



# ANNUAL REPORT

**WISE  
MONEY  
LEADS  
TO  
GREAT  
DEALS**

**21**

met de steun van:

**AGENTSCHAP  
INNOVEREN &  
ONDERNEMEN**



**Vlaanderen**  
is ondernemen

# CONTENTS

1. Foreword .....	3
2. The results of BAN Vlaanderen.....	4
2.1. The Business Angels .....	4
2.2. The Employees.....	6
2.3. De Deals.....	9
2.3.1. The nature of the files.....	9
2.3.2. The amounts invested.....	10
3. A major milestone in 2021: the establishment of angelwise.....	13
4. Conclusions .....	16

# 1. FOREWORD

This Annual Report 2021 details the operations and results of BAN Flanders as they manifested themselves in this exciting and challenging year.

The second year in a row in which the covid measures had a serious impact on both these aspects of BAN Flanders showed itself as a period in which angel funding was challenged to show its persistence and decisiveness.

In operation, we saw a combination of large file inflows and high number of projects presented, along with a growing number of connecting business angels.

The matching activities, which were still largely online (with only a brief “physical” resurgence in September/October), also delivered a large number of files that were then accompanied in dealguiding.

Members’ investment activity was characterized by a willingness to dare to invest large sums directly, albeit in fewer files in number.

A special element in the functioning of BAN Flanders in 2021 was the fundraising and subsequent launch of our Angelwise co-investment fund. With an unexpectedly high starting capital of approximately EUR 19.5 million and 84 investing business angels in the first closing, it is not only the largest of our three co-investment funds to date, but also a unique investment vehicle within a European context, with the possibility of providing up to EUR 3 million in growth capital per angel-backed portfolio company. A separate chapter on the contribution of the business angels within this fund could not therefore be left out of this annual report.

If we consider the Angelwise capital pledged by the business angels together with the direct participations, we will arrive at a record amount of approximately 12.5 million in Flemish investments raised by business angels in 2021, supplemented by 10 million from the 2 institutional investors in Angelwise.

Reginald Vossen

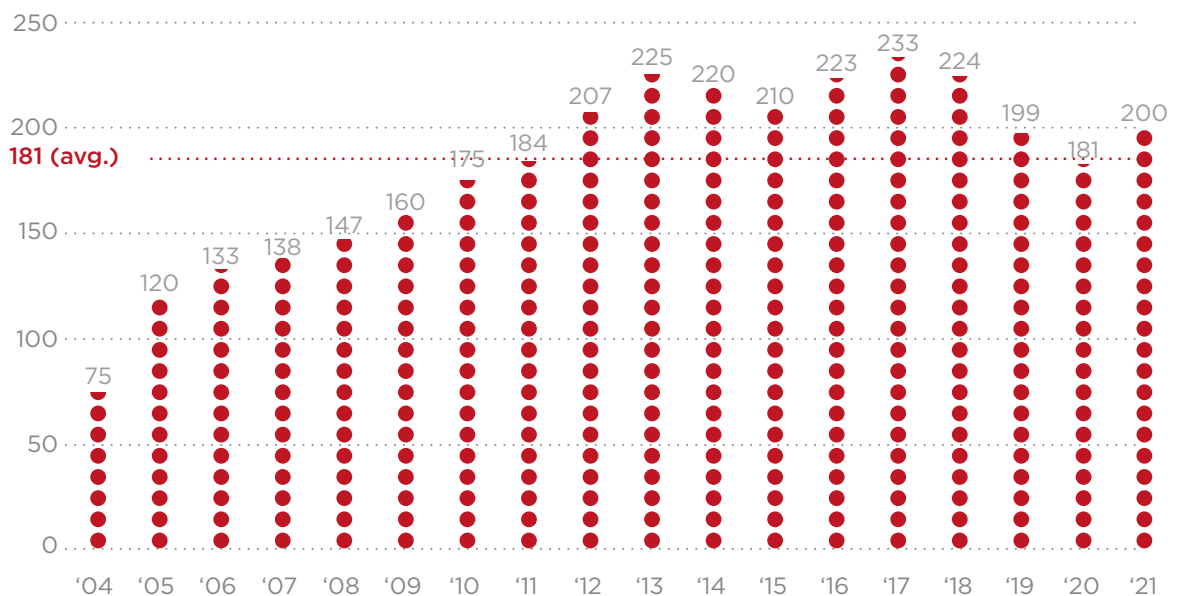
Managing Director

## 2. THE RESULTS OF BAN VLAANDEREN

### 2.1. THE BUSINESS ANGELS

As of 31 December 2021 BAN Flanders had 200 paying members. As part of its quality drive, our network continues to set very high standards for business angel recruitment. The quality of the business angels must be translated into terms of possible added value in the companies to be invested in. In doing so, it is ensured that aspiring members are willing to bring their experience and knowledge to the invested companies in an active and free manner. Candidate angels are evaluated based on their professional career, their previous investor experience, their managerial capacities and the indicated interest to join BAN Flanders. In the recruitment process we look at which investment activity the candidate wants to develop (amounts, number and frequency of planned investments, commitment to contribute knowledge, experience and time to the invested files).

*Evolution Members BA's 2004 - 2021*



Driven in part by the covid situation, many new and especially younger members joined the network. Due to the mainly online operation, such growth can be considered very exceptional, because it means that there is a pure influx of members who are not necessarily linked to already affiliated members. BAN Flanders welcomed a total of 52 new members in the course of 2021, which is about the highest growth rate since the foundation of BAN Flanders. In addition, 148 members also renewed their membership from 2020. In doing so, the retention rate from 2020 to 2021 is 82%. This is higher than in 2019 and is in line with the retention rate we saw in previous years. Consequently, the total membership increased by 10%.

*Composition members 2021*

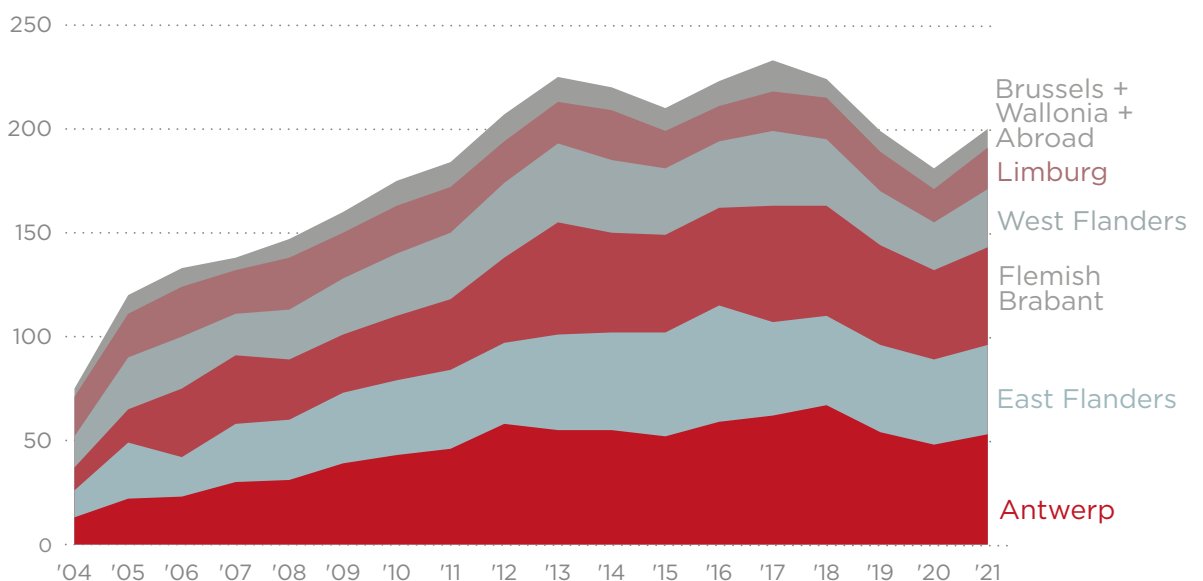


New memberships 2021: 52

Extended memberships 2021: 148

The geographical distribution of the members since the start of BAN Flanders in 2004 is outlined below. The above-mentioned growth in membership has manifested itself in all Flemish provinces, ranging from +5% in East Flanders to +25% in Limburg. As a result, BAN Flanders continues to gather a representative group of business angels throughout Flanders.

*Evolution of geographical spread of members*



## 2.2. THE EMPLOYEES

BAN Flanders received a historically high number of funding-seeking entrepreneurs in 2021 with 619 applications, of which 90 projects were presented to investors in the same year. In total, 1670 projects have been presented to investors within BAN Flanders since its inception via anonymous fiche, presentations at matching events and our portal (we took the Dealum portal into use in 2021 to capture and monitor inflow). It is still clear that the corona crisis is having a major impact on the financing of entrepreneurs, but we were able to bring the number of businesses pitched (compared to a significantly lower number of 74 in 2020) back to a level comparable to that before the health crisis. It should be noted that online pitching sets a certain limit on the number of files that can be presented to business angels due to a more limited attention span. An online pitch event at BAN Flanders has a maximum of 8 pitchers, where physical events can have up to 12.

*Evolution number of projects presented 2004 - 2021*



Evolution number of cases presented 2004-2021 The geographical distribution of the projects shows that we are still primarily a Flemish network, also in terms of cases presented. Almost 4 out of 5 of our entrepreneurs (78%) are from the Flemish region, supplemented by 12% from Brussels (including Flemish entrepreneurs). The 3% of Walloon entrepreneurs that we also pitch make us more than 90% Belgian in terms of offering. A few foreign dossiers from the surrounding countries (NL, FR and D) complete the offer. They indicate that the international scope of our network is also reflected in the appeal that foreign entrepreneurs want to make to our established network. A good case in point is the Rotterdam-based company ViaTim which, partly thanks to a capital round within BAN Flanders, was also able to enter the Belgian market and thus optimize parcel delivery in Belgium.

BAN Flanders expects to play an increasing role in the future as a connector between Flemish and other/foreign investors and entrepreneurs. Flemish entrepreneurs are increasingly asking us to help them realize their internationalization plans by seeking connections with investors in target regions abroad. Through our network within Business Angels Europe (BAE), EBAN and EuroQuity, among others, we are extremely well placed to fulfill this function. In the course of 2022, we will therefore proactively seek to play these channels even more actively.

An example of this working is the deal we realized in 2021 for the originally Belgian company AresCo Europe, which has production facilities in Italy and was financed through BAN Flanders by a syndicate of business angels in which we also brought on board an Italian investor from our relationships with BAE.

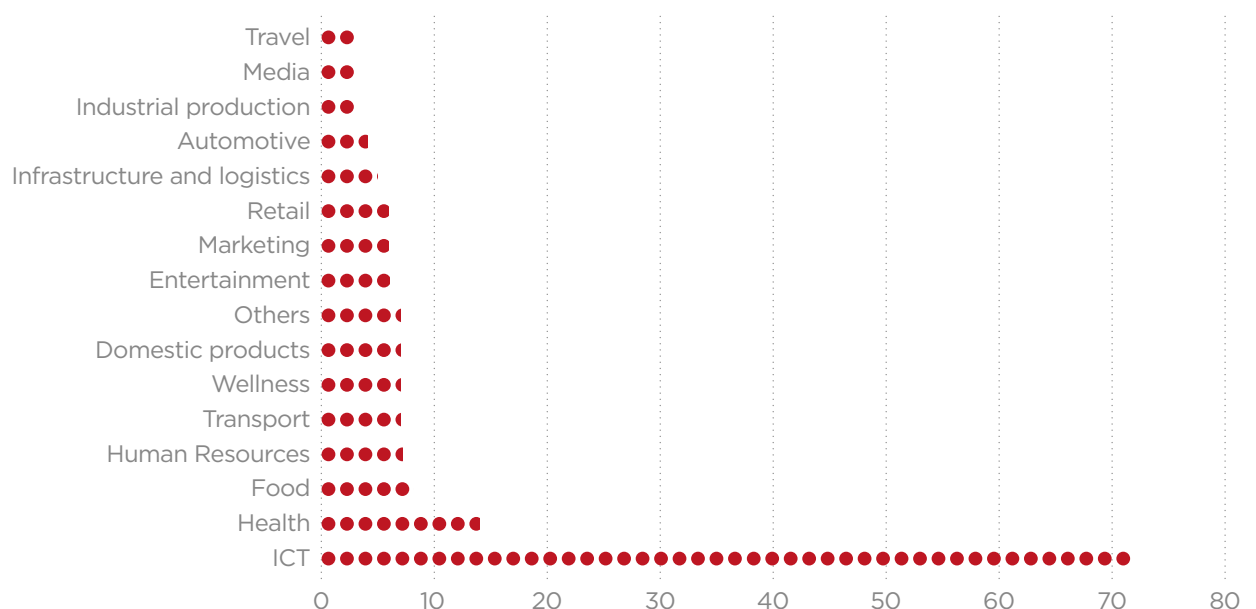
*Geographical spread of projects 2021*



Since 2021, when submitting their file, we have asked entrepreneurs to indicate the activities in which they are situated. In doing so, they can indicate several categories which, in addition to the type of dossiers in terms of sector and/or product, also indicate the market approach.

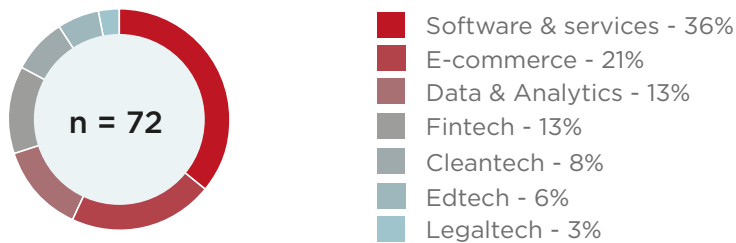
The overview below shows that many of the pitched companies contain an ICT link (72 out of 90), and that this can be expressed in many different sectors. The healthcare sector takes second place, at a respectable distance.

*Files presented in terms of activity*



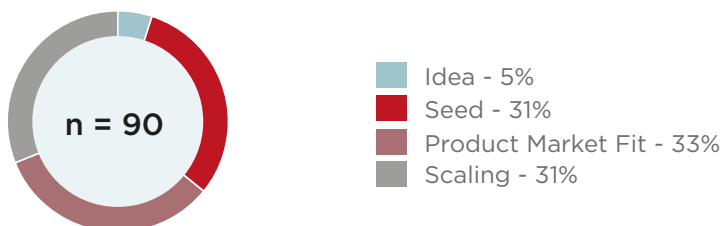
To get a better understanding of the large diverse group of files that indicated having an ICT link, more refined questioning by sub-sector gave subsequent breakdown within that group:

*Presented files ICT*



The graph below shows that the BAN Flanders network is particularly appealing to young companies. Almost 70% of the presented files are still before their scaling phase. More than 6 out of 10 files are in the Seed or Product Market Fit phase. This figure is clearly very stable over the years.

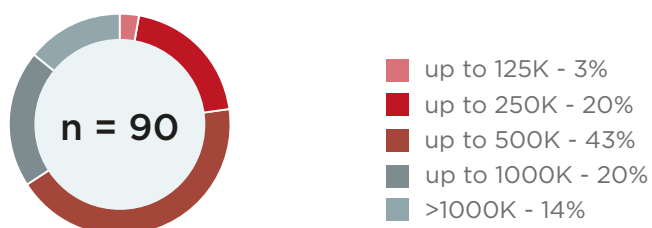
*Files per life stage 2021*



If we classify the files by the amount of financing sought, we see that two-thirds of the companies are seeking an amount up to EUR 500,000, which corresponds to the young nature of the applicant companies. With 14% of the files seeking more than EUR 1 million we see a substantial increase compared to last year's 4% in this category.

The average value of financing sought was EUR 610,000, which is considerably higher than in previous years.

*Capital seeking*



**Average amount sought in 2021: 610.000 EUR**

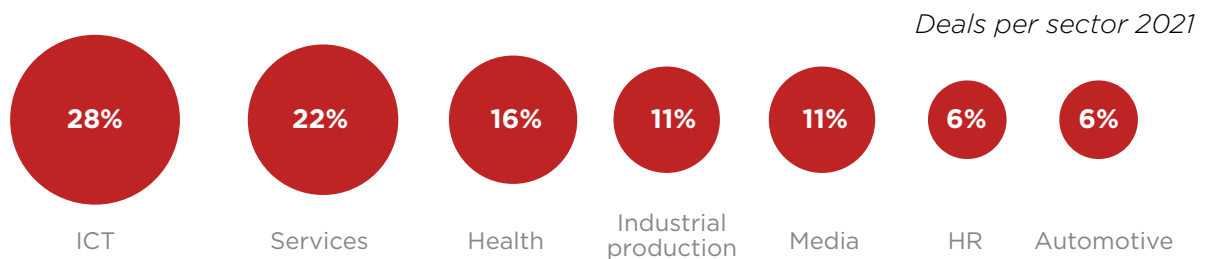


## 2.3. DE DEALS

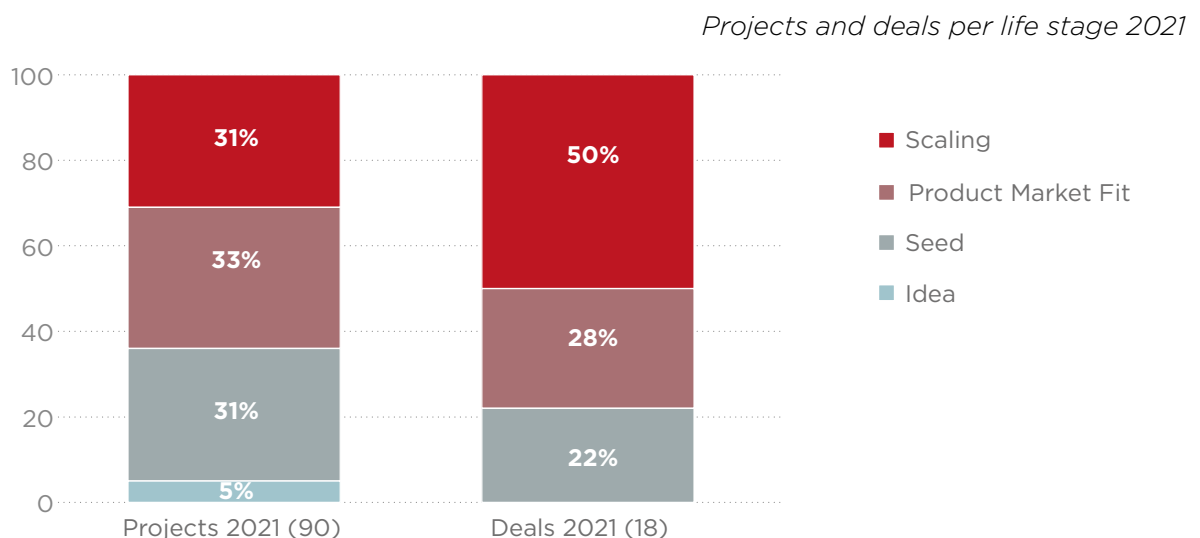
### 2.3.1. The nature of the files

In terms of deal realization, in 2021 we were able to close with 18 completed deals within the network. That number is lower than in the last 10 years, but undoubtedly the ongoing situation around corona will be part of the explanation. In addition, the successful fundraising for the new Angelwise fund may also play a decisive role, raising over EUR 9 million from more than 80 business angels in the autumn of 2021. (see separate section at the back). If we couple this with the higher amount per deal that was raised (see further under 2.3.2.), we can speak of an exceptional investment year by our members with an amount of around 12.5 million EUR.

The direct investment activities of the business angels were mainly directed (50% combined) towards ICT and service-oriented companies, with ICT again being the most invested sector with 28%. The healthcare sector is a strong third with 16%. Six deals in four other sectors complete the picture, which is also a picture of diversified investment activity from our members.

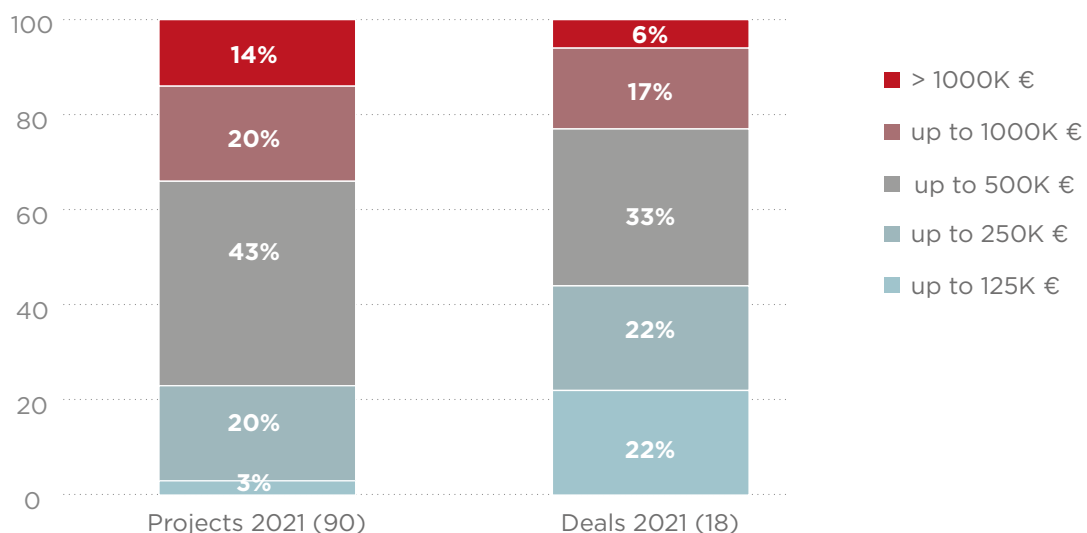


By life stage, it is mainly the scale-ups that were relatively in demand with 50% of the deals for 31% of the presented files. Since scale-ups are the major pacemakers of economic growth, and are therefore also very much in the focus of policymakers at the Flemish to European level, business angels show their willingness to take up the gauntlet in this segment. The remaining half of the investments in 2021 were divided approximately equally between files in the Product Market Fit and Seed phases.



In a breakdown of the realized deals according to the amount sought (amount the entrepreneurs report when contacting BAN Flanders), we see that there is a certain interest from our angels in all segments. The files with an amount wanted up to EUR 125.000 seem overrepresented in the deals, but this is partly due to deals resulting from projects that were already registered and presented in 2020. A more correct conclusion is probably that, after correction for this, there is a proportional representation between the various classes between the presented files versus the realized deals. Attention of course remains required for those files with a demand greater than EUR 1 million. These are potentially strong growing dossiers where we certainly want to play our role and where, in addition to individual angel investments, Angelwise can also provide efforts from now on.

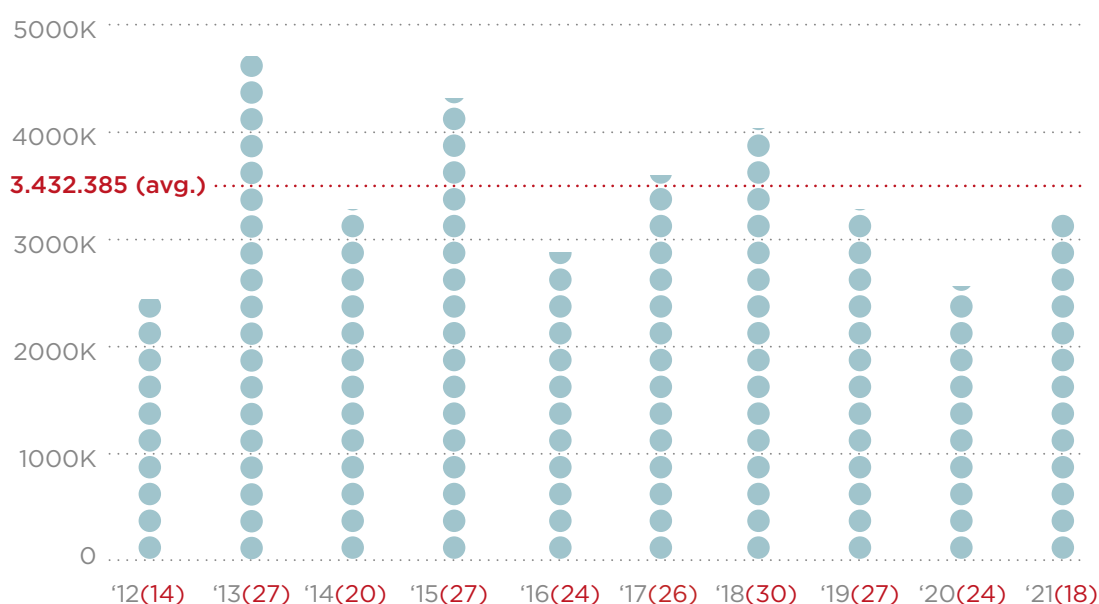
*Projects and deals per capital sought 2021*



### 2.3.2. The amounts invested

In the files financed by our members, an amount of more than EUR 3.2 million was contributed by them. The fact that this amount was raised despite the lower number of deals indicates that deals in the higher segment (up to EUR 1 million) are starting to weigh heavily, which de facto dispels the myth that business angels invest too limited amounts in companies to enable their smooth growth. The large amounts invested, together with the belief in a sizeable co-investment fund, are clear evidence of this.

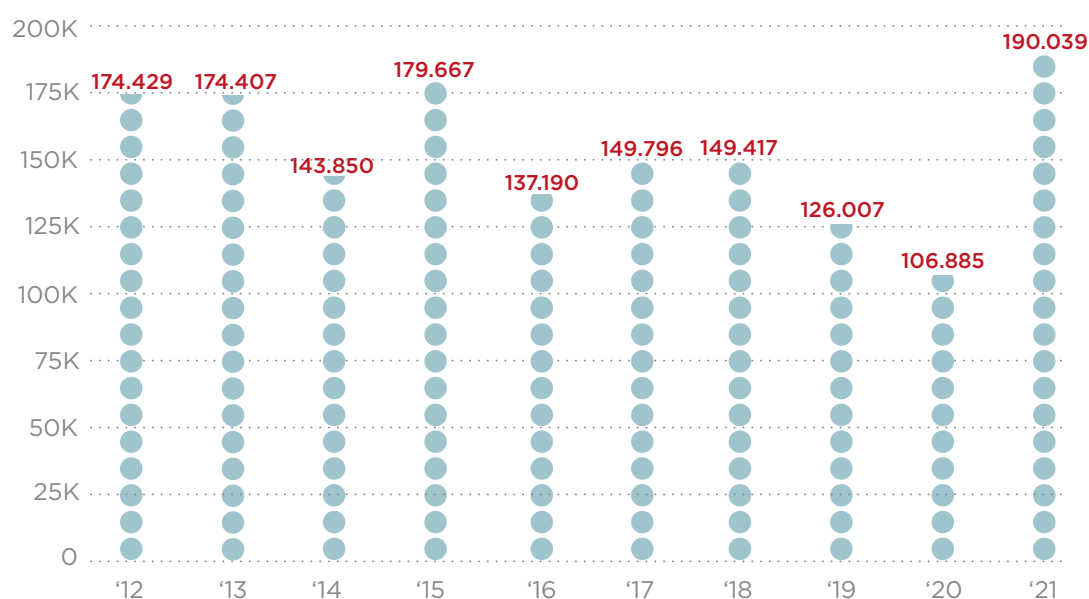
Total BA amount invested &amp; number of deals



The average deal (amount invested by the BAs per file) is therefore more than 25% higher than the multi-year average, at approximately EUR 190,000. This breaks a four-year trend of declining average amounts. The median value, at EUR 115,000, is also close to previous annual averages (in 2020: EUR 92,500).

The average “investment ticket”, i.e. the amount that indicates the individual investments of the angels, came to EUR 78,800 in 2021, again substantially higher than in previous years. There were a total of 41 investing angels in 2021, 8 of whom made their investment “stand alone”.

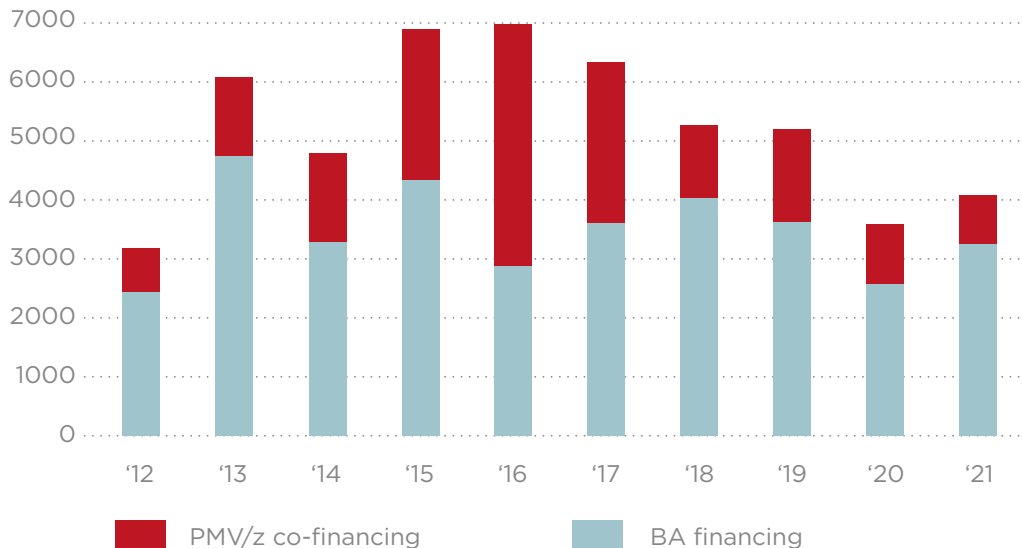
Average amount invested/deal



The investment deals that happened within the presented companies reached over the BAN Flanders existence period 2004-2021 a total level of over 103 million EUR in contributed venture capital investment spread over 377 files.

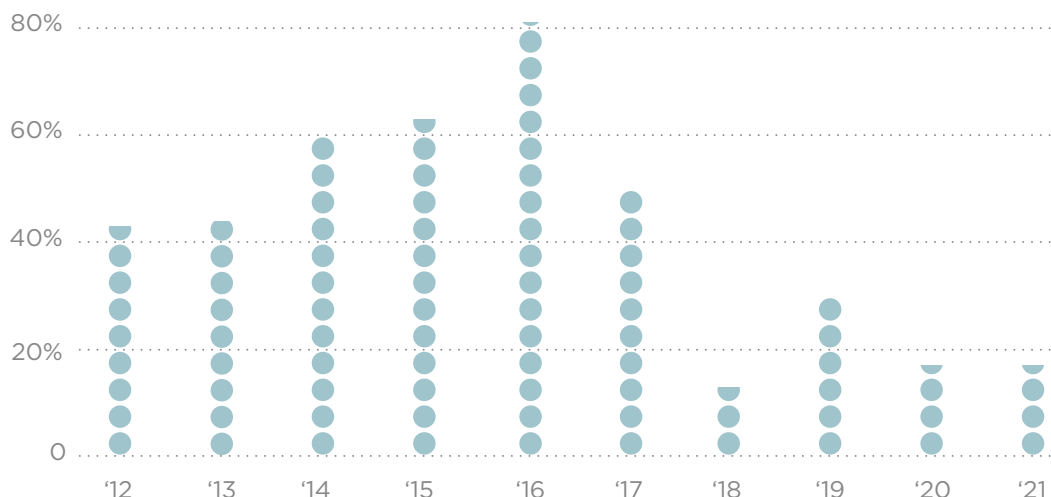
In 2021 business angels once again proved to be the driving force behind the growth financing we provide. Especially if we take into account their massive investments in the Angelwise fund (see below) that was closed in December 2021, they ensure - also for the future - their important role in this segment.

*Business angels and co-financing amounts*



For the second year in a row, it is notable that the Cofinancing through PMV/z was also difficult to obtain in 2021, probably also due to the coronal offerings that came and remained massively in the spotlight from 2020 onwards. Where in 2019 still 30% of the deals obtained a Cofinancing, this share remained also in 2021 at the level of 2020 (17%, being 3 in number), for a total amount of 845,000 EUR, being the lowest amount since 2012. BAN Flanders will therefore take up talks with PMV/z in 2022 to provide more support through Cofinancing for the strong belief of our angels in the realised deals. Now that the coronal loans are no longer influential, the number of Cofinancing deals alongside business angels needs to increase in order to provide an ideal funding mix for growth companies.

*Number of PMV/z Co-financings / all deals*



### 3. A MAJOR MILESTONE IN 2021: THE ESTABLISHMENT OF ANGELWISE.



Within this yearly overview of the activities of BAN Flanders in 2021, the fundraising and start-up of the third co-investment fund Angelwise, The Flanders Angels Fund, can certainly not be missed.

The autumn of 2021 was indeed characterized by an extensive fundraising within our network, in order to raise the capital of this closed fund. The target was a committed capital of at least 10 million EUR and an ambition of a maximum limit of 20 million EUR, to be reached via two closings, the first of which would take place on 17 December 2021 and would be followed by a second closing in the spring of 2022.

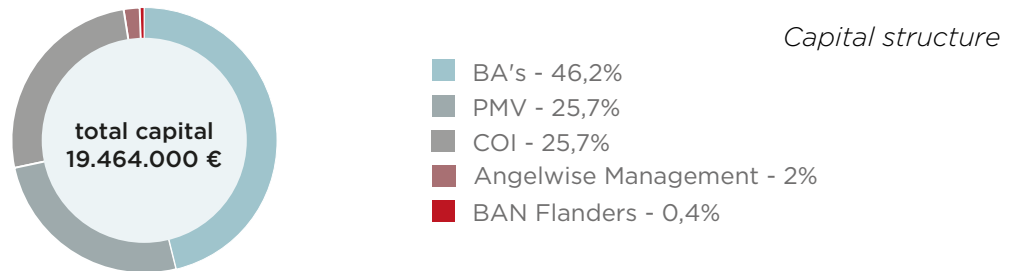
Fully within the contours of the legislation on private placements, members and guests were invited to a roadshow that stopped in respectively:

- Bruges on September 30, 2021
- Afsnee on October 5, 2021
- Deurne on October 7, 2021
- Genk on October 12, 2021
- Leuven on October 18, 2021

Here the goal, team and plan of Angelwise were presented and the attendees could receive an information memorandum. In addition, a number of individual interviews with candidate investors also took place.

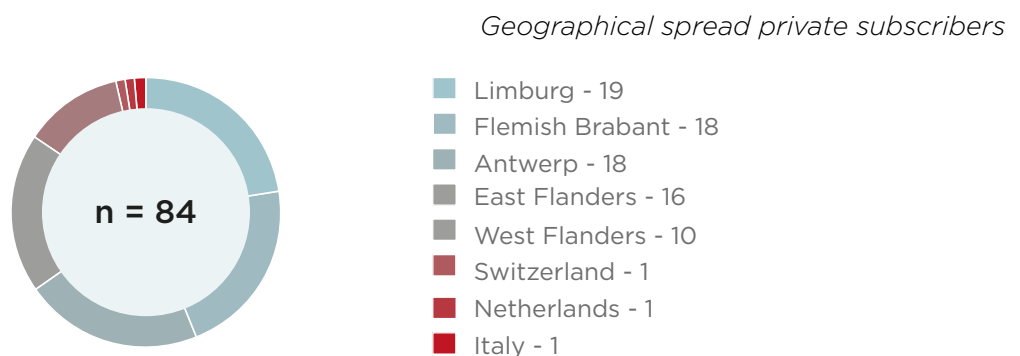
This whole exercise was concentrated within a very short time frame of 2 months. The fundraising closed on December 1 with an unprecedented amount of over 9 million EUR in commitments, in addition to the promised contributions of 5 million EUR each from the two cornerstone investors PMV and COI vzw. The parties involved in the management of the fund, Angelwise Beheer BV and BAN Vlaanderen vzw, also participate in the fund. In the first closing a starting capital of 19.464.000 EUR was immediately reached, which means that in the second closing in 2022 there will only be room for approximately 500.000 EUR of additional angel-commitments.

This gives following picture as current shareholder structure.

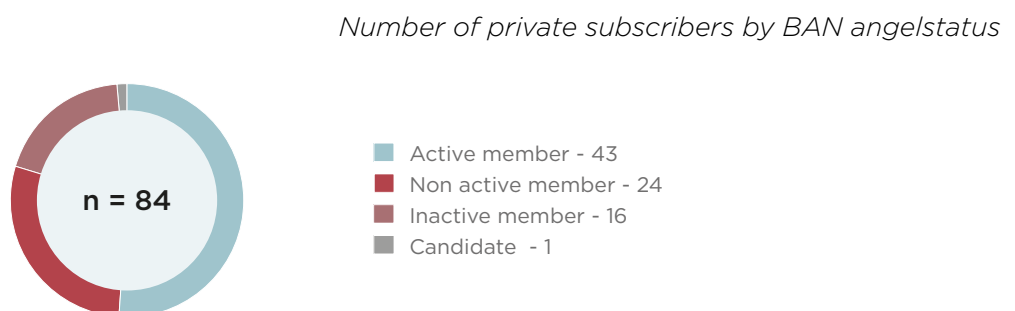


In the context of this annual report of BAN Flanders, it is interesting to zoom in on the contribution that the - no less than 84! - participating business angels are making.

Geographically, we see that angels from all regions of Flanders are equally enthusiastic to get involved. They are supplemented by some foreign investors.

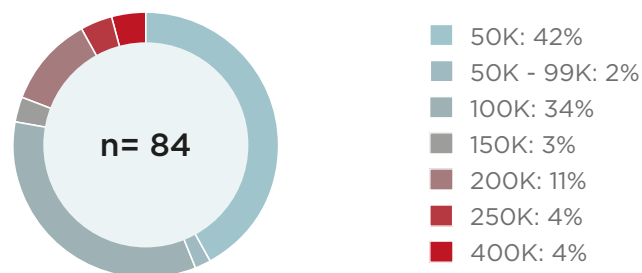


The investors in the fund are not only active business angel members of BAN Flanders. A professionally managed fund is also an ideal formula for many non-active individual investors (including ex-members, but also sympathizers of BAN Flanders who did not apply for membership) to co-invest in this segment, without experiencing the risk and time commitment that comes with being a business angel. The graph below shows the breakdown of investors according to their relationship with BAN Flanders.



The fund was set up as a private limited liability company under Belgian law, with the possibility of subscriptions starting at EUR 50,000<sup>1</sup>, followed by additional tickets per EUR 10,000. This threshold was adhered to by a large group of 35 investors, but a large group of 31 investors also subscribed up to EUR 100,000. 18 investors provided an even more substantial commitment, with outliers being 3 individual shareholders with EUR 400,000.

*Spread of ticket size private subscribers*



The investing business angels are represented within the fund structure at 2 levels:

- Within the Board of Directors of Angelwise with 2 mandates, with in addition BAN Flanders that presides through its managing director,
- Within the Investment Committee that was set up within the management company with 4 of the 6 voting members,

where the task now is to build up a portfolio of approximately 20 companies in the next 5 years (the “investment period”), in which follow-on investments and exits can be realized in the following 5 years of the fund’s duration (possibly extended by 2 years).

For the press release regarding the founding and further current information on Angelwise: [www.angelwise.be](http://www.angelwise.be)

<sup>1</sup> These amounts were 25% payable at incorporation on 17/12/2021, after which additional capital calls will follow at the pace of the investment activity

## 4. CONCLUSIONS

2021 was a particularly exciting year within the operations of BAN Flanders.

Exceptional external circumstances were respected by exceptional internal achievements and results. The second year in the corona- pandemic - with the resulting social constraints on our operation - was characterized within BAN Flanders by:

- an unprecedented increase in membership by more than 50 new members, which immediately led to a significant rejuvenation and feminization of our investor base,
- an unprecedented inflow of capital-seeking projects, with the inflow rising above 600 applications for the first time in the year,
- a substantial rebound in matching activities with 90 dossiers presented to business angels after careful screening and guidance; a number that is back at pre-Corona levels,
- a particularly large investment amount of around 22.5 million EUR injected, of which more than 12.5 million EUR was provided by no less than 125 of our business angels, spread over:
  - a substantial 9.4 million EUR by 84 angels in the new Angelwise, the Flanders Angels Fund, matched with an additional 10 million EUR from PMV and COI vzw,
  - more than 3.2 million EUR through 41 direct angel participations with an unprecedented average deal size of 190,000 EUR, for an average ticket size of 78,800 EUR per investing business angel.

With this, BAN Flanders did not only deliver a strong individual year in 2021, but unmistakably laid the foundations to continue playing in the following years as a prominent player in Flemish start-up and scale-up funding.

The challenges in fulfilling that mission lie, on the one hand, in better matching all the available co-financing opportunities to the driving force exuded by the angels and, on the other, in the external environment. We are particularly looking forward to seeing how investors and entrepreneurs, so soon after a two-year-long sanitary crisis, will deal with the current security and humanitarian challenges in Europe, which will also make themselves felt economically.

Fortunately, during the more than 20 years of our organization's existence, BAN Flanders' business angels have repeatedly shown that they dare to look beyond previous crises to the underlying opportunities...