

pledgeme.equity

Invest in NZ's Next
Generation of
Companies



Equity Crowdfunding

Introducing PledgeMe Equity



October 2014

What is equity crowdfunding?

PledgeMe's equity crowdfunding platform enables companies to harness the power of their crowd to raise money. The idea is just like traditional crowdfunding, but you can offer shares in exchange for pledges. Your crowd becomes shareholders and champions for your company.

This is a new way for businesses to raise investment in New Zealand. Recent changes in regulations allow PledgeMe, a provider licensed by the Financial Markets Authority, to host campaigns on our platform.

**Your crowd
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company.**

Running an equity crowdfunding campaign enables you to ask your crowd to invest in your company. That's friends and family as well as your existing customers, and anyone who is looking to invest in the next generation of New Zealand business. You can raise up to \$2 million total in a 12 month period, which means you could do more than one round in a year as long as it's under the cap.

How does it work?

Just like traditional project crowdfunding, you create a campaign on PledgeMe. This includes a brief pitch, your business plan, your financials and a video.

Your campaign shows your crowd your company and explains why they should invest. You will need to outline why you need money, and how it will help grow your business. You set a minimum and maximum investment goal, a deadline, and once everything is ready we'll review your request and complete the required checks.

Once the campaign is live you'll need to go out to your crowd and get them buzzing about the opportunity to invest. You'll have a list of 50 people you've talked to personally, and now you'll need to

get them investing. The more momentum you build early on with your campaign the more likely it will spread.

If you meet your target within the deadline the people who pledged will become shareholders in your company, and you'll receive their investment. It's important to remember that you have an ongoing responsibility to these shareholders.

What does PledgeMe do?

PledgeMe is here to help. We're pretty good at it too, having already helped hundreds of projects raise millions of dollars in New Zealand. So other than the basics of operating the platform and hosting campaigns, we assist in planning and provide advice on effective pitches, videos, and anything else you need to make your campaign awesome.

We are regulated by the Financial Markets Authority and we have a duty in our licence to understand your offer and understand your background.

Businesses of all sizes need capital and we can help you present your campaign transparently to your potential investors.

Is an equity campaign right for you?

That is the question! Going to your crowd for investment has advantages and disadvantages. While crowdfunding enables a new level of openness and transparency and opens your

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doors to investors, you need to think about what it means to sell part of your company.

During your campaign, you need to clearly communicate the rationale behind your valuation and are required to comply with 'fair dealing'. In short, clearly representing the facts & opportunities for your company.

Investment brings new responsibilities. Your crowd will become full investors and own a stake in your company. You will need to keep them informed, but this is an opportunity as well as a chore. They will also have the power to vote and have rights outlined by the Companies Act.

Some important things to think about:

- **How much funding do you need?** What are your growth plans, and how much funding do you need to take that next step?
- **What is your valuation?**
- **What sized equity stake are you going to sell?** How much of your company will you need to sell?
- **Who is your crowd?** Write down 50 people you will talk to now (family, friends, customers) and start talking. You need to know who within your networks will pledge before you can expect anyone outside your networks to start.
- **How are you going to engage your shareholders in the future?** Our Shareholder Page will help with this.

What do you need?

Before you start an equity crowdfunding campaign with PledgeMe you'll need to have some information ready to go.

- A draft pitch, including a description of your company, team, what you'll use the growth funding for, and your future plans as well as some images of your team/product/service.
- Your current financials, and forecasts (as a pdf).
- A draft business plan to attach (as a pdf).
- Your valuation (and an explanation of your method).
- Your minimum and maximum funding goals.

We can help you decide if the process is right for you. Get in touch with our team on contact@pledgeme.co.nz to set up a time to talk through equity crowdfunding, or start your campaign [here](#).

Getting your campaign ready

	Campaign Creator	PledgeMe	Time
1	Start working on request, including: <ul style="list-style-type: none">• Business plan• Current financials• Forecasts• Valuation• Min/max goals Should also be talking to crowd at this stage to see if they're interested.	Provide support/feedback during creation.	Up to creator
2	Submit request.	Complete background checks.	2 – 3 work days
3	Finalise campaign, including: <ul style="list-style-type: none">• Adding video• Adding imagery• Editing pitch• Adopting new constitution (if required) At this point you should be preparing your crowd for the launch as well.	Help with the pitch, provide feedback, and talk campaign creator through the comms plan (including how to talk to your crowd, updates, coordinating press releases etc).	Up to creator
4	Submit final campaign.	Final check that all the info is there and publish.	1 work day

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