



**2022**

# French Startup Ecosystem Funding Report

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# INTRODUCTION

FrenchTech is a unique ecosystem that unites start-ups as well as investors, decision makers and community builders. Our mission is to make France one of the greatest places in the world to launch and grow global companies that make sense for our future.

The 2022 French Startup Ecosystem Funding Report, aims to meet the information and analysis needs of all stakeholders in the ecosystem by evaluating France's ecosystem. The report includes the sectors of the invested startups, their investment stages, the countries where the investors are located as well as the regions where the startups' headquarters are located.

2022 was a year when technology venture investments slowed down worldwide. According to CB Insights' report\*, global investments decreased by 35% compared to 2021, falling to 415 billion dollars. In Europe, although the number of investments was close to the previous year, the total investment amount decreased by 17%, reaching 81 billion dollars.

France was one of the few countries on the European continent to increase its investment amount in 2022. In 2021, Paris had surpassed Berlin as the city with the most investments. In 2022, the total investment amount in France left Germany behind, and France became the second-highest fundraising country after the United Kingdom.

So what happened in France in 2022? Find out the details in the report!

2022

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**FRENCH  
STARTUP ECOSYSTEM  
AND FUNDING**

2022

# 2022 IN A NUTSHELL



## \$13.6<sub>B</sub>

### Total Funding Amount

In 2022, French startups received an investment of 13.6 billion dollars.

## 891

### No. of Deals

871 startups received investment in 891 deals.

## \$4.1<sub>M</sub>

### Median Fund. Amount

The median value of investments was \$4.1 million dollars.

## Industry

### AMOUNT

## \$2.67<sub>B</sub>

Fintech

## \$1.22<sub>B</sub>

Energy

## \$1.13<sub>B</sub>

e-Commerce

### DEALS

## 115 deals

Fintech

## 71 deals

Healthcare

## 66 deals

Energy

## 1276

### Investors

1276 investors\* funded French startups in 2022.

## 588

### Foreign Investors

Nearly half of the 1276 investors were based abroad.

## \$10,4<sub>B</sub>

### Fund. Amount in Île-de-France

In 2022, the Île-de-France region, which includes Paris, received an investment of 10.4 billion dollars.

## %26

### Women-Led Startups

In 2022, 26% of the startups that received investment had at least 1 female co-founder.

## 398

### First Funding

In 2022, 398 startups received their first investment. These startups have raised \$2 Billion in total.

## 4

### New Unicorns

In 2022, Qonto, Ecovadis, Spendesk and Exotec became the new Unicorns of France.

\*investor: Includes investor types other than individual/angel investors.

**QONTO** Qonto is a digital bank that provides financial tools for SMEs and freelancers.

**Amount** : ~\$550 M  
**Valuation** : \$5 B  
**Lead Investors** : Tiger Global Management, TCV

**BACK MARKET** Back Market is an online marketplace for refurbished electronics.

**Amount** : \$510 M  
**Valuation** : \$5.7 B  
**Lead Investors** : Sprints, General Atlantic, Eurazeo

**ECOVADIS** Ecovadis provides a platform that allows companies to evaluate the environmental and social performance of their suppliers.

**Amount** : \$500 M  
**Valuation** : \$1 B  
**Lead Investors** : Astorg, Beyond Net Zero

**EXOTEC** Exotec offers an innovative warehouse management system based on a fleet of collaborative mobile robots.

**Amount** : \$335 M  
**Valuation** : \$2 B  
**Lead Investors** : Goldman Sachs A.M., Bpifrance

**NW** NW develops innovative solutions for electricity storage and EV high-power charging infrastructure

**Amount** : \$320 M  
**Valuation** : -  
**Lead Investors** : RGreen Invest

**PAYFIT** Payfit offers technology that simplifies and automates payroll and HR processes for SMEs.

**Amount** : \$290 M  
**Valuation** : ~\$2.1 B  
**Lead Investors** : General Atlantic

**ANKOR-STORE** Ankorstore is a wholesale marketplace that connects independent store owners and specialist brands with neighborhood retailers.

**Amount** : \$283 M  
**Valuation** : ~\$1.8 B  
**Lead Investors** : Tiger Global Management, Bond

**DOCTOLIB** Doctolib is an online booking platform that helps users find doctors and book appointments.

**Amount** : \$275 M  
**Valuation** : ~\$6 B  
**Lead Investors** : Eurazeo

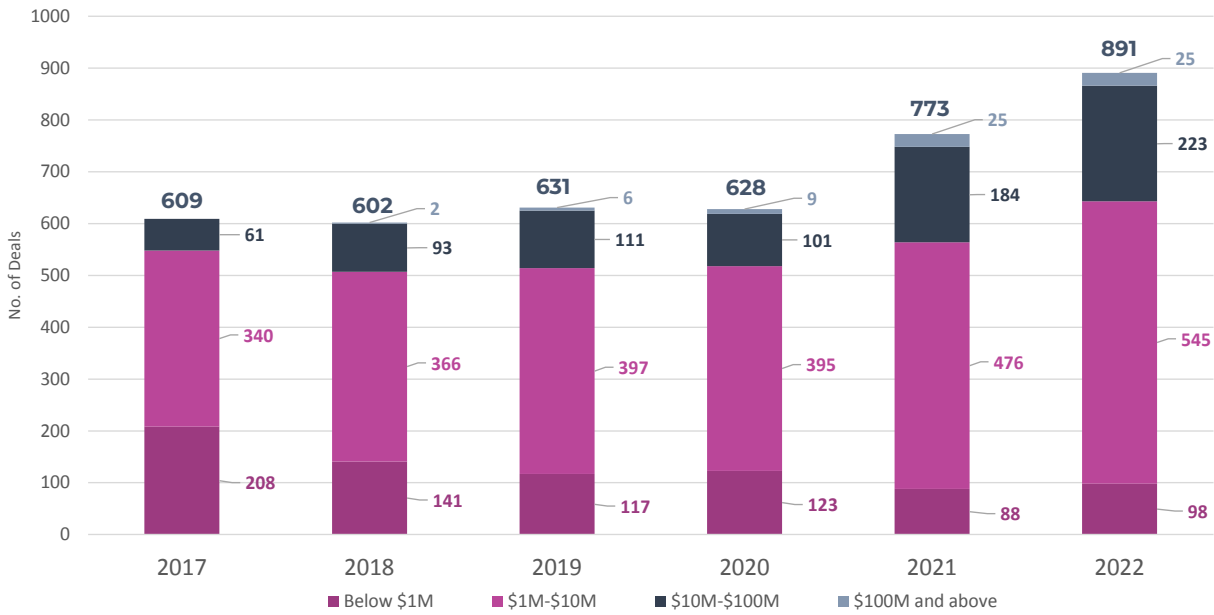
**INNOVA-FEED** Innovafeed is a biotechnology company that produces insect-based protein for the feed industry.

**Amount** : \$260 M  
**Valuation** : -  
**Lead Investors** : QIA (Qatar Investment Authority)

**HR PATH** HR Parh is a global human resources solutions provider specializing in HR consulting and payroll outsourcing services.

**Amount** : \$237 M  
**Valuation** : -  
**Lead Investors** : Societe Generale, Andera Partners

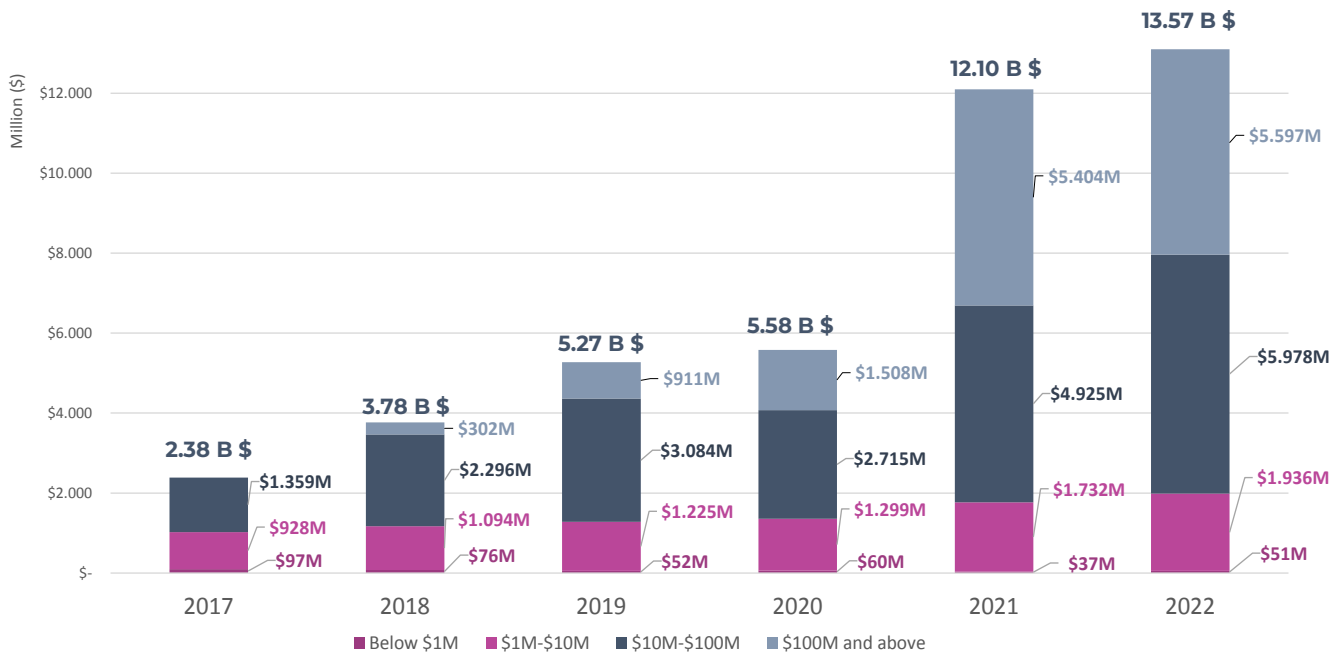
# FUNDING IN 2022



Graphic1: No. of funding rounds by funding amount range (year)

According to CB Insights' report\*, although the number of deals in 2022 was almost the same worldwide and in Europe compared to 2021, in France it increased by 15%. While there were 773 investments in 2021, this number rose to 891 in 2022. On the other hand, again according to CB Insights' report, while investments of \$100 million and above (Mega rounds) decreased worldwide, 25 investments took place in France in 2022, as in 2021.

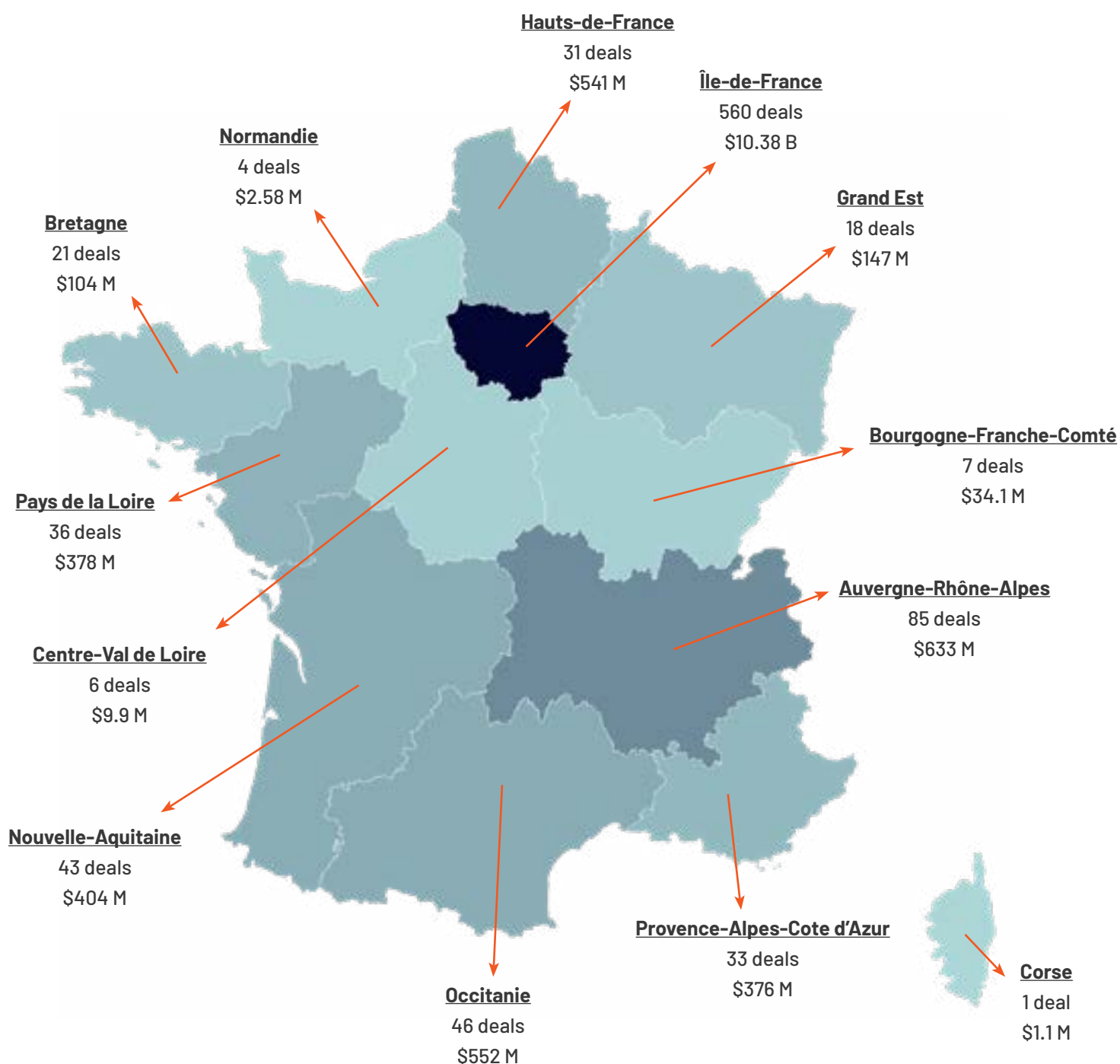
French startups received a record-breaking total investment of \$13.6 billion last year. This represents an increase of approximately 12% compared to the previous year. Investments of \$100 million and above (Mega rounds) constituted 41% of all investments last year. In 2021, they accounted for 45%. On the other hand, in the \$10 million - \$100 million investment range, a total of \$4.9 billion was reached in 2021, while in 2022, with a 21% increase, \$5.9 billion was reached. Based on these figures, it can be said that the increase was mainly driven by investments in the \$10 million - \$100 million range.



Graphic2: Total funding amount by funding amount range (year)

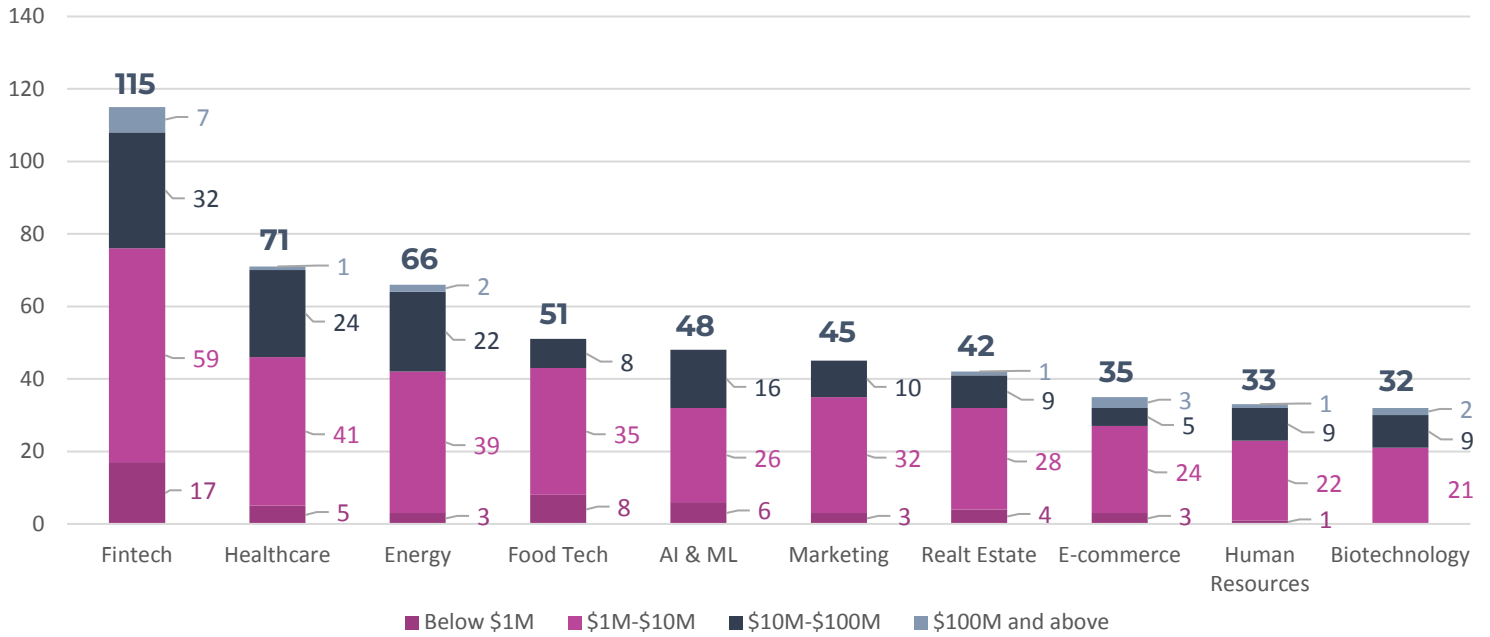
\*State of Venture 2022 Report - CB Insights

When examining the headquarters of the invested startups, Île-de-France, which includes Paris, was the region with the highest investment, receiving \$10.4 billion. Île-de-France accounted for 77% of all investments in terms of amount and 63% in terms of the number of investments. Following Île-de-France, the Auvergne-Rhône-Alpes region was the area with the most investments. In this region, Lyon, France's second city with the most investments, is located. Last year, Lyon-based startups received \$187.5 million in investments across 36 funding rounds. On the other hand, another important startup center in France, Toulouse, saw \$230.5 million in investments across 23 funding rounds. The Occitanie region, which includes Toulouse, became the third region with the most investments in 2022.



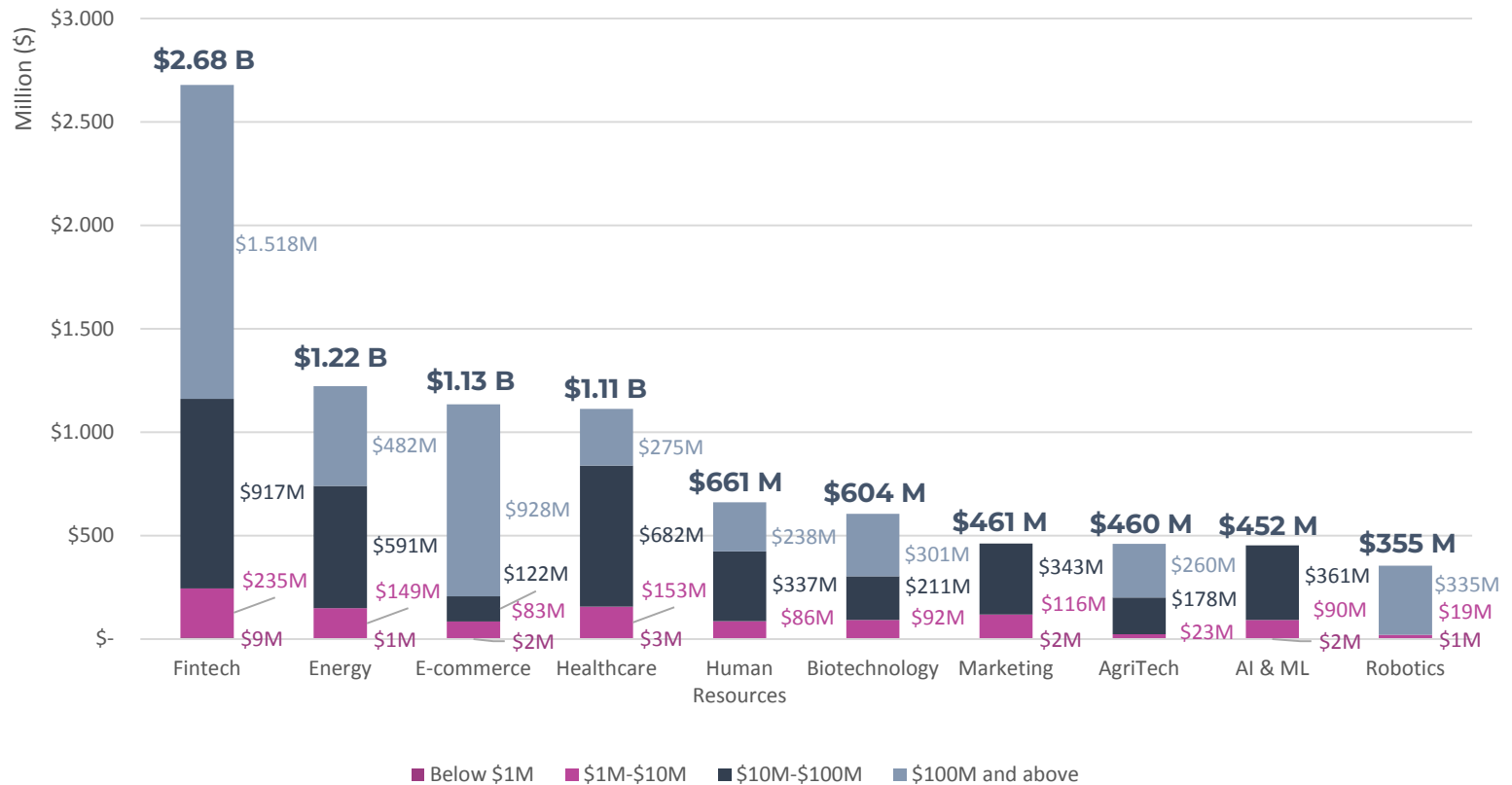
Graphic3: Number and amount of investments by region





Graphic4: Sector distribution within the funding amount range (count)

In 2022, the Finance sector was the most invested sector in France. Last year, a total of \$2.67 billion was invested across 110 funding rounds. Approximately \$1.5 billion of the investments in the finance vertical came from seven funding rounds exceeding \$100 million. These include Qonto (\$550M), PayFit (\$287M), Alan (\$193M), Alma (\$130M), Clubfunding (\$124M), Descartes Underwriting (\$120M), and Spendesk (\$113M). Among these startups, Qonto and Spendesk became France’s new Unicorns. On the other hand, of the 115 investments made in the finance vertical, 7 were over \$100 million, 32 were between \$10-100 million, and 76 were between \$1-10 million.

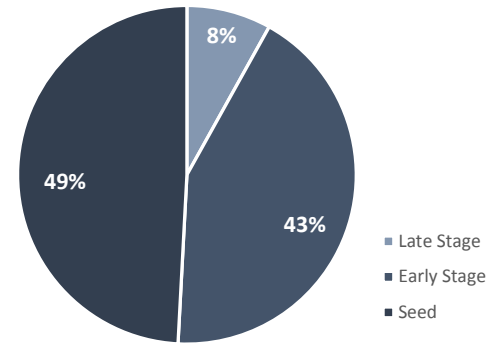


Graphic5: Sector distribution within the funding amount range (amount,\$)

# FUNDING STAGE

In 2022, 49% of the investments made were at the seed stage. At this stage, there was a 17% increase compared to 2021, with 438 investments taking place. A total of \$1.16 billion was invested at the seed stage, with a median investment of \$1.64 million. Although the total investment amount increased by 19% at this stage, it can be said that the median investment amount tends to decrease.

On the other hand, while the number of investments in the Early Stage increased by 23%, Advanced Stage investments decreased by 17%. When looking at the median investment amounts for these stages, it can be said that they tend to increase. Especially in a year when Advanced Stage investments decreased worldwide, the fact that the median investment amount in France shows an increasing trend promises hope for companies seeking investment at this stage in 2023.

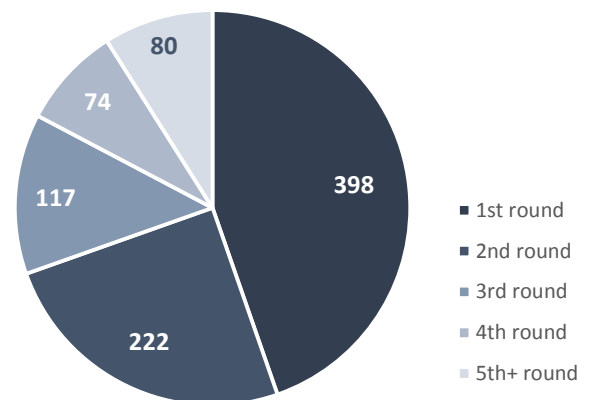


Graphic6: Fundign stage distribution (count)

	No. of Deals	Total Amount (\$)	Median Amount (\$)	Average Amount (\$)
<b>SEED</b>	438 deals <span>%17↑</span>	\$1.16 B <span>%19↑</span>	\$1.64 M <span>%5↓</span>	\$2.64 M <span>%3↑</span>
<b>EARLY STAGE</b>	381 deals <span>%23↑</span>	\$5.8 B <span>%10↑</span>	\$8.13 M <span>%3↑</span>	\$15.2 M <span>%11↓</span>
<b>LATE STAGE</b>	72 deals <span>%17↓</span>	\$6.6 B <span>%13↑</span>	\$45.2 M <span>%7↑</span>	\$91.7 M <span>%37↑</span>

## FUNDING ROUND

In 2022, 398 French startups received investments for the first time. This is equivalent to approximately 45% of the investments. In 2021, 267 startups had received their first investments, and the ratio was around 35% within the total. It can be said that the share of startups receiving investments for the first time was quite high in the increase in the number of investments in 2022. On the other hand, in 2022, startups receiving investments for the first time received a total of \$2 billion, with a median investment amount of around \$2.1 million. In 2021, this number was around \$2.4 million. Therefore, although interest in new startups increased in 2022, it can be said that investors remained cautious.



Graphic7: Closed round distribution (count)

**\$2.0B**

### Funding Amount

Total investment amount of startups that received investment for the first time in 2022.

**\$2.1M**

### Median Fund. Amount

Median investment amount of startups that received investment for the first time in 2022.

**\$5.1M**

### Avg. Fund. Amount

Average investment amount of startups that received investment for the first time in 2022.

## 1276

### Investors

No. of investors who have at least 1 investment in 2022, excluding individual investors

## 688

### France-based Investors

No. of investors headquartered in France who have at least 1 investment in 2022

## 205

### US-based Investors

No. of investors headquartered in USA who have at least 1 investment in 2022



Graphic8: Investor distribution by regions

Country	Continent	No. of investors
French	Europe	688
United States of America	N. America	205
United Kingdom	Europe	92
Germany	Europe	46
Switzerland	Europe	28
Belgium	Europe	21
Louxeburg	Europe	19
Netherlands	Europe	16
Spain	Europe	16
Singapore	Asia	11
Canada	N. America	10
China	Asia	9

Graphic9: Investor distribution by country

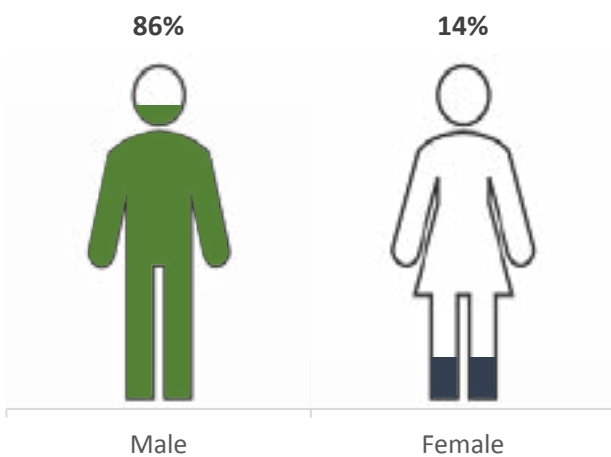
In 2022, 1,276 different institutional investors participated in the 891 investment rounds. Of these investors, 989 were based in Europe, while 215 were based in North America. Among the North American investors, 205 were located in the United States, while 10 were in Canada.

Looking in detail at the European continent, it is seen that 688 of the investors are based in France. This is equivalent to approximately half of all institutional investors. In 2021, the ratio of domestic to foreign investors was at similar levels.

Following France and the United States, in 2022, the highest number of investors came from the United Kingdom, Germany, and Switzerland, respectively.

In 2022, there are a total of 1,923 co-founders among the 871 startups that received investments. On average, there are 2.2 co-founders per startup. Of the startups that received investments, 317 (36%) have 2 co-founders, while 257 (29%) were founded with a single founder.

Out of the entrepreneurs who received investments, 278 (14%) are women, and 1645 (86%) are men. On the other hand, there is at least one female co-founder in 227 of the startups that received investments. These 227 startups have received a total of \$2.87 billion in investments. Although there have been improvements in the number of female co-founders in recent years, it is still possible to say that the ecosystem is significantly male-dominated.



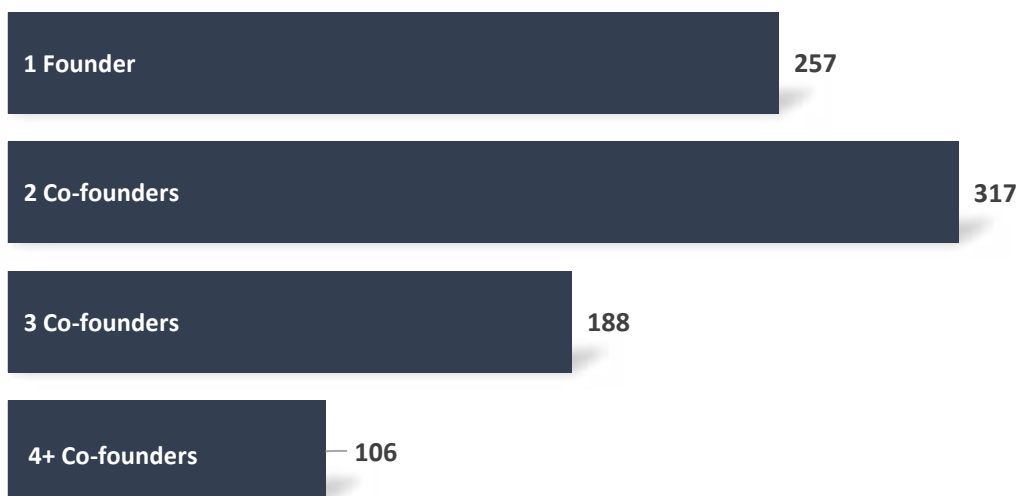
Graphic10: Gender distribution of funded co-founders

## 227 Startups

In 2022, 227 startups with at least 1 female founder received investment.

## \$2.87B Funding Amount

In 2022, startups with at least 1 female founding partner received an investment of \$2.87 Billion.



Graphic11: No. of co-founders of funded startups

# DATA & METHODOLOGY

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- The investment data presented in the report does not include IPOs, debt financing, growth equity, or grants.
- VC investments made by Private Equity firms are included in the investment data.
- A company has been reviewed by our team before being classified as a startup, considering factors such as growth potential, problem-solving, technology, age, etc. Companies referred to as 'scale-ups' in the data are also included. Our definition of 'startup' also includes companies that started as startups.
- The number of investment rounds and the number of startups receiving investments differ in the report. The word 'startup' is used when referring to the number of startups, while the word 'investment' is used when referring to the number of investment rounds.
- The last included data date is December 31, 2022.
- In the section on the most invested sectors, startups serving in multiple sectors are included in each sector they operate in.
- Investments made in different currencies have been converted to US Dollars (\$) based on the exchange rate on the date the investment was announced. Investments in millions are denoted with 'M' or 'Mn' abbreviations (e.g., \$1,000,000 = \$1M or \$1Mn). Investments in billions are denoted with 'B' abbreviation (e.g., \$1,000,000,000 = \$1B).
- In the Investment Stages section, the stages announced by the startups during the investment rounds have been used.
- Only companies headquartered in France are included in the report. Companies that moved their headquarters abroad after being established in France are not included.
- Investment Stages:
  - Seed: Angel, Pre-Seed, Seed, Pre-Series A
  - Early Stage: Series A, Series B, Pre-Series B
  - Late Stage: Series C+

















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