European Commission

Guidebook Series

How to support SME Policy from Structural Funds

Fostering business angel activities in support of SME growth

9

Internal Market, Industry, Entrepreneurship and SMEs

Guidebook Series

How to support SME Policy from Structural Funds

Fostering business angel activities in support of SME growth

A guide for policy makers, stakeholders and managing authorities, especially at regional level, who want to support growth oriented SMEs and start-ups through fostering business angel activities at their level.

This guidebook has been produced by the European Commission based on input from various people and sources including Juan de Hemptinne, Candace Johnson, Paulo Andrez, Jean-Noël Durvy, Andrew Bullen, Luigi Amati, Andrea Caddeo.

Although the work has been carried out under the guidance of the European Commission officials, the views expressed in this document do not necessarily represent the opinion of the European Commission.

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Translations of this guidebook into a number of European languages are available on the web.
http://ec.europa.eu/growth/smes/business-friendly-environment/regional-policies

While this guidebook has been drafted with the intention of helping stakeholders use EU Structural Funds to assist SMEs, the information is provided without assuming any legal responsibility for correctness or completeness. Specific requests to use EU Structural Funds will always be assessed under the rules in force on the date and in the country of application.

This guidebook is part of a series. The titles published so far are:
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3. Facilitating Transfer of Business
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Foreword

Small and medium-sized enterprises (SMEs) are the backbone of European Union's economy. They provide two-thirds of the total private sector employment in the EU and 85% of newly created jobs. SMEs and entrepreneurship are key to ensuring economic growth, innovation, job creation, and social integration in the EU.

Small companies are very closely associated with the regions in which they operate. The regions thus benefit directly from economically strong SMEs.

However, SMEs face problems accessing finance, particularly at their early stages. The European Commission has launched the European Fund for Strategic Investment with the aim of improving the investment environment for businesses, including SMEs in Europe. The European Commission is working with financial institutions to improve the funding available to SMEs by stimulating the provision of loans and venture capital through financial instruments. The European Commission is also helping the EU Member States and regions share good policy practices on improving access to finance.

In this context, especially for the growth oriented SMEs and start-ups, business angels play a very important role. In many regions business angels constitute the largest source of external funding for newly established ventures. Business angels are increasingly important in providing equity financing as well as contributing to economic growth and technological advance.

This guidebook describes how investments and co-investments of business angels can be supported in sectors, regions or Member States where their presence is still limited. Given the local and regional dimension of business angel activities, co-investment opportunities through the European Structural and Investment Funds (ESI Funds) and through financial instruments could play an important role in SME financing at that level, if used more actively by managing authorities.

Some regions have already developed specific supporting actions or co-investment schemes with business angels. This guidebook presents case studies and initiatives already implemented with public funds. We therefore wish to intensify exchange of information between regional authorities, in order to learn from good practices in implementing support measures for this kind of SME financing.

We strongly recommend this guidebook to all policymakers and actors in the regions and hope that it will inspire them to take concrete actions on the ground and to utilize better the catalytic potential of business angels. Only through good cooperation between all parties, we will contribute to achieving more growth in the regions and more effective support to innovative and ambitious SMEs.

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1 Executive summary

1.1 Purpose of the guidebook

The European Structural and Investment Funds (ESIF) within 2014-2020 will provide substantial investment opportunities through EU member states and regional authorities. In order to get the maximum impact from the EU funds it is advised to focus on key areas and use of financial instruments. These financial instruments are relatively new to many public authorities, but they have a great potential and could contribute to enhance the competitiveness of SMEs.

This guidebook describes how business angel investments and co-investments with business angels can be fostered to reach a critical mass in certain sectors, regions or countries. Given that local and regional dimensions are very important in business angel activities, awareness of co-investment opportunities within ESIF (mainly European Regional Development fund – ERDF) through financial instruments could play an important role in SME financing and promoting business angel investments. This guidebook aims to provide inspiration for new ESIF business angel co-investments by presenting case studies, best practice examples (also including cases where intervention of the EU Structural Funds is present) and examining initiatives already implemented with the EU funds. The presented existing good practices examples at regional level demonstrate how public funds may deliver more efficient support for SMEs with the help of business angels.

Policy makers, managing authorities at regional level and SME stakeholders, including business angels represent the target audience of this guidebook. The aim of this guidebook is to inspire stakeholders to further develop models to support SMEs with the involvement of business angels.

1.2 Why managing authorities should be aware of business angel role in investments in SMEs ?

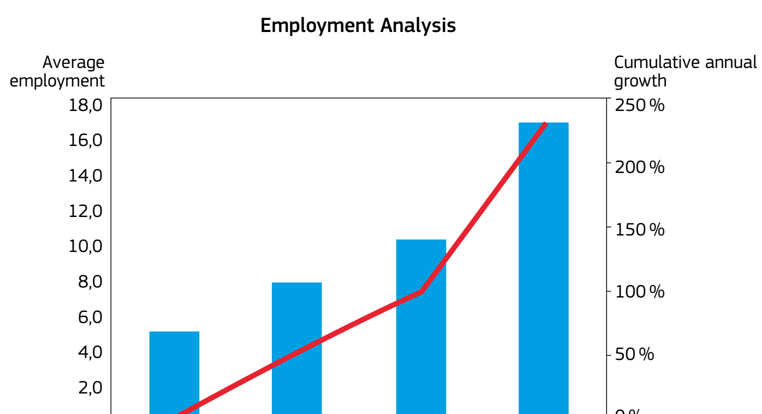
It is essential that EU member states and regional authorities get the maximum impact from EU funds. By using specific financial instruments, they will enable investments in

SMEs, notably in innovative start-ups and fast growing companies which are creating a large part of new qualified jobs.

Business angels play an important role in the economy. In many countries after family and friends, angels constitute the largest source of external funding for newly established ventures. Business angels are increasingly important in providing risk capital as well as contributing to economic growth and technological advance. Moreover, the supply of start-up and early-stage equity finance has, to some extent, become more dependent on business angels. Venture capital funds are not able to accommodate a large number of small deals and suffered during these past years because of inadequate capital. They reduced their funding in "risky" SMEs and moved on to later and larger stage investments with higher returns. The traditional source of start-up and early-stage financing – bank lending – is limited due to risk level and handling costs and has greatly decreased since the 2008 financial crisis.

Business angels provide both financing and managerial experience, which increase the likelihood of start-up enterprises surviving and growing. As a result, fostering business angel investment in start-ups can have a significant leverage effect for governments and economies. Increasing awareness about business angel activities and/or about available policies and programmes in some countries or regions (best practices) can positively impact industry, SME financing and regional development.

Statistics showed the impact of angel investment on employment. Indeed, when investment is made in companies that have on average 5 employees, this number triples after three years.



	Investment year	Year 1	Year 2	Year 3
Awg. Employee	5,0	7,7	10,1	16,7
Cum. Annual growth	0,0 %	53,1 %	100,9 %	231,1 %

Source : Lourdes Moreno, EBAN and Business Angels CRECER+

1.3 How business angel investments can be fostered ?

There is a broad range of financial instruments adapted to the different steps of the companies' life cycle. However, there are only a few to address the so-called "death valley", i.e. the phase representing the highest level of risk during early companies' life cycle.

Therefore, member states and regions need to create the right conditions to provide with an environment conducive to private investors. Reducing risk is a key element in achieving this aim and governments are using two instruments to do this. Besides creating a tax break scheme for investors investing in start-ups, allowing them to deduct their taxes immediately during the investment process, the important policy opportunity is the creation of co-investment funds. This option was also raised in a study done by the OECD[1]. This study indicated that, while venture capital tends to attract the bulk of the attention from policy makers, the primary source of external seed and early stage equity financing in many countries is angel financing. In some countries, policies to encourage a greater number of angel investors have played a positive role. These include supply-side measures such as tax incentives and the creation of co-investment funds.

Developing the right incentives, the right mechanisms and the right capabilities of both investors and entrepreneurs is a key issue. This will attract the private sector and provide the incentive for private investors to invest in start-ups. Support from government to business angel networks is also an essential element.

The following chart presents a summary of what policy makers in general can do to foster business angel investments to reach a critical mass in certain sectors, region or countries :

Supply **Bringing more investors :**	**Demand** **Quality deal flow :**	**Market** **Impact and sustainability :**
Remove tax system obstacles Tax incentives	Investment readiness (incl. regional training and support)	Support for sustainable and professional BANs
Co-investment funds	Financial literacy at schools	Data collection
Investor readiness training sessions	Entrepreneurial mind-set development (incl. links with local businesses)	Local BA/VC forums
Media campaigns	Incubators and other facilitators to educate and prepare entrepreneurs	Light regulation for early stage investment market

1.4 Creating business angel co-investment funds

The launch of co-investment funds with business angels has proven to be an efficient way to attract “new money” in many countries as well as expertise from the market, helping to fund thousands of innovative companies. Business angels bring capital, knowledge, experience and a network to start-ups and help them to scale-up. They invested 5.5 billion euro in 2013[2], thus representing the main source of seed and early stage investment in Europe.

Co-investment schemes with business angels represent an added value for public authorities in comparison to grants because their leverage effect is higher. Co-investment schemes also represent an added value for angels, because they lower the risk and allow more investments to be made. They therefore represent a win-win situation for business angels, managing public authorities and the companies benefiting from these investments.

Usually two scenarios result from the creation of business angel co-investment funds :

1) Public-private co-investment funds help build early stage investment communities and thus create a virtuous cycle. Private and public entities no longer invest alone. The investment risk is diluted from both sides as well as contributing to the perceived “political” risks.

2) By combining multiple parties into common funding vehicles, more money is gathered for the ecosystem and more investments can be made. Costs are also decreased as mentoring, networking and knowledge of business angels are immediately shared with more people. Management fees are also lower compared to venture capital funds.

[1] OECD (2011), Financing High-Growth Firms: The Role of Angel Investors; http://dx.doi.org/10.1787/9789264118782-en
[2] EBAN Statistics Compendium 2014; http://www.eban.org/wp-content/uploads/2014/09/13.-Statistics-Compendium-2014.pdf

The examples presented in chapter 3 of this guidebook present both models whereby a) European Structural Funds – and more specifically European Regional Development Funds (ERDF) for the previous programming period 2007-2013, under financial instruments for SMEs, including the JEREMIE initiative, have co-invested with business angels, as well as b) models where public funds have inspired and fostered investment by business angels and vice-versa.

2 Fostering business angel activities at regional level

2.1 Introduction

2.1.1 What are business angels ?

A business angel is a private individual, very often of high net worth, and always with business experience, expertise, and an influential network, who directly invests part of his or her personal assets in new and growing unquoted businesses. A business angel can invest individually or in syndicates where typically one angel in the syndicate takes a lead role. Besides capital, business angels provide business management experience, skills and contacts for the entrepreneur. Good angels can provide "smart and patient capital"[3].

2.1.2 Equity gap

The current venture capital market in Europe has not been able to offer large-scale support for the growth and capitalization of early-stage ventures, causing a market failure known as "the equity gap". This financing gap mainly affects the first stages of development of innovative companies, generally considered to have the greatest impact on both economic development and job creation. In order to address this issue, member states have developed a number of policy recommendations including the creation public-private partnerships in the early stage investment market. It is believed that the equity gap could be compensated by investments coming directly from business angels. Their proximity to the market has been beneficial during the crisis period of the European private equity investment market[4].

2.1.3 Business angel investment market

Business angels have been very active in the economy for a long time. During the last two decades, they have come more to the forefront, probably because of successive financial crises. This is also confirmed by some of data currently available.

According to EBAN (The European Trade Association for Business Angels, Seed Funds and Early Stage Market Players), the number of business angel networks (BANs) is increasing on average by around 17 % per year on a 10 years basis.

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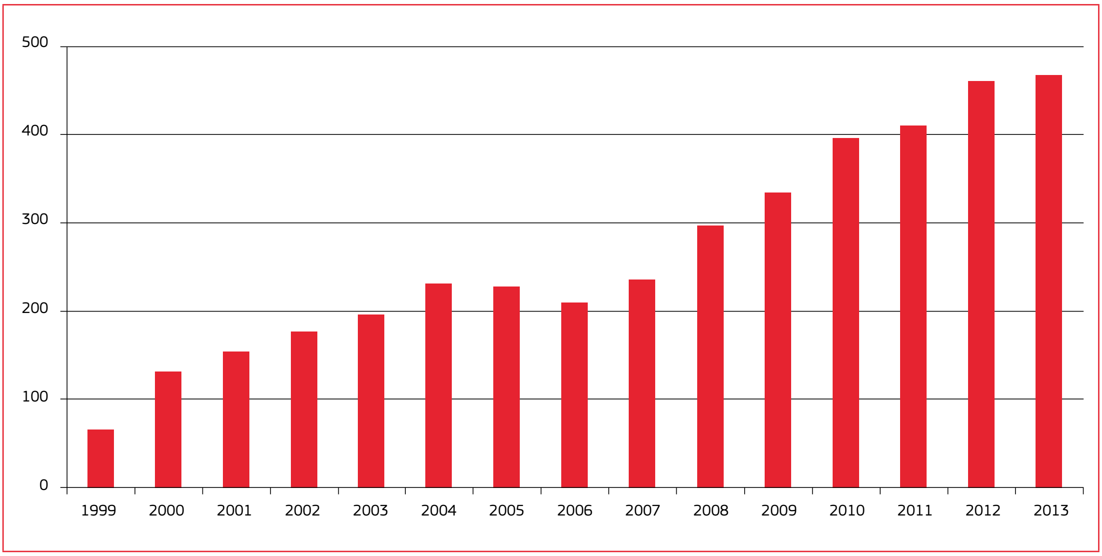
[3] See also: Report of the Chairman of the Expert Group on the Cross-border Matching of Innovative Firms with Suitable Investors, p.13; http://bookshop.europa.eu/en/report-of-the-chairman-of-the-expert-group-on-the-cross-border-matching-of-innovative-firms-with-suitable-investors-pbNB3212296/

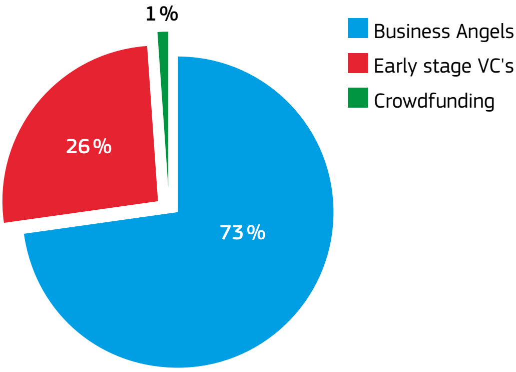
[4] See: EIF, European Small Business Finance Outlook, December 2013; http://www.eif.org/news_centre/publications/eif_wp_2013_20.pdf

The graph below illustrates the growth of BANs per year from 1999 until 2013



Source : EBAN Statistics 2014

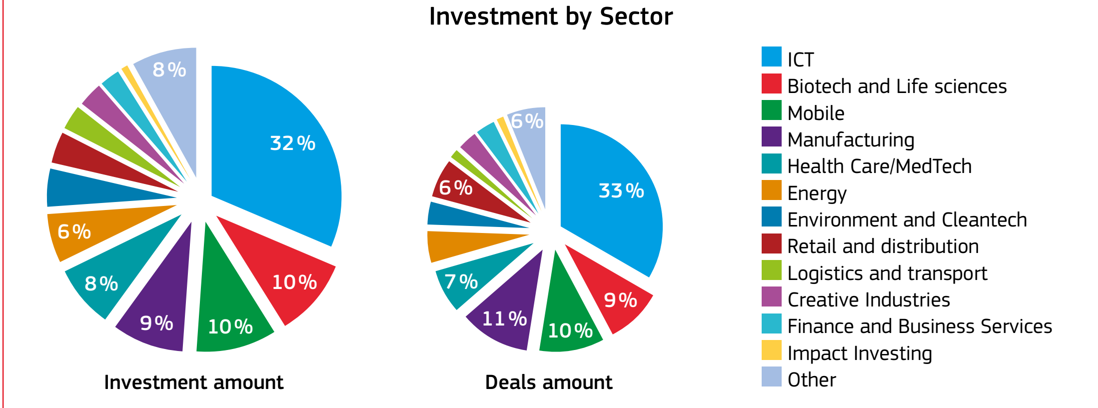
According to EVCA (European Private Equity and Venture Capital Association) the total amount of European early stage investment in 2013 represents €7.5 billion, in which €5.5 billion are invested by business angels. This resulted in the funding of 33 430 businesses, and the creation of 184 170 jobs.



Source : EVCA and EBAN Statistics 2014

Angel investment grew from €5.1 billion in 2012 to €5.5 billion in 2013. UK leads European angel investment (visible market) with €84.4 million followed by Spain (€57.6 million). The European angel investment community is made up of 271 000 angel investors. The visible market is spread over 468 angel networks.

The average business angel investment per company was €166 000 and investment per angel investor was about €20 000. Turning into sectors invested, ICT accounts for 32 % of investment, followed by biotech and life sciences (10 %) and mobile (10 %). 97 % of investments included some sort of co-investment.



Source : EBAN Statistics 2014

2.2 Structural funds and business angels

2.2.1 European Structural and Investment Funds (ESIF) 2014-2020

European policy is working towards strengthening economic, social and territorial cohesion, with the aim at reducing disparities between the levels of development of the various regions. These objectives are supported through the European Regional Development Fund (ERDF), the Cohesion Fund (CF), the European Social Fund (ESF), the European Agricultural Fund for Rural Development (EAFRD), the European Maritime and Fisheries Fund (EMFF), the European Investment Bank and other instruments[5]. For the period 2014-2020 cohesion policy other European funds are harmonised and coordinated under the umbrella of European Structural and Investment Funds (ESIF)[6]. The rules aim at establishing a clear link between ESIF and the Europe 2020 Strategy, improving coordination of ESIF interventions, ensuring consistent implementation and making access to the funds as straightforward as possible for those who may benefit from them.

By combining resources available for the period 2014-2020 under Cohesion Policy (namely ERDF, CF and ESF, i.e. €351 billion), with expected public and private national contribution, the impact of this cohesion policy would likely reach more than €500 billion of investment. Another €100 billion will be available under the EAFRD and the EMFF which will generate further impact for rural development and maritime policies. All EU regions will benefit, both directly and indirectly, from these policies and investments[7].

Whilst the establishment of financial instruments is possible under all ESIF, the ERDF is mainly expected to co-invest with equity funds, including business angels, in the period 2014-2020.

The ERDF aims to reinforce economic, social and territorial cohesion in the European Union by redressing the main regional imbalances. It focuses its investments on several key priority areas for improving the competitiveness of EU regions, such as :

- Strengthening research, technological development and innovation,
- Enhancing access to, use and quality of ICT,
- Enhancing the competitiveness of small and medium-sized enterprises (SMEs),
- Supporting the shift towards a low-carbon economy[8].

Financial instruments

Financial instruments represent a resource-efficient way of deploying cohesion policy resources in pursuit of the Europe 2020 Strategy objectives. Targeting projects with

[5] See article 174 and 175 of the Treaty on the Functioning of the European Union (TFEU)
[6] See Regulation (EU) No 1303/2013 laying down common provisions on these funds
[7] For complementary information on the ESIF, see: http://ec.europa.eu/contracts_grants/funds_en.htm
[8] For complementary data about the ERDF, see: http://ec.europa.eu/regional_policy/index_en.cfm

potential economic viability, financial instruments provide support for investments by way of loans, guarantees, equity, quasi-equity and other risk-bearing mechanisms, possibly combined with technical support, interest rate subsidies or guarantee fee subsidies within the same operation.

Besides the obvious advantages of recycling funds over the long term, financial instruments help mobilise additional public or private co-investments in order to address market failures in line with Europe 2020 and cohesion policy priorities. Their delivery structures entail additional expertise and know-how, which help increase the efficiency and effectiveness of public resource allocation. Moreover, these instruments provide a variety of incentives to better performance, including greater financial discipline at the level of supported projects.

Financial instruments have been used for delivering investments for Structural Funds since the 1994-1999 programming period. Their relative importance has increased during the previous programming period 2007-2013. In the light of the current economic situation and the increasing scarcity of public resources, financial instruments are expected to play an even stronger role in cohesion policy in the 2014-2020 programming period.

The Commission has set the objective to at least double of the use of financial instruments in comparison to previous period of the Structural Funds (increase from €12 billion of the Structural Funds to close to €30 billion of the ESIF). It is an ambitious but realistic target. This extra €18 billion of ESIF, to be delivered through financial instruments in 2014-2020, could leverage additional investments between €40-70 billion.

The legal framework for ESIF 2014-2020 is open to delivery via financial instruments under all thematic objectives of ESIF and widens implementation options. With a view to facilitating the implementation of financial instruments by managing authorities, the Commission has made available a first set "off-the-shelf financial instruments" ready-to-use and state aid cleared templates for the set-up of financial instruments. More "off-the-shelf financial instruments" are under preparation to be made available by the end of 2015, including a "co-investment facility for equity products", which might be also appropriate for business angels.

fi-compass

In contrast to traditional grant funding, the design, set-up and implementation of market-oriented financial instruments require new forms of expertise and significant advisory inputs, which in many cases exceed the administrative and technical capacity of managing authorities.

With a view to assisting managing authorities in implementing financial instruments in the programming period 2014-2020, the Commission has launched a unique advisory platform for financial instruments under ESIF and EaSI microfinance, called *fi-compass*[9].

The *fi-compass* is provided by the Commission in partnership with the European Investment Bank. It is designed to address the needs of ESIF managing authorities, EaSI microfinance providers and other interested parties, by providing practical know-how and learning tools on financial instruments. These include "how-to" manuals, factsheets for quick reference, e-learning modules, face-to-face training seminars and networking events. The *fi-compass* website is progressively becoming the knowledge hub for financial instruments under ESIF 2014-2020.

2.2.2 Learning from the past : financial instruments in 2007-2013

The use of financial instruments for delivering the EU Structural Funds has been substantially increased in the previous programming period 2007-2013. Their scope had been extended, compared to previous programming periods, to include on top of SMEs, also investments for sustainable urban development (under the JESSICA initiative), and energy efficiency investments in the housing sector.

At the end of 2013, a total amount of €12,15 billion from operational programmes

[9] http://www.fi-compass.eu

co-financed by ERDF and ESF 2007-2013, was allocated to financial instruments for enterprises, in particular SMEs, in 25 Member States of the EU (i.e. in EU 27, except Ireland and Luxembourg). Operational programmes co-financed by ERDF 2007-2013, accounted for 95 %, i.e. € 11,597 billion, of this total amount. These financial instruments for enterprises, in particular SMEs, had contributed at the end of 2013, a total amount of €1,16 billion to 145 equity and venture capital funds, including business angels[10].

More particularly, JEREMIE – Joint European Resources for Micro to Medium Enterprises – was an initiative of the European Commission developed jointly with the European Investment Fund, in the context of the EU Structural Funds (i.e. ERDF and ESF only) for the previous programming period 2007-2013. It has promoted the use of financial instruments to improve access to finance for SMEs.

Member states had the possibility to use part of their ERDF and ESF allocations dedicated to SMEs, to invest in revolving financial instruments such as equity and venture capital (including business angels), loan or guarantee instruments.

Some examples of the ERDF co-investments with business angels in 2007-2013, under financial instruments for SMEs, including the JEREMIE initiative, are presented in chapter 3 of this guidebook.

2.3 Business angel operating model

In this section selected, the most important terms of business angel operating model are explained. There are no industry standard definitions developed so far and the following paragraphs are presented as guidelines only. The real situation might be more or less complex, depending on a specific market and its development.

2.3.1 Investment process

The business angel investment process can take many forms. These range from individual business angels making their own investment decisions to investment of group funds based on committee decision. The investment structure can vary from individual investments to the creation of a limited liability company for each investment. The following example shows the different steps within the investment process[11] :

- **Deal sourcing** : searching for investment opportunities from different sources – BAN members, service providers, venture capital funds, investment forums, universities, website applications ;
- **Deal screening** : formal or informal selection of companies for review – based on preliminary analysis of the business plan, interviewing the entrepreneur and his team ;
- **Company presentations** : entrepreneurs are invited for short presentation to business angels, typically about fifteen minutes, followed by a short question-and-answer session – business angels then make “soft commitment”, that is an indicative expression of investment, non-binding and subject to due diligence ;
- **Due diligence** : verification of every aspect of the business plan, the technology, the business and of the legal aspects – might take a few months ;
- **Investment vehicles :** choice among the variety of investment mechanisms, including consideration of tax obligation and incentives ;
- **Terms and negotiations** : negotiations of investment terms among investors and entrepreneurs.

Particular attention has to be paid to the tax rules of the respective country as taxation has a major impact on how to structure such investment schemes. Some examples of available fiscal incentives include the UK entrepreneur relief, benefiting young enterprises. However, they can also include government guarantees, reductions on tax rates for individuals, e.g. the wealth tax reduction in France or tax credits. In some countries such as Italy, capital gains realized by business angels can be tax exempt under certain conditions : non engagement in the business activity, life time of the company and duration of the invest-

[10] “Summary of data on the progress made in financing and implementing financial engineering instruments of the programming period 2007-2013”, third annual Commission report, published in September 2014

[11] Based on: http://www.eban.org/wp-content/uploads/2014/12/How-the-investment-process-works.pdf

ment. The UK Enterprise Investment Scheme rules and benefits apply directly if the participation occurs in a syndicate or as part of an angel co-investment fund. It applies only to business angels paying taxes in the UK and investee companies must have a permanent establishment in the UK[12].

2.3.2 Business angel networks and syndicates

A business angel network can be considered as an organisation whose aim is to facilitate the matching of entrepreneurs (looking for venture capital) with business angels. Networks tend to remain neutral and generally refrain from formally evaluating business plans or angels. A business angel network makes a market place for matching services. Most business angel networks operating in the European Union are legally set up as private firms, not-for-profit organisations or possibly foundations. Business angel networks are generally private initiatives, often supported by the public sector.

Business angel network is a group typically composed of somewhere between 10 and 150 individual angel investors. They are organized to operate more effectively and provide mutual support. An angel investor network benefits all members by providing them an increased knowledge base and the ability to execute larger deals than an individual angel may wish to fund. Sometimes it also simplifies the process of due diligence by saving each investor from doing it on his own.

In the essence, business angel networks generally perform two types of activities :

- Promotion of deal flow among members. Advanced business angel networks in Europe are organized associations with at least a General Manager and an Analyst whose role is to screen and share among members interesting investment proposals collected by the association. Key asset of the association is represented by its member base, generally managers and successful entrepreneurs in a wide range of industries that are capable of identifying and supporting the best investment projects. Such structure allows networks to collect expression of interest to invest that lead to the creation of syndicates for the investment of a certain number of angels into a specific deal ;
- Representation of business angel interests at national and international level. Single national clubs are also connected at European level with associations such as BAE (Business Angels Europe) or EBAN (European Business Angel Network).

Syndicates are two or more private investors working together to share the risks and rewards of investing in private companies. Syndicates differ from individual business angel investors or networks as syndicates are typically comprised of a “fixed” group of people who regularly invest together over a period of time. Business angel syndication stimulates angel investment, empowers angel investors to build and maintain a portfolio of investments and streamlines the funding process for the entrepreneur. It is worth noting that business angel syndicates are increasingly operating and co-investing in partnership with both seed venture capital funds and government agencies.

The principal benefits of participating in an angel syndicate are :

- **Diversified portfolio :** portfolio investing (i.e. investing in more than one company) is a lower risk approach to investment compared to the higher risk “all eggs in one basket” approach of investing in just one or two companies ;
- **Pooling of economic resources :** pooling of funds provides the opportunity to invest in several companies and/or in larger deals ;
- **Pooling of skills, contacts and experience :** syndicate members will benefit from each other’s skills, networks of contacts and experience. This all enhances the possible success and returns of investing ; and
- **Due diligence :** ability to undertake a greater level of due diligence[13].

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[12] For more details see: “Tax Outlook in Europe- business angels perspective” published by EBAN and BDO in 2012 and “Business Angels, Co-Investment Funds and Policy Portfolios report – growth analysis 2014” http://www.eban.org/wp-content/uploads/2015/01/Compendium-Co-Investment-Funds-2014-v1.pdf

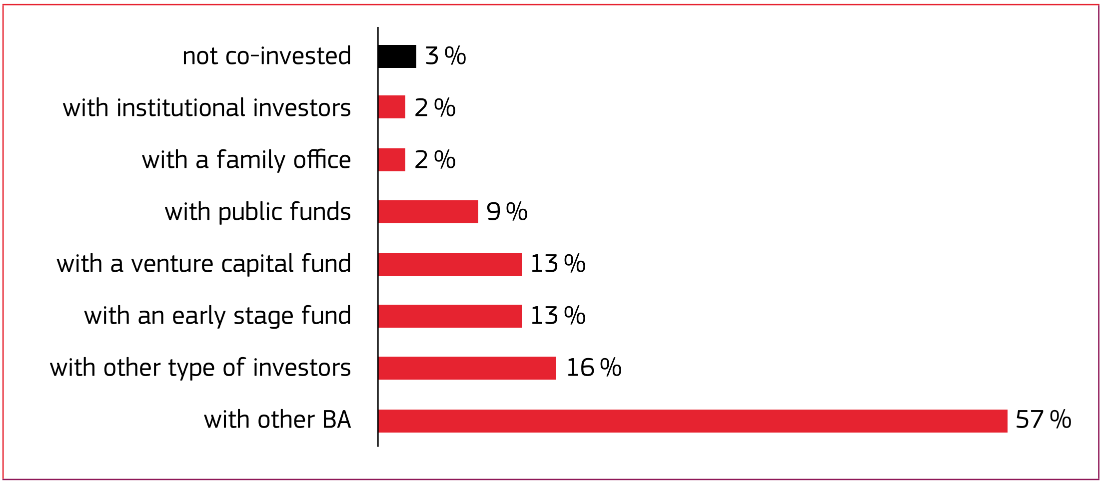
[13] See also: Investing in Private Companies, Insights for Business Angel Investors; EBAN, HBAN; http://www.hban.org/_fileupload/HBANInvestorGuideEquity1_3_5%281%29.pdf

It is also common that thanks to the effort of business angel networks, usually specific deals are invested by two or more angels. In this case, a syndicate is formed and the deal is structured as follows:

- when a potential investment is identified, a business angel part of a network, generally the one with more experience in the specific industry and with the possibility to support the target company with managerial support and access to relevant networks, is nominated Deal Champion (DC). The DC performs an extensive due diligence and shares the results with the other angles interested in investing into the company;
- if the due diligence is successful, business angels can invest autonomously, acquiring each a portion of target company shares, or they can constitute an investment vehicle to enter into the target company as a unique shareholders. The latter options is usually the preferred one, as it ensures a clear and simple governance of the target company also foreseen a follow-on round by a Venture Capital fund;
- the DC usually represents all the business angels as Board Member of the target company, to monitor entrepreneur activities and to support the management in its strategic decisions;
- finally, to the DC a carried interest or a premium is recognized as compensation for its efforts if a successful exit is performed.

Increasingly business angels, business angel networks and business angel syndicates have become very professional in their investing process with solid due-diligence, term sheets, and shareholder agreements which foresee board seats, anti-dilution clauses, and firm exit goals.

According to EBAN data, co-investment is the norm. Investing alongside other business angels is the major preference but other types of investors also play a vital role as the chart below details:



Source: EBAN Statistics 2014

2.3.3 Support for creation of business angel network

To facilitate the implementation of a business angel network, some well-known regional institutions can be invited to collaborate with the activities of the future network: banks, incubators, chamber of commerce or regional development agencies. These institutions can provide a network not only sponsorship but allowing to use their infrastructure of rooms, sharing events, clients addresses. This collaboration can be returned, for instance, by secure credits for banks and helping in the creation of jobs, where research and development of activities can be committed with regional authorities.

Like any service organisation, a substantial share of a business angel network's operational expenses is represented by human resources. Some networks only have one or two employees on their payroll while others employ more. Considering this, foreseeing a minimum yearly budget to finance the business angel network is not an easy task. Depending on the size of the network, the costs can vary between €150 000 to €500 000 per year. This number can be higher in the case of a very big and active network. In order to have these funds available, most networks are using either a system which is based on a registration fee and a success fee or a registration fee only. The second major revenue stream of business angel networks is public support, as mentioned earlier (regional institutions). These revenues are meant to cover networks operational costs. The highest cost is almost always linked to human resources.

Support for creation of business angel network might be seen as an important precondition for co-investment schemes.

2.3.4 Investment readiness and capacity

Maturity of the early stage investment market could be also described by the development of both demand and supply side.

On the demand side, the quality of the investment opportunity proposals by the entrepreneurs is crucial. Investment readiness of an SME or entrepreneur who is looking for finance is the capacity to understand the specific needs of an investor and to be able to respond to these needs by providing an appropriate structure and relevant information. It allows the entrepreneur to be credible and create confidence.

On the other side, the investment capacity is the maximum amount that an investor is ready to invest into an SME or start-up over a set period of time. According to the type of investor and the type of investment, different modus operandi will be used. In most cases, it is unlikely that the whole investment is made immediately by a single person.

Problems related to investment readiness and investment capacity, have to be also addressed in order to foster the investment by business angel. Design and delivery of investment readiness programmes, including best practices are well described in the literature[14].

2.4 How to set up and run business angel co-investment scheme ?

As it was explained earlier, the main goal of managing authorities in setting up co-investment schemes is mostly to enhance the competitiveness of SMEs, in particular innovative and start-up companies, with a view to create jobs and economic value added for the region. Co-investment fund is an investment mechanism that results from a public private partnership between the public body and business angels for investments in early stage start-ups. Unlike standard venture capital funds or private business angles, co-investment funds derives from public initiative after recognizing the presence of a market gap in the equity market.

Such measures are generally managed by private management companies to assure a market driven approach. The peculiarity of co-investment funds is the fact that they do not negotiate investment deals on their own. Instead, they form contractual partnership with selected venture capital fund manager, business angel networks and syndicates and single super angels to perform jointly investment in target companies proposed by these partners.

In principle, the co-investment fund performs a due diligence on private co-investors, analysing their track record and their investment policies. Then the partner finds the opportunity, negotiates the terms of the deals and offers to invest its own equity cash. In the majority of the cases, co-investment funds co-invest at the same conditions, following a pari-passu rule and a sound autonomy is preserved, so that the co-investment fund can also decide not to invest in a deal proposed by a partner in the case the result of the due diligence do not satisfy the internal investment committee.

[14] See: The Investment Readiness Programmes and Access to Finance; Colin Mason and Jennifer Kwok, OECD.

In general, there are several possible co-investment schemes set ups, each next one with the increasing commitment but also impact in the market :

1) Pure commercial basis – this is a co-investment fund that co-invests only with business angels in a region or country who have a proven track record of investments and exits. It may co-invest with between 1 and 30 angels per country. Example of such a scheme is the European Investment Fund for their European Angel Fund (see case study presented in chapter 3.3 of this guidebook). In terms of impact in the market, it is low although it has a high potential commercial return.

2) Sustaining the current angel community – this is a co-investment fund that co-invests with the current active angel community (with those that have some experience in angel investment and are willing to actively support entrepreneurs in addition to the money they invest). It may co-invest with between 50 to 200 business angels. It has a medium impact in the market but has been most supportive of allowing angels to continue investing in their start-ups. This scheme has been used in France for example with PACA Investissement with the help of the ERDF (see chapter 3.10) as well as Aqui-Invest by Aquiti Gestion, with the help of Regional Funds from Aquitaine, France (see chapter 3.11).

3) Increasing and incentivizing the angel community – this is a co-investment fund that co-invests with experienced business angels but allows “virgin” angels to co-invest with those that have more experience. The idea of this type of co-investment fund is to start a virtuous cycle where “virgin” angels start learning and become experienced angels, who will, in turn, teach others. It has a big impact in the market.

The creation of a business angel co-investment scheme is a very comprehensive initiative to promote job creation in high-risk ventures as it combines the following features with relatively low public investment :

1) Attracts “new money” from private investors to the early stage ecosystem ;

2) Obtains experienced “hands on” mentoring for entrepreneurs ;

3) Facilitates networking.

The successful business angel co-investment schemes that have been implemented in several countries are showcased in chapter 3. It demonstrates how these initiatives can have an impact in territories where entrepreneurial and angel activity were not very well developed beforehand but where afterwards both activities thrived.

2.4.1 Business angel co-investment funds key features

Some of the main features of co-investment funds that have an impact of successful uptake by business angel community include asymmetric exits, tax breaks and management fees.

An asymmetric exit occurs when more than one party are investing in the same project. In the case of a co-investment fund between business angels and a public fund, business angels will have a higher return on investment than other investors during the exit. The reason for this is because business angels are investing time, expertise and network in addition of their money into the project. Therefore, they are creating more value and thus can benefit from a higher return.

Tax breaks defer from a country to another. According to some studies[15], fiscal incentives available for venture capital, private equity or angels can be found in eight countries : Belgium, France, Ireland, Italy, Germany, Luxemburg, Portugal, and the United Kingdom, where this type of investment seems to receive more attention from the government. These incentives include government guarantees, reductions on tax rates or tax credits. Tax incentives stimulate the increase in volumes of business angel activity.

Management fees are a periodic payment that is paid by an investment fund to the fund’s investment adviser for investment and portfolio management services. Often, the fee covers not only investment advisory services, but

[15] See: EBAN Compendium Tax Outlook 2014

administrative services as well. Usually, the fee is calculated as a percentage of assets under management.

2.4.2 Business angel co-investment scheme step-by-step

In this paragraph, based on Dutch and Portugal best practice examples described in chapters 3.1 and 3.2, major steps of creating business angel co-investment fund scheme are provided. These suggested steps are offered as guidelines only.

1

- Identify the important stakeholders

All key stakeholders should be identified. Usually business angel networks already existing in the region are the natural partners. If there are no networks in the region, other possible stakeholders such as accelerators, incubators, science parks, universities etc. are good candidates.

2

- Define the goal and the key features of the co-investment scheme

Examples of features to be decided :

– investment made in the start-up or through the angel syndicate ?

– co-investment with individual angels or with more (e.g. 3) angels ?

– asymmetric exits, management fees, period of investment ?

Please refer to organizations included in the case studies presented in chapter 3 (see contact details) for help with the design of the co-investment scheme.

3

- Create the rules and contracts between angels and the co-investment fund

Legal advisors have to be consulted to create all the agreements and the call for application rules.

The management entity of the co-investment fund usually creates templates (not mandatory) for shareholders agreements between entrepreneurs and business angels which are then customized according to the investment in question, thus streamlining the process and reducing legal costs.

Central websites where entrepreneurs can apply directly with their project to accredited angel investors/syndicates are suggested as well.

4

- Launch a call for applications

Angels can apply for the call for application to be "accredited investors to co-invest". In order to ensure that all relevant stakeholders and people interested in the co-investment scheme know about its existence, it is suggested to do a road show in the region/country with several sessions.

5

- Select and sign the contracts with those "accredited investors"

The selection of business angels that fit the criteria of the call is critical as it will define the success or failure of the program. In this phase, due diligence on the business angel or business angel candidate is vital. One month or two to approve a business angel/business angel network is very reasonable. In order to engage the local angel networks, one condition of approval or accreditation may be that the business angels in question be members of an angel network.

The contracts could be signed with business angels individually or through business angel syndicates. In all cases in choosing a business angel, business angel network or business angel syndicate there must be a proven track record of investing, even though it may be too early to ask for a proven track record of exits. Sharing the responsibility with existing angel networks usually increases the chances of success.

6
- Receive and verify deals from business angels or business angel networks for co-investment

This is an important process which once established can be handled with a checklist. Does the submitted deal meet all the criteria for co-investment along the rules established at the beginning of the co-investment scheme? Does the investment target meet the definition criteria for an SME? Is it in the chosen sector? Etc.

7
- Transfer the money to angel syndicates for each investment

In order to avoid "sleeping money" it is wise to transfer the intended investment amount to the angel syndicate bank account for each investment only once the investment decision has been made.

8
- Request regular reports to track progress

Regular reports from the angel syndicate are key in order to track progress and meet milestones. If some angel syndicates are not investing and not performing, the relationship needs to be reviewed and in the worst case terminated.

9
- At exits, receive part fo the money that was divested by the angel syndicate

Bank transfer details should be set up ahead of time for angel syndicates to transfer the exit proceeds immediately. In venture capital and angel investments, it is often very easy to invest the money but much more difficult to retrieve the money once the exit has been made. Planning ahead can take care of this problem.

10
- At the end, make final evaluations in terms of the impact of the project

When all companies (investees) have been sold or closed by the business angels, the process is finished. This is the time to make some final evaluations in terms of the impact of the project – number of deals, jobs created, growth of companies, and impact in the early stage ecosystem.

This phase should occur between 10 and 12 years after the program started and the call for applications was launched.

∴

In conclusion, there are some important features that should be reflected by the managing authorities when considering creation of a business angel co-investment scheme. While there is no fail-proof recipe to make such a scheme successful, these factors can contribute to the overall success:

1) The co-investment scheme is a financial instrument with a leverage effect higher than grants.

2) Co-investments schemes should address the main market and systemic failures at seed and early stages of the life of young innovative companies. They should also help them to grow faster, generate added value and create jobs.

3) The decision process in a co-investment scheme should not rely on managing authorities, administrators or fund managers, but on business angels. Indeed, they have a long experience in entrepreneurship and they are market oriented.

4) Business angels do not only invest money. They also invest a lot of expertise and time to mentor or support the entrepreneur to make the company a success. Asymmetric exits, tax breaks or management fees might be a proper compensation and incentive for them.

3

Existing good practices at regional level

3.1 Technopartner – the Netherlands

3.1.1 Key facts

- Fund/Initiative Name : TechnoPartner
- Total funds committed : 15 000 000€
  - by EU : 15 000 000€
- Type of funds : guarantees
- Period of Investment : figures from 2004 to 2011
- Geographic scope : the Netherlands
- Target sector(s) : no specific sector
- EU programme : none
- Organisations involved : TechnoPartner, SenterNovem

3.1.2 Description

TechnoPartner is an integral programme that aims to improve the economic climate for technology-based start-ups ("technostarters") by :

- giving technostarters access to capital, knowledge, experience and equipment ;
- motivating knowledge institutes and investors to invest money and knowledge in pioneers ;
- providing a platform where technostarters can ask questions, explore ideas and make comments.

TechnoPartner carries out four programmes :

- TechnoPartner Knowledge Exploitation Subsidy programme
- TechnoPartner Seed facility
- TechnoPartner Certificate
- TechnoPartner Business Angel Programme (BAP)

3.1.3 Deployment method

TechnoPartner Business Angel Programme (BAP) : TechnoPartner informs (starting) entrepreneurs and starting informal investors (virgin angels) about the possibilities of informal investment. Within this framework TechnoPartner uses information sessions on starting capital and a booklet "Starting Capital".

3.1.4 Results of the fund

The programme started in 2004. Although there was no specific ex-ante evaluation, lessons were learnt from high-tech start-up policies implemented in the past (Twinning, BioPartner and Dreamstart, among others).

For the Technopartner programme as a whole, the following performance indicator is used: Total turnover by technostarters (target 2.65 billion euro in 2010; 1.33 billion euro in 2003) and total turnover by technostarters supported by TechnoPartner (target 450 million euro in 2010).

3.1.5 Contact point

www.technopartner.nl

3.2 COMPETE IN2-BA - Portugal

3.2.1 Key facts

- Fund/Initiative Name: COMPETE IN2-BA
- Total funds committed (1st scheme): €42 million;
  - by EU: €27,3 million
  - by business angels: €14,7 million (or more, as co-investment)
- Total funds committed (2nd scheme): €15 million;
  - by EU: €10 million
  - by business angels: €5 million (or more, as co-investment)
- Type of funds: equity
- Period of Investment: from 2009 to 2015 (1st scheme) and from 2014 to 2015 (2nd scheme)
- Geographic scope: convergence regions in Portugal (North, Center and Alentejo)
- Target sector(s): small and medium size companies located in convergence regions of Portugal in predetermined sectors, created in the last 3 years (5 years for the 2nd edition)
- EU programme: ERDF support, Compete Operational Programme
- Organisations involved: Portuguese Secretary of State for Industry and Innovation, IAPMEI, PME Investimentos, FNABA and APBA.

3.2.2 Description

The financial instrument was launched in December 2010 within the scope of the COMPETE Operational Programme to increase the competitiveness of the Portuguese economy.

The scheme was inspired by the successful Dutch TechnoPartner programme given particular attention by the Portuguese Business Angel Federation FNABA and the national authorities.

The objectives of the programme were twofold: On the one hand, COMPETE would improve the competitiveness of the economy by fostering private funding into the targeted SMEs. On the other hand, and considering the early development stage of the angel investment community, the programme would provide an incentive for private investors to assume their activity as business angels.

3.2.3 Deployment method

Under this scheme, at least 3 business angels must create a new special purpose vehicle (SPV) for risk investment. The business angels must bring to this new SPV 35 % of the necessary funds, while COMPETE (managed by Portuguese Authorities) makes a 10 year (maximum) loan of 65 % of the necessary funds.

The repayment ratio between business angels and COMPETE, occurs in 3 different phases:

- Phase A – Until business angels receive the return on their investment
- Phase B – Until COMPETE receives its loan back
- Phase C – After COMPETE and business angels have received the return on their investment

The repayment ratio in each phase are (business angel/COMPETE): 80-20 %, 50-50 % and 80-20 %, and is based on the following reasons:

- The overall risk-return ratio must be attractive enough to convince private investors to invest in early stage companies.

- In any case, the risk-return ratio is improved in the “downside” of the fund. This is why an 80-20 % ratio was chosen.
- The 50 %-50 % ratio in the second phase is based on the objective that, although in principle the loan should be repaid to COMPETE, it should remain attractive for the private investors to generate income during this phase.
- The 80-20 % ratio in the third phase encourages the fund management to try to reach the attractive third phase. In practice, however, the third phase will not always be attained.

Summary of Key Success Factors :

- Risk-return balance is one of the most favourable for angel investment worldwide
- 49 business angel investment vehicles were created during the 1st scheme. This represents a community of over 250 active business angels, many having joined multiple investment vehicles. For the 2nd scheme, vehicles created for the 1st investment scheme did not go through a pre-application process.
- This initiative proved to be critical in the identification of business angels across the country and consolidated their commitment to make investments in the subsequent years following the creation of the investment vehicle.
- Close cooperation with business angel associations across the country was essential to foster the promotion of the initiative.

3.2.4 Results of the fund

- Total funds invested to date
  - €21 million (1st scheme)
  - €7 million (2nd scheme)
- Number of companies supported
  - 112 companies (1st scheme)
  - 18 companies (2nd scheme)

3.2.5 Contact point

Francisco Nunes, Manager,
COMPETE Operational Programme
@ francisco.nunes@compete-pofc.org
www.pofc.qren.pt/

3.3 The European Angels Fund (EAF)

3.3.1 Key facts

- Fund/Initiative Name : European Angels Fund (EAF)
- Total Fund Volume : 182.5 million Euro in 2014
  - In 2015, this is expected to be 247.5 Million Euros
- Total funds committed : 40.5 million Euros
- 34 early to growth stage tech companies
- 7 million Euro drawn capital
- Period of Investment : from 2012
- Geographic scope : Germany, Spain, Austria in 2014 to be spread out to Ireland and the Netherlands in 2015
- Target sector(s) : Innovative SMEs
- EU programme : EIF
- Organisations involved : BAND (D), AWS (A), ICO and Neotec (ES)

3.3.2 Description

In 2012, the European Investment Fund (EIF) created the European Angel Fund (EAF) first in Germany and then in Austria, Spain. The EIF is now expanding to Ireland and the Netherlands.

The European Angel Fund concept is to identify individual business angels who have a successful track record in investing in entrepreneurial and innovative companies and have exited these companies with a multiple return on their investment. In each country that the EIF is active with the EAF, an EIF partner makes the funds available. Thus in Germany the EIF/EAF Partner is Business Angels Netzwerk Deutschland (BAND), in Austria it is Austria Wirtschaftsservice GmbH (aws) (aws Business Angel Fonds), and in Spain it is the Instituto de Crédito Oficial (ICO) and Neotec (Fondo Isabel la Catolica). The partners are still being chosen in Ireland and the Netherlands, whereby the partners are part of the EIB/EIF network.

The European Angels Fund (EAF) is an initiative advised by the EIF which provides equity to business angels and other non-institutional investors for the financing of innovative companies in the form of co-investments. The initiative is already operational in Germany through a virtual structure, and a fund vehicle is planned to be established to implement the initiative in other European countries and/or regions. The EAF works hand in hand with business angels and helps them to increase their investment capacity by co-investing into innovative companies in the seed, early or growth stage. The activity of the European Angels Fund is adapted to the business angels' investment style by granting the highest degree of freedom in terms of decision-making and management of investments.

3.3.3 Deployment method

Instead of granting co-investments on a deal-by-deal basis, the European Angels Fund enters long-term contractual relationships with business angels. Co-investment framework agreements (CFAs) are established through which the European Angels Fund grants a pre-defined amount of equity for co-investments upfront to each business angel for future investments. For ease and speed, these CFAs are generally standardised while leaving room for adaptation to specific requirements of individual business angels. Such elements include for example timeframe, sector focus, number of investments, etc.

All investment decisions are taken by the business angels and their investments are matched on a pari passu basis, i.e. by the same amount by the European Angels Fund. The volumes available in total under an individual CFA range between €250 thousand and €5 million. The European Angels fund does not pay a fee to the business angel but shares investment-related costs on a pro-rata basis.

The European Angels Fund set-up is adapted to the business angels' investment style and needs. It provides significant financial support while granting a maximum amount of freedom to each Business Angel. Carry payments from the European Angels Fund to the business angel increase even further the upsides of the investments for the latter. Through the European Angels Fund, business angels can draw on the expertise and network of the European Investment Fund, one of the most experienced venture capital investors in Europe.

At the same time, administration processes are designed to be as lean as possible so that business angels can fully focus on their investment activity. A standardised reporting tool will allow for simple and efficient reporting.

- Summary of Key elements that lead to success :

The key element that is considered to lead to success for this fund is the choice of the lead angel investor who has an excellent track record.

3.3.4 Results of the fund

- Total funds invested : 7 million Euros so far
- Number of companies supported : 34 companies so far

3.3.5 Contact point

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+352 2485 81301
www.eif.org

3.4 Enterprise Ireland

3.4.1 Key facts

- Fund/Initiative Name : (1) High Potential Start-Ups (HPSUs) and Established SME Fund and (2) Seed and Venture Capital Scheme
- Total funds committed : €348 million, to 41 local Seed and Venture Capital (VC) funds resulting in a pool of capital of approximately €1.2 billion for investment in innovative high growth companies (2007-2012) and €175 million for (2013-2018).
- Total Investments : Enterprise Ireland invests in 70 HPSUs a year and has an existing Investment Portfolio of 1300 companies

- Periods of Investment : 1994-2006, 2007-2012 and 2013-2018
- Geographic scope : Ireland
- Target sector(s) : HPSUs, Established SME's and Growth Capital for Innovative companies
- EU programme : Horizon 2020 (amongst others)
- Organisations involved : Irish Government, Enterprise Ireland, European Commission

3.4.2 Description

Enterprise Ireland is the enterprise development agency in Ireland responsible for assisting Irish-owned and controlled enterprises. They work with High Potential Start-Up companies to confirm the viability of their business ideas and also co-invest with the companies and other private investors to finance and implement their start-up and development plans.

Enterprise Ireland is the largest seed capital investor in Ireland and one of the leading development agencies in the world. They invest directly in start-up companies and they are also limited partners in many of the Irish-based seed and venture capital funds.

Enterprise Ireland invests in over 70 High Potential Start-Up (HPSU) companies each year and manages a portfolio of over 1300 investments in client companies.

A High Potential Start-Up is defined as a start-up venture that is introducing a new or innovative product or service to international markets ; involved in manufacturing or internationally traded services ; capable of creating 10 jobs in Ireland and realising exports of €1 million within three to four years of starting up ; led by an experienced management team ; headquartered and controlled in Ireland ; and less than six years old.

They are innovative companies founded by experienced industry professionals across a range of sectors including :

- Life sciences, medical devices and pharmaceuticals
- Clean technology and green energy
- Enterprise software and services
- Telecoms, internet, media and entertainment
- Financial services
- Food and innovative consumer products

3.4.3 Deployment method

Enterprise Ireland has a wide range of instruments to leverage private investment, be it from individuals, business angels, seed funds, or be it from venture capital. The two schemes that they use to co-invest the funds are :

1) The HPSU and Established SME's Fund

2) The Seed and Venture Capital Fund.

With these two funds, Enterprise Ireland always co-invests as compared to some of their other programmes, such as the Business Partner programme where they directly fund university spinouts and researchers with grants

1) The HPSU and Established SME Fund

Enterprise Ireland established the Innovative HPSU and Established SME Fund to support the start-up and development costs of High Potential Start-Up companies. The Innovative HPSU and Established SME Fund allows Enterprise Ireland to offer equity investment to HPSU clients, on a co-funded basis. This investment goes towards the achievement of an overall business plan, rather than funding towards discrete elements of a business plan, such as R&D or employment creation. The funding of a business plan in this way is similar to a venture capital (VC) approach.

HPSUs that receive investment from the Innovative HPSU Fund are developing and commercialising new or substantially improved technologies, products, processes or service offerings when compared to state-of-the-art in industry players in the European and global marketplace. By their very nature the companies carry a risk of technological or industrial failure and Enterprise Ireland shares the risk with the company and its investors.

Enterprise Ireland undertakes extensive technical, commercial, financial and market due diligence for each project before an investment decision is made. Investors interested in co-investing with Enterprise Ireland can access a portfolio of screened investment opportunities in both technology and services sectors.

In larger investment rounds where syndicated investments are involved, Enterprise Ireland introduces investors to other private and institutional investors[16].

2) The Seed and Venture Capital Fund.

Over the past 19 years, successive Governments, through Enterprise Ireland, have committed approximately €348 million, to 41 local seed and venture capital (VC) funds. This commitment has resulted in a pool of capital of approximately €1.2 billion for investment in innovative high growth companies. For the period 2013-2018 Government, through Enterprise Ireland, has made €175 million available as part of the Seed & Venture Capital Scheme to stimulate job creation and support the funding requirements of young innovative Irish companies. In the first phase of the scheme, 100 million Euros is being invested to establish up to 5 non-seed Funds in the wider Technology and Life Sciences sectors.

The overall vision of Seed & Venture Capital Scheme (2013-2018) is to increase the availability of risk capital for SMEs to support economic growth through the continued development of the seed and venture capital sector in Ireland to achieve a more robust, commercially viable and sustainable sector.

To realise this vision, the objectives are to: Encourage and leverage private sector investments into sectors (and stages of development) that find it difficult to secure appropriate growth funding; Leverage domestic and international private sector/institutional capital into VC investment in Ireland; Support the growth strategies of Enterprise Ireland's sectors with capital and expertise; Maximise the "additionality" that any commitment will bring to the overall sector in terms of additional capital and expertise in company development; and Seek innovative funding solutions that reflect current international best practice[17].

- Summary of Key elements that lead to success

Involvement of private investment sector in every stage of the investment from deal flow sourcing, due diligence, mentoring, operations, growth, and exit. Enterprise Ireland is exemplary in involving the private sector and actively seeking business angels, seed funds and venture capitalists as their partners.

3.4.4 Results of the funds

Total funds invested: €348 million, to 41 local seed and venture capital (VC) funds resulting in a pool of capital of approximately €1.2 billion for investment in innovative high growth companies (2007-2012) which has generated an average of 3000 new jobs a year directly and ca. 13 times indirect jobs (2013 data). In total, 1300 companies were supported.

3.4.5 Contact point

Growth Capital Department
@ growthcapital@enterprise-ireland.com
+353 1 727 2000
www.enterprise-ireland.com/en

3.5 Mesinvest Lithuania - Verslo Angelu Fondas I

3.5.1 Key facts

- Fund/Initiative Name: Verslo Angelu Fondas; Business Angel Fund I, founded by the EIF, Government of Lithuania under the JEREMIE programme(financed by the ERDF 2007-2013).
- Total funds committed: €16.445 million
  - by EU: €8.0 million
  - Fund partners €0.425 million
  - by business angels: €8.42 million (or more, as co-investment)
- Type of fund: Equity, acquisition of the new issue of the target.
- Period of Investment: from 2008 to 2015
- Geographic scope: Lithuania
- Target sector(s): small and medium size companies with an annual turnover up to €4.3 million, sales oriented to export markets, with a strong and successful management team. The potential invest-

[16] For more details please refer to: http://www.enterprise-ireland.com/en/funding-supports/Company/HPSU-Funding/ and http://www.enterprise-ireland.com/en/funding-supports/Company/Esetablish-SME-Funding/

[17] For more details please refer to: http://www.enterprise-ireland.com/en/invest-in-emerging-companies/seed-and-venture-capital-scheme/svc-guidelines-for-expressions-of-interest.pdf

ment target has to have been active in the market for at least 1.5 – 2 years.

- EU programme : ERDF support, under the JEREMIE programme
- Organisations involved : Mesinvest, Strata

3.5.2 Description

In 2009, the EIF launched a tender to release funds from the JEREMIE programme in Lithuania. This measure had the purpose of re-launching investments in the country and therefore stimulating economic activity. The managing authorities, public authorities and the private sector were asked to reply with an offer to the tender from the EIF. Subsequently, the EIF had to select the best offer regarding the price and also the management capacity of each applicant. The EIF had to select the most suitable managing authority that offered the right balance between management skills and price.

3.5.3 Deployment method

Once the fund was created, the fund manager started developing a pipeline and a business angel network (BAN), which did not exist at the time. The business angel community is still under development. Fund partners take an active role in network development. The goal, the limits, and the rules of investment of the fund were determined before tender, but adapted to the market situation over time. This resulted in the following list of key success factors.

Summary of Key Success Factors :

- Cooperation with the European Investment Fund
- Need for enthusiasm from the local government to implement this type of fund
- Budget is key, as it determines the quality of the people managing the fund. Funds which are too small have difficulty in surviving and maintaining professional management.
- Investors have to be highly skilled and professional with regard to risky investments and proper understanding of structural fund principles.
- The amount invested by the EU has to be the same or less than the amount invested by the business angels in order to share the risk between both parties. A shareholder agreement has to be signed between the fund, the business angels and shareholders/founders.
- The fund manager has to commit at least 5 % of his own money to the fund
- A Supervisory Board has to be created for the fund. The role of this board is to supervise and control the fund to ensure that it is well governed. It is important to have very professional and experienced people directing this Supervisory Board.
- The partners managing the fund have to understand EU and national principles and priorities in addition to having strong connections with the national business environment, because co-investment funds are a blend of money coming from the EU and private money coming from the business angels.
- A systematic approach to investment has to be adopted regarding common investment practice in the region of the co-investment fund.
- The fund was the first to be registered as a Private Equity (PE) Fund in Lithuania. Legislation in Lithuania still lags behind standards in Europe and the USA, but the situation is improving.
- The structure of the fund is such that it combines EU money with private individuals' money. This fund consequently represents a very unique experience from the private/public cooperation point of view.
- The Fund has made 27 investments, including 4 exits so far. The main target is small enterprises and minority stakes
- A major challenge is still to maintain corporate governance in SMEs. Most companies are in the mid and high innovation cycle ; therefore there are challenges in maintaining required standards in corporate governance. Lithuanian Company law is not adequate for high innovation companies. Bankruptcy/Insolvency Law is also below standard. In addition, Lithuanian Labour Law is very restrictive with regard to the creation of flexible labour places.

- The fund is managed by 3 Partners. There is a Supervisory Board with members from the European Investment Fund and high profile individuals.
- The fund constantly attracts positive publicity, due to its proactive role as well as highly innovative approach. In essence, the fund is behind new investment principles, such as angel co-investment.

3.5.4 Results of the fund

- Total funds invested to date :
  - Ca. 6 000 000 so far, ca. 15 000 000 as joint investment with business angels.
- Number of companies supported :
  - The fund is not only investing, but is also looking for exits. The fund manager takes an active role in the company, usually sharing competences together with the business angels. In total, the fund invested in 26 companies, and proceeded to 4 exits, where 2 were successful, and 2 others were neither successful nor unsuccessful. The fund has now an average annual rate of return of 15 % from successful exits.

3.5.5 Contact point

Arvydas Strumskis : Verslo Angelu Fondas
Gostauto 40A, Vilnius, Lituania
+370 698 23214
www.mesinvest.lt

3.6 Scottish Co-Investment Fund (SCF) – Scotland

3.6.1 Key facts

- Fund/Initiative Name : Scottish Co-Investment Fund (SCF)
- Total funds committed : €85.68 million
  - by EU : €42.68 million
  - by business angels : up to €21.5 million
  - VCs : up to €21.5 million
- Type of fund : co-investment fund in equity
- Period of Investment : 2003-2010
- Geographic scope : Scotland, regional
- Target sector(s) : all (restriction apply)
- EU programme : ERDF support
- Organisations involved : SCF, business angels syndicates and VC fund managers from the private sector.

3.6.2 Description

Partly financed by the European Regional Development Fund (ERDF), the Scottish Co-Investment Fund is an equity investment fund of GBP 72 million.

3.6.3 Deployment method

Unlike a standard venture capital (VC) fund or a business angel, the SCF does not find and negotiate investment deals on its own ; instead it forms contractual partnerships with active VC fund managers, business angels and business angel syndicates from the private sector (the SCF partner).

Importantly, only SCF partners can access this fund. The SCF partner finds the opportunity, negotiates the terms of the deal and offers to invest its own equity cash. If the opportunity needs more money than the SCF partner can provide, it can call on the SCF to co-invest alongside on equal terms. The SCF partner determines how much the SCF can invest in any new deal ; however, the SCF cannot invest more than the SCF Partner.

The investment power of SCF can go up to GBP 1 million per company. An investment can be done by tranches or rounds, and the final deal cannot surpass GBP 2 million. During these investment processes, a single entity cannot own more than 29.9 % of the company's voting rights. In addition public money cannot exceed 50 % of the total risk capital funding.

The conditions of this co-investment fund are meant to limit the risks related to the investments. SCF funds and partners' funds are not placed in a Limited Partner Agreement. The agreed funding is legally guaranteed by SCF and funds are only drawn down once an investment has been legally concluded and subject to meeting all of the criteria. Partners are paid a flat fee of 2.5 % of the SCF funds invested and are awarded partnership status with SCF for three years (with funds drawn down over that time period, reviewed every 6 months and with an annual partner review).

The principal behind this process is to make SCF operate at minimum cost to the public finances on a fully commercial basis and therefore with no subordination of the public funds.

- Summary of Key elements that lead to success

Based on the findings of the 2007 evaluation, a number of recommendations were made. The main recommendations of specific relevance to the fund were the following:

- The maximum level of investment by the fund in any one company should be raised to £1m;
- Consideration should be given to allocating a proportion of the fund, or each partner's allocation, to early stage companies;
- The role of the Portfolio Team and its objectives should be clearly communicated to all partners and investees;
- Work needs to be done to identify the main areas of investment readiness failure and the support that needs to be given to overcome these risks;
- The fund should work with partners to identify potential deals that would benefit from investment readiness support and then ensure that this is provided;
- Greater efforts should be made to support the fund's investments with other Scottish Enterprise products and services;
- The fund's investment successes should be publicised generally, particularly with regard to potential partners.

3.6.4 Results of the funds

Since its creation, there has been a growing demand for this investment fund. The investment level for the Scottish Investment Fund increased significantly between 2007 and 2009, from around £7m in 2007/2008 to more than £14m in 2008/2009. Income growth from the Scottish Enterprise funds portfolio was overall still significant, despite the context of economic downturn. However, it resulted in SE supporting a majority of follow-up investments and new deals remained residual. The latest complete data available on the Scottish Co-Investment Fund is for the period 2009/2010. In 2009/2010, it invested £12.3m in 63 deals.

The 2007 evaluation of the fund stated that it was attaining its objectives. It was held in high regard by all parties – partners, investees, non-partner intermediaries and non-partner investors – and the model being used was widely praised. The fund was also having a positive impact upon the performance of the investee SMEs and upon the wider Scottish economy. Turnover, gross value added (GVA) and employment had grown and were generally forecasted to grow further as the companies developed. The main concern was a fear that the private sector leadership (a key strength) might become less significant as factors such as Portfolio Management become more significant. It was therefore suggested that the Fund needed to retain its private sector leadership.

- SCF invests between GBP 100 000-1 million in deals up from GBP 500 000-1 million. The SCF invested GBP 12.3m in 63 deals during 2009/10.
- Scottish Seed Fund invests up to GBP 100 000 in deal sizes up to GBP 500 000. The Scottish Seed Fund invested GBP 1.7 million in 21 deals during 2009/10.
- Scottish Venture Fund invests GBP 500 000-2 million in deals between GBP 2-10 million. The Scottish Venture Fund invested GBP 16.7 million in 18 deals during 2009/10.

3.6.5 Contact point

Bob Lawrie, Investment Business Manager
Atrium Court 50 Waterloo Street
G2 6HQ Glasgow, United Kingdom
www.scottish-enterprise.com/knowledge-hub/articles/case-study/attract-investment/scottish-loan-fund

3.7 Eleven Startup Accelerator - Bulgaria

3.7.1 Key facts

- Fund/Initiative Name : Eleven Startup Accelerator
- Total funds committed :
  - by EU : 12 million
- Type of funds : co-investment Fund, equity
- Period of Investment : 2012-2015
- Geographic scope : Bulgaria, regional
- Target sector(s) : all
- EU programme : ERDF support under JEREMIE programme
- Organisations involved : Eleven Startup Accelerator

3.7.2 Description

Eleven was set up in 2012 with an investment capacity of €12 million provided by the Entrepreneurship Acceleration and Seed Financing Instrument under Bulgaria's JEREMIE Holding Fund. This holding fund is 15 % co-funded by the State budget. The remaining 85 % is funded by the European Regional Development Fund (ERDF). Although Eleven was originally funded exclusively with Public funds (European and member state), the success of the programme and its engagement with business angels has resulted in Eleven being able to leverage an additional 55 % from private investment.

3.7.3 Deployment method

Eleven manages a €12 million acceleration & seed fund with a view to making around 200 investments in innovative young businesses. Investments into individual portfolio companies are typically in the range of €25,000 – €200,000 per investee for 10-15 % investment stakes (investment conditions were adapted in different calls for start-ups). The team is built around prominent professionals with substantial experience in the venture capital and private equity sectors in Bulgaria. Eleven has attracted Google as a technological partner, and Springboard, the London-based mentorship-led accelerator, as a strategic partner for its programme, amongst other key partnerships.

Although the accelerator fund is exclusively composed of public funds, angel investment is in the "deep core" of the accelerator's operating model. With the entrepreneurs developing their businesses from the shared office space, Eleven focuses on bringing in investors to the network and coaching the funded entrepreneurs.

3.7.4 Results of the fund

By June 2014, €4.5 million had already been invested by Eleven's fund, an amount which was complemented by an additional €2.5 million invested by business angels. This leveraging of 55 % is a clear – and expected – output of funds designed to be managed closely by the angel investment community. Investment continues until December 2015.

3.7.5 Contact point

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1000 Sofia, Bulgaria

3.8 Seed4Start - France, Belgium, Luxemburg, Germany

3.8.1 Key facts

- Fund/Initiative Name : Seed4Start – Cross Border Venture Capital Forum
- Total funds committed : €1.6 million
  - by EU : €0,8 million
  - by business angels : 0.8 (or more).
- Type of fund : Support action. No direct investment.
- Period of initiative : from 01-08-2011 to 30-06-2015
- Geographic scope : Regions of France, Belgium, Germany and Luxembourg
- Target sector(s) : entrepreneurs and small innovative businesses with high growth perspectives
- EU programme : INTERREG IV-A 2007-2013/ Greater Region

- Organisations involved : Business Initiative Luxembourg ASBL, CCI 02 Bilan, ADER Investissements, BeAngels, LBAN and LuxInnovation.

3.8.2 Description

Seed4Start is a cross border platform in the “Greater Region” composed of Lorraine (F), Wallonie (B), Luxembourg (L), Sarre and Rhénanie-Palatinat (D).

The initiative aims at providing training, coaching and follow-up support to entrepreneurs and small businesses which demonstrate a need for private investment, namely by angel investors. On the other hand, the initiative identifies and invites investors from the region and beyond to review the most promising business proposals.

In addition to the above mentioned organisers, Seed4Start can count on an extended pool of partners such as PwC, Kurt Salomon, Gust, Ville de Luxembourg, Fedil, Chambre de Commerce de Luxembourg and CCI Meurthe et Moselle.

3.8.3 Deployment method

Seed4Start follows an annual programme which provides training and coaching for entrepreneurs, with the objective of improving their projects and communication skills towards investors. The annual programme culminates in pitching sessions, where early stage investors such as business angels and venture capitalists meet these entrepreneurs.

Deployment of angel investors’ funds is not defined by the programme itself. It is rather a positive externality as long as this specific programme attracts business angels. Preliminary results of the first year of operations indicate the selection of 40 start-ups which presented to 60 investors.

Summary of Key Success Factors

- The involvement of angel related organisations such as the Luxembourg Business Angels Network and Belgian Angels is critical in engaging angel investors in the programme.
- A similar initiative is in place, also funded through INTERREG IV for the French-Belgium border (France-Wallonie-Vlaanderen)

3.8.4 Results of the fund

- Total funds invested to date
    - Participating start-ups attracted 7 million Euros from private investors.
- Number of companies supported
    - A total of 18 start-ups have received private investment

3.8.5 Contact point

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seed4start@cc.lu
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www.seed4start.org

3.9 Ingenium Funds – Italy

3.9.1 Key facts

- Fund/Initiative Name : Ingenium Fund
- Total funds committed (1st scheme) : €10 million ;
    - by EU : €7,0 million
    - by business angels : €3,0 million (or more, as co-investment)
- Total funds committed (2nd scheme) : €14 million ;
    - by EU : €5 million
    - by business angels : €5 million (or more, as co-investment)
- Type of funds : Equity, acquisition of new issues of the target
- Period of Investment : from 2006 to 2013 (1st scheme) and from 2014 to 2019 (2nd scheme)
- Geographic scope : territory of Emilia Romagna Region
- Target sector(s) : small and medium size companies located in convergence regions of Emilia Romagna (1st scheme), SMEs located in the hole region (2nd scheme) preferably in highly innovative industries
- EU programme : ERDF support
- Organisations involved : Emilia Romagna Region as management authority and

Zernike Meta Ventures Spa as private independent management company.

3.9.2 Description

The first edition of the Ingenium Fund was launched in 2006 with a two-fold aim : on one side to foster the growth of innovative companies in high tech industries and, on the other side, to attract private investor in the region, closing the existing gap with other advanced regions in Italy such as Lombardy in terms of venture capital investments.

Second scheme was launched after the conclusion of the investment period of the first Fund to support not only start-ups in innovative companies but also manufacturing companies already established and operating in more traditional industries.

In both cases the Emilia Romagna Region directly selected a Management Company through an open tender for proposals.

3.9.3 Deployment method

Following the provisions of the Regulation then in force – (EC) 364/2004 of 25 February 2004 and thereafter Commission Regulation (EC) n. 800/2008 concerning the implementation of the Commission communication on State aid and risk capital and the Community guidelines on State aid to promote risk capital investments in small and medium-sized enterprises, as well as the implementation of the Community framework for State aid for research and development and innovation – Emilia Romagna Region lunched a call for tenders to select a fund Management Company for a public-private co-investment fund.

According to this scheme, Zernike Meta Ventures was selected and appointed to identify promising projects to invest in, monitoring and managing the exit process of target companies.

Moreover, the Management Company is responsible to identify one or more business angels ready to invest under the pari passu rule (same rules and conditions when entering and exiting) with a public contribution equal to 70 % of the total investment under the 1st scheme and 50 % under the 2nd scheme.

Under the 1st and 2nd scheme investment period was equal to five years followed by additional five years and an additional two years of grace period, if necessary, to give sufficient time to target companies to growth and execute a successful exit.

As the tender selected a private independent and professional management company, remuneration was aligned to market standards, with a management fee during the life of the Fund and a performance fee equal to a carried interest of 20 % on the capital gains obtained by the fund.

Summary of Key Success Factors

- Co-financing schemes where private investors can participate only at the level of the Fund demonstrated to be less attractive for private investors, more interested in a direct participation in the target company through a mechanism of co-investment, as introduced by the new ERDF “off-the-shelf” regulation ;
- SMEs are used to grants, guarantees and loans not to equity : public-private risk capital funds needs time to start investing, especially after first introduction, because some time is needed in order to perform scouting activities and identify most promising investment and explain to the public that the measure is not a traditional granting scheme. Therefore, also managing authorities monitoring the measure and the public spending should give the time to the management company to perform its activities without early call back of the committed capital to allocate to other measures years ahead the end of the programming period ;
- Size matters : when determining the amount of resources to allocate for risk capital measures, public authorities should consider the possibility to generate a diversified portfolio of target companies but also the capability of the fund to sustain the growth of best performing companies through follow-on investments. Moreover, as the management

fee is calculated on the amount of resources committed, fund dimension should allow the management company to cover the costs related to the activities and to the organizational requirements imposed the legislator;

- Local investors network: in order to maximise capabilities of sustaining the growth of target companies and attracting private investors on a deal by deal basis, as prescribed by the new off the shelf regulation, it is key that the management company has strong connections with the business angel community and more in general private investors, both at local and at national level;
- Long term political commitment: as results arrives in the long term, public authorities should not evaluate results generated only by the 1st fund launched but they should concede time, either to fund managers and to entrepreneurs in the territory, to generate an economic impact for the territory (employment comes as companies growth after some years of activities) and to generate successful exits, that are related to company maturity and to an adequate favourable external macroeconomic environment.

3.9.4 Results of the funds

- Total funds invested to date
  - €10 million (1st scheme)
  - €8 million (2nd scheme)
- Number of companies supported
  - 7 companies (1st scheme), as the fund was mainly addressing follow-on rounds with business angels syndicate investments;
  - 10 companies (2nd scheme). Additional 2 are under negotiation at the moment of writing. 7 investment were realized in innovative companies operating in biotech, ICT and clean tech industries with the 1st scheme and additional 10 were performed by the 2nd scheme (still running);
- at least 3 business angels were involved in each deal, with a record of 20+ in a single one;
- the Management Company had been able to close strong relationship with national angel clubs such as IAG – Italian Angels for Growth and other local private investors, stimulating local ecosystem and rising awareness and confidence on the instrument;
- other venture capital funds invested jointly or in second rounds in target companies invested by Ingenium Funds.

3.9.5 Contact point

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3.10 PACA Investissement - France

3.10.1 Key facts

- Fund/Initiative Name: Paca Investissement
- Total funds committed: €19,45 million by Regional Council of Provence Alpes Cote d'Azur (PACA) and ERDF for half
- Type of funds: direct and minority co-investments in equity
- Period of Investment: since 2011
- Geographic scope: Region Provence Alpes Côte d'Azur (France)
- Target sector(s): any SME adhering to European criteria (less than 250 employees, annual turnover lower than €50 million), start-ups or developed companies, located in PACA and proving an innovation potential which can generate employment and wealth. The definition of innovation is to be taken across a large spectrum: technological, services, management and social
- EU programme: ERDF
- Organisations involved: Conseil Régional PACA

3.10.2 Description

PACA Investissement is an investment fund created by the PACA Region in 2011 in order to help innovative small and medium companies increase their shareholding equity.

It provide leverage financing to attract venture capital companies and regional investment funds, share the risks, increase the shareholding equity by mutualizing public and private funding.

PACA Investissement always invest with private investors who have concluded a convention with PACA Investissement (business angels, regional and national investment funds). The ticket of investment is equal for both : between €150 000 and €1.5 million.

The average period of time between the presentation in front of the engagement committee and the closing is about 1,5 months.

PACA Investissement is administered by Turenne Capital Partenaires.

3.10.3 Deployment method

A virtuous selection :

1. Target companies selected by professional and private investors ;
2. Due diligence on target companies carried out by a venture capital professional ;
3. A decision delivered by an investment committee made up of multidisciplinary experts.

3.10.4 Results of the fund

- Total funds invested to date : €14 million
- Number of companies supported : 38 in ICT industry, pharmaceuticals/biotech, internet and green tech.
- Average investment/company : €345 000
- Leverage effect on equity coming from other funds : Total amount invested by the complete pool €42 million (including PACA Investissement)
- 34 partnerships with co-investors

3.10.5 Contact point

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3.11 Aqui-Invest - France

3.11.1 Key facts

- Fund/Initiative Name : Aqui-Invest
- Total funds committed : €6 million by Regional Council of Aquitaine
- Type of funds : direct and minority co-investments in equity
- Period of Investment : since 2010
- Geographic scope : Region Aquitaine (France)
- Target sector(s) : small and medium size companies in creation or development stages, located in region Aquitaine and preferably with innovative activity (technology, economic model, value chain, value proposition…)
- EU programme : ERDF
- Organisations involved : Conseil Régional d'Aquitaine

3.11.2 Description

AQUI-INVEST was created in 2010 by the Regional Council of Aquitaine in order to back the creation of innovative companies and to overcome the equity gap. The aim of AQUI-INVEST is to take minority shareholdings in SME located in region Aquitaine, in creation or development stages, and preferably with innovative activity in privileged partnerships with VC and business angels organisations.

AQUI-INVEST enables to attract specialized funds and business angels on the early stage of creation and development of innovative companies : this fund co-invests with national and regional VC funds previously approved.

This fund promotes five main benefits :

- Increasing the equity available for innovative companies of Aquitaine ;

- Gathering the whole VC community and fostering the commitment of national funds in the Region Aquitaine ;
- Allowing the funds to share risks and costs ;
- Benefiting of a significant leverage effect ;
- Encouraging the skills and knowledge transfer of projects leaders.

Aqui-Invest is administered by the structure Aquiti Gestion, which is located in Pessac, near Bordeaux.

3.11.3 Deployment method

Unlike a conventional VC fund or a business angel, Aqui-Invest does not source the deal flow on its own but it forms contractual partnerships with other national and regional funds, business angels and crowdfunding platforms. Aqui-Invest may be requested by the previously approved funds to invest within the pari-passu rule (same rules and conditions when entering and exiting than the soliciting fund, only one agent to represent Aqui-Invest and the co-investor).

Investments of Aqui-Invest into companies are typically in the range of €50 000 – €300 000 per investment. All the projects are submitted by the co-investor to the independent committee of AQUI-INVEST, which takes the final investment decisions.

3.11.4 Results of the fund

- Total funds invested to date : €5.1 million
- Number of companies supported : 25
  - 6 in ICT industry,
  - 8 in traditional industry (metallurgy, laser technologies, electronics),
  - 4 in pharmaceuticals, chemistry,
  - 4 in trading,
  - 3 in others activities.
- Average annual investment : €1.2 million
- Leverage effect on equity coming from other funds : 5,25
- 15 partnerships with co-investors

3.11.5 Contact point

Bernard Estienne, Director of Aquiti Gestion
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Appendix 1 – Glossary

BA	Business angel
BAN	Business angel network
CF	Cohesion Fund
EaSI	Employment and Social Innovation programme
EAFRD	European Agricultural Fund for Rural Development
EC	European Commission
EIB	European Investment Bank
EMFF	European Maritime and Fisheries Fund
ERDF	European Regional Development Fund
ESIF	European Structural and Investment Funds
ESF	European Social Fund
ICT	Information and communication technologies
JEREMIE	Joint European Resources for Micro to Medium Enterprises initiative
OECD	Organisation of Economic Cooperation and Development
SME	Small and medium-sized enterprise
SPV	Special purpose vehicle

Appendix 2 – Links and references

Startup Investor Manifesto :
http ://www.eban.org/sign-the-startup-investors-manifesto/#.VIW2oTGG98E

Overview of co-investment schemes :
http ://www.eban.org/wp-content/uploads/2014/11/European-Co-Investment-Schemes_March_2011-Modo-de-Compatibilidade-11.pdf

Due diligence handbook :
http ://www.eban.org/wp-content/uploads/2014/12/Keiretsu-Forum-DD-Handbook-Version-3.1-due-diligence.pdf

A guide to help evaluate early stage investments :
http ://www.eban.org/wp-content/uploads/2014/12/11.-SBA-Guide-to-Help-Evaluate-Early-Stage-Investments.pdf

Compendium of co-investment funds with business angels :
http ://www.eban.org/wp-content/uploads/2013/08/EBAN-BDO-Compendium-Co-Investment-Funds-2012.pdf

Appendix 3 – Business angel networks in Europe

Not comprehensive list of business angel networks, federations and associations in the EU

Country	Organisation name	Web address
Austria	i2 – Die Börse für Business Angels / AWS	www.awsg.at
	Austrian Angel Investors Association	www.aaia.at
	ABAN (Austrain Business Angel Network)	info@seca.ch
Belgium	BAN Vlaanderen vzw	www.banvlaanderen.be
	EBN – European Business Incubation Centre Network	www.ebn.be
	EFMD – European Foundation for Management Development	www.efmd.org
	Europe Unlimited	www.e-unlimited.com
	European Venture Philanthropy Association [EVPA]	www.evpa.eu.com
	BeAngels	www.beangels.eu
Bulgaria	Kown LTD	www.kown.co
Croatia	Crane	www.crane.hr
Cyprus	CYBAN	www.cyban.com.cy
Czech Republic	CzechInvest	www.czechinvest.org/en
Denmark	Business Angel Copenhagen	www.ba-copenhagen.dk
	INVESTORmidt	
Estonia	EstBAN Estonian Business Angel Network	www.estban.ee
Finland	FiBAN	www.fiban.org
	NFBAN	www.nfban.org
France	Sophia Business Angels	www.sophiabusinessangels.com
	Media Deals	www.media-deals.org
	ANIMA – Investment Network	www.anima.coop
	FranceAngels	www.franceangels.org
Germany	Quantum Board GmbH	www.quantumboard.eu
	Angels Den DACH	www.angelsden.com
	BAND – Business Angels Netzerk Deutschland	www.business-angels.de
	EU-Startups.com	www.eu-startups.com

Country	Organisation name	Web address
Greece	Business Angels Greece – Athens Chamber of Commerce and Industry	www.businessangelsgreece.gr
	Mentoring S.A	www.mentoring.com.gr
Hungary	HBAN – Hungarian Business Angel Association	www.hbaa.hu
Ireland	CorkBIC	www.corkbic.com
	HBAN – Halo Business Angel Network	www.hban.org
	HALO Business Angel Partnership [Dublin BIC]	www.businessangels.ie
Italy	IBAN	www.iban.it
	IAG – Italian Angels for Growth	www.italianangels.net
	Custodi di Successo	www.custodidisuccesso.it
	SAMBA	www.sambanet.it
Latvia	LATBAN	www.latban.lv
Luxembourg	Luxembourg Business Angel Network	www.lban.lu
Poland	AMBER BAN – Polish Entrepreneurs Foundation	www.amberinvest.org
	Gildia Aniołów Biznesu	www.aniolybiznesu.org
	Lewiatan Business Angels	www.lba.pl
	Secus Wsparcie Biznesu SP. Z O.O.	www.secus.pl
Portugal	FNABA – Federação Nacional de Associações de Business Angels	www.fnaba.org
	Gesventure/Business Angels Club – Associação Portugue	www.gesventure.pt
	DNA Cascais	www.dnacascais.pt
	APBA – Portuguese Business Angels Association	www.apba.pt
Romania	Business Angels Romania	www.businessangels.ro
Slovakia	SBAN I Slovak Business Angels Network	zmps.sk/uvod.html
Slovenia	Poslovni Angeli Slovenije	www.poslovniangeli.si
Spain	ACC1Ó	www.acc10.cat
	AEBAN – Asociación Española de Bussines Angels Network	www.aeban.org
	BANC	www.bancat.com
	BAN MADRID+D, Business Angel Network Madrid+D	www.madrimasd.org

Country	Organisation name	Web address
	Crecer +	www.orkestra.deusto.es/bacrecermas/es/
	ESADE BAN	www.esadealumni.net
	IESE Red de Inversores Privados y Family Offices	www.iese.edu/businessangels
	InnoBAN, Red de Inversores Ángel para la Innovación	www.businessangelsinnoban.es
	BAMN!	www.ctap.es
Sweden	CONNECT Skane	www.connectskane.se
The Netherlands	BID Network Foundation	www.bidnetwork.org
	BiQ Group N.V.	www.biqgroup.com
	Mind Hunter	www.mindhunter.com
	BANNederland	www.bannerderland.nl
	PYMWYMIC	www.pymwymic.com
United Kingdom	LINC Scotland	www.lincscot.co.uk
	Clearly Social Angels	www.clearlyso.com
	Halo – the NI Business Angel Network	www.nisp.co.uk
	London Business Angels	www.lbangels.co.uk
	New Gen Angels	www.newgenangels.com
	UKBAngels	www.ukbusinessangelsassociation.org.uk
EU level	BAE – Business Angels Europe	www.businessangelseurope.com
	EBAN – European Business Angel Network	www.eban.org

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