

ENGLISH VERSION

WOMEN ANGEL INVESTOR REPORT 2024

A study of the investment behaviour, opportunities and barriers
of women angel investors in Denmark

MAY 2024



Supported by:
INDUSTRIENS FOND

Angella Invest

PUBLISHED BY Angella Invest, may 2024
www.angellainvest.com

PHOTOS BY Tuala Hjarnø
www.tuala.com

GRAPHIC DESIGN BY Sacha Vincent Hansen
www.sachavincent.dk

DISCLAIMER: Typographical errors may occur.

CONTENT

INTRODUCTION

- 4** Behind this report
- 5** Supported by partners
- 6** Why do we need more women angel investors?
- 7** To grow, we need data to break down barriers
- 8** Data and methodology
- 10** Key findings

PART 1: BACKGROUND

- 13** What is an angel investor?
- 15** Purpose of the study

PART 2: ANGEL INVESTORS

- 19** Characteristics and motivation to invest
- 29** Investment behaviour
- 46** Recommendations to increase the number of women angel investors

PART 3: NON-ANGEL INVESTORS

- 49** Perceptions and barriers to start angel investing
- 52** Recommendations to increase the number of women angel investors

PART 4: CONCLUSION AND RECOMMENDATIONS

- 55** Conclusion
- 57** Recommendations

MORE INSPIRATION

- 59** An international perspective
 - 10 woman angel investors that inspire
- 60** References
- 62** A special thanks

BEHIND THIS REPORT

The report was developed by Angella Invest with support from the independent analysis partner, EQUALIS, who conducted the survey and qualitative interviews. Angella Invest is responsible for the report and its conclusions.

Angella Invest is an education and community platform for women and nextgen angel investors and is Denmark's largest community of women angel investors. Angella Invest was founded in 2022 and launched the member community in January 2023. Today, the activities of Angella Invest consist of angel investor educations and workshops, digital and physical member community, as well as other activities related to investments and wealth management.

EQUALIS is a think tank that promotes gender equality and diversity. EQUALIS is a non-profit, politically and commercially independent think tank that works in a knowledge-based and solution-orientated manner and in close collaboration with relevant partners. EQUALIS focuses on gender equality from an intersectional perspective and on achieving gender diversity in those areas of society that are related to and impact the labour market.

Angella Invest 

EQUALIS

SUPPORTED BY PARTNERS

The report would not have been possible without the support of several partners in the investor and startup ecosystem who support Angella Invest and our work to promote more women in investment, leadership and entrepreneurship.

We would like to thank The Danish Industry Foundation, whose support has made this study of women angel investors possible.

"The Danish Industry Foundation is a philanthropic foundation with the purpose of supporting and enhancing the competitiveness of the Danish Industry. Today, Denmark has a large gender imbalance in corporate leadership, investment and entrepreneurship, where women are strongly underrepresented. This means that Danish businesses miss out on talent and business opportunities. Knowledge is the foundation for change, which is why this study is important. What motivates and limits women angel investors? Why are there so few of them and, not least, what can we do to create a less homogeneous investor environment and greater diversity in the startup community? We need to learn more about this, and this study is a great starting point."

CHARLOTTE KJELDEN KRARUP

Development Director at The Danish Industry Foundation

INDUSTRIENS FOND



LUNDGREN S

Danske Growth

FORMUE

curo*capital



MAZANTI-
ANDERSEN
LAW FIRM


Bestyrelseskvinder
VÆKST | VERDI | VIDEN

 Dansk
Industri

selectionf

PSV™



WHY DO WE NEED MORE WOMEN ANGEL INVESTORS?

We want more women entrepreneurs! And more women in leadership and on boards of directors. These are the headlines in the Danish media and business community. The increased focus is positive. There are many good initiatives: visibility campaigns, role models, better parental leave, etc. Yet, there is still a large gender imbalance; only 27% of new entrepreneurs are women¹, 19% members on the boards of directors are women (0 women on the board of directors of 44% of Danish companies)² and only 25% women in top management positions at executive level in Denmark³.

So, how can we change this? One of the things we can do is try to change the **access to capital for startups**, as these are the companies of the future in Denmark. International data shows that women are more likely to invest in women entrepreneurs^{20,21}. Therefore by increasing the number of women angel investors, this can lead to more women entrepreneurs and a greater number of women in corporate leadership. Furthermore, as an investor in startups, it is also common that investors obtain board positions. Since data shows that women are skilled investors and entrepreneurs, it will be a good investment to promote greater gender diversity in the startup investor community^{6, 20, 32-34}.

Today, about 9/10 angel investors are men, who invest about 6% of their capital in women-only founder teams and about 70-80% in male-only founder teams^{7,8}. This picture is similar in the venture capital community^{7,21}. This is a problem for the survival rate of women founders because about 90% of investment capital to startups come from angel investors and venture capital^{4,5}. **Therefore, we need to change the gender imbalance in the startup investor community.**

This report focuses on how we can increase the number of women angel investors. We want to understand the investment behaviour of women angel investors in Denmark, about whom we currently have no data: Who are they? How do they invest? Which areas are they interested in investing in? We also want to identify the barriers that hinder women from getting started as new angel investors. So that we can activate untapped talent and create growth in Danish society and industry to the benefit of all.

Enjoy the report and hope you get inspired.

KRISTINE LEERBECK
CEO & Founder of Angella Invest

TO GROW, WE NEED DATA TO BREAK DOWN BARRIERS

"The responsibility to address the significant gender imbalance we see in the startup community rests on the shoulders of society. But we can't change what we don't know. Today, data documenting gender bias in the allocation of capital or networks, for example, is scarce. And ascertaining the mechanisms driving the data is even more rare. We need to know the underlying causes to be able to identify which actors are responsible for bringing solutions into play. By doing so, we will see targeted and effective change creating equal opportunities for all in the labour market and entrepreneurship regardless of gender."

GINE MALTHA KAMPMANN

CEO EQUALIS



DATA AND METHODOLOGY

Methodology

This section describes the methodology and analytical approach to the two data collection phases in the mapping of women angel investors in Denmark: the survey of current women angel investors and the in-depth interviews of prospective women angel investors.

EQUALIS carried out the data collection and preliminary analysis. Angella Invest is responsible for the conclusions of the report based on the data collected by EQUALIS and has also included other additional data sources.

Questionnaire survey

A questionnaire was used as a method to uncover the characteristics and investment behaviour of Danish women angel investors.

The framework for the questionnaire was developed by Angella Invest and was validated and quality assured by EQUALIS. The design of the questionnaire draws on designs and insights from comparable studies, including the latest annual member survey in 2022 by the angel investor network DanBAN⁸, as well as the European study of women angel investors in 2018: "The barriers and opportunities for women angel investing in Europe" by WA4E and prepared by the project coordinator Business Angels Europe industry network¹⁵.

Before distribution, a pilot was conducted with four women in the target group who tested the questionnaire and provided feedback.

This approach has ensured that the questions are relevant and focused on the most important aspects within the scope of the survey.

The collection of data was executed as follows:

1. Through social media and targeted email campaigns conducted by Angella Invest, a link was shared and respondents within the target group had the opportunity to register with name and email address and consent to receive a link to the questionnaire from EQUALIS.
2. The questionnaire was sent out on 24th of January 2024 to the respondents who had registered. The registration link was kept open throughout the collection period and survey links were continuously sent to newly registered participants.
3. Two reminders were sent out during the response period and no more responses were allowed after 26th of February 2024.

Respondents were screened using a screening question prior to answering the questionnaire to ensure that they fit the defined target group:

- Is a woman or identifies as a woman
- Have made min. one (1) direct investment in the form of a capital contribution in an unlisted startup company (startup and/or scaleup)
- The investment was at least DKK 50,000 of own private funds in a single investment in the unlisted startup company.

To ensure that the study operated within the ethical framework of the consent process, ethical and data privacy guidelines were followed throughout the study. All participants gave informed consent to participate in the survey and were assured that their responses would be treated confidentially and anonymously.

The questionnaire was sent out to a total of 173 respondents. A total of 136 respondents completed the survey, of which 19 were discarded after the screening question as their responses indicated that they were not within the survey's target group. Respondents who did not respond to all the questions in the questionnaire were not included in the survey. This resulted in a total data set of 117 respondents.

Since there is no solid statistical knowledge about the size of the population of women angel investors in Denmark, we cannot say anything about the proportion of the total market of women investors who have responded to the questionnaire. However, it is estimated that there are around 300-400 women angel investors in Denmark. If this is correct, then the respondent group makes up about a third of the study's population.

Furthermore, as we do not know the characteristics of the population, it is not possible to conclude anything about the representativeness of the respondents. This survey can only provide an insight into the background and investment behaviour of the 117 angel investors and establish a data set for parts of the target group of women angel investors – a data set that, despite uncertainty about representativeness, is the first of its kind in Denmark.

Due to the size of the data set, cross-tabulation of responses to the questions has not been performed. Only descriptive analyses have been performed on the individual questions.

Interviews

Six individual interviews and one focus group interview with three participants were conducted to shed light on the barriers to angel investing. The target group for the interviews was women who are interested in angel investing but have not yet made their first investment.

Angella Invest was responsible for recruiting the interviewees. The women interviewed were between 38 and 65 years old and had varying professional work experience. Four of the nine interviewees are members of Angella Invest. A few had made *sweat equity* investments in startup companies, i.e. investment of working hours.

The qualitative approach was used to get an in-depth understanding of the drivers and barriers to getting started with angel investing and to shed light on what might be relevant to focus on, to attract more women to angel investing. The interview guides were developed by Angella Invest and qualified by EQUALIS.

The individual interviews lasted approximately 45-50 minutes each. After completing the individual interviews, a focus group interview was held with a duration of approximately 1.5 hours. All interviews were conducted by EQUALIS at their premises.

All interviews were recorded and subsequently transcribed into interview notes and anonymized. EQUALIS then analyzed the interview material and handed over the data results to Angella Invest.

KEY FINDINGS

Below are selected conclusions from the report on women angel investors in Denmark based on a survey of 117 women angel investors and interviews with nine women non-angel investors.

53%

of the women angel investors state that they have more than DKK 5 million in ready-available wealth for investments.

31%

of the women angel investors are full-time investors; either as a full-time angel investor (9%), venture capital investor (8%) or full-time investor in general (14%).

NEXTGEN

30% of the women angel investors are part of a family-owned business, family foundation or a descendant of a family-owned business.

STEM

The women angel investors have strong interest in investing in STEM, especially the areas MedTech & HealthTech, Greentech & Energy, SaaS and Women's Health.

81%

of the women angel investors have experience owning their own business. Either as (co-)founders or as owner-managers.

WELL CAPITALISED

53% of the women angel investors have set aside a capital budget of DKK 1 million or more to invest in startups. 31% have reserved DKK 3 million or more.

56%

of the women angel investors are members of an angel investor network. 79% of these are members of networks that are targeted women.

WOMEN ENTREPRENEURS

50% of the women angel investors indicate that investing in women (co-)founders is crucial to their investment decision. Over 68% have invested in companies that have a woman (co-)founder.

85%

of the women angel investors state that they want to be actively involved in the companies they invest in.

BARRIERS

There are many perceptions about being an angel investor, including the assumption that it is required to be very wealthy or have a specific background. A lack of access to knowledge and a complex technical language create high barriers for new aspiring angel investors.

GREEN TRANSITION

The women angel investors have a strong interest in ESG and especially in investing in startups that promote a green transition.

OPPORTUNITIES

The respondents in the study highlight mentoring between new and experienced investors, investor communities targeted women as well as more knowledge-sharing and education as measures to promote more women angel investors.



PART 1:
BACKGROUND

WHAT IS AN ANGEL INVESTOR?

"Angel Investor", "Business Angel", "Investor", "Angel" or simply "BA" are all names for an angel investor. But what exactly is an angel investor?

The short answer

An angel investor is an individual who invests her/his personal resources in a startup. An angel investor can invest either capital (money) or time in the form of unpaid or lower-paid labour (*sweat equity*). It is possible to combine both and in return for the investment, the angel investor receives ownership in the startup.

The longer answer

There is not one way only to be an angel investor. It depends on the individual investor's personal profile and the startup's needs in relation to the company's developmental stage.

Some angel investors are very wealthy while others are not. Some startups are primarily seeking capital while others are mainly looking for competences, networks or other resources to grow and scale their business. Some angel investors are passive investors while others are active, i.e. they actively contribute to the company's operations and development. This could, for example, be through a board position or by performing specific tasks in the role of an engineer, IT developer, marketing expert, management sparring or other. Some angel investors invest once in a single company while others have an investment portfolio of >20 companies. Some do it as a full-time job, others do it in addition to their full-time job. Some are (former) entrepreneurs themselves while others are employees. Therefore, there are many ways to be an angel investor.

When angel investors invest in a company, they typically join forces in a group – or a syndicate, as it is called. This is done to diversify the investment risk but also because it benefits the startup in its growth journey when different experiences, competences, knowledge and networks are brought in. In Denmark, the typical capital amount for angel investments is minimum DKK 50,000 per *ticket size* (the investor's investment amount per company in the particular investment round)⁹. This is partly because Danish tax policies are not favourable to group investments via syndicate investment companies¹⁰. Consequently, *ticket sizes* in Denmark must be relatively large to secure the desired investment amount for the company. Another reason is that startups often want a higher amount per investor to avoid the administration burden of having too many investors. Internationally, it is more common to invest smaller *ticket sizes* and sometimes as low as around DKK 7,500 per investment (EUR 1,000) via investment platforms that facilitate syndicates¹¹.

Investing in startups is a form of financial investment like investing in shares or bonds. You invest in the hope of achieving a financial return on your investment be it time or money. However, there are several major differences; there is the non-financial return, such as added knowledge, networks and the joy of making a difference. There is also the fact that investing in startups is much riskier than investing in more mature companies. According to SME Denmark and Statistics Denmark the 5-year survival rate is only 41% for startups⁹.

In this report

This report defines an "angel investor" as a private individual who has made one or more direct investments of at least DKK 50,000 in capital in a startup company. Investors with only *sweat equity* investments are therefore not included in the definition. In addition, and for the sake of simplicity we use the term "startups" as a collective term for comprising both startups (early-stage startups) and scaleups (slightly more mature startups).



1
CHRISTINE NORDAM ANDERSEN
(31 YEARS)
Investor, part-time

In addition: CEO & Founder
Nordam Business Partners
(M&A, ESG and Exit counselling)
**Number of angel
investments:** 2
(sweat equity only)
Likes to invest in: Great teams.

2
LOUISE LACHMANN (52 YEARS)
*Angel & venture capital investor,
full-time*

In addition: General Partner
Uckly Duckling Ventures,
Co-founder Mono Solutions
and board member among
other Fonden For Entre-
prenørskab
**Number of angel
investments:** 7
Likes to invest in: BtB SaaS,
Scale-ups and great founders.

3
PHAEDRIA MARIE ST. HILAIRE
Angel investor, part-time

In addition: Co-founder of
ProWoc, Board member,
Consultant and Speaker
**Number of angel
investments:** 4
Likes to invest in: Diverse teams
(women and People of Colour),
HealthTech, EdTech & BioTech.

Purpose of this report

There is limited data on the investment behaviour of women angel investors. The purpose of this report is therefore to provide knowledge about the investment behaviour of women angel investors in Denmark and identify the barriers and opportunities to increase the number of women angel investors. The purpose of the report is not to compare data with the investment behaviour of male angel investors.

Perceptions of angel investors

There are many perceptions of what it means to be an angel investor. The stereotypical portrayal in the media has historically been a very wealthy, profit-oriented man with a particular profile such as a financial, legal or entrepreneurial background. If you *google* the word "business angel" or "angel investor" you will almost exclusively see illustrations of men with wings or men wearing business suits and exchanging money. Similarly, the Danish TV entertainment show "Løvens Hule" (in English: "Lions Den" or "Shark Tank") has historically depicted specific investor types although the panel of investors in the TV show has become more diverse in recent years.

The stereotypical portrayals of angel investors in the media have been further reinforced by the fact that the business angel community historically has been dominated by male investors. In Denmark, the two largest business angel networks, DanBAN (Danish Business Angels Network) and Keystones, each have around 300 members of which around 90% are men^{17, 24}.

In the work with women angel investors, Angella Invest has experienced how these stereotypical representations result in some women (both experienced and aspiring investors) expressing that they cannot relate to being a business angel. This is a problem as we need different investor types to identify growth and investment opportunities in startups, which will be the companies of our future society.

Angel investing is as much about personal and professional skills as it is about capital. Therefore, we need more knowledge and demystification of the concept of "angel investor" so that more people will have the appetite to get started.

Why are angel investors important?

In a study conducted by The Danish Growth Fund (now: EIFO, The Danish Export and Investment Fund) in 2018, 93% of startups stated that their first external capital injection came from angel investors⁴. The corresponding figure was only 6% for venture funds. This is why angel investors are so important. They help bridge the gap from the idea phase to the growth stage where commercialization takes place. This gap is often referred to as the *valley of death* as this is where many startups fail. It is at this point in the company's journey that the initial funding typically ends, although, there is insufficient revenue to cover the company's expansion costs as it grows. It is too risky for banks to provide loans, and at the same time, it is too early for many venture capital funds to invest. Angel investors are therefore extremely valuable at this stage as they contribute risk capital and often also professional and personal competences such as business coaching, networks, help with scaling and personal support³⁹.

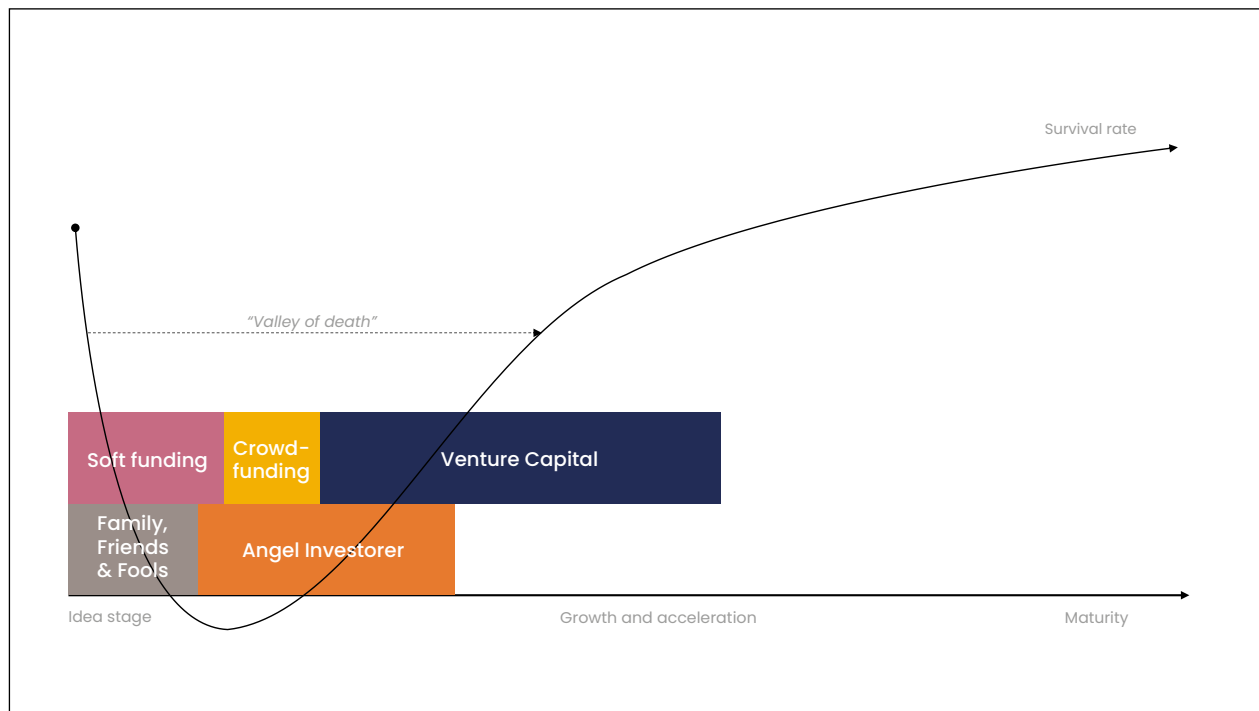
The challenge today is that approximately 9 out of 10 angel investors are men with an average age around 55 years^{8, 24}. Angel investors often invest in what they can relate to – either consciously or subconsciously¹² – and therein lies the problem of an overly homogeneous investor ecosystem. Investing in startups is risky and often involves personal relationships and close collaboration with the founders and the other co-investors over a period of many years. Data further indicates that women founders obtain a significantly smaller share of investment capital than male founders because men invest predominantly in other men. In Denmark, the data shows that angel investors invest approximately 5-6% of their investment capital in women-only founder teams and approximately 73-83% in male-only founder teams^{7, 8}. The lack of access to risk-willing capital is one of the reasons why there are fewer women entrepreneurs. In Denmark, only 1 in 4 new businesses are founded by women¹.

How many angel investors are there in Denmark?

It is not known how many angel investors there are in Denmark as few studies have been conducted.

In a study conducted by The Danish Growth Fund, DanBAN, Keystones and DVCA in 2018, it was estimated that there were approximately 4,500 private investors in start-ups in Denmark¹³. Of the 4,500 private investors, it was estimated that approximately 2,200 of them were 'active business angels', defined as investors who had made at least two investments and held a board position. The study also indicated that approximately 23% of active business angels (500) were members of business angel networks (including approximately 10% overlap in dual-memberships).

Since this study, no assessment of the angel investor market in Denmark has been conducted. However, it is likely that the number of angel investors has grown since 2018 due to the subsequent period of economic growth period. From 2018-2022, the number of DanBAN memberships grew 13% annually from 164 to 296 members²⁵. In June 2023, Angella Invest and the Confederation of Danish Industry conducted a census of the members in larger organized business angel networks and there were approximately 815 members (including dual memberships)²⁴. When applying the same growth rate as DanBAN's membership from 2018-2022 to the estimate of the total number of active business angels in 2018, it can be estimated that there were approx. 4,000 "active business angels" by the end of 2023. Of those, approximately 20% (815) angel investors were members of organized angel investor networks.



Source: Angella Invest and The Danish Growth Fund⁴ (simplified illustration)

How many female angel investors are there?

In the 2018 report from the Danish Growth Fund, it was estimated that 9% of the total number of angel investors were women, i.e. approximately 200 active women investors¹³.

The survey of business angel networks conducted by Angella Invest and The Confederation of Danish Industry in June 2023 showed that there were approximately 7% women members in 2022²⁴. However, by June 2023, the proportion of women members had increased to 16%. This is mainly due to the entry of Angella Invest and Nordic Female Founders Investor's Club, which are communities targeted women angel investors, founded in the period 2022-2023. They led to the increase in women members from 53 members at the end of 2022 to 129 members in June 2023.

Since January 2023, Angella Invest has organized more than 50 investor events and gained around 100 members. Angella Invest is therefore familiar with many of the women angel investors in Denmark.

Based on the above knowledge and experience, Angella Invest estimates that there are approximately 300-400 women angel investors in Denmark. This does not include women investors in crowdfunding campaigns or indirect, passive investments via family-owned companies. Only investors who have made at least one direct investment of at least DKK 50,000 in a startup company are included. This data underscores that there is a huge gender imbalance in the angel investor community. We hope that this report will provide even more clarity on the opportunities and barriers to promote more women angel investors in Denmark.



93%

of startups get their
first external capital
from angel investors



PART 2:

ANGEL INVESTORS

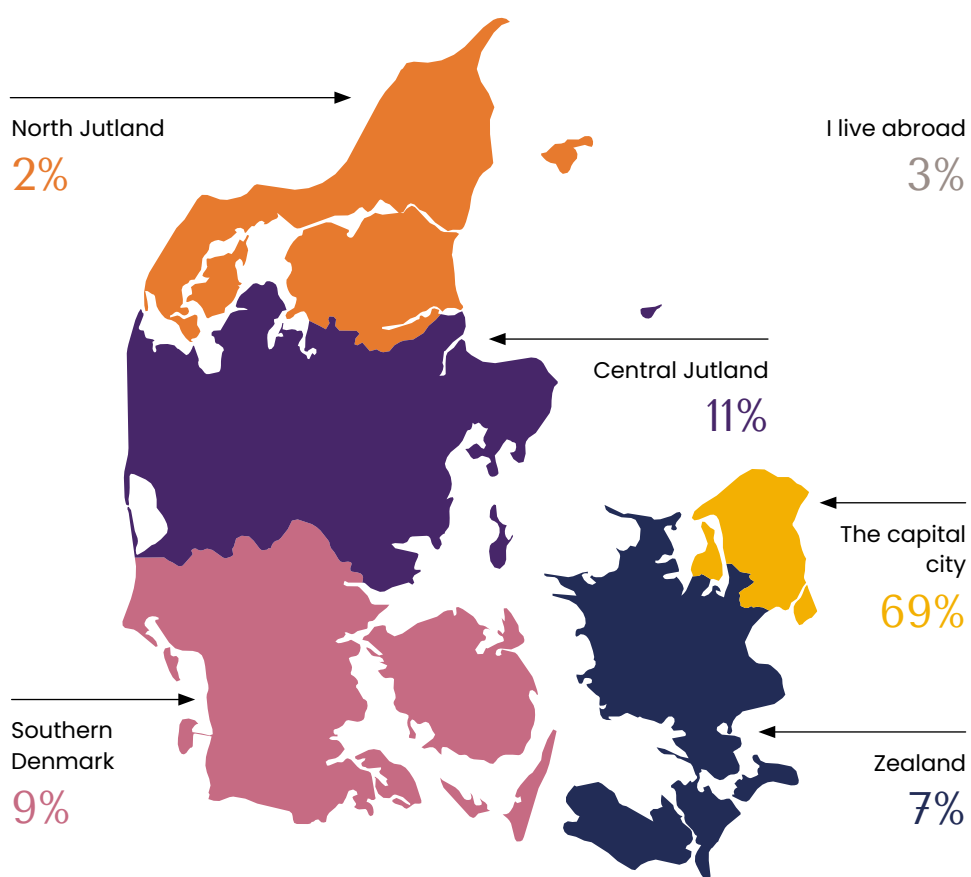
CHARACTERISTICS AND MOTIVATION FOR INVESTING

This section describes the characteristics of the 117 Danish women angel investors who participated in the survey and their motivation for making angel investments.

Geography

69% of respondents live in the metropolitan area. The second largest concentration of investors with 11% of respondents is in Central Jutland, where Denmark's 2nd largest city, Aarhus, is located.

Which region do you live in?

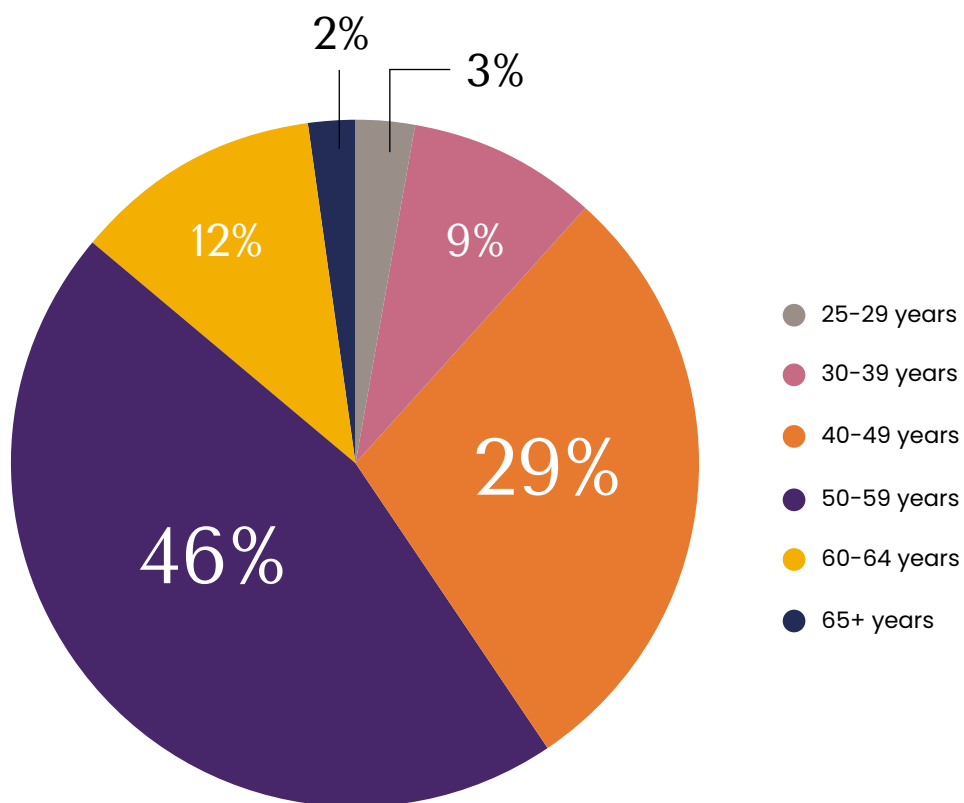


Age

46% of the women angel investors are between the ages of 50-59, and 89% are above the age of 40.

The average age of the respondents is 50.7 years with the youngest investor being 25 years old and the oldest 70 years old.

What is your age?



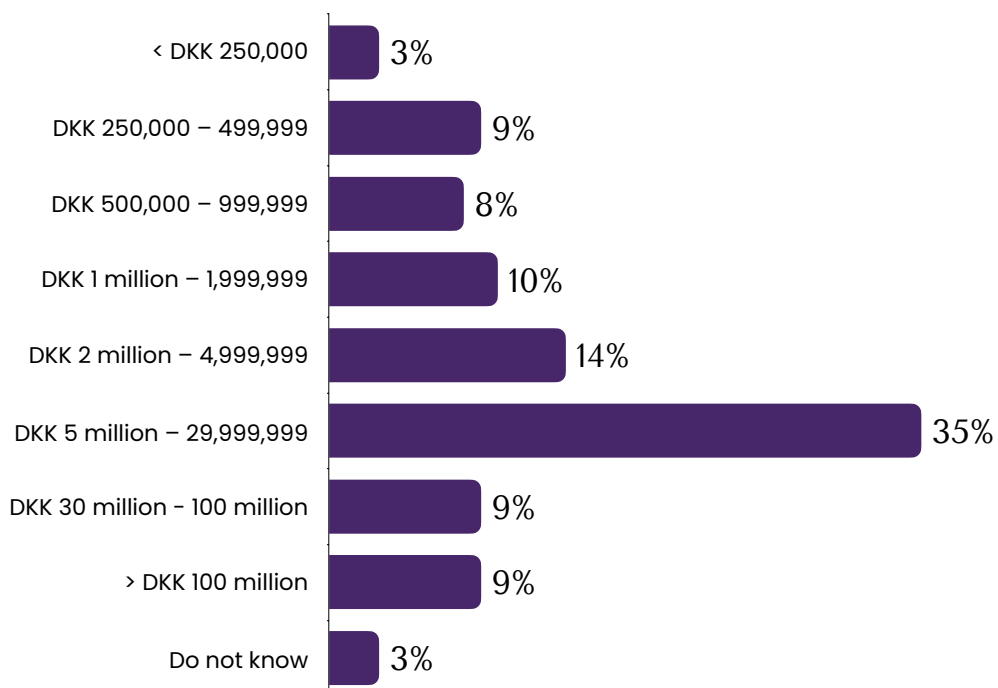
Wealth and financial capacity

53% of the women angel investors state that they have more than DKK 5 million in free ready-available capital for investment.

Most of the respondents (35%) have investable capital in the range of DKK 5-30 million, and 18% have investable capital of DKK 30 million or more.

What is your total capital that you can freely use for investments?

NB: This refers to your total investments, not just investments in startups



Investment experience

Most of the women angel investors have experience with investing in other asset classes than angel investments. As many as 79% state that they have experience with investing in shares of listed companies themselves.

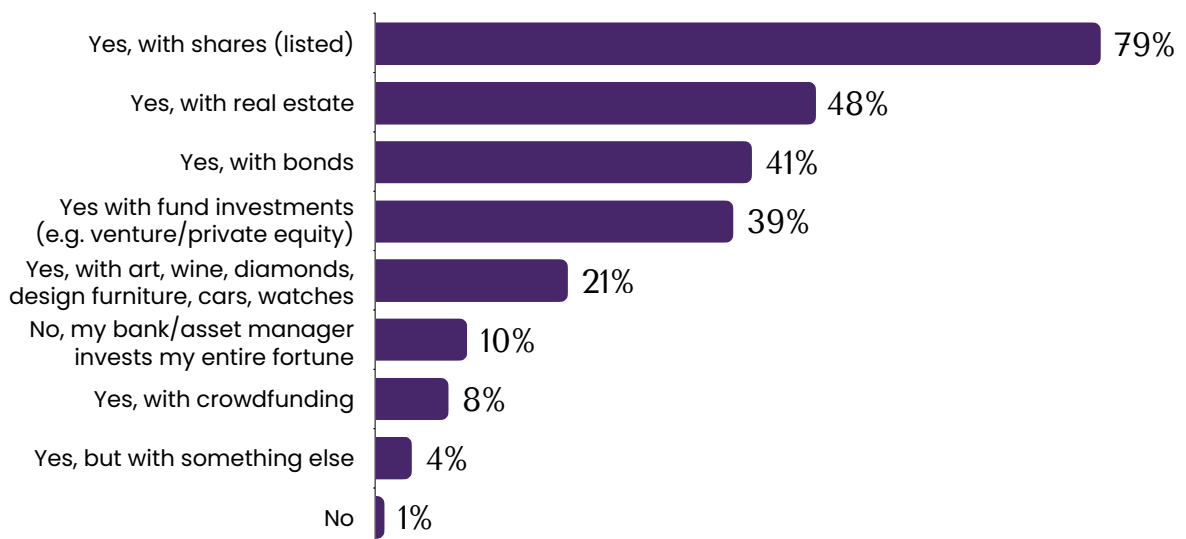
In addition, a large proportion of the women angel investors also have experience with investing in real estate (48%), bonds (41%) and venture capital / private equity funds (39%).

This suggests that women angel investors are not only active investors who diversify their investment portfolio broadly, but also that a significant proportion of the women investors are used to making large monetary investments as both real estate investments and fund investments often require investments of more than DKK 750,000 per single investment⁴¹.

21% of respondents say they also have experience with investing in other unlisted asset classes, such as art, wine, diamonds, design furniture, cars and watches, etc.

There is less experience with investing through crowdfunding, which is usually known as an area that generally attracts more women investors than other investment methods in startups¹⁶. This is probably because the angel investors have stronger financial capacity and resources (time, network etc.) to make direct and larger investments than the average investor in crowdfunding, where small amounts of less than DKK 1,000 can be invested per investment¹⁸.

Besides your experience investing in startups, do you have any other experience with investing your own wealth?



Current employment

The fact that the women angel investors are active investors in general is also reflected in their primary occupations:

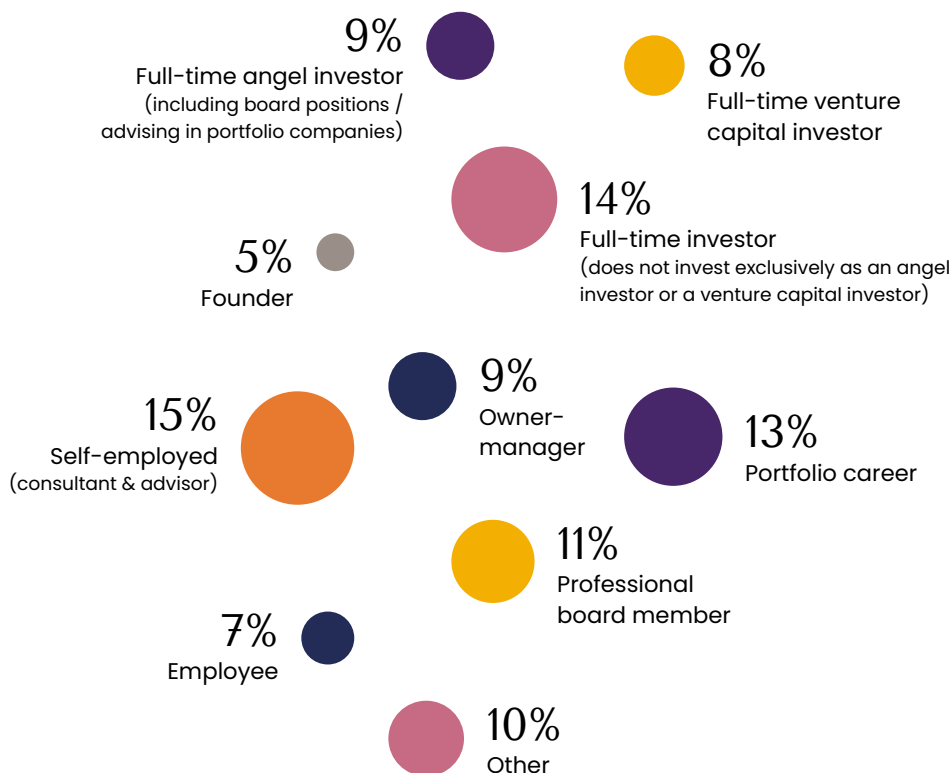
31% are full-time investors; either as full-time angel investors (9%), venture capital investors (8%) or full-time investors in general (14%).

A large proportion of investors (at least 29%) also run their own business either as an independent consultants or advisors (15%), owner-managers (9%) or founders (5%). In other words, they have experience with corporate leadership and / or business operations.

Approximately 1 in 10 respondents (11%) are professional board members and 13% say they have a 'portfolio career', i.e. a work life that consists of several different occupations.

The term 'portfolio career' is a relatively new-coined term in Denmark that emerged after the covid-19 epidemic with the demand for a more flexible work life^{22, 23}. From the comments under the "Other" category many respondents also indicate that they lead a flexible work life. Therefore, some respondents may not have been aware of the meaning of the new term "portfolio career".

What is your current primary occupation?



30%

of angel investors state that they are part of a family business, family office or descendants of a family-owned business



FAMILY INVESTORS

30% of the women angel investors state that they are part of a family business, family office or descendants of a family-owned business ("NextGen"). *NextGen* often have capital and experience with entrepreneurship, business management and investments because of experience in the family¹⁹.

Experience from the work at Angella Invest, including collaboration with wealth managers and banks, indicates that there is an increasing interest from NextGens and especially the younger generation who are interested in investing in startups. These investments often happen in collaboration with their parents and/or other siblings.

Work experience

69% of the respondents indicate that they have more than 20 years of work experience.

81% say they are experienced business owners, either as a (co-)founder or owner-manager. In addition, 35% have experience with entrepreneurship (as non-founders).

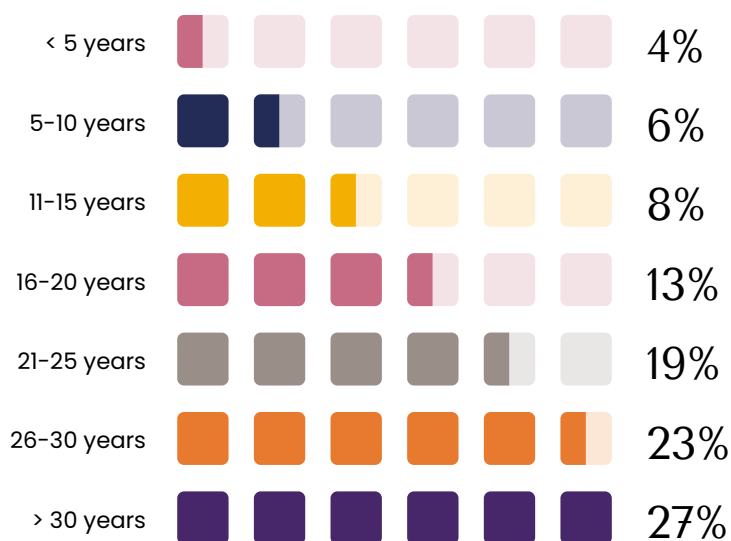
64% have management experience and 60% say they have business management experience at executive level.

74% say they have experience with professional board work and 44% have experience as specialists.

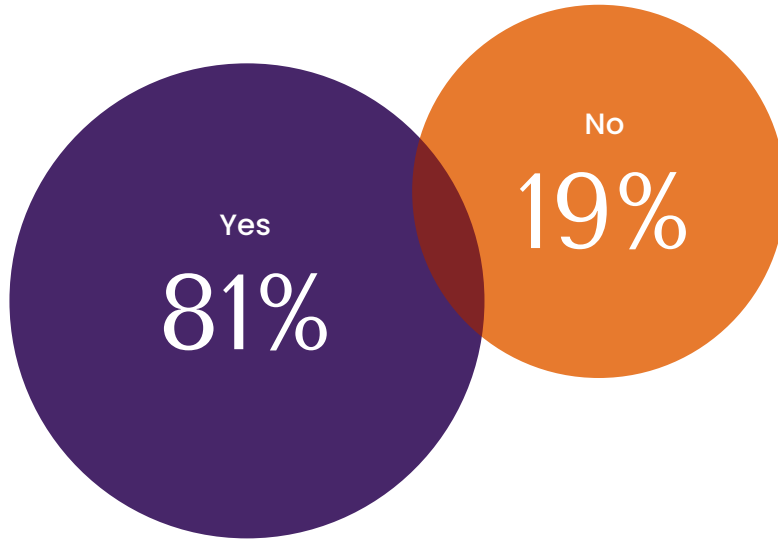
Specialist knowledge, experience as a former founder as well as management experience are valuable skills that angel investors can bring when the startup is either growing rapidly or facing challenges such as scaling or raising capital.

As an angel investor, it is not unusual to be appointed to board positions (especially in *scaleups*), which is why board experience is also a positive professional experience to contribute with.

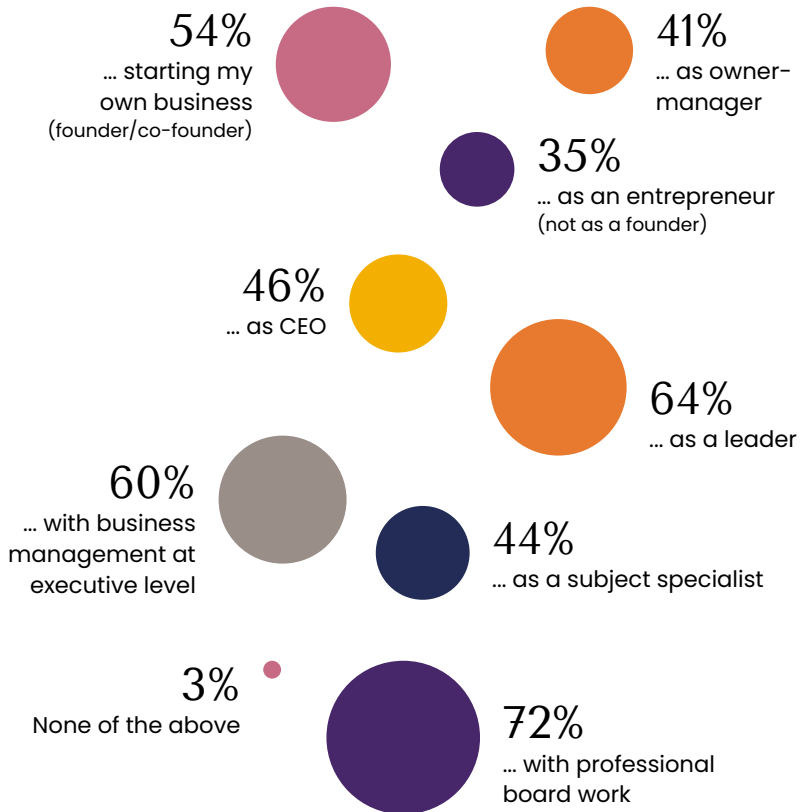
How many years of work experience do you have?



Do you have or have you had your own business where you were either (co-)founder or owner-manager?



**Which of the following statements apply to you?
I have experience ... (select all relevant statements)**
NB: Multiple answers could be selected



81%

of the women angel investors
indicate that they have experience
with owning their own business
either as a (co-)founder or as
an owner-manager.

Motives for investing in startups

In a clear first place, 56% of the women angel investors state that “wanting to make a difference with their capital, time and skills” is the primary motivation for investing in startups. Almost 90% (102) of the 117 respondents in this study listed this as one of their top three motives.

In second place is the financial return. 54% (64) of the women angel investors seek financial returns from their investments.

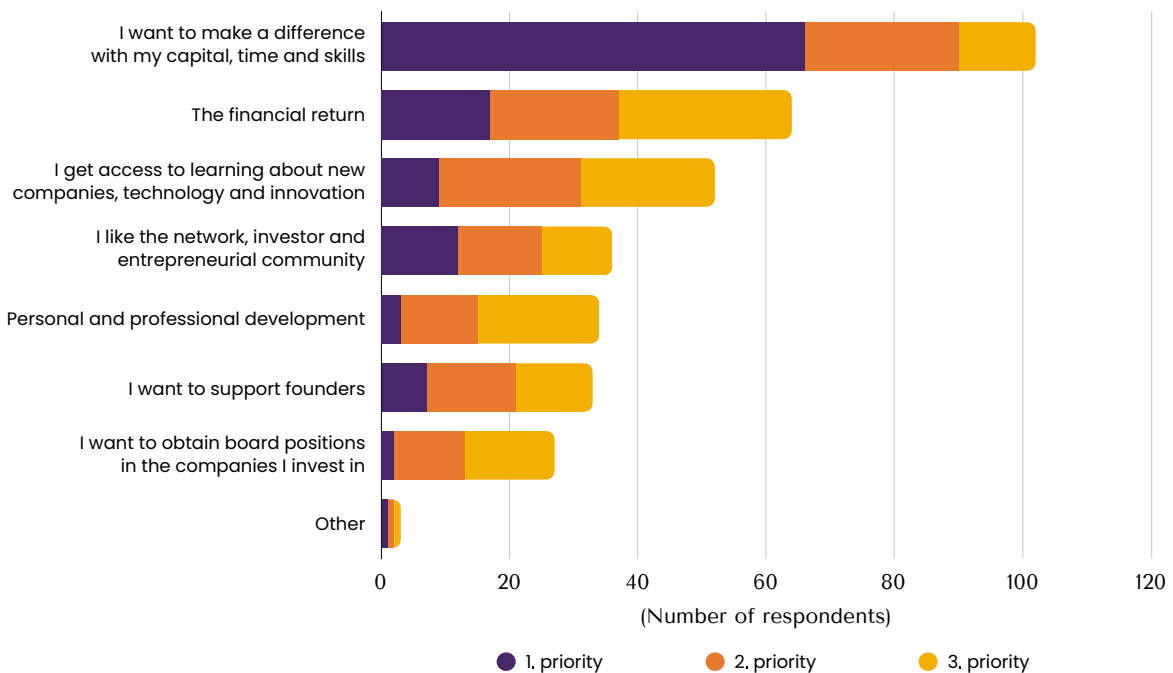
In an overall third place is access to learning about new businesses, technology and innovation. 44% (52) of women angel investors cite this motivation as one of their top three primary reasons for investing in startups.

The third place in terms of choosing their first priority for motivation is network, investor and startup community.

The motivation with the lowest score is the desire to obtain board positions in startups with only 23% (27) of respondents stating so.

Additional motives were highlighted in the comment field under "Other": e.g. "Making a difference for tomorrow's world", "Creating jobs" and "Selling services to startups". Most of the comments provided as supporting input for the choice of motivation were about making a difference for society, founders and the world of tomorrow.

What is your primary motivation for investing in startups?
(In order of priority)



INVESTMENT BEHAVIOUR

This section describes the investment behaviour of the 117 Danish women angel investors.

Introduction to angel investing

As there is a very strong underrepresentation of women angel investors, it is interesting to understand how current investors got started investing in startups.

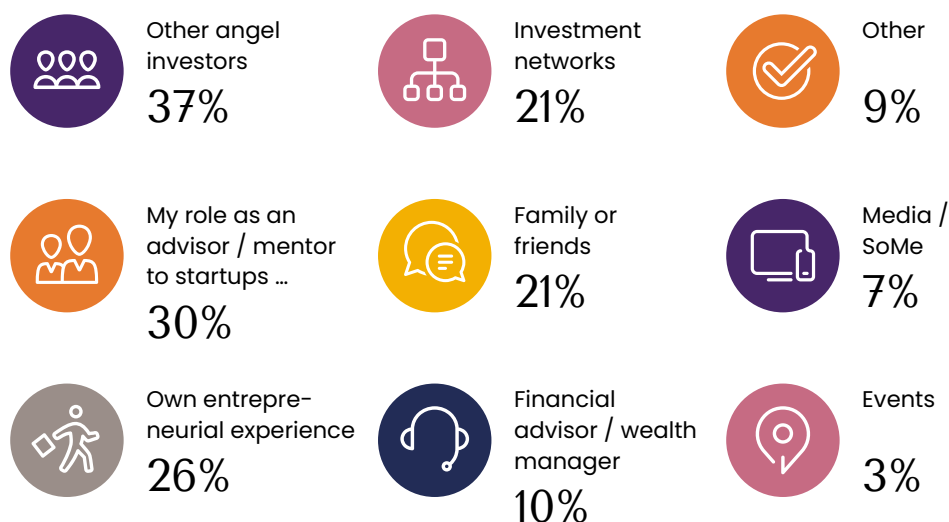
The majority of the angel investors in the study were introduced to angel investing through their personal or professional networks: 37% of the women angel investors stated that they were introduced to angel investing through other angel investors. In addition, 21% answered that they were introduced to angel investing through "Investment networks", and similarly 21% answered "Family or friends". A large proportion of comments under "Other" (9%) also indicated that they were introduced to angel investing through their personal and/or professional networks.

26% knew about angel investing through their previous experience as a founder. Approximately 1/3 of respondents (30%) answered that they were introduced to angel investing through their own role as a mentor/advisor to startups. This indicates that there may be potential for new investors to get started through organized mentoring programs.

Only 10% state that their financial advisor or wealth manager had informed them about angel investing.

How were you introduced to angel investing?

NB: Multiple answers were possible

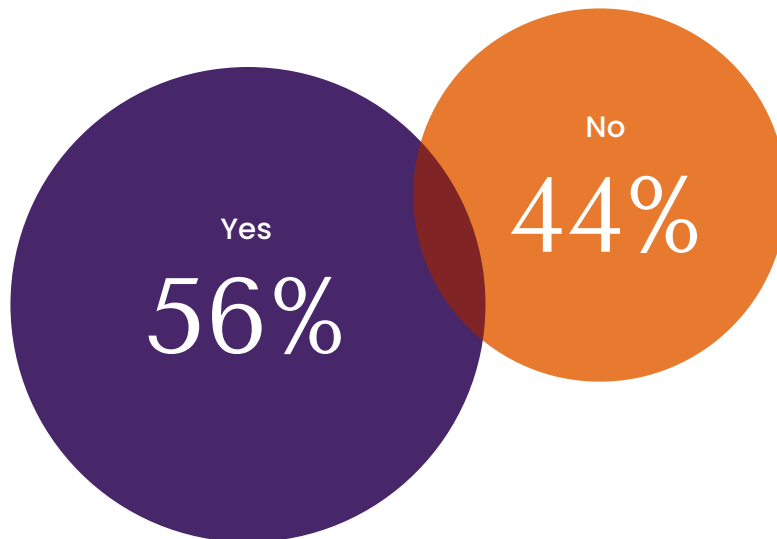


Angel investor communities

Historically, there has been a very small proportion of women members in Danish angel investor communities. Therefore, it is interesting to know whether the women angel investors in this study invest outside organized communities, or whether they have joined the more recently established investor communities that target women, such as Angella Invest and Nordic Female Founder's Investor Club, which were established in 2022-2023.

56% of the women angel investors answered that they are part of an angel investor community. This means that about half of the women investors (44%) are not members and thus invest outside the organized networks at the time of this survey.

Are you a member of an angel investor network?



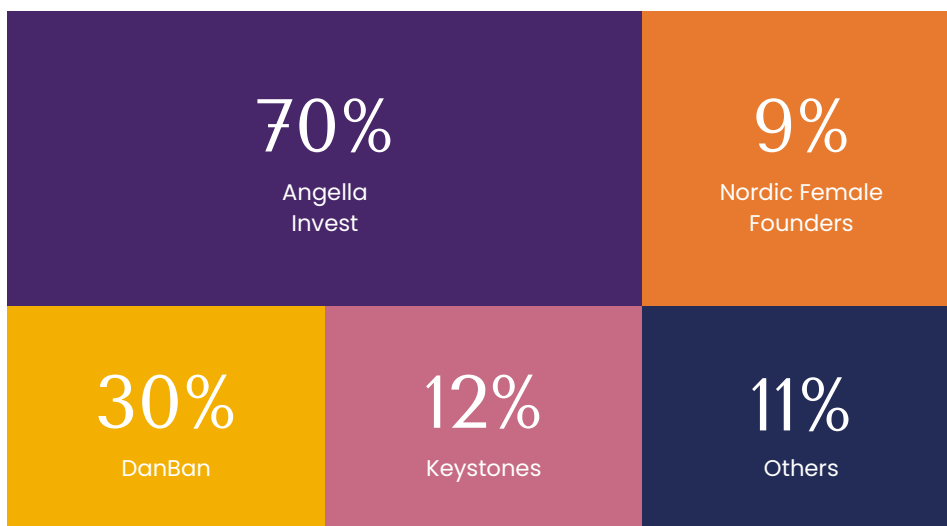
79% of women investors who are members of networks today say they are a member of Angella Invest and/or Nordic Female Founder's Investor Club.

This may indicate that the creation of investor communities targeted women creates more interest for women investors to become part of organized investor networks. As mentioned earlier in the report, the market research by Angella Invest and The Confederation of Danish Industry showed how the share of women members in angel investor networks in Denmark increased from 7% at the end of 2022 (53 members) to 16% (129 members) in mid-2023²⁴ after the entry of Angella Invest and Nordic Female Founder's Investor Club.

Under "Other", several investors indicate that they are a member of international networks or have founded their own investor communities. Some also mention that they are part of venture capital or private equity investor communities.

Which network(s) are you a member of?

Respondents: 87, multiple could be selected



Investment experience

There is a large difference in investment experience (measured in years) among the women angel investors. 14% of respondents have more than 8 years of experience investing in startups. This means that the majority (86%) of the women angel investors have only started investing within the last 7 years, and especially in the last 5 years (73%), with the majority having started in the years 2021-2022 (34%).

Most of the women angel investors in the dataset have only started in the last 5 years (73%).

The women angel investors are very active. In total, they have made 451 investments and on average invested in 3.9 startups per investor (median: 3.0). These are direct investments only, i.e. excluding indirect investments through funds.

However, the average is significantly skewed as 25% of the investors have invested in more than 4 companies and 9% have invested in 9-35 startups. The vast majority (75%) of the investors have only invested in 1-4 startups.

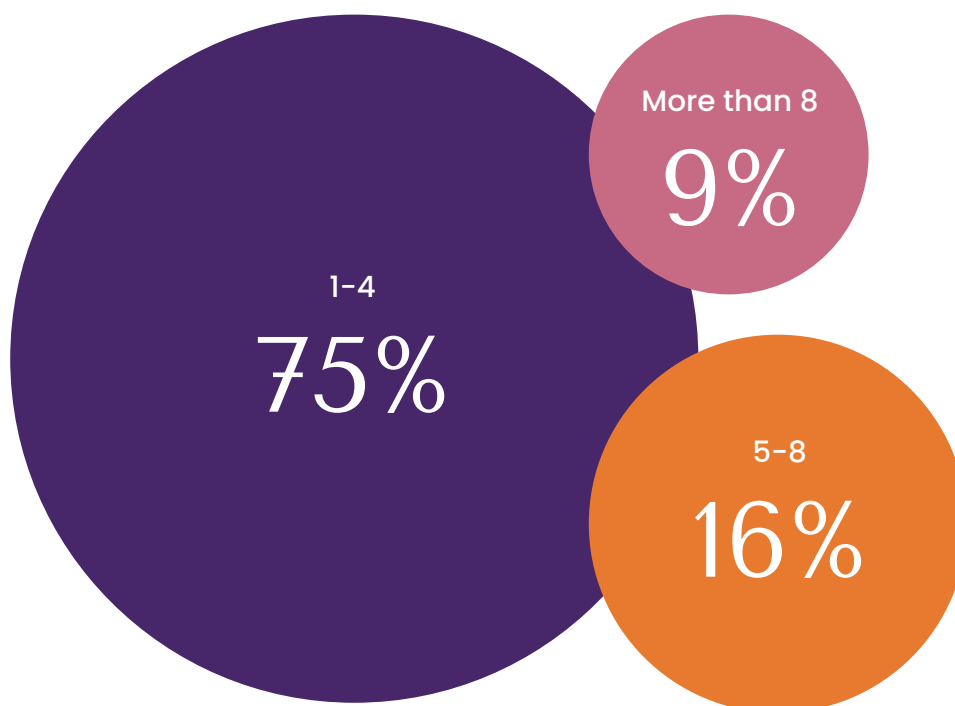
How many years of experience do you have investing in startups as an angel investor?



From selection to investment, it is not unusual that it takes between 3-9 months before an investment is finalised⁴². Therefore, there is probably a correlation between the relatively fewer investments and the fact that 73% of the women angel investors in the study have only started investing in the last 5 years.

Experience working with this segment at Angella Invest, including interviews with 25 women angel investors, also indicates that many women angel investors express that they want to be actively involved when making angel investments³⁵. As an active investor, this places a natural limit on how many startups you can invest in as each investment will be more time-consuming compared to simply being a passive investor.

How many startups have you invested in (only direct investments, i.e. not through funds)?



"I am a selective and active investor. I prefer to be active. I want to bring smart money to the startup to help make the company become a good business. Otherwise, I might as well just invest in shares!"

SUSANNE BRØNNUM

Angel investor specializing in FinTech.

In addition; board member and Business Angel of the Year 2022

Source: Angella Invest³⁶

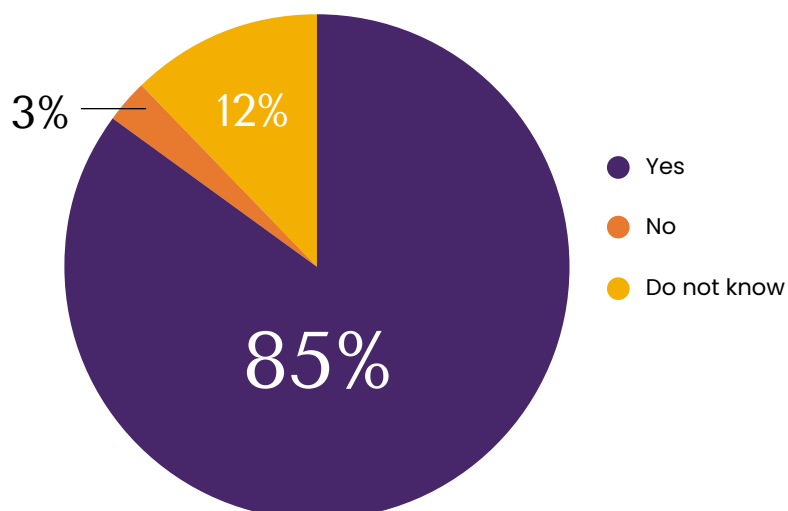
Time and involvement as an investor

The fact that many women angel investors want to be active investors is also confirmed by the data in this study:

85% of respondents say they want to be actively involved in the companies they invest in. For example, as a member of the board of directors, advisory board or some other forms of supporting work to the founder team.

It is therefore interesting to see that the majority (71%) only spend one day or less a week working on investing in startups.

Do you want to be actively involved in the startups you invest in, e.g. be part of the board of directors, advisory board or other supporting work to the founder team?



"I want to be very active - I'm also okay with weekly meetings. But I prefer meetings, when needed rather than scheduled meetings. I like to have focused bootcamps with the team on Zoom or away in a holiday home. Then I bring in my sister, for example, who is good at sales, and she helps. The format must be adapted to the specific startup.

....

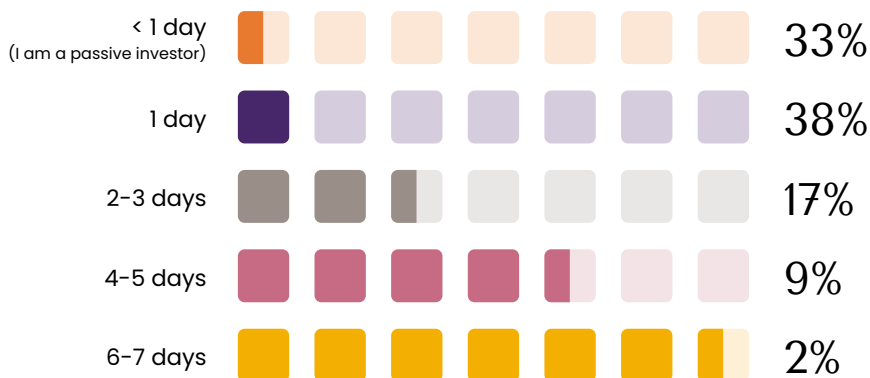
Actually, I'd rather not sit on the board of directors as it is more a formality to me. I'd rather sit on the advisory board with my competences. Because it's not the formalities that make my everyday life good and exciting. Formalities are vital for sound business management. My drive is more along the lines of 'Hey sister, go for it' and we'll figure out the rules along the way."

SARA KINDBERG

*Angel investor specializing in Women's Health
In addition, midwife, PhD. and Founder & CEO Gynzone & Vulva Enterprise*

Source: Angella Invest³⁶

On average, how many days a week do you spend working with investing in startups?



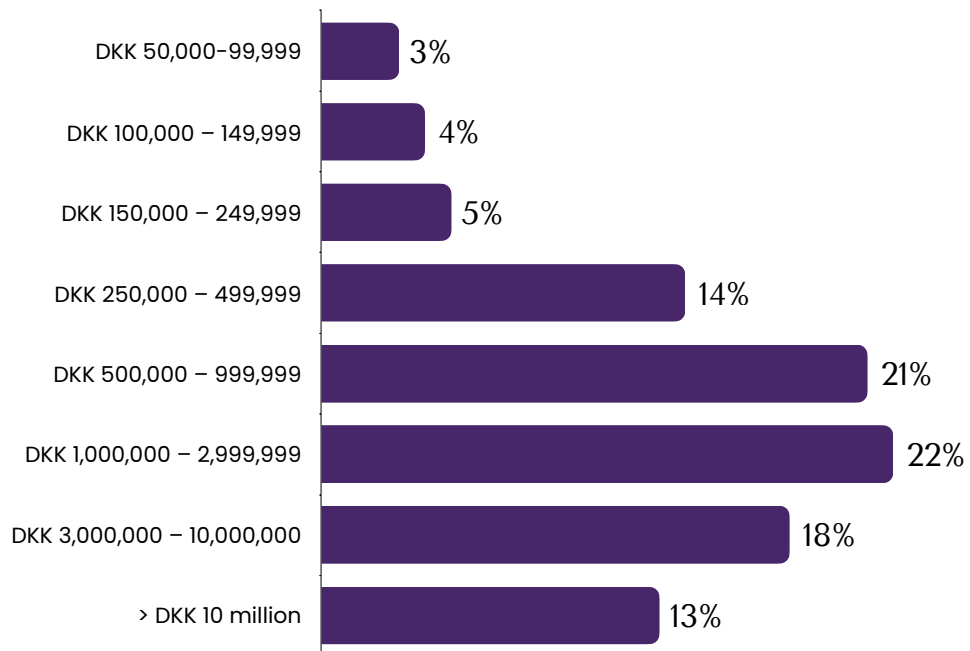
Investment budget and ticket sizes

Angel investing is high-risk due to the high probability of bankruptcy, dilution of ownership and high illiquidity. Therefore, it is often said in the angel investor community that you should not invest money in startups that you cannot afford to lose without changing your standard of living²⁶.

Overall, 53% of women angel investors state that they have reserved an investment budget of more than DKK 1 million to invest in startups. And 31% say they have DKK 3 million or more set aside.

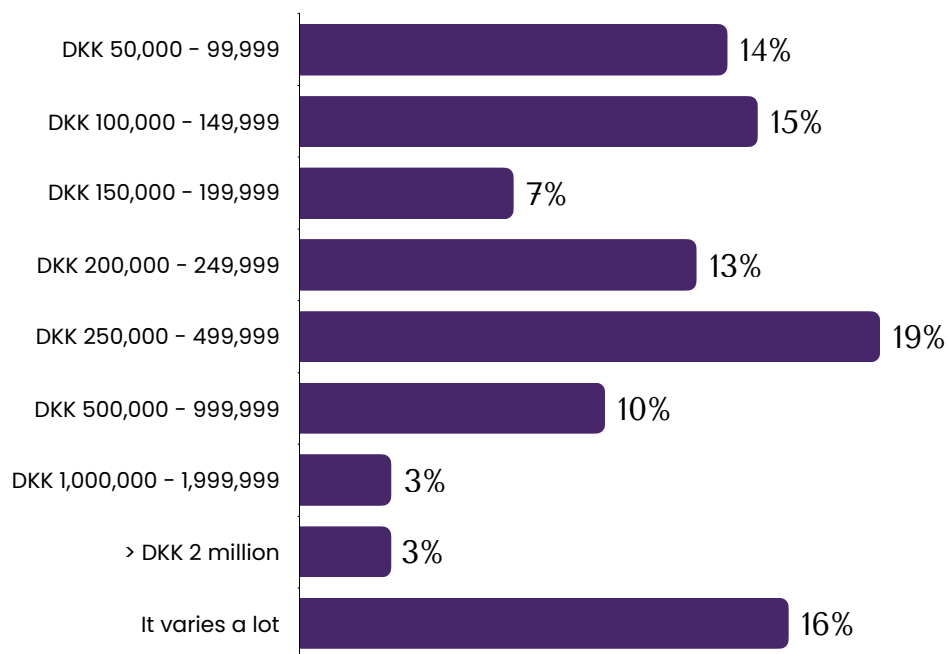
This indicates that women angel investors have a relatively strong financial capacity for investing in startups.

What is your investment budget for investing in startups?



When we look at the size of the initial *ticket size*, i.e. the amount of the initial investment made, there was great variety in the amounts. 16% also stated that the initial amount they invest varied greatly. 2/3 of the respondents stated that they typically invest initial *ticket sizes* below DKK 0.5 million.

How much do you typically invest when you invest in a startup, i.e. your initial *ticket size*?



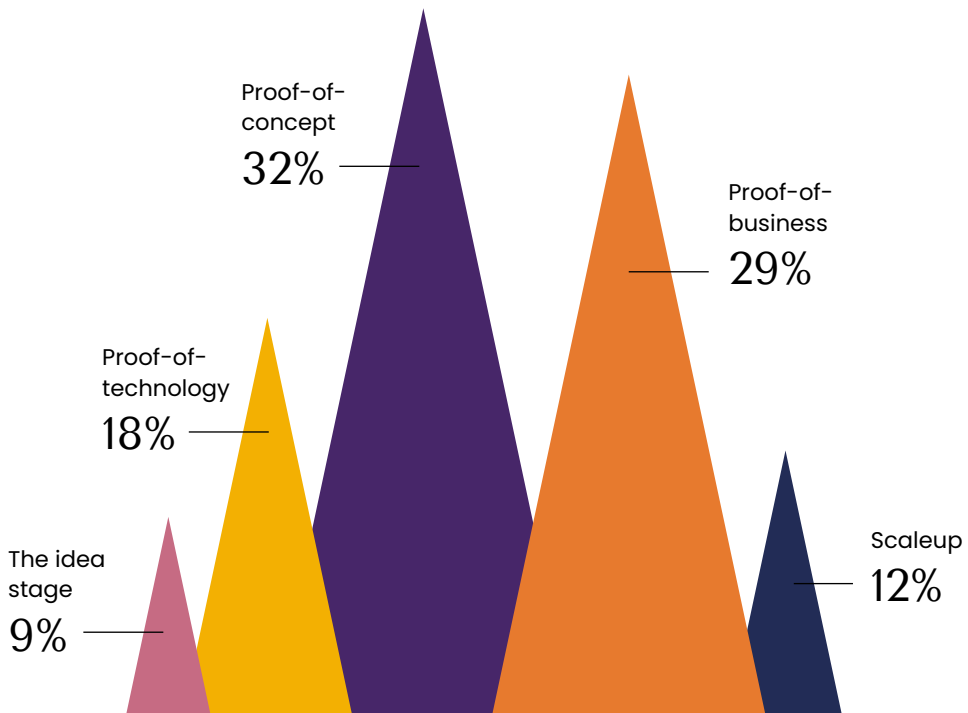
Investment focus

Investment stages

Women angel investors have a fairly broad interest in investing at different investment stages. However, the highest concentration of investors state that they primarily invest in startups that have *proof-of-concept* (32%) or *proof-of-business* (29%).

This is interesting because the more mature the startup becomes, the larger the ticket size of the investment, as the value of the company is higher than if it was at an early stage, for example the idea stage.

At what stage do you primarily invest?



Areas of interest (sectors)

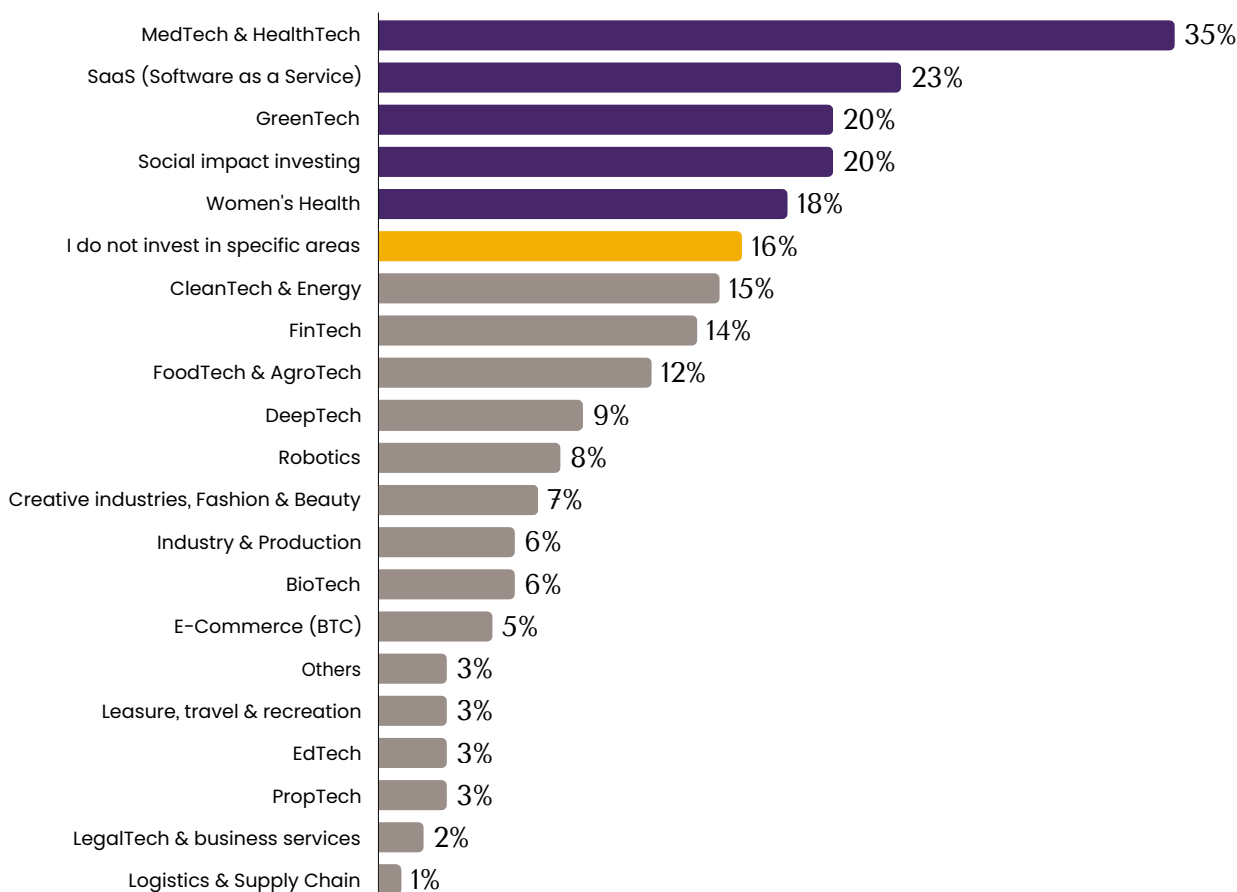
Basically, women angel investors have broad interests across many investment areas. 16% of respondents also state that they do not invest in specific areas.

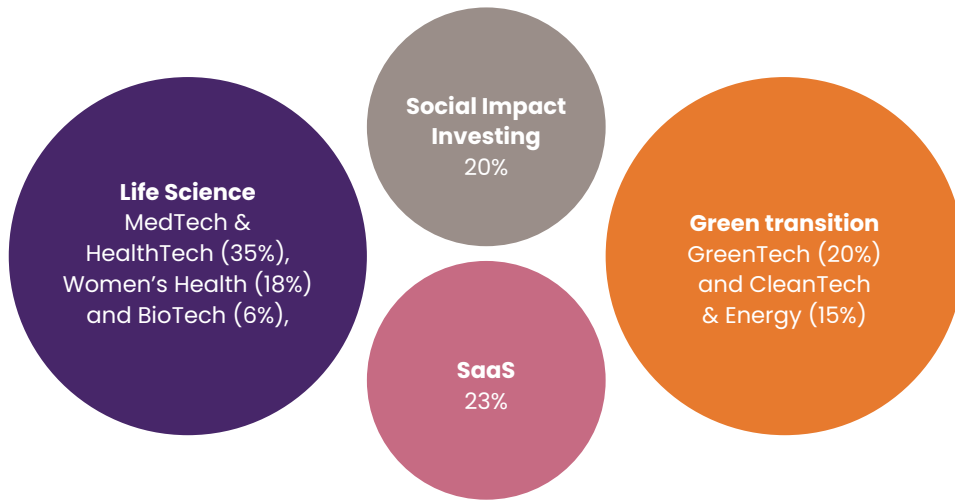
It can be argued that some of the investment areas in the survey overlaps, for example SaaS (Software as a Service), which is a broad investment area for solutions in Tech. This category can encompass many industries and subject areas. However, we asked investors to specifically select their primary areas of investment, and four major areas stand out:

1. Life Science: MedTech & HealthTech (35%), Women’s Health (18%) and BioTech (6%)
2. Green transition: GreenTech (20%) and CleanTech & Energy (15%)
3. SaaS: 23%
4. Social Impact Investing: 20%

As angel investors predominantly invest in the fields and/or entrepreneurs that they can relate to¹², it is interesting to see the great interest in health and especially in *Women’s Health* as a specific investment area that relates to the physical and mental health of the women investors.

Which investment areas do you primarily invest in? (choose up to 3)





"I invest exclusively in women's health. I focus on innovation within childbirth, but also breasts (Health and diagnostics). It's about time we came up with something other than mammography. I would dare to say that the painful experience of having a mammogram would have fueled its innovation a long time ago if men's private parts were examined that way. I would like to change that."

SARA KINDBERG
*Angel investor specializing in Women's Health
In addition, midwife, PhD. and Founder & CEO Gynzone & Vulva Enterprise*

Source: Angella Invest³⁶

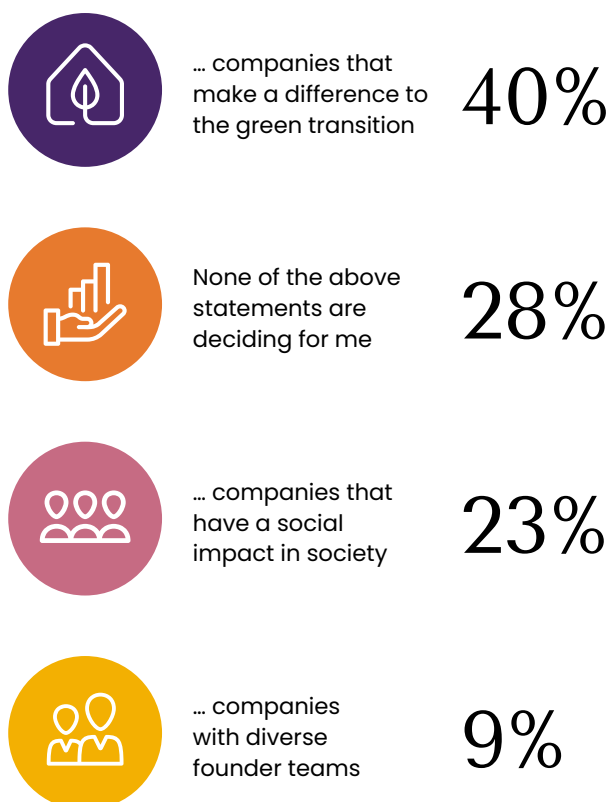
ESG investment considerations

Is it important for women angel investors to invest in the green transition, social impact and/or diverse founder teams? And if so, what is considered most important?

40% of the women angel investors say that it is most important for them to invest in companies that promote the green transition. 23% say that it is most important to invest in companies that have a positive impact on society, and 9% say that it is most important for them to invest in diverse founder teams when faced with the choice between the three topics. This suggests that there is greater interest in prioritizing investments that promote the green transition and, secondarily, social issues. In this context, the diversity of founder teams is weighted less important.

However, almost one third (28%) of the women investors also responded that none of the three topics are crucial to their investment considerations.

Which of the following considerations is most important to you as an investor? I would prefer to invest in ...



Women founders

What if women angel investors don't have to consider gender diversity in relation to the green transition or social change? How important is it then for them to invest in women founders?

On a scale of 1-5, where 5 is "crucial importance", 50% of investors responded that it is crucial or very important to them (rating 4-5). 27% gave a rating of 3 and 24% gave a rating of 1-2, where 1 is "no importance". This indicates that half of the women investors find it important to invest in women entrepreneurs.

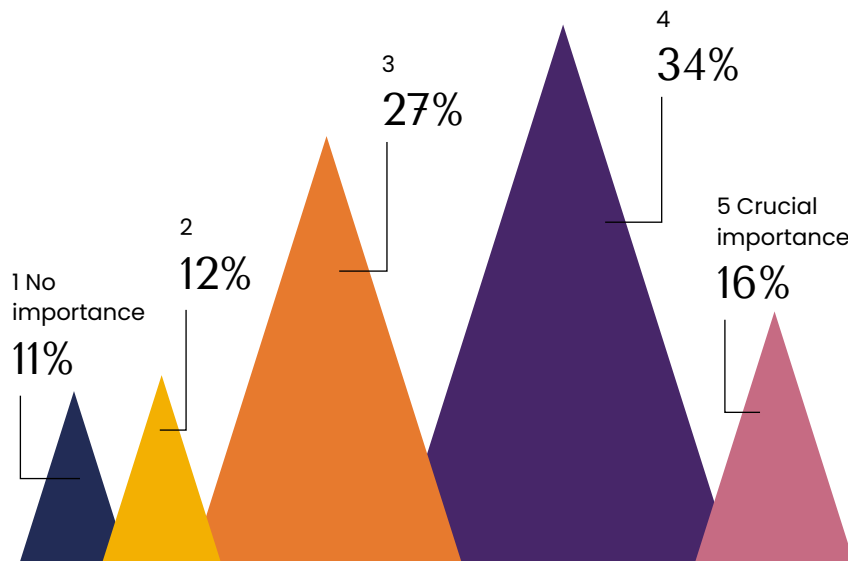
When we look at how they have *actually* invested in women (co-)founders, the picture looks like this:

Overall, at least 68% of the women angel investors have invested in companies with founder teams that have at least one woman founder (from 10%-100% investment share).

Interestingly, however, there are some extremes; 30% of the women angel investors have invested in women (co-)founders in 0-10% of their investments, whereas 20% state that their investment portfolio consists almost exclusively of women founders with a share of 91-100%.

Data suggests that there is an overall positive interest in investing in startups with women (co-)founders, but that there is dispersion among the women angel investors as to how crucial it is to their investment decision.

On a scale of 1-5, with 5 being "crucial" and 1 being "not important", how important is it to you that there is a woman on the founder team of the companies you invest in?

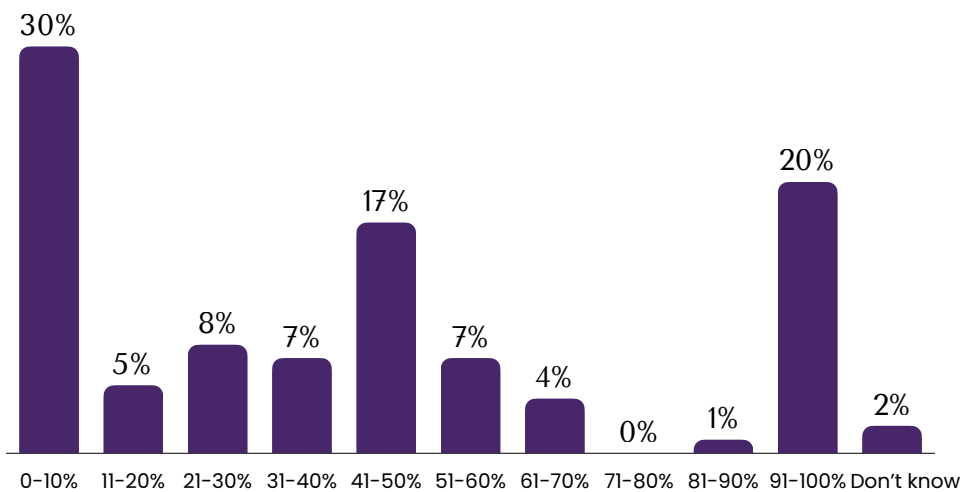


"My investment focus is deeptech. My first gate is whether the team is diverse - then I've promised myself that I'll look at the case."

HELLE MONRAD
*Deeptech & impact angel investor, board member and mentor.
 "Rising star angel investor of the year 2023" and one of
 "10 women investors, that inspire 2023"*

Source: Angella Invest³⁶

How many (share percentage) of the startups you have invested in have a women (co-)founder in the founder team?





"I invest in awesome founders - regardless of gender. I am mostly focused on whether I can create value as an investor with my brain capital, where BtB SaaS, tech and international scaling are my investment focus areas."

LOUISE LACHMANN

*GP Uckly Duckling Ventures, VC & angel investor, board member
and co-founder Mono Solutions with exit to Bauer Media Group*

Source: Angella Invest³⁶

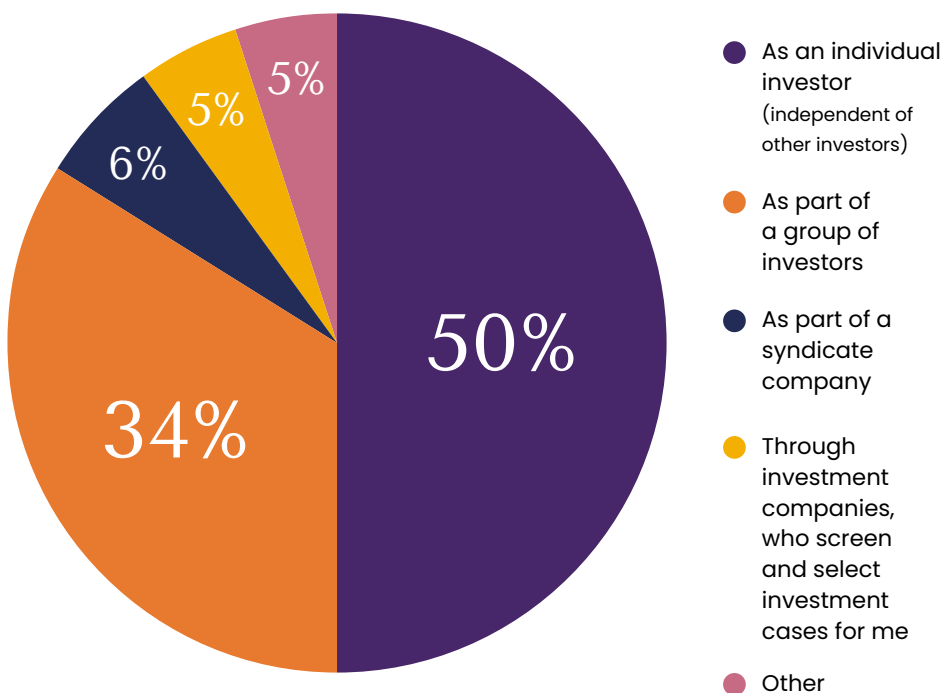
Investment methods

Typically, most angel investments are made together with other investors. This is to bring together different types of expertise to the startup in the growth stage, but also to minimize the risk of the investment. Smaller amounts are invested per investment when you invest with other investors, and as a group you can also help each other assess the investment case.

That's why it is interesting to see that 50% of women angel investors state that they invest alone and independently of other investors which makes it riskier. However, several comments to this question indicate that many invest using a variety of investment methods which unfortunately could not be selected in the study because of limited response options.

34% state that they invest together with others, but only 6% state that they invest through syndicates. 5% of investors have investment companies screen and select companies for them. This again indicates that women angel investors want to be actively involved in their angel investments.

How have you typically invested in startups?



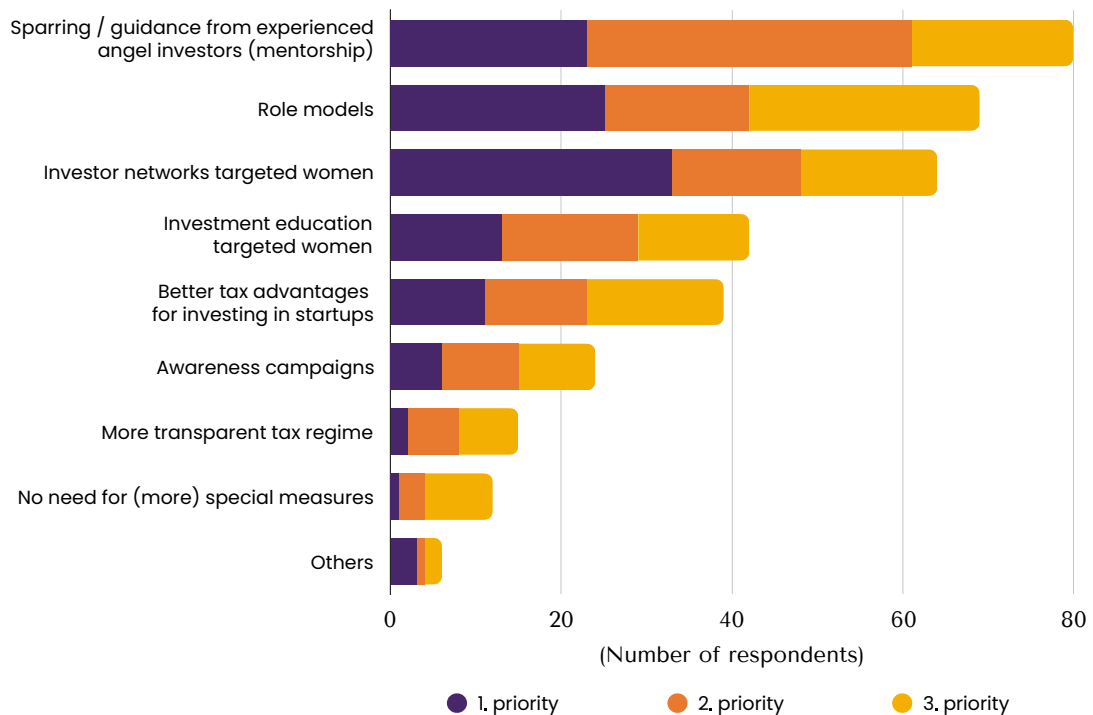
RECOMMENDATIONS FOR INCREASING WOMEN ANGEL INVESTORS

In a clear first place, the primary recommendation by experienced women investors to increase the number of women angel investors is "Sparring and/or guidance from experienced angel investors (mentoring)". About 2/3 (68%) of the women angel investors have this as their first, second or third recommendation. Next, they recommend more "role models", with 69 (59%), marking it as one of the top three most important factors. The two initiatives are related, as both are about being inspired by and learning from other experienced investors.

"Investor networks targeted women" is cited as the most important measure to increase the number of women angel investors by 33 (28%) of the respondents in the survey. 64 (55%) of respondents also rank it as a top three priority, i.e. in third place overall after "Role models".

Although "investment educations targeted women" is rated next in importance, it is apparent that the three initiatives mentioned above are considered the most important initiatives.

Which of these actions do you think could help increase the number of women investors in startups? (In order of priority).



Other comments

The women angel investors were allowed to provide input in free text under "Other comments regarding how to promote women angel investors" as well as the topic "Women angel investors" in general. There were differing opinions as to whether there is a need for special measures for women. Therefore, it is positive that today there are different opportunities in the angel investor market for men and women. Here are some of the many inputs that the women angel investors contributed:

"It's important that the [angel investor] role is demystified. There are too many "old boys" and overcomplication."

"I think it's important not to make it harder than it is. I think we would get more women as investors by emphasizing the first investment as something simple - focus on starting small and learning from the process (learning by doing) rather than building a universe of specialized knowledge that makes it seem harder than it is."

"Confidence is important as a beginner angel. I am happy to lean in on more experienced and high net worth investors."

"At the end of the day, the most important thing is not gender, but to help with knowledge and support for anyone who wants to get into the game. Not everyone should do everything, but those who want to be investors should have support and network."



PART 3:
NON-ANGEL
INVESTORS

This section presents the results from interviews with women non-angel investors. The purpose is to explore possible barriers that prevent women from starting as angel investors, as well as identify possible actions that could encourage even more women to start investing.

Perceptions and barriers

This section describes the interviewed women non-angel investors' perceptions and barriers regarding angel investing. It is based on three overarching questions that were the focal point of the interviews:

1. What do you associate with the terms business angel, angel investor and angel investing?

The women non-angel investors had many different associations with the terms "business angel", "angel investor" and "angel investing". Several mentioned that it can be difficult to relate to the terms. For example, it is emphasized that the term *angel* suggests a person who gives money out of the goodness of their heart and who is not necessarily involved in the startup. For this reason, business angel or angel investor can be misleading and creates confusion about the primary motivation. It was also mentioned that the perception of angel investors is that angel investors are very business oriented and focused on returns.

"An angel investor is someone who can provide capital for something good that can turn into something great. At first, I thought there was something more philanthropical about it. But for many, it's hardcore business."

"I don't like the terminology 'angel', it is too sacred and strange. Angel is misleading and feels wrong. Investors are just looking for returns."

Some of the non-angel investors also highlight the perception that an angel investor has certain character traits, such as being very wealthy or that they are particularly risk-willing and profit-oriented in their behaviour.

"These are people who are brave: A lot of people throw money at something that doesn't work out."

"'Business' indicates that the sums (of money) involved are very large."

"It sounds a bit like someone who puts in a lot of money and then leaves. That doesn't appeal to me. Some people do that. That wouldn't appeal to me. It's more hands-on for me."

In addition, some of the non-angel investors point out that **angel investing is a field with a lot of jargon (complex terminology and insider vocabulary), which may alienate and act as a barrier for new investors.**

"It's a bit silly with so much jargon. And it can seem impenetrable to those not in the field. That might be a barrier for some."

2. What could be the motivation to invest?

The women non-angel investors all emphasize that **their interest in angel investing stems from a motivation to make a difference and help others.**

"The fact that you could be the one tipping the scale to make it succeed."

"I can provide what they often lack in the beginning - for example, getting the scope of the project right and helping them progress."

Several point to being able to pass on knowledge and help with know-how and other skills - for example, commercial, (project) management, business development, funding applications, industry knowledge, etc.

Several non-angel investors also point to close involvement as a motivation. They are interested in angel investing because it gives them the opportunity to get close to the development of the business and into the engine room. This leads to an expectation that the investment will mean more than, for example, an investment in listed shares.

Several of the women also point out that **the purpose outweighs the financial incentive.** Even though the non-angel investors consider angel investing to be an investment, most of the interviewees are more concerned with the purpose rather than a possible financial return. At the same time, several point out that it ultimately depends on the individual case, and they imagine that if a case feels right, the financial aspect will be less important.

"It's about being socially responsible, giving something back. The financial return is less important."

"It shouldn't be because it's going to explode. It has to be for a good purpose."

3. What keeps them from starting as an angel investor?

Three aspects are in particular emphasized by the interviewees as barriers to getting started as angel investors: 1) lack of knowledge and experience to make the first investment, 2) lack of risk appetite, which is particularly associated with the perception of not being "wealthy enough" and 3) lack of time.

Lack of knowledge and experience

The non-angel investors don't feel ready to make the first investment because they are still unsure **if they have the necessary knowledge and understanding.**

"The more I've learnt about it, the more cautious I've become, and I think more about how much I want to get involved in and how. I've learnt that it [the first investment] doesn't have to happen fast. You have to take the time it takes to get to know all the mechanisms, the ecosystem and yourself as an investor."

Several interviewees also emphasize that the first case is crucial and that they therefore wait for the first *right case* to present itself to them.

"It's important to have that gut feeling that something feels right. That's why it's important to "kiss a lot of frogs", and I hope and expect to feel that "this is the one". And the more people you meet and have exposure to, the easier it becomes to get that feeling."

For the non-angel investors, it's not just about the right match between the idea and the concept, but also very much the match between the founder team and themselves as investors, for example, whether the founder team is receptive to feedback, whether values are shared and whether there is a good chemistry with the founders.

In this way, there are many factors that need to be in place and feel right, especially when it comes to what they can contribute with as investors. Here, some of the interviewees point out that because they do not have extensive knowledge from the financial sector or as entrepreneurs, they must spend more time looking for the right case where they are needed as investors.

Risk aversion and not being "wealthy enough"

Several interviewees point out that **they don't feel risk willing enough to invest as an angel**. Their hesitation or the connection to the lack of risk-taking is often explained by the fact that they don't feel "wealthy enough".

"I don't feel I have enough money for it. And I'm very, very risk-averse."

Because the non-angel investors are still inexperienced in the field, this aspect becomes particularly prominent. Several of the women interviewees also point out that the first time they make an investment, they would like to invest a slightly smaller amount of money. At the same time, they may want to invest in startups that have progressed beyond the idea stage to better ensure that they don't lose money. However, once the company has grown to this stage, it will often need a larger sum of money than potential investors are willing to give:

"It can be very expensive, for example in biotech. Here billions are needed - and then I get 0.001%. It doesn't make any sense; then I could just invest in listed shares."

Lack of time

Finally, **"time" is also mentioned as a barrier**. Some women non-angel investors find that it is difficult to hold down a full-time job while at the same time familiarizing themselves and gathering enough knowledge to feel confident and competent as an angel investor.

"It's difficult to have a full-time job and to familiarize yourself with the area, which is relatively complex and time-consuming, and at the same time be sure that it's a good and proper case that you invest in."

In this context, age is also highlighted as a barrier to starting as an angel investor.

"It requires that you can commit for at least 10 years and can wait for a potential return. Not everyone feels they have that many active years left."

RECOMMENDATIONS FOR INCREASING WOMEN ANGEL INVESTORS

The women non-angel investors provide a wide range of input on what is needed to encourage more women angel investors. Overall, the input falls into three categories:

More knowledge, education and demystification

In particular, more knowledge about angel investing, the environment and infrastructure surrounding it, case selection and a **general demystification of the term "angel investing", which today is associated with many preconceptions and complex vocabulary.**

"There's a basic infrastructure and terminology that's quite difficult to understand. How do the [venture] funds work? Is it good enough, what do you have to know? There are some barriers in that [...] and it's quite resource intensive."

In terms of demystification, it is emphasized that it should be better articulated that you don't have to be very wealthy and that you can have many different profiles as an angel investor. Here, several women non-angel investors point out that it's important to inform better about the concept of competences so that it becomes clear that you can contribute with many different types of knowledge to a startup.

"It is very important to emphasize that you can become an angel investor for DKK 50,000. I don't think I'm the only one who thinks you need millions before it makes sense."

The non-angel investors point out that although role models can be useful in terms of creating an understanding of what an investor can look and act like, it is not sufficient if the role models are people who are difficult to relate to - such as very wealthy investors. Role models in themselves are therefore not considered sufficient to increase the number of women angel investors. Better communication about what angel investing is and how much/how little you can invest and what knowledge you can contribute with is needed. In terms of knowledge and education, it's very much about how to get started as a new investor, how to find investment cases and how to *screen* (select) the right cases.

Investment communities and targeted events

There was a strong focus among the non-angel investors on investor communities, i.e. the collective nature of being an angel investor instead of the narrative of being a "solo investor". They emphasized **networking or sparring among like-minded people, syndicates/group investments and targeted events** aimed at a specific segment, for example NextGens, so that they are introduced to angel investing as an opportunity early in life:

"The good thing about networking is that it's good to learn the language, processes, etc. I'm part of the Exit group [at Angella Invest]. There we talk about many things that don't only relate to angel investments, for example wealth management. How do we invest? Who helps us with this? How do we find good advisors, etc. And the identity and the feeling of having sold your business and the vacuum that follows. So, we also support each other on other fronts than just the professional - there's also a personal aspect that comes from that identity of having someone who is in a similar situation as you."

"Syndicates are exciting because we have the opportunity to spar with other investors and you bring different competences and get to know more about a startup. And syndicates are also exciting because there's more willingness to take on risk when there are more people together. So, joining forces can also provide a collective sense of security around risk-taking."

Better tax conditions

Finally, a few interviewees point to the possibility of **more favourable tax conditions for angel investors, making it easier and more transparent for private investors to invest in startups**. They recommend getting international inspiration, where there are better opportunities for syndicates with smaller investment amounts.

PART 4:

CONCLUSION AND
RECOMMENDATIONS

CONCLUSION

In summary, the study shows that generally, women angel investors are financially resourceful and can contribute with very relevant business and investment experience. 53% of women angel investors state that they have more than DKK 5 million ready-available capital for investments and 81% have a background as former owner-managers or (co-)founders. 85% of the women angel investors inform that they want to be active investors and approximately 1/3 of the women angel investors are full-time investors. About 9/10 of the women angel investors inform that making a difference with their capital, time and skills is in the top 3 reasons for investing in startups.

Women angel investors have a strong interest in investing in STEM, particularly within the areas of Life Science with MedTech & HealthTech (35%) and Women's Health (18%), and in the green transition consisting of GreenTech (20%) and CleanTech & Energy (15%). In addition, about a quarter (23%) of the women angel investors are interested in investing in SaaS.

50% say that investing in women (co-)founders is crucial to their investment decision. However, the data also shows a variation among the women angel investors as to how crucial it is to their investment decision that the founder teams comprise of women (co-)founders.

Data suggests that 3/4 of women angel investors have only started investing within the last five years, so the overall market for women angel investors is still immature and under development. Selected conclusions are highlighted below:

There are few women angel investors in Denmark

It is estimated that there is a relatively small number of women angel investors in Denmark (approximately 300-400 investors), which is approximately 10% of the total number of angel investors in Denmark, which is estimated at approximately 3,000-4,000 private individuals. In this report, we have collected 117 responses from women angel investors who have made at least one investment of min. DKK 50,000 in a startup.

There are many new women angel investors

The majority (73%) of women angel investors have only started investing in the last 5 years, with the majority having started in the years 2021-2022 (34%). Only 14% of the investor respondents have more than 8 years of experience investing in startups.

Women-focused investor communities are an important initiative

79% of women angel investors who are members of investor networks are also members of women-focused investor communities that have only existed since 2022-2023. 55% of the women angel investors state that women-focused investment communities are an important measure to promote more women angel investors. This is something that the women non-angel investors also emphasize.

Women angel investors have relevant work experience

The women angel investors have strong and highly relevant professional experience to contribute as investors in startups. The majority (81%) have a background as former owner-managers or (co-)founders and the majority have experience in business management at executive level (64%) and professional board work (74%). In addition, about half have experience as subject matter experts (44%) or and with other types of entrepreneurialships (31%).

Women angel investors are active investors with extensive investment experience

1/3 of the women angel investors state that they are full-time investors; either as angel investors (9%), venture capitalists (8%) or full-time investors in general (14%). 79% state that they have experience investing in shares, and a large proportion also have experience with real estate (48%), bonds (41%) and venture capital / private equity funds (39%).

The women angel investors are therefore very active investors who diversify their investment portfolios greatly. They are also used to making large capital investments, as both real estate investments and fund investments typically require investments of more than DKK 750,000 per single investment.

The Danish women angel investors are well capitalized

The Danish women angel investors in the study are well capitalized. 53% of women angel investors state that they have more than DKK 5 million in capital ready-available for investments. Similarly, 53% of the women angel investors state that they have more than DKK 1 million reserved to invest in startups. 31% have DKK 3 million or more set aside for angel investments.

Women angel investors are motivated by making a difference with their capital, time and competences

Both the women angel and non-angel investors are strongly motivated by making a difference with their capital, time and competences. 56% of the women angel investors state this as their most important motivation and almost 9/10 of the 117 respondents in the study revealed it as one of their top three motivations. 85% of the investors indicate that they want to actively contribute time and competences to their portfolio companies.

Women investors are interested in STEM, especially in Life Science

The women angel investors have an interest in investing in STEM, and in particular within the fields of STEM:

1. Life Science: MedTech & HealthTech (35%), Women's Health (18%) and BioTech (6%)
2. Green Transition: GreenTech (20%) and CleanTech & Energy (15%)
3. SaaS (23%)
4. Social Impact Investing (20%)

Investing in the green transition is of great interest

GreenTech, CleanTech & Energy and Social Impact Investing are the investment areas with a high interest among the women angel investors. When asked which ESG area is crucial to their investment decision, 40% of the women angel investors say it is the environment and therefore companies that promote the green transition. 23% of investors say social impact, and 9% say that diversity in the founder team is crucial to their investment decision. However, approximately one-third (28%) of the women angel investors also state that none of the three topics are crucial to their investment decision.

Investing in women entrepreneurs is highly valued by many

When not having to choose between green transition, social impact and diversity, 50% of women angel investors state that investing in women co-/founders is crucial or important to their investment decision. At least 68% have already invested in startups that have a women co-/founder on the team. The survey data also seem to indicate that there is an overall positive interest in investing in startups with women (co-)founders, but there is a divergence among the women angel investors with respect to how crucial that is to their investment decision.

RECOMMENDATIONS

Based on the preceding analysis, the following five actions are recommended to implement to increase the number of women angel investors:

Investment communities targeting women. Data from the study shows that women investor communities can be a powerful initiative to encourage more women to start angel investing: 79% of women angel investors who are members of investor networks are members of investor communities targeted women that have only been established since 2022-2023. 55% of the women angel investors cite women investor communities as a way to encourage more women angel investors, and women non-angel investors also highlight it in interviews. Since angel investments are typically made together with other investors who share interests and values, it makes good sense. Therefore, it can be useful to focus on investor communities targeted at women to get even more women to take the first step as new investors.

Mentoring and sparring with experienced investors. 2/3 of women angel investors point to "Sparring and/or guidance from experienced angel investors (mentoring)" as a top 3 priority initiative to encourage more women to start angel investing. 59% of the investors also indicate "Role models" as one of the top three most important factors. The two measures are interlinked, as both are about being inspired by and learning from experienced investors. It is therefore recommended to investigate structured mentoring programs that can connect new investors with experienced investors.

Greater knowledge and demystification of the practice of angel investing. The women non-angel investors all emphasize that there is a need for demystification and more knowledge about angel investing. Having women angel investor role models is not enough. Better communication about what an angel investor is and how to get started is needed. It should be emphasized that one does not need to be very wealthy, and for example, that one can invest from DKK 50,000, and that one does not need a specific educational or professional background to become an angel investor.

Investment education targeted at women. Investment programs targeted women are considered important by around 36% of the women angel investors. Non-angel investors also emphasize the need for knowledge, including how to find investment cases and how to screen and select the right investments. When starting as a new investor in investment programs, new investors also get to know other fellow investors to invest and/or exchange knowledge. This is why investment educations targeted at women and possibly coupled with mentoring, could be a good initiative.

Better and more transparent tax policies. More optimal tax regimes are mentioned by some of the women respondents in the study (both investors and non-investors). It is unclear from the study what specifically is wanted. However, it is a known problem in the angel and startup investor community in Denmark that Danish tax rules are not optimal for growth companies, which several political and industry organizations, such as The Confederation of Danish Industry, are working to change³⁸. This is especially relevant for syndicate companies with more than seven investors where stock taxation is applied (in Danish: lagerbeskatning), which creates barriers for small *ticket-size* investors to participate in syndicate deals¹⁰. As syndicates are often a good tool to minimize investment risk because more investors can join forces with smaller *ticket sizes*, it is recommended that politicians revisit the tax regulation of syndicate companies. In addition to encouraging investment in startups in general, a change could probably also promote diversity in the startup and investor community by enabling even more new (women) investors to get started.

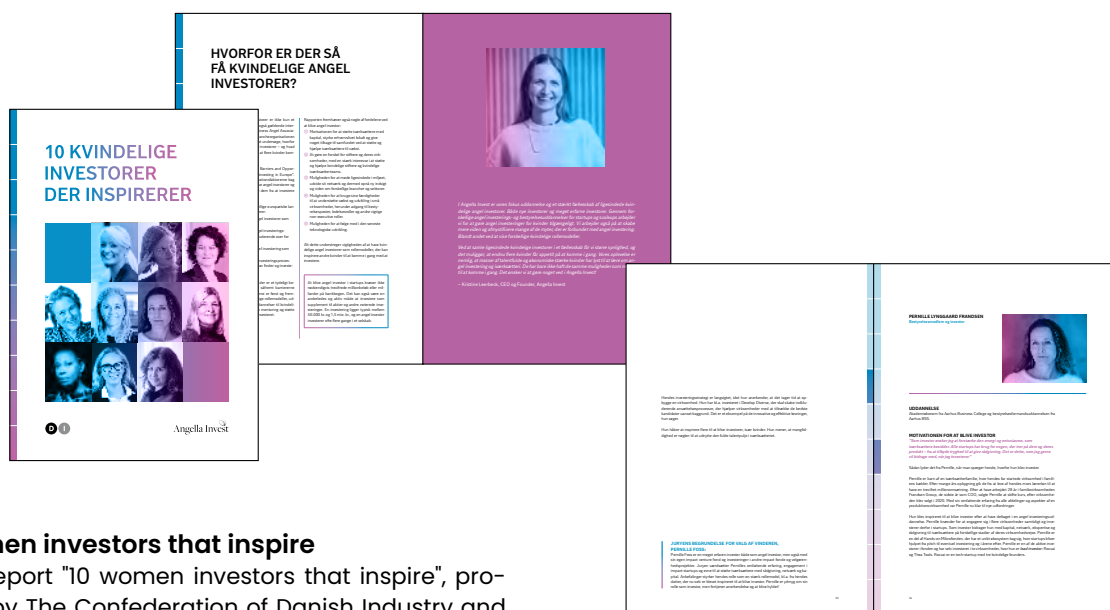


ADDITIONAL
INSPIRATION

AN INTERNATIONAL PERSPECTIVE

The gender imbalance among angel investors is unfortunately not just a Danish phenomenon. In fact, the distribution of 10% female versus 90% male angel investors is probably a very good indicator of the startup investor environment in Europe. According to a survey of 28 business angel networks in 25 countries in Europe conducted by EBAN in 2022¹⁴, respondents reported that only 13% of their members were women.

In other European countries, targeted initiatives are beginning to take place to change this imbalance. A good example is in the UK, where the national UK Business Angel Association established a Woman Angel Investment Taskforce, which in 2022 launched the "Women Backing Women" campaign. In addition to a series of events, education and information initiatives, the campaign has published several studies showing the positive contribution of female angel investors to the UK economy of more than GBP 2 billion and creating more than 10,000 jobs. In the UK, the proportion of women angel investors is now 16%²⁸. Another example is in Germany, where a European network of more than 350 women angel investors "The Evangelistas" has been established and a podcast "The Female Business Angels Podcast" has been published²⁹. As the problem of gender imbalance unfortunately also applies to venture capital, international community platforms have also been established, such as European Women in VC, Global Women in VC and the annual "Women in VC Europe" event in Paris³⁰. In Denmark "Kvinder i Finans" (Women in Finance) has been established for young women in VC, PE and M&A³¹.



10 women investors that inspire

In the report "10 women investors that inspire", produced by The Confederation of Danish Industry and Angella Invest in 2023, you can be inspired by 10 women angel investors. In the report they share how they got started as angel investors, their background and motivation for becoming an angel investor (report in Danish only).

You can find the report here:

- Confederation of Danish Industry: www.danskindustri.dk/di-business/arkiv/nyheder/2023/6/10-enestaende-kvindelige-investorengle-hyldes/
- Angella Invest: <https://www.angellainvest.com/10-kvindelige-investorer>

Interviews with women investors

On Angella Invest's website you can read interviews with a wide range of women angel investors: www.angellainvest.com/vidensbank. The articles are created with support from the Danish Industry Foundation under the project "Acceleration of women angel investors", launched in 2023.

DATA SOURCES

1. The Confederation of Danish Industry, 2024: "Still few companies are started by women", <https://www.danskindustri.dk/arkiv/analyser/2023/4/fortsat-fa-virksomheder-startes-af-kvinder/>
2. Analysis and numbers, 2023: "44 per cent of companies subject to the law on target figures have no women on boards - gender distribution on boards", <https://www.ogtal.dk/publikationer/44-procent-af-virksomheder-underlagt-lov-om-maalstal-har-ingen-kvinder-i-bestyrelser>
3. Equalis, 2024: "Diversity Barometer": <https://equalis.dk/diversitetsbarometer/> (companies over 50 employees)
4. The Danish Growth Fund, 2018: "Capital Market: From Startup to Scaleup", https://www.fte-ye.dk/media/788230/kapitalmarkedet_fra-startup-til-scaleup.pdf
5. The Confederation of Danish Industry, 2023: "Female entrepreneurs' growth journey slowed by lack of equity", <https://www.danskindustri.dk/arkiv/analyser/2023/3/kvindelige-ivarksatteres-vakstrejse-bremses-af-mangel-pa-egenkapital/>
6. Danish Chamber of Commerce, 2023: "Women entrepreneurs 2023, Analysis of barriers and trends", <https://www.danskerhverv.dk/contentassets/9effe74c9e8e4eb0a4c036a6a6747171/dansk-erhverv--kvindelige-ivarksattere-2023-ny.pdf>
7. Unconventional Ventures, 2023: "The Funding Report - The Untapped Potential in the Nordic Startup Ecosystem and Beyond 2023" <https://report2023.unconventional.vc/introduction-and-key-findings/>
8. DanBAN, 2023: "Investor Report 2022", <https://danban.org/danban-investor-report-2022/>
9. SME Denmark & Statistics Denmark, 2023: "Startups have a harder time surviving", <https://smvdanmark.dk/analyser/temaanalyser/nystartede-virksomheder-har-sv%c3%a6re-re-ved-at-overlev>
10. Startup Investor, 2020: <https://www.startupinvestor.dk/2020/09/25/skatteraadet-slaar-fast-syndikater-med-over-7-investorer-underlagt-ugunstig-beskatning/>
11. Roundtable: <https://help.angellist.com/hc/en-us/articles/360047683952-What-s-the-minimum-amount-I-need-to-invest-as-an-investor>
12. Forrester, 2014: "Behavioural Finance: Factors Influencing Angel Investor Decisions", Hedge & Tumlinson, 2014: "Does Social Proximity Enhance Business Partnerships? Theory and Evidence from Ethnicity's Role in U.S. Venture Capital" and Nickolaus Franke et al, 2006: "What you are is what you like-similarity biases in venture capitalists' evaluations of start-up teams": <https://www.sciencedirect.com/science/article/abs/pii/S0883902605000674>
13. The Danish Growth Fund et. al, 2018: "Registry-based analysis of business angels in Denmark, 2018"
14. EBAN (European Business Angel Network), 2022: "EBAN Statistics Compendium - An early stage market statistics"
15. WA4E, Women Business Angels for Europe's Entrepreneurs, Business Angels Europe Association, 2018: "The barriers and opportunities for women angel investing in Europe"
16. The Confederation of Danish Industry, 2024: "More diversity in the Danish startup community 2024": <https://www.danskindustri.dk/politik-og-analyser/di-mener/ivarksatterpolitik/kvindeligt-ivarksatteri--diversitet/>
17. DanBAN and Keystones websites and member surveys
18. Examples: Seedrs, Flexfunding, Coop Crowdfunding & Crowdcube
19. CBS Nextgen, 2023: "NextGen owner-managers of the future, mapping 2023": <https://static1.squarespace.com/static/6239d4ef809e54738bebaff2/t/644a611c8897e9542de5af4c/1682596141587/NextGen+kortl%C3%A6gning+rapport+MASTER.pdf>
20. European Women in VC (2023): "Female GPs and Senior Managers are an undervalued asset in European Venture Capital Firms": <https://www.europeanwomenvc.org/resources/european-women-in-vc-report-2023>
21. European Women in VC (2022): "Role and importance of women as cheque writers and start-up founders": <https://www.europeanwomenvc.org/resources/european-women-in-vc-report-2022>
22. Aarestrup & Hjorth, 2023: "MUVE: Redesign your working life and create a portfolio career" (in Danish only "MUVE: Redesign dit arbejdsliv, og skab en porteføljekarriere")

23. Wikipedia, The Great Resignation: https://en.wikipedia.org/wiki/Great_Resignation
24. Angella Invest & Confederation of Danish Industry, June 2022: "Mapping the gender composition of the Danish business angel community June 2023"
25. Angella Invest calculation based on DanBAN member surveys 2018-2022: <https://danban.org/nyheder/investor-statistik/>
26. Keystones, Risk & Responsibility Statement: <https://keystones.dk/risici-og-ansvarserklaering/>
27. Angella Invest & The Confederation of Danish Industry, 2023: "10 women angel investors that inspire"
28. UK Business Angel Association, 2023: "Women backing women" & "Women Angel Insights: The impact of female angels on the UK economy": <https://ukbaa.org.uk/our-programmes/women-backing-women/>
29. <https://www.theevangelistas.com/> & <https://shows.acast.com/female-business-angels-podcast>
30. <https://www.women-vc.com/> & <https://www.europeanwomenvc.org/resources/wvc-e-summit-2023-at-station-f-in-paris>
31. <https://www.kvinderifinans.dk/>
32. Warwick Business School, 2018: "Are women better investors than men?": <https://www.wbs.ac.uk/news/are-women-better-investors-than-men/>
33. Boston Consulting Group, 2018, "Why women owned startups are a better bet": <https://www.bcg.com/publications/2018/why-women-owned-startups-are-better-bet>
34. Forbes 2023: "When women entrepreneurs outperform men", <https://www.forbes.com/sites/kmehra/2023/11/13/why-women-entrepreneurs-outperform-men/>
35. <https://www.angellainvest.com/vidensbank>
36. Angella Invest interviews. Quotes are adapted for use in this report with the approval of investors. Investors are: Helle Monrad; <https://www.angellainvest.com/post/helle-monrad-gyelling-en-kvindelig-investor-der-inspirerer-2023> ; Louise Lachmann <https://www.angellainvest.com/post/louise-lachmann-fra-iv%C3%A6rks%C3%A6tter-til-brain-capital-investor> ; Sara Kindberg <https://www.angellainvest.com/post/sara-kindberg-vi-skal-bidrage-med-mere-end-vi-tager> ; Susanne Brønnum: "How I became a business angel?", <https://www.angellainvest.com/post/susanne-br%C3%B8nnum-hvordan-blev-jeg-%C3%A5rets-business-angel>
37. DanBAN and Keystones websites and member surveys
38. Confederation of Danish Industry, 2023: "Di's input to a new national strategy for entrepreneurs": <https://www.danskindustri.dk/politik-og-analyser/di-mener/ivarksatterpolitik/dis-ivarksatterudspil/>
39. Keystones: "Everything you need to know about angel investors in Denmark": <https://keystones.dk/business-angels-alt-hvad-du-behoever-at-vide-om-engleinvestorer-i-danmark/>
40. Angella Invest: "What is a business angel?": <https://www.angellainvest.com/hvad-er-en-business-angel>
41. Venture capital and private equity investment funds in Denmark are subject to legislation on alternative investment funds, with the vast majority of investment funds choosing to target only professional and semi-professional investors investing min. EUR 100,000 in the fund in question: https://www.finanstilsynet.dk/Kapitalmarked/QAKapitalmarked/QA_AlternativeInvesteringsfonde
42. Heyfunding, 2020: "Business angel investor's daily tools": <https://blog.heyfunding.dk/blog/business-angel-investorens-daglige-vaerktojer>

A SPECIAL THANKS

Thank you to all you **amazing women** who helped make this study possible by sharing information to participate in the study and for spending your valuable time responding to the survey. Without you, this study would not be possible! You have helped make a huge difference to the future of society and businesses in Denmark.

Thank you to **EQUALIS**, who leaned in with voluntary support and expert contributions as an independent analysis partner. Your contribution has ensured the high quality of the data and the report in general, which has been an invaluable help to us. We highly recommend your work to others.

Thank you to the **Danish Industry Foundation** for supporting Angella Invest with this study, but also a wide range of other initiatives that promote women angel investors and nextgens. Angella Invest could not have had such a big impact on the startup investor ecosystem in Denmark without your contribution. An extra big thank you to the entire team from the Danish Industry Foundation, especially Anders Wills and Charlotte Kjeldsen Krarup for your great support and constructive approach.


Thank you to **EIFO** for providing data and analysis experience with the business angel investor community, as well as support to the publication of the study, including the launch event. Your support to Angella Invest has been crucial to our work to change the gender imbalance in the startup investor community.

And a special thanks to **Maja Sand-Grimnitz**, who has spent a lot of time helping Angella Invest navigate this study. You were in the right place - at the right time. Thank you so much!



Team Angella Invest

From left: CEO Kristine Leerbeck, Head of Family & Exit Marie-Louise Bjerg,
Interim CMO Maja Sand-Grimnitz, COO Louise Bech Junge

 Højbro Plads 21b, st. 1200 København K, Danmark

 info@angellainvest.com

 www.angellainvest.com

 www.linkedin.com/company/angella-invest

 www.instagram.com/angellainvest/

Download the report at: www.angellainvest.com/women-angel-investor-report