

OurCrowd

Crowdfunding platform

OurCrowd is a leading global equity crowdfunding platform which delivers co-investment opportunities in early stage technology companies to its accredited community of investors. The Israeli-headquartered group has more than 20,000 accredited investors in its network from over 110 countries who have collectively invested A\$650m in 120 portfolio companies .

Background

OurCrowd was founded in 2013 by its CEO Jon Medved, one of Israel's leading venture capitalists. The company has since expanded, with over 100 employees in eight branches across Israel, North America, Asia and Australia. OurCrowd has successfully exited 10 investments including two IPOs since inception and has funded companies in Israel, the US, India, Canada, UK, Australia and New Zealand. OurCrowd co-invests alongside other top tier venture capital firms and multinationals such as Sequoia Capital, Accel Partners, Andreessen Horowitz, Khosla Ventures, Microsoft, GE, Samsung, Honda and Shell.

Business model and strategy

OurCrowd is a leading global technology investment platform, providing its investors access to investment opportunities in some of most exciting startups globally. OurCrowd conducts in-depth due diligence, rigorously selects a handful of investment opportunities, invests its own capital off balance sheet, and presents the opportunities to its accredited network of global investors to invest alongside the firm. The group has attracted several global corporations as partners including NAB, UOB, GE, Honda, Citic, Shanghai Commercial and Savings Bank and Motorola. OurCrowd also closely monitors and assists its portfolio companies through ongoing board involvement and activating its broad base of limited partners and venture partners to provide mentoring and support. The minimum investment through OurCrowd's platform is US\$10,000. OurCrowd operates a traditional '2 and 20' model with a twist, charging a 2% management fee on invested capital for only four years. A 20% performance fee is taken on capital gains up to 5x of the initial investment and 25% is taken for exits above 5x.

Market size

Venture capital investment peaked at US\$140.6b in 2015 but has more than doubled since 2013. KPMG's quarterly Venture Pulse report found that despite a 55% jump in venture capital investment in Q2 2017 over Q1 2017, the US\$40b invested globally in Q2 was 14.2% lower than the US\$46.7b invested in Q2 2016. Israeli venture capital investment has continued to defy global trends, with consistent year-on-year growth since 2012. 2016 was a record year with US\$4.8b invested, with Israel retaining its place as the country with the highest venture capital spend and highest concentration of startups per capita.

Share details

Investment to date	US\$112.5M
Number of shareholders	~12

Market size

KPMG estimates that the global venture capital market generated US\$127.4b in 13,665 deals in 2016. This is off the peak of US\$140.6b and 17,992 deals in 2015 but double the VC investment in 2013.

Upside Case

- Strong investor/angel network
- Partnered with major corporations
- Successful exits from several investments

Downside Case

- Highly competitive space
- Dependent on equity markets appetite for early stage companies
- Deal volume trending down

Company contacts

Dan Bennett +61 405 485 489
Partner and Managing dan.bennett@ourcrowd.com
Director, Australia and
Asia Pacific
www.ourcrowd.com

APP Securities contacts

Nick Dacres- +61 411 238 535
Mannings nick.dm@appsecurities.com.au
Lincoln Liu +61 431 382 850
lincoln.liu@appsecurities.com.au

RaaS Advisory contacts

Finola Burke +61 414 354 712
finola.burke@raasgroup.com
Moirra Daw +61 418 697 275
moira.daw@raasgroup.com

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