

EXECUTIVE SUMMARY

SECOND LISTUP REPORT- 2019 - SEM 1 2024

on INNOVATIVE LIFESCIENCE COMPANIES (START UPS + SMEs)

INNOVATIVE LS COMPANIES OVERVIEW (2019-Sem1 2024):

Innovative Life Science (LS) companies are increasing their weight, accounting for **11,2%** of total companies (**1.583** out of 14.160), with a peak of **12,5%** in Semester 1 2024.

LS **start-ups** make up **10.5%** of all innovative start-ups (1.240 out of 11.798), while LS **SMEs** represent **14.5%** (343 out of 2.362), showing a better survival rate.

Innovative LS companies profile is the following:

- **Kind of technology:** 37% in Digital Health, 29% in Med tech, 24% in Healthcare Products/Services, and 10% in Biotech/Pharma.
- 46% have a capitalization lower than €10K and 15% generate revenues of over €1M.
- **Location:** Main in **Regione Lombardia** which accounts for **28%** of total Italy and Milan district for **20%**.
- **Female prevalence** is higher (**17%** vs 13%), while young prevalence is lower (12% vs 15%).
- **Patents or registered software** presence is **33%** vs 27% and **A.I.** presence is **22%**.

MAIN DATA:

1. LS START Ups OVERVIEW (2019-Sem1 2024)

A. Start-ups general overview (2019-Sem1 2024):

- Since 2019, innovative Start-ups registered and active are **1.240** and account for **10,5% of overall**.
- 40% of LS start-ups belong to Digital Health category, followed by Med Tech (28%), Healthcare P/S (23%) and Biotech/Pharma (9%).
- Compared to H1 2023, trends for H1 2024 show **LS growth of 5.3%** compared to the **overall** start-ups, which is **decreasing** by 4.0%.

B. Start-ups growth analysis: Sem1 2024 vs. 2023

- **In sem1 2024, 139 new LS start-ups** were registered, while **51 start-ups** have been **deregistered**, 65% of which lost their innovative status, 25% have been liquidated, and 10% have evolved into innovative SMEs.
- **Deregistration rate** in LS is **lower** than in the overall (-6,8% vs. -8,7%) while **new start-ups registration** is **higher** rate (+18,4% vs. +15,1%) compared to the innovative overall start-ups.

C. Companies Profile (2019-Sem1 2024):

- 55% of LS start-ups have a **capitalization** lower than €10K vs 58% overall.
- 5% of LS start-ups, like the overall figure, generate **revenues** of over €1M.
- **Female prevalence within founders** in LS start-ups is **higher** than overall (**19%** vs 14%). However, the **youth prevalence (<35)** among founders is lower in overall LS start-ups (14% vs. 18% overall).

D. Subjective innovative criteria:

- R&D expenses amounting to at least 15%: LS start-ups are 56% vs 64% overall.
- Highly qualified personnel: LS start-ups are 31% vs 22% overall.
- **One patent or registered software** presence: in LS start-ups is 21% (261 out of 1.240) vs. 18% overall (2.143 out of 11.798). Compared to the previous report, LS start-ups with registered patents have decreased by 36% (16 start-ups in H1 2024 out of 25 in H1 2023).

E. Regional Distribution (2019-Sem1 2024):

- **Lombardia is the leading region**, with 335 start-ups out of 1.240 (27%), followed by Campania (11.9%) and Lazio (11.8%), while Milan district account for **19%** of total of Italy.

F. IP and ASSETS (2019-Sem1 2024):

- **Artificial Intelligence (A.I.): present in 24% of LS start-up** (303 out of 1.240). This report shows a **36.7% increase** in the number of start-ups utilizing A.I. (41 start-ups in H1 2024 out of 30 in H1 2023).
- **Telemedicine: 15%** of LS start-ups use telemedicine technology.

2. LS SMEs:

A. SMEs general overview (2019-Sem1 2024):

- Since 2019, innovative LS SMEs registered and active are **343** and account for **14.5%** vs 10,5% of LS start-ups. In opposition to start-ups, **Med Tech category is the most represented** (36%), followed by Digital Health (26%), Healthcare Products/Services (24%) and Biotech/Pharma (14%).
- In Sem1 2024, **36** new innovative LS SMEs were registered (17.5% of the total 206), showing a growth compared to the average.

B. Companies Profile (2019-Sem1 2024):

- 15% of LS SMEs have a capitalization of less than €10K, vs 18% overall.
- 41% of LS SMEs generate revenues of over €1M, vs 48% overall.
- **Female prevalence within founders** in LS start-ups is **higher** than overall (**10%** vs 8%), but lower than start-ups. However, the **youth prevalence (<35)** among founders is lower in overall LS SMEs (4% vs. 3% overall)

C. Subjective innovative criteria:

- R&D expenses amounting to at least 15%: LS SMEs are 77% vs 82% overall.
- Highly qualified personnel: LS SMEs are 64% vs 59% overall.
- **One patent or registered software** presence: LS SMEs are 74% (254 out of 343) vs 69% overall (1.626 out of 2.362). In all requirements, it reveals a higher percentage figure than for start-ups.

D. Regional Distribution (2019-Sem1 2024):

- As for start-ups, **Lombardia is the leading region**, with 109 SMEs out of 343 (**32%**). Emilia-Romagna (10,2%), Lazio (9,6%), Toscana (8%), and Campania (7,1%) follow, while Milan district accounting for 25% of total in Italy.

E. IP and ASSETS (2019-Sem1 2024):

- **Artificial Intelligence (A.I.): present in 13% of LS SMEs** (44 out of 343) with high prevalence in the Digital Health category, where it reaches 68%. **10%** of LS start-ups use **telemedicine** technology. In both cases, there is less presence than in start-ups.

FUNDING:

- Growth Capital's report on LS SMEs and start-ups shows that the amount raised in sem1 2024 (**€166M**) has already reached about 90% of the amount invested in the whole of 2023, although the number of rounds is lower (24 vs 34).
- About two thirds of the rounds took place in the Biotech/Pharma and Med Tech sector. The amount invested in **Med Tech increased fivefold** in this semester, from €23M in 2023 to **€114M in sem1 2024**.
- Between 2019 and sem1 2024, Biotech/Pharma accounts for the majority of investments in the LS sector (46%), followed by Med Tech with 41,5%, while Digital Health covers only 9% of investments and 3,5% Healthcare Products/Services.