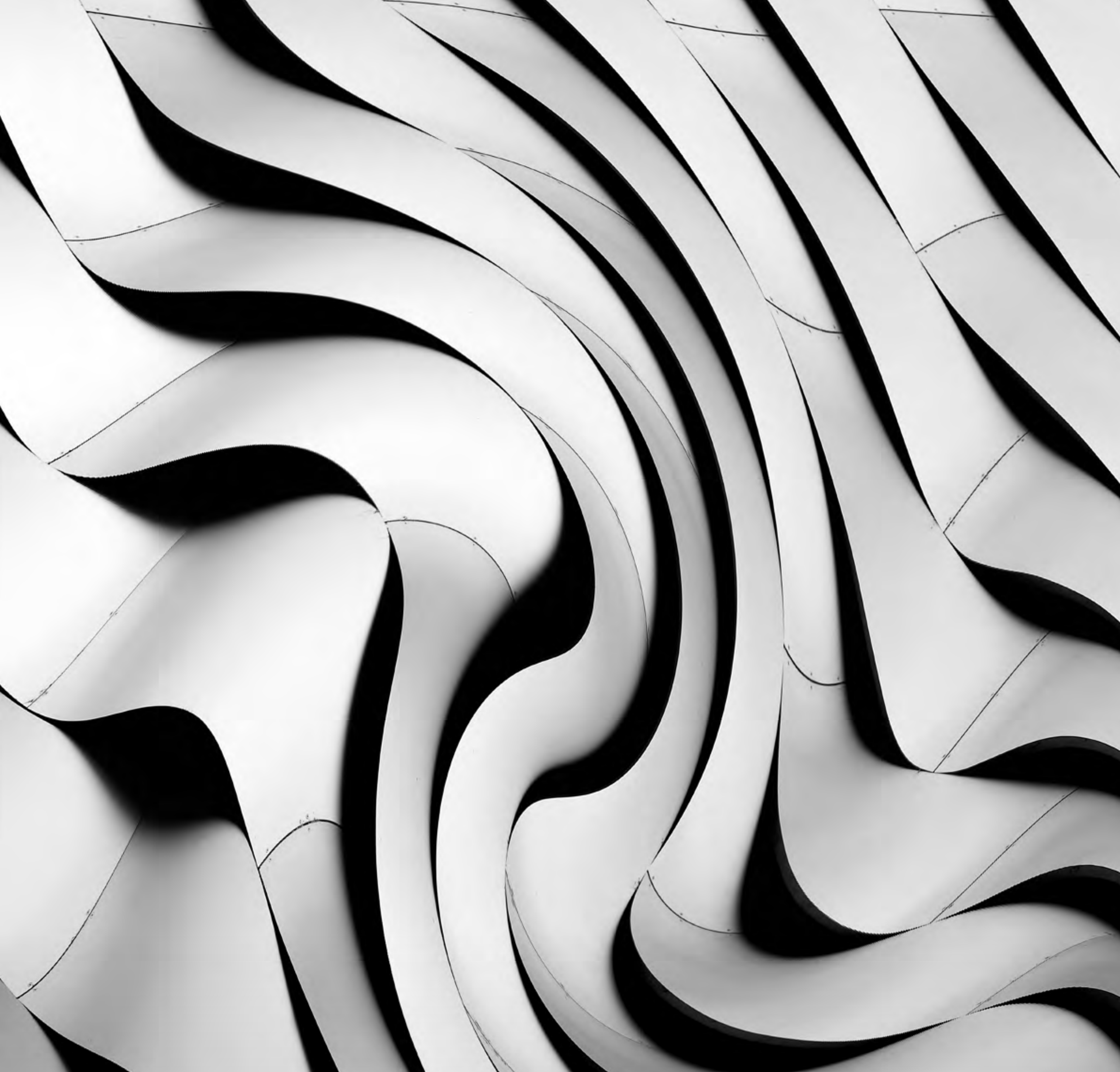


2025

BUSINESS ANGELS REPORT

INVESTING IN STARTUPS: ACTIVITY AND TRENDS

AEBAN

ASOCIACIÓN ESPAÑOLA BUSINESS ANGELS

MAY 2025
STUDY PUBLISHED BY:

ASOCIACIÓN ESPAÑOLA BUSINESS ANGELS

PREPARED BY THE BUSINESS ANGELS NETWORK TEAM OF
IESE BUSINESS SCHOOL – UNIVERSITY OF NAVARRA

INSTITUTIONAL PARTNER:

FINANCIAL PARTNER:

WITH THE COLLABORATION OF:

FOREWORD

At AEBAN, we present a new edition of the report on business angel activity in Spain, in the knowledge that, beyond the figures, this publication reflects the attitude of a community that, year after year, demonstrates its capacity for adaptation, its commitment to entrepreneurship, and its transformative culture.

2024 was not an easy year. Macroeconomic instability, geopolitical tensions, and the contraction of exit markets have tested the robustness of the investment ecosystem. We can see a very significant decrease compared to 2023 in both the investment volume and the number of transactions in early-stage startups, which is even more evident in non-institutional venture capital. This decline adds to that of the previous two years.

This report, however, reveals a certain optimism among business angels and highlights both their resilience and their ability to generate impact in key sectors for our economy, such as health, biotechnology, agri-food, enterprise software, and the aerospace sector. These are areas in which we invest not only capital, but also knowledge, guidance and networks. Because we know that opportunities multiply when we work together.

Co-investment, investment clubs and professional networks have become established as driving forces that make us stronger and more effective. And all this despite the tax disincentives that come with pooled investment in Spain. AEBAN has exposed this issue and continues to call for its correction.

We are also part of a community that learns, shares and embraces innovation. The progressive adoption of advanced analytical tools, the use of artificial intelligence, and the increasing rigour in portfolio management are professionalising our work as business angels, bringing it ever closer to the standards of professional funds while maintaining close relationships with entrepreneurs.

We do, however, acknowledge that a gender gap still persists. Female participation is growing steadily and positively, but there are still differences in the average size of investments and in the proportion of wealth allocated. For this reason, we encourage more and more women to become active members of this investment community.

The Board of Directors, representing all AEBAN members, would like to thank CaixaBank and ICEX-Invest in Spain for their continued support and contribution to the association.

For the preparation of this annual report, we have also had the sponsorship of HF Legal and SpainCap.

Marta Huidobro and René de Jong
AEBAN PRESIDENT AND VICE PRESIDENT

AEBAN

AEBAN is the Spanish Association of Business Angels Networks and other agents for private investment in early-stage companies. Established in November 2008 under Law 1/2002, AEBAN's mission is to promote the activity of investment groups, networks, clubs and other related players who carry out early-stage private investment activities, such as family offices, investment companies and funds, accelerators, incubators and venture builders, equity crowdfunding platforms, and companies involved in corporate venturing activities. As of 31 December 2024, AEBAN had 30 members, representing approximately 2,000 investors and based in 10 different autonomous communities, although several of its members have a national presence.

AEBAN's objectives are as follows:

- To bring together all the networks of private investors and other actors engaged in early-stage private investment activities.
- To serve as a forum for the exchange of information, experiences and projects among members and with public authorities, educational institutions, and any other organisations or institutions interested in the objectives of the association.
- To promote debate about specific issues affecting private investors.
- To act as an intermediary with public and private institutions, and specifically with public authorities, in relation to the promotion of early-stage investment activity.
- To encourage learning and the constant updating of knowledge among the members of the association.
- To identify, promote and share best practices in business development and investment processes.
- To promote regular surveys about the private investment market.
- To disseminate information about the sector.

EXECUTIVE SUMMARY

Business angels are private equity investors who play a crucial role in the entrepreneurial ecosystem by providing capital, strategic and operational expertise, and access to networks of contacts. Their investment activity focuses on startups with high growth potential, especially in early stages such as pre-seed, seed or startup. They invest with a medium- to long-term time horizon, typically from €5,000 to €3 million, depending on the geographical market.

This type of financing is positioned between initial contributions from founders, family and friends, and the entry of institutional venture capital. In addition to financial capital, they provide advice on business strategy and transactions, commercial contacts, and support both in securing additional funding and in exit processes. They represent a source of "patient capital", recognising that value creation in emerging companies requires a considerable amount of time.

In 2024, business angels faced an uncertain macroeconomic environment, marked by the lingering effects of the previous years' venture capital sector crisis (inflationary pressures, high interest rates, limited exit markets, longer periods between funding rounds, geopolitical uncertainty, etc.). Even so, the interest rate cuts in Europe since mid-year enabled a degree of recovery in investor activity and valuations, although the improvement was not sufficient to reduce investor reluctance, resulting in a moderate decline in activity.

The European market suffered a slight decline of 8% in the volume of venture capital raised by start-ups, with an estimated reduction of 16% in the number of transactions. Fortunately, Spain showed greater resilience than other European countries. Institutional venture capital grew slightly (3%), driven by rounds in more advanced investment stages exceeding €10 million. However, investment in early stages (pre-seed and seed) underwent significant contractions, demonstrating problems for early-stage ventures.

Investors became more selective and focused their efforts and resources on projects with solid track records and demonstrable profitability, operating primarily through follow-on rounds rather than new investments.

According to this survey, business angels invested an average of €95,525 in Spanish startups in 2024, with a median of €20,000. The most attractive sectors were health technologies (with 37% of respondents investing in this sector), followed by food/agriculture (23%) and enterprise software (20%). Co-investment continued to consolidate itself as a common practice, facilitating risk diversification, access to more attractive opportunities, and the execution of transactions whose size would not be possible without such collaboration or syndication. More than 80% of surveyed investors report having co-invested with other business angels or venture capital funds, or having participated in transactions with investment groups or clubs.

Business angels identify the lack of information (metrics), reliable reports, and the time required to manage their portfolios as the most common problems in the course of their activity.

In their relationship with startups after investing, they place particular value on their role as financial partners without participating in management, but rather as mentors or facilitators of contacts.

A recovery of the venture capital investment cycle is expected in 2025, driven primarily by lower interest rates, the availability of committed capital for investment, and the gradual improvement of exit markets. However, access to initial funding will remain a critical challenge for startups in the early stages of development.

The report highlights the implementation and key role of business angels at these investment stages, emphasising their ability to adapt to an increasingly complex techno-economic environment through greater professionalisation of investment and portfolio management processes, the normalisation of syndication and co-investment mechanisms, and the gradual increase in sectoral specialisation.

Nevertheless, the challenge of ensuring an adequate flow of capital towards ventures in the early stages of development persists within the investment ecosystem, as does a high degree of geopolitical uncertainty, particularly concerning the possible effects of restrictive global trade policies on eurozone economies.

THE ROLE OF BUSINESS ANGELS

Business angels not only represent a significant source of entrepreneurial capital for emerging companies across various regions in Spain, but also play a key role in the development of the companies in which they invest. In addition to providing financial resources, they contribute strategic and operational knowledge, business experience, and valuable social capital that generates high added value.

Private investors are typically individuals with the financial means to invest, usually entrepreneurs, former business owners, executives or specialised professionals. Their activity focuses on making capital investments in emerging companies with high growth potential, whether in the early stages, such as the seed or start-up phase, or in young companies that are undergoing initial expansion processes.

Investing in startups is a complex activity that requires advanced knowledge and sophisticated skills. In this context, a business angel is perceived as an experienced investor, capable of understanding the inherent risks associated with investments in early-stage companies and with a previous track record that supports their expertise in these types of transactions.

As qualified investors, business angels carry out investment activity personally. This means that they design and make their own investment decisions autonomously, investing their own capital in sectors of activity or technological areas with which they are deeply familiar and in which they possess relevant experience. The fact that they enjoy financial independence is particularly significant, as even the total loss of their portfolio of investments in startups would not necessarily entail a drastic change in their overall financial situation.

WHEN AND HOW MUCH THEY INVEST

Business angels are characterised by investing with a medium- to long-term perspective; by co-investing with other sources of capital, such as other business angels, venture capital funds specialising in early-stage development, or public venture capital, and by potentially participating in multiple funding rounds. In the past two decades, they have gained recognition as one of the most relevant sources of entrepreneurial financing for companies in the early stages of development.

In the European context, their investment activity is generally concentrated in a range of from €5,000 to €3 million, varying according to the geographical area and the level of development of the respective private equity market. This investment segment is positioned between initial contributions from family, friends, individual business angels, accelerators, incubators or crowdfunding platforms, and the entry of institutional venture capital investors, also known as "professional" venture capital. This intermediate position enables them to play a crucial role within the startup financing ecosystem, bridging the gap between the earliest stages and the more advanced phases of development.

Like institutional venture capital, private investors build investment portfolios based on their own time horizons. This enables them to diversify their financial exposure risk, as a very high percentage of investee companies will not manage to survive the valley of death, while they hope that one or two will generate sufficient returns to cover the losses of the rest of their portfolio.

In the European context, business angel activity is generally concentrated in a segment ranging from €5,000 to €3 million, varying according to the geographical area and the level of development of the market in question

WHAT DO THEY CONTRIBUTE?

Added value

Business angels not only provide capital, but also deliver significant added value to the companies in which they invest. Their participation may take various forms, such as acting as an individual investor or co-investor, or through groups of private investors that are more or less formalised. In addition, they often take on crucial roles in the investee companies, whether as informal advisers close to the founders, non-executive members on advisory boards, or members of boards of directors.

Smart capital

Their support, known as "smart capital", continues from the moment of investment through to divestment, covering aspects such as securing additional financing, strategic guidance and business monitoring, access to contacts with clients, strategic partners or potential investors, support in exit processes, sourcing and recruiting talent, operational advice and the establishment of strategic alliances and acquisitions.

Patient capital

They represent a source of "patient capital", recognising that the process of value creation and growth in an emerging company requires a considerable amount of time. For a startup, this combination of funding, experience, expertise and contacts becomes a key factor in the success of the entrepreneurial process. It is precisely this combination of elements, beyond the mere contribution of capital, that motivates many entrepreneurs to actively seek funding from business angels.

> **For a startup, the combination of funding, experience, knowledge and contacts provided by business angels becomes a key factor for the success of the entrepreneurial process**

THE ROLE OF NETWORKS, GROUPS AND CLUBS OF PRIVATE INVESTORS

A very significant proportion of the opportunity flow in business angel investment activity is channelled through **networks, groups and clubs of private investors,** key structures not only for facilitating meetings between entrepreneurs and investors, but also for advancing professionalisation and fostering greater territorial impact.

Business angel networks operate independently and their main function is to connect, without intervening in investment decisions. They offer high value-added services: visibility, access to projects, training, investment forums, and community building.

Private investor groups and clubs, often linked to these networks, enhance the process through co-investment, shared analysis, deal flow selection, and the joint monitoring of transactions. Acting collaboratively enables the sharing of experience, reduces risks, and improves decision-making.

These structures also have a significant geographical impact. In contrast to the concentration of institutional venture capital, which is more closely linked to major hubs, networks and clubs make it possible to extend investment activity to different regions, thereby increasing the reach of the ecosystem.

In addition, they foster greater sectoral diversity. Business angels, especially when acting in groups, also invest in sectors that are not technology-intensive or that have local potential, and invest in both early and expansion stages.

Through networks, groups and clubs, business angels diversify their portfolios and access more attractive opportunities, combining autonomy with collaboration and professionalisation.

BUSINESS ANGELS AND THE ENTREPRENEURIAL ECOSYSTEM

Although institutional venture capital funds often capture the attention of public authorities and the media, the investment activity of business angels in seed or initial funding is gaining increasing importance in the economy of many countries. In some places, such as the United States and some European countries, it has become the most important source for this type of funding.

Evolution of the entrepreneurial ecosystem in Spain

In the past two decades, the Spanish startup ecosystem has enjoyed extraordinary progress thanks to various factors that directly or indirectly influence its potential and development. Among these factors, a particular mention should be made of the tangible increase in entrepreneurial intensity, the development of a critical mass of agents operating within the ecosystem, the assimilation of a culture that is more conducive to innovative entrepreneurial initiative, the emergence of entrepreneurial leadership, the growing availability of both public and private funding for entrepreneurial ventures, the creation and expansion of networks connecting entrepreneurs, investors and service providers (mentors, advisers, accelerators, incubators, financial institutions, public bodies, etc.), the availability of human capital (talent) for the entrepreneurial process, the availability of specialised professional services for early-stage companies (legal, tax, etc.), the increasing collaboration between SMEs, large companies and startups in open innovation processes, the promotion of events, forums and opportunities for interaction among ecosystem agents, the existence of a university system and capabilities to generate high-quality knowledge, the presence of public policies at national, regional and local levels supporting the ecosystem, and greater public-private collaboration in support of innovative entrepreneurial initiative.

A developed, competitive and consolidated ecosystem is essential for the success of angel investment. Entrepreneurial initiative and private investment do not operate in a vacuum; they thrive only in an environment where multiple agents fulfil their roles and interact effectively. Although the state may intervene to ensure an appropriate regulatory and financial framework or to correct market failures, the main actors are the private investors themselves. Investors and entrepreneurs therefore interact within a broad, diverse and complex ecosystem that includes universities and science parks, centres dedicated to entrepreneurship, innovation and research, accelerators, incubators and other non-institutional investors, private and public venture capital funds, public authorities and both public and private providers of specialised services for startups. The interaction between all these agents is crucial for investment and entrepreneurial activity to be possible and effective.

Entrepreneurial initiative and private investment do not operate in a vacuum; they thrive only in an environment where multiple agents fulfil their roles and interact effectively

BUSINESS ANGELS AND THE VENTURE CAPITAL SECTOR IN 2024

This is an overview of venture capital in 2024, which is characterised by its resilience, concentration, and new dynamics. In this section, we will analyse various data sources, such as Pitchbook[1], Crunchbase[2], and Dealroom[3] for Europe and the United States; Invest Europe[4] and Atomico[5] for Europe; and SpainCap[6], Startups Observatory[7], and Spanish Startup Ecosystem Observatory[8] for Spain, to determine the outlook for venture capital in 2024. You can find detailed information in the annex.

In 2024, the adjustment phase in the venture capital market continued, which began after the historic investment levels recorded between 2020 and 2022. Macroeconomic uncertainty, the persistence of geopolitical tensions, inflation that is contained but still present, and limited liquidity in exit markets have created a demanding environment in which both institutional and non-institutional venture capital have adopted more selective positions, prioritising capital efficiency, demonstrated scalability, and exit viability.

Despite this scenario, the investment ecosystem has shown signs of recovery and reconfiguration. Capital continues to flow, but it does so in a more structured and rational manner. In this new cycle, defined by caution, **Spain has managed to maintain a prominent position in Europe**, consolidating its appeal as a destination for investment in startups, especially in their growth stages.

GLOBAL TRENDS: EFFICIENCY, CAUTION AND SECTORAL FOCUS

At the international level, the sources consulted —**Pitchbook, Crunchbase, Dealroom, Atomico, Invest Europe, SpainCap, Startups Observatory and the Spanish Startup Ecosystem Observatory**— agree when describing an investment environment in a phase of stabilisation. In Europe, the total volume invested fell slightly (-4% according to Atomico) and the number of transactions declined by 16% (Pitchbook). This reduction is explained by a greater concentration of capital in fewer transactions, particularly at more advanced stages (venture growth), where startups exhibit more robust metrics and consolidated trajectories.

Rounds at early stages (pre-seed, seed, and series A) were more severely affected, with declines in both volume and number of transactions, and an increase in the intervals between rounds, reaching an average of 1.5 years. The prevailing logic has been "fewer but better", with investors prioritising resilient startups with financial discipline and validated models.

In the United States, Pitchbook data show a 29% recovery in investment volume and a 4% recovery in the number of transactions. Nevertheless, this recovery was mainly driven by large rounds led by companies in the artificial intelligence sector. 62% of venture capital invested in the US The US and Canada directed their attention to this sector, which demonstrates a clear shift in the priority landscape. Investment in early stages also remained stable, but investor focus shifted towards projects with greater maturity and potential for scaling.

SPAIN: STRUCTURAL STABILITY AND FOCUS ON GROWTH

In contrast to other geographies, **the Spanish ecosystem has shown greater stability**, which appears to mark a turning point towards a stage of structural maturity. According to Atomico, Spain ended 2024 with a venture capital activity volume of close to €1.437 billion, once again surpassing Italy and Portugal, and positioning itself as the most dynamic country in Southern Europe.

SpainCap data indicate that institutional venture capital and private equity reached €925 million (+3% year-on-year) through 575 transactions. The increase in funding rounds exceeding €10 million in more mature start-ups (series B and C) drove the sector's recovery in 2024, with international funds playing a key role.

In parallel, investment in early stages (up to €10 million) declined, reflecting a preference for larger and lower-risk transactions. Rounds of up to €5 million fell by 6% in number and by 15% in volume, while those between €5 and €10 million decreased by 35% and 33%, respectively.

According to **Startup Ecosystem**, the total volume of investment in Spanish startups reached €2.41 billion, almost double that of 2023, making it the second highest figure of the past decade, after the peak in 2021 and slightly above 2022. The most attractive sectors were fintech, digital health, mobility, travel technologies and energy.

Nevertheless, there remains a high concentration of capital in larger transactions, especially in expansion phases (series B and C). Rounds below €5 million—where non-institutional investors typically operate—showed significant declines, both in number and in volume.

NON-INSTITUTIONAL VENTURE CAPITAL: ADJUSTMENT AND CONCENTRATION

Non-institutional capital, which comprises business angels, investment networks, clubs, family offices, accelerators, venture builders, crowdfunding, and other unregulated vehicles, was also affected by the new market dynamics. In Europe, Pitchbook data show an 11% decline in volume and a 23% decline in transactions. In Spain, the contraction was more pronounced: a 65% decrease in investment volume and a 51% decrease in the number of transactions.

According to the **Startup Ecosystem Observatory**, non-institutional investment in Spain fell by 18%, with a particularly marked impact on segments between €500,000 and €5 million. By contrast, smaller transactions (up to €500,000) grew by 17%, which suggests that individual investors have sought to maintain activity with smaller ticket sizes. Transactions between €1 million and €5 million fell by 33%, while those between €500,000 and €1 million dropped by 56%, confirming the fragility of this critical segment for the creation and consolidation of startups.

Data from Dealroom.co indicate that the activity of business angels and angel investment funds in Spain declined by 12% in 2024, with a 32% drop in pre-seed investment and a slight 5% decrease in seed capital.

Data from Dealroom.co indicate that business angel and angel investor fund activity in Spain fell by 12% in 2024

CONCLUSION: EFFICIENCY AND PROFESSIONALISATION IN A MORE MATURE MARKET

The results of 2024 confirm the transformation of the venture capital market towards a more professional, analytical and sector-focused approach. Liquidity remains available, but it is allocated more strategically. Investment in later stages remains robust, but the gap in early stages is widening, elevating the role of non-institutional investors as key players in sustaining the entrepreneurial ecosystem.

Spain stands out due to its resilience, regional appeal, and growing investment sophistication, although it needs to strengthen financing mechanisms in the most vulnerable stages of the cycle.

For detailed information on the data, charts and sources used, we recommend you consult the APPENDIX of the report.

2024, A YEAR OF RESILIENCE, SELECTIVITY AND RATIONALISATION OF ACTIVITY

In 2024, unfavourable macroeconomic conditions for investment—such as the evolution of interest rates, inflationary trends, geopolitical tensions, and the high level of uncertainty regarding economic activity—which have impacted the development and structural changes in the venture capital sector since mid-2022 (uncertain valuations, a weak exit environment, longer periods between rounds, the poor performance of some portfolios, problems in raising funds, etc.), became entrenched and continued to negatively affect both the decisions and confidence of venture capital investors throughout the year. The limited opportunities in exit markets continued to create liquidity problems throughout the entire venture capital value chain, impacting both existing and new investments. Given the limited options for obtaining significant returns from the best investments in their portfolios, many investors opted to prioritise supporting their portfolio companies, especially due to the extension of the periods between funding rounds or until exit. They also continued to adopt a cautious and highly selective approach to new investments.

The venture capital ecosystem continued to navigate these consequences throughout the year. However, in mid-2024, the European Central Bank (ECB) began to reduce interest rates due to falling inflation and a poor economic outlook in the eurozone. This change marked the beginning of a recovery in the sector, facilitating access to capital and energising activity during the second half of the year.

Nevertheless, in a context characterised by fluctuating interest rates and limited exit markets persisting from previous years, investors continued to adjust their risk-return positions towards lower-risk assets. In the field of venture capital, this resulted in a more cautious and selective strategy by investors, who continued to prioritise profitability over accelerated growth. As a result, many startups and portfolio companies continued to face significant difficulties in securing funding in 2024. According to the survey conducted by the European Investment Fund (EIF) among a broad sample of venture capital fund managers in Europe, 26% of professionals surveyed noticed a deterioration in their portfolio companies' access to additional external financing compared to the previous year. This percentage is similar to that recorded in 2023, which marked a historic high with 29% of managers reporting this issue. Furthermore, one in two managers considered this challenge to be among the three main challenges currently faced by portfolio companies, with this perception remaining unchanged from the previous year[9]. From another perspective, the State of European Tech Survey 2024, which analyses founders' perceptions of the evolution of the European entrepreneurial ecosystem, reveals that more than 45% of entrepreneurs believe that the conditions for accessing additional funding have deteriorated since the establishment of their companies. In contrast, almost 35% believe that these conditions have improved[10].

In the current entrepreneurial funding ecosystem, startups face increasingly stringent selection criteria to access capital and ensure their survival. Investors no longer prioritise solely the quality of the business idea or the composition of a winning team, but demand concrete evidence of adaptability to a more selective funding environment. Following the abrupt adjustment of the investment cycle that began in 2022, venture capital investors have focused their portfolio management on four fundamental strategic pillars, which can be summarised as follows: firstly, monitoring the sources of risk for each investee company at all times; secondly, prioritising the efficient use of financial resources in projects; thirdly, seeking profitability from the outset rather than pursuing aggressive growth strategies and/or the raising of additional capital; and fourthly, being highly selective in follow-on investments. With regard to new investments, investors have focused on projects with more robust track records, which has contributed to an increase in average valuations and greater rationalisation in the market, where only startups offering the greatest potential for return succeed in attracting capital. In this context, the startups that have managed to benefit are those with demonstrable traction in key metrics, validated strategic roadmaps (short to medium term), and a proven ability to raise capital in restrictive environments. The activity data throughout the year support this trend, showing greater resilience of professional venture capital in the advanced stages of investment, such as series D and beyond and the growth stage, where a high concentration of capital can be observed.

Overall, however, the level of venture capital activity in Europe has experienced less severe declines than during the 2021-2023 period.

The Spanish sector has shown, as in 2023, greater resilience than other European countries, establishing itself as a highly attractive market for international investment. Spain ranks seventh among 30 European countries by volume of professional venture capital invested in startups, according to the aforementioned 2024 State of European Tech Survey[11]. Similarly, in 2024, European fund managers ranked the Spanish market as the fourth most attractive for venture capital investment over the next 12 months, behind Germany, the United Kingdom and France[12]. The strong performance of the Spanish economy has had a positive impact on the confidence of both local and international investors, especially from the second half of the year onwards, when increased activity was observed in response to interest rate cuts. Institutional venture capital maintained its course and grew slightly compared to the figures achieved in 2023. According to SpainCap's estimates for 2024, pending the final figures for the year, investment activity was particularly strong in later-stage transactions (late stage) exceeding €10 million (series B, C), which contributed to the sector ending the year with the third highest level of activity on record, following the exceptional highs of 2021 and 2022.

In contrast, according to the sources analysed, overall venture capital investment in startups at the earliest stages (pre-seed, seed or early stage up to series A rounds below €5 million) suffered significant contractions in both Europe and Spain, resulting in a (further) reduction of funding at these stages within the European ecosystem. At the European level, the decline in institutional venture capital within these segments ranged from 17% to 23% less than in 2023, and was more pronounced in Spain, with reductions of between 26% and 73%, depending on the international and local sources consulted[13]. Within non-institutional or "informal" venture capital, the figures show a 20% decline in Europe (including individual business angels, groups of private investors, incubators and accelerators). In Spain, depending on the type of "informal" investor included, invested capital decreased by 21% (including business angels and other related operators such as accelerators, incubators, crowdfunding, venture builders, family offices, etc.), 33% (including only business angels and business angel networks)[14], and 43% (including individual business angels, groups of private investors and accelerators/incubators)[15]. Globally, only 9% of total venture capital in Europe was invested in these early stages, which is two points lower than the previous year and two points below the average recorded between 2014 and 2024. In Spain, this proportion fell by more than 10 percentage points between 2023 and 2024, which is five points below the average of the past 10 years. This has resulted in a substantial decrease in average ticket sizes for initial investments, which has made not only financing itself more difficult, but has also hampered the launch of many promising entrepreneurial projects.

In summary, after two years of significant adjustment in the investment cycle, venture capital activity in 2024 underwent a transition towards greater stability and rationalisation, and a more selective search for opportunities that has enabled a gradual recovery in investment activity.

The United States has leveraged its AI ecosystem to drive growth in financing through large, highly concentrated transactions. Europe has dealt with a sectoral rebalancing, with particular emphasis on the health sector and on corporate alliances. Spain has significantly capitalised on the return of foreign capital, driving a new phase of development in its entrepreneurial ecosystem. The Spanish ecosystem ended 2024 with an increase in the year-on-year volume of venture capital invested in startups, after two consecutive years of decline, driven mainly by the return of foreign investors.

However, the recovery was mainly concentrated in later funding stages and in mega rounds, which accounted for more than half of the total capital invested, and fewer transactions were executed compared to the previous year. Consequently, the average size of investment rounds increased considerably. In contrast, investors invested less and applied stricter criteria in the earliest stages (pre-seed and seed), which exacerbated the difficulties faced by many startups at these stages of development in accessing initial funding. This investment pattern was quite similar in both the European and Spanish contexts, albeit with differing results. Activity figures in the Spanish ecosystem show a better performance than the European ecosystem, especially in later-stage investment rounds exceeding €15 million (growth stage), but performance was lower in early-stage investments. Nevertheless, maintaining an adequate flow of capital in the early stages of the entrepreneurial cycle (pre-seed, seed, startup), where the role of business angels and other non-institutional investors is fundamental, remains a common challenge for both markets, requiring a collaborative approach between governments, the university system and private stakeholders.

For 2025, various factors are anticipated that could help revitalise the entire venture capital cycle; firstly, the improvement of macroeconomic conditions, particularly the reduction in interest rates; secondly, the considerable volume of committed capital pending investment in the sector (dry powder); and thirdly, the gradual reactivation of exit markets. These elements, taken together, point towards a possible recovery of the venture capital ecosystem over the next 12 months. However, the pace and scope of this recovery will depend on how investors interpret these improvements and adjust their investment theses in a context of significant geopolitical uncertainty, particularly regarding the potential medium-term effects that the Trump administration's aggressive trade and tariff policy could have on European economies and funding markets.

THE AEBAN SURVEY

The investment activity of business angels can differ greatly between various regions within the same country, which is a key factor to take into account when attempting to measure such activity or design public policies. Consequently, it is not possible to speak of a homogeneous angel investment market if a country is taken as the geographic unit of analysis, given the predominantly local nature of this type of investment.

Since the early 2000s, the implementation of private investor networks and the emergence of a growing number of business angel groups have contributed significantly to the formalisation and professionalisation of these markets in Spain. However, obtaining market information (data on the activity of the actors in it) continues to be a challenge. The available data represent a small fraction of the so-called “visible” angel investment market (networks of private investors, angel groups, “super angels” and identified individual investors). This is because a significant portion of this activity is personal and private in nature, which greatly hinders its measurement (the "invisible" fraction of the market).

AEBAN monitors the profile of business angels through an annual survey in order to identify changes associated with the evolution of investment activity and patterns, the personal organisation of activity, and the entry of new agents into the market. The survey covers 20 selected variables related to angel investment, including the profile of the investors surveyed, the nature and size of the investments made, the basic elements of the investment process and portfolio management, plus perception data on investment criteria, the main challenges of investment activity, investment intention, and future expectations.

AEBAN does not specify criteria or conditions that rigidly define the activity of private investors or business angels. Therefore, no specific requirements are established to validate the profile of the respondents to the survey, who respond in their capacity as members of the private investor networks affiliated with the association. For example, the activity of investors who have acquired equity in a company with which they have no family ties is recorded, as well as those who may have such ties[16].

In addition, we include investors who make investments through equity crowdfunding platforms[17] in parallel with their direct investments in startups, although we exclude those who invest exclusively through these platforms.

The survey is distributed through the business angel networks that are members of AEBAN, other databases, and other agents and institutions within the investment ecosystem. In its latest edition, carried out between December 2024 and the first quarter of 2025, 234 questionnaires were collected, of which 171 were considered valid. The data collected can provide very useful information about activity in this market within the Spanish context. However, drawing general conclusions that can be extrapolated to the entire market and the investor community based on averages from a limited number of business angels and statistics collected through a survey should be approached with caution and is not globally comparable.

INVESTOR PROFILE

AGE AND GENDER

More than half of the respondents in this edition (52%) were over the age of 50, while 65% were men and 35% were women (see figures 1 and 2). The participation of female investors in the survey has increased by three percentage points compared to the previous survey and has remained above 30% since 2021.

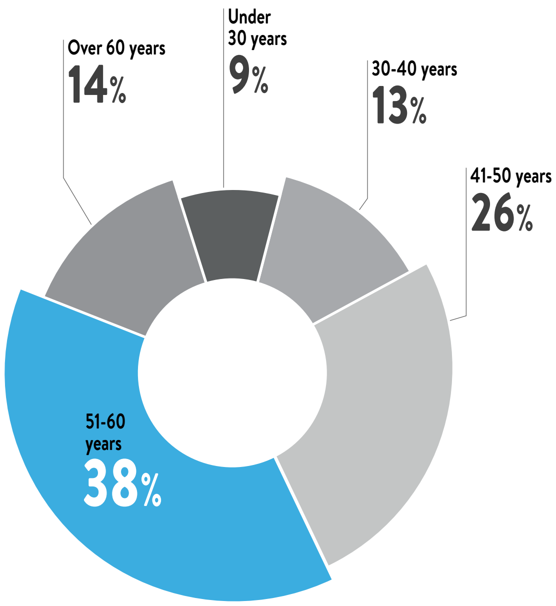


Figure 1. Age

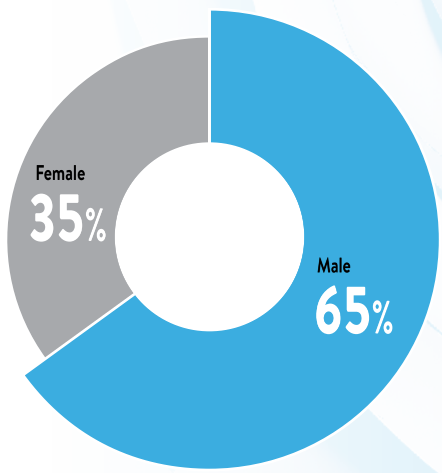


Figure 2. Gender

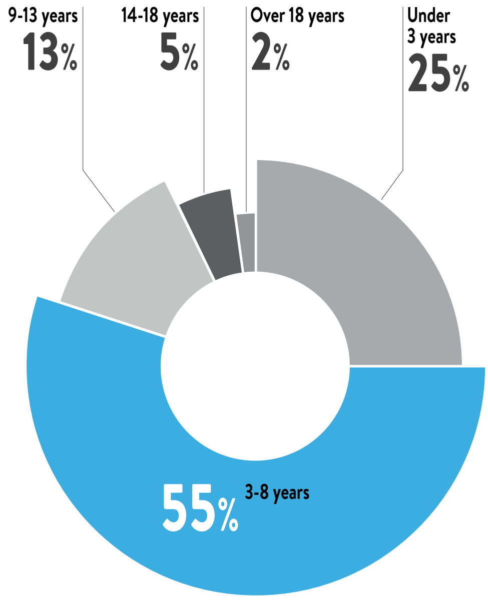


Figure 3.
Investing experience

INVESTMENT EXPERIENCE

The knowledge, professional and sectoral experience of investors, as well as their previous investment track record, are determining factors that substantially influence their investment strategy, how they conduct their activities, and the degree of empathy they demonstrate towards the kinds of problems and needs faced by entrepreneurs. Similarly, their wealth situation influences their ability to build diversified portfolios.

The majority of investors who responded to the survey possess considerable experience (see figure 3). 55% have been making this type of investment for between three and eight years. As in previous surveys, there was a significant proportion of investors who had started in the last two years (25% in both this survey and the previous edition, 23% in 2022 and 29% in 2021), showing the interest that this activity has generated in recent times.

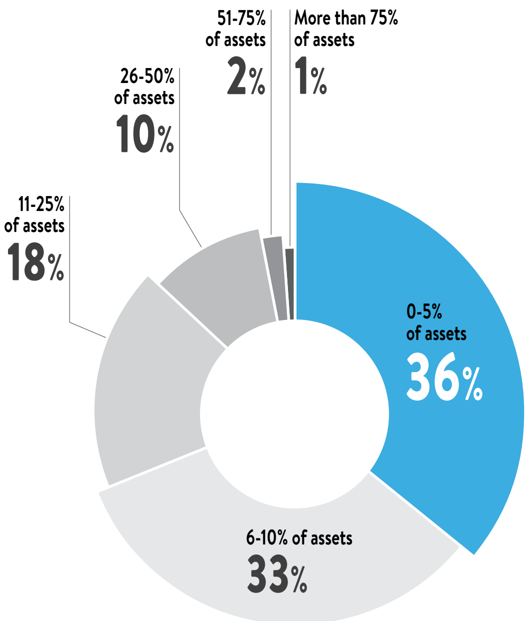


Figure 4.
Investment capacity

INVESTMENT CAPACITY

A large majority of respondents, specifically 64%, allocate more than 6% of their wealth to investing in high-risk projects. One third allocate between 6% and 10% of their assets to this activity (see figure 4).

In the specific case of the women in the sample, the vast majority allocate less than 10% of their wealth to business angel activity. 48% invest less than 5%, and 37% invest between 6% and 10%. These proportions are significantly higher than those of men in the same ranges. Among men, 4 out of 10 allocate at least 10% of their assets to this activity (see figures 5 and 6).

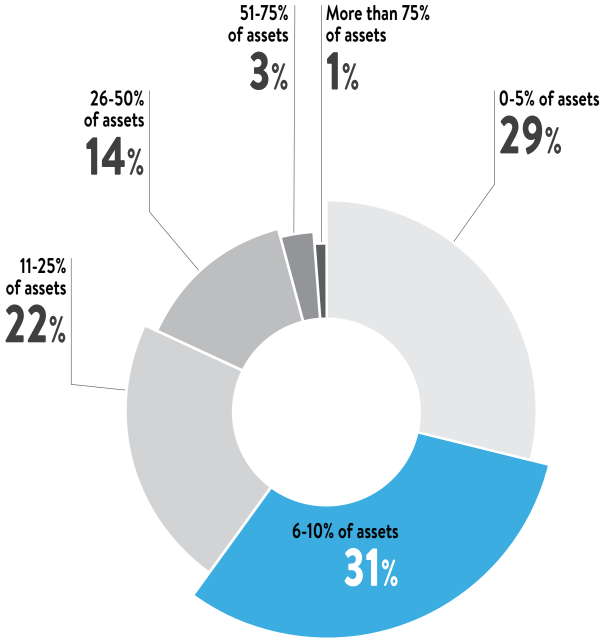


Figure 5.
Investment capacity of men

INVESTMENTS MADE TO DATE

The majority of respondents were at an early stage in their investment journey: 58% stated that they had made between 1 and 10 investments to date, with 38% having made between 1 and 5 investments. Among experienced investors—those who have made more than 10 investments (39%)—over half fall within the range of 11 to 20 investments (see figure 7).

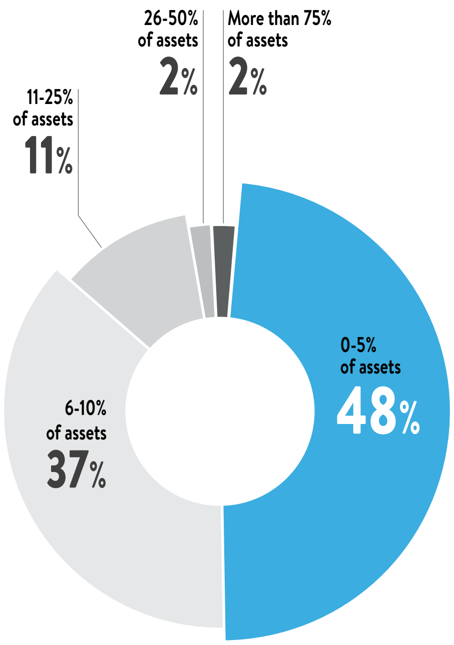


Figure 6.
Investment capacity of women

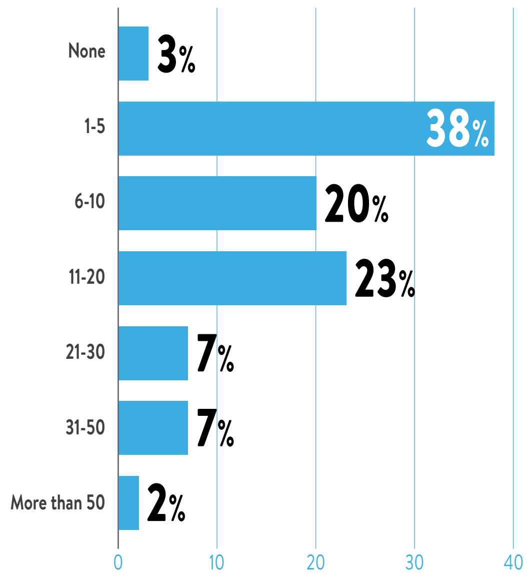


Figure 7.
Investments made to date

INVESTMENT ACTIVITY OF BUSINESS ANGELS

INVESTMENTS MADE IN 2024

12% of respondents stated that they had not made any investments in 2024, three percentage points more than in the previous year. Among those who invested, almost three out of four stated that they had participated in fewer than six funding rounds throughout the year, including both follow-on rounds and new investments (see figure 8).

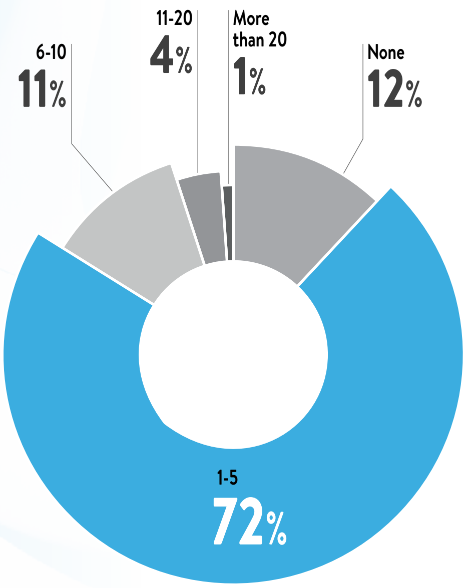


Figure 8.
Funding rounds in 2024 (new and follow-on)

In general, as in 2023, the data show that most investor activity focused on follow-on rounds. 68% participated in at least one such round, and 41% combined at least one follow-on investment with new investments. Only one in three respondents indicated that they had made exclusively new investments in 2024 (see figure 9).

As in 2023, the figures show that most investor activity was focused on follow-on rounds

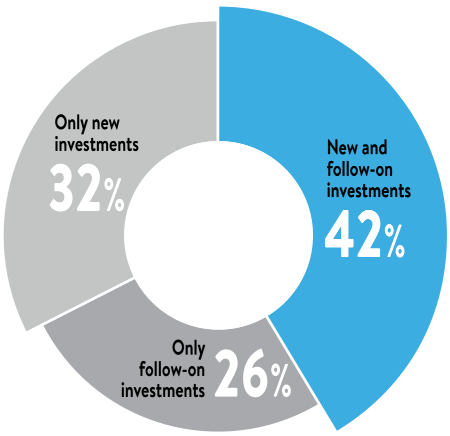


Figure 9.
Activity in new and follow-on investments

INVESTMENT VOLUME

The investment rounds in which business angels mainly participate—pre-seed, angel, seed, and early-stage—are usually processes that require considerable time and effort from both entrepreneurs and investors. These stages require the former in particular to establish or re-establish relationships and contacts over lengthy periods. Furthermore, the need to coordinate and align multiple potential investors makes these processes more protracted than in later stages of business financing, such as series A, B, or C venture capital rounds. To reduce the time required for fundraising, startups are increasingly turning to investors who co-invest and negotiate jointly, thereby facilitating the creation of investment groups. These groups define common strategies to access the most attractive opportunities on the market.

According to the results of this sample, the average amount invested (follow-on and new investments) reached €95,525 per investor in 2024, with a median of €20,000, including annual investments equal to or greater than €1 million. When the distorting effect of large volumes is excluded (specifically, five investors from the sample), the overall average drops to €45,365 per investor (see figure 10).

70% of respondents stated that they had invested no more than €50,000 over the year, which represents the usual pattern in the Spanish context (see figure 11). These prevailing investment ranges reflect the dynamics of a maturing investor community characterised by three combined factors: the entry of new investors, the increasing use of co-investment, and the rise in the number of investor groups operating in the market. New investors usually invest small amounts in similarly small transactions. At the same time, the growing practice of co-investment and the greater presence of business angel groups or clubs seeking to diversify their portfolios contribute to the dispersion of individual tickets.

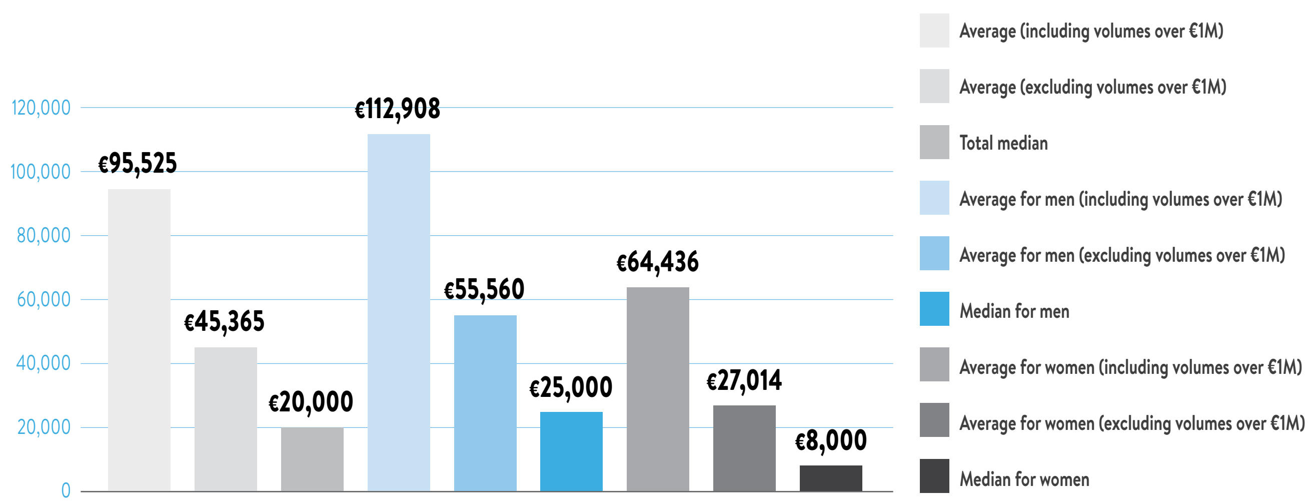


Figure 10. Capital invested in 2024

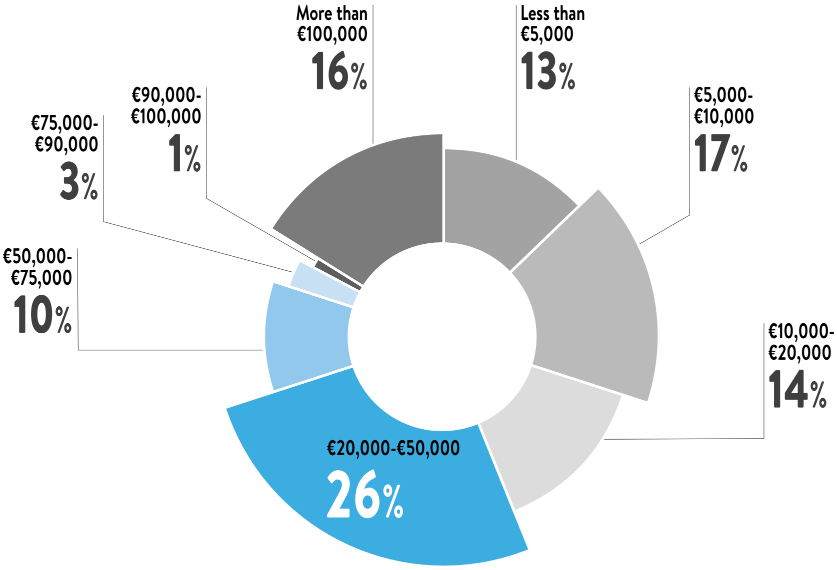


Figure 11. Annual investment

The average annual volume per female investor has increased considerably compared to the previous year, rising from €16,032 to €27,014. However, with a median of €8,000, the figures suggest that a large number of female investors are at the early stages of their trajectory as business angels compared to male investors, whose median stands at €25,000.

The gap between men and women widens in the higher annual investment segments. Only 18% of the women surveyed report having invested more than €50,000 in 2024, whereas among men this percentage reaches 37% (see figures 12 and 13). It is therefore unsurprising that, excluding large annual investment volumes equal to or greater than €1 million, the average annual volume for men is more than double that of women.

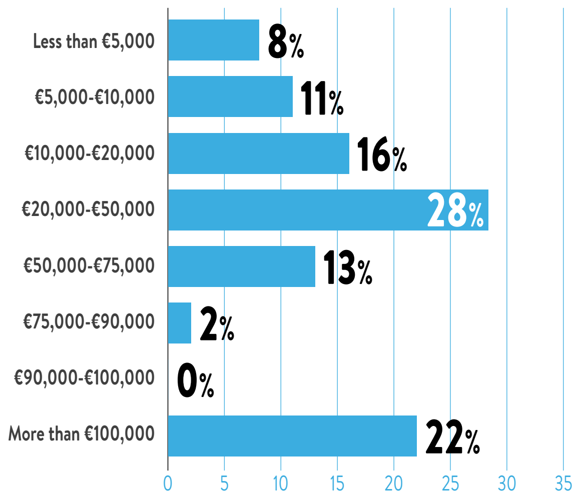


Figure 12. Annual investment by men

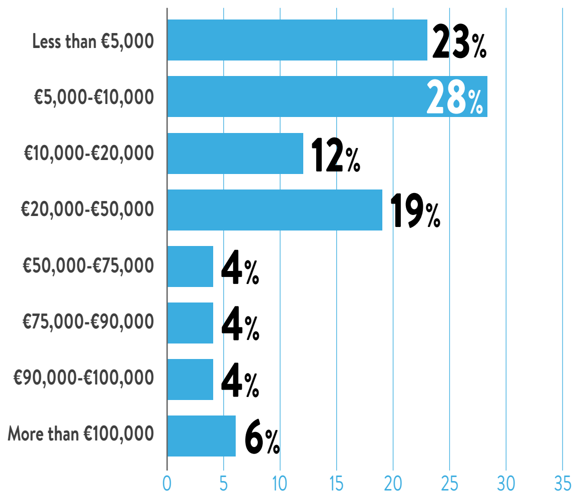


Figure 13. Annual investment by women

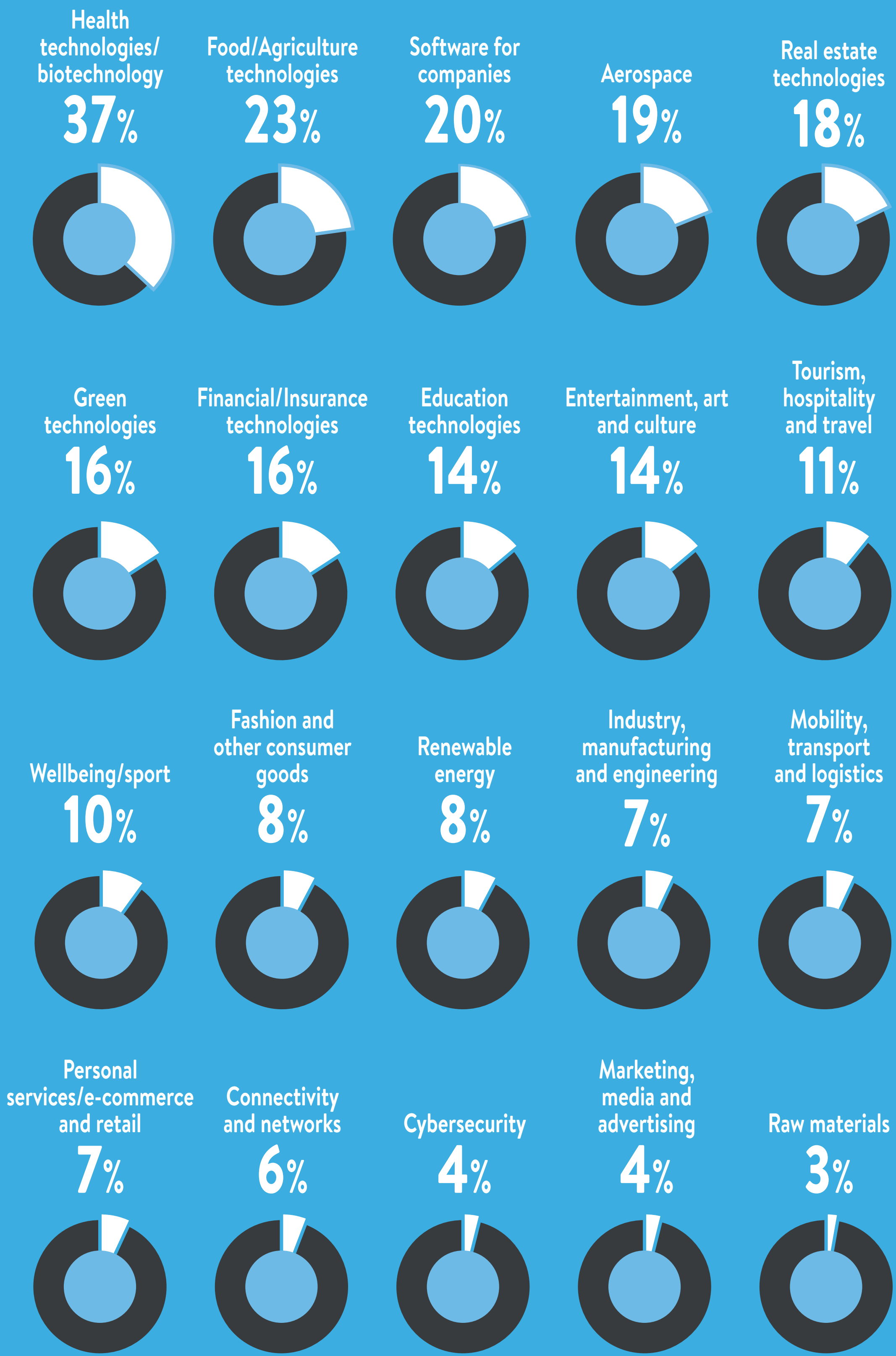


Figure 14.
Investment sectors

INVESTMENT SECTORS IN 2024

The surveyed business angels invested in multiple sectors in 2024. The four main destinations were health technologies and biotechnology (37%), food and agriculture technologies (23%), enterprise software (20%), and aerospace (19%) (see figure 14).

In recent years, the investment ecosystem has made notable progress in professionalisation, collaboration and the use of technological tools. However, one of the major challenges that remains is establishing a **common framework that enables the analysis, comparison and prediction of business angel investment by economic sectors and areas of activity**.

At AEBAN, we believe that knowing where we invest is just as important as knowing how we do it. For this reason, our association has promoted a collective effort to **organise and classify investment opportunities in startups consistently and systematically**, adapting them to the economic and business reality of the environment. The objective: to provide private investors with a common sectoral framework, which is useful both for decision-making and for the aggregate analysis of the impact generated by their activity.

This work, available at www.aeban.es/emprendedores, is based on a sectoral classification adapted to the specific characteristics of innovative entrepreneurship. It includes established verticals (such as health, energy or food), emerging sectors (artificial intelligence, aerospace, care technologies) and new cross-cutting categories (impact, green transition or the data economy), in order to reflect the real diversity of the market.

This initiative enables business angels not only to **identify with greater precision the opportunities that align with their experience**, motivation or investment thesis, but also to highlight the added value that their investment brings to strategic sectors of Spain's economy. It also provides AEBAN and the agents in the ecosystem with tools to monitor the sectoral evolution of private investment more rigorously.

Structuring investment by sectors is not just a statistical matter. It is a way to generate collective intelligence, facilitate collaboration, and direct capital towards the key challenges of the future.

USE OF CO-INVESTMENT

The practice of co-investment has become firmly established within the private investor community. A large majority of respondents invested in startups alongside other investors; only 14% reported not having co-invested during 2024. The most common forms of co-investment are with business angel groups (35% of investors) and with other individual business angels (32%), while nearly one fifth of respondents stated they had co-invested with professional venture capital funds (see figure 15).

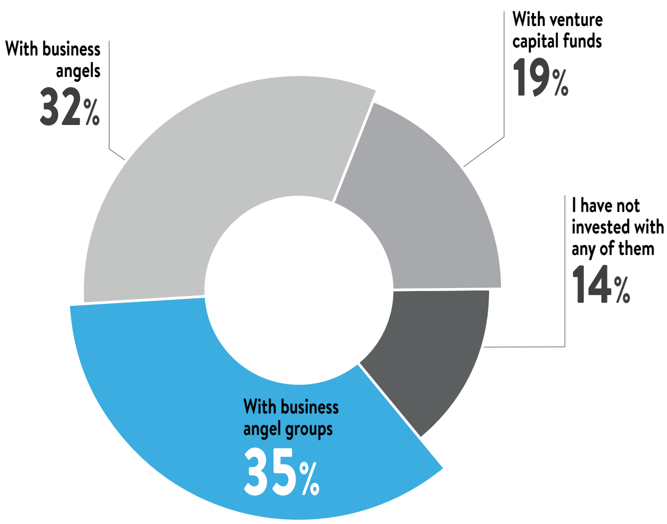


Figure 15.
Use of co-investment

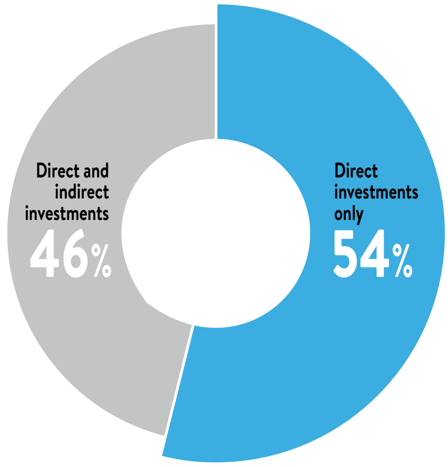


Figure 16.
Type of investment in startups

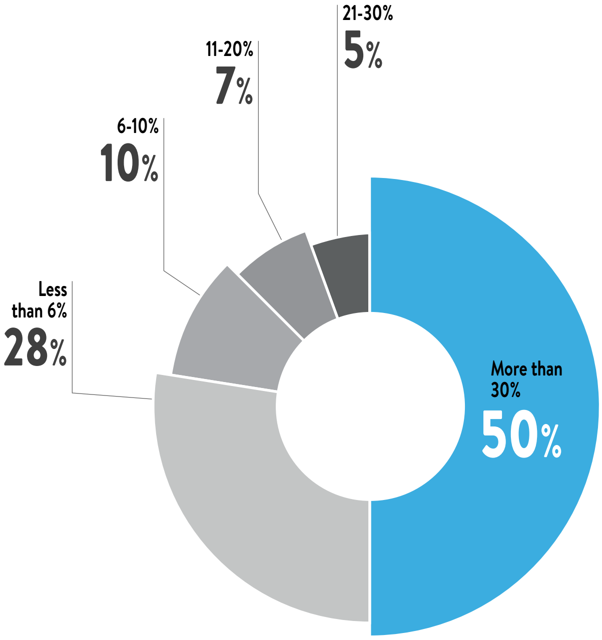


Figure 17.
Direct investments as a proportion of the total

TYPE OF INVESTMENT: DIRECT AND INDIRECT

With regard to the method of investing in start-ups, 54% of respondents who answered this question indicated that they had exclusively invested directly, either individually or through co-investments. If we consider both these investors and those who had combined direct and indirect investments, half stated that they had carried out more than 30% of their transactions directly (see figures 16 and 17).

With regard to indirect investments in startups — those made through an intermediary vehicle — a significant proportion of respondents who used this method (42%) did so through one or more crowdfunding platforms, while 33% invested through one or more professional venture capital funds (see figure 18).

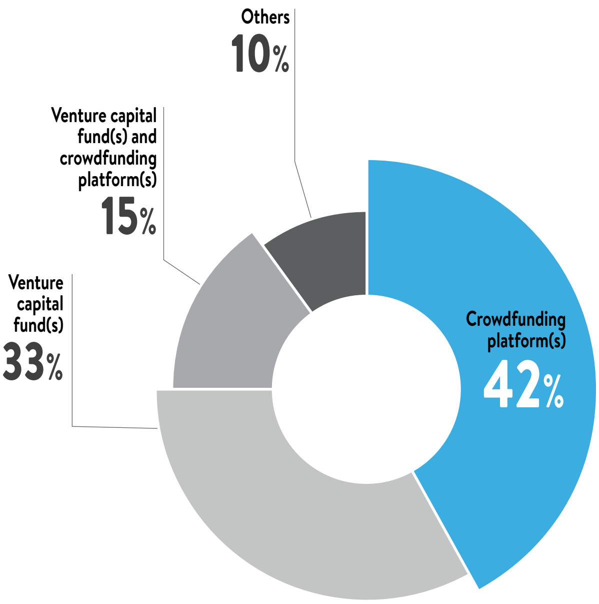
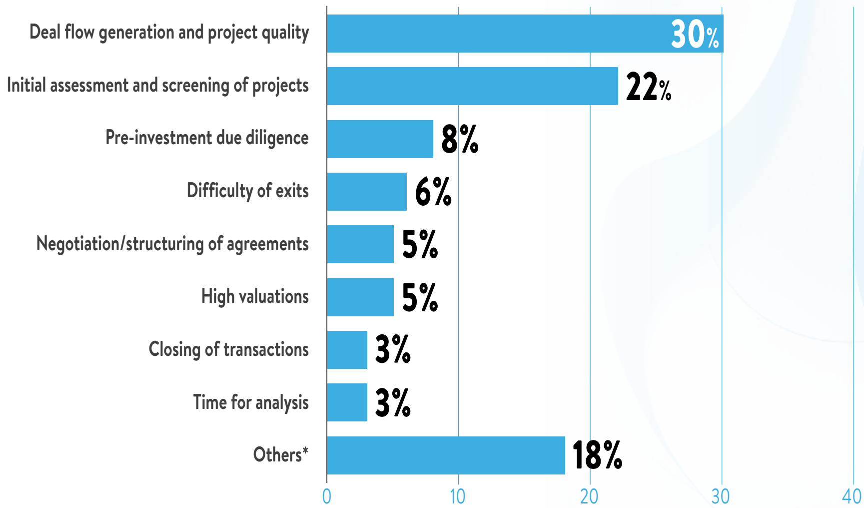


Figure 18.
Indirect investment vehicles

MOST COMMON PROBLEMS IN THE INVESTMENT PROCESS

The surveyed business angels identified the generation of a quality deal flow and the initial evaluation and screening process of projects as the two most problematic areas in the course of their investment activity over the past twelve months (see figure 19).



* Training, taxation, co-investment with other angels, interest rates and economic situation, wealth limit and capacity for follow-on investment, etc.

Figure 19.
Perceived challenges/problems in the investment process

MANAGEMENT OF THE INVESTMENT PORTFOLIO

TIME COMMITMENT AND MAIN CHALLENGES

A large majority of respondents carried out their investment activity on a part-time basis, alongside their primary professional responsibilities, which suggests limited time availability for the management of portfolio companies. More than half (52%) devoted between one and five days per month, and only 16% reported devoting more time (see figure 20).

With regard to the main challenges investors faced during the year in supervising and monitoring their portfolios, two fundamental aspects stand out: both the lack of quality information, metrics and reporting, and the limited time available to devote to investment management (see figure 21). Two out of three respondents ranked the first of these among the two most significant challenges they had to face.

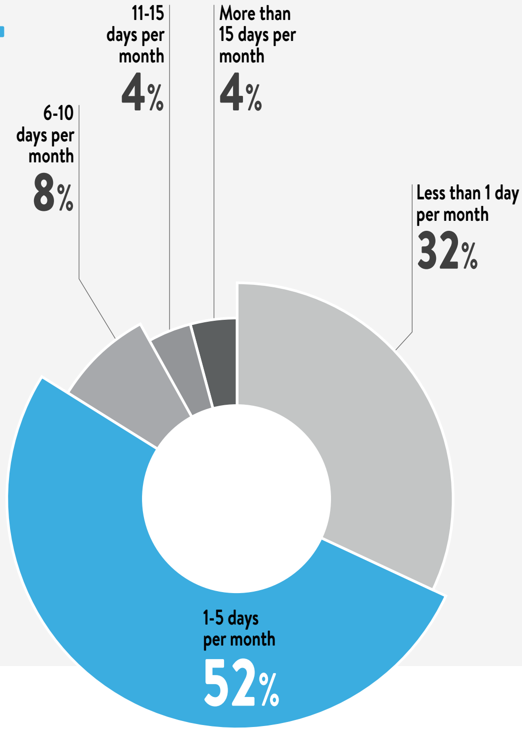


Figure 20.
Time devoted to the investment portfolio

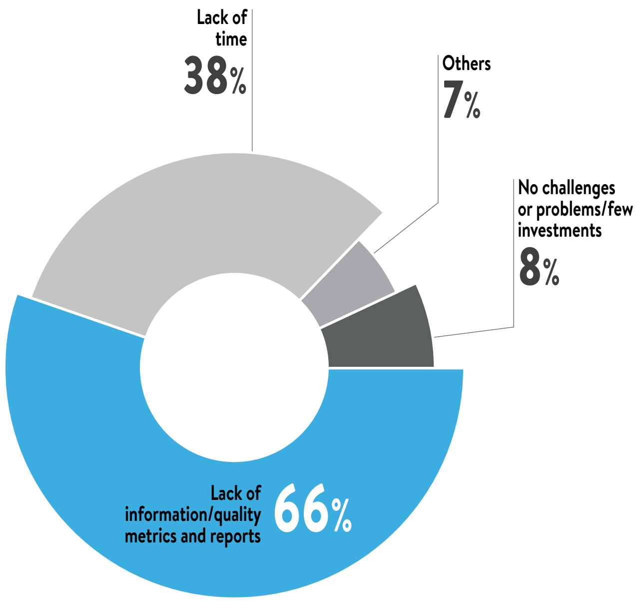


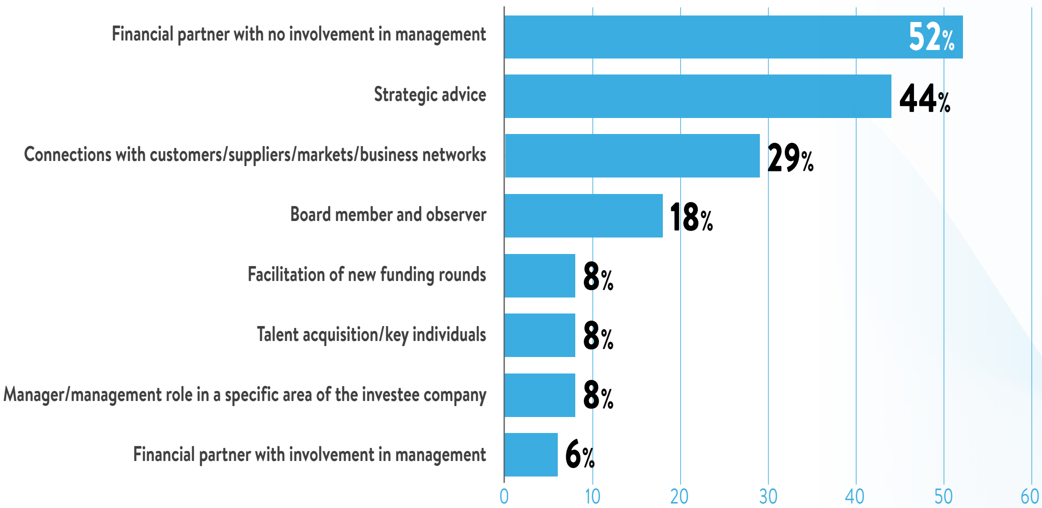
Figure 21.
Main challenges in investment portfolio management*

* Percentage of investors who chose the respective categories as among the two most significant challenges in portfolio management

ROLE OF THE INVESTOR IN PORTFOLIO COMPANIES

Business angels bring significant value to the startups in which they invest, beyond the key financing they provide. The vast majority play a critical role in supporting their portfolio companies after investing. They may act in various roles, such as informal advisers closely supporting the founders, as non-executive members on project advisory boards, or as members of boards of directors, where applicable.

Investors identify the following three roles as the most important: firstly, that of financial partner without involvement in management, as more than half of respondents (52%) ranked it among the top three; secondly, strategic advice to the management team (44%); and thirdly, the generation of contacts with clients, suppliers, markets, business networks, public institutions, etc. (29%) (see figure 22).



* Percentage of investors who selected the respective category among the three most important roles in portfolio companies

Figure 22.
Role of the investor in portfolio companies*

DIVESTMENTS

Almost two thirds of respondents (65%) stated that they had not made any divestments in 2024, which shows a slowdown in the interval between funding rounds and, consequently, a lack of exit opportunities (see figure 23). These difficulties, present in venture capital markets since mid-2022, continued in 2024. They particularly affect larger portfolios with companies invested in over the past three years and, therefore, those private investors with a more established track record who, despite these difficulties, have maintained their investment activity.

Of the reported exits with a positive return, 61% were carried out through a secondary sale to a venture capital fund or another business angel, and 26% through a complete sale to a company (see figure 24). Regarding divestments with a negative return, business liquidation (write-off) was by far the most common outcome, accounting for 93% of these reported cases (see figure 25).

When asked about the main challenges or problems faced when divesting, the most notable were the difficulties in finding buyers (44% of those who divested identified this as one of the two main challenges) and the legal and tax complexity of the exit process (43%) (see figure 26).

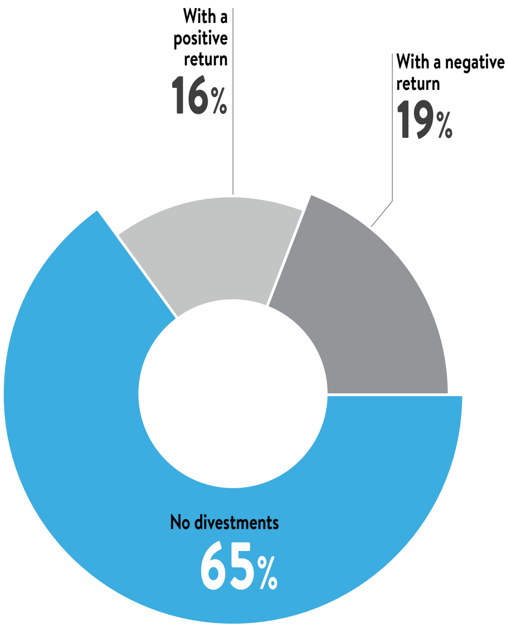


Figure 23.
Divestments carried out

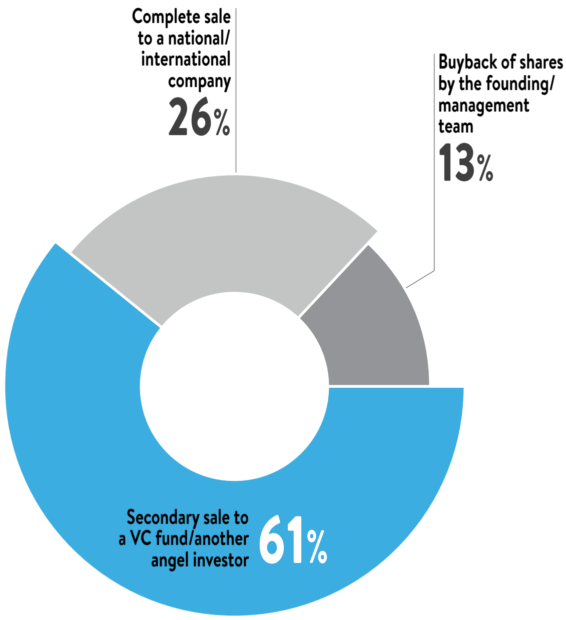


Figure 24.
Exit mode for divestments with positive returns

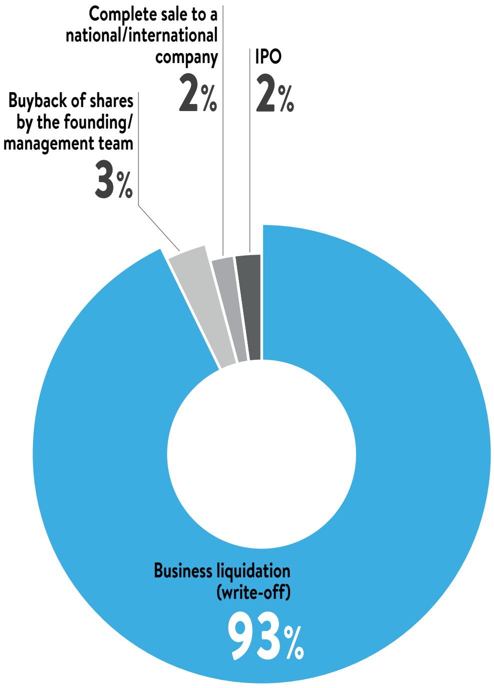


Figure 25.
Exit mode for divestments with a negative or zero return

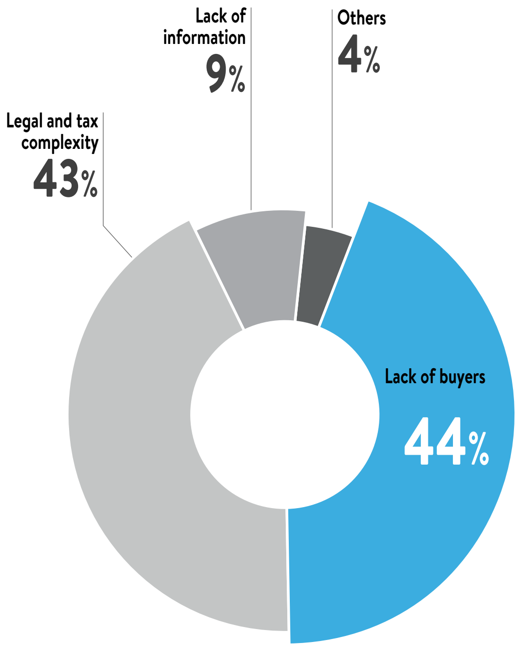


Figure 26.
Main challenges in exit processes*

*Percentage of investors who chose the respective categories as among the two most important challenges in the exit process

PORTFOLIO PERFORMANCE

Regarding the assessment of portfolio performance compared to expectations at the beginning of the year, nearly half of investors (48%) considered that it was too early to make an assessment. Of the remaining 52% who provided a specific assessment, 22% perceived that performance was in line with expectations, while 18% considered it to be below expectations. Only 12% considered that the overall result had exceeded expectations (see figure 27).

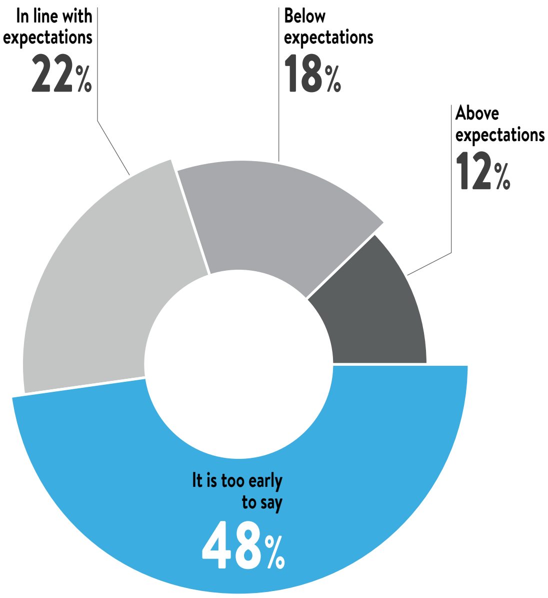


Figure 27.
Assessment of the performance of the current portfolio

CHALLENGES AND OPPORTUNITIES

MAIN CHALLENGES FOR INVESTMENT ACTIVITY

The gradual reduction of interest rates by the ECB during 2024 had a significant impact on venture capital markets in Spain and Europe in general, albeit with significant caveats. On the one hand, these measures did not succeed in fully reversing the contraction trend of the market. On the other hand, they helped stabilise it and lay the foundations for a gradual recovery, particularly with regard to valuations and activity related to divestments.

The moderate response of investors to monetary stimuli demonstrates the time required for these policies to fully filter through to the real economy and the investment ecosystem. This time lag between changes in monetary policy and their effects on the venture capital market suggests that the full impact of the reductions applied in 2024 could become more evident throughout 2025.

In 2024, institutional venture capital markets demonstrated greater maturity and rationalisation, clearly prioritising quality over quantity. The concentration of resources in stronger companies and larger funds reflects a natural evolution following a period of exuberant growth, as well as an adaptation to new economic realities.

In this context, early-stage start-up funding maintained its restrictive trend in Europe during 2024. In the case of Spain, according to data from the Startups Observatory, non-institutional venture capital investment activity experienced a downward trend for the third consecutive year, both in terms of volume and number of transactions, in the pre-seed, seed, and early stages up to €5 million[18]. This segment includes individual business angels, business angel networks, accelerators/venture builders, crowdfunding, family offices, pledge funds/clubs, special purpose vehicles, and NGOs, among others.

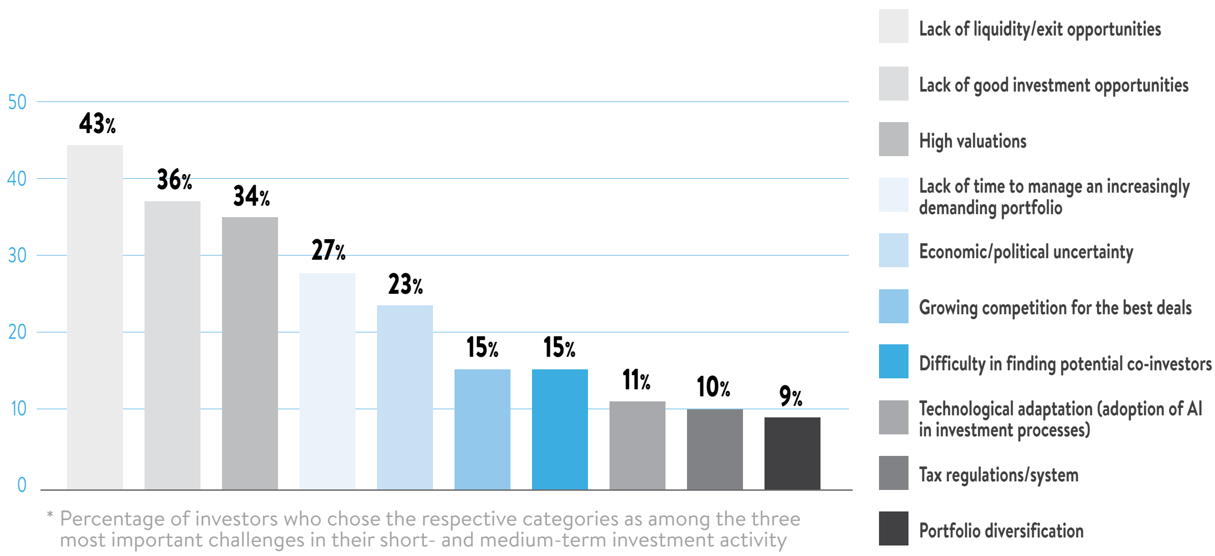
Specifically, the investment activity of business angels and investor networks recorded by the aforementioned observatory remained stable for transactions of up to €500,000, but was significantly lower, both in terms of volume and number of transactions, in the ranges between €500,000 and €1 million, and between €1 million and €5 million. This AEBAN survey shows that only 12% of the business angels surveyed did not invest in 2024, representing an increase of three percentage points compared to the previous survey. Among those who did invest, 42% combined new investments with follow-on rounds in their portfolio companies.

Institutional venture capital concentrated its resources on more advanced stages of investment, carrying out larger transactions and progressively withdrawing from initial funding for entrepreneurs. Everything points to this strategy being maintained in a recovering market, which could result in reduced liquidity for early-stage investors, such as business angels and other small non-institutional investors.

The impact of this phenomenon on the ratio between new investments and follow-on investments in the strategies of business angels will largely depend on the relative risk level of their current portfolios and the potential presented by new investment opportunities to which they have access, something that is very difficult to predict.

The data collected in the survey reveal that Spanish business angels are still feeling the aftermath of recent crises in the investment landscape, which could influence their willingness to take risks and their ability to mobilise capital for new entrepreneurial initiatives.

Of the three most important challenges as perceived by business angels in the course of their activity in the short and medium term, two were related to sectoral conditions that affect the current dynamics of the venture capital cycle, while the third was related to conditions within the entrepreneurial ecosystem. The weakness of the exit environment was seen as the main challenge (43% of investors cited it as among the three most important challenges). They were followed in importance by the scarcity of good investment opportunities and high market valuations (see figure 28).



* Percentage of investors who chose the respective categories as among the three most important challenges in their short- and medium-term investment activity

Figure 28.
Main challenges for investment activity in the short and medium term

INVESTMENT INTENTION

When asked about their short-term investment intentions, business angels generally expressed great confidence in more stable economic prospects, sustained economic growth, decreasing inflationary pressures, and a monetary policy in the process of normalisation. Therefore, 92% stated that they were willing to invest in 2025, which represents an increase of 10 percentage points on the previous edition of the survey. Specifically, 40% intended to invest the same amounts as in 2024, 30% indicated they would invest more capital, and 22% planned to invest less (see figure 29).

With regard to interest in undertaking cross-border transactions, the results cannot be considered conclusive. In this edition of the survey, 60% of participants who responded to this question stated that they were not willing to undertake this type of transaction, compared to 34% in the previous survey. This change is mainly due to a significant decrease in undecided respondents in favour of the negative option, with only 23% of respondents in this survey considering it likely, compared to 40% in the previous edition (see figure 30).

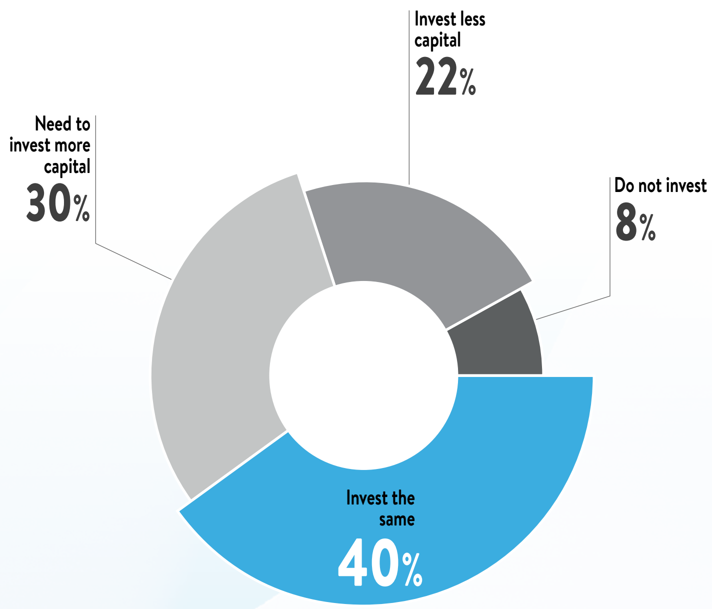


Figure 29.
Investment intentions for 2025

In summary, the outlook for 2025 is moderately optimistic, with the expectation that the full effects of a more accommodative monetary policy will gradually materialise and invigorate the divestment environment. However, many of the challenges identified in the environment will continue, especially for early-stage investors, such as non-institutional investors and emerging small institutional venture capital funds, as well as for startups seeking initial capital, who will need to adapt to more demanding investment criteria and consider access to other alternative sources of funding.

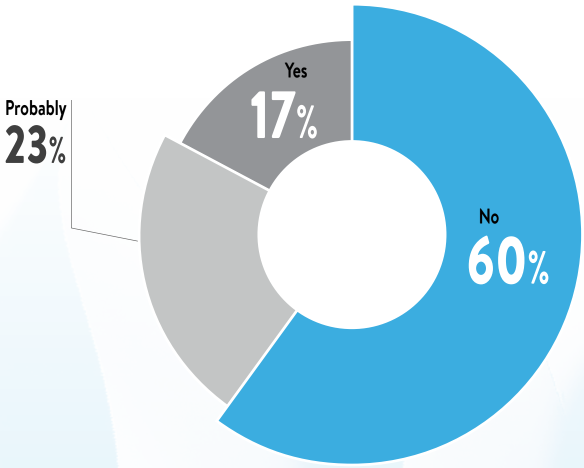


Figure 30.
Intention to make cross-border investments

TRENDS IN BUSINESS ANGELS' ACTIVITY

This section summarises some current and emerging trends in the angel investment sector that may influence its medium- and long-term evolution based on investors' experience and impressions.

1. **Consolidation of the professionalisation process in non-institutional venture capital markets**, driven by the entry of new investors, the role of investor networks, and the growing presence of private investor groups.

2. **Normalisation of co-investment mechanisms** within the non-institutional venture capital ecosystem, whether among business angels themselves or in collaboration with other types of investors (crowdfunding platforms, professional venture capital funds, public venture capital programmes, among others).

3. **Increasing implementation of proprietary investment vehicles** (funds) by private investors with greater financial capacity and an established track record.

4. **Increase in the amount of time investors need to devote** for more effective monitoring, support, and management of expanded investment portfolios.

5. **Gradual increase in the participation of women** in the entrepreneurial finance market, promoting greater diversity within the ecosystem.

6. **Growing adoption of ESG and diversity criteria** in the investment process (deal flow, evaluation and screening of startups, investment agreements, etc.).

7. **High potential for new opportunities for both startups and investors**, stemming from the emergence and ongoing dissemination of innovative solutions applicable to multiple economic sectors, based on critical transformative technologies (artificial intelligence, green technologies, aerospace technology, technologies related to the future of work, fintech, etc.) or other emerging technologies (quantum computing, synthetic biology, decentralised systems, etc.).

8. **Increasing sectoral specialisation** by private investors, business angel groups, emerging venture capital funds, etc. (AI, health and life sciences, industrial biotechnology, renewable energy, sustainable agriculture, carbon footprint technologies, fintech, supply chain technologies, energy storage, etc.).

9. **Increasing geographical diversification** in the investment strategies of business angels and angel investor groups, resulting from greater integration of entrepreneurial hubs at both local and European levels, and increased collaboration between local and international players within the investment ecosystem.

10. **Acceleration in the use of data systems and sophisticated AI-based analytical tools** to generate models for predicting trends and opportunities, support processes for identifying and screening start-ups, improve investment decision-making, manage due diligence processes and optimise portfolio management.

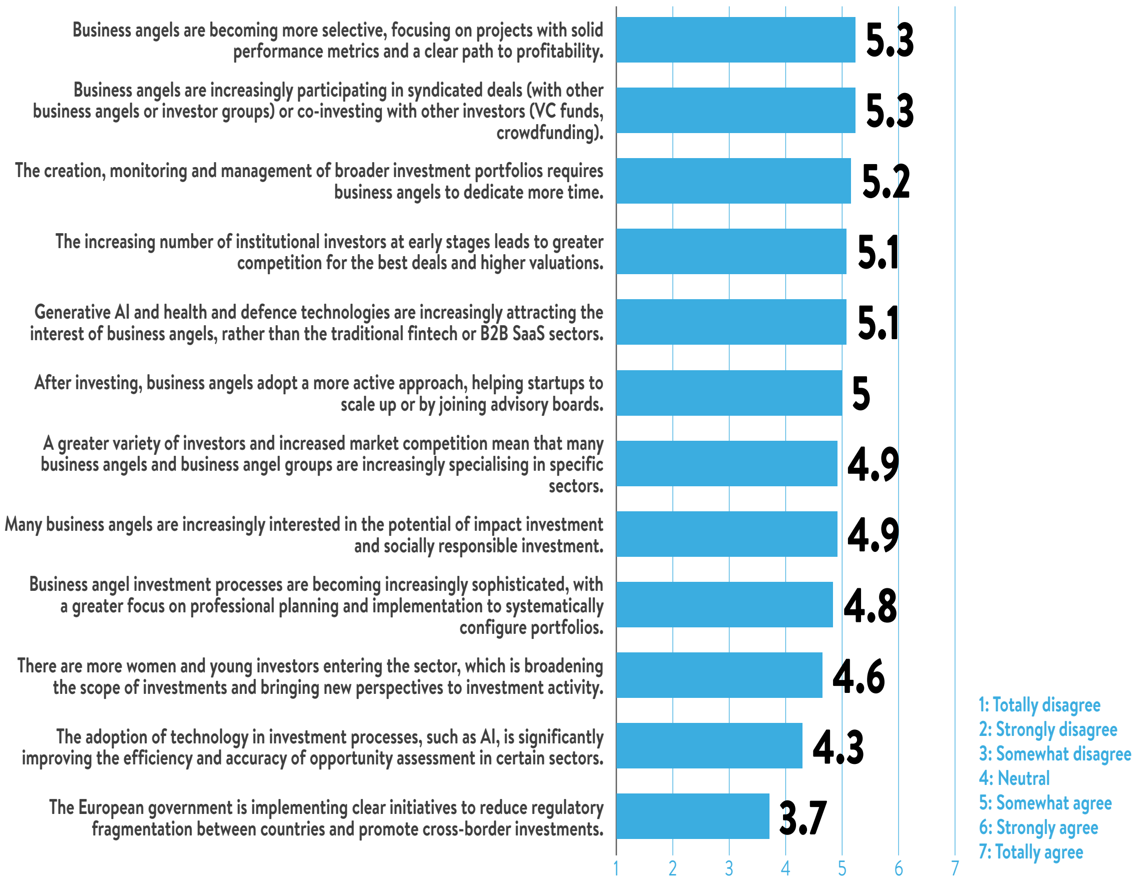


Figure 31.
Trends in angel investment

BOARD OF DIRECTORS

Marta Huidobro
President
WA4STEAM
Business angel 25+ investments
Co-founder of WA4STEAM
Vice President of the Impact Angels Club
Partner of Pinama 17, Pinama 23, and Cupido Capital
Economist, MBA from IESE, and Master in Competitive Social Transformation

René de Jong
Vice-President
RENÉ DE JONG INVERSIONES
Business Angel, with co-investment from the European Angel Fund (+25 investments)
Vice-President of EO Madrid
Author of the book *Get the Most out of the Internet*
Degree in Business Administration, University of Nijenrode (Nl)

José Herrera
Secretary
HF LEGAL
Lawyer and founding partner of HF legal

Pedro Trucharte
Treasurer
MADBAN
Managing Partner of Madrid Business Angels Network (MADban)
Responsible for Investor Relations at Auren Startups 360

Marta Alsinella
Board member
ECONOMISTESBAN
Director of EconomistesBAN (business angels network of the Col·legi d'Economistes de Catalunya)
Economist, entrepreneur, and strategic and financial consultant for companies and startups

Laura Caballero
Board member
IESE Business School – UNIVERSITY OF NAVARRA
Associate Director of the Entrepreneurship and Innovation Center (EIC) and Head of the Business Angels and Family Offices Network at IESE
Degree in Business Administration and Management from CUNEF University and graduate of the Senior Digital Business Management Programme from The Valley

Diego Lainz
Board member
FIDBAN
Director of FIDBAN
Economist and university professor of Business Finance and Financial Markets
Over 25 years' experience in capital markets and private banking

Angel Prieto
Board member
GOBAN
Foundation of the 1st Business Angels Network of Castilla-La Mancha (GOBAN)
+20 years Director Business Innovation Albacete Centre
Economist and MBA from the European Business School
Expert International Investments
+6 direct investments
Expert in BRICS countries

Almudena Recio
Board member
BA CRECER+
Coordinator of the Business Angels Crecer+ network
Degree in Law (major in economics) from the University of Deusto

Fernando Zallo
Board member
ESADE BAN
Director of ESADE BAN (ESADE Business Angels Network)
Entrepreneur and consultant, linked to entrepreneurship projects

AEBAN MEMBERS

dayone
ICEX
INVEST IN SPAIN
HF LEGAL

Catalonia
- EIX Technova – Entrepreneur Investor eXchange
- Economistes BAN
- esade ban
- BAGi
- bizangels barcelona business angels club
- IESE Business School – Red de Inversores Privados y Family Offices
- WA4STEAM Women Angels for STEAM
- nuclio

Galicia
- xesgalicia
- Vigo Activo

Cantabria
- FIDBAN Fundación Innovación y Desarrollo

Asturias
- CEEI
- La Cuarta Financiación

Basque Country
- DeustoEmprende Innovation & Entrepreneurship

Madrid
- ban madrid
- Fellow Funders
- MADban Madrid Business Angels Network
- LEGALMARKT VENTURES
- padeinvest
- René de Jong
- WA4STEAM Women Angels for STEAM
- Cluster Investor
- esade ban
- Menttoriza Ideas brillantes para un mundo mejor
- IESE Business School – Red de Inversores Privados y Family Offices

Valencian Community
- CEEI Comunidad Valenciana – Centros Europeos de Empresas Innovadoras
- STARTUP XPLORE
- LaFinca Smart Ventures
- Camp

Castilla-La Mancha
- goban Red Business Angels de CLM

Andalusia
- Málaga Business Angels
- fusión

Canary Islands
- PROEXCA para Canarias
- Gobierno de Canarias

OPERATING THROUGHOUT SPAIN

- nuclio
- STARTUP XPLORE
- WA4STEAM Women Angels for STEAM
- Fellow Funders
- IESE Business School – Red de Inversores Privados y Family Offices
- esade ban

ANNEX: BUSINESS ANGELS AND THE VENTURE CAPITAL SECTOR IN 2024

According to data from various sources analysed (Pitchbook[19], Crunchbase[20], Dealroom[21] for Europe and the United States; Invest Europe[22] and Atomico[23] for Europe, and SpainCap[24], the Startups Observatory[25] and the Spanish Startup Ecosystem Observatory[26]), the venture capital landscape in 2024 showed a market in transition, characterised by more selective investment and criteria based on capital efficiency.

The persistence of adverse macroeconomic and geopolitical conditions for the sector well into the year, together with an exit environment that failed to achieve the expected recovery, explain the restraint observed in venture capital on both sides of the Atlantic. Nevertheless, the level of activity in the United States showed a slow recovery in 2024 following the sharp decline recorded since 2022. In Europe, there was a slightly more favourable macroeconomic context, especially following interest rate cuts, allowed for a partial recovery in valuations. However, this improvement was not sufficient to mitigate investor reluctance, which resulted in a moderate decline in activity. In contrast, the Spanish sector showed greater strength both in terms of investment and fundraising.

Below we analyse the investment activity of both institutional and non-institutional venture capital during 2024, using various local and international secondary sources of information.

INSTITUTIONAL VENTURE CAPITAL

Europe

Pitchbook reports for Europe indicate a slight decrease in the volume of venture capital raised by European startups, with a slight drop of 8% in the value of transactions[27] and an estimated reduction of 16% in the number of transactions (see figures 32 and 33). This reflects a cautious investment environment, in which the quality of opportunities has taken precedence over the amount invested. As in 2023, investors focused on follow-on rounds and companies at more advanced stages (venture growth), to the detriment of ventures at earlier stages (early stage).

Investment activity in growth capital in series E and subsequent rounds (venture growth)[28] was more resilient, increasing by 4% in volume and by more than two percentage points in its share of total investment compared to 2023. Through a smaller number of transactions, but of greater size, this segment attracted a significant volume of capital, with investors opting for safer opportunities and a clear path towards profitability. In contrast, early-stage rounds experienced a greater slowdown between rounds (with the average interval increasing to 1.5 years), which contributed to a slight decrease in investment (2%) and a more pronounced decline in the number of transactions (18%)[29].

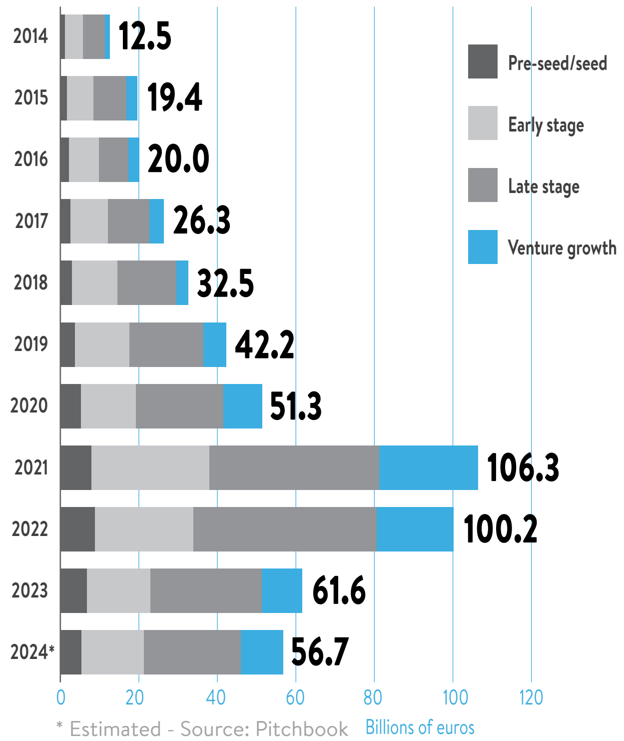


Figure 32. Venture capital investment volume in Europe according to Pitchbook

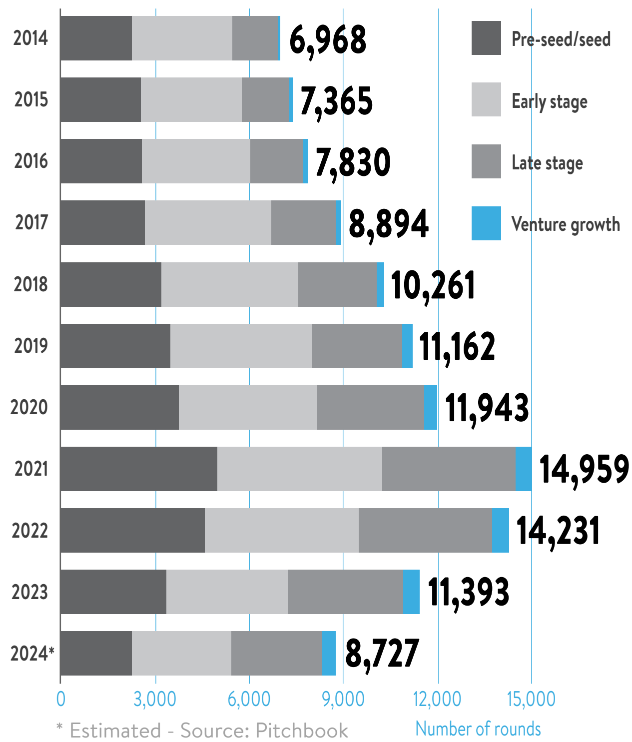
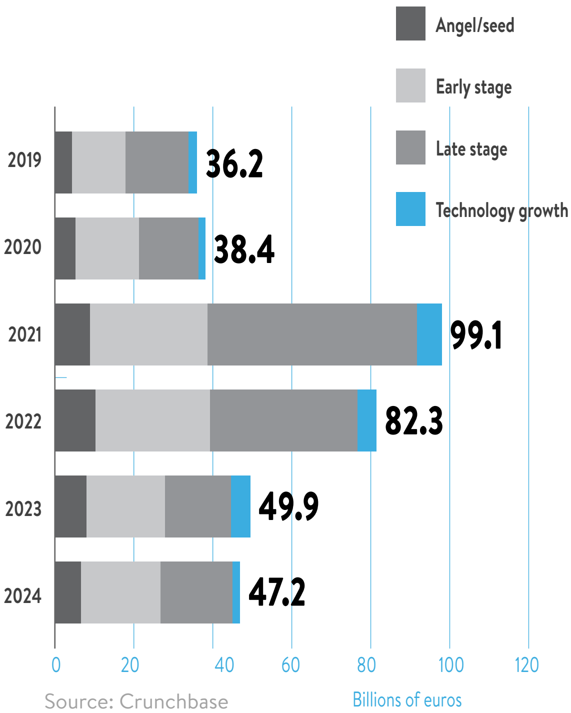
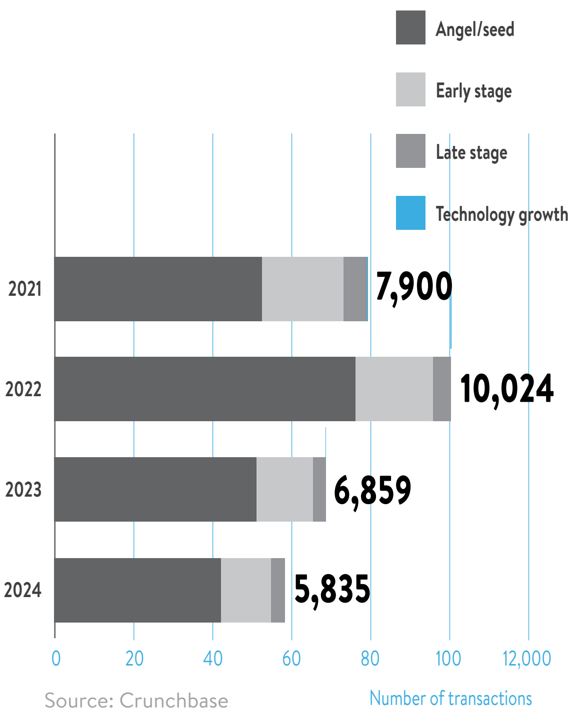


Figure 33. Venture capital transactions by investment stage in Europe according to Pitchbook



Source: Crunchbase

Figure 34. Venture capital in Europe: investment by stage according to Crunchbase



Source: Crunchbase

Figure 35. Venture capital transactions by investment stage in Europe according to Crunchbase

Analyses based on data from the business information firm Crunchbase also show a slight decline in investment in Europe-based startups between 2023 and 2024, of around 5%. The investment volume declined in angel and seed rounds of up to €3 million (down by 17%), while it recovered slightly in rounds between €3 and €15 million (early stage) and of more than €15 million (late stage), increasing by 1% and 9% respectively (see figures 34 and 35). In overall terms, these figures show a stabilisation of entrepreneurial financing in Europe, with closing volumes above pre-pandemic levels but less than half of the peak reached in 2021[30].

The State of European Tech 2024 report by venture capital firm Atomico estimated a 4% decline in investment in technology startups in Europe by the end of 2024 compared to the previous year, falling from €47 billion to €45 billion. This decline reflects an adjustment towards a more sustained growth path following several years of unprecedented levels of activity. According to the report, the size of growth rounds (over €15 million) has tripled since 2015, although figures for 2023 and 2024 show a slowdown due to delays in transaction reporting. In addition, early-stage rounds (from seed capital to series A) have also increased in size, reaching an average size of 1.4 million dollars in Europe in 2024 (almost five times more than in 2015).

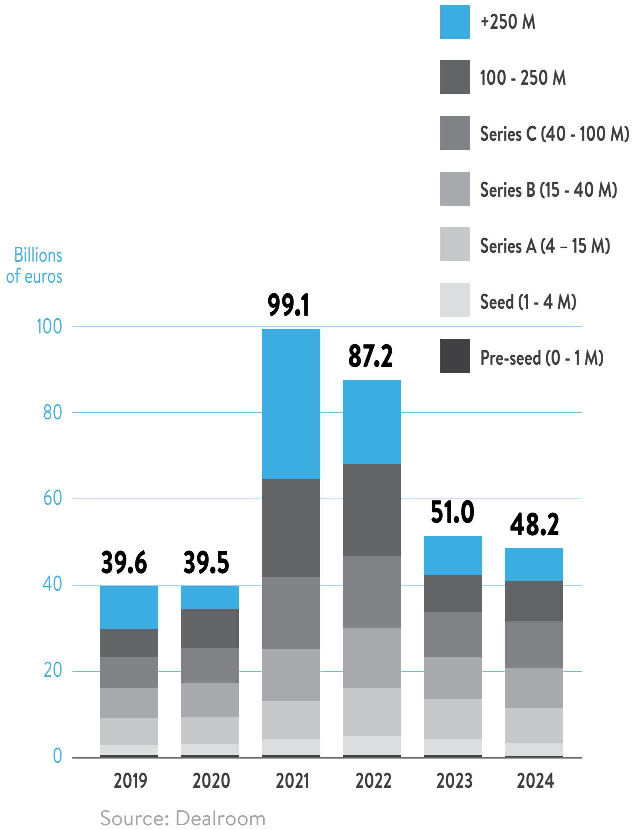


Figure 36. Institutional venture capital in Europe: investment by round size

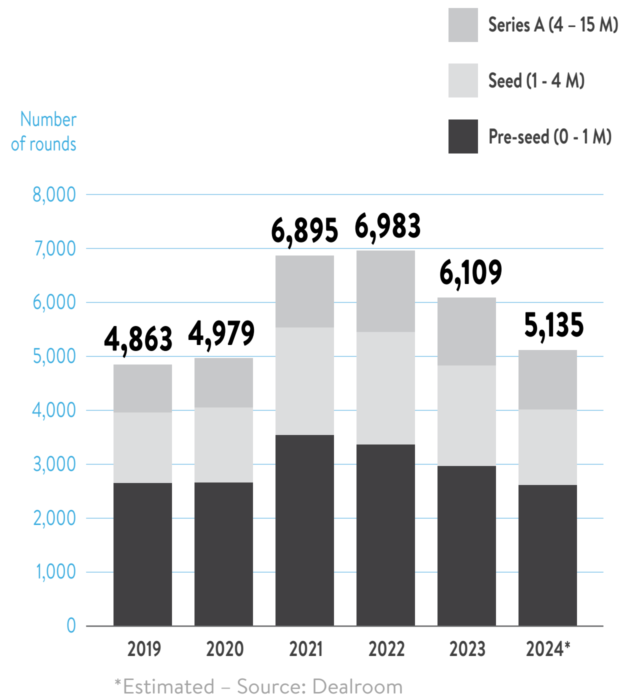
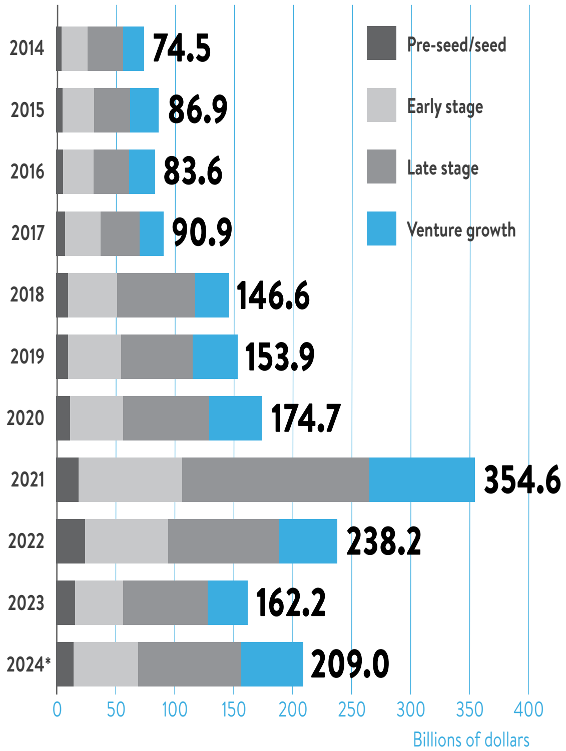


Figure 37. Institutional venture capital transactions by round size in Europe

Regarding the profile of venture capital investors, the European ecosystem today comprises more sophisticated and experienced funds and private investors, albeit with a substantially lower investment capacity than their US counterparts. In practice, the participation of non-European investors, especially American investors, has been key in significantly meeting the entrepreneurial capital needs for growth in Europe over the past 10 years. However, there remains a significant funding shortfall at advanced stages for European startups, which limits their ability to scale globally[31].

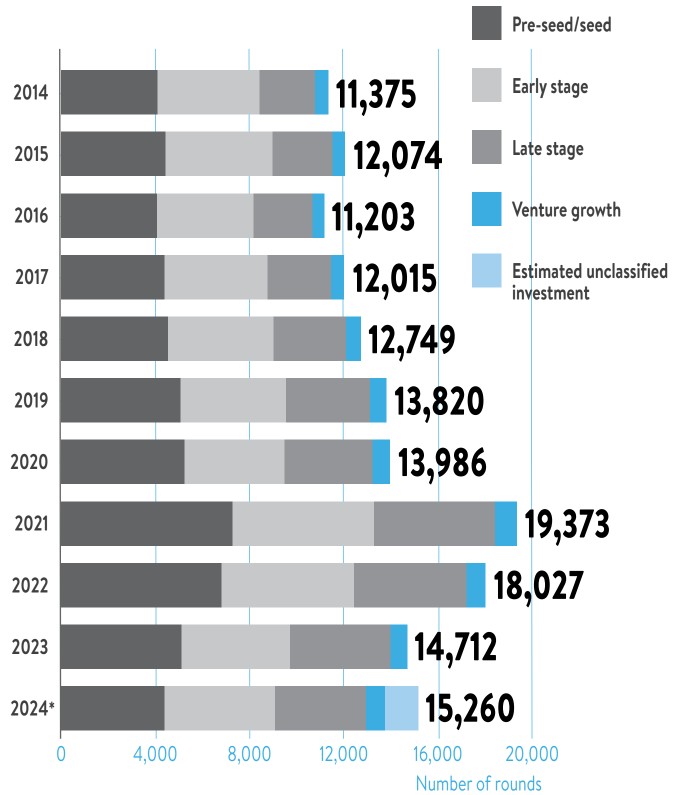
Dealroom.co reports a 17% decrease in 2024 in institutional venture capital allocated to European startups in rounds of up to €15 million (series A). Compared to 2023, the largest declines were recorded in pre-seed rounds (up to €1 million) and seed rounds (up to €4 million), both in terms of volume (30% and 23% less, respectively) and the number of transactions (12% and 24% less, respectively).

In general, investor activity virtually replicated the pattern of the previous year, with investment remaining relatively stable. The annual volume invested in 2024 in these segments up to series A exceeded the figures recorded in 2019, prior to the pandemic, by 22%, although it still remained well below the peak reached in 2022 (30% less). In terms of rounds completed, investors took part in 5,135 funding rounds, which represents a 16% decrease compared to 2023 and a 27% decrease compared to 2022 (see figures 36 and 37)[32].



* Estimated - Source: Pitchbook NVCA Venture Monitor Q4 2024

Figure 38. Venture capital investment volume in the United States according to Pitchbook



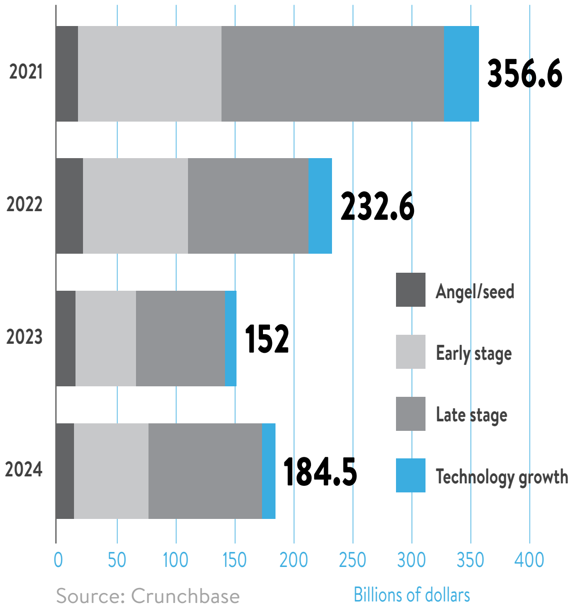
* Estimated - Source: Pitchbook NVCA Venture Monitor Q4 2024

Figure 39. Venture capital transactions by investment stage in the United States according to Pitchbook

The United States

The activity data for the US venture capital sector, compiled by Pitchbook, show a recovery in 2024 in both investment volume and the number of transactions, by 29% and 4% respectively, compared to 2023 (see figures 38 and 39). These levels are higher than those recorded in the pre-pandemic period, but they are still below the record volumes for investment and activity reached during years with near-zero interest rates. By stage, a recovery in activity can be seen at the early stages, both in terms of volume (33.4% higher than in 2023) and in the number of transactions (2% more). In contrast, the number of transactions in more advanced stages (late stage) declined slightly for the third consecutive year, reflecting the impact of increased caution of investors.

Overall, a few large-scale transactions have contributed to inflating the global investment figures. The volume of capital allocated to growth at more advanced stages (venture growth) increased by 57% compared to 2023, while the number of transactions rose by only 12%, which shows a strong concentration of capital in this segment[33].



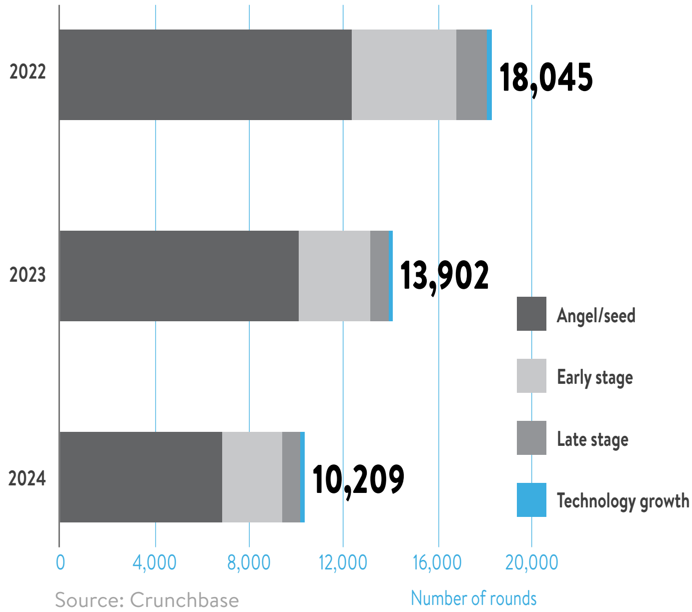


Figure 40. Venture capital in the United States: investment by stages according to Crunchbase

Figure 41. Venture capital transactions by investment stage in the United States according to Crunchbase

Similarly, Crunchbase reports a 22% increase in the total volume of capital allocated to US-based startups compared to the previous year. A notable feature of investment activity during the year was the occurrence of large rounds (mega-rounds), as the total number of rounds decreased, primarily in artificial intelligence (AI) companies: 62% of venture capital in the North American region (United States and Canada) was allocated to this sector.

In line with this trend in investment strategies, funds allocated a substantial portion of capital to more advanced stages of venture capital (series C, D, E and later, known as late-stage and technology growth) through large transactions that represented 58% of total investment (see figure 40). The volume of capital in this segment increased by 26% compared to the previous year. This is explained by the strong impact of mega-deals on the final figures and by the lower number of transactions carried out (3% fewer than in 2023), which results in a significant average transaction size, exceeding 143 million dollars.

In the early-stage investment segments (angel/seed through to series A and B), the number of registered transactions remained stable or declined only slightly compared to 2023 (see figure 41). In year-on-year terms, angel/seed capital recorded a slight decline of 8%, while investment in series A and B increased by 23%. In this regard, the activity of angel/seed rounds in the United States is showing a downward trend compared to the more advanced stages of venture capital investment, which appear to be more consistent. Since the major correction in 2022, the trend among early-stage startup investors has been to recalibrate their strategy towards more established projects with high growth potential and less towards emerging ventures[34].

Spain

According to the analysis of the sources consulted, the Spanish venture capital ecosystem has stabilised in 2024 following the significant correction of 2023, which may represent a turning point in its structural maturity. The year-end estimates for 2024, according to the State of European Tech report prepared by venture capital firm Atomico, placed the volume of venture capital activity in Spain at around €1.437 billion, a level very similar to that of 2023. This represents the highest volume of investment activity in Southern Europe, surpassing the performance of countries such as Italy (€900 million) or Portugal (€100 million), and confirms the strength and stability of the sector in a complicated investment environment[35].

The data on institutional venture capital activity in Spain compiled by Pitchbook (which includes venture capital funds, corporate venture capital, private equity funds, strategic buyers, and other non-traditional investors investing across all stages of venture capital) generally show a slight decrease of 7% compared to the amount invested in 2023. By investment stage, investment activity in series A and B rounds (early stage) remained solid, increasing by 9% through 187 transactions (3% fewer than in 2023). Similarly, capital invested in more advanced rounds (late stage from series C, D and beyond) also recovered in 2024, with a 4% increase both in volume and in the number of transactions completed. The largest contractions in investment activity were

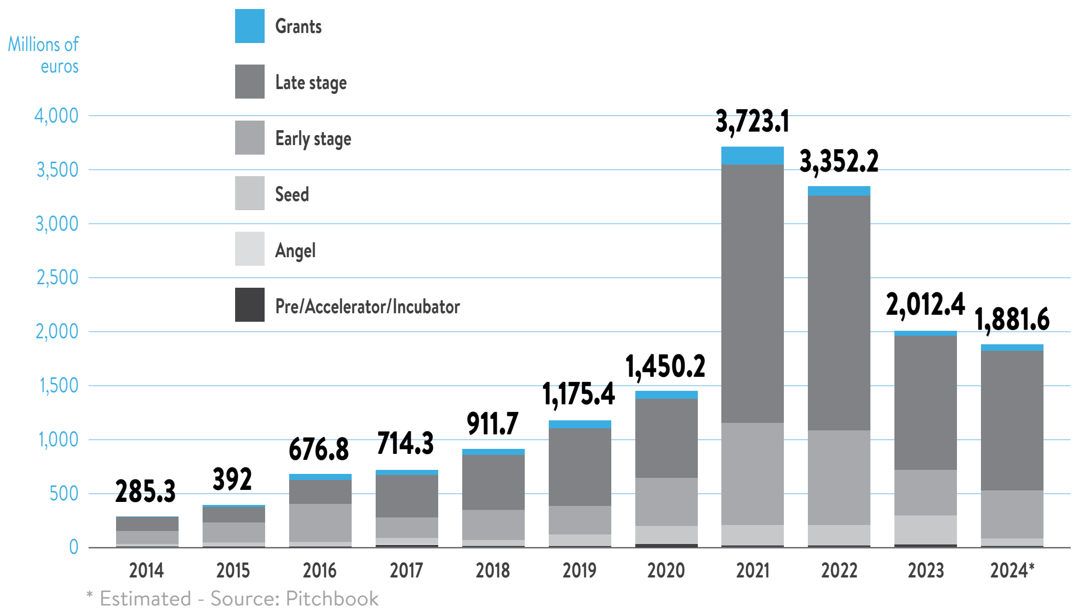
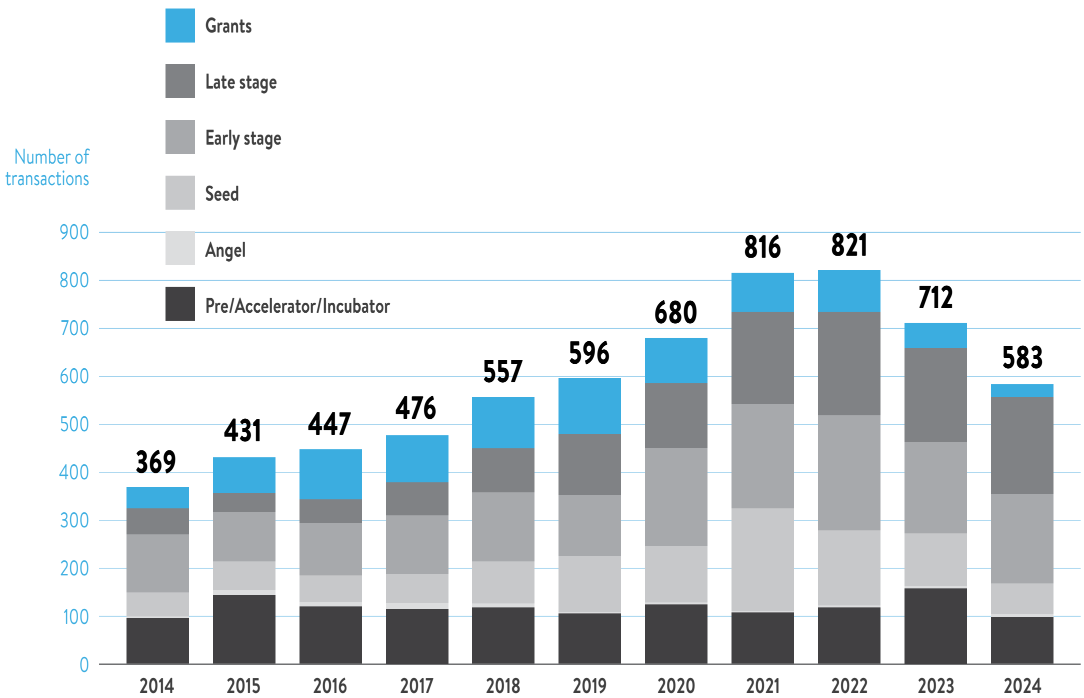


Figure 42. Institutional venture capital and other non-traditional investors in Spain according to Pitchbook

recorded in the pre-seed/accelerator/incubator, angel, and seed rounds, according to the terminology of this database, with declines of over 70% across all segments up to €5 million compared to the previous year[36] (see figures 42 and 23).

According to estimates by SpainCap, the association that brings together venture capital and private equity firms in Spain, the volume of institutional venture capital investment reached €925 million in 2024, 3% more than in 2023, through 575 investments.

According to estimates by SpainCap, the volume of institutional venture capital investment in Spain reached €925 million in 2024, 3% more than in 2023, through 575 investments



Source: Pitchbook

Figure 43. Institutional venture capital transactions and other non-traditional investors in Spain according to Pitchbook

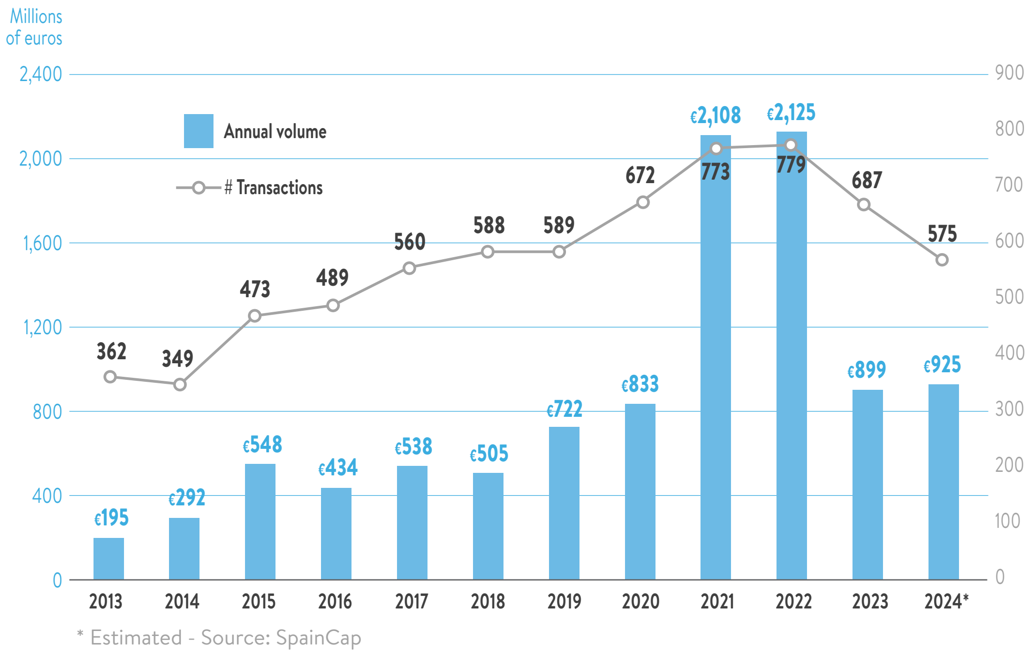


Figure 44. Investment and institutional venture capital transactions in Spain according to SpainCap

Except for the historical records of 2021 and 2022, this is the highest level of activity on record, 28% higher than in 2019 (see figure 44). The improvement in this segment has been driven by an increase in the number of rounds exceeding €10 million in series B and C in more mature startups or scale-ups (late-stage ventures). International funds have played a significant role in sustaining activity levels in the sector throughout the year, providing liquidity in a context of favourable local macroeconomic conditions and interest rate cuts from the second half of the year onwards.

On the other hand, the figures show a slight decline in investment at the early stages, specifically in the segments of transactions of up to €5 million (seed and startup) and between €5 and €10 million (other early stages, such as follow-on rounds or series B or C). This reflects the preference of funds to invest in emerging companies at more advanced, lower-risk stages through larger transactions. Activity in the first segment declined by only 6% in the number of transactions and by 15% in the volume invested, whereas in the second segment the decrease was 35% and 33%, respectively[37] (see figures 45 and 46).

The data collected by Startup Ecosystem, which tracks both institutional and non-institutional venture capital activity from more than 290 funds and over 300 business angels, indicate a significant recovery in this investment activity in Spain. According to this source, Spanish startups raised €2.41 billion during 2024, which represents a 93% increase compared to the previous year (see figure 47). This overall investment figure represents the second-best annual result in the past six years and marks a recovery to the levels reached in 2022, following the sharp decline suffered in 2023. The sectors that attracted the most investment were fintech, digital health, mobility, travel-related technologies, and energy[38].

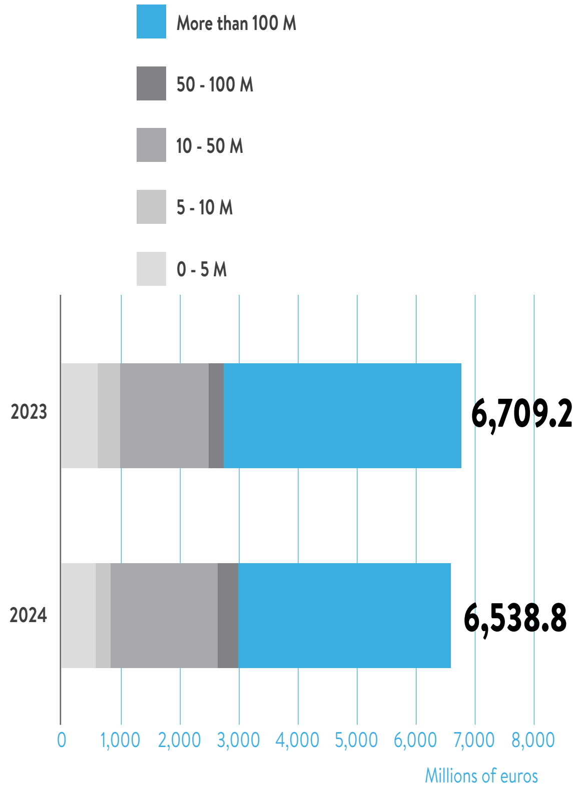


Figure 45. Venture capital and private equity: investment by segments in Spain according to SpainCap

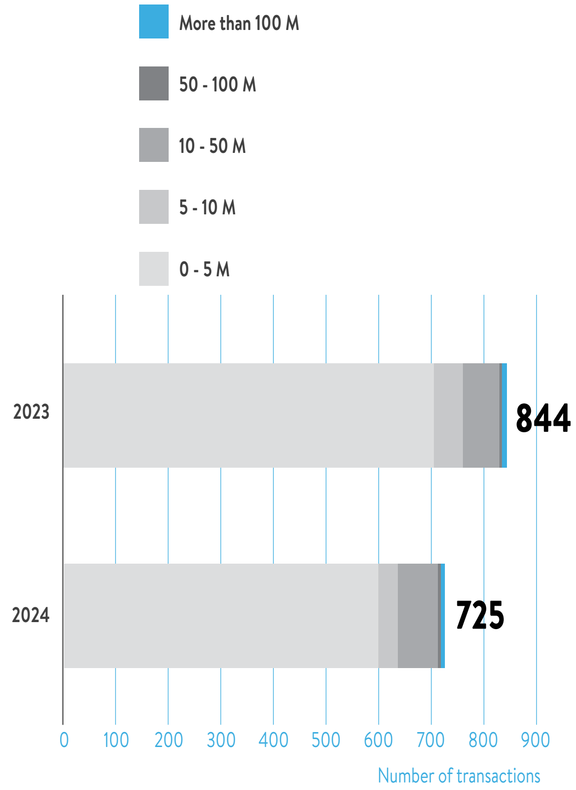
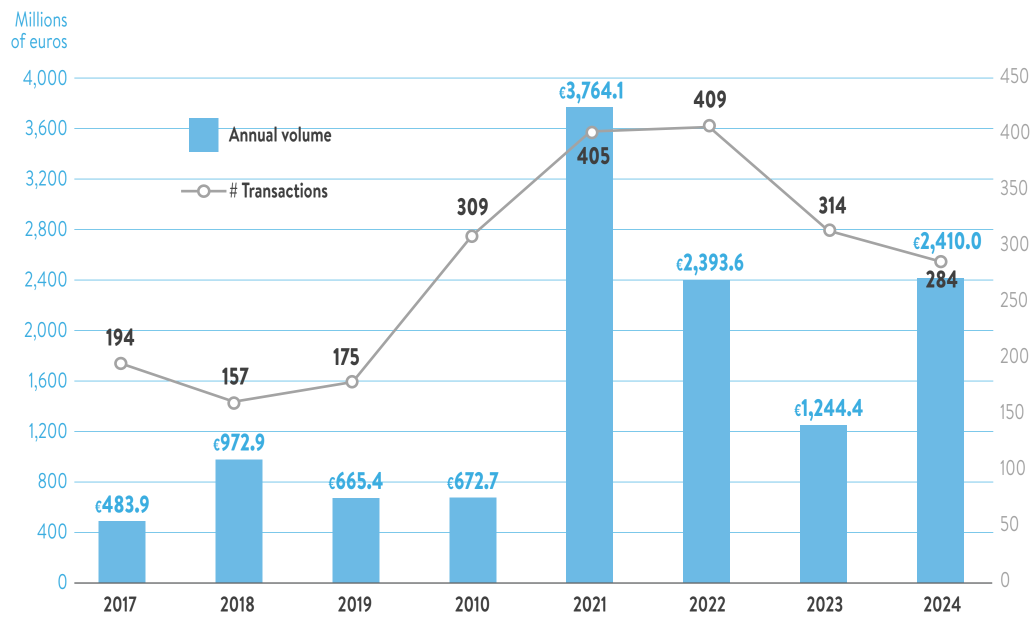
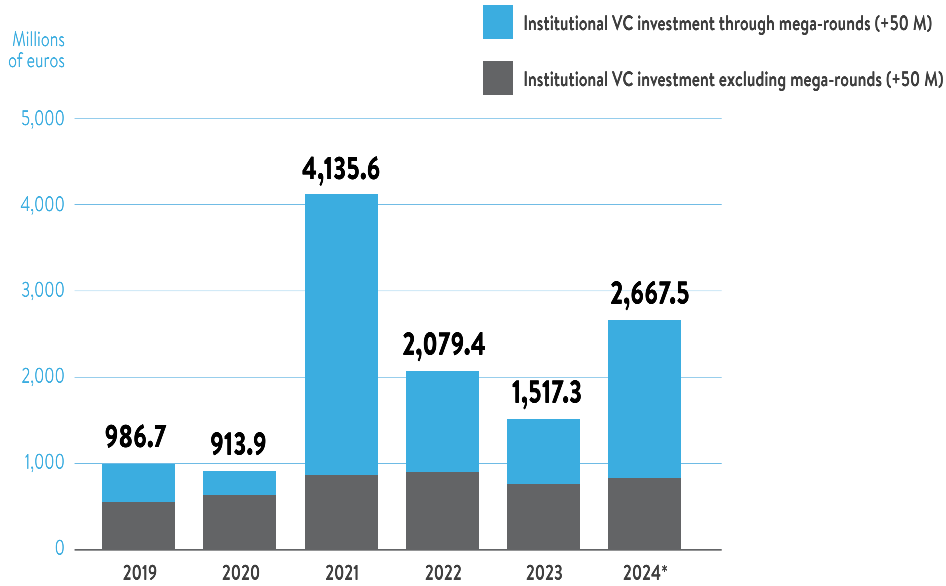


Figure 46. Venture capital and private equity transactions by segments in Spain according to SpainCap



Source: Startup Ecosystem. *El Referente*

Figure 47. Venture capital investment and transactions in Spain according to Startup Ecosystem



* Estimated - Source: Startup Ecosystem Observatory Bankinter Innovation Foundation

Figure 48. Institutional venture capital investment in Spain according to the Startup Ecosystem Observatory

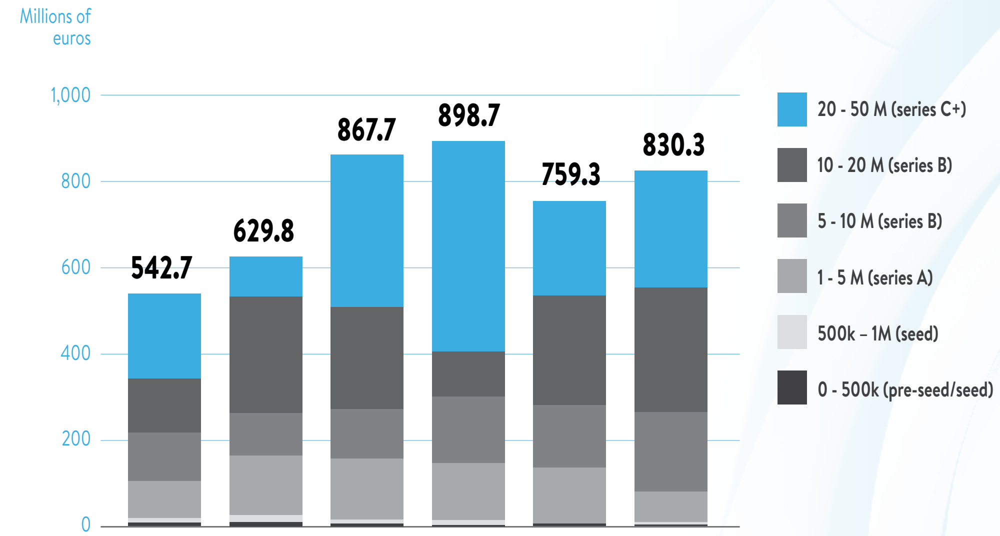
Investment records collected by the The Spanish Startup Ecosystem Observatory show a recovery in institutional venture capital in 2024 (including venture capital funds, corporate investors, public venture capital, and private equity), with a 76% increase compared to the amount invested the previous year[39] (see figure 48).

After two years of sharp contractions, more favourable macroeconomic conditions for investment—driven by the good performance of the Spanish economy, the stabilisation of energy prices, and the reduction in interest rates from the middle of the year onwards—contributed, among other factors, to the return of foreign investment to the Spanish market, which accounted for 69% of the institutional capital invested[40].

The annual volume invested through mega-rounds (over €50 million) more than doubled compared to 2023 and was mainly concentrated in series C rounds (€20–80 million) and growth rounds (over €80 million).

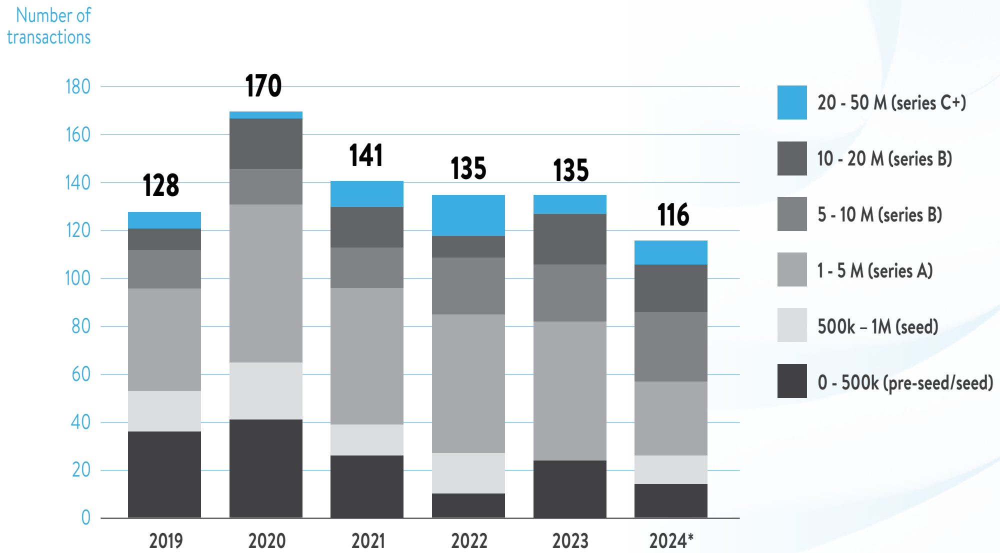
Excluding these large deals, Spanish startups raised 9% more institutional venture capital than in 2023. In this context, investors focused their efforts on rounds exceeding €5 million, with particular emphasis on more advanced phases (series B and C) of up to €50 million (see figures 49 and 50).

In contrast, investment and the number of transactions in pre-seed, seed and series A rounds experienced significant declines in 2024. In the segment below €500,000, investments declined by 43% and the number of transactions fell by 42%, while in rounds between €1 million and €5 million, decreases were around 50%. The segment between €500,000 and €1 million showed positive results, as there had been no activity recorded in 2023.



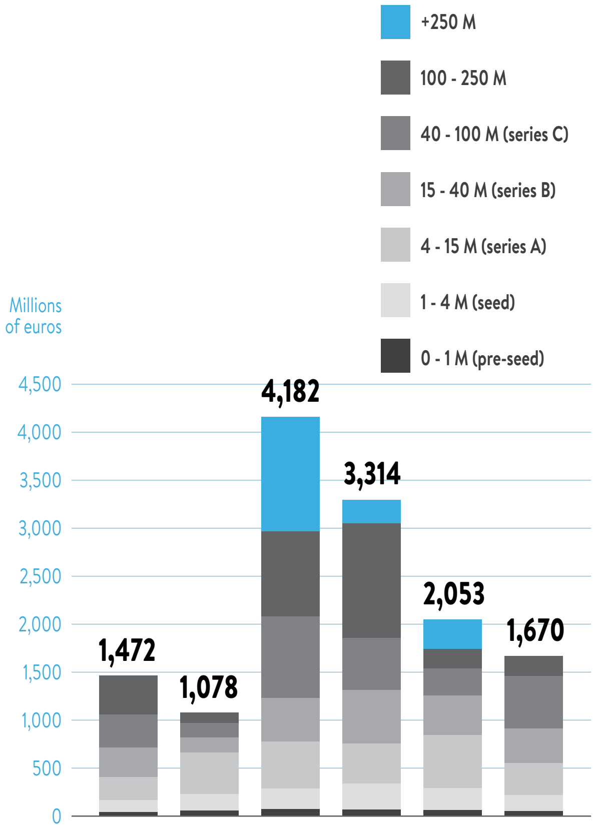
* Estimated - Source: Startup Ecosystem Observatory - Bankinter Innovation Foundation

Figure 49. Institutional venture capital transactions in Spain by round size (excluding mega-rounds) according to the Startup Ecosystem Observatory



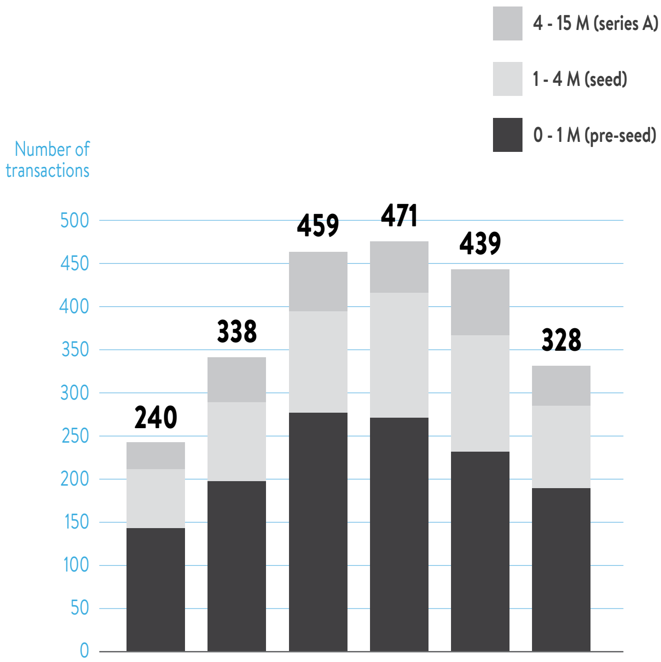
* Estimated - Source: Startup Ecosystem Observatory - Bankinter Innovation Foundation

Figure 50. Institutional venture capital transactions in Spain by round size (excluding mega-rounds) according to the Startup Ecosystem Observatory



* Estimated - Source: Dealroom.co

Figure 51. Institutional venture capital in Spain: investment by round size according to Dealroom.co



*Estimated – Source: Dealroom

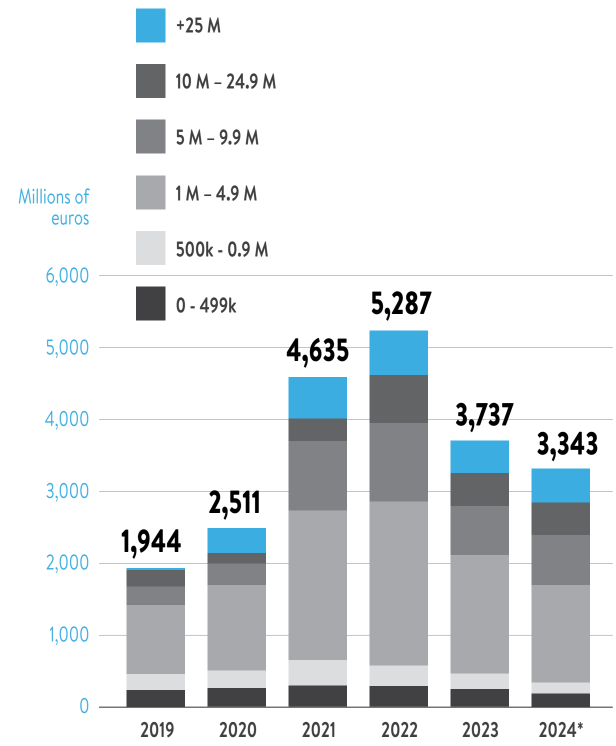
Figure 52. Institutional venture capital in Spain: transactions by round size according to Dealroom.co

Records from Dealroom.co on institutional venture capital in Spain show that overall investment activity (including large-scale rounds) decreased by 19% compared to 2023[41]. If transactions exceeding €15 million (series B and subsequent rounds), where investment increased across all segments, are excluded, activity in smaller rounds (pre-seed, seed and series A according to the categorisation of this database) declined by 35% in terms of volume and by 25% in the number of transactions compared to the previous year. This represents a contraction to levels below those recorded in 2020, after maintaining stable growth above the European average since 2021, in a context of significant adjustments within the sector. This includes declines in invested volume of 18%, 29%, and almost 40% in the pre-seed, seed, and series A stages compared to 2023, respectively (see figures 51 and 52)[42]. The contracting effects of the "return to normality" in the sector and geopolitical tensions, which triggered the sharp correction in 2023, became entrenched in 2024, fostering greater selectivity and caution among investors. However, the results from both this year and the previous year suggest that activity in these segments is showing signs of normalisation after years of significant disruption.

NON-INSTITUTIONAL VENTURE CAPITAL

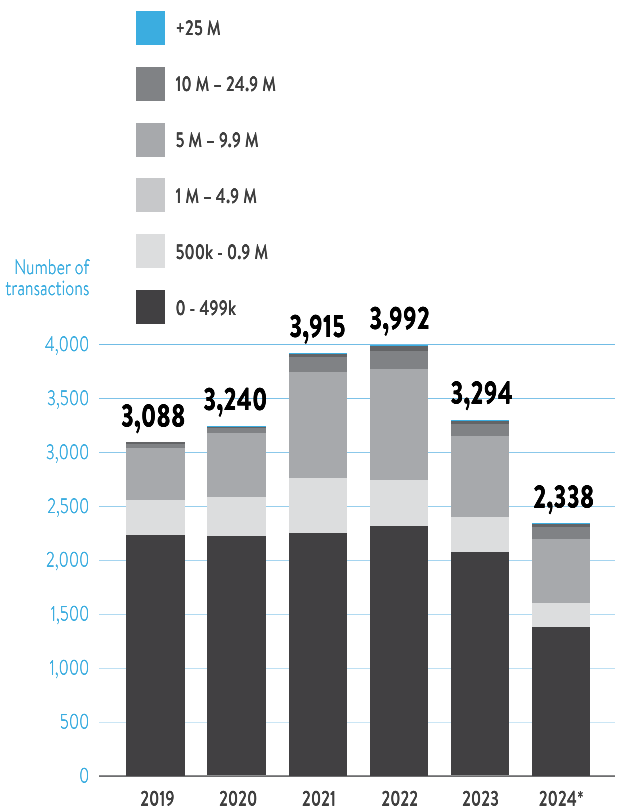
Pitchbook data on non-institutional investor activity in Europe (individual business angels, business angel groups, and accelerators/incubators) in early-stage rounds of up to €25 million (pre-seed/accelerator/incubator, angel, and seed, according to this platform's definition[43]) show an overall decline of 11% in investment volume and 23% in the number of transactions carried out in 2024 compared to the previous year.

Excluding the larger transactions within these venture capital segments (over €5 million), rounds below €1 million show the greatest declines, both in terms of volume and in the number of transactions. Investment activity in the other segments declines less, or even increases slightly in some cases (see figures 53 and 54)[44].



* Estimated - Source: Pitchbook

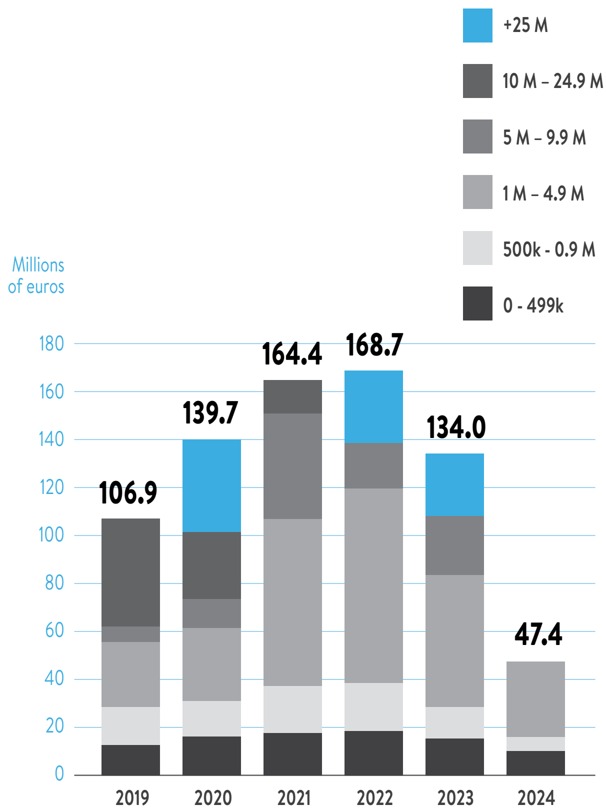
Figure 53. Investment by business angels/angel groups and incubators/accelerators in Europe by round size according to Pitchbook



* Estimated - Source: Pitchbook

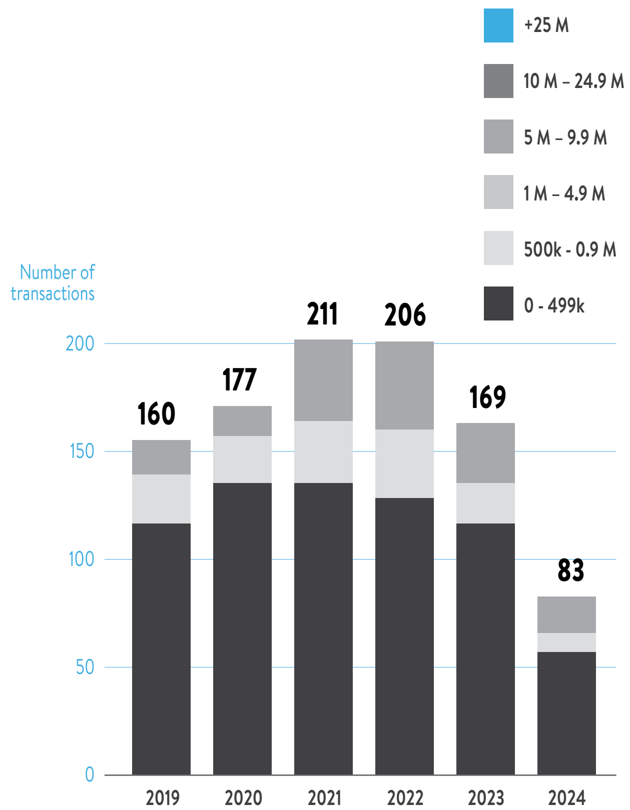
Figure 54. Deals by round size of business angels/angel groups and incubators/accelerators in Europe according to Pitchbook

In Spain, applying the same analytical criteria to the transactions conducted by these types of non-institutional investors in startups reveals a strong decline in investment volume (65% lower) as well as in the number of transactions carried out (51% fewer), compared to 2023[45]. Considering the activity in the typical rounds for this type of investor up to €1 million, the results show declines of over 35% in both investment volume and the number of transactions across all investment segments, with no activity recorded above €5 million (see figures 55 and 56).



Source: Pitchbook

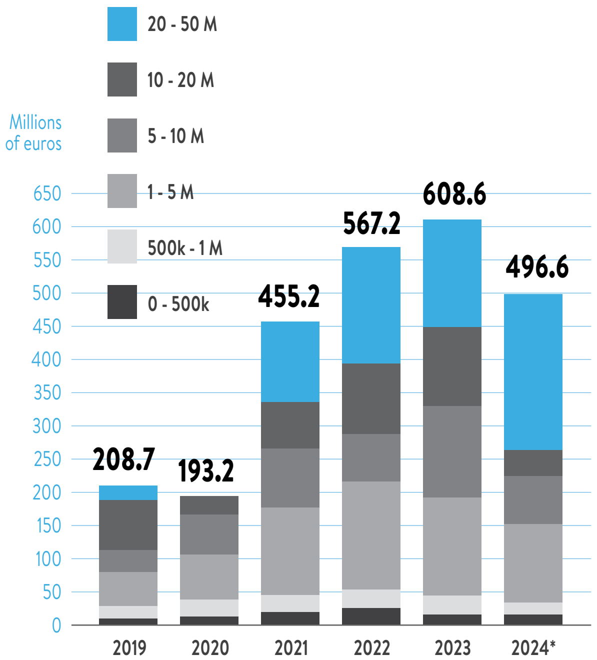
Figure 55. Investment by business angels/angel groups and incubators/accelerators by round size in Spain according to Pitchbook



Source: Pitchbook

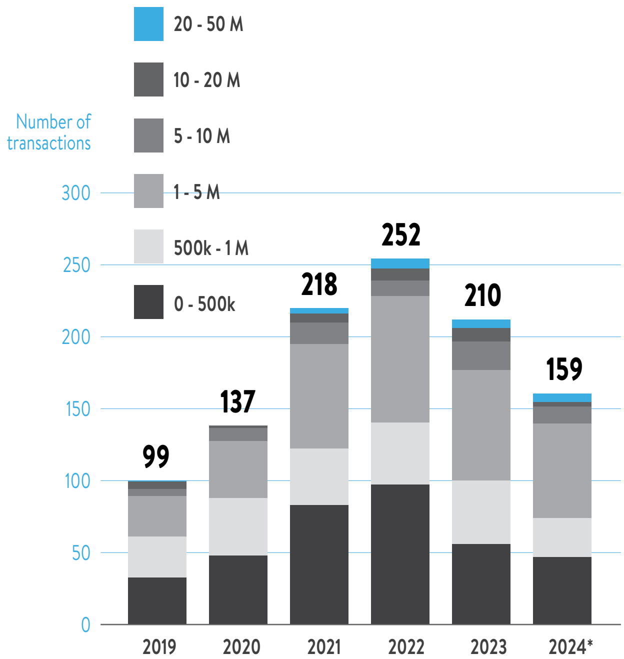
Figure 56. Deals by business angels/angel groups and incubators/accelerators by round size in Spain according to Pitchbook

The Spanish Startup Ecosystem Observatory also reports an 18% drop in non-institutional venture capital invested in Spanish startups during 2024. For this analysis, "non-institutional" venture capital includes investment from individual business angels, business angel networks (BAN), accelerators/venture builders, crowdfunding, family offices, pledge funds/clubs, special purpose vehicles, NGOs and others. Professional venture capital funds, corporate venture capital, private equity, and public venture capital funds are excluded. The capital invested in rounds of up to €5 million (pre-seed, seed, and series A), where more than 80% of non-institutional investor transactions are concentrated, decreased for the second consecutive year, falling by 21% compared to 2023 and ending the year at levels slightly below those of 2021 (14% lower). By round size, activity up to €500,000 remained stable in 2024, while it decreased in the segments between €500,000 and €1 million and between €1 million and €5 million, both in terms of volume (37% and 20%, respectively) and the number of transactions (39% and 15%, respectively) compared to 2023 (see figures 57 and 58)[46].



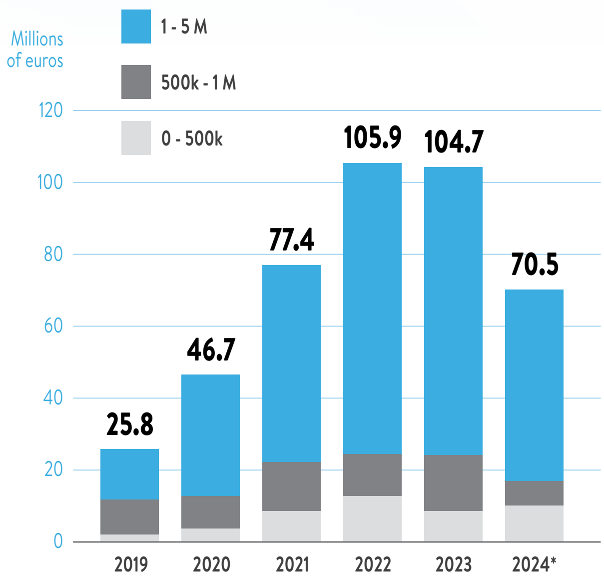
*Estimated – Source: Startups Observatory - Bankinter Innovation Foundation

Figure 57. Non-institutional venture capital: investment by round size in Spain



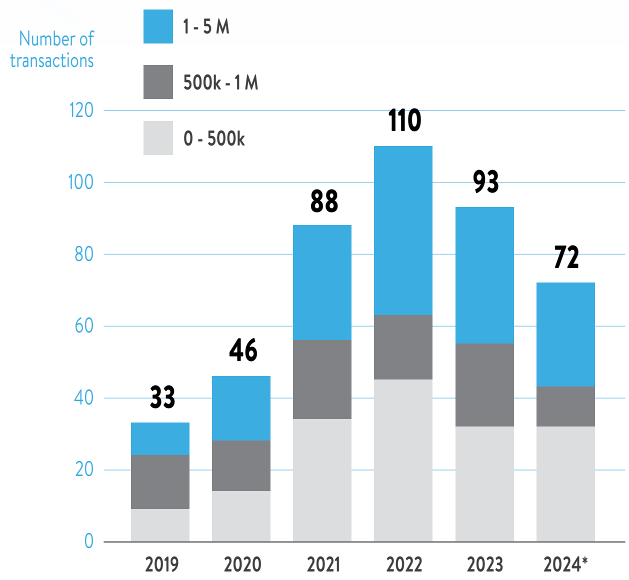
* Estimated - Source: Startups Observatory - Bankinter Innovation Foundation

Figure 58. Non-institutional venture capital: transactions by round size in Spain



*Estimated – Source: Startups Observatory - Bankinter Innovation Foundation

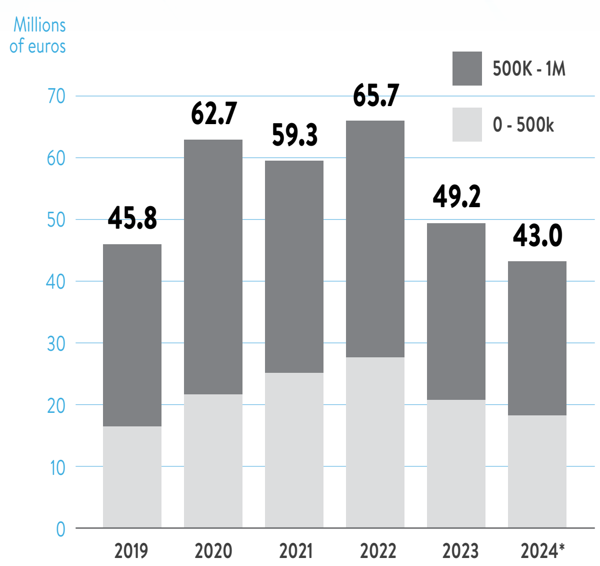
Figure 59. Business angels and business angel networks: investment by round size up to €5 million in Spain



*Estimated – Source: Startups Observatory - Bankinter Innovation Foundation

Figure 60. Business angels and business angel networks: transactions by round size of up to €5 million in Spain

If the transactions of business angels and business angel networks are considered separately, a decrease of almost 33% is observed in the activity of these investors in their most typical segments, up to €5 million, compared to 2023. The most pronounced annual declines in both volume and number of transactions were recorded in the segments between €500,000 and €1 million and between €1 million and €5 million, which fell by 56% and 33%, respectively. In contrast, investment activity in the segment of smaller transactions (up to €500,000) increased by 17% (see figures 59 and 60)[47].

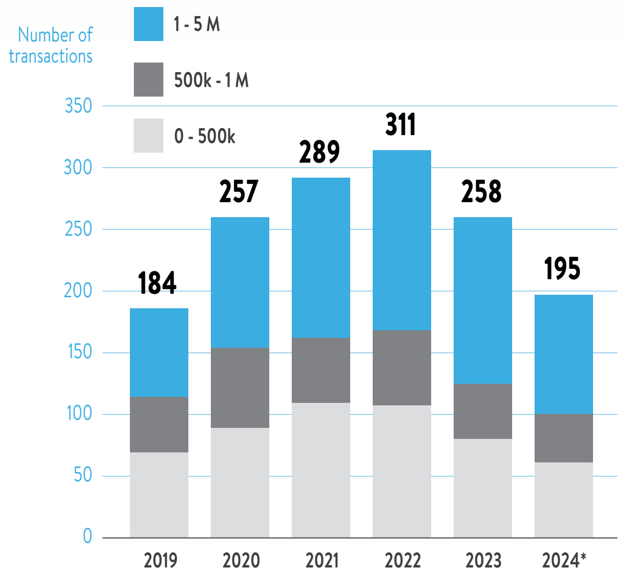


Source: Startups Observatory - Bankinter Innovation Foundation

* Estimated

** Institutional VC (professional VC funds, corporate VC, public VC, private equity, family offices) and non-institutional VC (business angels, private investor networks, crowdfunding, accelerators/venture builders, pledge funds/clubs, special purpose vehicles, NGOs, media for equity, crypto, others).

Figure 61. Institutional and non-institutional venture capital: investment by round size of up to €1 million in Spain



Source: Startups Observatory - Bankinter Innovation Foundation

* Estimated

** Institutional VC (professional VC funds, corporate VC, public VC, private equity, family offices) and non-institutional VC (business angels, private investor networks, crowdfunding, accelerators/venture builders, pledge funds/clubs, special purpose vehicles, NGOs, media for equity, crypto, others).

Figure 62. Institutional and non-institutional venture capital: investment by round size of up to €1 million in Spain

Including the two types of venture capital investors, institutional and non-institutional, as defined by this observatory, the results show that investment in startups in amounts of up to €1 million contracted slightly: by 13% in volume and by 20% in the number of transactions compared to 2023 (see figures 61 and 62)[48].

Investment in rounds up to €1 million contracted slightly: by 13% in volume and by 20% in the number of transactions

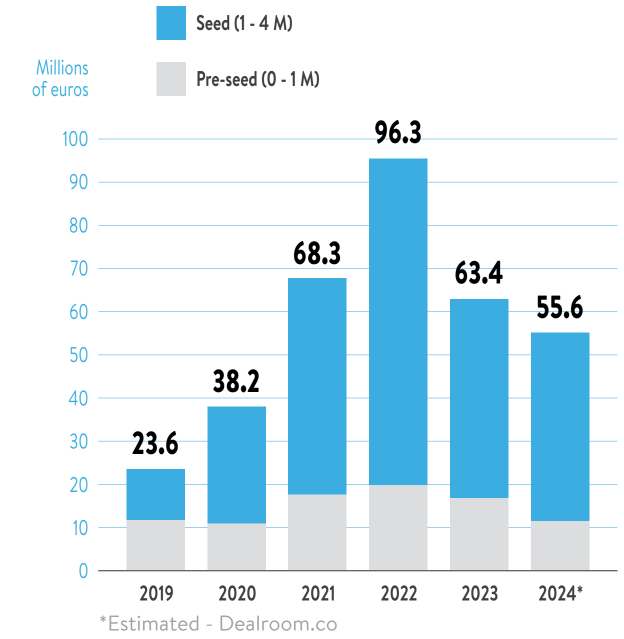


Figure 63. Business angels and angel investor funds: investment by round size up to €4 million in Spain

Finally, according to data compiled by Dealroom.co, investment activity by business angels and angel investor funds in Spanish startups in rounds of up to €4 million—which includes pre-seed rounds of up to €1 million and seed rounds between €1 million and €4 million—decreased by 12% in 2024 through 54 transactions (16% fewer than the previous year). The volume invested in pre-seed rounds suffered a 32% decline, and there were 16% fewer transactions than in 2023. As for the capital invested in seed rounds, it decreased by only 5% through the same number of transactions as in the previous year (see figures 63 and 64)[49].

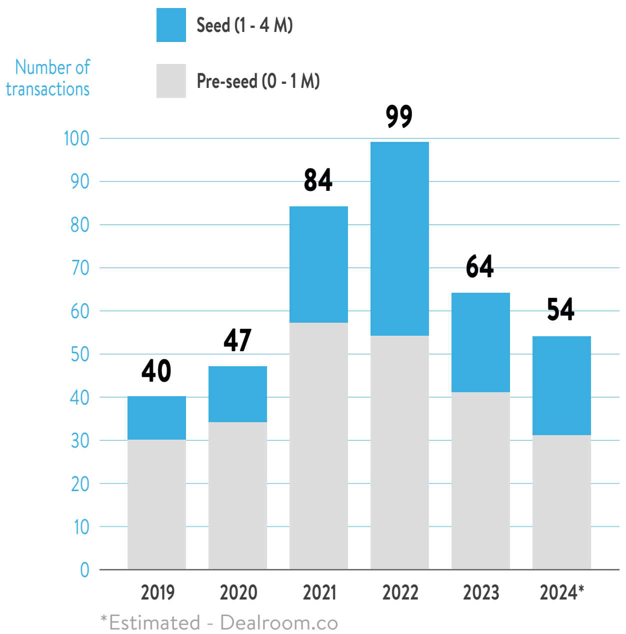


Figure 64. Business angels and angel investor funds: transactions with a round size of up to €4 million in Spain

REFERENCES

Avdeitchikova, S. y Landström, H. (2022). "The role of *business angels* in the new financial landscape". En *De Gruyter Handbook of Entrepreneurial Finance*, pp. 223–244.

AEBAN (2024). *Informe business angels 2024. La inversión en startups: actividad y tendencias.*

Antretter, T., Sirén, C., Grichnik, D. y Wincent, J. (2020). "Should business angels diversify their investment portfolios to achieve higher performance? The role of knowledge access through co-investment networks". *Journal of Business Venturing*, *35*(5).

Bell, A. V. y Levine, R. (2018). "Financing women's entrepreneurship: Specialization and syndication". *Management Science*, 64(11), 5154-5175.

Bonnet, C., Capizzi, V., Cohen, L., Petit, A. y Wirtz, P. (2022). "What drives the active involvement in business angel groups? The role of angels' decision-making style, investment-specific human capital and motivations". *Journal of Corporate Finance*, *77*.

Capizzi, V., Croce, A. y Tenca, F. (2022). "Do Business Angels' Investments Make It Easier to Raise Follow-on Venture Capital Financing? An Analysis of the Relevance of Business Angels' Investment Practices". *British Journal of Management*, *33*(1), 306–326.

www.eban.org/angel-investing-explained

Osterwalder, A. (2019). "The battle for relevance: How digital transformation will change the face of *venture capital*". *Harvard Business Review*, 97(4), 132-141.

Silva Júnior, C. R., Siluk, J. C. M., Neuenfeldt-Júnior, A. L., Francescatto, M. B. y Michelin, C. de F. (2023). "Mapping Risks Faced by Startup Investors: An Approach Based on the Apriori Algorithm". *Risks*, *11*(10).

Söderblom, A., Le Pendeven, B. y Verbouw, J., (2023). *Practices of European Venture Capitalists*. Disponible en: https://www.calameo.com/read/00013720638802630c2f1

Trivedi, S., Begde, P. y Nallakaruppan (2024). "Venture capital: Trends, investment strategies, and impact". En *Fostering Innovation in Venture Capital and Startup Ecosystems*.

Capizzi, V., Croce, A. y Tenca, F. (2022). "Do Business Angels' Investments Make It Easier to Raise Follow-on Venture Capital Financing? An Analysis of the Relevance of Business Angels' Investment Practices". *British Journal of Management*, *33*(1), 306–326.

Venugopal, B. y Yerramilli, V. (2022). "Seed-Stage Success and Growth of Angel Co-investment Networks". *Review of Corporate Finance Studies*, *11*(1), 169–210.

NOTES

1 Pitchbook provides a comprehensive database, including information on more than 4.7 million companies and 1.8 million investors worldwide. It prioritises the US and European markets and its methodology combines (i) automated data collection, using algorithms to extract information from public records, regulatory filings (such as the SEC in the US) and press releases, (ii) machine learning, employing tools such as the VC Exit Predictor, which use classification models to estimate the probability of a startup's success based on variables such as funding rounds, investor track record and operational metrics, and (iii) manual validation, with specialist teams verifying the accuracy of the data.

2 Crunchbase is a global database focused on startups and investments in venture capital and angel investment. The data sources are based on community contributions (crowdsourcing), updates from companies and investors, and algorithms that integrate public information. It contains information on more than 490,000 companies in 199 countries. Its scope is global and it is updated daily. Coverage may vary between countries and sectors due to its partially open model. Furthermore, the quality depends on the level of community participation.

3 Dealroom is a global database that provides data on both institutional and non-institutional venture capital, including startups, scaleups and global investors. It combines self-reported data from companies and investors with information obtained through artificial intelligence (AI) and is verified manually. It has extensive coverage of institutional and non-institutional investments, including business angels and crowdfunding platforms. The data are continuously updated thanks to its hybrid model that integrates human and AI contributions.

4 Invest Europe provides comprehensive data on the European private equity and venture capital market. Its statistics are based on data collected from more than 1,750 European firms through surveys conducted by the EDC (European Data Cooperative) system. It includes data on fundraising, investments, and divestments in these markets since 2007. It excludes activities such as infrastructure funds, private debt and business angels. The data are processed in collaboration with national associations to ensure consistency and accuracy.

5 It is a database that has compiled data on venture capital transactions since 2015, obtained through collaborations with Invest Europe and Dealroom, and provides perception data from annual surveys conducted with over 5,000 industry professionals, analysis of tech talent by combining data from LinkedIn, Glassdoor and Eurostat, as well as forward-looking economic modelling based on macroeconomic indicators. https://stateofeuropeantech.com

6 SpainCap is the association that brings together venture capital and private equity entities in Spain. It bases its statistics on a hybrid model that combines (i) data provided by its nearly 300 members, including VC/PE management companies, service providers and institutional investors. Each member reports quarterly information on transactions, disbursements, and portfolio performance, following standards aligned with the European Venture Capital Association (EVCA) and Invest Europe; ii) collaboration with technical platforms (using systems such as webcapitalriesgo to integrate regulatory data and commercial registries); and iii) cross-verification of data with other entities (the commercial registry, the Spanish Institute for Foreign Trade (ICEX) and the European Union Agency for Cybersecurity (ENISA).

7 The The Spanish Startup Ecosystem Observatory is a platform sponsored by the Bankinter Innovation Foundation that gathers information on investment transactions in startups based in Spain or that have a significant proportion of their founding team in the country. Rounds involving middle market companies or biotech companies are not included. The data is extracted from various news reports on investment rounds in Spanish startups and on divestments published in the media since 2018 and 1998, respectively. Unpublished transactions are not included.

8 Startup observatory sponsored by the magazine *El Referente* in Spain. It draws on i) public records (the commercial register), ii) institutional collaborations (accelerators, venture capital funds, associations such as AEBAN), and iii) crowdsourcing (equity crowdfunding platforms provide data on non-institutional investments).

9 EIF VC Survey 2024. *Market sentiment.* EIF working paper 2024/99. September 2024. Available at: https://www.eif.org/news_centre/publications/eif-vc-survey-2024-market-sentiment

10 *State of European Tech 24.* Atomico. October 2024. Available at: https://stateofeuropeantech.com

11 State of European Tech 24. Atomico. October 2024. Available at: https://stateofeuropeantech.com

12 *EIF VC Survey 2024.* Market sentiment. EIF working paper 2024/99. September 2024. Available at: https://www.eif.org/news_centre/publications/eif-vc-survey-2024-market-sentiment

13 Pitchbook, Crunchbase and Dealroom for Europe, and the Startup Ecosystem Observatory, Bankinter Innovation Foundation for Spain.

14 Spanish Startup Ecosystem Observatory. Bankinter Innovation Foundation.

15 Pitchbook.

16 EBAN (European Business Angel Network) and UKBAA (UK Business Angels Association) make this distinction by considering the former as business angels.

17 Equity crowdfunding is a form of online collective financing through which investors indirectly invest in startups by making relatively small investments, thereby obtaining a proportional share in their equity.

18 Spanish Startup Ecosystem Observatory. Bankinter Innovation Foundation. Search criteria. Investment analysis: i) Type of investor: business angels, private investor networks (BANs), ii) Period: 2019-2024; iii) Investment size: €0–500 K; €500 K–€1 M; €1–5 M. Search date: March 2024.

19 Ptchbook provides a comprehensive database, including information on more than 4.7 million companies and 1.8 million investors worldwide. It prioritises the US and European markets and its methodology combines (i) automated data collection, using algorithms to extract information from public records, regulatory filings (such as the SEC in the US) and press releases, (ii) machine learning, employing tools such as the VC Exit Predictor, which use classification models to estimate the probability of a startup's success based on variables such as funding rounds, investor track record and operational metrics, and (iii) manual validation, with specialist teams verifying the accuracy of the data.

20 Crunchbase is a global database focused on startups and investments in venture capital and angel investment. The data sources are based on community contributions (crowdsourcing), updates from companies and investors, and algorithms that integrate public information. It contains information on more than 490,000 companies in 199 countries. Its scope is global and it is updated daily. Coverage may vary between countries and sectors due to its partially open model. Furthermore, the quality depends on the level of community participation.

21 Dealroom is a global database that provides data on both institutional and non-institutional venture capital, including startups, scaleups and global investors. It combines self-reported data from companies and investors with information obtained through AI and is manually verified. It offers extensive coverage of both institutional and non-institutional investments, including business angels and crowdfunding platforms. The data are continuously updated thanks to its hybrid model that integrates human and AI contributions.

22 Invest Europe provides comprehensive data on the European private equity and venture capital market. Its statistics are based on data collected from more than 1,750 European firms through surveys conducted by the EDC (European Data Cooperative) system. It includes data on fundraising, investments, and divestments in these markets since 2007. It excludes activities such as infrastructure funds, private debt and business angels. The data are processed in collaboration with national associations to ensure consistency and accuracy.

23 This is a database that has compiled venture capital transaction data since 2015, obtained through collaborations with Invest Europe and Dealroom, and provides perception data from annual surveys conducted with over 5,000 industry professionals, analysis of technological talent by combining data from LinkedIn, Glassdoor, and Eurostat, and forward-looking economic modelling based on macroeconomic indicators. https://stateofeuropeantech.com

24 SpainCap is the association that brings together venture capital and private equity entities in Spain. It bases its statistics on a hybrid model that combines i) data provided by its nearly 300 members, including VC/PE management companies, service providers and institutional investors (each member reports quarterly information on transactions, disbursements and portfolio performance, following standards aligned with the European Venture Capital Association and Invest Europe); ii) collaboration with technical platforms (using systems such as webcapitalriesgo to integrate regulatory data and commercial registers); and iii) cross-validation of data with other entities (the commercial register, ICEX and ENISA).

25 The Spanish Startup Ecosystem Observatory is a platform sponsored by the Bankinter Innovation Foundation that collects information on investment transactions in startups headquartered in Spain or with a significant part of their founding team based in the country. Rounds of middle market or biotech companies are not included. The data are extracted from various news reports on investment and divestment rounds in Spanish startups published in the media since 2018 and 1998, respectively. Unpublished transactions are excluded.

26 Startup observatory sponsored by the magazine *El Referente* in Spain. It draws on i) public records (the commercial register); ii) institutional collaborations (accelerators, venture capital funds, associations such as AEBAN); and iii) crowdsourcing (equity crowdfunding platforms provide data on non-institutional investments).

27 Pitchbook records investment as the capital received by startups plus capital committed for the future, which is known as the transaction value.

28 According to Pitchbook's definition

29 Pitchbook. 2024 Annual European Venture Report. Investment activity of professional venture capital accounted for in angel/seed rounds, early-stage VC (series A, B), late-stage VC (series C, D) and venture growth (series E and subsequent rounds).

30 Crunchbase. It covers the following investment stages and sizes: i) pre-seed, angel, and seed (0-3M); ii) early-stage VC (3-15M: series A, B, unknown series); iii) late-stage VC (over 15M: series C, D, E and subsequent rounds, including unknown series, corporate VC, or others); and iv) technology growth (includes private equity rounds in a company previously financed by venture capital in earlier rounds) https://news.crunchbase.com/venture/europe-startup-funding-eoy-2024/.

31 Atomico. State of European Tech 24, October 24. Available at https://stateofeuropeantech.com

32 Dealroom.co. Search criteria: i) location of the funded companies: Europe (creation or headquarters); ii) Type of investor: all institutional venture capital investors (VC funds, corporate investors, private equity, investment funds, corporate VC funds, and sovereign funds). Accelerators, business angels, crowdfunding, incubators, family offices, advisers, service providers, workspaces and non-profit public entities are not included; iii) Round size: all, including mega-rounds. iv) Search date: March 2025.

33 PitchBook NVCA Venture Monitor Q4 2024. Investment activity of professional venture capital accounted for in angel/seed rounds, early-stage VC (series A, B), late-stage VC (series C, D) and venture growth (series E and subsequent rounds).

34 *Crunchbase*. https://news.crunchbase.com/venture/north-american-startup-funding-ai-eoy-2024/

35 Atomico. State of European Tech 24. October 2024. Available at: https://stateofeuropeantech.com

36 Pitchbook. Search criteria: i) Investor type: venture capital, corporate venture capital, private equity; strategic acquirers, other non-traditional investors; ii) deal location: Spain; iii) investor locations: domestic and international; iv) company universes: pre-venture, venture capital; v) deal status: completed, first-time investors, follow-on investors; vi) deal date: 1-Jan-2014–31-Dec-2024; vii) deal types (all stages): pre-seed/incubator, angel, seed; early-stage VC (series A, B); late-stage VC (series C, D and subsequent). Search date: March 2025.

37 SpainCap. Summary of private equity activity in Spain 2024 (estimated). Press release, 23 January 2025. Unlike other data sources such as Pitchbook, the professional VC investment data provided by SpainCap/Webcapitalriesgo for Spain is calculated based on the actual disbursement (equity and quasi-equity) by national and international VC entities and corporate VC in startups in the early stages of development (seed or startup) headquartered in Spain. Therefore, the investments made by Spanish management companies that invested outside Spain are excluded. Investments made by infrastructure funds, real estate funds, funds of funds, private debt funds or non-institutional VC (business angels, accelerator or incubator funds) are also not included.

38 Startup Ecosystem. *El Referente.* March 2025. https://elreferente.es/inversiones/inversion-startups-sector/?sstat=acsector&syear=2024

39 Spanish Startup Ecosystem Observatory. Bankinter Innovation Foundation. Search criteria: (i) type of investors: includes institutional VC (VC funds, corporate investors, public VC, and private equity). It excludes non-institutional VC (business angels, BAN, crowdfunding, accelerators/venture builders, pledge funds/clubs, family offices, special purpose vehicles, media for equity, non-profit organisations, others); ii) round size: all. Search date: March 2025. Unpublished transactions are excluded. Investment rounds are differentiated according to the following segments and stages: pre-seed (less than 100K); seed (100K–1M€); series A (1M–5M€); series B (5M–20M€); series C (20M–80M€); and growth (more than 80M€).

40 Startup investment trends in 2024 Startup Ecosystem Observatory. Bankinter Innovation Foundation.

41 Discrepancies with other data sources, such as SpainCap, whose results report a 3% growth in institutional venture capital in 2024, are due to differing methodologies or market segments being measured.

42 Dealroom. Search criteria: i) location of the funded companies: Spain (creation or headquarters); ii) type of investor: all institutional venture capital investors (VC funds, corporate investors, private equity, investment funds, corporate VC funds and sovereign funds). It does not include accelerators, business angels, crowdfunding, incubators, family offices, advisers, service providers, workspaces or non-profit public entities; iii) round sizes: all, including mega-rounds. Search date: March 2025.

43 Pitchbook defines a pre-seed round as a financing round for a company with fewer than two years of transactions that has not received investment from an institutional or professional venture capital fund. An angel/seed round is defined as one in which no involvement by any professional venture capital or private equity entity is detected, and in which it cannot be determined whether such involvement is taking place. If reports are detected in the press of individual investors making investments in a transaction, this is also counted as angel investment. With regard to the seed stage, if investors or press releases report a round as a seed round, or if it is a transaction of less than €500,000 and it is an officially reported first round, it is classified as such. If only angel investors participate, the round is classified as a seed round only if it is reported as such.

44 Pitchbook. Search criteria: i) investor type: individual angels/angel groups/incubator-accelerator; ii) deal location: Europe; iii) investor locations: domestic and international; iv) company universes: pre-venture, venture capital; v) deal status: completed, first-time investors, follow-on investors; vi) deal date: 1-Jan-2014–31-Dec-2024; vii) deal types: pre-seed/accelerator/incubator, angel, seed. Search date: March 2025. Recorded investment: capital received by the startups plus capital committed for the future (transaction value).

45 Pitchbook. Search criteria: i) investor type: angel individuals/angel groups/incubator-accelerator; ii) deal location: Spain; iii) investor locations: domestic and international; iv) company universes: pre-venture, venture capital; v) deal status: completed, first-time investors, follow-on investors; vi) deal date: 2019-2024; vii) deal types: pre-seed/accelerator/incubator, angel, seed. Search date: March 2025. Accounted investment: capital received by startups plus capital committed for the future.

46 Spanish Startup Ecosystem Observatory. Bankinter Innovation Foundation. Search criteria: i) type of investor: business angels, BAN; accelerators/venture builders, crowdfunding, family offices, pledge funds/clubs, special purpose vehicles, NGOs, others. VC funds, corporate VC, private equity and public VC are not included; ii) round size: all up to €50M. Search date: March 2025. Transactions without data are not included.

47 Spanish Startup Ecosystem Observatory. Bankinter Innovation Foundation. Search criteria: i) type of investor: business angels, BAN; ii) round size: all up to 5M; iii) origin of funds: local, mixed and international; iv) tax domicile: local, outside Spain. Search date: March 2025. Transactions without data are not included.

48 Spanish Startup Ecosystem Observatory. Bankinter Innovation Foundation. Search criteria: i) type of investor (all): Institutional VC (VC funds, corporate VC, public VC, private equity, family offices) and non-institutional VC (business angels, private investor networks, crowdfunding, accelerators/venture builders, pledge funds/clubs, special purpose vehicles, NGOs, media for equity, crypto and others); ii) round size: pre-seed (0–1M); iii) source of funds: local, mixed, and international. Search date: March 2025. Transactions without data are not included.

49 Dealroom.co. Search criteria: i) location: Spain. ii) investor type: business angels, business angel funds; iii) round size: 0–1 M€ and 1–4 M€; iv) Search date: March 2025.

ASOCIACIÓN ESPAÑOLA BUSINESS ANGELS

INSTITUTIONAL PARTNER:

FINANCIAL PARTNER:

WITH THE COLLABORATION OF: