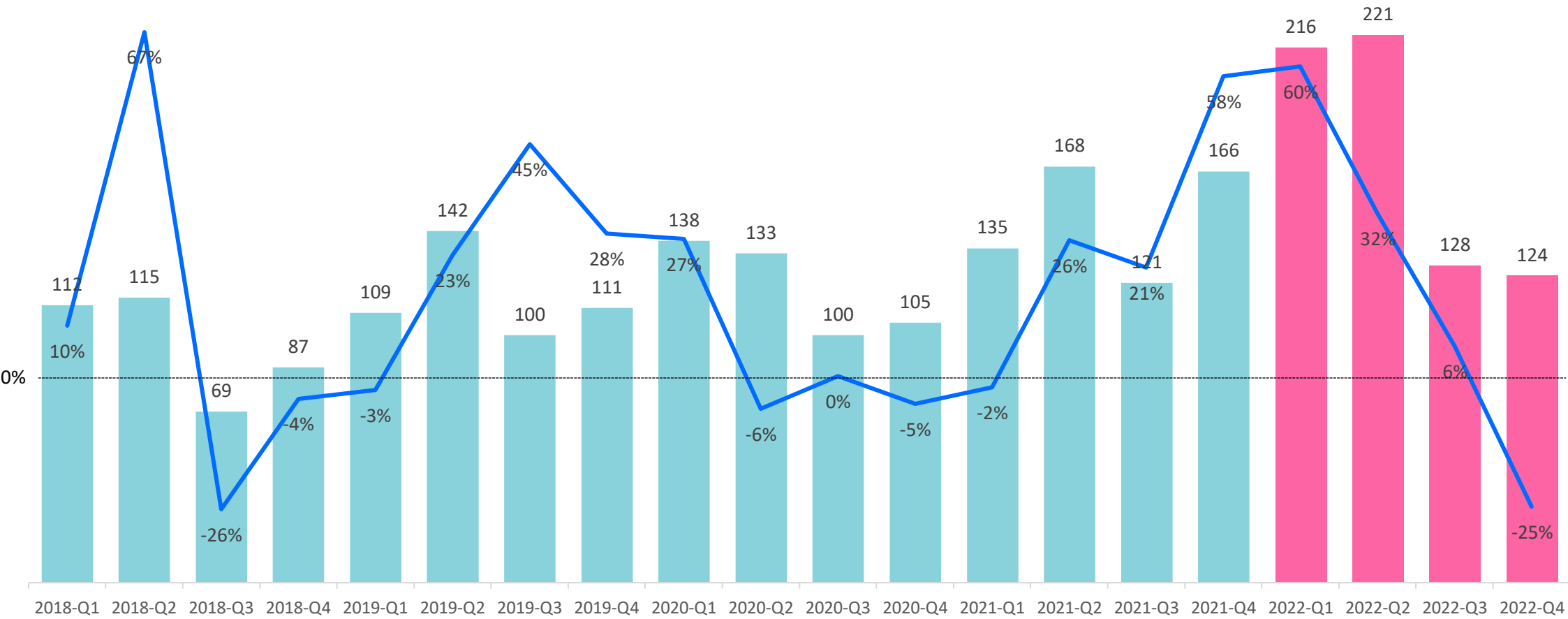


Source: Personal database aggregating data from Crunchbase, Dealroom & eCap.



# Except in Q4-22, French Startups Raised More Rounds on a Quarterly Basis in 2022 Compared to 2021

*Quarterly Number of Rounds Raised by French Startups Between 2017 and 2022 and YoY Growth*

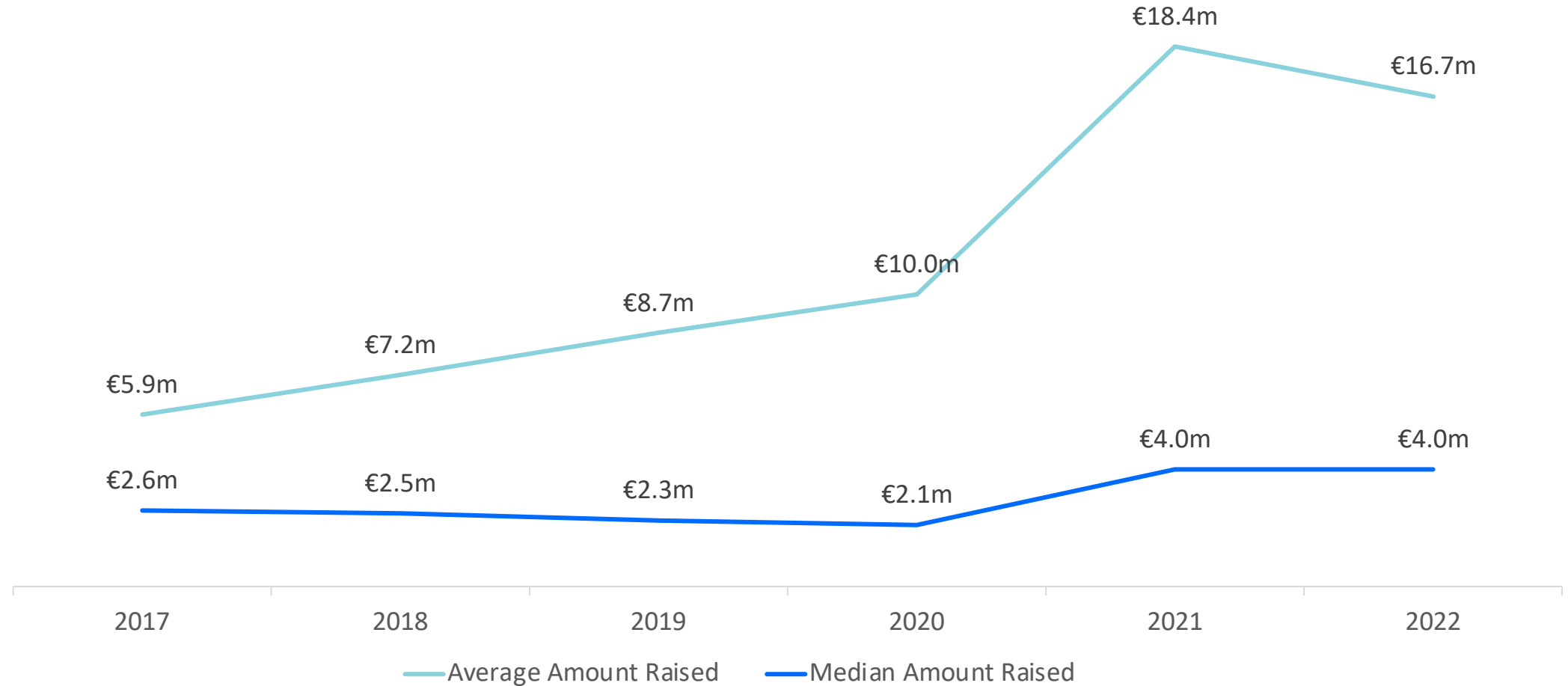


Source: Personal database aggregating data from Crunchbase, Dealroom & eCap.



# In 2022, the Average Amount Raised by French Startups Decreased to €16.7m (vs. €18.4m) While the Median Amount Remain Stable at €4.0m

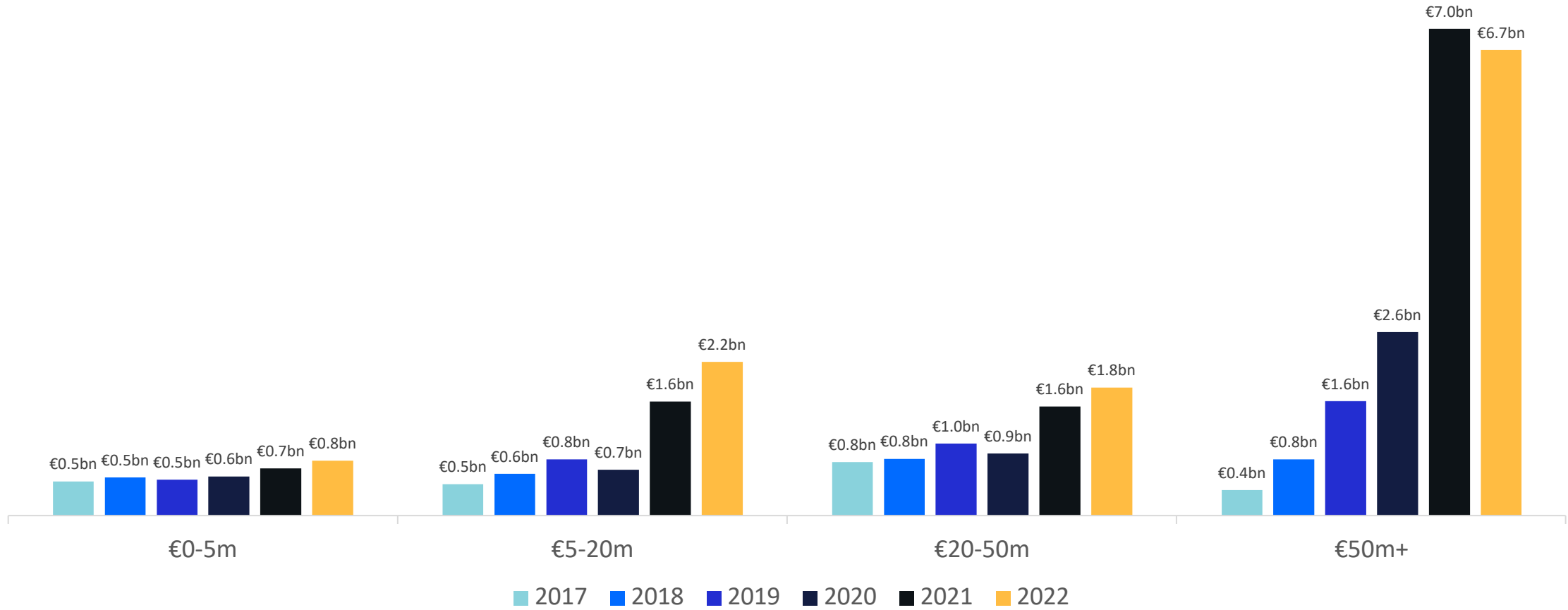
*Evolution of the Average and Median Amount Raised by French Startups*



Source: Personal database aggregating data from Crunchbase, Dealroom & eCap.

# French Startups Raised Less Capital in Mega Rounds (€50m+ Rounds) in 2022 Compared to 2021 but Raised More Capital in all Other Categories (€0-50m)

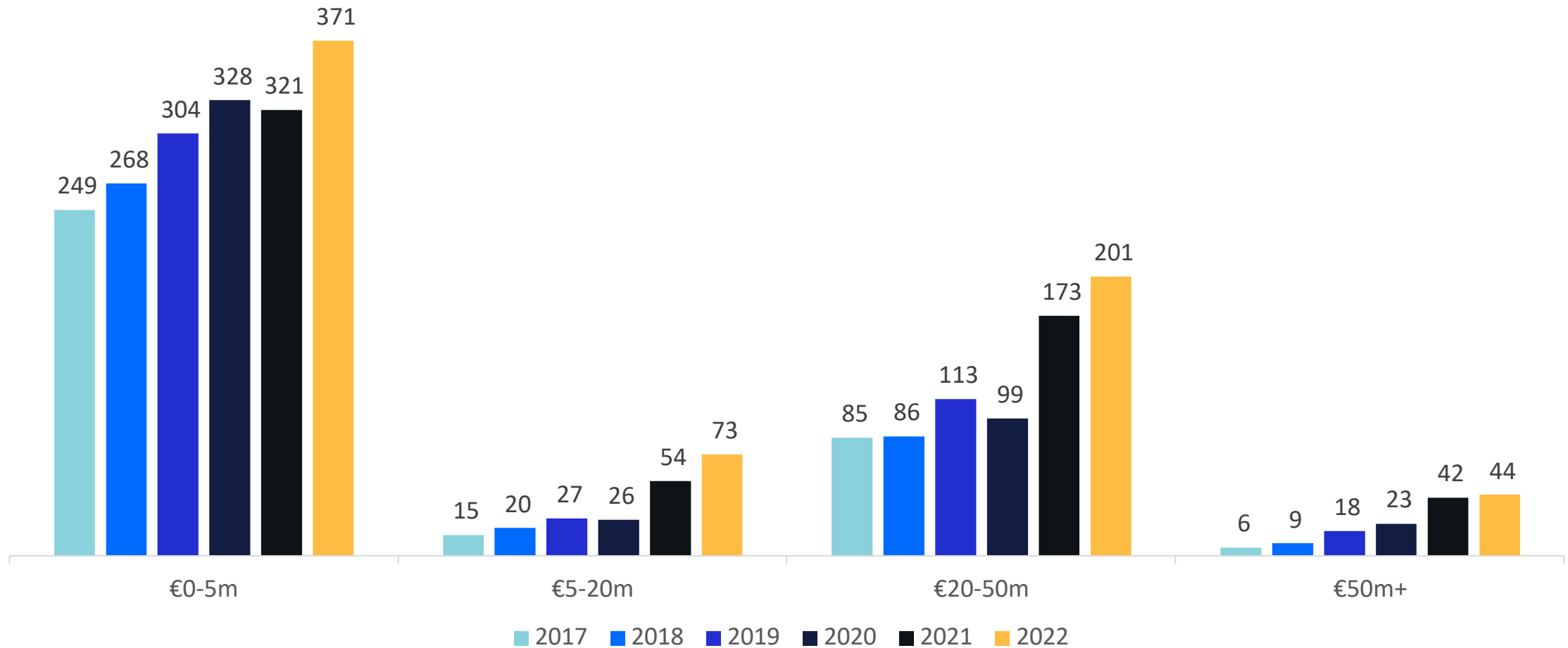
*Yearly Breakdown of Amount Raised by French Startup*



Source: Personal database aggregating data from Crunchbase, Dealroom & eCap.

# In 2022, More Rounds Were Raised in All Amount Categories but Seed Rounds (€0-5m) were the Main Driver of the General Growth of the Number of Rounds Compared to 2021

*Yearly Breakdown of the Number of Rounds Raised by French Startup by Amount Category*

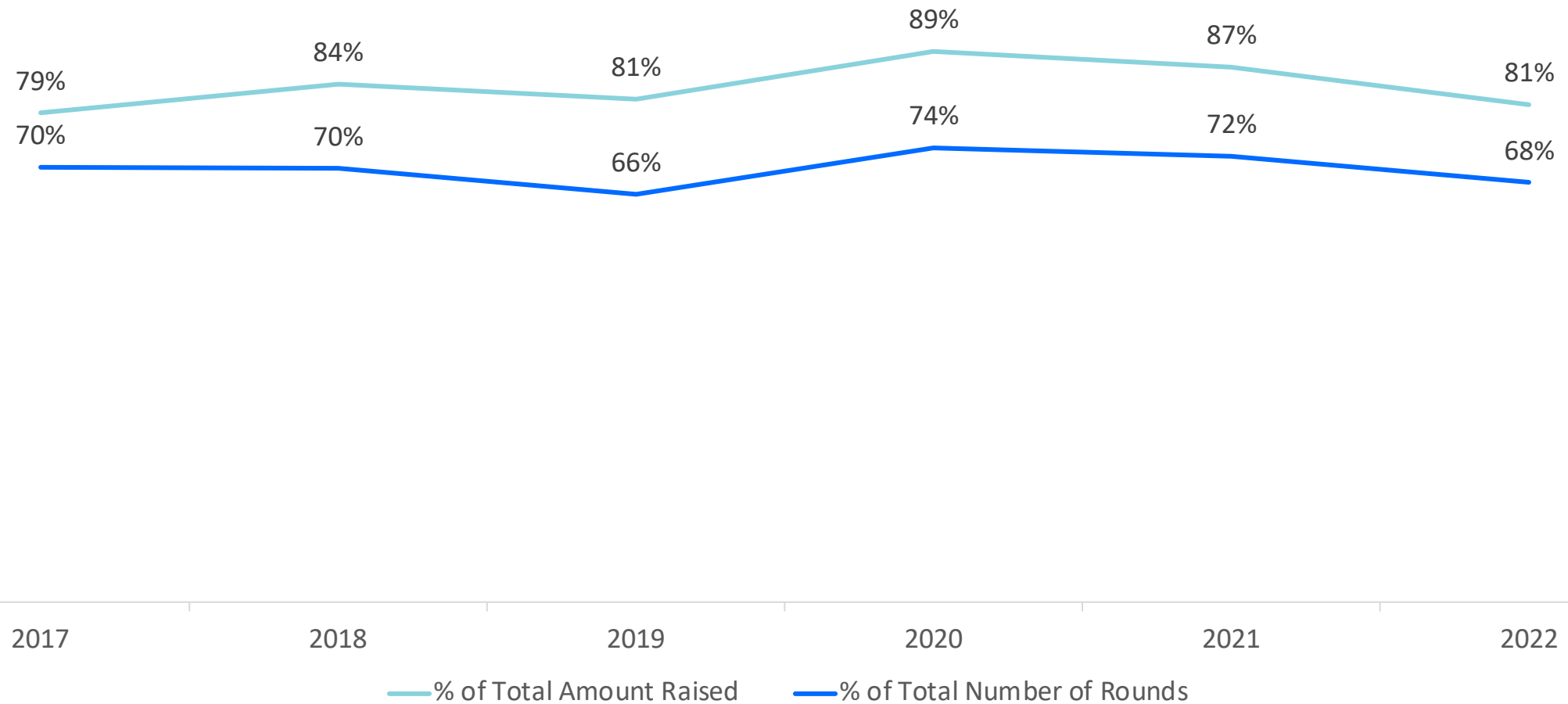


Source: Personal database aggregating data from Crunchbase, Dealroom & eCap.



# This Year, Paris Was Less Prevalent in the Ecosystem Compared to Other Cities Capturing 68% of Rounds Raised and 81% of the Capital Raised in 2022

*Startups Located in Paris as % of Total Amount Raised and Total Number of Rounds (2017-2022)*

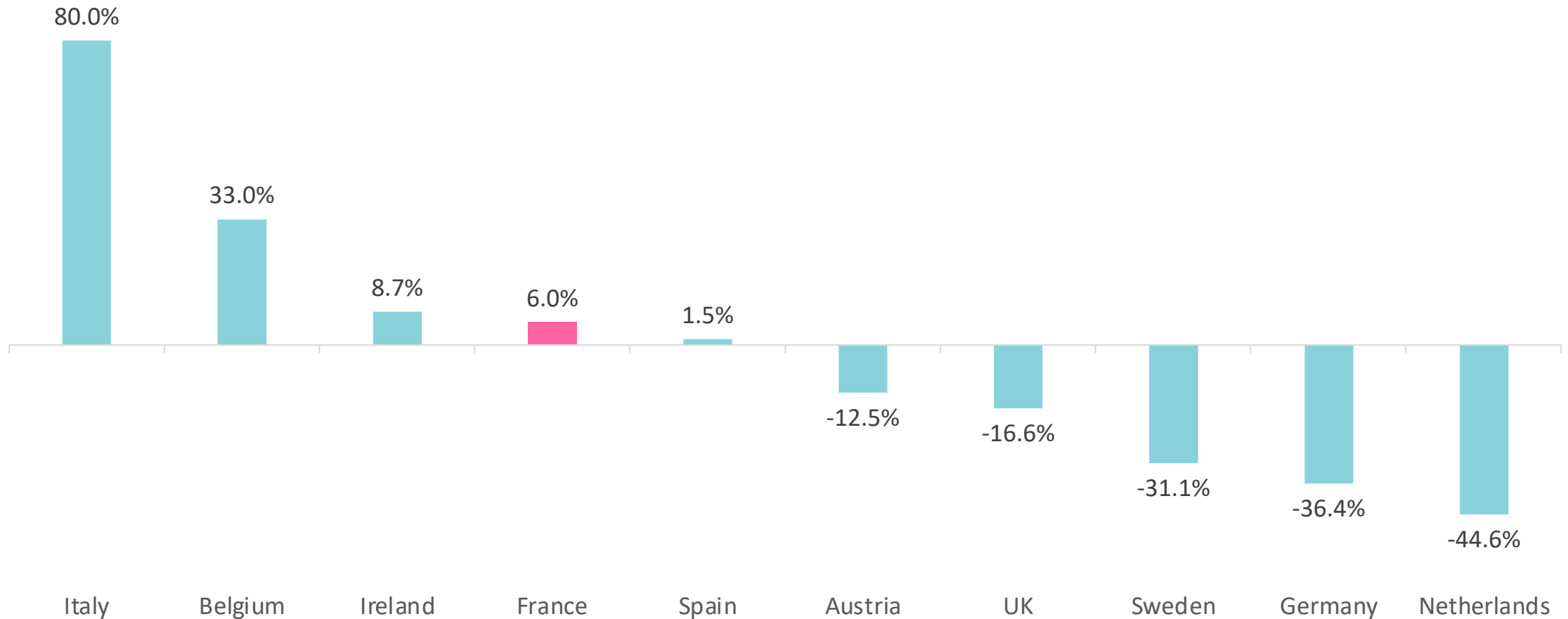


Source: Personal database aggregating data from Crunchbase, Dealroom & eCap.

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# France is the Only Large European Tech Ecosystem Which Has Kept Growing in 2022

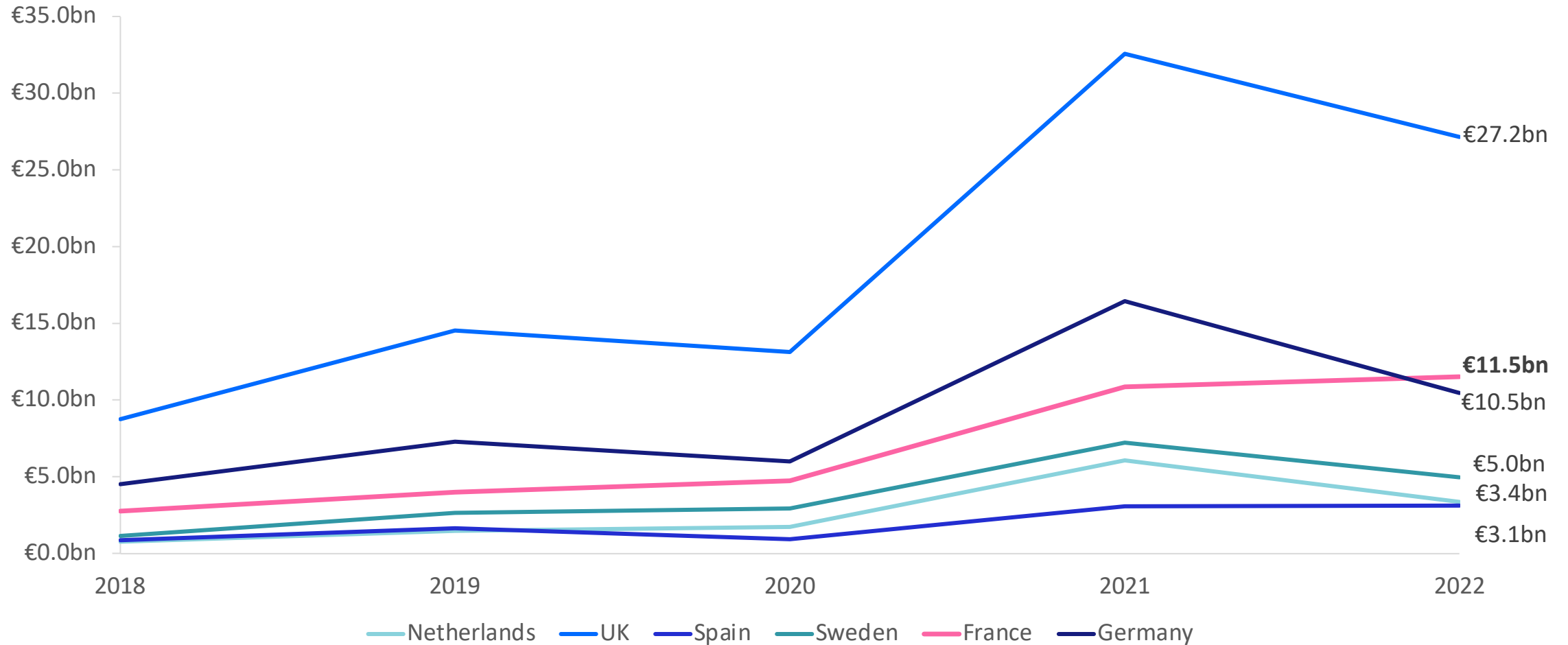
*Variation in Amount Raised by Startups in European Countries between 2021 and 2022*



Source: Dealroom for other countries than France. Personal database for France

# For the 1st Time in its History, France Has Become the 2<sup>nd</sup> Largest Tech Ecosystem in Europe Behind the UK but Ahead Germany

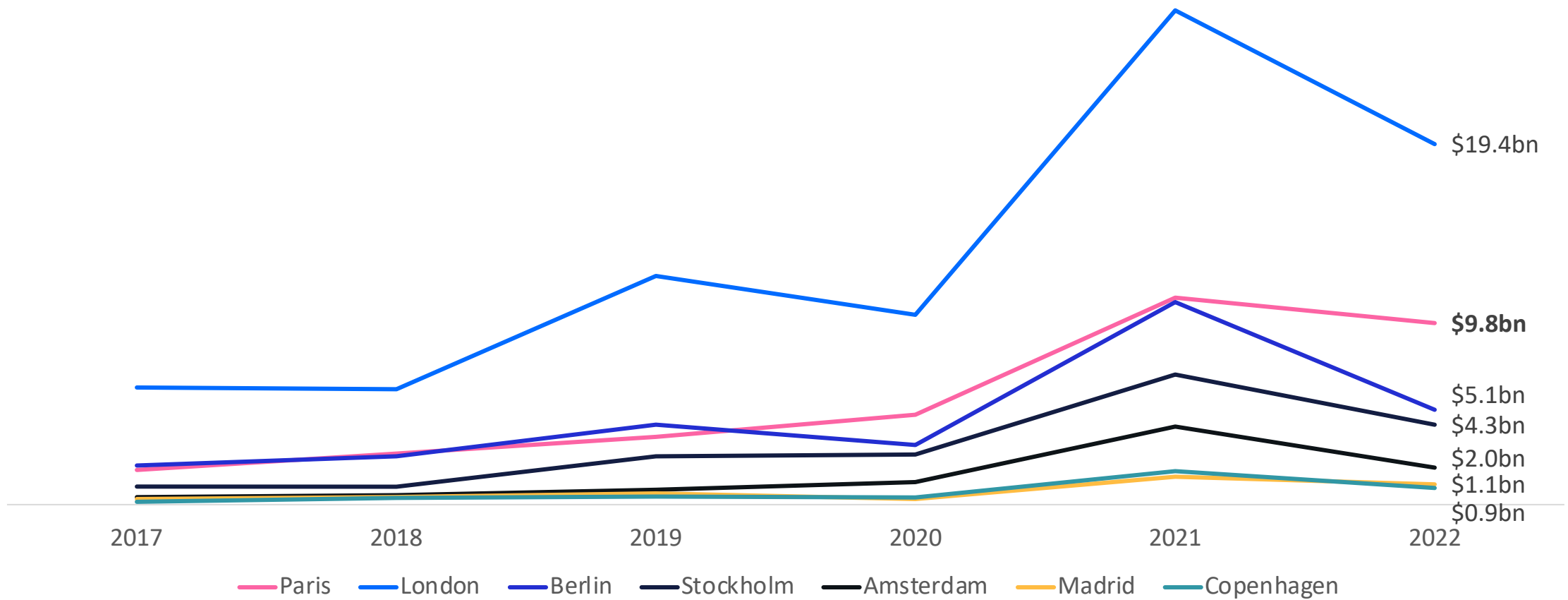
*Amount Raised Evolution (in €bn) in Major European Countries*



Source: Dealroom for other countries than France. Personal database for France

# For the 3<sup>rd</sup> Year in a Row, Paris is the 2<sup>nd</sup> Largest Tech Hub in Europe Ahead of Berlin

*Amount Raised Evolution (in €bn) in Major European Countries*



Source: Dealroom for other countries than France. Personal database for France

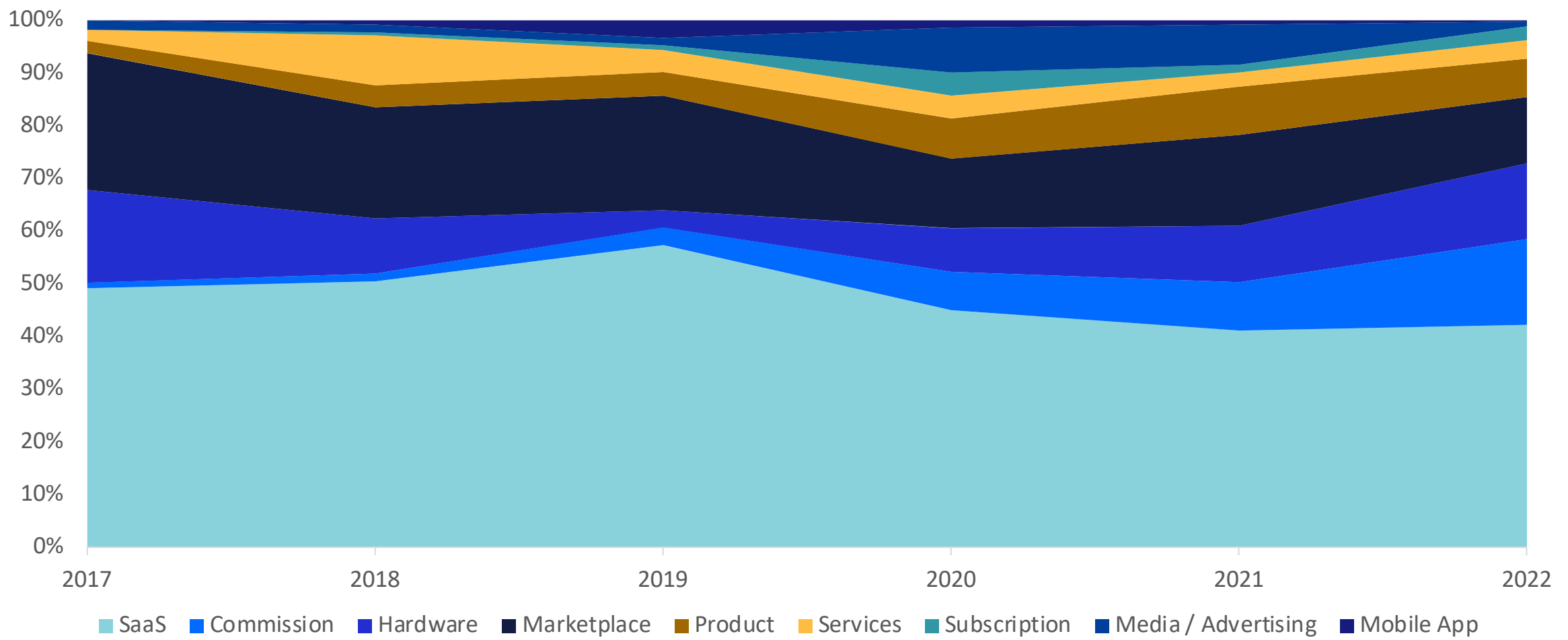
## Section 02. Metrics & Tech Trends

### Part B. Tech Trends



# SaaS (42%), Commission-Based (16%), Hardware (14%) and Marketplaces (13%) were the Most Common Business Models Funded in 2022

*Yearly Breakdown of the Amount Raised by French Startup by Business Model*

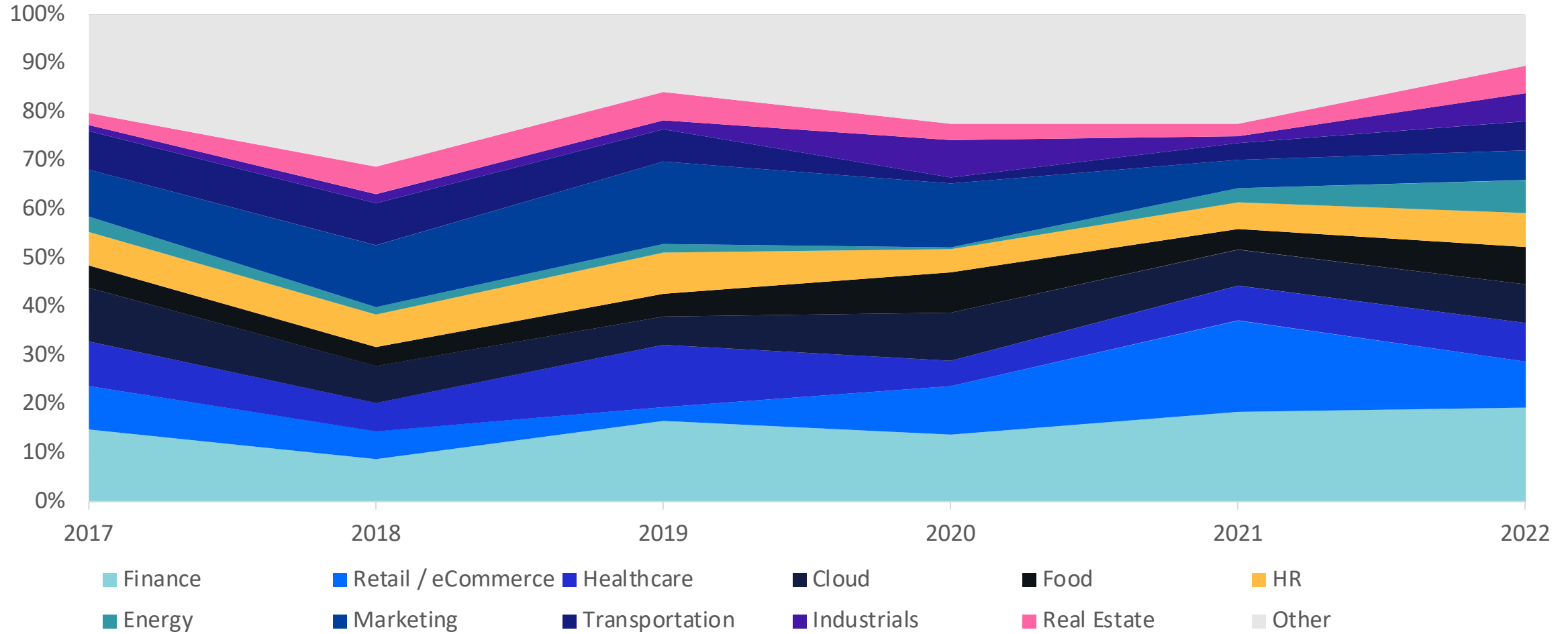


Source: Personal database aggregating data from Crunchbase, Dealroom & eCap.



# Finance (19%), Retail & eCommerce (9.4%), Healthcare (8%), Cloud (8%), Food (8%), Food (8%) and HR (7%) Accounted for Almost 60% of the Capital Raised by French Startups in 2022

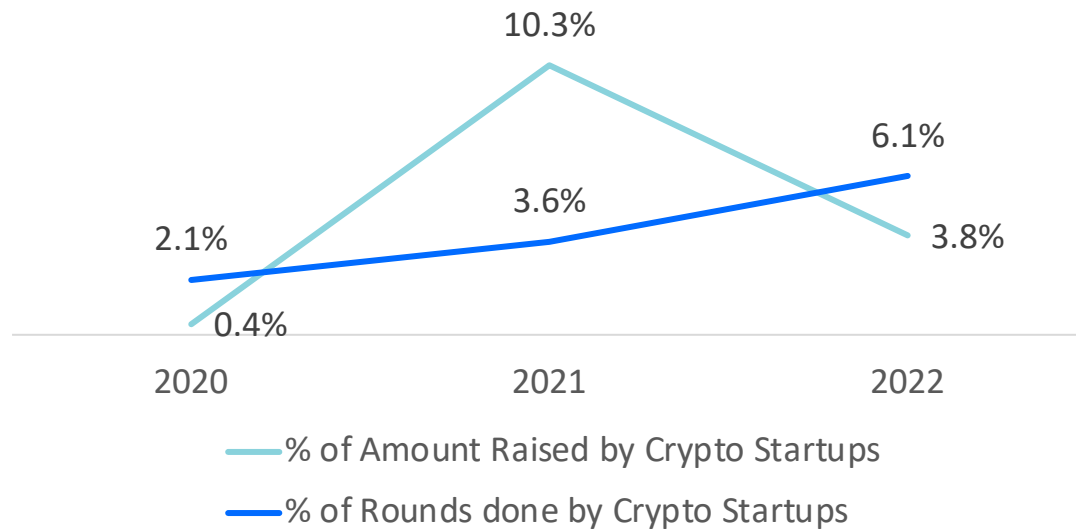
*Yearly Breakdown of the Amount Raised by French Startup by Sector*



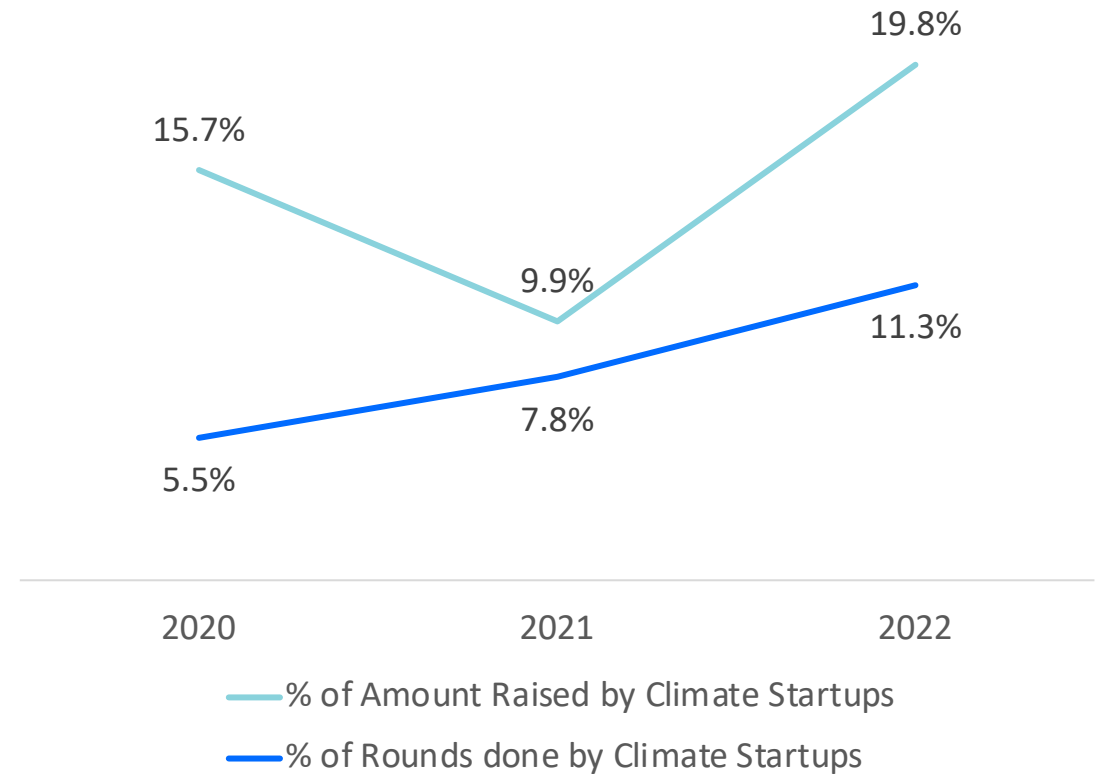
Source: Personal database aggregating data from Crunchbase, Dealroom & eCap.

# Crypto & Climate Are Hot Topics. In 2021, Crypto Startups Accounted for 10% of the Amount Raised. In 2022, Climate Startups Accounted for 20% of the Amount Raised.

Crypto Startups Accounted for 4% of the Amount and 6% of the Number of Rounds Raised by the Ecosystem in 2022



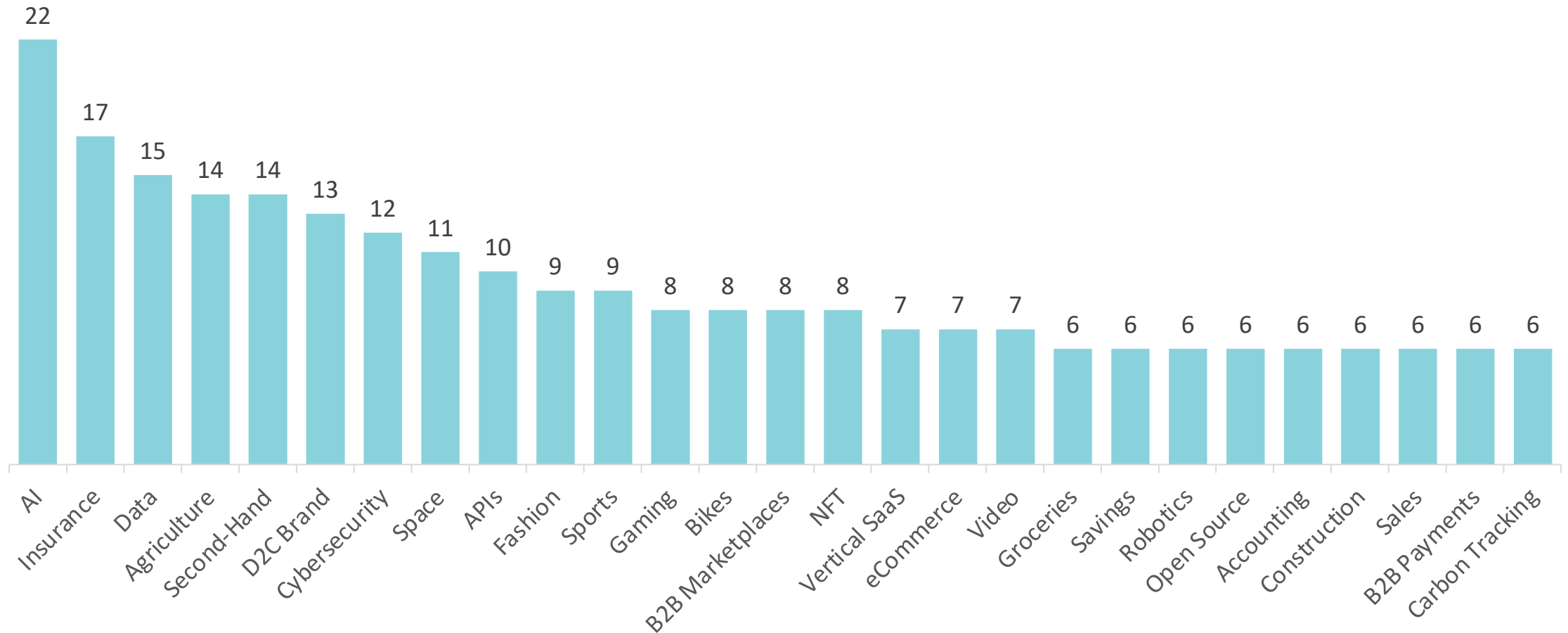
Climate Startups Accounted for 20% of the Amount and 11% of the Number of Rounds Raised by the Ecosystem in 2022




















# Besides Climate & Crypto, Other Investment Themes Include AI, Insurance, Data, Agriculture, Space, APIs, Bikes, Vertical SaaS, Groceries, Robotics, Open-Source, Construction

*Number of Startups per Themes Which Raised a Round in 2022*










Source: Dealroom for other countries than France. Personal database for France

# Main Investment Trends 2022 – Part I

Trend	Startups (Raised a Round in 2022)	Comments
Cyberinsurance for SMBs	 	<ul style="list-style-type: none"> <li>• <b>Cyber-risk will become predominant in the 21<sup>st</sup> century.</b> Traditional insurers are <b>struggling</b> to deal with cyber-risk. They perceive it as endemic and <b>don't have the tech capabilities</b> to underwrite an insurance, to prevent and manage the risk</li> <li>• It creates a <b>massive opportunity for newcomers</b>. In France, Stoik and Dattak are seizing it following the path of US startups (Coalition, AtBay and Corvus) selling cyber-insurance to SMBs</li> </ul>
Revenue Based Financing (RBF)	 	<ul style="list-style-type: none"> <li>• RBF is an <b>alternative to debt and equity to fund growth for digital businesses</b> (SaaS, D2C brands, CSS).</li> <li>• For D2C brands, RBF prefunds marketing expenditures and get paid back with an interest based on the revenues generated.</li> <li>• For SaaS, RBF convert annual recurring revenues into upfront cash in exchange of a small discount</li> </ul>
Electric Bikes	   	<ul style="list-style-type: none"> <li>• Electric bikes are becoming a <b>cornerstone of mobility within cities</b>. Startups are <b>creating an ecosystem around ebikes</b> with services like a marketplace for second-hand ebikes (Upway), sustainable batteries (Gouach), ebike as a service for individuals (Motto) and companies (Zenride)</li> </ul>
Food Waste Management	 	<ul style="list-style-type: none"> <li>• A French law around <b>anti-plastic waste</b> is being implemented (loi Agec). It will progressively ensure that restaurants and retailers stop using single use plastic. Reusable containers will become the norm and companies are building the infrastructure to enable this transition</li> </ul>
Tooling for Ecommerce	    	<ul style="list-style-type: none"> <li>• Ecommerce merchants are facing <b>new challenges</b> (sustainability becoming a core concern for consumers and rising acquisition costs) <b>pushing them to rely on 3rd party products to improve their sales or maintain good unit economics on acquisition</b></li> </ul>


















Source: Personal database aggregating data from Crunchbase, Dealroom & eCap.

# Main Investment Trends 2022 – Part II

Trend	Startups (Raised a Round in 2022)	Comments
Financial Tooling for Web3 Businesses	 Request  Flowdesk  multis  cryptio	<ul style="list-style-type: none"> <li>Crypto-native companies and regular companies dealing with crypto assets are increasingly <b>craving for web 3 financial tools</b></li> <li>A financial infrastructure with products natively built for web 3 needs are emerging around accounting, banking, treasury management, etc.</li> </ul>
Sales Commission SaaS	 qobra  Salesramp  Palette	<ul style="list-style-type: none"> <li>There is a 30% churn rate in sales teams every year and one of the main reason why the teams quit is because they have <b>no visibility on sales commissions</b></li> <li>Qobra, Salesramp and Palette are solving this pain point while executing on a <b>broader product vision to improve sales productivity &amp; sales talent retention</b></li> </ul>
Electric Vehicles (EVs)	 ELECTRA  bump  ZEPLUG  knaue	<ul style="list-style-type: none"> <li>Like ebikes, EVs will become a <b>predominant transportation medium</b> in the next decades to fight against climate change</li> <li>Electra, Bump and ZePlug are building a network of fast EV charging stations in Europe while Knave is a turnkey solution to rent EVs for OEMs, companies and cities</li> </ul>
Open Source	 CrowdSec  strapi  meiliseach  Nuxt  Formance	<ul style="list-style-type: none"> <li>Several French startups are building and monetizing <b>open-source developer tools</b> around CMS (Strapi), search (Meiliseach), frontend development (Nuxt), cybersecurity (Crowdsec) and payments (Formance)</li> <li>Several projects are building open-source version of successful SaaS (e.g. Algolia as an inspiration for Meiliseach, Contentful as an inspiration for Strapi)</li> </ul>
Alternative Meat	 HappyVore 100% végétal & gourmand  GOURMEY  LAVIE FROM PLANTS WITH LOVE  UMIAMI	<ul style="list-style-type: none"> <li>One of the most effective ways to reduce our carbon footprint is to <b>eat less meat</b>. Startups building alternative meat (either plant based or cell-based) have popped around the world with products that have a taste and a texture that is extremely similar to regular meat</li> </ul>






















Source: Personal database aggregating data from Crunchbase, Dealroom & eCap.

# Main Investment Trends 2022 – Part III

Trend	Startups (Raised a Round in 2022)	Comments
Democratize Investment in Real Estate	     	<ul style="list-style-type: none"> <li>Beside your primary home, <b>real estate has always been an asset class reserved to people with both a high net worth and a real estate expertise</b></li> <li>Several startups are <b>democratizing access to real estate</b> with different products (rental investment, co-ownership of a secondary home, fractional investing)</li> </ul>
Web3 Games	  	<ul style="list-style-type: none"> <li>Play-to-earn is a <b>business model innovation in gaming that has a strong potential to disrupt the industry like free-to-play did two decades ago</b></li> <li>Dogami is building a game around pets. Cometh is building a game around space conquests. Immortal Games is building a crypto-based Chess.com.</li> </ul>
Carbon Tracking & Accounting	   	<ul style="list-style-type: none"> <li>There is increasing pressure from all stakeholders (regulators, consumers, suppliers, employees, etc.) to <b>have more visibility around greenhouse gas emissions</b></li> <li>Companies are stepping up on this topic by using solutions to help them collect and display data, as well as obtain sustainable certifications.</li> </ul>
Bringing 3D to Ecommerce	 	<ul style="list-style-type: none"> <li>Brands and retailers want to <b>have 3D versions of the products that they sell and want to leverage these simulations for multiple use cases</b> (synthetic photos, 360° product view, AR and VR product view, applications in the metaverse) – which is something Nfinite and Omi are both doing</li> </ul>
Robotics	 	<ul style="list-style-type: none"> <li>Robotics is becoming mature enough to have a <b>tremendous impact on certain verticals</b> like ecommerce logistics for Exotec or quick service restaurant for Bolk</li> </ul>


















Source: Personal database aggregating data from Crunchbase, Dealroom & eCap.

# Main Investment Trends 2022 – Part IV

Trend	Startups (Raised a Round in 2022)	Comments
Embedded Insurance	 	<ul style="list-style-type: none"> <li><a href="#">Neat</a> and <a href="#">Evy</a> are <b>embedding extended warranty into the product checkout flow</b> of online and offline merchants to help them increase their margin and improve the customer experience</li> <li>It's a <b>playbook similar to BNPL players</b>. You acquire merchants and merchants acquire end-customers for you by embedding their solution into the checkout flow</li> </ul>
Fighting Food Waste	  	<ul style="list-style-type: none"> <li><b>1/3 of food products are wasted</b> in the whole food value chain (production &gt; transformation &gt; distribution &gt; consumption)</li> <li>Phenix is going after <b>downstream food waste</b>. HorsNormes and Nous Anti-Gaspi are going after <b>upstream food waste</b></li> </ul>
Vertical SaaS	     	<ul style="list-style-type: none"> <li>Vertical SaaS are mostly found in <b>4 main industries: restaurants, construction, manufacturing and healthcare</b></li> <li>It's interesting to see that Zenchef has quickstarted a <b>build-up strategy to become the all-in-one SaaS for European restaurants</b>. I believe that many mature vertical SaaS will follow the same strategy</li> </ul>
CFO Tooling	    	<ul style="list-style-type: none"> <li>Startups are building <b>modern tooling for CFOs</b> with a distinction to be made between <b>players going after SMBs</b> with an all-in-one solution and <b>players going after enterprises with best of breed solutions</b> on CFOs key workstreams (FP&amp;A, expense management, accounting, etc.)</li> </ul>
B2B BNPL	    	<ul style="list-style-type: none"> <li>Following the general excitement around B2C BNPL in 2020-21 (Affirm, Klarna, Afterpay), <b>several startups were created to go after the B2B segment with its own specificities</b> (more complex debt underwriting, deeper workflows going beyond payment)</li> </ul>

Source: Personal database aggregating data from Crunchbase, Dealroom & eCap.

# Main Investment Trends 2022 – Part V

Trend	Startups (Raised a Round in 2022)	Comments
Drug Discovery	 	<ul style="list-style-type: none"> <li>To accelerate drug discovery, pharmaceutical companies and biotechs are increasingly <b>relying on ML solutions which will pre-select molecules to be tested as drugs</b></li> <li>For instance, Aqemia is building a drug discovery pipeline leveraging its proprietary algorithms based on AI and quantum physics</li> </ul>
Second-Hand Marketplaces	   	<ul style="list-style-type: none"> <li><b>Verticalised second-hand marketplaces</b> are emerging and going after certain niches like outdoor gear (Campsider, Barooders) or vintage clothing (Imparfait.e)</li> <li><b>Successful models in the US are also being replicated in Europe.</b> For instance, Omaj is building ThredUp for Europe</li> </ul>
Making HR Best Practices Accessible to Everyone	  	<ul style="list-style-type: none"> <li>Several startups in the HR space are trying to <b>offer products to implement HR best practices</b> (e.g. managing remunerations thanks to salary benchmarks with Figures, nudging employees to improve themselves with Fifty or being data-driven to take HR decisions with Reflect)</li> </ul>
API Management	  	<ul style="list-style-type: none"> <li>As tech is moving towards an API-first economy with companies like Stripe, Twilio, Algolia, Plaid or Okta, a new wave of startups is emerging around <b>API management</b></li> <li>Bump helps developers collaborate and communicate around APIs while EdenAI is streamlining the access to AI engines via APIs</li> </ul>
B2B Marketplaces	    	<ul style="list-style-type: none"> <li><b>B2B is the next frontier for marketplaces.</b> We see B2B marketplaces emerging in several industries (construction, transportation, ecommerce, logistics) and with several revenue streams (SaaS-fee, financing, logistics, advertising)</li> </ul>

Source: Personal database aggregating data from Crunchbase, Dealroom & eCap.

# Section 03. Market Update



Source: Midjourney. Prompt: "Painting in Andy Warhol style showing the stock exchange market in wall street during a market crash."

# Key Messages

- The **tech sector is under meltdown** because (i) central banks are increasing interest rates to fight inflation, (ii) the global economy is under pressure (Ukrainian war, energy & supply-chain crises) and (iii) tech sector has a post-covid hangover (e.g. e-commerce reverting back to secular growth trend).
- The general public market is suffering but **tech is more impacted than other sectors**. More specifically, certain stocks have been massively punished by the public market: (i) **covid darlings** (Shopify, Zoom), (ii) **full-stack models** (Carvana, Bird), (iii) **consumer discretionary businesses** (Netflix, Spotify), (iv) **companies that were not mature enough to go public** (i.e. most SPAC companies like Cazoo).
- In Europe, even if **the general public market seems more resilient**, we see a similar pattern to the US with tech stocks being more impacted.
- **The private venture capital market is also impacted because its valuation is indexed on public market valuations**. As a result, (i) many private companies have unsustainable valuations, (ii) private companies are trading at significant discount on the secondary market, (iii) growth capital from cross-over funds (e.g. Tiger) and exotic investors (e.g. Softbank) has disappeared, (iv) the exit window via IPOs is closed for private companies, and (v) many private businesses have become non fundable (e.g. full stack businesses à-la Gorillas).
- In 2022-2023, we will see **a general adjustment to this new reality** of which there are already strong signals: (i) massive layoffs across the public & private markets, (ii) down-rounds/self-repricing/bankruptcies.
- Nonetheless, if we dig further, **it's not all gloomy**: (i) the M&A market remains dynamic, (ii) the market is separating the wheat from the chaff (all tech businesses are not equal), (iii) bubble-related market behaviours are disappearing (due diligences done too quickly, lack of governance, large secondaries to win deals), (iv) it's the best time to start a company (easier access to talents, less competition, no over-funding risk pushing you to scale before hitting product market fit).
- **France is not an exception**: (i) only 5 companies (Jellysmack, Luko, Meero, Sunday, Backmarket) have reported layoffs publicly but many more are currently happening, (ii) bankruptcies are happening with [Made.com](https://www.made.com) being the most impressive as it went from an IPO at a £775m market cap to filing for insolvency in 16 months, (iii) the ecosystem experienced its first public down-round with Dataiku cutting its valuation by 20%, (iv) cross-over & exotic growth investors are also gone with no new deal for Softbank in France in 2022 and (v) funding is slowing down drastically at series A & beyond.



## Section 03. Market Update

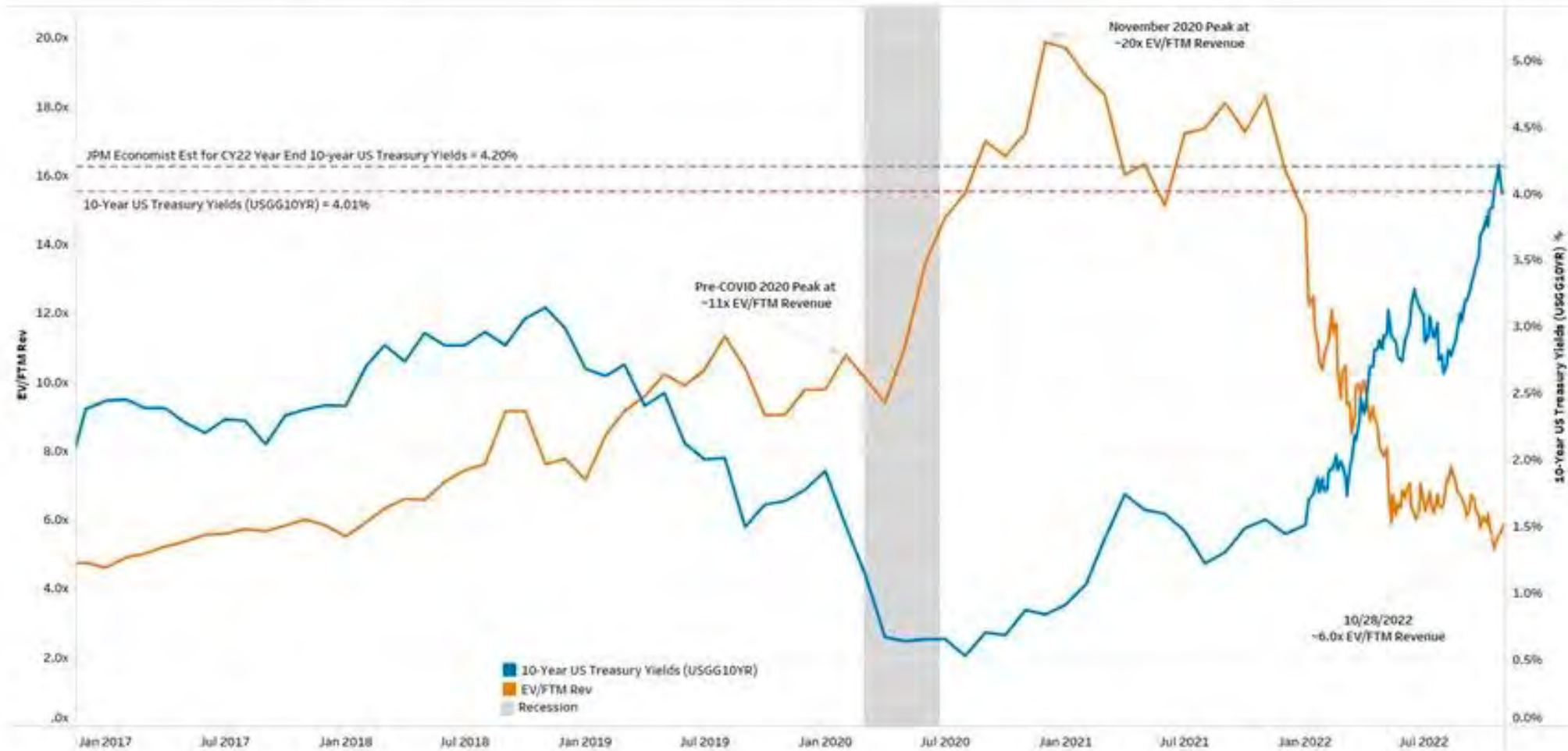
### Part A. Global & European View



*Source: Midjourney. Prompt: "Painting in Andy Warhol style showing the stock exchange market in wall street during a market crash."*

# What is Happening? Central Banks over the World are Increasing Interest Rates to Fight Inflation. Interests are Inversely Correlated with Valuation Multiples.

## SaaS Software Average EV/FTM Revenue Ratios: 2017-Present



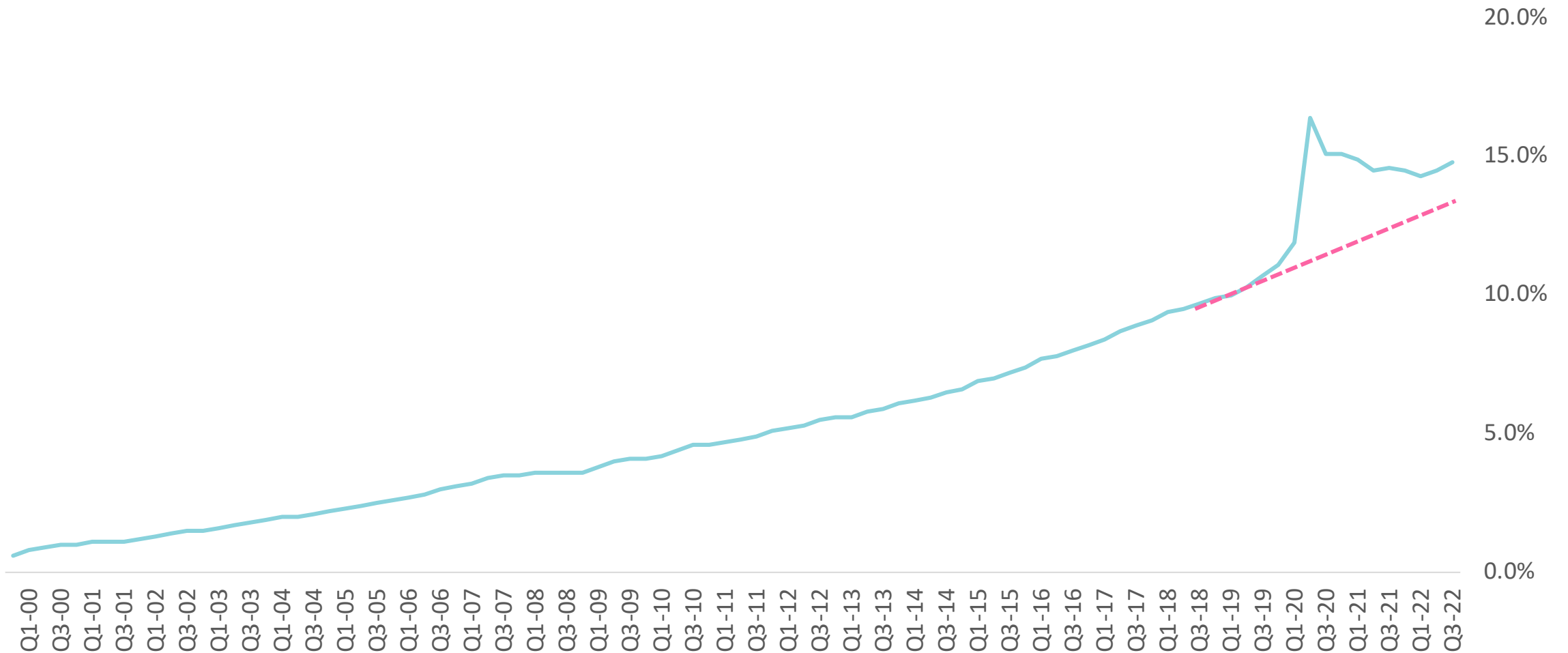
Source: Elad Gil

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# What is Happening? Post-Covid, the World is Going Back to Normal. Many Tech Sectors were Artificially Boosted and are Now Reverting Back to the Long Term Growth Trend.

*E-commerce as a Percentage of Total Retail Sales in the US*



Source: Shopify

# In the US, The Stock Market is Falling with Tech Represented by the Nasdaq Being More Impacted than the S&P



Source: [Koyfin](#). NDX = Nasdaq Index. SPX = S&P Index.



# Amongst GAFAM, Apple and Microsoft are Overperforming the Nasdaq when Meta, Amazon and Google are Underperforming it

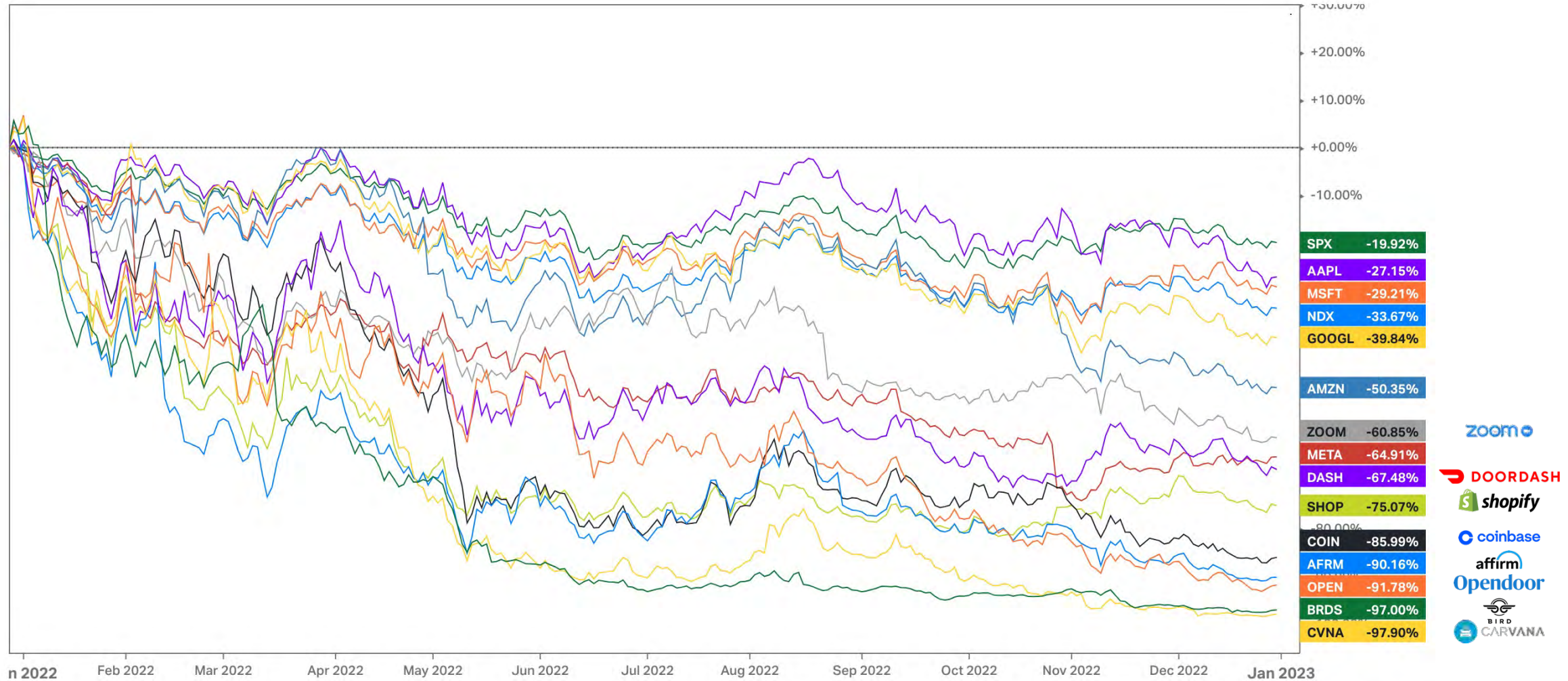


Source: [Koyfin](#). NDX = Nasdaq Index. SPX = S&P Index.

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# “Covid Stocks” (e.g. Zoom, Shopify, Coinbase, Affirm, DoorDash) and Full-Stack Models (e.g. Bird, Carvana, Opendoor) are Underwater

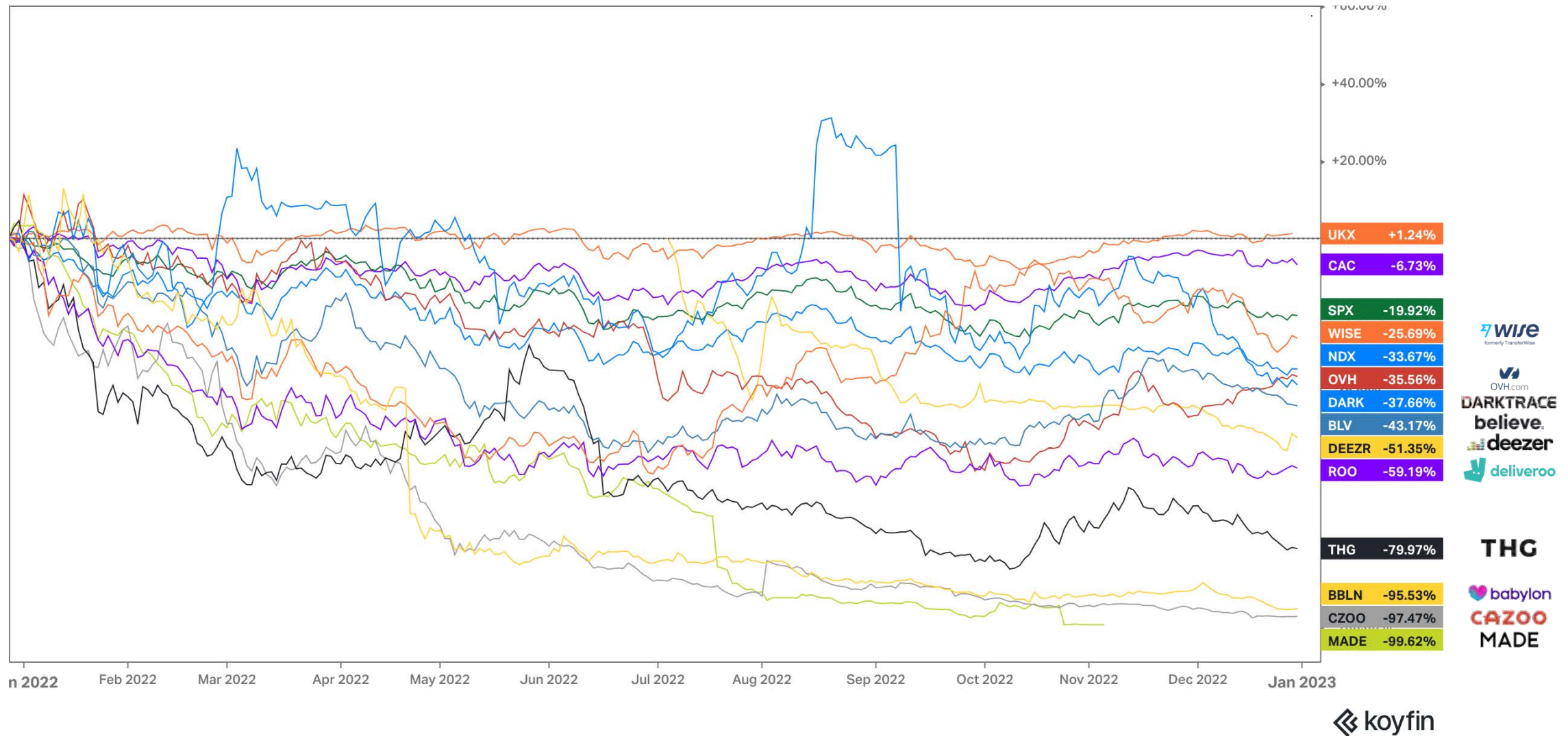


koyfin

Source: [Koyfin](#). NDX = Nasdaq Index. SPX = S&P Index.

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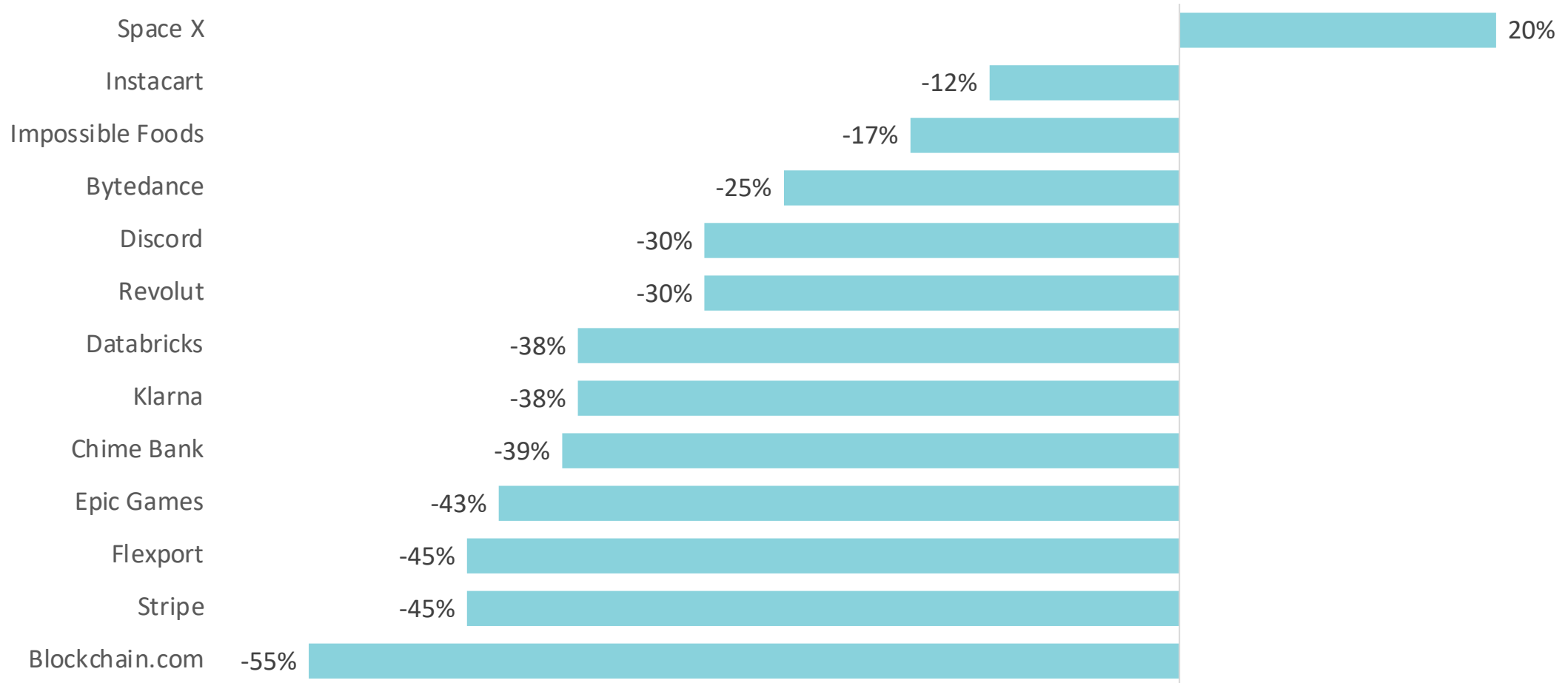
# Overall, European Stocks Seem to be More Resilient but European Tech Companies are Also Impacted Especially When They Have Weak Fundamentals (e.g. Cazoo, Made, Babylon)



Source: [Koyfin](#). NDX = Nasdaq Index. SPX = S&P Index.

# Private Companies Are Trading At Significant Discount On The Secondary Market

*% Discount/Premium on Secondary Shares Between January 2022's Valuation and June 2022's Price on the Secondary Market*

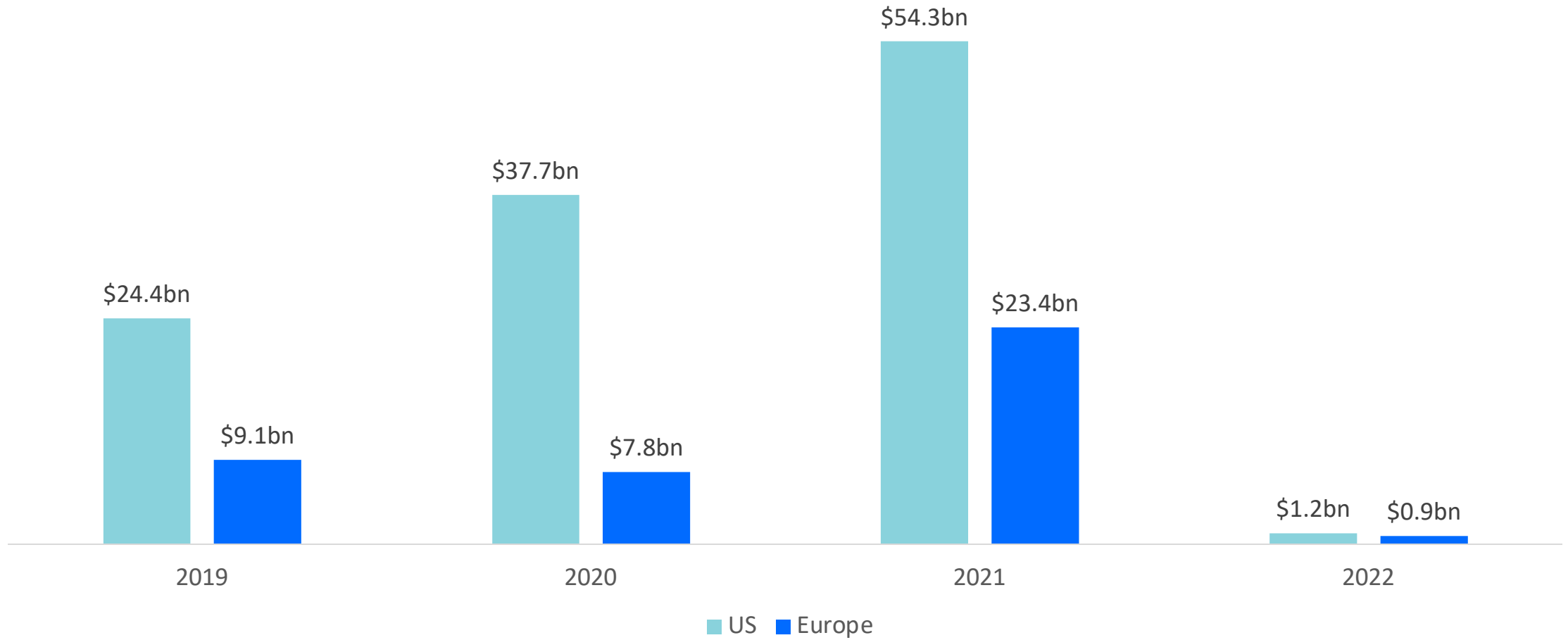


Source: *The Economist*, ApeVue



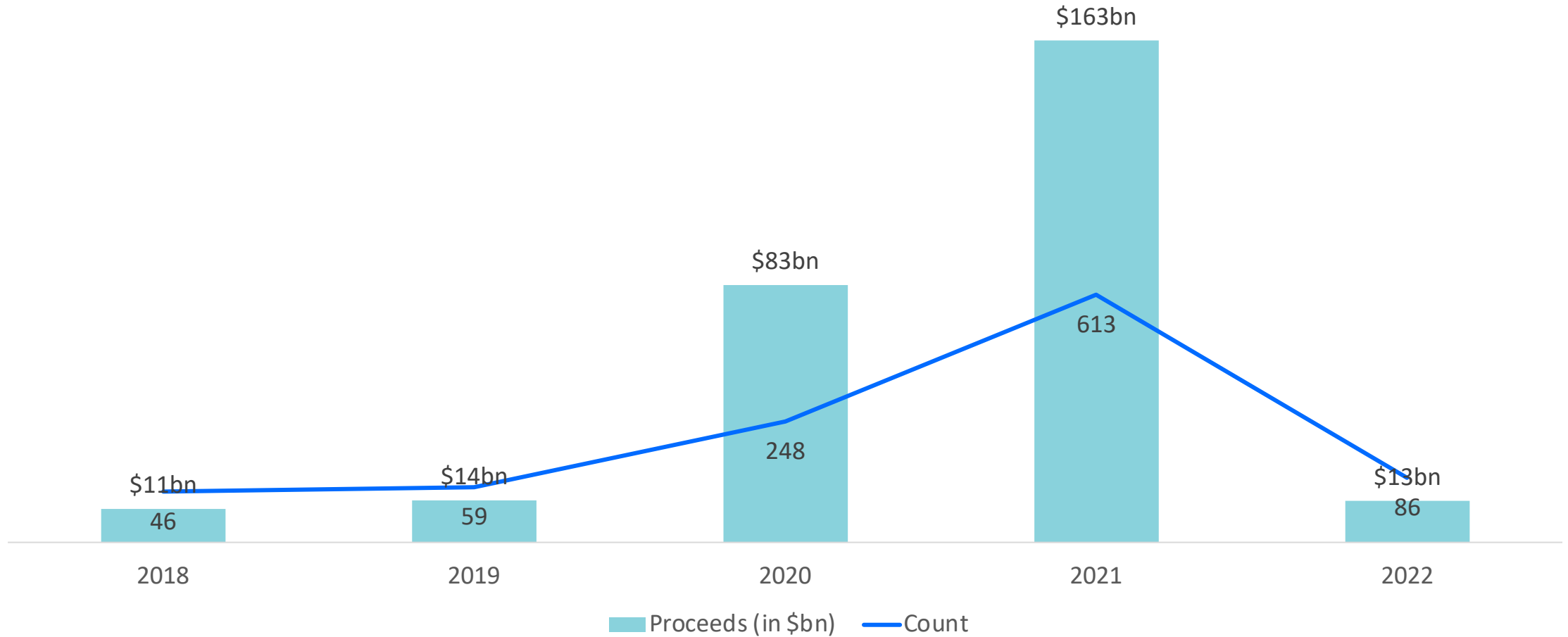
# Both in Europe and in the US, the IPO Window Closed in 2022 after a Record Year in 2021

Yearly Amount Raised via Tech IPO in the US and in Europe



# The SPAC Bubble Busted. Only 86 New SPACs Were Raised in the US in 2022. Many SPACs are being Liquidated (140 on SPACs Raised in 2020 & 2021).

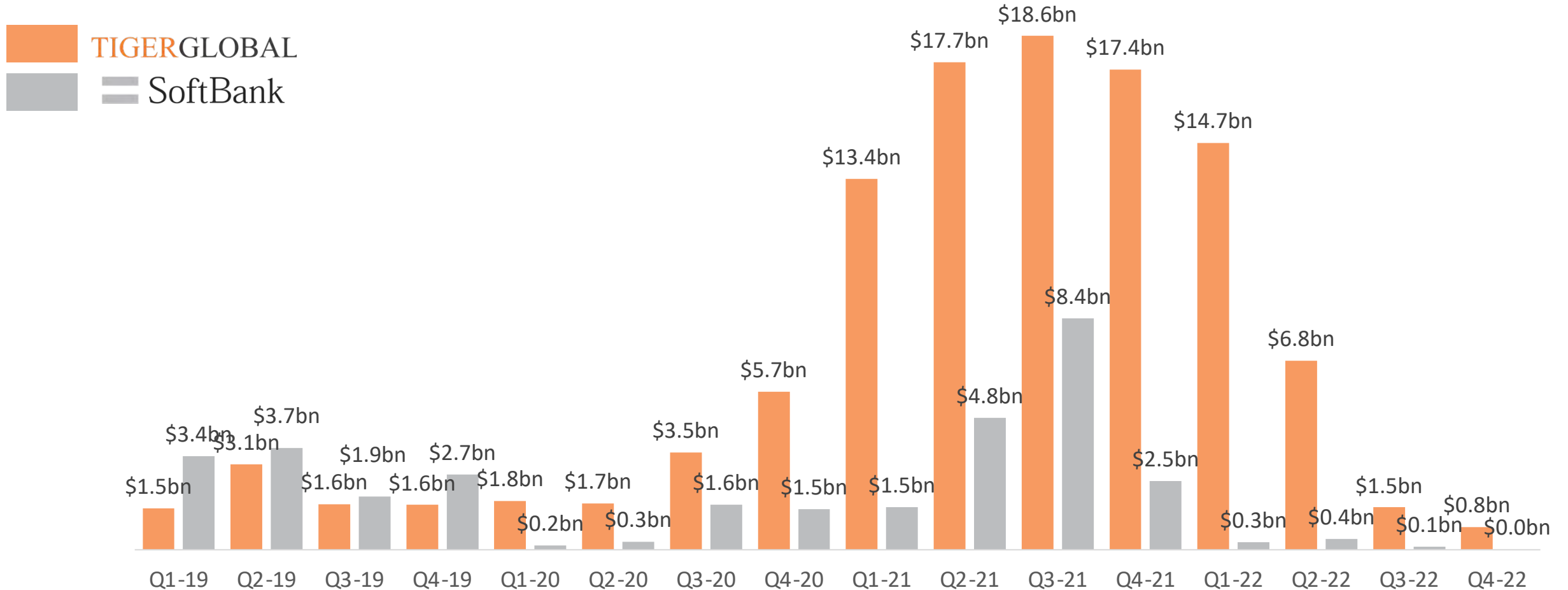
*Number and Amount Raised by New SPACs between 2018 and 2022 in the US*



Source: Spacanalytics

# Growth Capital is Becoming Scarce. Cross-Over Funds (Coatue, Tiger) and Unconventional Investors (Softbank) who Funded the Global Growth Scene are Gone

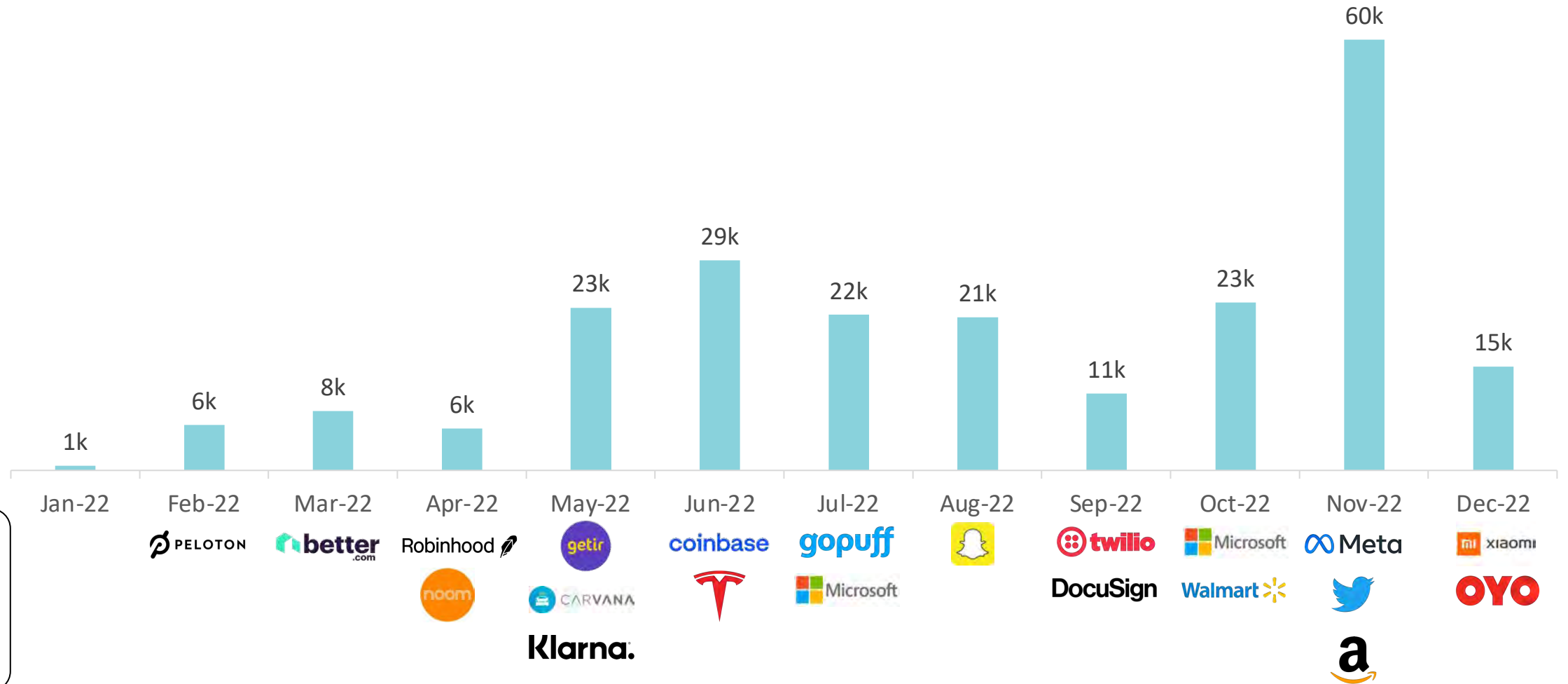
*Softbank and Tiger Quarterly Global Capital Deployment Since 2019*



Source: Crunchbase, Capital deployment approximated by the Amount Raised in Rounds in which they were involved

# In 2022, 220k+ People Working in Tech Companies Were Laid Off

*Global Tech Layoffs in 2022*



Examples

# In Europe, Flagships Tech Companies like Hopin, Pleo, Voi, Improbable, Checkout, Zego or Solaris Bank Fired Employees in H2-22

Companies	Date	# of FTEs Laid-Off	% of FTEs Laid Off	Total Raised	Geography
Improbable	16-Dec	n.a.	10%	€864m	UK
Primer	09-Dec	85	33%	€74m	UK
Voi	07-Dec	130	10%	€466m	Sweden
Infarm	28-Nov	500	50%	€473m	Germany
Hopin	16-Nov	n.a.	17%	€1,000m	UK
Pleo	03-Nov	150	15%	€426m	Denmark
Kry	31-Oct	300	10%	€721m	Sweden
Solaris Bank	29-Sep	n.a.	10%	€424m	Germany
Moss	23-Sep	70	15%	€135m	Germany
TrueLayer	16-Sep	40	10%	€271m	UK
Acast	15-Sep	70	15%	€95m	Sweden
Pitch	14-Sep	59	30%	€136m	Germany
Checkout	13-Sep	100	5%	€1,800m	UK
Tier	23-Aug	180	16%	€585m	Germany
Blockchain.com	21-Jul	150	25%	€490m	UK
Zego	14-Jul	85	17%	€202m	UK
Bryter	13-Jul	100	30%	€89m	Germany
Hopin	11-Jul	242	29%	€1,000m	UK

Source: Crunchbase

Powered by



# Funding Rounds are Also Being Impacted with Extreme Cases Like Bankruptcies, Self-Repricing or Downrounds

## Bankruptcies

### Fast

Bankruptcy after raising a \$100m series B in Jan. 21 with Addition, Stripe, Index and Susa



Bankruptcy after raising a \$85m series B in Aug. 21 at a \$275m valuation



Bankruptcy after raising a \$400m series C in Jan. 22 at a \$32bn valuation

## Self-Repricing



Instacart repriced its valuation 3 times from \$40bn to \$13bn in Oct. 22 (68% cut)



Stripe repriced its valuation 2 times from \$95bn to \$63bn in Jan. 23 (40% cut)



Checkout repriced its valuation from \$40bn to \$11bn in Dec. 22 (73% cut)

## Downrounds

### Klarna.

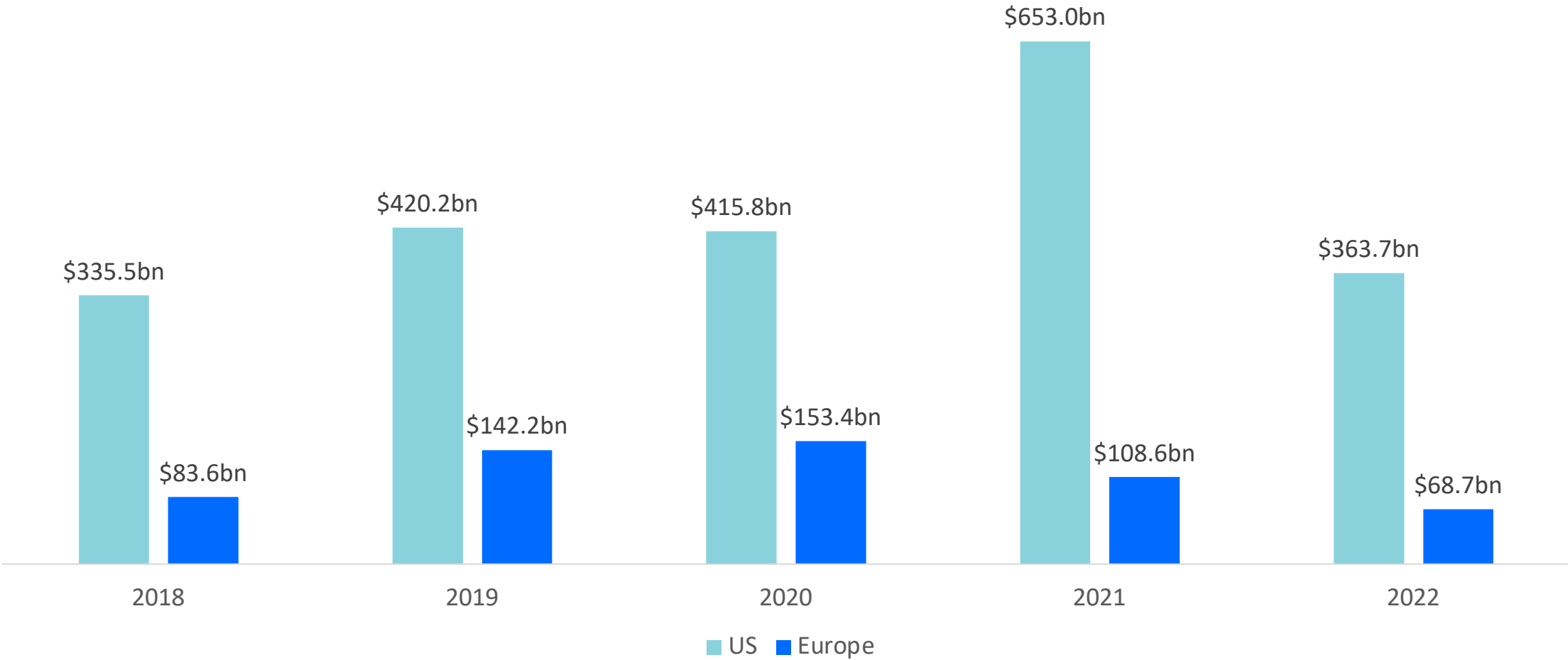
Klarna raised a \$800m downround at a \$6.7bn valuation in Jul. 22 (85% cut)



Snyk raised a \$196m downround at a \$7.4bn valuation in Dec. 22 (12% cut)

# The M&A Market Remains Active with \$430bn in Tech Deal Volume in 2022 Across Europe and the US Despite a 43% Decrease YoY

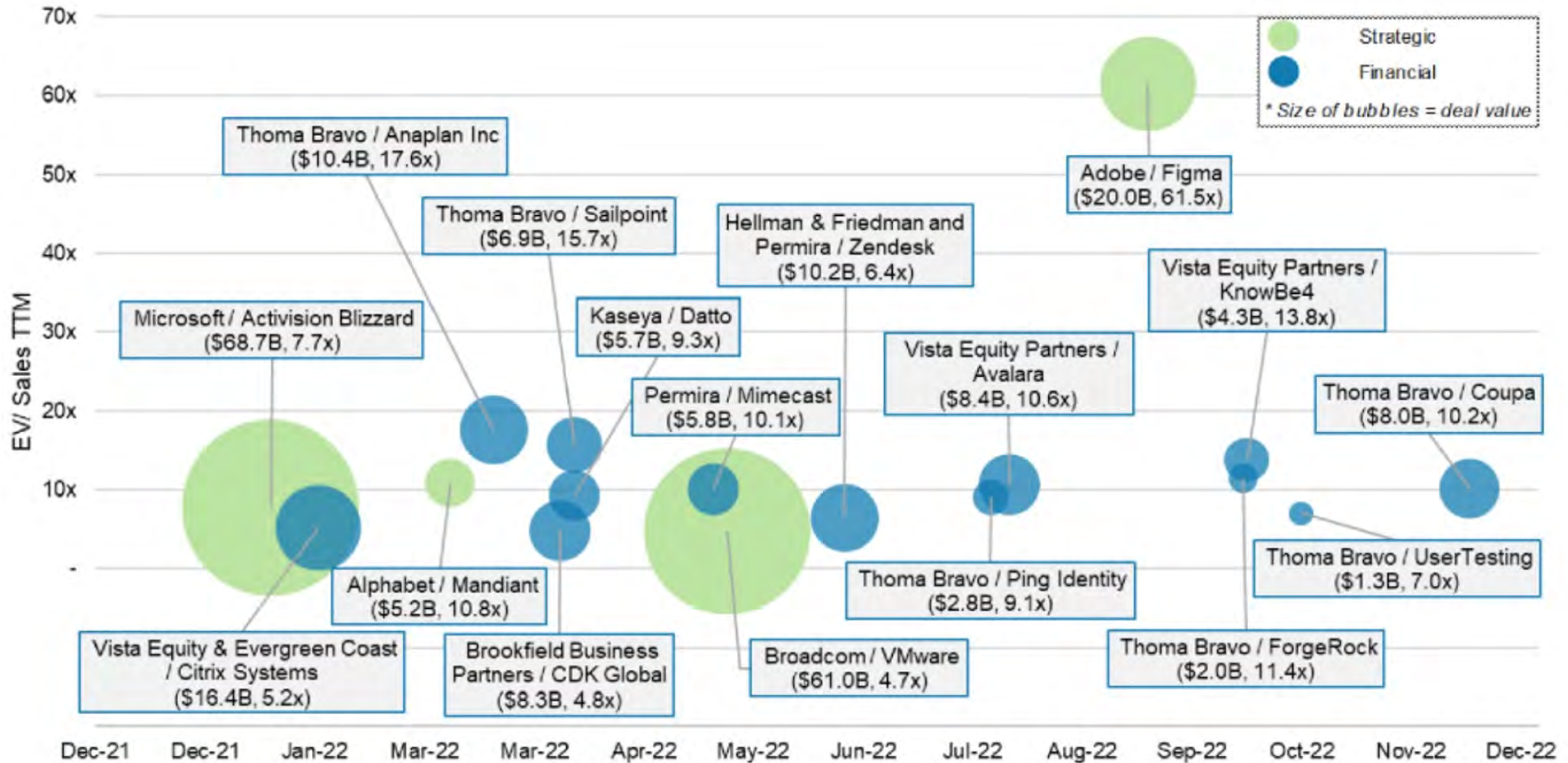
*Yearly Evolution of the M&A Transaction Value*



Source: JP Morgan



# 2022 Has Been a Record Year for Public to Private PE Backed Deals with 11 Transactions Done. Corporates are also Willing to Make Strategic Deals at High Prices



Source: Morgan Stanley, [Jamin Ball](#)



# Figma's Acquisition by Adobe and Coupa's Acquisition by Thoma Bravo Illustrate the Two Main Deal Categories in the Tech M&A Market

## Adobe's \$20bn acquisition of Figma



## Thoma Bravo's \$8bn acquisition of Coupa



What does the target?

Figma is a UX/UI product design platform launched in 2012. It was a private company aiming to generate \$400m in ARR at the end of 2022.

Coupa is a business spending management platform launched in 2006. It was a public company generating \$818m in LTM revenues.

What is the deal price?

Adobe acquired Figma for **\$20bn** which is a **50x EV/ARR multiple**

Thoma Bravo acquired Coupa for **\$8bn** which is a **8.4x EV/NTM revenue multiple**

What is the deal rationale?

By acquiring Figma, **Adobe removes an existential threat to preserve its monopoly** on the design tool market. It's a strategic acquisition that is extremely expensive but that ensures Adobe's long-term viability.

Tech private equity funds led by Thoma Bravo are on a **shopping spree** to acquire public tech companies which are **trading at historically low multiples** and **which have become capital inefficient in recent years**

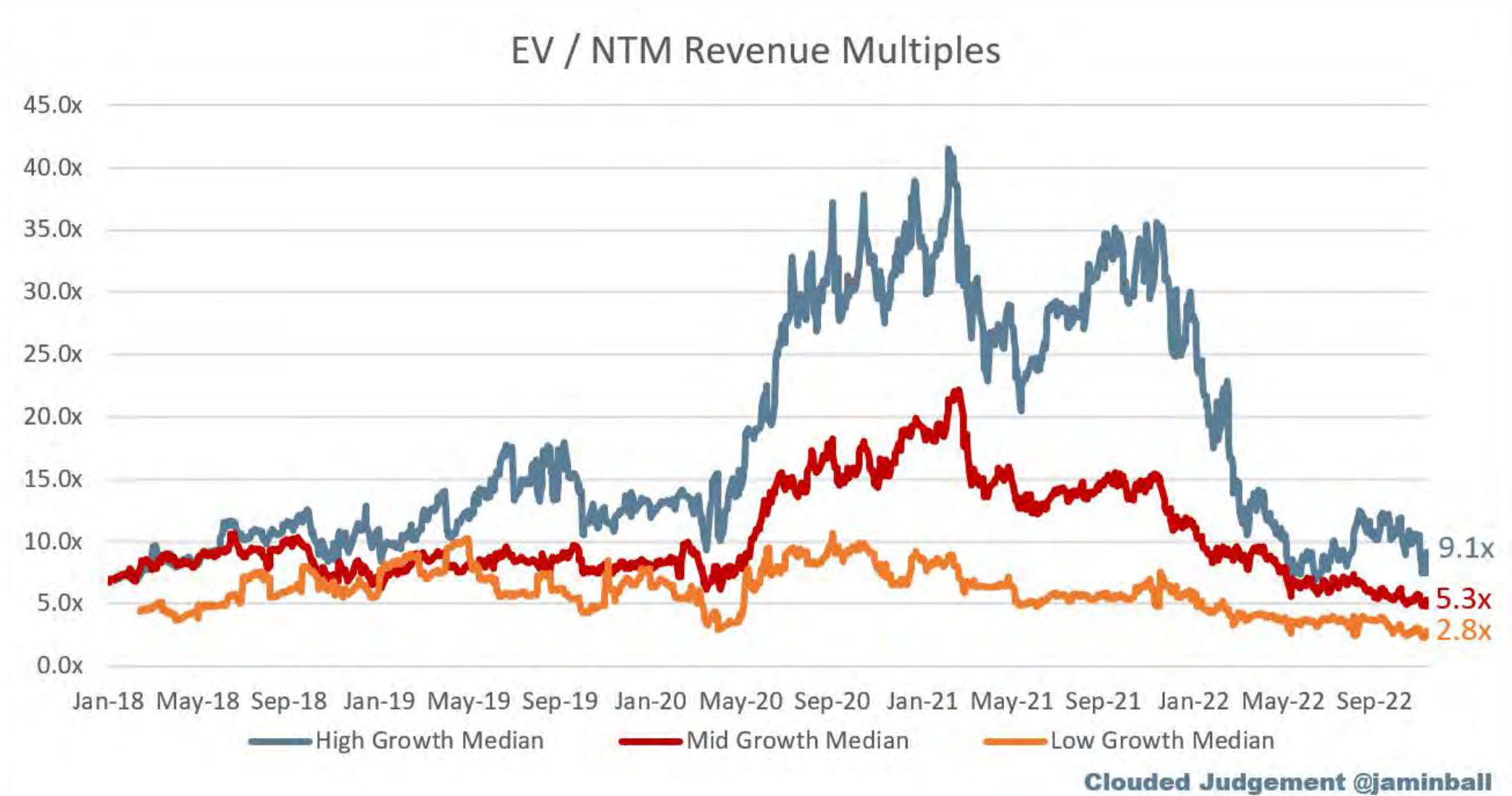
What does the acquisition say about the market?

Tech giants will use the cash on their balance sheet to acquire companies to **consolidate their existing market or to open new markets**

Private equity funds will acquire tech companies **at attractive prices** and whose **operations can be dramatically improved** with cost cutting

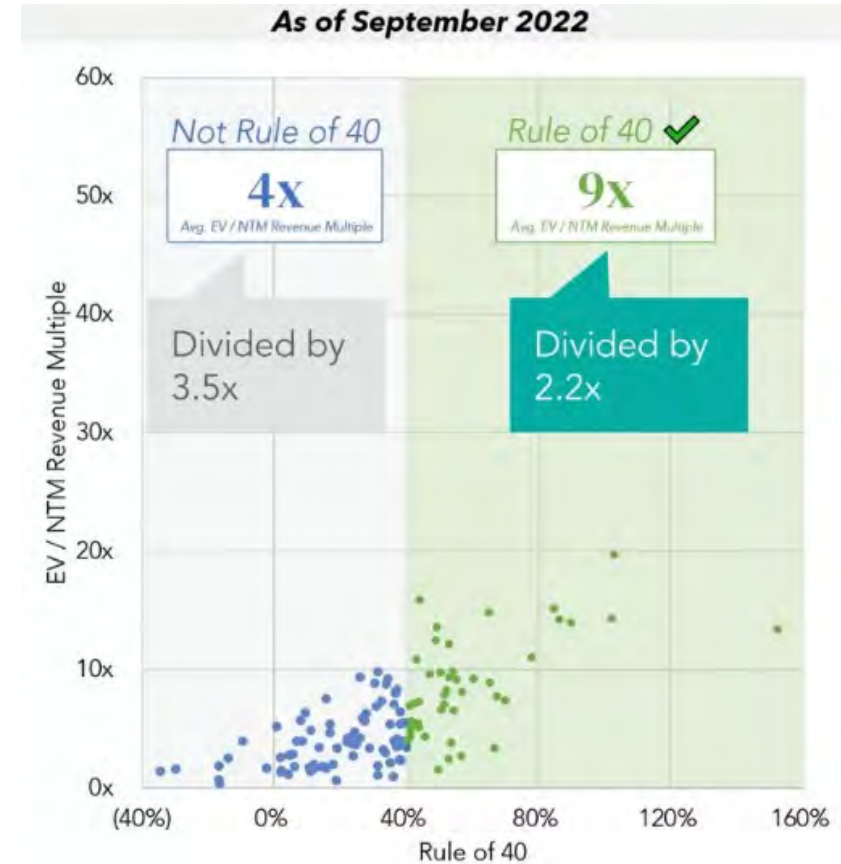
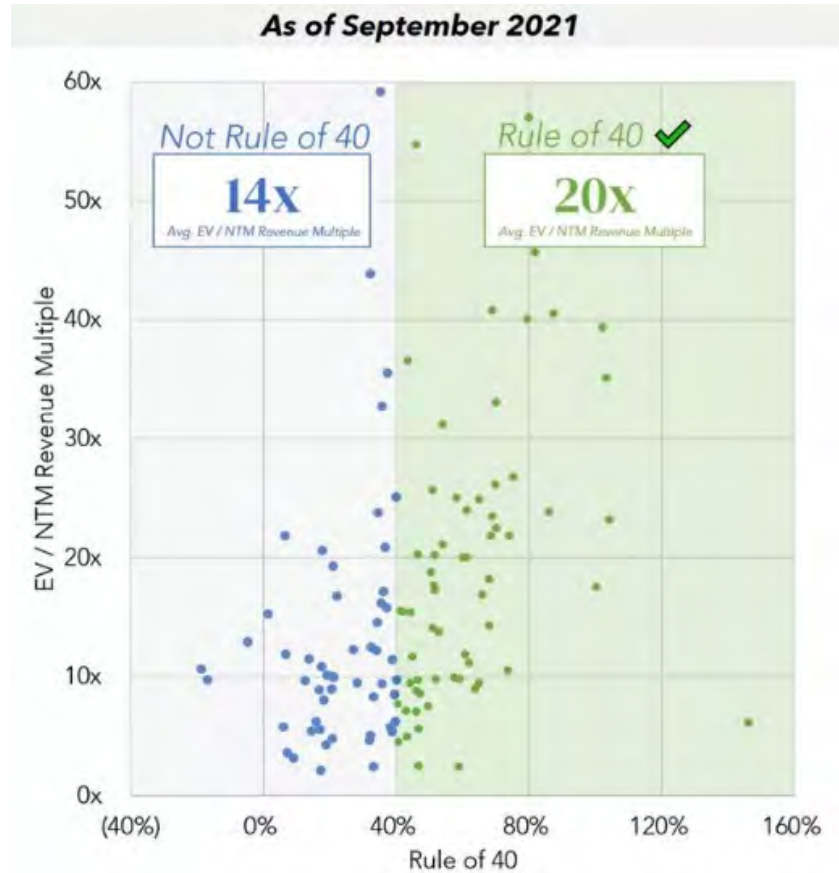
Source: Press, Company Information

# The Market is Separating the Wheat From the Chaff: There is Still a Multiple Premium for Fast Growing SaaS Companies



Source: Clouded Judgement

# The Market is Separating the Wheat From the Chaff: Contraction is Less Severe for SaaS Companies Respecting the Rule of 40



## Section 03. Market Update

### Part B. French View



*Source: Midjourney. Prompt: "Painting in Andy Warhol style showing the stock exchange market in wall street during a market crash."*

# In France, Only 4 Layoffs Were Reported in 2022 Amongst French Private Scaleups...

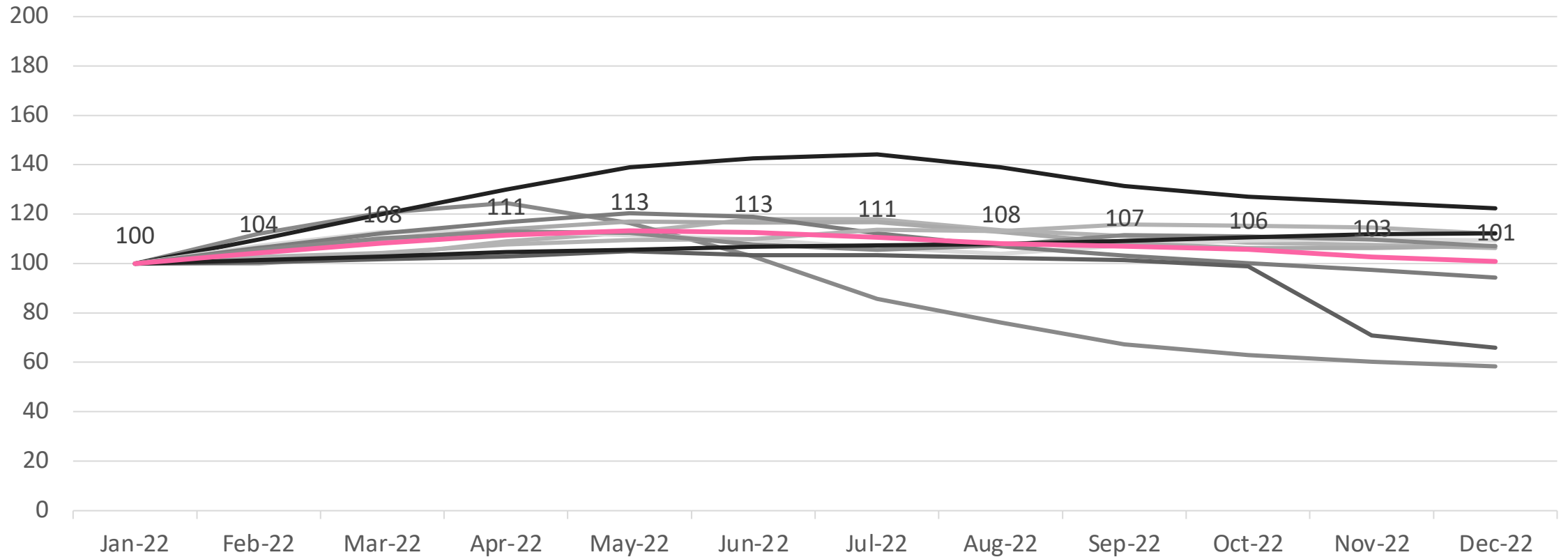


Company Overview	<ul style="list-style-type: none"> <li>Jellysmack supports content creators in growing their audience and revenue streams on different social networks</li> <li>It was founded in 2016. It raised a several hundred million round with Softbank in May 2021 at a unicorn valuation</li> </ul>	<ul style="list-style-type: none"> <li>Luko is a B2C home insuretech</li> <li>It was founded in 2016. It raised €68m in total including a €50m series B led by EQT in Dec. 20</li> </ul>	<ul style="list-style-type: none"> <li>Meero was a marketplace for photographers and businesses. It has now pivoted to become a SaaS to help businesses improves their images using AI</li> <li>It was founded in 2016. It raised \$296m in total including a \$230m round led by Eurazeo in Jun. 2019</li> </ul>	<ul style="list-style-type: none"> <li>Sunday is QR-code based order and checkout solution for restaurants</li> <li>It was founded in 2021. It raised \$124m including a \$100m series A led by Coatue in Sep. 21</li> </ul>
Layoffs Reported	<ul style="list-style-type: none"> <li>Jun. 22: Business Insider reported that it fired 8% of its employees</li> </ul>	<ul style="list-style-type: none"> <li>Nov. 22: Luko's CEO reported that the company laid off 5% of its employees</li> </ul>	<ul style="list-style-type: none"> <li>Dec. 22: Les Echos reported that the company is laying off 70 FTEs in France. The founder and CEO became chairman and the COO stepped up to become CEO.</li> </ul>	<ul style="list-style-type: none"> <li>Jul. 22: Restaurant Dive reported layoffs and refocus on 3 core markets (US, UK, France)</li> </ul>
What Happened?	<ul style="list-style-type: none"> <li>Preventive layoffs ahead of a potential downturn that could affect the advertising market</li> <li>Over-expanded geographically (closing operations in Italy, Germany and Netherlands)</li> </ul>	<ul style="list-style-type: none"> <li>Public U.S. consumer insuretech stocks have plummeted in the past 12 months (Root, Lemonade)</li> <li>Over-expanded geographically and in product diversification</li> </ul>	<ul style="list-style-type: none"> <li>Meero decided to shut down its initial marketplace core-businesss that never recovered from covid to refocus on higher margin SaaS products</li> </ul>	<ul style="list-style-type: none"> <li>Poor unit economics: losing money at a gross-margin level on every transaction</li> <li>Increasing competition from other restaurant tech companies (e.g. Toast)</li> <li>Over-expanded geographically</li> <li>Bottlenecks to integrate restaurants POS</li> </ul>

Source: [Jellysmack](#), [Luko](#), [Sunday](#), [Meero](#)

# ... But in Reality Many More French Startups Have Started to Layoff Employees

*Indexing and Anonymizing the Evolution of the Employee Base of 11 French Startups Valued Above €250m Since the Beginning of the Year*



*On average for 100 employees in Jan. 2022, these 10 startups grew to 113 employees in May. 22 before reducing their employee base to 101 employees in Dec. 22*

— Index

# The French Ecosystem also Witnessed Bankruptcies...



## Company Overview

- Sigfox wanted to build a global communications network based on IoT.
- It was started in 2010. It raised \$312m in total including a €150m series E with Salesforce, Total, Alto Invest, Swen and Tamer Group

- My Jolie Candle is a D2C brand selling scented candles with jewelry inside
- It was started in 2014. It raised €7m in Nov. 2018 from Entrepreneur Venture and Vasgos

- Agricool is an urban farming solution to grow strawberries and salads in recycled containers
- It was started in Oct. 2015. It raised €35m in total including a €25m series B in Dec. 2018 led by BPI Large Ventures

## Bankruptcy Reported

- In Jan. 22, Sigfox filed for bankruptcy and was acquired by UnaBiz for €3.6m

- In Jun. 22, My Jolie Candle filed for bankruptcy and was sold to Group Emosia

- In Jan. 22, Agricool declared bankruptcy and was bought for €50k by Vif Systems

## What Happened?

- Did not find a clear path to profitability
- Increased competition from telco operators and from alternative networks (e.g. LoRa)
- Slower than expected IoT adoption cycle (Sigfox was targeting 1bn connected objects by 2023 and had only 20m in 2022)

- Highly competitive category with no real barriers to entry
- Increasing online customer acquisition costs on Meta/Google combined with increasing raw materials costs

- To date, no viable business model for indoor farming because production costs remain too high
- Strategic mistake to focus on showing profitability on a unique farm vs. growing the topline of the business in an exuberant venture market



# ... With Made.com Being the Most Impressive Bankruptcy From an IPO at a £775m Market Cap. In Jun. 21 to Filing for Insolvency 16 Months Later

## Made's Main Metrics

in £m	H1-21	H2-21	H1-22
Gross Sales	213.9	220.1	173.6
% YoY growth			-19%
Revenues	171.0	200.9	178.2
Gross Margin	83.3	88.9	71.5
% of revenues	49%	40%	40%
EBITDA	1.1	-15.4	-31.5
% of revenues	1%	-4%	-18%
Cash	175.3	107.2	32.1

## What is Made.com?

- Made is an **online furniture retailer**. It was founded in 2009 by Ning Li and Brent Hoberman. In total, it raised \$125m from investors like Jaina Capital, PROfounders, Headline, Eight Roads and Partech. In 2021, it generated £430m in sales.
- It **went public in Jun. 21 at a £775m valuation raising £100m**. In the past 18 months, Made faced several issues: (i) longer shipping and manufacturing times with the global supply chain disruption that Made tried to compensate by over-buying inventories, (ii) demand for high-end e-commerce disappearing post-covid and with high inflation rates, (iii) several departures in the top management.
- In Sep. 22, **Made tried to sell the company because it was running out of cash**. It did not find any buyer. In Nov. 22, **it filed for insolvency**. It stopped taking new orders and 800 employees may lose their job.

## What are the Learnings from Made.com's failure?

- We're still in the process of building trust from European public institutional investors that are suspicious of tech stocks. The European tech ecosystem should be more **cautious of bringing to the public market companies with weak fundamentals**. Bringing companies like Made to the public market too early compared to their maturity and/or fundamentals is not helping the ecosystem.
- Compared to consumer marketplaces, **D2C models are hard models to crack** because they have no network effects and they rarely develop strong moats to become defensible in the long-term
- **The tide can turn extremely quickly**. In 15 months, Made went from decent unit economics, good customer satisfaction and £175m in cash to being at the verge of bankruptcy.

Source: [Ning Li](#), [Brent Hoberman](#), [FT](#)

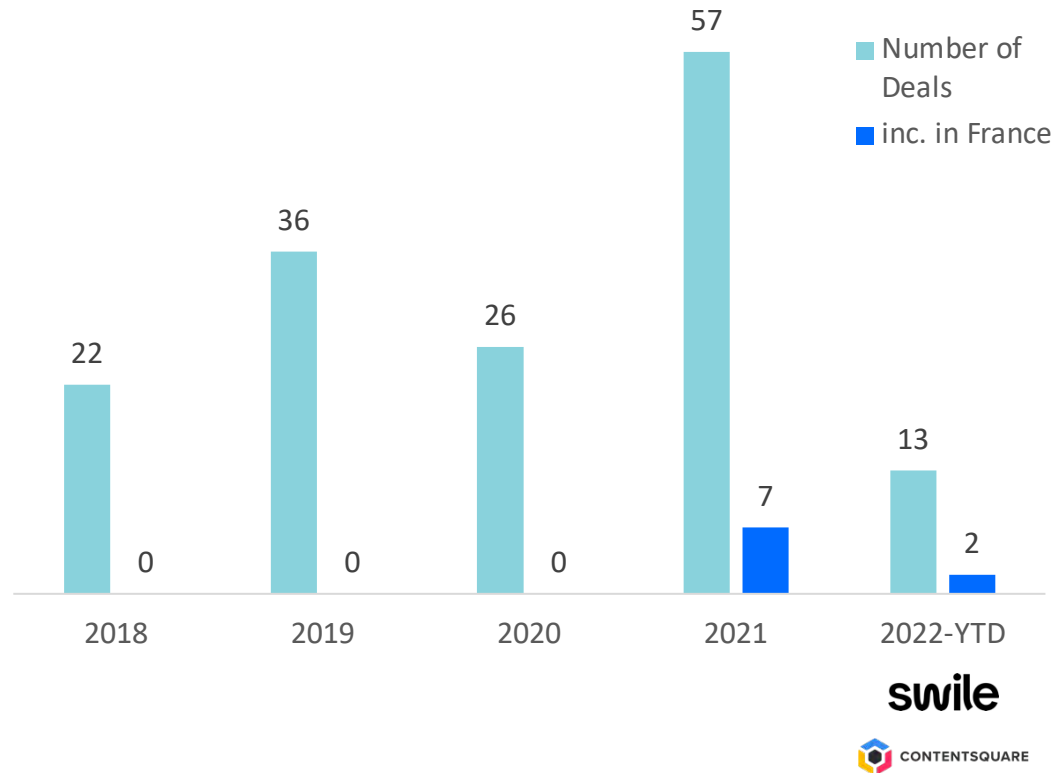
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# Softbank is Gone – Softbank Made no New Investments in France in 2022

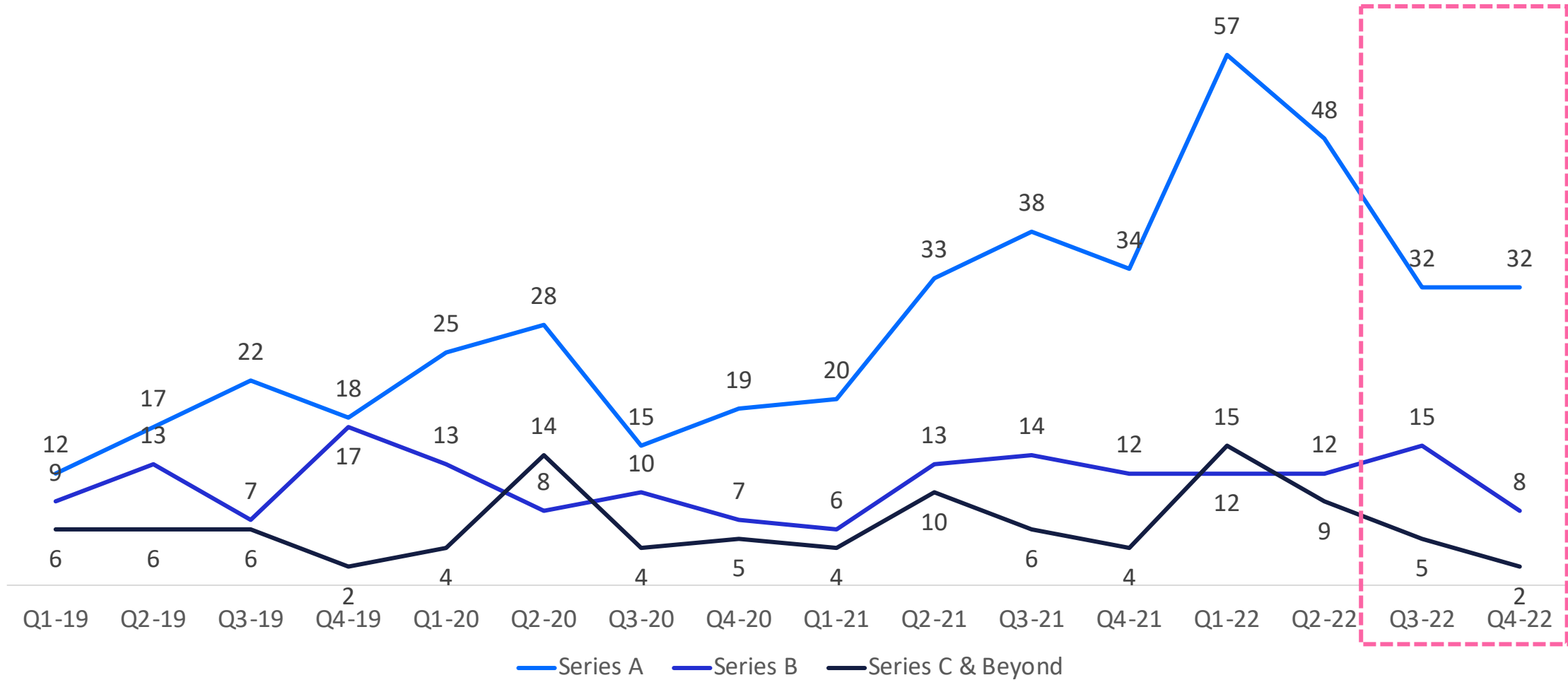
*Evolution of Softbank's Number of Investments Since 2018 in the World  
and in France*



- In H1-2022, **Softbank's Vision Funds assets lost \$40bn in value**. As a reminder, Softbank has raised \$156bn for Vision Fund I (\$100bn) and Vision Fund II (\$56bn). Softbank is impacted by the tech public market meltdown that has been particularly harsh on consumer stocks (cf. DoorDash, Coupang, Uber, WeWork, Didi, Grab).
- As a result, **Softbank has drastically reduced its investment velocity**. It invested only \$3bn in H1-22 compared to \$22.3bn in H2-21. It laid off 30% of its workforce (150 employees).
- In 2021, Softbank was a major growth capital provider in the ecosystem with 7 new investments (Sorare, Jellysmack, Vestiaire Collective, Swile, 360 Learning, Contentsquare, The Sandbox).
- In 2022, **the dynamic has completely shifted**:
  - Michel Combes who was leading Softbank's investment efforts in France left the organisation in Jun. 2022.
  - Softbank made no new investment. It only reinvested into 2 portfolio companies (Swile and Contentsquare).

# Funding is Slowing Down Especially at Series A and Beyond

*Quarterly Evolution of the Number of Rounds per Stage at Series A and Beyond*



Source: Round labelling based Dealroom. Not 100% consistent with my personal database

## Section 04. Funds Investing in France

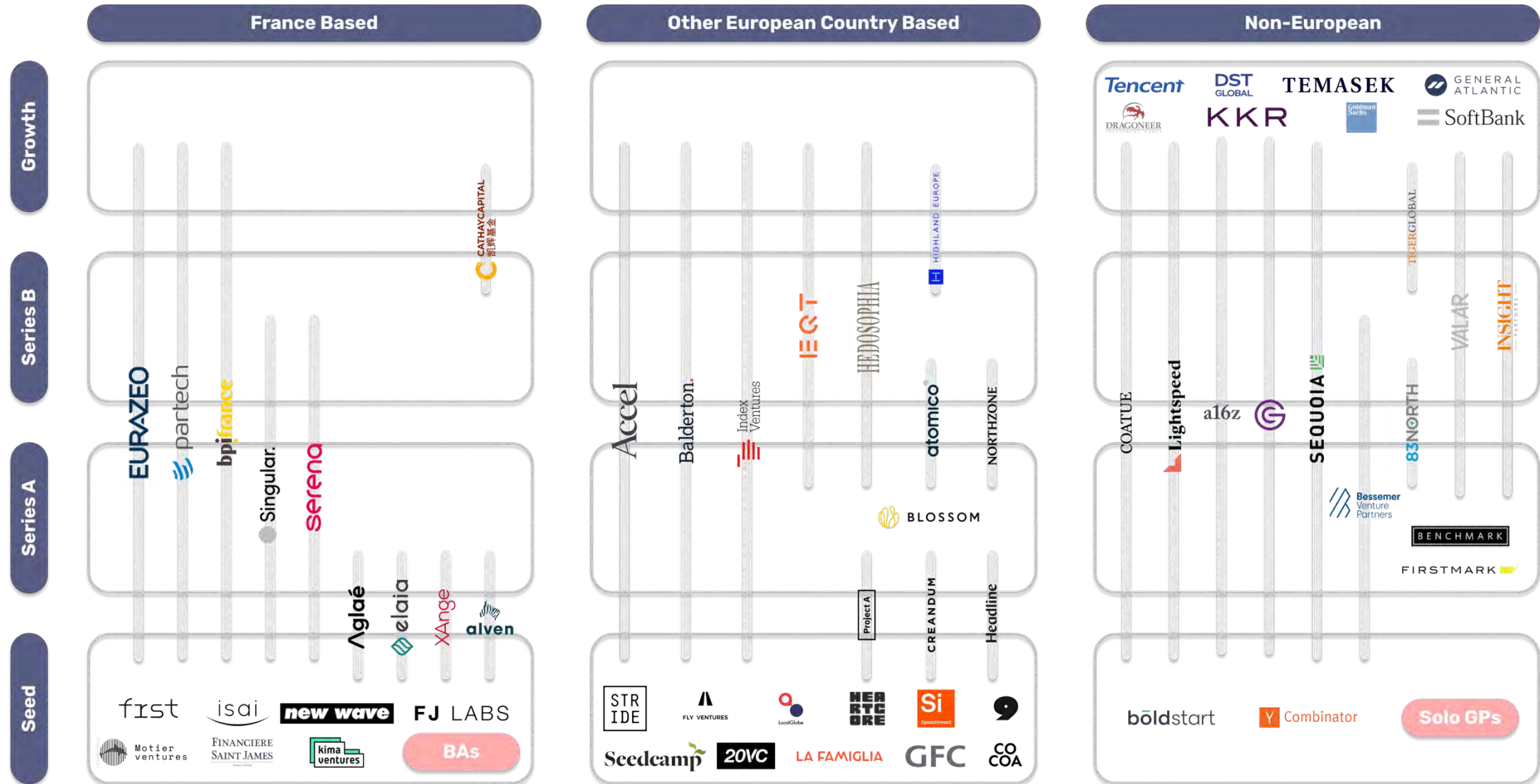


*Source: Midjourney. Prompt: "Gladiators fighting in the Colosseum in Delacroix's style."*

# Key Messages

- France has a **vibrant ecosystem of local early stage funds** with 10-15 funds (Eurazeo, Partech, Alven, Singular, Serena, Elaia, Isai, Daphni, Breega, Resonance (ex. Otium), Aglaé, Frst, 360 Capital, Ventech) doing more than 5 deals per year.
- At seed stage, **local funds are competing with other European seed funds** (Seedcamp, Speedinvest, Localglobe, Stride, Headline, P9, GFC, Fly) which on average do 2-10 French deals per year. These funds often have a French speaker in their team who is spending a lot of time in Paris or who could even be based in Paris.
- **Seed has become the most competitive stage to invest in France** for several reasons: (i) **macro-context pushing multi-stage funds to invest at seed stage** (prices are lower, no-overpricing on previous rounds and there are very few companies raising at other stages), (ii) **the French-tech ecosystem flywheel is spinning with many new companies launched by experienced founders or operators attracting strong interest from investors** and (iii) **several European seed funds are now fully equipped and comfortable to invest in France competing with an already rich local seed scene.**
- At series A, local funds are competing with all the **top pan-European funds** (Accel, Index, Balderton, Creandum, Northzone). Same as for seed funds, these funds often have French speakers in their team spending a lot of time in Paris. **Top international funds are also increasingly willing to invest in France even as early as series A** (DST, Sequoia, a16z, Valar, Insight).
- At growth stage, it's a **more complex picture. Crossover** (e.g. Tiger) **and exotic** (e.g. Softbank) **investors** who fuelled money in the ecosystem in 2021 **are gone**. When we saw growth rounds in 2022, it was mostly internal rounds or rounds done in Q4-2021. Going forward, my belief is that we're going to see growth rounds happen when private companies will have caught up with their valuation or when they will have no other option to survive than raising even at a harsh valuation. The growth funds willing to lead these rounds will be more professional growth investors from Europe (Eurazeo, Balderton, EQT) or from the US (General Atlantic, IVP, Insight).
- BPI is still omnipresent in **supporting the French tech ecosystem directly** (direct investment and non dilutive funding) **or indirectly** (as LPs in French funds or in funds investing in France). In 2022, it was involved in 107 transactions (16% of total) accounting for €2.8bn of the amount raised (24% of total) by French startups. It has **two direct investment flagship funds in tech**: BPI Digital Ventures (seed to series B) and BPI Large Ventures (growth). It made **8 new investments with Digital Ventures** (Alice & Bob, Bump, Dfns, Konect, Flowdesk, K-Ryrole, Siteflow and Traktor) and **4 with Large Ventures** (Aqemia, Cartan Trade, Exotec, Homa).

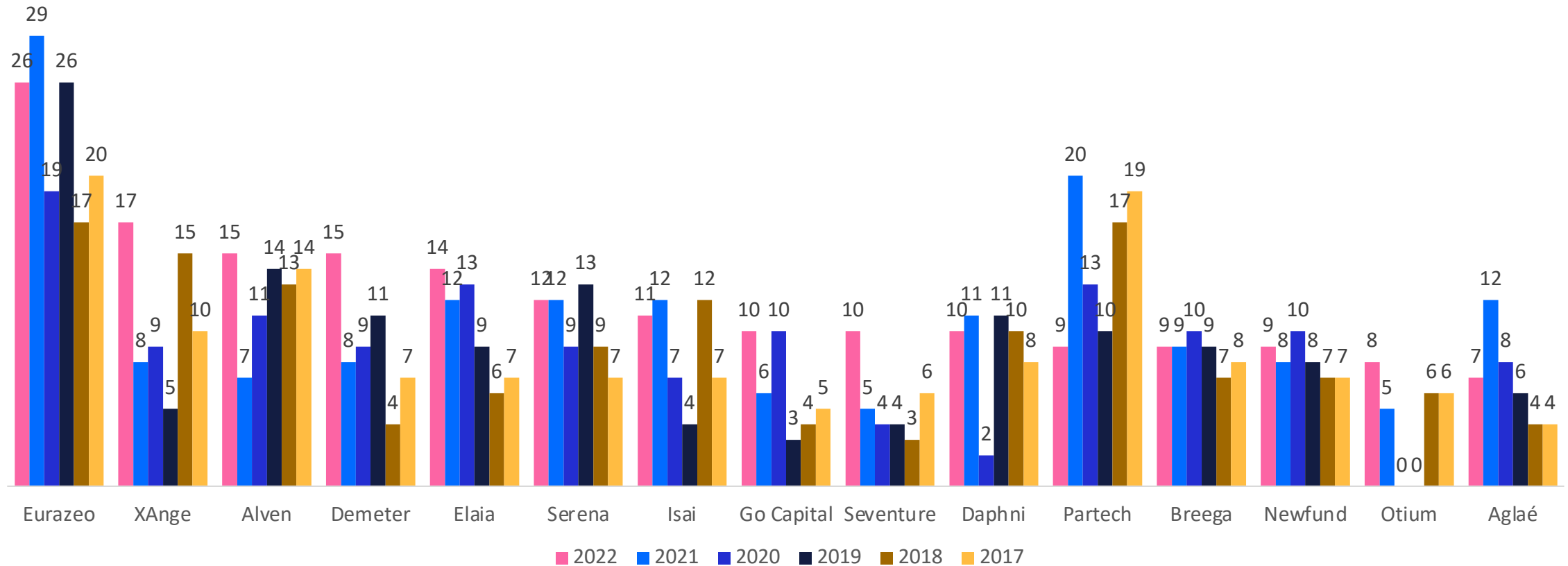
# There is High Competition to Invest in French Startups



Source: Internal Analysis

# Eurazeo is the Most Active Local Fund Involved in 26 Transactions in 2022

*Number of Deals Done per Year per French Funds in France Between 2017 and 2022*



Source: Personal database aggregating data from Crunchbase, Dealroom & eCap.

# Eurazeo is a Leading Pan-European Venture Fund Backing Entrepreneurs from Pre-Seed to Pre-IPO. In 2022, it Made 13 New Investments Including 8 in France.

## New Investments in 2022

Growth



Early Stage



## Exits<sup>(1)</sup>



## New Rounds Raised by our Portfolio Companies<sup>(1)</sup>



Source: (1) Venture and Growth Combined

# In Conversation with Yann and Nicolas – Their Thoughts on the French Tech Ecosystem



## In Conversation with Yann (Partner in the Growth Team)

### What have been Eurazeo Growth's key achievements in 2022?

- During the 1st semester, **we spent a lot of time with our entrepreneurs to help them adapt to the new market environment** (strengthen their balance sheet, reduce their burn-rate, implement levers to improve efficiency, etc.).
- We expanded our team. We have notably started building a **strong portfolio support team** (go to market, scalability, talent, business development, etc.), which is still too rare in Europe.
- Despite challenging market conditions, **we continued to invest in the European ecosystem** with 5 new investments including 3 in France (Ankorstore, Qonto and Descartes Underwriting).

### What are your perspectives for the next 24 months?

- We're enthusiastic about the upcoming years. Eurazeo Growth has backed **businesses that will overcome a downmarket** as they have strong fundamentals, are well capitalised and have adapted quickly to the new market reality.
- We believe that we're **entering a healthier market environment**: tech remains an attractive sector, a new generation of experienced entrepreneurs is rising, exotic & cross-over investors which distorted market prices are gone, capital efficiency and long term sustainability are rewarded.

### What is missing to bring the French ecosystem to the next level?

- We still need to build **an enduring growth investing scene in France** and more broadly in Europe. We cannot depend on unconventional investors only investing during bull-market phases. It implies more pan-European growth funds like Eurazeo and U.S. investors establishing a long-term presence in Europe



## In Conversation with Nicolas (MD in the Venture Team)

### How was the European market in 2022?

- 2022 was in two parts. In Q1, **large funding rounds at high multiples were still happening riding the 2021 momentum**. In Q2, **the market started to cool down**. Entrepreneurs delayed their funding roadshow as much as possible because they knew they would receive either no offer or an offer with a valuation they did not want to accept.

### What have been the 3 key highlights in the French tech ecosystem in 2022?

- A **general shift** from growth at all cost and transactions at high revenues multiples to sustainable growth and disrupted funding rounds (e.g. extensions, down rounds)
- A large number of **French startups doing layoffs** to adapt to the new market reality which is something new for the ecosystem.
- **Experienced operators leaving scaleups to launch their own businesses.**

### What have been Eurazeo Venture's key achievements in 2022?

- A venture team is like a startup team. You need talents to keep up with the market. We saw our juniors stepping-up and taking more responsibilities. The more years we spend together, the better we know each to improve a team.
- We announced **8 new investments** including 5 in France (Aqemia, Fintecture, Flowdesk, Ondorse and Specify). We made our **4<sup>th</sup> investment in the UK since opening our venture office in London 15 months ago** and we made our 1<sup>st</sup> investment in Eastern Europe with Kevin in Lithuania.

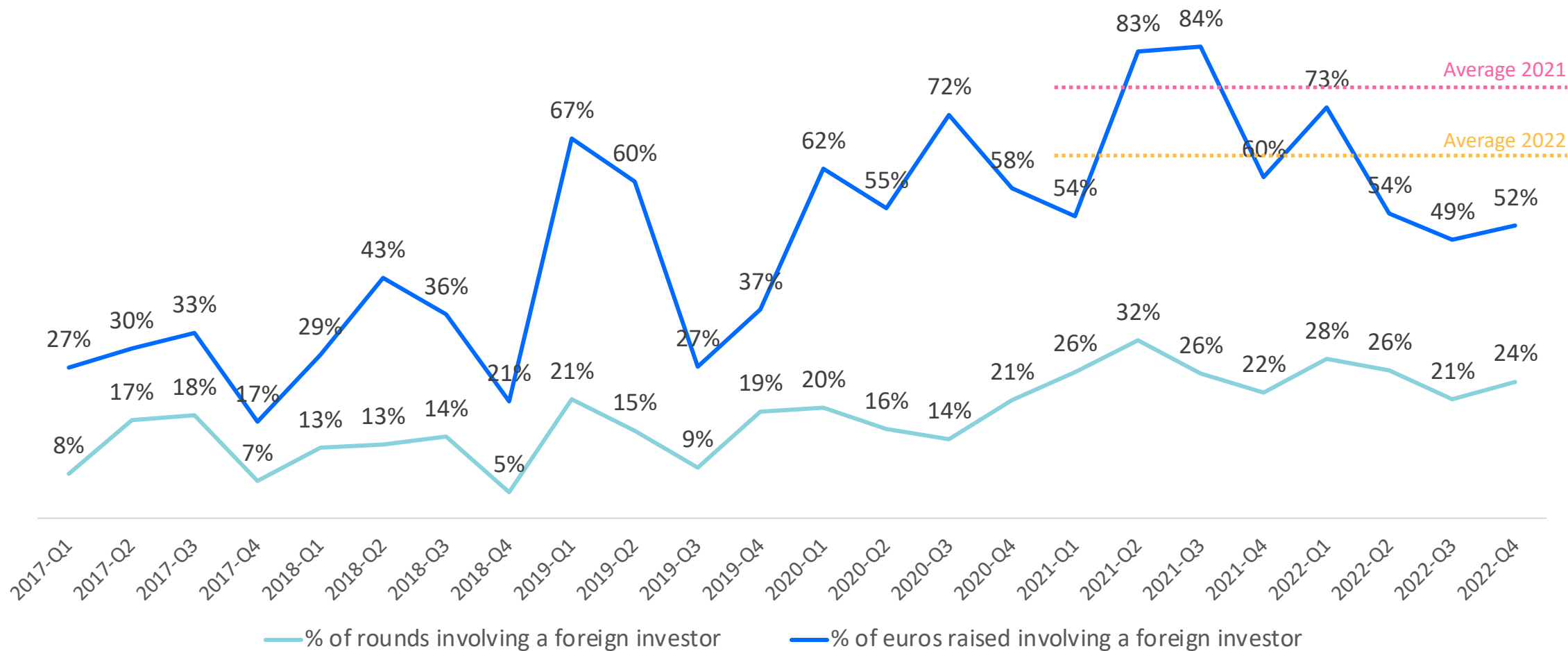
### Why are you long term optimistic on the French tech ecosystem?

- Because I believe **tech still has a lot to deliver to society** and we are lucky to have continuous new generations of **world-class** entrepreneurs, engineers and managers.



# In 2022, Foreign Investors Were Involved in Fewer Rounds and Accounted for a Smaller Percentage of the Amount Raised by French Startups Compared to 2021

*Quarterly Evolution of the Percentage of Rounds and Amount Raised Involving a Foreign Investor*



Source: Personal database aggregating data from Crunchbase, Dealroom & eCap

# Top UK Funds & GFC Continue to Invest Consistently in France Although at a Lower Pace Compared to 2021

Accel

Balderton.  
capital

GFC

Index  
Ventures

2017-2020

strapi folk.  
Shift Technology Doctolib  
Lydia stonly  
luko PayFit

aircall GitGuardian  
VIRTUO ANDJARO\*  
TOUCAN TOCO PLAY PLAY  
Vestiaire Collective træfik

Ankorstore Convelio  
Pennylane<sup>tech</sup> PRPRIOO  
iziwork<sup>™</sup> pixpay  
meero colonies

strapi spendesk  
Matera swile  
KAYRROS alan  
ankorstore Slite

2021

swan BeReal.  
sorare CONDUKTOR

KILI TECHNOLOGY numeral  
SWEEP

onepilot maki\* shares  
sunday ANGLE  
dalma. upway defacto

JUMP

2022

No new investment but follow-on rounds on several portfolio companies including BeReal, Payfit, Doctolib and Airbyte

PhotoRoom Request

flitter

ROOSER

Source: Personal database aggregating data from Crunchbase, Dealroom & eCap.

# Case Study – Index Ventures

## A New Office in NYC to Support European Entrepreneurs Coming to the US



In Conversation with Martin (Partner @Index)

### Why Index decided to open an office in New-York on top of your other offices in San Francisco and London?

- There are 3 main reasons: **win, bridge and team**. First, NY is a growing tech scene in which we want to invest more. We needed a local presence to **see and win more deals**. Second, a NY office provides a better **support to European and Israeli entrepreneurs expanding in the US**. Third, internally, NYC is perfectly located to help connect the London and SF teams and keep everyone in sync

### What do you implement to support European entrepreneurs expanding in the US?

- First, we **help with all the admin tasks** related to expansion in the US (opening a subsidiary, getting a visa, finding a school for the kids, etc.). Second, we have a team of experienced strategists who will **support entrepreneurs on first hires, on marketing and on attracting the 1<sup>st</sup> US customers**.

### Index has scaled a lot in recent years. How do you balance scale with financial performance and high founders' NPS?

- We don't scale for the sake of scaling. **We follow the needs of our entrepreneurs**. For instance, our growth fund enables us to support entrepreneurs as they scale. We define ourselves as **craftsmen at scale**. We have a unique and relatively small investment team investing across stages, geographies and sectors. We have a small team of strategists to deliver high touch support for entrepreneurs with handpicked experts.

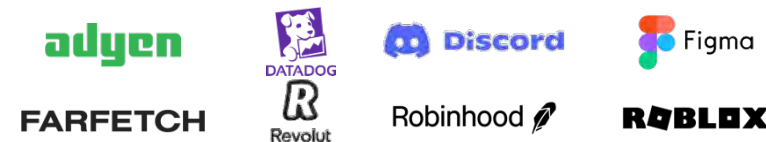
### What is still missing in France to bring the ecosystem to the next level?

- First, the ecosystem needs to **attract more international talent**. In that regard, France lags behind Germany and the UK. Second, the ecosystem **misses a \$10bn outlier that can have strong trickledown effects**.

### Fund Positioning

- HQ: London, SF, NYC
- Geo: Europe & the US
- Focus: Generalist
- Stage: Multi-stage
- Funds size: \$300m seed fund, \$900m early-stage fund, \$2bn growth fund
- Team: 41 investors and strategists

### Key Success Stories



### Historical Investments in France

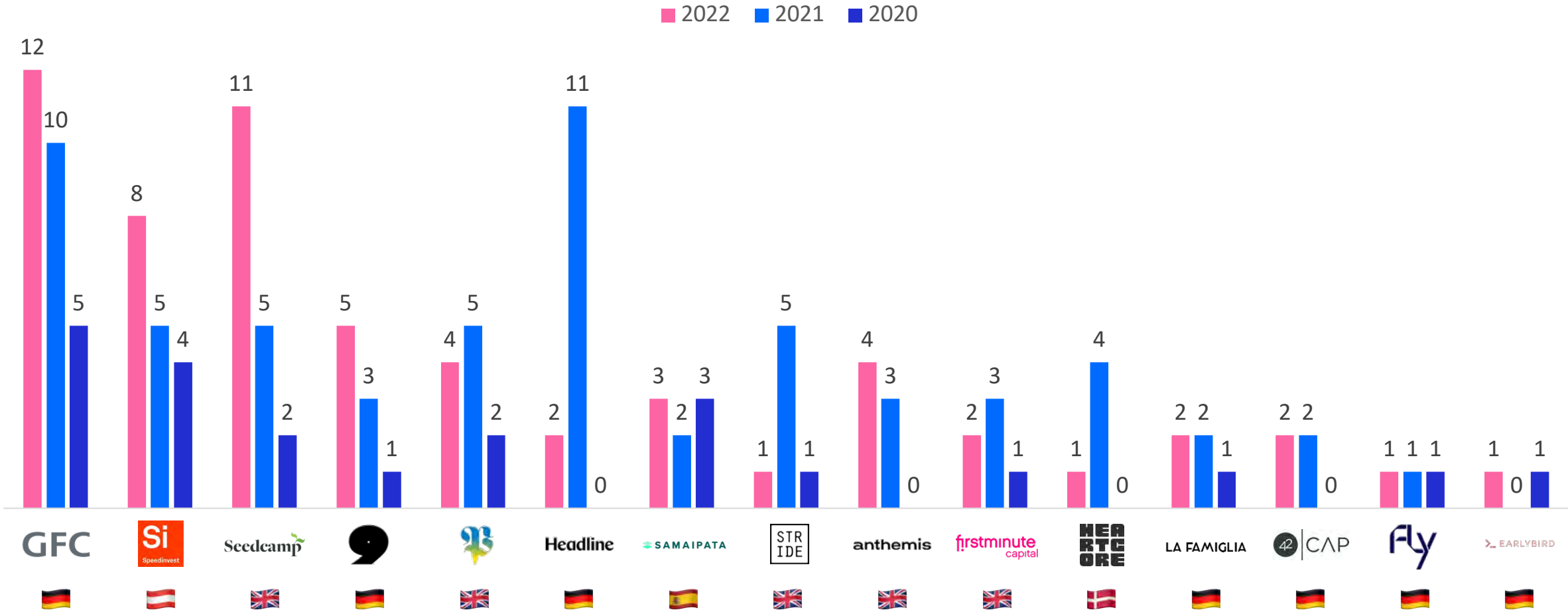


### 2022 Investments in France



# European Seed Funds Compete with Local Seed Funds. In the Past 3 Years, GFC, Speedinvest, Seedcamp and P9 were the Most Consistent and Active Foreign Seed Funds in France.

*Number of Transactions in Which Top European Seed Funds were Involved between 2020 and 2022*



Source: Personal database aggregating data from Crunchbase, Dealroom & eCap.

# Case Study – Fly

## Backing European Technical Founders From Day Zero to Seed



In Conversation with Marie (Partner @Fly)

### What is Fly's investment strategy?

- Fly invests in companies with **strong technological and team moats** that cannot be replicated by former consultants raising massive amounts of capital.
- Moreover, **it's a specialised fund** investing only **at pre-seed and seed stages in B2B technical topics** (e.g. deep-tech, ML applied to a vertical, enterprise software).
- Fly does not want to scale. It will **keep raising small funds** and a **small team** composed mostly of partners.

### Why is Fly the best partner for seed stage B2B companies?

- **We are a specialised fund** investing only at seed stage in B2B technical topics which makes us better at working with founders (e.g. on go to market or fundraising).
- **Partners-driven fund**: entrepreneurs are always interacting with partners. We make quick investment decisions. We bring experience and responsiveness to our founders.
- Our north star is to **optimise the seed round outcome for both founders and Fly** by finding the best partner for the series A and by taking the best possible path to get there (e.g. hiring, GTM support, additional funding if needed).

### What is still missing in France to bring the ecosystem to the next level?

- **We need more French pan-European funds** like Eurazeo and Singular to make the ecosystem more international and to take better VC-investment decisions (on founders, topics and prices) because they're taken with a European and not only a French benchmark.

### Fund Positioning

- HQ: Berlin
- Geo: Europe
- Focus: B2B
- Stage: Pre-seed & Seed
- Fund size: €53m
- Team: 5 FTEs

### Key Success Stories



### Historical Investments in France



### 2022 Investments in France



# Case Study – P9

## Focusing on B2B SaaS & B2B Marketplaces



In Conversation with Louis (Partner @P9)

### Why is P9 the best partner for founders?

- P9 is a **specialised investor**. We invest mainly in **B2B SaaS and B2B marketplace in Europe at the seed stage**. P9 started in 2011. Since then, we have backed 160+ companies in 30+ countries with some success as 65% of companies backed at seed stage ended up raising a follow-on Series A and 13 companies have already passed the \$100m ARR threshold. Being focused helps us become better at sourcing, picking and supporting companies.

### How is P9 supporting its founders?

- Each portfolio company is working with a P9 partner that leads only 2-3 new seed rounds per year**. We have a **strong proximity with our founders** to support them during and between board meetings on key topics like strategy, go-to-market or hiring. Post series B, we leave the board to work with younger companies and we make sure that we don't work with too many portfolio companies at the same time.
- To scale our support to founders, **we have an active community of founders and C-Levels who share their expertise and challenges** called the P9 Family. We have an active Slack with 200 founders and 3.5k employees, we also organise 5 physical events and 30 webinars per year.

### Compared to the US or other European hubs, what is missing in France to bring the ecosystem to the next level?

- In the past 5 years, the French tech ecosystem has become much **more attractive**. With London and Berlin, **Paris is a top hub in the European ecosystem** – a position strengthened by Brexit which saw many talents leave the UK to come back to France.
- We need the ecosystem to become **more international, to attract more foreign talents** and for start-ups to build an international culture from day 1. Compared to the US, we are **missing executive talents who have scaled companies from series B to IPOs**.

### What areas are you currently most excited about?

- Product Led Growth SaaS, vertical SaaS, B2B marketplaces, [creative software](#), crypto infrastructure, verticalized APIs, climate-related SaaS.

### Fund Positioning

- HQ**: Remote but local presence in Berlin, Paris, London, Lisbon & Belgrade!
- Geo**: Worldwide (80% in Europe)
- Focus**: B2B SaaS & marketplaces
- Stage**: Pre-seed, Seed, Pre-Series A, up to 10M€ round sizes
- Fund size**: €180m
- Team**: 15 FTEs

### Key Success Stories



### Historical Investments in France



### 2022 New Investments in France



Source: Website, Dealroom, Interview with Louis

# Case Study – LocalGlobe

## Scaling a Seed Fund



In Conversation with George (Partner @LocalGlobe & Latitude)

### How are you evolving LocalGlobe?

- We decided to grow our platform because **we wanted to support our entrepreneurs during the full lifecycle of their journey**. As a result, we launched Latitude which is an **early growth fund** (series B+) and Solar **providing stable capital for later stage companies heading for the public markets and beyond**.
- For us, **LocalGlobe remains the flagship fund** on which we dedicate most of our time. We want to see all companies at seed stage and to back the best ones. If we do this job properly, both Latitude and Solar will be deployed almost automatically into our best portfolio companies.
- Latitude & Solar contribute to **democratising European growth to institutional LPs** which is still a nascent asset class.

### What is missing in France to bring the ecosystem to the next level?

- More of the same**, let's the current success compound! We're bullish on France and we see **Paris as a key pillar of our New Palo Alto ecosystem** given its a short train ride from London.
- Diversity amongst entrepreneurs and investors** when it comes to genre, race or social background.
- Operators who scaled start-ups** and who are willing to reinvest their time and money into the ecosystem.
- Institutional European investors** knowledgeable about tech and willing to invest at later stage and on the public market.

### What areas are you currently most excited about?

- I'm interested in anything **democratising access to finance, collaboration and commerce** which are often related to cultural shifts in our societies (e.g. Square in the payment space with Cash App).

### How do you see 2023?

- The next few years in Europe/France will be challenging but exciting. **European founders have proven they have the ambition, the talent and the drive to build category-defining businesses**. Now the next generation has to prove that they can overcome all odds and do it in a terrible macro environment but **we're very confident that some big winners will emerge in the coming years**.

### Fund Positioning

- HQ:** London with strong follow-on capabilities
- Geo:** New Palo Alto (a triangle bet. Paris, London & Amsterdam) • **Fund size:** \$200m for seed, \$300m for early growth
- Focus:** Generalist • **Team:** 16 FTEs
- Stage:** Mostly seed

### Key Success Stories



### Historical Investments in France



### 2021-2022 New Investments in France



Source: Website, Dealroom, Interview with George

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# Case Study – Stride

## Anti-thematic Seed Investing

STR  
IDE

In Conversation with Fred (General Partner @Stride)



### How would you describe Stride's investment thesis?

- Stride is an **anti-thematic fund**. We try to be as open-minded as possible because we're convinced that founders are better than investors to find untapped opportunities. We look for radical innovations (as opposed to incremental innovation), differentiated viewpoints and fundamental pain points. These characteristics are key to have uncapped upside and to be in a position in which each investment can return not only 1x the fund but even multiple times the fund.
- Stride is **pan-European**. We're London-based. We're proactively sourcing, building our brand and building our community in the UK and in France but we can invest all over Europe.
- Stride is a **boutique**. We raised small seed funds with which we can excel at supporting seed stage founders while making significant returns for our investors.

### Why is Stride the best partner for seed-stage entrepreneurs?

- We build **trusted and deep relationships with entrepreneurs**, going beyond the usual power relationship between a founder and his investor. **We're obsessed about the founders' experience**. We listen to them. We have their back. We collaborate actively with them. Stride is well positioned to do this because we have a team with **former operators who can actively support our portfolio companies on key topics such as recruiting, culture, scaling or fundraising**.

### What is still missing in France to bring the ecosystem to the next level?

- **More VP and C-Levels who have already scaled tech companies**. It will come as the ecosystem is scaling and as French startups become better at attracting international talents from more mature ecosystems.

### Fund Positioning

- HQ: London
- Geo: Europe (with a specific focus on the UK and France)
- Focus: generalist
- Stage: Seed
- Fund size: £100m
- Team: 8 FTEs

### Stride's Investors Track Record



### Historical Investments in France



### 2021-2022 Investments in France





# The Ecosystem has the Opportunity to Build a More Resilient Growth Scene Less Dependent on Cross-Over & Exotic Funds



Source: Internal analysis

# Case Study – Balderton

## Launching a Growth Fund to Build a Multistage Pan-European Franchise

Balderton.



In Conversation with Michael (Principal @Balderton)

### Why did Balderton launch a growth fund in 2021?

- Balderton decided to launch a growth fund for 3 main reasons: (i) **keep supporting Balderton's early-stage portfolio companies in later rounds**, (ii) **back the best European entrepreneurs scaling into growth stage**, (iii) **fill the gap in European growth capital** with a team specialised both in tech and in growth investing.
- With the growth fund, Balderton aims to **lead series B+ rounds of \$30-180m**. It looks for **companies with a derisked product-market-fit** looking for capital to scale a proven distribution playbook.

### Why is Balderton the best partner for European entrepreneurs?

- **"Glocal" investor:** deep, 20+ years long experience investing in European founders with the expertise to help companies scale globally.
- **Holistic approach to supporting founders and their teams:** in-house experts and executive-in-residence to lend sector expertise (recruitment, finance, legal, comms. sales & marketing, tech, product) and support that extend outside of the work environment
- **Equal partnership:** Balderton's partners have aligned incentives making sure that every entrepreneur has access to all the resources of the firm and its partners. The partnership includes founders of billion dollar companies, operational leaders from leading tech companies and global investment experts.
- **Building collectives** with communities of portfolio companies' founders and C-Levels.

### What is still missing in France to bring the ecosystem to the next level?

- **More early-growth investors:** which are growth specialists with a strong presence in France, and targeting Series Bs and Cs.
- **A stronger entrepreneurship culture in French universities** to have more students launching their startups or joining fast growing tech companies.

### Fund Positioning

- HQ: London
- Geo: Europe
- Focus: Generalist
- Stage: Multi-stage
- Fund size: \$600m early stage fund and a \$680m growth fund
- Team: c.40 FTEs

### Key Success Stories



### Historical Investments in France



### 2022 Investments in France



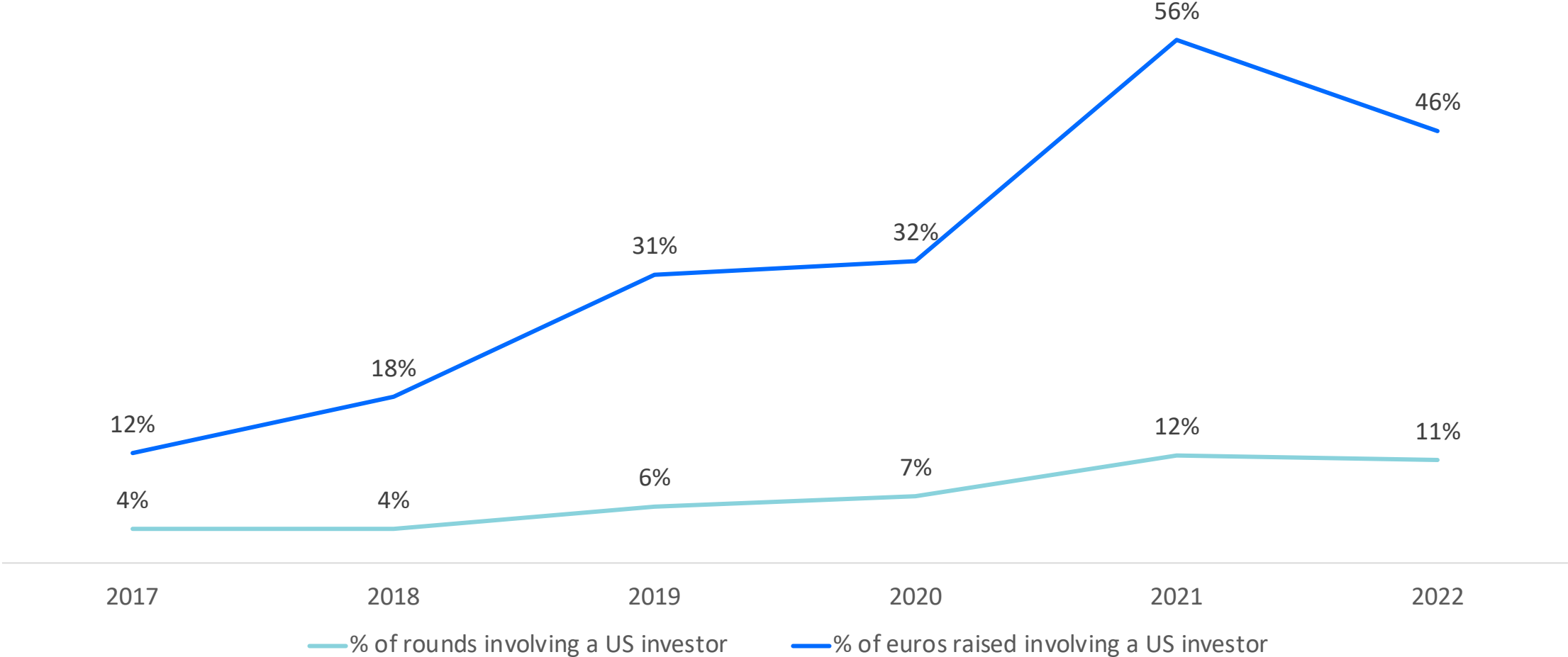
Source: Website, Dealroom, Interview with Michael

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# US-Based Funds Were Involved in 11% of Rounds Accounting for 46% of the Amount Raised by French Startups


*Percentage of Rounds and Percentage of Amount Raised Involving at Least a US Investor*

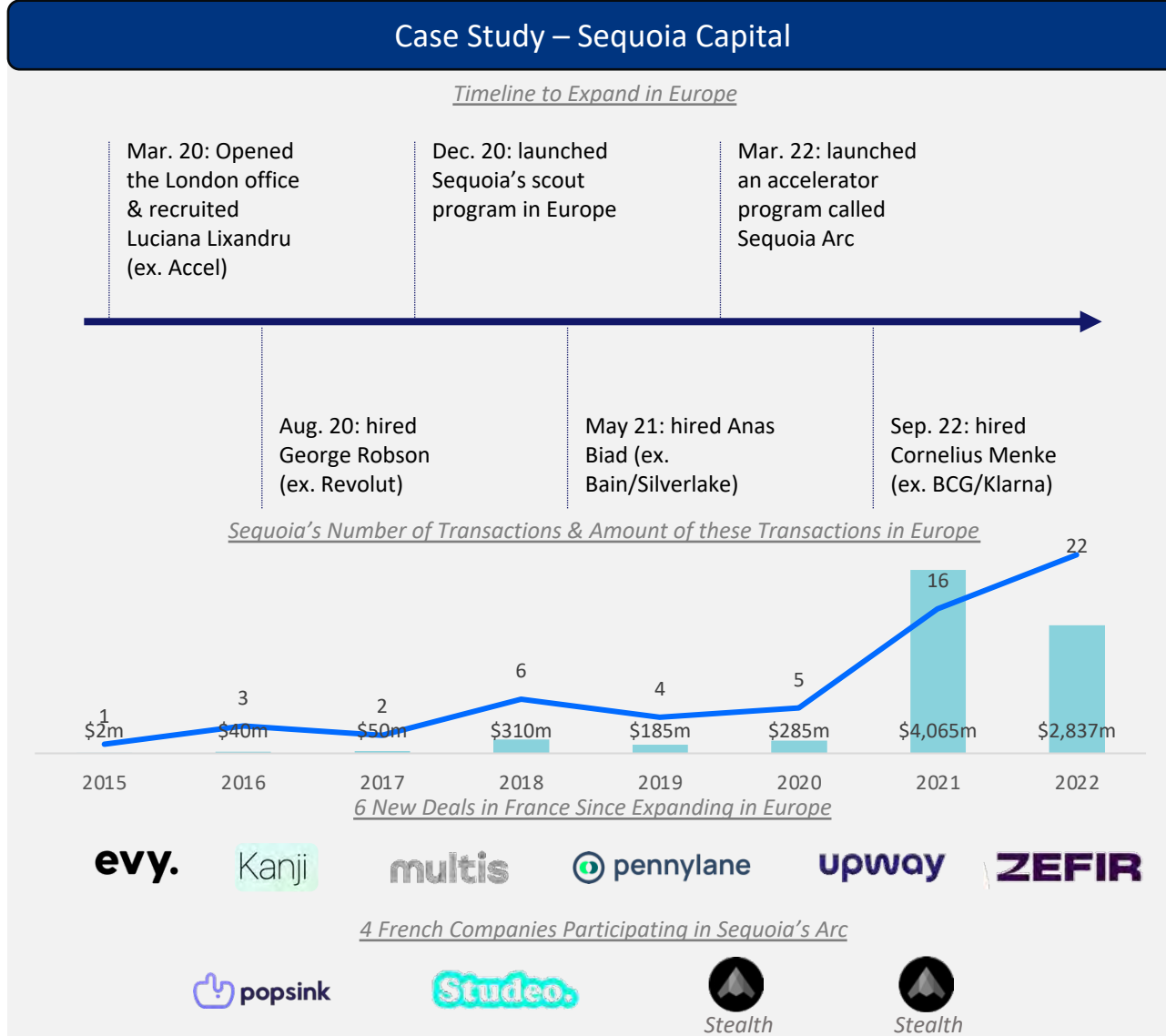


Source: Personal database aggregating data from Crunchbase, Dealroom & eCap.



# Top American Funds are Building their Footprint in Europe with Sequoia being the Most Active in France

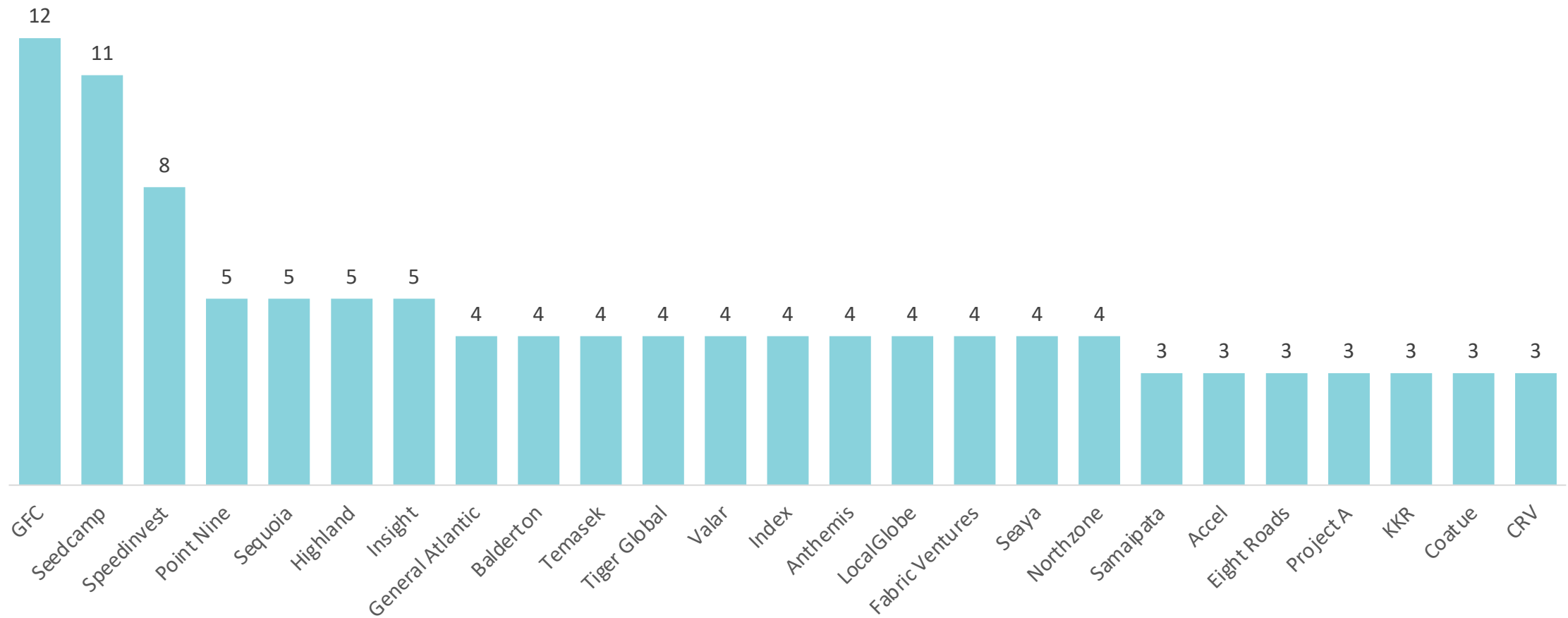
Fund	Description & Expansion Plan	Invested in  (1)
<b>COATUE</b>	<ul style="list-style-type: none"> <li>Crossover-fund</li> <li>Opened a European office in London in Mar. 22 and recruited Sarah Cannon from Index. Invested in 5 European companies since then.</li> </ul>	No
<b>GENERAL CATALYST</b>	<ul style="list-style-type: none"> <li>Multi-stage fund with strong expertises in consumer, enterprise, fintech &amp; crypto and healthcare. \$4.6bn raised in Feb. 22.</li> <li>Opened a European office in London in Dec. 2021. Invested in 18 European companies since then.</li> </ul>	No
<b>ICONIQ</b>	<ul style="list-style-type: none"> <li>Growth-fund targeting a \$5.75bn for its next growth fund.</li> <li>Opened a European office in London in Mar. 22 and recruited Seth Pierrepont from Accel.</li> </ul>	No
<b>Lightspeed</b>	<ul style="list-style-type: none"> <li>Multi-stage fund. \$7bn raised in Jul. 22.</li> <li>Opened a European office in London in Sep 22 and recruited Paul Murphy from Northzone. Invested in 4 European companies since then.</li> </ul>	No
<b>SEQUOIA</b>	<ul style="list-style-type: none"> <li>Multi-stage fund</li> <li>Opened a European office in London in Mar. 20 and recruited Luciana Lixandru from Accel. Invested in 11 new European companies since then.</li> </ul>	Yes



Source: Press, Personal database. (1) Invested in France since establishing a footprint in Europe.

# 25 Foreign Funds Were Involved in at Least 3 Transactions in the French Ecosystem in 2022 with Foreign Seed Funds Being the Most Active (GFC, Seedcamp and P9)

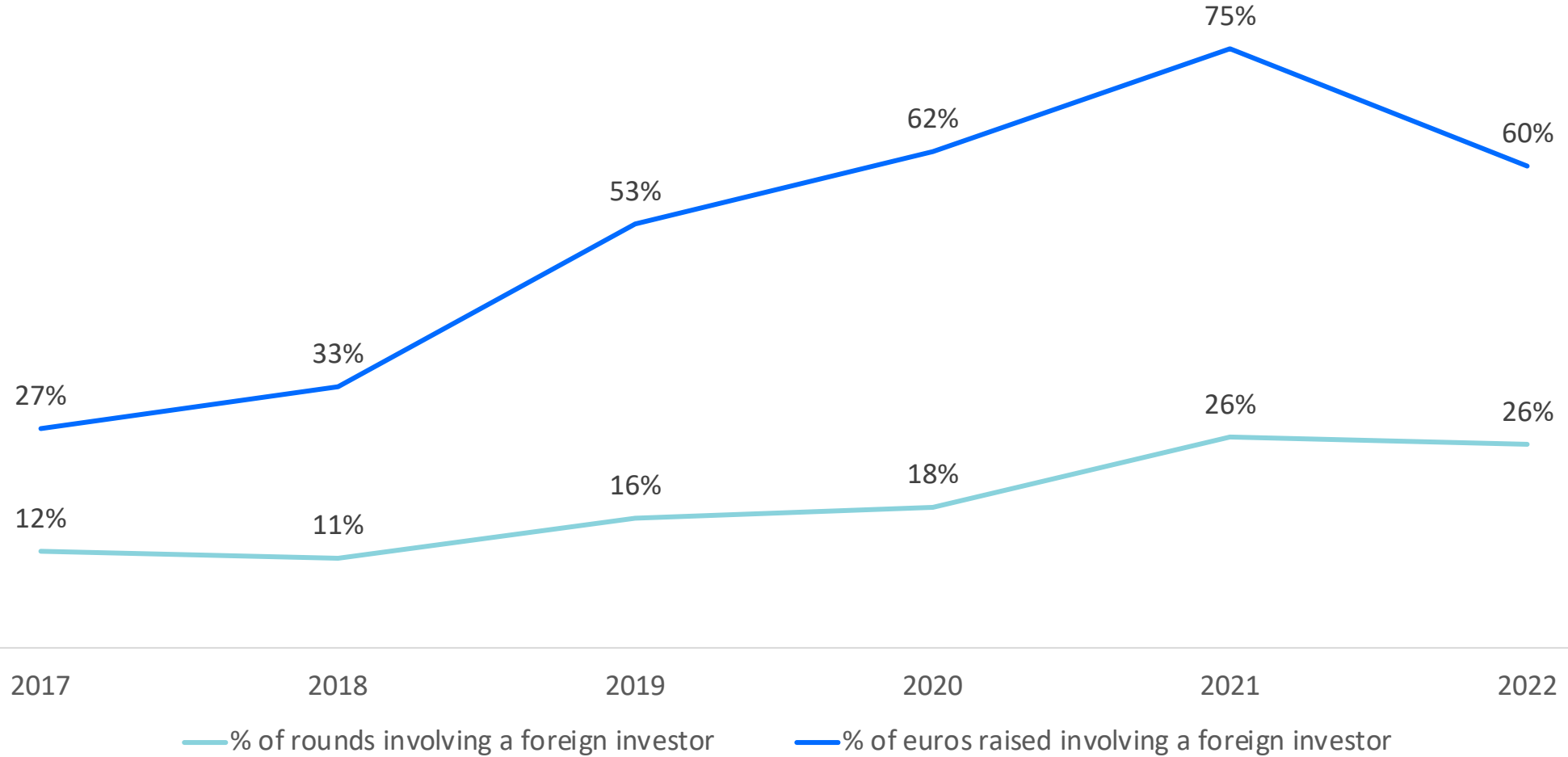
*Number of Deals Done by Foreign Funds in 2022*



Source: Personal database aggregating data from Crunchbase, Dealroom & eCap.

# Foreign Funds were Involved in 27% of Rounds Accounting for 60% of the Amount Raised by French Startups. Foreign France were Less Present in 2022 Compared with 2021.

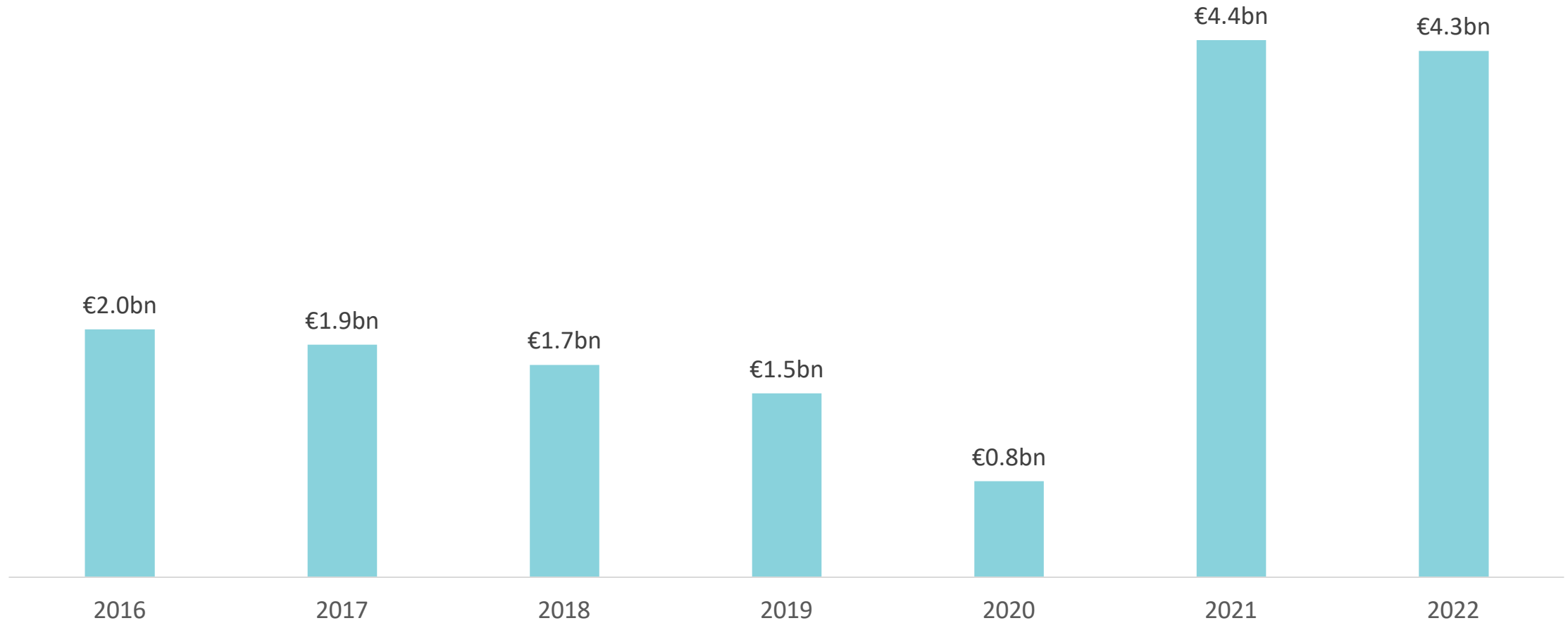
*Percentage of Rounds and Percentage of Amount Raised Involving at Least a Foreign Investor*



Source: Personal database aggregating data from Crunchbase, Dealroom & eCap.

# French Funds Raised €4.3bn in Fresh Capital in 2022 which is Almost as Much as the Amount Raised in 2021

*Evolution of the Amount Raised by French Venture Funds since 2016 (in €m)*



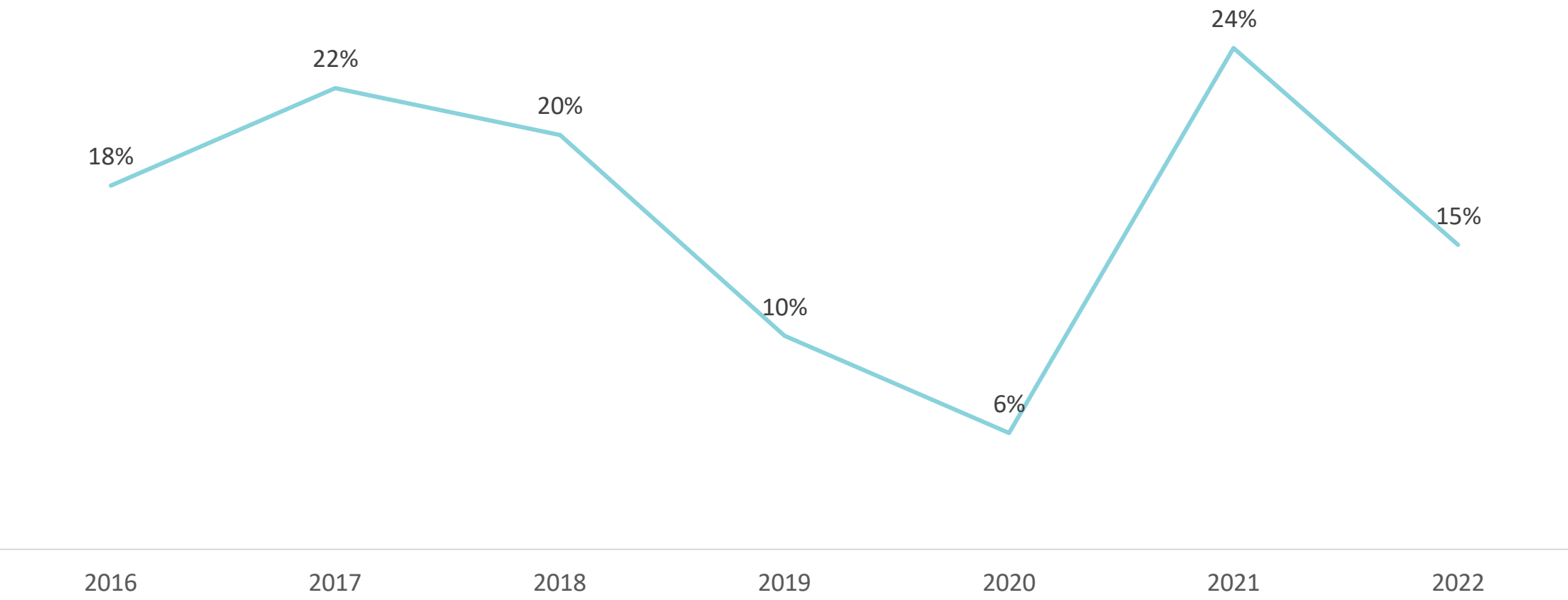
Source: [EuroVC](#)

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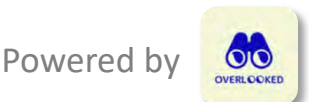


# In 2022, French Funds Accounted for 15% of the Amount Raised by European Funds (vs. 24% in 2021)

*Evolution of the Amount Raised by French VC Funds vs. European VC Funds since 2016 (in %)*



Source: [EuroVC](#)





# 24 New Vehicles Were Raised in 2022 with Several Strong Local Brands Raising a New Fund Vintage (e.g. Cathay, Alven, Xange, Iris, Partech) and with 9 New Partnerships Emerging









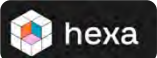

*Evolution of the Amount Raised by French VC Funds vs. European VC Funds since 2016 (in %)*



Source: [EuroVC](#)

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# Local Players are Bringing VC Product Innovations to the French Market

Player	Innovation Type	Description
	Employees Liquidity	Support founders to build and run liquidity programs to help early employees and investors cash-out their shares on the secondary market
	Crypto Fund	€100m crypto dedicated fund co-managed by a French tech unicorn and a venture fund to invest in seed/series A in topics like DeFi, security, infrastructure, digital ownership, protocols, etc.
	Athletes-Led Fund	Follower fund founded by French former handball player Bruno Martin and former rugby player Benjamin Kayser to invest and support startups with a people-centric approach in which they bring the experience from professional athletes to startups
	Athletes-Led Fund	Follower fund founded by French former soccer player Blaise Matuidi and raised from professional soccer players which will invest €100-500k tickets into consumers startups.
	Social Angel Investing	SPV as a service for startups wanting to aggregate all their angels in a single line in their cap. table and platform for angel investors to scale their investment activity by building & animating a community of co-investors
	Women-Focused Fund	Studio turning 4-6 ideas per year into businesses by recruiting founders & helping them become independent in 12-18 months. Started in the future of work vertical and now expanding in other verticals (fintech & crypto)
	Women-Focused Fund	Pre-seed and seed €100m fund to invest in women entrepreneurs launched by Sista which is an association supporting women entrepreneurship in France
	Entrepreneurs-Led Fund	€100m pre-seed/seed fund leading/co-leading €1-5m seed rounds into French entrepreneurs. Initiative launched by The Galion Project which is a community with 400 French entrepreneurs cofounded in 2015 by Jean-Baptiste Rudelle & Agathe Wautier
	Startup Studios Operator	eFounders rebranded into Hexa and unveiled a new model in which they will create and operate multiple startup studios on different thematics (future of work, web3 and fintech as of today)
	VC-accessible to All	Crowdcube opened the French market and led several successful crowdequity campaigns including Qonto, 900.care, Mapstr, Finary, Goodvest

Source: [Semper](#), [Cathay x Ledger](#), [Teampact](#), [Origins](#), [Roundtable](#), [SistaFund](#), [Leia](#), [Galion.exe](#), [Hexa](#)

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## Section 04. Other Stakeholders



Source: Midjourney. Prompt: "Painting showing the Gare Freyssinet in Paris with a train departing using Bruegel the Elder style."

# STATION F

## The World Largest Startup Incubator

## STATION F



In Conversation with Roxanne (Director @STATION F)

### How would you describe STATION F?

- STATION F is the **largest startup campus in the world**. It offers **real estate** with both offices and housing. It offers **services with 30 public services gathered in a unique location and 1k startups involved in 30 different startups programs** led by corporates, schools, ecosystem stakeholders (like Entrepreneur First) or STATION F directly. It's also a **network of 350 professional investors** accessing the campus and constantly in touch with our entrepreneurs.
- STATION F directly runs 3 startups programs: (i) the **Founders Program** (25 startups selected every six months following a tailor-made support program and paired with a high-level advisor), (ii) the **FemTech Program** (for startups building in the FemTech space), (iii) the **Fighters Program** (for underprivileged founders).

### STATION F is now 5 years old. What have been the main achievements in 5 years?

- When we launched STATION F, it was a bet. We did not know at the time if we would be able to find 1k startups to fill the building. When we take a step back, **it's a massive success with 5k startups supported, €1.8bn raised by our startups, 47k jobs created and with our 1st unicorn with Hugging Face**.
- STATION F contributed to (i) **put the French ecosystem on the world map** by becoming an entry point for everyone interested in the French tech ecosystem and to (ii) **helping the ecosystem become more diverse** in the broader sense (international, gender diversity, social diversity).

### What is missing in France to bring the ecosystem to the next level?

- I see 3 main topics: (i) becoming a **more open ecosystem to international entrepreneurs**, (ii) building a **new generation of angel investors with more diverse background**, (iii) have **more local growth investors**.

### What key new initiatives did you launch in 2022 or do you plan to launch in 2023?

- We have 3 main ongoing initiatives: (i) helping other cities in the world to replicate the STATION F's model, (ii) offering an hybrid experience to our entrepreneur with an online platform to support them that will be complementary to our offline services and (iii) making a big push on climate (e.g. the 2nd batch of our Founders Program will only be dedicated to climate startups).

### Key Highlights

- 5k startups and 27k resident supported since inception
- €1.8bn raised by startups
- 47k jobs created
- 57% of serial entrepreneurs
- 35% of international startups
- 41% of female-founded startups

### Key Success Stories



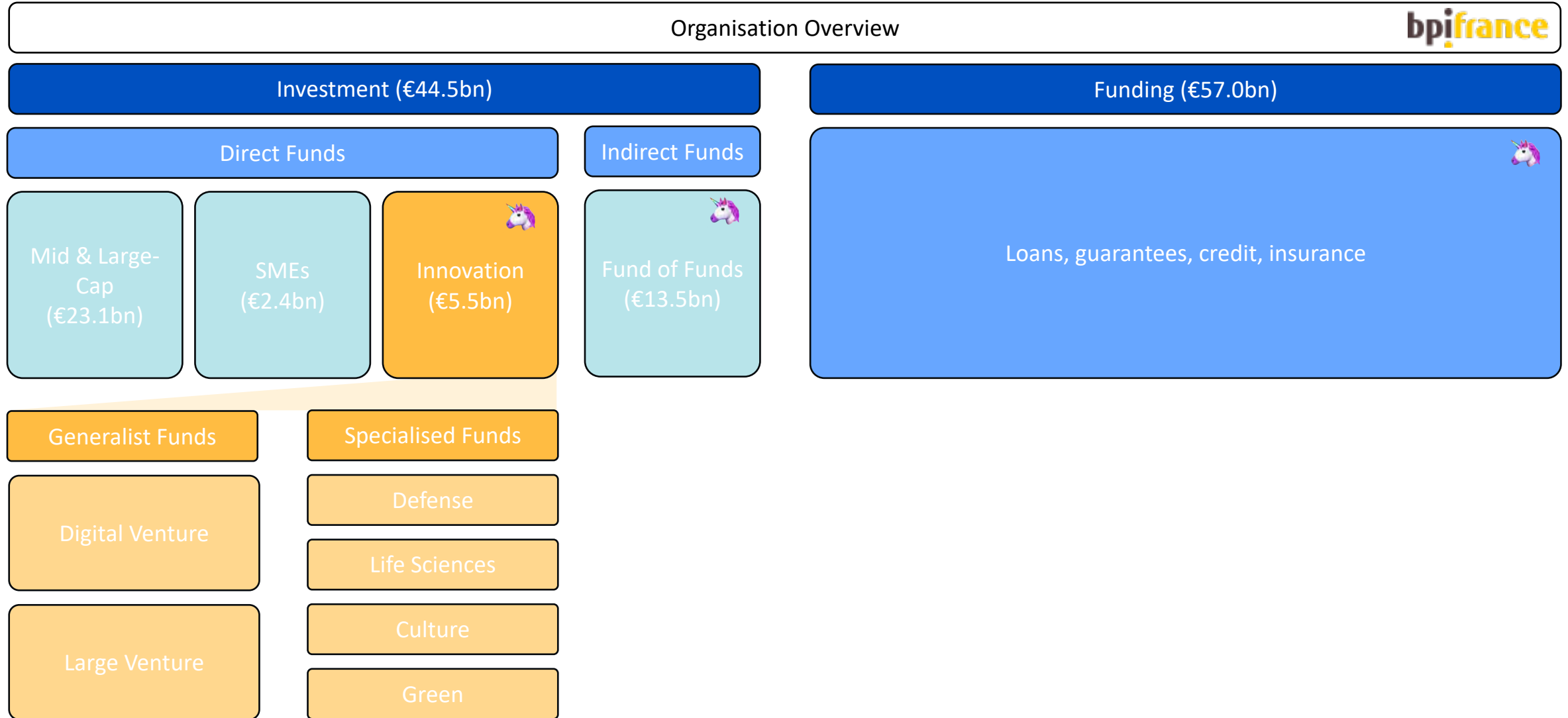
### Selection in Future 40's 2022 Edition



[Click to see the full list](#)



# Bpifrance Invests in the French Ecosystem via 3 Mediums: Non-Dilutive Funding, Direct Equity Investments and Indirect Equity Investments as LP in Venture Funds



Source: Bpifrance.  signifies that it invests in tech.

# In 2022, Bpifrance was Involved in 107 Deals Accounting for €2.8bn of the Amount Raised by French Startups (24% of Total)

## New Investments in 2022

### Digital Venture (Seed, Series A, Series B)



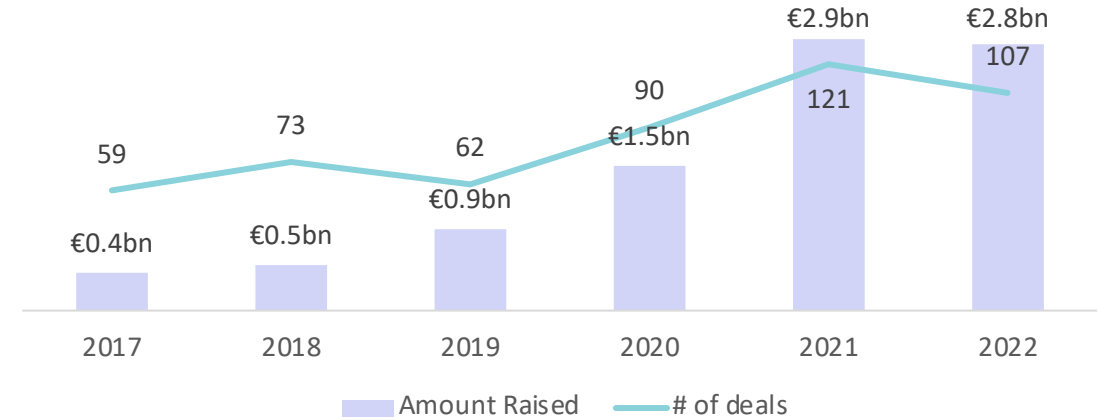
ALICE & BOB



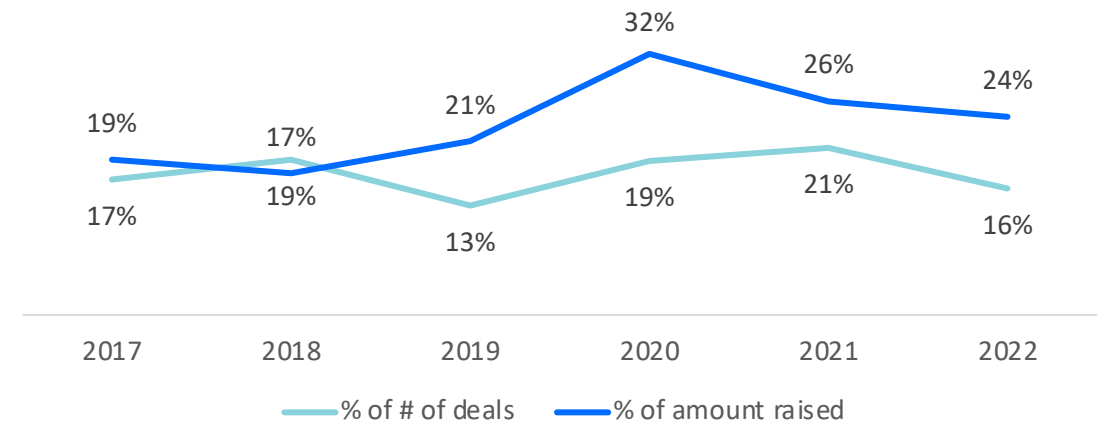
### Large Venture (Series B+)



## Number of Rounds and Amount Raised Involving BPI

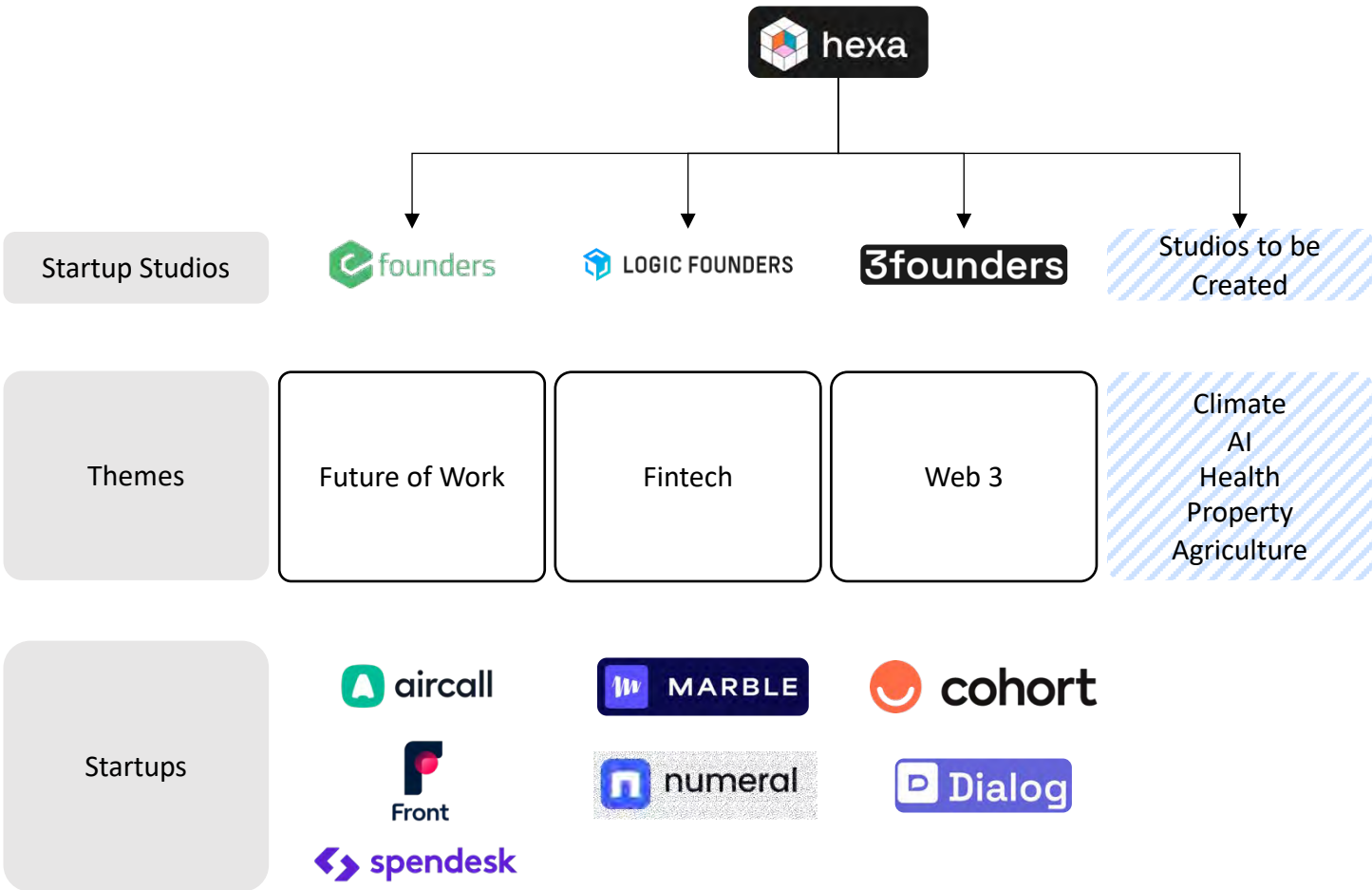


## % of Rounds and of Amount Raised Involving BPI

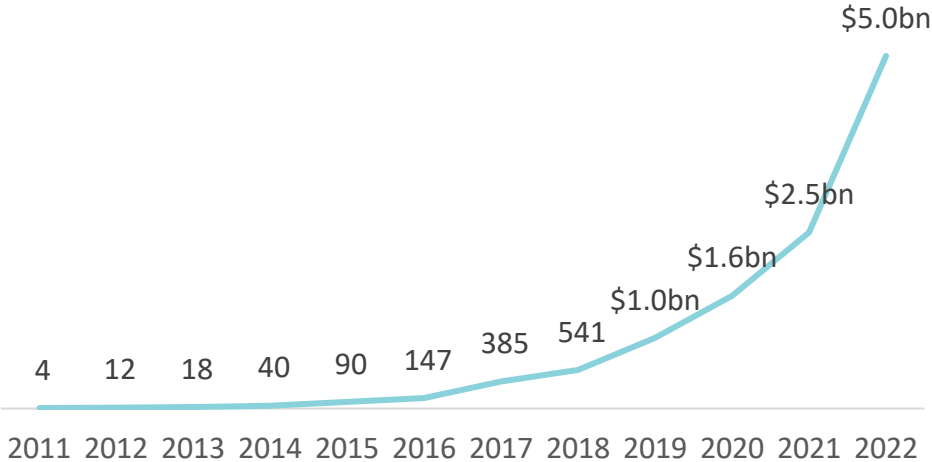


# eFounders Became Hexa: Moving from a Startup Studio Focused on Future of Work to Scale the Startup Studio Model on Different Verticals

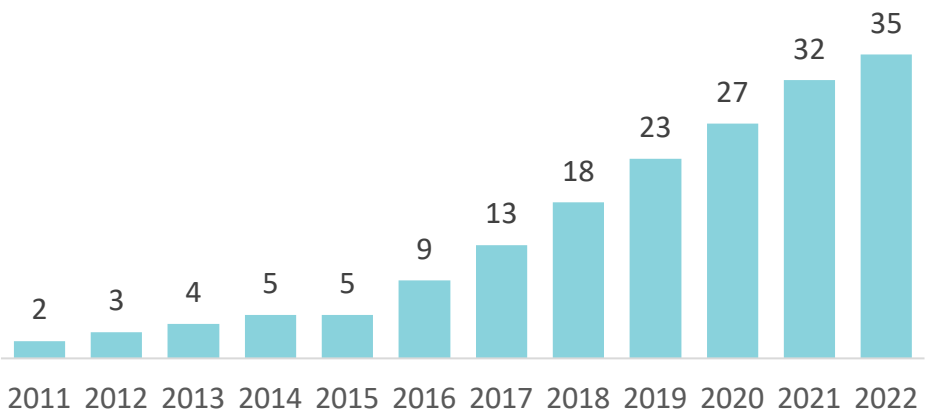
## How is Hexa Structured?



*Evolution of the Hexa's Companies Total Valuation*



*Evolution of the Number of Companies Created by Hexa*

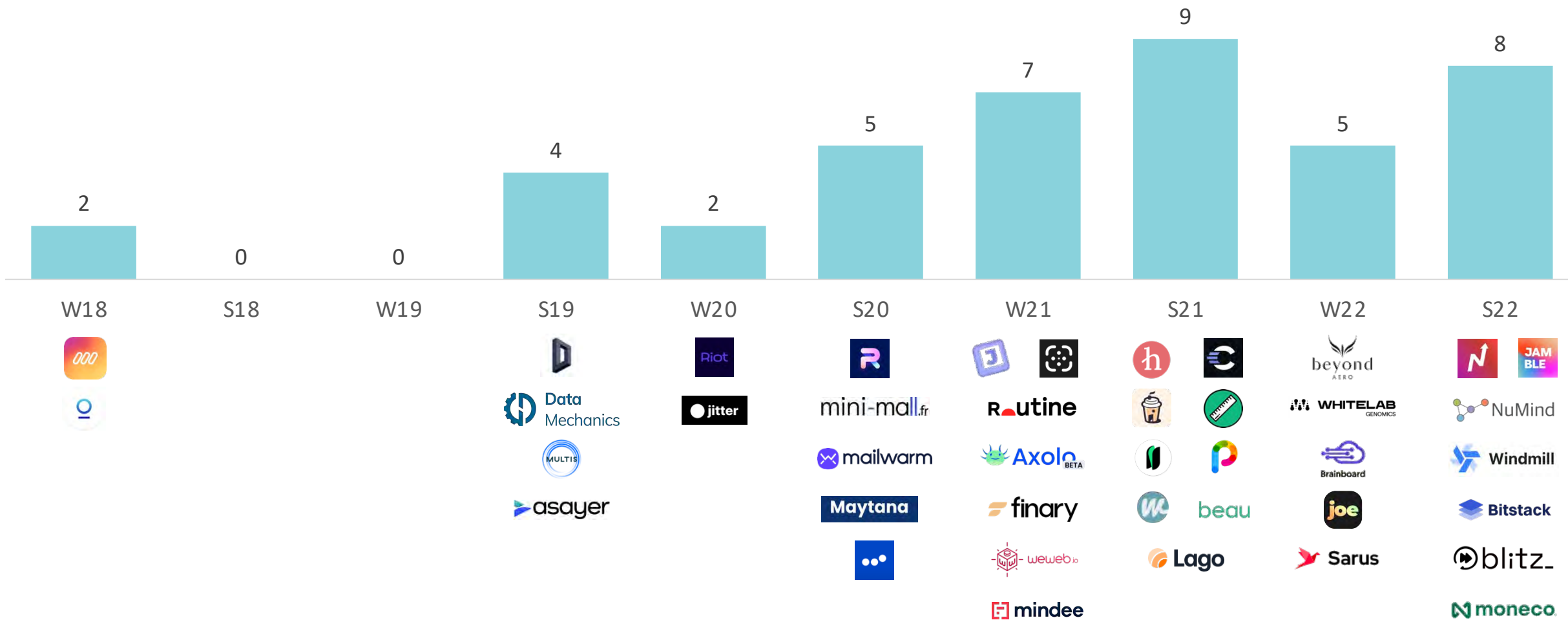


Source: [2022 Year in Review, Hexa Letter #1](#)

# Every Year 10+ French Startups are Joining the World's Most Successful Accelerator Y Combinator. It Makes our Ecosystem more International



*Yearly evolution of the number of French startups doing YC*



Source: YC







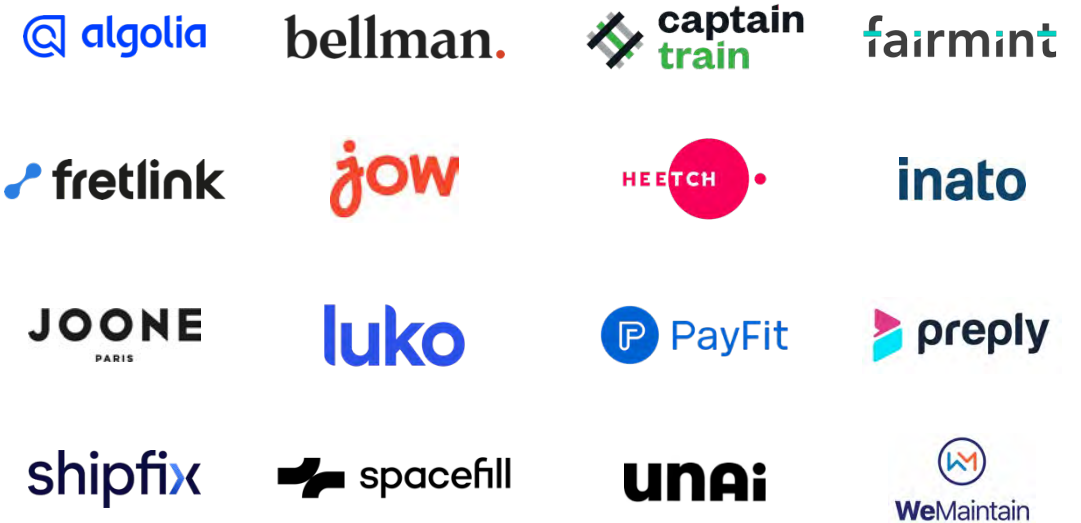
# A Farewell to The Family



## What was The Family?

- The Family was founded in 2013 by [Alice Zaguri](#), [Nicolas Colin](#) and [Oussama Ammar](#) to **bring the US-startup mentality to the French ecosystem** providing founders with education, network and access to capital
- It was at the same time (i) an **accelerator** taking a small equity ownership (1-5%) in companies supported via different programs, (ii) a **physical place** where the ecosystem used to gather, (iii) a **school to democratise entrepreneurship** with physical and digital content
- Since 2013, The Family has **supported 800 startups**. It has a portfolio consisting of 120 startups whose aggregated value is over €50m
- In the past 3 years, **the organisation has been facing an internal crisis** from which it does not seem to recover with one of its founders being accused of embezzlement. It was also struggling to adapt to the post-covid world.

## Companies Supported by The Family



## What The Family Brought to the Ecosystem?

- The Family has been a **massive contributor to the French tech ecosystem**: (i) it **brought the US-startup mentality to France**, (ii) it **democratised entrepreneurship** and made it attractive for younger generations, (iii) it created a **physical place where the ecosystem could gather**, (iv) it **brought diversity to the ecosystem** as it was one of the few stakeholders willing to give a shot to diverse base of founders and (v) it **attracted foreign investors to the ecosystem**



## Section 05. Angels



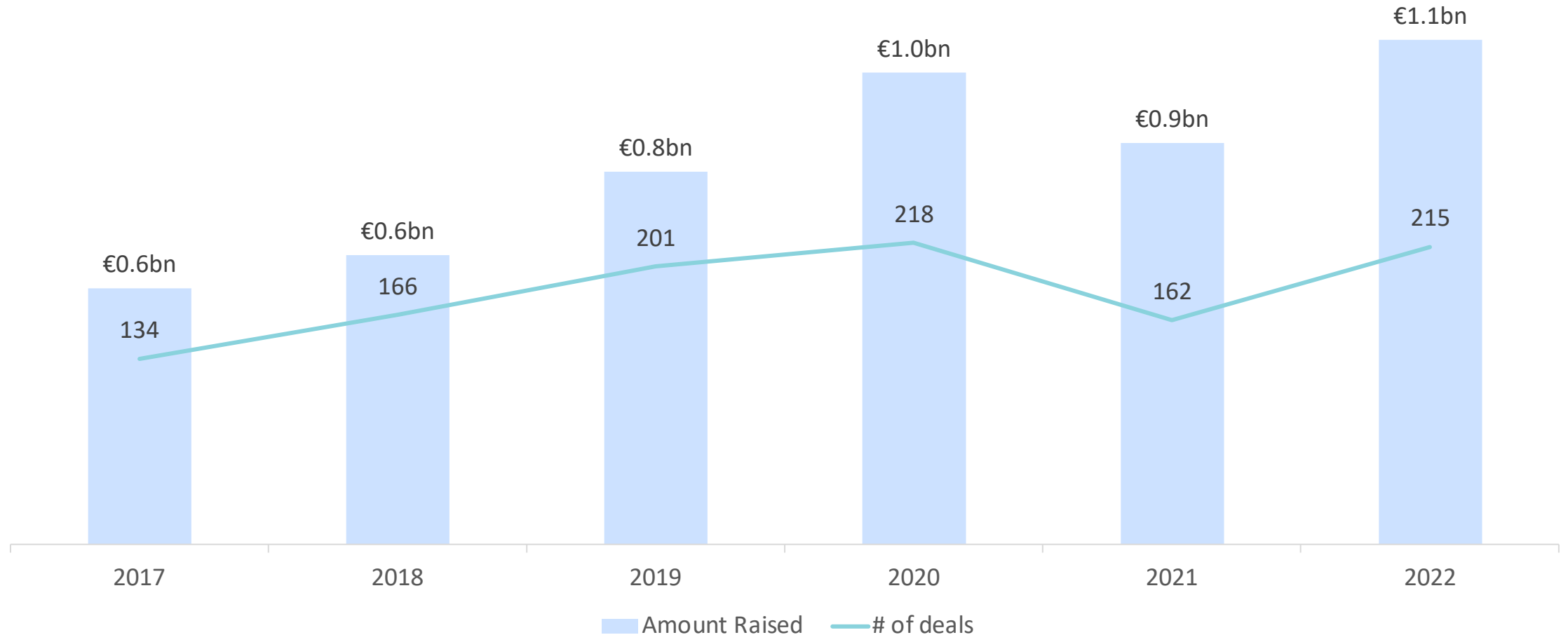
*Source: Midjourney. Prompt: "A statue in Auguste Rodin's style of an angel with a briefcase of cash."*

# Key Messages

- In France, angel investing can be broken down into 3 categories:
  - **Structured family offices** (e.g. Kima, Financière Saint James, Motier): angels who have professionalised their activity by building a dedicated investment and portfolio support team.
  - **Super angels** (e.g. Thibaud Elzière, Eduardo Ronzano, Zenly's founders): angels who are spending a significant portion of their time investing into startups developing playbooks to source, due diligence and support companies.
  - **Emerging angels** (e.g. Roxanne Varza, Anh-Tho Chuong, Jérémy Goillot): angels who have a unique superpower around an industry (e.g. Anh-Tho on fintech) or a function (e.g. Jérémy on growth).
- Around 2015-2017, the ecosystem saw the rise of a **1<sup>st</sup> generation of angels** (Kima, Thibaud Elzière, Eduardo Ronzano, Zenly's founders, Voodoo's founders, etc.) **born out of the tech industry and who had the willingness to invest their experience and money**. They were **instrumental in kickstarting the French tech flywheel** by investing massively at pre-seed stage (e.g. 2 deals per week for Kima).
- Today, I see 2 main trends. First, an **increased competition for angels to get into deals** (between themselves and with funds which want to maximise their ownership). Second, a **professionalisation of angel investing** with (i) sophisticated family offices, (ii) angels joining scout programs, (iii) micro-funds launched & operated by angels, (iv) angel support groups.
- To bring the French angel investing scene, the ecosystem needs (i) **more education** to remove the barrier to entry to start investing as an angel, and (ii) **more diversity** across angels, (iii) **more experienced operators** who have the track record to scale at growth stage starting to invest as angels.




# In 2022, Angels were Involved in 215 Transactions (31% of Total) Accounting for €1.1bn Raised by French Startups (9% of Total)

*Number of Rounds & Amount Raised by French Startups Involving Angels*



Source: Personal database

# Angels Mapping in France - 3 Main Categories: Structured Family Offices, Super Angels and Occasional Angels

Category	Investment Strategy	Examples
Family Offices	<ul style="list-style-type: none"> <li>• €100k+ tickets</li> <li>• 15+ deals per year</li> <li>• Dedicated investment team</li> <li>• Generalist</li> </ul>	 <p> <i>Bernard Arnault (LVMH)</i>               <i>Michael Benabou (Veepee)</i>               <i>Xavier Niel (Free)</i>               <i>Galleries Lafayette's owners</i>               <i>Laurent Ritter (Voodoo)</i> </p>
Super Angels	<ul style="list-style-type: none"> <li>• €20-100k tickets</li> <li>• 10+ deals per year</li> <li>• No dedicated team</li> <li>• Generalist</li> </ul>	 <p> <i>Renaud Visage (Eventbrite)</i>               <i>Antoine Martin (Zenly)</i>               <i>Thibaud Elzière (eFounders)</i>               <i>Edouardo Ronzano (Keldoc)</i>               <i>Alexis Bonillo (Zenly)</i>               <i>Alexandre Yazdi (Voodoo)</i> </p>
Emerging Angels	<ul style="list-style-type: none"> <li>• €5-50k tickets</li> <li>• 0-10 deals per year</li> <li>• No dedicated team</li> <li>• Strong industry or function expertise</li> </ul>	 <p> <i>Amir Malekzadeh (Logmatic)</i>               <i>Nicolas Dessaigne (Algolia)</i>               <i>Mathilde Collin (Front)</i>               <i>Roxanne Varza (Station F)</i>               <i>Romain Libeau (Swile)</i>               <i>Jérémy Goillot (Spendesk)</i> </p>

Source: Internal analysis

# Case Study – Kima

## Indexing the Best French Startups at Seed Stage



In Conversation with Alexis (Partner @ Kima)

### How has Kima evolved since inception?

- Kima **started in 2010**. It has always been **focused on seed and on quantitative investing**. In the early days, we were **investing all over the world** because the tech ecosystem was still small and competition was scarce. During this period, we **invested in companies like Carta or Transferwise**.
- **I joined Kima in 2015**. At the time, we had early signals that the ecosystem was taking-off: (i) The Family launched, (ii) YC-founder Paul Graham did a keynote in Paris, (iii) UK funds were starting to invest in France.
- In 2017, we decided to **refocus on the French ecosystem** investing in French startups and French founders because (i) it had become mature enough and (ii) the U.S. seed scene had become too competitive.
- Overtime, **the competition at seed stage has increased but we manage to remain at the core of the ecosystem thanks to Kima's brand, track record** and our internal iterations that enable us to keep the pace.

### How is Kima reacting to the increased competition at seed stage?

- We're working on two main levers: (i) **distribution to find startups** and (ii) **products to serve our entrepreneurs**. On distribution, we implement and iterate on processes to make sure that we see all startups raising at seed stage and manage to have an allocation in all the rounds we want to be a part of.
- On product, we're launching initiatives to leverage and animate our community of entrepreneurs which is one of the largest in France. We want to connect entrepreneurs so that they can support each other and become friends. For instance, we organise physical drinks every two months or we batch entrepreneurs into cohorts to introduce them to each other.

### What is missing to bring the French tech ecosystem to the next level?

- French startups are **not international early enough in their journey**. We need to bring many more international talents to the ecosystem who have experienced what it takes to scale a business. It means that from day 1, startups should build an international culture and attract foreign talents.

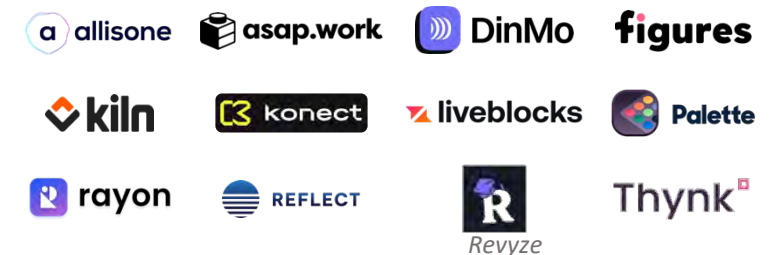
### Fund Positioning

- HQ: France
- Geo: France
- Focus: Generalist
- Stage: Seed
- Ticket Size: €150k
- Team: 3 FTEs

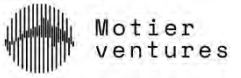
### Key Success Stories



### 2022 Investments in France - Selection



# Case Study – Motier Ventures



## Productising Angel Investing with a Precise Strategy & a Dedicated Team



In Conversation with Guillaume (Founder) and Nicolas (Founding Partner)



### What led to the inception of Motier Ventures?

- Galeries Lafayette's owners have **been supporting entrepreneurship and capitalism in France for over 125 years**. Galeries Lafayette Group is a meaningful player in retail, **with several department stores** ("grands magasins") in France as well as **other players like La Redoute, Louis Pion or Mauboussin**.
- In parallel, we started contributing to the French tech ecosystem early on with a **corporate venture capital fund** called Lafayette Plug & Play and **investing as angels into companies like Mirakl, Alan and Alma**.
- In 2021, we decided to **productise our support to the ecosystem** by creating an activity in our family office dedicated to investing in early stage startups.

### What is Motier's investment strategy?

- Motier aims to **invest €200k tickets into 20-25 seed-stage French companies every year** with the capacity to reinvest at the series A and series B stages.
- We invest in **4 main verticals**: future of commerce, fintechs, web3 and creative technologies while remaining open to other sectors (e.g. cybersecurity)

### How is Motier supporting its entrepreneurs?

- We created the **Make a Wish Factory**. A dedicated professional helps our portfolio companies leverage the Galeries Lafayette's group and network. We have several use-cases: (i) conducting customer research and finding design partners, (ii) making the right introductions for business development, (iii) hotline to get in touch with somebody who has experience on any topic (e.g. create working contracts).

### How do you see Motier evolving going forward?

- Since inception, we've invested in 28 companies. We want to keep **investing in 20-25 seed stage companies every year**. We want to support our portfolio companies to make sure that as many of them as possible become winners. In order to do this, we've already **strengthened our investment team** with 2 new people and we're **broadening the Make a Wish Factory's network of allies**.

### Fund Positioning

- HQ**: France
- Geo**: French founders everywhere
- Focus**: future of commerce,
- fintech, web3 & creative tech
- Stage**: Pre-seed & Seed
- Ticket Size**: €200k
- Team**: 5 FTEs







### Key Success Stories



### 2022 Investments in France - Selection



# Scout Programs Have Become Mainstream and are Used by Angels as a Lever to Scale their Angel Investing Activity

Fund	Key Highlights	Scouts Covering France
	<ul style="list-style-type: none"> <li>\$200k to invest per scout (\$20k average size)</li> <li>Scout programs both in the US and in Europe</li> </ul>	<ul style="list-style-type: none"> <li>Julien Lemoine (Algolia)</li> <li>Marie Outtier (ex. Wit.ai sold to Twitter)</li> </ul>
	<ul style="list-style-type: none"> <li>Yearly angel program started in 2018</li> <li>\$100k to invest over a year with tickets between \$10k and \$50k</li> </ul>	<ul style="list-style-type: none"> <li>Mathieu Flamini (Arsenal)</li> <li>Vera Baker (Afrobytes)</li> <li>Roland Jais Nielsen (Merci Handy)</li> </ul>
	<ul style="list-style-type: none"> <li>Scouts are community leaders having access to a diverse dealflow</li> <li>Commission model: £25k per deal sourced</li> </ul>	<ul style="list-style-type: none"> <li>Anne-Laure Le Cunff (Ness Labs)</li> </ul>
	<ul style="list-style-type: none"> <li>\$5m angel program to help operators to become angel investors to invest \$250k in 20 companies</li> </ul>	<ul style="list-style-type: none"> <li>Guillaume Pousaz (Checkout)</li> </ul>
	<ul style="list-style-type: none"> <li>£20-30k tickets in pre-seed and seed startups</li> </ul>	<ul style="list-style-type: none"> <li>Alexandre Prot and Steve Anavi (Qonto)</li> </ul>
	<ul style="list-style-type: none"> <li>\$100k given to scouts to invest in pre-seed/seed startups</li> <li>Scout programs both in Europe and in the US with the capital coming from Sequoia's seed fund</li> </ul>	<ul style="list-style-type: none"> <li>Roxanne Varza (Station F)</li> <li>Alexandre Berriche (Fleet)</li> <li>Guillaume Cabane (ex. Segment)</li> <li>Maxime Brousse (Selency)</li> <li>Andrew Nutter (ex. Westwing, Gama)</li> </ul>

Source: [Sifted](#)



# Top Individual Angels Investing in France

by Pietro Invernizzi & Alexandre Dewez

Pioneers



Eduardo Ronzano  
KelDoc | Resilience



Thibaud Elzière  
eFounders | SaaS



Antoine Martin  
Zenly | Consumer



Alexis Bonillo  
Zenly | Consumer



Alexandre Yazdi  
Voodoo | Consumer



Renaud Visage  
Eventbrite | Climate



Cédric Sellin  
YogiPlay | GTM



Oleg Tscheltzoff  
Fotolia | Fundraising



Nicolas Steegmann  
Stupeflix | AI



Thierry Vandewalle  
Wcube | Consumer



Olivier Godement  
Stripe | Product



Pierre-Antoine Dusoulier  
IbanFirst | Fintech



Nicolas Julia  
Sorare | Crypto



Julia Bejaoui  
Frichti | Consumer



Mathilde Collin  
Front | Future of Work



Bertrand Jelensperger  
La Fourchette | Impact



Julien Lemoine  
Algolia | Dev. Tools



Deborah Rippol  
Zefir | Future of Work



Marie Outtier  
Aiden | Climate



Hugo Amsellem  
Jellysmack | Consumer



Jonathan Widawski  
Maze | Design



Matthieu Vaxelaire  
Mention | SaaS



Céline Lazorthes  
Resilience | Impact



Arthur Waller  
Pennylane | Fintech



David Apple  
Notion | PLG



Guillaume Pousaz  
Checkout | Fintech



Nicolas Brusson  
BlaBlaCar | Impact



Louis Guthmann  
StarkWare | Crypto



Rachel Delacour  
Sweep | Climate



Sarah McBride  
Zenly | Consumer



Jean-Daniel Guyot  
Captain Train | Product



Nicolas Dessaigne  
Algolia | Dev. Tools



Guillaume Princen  
Stripe | Fintech



Quentin Nickmans  
eFounders | SaaS



Alexandre Berriche  
Fleet | Capital Efficiency



Emmanuel Cassimatis  
SAP | Data



Bertrand Diard  
Talend | Data



Alexis Bonte  
Storefront | Gaming



Romain Raffard  
Bergamotte | Consumer



Guillaume Cabane  
Segment | Growth



Amir Malekzadeh  
Logmatic | Dev. Tools



Anh-Tho Chuong  
Lago | Growth



Simon Dawlat  
Batch | Resilience



Roxanne Varza  
Station F | HR & Com.



Romain Libeau  
Swile | 0 to 1



Jérémy Goillot  
Spendsk | Growth



Paul Lê  
La Belle Vie | Consumer



Stéphane Maarek  
Conduktor | Data



Nicolas Douay  
Keldoc | Impact



Dimitri Farber  
Tiller | GTM

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# Spotlights on Individual Angels – Part I



Amirhossein Malekzadeh



Eduardo Ronzano



Alexandre Berriche

## Background

- Founded & sold Logmatic to Datadog
- Stayed at Datadog for 4 years to integrate Logmatic to Datadog's platform and to work on M&A deals

- Started in tech as fundraiser for Pascal Mercier
- Founded & sold Keldoc to NEHS
- Full-time business angel

- Started in tech at Rocket (Jumia)
- Worked as VP Ops & Expansion at Ironhack
- Fleet's CEO & founder. Sequoia's scout

## Superpower to Support Founders

- Being a bouncing ball for entrepreneurs when they want to brainstorm or have an outsider look at a topic

- Being the one entrepreneurs will call when they are experiencing unforeseen challenges

- Helping founders become capital efficient thanks to his experience as a bootstrapped founder

## Investment Themes

Dev. tools, data tools, cybersecurity & climate

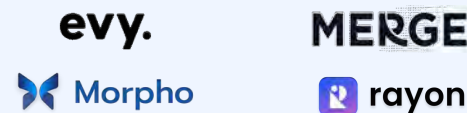
Generalist with a preference for fintech, crypto & climate

Generalist

## Top Investments



## Investments in 2022 in France



Source: Interviews with Amir, Eduardo and Alexandre

# Spotlights on Individual Angels – Part II



Anh-Tho Chuong Degroote



Simon Dawlat



Jérémy Goillot

## Background

- Started her career at McKinsey. Joined Qonto as 1st employee and became VP Growth
- Cofounded Lago (open-source billing solution)

- Self taught. 1st company founded at the age of 17
- Started AppGratis in 2009. Was shut down by Apple in 2013 and pivoted to Batch

- Early employee at Spendesk. Launched the growth department & opened the US market
- Started & animates the largest growth community in France

## Superpower to Support Founders

- Experience & insights in marketing, growth, and fintech
- Support on hiring thanks to unparalleled experience in recruiting

- Resilience and grit, learned from his experience from AppGratis' shutdown by Apple

- Crafting and implementing the go to market strategy to acquire the first 1k customers

## Investment Themes

B2B fintech, infrastructure, dev. tools

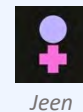
Agnostic (but doesn't invest in adtech & gaming)

SaaS, fintech, B2B

## Top Investments



## Investments in 2022 in France



Source: Interviews with Anh-Tho, Jérémy and Simon. [Simon's angel investments in 2022](#)

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# Spotlights on Individual Angels – Part III



Hugo Amsellem



Renaud Visage



Quentin Nickmans

## Background

- Previously co-founded a crowdfunding platform for artists and was a founding partner at The Family
- Jellysmack's advisor in M&A

- Co-founded Eventbrite as CTO. Left Eventbrite in 2021 to focus on climate change
- Currently venture partner at P9. Was venture partner at Index

- Started his career at BCG
- Co-founded startup studio eFounders (now Hexa) working mostly on finance & go-to market

## Superpower to Support Founders

- Focus on a limited number of topics in which he has profound expertise and a well-established network

- Spot gaps (e.g. strategy, storytelling, org. chart, etc.) and help founders fill them

- Advising founders on prioritising decisions to reach PMF

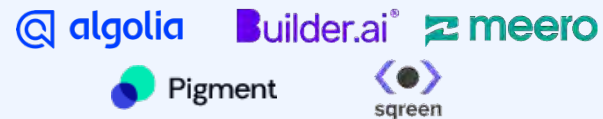
## Investment Themes

Content, community and commerce

Climate change

Future of work

## Top Investments



## Investments in 2022 in France



Source: Interviews with Hugo, Renaud and Quentin

# Spotlights on Individual Angels – Part IV



Roxanne Varza



Romain Libeau



Paul Lê

## Background

- Previously worked at Microsoft, Techcrunch and e-commerce startups in communication & community
- Director at Station F. Scout at Sequoia

- Previously CMO and COO at Swile, marketing director at Deliveroo & entrepreneur in the food delivery space
- CPO at Swile. Scout at Accel

- Previously lead a studio of drive to store mobile apps
- Co-founder and co-CEO of online grocery supermarket La Belle Vie

## Superpower to Support Founders

- Strong network in France
- Support to bring gender diversity in your cap. table
- Support in HR & communication

- Support on going from 0 to 1 in almost every topic

- Being a safe place for entrepreneurs to talk about everything that goes right or wrong in their business

## Investment Themes

Generalist with an appetite for consumer and SaaS selling to tech companies

Generalist focused on B2B and B2C startups developing products for which Swile or himself could be clients

Generalist looking for entrepreneurs with uncommon backgrounds

## Top Investments



## Investments in 2022 in France



Source: Interviews with Roxanne, Romain & Paul

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## Section 07. Unicorns



*Source: Midjourney. Prompt: "Lofi unicorn walking in the desert looking for water."*

# Key Messages

- In this section, I define a unicorn as a VC-backed company which reached at some point in its history a \$1bn valuation. According to this definition, there are **36 unicorns in France with 7 companies which graduated in 2022** (Ankorstore, Ecovadis, Exotec, Front, Payfit, Spendesk and Younited).
- With the current tech market meltdown, how many French unicorns are still worth over \$1bn? We already have certain signals that the value of French unicorns is eroding. First, **Made.com is going bankrupt** after going public in Jun. 21 at a \$1.1bn valuation. Second, (ii) public companies **Deezer (€355m EV)** and **Believe (€785m EV)** which went public in the past 18 months **have now an enterprise value below €1bn**. Third, knowing that the Nasdaq dropped 33% in 2022, that several top companies have reset their valuation/raised a down-round (e.g. Stripe, Instacart, Checkout, Klarna) and that secondary shares of private startups are trading at a 40-60% discount on average, **it's fair to assume that several French startups which have raised a round at a valuation of just over \$1bn in the past 18 months are no longer worth as much**.
- **Startups can draw lessons from studying French unicorns**. Specifically, **unicorns show the equity story entrepreneurs should follow** to build a large-scale venture-backed business.
  - To become a unicorn, **startups tend to raise a funding round every 12-20 months and to 2-3x the amount they raise round after round between Seed and Series C** (with a median amount €1.6m for seed round, €9.0m for series A, €40.0m in series B and €70m in series C). **Newer startups** (created after 2014) **tend to raise rounds at a greater velocity**.
  - When we look at dilution, **unicorns tend to have a dilution above 20% on each round between seed and series B**. Moreover, **dilution decreases over time with later-stage dilution more in the 10-15% range**.
  - It took on average **8 years for French tech startups to be valued over \$1bn** with Ankorstore being the quickest (2.5 years) and Believe the slowest (16.5 years). Moreover, **younger cohorts tend to graduate to unicorn at a faster pace compared to older ones**.
  - **French unicorns' equity stories are almost never a straight line with many companies** (i) struggling to raise before becoming obvious winners to the market (e.g. Sorare), (ii) having an intrinsic bump in the road during their journey (e.g. Blablacar, Lydia) or (iii) facing a macro-downturn (e.g. Dataiku's down-round).

# 8 New French Unicorns Were Minted in 2022 (vs. 38 in Total) but Only 1 New Unicorn was Minted in H2-22

10

Unicorns Before 2020

Veepee  criteo 

Doctolib  ivalua 

 OVH.com 

 BlaBlaCar  dataiku

 deezer  kyriba

3

Graduated in 20

 Contentsquare

 MIRA KL

Voodoo

17

Graduated in 21

 Airbyte  aircall  alan

 algolia  Back Market  believe.

 JELLYSMACK  LEDGER  Lydia

MADE.COM  ManoMano  OWKIN

SHIFT  Qonto

 sorare  swile  Vestiaire Collective

8

Graduated in 22

ankorstore

ecovadis  
Business Sustainability Ratings

EXOTEC

 Front

 Hugging Face

 PayFit

 spendesk

 YOUNITED

Source: Press. We define a company as unicorn if it has been worth at some point in its history over \$1bn. Note that as public companies, Deezer, Believe and Made are no longer worth over \$1bn.

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# To Become a Unicorn, Startups Tend to Raise a Funding Round Every 12-20 Months and to 2-3x the Amount they Raise Round After Round Between Seed and Series C

## Key Learnings from 24 French Unicorns on the The Funding Rounds' Usual Path

		Seed	Series A	Series B	Series C	Series D	Series E	Series F
<u>Amount Raised (in €m)</u>	Average	2.2	19.3	85.5	143.0	160.7	208.8	208.5
	Median	1.6	9.0	40.0	70.0	105.7	150.0	213.4
	<i>n</i> =	24	25	25	23	18	11	6
<u>Duration bet. Rounds</u>	Average	15	24	21	19	19	14	19
	Median	11	18	18	17	18	12	15
	<i>n</i> =	25	25	25	23	18	11	6

- A top startup raised a new round every 12-20 months with two trends: (i) **newer startups** (created after 2014) **tend to raise successive rounds at a greater velocity** and (ii) **after series C, the duration between successive rounds is shortening**
- A top startup **increases the amount it raises round after round** (2-3x the amount of the previous round for series A, series B & series C) with a median of €1.6m for seed round, €9.0m for series A, €40.0m in series B and €70m in series C



# On Average, French Unicorns Were Diluted by 27% in Seed, 27% in Series A, 20% in Series B, 18% in Series C, 17% in Series D and 11% in Series E

*Average & Median Dilution for 16 French Unicorns*



Source: Sample of 16 unicorns. Data on dilution coming from press releases and public juridical documents

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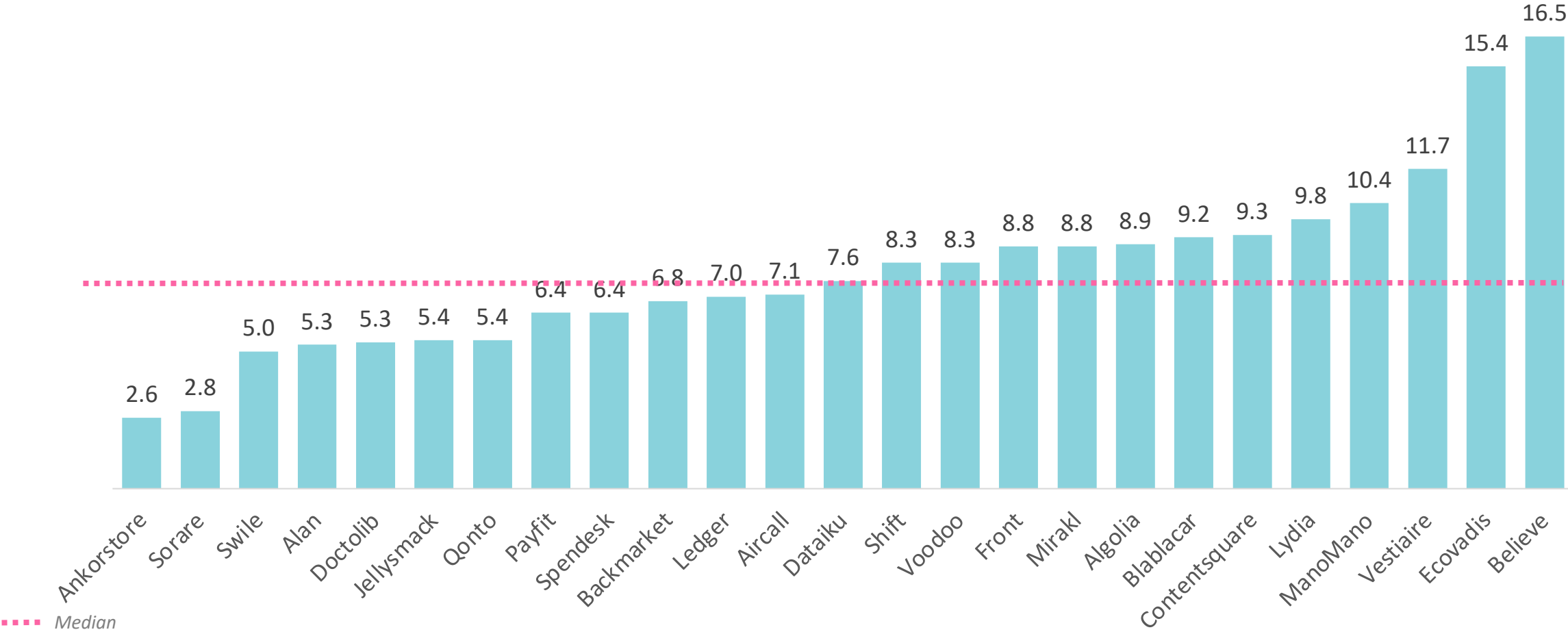


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# It Took on Average 8 Years for French Tech Startups to Be Valued over \$1bn with Ankorstore being the Quickest (2.5 Years) and Believe the Slowest (16.5 Years)

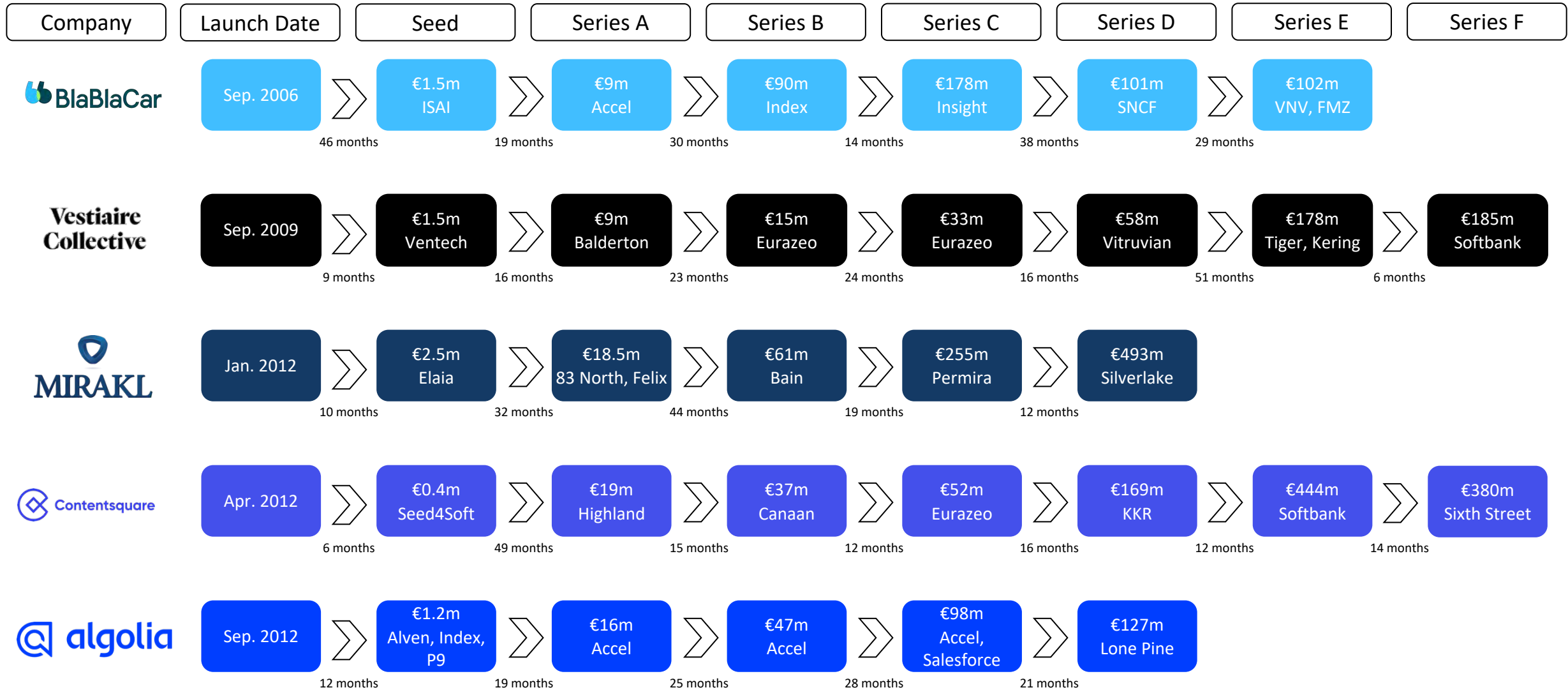
*Time in Months From Inception to Unicorn Graduation*



Source: LinkedIn, Dealroom, Crunchbase

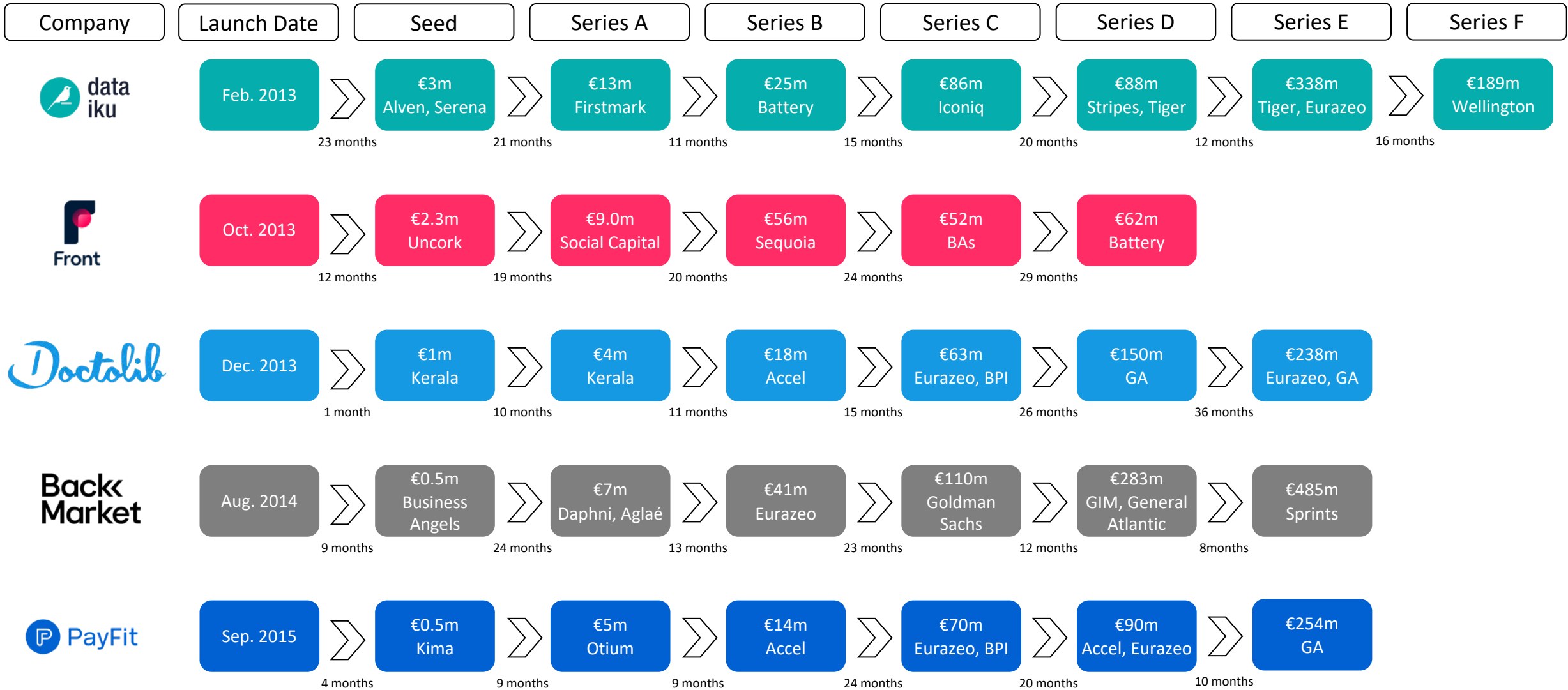


# The Funding Rounds' Usual Path - Part I



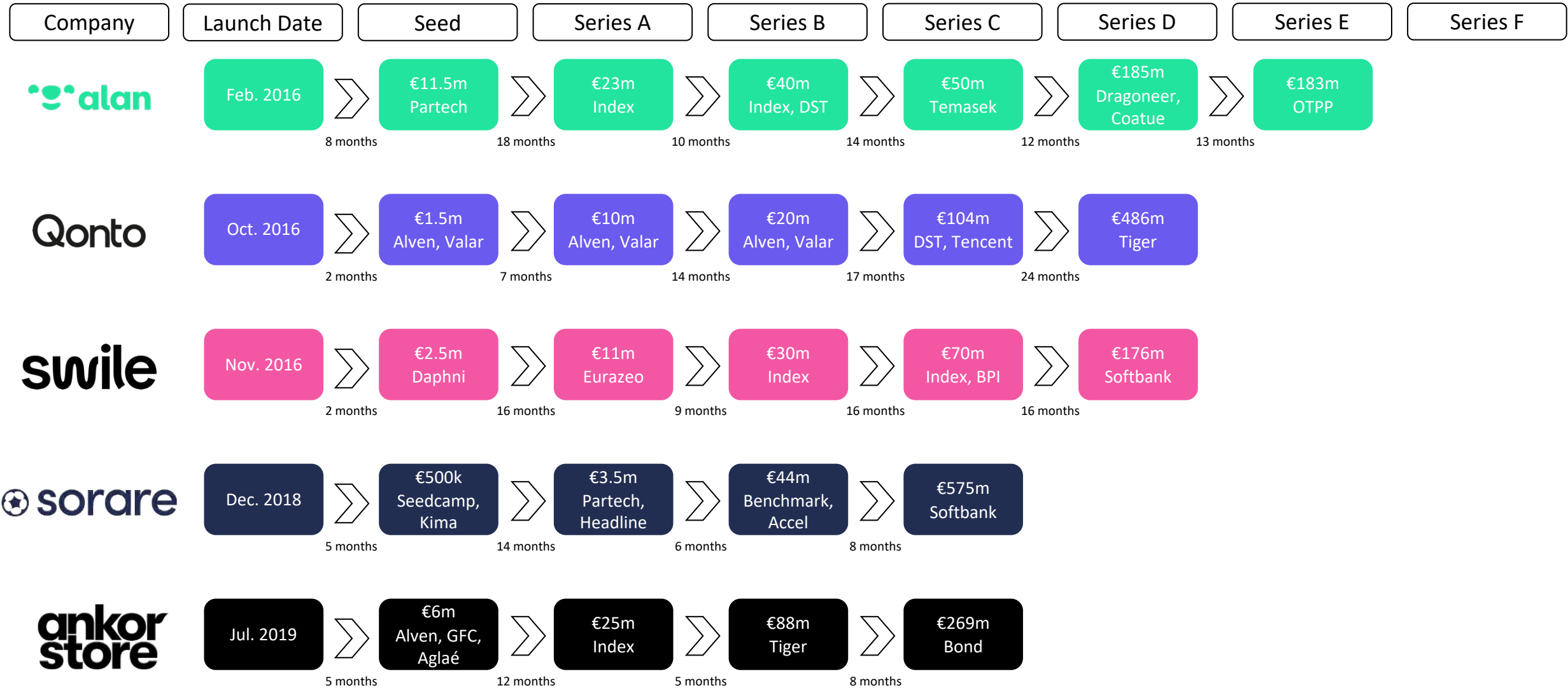
Source: Please note that the definition of the different rounds has evolved overtime (e.g. Blablacar's €1.5m round led by ISAI was called a series A). For the sake of simplicity, we use seed to designate the first round, series A to designate the second one etc.

# The Funding Rounds' Usual Path - Part II



Source: Please note that the definition of the different rounds has evolved overtime (e.g. Blablacar's €1.5m round led by ISAI was called a series A). For the sake of simplicity, we use seed to designate the first round, series A to designate the second one etc.

# The Funding Rounds' Usual Path - Part III

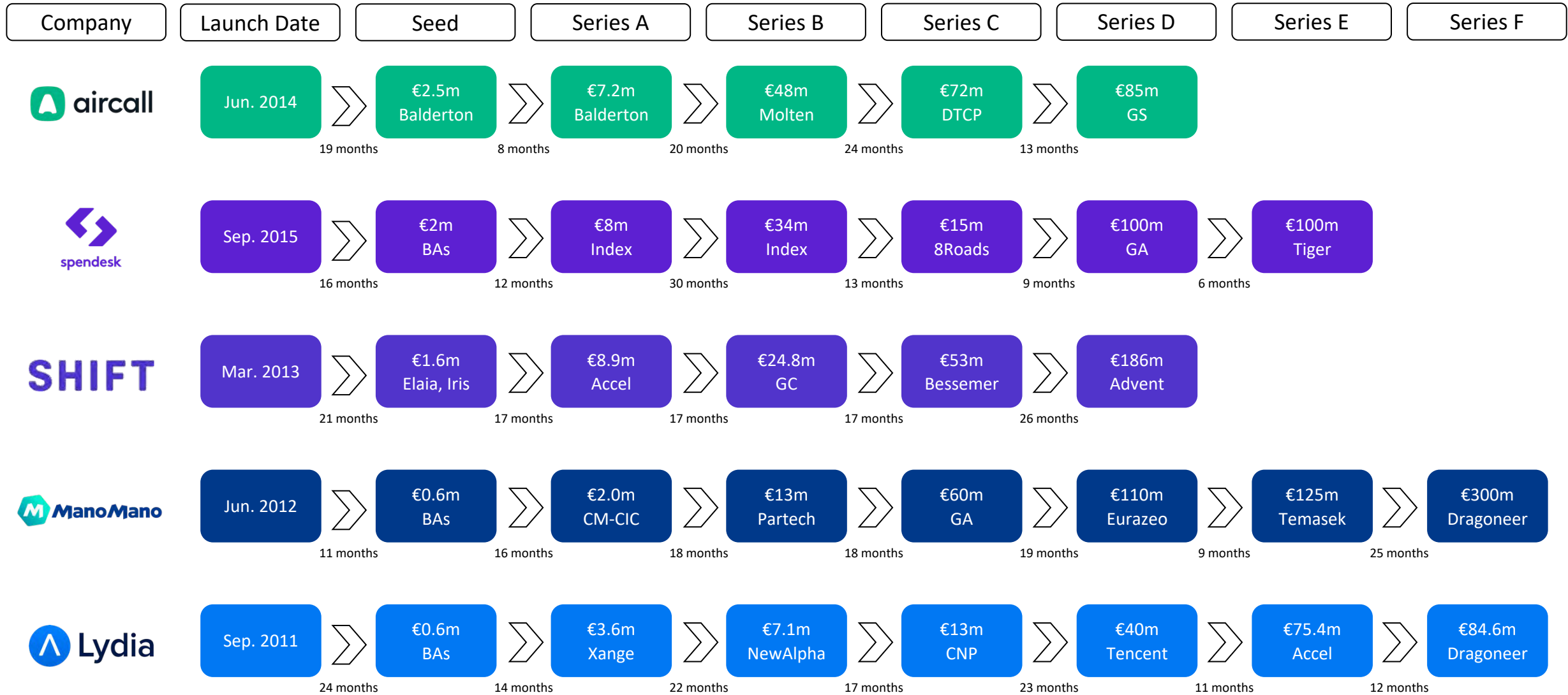


Source: Please note that the definition of the different rounds has evolved overtime (e.g. Blablacar's €1.5m round led by ISAI was called a series A). For the sake of simplicity, we use seed to designate the first round, series A to designate the second one etc.

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# The Funding Rounds' Usual Path - Part IV



Source: Please note that the definition of the different rounds has evolved overtime (e.g. Blablacar's €1.5m round led by ISAI was called a series A). For the sake of simplicity, we use seed to designate the first round, series A to designate the second one etc.

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## Section 08. Startup Mafias



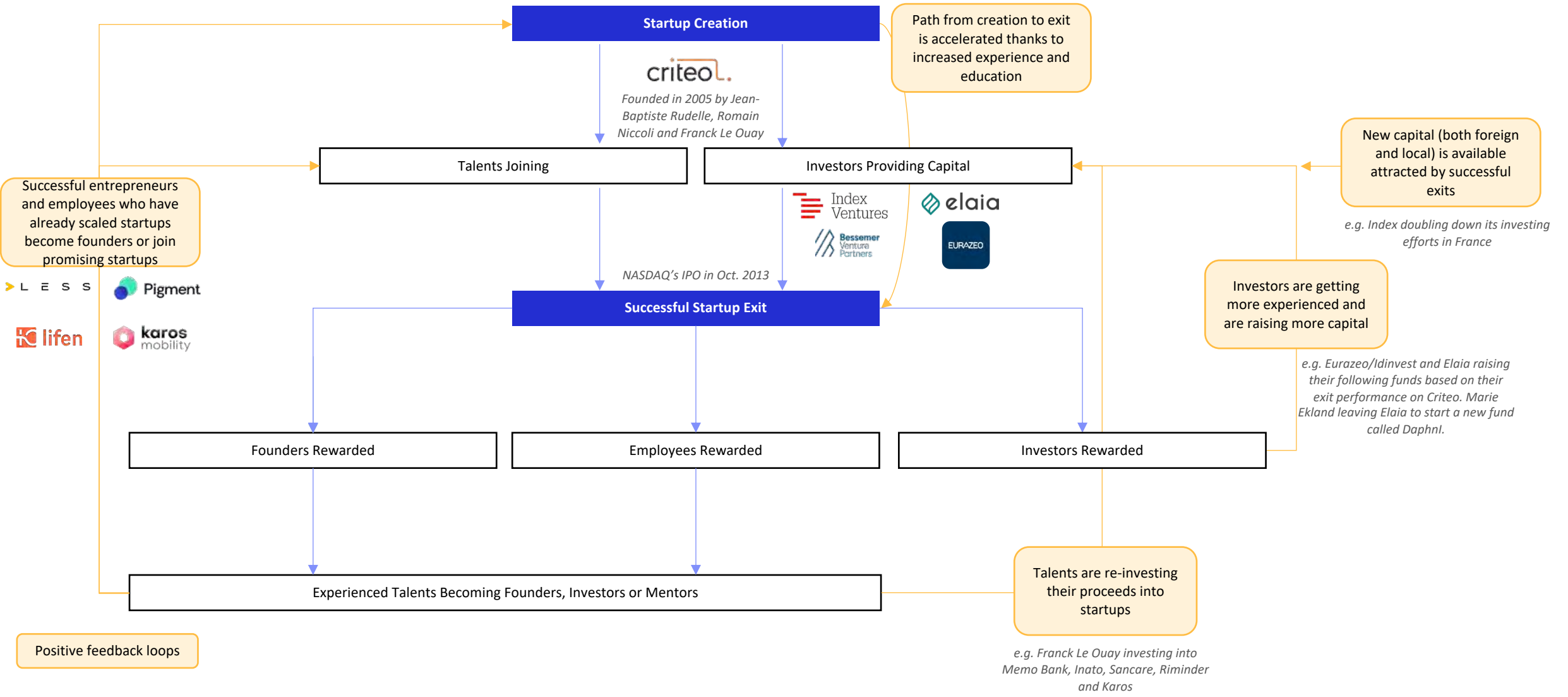
Source: Midjourney. Prompt: "Mafia diner in Edward Hopper style".



# Key Messages

- **Tracking startup mafias is a great way to track the velocity of a tech ecosystem's flywheel.** Every time a startup is successful, it generates experience and capital that can be re-invested into the ecosystem in different ways: (i) talents reinvesting their proceeds into the ecosystem, (ii) experienced employees and founders launching a new company or joining another startup, (iii) rewarded investors able to raise even more capital to be reinvested into the ecosystem.
- In France, **startup mafias can be divided into 3 categories:**
  - **Grandmas** (e.g. Exalead, Hexa, Otium): organisations whose former employees created tech unicorns and these unicorns created their own startup mafias (e.g. Exalead → Algolia → Palette, Betterway, Carbonx, GlueTrail, etc.)
  - **Established mafias** (e.g. Criteo, BlaBlaCar, Doctolib): private unicorns or exited companies whose alumni created over 10+ new startups.
  - **Emerging mafias** (e.g. PriceMatch, Payfit, Zenly): €500m+ private startups or exited companies whose alumni created less than 10+ new startups.
- Great startup mafias rise when some of the following ingredients are reunited: (i) **a high talent density**, (ii) **former or future founders recruited as employees** (e.g. A third of Ramp's employees in the early days were former founders, Max Levchin saying from his experience at PayPal/Affirm that “the very best employee at any job at any level of responsibility is the person who generally believes that this is their last job working for someone”), (iii) **a entrepreneurial/strong ownership culture** (e.g. Amazon with its single threaded leaders organisation), (iv) **aggressive scaling** which creates strong bounds between employees.
- After having worked in a tech startup, **employees tend to launch 3 types of businesses:**
  - VC-backed businesses leveraging the strengths of the company they worked for (e.g. selling to local businesses for Doctolib, product obsession for Captain Train) or/and the industry expertise they acquire (e.g. mobile apps for Stupeflix).
  - Consulting businesses around their former role (e.g. AtScale which is an agency to scale sales team launched by Stéphane Azamar-Krier who is a former sales director at Criteo).
  - Indie businesses (e.g. a restaurant, a D2C brand, a bootstrapped business) because they want to become entrepreneurs but they refuse to have the same intensity or the same cultural mindset found in VC-backed companies. It's a reality that tech startups are burning employees down with their intensity and they can choose to leverage their experience/capital to start their own business with a better work-life balance.
- When you work for a fast growing startup, **you build unfair competitive advantages:** (i) learning how to scale from 1 to 100, (ii) finding original insights on an industry or a function that can lead to company inception, (iii) raising the bar on ambition, international mindset and execution speed, (iv) building a network to have an easier access to talent and capital, (v) taking shortcuts by avoiding mistakes made by the startup and by replicating its best practices.
- With the tech bonanza, **many startups operators left to build their own company but experienced startups operators do not always make strong founders.** Operators may have the experience to scale from 1 to 100 but cracking the 0 to 1 is a completely different skill. It requires creativity and resilience that they don't always have. Having studied French startup mafias for several years, I've seen several startups founded by former Algolia, Payfit or Dataiku employees being shut down.

# Identifying the Positive Feedback Loops in a Startup Ecosystem – Criteo's Example



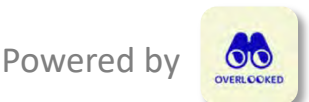
Source: Index, LinkedIn

# 1.3k Former Employees at 25 Top French Startups Left to Build their Own Business with Criteo, Deezer, Teads, Talend and Blablacar Being the Largest Startup Mafias




*Number of Employees Who Worked at a Top French Startups and Who Left to Build their Own Startups*



Source: LinkedIn



# French Startup Mafias can be Broken Down into 3 Categories: (i) Grandmas, (ii) Mature Mafias, (iii) Secondary Mafias

Category	Description	Examples
<p>1 Grandmas</p>	<p>Organisations which former employees created tech unicorns and these unicorns created their own startup mafias (e.g. Exalead → Algolia → Palette, Betterway, Carbonx, GlueTrail, etc.)</p>	
<p>2 Established Mafias</p>	<p>Private unicorns or exited companies which alumni created over 10+ new startups</p>	
<p>3 Emerging Mafias</p>	<p>€500m+ private startups or exited companies which alumni created less than 10+ new startups</p>	

Source: Internal Analysis

# Exalead

Sold to Dassault in 2010 for \$162m, Exalead had a R&D team with 60+ Extremely Talented Engineers Working on Forward Looking Topics and Building Everything in House

1 Grandmas



Source: LinkedIn

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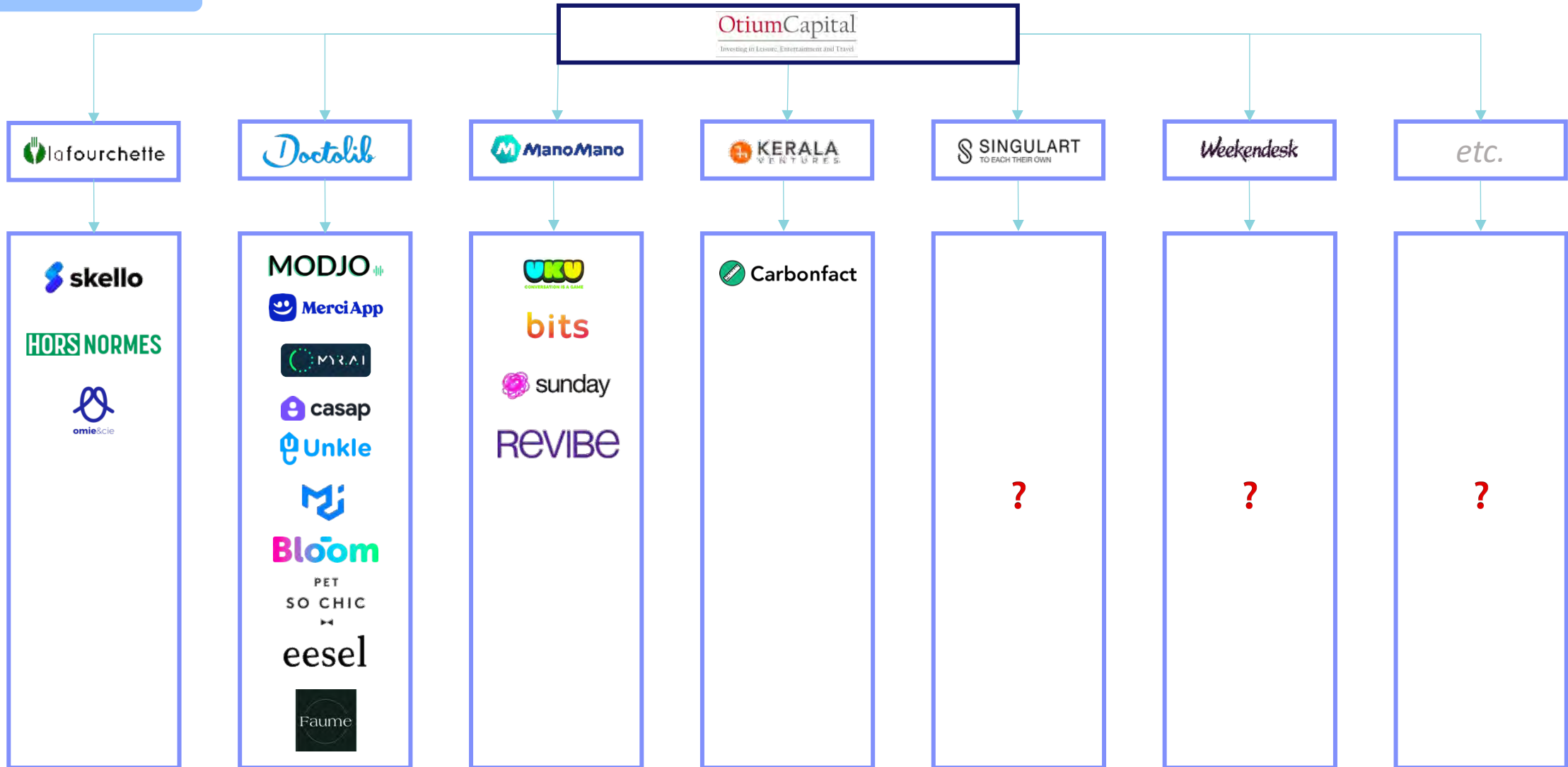


# Otium Capital

Otium had an Internal Team Operating La Fourchette and Launching Startups (e.g. Weekendsk) with Talents leaving to Launch Companies like Doctolib and ManoMano

1

Grandmas



Source: LinkedIn

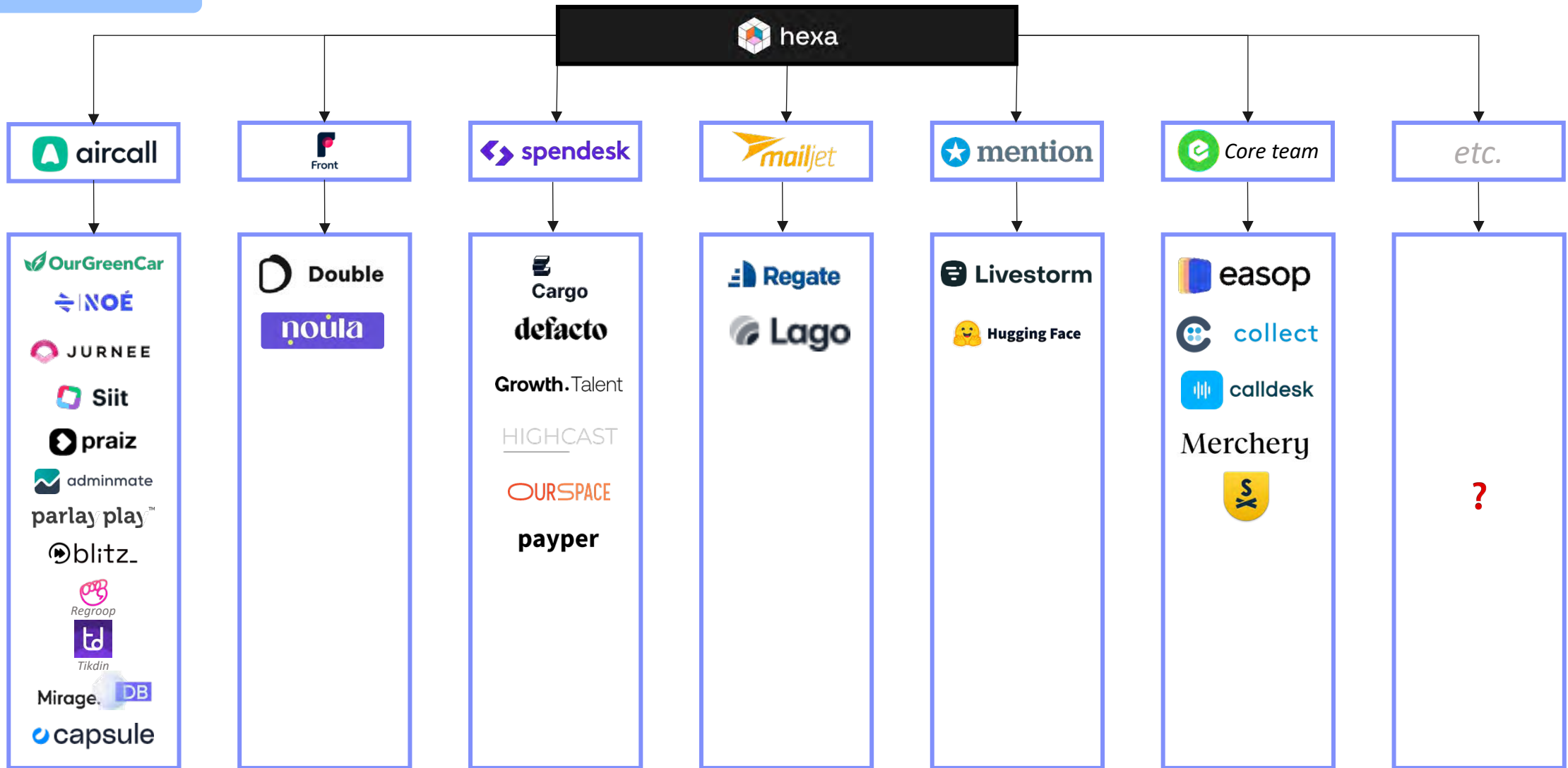
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# Hexa (ex. eFounders)

Hexa is a Startup Studio which Incubated 3 Unicorns and Created 30+ Companies

1 Grandmas



Source: LinkedIn, [Hexa](#)

# Criteo

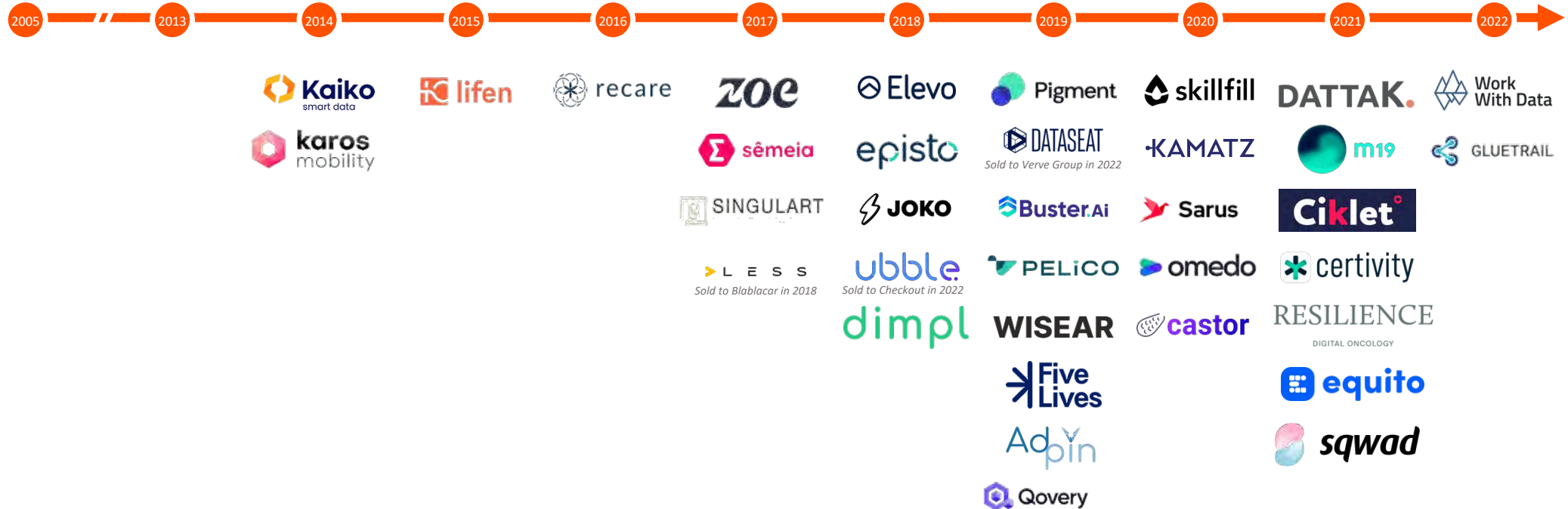
## Criteo Is The Largest French Startup Mafia With 305 Former Employees Who Left To Build Their Own Company

### 2 Established Mafias

Sep. 2005: Inception  
 Oct. 2013: IPO raising \$250m at a \$1.7bn valuation

**CRITEO**

Advertising company initially specialised in retargeting



### Key Insights

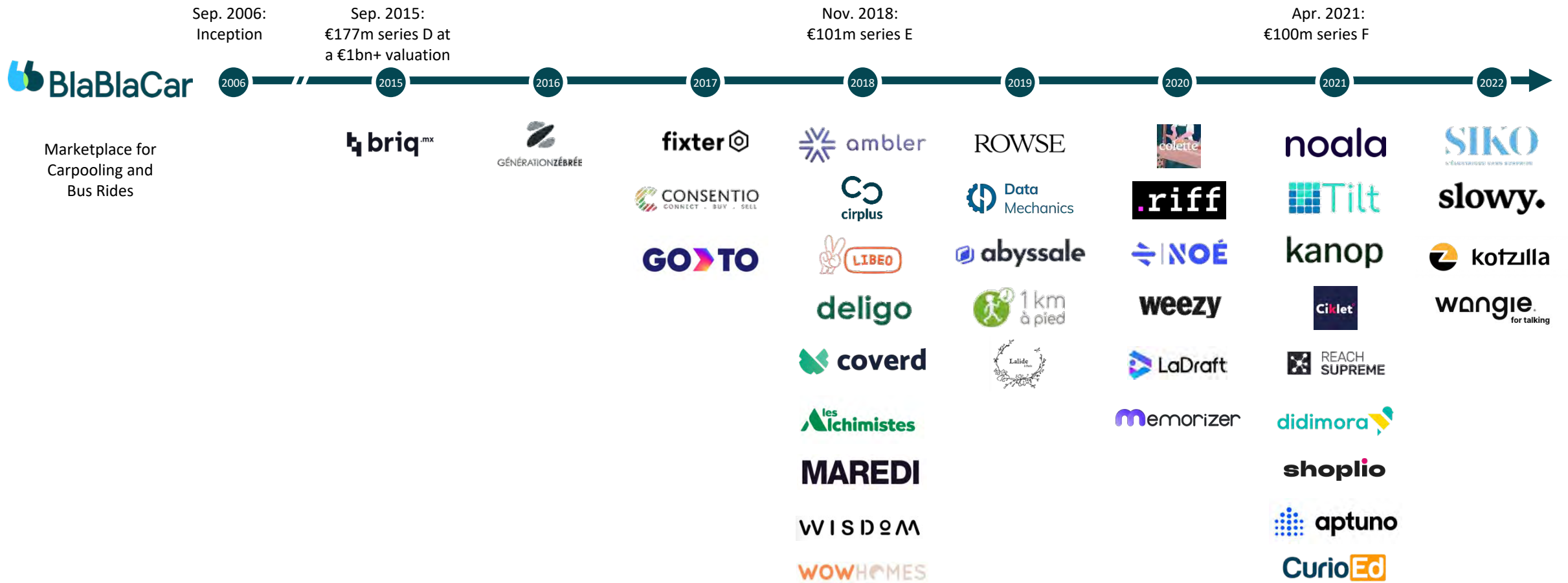
- Criteo is the largest French startup mafia with 305 former employees who left to build their own company
- 3 former Criteo founders built another business: (i) Jean-Baptiste Rudelle who founded Less in 2017 sold to Blablacar in 2018, (ii) Romain Niccoli who founded Pigment in 2019 and (iii) Franck Le Ouay who cofounded Lifem in 2015
- Several companies founded by Criteo's mafia have already been sold: Less to Blablacar in 2018, Ubble to Checkout in 2022 and Dataseat to Verve Group in 2022



# BlaBlaCar

38 Startups Were Founded by Former BlaBlaCar's Employees with Many in the Mobility and Sustainability Sectors

## 2 Established Mafias



### Key Insights

- Many alumnis decide to **create their startups into areas adjacent to Blablacar** like mobility (e.g. Ciklet) or sustainability (e.g. Cirplus, Slowy, Kanop)
- Several of Blablacar's **country managers left to start their company in their home country** (e.g. Deligo in Hungary)
- Some **startups have already been exited**: Weezy sold to Getir (Nov. 21) and Data Mechanics sold to NetApp (Nov. 21)

## Building a Culture Around Learning & Entrepreneurship



In Conversation with Nicolas (Founder & CEO @ BlaBlaCar)

### How do you explain the rise of a wide BlaBlaCar's startup mafia?

- It started almost as a joke. In 2011, we started to scale hiring for BlaBlaCar. **I was telling every new employee that they will have stock options (BSPCE) and that one they could be part of the BlaBlaMafia.** I was inspired by the US startup culture with famous mafias around companies like Fairchild and PayPal. At the time, startup employees did not know what BSPCEs were and their liquidity was theoretical.
- As we grew and raised successive funding rounds, **we organised liquidity events for employees.** \$15m was cashed out by 86 employees or former employees across 4 secondaries.
- **With the capital and experience gained at BlaBlaCar, a startup mafia started to emerge in 2015.** Today, over 30 startups were created by former employees which have raised €118m in total. I'm proud that (i) **former employees spent on average 3.6 years at BlaBlaCar**, (ii) **36% of them are women** and (iii) **26% of them are launching a business with a positive impact.**

### What are the ingredients in BlaBlaCar's culture that prompt employees to launch their own startups?

- We have a **strong entrepreneurial culture** that manifests itself in different ways. Firstly, one of our values is "fail, learn, succeed". We want employees to take risks and we don't mind if they fail as long as they learn from their failures and share them with the whole organisation. Secondly, every employee has the opportunity to become a shareholder. As a result, they act and feel as company's owners. Thirdly, we also made many acqui-hirings in BlaBlaCar's history acquiring 8 companies with founders staying on average for 4-5 years with us.
- We built a workplace in which **employees will learn as much as possible before their next professional step.** We like to recruit young talents and build with them career paths in which they will learn different roles and will expand their scope of responsibilities

### What is missing in France to bring the ecosystem to the next level?

- In France, we have two **wrong taboos.** First, **we don't like when employees leave their companies.** You have issues when you have an employee churn that is too high or when you have a low employee NPS. It's inevitable that some employees will leave after spending 3-4 years in your company. If you don't build a culture in which it's fine for employees to leave, you will end up with a lower talent density because the best talents won't join or stay in your organisation.
- Second, **we're afraid of cashing out employees.** Startups should offer liquidity to employees because most of the time, it takes more than a decade to exit a startup and liquidity proves that the BSPCE's value proposition is real for employees.

### How do you animate the BlaBlaMafia?

- It has been mostly organic and manifested in different ways. First, former employees created a **Slack group called BlaBlaMafia.** Second, **BlaBlaCar regularly invites former employees who launched their startup** to share their learnings to BlaBlaCar's employees. Third, **as founders, we have invested with our personal money into several startups** from the BlaBlaMafia.

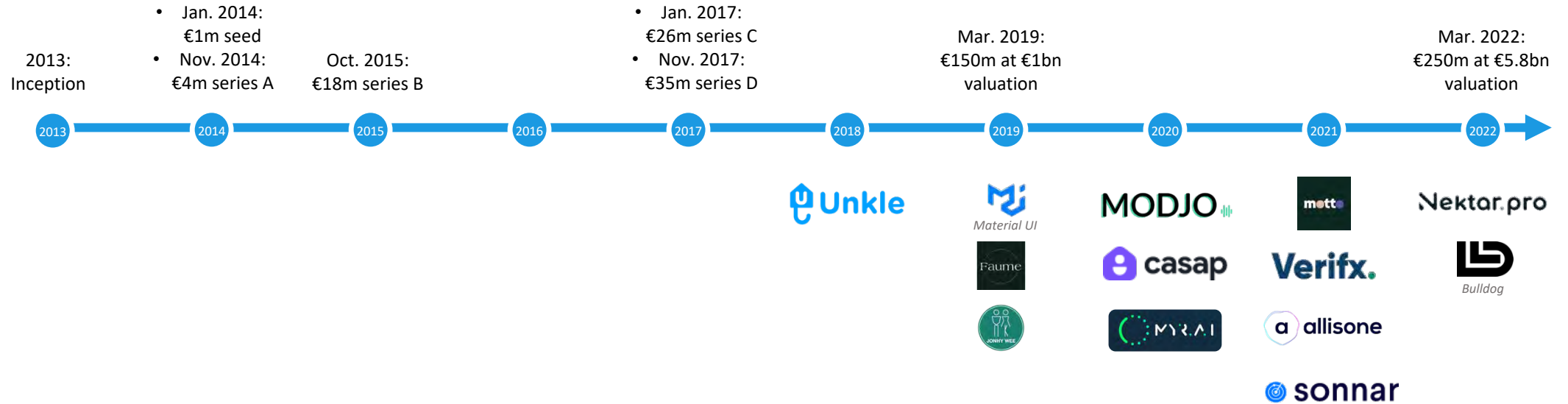
# Doctolib

Doctolib's Former Employees are Going After Topics on Which the Company is Best in Class (e.g. Recruitment, Sales, Local Businesses)

## 2 Established Mafias

Doctolib

Vertical SaaS to help healthcare professionals with their bookings & admin tasks



### Key Insights

- Several startups are going after topics on which Doctolib has a unique edge: (i) sales (e.g. Modjo), (ii) recruitment (e.g. Sonnar), (iii) going after local businesses (Allisone, Casap, Nektar)
- Employees in foreign countries like Germany became entrepreneurs (e.g. Jonhy Wee)
- Several former employees also became entrepreneurs without picking the VC-backed startup path (e.g. starting consulting agencies, opening restaurants, launching D2C brands, etc.)

Source: LinkedIn, Dealroom

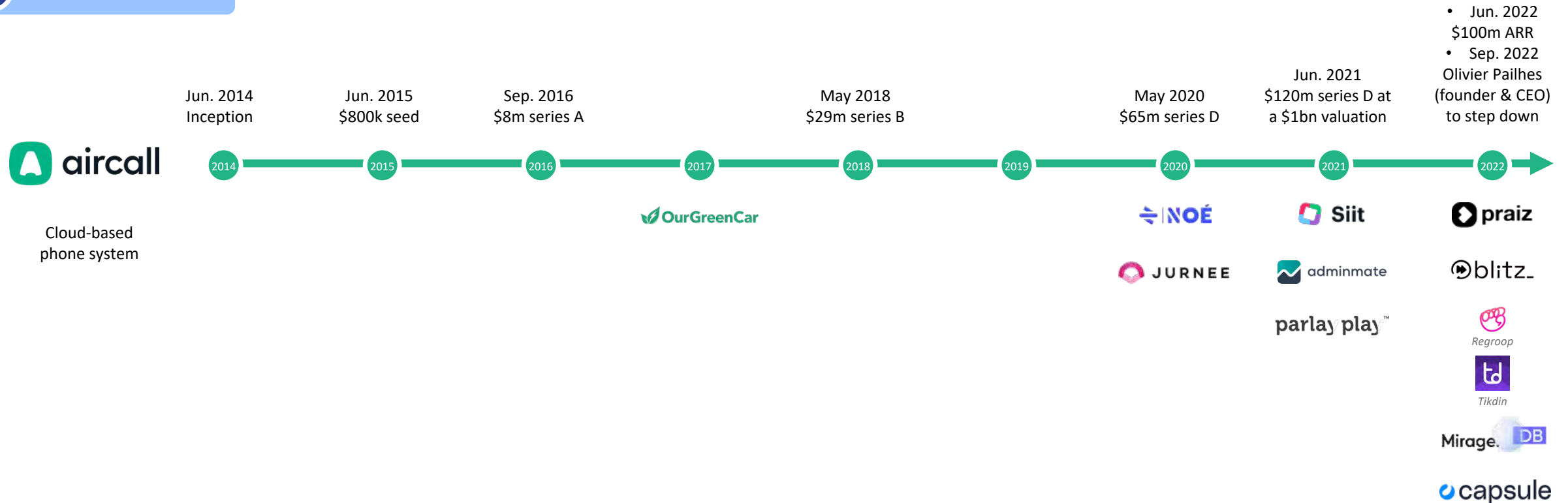
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# Aircall

Aircall's Startup Mafia Started to Grow after Covid when the Company Reached Key Milestones like the Unicorn Status in 2021 and Passing the \$100m ARR Threshold in 2022

## 2 Established Mafias



Cloud-based phone system

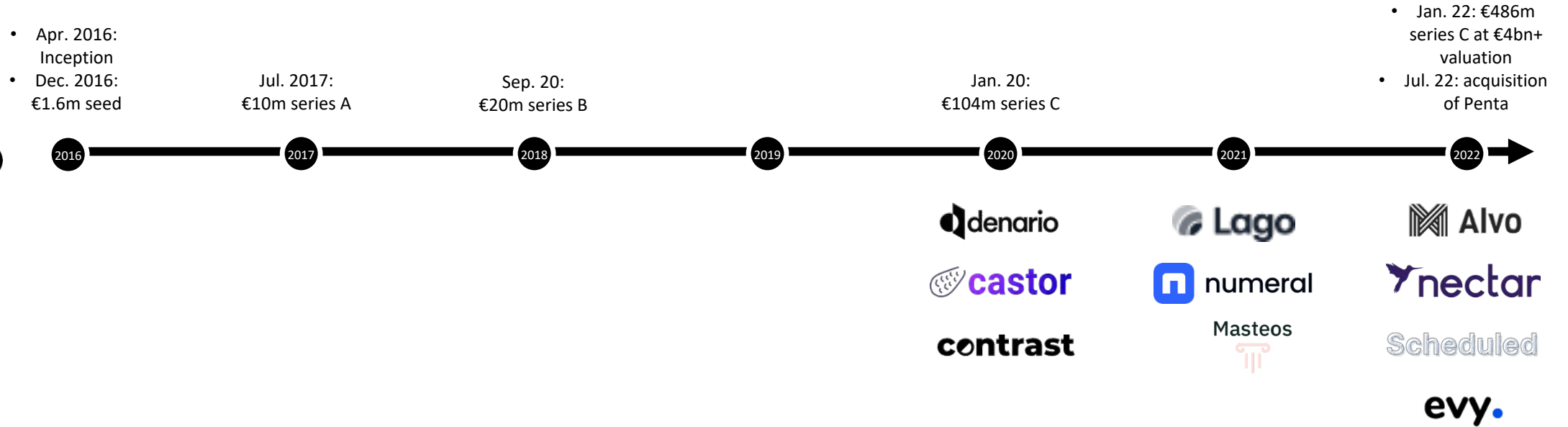
### Key Insights

- Aircall is known for being a company with a strong culture and a strong sales DNA leading to the creation of several businesses around HR (e.g. Siit which is an employee portal and Jurnee which is a platform to book team events) and sales enablement (e.g. Capsule which is a customer collaboration platform and Praiz which is an internal Youtube with use cases for salespeople)
- With covid and significant company milestones (becoming a unicorn, reaching \$100m in ARR), many employees left as Aircall entered into a new stage of its company journey moving closer to become a publicly listed business

# Qonto

10 of Qonto's Former Employees Left to Launch their Own Business. 5 of Them are Operating in the Finance Industry (B2B Payments, Payment Ops, M&A, Billing, Embedded Insurance)

## 2 Established Mafia



### Key Insights

- 5 startups are operating in the **finance industry** (B2B payments, payment ops, M&A, billing, embedded insurance)
- Qonto's alumni **created startups outside France** (e.g. Nectar which is an EV charging solution in Canada and Denario which is a B2B payment solution in Germany)



# Spendesk, Ornikar, Snips, Withings, PriceMatch

## 3 Emerging Mafias

Mafia



Ornikar

snips

Withings

PriceMatch

Startups

Cargo defacto Growth.Talent HIGHCAST OURSPACE payper

DinMo Fluid KOMI slowy. Stann. wiink.

Dadditude FLOURISH Motif electricityMap ZAMA vestico.

cosmian ZOON Netatmo Specify Privateaser Greenly Husprey Faircraft napo

Pennylane<sup>™</sup> Matera mindsay Cardiologs AI serving cardiology FairMoney COOKE paramedic nopillo calldesk

Source: LinkedIn, Dealroom

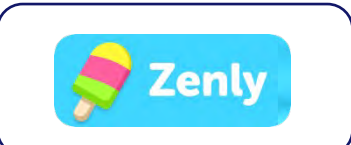
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# Payfit, Zenly, Captain Train, Frichti, Alan

## 3 Emerging Mafias

### Mafia



### Startups



Source: LinkedIn, Dealroom



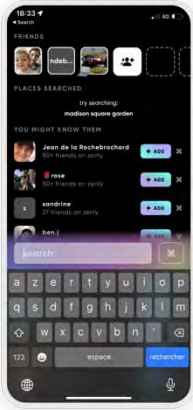
# In Feb. 2023, Snap Will Shut Down Zenly but its Mafia & Social Consumer DNA Will Thrive in the Next Decade



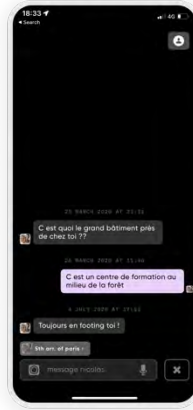
## Product



Your personal map with all visited places that are collected in the background



Your friends that you can add with their phone numbers or from other social networks



Messaging with conversations prompted by your location



Memories that you can add based on the recent locations in which you've spend time

## What is Zenly

- In Aug. 2022, **Snap launched a massive restructuring and decided to shut down the Zenly's app and to lay-off its employees.** Zenly started in Jun. 2011. It was sold to Snap in 2017 after having raised funds from Benchmark, Xavier Niel and Idinvest (now Eurazeo).
- Zenly is a **social network based on location sharing.** Zenly creates a social and personalised map. You can localize your friends and family easily to avoid back-and-forth messages and to prompt conversations.
- Zenly started with messages but also includes memories (to save **added social features on top of its map** automatically and to enrich the places in which you've been) or bumps (when you want to add a new friend on Zenly by opening both phones when you're physically with him)
- It has **40m MAUs** and **15m DAUs** (vs. 150k when Snap acquired Zenly and 2m DAUs in Jan. 2020)

## What Zenly Brought to the Ecosystem?

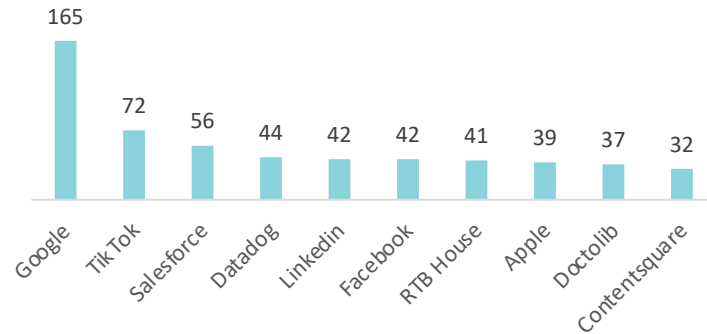
- It **put the French tech ecosystem on the map** by attracting a top US investor with Benchmark in 2016 and selling in an all cash transaction to Snap in 2017 for \$213m
- It proved that **you can build social consumer businesses in France** and emulated a generation of world-class consumer teams in Paris
- It made **Zenly's founders wealthy enough to fund the next generation of French startups with angel capital**
- Tomorrow, it will **prove that Zenly will have one of the best French startup mafias** thanks to its unique culture and talent density



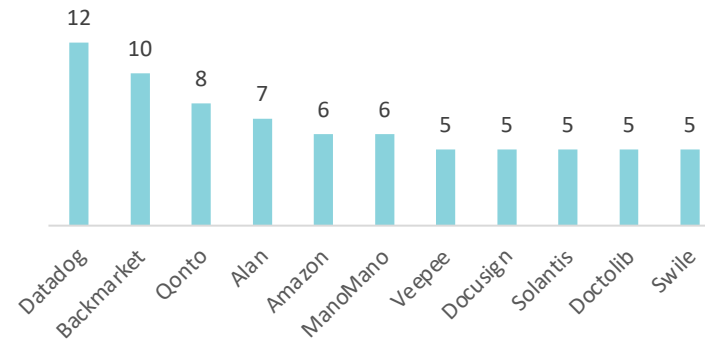
# After Working at French Tech Startups, Employees Leave to Work in a Top Global Startup, another French Scaleup or in a Startup Mafia

Where Employees Go After Leaving Criteo, BlaBlaCar, Doctolib, Aircall, Qonto or Captain Train?

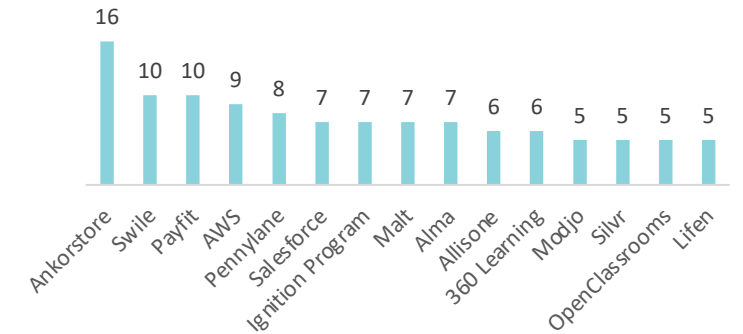
**CRITEO**



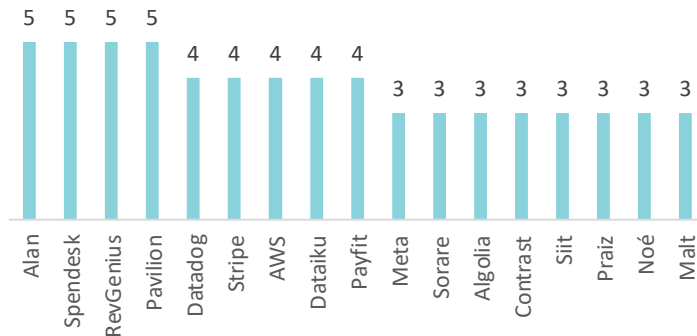
**BlaBlaCar**



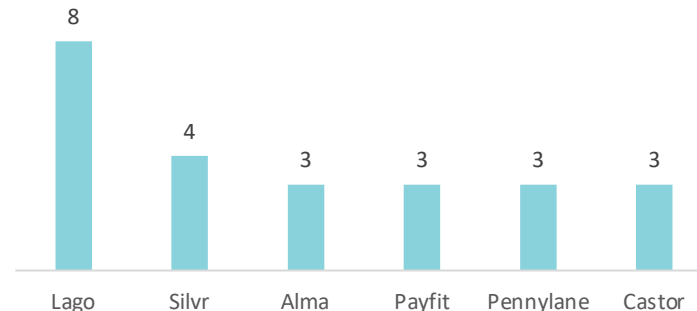
**Doctolib**



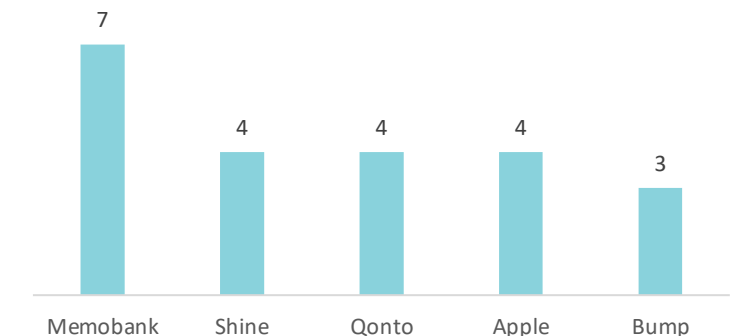
**aircall**



**Qonto**



**captain train**



## Key Insights

- Former French scaleup employees tend to **stay in the tech industry** working for a **top global tech company** (e.g. Google, Amazon, Facebook), another French scale-up (e.g. Ankorstore, Alan, Doctolib) or a **startup founded by other former employees** (e.g. 8 ex. Qonto working at Lago)
- Former employees tend to stay in **similar sectors** (e.g. former Qonto's employees working in other fintechs like Silvr, Alma, Payfit or Pennylane) or in companies with **similar ethos** (e.g. Captain Train's employees working at Apple because they love well designed products)

Source: LinkedIn, Dealroom

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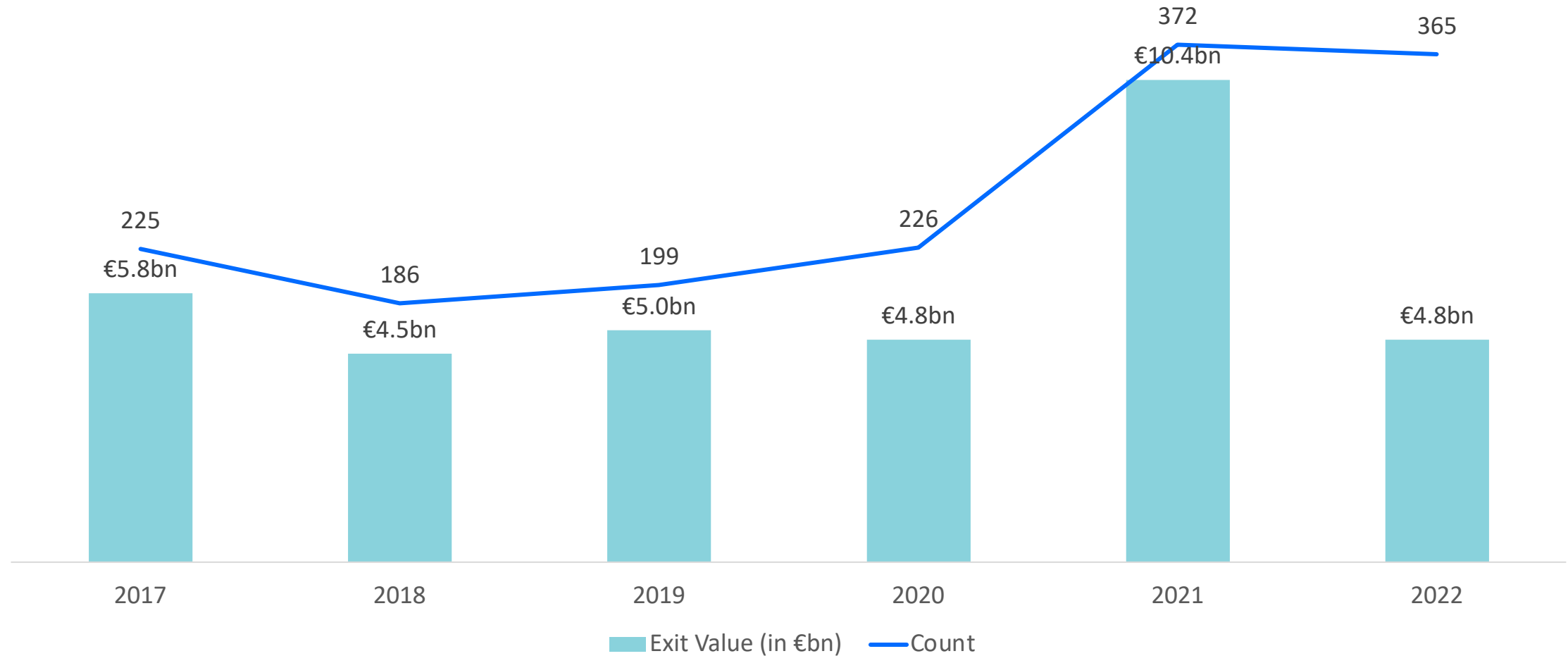
## Section 09. Exits













*Source: Midjourney. Prompt: "Entrepreneur ringing the bell on Wall Street in Van Gogh style."*

# In 2022, French Startups Generated €4.5bn in Exit Value which is 50% Less Compared to 2021

*Count and Value of French Tech Startups Exited between 2017 and 2022*



# Many French Startups were Acquired in 2022 but Exits Above €50m Remain Exceptional








Acquirer	Target	Date	Amount	Rationale
 VICTORIA'S SECRET	ADOREME	Nov. 22	\$400m <i>in cash</i>	<ul style="list-style-type: none"> <li>Pursue digital expansion by acquiring a strong D2C brand with a subscription offering and a younger audience</li> <li>AdoreMe: founded in 2011, 1.2m customers, \$240m revenues in 2022, 560 FTEs</li> </ul>
		May 22	€90-100m <i>mix cash &amp; shares</i>	<ul style="list-style-type: none"> <li>Consolidate the market in France by acquiring a direct competitor</li> <li>Cajoo: founded in 2021, 400k customers, \$48m raised</li> </ul>
	 FRICHTI	Jan. 22	n.a.	<ul style="list-style-type: none"> <li>Consolidate the quick commerce French market in France by acquiring a competitor with a complementary product offering (B2B, prepared meals)</li> <li>Frichti: founded in Jun. 2015, €43m raised, 400 FTEs, 450k customers, presence in 8 cities in France and Belgium</li> </ul>
		May 22	n.a.	<ul style="list-style-type: none"> <li>Product expansion into the digital identity verification space to add it into Checkout's platform of financial services for merchants</li> <li>Ubble: founded in 2018, 100 FTEs, €16.5m raised</li> </ul>
		Feb. 22	\$19m n.a.	<ul style="list-style-type: none"> <li>Product expansion to add AI-powered vehicle inspection brick into its product suite for dealers and commercial partners</li> <li>Monk: founded in 2019, €2.1m raised, 30 FTEs</li> </ul>
		Sep. 22	< €70m <i>in cash</i>	<ul style="list-style-type: none"> <li>Product expansion adding expense management to Silae's platform which is essentially centered around payroll and customer segment expansion as Jenji is targeting enterprise customers while Silae was mainly going after SMBs</li> <li>Jenji: founded in 2014, €7m raised</li> </ul>

Source: Company Information, Press

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# French Leading Tech Companies are Consolidating their Market with Different Acquisition Rationales: Eliminating a Competitor, Geo. Expansion, Product Expansion












Acquirer	Target	Date	Amount	Rationale
		Jul. 22	n.a. <i>mix cash &amp; shares</i>	<ul style="list-style-type: none"> <li>Pursue geographical expansion in Germany by acquiring a direct competitor in this market (Qonto has been in Germany since 2019)</li> <li>Penta: founded in 2017, 50k customers, 200 FTEs, €51m raised</li> </ul>
		Jan. 22	n.a. <i>mainly shares</i>	<ul style="list-style-type: none"> <li>Geographical expansion (esp. in Germany) and acquisition of an insurer agreement</li> <li>Coya: founded in 2016, 80k customers, €40m raised</li> </ul>
		Jan. 22	€10-50m <i>mix cash &amp; shares</i>	<ul style="list-style-type: none"> <li>Tech acquisition to securize Doctolib's healthcare data with Tanker's end to end encryption platform</li> <li>Tanker: founded in 2015, working with Doctolib since 2019</li> </ul>
		Mar. 22	€50-100m <i>mix cash &amp; shares</i>	<ul style="list-style-type: none"> <li>Pursue geographical expansion in Germany by acquiring an indirect competitor (more focused on management consultant &amp; industry experts than tech freelancers)</li> <li>Comatch: founded in 2014, 15k consultants/experts, 9 countries, 130 FTEs</li> </ul>
	 <i>Bimpli (Meal Vouchers Division)</i>	Jul. 22	€250-500m <i>mix cash &amp; shares</i>	<ul style="list-style-type: none"> <li>Acquisition of a direct competitor with a different customer base (more focused on the public sector and on large corporates)</li> <li>Combined entity: €140m ARR, 75k customers, breakeven point to be reached in 2023</li> </ul>
		Mar. 22	n.a.	<ul style="list-style-type: none"> <li>Acquisition of a direct competitor to consolidate the organic online grocery segment in France</li> <li>Aurore Market: 2016, 16k subscribers</li> </ul>

Source: Company Information, Press

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# More Broadly, it has Become Common in 2022 to See Consolidation amongst Companies in the Tech Industry

Acquirer	Target	Date	Amount	Rationale
		Jun. 22	n.a.	<ul style="list-style-type: none"> <li>Product expansion with a remote monitoring platform in oncology and hematology</li> <li>Ana Health: founded in 2017</li> </ul>
		Jun. 22	n.a.	<ul style="list-style-type: none"> <li>Geographical expansion to enter the French market with a local P2P car-sharing marketplace brand</li> <li>Ouicar: founded in 2007, 2m users, €5m raised</li> </ul>
showroomprive.com		Apr. 22	€20m cash	<ul style="list-style-type: none"> <li>Acquisition of a direct competitor with a different customer audience (younger consumers) and a more premium positioning</li> <li>The Bradery: founded in 2018, €50m in sales in 2021, 200k buyers, 400 brands</li> </ul>
		Oct. 22	n.a.	<ul style="list-style-type: none"> <li>Pursue European geographical expansion by entering into the French market</li> <li>Proprioo: founded in 2016, €26m raised, 175 FTEs</li> </ul>
		Jul. 22	n.a.	<ul style="list-style-type: none"> <li>Geographical expansion in France and in Spain after having built a customer base in the UK and in the US</li> <li>Pixpay: founded in 2019, 200k members, presence in Spain and France, €8m raised</li> </ul>
		Mar. 22	n.a. mix cash & shares	<ul style="list-style-type: none"> <li>Product expansion into the renting market with a guarantor as a service offering for tenants and a digital renting insurance</li> <li>Unkle: founded in 2019, €11m raised, 20k customers, 100k customers and 3.5k real estate agencies targeted by 2023, 30 FTEs</li> </ul>

Source: Company Information, Press

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## Section 10. What's Next for 2023?



*Source: Midjourney. Prompt: Dali-style painting on the future of the world.*

# Key Messages – Ending on a Positive Note

- **Tech remains the main source of value creation in our economy.** Several tech drivers are powerful: (i) digitalisation has still not penetrated entire industries as agriculture, construction, hospitality and healthcare, (ii) cloud adoption is still in its infancy, (iii) crypto, AI and climate are new tech paradigms.
- **The French ecosystem is built on solid ground:** (i) a favourable political environment, (ii) strong local investor base in seed and series A combined with a foreign investor base increasingly interested in investing in the French ecosystem from seed to pre-IPO rounds, (iii) a tech flywheel spinning quickly recycling talent & capital into the ecosystem, (iv) a demonstrated ability to create global category leaders (e.g Mirakl, Algolia, Sorare, Dataiku, Swile, Voodoo, Jellysmack).
- Yes, a new paradigm is coming. Each **stakeholder in the ecosystem should adapt quickly and vigorously to this new reality** (profitable growth, proven unit economics, asset light models, experienced teams, etc.). We should also **destigmatiser** (i) **layoffs**, (ii) **down-rounds**, (iii) **founders & CEOs stepping back**. These actions happen when the wind is turning and are **not synonymous with poorly performing startups**.
- Once stakeholders will have adapted to this new paradigm, **the ecosystem will be able to grow from there and we know what it takes to bring the ecosystem to the next level** (more diversity, more singularity, a stronger international mindset, attracting experienced operators, more long-lasting capital at growth stage).
- Overall, if 2022-2023 are tough adaption years for the tech ecosystem, **I remain enthusiastic about the coming years for the French tech ecosystem.**
  - The upcoming cohort of French entrepreneurs will be the strongest we will have ever seen.
  - A paradigm rewarding capital efficiency over growth at all cost is sounder for the ecosystem in the long run.
  - European funds have dry powder to invest. Capital deployment cycles may be slower but top performing startups will always have access to capital.



# Tech Drivers are Strong: Several Sectors such as Agriculture, Construction, Hospitality and Healthcare are Lagging Behind when it Comes to Digitization

2015 or latest available US data

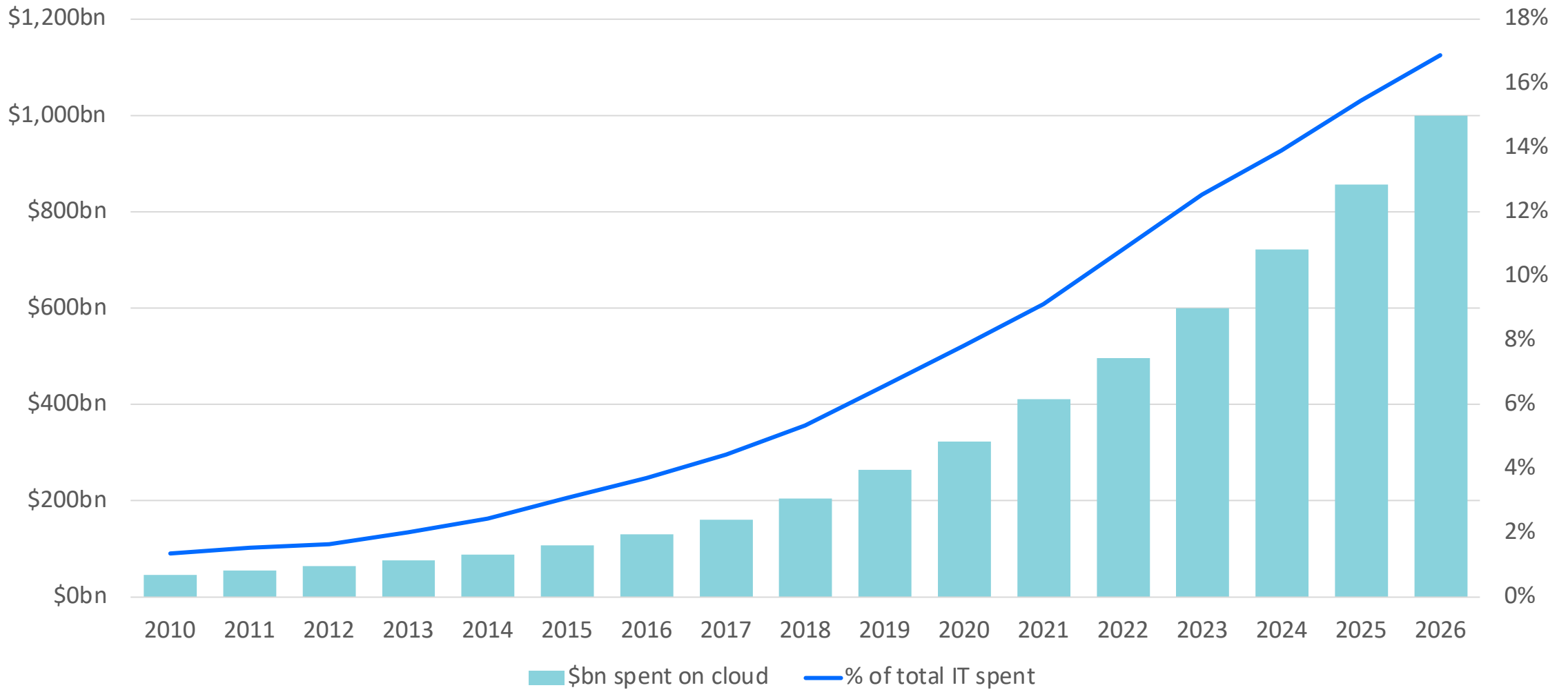
Sector	Assets			Usage				Labor			GDP share %	Employment share %	Real productivity growth, 2005-15 %
	Overall digitization <sup>1</sup>	Digital spending	Digital asset stock	Transactions	Interactions	Business processes	Market making	Digital spending on workers	Digital capital deepening	Digitization of work			
ICT	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	6	3	4.4
Media	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	2	1	4.5
Professional services	Green	Green	Green	Orange	Green	Green	Green	Green	Green	Green	8	6	-0.4
Finance and insurance	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	7	4	0.8
Wholesale trade	Green	Green	Green	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	6	4	0.6
Advanced manufacturing	Green	Green	Green	Yellow	Green	Green	Green	Green	Green	Green	3	2	1.7
Oil and gas	Green	Red	Red	Yellow	Red	Yellow	Red	Green	Green	Green	1	0.2	2.0
Utilities	Green	Red	Red	Yellow	Yellow	Green	Green	Green	Green	Green	2	0.4	-0.1
Chemicals and pharmaceuticals	Green	Red	Yellow	Yellow	Green	Green	Red	Yellow	Yellow	Yellow	2	1	1.0
Basic goods manufacturing	Green	Red	Red	Yellow	Orange	Green	Green	Yellow	Green	Green	6	5	-1.0
Mining	Green	Red	Red	Yellow	Red	Orange	Red	Orange	Green	Red	1	0.3	-0.6
Real estate	Yellow	Yellow	Red	Green	Green	Orange	Green	Green	Yellow	Yellow	13	1	-1.9
Transportation and warehousing	Green	Yellow	Yellow	Green	Green	Yellow	Yellow	Yellow	Yellow	Yellow	3	3	-0.7
Education	Green	Yellow	Orange	Green	Green	Red	Red	Yellow	Yellow	Yellow	1	2	-0.6
Retail trade	Green	Yellow	Orange	Orange	Green	Green	Green	Orange	Orange	Red	6	11	-0.1
Entertainment and recreation	Red	Yellow	Red	Red	Yellow	Yellow	Yellow	Red	Red	Red	1	2	0.2
Personal and local services	Green	Green	Green	Orange	Green	Orange	Green	Orange	Orange	Yellow	5	10	0.1
Government	Green	Yellow	Yellow	Orange	Orange	Red	Orange	Yellow	Green	Yellow	13	15	0.1
Health care	Green	Orange	Orange	Red	Yellow	Orange	Yellow	Red	Red	Orange	7	13	-0.2
Hospitality	Red	Red	Red	Red	Green	Orange	Green	Red	Red	Red	3	9	-1.3
Construction	Red	Red	Red	Red	Red	Red	Orange	Red	Red	Red	4	5	-1.5
Agriculture and hunting	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	1	1	0.6

- 1 Knowledge-intensive sectors that represent the digital frontier, well-digitized across most dimensions
- 2 Capital-intensive sectors with significant room to further digitize their physical asset base
- 3 Service sectors with long tail of small firms and opportunities to digitize customer transactions
- 4 B2B sectors with the potential to digitally engage and interact with their customers and users
- 5 Labor-intensive sectors with the potential to provide digital tools and skills to their workforce
- 6 Quasi-public or highly localized service sectors that lag across most dimensions of digitization

SOURCE: BEA, BLS; US Census; IDC; Gartner; McKinsey social technology survey; McKinsey Payments Map; LiveChat customer satisfaction report; Apporant; US contact center decision-makers guide; eMarketer



# Tech Drivers are Strong: Cloud Adoption is Still in its Infancy Accounting only for 11% of the Global IT Spend



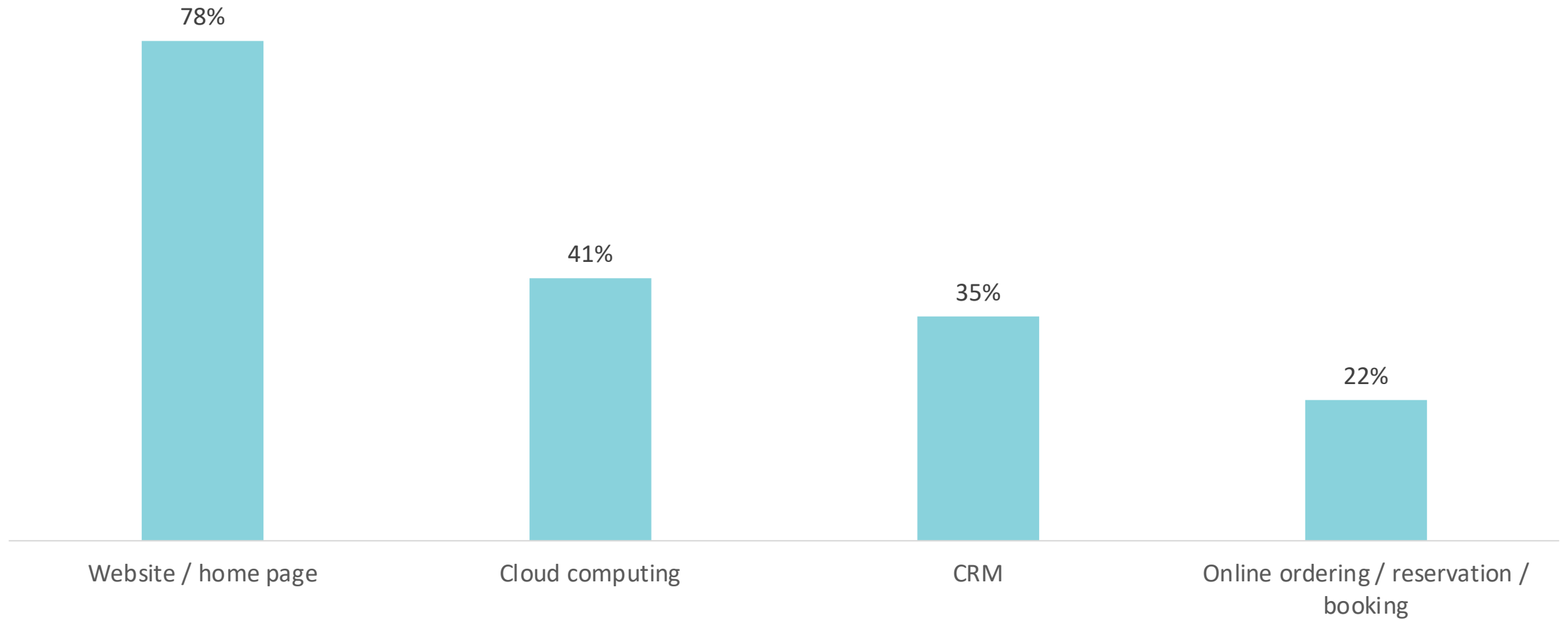
Source: Datadog, Gartner

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# Tech Drivers are Strong: Digital Penetration Amongst European Companies is Still Low

*Basic Technology Adoption Across all Sectors in 2021*



Source: Atomico, Eurostat

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# The French Ecosystem is Built on Solid Ground

- **Favourable political environment:**
  - Improving the regulatory framework for the tech sector
  - Pouring capital to support the ecosystem with Bpifrance via 3 main mediums: (i) as an LP in most funds investing in France, (ii) as a GP to fill certain funding gaps (e.g. in growth on in certain subsectors like biotechnology) and (iii) via subsidies/loans to kickstart companies or support them in downturns
- **Strong local investor base in seed and series A combined with a foreign investor base increasingly interested in investing consistently in the French ecosystem** from seed to pre-IPO rounds
- **Tech ecosystem flywheel working well** with talent and capital being constantly recycled
- **Demonstrated ability to create global category leaders** (e.g. Mirakl, Algolia, Sorare, Dataiku, Swile, Voodoo, Jellysmack) or **European category leaders for localised businesses** (e.g. Payfit, Qonto, Alan)

# A New Paradigm is Coming. Every Stakeholder in the Ecosystem Should Adapt Quickly and Vigorously to this New Reality

2020-2021	2022-2023
Growth at all cost	Profitable growth <i>High gross margins, high net dollar retention, low CAC payback period and low burn multiple</i>
Unproven business model and/or unit economics	Proven business model and/or unit economics
Full-stack or asset heavy models <i>Ibuying (Opendoor), quick commerce (GoPuff), refurbished second hand cars (Carvana)</i>	Asset light models
First time founders or young founders	Experienced founders or operators
Discretionary	Non-discretionary

# Once Stakeholders will have Adapted to this new Paradigm, the Ecosystem will be Able to grow from There and we Know what it Takes to Bring the Ecosystem to the Next Level

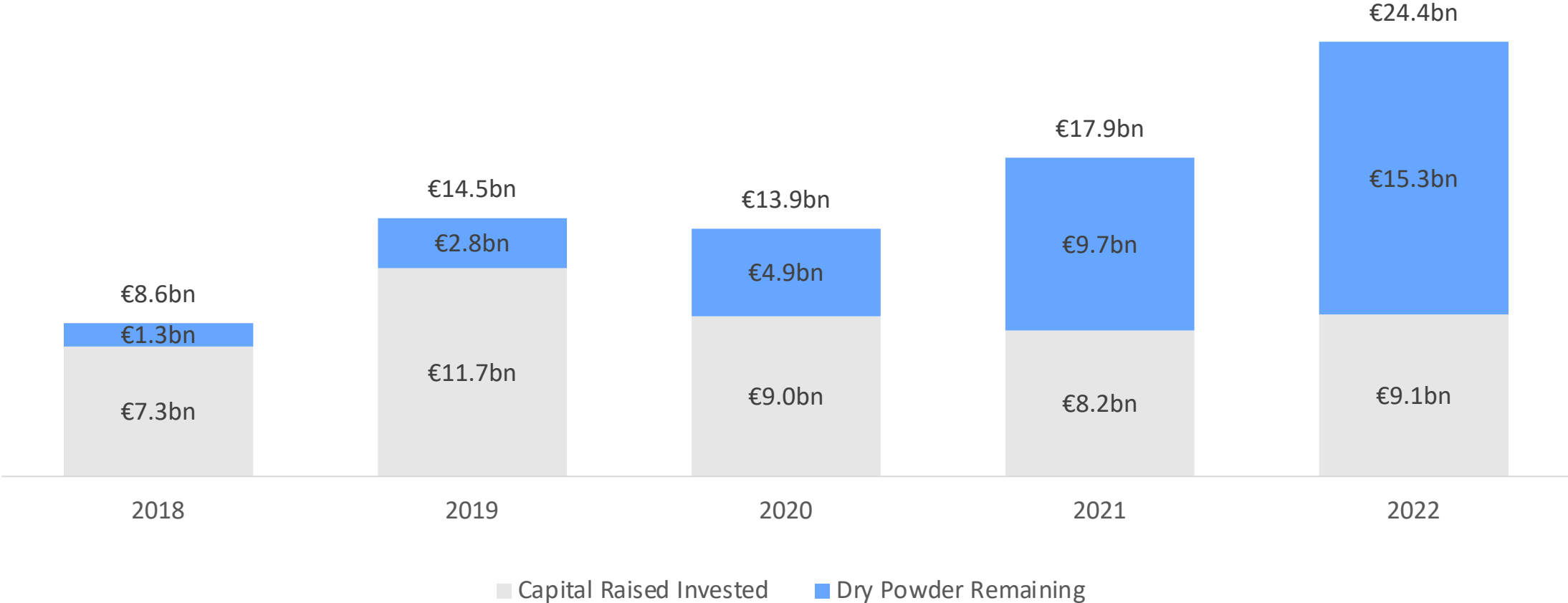
- **Diversity** both amongst investors and founders in the broader sense (gender, race, social background) which is crucial in a model rewarding building and finding outliers
- **Local French funds evolving into pan-European funds**
- **Filling the European growth gap** by (i) having more European funds investing at growth stage and by (ii) cultivating a growth investor base less dependent on cross-over & exotic investors
- **Real risk-taking both on the founders and on the investors side** to foster more singularity in the French tech ecosystem (founders with more diverse backgrounds and companies that are not just copy pasting US businesses)
- **Founders with a stronger international mindset** to recruit international talents, to have an international culture from day 1 and to expand into other geographies at earlier stages
- **Attracting experienced operators** as angels or employees who have **experienced the growth cycle of growing a business from \$10m in annualised revenues to IPO**

# Overall, I Remain Enthusiastic about the Coming Years for the French Tech Ecosystem

- **Ongoing tech paradigm shifts around AI, crypto and climate & many sectors are yet to be digitized** (e.g. construction, manufacturing, agriculture) creating many opportunities for new founders
- European funds have €38bn in dry powder to invest in European startups in the coming years. Capital deployment cycles will be slower but **top performing startups will always have access to capital**
- The **upcoming cohort of French entrepreneurs will be the strongest we will have ever seen:**
  - Self selection within entrepreneurs launching businesses during crisis time
  - Talents are coming back from the US with international & scaling experience
  - Serial entrepreneurs or experienced operators will continue launching companies
- **A paradigm rewarding capital efficiency over growth at all cost is sounder** for the ecosystem in the long run
- **Poor bubble behaviours** in due diligence and deal-making are **disappearing**

# €38bn Estimated Dry Powder Remain to be Invested in European Startups

*Amount Raised by European VCs and Estimated amount of Dry Powder Left*



Source: Atomico, Eurostat



# Seed Stage Companies to Track in 2023



Please note that this list is highly subjective and includes only companies which raised a seed round below €5m in 2022. Last year, I highlighted seed companies that raised large series A in 2022 inc. Defacto, Electra, Fairmat, Fintecture, Numeral, Regate, Upway and Zefir.

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# Reviewing 2022 Predictions

	Prediction	Assessment	Comment
1	Paris will remain ahead of Berlin as the largest tech hub in the European Union	✓	<ul style="list-style-type: none"><li>For the 3<sup>rd</sup> year in a row, Paris attracted more funding than Berlin (\$9.8bn raised vs. \$5.1bn).</li></ul>
2	A tier-1 U.S. venture fund will open an office in Paris to cover the European tech ecosystem	✗	<ul style="list-style-type: none"><li>In 2022, London remained the default destination for U.S. funds coming to Europe (cf. Coatue, Iconiq or Lightspeed). When these funds want to put specific emphasis on the French ecosystem, they recruit a local investor (e.g. <a href="#">Antoine</a> at Lightspeed or <a href="#">Anas</a> at Sequoia).</li></ul>
3	3 solo GPs funds will be launched by French people	✗	<ul style="list-style-type: none"><li><a href="#">Solo GPs are popping all over Europe</a> but it takes longer than expected in France. Nonetheless, I'm still long on this trend. I'll re-iterate this prediction for 2023.</li></ul>
4	A French startup will be sold at a valuation above \$1bn	✗	<ul style="list-style-type: none"><li>Largest French acquisition was AdoreMe's \$400m acquisition by Victoria Secret. All other acquisitions were below \$100m in valuation</li></ul>
5	3 French startups will be valued over \$5bn and 1 French startup above \$10bn	≈	<ul style="list-style-type: none"><li>Contentsquare, Doctolib and Backmarket were all valued above \$5bn in a transaction in H1-22. No French startup reached the \$10bn valuation mark.</li></ul>
6	Sequoia will be involved (as new investor or as existing investor) in at least 10 transactions	✓	<ul style="list-style-type: none"><li>4 French startups participated in Sequoia's Arc Program (Studeo, Popsink, 2 stealth startups), Sequoia reinvested in 2 companies (Pennylane and Upway) and made 4 new investments (Zefir, Multis, Evy, Kanji)</li></ul>
7	A crypto-focused fund will be raised by French GPs	✓	<ul style="list-style-type: none"><li>Xange, Aglaé and Cathay all announced crypto-dedicated funds</li></ul>

Source: Internal Analysis

# 2023 Predictions

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- 1 The amount raised by French startups in 2023 will decrease by at least 30% YoY compared to 2022
- 2 A French unicorn will acquire, will be acquired or will merge with another tech unicorn
- 3 3 solo GPs funds will be launched by French people
- 4 15+ startups leveraging new breakthrough around AI will be funded in 2023
- 5 US funds will lead 15+ seed/series A in France



## The End

Thanks to Julia, Nelson, Paul, Pietro, Julien, Nicolas, Antoine, Matthieu, Thomas, Carole, Chloé, Romain, Yann, Déborah, Loup, Thibault, Christophe, Martin, Marie, Louis, George, Fred, Michael, Roxanne, Alexis, Nicolas, Amir, Eduardo, Alexandre, Anh-Tho, Simon, Jérémy, Hugo, Renaud, Quentin, Romain and Paul.

*“Look, if you had one shot or one opportunity  
To seize everything you ever wanted in one moment  
Would you capture it, or just let it slip?*

*...*

*He opens his mouth, but the words won't come out  
He's choking, how? Everybody's joking now  
The clock's run out, time's up, over  
**Snap back to reality, there goes gravity***

*...*

*You better lose yourself in the music  
The moment, you own it, you better never let it go  
You only get one shot, do not miss your chance to blow  
This opportunity comes once in a lifetime”*

PARENTAL  
ADVISORY  
EXPLICIT CONTENT

EMINEM

LOSE YOURSELF