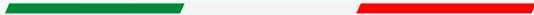


Cleantech
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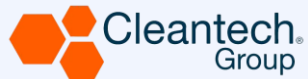
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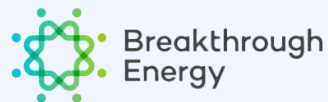
Cleantech for Italy Q3 2025 Briefing

October 2025

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Authors and Methodology



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Federico is the Director of Cleantech for Italy, a new initiative launched to boost the country's cleantech industrial leadership. Before that, he worked as a deep tech venture capital investor focusing on space technologies and gained experience in R&D funding. He holds an MBA from the Collège des Ingénieurs and has a background in economics and policy.



Leonardo Massa
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Leonardo is the Investment Director at MITO Technology, a venture capital fund specialising in early-stage investments in climate tech and science-equity startups. MITO Technology identifies and supports high-impact, planet-healing innovations. He holds an MBA from the Collège des Ingénieurs and has expertise in nanotechnology and material engineering.



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Michele is a Director at the Italian Ministry of Economics, where he deals with climate change mitigation and industrial policy. He served as Director of the Prime Minister's Task Force for Hydrogeological Risks and Special Advisor for decarbonization for the Minister for Sustainable Infrastructure and Mobility. He is a 2024 Columbia University MPA graduate.

Methodology

The main source for this analysis is the data we periodically collect from public sources. Unless otherwise specified, cleantech funding includes equity (VC and other forms), debt, and grant financing.

Starting from this release, we have updated our sector classification using Cleantech Group's taxonomy, which includes the following cleantech verticals:

- **Agriculture & Food:** precision agriculture, indoor farming, food waste, food supply chain, crop inputs, alternative proteins, biomass, animals
- **Energy & Power:** renewables, nuclear, hydrogen, energy storage, energy networks, energy services, buildings, biomass and waste-to-energy, energy efficiency
- **Materials & Chemicals:** advanced materials, advanced manufacturing, biotechnology, building materials, CCUS, fuels and chemicals, industrial materials, process technology, specialty chemicals
- **Resources & Environmental Management:** environmental monitoring, climate risk, carbon removal, natural resources, water, remediation
- **Transportation & Logistics:** aircraft, EV charging, fleet management, micromobility, maritime, on-road vehicles and components, rail, infrastructure
- **Waste & Recycling:** waste management, wastewater, construction, fashion

Executive Summary

Momentum builds for EU and Italian cleantech policy

- **Europe's next long-term budget turns climate ambition into an industrial strategy.** The Commission's proposal for the Multiannual Financial Framework 2028–2034 anchors climate and competitiveness at the core of EU policy, with a €2 trillion budget, a 35% climate spending target, and the launch of a European Competitiveness Fund (€67bn) to consolidate clean tech and decarbonisation instruments, linking research (FP10) to deployment and partly financed through ETS and CBAM revenues.
- **Italy's first MACSE auction marks a breakthrough for large-scale storage.** Terna awarded 10 GWh at a record-low €12,959/MWh-year, signalling market maturity and investor confidence, though margins remain thin for independent developers.
- **The revised Renewables Code simplifies permitting and clarifies key definitions.** The reform streamlines authorisation procedures, shortens timelines, and introduces clearer rules for agrivoltaics, repowering, and storage integration, addressing long-standing regulatory bottlenecks.
- **The new Energy Decree and FER-X auctions link climate goals with industrial autonomy.** The government is codifying "suitable areas" and grid saturation criteria into primary law, while FER-X tenders now ban Chinese PV components to strengthen Europe's clean-tech supply chain.

Cleantech investments reached a record level in Q3

- **With €149.5m raised between January and September, cleantech VC investments reached a record level.** This reflects the sustained growth of the sector, with late-stage rounds taking place with the support of international investors and the launch of newly dedicated Italian vehicles specifically focused on cleantech.
- **The strong presence of mid-sized rounds highlights momentum in scaling domestic technologies.** Both the average round (€3.9m vs €2.5m in 2024) and the median (€1.3m vs €0.6m) show marked growth.
- **Looking at verticals, Materials & Chemicals continue to lead, with half of the total invested capital in 2025.** This represents a 48% growth on 2024 levels, driven by both early-stage and late-stage rounds (i.e., Tretau).

Europe's next budget anchors climate and industrial policy at the core of its long-term strategy

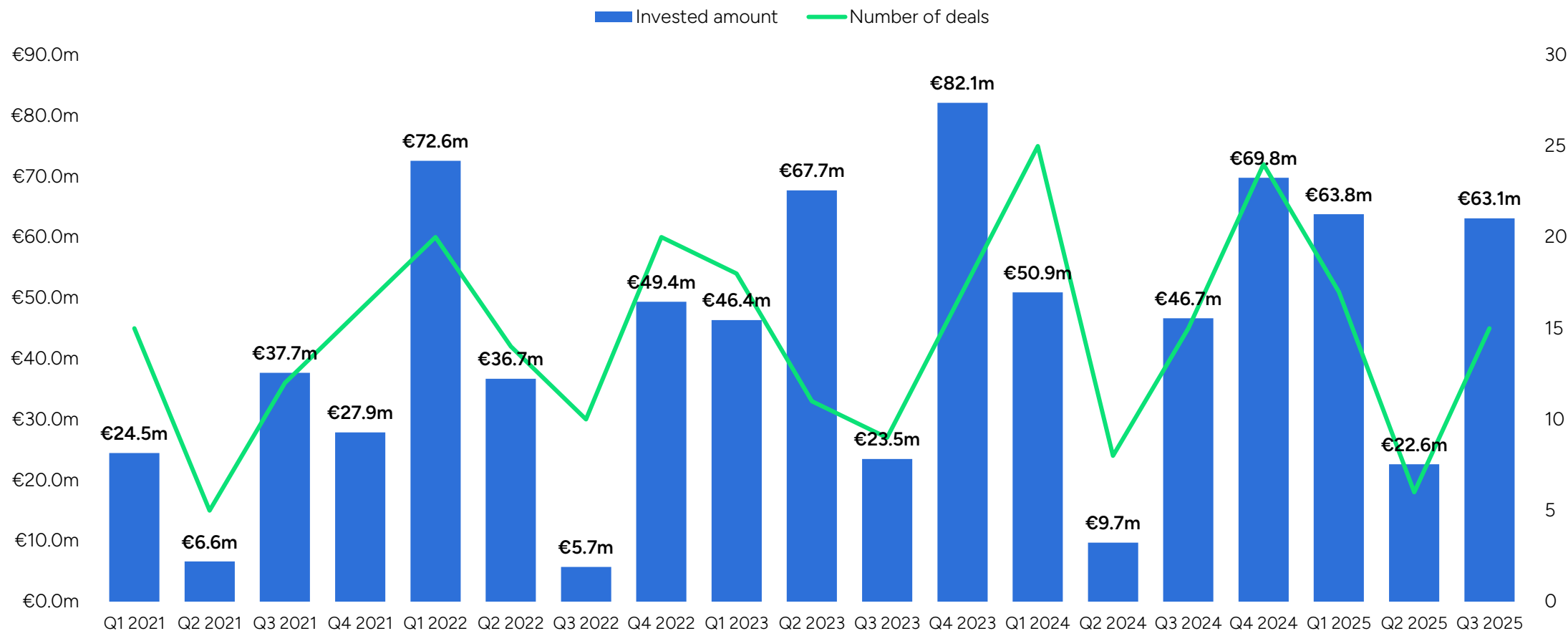
- **A €2 trillion budget sets the tone for Europe's next industrial decade.** The proposed Multiannual Financial Framework (2028–2034) allocates around 1.26 % of EU GNI and confirms climate and industrial transformation as strategic priorities. At least 35 % of total spending will be directed to climate-related objectives, signalling continuity with the Green Deal framework, though the increase is modest once inflation and rising transition costs are factored in.
- **The new European Competitiveness Fund will be the flagship for clean tech and decarbonisation.** Designed to merge fragmented instruments (Innovation Fund, InvestEU, etc.), it will channel roughly €67 billion into industrial-scale projects, from low-carbon manufacturing to energy storage and carbon removal. The goal is to de-risk private investment, accelerate commercial deployment of EU-made technologies, and avoid the “subsidy gap” with the US and China.
- **Research and deployment will finally be connected through FP10.** The next EU research framework (FP10) will be closely integrated with deployment instruments under the Competitiveness Fund, helping technologies move from pilot to market. This alignment aims to strengthen Europe's capacity to scale clean hydrogen, circular materials, and negative-emission technologies, bridging the persistent “valley of death” in EU innovation.
- **New climate-linked revenues will support the budget and reinforce the polluter-pays logic.** The Commission proposes expanding “own resources” through proceeds from the EU Emissions Trading System, the Carbon Border Adjustment Mechanism, and corporate levies. This should make the budget more resilient and self-financing, while tying funding directly to climate action rather than national contributions.
- **A stronger focus on industrial sovereignty, but uneven ambition.** The MFF reinforces the “Made in Europe” approach and, for the first time, opens partial eligibility for nuclear investments. However, the absence of a ringfenced biodiversity target and ongoing disputes among Member States on centralisation vs. flexibility could limit the overall transformative power of the package.

Italy consolidates the policy foundations for storage, renewables, and industrial autonomy

- **Italy's first MACSE auction marks a turning point for the energy storage market.** Terna's inaugural MACSE auction (October 2025) awarded 10 GWh of storage capacity across southern regions and islands, at a weighted average price of €12,959/MWh-year, far below the reserve price of €37,000. This sharp outcome signals a rapid cost reduction and growing market maturity, though many analysts question its sustainability for independent developers given tight margins and CAPEX volatility. The result nonetheless sets a new benchmark for large-scale storage economics in Europe and confirms Italy's commitment to integrating flexible capacity in its grid strategy ahead of 2030.
- **The revised Renewables Code clarifies permitting, agrivoltaics, and storage rules.** A new decree amending Legislative Decree 190/2024 updates the Unified Text for Renewables (*Testo Unico FER*), introducing clearer definitions for project categories, simplified authorisation procedures, and shorter permitting timelines (in some cases cut from 120 to 40 days). The reform also covers grid connections, repowering, agrivoltaic design, and integration with the SUEP digital platform, addressing long-standing legal ambiguities that slowed both new projects and revamping operations.
- **The new FER-X auction framework opens opportunities, but also tests Europe's resilience policy.** Italy's second FER-X solar auction attracted 3.16 GW of bids across 273 projects, fully implementing the "resilience" clauses inspired by the EU's Net-Zero Industry Act. Large-scale PV projects (>1 MW) must now use non-Chinese modules, cells, and inverters, a move intended to strengthen European manufacturing and diversify supply chains. While this industrial condition aligns with the "Made in Europe" vision, it may temporarily raise costs and limit competition until local capacity scales up. The outcome of FER-X tenders will thus be an important stress test for Europe's approach to linking climate goals with strategic autonomy.

Q3 2025 was the strongest ever recorded, with €63.1m raised across 15 deals

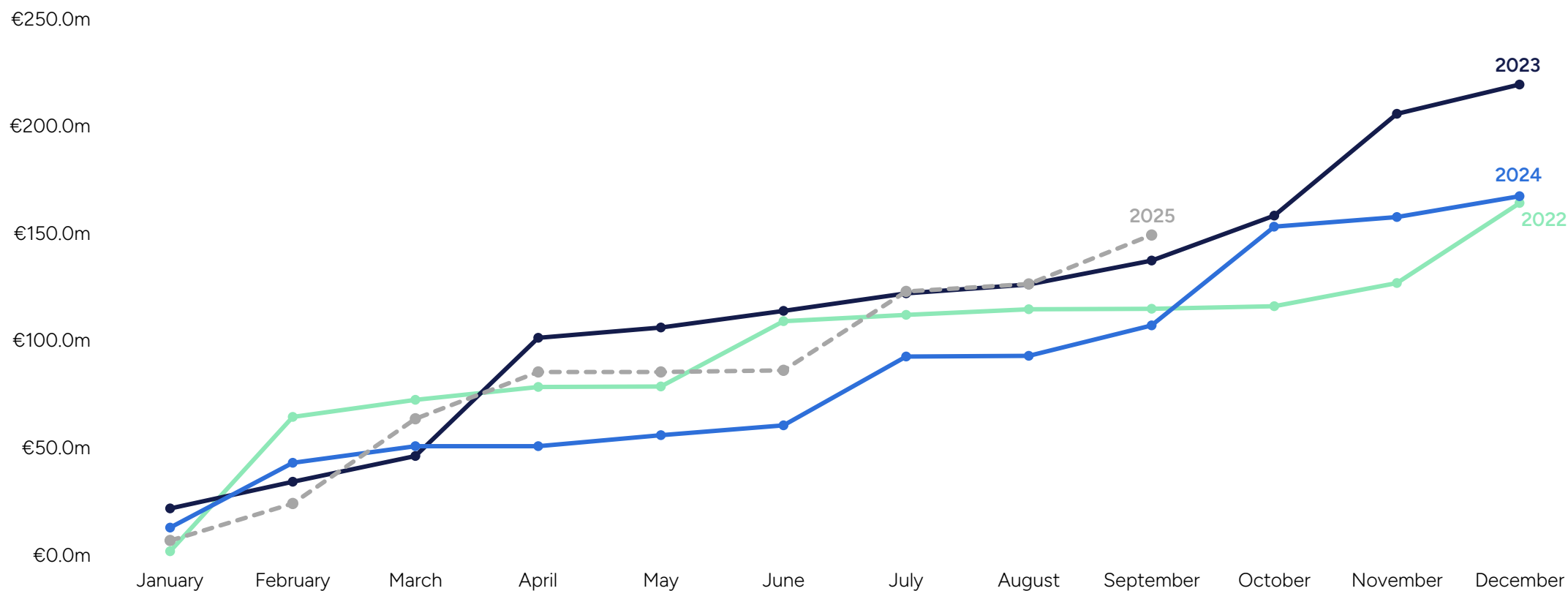
Cleantech VC investments by deal size and deal count, 2019-2024



Sources: Cleantech for Italy, MITO Technology

With €149.5m raised in VC funding, 2025 is the strongest year on record in the Q1-Q3 period

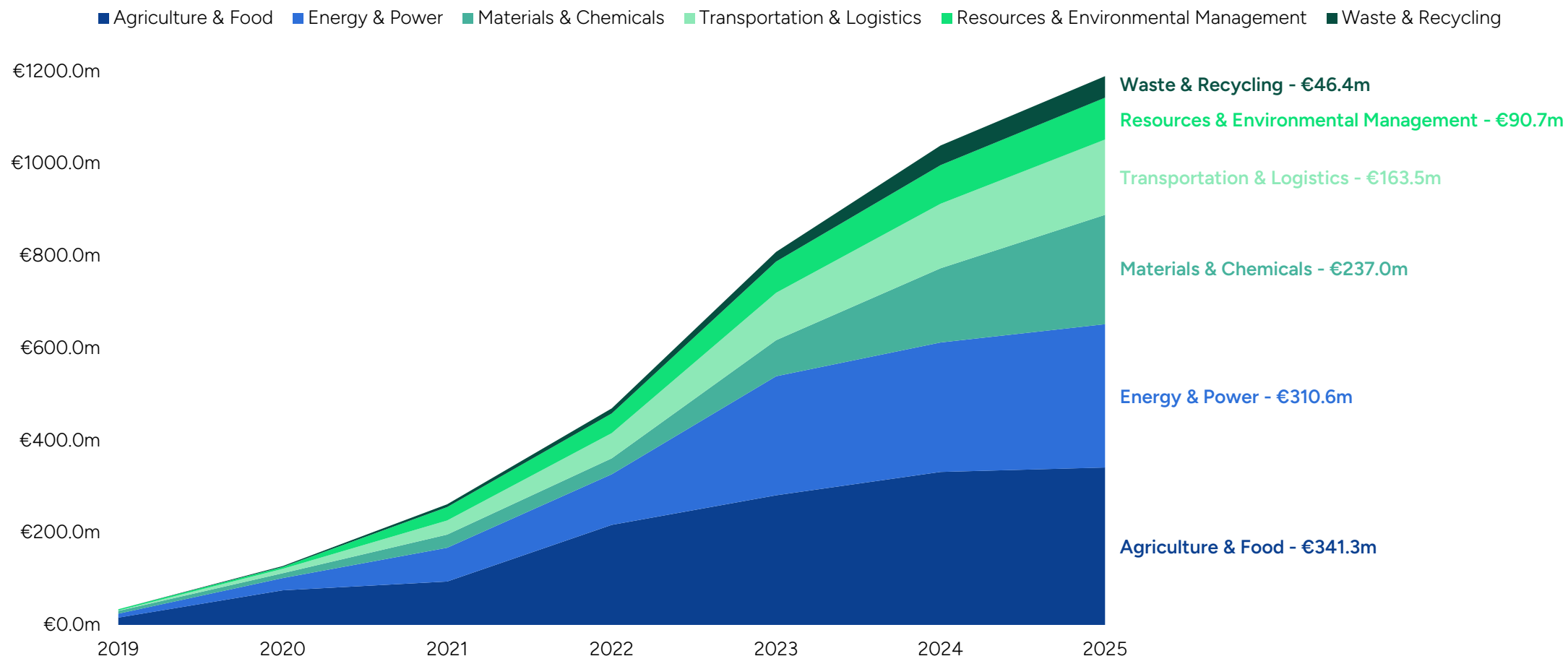
Monthly evolution of cleantech VC funding, 2019-2025



Sources: Cleantech for Italy, MITO Technology

Growth in underfunded verticals has made cleantech funding more evenly spread across sectors

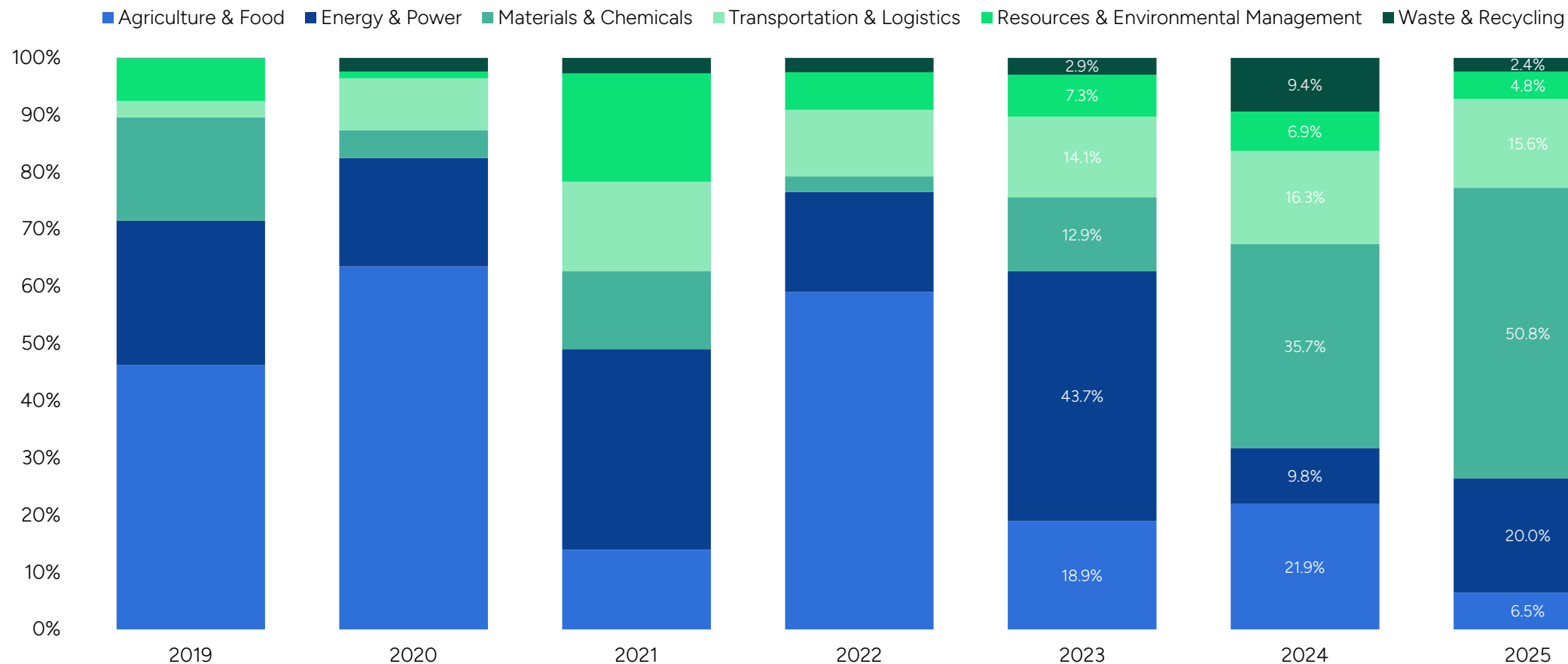
Cumulative total cleantech funding per sector, 2019-2025



Sources: Cleantech for Italy, MITO Technology

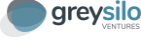
Materials and Chemicals account for more than half of total VC funding, with Energy and Power regaining momentum

Sector contribution of total cleantech funding, 2019-2024



Sources: Cleantech for Italy, MITO Technology

The largest deals of 2025 confirm the growing role of foreign VCs in the funding mix

Company	Description	Funding Amount	Main Investors
 CamGraPhIC	Energy-saving, graphene-integrated photonics technologies	€25.0 million	cdp  NIF Sony Innovation Fund JOIN. CAPITAL Bosch Ventures  Frontier IP Group plc  INDACO
 TulumEnergy	Innovative methane pyrolysis process for clean hydrogen production	€23.0 million	cdp  TDK VENTURES TechEnergy Ventures  MITO TECHNOLOGY  DORAL Tech Ventures
 tretau	High-performance magnet wire for automotive, energy, and general applications	€20.0 million	T2Y Capital cdp  SYENSQO  finindus  Alternative Investments  MITO TECHNOLOGY
 blubrake	Anti-lock braking systems for e-bikes and light electric vehicles	€12.0 million	 Algebris INVESTMENTS Fundracer
ARSENALE  BIOYARDS	Biomanufacturing platform focused on bio-based alternative products	€10.0 million	cdp  planetA  byFounders PLUGANDPLAY  greysilo VENTURES
 W • SENSE INTEGRATED CABLELESS SOLUTIONS	Underwater wireless communication enabling data transfer and monitoring	€7.2 million	cdp  SWEN Capital Partners  RUNWAY  AXON  FINCANTIERI  Rypples
 KRILL DESIGN	Transformation of organic by-products into sustainable biomaterials	€6.0 million	 Algebris INVESTMENTS  PRIMO CAPITAL  CRÉDIT AGRICOLE

Cleantech for Italy

Forging the path to cleantech leadership in Italy

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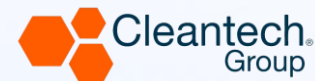
Find out more about Cleantech for Italy on [our website](#) and follow us on [LinkedIn](#) to stay updated on our latest initiatives and events.

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