



# Future of Finance

*Alternative Finance trends and main obstacles for growth*

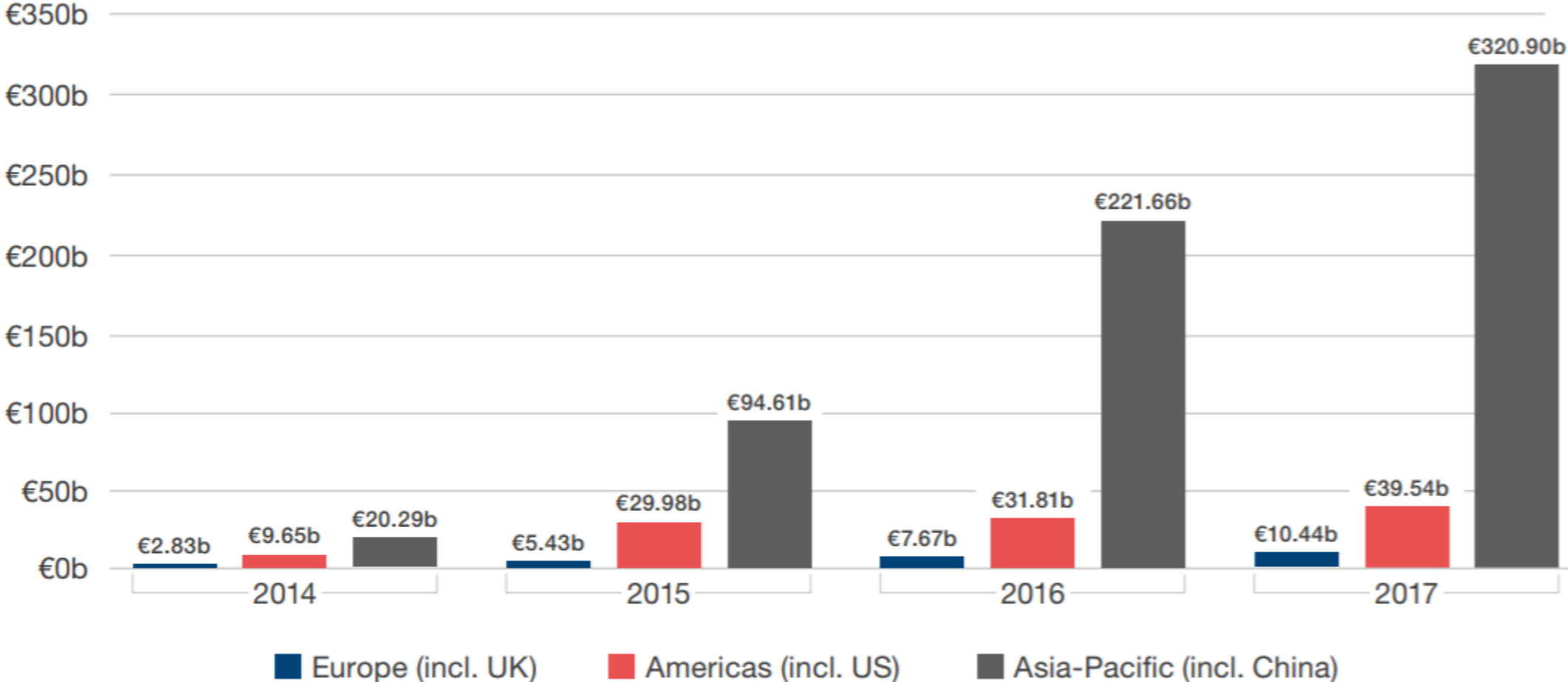


## Ronald Kleverlaan

Director *European Centre for Alternative Finance* Utrecht University

[ronald@kleverlaan.com](mailto:ronald@kleverlaan.com) || @kleverlaan || <http://www.uu.nl/ecaf>

# Global market Alternative Finance - USA (10%) China (87%)

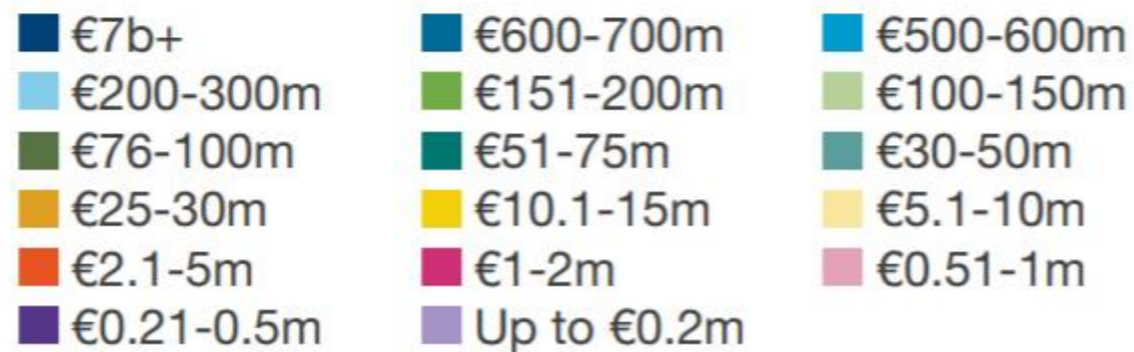


Source: 4th EU Alternative Finance Industry Report (2019), Cambridge Centre for Alternative Finance

# Alternative Finance in Europe €10 billion (2017)

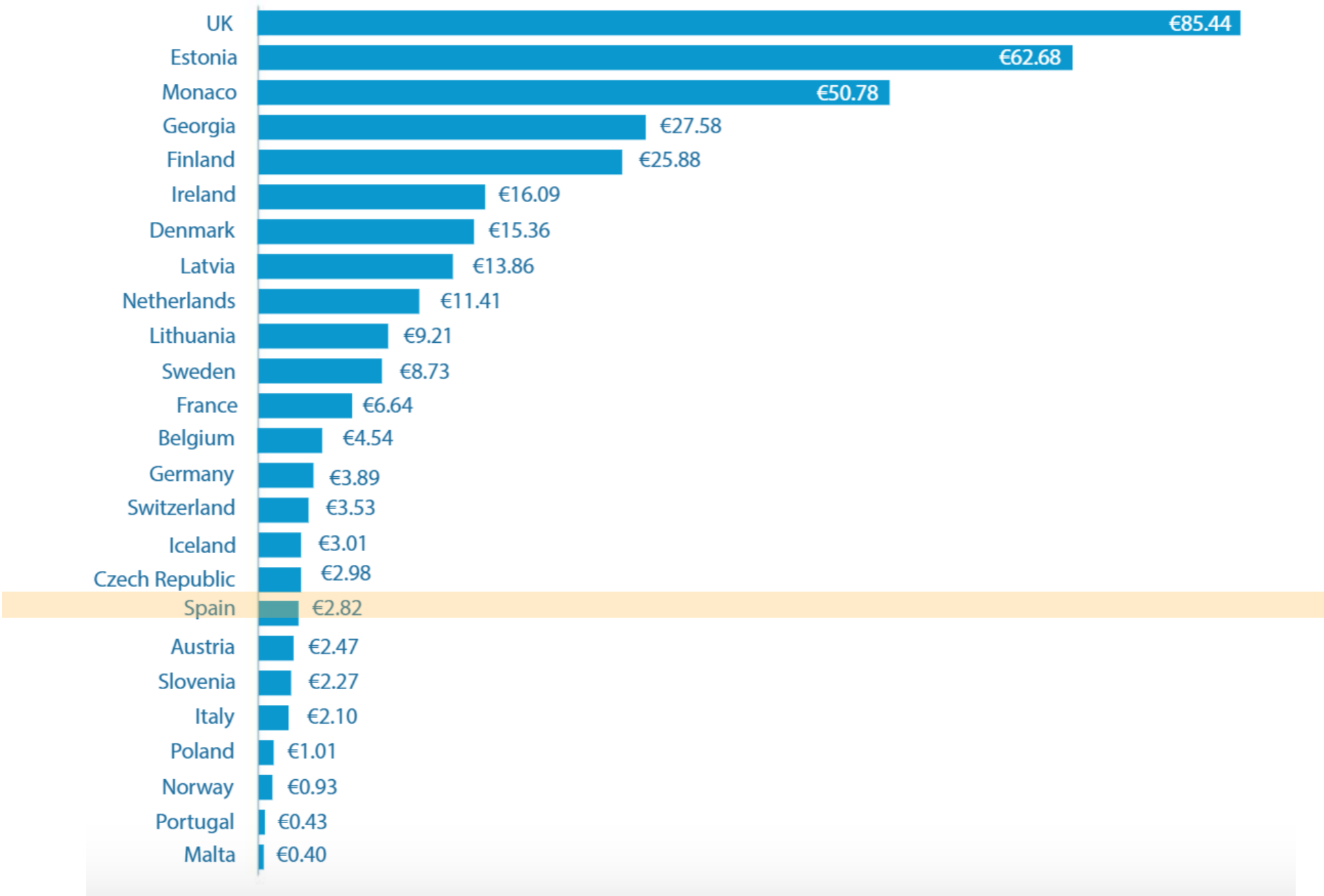


## Total volume in €m



Source: 4th EU Alternative Finance Industry Report (2019), Cambridge Centre for Alternative Finance

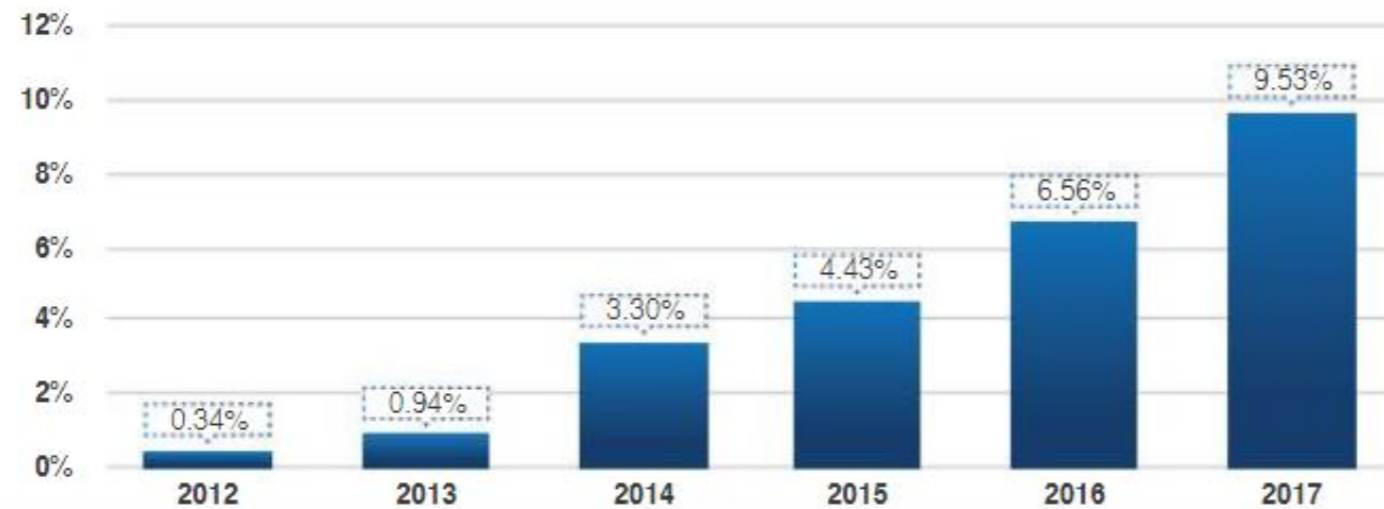
# Market volume per capita



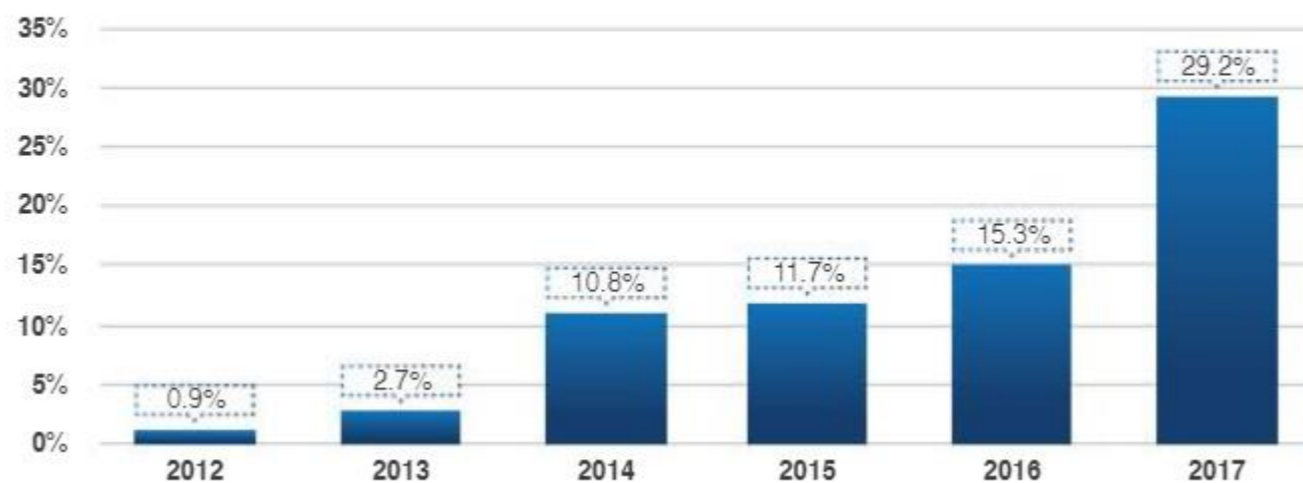
Source: Expanding Horizons, The 3rd European Alternative Finance Industry Report (2016), Cambridge Centre for Alternative Finance

# 29% of financing for small SMEs by AltFin (UK)

**P2P Business Lending as a proportion of Total New Loans to SMEs by banks in 2012-2017**



**P2P Business Lending as a percentage of New Loans to Small Businesses in the UK**



Source: 5th UK Alternative Finance Industry Report (2017), Cambridge Centre for Alternative Finance

# Alternative Finance

*20+ different new financing solutions and 100s of providers*

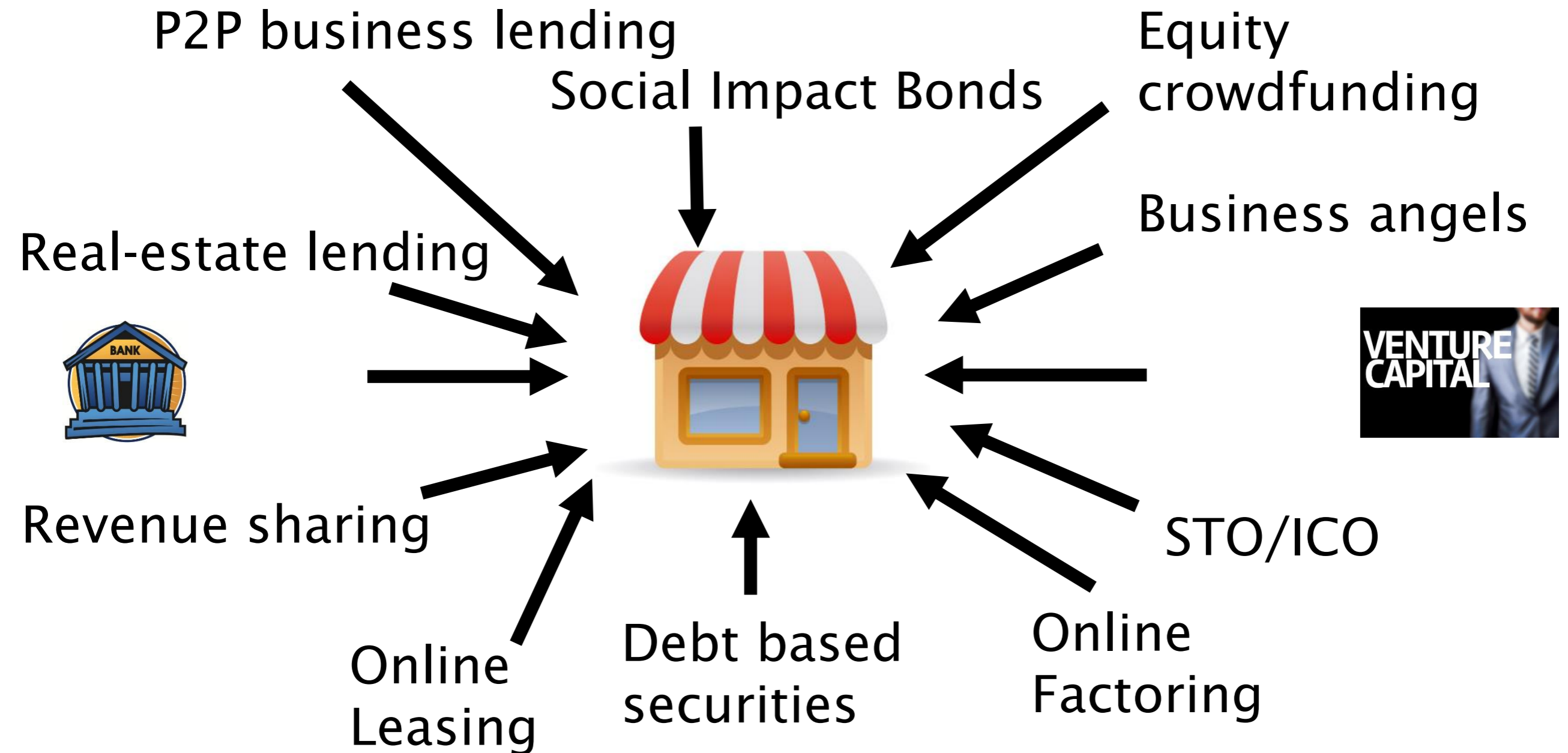


# Traditional Finance

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# Alternative Finance







## P2P/Marketplace business lending



42,000 UK businesses have financed their goals by borrowing **£4.2 billion** through Funding Circle.

**£4.2 billion**

Lent to businesses



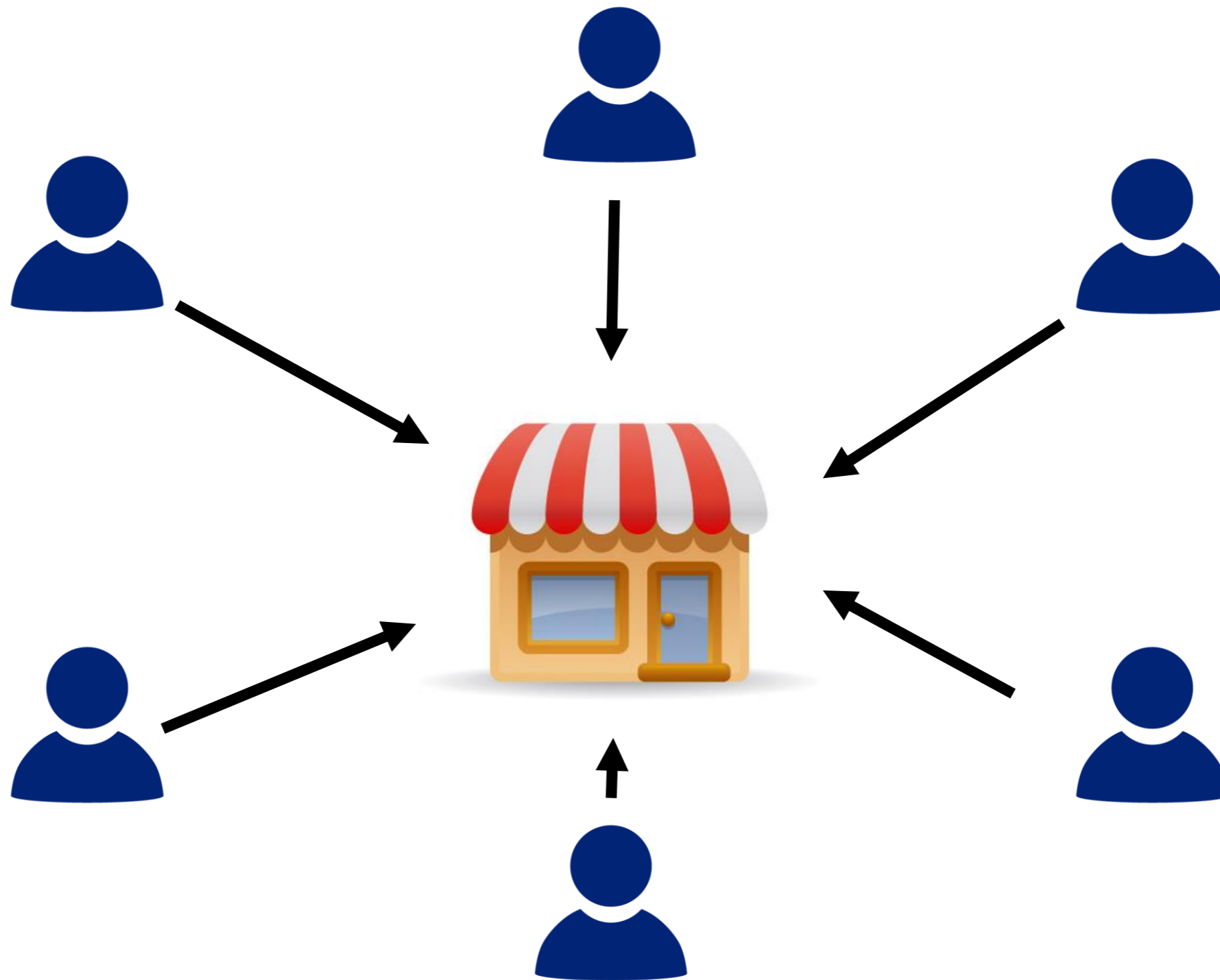
**“The funding enabled us to hugely expand the size of our business.”**

— Celia Gay at Newton Farm Foods grew her farm food shop and opened a new cafe after borrowing £60,000.

Let us know your thoughts

**Funding Circle**

**£4,2 billion – 42.000 companies**



# Crowdfunding

*Community of investors*



## **Crowdfunding = Community Funding**

*An involved community providing more than money*



**Brewdog – Equity Crowdfunding**  
*£25 million in equity - 42,000 investors – 5 rounds*



- 2016 - £7 million (VC) + £1 million (Crowd)
- 2017 - £22 million (VC) + £2,5 million (Crowd)
- 2018 - £85 million (VC) + £20 million (Crowd)  
*(valuation 40x higher than 2016)*

## Monzo

### *Crowd & VC co-investment*

# The Future

NEXT EXIT



# Future of crowdfunding

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Bigger/traditional companies using crowdfunding

Fragmented financial landscape with specialized financial suppliers

Co-funding and multiple funding rounds

New independent “trusted advisors” support companies

Citizens and government will work together on societal challenges



An aerial photograph of Frankfurt, Germany, showing a mix of historic and modern architecture. On the left, a large, yellow stone church tower with a dome and two clock faces is prominent. The background is dominated by a dense cluster of modern skyscrapers, including the Commerzbank Tower. In the foreground, a busy square with many pedestrians and cars is visible. A semi-transparent white rectangular box is overlaid in the center of the image, containing the text.

**Not just for start-ups  
and small companies**

**PHILIPS**

**PicoPix Max**



INDEMAND

## Philips PicoPix Max - 1080p Full HD Pico Projector

The smart & fully wireless native Full HD projector with ultra-vivid picture made for use anywhere.



Philips Projection

1 Campaign | Tolochenaz, Switzerland

**€5.997.277** EUR by 13.252 backers

€5.528.036 EUR by 12.409 backers on Oct 15, 2019

♡ FOLLOW



# Philips

*€6 million for new product introduction*



**BD Bacata (Colombia)**  
*\$150 million by 3.000 retail investors*

An aerial photograph of Frankfurt, Germany, showing a mix of modern skyscrapers and historic architecture. The skyline is dominated by the Commerzbank Tower and other high-rise buildings. In the foreground, a large, busy city square is filled with pedestrians and vehicles. A prominent yellow building with a clock tower is visible on the left. The sky is overcast with grey clouds.

# Multiple funding rounds



## **Pebble watch**

*\$10,3 million by 68,929 backers*

\$12,8M



## Pebble 2, Time 2 + All-New Pebble Core

Two affordable, heart rate-enabled smartwatches and a hackable, 3G wearable for phone-free running with GPS, music, and Amazon Alexa.



by Pebble Technology and 66,673 backers

\$20,3M



## Pebble Time - Awesome Smartwatch, No Compromises

Color e-paper smartwatch with up to 7 days of battery and a new timeline interface that highlights what's important in your day.



by Pebble Technology and 78,471 backers

\$10,3M



## Pebble: E-Paper Watch for iPhone and Android

Pebble is a customizable watch. Download new watchfaces, use sports and fitness apps, get notifications from your phone.



by Pebble Technology and 68,929 backers

An aerial view of a city square, likely in Frankfurt, Germany. On the left, a large, historic church with a prominent tower and clock faces is visible. The square is filled with people walking and some parked cars. In the background, a dense skyline of modern skyscrapers rises against a cloudy sky. A semi-transparent white box is overlaid on the center of the image, containing text.

# **Societal challenges:**

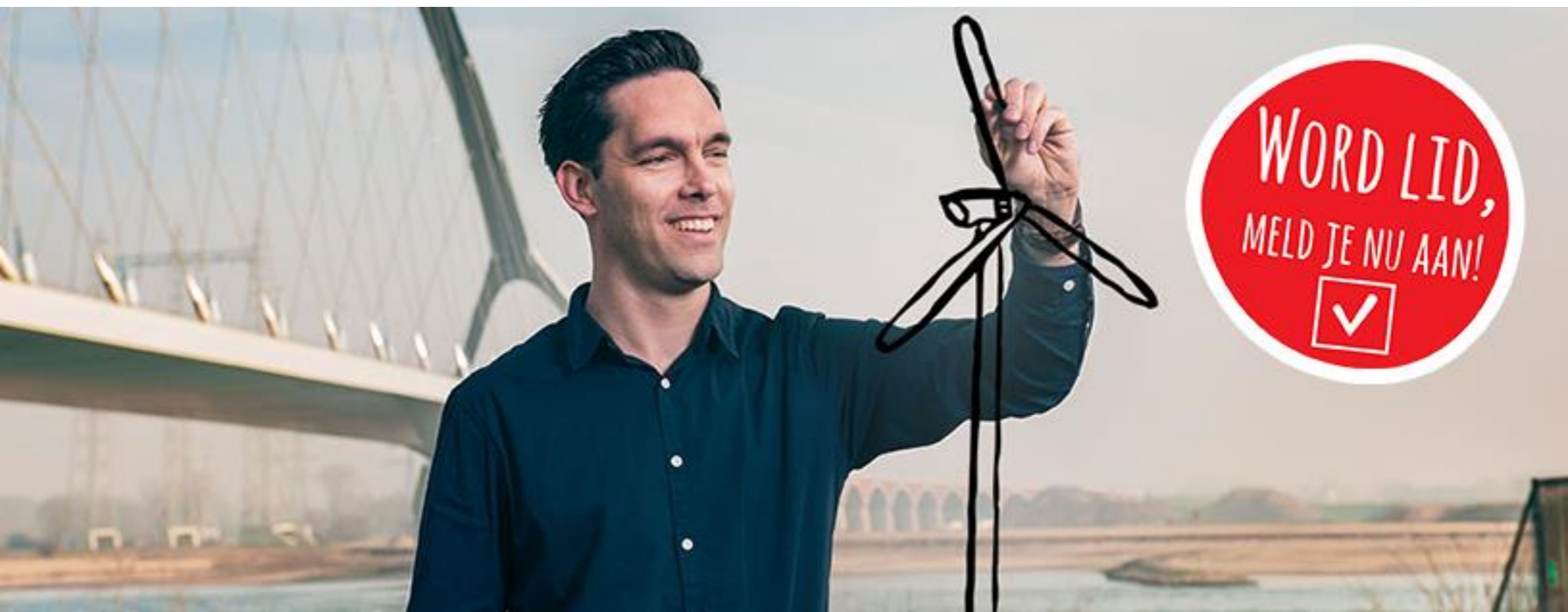
- **Energy transition**
- **Local food production**
- **Social housing**
- **Cleaner and greener cities**



## **Energy Transition**

*Challenges: NIMBY, high-risk pre-financing, profits external partners*





**Windfarm Nijmegen-Betuwe**  
*1.076 local investors for € 18,5 million windfarm*



£2.4M



**European Union**  
European Regional  
Development Fund  
Investing in your future

£10,6M



**United Downs**  
**£5,2 million crowd investment**



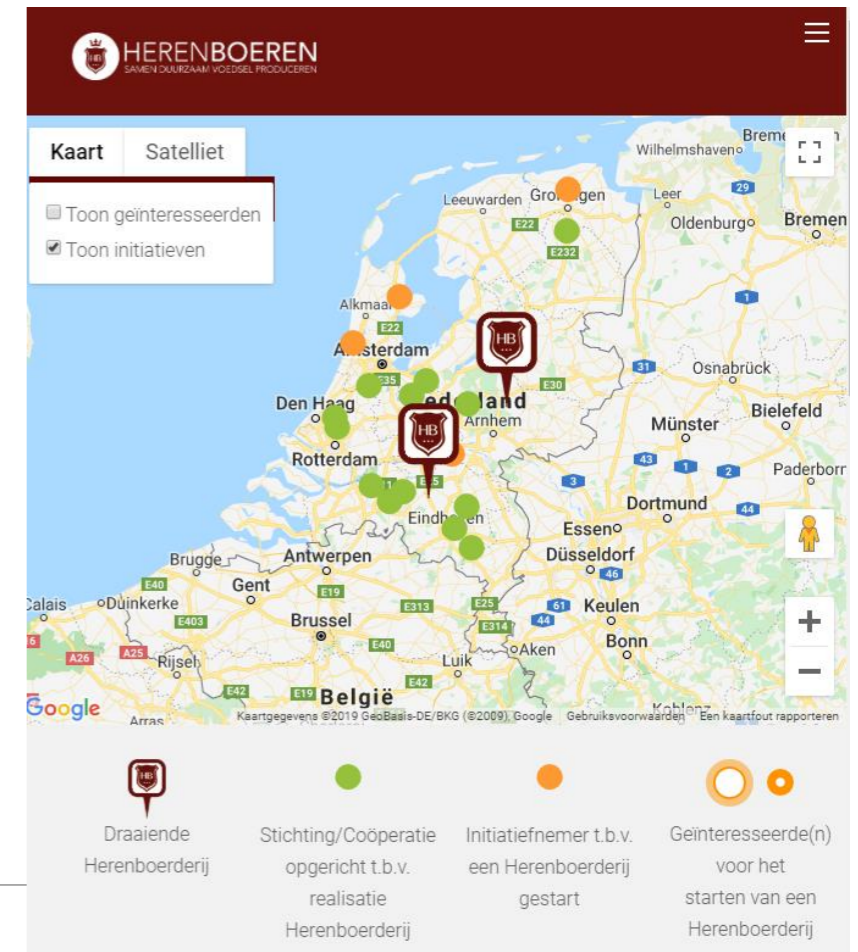
# Eat Local

You'll feel better when you know where your food comes from.



**Local food production**

*Challenges: small scale projects, sales for farmers*



## Herenboeren

*200 local citizens invest €2.000 each to start and own their own farm*



## **Social housing**

*Challenges: bottom-up projects difficult to finance*

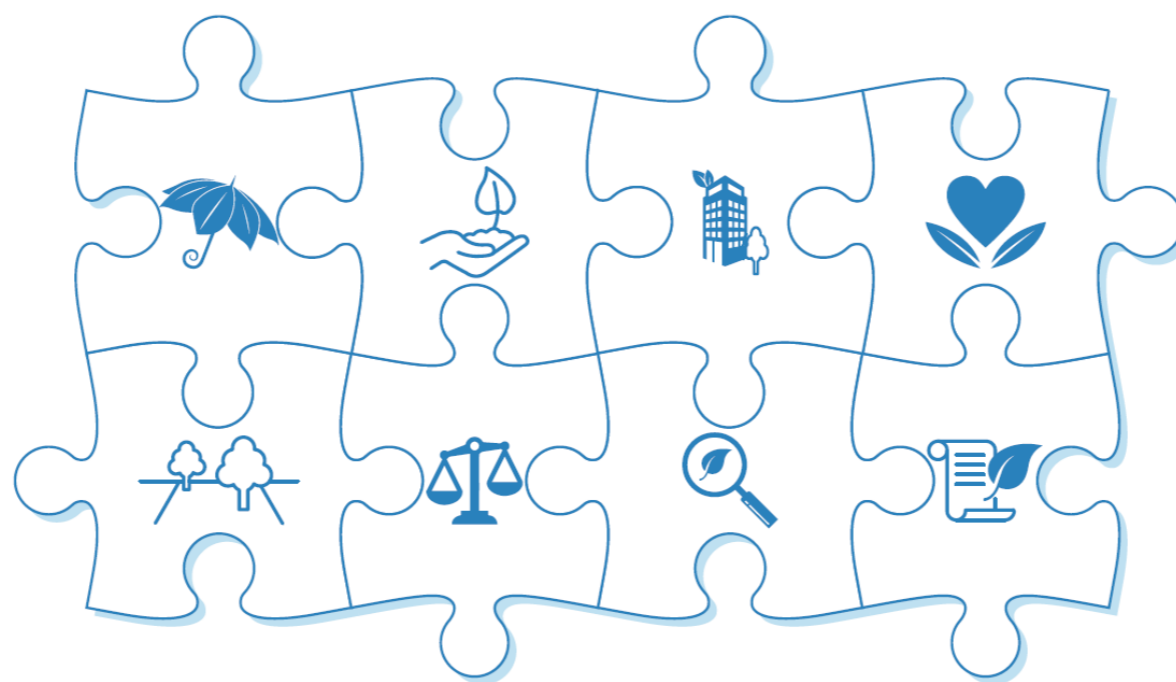


## **Knarrenhof**

*Small groups of elderly people co-finance local private+social housing*



**Nature based solutions for urban sustainability goals**  
*Challenges: alternative business models and non-financial returns*



**Urban nature-based solutions create many types of value...**

**...but who will pay for it, and why?**





### **Risk reduction**

Isar plan, Munich  
Atlantis Water Fund Pilot, Cape Town



### **Green densification model**

Parc Marianne, Montpellier  
Eco-Valley, Tianjin



### **Urban offsetting model**

Naturcent, Hamburg  
Urban Forest Fund, Melbourne



### **Vacant space model**

Pla Buits urban gardens, Barcelona  
Winter ice at The Forks, Winnipeg



### **Local stewardship model**

Roadside tree concept, Leipzig  
Square meter for butterflies, Edinburgh



### **Green health model**

Food for Good, Utrecht  
Newcastle Parks Trust, Newcastle



### **Green education model**

School gardens, Győr  
Belvedere College Urban Farm, Dublin



### **Green heritage model**

Park-Museum Vrana, Sofia  
Chinampas agriculture, Mexico City

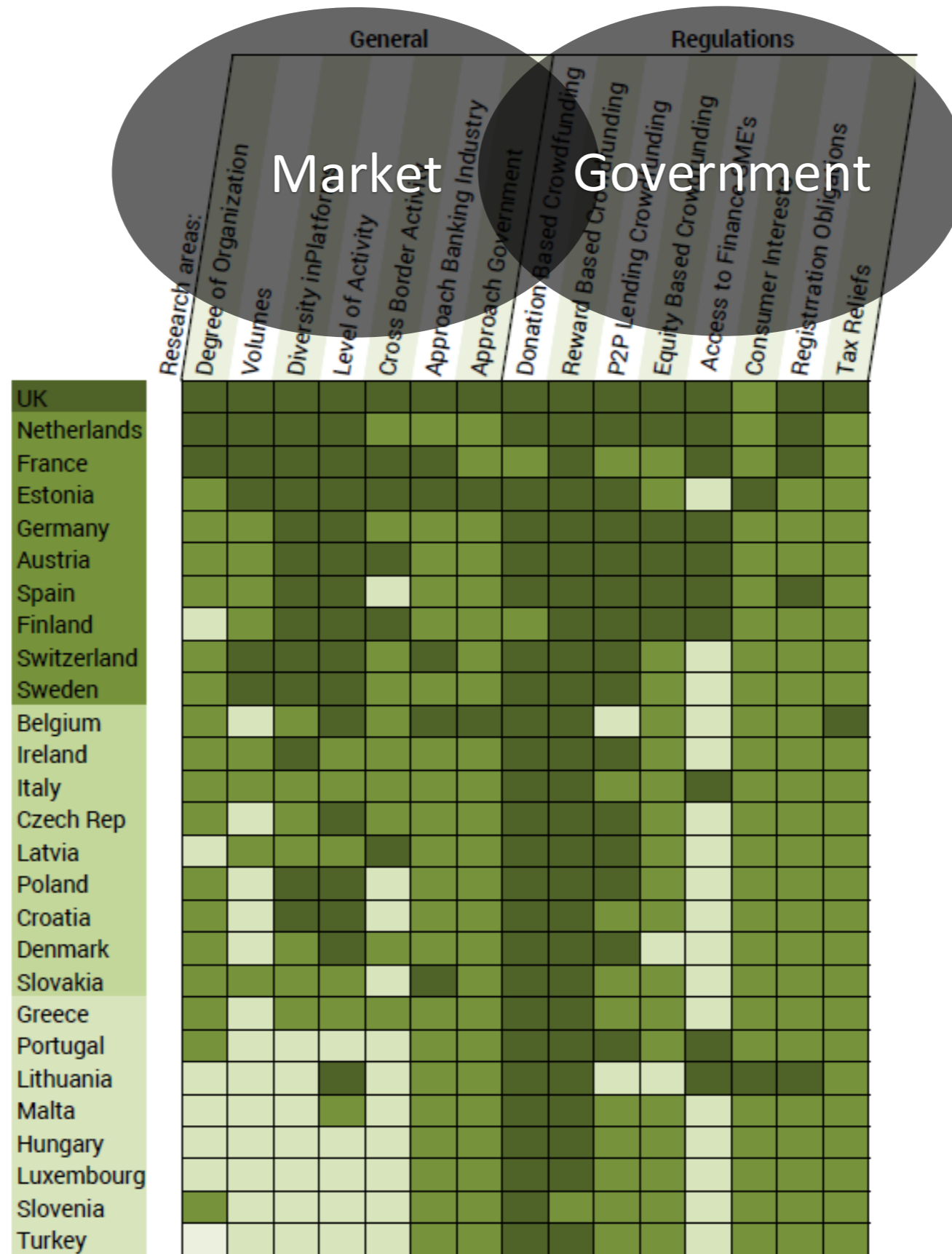
# Biggest obstacles for growth

Immature and young alternative finance eco-system

Good financial regulation for Alternative Finance

Lack of knowledge about Alternative Finance at entrepreneurs and companies

Lack of knowledge about Alternative Finance at SME financial advisors

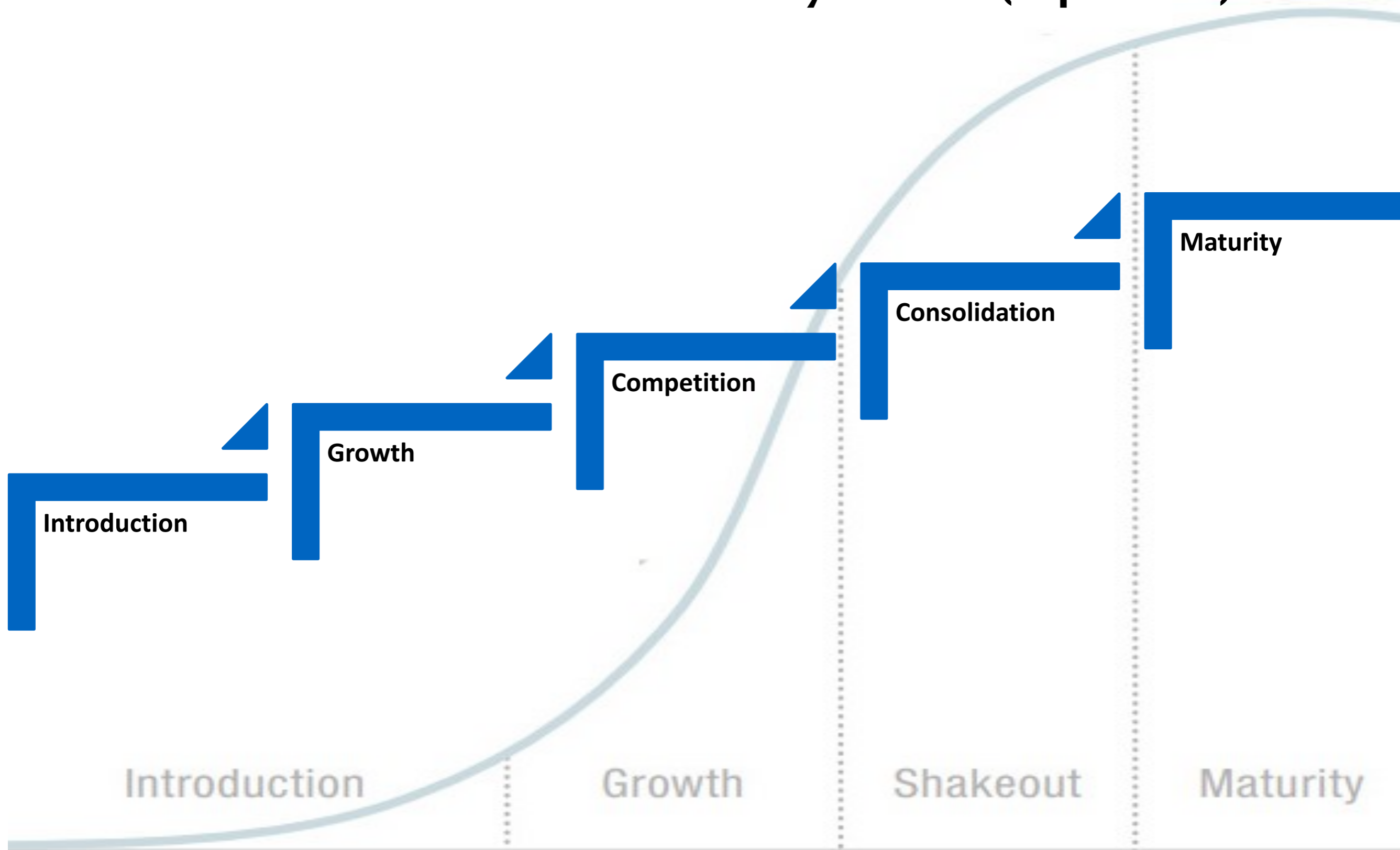


Source: Current State of Crowdfunding in Europe 2016 – Alternative Finance Maturity Index

It takes  
two to  
tango



# Alternative Finance Maturity Model (5 phases)



# Biggest obstacles for growth

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## **Government/regulator**

**Investor protection vs Access to Finance**

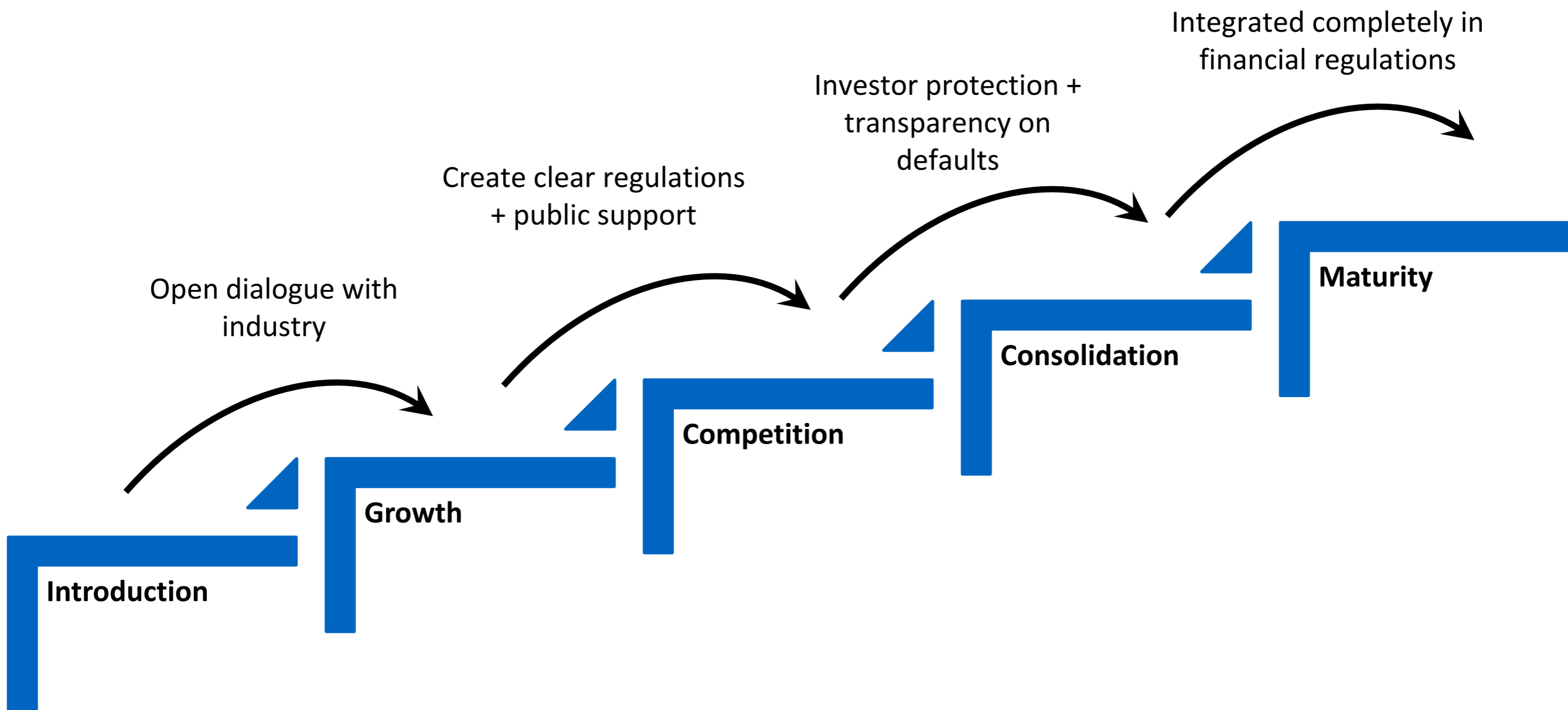
**Professionalism of new industry players**

**European vs National Regulation**

**UK & German market up to €8m campaigns**

**Experiment with sandboxes**

# Alternative Finance Maturity Model (Government)





# Biggest obstacles for growth

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## **Industry**

### *Promotion and Education*

**Educational programs for Entrepreneurs,  
Investors and Advisors.**

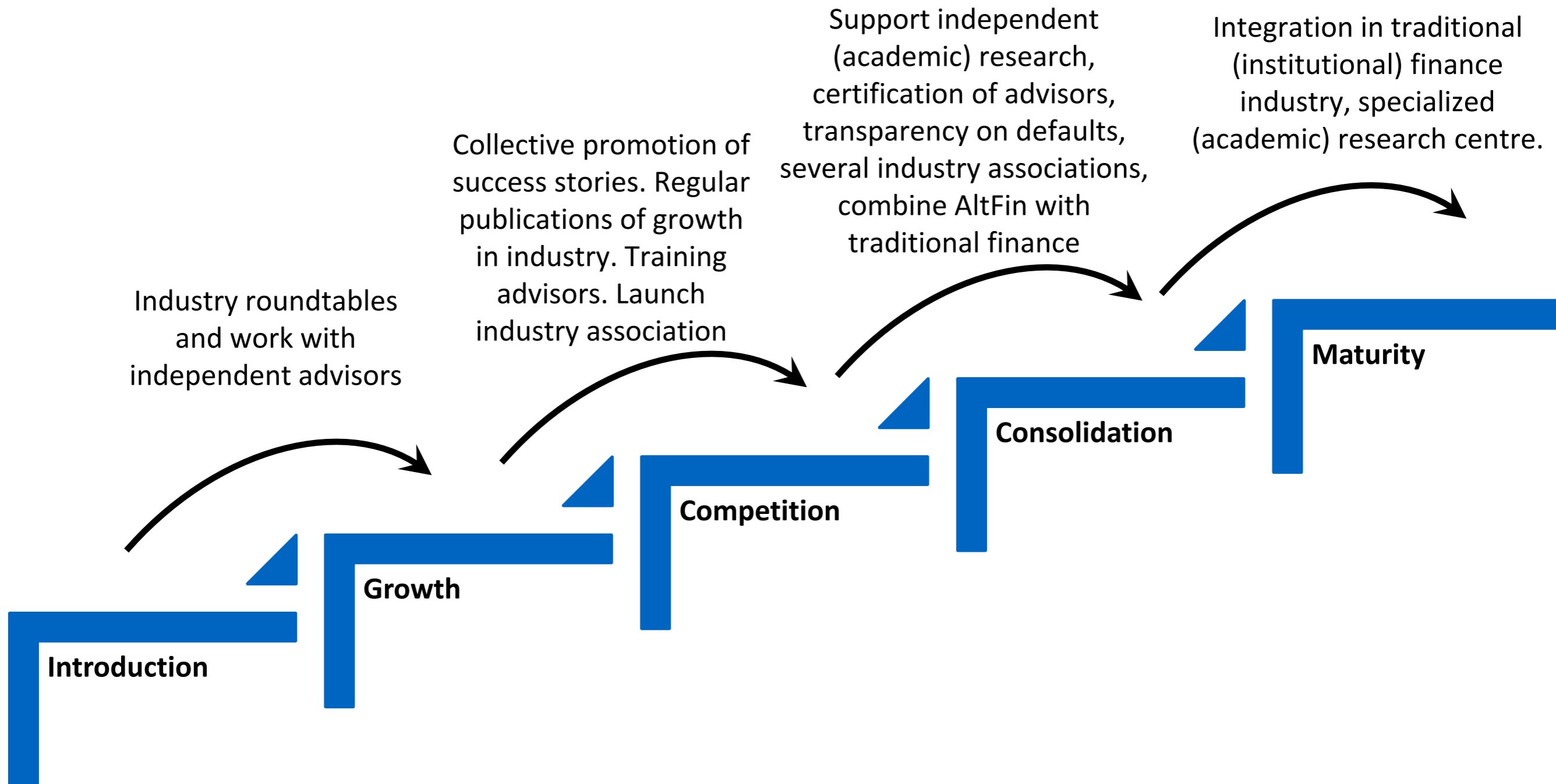
**Independent Research on industry data**

**Transparency on defaults, risks**

**Certification program for  
platforms and advisors**

**Co-financing by government and banks**

# Alternative Finance Maturity Model (Industry)



# Biggest obstacles for growth

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Immature and young alternative finance eco-system

Good financial regulation for Alternative Finance

Lack of knowledge about Alternative Finance at entrepreneurs and companies

Lack of knowledge about Alternative Finance at SME advisors

# Conclusions

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Alternative Finance in Europe is growing rapidly

Fragmented financial landscape

New group of independent “trusted advisors”

Alternative Finance market needs to become more mature



# Future of Finance

*Alternative Finance trends and main obstacles for growth*



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# Weekly Alternative Finance newsletter



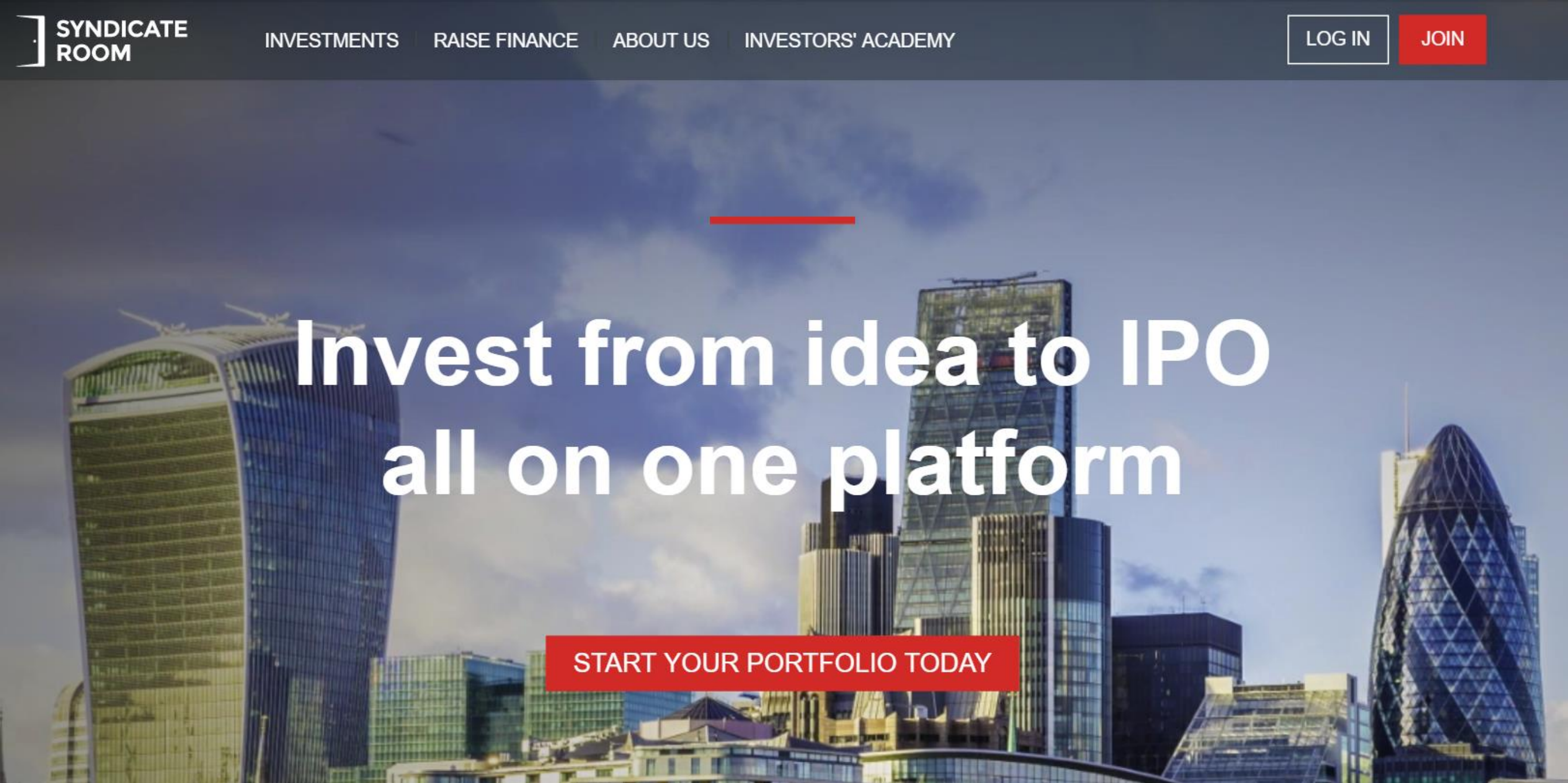

## Alternative Finance Trends

By Ronald Kleverlaan

Alternative Finance is growing rapidly and takes its place in the financial system. What are the latest trends and how will the financial eco-system develop in the next 10 years?

From P2P-lending to ICOs and from crowdfunding to marketplace lending I will provide a weekly overview of the most important news. Every week I will ask an expert to provide in-depth insights of local developments and challenges in their country.

**<http://www.altfinance.eu>**



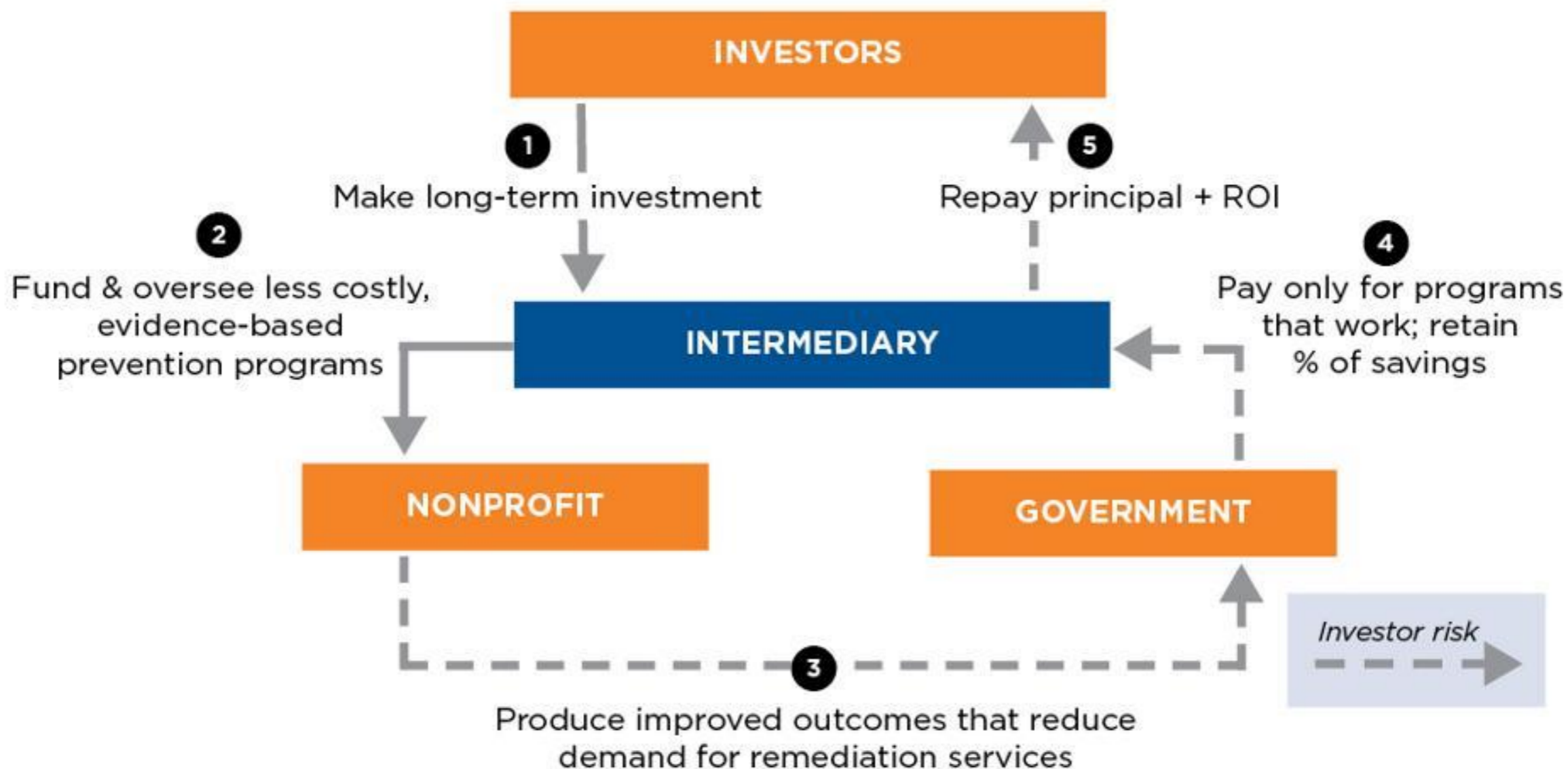
# Invest from idea to IPO all on one platform

START YOUR PORTFOLIO TODAY

## Digital Business Angels



FIGURE 1 SOCIAL IMPACT BOND MECHANICS



## Social Impact Bond

*Outcome payment by government*

## TURN YOUR INVOICES INTO CASH

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GET STARTED



Turn your invoices into cash.

Invoice Factoring at its best.

GMA will factor your invoices, getting you the cash you need to fulfill orders, or invest more in your business. Invoice Factoring is a great way to get the cash flow you need now to keep your business growing and growing.

Easy Cash Flow for you.



Funding in 24 hours\*

Call 888-857-9035 Now

Name \*

Email \*

Company

**SME factoring**  
*Sell individual invoices*

# BECOME A SHARING ANGEL

To be able to produce THE BOX in millions, we are starting a funding campaign in which everybody can participate from 10 up to 25,000 €. In return, we will share 50% of our profits with you, until we reach the promised multiple for your contribution! Early birds will get the highest multiple! We start with a 5x multiplier for your contribution, but only for the first 10,000 contributors. Take advantage before it's too late!

## PIONEER

Get  
**5X**  
your contribution

For the first 10,000 sponsorships.  
We will share 50% of the profits with our  
Sharing Angels up to 5 X of their  
investment in our Profit-Sharing campaign

## ADVENTURER

Get  
**4X**  
your contribution

For the first 100,000 sponsorships.  
We will share 50% of the profits with our  
Sharing Angels up to 4 X of their  
investment in our Profit-Sharing campaign

## EARLY ADOPTER

Get  
**3X**  
your contribution

For the first 1,000,000 sponsorships.  
We will share 50% of the profits with our  
Sharing Angels up to 3 X of their  
investment in our Profit-Sharing campaign

**Profit sharing**  
*Receive % of future profits*

# Tokenise your business!

Tokenizing your business or startup is new form of raising capital. DESICO has infrastructure and knowledge to help you with Security token offerings.

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**STO/ICO**  
*Security token offerings – digitized stocks*

# Blockchain-based green energy trading platform

WePower fuels renewable energy production by enabling developers to raise capital by selling their energy production upfront in the form of tradeable Smart Energy Contracts.

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**Smart (energy) contracts**  
*Raise funding upfront for future (energy) usage*