

## Which companies can be financed ?

The European Angels Fund wants to support innovative small and medium-sized enterprises (SMEs). Investments are possible in all sectors and throughout the entire range of development phases of a company (seed, early or expansion stage).

Co-investments under the European Angels Fund are generally focussed on new investments of the Business Angels and include subsequent follow-on investments in these companies.

## How to apply ?

Business Angels who are interested in partnering with the European Angels Fund should fulfil, amongst others, the following criteria:

- adequate experience in the targeted investment area
- track record of successful investments in the past
- good access to quality deals
- financial capacity to invest at least EUR 250k in total during the lifetime of the CFA, i.e. 10 years

A lean Due Diligence process and the use of CFAs ensure a short reaction time and a minimum administrative burden for the Business Angels.

Interested Business Angels can find information on how to join the European Angels Fund on the website of the European Investment Fund ([www.eif.org](http://www.eif.org)) or by contacting us by email ([eaf@eif.org](mailto:eaf@eif.org)).



# European Angels Fund

### European Investment Fund

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## What is the European Angels Fund?

The European Angels Fund (EAF) provides equity to Business Angels and other non-institutional investors for the financing of innovative companies in the form of co-investments.

It works hand in hand with Business Angels and helps them to increase their investment capacity by co-investing into innovative companies in the seed, early or growth stage. The activity of the European Angels Fund is adapted to the Business Angels' investment style by granting the highest degree of freedom in terms of decision-making and management of investments.

The European Angels Fund started its activities in Germany in close cooperation with Business Angels Netzwerk Deutschland (BAND) and the ERP-EIF Dachfonds and is advised by the European Investment Fund (EIF).

The European Angels Fund is currently operative in Germany through a virtual structure and shall be extended to other European countries and/or regions through the establishment of a fund vehicle in view of a pan-European coverage. Once rolled out, the European Angels Fund shall foster and support cross-border collaboration between Business Angels. It will also contribute to the establishment of European Angels and Family Offices as an attractive alternative asset class.

## How does the European Angels Fund work?

Instead of granting co-investments on a deal-by-deal basis, the European Angels Fund enters long-term contractual relationships with Business Angels. Co-investment framework agreements (CFAs) are established through which the European Angels Fund grants a predefined amount of equity for co-investments upfront to each Business Angel for future investments.

For ease and speed, these CFAs are generally standardised while leaving room for adaption to specific requirements of individual Business Angels. Such elements include for example timeframe, sector focus, number of investments, etc.

All investment decisions will be taken by the Business Angels and their investments will be matched on a pari passu basis, i.e. by the same amount by the European Angels Fund. The volumes available in total under an individual CFA range between EUR 250k and EUR 5m. The European Angels fund does not pay a management fee to the Business Angel but shares investment-related costs on a pro-rata basis.

## What are the benefits for the Business Angels?

The European Angels Fund has a unique set-up which is adapted to the Business Angels' investment style and needs. It provides significant financial support while granting a maximum amount of freedom to each Business Angel. Carry payments from the European Angels Fund to the Business Angel increase even further the upsides of the investments for the latter.

Through the European Angels Fund, Business Angels can draw on the expertise and network of the European Investment Fund, one of the most experienced Venture Capital investors in Europe.

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