



NM Angels / UNM Rainforest Building Community December 2021

Building Community Session

Agenda

1. NM Angels / Los Alamos Partnership
2. Who's here and what you want to get out of our time together
3. NM Angels
4. Angel 101
5. Fostering Community and Investment in NM

1 + 1 = 3



MISSION

Provide opportunities where our members can obtain outstanding financial returns by investing in early-stage companies in New Mexico and the Southwest Region while accelerating them to market leadership.



Drew Tulchin, President – New Mexico Angels



- Fractional CFO – First CFO w/ Meow Wolf-raised \$125M, Electric Playhouse, Build with Robotics, Parting Stone
- National and international start-up support – raised \$300M+, created 1,000s of jobs
- Community engagement – Grameen Foundation, VISTA, AmeriCorps

ANGEL CLUB

WHO: New and experienced accredited Investors seeking to learn and practice investing as a group to make a difference

WHAT: First series. 7 free workshops + 8 classes

WHEN: Starts WED, Jan 12, 2022 at 4:00 PM

WHERE: Virtually & in person in ABQ

Talk w/ Max Max@nmangels.com or RSVP online

www.nmangels.com/angelclub

INNOVATION



20
MILLION

20 years investing \$24 million in NM start-ups
Advancing local economy and jobs



Rockies Venture Club Partnership

- Member access to deals & trainings
- Increased investment flowing for NM businesses



2021 - **New Programming**, Collaborative Investment, Company Support & Partnerships

INVESTING



Investment Opportunities: Deals Monthly



Get Involved in Portfolio Companies – Mentor



Due Diligence: Team Approach Among Angels



SPVs! (Special Purpose Vehicle LLCs)

Leverage: NM Angel Relationship = \$1 million



SPONSORS – Many of us working together

TITLE

EDUCATION



SPONSORS

PRIME



SPONSORS

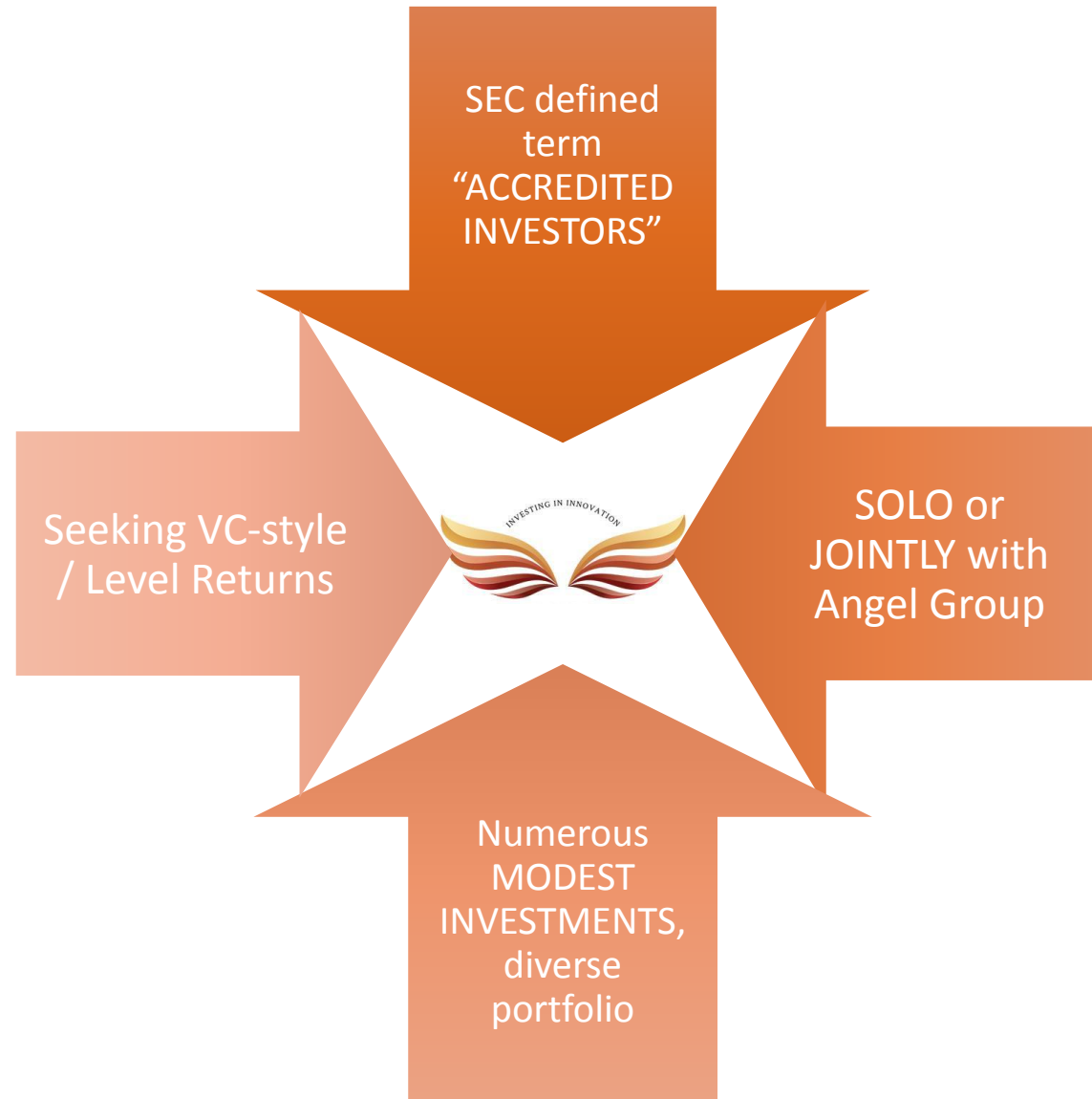
SUMMIT



Terminology

- Stage: Pre-seed, Seed, Series A (FFF = friends, family, fools)
- Forms of Financing: equity, debt, convertible notes
- Valuation: Pre-Money, Post-Money
- Priced Round
- SPV: Special Purpose Vehicle

What is An Angel Investor?



Typical Angel Deal

- Seed-stage company
- Pre-Money valuation below \$5 million
- Raising up to \$1 million in exchange for up to to 20% ownership of company
- Angels bring more than cash – advice, expertise, connections (rolodex)
- Return realized upon an EXIT (acquisition, IPO, shares purchased, new investors)

Angels Look for...

- Barriers to Entry: patents, trade secrets, (unfair competition, secret sauce)
- Solid management team
- Scalable product / service for high revenue in short timeframe
- Desire for advice and coaching. Learning / Growing
- Investment Return: 10X return over investment life 3-5 years

Angel Do's & Don'ts

DO:

- Find referral source into each angel group
- Make sure you're a fit for THAT group
- Listen to their specifics what to prepare; how to share it
- Send Current Materials

DON'T:

- Assume your deal will be funded
- Assume your company is worth what friends, advisors tell you
- Send unsolicited info
- Give up

DIPLOMACY

ANGEL MYTHS

- Angels fund an idea on paper
- Angels fund high-paying Exec. Salaries
- Angels don't need to see a business plan
- Angels don't care about their Return on Investment
- Are 'Just a Check'

Angel Trends Nationally

\$4m pre*
\$250k per group
\$10k per investor

Seed Round Structure

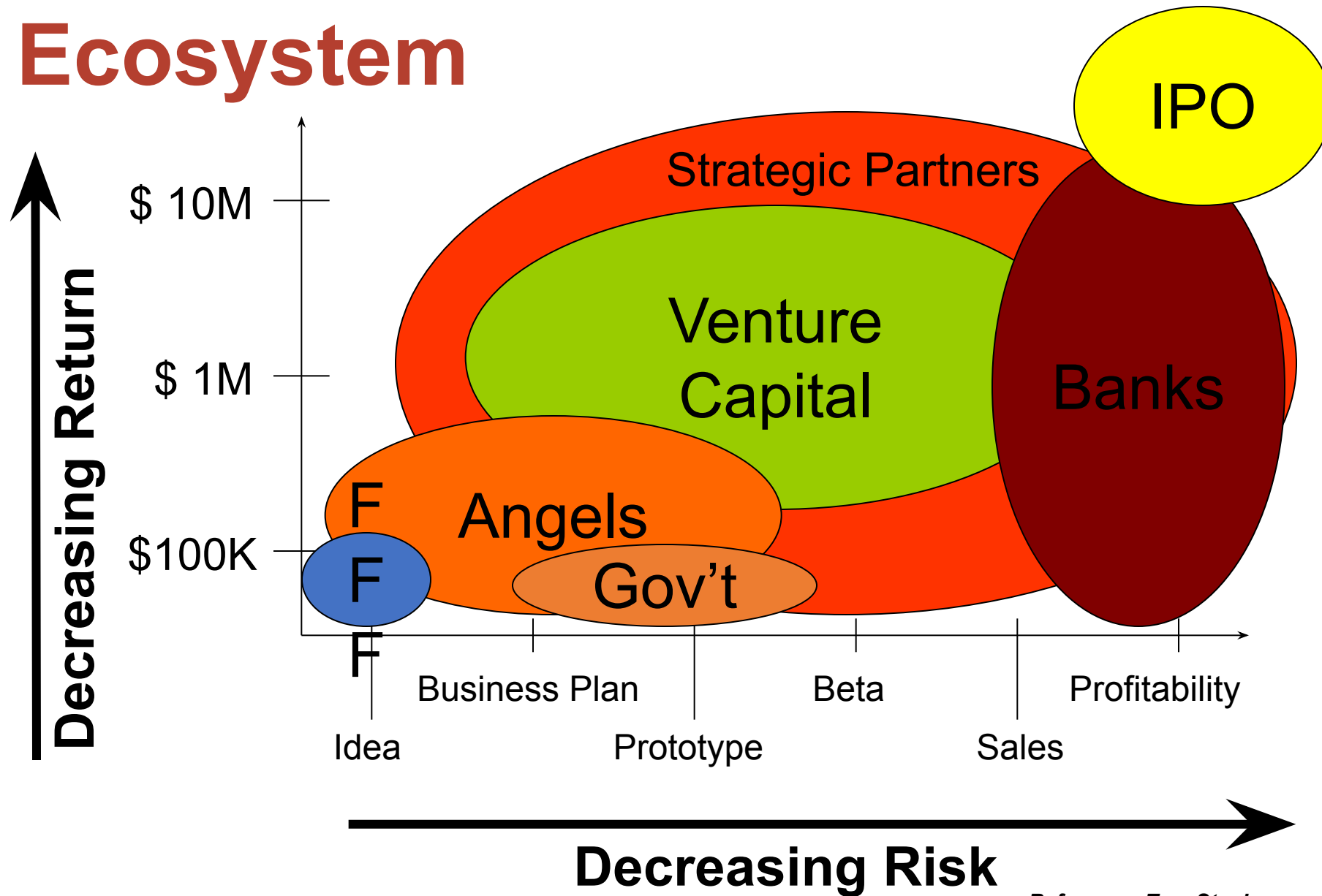
46% Convertible Note

36% Preferred Stock

4% SAFE

Others

NM Ecosystem



Reference: Tom Stephenson, Verge

NMA – By the Numbers

YEAR	INVESTMENTS	\$ INVESTED
2010	5	\$562K
2011	5	\$1.3M
2012	2	\$1.6M
2013	5	\$1.4M
2014	4	\$1.4M
2015	5	\$1.4M
2016	7	\$1.6M
2017	5	\$900K
2018	6	\$760K
2019	5	\$850K
2020	4	\$700K
2021	10 so far	\$3.2M & counting



New Mexico Angels – Process

- Entrepreneur submits information online GUST.com (presentation, business plan, financials, use of funds, team)
- Opportunity reviewed and vetted by Screening Committee
- Quarterly:
 - 4-6 Companies invited to Screening Committee
 - 2 Companies chosen to present to investors
 - ~ 5 companies funded annually



NM Success Examples

Meow Wolf



Taos Bakes



Where to Find Angels

So, you believe angel funding is the right path for you – now what?

Do your due diligence on angel groups to find FIT

- New Mexico Angels
- Rockies Venture Club
- Angel Capital Association (ACA)
- Tech Coast Angels (TCA)
- SWAN Impact, Social Venture Circle (SVC), Investors of Color Network

Upcoming Events

Members, Sponsors, & Guests

www.nmangels.com/events

- **Tutor Tuesday - “Radical Responsibility”**
Tues, Dec 14th, 1 PM (Virtual)
- **NM Startup Office Hours - Ugly Sweater Edition**
Fri, Dec 17th, 1 - 3 PM (Virtual)
- **New Angel Club - Session 1**
Wed, Jan 12th. 4 - 5 PM (Hybrid)
- **Investor Roundtable w/ Sandia**
Thurs, Jan 13th. 1 - 3 PM (Virtual)

Upcoming Events

Get involved

www.nmangels.com/events

- **NM Office Hours w/ ActivateNM**
3rd Friday of the month - Dec 17
- **Screening Committee**
3rd Tuesday of the month -Dec 15
- **Investor Presentations**
Parting Stone/Electric Playhouse - Dec 2nd
Taos Bakes - Dec 10th

Recommended Reading

- **Venture Deals** by Brad Feld
- **Angel Investing** by David Rose
- **The Secrets of Sandhill Road**, John W. Thompson
- **Venture Capital for Dummies**, Peter Adams (RVC) et al
- **Halo Report**



LET'S DO IT, TOGETHER!

- Looking forward to collaborating
- Be in touch
- Participate (Office Hours Friday)
- Let's see MORE BE MORE for all! **1 + 1 = 3**

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