

Private Company Secondary Market 2018 Retrospective

2018 Trends

Private company sponsored liquidity programs now commonplace

Demand from primary mega-rounds spill over into the secondary space

Third party programs fueled by abundant institutional dry powder

2017

\$3.2B

51

23

28

\$20.0M

TOTAL PROGRAM VALUE

TOTAL PROGRAMS

THIRD PARTY TENDER OFFER

COMPANY REPURCHASE ¹

MEDIAN TRANSACTION SIZE

2018

\$12.0B

79

46

33

\$17.4M

Nasdaq Private Market Client Base



62

NPM clients have reached a \$1B valuation while private (unicorn) ²

120

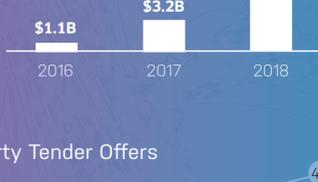
programs for unicorn clients ²

A Look into the Secondary Market (2016 - 2018)

Median Transaction Size



Transaction Value



Significant Increase in Third-Party Tender Offers

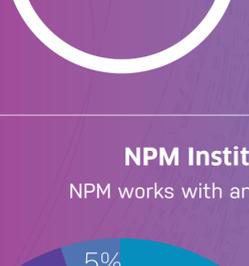


Top 5 Industries (2016 - 2018)



Total Offering Value that was Transacted

Third Party Tender Offer % of Offering Transacted ⁴

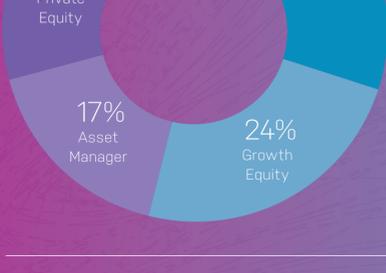


Company Repurchase % of Offering Transacted ⁴



NPM Institutional Buyer Network

NPM works with an active, high quality buyer network



400+

New Investments in 2018 ⁵

1,000+

Active Investments ⁵

Company Programs - by the Numbers

Programs by Transaction Value



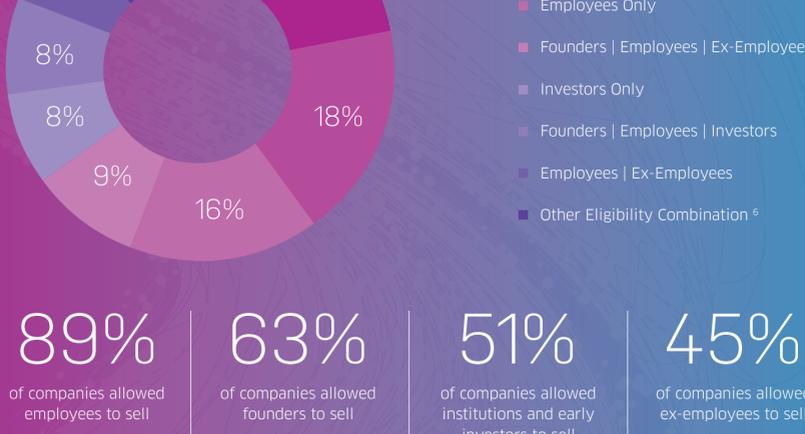
Programs by Eligible Shareholders



Programs by Valuation



Most Common Program Eligibility



89% of companies allowed employees to sell

63% of companies allowed founders to sell

51% of companies allowed institutions and early investors to sell

45% of companies allowed ex-employees to sell

Law Firms Leading Private Company Transactions



When Companies Conduct Liquidity Programs

50%

Completed a program within four months of a recent financing

50%

Completed a program after a primary raise of at least \$100M

Client Lifecycle

Year Founded



Latest Funding Round ⁷



Company Programs - Compared to Valuations

6.6%

Median offer price discount from recent primary

84%

Median offer price premium to 409a valuation

3%

Median percent of company valuation offered

¹ Includes other private company services

² Activity since 2013 with valuation data aggregated from NPM and SecondMarket platforms, CB Insights, PitchBook. Data collected from the SecondMarket platform may include transactions conducted through current and former affiliates of SecondMarket

³ Transportation; Consumer Durables

⁴ Percent of the actual dollar-amount transacted from the total amount offered in the transaction

⁵ Information gathered from PitchBook to reflect 2018 activity of NPM Buyers in the general marketplace

⁶ Founders | Investors; Founders | Ex-Employees | Investors; Employees | Ex-Employees | Investors; Ex-Employees Only

⁷ 13 programs occurred after undisclosed financial activity