Crowdfunding & Marine Energy

Kirsty Ranger, CEO Ideasquares – Crowdfunding Experts

Ray Alcorn, CEO Exceedence Ltd – Renewable Energy Finance Software
Post your questions in the public chat box. Please note that your questions will be forwarded to the presenter and they will be answered. It is not necessary to post your answer multiple times.
The Marine Energy Alliance

Services to accelerate Marine Energy Innovations

Series of webinars (in development)
Project Summary

About the Marine Energy Alliance

The Marine Energy Alliance (MEA) is a 4 year European Territorial Cooperation project running from May 2018 to May 2022. The project has a total budget of €6 million and is financially supported by Interreg North West Europe, who provides €3.6 million of ERDF funding.

The aim of MEA is to progress the technical and commercial maturity level of early-stage (TRL 3 – 4) marine energy technology companies with the overall goal of reducing the risk of device failure in subsequent demonstration phases.

Via MEA, selected marine energy technology companies are able to receive a suite of tailored expert services that will enable them to realise their ambitions and, more broadly, contribute to the coherent growth of the marine energy industry in general.
OVERVIEW

• What is crowdfunding and what types are there?
• What to expect, what to offer and when?
• How to plan, schedule resource and costs
• When is the right time?
• Real world example – Exceedence and their experience
• Q&A - Moderated by Daphne Linzell, DMEC
“Crowdfunding is a way of raising finance by asking a large number of people each for a small amount of money.” UKCFA
"People invest simply because they believe in the cause."

Reward/donation crowdfunding
Debt Crowdfunding

“Investors receive their money back with interest. Also called Peer-to-Peer (p2p) lending, it allows for the lending of money while bypassing traditional banks.”
Equity Crowdfunding

"People invest in an opportunity in exchange for equity."

Crowdfunding Experts

SEEDRS

crowdcube
savvy navvy

Profile
Google Maps for sailors, making navigation easy, safe and fast, helping everyone enjoy sailing!

London, United Kingdom

Social Media
Facebook  Twitter  LinkedIn

Company number
10919572

Website
www.savvy-navvy.com/

Incorporation date
16 Aug 2017

Investment sought:
£400,001

Equity offered:
17.37%

Valuation (pre-money):
£1,902,516

Highlights
- More than 22,000 registered users, across 100+ countries
- Leisure marine industry is worth €103 billion (2018)
- €20 billion spent on boat accessories and marine equipment
- We expect to exit in a trade sale in 4 to 6 years time

Investment amount:
£616,462

Secondary Market
Seedrs nominee min. £11.00
Direct investment min. £25,000.00
Campaigns are public
Equity Crowdfunding. Where Finance Meets Marketing

Exposure
Community Engagement
Customer Loyalty
Brand Advocates
Future funding
Advisors
New hires
Much of the investment will come from your own network
| Google Maps for sailors, making navigation easy, safe and fast, helping everyone enjoy sailing! | INVESTMENT SOUGHT: £125,000 | EQUITY OFFERED: 9.40% |
|---|---|
| www.savvy-navvy.com/ | VALUATION (PRE-MONEY): £1,204,107 |
| London, United Kingdom | INVESTMENT AMOUNT: £331,484 |

**Fund Status:** FUNDED 4 Mar 2019
You need a lead investor (or 30)
Previous investors
Institutional investors
Friends/Family
Customers
Suppliers
Professional connections
Mentors/Staff
Business groups
Colleagues/Ex Colleagues
Crowdfunding Experts
Some current data

Number of campaigns = 52
Number currently at or over target = c35%
Current raise range = £65k - £1m
Typical raise = c£250k
Average no of investors = 215
Crowdfunding takes time and effort
14 weeks @ 15 hours per week

Investor materials
Writing the campaign
Platform due diligence
Warming up your own crowd
Planning and launching a marketing strategy
Filming a video
Investor meetings
Answering emails and questions
Investors expect returns
E-car club, acquired by Europcar
Camden Town Brewery, acquired by AB inBev
Wool & The Gang, acquired by BlueGem Capital Partners
Brewdog offered shareholders the opportunity to sell shares at an increased price in latest funding round
Bidstack now listed on AIM - investors made a (5x return)
Revolut offered ROI to crowd investors through secondary offerings (19x return)
Traction helps
At least prototype / MVP
Ideally trading with happy customers
Good social media presence (both business and personal!)
There are costs involved
Time (15 hours p/w)
Videography (£1500-£7000)
Platform fees (5-7%)
Consultancy fees (2%)
When is crowdfunding right for your business?
Have you decided exactly what you’re raising investment to achieve?

Would you present this opportunity to individual investors?

Do you have possible lead investors in your network already?

Would your brand benefit from the significant exposure that crowdfunding brings?

Do you have a community to engage?

Have you already begun to engage that community?

Would your brand benefit from increased customer loyalty?

Do you understand that equity crowdfunding is no easier than other methods of fundraising?

Are you prepared to spend a significant amount of time getting this right?

Can you afford the cost of raising capital in this way?
5 reasons Non-UK Companies should apply for SEIS and EIS

1. **Close Alignment**: Eg Irish and UK companies have a similar private limited company structure, as well as similar company law and regulation.

2. **Attractive Tax Benefits**: Qualified UK investors will benefit from 50% (for SEIS) and 30% (for EIS) tax relief. Plus 100% Capital Gains Tax relief + more.

3. **Qualifying company**: Holding companies incorporated in Ireland can avail of SEIS/EIS if it meets the permanent establishment condition and filter investment own to a qualifying subsidiary (see link below for more detail).

4. **No UK Subsidiary Needed**: Foreign companies do not need to set up a subsidiary in the UK to qualify (see link below for more detail).

5. **Quick Turnaround**: The application for opening a UK branch only takes a maximum of circa 45 days.

[https://www.sapphirecapitalpartners.co.uk/entrepreneurs-guide-to-seis-and-eis-for-foreign-companies?hsCtaTracking=9d338647-dd99-4a19-b6ab-33822fc9f051%7C230dc786-d76b-4c41-91bd-0f55ea11945c](https://www.sapphirecapitalpartners.co.uk/entrepreneurs-guide-to-seis-and-eis-for-foreign-companies?hsCtaTracking=9d338647-dd99-4a19-b6ab-33822fc9f051%7C230dc786-d76b-4c41-91bd-0f55ea11945c)
EXCEEDENCE

Ray Alcorn
CEO Exceedence
ray.alcorn@exceedence.com
• Techno Financial digital twin support software and consultancy services for renewable energy technology and projects
• On/Offshore Wind, Floating Wind, Wave & Tidal
• MEA Service Partner
• Closed Equity crowdfunding round of ~ €300k In September 2018
Crowdfunding Models

- Donation
- Reward
- Equity
- Peer 2 Peer Lending
WELLO - THE POWER OF WAVES

Wello - Harnessing energy from waves

Nova is a world leading tidal energy company; transforming the power of our seas into clean electricity.

Edinburgh, United Kingdom

www.novainnovation.com

NOVA INNOVATION

INVESTMENT
Sought: £500,011

EQUITY
Offered: 1.74%

INVESTMENT
AMOUNT: £1,202,252

VALUATION
(Pre-Money): £28,243,934

Seabased: Cost-competitive renewable wave energy

Seabased

INVESTMENT
Sought: 5,000,000 SEK

Target: 5,000,000 SEK

Equity offered 3.35 - 4.01%

Investment so far: 7,287,000 SEK

Investments so far: 34

Atlantis Ocean Energy

Funded: £4.3M
Business growth, Green energy

WITT ENERGY

Target: £750,000

Equity on offer: 19.50%

Investors so far: 1587

Last investment: 2 years ago

Largest: £15,000,000

Orbital Marine Power (Orkney)

12% a year
2 yr 6 mths
1 yr 3 mths
Irish tech company VStream takes less than a second to raise €100,000

UCC Spin-out Exceedence also turns to crowdfunding to raise funds
THE PHASES

Initial Engagement & Acceptance
- Alignment with a platform
- Contract

Pitch Drafting
- Preparation of ALL Assets
- Video
- Support documents

Due Diligence
- Legal, financial, technical, staff, 3rd Party proof, FCA

Private Live
- Engage own crowd MINIMUM 20%
- Mail, events, press, social media, website
- Updates

Public Live
- Q&A, doc requests
- Press
- Events, Webinars
- UPDATES
- UPDATES
- UPDATES
- FULL ON DIGITAL MARKETING

Close
- Cool Off
- Collection & Issue
- Pay fees
- Engage

www.crowdcube.com/exceedence
THINGS YOU MAY NEED

- ISQ
- Journolink
- MailChimp
- Vimeo
- Angel Investment Network
- YouTube
- LinkedIn
- Facebook Ads
- Twitter
KEY MESSAGES

• Due Diligence is in Advance
• You are starting a digital marketing campaign – even if you don’t know it
• You NEED your crowd too
• Put a budget in place
• Put time AND resources in place during the campaign
• Do as much prep in advance as possible
• Be consistent right across all platforms – Targeted messages to each sector
• If you raise in UK, Raise your profile and get EIS registered
• Involve the team
WHY DID WE DO IT

• We went for a nominee structure
• Customers and Clients became investors
• Several of larger investors are key channel partners or have industry knowledge
• Majority of investors have connection to renewables/finance
• Much easier entry into the UK as we now have presence
• Global network of ambassadors and evangelists
Your investor demographics

If you are running advertising campaigns for your raise, build more targeted audiences by using this anonymised demographic data of your investors. Please note that age information is recorded at the point of investment to preserve accuracy.

**Age breakdown**

- 18 - 30: 28%
- 31 - 40: 32%
- 41 - 50: 20%
- 51 - 60: 10%
- 61 - 70: 4%
- 71+: 2%

**Gender breakdown**

- Male: 86%
- Female: 12%
- Other: 2%
- Prefer not to say: 4%
Some of our Blogs


Other Blogs
