



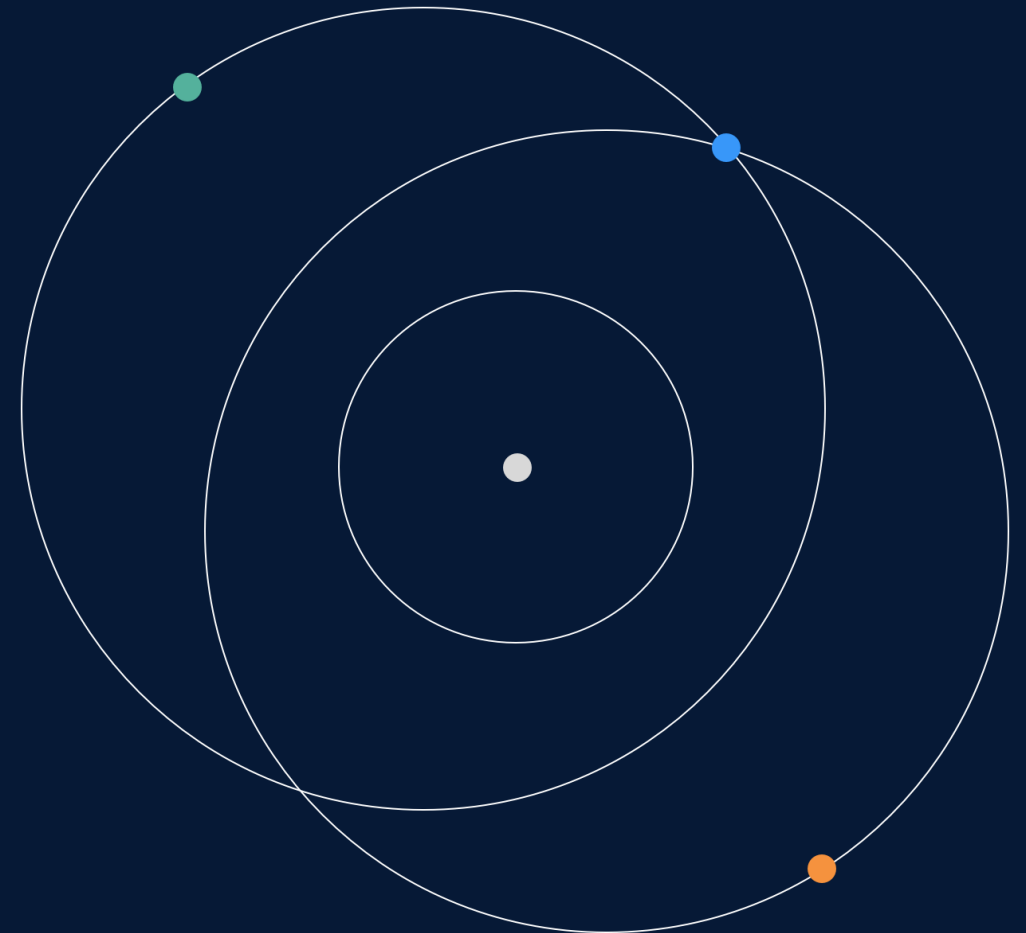
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ITALIAN  
TECH  
ALLIANCE

# Venture Capital Report

## Italy Q4-24 & FY-24



 Growth Capital

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

 Italian Tech Alliance

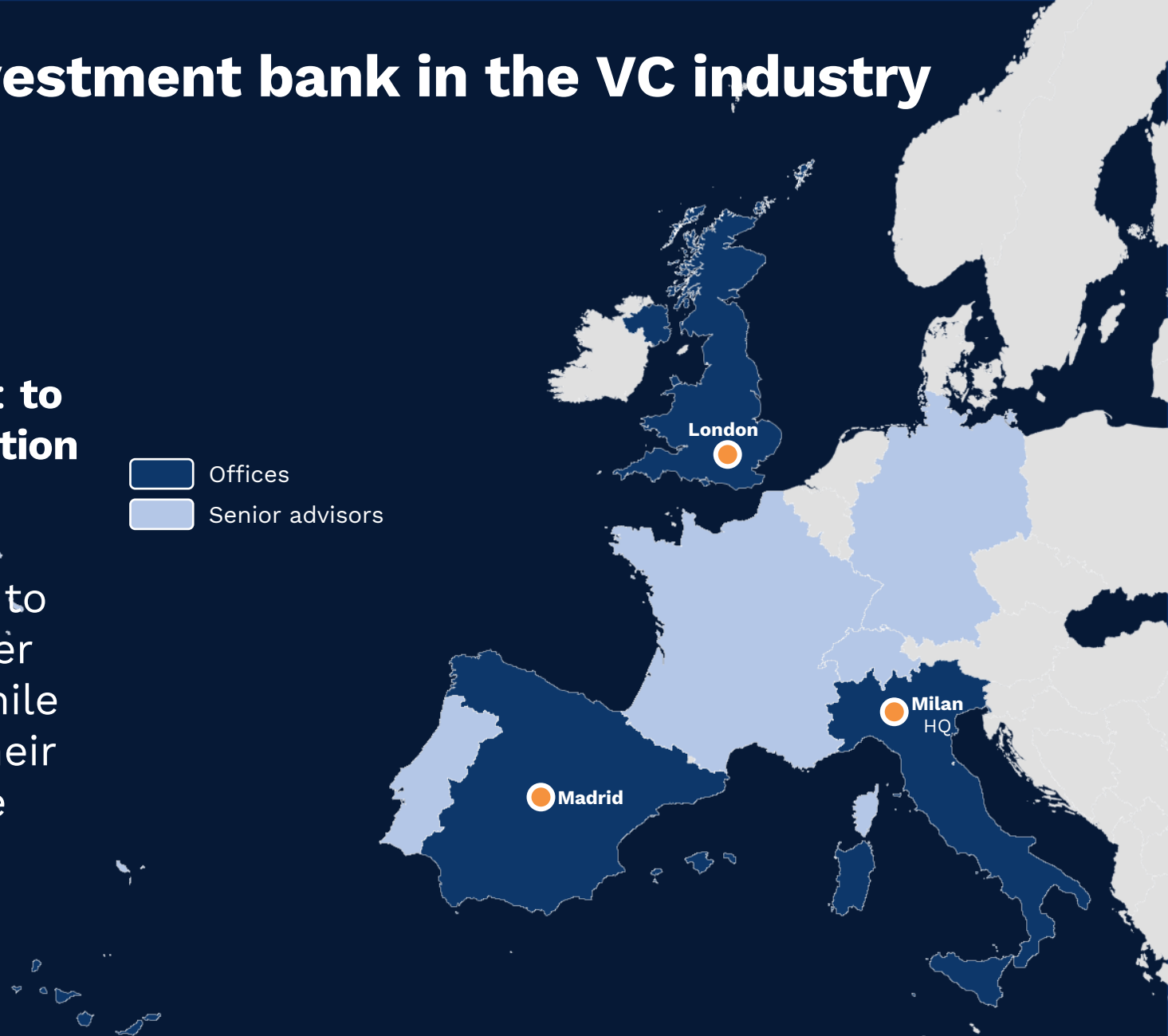
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# Growth Capital is a tech investment bank in the VC industry

We are a close-knit team of **30+** committed and trustworthy VC professionals from 11 different nationalities, sharing the same vision: **to be the catalyst for growth and innovation in the European Tech Ecosystem.**

We enable the best **entrepreneurs** to successfully complete cross-border **fundraising** or **M&A** transactions while maintaining a focus on managing their companies. At the same time, we support **corporate** entities and **investors** in identifying the **most promising tech deals.**

■ Offices  
■ Senior advisors

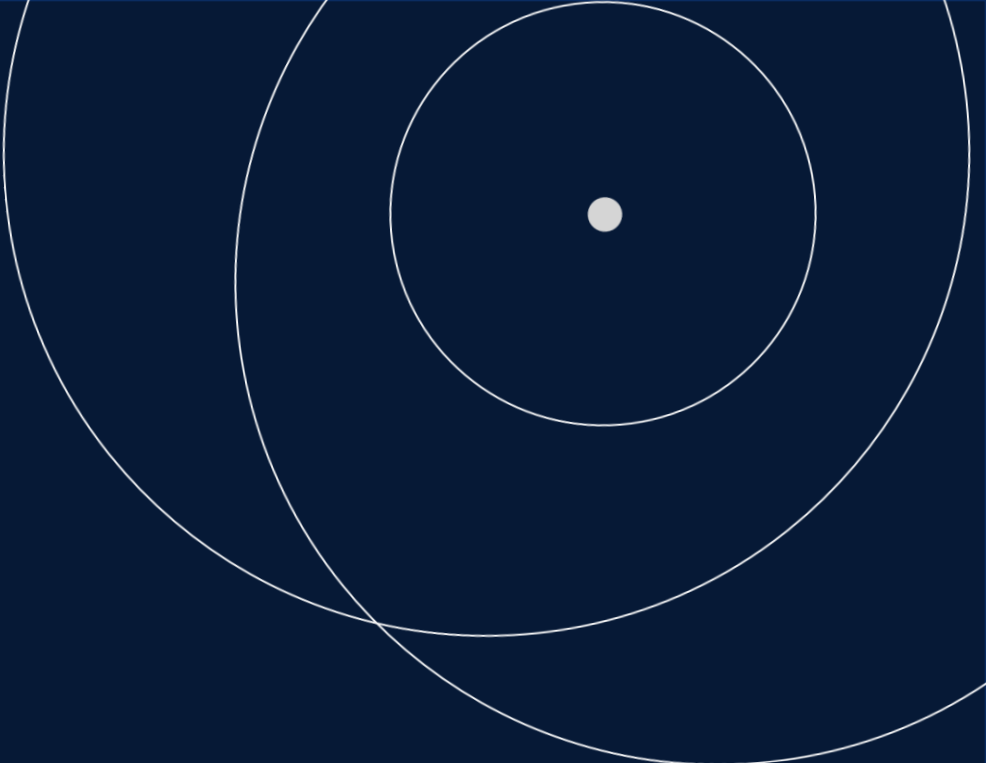


# Agenda

- 1 Key numbers in Italy: Q4-24 and 2024
- 2 VC around the world and in Europe
- 3 VC in Italy
  - 3.1 Historical evolution
  - 3.2 Sectors, verticals, top 5 deals and exits
  - 3.3 International investors
  - 3.4 VC Index
- 4 Deep dive on European countries
- 5 Final remarks

# Methodology

1. The report includes (i) **startups based in Italy** and (ii) **startups with foreign headquarters, Italian founders and 50%+ of employees in Italy**
2. Database created using **PitchBook** data (last consultation on **15/01/2024**) for rounds completed from 2019 to 2024, classified as Early Stage VC and Late Stage VC. PitchBook Verticals (as defined in **point 9**) and sectors (as defined in **point 10**) assigned by Growth Capital (GC)
3. Data obtained following the procedure outlined in point 2 are integrated and compared with **round press releases**, when available. In case of discrepancies, information from the press releases are preferred. Then, data are compared and integrated with the **confidential information** provided to GC **by key investors active in the Italian VC ecosystem**
4. For each **round without stage indication** in the press release or in the PitchBook database, the **equity story** of the company is analyzed applying the following criteria:
  - a) In case of first public funding rounds, (i) **Pre-seed** if the round size is **<€0.2M** or (ii) **Seed** if the round size is **>€0.2M**
  - b) In case of existing funding history, stage is assigned on a case-by-case basis, choosing between Seed, Bridge, Series A, Series B, Series C, Series D+, Growth VC. For example, a €5M round which follows two Seed rounds of less than €2M is defined as Series A
5. Exclusion of all rounds that are **not unambiguously identifiable as VC rounds**, with **size undisclosed** or with size **below €50K**
6. Exclusion of all VC rounds in the form of **debt**; consistently, for the **«mixed» equity and debt** VC rounds, **only the equity part** is considered. In the case of «mixed» rounds for which the exact split between equity and debt is **not disclosed**, information is **confidentially** asked to the startup or to the investors preserving the confidentiality. If the split is not provided, the round is considered as entirely of equity
7. The procedure described at point 6 is followed also for rounds whose total announced amount includes **sales of quotas/shares on the secondary market** and for rounds with funding subject to **milestones**
8. **Crowdfunding rounds** are monitored by directly consulting the **three** most important Italian **crowdfunding platforms** in terms of amount invested
9. **«Verticals»** refers to the 242 values uniquely used by PitchBook to define the type of sectoral/market activity of the startups under analysis
10. **«Sectors»** refers to the 10 sectors defined by GC, which are assigned according to the clusterization of the 242 PitchBook verticals detailed in the [Appendix](#)



1

# Key numbers in Italy: Q4-24 and 2024

# 1.1. Key numbers Q4-24



**140**

number of rounds



**€351M**

amount invested



**14**

Series A



**3**

Series B  
(3 Series C+)



**4**

exits



**DeepTech**

sector with the  
most rounds



**FinTech**

sector with the highest  
amount invested



**AI & ML**

vertical with the  
most rounds



**Payments**

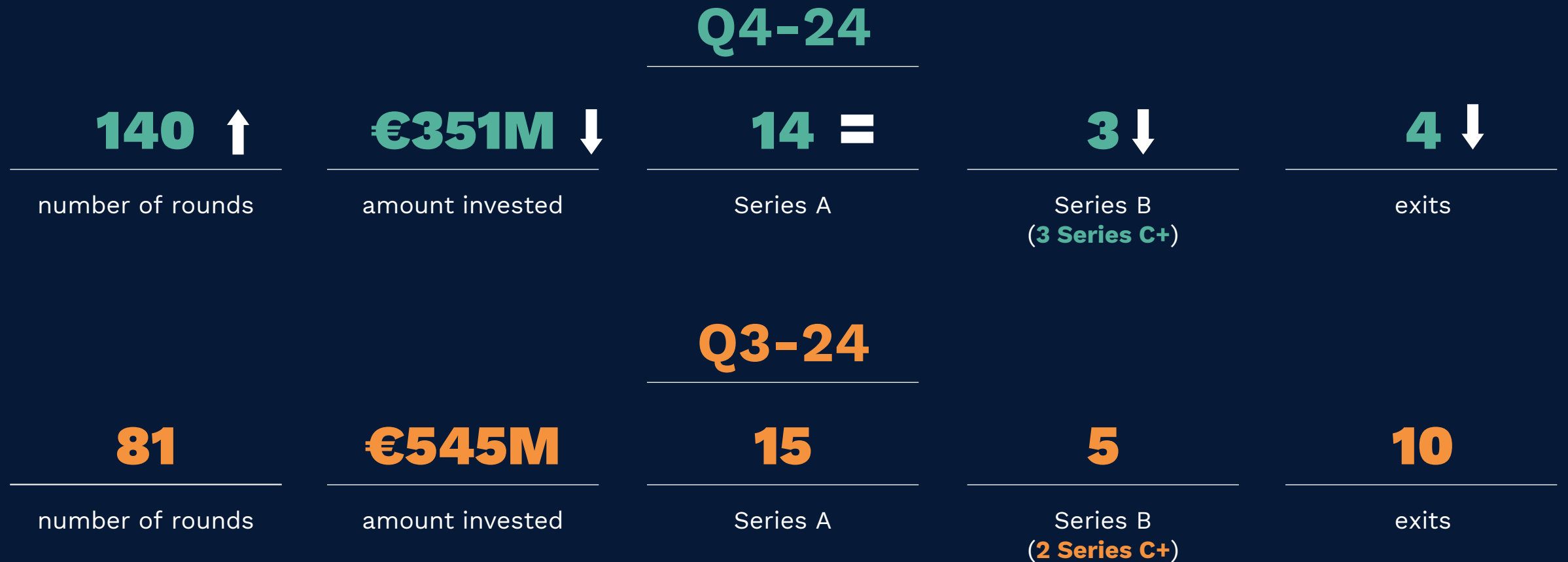
vertical with the highest  
amount invested



**Satispay**

largest round

## 1.2. Key numbers Q4-24 vs Q3-24



## 1.3. Key numbers FY-24



**417**

number of rounds



**€1,500M**

amount invested



**53**

Series A



**12**

Series B  
(9 Series C+)



**34**

exits



**DeepTech**

sector with the  
most rounds



**Life Sciences**

sector with the highest  
amount invested



**AI & ML**

vertical with the  
most rounds



**CleanTech**

vertical with the highest  
amount invested



**NewCleo**

largest round



## 1.4. Key numbers **FY-24** vs **FY-23**

		<b>FY-24</b>				
<b>417</b> ↑	<b>€1,500M</b> ↑	<b>53</b> =	<b>12</b> ↓	<b>34</b> ↓		
number of rounds	amount invested	Series A	Series B (9 Series C+)	exits		
		<b>FY-23</b>				
<b>319</b>	<b>€1,172M</b>	<b>49</b>	<b>16</b>	<b>43</b>		
number of rounds	amount invested	Series A	Series B (4 Series C+)	exits		



# 2

# VC around the world and in Europe

## 2.1. VC around the world: Europe, US, and Asia

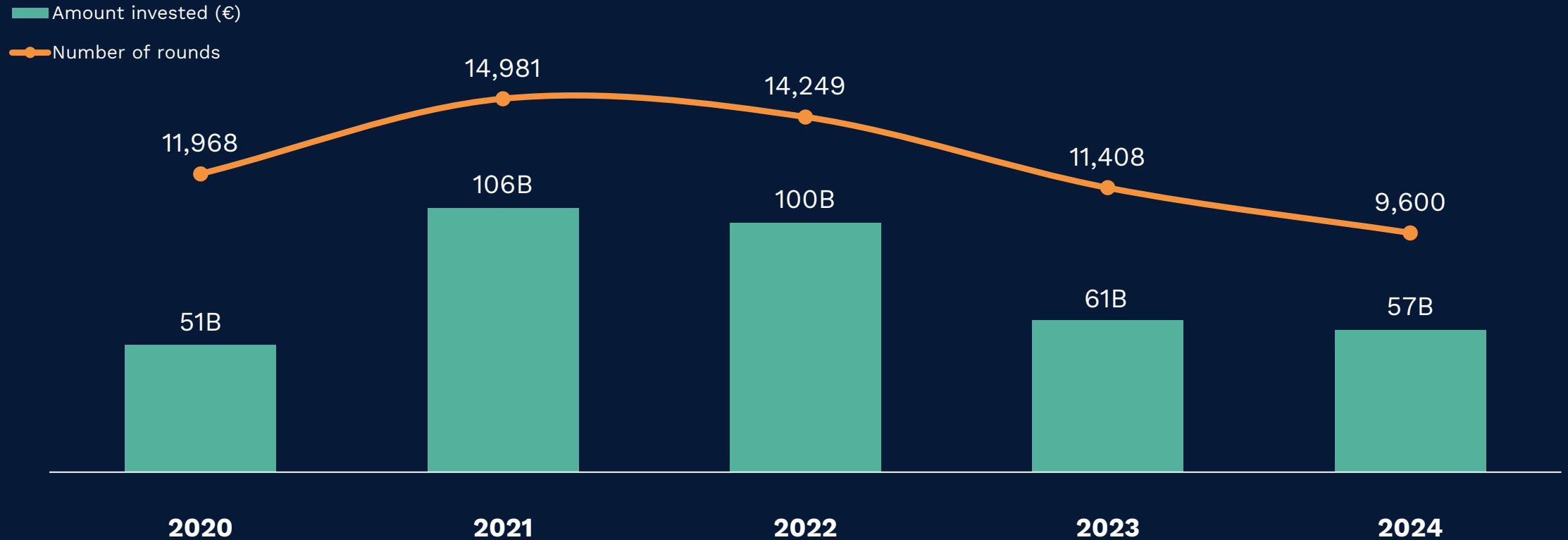


## 2.2. Europe vs United States: key indicators

	EUROPE	UNITED STATES
NUMBER OF DEALS	9,600 (-16% vs 2023)	15,260 (+4% vs 2023)
AMOUNT INVESTED	€57B (-8% vs 2023)	€210B (+29% vs 2023)
DEAL SIZE	Across all stages, median deal values are <b>pricing higher</b> in 2024 compared to full-year 2023	Median deal sizes and valuations <b>rose across all stages</b> in 2024, but <b>skewed by outsized AI deals</b>
VALUATIONS	<b>Valuations rise</b> despite a slower dealmaking year	Excluding AI, <b>valuations remain stagnant</b>
EXITS	Exit <b>markets recover</b> as buyout valuations surge	Exits such as <b>IPOs and large M&amp;A remain notably absent</b> from the market
FUNDRAISING FROM LPS	Fundraising hits <b>decade lows</b> , but mega funds thrive	Fundraising shows a <b>lower fund count</b> , yet a <b>larger fund size</b> is propelled by established funds

## 2.3. VC in Europe: historical evolution by year

As expected, with €57B raised in 9,600 rounds<sup>a</sup>, the European VC market is comparable to 2023 (-16% in dealmaking and -8% in amount invested)<sup>1</sup>



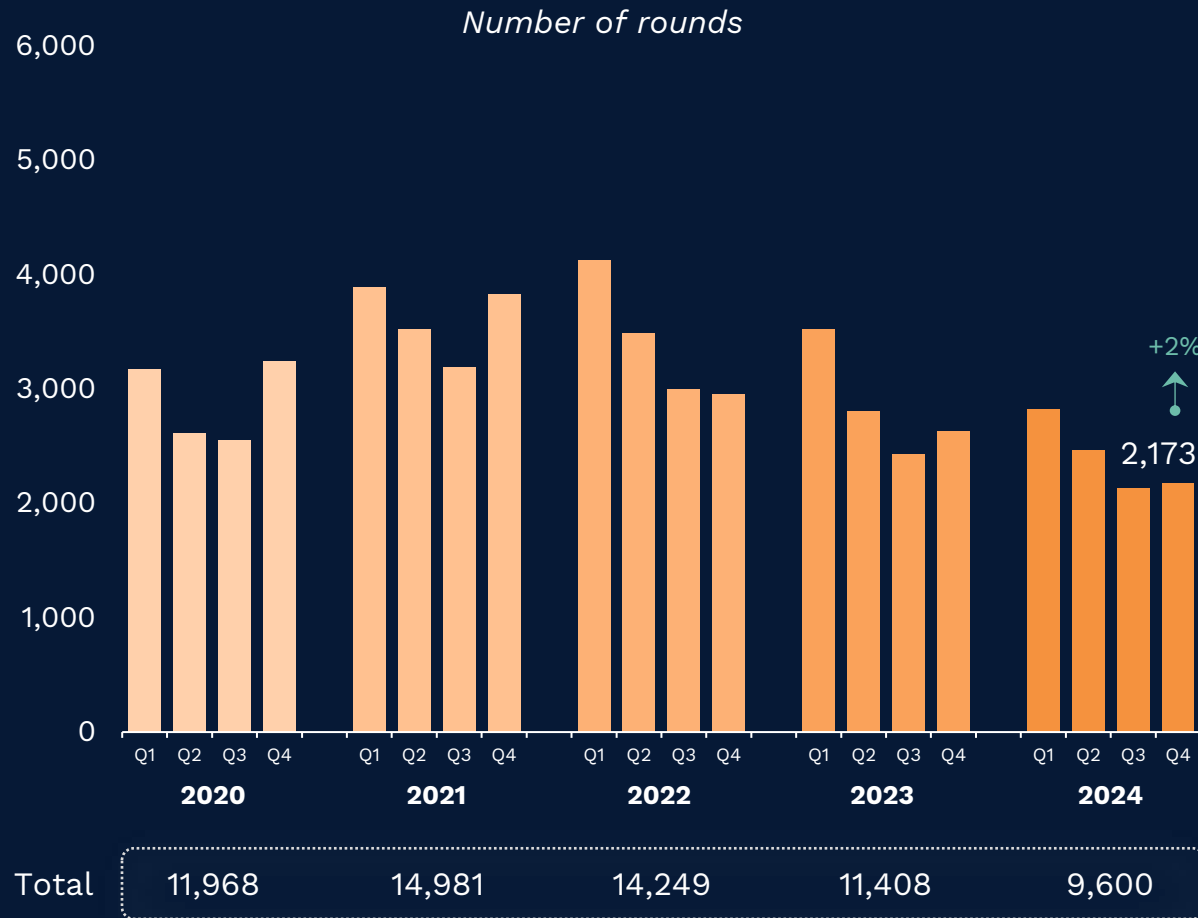
	2020	2021	2022	2023	2024
Mean <sup>b</sup>	€5.3M	€9.0M	€9.2M	€7.5M	€9.8M
Median <sup>b</sup>	€1.0M	€1.3M	€1.7M	€1.7M	€2.2M

Sources: a. PitchBook 2024 Annual European Venture Report; b. Growth Capital elaboration based on PitchBook data

Notes: 1. PitchBook data may slightly change in the future, due to delays in data update and constant backward correction

## 2.4. VC in Europe: historical evolution by quarter











With €14B invested across 2,173 rounds, Q4 is in line with the last two years<sup>a,1</sup>



**Sources:** a. PitchBook Q2-24 European Venture Report for all data from 2019 to H1-24, Growth Capital elaboration based on PitchBook data for Q3-24

**Notes:** 1. PitchBook data may slightly change in the future, due to delays in data update and constant backward correction

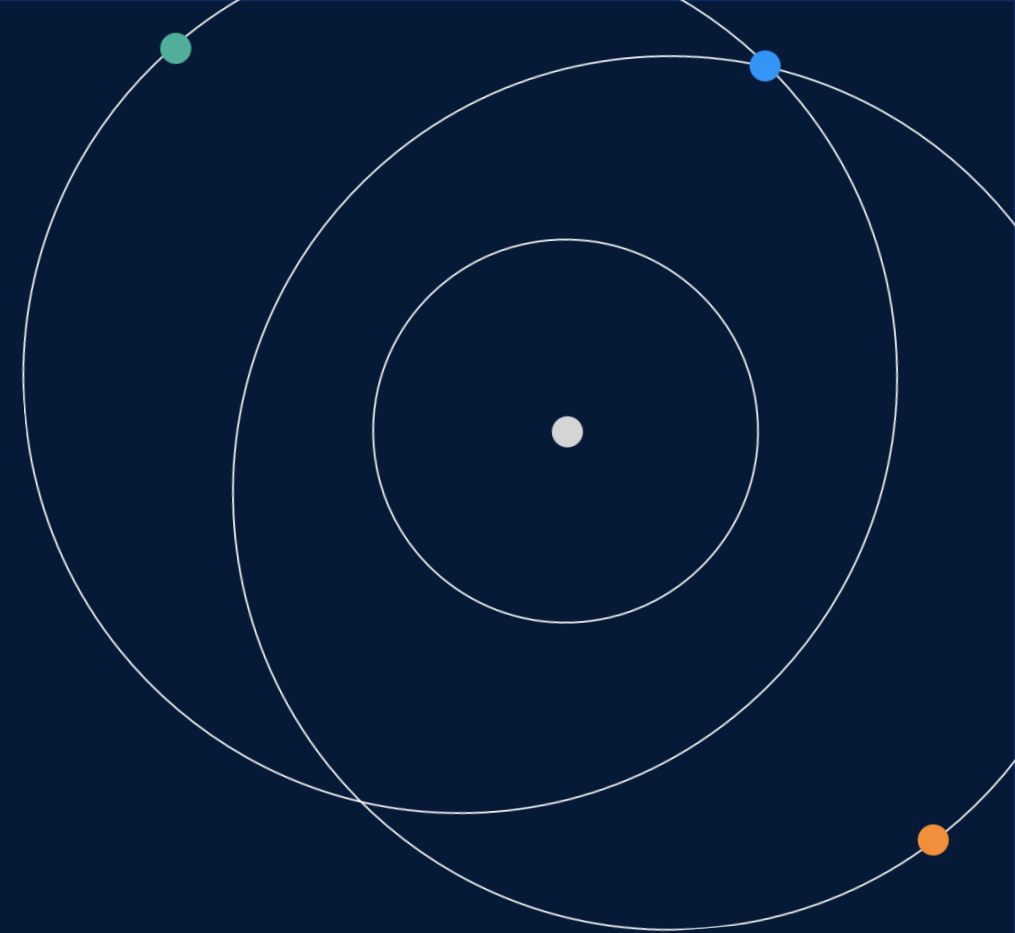
## 2.5. VC in Europe: Top 5 deals in 2024

TOP 5 DEALS <sup>a</sup>	SECTOR	STAGE	SIZE	INVESTORS
 WAYVE 	Software	Series C	€980M	Nvidia, Eclipse Ventures, Softbank Group, Microsoft, Uber
 	Fintech	Series B	€933M <sup>1</sup>	GSR Ventures, K3 Ventures, Salica Investments, West Coast Capital, Tom Hunter
 	Software	Growth VC	€667M	Accel, Nvidia, Orbis Investment Management
 MISTRAL AI_ 	Software	Series B	€600M <sup>1</sup>	Andreessen Horowitz, Belfius Investment Partners, Bertelsmann Investments, BNP Paribas
 monzo 	Fintech	Growth VC	€580M	GV, CapitalG, Tencent, Ribbit Capital, HongShan, Hedosophia, Top Tier Capital, Passion Capital

**Notes:** 1. Value including debt and equity; **Source:** a. Growth Capital elaboration based on Pitchbook data

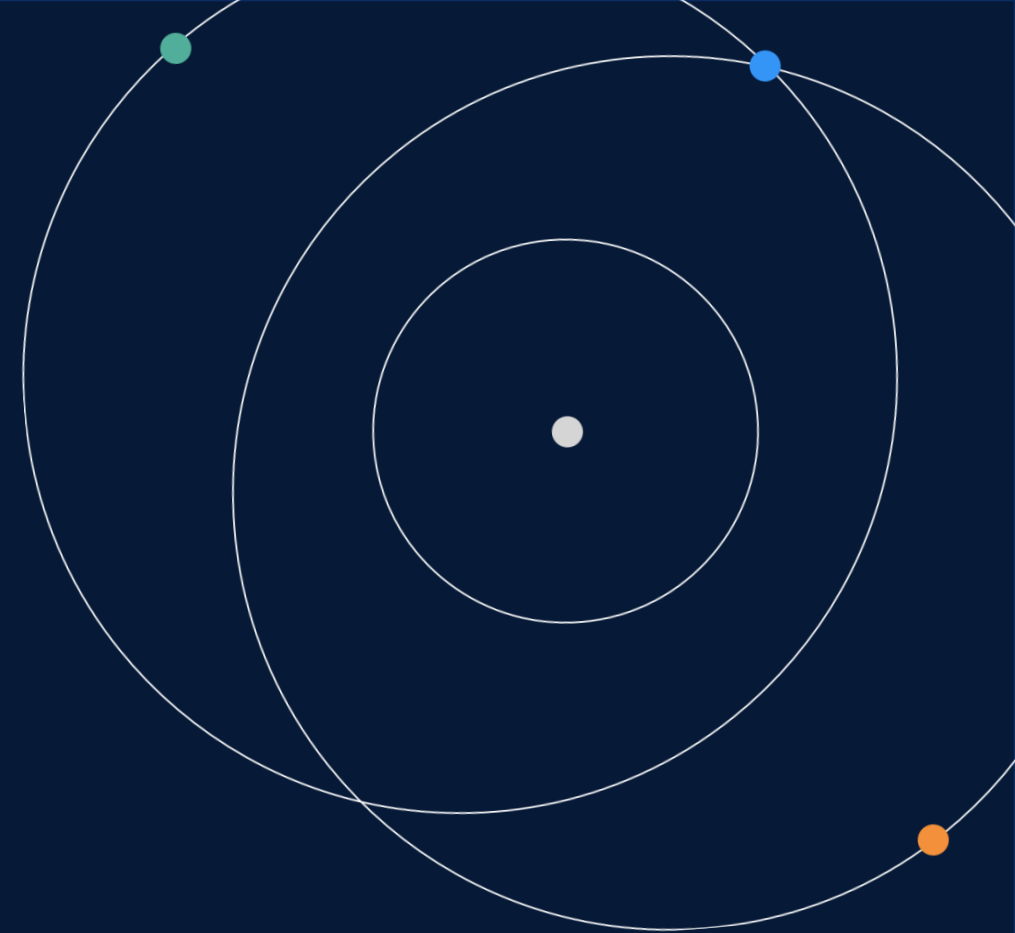
# 3

## VC in Italy



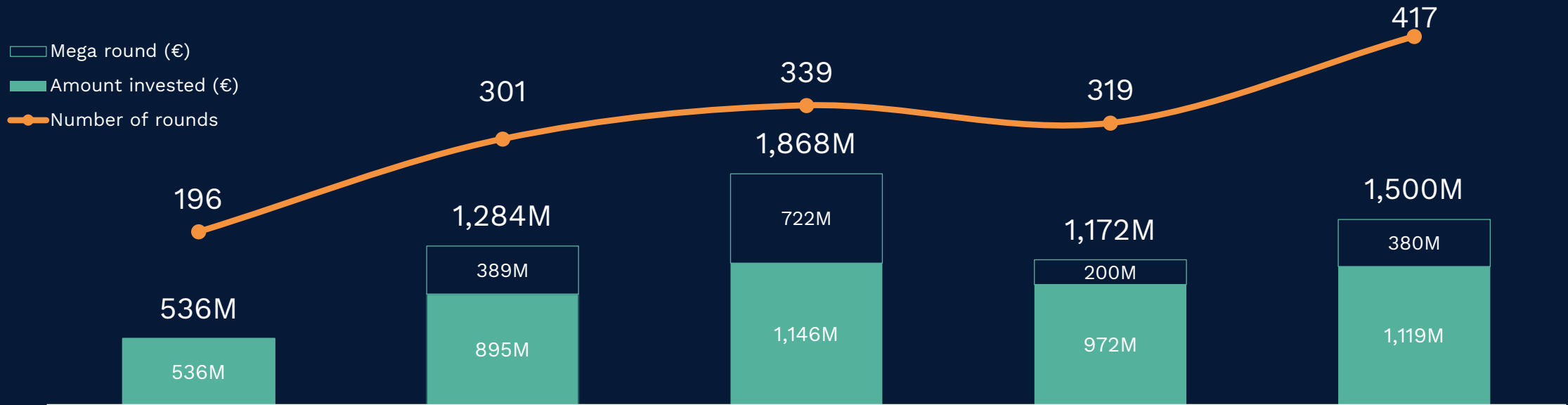


# 3.1 Historical evolution



### 3.1.1. Historical evolution by year

With €1,500M raised in 417 rounds, 2024 is the best year by # of rounds (+31% vs 2023), and the 2<sup>nd</sup>-best year after 2022 in terms of amount, both with and without mega rounds<sup>1,2</sup>

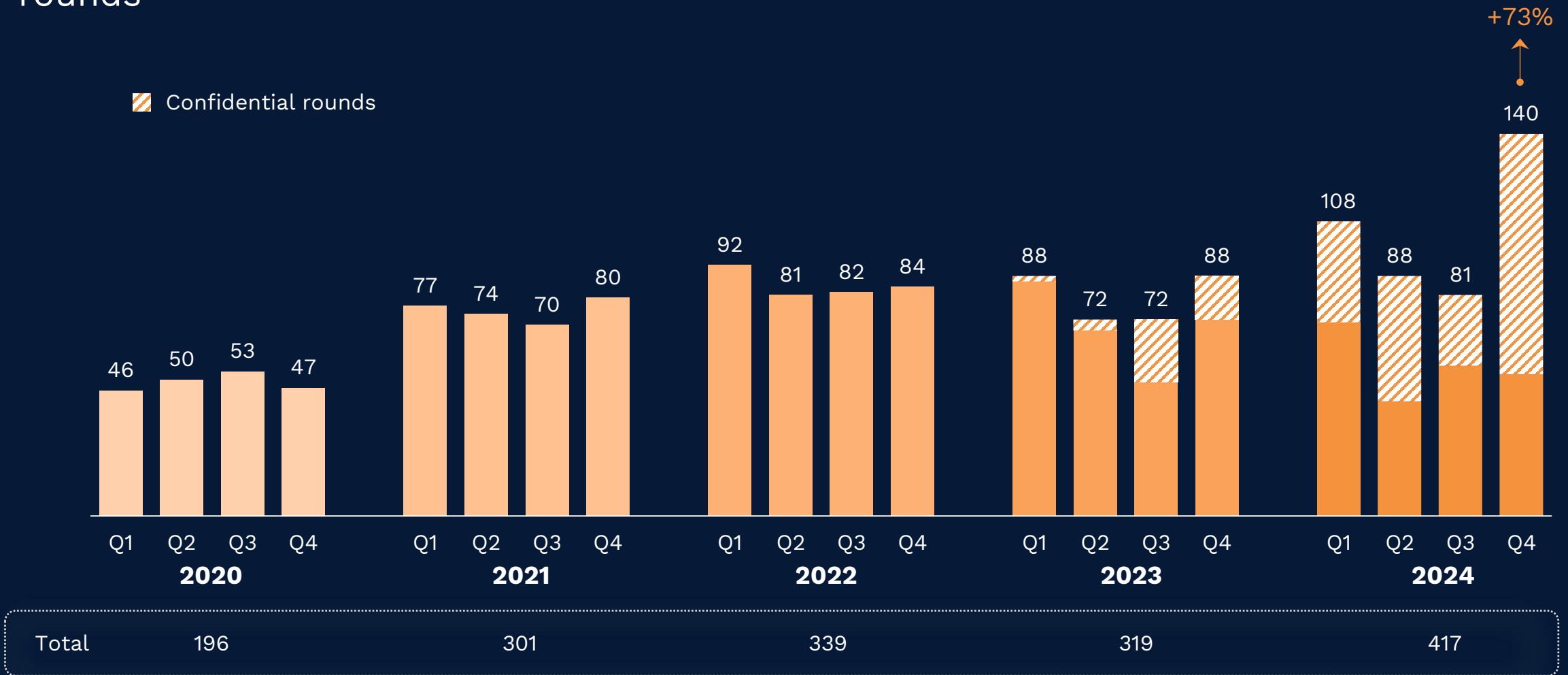


	2020	2021	2022	2023	2024
Mean	€2.7M	€4.3M	€5.5M	€3.7M	€3.6M
Adj Mean <sup>3</sup>	€2.5M	€2.9M	€3.0M	€2.9M	€2.8M
Median	€0.7M	€1.0M	€1.2M	€1.0M	€0.8M

**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.** Bending Spoons, MMI, NewCleo. As the two tranches of NewCleo’s round are €87M in Q2 and €48M in Q3, this Report considers the fundraising as a single round of €135M. D-Orbit is not considered as mega round in 2024, despite the second tranche announced in Q3-24, because they had already been considered in 2023 when the first tranche was announced **3.** 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

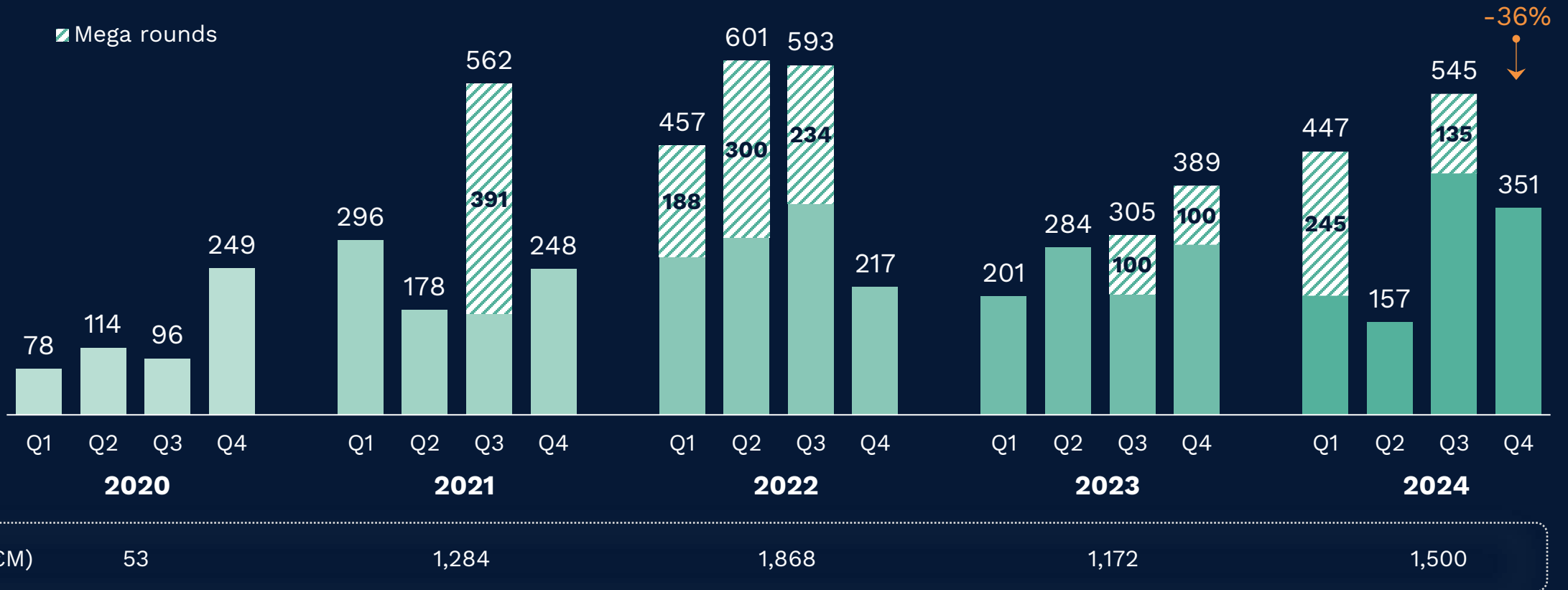
## 3.1.2. Number of rounds by quarter

Q4-24 recorded the highest number of deals, with a very high proportion of confidential rounds



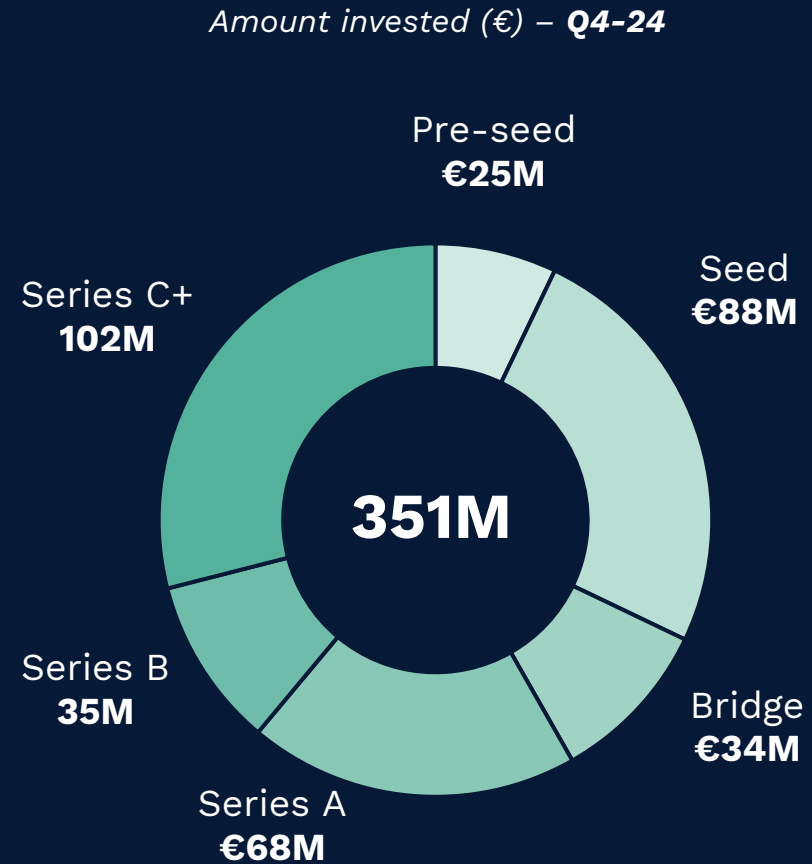
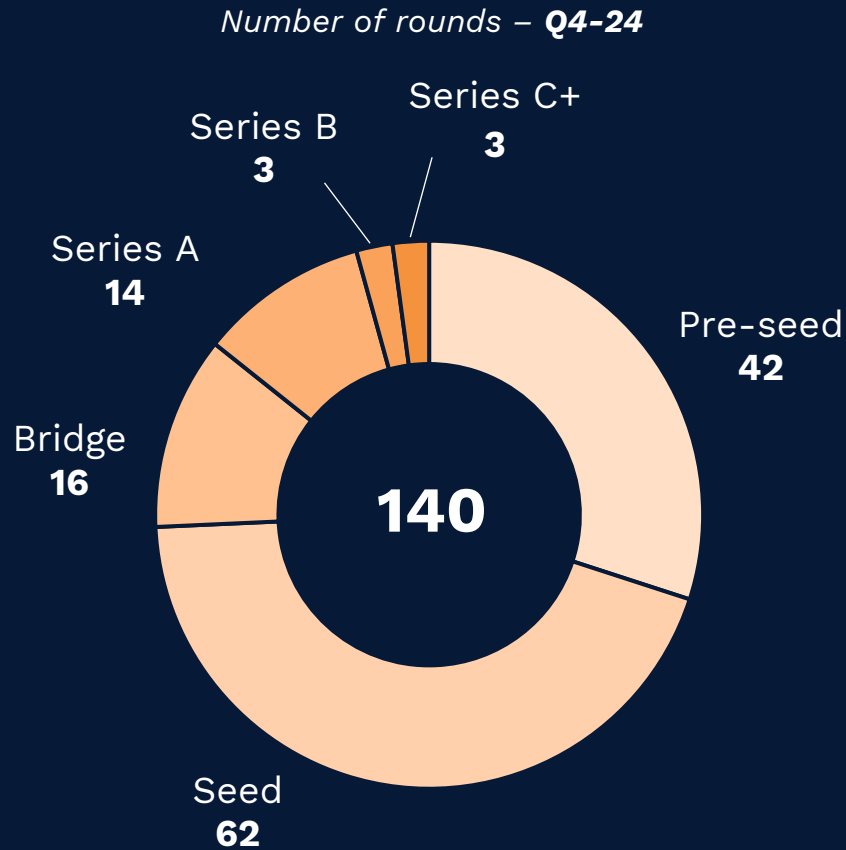
### 3.1.3. Amount invested by quarter

In terms of amount invested, Q4-24 is the third best quarter excluding mega rounds



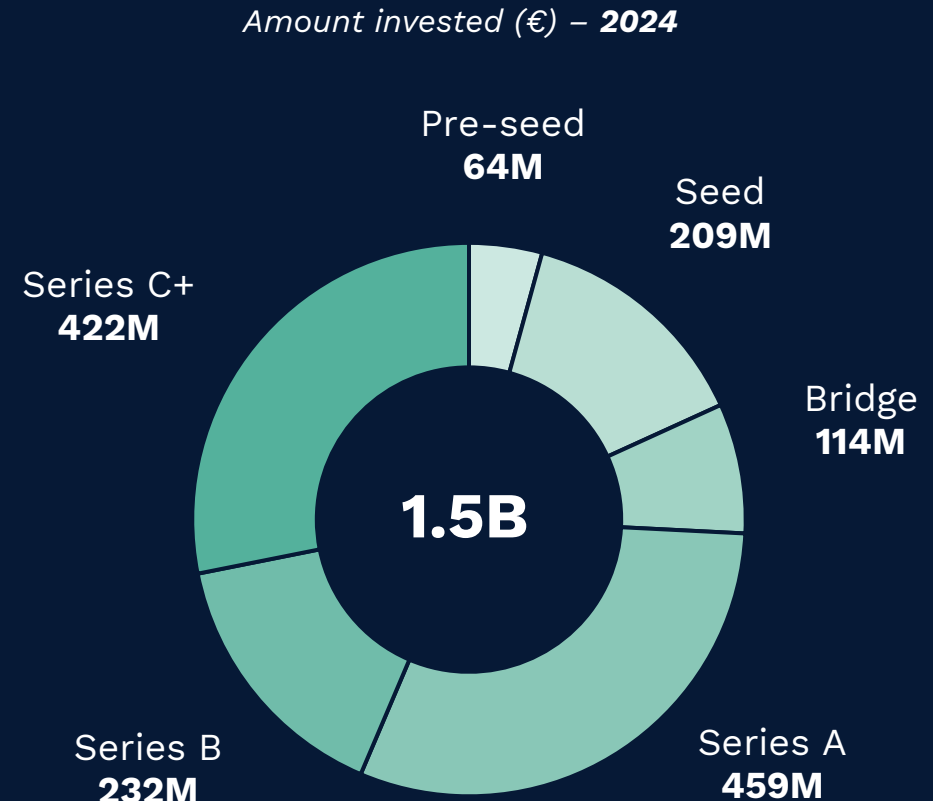
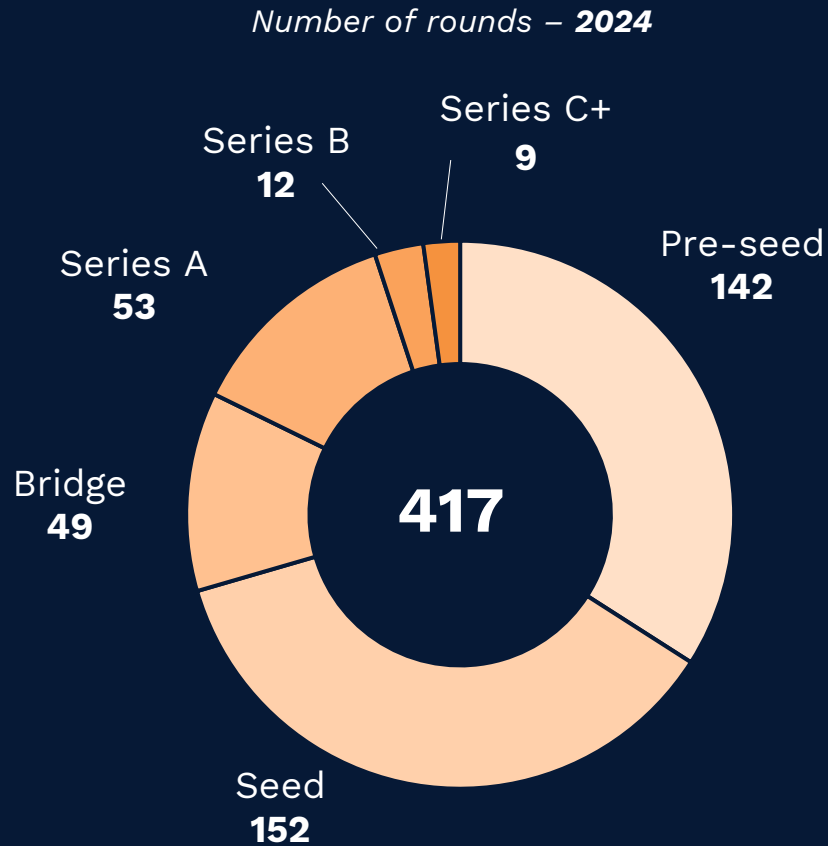
### 3.1.4. Analysis by type of round: Q4-24

In Q4-24, Pre-seed and Seed are the most frequently occurring round types (74% of the total). 29% of amount raised comes from 3 Series C+ rounds



### 3.1.5. Analysis by type of round: 2024

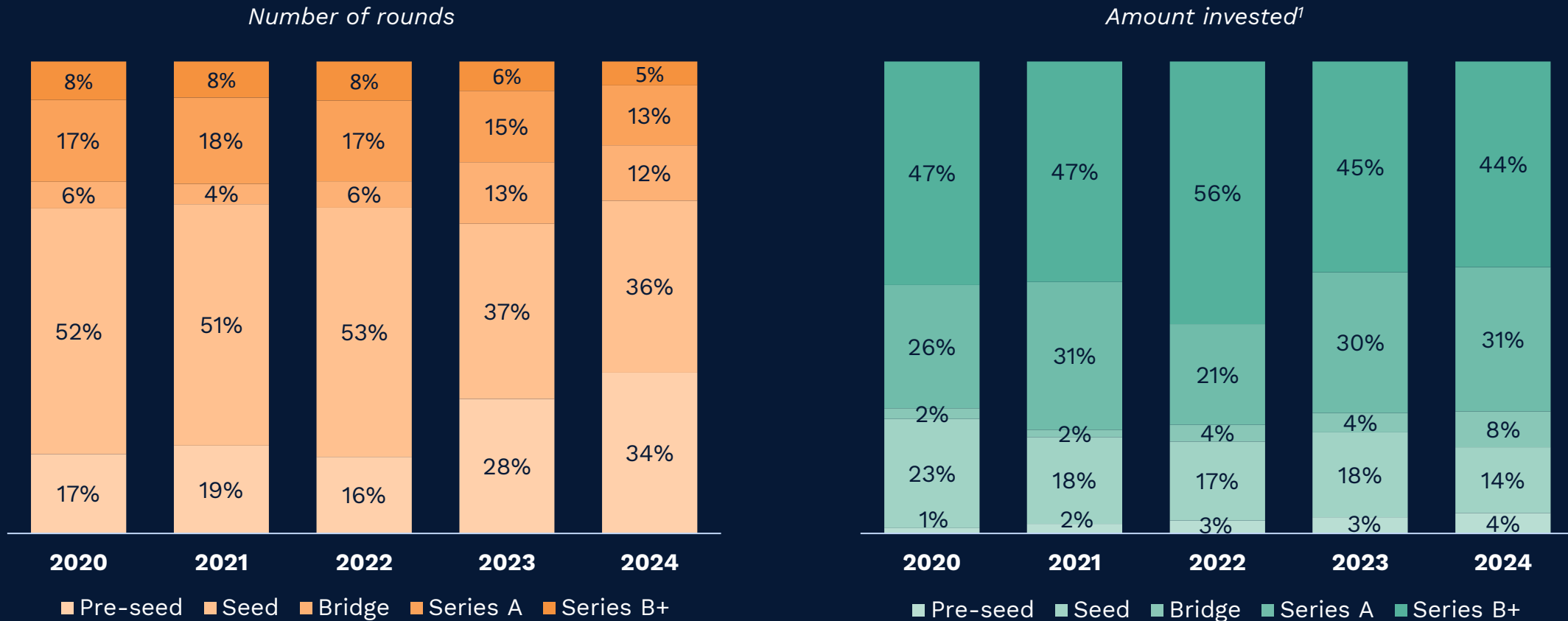
In 2024, Pre-seed, Seed and Bridge deals accounted for 82% of all rounds (vs 78% in 2023). The incidence of *Late Stage* rounds on total amount (43%) is returning to pre-2023 levels<sup>1</sup>



Notes: 1. Series B+ incidence on total raised from 2019 to 2022 was 53%, dropping to 34% in 2023

### 3.1.6. Historical analysis by type of round

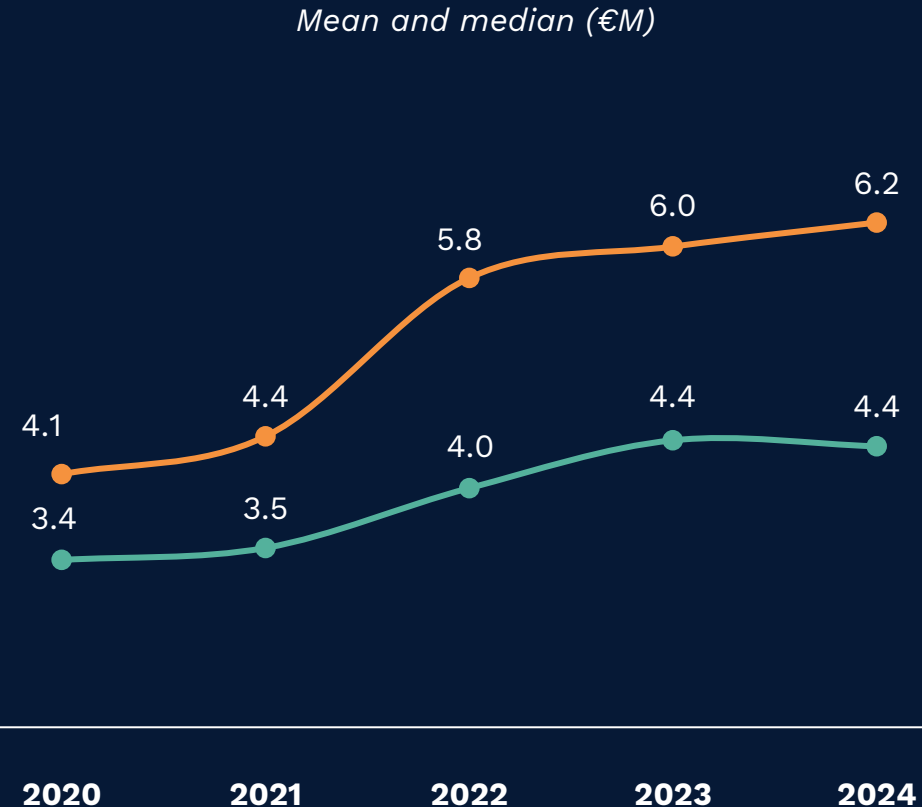
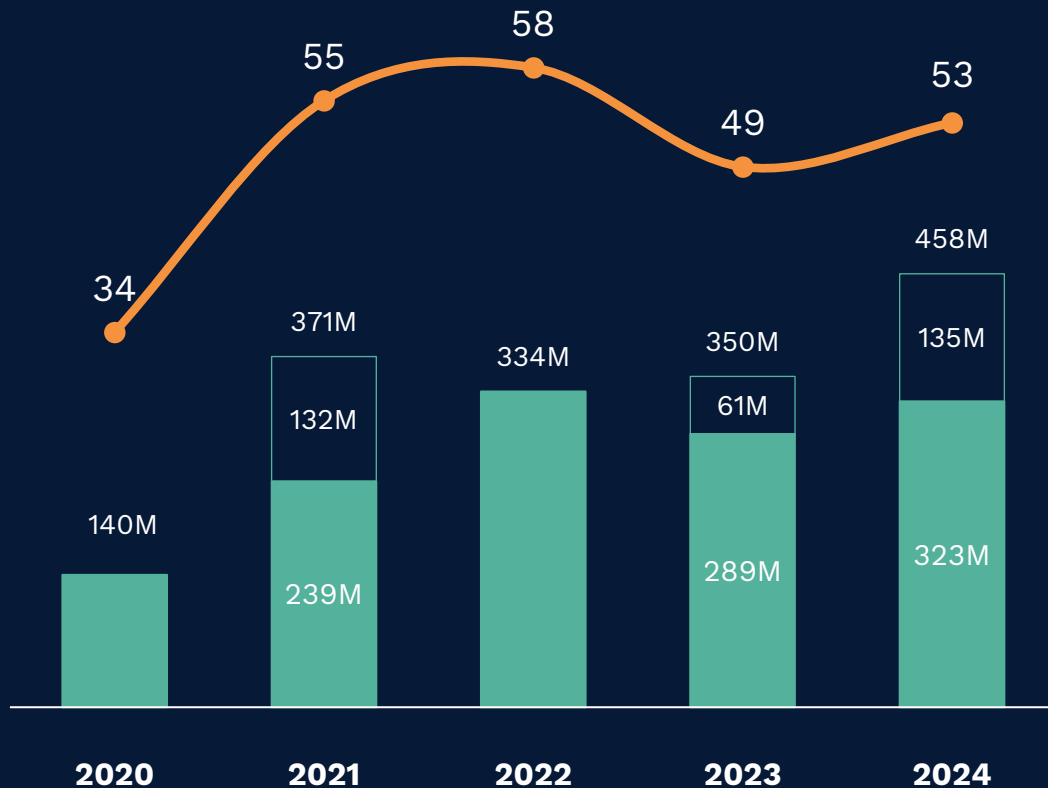
Since 2023, more rounds have been labelled as Bridge and Pre-seed. In terms of amount, the distribution hasn't changed overtime



**Note: 1.** To ensure comparability by round type across different years, the two mega rounds by Newcleo (a €100M Pre-seed in 2021 and a €300M Seed in 2022) have been excluded.

### 3.1.7. Focus: Series A (1/2)

In 2024, dealmaking is stable with mean and median were in line with 2023 while amount invested primarily increased due to the mega round of NewCleo



Amount invested (€) Outliers (€) Number of rounds

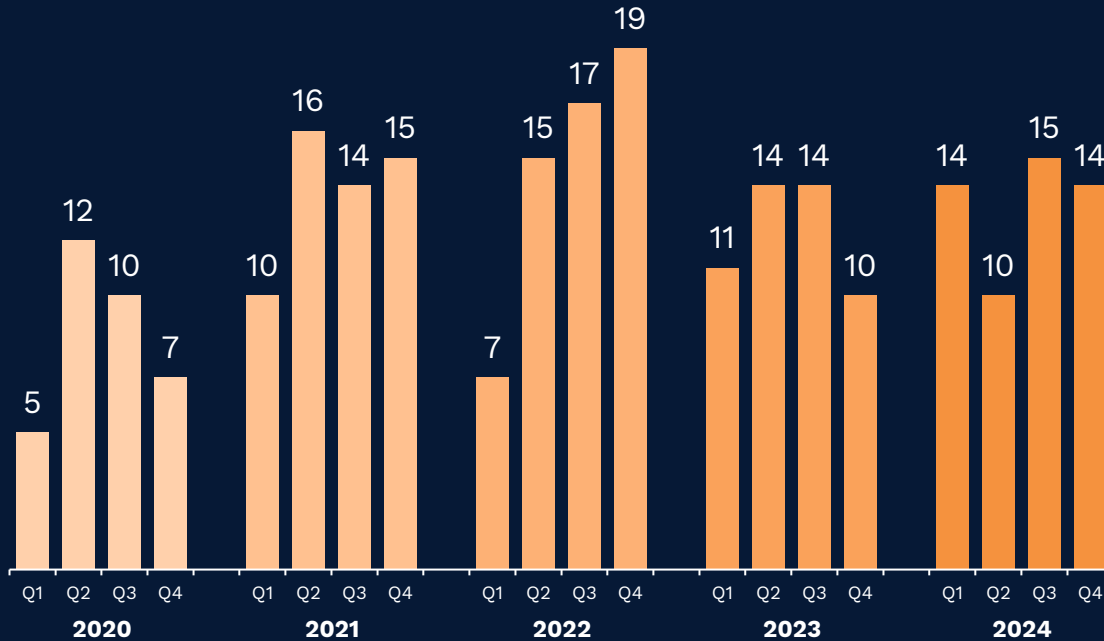
Mean without outliers Median



### 3.1.8. Focus: Series A (2/2)

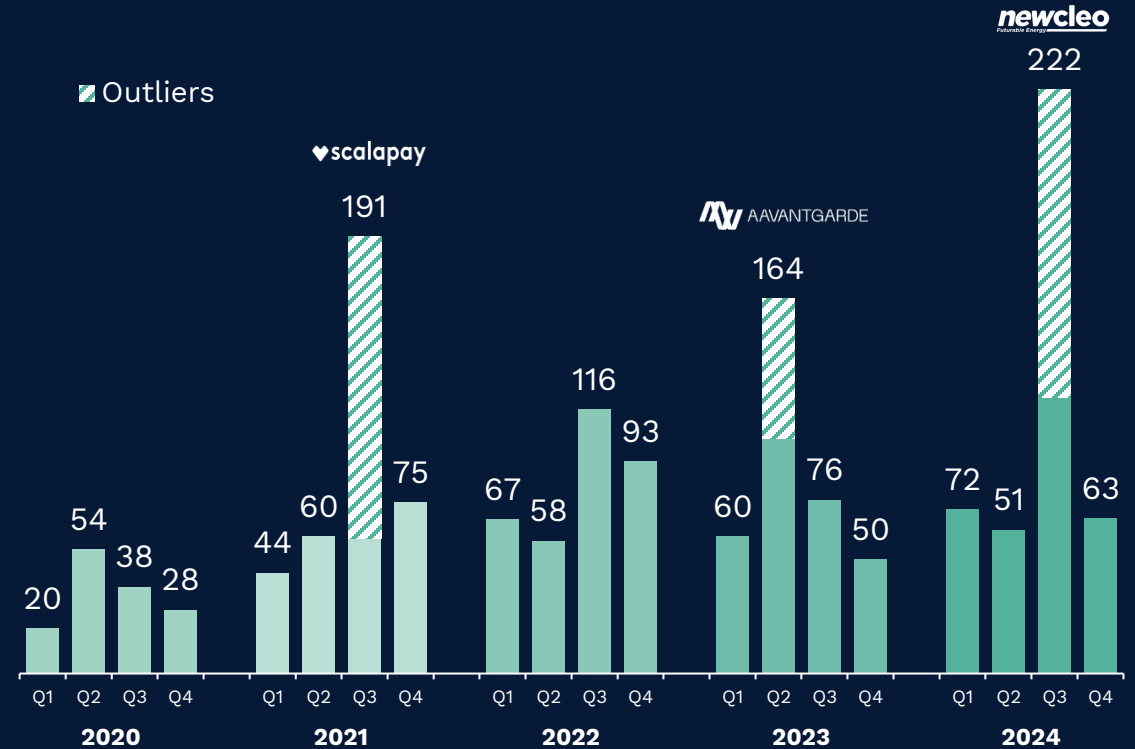
Excluding outliers, Q4-24 is aligned with the last 2 years both in terms of number of rounds and amount invested

Number of rounds



Total 34 55 58 49 53

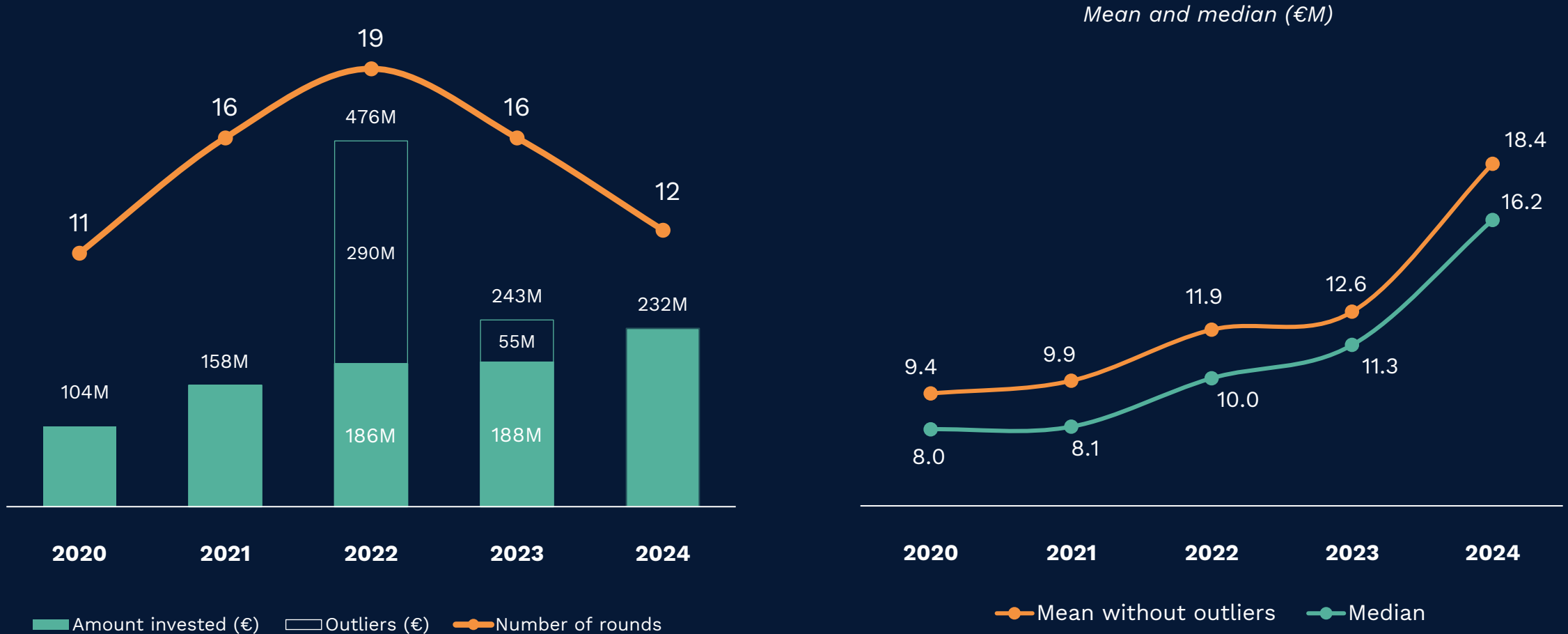
Amount invested (€M)



140 371 334 350 458

### 3.1.9. Focus: Series B (1/2)

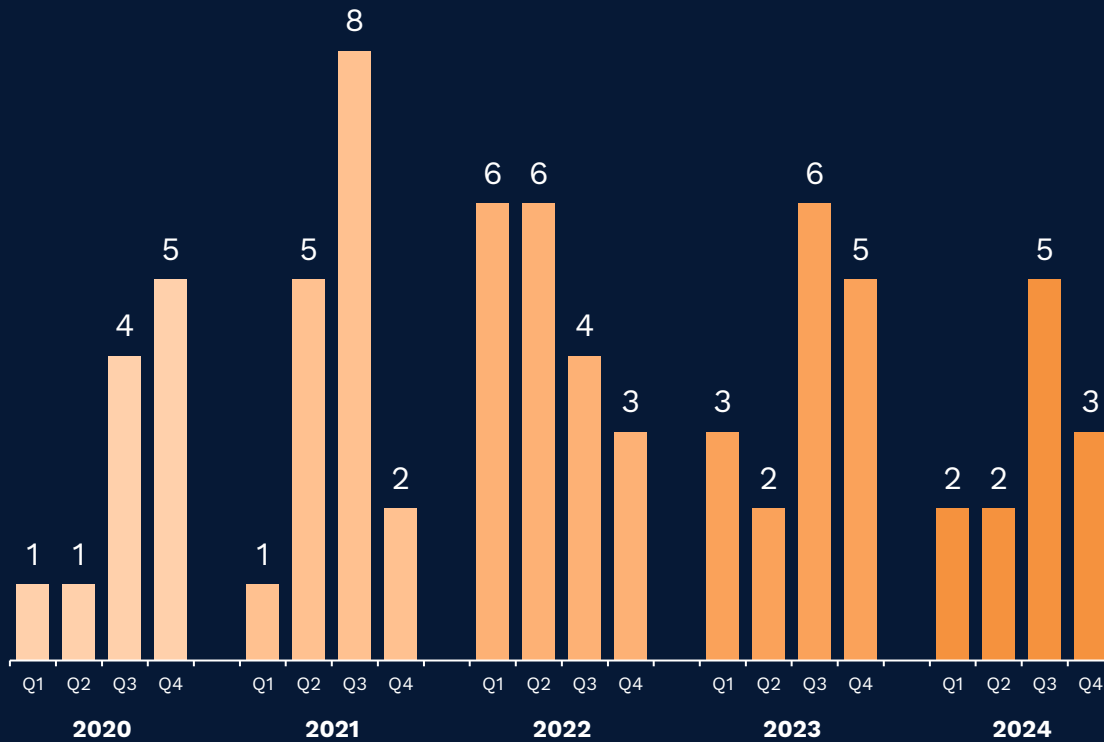
Mean and median round sizes have significantly increased vs 2023 by 46% and 43% respectively, while still below the European levels (€45M and €27M)



## 3.1.10. Focus: Series B (2/2)

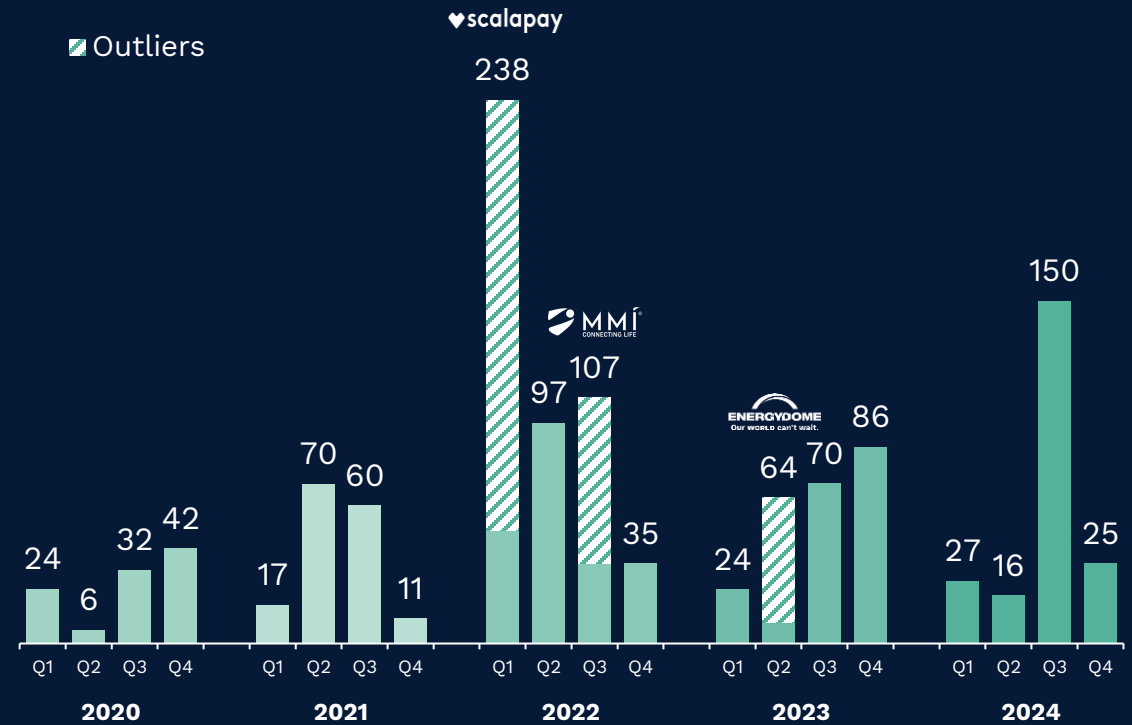
Q4-24 is in line with the last two years average in terms of number of rounds

Number of rounds



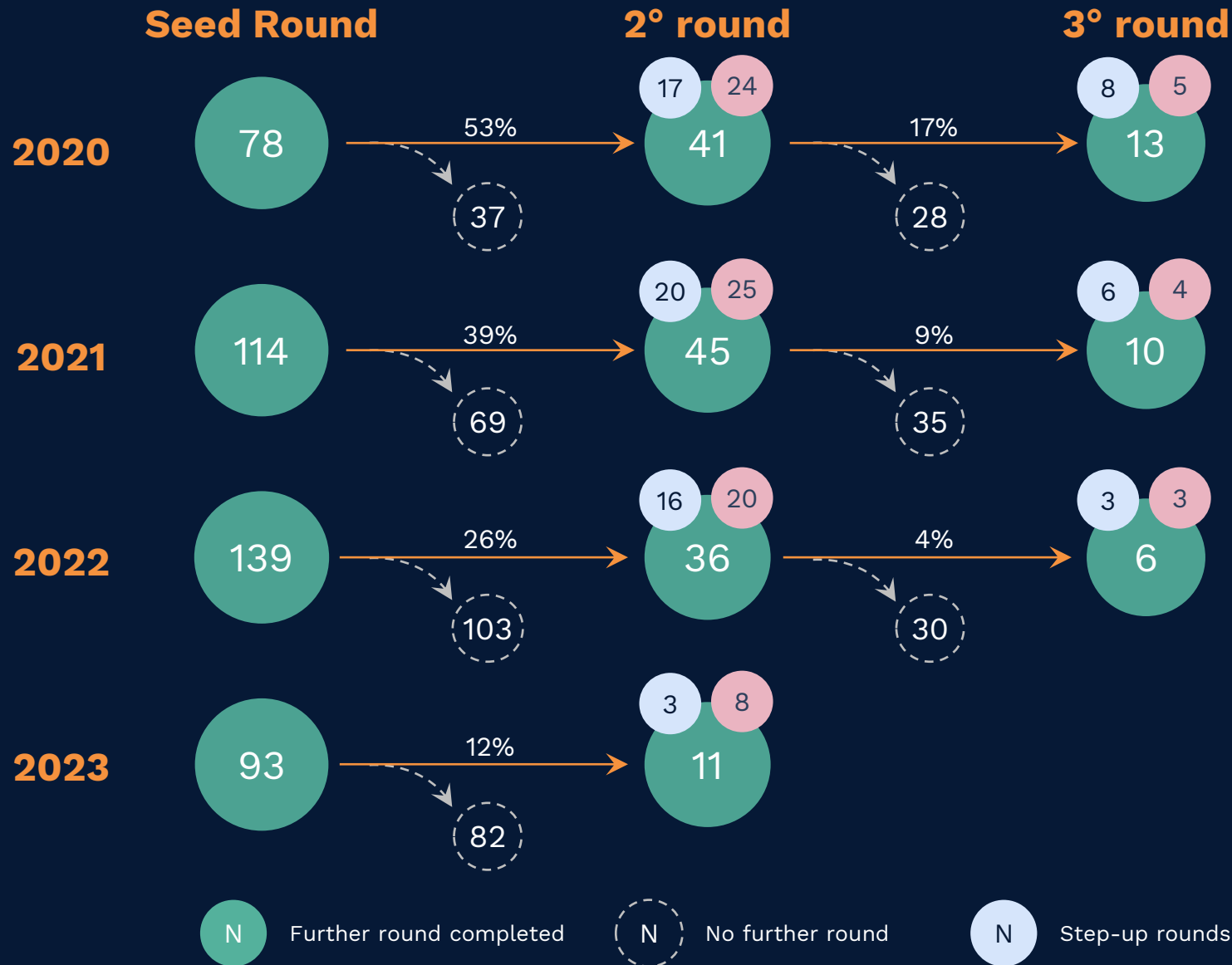
Total 11 16 19 16 12

Amount invested (€M)



104 158 476 243 232

# 3.1.11. The fundraising funnel: from Seed to later rounds



The equity story of all startups that completed a Seed round in 2020-2023 was analyzed and 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 ○

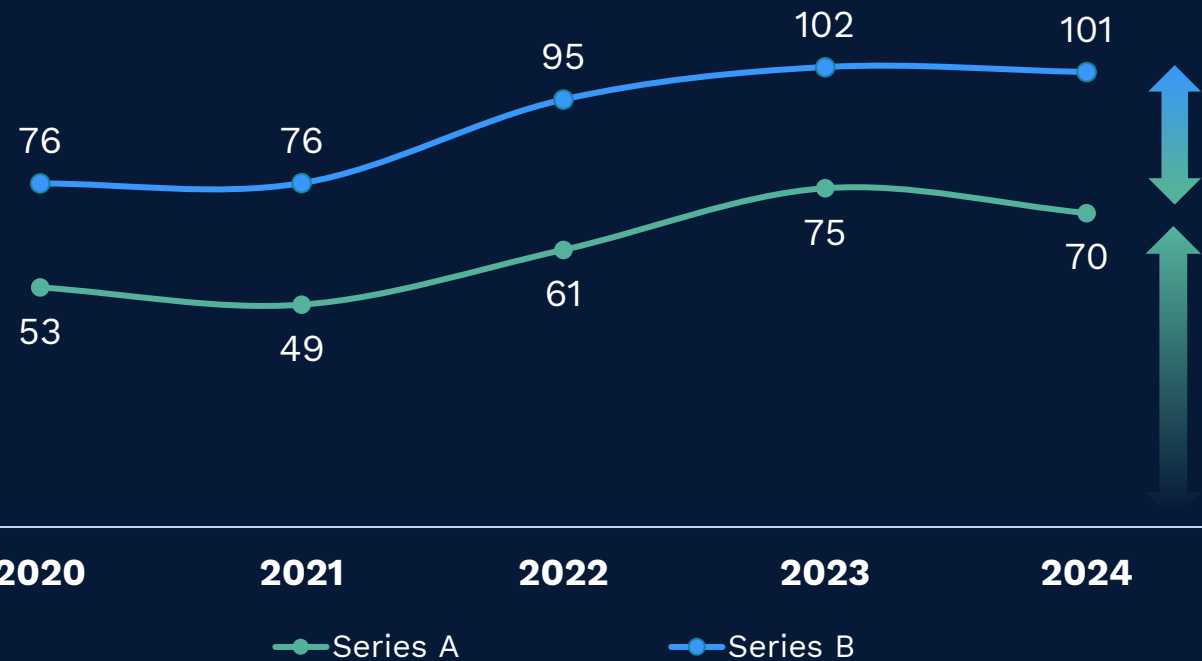
The share of **startups raising 2<sup>nd</sup> and 3<sup>rd</sup> rounds** after Seed have **decreased**, due to the internal choice to **postpone fundraising** (especially true for '21 and '22 cohorts)

In 2021 and 2022, *Step-up rounds* were as frequent as *Bridge/Same-stage rounds*, while the latter category has become more frequent in 2023 and 2024

### 3.1.12. Time to funding between Series A and Series B

2024 has seen a slight decrease in time needed to reach Series A status, while time between Series A and B has lengthened

Median time to Series A and Series B (months)



From **Series A to Series B**  
(31 months in 2024)

From **incorporation to Series A**

- As anticipated, many scale-ups that had **previously postponed funding** in hopes of a better market scenario eventually **had to raise again**, as they could no longer extend their runway
- As these start-ups have tapped the market again, the delay in funding was reflected in the data, explaining the **increased time gap** between Series A and Series B rounds

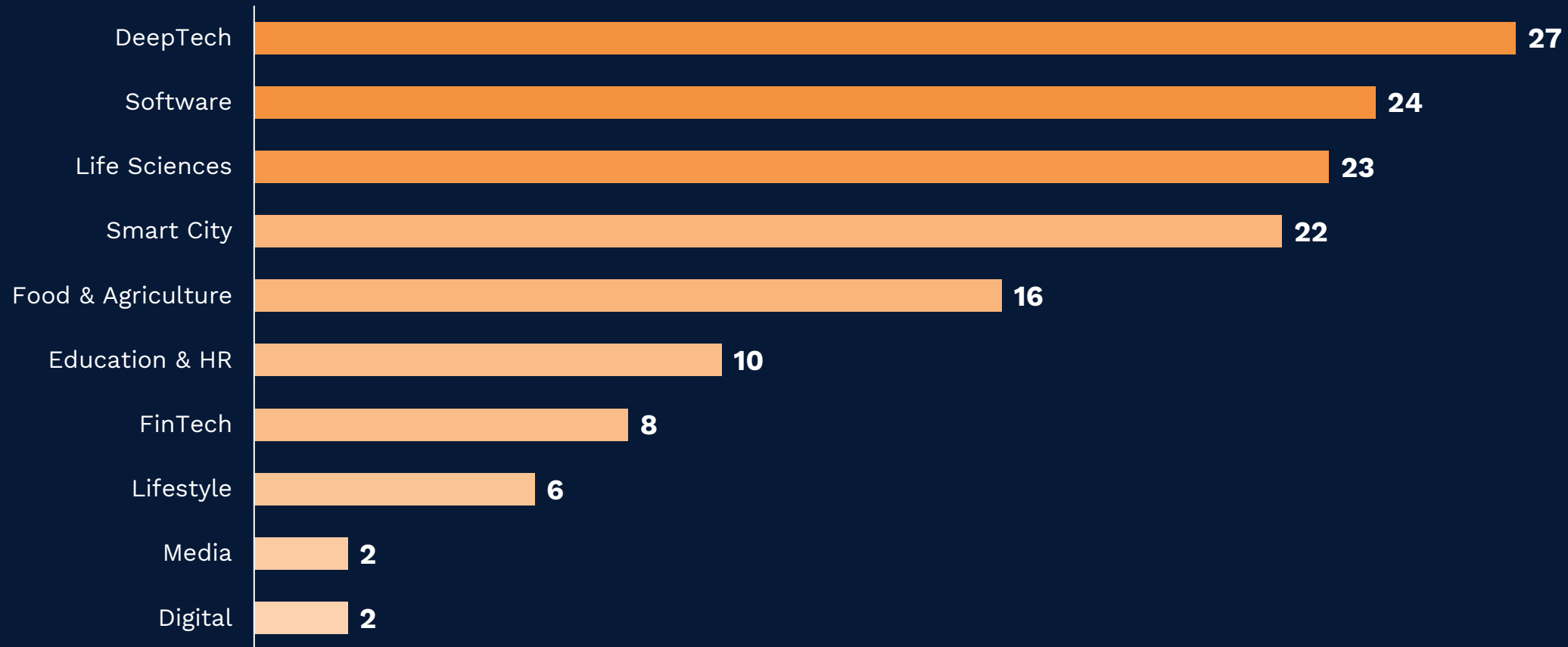


3.2.

# Sectors, verticals, top 5 deals and exits

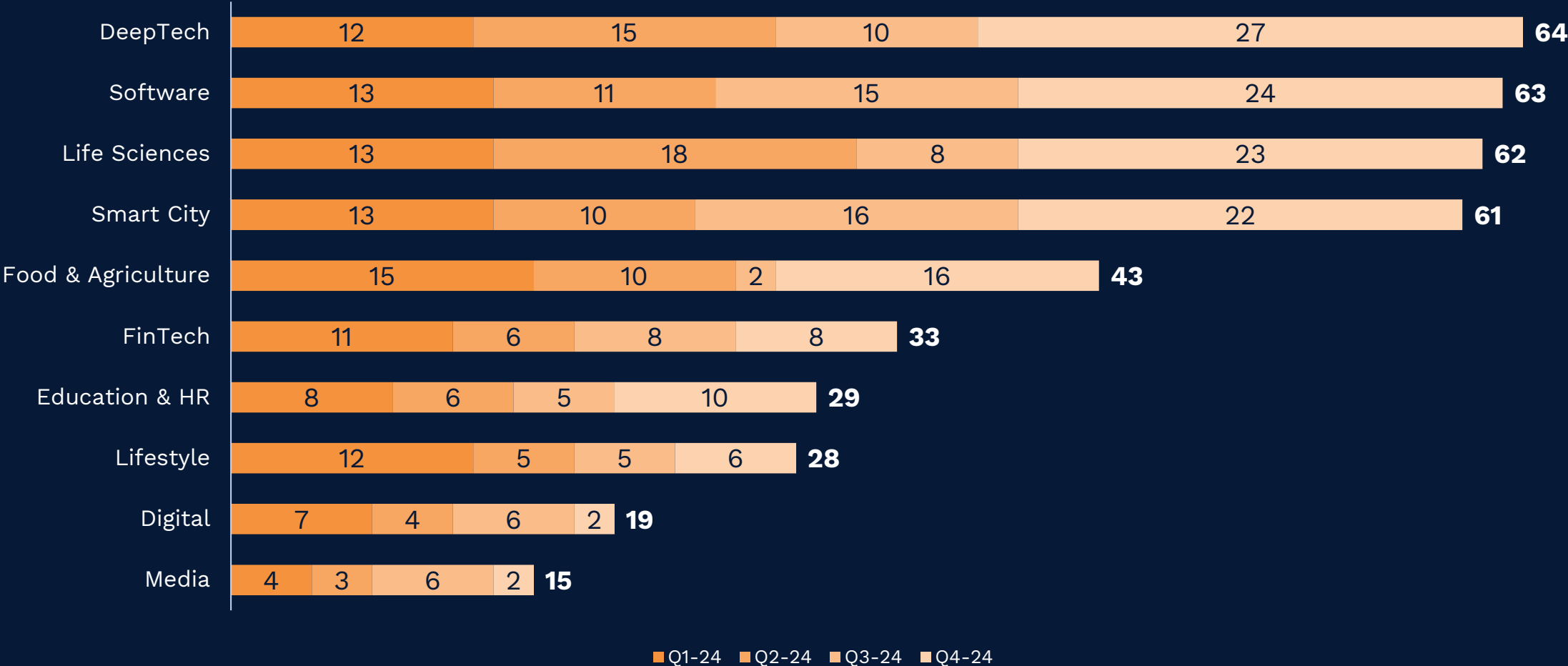
### 3.2.1. Sector analysis by number of rounds: Q4-24

In Q4-24, *DeepTech* and *Software* lead in terms of number of rounds, accounting for 36% of the total



### 3.2.2. Sector analysis by number of rounds: 2024

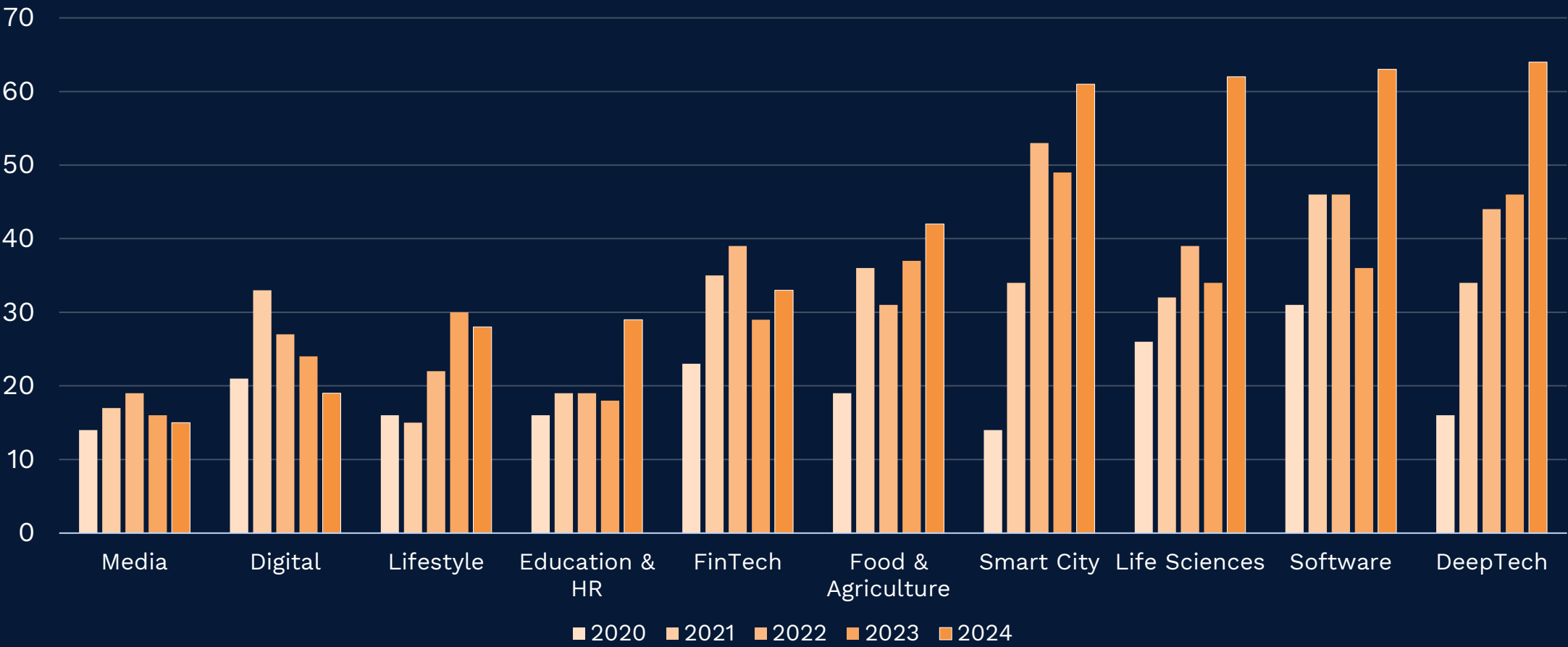
The prevalence of *Software*, *Life Sciences* and *Smart City* is also evident looking at 2024 as a whole, while *DeepTech* is taking the lead for the first time





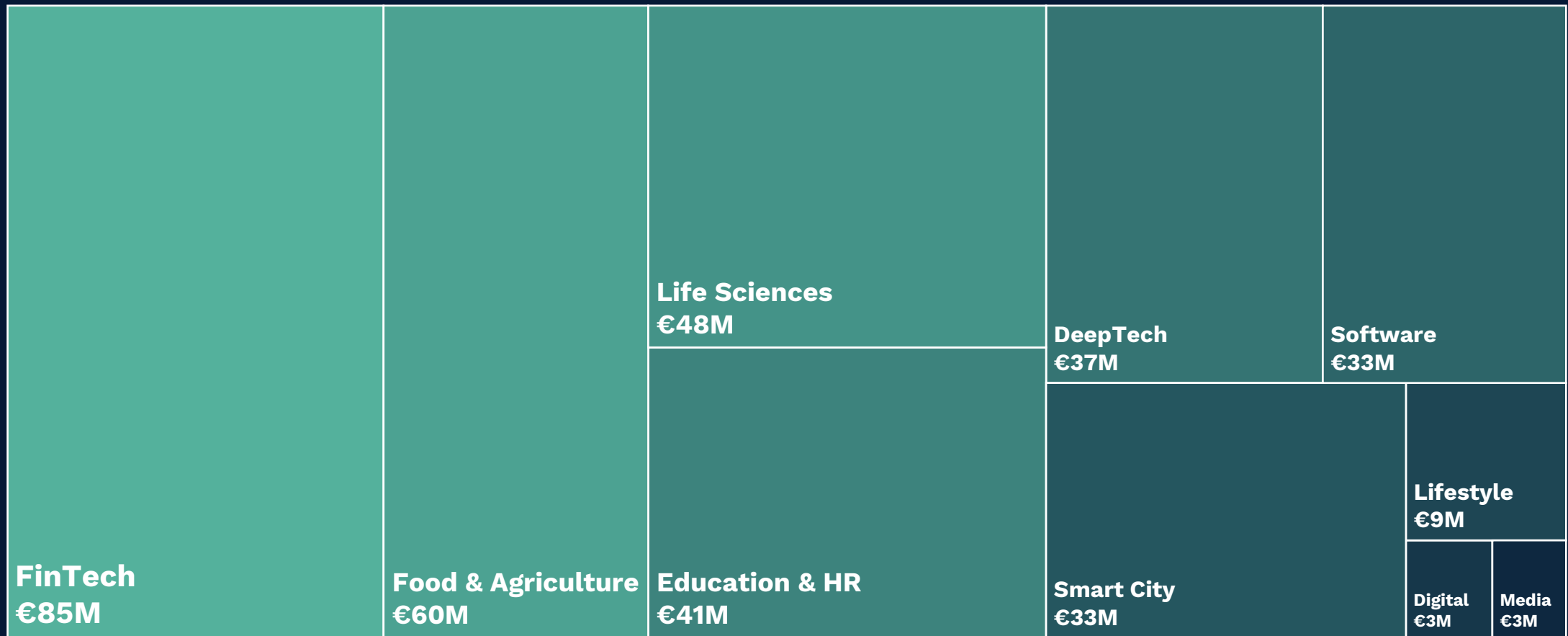
### 3.2.3. Historical sector analysis by number of rounds

Over the last 5 years, there has been new growth in *DeepTech*, *Software* and *Life Sciences* deals, driven by sector-specific accelerators and incubators



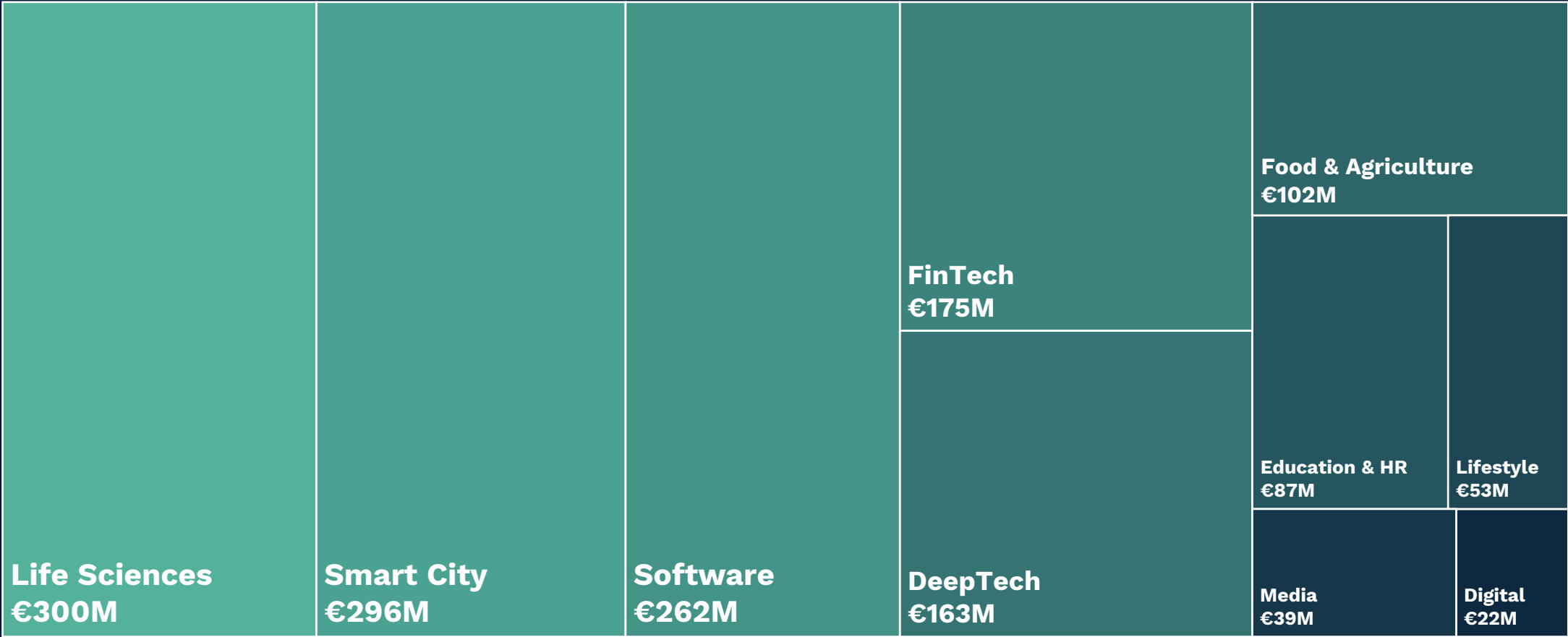
### 3.2.4. Sector analysis by amount invested: Q4-24

In Q4-24, *Fintech* and *Food & Agriculture* ranked among the top four sectors, a departure from their lower standings in recent quarters, due to some large rounds in the quarter



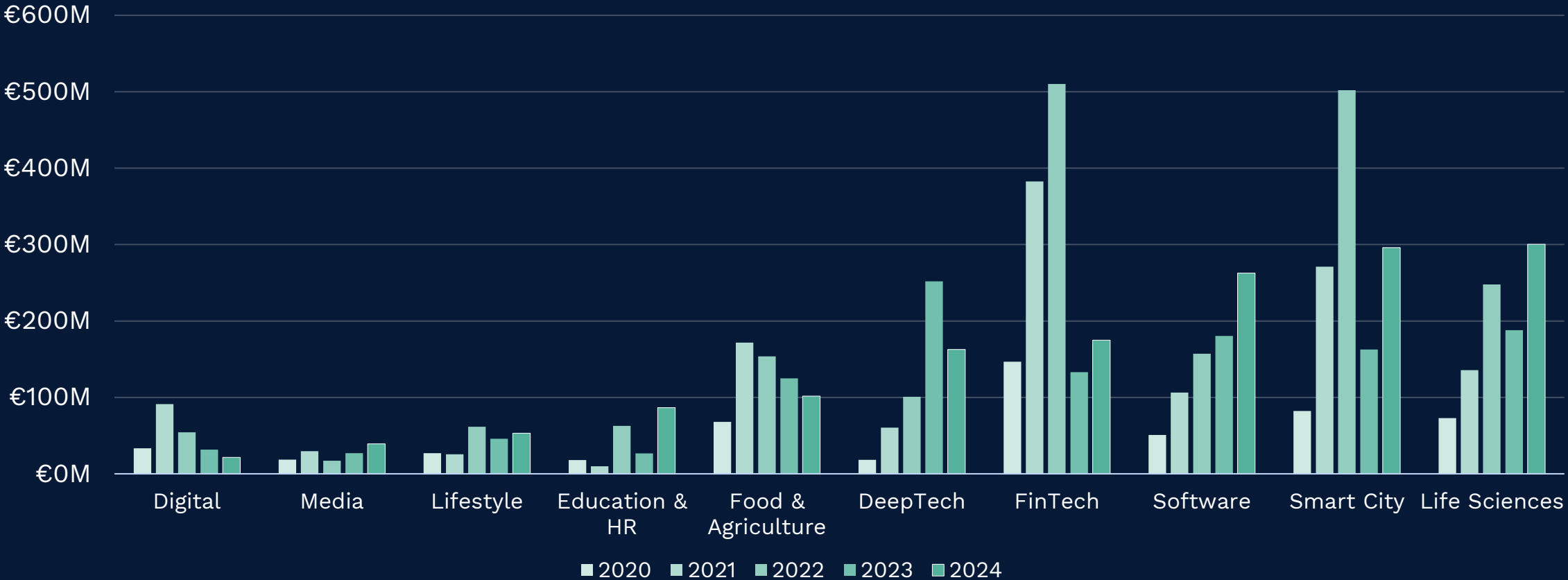
### 3.2.5. Sector analysis by amount invested: 2024

In 2024, *Life Sciences*, *Smart City* and *Software* are leading the pack, each bolstered by a mega round (MMI, NewCleo and Bending Spoons, respectively)



### 3.2.6. Historical sector analysis by amount raised

Looking at the last 5 years, *Food & Agriculture* and *Digital* are attracting less capital, whereas *Software* has steadily increased overtime



# 3.2.7. Top 3 verticals: Q4-24 and 2024

As in the rest of Europe, in Italy AI & ML is the most frequently financed vertical. As always, quarterly outliers determine figures in terms of amount raised

## Q4-24

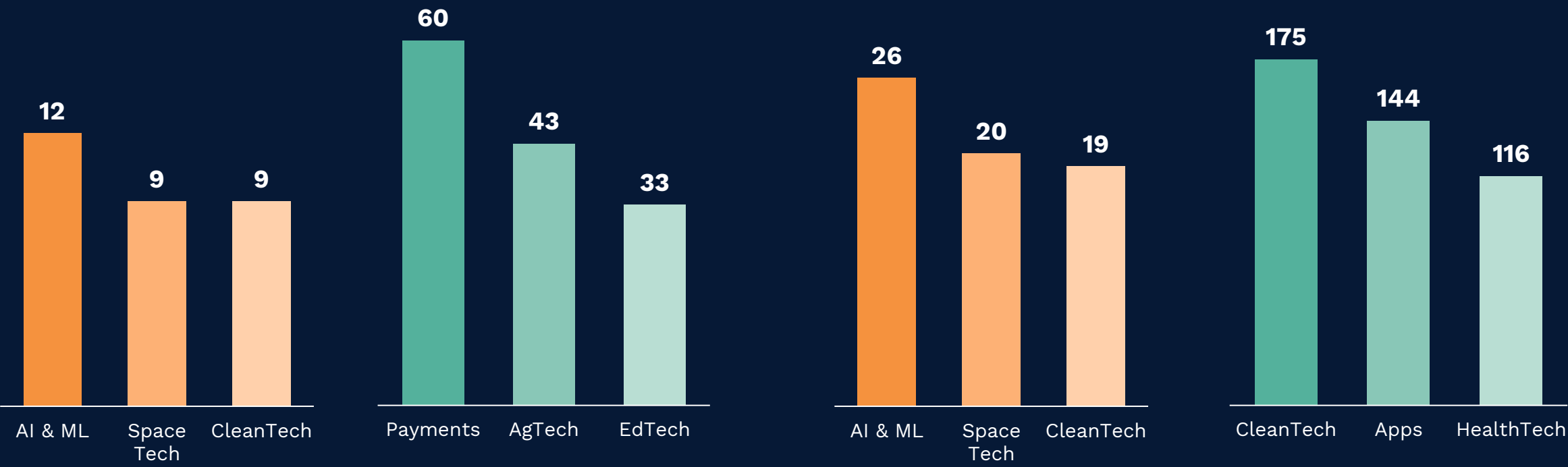
## 2024

Number of rounds







Amount invested (€M)

Number of rounds

Amount invested (€M)








## 3.2.8. Top 5 deals: Q4-24

COMPANY	SECTOR	STAGE	SIZE	INVESTORS <sup>1</sup>
	FinTech	Growth VC	€60.0M	Addition, Greyhound Capital, Lightrock
	Food & Agriculture	Series C	€36.0M	Partech, Mouro Capital, Swisscom Ventures, United Ventures
	Education & HR	Series B	€23.1M	Riverside Acceleration Capital, Adara Ventures, Educapital, P101
	FinTech	Series A	€14.6M	Blackstone, FINTOP Capital, JAM FINTOP
	Life Sciences	Series B	€10.0M	

**Notes:** **1.** Shaded investors are Italian and investors written in white are international, based on HQ location; **2.** Sum of two tranches: €87M announced in Q2-24 and €48M announced in Q3-24; **3.** Second tranche of a €150M round, with the first €100M invested by Marubeni Corporation in Q4-23

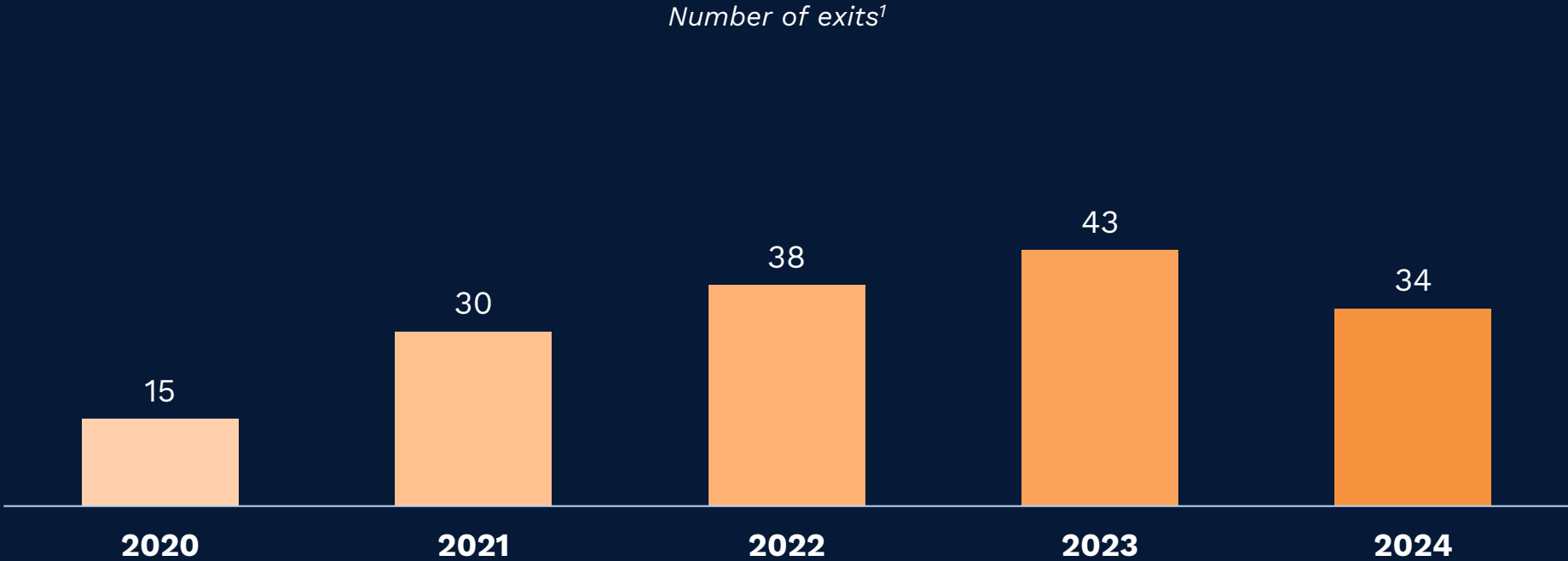
## 3.2.9. Top 5 deals: 2024

COMPANY	SECTOR	STAGE	SIZE	INVESTORS <sup>1</sup>
 BENDING SPOONS	Software	Growth VC	€144M	Durable Capital Partners LP, Baillie Gifford, COX Enterprises, NB Renaissance, NUO Capital, StarTIP
 newcleo Futurable Energy	Smart City	Series A	€135M <sup>2</sup>	Inarcassa, Ingérop, Walter Tosto, Other undisclosed investors
 MMI <sup>®</sup> CONNECTING LIFE	Life Sciences	Series C	€101M	Fidelity Management & Research Company, Panakès Partners, Andera Partners, BioStar Ventures, btov, Deerfield, Fountain Healthcare Partners, RA Capital Management, Sambatech, Wellington Partners
 satispay	FinTech	Growth VC	€60M	Addition, Greyhound Capital, Lightrock
 D-ORBIT	DeepTech	Series C	€50M <sup>3</sup>	Avantgarde, CDP Venture Capital, United Ventures, EIB, EIF, European Innovation Council Fund, Iberis Capital, Indaco Venture Partners, NEVA SGR, Phaistos Investment Fund, Primo Ventures, Seraphim Space

**Notes:** **1.** Shaded investors are Italian and investors written in white are international, based on HQ location; **2.** Sum of two tranches: €87M announced in Q2-24 and €48M announced in Q3-24; **3.** Second tranche of a €150M round, with the first €100M invested by Marubeni Corporation in Q4-23

# 3.2.10. Historical analysis of exits

With tightened market conditions, exits in 2024 marked a 3-year low



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



## 3.2.11. Exits in Q4-24

TARGET	EXIT TYPE	ACQUIROR / IPO MARKET	SECTOR	ENTERPRISE VALUE	PERCENTAGE <sup>1</sup>
Cosmic	M&A	Retex	Media	Undisclosed	100%
Fitprime	M&A	Wellhub	Lifestyle	Undisclosed	100%
Muscope Cybersecurity	M&A	TeamSystem	Software	Undisclosed	Undisclosed
<b>CONFIDENTIAL</b>	M&A	Undisclosed	Smart City	Undisclosed	Undisclosed

## 3.2.12. Exits in Q3-24

TARGET	EXIT TYPE	ACQUIROR / IPO MARKET	SECTOR	ENTERPRISE VALUE	PERCENTAGE <sup>1</sup>
620 Passi	M&A	SEM	Food & Agriculture	Undisclosed	100%
Buddyfit	M&A	7NXT	Lifestyle	Undisclosed	100%
Flatmates	M&A	Cosmico	Media	Undisclosed	55%
Formatori Italiani	M&A	Improovo	Education & HR	Undisclosed	100%
OOBE-XR	M&A	Altea Federation	DeepTech	Undisclosed	100%
Switcho	M&A	Mavriq	Digital	Undisclosed	80%
TheDigitalBox	M&A	Vection Technologies	Software	€12.0M	100%
Transactionale	M&A	Qaplà	Media	Undisclosed	100%
Zulla	M&A	Contents	Media	Undisclosed	100%
<b>CONFIDENTIAL</b>	M&A	<b>CONFIDENTIAL</b>	Smart City	<b>CONFIDENTIAL</b>	<b>CONFIDENTIAL</b>

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

## 3.2.13. Exits in Q2-24

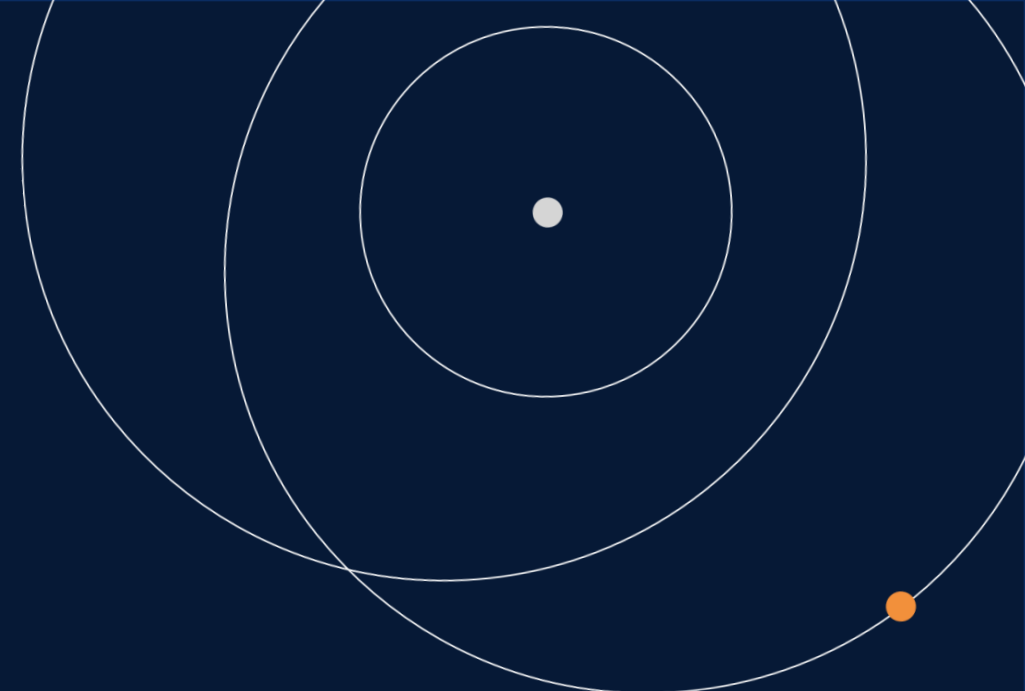
TARGET	EXIT TYPE	ACQUIROR / IPO MARKET	SECTOR	ENTERPRISE VALUE	PERCENTAGE <sup>1</sup>
BackToWork	M&A	Opstart	FinTech	Undisclosed	60%
Booncy	M&A	WeBravo	Media	Undisclosed	100%
Change Capital	M&A	TeamSystem	FinTech	Undisclosed	61%
Dokicasa	M&A	Wikicasa	Smart City	Undisclosed	51%
Fiscozen	M&A	Visma	FinTech	Undisclosed	65%
OfCourseMe	M&A	Edflex	Education & HR	Undisclosed	100%
Salesoar	M&A	WeBravo	Media	Undisclosed	100%
Workinvoice	M&A	General Finance	FinTech	€6.4M <sup>2</sup>	96%

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

## 3.2.14. Exits in Q1-24

TARGET	EXIT TYPE	ACQUIROR / IPO MARKET	SECTOR	ENTERPRISE VALUE	PERCENTAGE <sup>1</sup>
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



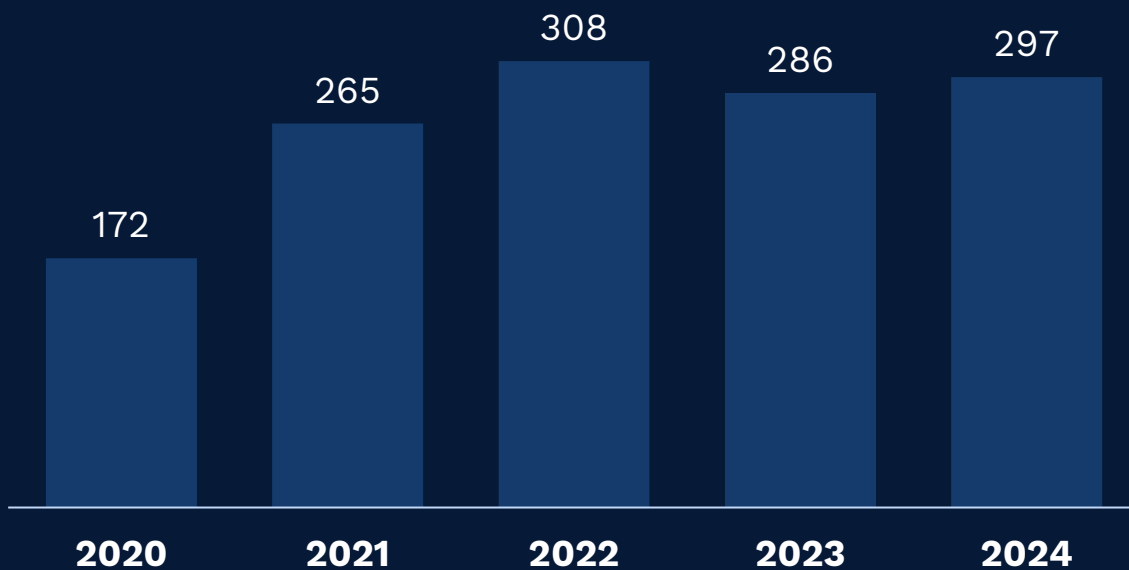
3.3.

# Active Investors in Italy

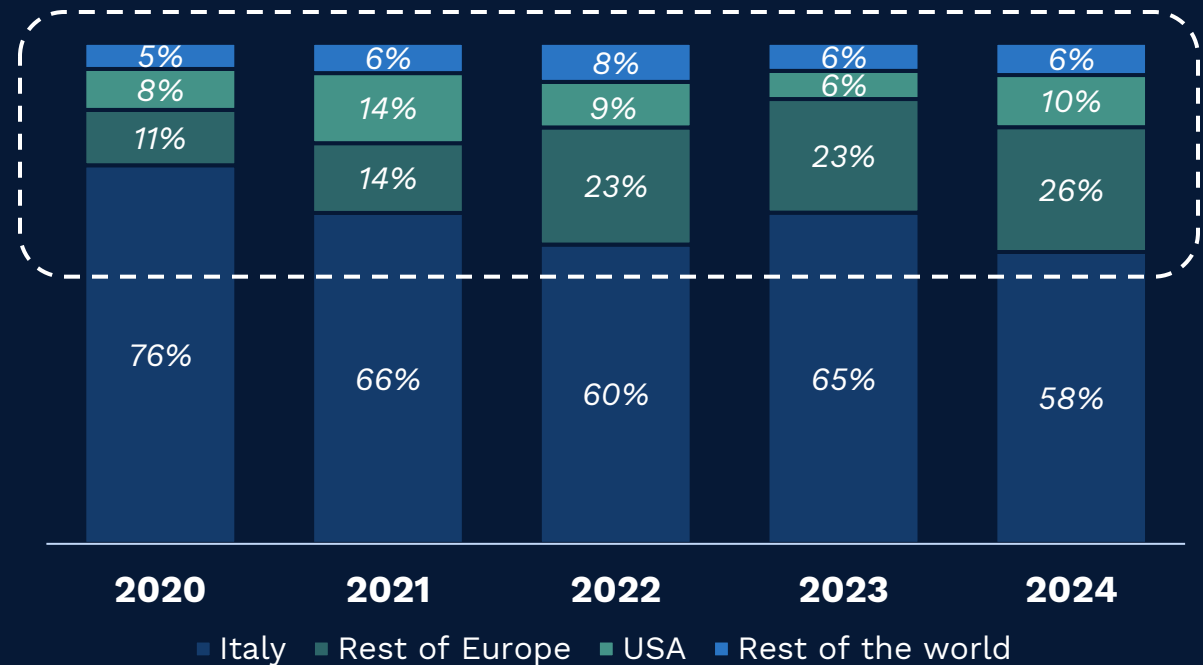
### 3.3.1. Analysis of Active Investors in Italy (1/2)

In 2024, 297 different investors have been active<sup>1</sup> in Italy, in line with the last 2 years. 42% of them come from abroad (vs 35% in 2023 and on average in the last 5 years)

Active Investors in the Italian VC ecosystem



Geographical origin of investors

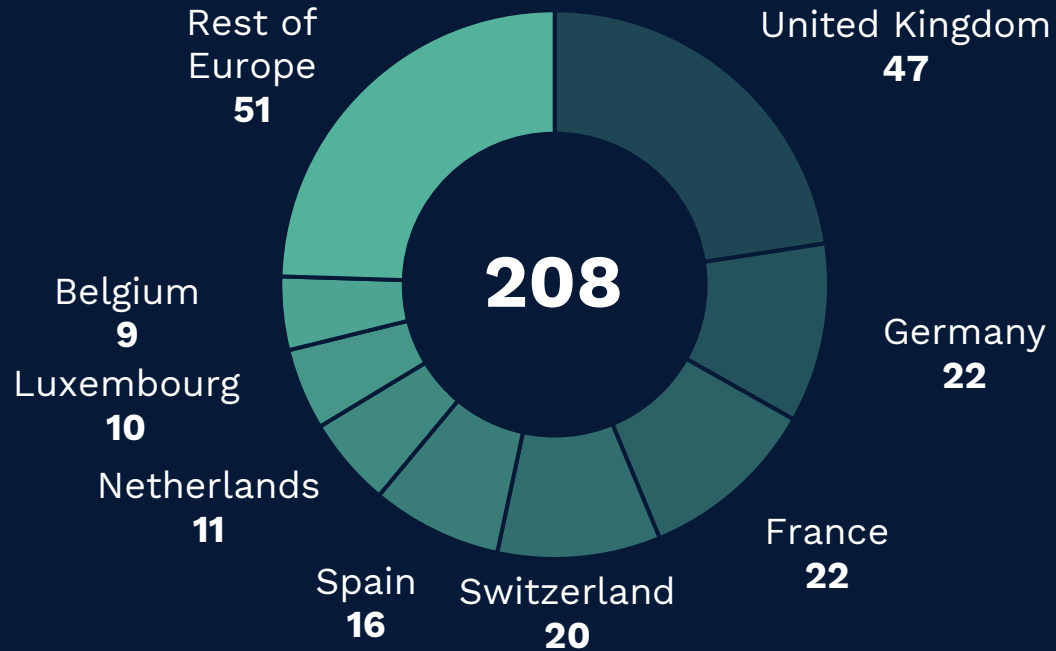


Notes: 1. Active investors are defined as investors that have completed at least one investment in Italian startups over the reference period

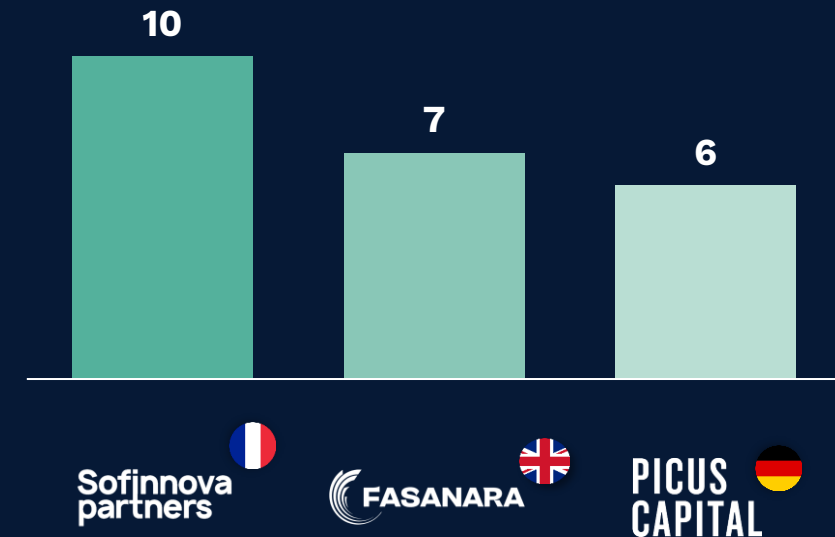
### 3.3.2. Analysis of Active Investors in Italy (2/2)

Since 2020, 208 different international investors have joined Italian VC rounds, mainly from the UK, Germany, France and Switzerland

2020 – 2024 active European investors in Italy

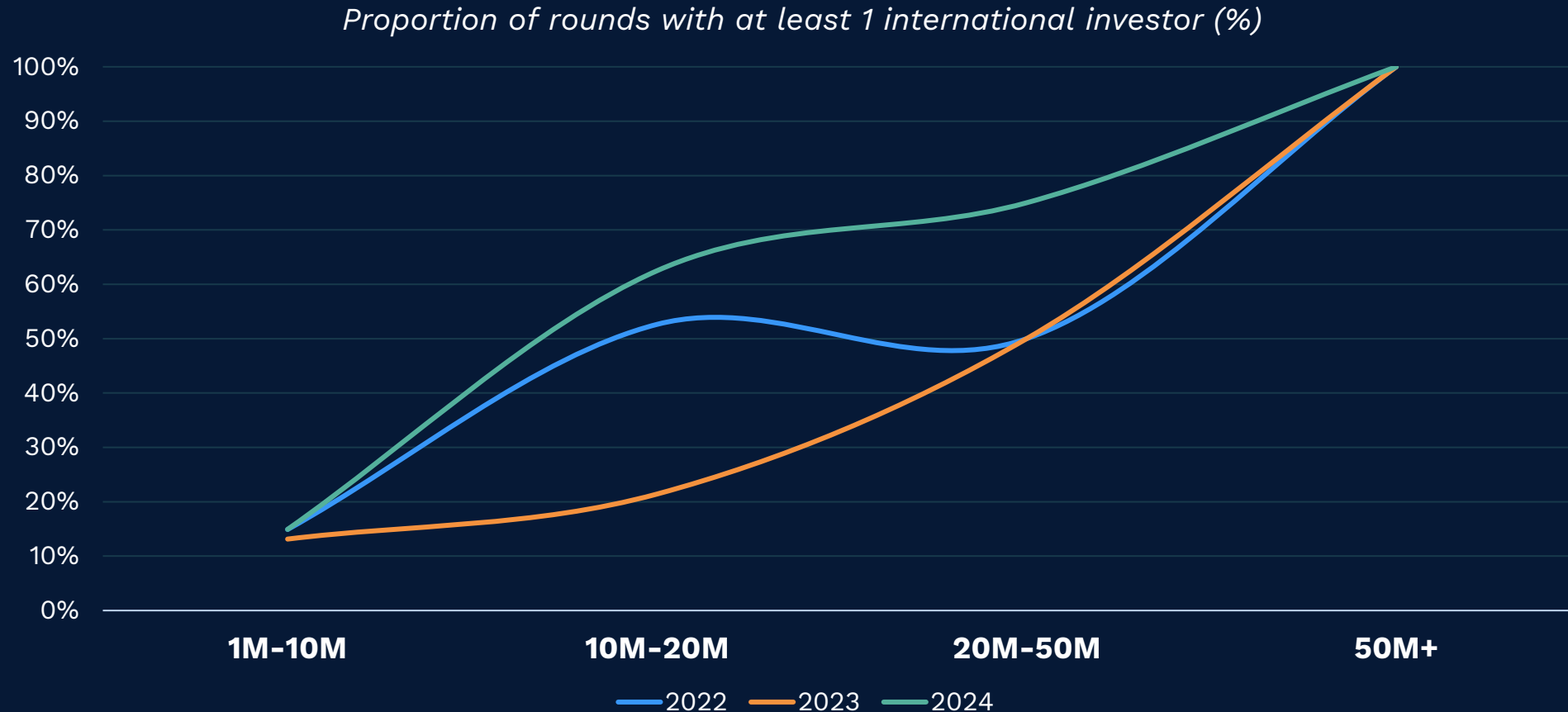


2020 – 2024 - Top 3 European investors in Italy (# deals)



### 3.3.3. International investors in Italy by round size

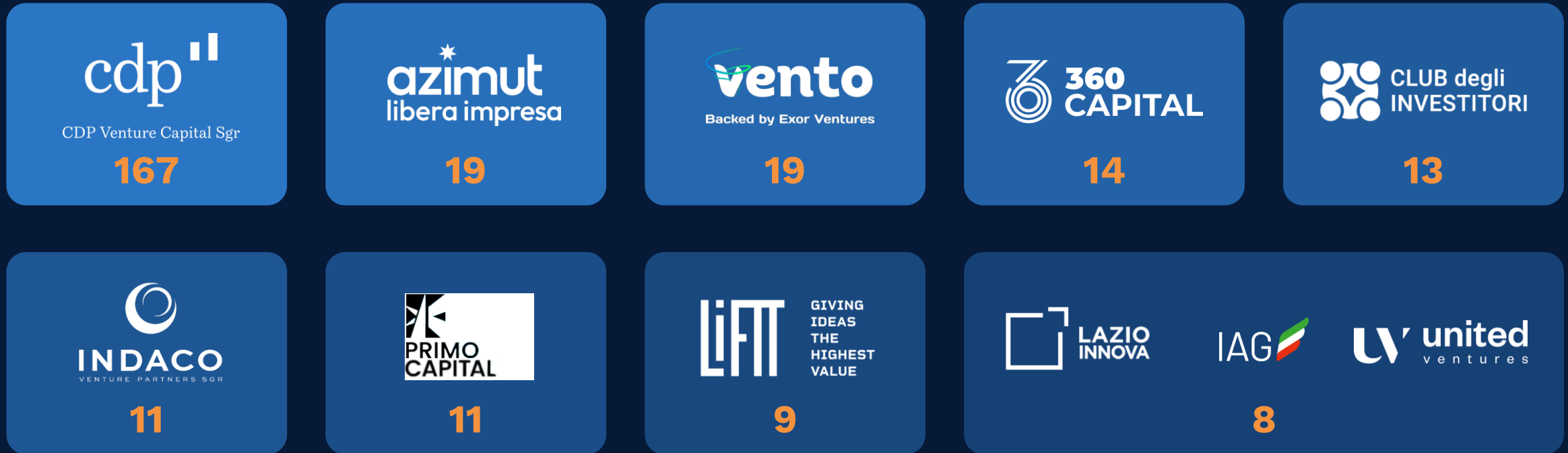
Participation by international investors continues to be prominent in larger funding rounds, and 2024 marked an increased presence across all round sizes





### 3.3.4. Most active investors in Italy: 2024

In line with 2023, CDP Venture Capital, Azimut and Vento Ventures are the three most active investors in the Italian VC ecosystem<sup>1</sup>



**Notes: 1.** The ranking takes into account rounds within the methodological perimeter publicly announced or obtained through confidential disclosures by investors or startups

# 3.3.5 New VC funds in Italy: 2024

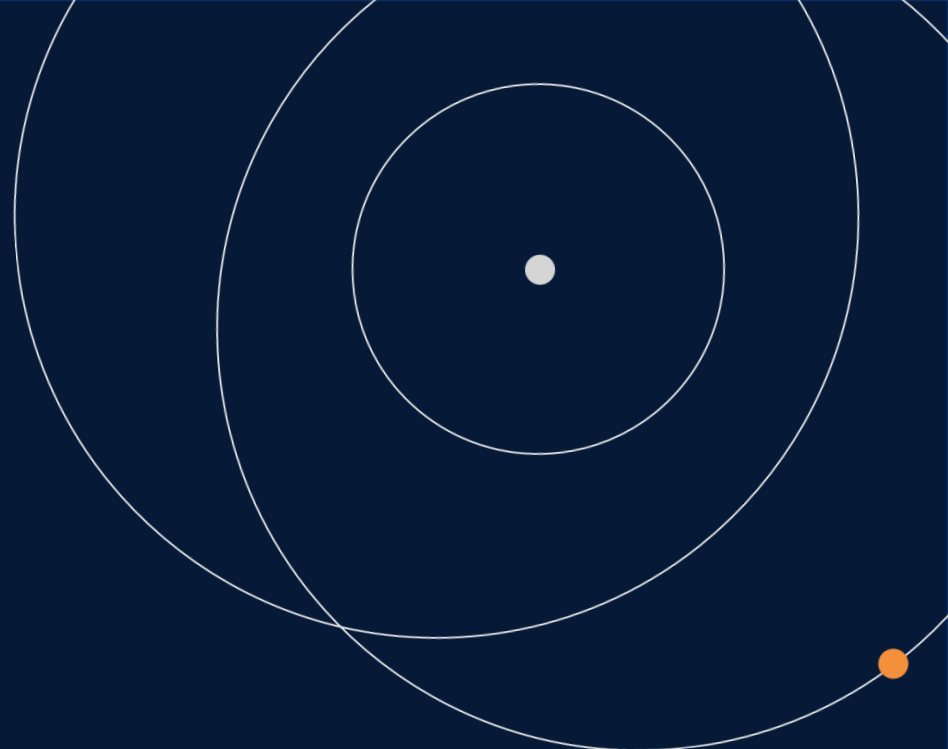
total raised<sup>1</sup>

# of new funds

In 2024, 15 new funds have been launched, with an overall raise currently at €1.4B<sup>1</sup>



Notes: 1. Size reached at first closing on the PR date; 2. Final closing of the raise at €180m, with €20m additional to the €160m announced in Q2



3.4.

# The VC Index

# 3.4.1. VC Index – Dec-24 & Evolution

- Dec-24 has recorded the highest score ever, together with the highest discrepancies between investors' and founders' evaluation
- Quantitatively, the positive results of number of rounds, amount invested and the strong improvements of some key metrics, such as the median size of Series A, Series B and the occurrence of mega rounds, have positively impacted the quantitative part of the index
- Qualitatively, there is general stability in Dec-24 with respect to the first part of the year. However, the sentiment has improved among investors across all measured indicators. Among startups, instead, the sentiment has slightly worsened on all indicators, with the exception of the next 6-12 months outlook
- In Dec-23, the index experienced a rebound driven by strong performance results and optimistic expectations for the upcoming year. However, the consolidation of sustained growth took longer than anticipated, resulting in a downward adjustment in Jun-24. It remains to be seen whether this pattern will repeat in 2025 or is sustained growth and improved sentiment will maintain the high level of the index

VC Index<sup>1</sup> – Historical evolution



Notes: 1. Detailed methodology can be found in the Appendix

## 3.4.2. VC Index – Sentiment

- **Time to Close Rounds:** there is a notable difference in the perceived average time to close a funding round—startups report a slower rebound than expected, while investors perceive the process as shorter
- **Outlook:** the outlook is improving for both startups and investors, with 2025 viewed as a year of potential market recovery and growth. Investors remain more optimistic, anticipating a better market environment to support growth
- **Dealmaking Power:** Dealmaking power distribution has slightly improved since H1 and is more and more balanced than in the past. Investors view the distribution as fair, while startups, consistent with global trends, perceive an improvement but still think to be less advantaged
- **Ease of successful exits:** Exit opportunities remain stable but poor, continuing to be the weakest indicator and reflecting overall M&A market performance





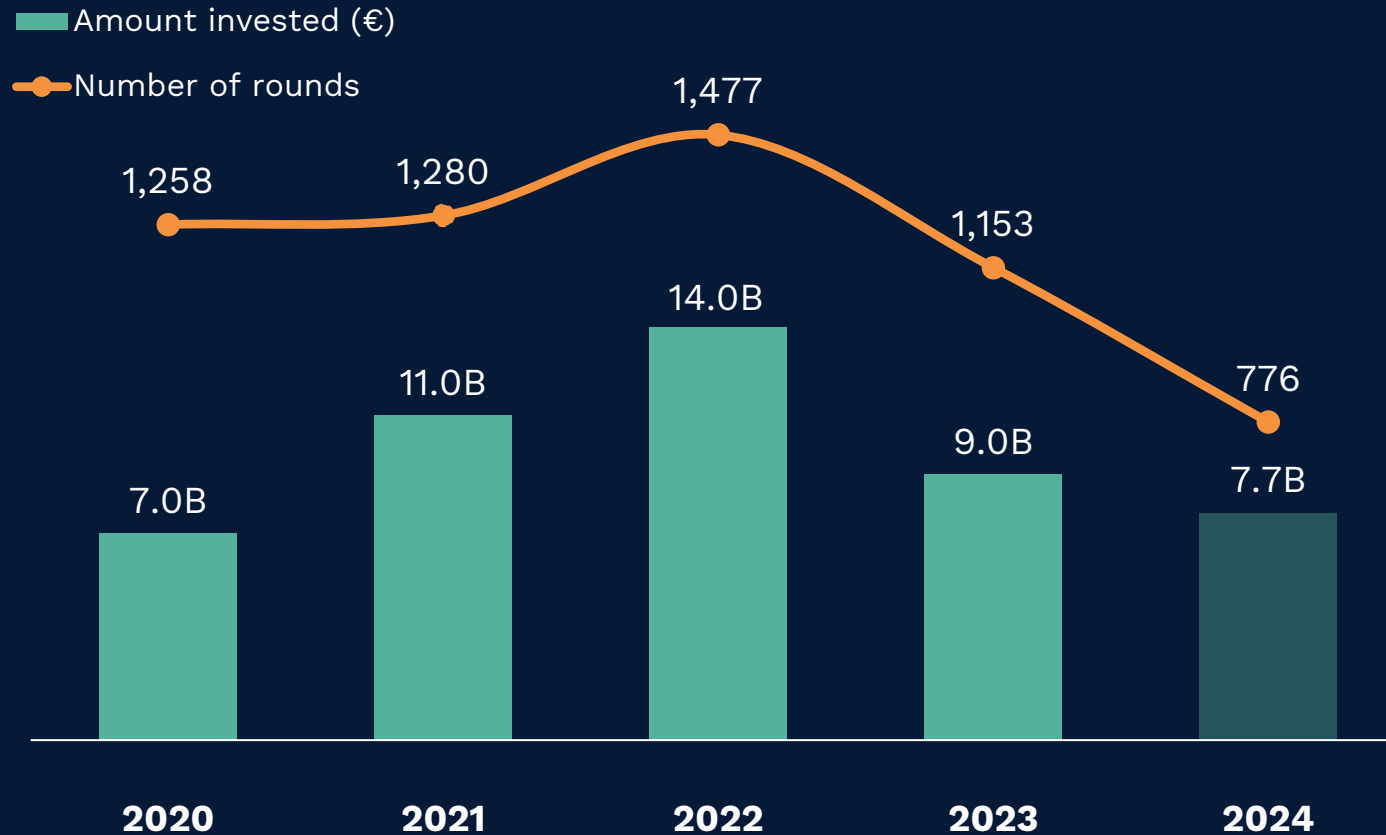
# 4

# Deep dive on European countries

# 4.1. VC in France: historical evolution



In 2024, a total of €7.7B was raised across 776 rounds<sup>a</sup>



In 2024, the decrease of 14% of invested amount and 33% of number of rounds vs 2023 confirms that the market slow-down after the 2022 peak is still taking place.

AI was the main investment theme in 2024: 3 of the top 5 rounds of the year were the AI-based startups Mistral, Poolside and H (cumulative funding €1.1B, equal to 14% of total amount invested). Climate Tech and SaaS follow AI as sectors attracting most funding.

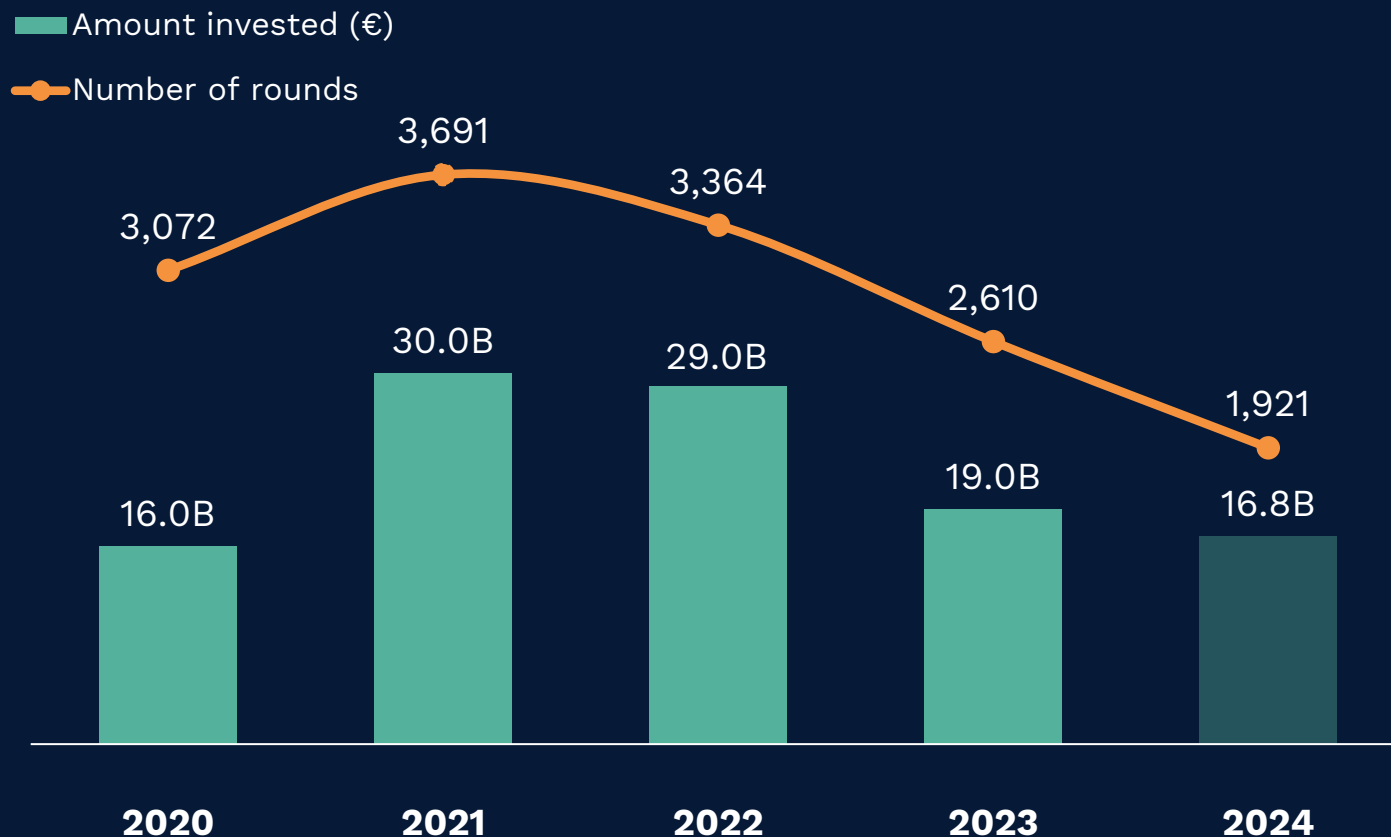
Both international (US and other EU countries) and non-traditional (PE, Growth Funds) investors were very active in France, fostering stronger competition with local and traditional investors.

Sources: a. Growth Capital elaboration based on PitchBook data, excluding rounds with undisclosed size

## 4.2. VC in the United Kingdom: historical evolution



In 2024, a total of €16.8B was raised across 1,921 rounds<sup>a</sup>



2024 has proven to be a challenging year with a decrease stronger than EU overall in both amount invested (-12%) and dealmaking (-26%).

Amidst a challenging market environment, British VC firms have shifted focus toward **sustainable business models**, prioritizing **profitability** and **strong unit economics** over aggressive growth strategies.

Despite these challenges, mega rounds in **Fintech** (Wayve, €980M and Abound, €933M) and **AI** (Monzo, €580M) dominated the European scene, suggesting that the UK remains the leading VC hub, particularly for FinTech.

The ecosystem remains **strongly polarized**, with London accounting for nearly **50%** of amount invested and **80%** of VC firms. To tackle this imbalance, several initiatives have been launched to promote regional development and boost VC activity beyond London<sup>b</sup>.

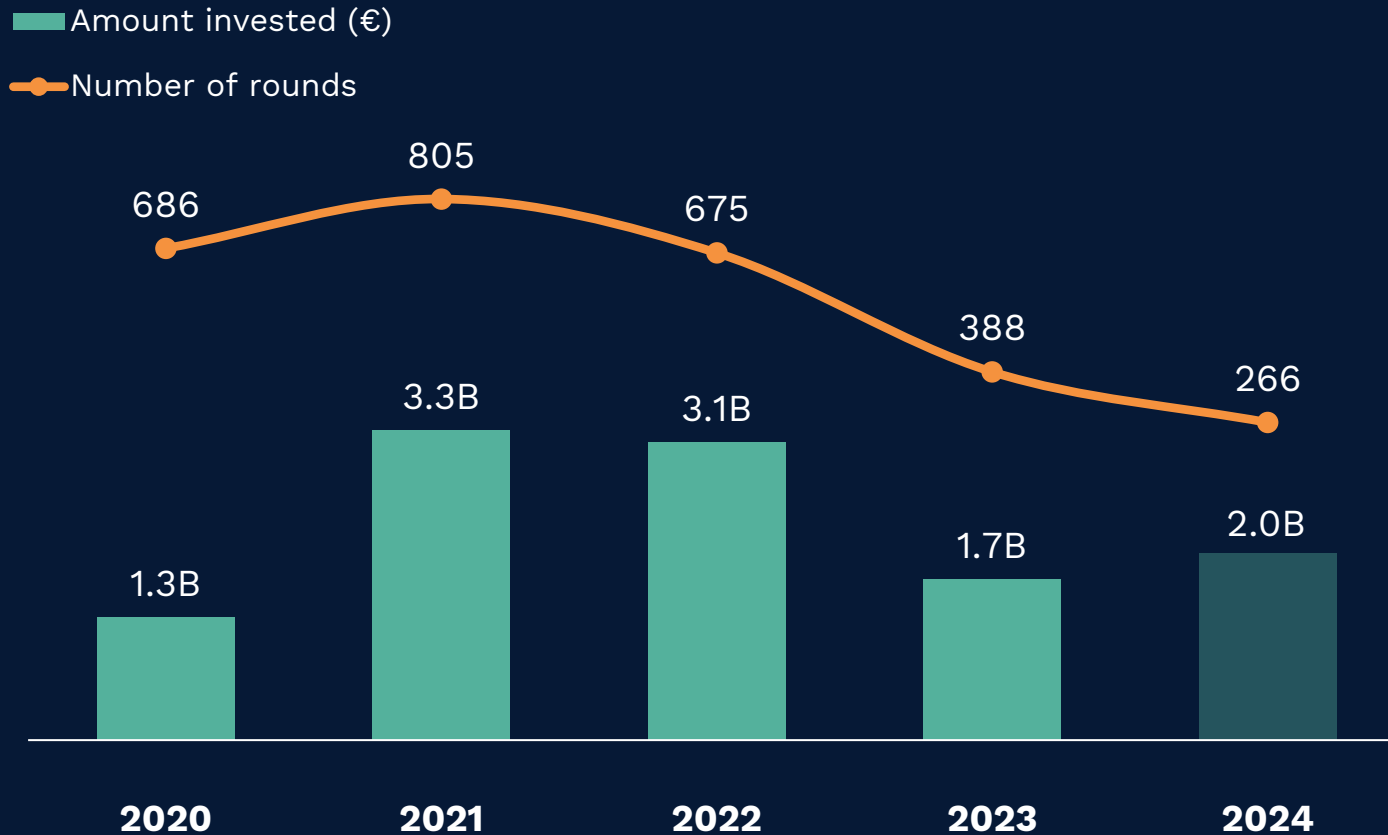
Sources: a. Growth Capital elaboration based on PitchBook data, excluding rounds with undisclosed size; b. BCVA (2024), Venture capital in the UK



## 4.3. VC in Spain: historical evolution



In 2024, a total of €2.0B was raised across 266 rounds<sup>a</sup>



Despite challenging macroeconomic conditions, the Spanish VC ecosystem has experienced a **16% increase** in investment amount in 2024 compared to 2023. It's notable the impact of Sequra (€410M), which represents 20% of the entire amount invested.

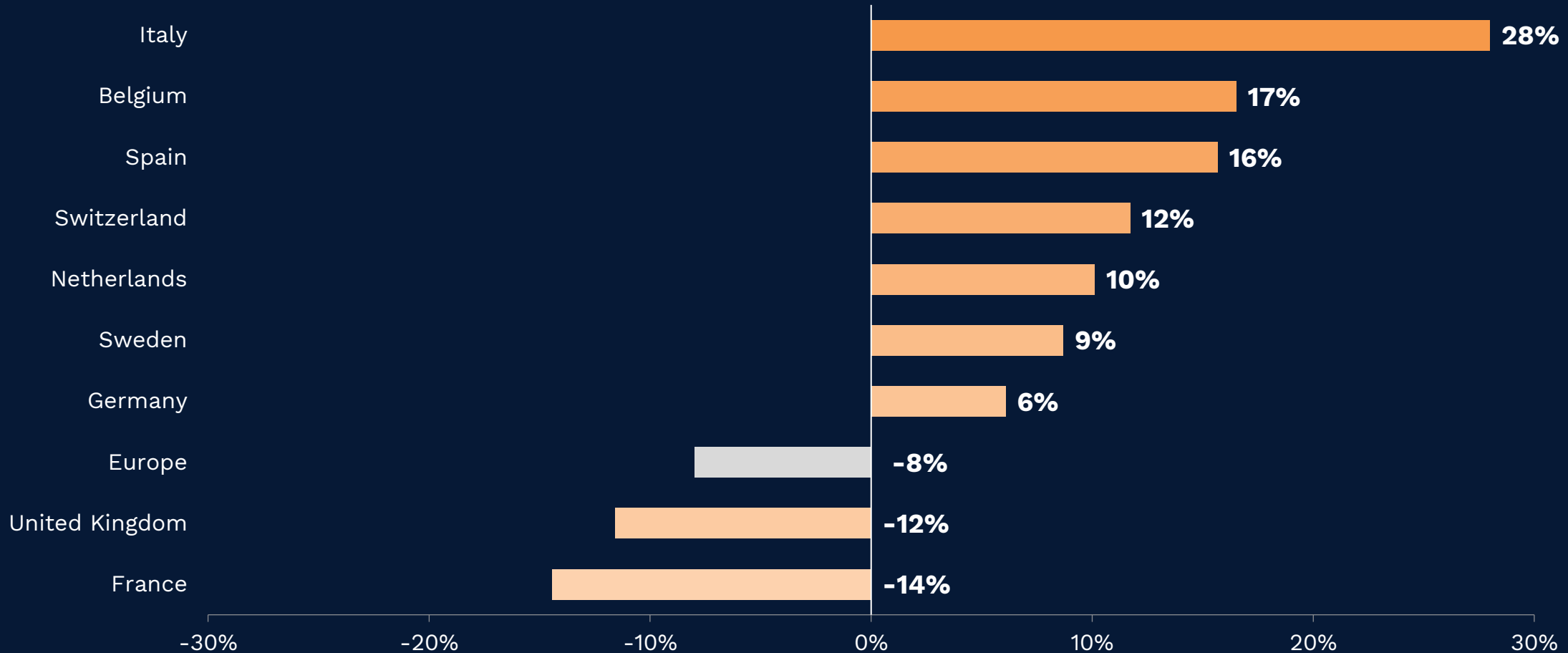
Although the number of deals dropped (266 vs 388), the **annual average deal size rose significantly** (€5.9M vs €4.2M), indicating a quality bias toward larger, higher-value transactions amid fewer deals. Moreover, the ecosystem is growing towards a more mature stage with the launch of **new growth funds** including Seaya Andromeda's €300M fund and Mundi Ventures' €350M deep tech fund.

Likewise, the Spanish ecosystem is also undergoing a transformation with a growing reliance on **non-dilutive funding sources**, in particular debt. Notable examples include ID Finance's €140M, Citibox's €80M, and Factorial's €75M funding.

Sources: a. Growth Capital database, excluding rounds with undisclosed size

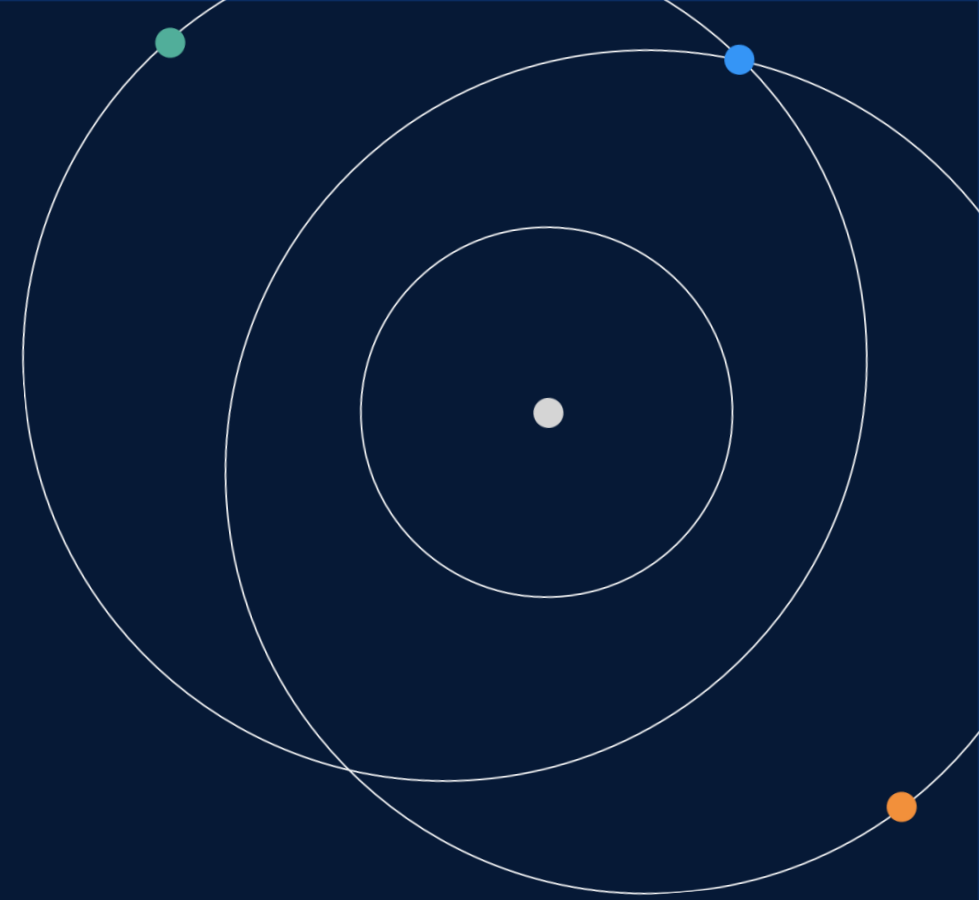
## 4.4 Country analysis by growth rate in amount invested

As forecasted, among European VC ecosystems with €1B+ invested in 2024, Italy stands out with the highest YoY growth at 28%, followed by Belgium and Spain



# 5

## Final remarks



## 5.1. Final remarks on Europe: Q4-24 & FY-24

- **Q4-24** has recorded a **+2% increase in number of deals** and **+12% in the overall amount invested** (vs Q3-24)
- **FY-24** has shown a **-16% decline in number of deals** and **-8% in the overall amount invested** (vs 2023), while recording highest ever mean and median deal sizes
- **Valuations have risen** despite a slower dealmaking year. Across all stages, median deal values paced higher in 2024 compared to 2023, indicating a quality bias toward larger, higher-value transactions amid fewer deals. This trend reflects a **cautious investment environment** but suggests the market may have **passed its lowest point following** the 2022-2023 dip
- **Time between funding rounds extended across all stages**, reflecting tighter capital availability. The most significant increase was seen in Early Stage rounds, with the average gap reaching 1.5 years, while the Growth Stage remained the most stable, showing minimal change. This trend highlights investors' increased selectivity and a focus on supporting existing portfolio companies over new investments
- **Exits showed a strong recovery** with **median exit valuations improving significantly**, driven by a shift toward high-quality deals and mega-exits, though activity remained **concentrated in larger transactions**, especially in sectors like Life Sciences and AI. Public listings also showed notable improvement, nearly doubling median exit size
- **Fundraising from LPs remained steady at €20.5B**, reflecting investor confidence despite economic challenges. The median fund size reached an all-time high of €71.3M, driven by a **strong appetite for larger vehicles**. Funds exceeding €500M accounted for 28.8% of the total capital raised

## 5.2. Final remarks on Europe: Outlook on 2025

- In terms of **number of rounds**, 2025 is expected to **exceed 2024**, driven by the global recovery in **market confidence**, the surge in **AI startups** and the **rebalancing in investment conditions**
- In terms of **amount invested**, while activity won't reach 2021's peak or 2022, **decreasing interest rates** and **LPs increasing VC allocations** will bolster growth in Europe, mirroring the rebound already underway in the US
- **AI will dominate investment themes**, with Europe's large industrial base positioning startups for leadership in B2B applications such as defense, manufacturing, and supply chain optimization. However, **Europe is unlikely to keep pace with the US** in terms of attracting talent and resources, particularly in emerging AI agent technologies. The pressing need for speed in the **AI gold rush** is likely to **deepen internal disparities across European countries**. In this context, mitigating the risks of **overvaluation** will be essential to ensuring balanced and sustainable growth
- The emphasis on **capital efficiency**, a defining trend of 2023 and 2024, is expected to **continue in 2025**, becoming part of a **'new normal'** characterized by more frequent **bridge rounds** and by a **more balanced distribution of bargaining power** between investors and startups
- **Venture debt** will remain a strategic financing tool due to its non-dilutive nature, speed, and cost efficiency, though deal values may dip below 2024's €16.5B as IPO conditions improve and well-capitalized firms rely less on debt
- On the **long term, unified regulatory efforts**, including the EU's proposed "28th regime," will further facilitate growth by simplifying rules and improving market access across EU member states

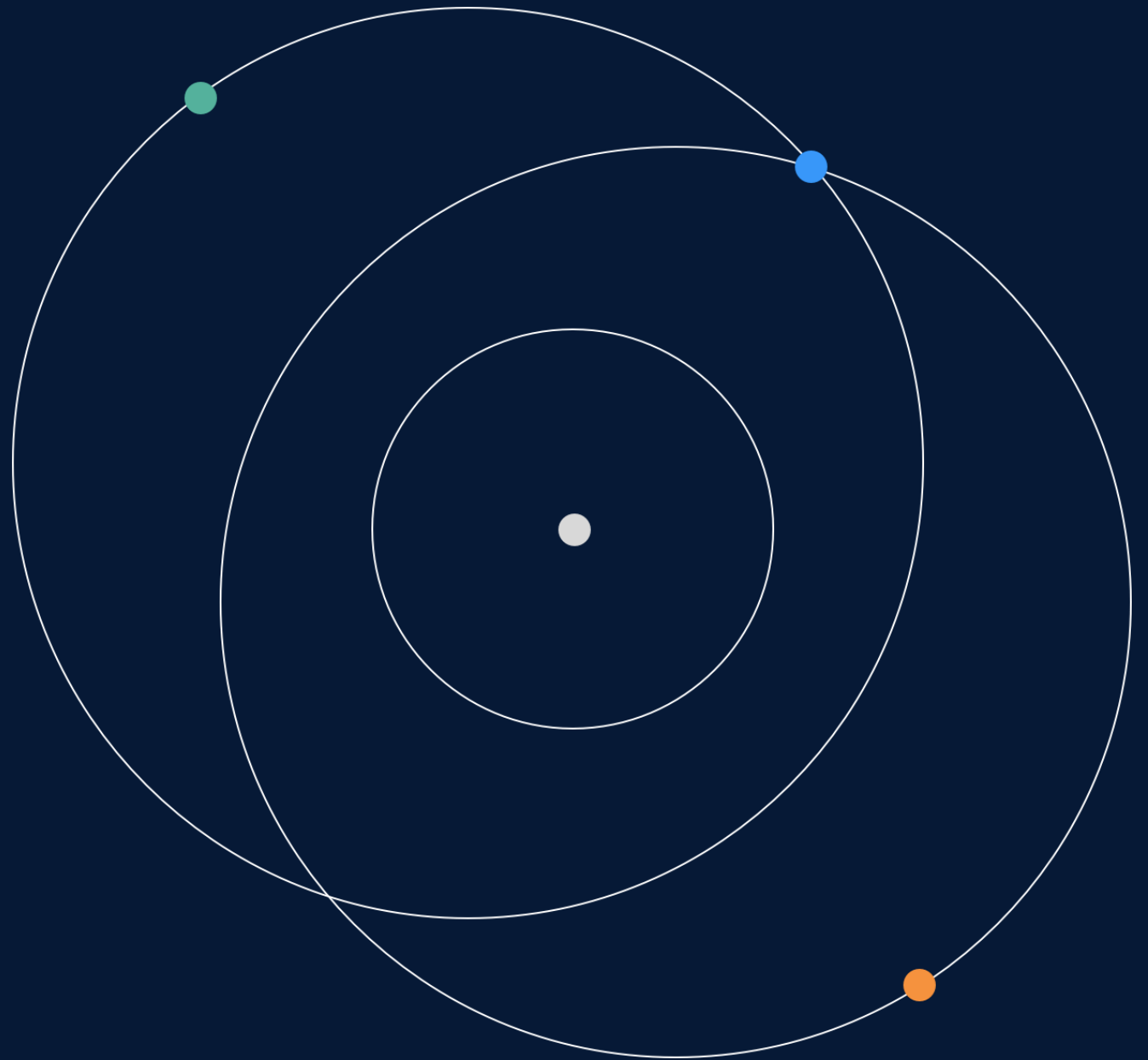
## 5.3. Final remarks on Italy: Q4-24 & FY-24

- **Q4-24** has shown a **strong increase** in terms of dealmaking (+73% vs Q3-24) and a -14% decline vs Q3-24 in terms of amount invested excluding mega rounds
- **FY-24** achieved **record-high number of deals** (+31% vs 2023) and ranked as the **second-best year for total investment** value after 2022 (+28% vs 2023). Indeed, as forecasted, after the 2023 market correction, in 2024 the Italian VC eco-system has returned to the growth trajectory towards maturity started in 2019 and it is the best performer of comparable ecosystems
- In 2024, the overall **mean deal size remained stable**, while the **median** slightly decreased because of the higher number of Pre-seed rounds. Notably, as forecasted, **Series B mean and median deal sizes increased significantly** even if still significantly lower than EU averages
- As forecasted, **increased attractiveness to international investors** (35% of active investors were international in 2023 vs 42% in 2024) and the **disruptive impact of AI** have strongly defined the market in 2024
- On the **exit** front, 2024 was a **challenging year**, with a low number of transactions (34) and a decrease in overall value compared to 2023. Exits were predominantly **driven by M&A activity**, with only one IPO recorded. The **IPO market** remains a **distant prospect** for Italian startups, indicating that the ecosystem is still **far from achieving a flywheel effect**
- In 2024, **15 new VC funds have been announced, for a total currently of €1.4B** (3x the comparable amount in 2023), bringing the dry powder to the highest level ever. This remarkable growth was fueled by the establishment of **vertical funds** targeting high-potential sectors, with funding evenly distributed between emerging and seasoned fund managers

## 5.4. Final remarks on Italy: Outlook

- In terms of **number of rounds**, **2025 may even surpass the record-breaking results in 2024**. This is due to the **need** among startups **to finally raise** capital, after 2 years of focusing on capital efficiency and closing bridge rounds awaiting for better times, as well as to the **higher number of vertical funds**
- In terms of **amount invested excluding mega rounds**, **2025 is expected to grow**. Naturally, the frequency and magnitude of mega rounds will provide additional upsides. This increase will mainly stem from the **increase in dealmaking**, but above all from the **high level of dry powder**, the **higher participation by international investors** and the **larger size of VC funds**
- **Large early-stage rounds will become less attractive**, as investor sentiment shifts away from oversized pre-seed and seed rounds toward smaller, more focused rounds. **Series A will continue to serve as the critical gateway** to institutional investors and lay the foundation for future fundraising. **Both mean and median sizes of Series A rounds are expected to rise**
- Valuations at listing and aftermarket performance underline that the **public market remains illiquid** for startups. However, the recovery of exits and public listings in Europe signals that, while **IPOs may not be now a prominent exit route**, the situation will likely change in the near term
- The ecosystem's combination of skilled talent and lower valuations is drawing **more attention from international investors**. Domestically, while 2024 saw **exceptional first closings** of new VC funds, including the largest VC fund ever, repeating such success in 2025 may prove difficult
- Amidst an **uncertain timeline**, the introduction of the **Scaleup Act**, that increased the *de minimis* tax deduction to 65%, incentivized pension funds to enter the VC arena and raised investor VISA thresholds, will eventually have a **positive impact**
- The current **sentiment** among market operators shows **general optimism for 2025**, with a generally positive shift with respect to 6 months ago. Despite the situation is far from ideal, **the general sentiment is expected to improve in 2025**

# 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

# VC Index - Methodology

1. The VC Index is a bi-annual measure that evaluates the development stage of the VC ecosystem in Italy and gauges the sentiment of its participants. This index provides a snapshot of the ecosystem's health and dynamics through a blend of quantitative market data and qualitative insights from key stakeholders
2. The quantitative component of the index is derived from comprehensive market data analysis. The following key metrics include:
  - *Number of Funding Rounds*: Total rounds of VC funding in the semester
  - *Total Amount Invested*: Aggregate capital invested in startups
  - *Median Round Amount*: Median value of investment rounds, indicating typical funding size
  - *Number of Mega Rounds*: Deals with exceptionally high investments, highlighting major funding events
  - *Number and Value of Exits*: Data on successful exits, including acquisitions and IPOs
  - *International Investor Participation*: Number of rounds involving international investors, reflecting global interest
  - *Mean of Series A and Series B rounds*: Mean value of rounds, indicating the development of the Late Stage segment of the market

Quantitative data are retrieved from the Growth Capital Database, built with the Methodology presented at the beginning of the present report

3. The qualitative aspect of the index captures the sentiment and experiences of participants within the VC ecosystem. The key qualitative metrics include:
  - *Ease of Access to Funding/Investing*: How easily startups can secure funding and investors can find suitable opportunities
  - *Average Time to Raise/Invest Capital*: Changes in the time required for startups to raise capital and for investors to deploy funds
  - *Outlook for the Next 6-9 Months*: Participants' expectations for the near future regarding market conditions and growth prospects
  - *Ease of Fundraising from Limited Partners (LPs)*: How easily VC funds can attract capital from LPs
  - *Ease of Attracting Target Talents and Skills*: The difficulty level in acquiring the necessary talent for startups and VC firms
  - *Evolution of the Regulatory Environment*: Perceived changes in regulations impacting the VC ecosystem

Qualitative data on the sentiment among stakeholders of the ecosystem are collected through a detailed survey conducted in the last month of each semester

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



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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 corporations) 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

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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 Q4-24 & FY24

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