



Crowdfunding & Capital Raising

Oct, 2024

Training Overview

- NM Angels Hello
- Intro to Crowdfunding
- Types: Donation, Investment & More
- Activity for Success

Questions, Conversation & Dialogue

This is your time!

Virtual folks: let's hear from you! Use the Chat

Drew Tulchin

President



First CFO of Meow Wolf
Start up work 20+ years; Raised \$200 million+ in investment
MBA, Univ of Washington



Question Time!

NM Angels - Mission

Support NM companies, New Mexican entrepreneurs and companies that make a difference for our people

Non-Profit Membership Org
(501c6, a la chamber of commerce) w/ 501c3 charity arm

INVESTING IN INNOVATION

NM Angels 2024 YTD - Action

\$1.7MM+ Invested

13 companies YTD by NM Angels,
Members via NM Vintage Fund,
Members directly

\$1MM+ Leveraged

Syndications, Connections, Co-Invest

77+ StartUps Supported

Written Assessments, Mentors, Advising

24 New Angels Trained

**New Mexico
Made!**

**\$30 MILLION +
INVESTED
SINCE 1999**

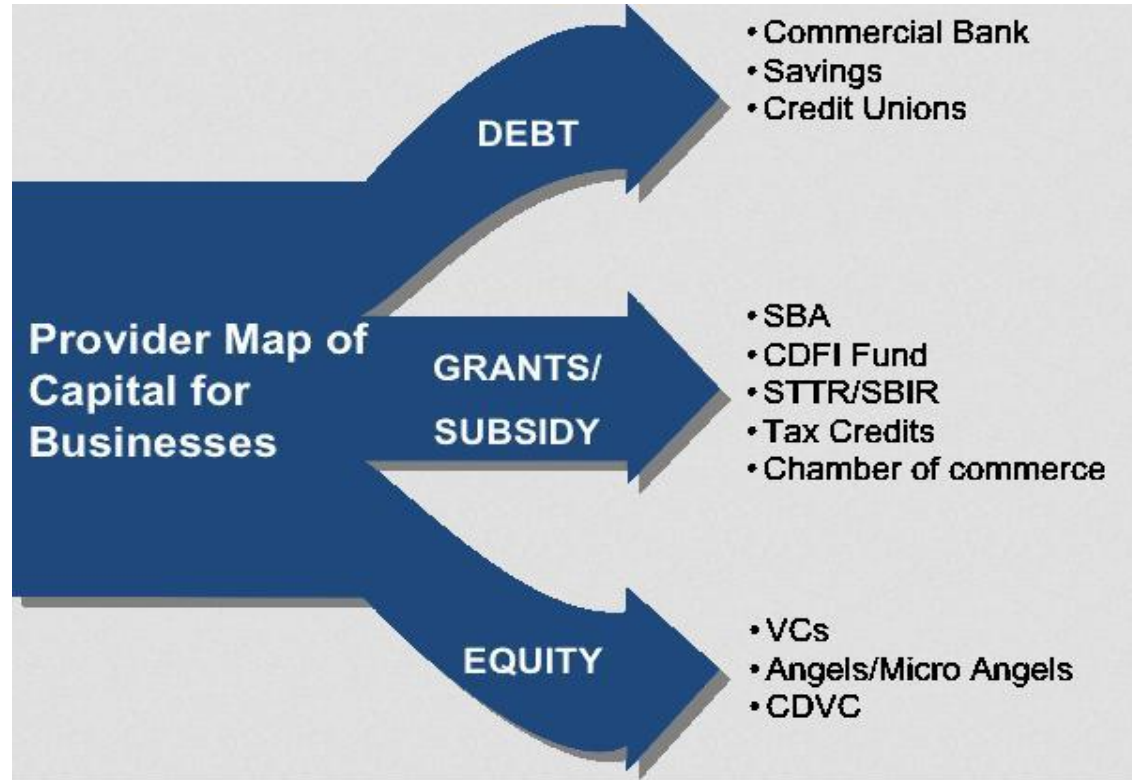
NM Angels - Numbers

5.5x growth / 4 years

| Total | |
|-------|-----|
| COVID | 40 |
| 2021 | 113 |
| 2022 | 147 |
| 2023 | 191 |

| 2024 | |
|----------|-----|
| Members | 172 |
| Sponsors | 56 |
| Partners | 5 |
| Total | 233 |

Traditional Forms of Capital



Crowdfunding Defined

Raising money for a project from a large number of people in small amounts, typically online



Crowdfunding Focus

Who for?

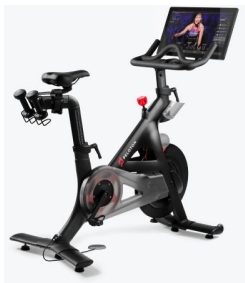
1. Seeking modest capital, lacking easy alternative
2. **Early stage organizations & individuals** with specific project / product
3. Opportunity for product **pre-sales** to make stuff

NM Angels & Crowdfunding

Tap into vast network of experienced investors & entrepreneurs passionate about supporting innovative businesses



Peloton



Founder/s: Graham Stanton, Hisao Kushi, John Foley, Tom Cortese, Yony Feng

The Idea: People with little time could benefit from the flexibility and convenience of taking a high-end studio cycling class right from the comfort of their homes through technology.

Crowdfunding: **Campaign** started in 2013 on Kickstarter

Funded: \$307,332

Backers: 297 people

Business Today: The company became public in September 2019. By March 2022, Peloton's market cap is about \$12.2 billion, with 2.77 million connected fitness subscribers.

Website: <https://www.onepeloton.com/>

Popsockets



Founder/s: David Barnett, professor of philosophy at Colorado

The Idea: The first version of PopSocket was created to keep the cables from the earphones organized and tied to the smartphone

Crowdfunding: **The campaign** started in 2012 on Kickstarter

Funded: \$18,591 USD

Backers: 520 people

Business Today: In 2018, PopSocket LLC's revenue was over **\$200 million U.S. dollars**, with a profit of over US\$90 million. In 2021, PopSockets was honored as one of Fast Company's World's Most Innovative Companies.

Website: <https://www.popsockets.com/>

Benefits of Crowdfunding

Why do it?

1. \$: Expands capital raising universe
2. Media: PR, exposure, eyeballs
3. Network: Engage people, new partnerships
4. Attention: Opportunity to pre-sell, test the market





Question Time!

Social Networks: Leverage that Power

About this project



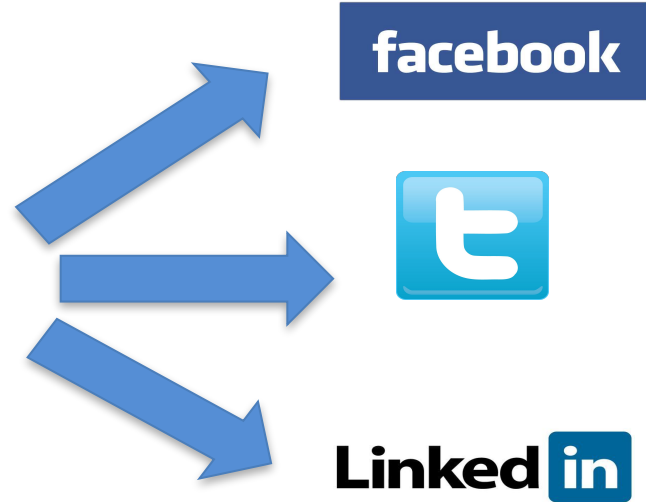
📍 Santa Fe, NM

🔧 Installations

❤️ Project We Love

\$105,221

pledged of \$100,000 goal



Case Study Investment: Meow Wolf

WeFunder Stats

2,833

FOUNDERS
FUNDED

\$617M

MONEY
INVESTED

38,636

JOBS
CREATED

\$5 billion

INVESTED
AFTER WEFUNDER

2023 IMPACT REPORT



Meow Wolf is an arts production company creating immersive, multimedia experiences that transport audiences of all ages into fantastic realms.

Raised \$1M on Wefunder. Since raised \$200M+ in venture capital.

Crowdfunding Types

1. Donations
2. Investment
3. Peer to Peer Lending
4. Crowdsourcing

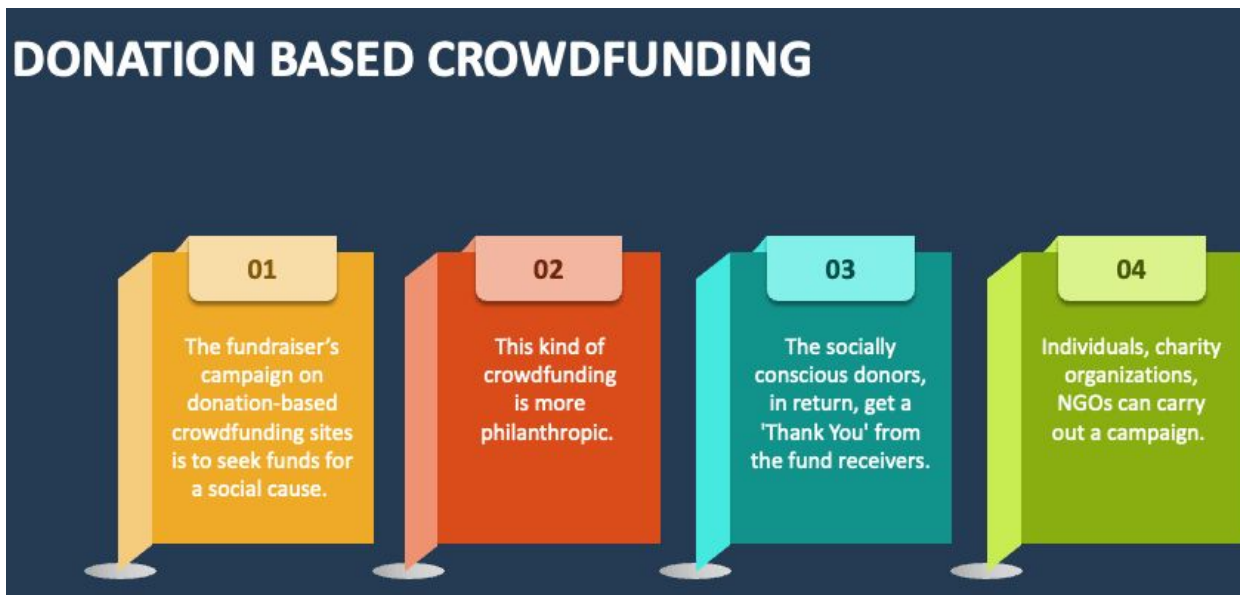


Crowdfunding Types

Donations

No-strings-attached giving, aka Karma Contribution. Combine emotional and statistical storytelling to motivate audience to support

DONATION BASED CROWDFUNDING



Crowdfunding Types

Investment

Source money for a company or project by soliciting many backers, each investing a relatively small amount while typically using an online platform.

Equity Crowdfunding



New Way Homes Case Study

New Way Homes is using new development strategies to create below market rate, affordable, and supportive housing. Their system is working well, and they have many non-profit land owners seeking to partner with them.

Crowdfunding via EquityVest

Your investment provides the capital for them to work with nonprofit and other mission-driven landowners to design, permit and finance projects that focus on providing below-market-rate rental housing.

Campaign: <https://invest.equityvest.org/offering/newway/details>



New Way Homes Completed Projects



Completed Project: 801 River



Completed Project: Genesis Worship Center



Coming Soon, Peace Village, Santa Cruz

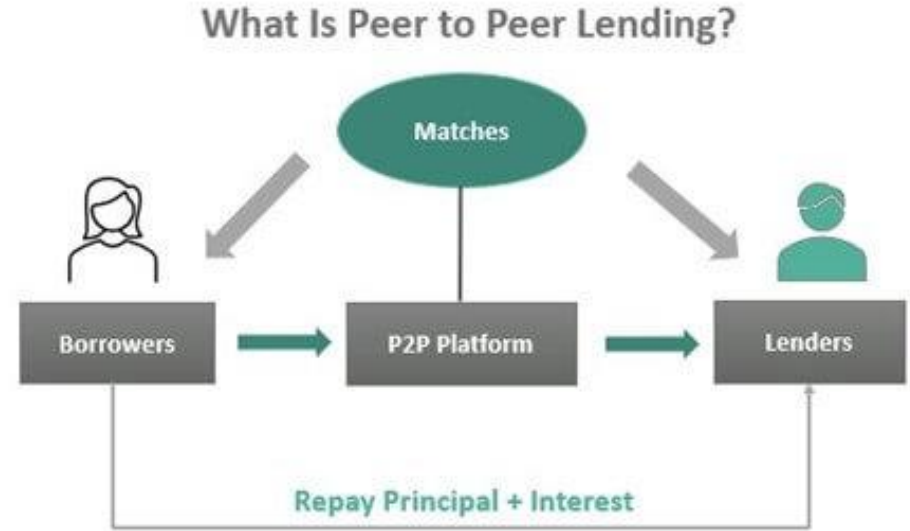


Coming Soon, Salinas

Crowdfunding Types

Peer to Peer Lending

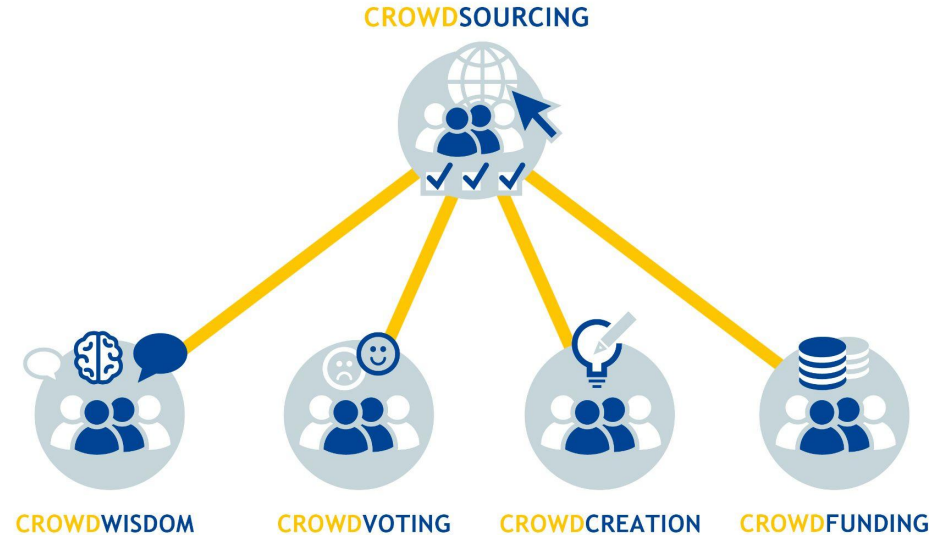
The largest type of crowdfunding. Supporters can create their own individual donation pages with all the proceeds going to your central campaign goal.



Crowdfunding Types

Crowdsourcing

Crowdsourcing is when an individual, organization, or business taps their audience or a large group of people for ideas.



Activity for Success



Read: The Crowdfunding Bible

www.crowdfundingguides.com

Honest Answers:

How good is your idea? What value does it offer?
How is it different?

Have you done the calculations so you know how much money you need – really?

Top crowdfunding sites link: WixBlog

Top Crowdfunding Platforms

| |  |  |  Republic |
|--|---|--|---|
| Money raised | \$172.8M | \$130.4M | \$91.3M |
| Investors | 140,386 | 140,386 | 101,731 |
| Number of offerings | 442 | 415 | 153 |
| Fees | For Reg CF - 7.5% of the total fundraise For Reg A+ - flat fee of \$375K. | Based on the amount of securities that are bought or sold | 6% of the total funds raised in cash, and 2% as a Crowd Safe |
| Examples of successful startup campaigns |  |  |  |



Question Time!

Activity



Dig deeper - Reach further

1. What is the hook for your story?
2. Who is your 'target market' (your peeps)?
3. Leverage your Network? What social media sites?

Case Study Investment: BabyQuip



Family Traveling Just Got Easier

Traveling with Babies and Toddlers Made Easy

A baby gear rental experience providing a safe, clean, hassle-free option for those traveling with babies and toddlers



PREVIOUSLY CROWDFUNDED ⓘ

\$933,592.33

RAISED ⓘ

\$1,260,751.55

INVESTORS

1,022

MIN INVEST ⓘ

\$249.31

VALUATION

\$29.73M



\$8.5M

Total seed funding raised since 2016

118%

Net revenue increase in 2022

\$3.4M

BabyQuip's net revenue in 2022

Choosing a Platform

Questions to ask:

Choosing a Platform

Questions to ask:

1. Who else is on there? Are they like you
2. How much money does the average effort raise
3. What are the conditions to be on that platform
4. What are the costs - direct (fees) indirect (i.e. make a video)

Pre-Work

5 Must Haves:

1. First Check(s)
2. Marketing Materials - esp video
3. Accounting
4. Communication Plan
5. Daily Labor: who leads the 'campaign'

Successful Crowdfunding Steps

1. Cost it out
2. Research: what differentiates successful & NOT?
3. Marketing: get your campaign covered!
4. Set fundraising goal
5. Figure out prizes & levels
6. Be sincere. Find your audience
7. Connect (get commitments b/f launch)
8. More than money – create true fans & market





Question Time!

Rules for Investment

| RAISE SIZE | <100K | 100K-500K | >500K |
|---------------------------------|-------|-----------|-------|
| Provide Financial Statements | ✓ | ✓ | ✓ |
| Have Business Plan | ✓ | ✓ | ✓ |
| Independent Accountants | | ✓ | ✓ |
| Audited Financials | | | ✓ |
| Limited to ~\$1 mil / 12 months | ✓ | ✓ | ✓ |



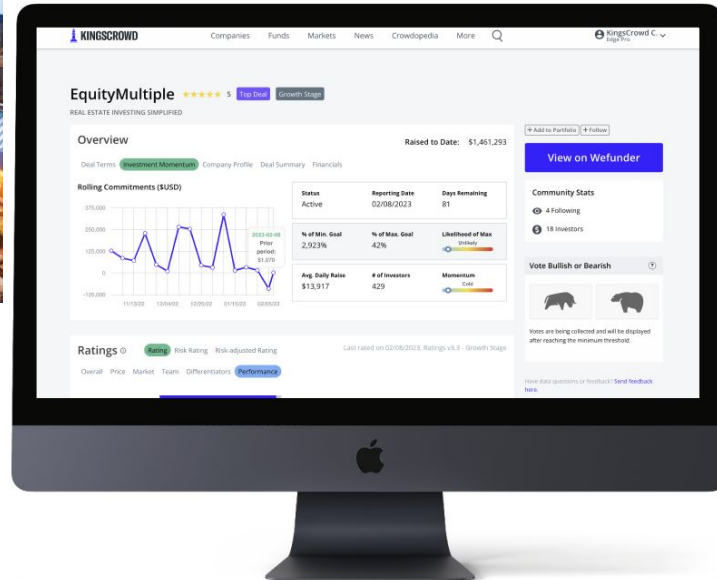
NM Angels & Crowdfunding

**Collaborations with each of
*WeFunder & StartEngine***

**Contact info@nmangels.com
for Crowdfunding Referral Code**



Additional Resources



 **KINGSCROWD**

**Find
Research
& Track
Startup
Investments**

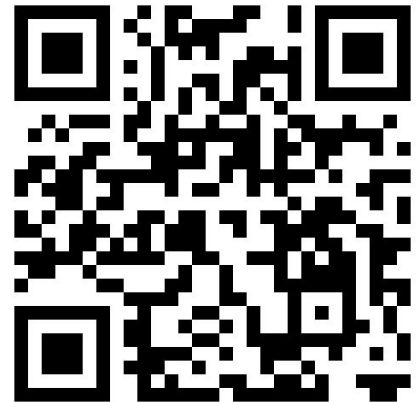
Thanks event partners!



Coming Up - See You Soon

- **Show Her the Money Movie & Panel**
TUES, Oct 29 - Santa Fe
5 - 8PM
- **Los Alamos Social**
WED, Dec 4 - Los Alamos
By Invitation
- **Angels' Holiday Celebration**
FRI, Dec 13 - ABQ
From 6:30PM, RSVPs required - space limited

Scan for Upcoming
Events!





Question Time!



Thank you for joining us

Make NM HAPPEN!

www.nmangels.com

info@nmangels.com

