



# Feedback From ACA COVID-19 Pandemic Survey and Background on the Central Texas Angel Network (CTAN)

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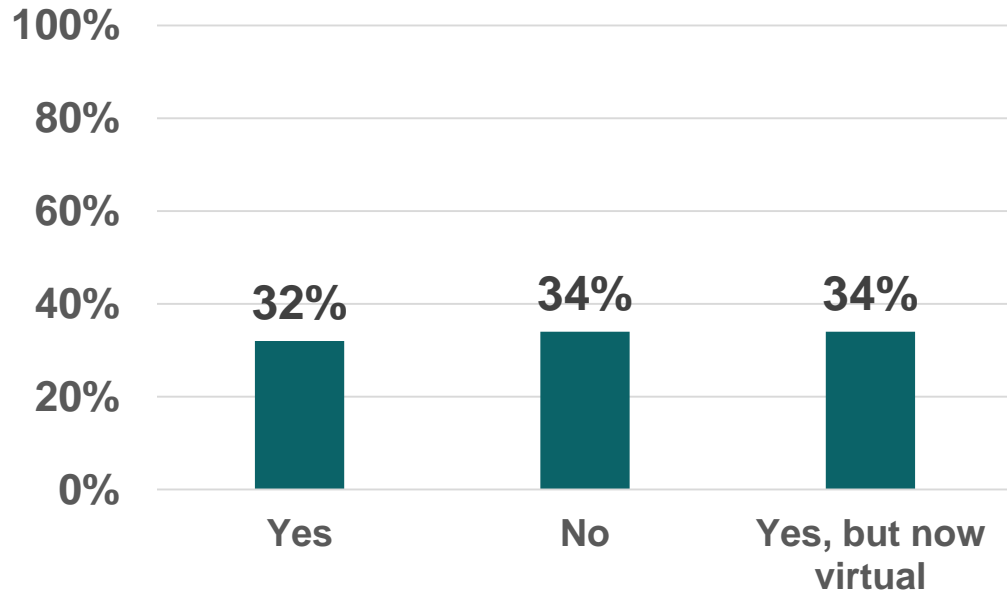


# Background-- COVID-19 Pandemic Survey

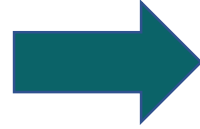
- Survey of angel groups between April 21 and May 1 (seems early...)
- Assess early feedback of COVID-19 pandemic on angel groups and their portfolio companies
- Survey sent with 30 questions to 58 angel groups who participated in 2019 AFR (large and small groups)
- Greater than 70% responses received!
- In addition to answering survey questions many, many comments were also provided

# Angel Group Dynamics - Meetings

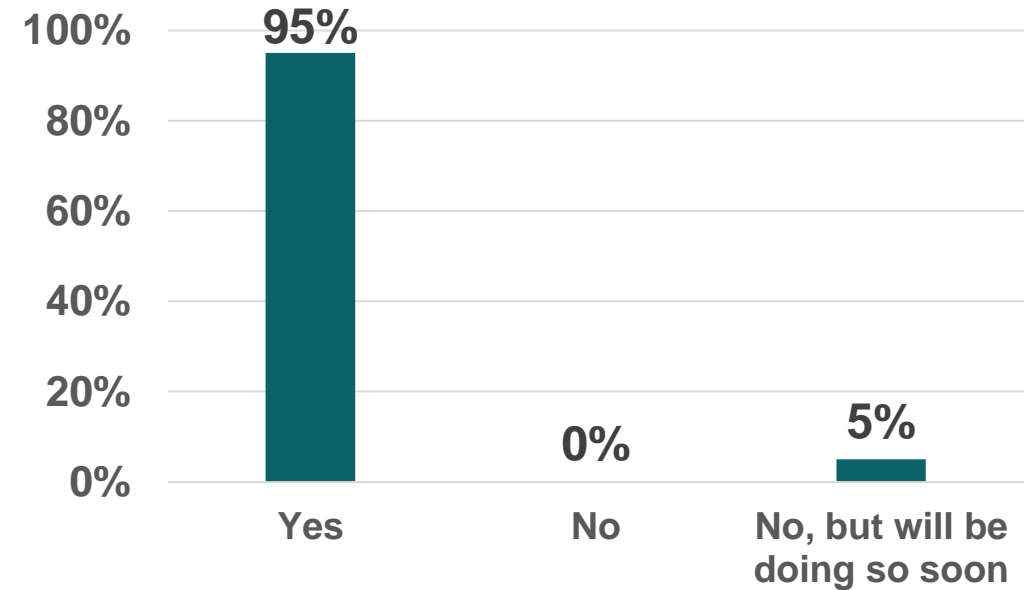
## Meeting / Events Cancelled



but...



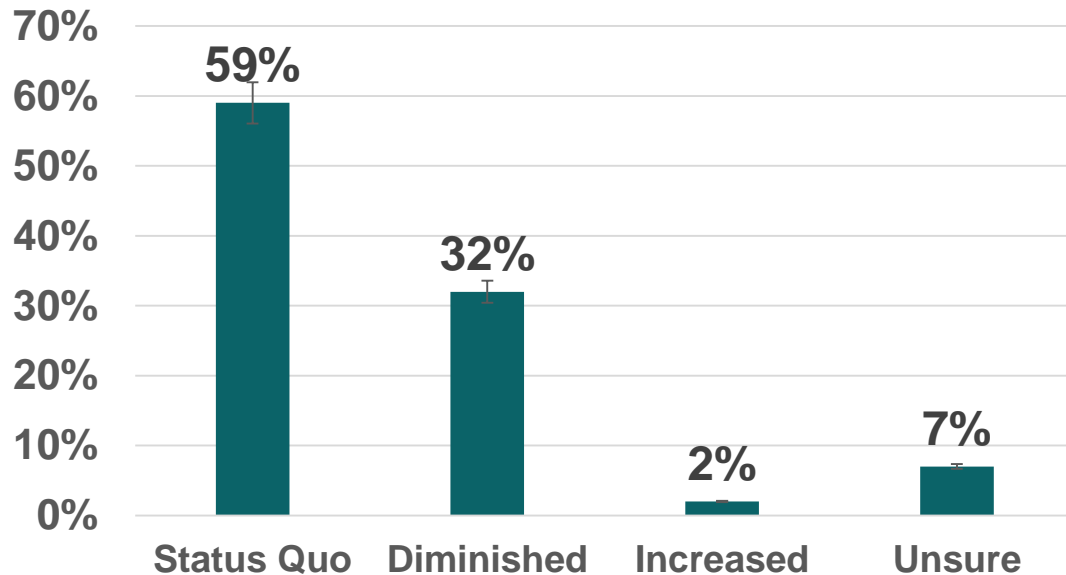
## Moved to Virtual Meetings



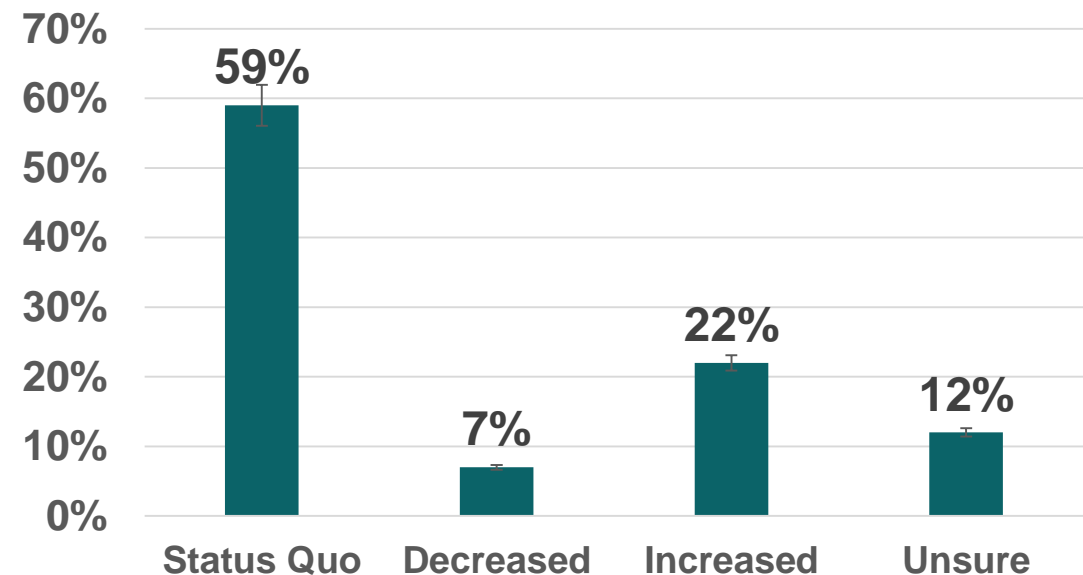
- No surprises here – all groups have already moved to virtual meetings

# Angel Groups Willingness to Invest in the Next 45-90 Days

## A New Start-Up Company



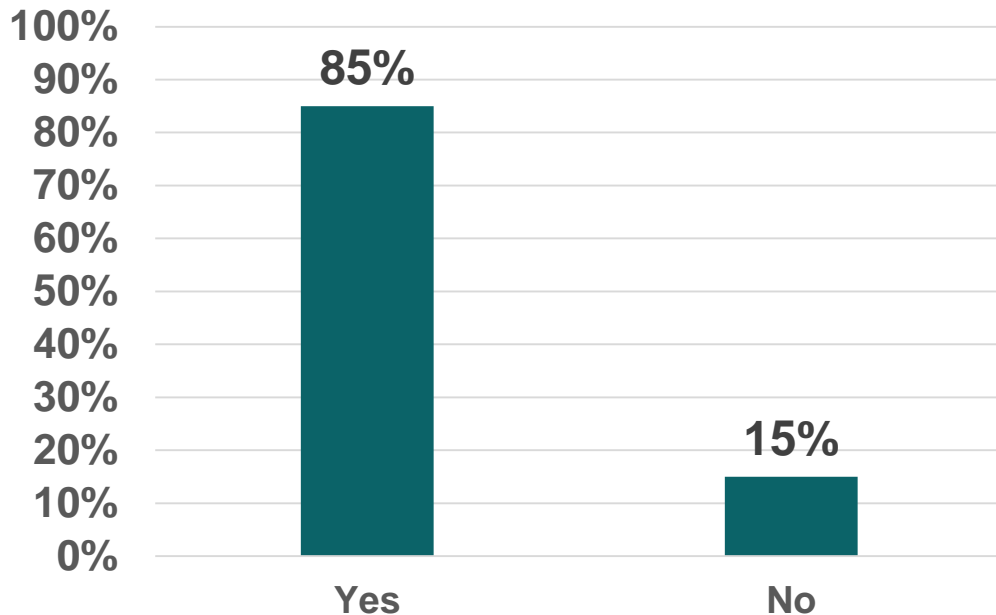
## An Existing Portfolio Company



- Majority of groups still want to invest in new companies and will definitely consider follow-on investing

# Portfolio Companies Reaching Out to Angel Groups

## Have portfolio companies reached out to angel group members?

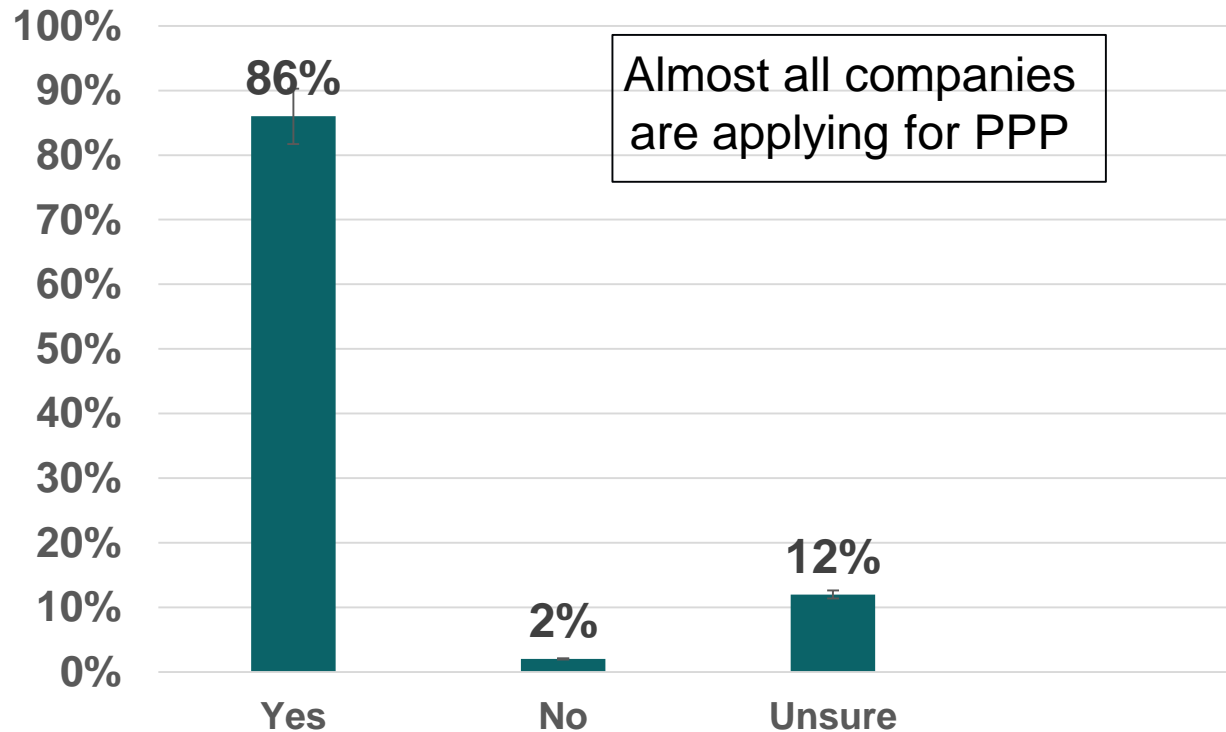


## The Top Five Requests (In Order)

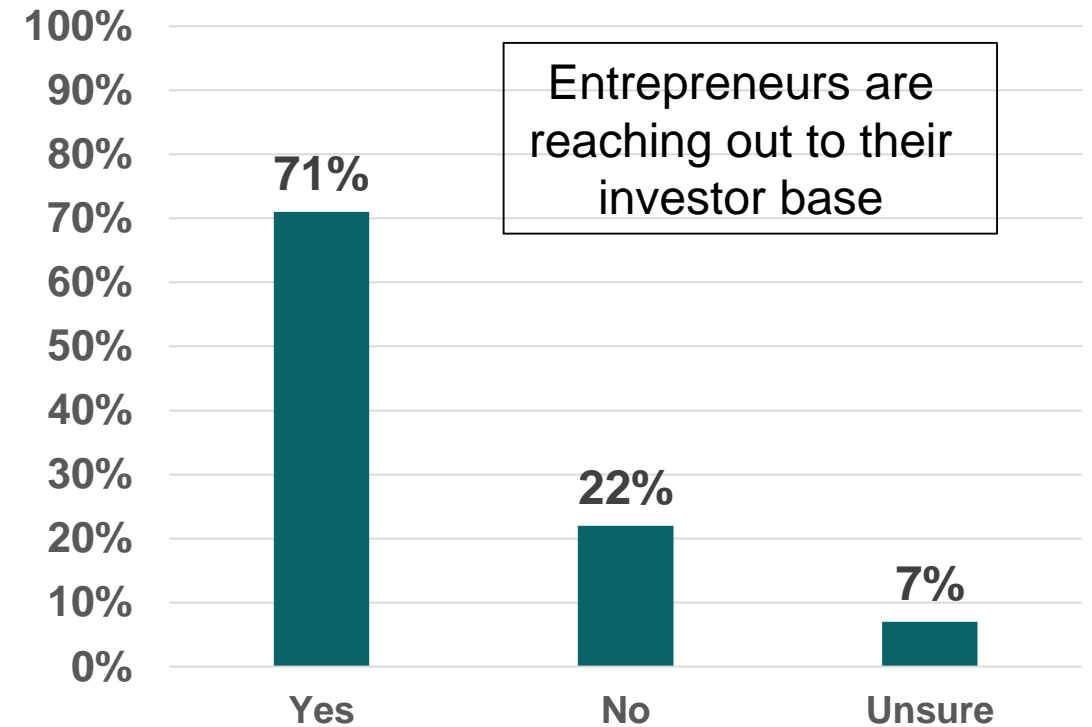
1. General mentorship and advice
2. Help with government funded programs (i.e. Paycheck Protection Program - PPP)
3. Advice on follow-on funding
4. Advice on reducing burn rates and cash flow analysis
5. Communication and frequency of messaging

# Portfolio Companies Are Adapting...Quickly (1 of 2)

## 1. Applied for CARES Act Funding

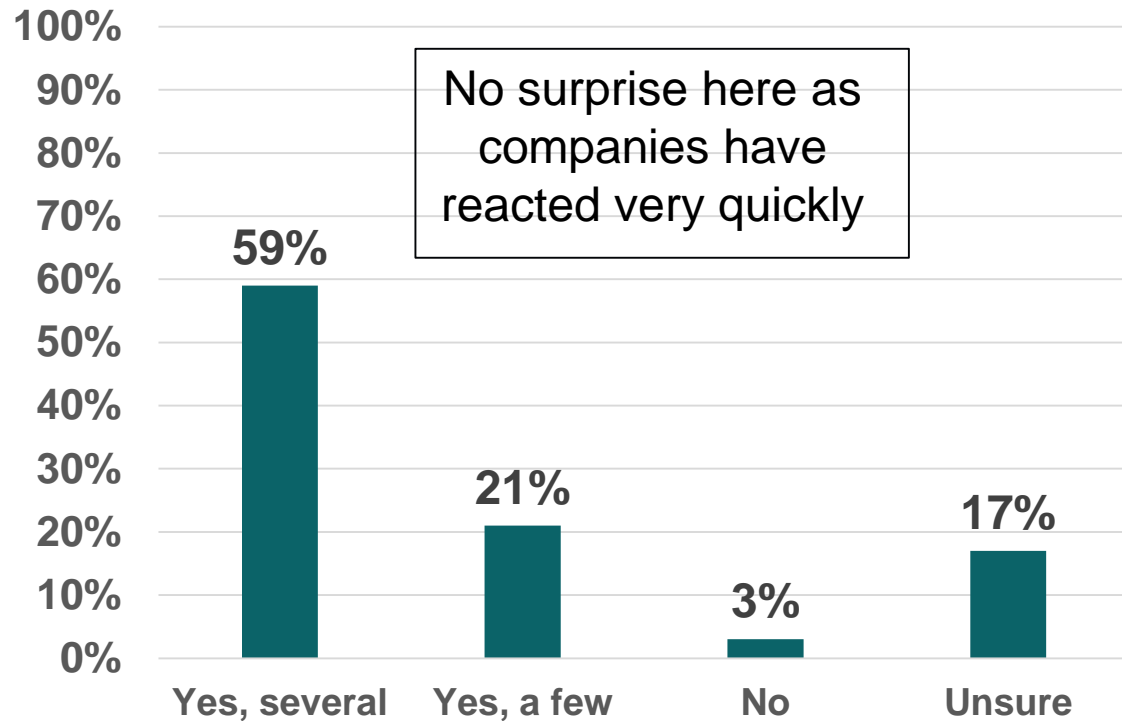


## 2. Reached Out for a Bridge Loan

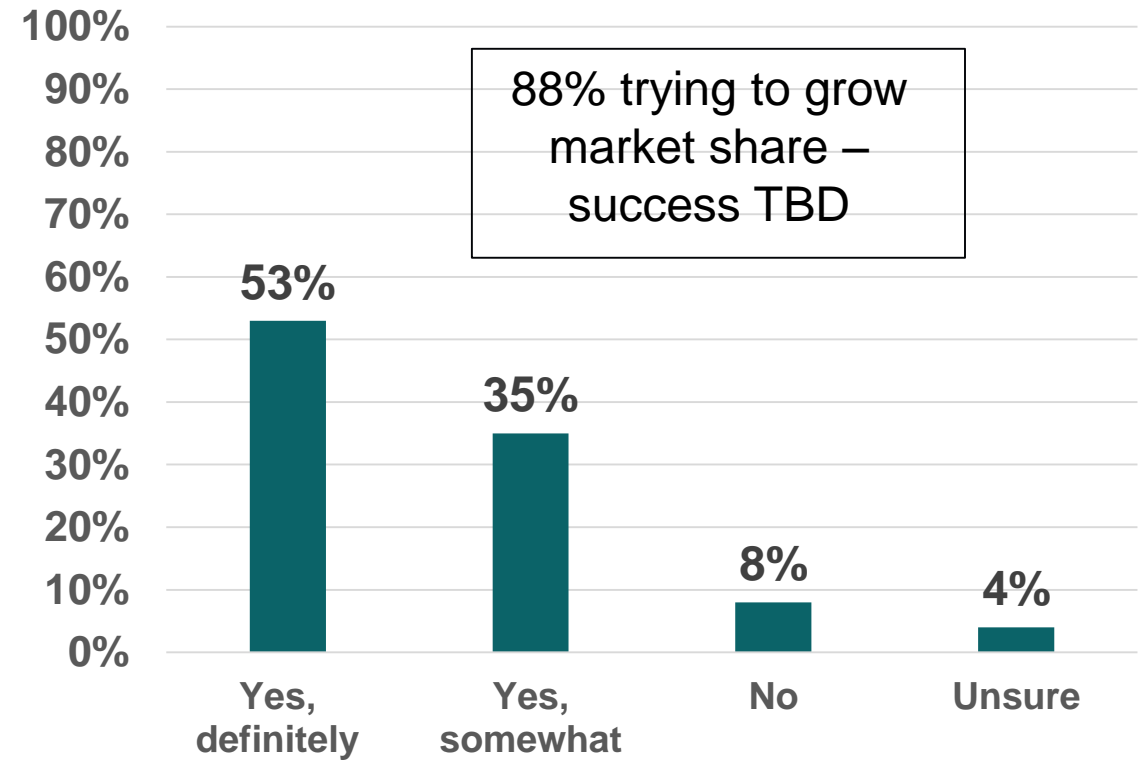


# Portfolio Companies Are Adapting...Quickly (2 of 2)

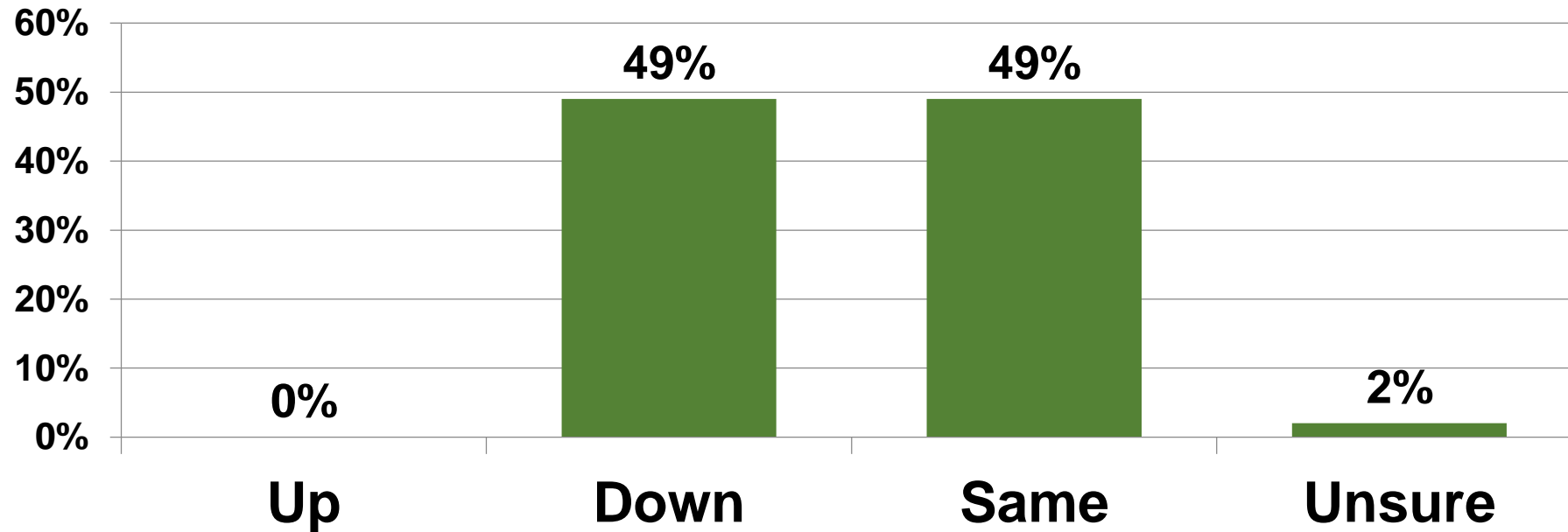
## 3. Let Go of Employees



## 4. Expanding Market Share



# Have You Seen a Change in Valuations Since This Crisis Began?

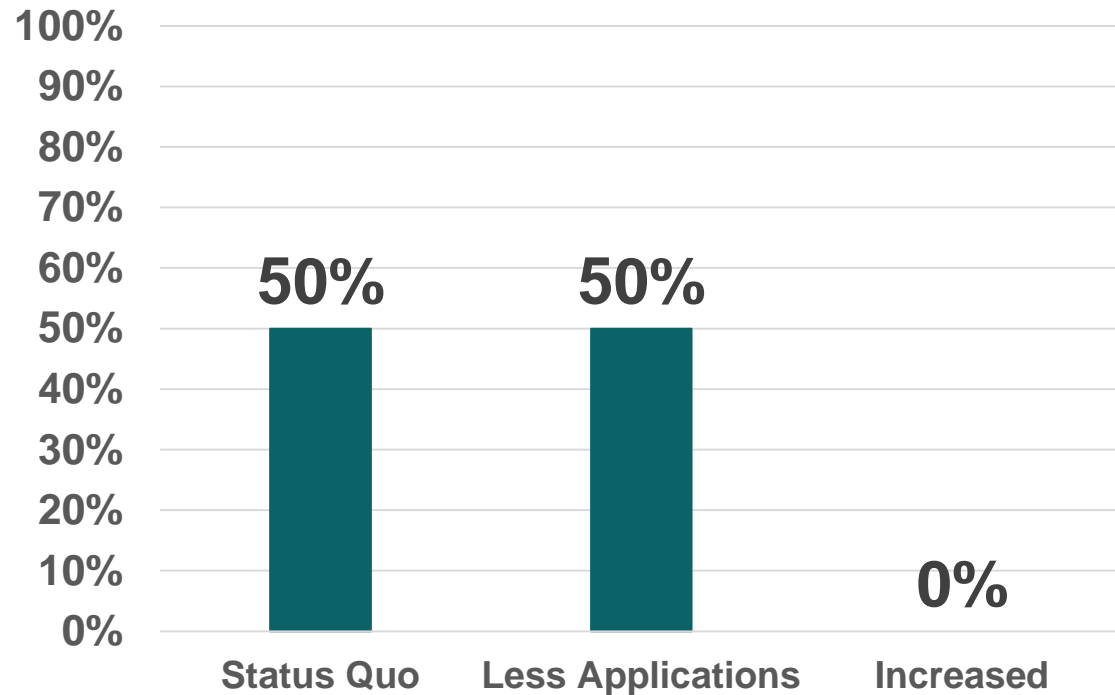


- Early valuations already looking to be going down
- Same may also signal that it is too early to assess (my belief this will move to down)

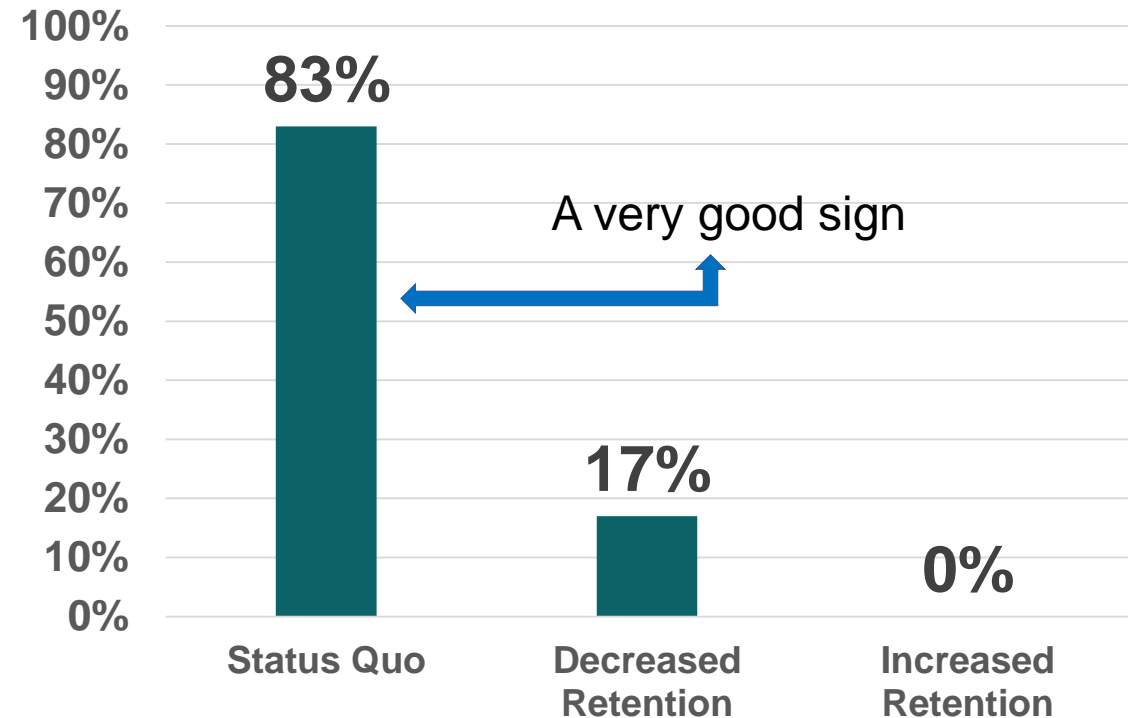


# Angel Groups Are Staying the Course (1 of 2)

## 1. Change in Member Recruitment

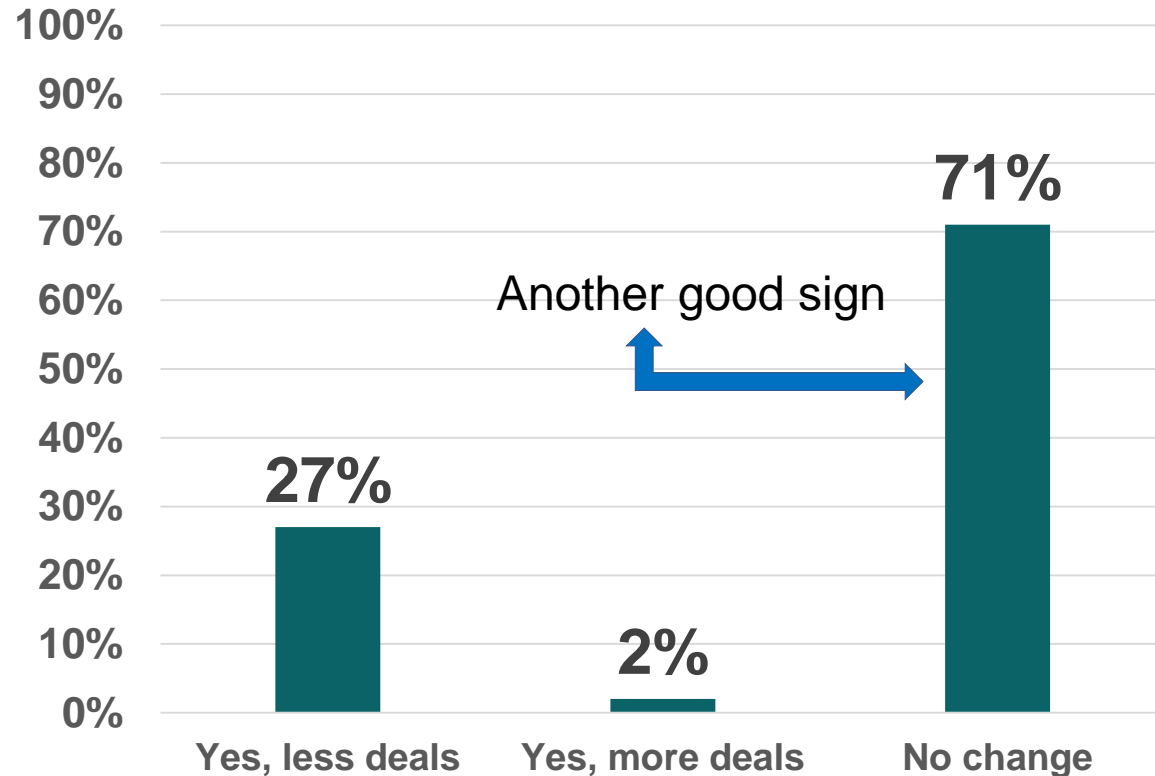


## 2. Member Retention

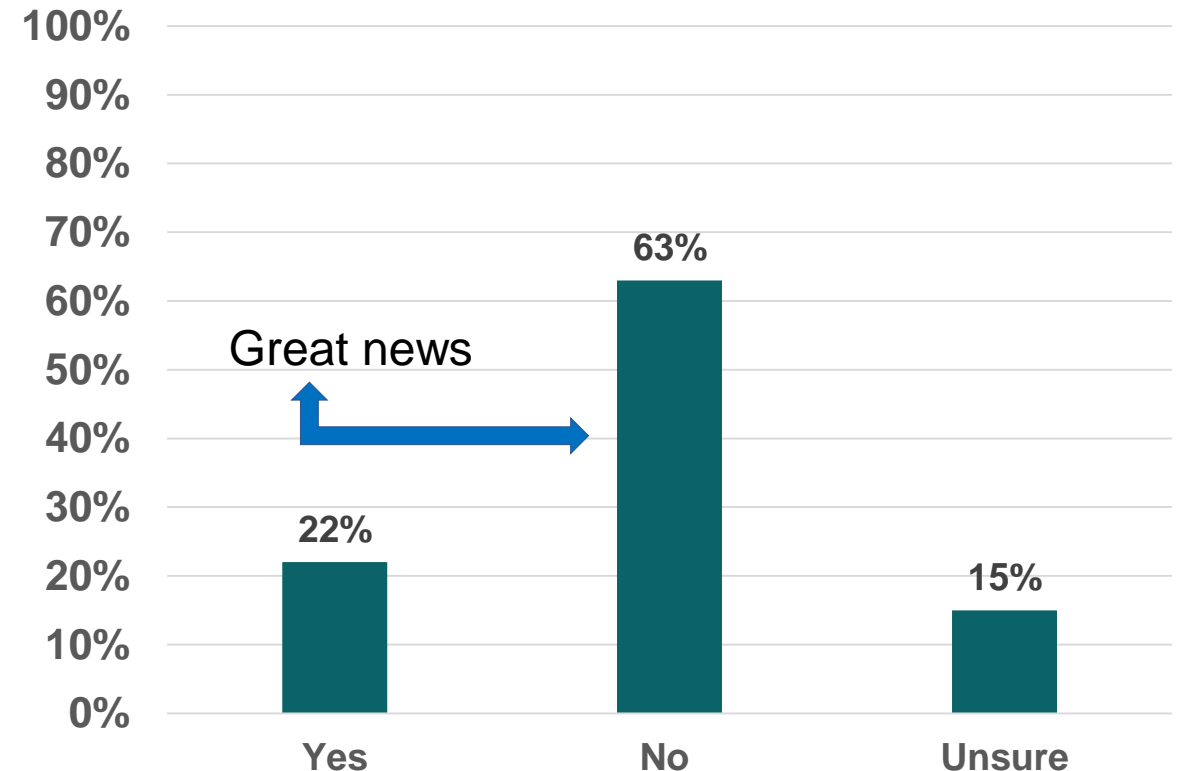


# Angel Groups Are Staying the Course (2 of 2)

## 3. Sentiment to Invest

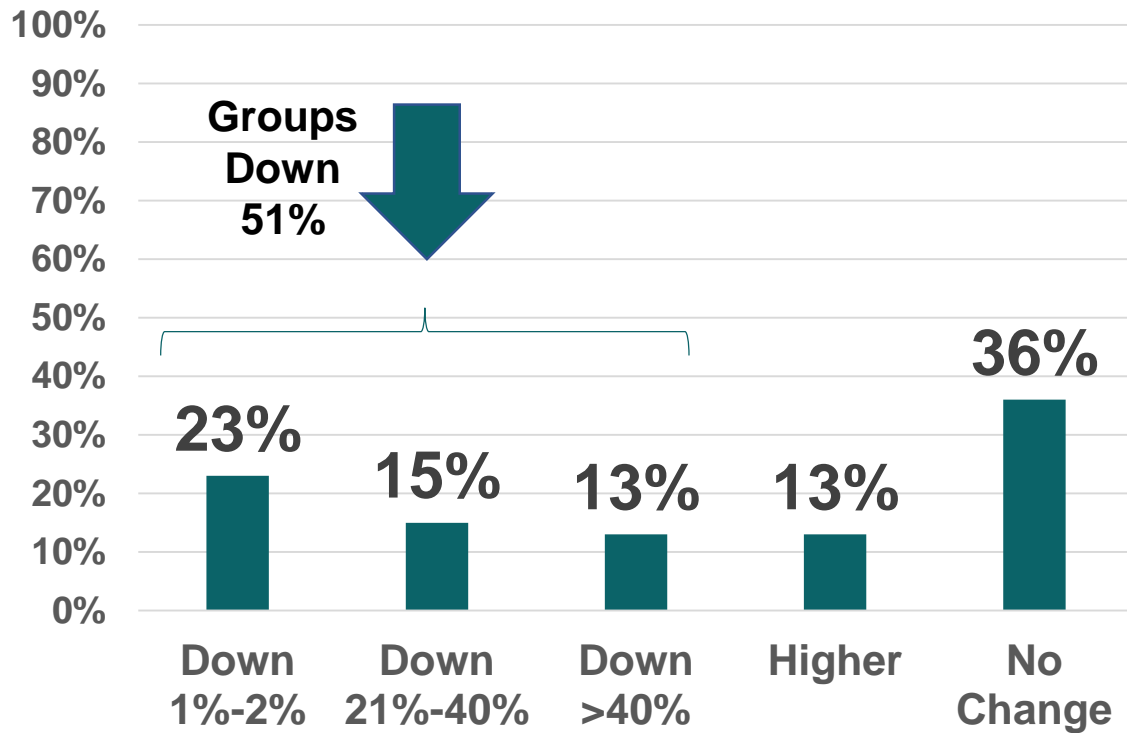


## 4. COVID-19 Threat to Group

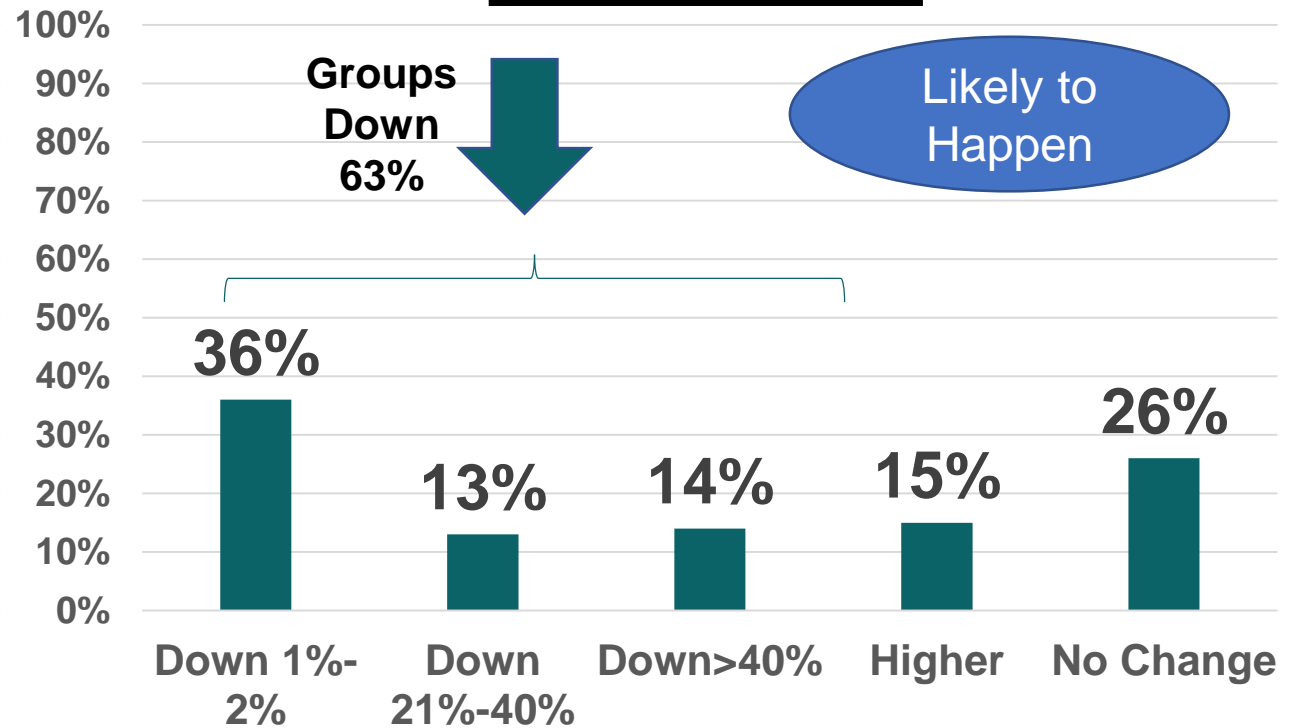


# Dollars Invested By Angel Groups Will Likely Decrease...

## Estimate of Dollars Invested Jan-April (2020 vs 2019)



## Estimate of Dollars Invested Total Year (2020 vs 2019)



# CENTRAL TEXAS ANGEL NETWORK BACKGROUND AND KEY INVESTMENT METRICS FOR 2019

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June, 2020

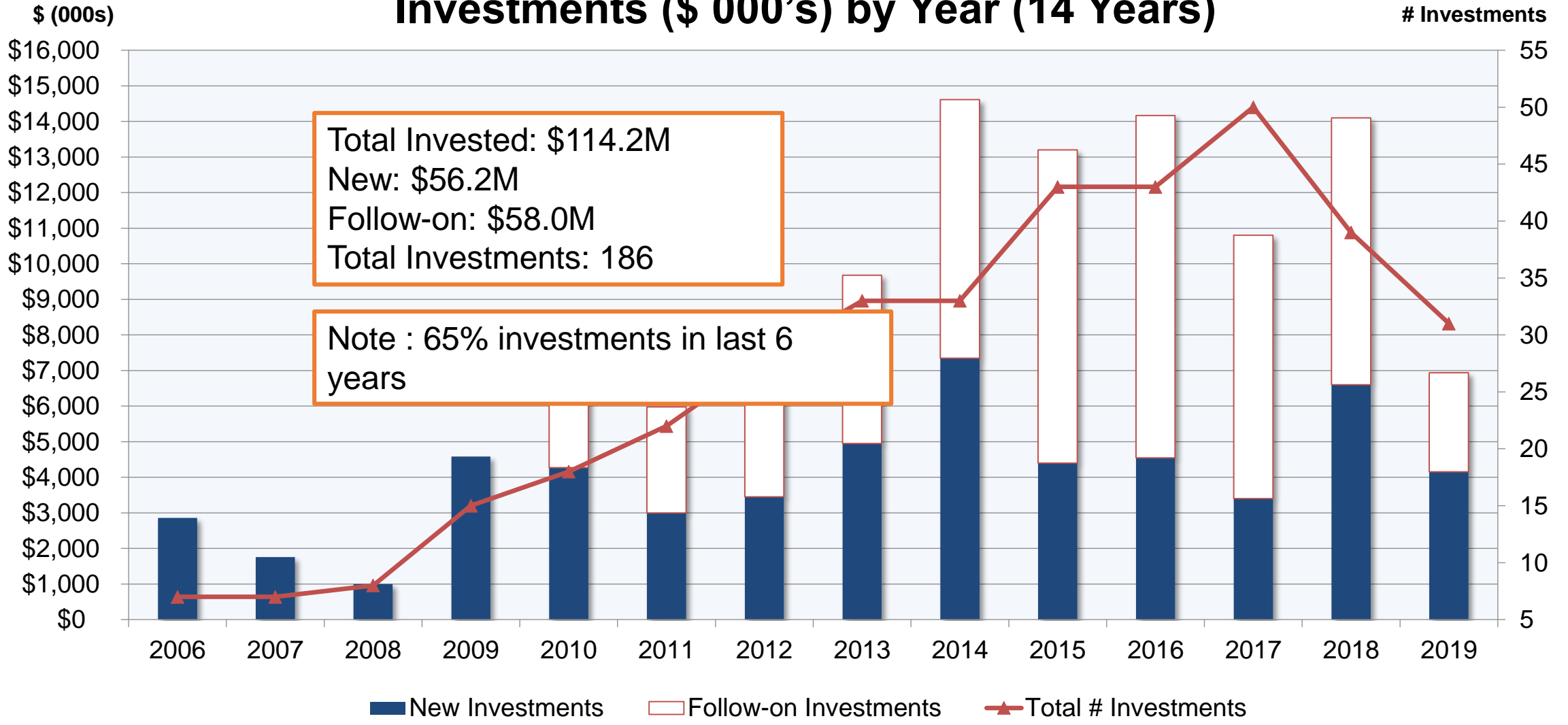
Prepared by Rick Timmins



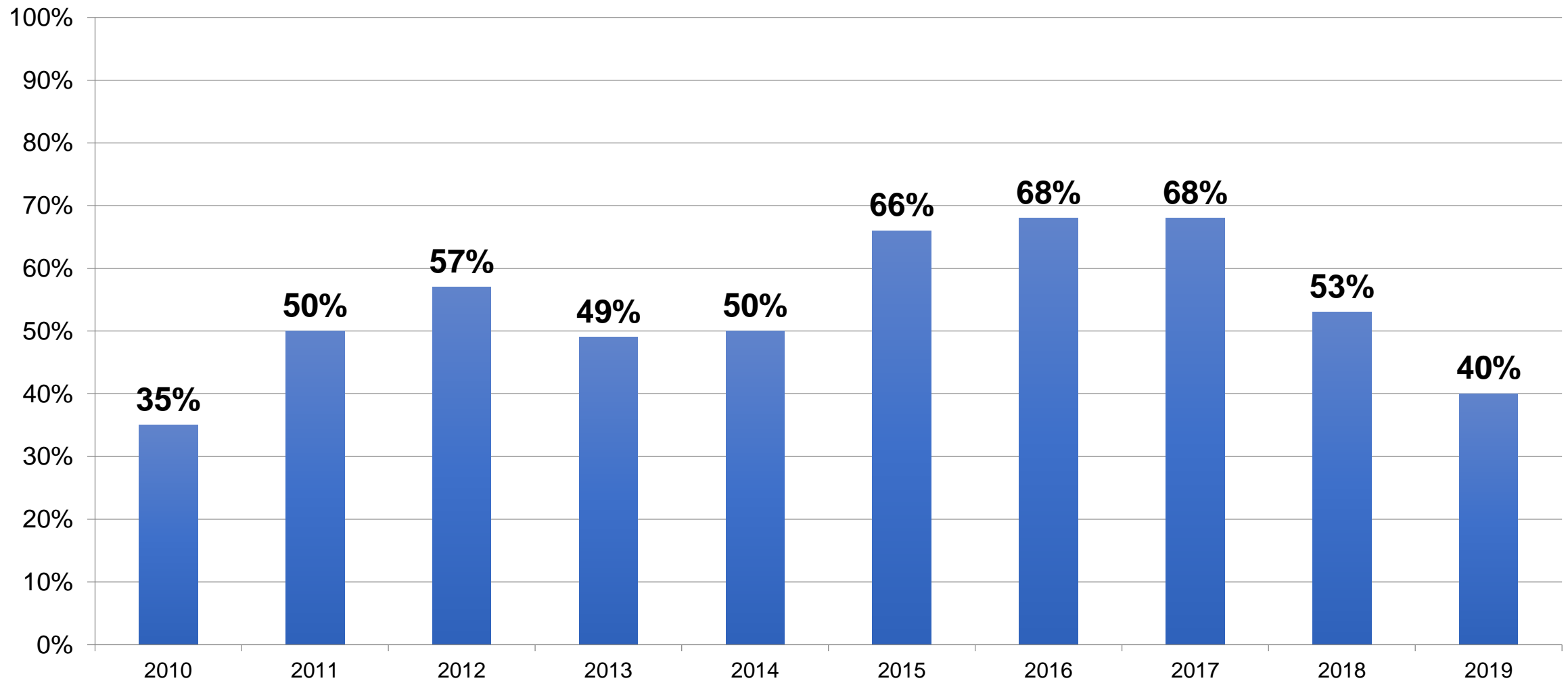
# Background On CTAN

- CTAN was started in 2006 in Austin. It now has approximately 185 members
- Investments are made individually by members as there is no fund
- There are 7 funding cycles each year. About 300 companies apply for funding annually
- Cycle time to fund new company is 10-12 weeks and portfolio company is 2 weeks
- There are two full-time employees (Investment Director and Program Associate)
- CTAN started collecting financial metrics in 2012, including historical data. It also tracks valuation metrics of companies still in the portfolio
- A total of 70 metrics are tracked for each investment. It is about 160 hours of work
- We have used this data and metric reporting in angel investor training and is reviewed each year by all members
- It has resulted in a better retention level and better recruiting of new members
- CTAN is now one of the most active angel networks in the country

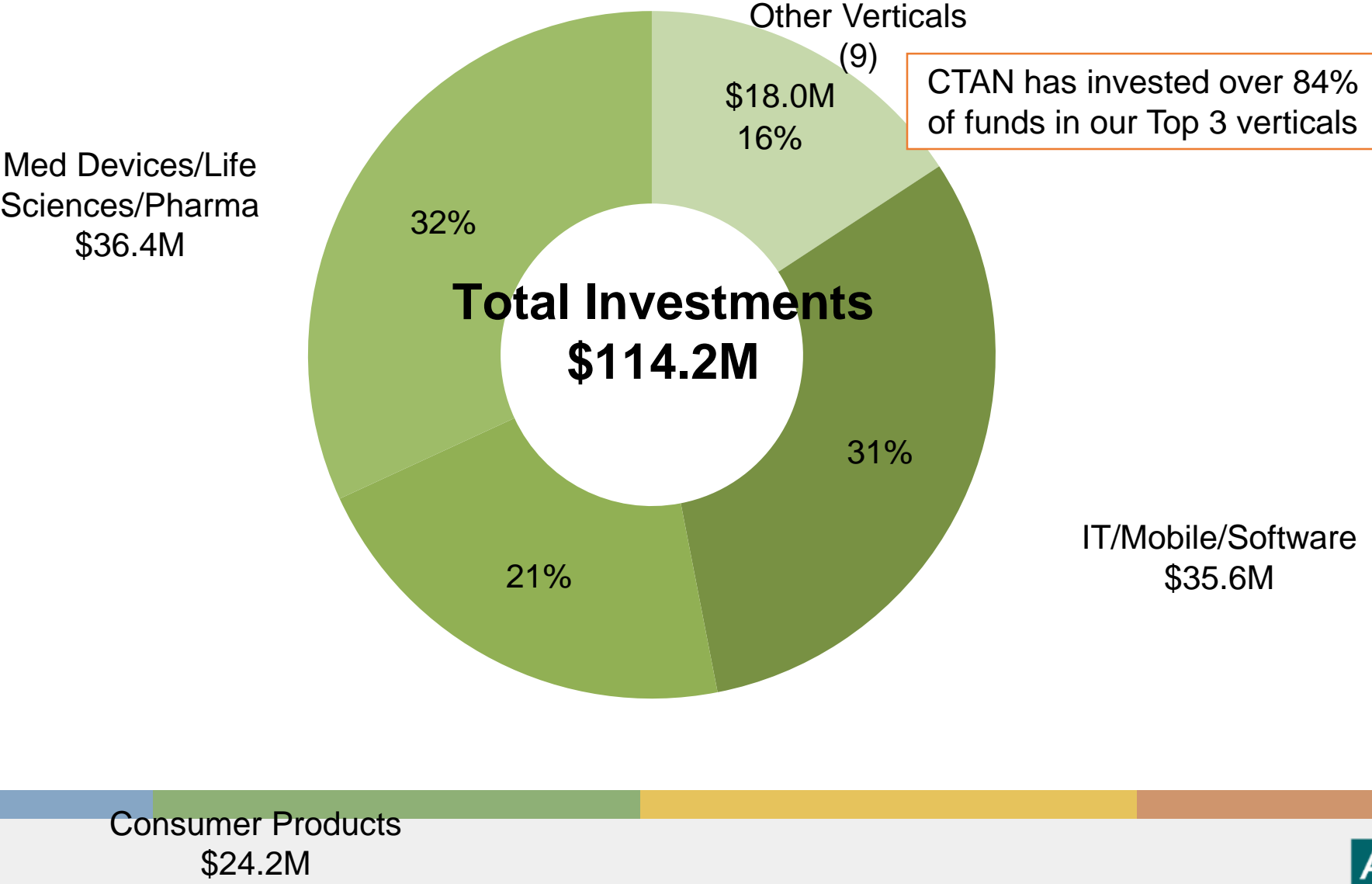
# Investments (\$ 000's) by Year (14 Years)



### CTAN - Percent Follow-On Investments of Total Investments Per Year (in \$'s) (Total Follow-on Investments - 51%)

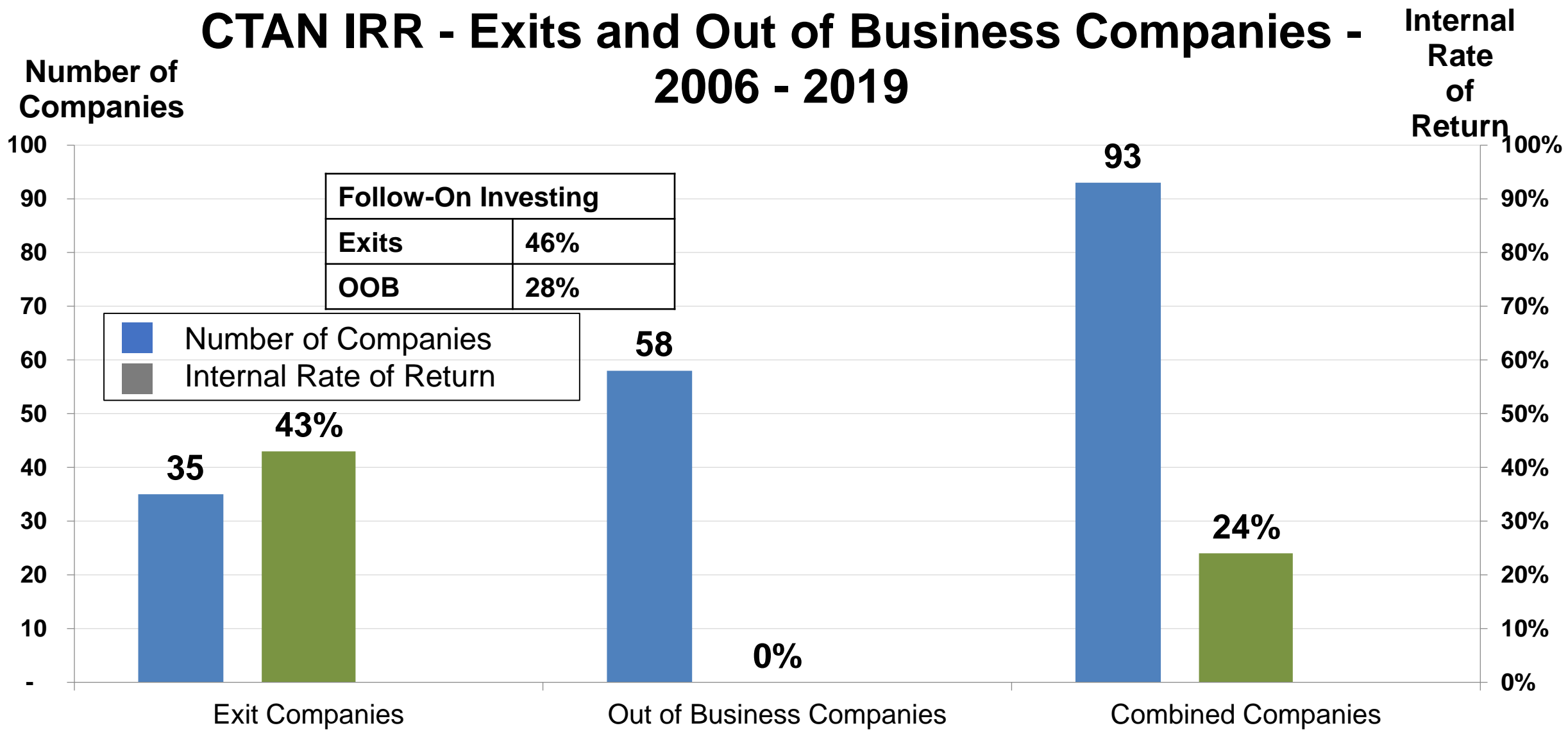


# CTAN 2006-2019 Verticals (\$ Invested in M's)





# CTAN IRR - Exits and Out of Business Companies - 2006 - 2019



# CTAN - Total Amount Invested vs. Current Value - 2019

186 Total Companies Invested

