

The **Angel** Accelerator

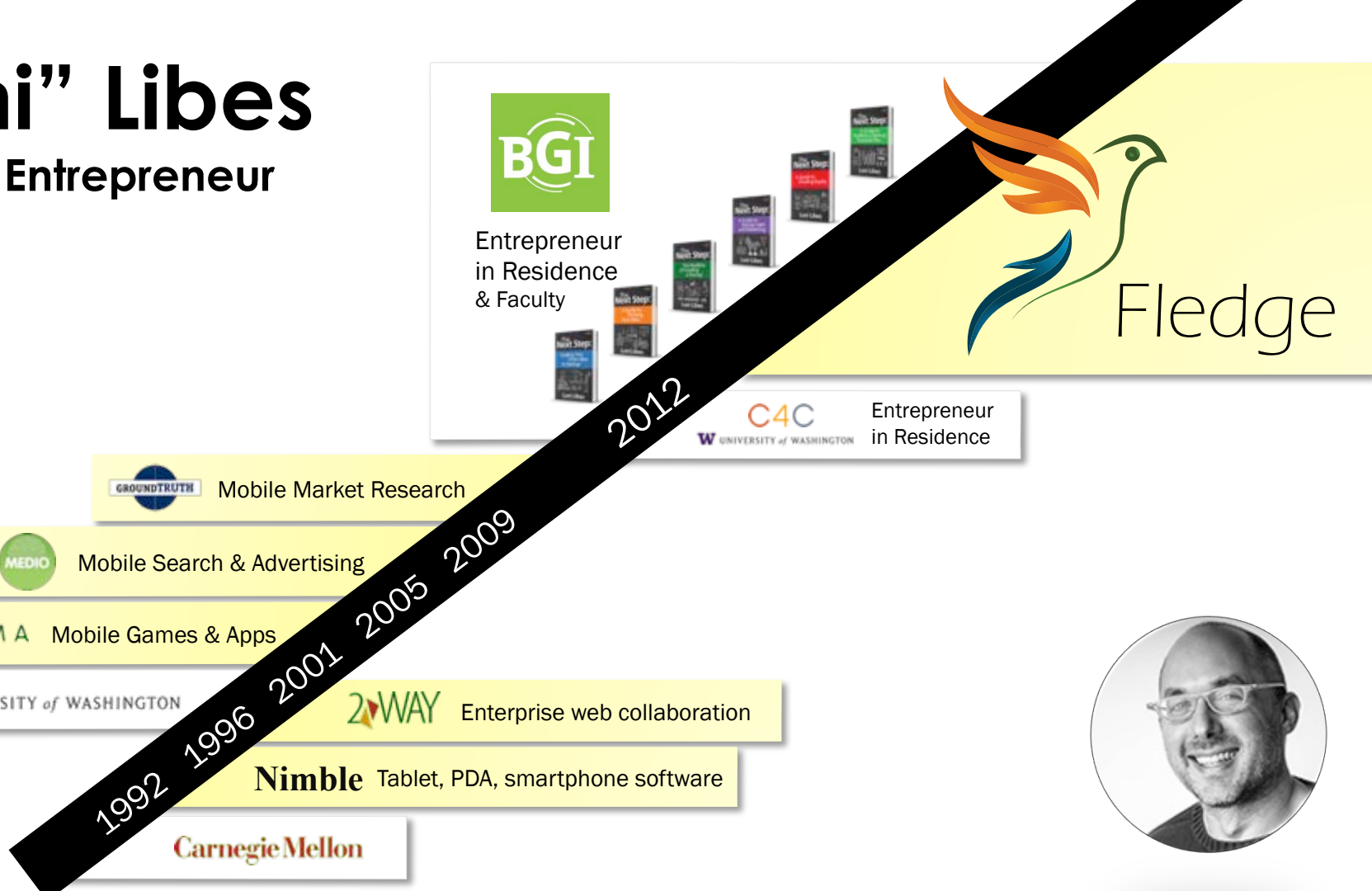
powered by  Fledge

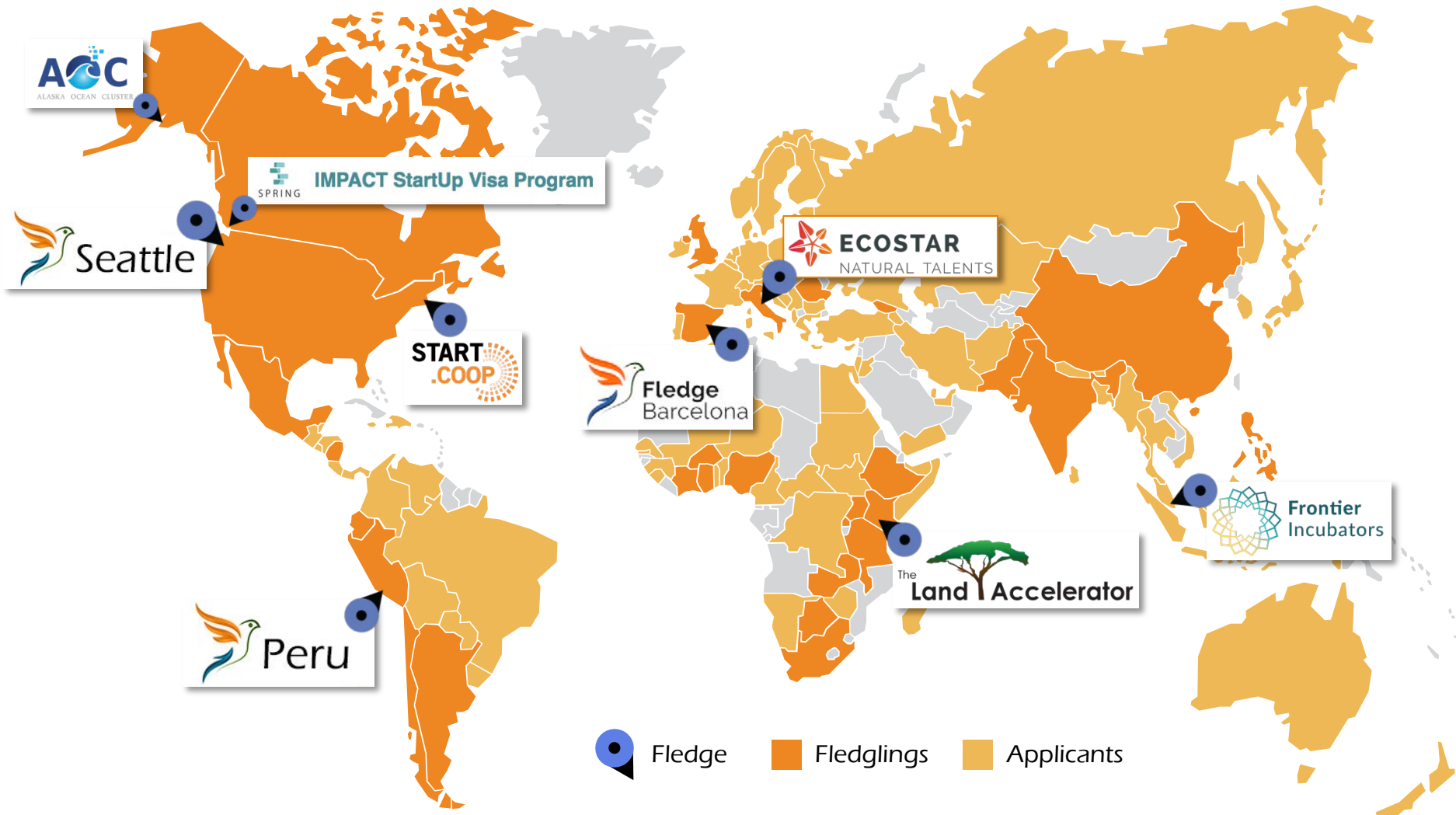
Act Locally, Invest Globally

Workshop #5

“Luni” Libes

Serial Entrepreneur





Timeline

- **Free workshops**
 - Today through January
 - Every other(ish) Tuesday
- **Investor Commitment**
 - Late January
- **Select fledglings**
 - Late February
- **Accelerator**
 - April 13 – May 29



Seattle



Seattle

ANGEL RESOURCE INSTITUTE
2018

HALO Report™

Annual Report on Angel Investments

UPDATED VERSION

AGGREGATED NATIONAL & REGIONAL DATA

The HALO Report™ is a collaborative effort of the Angel Resource Institute™, Florida Atlantic University, and Pitchbook™ intended to raise awareness of early stage investment activities highlighting trends that may inform our decisions and impact opportunities for angels and entrepreneurs.



PitchBook.

FAU
TECH RUNWAY
Florida Atlantic University

angelresourceinstitute.org



Background: For 2018, our U.S. Angel data set now includes 2,570 deals, excluding incubators. We agreed that while investments from incubators is important to characterize, and understand their activity and geographic influence, they do not reflect typical “angel” activity.

FINANCIAL TERMS OF ANGEL INVESTMENTS

(FIRST ROUND DEALS, AGNOSTIC TO GEOGRAPHY AND INDUSTRY)





DEAL STRUCTURE

(PERCENTAGE OF DEALS)

PREFERRED
STOCK

57%

CONVERTIBLE
NOTE

28%

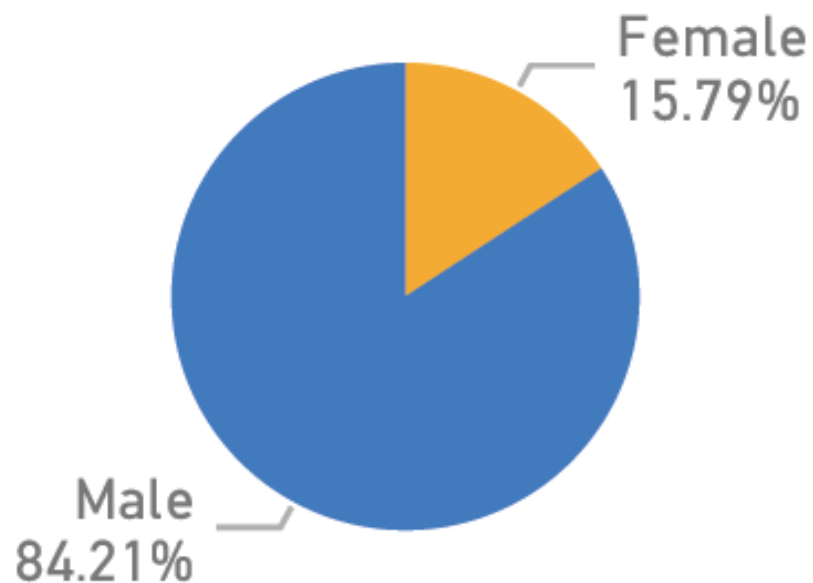
COMMON
STOCK

8%

SAFE, DEBT,
OTHER

7%

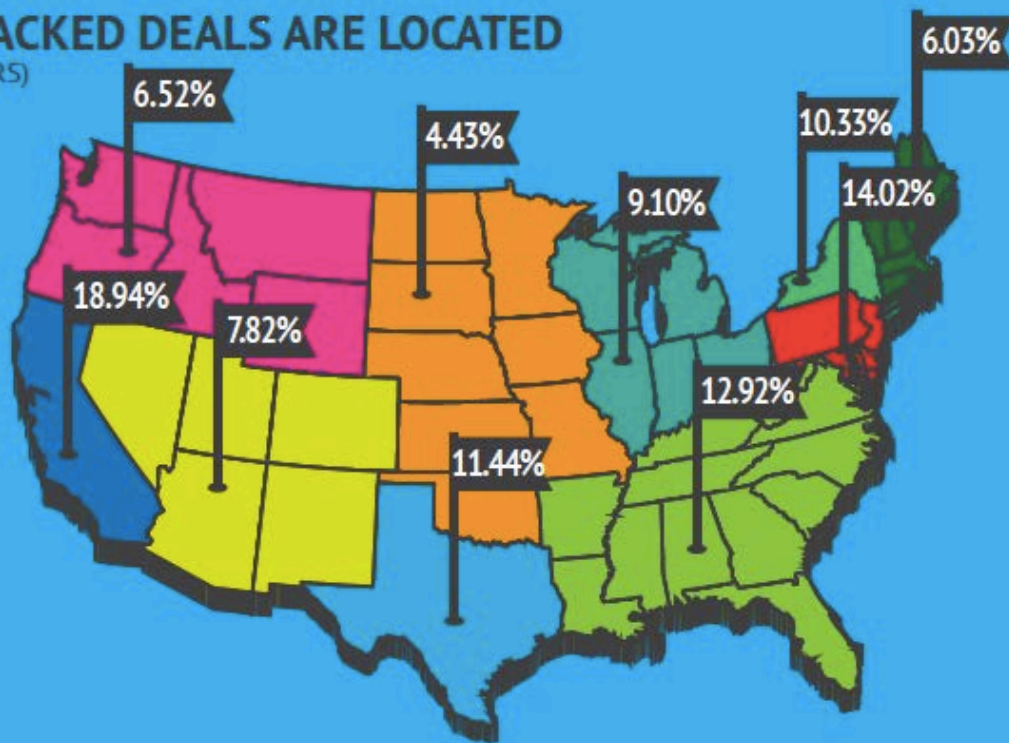
All CEOs, Seed & Series A



HALO REPORT OVERVIEW

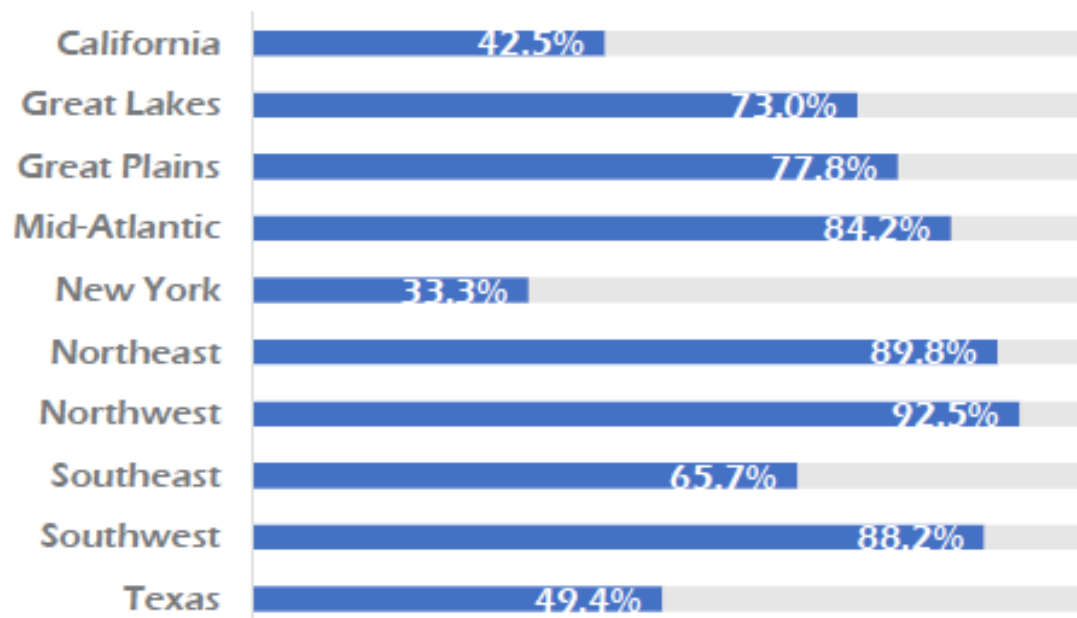
WHERE THE ANGEL-BACKED DEALS ARE LOCATED

(PORTFOLIO COMPANY HEADQUARTERS)



PERCENTAGE DEALS IN REGION

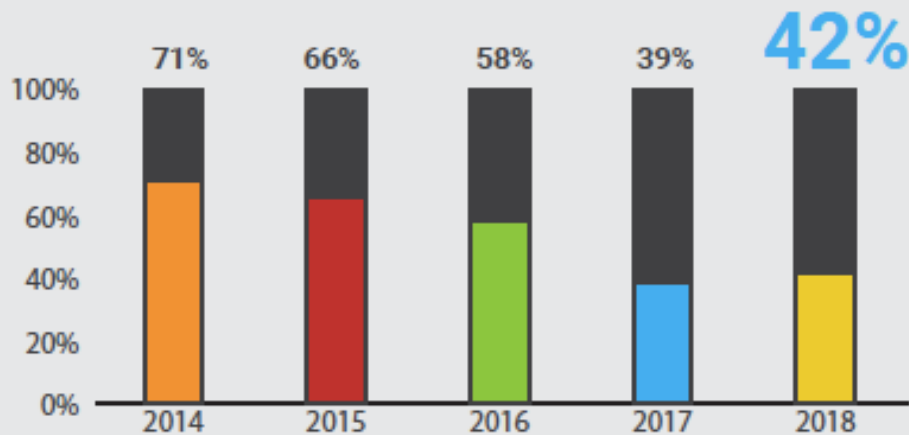
(Known Deals; By Region, Overall Historical)



CALIFORNIA

% Deals in Region

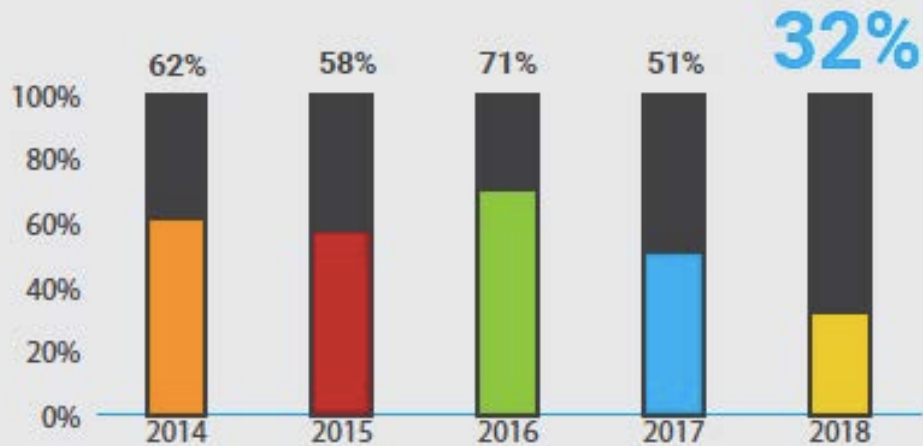
Percentage of Angel group funded deals within own region



NEW YORK

% Deals in Region

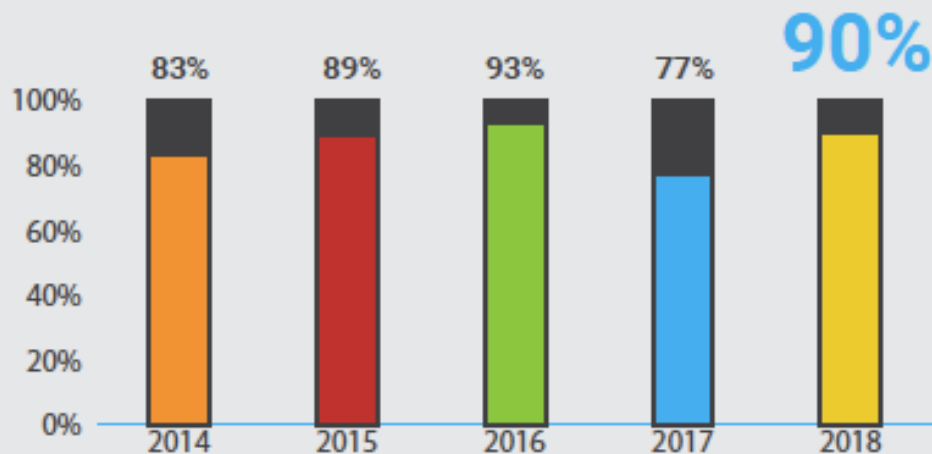
Percentage of Angel group funded deals within own region



NORTHEAST

% Deals in Region

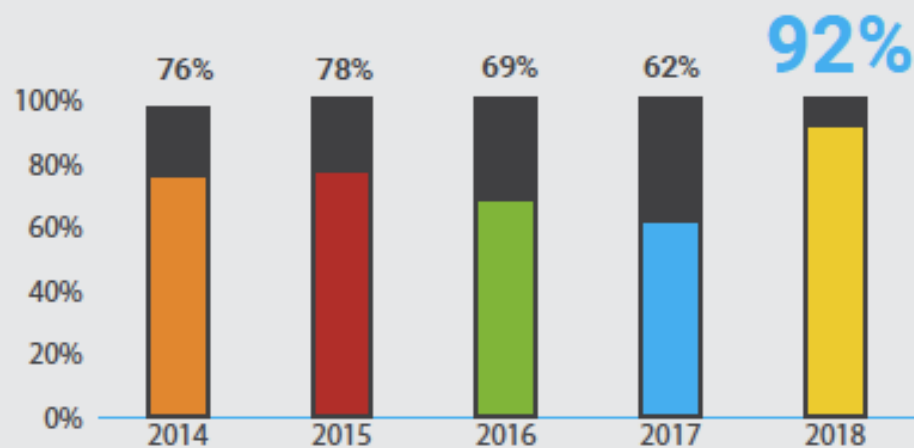
Percentage of Angel group funded deals within own region



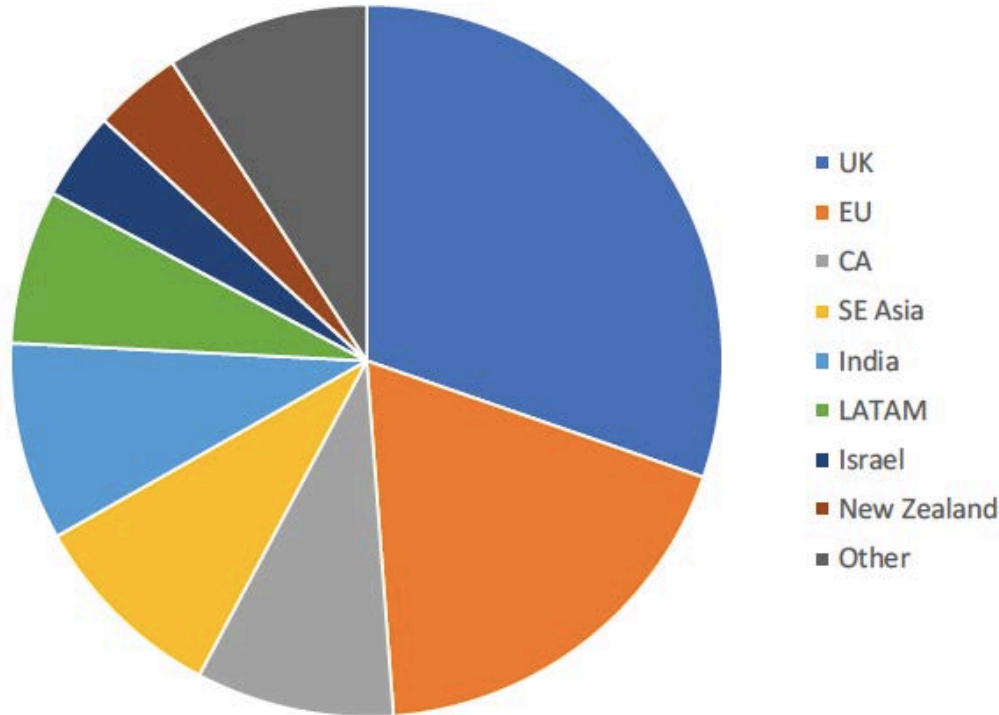
NORTHWEST

% Deals in Region

Percentage of Angel group funded deals within own region



International Deals
(Outside of US: 76 known, 4.2% of total)



We received information on 77 deals that were investments made by US angels outside of the United States. While the N is small, the results are interesting. For example we are all aware of the growing opportunity for investments in South East Asia including China, the EU, and LATAM. But it appears that these opportunities are sought more by institutions or family funds than angels. And when angels do invest outside of the US, almost half of these investments are in the UK and EU combined.

We expected to see more investing in the Pacific Rim, Mexico/LATAM, and Canada as a percent of the total. Again the N is small, and we may see this shift over time. It indeed appears that angel investing still starts closer to home, with less than 5% of reported investments exceptions to this rule

80%+

Most Angel Investing is Local

Local to city, state, & region

99%

Most Entrepreneurs are NOT HERE

95% of all people are not American

WHY?

Why do investors only invest locally?

#1 DEALFLOW

It is easier to find local deals

#2 LEGAL

Laws and regulations vary by country

#3 RISKS

Communications issues

Judicial risk

Political risk

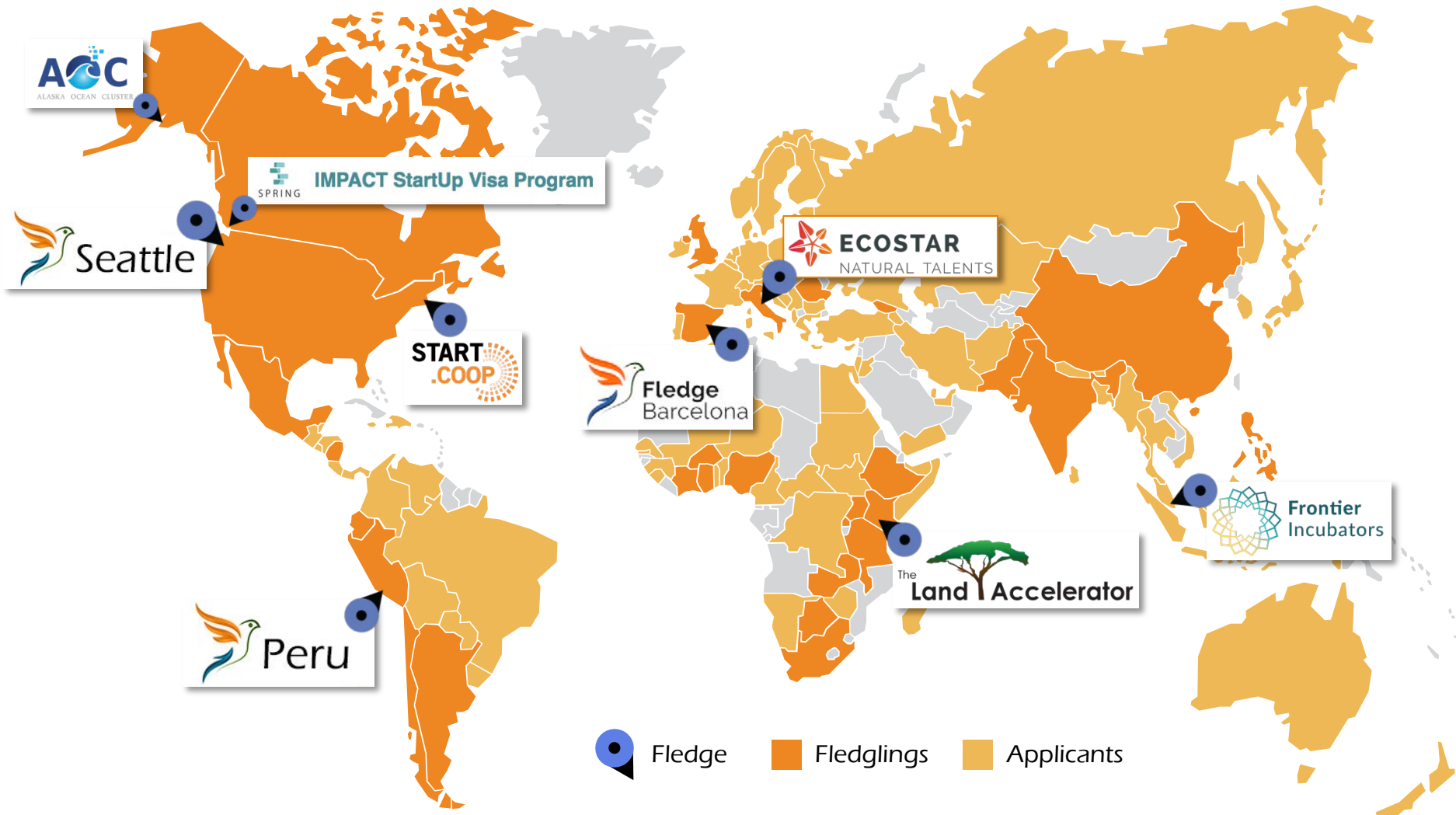
Forex risk

#4 REWARDS

Are there exits?

#5 INERTIA

**Angel investing is an apprenticeship
Mostly local investing leads to mostly
local investing**



#1 DEALFLOW

Entrepreneurs are everywhere
It doesn't take much effort to find them
Accelerator vs. Angel model for dealflow



A world map illustrating the distribution of dealflow stages. The map is color-coded: blue dots represent 'Fledge' locations, orange represents 'Fledglings', and yellow represents 'Applicants'. The 'Fledglings' and 'Applicants' stages are widespread across all major continents, while 'Fledge' locations are more concentrated in North America and Europe.

● Fledge ■ Fledglings ■ Applicants

#2 LEGAL

Investors (everywhere) have leverage

Common Law is pervasive in a lot of the world

Make investment agreements under U.S. law

How many U.S. investments are settled in litigation?

#3 RISKS

Global investors skip unstable countries

Diversity for politics and forex risk

Diversity lowers overall risk

Accelerator vs. Angel model for communications

#4 REWARDS

No, there are no exits.

**But revenue-based investing and loans
mitigate that issue.**

#5 INERTIA

**Angel investing as education
prevents another generation of inertia**

Accelerator vs. Angel

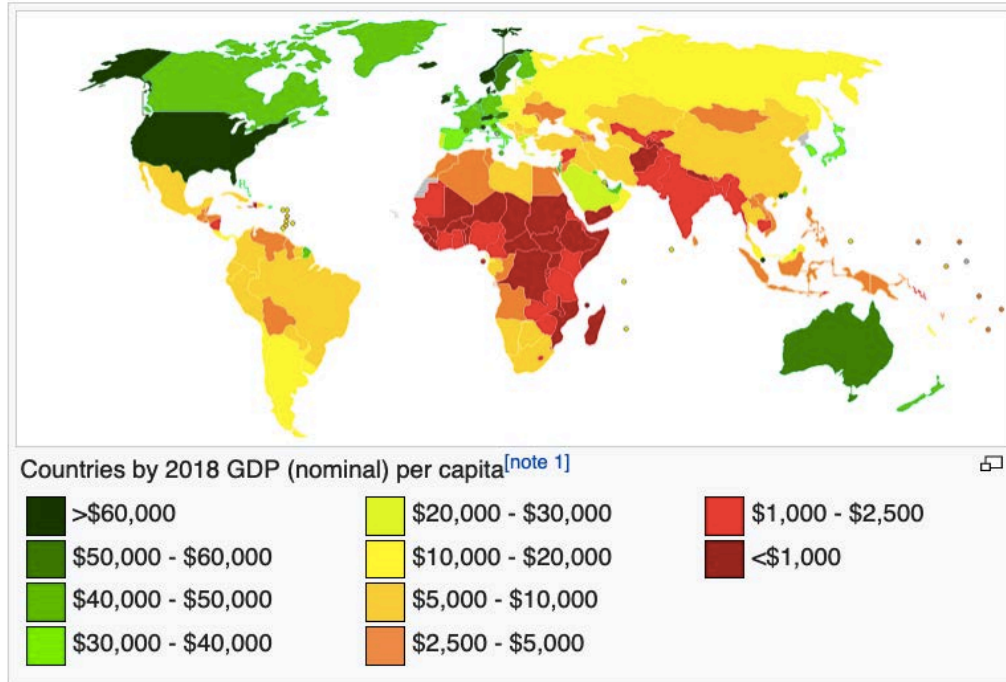
- Pooled capital
- Global dealflow
- Months of due diligence
- Business Partnership
- \$25,000 minimums
- Word of mouth dealflow
- Hours of due diligence
- Transactions

#6

IMPACT



Capitalists should deploy capital where it is most needed



**Capitalists should deploy capital
where it is most EFFICIENT**



#7 CAPITAL EFFICIENCY

**Each \$1 in Emerging market
companies can earn \$1+ in revenues**

**Most every \$1 invested in American startups
goes to pay salaries**

Zr

Zirconia

The end of rust.

\$1,000,000 invested
\$X00,000 revenues in Y2



SHIFT
LABS

\$1,500,000 invested
\$X00,000 revenues in Y6



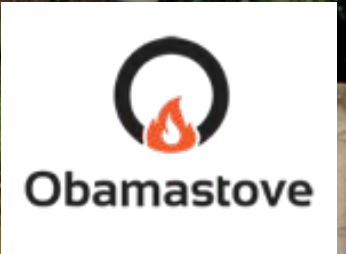
Evrnu

**\$10,000,000 invested
Y5, negligible revenues**

evrnu™

FUTURE OF APPAREL

www.evrnu.com



\$70,000 invested
\$160,000 in revenues
during civil unrest



GEOSSY

\$300,000 invested
\$350,000 in Y5 revenues



KEPRO



\$115,000 invested
\$370,000 in Y4 revenues

OTICS

SUPPLEMENTS



**\$100,000 invested
\$500,000 in Y4 revenues**



Kalahari Honey

\$50,000 invested

\$300,000+ in Y1 revenues





\$2+million
(2020)

\$1,200,000
(2019e)

\$545,000
(2018)

\$120,000
(2017)

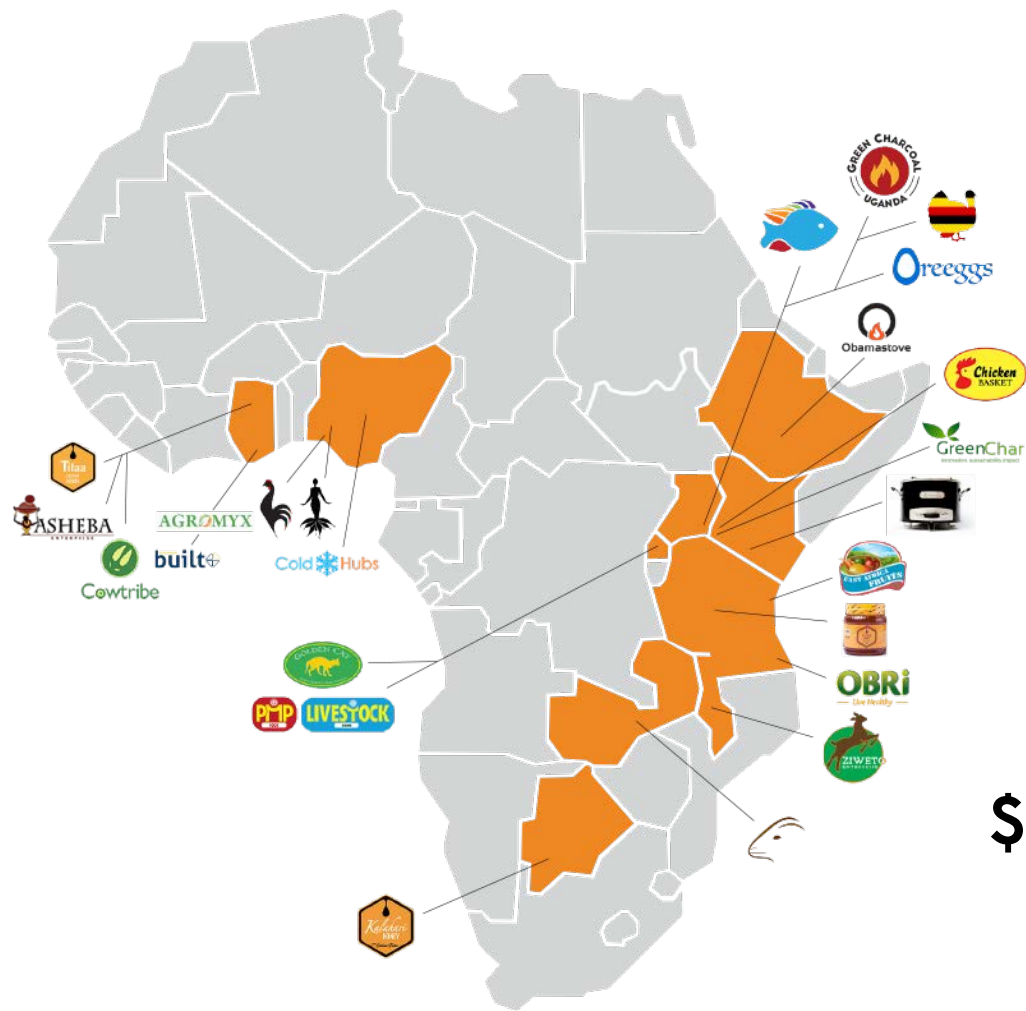
\$47,000
invested



East Africa Fruit
\$69,000 invested
\$1 million revenues in Y4



All 24 African Ag Fledglings



\$3.1m invested
\$4.1m in 2018 revenues
\$6.2m in 2019(e) revenues

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powered by  *Fledge*

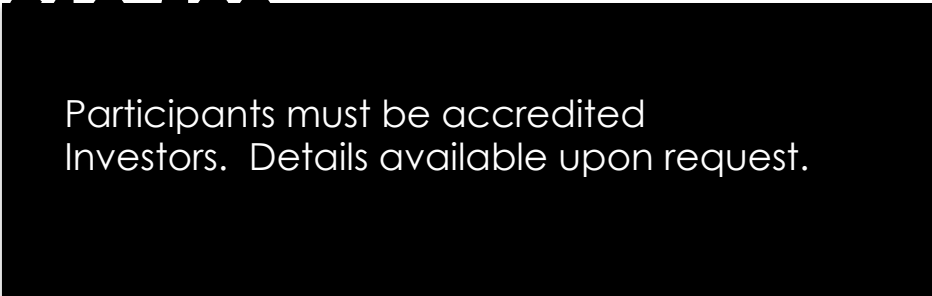
“Luni” Libes


luni@fledge.co

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Cost

- 

Participants must be accredited investors. Details available upon request.
- **Fledge is a (tiny) venture capital fund**
 - 

Fledge is a private fund.
Historic details are available upon request.
 -
 -

More Details

- **Fledge.co/angels**
- luni@fledge.co

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