



The Ultimate Hyper-Local Online Marketplace

# Investor Information Memorandum

2018



# Executive Summary

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- Bikoshu is a [hyper-local online marketplace](#) that enables end-users to search and order local products and services around their neighborhood.
- With its mobile applications and web platform, Bikoshu is fully active in İstanbul, Turkey since August 2017.
- The following document presents the highlights of Bikoshu Management's [3 Year Business Plan](#) and the [Fund Raising Proposal for Round B](#).
- [Round B would seek a 300.000 USD investment](#). Ticket size would be 50.000 USD (4% for each ticket). Post-Money Valuation at Round B indicates 1.250.000 USD.
- The Company targets to reach more than 48K merchants and 4 million monthly orders at the end of Year 3.

# Agenda

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## *INTRODUCTION*

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- Management Team
- Mission Statement
- Bikoshu Vision

## *MARKETING*

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- Online Marketplace Subscription
- BiNakit : The Customer Loyalty Perspective
- BiNakit : The Crypto Currency Perspective
- End User Persona
- Merchants
- Key Accounts
- Marketing Campaigns
- Advertising Activities
- Public Relations
- Competition
- Market

## *STRATEGY*

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- Strategic Allainces: Payu, BKM, ITU
- Competitive EdgeBikoshu Kurumsal
- Marketing and Sales
- Future Products and Services
- Organizational Structure

## *KEYS TO SUCCESS*

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- KPIs
- Financial Projection
- Valuation
- Project Funding

# Management Team

## Tolga Tigin Özbilun

Co-Founder

He founded Ankara based İkon Telekom, one of the leading telecommunication companies in Turkey. Founded and managed many companies, Tolga has strong executive capabilities and sectoral knowledge in Tourism & Hospitality and communications sectors.

## Ceylan Keremoğlu

Co-Founder, Finance

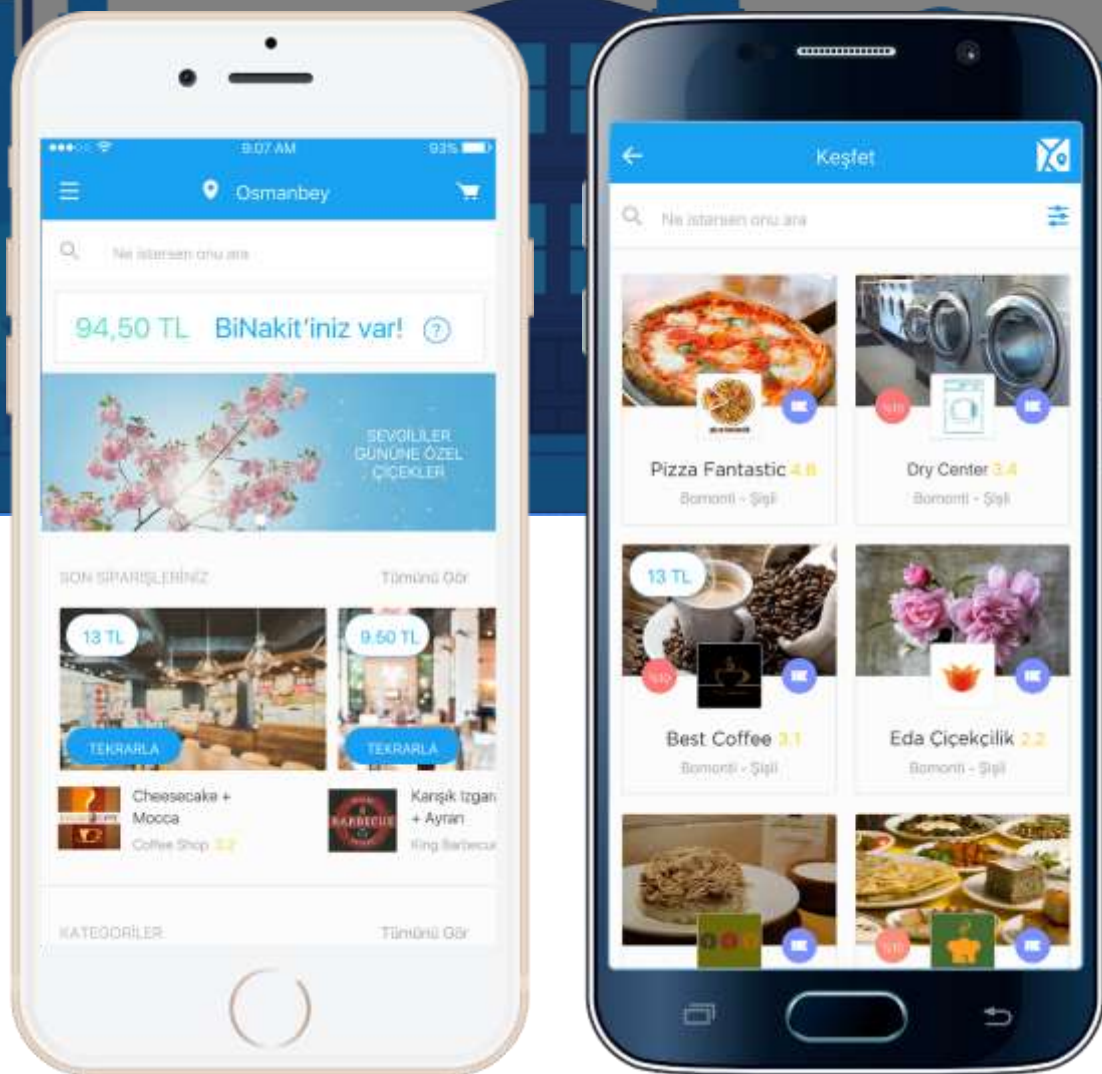
Worked as an investment banker and private equity specialist in Garanti Bank and business development officer in Doğu Holding early in her career, Ms. Keremoğlu has been working full time for last 2 years to grow Bikoshu.

## Murat Levent Demircan

Co-Founder, CEO

Levent is Assistant Professor in Galatasaray University. He teaches Investment Analysis, Project Planning and Productivity. He also brings more than a 15-year management experience in call centers, software development and service businesses to Bikoshu.





*Bikoshu is a **hyper-local online marketplace** that enables end-users to search and order local products and services around their neighborhood.*

# Mission Statement

«Transforming the *Traditional Neighbourhood* to  
*Digital Hyper-Local Marketplace*»



# Vision

«Offering the *Ultimate Hyper-Local Online Marketplace Experience*  
based on *Innovative* and *Technology-Edge*  
*Digital Payment Infrastructure*»

# Online Marketplace Subscription

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Bikoshu charges no commission to merchants but apply the following monthly subscription service packages:

Basic Package	Business Package	Corporate Package
Free	55TL + VAT	
1 Delivery Region	Unlimited Delivery Regions	For Chain Stores



# BiNakit

## The Customer Loyalty Perspective «Generate *More* and *More Loyal Customers!*»

- BiNakit is designed as the main Customer Loyalty Platform for Merchants.
- End users can save the merchant-specified portion of their orders as BiNakit and purchase them in their next orders.
- The main purpose of BiNakit Customer Loyalty Program is to encourage end users to spend their BiNakit savings in the very same merchant whilst inceasing their order frequency and transforming them to merchant fans.



# BiNakit

## The Crypto Currency Perspective «Order a *Coffee* with your *Bitcoin!*»

- BiNakit is «*The Crypto Currency*» for Bikoshu platform.
- As of January 2018, end users can buy BiNakit with their Bitcoins and spend them on Bikoshu.
- Presence of BiNakit and Bitcoin integration allow Bikoshu end users to purchase small amount of orders without dealing relatively high commission rates. Integration of crypto currencies other than Bitcoin are planned for 2018.
- BiNakit is designed to be enable an ICO for Bikoshu.

# End User Persona

*Bikoshu is the Ultimate Marketplace Platform*

*where anyone can order any needs, i.e. pizza, coffee, burger, diaper, pet food, locksmith, water, market shopping, plumber, cab, cake, dried fruits, etc.*

Name : Zeynep

Sex : Female

Age : 29

Education : B.A. Undergraduate

Profession : Financial Reporting Specialist

Marital Status : Married

Child : 1 baby girl, 4 years-old.

Home Address : Ataşehir, İstanbul

Office Address : Levent, İstanbul

Pet : 1 cat

Interests : Travel, Shopping, Dining



# End User Persona

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***Bikoshu is the Ultimate Marketplace Platform  
where anyone can order any needs, i.e. pizza, coffee, burger, diaper, pet food,  
locksmith, water, market shopping, plumber, cab, cake, dried fruits, etc.***

*Name : Burak*

*Sex : Male*

*Age : 19*

*Education : High School*

*Profession : University Student*

*Marital Status : Single*

*Child : -*

*Home Address : SuperDorm, Etiler, İstanbul*

*School Address : BOUN, Etiler, İstanbul*

*Pet : -*

*Interests : Online Gaming, Sports, Friends*





# Merchants

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*Markets, Restaurants, Bakeries, Coffee Shops, Stationaries, Flower Shops, Dry Cleaners, Petshops, Plumbers, Locksmiths, Yellow Cabs, and any other shop can be a part of the **Bikoshu World!***

- ✓ Commission Free (!) Online Marketplace
- ✓ Easy and Quick Setup/Integration
- ✓ Customer Loyalty Program
- ✓ Digital Marketing



# Key Accounts

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- *Ideal Hipermarket* is one of the key account merchants of Bikoshu. *Ideal Hipermarket* has 3 major locations in Asian side of İstanbul and encouraged Bikoshu to expand operations on field.
- With their 8+8 online stores *Gourmet Garage* is currently the biggest key account of Bikoshu. On December 2018, «a New Year Turkey Campaign» has been held with *Gourmet Garage*. A ready to serve Turkey has been given to whom made a 300TL or more purchase from Bikoshu *Gourmet Garage* online stores.
- Bikoshu is about to sign a contract to work with *Little Caesars* to open an online store on Bikoshu Marketplace Platform.
- Bikoshu is also about to cooperate with *Temiz.co* in Dry Cleaning sub-category.



# Marketing Campaigns



- Between May 2017 and January 2018, 20TL free BiNakits have been charged for each new end user. End users had an opportunity to spend their 20TL BiNakits for free in their 40TL or above orders.
- In January 2018, «*Bring a Buddy!*» campaign has been organized. In this campaign each invited buddy would be charged 5TL BiNakit and their pivot buddies would be charged 5TL for each invited buddies in their first orders.
- In January 2018, «*+20TL BiNakit for 5 Orders!*» campaign has been organized. Campaign is about charging 20TL BiNakit to end users who had 5 or more orders in January 2018 period.

# Advertising Activities Offline

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- Bikoshu is active on both online and offline advertising.
- Offline brochures are prepared depending on merchant market position and offered benefits or campaign brochures are imprinted. The brochures are distributed via merchants' courier network.
- Posters and general popup brochures are also imprinted. These kind of brochures are distributed to university campus or university dorms.
- Inside key account merchant stores BTL (*Below The Line*) marketing activities are also conducted.
- In order to increase the number of online orders and cooperation with merchants, Bikoshu organize Merchant competition campaigns based on orders received.

# Advertising Activities Online

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- Bikoshu advertisements are used on Facebook, Instagram and Google platforms.
- Several online advertisement campaigns are conducted in parallel in order to increase download and order numbers.
- Social Media is a key channel for Bikoshu as an advertising and communication platform.
- Bikoshu extensively use Push Notification, e-Mailing and SMS as an advertising and marketing channel.

# Public Relations

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- Bikoshu PR agency Boden360 prepares and organizes weekly and monthly editorial and visual content to be shared with media.
- The agency also deals with corporate sponsorship on behalf of Bikoshu.
- PR activities are montly organized and executed by the agency and upon Bikoshu approval.
- PR materials are distributed over 2.000+ media channels each month.



# Competition

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- There exist companies which are both in direct or indirect competition with Bikoshu.
- “Vertical Segments’ Online Platforms” (such as *Yemeksepeti*, *Bakkalım* etc.)
- “National Supermarkets’ Online Stores” (such as *Migros Sanal Market*)
- "Other Competitors" (*Mahallem*, *Getir*, *Kapgel*, etc.)

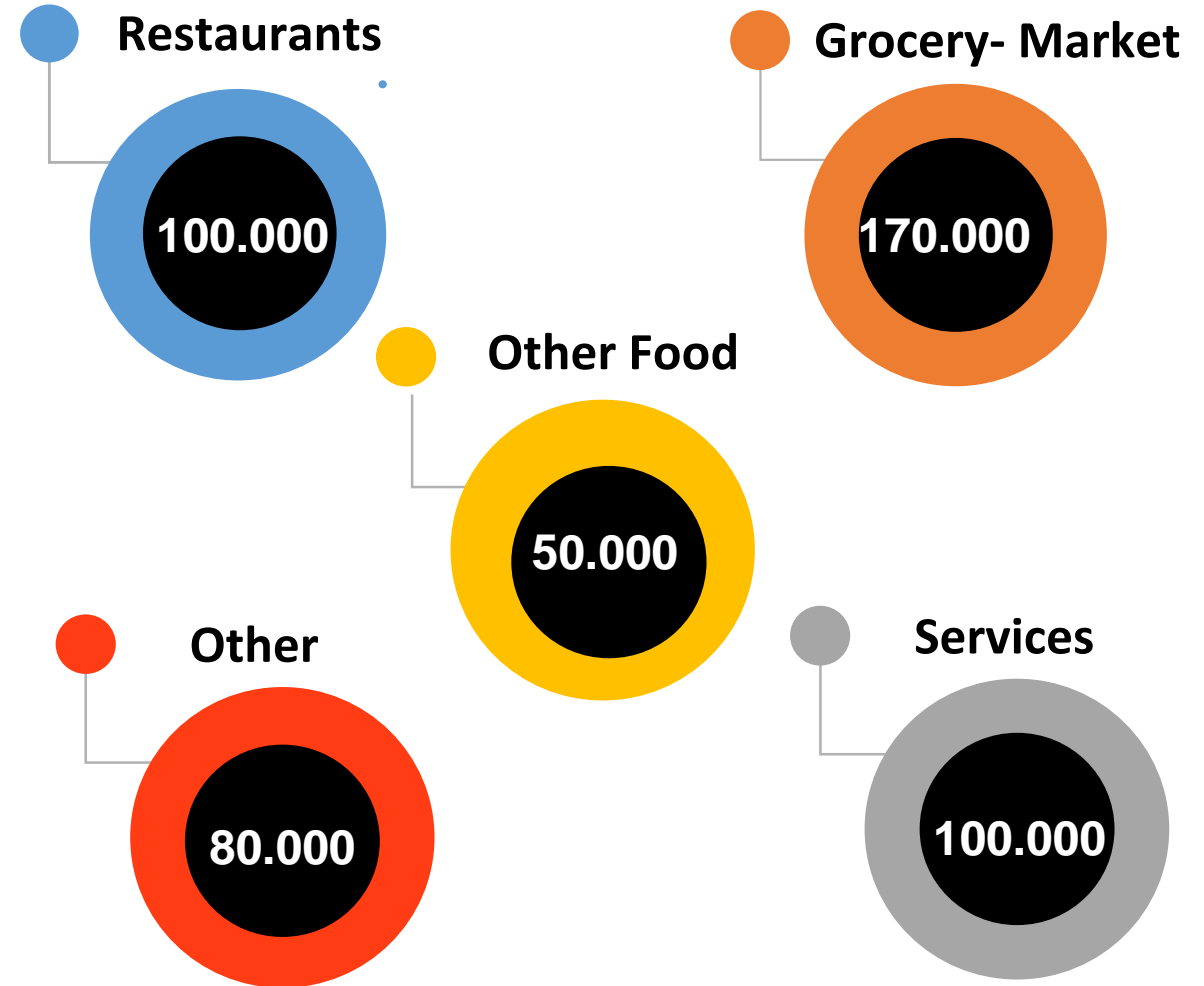
# Competition

	BIKOSHU	Yemeksepeti	Kapgel	Mahallem	Getir
Horizontal Presence	✓	✗	✓	✓ OTHER THAN FOOD	✓ LOW
Digital Payment Vision	✓	✓	✗	✗	✗
Customer Loyalty System	✓	✓ MEDIUM	✗	✗	✗
Commission Rates & Cost	LOW	HIGH	MEDIUM	LOW	HIGH
Market Penetration	LOW	HIGH	LOW	LOW	LOW
Online Store Set-up	✓	✗	✗	✓	✗



# Market

- Bikoshu addresses to an estimated market size of more than 500.000 potential businesses in Turkey.
- From restaurant to grocery space, Turkey has an untapped on-demand e-commerce business.
  - According to Yemeksepeti which is acquired by Delivery Hero in 2015 for 589 million USD and receives 100K orders per day, online food orders consists of just the 14% of the total food delivery market in Turkey (vs. 50% in EU).
  - The largest player in Grocery Food Retail, Migros Virtual Market has 1.4 million customers as of 2016 and operates via 105 stores around Turkey.



# Strategic Alliances

- Bikoshu has been selected to İ.T.Ü. Çekirdek Incubation program from over 10.000 applicants.
- The incubation program has been last for over 6 months with several phases and Bikoshu has been selected one of the 20 finalist among 480 startups for BingBang 2017.
- At the BigBang Stage Bikoshu has been awarded 100.000TL in total, 70.000TL by EnerjiSA and 30.000TL by ING Bank.
- Bikoshu partners with PayU the online payment operator in order to fulfill online orders over Bikoshu platform.



# Competitive Edge

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- BiNakit as the ***virtual exchange unit*** for Bikoshu, is planned to become a ***crypto currency*** in near future. Bikoshu has the vision to become an internationally open and de-centralized platform for end-users.
- The ability to create an online store in seconds on Bikoshu Platform is the ultimate competitive advantage over rivals.
- Bikoshu also provides a unique all-in-one online marketplace where end-users can access any goods and services they need.

# Marketing and Sales I (Business Plan)

- Bikoshu plans to expand in İstanbul and targets to reach 2.000 Merchants in Year 1.
- Bikoshu plans to enter 4 new cities (namely Ankara, İzmir, Eskişehir and Bursa) and targets to reach 24.000 Merchants by the end of Year 2.
- Expansion throughout Turkey is planned in Year 3 and its target number of Merchants is more than 48.000 at the end of Year 3.
- Bikoshu aims to increase its end-user and merchant base mainly by the following marketing and sales activities;
  - Online Advertising: Facebook, Instagram and Google Adwords will be used as the major online advertising platform.

	Year 1	Year 2	Year 3
Advertising	₺ 468.000	₺ 4.536.381	₺ 10.505.304
Mobile Advertising Share	₺ 360.000	₺ 2.546.740	₺ 7.003.536
Web Advertising Share :	₺ 60.000	₺ 1.273.370	₺ 2.387.569
Offline Advertising Share :	₺ 36.000	₺ 159.171	₺ 477.514
Corporate Web Advertising Share :	₺ 12.000	₺ 557.099	₺ 636.685
Promotion	₺ 641.015	₺ 2.318.503	₺ 7.052.215
Filed Sales	₺ 280.022	₺ 1.061.945	₺ 1.551.984
Total Marketing and Sales	₺ 1.389.036	₺ 7.916.830	₺ 19.109.502
	Year 1	Year 2	Year 3
Advertising	34%	57%	55%
Mobile Advertising Share	26%	32%	37%
Web Advertising Share :	4%	16%	12%
Offline Advertising Share :	3%	2%	2%
Corporate Web Advertising Share :	1%	7%	3%
Promotion	46%	29%	37%
Sales	20%	13%	8%

# Marketing and Sales II (Business Plan)

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- II. Offline Advertising consists of Merchant brochures and magnets. 2-3% of the Total Marketing and Sales budget spend for Offline Advertising.
- III. Corporate Web Advertising: will be used to increase the online store subscription demand. In Year 1, marketing budget will be limited (12K TL) but after Year 1 marketing budget will be increased to above 500K TL and emphasis will be given to Online Store acquisition.
- IV. Promotion: In Year 1, BiNakit rewards will be a key marketing activity for end-user acquisition. After Year 1, 2% of the Total Revenues will be used as Promotion Budget throughout the Year.
- V. Field Sales: Field Sales will be major source of Store acquisition in Year 1 but starting from Year 2, merchants will be directed to web and mobile platforms to set-up their stores.

# Future Products and Services I

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- In near future the Bikoshu transactions would be based on blockchain technology. With this development, Bikoshu would become an internationally open and de-centralized platform for end users.
- BiNakit which is currently the “virtual exchange unit” of Bikoshu Platform would become a "crypto currency”.
- BiNakit would also be used as meal passcard to purchase food or other needs for both corporates and individuals.
- BiNakit transfers would also be available so that users can send their BiNakits to others.



# Future Products and Services II

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- Bikoshu would be also become a social platform within where end users can post their ads or needs to look for help or fulfill their needs locally.
- A promotional ad service would also become available for merchants and this would be also be one of the major revenue sources of Bikoshu platform.
- A Hyper Local Customer Engagement Service would be enabled with the increase of transactions and users in the Platform.

# Organizational Structure

- C Level Management would be hired in 2019.
- Sales Team would increase from 4 to 16 in a year.
- The number of Customer Relations Specialists would increase by online Merchant openings.

<i>Bikoshu Team</i>	<i>2017A</i>	<i>Year 1</i>	<i>Year 2</i>	<i>Year 3</i>
<b>Management Team</b>				
Chief Executive Officer	1	1	1	1
<b>Sales Team</b>				
Chief Sales Officer	-	-	1	1
Sales Specialist	1	4	16	20
<b>Information Technology Team</b>				
Chief Technology Officer	-	-	1	1
Software Lead	1	1	1	1
Senior Software Developer	1	2	3	3
Software Developer	1	1	2	4
<b>Marketing Team</b>				
Chief Marketing Officer	-	-	1	1
Marketing Specialist	1	2	4	4
UI/UX Designer	-	-	1	1
<b>Operations Team</b>				
Chief Operations Officer	-	-	1	1
Customer Relations Specialist	1	2	15	21
<b>Finance &amp; Administration Team</b>				
Chief Financial Officer	-	-	1	1
Accountant/ HR	1	1	1	3
Secreteriat	-	-	-	-
Staff	-	-	1	2
<b># of Staff</b>	<b>8</b>	<b>14</b>	<b>50</b>	<b>65</b>

300+ Active Shops

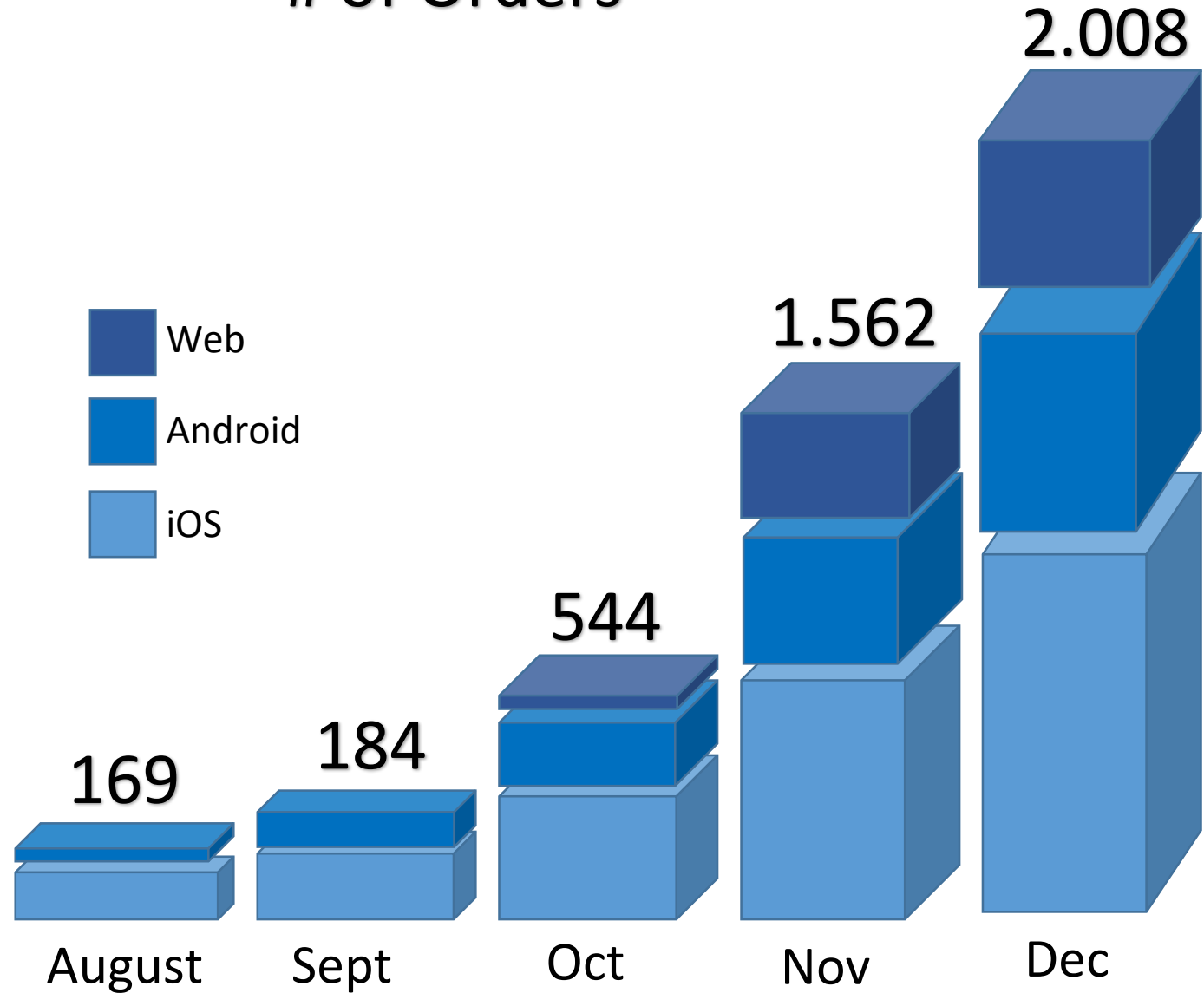
4.100+ Active Users

15.000+ Download

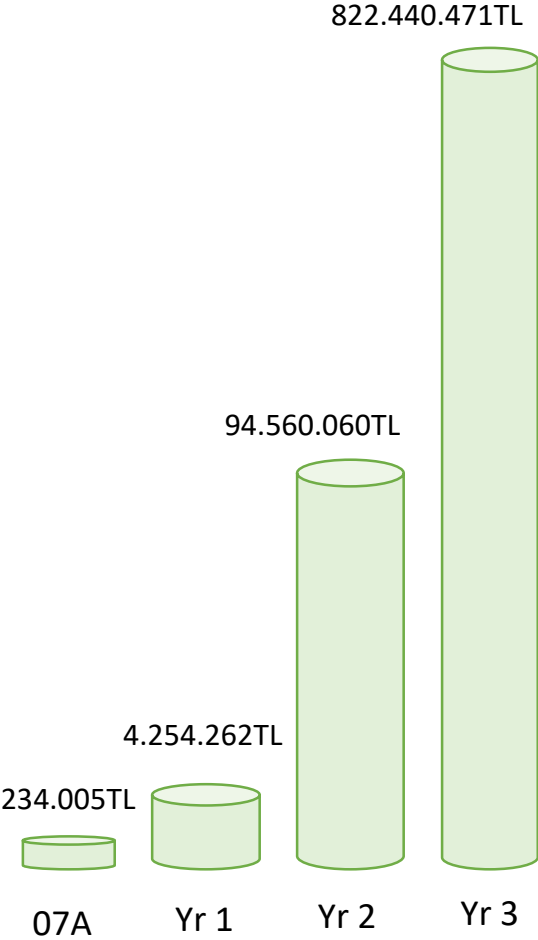
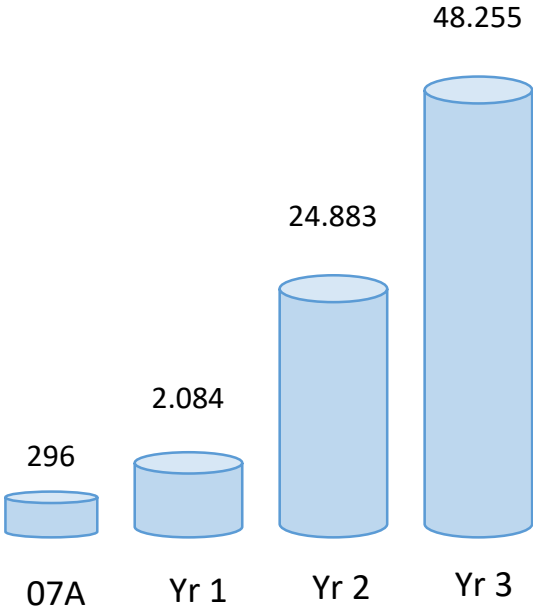
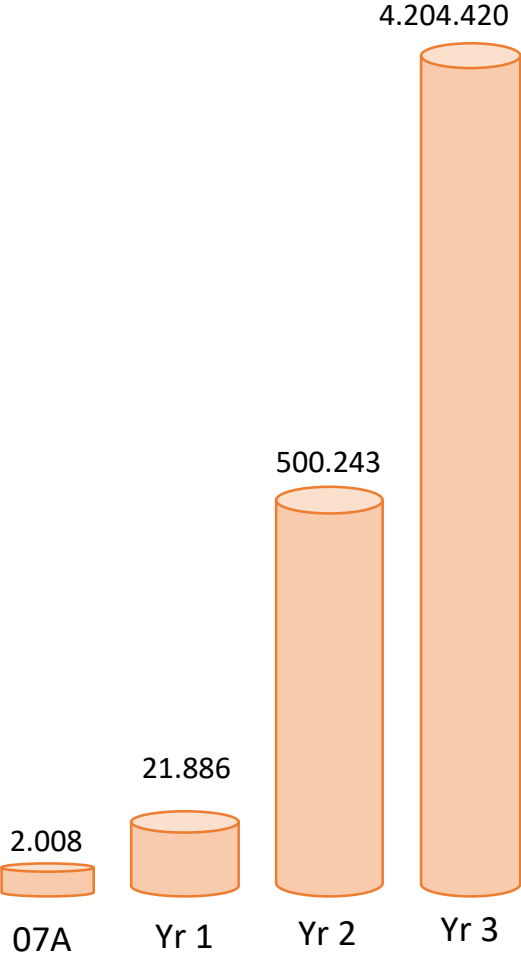
1,50 Frequency of Order

%15,7 Conversion Rate

## # of Orders



# KPIs



# of Monthly Orders  
**BIKOSHU**  
WWW.BIKOSHU.COM

# of Merchants

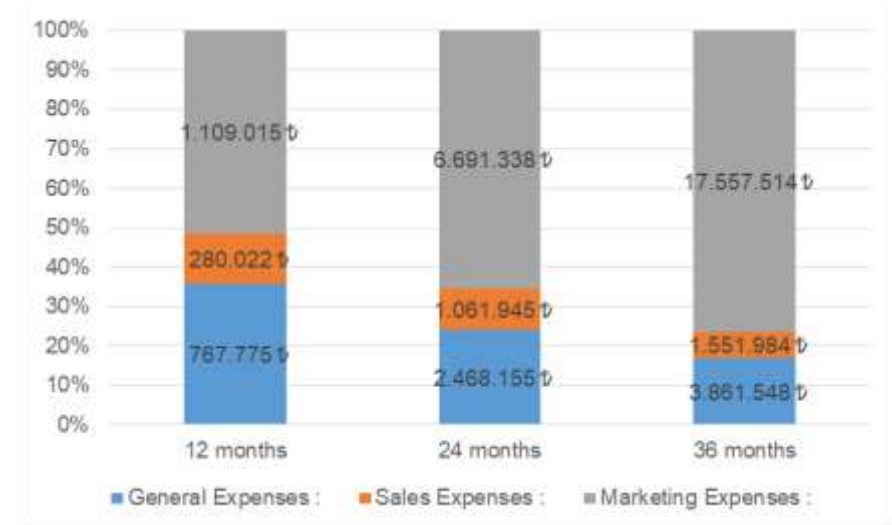
Yearly GMV

# Financial Projection

Revenues & # of Merchants



Breakdown of Expenses



- At the end of Year 3, Revenues will reach 35 million TL while number of merchants subscribed to Bikoshu Marketplace would be above 48K in the end of the same period.
- Bikoshu will increase the share of Marketing and Sales Expense in the Total Expenses from 60% to 80% gradually in the next 3 years. Field Sales Expenses' share will decrease over time as the online marketing and sales for new store acquisition would be used efficiently.

# Valuation

- Bikoshu's Enterprise Value (EV) is calculated with two different methods.
- With the expected equity injection of 900K USD in the Year 1, DCF (Discounted Cash Flow) Method indicates an EV of 30.7 million USD.
- A second methodology to calculate the expected value in the end of Year 3 is Multiple Valuation. With the assumption of 6x Revenue Multiple in Year 3 the EV is estimated around 51.6 million USD.
- The average result of this two valuation methods is 41 million USD.

DCF Valuation (USD)			
	12 months	24 months	36 months
<b>Total Revenues</b>	\$ 196.448	\$ 2.693.696	\$ 8.600.257
<b>USD/TL</b>	3,90	4,00	4,10
General Expenses :	\$ 196.866	\$ 617.039	\$ 941.841
Sales Expenses :	\$ 71.800	\$ 265.486	\$ 378.533
Marketing Expenses :	\$ 284.363	\$ 1.672.834	\$ 4.282.321
<b>Total Expenses</b>	\$ 553.029	\$ 2.555.360	\$ 5.602.694
<b>EBITDA</b>	\$ -356.580	\$ 138.337	\$ 2.997.563
EBITDA Margin :	-182%	5%	35%
CAPEX :	\$ -7.179	\$ -42.051	\$ -16.410
Equity Investment :	\$ 900.000	\$ -	\$ -
<b>Net Cashflow</b>	\$ 536.240	\$ 96.285	\$ 2.981.153
Cumulative Cashflow :	\$ 536.240	\$ 632.525	\$ 3.613.678
Discounted Cashflow :	\$ 479.943	\$ 506.685	\$ 2.590.837
Present Value of First 36 Month :	\$ 3.577.465		
Terminal Value (in 36 Month) :	\$ 27.159.852		
Total Present Value :	\$ 30.737.318		

Valuation Methods	Multiple	24-36 Month	Valuation
Revenue Multiple 36th Month	6,0 x	\$ 8.600.257	\$ 51.601.542
DCF (Current)			\$ 30.737.318
Average			\$ 41.169.430



# Round B

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- Round B would seek a 300.000 USD investment.
- Ticket size would be 50.000 USD.
- Bikoshu shares would be %4 for each ticket.
- Post-Money Valuation at Round B indicates 1.250.000 USD.
- In the next planned round of found raising, Round C, Pre-Money Valuation of the Company is expected to reach to 3.400.000 USD.
- With the expected increase, investor would yield a 3,80x return in the Round C.

# Round C

- In Round C, Bikoshu would seek a 600.000 USD investment.
- Ticket size would be 120.000 USD.
- Bikoshu shares would be %3 for each ticket.
- In Round D, EV of the Company is expected to increase over 40.000.000 USD.
- With the assumption of %100 exit in the end of 3rd Year, investors joined in Round B will yield a 28.5X return on their investments, whereas investors in Round C will yield a 10.5X return on their investments.

	Beg. of the Year	Pre-Money Valuation (\$)	Post-Money Valuation (\$)	Equity Share Raised (\$)	Equity Share Raised (%)	Share in Round C	Value in Round C (\$)	Return in Round C	Share in Round D	Return in Round D (\$)	Return in Round B
Round B (İstanbul Expansion)	Year 1	950.000	1.250.000	300.000	24,00%	20,40%	816.000	2,7 x	0,0%	8.549.270	28,5 x
Round C (Expansion in Turkey)	Year 2	3.400.000	4.000.000	600.000	15,00%						

# Why Should You Invest In?

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# Thank You

Bi Koşu İletişim A.Ş.

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