



An Introduction to Equity Crowdfunding

UCL Financial Systems 2016

www.seedrs.com

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09 September 2016

Invest in businesses
you believe in and
share in their success



Discover businesses

Investors of all shapes and sizes can review the wide range of businesses seeking capital on a platform, ask questions of the teams and decide whether to become part of their growth.



Start investing

To make an investment, all the investor needs to do is choose the amount (usually a roughly €10 minimum), sign electronic documentation and transfer funds. The investment will only go through if the campaign hits its target.



Share in the success

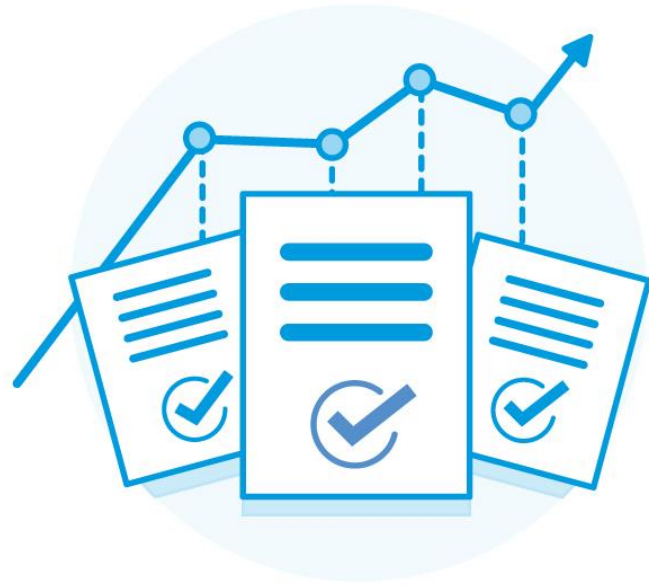
After the round closes, the investor becomes a shareholder in the company. He or she can interact with the business, follow its progress, and profit from dividends or the sale of shares.

Raise capital and build
community through a
simple online process



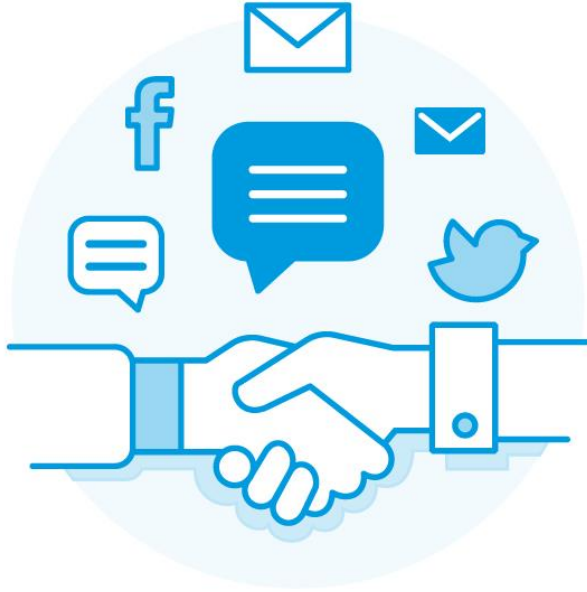
Create a campaign

Entrepreneurs start by creating an online pitch. They explain the business, show off the team, lay out the market opportunity and highlight what they plan to do with the investment they receive. Before it goes live, the platform reviews and signs off on it.



Get funded

There is a set amount of time for the company to raise its minimum target. During that time, the team reaches out to friends, family, customers and their networks to encourage them to invest. Meanwhile, the campaign is available on the platform for anyone to see. Successful campaigns involve a mix of “network” and “independent” investors.



Grow the business

Once the deal is completed, the company has capital, but it also now has an installed base of hundreds, or even thousands, of people with a vested interest in seeing them succeed. The company uses both to pursue growth.



The Industry

A Bit of Context

- Early-stage investment was once limited to the very few—those with lots of money and lots of time on their hands
 - But many different types of people want to invest in these businesses, whether to build a portfolio, support a friend or be part of a company they like
 - Meanwhile, many businesses want to raise capital from a community rather than just a few angels and funds
 - Crowdfunding has emerged in response to these needs
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Emergence of Platforms

- Crowdfunding started around 2007 with the launch of rewards-based platforms (Kickstarter, Indiegogo)
 - Soon thereafter, platforms tried to expand to equity, but they did so on an unregulated basis, and most failed
 - Seedrs became the first regulated equity crowdfunding platform in 2012
 - Since then, dozens of equity crowdfunding platforms have emerged across Europe
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The Market Today

- Equity crowdfunding now represents roughly 5% of European early-stage investment
 - Tens of thousands of people have now had the chance to invest in businesses they believe in
 - Thousands of businesses have been given a new and efficient way to raise capital
 - The industry is growing exceptionally fast, with top platforms doubling or trebling in size every year
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Europe in the Lead

- Europe was the first region to embrace equity crowdfunding and remains at its vanguard—at least for now
 - There has been a lot of interest in U.S. equity crowdfunding, but an archaic regulatory system has delayed its growth, and it is only now starting to get traction
 - Asian markets have shown substantial interest in the last year, and both Singapore and Hong Kong are keen take Europe's crown
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The Future

- In Europe, investing/raising early-stage capital through online platforms is becoming increasingly normalised in many countries, and it is gaining initial traction in the rest
 - The next big evolution is cross-border: we are going to see more people backing businesses in countries far from home
 - In the the long-term, it will be as common for people to invest in early-stage businesses as it is to invest in stocks, shares or property today
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The Seedrs Approach

A Financial Services Mentality

- Equity crowdfunding is a fintech business, and different platforms have put different emphases on “fin” vs. “tech”
- Platforms that approach this as predominantly “tech” see equity crowdfunding as an extension of the rewards version—primarily about the product experience rather than returns
- Seedrs has been the leader from the “fin” side—we view this as real financial services, akin to any other form of investing, and tech is the tool we use to make it possible

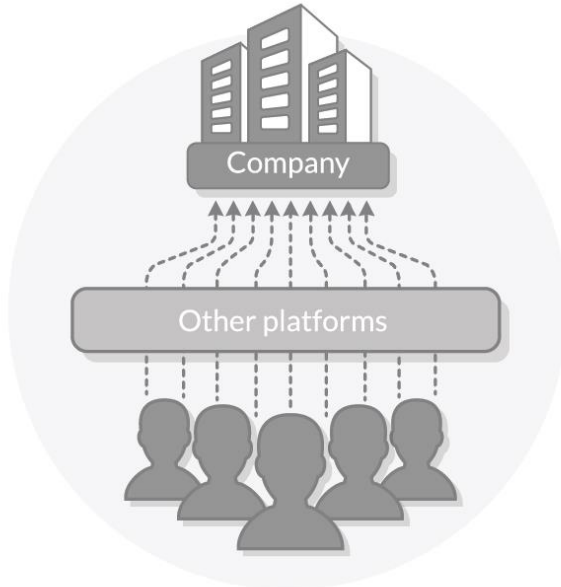
Due Diligence: The Ronseal Test

- We review every campaign in detail to ensure it's fair, clear and not misleading—investors know the business “is what it says on the tin”
 - Before closing, we do further due diligence to ensure the right structure and legals are in place
 - However, we leave commercial due diligence to investors—it is for them to decide whether they think the business will succeed and whether they want to be part of it
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Shareholder Agreements and Protections

- Getting transactions right is not just about what happens before the investment is made
 - We have a strong focus on protecting investors all the way through to exit, and we insist on professional-grade shareholders agreements (including warranties, pre-emption rights, tag-along right and much else) in every deal we do
 - This is still unusual in equity crowdfunding, but we think it is a necessity
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Transactional vs. Lifecycle Models



Transactional



Lifecycle

What We've Done So Far



Over 360 funded deals

From startups to later-stage companies, over 350 deals have been funded.



Over €175 million invested

On average each deal has roughly 200 investors.



31 countries

Investors from across Europe made 38,000 investments through Seedrs in 2015.



Early successes emerging

Many funded companies have grown quickly and created substantial value for shareholders




Portfolio Update – 07 September 2016







CURIOUS
BREW

Premium Lager re-fermented
with Champagne yeast
for a cleaner drink
and more refreshing taste.


ALC. 4.7% Vol.

Curious Brew raised
over £1,750,000
from 900 investors



Oppo raised £398,390
from 538 investors
in just 6 hours

oppo

INDULGE. GUILT-FREE.

MINT CHOC SWIRL
ICE CREAM

WITH A HINT OF SPIRULINA

Zoopla-backed
Landbay raised over
£2,600,000 from
970 investors



FreeAgent raised
over £1,015,000
from 690+ investors





Thank You

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