

The Role of Alternative Markets for Entrepreneurs in Access to Finance



**BORSA
İSTANBUL**

Yatırıma Değer!

Borsa İstanbul Private Market

15 December 2014

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Turkish Economy and Private Sector

- The Turkish economy has shown remarkable performance over the last decade.
- Turkey is expected to be the fastest growing economy of the OECD members during 2012-2017, with an annual average growth rate of 5.2 percent.(*)
- Dynamic Economy:
 - Over 1 million companies,
 - 1.5 million total of enterprises
 - 50.000 new companies established only in 2013



(*) Source: Republic of Turkey Turkey Prime Ministry
Investment Support and Promotion Agency as of Sept, 2014.

Entrepreneurship in Turkey

Global Entrepreneurial Report by the Oracle Capital Group
(September 2014)

- **Turkey was ranked # 2** following India in terms of entrepreneurship in 33 countries
- Measures entrepreneurship in 33 countries by looking at factors such as “perception of entrepreneurs”, “attitude to risks involved in starting a new venture”, “fear of failure”, “willingness to risk personal finance” and “national levels of entrepreneurial activity”
- Strong support of Government



Entrepreneurship Ecosystem in Turkey and Borsa İstanbul

Increasing interest and support to entrepreneurship, early stage investments and SMEs

Borsa İstanbul is interested in supporting the growth of the **entrepreneurship ecosystem in Turkey** and facilitating the **funding of equity gap for Startups and Growing SMEs**.



Borsa İstanbul Private Market

A web and membership-based platform, which brings together start-ups & growing companies and investors in order to buy or sell shares without going public. It provides;

Access to finance for start-ups and growing companies

Liquidity for existing shareholders (angel and qualified investors)

Investment opportunities in growing companies and start-ups for qualified investors and certified angel investors through

- Primary Issuances of private companies
- Liquidity programs (auctions) for private companies

BIST Private Market: Membership

- **Members** can be:

- **Private Companies** seeking for **capital**
 - StartUps & Early stage companies
 - Growth companies (SMEs)
- **Shareholders** seeking for **liquidity** for their existing investments
- **Qualified and certified angel investors** seeking **new investment opportunities**
- **Brokers and service providers** such as law offices, audit and consultancy firms

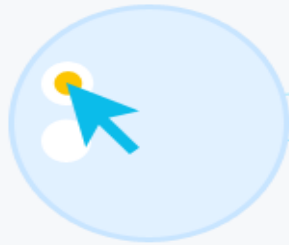


BIST Private Market: General Framework

- Exemption from the Capital Market Law
- All transactions, information flow and processes are in control of the company
- Confidentiality
- Open only to qualified investors (Institutionals such as Corporate PE, VC and individuals with min. 1m TL financial assets) and certified business angel investors



BIST Private Market Step by Step



Search

Find the counter party you are interested in from the suggestion list or search engine. In order to contact the counter party directly, send an **“Indication of Interest (IoI)”**



Match

Upon acceptance of your Indication of Interest by the counter party, you will be **accredited** to get access to more detailed information. You can start using the secure and virtual **“Data and Deal Room”** for due diligence, document management and negotiations



Agree

Upon agreement of both parties on the terms and conditions submit an electronic **“Notification of Agreement”**.

In this process, intermediaries and service providers provide professional brokerage, independent audit, legal and financial consultancy services. Members also benefit from low-cost services offered by our solution partner service providers.

BIST Private Market: Benefits for Entrepreneurs

- Meeting with qualified and angel investors
- Access to first rounds of growth capital
- Liquidity for existing shareholders
- Manage and control the information flow and confidentiality
- Access to mentorship, advisory
- Financial incentives and support



BIST Private Market: Benefits for Investors

BIST Private Market provides **qualified and angel investors** with the opportunity of:

- Finding new profitable investment opportunities from different industries and locations to invest
- Exit from their existing investments
- Co-investment
- Benefit from legal and financial services at reasonable prices



Thank you for your attention.

We are looking forward to seeing you at Borsa İstanbul Private Market

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