

# EY survey of investment in innovative companies in France

First half of 2018





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### World champions? One day perhaps

The trend is clear. France is returning to the forefront of the economic stage. The results of our half-yearly survey of investment in innovative businesses demonstrate the current dynamic of the French economy and particularly of its start-up and scale-up ecosystem. Following the EY 2018 Attractiveness Survey, the results also indicate renewed interest in our businesses on the part of foreign investors, particularly in the digital sector.

Undoubtedly, in terms of the sums raised, France is not yet in a position to overtake the United Kingdom which, notwithstanding the uncertainties associated with Brexit, is still clearly in the lead, given the maturity of its ecosystem of innovative businesses and the financing channels which have been available to those businesses for a long time.

At a global level, boosted by the entrepreneurial drive of the French across all generations and by the dynamic growth in French tech, Paris is becoming one of the “places to be” for anyone wanting to launch and finance an innovative project, and it could even overtake London, undeniably the magnet for creative energy in all its forms for many years.

Is the best yet to come? There are many reasons to view the future with a degree of optimism. Of course, as is clearly shown by this survey, it must be said that funds raised of less than 5 million Euros still overwhelmingly constitute the bulk of the fund-raising taking place and transactions exceeding 100 million Euros are extremely rare. But we must see the glass as being half full.

In the first half of 2018, the number of fund-raising transactions exceeding 20 million Euros doubled in a year, evidence that our start-ups are progressively becoming scale-ups.

Whilst it may not yet be big enough to compete with its British rival, our ecosystem is gradually taking shape. It is gaining strength. It is growing. If this trend is borne out, and there is no reason why it should not be, there is no doubt that the number of French unicorn start-ups, currently limited to four, will grow rapidly over the next few years.

This will be the case particularly if they can continue to rely on state support.

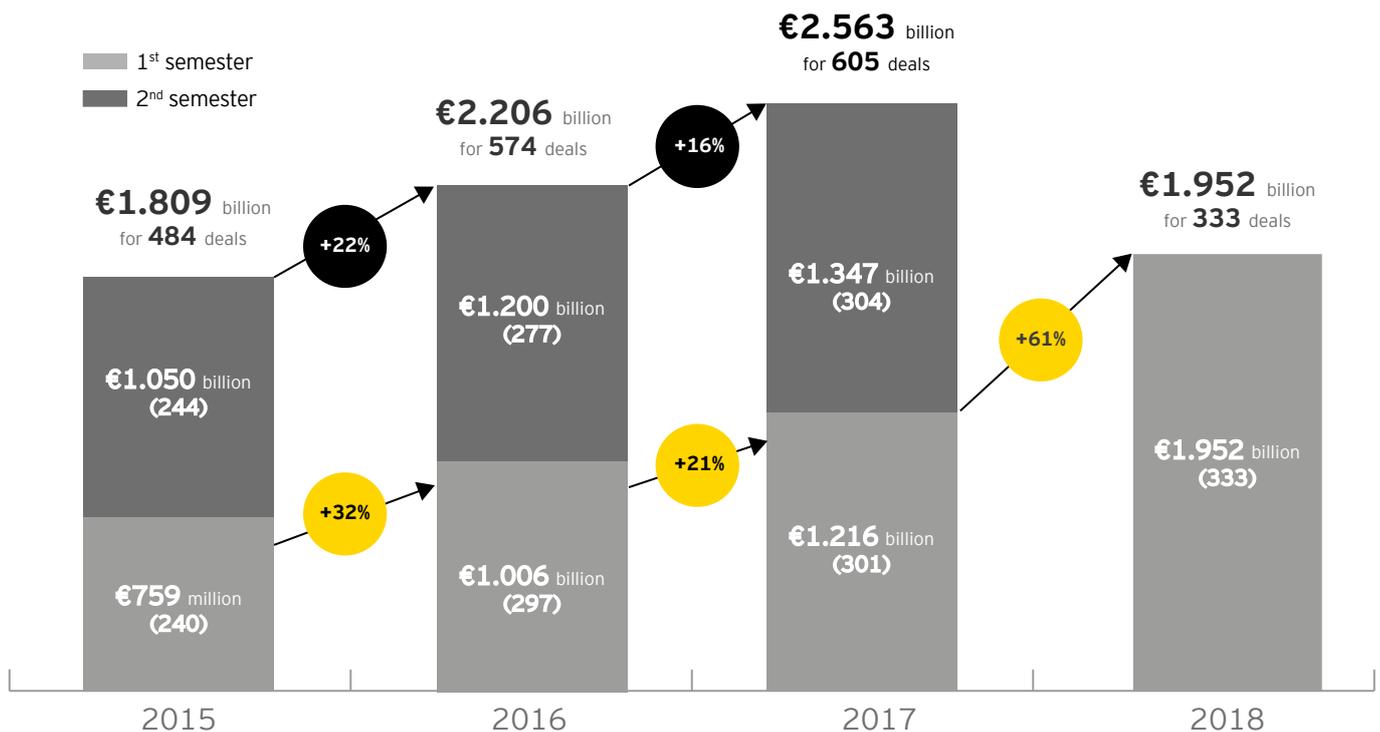
Through the Plan d'action pour la croissance et la transformation des entreprises (PACTE) (action plan for the growth and transformation of businesses), one aim of which is to make France a world leader in the finance field by means of ICOs, and through the 100 measures set out in the “2018 action for start-ups” plan, produced by Mounir Mahjoubi, the Secretary of State responsible for the digital sector, the executive is preparing for the future of our economy by fostering the emergence of the leaders of tomorrow. This support is an asset which is eminently useful. Because how can the French economy be fundamentally transformed unless our country can rely on a network of innovative businesses capable of making their mark on the technological revolution which is under way? To think otherwise would be unrealistic.



# History

**1.952** billion raised in **333** transactions.

An average sum of 5.8 million.



Investments by sector



Internet Services

**€531 million**  
**106 deals**



Life Sciences

**€365 million**  
**36 deals**



Software

**€318 million**  
**76 deals**



Technology

**€252 million**  
**42 deals**



Gaming

**€193 million**  
**5 deals**

TOP 5 investments



Internet Services

VOODOO

**€169 million**



Technology

LEDGER  
**€61 million**

Digital Currency Group inc., Caphorn Invest, Firstmark Capital LLC, Draper Esprit LLP, Korelya Capital, Cathay Innovation, Draper Associates LP, Boost fund LLC



Internet Services

OPENCLASSROOMS  
**€51 million**

Alven Capital, Bpifrance investissement, Citizen Capital, General Atlantic LLC



Technology

RECOMMERCE SOLUTIONS  
**€50 million**

Capzanine, Creadev



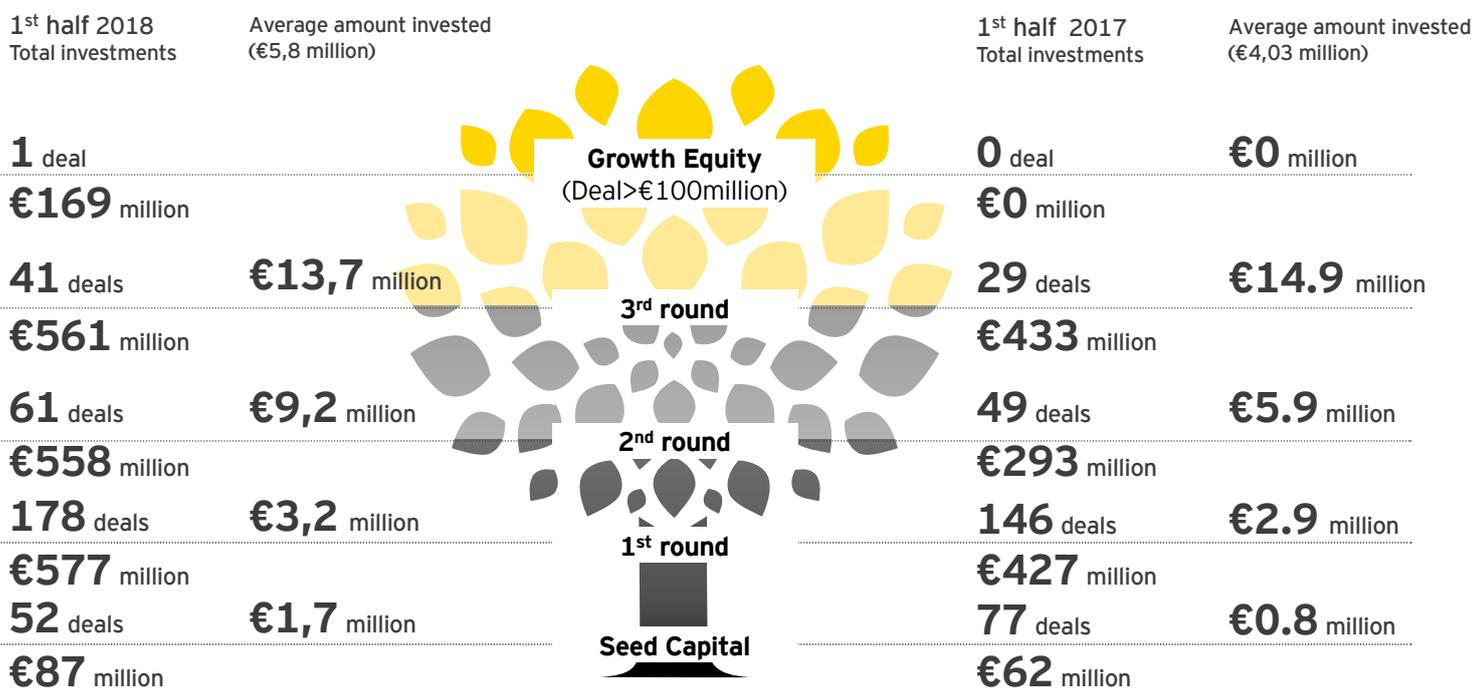
Software

SCALITY  
**€48.5 million**

Iris Capital, Omnes Capital, Indivest Partners, Cape Natixis, Menlo Ventures, Bpifrance, Galileo Partners, Hewlett Packard Ventures/Pathfinder, Business Angels

Goldman Sachs, Capital Partners

## Investments by maturity stage

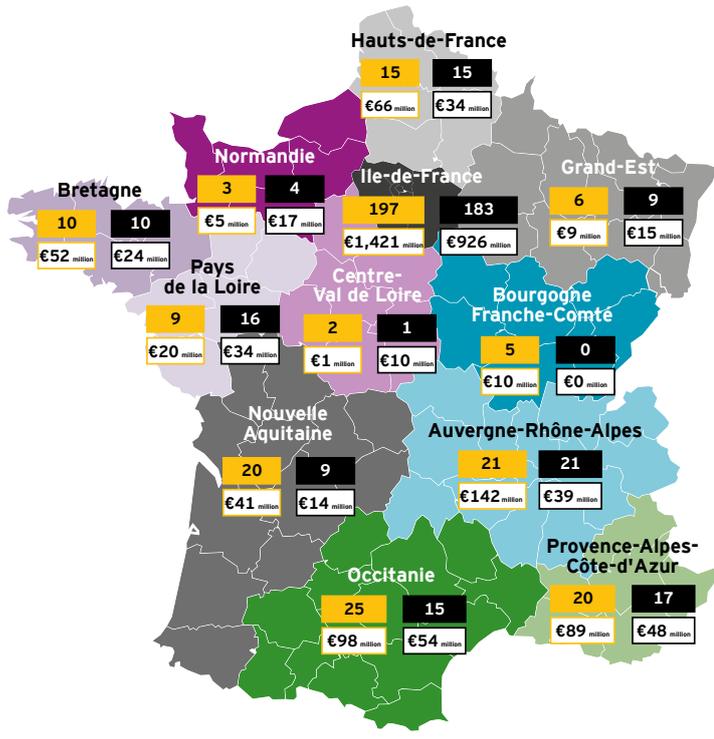


## Investment on the basis of funds raised by tranche

### Distribution of the amount

	S1 2018		S1 2017	
	€	Deals	€	Deals
Funds raised below €5M	395	248	325	238
Funds raised in excess of €5M but below €10M	180	27	217	33
Funds raised in excess of €10M but below €20M	450	36	230	18
Funds raised in excess of €20M but below €50M	596	18	260	9
In excess of €50M	331	4	184	3
<b>TOTAL</b>	<b>1,952 million</b>	<b>333</b>	<b>1,216 million</b>	<b>301</b>

Investments per region



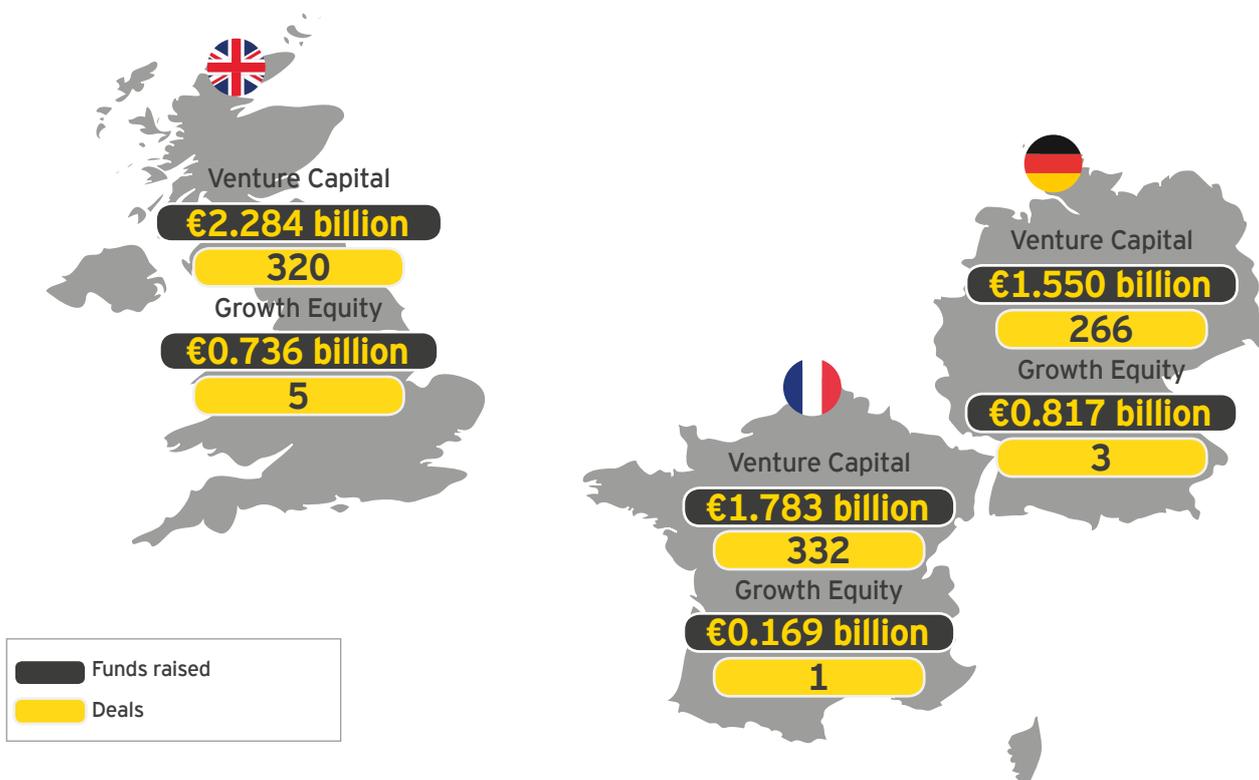
Top 3 of French regions

Unsurprisingly, more than half of the investment, 73% of the value, took place in the Ile-de-France region this year again.

The Auvergne-Rhône-Alpes region came second with 7% of the investment, followed by the Occitanie region with 5%.

2018	2017	
333	301	Number of deals
€1,952 million	€1,216 million	Funds raised

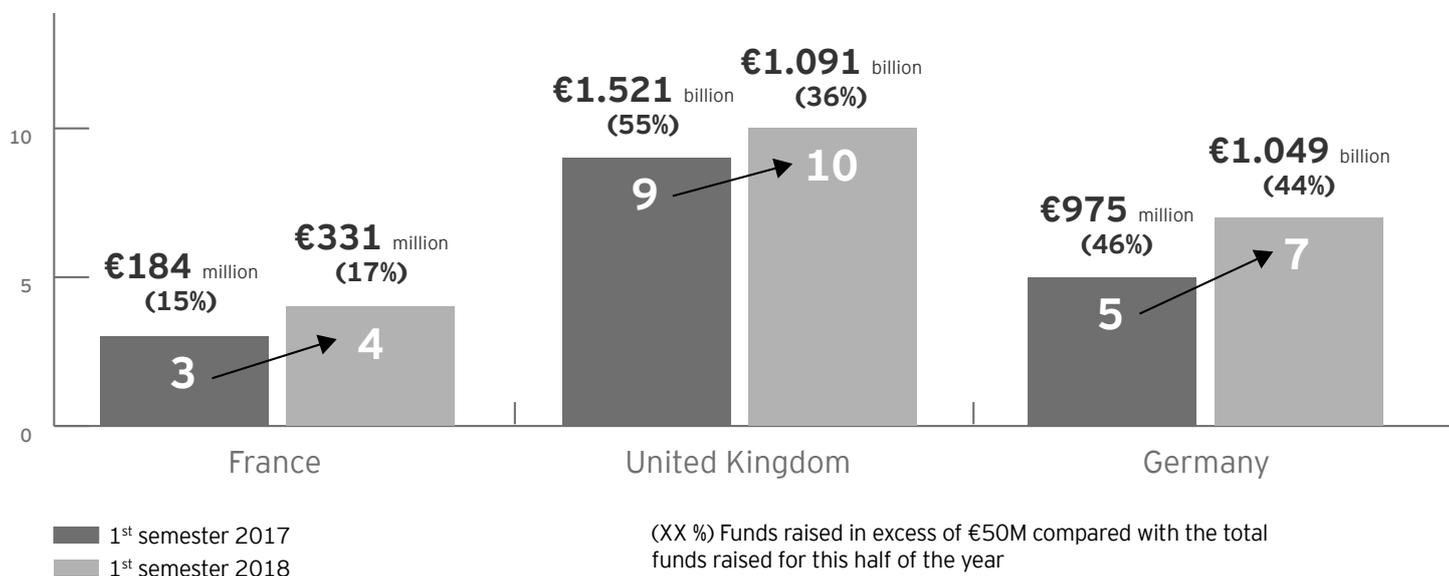
Comparison of investments in France, the United Kingdom and Germany - First half of 2018



In the first half of 2018, total investment for the 3 leading countries was €7.339 billion, that is 68% of the total investments in Europe in terms of value and 63% in terms of volume.

## Funds raised in excess of €50M in Europe

Number of deals



## Top 10 investments in Europe

Company	Country	Sector	Amount (€M)
Auto1 Group		Internet Services	460
OutSystems		Software	327,3
Revolut		Fintech	227,3
BioNTech		Life Sciences	225
Atom Bank		Fintech	178,8
Voodoo		Gaming	169
Taxify		Internet Services	159,1
Cabify		Internet Services	145,5
UiPath		Software	139,1
Number26		Fintech	132,2

### Methodology

The EY survey of venture capital in France includes the equity financing transactions of businesses at the set-up stage or during their initial years of existence, with transaction dates between 1 January and 30 June 2018 and published prior to 6 July 2018. The French data presented in this survey is based on data from Dow Jones VentureSource, CFNEWS, Capital

Finance, Dealroom.co and CB Insights. The data on Germany is based on Dealroom.co, Dow Jones VentureSource and EY Analysis. The data for England is based on Dealroom.co. Processing of this data and analysis were based on EY methodology and carried out by Ernst & Young et Associés. All transactions in excess of €100M have been restated as Growth Equity. Venture

Capital includes all transactions below €100M. In this study we have only taken into consideration transactions in which the amount was disclosed publicly. The Internet services sector encompasses activities such as e-commerce, marketing and performance (lead, listing), geomarketing and mobile applications.

The Life Sciences sector includes the biotech and medtech sectors. The Fintech sector includes start-ups using technology to reshape financial and banking services (on-line banking, crowd funding, new payment methods, etc.) The Technology sector encompasses activities such as hardware, semi-conductors, etc.

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