



Cap Tables – 101

determining who owns what

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Learning Objectives:

At the end of this session all participants will:

- 1. Understand the terminology used, common structure and uses of a cap table**
- 2. Be able to create a pro-forma cap table for a start up business, and be able to use cap tables to model various investment scenarios to assess ownership, dilution, exit strategies, etc**

Agenda:

- Review terminology (from previous sessions)
- Walk through two completed pro-forma cap tables
- Create a Cap Table – from formation through first “priced round” including a convertible debt instrument

Terminology Review

- Cap Table (Summary vs Detailed)
- Pro-Forma Cap Table
- Common Shares
- Preferred Shares
- Common Stock Equivalents (CSE)
- Convertible Debt (discounts and valuation cap)
- Options and Option Pool (issued and authorized)

Advanced Topics:

- Warrants
- Participating and non-participating preferred

Sample Company – Pro Forma Capitalization Table



		Startup Formation		First Angel Round			Second Angel Round			First VC Round		
		Pre-Money Valuation:	N/A	Pre-Money Valuation:	\$1,000,000	Pre-Money Valuation:	\$2,000,000	Pre-Money Valuation:	\$6,000,000			
		Investment Amount:	None	Investment Amount:	\$200,000	Investment Amount:	\$500,000	Investment Amount:	\$2,000,000			
		Post-Money Valuation:	N/A	Post-Money Valuation:	\$1,200,000	Post-Money Valuation:	\$2,500,000	Post-Money Valuation:	\$8,000,000			
		Shares Outstanding:	None	Shares Outstanding:	2,500,000	Shares Outstanding:	3,000,000	Shares Outstanding:	4,500,000			
		Price Per Share:	\$0.001	Price Per Share:	\$0.40	Price Per Share:	\$0.67	Price Per Share:	\$1.33			
Shareholders	Stock Type	Founders' Shares	Fully-Diluted Stock %	Shares This Round	Total Post-Round Shares	Fully-Diluted Stock %	Shares This Round	Total Post-Round Shares	Fully-Diluted Stock %	Share This Round	Total Post-Round Shares	Fully-Diluted Stock %
Startup Formation												
Founder A	Common	1,000,000	40.0%		1,000,000	33.3%		1,000,000	26.7%		1,000,000	16.7%
Founder B	Common	1,000,000	40.0%		1,000,000	33.3%		1,000,000	26.7%		1,000,000	16.7%
Seed Round												
Independent Angel	Common			500,000	500,000	16.7%		500,000	13.3%		500,000	8.3%
Angle Round												
Angel Group	Preferred						750,000	750,000	20.0%		750,000	12.5%
First VC Round												
VC #1	Preferred									1,500,000	1,500,000	25.0%
Pre-Money Options												
Option Pool	Common	500,000	20.0%		500,000	16.7%		500,000	13%	750,000	1,250,000	20.8%
Totals		2,500,000	100%		3,000,000	100%		3,750,000	100%		6,000,000	100%

750,000

Sample Company Inc, Inc. Pro Forma Capitalization

(Capitalization as of 8/16/2017)

(Pro Forma for Issuance of Series G Preferred stock assuming full participation programs by the holders of the Series F Warrant and Series E-2 Warrant issuance and full exercisability of Series E-2 Warrant)

Preferred Stock	Pro Forma Capitalization					
	Total	% Preferred	% Fully Diluted	CSE	% Preferred	% Fully Diluted
Series A	68,558,220	16.02%	12.03%	68,558,220	16.45%	12.27%
Series A-1	24,760,915	5.79%	4.35%	14	0.00%	0.00%
Series B	35,775,880	8.36%	6.28%	35,775,880	8.59%	6.41%
Series C	24,404,770	5.70%	4.28%	24,404,770	5.86%	4.37%
Series D	23,888,640	5.58%	4.19%	23,888,640	5.73%	4.28%
Series E-1	-	0.00%	0.00%	-	0.00%	0.00%
Series E-1 Warrant	35,544,141	8.31%	6.24%	35,544,141	8.53%	6.36%
Series E-2	-	0.00%	0.00%	-	0.00%	0.00%
Series E-2 Warrant	16,858,078	3.94%	2.96%	16,858,078	4.05%	3.02%
Series F	3	0.00%	0.00%	3	0.00%	0.00%
Series F Warrant	160,862,626	37.59%	28.23%	160,862,626	38.61%	28.80%
Series G	37,249,497	8.71%	6.54%	50,776,886	12.19%	9.09%
Preferred Total	427,902,770	100.00% 	68.56%	416,669,258 	87.81%	74.60%
Common Stock						
Outstanding Common Stock	69,829,070	0.00%	12.26%	69,829,070	0.00%	12.50%
Common Warrants	1,195,144	0.00%	0.21%	1,195,144	0.00%	0.21%
2005 Stock Plan	14,359,675	0.00%	2.52%	14,359,675	0.00%	2.57%
2015 Equity Incentive Plan (Outstanding Only)	45,717,743	0.00%	8.02%	45,717,743	0.00%	8.19%
2015 Equity Incentive Plan (Available)	10,541,441	0.00%	1.85%	10,541,441	0.00%	1.89%
Non-Plan	238,005	0.00%	0.04%	238,005	0.00%	0.04%
Common Total	141,881,078	0.00%	24.90%	141,881,078	0.00%	25.40%
Grand Total	569,783,848			558,550,336		

Additional Resources

Cap Table Article with Links to Templates

<https://www.cooleygo.com/what-is-a-cap-table/>

Cap Table Templates

<http://1x1media.com/downloads/>

Your presenters



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