

FRANCE, THE NEW TECH ELDORADO!

November 2023

Benjamin Cichostepski, Founding Partner, *Orrick Paris Tech Studio*

Sarah Cannon, General Partner, *Coatue*

Stanislas Chanavat, Principal, Technology Thematic, *Pictet Alternative Advisors SA*

Antoine Martin, Co-founder & CEO, *amo* and Former co-founder & CEO, *Zenly*

Adam Valkin, Managing Director, *General Catalyst*

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FRENCH TECH: BEST YEARS STILL TO COME

The current backdrop may seem bleak, marked as it is by a global slowdown, persistent inflation, a rising number of conflicts and non-specialist investors turning their backs on private equity. However, Karine Wilkinson, Head of Development at Pictet Wealth Management France, points to two US investors and a French entrepreneur and investor who demonstrate that these challenges are in no way weighing on the development of the European and French tech industry.

“Investors are very active in Europe”, especially in Shift Technology (AI-powered solutions for the insurance industry), says Stanislas Chanavat of Pictet Alternative Advisors – who outlines how Pictet is active in all segments of private equity, with both market leaders in the sector or directly. Adam Valkin, managing director at General Catalyst and an early stage specialist is also enthusiastic about tech in Europe, and in France in particular.

His firm, which initially invested in Europe without being established there and later opened a branch in London, recently forged a partnership with a venture capital fund based in Berlin, testimony to General Catalyst’s growing interest in this region.

According to Adam Valkin, who notes that Europe now has more than one hundred unicorns compared with 20 years ago when seed funding was virtually non-existent, one of the keys to the tech sector taking off is the fact that we now have successful entrepreneurs who in turn become investors: this is the Paypal effect, a company whose many founders (Peter Thiel, Elon Musk, etc.) are US tech players. *“France paints a perfect picture of this”* but it also has players who are willing to join forces and pool their expertise, a high level of education and a well-developed Artificial Intelligence (AI) community.

As the Londoner has maintained since 1999, this mix *“puts the country in a very good position for the next 10 to 20 years”*.

Even though this dynamic mix has yet to deliver spectacular Initial Public Offerings (IPOs), *“it’s only a matter of time”*. *“There will be global companies, particularly in AI, a field in which France is set to play a decisive role”*, predicts the early stage specialist, who also praises the quality of the government’s support for tech companies over the past few years.

A TALE OF FRIENDSHIP

Investing in tech is not just about figures, but also about *“tales of friendship”*, underlines Benjamin Cichostepski, a lawyer who heads Orrick’s *Tech Companies* practice in Paris, co-organiser of the evening, as he introduces Sarah Cannon, general partner at Coatue, and Antoine Martin, co-founder of Zenly, a social mapping app for friends that was acquired by Snap for \$300m, and CEO of another social network, amo.

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Although Coatue's philosophy is "to identify future global companies rather than focusing on particular countries", Sarah Cannon, who feels "at home" in Paris, a city of art and diversity, has identified unique features in France: an ecosystem in the area of climate tech and "many talented entrepreneurs".

According to this Californian who is in charge of investments in Europe and based in London, we are likely to see a shift with high-profile entrepreneurs becoming investors of "global brands" and not just products, no matter how good they may be.

Like Adam Valkin, Sarah Cannon is impressed by the attention paid by the public authorities to tech start-ups. She believes that French entrepreneurs lack neither ambition nor the ability to "sell" their projects, and sees only one downside to the development of the *French tech* sector: it is not as easy to find the best specialists in their field in large companies as it is in the San Francisco Bay Area.

PARIS AS A CULTURAL ASSET

According to Sarah Cannon, Antoine Martin is "one of the most respected entrepreneurs" and sums up the progress made: while there were just a handful of seed specialists ten years ago, Europe now attracts some of the biggest names in venture capital.

He believes that France has, among other assets, a strong cultural tradition that you do not find in the pure tech-based California. Partnerships with the arts community, which luxury companies are accustomed to, could soon enrich the tech world, particularly where social networking is concerned.

The founder of Zenly ultimately considers the relationships based on friendship and mutual exchange that prevail in the tech start-up world as one of the factors for his success.

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