

CROWDFUNDING FOR SUSTAINABLE ENERGY TRANSITION OF FOOTBALL STADIUMS AND SPORT BUILDINGS IN EUROPE

”

A Collection of Case Studies

Andrea Bogi with contributions by Conny Weber and Joan Segura

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Crowdfunding for Sustainable Transition of Football Stadiums and Sport Buildings in Europe: A Collection of Case Studies

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EXECUTIVE SUMMARY

This report identifies major trends and assesses potential criteria for success or failure, in order to fully exploit the potential of leveraging energy efficiency investments through crowdfunding for sport buildings and to accelerate the energy transition. It aims at furthering the discussion on community-based investments for energy efficiency measures, especially within sport-related projects. We present a number of case studies on crowdfunding campaigns for stadiums and training facilities constructions and/or renovations.

As the report shows, more and more sports clubs are demonstrating an interest in reaching out to the crowd asking to finance infrastructure projects for their sport facilities, often with the installation of a variety of energy efficiency (CEE) and renewable energy sources (RES) technologies.

More in detail, the analysis of successful case studies across different European countries emphasizes the strong potential of mixing sports fandom with energy crowdfunding initiatives. This approach promises to encourage a new wave of green sports brands and to bridge the financial gaps required to increase the renovation rate of the EU sports building stock.

In particular, we notice that equity and lending-based crowdfunding are valuable means for structured energy renovations of football stadiums, while reward-based crowdfunding often serve smaller, more socially oriented campaigns.

Additionally, the report highlights the flexibility of crowdfunding, allowing a wide array of practical implementation options such as the development of dedicated (Green) Supporters Bonds, the possibility to design structured interest rates combining flexible returns

linked to energy savings and/or on-field performances with vouchers for sport paraphernalia and tickets discounts, as well as the potential for issuing fully digitalized shares to the fans.

When exploiting the potential of crowdfunding solutions, the integration of match funding schemes through which resources collected through crowdfunding campaigns are combined with an additional share from either public or private funding is promising.

Main Findings and Recommendations:

- ⇒ Donation is a good option when combined with strong social or community roots, like in the case of local schools or social clubs aiming to provide improved services to their community.
- ⇒ Reward-based schemes are common for small scale interventions such as the installation of new floodlights.
- ⇒ Equity crowdfunding works well with projects providing potential for dividends and as a path to joint ownership. which can be linked to energy or sport performances. It has the potential to act as an incentive to attract professional investors.
- ⇒ Lending and mini-bonds are often used for large-scale projects such as solar panelling on roofs, renovation or construction of buildings and training facilities.
- ⇒ Dedicated match-funding schemes for energy efficiency renovation of sports buildings provide significant potential at European level. Public funds could be used to leverage private investments towards the energy transition.

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About EUROCROWD

EUROCROWD, registered as the European Crowdfunding Network AISBL in 2013 in Belgium, is an independent, professional business network promoting adequate transparency, regulation and governance in digital finance while offering a combined voice in policy discussion and public opinion building.

We execute initiatives aimed at innovating, representing, promoting and protecting the European crowdfunding industry as a key aspect of innovation within alternative finance and financial technology, including crypto assets and distributed ledger technologies.

We aim to increase the understanding of the key roles that digital finance can play in supporting entrepreneurship of all types and its role in funding the creation and protection of jobs, the enrichment of European society, culture and economy, and the protection of our environment.

INTRODUCTION

To achieve the ambitions of the European Green Deal for carbon neutrality by 2050, about € 350bn of additional investments per year are estimated to be required according to the European Commission¹. As a result, the mobilization of investments from private and public sources in the field of renewable energy generation and energy efficiency are essential in realising the energy transition.

Sports buildings are among the main consumers of energy in Europe, with an estimated 229-448 kW of energy used annually per square meter of space. In order to significantly reduce the CO₂ produced and unlock sports building energy efficiency savings, crowdfunding represents an innovative engagement and financing tool to support football fans and clubs alike to get involved in corporate social responsibility (CSR) initiatives and take an active part in the energy transition through the demonstration of energy efficiency projects in the context of football buildings and stadiums.

The combination of club sport, such as football, and crowdfunding represents without a doubt a very interesting business case, leveraging on the emotional relationship between fans and clubs for crowdfunding campaigns. This has also proven true during the COVID-19 pandemic in 2020, with numerous sports clubs reaching out to their community through crowdfunding in order to overcome the unexpected financial difficulties. In some cases, with the official support of national public authorities. Two notable initiatives in this sense are the "#SupportYourSport" campaign promoted by German Olympic Sports Confederation (DOSB) on the Fairplaid

platform², and the "Return to Play: Active Together" match funding initiative launched by the UK platform Crowdfunder and Sport England (a non-departmental public body operating under the Department for Digital, Culture, Media and Sport)³. Both initiatives aim to help the sport and physical activity sector to stay afloat through the crisis.

The scope of this report is to provide an overview of different approaches to crowdfunding chosen by a number of sport clubs, or in some cases facility owners, schools and local municipalities, for raising money to support their sports and recreation initiatives, including but not limited to the COVID-19 related measures. Building on the data gathered by the GREENFOOT project⁴, our analysis focuses in particular on campaigns aimed at financing the construction and renovation of stadiums and/or sport facilities employing energy efficiency and renewable energy generation measures. We considered 36 crowdfunding projects from 7 different European countries, reflecting the four main crowdfunding models to identify specific trends and success factors for replication: donation, reward, equity and lending.

The research design of this paper is based on a mixed-methods framework with an emphasis on interview-based research, incorporating desk research and comparative analysis. Quantitative and qualitative data were collected through a combination of targeted literature review of relevant publications, desk research and ad-hoc interviews with selected project proponents and crowdfunding platforms.

CHAPTER 1

GENERAL ANALYSIS

MAIN FINDINGS

Over the past few years, the crowdfunding market has been steadily growing in Europe as part of the overall alternative finance investments of just under EUR 22 billion in 2020⁵. This growth has also seen an expansion of the sectors to which crowdfunding can be successfully applied, ranging from social causes to cultural industries, real estate, high tech, energy, and sport.

Among those, crowdfunding for sustainable transition of sports building is a subsector still represented by a small number of cases across Europe. Nevertheless, the 36-projects showcased in this report do provide an overview of the different crowdfunding solutions that have been adopted for specific types of renovations, including the installation of Renewable Energy Sources (RES) and Energy Efficiency measures (EE), ideal campaign strategies, as well as potential market leaders.



Figure 1: Distribution by country of the crowdfunding campaigns included in this review

As shown in Figure 1, the UK is host to the largest number of cases with 18, followed by Italy and France with four each, and Germany with three. This, in part, reflects not only a different level of market maturity of crowdfunding in Britain, but presumably also reflects cultural differences

in terms of risk appetite, investment culture, as well as energy and climate awareness.

The numbers shown do suggest a possible link between the status of the domestic crowdfunding sector and the popularity of football and sport in general within the respective markets. Noteworthy is the distribution of the specific crowdfunding models, as illustrated in Figure 2, especially concerning donation-based campaigns, with the former exclusively located in the UK.

The 36 projects raised a total of EUR 17.1m from over 16,200 investors/donors, including three failed campaigns,

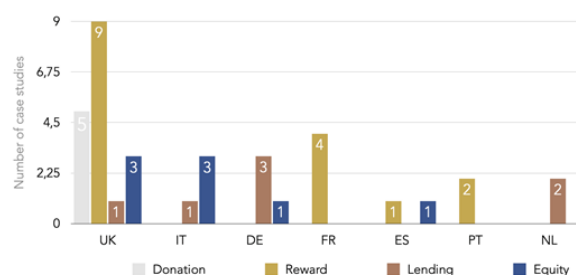


Figure 2: Distribution of crowdfunding models per country

and three which are still ongoing as of the publication of this report. Over 90% of the funds have been raised through equity and lending-based crowdfunding campaigns (Figure 3), despite the fact that these models represent only 41% of all campaigns (Figure 4). In contrast, reward-based campaigns represent 44% of the total number of projects but only 1,2% of the money raised (i.e., EUR 217,739).

For 17 of the cases presented in this study, crowdfunding was the sole source of funding. For the other 19 crowd-

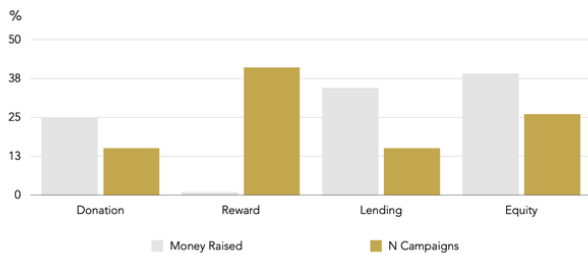


Figure 3: Money raised per crowdfunding models

funding was used in combination with other sources of financing, ranging from private debt to philanthropic donors or public grants, with percentages for the crowdfunding contribution varying from 5% of the total investment to 46%.

Additionally, 5 of projects – mostly reward-based – implement a match-funding scheme, with two working directly with a public authority (under the aforementioned “Return to Play: Active Together initiative in the UK), while the others worked with private donors (including private trusts) to match the contributions from the crowd.

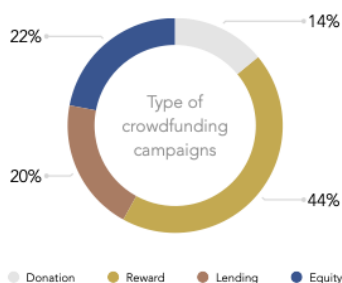


Figure 4: Type of crowdfunding models analyzed

The differences in total amounts raised by the projects, as we will show later, do not reflect on the viability any particular crowdfunding model. On the contrary, they highlight the substantial differences among the various project proponents, the types of projects and their investment needs.

In particular, as shown in Figure 5, the status of the football club launching the campaign greatly affects the choice of the crowdfunding model adopted, with local amateur and semi-professional clubs relying exclusively on donation and, especially, reward models.

On the other hand, professional football clubs do seem to be evenly split between equity- and lending-based crowd-

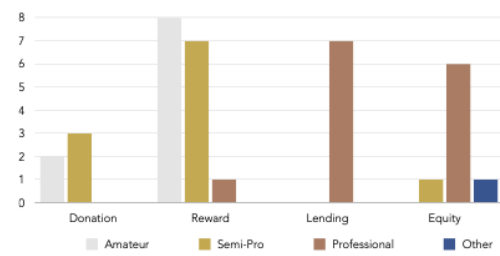


Figure 5: Category of project proponent

funding models (6 and 7 respectively) for the financing of projects that range from small renovations to full construction of a new stadium, or, in at least 2 cases, a general financing round (Figure 6).

Combined, these elements, next to the market differences, the size and composition of the available crowd in the respective communities, play a significant role in determining the type and scope of the crowdfunding campaigns examined.

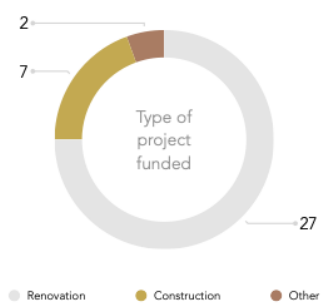


Figure 6: Type of crowdfunding models analyzed

The smallest successful project analysed is a reward-based campaign in France that raised EUR 2,145 from 42 contributors, and the largest one is a lending-based campaign in Germany that raised EUR 2.5m from 1796 investors in a couple of hours.

On the other hand, in terms of crowd size two equity campaigns represent the polar opposites, with the smallest one managing to raise EUR 65,000 from just 18 investors in Italy, while the largest one mobilized over 5,000 supporters in the UK for a total amount of EUR 2.3 m.

In line with overall crowdfunding trends, reward campaigns tend to aim for smaller funding goals, ranging from a few thousand EUR up to a maximum of just under EUR 50,000 (with one single outlier aiming for EUR 250,000), while equity and lending campaigns aim at

funding goals from around EUR 50,000 up to a few million Euro.

Donation campaigns, which prove to be more varied, ranged from EUR 10,000 to EUR 650,000 in total contributions, with the higher funding goals being a result big projects promoted by large private schools for the construction of new on-campus sport facilities.

At the same time, reward and donation-based projects do

*"The Club ... has played a prominent part in the **local community**. We are an inclusive club and a **community club**",*

Canary Crisis Fund Campaign by Hitchin Town Football Club⁶

have in common a strong social component at the core of their campaigns for contributions, highlighting in particular the benefit for their communities, as a result of the strong local roots of the mostly amateur and semi-professional clubs involved. Many such campaigns based their campaigns specifically on their strong community support.

To be sure, crowdfunding campaigns offering investments also tend to promote their strong involvement with the local communities, although

*"We never forgot our **community roots** which serve us well today. we are a Community Rugby Club, with an **emphasis on the Community**"*

Stadium Pitch LED Floodlighting Campaign by Sedgley Park Rugby Club⁷

the main driver of the campaigns message is usually oriented towards the improvement of professional accomplishments through the renovation of training or playing fields, better experiences for the supporters, as well as potential financial gains (particularly in the case of crowd-lending).

The vast majority of the campaigns analysed was launched by sport clubs (amateurs, semi-pro and professionals) or their affiliated entities (local schools, social clubs) for the

*"Our ambition ... is to build a new sports facility that will become a central hub for us and the **community**. A lifetime opportunity to build a buzzing **community hub** ... that will mean so much to so many"*

John Jenkins Stadium Campaign by Pompey in the Community Club⁸

renovation and/or construction of their own facilities (34 out of 36).

In one case the project proponents were third parties' in a long term leasing contract with the owner of the facility, while in another case the local city council was directly involved and led the charge for the re-qualification promotion of the sport facility.

*"We would like to **drive more revenue** through the turnstiles, as well as ... **generate** substantially more from **non-match day revenue**. We expect that it (the new stadium) will also encourage sporting participation, **improve the local community's health** through sport and ...**engage** those from **disadvantaged and excluded communities**"*

Equity Campaign by AFC Wimbledon⁹

Football clubs are the largest group represented within the sample, followed by cricket, rugby, volleyball and American football examples. In line with the findings of GREEN-FOOT report on the *Best practices in energy efficiency and renewable energy installations in sports buildings*, the projects can be summarized under the following four main categories:

*"By purchasing shares, you can help the club raise the extra funds they need to **realise their full potential** and continue making a huge **impact** on **their community**."*

Equity Campaign by South Shields Football Club¹⁰

- Interventions in outdoor spaces and playing fields, including supporter seating, and floodlighting
- Interventions in indoor spaces, comprising changing rooms, toilets, medical and first aid facilities,
- Renovations of administration offices and support facilities
- Interventions related to circulation and parking areas around sports facilities

As shown in Figure 7, most of the analysed projects focused on interventions regarding the playing field, with 20

*"Unique opportunity to invest together with leading companies from the energy, sports and financial sectors who want to make their services available, **positively impacting both the community and the environment**"*

Equity Campaign by EYS BA¹¹

out of 36 projects, followed by dressing rooms and support facilities (15 each).

“Seeks to raise EUR 1 m for the development of stadium facilities to benefit the team, the fan experience and the community.”

Lending Campaign by Frosinone Calcio¹²

A significant number of projects, in each category, had also plans for toilets, spectators’ areas as well as shops, bars and security services (including fences). On the contrary, media facilities, parking and pitch side spaces were rarely considered within the sample analysed.

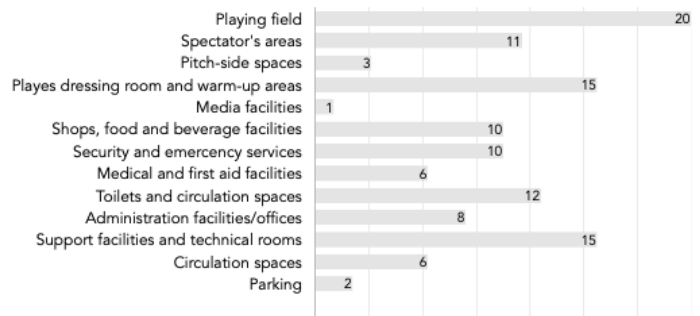


Figure 7: List of interventions funded per category considered in the case studies

FOCUS 1 - ENERGY PROJECTS

Nearly every project in the sample planned some interventions that could potentially involve the installation or the adaptation of energy efficiency related measures. As indicated in Figure 8, almost 70% of the projects examined involved some sort of renovation of the building envelope, such as roof repairs or the construction of new seating, while 31% of the projects aimed to improve the lighting system.

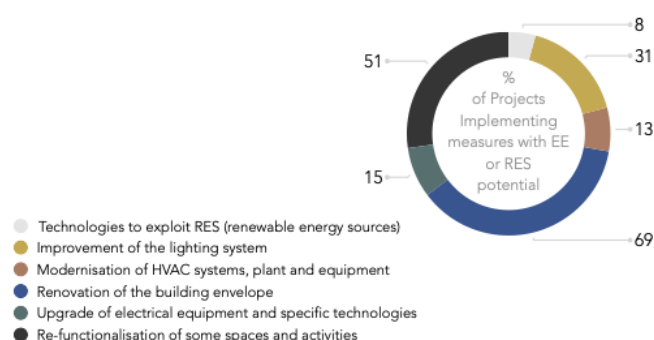


Figure 8: Type of crowdfunding models analyzed (%)

Reward-based crowdfunding seems to have been a preferred choice for improvements in the lighting system within the sample, as shown in Figure 9. On the other hand, projects aiming at renovating building envelopes or re-functionalizing specific spaces raised funds mainly through lending and equity-based campaigns, suggesting these funding types could be very suitable options for

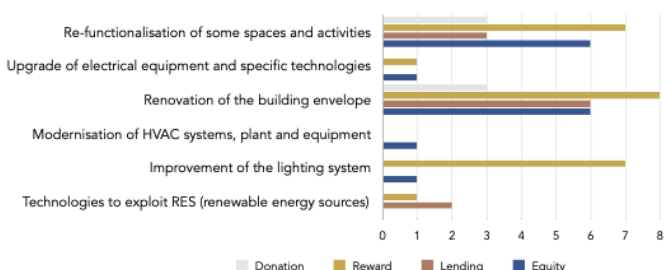


Figure 9: Preferred Crowdfunding Model per Energy related intervention

RES installations and/or Heating, Ventilation, and Air Conditioning (HVAC) systems.

Projects specifically focusing on carbon footprint reduction represent only a minority of the total funding in the sample. Regarding energy-focused measures, such as changing floodlights, only 6 projects expressly mentioned the intention of switching to more efficient LED lighting.

All in all, eight of the cases examined (22% of the total) had a clear energy focus combining 972 investors raising EUR 793,704, or 6% and 5% respectively of the total (Figure 10). Out of the eight projects, two (both reward-based campaigns) actually failed to reach their minimum funding goal. Among the successful six projects, three

	Campaigns	% total projects	Investors	Money Raised	Avg Contribution per person	Avg Investment per campaign
REWARD	5	25%	282	24.580 €	87 €	4.916 €
LENDING	2	29%	672	704.124 €	1.048 €	352.062 €
EQUITY	1	13%	18	65.000 €	3.611 €	65.000 €
TOTAL	8	22%	972	793.704 €	817 €	99.213 €

Figure 10: Energy related project

were reward-based campaigns for stadium renovations that included the installation of efficient LED floodlighting, while the other two were large scale lending campaigns.

Of the latter, one projects in the Netherlands was run for the installation of solar panels on the stadium rooftops, the other one, was a structured medium-sized project for energy efficiency interventions in a volleyball stadium in northern Italy (including the installation of LED lighting and the modernization of the building HVAC system).

FOCUS 2 - DONATION CAMPAIGNS

The donation-based crowdfunding is in general well suited for socially driven or not-for-profit projects in which the backers would not reasonably expect tangible compensation. The average amount usually raised by individual projects ranges between EUR 500 and EUR 10,000¹⁴.

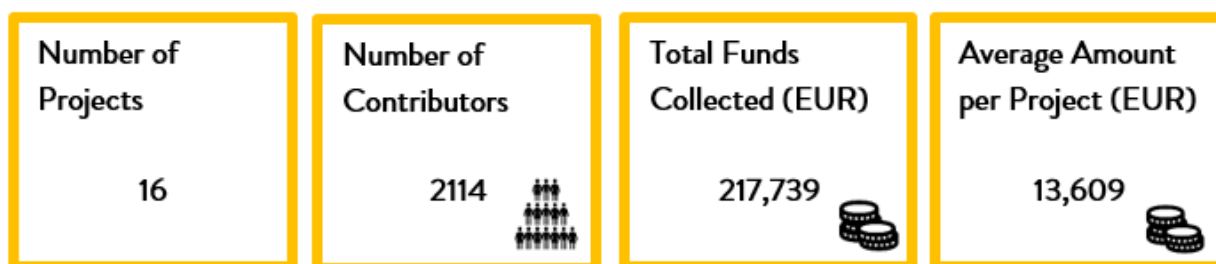
The donation projects for sport facilities examined are somewhat an exception. While the charitable aspect is mostly in line with the other donations campaigns, in terms of money raised, the average amount of the 6 selected projects is over EUR 110,000.

However, one project in particular raised the majority of all donations with EUR 454,600, significantly skewing the average. The second largest project still reached a

funding level higher than all other four projects together.

Overall, the projects analysed were quite similar in their structure, with variations in the set-up of the campaigns, with short, clear presentations.

On the other hand, the fundraising approaches promoted by the chosen platforms: CrowdFunder¹⁵ and JustGiving¹⁶ (both from the UK) are different. CrowdFunder presents a straightforward crowdfunding option, mediating between donors and project proponents, while JustGiving adds a third element to the process, in which supporters of the projects can launch their own fundraising page in order to raise money on behalf of the campaign.



FOCUS 3 - REWARD CAMPAIGNS

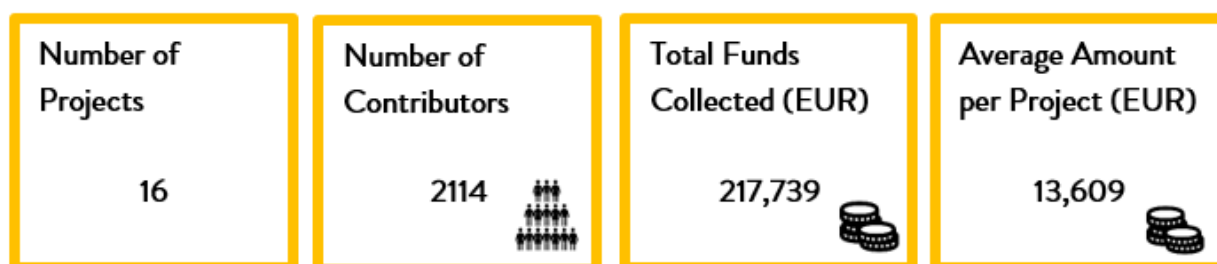
Reward-based crowdfunding is the most used model among the sample. Together, 16 cases in four different countries are included, the smallest one raising approximately EUR 2,000 from 42 funders, and the largest one reaching EUR 53,398 from over 400 contributors.

The amount and variety of campaigns financed through rewards shows that sport funding and especially with football can help engage and motivate the local fan base.

Small-scale projects, such as minor renovations and improvements of practice facilities or new floodlights, both for amateur or semi-professional clubs are represented in this analysis.

There is a noticeable uniformity across the analysed projects regarding the choice of rewards, with most of the projects providing team-based rewards, such as paraphernalia, match tickets and/or name plates in the new stands.

It is noteworthy that 25% of the selected campaigns (all in the UK) successfully combined the reward-based crowdfunding with a public or private match funding scheme, leveraging public funds with private contributions.



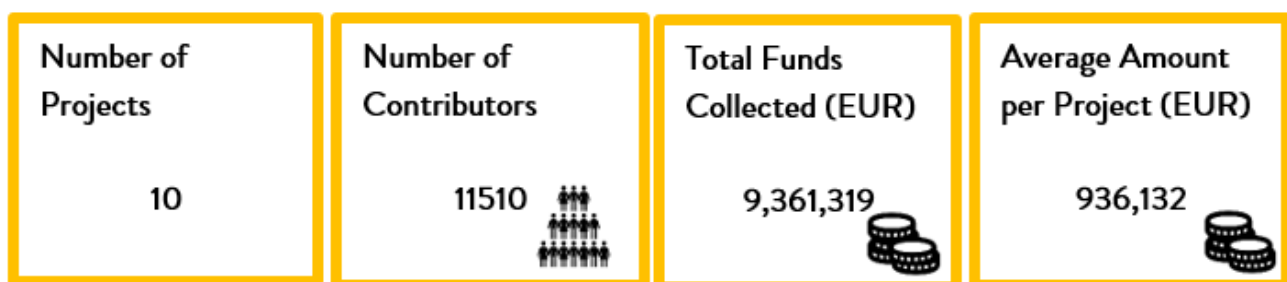
FOCUS 4 - EQUITY CAMPAIGNS

Among the four crowdfunding models analysed, equity is usually the one with the highest level of risk, as co-ownership normally entails participation in potential losses and not only profits. Yet, it also seems to be the most successful among the cases examined, with the highest participation and most money raised.

Among the cases analysed, the vast majority raised well over a million Euro with their campaigns (or even the double). Two projects raised significant amounts below one million Euro with EUR 429,118 and EUR 500,000 respectively. But also, projects that raised contributions between 30 and 60 thousand Euro were included in the sample.

With the sample, the shares offered vary significantly from project to project: from just 1-2% up to 40%. The average share holding offered in the analysed projects was in the range of 15-20%.

Most campaigns in the sample offered investors minimum voting rights through ordinary shares. However, at least half of the projects also offered extra perks and non-financial rewards specifically targeted to the fan base. Additionally, two projects explicitly indicated the availability of incentives and tax relief measures linked to the investment¹⁷.



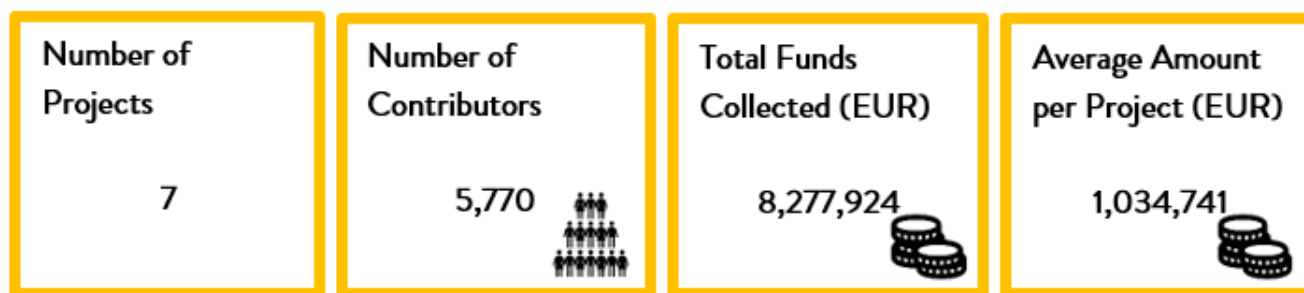
FOCUS 5 - LENDING CAMPAIGNS

With lending-based crowdfunding, individuals lend money to a company or to an individual consumer with the expectation that the money will be repaid with interest. However, in relation to European regulatory approaches, business lending is being treated different than consumer lending and we can focus on business lending for the purpose of this report.

The sample cases in this report raised an average of more than EUR 1m per project, with 4 out of 7 campaigns successfully rising between EUR 1m and EUR 2m. Interest rates and terms and duration for the investments with the sample vary between 4-8% over a period of three to five years. However, there are two notable exceptions

for the installation of solar panels on stadium rooftops that provided terms of return between 15 and 24 years with variable interests rates dependent on the energy generation during that period (usually between 2% and 3%).

Concerning these two solar roofs projects, it is also worth noting that they were handled by a platform specialized in the management of crowdfunding campaigns for the installations of solar panels in collaboration with a local energy supplier. All lending campaigns analysed were run by professional football clubs playing in first or second division of their respective national football leagues.



CHAPTER 2

CASE STUDIES

CASE STUDY 1:

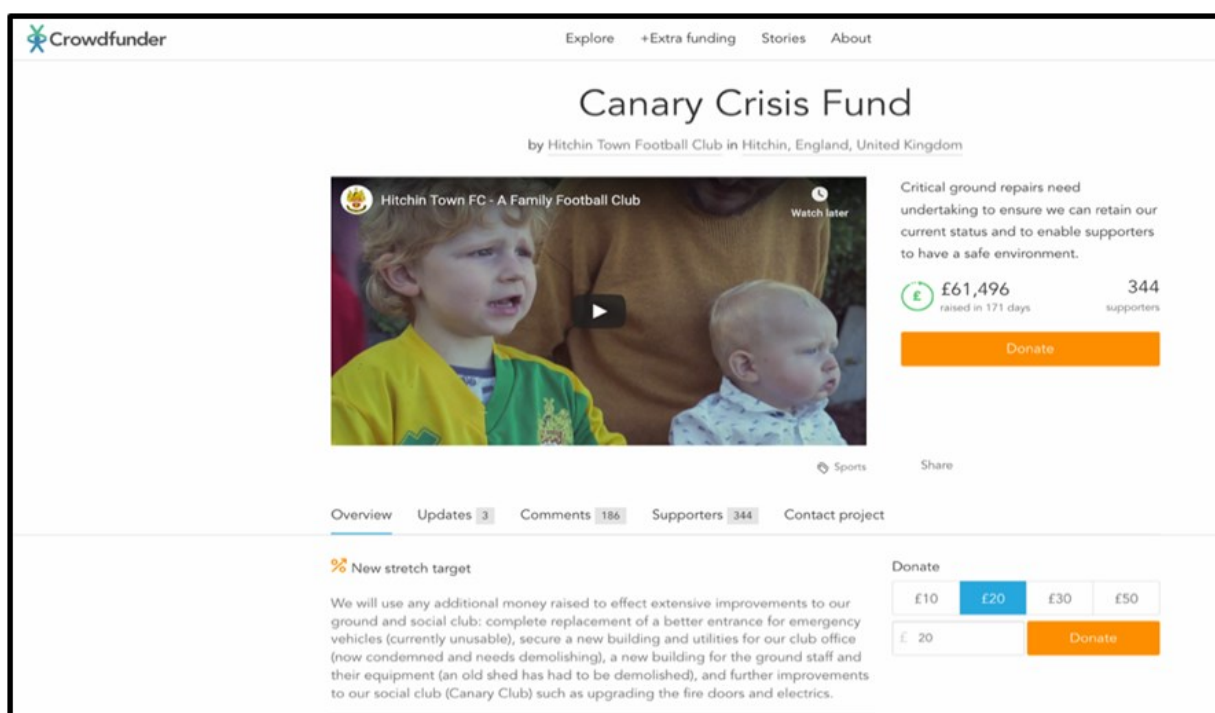
Hitchin Town Football Club, UK

The Canary Crisis Fund campaign was a donation campaign launched by Hitchin Town Football Club, UK, on CrowdFunder in August 2020 for “extensive improvements to ground and social club”, including ad hoc solutions for *COVID-19 Compliance Work for Spectator Admission*.

For a standard donation campaign Canary Crisis Fund proved to be extremely successful, raising over GBP 60,000. Far more than the initial funding request of GBP 25,000.

The campaign had a deep social connotation, strongly emphasizing the local roots of the club and its role as a gathering hub for the local community, as well as the role of the football club in bringing national and media attention to the town.

Of particular note, is the combination of mostly small donations between GBP 10 and a few hundred pounds with a few “big donors”, ranging between GBP 1,000 and GBP 5,000, who provided more than half of the total amount raised (GBP 32,166).



The Project

Project: Canary Crisis Fund by Hitchin Town Football Club

Location: Hitchin, England, United Kingdom

Campaign Link: <https://www.crowdfunder.co.uk/canary-crisis-fund>

Project Aim: Extensive improvements to ground and social club

Total Investment: GBP 25,000

% Raised Through Crowdfunding: 100%

Co-financing: N/A

Incentives and Subsidies: N/A

Description: Total replacement of part of the main stand's

roofing, all of the perimeter fencing on more than two sides of the ground, and structural repair to one of their buildings in the ground:

- Main stand roof
- Internal rebuild of old tea bar
- Perimeter fencing around top field
- Fishpond road stand timber repairs
- Concrete path repairs
- Current tea bar canopy replacement
- Canary club office wall repair
- Changing room toilet repairs
- COVID-19 compliance work for spectator admission

Crowdfunding Campaign

Platform: CrowdFunder

Crowdfunding Model: Donation

Days Open: 163

Total Amount Raised: GBP 61,496 (245.98%)

Number of Investors: 344

Mean Investment Amount: GBP 179

Key Factors

- ⇒ Detailed description of the planned interventions combining several areas of interest for sport and social activities
- ⇒ Able to leverage COVID-19 in a constructive way by including specific interventions for spectators' admission
- ⇒ Strong social media base (2,700 Facebook, 11,433 Twitter, 4,190 Instagram) to help spread the message
- ⇒ Sponsored by local Member of Parliament¹⁸

CASE STUDY 2:

Sedgley Park Rugby Club, UK

The reward campaign intended to supply and install new LED Floodlighting for the Stadium of the Sedgley Park Rugby Club in Whitefield, UK, with the aim of reducing energy consumption by 65% and improve visibility during matches.

The campaign was supported by a limited number of investors (51) but benefitted from the support of a dedicated Energy Community Energy Fund that provided almost half of the total funding - GBP 5,000 - in partnership with Crowdfunder.

The project is also among the many that successfully took advantage of a public match-funding scheme promoted by Sport England to support the sport sector dealing with COVID-19, which provided the remaining GBP 10,000 to fully finance the investment.

Crowdfunder Explore +Extra funding Stories About

Stadium Pitch LED Floodlighting

by Steve Ward in Whitefield, England, United Kingdom

WIN 20201013 15:06:45 Pro

Guards plu...

This Project aims to help replace our existing Floodlighting on our Stadium Pitch to more efficient and cost effective LED Floodlighting.

✓ We did it

On 14th December 2020 we successfully raised £10,318 with 51 supporters in 20 days

Share

Overview Updates 1 Comments 8 Supporters 51 Contact project

New stretch target

If we raise £15,000, it would reduce the funds we have to borrow to complete the project.

Who are we?

Sedgley Park Rugby Club was founded in 1932, in a Temperance Bar in Sedgley Park. However, we have never actually played in Sedgley Park itself. We moved into the current ground on Park Lane in 1955, which was purchased from the Cooperative Society by the 3 club trustees on behalf of the club. At that stage, after the war, the club only fielded 25 players.

The new clubhouse was started in 1978 and completed in time for the Golden Jubilee in 1982. A lottery grant in the 90s allowed us to purchase more land and extend the clubhouse.

Rewards

This project offers rewards in return for your donation.

£1 or more

Virtual Matchday Raffle

It is matchday and we are running a raffle. £1 a ticket. The first prize will be 40% of the money taken at the raffle. The second prize will be 10% of the money taken. The Club will take the remaining 50% as a donation. The more who are in it, the bigger the prize. Prize will be drawn on 28th November, at the club.

The Project

Project: Stadium Pitch LED Floodlighting by Sedgley Park Rugby Club

Location: Whitefield, England, United Kingdom

Campaign Link: <https://www.crowdfunder.co.uk/stadium-pitch-led-floodlighting>

Project Aim: Supply and install new LED Floodlighting to replace the existing Floodlighting while improving the coverage

Total Investment: GBP 20,475

% Raised Through Crowdfunding: 50.4%

Co-financing: Match-funding by Sport England

Incentives and Subsidies: N/A

Description: The old lights are of an older technology, Metal Halide, which are more expensive to run and maintain compared to modern LED Floodlighting. By changing to LED Floodlighting, the club could save 65% of

Campaign

Platform: CrowdFunder

Crowdfunding Model: Reward

Days Open: 20 days

Total Amount Raised: GBP 10,318

Number of Investors: 51

Mean Investment Amount: GBP 202.30

Smallest Investment: GBP 10

Largest Investment: GBP 2,500

Key Factors

- ⇒ Focused investment with direct impact on the playing field (improved lighting coverage)
- ⇒ Additional emphasis on the percentage of energy savings and reduced costs
- ⇒ Combination of sport/competitiveness -driven rewards with others more socially/community oriented to attract a more diverse crowd
- ⇒ Successfully implemented a public match-funding scheme
- ⇒ Partnership with local Energy Community Energy Fund

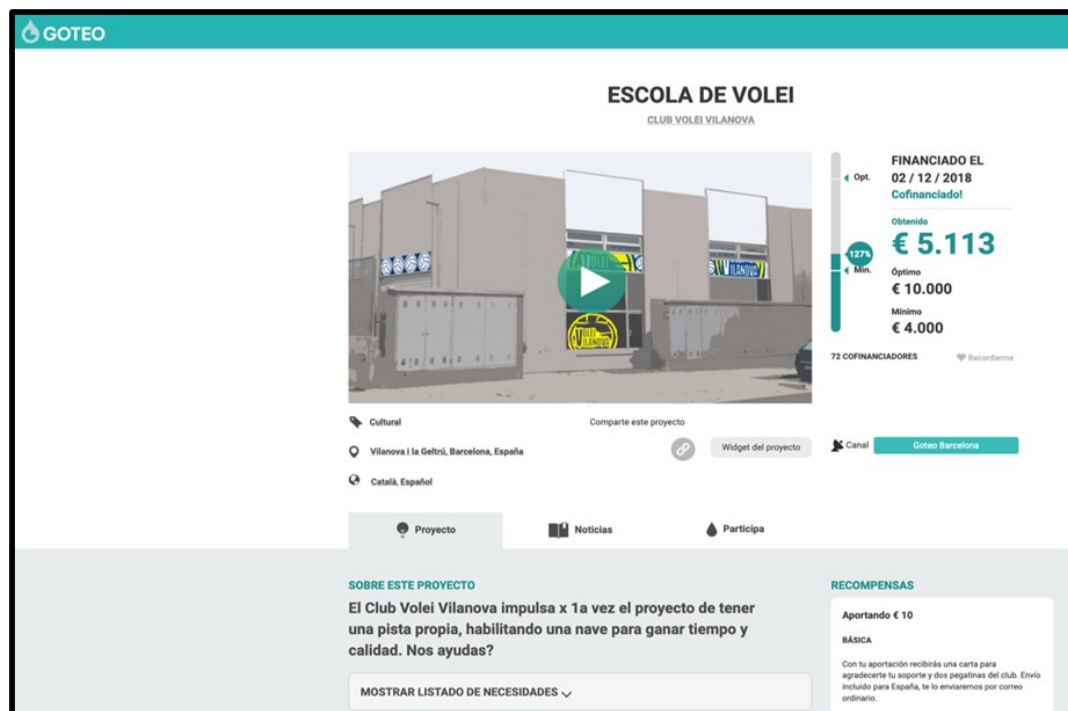
CASE STUDY 3:

Club Volei Vilanova, Spain

Escola de Volei (Volleyball School) is a project for the renovation and refurbishment of an old warehouse launched in 2018 by Club Volei of Vilanova, Spain, on the platform Goteo.

Structured as a two-step reward campaign with a minimum threshold of EUR 4,000 and a funding goal of EUR 10,000, Escola de Volei focused mainly on the social benefits of the project, emphasizing the need for adequate spaces to practice sport in the community.

An interesting perk offered by the campaign was the inclusion of specific rewards aimed at businesses and/or potential sponsors with the offer of dedicated advertisement spaces on the walls of the renovated facility.



The Project

Project: Escola de Volei by Club Volei Vilanova

Location: Vilanova i la Geltrú, Barcelona, Spain

Campaign Link: <https://www.goteo.org/project/escola-de-volei>

Project Aim: The project consists of equipping an industrial warehouse for use as a practice facility for volleyball.

Total Investment: 10,000

% Raised Through Crowdfunding: 40%-100%

Co-financing: N/A

Incentives and Subsidies: N/A

Description: Equipping an industrial warehouse for the practice of volleyball, specifically to facilitate the teaching of this sport in the youngest age groups. Specific

interventions include:

- A new electrical installation to provide the warehouse with adequate ventilation and lighting with LED technology.
- Re-flooring of the pavement in plastic with a cushioning layer to reduce the impacts that are customary in volleyball.
- Provision of adapted services and a water point for proper hydration of athletes.
- Incorporation of representative images and logos of the club on the façade to make it easy to identify the warehouse as the nucleus of activity.

Crowdfunding Campaign

Platform: GOTEÓ

Crowdfunding Model: Reward

Days Open: 92 days

Total Amount Raised: EUR 5,113 (127%)

Number of Investors: 72

Mean Investment Amount: EUR 50

Smallest Investment: EUR 10

Largest Investment: EUR 300

Key Factors

- ⇒ Renovation and repurposing of an existing area with several structured interventions, from electrical installation to flooring
- ⇒ Two-stage crowdfunding campaign that reached only the intermediate goal
- ⇒ Inclusion of specific rewards aimed at businesses / potential sponsors
- ⇒ Strong social orientation (focused on the lack of adequate spaces to practice sport in the community)

CASE STUDY 4:

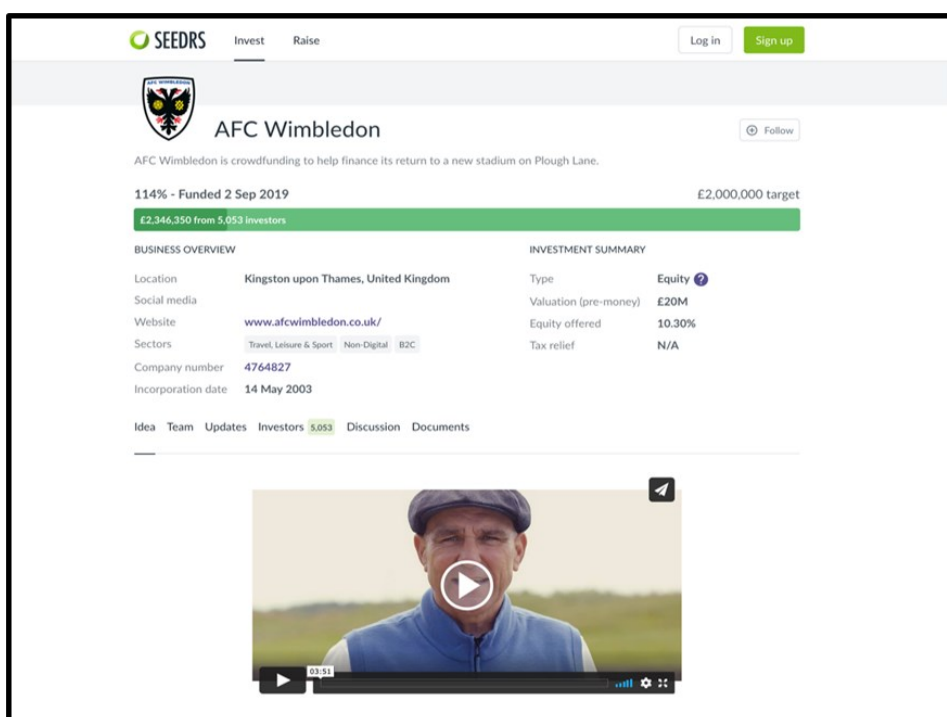
AFC Wimbledon, UK

The 2019 equity campaign on Seedrs by the AFC Wimbledon, UK, for the construction of its new GBP 30m stadium on Plough Lane raised almost GBP 2.5m from over 5,000 investors.

The option of becoming minority owners of the club, together with a clear monetization strategy and the offering of targeted rewards aimed specifically at fans proved to be a key factor in attracting investors,

leveraging both financial motivations and the strong sense of community of football supporters.

In addition to various sport paraphernalia and match tickets, all investors regardless of the amount pledged had their name recorded permanently within the new stadium, and the chance to have the stadium named after them for one match.



The screenshot shows the AFC Wimbledon crowdfunding page on the Seedrs platform. The page features the club's crest and name at the top. Below this, a progress bar indicates that 114% of the £2,000,000 target has been reached, with £2,346,350 raised from 5,053 investors as of September 2, 2019. The page is divided into two main sections: 'BUSINESS OVERVIEW' and 'INVESTMENT SUMMARY'. The 'BUSINESS OVERVIEW' section provides details about the club's location (Kingston upon Thames, United Kingdom), website (www.afcwimbledon.co.uk/), sectors (Travel, Leisure & Sport, Non-Digital, B2C), company number (4764827), and incorporation date (14 May 2003). The 'INVESTMENT SUMMARY' section lists the investment type as Equity, valuation (pre-money) as £20M, equity offered as 10.30%, and tax relief as N/A. At the bottom of the page, there is a video player showing a man in a blue shirt and cap, likely a club representative, with a play button overlay.

BUSINESS OVERVIEW		INVESTMENT SUMMARY	
Location	Kingston upon Thames, United Kingdom	Type	Equity
Social media		Valuation (pre-money)	£20M
Website	www.afcwimbledon.co.uk/	Equity offered	10.30%
Sectors	Travel, Leisure & Sport, Non-Digital, B2C	Tax relief	N/A
Company number	4764827		
Incorporation date	14 May 2003		

The Project

Project: AFC Wimbledon Stadium by *AFC Wimbledon*

Location: Kingston upon Thames, United Kingdom

Campaign Link: <https://www.seedrs.com/afcwimbledon/sections/idea>

Project Aim: Help finance the construction of a new stadium on Plough Lane

Total Investment: GBP 32m

% Raised Through Crowdfunding: 6.3%

Co-financing: Debt (GBP 13m)

Incentives and Subsidies: N/A

Description: Construction of a new stadium with 9,000-person capacity, which could eventually expand to 20,000 by replacing semi-permanent stands with larger, permanent structures. The main West Stand is planned to have four tiers with media facilities, camera gantries & 12 glass-fronted executive boxes. The players' tunnel will lead out from the centre of the stand, with the technical areas on either side. Other features are expected to include a pub, open 7 days a week; a fan zone so fans can meet before, during & after games; a conferencing suite capable of seating 500, and a museum charting the history of the club.

Crowdfunding Campaign

Platform: SEEDRS

Crowdfunding Model: Equity

Valuation Pre-Money: GBP 20m

Equity Offered: 10.3%

Investor Perks: YES

Voting Rights: All investors will receive 'A' ordinary shares (1 share = 1 vote)

Days Open:

Total Amount Raised: GBP 2,346,350 (114%)

Number of Investors: 5,053

Mean Investment Amount: GBP 46.77

Smallest Investment: GBP 10

Largest Investment: Unknown

Key Factors

- ⇒ Very popular campaign able to leverage a strong social media presence (77,000 Facebook, 67,600 Twitter)
- ⇒ Successful combination of equity with targeted rewards aimed exclusively at sport fans
- ⇒ Detailed business plan with a clear monetization strategy based on the planned interventions
- ⇒ Strong emphasis on both financial motivations and the sense of shared ownership

CASE STUDY 5:

EYS BA, Italy

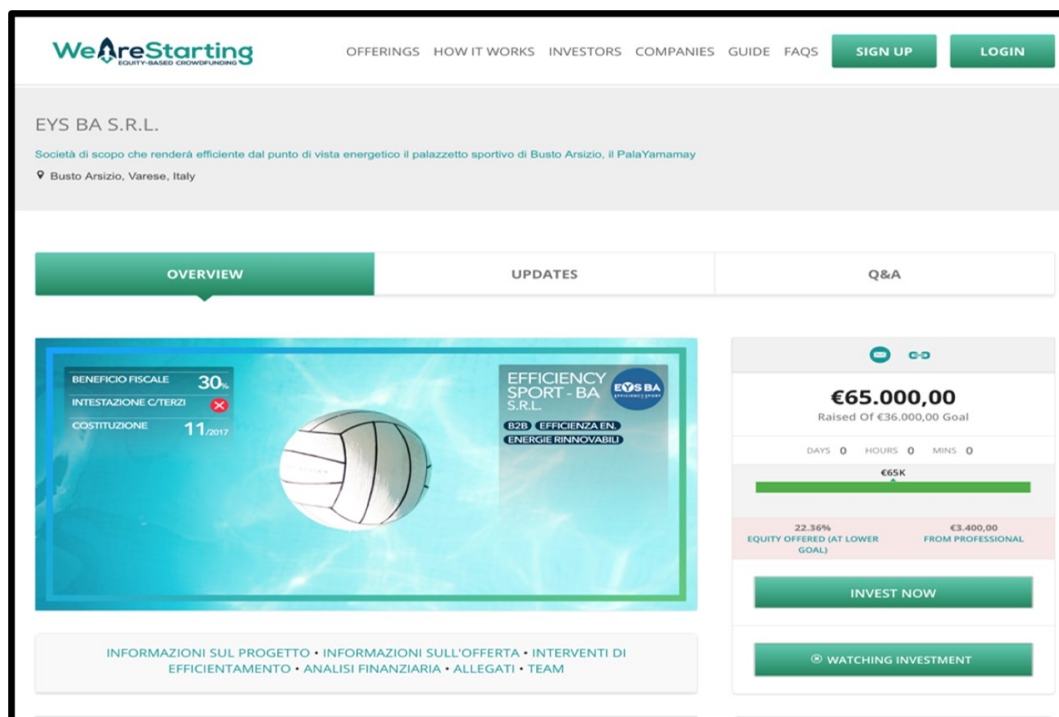
The Rendiamo efficiente il PalaYamamay di Busto Arsizio campaign was promoted by EYS BA S.R.L, Italy, through We Are Starting in 2018. The campaign supported a series of energy efficiency measures for a local volleyball stadium.

The campaign raised a total of EUR 65,000 and was structured in two steps, with a maximum offering of 52% of shares at a pre-money valuation of EUR 125,000.

Thanks to a 20-year leasing agreement with the stadium owner, the project promoter could plan for longer return

of investment with profit margins linked to the results of the planned energy efficiency measures, while also taking advantage of existing EE incentives and tax relief measures for green investments to offer interest rates at 9-10%.

Of particular interest is the specific focus on a small number of professional investors and the direct involvement of suppliers and contractors for the renovations as investors in the campaign.



The Project

Project: *Rendiamo efficiente il PalaYamamay di Busto Arsizio*
by EYS BA S.R.L

Location: Busto Arsizio, Varese, Italy

Campaign Link: <https://www.wearestarting.it/offering/eysba>

Project Aim: Implement measures to make the PalaYamamay sports hall in Busto Arsizio, more energy efficient.

Total Investment: EUR 330,000

% Raised Through Crowdfunding: 20%

Co-financing: Debt

Incentives and Subsidies: 30% tax relief

Description: The company will carry out sustainable (economically and environmentally) energy efficiency interventions on PalaYamamay. These interventions will be implemented and managed, in terms of maintenance and efficiency, with monitoring and regulation processes. Following the analysis carried out through the thermal and electrical models, the energy requalification interventions, which allow to have acceptable payback times, have been evaluated in:

- Replacement of the current generator for the production of heating/cooling with 2 condensation boilers and 6 heat pumps
- Regulation system of the air changes through presence detection
- Replacement of the lighting fixtures with LED lamps.

Crowdfunding Campaign

Platform: WeAreStarting

Crowdfunding Model: Equity

Valuation Pre-Money: EUR 125,000

Equity Offered: 1st Step 28.8%, 2nd Step 52%

Investor Perks: No

Voting Rights: No

ROI: 9-10% - 2022

Days Open: 730

Total Amount Raised: EUR 65,000 (100%)

Number of Investors: 18

Mean Investment Amount: EUR 3,611

Smallest Investment: EUR 200

Largest Investment: N/A

Key Factors

- ⇒ Actively taking advantage of existing EE incentives and tax relief measures for green investments
- ⇒ Campaign attracted mostly businesses and professional investors with an interest in sustainability
- ⇒ Suppliers and contractors for the renovations were directly onboarded through the campaign
- ⇒ Extremely detailed financial planning including a 9-10% return of investment with profit margins linked to the results of the planned energy efficiency measures.
- ⇒ Project promoter already experienced in crowdfunding
- ⇒ 20 years lease agreement between the project proponent and the stadium ownership

CASE STUDY 6:

FC Volendam, The Netherlands

The Zonnedak Volendam campaign was launched in 2015 by Volendam Football Club, Netherlands, on the Zonnepanelen Delen platform to install solar panels on the roof of its stadium.

Building on its experience with a previous project in Groeningen, the platform Zonnepanelen helped to structure the investments in mini solar bonds with a nominal value of EUR 25 that could be more attractive to football supporters without substantial disposable income.

The campaign was focused on creating a sense of ownership of the solar panels, strengthened by offering a long term (15 years) flexible return linked to the yearly power production.

In partnership with the local utility direct monitoring of the energy outputs was added and the direct involvement of the utility's customers, who were offered a premium on their returns if they invested.



The Project

Project: Zonnedak Volendam in 2015

Campaign Link: <https://www.zonnepanelendelen.nl/project/zonnedakvolendam/>⁹

Project Aim: Project financing for a solar rooftop for FC Volendam's Stadium

Total Investment: EUR 480,197

% Raised Through Crowdfunding: 25%

Co-financing: ASN Bank for EUR 275,000

Incentives and Subsidies: SDE+ subsidy

Description: Installation of 1059 solar panels on the roof of FC Volendam Stadium for energy generation.

Crowdfunding Campaign

Platform: Zonnepanelen Delen

Crowdfunding Model: Lending

Interest Rate: 3.5%

Term: 15 years

Days Open: 14

Total Amount Raised: EUR 120,000

Number of Investors: 335

Mean Investment Amount: EUR 358

Smallest Investment: EUR 25

Largest Investment: EUR 7,200

Key Factors

- ⇒ Long term investment in solar bonds, with the interest rate for investor dependent on the amount of solar production in the solar interest period
- ⇒ A small minimum investment of EUR 25 was chosen to attract a wider audience of smaller investors
- ⇒ Partnership with local energy supplier to monitor the energy output and provide higher returns to clients of the partner company
- ⇒ The solar energy project was done via a special purpose vehicle with the only business to operate the solar rooftop system in order to lower the financial risk.
- ⇒ Sustainability and financial returns were the main motivators for supporters, together with a sense of "ownership" of the solar panels
- ⇒ PR campaign benefitted from the involvement of trusted partners (e.g. EPC contractor, utility operator, etc.) interested in the project as a platform to advertise their services

CASE STUDY 7:

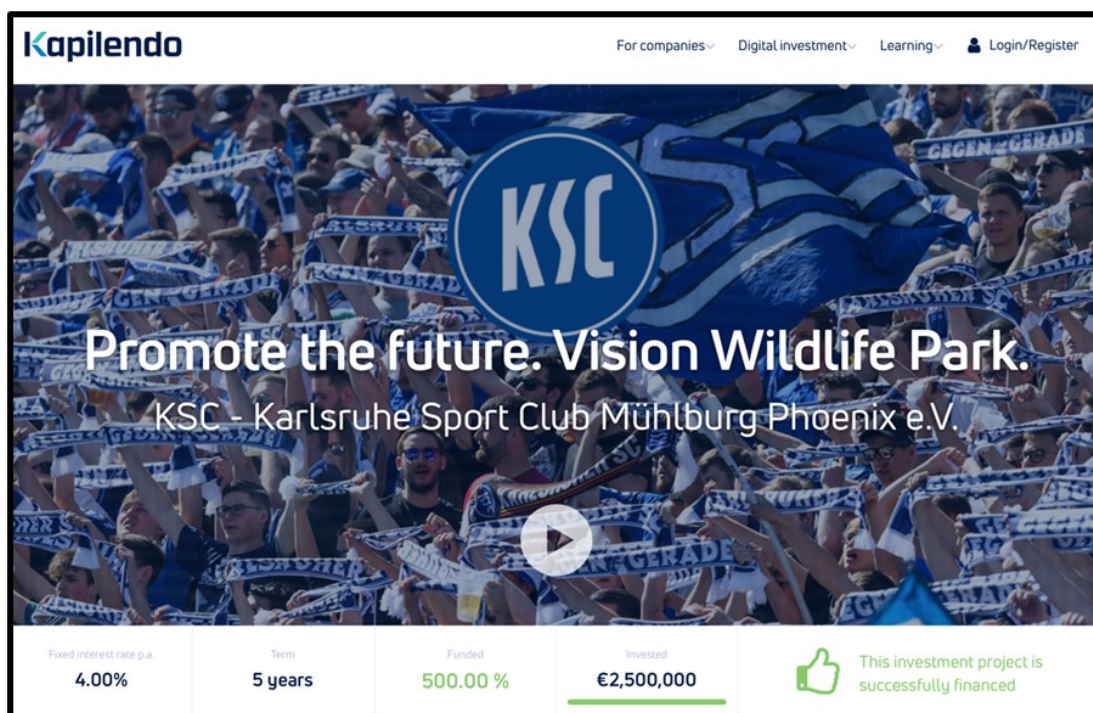
Karlsruhe Sport Club, Germany

The campaign for the Wildlife Vision Park project of Karlsruhe Sport Club, Germany, for the renovation and improvement of the club's stadium and training facilities, was hosted on the lending platform Kapilendo (following a merger in 2021 now part of Invesdor).

Raising EUR 2.5m from 1,796 investors in just a few hours, the campaign was the second successful crowdfunding financing launched by KSC and Kapilendo.

A key factor to the campaign success was the interest rate combining a fixed financial return of 4% with vouchers for the club's shop equivalent to a 2% return.

Furthermore, to attract bigger investments, a special VIP reward was offered in a lottery format, inviting the first 15 investors who invested EUR 10,000 to an exclusive event.




Kapilendo For companies ✓ Digital investment ✓ Learning ✓ Login/Register

KSC

Promote the future. Vision Wildlife Park.
KSC - Karlsruhe Sport Club Mühlburg Phoenix e.V.

Fixed interest rate p.a.	Term	Funded	Invested
4.00%	5 years	500.00 %	€2,500,000

 This investment project is successfully financed

The Project

Project: Promote the future. Vision Wildlife Park. by KSC
- Karlsruhe Sport Club

Location: Karlsruhe, Germany

Campaign Link: <https://www.kapilendo.de/projekte/beb6efaf-3940-4481-aceb-23fc0bbdbbb7#/>

Project Aim: Renovation and improvement of stadium and training facilities

Total Investment: EUR 10m

% Raised Through Crowdfunding: 25%

Co-financing: mixed financing, including special sponsoring partnerships or the sale of shares after a possible spin-off of economic business operations

Incentives and Subsidies: N/A

Description: The aim of the extensive overall concept is to completely modernize the existing infrastructures in the medium term and, among other things, to build a modern functional building and a large training area. In the next step, an artificial turf field behind the pheasant garden wall and later a second training place for the professional team are to be created at short notice.

Crowdfunding Campaign

Platform: Kapilendo

Crowdfunding Model: Lending

Interest Rate: 6% (4% fixed interest per annum + 2% in kind interest in the form of vouchers, which can be redeemed for KSC products in the fan shop)

Days Open: 30

Total Amount Raised: EUR 2,500,000

Number of Investors: 1,796

Mean Investment Amount: 1,392

Smallest Investment: : N/A

Largest Investment: : N/A

Key Factors

- ⇒ Structured interest rate combining fixed financial returns and vouchers
- ⇒ Strong focus on improved professional performance and youth training to maximize profits
- ⇒ Second crowdfunding campaign launched by KSC
- ⇒ Mixed financing structure for long term planning
- ⇒ Inclusion of a limited and selective VIP Reward

OUTLIERS:

Stevenage FC, UK & Karlsruhe SC, Germany

In addition to the cases detailed above, there are also two equity campaigns that deserve a special mention: one launched by Stevenage FC on the platform Tifosy, UK²⁰, and the one by Karlsruhe SC²¹ on the platform Kapilendo, Germany.

Although neither project is per se related to energy or stadium renovations, both present some interesting solutions in their respective campaigns.

Stevenage FC launched an equity campaign for GBP 1.2m (equal to 12% of new equity offered) that included a potential for additional dividend based on the club performances on the field, with a 25% dividend promised in case of promotion to the EFL League One and 75% upon promotion to EFL Championship.

Karlsruhe SC, on the other hand, is one of the first clubs worldwide to issue 100% digital shares without a stock exchange listing, having collected more than EUR 800,000 as of this report.

Both options offer interesting perspectives for second or third tier clubs aiming to raise capital for their project in an alternative way.

CONCLUSIONS

As shown within this report, sports clubs are demonstrating an interest in engaging fans and citizens in relevant investments. Such investments have been undertaken for improving performance, COVID-19 support, structural renovations, or to push for energy efficiency and cost reductions.

The 36 crowdfunding case studies analysed in this report show first and foremost that there is ample room for tailored approaches based on project owner status, proposed interventions and the target crowd. Non-financial models also present a valuable alternative in the proper context and community branding; particularly in the case of smaller interventions such as changing floodlights or pitch renovations.

Nevertheless, it is important to highlight that financial models remain more successful in raising larger amounts of capital for professional football clubs. Crowdlending was widely used in the sample presented, benefiting from the possibility for long term returns with attractive interest rates and the potential for combining fixed interest rates with non-cash interests in the form of vouchers for merchandising.

Equity crowdfunding particularly was used to engage football fans in Germany or the UK, where the fan community is very large and the concept of shared ownership of football clubs is either well established²², or gaining more and more traction²³.

Specific use cases from the UK show that match-funding schemes can be successful in maximizing funding for smaller projects, but also allowing the identified projects

to reach their target goal even with a limited number of supporters. The identified public-private match-funding schemes were somewhat limited in their scope, as they were employed exclusively in a few non-financial campaigns in the UK and relied almost entirely on ad-hoc sport subsidies for COVID-19 relief.

At the same time, these match-funding cases present a solution that could be easily replicated by taking advantage of more substantial public and private funding now available for EE projects under the push of the EU Green Deal Agenda and the national recovery and resilience Plans.

ENDNOTES

¹ <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52021DC0390&from=BG>

² <https://www.supportyoursport.org>

³ <https://www.crowdfunder.co.uk/funds/active-together>

⁴ <https://greenfoot-project.com>

⁵ <https://www.jbs.cam.ac.uk/wp-content/uploads/2021/06/ccaf-2021-06-report-2nd-global-alternative-finance-benchmarking-study-report.pdf>

⁶ <https://www.crowdfunder.co.uk/canary-crisis-fund>

⁷ <https://www.crowdfunder.co.uk/stadium-pitch-led-floodlighting>

⁸ <https://www.crowdfunder.co.uk/pompey-in-the-community>

⁹ <https://www.seedrs.com/afc-wimbledon>

¹⁰ <https://www.seedrs.com/>

[southshieldsfc-ba=127759&utm_source=businessagent&utm_medium=referral&utm_campaign=aggregator](https://www.seedrs.com/southshieldsfc-ba=127759&utm_source=businessagent&utm_medium=referral&utm_campaign=aggregator)

¹¹ <https://www.wearestarting.it/offering/eysba>

¹² <https://www.tifosy.com/en/raises/investi-nella-nostra-casa-investi-nel-nostro-futuro>

¹³ <https://greenfoot-project.com/resources/best-practices-in-energy-efficiency-and-renewable-energy-installations-in-sports-buildings/>

¹⁴ The indicated average size of the campaigns is based on estimates by EURO CROWD derived from extensive anecdotal evidence.

¹⁵ <https://www.crowdfunder.co.uk>

¹⁶ <https://www.justgiving.com>

¹⁷ In most cases the tax deduction is capped at 30%.

¹⁸ <https://www.facebook.com/Bim4HandH/posts/canary-crisis-fund-crowdfunding-for-hitchin-town-fcawful-weather-in-january-coup/1221439754882129>

¹⁹ the data reported on the campaign website are not updated.

²⁰ <https://www.tifosy.com/en/raises/stevenage-fc-equity-offer>

²¹ <https://www.ksc.de/club/allgemein/news/show/article/investieren-in-die-zukunft-ksc-startet-aktienverkauf-an-alle-fans/>

²² Germany is known for its unique framework of 50+1 mandating that football clubs in the German Football League must hold a majority of their own voting rights, with members - the actual fans themselves - enjoy a 51% voting majority when it comes to any and all decisions. Exemptions exist in cases where a commercial investor has been involved and backed a team for more than 20 years. "German soccer rules: 50+1 explained", <https://www.bundesliga.com/en/news/Bundesliga/german-soccer-rules-50-1-fifty-plus-one-explained-466583.jsp>

²³ Punk Football: The Rise of Fan Ownership in English Football, Jim Keoghan, Pitch Publishing Ltd, 2014

ACRONYMS AND LIST OF FIGURES

ACRONYMS

CSR	Corporate Social Responsibility
EE	Energy Efficiency
HAVC	Heating, Ventilation and Air Conditioning
LED	Light Emitting Diode
RES	Renewable Energy

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We have been working hard to harmonise
capital market rules for tradeable securities
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