New shares or selling shareholders? Where IPO money goes

New shares or selling shareholders? is a free 50-minute high school lesson on who receives the money raised in an IPO. Students sort four real offerings by who sells the shares, then read each filing's "Use of proceeds" section to see where the company's part goes.

5-minute prep

- Print: one worksheet per student (2 pages, black and white). Print the answer key for yourself.
- Project: the slides (12 slides). The four offerings start on slide 5.
- Read: "Teacher background in 2 minutes" below, then the discussion guidance.

Grade	High school, grades 9–12
Time	50 minutes (splits into two 25-minute blocks)
Edition	2026–27 first edition v1.0
Lesson page	cityfort.co/teachers/where-does-ipo-money-go/new-shares-or-selling-shareholders

Objective

Students can tell new shares from shares sold by existing holders, say who receives the money in each case, and quote what a filing says the company will do with its part.

Standards the lesson supports

- CCSS.ELA-Literacy.RH.11-12.7 (Common Core states)
- CCSS.ELA-Literacy.RH.11-12.1 (Common Core states)
- 7.RP.A.3 (Common Core states)

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Timing

Minutes	Step	What happens
0–7	**Warm-up**	A made-up bike shop has 10 owners. Case A: the shop sells 5 new shares. Case B: two owners sell 5 of their shares. Who gets the money each time? (made-up numbers)
7–14	**Two kinds of shares**	New shares (the company gets the money) and shares sold by existing holders (the sellers get it). Where an S-1 says which.
14–32	**Four offerings**	Pairs sort Wella, Bamboo Insurance, Oura and Windward Bio by who sells, then copy what each filing says the company's money will pay for.
32–40	**Do the math**	What part of Oura's offering is new shares? What part of Bamboo's shares does each seller sell?
40–46	**Discussion**	Why might owners sell in an IPO? What does each filing actually say? Describe, don't judge.
46–50	**Exit ticket**	Exit ticket (4 questions).

Materials

- The slides (projected) or the printed worksheet.
- One worksheet per student. It prints in black and white on two pages.
- A calculator for Part D.
- No accounts, no logins and no internet access are required. The student page is optional.

Discussion questions

1. In Bamboo Insurance's offering, existing owners sell every share. What does Bamboo itself receive, and how do you know from the card?
2. Wella says it will use its money to repay a loan, and a lender is linked to its controlling owner. Why does the filing point that out?
3. Oura sells new shares and three investor groups sell too. Whose money is described in Oura's "Use of proceeds" section?
4. Windward Bio lists drug trials as its main use and says it expects to need more money later. What does that tell a reader about the plan? (Describe it. Do not judge it.)

Adapting the lesson

English language learners: ELL: a two-arrow picture (money to the company, money to the sellers), a word bank and sentence frames.

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IEP and 504 plans: IEP: two cards only (Bamboo Insurance and Wella), which each have one kind of seller; students fill in who gets the money.

Advanced students: Advanced: the Patriot Mobile card, where the company's money buys units in its operating company, which then pays some existing owners.

Extension: Students pick one more published IPO page on Cityfort and copy the first two uses from its "Use of proceeds" section, with the filing and date. Read Cityfort's Learn entry How to read an S-1.

Teacher background

New shares

When the company sells new shares (a "primary" offering), the money, minus underwriting fees and costs, goes to the company. The number of shares in existence goes up.

Selling stockholders

When existing owners sell shares they already hold (a "secondary" sale), the money goes to them, not the company. The number of shares in existence stays the same.

Use of proceeds

The S-1's "Use of proceeds" section says what the company plans to do with its part. Early filings often leave the amounts blank; Cityfort pages copy what the filing says and never add amounts it leaves out.

Related parties

When money goes to someone linked to the company, such as a lender tied to its owner, the filing must say so. The cards copy those notes.

Underwriters' option

Most offerings give the banks that run them (the underwriters) an option to buy extra shares, usually within 30 days. Bamboo Insurance's card notes who would sell them.

No prices

This lesson shows no prices, price ranges or amounts that depend on a price. It follows who sells and what the money is for.

If your class runs a stock-market simulation, these lessons can come before it: they explain what a company does and how it reports results. They do not suggest which companies to choose, and Cityfort does not run, rank or judge simulation picks.

Teaching notes

- Students often assume all IPO money goes to the company. The Bamboo card, where the company sells nothing, makes the difference clear.

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- Keep prices out of the conversation. If students ask what the shares cost, say the lesson follows who sells and what the money is for.

Standards supported

This lesson supports these outcomes. It does not cover all of any standard.

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- Common Core RH.11-12.7: cover page, selling-stockholder table and use-of-proceeds text combined.
- Common Core RH.11-12.1: stated uses quoted or closely paraphrased with form and date.
- Common Core 7.RP.A.3 (used as review): what part of an offering is new shares; each seller's part.

Teacher background in 2 minutes

- Primary shares are new; the company gets the money, minus fees. Secondary shares are existing owners' shares; the sellers get the money.
- The cover page and "The Offering" section say how many shares each side sells. "Principal and Selling Stockholders" names the sellers.
- "Use of proceeds" covers only the company's money. Many early filings leave amounts blank, as Windward Bio's does.
- Filings must point out money going to related parties. Wella's notes that a KKR affiliate is a Facility B lender.
- Up-C structures, like Patriot Mobile's, route the company's money into an operating partnership, which may pay some existing owners. That is the advanced card.

Materials

- Slides (PowerPoint, 12 slides). Every table is a real table, not a picture.
- Student worksheet with exit ticket (2 pages).
- Answer key.
- Calculators.

0–14 minutes: Warm-up and two kinds of shares (slides 1–4)

- Show the bike shop. The numbers are made up, and the slide says so.
- Case A: the shop gets the money and there are 105 shares. Case B: the two sellers get the money and there are still 100 shares.
- Define new shares and selling stockholders. Students copy them into Part B.

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14–32 minutes: Four offerings (slides 5–8)

- Pairs fill in Part C: who sells, who gets the money, and the first stated use of the company's part.
- At Wella, ask why the filing mentions the KKR-linked lender.

32–40 minutes: Do the math (slides 9–10)

- Part D: Oura's new shares as a part of all shares offered; each Bamboo seller's part of the shares sold.

40–46 minutes: Discussion (slide 11)

- Use the discussion questions below.
- If students guess why owners sell, ask: "Does the filing say why?" Keep to what the documents state.

46–50 minutes: Exit ticket (slide 12)

- Students answer the four exit-ticket questions on page 2 of the worksheet.

Splitting into two 25-minute blocks

Block 1 covers minutes 0–25, ending after two cards. Block 2 opens with a 3-minute recap, then the last two cards, the math, discussion and the exit ticket.

Guidance for the discussion questions

Question 1. Nothing from the sale itself: all the shares are existing owners', so the money goes to the two CVC-controlled partnerships.

Question 2. Because some of the company's money would reach a party linked to its controlling owner. Filings point out such related-party payments so readers can see them.

Question 3. Only Oura's own part, from its new shares. The selling groups' money goes to them.

Question 4. The money is planned for specific trials, and the company itself says it is not enough to finish everything. Accept descriptions; do not accept "risky" or "a good use" as verdicts.

Sentence frames

- "In ____'s offering, ____ sells the shares, so the money goes to ____."
- "____'s filing says it will use the money to ____."
- "New shares were ____% of the shares in ____'s offering."

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Differentiation: ELL

- A two-arrow picture: money to the company, money to the sellers.
- Word bank: offering, new shares, selling stockholder, proceeds, repay, loan, lender, affiliate, trial, underwriter.
- Sentence frames (above).

Differentiation: IEP

- Two cards only: Bamboo Insurance and Wella.
- Part C with the "who sells" column filled in; students write who gets the money.
- Large print: enlarge the worksheet when printing (tabloid paper works well).
- Shorter exit ticket: questions 1 and 2 only.

Differentiation: Advanced

- Patriot Mobile card (S-1, Oct 9, 2026): the company sells all the Class A shares and uses all its money to buy new units in its operating company (an LLC). The LLC then pays certain existing owners to redeem some of their units, repays its bank line ($6.5 million at Jun 30, 2026) and covers offering costs. Every amount is blank.
- Ask: who ends up with the money? Trace each step in two sentences.

student page

Scan the code or type: **cityfort.co/class/ipo-money**

Sources

1. S1: The Wella Company: Form S-1/A (Amendment No. 1), filed Sep 23, 2026, The Wella Company (SEC EDGAR), Sep 23, 2026. https://www.sec.gov/Archives/edgar/data/2125056/000162828026063205/wellaoperations-sx1a1.htm
2. S2: Bamboo Insurance Services, Inc. Form S-1/A, Amendment No. 1, filed Sep 14, 2026, Bamboo Insurance Services, Inc. (SEC EDGAR), Sep 14, 2026. https://www.sec.gov/Archives/edgar/data/2125355/000162828026061664/bambooinsuranceservicesinc.htm
3. S3: Oura Inc. Form S-1/A (Amendment No. 1), filed Sep 21, 2026, Oura Inc. (SEC EDGAR), Sep 21, 2026. https://www.sec.gov/Archives/edgar/data/2133022/000119312526396051/d119865ds1a.htm
4. S4: Windward Bio Group AG Form F-1/A (Amendment No. 1), filed Oct 30, 2026, Windward Bio Group AG (SEC EDGAR), Oct 30, 2026. https://www.sec.gov/Archives/edgar/data/2145089/000119312526441665/d111653df1a.htm
5. S5: Patriot Mobile Inc. Form S-1, filed Oct 9, 2026, Patriot Mobile Inc. (SEC EDGAR), Oct 9, 2026. https://www.sec.gov/Archives/edgar/data/2148546/000110465926115093/tm2621701-5_s1.htm

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