



STATISTICS COMPENDIUM
BASED ON THE INFORMATION PROVIDED BY EBAN MEMBERS
AND NETWORKS HAVING RESPONDED TO THE SURVEY
CONDUCTED IN 2006

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Prepared by the EBAN Secretariat
c/o EURADA

Avenue des Arts 12 Bte 7

B-1210 Brussels

T : +32 2 218 43 13

F : +32 2 218 45 83

E : info@eban.org

W: www.eban.org

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Warning

By nature, the informal venture capital industry is difficult to quantify.

The data presented and analysed in this document are based on figures provided to the EBAN Secretariat either by national associations or regional business angel networks in Mid-2006 concerning activities undertaken by the networks in 2005.

We would like to remind that the Statistics Compendium is the accompanying document of the Directory of Networks, as such the numbers listed represent the figures gathered from responding networks in Europe only, and by no means the extent of business angel activity existing in Europe.

The figures presented do not quantify the larger angel activity which takes place outside of business angel networks.

They are just an illustration of trends in the industry and certainly not a picture of the importance of business angel finance in the support of the creation of new enterprises in Europe.

EXECUTIVE SUMMARY

This year, on a total of **211** networks identified in Europe¹, EBAN has processed information coming from **97** networks (45% return rate).

This number comprises information provided by national federations and regional networks to the EBAN Secretariat. Activity from member and non-member networks is recorded.

| | 2004 | 2005 |
|------------------------------|-------------|--------------|
| Number of responses | 111 | 97 |
| Number of active angels | 12.773 | 8.227 |
| Number of women investors | n/a | 246 |
| Number of projects submitted | 9.471 | 6.066 |
| Number of deals | 580 | 653 |
| Total amount invested | n/a | 127.117.081€ |
| Average amount of the deal | | 194.819€ |

| | | |
|-------------------------------|-----|-----|
| Number of networks | 228 | 211 |
| Number of commercial networks | 35 | 23 |

The following remarks can be made:

- The yield rate has increased (ratio of investments made vs. projects submitted);
- The average amount of investment has increased, which coincides with the general trend of increased syndicated deals by angels across Europe.
- The number of deals has proportionally slightly increased from last year.
- The average amount of the deal is higher in the UK, Germany, Sweden or Spain. The average amount of the deals in Belgium, Netherlands and Italy is closer to an average of 130.000€. In France the average amount of the deal is below 100.000€.
- Only 23.5% of networks were profit oriented (23/97)

Warning: sample used

The angel activity had slightly increased based on the recorded figures from 2004 as the number of deals attests. The difference between the number of angels and projects submitted from 2004 is different due to:

- The lower number of responding networks;
- The difference between projects received by the networks and projects submitted to the angels.

¹ Excluding Russia and Turkey. Including these two countries the number of networks is 218 with 100 networks responding.

The following tables present a comparison between the figures collected by EBAN and those collected by EVCA concerning investments made in the seed² phase (EVCA Yearbook 2006 – data for 2005).

| | 2004 | | 2005 | |
|-------------------------------|-----------------|-----------------|-----------------|-----------------|
| European Seed Industry | EBAN Statistics | EVCA Statistics | EBAN Statistics | EVCA Statistics |
| Number of companies financed | 580 | 355 | 687 | 416 |
| Amount invested | N/a | 147.771.000€ | 127.217.081€ | 96.847.000€ |
| Average amount of the deal | | 416.256€ | 185.177€ | 232.805€ |

As last year, the number of enterprises financed by business angels in the seed phase is clearly superior to that invested by formal venture capital. The number of deals made in the seed phase has increased both from business angels and from formal venture capital in 2005.

| | 2005 | |
|--------------------------|-----------------------------|-----------------|
| AUSTRIA | EBAN Statistics (1 network) | EVCA Statistics |
| Number of deals | 6 | 0 |
| Amount invested | 1.566.000€ | 0 |
| Average size of the deal | 261.000€ | 0 |

| BELGIUM | 2004 | | 2005 | |
|--------------------------|------------------------------|-----------------|------------------------------|-----------------|
| | EBAN Statistics (4 networks) | EVCA Statistics | EBAN Statistics (4 networks) | EVCA Statistics |
| Number of deals | 29 | 14 | 44 | 13 |
| Amount invested | 3.354.000€ | 3.935.000€ | 5.704.200€ | 3.588.000€ |
| Average size of the deal | 115.655€ | 281.071€ | 129.641€ | 276.000€ |

| | 2004 | | 2005 | |
|--------------------------|-------------------------------|-----------------|-------------------------------|-----------------|
| FRANCE | EBAN Statistics (28 networks) | EVCA Statistics | EBAN Statistics (30 networks) | EVCA Statistics |
| Number of deals | 146 | 55 | 157 | 0 |
| Amount invested | 13.600.000€ | 36.532.000€ | 15.304.000€ | 0 |
| Average size of the deal | 93.150€ | 664.218€ | 97.500€ | 0 |

² Seed is understood by EVCA as “financing provided to research, assess and develop an initial concept before a business has reached the start-up phase”.

| | 2005 | |
|--------------------------|------------------------------|-----------------|
| GERMANY | EBAN Statistics (7 networks) | EVCA Statistics |
| Number of deals | 26 | 20 |
| Amount invested | 8.450.000€ | 6.560.000€ |
| Average size of the deal | 325.000€ | 328.000€ |

| | 2004 | | 2005 | |
|--------------------------|-------------------------------|-----------------|---|-----------------|
| ITALY | EBAN Statistics (12 networks) | EVCA Statistics | EBAN Statistics (6 networks +activity recorded by IBAN near independent angels) | EVCA Statistics |
| Number of deals | 12 | 9 | 35 | 7 |
| Amount invested | 1.305.300€ | 4.378.000€ | 8.050.000€ | 5.228.000€ |
| Average size of the deal | 108.775€ | 486.444€ | 228.000€ | 746.857€ |

| | 2005 | |
|--------------------------|-------------------------------|-----------------|
| SWEDEN | EBAN Statistics (12 networks) | EVCA Statistics |
| Number of deals | 72 | 47 |
| Amount invested | 8.515.000€ | 8.185.000€ |
| Average size of the deal | 118.263€ | 174.148€ |

| | 2004 | | 2005 | |
|--------------------------|-----------------------------|-----------------|-----------------------------|-----------------|
| THE NETHERLANDS | EBAN Statistics (2 network) | EVCA Statistics | EBAN Statistics (2 network) | EVCA Statistics |
| Number of deals | 17 | 4 | 22 | 0 |
| Amount invested | 1.700.000€ | 1.305.000€ | 3.125.000€ | 0 |
| Average size of the deal | 100.000€ | 326.250€ | 142.045€ | 0 |

| | 2004 | | 2005 | |
|--------------------------|-------------------------------|-----------------|---|-----------------|
| UNITED KINGDOM | EBAN Statistics (14 networks) | EVCA Statistics | EBAN Statistics (17 networks) Scotland excluded | EVCA Statistics |
| Number of deals | 165 | 67 | 188 | 91 |
| Amount invested | 35.934.875€ | 12.069.000€ | 58.103.650 € | 21.980.000€ |
| Average size of the deal | 217.787€ | 180.134€ | 309.062€ | 241.538€ |

| | |
|-------------------------------------|-------------|
| FINLAND | |
| Number of deals (2002-2005) | 47 |
| Number of deals involving angels | 29 |
| Amount invested | 15 million€ |
| Average size of the deal | |
| Share of public/private investments | 50/50 |

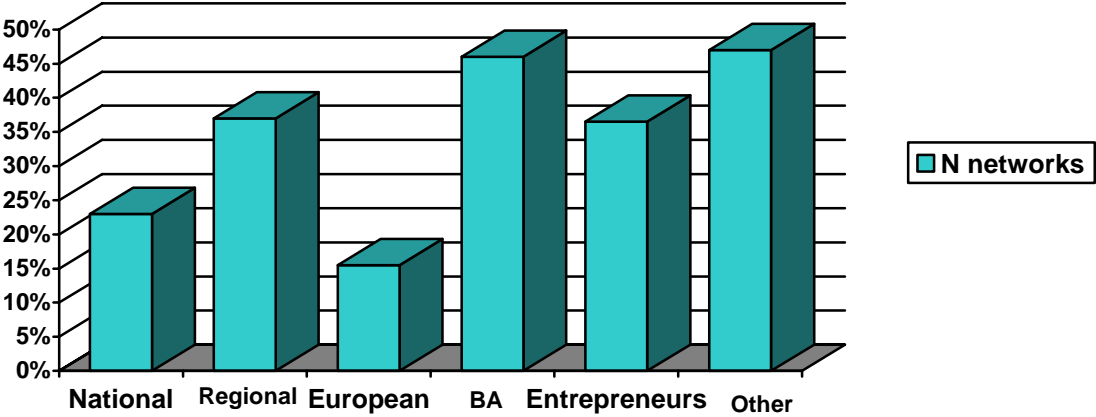
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| DENMARK | EBAN Statistics (8 networks) | EVCA Statistics |
|--------------------------|-------------------------------------|------------------------|
| Number of deals | 30 | 43 |
| Amount invested | 4.000.000€ | 15.821.000€ |
| Average size of the deal | 100.000€ | 367.930€ |

FUNDING SOURCES

Out of the 97 networks:

- 23% receive national support (most important in Finland, France and Italy)
- 37% receive regional support (most important in Spain, Belgium, France and the UK)
- 15.5% receive European funding
- 46% charge fees to business angels
- 36.5% charge fees to entrepreneurs
- 47% were recording additional funding through sponsorship or event registration fees.



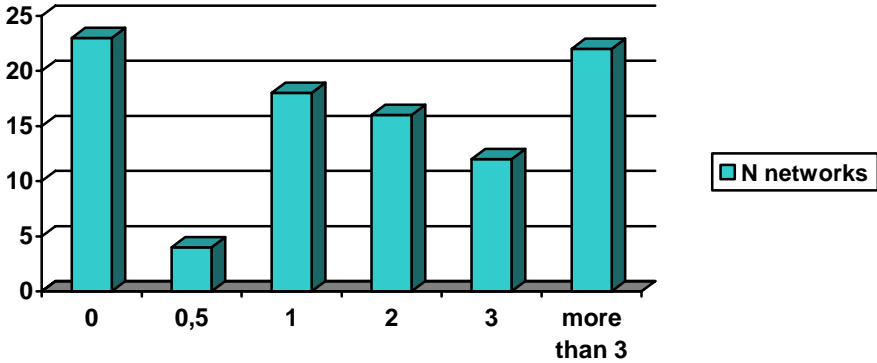
CO-INVESTMENT FUNDS

23 networks have a co-investment fund operating on the side.

7 of those are located in the UK (including Scotland).

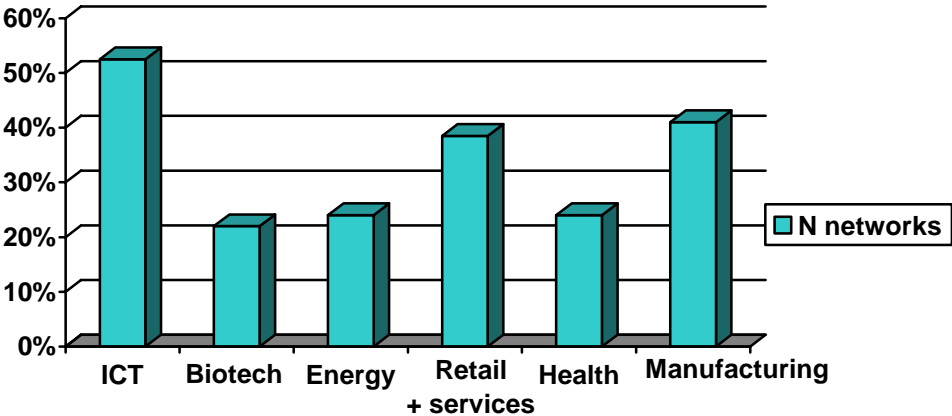
NUMBER OF EMPLOYEES

The 97 networks declared 324 employees in total (with Cavendish Management Resources in the UK declaring 450 director-level executives).



SECTORS OF INVESTMENT

Out of the 97 networks:

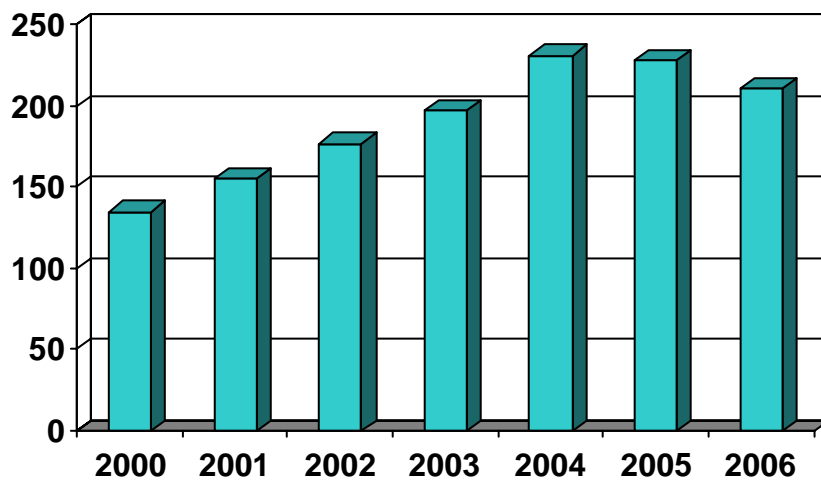


- 52.5% recorded investments in ICT
- 22% in biotechnology
- 24% in energy
- 38.5% in retail
- 24% in health related businesses
- 41% in manufacturing

Other important investment sectors included: food sector, environment, leisure, media, and construction.

NUMBER OF BUSINESS ANGEL NETWORKS

| 1999 | 2000 | 2001 | 2002 | 2003 | Mid 2004 | Mid 2005 | Mid 2006 |
|------|------|------|------|------|----------|----------|----------|
| 66 | 132 | 155 | 177 | 197 | 231 | 228 | 211 |



| Country | 1999 | 2000 | 2001 | 2002 | 2003 | Mid 2004 | Mid 2005 | Mid 2006 |
|------------------------------|-----------|------------|------------|------------|-----------------|-----------------|-----------------|-----------------|
| Austria | 1 | 1 | 1 | 1 | 1 | 1 | 2 | 2 |
| Belgium | 4 | 6 | 7 | 7 | 7 ³ | 5 | 6 | 6 |
| Czech Republic | 0 | 0 | 0 | 1 | 1 | 2 | 2 | 2 |
| Denmark | 0 | 1 | 4 | 6 | 8 | 8 ⁴ | 8 | 7 |
| Finland | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| France | 4 | 13 | 32 | 48 | 48 | 40 | 38 | 35 |
| Germany | 1 | 43 | 36 | 40 | 40 | 40 | 43 | 41 |
| Greece | 0 | 0 | 0 | 0 | 0 | 1 | 1 | 1 |
| Hungary | 0 | 0 | 0 | 0 | 0 | 1 | 1 | 1 |
| Ireland | 1 | 1 | 1 | 1 | 3 | 1 | 1 | 1 |
| Israel | 0 | 1 | 1 | 1 | 2 | 2 | - | - |
| Italy | 2 | 5 | 12 | 11 | 10 | 12 | 12 | 11 |
| Latvia | | | | | | | 1 | 1 |
| Luxembourg | 0 | 0 | 0 | 0 | 0 | 1 | 1 | 1 |
| Malta | 0 | 0 | 0 | 0 | 1 | 1 | 1 | 1 |
| Monaco | 0 | 1 | 1 | 1 | 1 | 1 | 0 | 0 |
| Norway | 0 | 0 | 1 | 1 | 3 | 7 | 7 | 6 |
| Poland | 0 | 0 | 0 | 0 | 0 | 1 | 2 | 3 |
| Portugal | 0 | 0 | 1 | 1 | 1 | 1 | 1 | 2 |
| Russia | 0 | 0 | 0 | 0 | 1 | 4 | 4 | 2 |
| Slovenia | 0 | 0 | 1 | 1 | 1 | 1 | 1 | 1 |
| Spain | 0 | 1 | 1 | 2 | 3 | 11 | 20 | 21 |
| Sweden | 1 | 2 | 2 | 2 | 9 ⁵ | 28 | 28 | 23 |
| Switzerland | 1 | 3 | 3 | 2 | 3 | 7 | 7 | 7 |
| The Netherlands | 1 | 1 | 2 | 2 | 3 | 3 | 5 | 4 |
| Turkey | 1 | 1 | 1 | 1 | 1 | 2 | 2 | 1 |
| UK | 49 | 52 | 48 | 48 | 51 ⁶ | 51 ⁷ | 35 ⁸ | 34 |
| TOTAL | 66 | 132 | 155 | 177 | 197 | 230 | 227 | 211 |
| Transnational network | 0 | 0 | 0 | 0 | 0 | 1 | 1 ⁹ | 3 ¹⁰ |
| | | | | | | 231 | 228 | 215 |

The number of networks has stabilised or sometimes decreased in recent years in the mature countries: the United Kingdom, Sweden, Germany, France, Belgium, Italy and the Netherlands. This is due to the gradual professionalisation of the industry, when the most performing networks continue to operate after the first years.

The number of networks is increasing in Spain where Catalunya is the most advanced part of the country.

³ 4 BANs operating in Flanders have merged into a single network called BAN Vlaanderen, with regional antennas. Since the beginning of 2004, 4 networks are working together under the name EuBAN, referring to the EuroRegio Meuse Rhine.

⁴ 2 networks to be created in Autumn 2004, AgroBAN and CreativeBAN.

⁵ 22 networks are in process of creation following a new program from NUTEK, the national BAN in Sweden.

⁶ Figures provided by NBAN up to Mid 2003. The figure for 2004 is derived from an update of the Directory of Network 2003-2004 published by NBAN in 2004.

⁷ Estimation. Figures for that period not available.

⁸ Data provided by the British Business Angel Association, the new professional federation of UK BANs created in 2005.

⁹ EuBAN as a tri-national network is counted in the Belgian, German and Dutch number of networks but not only once for the total number of networks.

¹⁰ EuBAN, Go Beyond Ltd, and Icon Angels.

COMPARISON WITH THE UNITED STATES

Below are a few points of comparison with the United States. The data is issued from the latest study from the Angel Capital Education Foundation, linked both to the Ewing Marion Kauffman Foundation and the Angel Capital Association (www.angelcapitalassociation.org).

The main elements of distinction are the following:

- Angels are organised in “groups” rather than in “networks”
- Americans refer to investment per “round” where Europeans refer to “deal”. They use investment “per deal” to refer to the individual angel investment.

| | United States | EU25 |
|--------------------------------|----------------------|-------------|
| Groups/Networks in operation | 94 | 211 |
| Groups/Networks in development | 22 | 12 |
| For profit networks | 48% | 23.5% |
| Investors operating in group | 4100 | 8227 |
| Invest per round | 266.037€ | 185.177€ |