

The evolution and adoption of equity crowdfunding: Entrepreneur and investor entry into a new market

Small Business Economics

Saul Estrin

London School of Economics, UK

s.estrin@lse.ac.uk

Daniel Gozman

University of Sydney and Henley Business School, University of Reading, UK

Susanna Khavul

Lucas College and Graduate School of Business, San Jose State University, US and London School of Economics, UK

Appendix A: Data and evidence about UK Equity Crowdfunding

Table A.1. Description of the UK Equity Crowdfunding Sector

Name	Active	Industry Focus	Global Launch	UK Operations Launch	Equity Operations Launch	Projects Funded	Total Equity Raised (£M)	Total Monies Raised (£M)	Registered Users	Avg. No. Investors per Funded Project	Average Funding Round Size (£)	Average Investment Size (£)	Secondary Market	International Operations
AngelList	Y	General	2010	2015	2015	6	1,44	1.44			240,000		N	UK
Angels Den	Y	General	2013	2013	2013	60*	11*	19.8	13.000*		190,000*	20.000*	N	Mexico
Crowdcube	Y	General	2011	2011		531	315	315	405.233	238	642,000	1,789	N	
Funding Tree	N	General	2014	2014		3		1			350,000		N	
Invesdor	Y	General	2012	2016	2016	5		0.58			116,200		N	United Kingdom, Denmark, Norway
Property Moose	Y	Real Estate	2014	2014		90	10,3	10.3	23.300		114,000		Y	
Property Partner	Y	Real Estate	2014	2014	2014	300	43,0	43.0	9.000		143,000		Y	
Seedrs	Y	General	2012	2012	2012	375	171*	171*		203°		1,902°	Y	Portugal, USA, Netherlands, Germany
Trillion Fund	N	Renewables	2015	2015		100		4			40,000		N	
Venture Founders Syndicate	Y	General	2014	2014	2014	22	42.6	42.6		42,0	1,936,000	46,095	N	
Room	Y	General	2013	2013	2013	100	86.3	86.3			860,000	15,000	N	
Crowd for Angels	Y	General	2012	2012									N	
Eureeca	Y	General	2013	2015	2015				14.100				N	UK, Malaysia, Netherlands

Notes: Industry Focus: (2017) Focus on particular industry projects. Global Launch: Year operations were launched in country of origin (not company foundation). UK Operations launch: Year operations were launched in the UK (not company foundation). Equity Operations Launch: Year UK equity crowdfunding operations were launched. Projects Funded: Number of projects that succeed in completing funding round (since launch). Total Equity Raised (£M): Total Equity raised for projects (since launch). Total Monies Raised (£M): Total Funding raised for projects (since launch). Includes forms other than equity. For only-equity platforms this is assumed to be equal with total equity raised. Registered Users: Number of registered users on the platform. Avg. No. Investors per Funded Project: Average number of investors funding projects that successfully completed funding round (since launch). Average Funding Round Size (£): Average total amount (all kind of funding) requested by projects allowed to pitch on the platform (since launch). Average Investment Size (£): Average amount invested by single investor in funding round (all kind of funding, since launch). Secondary Market: Presence of a platform integrated secondary market for investments (Y/N). International Operations: Countries where the platform has established crowdfunding operations (other than country of origin).

Table A.2. Number of Pitches by Sector

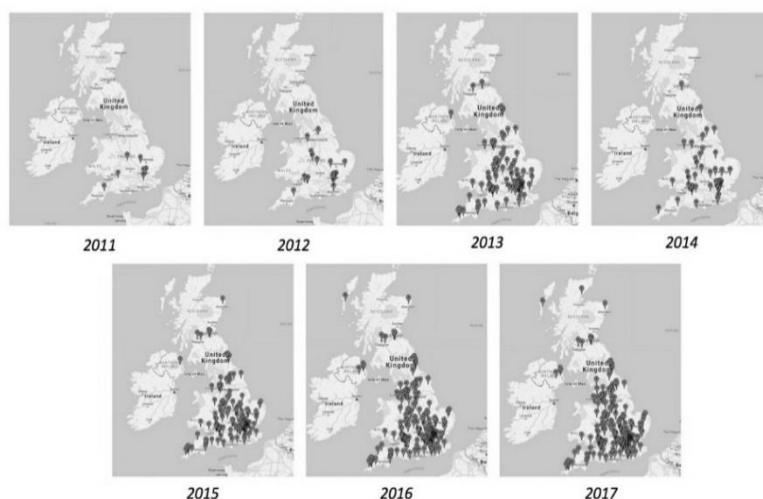
Year	Primary	Secondary	Tertiary	Total
2011	0	2	8	10
2012	0	7	24	31
2013	9	22	67	98
2014	3	64	161	228
2015	3	91	229	323
2016	1	87	187	275
2017*	0	36	44	80
Total	16	309	720	1045

*2017 data covers first five months for Crowdcube, first quarter for Seedrs and first two quarters for Syndicate Room.

Table A.3. Proportion of Pitches Belonging to Now Failed Companies

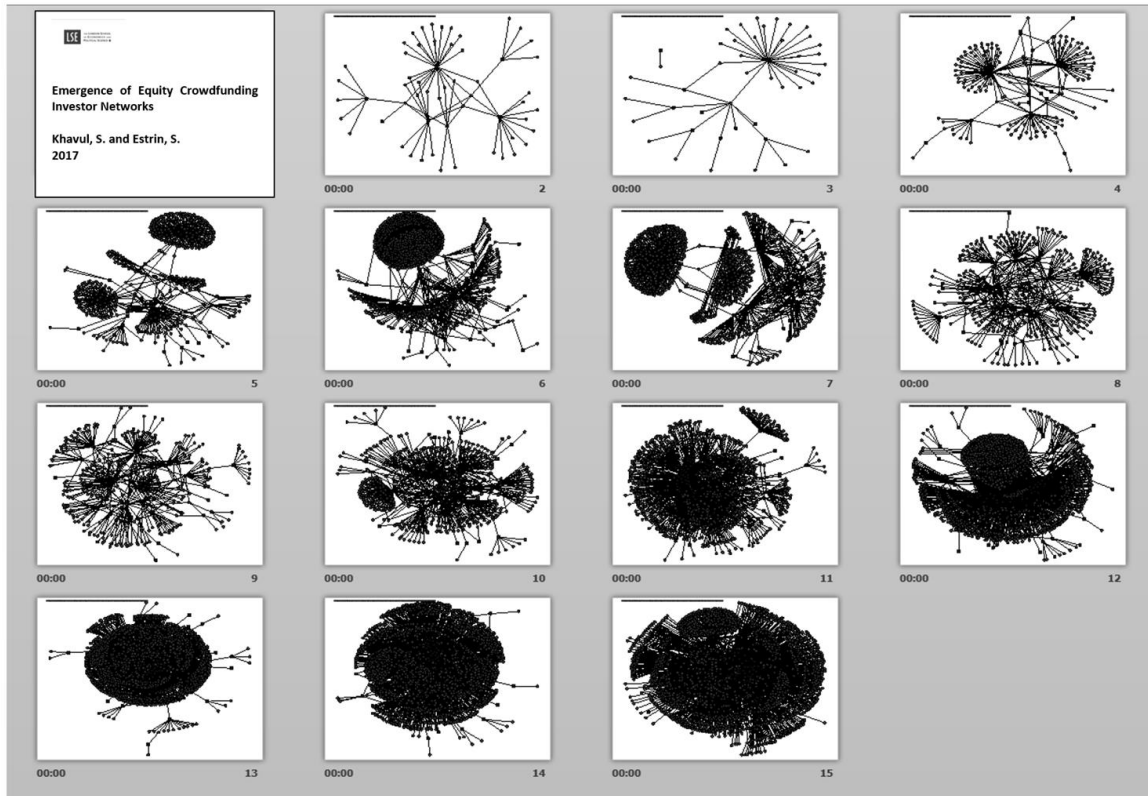
Year of funding	Proportion of Failures
2011	40%
2012	32%
2013	29%
2014	11%
2015	4%
2016	1%
2017	0%
Total	8%

Fig.A.1 Geographical deepening of Equity Crowdfunding Network in the UK



Source: Estrin, S., Gozman, D., and Khavul, S. (2017). The evolution and adoption of equity crowdfunding: Entrepreneur and investor entry into a new market. *Small Business Economics*, forthcoming.

Figure A2: Deepening of equity crowdfunding social networks



▲ Source: Khavul, S. and Estrin, S. (2017). Emergence of Equity Crowdfunding Investor Networks. Copyright: Khavul and Estrin 2017.