



EBAN Annual Report

The European Trade Association for Business
Angels and Early Stage Investors

2008

EBAN - European Trade Association for Business Angels and Early Stage Investors
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About EBAN

EBAN is the European Trade Association for Business Angels and Early Stage Investors.

It currently federates 99 organizations in 29 countries, representing the interests of angel networks and early stage investors across Europe.

Our members are

- Federations of business angel networks
- Business angel networks operating at European, national, regional level
- Early stage venture capital funds
- Organisations supporting access to investment at the early stage

EBAN's objectives are to

- Represent the interests of the growing early stage capital market, its entrepreneurs and investors
- Raise awareness about the concept of business angel investing and spread good practices among its actors
- Dialogue with European policy makers to improve the working environment of early stage investors

Business angels are high net worth individuals investing their own monies and their management/entrepreneurial experience into unquoted high growth potential start-ups .

Business Angel Networks (BANs) are national or regional, local, commercial or industry sector organisations set up to promote means of introduction between small and medium sized enterprises and private investors with entrepreneurial experience (business angels).



A word from the President

Dear colleagues,

In these challenging times, it is a pleasure for me to write the editorial for yet again a very successful year for EBAN, which has now become the European Trade Association for Business Angels and Early Stage Investors.

Our association has continued to experience a strong growth in membership in 2008. In the last 12 to 15 months, it has grown by 30%! Not many SMEs in Europe can currently show such a strong growth unfortunately. EBAN now reaches new countries in Europe: Ukraine, Bulgaria, Hungary, etc. We are thrilled that so many new countries are taking on the challenge of creating angel groups to support their local entrepreneurial ecosystem, and look forward to helping them to achieve this through membership to our European platform and access to our services.

EBAN has also received in recently the support of two strong global players:

- Microsoft who has had a vision to promote the BizSpark programme to the high number of innovative and young software start-ups going to BANs Europe-wide;
- BDO, the fifth largest accountancy group in the world, is a firm believer and supporter of entrepreneurship and SMEs and will collaborate with EBAN to promote fiscal incentives for angels and co-investment funds models Europe-wide.

Intramezzo has also joined us as new European partner. Intramezzo's value added comes from its ability to source adequate talent in a very short period of time. We all know the importance of having a strong and competent management teams at the early stage of development of companies.

Greater London Enterprise (GLE) has renewed its support to EBAN in 2009. GLE Growth Capital which is part of the GLE Group comprises London BA, London Seed Capital and Seraphim Capital. It also operates the UK's Trade body being British Business Angels Association.

We thank those sponsors for their support and look forward to working with them in 2009.

EBAN published an important policy statement at the beginning of 2009 regarding the impact of the crisis on business angels and early stage investors. As you will read more about this below, we are proud to report that while some of our members have experienced slowdowns in 2008, activity is relatively stable as great companies are on the market actively looking for funding.

We are confident that EBAN will continue to grow in 2009 as networks are in need of platforms to exchange experience and best practice more than ever. We all look forward to an exciting year of work and progress!

EBAN will focus in 2009 on growing its image as representative of the European early stage investment industry. It will also continue to seek for its members to:

- Improve relationships with other actors of the financial chain, in particular VCs
- Create a favourable environment for business angels Europe-wide by continuing its dialogue with policy makers on issues such as capacity building and public-private partnerships
- Identify best practice Europe-wide such as new tax breaks for angels, and help its members coordinate information about impact of such measures.

I would like to take this opportunity to thank EBAN's secretariat for all of their hard work over the past year, as well as my Executive Committee and Board for their support.

Kind regards,

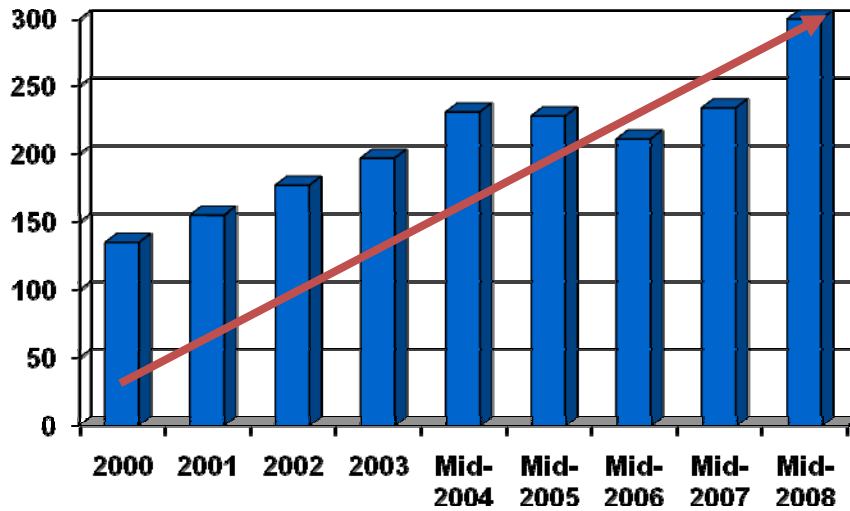


Role of business angels and early stage investors

The European business angel market in 2008

- 300 networks
- 75.000 angels (est.)
- 4 billion euros invested (est.)

Evolution of the number of business angel networks in Europe over the last years



The impact of the financial and economic crisis

The current financial crisis severely affects access to finance for small businesses, which represent 99% of companies Europe-wide and are responsible for the majority of economic growth and employment. Tightening market conditions for access to credit and late payment issues from clients are making it hard for SMEs worldwide to meet their working capital requirements. They are seeking alternative ways to source finance for the growth of their business, in particular through equity financing if they are at the early stage of their development. The crisis has generated an unexpected flow of capital demands to business angel networks (BAN) across Europe which clearly demonstrates the current lack of access to bank credit. This is creating some important challenges for early stage investors but also opportunities which policy makers should help to tackle and leverage.

The financial crisis increases the equity gap¹ - More business angels are needed

BAN and seed fund managers across Europe are witness to a worrying phenomenon. The companies that come to seek equity finance at the moment are not only the usual high potential start-up, but also those companies which had achieved 3 to 5 million euro revenues in sales after 3 years, so-called “gazelles” who traditionally did not have to worry for their follow-on financing. This has meant extraordinary good deal flow for business angels², who have the opportunity to finance great companies at a valuation which has come down from 20 to 30% in the last months. And this trend is likely to continue in the coming months. These opportunities have consequently generated an acute lack of access to finance for those who would generally be suited for angel finance: highly innovative yet risky businesses.

At the same time, many business angels have lost money on the stock markets and/or on real estate. While great opportunities at attractive valuations are out there on the market, most will want to stay focused on their portfolio, making sure that they have enough money for follow-on round investments. Angel funding for newly formed early stage businesses will not come easy in the next 12 to 24 months, and while entrepreneurs will focus on their cash flow they will often need additional funding for their growth in that time period. The climate for exits is now poor. Only business angels with “deep pockets” will be able to afford new investments.

The financial crisis is generating opportunities for the smaller pool of early stage investors. As the availability of traditional capital becomes scarce, the demand for equity is rising. Redundancies or layoffs are likely to create a new generation of entrepreneurs and start-ups, increasing the need for additional start up and early stage risk capital. Business angels are needed not only for their capital, but for the mentoring they bring to new companies. This is particularly true during these challenging times.

¹ Equity gap: the phase between 500.000 and 3 million euros where high potential start-ups have the greatest difficulties in accessing finance. In some countries the gap starts from 150.000€ on to 3 million€

² Business angels, high net worth individuals with management and/or entrepreneurial experience who invest in unquoted businesses

The impact on business angel networks (BANs)

BANs bring together entrepreneurs looking for equity finance with business angels. In recent years, they have become increasingly professional and sophisticated, providing platforms for syndication, co-investment, as well as capacity building opportunities through investment and investor readiness programmes. They have become an essential element of the entrepreneurial support ecosystem across Europe.

The financial crisis is putting angel groups at risk. Some of their members, especially recent members who have not previously experienced a downturn are no longer making new investments and may soon decide to withdraw from the network. BAN's success fees are likely to decrease as well as revenues generated from membership fees or sponsorship, which will make it harder for groups to sustain their activity. However, BANs must be able to leverage the additional opportunities which are coming their way as a result of the crisis. They need to have enough financial and human resources to attract new business angels to the market, build their capacity to turn them into serial angels, but also retain existing investors.

What can policy makers do to support the early stage investment market

1) Attracting more investors to the market

BANs as well as early stage funds need the support of policy makers to attract more investors to the market in three ways: **awareness raising** on the role of these investors and what type of companies they back; **investor readiness** to build capacity of new and existing business angels; reinforcing **fiscal incentives** available for them across Europe. Business angels need to be activated not only for their availability of capital but also for their role as coach and mentors of young companies.

2) Improve transparency on the market – monitoring angel activity

Given the current economic climate, investors or would-be investors will tend to become risk and complexity adverse. What does risk really mean? What is the level of risk associated with becoming a business angel? While the USA and the UK have gathered data on rates of return for investors to report on the level of risk and increase the transparency of the market, there is no such data available at European level. Existing reports have had a resounding impact on the perception of the angel market and in attracting new angels to groups. European policy makers should support a **Europe-wide study to increase the interest of potential investors in supporting high potential start-ups**.

Research efforts could also help policy makers and intermediaries in this market to appreciate the impact of the crisis on the member states (at the moment, the UK economy seems to be worst hit than that of France or Switzerland), and on the different sectors.

3) The role of trade associations and business angel groups

Trade associations represent the angel and early stage investment market in a number of EU member states. They act as an intermediary between policy makers and their members, providing visibility to their activity and results. Policy makers should support, in particular during these challenging economic times, these structures that act as a relay to the early stage market, and promote the exploitation of public private partnership opportunities at national level such as co-investment funds. Moreover, trade associations can become involved in implementing or coordinating the implementation at regional level of capacity building opportunities for investor and entrepreneurs which increase the number of deals

done and which are crucial at the moment. Finally trade associations have a role in supporting training/professionalization of BAN and seed fund managers in their respective countries.

Business angel groups have historically struggled to fund their operations. Entrepreneurs often cannot afford to pay introduction fees while business angels are often keen to invest funds into the company but not for supporting the BAN and seed fund structures. In recent years business angel groups have started providing a number of add-on services to their members, actively supporting the growth of the number of successful companies accessing financing as well as the number and capacity of angel investors. During this crisis, policy makers should leverage on existing structures and support their actions aiming to bring new business angels to the market and to fill the equity gap.

4) Reinforcing the collaboration between business angels and venture capital funds

Policy makers should support an increased collaboration between the different actors involved in financing high potential companies at different stages of their development. The financial crisis is putting a pressure on valuation for all financiers, which means for business angels and early stage VC funds that later stage VCs (?!), investing over 3 million euros per company, will put pressure on valuations when negotiating with early stage investors. Policy makers should support the organization of regional/national workshops for these actors to reduce asymmetries of information, but also help build common investment agreements and solutions to co-investment.

A brief history of EBAN

EBAN was set up in 1999 by a few pioneer angel groups across Europe in an effort to raise awareness on the importance of angel investing for the growth of highly innovative businesses. In 2008, this objective is still valid. New networks have been created across the continent – and the world – to match high net worth individuals who have management and entrepreneurial experience with high potential start-ups. In 1999, only 50 business angel networks were identified across Europe to support high growth start-ups, with more than half operating in the UK. At the beginning of 2008 EBAN recorded close to 300 angel groups in operation being located in the majority of EU27 member states.

EBAN has followed the evolution of the market, growing from a 15 member to a 97 member strong organization from 2000 to 2009, now representing members from close to 30 countries in Europe and beyond.

Key successes in the last years:

- The European Investment Fund now has the mandate to invest through an instrument called *High Growth and Innovative SME Facility (GIF)* with business angels, in collaboration with venture capital funds. This instrument was made available through the CIP – Competitiveness and Innovation Programme.
- Thanks to our work since 1999 in raising awareness about angel investing, understanding of the role played by those actors in the financial supply chain and in support of high growth potential companies is mainstream in the European Commission services. All documents relating to the financing of innovation now include business angels as a key source of finance for young innovative businesses.
- We have significantly increased the understanding and awareness through our membership and near policy makers of the importance of capacity building of investors and entrepreneurs. We have participated even in many successful projects, such as the Ready For Equity (www.readyforequity.eu), about the development of a Europe-wide training curriculum to improve the investment capacity of business angels, to prepare entrepreneurs to meet informal investors, or the EASY project (www.earlystageinvestors.org) which has helped to raise awareness and build tools in support of cross border early stage investing.

EBAN membership

In the effort to become the voice for all early stage investors involved in bridging the equity gap in Europe (250.000€ - 3 million€), EBAN opened at the end of December 2008 its full membership to early stage and seed venture capital funds investing less than 3 million € per company.

EBAN particularly welcomes those funds that:

- Currently work with business angels at local level and would like to start cross-border collaborations
- Have an interest in increasing their collaboration with angels, in particular to source good deal flow
- Have a strong interest in cross-border activities.

As the equity gap widens, there is a need for early stage financiers to ensure that high growth potential companies have access to finance.

Membership categories as of end 2008

Full members

Full members contain two categories:

- A) Business angel networks, federations of networks set up to promote the angel market, business angel groups, angel funds or angel syndicates;

Business Angel Networks (BANs) are national or regional, local, commercial or industry sector organisations set up to promote means of introduction between small and medium sized enterprises and private investors with entrepreneurial experience (business angels). Business angel funds are understood as structures that contain no institutional or public money.

- B) Early stage venture capital and seed funds

Early stage venture capital and seed funds are those who invest in the equity gap (500.000€ to 3 million€), i.e. making a maximum of 3 million€ investment per company in young innovative SMEs across Europe.

Associate members

Associate members are organisations which do not meet the aforementioned criteria for full membership, but who have evident interest in the business angel industry.

New members in 2008

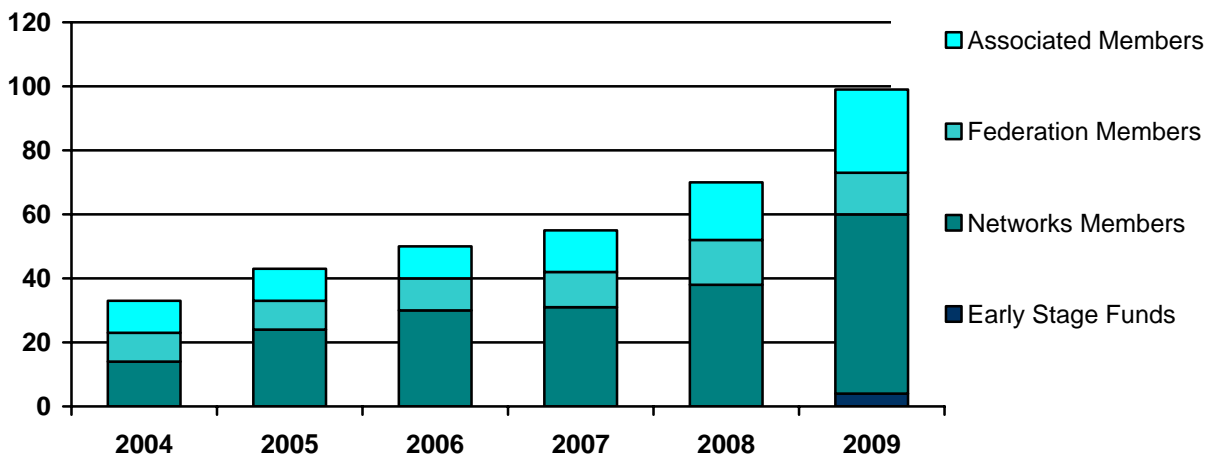
In 2008, 25 new members joined the association.

As full members:

Entrinnova, www.entrinnova.com (ES)
 Angels DEN, www.angelsden.co.uk (UK)
 The private investors association of Ukraine www.uaban.org (UA)
 BID Network www.bidnetwork.org (NL)
 STING (Stockholm Innovation & Growth) www.stockholminnovation.com (SE)
 CTI Invest, www.cti-invest.ch (CH)
 GOBAN - CEEIs Castilla-La Mancha/BICs: www.gobanclm.com (E)
 Bulgarian Business Angels Association www.bbaa-bg.org (BG)
 Bulgarian Business Angels Network www.bban.eu (BG)
 ESBRO www.esbro.org (NL)
 CEED www.ceed-global.org (INTL)
 INNOBAN www.innoban.com (E)
 CRANE - Croatia's business angel network www.crane.hr (HR)
 ESADE www.esadealumni.net (E)
 Sophia Business Angels www.sophiabusinessangels.com (FR)
 Quantum Board www.quantumboard.eu (D)
 SWAIN www.swain.org.uk (UK)
 Keiretzu Forum - Paris Chapter www.k4forum.com/chapters/paris/index.html (FR)
 E-Synergy www.e-synergy.com (UK)

As associated members:

Brabo Ventures www.braboventures.com (B)
 Advantage West Midlands: www.advantagewm.co.uk (UK)
 MBM Commercial www.mbmcommercial.co.uk (UK)
 Malta Enterprise www.maltaenterprise.com (MT)
 Delta Finance www.deltafinance.biz (FR)
 UMIS-SMEA www.hi.t-com.hr (HU)



N.B: Since January 2009, 10 new organisations have joined EBAN.

As full members

Veraventure Ltd. www.veraventure.fi/index.asp?language=2 (FIN)
Maxwell Group www.maxwellgroup.nl (NL)
Andorra Angels www.oie.ad (AD)
First Hungarian Business Angel Network www.innostart.hu (HU)
Italian Angel for Growth www.italianangels.net (I)
Polish Investment Fund www.pif.pl (PL)
ACTIVE Capital Partners www.active-vp.com (E)
HUBAN Ltd. www.huban.hu (HU)

As associated members

Helia Partners www.helia-partners.com (FR)
UNICER The French association of early stage venture capital funds www.unicer.asso.fr
(FR)

As of March 2009, the Membership of the association is composed of 99 organisations from 29 countries, out of which 60 are BA networks and early stage funds, 13 federations of BA networks and 26 associated organisations.

This represents an increase of around 30% compared to last year.

Association structure

Executive Committee

President of the Association (April 2004 – April 2009)

Anthony Clarke, British Business Angels Association, United Kingdom

Vice-President of the Association

Brigitte Baumann, Go Beyond, Switzerland/EU

Members of the Executive Committee in 2008

Jacek Blonski, Lewiatan Business Angels, Poland

Claude Rameau, France Angels, France

Christophe Guisset, Be Angels, Belgium (resigned September 2008)

Board of Directors in March 2009

Albert Colomer, BANC, E

Anthony Clarke, British Business Angels Association, UK

Arne-G. Hostrup, netzwerk|nordbayern, D

Balz Roth, SECA, CH

Brigitte Baumann, Go Beyond, CH

Claude Rameau, France Angels, F

Francisco Banha, Gesventure, PT

Jacek Blonski, Lewiatan Business Angels, PL

Joao Larroude Trigo da Roza, APBA, PT

Joseph de Gheldere, Be Angels, B

Juan Roure, IESE, E

Marie Reinius, SVCA, SE

Paolo Anselmo, IBAN, I

Paulo Andrez, FNABA, PT

René Reijtenbagh, OOST NV, NL

Risto Kalske, SITRA PreSeed Finance, FIN

Roland Kirchhof, BAAR, D

Rolf Richter, BANSON, D

Sergi Mora, ACC1Ó, E

Steve Glangé, Luxembourg Business Angels Network, LU

Ute Günther, BAND, D

Observer: Jacques Evrard, EURADA, B

EBAN Secretariat in March 2009

Claire Munck, General Manager
Alberica Marzotto, Project Manager
Marco Serena, Marketing and sponsorship trainee

EBAN Working committees in 2008

Below is the list of committees set up during the Annual General Assembly in Arnhem in 2008, as well as their key objectives.

Membership committee

Identify potential members
Develop membership materials and toolkits with the Secretariat

Marketing committee

Website content
Marketing material
Press releases
Organisation of communication and success stories

Sponsorship

Identification of potential sponsors
Sponsorship material

Research

Identify areas of research for EBAN, i.e. statistics, Fiscal and Legal, etc.
Identification of potential sponsors of research
Preparation of calls for propositions.

Training – Train the trainers

Development of the training curriculum
Database of experts
Promotion of new service to EBAN members and non members

Summary of activities in 2008: Speeches and presentations

Representation activities from the Secretariat of EBAN

Claire Munck, General Manager of EBAN, attended at the following events in 2008:

16/01/2008 Meeting with representatives from the European Commission and the European Investment Fund in the framework of the EBAN Executive Committee on "The new GIF mechanism and its implementation characteristics".

18/01/2008 Presented the "European angel market and the interest of angels in financing companies in the eco-innovation" at the Third European workshop of the European Platform on Financing eco-innovation, Bruxelles, BE

23/01/2008 Ready for Equity! Partner Meeting, Camberley, UK

29-30/01/08 Ready for Equity! Partner meeting, La Valletta, MT

4/02/2008 Observer at the Ready for Equity! Pilot Testing Training, Camberley, UK

18/02/2008 Observer at the Ready for Equity! Pilot Testing, Paris Business Angels, Paris, FR

26-27/02/2008 Attendee at the Milan EASY Investment Forum, Milan, IT

3-4/03/1900 Observer at the Ready for Equity! Pilot Testing, NeBIB, Breukelen, NL

26-27/03/2008 Guest speaker to the MIT (Massachusetts Institute of Technology) Global Start-Up workshop (GSW) "Finding and attracting investors", Madrid, E

07-08/04/2008 AFIBIO Partner Meeting, Madrid, E

14-15/04/2008 EBAN 8th Annual Congress and 3rd Award Ceremony, Arnhem, NL

21-22/04/2008 Attendee at the EASY Investment Forum, Barcelona, E

6/05/2008 Meeting of European angel groups with representatives from Tech Coast Angels, San Diego, US

7-8/05/2008 Attendee at the ACA Annual Summit, San Diego, US

8/05/2008 Attendee at the First Canadian-International Angel Co-Investment Dinner of the Canadian National Angel Capital Organisation, in collaboration with the Consulate of Canada, San Diego, US

19-20/05/2008 Attendee at the EASY Tax Summit organised under the framework of the Slovenian Presidency of the EU, Ljubljana, SL

23/05/2008 Attendee at the AFIBIO Final Conference, Committee of the Regions, Brussels, BE

26-27/05/2008 Ready for Equity! Partner Meeting, Belfast, UK

2/06/2008 Meeting with Arnaldo Abruzzini, Secretary General of EUROCHAMBERS, the European Association of Chambers of Commerce, Brussels, BE

11/06/2008 Attendee at "The Microsoft Investor Summit", Brussels, BE

12/06/2008 Attendee at the 4th EU SME Day, Brussels, BE

13/06/2008 Attendee at the EURADA Conference: "Investing in Regional Innovative Financial Tools", Brussels, BE

17/06/2008 Speaker at the launch of Croatia's first business angel network CRANE, Zagreb, CR

18/06/2008 Attendee at the BBAA Annual Conference, hosted by Finance South East, Kent, UK

26-27/06/2008 Attendee at the EASY London Summit and Investment Forum, London, UK

10/07/2008 Participation in European Commission Expert Workshop on Cross Border Venture Capital, Brussels, BE

8/09/2008 Ready for Equity! Final Partner meeting, Stockholm, SE

11-12/09/2008 Attendee at the National Association for Seed and Venture Funds (NASVF) Conference in Detroit, Michigan, US

22/09/2008 Ready for Equity! Final Conference, Brussels, BE

1/10/2008 Speaker at the European Day of the Entrepreneur, Zagreb, CR

3/10/2008 Attendee at the EASY Central Europe Investment Marketplace Investment Forum, Prague, CZ
8/10/2008 Attendee at the EVCA Policy Meeting, Brussels, BE
15-17/10/2008 Attendee at the EVCA Venture Capital Forum, Paris, FR
21/10/2008 1st BA & VC Benelux Forum, Brussels, BE
30-31/10/2008 EBAN 7th Winter University and EBAN Board Meeting, Luxembourg
13/11/2008 Speaker at "Towards World Class Clusters: 4th Annual Conference of the Poles de Compétitivité", Sophia Antipolis, FR
17/11/2008 Speaker at the Innoviews workshop on the support to high-growth enterprises, Brussels, BE
19-20/11/2008 Speaker at the Global Entrepreneurship Week: the contribution of business angels to stimulating and funding entrepreneurship, Santiago del Chile, Chile
25-27/11/2008 Speaker at ICT Lyon 2008: "The contribution of business angels to financing ICT companies in Europe", Lyon, FR
4/12/2008 Ready for Equity! II Kick Off Meeting, Camberley, UK
16-17/12/2008 Trainer at the "Advance Training Session for Staff Members of the Enterprise Europe Network (EEN)", Brussels, BE

Alberica Marzotto, Project Manager of EBAN attended at the following events:

7/02/2008 Attendee at the Launch of the "Enterprise Europe Network" (EEN), Bruxelles, BE
25-26/02/2008 Attendee at the Milan EASY Investment Forum, Milan, IT
10/03/2008 Observer at the Ready for Equity! Pilot Testing, Paris Business Angels, FR
17/03/2008 Observer at the Ready for Equity! Pilot Testing, Paris Business Angels, FR
14-15/04/2008 EBAN 8th Annual Congress and 3rd Award Ceremony, Arnhem, NL
27-28/04/2008 Attendee at the XVII CleanTech Forum, Brussels, BE
23/05/2008 AFIBIO Final Conference, Committee of the Regions, Brussels, BE
13/06/2008 Attendee at the EURADA Conference: "Investing in Regional Innovative Financial Tools", Brussels, BE
22/09/2008 Ready for Equity! Final Conference, Brussels, BE
7/10/2008 Attendee at the INFO Days - DG REGIO Regions and chambers: financing the innovation of SMEs, Brussels, BE
21/10/2008 1st BA & VC First Benelux Forum, Brussels, BE
26/10/2008 Attendee at the Be Angels Investor Forum, Wavre, BE
30-31/10/2008 EBAN 7th Winter University and EBAN Board Meeting, LU
4/11/2008 Speaker at the 5th Business angel school, La Salle, Barcelona, E
20-21/11/2008 Attendee at the Final EASY cross-border investment forum, Sophia Antipolis, FR
2/12/2008 Speaker at the Advancia Master, hosted by the Chamber of Commerce of Paris (Introduction to business angel activities), Brussels, BE
4/12/2008 Ready for Equity! II Kick Off Meeting, Camberley, UK
17/12/2008 Attendee at the Europe INNOVA and PRO INNO Europe calls for proposals – Info Day, Brussels, BE
18/12/2008 Attendee at the Enterprise via Dexia Evening Meeting, Brussels, BE

Representation of EBAN by its Board members:

Anthony Clarke, President of EBAN

28/03/2009 Guest speaker in the "EU Finance Day", organised in the framework of the activities of the Slovenian Presidency of the EU in the panel concerned "Sharing experiences and challenges ahead" and included speeches by Jean-Noël Durvy (Director DG Enterprise and Industry) and George Noël (Head of Venture Capital Platform at EVCA), Ljubljana, SL
24/04/08 Speaker at the EUROMED Forum, Tunis, TN
11/06/2008 Speaker at "The Microsoft Investor Summit", Brussels, BE
2-4/07/2008 Speaker at the 4th International Network for SMEs (INSME) Annual Meeting, Guangzhou (Canton), P.R. China
25-27/11/2008 Speaker at the ICT Lyon 2008: the contribution of business angels to financing ICT companies in Europe, Lyon, FR

Brigitte Baumann, Vice-President of EBAN

10/04/08 Speaker at the United Nations Economic Commission for Europe
13-14/12/08 Speaker at the event organised to promote women entrepreneurship and hosted by EOMMEX, GR
27/11/2008 Speaker at the ICT Lyon 2008: the contribution of business angels to financing ICT companies in Europe, Lyon, FR

Claude Rameau, EBAN Executive Committee member

25-27/11/2008 Speaker at the ICT Lyon 2008: the contribution of business angels to financing ICT companies in Europe, Lyon, FR

Jacek Blonski, EBAN Executive Committee member

27/06/2008 Speaker at the EU Finance Day organised in Warsaw, PL

Maria Nilsson, STING Capital, SE

01-02/09/08 Attended the Copenmind event on the commercialisation of R&D from University, SE
25/09/08 Speaker at the EU Finance Day, Stockholm, SE
02/12/09 Participated in the ACES Awards event organised by Science Business, Sweden, SE

Ute Günther, BAND, D

17/11/08 Participated in the EU Finance Day in Berlin, DE

Joseph De Gheldere, Be Angels, B

20/11/08 Participated in the launch of the Microsoft BizSpark programme, Brussels, BE

Christian Saublens, EURADA, B

28/02/08 Participated in the Nordic Private Equity and VC Forum.

Other representation activities

-Reginald Vossen, BAN Vlaanderen, B

21/11/08 Participated in the "Express seminar on policy research to support the creation of more gazelles in Europe" in Amsterdam, NL

-Carlo Paris, member of IBAN, I

27/11/08 Participated in the EU Finance Day in Rome (I)

Statutory meetings

6/03/2008 EBAN Board of Directors Meeting

15/04/08 EBAN Board of Directors Lunch Meeting and General Assembly

05/09/08 Executive Committee meeting

30/11/08 Board of Directors

EBAN Events

14-15/04/08 Eight Annual EBAN Congress in Arnhem (NL)

14/04/08 Third EBAN Award Ceremony in Arnhem (NL)

31/10/08 Seventh EBAN Winter University on October 31st in Luxembourg (LU)

External communication

Newsletters

- From January 2008 to December 2008, 9 issues of the monthly Flash were distributed to our members.
- A special EBAN Info was produced in the framework of the 8th EBAN Congress held in April in Arnhem, called “matchMe”.

Publications

- Directory of Networks and Statistics Compendium, June 2008
- “Fiscal incentives available to business angels and early stage investors in Europe”, July 2008

Relations with the European Administration

EBAN has been in regular contact with the EU administration throughout 2008.

- EBAN Executive Committee members met with European Commission representatives on January 16th to discuss primarily about the implementation of the High Growth and Innovative SME (GIF) Facility for business angel networks. A note was prepared by the Secretariat, reviewed by participants from the Commission and forwarded to the EBAN members as a complement to the published guidelines.
- EBAN has been a strong partner of the European Commission in the framework of the organisation of the **EU Finance Days**. It has sourced numerous speakers to talk about business angel activities at these events across Europe.
- EBAN Contributed to the consultation process for the “**Small Business Act for Europe**”
- EBAN has participated to the elaboration of the **European Enterprise Finance Index** by providing information on the European BA market.
- EBAN has participated in the **Expert Workshop on cross-border venture capital**
- EBAN was actively involved in **ICT Lyon**, The Commission's bi-annual event celebrating the EU ICT work programme. Several of the Executive Committee members along with the General Manager met with Commissioner Viviane Reding on this occasion, raising awareness on the role of business angels and ways in which policy makers could support their involvement in early stage high growth ICT companies. A number of EVCA representatives were also present at this meeting.
- EBAN participated as trainer for the **Europe Enterprise Network** managers in December 2008 regarding access to finance issues.

Implementation of projects co-financed by the EU



EASY

EBAN was involved as partner in this project lead by Greater London Enterprise, which aimed to support cross border investments by business angels and early stage venture capital funds. The project kicked-off in November 2006 and ended in December 2008. 17 partners from 11 countries were involved. All business angel networks involved were EBAN members.

Summary of EBAN activities in 2008:

- Sourcing of investors and entrepreneurs for the cross border investment forums
- Sourcing of jury members for the selection of companies
- Participation in the EASY Tax Summit
- Participation in all cross-border investment forums
- Preparation of a publication on Fiscal incentives available to business angels and early stage investors, with a section concerned with cross border investments.
- Coordination of the EASY Tool Kit, comprising a set of tools and templates for cross border investors (shareholders' agreement, term sheet, confidentiality agreement, etc).

A special section relating to cross-border activities will be included in the new EBAN Website to be set up in the coming months. This will include a repository of the tools developed in the framework of the EASY project, so that European early stage investors can still have access to this value added.

For more information, www.earlystageinvestors.org

Ready for Equity



EBAN participated in this project lead by Finance South East about investment and investor readiness as project partner and as secondee to Finance South East for support to the implementation of the project.

The project kicked-off in September 2006 in Brussels and ended in October 2008. It developed and tested two training curriculum, on the one hand to improve the capacity of informal investors, and on the other hand to prepare entrepreneurs to present their enterprise project to those informal investors.

These are part of a Resource Pack included also:

- A mapping exercise regarding existing investment and investor readiness programmes
- A pedagogic guide
- Guidelines for implementation of the courses

The end of 2008 marked the beginning of the follow-on project called Ready for Equity2!. This project will seek to:

- Develop course content
- Develop train the trainers material
- Transfer innovation to lesser developed venture capital markets.

For more information, www.readyforequity.eu

AFIBIO Final Conference



The AFIBIO project held its final conference in Brussels on May 23rd in the premises of the Committee of the Regions. The conference was organised along with other Europe Innova networks focused on biotechnology (though not necessary life science biotech).

The main outputs of AFIBIO are:

- its recommendations to policy makers in order to improve access to finance for European biotech companies
- a list of business angel networks and funds that invest in biotech or have members active in biotech.

Other interesting initiatives

Organisation of the first BA/VC Forum

On October 21st 2008, EBAN participated in the organization of a pioneering event in Europe for our industry - the organization of a networking event for business angels and representatives of VC funds for the Benelux region. This initiative was stimulated by EBAN's working committee on improving relationships between these two investment communities, which had formulated recommendations to improve each parties understanding of the other. This forum was one of the solutions put forward.

The following organizations were involved in the preparation:

- BAN Vlaanderen
- Be Angels
- Belgian Venture Capital Association (BVA)
- European Venture Capital Association (EVCA)
- EBAN

30 attendees were present at the event hosted by ING bank in Brussels. Only Belgian participants attended the event.

The event was organised as follows:

- Background to the organisation of the event by EVCA and EBAN
- The angel's view on the collaboration with VCs
- The VCs view on the collaboration with angels
- The entrepreneurs' view.

3 speakers represented each perspective: Maurice Olivier, serial angel from Be Angels and chairman of the BAMS Angels Fund; Sofie Baeten, Senior Investment Manager with GIMV, one of the region's biggest VC investors; and Filip Tack, CEO of Aventiv, a company having received both forms of financing.

A moderator from Gent University, Sophie Manigart, was invited to chair the panel where each person made a short presentation, and thereafter the discussion was opened to the floor. A networking cocktail then followed discussions.

This event received very positive reviews from all participants, who acknowledged the need to host events to enable both groups of investors to network and to get to know each other better.

EBAN and EVCA foresee that this type of event could be implemented, depending on the national ecosystem, at national or regional level.

EBAN is aware that OOSTNV has already started organising this type of forum based on this model in the Netherlands in 2008.

WBAA – World Business Angels Association

In November 2008, EBAN was appointed as Secretariat of the World Business Angels Association (WBAA) to help it formally launch, until April 2009.

Charter members of the WBAA include:

IBAN - Italian Business Angel Association, Italy
ESBAN-Red Española de Business Angels, Spain
ACA-Angel Capital Association, USA
BBAA-British Business Angels Association, UK
ABAN - Arab Business Angels Network, UAE
Indian Angel Network, India
AAAI-Australian Association of Angel Investors, Australia
France Angels, France
Southern Angels Chile
Center for Business Angel ResearchChina

And two honorary Members:

-EBAN
-FNABA - Federação Nacional de Associações de Business Angels, Portugal

The main activities of the association will be defined in the first Charter Members meeting to be held on 20th of April in Dubai (UAE). This is the first face-to-face meeting of founders since the Business Angel Leaders Forum in Estoril, October 2007, which had launched discussions to set up a global platform to raise awareness on angel investing issues.

EBAN European Sponsors

EBAN would like to warmly thank its sponsors for their support to the work of our association.

Microsoft

EBAN is currently working in partnership with Microsoft in order to promote their BizSpark programme addressed to early stage software start-ups. More information is available on:

http://www.microsoftstartupzone.com/BizSpark/Pages/At_a_Glance.aspx



EBAN and BDO will collaborate in the coming years in order to produce an annual report regarding two of the most important incentives stimulating business angel activity:

- Fiscal incentives
- Co-investment funds.

For more information about BDO, please visit: <http://www.bdointernational.com/>

EBAN European partners



The GLE Group comprises four business areas each focused on maximising the potential of individuals, small enterprises and growing businesses. By bringing commercial know-how in economic development, finance and regeneration GLE delivers public policy objectives. GLE Growth Capital comprises London Business Angels and London Seed Capital. It also operates the British Business Angels Association. www.gle.co.uk



Intramezzo is one of the most visionary companies operating in the merged markets of Consultancy and Interim Management. Intramezzo provides senior executive solutions at short notice (typically within 14 days) and at critical times. www.intramezzo.co.uk/

Challenges and opportunities for EBAN in 2009

Opportunities

- The current crisis has attracted a lot of attention on business angels – flexible investors also providing coaching and mentoring to high growth companies.
- Increasing interest for the business angel market in Europe and at the international level. Good track record of EBAN as leader in organisation of angel groups (creation 1999).
- Steady increase in the number of business angel groups across Europe
- Increased need of collaboration at European level between early stage investors, supporting EBAN's inclusion of early stage venture capital funds.
- Increasing visibility at European level and therefore increasing interest from third parties
- Recognised quality of annual events and growing interest and attendance

Challenges

- Enhancing the visibility of EBAN and capacity to deliver services
- Improving the professional image of business angels and early stage investors. Focus on their role not only as capital providers but also as coaches and mentors.
- Developing a connection between a long-term vision for the association and its financial short-term capacity.
- Ensuring the opportunity to be viewed as keeper and promoter of professional standards for the business angel market



Extending our reach

EBAN collaborates closely with the following associations around the world, in an effort to cross-fertilise knowledge and innovation across borders.

Associations of business angel groups worldwide


	<p>The Angel Capital Association – ACA - is the North America's Alliance of angel groups, bringing together many of the 265 angel organizations in the United States and Canada to share best practices, network, and help develop data about the field of angel investing. www.angelcapitalassociation.org</p>
	<p>The Angel Association is an organisation that aims to increase the quantity, quality and success of angel investments in New Zealand and in doing so create a greater pool of capital for innovative start-up companies. www.angelassociation.co.nz/</p>
	<p>AAAI, the Australian Association of Angel Investors was founded by angel investors in Australia to act as an independent, not-for-profit national peak body for angel investors and to represent their interests within the national and international communities. www.aaai.net.au</p>

European/international associations

	<p>The American National Association of Seed and Venture Funds is an organization of innovation capital leaders: private, public and non-profit organizations committed to building their local economies by investing in local entrepreneurs. www.nasvf.org</p>
	<p>The European Entrepreneurship and Innovation Thought Leaders Seminar (EEITL) is a weekly lecture series on entrepreneurship and technology innovation as practiced in Europe — and by Europeans in Silicon Valley — co-sponsored by the Department of Mechanical Engineering and our European Government Partners. The seminar and is affiliated with the Stanford Technology Ventures Program. http://www.europeanentrepreneursatstanford.com/</p>

	<p>The International Network of Excellence for Management Development (EFMD) is a non profit organisation that “acts as a catalyst to promote and enhance excellence in management development in Europe and worldwide”. With its head office in Brussels, the Association gathers over 600 member organizations from academia, business, public service and consultancy in more than 70 countries. www.efmd.org</p>
	<p>Dedicated to the attractiveness of Europe and its regions, the Foundation aims to be a reference for the European Union, its Member States and regions, bringing together political leaders, international investors and experts. Its mission involves identifying effective levers for the attractiveness of Europe and developing recommendations in support of reforms to enhance European competitiveness in line with the Lisbon Agenda. Through its high-level think tank, Europe+ makes a continuing contribution to reflection on related issues and, by the same token, provides a channel for the influence of business, European regions and civil society in favour of growth, employment research and innovation.</p> <p>www.europeplus.org/en/presentation/default.asp</p>
	<p>The International Network for Small and Medium Sized Enterprises - INSME is a non profit Association open to international membership. Its mission is to stimulate transnational cooperation and public and private partnership in the field of innovation and technology transfer to SMEs. www.insme.org</p>
	<p>The Network offers support and advice to businesses across Europe and helps them make the most of the opportunities in the European Union. Their services are specifically designed for small and medium enterprises (SMEs) but are also available to all businesses, research centres and Universities across Europe. The Enterprise Europe Network is made up of close to 600 partner organisations in more than 40 countries, promoting competitiveness and innovation at the local level in Europe and beyond. http://www.enterprise-europe-network.ec.europa.eu/index_en.htm</p>

Media

	<p>Science Business is the first independent news service that brings together buyers and sellers of emerging technologies - through its online news coverage, its subscriber-posting service, and its exclusive networking events.</p>
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