

CAPITAL RAISING FOR YOUR BUSINESS



Discussion Topics

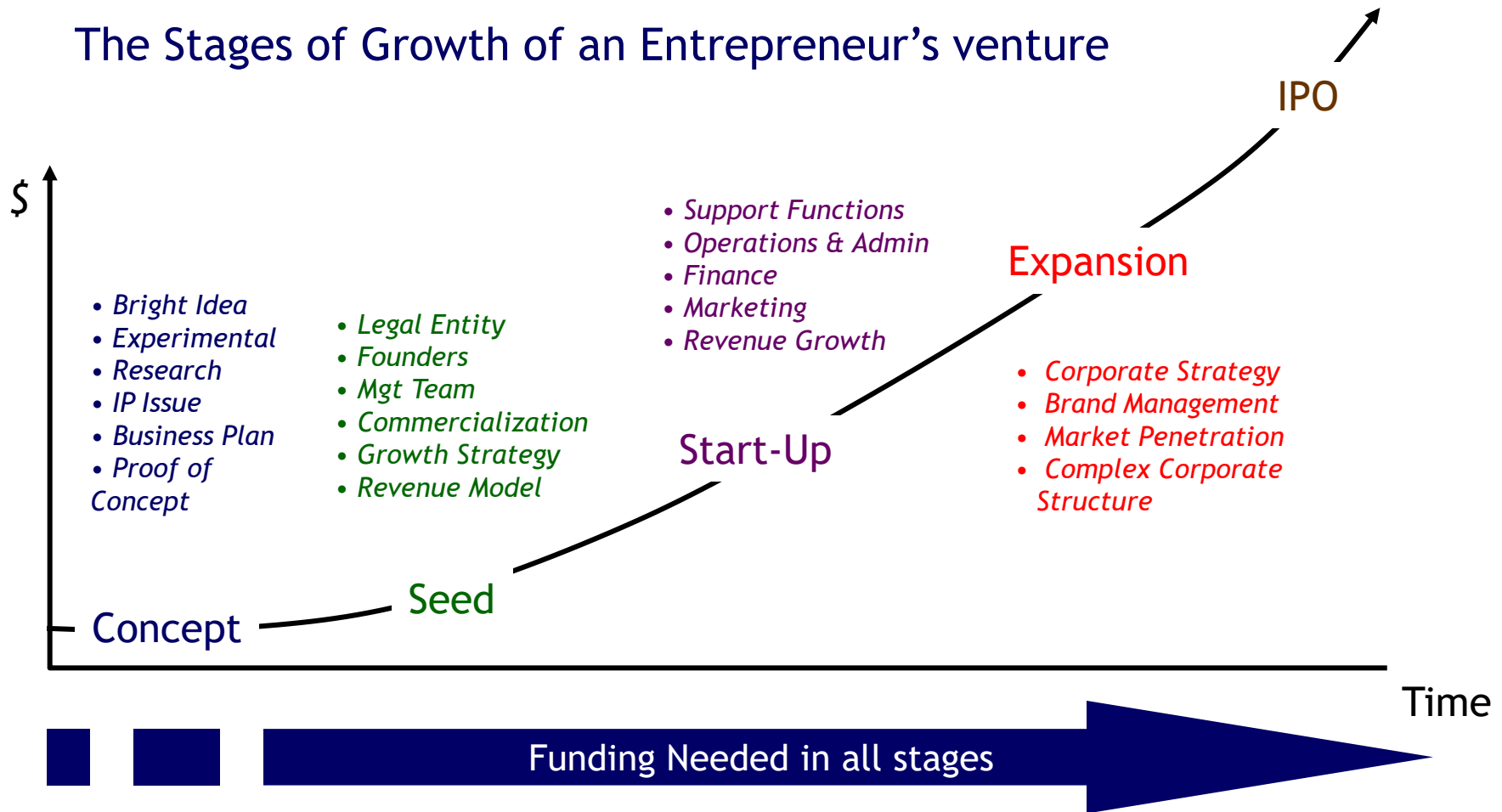
- Speaker Introduction
- Key Considerations Before You Start
- Entrepreneurs' Dilemma - Money NOT Enough!
- Where's the Money?
- Capital Raising Process - Step by Step
- Valuation
- Capital Raising with an IPO Story
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Key Considerations Before You Start

- **Why** do you want to raise capital? Goals & objectives
- **When** do you need the capital? Level of urgency
- **What** is critical now? Resources planning
- **Where** is the Money? Prospective investors & lenders
- **Who** can help you? Advisors, lawyers, accountants, etc
- **How** to do it NOW? Tools & methods

Entrepreneurs' Dilemma - "Money is Never Enough"

The Stages of Growth of an Entrepreneur's venture



Rationale of the Fund-Raising Exercise

- **Survival** - to save your business.
- **Growth** - Acquire business/competitors/distressed assets.
- Grow market share quickly.
- Expand into new markets.
- Provide more products for customers.
- Asset potential or synergy.
- Economies of scale.
- Increase shareholders' value.
- Exit Strategy.

Where's the Money?

- Friends, Family, Fools.
- Business Associates (Strategic Partners).
- Suppliers / Customers.
- Equity Crowd Funding Platform.
- Peer to Peer Lending.
- Venture Capital, Private Equity & Hedge Fund.
- Family Office.
- Financial institutions & Banks.



Capital Raising Process

1st Step - Your Pitch

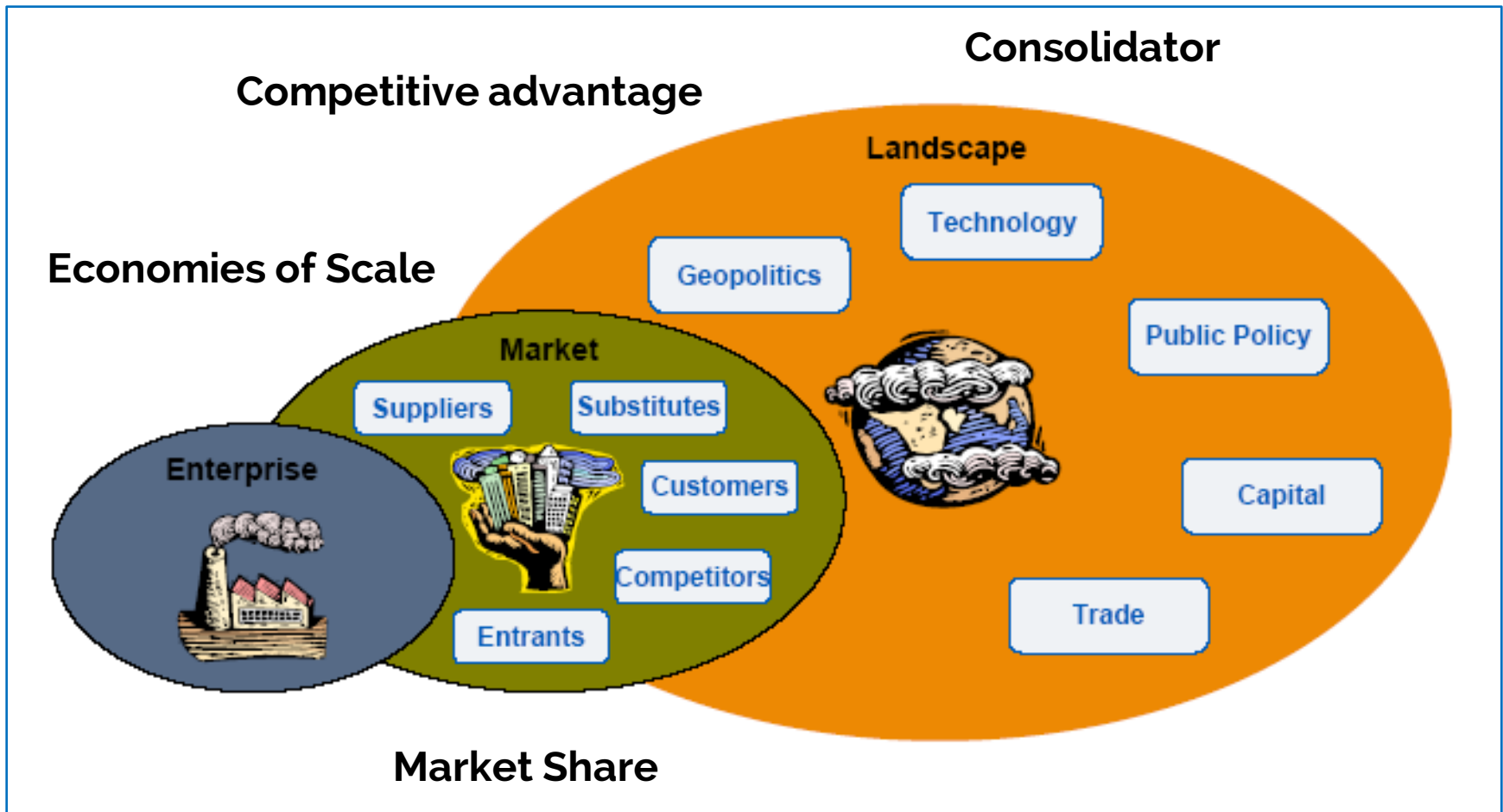
- Prepare a few version:
1-min, 5-mins, 15-mins,
30-mins pitch.
- Always ask how much time you have before you start.
- Observe body language of the audience.

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SLIDES OF A PITCH DECK



Your Equity Story



2nd Step - Get an Appointment with Investor

- Availability during MCO period.
- Best way is to be introduced by their trusted parties - mutual connections, professionals, advisers, brokers, etc.
- Investors receive pitch decks all the time.
- Less than 10% of emailed pitch decks get a meeting.
- Research the investor before the meeting: their portfolio, investment amount, risk appetite, investment process, reputation, post investment, etc.

3rd Step: Formal Process

Review Business Plan	Management team, business model, unique selling point, marketing & financials
Initial Enquiries & Negotiation	Fact finding, interview, understanding, valuation, proposed investment structure
Due Diligence	People, operational, legal, financials, patent & copyright (if any), supplier & customers.
Term Sheet Negotiation	Fair value, investment structure, pricing mechanism, corporate governance, termination clause.
Monitoring	Reporting system, board participation, milestones development, corporate strategy.
Exit	IPO, trade sale, management buyout, recapitalisation, write off.

Information Memorandum

1. Executive Summary / Objectives

2. Business Overview

Introduction, Management Team, Organisation Chart

Products and Services, Operational Plan, Marketing & Sales

3. Strategy

SWOT, Competitive Analysis, USP, Target Markets.

Corporate plans: Mergers & acquisition, Initial Public Offering.

Exit Strategies: Trade sale, IPO, buyback.

4. Financial Analysis

Financial status, Forecast

Valuation

5. Industry & Market Overview

Market size, Industry Trends, Key players, Statistics, etc.

6. Risk Factors

7. Appendices

Term Sheet - Common Mismatch

Price	<p>Determining the fair value of the venture.</p> <p>The company's ability to meet financial forecast.</p>
Structure	<p>Amount of financing.</p> <p>Term & condition, Covenant.</p> <p>ROI - 20% to 40%.</p> <p>Common / preferred shares, convertible loans, put & call options, etc.</p> <p>Exit mechanism.</p>



Valuation

How to Value a Company?

- Valuation is an art.
- Investors: buy low sell high.
- Founders: blood & asweat.
- What is fair value?
- What's the “Perceived” value?



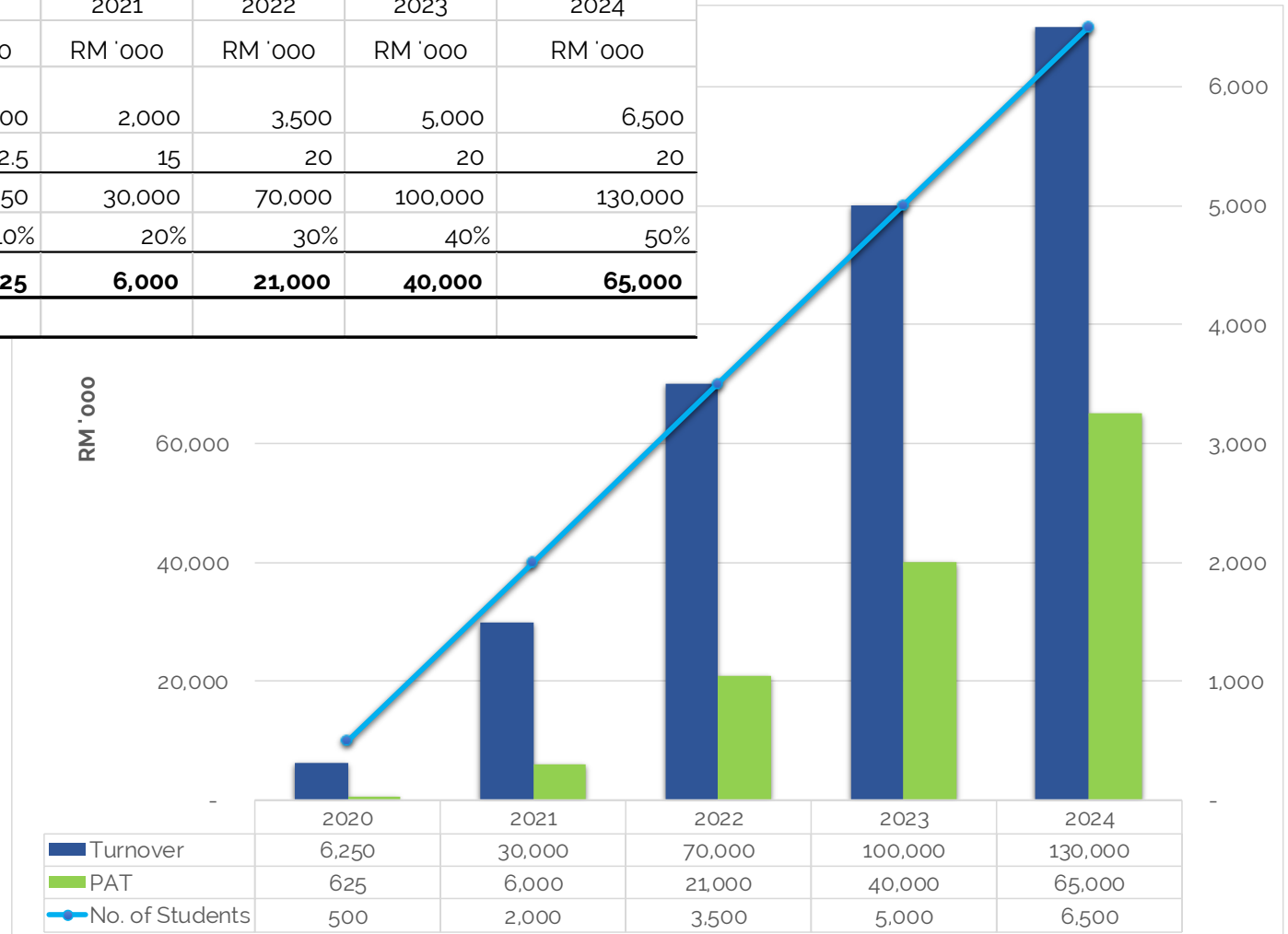
Common Valuation Methods:

- Discounted cash flow (DCF).
- Price Earning Ratio (PER).
- Net Asset Value.
- Goodwill.
- **Willing Buyer Willing Seller.**



Financial Forecast

	2020	2021	2022	2023	2024
	RM '000	RM '000	RM '000	RM '000	RM '000
No. of Students	500	2,000	3,500	5,000	6,500
Average fee	12.5	15	20	20	20
Turnover	6,250	30,000	70,000	100,000	130,000
PAT Margin	10%	20%	30%	40%	50%
PAT	625	6,000	21,000	40,000	65,000



Key Takeaways

- Valuation is the analytical process of determining the current (or projected) worth of an asset or a company.
- There are several methods and techniques for arriving at a valuation—each of which may produce a different value.
- Valuation can be affected by corporate earnings or economic events, and **pandemic period**.



Capital Raising with an IPO Story

Why IPO?

Most people likes to hear IPO stories...

Going public is a significant milestone in a corporate life cycle, and a dream come true for every entrepreneur.

The prospects of enhanced capital structure and improved brand equity are attractive for many business owners who aspire to take the leap of faith to grow their business to the next level.

To determine the best course for your company, early preparation allows you to stay ahead of the curve. All stages of the pre-IPO preparation process are critical in order to achieve the success that your business deserves.

The IPO journey is a new and exciting chapter for every aspiring organization. Hence, it is of utmost importance to get the IPO lifecycle right.

Key Capital Markets for Asian Companies



Pro & Cons of IPO

Advantages

- Raise capital
- Improve access to capital market
- Increase liquidity & exit for shareholders
- Facilitate acquisitions with shares and cash
- Create visibility, credibility and transparency to business partners and public
- Incentivize employees, attract and retain new talents

Disadvantages

- Listing expenses and compliance costs to comply with listing rules and regulations
- Increased regulatory oversight and reporting requirements
- Greater exposure to public scrutiny
- Dilution/loss of management control
- Potential hostile takeovers

Your Key to a Successful IPO

- Choose the right adviser & IPO team
- Target fund raising of RM25 - 50 million
- Liquidity post IPO
- Support for secondary fund raising
- Value creation for shareholders
- A stepping stone for other Capital Markets or Trade Sale





About Ingenious

About Us

At Ingenious, we have been providing financial services to entrepreneurs, business owners, individuals and families since 2004.

In 2020, Ingenious evolves into a family office, focusing in ESG & impact investments, i.e. agriculture, food & energy.

We empower entrepreneurs with the right corporate strategies & smart capital in growing their business, to accelerate growth, create value and maximize wealth for all stakeholders.

Our capabilities in structuring complex transactions, managing conflict and troubleshooting problems enables us to develop solutions for entrepreneurs to deal with the challenges of the business environment today.

We believe in partnership based on trust, integrity and respect.

英智金融集团自2004年成立以来，一直为企业家，业主，个人及家庭提供金融服务。

2020年，Ingenious 演变成家族办公室，专注于 ESG和影响力投资，例如农业，食品和能源。

我们赋予企业家正确的企业战略和智慧资本，增加业务，加速增长，提升企业价值和为所有利益相关者创造价值和财富。

我们拥有深入的商业知识，优越的商业人脉和解决问题方面的能力，使我们能够为企业家开发解决方案和不断提升企业竞争力，领先同行以应对当今商业环境的挑战。

诚信，商业透明度和商业道德的坚持，从而成为您的专业智囊团，在瞬息万变的商场上辅佐您。

Services

Corporate Finance

- Initial public offering
- Mergers & acquisitions
- Fund raising

企业融资

- 融资上市
- 企业并购
- 筹集资金

Private Equity

- Fund Management
- Special purpose vehicles
- Exit strategies

私人股权

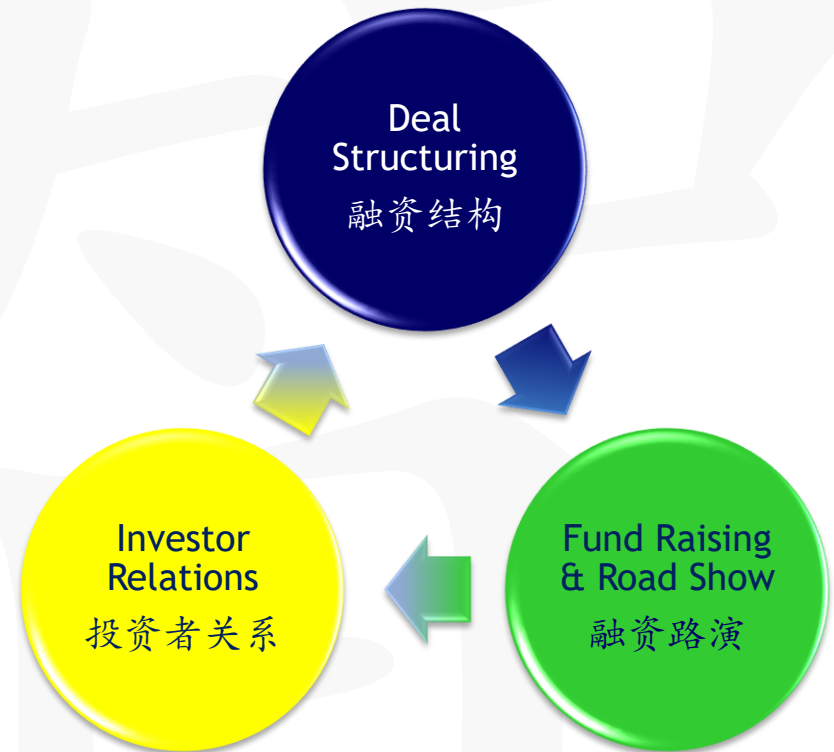
- 基金管理
- 特殊功能公司
- 投资退出战略

Asset & Wealth Management

- Family office management
- Family business advisory
- Succession planning

财富管理

- 家庭办公管理
- 家族企业咨询
- 企业接班人计划



How We Can Help

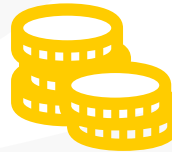


Accelerate Growth & Corporate Exercise

Initial public offering (IPO)

Mergers & acquisitions in related business.

Diversification of business portfolio.



Smart Capital & Funding Support

Providing smart capital to enterprises.

Advice on fund raising matters to grow your business.



Corporatisation, Divestment & Exit

Corporate restructuring, recruit professional managers.

Exit strategy - selling or divesting non core business, in partial or whole.



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