

*Creating a powerful bridge
between start-ups in
Luxembourg & Turkey*

*Baybars Altuntas, TBAA President
12th of February, 2015*

Lux-Key Startup Investment Fund

TBAA Business Angels
Association, Turkey

7 things you think you know about business Angels

European Outlook - 2013

7,5 b€

**Total Early Stage
Investment**

5,5 b€

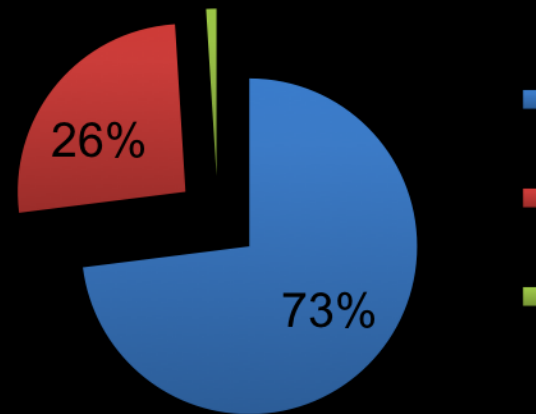
Business Angels

2 b€

**Early Stage
VCs(1)**

0,08 b€

**Equity
Crowdfunding**



(1) EVCA 2014

Turkey Outlook –

TBAA estimation for the next 2 years / per year

0,6 b€

**Total Early Stage
Investment**

0,4 b€

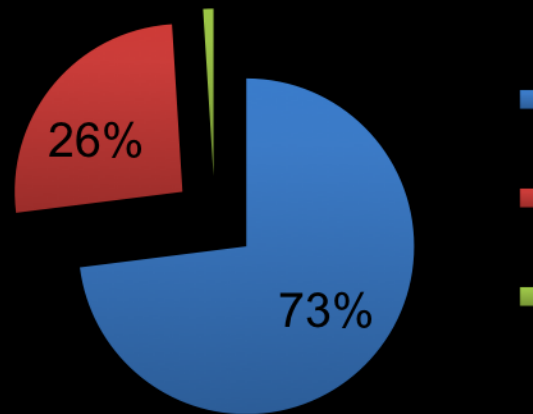
Business Angels

0,1 b€

**Early Stage
VCs(1)**

0,1 b€

**Equity
Crowdfunding**



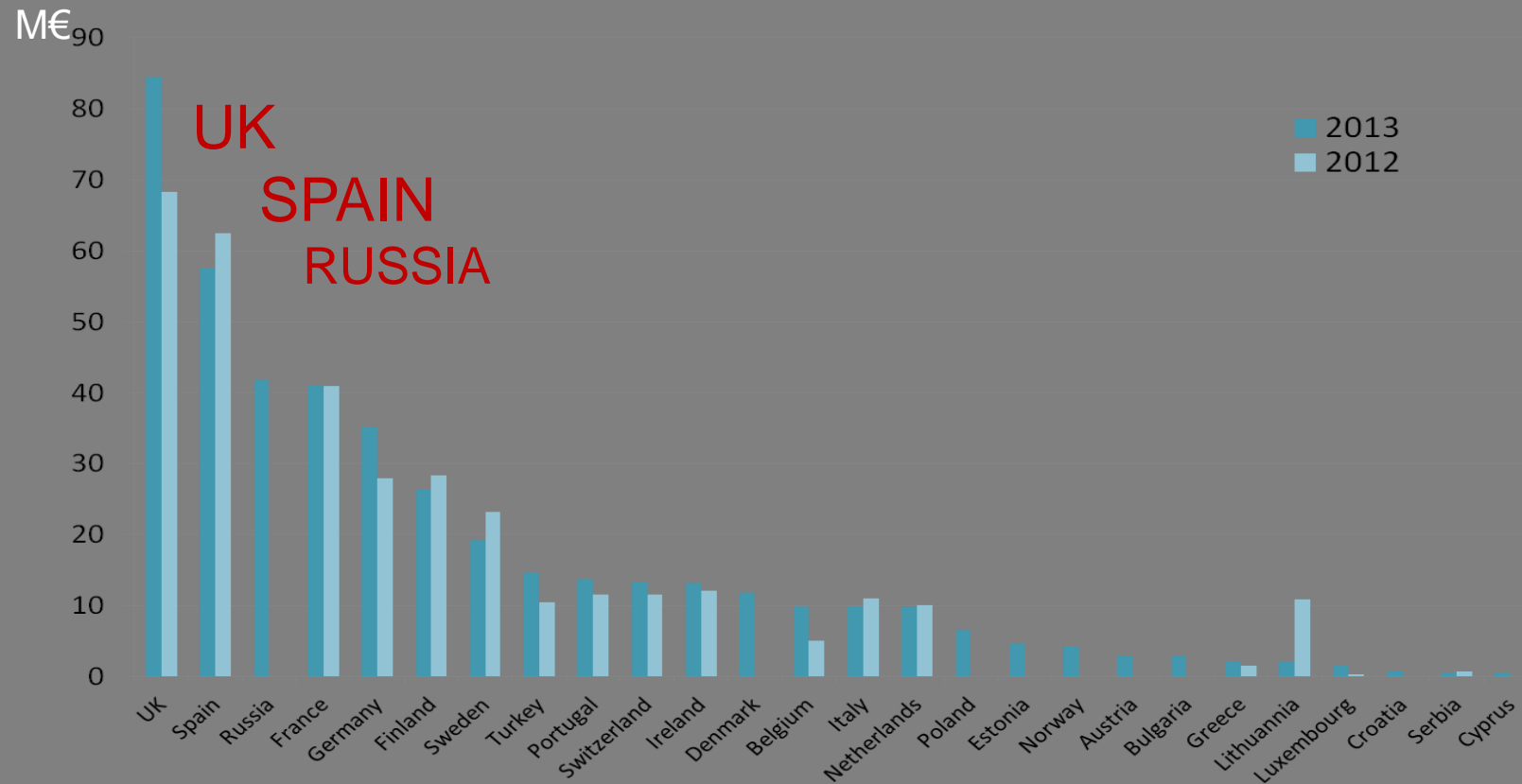
(1) TBAA Estimation for 2016 - 2017

Angel activity in Europe

	2011	2012	2013
# Business Angels	241.444	261.430	271-000
Average Investment per company	181.400	174.833	165.787
Average Investment per BAN	1.041.616	1.107.081	1.184.378
Average Investment per BA	19.653	19.480	20.437

Market Growth By Country

VISIBLE MARKET



*BAN – Business Angel Network/Group

Impact in the economy (year of investment, 2013)



**Businesses
Funded**

33.430



**Jobs
Created**

184.170

Turkey Seems Ripe For a Tech Boom

Turkey is a Regional Business Hub for EEMEA/CIS

World's 15th,
Europe's 6th economy

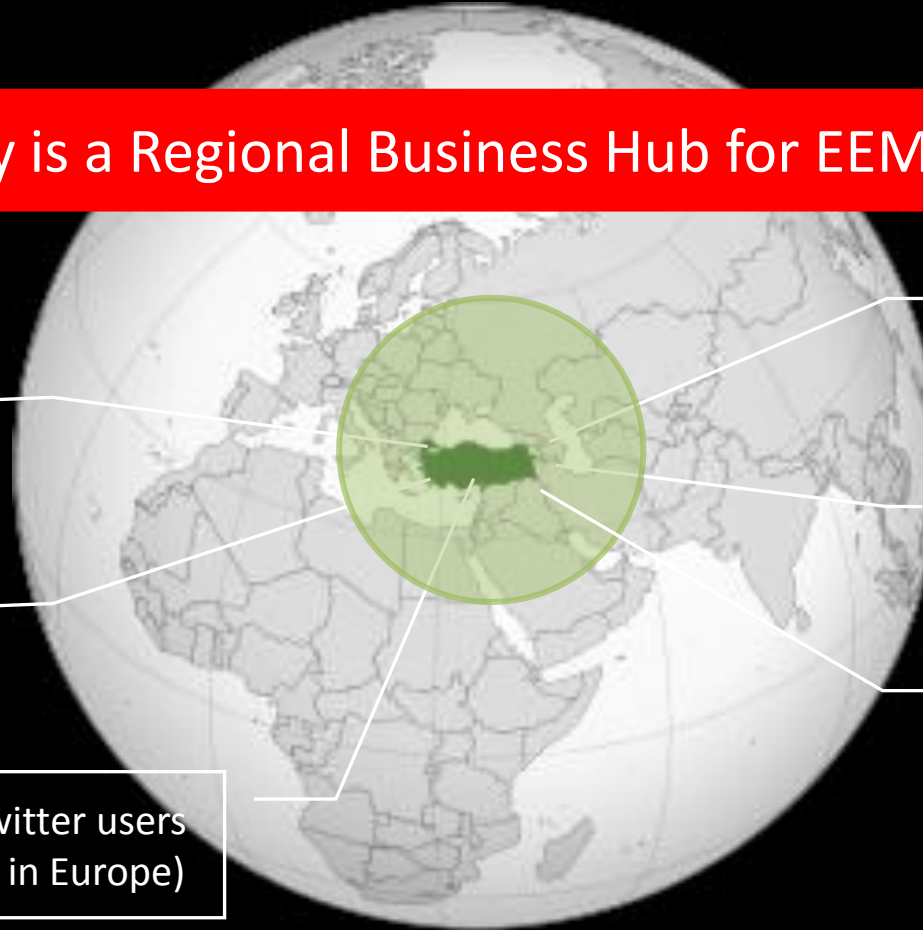
37m Internet users
5th in Europe

33m Facebook , 10m Twitter users
(top 10 in World, top 3 in Europe)

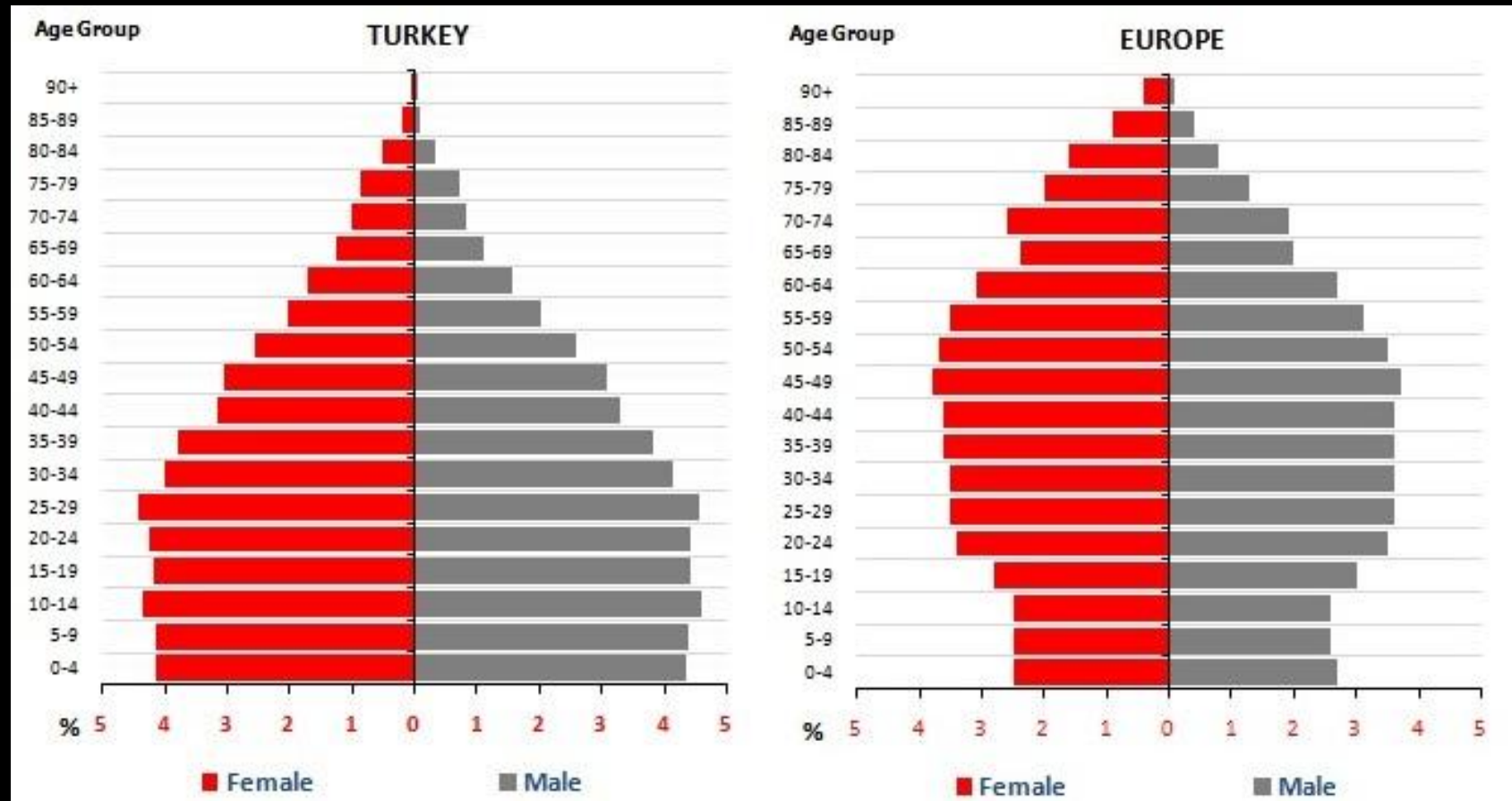
67m mobile users
38m on 3G

185% YoY
Smartphone Growth

Credit card
penetration: 60% >
EU Average: 50%



Turkey Is Sizeable, Young



Population=77m, Median Age =29.3



Strengths

- Strong macro trends and growing economy
- Young, educated and engaged population
- Large Internet user base w/ room for growth
- 90%+ mobile penetration
- Robust logistics, payments and Internet infrastructure
- Entrepreneurial energy and quick problem-solving capability
- Hard-working and low-cost labor force
- East/West geographical and cultural magnet

Opportunities

- Exponentially growing appetite for digital media
- Pressing move in 2013 towards more innovative and profitable businesses
- Money-spend online to catch up with time-spend online (consumers and advertisers)
- Massive growth trajectory in smartphone and broadband penetration
- Foreign investors looking to invest in Turkey
- Investment incentives from government
- Affluent professionals coming back home

Weaknesses

- Young Internet ecosystem
- Lack of private capital, small set of smart institutional investors
- Insufficient innovation
- Unbalanced activity in eCommerce versus other digital media segments
- Undue focus on revenue growth
- Dependence on Google user acquisition
- Lack of non-founding employee incentives and stock options

Threats

- Immature business models failing with potential chilling effect on new investment
- Domestic challenges to modernization
- Internet censorship by government agencies
- Unstable conditions in nearby countries

Problem in Turkey:

Turkish Accelerators /
Incubation Centers /
Technoparks + Seed
Programs + Angels =
little innovation + lots of
ecommerce + copy cats

GLOBAL INNOVATION INDEX

The 2013 edition covers 142 economies , which account for 94.9% of the world's population and 98.7% of the world's Gross Domestic Product (in current US dollars).

Luxembourg	EUR	HI	56.5	12	59.9	18	53.1	6	0.8	33
Turkey	NAWA	UM	36.0	68	37.9	81	34.0	53	0.8	29

IF THIS IS THE CASE,
THEN LET'S SOLVE THE
PROBLEM TOGETHER

Lux-Key Startup Co-Investment Fund

- Business Angels of Turkey (1)
- TBAA is Ready for: 800.000 EUR
- 8 BANS x 100K
- Ministry of Economy, Turkey (1)
- Treasury Department will be ready in the following months to match TBAA amount
- Business Angels of Luxembourg (1)
- Ministry of Economy, Luxembourg (1)

Let's set-up a working committee
today
at 3.30pm

Let's present this best-practice in the EBAN's 2015
Congress in May
in Luxembourg

THANK YOU VERY MUCH FOR LISTENING TO ME