

ClassRebel



A MODERN EDUCATION COMPANY

Venture Finance Education

Instructor: Brooke Harley

— CR —

Angels 101

Learn How to Invest Directly Into
Early Stage Companies You Really
Believe In or Take Equity for Your
Consulting Services

Brooke Harley
CEO & Founder of ClassRebel



— CR —

Fundraising 101

Learn the Language and Mechanics of
Raising Money to Successfully Secure
Your Seed and Series A Rounds

Brooke Harley
CEO & Founder of ClassRebel

Why Venture Finance Education Matters

A Vibrant Venture Economy Makes 15 Distinct & Positive Economic Impacts

Company Creation & Growth

- 1) **Company Creation.** Venture finance education allows broader access to venture capital, which thus creates more companies.
- 2) **Growth.** VC-backed companies grow their revenue 3.4x faster than non-VC-backed companies.
- 3) **Value Creation.** Among publicly-listed companies, 45% are VC-backed and they account for 72% of total market capitalization.
- 4) **Survival.** VC-backed companies that go public are more likely to survive and to remain public.
- 5) **Expertise.** In addition to their capital, angel investors give 1M hours of support to entrepreneurs each year.



Fosters

Innovation

- 6) **Research & Development.** VC-backed companies account for 92% of all private sector R&D spending.
- 7) **Technology.** VC-backed companies account for 81% of new patents.



Creates

Economic Impact & Representation

- 8) **Access to Capital & Increased Industry Size.** VC-backed companies tend to attract further capital for growth, which grows overall industry sizes.
- 9) **Job Creation.** VC-backed companies create jobs 8x faster than non-VC-backed companies.
- 10) **Tax Base.** Every \$1,000 in angel investment creates \$2.1M in economic output, which increases the overall tax base.
- 11) **Reinvestment.** Angel investors who exit profitably are highly likely to reinvest some proceeds in additional angel investments, extending the cycle of value creation.
- 12) **Capital Access for Women.** Currently, startups with all-female teams receive only 2% of venture capital while joint male-female teams receive 15%. Venture finance education empowers and equips more women to raise capital and shift the balance.
- 13) **Capital Access for Minority and Disadvantaged Groups.** Founders from minority populations – BIPOC, LGGTQIA2S+ and those with disabilities – receive less than 5% of VC funds, but companies with diverse leadership teams consistently outperform financially. Venture finance education empowers these groups as well.
- 14) **Investment Opportunities.** Currently, only 7% of angel investors are from minority groups. Investment education helps them access life-changing opportunities.
- 15) **Economic Empowerment.** Women and people from minority groups can achieve life-altering financial outcomes when they learn how to invest in startups.

Note: Data is specific to the United States.

Sources: Akcigit et al. Angel Capital Association. Business Development Bank of Canada. National Angel Capital Association. National Venture Capital Association. PitchBook. Social Science Research Network.



CR

Brooke Harley

- **Born in:** Canada
- **Based in:** NYC
- **Role:** Founder & CEO, ClassRebel
- **Professional Background:**
- **Former M&A attorney.** Drafted & Closed Private Financings
- **Lululemon Executive.** Hired by and reported to the CFO, Lululemon.
- **Angel Investor, Board Member.** Negotiated for equity and a board seat as a large angel investor in Native Shoes
- **Fund Manager.** Raised a US\$32m VC Fund, Led Multiple Early Stage Investments.
- **Start-up Founder, CEO.** Secured VC Term Sheet Within Wks of Fundraising Kick-Off as Solo Female Founder in NYC

Fundraising for Startups 101: Course Outline

Session 1 The Basics

- ▶ Foundational Concepts:
 - Angels vs VC's
 - Accredited investors
 - Debt vs equity
 - Liquidity waterfalls
 - Cap tables
- ▶ Deal Sequencing: Basic patterns in early series of fundraising
- ▶ Key Resources: To build relationships, to stay current in your industry, to find investors and raise

Session 2 Preparing for Your Raise

- ▶ Tapping Alternative Sources of Capital: Grants, loans, sponsorship, crowdfunding, pre-sale campaigns
- ▶ Founder Mindset: What to expect while raising money
- ▶ Prep Before You Step: Investor target list, pitch deck, 5-year forecast, data room
- ▶ Timeline: The pitch process

Session 3 Seed Stage Fundraising

- ▶ Terms of the convertible note
- ▶ Terms of the SAFE
- ▶ Pro Forma Cap Table: Your tool to predict your equity outcome
- ▶ The 7 drivers of your financial outcome

Session 4 Series A Stage Fundraising

- ▶ Terms of the priced round (Convertible preferred shares)
- ▶ Economics vs control in a priced round
- ▶ How Employee Stock Option Plans (ESOP) work
- ▶ Managing investor relations & the exit

Course Impact: Fundraising for Startups 101

Founders Take Action

Participants believe the course is helpful and they are putting the learning into practice

- ▶ Over 950 people have taken this course since it launched in 2018
- ▶ 100% believe the course prepared or strongly prepared them to raise venture capital
- ▶ 86% pitched to investors after taking the course and 5% are currently preparing to pitch
- ▶ 48% successfully raised venture capital after taking the course and 10% are currently in the process of raising

Real-World Impact

An estimated 454 startups have received venture capital after taking this course

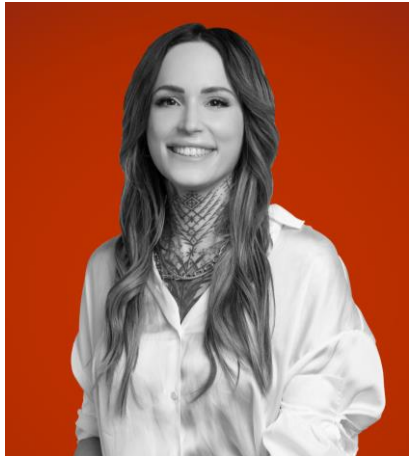
- ▶ 318 have raised one round of financing so far and 136 have raised two or more rounds
- ▶ 273 have raised at least \$500,000 each
- ▶ 363 have hired new employees as a result of raising capital
- ▶ 409 have spent some of that capital on R&D

Demographics

The course population is diverse and supportive of traditionally underrepresented and / or disadvantaged groups

- ▶ 71% identify as female and 5% as non-binary
- ▶ 38% identify as BIPOC
- ▶ At least 5% identify as LGBTQIA2S+
- ▶ At least 5% have disabilities

Fundraising for Startups: Success Stories



“I credit the successful fundraising of LIVEKINDLY Media to Brooke Harley. Honestly, I cannot recommend this course more for anyone looking to get their startup funded. I know I’ll be taking a refresher in the new year.”

Jodi Monelle
Founder & CEO, LIVEKINDLY Media

“Fundraising 101 is an absolute must for anyone who wants to raise money for their business. I can’t overstate the positive impact ClassRebel had on Casca’s fundraising strategy and how I look at venture capital.”

Braden Parker
Co-Founder & CEO, Casca Footwear



Angel Investing 101: Course Outline

Session 1 The Basics

- ▶ Why invest in such a risky asset class – 5 Reasons
- ▶ Foundational Concepts:
 - Angels vs VC's
 - Accredited investors
 - Debt vs equity
 - Liquidity waterfalls
 - Cap tables
- ▶ Deal Sequencing: Basic patterns in early series of fundraising

Session 2 Investment Thesis, Deal Sourcing & Due Diligence

- ▶ Investment Thesis Development: Macro & micro theses
- ▶ Deal Sourcing: 6 sources
- ▶ Consulting for Equity instead of Cash
- ▶ Due Diligence: Investor decks, 5-year forecasts, data room
- ▶ Key investment resources

Session 3 Seed Stage Deals

- ▶ Terms of the Convertible Note
- ▶ Terms of the SAFE
- ▶ Pro Forma Cap Table: Your tool to predict your equity outcome
- ▶ The 7 drivers of your financial outcome

Session 4 Series A Stage Deals, Negotiating Equity & Exits

- ▶ Terms of the Priced Round: Convertible preferred shares
- ▶ Economics vs control in a priced round
- ▶ Monitoring your investment & the exit

Course Impact: Angel Investing 101

Investors Take Action

Participants believe the course is helpful and they are putting the learning into practice

- ▶ Over 800 people have taken this course since it launched in 2018
- ▶ 92% believe the course prepared or strongly prepared them to make angel investments
- ▶ 83% have made at least one angel investment after taking the course and 9% are currently in the process of making a first investment

Real-World Impact

An estimated 665 people have made angel investments after taking this course

- ▶ 315 have invested at least US \$10,000 and 210 have invested at least US \$25,000
- ▶ 175 have already exited

Demographics

The course population is diverse and supportive of traditionally underrepresented and / or disadvantaged groups

- ▶ 70% identify as female
- ▶ 41% identify as BIPOC
- ▶ At least 9% identify as LGBTQIA2S+

Angel Investing: Success Stories



“It takes the fear and the unknown out of it and knowing what I’m getting into as an investment. It all clicked for me and now for the rest of my life I understand it.”

Qasim Butt, MD
Nephrologist, Medical Consultant & Advisor, Angel Investor

“I’m at a point in my career where I want to invest my time and resources in companies I believe in, and build a portfolio of companies I can contribute to. Now I understand this enough and I have the confidence to move forward with investments on my own.”

Makela Taphorn
Director, APAM Investor Relations and Business Reporting & Analytics, Artisan Partners



ClassRebel