

Assessment Of The Business Angel Market In Europe: Analytical Study Of EBAN Network (2024)

تقييم سوق ملائكة الأعمال في أوروبا: دراسة تحليلية لشبكة EBAN لسنة (2024)

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Received: 29/03/2026	Accepted: 30/04/2026	Published: 01/06/2026

Abstract

This study aims to shed light on angel investment as a financing mechanism for startups in Europe, through an analysis of EBAN network. By examining the evolution of angel investment market in Europe, it was found that despite a slight decline of 2.8% in angel investments in 2024 compared to the previous year, the overall investment volume remains significant. The study concluded that EBAN acts as a strong bridge connecting 10,000 business angels seeking promising projects (through Eban Accelerator, Eban TV, Special Eban), with entrepreneurs in need of financial support and advisory guidance (through training, networking, and pitching), ultimately enabling more than 4,000 startups to obtain support.

Keywords: Business angels, Angel investment, Startups, EBAN, Entrepreneurship.

JEL Classification: L26, O52, M13.

ملخص

تهدف هذه الدراسة إلى تسليط الضوء حول الاستثمار الملائكي كآلية تمويل للمؤسسات الناشئة في أوروبا، وهذا من خلال تحليل شبكة EBAN. وبعد تتبع تطور السوق الملائكي في أوروبا، تبين أنه بالرغم من الانخفاض الطفيف للاستثمارات الملائكية في سنة 2024 بـ 2.8% مقارنة بالسنة التي قبلها، لكن يبقى حجم الاستثمارات مهما. وخلصت الدراسة إلى أن EBAN هي بمثابة جسر متين يربط بين 10000 من ملائكة الأعمال الذين يبحثون عن المشاريع الواعدة (عبر تقديم خدمة Eban Accelerator, Eban TV, Special Eban)، وبين المقاولين المحتاجين للدعم المالي والمرافقة الاستشارية (عبر خدمات التدريب، بناء الشبكات، وتقديم العروض)، ما أسفر في الأخير عن تمكين أزيد من 4000 شركة ناشئة من الحصول على الدعم.

كلمات مفتاحية: ملائكة أعمال، استثمار ملائكي، مؤسسات ناشئة، EBAN، ريادة أعمال.

تصنيف JEL: L26, O52, M13.

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Introduction

In light of technological advancements and the outcomes of the Fourth Industrial Revolution, the European business landscape has witnessed the emergence of an increasing number of startups with innovative ideas and promising future prospects. In 2025, the number of startups in Europe reached an estimated 58,000 (www.startupblink.com, 2025).

However, the greatest challenge facing such ventures is entrepreneurs' need for funding and support, especially in the early stages, to transform their ideas into reality and launch their businesses. In this context, the angel investment market in Europe has become more developed and structured, making it easier to track its financial flows, particularly through EBAN network, which represents the European investor community.

EBAN plays a significant role in early-stage financing, providing advisory support to startups, and offering a platform for the exchange of knowledge and best practices. Based on the above, the following research problem can be raised:

How has the angel investment market evolved in Europe, and how can the performance of EBAN network be evaluated in 2024?

Research Questions

Based on preceding discussion, the study seeks to address the following questions:

- What is meant by business angels?
- What is the role of business angels in supporting startups?
- How have startups and the angel investment market in Europe evolved over the past two years?
- What services does the EBAN network provide to both entrepreneurs and business angels?

Objectives of the research

- To highlight the importance of business angels in providing financial support and consulting services to startup founders.
- To examine the current state of the startup ecosystem and angel market in Europe.
- To explore the mechanisms of EBAN and its contributions to support European startups.

Research Methodology

To achieve the previous objectives, a combination of approaches was adopted. The descriptive method was used to determine the definition of business angels and their types, while the analytical method was employed to analyze their effective role in supporting startups. The analytical approach was also used to examine various statistics related to the development of startups in Europe in 2025, as well as the evolution of the angel investment market and the performance of the EBAN network in 2024.

1. Theoretical Background about Business Angels Investment

1.1 The concept of BA

Investors are called “**angels**” as a metaphor for the funding they provide to entrepreneurs as a “gift from heaven” at a time when money from friends and family has been exhausted, and the project has not yet developed products or revenues to attract later-stage investors. It should be noted that the historical roots of business angels trace back to “**Broadway theatre**” in New York, when wealthy individuals provided funds to finance theatrical productions. However, the use of the term in the field of investment was introduced by the researcher “**Bill Wetzel**” from the University of New Hampshire to describe investors who support ventures in their early stages (Harid & Salama, 2022).

Although business angels (BA) have been active for centuries, the formulation of an economic concept recognizing them as a source of financing for startups and as accelerators of their growth, has only emerged in the last two decades in Europe. Particularly in the United States, which began to witness a high concentration of business angels in Silicon Valley in the late 1970s and early 1980s (Chetouane, 2022, p. 114).

Some of the definitions that have been provided for business angels are as follows:

- An **angel investor**, also known as a **business angel** or informal investor, is an individual with substantial wealth who provides capital to startup ventures, usually in exchange for debt or a loan convertible into equity.
- **Business Angel** is a term used to describe wealthy business men and entrepreneurs who finance small, early-stage projects seeking growth, using their own

personal funds. In return, they receive an agreed-upon equity share in the funded ventures. This share is based on the amount of funding provided and the investor's contribution to the project's development and success. In brief, they are investors before they are "angels". (Hadjab & Aichawi, 2019, p. 26)

- **Business angels** are defined as individuals who act alone or as part of a formal or informal syndicate, investing their own money directly in an unlisted company with which they have no family ties. After making the investment, they take an active role in the business, for example as advisors or board members. (Harnane & Berkane, 2022 , p. 7)
- **Business Angels** invest their own money either individually or collectively, informally or through networks, in order to better take advantage of investment opportunities in high-technology companies (Holaday & al, 2008, p. 219)
- **Business Angel** is a wealthy individual who provides capital for startups, often in exchange for convertible bonds or ownership equity. Sometimes, several angel investors come together to form an investment group, pooling their investments and research efforts. (Hadjab & Aichawi, 2019)
- Compared to venture capital companies, whose primary goal is to invest funds, **business angels** typically seek a more active role by dedicating time and effort to mentoring entrepreneurs and connecting them with the necessary networks. (Alkouraichi, 2020, p. 26)

1.2 The importance of BA from start-ups founders perspective

Entrepreneurs consider business angels to be **more than just a source of funding**, especially for founders of technological startups. They consider the access to advice and business strategies as equally essential (Zidane & Saadi, 2021, p. 96). Angels invest their own money in the early stages of entrepreneurial projects, representing the first type of independent external investment that entrepreneurs typically seek. This usually occurs after the founding team has exhausted personal savings and loans from family and friends. At this point, the company is still in its infancy—caught between potential failure and launching business—making it insufficiently attractive to obtain Venture Capital funding.

Early-stage startups frequently struggle with limited experience within their teams, which can hinder their ability to scale and develop the business effectively. Beyond capital needs, these ventures require strategic orientation and hands-on support to progress to the next phase of development. Angel investors are often described as the “**Unsung Heroes**” behind entrepreneurial achievements. They go beyond simply providing funds by mentoring founders, offering practical advice and ongoing support, and helping young companies navigate the challenging early years until they achieve stability, profitability, and long-term sustainability. Therefore, angel investment enables early-stage ventures to launch and grow at a time when risks are relatively high and discourages most other investors from getting involved (Harid & Salama, 2022, p. 1470).

Overall, **the importance of angel investment** can be summarized by emphasising its **advantages** to startups:

- **Increased Access to Funding**

Beyond the fact that business angels provide significant funding to ventures as early formal investors, obtaining early-stage angel financing increases startup’s chances of attracting additional funding in later stages from institutional investment funds, such as Venture Capital. Receiving angel funding at the outset signals that the startup is promising, credible, and has strong potential for growth and development (Almubarak & al, 2025, p. 799).

- **Strategic and operational guidance**

Business angels contribute not only financially, but also by providing strategic guidance on the commercial side of the venture. This includes validating the target customer segment, supporting product development, advising on pricing strategy, marketing and promotion, building a strong brand, and Formulating a market expansion strategy (www.fastercapital.com, 2025).

- **Expanding Networks**

Business angels typically possess extensive professional networks that can help entrepreneurs reach a broad customer share more quickly, connect with potential partners, and gain access to future investors (www.b4i.unibocconi.it, 2025).

- **Leveraging Experience**

Business angels bring real added value to startups through their experience in specific industries or functional areas. For example, a biotechnology startup can greatly benefit from an angel investor with a background in the pharmaceutical industry, who can provide guidance on common regulatory challenges and obstacles to avoid. In this way, angels act as advisors and mentors, offering both strategic insight and moral support to help entrepreneurs develop and grow their ventures (www.fastercapital.com, 2025).

1.3 The importance of BA from start-ups founders perspective

There is no unified classification that defines the types of business angels, as studies have differed in their categorizations depending on the perspective adopted. In this study, the classification of Gatson (1989) was used, as it is considered the most comprehensive and detailed. Gatson's study sample included 435 informal angel investors, In what he referred to as the "cast of angels," business angels were divided into the following 10 types (**Fig.1**). (Muzna, 2025, p. 45)

Fig. 1: Typology of Business Angels.



Source: The author based on Muzna's typology of business angels.

▪ **Godfathers**

This category consists of **older investors**, often semi-retired, who are willing to support young entrepreneurs. They are typically wealthy investors with a long-term investment perspective and often seek majority ownership in the companies they support. They represented 25% of the studied sample. The term "Godfather" was chosen to reflect the image of an older, supportive, and guiding figure.

▪ **Peers**

This group includes younger, successful entrepreneurs within the sample. Their investments tend to be **local** (usually within a 50-mile radius of their residence), and they prefer to invest in companies operating in industries similar to their own. They accounted for 33% of the total sample.

▪ **Cousin Randy**

These investors fund projects **led by relatives** and may join the company as formal employees. They typically accept minority stakes and relatively lower returns. This category represented 10% of the angels.

- **Dr. Kildare**

This group includes **professionals** from fields such as medicine, law, and accounting, who usually lack experience in entrepreneurship and startups. They represented 9% of the sample. The term “Dr. Kildare” was borrowed from a well-known American medical drama character.

- **Corporate Achievers**

These angels are **former senior executives**. Their contributions often involve relatively small equity stakes, and they may use financial instruments such as bonds and warrants. They frequently tend to retain majority control of the venture. Their prior business experience makes them persistent and patient investors. They represented 13% of the angels.

- **Daddy Warbucks**

This category represents the largest proportion of angels at 39%. The term reflects their **wealth**, as they contributed 68% of the total angel funding. They also have the ability to attract additional external financing to support startups.

- **High-Tech Angels**

These angels have a strong passion for **advanced technology**. They often prefer co-investing within networks or groups and provide added value beyond funding. They represented 6% of Gatson’s studied sample.

- **The Stockholders**

These are **passive investors** who prefer investing at a distance and entering into investment partnerships with others without frequent communication with startup founders or attempts to understand their creative vision. They accounted for 11%.

- **Very Hungry Angels**

This type of investor is primarily driven by **strong financial motives** and is willing to invest larger amounts. They conduct thorough due diligence before making investment decisions. They represented 15% of the sample.

▪ Business Devils

These investors seek **absolute control** over the projects they finance and aim to dominate ownership over the founders' ideas. They often have relatively lower educational levels and rely heavily on deals referred through personal networks. They represented 20% of the sample.

1.4 Challenges and Risks in Business Angel Investments

Business angel investments involve several important challenges and risks: (www.fastercapital.com, 2025).

- First, business angels often have limited control over company decisions, which can create conflicts with entrepreneurs if their visions differ. Clear communication and defined expectations are essential to reduce this risk.
- Second, returns on investment are uncertain because startups have high failure rates. Investors may lose all their capital if the business fails. Therefore, business angels need to conduct careful due diligence and diversify their investments across several startups.
- Another challenge is illiquidity. Unlike publicly traded stocks, startup investments cannot easily be sold, meaning investors may need to wait many years before earning returns through an IPO, acquisition, or buyout.
- Business angels also face limited information and transparency because startups usually lack historical financial data and market evidence. To reduce uncertainty, investors should rely on expert advice, networking, and regular communication with entrepreneurs.
- Finally, startups are exposed to operational and execution risks such as product delays, recruitment difficulties, and market acceptance problems. Business angels can help reduce these risks by providing mentorship, strategic guidance, and access to professional networks.

In conclusion, although business angel investing is risky, investors can improve their chances of success through careful evaluation, diversification, active involvement, and continuous learning about market trends and startup management.

2. Analytical study on European Startups, Angel Market and EBAN

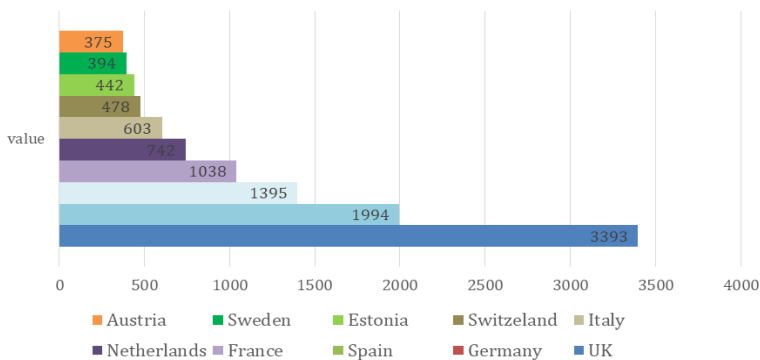
Europe has consistently been home to outstanding talents, while its early-stage startup ecosystem continues to accelerate in growth and dynamism. The region counts approximately **35,000 startups** in their initial phases—surpassing any other part of the world. Entrepreneurs today are founding ventures with unprecedented levels of expertise and ambition, backed by robust early-stage funding. The strength and cohesion of this ecosystem have substantially expanded the growth and scaling prospects of European firms (Accelerating Europe report, 2025, p. 40).

2.1 Start-ups evolution in Europe

Based on the study conducted by (www.insights.greyb.com, 2025), it can be observed that during the period of 2020 - 2025, **United Kingdom** leads Europe's startup ecosystem with 3,393 startup—almost **70%** more than **Germany** (1,994), which takes second place. **Spain** and **France** come next, with 1,395 and 1,038 startups respectively, underscoring significant momentum in Southern Europe (**Fig.2**). The Netherlands, Italy, and Switzerland occupy an intermediate position, while Estonia, Sweden, and Austria are emerging as growing entrepreneurial hubs.

Overall, this pattern confirms the United Kingdom's position as the leading center of innovation in Europe, while also reflecting the increasing decentralization of entrepreneurial activity across Western and Northern Europe.

Fig.2: Leading start-ups Countries in Europe during (2020-2025).

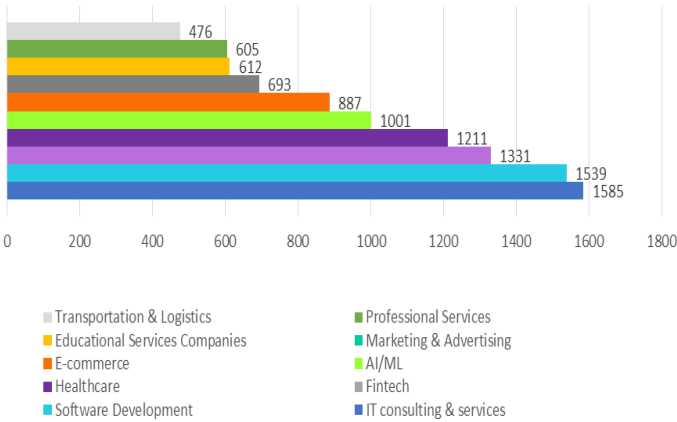


Source: The author based on: www.insights.greyb.com, (2025).

Concerning **the sectoral specializations of startups**, (Fig.3) below indicates that from 2020 to 2025, European startups have predominantly operated in **IT services, software engineering, and fintech**, underscoring an accelerated shift toward digitalization. At the same time, healthcare, artificial intelligence, and machine learning have gained considerable traction, mirroring the rising need for innovation in medical technologies and smart systems.

Overall, this pattern reflects a **European startup ecosystem** largely driven by **technology and service-based activities**

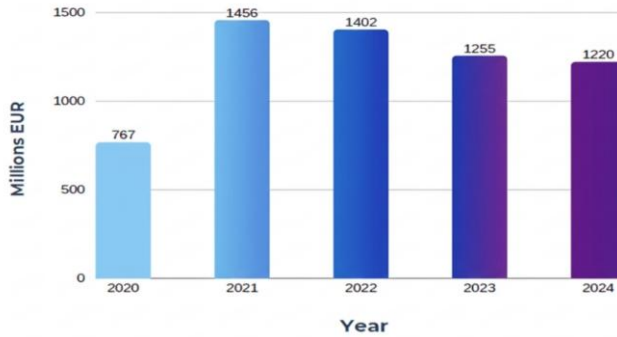
Fig.3: Ranking of startups from the perspective of sectoral specializations (2020-2025).



Source: The author based on: www.insights.greyb.com, (2025).

2.2 Angel Market evolution in Europe

According to statistics from EBAN network shown in (Fig.4), angel investments in Europe declined by 2.8% at current prices, falling from €1,255 million in 2023 to **€1,220 million in 2024**. Despite this decline, the level of angel investment activity remains nearly three times what it was a decade ago, specifically in 2013. This significant growth over the past ten years is attributed to a combination of factors, most notably the improved access to angel investor data, which has enhanced the network’s ability to measure and track what is known as the “visible” or formal angel investment market (EBAN Statistics compendium, 2024, p. 11).

Fig.4: Angel market evolution in Europe (based on 39 countries/ investment M€).

Source: EBAN Statistics Compendium, (2024), p11.

The growing popularity of angel investing across Europe has attracted a larger number of new investors to join networks and make their initial investments. This trend is reflected in the rising numbers of angel investors and recorded deals across multiple European regions over the past five years. The ease of investment facilitated by online financing platforms has further reinforced this trend, enabling individuals to participate more directly and flexibly in emerging markets. However, the total number of investments and the aggregate amounts invested experienced a notable **decline in 2024** compared to the “boom” period observed between 2021 and 2022 (EBAN Statistics compendium, 2024, p. 11). These figures should be interpreted in context, as 2021 represented an exceptional year for angel investment activity, marked by substantial growth, whereas 2022 was highly volatile due to the broad impacts of the **Ukraine war** on local, regional, and global markets. Nevertheless, business angel activity has been supported by the increasing ease of investment, which enables individuals to participate through Business Angel Networks (BANs), investment syndicates, as well as online platforms (EBAN Statistics compendium, 2023).

Overall, European Union witnessed **significant declines in angel investment** compared to the preceding two years, although total investment levels remain generally above pre-pandemic benchmarks. For instance, total recorded angel investments in Europe increased by +39% in 2023 relative to 2019 (€7,637 million). It is noteworthy that **venture capital** and **angel investment** communities are **closely interlaced**. Contractions in the venture capital sector can easily trigger concerns among angel investors or reduce opportunities for collaborative financing, thereby limiting their individual investments. Conversely, a slowdown in early-stage venture

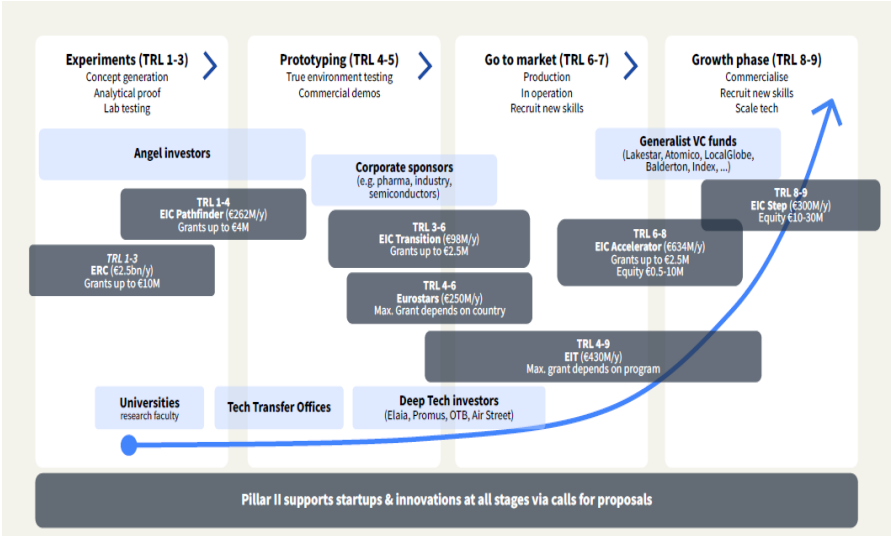
capital activity may prompt angel investors to increase their own funding to sustain their investment portfolios and ensure the attraction of additional interested investors.

This dynamic partially explains the observed decline in overall angel investment across Europe, albeit to a lesser extent than the early-stage venture capital market. Finally, EBAN report team concluded that the notable growth of government-backed funds investing directly in startups, alongside crowdfunding platforms and early-stage venture capital, has **intensified competition for business angels** in several countries over the past two years, thereby presenting additional challenges within the European investment landscape (EBAN Statistics compendium, 2023).

In the current context, investors continue to provide essential financial support to companies within their portfolios in order to sustain their operational momentum. In brief, **Business Angel Networks remain a key driver** of the early-stage investment market across Europe. In addition, enhanced service provision, the strengthening of deal flow and syndication processes, the increasing professionalism of the investor community, and closer integration with the broader local investment ecosystem are facilitating an increasing number of early-stage investments supported by business angels (EBAN Statistics compendium, 2024, p. 11).

(Fig.5) below depicts the development path of **deep tech startups** from initial research to commercial growth (Dealroom & al, 2025, p. 15), highlighting the supporting entities and corresponding **Technology Readiness Levels (TRLs)** at each stage (universities, sponsoring, Tech investors, ...etc). Angel investors play a key role in the early phases, assisting startups with concept definition, experimental testing, and prototype development, alongside universities, corporate incubators, technology investors, and other stakeholders.

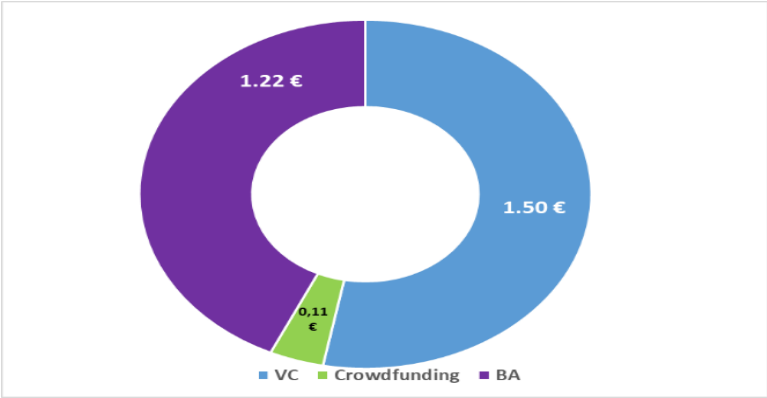
Fig.5: Supporting organizations for startups at different stages of their development.



Source: Dealroom.co & al, 2025, p. 15.

With regard to innovative financing mechanisms for startups in Europe (Fig.6), particularly in the early stages of a company, Venture capital financing ranks first, with a substantial investment volume estimated at €1.5 billion. It is followed in second place by Business angels, with investments amounting to €1.22 billion, which also represents a significant level of funding. Meanwhile, Crowdfunding ranks as the least adopted innovative financing mechanism in Europe, with a total investment of €0.11 billion (EBAN Statistics compendium, 2024, p. 10).

Fig.6: Early-stage Investments in Europe, Measured in Billions Euros Invested.



Source: EBAN Statistics compendium, (2024), p10.

2.3 EBAN

Angel investment constitutes a key source of financing during the early stages of many globally successful companies. In the startup and seed phases, business angels typically invest substantial financial resources to support the establishment and early development of new ventures. They are regarded as one of the most significant funding sources for startups in several European countries, notably through the “**European Business Angels Network (EBAN)**”.

EBAN serves as the European representative of the early-stage investor community, bringing together more than 120 member organizations across over 50 countries. It was established in 1999 by a group of pioneering European angel networks in collaboration with the European Commission and the European Association of Development Agencies. The sector represented by EBAN is estimated to generate approximately €11.4 billion in annual investments and plays a strategic role in Europe’s economic future, particularly in financing small and medium-sized enterprises (SMEs). Headquartered in Brussels, Belgium, the organization contributes to economic development by encouraging wealth creation and employment opportunities.

As a non-profit association, EBAN connects Angel Networks and other early-stage investor groups, both within Europe and beyond. The network prioritizes the creation of high-quality networking opportunities for its members, while also facilitating the exchange of knowledge and best practices among early-stage investors. Furthermore, it represents the interests of business angel investors before public institutions and governmental institutions. EBAN’s community currently includes over **10,000 individual angel investors** operating in more than 50 countries across Europe and other regions worldwide.



The mission of the EBAN network can be summarized as follows: “**Driving successful and responsible angel investing in Europe.**” EBAN allows joining the network either as an **investor** (who may act as a financier, expert, mentor, or project selection committee member) or as an **entrepreneur** (who can benefit from funding, training, accelerated market access, and several other advantages) as it is shown in (Fig.7) below.

Fig.7: Selecting the account type on the EBAN platform.

Source: www.eban.org.

2.3.1 EBAN's activity and services

Beyond providing funding, EBAN supports **entrepreneurs** in growing their businesses through its support initiatives, which include (Harid & Salama, 2022, p. 16):

- **Training:** EBAN offers programs to prepare entrepreneurs for investment, in collaboration with key stakeholders in the innovation ecosystem. Courses cover areas such as presentation skills, early-stage investment types, and fundraising strategies.
- **Networking:** EBAN events give entrepreneurs the chance to connect with angel investors through conference breaks, one-on-one meetings, and other structured networking sessions.
- **Pitching:** Qualified entrepreneurs can apply to participate in EBAN's major annual events. Selected startups are given the opportunity to present on stage to an audience of angel investors, promoting successful and responsible angel investing across Europe.

Additionally, EBAN Academy provides cutting-edge knowledge and best practices for professional investment in startups (**Angel investment**). Whether investors have already committed funds or are starting their investment journey, the Academy's programs offer an ideal way to expand their expertise. This is delivered through three specialized initiatives led by some of the network's most experienced investors (www.eban.org, 2025):

- **EBAN Accelerator:** A unique five-day intensive program offering in-depth training on angel investing, combined with the chance to make a first investment in projects pitched through the network.

- **EBAN TV:** An online channel featuring interviews, educational webinars, and updates on angel investing, providing insights into emerging trends.
- **Special EBAN:** Focused workshops on key early-stage investment topics, leveraging expert knowledge and best practices to equip new and prospective angel investors with essential skills.

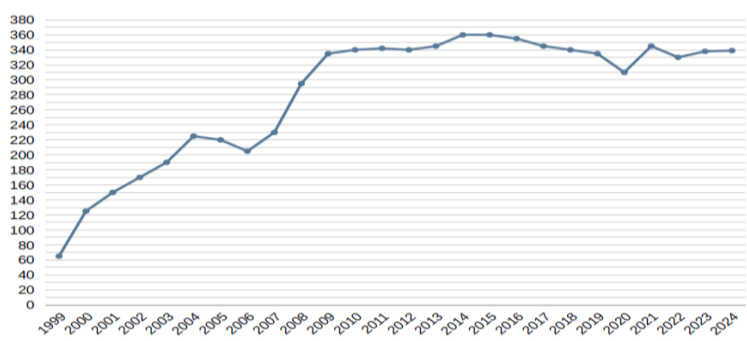
These initiatives have significantly increased engagement and participation within EBAN.

2.3.2 Analysing EBAN’s performance during the period of (2020-2024)

The **figure (8)** illustrates the **growth of business angel networks** between 1990 and 2024. The number of networks recorded an average growth rate of 17% between 2003 and 2013, before stabilizing between 2013 and 2015. Between 2013 and 2024, this number plateaued and subsequently declined due to consolidation efforts, where numerous smaller investor networks merged to capitalize on economies of scale and synergies.

Business angel networks (BANs) have become a key driver within the startup ecosystem, successfully expanding their community base and building a critical mass of active angels who are consistently ready to deploy capital, expertise, and connections. This impactful role is particularly evident in smaller countries, which often benefit from larger networks compared to some of the bigger European markets. It is worth noting that between 2021 and 2024, EBAN undertook new research initiatives to map active business angel networks and federations across Europe. By 2024, 339 functioning networks had been identified across 39 countries (EBAN Statistics compendium, 2024, p. 13).

Fig.8: BAN Growth in Europe (1999-2024).



Source: EBAN Statistics compendium, (2024), p13.

The **Table (1)** illustrates the **average investments in Europe between 2020 and 2024** for individual business angels(**BA**), and angel networks (**BAN**). With the exception of 2020, which coincided with the major economic lockdown, and the relative recovery in 2021, a decline can be observed in “BAN” investments from 2021 to 2024. During this period, investments decreased by 8%, dropping from 3,712,000 € in 2023 to 3,390,000 € in 2024. As for individual angel investors (BA), their investments also continued to decline during the same period (2021–2024). In 2024, the average investment amount reached approximately €25,600, representing a slight decrease compared to 2023 (7.5%), although it still remains lower than the levels recorded during the pandemic period.

In 2024, angel investors participated in 4,582 reported funding rounds, including both initial investments and follow-on funding in European start-ups. This figure represents a decline from the 4,789 rounds recorded in 2023. According to reports and publicly available data from national federations, local angel networks, and national venture capital associations, the European continent is estimated to have around 47,600 active business angel investors who are members of an angel investment network or association.

Table.1: Average Investments 2020-2024, in €; Visible Market Statistics.

Category		2020	2021	2022	2023	2024
	Average investment per BAN (EUR)	1,880,000	4,730,000	3,963,000	3,712,000	3,390,000
	Average investment per BA (EUR)	26,800	35,900	32,700	27,700	25,600

Source: EBAN Statistics compendium, (2024), p18.

In the 2024 compendium of the EBAN, which included statistics from 39 countries, this article **focuses only on the top five** rankings, as shown in the **Table (2)**.The **United Kingdom** continues to lead the angel investment market in Europe, with investment volumes estimated at 291 million euros in 2024, despite a 5% decrease compared to 2023. **Germany** ranked second with investments estimated at 162 million euros, experiencing a relatively larger decline of about

18%. **France** occupies the third position with investments estimated at 130 million euros, and it also recorded a decrease compared to the previous year.

This downward trend reflects a decline in both the total amount of invested capital and the number of investment rounds.

Table 2: Raking of top 5 countries in business Angels investment.

Raking	Country	No BAs	No BANs	Total BA inv2024 (M.EUR)	YoY	Total BA inv2023(M.EUR)
1	United Kingdom	58	11550	291,26	-5%	307,36
2	Germany	54	8660	162	-18%	198,47
3	France	83	6350	130,66	-8%	142,50
4	Spain	30	3490	65,26	-7%	69,82
5	Sweden	7	1040	64,08	-40%	37,95

Source: EBAN Statistics compendium, (2024), p15-16.

In the same report, a sharp declines were recorded in Estonia (-41%), Bulgaria (-74%), and Turkey (-39%), reflecting the hesitation of early-stage investors to provide funding in an environment characterized by economic slowdown, along with their heightened sensitivity to interest rate volatility and political uncertainty.

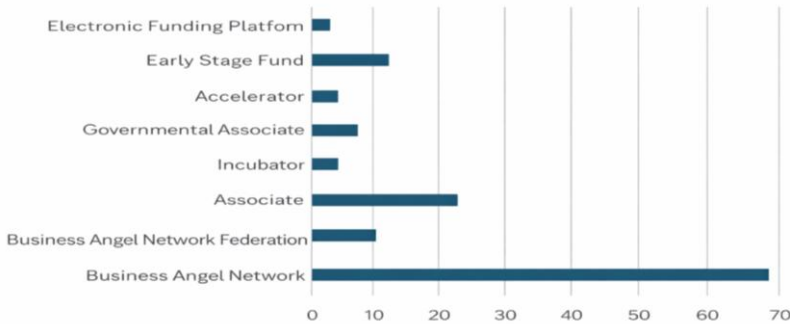
Despite the donward trend, Europe recorded an increase in total investment in the Central and Eastern European (CEE) region as well as in certain Nordic countries—specifically Finland, Norway, and Sweden—which showed notable growth compared with previous years (EBAN Statistics compendium, 2024, p. 18). These developments indicate that national and EU-backed innovation programs, together with the expansion of local angel networks, may have encouraged angel investment activity despite the difficult financial climate.

Overall, the moderate decline in business angel investments in Europe indicates that these investors—operating in a highly uncertain environment—have become **more selective** in choosing early-stage ventures, prioritizing opportunities that demonstrate strong potential in terms of **quality and sustainability**.

Eban’s current global network has expanded to 120+ member organizations, with 10 000+ angels as part of the Eban network (J.Losso & N.Losso, 2026, p. 6). The **figure(9)** below shows

that business angels who operate within **networks** represent the largest share of memberships, followed by **associations and early-stage fund**. In contrast, the lowest membership share belongs to accelerators and incubators, as they primarily provide non-financial support and advisory services.

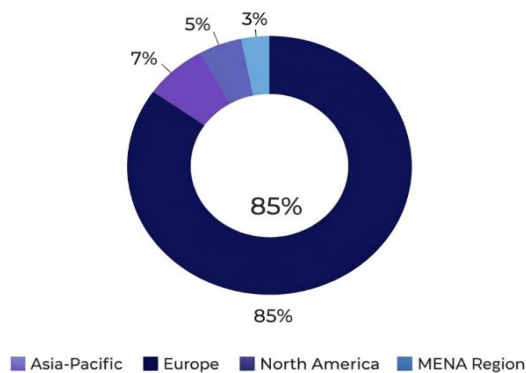
Fig (9): Memberships in EBAN by category.



Source: J.Losso & N.Losso, (2026), p6.

Regarding the **geographical distribution of memberships within the EBAN network** (Fig10), statistics indicate that **European members account for the highest proportion, estimated at 85%**, which is logical given that the network aims to enhance responsible angel investment across Europe.

Fig (10) Memberships in EBAN by Region.



Source: J.Losso & N.Losso, (2026), p6.

European members are followed in second and third place by the **Middle East** and **North America**. In particular, **Gulf countries (especially the United Arab Emirates)** have increasingly attracted investors from around the world.

Conclusion

Based on what has been presented in this study, it appears that turning to business angel as a mechanism to finance startups has become a preferred option that attracts a large number of entrepreneurs. This is due to its numerous advantages, especially in the early stages when traditional funding institutions are often reluctant to provide support.

- Among the most important **theoretical findings** are:
 - Business angels are individuals who operate either independently or within networks to provide financial support and advice to entrepreneurs.
 - The role of business angels is particularly significant in providing the necessary funding during the early stages of launching new ventures. Their support is not limited to financial contributions; they also offer guidance and advice, particularly in marketing field.
- Regarding the **findings of practical part**, which is related to startups, the angel market in Europe in general, and EBAN in particular, the study concludes that:
 - The European landscape has witnessed, over the past two years, a noticeable development in both the number of startups and the volume of angel investments, highlighting the importance of this sector in driving economic growth.
 - EBAN network provides a variety of services, some targeted at business angels and others aimed at entrepreneurs.
 - Despite a slight decline in the volume of investments within EBAN network, it remains three times larger than it was a decade ago, and the network continues to record financial flows toward startups, with a large number of angels operating across 50 countries.

■ Recommendations

To foster the development of the startup sector, efforts should focus on reducing financing constraints in this field. Drawing on the European experience—particularly that of EBAN—and attempting to derive lessons applicable to Algeria, the following recommendations can be proposed:

- Activating the angel investment mechanism as a key source of financing and establishing a regulatory framework to govern its operations.
- Providing incentives and benefits to individual and corporate investors who offer financial support to startups.
- Creating a national or African business angel network to create a bridge between investors and startup founders.
- Encouraging entrepreneurs to list their startups on the Algerian Stock Exchange, with the aim of revitalizing the market on the one hand, and enhancing the visibility of these startups to business angels on the other.

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