

Canadian Angel Investor Fact Sheet 2010

Facts About Angel Investing in Canada

- The National Angel Capital Organization is the industry association representing Angel investors, groups and networks across Canada.
- Angels invest at least \$1.9 billion a year in Canada, complementing the \$871 million invested by venture capital in early-stage companies¹.
- There are approximately 15,800 business Angels in Canada¹.
- Angels invest, on average, \$125,000 per round of funding¹.
- There are approximately 30 Angel groups operational in Canada at any time².

General Angel Investment Facts

- On average, organized Angel investors achieve a 27% internal rate of return³.
- Angel exits generate 2.6x the invested capital in 3.5 years from investment to exit³.
- Besides capital, Angel investors provide their experience, advice & contacts.
- Angel deals range from \$10,000 to \$300,000+.
- Angel-financed firms are more likely to be approved for debt financing⁴.
- Angel-financed firms are more likely to have owners under 40⁴.
- Companies that received Angel investment reported higher revenues and assets⁴.
- Angel deals created an average of 4.4 jobs per investment⁵.

About the National Angel Capital Organization

The National Angel Capital Organization (NACO) is the industry association representing Canadian Angel groups.

NACO promotes a vibrant Angel community and culture in Canada through the development of formal Angel investor groups, best practices education and mentoring programs, and the formation of collaboration and co-investment mechanisms, to encourage an efficient risk capital market in Canada.

NACO's mission is to increase the quantity, quality and success of Angel investments in Canada, thus creating a greater pool of capital for innovative early-stage companies.

Sources:

1. Riding, Allan L. (2008) 'Business angels and love money investors: segments of the informal market for risk capital', *Venture Capital*, 10:4,366
2. www.angelinvestor.ca/Find_Angels.asp
3. Wiltbank, Robert (2007) 'Returns to Angel Investors in Groups', Ewing Marion Kauffman Foundation
4. Riding, Allan & Belanger, Brad (2006) 'Small Business Financing Profiles', SME Financing Data Initiative
4. Sohl, Jeffrey (2010) 'THE ANGEL INVESTOR MARKET IN 2009: HOLDING STEADY BUT CHANGES IN SEED AND STARTUP INVESTMENTS', Center for Venture Research.



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Impetus of Ingenuity

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