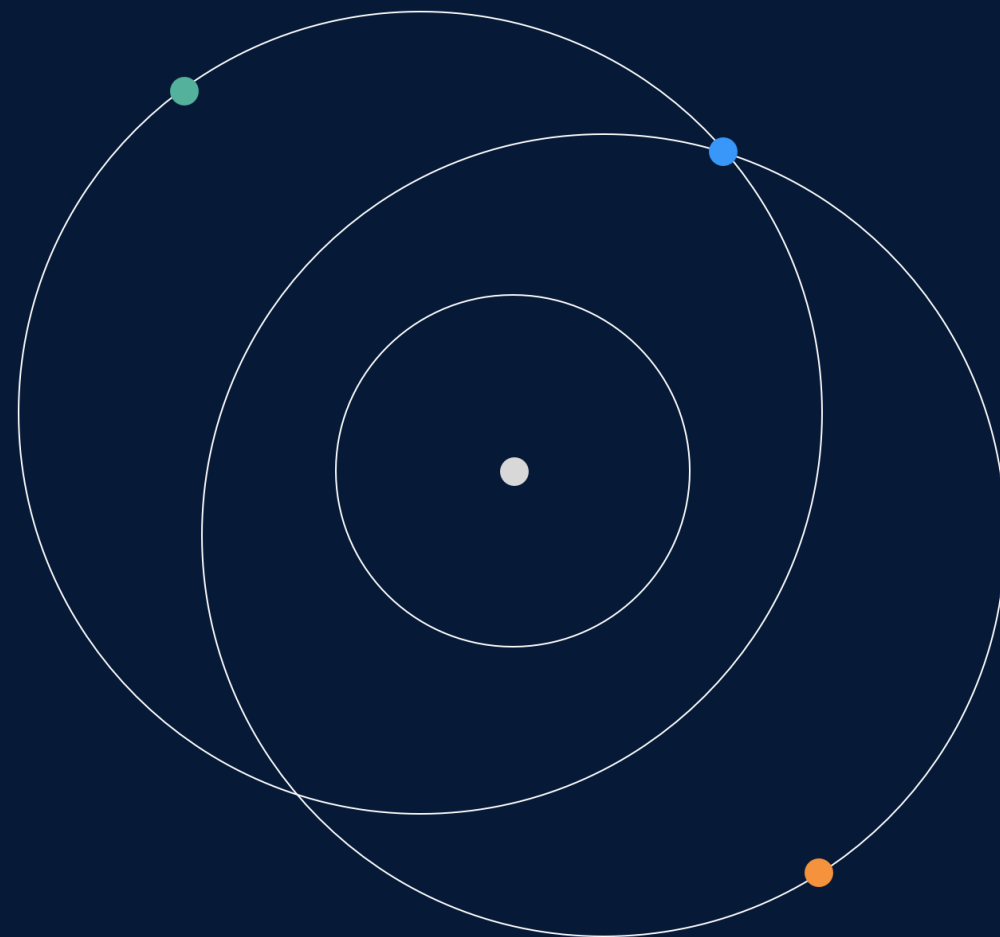




Milan Madrid London



Venture Capital Report Italy Q1-24



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 italiantechalliance.com

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 focus on cross-border M&A and fundraising transactions, including Series A, B and C.

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Methodology

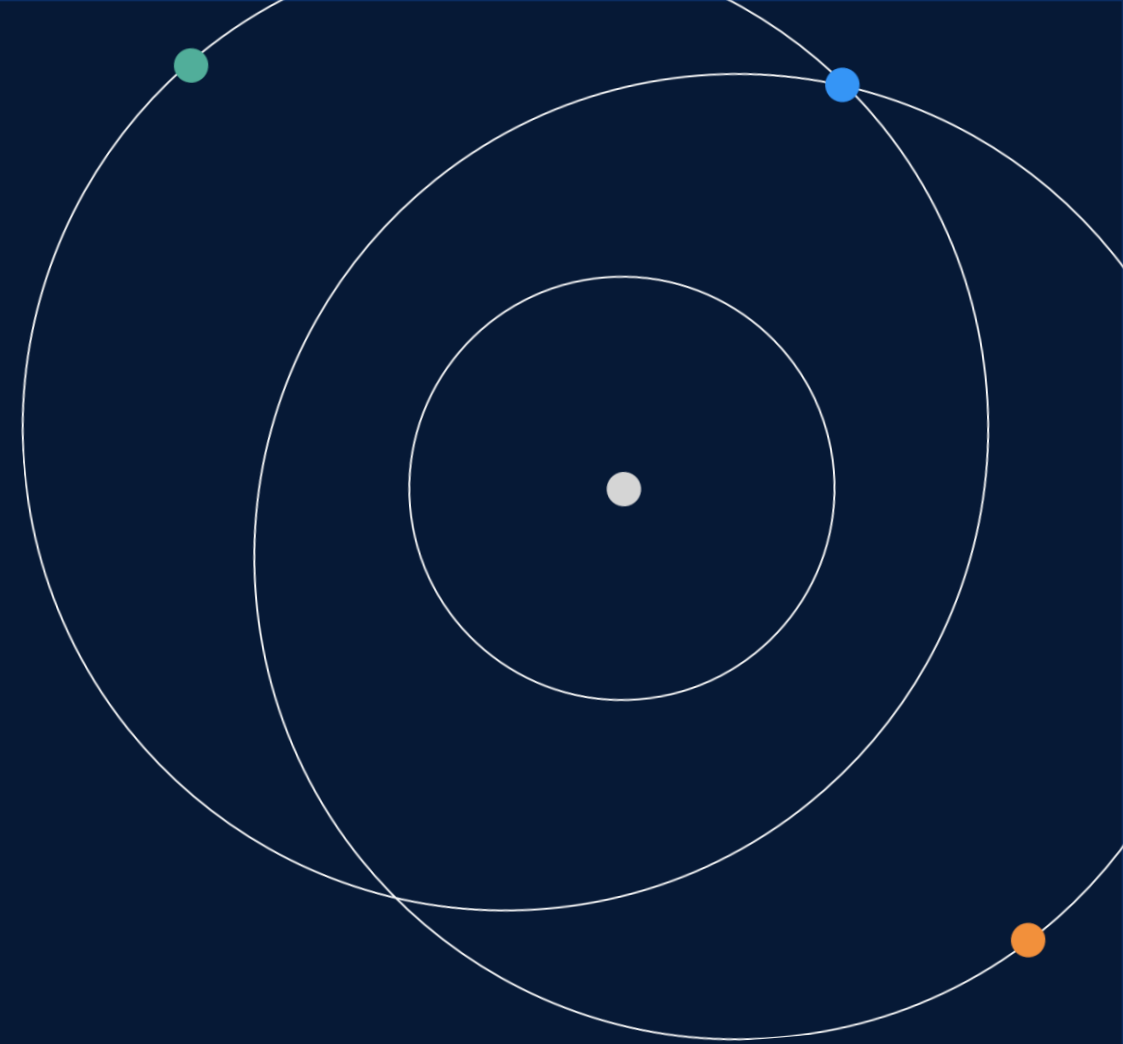
1. Key numbers Q1-24
2. VC in Europe: Q1-24 and historical evolution
3. VC in Italy: Q1-24 and historical evolution
4. Q1-24 in Italy: sectors, verticals, top 5 deals and exits
5. Deep dive on Spain
6. Final considerations

Appendix

Methodology

1. The report includes (i) **startups based in Italy** and (ii) **startups with foreign headquarters but with Italian founders and >50% of employees in Italy** (analysis through LinkedIn search)
2. Database created using **PitchBook** data (last consultation on **04/04/2024**) for rounds concluded from 2019 to 2024, classified as Early Stage VC and Late Stage VC. Assignment of verticals (as defined in **point 12**) by PitchBook and assignment of sector (as defined in **point 13**) by Growth Capital (GC)
3. Data obtained following the procedure outlined in point 2 are compared with **round press releases**, when available. In case of discrepancies, information from the press releases are preferred
4. Data processed according to the procedure outlined in points 2 and 3 are compared and integrated with the information provided to GC **confidentially by key investors active in the Italian VC ecosystem**
5. For each **round without stage indication** the following check is performed:
 - 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 higher than **€0.2M**
 - b) For «**Late Stage VC**» rounds, the **equity story of each company was checked**, defining the round stage on a case-by-case basis. 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. Exclusion of all rounds with **size undisclosed or below €50K**
7. Exclusion of the capital increases which are **not unambiguously classifiable as VC rounds**
8. Exclusion of all VC rounds in the form of **debt** due to their strong sectoral dependence; consistently, for the «**mixed**» **equity and debt** VC rounds, **only the equity part** was considered
9. In the case of «mixed» rounds, for which the exact breakdown between equity and debt was **not disclosed**, information was **confidentially** asked to the startup or to the investors and, when provided, it was used while preserving the confidentiality. If data were not provided, the round was entirely considered as equity
10. The procedure described at **point 9** 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**
11. **Crowdfunding rounds** are monitored by directly consulting the **three** most important Italian **crowdfunding platforms** in terms of amount raised
12. «**Verticals**» refers to the 242 values uniquely used by PitchBook to define the type of the sectoral/market activity of the startups 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 Q1-24



1.1. Key numbers Q1-24



108

number of rounds



€443M

amount invested



13

Series A



2

Series B
(3 Series C+)



12

exits



Smart City

sector with the most
rounds



Software

sector with the largest
amount invested



AI

vertical with the
most rounds



Apps

vertical with the largest
amount invested



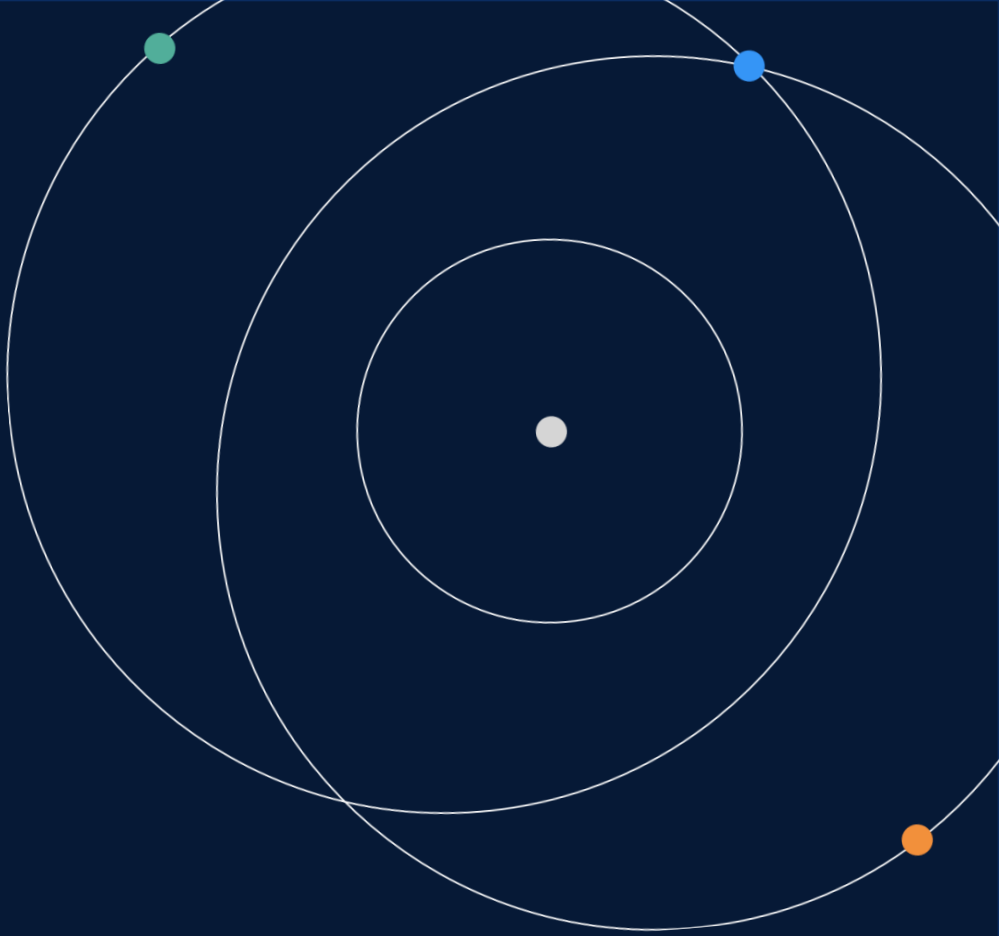
Bending Spoons

largest round

1.2. Key numbers Q1-24 vs Q4-23

88	€389M	10	5	8
108 ↑	€443M ↑	13 ↑	2 ↓	12 ↑
number of rounds	amount invested	Series A	Series B	exits
			(3 Series C+ vs 2 Series C+)	

DeepTech	DeepTech	AI	SpaceTech	D-Orbit
Smart City	Software	AI	Apps	Bending Spoons
sector with the most rounds	sector with the largest amount invested	vertical with the most rounds	vertical with the largest amount invested	largest round

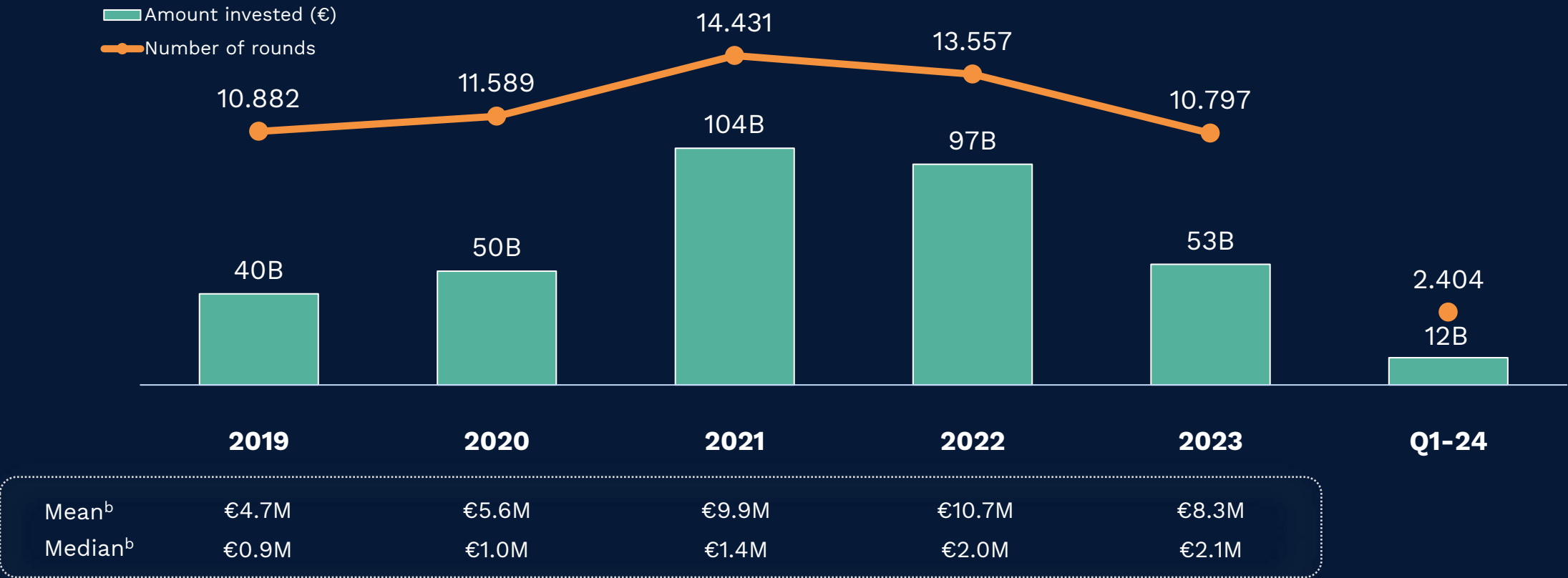


2

VC in Europe: Q1-24 and historical evolution

2.1. VC in Europe: yearly analysis

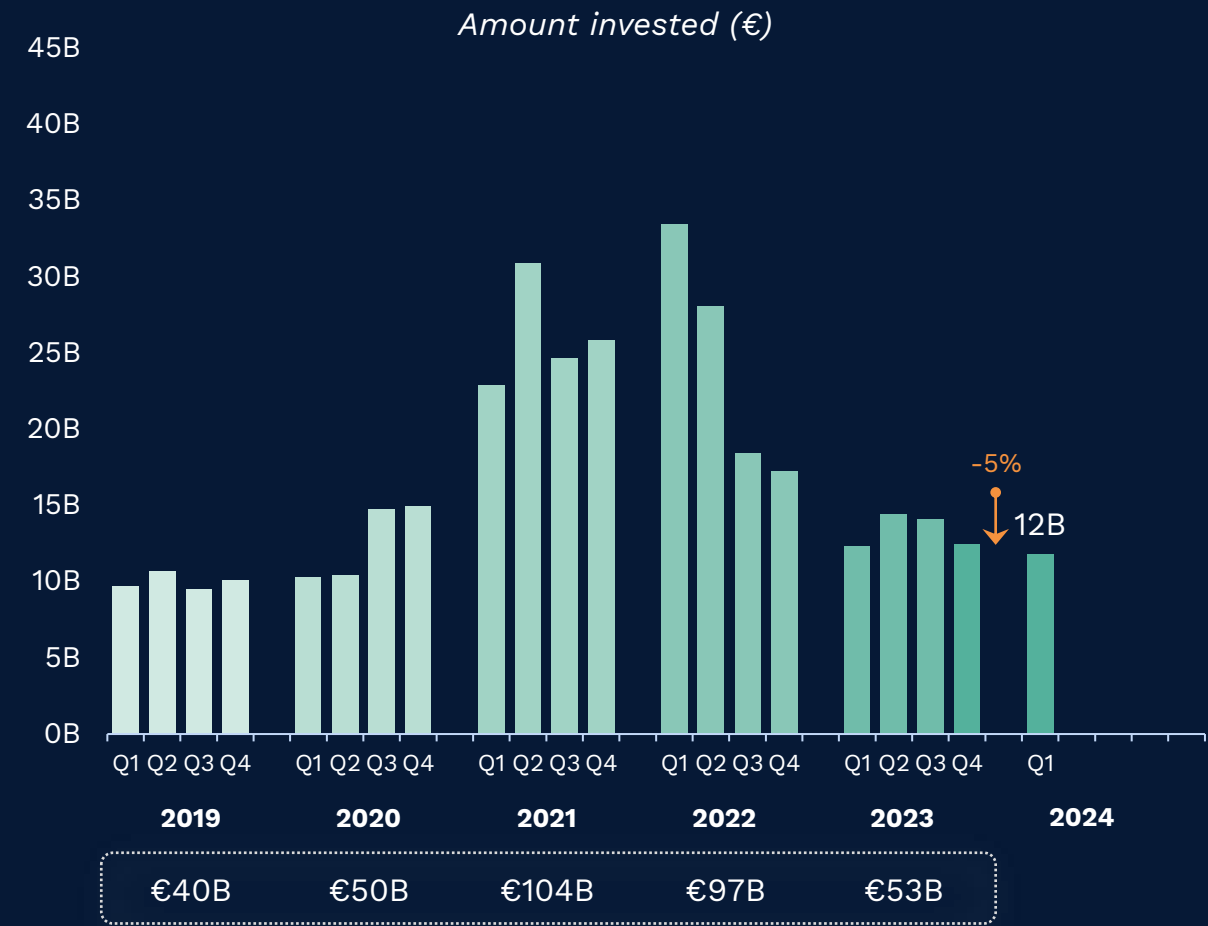
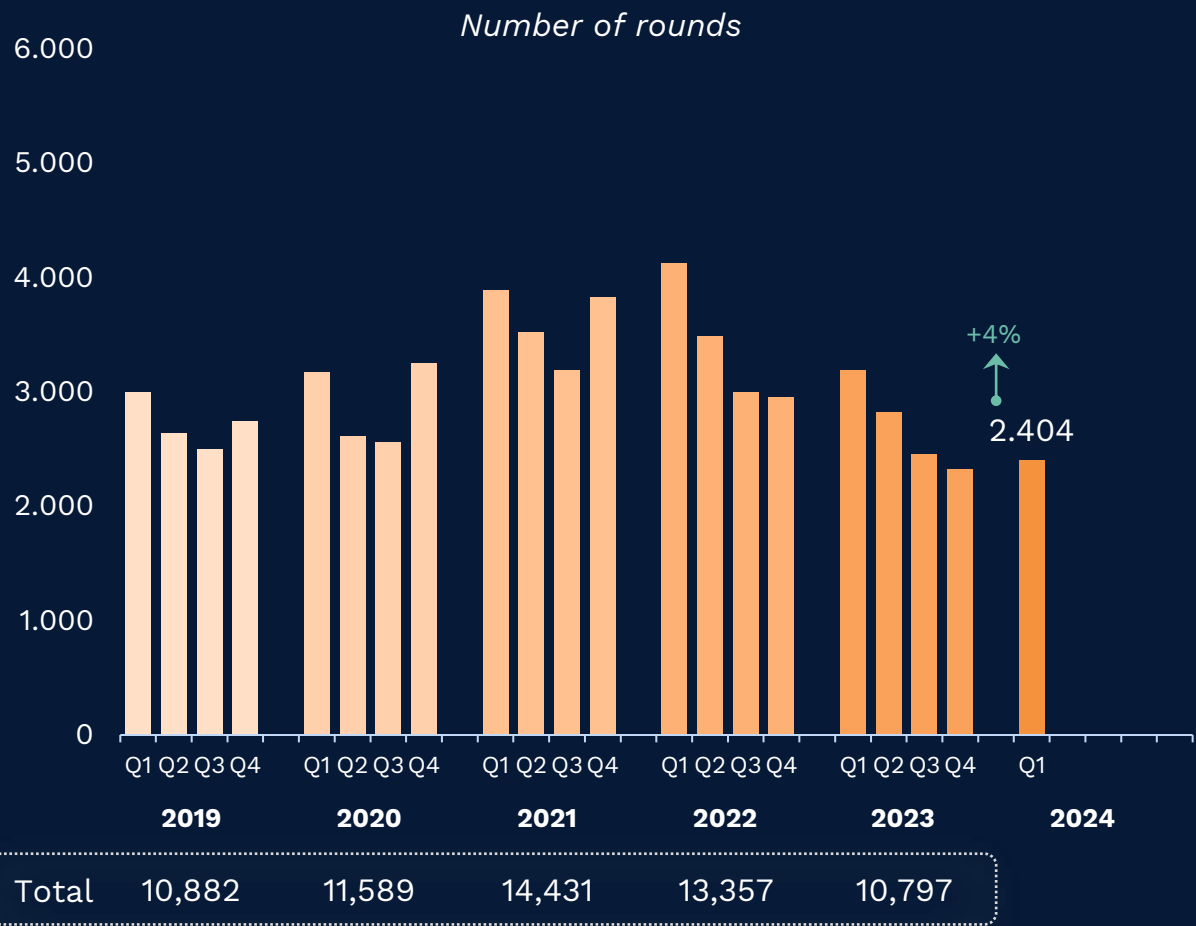
In Q1-24, a total of €12B was raised in 2,404 rounds^a



Sources: a. Growth Capital elaboration based on Pitchbook 2023 Annual European Venture Report for all years from 2019 to 2023. Growth Capital elaboration based on PitchBook data, including rounds with undisclosed size, for Q1-24; b. PitchBook European Venture Report Q2-23

2.2. VC in Europe: quarterly analysis

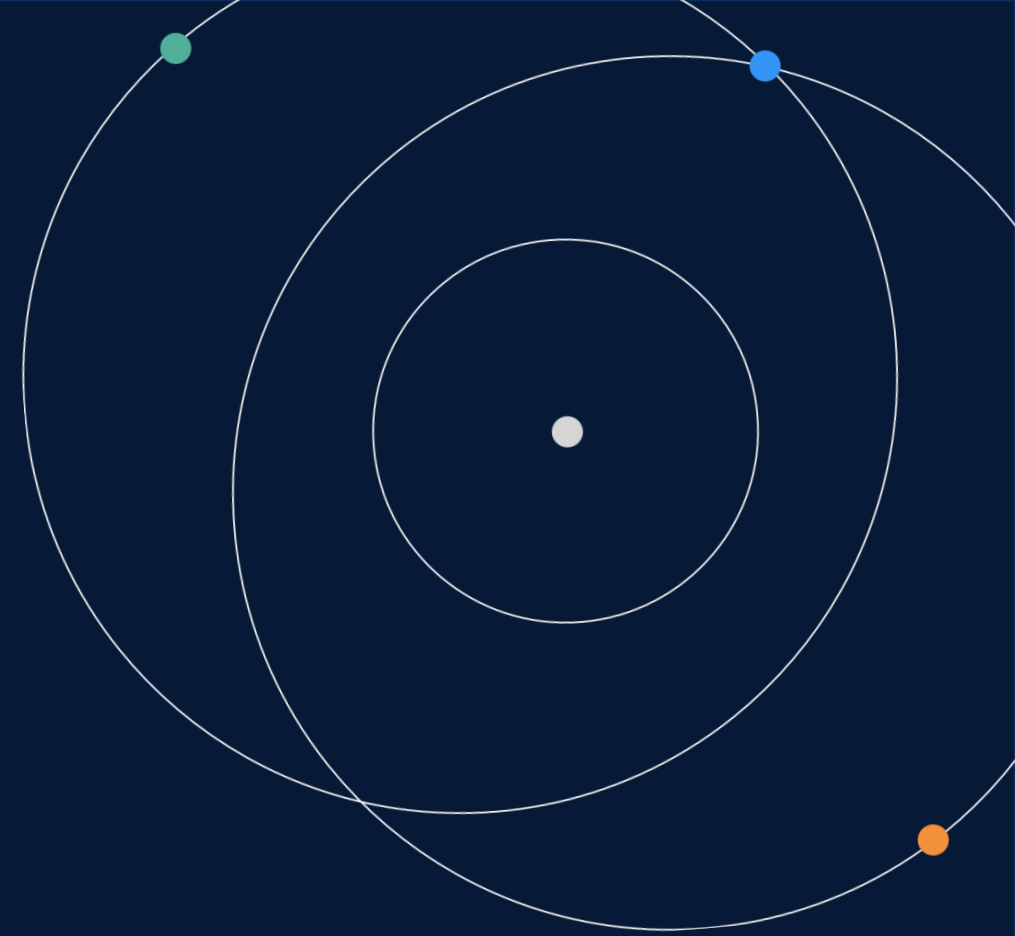
Number of rounds is in line the record low of Q4-23, while the amount invested is the lowest since Q2-20^{a,1}



Sources: a. Growth Capital elaboration based on PitchBook. The count of rounds also includes operations with undisclosed amounts
Notes: 1. PitchBook data may slightly change in the future, due to delays in data update and constant backward correction

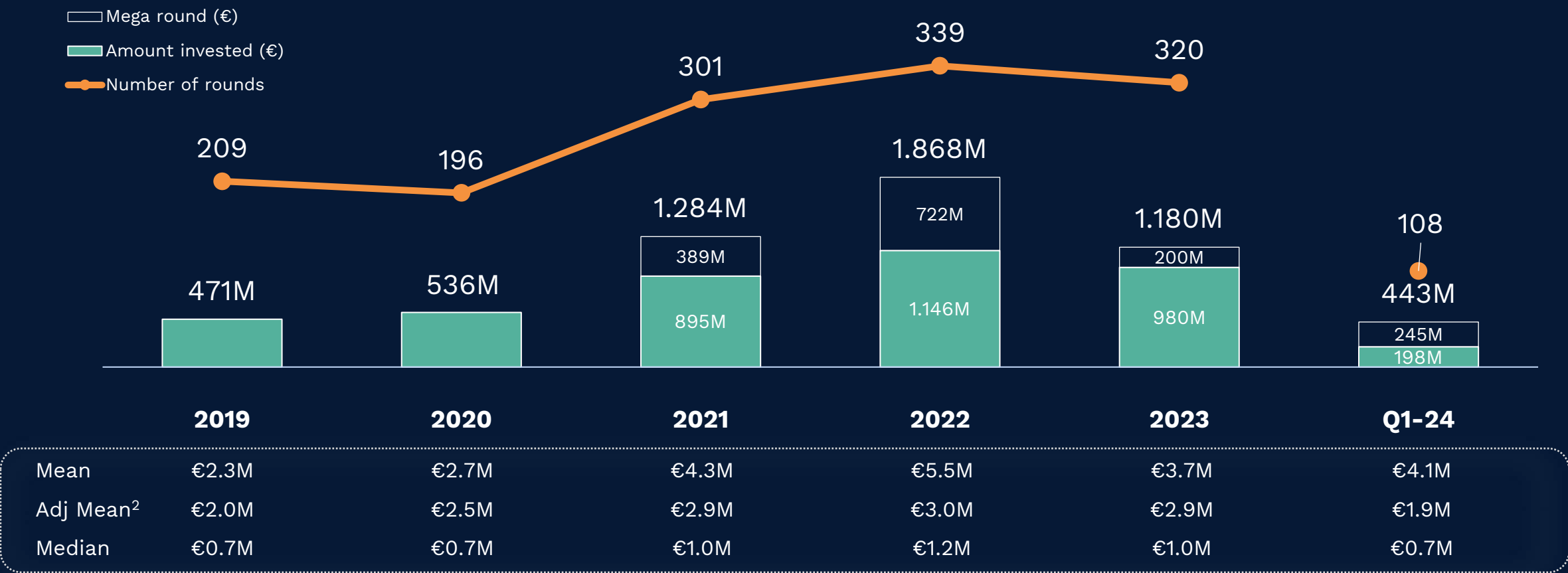


VC in Italy: Q1-24 and historical evolution



3.1 Venture capital in Italy

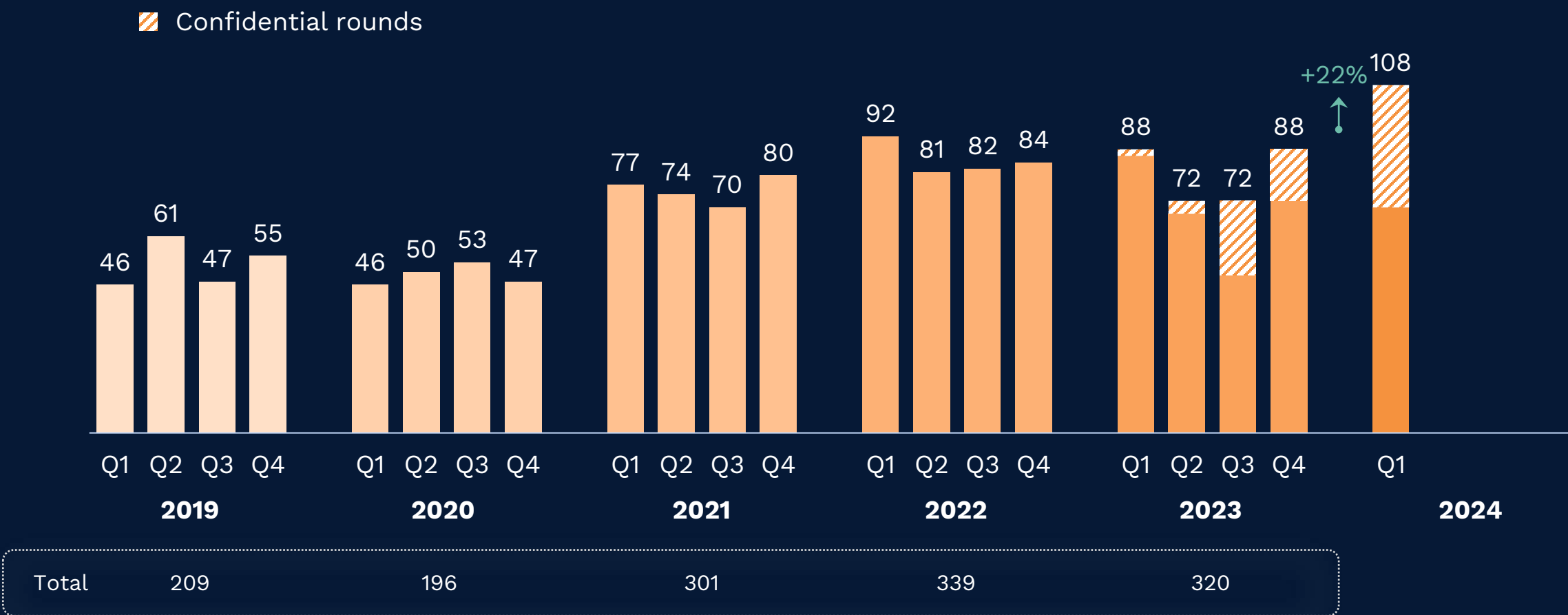
Unlike Europe, Italy has had a promising start to 2024 in terms of VC investments, raising €443M across 108 rounds¹



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. Mean without outliers. For the purpose of the report, outliers are defined as rounds that are very far from the average amount for the quarter

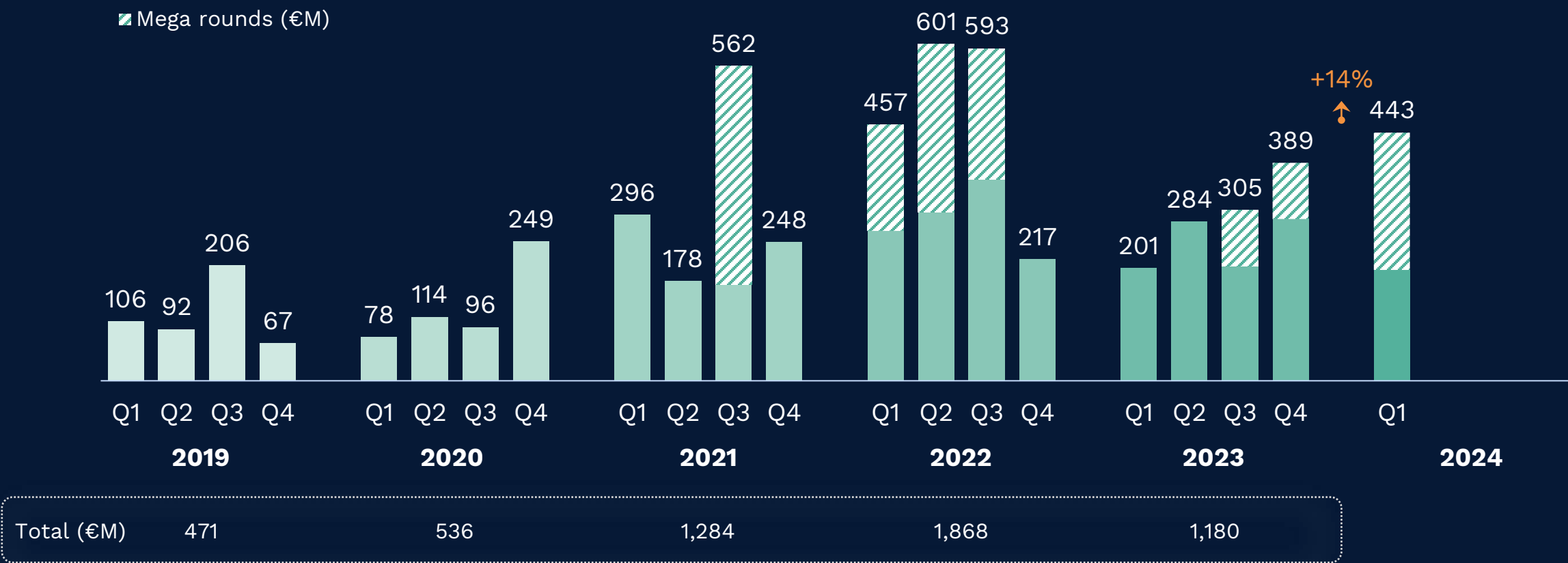
3.2. Quarterly number of rounds

For the first time ever, quarterly VC rounds in Italy have reached triple digits (108). In 38 cases, the deal and/or the value have not been publicly announced



3.3. Quarterly amount invested

With €443M raised, Q1-24 is the fifth quarter of continuous growth. However, 55% of capital comes from the 2 mega rounds: Bending Spoons (€144M¹) and MMI (€101M²)

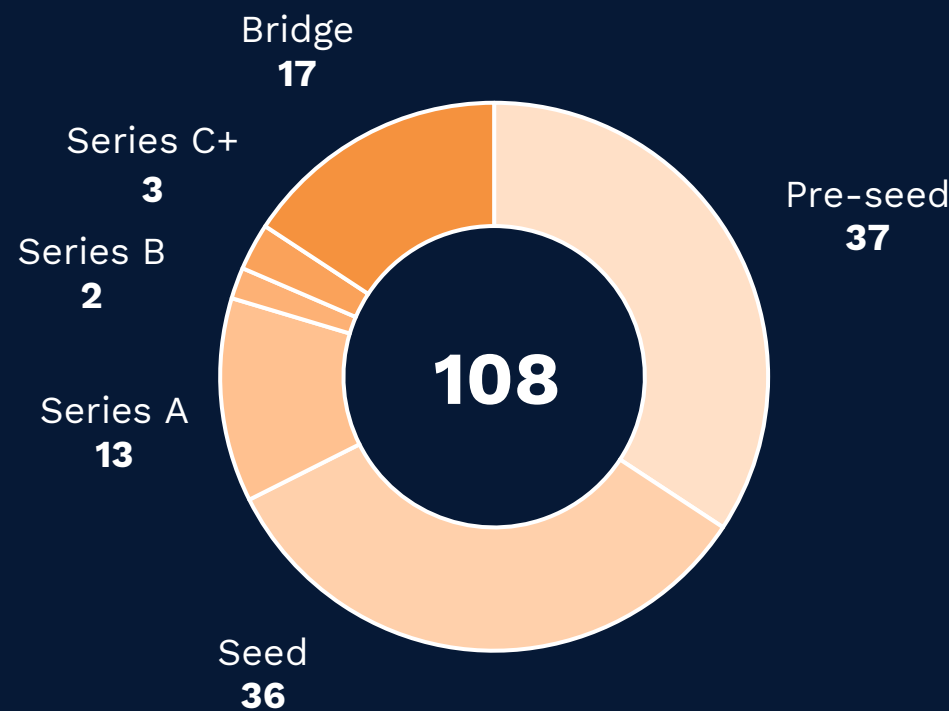


Notes: 1. Conversion in Euros of a round size officially announced in USD (\$110M); 2. Conversion in Euros of a round size officially announced in USD (\$18M)

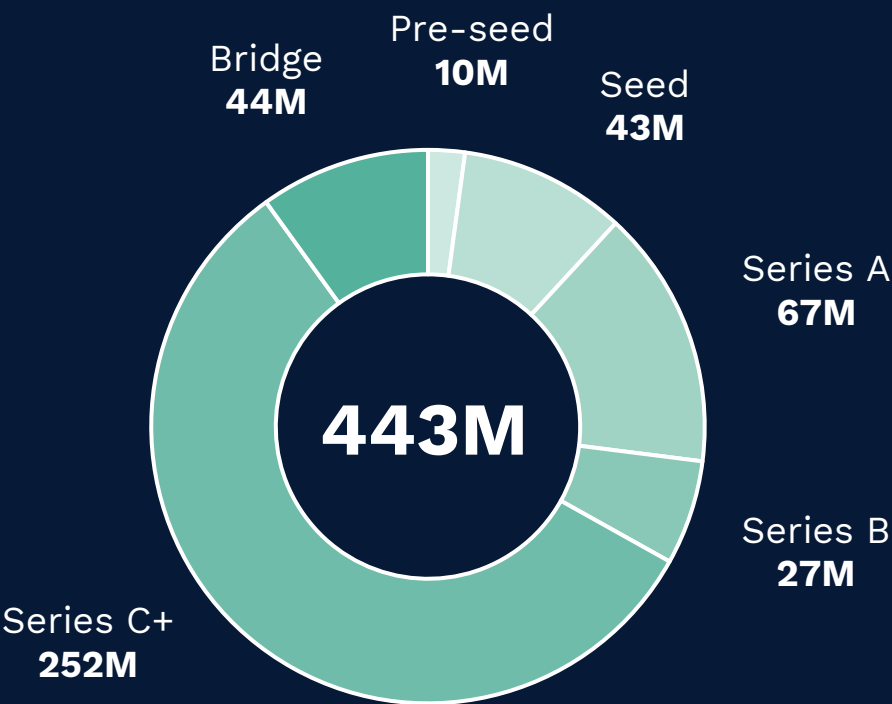
3.4. Analysis by round type: Q1-24

In Q1-24, Pre-seed and Seed accounted for 68% of rounds, driven by the investment activity of accelerators. Notably, Series C+ represented 57% of amount raised

Number of rounds – Q1-24



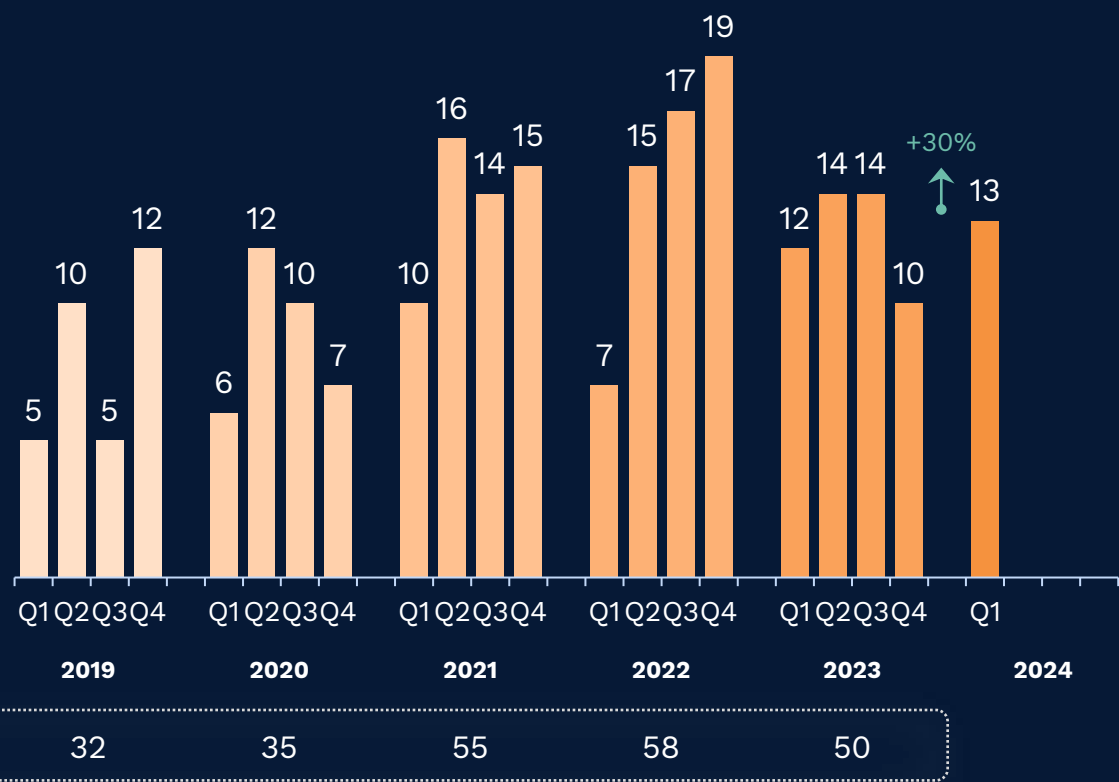
Amount invested (€) – Q1-24



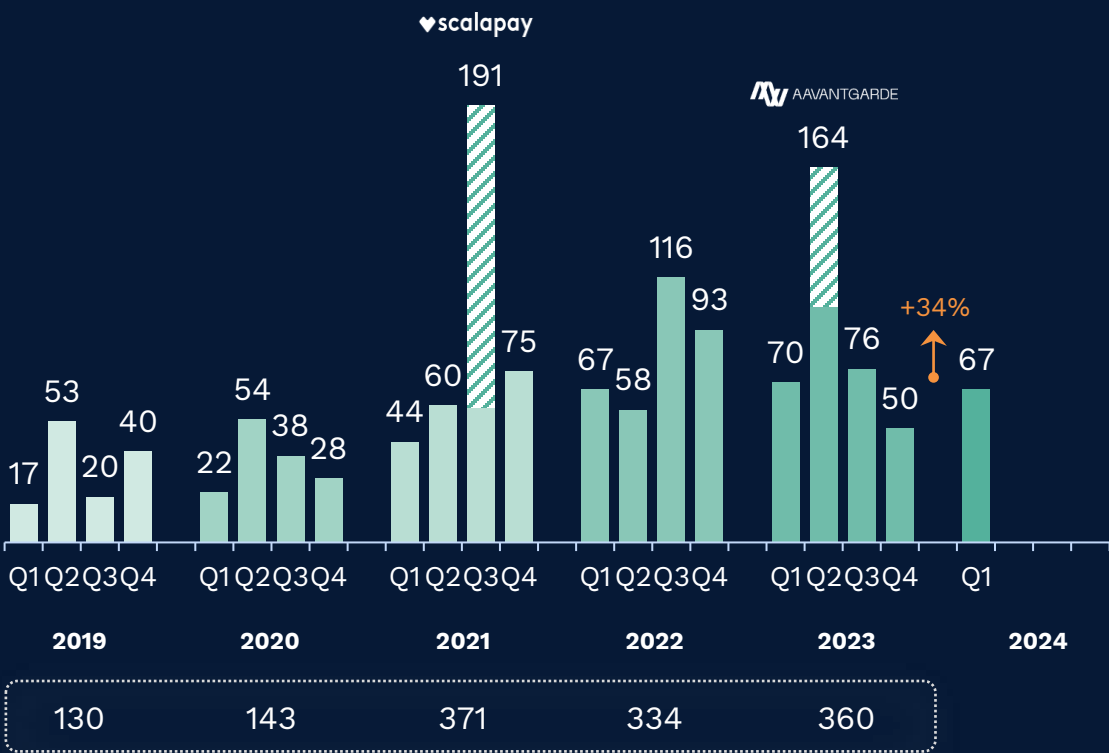
3.5. Focus: Series A

In Q1-24, series A rounds collected €67M in 13 rounds, in line with 2023

Number of rounds



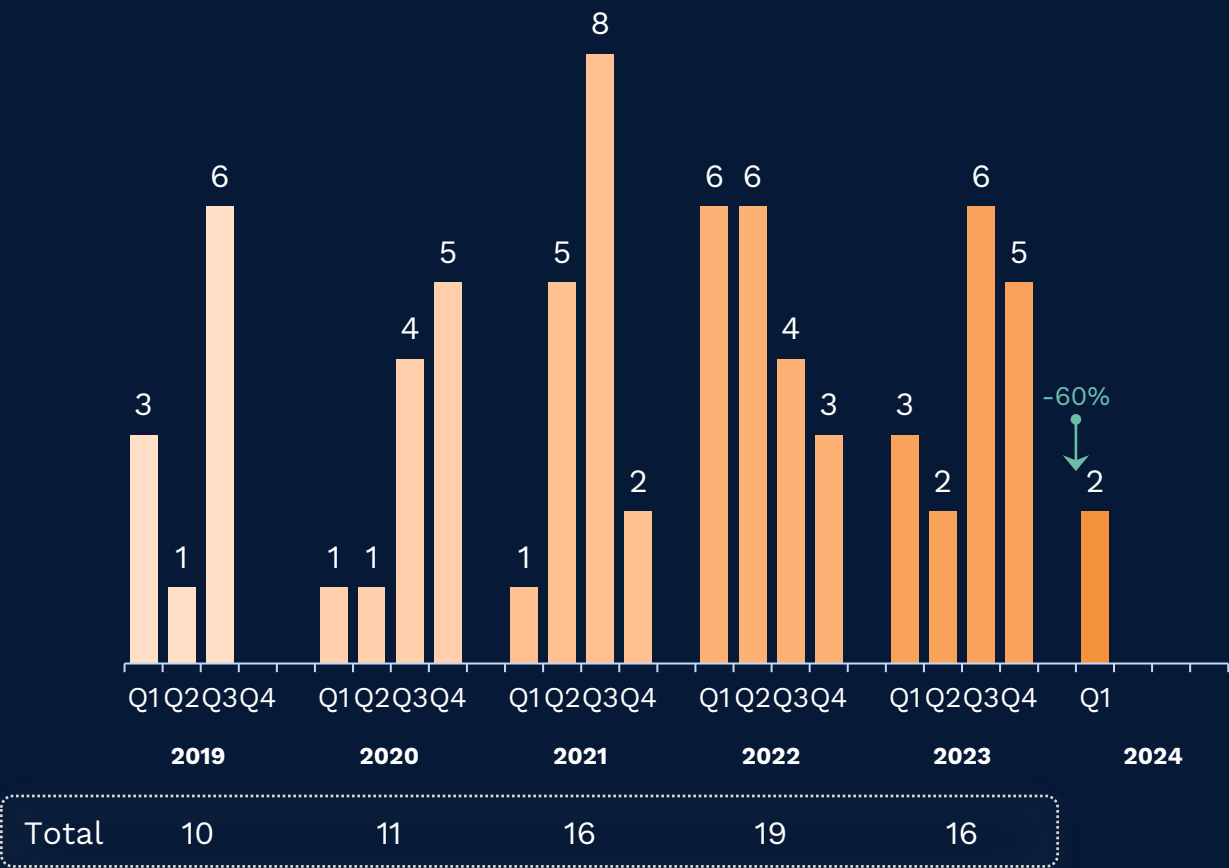
Amount invested (€M)



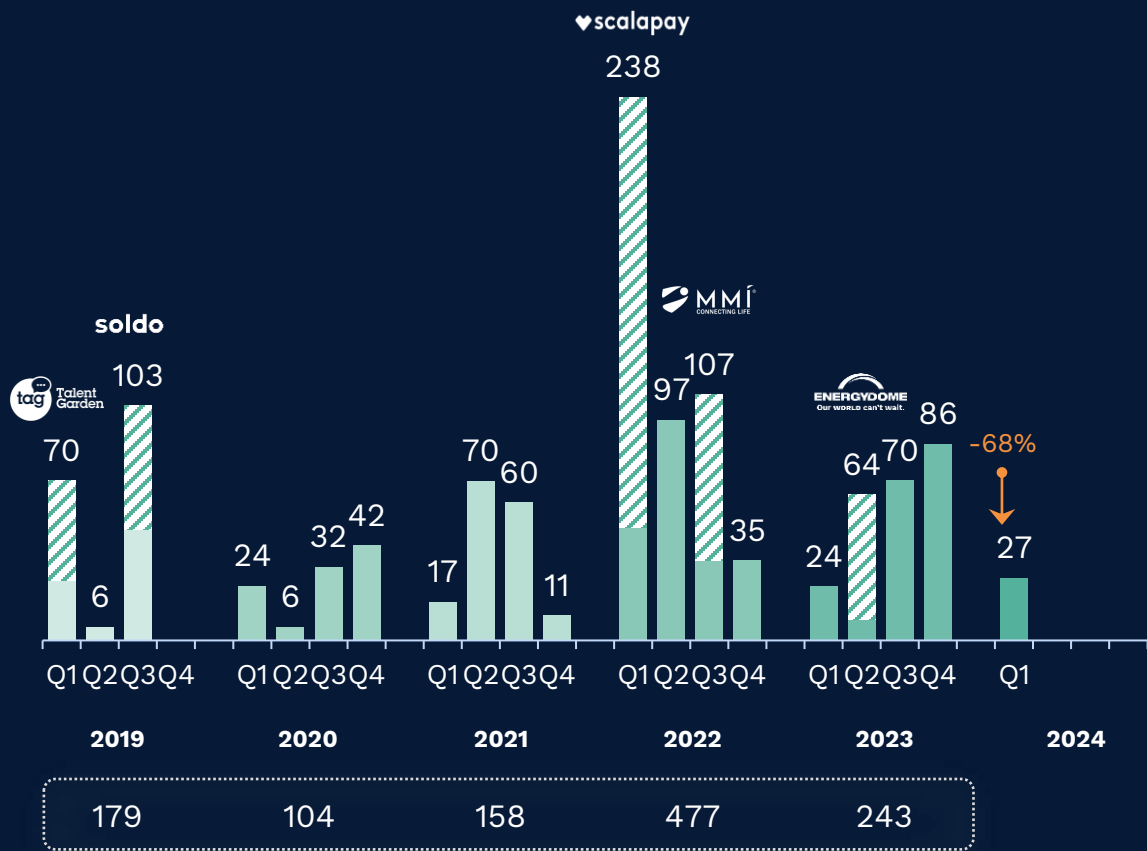
3.6. Focus: Series B

In Q1-24, series B rounds collected €27M in 2 rounds, marking a soft start compared to H2-23

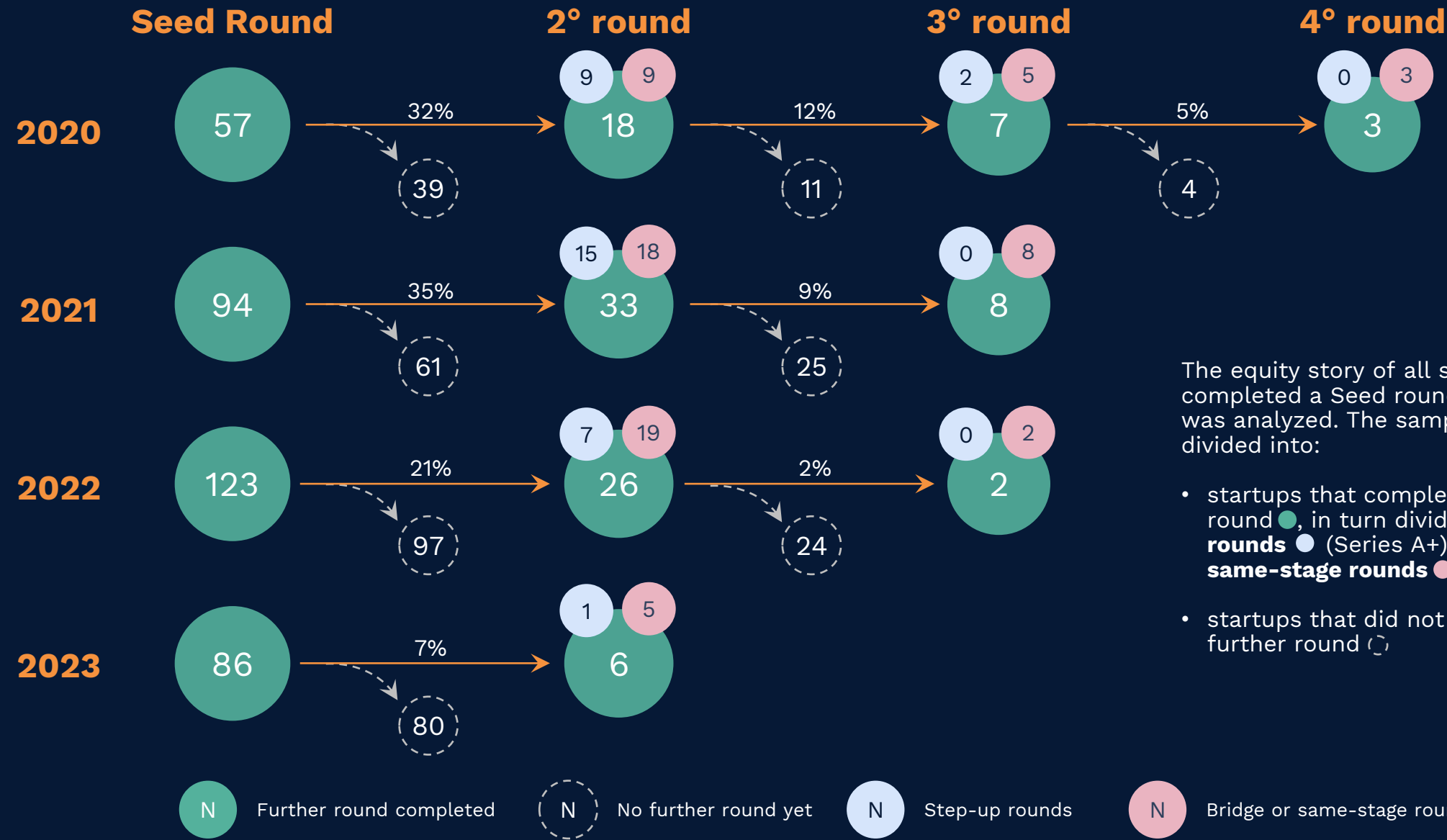
Number of rounds



Amount invested (€M)

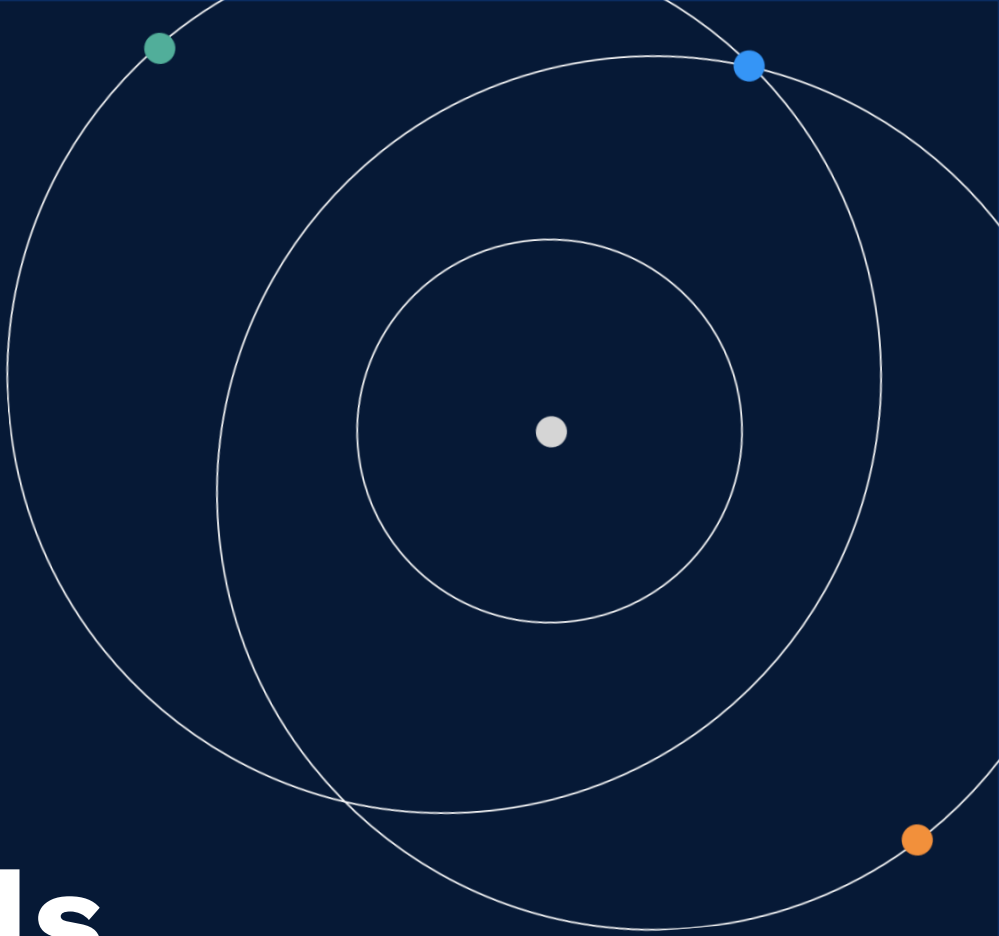


3.7. From Seed towards next rounds: fundraising funnel



The equity story of all startups that completed a Seed round in 2020-2023 was analyzed. The sample was then divided into:

- startups that completed a further round ●, in turn divided into **step-up rounds** ● (Series A+) and **Bridge or same-stage rounds** ●
- startups that did not announce a further round ○

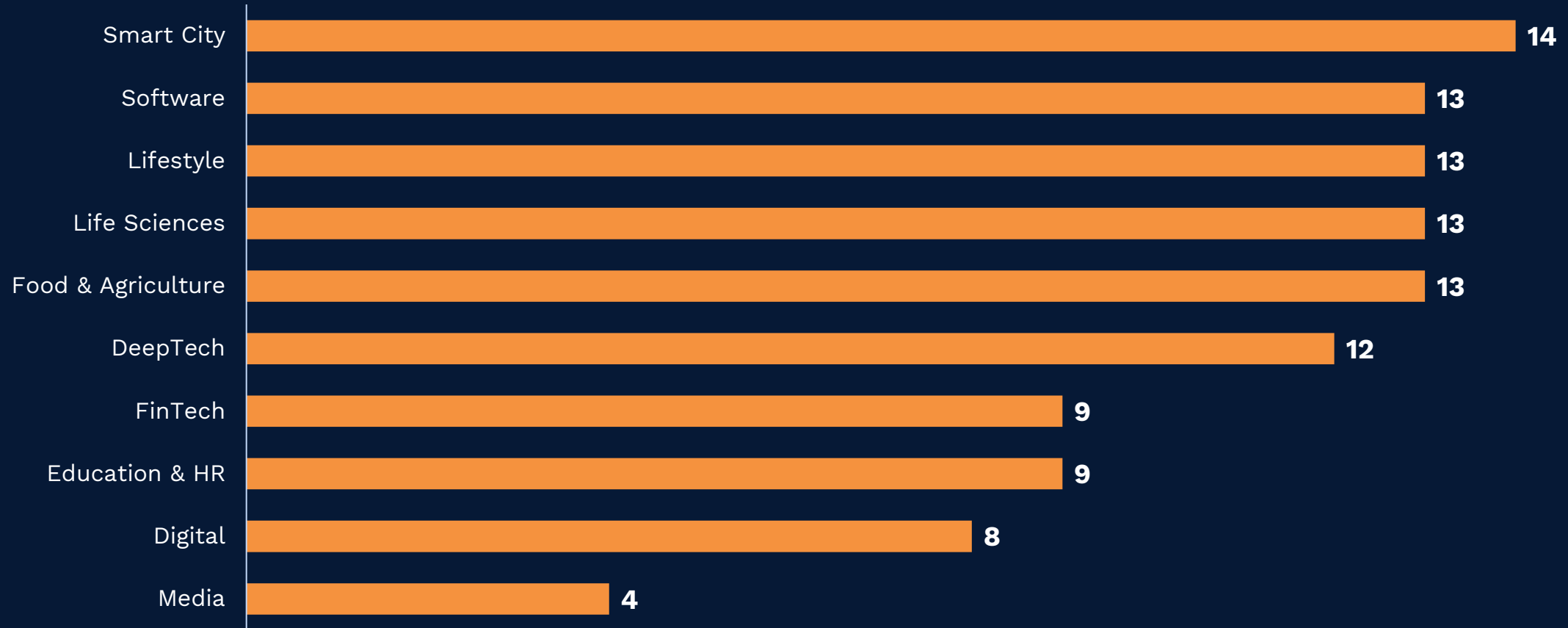


4

Q1-24 in Italy: sectors, verticals, top 5 deals and exits

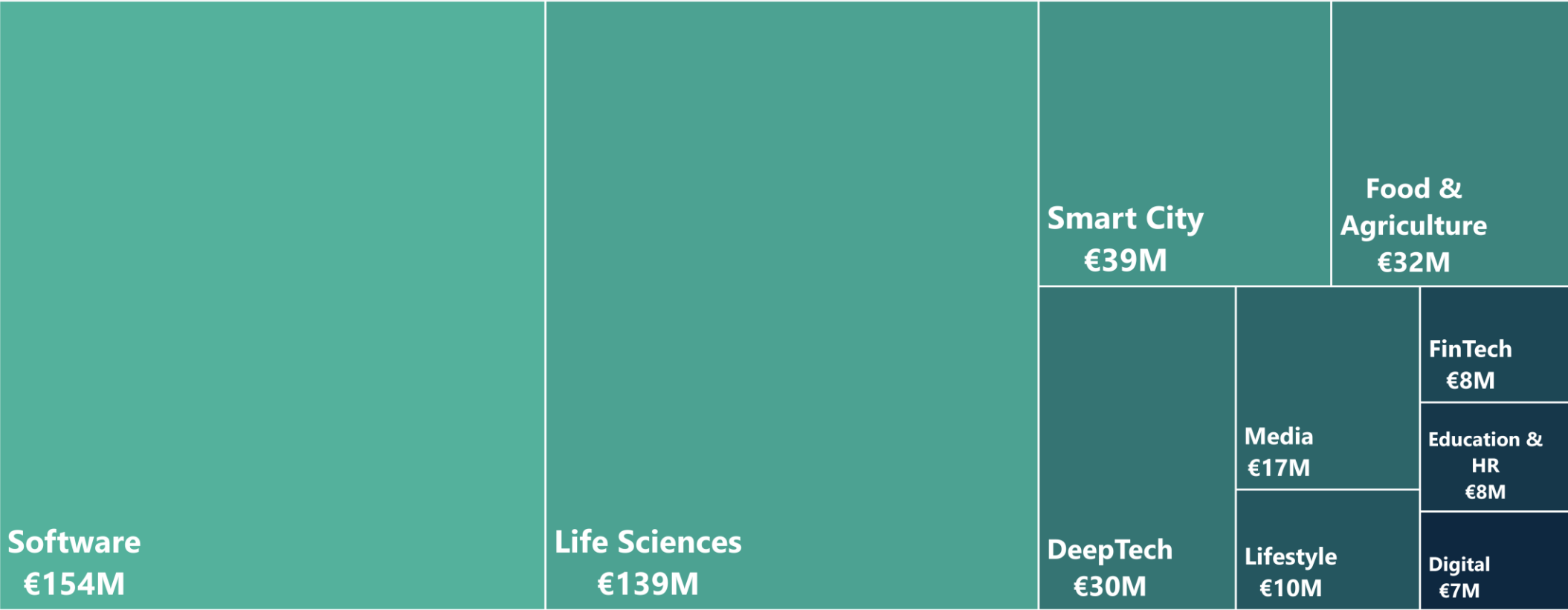
4.1. Analysis by sector Q1-24: number of rounds

Differently from what used to happen in the past, in Q1-24 there has been a quite even round distribution across sectors



4.2. Analysis by sector Q1-24: amount raised

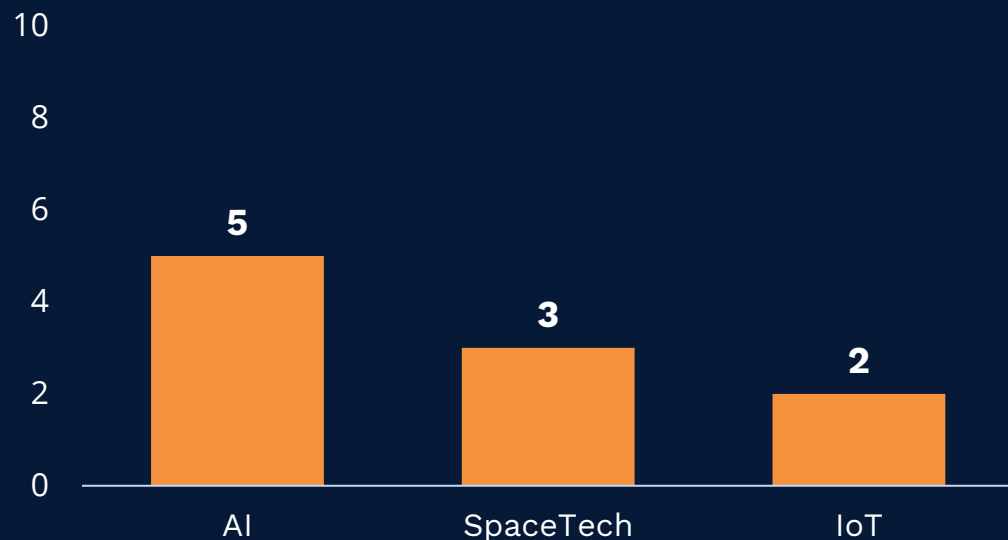
In Q1-24, Software attracted the most investments (€154M), followed by Life Sciences (€139M). Excluding mega rounds, Smart City would be the top sector



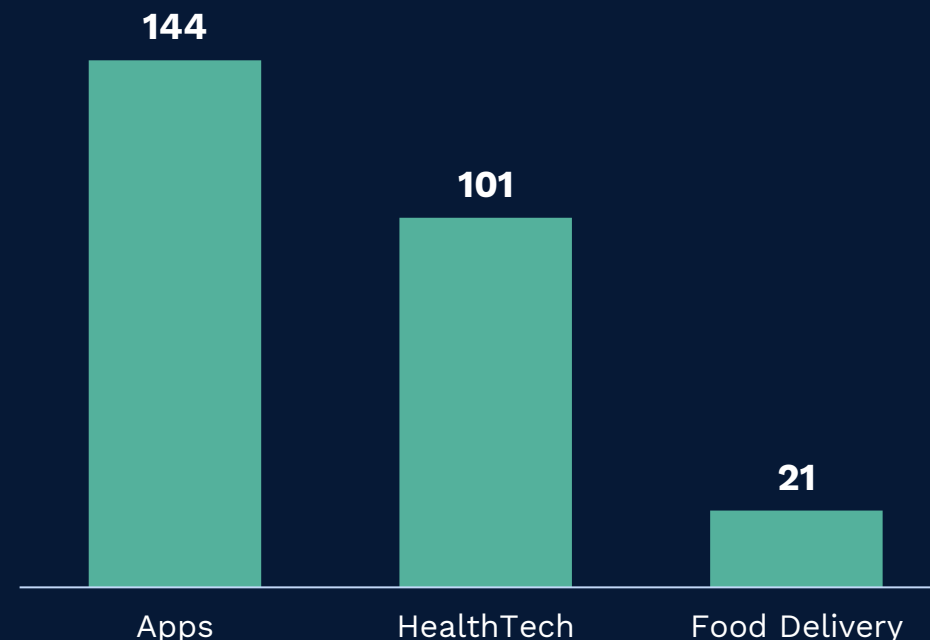
4.3. Top 3 verticals Q1-24

AI attracted the highest number of deals. Apps dominates for capital raised, mainly thanks to the mega round by Bending Spoons

Number of rounds



Amount invested (€M)



4.4. Top 5 deals in Q1-24

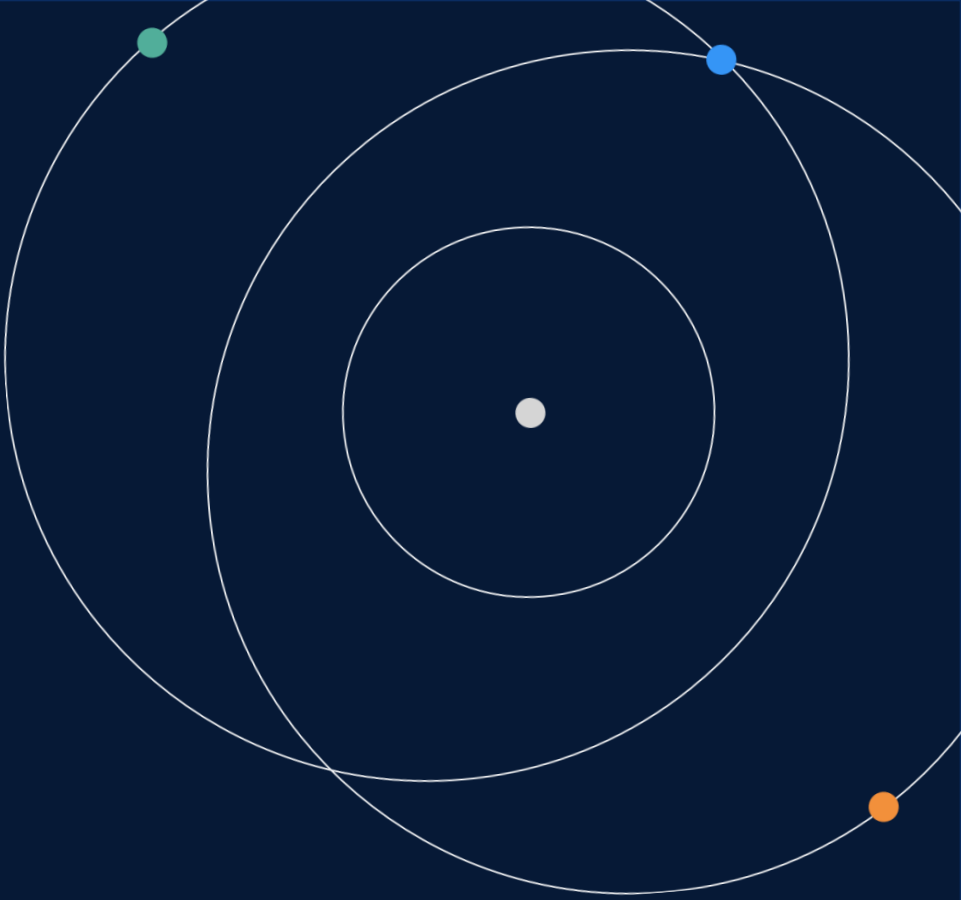
STARTUP	STAGE	SIZE	INVESTORS ⁴
BENDING SPOONS	Growth VC	€144M ¹	Durable Capital Partners LP, Baillie Gifford, COX Enterprises, NB Renaissance, NUO Capital, StarTIP
 MMI CONNECTING LIFE	Series C	€101M ²	Fidelity Management & Research Company, Panakès Partners, Andera, BioStar Ventures, btov, Deerfield, Fountain Healthcare, RA Capital, Sambatech, Wellington Partners
 everli	Bridge	€21M	Palella Holdings
 contents.com	Series B	€16M ³	Alkemia Capital, Thomson Reuters Ventures, Azimut, Invictus Capital Partners, Doorway, Bhoding
CASAVO			

Notes: 1. Conversion in Euros of a round size officially announced in USD (\$155M); 2. Conversion in Euros of a round size officially announced in USD (\$110M); 3. Conversion in Euros of a round size officially announced in USD (\$18M); 4. **Shaded investors** are **non-Italian investors**, based on location of headquarters

4.5. Exits in Q1-24

TARGET	EXIT TYPE	ACQUIROR / IPO MARKET	SECTOR	ENTERPRISE VALUE	PERCENTAGE ¹
Ad Hoc Atelier	M&A	Italian Artisan	Digital	Undisclosed	100%
Awhy	M&A	NetResults	Software	Undisclosed	100%
Awms	M&A	Zucchetti Group	Software	Undisclosed	100%
Become Somm	M&A	Winelivery	Food & Agriculture	Undisclosed	100%
Egomnia	IPO	EuroNext Growth	Education & HR	€2.3M	9%
Everli	M&A	Salvatore Palella Holding	Food & Agriculture	Undisclosed	100%
Genuino.Zero	M&A	Ale Fresh Market	Digital	Undisclosed	100%
GotU	M&A	Jakala	Media	Undisclosed	100%
Hic Mobile	M&A	Xenon Private Equity	Media	Undisclosed	100%
KettyDo+	M&A	Xenon Private Equity	Media	Undisclosed	100%
Reinova	M&A	HB4	Smart City	Undisclosed	100%
SysDesign	M&A	Scaglia Indeva	DeepTech	Undisclosed	100%

Notes: 1. Transactions involving the sale of a majority of corporate interests or shares (**50%+**) through M&A and listings on public markets were considered exits



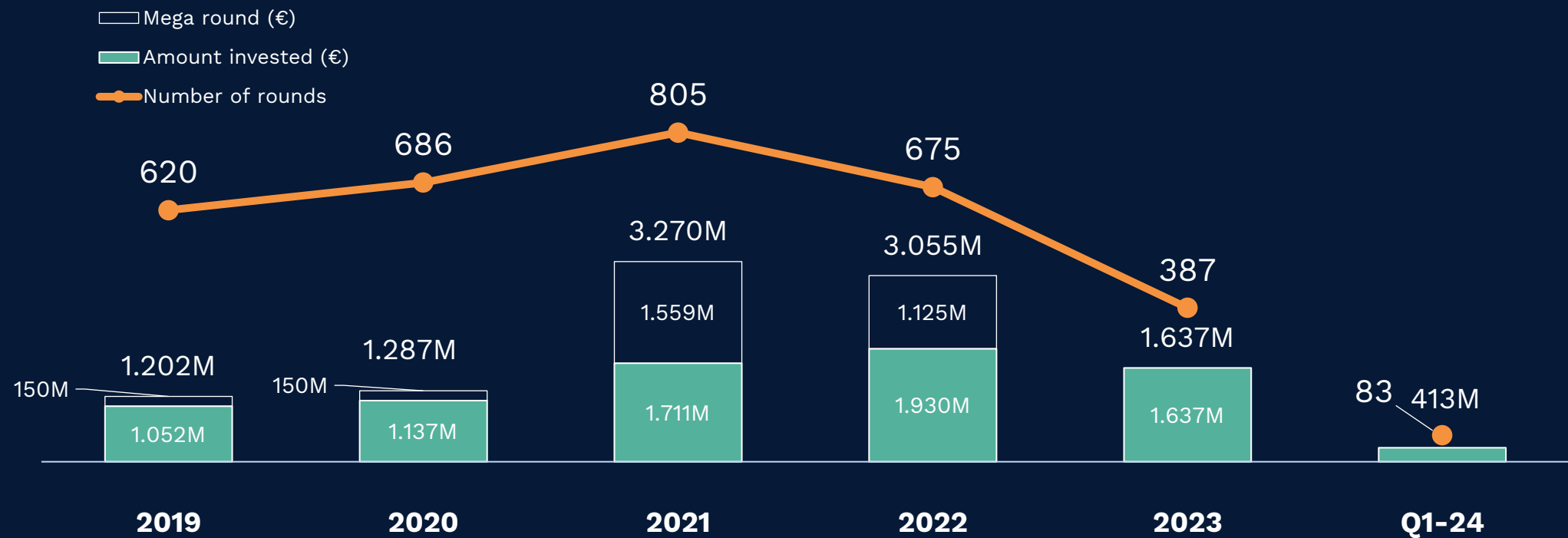
5

Deep dive on Spain

5.1. VC in Spain: yearly analysis



After the 46% decline observed in 2023 vs 2022, Q1-24 is in line with the average quarter of 2023 (€413M raised across 83 funding rounds)

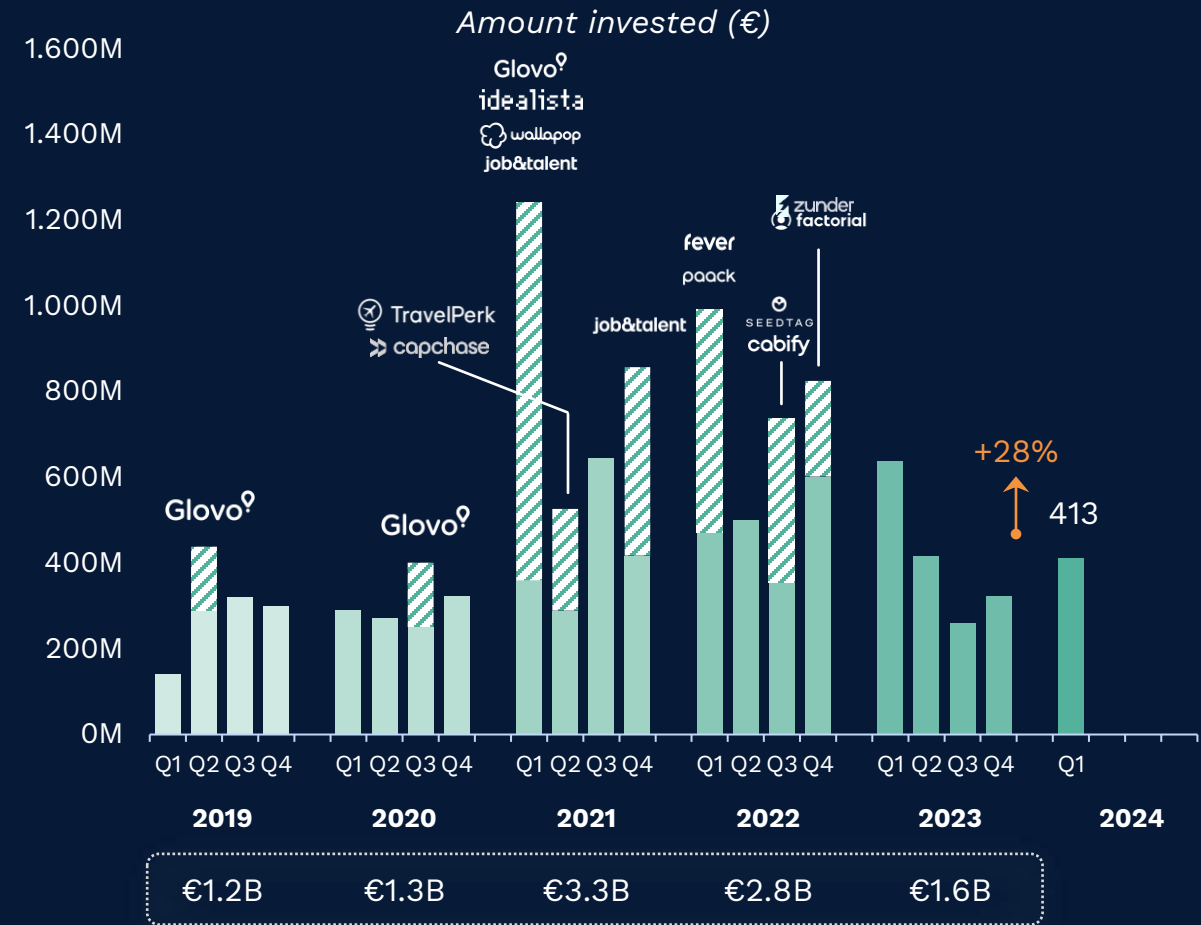
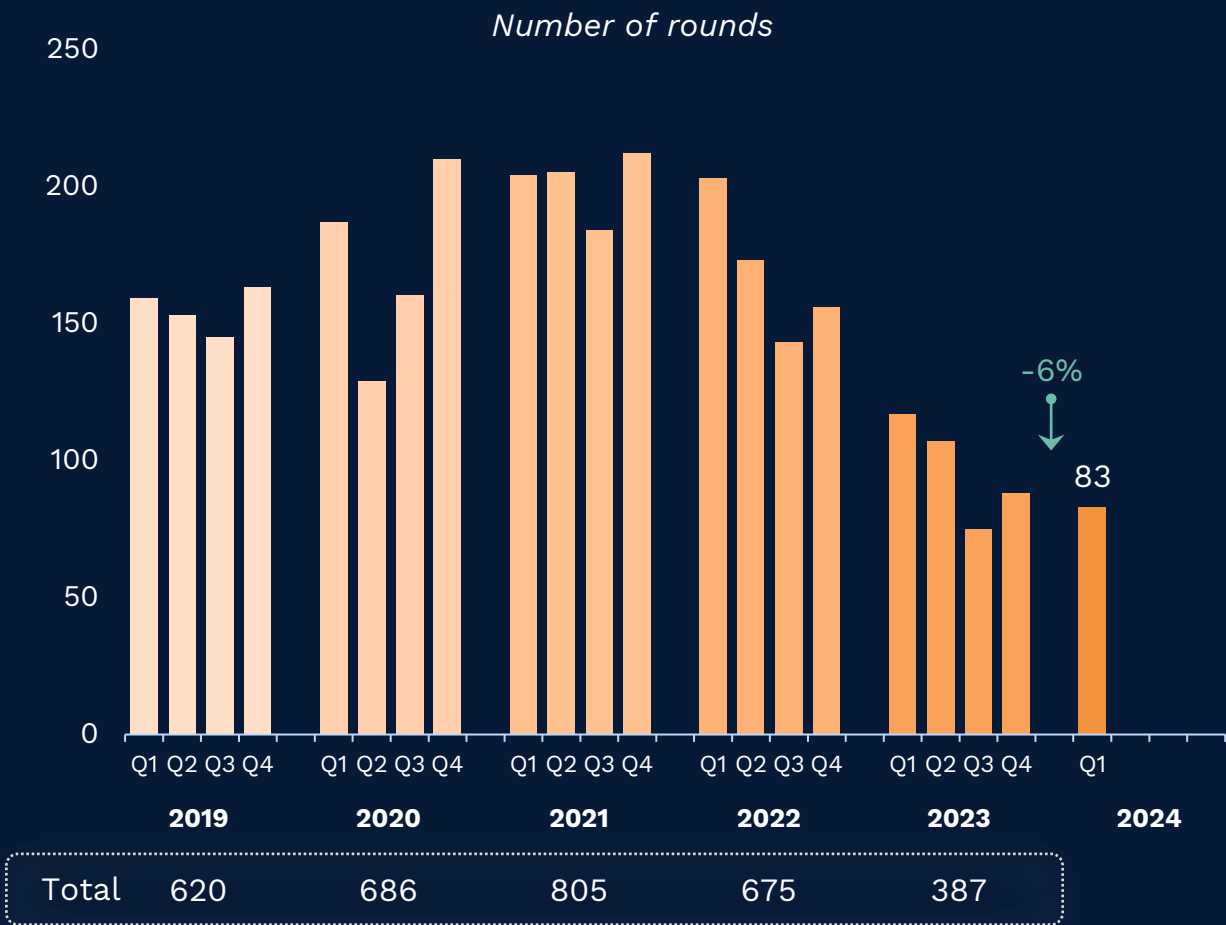


Mean	€1.9M	€1.9M	€4.1M	€4.5M	€4.2M	€5.0M
Median	€0.4M	€0.5M	€0.5M	€0.7M	€1.2M	€1.0M

5.2. VC in Spain: quarterly analysis



The number of rounds in Q1-24 is in line with H2-23. In terms of amount invested, it is the third quarter of growth, albeit in line with the 3-year average (excluding mega rounds)

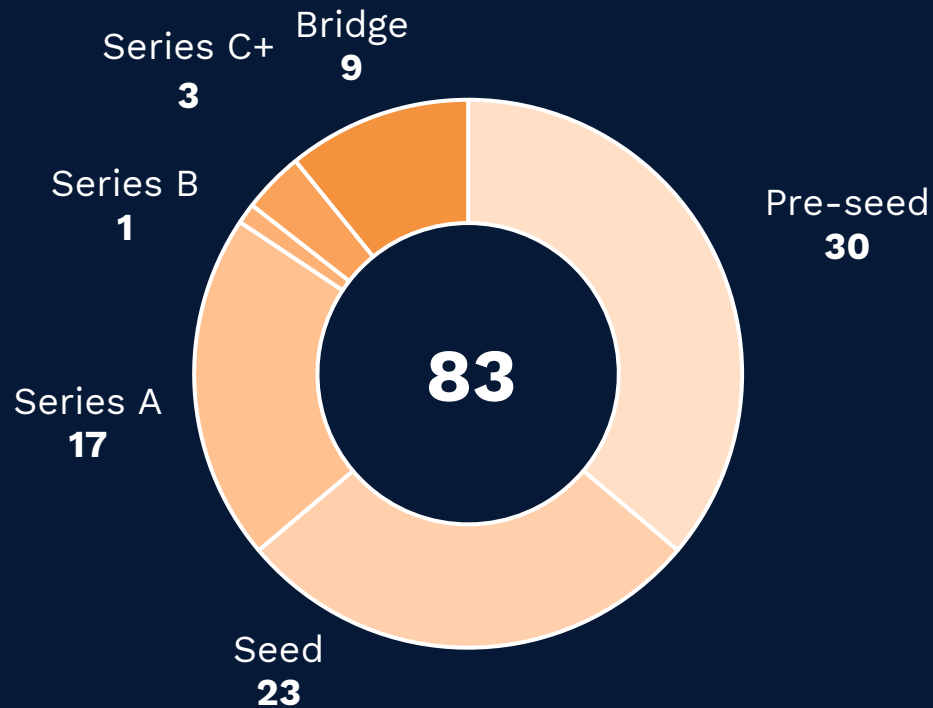


5.3. VC in Spain: analysis by round type Q1-24

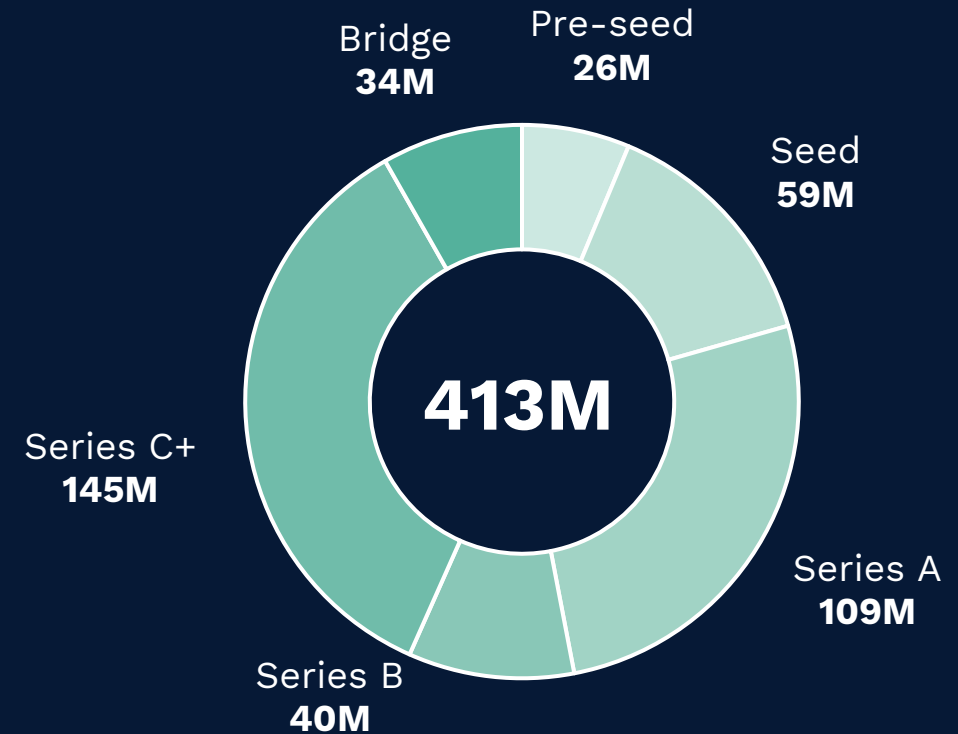


In Q1-24, Pre-seed and Seed accounted for 64% of rounds, while Series B+ represented 45% of the amount invested

Number of rounds – Q1-24



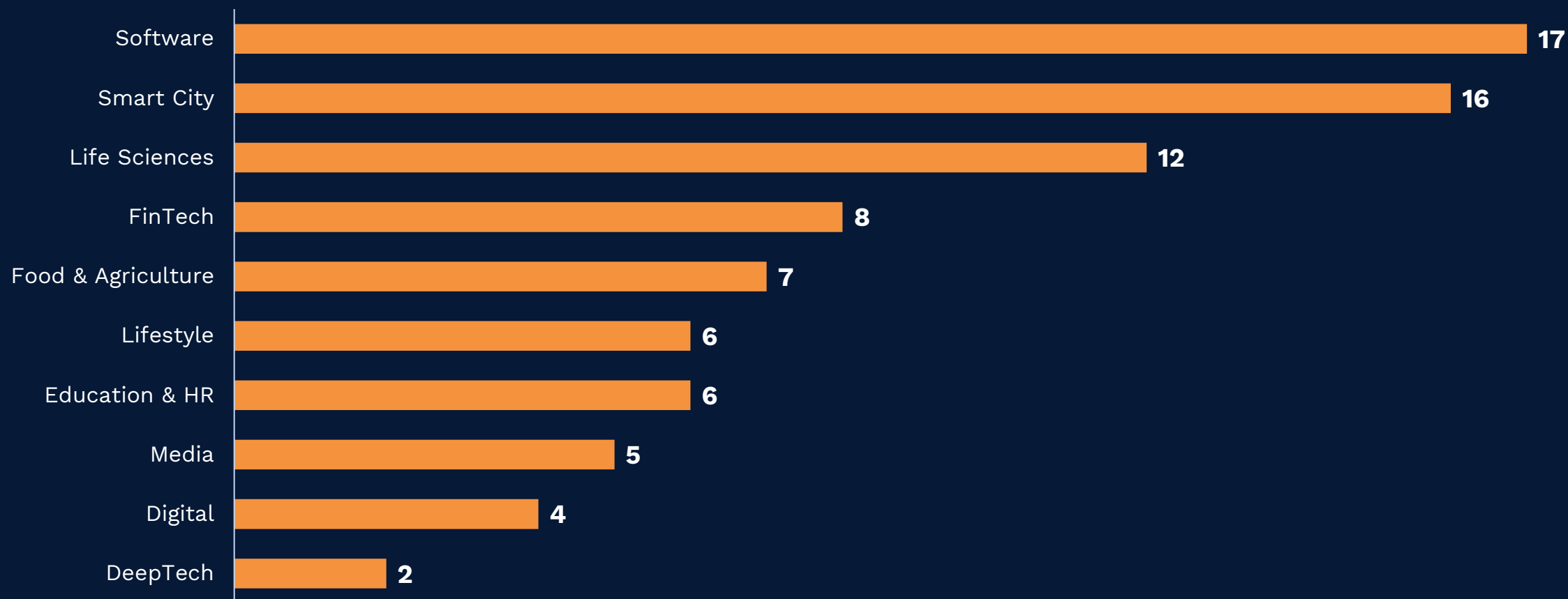
Amount invested (€) – Q1-24



5.4. VC in Spain: analysis by sector Q1-24, number of rounds



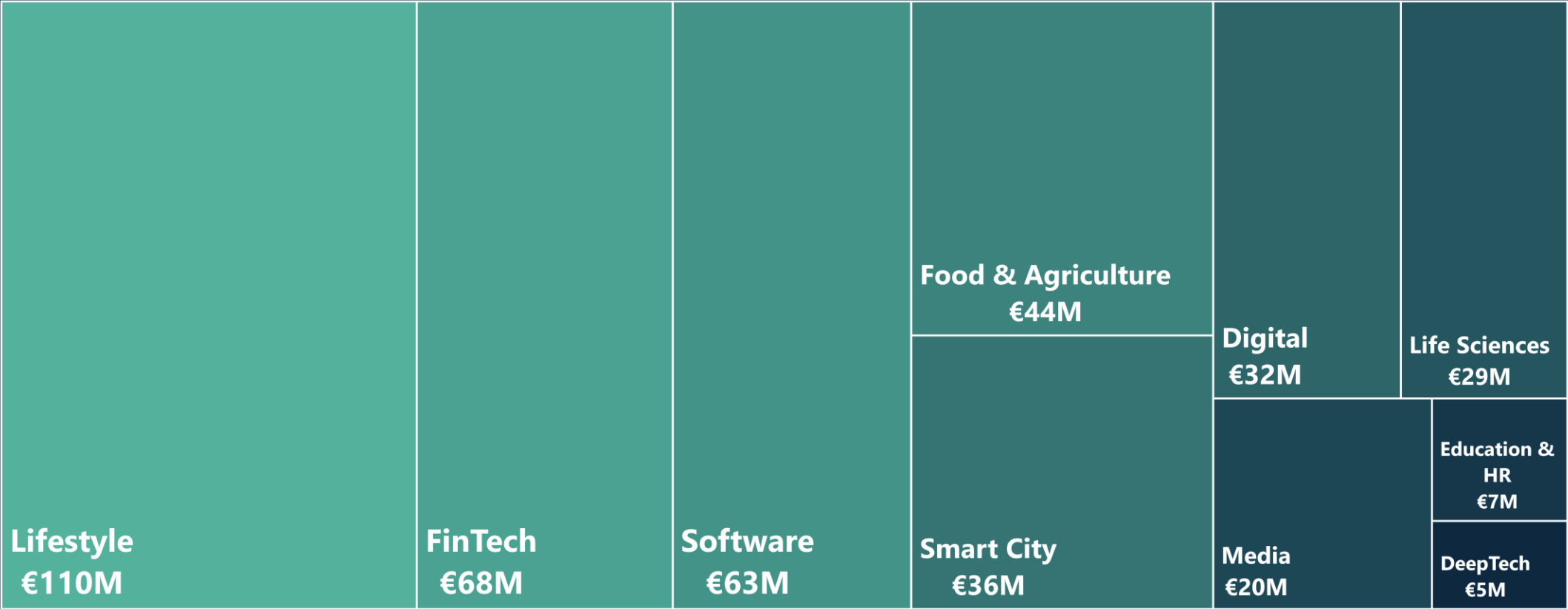
Software secured the highest number of rounds in Q1-24 (17), followed by Smart City (16), and Life Sciences (12)



5.5. VC in Spain: analysis by sector Q1-24, amount raised



In Q1-24, Lifestyle attracted the most investments (€110M), followed by Fintech (€68M)



5.6. VC in Spain: top 5 deals Q1-24



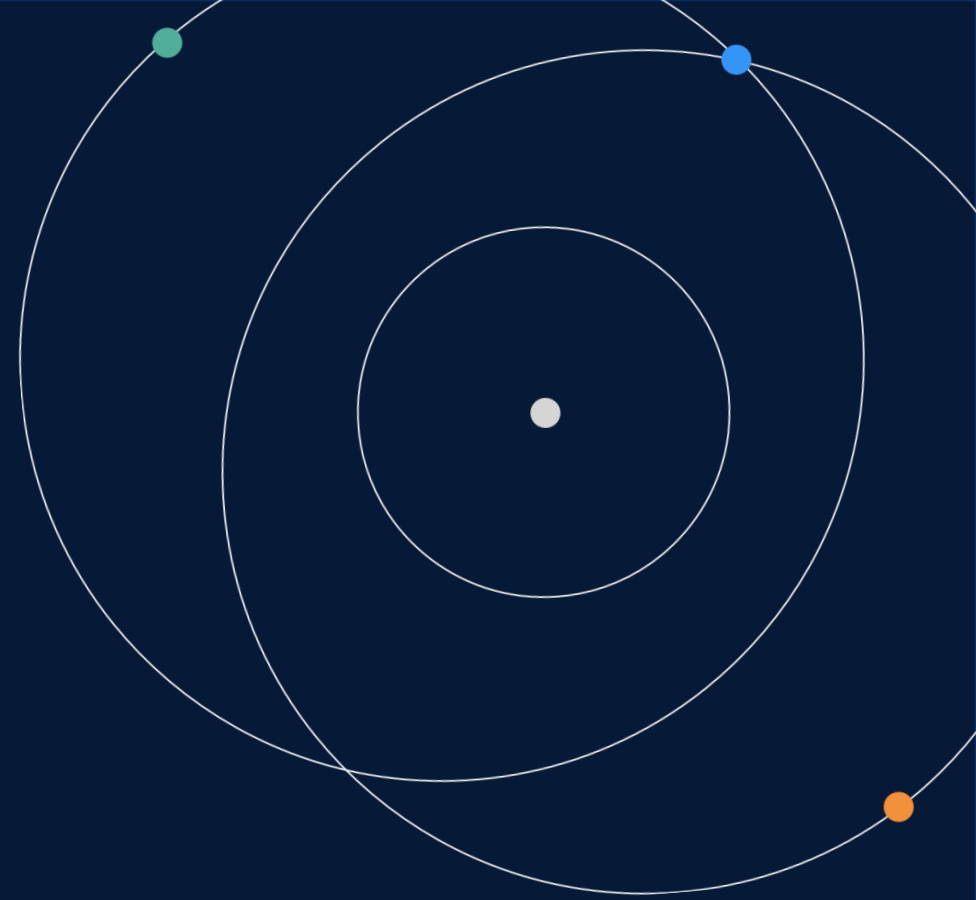
STARTUP	STAGE	SIZE	INVESTORS ²
 TravelPerk	Series D ¹	€95M	Softbank, Kinnevik, Felix Capital
myinvestor	Series C	€45M	Nortia Capital, Andbank, Arama Futuro, Casticapital, Aligrupo
heura [®]	Series B	€40M	Upfield, Unovis AM, ECBF VC, Newtree Impact
MULTIVERSE COMPUTING	Series A	€25M	Columbus Venture Partners, European Innovation Council, Indi Partners, QAI Ventures, Quantonation
 wallapop	Bridge	€20M	Instituto de Crédito Oficial (ICO)

Notes: 1. Extension of the Series D round raised in April 2021 and January 2022

2. Shaded investors are non-Spanish investors, based on location of headquarters



Final Considerations



Italy: Q1-24 and outlook

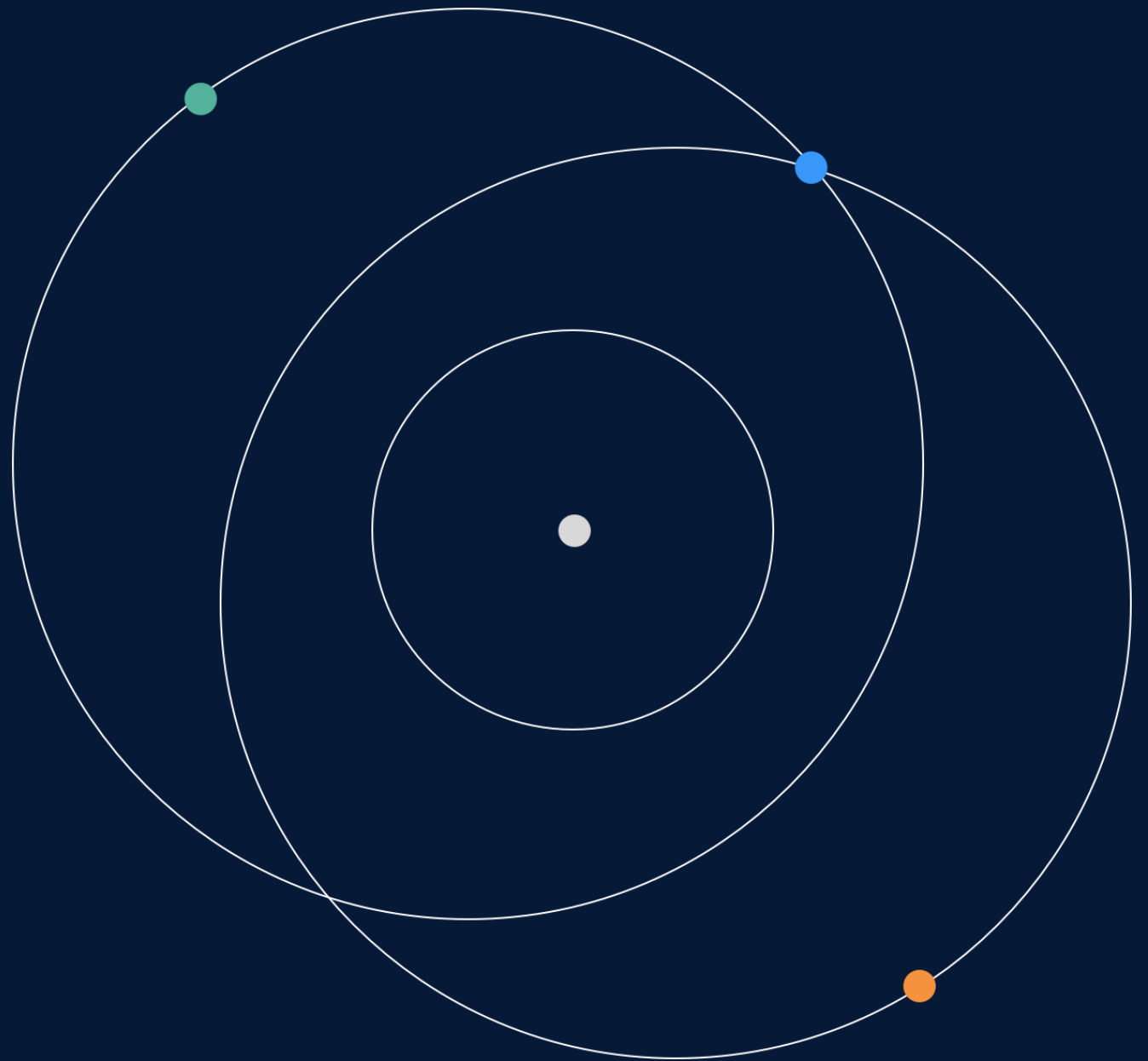
Q1-24

- Best quarter ever in terms of number of rounds, with a very high number of Pre-seed rounds
- Best quarter since Q3-22 in terms of amount invested, especially thanks to 2 mega rounds that accounted for 59% of the quarter's performance
- A cautious approach among startups and investors from Series A onwards has reduced the number of Series A and Series B and made Bridge rounds more frequent

2024 outlook

- Five quarters of continuous growth in the amount invested and a solid number of rounds pave the way for a positive 2024
- In Q1-24, large fundraisings are back, yet their frequency remains uncertain throughout the year, which could have notable impacts on year-end results
- Following the finalization for their Industrial Plan, CDP Venture Capital will likely confirm itself as cornerstone of the Italian VC ecosystem: they plan to invest €2B in direct investments and €3B in Funds of Funds over the period 2024-2028, with a structurally sector-focused and active approach and with the ultimate goal to foster private investments
- AI-powered technologies businesses will catalyze investors' attention: CDP alone plans to invest €1B over the next 5 years, in line with a trend common to all major ecosystems

Appendix



Assignment of verticals to sectors (1/2)

Deep Tech	3D Printing Building Material Hardware Manufacturing Robotics and Drones Wearables & Quantified Tech	3D Technology Construction Industrial Automation Nanotechnology Sales Automation	Advanced Manufacturing Drones Industrial Manufacturing Personal Development Sensor	Augmented Reality Engineering Industrials Pet Technology Space Technology	B2B Field Support Information Technology Professional Services Virtual Reality	Biometrics Google Glass Internet of Things RFID Wearables
Digital	Digital Car Wash Mobile Ticketing	E-Commerce Nautical	Handmade Online Portals	Home Decor Price Comparison	Home Services Procurement	Marketplace Second Hand
Education & HR	Career Planning E-Learning Recruiting	Communities Green Consumer Goods Video	Consulting HR Tech	Corporate Training Human Resources	Dental Education Incubators	EdTech Knowledge Management
FinTech	Accelerator Cryptocurrency Health Insurance Payments Venture Builder	Auto Insurance Cryptocurrency/Blockchain Insurance Privacy	Banking Digital Signage Insurtech Real Estate Investment	Blockchain Finance Investment Service Industry	Commercial Insurance Financial Services Legal Tech Startup Studio	Credit FinTech Mobile Payments Trading
Food & Agriculture	Agriculture Food Delivery Packaging Services	Agtech Food Processing Precision Farming	E-Grocery FoodTech Restaurant Technology	Farming Home and Garden Restaurants	Food Loyalty Programs Vertical Farming	Food and Beverage Nutrition Wine And Spirits
Life Sciences	Biotechnology Healthcare Therapeutics	Cannabis HealthTech	Digital Health Life Sciences	Drug Discovery Medical Device	Electronic Health Record(EHR) Oncology	Health Diagnostics Pharmaceutical

Assignment of verticals to sectors (2/2)

Lifestyle	Art Fashion Phototech Subscription	Beauty FemTech Product Design Tourism	Business Travel Fitness Retail Travel	Circular Economy Leisure Retail Technology Travel Accommodations	Clothing Lifestyle Shoes	Cosmetics LOHAS & Wellness Social Impact
Media	Ad Network Broadcasting Digital Marketing Gaming Podcast Sustainability	AdTech Communications Infrastructure Digital Media Marketing Publishing TMT	Advertising Content eSports Marketing Tech Shopping Video Advertising	Advertising Platforms Content Delivery Network Event Management Media Social Media	Audio Content Marketing Events Media and Entertainment Social Network	AudioTech Customer Service Family Music Sports
Software	Analytics Cloud Computing CRM Electronics Internet PaaS Sport Management	Apps Performance Management Cloud Data Services Cybersecurity Enterprise Resource Planning IT Management Predictive Analytics Telecommunications	Apps Cloud Infrastructure Developer APIs Enterprise Software Machine Learning SaaS UXDesign	AI & Machine Learning CloudTech & DevOps Developer Tools Human Computer Interaction Management Software Security Web Hosting	Big Data Computer Digital Entertainment IaaS Mobile Apps Self-Storage	Business Intelligence Consumer Software DRM Information Services Natural Language Processing Software
Smart City	Automotive Delivery Environmental Consulting Materials Raw Materials Storage	Autonomous Vehicles Electric Vehicle Fleet Management Micro-Mobility Real Estate Technology Supply Chain Tech	Clean Tech Energy Green Energy Mobility Tech Renewable Energy Transportation	Climate Tech Energy Efficiency Hospitality Oil & Gas Ridesharing	Co-working Platform Energy Management House Rental PropTech Sharing Economy	Cycling Energy Storage Logistics Public Safety Smart Cities

We thank the investors that constantly help us in building the most accurate Venture Capital Report in Italy



Notes: 1. As of April 1, 2024, Lventure Group and Digital Magics merged and are operating as a single entity, named Zest.

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Growth Capital is the 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 focus on cross-border M&A and fundraising transactions, including Series A, B and C. Growth Capital assists scaleups throughout the fundraising and M&A process enabling the best entrepreneurs to nurture their growth without diverting their attention from running their companies. Growth Capital also supports corporates and investors in identifying the most promising deals in the market



Italian Tech Alliance - formerly VC Hub Italia - is the Italian association of venture capital, innovation investors (business angels, family offices and corporates) and Italian innovative startups and SMEs. It was founded in 2019 by the managers of the leading venture capital funds active in Italy and today has over 60 investor members, more than 140 of Italy's leading startups and innovative companies, and 26 supporting members. Italian Tech Alliance investors manage assets of about 1.3 billion euros and have invested in more than 250 Italian startups with high growth potential and strong technology content

Actual and forecast data presented in the Report are extracted from public databases and sources. Growth Capital S.r.l. will in any case not be responsible for any errors, omissions and/or inaccuracies with regard to financial data and analysis

Venture Capital Report

Italy – Q1-24

