



# KPMG Webinar: Fund Raising & Employee Share Ownership Plan for Start-ups

May 25<sup>th</sup> 2022 (Wednesday)



# With you today...



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# Agenda

Fund raising & valuation

Employee share ownership plan

Panel discussion





# Fund raising & Valuation

\$54.99

\$280.00

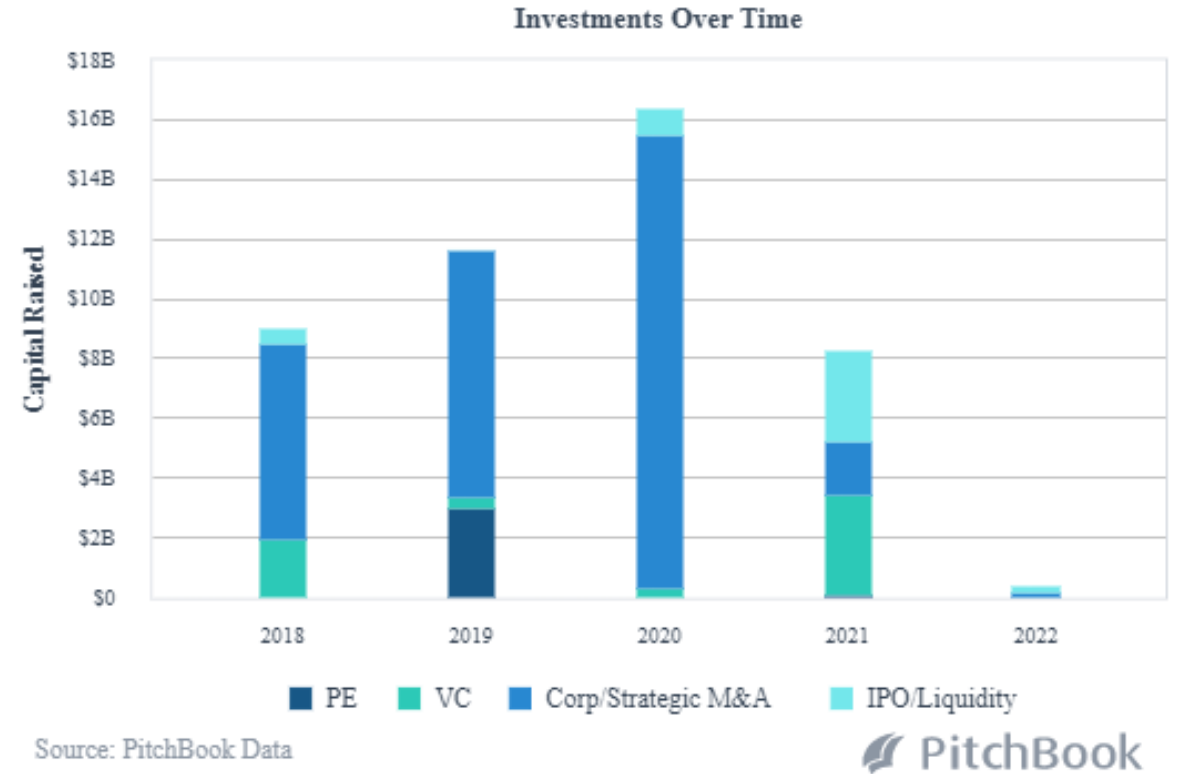
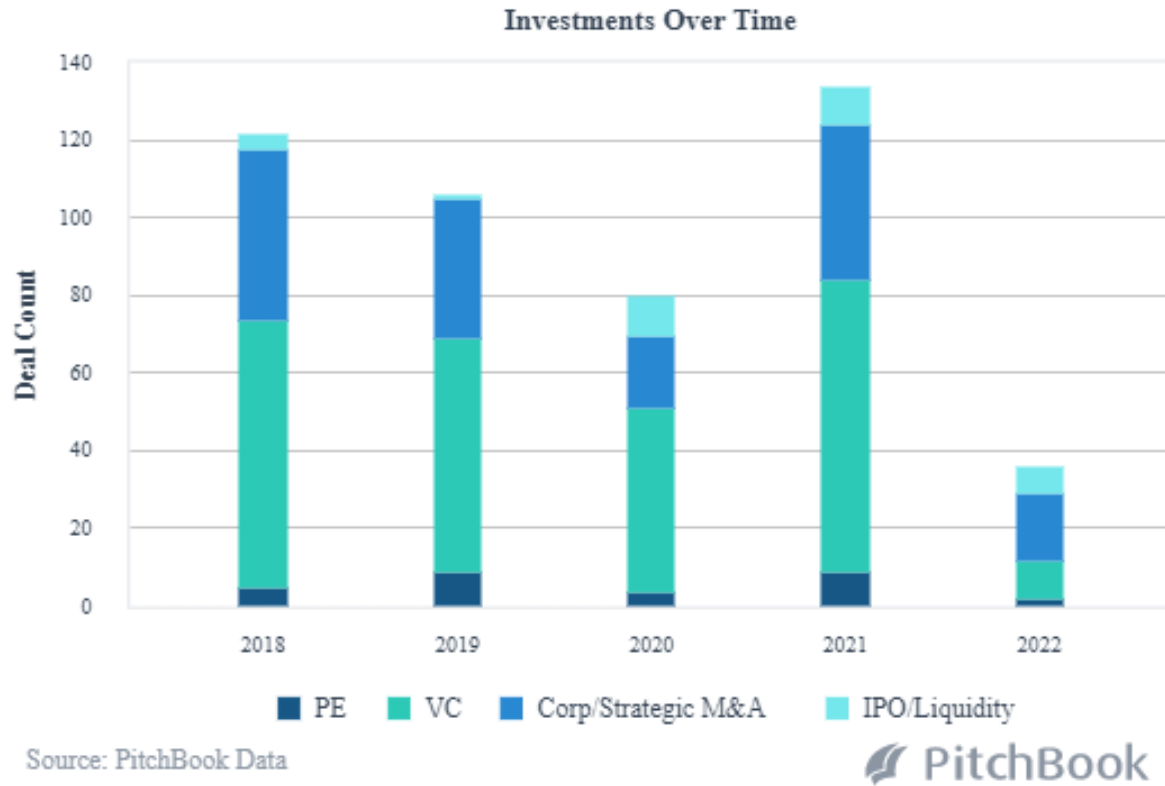
\$290.00

\$54.99

\$38.00

\$280.00

# Capital fund raising trend in Thailand



Source: PitchBook Data



# Top VCs in Thai deals

# New funded targets



500TukTuks

**Deal Count**

31

**Last Deal Date**

10-Nov-2021



Dtac Accelerate

**Deal Count**

28

**Last Deal Date**

10-Sep-2019



500 Global

**Deal Count**

24

**Last Deal Date**

10-May-2022



Krungsri Finnovate

**Deal Count**

11

**Last Deal Date**

26-Apr-2022



InVent by Intouch Holdi...

**Deal Count**

10

**Last Deal Date**

01-Apr-2021



Expara

**Deal Count**

10

**Last Deal Date**

12-Jan-2021



SCB Tech X

**Founded**

2021



Bitkub M Company

**Founded**

2021



PTT & TGES Optec

**Founded**

2021



Kerry Betagro Company

**Founded**

2021



Horizon Plus Company

**Founded**

2021



Joint Venture (Foxconn ...)

**Founded**

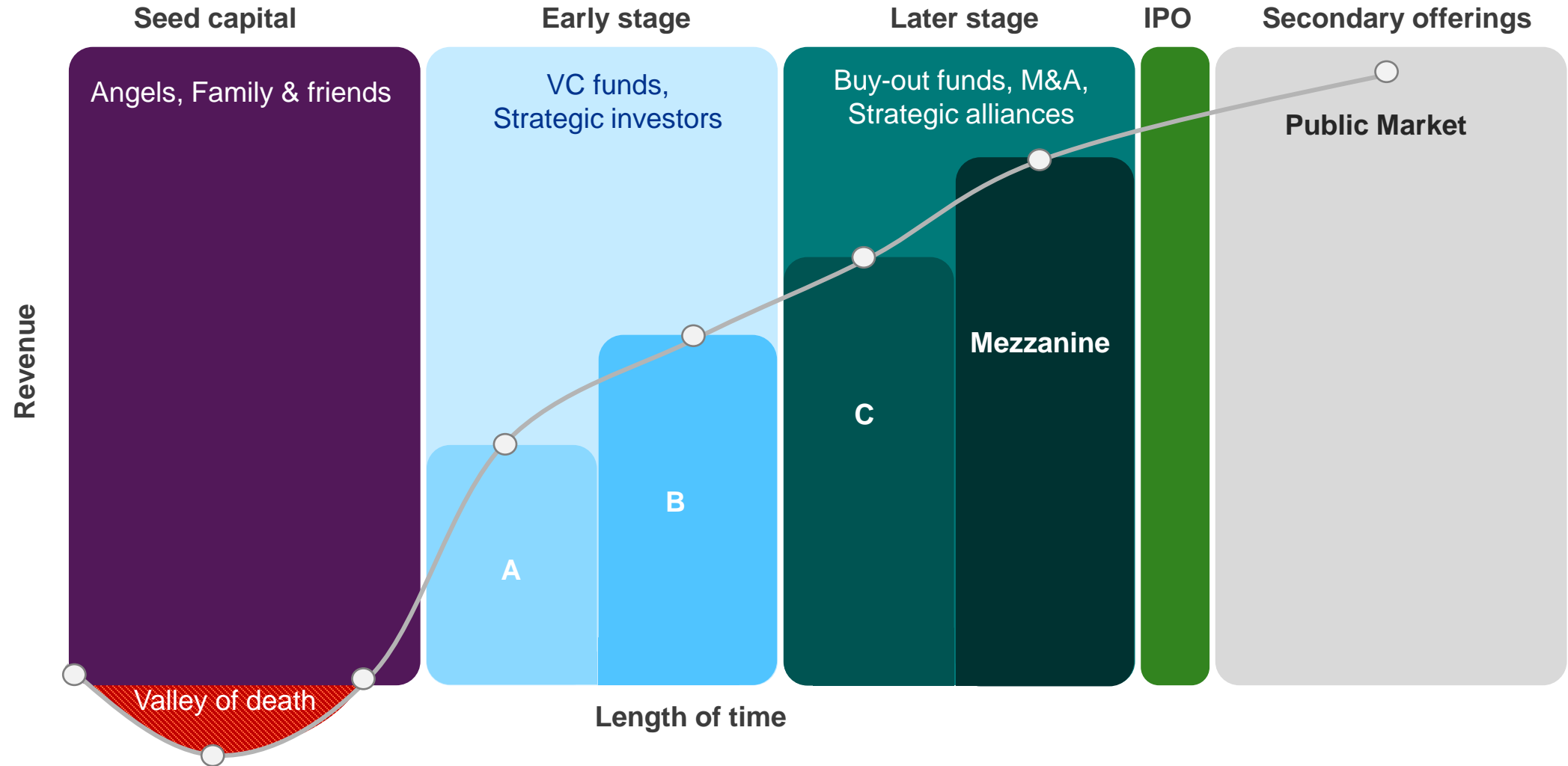
2021

Source: PitchBook Data



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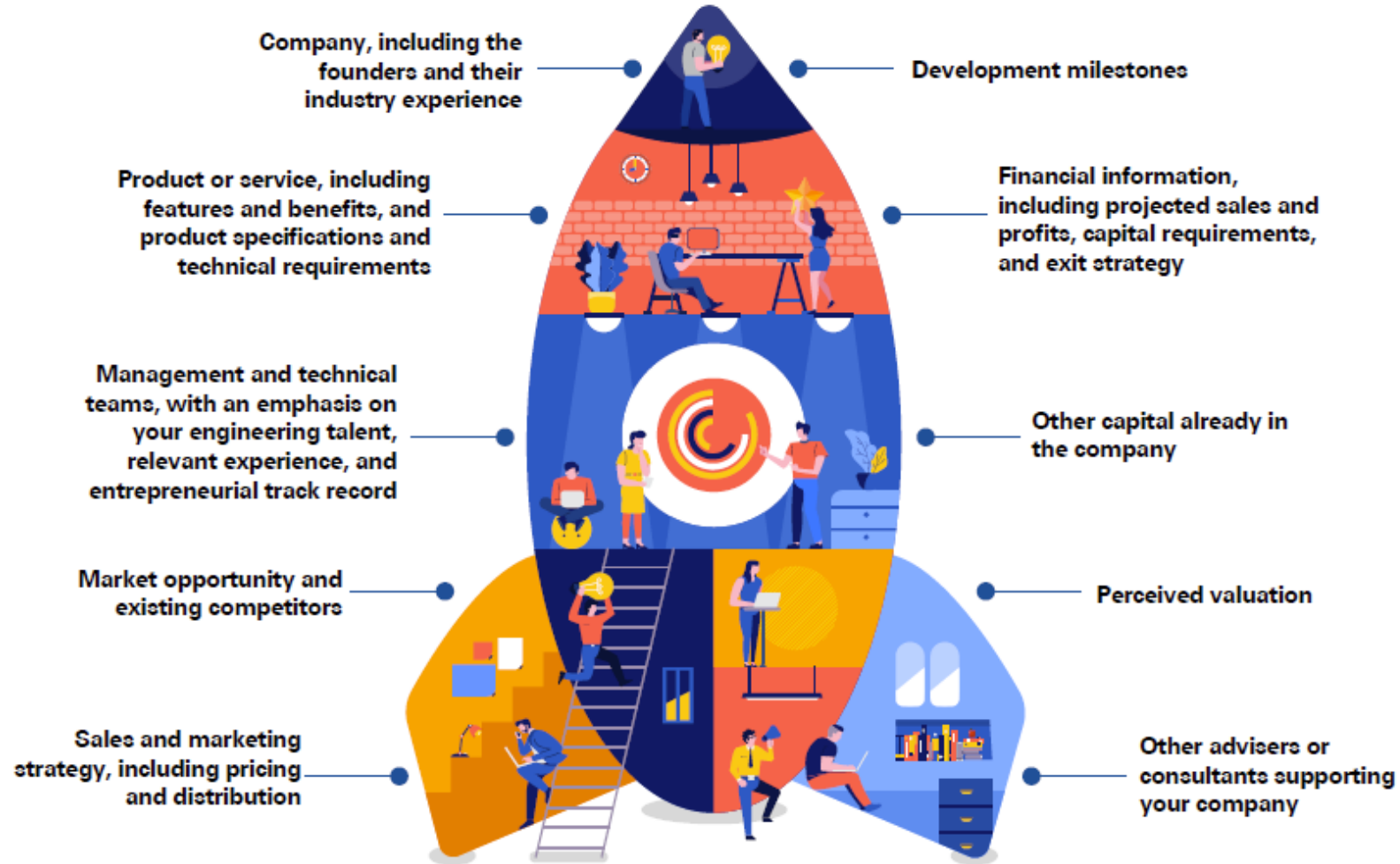
# Fund raising cycle



Source: KPMG Analysis



# VCs will be interested in the following information



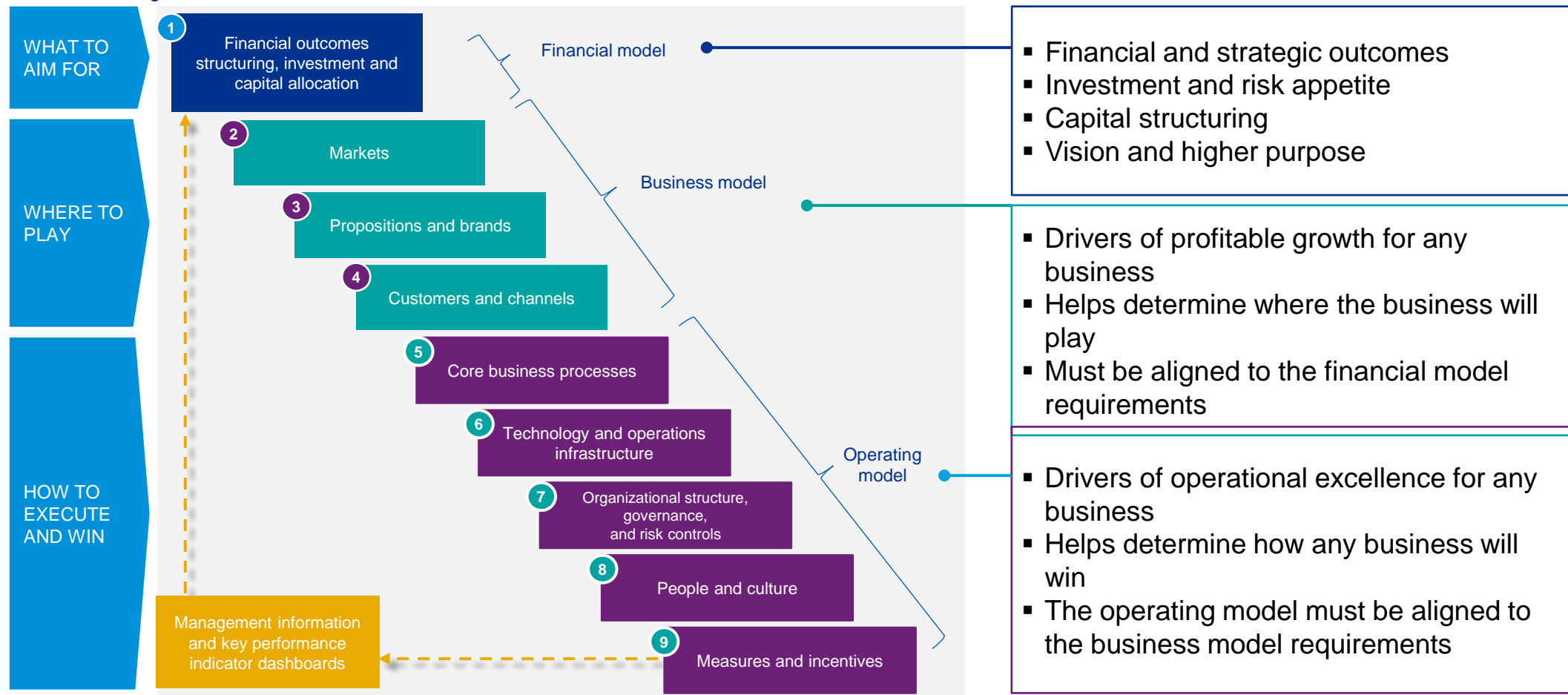
Source: Startup Success Guide August 2021, KPMG in India



# Framework for strategy

Key strategic considerations KPMG 9LoV framework

Key components

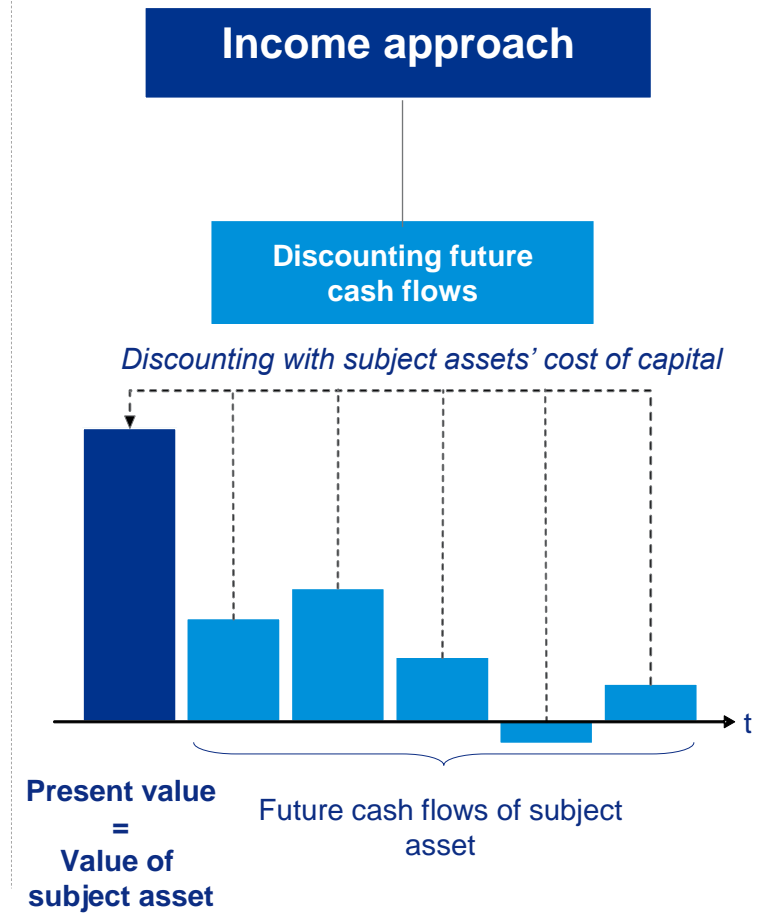
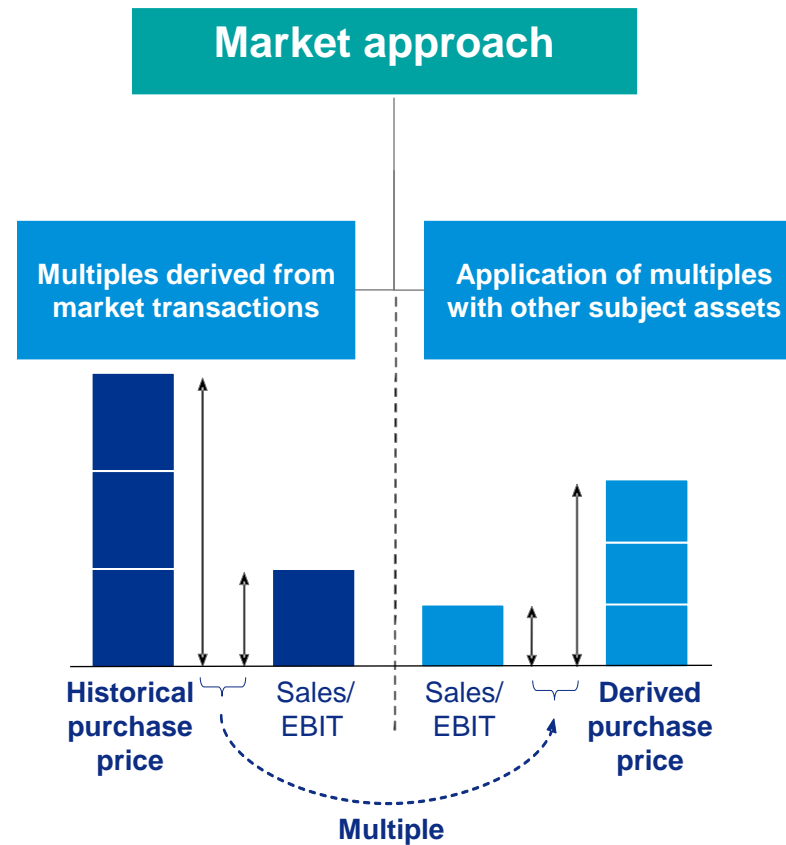
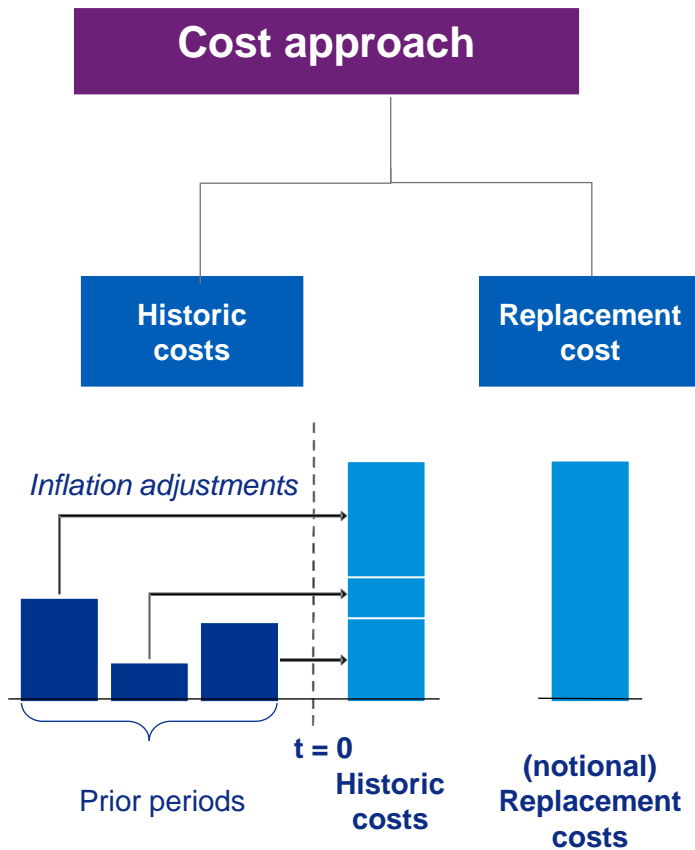


- Financial and strategic outcomes
- Investment and risk appetite
- Capital structuring
- Vision and higher purpose

- Drivers of profitable growth for any business
- Helps determine where the business will play
- Must be aligned to the financial model requirements

- Drivers of operational excellence for any business
- Helps determine how any business will win
- The operating model must be aligned to the business model requirements

# Valuation approaches





# Employee Share Ownership Plan

# Why ESOP?



Attract /  
retain talent



Incentivize  
employees



Alternative to  
cash incentive



Investors'  
requirements

# Types of awards



## Options / warrants

- A right to acquire shares in the company
- Ordinary shares or special class of shares (e.g., non-voting shares)
- Exercise price
- Often subject to forfeiture if leave employment prior vesting and options become exercisable after vesting
- Restrictions on transfer and disposal of shares prior to IPO

## Others types:



## Co-invest



## Restricted Share Units



## Restricted Shares

# Thailand



## Small number of Thai listed companies have ESOP

- ~4% of Thai listed companies in past 5 years
- Mainly mature / established companies



## Possible reasons

- Employees prefer cash compensation
- ESOP still new to many Thai employers and employees
- Dilute shareholding



## Relatively low in comparison with other markets

- ~39% of newly listed companies in Hong Kong in 2021 have an ESOP
- ~48% of all listed companies in Mainland China have ESOP in 2021 (increase from 3% to 48% over 15 years)



## Opportunities

- Observations / insights

# Tax implications



## Board of Taxation Ruling No. 28/2538 (1995):

*“...receiving shares free of charge or sells shares lower than the market price are treated as receiving assessable income and paying Thai tax income tax of the tax year in which the ownership in the shares is received,..”*



Taxing point: On exercise for options



Assessable value subject to tax

– depends if shares are listed on SET and whether there is a public offering sale price.

	Shares on SET	Shares Not on SET
• <b>Public offering</b>	Offering sale price	
• <b>No public offering</b>	Average price in the month of ownership	Book value of shares in accounting period prior to ownership

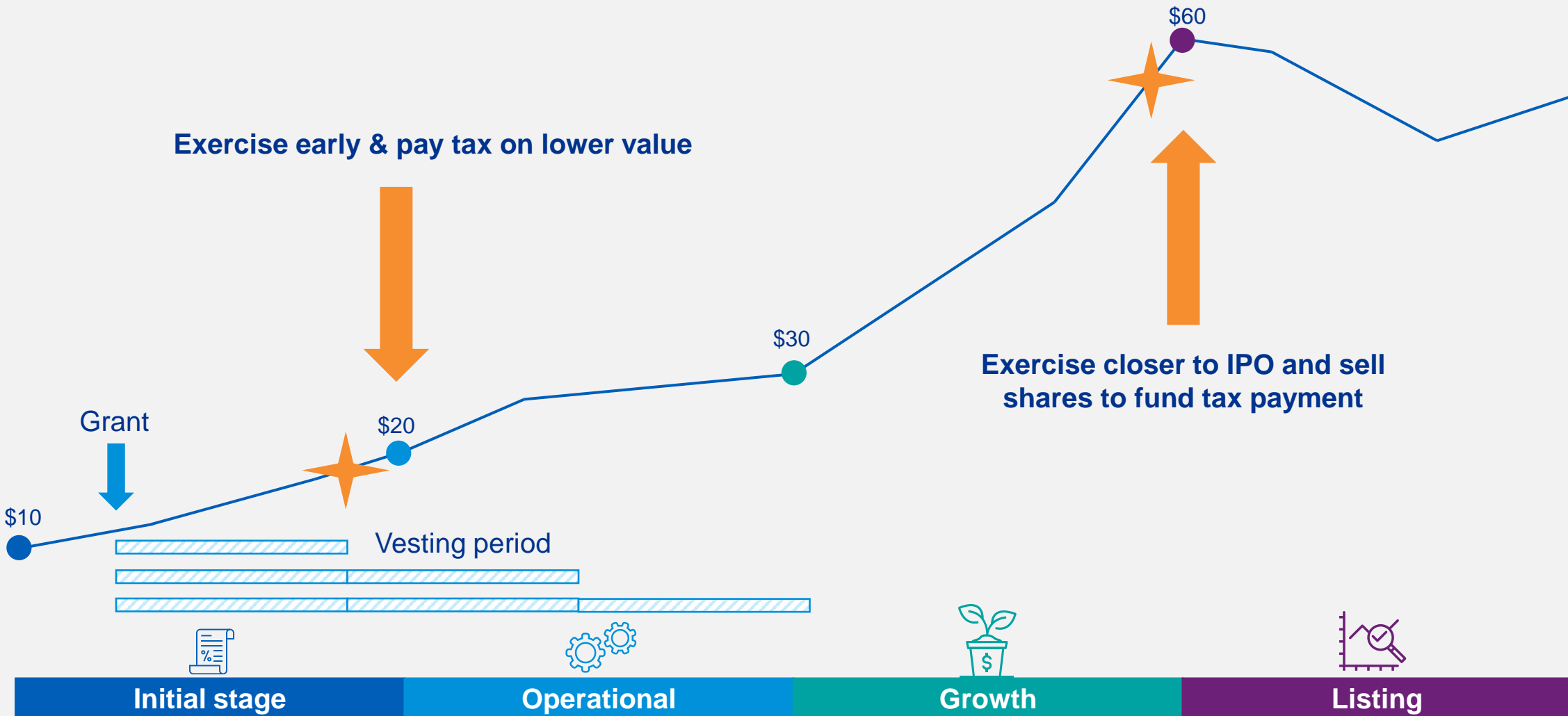


Sale of shares

capital gain and  
capital loss

cost  
base

# Illustration - Options







# Panel Discussion

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# Feedback

# Q&A





## Contact



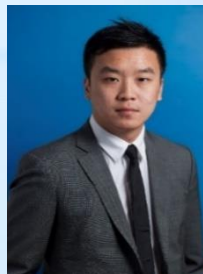
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# Thank you



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