



# EY survey on venture capital in France

1<sup>st</sup> half of 2023



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# Éditorial

## A rough period for French Tech

In the first half of 2023, **395** companies have raised €4.3b, i.e., a **49%** drop in value and a **9%** volume increase.

There are many reasons for this slowdown which merely confirm what has been noticeable since summer 2022: the rise in interest rates and macro-economic uncertainty have curbed a process which had started to get out of control. As a result, IPOs have stopped in the US and values have collapsed. Most investors have decided to play for time, thus bringing about a fall in investment volume, first in the US and then in Europe.

The Top 5 are: Driveco (€250m), Ynsect (€160m), TSE (€450m), Amyolit Pharma (€130m) and Mistral AI (€105m). In the last half-year, the Top 5 was 2.5 times more than the one on 30 June 2023, all amounts raised taken cumulatively. This phenomenon reflects the huge drop in fundraising above €100m (-78%) and the disappearance of fundraising over €300m.

The leading players have changed significantly in terms of sector of activity. The CleanTech sector is ahead for the very first time with €1.2b, both in terms of volume and value (+76% and +26% respectively). Software comes second at €1b (a 57% fall in value and 7% rise in volume), and Life Sciences are in third position with €0.6b, despite a drop in both volume and value (-14% and -24% respectively).

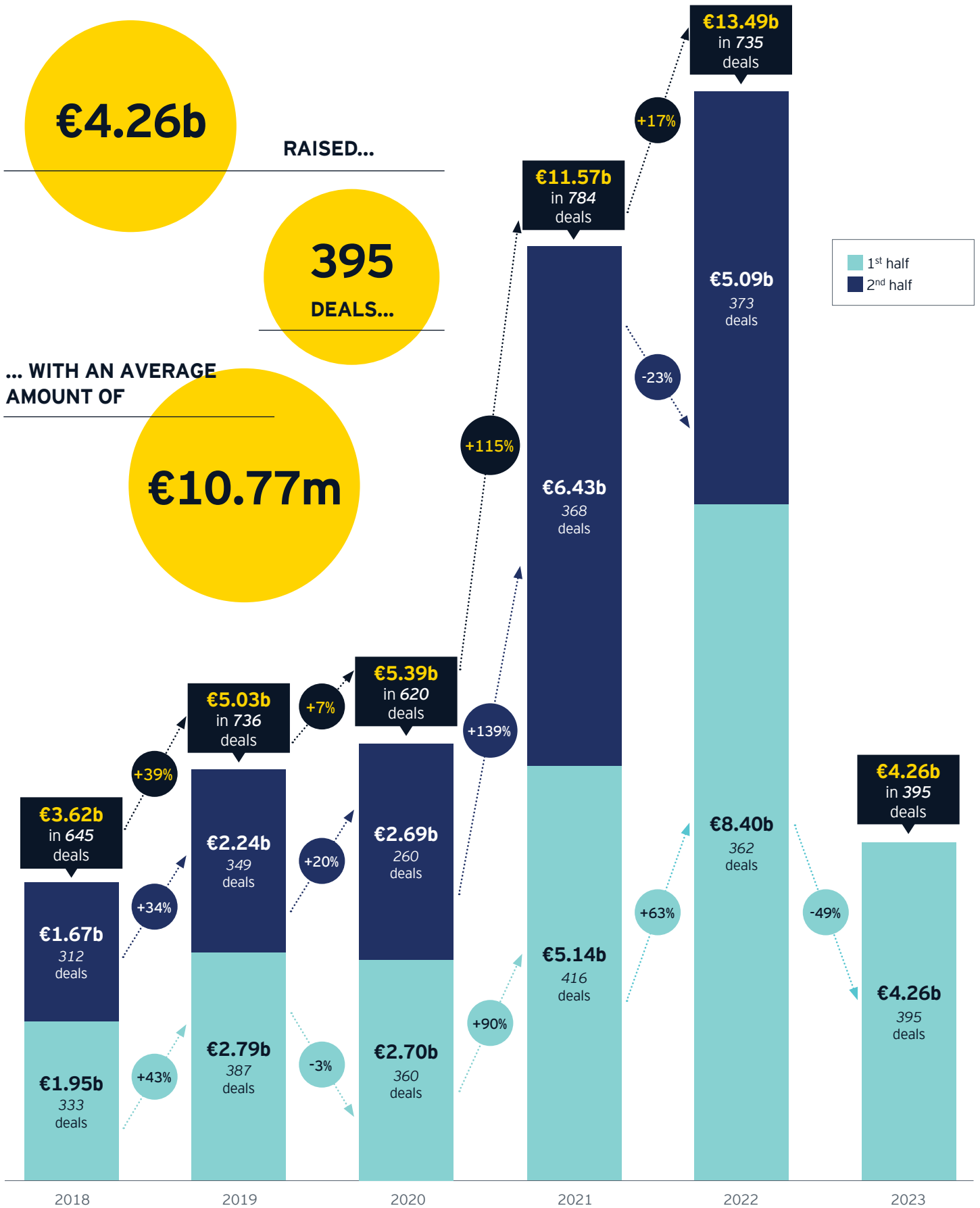
Noteworthy is the huge drop in value of the two former historical leaders of the Top 5, Fintech (-82%) and the Web Services sector.

The Île de France region maintains a clear lead, with the region's start-ups alone attracting 70% of the amounts raised. The Auvergne-Rhône-Alpes region has moved into second place with 8% of investments, followed by the Provence-Alpes-Côte d'Azur region at 7%.

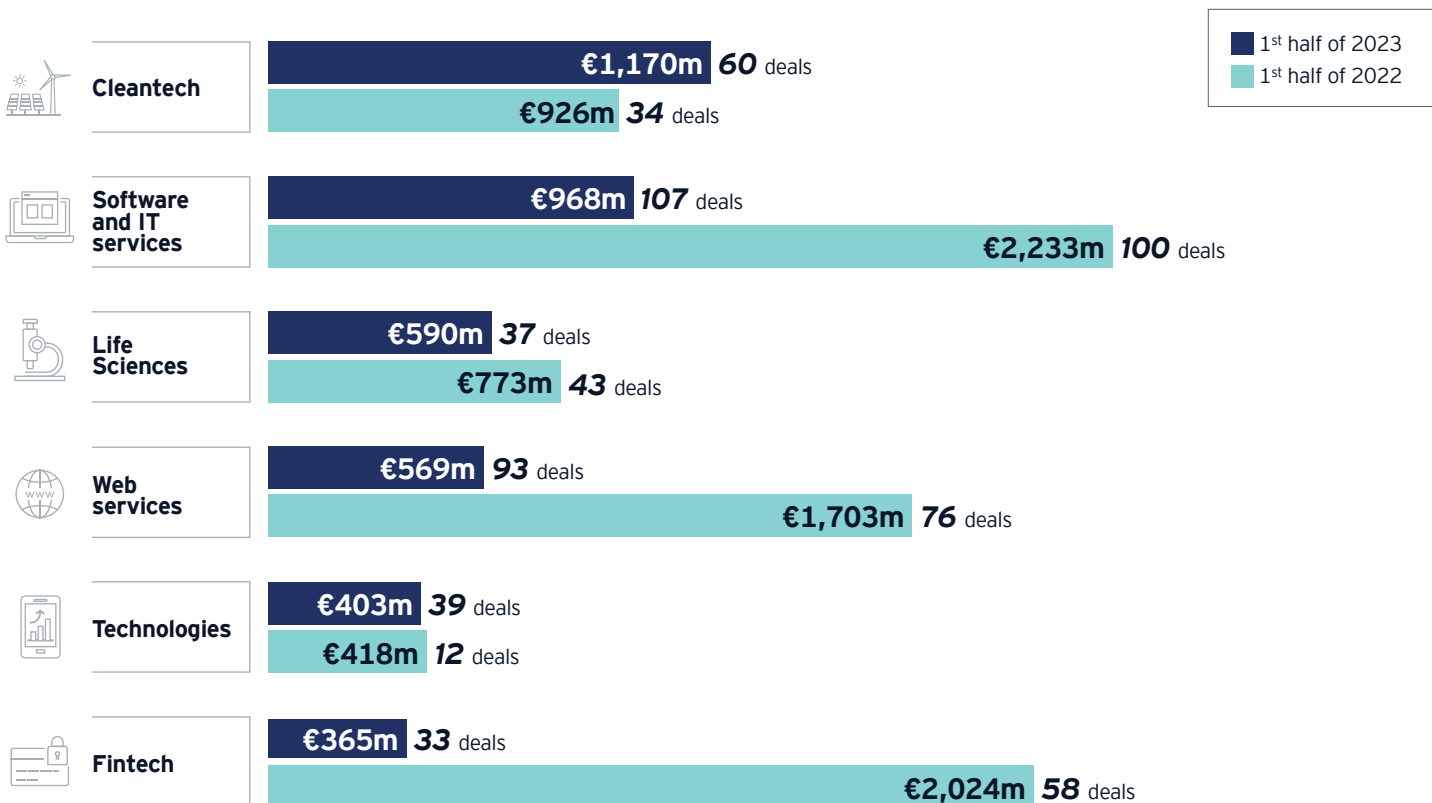
In Europe, France remains first among the EU countries even if it is head-to-head with its main competitor, Germany, at €3.9b with. Similarly to France, Germany has seen a significant -37% fall in value and -8% in volume.

The UK remains very active in Europe but is also suffering from the drop in amounts raised over the half-year, at 62% in value and 18% in volume. Amounts stand nonetheless at €7b. The gap between France and the UK in amounts raised is narrowing steadily.

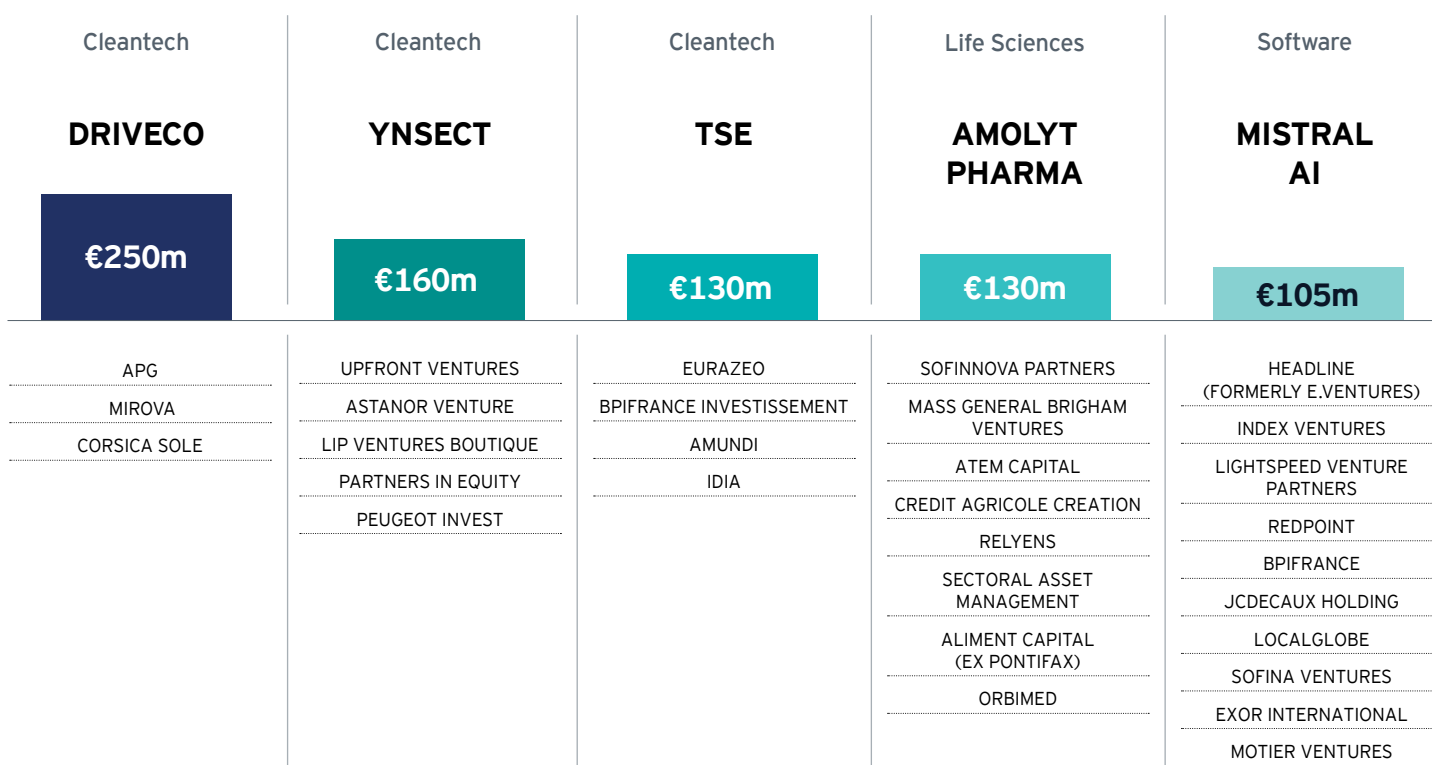
# Amounts raised by start-ups in France



## Investments by sector

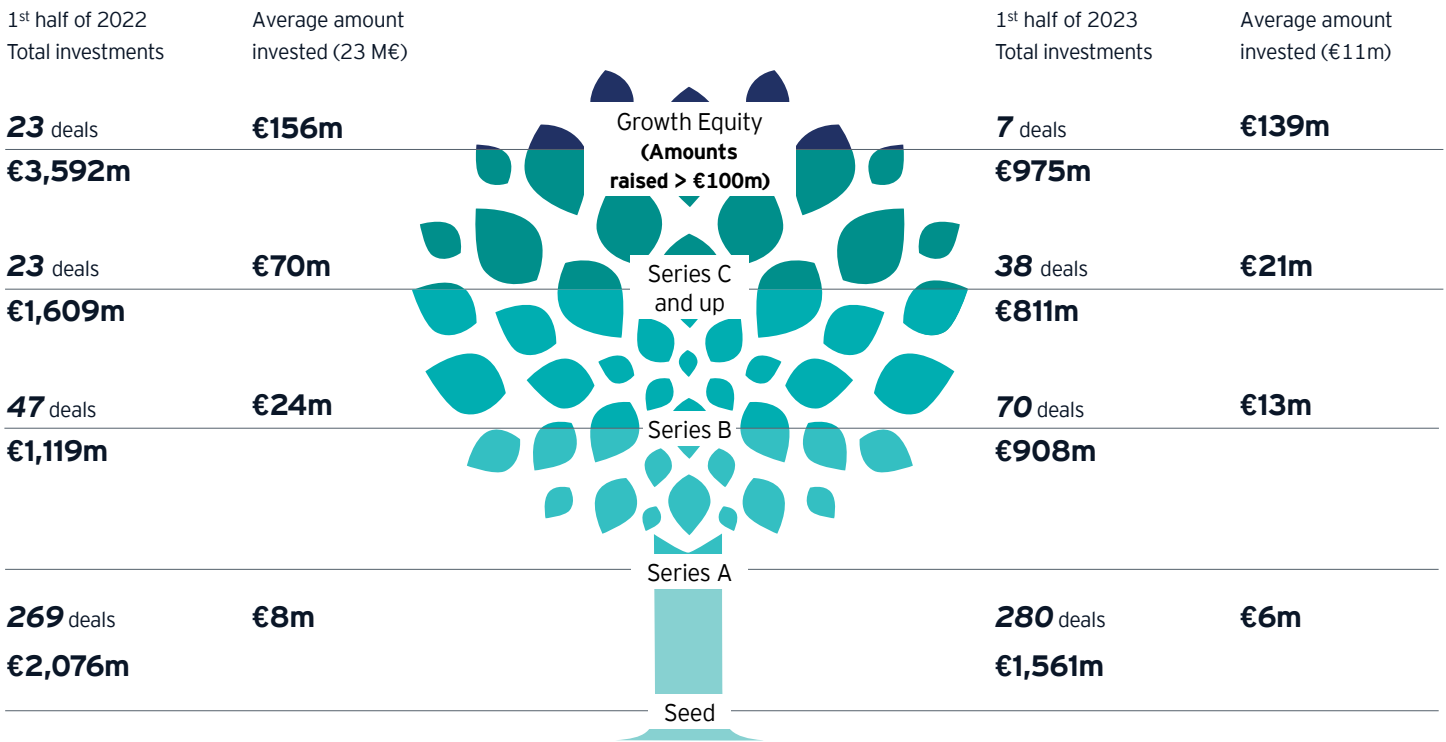


## Top 5 investments (and main investors)





## Investments by stage of maturity

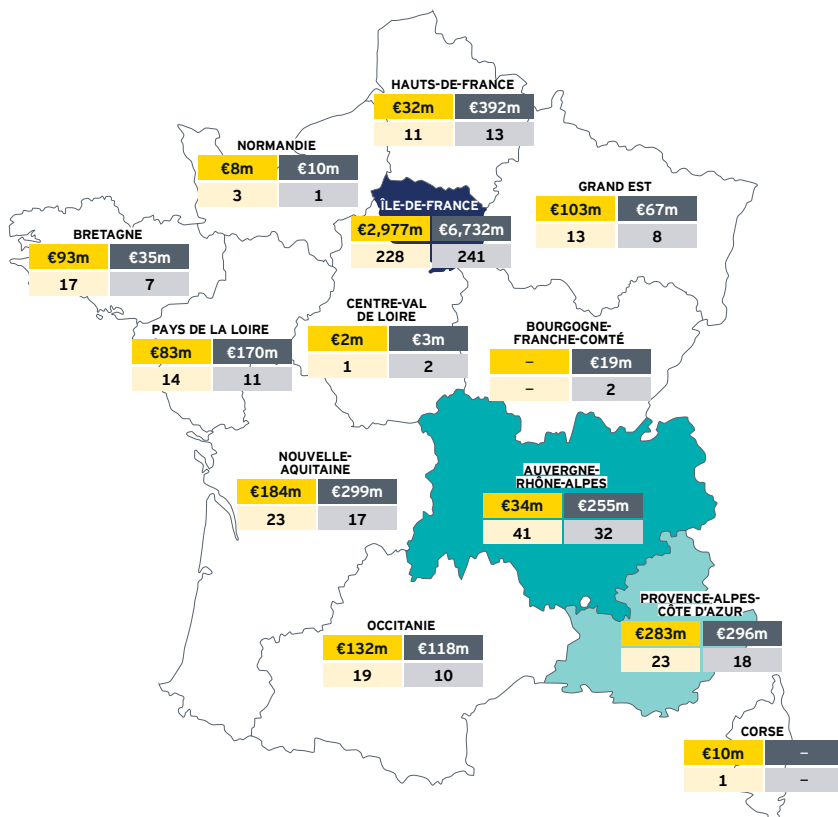


## Investments by fundraising tranche

	2023 (1 <sup>st</sup> half)		2022 (1 <sup>st</sup> half)		23/22 Variation	
	Amount in €m	Number of deals	Amount in €m	Number of deals	Amount in €m	Number of deals
From €0 to €10m	798	282	733	224	9%	26%
From €10 to €20m	697	56	591	46	18%	22%
From €20 to €50m	1 167	40	1,814	61	-36%	-34%
From €50 to €100m	618	10	776	11	-20%	-9%
From €100 to €300m	975	7	2,464	15	-60%	-53%
Over €300m	-	-	2,019	5	-100%	-100%
<b>Total</b>	<b>4,255</b>	<b>395</b>	<b>8,396</b>	<b>362</b>	<b>-49%</b>	<b>9%</b>

In the first half of 2023, deals worth over **€100m** represented a total of **€975m** for **7** deals.

## Investments by region



### The Top 3 French regions

The **Île-de-France** region represents **70%** of investments by value in the first half of 2023.

**Auvergne-Rhône-Alpes** moved into second place with **8%** of investments, followed by the **Provence-Alpes-Côte d'Azur** region, with **7%**.

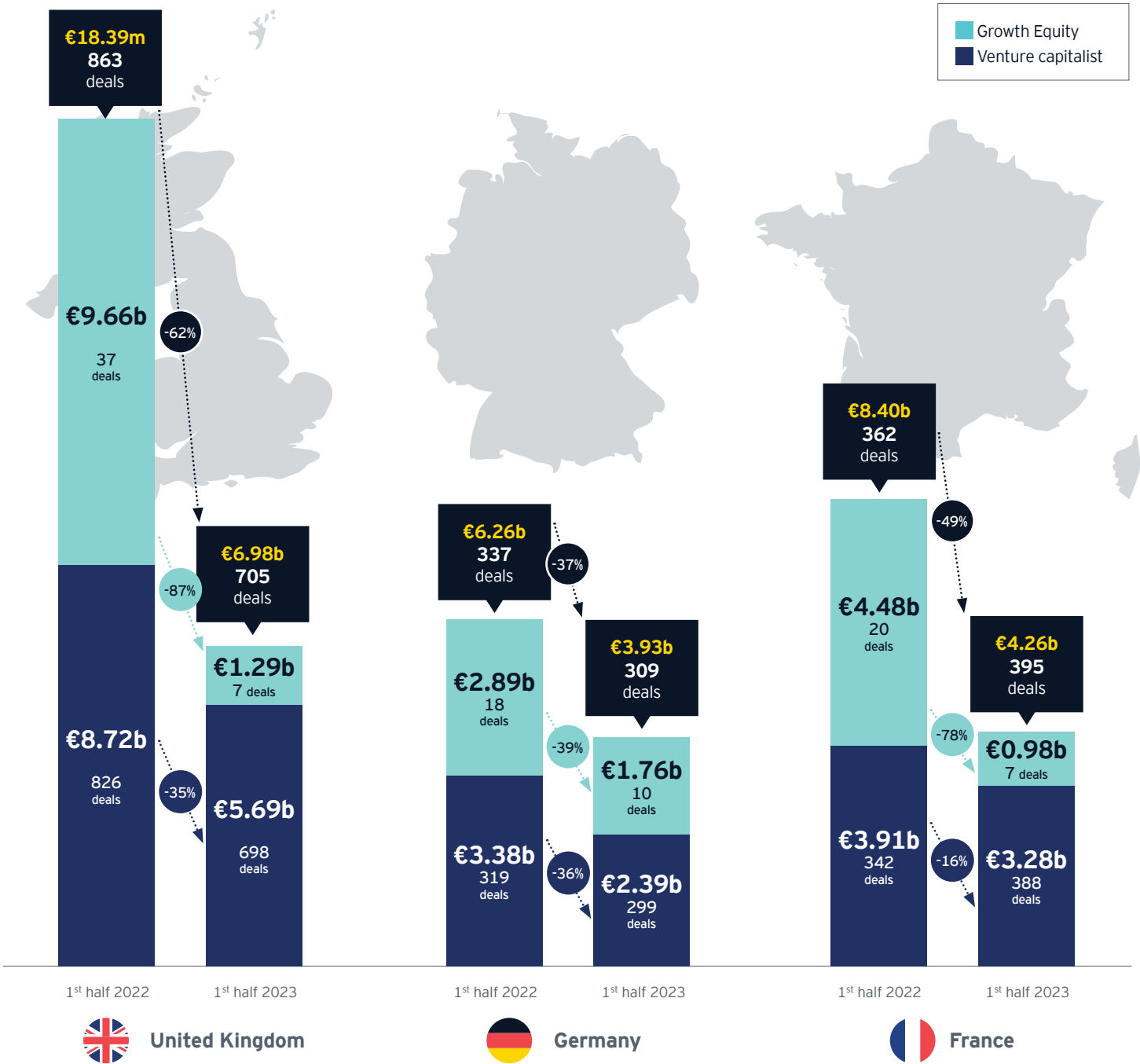
	2023 (1 <sup>st</sup> half)	2022 (1 <sup>st</sup> half)
Amounts raised	€4.25b	€8.40b
Number of deals	395	362

## Top 10 investments in Europe

Company	Country	Sector	Financing round	Amount in €m
1KOMMA5°	Germany	Cleantech	GROWTH EQUITY VC	430
ABOUND (FORMERLY FINTERN)	United Kingdom	fintech	GROWTH EQUITY VC	300
DRIVECO	France	Cleantech	GROWTH EQUITY VC	250
BUILDER	United Kingdom	enterprise software	SERIES D	227
ITM RADIOPHARMA	Germany	health	GROWTH EQUITY VC	225
ENPAL	Germany	Cleantech	SERIES D	215
EVC	United Kingdom	Cleantech	GROWTH EQUITY VC	198
OCTOPUS ELECTRIC VEHICLES	United Kingdom	Cleantech	GROWTH EQUITY VC	180
YNSECT	France	Cleantech	GROWTH EQUITY VC	160
JOLT ENERGY	Germany	Cleantech	GROWTH EQUITY VC	150



# Fundraising in the UK, Germany and France



## Note on method

EY's survey of venture capital in France gathers information on equity financing deals for companies during setting-up or during the first few years of existence, with transactions occurring from 1 January to 30 June 2023 and published.

These French companies raised funds from French and/or foreign venture capital firms. The French data presented in this survey are based on data from CF News, Dealroom.co, eCap and Maddyntess.

The data for Germany and the United Kingdom are based on Dealroom.co. These data are processed and analyzed by EY & Associés using EY methodologies.

All deals worth more than €100m have been handled as Growth Equity.



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