FINANCIAL INSTRUMENTS FOR START UPS: EQUITY CROWDFUNDING
Scouting is an independent team of 30 professionals, in Corporate Finance and M&A, with a strong international network.

Scouting is focused on the main Italian industries:

- Industrials
- Mechanical and precision engineering
- Packaging
- Food & Agriculture
- Fashion
- Furniture and household equipment

Scouting is active in 4 areas:

- M&A
- Corporate Finance
- Risk Management
- Capital Markets
30 professionals specialized in:

- M&A
- Corporate Finance
- Risk Management
- Capital Markets

Management Company

SHAREHOLDERS

5i GROUP

51%

Scouting
Finanza per l’impresa

49%

Shareholder banks

- Cassa Centrale Banca
- Cassa Rurale Alta Valsugana
- BCC Banca San Giorgio del Veneto Orientale
- Banca Malatestiana
- BCC Banca Pordenonese
- Banca Prealpi
- Emiliana Banca
- Romagna Banca
The Capital Lifecycle

<table>
<thead>
<tr>
<th>Investigation</th>
<th>Feasibility</th>
<th>Development</th>
<th>Introduction</th>
<th>Growth</th>
<th>Maturity</th>
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</thead>
<tbody>
<tr>
<td>Proof of concept</td>
<td>Pre-Seed</td>
<td>Seed &amp; Start-up</td>
<td>Early</td>
<td>First, Second, etc...</td>
<td></td>
</tr>
</tbody>
</table>

- **Self**
- **Government Sources**
- **Friends & Family**
- **Angel Investors and some Seed Stage VCs**
- **Venture Capital**
- **IPO, Banks**

**First Revenues**

**Value of Death**

**Profit**

**Time**
Where Crowdfunding Fits on the Funding Lifecycle

**Crowdfunding Investing > US$1M**
Once ideas have met minimum viable tests by the crowd or community an equity or debt-based crowdfunding campaign is appropriate. It will provide increased capital for growth and vested interest of supporters. Angels can also play an important role here.

**Mainstream Financing > US$1M**
At this stage, once ideas are proven, models tested and customer interest engaged, the risk for follow on, larger, more traditional capital from Angels, Venture Capital or Private Equity may be engaged.

**Crowdfunding < US$50K**
Donation or perks based crowdfunding is a good fit for idea/inception and proof of concept/prototyping. It allows the community to decide which ideas are worth funding early on.

**Institutional Capital**
Companies that have proved sufficient market growth and traction that are increasingly capital intensive may be able to seek funding from investment banks at this stage.
WHY TODAY YES AND BEFORE NO?
GLOBAL DIGITAL SNAPSHOT
KEY STATISTICAL INDICATORS FOR THE WORLD'S INTERNET, MOBILE, AND SOCIAL MEDIA USERS

TOTAL POPULATION
7.476 BILLION
URBANISATION: 54%

INTERNET USERS
3.773 BILLION
PENETRATION: 50%

ACTIVE SOCIAL MEDIA USERS
2.789 BILLION
PENETRATION: 37%

UNIQUE MOBILE USERS
4.917 BILLION
PENETRATION: 66%

ACTIVE MOBILE SOCIAL USERS
2.549 BILLION
PENETRATION: 34%

KNOWLEDGE ECONOMY

SHARING ECONOMY
PEOPLE WANT TO PARTICIPATE IN AND SUSTAIN IDEAS WITH ADDED VALUE
CROWDFUNDING

Crowdfunding can be defined as an open call for 'the collecting of resources (funds, money, tangible goods, time) from the population at large through an Internet platform.'
CROWDFUNDING

• **donation-based**, in which people do not receive any reward for their contributions (although, depending on the project and the jurisdiction, they can be entitled to tax deductions);

• **reward-based**, where people receive goods or services in exchange for their contributions;

• **lending-based**, in which contributors receive interest payments in exchange for financing a project with an associated rate of return and maturity date;

• **equity-based**, where people receive shares in the venture, in exchange for their contributions.
CROWDFUNDING

Source: $ Billions. Massolution Crowdfunding Industry Report 2015
02 EQUITY CROWDFUNDING
EQUITY CROWDFUNDING

Equity crowdfunding is a form of investing that involves many individuals investing online in a business in return for share capital, whether through a dedicated equity crowdfunding platform or independently organised by the company itself.
EQUITY CROWDFUNDING IN THE WORLD

2.6 BILLION USD (2015)

Source: Massolution Crowdfunding Industry report 2015
EQUITY CROWDFUNDING IN ITALY

Equity

Assiteca Crowd > € 928,000,00 (2 progetti)
Crowdfundme > € 535,040,00 (4 progetti)
Equinvest > € 792,586,00 (3 progetti)
Investi-re > € 116,829,00 (1 progetto)
Mamacrowd > € 207,930,00 (1 progetto)
Muum Lab > € 50,000,00 (1 progetto)
Next Equity > € 1,452,802,60 (2 progetti)
Opstart > € 392,100,00 (3 progetti)
Starsup > € 2,056,238,00 (7 progetti)
TipVentures > € 738,400,00 (4 progetti)
Unicaseed > € 157,780,00 (1 progetto)
WeAreStarting > € 131,500,00 (2 progetti)

Totale Equity = € 7,559,205,60

Source: Starteed, January 2017
## UK EQUITY CROWDFUNDING PLATFORMS

<table>
<thead>
<tr>
<th>Portale</th>
<th>Raccolta effettuata (milioni GBP)</th>
<th>Progetti finanziati</th>
<th>Anno di lancio</th>
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<tr>
<td>CrowdCube</td>
<td>168.3</td>
<td>412</td>
<td>2011</td>
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<td>SyndicateRoom</td>
<td>55.4</td>
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<td>2012</td>
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<tr>
<td>Bnk to the Future</td>
<td>54.6</td>
<td>n.d.</td>
<td>2011</td>
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<tr>
<td>Crowdfunder.co.uk</td>
<td>20.2</td>
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<td>2010</td>
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<tr>
<td>Seedrs</td>
<td>7.2</td>
<td>307</td>
<td>2012</td>
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Source: REPORT ITALIANO SUL CROWDINVESTING
Politecnico di Milano – Dipartimento di Ingegneria Gestionale
<table>
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<tr>
<th>Sito web</th>
<th>Società gestore</th>
<th>Data autorizzazione</th>
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<tr>
<td>Unicaseed.it</td>
<td>Unica SIM</td>
<td>Sezione speciale</td>
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<td>Starsup.it</td>
<td>Starsup Srl</td>
<td>16/10/2013</td>
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<td>Assistecacrowd.com</td>
<td>Assistecacrowd Srl</td>
<td>26/2/2014</td>
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<td>Smarthub.eu (inattivo)</td>
<td>Smarthub Srl</td>
<td>9/4/2014</td>
</tr>
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<td>Equity.tip.venturcs</td>
<td>Thc Ing Project Srl</td>
<td>18/6/2014</td>
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<td>Nextequity.it</td>
<td>Next equity crowdfunding marzo Srl</td>
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<td>Siamosoci Srl</td>
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<td>Fundera.it</td>
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<td>10/9/2014</td>
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<td>29/10/2014</td>
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<td>Crowd4capital.it</td>
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<td>Cofyp.com</td>
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</table>
03 CASE HISTORY
EQUITY CROWDFUNDING PLATFORM

Trading Tuesdays are coming

The Seedrs Secondary Market is the place for investors to buy and sell shares from each other.
CASE HISTORY: SEEDRS

EQUITY CROWDFUNDING PLATFORM FEE

SEEDRS

Only pay a fee if your fundraising is successful. That's it.
No hidden costs. Our fee is based on the total funds you raise.

---

FEE CALCULATOR

How much do you want to raise?

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td>£</td>
<td>250,000</td>
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<p>| | |</p>
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<thead>
<tr>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td>6% on the first £150,000</td>
<td>£9,000</td>
</tr>
<tr>
<td>4% on £150,000 to £500,000</td>
<td>£4,000</td>
</tr>
<tr>
<td>2% on everything over £500,000</td>
<td>£0</td>
</tr>
</tbody>
</table>

Completion fee (excl. VAT)  £2,000

Total fee                  £15,000

- No membership or pitching fee
- Angel & VC co-investment
- Full legal and tax documentation
- One legal shareholder
- Full payment processing
- Company incorporation services
- Dedicated account manager
La prima app con la quale puoi guadagnare grazie ai tuoi oggetti inutilizzati. Condividere è il futuro! Grazie a Paladin è possibile noleggiare e prendere a noleggio oggetti di medio e alto valore in tutta sicurezza nella tua città. #UseThingsBetter
WHERE WE WILL INVEST THE MONEY

Company Ex Operations: +17%
HR: +25%
IT: +18%
Marketing & Communications: +41%

2 year estimation
CASE HISTORY: GLASS UP

CROWDFUNDING REWARD BASED

GlassUp: Augmented Reality glasses that display messages from your smartphone

GlassUp eyeglasses display emails, text messages, directions, heartbeats, translations, or any other info selected by the relevant apps on your smartphone.

Francesco Giartosio
Venice, Italy
About

$127,738 USD raised by 512 backers

85% of $150,000 flexible goal
CASE HISTORY: GLASS UP

EQUITY CROWDFUNDING

GlassUp

dl GlassUp srl

9%
Equity Offerta

100%
Finanziato

€ 250000
Raccolti su € 250000
CASE HISTORY: BIRRIFICIO IL DUCATO

OPENING A BREWERY IN LONDON

The Italian Job is a new Pub concept currently based in Chiswick and looking to open in East London. Backed by the highly acclaimed Italian brewery Birrificio del Ducato, the team are on a mission to bring great Italian craft beer to the UK and show the world that there’s more to Italian food than pizza & pasta. Acclaimed as ‘pub of the month’ and awarded 5 stars by Timeout. The Italian Job is led by hospitality veterans.
CROWDFUNDING IS NOT FOR MONEY, BUT FOR MARKETING
Ronnie Garattoni
Senior Manager
r.garattoni@scoutingspa.it

Bibliography:

• REPORT ITALIANO SUL CROWDINVESTING - Politecnico di Milano – Dipartimento di Ingegneria Gestionale -2016
• Massolution Crowdfunding Industry report 2015
• Il Crowdfunding in Italia: tutti i numeri e le piattaforme (aggiornato a gennaio 2017) – Starteed
• Crowd Investment – Il crowdfunding per le imprese innovative – Tommaso D’Onofrio – Edizioni Guerini NEXT