

## **VeM (Venture Capital Monitor): more than 300 deals on Italian startups for an amount exceeding 1 billion**

- *Invested €1.1 billion on Italian startups (it was €1.9 billion in 2022);*
- *Invested 1.4 billion on the venture capital supply chain (was 2.2 billion in 2022);*
- *Initial and follow on close with 330 transactions*
- *Technology Transfer, 235 million invested in 68 operations*
- *ICT remains the top sector with 38 percent of investments, Lombardy the top region in number of targets, 113*

Milan, Feb. 2024 - The Venture **Capital Monitor - VeM Research Report 2023** on venture capital operations in the Italian market was presented today. The study was carried out by the **Venture Capital Monitor - VeM** Observatory active at Liuc Business School and realized with AIFI thanks to the contribution of Intesa Sanpaolo Innovation Center and E. Morace & Co. law firm and the institutional support of CDP Venture Capital SGR and IBAN, with the aim of developing a permanent monitoring on the institutional early stage activity carried out in our country.

### **Operations**

2023 ended with 330 deals (**initial and follow on**); there were 370 last year (down 11 percent). Looking only at new investments, **initial**, these were 273 compared to 310 in 2022. As for the amount invested by both domestic and foreign operators in **Italian startups**, the figure stands at nearly 1.1 billion euros distributed over 302 rounds, down from just under 1.9 billion for 349 deals in 2022. Stable, on the other hand, is the amount invested in **foreign companies** founded by **Italian entrepreneurs**, about 300 million euros distributed over 28 deals (21 in 2022). Adding up these two components, the overall total stands at 1.4 billion euros (it was nearly 2.2 billion in 2022).

"In a year, albeit a difficult one, as 2023 was, a total of more than 300 transactions were carried out, a sign that the Italian venture capital market is consolidating the new level of development achieved, in the hope of closing the gap with more advanced markets." Declares **Innocenzo Cipolletta, president of AIFI** - "Despite the lack of large deals, the high number of those realized is a sign of fertile ground on which we can continue to invest in order to aim for new champions of innovation."

"Over the past five years, more than 40 domestic funds have been launched that have accelerated the growth of innovation in our country." Says **Anna Gervasoni, Liuc-University Cattaneo pro-rector**, "This shows the importance of the presence of operators with significant capital, and this is why it is necessary to urge large institutional investors to believe in this sector."

"After a long historical series of year-on-year growth, the Italian VC market has aligned with the trend in international markets, which saw a contraction that emerged as early as the end of 2022," explains **Luca Pagetti, Head of Finanziamento Crescita Startup at Intesa Sanpaolo Innovation Center**. "The causes may

be multiple starting with the lower presence of mega deals compared to 2022 and interest rate trends. The maintenance of the total value above 1 billion euros, the increase in the number of exits and investments in Technology Transfer are the positive signs that emerged from the Report, such as the rebound of the Vem-i index in the last quarter. Our Group, in the current industrial plan, confirms through Intesa Sanpaolo Innovation Center, its support to the growth of startups also with ecosystem initiatives and supporting territories. The establishment in 2022 of the SEI Sviluppo Ecosistemi di Innovazione fund managed by Neva SGR, a wholly owned subsidiary of Intesa Sanpaolo Innovation Center, is further confirmation of our commitment."

"We consider 2023 as a year of consolidation of the angel investing market in Italy, especially with reference to key data. Transactions carried out solely by Business Angels, not including operations carried out through equity crowdfunding campaigns, totaled 75 (78 in 2022) for a total of €39.3 million invested; syndicated investments with Venture Capital totaled 117 (153 in 2022)." commented **Paolo Anselmo, president of IBAN**. "Overall, the total number of deals with the presence of BAs is 192, out of a total monitored deals of 405; therefore, it can be highlighted that BAs are actively present in 47 percent of the deals. One of the most interesting trends monitored concerns the increase of the female component among Business Angels, which in 2023 stands at 22 percent, confirming the gap in 2022 (27 percent) from the values of previous years (14 percent in 2021 and 11 percent in 2020 and 2019)."

"The market has long been on a much higher plateau than the historical average. One of the effects of this success the number of startups raises the question of how to replace, in the next stage of development, the venture capitalist with an investor, not necessarily fund, who can bridge to a new size, being willing to stay invested for a few years," comments **Pierluigi De Biasi, partner at the law firm E. Morace & Co.**

#### **Focus on technology transfer, corporate venture capital and early stage supply chain**

**Total investments** in TT (Technology Transfer) 2023 amounted to €235 million from 68 deals. These results came thanks in part to the impact of the **ITAtech** platform funds that have raised a total of more than 300 million euros to date, realizing 168 investments totaling more than 360 million euros (including co-investors) since 2018.

With reference to **corporate venture capital** activity, recent evidence of a significant corporate presence in venture capital rounds is confirmed in 2023. Specifically, corporate participation in investments supporting nascent or early-stage entrepreneurial ventures was recorded in about 22 percent of the total rounds, slightly less than in 2022.

Relative to Italian-based startups alone, **venture capital and corporate venture capital** invested €559 million over 200 rounds, **syndication** activities between venture capital, corporate venture capital and business angels recorded investments of €526 million over 102 deals

and business angels alone have invested 34 million in 71 rounds. The **total of** these activities brings the **early stage supply chain** in Italy to have invested over 1.1 billion euros in 373 rounds. When investments in foreign startups with Italian founders are also added, the grand **total** stands at more than 1.4 billion euros over 405 rounds.

### **Geographical and sectoral distribution**

As in past years, at the level of initial investments, **Lombardy** is the region with the largest number of target companies, 113, covering 46 percent of the market (it was 44 percent in 2022, with 124 companies). This is followed by Lazio (13 percent) and Piedmont (8 percent).

From a sector perspective, **Ict** monopolizes the interest of venture capital investors, accounting for 38 percent of target companies. Ict consists of 32 percent of deals on startups in the digital consumer services segment, and 68 percent on companies with a focus on enterprise technologies. Next, 12 percent of targets targeted by initial investments were directed toward Healthcare, 9 percent toward the other services segment, driven by edutech; Fintech and Energy and Environment, on the other hand, attracted 7 percent of investments.

*The **Venture Capital Monitor - VeM** is an Observatory born in 2008 and active at Liuc Business School, promoted with AIFI and realized thanks to the contribution of Intesa Sanpaolo Innovation Center and E. Morace & Co. law firm and the institutional support of CDP Venture Capital SGR and IBAN, with the aim of developing a permanent monitoring on the institutional early stage activity carried out in our country.*

***LIUC - Università Cattaneo** was founded in 1991 on the initiative of 300 entrepreneurs from the Province of Varese and the Alto Milanese area, united in a choral competition to carry out the project, often with significant economic contributions. The University's strengths include close ties with businesses and the professional world, as well as a marked international vocation. LIUC, with its Schools of Economics and Engineering, offers bachelor's and master's degree programs to which are added the activities of its Business School, within whose perimeter permanent thematic observatories, university master's degrees, training courses and contract research are active. Among the master's degrees activated is the one in Private Equity, specifically designed to meet the growing demand for professionals expressed by investment banks, Private Equity and Venture Capital firms, and Asset Management Companies. Among the Observatories, the Venture Capital Monitor is a workspace focused on investment activity aimed at the start-up of innovative new companies, which aims to identify the main market trends by defining their possible future developments. For more information: [www.liuc.it](http://www.liuc.it)*

***AIFI**, the Italian Association of Private Equity, Venture Capital and Private Debt, was established in May 1986 with the aim of developing, coordinating and representing, at institutional level, those active in the Italian venture capital investment market. The Association is an organization of financial institutions that stably and professionally make investments in companies, in the form of venture capital, through the assumption, management and divestment of shareholdings mainly in unlisted companies, with an active development of the companies in which they participate.*

**Intesa Sanpaolo Innovation Center** is the Intesa Sanpaolo Group company dedicated to frontier innovation. It explores future scenarios and trends, develops multidisciplinary applied research projects, supports startups, accelerates the business transformation of enterprises according to the criteria of Open Innovation and Circular Economy, fosters the development of innovative ecosystems, and spreads the culture of innovation, to make Intesa Sanpaolo the driving force behind a more conscious, inclusive and sustainable economy. Based on the 31st floor of Intesa Sanpaolo's skyscraper and a national and international network of hubs and laboratories, the Innovation Center is an enabler of relationships with other stakeholders in the innovation ecosystem-such as companies, startups, incubators, research centers, universities, and national and international institutions-and a promoter of new forms of entrepreneurship in accessing venture capital, with the support of venture capital funds, including through its subsidiary Neva SGR.

**IBAN - Italian Business Angels Network** is a non-profit, officially recognized Association with legal personality, founded on March 15, 1999 as a result of the "DG Enterprise" Project promoted by the European Commission. The Association coordinates and develops investment activity by informal investors (Anglo-Saxon term "Business Angel") in the venture capital of small businesses and startups. Within the national context, it acts as a point of reference for private investors, national networks (BANs) and Investors' Clubs, while at the European level, after being among the founders of EBAN, it is now among the permanent members of BAE - Business Angel Europe, the Confederation of Business Angel Associations in Europe, established in 2013 also thanks to IBAN to be the voice of informal investors in Europe.

**E. Morace & Co.** is a law firm that has been active for eighty years assisting companies, starting with maritime law and commercial relations. Since 2019 it has had an office in Milan, where professionals with specific expertise in acquisitions and mergers, corporate relations and intellectual property work. The firm wants to assist Italian startups, relieving the business promoters from having to worry about legal issues and working at the speed of innovators, being present at critical moments and thus typically protecting the intangible and intellectual property of the venture, helping the definition of labor and commercial relations, participating in the organization of corporate life and finally assisting the startup in finding financial means.

**For information:**

**Venture Capital Monitor - VEM<sup>TM</sup>**

Francesco Bollazzi  
Tel. 0331 572208  
[pem@liuc.it](mailto:pem@liuc.it)

**LIUC Press Office**

Francesca Zeroli - Alessandra Pedroni  
[ufficiostampa@liuc.it](mailto:ufficiostampa@liuc.it), [fzeroli@liuc.it](mailto:fzeroli@liuc.it), [apedroni@liuc.it](mailto:apedroni@liuc.it)  
Tel. 0331.572.541-566  
[www.liuc.it](http://www.liuc.it)

**AIFI press office**

Annalisa Caccavale  
[a.caccavale@aifi.it](mailto:a.caccavale@aifi.it)  
Tel 02 76075324  
[www.aifi.it](http://www.aifi.it)