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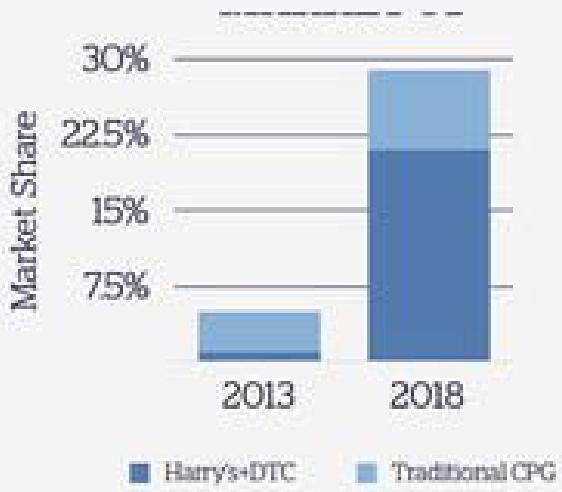
MASSIVE TRENDS EMERGING

Direct to Consumer

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

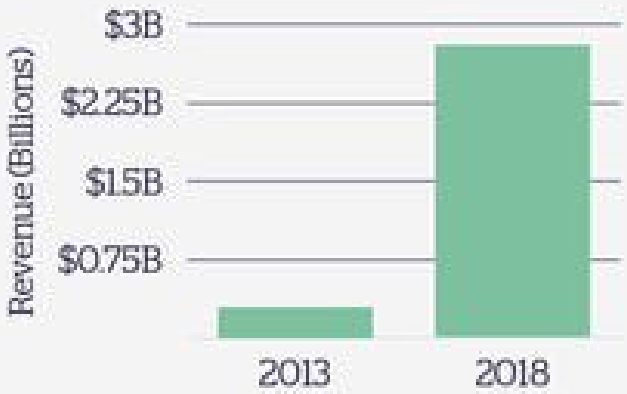
These brands are able to scale faster and capture more margin than consumer brands ever have in the past

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

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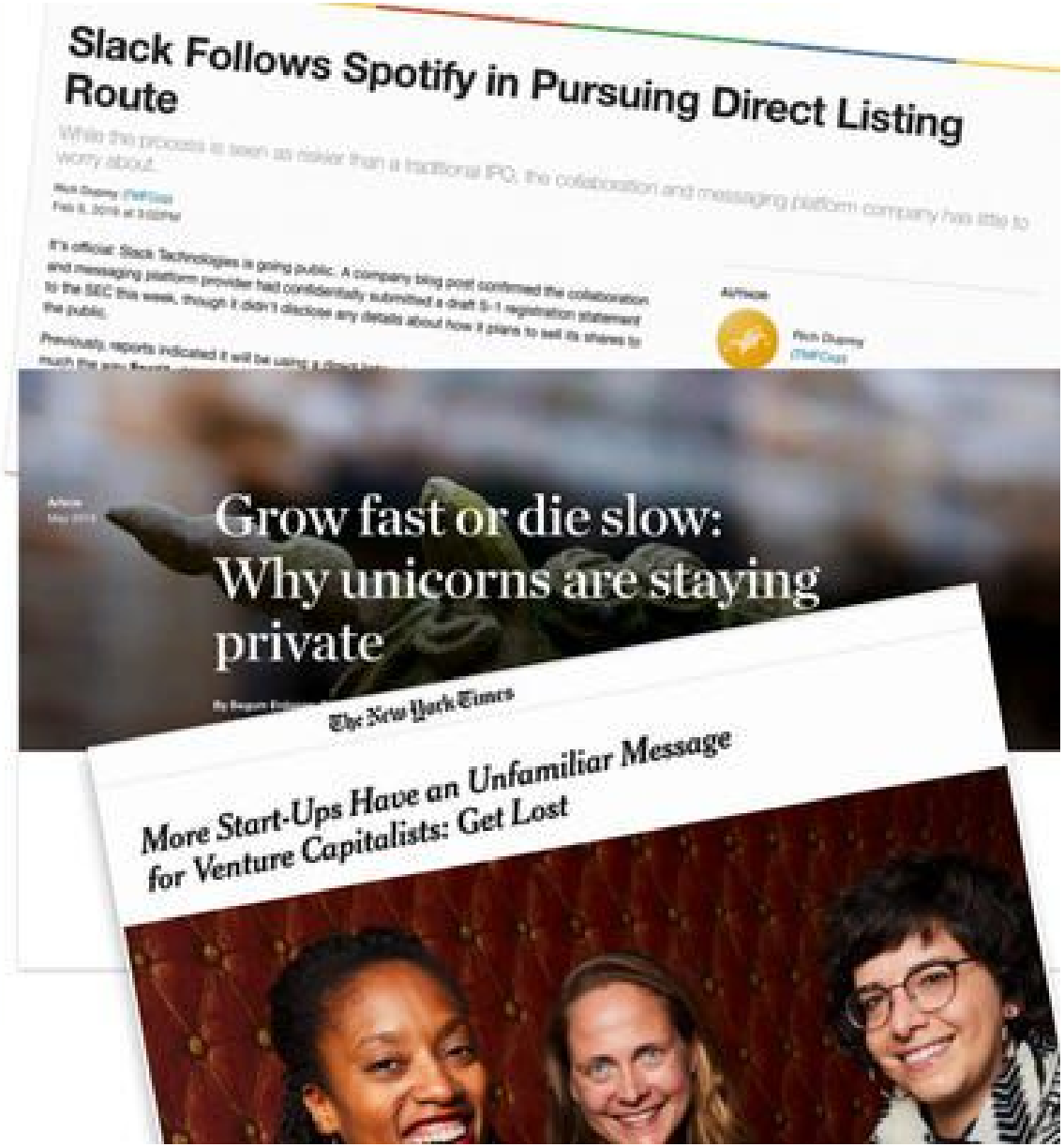
MASSIVE TRENDS EMERGING

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



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

EQUITY

Early Stage

10% - 35% Dilution
3 - 6 months to fundraise

Late Stage

10% - 35% Dilution
Loss of board control
3 - 6 months to fundraise

DEBT

Personal Guarantees
Security on Assets

VENTURE DEBT

Covenants
Warrants
Cash Collateral
Soft Power (MAC and investor confidence clauses)
Only an option if you raise equity

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

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“

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

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CLEARBANC

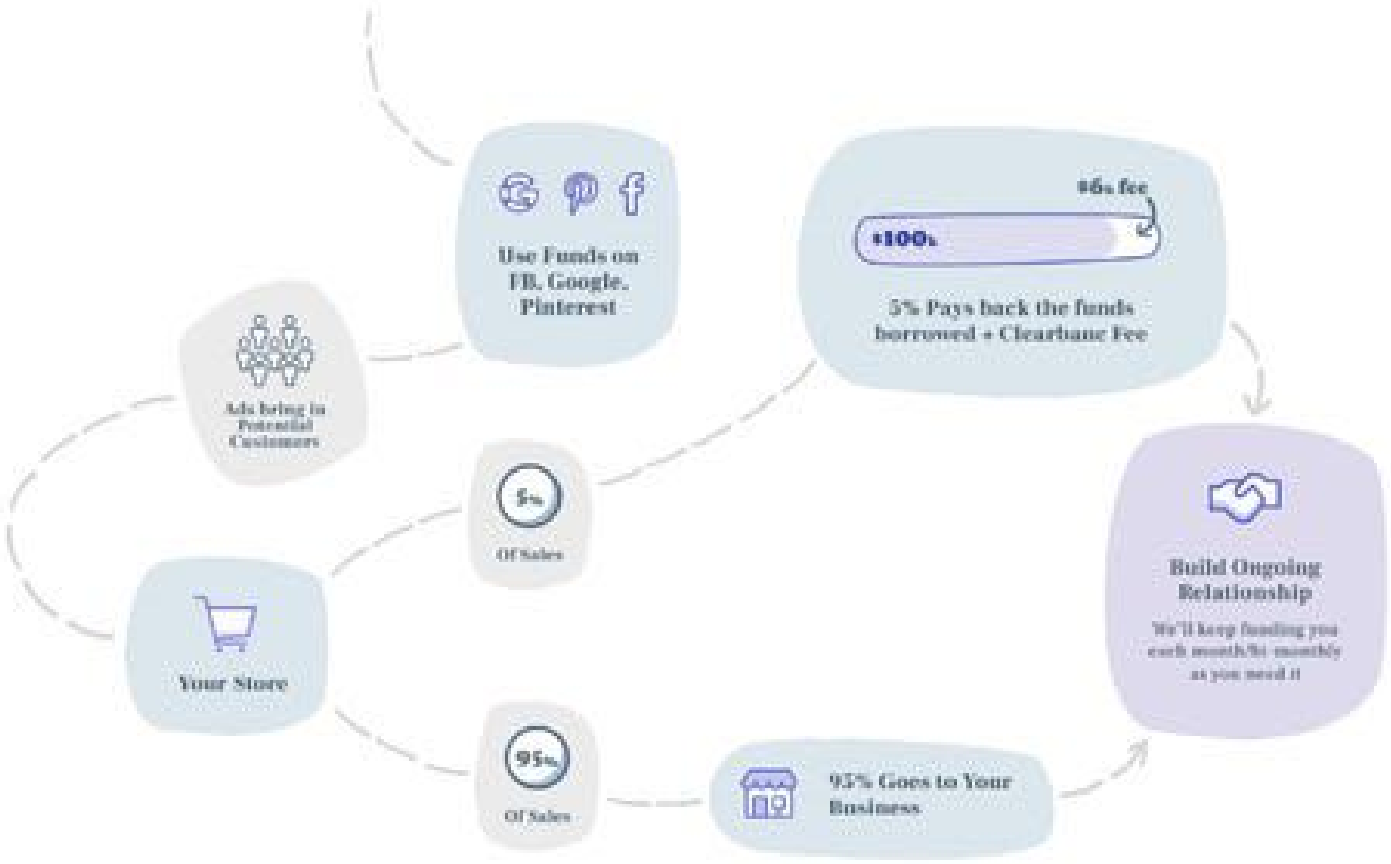
Product

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

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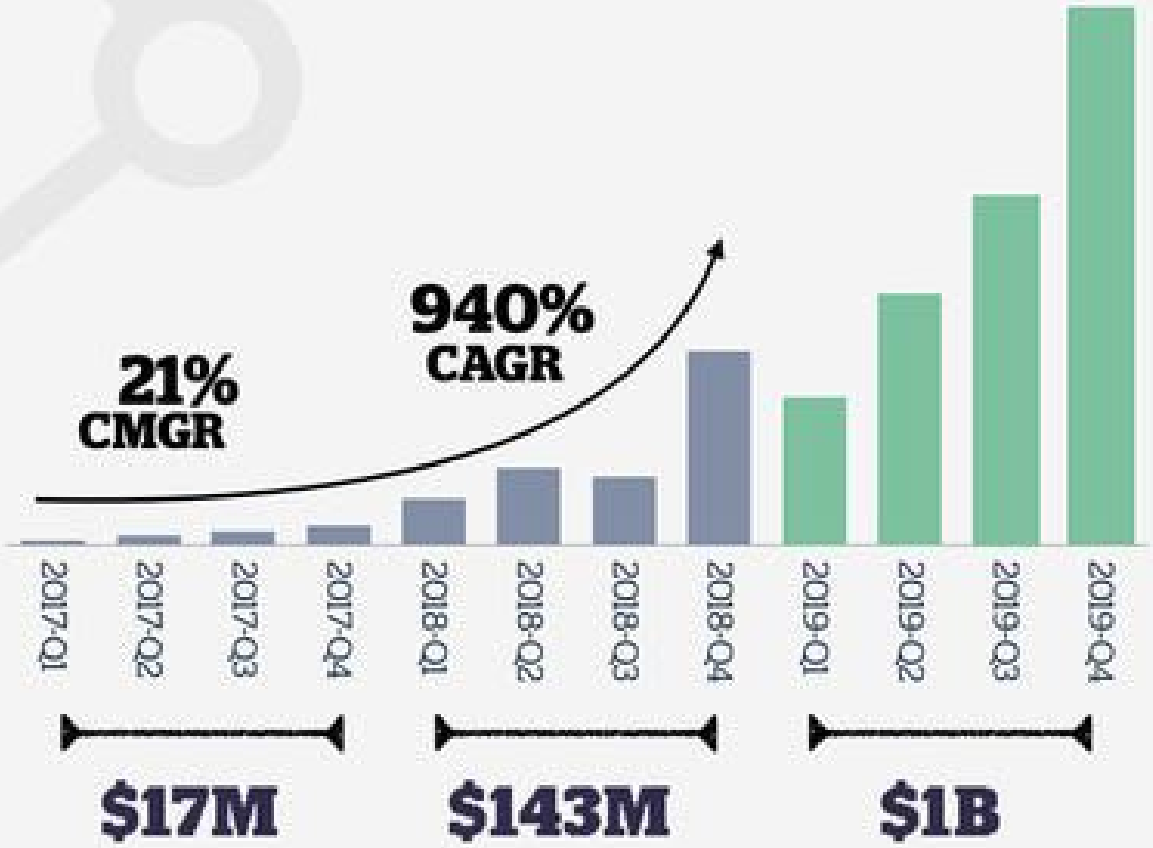
Clearbanc developed the first revenue share agreement for funding repeatable growth like digital ad spend

And founders LOVED it

- Will fund $1B in 2019
- Over 1000 companies funded
- Funded $143M USD in 2018



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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

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CLEARBANC

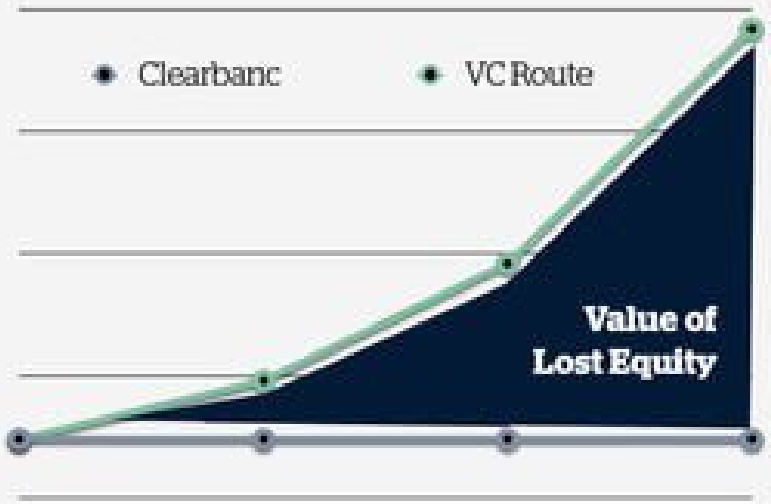
Clearbanc is creating a whole new asset class

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

https://medium.com/startup-grind/why-i-passed-on-uber-seed-round-d8b0f660de0

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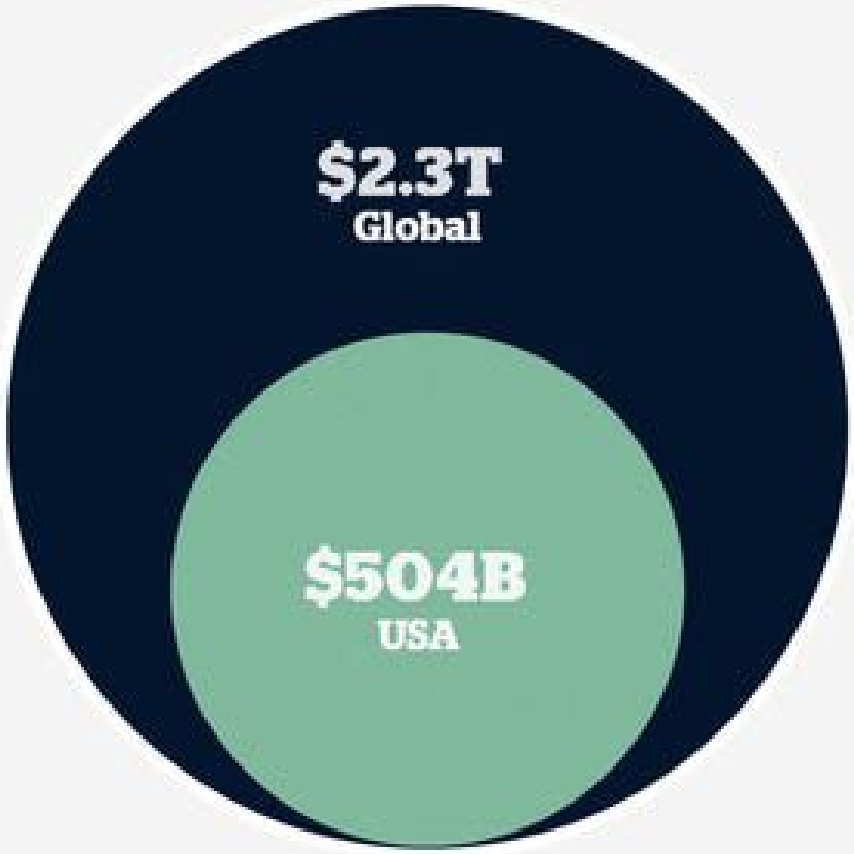
CURRENT VERTICAL

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



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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 A 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

HONEYBUM

Leading women fashion

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CLEARBANC

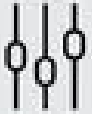
Why founders love us

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

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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

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CLEARBANC

Traction

More Data

=

Better Underwriting

=

Lower Loss Rate

We've lowered our loss rate while sustaining strong growth

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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

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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 became 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: FRII), **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, StreetContxt, 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**

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Appendix

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CASE STUDY

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

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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

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