



**CLEARBANC**

Growth Capital for the New Economy

## MASSIVE TRENDS EMERGING

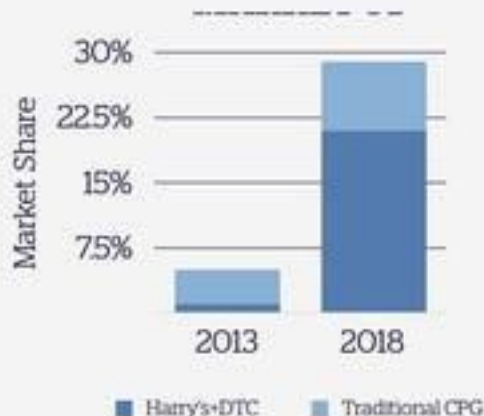
# Direct to Consumer

DTC brands have taken significant market share from incumbents by producing simpler product lines and owning the customer relationship. This has led to the fall of CPG giants across many categories

These brands are able to scale faster and capture more margin than consumer brands ever have in the past



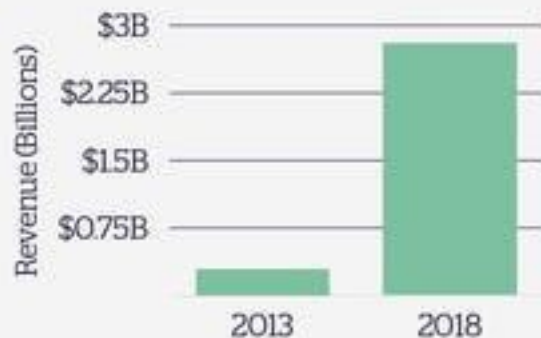
### Razor Market US



- Gillette's share of the market fell from 70% in 2013 to 54% in 2016
- Dollar Shave Club and Harry's combined US share rose from 7.2% to 12.2% in 2017



### Online Mattress Market



There has been a huge rise of DTC mattress in the box companies like Casper, Nectar (a Clearbanc customer), Leesa & Purple. Casper has stolen almost 10% of the global mattress market in less than 5 years

## MASSIVE TRENDS EMERGING

# Capital Markets are Changing for Entrepreneurs

Founders are building large businesses without raising traditional VC

Companies are waiting to go public

Direct Listing vs IPO like Spotify and Slack

Founders staying in control longer

VC growth is at an all-time high in terms total dollars invested in private tech companies

Rise of mega funds like Softbank and Sequoia

ICOs raising more money than venture or IPOs

## Slack Follows Spotify in Pursuing Direct Listing Route

While the process is seen as easier than a traditional IPO, the collaboration and messaging platform company has little to worry about.

By Rich Dames  
Feb 9, 2019 at 3:02PM

It's official: Slack Technologies is going public. A company blog post confirmed the collaboration and messaging platform provider had confidentially submitted a draft S-1 registration statement to the SEC this week, though it didn't disclose any details about how it plans to sell its shares to the public.

Previously, reports indicated it will be using a direct listing route to raise capital.

AUTHOR



Rich Dames  
@richdames

## Grow fast or die slow: Why unicorns are staying private

Article  
May 2018

By Rogan Kays  
The New York Times

## More Start-Ups Have an Unfamiliar Message for Venture Capitalists: Get Lost



# Founders have only had **two ways** to fund their companies



**The only options are to give up a piece of your  
company or give a personal guarantee**



“

40 % of all VC dollars go directly into  
Facebook and Google

**Chamath Palihapitya**  
Founder, Social Capital

”

**THIS MEANS FOUNDERS ARE USING THE MOST EXPENSIVE CAPITAL (EQUITY)  
TO DO SOMETHING THAT SHOULD GENERATE MEASURABLE, PREDICTABLE GROWTH**

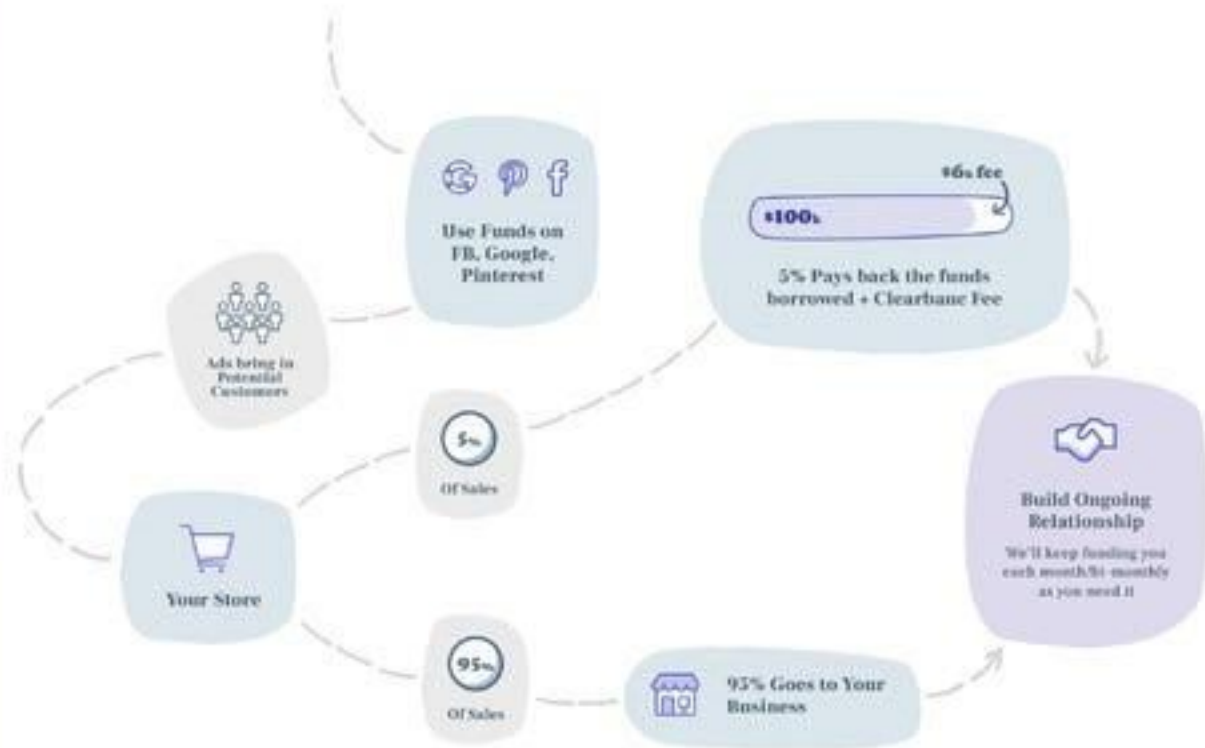
# CLEARBANC Product

## Revenue Share Agreement

- 6% - 12% flat fee
- No fixed payment amounts
- No term or maturity date
- Daily ACH debits

## Less onerous for founders

- No credit check
- No personal guarantee
- No covenants
- Sits between equity and debt



10K to \$10M



One flat fee,  
no interest



Apply in  
minutes

Clearbanc developed the first revenue share agreement for funding repeatable growth like digital ad spend

**And founders LOVED it**



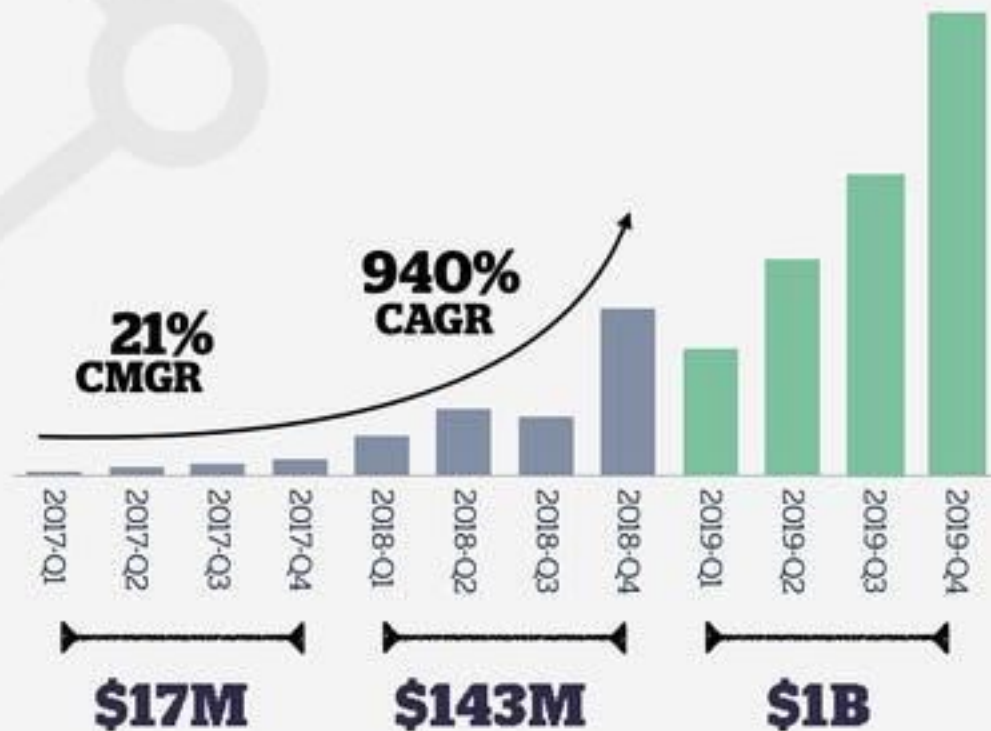
Will fund \$1B in 2019



Over 1000 companies funded



Funded \$143M USD in 2018



## CLEARBANC

A better alternative  
across all forms  
of financing

## The Most Affordable Capital You Will Find

	Clearbanc	Venture Capital	Bank Loan	Credit Cards
Cost	6% Flat Fee	Ownership of your company	Compounding interest rates + personal guarantees	Teaser rates + hidden fees
Time	24 hours	Months - Years	Weeks - Months	Days - Weeks
Amount	\$10K - \$10M	\$5M - \$100M	\$10K - \$100K	\$5K - \$100K
Risks	None	You lose control of your company	You lose your house	You lose your good credit score



## CLEARBANC

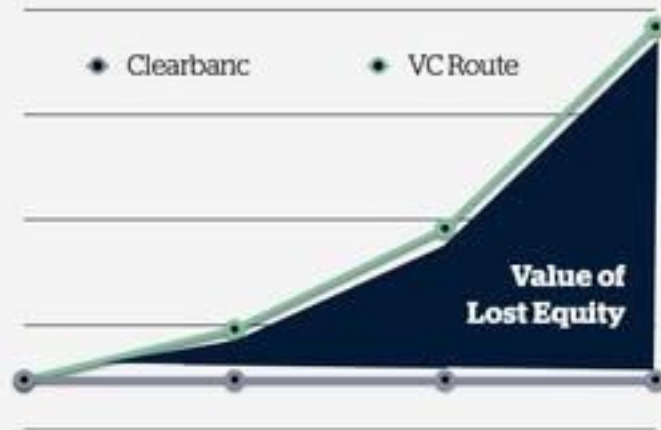
# Clearbanc is creating a whole new asset class

While VC funding can be an important part of a company's growth plans, it should not be used to fund repeatable parts of growth

Clearbanc is creating a new asset class to fund the predictable, measurable parts of growth like FB and Google ads

As a company increases in value over time the cost of Clearbanc remains flat while the cost of equity increase proportionally to an increase in valuation

## Cost of Equity vs Clearbanc



Increase in valuation over time

*Since the initial funding round, Uber has increased over 4,000 times in value, making a \$250,000 investment worth more than \$1,100,000,000*

**That's not a typo.  
Most founders never appreciate the effective APR of equity**

## CURRENT VERTICAL E-Commerce

- Retail e-commerce sales in North America continue to grow by **15.4% CAGR** and globally by **12.6% CAGR**
- Over **300k** qualified e-commerce businesses in the US and **1.2M** globally doing:
  - More than \$100k of annual revenue
  - Operating over 6 months
  - Repeatable ad spend with 2:1 ROAS
- Huge opportunity for cash flow positive businesses

**E-commerce brands are spending  
40% - 60% of their revenue on  
customer acquisition**

## Total Addressable Market



FOUNDERS

Who do  
we fund?

VINEBOX

Subscription wine box

WATCHGANG

Subscription watch club

nectar 

DTC Mattress in a box

Brideside

Indochino for bridesmaid dresses



HUNT KILLER

Subscription murder mystery box

**Buffy**

The most comfortable comforter on earth.

*Globe In*

Subscription box for  
lifestyle products

TAPP

worlds smartest padlock  
with fingerprint sensor

LE TOTE

clothing rental subscription  
for top brands



BLUEPRINT  
REGISTRY

A universal gift registry  
for the 21st century

PUBLIC  
GOODS

Healthy and affordable  
DTC brand

H  NEYBUM

Leading women fashion

CLEARBANC

## Why founders love us



### **FAST**

Connect accounts and get funded in 24 hours



### **TRANSPARENT**

Know the total cost of capital before you sign



### **SCALE**

Clearbanc can fund \$10k to \$10M



### **NETWORK**

Access to all the network benefits of a VC through our Venture Partners



### **DISCOUNTS**

Cash back and exclusive perks

CLEARBANC

Democratizing access to  
capital

We've invested in 1,000  
companies across 43 states  
who will generate more than  
\$1.5 billion in revenue this  
year

At a time when only **2.2%** of all US  
venture capital goes to female-  
founded companies, Clearbanc  
has funded **8X** more women than  
the venture capital industry  
average

8X

More Data

=

Better  
Underwriting

=

**Lower  
Loss Rate**

Loss Rate



**We've lowered our loss rate while  
sustaining strong growth**

SUPPORTED BY  
Venture  
Partners

The leaders from e-commerce  
who are excited to support our founders

## OUR VENTURE PARTNERS



**GARY VAYNERCHUK**  
CEO OF VAYNERMEDIA



**RUMA BOSE**  
SERIAL ENTREPRENEUR



**RYAN HOOVER**  
FOUNDER OF PRODUCT HUNT



**JACK ABRAHAM**  
FOUNDER OF ATOMIC



**MICHELE ROMANOW**  
SERIAL ENTREPRENEUR



**MORGAN HIRSH**  
FOUNDER OF PUBLIC GOODS



**JESSE HORWITZ**  
CO-FOUNDER OF HUBBLE



**ALI HAMED**  
PARTNER AT COVENTURE

## CLEARBANC'S TEAM

### Co-Founders



**Michele Romanow**  
Co-Founder

- Serial Entrepreneur, Media Personality, Board Director
- Youngest Dragon on **CBC's Dragons' Den** (Canadian version of Shark Tank) and recognized nationally as a Canadian VC. TechVibes **Angel Investor of the Year Award** - over 12 portfolio companies
- Co-Founder **SnapSaves** (acquired by Groupon in 2014), a marketplace for CPGs. Garnered over 1M downloads/week. Built relationships with the largest CPGs including P&G, Unilever, Nestle, Pepsi, Kraft, J&J Starbucks & AB InBev
- Senior marketing executive for **Groupon** post acquisition
- Co-Founded **Buytopia** in 2011 which has become a Canadian ecommerce leader by acquiring over 10 companies. The marketplace has run over 100k deals for their 6M subscribers. Acquired by Transformational Capital. Never raised external capital
- Previously, Director of Corporate Strategy & Business Improvement for **Sears Canada**
- Board of Directors: **Vail Resorts** (NYSE: MTN, \$8b market cap), **Freshii** (TSX: FRUI), **League of Innovators** with Ryan Holmes, CEO, Hootsuite, **SHAD** (Canadian charity for exceptional high school students), **Queen's Business School**. Previously served on the Board of **Whistler Blackcomb** (TSX: WB, Acquired by Vail Resorts)
- Co-Founded the **Canadian Entrepreneurship Initiative** non-profit with Entrepreneur in Residence with Richard Branson
- Only Canadian on Forbes, "Millennials on a Mission" list, 100 Most Powerful Women in Canada's Top 40 Under 40, EY Entrepreneur of the Year finalist and RBC Canadian Entrepreneur Finalist
- Regular commentator on Bloomberg
- **Queen's University**, MBA and Civil Engineer



**Andrew D'Souza**  
Co-Founder

- Serial Entrepreneur, Angel Investor
- Raised over \$50M across 3 companies from top Silicon Valley investors
- Hired over 150 people including senior executives from public companies
- President, **Nymi** - Raised \$15M Series A, closed partnerships with Mastercard, Virgin, Four Seasons and 4 banks
- COO, **Top Hat** - Grew team from 10-100, Grew revenue from <\$1M - \$10M+. Recently closed \$22M Series C from Union Square Ventures
- Angel Investor & Advisor to fintech portfolio: **WealthSimple**, **StreetContext**, **Kik**, **Joist**, **Tulip Retail**, **CareGuide** - raised over \$300M for portfolio companies
- Business Analyst, **McKinsey** (Financial Services, Media)
- Board Member, **C100**
- Advisory Council, **Google Sidewalk Labs**
- **Globe & Mail** contributor - Report on Small Business
- Systems Design Engineering, **University of Waterloo**





Appendix





# VINEBOX

"With the capital Clearbanc provided, we were able to double down on our marketing efforts, amplifying the channels that were already working well for us."

- Matt Dukes, CEO & Cofounder  
Vinebox Inc

## Vinebox

A Y-Combinator backed wine discovery subscription service.

Matt had discovered that he was able to acquire customers profitably through paid ads on Facebook, Instagram & Pinterest. Matt wanted to increase his marketing budget in Q4 and maximize his revenue through all of the above

Vinebox was approved for \$150,000 from Clearbanc which Matt used to fund his Facebook, Instagram, & Pinterest Marketing

Vinebox revenues grew over 596% in Q4 of 2017

Vinebox realized a 1,101% ROI on the capital invested

Vinebox was able to secure a \$5.3M Series A at double the expected valuation



**150K**  
Total Funding



**595%**  
Growth in Revenue



**1101%**  
ROI



**FB Marketing**  
Used to Fund



**900**  
New Subscribers

CASE STUDY  
Coastal Co.

## Coastal Co.

*A subscription service provider of premium, coast-inspired apparel & accessories.*

Since switching over to a quarterly subscription model, Kevin was able to lower his customer acquisition cost to below the average order value generated on first purchase.

"No-brainer" for Coastal Co. to accelerate their marketing as they are able to acquire customers profitably on the first purchase and profit from increased customer lifetime value.

Coastal Co. will gain an estimated 8.8k new subscribers, generating \$4M of LTV over the next 12 months assuming constant revenue per subscriber

Paying 6% fee to generate \$4M of LTV results in an effective cost margin of 0.45%

For every dollar Clearbanc provides in advertising spend, Kevin will be able to generate \$2+ in contribution margin, thereby growing his top and bottom line significantly as a result of the capital provided by us



**300K**  
Total Funding



**4M**  
LTV Gained (NTM)



**FB Marketing**  
Use of Proceeds



**8.8K**  
New Subscribers

COASTAL CO.