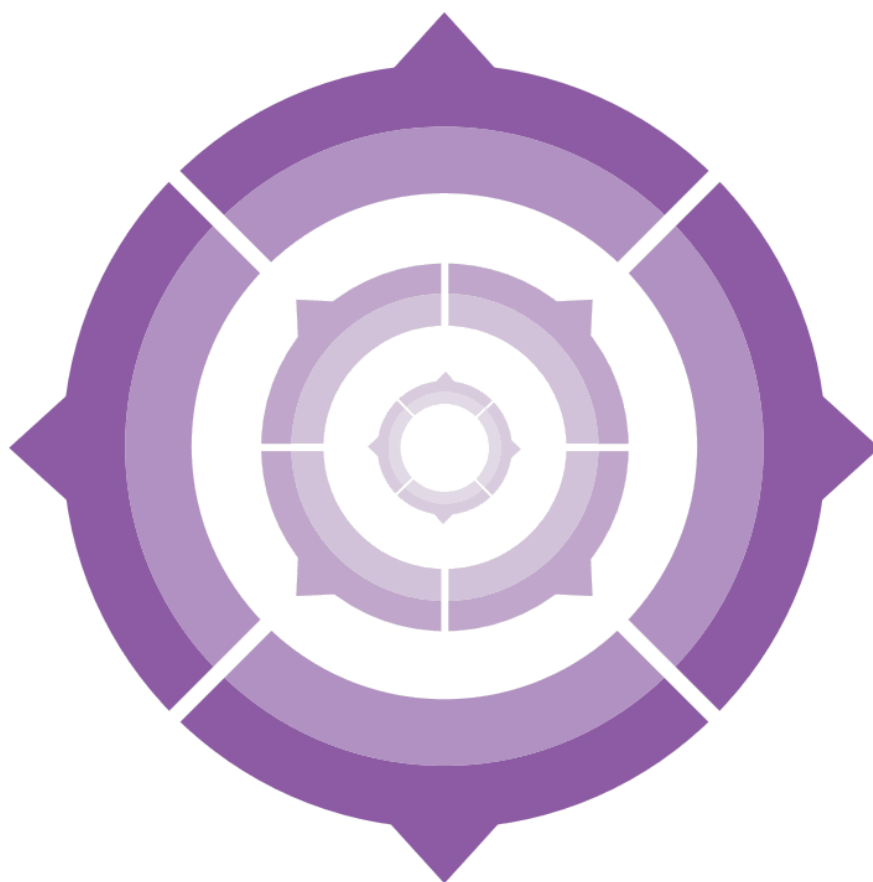


DIGITAL INVESTING MARKET REPORT

FACTS AND FIGURES Q4 2014 BY CROWD VALLEY INC



**CROWD
VALLEY**

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EXECUTIVE SUMMARY

Being an infrastructure provider for the international digital investing market, Crowd Valley has gained a central position in this space. This gives the company a broad overview on the sector's most recent developments, with data collected on thousands of individuals and companies to date. The present report is based on surveying a randomly-selected sample of more than 100 individuals and companies out of the ones that have expressed an interest in entering this market during the fourth quarter of 2014. Therefore, the analysis provides probably the first data-driven insights on how the international digital investment sector is developing in Q4 2014.

The demand for crowdfunding technologies is still mainly based in the USA and it is above all directed at equity investment models for private companies. Nevertheless, during this quarter Crowd Valley observed an increase in the demand for P2P lending platforms. Other regions including Europe also play a major role in the crowdfunding sector, representing a significant proportion of the total demand for these kinds of services.

In Q4 2014, the variety of organizations and professionals interested in entering this new financial market is even vaster. In particular, many actors coming from the traditional finance sector (i.e. broker dealers, asset managers, investment advisors, private equity funds, etc.) have shown an interest in crowd investing and peer to peer marketplaces. This seems to confirm what Crowd Valley always believed: crowdfunding will bring about a paradigm shift, affecting not only the early stage finance world, but the entire financial industry.

LEGEND

Equity - Refers to an equity-based investment platform where an investor buys ownership in an asset, as opposed to other funding models like lending or reward.

Lending - Lending based models refer to investment platforms where a certain amount of capital is exchanged for a series of repayments.

Reward – In a reward based crowdfunding platform, an investor doesn't receive a direct monetary return on their investment, but various rewards like product pre-orders for example.

Combined – Combined investment platforms use different combinations of reward, lending, or equity for financing projects.

Real Estate – Real estate marketplaces refer to platforms where users invest in either real-estate development projects or existing developments.

Private Companies – Refers to marketplaces where private companies are able to list equity, debt, or reward based opportunities for investors

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P2P – P2P most commonly refers to lending between individuals

P2B – P2P refers to lending between individuals and companies

Other real assets – Other real assets can include, among others, energy, cleantech, life science, commodities, land.

INTRODUCTION

Many important milestones have been achieved in the securities crowd investing industry in the fourth quarter of 2014. In addition to the important regulatory changes in large countries like Australia, India, China and Japan in Q3 2014, Q4 has seen continued development in a positive direction. U.S. States like Texas and Massachusetts have legalized crowdfunding, and countries like Germany have started drafting rules for securities crowdfunding.

In this report, Crowd Valley has examined a randomly-selected sample of more than 100 observations from across six continents, in order to unveil some of the most interesting trends in the digital investment sector, which are presented in the following sections.

Disclaimer on data collection

It should be taken into account that the sample used to analyze the market trends is composed only of organizations and professionals who approached Crowd Valley due to interest in one or more of the company's services.

INVESTMENT MODELS

Being a provider of technologies, services and methodologies for securities professional looking to get involved in this new financial market, Crowd Valley seeks to understand the demand for the different investment models.

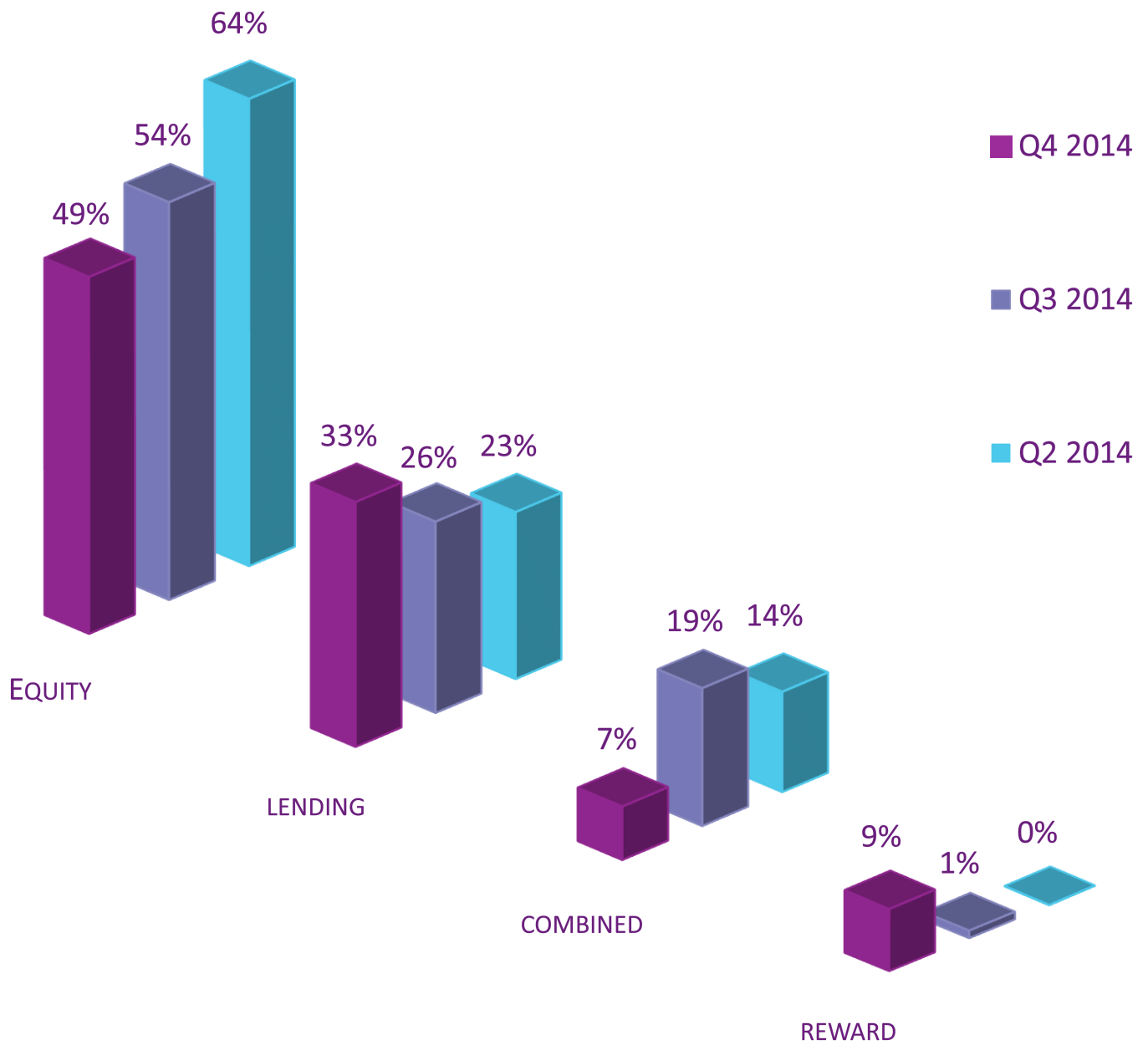
The company identified four main categories of investment models:

- 1) Equity-based crowdfunding;
- 2) Lending, which includes peer-to-peer lending, business loans and other forms of lending;
- 3) Reward-based crowdfunding;
- 4) Combined, which refers to those cases where two or more of the aforementioned models are combined in one platform.

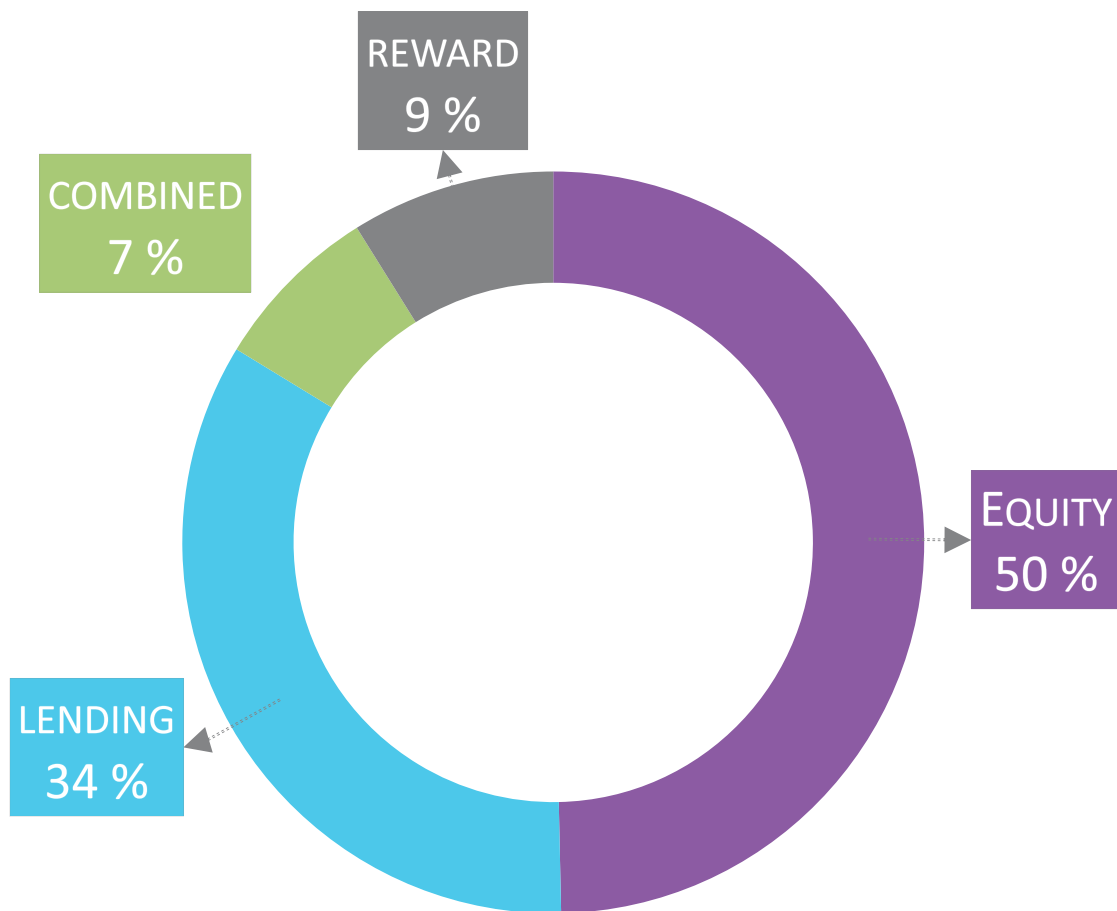
The charts below show the percentages each investment model held on the total demand for digital investment operations during Q2 2014, Q3 2014 as well as Q4 2014. Equity crowdfunding still holds its ground as the funding model with the highest demand, but still dropping in relative terms to the past two quarters. The relative demand for lending models has risen from 26% to 33% during the most recent quarter. Although the demand for reward and combined models is seemingly volatile, we have spotted a consistent quarter-over-quarter relative fall in equity as well as a rise lending models.

We have observed a fall in the relative demand for combined funding models compared to previous quarters. The demand for reward based crowdfunding has risen sharply from 1% to 9% during the past quarter.

INVESTMENT MODELS



INVESTMENT MODELS Q4 2014



ASSET TYPES

Many people still associate the concept of crowdfunding with startups, even though during the past two years, this new fundraising methodology has been used to enable investments in many other assets than startups alone. Crowd Valley has directly witnessed a rising demand for digital investment portals for other assets such as real estate, cleantech and energy among many others. In particular the company identified six main categories of assets:

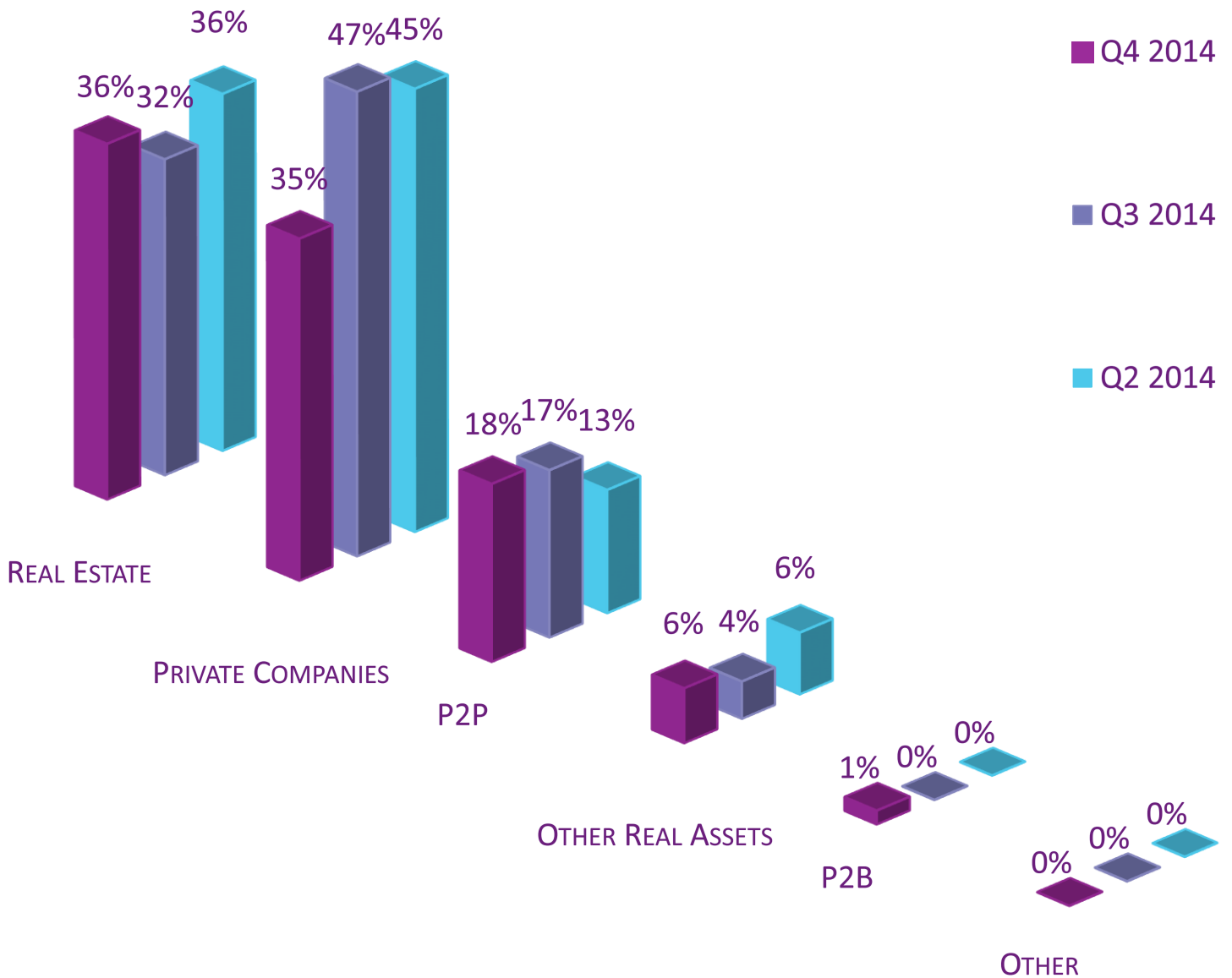
- 1) Real Estate;
- 2) Private Companies;
- 3) Collateralized and Uncollateralized loans (P2P Lending);
- 4) Other Real Assets, which include, among others, energy, cleantech and life science;
- 5) Collateralized and Uncollateralized business loans (P2B Lending);
- 6) Other;

The following charts represent the total demand for crowdfunding platforms or services divided into assets types.

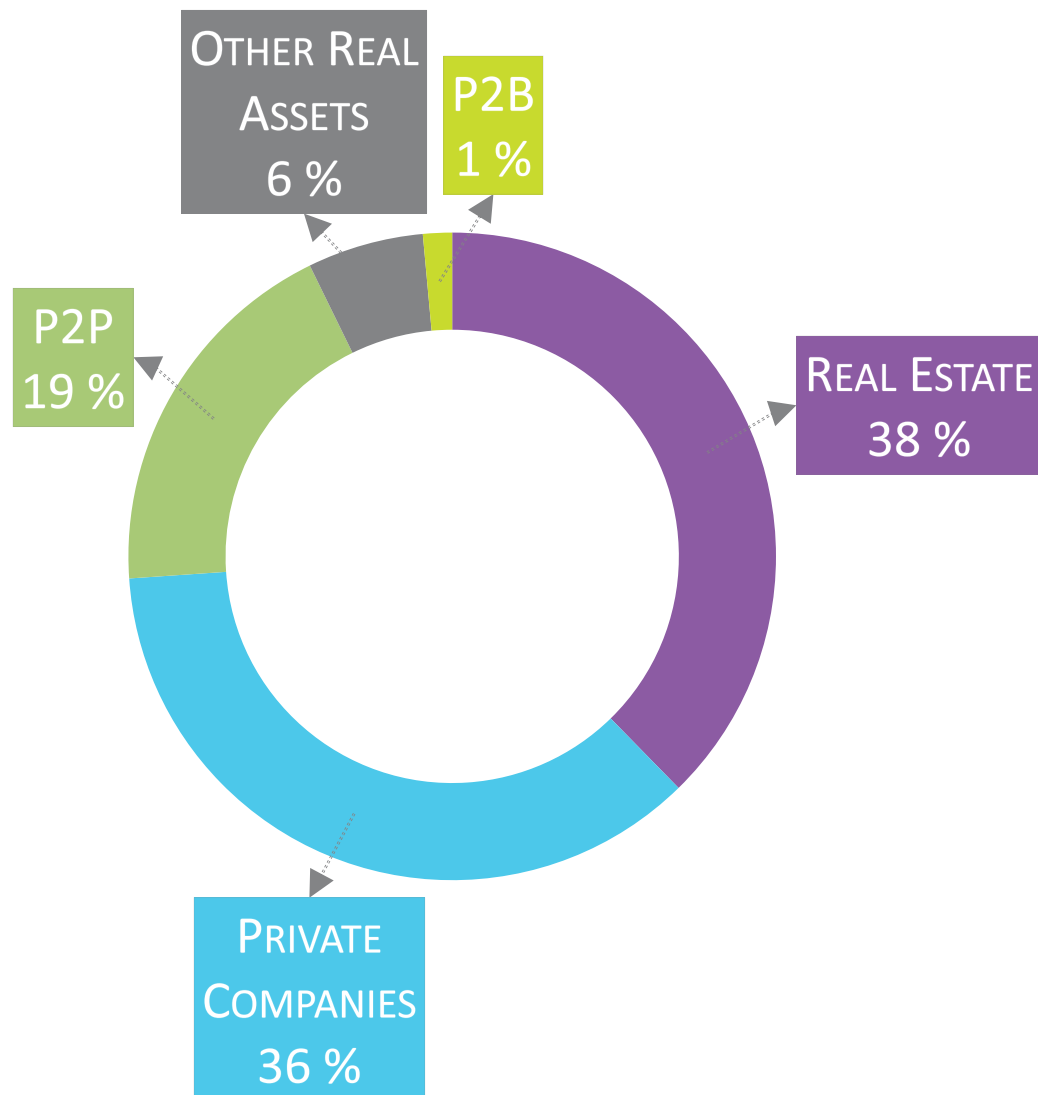
The demand for private company funding portals has fallen to a smaller level relative to the other asset classes at 35%. Real estate investing portals have seen a higher demand this past quarter with a 36% market share, bypassing private companies for the first time.

The relative demand of P2P funding portals has risen since Q2 & Q3 2014, while “Other Real Assets” has reached a market share of 6%.

ASSET TYPES



ASSET TYPES Q4 2014



CLIENT PROFILE

Crowd Valley has been approached by many organizations and professionals interested in its peer to peer marketplace technologies or related services. The variety in the potential clients' profiles is particularly interesting. The company has identified several types of organizations which were then grouped in the following categories:

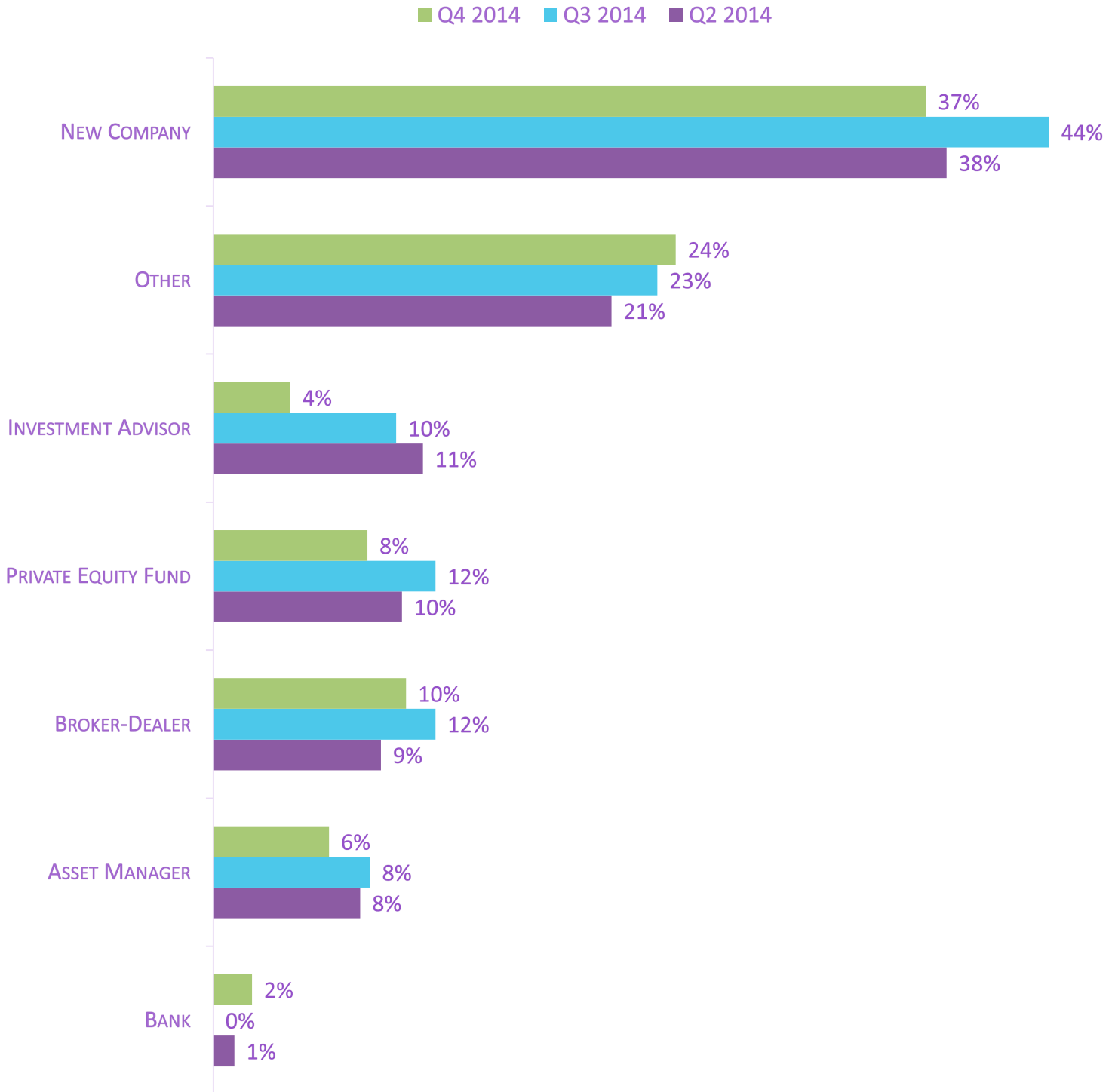
- 1) New Company, which refers to a new venture set up specifically to operate in this market;
- 2) Other, which includes already established companies that are planning to expand their operations into crowdfunding.
- 3) Investment advisor
- 4) Private Equity Fund;
- 5) Broker-Dealer representatives;
- 6) Asset Manager;
- 7) Bank;

As the data shows, most of the interest in new funding portals is coming from new companies, e.g. companies that have been recently founded and would like to enter the crowdfunding space as new portals, this has been the largest category over several quarters. We have observed a slight decline in relative demand from the traditional finance sector during the last quarter, more specifically from investment advisors, private equity funds, broker-dealers, as well as asset managers. On the other hand, we have seen more demand from banks this quarter, which could prove to be an interesting direction in this expanding market.

The demand for crowd investment platforms is spreading over several different organization types and sectors.

This past quarter has shown us that market shares in the largest categories is falling, while the smaller uncategorized organization types are rising. Possible reasons for this could include increasing geographical proliferation of companies, or a general market expansion over more industries and organization types.

ORGANIZATION TYPES

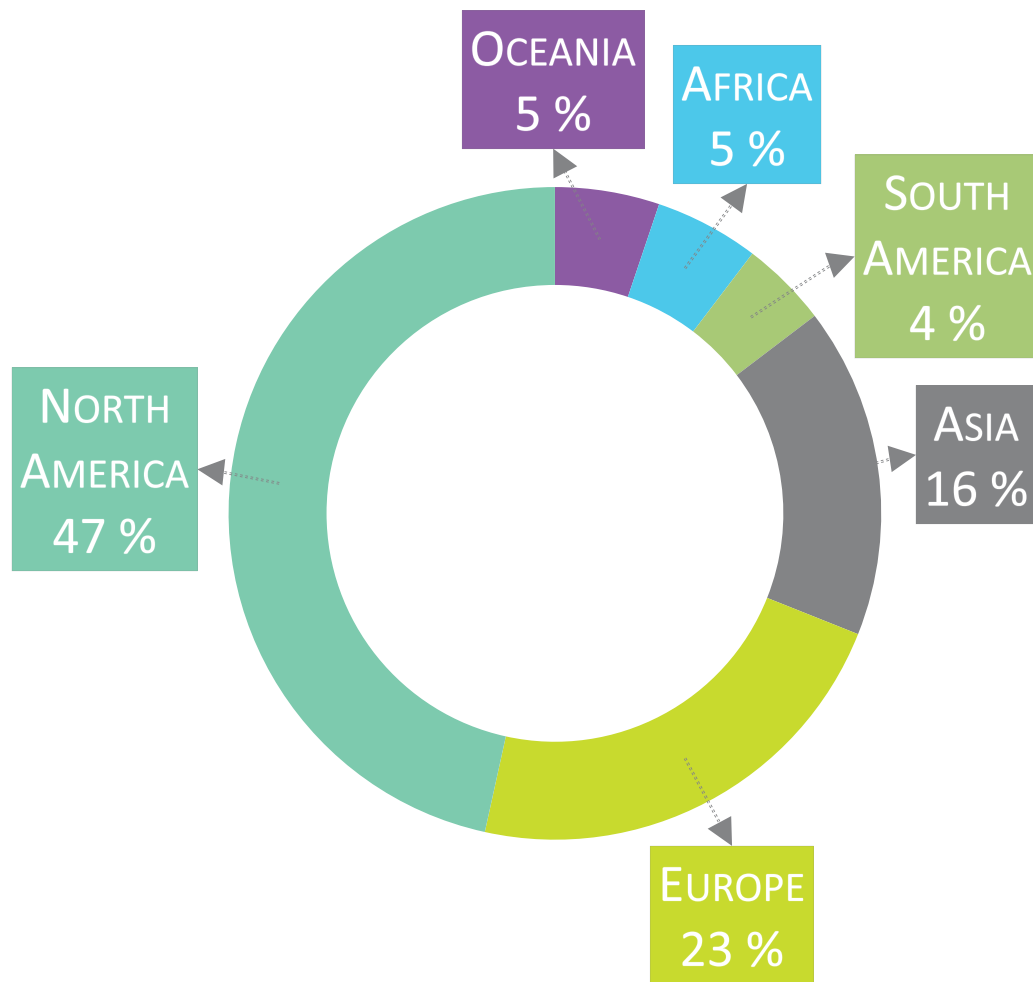


THE GEOGRAPHY OF DIGITAL INVESTMENT PLATFORMS

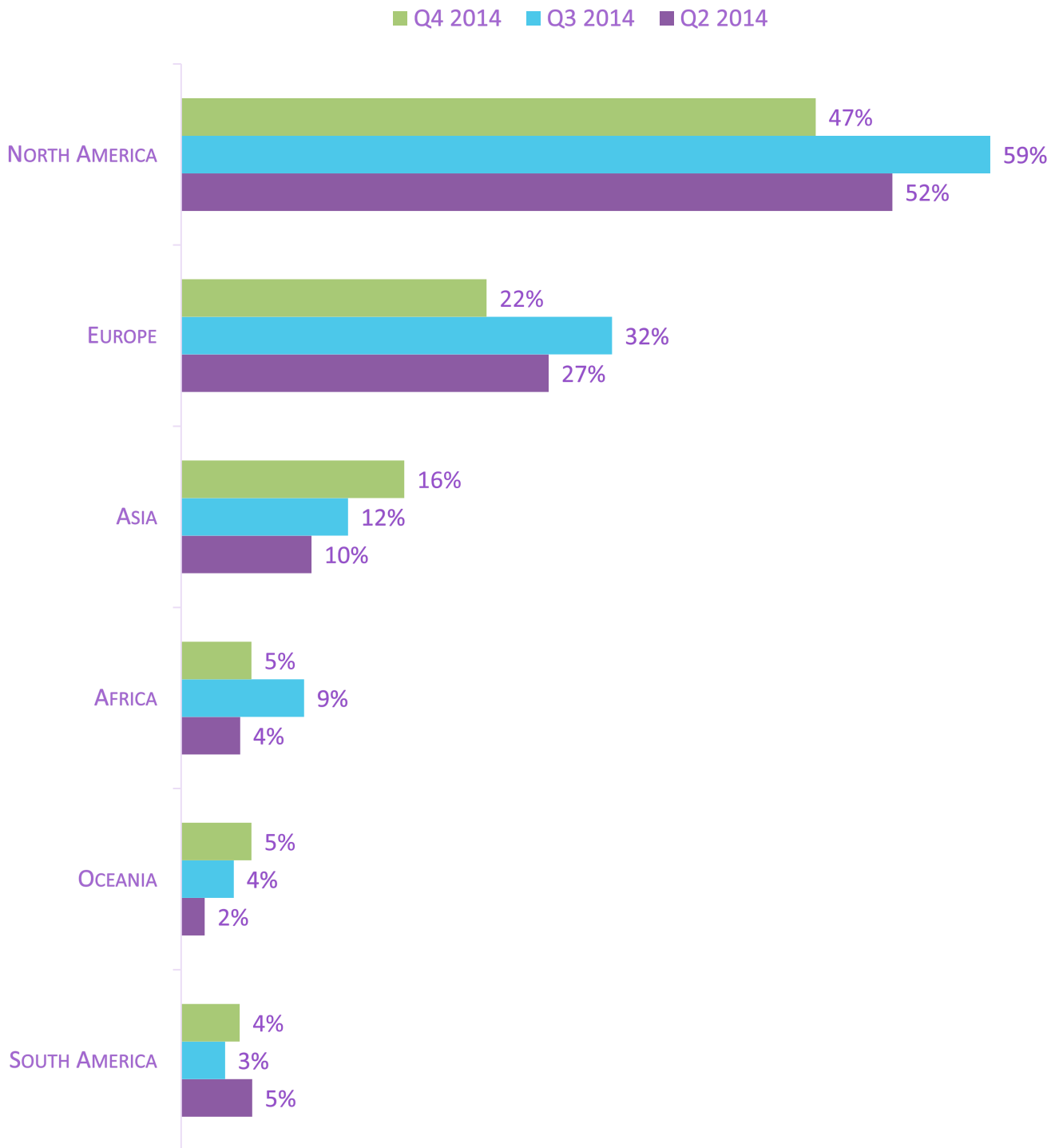
The demand for these services is global. In fact, as shown by the following chart, the organizations and the professionals who have approached Crowd Valley since the start of its operations are from six different continents. North America, driven by the US, which is still the main market, keeps its position, with its percentage of demand around 47% over the previous quarters. Interest from Asia as well as Oceania has grown in this quarter relative to other continents, while Europe has fallen in rank.

Demand on the U.S. market has fallen sharply relative to previous quarters, while smaller emerging markets are taking a higher percentage of the demand.

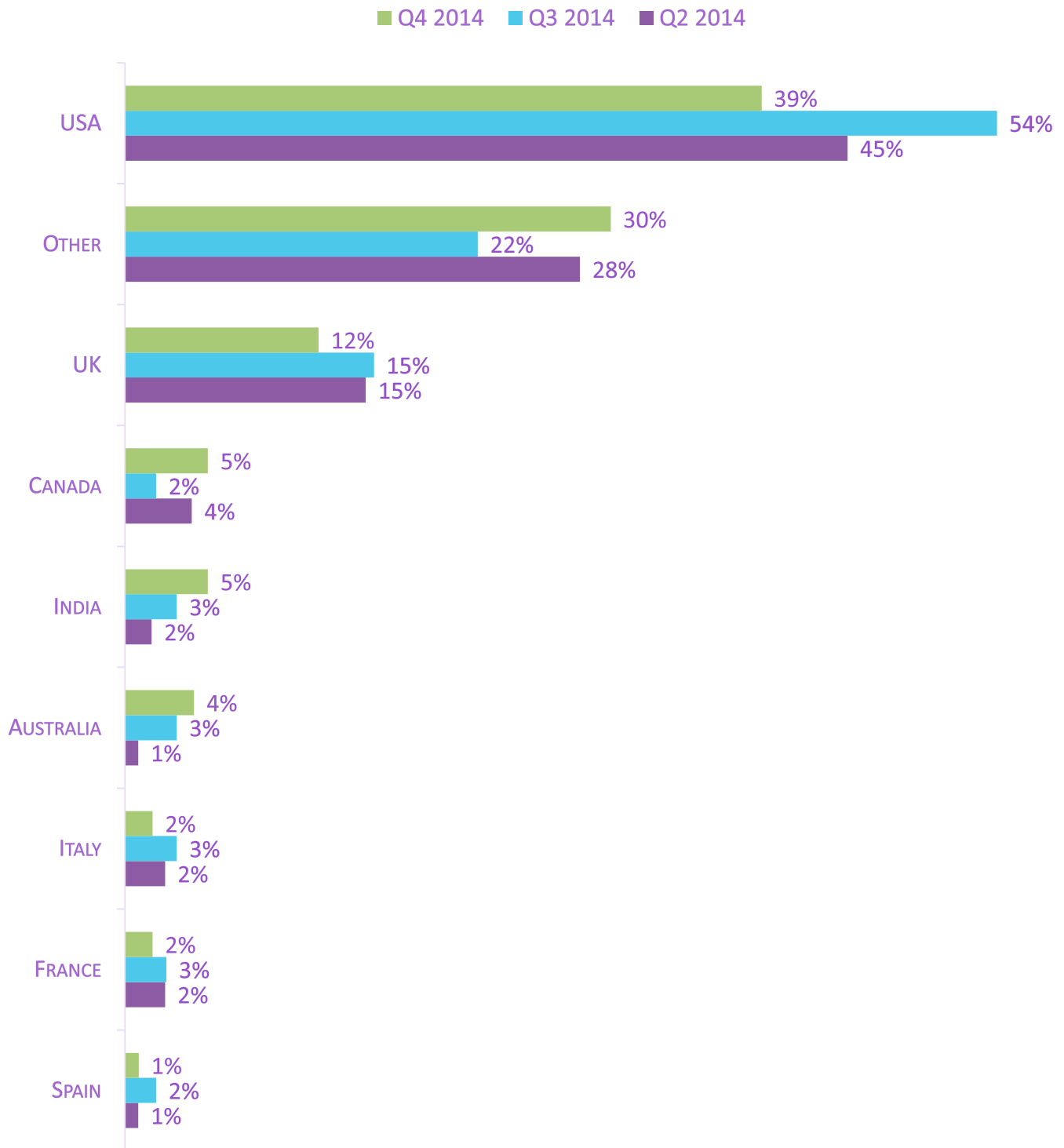
DEMAND IN REGIONS Q4 2014



TOP REGIONS



TOP LOCATIONS

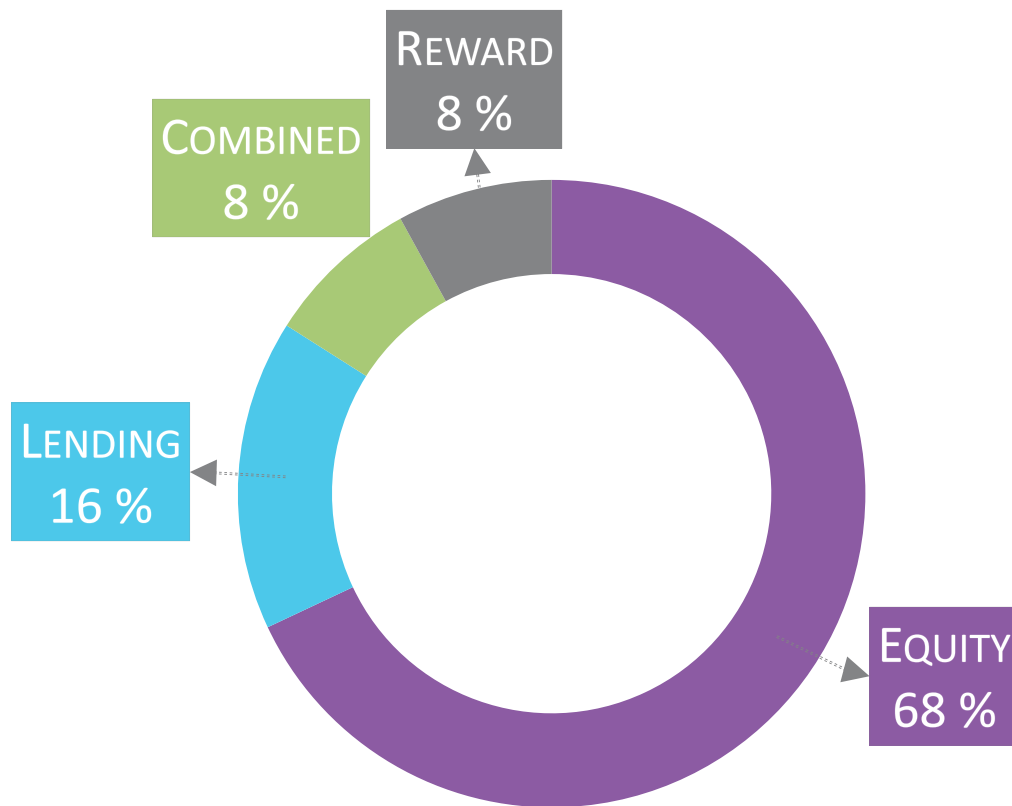


FOCUS ON THE US Q4 2014

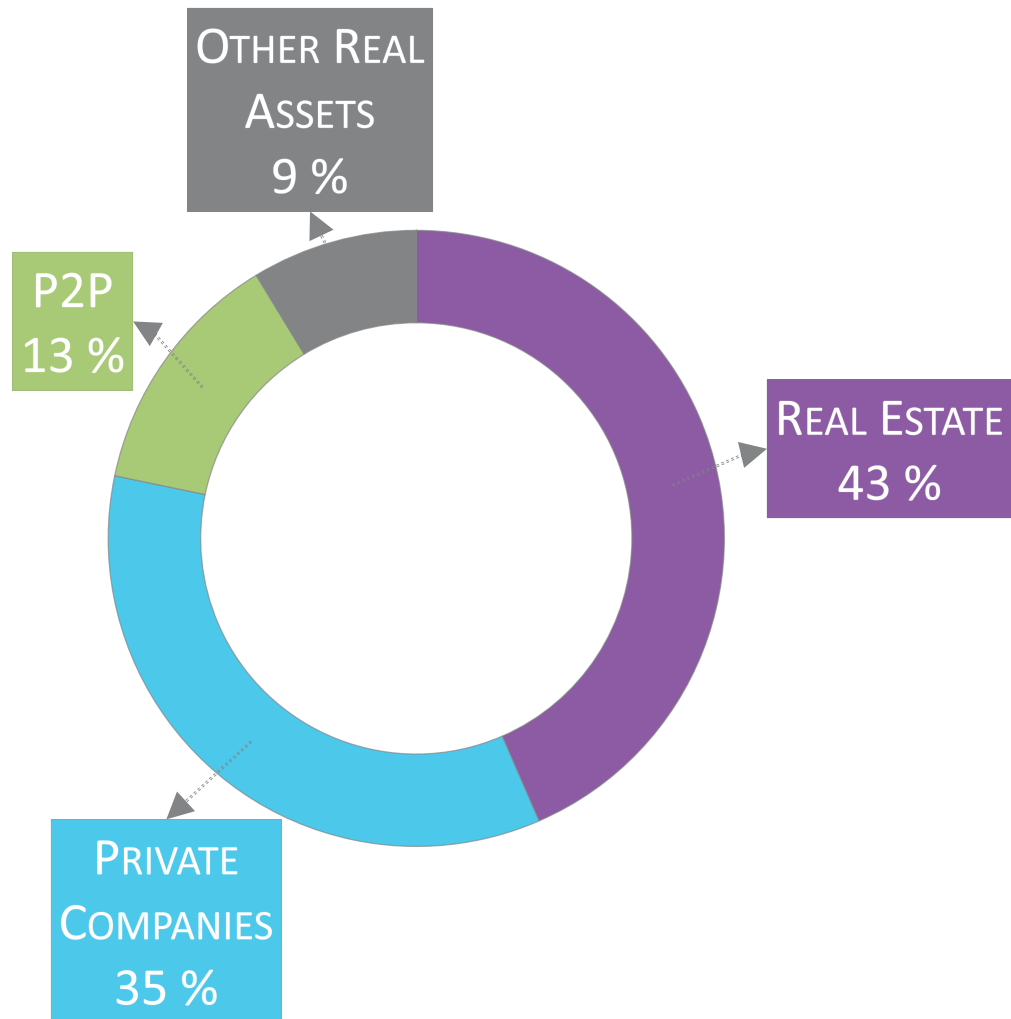
Even though the demand for Crowd Valley's services and technologies is global, the biggest market remains the USA (47% in Q4 2014), where the market is large and experiencing stronger demand than elsewhere. Thus, this section presents facts and figures focusing only on the US market. It is particularly interesting to notice that, the "other" category has grown to be the largest, meaning that the demand for investing platforms is becoming more and more diversified over several sectors.

It is good to note, that while the US market has significant potential, there have been delays with the implementation of the Federal JOBS Acts final provisions, specifically Title III (at times referred to as the 'crowdfunding provision' or 'public securities crowd investing') and Title IV (at times referred to as 'Regulation A+'). This may have an impact on the activities in the market as well as the overall sentiment and perception of the market both domestically and globally.

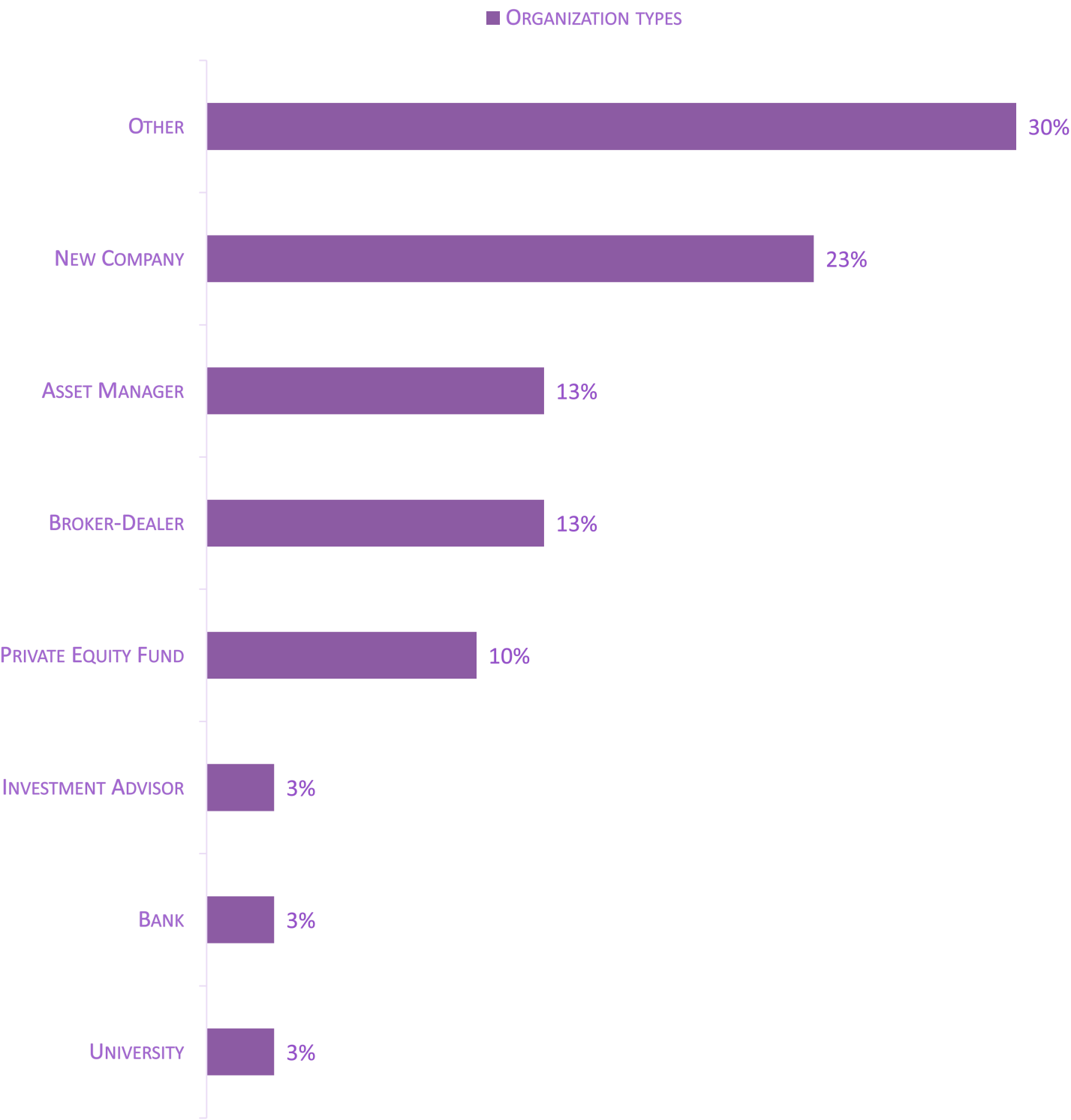
INVESTMENT MODELS IN THE US Q4 2014



ASSET TYPES IN THE US Q4 2014



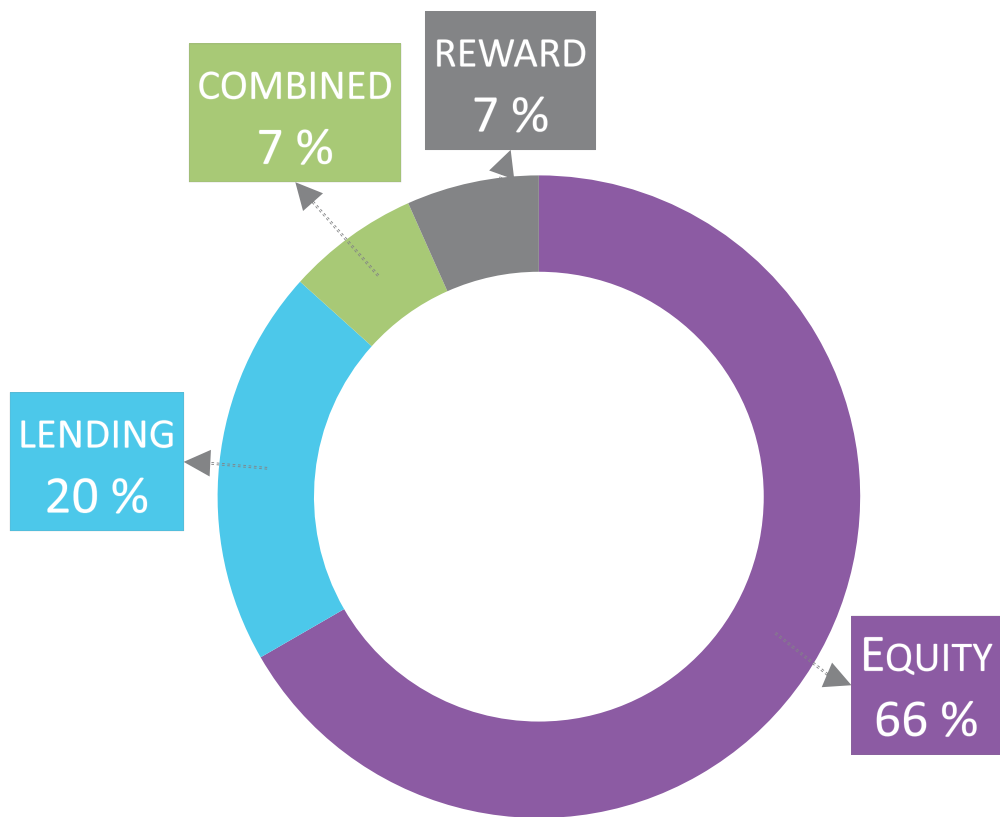
ORGANIZATION TYPES IN THE US



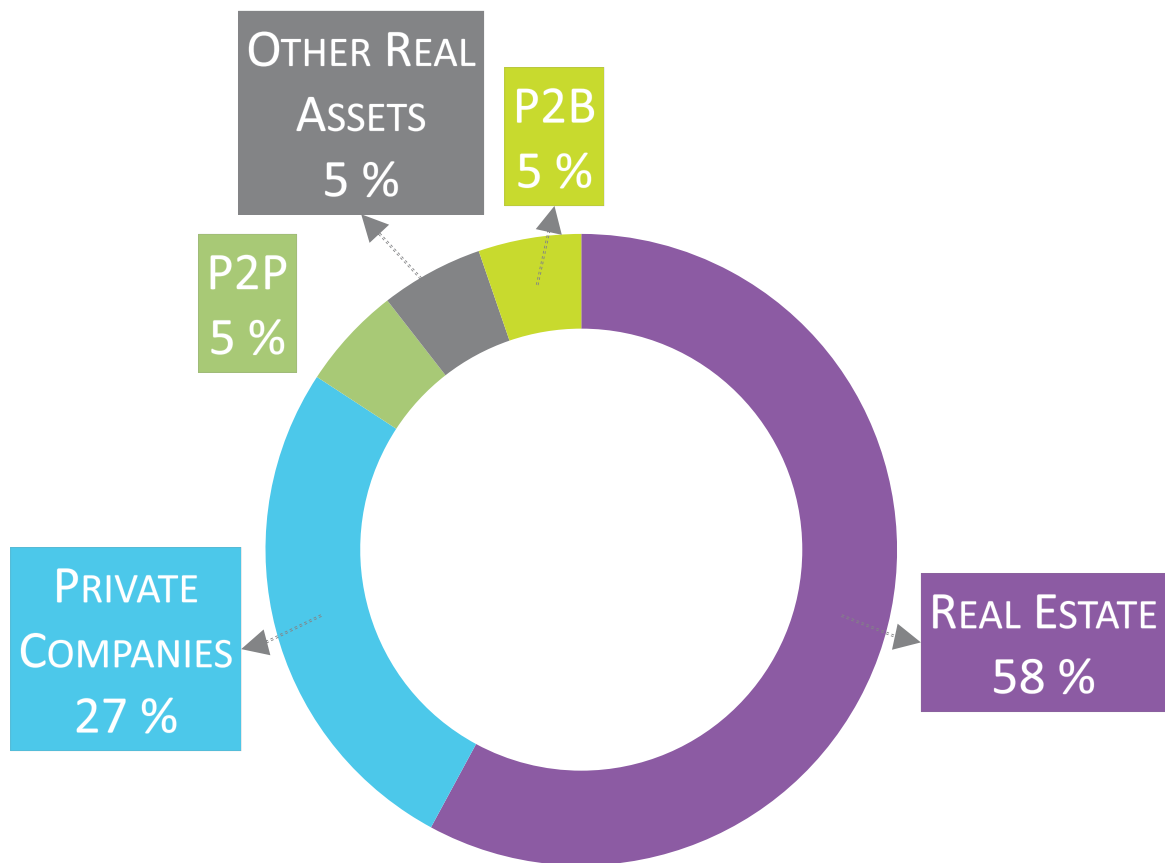
FOCUS ON THE FINANCIAL SERVICES INDUSTRY

Given that in Q3 2014 the demand from traditional financial industry actors represents a significant part of the total demand for crowdfunding services, Crowd Valley decided to focus on these types of actors in the following section. The charts below highlight the investment models and the asset types most required by the financial industry actors. The financial services industry has shown increasing interest in combined digital financing models. Real estate has also grown to be the most demanded asset type by financial services companies.

INVESTMENT MODELS IN THE FINANCIAL INDUSTRY



ASSET TYPES IN THE FINANCIAL INDUSTRY



CONCLUSIONS

The present report presents facts and figures obtained analyzing the data the company collected during Q4 2014. In particular, in the fourth quarter of 2014, the organization observed the following trends:

- 1) Debt based platforms are becoming increasingly popular;
- 2) P2P lending and real estate platforms are becoming increasingly popular, while platforms for private companies have fallen in relative terms;
- 3) Activity in the USA has fallen relative to emerging markets;
- 4) Traditional finance world actors are increasingly interested in Real Estate crowdfunding;
- 5) The demand for digital investment platforms is spreading over several different sectors and organization types;

By publishing this information Crowd Valley aims to expand the current knowledge about this new, transparent financial sector and to support regulators and other relevant stakeholders in the global ecosystem in evaluating the market's evolution. The company will continue publish similar reports on a regular basis.

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