

ESban

Financing Innovation in SMEs: the role of Business Angels
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**Business Angel Networks as a Catalyst of
Private Investment in Europe**

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CEO of Go Beyond & President of EBAN:

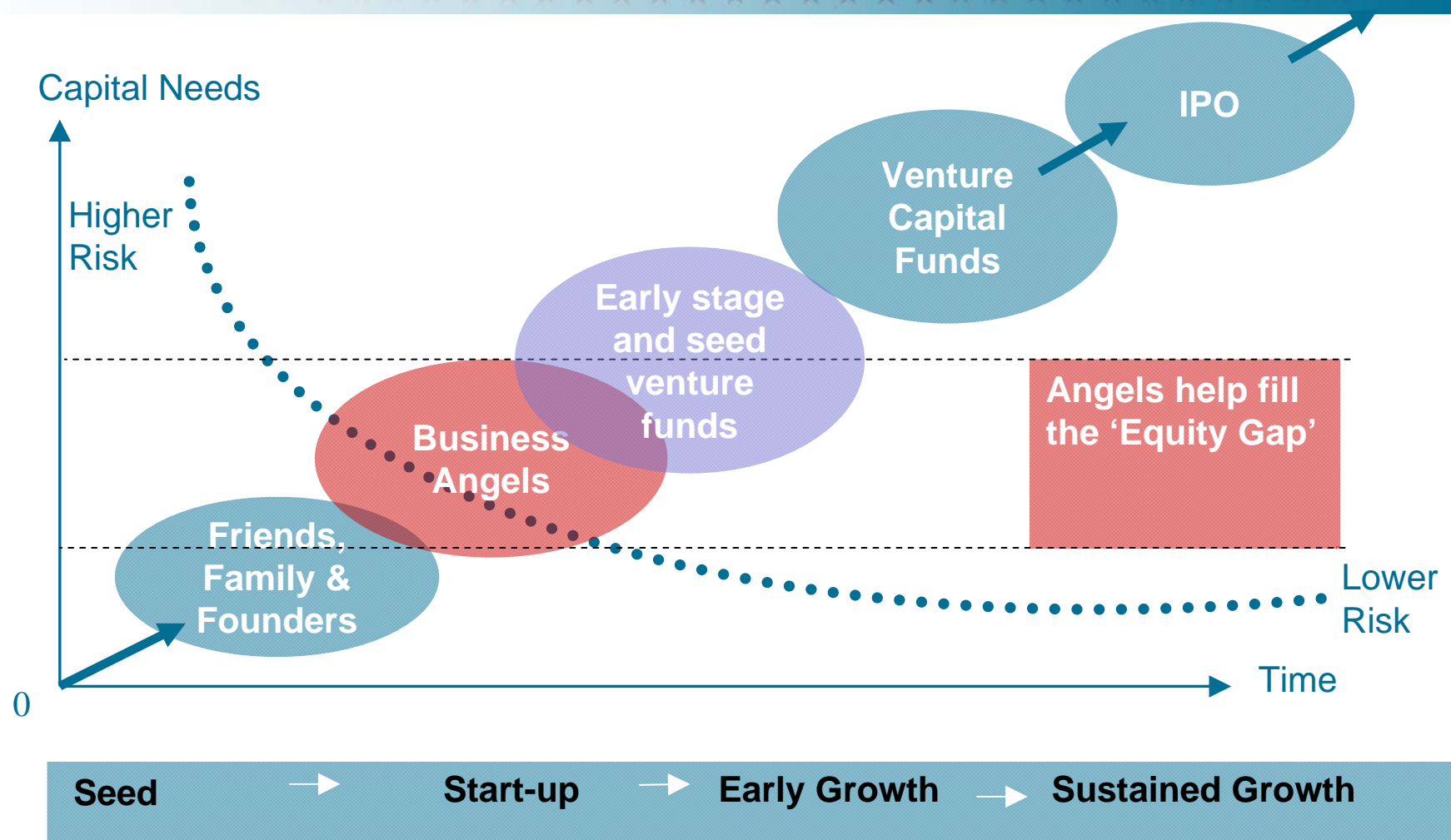
The European Trade Association for Business Angels, Seed
Funds, and other Early Stage Market Players

Business Angels

Business Angel	
WHO	Private individuals, Ex. Entrepreneurs, retired, in transition or active executives/ professionals
WHAT	Invest between 2-5% of total wealth - ~€100k per year Invest €200k – 1 million per investment ~25% share of company Timing is open
WHERE	Range of companies, technology and services
WHY	Make money Mentor Socialize 'Entrepreneurial' track

Source: Go Beyond www.go-beyond.biz

Angels and Other Finance Sources



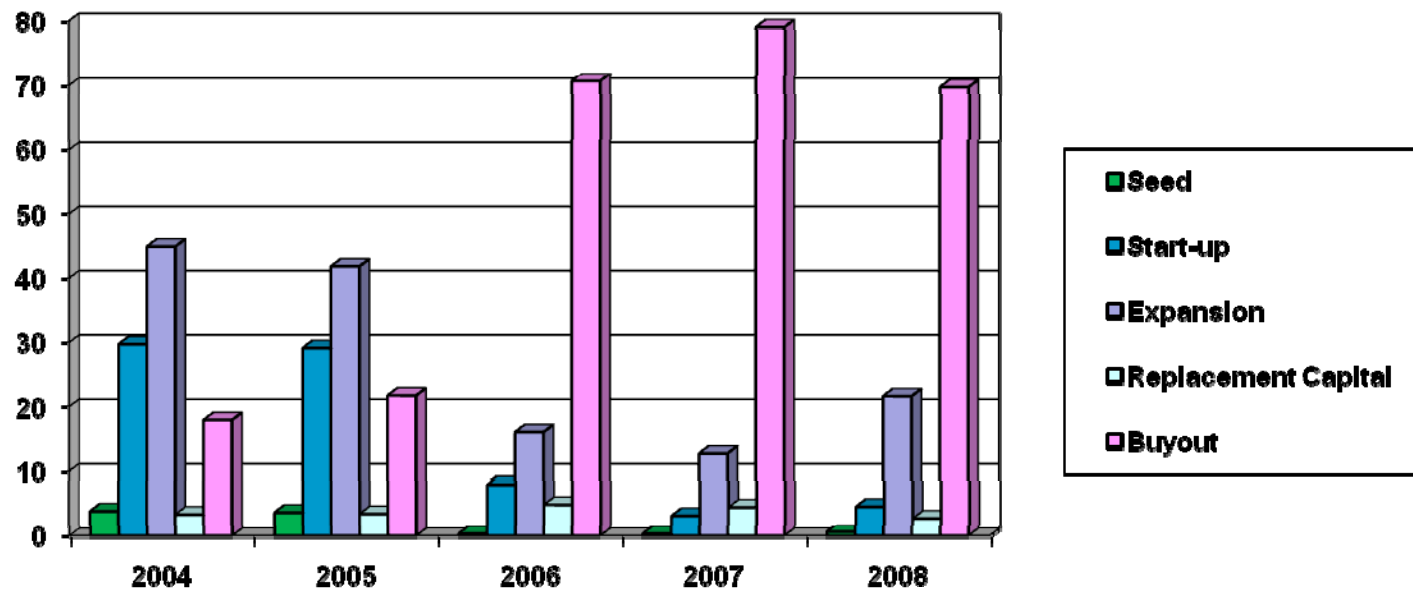
Business Angels vs Venture Capitalists

	Business Angel	Venture Capital
WHO	Private individuals, Ex. Entrepreneurs, retired, in transition or active executives/ professionals	Professional investors usually in a partnerships
WHAT	Invest between 2-5% of total wealth - ~€100k per year Invest €200k – 1 million per investment ~25% share of company Timing is open	Money raised to be invested 'must make more money' Closed period of 8 -10 years Invest €5 - 20 million per investment
WHERE	Range of companies, technology and services	Technology focus
WHY	Make money Mentor Socialize 'Entrepreneurial' track	Career Make money Raise a new fund

Source: Go Beyond www.go-beyond.biz

Why do we need Business Angels?

In 2008, seed investments represented 0,6% of recorded VC investments in Europe

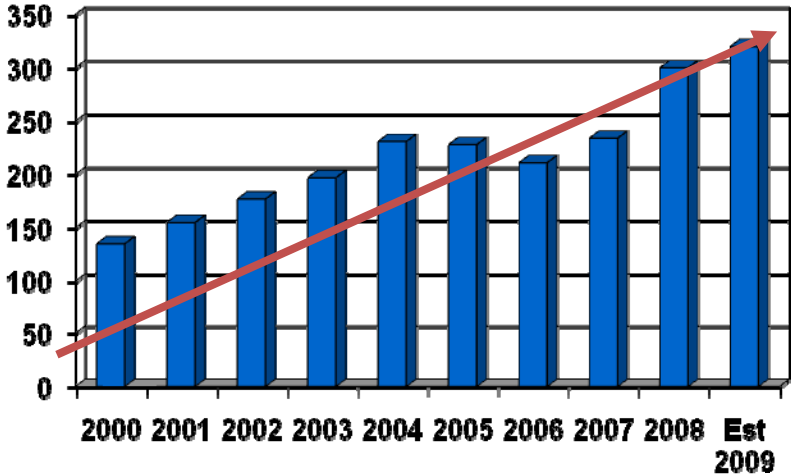


- > Different amounts invested
- > Complementary roles

Source: EVCA Year Book 2009
Stage distribution of investments per year

European Angel Market Characteristics

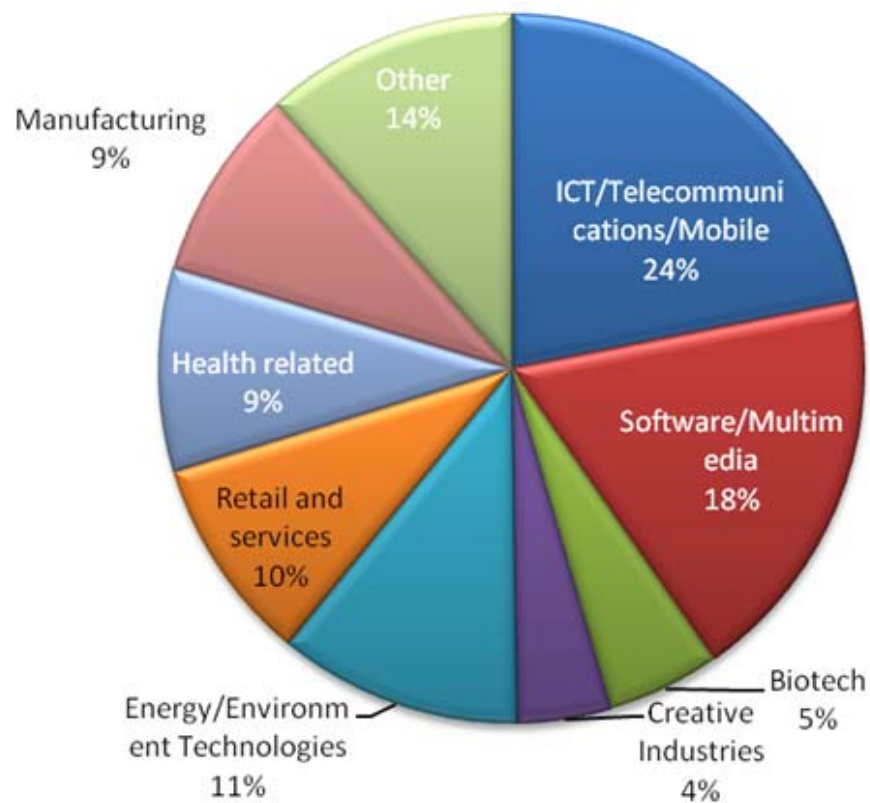
Number of Business Angel Networks



Summary of industry statistics

2008		EU	US
Networks	↑	334	300
For profit	↑	31%	59%
Estimate n of angels	⇒	75k	250k
Investment per round	↑	207k€	186k€
Total estimate invested annually	⇒	4 billion€	20 billion€
VC Investments		4 billion€	20 billion€

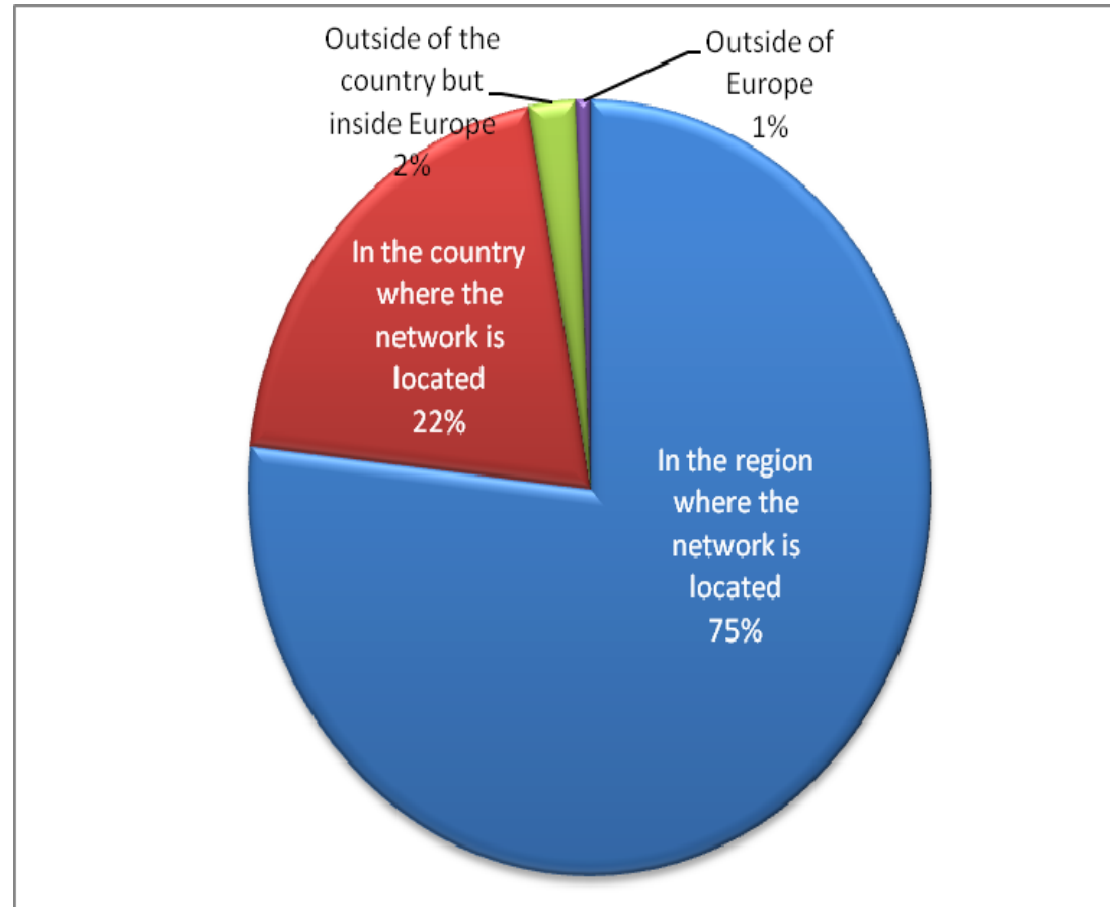
ABOUT INVESTMENTS



**ICT & Software
still dominating
sectors –
Clean tech and
health « hot »
sectors**

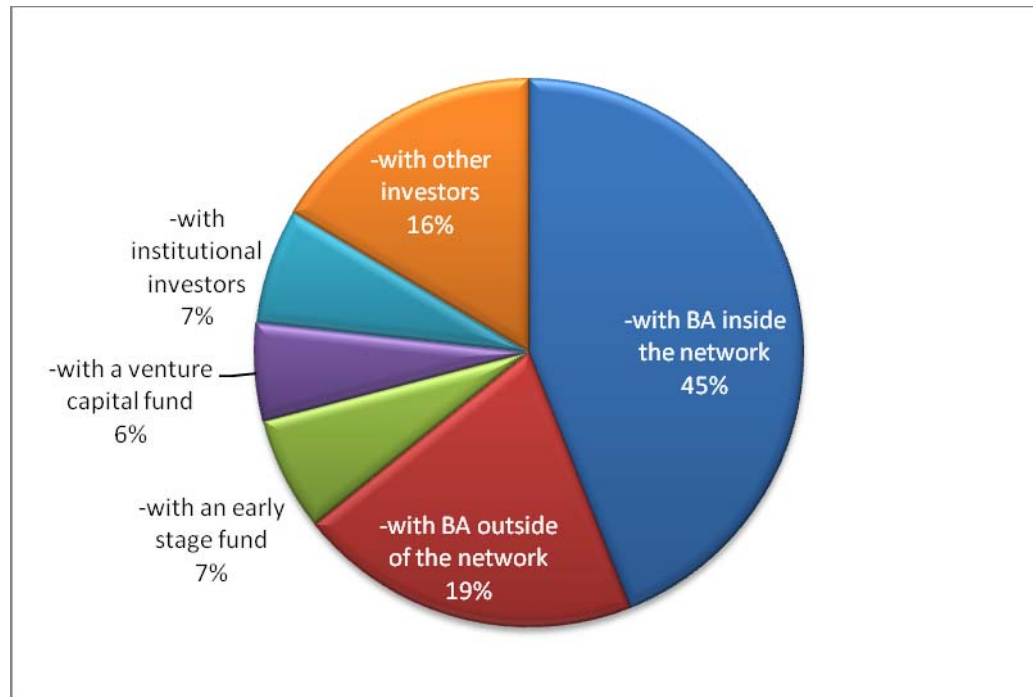
Location of Investments

**75% of
investments are in
their region**



About co-investments

**Co-investors: BAs
in other networks,
early stage and
VC funds**



Who we are

Circa 100 members

EBAN

15 Federations – 250 angel networks + associated members

Membership X4 in 5 years

20.000 angels

27 countries

Now open to seed funds

40.000 entrepreneurs

Over 100 members

80.000 website viewers

8.000 publication readers

The role of Government

- Fiscal incentives
 - >2 countries have up-front tax incentives
 - >8/27 provide some form of support
- Co-investment funds
- Support to national federation and BANs
- Capacity building schemes
- Equity guarantees
- Support to awareness raising: role models, media, BA week
- Support contact between investor groups: BA/VC
- Support fluidity of market and exit routes

Thank You

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