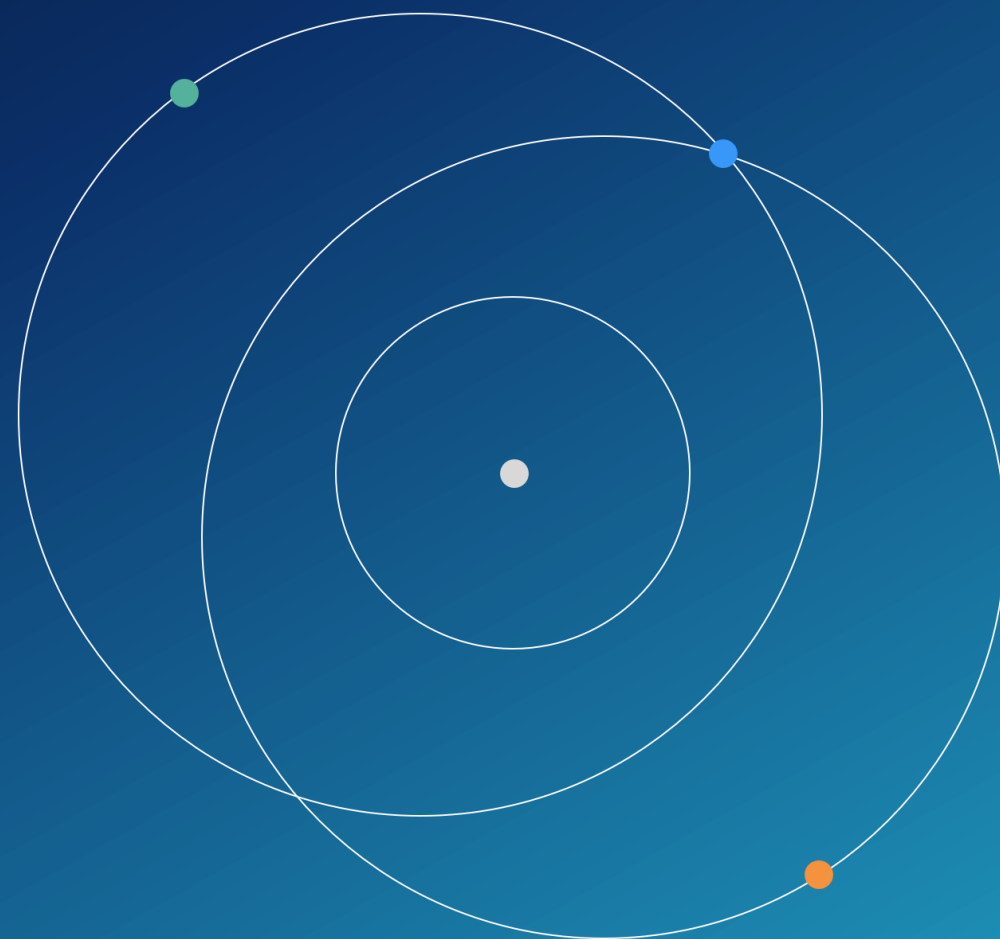




# Venture Capital Report Italy Q2-23



 Growth Capital

 [growthcapital.it](https://growthcapital.it)

 Italian Tech Alliance

 [italiantechalliance.com](https://italiantechalliance.com)

# About Growth Capital



**Growth Capital** is the leading tech investment bank in the **Venture Capital** industry with a 90% success rate. Our unique know-how enables entrepreneurs and investors to significantly reduce the time spent on closing extraordinary finance deals and increase their success rate

## SCALE-UPS

We assist top high-potential tech companies in **all the most complex steps** of fundraising and M&A

## CORPORATES

We support successful companies in the innovation process through the implementation of **investment strategies** based on key **industry trends**

## INVESTORS

We support **Venture Capital, Family Offices**, investment **holding companies** and other tech investors in their investments

# 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. Use of [PitchBook](#) data for rounds from 2018 to 2023 classified as Early Stage VC and Late Stage VC, with «vertical» (as defined in **point 13**) assigned by PitchBook and «sector» (as defined in **point 14**) assigned by Growth Capital (GC)
3. Use of [Crunchbase](#) data for rounds from 2018 to 2023 classified as Pre-seed, Seed, Series A, B, C, D, and Unknown, with vertical and sector assigned by GC
4. Creation of a unique database of PitchBook and Crunchbase data, with last consultation on **07/03/2023**. In case of discrepancies between data reported in the databases, the information was selected in the following order: PitchBook, Crunchbase
5. Comparison between the data elaborated according to the procedure at **point 4** and the rounds' press releases, when available. In case of discrepancies, information disclosed in press releases was privileged
6. 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. The rounds defined as «**Bridge**» were assigned to the «**Seed**» category to avoid excessive sample fragmentation
7. All rounds with **unreported** or **zero size** and all rounds that **could not be brought back to a stage** based on the start-up's equity story were **excluded** from the analysis
8. The **capital increases** included in the used databases, which are not unambiguously classifiable as VC rounds were **excluded** from the report
9. The VC rounds in the form of debt were excluded 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 11** was followed also for those rounds whose total announced consideration includes **sales of quotas/shares on the secondary market** and for those rounds with funding subject to **milestones**
12. «**Verticals**» means the 272 values uniquely used by PitchBook to define the type of the sectoral/market activity of the start-ups under analysis
13. «**Sectors**» means the 10 sectors defined by GC, which were assigned PitchBook's 272 verticals as in the [Appendix](#)

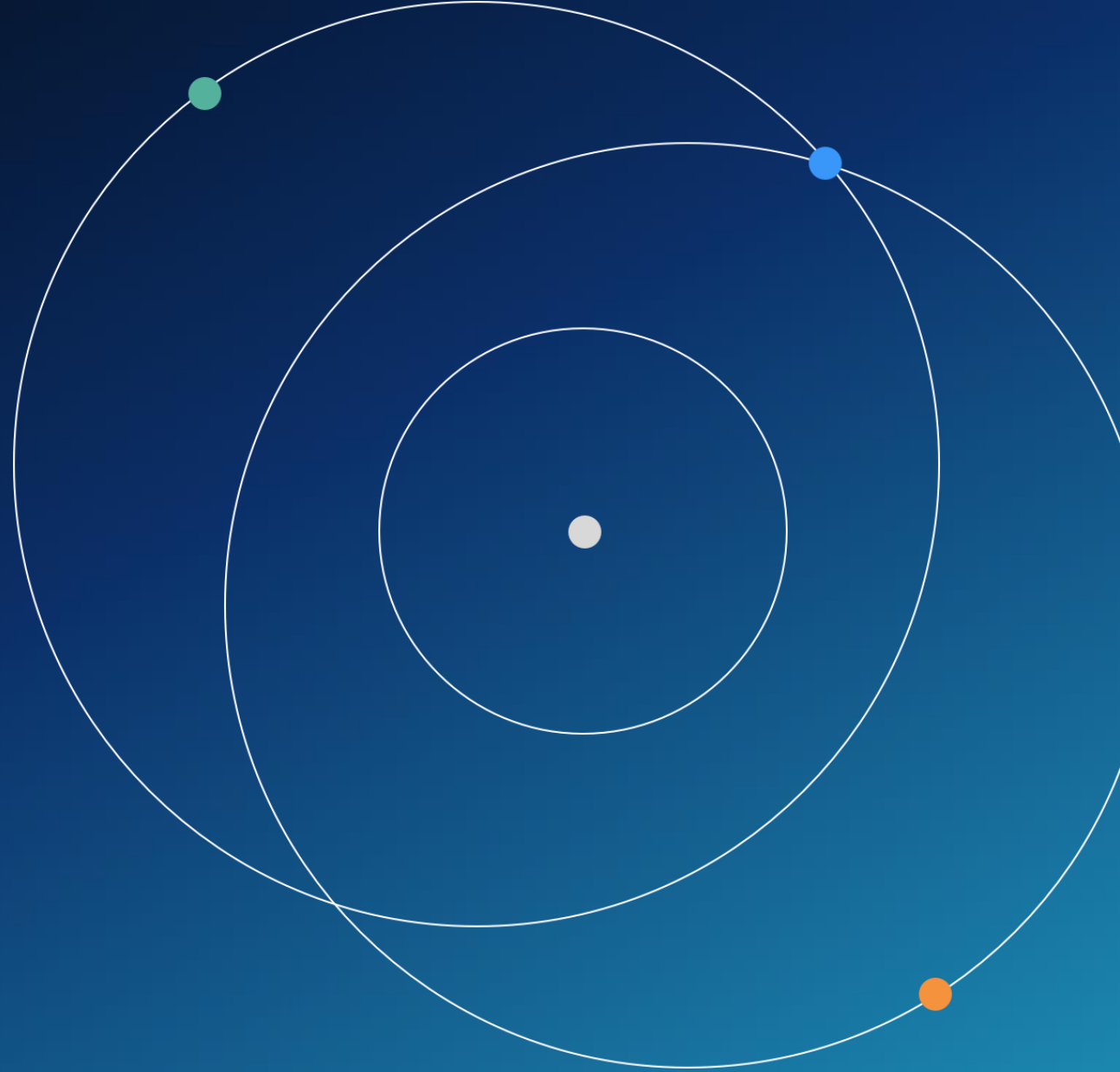
# Summary

## Methodology

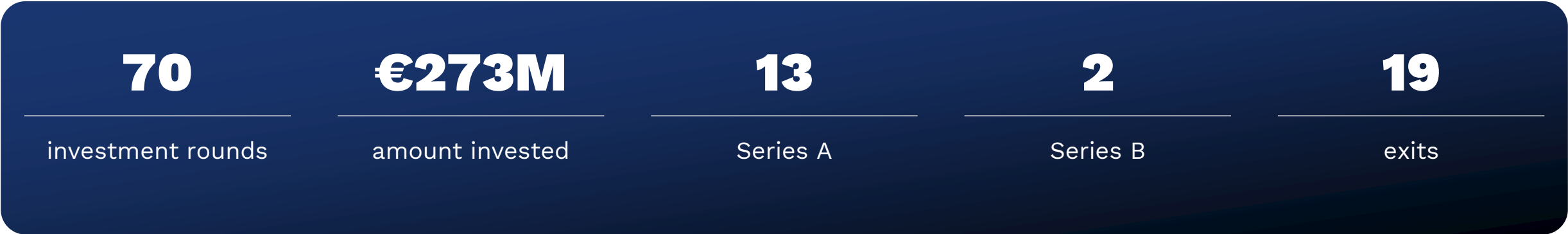
1. Executive Summary
2. VC in Europe and Italy: Q2-23, H1-23, and Historical Evolution
3. Q2-23 and H1-23 in Italy: Analysis by Sector and Top 3 Verticals
4. The Top 5 Deals and the Exits of Q2-23
5. The VC Index
6. Final considerations

## Appendix

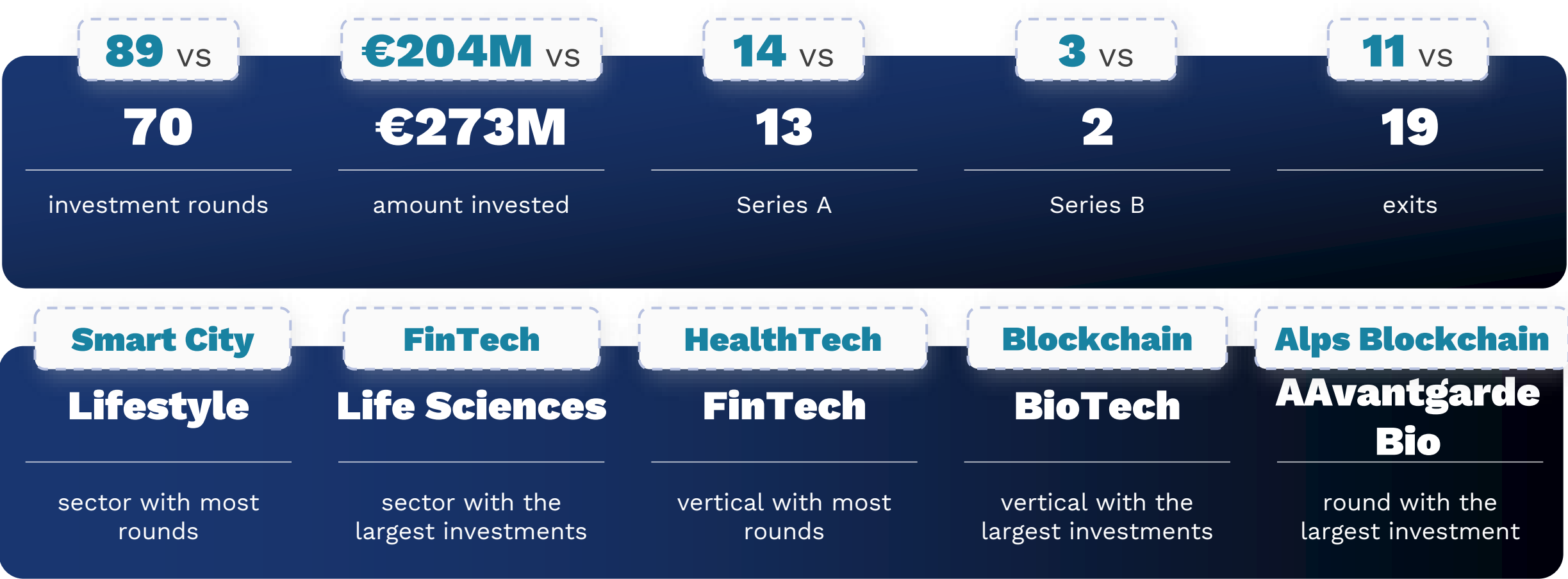
# 1. Executive Summary



# 1.1. Executive Summary Q2-23



# 1.2. Executive Summary Q2-23 vs Q1-23

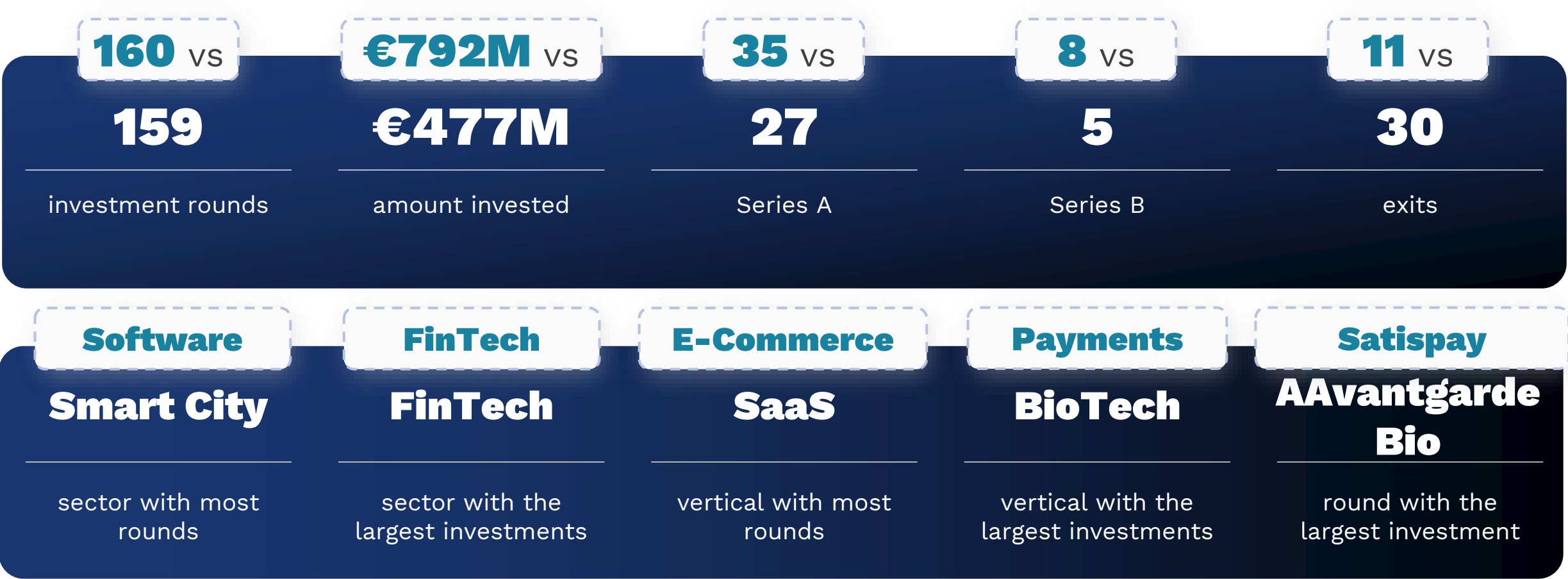


# 1.3. Executive Summary H1-23





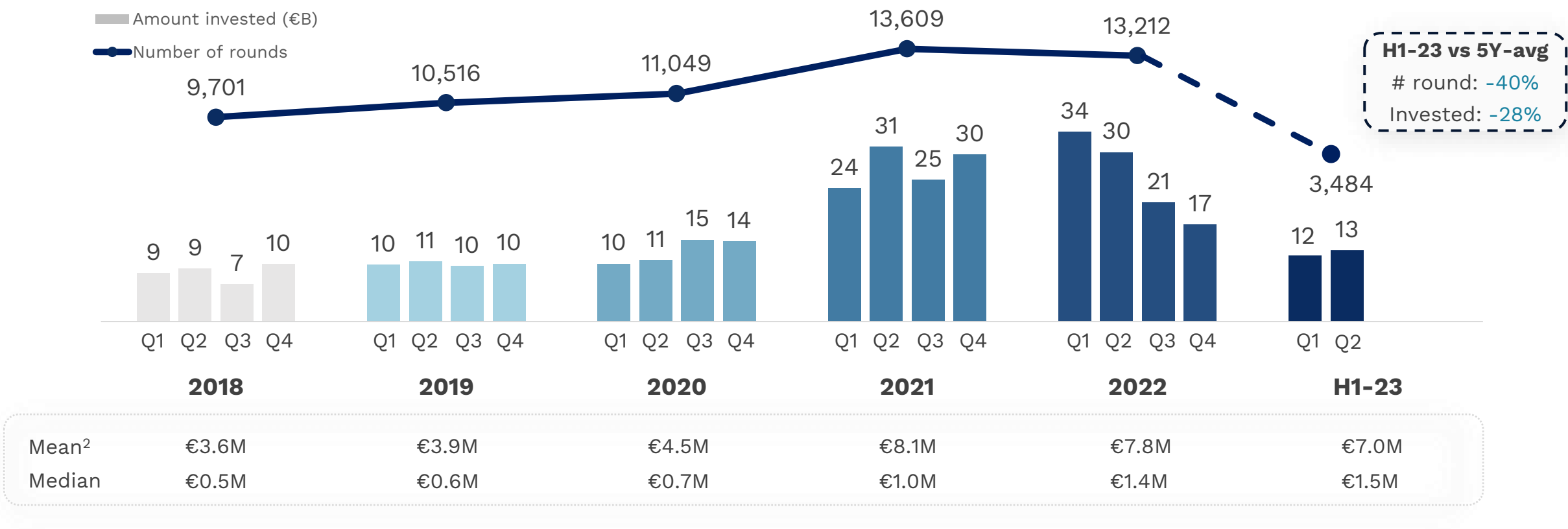
# 1.4. Executive Summary H1-23 vs H2-22



## 2. VC in Europe and Italy: Q2-23, H1-23, and Historical Evolution

# 2.1. Venture Capital in Europe

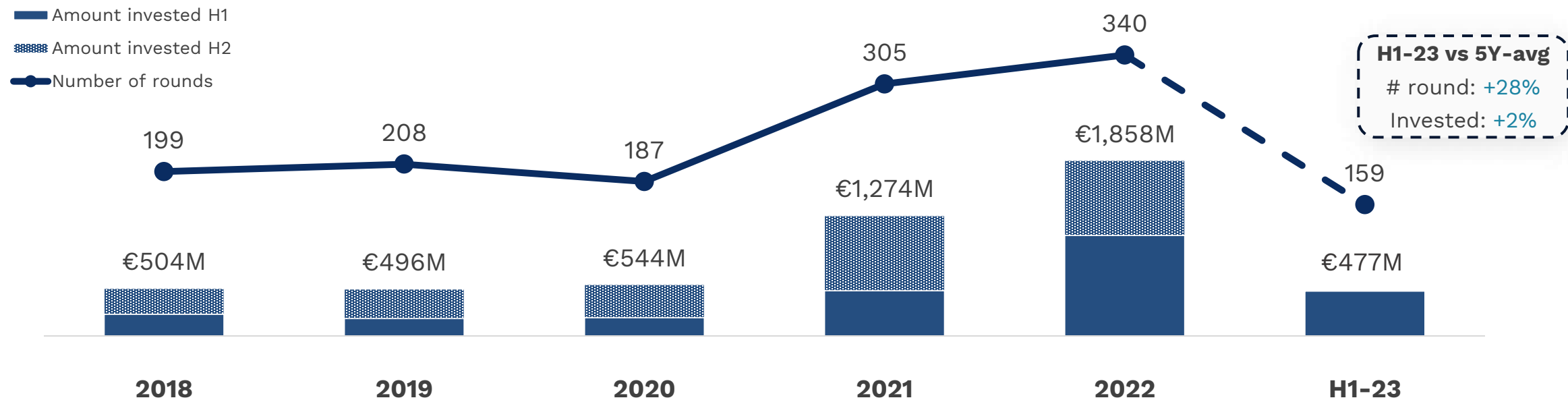
- In **Q2-23**, VC in Europe reported investments for **€12.7B** (+8% vs Q1-23 and -26% vs last 5 years average)
- Instead, the decline in the number of rounds continues (**1,465** rounds, -27% vs Q1-23 and -49% vs last 5 years average)<sup>1,2</sup>



Sources: 1. PitchBook (2023), European Venture Report Q1-23; 2. Growth Capital processing from PitchBook data

# 2.2. Venture Capital in Italy

- In **H1-23**, 159 rounds were recorded, with a raised amount of €477M
- As in Q1-23, **no mega rounds**<sup>1</sup> were recorded, that instead accounted for about 40-50% of the invested amount in the quarters with the highest amount invested over the last 5 years (Q2-22 and Q3-22)

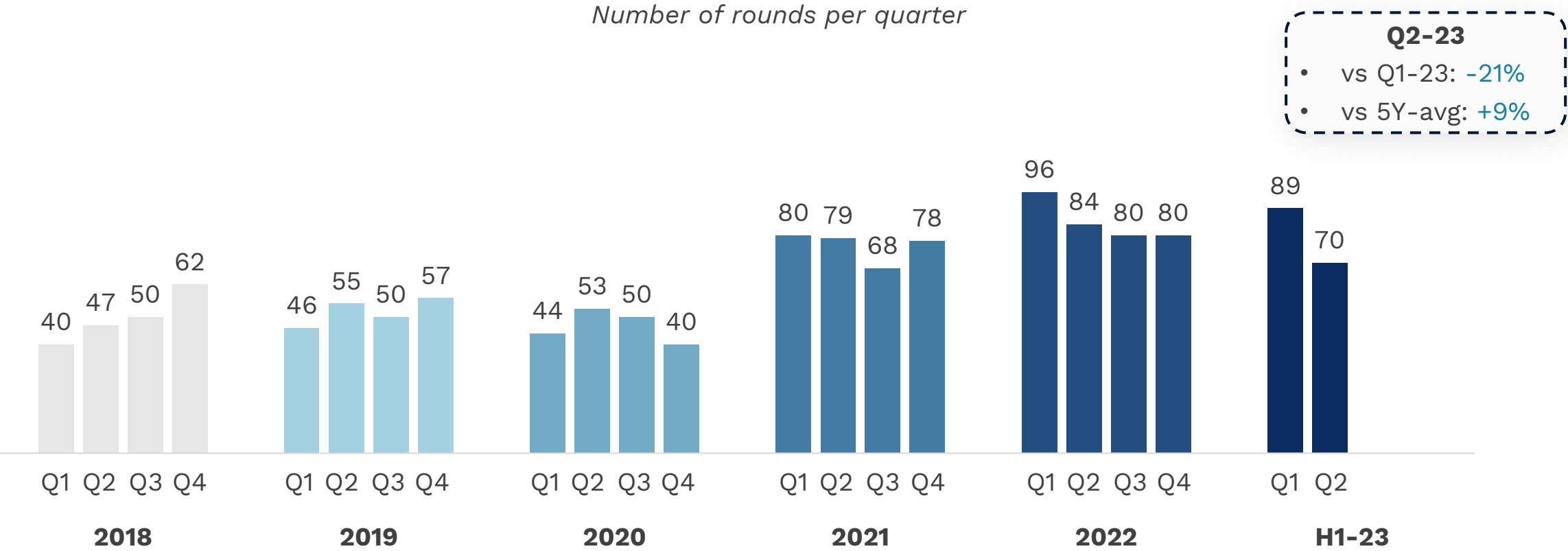


Mean <sup>2</sup>	€2.0M	€2.0M	€2.7M	€2.8M	€3.0M	€2.0M
Median	€0.5M	€0.6M	€0.7M	€1.0M	€1.2M	€0.8M

**Notes:** 1. For the purposes of the report, *mega rounds* are defined as deals whose equity component is €100M or more; 2. Rounds defined as *outliers* were not included in the calculation of average values. *Outliers* are defined as rounds that are very far from the average amount for the quarter

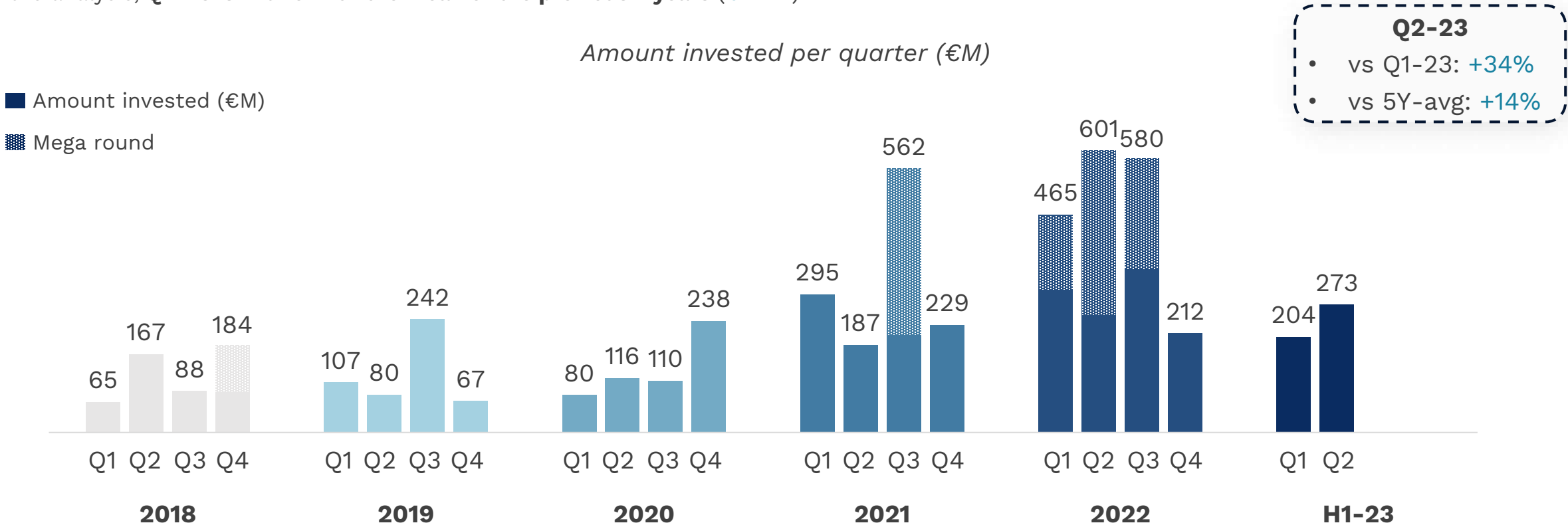
# 2.3. Number of rounds per quarter

- There were 70 rounds in Q2-23, which is in line with the mean of the previous 5 years (+9%)



# 2.4. Amount invested per quarter

- Like Q4-22 and Q1-23, **Q2-23 reported no mega rounds<sup>1</sup>**, with an amount invested in line both with Q1-23 (+34%) and the mean of the previous 5 years (+14%)
- The absence of mega rounds is the main reason for a limited collection for the third consecutive quarter: in fact, **excluding mega rounds** from the analysis, **Q2-23 is in line with the mean of the previous 2 years (€241M)**

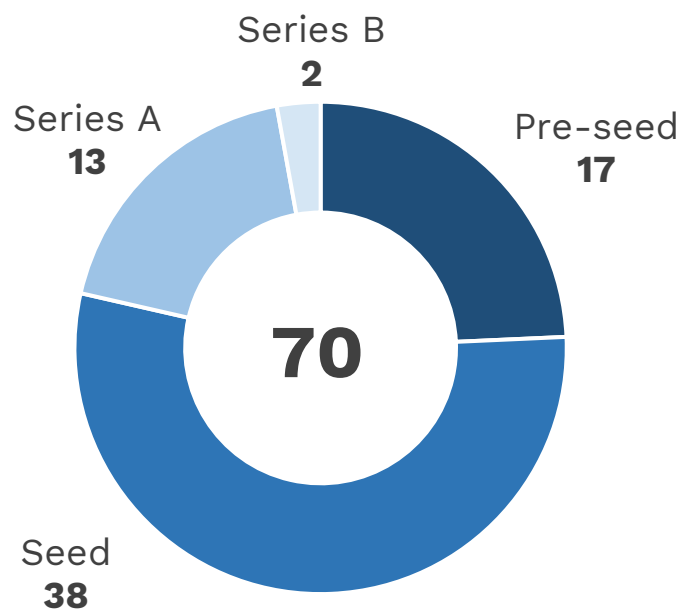


Notes: 1. For the purposes of the report, mega rounds are defined as deals whose equity component is €100M or more

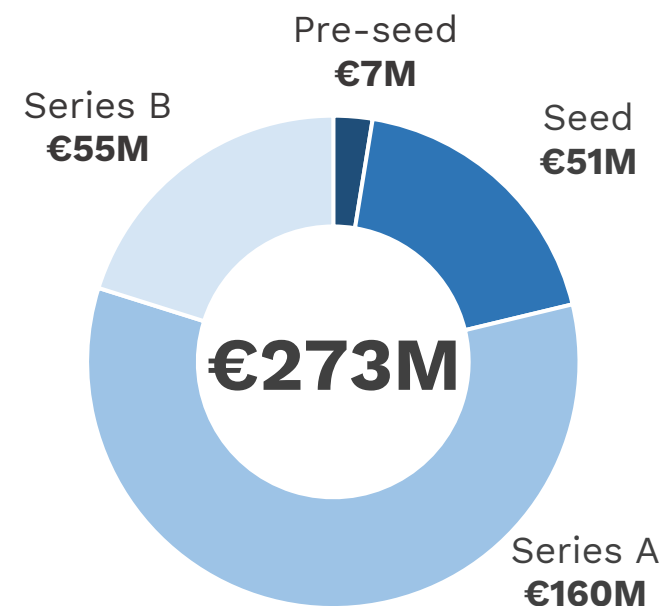
## 2.5. Q2-23 by round stage

- In **Q2-23**, **Pre-seeds** and **Seeds** remained the most frequent stage (together, 55 rounds, accounting for more than 78% of the total)
- In **Q2-23**, **Series A**'s were the most significant stage by amount (54% of the total), although more than one third of the investment depended on a single deal (AAvantgarde Bio)
- Compared to Q1-23, there was an increase in funding at the **Pre-seed** (+56%), **Series A** (+93%) and especially **Series B** (+131%) stage, but a decrease at the **Seed** stage (-45%). Given the strong significance of **Seed**'s in Q1-23, the total amount invested is in line with the previous quarter

Number of rounds – Q2-23

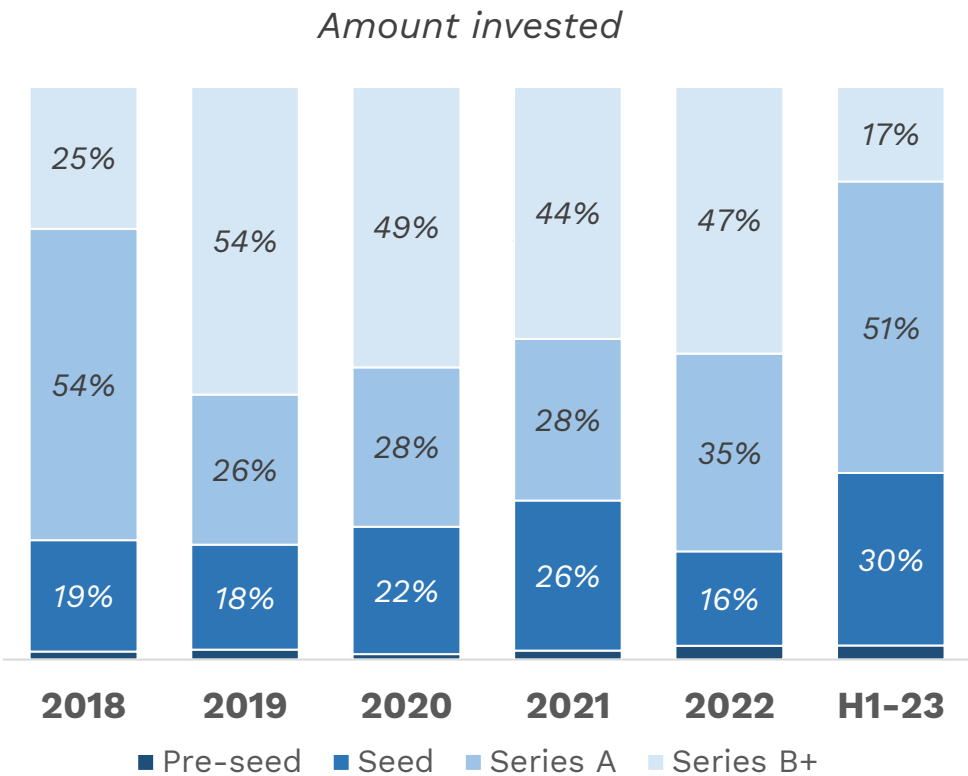
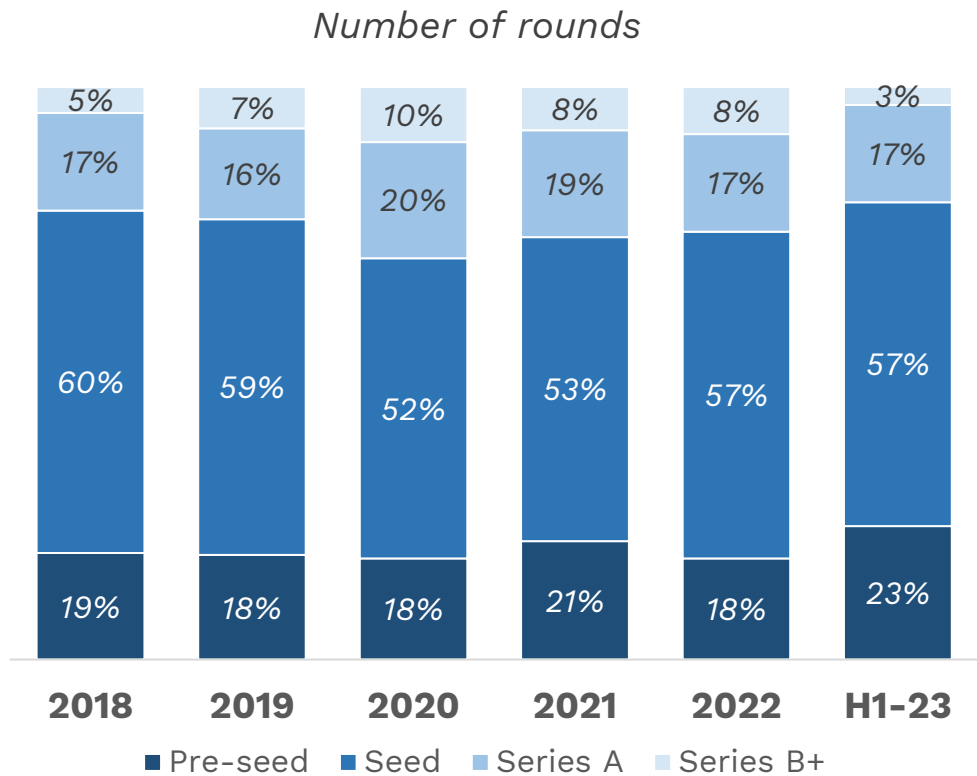


Amount invested – Q2-23



# 2.6. H1-23 by round stage

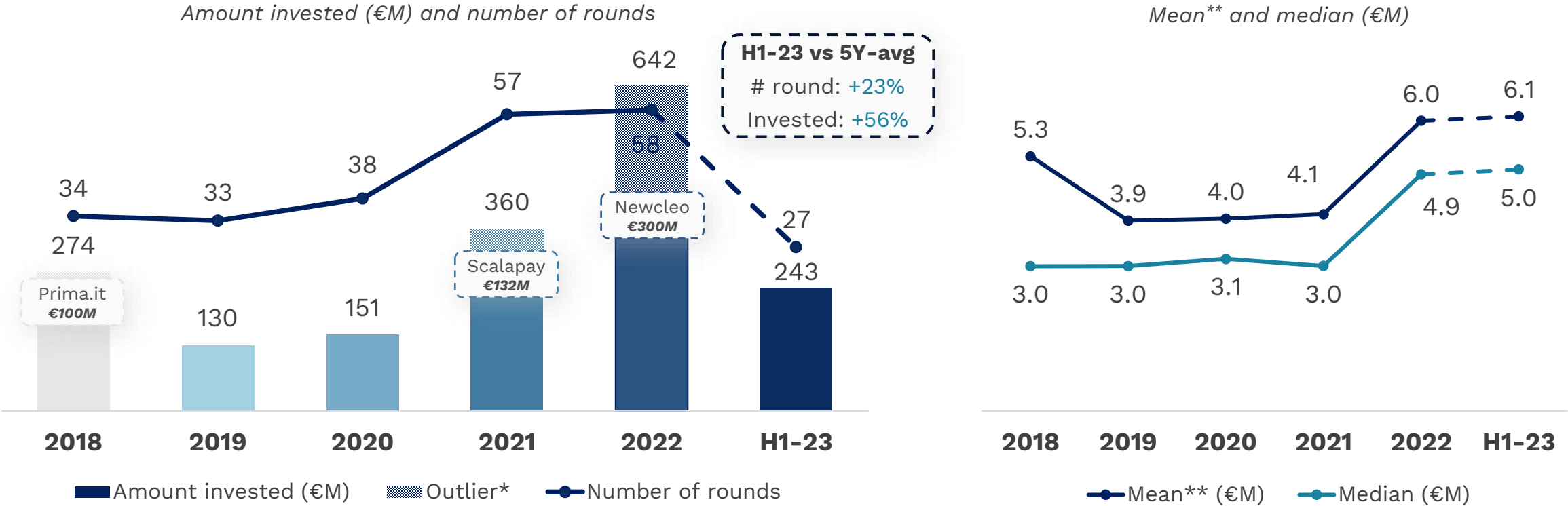
- By number of rounds, in **H1-23 the distribution** by round stage **traces** what has been recorded on average over the **last 5 years**. The decrease in the Series B+ category is due to the fact that **no Series C or higher rounds were announced**
- In terms of amount invested, **Pre-seed** and **Seed** represented roughly the same percentage of capital invested. The increase at the **Series A** stage has replaced rounds at the Series B stage (or above)





# 2.7. Focus: Series A

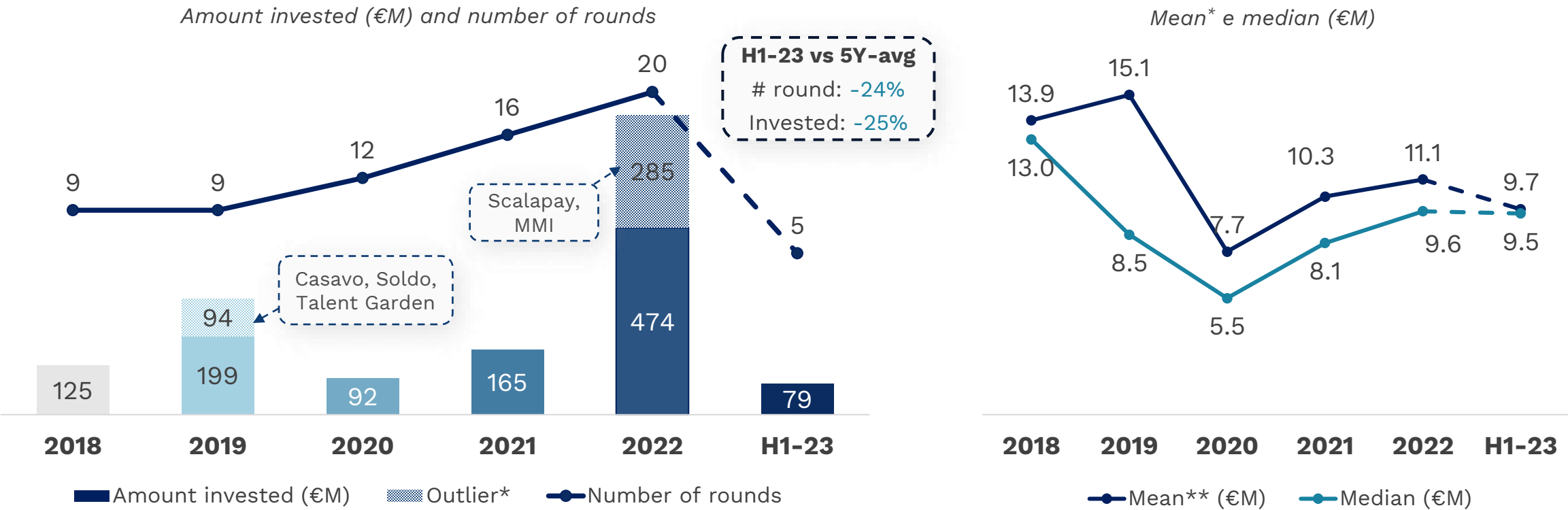
- In **Q2-23** there have been 13 Series A rounds (vs 14 in Q1-23), but with a significant increase in the amount invested with respect to Q1-23 (+93%). Despite the **absence of mega rounds**, Series A funding in Q2-23 (€160M) is significantly higher than the quarterly mean for the last 5 years (€80M)
- Compared to 2022, in the first half of 2023 the **mean** and **median** for Series A rounds remained stable at around €6M and €5M, respectively. Both values are up sharply with respect to 2021 and previous years<sup>1</sup>



**Notes: 1.** The figure may be affected by the limited sample size; \* *Outliers* are defined as rounds with an amount very far from the average for the quarter; \*\* Rounds defined as *outliers* were not considered in the calculation of the mean.

# 2.8. Focus: Series B

- In **Q2-23**, **2 Series B** rounds were announced (in line with Q1-23) with a total amount invested equal to **€55M** (vs **€24M** in Q1-23). Compared to the quarterly mean over the previous 5 years, the **number** of rounds remained stable<sup>1</sup>, while the total **amount invested increased (+70%)<sup>2</sup>**
- In **H1-23**, the mean and median for **Series B** rounds were **€9.7M** and **€9.5M**, respectively

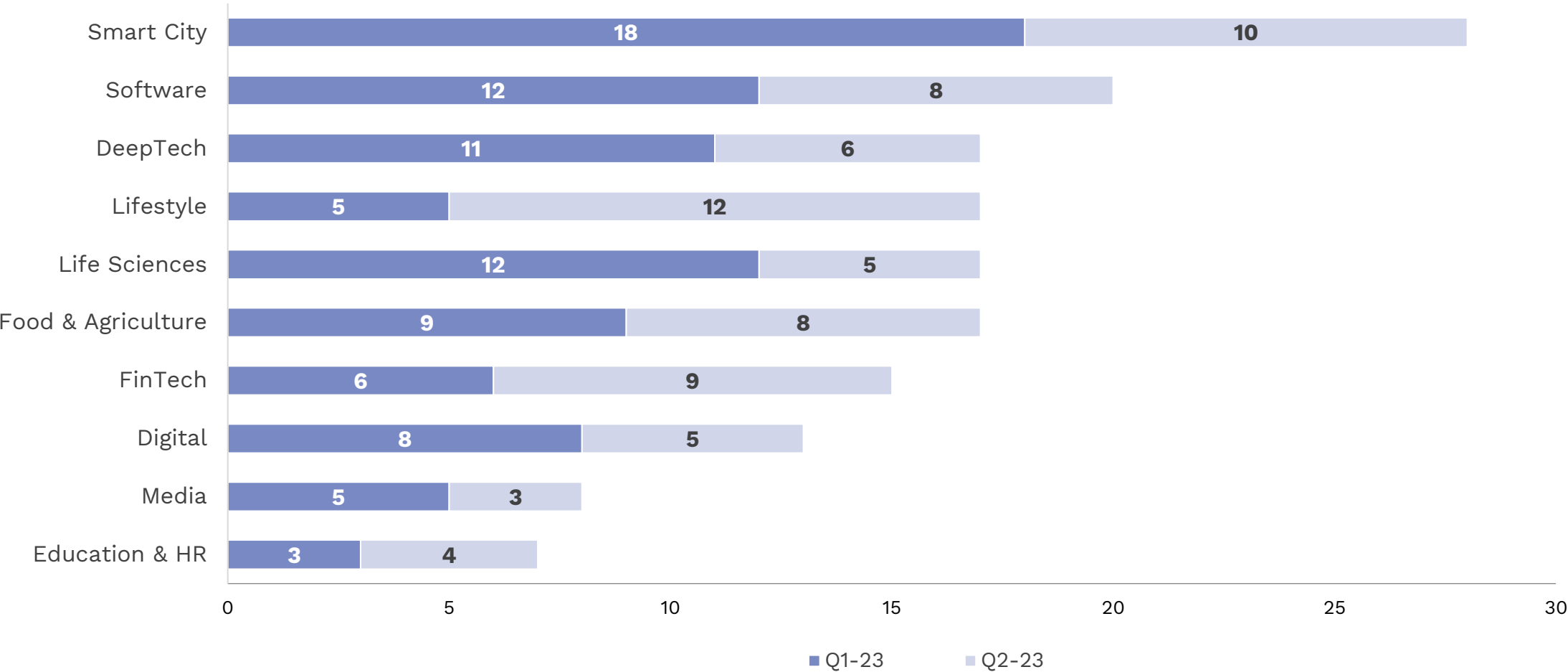


Notes: 1. Analysis performed on a reduced sample size; 2. Values not including rounds defined as outliers \* Rounds defined as outliers were not considered in the calculation of the mean.

# **3. Q2-23 and H1-23 in Italy: Analysis by Sector and Top 3 Verticals**

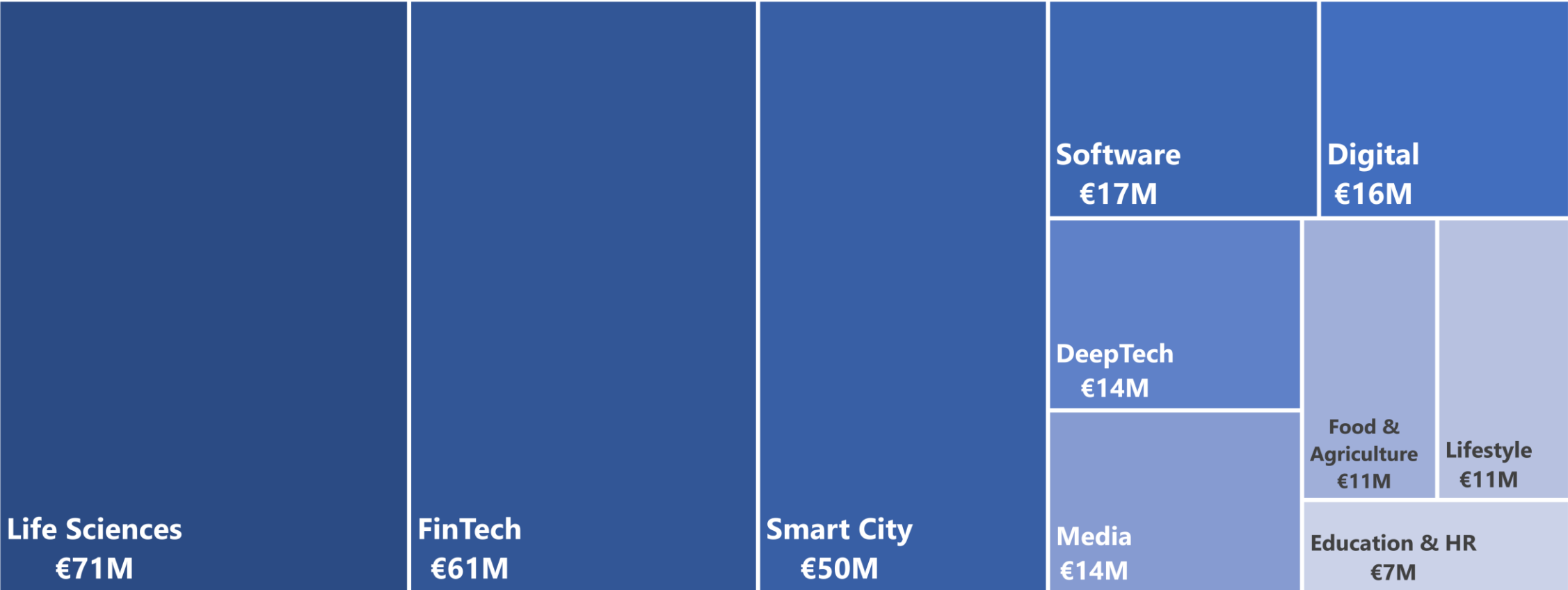
# 3.1. Analysis by sector H1-23: number of rounds

- **Smart City** was the sector with the highest number of deals announced in H1-23 (28), followed by **Software** (20)



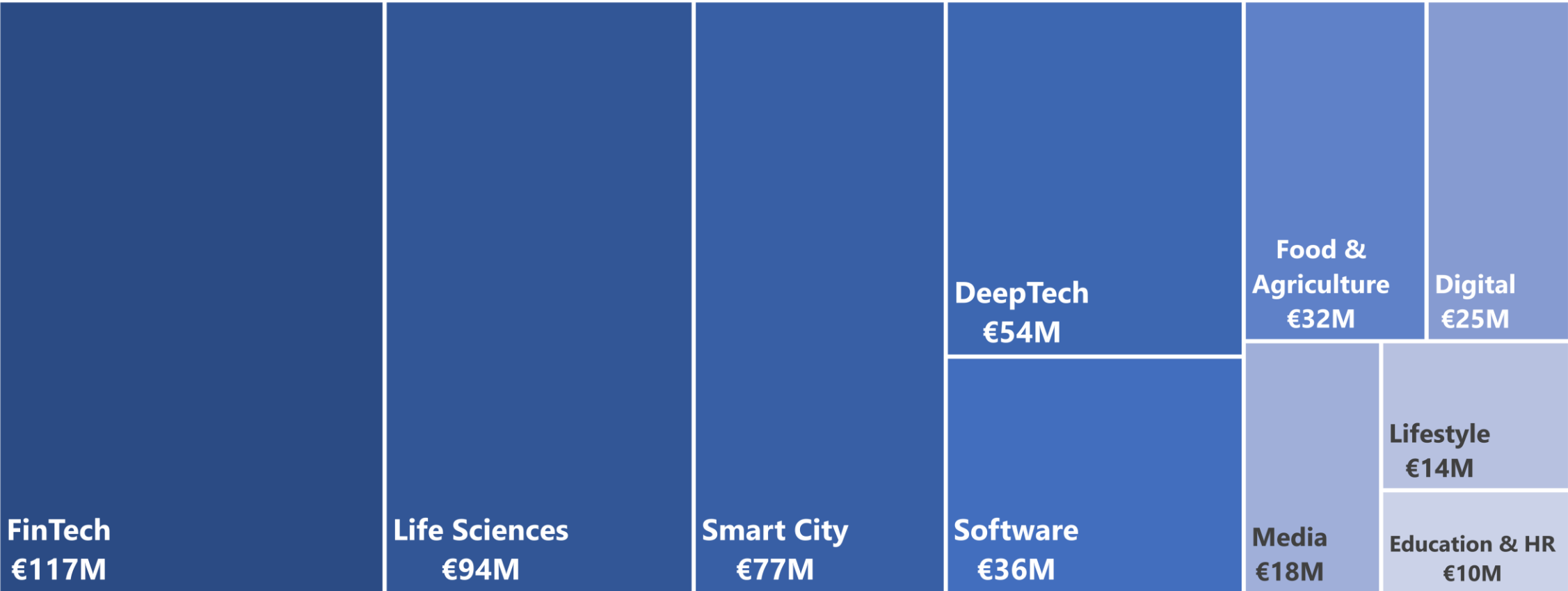
# 3.2. Analysis by sector Q2-23: amount invested

- **Life Sciences** (€71M) was the sector with the highest amount invested in Q2-23 (26% of the total), followed by **FinTech** (€61M) and **Smart City** (€50M)



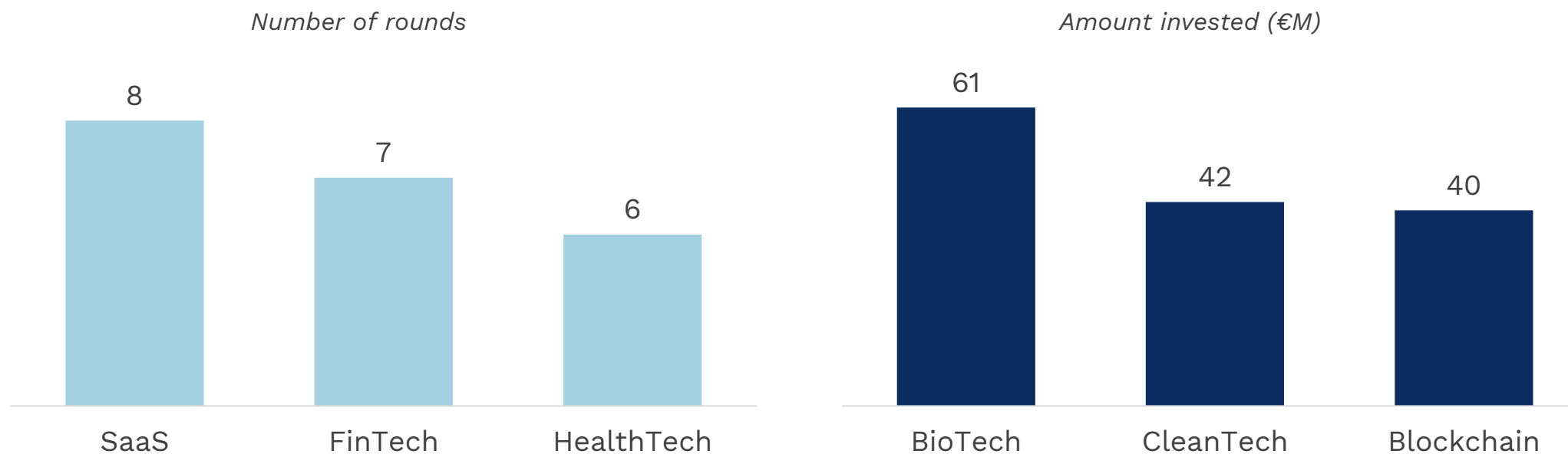
# 3.3. Analysis by sector H1-23: amount invested

- **FinTech** (€117M) was the sector with the highest amount invested in H1-23 (43% of the total), followed by **Life Sciences** (€94M) and **Smart City** (€77M)

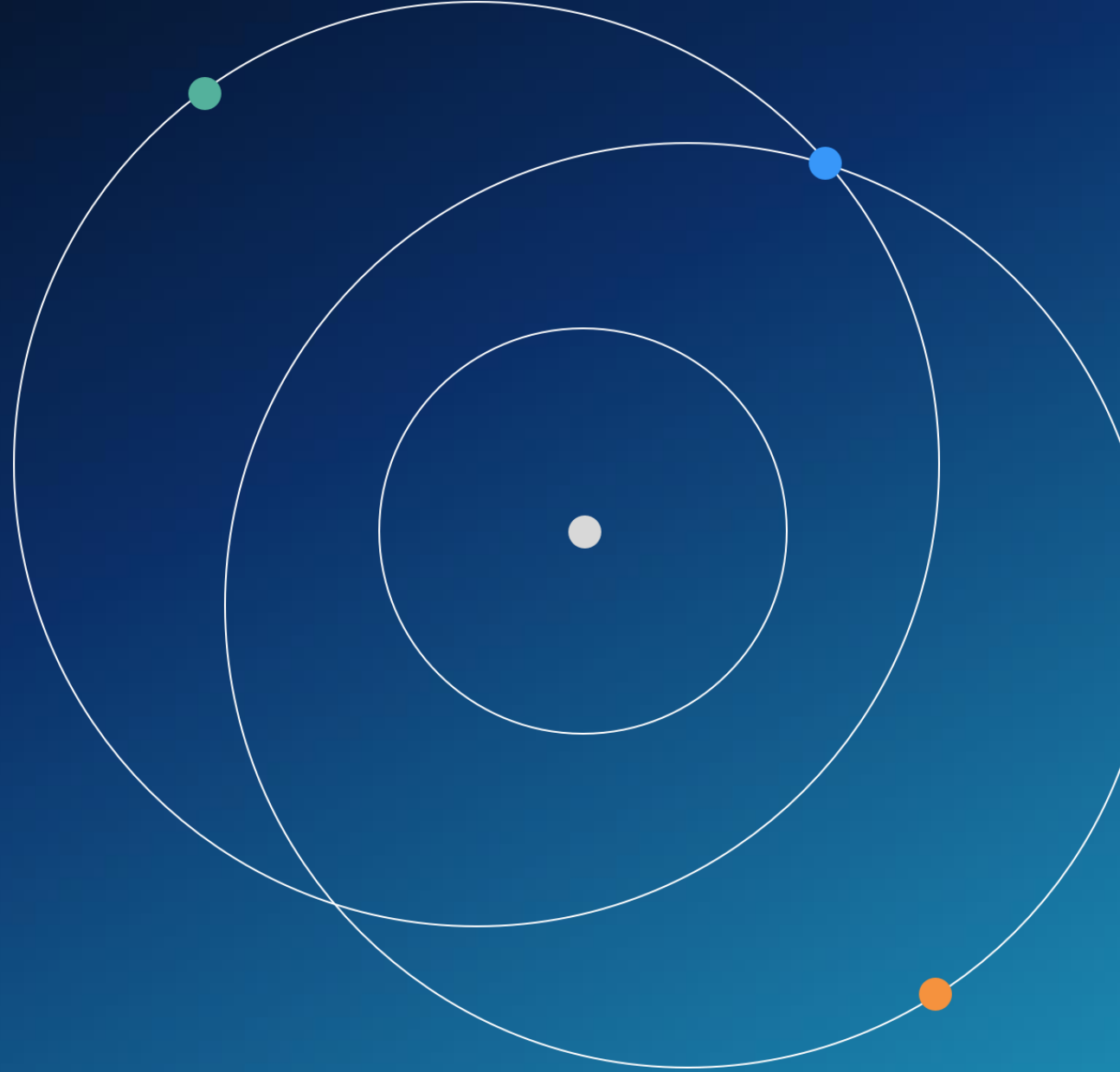


## 3.4. Top 3 Verticals in H1-23

- "Verticals" refers to the 272 unique values used by PitchBook to define the sectoral/market activity type of the startups under analysis, which Growth Capital aggregated into 10 sectors (see [Appendix](#))
- In Q2-23, **SaaS** has been the most relevant vertical in terms of number of deals (8), followed by **FinTech** (7) and **HealthTech** (6)
- **BioTech**, on the other hand, ranks highest in terms of **amount invested**, thanks to the €61M raised by **AAvantgarde Bio**. **CleanTech** and **Blockchain** follow, with €42M and €40M respectively. The top three verticals together raised more than €143M, contributing for 52% of the total investments made in the quarter









# 4. The Top 5 Deals and the Exits of Q2-23





# 4.1. Top 5 Deals Q2-23

- The analysis of the top 5 deals in Q2-23 highlights the increased caution of VC operators, evidenced by the absence of mega rounds (as in the past two quarters). In contrast to Q1-23, however, has returned the presence of [international investors](#)

START-UP	SIZE	STAGE	VERTICAL	INVESTORS <sup>1</sup>
	€ 61M	Series A	BioTech	Atlas Ventures, Forbion, Longwood, Sofinnova Partners
	€ 40M	Series B	CleanTech	Eni Next, Neva SGR, 360 Capital Partners, <a href="#">Barclays</a> , CDP Venture Capital, <a href="#">Elemental Excelerator</a> , Invitalia, <a href="#">Japan Energy Fund</a> , <a href="#">Novum Capital Partners</a>
	€ 30M	Series A	Trading	<a href="#">Valar Ventures</a> , <a href="#">KeyRock</a> , <a href="#">MiddleGame Ventures</a> , <a href="#">Speedinvest</a> , <a href="#">Wintermute Ventures</a>
	€ 20M	Series A	FinTech	Confidi Artigiancredito, SEAC
	€ 15M	Series B	Marketplace	

Notes: 1. International investor

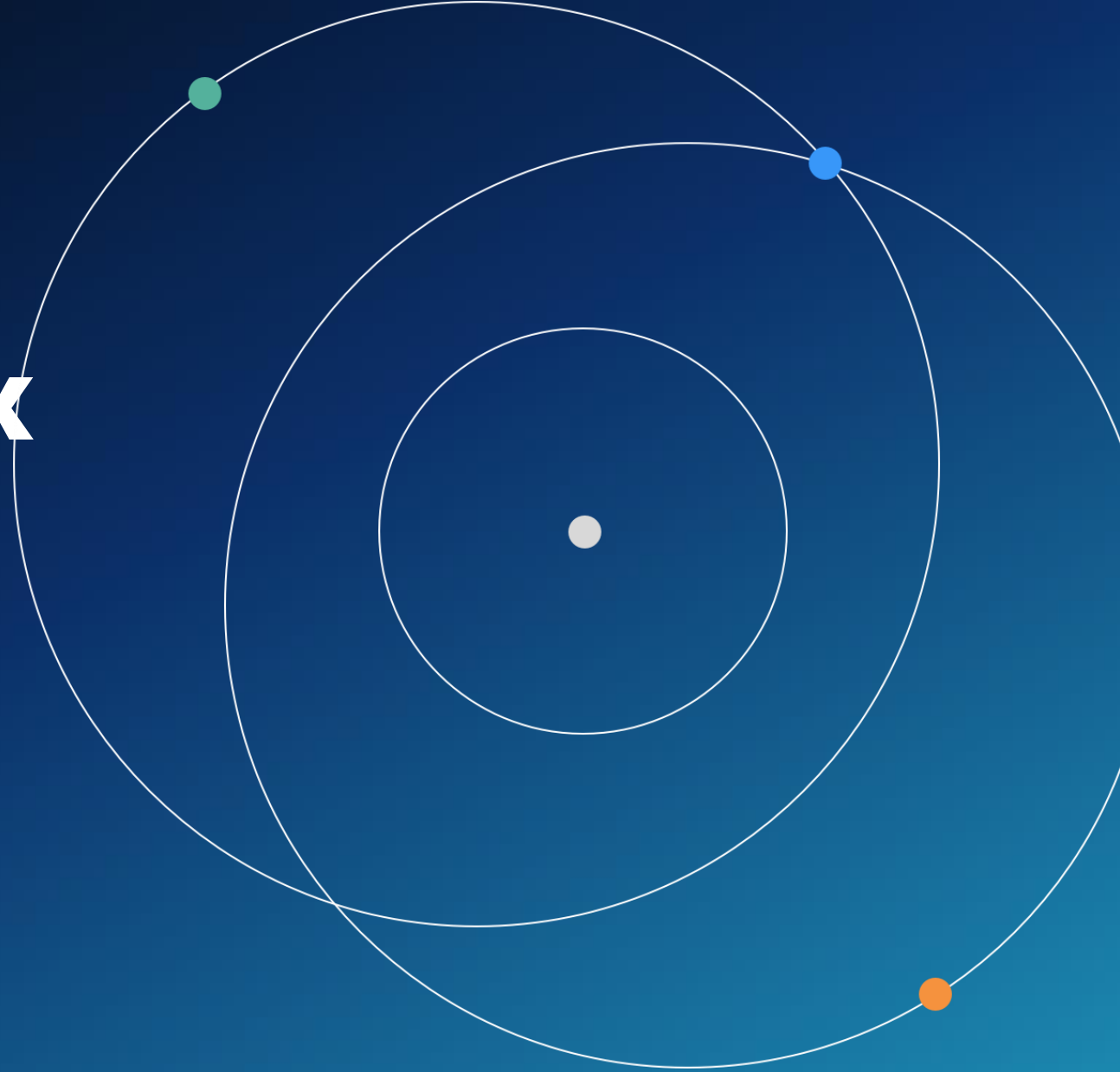
## 4.2. The Exits of Q2-23

- In **Q2-23**, Italian start-ups were the protagonists of 19 exits. All the liquidity events took place through M&A transactions
- As in **Q1-23**, most of the exits were in the Software sector (5)

Target	Exit Type	Buyer / IPO Market	Sector	Enterprise Value	Percentage <sup>1</sup>
Filo	M&A	Traveler Innovations	DeepTech	Undisclosed	100%
Fluentify	M&A	Voxy	Education & HR	Undisclosed	100%
Humamy	M&A	Bending Spoons	Food & Agriculture	Undisclosed	89%
InVRsion	M&A	Vection Technologies	DeepTech	Undisclosed	100%
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	100%
On charge	M&A	Antonio Carraro SpA	Smart City	Undisclosed	Majority stake
Plurima	M&A	Italiana Assicurazioni	FinTech	Undisclosed	78%
Portal	M&A	Imprimerie Nationale	Software	Undisclosed	100%
Prestiamoci	M&A	Banca Valsabbina	FinTech	Undisclosed	100%
ReMat	M&A	IREN	Smart City	€3.5M	88.4%
Scribeur	M&A	Contents.com	Media	Undisclosed	100%
Scribox	M&A	Contents.com	Media	Undisclosed	100%
Teamsight	M&A	Glickon	Software	Undisclosed	100%
Traduzione.it	M&A	Contents.com	Education & HR	Undisclosed	100%
TS Way	M&A	Telsy	Software	Undisclosed	100%
Visualitics	M&A	Sesa	Software	Undisclosed	59.5%

**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. The VC Index



# 5.1. The VC Index – Scope

A **semiannual indicator** on a scale of **1** to **10** that provides an indication of the **development stage of the VC ecosystem in Italy** and the **sentiment of its players**. The index is built considering **quantitative** inputs, from analysis of market data, and **qualitative** inputs, provided by VC players based on the **sentiment** about the **current** and **future situation**

## QUANTITATIVE INPUTS

Δ **number**  
of **rounds**

Δ **total amount**  
**invested**

Δ **median**  
**round size**

Δ **number of**  
**mega rounds**

Δ **amount** and  
**number of exits**

Δ **number of rounds**  
with **international inv.**

Δ **number of**  
**new VC funds**

Δ **Dry Powder**

## QUALITATIVE INPUTS

Ease of **access to funding** (equity/debt) and **investing**  
and possible **postponement** of fundraising activities

Opinion on the **evolution of the average time** to  
**raise/invest capital**

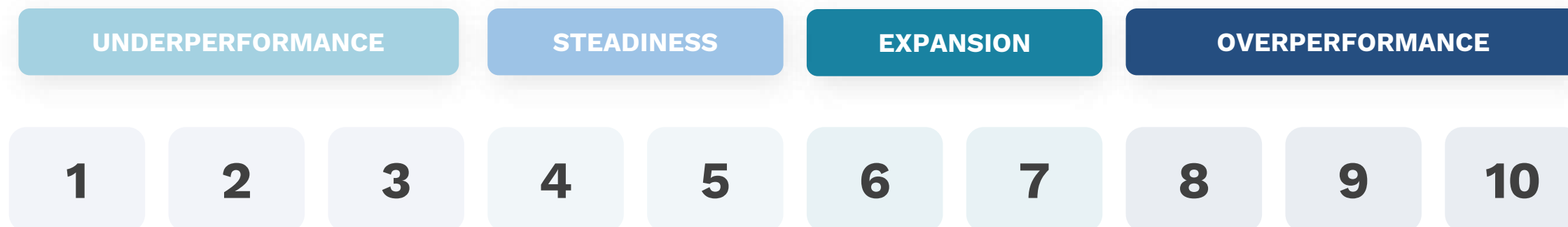
**Ease** in **attracting talents** and **target skills**

Assessment of the evolving **regulatory/legal**  
**environment** in their industry and **sentiment** on the  
**overall outlook** over the **next 6-9 months**

## 5.2. The VC Index – Methodology

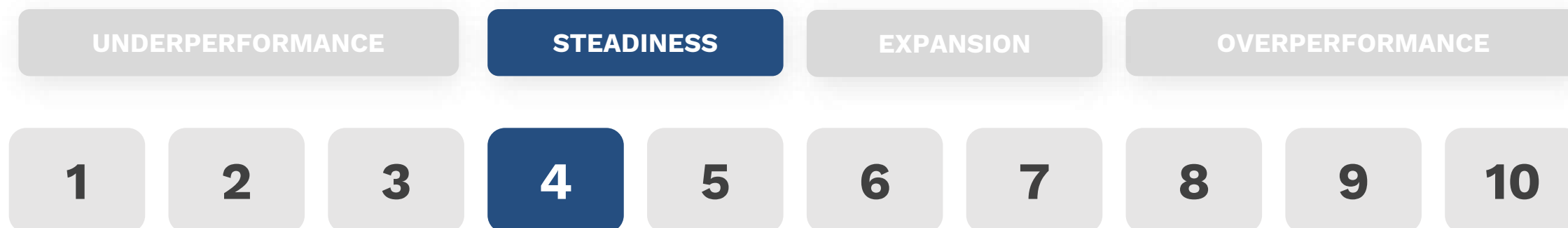
- Quantitative inputs were collected based on **observation** of **objective market data** for the semester
- Qualitative inputs are the result of a **survey in the last month of the semester**. In June 2023 there were responses from **over 150** Italian VC market **players** (**start-ups** and **investors**). In this specific case qualitative inputs were also requested taking into account the sentiment of the previous semester, forming the *baseline* for the H1-23 vs H2-22 comparison
- The data collected were factored on a **10 basis** to make them **comparable** over time and to ensure **ease** and **immediacy** of reading

### VC INDEX



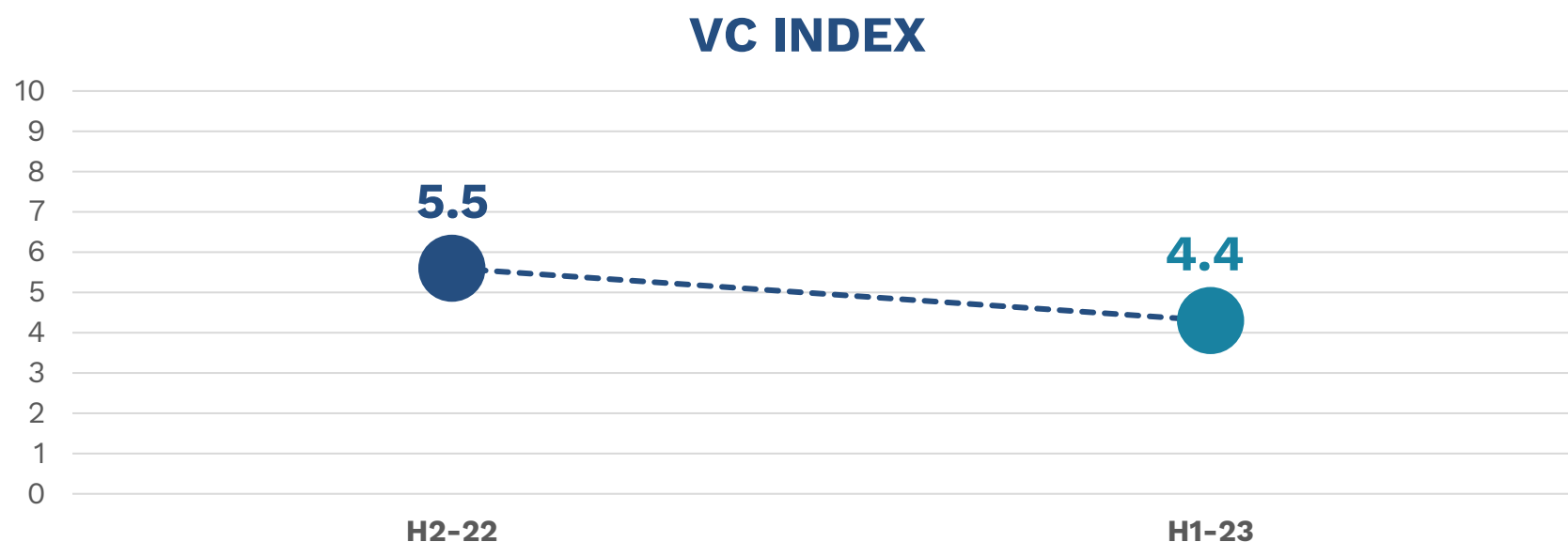
## 5.3. The VC Index – H1-23

- The VC Index H1-23 value is **4**, indicating a **sentiment of stability close to contraction**, also confirmed by market data comparing the current semester with H2-22
- On the **start-up** side, it is now **quite difficult to raise** capital both as **equity** and as **debt** (equally) given the current environment, **slightly** but not substantially **affecting** the decision to **postpone** the start of **fundraising activities** and the belief that the **average time to complete a round will not increase** in the next 12 months. This may be a possible cause of the lack of large rounds in 2023, typically *Late Stage*, impacted by declining valuations. Many companies that have completed a Series A+ round over the past 12 months are extending the *runway* to start the fundraising in more favorable market conditions
- There is general **optimism** toward the **ease** of **attracting talents**, while the evolving regulatory environment is not particularly relevant
- On the **investor** side, there is **definite optimism** in the possibility of **access to investments** in an environment more favorable to them than 2021 or 2022, along with confirmation that **investment decisions have not been substantially affected** by the current market situation. This translates into a sentiment among investors of **positive developments** in the **market environment**, as opposed to **founders**, who instead expect **general stability** in the next 6-9 months

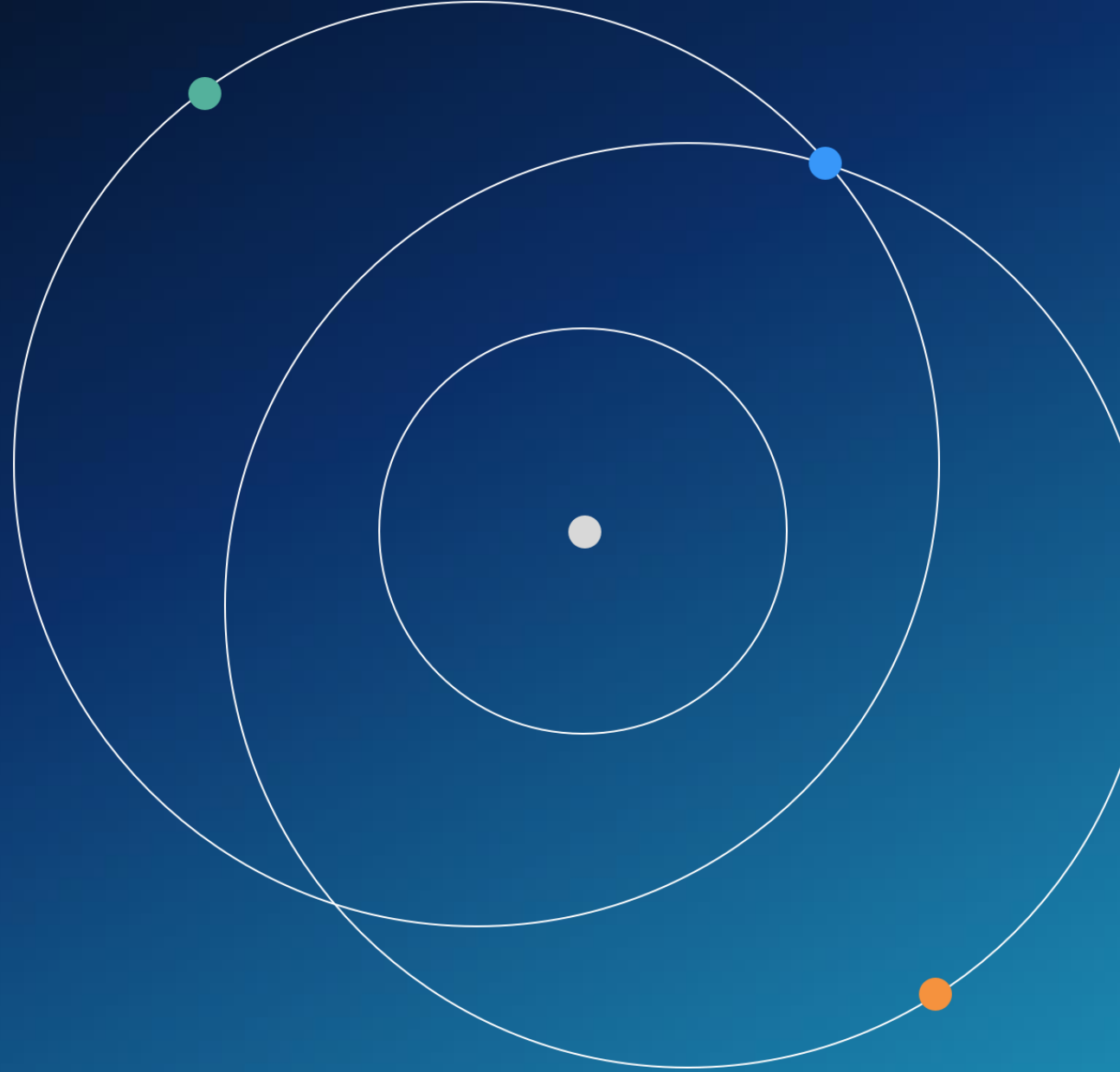


## 5.4. The VC Index – H1-23 vs H2-22

- The value of the index in **December 2022** indicated a **stable outlook** (5.5) against the subsequent H1-23
- **Sentiment** was **revised downward** in **June 2023**, mainly due to **increased caution**, on the **founders'** side, on all areas of qualitative analysis and because of the **quantitative performance** in the current six-month period, particularly in terms of number of rounds, amount invested, and presence of megarounds
- Isolating responses by **investors**, as of June 2023, the **outlook** for the next 6-9 months is **better** than last December, indicating **positive signs** for the second half of 2023 and regarding the **willingness** to **deploy** currently available **dry powder** to the best opportunities in the market
- By December 2022, along all parameters of analysis, **positive sentiment was more prevalent among investors than among start-ups**. In **June 2023**, this **gap widened further**



# 6. Final considerations





# 6.1. Final considerations

## Q2-23 in a nutshell

- Venture Capital in **Europe** basically **confirmed the results of Q1-23** of the **amount** invested (+8%) and instead recorded a **decline** of the rounds' **number** (-27%)
- The same trend was seen in **Italy**, with a **more pronounced percentage growth in the amount invested** (€273M raised, +34% vs Q1-23) and a **smaller decline in the number of rounds** (70 rounds, -21% vs Q1-23)

## H1-23 in a nutshell

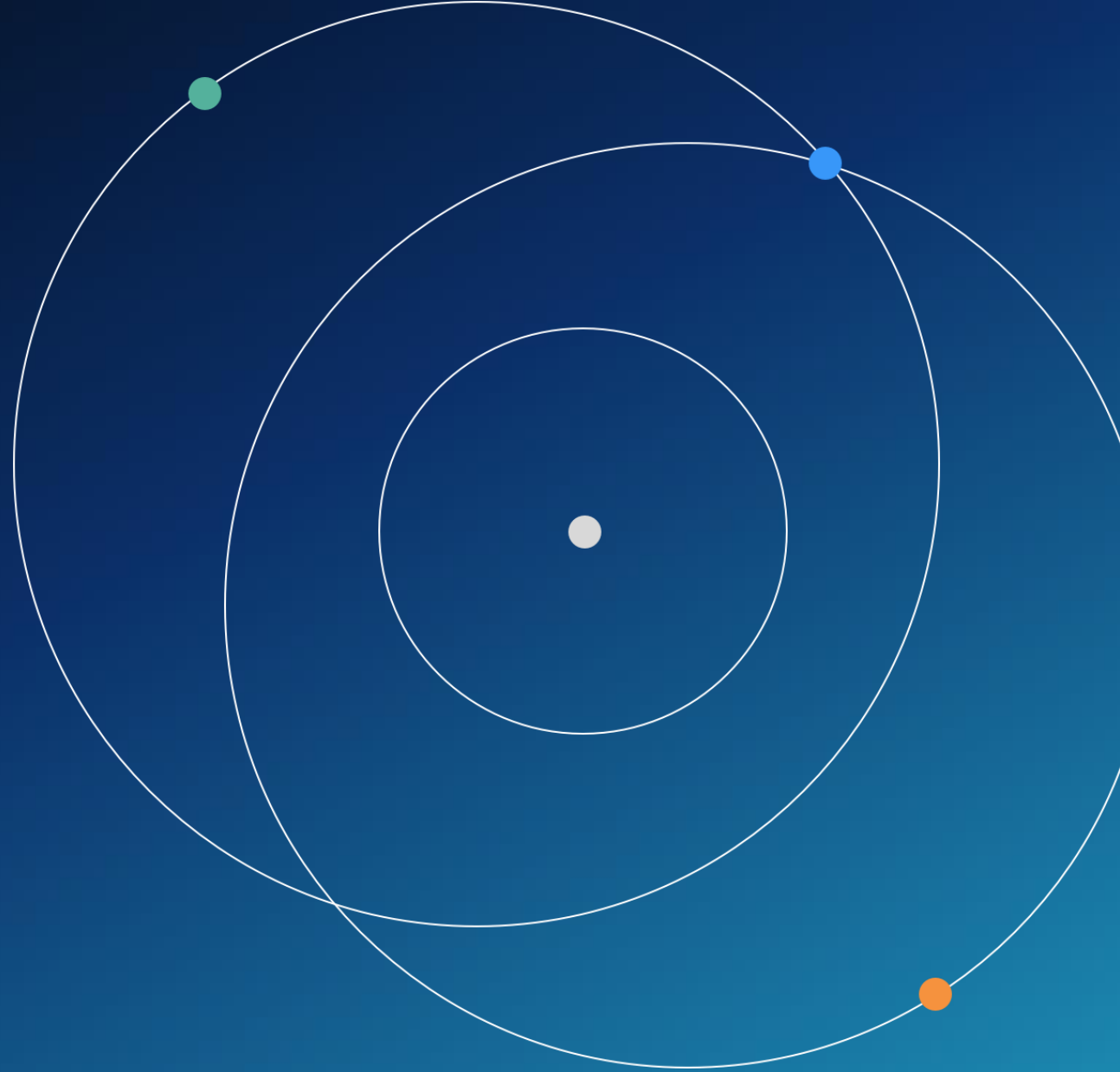
- In **Europe**, a Q2-23 in line with Q1 made the half-year results considerably **lower than the average of the last 5 years** (-28% in amount and -40% in number of rounds)
- In **Italy**, on the other hand, H1-23 was **in line with the long-term average** (+28% in amount invested and +2% in number of rounds vs 5Y-avg)

## The 2023 scenario

- In light of the results of the first semester, the overall numbers for 2023 will depend even more on the presence of **mega rounds** and the high (and increasing) level of **Dry Powder**, as well as of course on the evolution of the **general macroeconomic environment**
- The **frequency** of **Pre-seed** and **Seed** rounds has not declined over time. It is reasonable to expect **growth** in the remainder of 2023, partly due to the emergence of new thematic **accelerators** set up by **CDP Venture Capital** in the last 6-12 months
- In line with forecasts from previous editions of the Venture Capital Report<sup>1</sup>, H1-23 saw **a significant number of M&A transactions**, suggesting a trend of **consolidation** in VC. Possible rationales are the presence of **targets** at **discounted values** in a context of declining valuations and the need on the start-up side to pursue **non-organic growth**, partly in order to be more attractive in the market for an exit eventually

Sources: 1. [Osservatorio Trimestrale Venture Capital - Italia Q1-23](#)

# Appendix



# Assignment of verticals to sectors (1/4)

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

# Assignment of verticals to sectors (2/4)

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

# 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	Online Auctions 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 Creators 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 Media Management Social Media Marketing Social Network Sports Sustainability TMT Video Advertising

# Assignment of verticals to sectors (4/4)

SECTOR	ASSIGNED VERTICALS			
Smart City	Automotive Autonomous vehicles Boating Cleantech Climate Tech Consumer Electronics Co-working platform Cycling Delivery Delivery Service	Electric Vehicle Energy Energy Efficiency Energy Management Energy Storage Environmental Consulting Environmental Engineering Fleet Management Green Energy Hospitality	House Rental Logistics Marine Technology Materials Micro-Mobility Mobility Tech Oil & Gas PropTech Public Safety Railroad	Raw Materials Real Estate Technology Renewable Energy Ridesharing Sharing Economy Smart Cities Storage Supply Chain Tech Transportation
Software	Analytics Application Performance Management Apps AI AI & ML Big Data Business Intelligence Cloud Computing Cloud Data Services Cloud Infrastructure	Computer Consumer Software CRM Cybersecurity Developer APIs Developer Tools Digital Entertainment DRM Electronics Enterprise Resource Planning (ERP)	IaaS Information Services Internet IT Management Machine Learning Management Software Mobile Apps Natural Language Processing Navigation PaaS	Security Self-Storage Software Sport Management Telecommunications UXDesign Web Development Web Hosting Wellness

# GROWTH CAPITAL RESEARCH TEAM



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**Growth Capital** is the leading tech investment bank in the Venture Capital industry with a 90% success rate. Growth Capital enables top entrepreneurs to structure and finalize fundraising or M&A deals with investors from its network (Venture Capital, Family Office, Corporate and Business Angels), with a tailor-made approach along all stages of the process, allowing the scale-up to continue growing and focus on running the business. Growth Capital also supports Corporate and investors in identifying the most promising deals in the market.



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**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 start-ups 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 start-ups 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 start-ups with high growth potential and strong technology content.

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# Quarterly Venture Capital Report

## Italy Q2-23

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