

Front Fundr

Investment Crowdfunding | Vancouver, BC | Founded: 2013 | Employees: 18 | https://www.frontfundr.com/PHONE:1 800-804-1524BLOOMBERG:https://www.frontfundr.com/LINKEDIN:https://www.linkedin.com/company/frontfundr

COMPANY OVERVIEW

FrontFundr is an investment crowdfunding platform based in Vancouver, British Columbia that provides an online venture capital marketplace. FrontFundr connects businesses, who are looking to raise capital, with retail investors, who looking to make investments in companies ranging from startups to public companies. FrontFundr has over 10,000 community members and has raised over \$30 million dollars through 28 companies on its platform.¹

SENIOR MANAGEMENT

Peter-Paul Van Hoeken: Founder and CEO (2013-Present). Previously: Managing Director, ZING Capital Corp (2011-2013); Vice President Global Network Banking, Royal Bank of Scotland (2008-2010); Director, ABN AMRO (2003-2008); Management Consultant, Van Spaendonck Management Consultants (1997-2002). Education: M.Sc., Economics and Finance, Erasmus University Rotterdam.

Anthony Couture: Chief Compliance Officer (2017-Present). Previously: Institutional Sales and Research Analyst, BlackOre Research (2013-2016); Founder, Cinatel Media & Communications Inc. (2006-2013). Education: MFA, Film Studies, University of British Columbia; BFA, Film & English, University of British Columbia.

<u>Sean Burke</u>: Co-Founder and COO (2015-2018). Currently: VP of Operations, Pixel Union Design (2018-Present). Previously: Accountant, PricewaterhouseCoopers (2009-2015). Education: BBA, Accounting, Simon Fraser University.

Mitchell Nagy: Investment Analyst (2018-Present). Education: HBA, Ivey Business School.

HISTORY

After working at ABN AMRO and Royal Bank of Scotland in the Netherlands, Peter-Paul Van Hoeken moved to Canada and saw that small start-ups were having trouble raising equity and that small investors were locked out of the private markets. In 2013 he created Silver Maple Ventures, with the intention of bridging the gap between the two underserved parties and became registered as an exempt market dealer to legally distribute investment securities. In May 2015, Silver Maple Ventures launched its technology platform, FrontFundr.com to the public and the company now operates under the name FrontFundr.²

FUNDING

In order to raise capital for the launch of FrontFundr, Silver Maple Ventures sold a 29% stake in the company to 360 Capital Financial Services Group in August 2014.³ The company has since crowdfunded equity twice on its own platform, raising \$650 thousand in December 2016⁴ and \$750 thousand in April 2018.⁵

KEY CORPORATE DEVELOPMENTS

Press releases: <u>https://www.frontfundr.com/Blog</u>

¹<u>https://www.frontfundr.com/</u>

² https://www.frontfundr.com/en/BlogPost/frontfundr-launch-press-release

³ https://www.accesswire.com/418729/360-Capital-Financial-Services-Group-Signs-Letter-of-Intent-to-Acquire-Initial-29-Stake-in-Exempt-Market-Dealer-Silver-Maple-Ventures-Inc

⁴ http://www.bctechnology.com/news/2016/12/28/Vancouver-based-FrontFundr-Raises-650K-Financing-on-Its-Own-Equity-Crowdfunding-Platform.cfm

⁵ <u>https://www.frontfundr.com/BlogPost/only-12-hours-left-for-you-to-invest</u>



Jun 14, 2018:Frontfundr hosts campaign for first private placement of a public company, New PointExplorationSep 11, 2018:Frontfundr announces opening of third office in Toronto, Ontario

BUSINESS HIGHLIGHTS

STRATEGY

FrontFundr leverages technology to target two underserved parties:

- **Investors** FrontFundr's platform allows investors to invest in capital raises for a variety of companies, including private companies, which is traditionally an asset class unavailable to non-accredited investors.
- **Companies** FrontFundr allows companies to raise capital quickly and easily from a wide pool of investors, and provides them with services to assist with compliance, governance and marketing.

PRODUCTS / PRICING

- Securities Facilitation: FrontFundr is a registered securities dealer in eight provinces and is able to support companies with various types of fundraising, including: equity, debt, convertible notes and SAFE's. Businesses can raise as little as \$25,000 and investors can invest \$1,500-\$2,500 depending on the province. FrontFundr is a zero-cost product for investors and charges no investing, administration or legal fees.⁶ The companies who are fundraising must pay a listing and due diligence fee up front, which starts at \$4,000 and must also pay a trade fee starting at 6% cash and warrants upon successful closing of the raise.⁷
- **Campaign Marketplace:** Investors are able to view live and previously funded campaigns on the FrontFundr website and have access to information about the company, including: fundraising terms, business overview and strategy, team information, company updates, current investors and any documents the company provides such as an investor presentation or financial statements.
- **Due Diligence:** FrontFundr assigns a Campaign Coach to each company for the entirety of its fundraising campaign to assist with due diligence of corporate, financial, management and other supporting information to ensure a fair valuation is established for both the company and investors.
- **Prepared Documents:** FrontFundr prepares and distributes all legal and investment documents, including: Subscription Agreements, Voting Trust Agreements, Directors Resolution, Share Certificates, and Report of Exempt Distribution. All the documents can be signed electronically in order to speed up the process.

TECHNOLOGY

FrontFundr leverages technology that enables it to process and distribute documents electronically to speed up the processes of investing. FrontFundr uses a third-party verification service, Trulioo to verify investor identities.⁸

DISTRIBUTION / LOGISTICS

FrontFundr serves a community of over 10,000 investors and has funded 28 campaigns, with five current campaigns on its website.⁹ The legal entity, Silver Maple Ventures, is registered as an exempt market dealer in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick and Nova Scotia.

MARKETING

FrontFundr provides companies with guidance and tools to create investment pitches and marketing materials for their campaign. Existing FrontFundr community members are able to see live campaigns on the website but the companies fundraising are responsible for directing additional traffic and users to the website to increase funding.

COMPETITORS

There are several technology companies in North America who have launched investment crowdfunding platforms as an alternative financing solution to venture capital firms and traditional public offerings, for example:

⁶ <u>https://www.frontfundr.com/en/InvestorHowItWorks</u>

⁷ https://www.frontfundr.com/EntrepreneurSupport

⁸ https://www.trulioo.com/blog/frontfundr-investing-for-everyone/

⁹ https://www.frontfundr.com/Campaign



- 1. <u>Indiegogo</u> (San Francisco, USA) Indigogo is a leading international crowdfunding platform. They partnered with Microventures to provide a platform for public investors to invest in startups and token sales.
- 2. <u>Vested</u> (Vancouver, BC) Vested is a crowdfunding platform that connects Canadian businesses and investors, focusing on equity issuances and startup companies.