

**THE STATISTICS COMPENDIUM IS BASED ON THE  
INFORMATION PROVIDED BY BUSINESS ANGEL NETWORKS  
WHO RESPONDED TO THE SURVEY CONDUCTED BY EBAN  
AND NATIONAL FEDERATIONS OF NETWORKS IN 2009**

Note: the compendium provides information on the investments made during 2008 and of the state of the Networks (number of investors, type of legal entity, etc.) as of Q1/Q2 2009.

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## DISCLAIMER

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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 federations of networks or business angel networks in Mid-2009, concerning activities undertaken by the networks in 2008. EBAN collects data from both members and non-members. The data is self reported by the networks and is therefore not verified.

The numbers listed represent the figures gathered from responding networks in Europe and aggregate data provided by federations of networks in several countries, and by no means represents the full extent of business angel activity existing in Europe.

They seek to provide a better understanding of the European business angel market, as well as an illustration of trends in the industry.

The figures presented do not quantify the broader angel activity which takes place outside of business angel networks. EBAN estimates that the total number of angel investors active within networks and on an independent basis (individual activity or in syndicates) is around 75.000 individuals, investing around 4 billion Euros a year. This figure is based on the sum of cumulated estimates from federations of networks active across Europe.

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## Executive Summary

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**The key finding of this year's compendium is that business angels are going strong in a time of financial and economic downturn.** Based on its largest sample of respondents to date, the survey reveals that across Europe, most of the key indicators of the angel market improved in 2008 vs 2007 and that, while close to half of respondents reported a slowdown in the latter part of 2008 most saw positive trends again in 2009.

Data collected in 2009 is consistent with data from 2008 in a number of areas. Some interesting findings include:

- The number of business angel networks in Europe has continued to increase. They remain largely associative structures and not for profit
- The number of angels recruited last year was superior to the number of angels leaving the networks. Most countries have experienced a growth in the number of their members and in the –quality - deal flow they have received
- The average size of the deal has gone up slightly in 2008 – which could be indicative of investments made last year in existing portfolio companies or companies that traditionally should have had access to other sources of capital but had to be followed-up by angels as a result of lack of market alternative.
- The impact of co-investment mechanisms in the UK is measurable, with a quasi doubling of the amount invested in companies thanks to these schemes (see country by country information)
- The number of investments outside of the network's region/country has decreased – angels focusing on local deal flow, probably as a result of the current challenges and the importance of nurturing the investee companies
- BANs collaborate significantly with other investors, in particular early stage venture capital funds and family offices. This trend is likely to increase in coming years as the equity gap continues to widen and investors active in the seed and start-up stages of companies need to collaborate.
- ICT and Software remain the predominant sectors of investment for business angels Europe-wide. However business angels continue to invest in a variety of sectors, including in recent times in health related and environmental companies.

The survey is organised as follows. First the key findings are presented, including some trends from the most dynamic angel markets where EBAN has been able to collect significant data, largely relying on the federation of networks operating in the country. The next section presents the current characteristics of BANs in Europe, providing an insight into the way they operate: to recruit entrepreneurs or investors, their membership structure, etc. A short section relating to trends in the market has been added this year, given the exceptional circumstances in which this publication was prepared. Respondents were asked if they saw changes in Q3/Q4 2008 vs Q1/Q2 and how these trends had evolved in Q1/Q2 2009. The final two sections provide an opportunity to benchmark the data collected by EBAN with data collected in the United States and with data from the European venture capital industry relating to investments in the seed phase.