

VeM (Venture Capital Monitor): EUR 600 million invested in Italian start-ups in the first half of the year, +18%, number of deals down, -22%

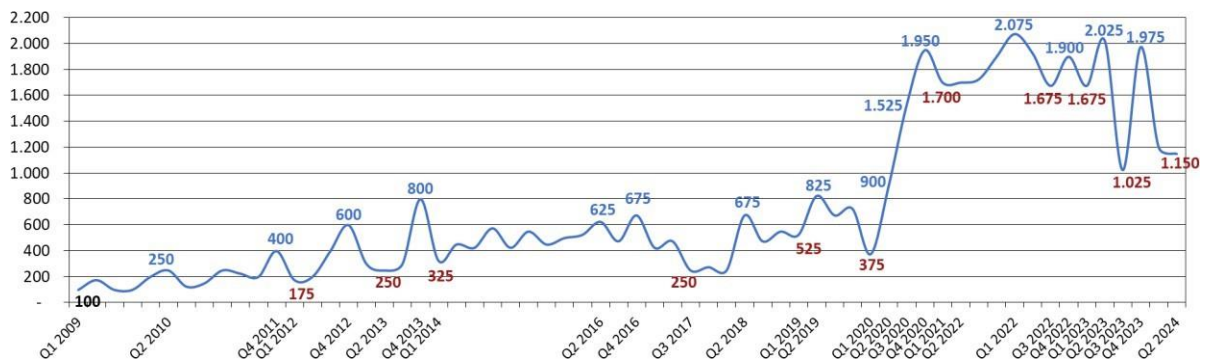
Technology Transfer: more than EUR 375 million invested in 172 deals since 2023

Milan, 16 July 2024 - The **Venture Capital Monitor - VeM research report** on venture capital deals in Italy was presented today. The study was carried out by the **Venture Capital Monitor - VeM** active at LIUC Business School, promoted with AIFI and realised thanks to the contribution of Intesa Sanpaolo Innovation Center and KPMG and the institutional support of CDP Venture Capital SGR and IBAN, with the aim of developing a permanent monitoring of institutional early-stage activity in Italy.

Deals

In the first quarter, 67 deals were realised, rising to 68 in the following three months (+1.5%). Overall, the first half of 2024 closed with 135 deals (**initial and follow-on**); there were 177 last year (-24%). Looking only at new investments, **initial**, these were 94 compared to 151 in H1 2023. As regards the amount invested by both domestic and foreign operators in **Italian startups and scaleups**, the figure stands at EUR 600 million, up from EUR 510 million in 2023, distributed over 123 rounds (they were 158 in H1 2023). It should be noted that the figure is influenced by two large deals, which weigh 40% of the market. There was an increase in the amount invested in **foreign companies** founded by **Italian entrepreneurs**, which rose from €179m to €270m, with the number of deals slightly down on last year (12 rounds compared to 19). Adding up these two components, the overall total stands at EUR 870 million (it was EUR 689 million in the first half of 2023).

Evolution of the VeM-i index



Note: excluding POC / POC programmes; Q1 2009=100

The VeM-i index recorded a value of 1,150 in Q2 2024, in line with the first three months of the year, but far from the quarterly values monitored in recent years.

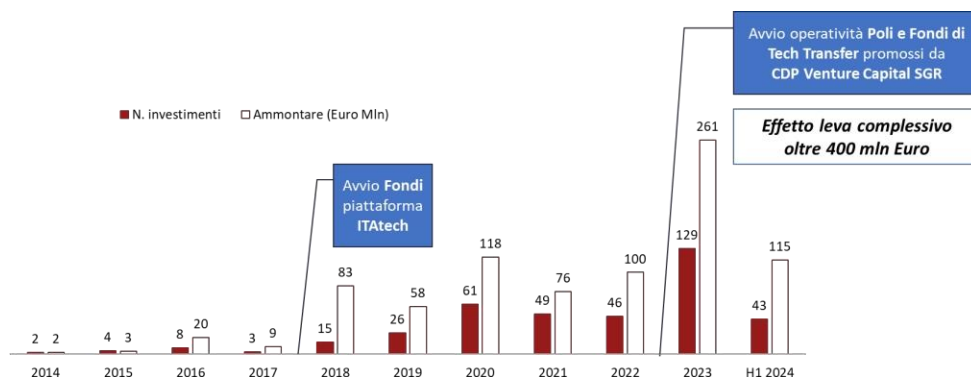
"If you want to get technologies and innovations from the world of research onto the market, it is essential to work as a system: the university, venture capital and industry are the players that together can create a synergetic gear that is functional to this objective," says **Anna Gervasoni, Liuc - Cattaneo University pro-rector**. "The VeM also monitors these phenomena and has photographed this growing trend in the world of Tech Transfer. The road has begun, but we must continue to support and invest in this area to foster innovation in the industrial system".

"The first half of 2024 confirms the recovery of the industry compared to the same period in 2023. Business angels continue to play a significant role, participating independently or together with Italian Venture Capital in almost 80% of the deals recorded, 490 million euro out of a total of 623 million invested. We are also particularly satisfied with the growing importance of seed, which is the main area of activity of business angels," comments **Paolo Anselmo, President of IBAN**.

Focus on Technology Transfer, Corporate Venture Capital and the Early Stage Industry

Total investments in Technology Transfer (TT) over the past year and a half have received a significant boost from the activities of the TT poles and funds promoted by **CDP Venture Capital SGR**, further reinvigorating the growth trend that began in 2018 thanks to the start of deals of the five funds supported by **ITAtech**. The overall **leverage effect** generated by these initiatives on third-party capital amounts to over EUR 400 million. Considering the activity carried out by investors and TT hubs active in our country, since 2023 more than €375 million has been invested on 172 deals, of which €115 million in the first six months of 2024 (43 deals), a value already above the annual average invested in the 2018-2022 period.

Evolution of Tech Transfer Investments in Italy



Note: Data include initial and follow-on investments and investments in Proof-of-concept (POC) programmes by TT investors and poles. TT deals conducted directly by universities and research centres (e.g. internal POC) or by private investors alone are excluded. Overall leverage will reach EUR 500 million in the coming months

With reference to **corporate venture capital** activity, in the first half of the year, recent evidence of a significant presence of companies in venture capital rounds was confirmed. In particular, corporate participation in investments supporting fledgling or early-stage companies was recorded in approximately 28% of the rounds in Italian companies.

With regard to Italian-based start-ups alone, **venture capital and corporate venture capital** invested EUR 133m in 74 rounds, **syndication** activities between venture capital, corporate venture capital and business angels invested EUR 467m in 49 deals, and business angels alone invested EUR 23m in 16 rounds. The **total** of these activities brings the **early stage sector** in Italy to have invested EUR 623 million on 139 rounds (it was around EUR 525 million on 175 rounds in the first half of 2023).

Geographical and sectoral distribution

As in previous years, in terms of initial investments, **Lombardy** is the region with the largest number of target companies, 32, covering 38% of the Italian market (50% in the first half of 2023). This is followed by Piedmont (15%) and Lazio (11%).

From a sectoral perspective, **ICT** monopolises the interest of venture capitalists, accounting for a 38% share. The ICT sector consists of 25% of deals on start-ups in the digital consumer services sector, and 75% on companies with a focus on **enterprise technologies**. This is followed by start-ups in the **biotechnology** sector, with a share of 11%.

The **Venture Capital Monitor - VeM** is an Observatory born in 2008 and active at Liuc Business School, promoted with AIFI and realised thanks to the contribution of Intesa Sanpaolo Innovation Center and KPMG and the institutional support of CDP Venture Capital SGR and IBAN, with the aim of developing a permanent monitoring of the institutional early-stage activity carried out in Italy.

LIUC - Università Cattaneo was established in 1991 on the initiative of 300 entrepreneurs from the Province of Varese and the Upper Milan area, who joined in a choral competition to realise the project, often with significant economic contributions. The University has as its strength a close link with businesses and the professional world, as well as a marked international vocation. The LIUC, with its Schools of Economics and Engineering, offers bachelor's and master's degree courses in addition to 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 courses activated, there is one in Private Equity, specifically designed to meet the growing demand for professionals expressed by investment banks, Private Equity and Venture Capital companies and Asset Management Companies. Among the Observatories, the Venture Capital Monitor is a working space focused on investment activity aimed at the start-up of new innovative companies, whose objective is to identify the main market trends and define possible future developments. For further information: 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, the players active on the Italian venture capital investment market. The Association is an organisation of financial institutions that permanently 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 investee companies.

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

IBAN - Italian Business Angels Network is a non-profit Association, officially recognised and with legal personality, founded on 15 March 1999 following 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

companies and start-ups. Within the national context, it acts as a point of reference for private investors, for national networks (BAN) and for 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, set up in 2013 also thanks to IBAN to be the voice of informal investors in Europe.

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