



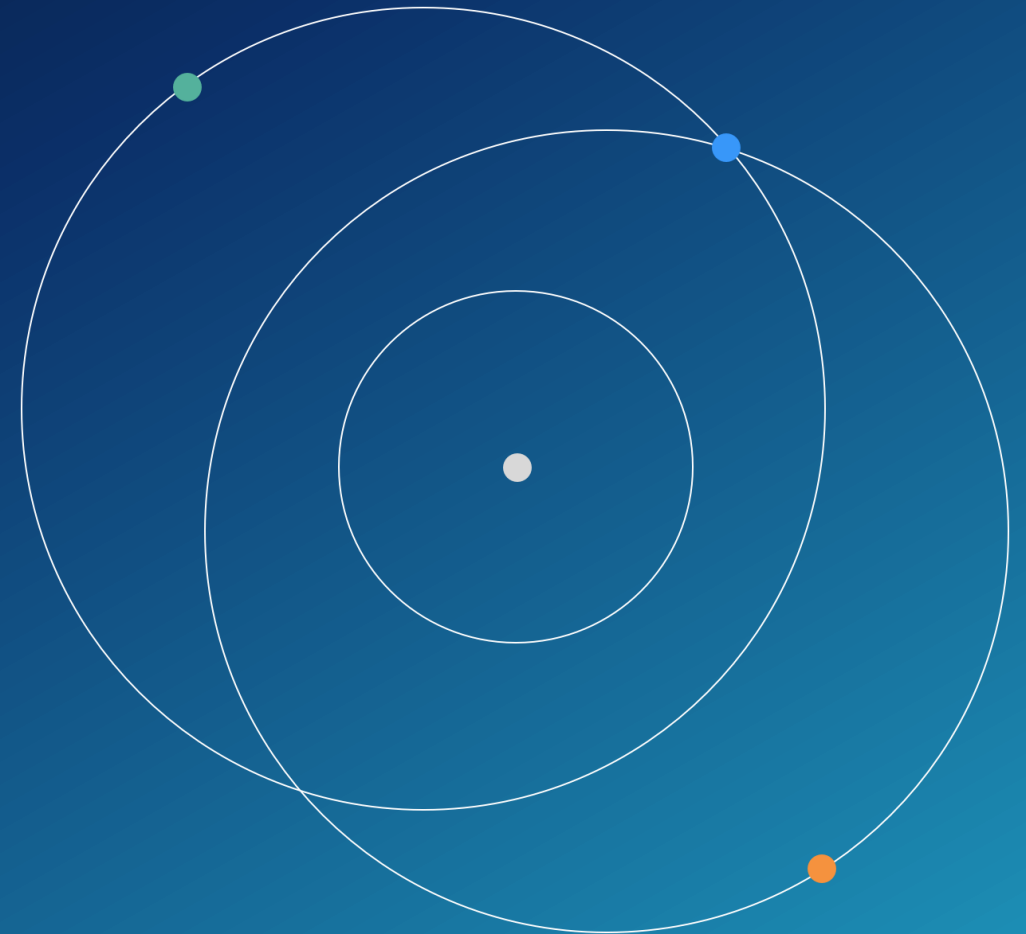
Milan Madrid London



ITALIAN
TECH
ALLIANCE

Venture Capital Report

Italy Q4-23 & FY-23



 Growth Capital

 growthcapital.it

 Italian Tech Alliance

 italiantechalliance.com

About Growth Capital



Growth Capital is a tech investment bank in the venture capital industry, with a 90% success rate and offices in Milan, Madrid and London. The firm provides top-tier advisory services tailored to a wide range of deals and stakeholders, with a notable focus on cross-border transactions

SCALEUPS

We provide support to top tech companies with high growth potential, assisting them through the challenging stages of **fundraising** and **M&A**

CORPORATES

We help corporates **implement innovative investment strategies** driven by key disruptive trends in their industries

INVESTORS

We offer our expertise to VC funds, Family Offices, companies and other technology investors in **shaping their investment strategies**

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Methodology

1. The report includes (i) **start-ups based in Italy** and (ii) **start-ups with foreign headquarters** but **with Italian founders** and **>50% of employees in Italy** (analysis through LinkedIn search)
2. Creation of a database using [PitchBook](#) data (last consultation on **10/01/2024**) for rounds concluded from 2018 to 2023, classified as Early Stage VC and Late Stage VC. Assignment of verticals (as defined in **point 12**) by PitchBook and sector (as defined in **point 13**) by Growth Capital (GC)
3. Comparison of the data obtained following the procedure outlined in **point 2** with round press releases, where available. In case of discrepancies, information from the press releases has been given preference
4. Comparison and integration of the data processed according to the procedure outlined in **points 2** and **3** with the information provided to GC confidentially by key investors active in the Italian VC ecosystem
5. Performed a check on **each round without stage indication**:
 - a) «**Early Stage VC**» rounds were classified as (i) **Pre-Seed** in case of first funding rounds **<€0.2M** or (ii) **Seed** if the amount was between **€0.2M and €1M**
 - b) for «**Late Stage VC**» rounds, the **equity story of each company was checked**, defining the round stage case-by-case. For example, a round of €2M which follows two Seed rounds of less than €1M is defined as Series A; an eventual later round bigger than the Series A is defined as Series B, otherwise as Series A
6. The rounds defined as «**Bridge**» were assigned to the «**Seed**» category to avoid excessive sample fragmentation
7. Exclusion of all rounds with **undisclosed size** and rounds whose stage **could not be brought back to a stage** based on the startup's equity story
8. Exclusion of the capital increases which are **not unambiguously classifiable as VC rounds**
9. Exclusion of all VC rounds in the form of **debt** due to their strong sectoral dependence; coherently, for the «**mixed**» **equity and debt** VC rounds, **only the equity part** was considered
10. In the case of «mixed» rounds, for which the exact breakdown between equity and debt was **not disclosed**, information was **confidentially** asked to the start-up or to the investors and, when provided, it was used preserving the confidentiality. If data were not provided, the round is entirely considered as equity
11. The procedure described at **point 10** was followed also for those rounds whose total announced amount includes **sales of quotas/shares on the secondary market** and for those rounds with funding subject to **milestones**
12. «**Verticals**» refers to the 242 values uniquely used by PitchBook to define the type of the sectoral/market activity of the start-ups under analysis
13. «**Sectors**» refers to the 10 sectors defined by GC, which were assigned PitchBook's 242 verticals as in the [Appendix](#)

1. Key numbers Q4-23 and FY-23

1.1. Key numbers Q4-23

90

investment rounds

€383M

amount invested

9

Series A

5

Series B
(2 Series C+)

7

exits

DeepTech

sector with most rounds

DeepTech

sector with the largest amount raised

AI

vertical with most rounds

SpaceTech

vertical with the largest amount invested

D-Orbit

largest round

1.2. Key numbers Q4-23 vs Q3-23

73 vs

90 ↑

investment rounds

€307M vs

€383M ↑

amount invested

14 vs

9 ↓

Series A

6 vs

5 =

Series B
(2 Series C+)

8 vs

7 =

exits

Smart City

DeepTech

sector with most rounds

Software

DeepTech

sector with the largest amount raised

CleanTech

AI

vertical with most rounds

Apps

SpaceTech

vertical with the largest amount invested

Bending Spoons

D-Orbit

largest round

1.3. Key numbers FY-23

325

investment rounds

€1,176M

amount invested

48

Series A

16

Series B
(5 Series C+)

44

exits

Smart City

sector with most
rounds

DeepTech

sector with the largest
amount raised

FinTech

vertical with most
rounds

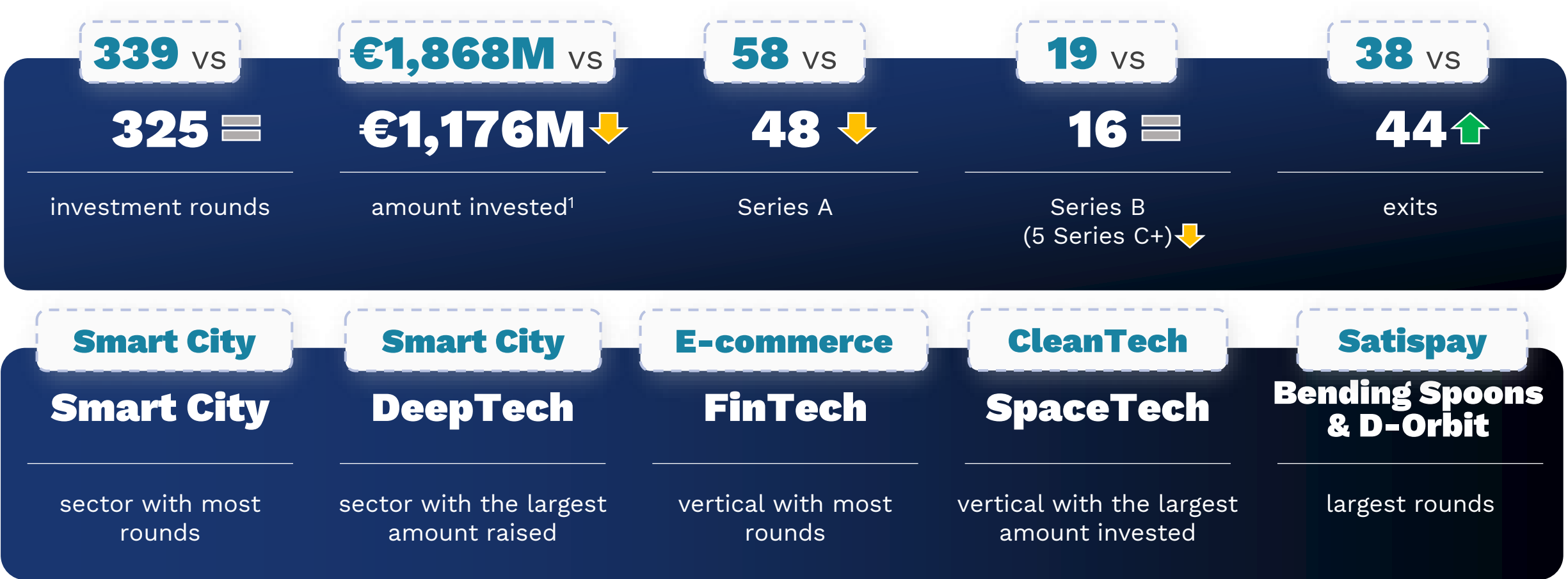
SpaceTech

vertical with the largest
amount invested

**Bending Spoons
& D-Orbit**

largest rounds

1.4. Key numbers FY-23 vs FY-22



Notes: 1 The total invested in 2023 without mega rounds is €976M, while in 2022, it had been €1,146M

1.5. Key numbers FY-23 vs FY-21



Notes: 1 The total invested in 2023 without mega rounds is €976M, while in 2021, it had been €895M

2. VC in Europe: 2023 and historical evolution

2.1. Overview of VC in Europe in 2023

Context

- **Higher inflation rates** with respect to the recent years have contributed to **the reduction of valuation multiples for startups**, that burn cash in the short term with the prospect of generating positive cash flows in the medium to long term
- **Persistently high-interest rates** have diminished the attractiveness of venture capital compared to other asset classes (e.g., fixed income), negatively impacting investments
- The **increased caution** of investors has led to a decrease in invested capital, making it more challenging to secure funding and reducing the **negotiating power** of startups (see [slide 54](#))

Investments

- **2023** witnessed a **significant correction** both in number of deals and amount raised compared to 2021 and 2022, years characterized by a particularly favorable macroeconomic environment (low-interest rates, low cost of money, abundance of capital, etc.)
- The challenging market conditions have especially affected **Late Stage** fundraising, encouraging founders to postpone funding decisions
- However, looking at the evolution of the last 5 years, it is possible to observe **the growth of the ecosystem fundamentals**, as highlighted by both the number of startups and investment funds, and the average and median size of rounds

Exits

- In **2023** there was a **reduction in exits** (826 compared to 1,131 in 2022, with a corresponding value of €12B versus €40B in 2022), negatively impacted by **high inflation** and **declining valuations**
- **Successful exits** are becoming **more challenging to achieve**, leading shareholders and startups to delay, if possible, liquidity events. They are focusing on capital efficiency while awaiting a more favorable context or exploring **rescue M&A** or **buy & build strategies**

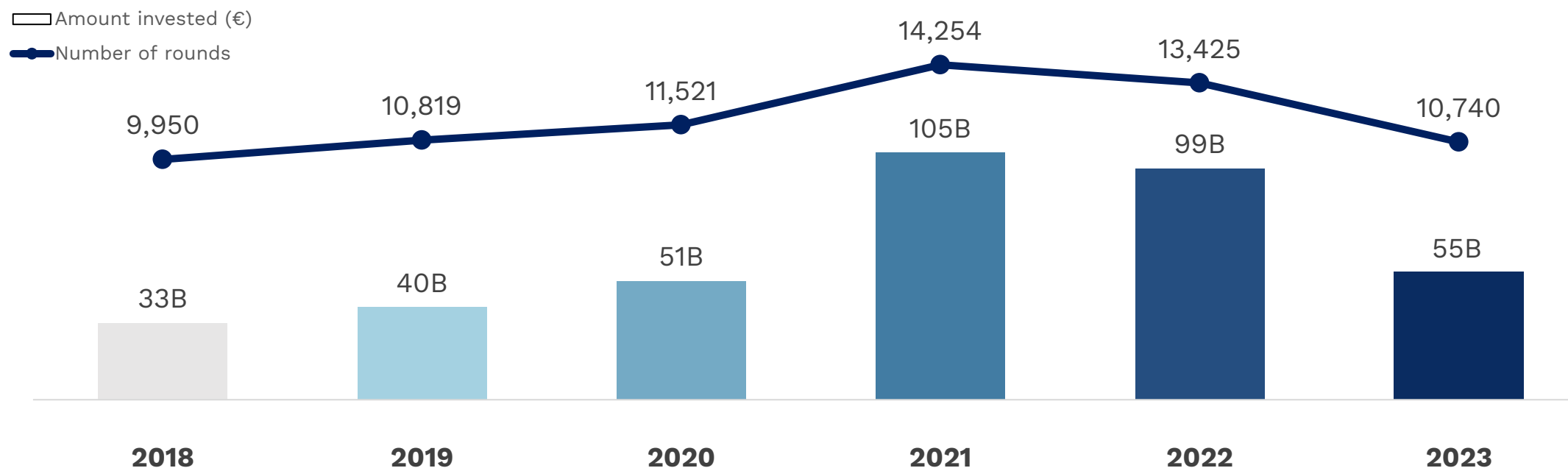
Dry powder

- In 2023, there was a slowdown in the fundraising for new VC funds, made more complex by the delicate market conditions.
- Nevertheless, the deferment of investments suggests that the **dry powder** (which had **exceeded €50B** in Europe by the end of 2022^{a,b}) remains at **high levels**

Sources: a. Invest Europe (2023), Capital Under Management & Dry Powder; b. Atomico (2023), State of the European Tech 2023

2.2. VC in Europe: yearly analysis

With €55B raised in 10,740 rounds, 2023 is comparable to the levels of 2020, significantly lower than 2021 (-48%) and 2022 (-44%)^a

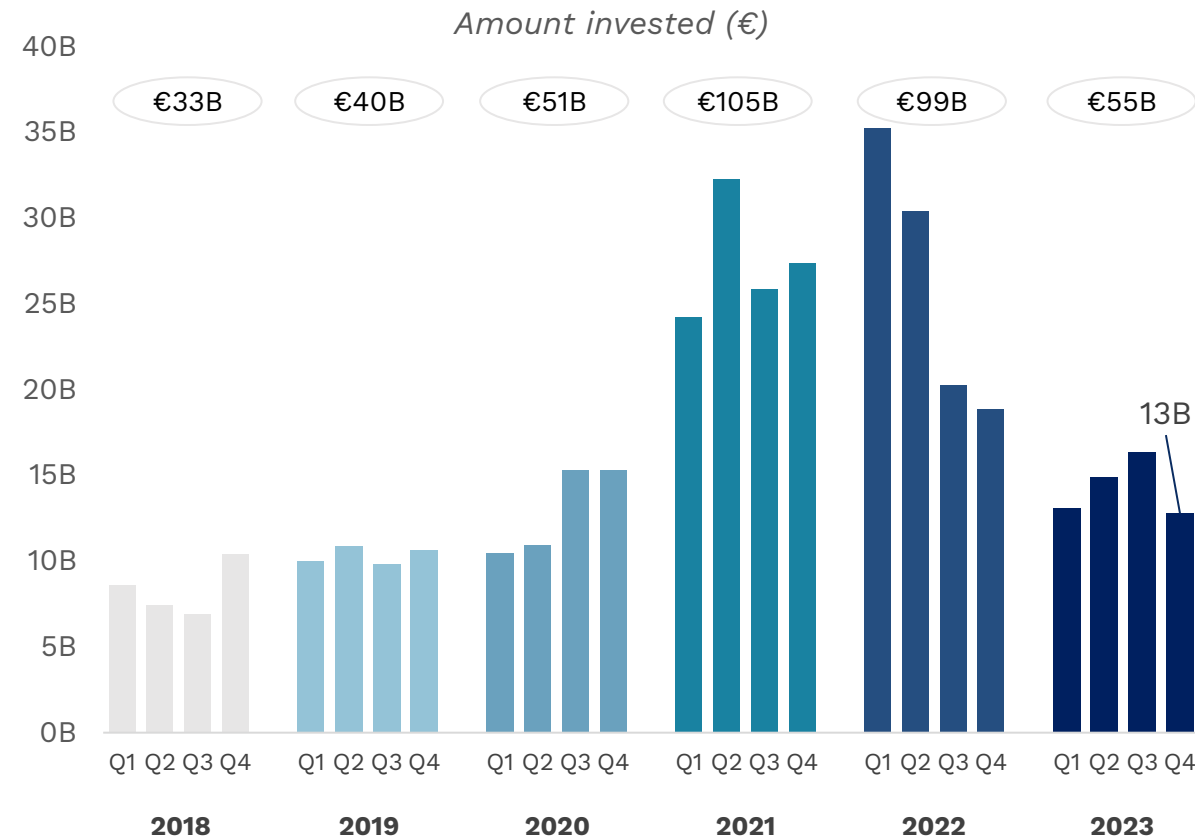
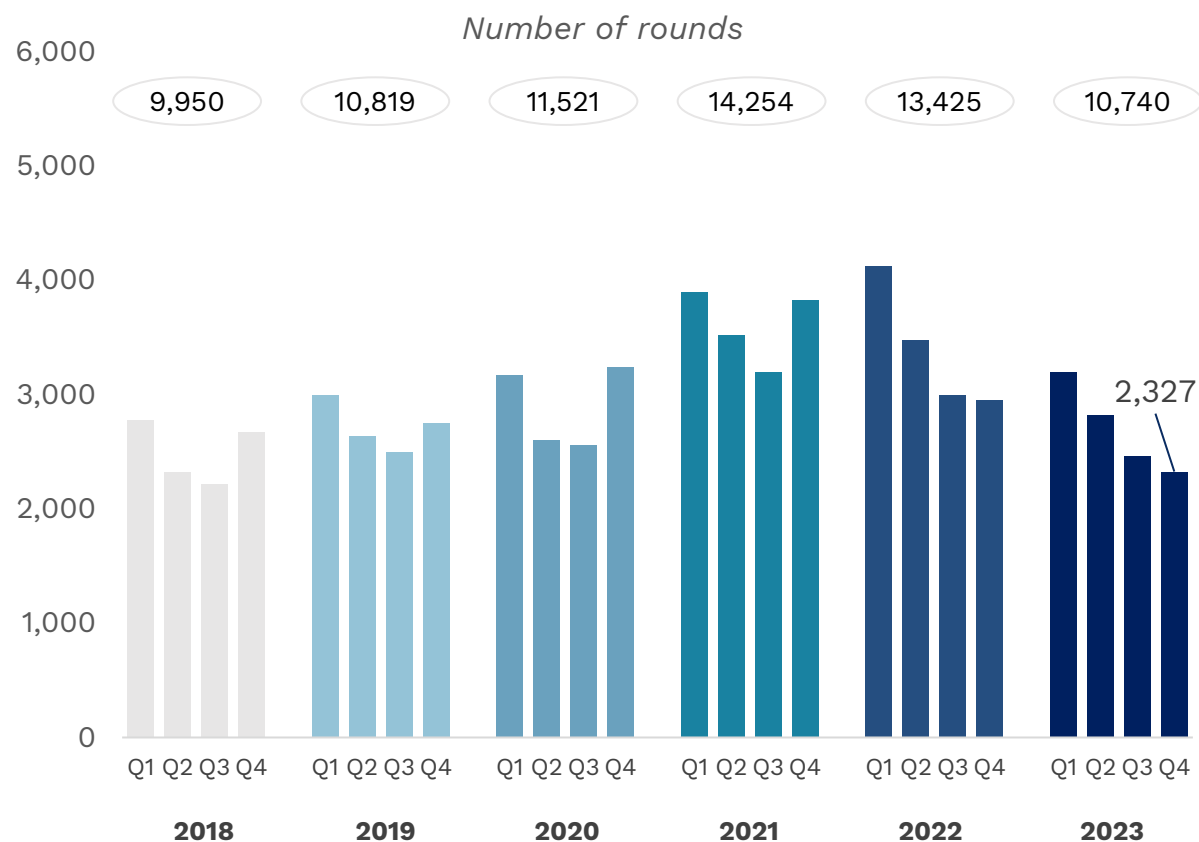


| | | | | | | |
|---------------------|-------|-------|-------|-------|--------|-------|
| Mean ^b | €4.3M | €4.7M | €5.6M | €9.9M | €10.7M | €8.5M |
| Median ^b | €0.9M | €0.9M | €1.0M | €1.4M | €2.0M | €2.1M |

Sources: **a.** Growth Capital elaboration based on PitchBook data. In the count of rounds, undisclosed amount transactions are also included; **b.** PitchBook (2023), European Venture Report Q2-23 for values up to 2022; Growth Capital elaboration based on PitchBook data for 2023

2.3. VC in Europe: quarterly analysis

With €13B raised in 2,327 rounds, Q4-23 has decreased by 22% in the amount raised and by 5% in the number of deals compared to Q3-23^a



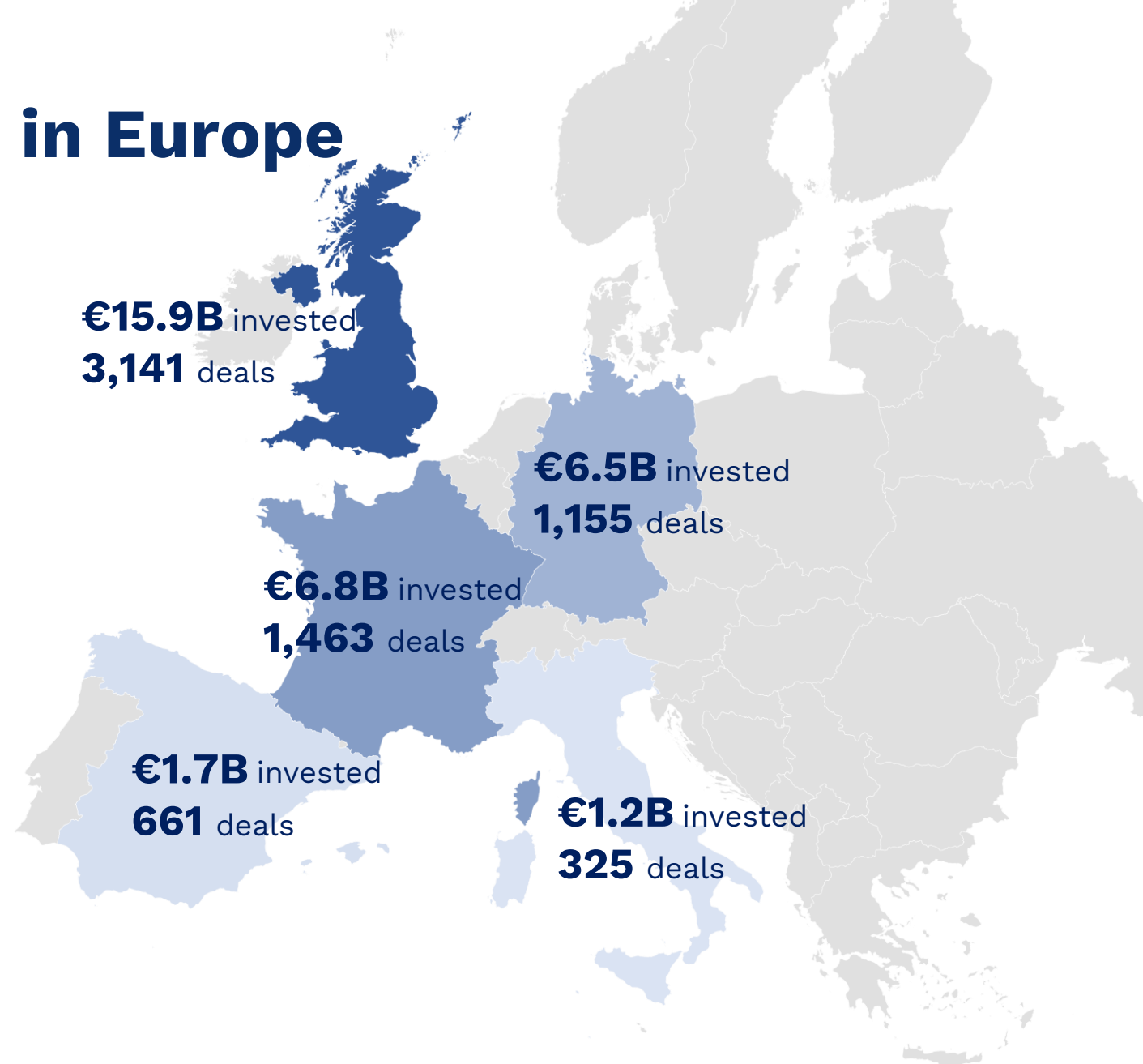
Fonti: a. Growth Capital elaboration based on PitchBook. In the counting of rounds, operations with undisclosed amounts are also included

2.4. Main VC ecosystems in Europe

Amount invested

| | 2020 | vs IT | 23 vs IT |
|--------|-------|-------|----------|
| Spain | 1.4B | 3x | 1,5x |
| France | 6.4B | 12x | 6x |
| UK | 16.0B | 30x | 14x |
| Italy | 0.5B | | |

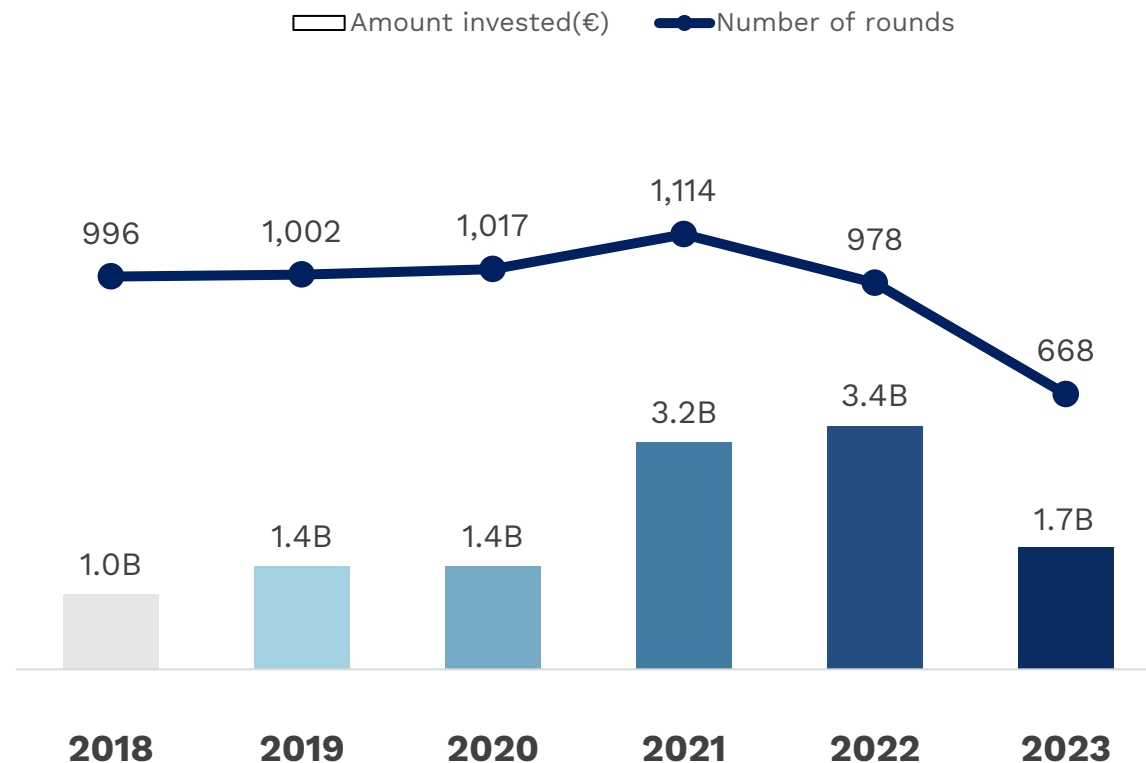
In just three years, **the gap between Italy and the main European ecosystems halved**





2.5. Venture Capital in Spain

With €1.7B raised in 668 rounds, 2023 has decreased by 50% in the amount raised and by 32% decrease in the number of rounds compared to 2022^a



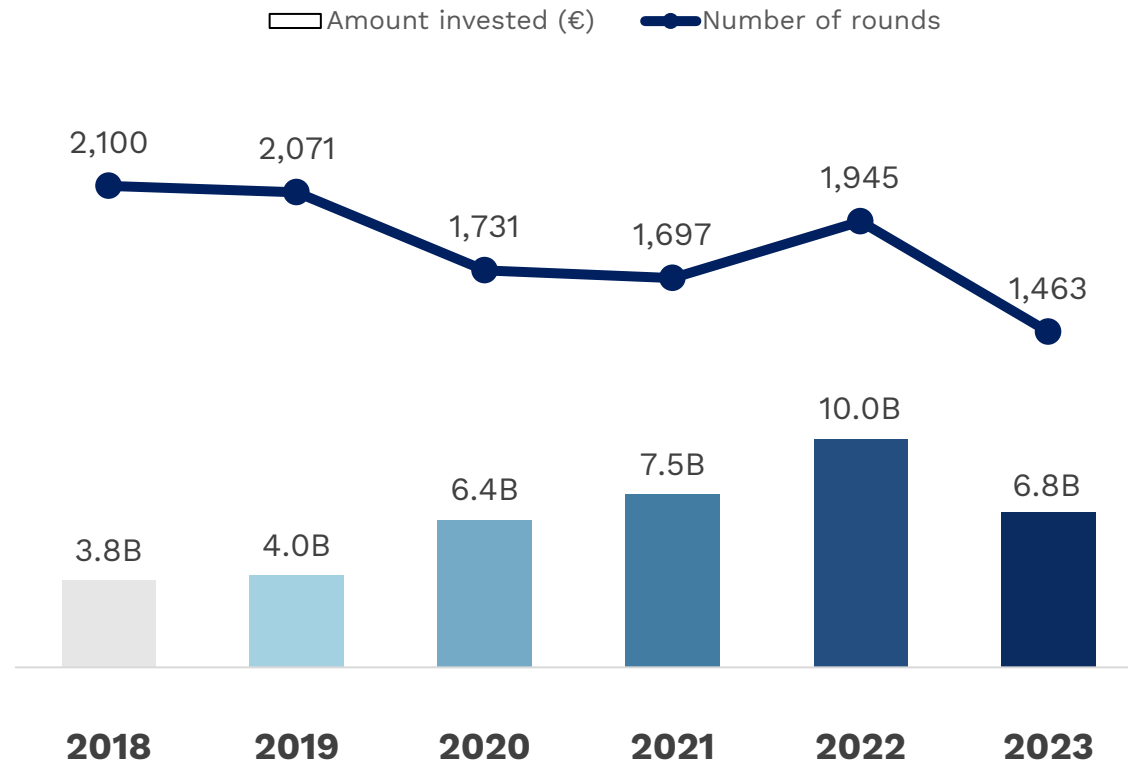
- Compared to Italy, the ecosystem is **more developed in the Early Stage**, with a higher participation of **international investors** (in 2023, **38%** of rounds <€10M involved at least one international investor, compared to **9%** in Italy) and **professional investors**
- Despite the **10 unicorns^b**, the **Late Stage ecosystem** and the **exit market** are **less developed** compared to the main ecosystems in Europe (United Kingdom and France)
- **Several new funds** have been announced or are in fundraising (often by fund managers with previous experience) with a **moderately sized fund size** (AUM €50-80M)
- Frequently, equity fundraising is matched with **debt** or **non-dilutive instruments**; the **top 10 rounds** in 2023 in Spain included **€145 million in debt**
- 2024 is expected to be a **transitional year**, with some signs of recovery compared to the decline in 2023

Sources: a. Growth Capital elaboration based on PitchBook. In the counting of rounds, operations with undisclosed amounts are also included; b. Growth Capital elaboration based on PitchBook, El Referente e press release



2.6. Venture Capital in France

With €6.8B raised in 1,463 rounds, 2023 has decreased by 32% in the amount raised and by 25% in the number of rounds compared to 2022^a



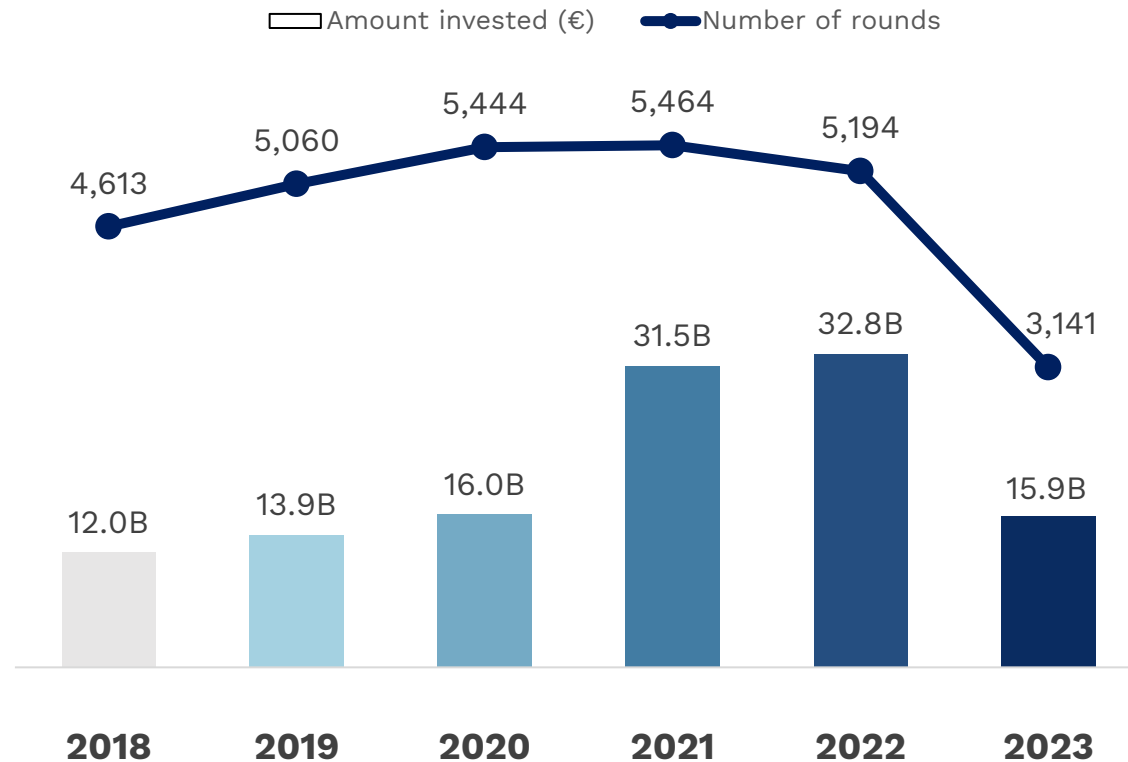
- France is the country that **suffered less** from the slowdown in VC: €6.8B invested in **2023**, marked a reduction of **32%** compared to 2022 and **11%** compared to 2021. In 2023, **only 1 new unicorn**, Mistral.AI, was announced out of 38 existing ones¹
- **VC funds fundraising** was **significant** (30 new funds and almost €3B raised from LPs). **Hiring activity** has also resumed among the teams of French VCs
- Over the last 5 years, the **support of the French government** has been **crucial** in maintaining high levels of dry powder and direct investments. Additionally, in **June 2023**, a **new commitment of €7B** for VC was announced by **French institutional operators**. This initiative follows the 2019 “**Plan Tibi**”, which initially allocated €6B and generated over €30B in investments in the country from 2020 to 2022² due to a **multiplier effect**²

Sources: a. Growth Capital elaboration based on PitchBook. In the counting of rounds, operations with undisclosed amounts are also included; **Notes:** 1. Atomico, State of European Tech 2023 2. Ministère De L'Économie, des Finances et de la Souveraineté Industrielle et Numérique, «Financing the Fourth Industrial Revolution»



2.7. Venture Capital in the United Kingdom

With €15.9B raised in 3,141 rounds, 2023 has decreased by 52% in the amount raised and by 40% in the number of deals compared to 2022^a



- The sentiment among market operators is that the VC in the UK, having experiencing a significant slowdown compared to 2021 and 2022, **reached its bottom** in 2023 and has all the conditions to start growing again in 2024
- On the investor side, 2023 was characterized by **challenges in fundraising**, especially for first-time funds, and a **focus on the current portfolio**, as evidenced by numerous internal bridge rounds often closed at flat valuations
- The UK continues to be an attractive market for **US funds**, investing at lower valuations than in the US. Due to their **greater firepower** compared to local funds, US funds often win the **competition** for the best deals
- In general, the UK remains the largest European market in **absolute value**, hosting **over a third of the unicorns in Europe** (104 out of 308)¹. Despite this, the UK has seen a gradual **reduction in market share** for total invested capital, in favor of **France** and **Germany**

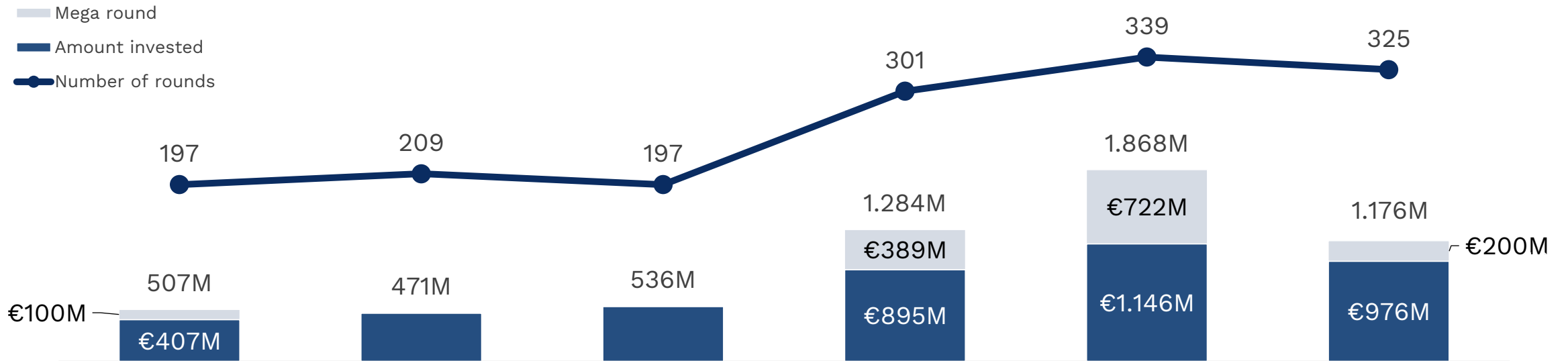
Sources: a. Growth Capital elaboration based on PitchBook. In the counting of rounds, operations with undisclosed amounts are also included; **Note:** 1. Atomico, State of European Tech 2023

3. VC in Italy: 2023 and historical evolution



3.1. Venture Capital in Italy

Compared to 2022, -4% in number of deals and -37% in amount invested due to a lower incidence of mega rounds (17% vs 38%)¹. Both mean² (-12%) and median (-25%) decreased



| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|-----------------------|-------|-------|-------|-------|-------|-------|
| Mean | €2.6M | €2.3M | €2.7M | €4.3M | €5.5M | €3.6M |
| Adj Mean ² | €2.1M | €2.3M | €2.7M | €3.0M | €3.4M | €3.0M |
| Median | €0.5M | €0.7M | €0.7M | €1.0M | €1.2M | €0.9M |

Notes: 1. For the purposes of the report, mega rounds are defined as transactions where the equity component is equal to or exceeds €100M; 2. The report does not include mega rounds

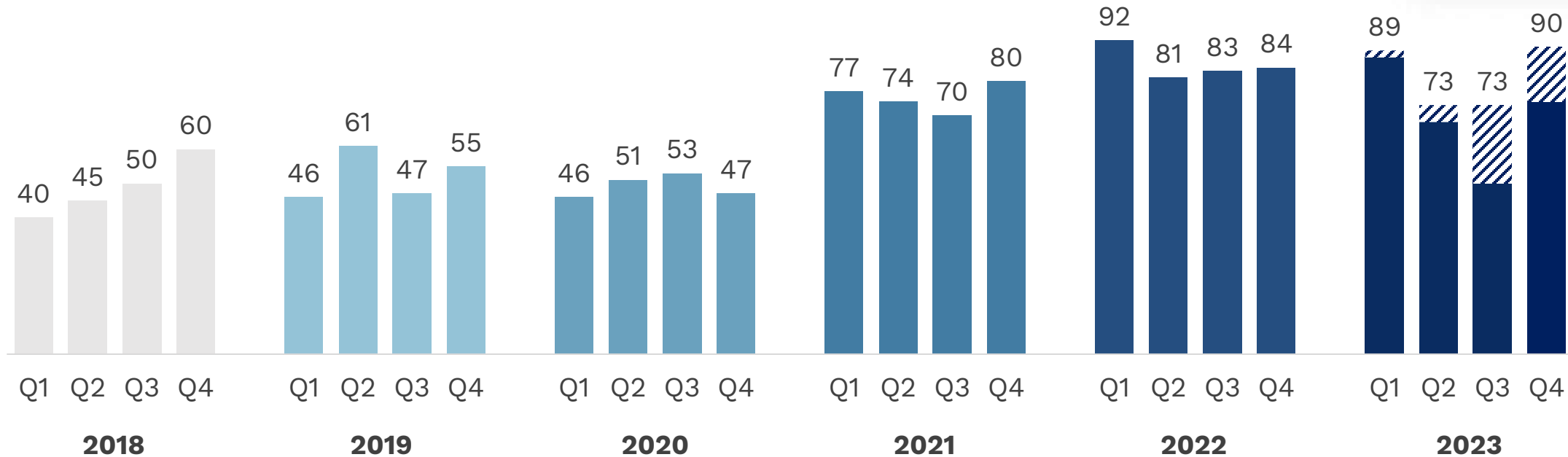
3.2. Quarterly number of rounds

Q4 is the second-best quarter of the last 6 years in terms of number of rounds (90)

▨ Confidential rounds

Q4-23

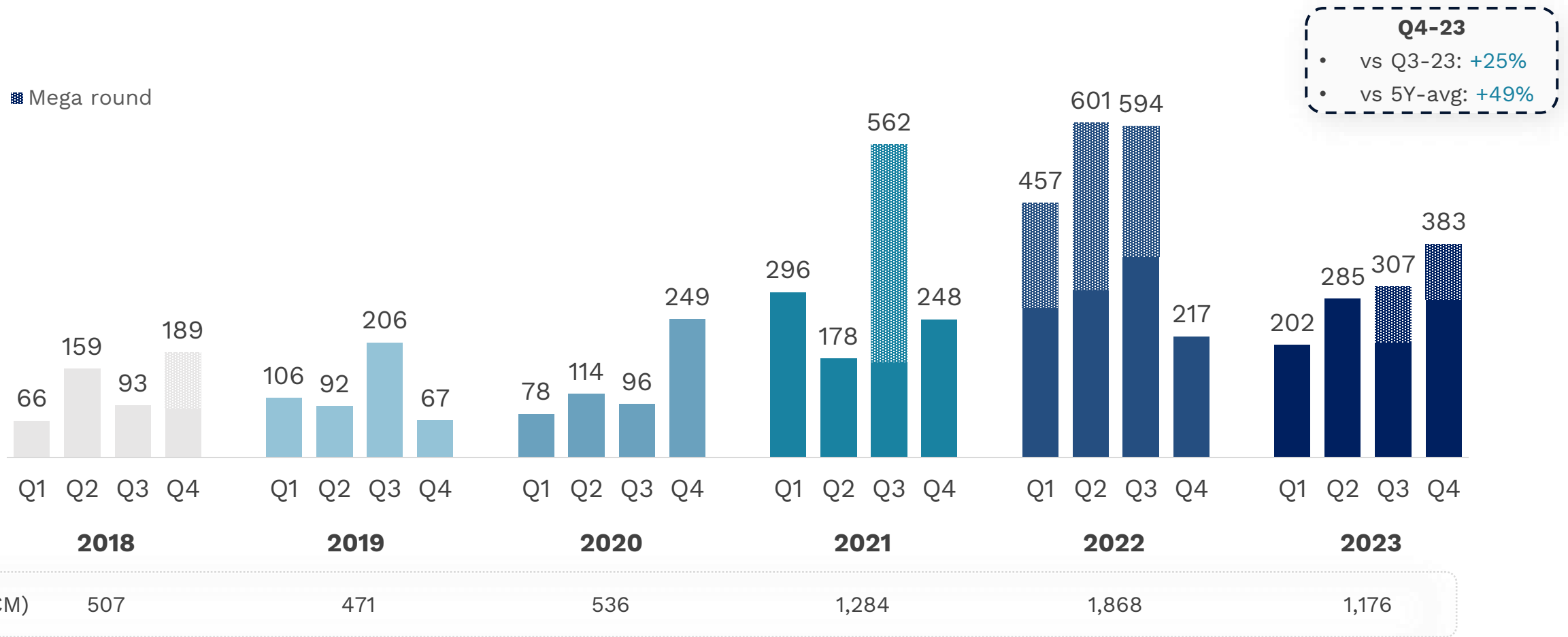
- vs Q3-23: +23%
- vs 5Y-avg: +34%



| | | | | | | |
|-------|-----|-----|-----|-----|-----|-----|
| Total | 194 | 209 | 197 | 301 | 339 | 325 |
|-------|-----|-----|-----|-----|-----|-----|

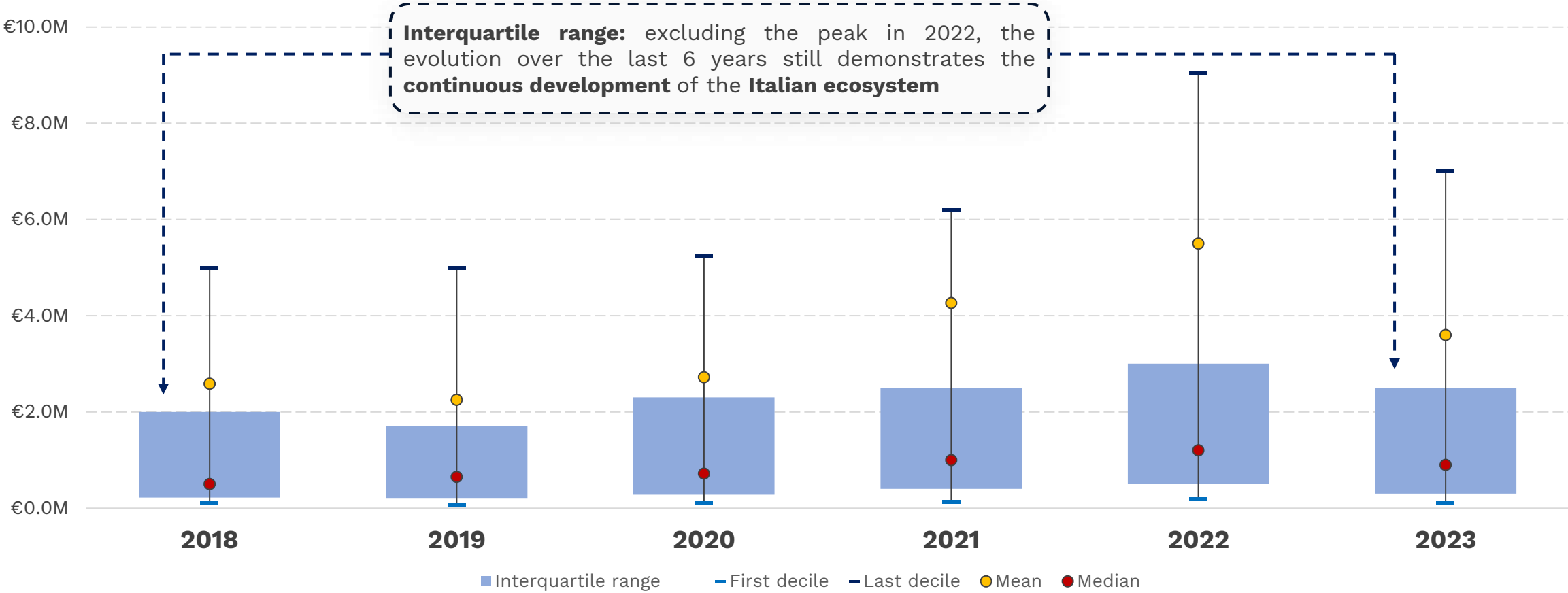
3.3. Quarterly invested amount

€383 million raised in Q4 mark the best quarter since Q3-22. The trend shows consistent growth throughout the year



3.4. Round distribution by round size

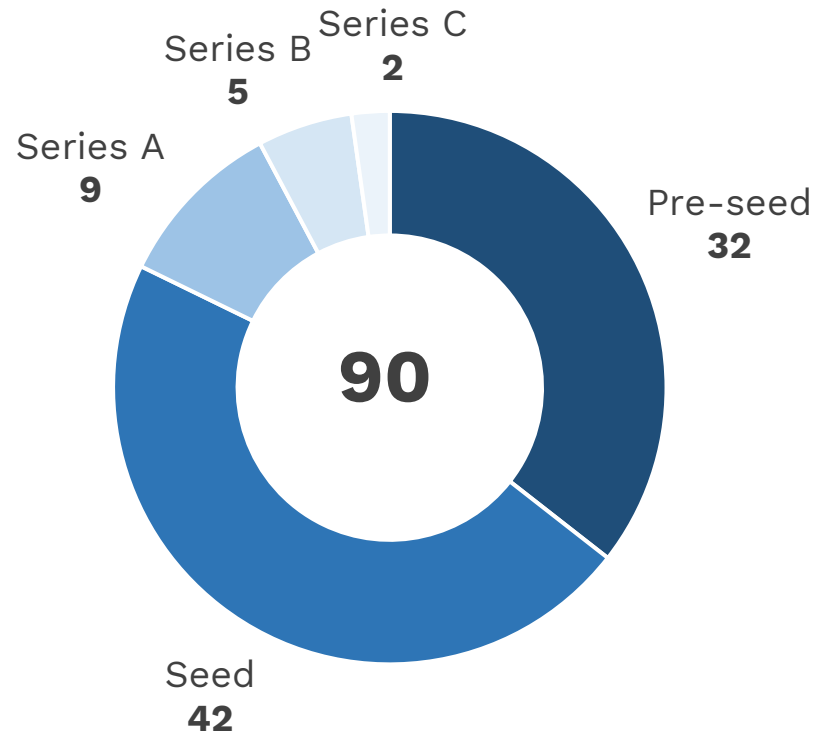
The interquartile range returns to values comparable to 2021, experiencing a decline compared to 2022



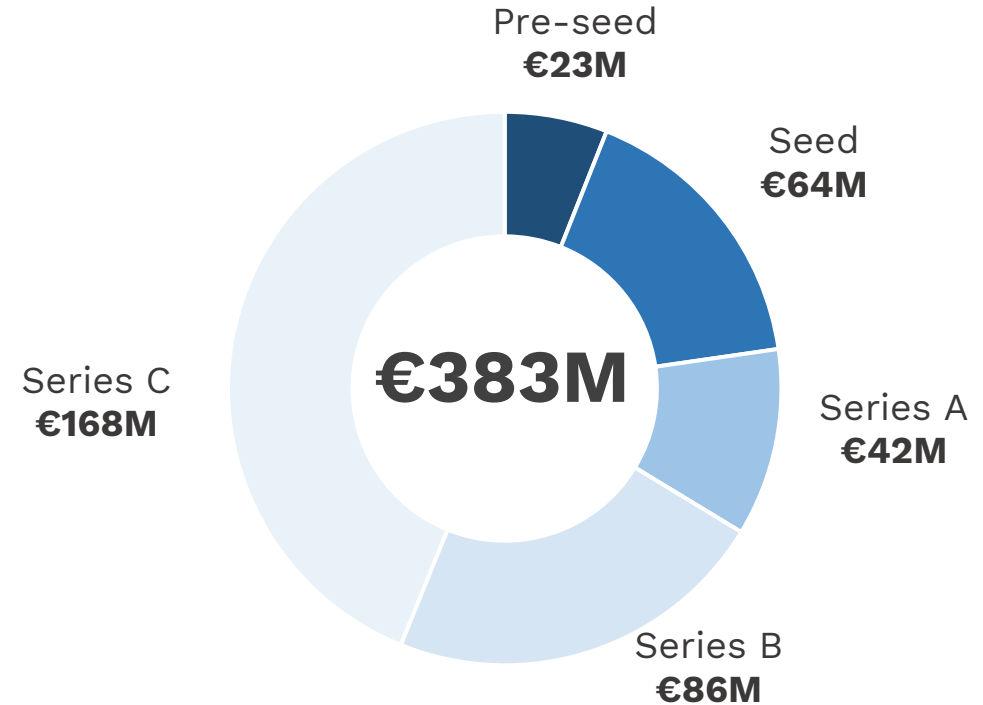
3.5. Analysis by round type: Q4-23

In Q4-23, Pre-seed and Seed rounds are the most frequent types, while Series B+ rounds cover 66% of the total amount raised

Number of rounds – Q4-23



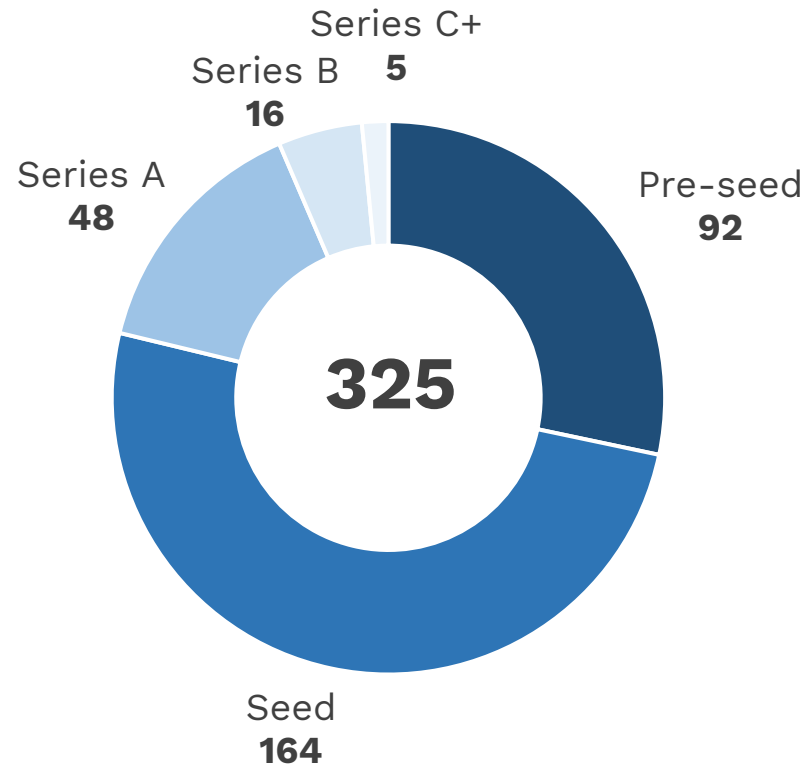
Amount invested – Q4-23



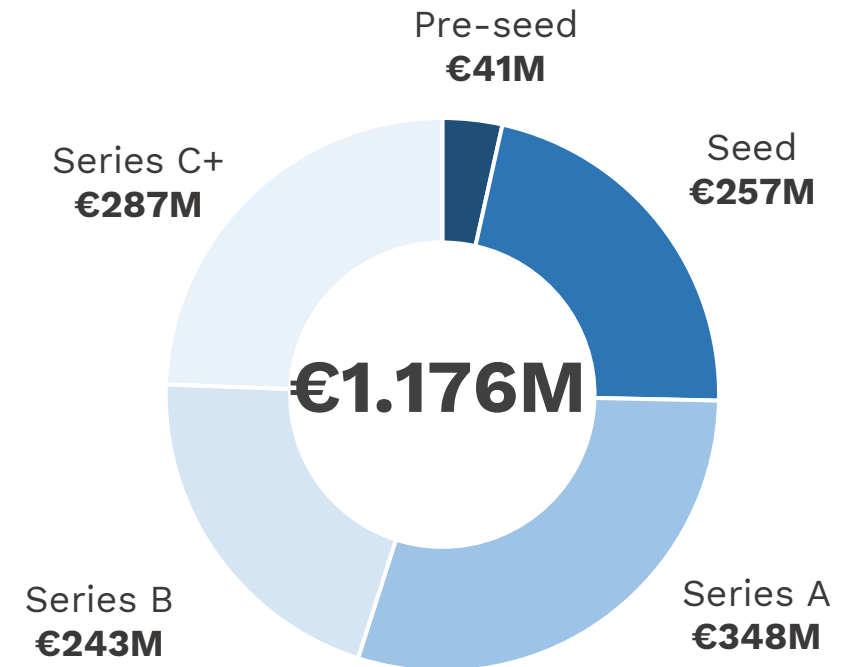
3.6. Analysis by round type: 2023

In 2023, 78% of rounds were Pre-seed and Seed; the amount raised is almost equally distributed among Series A, Series B and Series C+

Number of rounds – 2023

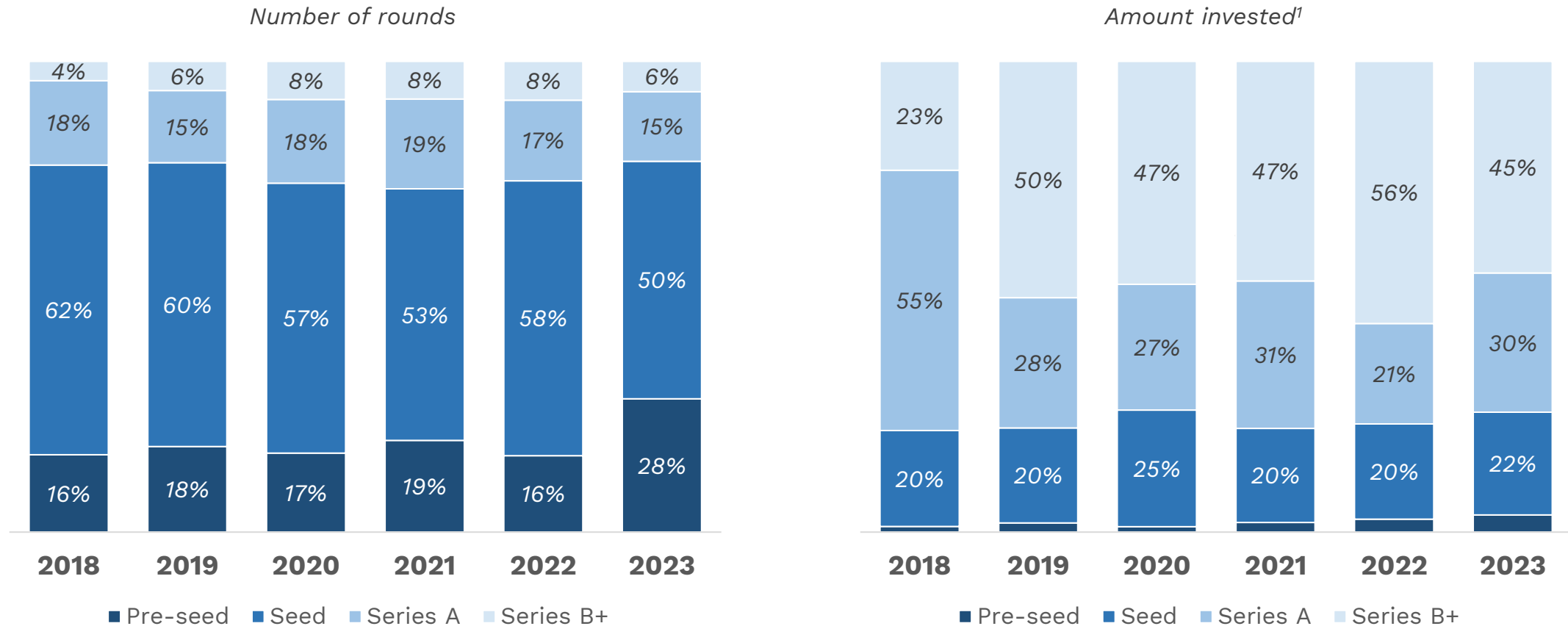


Amount invested – 2023



3.7. Analysis by round type: historical evolution

In 2023, there was a strong increase in the number of Pre-seed rounds; amount raised almost in line with the previous years

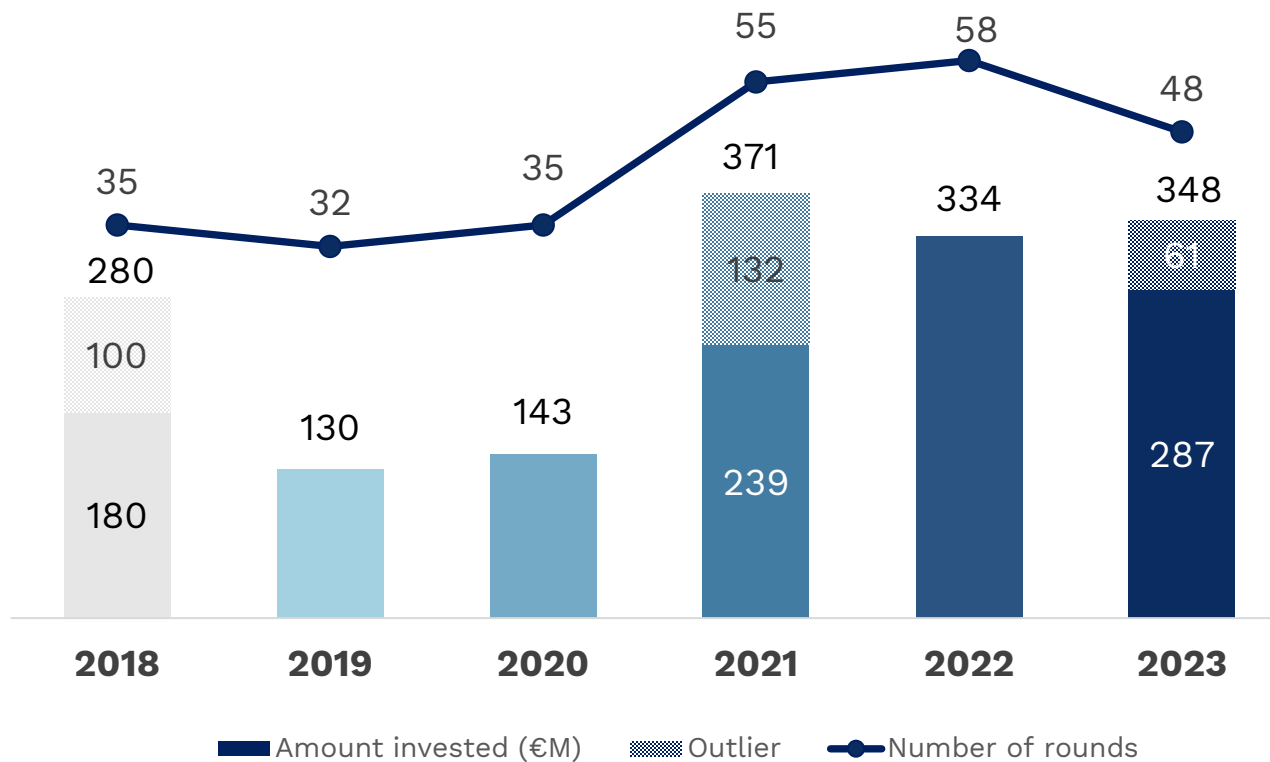


Note: 1. To ensure comparability for round types across various years, the two mega rounds of Newcleo (Pre-seed of €100M in 2021 and Seed of €300M in 2022) have been excluded

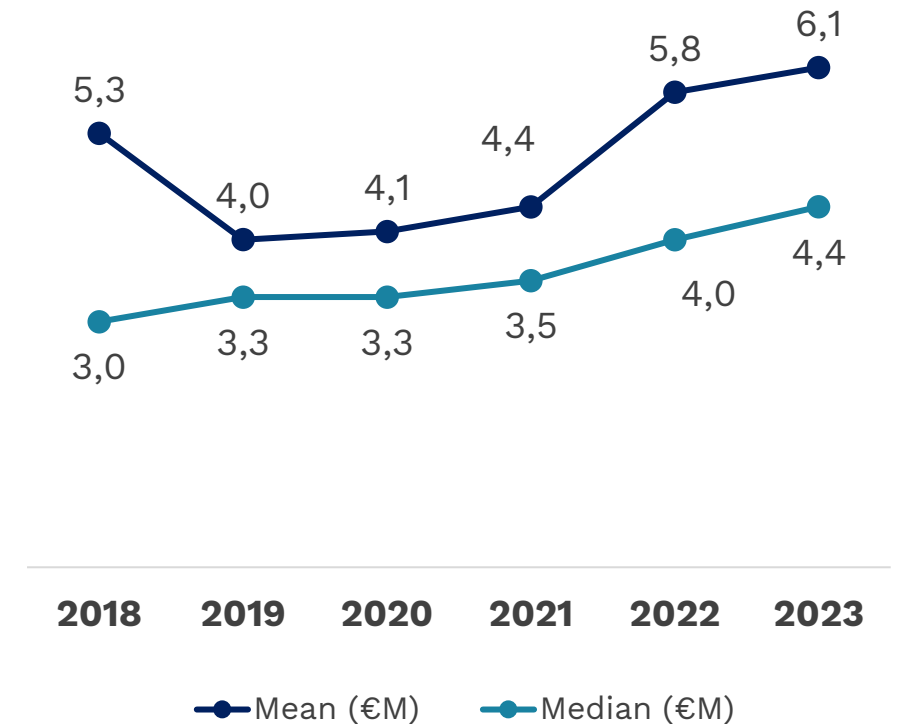
3.8. Focus: Series A (1/2)

In 2023, amount invested is in line with 2021 and 2022, and the number of rounds decreased. Continued growth in the mean (+6% vs 2022) and median (+10% vs 2022) size

Amount invested (€M) and number of rounds



Mean¹ and median (€M)



Notes: 1. The rounds defined as outlier were not considered in the calculation of the average

3.8. Focus: Series A (2/2)

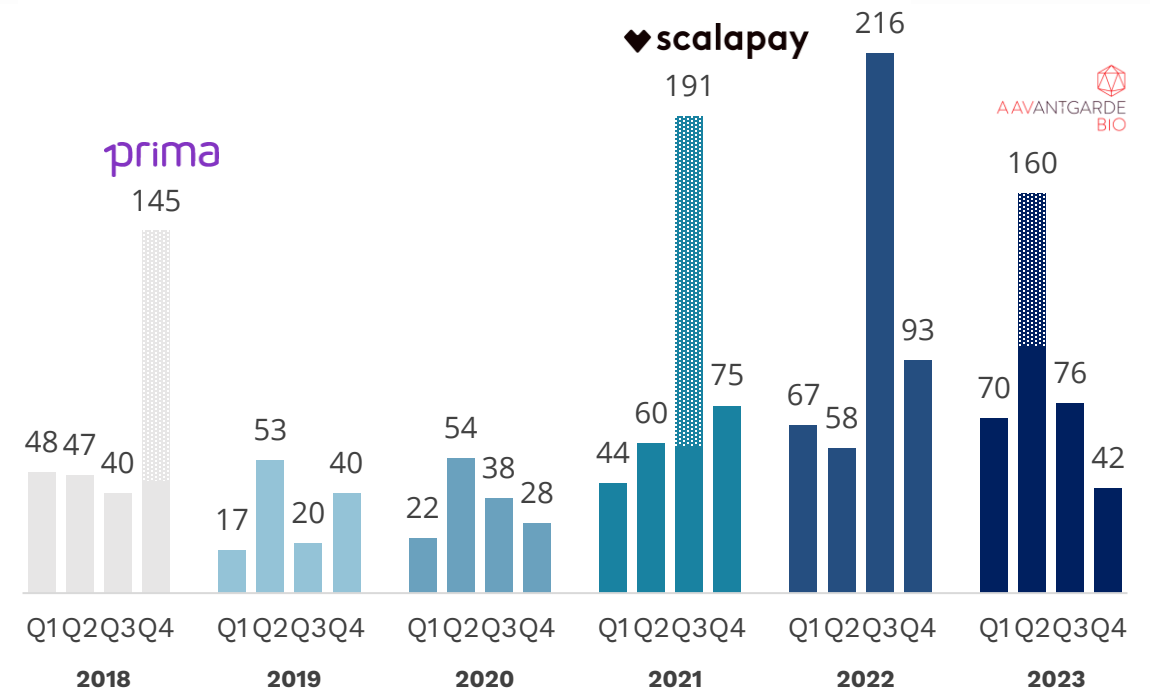
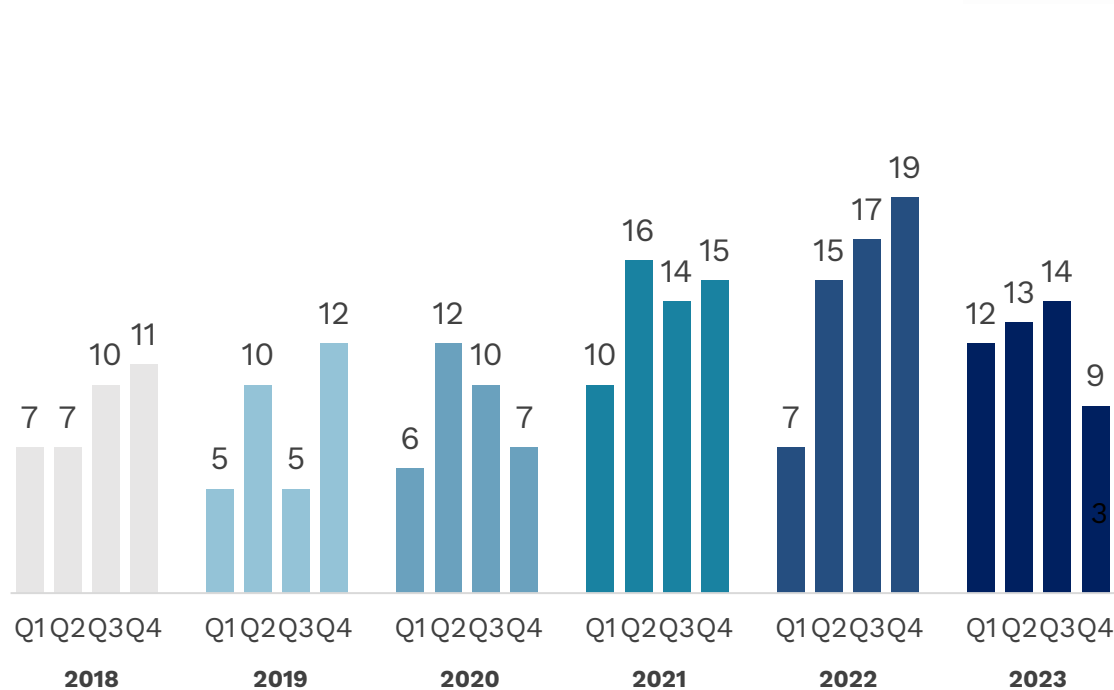
In Q4-23, €42M were raised in 9 Series A rounds, showing a decrease both in the number of rounds and the total amount invested

Number of rounds

Q4-23
vs Q3-23: -36%
vs 5Y-avg: -22%

Amount invested (€M)

Q4-23
vs Q3-23: -45%
vs 5Y-avg: -41%

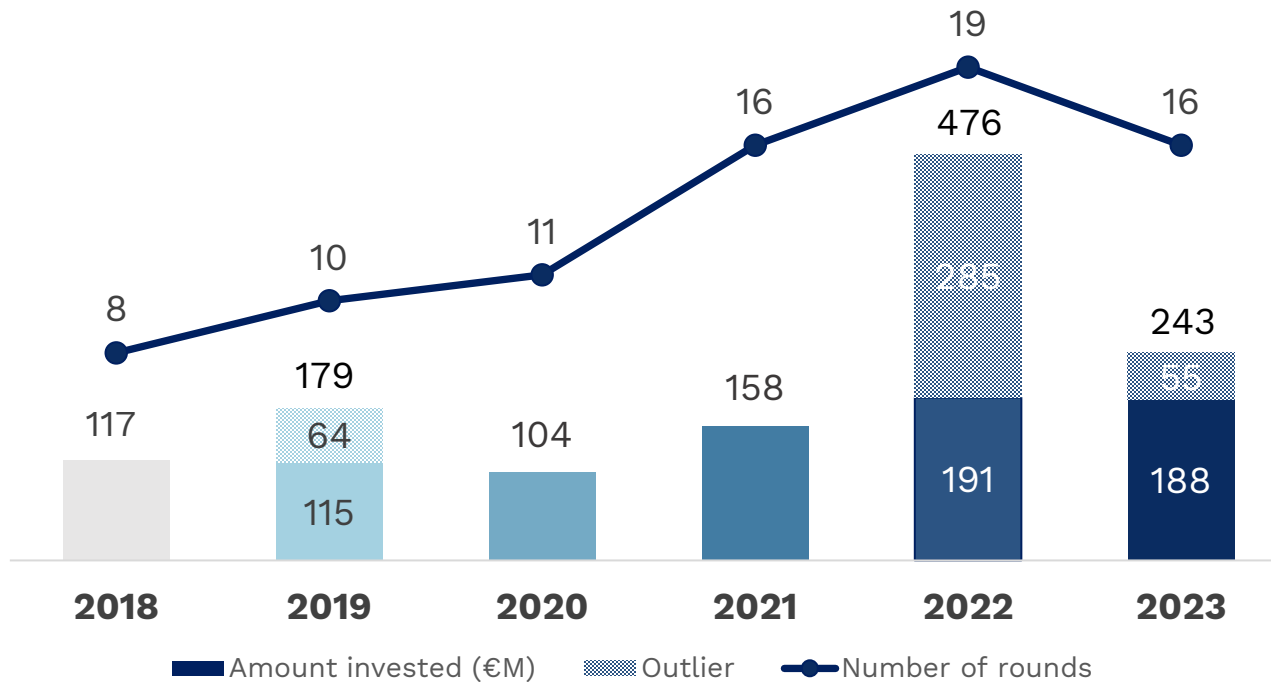


■ Outlier

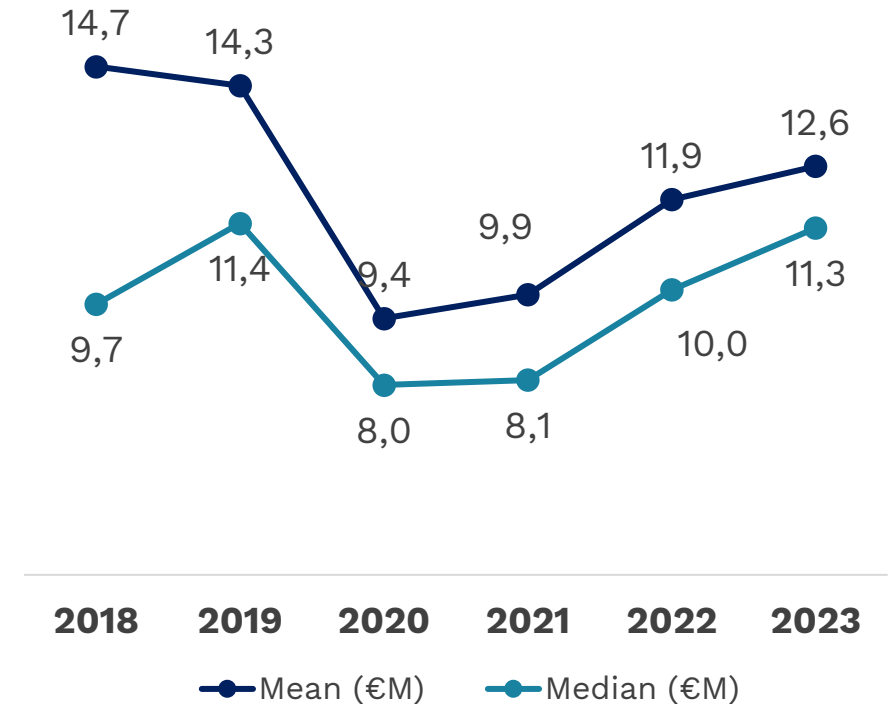
3.9. Focus: Series B (1/2)

In 2023, excluding outliers, the fundraising in Series B rounds is comparable to 2022 (€188 vs €191M); both the mean and median size show a significant increase

Amount invested (€M) and number of rounds



Mean² and median (€M)¹



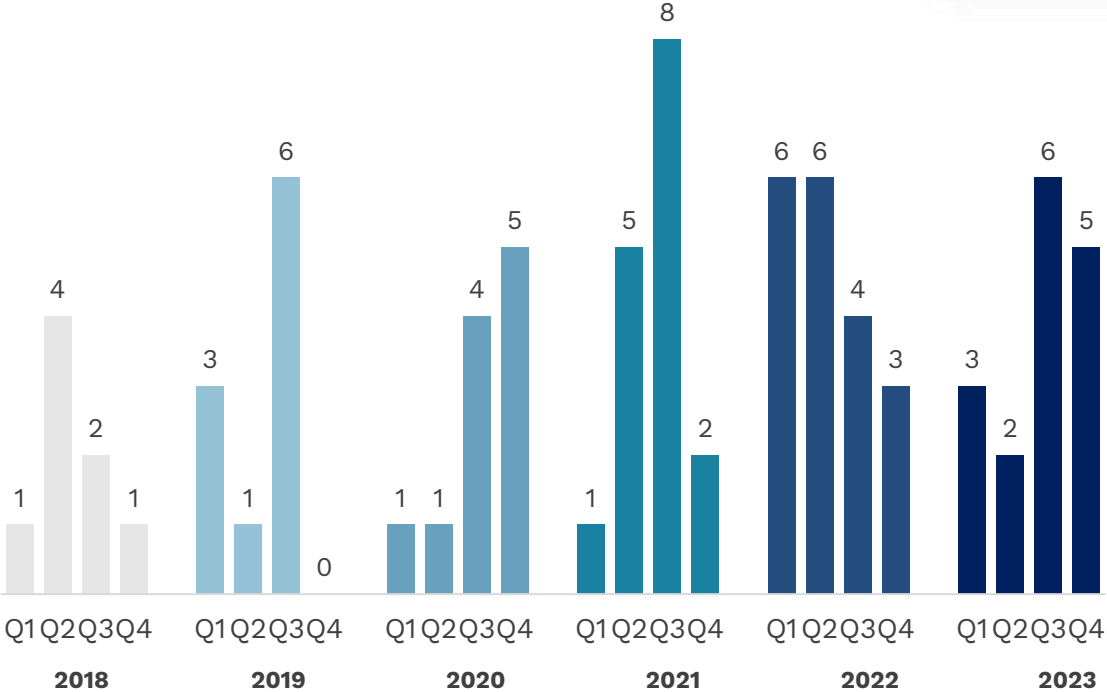
Note: 1. The analysis was conducted on a small sample size; **2.** Rounds defined as *outliers* were not included in the calculation of the average

3.9. Focus: Series B (2/2)

In Q4-23, number of Series B in line with Q3, amount invested at its highest since Q3-22

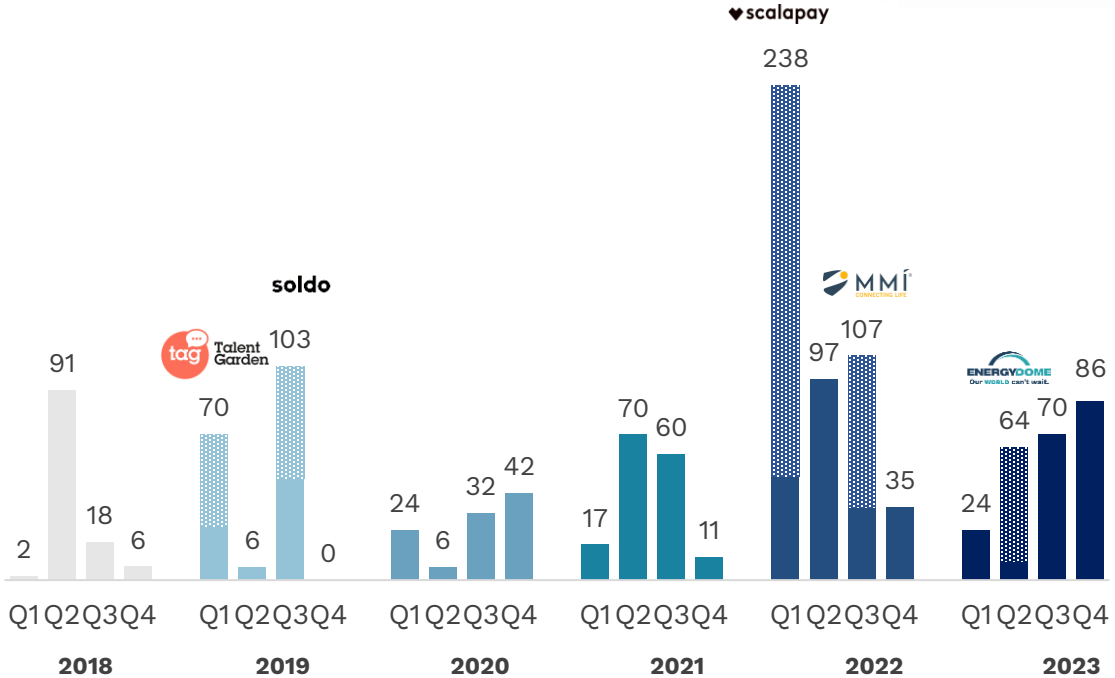
Number of rounds

Q4-23
vs Q3-23: +20%
vs 5Y-avg : +67%



Amount invested (€M)

Q4-23
vs Q3-23: +23%
vs 5Y-avg : +79%

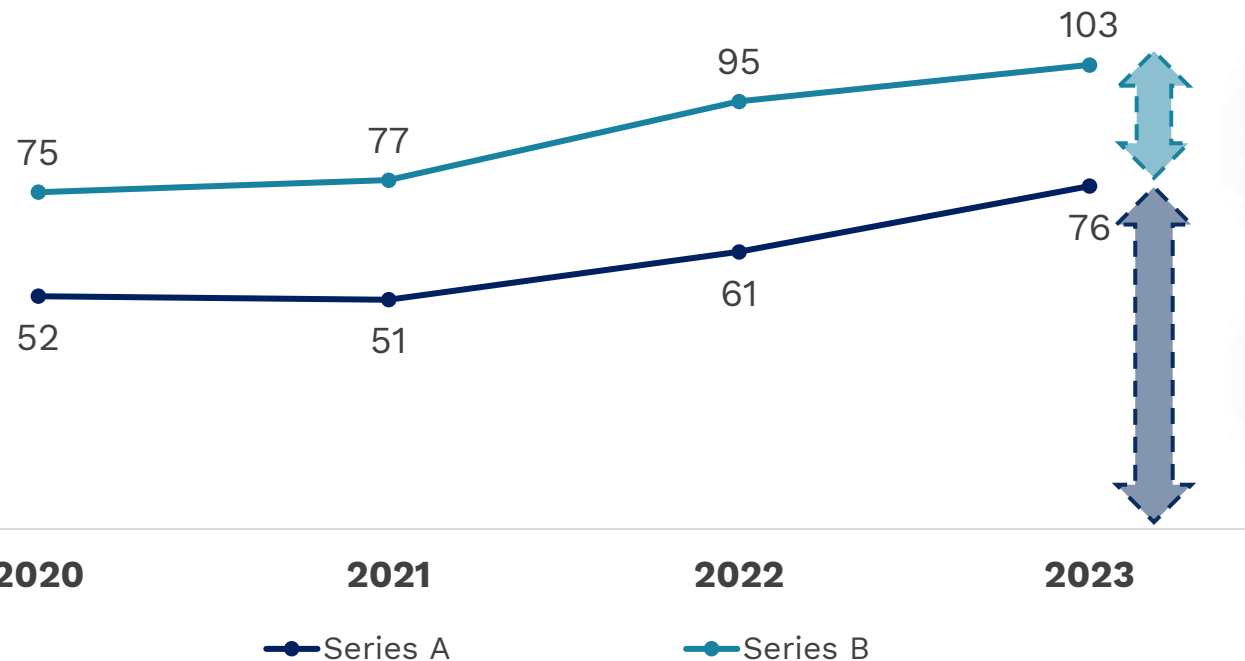


■ Outlier

3.10. Funding time between Series A and Series B

The time between inception and Series A continues to lengthen (> 6 years). The time between Series A and Series B is shortening, but it could increase in 2024

Evolution of the median funding time for Series A and B (months).



From **Series A to Series B**
(27 months in 2023)

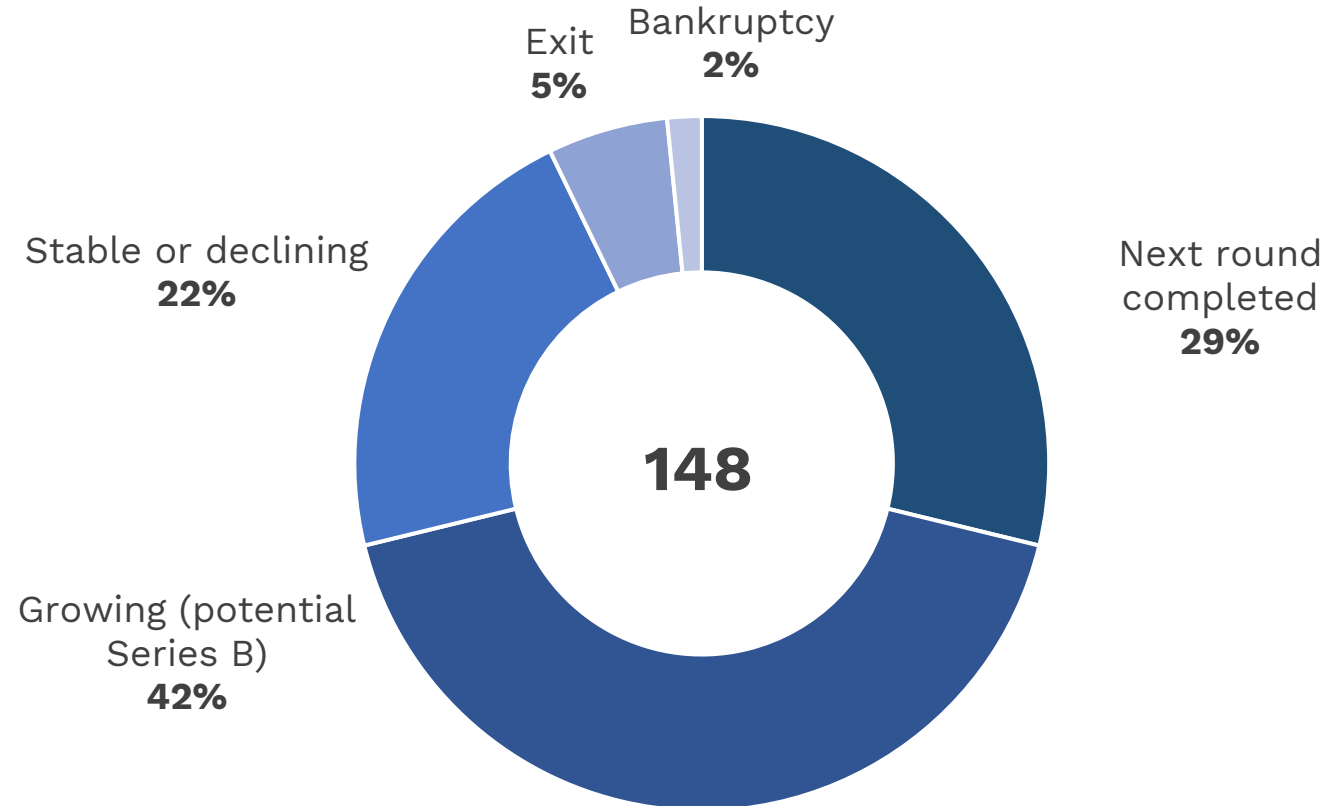
From **inception to Series A**

Many startups that closed a Series A round chose to **defer funding** in 2023 (see [next slide](#))


As a result, it can be expected **an increase in the gap between Series A and Series B in the next 18 months**

3.11. Evolution post Series A

Among the 148 startups that raised a Series A between 2020 and 2022, only 29% have completed a new fundraising, while a significant number might do so in the next 18 months¹



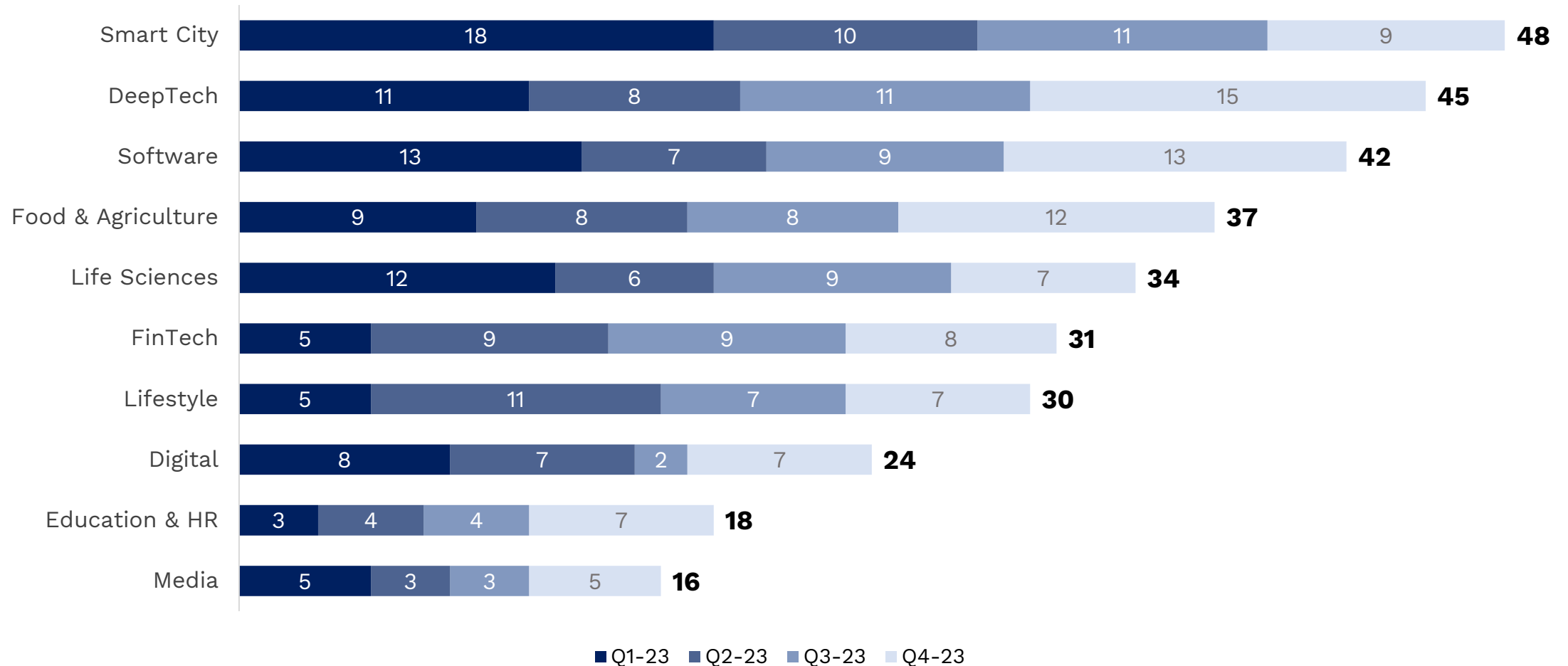
Notes: 1. Considering the typical runway provided by a Series A round, the decision was made not to include companies that closed their fundraising in 2023 in the sample. The analysis is limited to startups that announced a Series A round between 2020 and 2022



4. Analysis by Sector and Verticals in Italy: 2023 and historical evolution

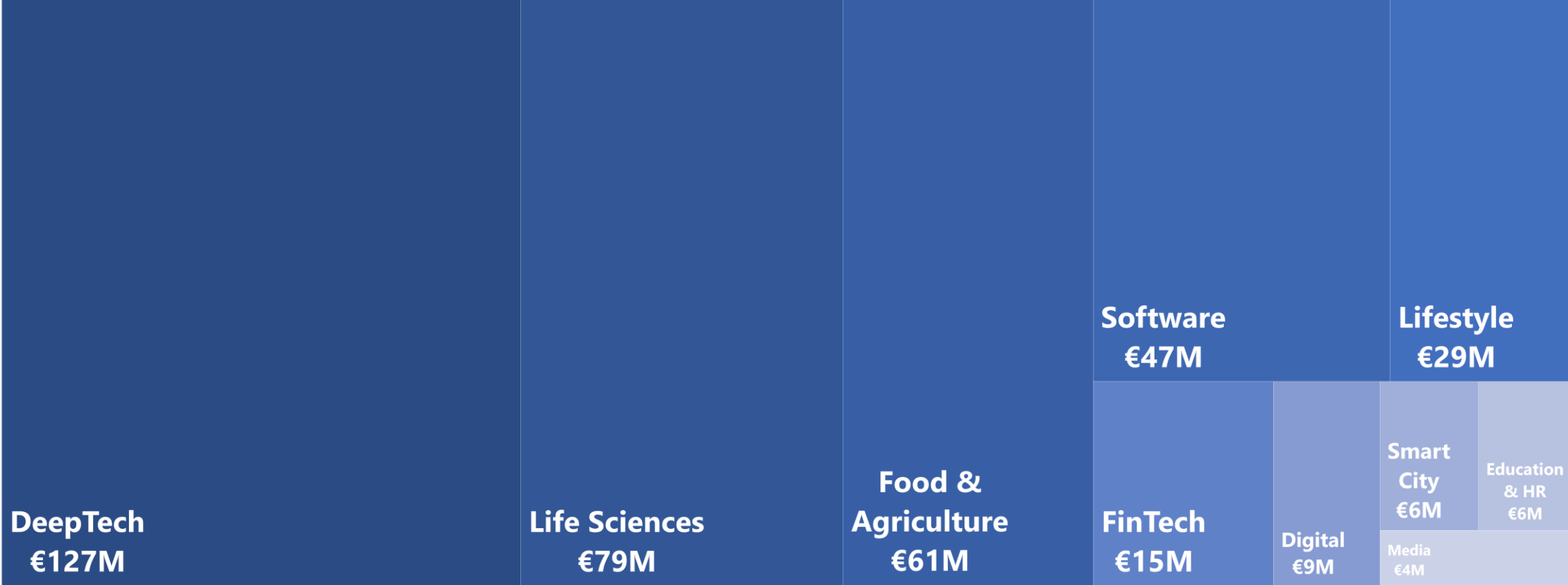
4.1. Analysis by sector 2023: number of rounds

In Q4-23, DeepTech and Software secured more rounds (15 and 13), while on an annual basis, Smart City prevails (48)



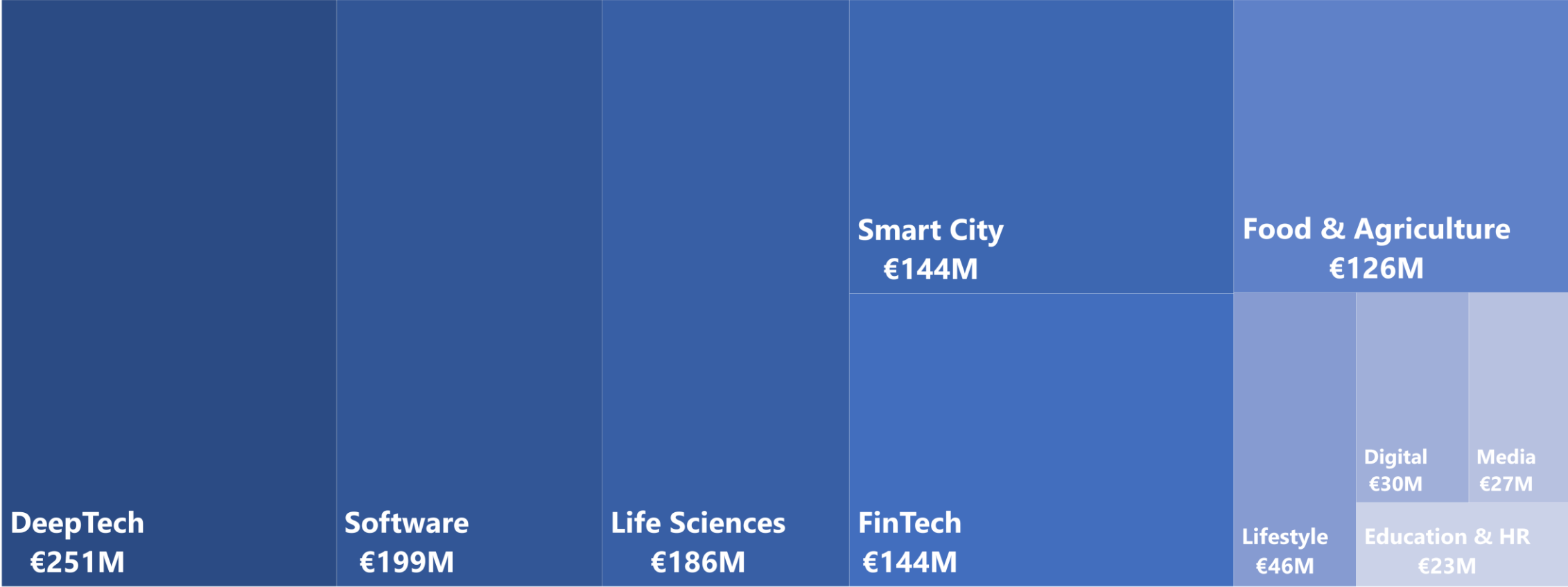
4.2. Analysis by sector Q4-23: amount raised

In Q4-23, DeepTech leads in terms of the amount raised, followed by Life Sciences. The first 3 sectors represent about 70% of the quarterly raise



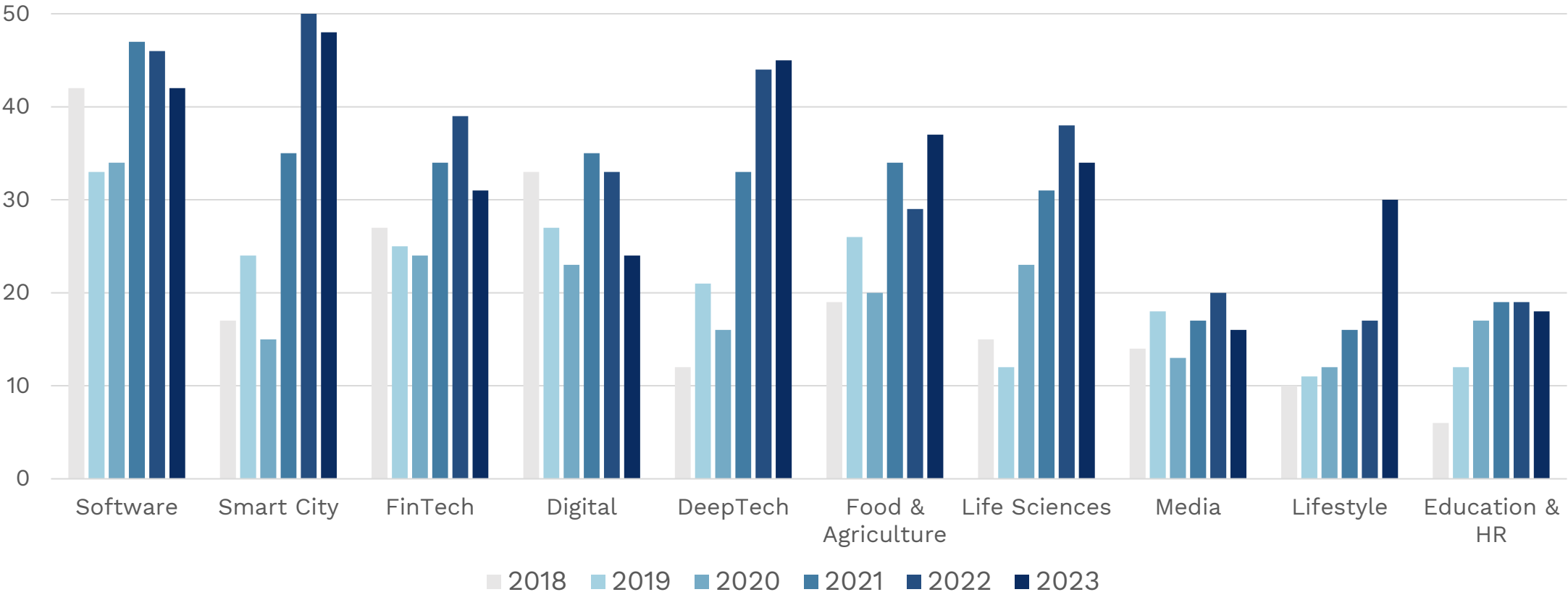
4.3. Analysis by sector 2023: amount raised

In 2023, DeepTech leads the ranking in terms of the amount raised, followed by Software. The first 3 sectors represent 55% of the annual raise



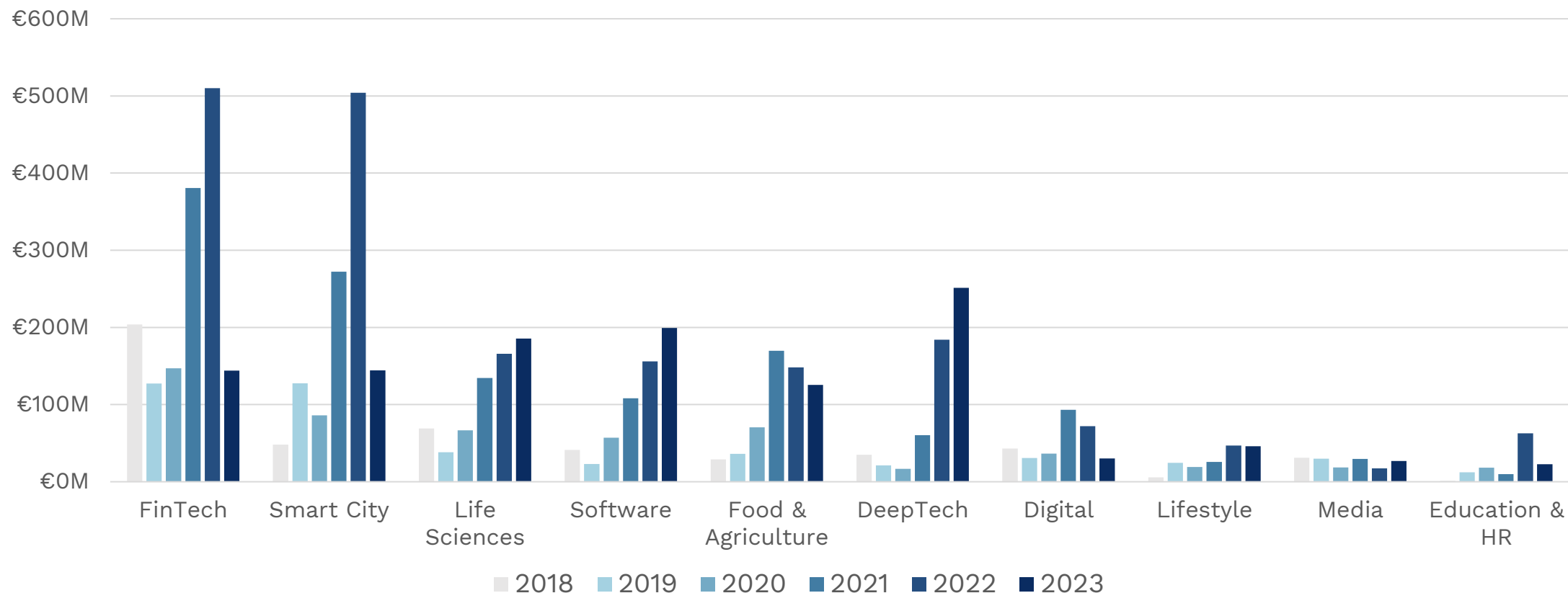
4.4. Historical sector analysis: number of rounds

Software and Smart City are historically the sectors with the highest number of rounds



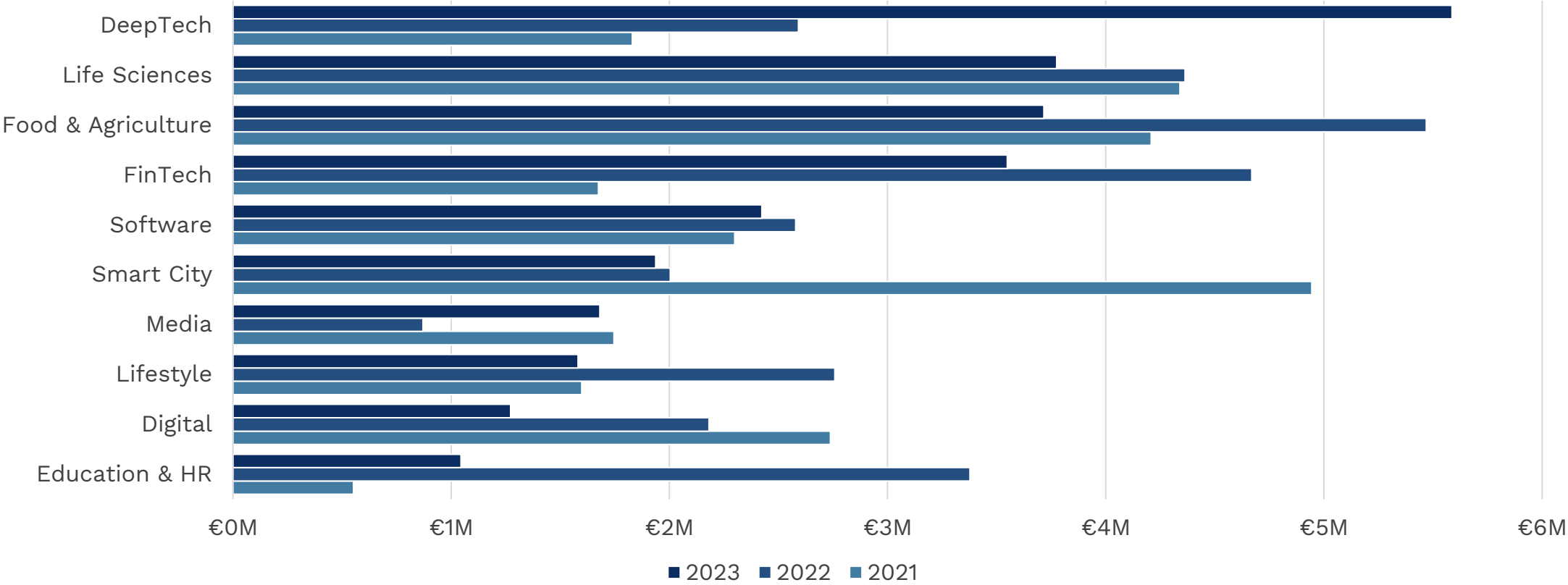
4.5. Historical sector analysis: invested amount (€M)

FinTech is historically the sector that has raised the most, followed by Smart City



4.6. Historical sector analysis: mean size (€M)

Compared to 2022, in 2023 the mean size has grown in DeepTech and Media, while it decreased in FinTech and Digital¹



Notes: 1. Rounds defined outliers have not been included in the analysis

4.7. Top 3 Verticals in Q4-23 and 2023

Q4-23

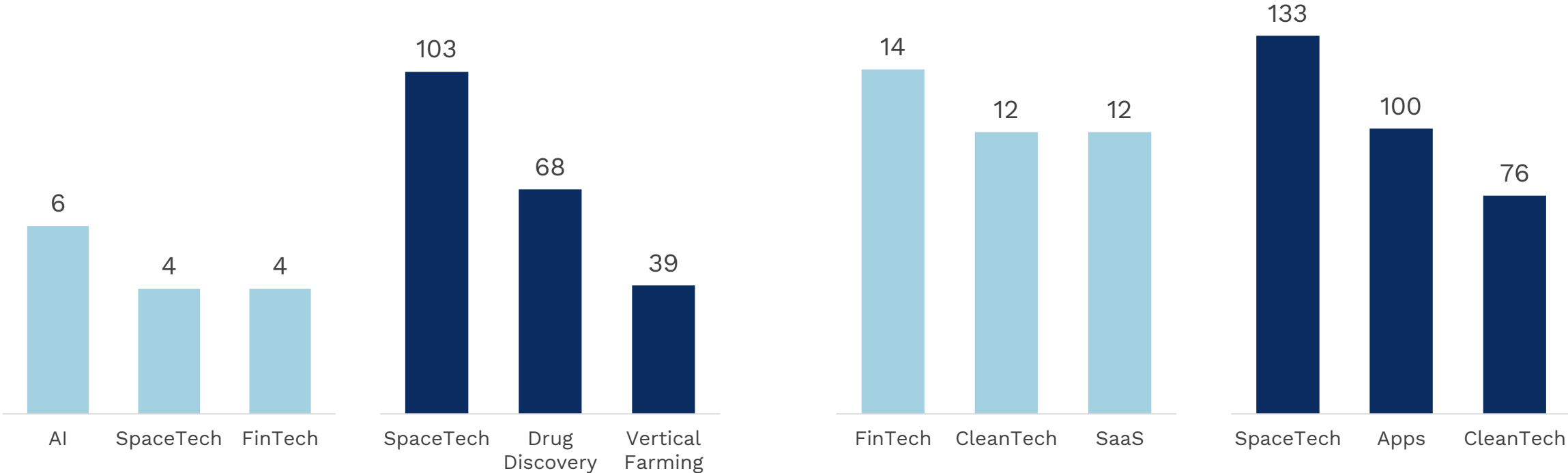
2023

Number of rounds

Amount invested (€M)

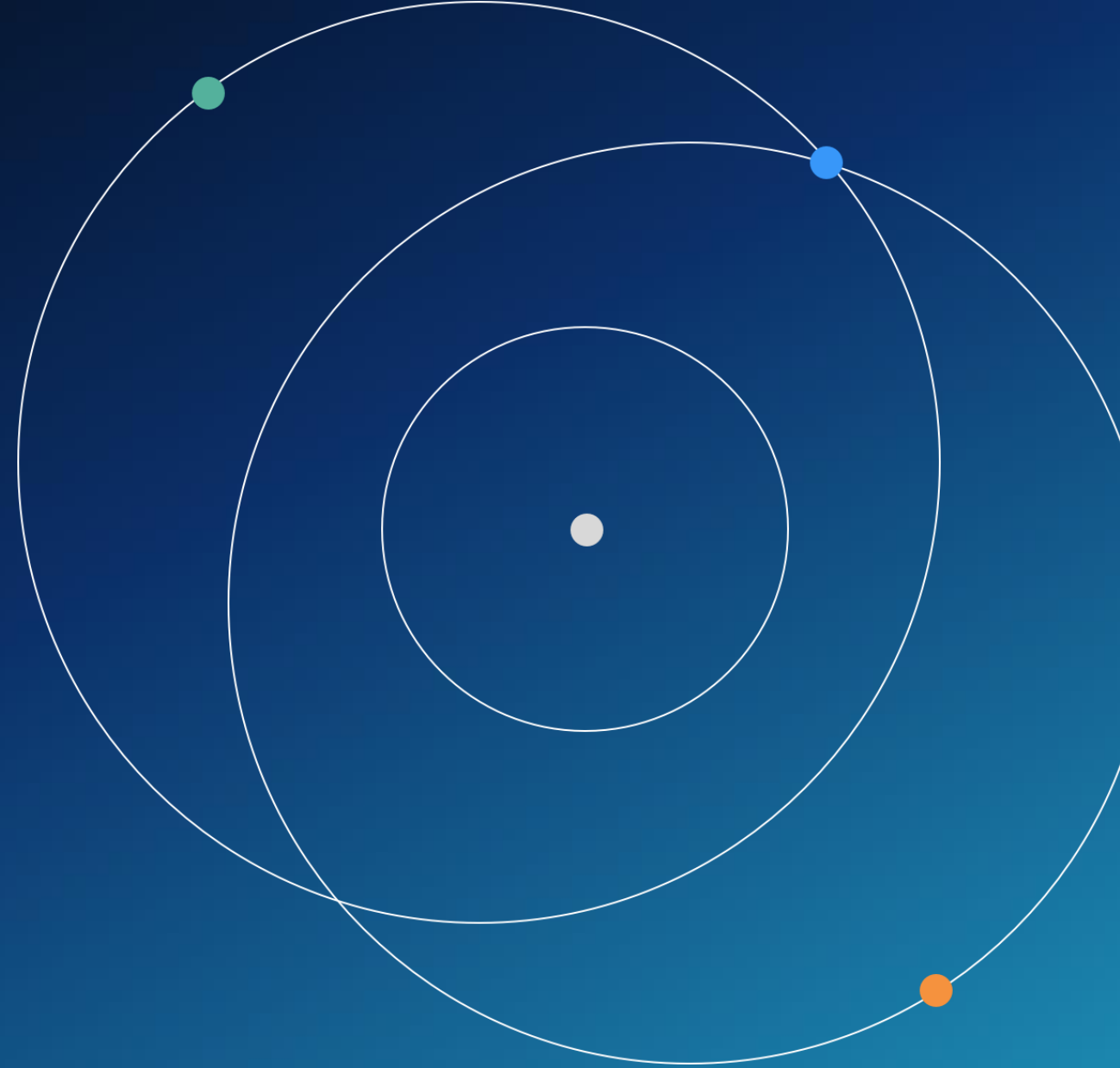
Number of rounds

Amount invested (€M)




Note: "Verticals" refers to the 242 unique values used by PitchBook to define the type of sector/product activity of the analyzed startups, which GC has aggregated into 10 sectors (see [Appendix](#))

5. Top 5 deals, investors and exits in 2023



5.1. Top 5 deals in Q4-23





Larger sizes compared to previous quarters, including a mega round

| START-UP | SIZE | STAGE | VERTICAL | INVESTORS ¹ |
|--|---------|----------|------------------|---|
|  D-ORBIT NEW SPACE SOLUTIONS | € 100M | Series C | SpaceTech | Marubeni Corporation, Other investors |
|  nouscom | € 67.5M | Series C | Drug discovery | Andera Partners, Bpi France, M Ventures, 5AM Ventures, EQT Life Sciences, Indaco Venture Partners, Panakès Partners, Revelation Partners, Ventures, Versant Ventures, XGen Ventures |
|  Planet Farms GO VERTICAL | € 36.5M | Series B | Vertical Farming | Undisclosed |
|  WEROAD | € 18M | Series B | Travel | H14, Gruppo E80, Rottapharm |
|  ShippyPro | € 13.5M | Series B | Software | Five Elms Capital |

Notes: 1. International Investor

5.2. Top 5 deals in 2023

At least one international investor in all the largest rounds

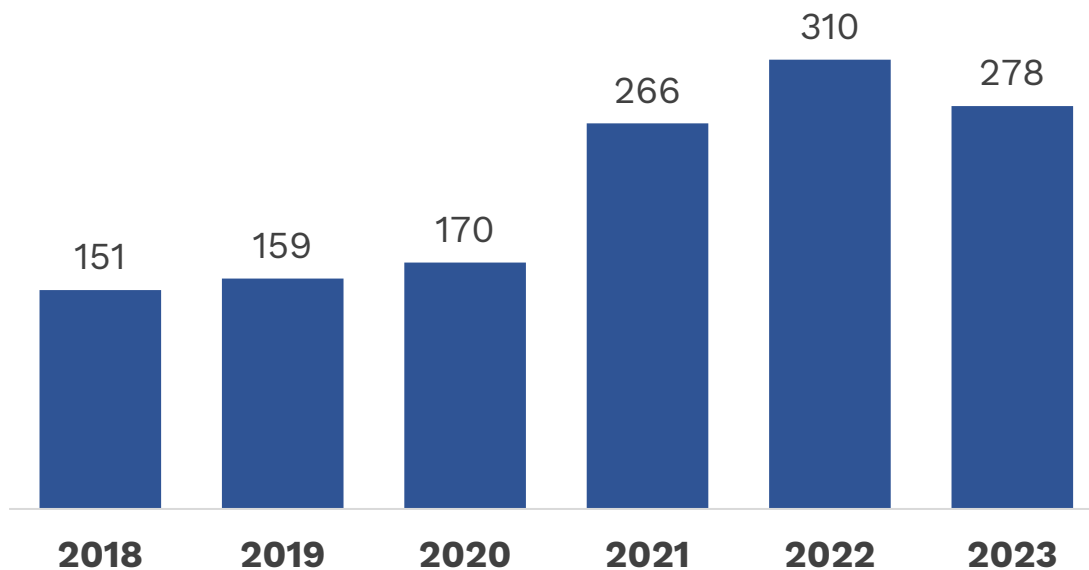
| START-UP | SIZE | STAGE | VERTICAL | INVESTORS ¹ |
|---|---------|-----------|----------------|---|
| BENDING SPOONS | € 100M | Growth VC | Apps | Baillie Gifford, Cherry Bay Capital Group, Cox Enterprises, Neuberger Berman, NUO Capital, Tamburi Investment Partners |
|  | € 100M | Series C | SpaceTech | Marubeni Corporation, Other investors |
|  | € 67.5M | Series C | Drug discovery | Andera Partners, Bpi France, M Ventures, 5AM Ventures, EQT Life Sciences, Indaco Venture Partners, Panakès Partners, Revelation Partners, Ventures, Versant Ventures, XGen Ventures |
|  | € 61M | Series A | BioTech | Atlas Ventures, Forbion, Longwood, Sofinnova Partners |
|  | € 55M | Series B | CleanTech | Eni Next, Neva SGR, 360 Capital Partners, Barclays, CDP Venture Capital, Elemental Excelerator, Invitalia, Japan Energy Fund, Novum Capital Partners |

Notes: 1. International Investor

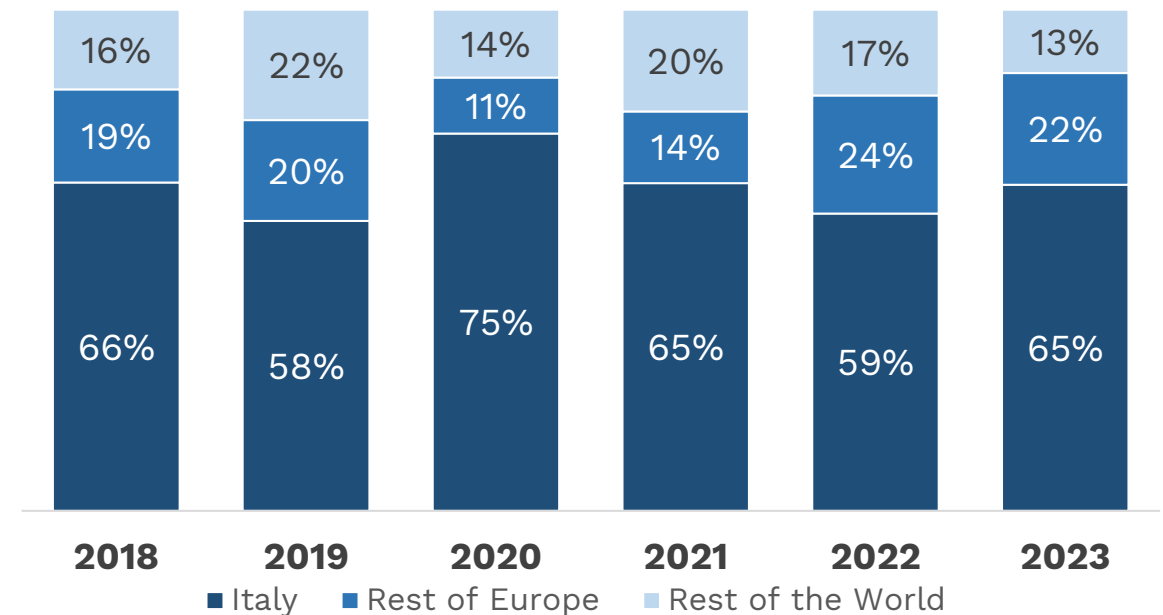
5.3. Historical analysis on investors

In 2023, the number of active investors decreased compared to 2022, being only slightly higher than in 2021. 35% of the investors active in the year are international

Active investors in the Italian VC



Geographical origin of active investors



Notes: 1. All investors who have completed at least 1 transaction in the year were considered 'active,' excluding Business Angels from the analysis

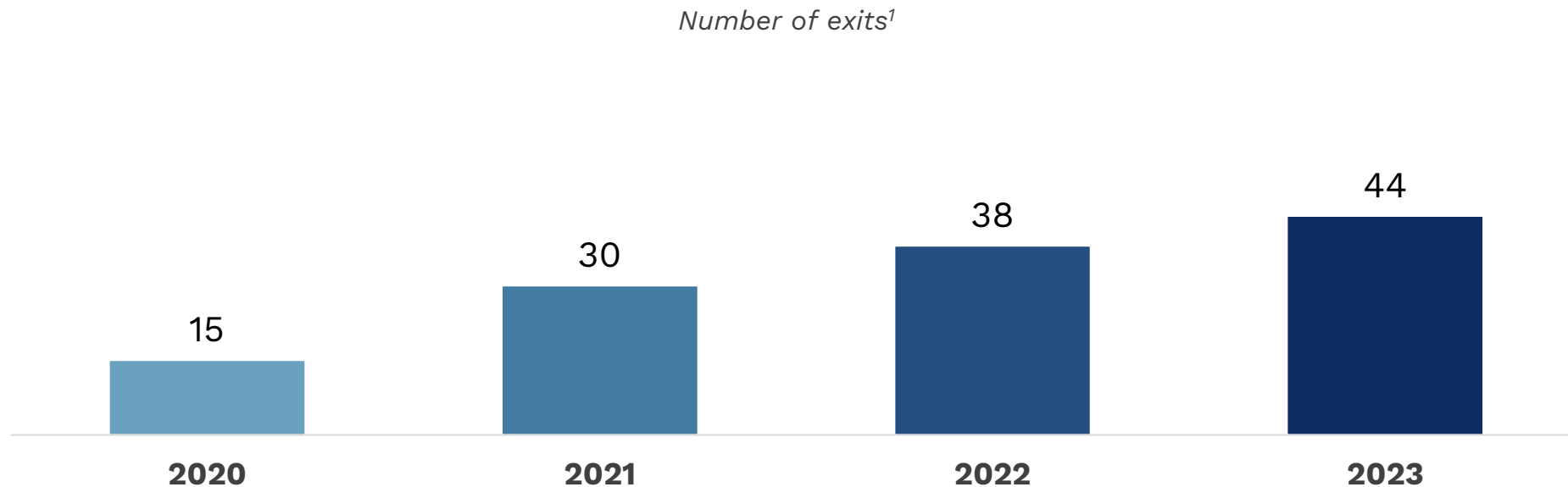
5.4. Most active investors in 2023

CDP Venture Capital confirms its position as the most active investor in 2023, with 52 transactions. Following are Exor Seeds / Vento Ventures (24) and Azimut (21)

| Top 10 investors by # round - 2023 | # round |
|---|---------|
| CDP Venture Capital | 52 |
| Exor Seeds / Vento Ventures | 24 |
| Azimut | 21 |
| Club degli Investitori | 19 |
| LIFTT | 19 |
| 40Jemz Ventures (ex Bonsai Ventures) | 12 |
| Eureka! (compreso BlackSheep) | 12 |
| Italian Angels for Growth / Eden Ventures | 12 |
| 360 Capital Partners | 9 |
| Primo Ventures | 9 |

5.5. Historical evolution of exits

2023 marks a historical high in terms of exits for startups and VC-backed companies: 41 M&A and 3 IPOs, reflecting a 16% increase compared to 2022¹



Notes: 1. Exits have been considered as transactions involving the sale of the majority of shares or equity (50%+) through M&A and listings on public markets

5.6. Exits in 2023 (1/3)

| Target | Exit type | Acquiror / IPO Market | Sector | Enterprise Value | Percentage ¹ |
|-----------------------------|-----------|-----------------------|--------------------|------------------|-------------------------|
| Alvus | M&A | VORN Bioenergy | Smart City | Undisclosed | 100% |
| Ammagamma | M&A | Accenture | Software | Undisclosed | 100% |
| AreaMedical24 | M&A | Paginemediche | Life Sciences | Undisclosed | 100% |
| Axieme | M&A | Vitanuova | FinTech | Undisclosed | 100% |
| CMH | M&A | Gruppo Dylog | Software | Undisclosed | 100% |
| Crea Assicurazioni | M&A | +Simple | FinTech | Undisclosed | 100% |
| Cube Labs | IPO | Euronext Growth Milan | FinTech | €34.10M | 12% |
| DaVinci Salute | M&A | UnipolSai | Life Sciences | Undisclosed | 66% |
| Digital Strategy Innovation | M&A | Marposs | Software | Undisclosed | 100% |
| Do It Green | M&A | AWorld | Software | Undisclosed | 100% |
| EatsReady | M&A | Coverflex | Food & Agriculture | Undisclosed | 100% |
| Edgar Smart Concierge | M&A | Manet | Digital | Undisclosed | 100% |
| EryDel SpA | M&A | Quince Therapeutics | Life Sciences | Undisclosed | 100% |
| Execus | IPO | Borsa Italiana SpA | Education & HR | €8.45M | 11% |
| Filo | M&A | Traveler Innovations | DeepTech | Undisclosed | 100% |
| Fluentify | M&A | Voxy | Education & HR | Undisclosed | 100% |
| Future Fashion | M&A | Zakeke | Digital | Undisclosed | 100% |
| Green Project | M&A | Tulips | Food & Agriculture | Undisclosed | 100% |

Notes: 1. Exits have been considered as transactions involving the sale of the majority of shares or equity (**50%+**) through M&A and listings on public markets

5.6. Exits in 2023 (2/3)

| Target | Exit type | Acquiror / IPO Market | Sector | Enterprise Value | Percentage ¹ |
|------------------------------|-----------|------------------------|--------------------|------------------|-------------------------|
| Group Reservation System | M&A | CivitFun | Digital | Undisclosed | 100% |
| Humamy | M&A | Bending Spoons | Food & Agriculture | Undisclosed | 89% |
| Hyris | M&A | Ulisse BioMed | Life Sciences | €26.20M | 100% |
| Instapartners | M&A | Banca CF+ | FinTech | €5.50M | 100% |
| InVRsion | M&A | Vection Technologies | DeepTech | Undisclosed | 100% |
| Jobby | M&A | Zucchetti | Education & HR | Undisclosed | 40% |
| Kippy | M&A | Datamars | DeepTech | Undisclosed | 100% |
| Mangiatutto | M&A | WaitHero | Food & Agriculture | Undisclosed | 100% |
| Neodata Group | M&A | Adabra Global | Media | Undisclosed | 100% |
| Noisefeed | M&A | Netith | Software | Undisclosed | 75% |
| Nutribees | M&A | SecondChef / CIVE SpA | Food & Agriculture | Undisclosed | 75% |
| On charge | M&A | Antonio Carraro SpA | Smart City | Undisclosed | Majority stake |
| Onyon | M&A | Satsipay | Software | Undisclosed | 74% |
| Plurima | M&A | Poste Italiane | FinTech | €130,00M | 70% |
| Plurima Servizi Assicurativi | M&A | Italiana Assicurazioni | FinTech | Undisclosed | 78% |
| Prestiamoci | M&A | Banca Valsabbina | FinTech | Undisclosed | 100% |
| ReMat | M&A | IREN | Smart City | €3.50M | 88,4% |
| Shopfully | M&A | Media Central | Digital | Undisclosed | 100% |

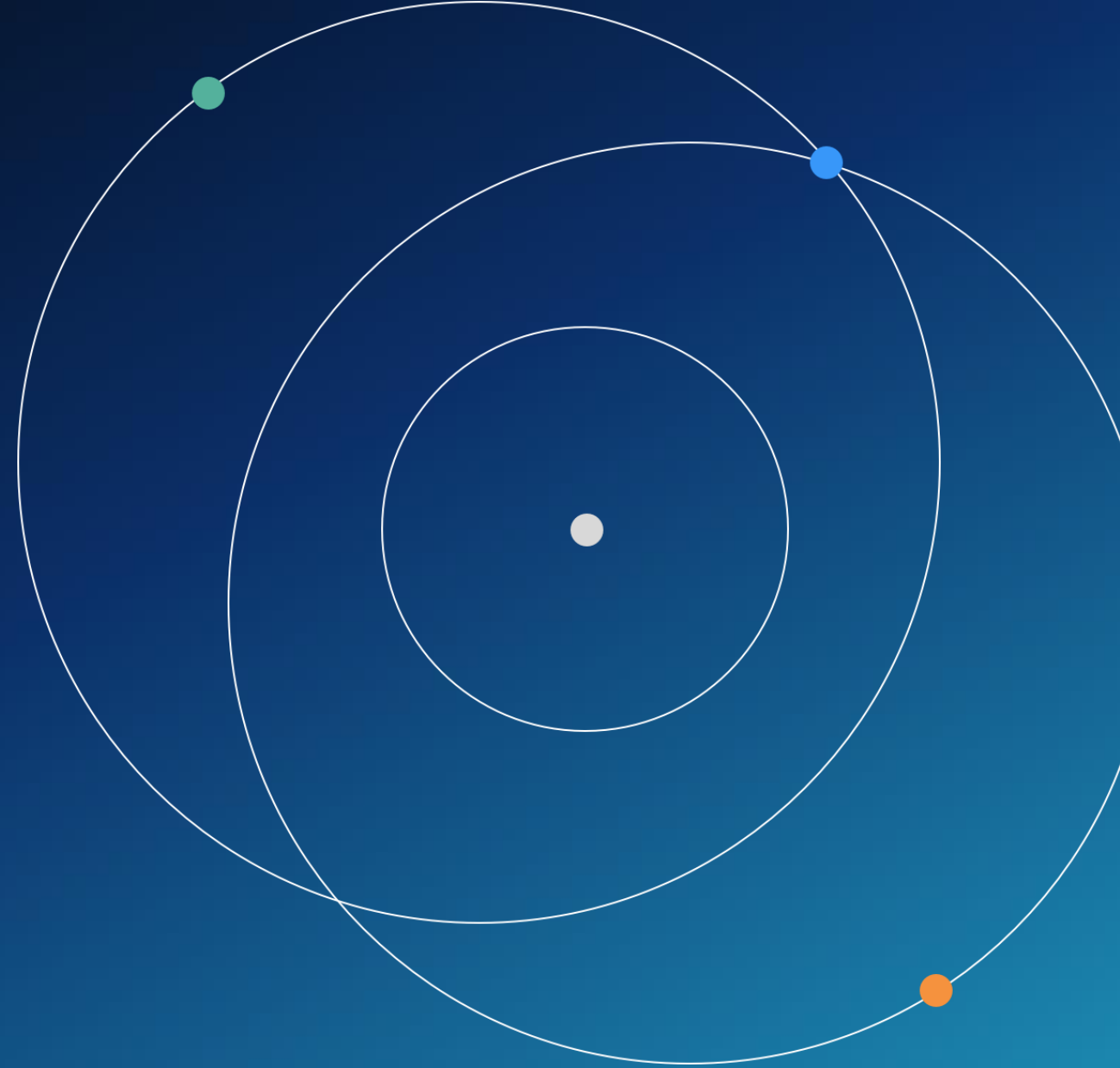
Notes: 1. Exits have been considered as transactions involving the sale of the majority of shares or equity (**50%+**) through M&A and listings on public markets

5.6. Exits in 2023 (3/3)

| Target | Exit type | Acquiror / IPO Market | Sector | Enterprise Value | Percentage ¹ |
|---------------------|-----------|-----------------------|----------------|---------------------|-------------------------|
| SportClubby | M&A | Playtomic | Media | Undisclosed | 100% |
| SplittyPay | M&A | Avvera (Credem Group) | FinTech | Undisclosed | Undisclosed |
| Teamsight | M&A | Glickon | Software | Undisclosed | 100% |
| Traduzione.it | M&A | Contents.com | Education & HR | Undisclosed | 100% |
| Virality | M&A | Traipler | Media | Undisclosed | 100% |
| Visualitics | M&A | Var Group (SeSa) | Software | Undisclosed | 59,5% |
| Yakkyofy | IPO | Euronext Growth Milan | Digital | €7.52M | 100% |
| CONFIDENTIAL | M&A | CONFIDENTIAL | Life Sciences | CONFIDENTIAL | 100% |

Notes: 1. Exits have been considered as transactions involving the sale of the majority of shares or equity (**50%+**) through M&A and listings on public markets

6. VC Index

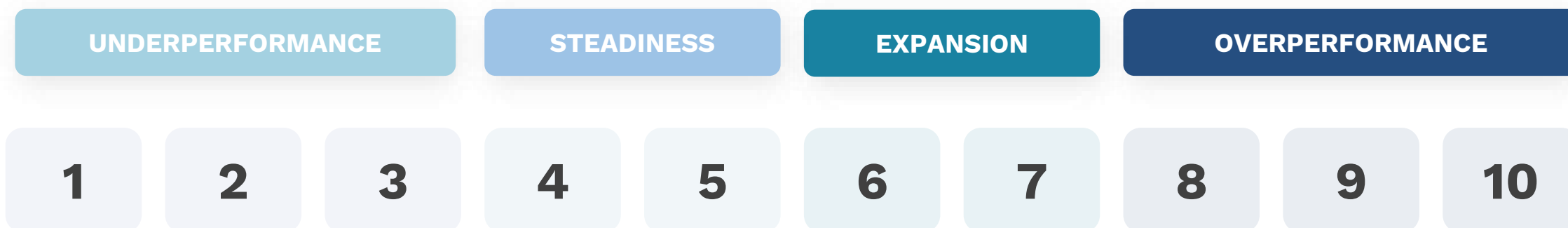


6.1. VC Index - Methodology

An **index** on a scale from **1** to **10**, published every **six months**, providing an indication of the **stage of development of the VC ecosystem in Italy** and the **sentiment of its participants**. The index is computed by considering both **quantitative** inputs, derived from market data analysis, and **qualitative** inputs obtained from VC operators based on their **sentiment regarding the current and future environment**

- The quantitative inputs (# of rounds, amount invested, median round amount, # of mega rounds, exits # and amount, # of rounds with international investors, # of VC funds and dry powder) were collected based on the **observation** of **objective market data** for the semester
- Qualitative inputs (ease of access to funding/investing, evolution of the average time to raise/invest capital, ease of fundraising from LPs, ease of attracting target talents and skills, evolution of the regulatory environment, outlook for the next 6-9 months) resulted from a **survey conducted in the last month of the semester**. In December 2023, responses were received from **over 200 operators** in the Italian VC market, with a balanced sample of responses between **startups** and **investors** (or members of VC investment fund teams)
- The collected data has been factorized on a **scale of 10** to make them **comparable** over time and to ensure **ease** and **immediacy** of interpretation

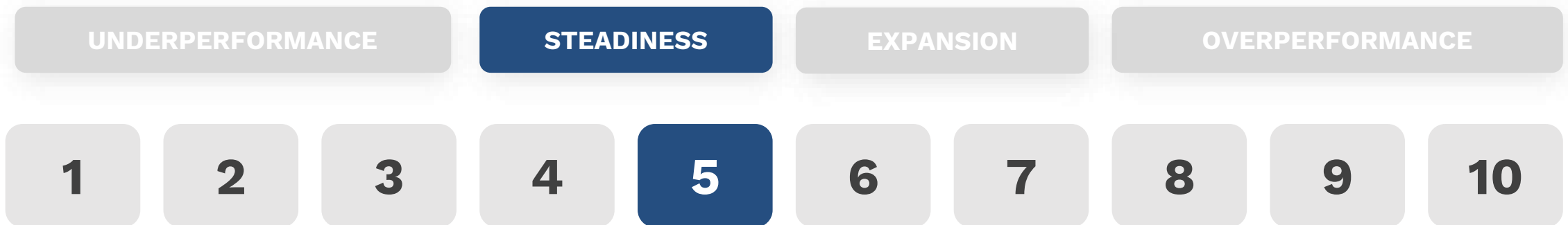
VC INDEX



6.2. VC Index – Steadiness with a positive outlook

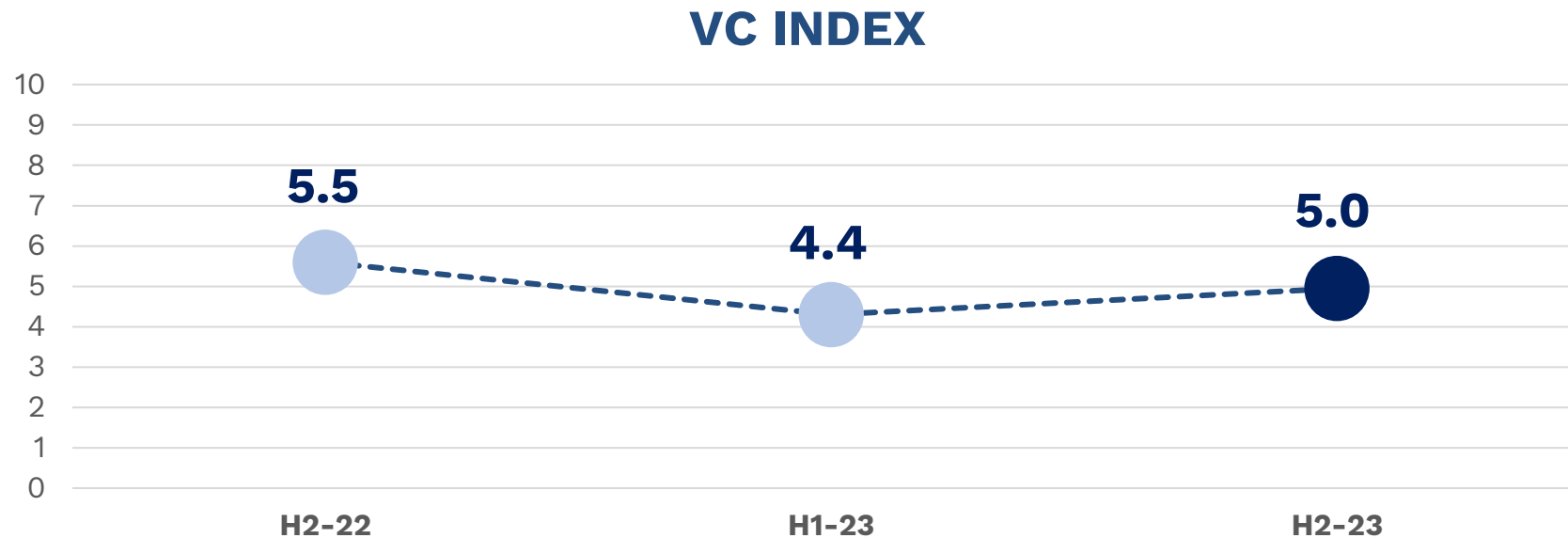
- With respect to H1-23, the **quantitative results** (as of **December 2023**) indicate an **increasing amount invested**, with the comeback of **mega rounds**, while the **number** of rounds and exits remains nearly **stable**
- Similar to H1-23, **investors have a slightly more positive sentiment (5.5) compared to founders (4.5)**. This difference is even **more pronounced (5.7 for investors, 4.0 for founders) regarding forecasts for the next 6-9 months**
- **Investors** are currently **satisfied with their deal flow**, both in terms of **quality (6.1) and quantity (7.1)**. Conversely, they encounter some **difficulty in raising capital from LPs (4.0)**. **Founders** find it relatively **challenging to raise equity (3.7) and debt (4.4)**
- **Investors** consider the current **investment conditions** to be rather **founder-friendly (6.1)**, whereas, **according to founders**, these investment conditions are **more favorable for investors (4.8)**. In particular, **over the last 6 months, founders** have perceived that terms & conditions related to capital increases became stricter (the value was **5.6** in H1-23)

VC INDEX

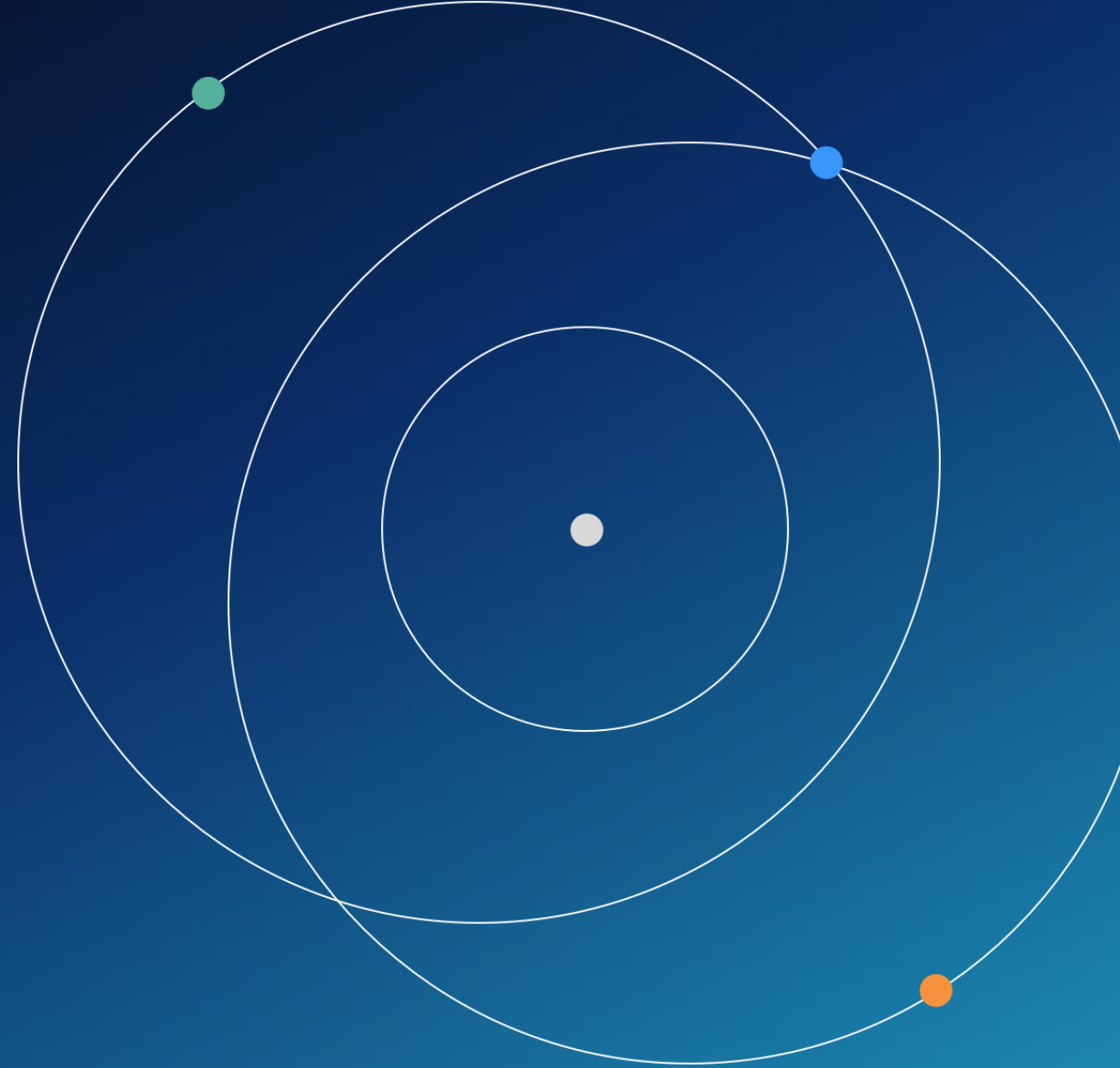


6.3. VC Index – Evolution

- The index value in **December 2023** indicates a situation of a **stable outlook** (5.0) for the next semester. This value has increased compared to H1-23 (4.4) but is still lower than what was recorded a year ago (5.5)
- The **improvement** compared to six months ago is due to both an **enhancement of qualitative inputs** and an **improvement in sentiment** among market operators. Specifically, there has been an **improvement in the perception** regarding the quality of the **deal flow**, the **need for startups to postpone fundraising**, and especially the **outlook for the next 6-9 months**

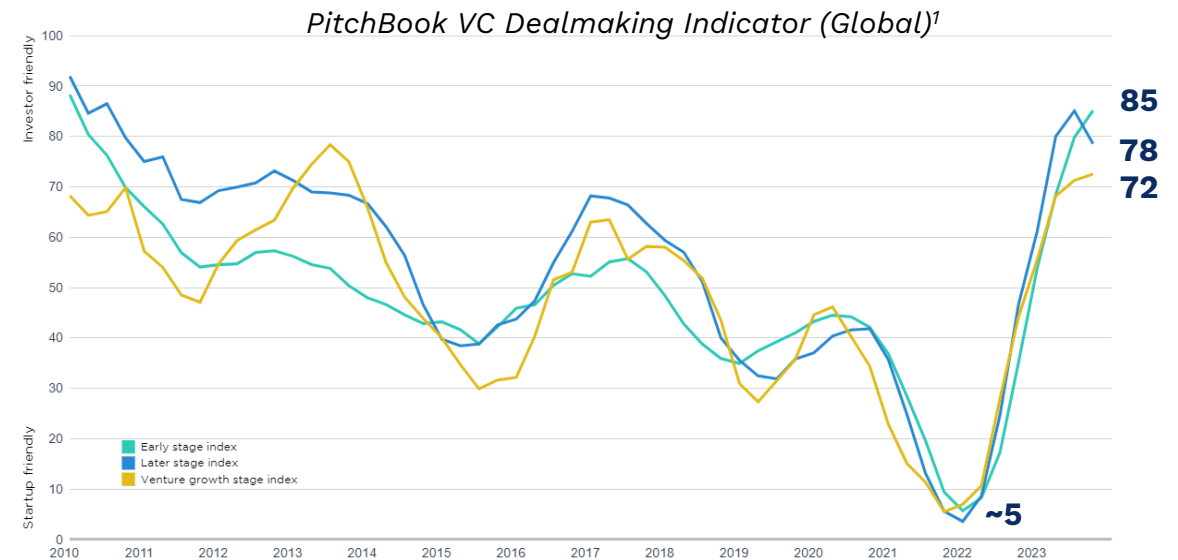
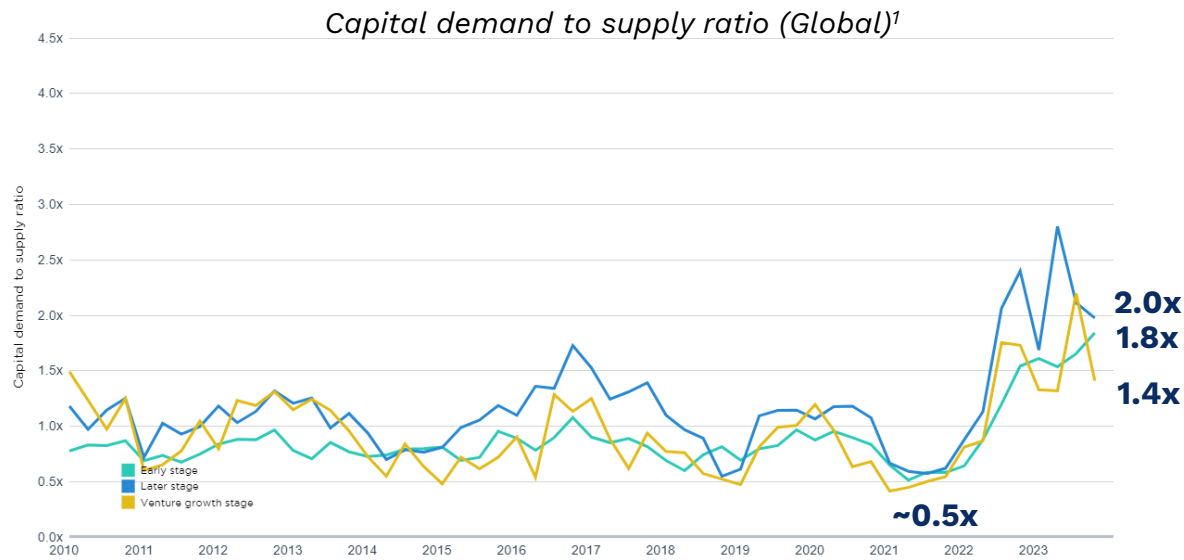


7. Final considerations



7.1. The market has never been so investor-friendly

- In the end of **2021**, the invested capital was in line with the demands (<1x demand-to-supply ratio), giving **founders** a position of great strength. In **2023**, **conditions changed very rapidly** towards a decidedly **investor-friendly** context: the **demand** for capital far **exceeded the supply** (1.4x-2.0x), giving investors **greater negotiating power**, resulting in lower valuations and tougher investment terms
- The *PitchBook VC Dealmaking Indicator*, representing the founder/investor friendliness context in VC, after reaching **the most founder-friendly level in the last 13 years in 2022**, sharply reversed the trend and **within just 18 months** reached a level of **investor friendliness not seen in the past 10 years**
- In 2023, **bridge rounds** are becoming more common, often raised with **existing investors** at valuations equal to or lower than previous rounds (**flat** and **down** rounds), and with **convertible instruments** featuring terms more favorable to investors



Sources: 1. [PitchBook VC Dealmaking Indicator](#)

7.2. Europe: 2023 summary and 2024 outlook

2023 summary

- In Europe, **Q4-23** experienced a **slowdown** compared to Q3-23 with €13B raised (-22% vs Q3-23) in 2,327 transactions (-5% vs Q3-23). Unlike Italy, which saw growth in the past two quarters
- The year **2023** marked a **correction**, with a decrease in total funding (-45%) and in the number of rounds (-20%) compared to 2022. The challenging market conditions (high inflation, decline in valuation multiples) also negatively impacted **exits**, which decreased both in number (-27%) and in value (-70%) compared to 2022
- On the **supply side of capital**, 2023 saw the creation of the **fewest funds** since 2009 (140) and the **lowest capital raised** in the last 5 years (€16.2B)^a. Nevertheless, the slowdown in investment activity suggests that **dry powder** remains at significant levels

2024 outlook

- **Investments** in 2024 will depend on a **multitude of factors**, including the evolution of the **macroeconomic environment** and the **geopolitical scenario**. The numbers will be positively influenced by the VC funds' need to deploy at least a portion of the **high level of dry powder**
- The combination of VC funds' investment needs and the startups' increased cost efficiency supports the forecast of a **gradual rebalancing** of the supply and demand dynamics in the European VC capital over the next 2 years
- Regarding **exits: IPOs** will continue to be **negatively impacted** by **inflation** and **persistently high interest rates**, while the **M&A** evolution will also be influenced by the opportunity to delay liquidity events through internal **bridge rounds** or **Venture Debt**. An increase in **buy & build operations** is expected with the aim of creating more cost-efficient European champions

Sources: a. PitchBook (2024), European Venture First Look Q4-23

7.3. Italy: 2023 summary

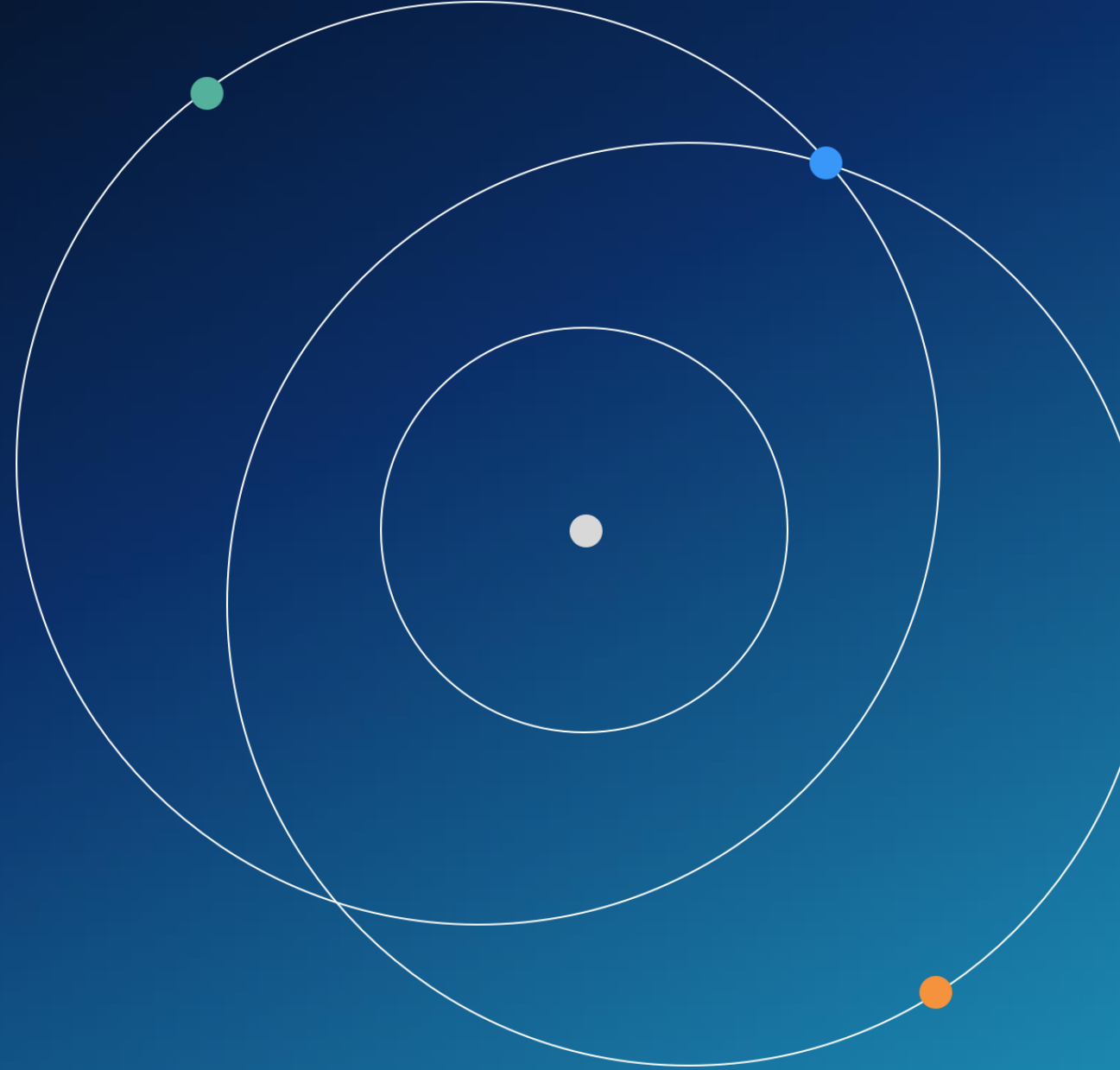
- **Q4-23** was the best quarter in Italian VC in 2023, with €383M raised (+25% vs Q3-23) in 90 deals (+23% vs Q3-23). Q4-23 also marked the third consecutive quarter of growth
- In **2023**, there was a slowdown in the Italian VC activity compared to the record values of 2022 with €1,176M raised (-37% vs 2022) in 325 transactions (-4% vs 2022). The decrease in investments is largely explained by the **lower incidence of mega rounds** (17% vs 38% in 2022)
- In fact, excluding mega rounds, **2023** (€976M) is slightly below 2022 (€1,146M) but higher than 2021 (€895M)
- The significant increase in the number of active investors in the **Early Stage**, including **vertical accelerators** promoted by CDP, led to a strong growth in **Pre-Seed rounds** (92 in 2023 vs 55 in 2022)
- As anticipated in the previous edition of the Report^b, the **mean** and **median** values of Series A and Series B have **increased**, converging to European values. The decrease in the number of Series A and B in 2023 is explained by the postponement of funding decisions in a challenging market scenario. This factor, combined with the growing number of Early Stage rounds, fuels the pipeline for Late Stage rounds, which are expected to **increase** in 2024
- It has become increasingly common to integrate equity fundraising with non-dilutive forms (**debt** or **grants**). **Venture Debt** rounds are also appearing, which, as mentioned in previous editions of the Report^{a,b}, is an emerging instrument in more mature ecosystems
- Looking at **exits**, 2023 marked a **record** in the **number** of **M&A** deals (44), although the overall value is estimated to have decreased compared to 2022. The **IPO** market still shows limited numbers, with only 3 announced operations in the year
- It is clear that **2023** represents a **correction** compared to **2022**, a year characterized by a particularly favorable market environment. Italian VC has returned to a slower and more steady trajectory towards maturity started in 2019, reflected in the **improvement of fundamental metrics** such as the number of **exits**, the participation of **international investors** and the **median amount of rounds**

Notes: 1. Mega rounds are excluded. **Sources:** a. [Venture Capital Report - Italy Q1-23](#); b. [Venture Capital Report - Italy Q3-23](#)

7.4. Italy: 2024 outlook

- In light of the **modest signs of recovery** in H2-23, the **stabilization** of the disruptive factors that have characterized the market in the last 18 months, and the significant **pipeline of Early Stage startups** that have raised funds in recent months, it is expected that **2024 will exceed** the amount invested in **2023**
- Any **upside** potential will be generated by (i) the presence and characteristics of **mega rounds**, (ii) an increase **in the attractiveness to international investors** (paving the way for the closing of large rounds), (iii) the **disruptive** potential of **AI** as a driver for the creation of new business models, and (iv) a **milder impact of adverse macroeconomic factors**
- Regardless of the number of mega rounds, it is expected that the participation of **international investors** in Italian VC will **remain significant**, thanks to the predicted **increase** in the **number** of **Late Stage** rounds and the **mean and median** values of **Series A and B** rounds, making them more aligned with relatively higher investment tickets (€10M+) that characterize international VC funds
- **Investment conditions** will remain, at least for the next 12 months, **favorable to investors**. Additionally, any improvement in the macroeconomic context will increase the attractiveness of Venture Capital as an asset class, making **fundraising from LPs less complex** and **facilitating the emergence of new VC funds**
- In absolute terms, it is expected that the **number of exits** will continue to grow, as seen in the last 4 years. Most M&A activity will still be characterized by **buy-and-build** and **rescue** rationales, especially for companies that have not been able to extend their runway in the last 18 months and represent an ideal target at relatively reduced valuations. As a consequence, in 2024 there will be few successful M&As, but this number will increase in the medium term as the ecosystem matures
- On the other hand, **IPOs** will continue to be **marginal**, especially in light of a stock market that is less developed than in other European countries

Appendix



Assignment of verticals to sectors (1/4)

| SECTOR | ASSIGNED VERTICALS | | | |
|----------------|--|--|---|--|
| DeepTech | 3D Printing B2B Drones Hardware Information Technology Personal Development Robotics and Drones Virtual Reality | 3D Technology Biometrics Engineering Industrial Automation Internet of Things Pet Technology Sales Automation Wearables | Advanced Manufacturing Building Material Field Support Industrial Manufacturing Manufacturing Professional Services Sensor Wearables & Quantified Tech | Augmented Reality Construction Google Glass Industrials Nanotechnology RFID Space Technology |
| Digital | Digital Car Wash Home Services Online Portals Ticketing | E-Commerce Marketplace Price Comparison | Handmade Mobile Procurement | Home Decor Nautical Second Hand |
| Education & HR | Dental Education HR Tech Recruiting | EdTech Human Resources Video | E-Learning Incubators | Green Consumer Goods Knowledge Management |

Assignment of verticals to sectors (2/4)

| SECTOR | ASSIGNED VERTICALS | | | |
|--------------------|---|---|--|--|
| FinTech | Accelerator Commercial Insurance Digital Signage Health Insurance Legal Tech Real Estate Investment Venture Builder | Auto Insurance Credit Finance Insurance Mobile Payments Service Industry | Banking Cryptocurrency Financial Services Insurtech Payments Startup Studio | Blockchain Cryptocurrency/Blockchain FinTech Investment Privacy Trading |
| Food & Agriculture | Agriculture Food FoodTech Packaging Services Vertical Farming | Agtech Food and Beverage Home and Garden Precision Farming Wine And Spirits | E-Grocery Food Delivery LoyaltyPrograms Restaurant Technology | Farming Food Processing Nutrition Restaurants |
| Life Sciences | Biotechnology Electronic Health Record (EHR) Life Sciences Therapeutics | Cannabis Health Diagnostics Medical Device | Digital Health Healthcare Oncology | Drug Discovery HealthTech Pharmaceutical |

Assignment of verticals to sectors (3/4)

| SECTOR | ASSIGNED VERTICALS | | | |
|-----------|--------------------|--------------------------|-------------------------|-------------------------------|
| Lifestyle | Art | Beauty | Business Travel | Circular Economy |
| | Clothing | Cosmetics | Fashion | FemTech |
| | Fitness | Leisure | Lifestyle | LOHAS & Wellness |
| | Phototech | Product Design | Retail | Retail Technology |
| | Shoes | Social Impact | Subscription | Tourism |
| | Travel | Travel Accommodations | | |
| | | | | |
| Media | Ad Network | AdTech | Advertising | Advertising Platforms |
| | Audio | AudioTech | Broadcasting | Communications Infrastructure |
| | Content | Content Delivery Network | Content Marketing | Customer Service |
| | Digital Marketing | Digital Media | eSports | Event Management |
| | Events | Family | Gaming | Marketing |
| | Marketing Tech | Media | Media and Entertainment | Music |
| | Podcast | Publishing | Shopping | Social Media |
| | Social Network | Sports | Sustainability | TMT |
| | Video Advertising | | | |
| | | | | |

Assignment of verticals to sectors (4/4)

| SECTOR | ASSIGNED VERTICALS | | | |
|------------|--------------------------|------------------------------|-------------------|----------------------|
| Smart City | Automotive | Autonomous vehicles | Cleantech | Climate Tech |
| | Co-working platform | Cycling | Delivery | Electric Vehicle |
| | Energy | Energy Efficiency | Energy Management | Energy Storage |
| | Environmental Consulting | Fleet Management | Green Energy | Hospitality |
| | House Rental | Logistics | Materials | Micro-Mobility |
| | Mobility Tech | Oil & Gas | PropTech | Public Safety |
| | Raw Materials | Real Estate Technology | Renewable Energy | Ridesharing |
| | Sharing Economy | Smart Cities | Storage | Supply Chain Tech |
| | Transportation | | | |
| Software | Analytics | Application Performance Mgmt | Apps | AI & ML |
| | Big Data | Business Intelligence | Cloud Computing | Cloud Data Services |
| | Cloud Infrastructure | CloudTech & DevOps | Computer | Consumer Software |
| | CRM | Cybersecurity | Developer APIs | Developer Tools |
| | Digital Entertainment | DRM | Electronics | ERP |
| | Enterprise Software | Human Computer Interaction | IaaS | Information Services |
| | Internet | IT Management | Machine Learning | Management Software |
| | Mobile Apps | NLP | PaaS | Predictive Analytics |
| | SaaS | Security | Self-Storage | Software |
| | Sport Management | Telecommunications | UXDesign | Web Hosting |
| | | | | |

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Quarterly Venture Capital Report

Italy Q4-24 & FY-23
