



Secondary Scene

2026 Outlook

The center of gravity has shifted. Here's what it means.

A Letter from Our CEO

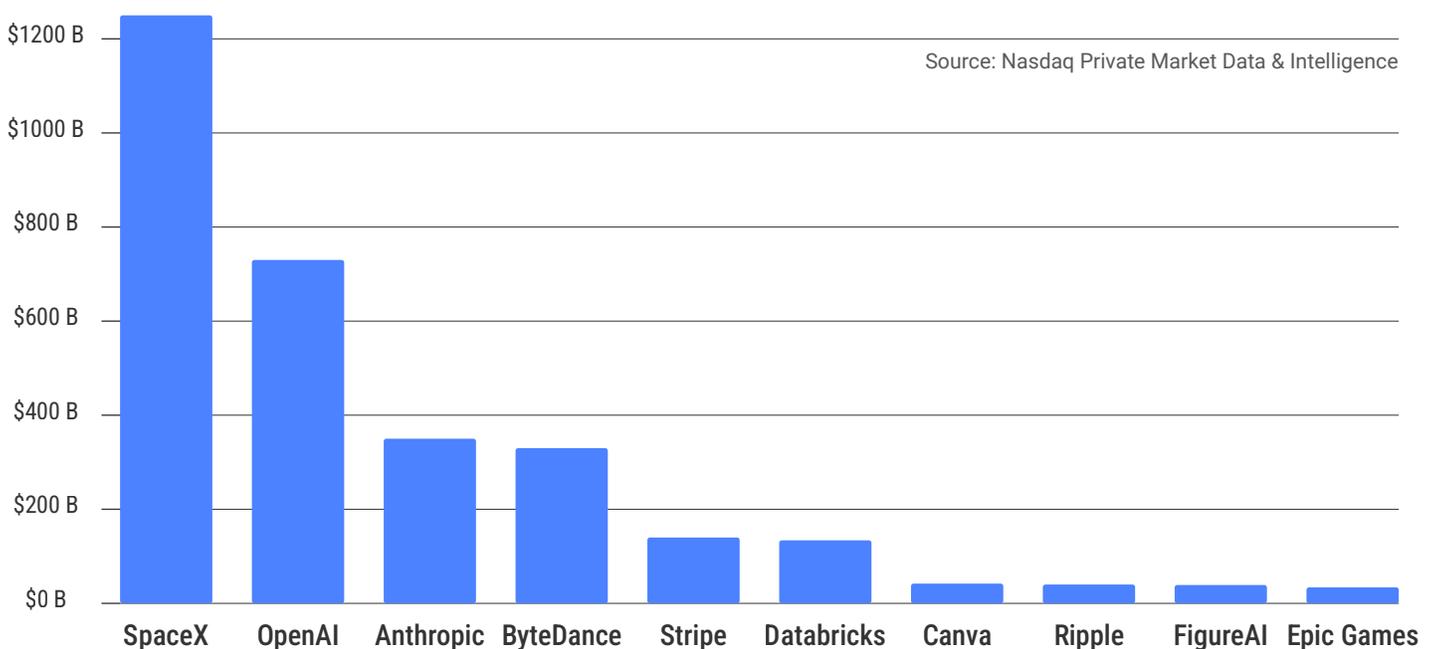


There is a mega-trend happening in the global capital markets. It's not new; it's been underway for over 30 years. It's a trend that is having a profound impact on innovation, capital formation, and investor behavior. Despite its power, even many market veterans haven't fully come to terms with what it means.

That trend is the explosive growth of private markets.

In 1996, more than 8,000 companies were listed on U.S. public exchanges. Today, that number is just over 4,000¹. In 2013, there were 39 unicorns – private companies valued at more than \$1 billion. Today, there are more than 1,500. The top venture backed private companies alone carry a combined valuation exceeding \$5 trillion².

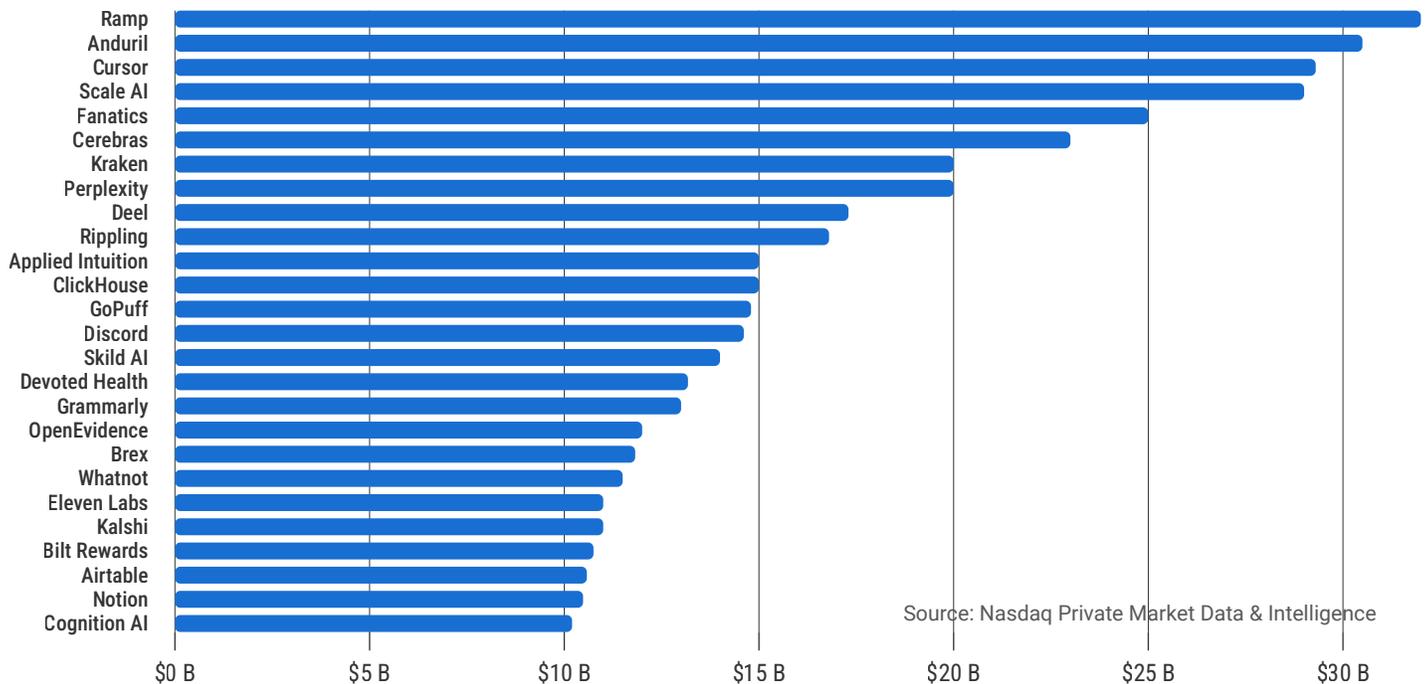
Latest Valuation (Billions)



Source: Nasdaq Private Market Data & Intelligence

Top 10 Private Companies have market cap of \$3T+

The next 25 companies have a market cap of \$440B+



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Companies are choosing to stay private longer, and that choice is increasingly deliberate.

Since the peak in 2021, we are now in our 5th year of an IPO "hiatus". Every year it seems there is a different excuse why companies don't go public.

But what if this isn't a "hiatus". What if something has fundamentally changed?

What if, for many founders, the cost/benefit of public vs private no longer favors an IPO? What if the private markets have evolved to the extent that companies can grow, raise capital, attract and retain the best talent, and execute M&A, all without the infrastructure, cost and responsibilities of being a public company?

The average company now waits 17 years before going public¹, and that creates real tension: for employees who have spent years building value but have no clear path to liquidity; for early investors who need to return capital to their LPs and fund the next wave of innovators; and for the broader investing public, who remain largely shut out of the most dynamic value creation opportunities in the world.

The infrastructure that supports private companies simply hasn't kept pace with the scale and importance of this market. That's the challenge, and the opportunity.

Liquidity is becoming a capital strategy, not an afterthought.

Structured liquidity programs, most commonly tender offers, are no longer a late-stage phenomenon. Companies are adopting them earlier in their lifecycles, because leadership teams have recognized something important: equity without a visible exit isn't enough to attract and retain the best talent, especially in competitive sectors like AI where the war for talent has never been more intense.

Employees need to see real returns on the years they've invested. Tender offers have become a strategic tool – not just to reward employees, but to allow early shareholders to participate in the value they helped create and to make room for new investors seeking exposure to some of the most innovative companies in the world.

Tenders have evolved to become a basic HR benefit for private companies, which explains the explosive growth in the tender market in recent years. NPM executed approximately \$3 billion in tender volume in 2023. In 2025, we executed just under \$15 billion¹.

Access is the defining challenge – and the defining opportunity.

David George from A16Z recently observed that in the last 10 years of IPOs, 55% of value creation happened while the companies were private². That means an investor, if you ignore the private markets, you have already missed more than half the gains. Yet private company investing remains largely unavailable to most people.

To buy shares of a public company, you open a brokerage app, search a ticker, click buy, and become a shareholder in seconds. Investing in private company shares is a fundamentally different process. First, the SEC requires you to meet minimum net worth and income requirements to be an "accredited investor" to buy private shares.

If you meet that test, the next thing you'll learn is that the vast majority of private companies will not

permit you as an individual investor to purchase their shares. Most private companies must approve all share transfers, and for individual investors, the answer is usually no. Private companies maintain tight control over their shareholder base. It's one of the core reasons they stay private.

That means direct share ownership in the most sought-after private companies is, in practice, difficult to obtain. In its absence, investment funds that hold a single private company's shares have emerged as an important access vehicle, giving a broader set of investors the ability to gain exposure to high-growth private companies. When structured properly – aligned with private companies, with transparent fees, credible fund managers, and fair pricing of the underlying shares - these funds can be a legitimate path to private market participation.

But I want to be direct: not all access products are created equal. Some platforms offering private market access are more marketing than substance. A few are worse than that.

The lack of disclosure requirements in private markets creates real risk for investors who assume the same protections they're accustomed to in public markets apply here. Spoiler alert: they don't. Education, transparency, and infrastructure that puts investor interests first are not optional features of a healthy private market. They are requirements.

With growing demand for liquidity and access comes responsibility. The ecosystem has to mature with data, greater transparency, wider access, and infrastructure built for scale.

Nasdaq Private Market exists to build that infrastructure.

Over the last three years, Nasdaq Private Market has grown substantially. We helped create the tender market in 2013, and we've benefited from its explosive growth. We've also broadened our services to new solutions to better service private companies and their employees:

- We now help private companies source capital from high quality institutional investors.
 - Tens of thousands of private company employees realized often life changing wealth creation on our platform every year. Through our partnership with Cerity Partners, we can now help with their tax and wealth planning challenges and create plans to foster long-term wealth creation.
 - We've created a best-in-class data product to help bring transparency to the often-opaque world of private markets.
 - We've created an efficient private share settlement process that manages all settlement for over 150 of the leading private companies¹. In 2026, we were thrilled to receive a patent on our innovative process that helps make the post-trade process easier and more predictable.
- We're bringing AI to our marketplace to transform the way people discover, do due diligence and transact in private markets.

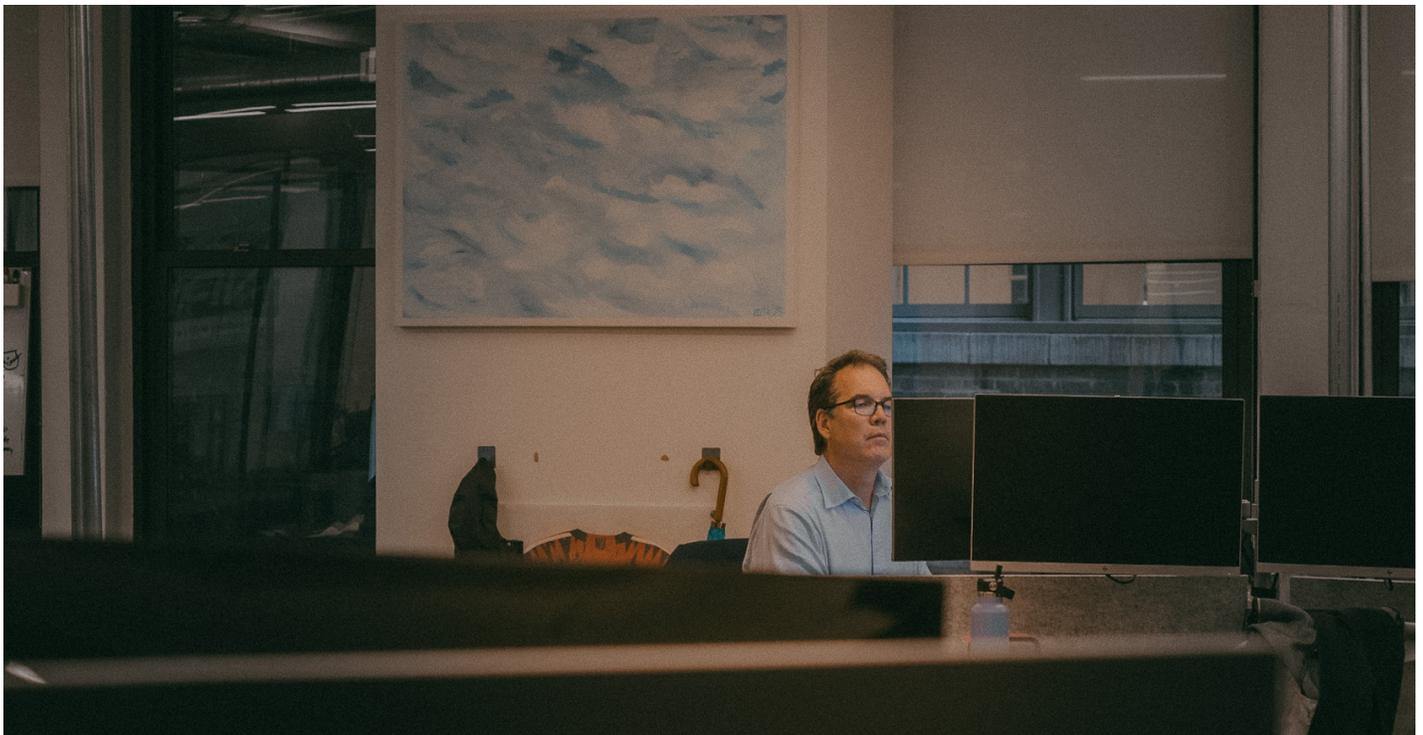
Our mission is to modernize private market infrastructure so that more people - employees of private companies, investors of all sizes - have access to the wealth creation opportunities that private markets represent. We do that by serving private companies and their stakeholders with service they can trust, transparency they deserve, and the efficiency the market demands.

The center of gravity in capital markets has shifted. We're building for where it's going.



Tom Callahan

Chief Executive Officer, Nasdaq Private Market



Key Take- aways

Markets

IPO-scale liquidity is now achievable in both primary and secondary markets, allowing companies to stay private longer. In 2025, secondary markets saw tenders alone hit \$35 billion,¹ while IPOs topped off in the \$45 billion range.²

Tenders

(Structured Liquidity Programs)

Tenders are becoming a strategic tool for companies to manage talent and they are running them more frequently and at earlier stages. Nearly 50% of tender programs that NPM ran in 2025 were for Series A, B and C companies, compared to just 30% two years ago.¹

Trading

The market for trading direct shares of private companies remains intentionally small, however block trades settled through NPM more than doubled from 2024 to 2025.¹ Single-asset funds became the predominant trading vehicle for the most in-demand private issuers and transactions, reflecting

\$35 Billion
Tender Market

\$45 Billion
IPO Market

both issuer preferences around cap table control and investor demand for curated access. In this environment, the differentiator is quality: high-quality, single-layer vehicles sponsored by well-known GPs have emerged as the most efficient and trusted path to exposure.

Sectors

AI and Space dominate the private market by market cap, driven by SpaceX, OpenAI and Anthropic.¹ Potential 2026 mega-IPOs could dramatically reshape sector weights. Meanwhile, defense and robotics are emerging as the next wave of private market focus.



The Market Scene

VC: Capital Is Concentrated at the Top

The US venture market invested \$250 billion in the first three quarters of 2025 alone—the second-highest annual total on record before Q4 even started. But the story isn't just volume; it's concentration. Over half of all funding went to AI, and the 10 largest deals accounted for nearly 40% of total capital invested. Unicorns now represent 51% of US VC-backed companies.¹

All that capital tied up in large private companies creates secondary trading opportunities and pent-up supply for IPOs and strategic exits. When exits happen, capital recycles into new funds, and the flywheel continues.

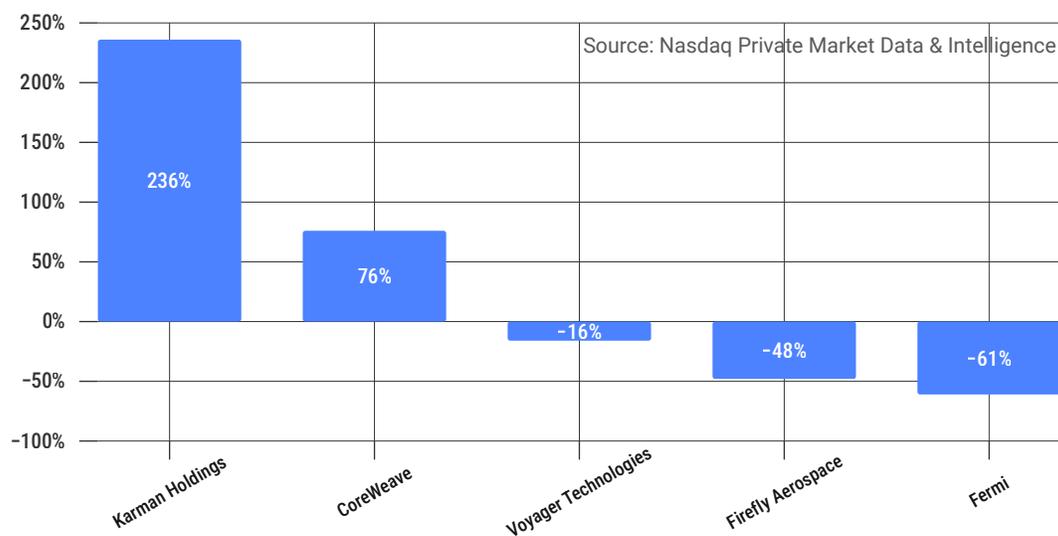
IPOs: A Little More Volume, A Lot of Mixed Returns

US IPO volume jumped more than 55% year-over-year to nearly \$45 billion in 2025, with eight billion-dollar-plus deals versus just two in 2024. But on a weighted average basis, 2025 IPOs returned just 14%—underperforming the S&P 500's 16% gain.²

The dispersion within sectors was dramatic:

Price Movement Since IPO

As of January 2026 Karman Holdings (+236%) and CoreWeave (+76%) thrived. Firefly Aerospace (-48%), Voyager Technologies (-16%), and Fermi (-61%) did not. The market rewarded durable growth and punished unproven models.²



By comparison, the market for tender offers grew to \$35bn in 2025, nearly reaching the size of IPOs, an indication that IPO-scale liquidity is becoming accessible not just in private markets, but in private market secondaries.³

The 2026 IPO Pipeline

The backlog is significant: SpaceX (reportedly at \$1T+ valuation)¹, Anthropic, OpenAI, Databricks, Lambda, Kraken, Cerebras, and Discord are all in various stages of preparation. The defining question is whether valuations can hold—two-thirds of 2025 IPOs priced below their last private valuation.¹

Market volatility adds uncertainty. The VIX is up ~20% YTD, and two companies (Lift Mobile, Clear Street) have already pulled their IPOs citing conditions². Outside the top 10, the next 25 largest private companies carry a combined market cap exceeding \$440 billion—plenty of activity ahead regardless of the mega-cap outcomes.³

M&A: Getting Creative

Global M&A hit near-record levels in 2025, with Americas volume up 45% year-over-year. ¹ Conditions look supportive for 2026: accommodating regulation, positive sentiment, and interest rates likely flat or lower.

What's new is the shape of deals. Liquidity events no longer require outright acquisitions:

- Meta → Scale AI: \$14B for a 49% non-voting stake; proceeds distributed to shareholders.
- Google → Windsurf: \$2.4B acquihire for leaders, engineers, and IP.
- Nvidia → Groq: ~\$20B to license technology and hire top executives.²

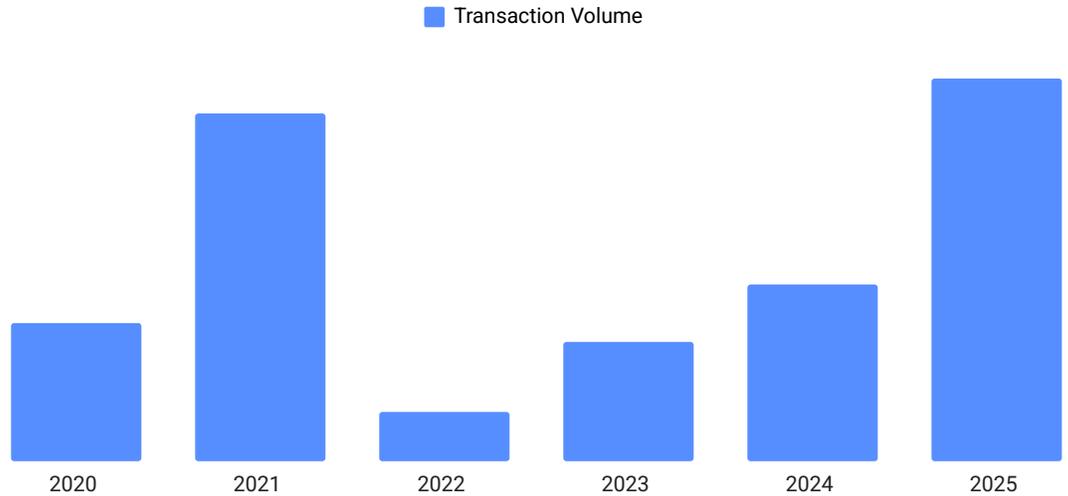
Secondaries: No Longer Second Fiddle

GP-led secondary volume reached \$47 billion in H1 2025 (+68% y/y). LP-led volume hit \$56 billion (+40% y/y). The average venture secondary priced at 78% of NAV. This is structural, not cyclical—and we expect secondaries to be a permanent fixture alongside IPOs and M&A.

The Structured Scene

The issuer-sponsored secondary market had a breakout year in 2025. NPM transaction volume reached nearly \$15 billion—surpassing the 2021 peak—but the composition is fundamentally different. The 2021 surge rode a frothy primary market. The 2025 resurgence is broader, earlier, and structurally grounded.

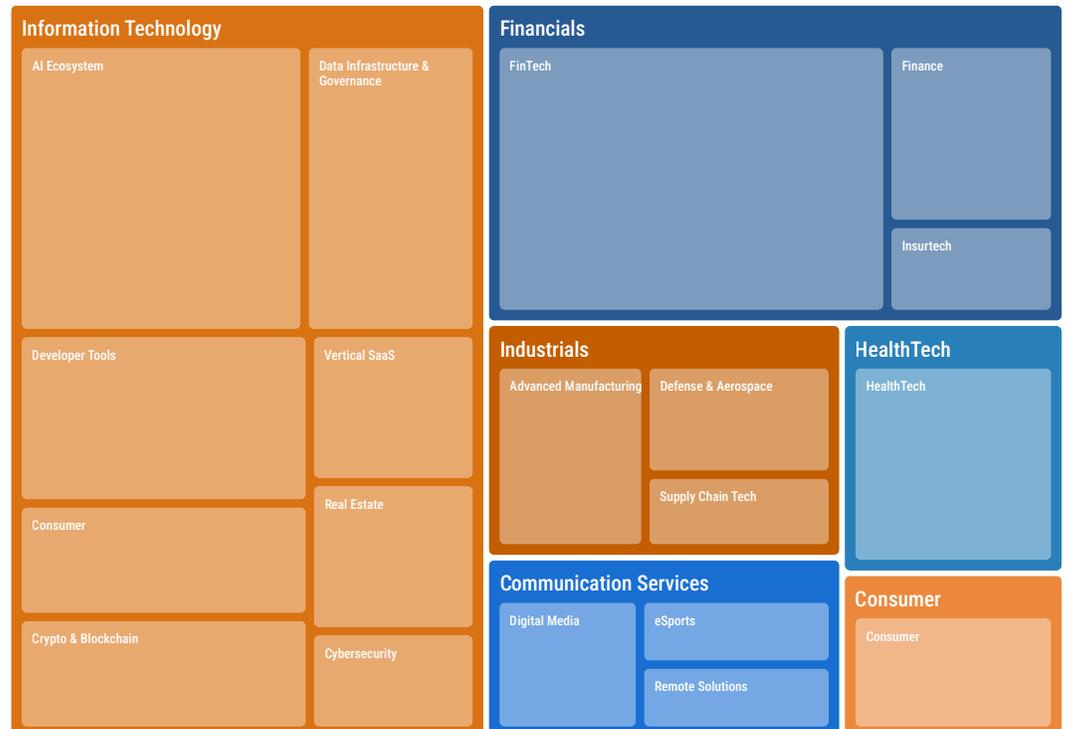
Transaction Volume



Source: Nasdaq Private Market Data & Intelligence

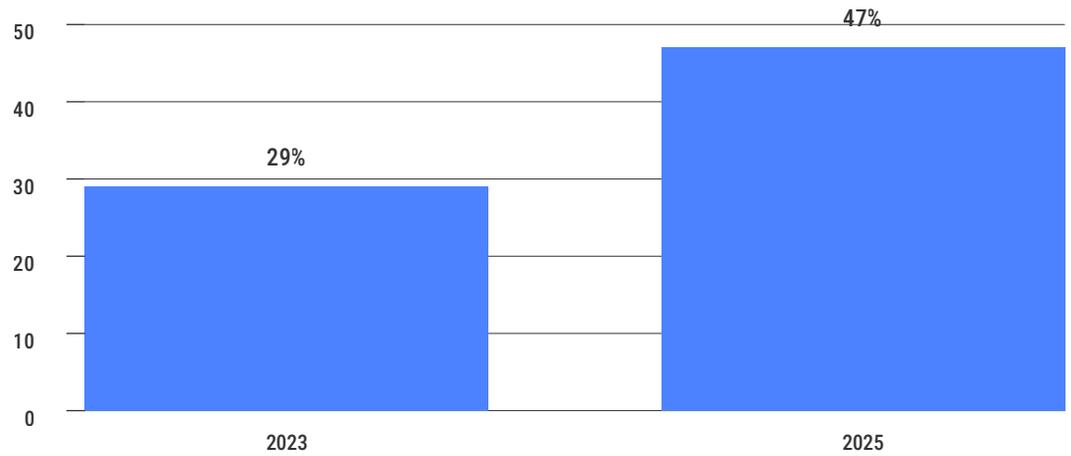
Sector Mix: Beyond Software

IT and AI companies led with 45% of programs. Fintech accounted for 17%. But industrials—defense, manufacturing, robotics—showed meaningful participation, a sign that structured liquidity has broken out of its software-only roots.



Source: Nasdaq Private Market Data & Intelligence

Liquidity Is Moving Earlier



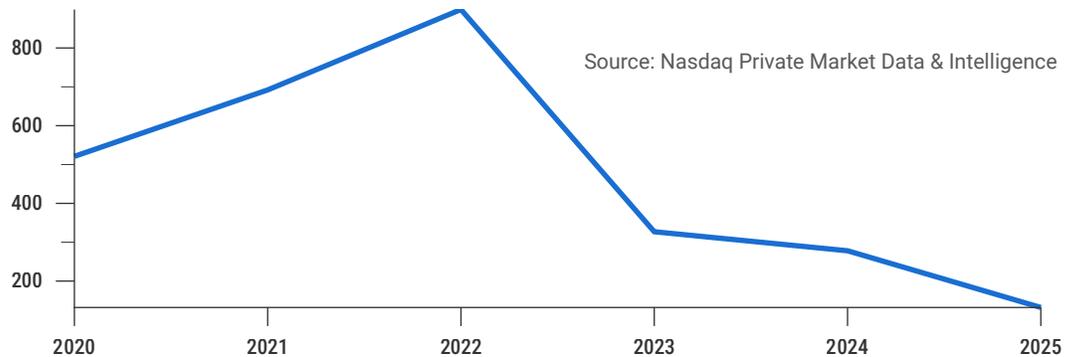
In 2023, ~30% of NPM programs involved Seed-through-Series C companies. By 2025, that figure nearly doubled to ~50%. Early-stage companies are using tender programs to compete for talent against later-stage and public employers who can offer immediate liquidity.

The most common securities eligible for tender were options (87% of programs) and common shares (76%)—the equity types employees actually hold. RSUs, warrants, and other instruments appeared in over 25% of programs, reflecting increasingly complex cap tables.¹

Cadence Is Accelerating

The average time between tenders collapsed from 899 days in 2022 to just 132 days in 2025. Half of all repeat programs in NPM’s history occurred within one year of the prior program. Liquidity is becoming a regular cadence, not a special occasion.¹

Average Time Between Tenders (Days)



Source: Nasdaq Private Market Data & Intelligence

Demand Outpaces Supply

In 2025, 60% of NPM programs were oversubscribed. Of those, nearly 40% received orders exceeding 2x the stated offering size. Over 25% of programs cleared above the 409A threshold, reflecting strong secondary demand. Most programs remained disciplined: 74% of offerings represented less than 5% of the issuer’s total valuation.

Source: Nasdaq Private Market Data & Intelligence



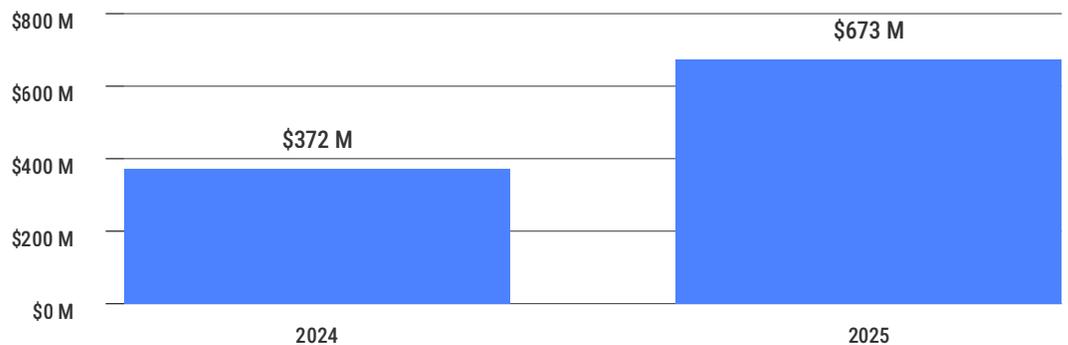
The Trading Scene

The market for direct shares in private companies—block trades—is intentionally small. Private companies have the final say on whether shares change hands. But in 2025, that market grew significantly.

Block Trading Volume More Than Doubled

NPM saw a sharp increase in trading activity in 2025, with closed trades by our Transfer & Settlement team more than doubling year-over-year—from \$372 million in 2024 to \$673 million in 2025. The bulk of new activity was driven by a handful of issuers, but the breadth of participation expanded meaningfully as well.

Closed Trade Volume

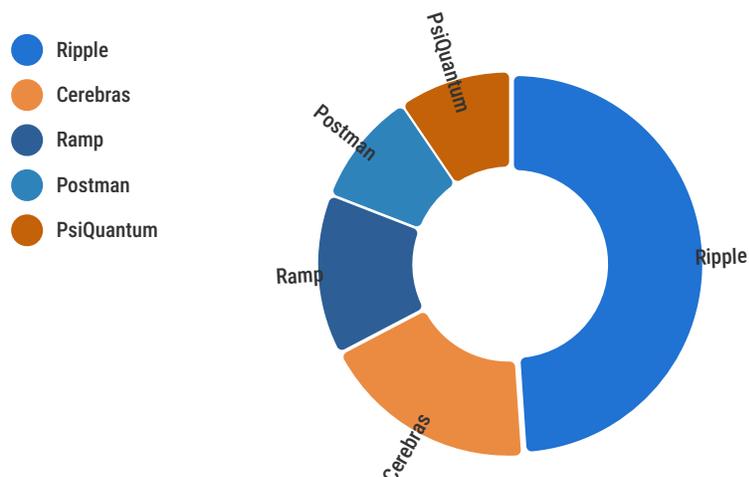


Source: Nasdaq Private Market Data & Intelligence

Fewer Restrictions, Higher Prices

We observed a clear pattern: issuers that saw increased trading activity also experienced significant increases in their price per share. More broadly, companies with fewer transfer restrictions on direct secondary transactions had more liquid secondary markets—and higher share prices. Openness to secondary trading appears to be self-reinforcing: more liquidity attracts more interest, which supports stronger pricing.

Top 5 Traded Names by Volume 2025

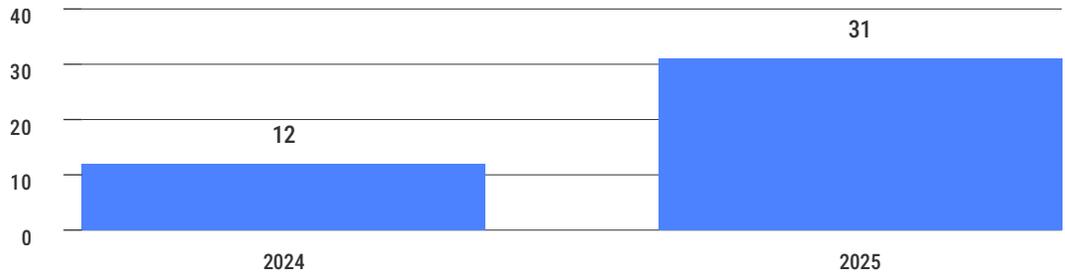


Source: Nasdaq Private Market Data & Intelligence

More Companies Are Opening Up

The number of unique companies allowing direct secondary transfers grew sharply from NPM's perspective — from 12 issuers with settled trades in 2024 to 31 in 2025. This reflects secondary transactions becoming more commonplace. While the bulk of trading activity remains concentrated in a few top names, the universe of companies permitting transfers is expanding.

Unique Issuers with Settled trades



Source: Nasdaq Private Market Data & Intelligence

We also found that companies who ran structured transactions through NPM's platform experienced increased interest from prospective buyers and sellers in their broader secondary market—a flywheel effect where structured programs generate awareness and demand that carries over into direct trading.

With NPM tools like our transfer and settlement platform, we've made secondary transactions less burdensome for private companies. The result: more companies are choosing to allow them.

Cashless Exercise: A Win for Option Holders

A growing number of NPM clients began allowing employees who hold options to sell them directly in the secondary market in 2025. This is a major development for employees, because it eliminates the need to come up with cash upfront to exercise options, purchase common shares, and then find a buyer.

Instead, employees can execute what's known as a cashless exercise: the exercise cost and tax withholdings are deducted from the seller's proceeds only after a buyer is found. No out-of-pocket cash, no timing risk—just a cleaner path from option grant to realized value.

Cashless exercise removes the biggest friction point for option holders: having to pay before you can sell.

Single-asset Funds Increasingly Define Access for Tightly Controlled Names

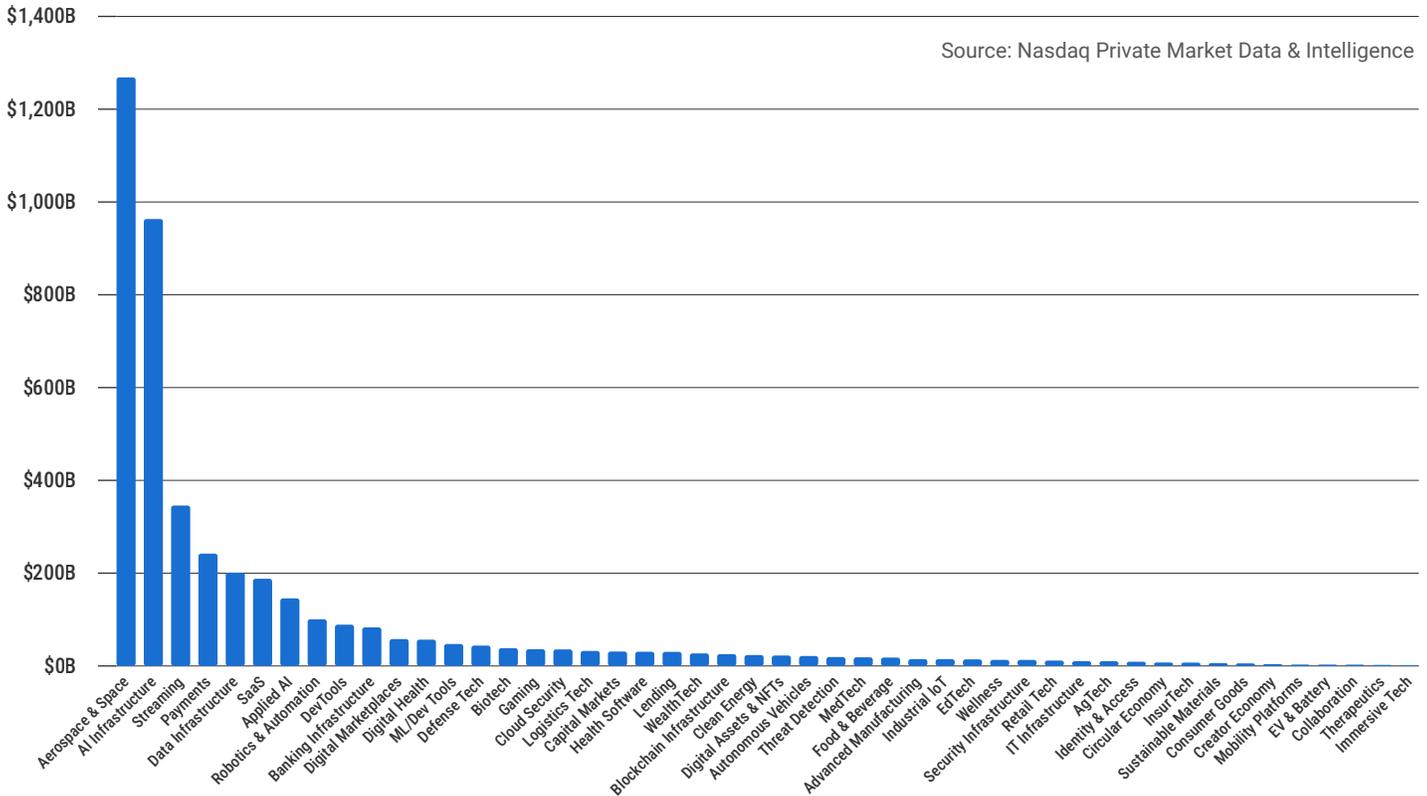
In 2025, single-asset funds became the predominant trading vehicle for the most in-demand private issuers and transactions, reflecting both issuer preferences around cap table control and investor demand for curated access. In this environment, the differentiator is quality: high-quality, single-layer vehicles sponsored by well-known GPs have emerged as the most efficient and trusted path to exposure.

That dynamic has carried into 2026 with no indication it will reverse.

The Sector Scene

AI and Space dominate the private market by market cap, driven by OpenAI, Anthropic, and SpaceX. Potential 2026 mega-IPOs could dramatically reshape sector weights. Meanwhile, defense and robotics are emerging as the next wave of private market focus.

Private Market Sub-Sectors by Market Cap



AI: From Growth Race to Strategy Race

2026 marks a new phase. The first inning (2023–25) was about viral adoption and OpenAI’s first-mover advantage. Now the field is more balanced: Google has asserted itself as a top-tier frontier model provider, Anthropic has established enterprise leadership, and xAI was acquired by SpaceX. Open-source challengers (Meta’s LLaMA, Mistral) and efficiency players (DeepSeek) have gained structural importance.

Key themes for 2026: differentiation shifts from parameter counts to agentic capabilities and workflow integration; cost-performance becomes a battleground as inference costs fall; enterprise procurement matures; and regulatory developments around safety and export controls shape regional dynamics.

Space: Defense, Data, Infrastructure

Private space investment grew 48% year-over-year to \$12.4 billion in 2025.¹ The sector has shifted from speculative tourism toward defense, communications, and Earth observation. Launch is diversifying beyond SpaceX, with Rocket Lab, Blue Origin, Firefly, Astra, and Stoke all competing. Even if SpaceX goes public and exits the private market, momentum for the remaining cohort looks strong.

Defense Tech: A Secular Trend

Global defense tech VC deals reached \$49.1 billion in 2025—nearly double the \$27–28 billion raised in each of 2023 and 2024. Notable raises included Anduril (\$2.5B Series G), Saronic (\$600M Series C), Helsing (€600M Series D), and Shield AI (\$240M Series F-1). In early 2026, Anduril is raising at \$60B (2× its 2025 valuation) and Shield AI at \$12B.² Geopolitical instability and faster government procurement are keeping momentum high.

Robotics: Breakout Year

2025 was a breakout year for humanoid robots, driven by three forces: AI making robots more capable, labor pressures making automation urgent, and startups showing real deployments with industrial partners. Figure AI raised a \$1B Series C at \$39B, Agility raised \$400M at ~\$2B, and Apptронik raised \$415M with a ~\$520M extension in 2026 at ~\$5B. If technological and demographic trends persist, robotics will see continued momentum.²

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