

## Wellola Case Study



# Personalised care through painless technology – Wellola



€100,000

Campaign  
Target



€180,500

Amount  
Raised



€1m

Pre-money  
Valuation



9.09%

Equity  
Offered



63

Number of  
Investors



€2,865

Average  
Amount  
Invested



41 days

Campaign  
Duration

## Campaign Overview

Tele-healthcare startup Wellola launched an equity crowdfunding campaign on the Spark Crowdfunding platform in February 2019 with the aim to raise €100,000 at a pre-money valuation of €1 million.

The startup exceeded 30% of its target in the first 15 days, attracting interest and investment from both Irish and international investors.

The campaign was scheduled to run for 30 days, by which stage Wellola had achieved their target. As there was still good demand for the shares, Wellola had the option to extend the campaign for a few extra days, but decided to close it after 30 days, having reached an amount of €180,500.

## Company Background

Launched in 2017, Wellola's B2B, white-labeled software revolutionizes the way hospitals & community-based clinics care for their patients and communicate with each other. The idea is to provide healthcare providers with the tools to deliver professional healthcare anywhere, maximizing clinical outcomes & optimizing their patients' online journey.

Patients can manage clinic appointments, access a library of educational materials or securely receive real-time care via messaging and video consultation within Wellola's complimentary white-labeled patient-facing app.

Wellola's scalable, recurring business model is simple. They charge the enterprise a set-up fee and each user with a unique login pays €29 (ex VAT) monthly subscription to avail of this facility. The startups current key customers include one of Ireland's largest health insurers and professional sporting bodies.

The telehealth care software market opportunity is massive. It is set to be worth \$27 Billion by 2021 and is growing at a seismic rate of 20% per annum. Wellola is initially focused on supplying to the mental healthcare professional (psychologists, psychotherapists, counsellors and psychiatrists). There are over 1 million of these providers in Ireland, the UK and US alone. They then intend to expand into the other allied healthcare professions (occupational therapy, speech & language therapy, physiotherapy, dietetics etc.

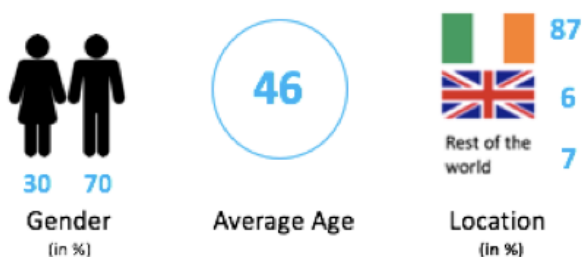
## Campaign Rationale

Wellola was at a stage where they had strong online growth and needed capital to improve their product in terms of expansion of the platform and website. A part of the money was also to be used for marketing purposes in order to drive their growth within the UK market.

Sonia Neary, Wellola CEO, closely followed the success of the Fleet campaign that garnered tremendous publicity across leading newspapers and portals and was certain that she wanted Wellola to raise funds in a similar way. She had no apprehensions about crowdfunding and considered it to an organic marketing and brand building tool, giving her an opportunity to understand and evaluate the market response towards the platform. Moreover, since Spark Crowdfunding is the only Irish based equity crowdfunding company, with a large database of Irish investors, Sonia was confident about her decision.

## Investor Details

Wellola was looking for individuals to invest and support the Wellola mission. They believed people who would join them on their exciting journey over the next few years will share their success when they are a household name globally.



## Application Process

The Spark Crowdfunding campaign application process is very straightforward. Wellola made initial contact using the form on the website. A follow up call clarified what Wellola were looking to raise and the use to which the funds would be put. Wellola were then invited to complete the standard Campaign Application Form, which captures the history of the business and its promoters, and the company's strategic plans. On receipt of this, the Spark Crowdfunding team evaluated the proposition and deemed it likely to appeal to the certified investors on the Spark database.

Wellola were then required to provide a number of items as part of the due diligence process, including their Memorandum and Articles of Association, Cap Table, Tax Clearance Certificate, Promoter CVs and Management Accounts.

On satisfactory review of these, Wellola commenced the preparation of the three core elements of an equity crowdfunding campaign, namely the Investor Slide Deck, the Campaign Video and the Long Form Report, each of which addressed the key question an investor would ask: 'Why should I invest in this company?'

The entire application process took approximately two weeks, although this can be shortened for companies that have most of the above preparatory work done previously.

## Why Wellola was a good fit for Spark

Spark was delighted to provide Irish small- and medium-sized investors with another high-calibre investment opportunity, and looked forward to working with Sonia and the Wellola team on this campaign. Following are the reasons Wellola was a great proposition for the platform:

- EIS approved company, which means that Irish investors could avail of a tax relief on their investment in the form of a tax rebate (30% in the current year plus 10% in year four).
- Enterprise Ireland High Potential Start-Up company and funds raised from the crowdfunding campaign would be matched by Enterprise Ireland. Wellola had already raised €80K from other sources such as the Local Enterprise Office and Enterprise Ireland, which made it an appealing proposition for investors.
- Wellola has built and owns proprietary MedTech technology which is highly scalable for international markets and may be white-labelled to other interested parties.
- Wellola is projecting Revenues of €333,000 for 2019 and a Net Profit of €59,000, an impressive performance by an early-stage MedTech start-up.

## Campaign Promotion

The day the campaign launched a Press Release was circulated to a wide range of Irish media outlets. A number of organizations including The Irish News Tech and Silicon Republic covered the story. A strong social media campaign, on Twitter, LinkedIn and Facebook, complemented the traditional media exposure. Regular updates on the progress of the campaign were provided as the campaign evolved, ensuring that key milestones were achieved and the campaign was always ahead of the target curve.

Wellola was very active on social media and kept their users updated with product explainer videos, daily funding updates and event/conference details where they were present. In addition to the Wellola's campaign promotion initiatives, Spark Crowdfunding used a mix of digital and traditional media to promote the campaign once it went live. All the Spark registered users were sent notifications about the progress of the campaign. Personalized emails were sent to over 1000+ users bi-weekly. These emails were the most effective marketing tool. The '7 Reasons to Consider an Investment in Wellola' resonated particularly strongly with investors, as this email captured in bullet point format the core of the investment thesis.

The Wellola team was very happy with the support provided by Spark Crowdfunding with regard to marketing, investor outreach and overall team expertise. Since all the investors are held in a nominee structure, Wellola believes that they were able to focus completely on the campaign rather than the administrative side of the crowdfund.

## Future Growth Plans

The funds raised from the seed round will be used to develop an elite sales and marketing team, fund a full-funnel marketing strategy for 2019 and drive growth into the UK market. Wellola will launch native versions of their Quasar app. Long-term they will be releasing variations of the app bespoke for particular patient categories, particularly those with chronic conditions.