

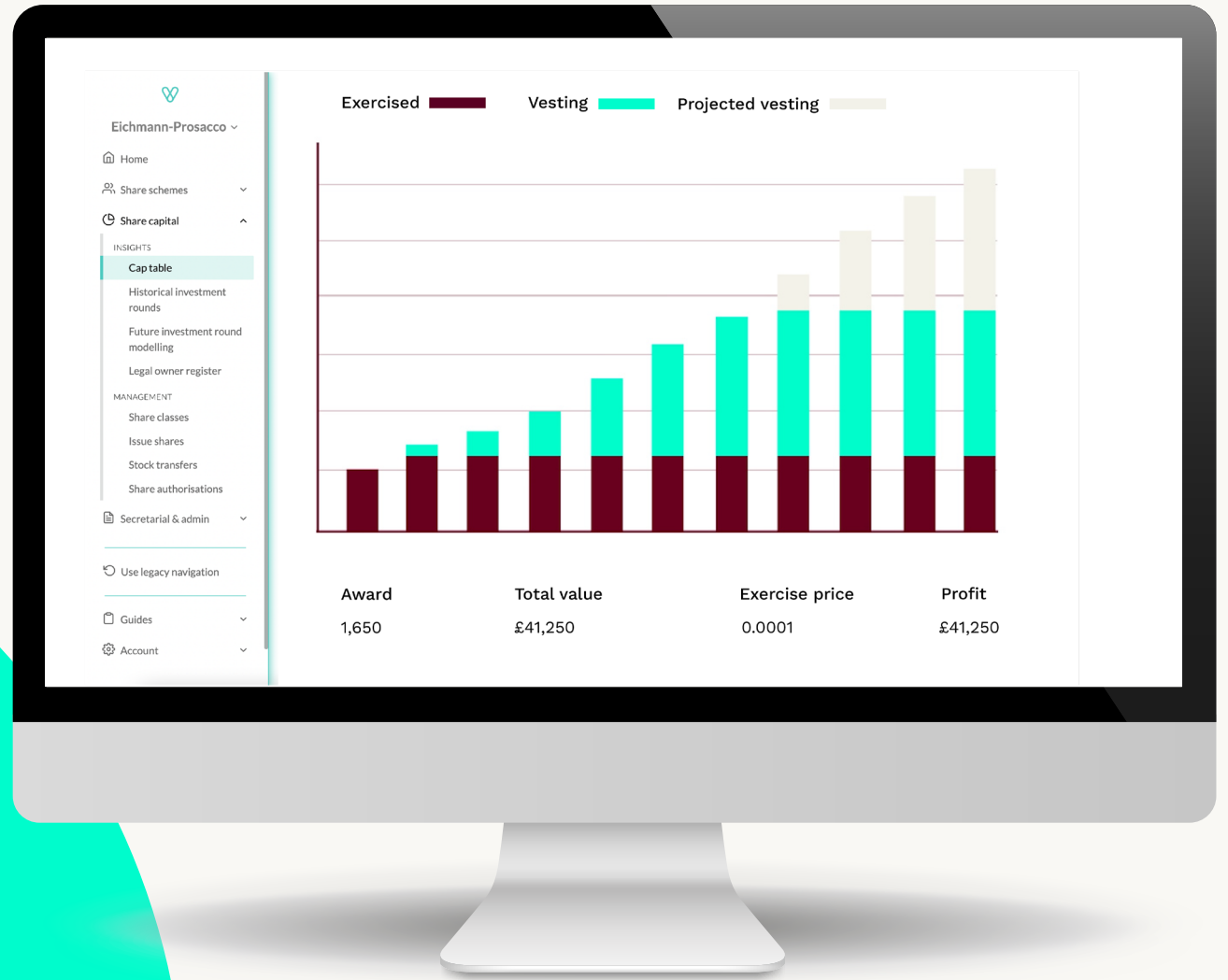


A Business Case for

Launching a Share Scheme

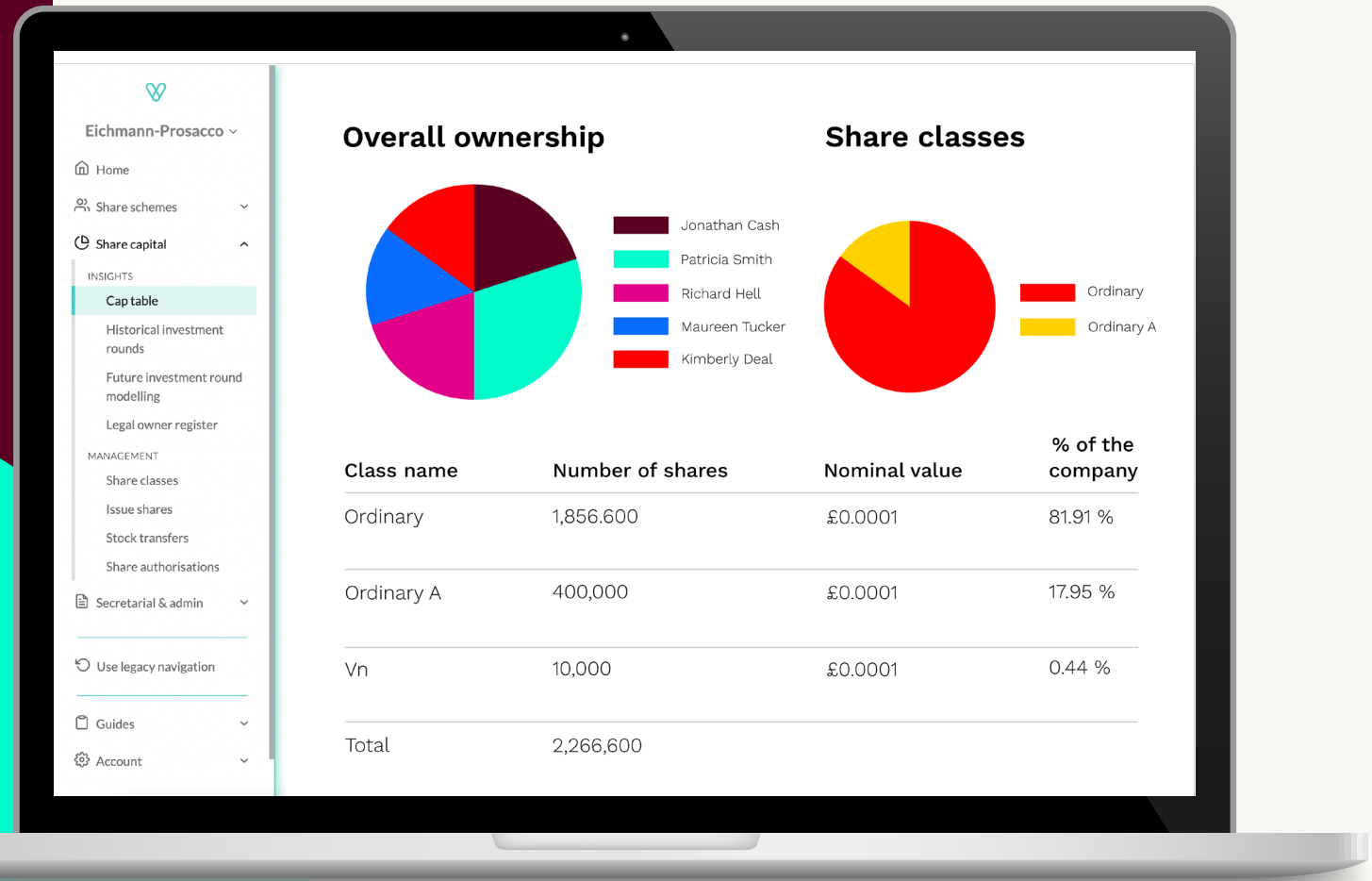
Introduction

Vestd is the most advanced share scheme platform for UK startups and SMEs.



Introduction

Thousands of people use our platform to launch, manage and monitor share schemes.



Some founders ask us for help in justifying the investment into sharing equity, so we've produced this deck.

Share it with your board!



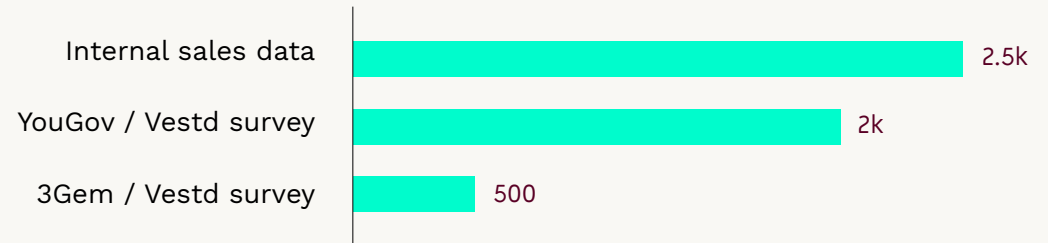
Our data

Our data



Vestd has one of the biggest caches of share scheme data in the country.

Our dataset numbers 5,000+ people.



The short story?
Feedback about sharing ownership is uniformly positive...

Why do
people value
share schemes?

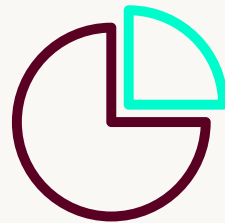
Why launch a share scheme?

Primary motivations:

01. Recruit talent
02. Retain employees
03. Achieve growth
04. Align teams
05. Improve company culture



Recruitment



Almost one in four customers chose a share scheme specifically to improve employee recruitment.

Vestd customer data - April 2021

93%

of Vestd customers confirmed that sharing ownership has helped with their recruitment efforts.

3Gem / Vestd 'Share Scheme' survey - May 2020

45%

of survey respondents said their share scheme had made it easier to attract talent.

3Gem / Vestd 'Share Scheme' survey - May 2020

Voice of the customer

“Our EMI scheme was instrumental in securing the services of two new leadership team members who have since made a critical difference to our performance.”

Simon Adcock - CEO, Atec Security



Retention

43%

of prospective customers were considering EMI to improve employee retention.

Vestd customer data - April 2021

95%

of Vestd customers said that their share scheme has actively helped to improve employee loyalty.

Vestd customer data - April 2021

60%

of survey respondents said their share scheme had made it easier to retain staff.

3Gem / Vestd 'Share Scheme' survey - May 2020

Voice of the customer

“Since the implementation of the scheme we have had 100% retention of staff.”

Benedict Wheatley

- Lazy Susan Furniture





Productivity

56%

of survey respondents said sharing ownership has increased productivity.

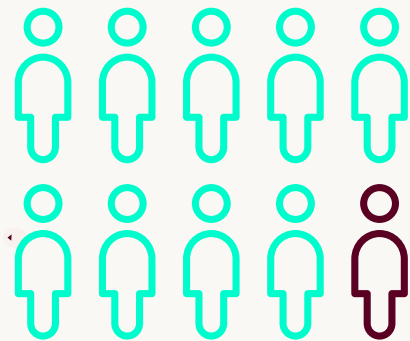
3Gem / Vestd 'Share Scheme' survey - May 2020

Studies have shown that people work harder when given equity, because they feel directly responsible for the value of their company.

HM Treasury research found that the effect of tax-advantaged employee share plans increases company productivity by 2.5% to 4.1%.

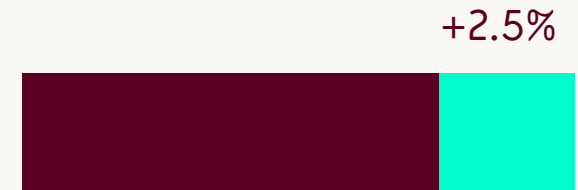
Business growth

Business growth



More than 9 out of ten of Vestd's customers said their share scheme has helped their companies to **grow and develop.**

Vestd customer survey - April 2021



Companies that share ownership posted **growth** of 10.2%, vs 7.7% average growth in UK GDP.

Cass / Manchester Study - 2017

Voice of the customer

“The scheme ensures the management team has the same objectives. We all have an incentive and reward to do the best for the business.

Gary Luke - Managing Director,
Connexica





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Team
alignment

Team alignment

Teams are becoming increasingly distributed. Shares and options can be used to keep **remote teams focused on the company's goals.**

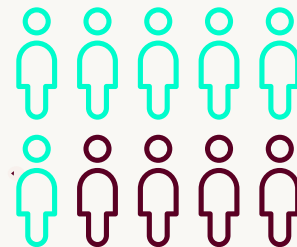
Almost everyone we surveyed said their share scheme had enhanced company culture and team alignment.

Vestd customer survey - April 2021

42%

of respondents launched a share scheme specifically to align their teams

3Gem / Vestd 'Share Scheme' survey - May 2020



More of half of survey respondents said sharing ownership has improved team alignment.

3Gem / Vestd 'Share Scheme' survey - May 2020



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Company
culture



49%

of companies with a share scheme found that it had **strengthened their company culture.**

3Gem / Vestd 'Share Scheme' survey - May 2020

Engagement and happiness

The more all employees feel included in the mission, direction, and success of the business, the more they're **motivated to do their best work.**

Happiness matters

Studies show that a happy team is very good for business

Employee satisfaction and firm performance



London School of Economics meta study - July 2019



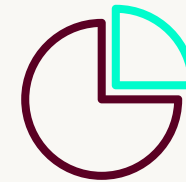
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The
Ownership
Effect

The Ownership Effect



The Ownership Effect is a term that was coined in 2017 independent inquiry led by the Employee Ownership Association. It is now synonymous with equity inclusion.

www.theownershipeffect.co.uk



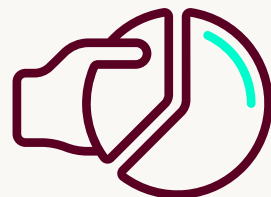
When an employee owns just a fraction of equity in a business (in the form of shares or options) they are more inclined to contribute to the success of that business.



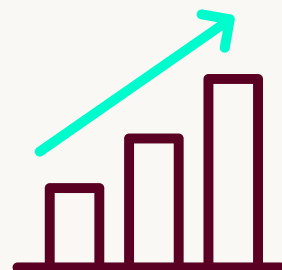
Cashflow

Cashflow

In 2020 thousands of UK founders explored giving people **equity instead of a pay rise or bonus.**



Some companies were forced to reduce salaries during the pandemic, but used equity to plug the gap.



Shares and options can be more attractive to employees than a bonus. Equity can grow in value, and is often much more tax-efficient too.



Word to the wise

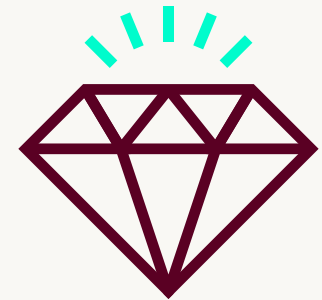
The excellent Enterprise Management Incentive scheme enables SMEs to offset the entire costs against Corporation Tax.



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Common
concerns

01. Dilution

If the business is growing sufficiently then dilution should not be an issue. What matters isn't the percentage of ownership, but **the value of the equity**.



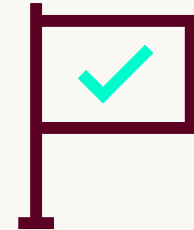
02. Perception of costs

We've seen some brain-melting quotes from accountants and lawyers. Vestd costs from £100 a month with no hidden charges. Affordable, predictable pricing.



03. Risks

Choose the right scheme type to create **risk-free, conditional equity agreements**. Set some key milestones, and avoid giving people Ordinary Shares.



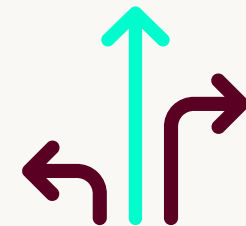
04. Other priorities

To give the recipient maximum upside you should **formalise equity agreements as early as possible**. Non-complex schemes can be launched very quickly.



05. Too complicated

Equity can be complex but we have created some **tried and tested pathways** to follow.



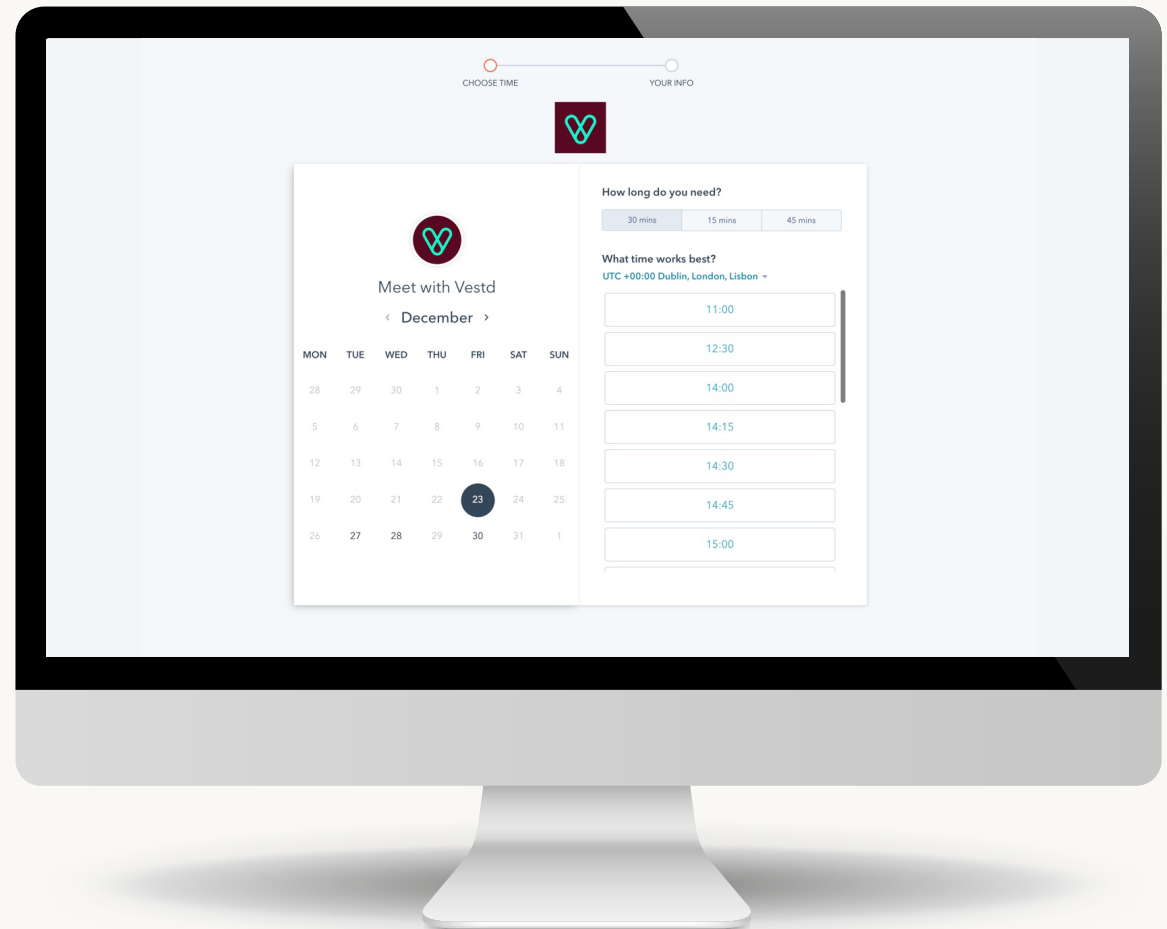
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Interested?



Next steps

Schedule a free discovery call

We'll help you explore your company structure and goals to identify the best scheme type for your needs. You can invite colleagues to attend.



Customer reviews



★★★★★ Feb 13, 2021
A fantastic platform

★★★★★ Dec 08, 2020
Great product with AMAZING support

★★★★★ Dec 08, 2020
Very friendly and helpful customer service

★★★★★ Feb 26, 2020
Brilliant product

★★★★★ Sept 16, 2019
Amazing shift from Excel to Vestd



Highly recommended as a simple approach to setting up equity schemes for every team

Easy, cost effective and a total no brainer!

Making the complex simple

Easy solution to Employee Stock Options

Every start-up founder should know about Vestd from Day 1

great application that saved so much time