

# Case Study: Key

Key was able to turbocharge its venture capital round and close 283% of its target raise with the addition of equity crowdfunding

<b>\$5.6M</b>	<b>173</b>	<b>175</b>	<b>1</b>	<b>\$3.14K</b>
Raised	Investors	Investments	Campaign	Av Investment

## Supporting a venture capital raise with equity crowdfunding

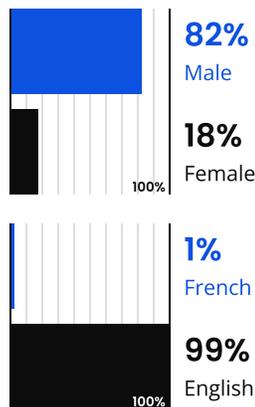
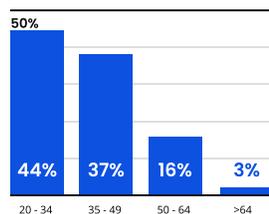
Key completed its Seed-stage financing round, with great VCs on its cap table, great angel investors, and they continued on to add a great community of investors through FrontFundr. Part of the ethos at Key is to democratize access to homeownership, and to real estate more generally. That ethos meant that democratizing access to the investment side of Key by offering shares on FrontFundr was a natural extension. "We did raise a good amount through FrontFundr and we're appreciative of that, but it was about bringing the ability to invest in a Seed-stage private technology company to the masses. We were very pleased with the response. It was great."

### Investor Demographics

**99%**

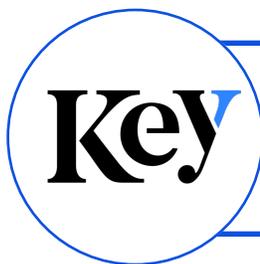
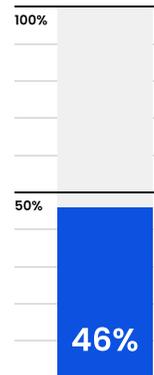
Not Accredited

Age Distribution



### New vs. Repeat Investors

Key was able to leverage the FrontFundr community, investors who had already previously invested in a venture on the platform, to make up 46% of the funds raised through equity crowdfunding. These were a majority of young adults who understood the pain and potential Key is solving.



**Rob Richards**  
CEO, Key

"I was a venture capitalist for 10 years having co-founded Plaza Ventures. Investment crowdfunding was not an option 5-10 years ago at Seed Stage, whereas now it is, and it's a strong compliment to VC investment."

**It's time to level up your raise!**

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## The Key Playbook

At Key, the team plans to be a massive new category and build a huge platform, sort of the Shopify of residential real estate. They need VCs, VCs that understand how to do that, that are in the market, that give them that credibility, and can do 100M, 200M, 500M financings as they scale from B, C, D, toward an IPO eventually. It was this growth story, the ambition, the scale, the ethos, and the team that could pull it off which drove major investment in this opportunity from the existing FrontFundr community.

FrontFundr made this possible because, “You’ve got a really good platform that is professionally put together, that manages investor relations, manages corporate governance, manages communications, and manages your shareholder base, where before the thought of taking on 150 shareholders in a spreadsheet was such a daunting task. VCs shouldn’t worry about it, they should actually like it, to go through crowdfunding now you need to go through extreme diligence and extreme governance, and that set us up for success, with the VCs.”

What really worked for Key is that users resonated with their mission to make homeownership affordable. This was reflected in its demographics composition with 44% of investors being aged 20-34. Although media coverage for the campaign was low they did an excellent job of connecting with individuals on their waitlist for home purchases as well as the FrontFundr community.

# 10%

The FrontFundr equity crowdfunding accounted for 10% of Key’s eventual Seed round with investment from major VC and angel firms.

All of Key’s 173 ECF investors were onboarded using a Voting Trust Agreement (VTA) which allowed the company to reduce these shareholders to a single line on the Cap Table and move voting rights to a single individual.





**Rob Richards**  
CEO, Key

“Part of our ethos at Key is to democratize access to homeownership, and to real estate more generally, and so as part of that echos we also wanted to democratize access to the investment side by offering shares in Key.”

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