

March 2022

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# Angel mapping | Survey overview

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# Key takeaways

The survey was completed by 189 Dutch business angels, which is estimated to be around 10% of the total pool\* of active angels in the Netherlands. The following takeaways were identified.

○ Surveeyed angels indicated a total of €62M that they could have invested in NL, but have not. The top 3 most mentioned reasons (multiple possible) for this are:

- 44% - not the right team
- 35% - not in line with investment thesis
- 25% - potential taxation too high, suggesting that a minimum of €150M\*\*, but potentially up to €600M, is blocked yearly due to taxation

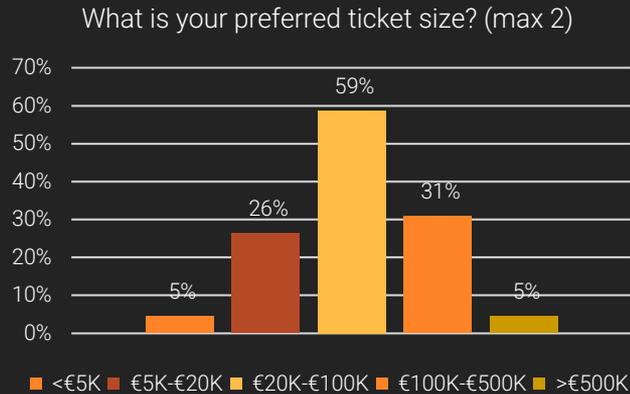
○ More than half of the addressed angels indicate to invest some or most of their investment outside of the Netherlands. The majority points out 'dealflow quality' as the reason why.

○ Over half of the addressed angels prefer a tax incentive, rather than a subsidy.

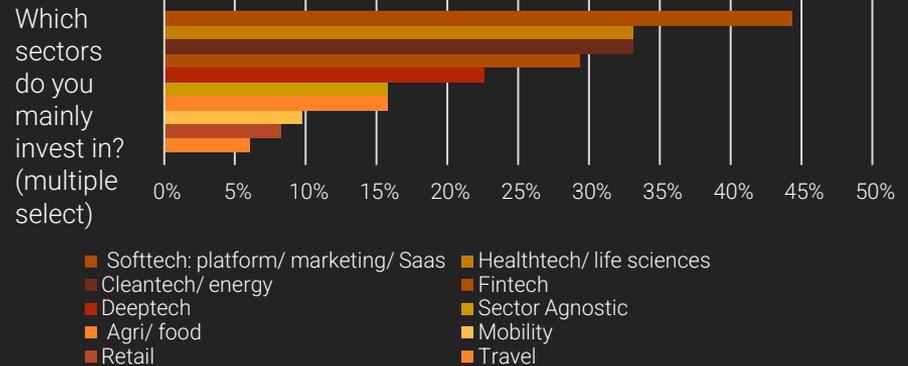
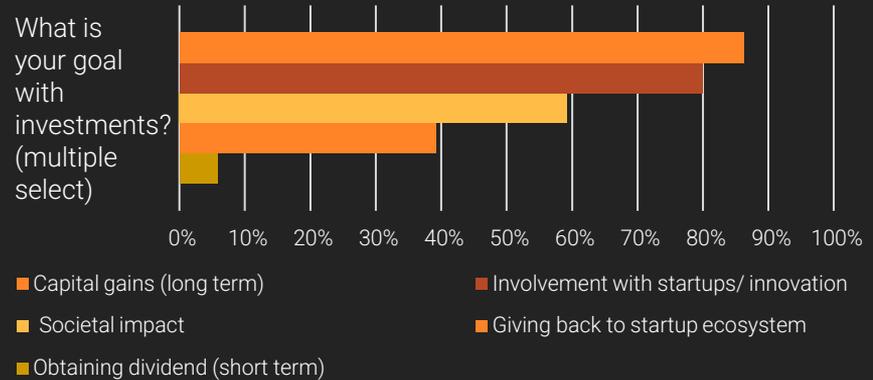
\*Based on conservative estimations

\*\*When extrapolated to the conservative estimation of active angels in The Netherlands

# Investment strategy of surveyed business angels

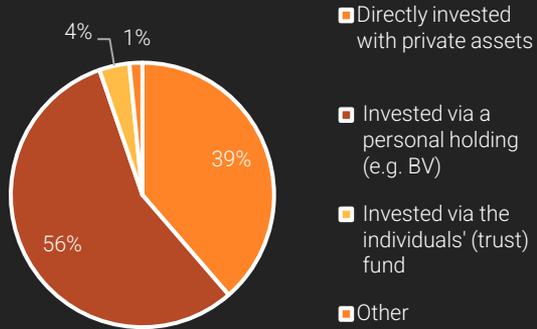


Business angels are mostly motivated by capital gains and the societal impact. The top 3 sectors angels invest in are softtech, healthtech and cleantech.



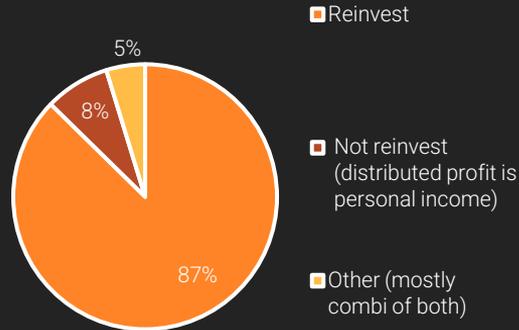
# Investment practices

How do you structure most of your investments?



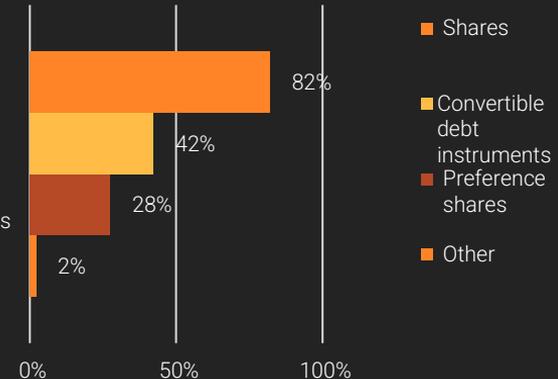
The majority invests via a personal holding.

When profit is distributed from an investment, what happens generally with the income obtained?



Almost all angels tend to re-invest, keeping their capital active.

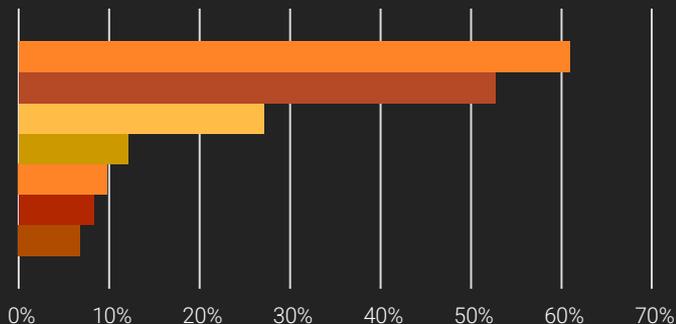
Characteristics of preferred investment instrument(s) (multiple select)



Most angels prefer equity investing over convertible debt.

# Investment practices

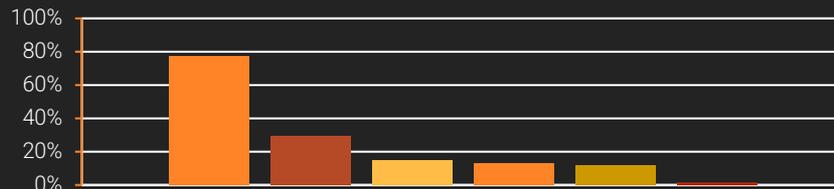
In general, which types of funding have already been attracted by the company mostly by the time you invest in it? (multiple select, max 2)



- Investment by the founder/ FFF
- Subsidies (VFF etc)
- Bank loan
- Cash contribution from university
- Other angels
- Nothing
- Regional financing (ROMs)

When investing, the already secured funding of the startup mainly originates from the founder and his surroundings or from some other angels. Angels also tend to mostly co-invest with other angels on a deal-to-deal basis.

If you co-invest, how do you co-invest? (multiple select)

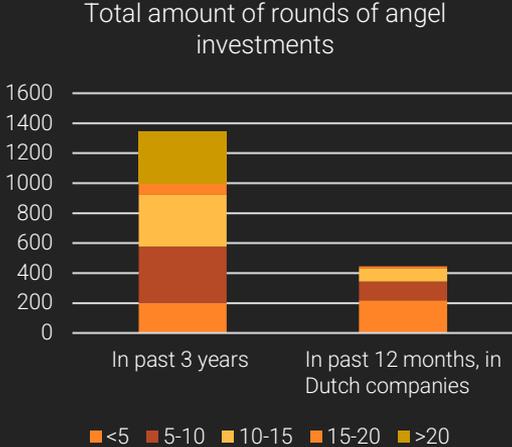


- With other angels (on deal by deal basis)
- Additional in deals from VC fund that I'm an LP in
- I don't co-invest
- Via an angel fund
- With government funds or instruments
- Other

# International investment activity

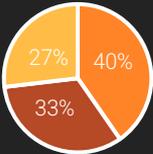


A proportional part of angel investments are invested into Dutch companies. Although, it is notable that those rounds are smaller than the overall investments.



Angel investors invest proportionally less rounds in Dutch companies.

Are you also investing outside of the Netherlands?



- Yes, some of my investments are
- No
- Yes, most of my investments are

Most angels are active outside of the Netherlands. Furthermore, it seems that surveyed angels invest less often and lower amounts in Dutch companies.

# Investment history

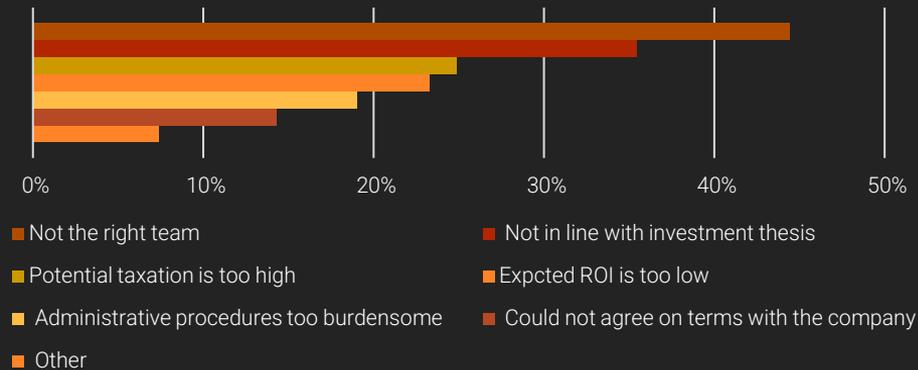
Based on the median values, surveyed angels invested 2 rounds of €75K in Dutch companies in the past 12 months. When looking at the past 3 years, the angels invested 5 rounds of €60K, both in Dutch and other companies.

	Past 3 years (177)		Past 12 months in Dutch companies (150)	
	Amount invested	Number of rounds	Amount invested	Number of rounds
Total	€182,631,000	1,346	€62,361,050	446
Average	€1,003,467	7	€415,740	2
Median	€300,000	5	€150,000	2

# Feeling towards Dutch investments

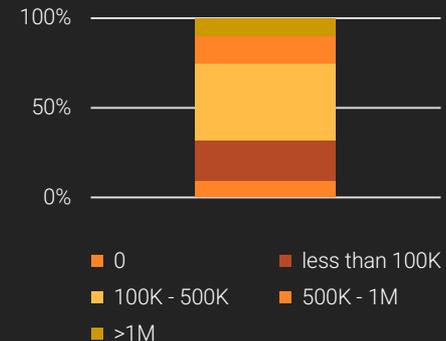
Angels indicate that the startup team, alignment with angels' investment thesis and taxation are the main reasons to not invest in Dutch startups

What have been, in general, the main reasons to NOT invest in a Dutch company?



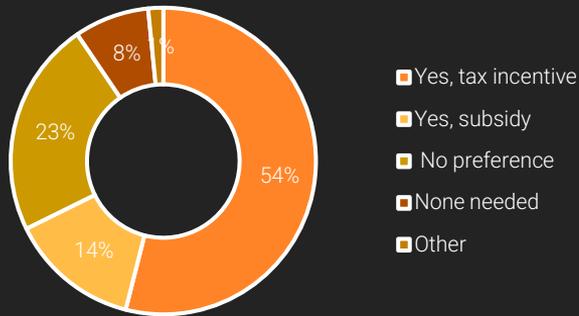
**Total of €62.053.000**

Approximate amount, willing to, but not invested due to the aforementioned reasons (past 12 months)



# Incentives exploration

Would you have a preference for a tax incentive (like UK) or a subsidy (like Germany)?



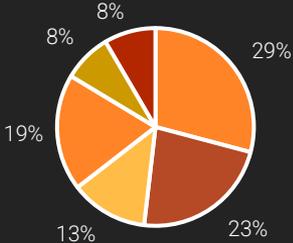
The majority of angels indicate to prefer a tax incentive.

Main reasons angels provided for their choice for a tax incentive:

- ◆ To reduce risk, mostly based on deductible losses
- ◆ To only be taxed upon incoming profits, delaying it
- ◆ To lower the administrative burden

# Incentives exploration

Which tax incentive would fit best in your investment strategy?

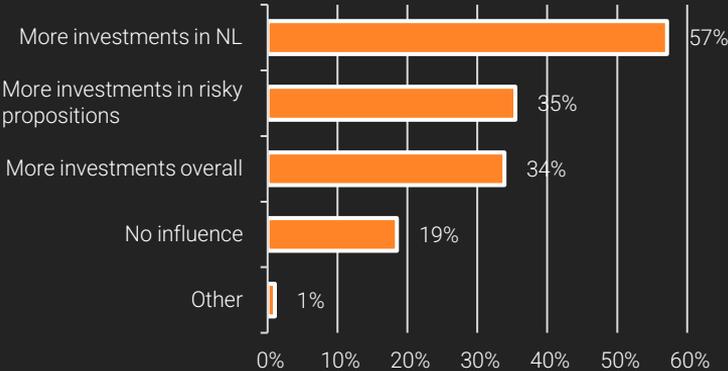


- A capital gains tax deferral (no direct taxation on gain if provided the gain is reinvested within a certain period)
- Exemption/ reduced tax rate for investment income
- Loss relief on more favourable terms
- A tax credit (lowering taxes to be paid)
- Cost deduction (lowering the taxable amount)
- No tax incentive

From the variations in tax incentives, the most suitable seem to be deferral of capital gains and exemption or reduction of tax on realised income.

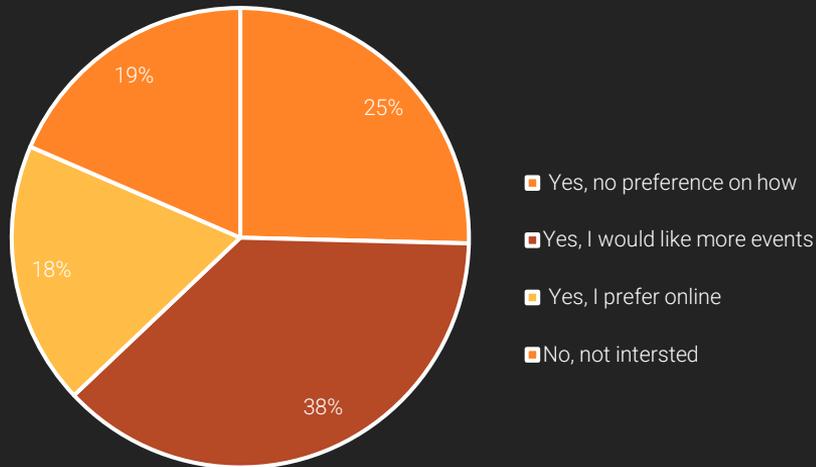
Surveyed angels indicate that an incentive would mostly result in them investing more in the Netherlands, as well as taking more risk and doing more investments overall.

Change in investment behaviour as a result of a (tax) incentive for Dutch investments



# Connectedness of angels

Would you be open for more connections with fellow angels?



The surveyed angels were asked whether they would be open to more connections.

The majority, with 81%, would be open to either meet online or through events, with only 19% stating they are not interested in more connections.

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Questions?

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