



CrowdFundMe: Company Profile

March 2017



Agenda

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- **Why CrowdFundMe?**
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Introduction

Equity crowdfunding offers startups and SMEs **an alternative financing method** by allowing retail and professional investors to contribute capital in a **simple and safe** manner.

“**CrowdFundMe** is one of the first equity crowdfunding platforms to demonstrate the **validity of this tool in Italy**, boasting 3 campaigns that concluded with overfunding due to dozens of small investors.

Our activities are **supported by PoliHub**, a key driver of innovation and entrepreneurship in Italy, **and by Websim**, the digital division (with a million hits every day) of Intermonte Sim, an Italian leader in equity brokerage on behalf of institutional investors on the Milan stock exchange.”

The market: the World and Europe

- Entrepreneurship is **essential for economic growth and employment creation**, however entrepreneurs find it hard to access the finance they need to develop and scale (**equity gap**)
- Equity crowdfunding (ECF) is an entirely **new way of raising capital**, to address the entrepreneurial equity gap
- ECF is an open marketplace for entrepreneurial finance that takes place on a **two-sided on-line platform and operates within a social media environment**
- ECF offers founders of **new ventures an on-line social media marketplace** where they can access a large number of investors who, in turn, each supply funds to **finance initiatives that they find attractive**
- Crowdfunding was used to finance the base for the Statue of Liberty in the late 1880s, but its **significance for contemporary entrepreneurs was hugely increased with the recent growth of digitalisation**, which brought cheaper storage, secure networks, and connectivity through social media

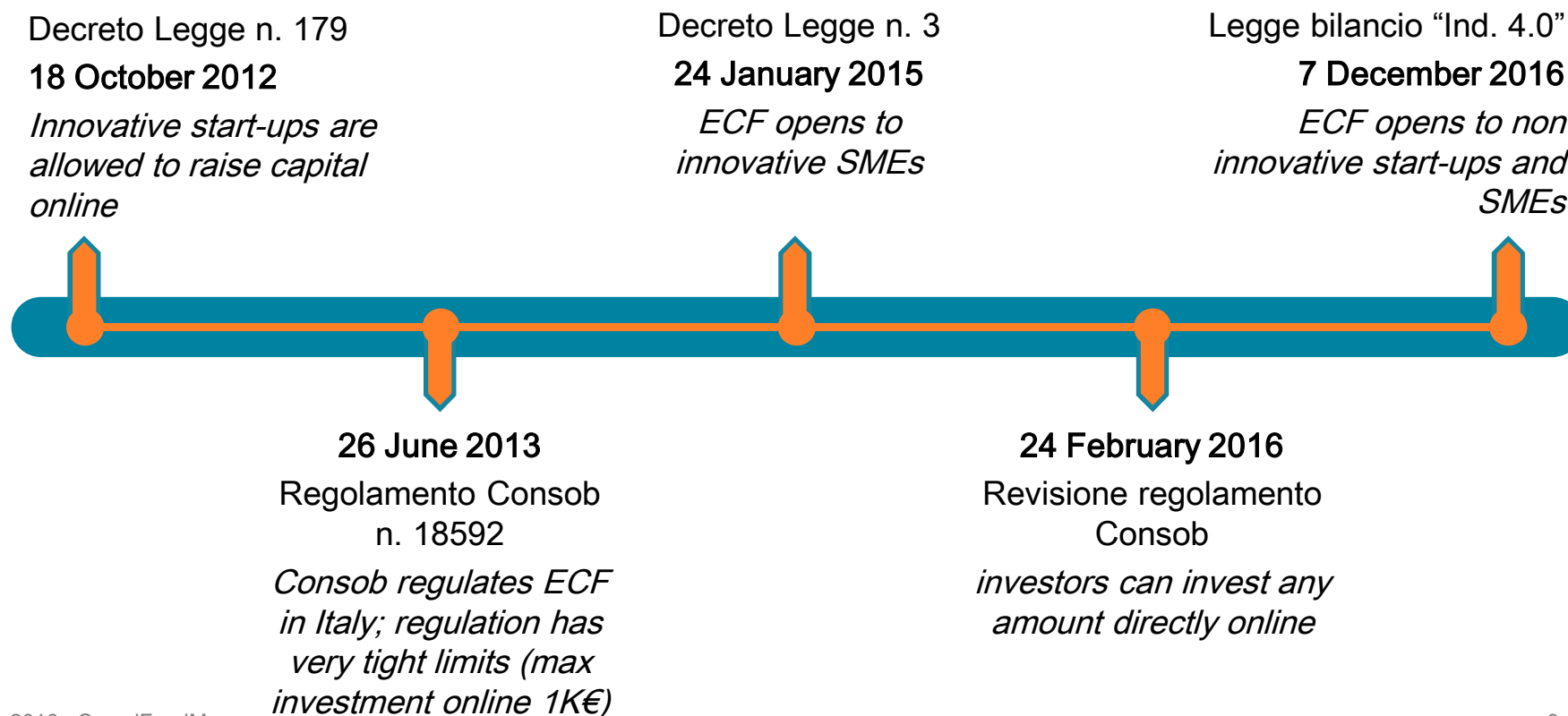
- Crowdfunding has **grown worldwide from around \$1 billion in 2011 to \$34.4 billion in 2015**. Globally equity crowdfunding is now increasing rapidly, expanding by 184% between 2014 and 2015 *
- The World Bank estimates that the overall world crowdfunding market will expand to **\$93 billion by 2025 ****

A mature market, the United Kingdom

- Equity crowdfunding is a segment of the **Alternative Finance sector** which in UK **raised 3.2Bn GBP** through business in 2015, up 84% on 2014; business lending represented 12%
- The **equity crowdfunding sector has been growing very rapidly**, recently by 295%: 84M GBP was raised in 2014 whilst 332M GBP in 2015
- “Excluding real estate crowdfunding (87M GBP), **equity-based crowdfunding contributed 245M GBP** worth of venture financing in 2015, which we estimate is equivalent to **15.6% of total UK seed** and venture-stage equity investment, based on Beauhurst’s data during the same period (i.e. 1.57Bn GBP in 2015)
- In addition to this, 2015 saw the equity-based crowdfunding market report its **first two exits for start-ups financed by crowdfunding platform**”. *

Top in class regulatory environment

- Italy was the first country in Europe to apply a regulation **specifically dedicated to equity crowdfunding**
- Thanks to **CONSOB** regulation Italy was the first economy in the world to have an organic applicable law framework (anticipating SEC in the USA).



Equity crowdfunding results in Italy

- In Italy the equity crowdfunding market is a **new phenomenon**: the historical data is scarce, but the **potential is huge**
- In 2016, **19 Italian firms** raised money through equity crowdfunding, for a total funding of **4,4M €** (+159% compared to 2015) *
- The number of investors in ECF has increased from approx. 260 in 2015 to almost 800 in 2016. The average investment per investor is 5.800 € respect to 6.800 € in 2015 * (i.e. moving towards a more retail market) *
- In 2016 the **average round was 230K €** (in line 2015), with an average of **39 investors** per round (37 in 2015) *
- At the beginning of 2017 the Italian government favoured the sector **increasing tax deduction from 19% to 30%**.

Why equity crowdfunding?

With equity crowdfunding, startups that have completed an incubation or acceleration phase can continue with their next business phase.

With a series of advantages:

1



- **Increased investment potential:** the platform allows startups to diversify the types of investors, expanding the base of potential investors that otherwise would not have had access to the share capital increase. Furthermore, shares with different privileges can be issued based on, for example, size of investment.

2



- **Business model validation:** equity crowdfunding validates the model, market attractiveness, ease of comprehension of the idea, potential customer base, etc.

3



- **Media exposure:** equity crowdfunding allows startups to have broad-based media exposure. Through events, road shows and collaborations with news agencies, we publish information about the startups in daily newspapers, such as *Il Sole 24 Ore*, *Corriere Innovazione*, *Economyup*, *StartupItalia* etc., as well as through our partnership with Intermonte/Websim.

4



- **Simplification of bureaucracy:** Equity crowdfunding permits innovative startups/SMEs to raise capital from the whole country in a quick and easy manner. Anyone can buy stock directly from their home, without having to go through notaries or chambers of commerce.

Why CrowdFundMe?

CFM operates with strategic partners encompassing legal advisory, technological validation, media broadcasting and business angel network



- Chiomenti Studio Legale is the law firm that has been assisting CFM since the beginning
- It has drafted the various contracts with banks, investors, start-ups, partners and institutional counterparts (e.g. Consob).

• www.chiomenti.net/



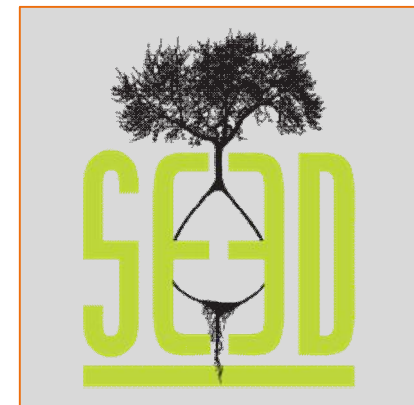
- WebSim (broadcasting agency of Intermonte) works on news communication and on the development of market analysis and benchmarking for start-ups
- Intermonte is one of the most important Italian online trading platforms, with more than 1 million retail investors.

• www.websim.it/



- Polihub carries out the validation of the technological sustainability for projects and start-ups selected by CFM
- It is the 5th university incubator in the world-Ubi Global Ranking.

• www.polihub.it/




- The Seed Project is an incubator and network of business angels.
- It collaborates with CFM during the start-up selection and analysis phases.


• www.seedproject.biz/

Roles

There are 6 players in the CrowdFundMe process of equity crowdfunding:




Portal: developed to connect innovative startups and SMEs with potential investors




Financial intermediary: institution charged with collecting orders from investors and opening accounts for startups




Partners: Polihub (incubator certified by Politecnico di Milano), charged with performing feasibility analyses on business plans to be posted on CFM



Partners: WebSim, responsible for providing information on startups and its market to potential investors (approx. 65,000)

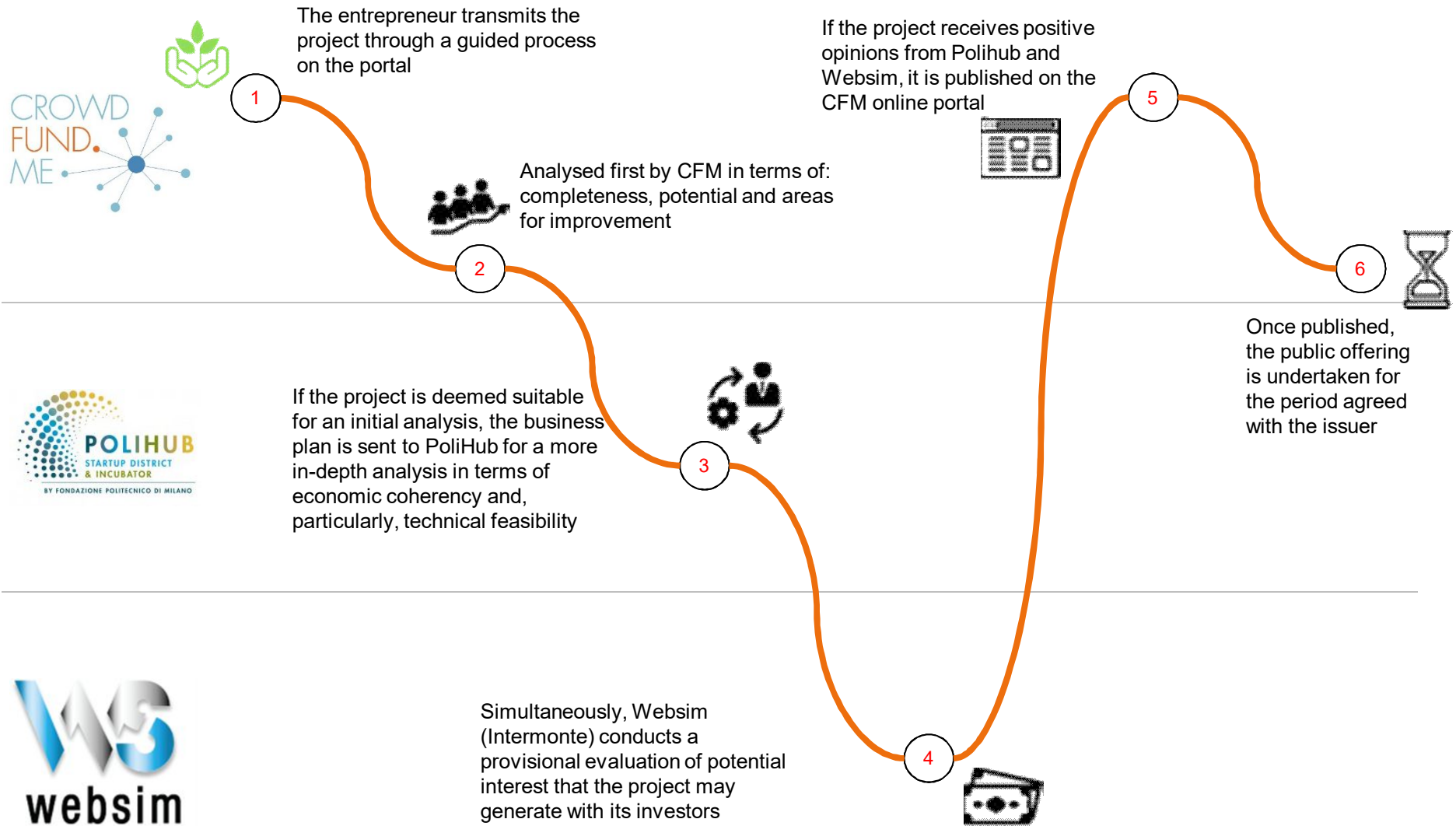


Entrepreneurs: those searching for capital in exchange for equity

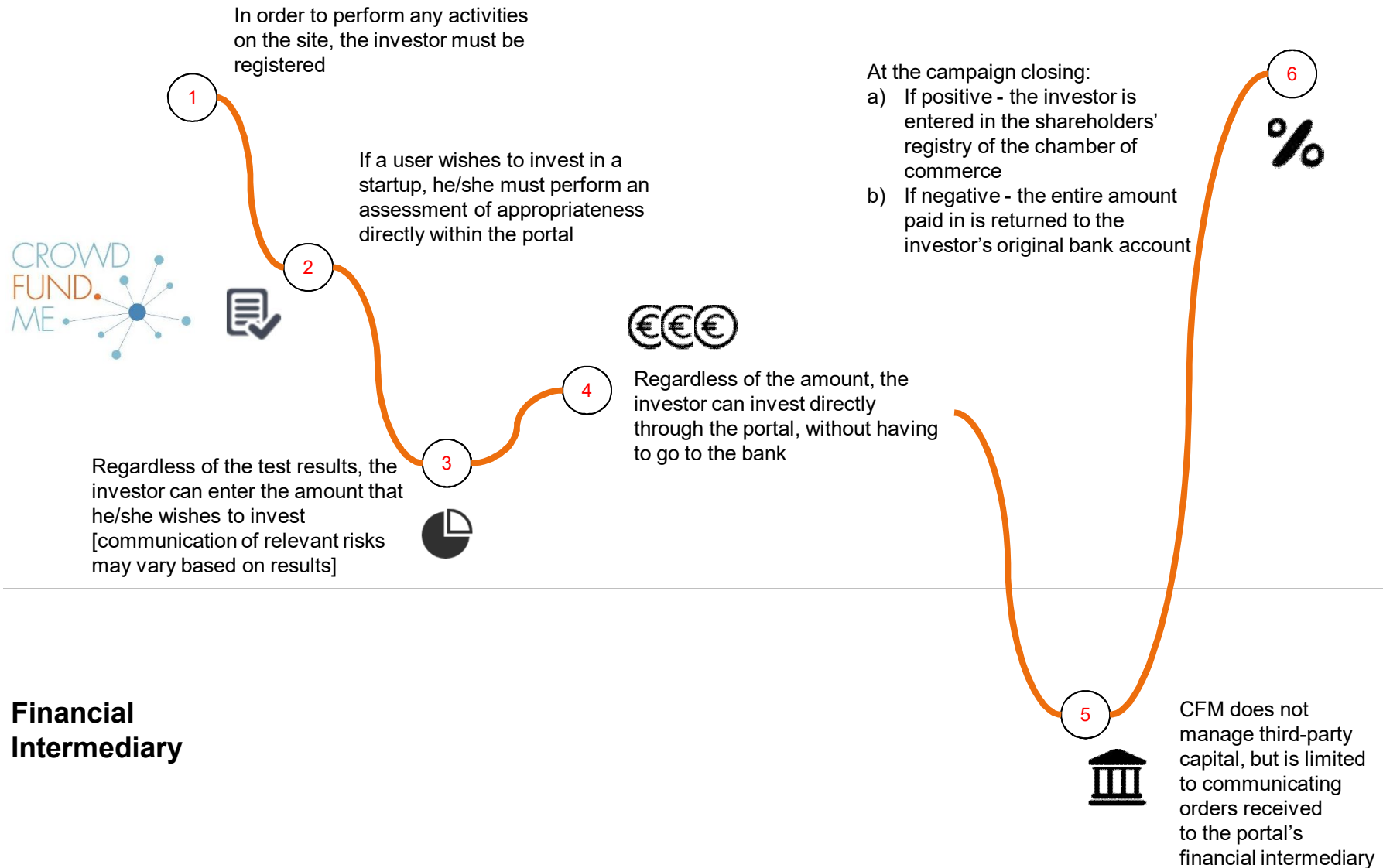


Investors: those investing in innovative startups

How it works for startups



How it works for investors



Financial Intermediary

CrowdFundMe's numbers...



- **12** start-ups launched



- More than **1,050,000 €** raised



- **6** projects successfully closed



- More than **600** investments from 450 investors



- Average investment **1,900 €**



- More than **21K** potential investors reached each month

Ongoing projects (1/2)

Cynny

Online



Due prodotti rivoluzionari.
MorphCast: un video che si adatta in base alle reazioni emotive di chi lo guarda;
Cynny Space: la soluzione di cloud storage più competitiva sul mercato.

- **Capital raised: € 258,111**
- **Total investors: 136**
- **Average investment: € 1,895**
- **Range: from € 252 to € 46,004**

Winelivery

Online



Entrare in enoteca senza uscire di casa: ordina bottiglie di vino, birre e drink di qualità e li riceverai a domicilio in 30 minuti, anche a tarda notte!

- **Capital raised: € 20,800**
- **Total investors: 23**
- **Average investment: € 904**
- **Range: from € 250 to € 7,000**

Ongoing projects (2/2)

Borsinorifiuti

Online



Il Marketplace-Community che dà valore ai prodotti post consumo e al processo di recupero/smaltimento dei rifiuti: finalmente c'è un punto di incontro e di negoziazione per chi produce rifiuti (privato o azienda) e società che li lavorano, permettendo il riciclo e produzione di nuove materie prime sostenibili.

Talkway

Coming Soon



Talkway è la prima soluzione professionale di Push To Talk per smartphone progettata per le piccole e medie imprese. Talkway permette lo scambio istantaneo di contenuti, garantisce la geolocalizzazione e offre una piattaforma web per l'attività di supervisione.

Success stories (1/3)

Oreegano



Successfully Funded

Un nutrizionista virtual direttamente nello smartphone del cliente, dando informazioni sui valori nutrizionali di ogni ricetta

- **Capital raised: € 128,700**
- **Total investors: 70**
- **Average investment: € 1,942**
- **Range: from € 500 to € 15,000**

Sharewood



Successfully Funded

La Campagna dei record!!

- **Capital raised: € 247,255**
- **Total investors: 176**
- **Average investment: € 1,383**
- **Range: from € 250 to € 30,000**

Success stories (2/3)

My Cooking Box



Successfully Funded

Anche My Cooking Box chiude con successo

- **Capital raised: € 200,000**
- **Total investors: 85** (97 investments)
- **Average investment: € 2,353**
- **Range: from € 250 to € 63,000**

CleanBnB

CleanBnB

Successfully Funded

Si aggiunge **un'altra storia di successo** coperta al 100% dal crowd

- **Capital raised: € 127,000**
- **Total investors: 91** (for a total of 109 transactions)
- **Average investment: € 1,407**
- **Range: from € 250 to € 12,000**

Success stories (3/3)

TocTocBox

TocTocBox

Spedire è più semplice, viaggiare più conveniente.



Il primo caso di **vero equity crowdfunding** in Italia

- **Capital raised: € 95,000**
- **Total investors: 31** (for a total of 51 transactions)
- **Average investment: € 3,604**
- **Range: from € 250 to € 25,000**

Successfully Funded