

**COMPENDIUM OF
CO-INVESTMENT FOR
BUSINESS ANGELS AND
EARLY STAGE FUNDS
IN EUROPE**



 eban

 BDO

2009



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This publication does not seek to provide a comprehensive picture of all funds operating in Europe alongside business angels, but rather to provide readers with an overview of the different funds of this type existing in Europe.

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EXECUTIVE SUMMARY

➤ Goals and Contents

This compendium of the year 2009 is intended to assist business angels, entrepreneurs and other readers interested in the early stage investment market, by providing information on one of the most important incentives to stimulate and organise angel activity: angel investment funds and co-investment funds.

The compendium integrates a mapping of 48 funds that illustrate the different types of European funds co-investing alongside business angels, by describing the operational approach and the key information on objectives of the fund, current investment strategy and achievements to date.

A complementary compendium regarding fiscal incentives, another important incentive to stimulate the activity of business angels and early stage investors has been published by EBAN and BDO.

➤ Methodology

The information has been provided by EBAN members and other sources of information that have shared the experience and knowledge from their countries. BDO collected and organized the information received.

➤ Angel investment funds and co-investment funds

The compendium includes a description for each one of the 48 co-investment and angels funds that have been selected, as well as a data-sheet with the key data characterizing the funds in terms of general identification, size, type, investment strategy, achievements up to now and contact details.

Concerning the funds typology, 34 are public-private-partnerships, 11 are private, 2 are others (fund of funds, etc.) and 1 is a public fund. These funds operate mainly on a national basis (65%) but with an important cross-border positioning (19%) that exceeds the regional interest (16%).

The average size of co-investment funds and angels investment funds, that are included in this compendium, is EUR 27.2 million, where about 74% have a budget to invest bellow EUR 10 million. In relation to investment on each deal, the average is about EUR 0.57 million and 44% of the funds invest less than EUR 0.4 million on each deal. This information confirms that business angels are active in filling the “equity gap” from 50.000€ to 3 million€.

Less than half of the selected funds have a generalist sector strategy. Specific sectors that have been referred include high-tech, biomedical, prevention of cancer, clean-tech, energy, information and communication technologies, software, life-sciences, companies with patented products, nanotechnology, innovative manufacturing industry, biotechnology, pharmaceuticals and health.

➤ Opportunities

It is commonly accepted that sustainable growth requires innovation. Business angels and early stage investors have been supporting the innovation through the development of their risk capital activities. At the moment, interesting public private or fully private partnerships

with angels are being developed, to help them to share risks and improve investment capacities..

This compendium is intended to make information available to business angels and entrepreneurs, as well as to provide comparative information across different countries, especially useful to policy-makers, by providing a mapping of one of the most important incentives available to business angels today.