

The Italian Venture Capital market: myths and challenges

Giovanni Fusaro

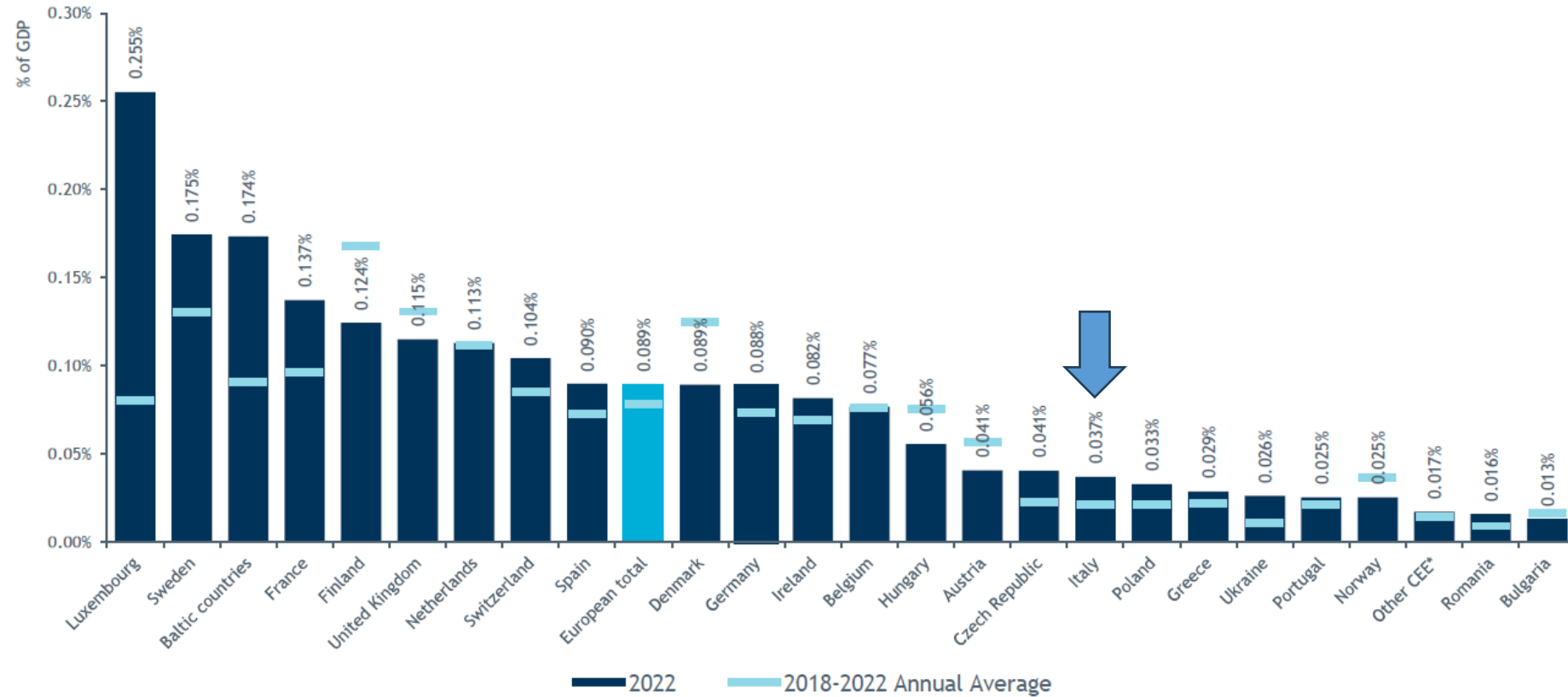
October 12th, 2023

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Italian Private Equity, Venture Capital
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A European comparison of venture capital investments

2022 – Venture Capital investments as % of GDP



Note: market statistics. *Other CEE consists of Bosnia Herzegovina, Croatia, Macedonia, Moldova, Montenegro, Serbia, Slovakia, Slovenia
 Source: Source: IMF, World Economic Outlook Database (GDP) / Invest Europe / EDC

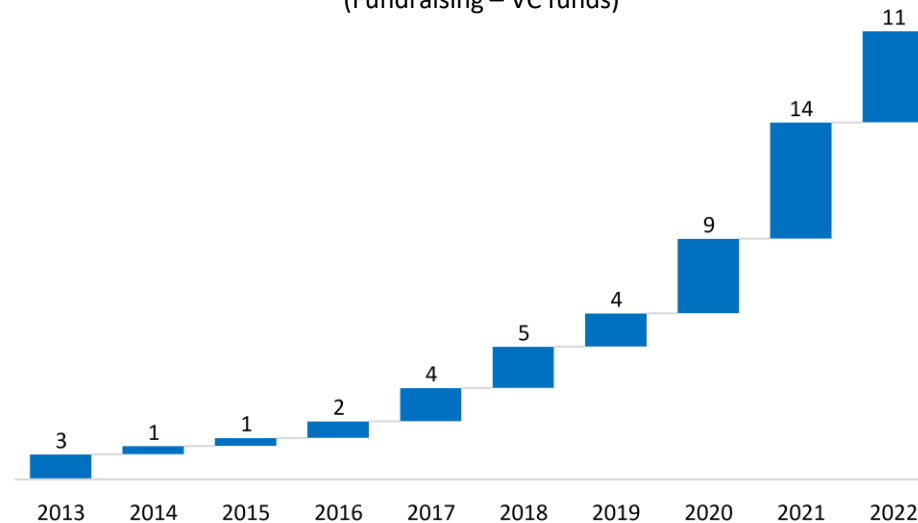
VC funds and the Italian market: a growing (international) interest

Myth: Lack of Italian VC players and limited interest of international funds for the Italian market

Reality: In the last 5 years, more than 40 domestic private VC funds were launched. Growing presence of international players in VC investments in Italy

Trend of Italian VC funds on the market

■ N. of 1st closing
(Fundraising – VC funds)



Period 2021-2022
About 25% of investments in Italy made by international VC funds

However
France: 150 GPs
Germany: 200 GPs
Italy: 30 GPs

Note: international funds and public-funded vehicles excluded
Source: AIFI-PwC, France Invest, BVK, VeM – Venture Capital Monitor

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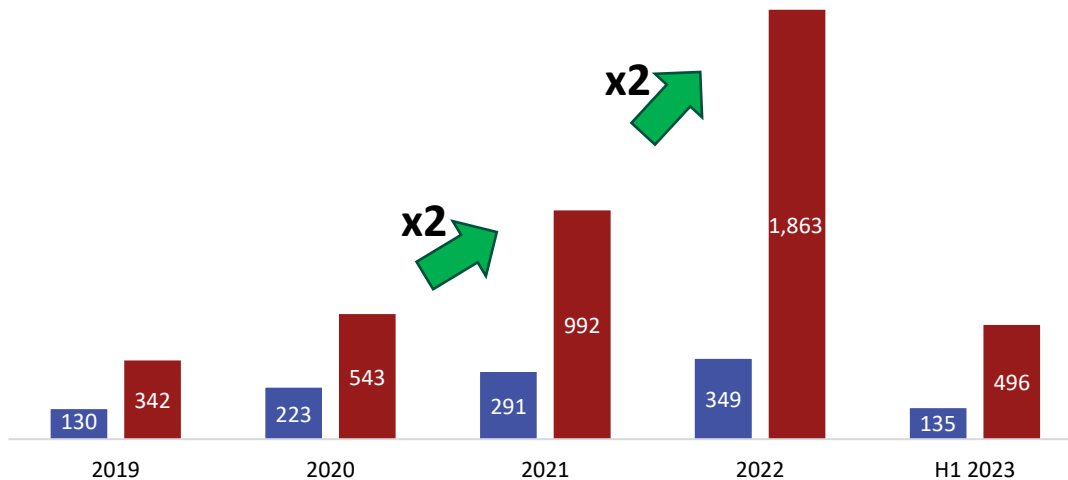
Venture capital investments in Italy: filling the gap

Myth: Low level of investments by VC funds in Italy compared with other comparable EU countries. No activities to close the gap

Reality: Italy still lags behind in comparison to other European VC markets but is progressively filling the gap with two consecutive double-downs, reaching 2 Euro bn invested in 2022

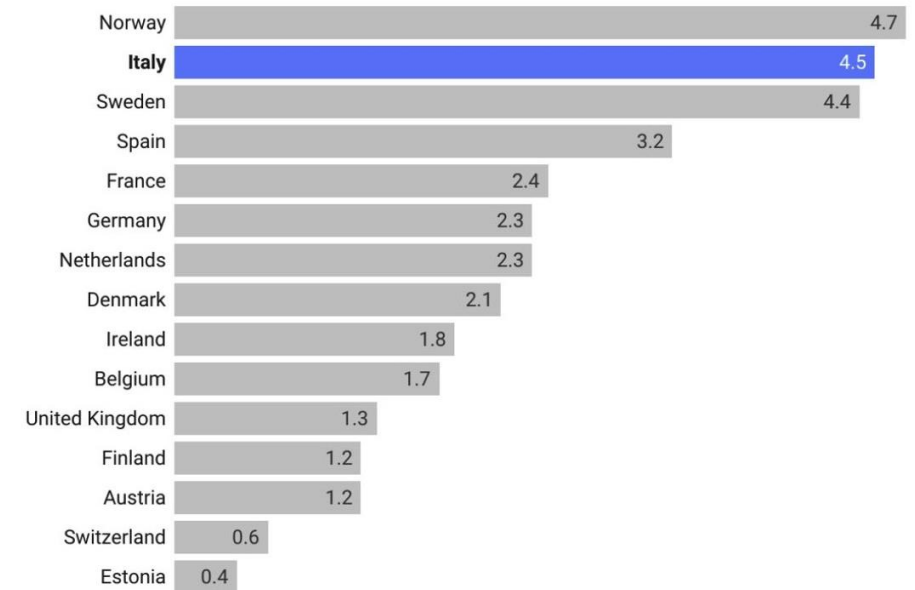
Trend of VC investments in Italy

■ Number of VC rounds ■ Amount invested (Euro mln)



Note: data as of H1 2023. Investment in foreign startups with Italian founders excluded
Source: VeM – Venture Capital Monitor

European VC investment growth



Note: 2017-2023E. 2023E calculated based on H1 2023 data. Data as of Q3 2023
Source: dealroom.co and P101 «State of Italian VC 2023»

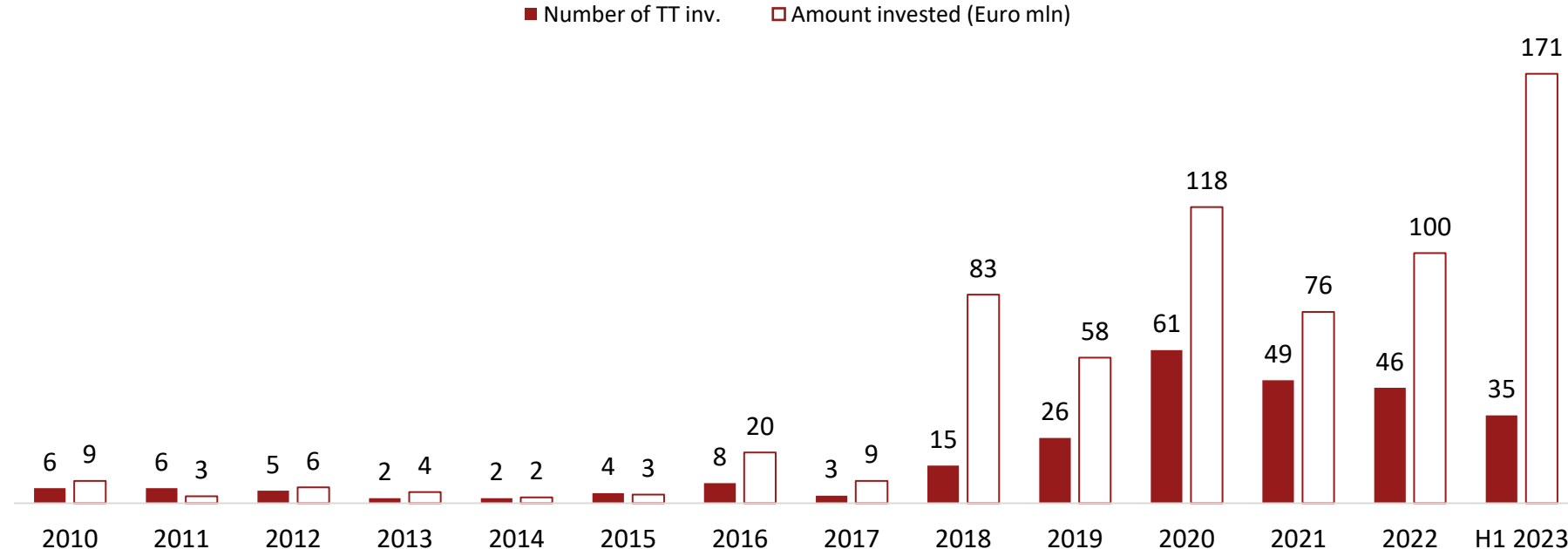
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Myth: Weak links between research and market.
The Tech Transfer investments in Italy are occasional and made by generalist funds

Reality: In the last 5 years, dedicated TT funds were lunched in Italy. Record number of investments in research spin-offs and PoC, mainly focuses on deep tech

Trend of Tech Transfer investments in Italy



Note: data as of H1 2023. Investment in foreign startups with Italian founders excluded

Source: VeM – Venture Capital Monitor

Myth: No specific law for Startup ecosystem in Italy. Lack of interests from public institutions towards VC market

Reality: Startup Act promoted in 2012, currently under review. Interesting incentives for investors (both individuals and VC funds)

Active measures
Fiscal incentives (investments)
Fiscal incentives (exit) – VC funds
Investors' visa
Invitalia and Cdp VC SGR
Stock-options plan
R&D activities
IP protection
..and others

Source: MIMIT, AIFI

The Italian VC market needs to face several **challenges** and to seize numerous **opportunities** in order to be able to keep growing and reach the level of other European VC markets. In this sense, the following areas/actions are of particular importance:

- **fundraising activity** from institutional investors
- involvement of **corporates**
- **late stage** and **growth tech**
- the **Italian legislative framework**
- **green** and **climate transition**

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