

**NASDAQ PRIVATE MARKET**

# 2021 Mid-Year Private Market Report

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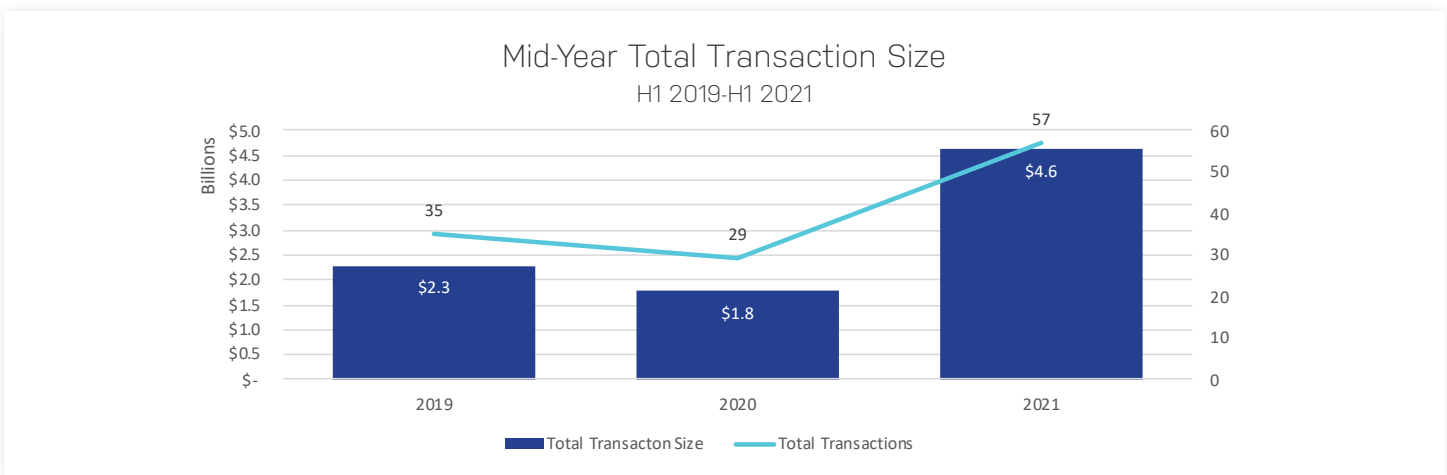
## Highlights

- \$4.6 billion in total transaction value across 57 private company-sponsored secondary transactions in the first half of 2021 for a combined 475+ programs and \$33B+ in total transaction value since inception
- Increased frequency in Series A-C companies prioritizing secondary liquidity
- Growing international appetite for secondary programs
- HealthTech and Cryptocurrency industry verticals increasingly active in the venture capital space

## State Of The Market

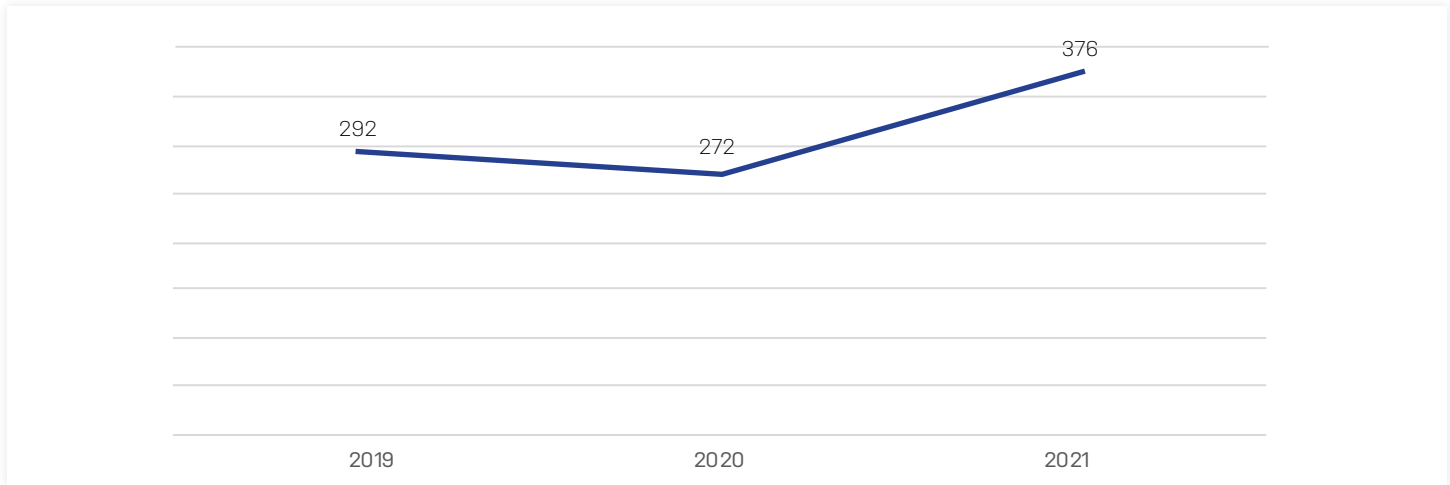
As the first half of 2021 concludes and the economy moves forward from the pandemic, the private market has continued to exhibit immense growth. Throughout the year, valuations have reached new heights<sup>1</sup> and deal cadence has reached previously unseen levels, both for Nasdaq Private Market and the private market broadly. Both early- and late-stage companies alike have seen larger investment rounds than in previous years and

fast-growing industries have created new unicorns, setting the stage for what will be a highly active second half. As the number of VC backed private companies grows, earlier-stage companies are prioritizing liquidity to remain attractive to their shareholders and competitive in their employee benefits. In the second quarter alone, \$43.4 billion in funding made its way to early-stage companies.<sup>2</sup>



With a total of 57 programs in the first half of the year and a near 150% year over year growth in total dollar volume transacted, Nasdaq Private Market continues its mission to make secondary transactions and access to liquidity easier for all private companies, while also disrupting and expanding the framework of liquidity solutions available.

Average Eligible Participants\*  
H1 2019-H1 2021



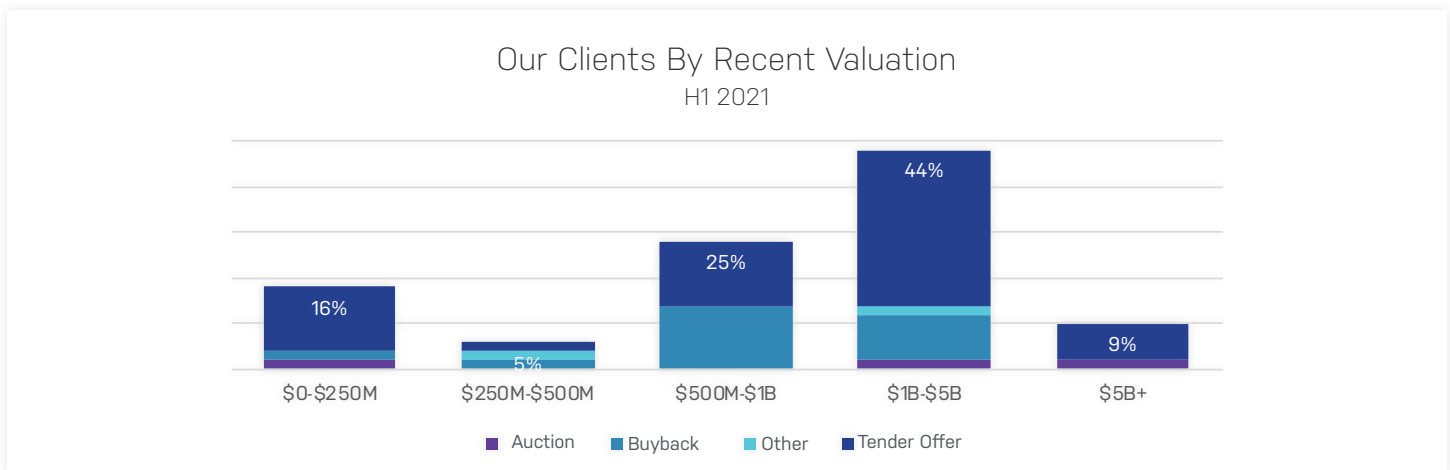
\*Includes all participants eligible to sell in company-sponsored liquidity programs

Throughout the first half, total eligible participants topped 23,000. On a per transaction basis, this represents a 38% increase year over year of average participants eligible across all programs. While Nasdaq Private Market partners with private companies of all sizes and stages, many of the private market's most prominent unicorns continue to choose Nasdaq Private Market over its competitors given its documented history of supporting large shareholder groups.

### Record-Level Private Market Valuations

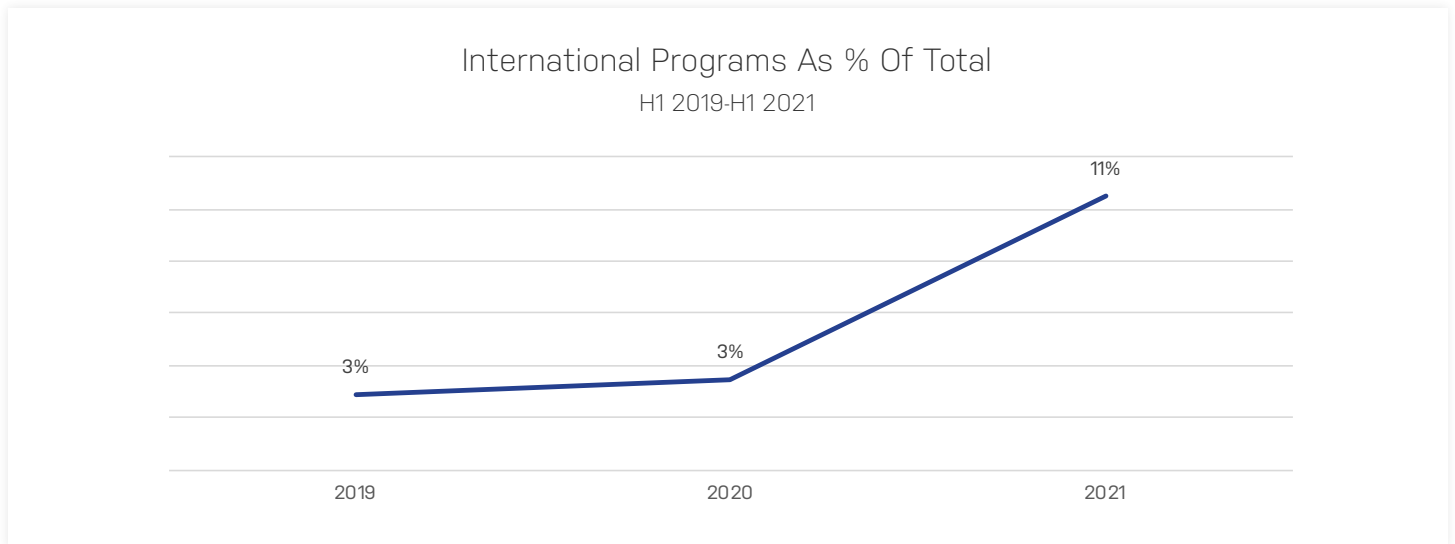
Looking back to Q1, both early- and late-stage private companies saw pre-money valuations hit record levels. At the median, early-stage pre-money valuation stood at \$40.0M, while late-stage stood at \$122.5M. These lofty valuations carried into Q2 as investor appetite to capture private company growth fueled additional investment<sup>1</sup>. From a Nasdaq Private Market perspective, 53% of all completed liquidity programs in the first half of the year were for clients of a valuation greater than \$1B.<sup>3</sup>

Our Clients By Recent Valuation  
H1 2021



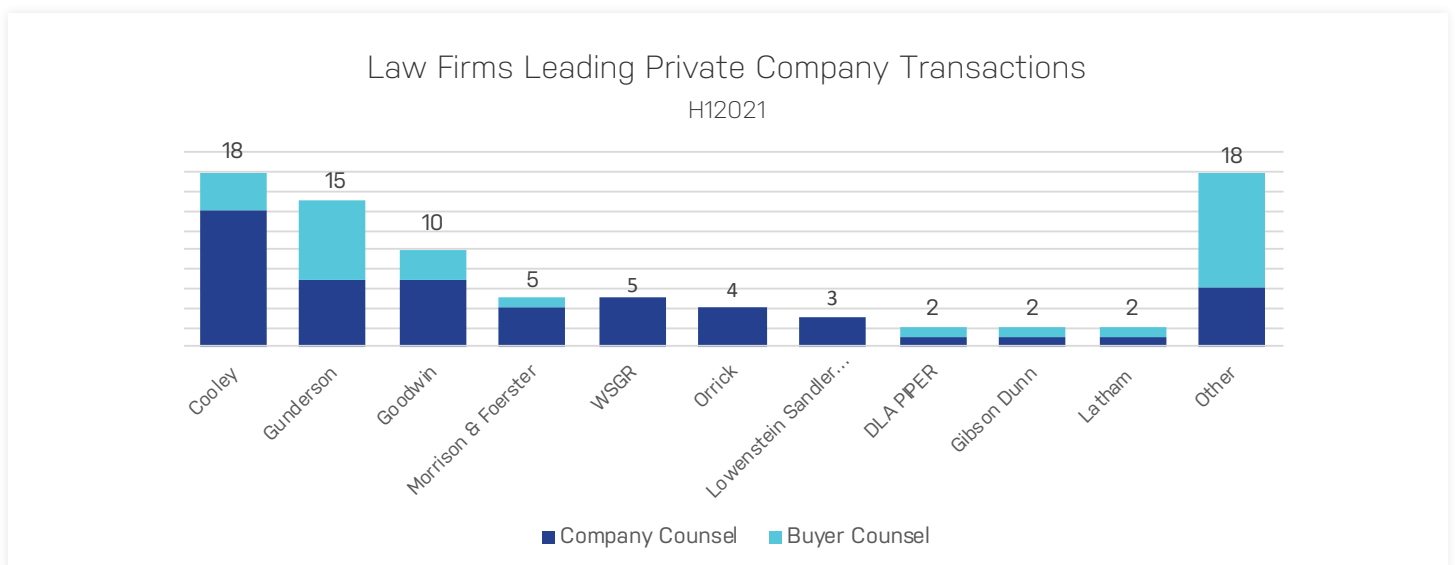
Alongside the domestic growth in the private market, Nasdaq Private Market has seen a continued uptick in both client valuation and activity at the international level. Many of the highest-performing international unicorns based throughout Europe, the Middle East and South America continue to leverage Nasdaq Private Market as their technology provider for organized secondary

liquidity. Throughout the first half of 2021, more than 80% of Nasdaq Private Market clients headquartered outside of the U.S. were valued at greater than \$500M, with a maximum valuation of \$25B.<sup>3</sup> Nasdaq Private Market's technology supports private companies of all sizes, and across all sectors, at the global level.



## Legal Relationships

Nasdaq Private Market worked with 26 individual law firms in the first half of 2021, including both company and buy-side counsels. As transaction count continues to climb, Nasdaq Private Market's legal relationships with leading law firms globally continue to serve as a fundamental driver of its business. Partners and associates alike have grown to trust introducing Nasdaq Private Market as their recommended provider of secondary liquidity given Nasdaq Private Market's longstanding history in the market.

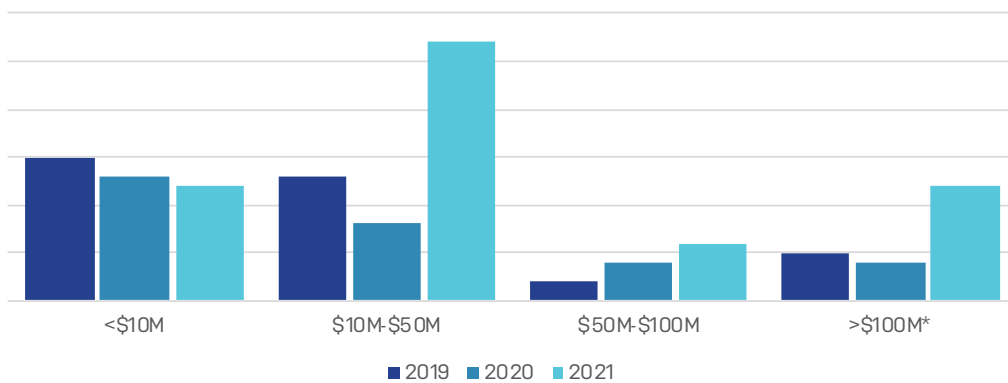


## A Look Back To Previous Years

The secondary market continues to grow at a significant pace annually. In a record first half for private capital markets, private companies' growing knowledge of secondary liquidity has driven adoption of structured secondary programs, in many cases following a primary. As private companies seek growth initiatives and raise

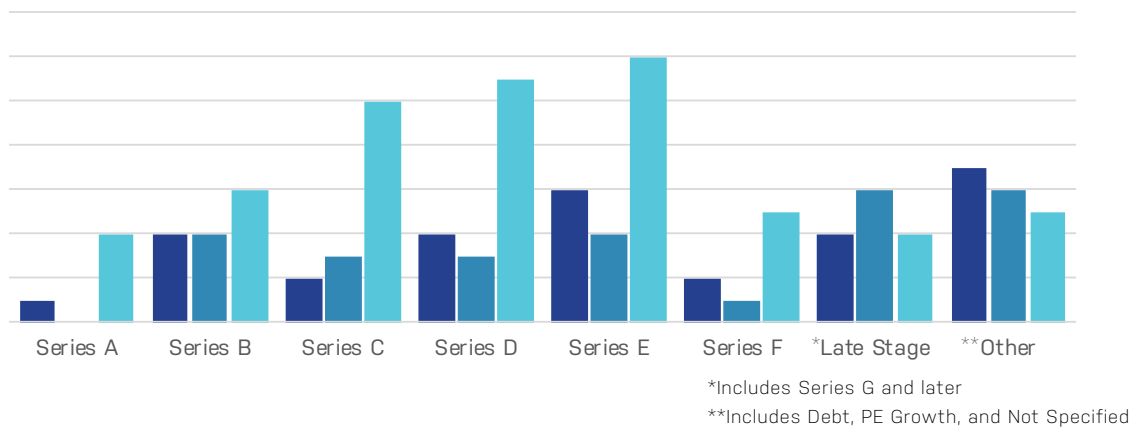
larger primaries earlier, Nasdaq Private Market can assist them in tapping the secondary market to provide their shareholders with near simultaneous liquidity. Private company leadership teams can partner with Nasdaq Private Market as a source of veteran expertise in the secondary space.

Transaction Size Across The Years  
Includes First Half Of Each Year



\*Includes 4 deals over \$250M

Our Clients' Recent Financing Stage Across The Years  
Includes First Half Of Each Year

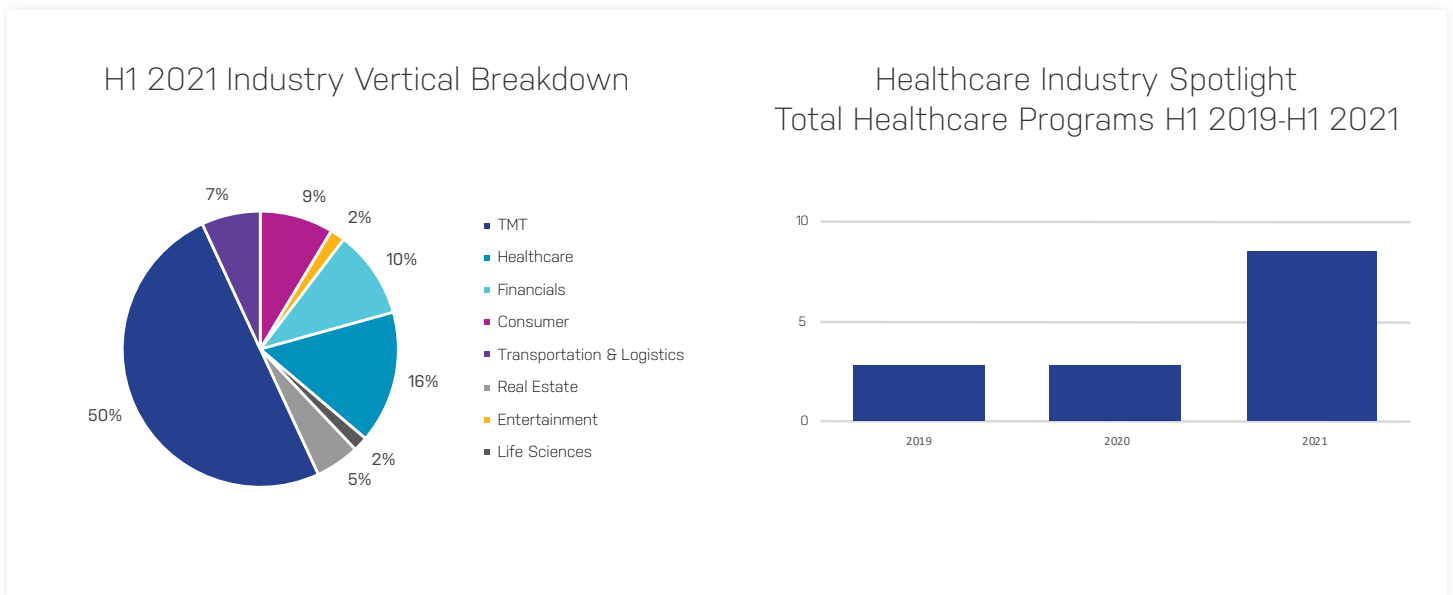


\*Includes Series G and later

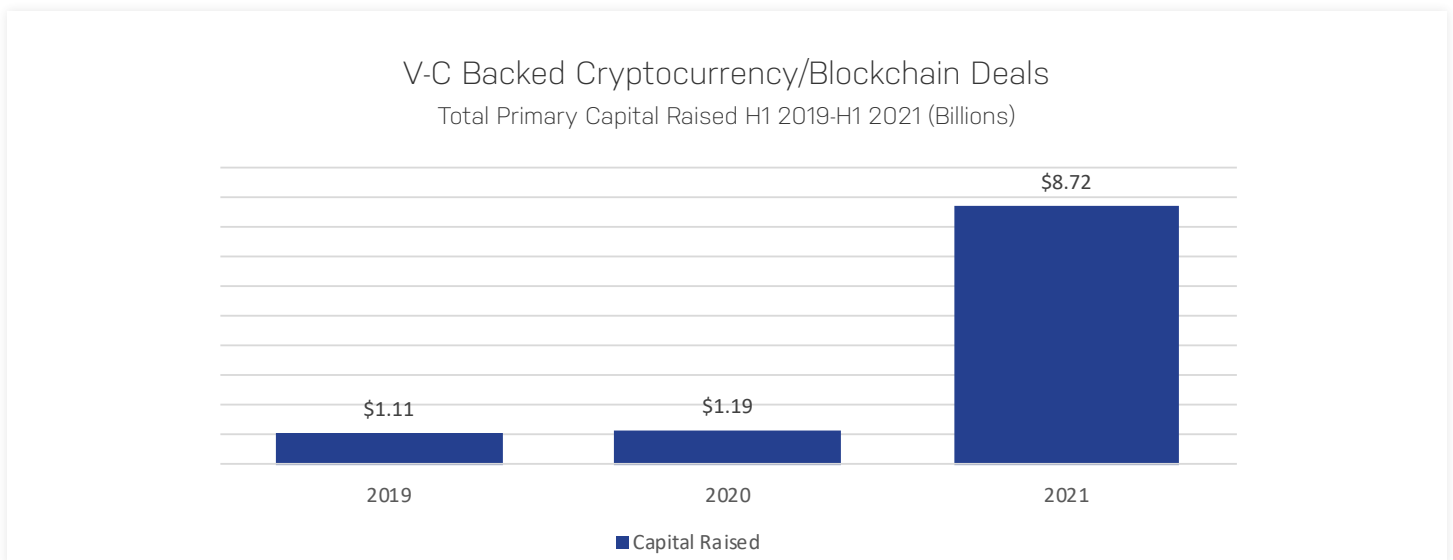
\*\*Includes Debt, PE Growth, and Not Specified

## Groundbreaking Year For Healthtech and Crypto

Taking a deeper look at the private market, several industry verticals have had a breakout year through the first two quarters alone. Across recent periods, healthcare companies have broadly expanded their offerings in the secondary market, recording 3 times the number of programs in the first half of 2021 as in the same period of both 2019 and 2020.



Similarly, cryptocurrency has seen broad growth in both the private and public markets. Including Coinbase's listing with Nasdaq in the first half, the asset class has gained growing market recognition at both the institutional and retail levels.. Looking at the pipeline for the second half, Nasdaq Private Market expects to see a number of additional deals coming from crypto clients as the venture capital industry continues to back companies in the space.



Source: Pitchbook Venture Capital Backed Cryptocurrency Deal History

Prior to Coinbase's direct listing, Nasdaq Private Market was able to partner with the then crypto-leading unicorn to build an auction-structured centralized and continuous market for pre-listing trading activity. The program structure allowed for an order-driven market creating transparency, maximized operational efficiency and arms-length control by the company, all while still operating in the private market. Nasdaq Private Market's trading marketplace is evolving as the cutting-edge solution for private companies to develop a centralized market for their equity prior to a public listing.

## Windows Of Liquidity And Pre-Direct Listing Solutions

Nasdaq Private Market's trading marketplace is designed with the primary objective of developing a singular and independent market for each company's trading activity, either within defined periodic windows or continuously up to a listing. The platform connects private company's stakeholders with target institutional investors that have been pre-approved and onboarded into the Nasdaq Private Market network. This company-centric marketplace provides pricing data and a centralized order book for all participants to have unified information and equal access, facilitated through the Alternative Trading System (ATS).

Throughout the first half of 2021, Nasdaq Private Market saw numerous late-stage clients trend towards this auction-style market as the next evolution of providing annual tender offers. For companies that desire to stay private longer or are within reach of a public listing, specifically in the case of a direct listing, this structure may drive a seamless transition from the private into the public markets. With a growing focus on alternatives to basic tender offers, Nasdaq Private Market's trading marketplace provides an arm's length experience and unique insights into institutional demand and pricing data.

## Looking To The Second Half

Nasdaq Private Market is prepared for an active second half to the year. After record-breaking quarters in Q1 and Q2 2021, and on the cusp of an ending pandemic, private market activity is continuing to heat up. With heightened levels of dry powder across the U.S. venture capital industry, deal frequency is expected to remain elevated as companies establish new strategic initiatives to drive their growth as the economy reopens.<sup>4</sup>

Nasdaq Private Market continues in its support of the private market by way of its innovative technology and an evolving range of liquidity solutions. As private companies grow and seek out new mechanics to incorporate into their liquidity offerings, Nasdaq Private Market will serve as the market-leading provider of liquidity solutions for companies of all stages.

Please [contact](#) your team at Nasdaq Private Market with any questions about our report or to discuss market trends and how we can partner with you on your secondary programs.

## Sources

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