

# NASDAQ PRIVATE MARKET OVERVIEW

October 2, 2017



# ABOUT NASDAQ PRIVATE MARKET (NPM)

Nasdaq Private Market's technology platform enables private companies to provide liquidity to their shareholders in a controlled manner.

NPM acquired SecondMarket in 2015 to bolster our position as a leading facilitator of private company liquidity.

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**Since 2013 our platform has facilitated:**

**\$5 BN**

Total Volume

**120**

Companies

**12,700**

Participants

# WHY SECONDARY LIQUIDITY?

## Why Provide Company Liquidity

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### Attract and Retain Talent

Allow partial liquidity to provide value to your employee shareholders.



### Streamline Equity Ownership

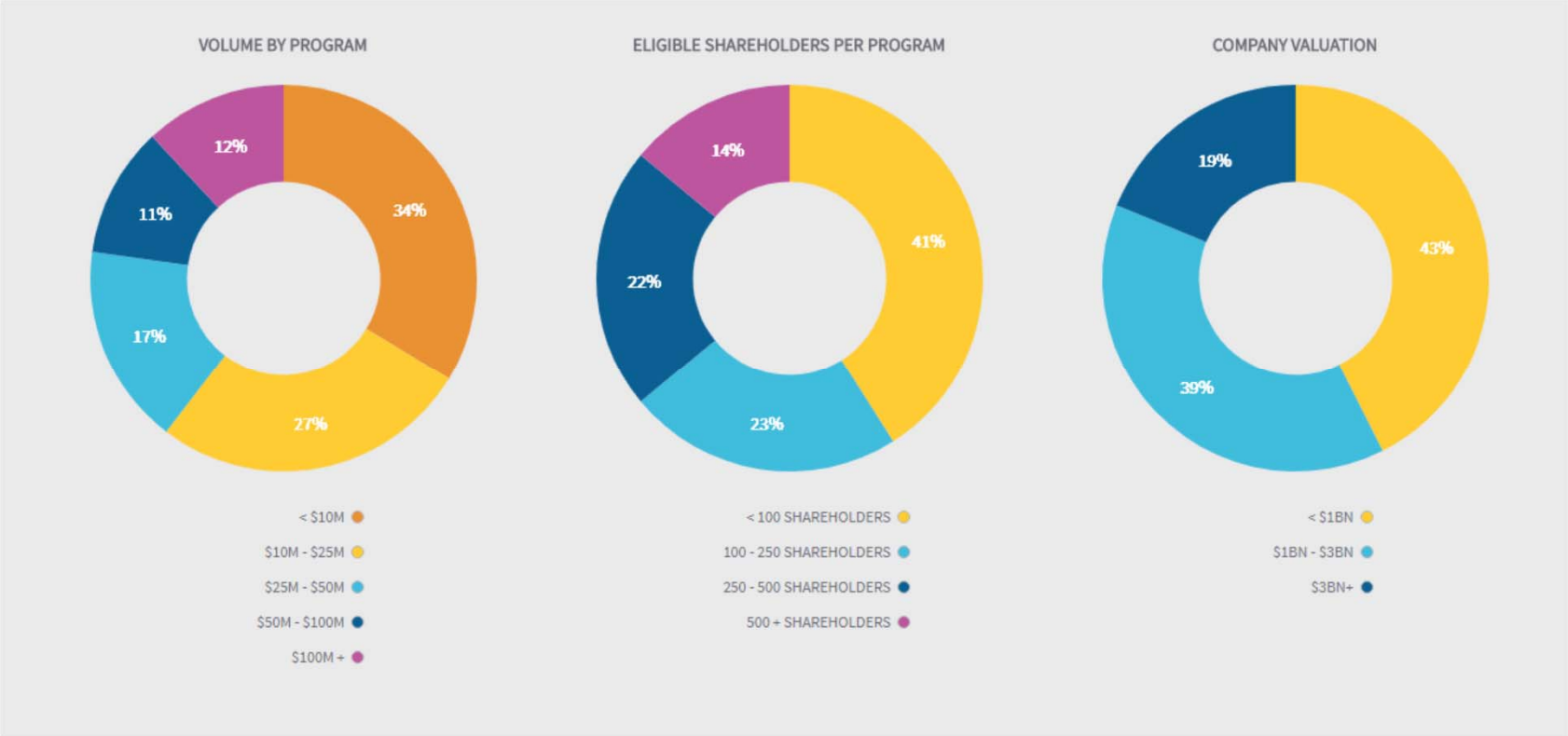
Bring in long term late-stage investors to balance your cap table.



### Restructure Your Equity Program

Utilize NPM technology to modify your option plan.

# RECENT NPM TRANSACTION DATA



## RECENT TRENDS – STAGE & SIZE

The companies represented in Q2 deals ranged from:

**Series A** through **Series F**

With **50 - 1,000 employees**

**\$4M - \$2BN** in total **primary capital raised** over time

**Three companies** over **15 years** in age

# RECENT TRENDS – STRUCTURE & BUYERS

## Structure

**75% of the programs were structured as company buybacks**, in most cases leveraging excess capital raised in a recent primary round (e.g. the company raised a \$50M preferred round and used \$10M of those proceeds to buyback current and former employee common stock)

Several companies launched a variation of **option exercise extension programs** involving a mix of holdings such as incentive stock options (ISOs) and RSUs

## Buyers

Roughly **70% of third-party investor programs have multiple buyers**, with the median buyer fund size (AUM) around \$4 BN (includes VCs, sovereign funds, family offices and asset managers)

Buyers came from **8 different cities** across **3 continents**

# THE NPM PLATFORM

The screenshot shows the NPM platform interface for an "Acme Company Tender Offer". The interface includes a navigation menu on the left with options like "Orders" and "Account Information". The main content area is divided into sections: "Overview", "Holdings", "Event Documents", and "FAQs". The "Holdings" section displays a table for "Common Stock" and "Options". A blue banner indicates "Selling restrictions: You can sell no more than 4,604 of your vested holdings." A sidebar on the right shows "Event Information" (Event Closes: Apr 11, 2015 03:31 PM EDT) and "Required Steps" (1. Order Amount, 2. Legal Information, 3. Identity Verification, 4. Bank Information, 5. Document Signing, 6. Confirmation).

Acme Company Tender Offer

Overview Holdings Event Documents FAQs

Holdings

Selling restrictions  
You can sell no more than 4,604 of your vested holdings.

Common Stock

Cert #	Qty	Vested Qty	Series	Cost Basis	Acquisition Date
C-201	6,562	6,562		\$2.65	Apr 16, 2014
<b>Total</b>	<b>6,562</b>	<b>6,562</b>			

Options

Grant #	Qty	Vested Qty	Series	Strike Price	Expiration	Grant Date
1348345	8,438	1,563		\$2.65	--	Sep 28, 2012
1348257	20,000	10,417		\$2.65	--	Sep 28, 2012
527031	5,000	4,479		\$0.65	--	Feb 15, 2011
<b>Total</b>	<b>33,438</b>	<b>16,459</b>				

Event Information

Event Closes  
Apr 11, 2015 03:31 PM EDT  
3 weeks, 4 days, 23 hours and 42 minutes  
Offer Price  
\$13.00

Required Steps

1. Order Amount
2. Legal Information
3. Identity Verification
4. Bank Information
5. Document Signing
6. Confirmation

**A private online portal for facilitating a company-sponsored liquidity program.**

## Shareholders:

- View their holdings information and indicate how much to sell
- Provide their personal and banking information for receiving payment
- Receive support from a team of experienced NPM specialists

## The Company:

- Configures the platform to their desired parameters
- Monitors shareholder activity in real-time through a dashboard
- Offloads the administrative function to NPM

# NPM'S ROLE IN AN EMPLOYEE LIQUIDITY PROGRAM (TENDER OFFER)

## Pre-Launch:

- NPM's business team strategizes with Company management to define the program details
- Collects holding information, documents and custom messaging from the Company to upload to the platform
- Invites approved participants into the shareholder portal

## During Program:

- The platform guides shareholders through the sell order process; support team fields inquiries
- NPM ensures all documents and signatures necessary to complete order are collected

## Post- Program :

- NPM's broker-dealer subsidiary SMTX, LLC handles settlement and delivery of proceeds to shareholders on behalf of the Company / Purchaser
- NPM provides Company with a program summary



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