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In partnership with



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We’re Bethnal Green Ventures -
Europe’s leading tech for good VC.

We’re for founders who understand real problems. Whether researched, witnessed, or lived. With big ambitions to build solutions at scale. We help them take the first jump, then join them on the journey. We’re a team with integrity who walk the walk. Sharing our founders’ vision for impact and helping to deliver on it.

Because the world’s most valuable companies will be the ones that improve millions of lives.

We’re here to create a better future with tech for good.

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INTRODUCTION

For founders, getting the right investor at the right time is the key to unlocking growth. At a time when many early-stage founders struggle to find investment amidst a venture capital downturn, angels (affluent or high-net-worth individuals who provide capital for startups) have become critical sources of funding. As early-stage investors backing tech for good startups, we at BGV regularly co-invest alongside angels – and are keenly aware of their vital role in helping founders succeed.

By tech for good, we mean investments into businesses that use technology to tackle pressing social and environmental problems at scale.

With both impact investing and angel investing rapidly growing, we realised the potential of this increased emphasis on meaningful investment. More and more angels are interested in investing according to their values, with many prioritising positive outcomes for people and planet in their decisions. While there are plenty of studies on the rates of angel funding, we were surprised by the lack of data about angel investments into tech for good – and hence how impact and angel investing could be better combined to achieve real and lasting change. So, we took matters into our own hands.

This report, therefore, aims to create a baseline for understanding important trends about angels investing in tech for good.

Our research reveals that despite a venture funding downturn, **angels are undeterred in their ambition to invest in tech for good businesses**. But angels are not just driven by their values – in fact, they expect returns from their investments **that are equivalent to (or even higher than) non-impact venture investments**.

Simply put, tech for good angels expect both impact *and* returns.

Over 60%

expect to invest the same amount or more capital into tech for good businesses.

74%

expect the same or higher returns than investing in non-impact businesses.

At BGV, we believe in being part of something bigger. This means recognising the need to contribute to a thriving tech ecosystem that opens up access to capital for founders from all walks of life – many of whom lack access to investment networks and groups. We hope these insights will enable angels to invest in more tech for good businesses and also empower founders to access investments from value-aligned angels.

“

Angels have been instrumental in the growth of Organise. We decided to raise investment from them because of the mentorship and personal commitment they bring. They often take a more hands-on approach – in the UK, they’re far more likely to be former operators, too, which has been crucial in navigating our growth trajectory.

”

Nat Whalley,
Co-founder of Organise

TECH FOR GOOD ANGELS SNAPSHOT

84%

invest in tech for good businesses

63%

made between 1-5 investments in 2022

54%

invest with an average ticket size of £5k-£20k

46%

invest at pre-seed stage

Tech for good is more resilient in the current venture funding downturn

Whilst 27% of angels expect to do fewer deals in 2023, only **8% expect to reduce the amount of capital** they invest in tech for good.

Green investments lead the way

Angels surveyed indicated strong preferences for investing in startups that benefit our planet, especially in line with the UN Global Goals for **Climate Action** and **Affordable and Clean Energy**. The next most popular impact goal was **Good Health and Well-being**.

A stronger ecosystem is needed to unlock capital from angels

The three strongest drivers for angels to make more tech for good investments are **connections to other angels investing similarly**, **improved visibility of investment opportunities**, and **greater impact maturity of businesses**.

KEY INSIGHTS

MOTIVATIONS TO INVEST

All this begs the question – **Why do angels choose to invest in tech for good?**

Our research shows that most tech for good angels share two key motivations.

- 1 They care about the impact on people and planet
- 2 They want to leverage their expertise to help founders succeed

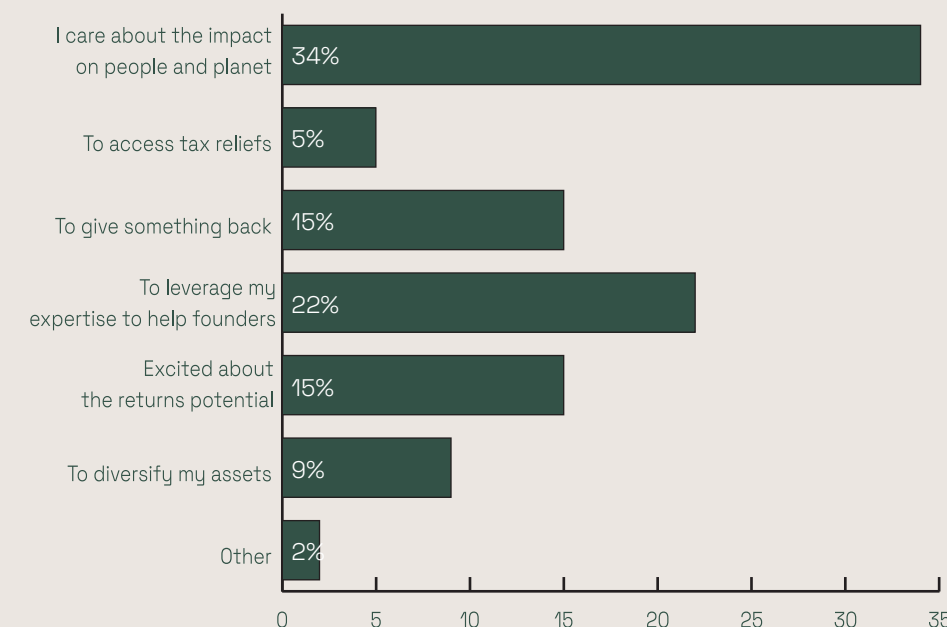


Figure 1 shows the results to our question 'Why do you/ want to invest in tech for good businesses?'.
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“Without angels, Noggin probably wouldn't exist. When your business is at such an early stage, you need people on your side who can geek out about the bigger vision. For Noggin, our angels are sort of our 'investment super users', who really celebrate with you as you make progress.”

Laura Mills
Co-founder of Noggin

RETURNS EXPECTATIONS

When asked about the returns potential of investments in tech for good as opposed to non-impact ventures, 74% of angels surveyed said they expect the same or higher returns.

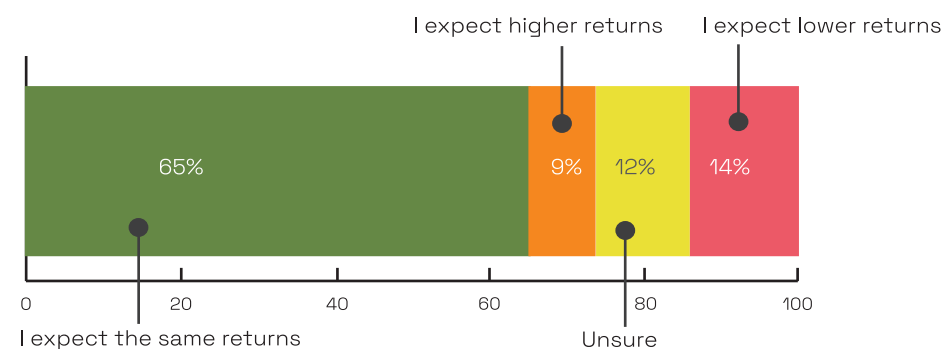


Figure 2 shows the results to our question 'What are your financial return expectations when angel investing in a tech for good business as opposed to a non-impact venture?'

MORE THAN CAPITAL

Three types of non-financial support were offered consistently; **help with strategy and growth, introductions for further funding/investment and commercial introductions and sales.**



“The small things like listening to founders, amplifying job roles, and helping with things such as hiring and business development can go a long way to de-risking an investment opportunity and supporting founders.”

Andy Ayim
CEO of Angel Investing School,
Atomico Angel

”

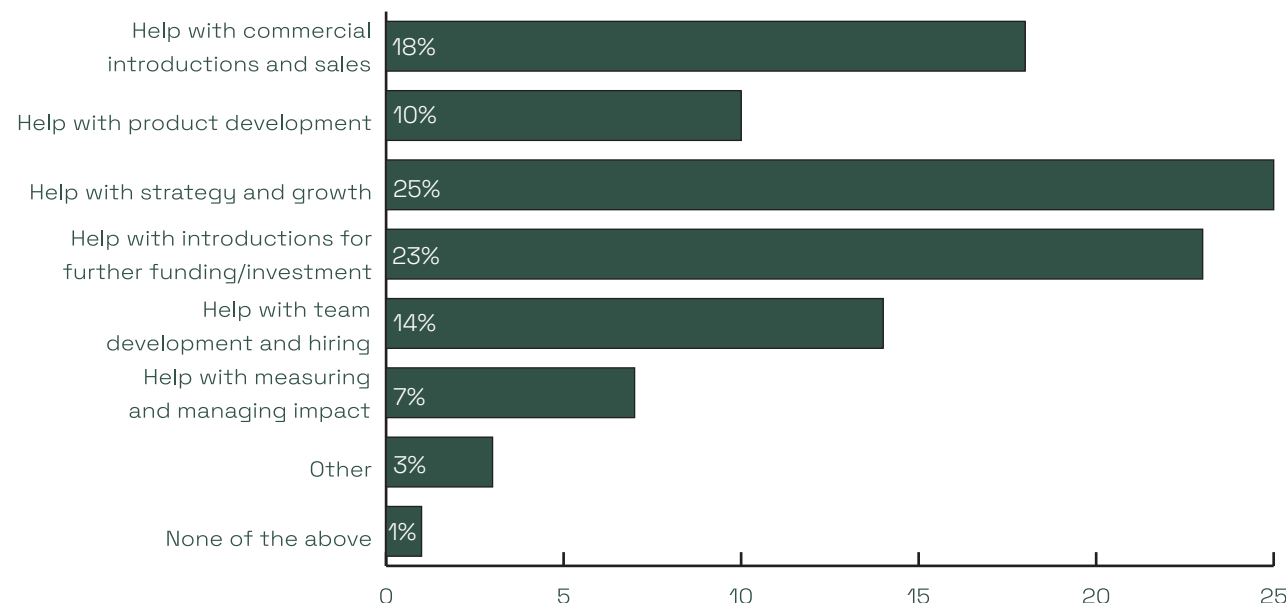


Figure 3 shows the results to our question 'What type of non-financial support do you offer?'

“

Many of our angels are skilled operators. They've been integral to the actual day-to-day challenges of just being a business. More than anything, having angels means you have more people looking out for you. There are more people spreading the good word as well, and that has been a force multiplier for our business.

”

Nina Mohanty,
Co-founder of Bloom

SOURCING DEALS - THE WARM ADVANTAGE

64% of deals were sourced through a warm introduction, which means that a founder's strongest bet in securing investment is through a mutual connection to angels.

The angels we surveyed were involved in a total of **39 angel networks and groups**, enabling them to collectively write bigger cheques and pool their expertise.

What struck us is the rapid growth in new, diverse, formal and informal groups, which allow angels to see a greater variety of deals and move quickly. A range of tech for good focused

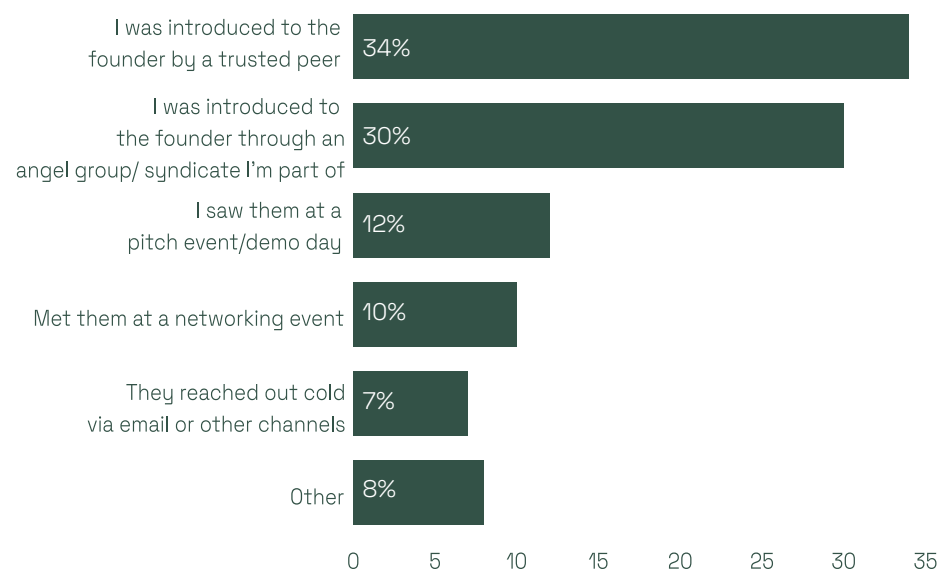


Figure 4 shows the results to our question 'Thinking about your last five investments, how did you source these deals?'

and impact-adjacent groups were cited, like **Alma Angels**, or **HERmesa**, who often bring their communities together for peer learning and connections, opening up opportunities for deal flow in areas angels might have previously not been involved with.



“Co-investing with other angels in tech for good deals made the experience easier, as getting input from a wider pool of investors and comparing notes is always good. Also, in some situations, other angel investors in the syndicate have deep knowledge of a specific technology. They can point out other market opportunities that you would not think of.”

Oksana Stowe
Angel investor

Founders are increasingly aware of the power of network effects when raising from angels. **Nina Mohanty, co-founder of Bloom Money** said: “The great thing about angels is they'll often know other angels. Some of the biggest cheques in our round came by way of introduction through an angel that wrote a smaller cheque.”

Other founders have also underlined some of the downsides of trying to find angel investors through cold outreach.

Paul Moynihan, co-founder of TaskHer said: “There are some good angel networks out there, but most of them require you to go in with strong support from within their network for the deal to attract any attention.”

He said: “Our experience is that the angels that will invest in your business will be a first or second-degree connection so the best option is to grow your network and not to be afraid to ask for an intro.”



“Angels are the lifeblood of growth for early-stage, impact-focused tech firms. We recognise the barriers and frictions they so frequently face in accessing investment opportunities and connecting with other angels. Floww's platform is designed with this ecosystem in mind. It provides angels a financial infrastructure that creates liquidity. With it they can access a vast range of opportunities amongst innovative private companies.”

Martijn de Wever
CEO and Founder of Floww

We've listed all the active networks we uncovered in our research in a directory for angels to find groups and networks aligned to their values and interest.

➔ Check out **BGV's list of active angel groups**

SCREENING FOR IMPACT

Angels use various criteria to screen tech for good businesses, with the most common being **assessing the potential for scale of impact**. An increasing number also look at operational factors contributing to net-positive impact.

Taking into account the top three barriers that angels identified that stop them from investing in more tech for good businesses – **challenges in understanding the potential**

market, lack of case studies and stories of what ‘good’ looks like for returns and growth, and the high risk of impact/greenwashing – it becomes evident that angels need more robust tools to assess a company’s impact potential.

That is why we’ve created a simple due diligence questionnaire for angels to help assess the impact potential of tech for good startups.

➔ Read our interviews with tech for good angels [Meganne Houghton Berry](#) and [Charly Kleissner](#)

➔ Check out [BGV’s Impact DDQs for Angels](#)



“ Ask questions about impact and how founders measure it. If a startup cares about impact, they will know what impact they are having and how to measure that.

Ed Farrar
Co-founder of Oto Health

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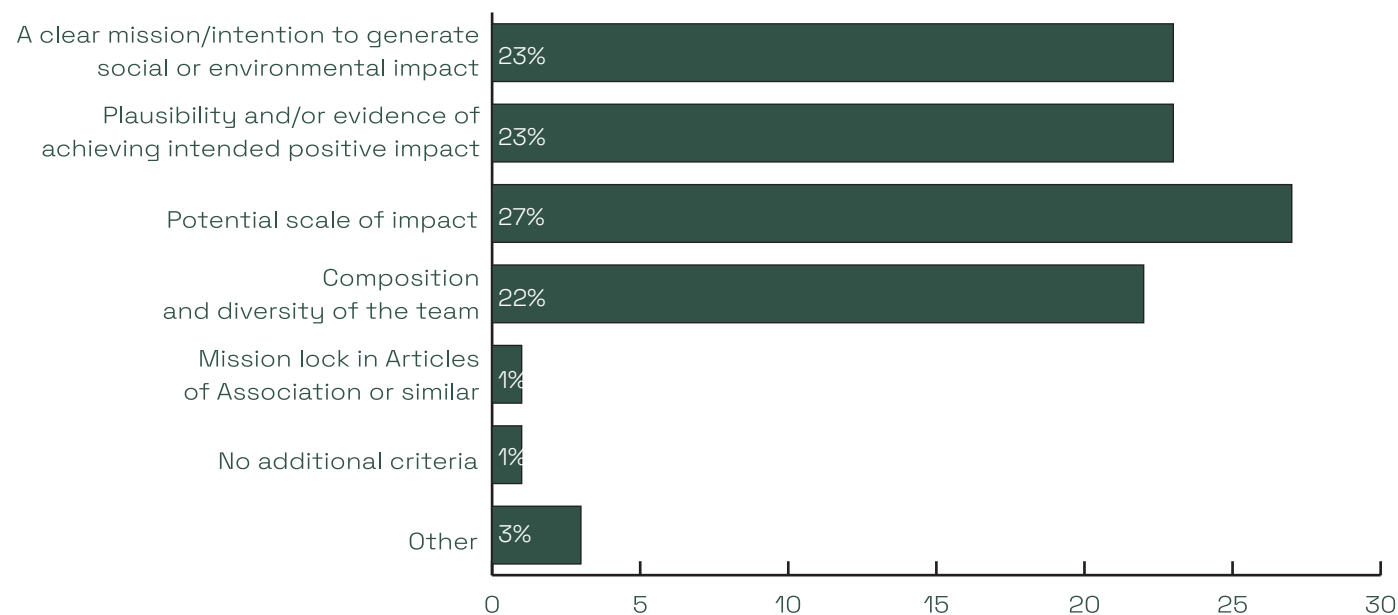


Figure 5 shows the results to our question ‘Which additional criteria do you use for screening tech for good businesses?’

BACKING DIVERSE FOUNDERS

81% of angels consider the diversity of founders in their investment decisions, with 15% of those *only* backing diverse entrepreneurs. **Gender, ethnicity, and socio-economic background** emerged as the most commonly considered diversity markers.

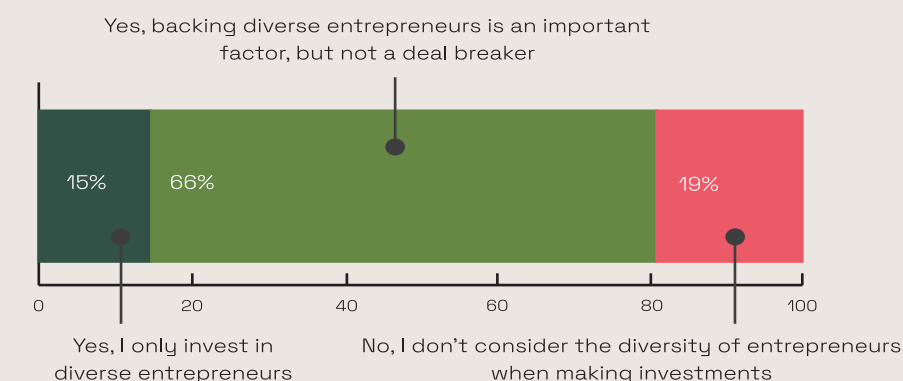


Figure 6 shows the results to our question ‘Do you have a particular interest in backing diverse entrepreneurs?’

We think it’s great to see that the majority of angels are actively looking for founders from all walks of life, since we at BGV believe that the diversity of people solving the world’s pressing social and environmental problems, need to reflect the diversity of people they affect.



“ We’ve found that speaking to angels who understand what it’s like to raise money as a diverse founder and see difference as a strength, can change the conversation. There is often a real exploration of the business, thoughtful questions, and an attempt to problem solve.

Laura Mills,
Co-founder of Noggin

”



A TECH FOR GOOD ANGEL'S JOURNEY

Vera Baker

Atomico Angel and Venture Partner at
Unconventional Ventures

“My first successful investment was in Real Estate. I made some smart bets after the housing bubble and had the opportunity to use some of this capital to make a more diverse set of investments. I began working as an Operator for startups back in 2011. At the time, I had a few urges to support founders with my personal capital but I didn’t quite understand the risks of writing checks into companies whose vision I believed in. Fast forward a few years later and I took an [Angel Investing School](#) course as my starting point and wrote my first personal check shortly thereafter.

Today I have a portfolio with close to 30 investments. I spent a lot of time thinking about what I wanted to invest in and how I wanted to be a thesis-based investor with a focus on “solutions for a sustainable future.” I wasn’t interested in supporting just any founders building tech-enabled businesses.

I knew there were other angels who would gladly write those checks. I wanted to focus on founders making a dent into the most pressing problems facing our planet with a diversity lens. Those were the founders I connected with most and those were the founders I vowed to support with my capital.

My top tips for founders – **do your research, network, and communicate your vision clearly**. While some angels are secretive about their interest in angel investing, there is an entirely new crop of angels who actively seek exceptional founders to support. And those angels are intentionally visible. They speak at conferences and on podcasts, are active in angel groups and networks, and broadcast the angel investor title in their social media profiles. These angels want to be seen, found and pitched to – so don’t hesitate to embrace that opportunity.”

“

As a founder, you can choose who will benefit from your company’s success – so select angel investors who you will take pleasure in giving a great return on their investment in the future!

”

Ariana Alexander-Sefre,
Co-founder of SPOKE

UNLOCKING MORE TECH FOR GOOD

We asked angels what we believe to be the most fundamental question of this report: ‘What would motivate angels to make more investments into tech for good businesses?’

The top three answers were: **connecting with and knowing more angels investing in tech for good, more dealflow and visibility of investment opportunities, and greater impact maturity of businesses.**

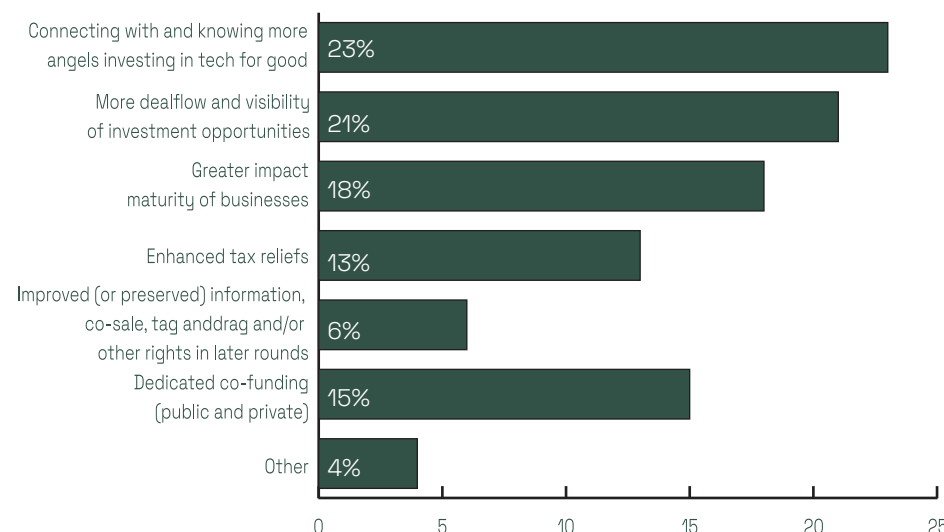


Figure 7 shows the results to our question ‘What would motivate you to make more investments into tech for good businesses?’

Our research shows that there is a real opportunity for angels to use their formal and informal networks to unlock more capital for tech for good startups. At BGV, we’re proud to lead from the forefront of early-stage tech for good investing, so here are some practical takeaways and resources:

Seek out value-aligned angels

With a rising number of groups and networks, there should hopefully be an angel community closely aligned with your values, for example, groups like Green Angel Syndicate to fight climate change. We’ve created a directory of all networks we’ve uncovered to help you find the right one for you.

➤ Check out [BGV’s directory of angel groups and networks](#)

Learn about new markets for greater deal flow

Lots of angel groups and networks help angels learn about new markets to open up more investment opportunities. For example, UKBAA hosts theme-specific deep dives, most recently highlighting the opportunities in the Creative Industries. BGV explores all things tech for good in our regular Tech for Good meetups, Demo Days and our investor newsletter – The Practical Optimist, so there’s always an opportunity to learn more about tech for good.

➤ [Subscribe to the Practical Optimist](#) to stay up to date

Increase your impact expertise

Impact integrity of businesses will become a deciding factor in evaluating investments in tech for good. A strong theory of change is a great starting point for early-stage businesses. But as a company matures, understanding its impact measurement and management processes and how a company validates its impact becomes essential.

➤ Check out [BGV’s Impact DDQs for Angels](#)

“

For founders it’s not just about securing capital; it’s about finding partners who share your vision and can offer invaluable mentorship and networks.

”

Nat Whalley,
Co-founder of Organise

METHODOLOGY

Our research used quantitative and qualitative methods. We conducted interviews with both angels and founders to inform our research, designed a survey for angels and reviewed the results thereof with the guidance of our steering committee which includes Jenny Tooth, Tom Adeyoola and Sameer Singh, Divya Khurana, Melanie Hayes and with angels in two roundtable discussions in April 2023. Our survey received responses from 100 angels, predominantly based in the UK.

ACKNOWLEDGEMENTS

We would like to thank the members of our steering committee; our partners at the early-stage practice team of HSBC Innovation Banking; and the team at Floww, especially Liina Lopp, for their guidance and support in championing this study.

Thank you to the founders, angels and ecosystem partners for their input to this report, including Matt Roberts, Lauren Stewart, and Taylor Vinters for contributing and hosting our London Tech for Good Angel Roundtable.

Last but not least, we would like to extend a word of thanks to all who took our survey - your contributions to this research are invaluable and greatly appreciated.

We hope this provides readers with a baseline and more insights about angel investing in tech for good, and, ultimately, more capital allocated to tech for good founders in the early-stage ecosystem.

Tech for Good Angels

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Written by Dama Sathianathan
With edits from Melanie Hayes, Yumi Tsoy
and Tom Sanders

“ We as founders are often hit with the challenge of having to prove that our businesses are or can be massive, profitable businesses. But doing this takes time and a lot of resource. So have patience and celebrate the small wins as we work towards the greater good. It’s hard and we need your support!

”

Nina Mohanty,
Co-founder of Bloom



ABOUT HSBC INNOVATION BANKING UK

HSBC Innovation Banking UK's Early Stage Banking team partners with technology, life science and healthcare pre-seed to Series A businesses, typically backed by the most ambitious angels and VCs. Our deep expertise in the startup ecosystem allows us to have a holistic view and be a facilitator to the ecosystem.

Backed by the strength of HSBC, we offer flexible banking solutions together with value-add services to power ideas at every stage of their journey. Our dedicated team of experts offers hands-on support, ecosystem and sector insights and networking opportunities to help innovative companies with their growth opportunities.

HSBC Innovation Banking UK is dedicated to empowering angels and angel-backed companies, supporting them to succeed and make a lasting impact in the world of entrepreneurship. This includes helping build a community of like-minded professionals, providing access to fast growing innovation economy businesses, portfolio support and specific insights.

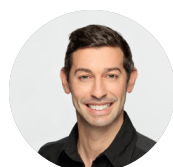
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“At HSBC Innovation Banking, we've seen the advantage angel investors provide to our clients. In a highly competitive landscape, angels bring valuable industry connections, mentorship, and hands-on experience. Seasoned angels are actively sharing their knowledge with those eager to explore angel investing, alongside a new wave of angel's investors prepared to deploy capital, creating a dynamic ecosystem.”

Divya Khurana,
HSBC Innovation Banking UK



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ABOUT FLOWW

Supercharge your network

We believe in the power of technology to be transformative. Until now, angel investors have had to navigate private markets fraught with unnecessary friction – it's slow, admin-heavy, and a fragmented ecosystem of multiple players. As a result, innovative companies are being starved of capital.

Floww provides everything you need to run your angel syndicate, tailored to your specific needs. You can access VC tools and workflows to help you easily source, share and manage deals with your network. You can track the performance of individual investments and your portfolio through the platform. We bring together fund and deals infrastructure, up-to-date and accurate investment insights, full regulatory support, legal set up, SPV formation, payments, tax

documents, and everything else in one place. Angel investors can also sign up to FlowwPool to access curated deal flow.

Every company on the platform is reviewed and verified by our data team, so you can view companies in a consistent format, while Floww's powerful benchmarking capabilities allow you to quickly review your portfolio, compare metrics, and easily build reports that surface your top KPIs.

floww.io/good-angels

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**Bethnal Green Ventures is Europe's leading
early-stage tech for good VC.**

We back ambitious and diverse founders using technology to tackle the world's pressing social and environmental challenges to drive positive outcomes for people and planet.

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