



Nasdaq, SVB, Citi, Goldman Sachs, and Morgan Stanley Launch New Platform for Trading Private Company Stock

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Nasdaq Private Market to be spun out from Nasdaq and contributed to the joint venture

NEW YORK and SAN FRANCISCO, July 20, 2021 (GLOBE NEWSWIRE) -- Nasdaq, SVB Financial Group ("SVB"), Citi, Goldman Sachs, and Morgan Stanley today announced a joint venture to establish an institutional-grade, centralized secondary trading venue for issuers, brokers, shareholders and prospective investors of private company stock.

Nasdaq Private Market will be contributed to a standalone, independent company, which will receive strategic investments from SVB, Citi, Goldman Sachs, and Morgan Stanley.

Nasdaq Private Market's existing technology, client relationships, and regulatory infrastructure will provide a strong foundation for the joint venture to develop a full suite of liquidity solutions for private companies. Private companies, brokers and investors will be able to access, connect, manage and execute their private company stock transactions through a global marketplace and customized technology solutions. These tailored solutions allow private companies, brokers, and investors to have increased transparency into their program and trade criteria. The platform will continue to manage and support private company stock transactions including tender offers, buyside book-building, auctions, investor block trades, company directed windows of liquidity and pre-direct listing continuous trading. In addition, the platform will provide end-to-end settlement process management and an inter-broker global marketplace through its existing alternative trading system for all customers from employees to institutions to access and transact.

These new capabilities will help fulfill unmet market demand and provide a more transparent and efficient offering for private companies, their employees and investors looking for access to private assets. The platform will build a unique distribution network, leveraging the joint venture partners' strong relationships with private companies and investors. In addition, institutional investor participation will be enhanced through the platform's broker-sponsored and broker-neutral design, which is open to qualified broker-dealers.

"Since we launched Nasdaq Private Market in 2014, we have created a trusted platform for private companies resulting in a strong track record and robust pipeline of secondary transactions," said **Nelson Griggs, President, Nasdaq Stock Exchange**. "This joint venture will accelerate our opportunities in the private company secondary trading market and establish the standard for technology-driven operational efficiencies, compliance and execution."

"The private markets are anything but standard and have become more diverse than ever," added **Eric Folkemer, President, Nasdaq Private Market**. "Using the scale and distribution of our joint venture partners alongside our market leading technology and markets experience, Nasdaq Private Market will become the go-to marketplace that connects and manages the need of the entire private ecosystem through one platform."

"Innovation companies are staying private longer and need the ability to offer their employees a safe and easy way to generate liquidity while they are building their businesses," said **Greg Becker, CEO of SVB Financial Group, parent company of Silicon Valley Bank**. "Together with Nasdaq and this impressive consortium of leading banks, we are establishing a secondary trading venue for private company stock that will offer our clients a path to employee retention in an environment where access to talent is one of the biggest challenges."

"Today's announcement highlights our optimism about the evolution of the private markets," said **representatives at Citi, Goldman Sachs and Morgan Stanley**. "We have a long history of jointly supporting market structure innovation and fostering liquidity in the secondary markets."

Joint Venture Highlights

[The joint venture](#) will serve a large and growing market for private company secondary liquidity and will build upon Nasdaq Private Market's existing franchise and technology so clients can use one platform to transact with confidence:

- Platform with customizable transaction rules and structures to manage and support private company share transactions including tender offers, auction programs, block trades, and continuous trading.
- End-to-end settlement process management, including electronic agreements, issuer consent, approval and transfer, trade confirmations and flow of payments.
- A single venue for complete management of changes to equity and equity-linked compensation programs including option extension, repricing and execution; RSU liquidity; dividends and payment disbursements.
- Issuer and shareholder direct engagement via an inter-broker network of institutional investors offering technology functionality such as bulletin board and secondary order book-building.
- A continuous trading offering to drive price discovery and centralize secondary market activity for eligible shareholders and employees in advance of an issuer's direct listing or IPO.

Nasdaq Private Market's core operating team will remain in place with its bicoastal presence in New York and San Francisco. The team has a unique knowledge base, extensive regulatory management expertise, and has grown Nasdaq Private Market into the leading provider for private company

tender offer liquidity over the last five years. Team members have cultivated close relationships with more than 250 leading private companies worldwide, facilitated 477 private company transactions serving 59,000 shareholders, and have executed more than \$30 billion in transaction volume for many of the world's largest private companies. The team is expected to invest to add additional expertise in key growth areas.

Advisors

Skadden, Arps, Slate, Meagher & Flom LLP served as legal advisor to Nasdaq. Morgan Lewis & Bockius LLP served as legal advisor to SVB, Citi, Goldman Sachs, and Morgan Stanley.

About Nasdaq

Nasdaq (Nasdaq: NDAQ) is a global technology company serving the capital markets and other industries. Our diverse offering of data, analytics, software, and services enables clients to optimize and execute their business vision with confidence. To learn more about the company, technology solutions and career opportunities, visit us on LinkedIn, on Twitter @Nasdaq, or at www.nasdaq.com.

About The Nasdaq Private Market, LLC

The Nasdaq Private Market, LLC (NPM) is an established liquidity provider to private companies. Whether a company seeks to optimize an eventual IPO or remain private permanently, NPM provides comprehensive technology and capital market support to meet its needs. None of the information provided herein is an offer or solicitation to buy or sell any securities, or to provide any legal, tax, investment or financial advice. NPM is not: (a) a registered exchange under the Securities Exchange Act of 1934; (b) a registered investment adviser under the Investment Advisers Act of 1940; or (c) a financial or tax planner, and does not offer legal advice to any user of the Nasdaq Private Market website or its services. Securities-related services are offered through NPM Securities, LLC, a registered broker-dealer and alternative trading system, and member FINRA/SIPC. Transactions in securities conducted through NPM Securities, LLC are not listed or traded on The Nasdaq Stock Market LLC, nor are the securities subject to the same listing or qualification standards applicable to securities listed or traded on The Nasdaq Stock Market LLC. www.nasdaq.com/nasdaq-private-market.

About SVB Financial Group

For nearly 40 years, SVB Financial Group (NASDAQ: SIVB) and its subsidiaries have helped innovative companies and their investors move bold ideas forward, fast. SVB Financial Group's businesses, including Silicon Valley Bank, offer commercial, investment and private banking, asset management, private wealth management, brokerage and investment services and funds management services to companies in the technology, life science and healthcare, private equity and venture capital, and premium wine industries. Headquartered in Santa Clara, California, SVB Financial Group operates in centers of innovation around the world. Learn more at svb.com. [SIVB-F] [SIVB-C]

About Citi

Citi, the leading global bank, has approximately 200 million customer accounts and does business in more than 160 countries and jurisdictions. Citi provides consumers, corporations, governments and institutions with a broad range of financial products and services, including consumer banking and credit, corporate and investment banking, securities brokerage, transaction services, and wealth management.

Additional information may be found at <http://www.citigroup.com> | Twitter: @Citi | YouTube: <http://www.youtube.com/citi> | Blog: <http://blog.citigroup.com/> | Facebook: <http://www.facebook.com/citi> | LinkedIn: www.linkedin.com/company/citi.

About Goldman Sachs

The Goldman Sachs Group, Inc. is a leading global financial institution that delivers a broad range of financial services across investment banking, securities, investment management and consumer banking to a large and diversified client base that includes corporations, financial institutions, governments and individuals. Founded in 1869, the firm is headquartered in New York and maintains offices in all major financial centers around the world.

About Morgan Stanley

Morgan Stanley (NYSE: MS) is a leading global financial services firm providing investment banking, securities, wealth management and investment management services. With offices in more than 41 countries, the Firm's employees serve clients worldwide including corporations, governments, institutions and individuals. For more information about Morgan Stanley, please visit www.morganstanley.com.

Forward-Looking Statements

This press release contains forward-looking statements, within the meaning of the Private Securities Litigation Reform Act of 1995, including statements with respect to the formation of a joint venture by Nasdaq, SVB, Citi, Goldman Sachs, and Morgan Stanley and the benefits of the joint venture, and statements about Nasdaq, Silicon Valley Bank, Citi, Goldman Sachs, Morgan Stanley and their respective products and offerings. We caution that these statements are not guarantees of future performance. Actual results may differ materially from those expressed or implied in the forward-looking statements. Forward-looking statements involve a number of risks, uncertainties or other factors beyond the control of the joint venture participants. These factors include, but are not limited to factors detailed in each joint venture participant's annual report on Form 10-K and periodic reports filed with the U.S. Securities and Exchange Commission. The joint venture participants undertake no obligation to release any revisions to any forward-looking statements.

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