

## Assolombarda and Radical Partners: a strategic alliance for innovative small businesses. The focus is on the development of venture capital and the fund-of-funds investment model

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Milan, January 15, 2025- President of Assolombarda, **Alvise Biffi**, and Managing Director of Radical Partners, **Salvo Mizzi**, have signed a memorandum of understanding at Palazzo Gio Ponti aimed at initiating a strategic alliance to support the development of venture capital, and particularly the fund of funds investment model. The agreement falls under the Association's commitment aimed at supporting the development of innovative small businesses with the dual objective of triggering a virtuous circle of growth through the injection of capital and steering the governance of investments towards strategic sectors for the industry of the productive 'quadrilateral' constituted by Milan, Monza and Brianza, Lodi, and Pavia.

*"The promotion of a capital ecosystem, capable of accelerating the growth of innovative entrepreneurship, represents an absolute priority for Assolombarda: in this perspective, the Association has been committed for years to studying open innovation and corporate venture capital instruments, as well as creating opportunities for discussion among businesses, investors, and institutions. Venture capital, moreover, constitutes a fundamental asset for sustaining business growth. The objective is to foster the attraction of capital and the creation of qualifying professional opportunities through an 'intergenerational pact' capable of mobilizing the large private savings present in our country to make them flow toward the real economy. This is a useful approach for enhancing the talent and growth of our businesses",* declared President **Alvise Biffi**.

The synergy, therefore, aims to unlock the enormous potential of the territory, starting with innovative start-ups and benefiting the entire productive fabric. According to the report ***"The employment impact of innovative Italian start-ups"***, edited by the Assolombarda Research Center, these companies have generated a total of **68,526 new jobs** across Italy up to 2024. Furthermore, over half of the employees work in high-tech services and manufacturing and represent **4% of the workforce** in a sector considered crucial for innovation and productivity. From the point of view of economic results, **the total estimated turnover for 2024 is 14.5 billion euros**, an increase compared to 13.4 billion in 2023, while the added value reaches **3.7 billion euros** (3.3 in 2023). Finally, only last year, the Italian innovation supply chain mobilised resources for a total value of 6.95 billion euros which, added to those of previous years, brings

the consolidated figure to 47 billion since 2012. This figure includes 9.2 billion in venture capital investments, 3.75 billion dedicated to Open Innovation, 6.9 billion in loans guaranteed by the Guarantee Fund, and 27.1 billion euros in turnover generated by the entities involved. Significant trends that require further stimulus to encourage the scale-up of innovative small businesses."

*"Radical Partners, through Radical Fund of Funds, the first entirely private and independent venture capital fund of funds, intends to support a new generation of investors and entrepreneurs committed to the innovation sector, with a sustainable and transformative approach. The innovation supply chain, on the other hand, is today one of the most solid drivers of Italian growth, not only for its capacity to generate new ideas but also because it produces qualified work, new skills, and value for the entire production system. This is a relevant issue for institutional investors too: investing capital for growth, patiently and sustainably. Ultimately, a paradigm shift is needed: Italy is a country rich in savings, yet still little of that capital is allocated to the real economy and, especially, to a decisive asset like innovation", Salvo Mizzi commented.*

With the protocol, Assolombarda and Radical Partners thus intend to **strengthen the Italian venture capital supply chain to disseminate the culture of risk capital investments and offer companies and institutional investors the conditions to make the best possible balance towards opportunities and advantages**. An equilibrium that can be achieved precisely through the fund-of-funds model.

*"To truly stimulate innovation, more resources are needed—public but also private—and instruments are needed to put them in motion: in Italy, investments in Private Equity and Venture Capital are still not widespread and are quantitatively small, just 0.4% of GDP in 2024, compared to an incidence of 0.9% in France. This lack of investment obviously translates into the difficulty of generating truly scalable startups, even unicorns, and of growing our innovative small businesses, including on an international scale. The key is the leverage effect between private and public investment; the latter has mobilized resources equal to almost 13 billion euros in France over the last five years, while in our country we barely exceeded 2 billion in the same five-year period", concluded Biffi.*

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**Assolombarda** is the association of companies operating in the Metropolitan City of Milan and in the provinces of Lodi, Monza and Brianza, and Pavia. Assolombarda, due to its size and representativeness, is the most extensive association in the entire Confindustria System. It expresses and protects the interests of over 7,000 companies of all sizes, national and international, producing goods and services in all product sectors.

**Radical Partners srl**, founded by Cristiano Garocchio, Daniele Vecchi, and Salvo Mizzi, is the promoter and exclusive advisor of Radical Fund of Funds, a fund established by the manager Funder S.A. Radical FoF is a fund under Italian law and has a fundraising target of 400 million euros which will be invested in 30 direct venture capital funds, mainly in Italy and Europe, and in new emerging managers. The Fund complies with the regulations on tax incentives for pension funds investing in venture capital.