



# *From* **private** *to* **public**

***Understanding the UK IPO landscape***



**BARCLAYS**

**Eagle Labs**

**aquis**

stock exchange



**Beauhurst**



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# Foreword

At Barclays, we believe that the journey from startup to scaleup to public company is one of the most powerful engines of innovation and economic growth. As a universal bank, we are proud to support UK companies at every stage of this journey—from the first spark of an idea to the moment they ring the bell on a public exchange.

The UK has long been a global leader in nurturing high-growth businesses, particularly in sectors like technology and life sciences. Yet, as this report shows, the path to public markets is not always straightforward. While 2021 saw a record 69 IPOs raising £3.72 billion, subsequent years have been more subdued. Encouragingly, the first half of 2025 has already seen more capital raised through IPOs than the previous three years—a sign that momentum may be returning.

But we cannot take this recovery for granted. As this report highlights, many promising UK companies are staying private for longer or looking overseas to scale. This is often due to a combination of regulatory complexity, limited domestic capital, and the perception that public markets are better suited to mature firms rather than fast-growing innovators.

Barclays is working to change the narrative. We see IPOs not as exits, but as inflection points—moments when companies unlock new capital, expand their reach, and deepen their impact. Through our work with founders, investors, and policymakers, we aim to ensure that the UK remains a world-class destination for IPO.

We welcome the recommendations in this report, particularly the call to:

- Simplify the ongoing requirements associated with being a public company for smaller, high-growth firms,
- Incentivise domestic capital flows into UK equities, and
- Bridge the funding gap between early-stage and growth-stage investment.

These are essential steps to ensuring that the UK's most innovative companies can scale with confidence.

At Barclays, we are proud to be part of that journey.

# Executive summary

The UK's high-growth business scene has changed significantly over the past decade, with initial public offerings (IPOs) remaining an important route for companies looking to access new capital, raise their profile, or create liquidity for founders and investors. This report explores how market conditions, regulatory shifts and emerging alternatives are shaping the future of UK IPOs.

After a record year in 2021, both private and public markets have faced challenges. Private investment into high-growth firms surged during the pandemic, driven by low interest rates and a wave of optimism. Since then, investment levels have fallen, leaving many companies struggling to raise large growth-stage funding rounds. As private fundraising becomes more challenging, early stage investment remains prevalent, but a gap emerges as businesses try to scale. This funding gap is pushing some UK companies to stay private for longer or look overseas for capital, particularly to the US, where investors typically have deeper pockets and offer higher valuations.

Public markets have faced similar issues. While 2021 saw strong IPO activity, the following years were slower. Broader economic factors, including Brexit impacts, rising interest rates, and global tensions, have impacted the number of IPOs in recent years. However, early signs in 2025 suggest some recovery. Regulatory changes in 2024 have also aimed to make it simpler and cheaper for younger, high-growth businesses to list.

IPOs remain a key milestone for companies. They offer access to more capital, a public profile, and the ability to use shares for acquisitions. Yet, going public can be expensive. As a result, many companies are choosing to stay private for longer, particularly those that can raise large sums without listing. Smaller high-growth

companies often look to junior markets like AIM or Aquis. These markets have lower cost associated with the IPO process and fewer rules than the LSE Main Market, making them more attractive to businesses that are growing.

Sector trends show that technology and life sciences dominate the UK's IPO activity. London remains the centre of UK IPO activity due to its financial ecosystem and investor networks. Outside London, activity is more limited, though companies based in cities like Manchester are going public at an increasing rate.

Many companies are also exploring other routes to liquidity. Secondary share sales, where founders or early investors sell part of their stake without a full exit, have become more common. New platforms like the Private Intermittent Securities and Capital Exchange System (PISCES) are being developed to allow private companies to trade shares at specific times, helping unlock capital without going public.

Looking ahead, the UK's IPO market faces both challenges and opportunities. Bridging the funding gap for scaling businesses, keeping regulations balanced, and improving domestic investment into public markets will be key.

# ***Public and private markets in the UK***

The UK's investment landscape peaked in 2021, driven by low interest rates, but has since cooled. The number of IPOs have declined, with some companies favouring US markets. The UK remains dominated by private companies, and IPO activity has been limited. Exits mostly occur via acquisitions, while secondary share sales and platforms like PISCES offer alternative liquidity for founders and investors.

# ***Trends in UK Capital Events and Liquidity Pathways***

## **Public and private market trends**

The UK's investment landscape has undergone significant shifts in recent years, driven by volatility and global uncertainty, resulting in far from ideal market conditions. Both the private and public markets reached exceptional heights in 2021, driven at least in part by pandemic stimulus measures, low interest rates, and hype. This was followed by a period of retrenchment that continues to influence both markets today.

## **Private market trends**

Private investment into UK high-growth firms surged in 2021, driven by pandemic-era liquidity, low interest rates, and growing demand for tech-enabled businesses. Activity has since cooled, with no year matching those highs. Still, the UK remains strong in early-stage investment, supporting a steady pipeline of startups. However, a persistent funding gap emerges as firms mature. Growth and late-stage rounds have become harder to secure, leading many to delay exits or seek larger capital pools in the US.

## **Public market trends**

Similar to the private market, the public market enjoyed a brief boom in 2021. However, wider macro-economic conditions have been a challenge since Brexit. London markets have struggled to compete with more liquid and higher-growth US exchanges, causing much discussion about UK companies choosing to list overseas or being acquired by foreign companies. However, there are early signs of renewed momentum in 2025.

## **Proportion of private and public companies**

The UK economy remains overwhelmingly driven by private rather than listed or public enterprises. As of June 2025, there are an estimated 5.50m active private companies in the UK. In H1 2025, there has so far been 19 new issues by UK companies across Aquis, AIM, and the LSE. On the LSE Main Market, there have been five admissions in H1 2025, which include two graduations from AIM and two reverse takeovers. The five admissions onto Aquis include four IPOs and one transfer from the LSE.

### UK exit trends

Exits continue to play a central role in the UK’s high-growth ecosystem, offering pathways for value realisation. For investors, they enable returns on equity stakes and free up capital to back new ventures. Meanwhile, founders often use exit proceeds to support fresh entrepreneurial pursuits, helping to drive a self-sustaining cycle of innovation.

Since 2015, more than 8,000 high-growth companies in the UK have been acquired, gone public or otherwise ceased to operate independently. The vast majority were acquired, while relatively few went public. IPO activity peaked in 2021, with 69 listings raising £3.73b from primary proceeds. Most UK high-growth IPOs over the past decade have opted for growth markets (AIM and Aquis), reflecting a preference for more flexible listing requirements.

At the same time, there has been a notable rise in secondary share sales by founders. In 2022, companies recorded a peak of 1,799 such deals, highlighting growing demand for partial liquidity in an environment where many firms are remaining private for longer. These transactions allow founders to realise some of their gains and enable early investors to recycle capital, without requiring a full exit.

This trend towards alternative liquidity options has prompted growing interest in mechanisms like the Private Intermittent Securities and Capital Exchange System (PISCES). PISCES aims to provide a regulated venue for periodic secondary trading of private company shares, helping to address the liquidity gap in private markets. For UK founders and investors, platforms such as PISCES could become a bridge, enabling partial exits and capital recycling even while companies choose to stay private longer.

### High-growth ecosystem

Large portions of this report are focused on high-growth companies in the UK. These companies are determined by Beauhurst’s tracking triggers. These triggers indicate that a company has done something of note, such as receive equity investment, grant funding, or spun out of an academic institution. These companies are some of the most interesting in the UK, with their tracking trigger indicating they are likely growing fast or doing something innovative. Diving deeper into this subset of listed companies provides interesting insights, with these companies using IPOs as more than an exit opportunity for founders, but also as a chance to raise funding. These companies are frequently making use of junior stock exchanges, such as Aquis and AIM, to do so.

# ***IPOs***

An IPO is the process by which a company's shares are admitted to trading on a stock exchange and can be purchased by members of the public. UK companies can list on the LSE, AIM or Aquis, each with different entry rules. Smaller companies often use AIM or Aquis. IPOs offer funding, visibility and liquidity. Most UK listings are in the tech or life sciences sectors, with London-based companies leading in activity.

# ***IPO***

## ***introduction***

### **IPO definition**

An IPO is the process by which a company's shares are admitted to trading on a stock exchange and can be purchased by members of the public. By undertaking an IPO, known as "going public" or "listing" or "quoting", a company hopes to raise capital by selling its shares to investors. It also provides existing shareholders with an opportunity to realise some of their investment. In the UK, admission to a regulated market, like the main market of the London Stock Exchange, also requires admission to the Official List, which is maintained by the Financial Conduct Authority (FCA). Companies can also IPO on a exchange-regulated market also known as a 'Growth Market', which offers a more favourable regulatory environment for smaller growth companies, allowing them to retain various tax incentives. Going public on a junior market like AIM or Aquis only requires the approval of the exchange.

### **IPO process**

Before starting the IPO process, companies have to meet certain requirements with regard to market capitalisation and other matters. To be admitted to trading on the LSE Main Market, for example, companies need a minimum market capitalisation of £30.0m. The IPO process begins with the company appointing advisers to guide them through the process. The company writes a prospectus or admission document, which includes information on the company's business, historical financial performance and prospects. For admission to the main market, the prospectus is reviewed by the FCA, and the listing application is made to the FCA, while the application for admission to trading on the exchange is reviewed by the LSE.

In parallel, the bookrunners will assist the company in conducting a series of pre-marketing and roadshow meetings to gauge investors' interest in participating in the IPO and seek to ascertain the valuation levels at which investors might participate in the offering. At the end of the process, the bookrunners will conduct a bookbuilding process, where investors place orders for shares and prices are determined based on the demand for shares. Finally, the shares are admitted and traded on the exchange, with members of the public now able to buy and sell shares.

## Why do companies IPO?

An IPO is often seen as the crowning achievement for a company. An IPO is a sign of a company's maturity, demonstrates its ability to grow and shows that the company has strong potential. Most companies choose to IPO because it provides them with a broader source of potential capital, increased profile on a bigger stage and the ability to make fund acquisitions through the issuance of consideration shares. Issuing new shares gives a company additional cash, which can be used to fuel operations and expansion. A public listing also gives a company more visibility and develops its brand. An increased awareness can help the company grow sales and increase revenue, a secondary benefit of an IPO. For the founders or owners of a private business, an IPO can allow them to realise the value of their shares in the company. This process is beneficial for the wider business ecosystem as it allows capital to be recycled by entrepreneurs. This is done in at least two ways, with founders incorporating new companies or becoming angel investors and supporting the growth of other businesses through investments.

## What are the different IPO markets?

Companies seeking to go public can choose which stock exchange to list on, with some companies only meeting the criteria for particular markets. For UK companies, there are several domestic options: the LSE's Main Market, LSE's AIM and Aquis. UK companies could also choose to list abroad, with popular choices being US-based exchanges, namely the New York Stock Exchange (NYSE) and the NASDAQ. Some exchanges are better suited to companies of a certain size. For example, the AIM and Aquis markets in the UK attract smaller and potentially riskier high-growth companies in comparison to the LSE's Main Market, where companies tend to be larger household names. AIM and Aquis have more flexible entry requirements, meaning companies with a smaller market capitalisation are able to trade there, hence their higher proportion of growth businesses.

In July 2024, the FCA updated their 'Listing Rules' (the regulatory requirements for companies looking to be admitted to the FCA's Official List). The changes were introduced to ensure the UK listings environment is well adapted to the needs of fast-growing new economy companies, including tech companies, and addressed concerns that regulation makes the UK uncompetitive when it comes to listings.



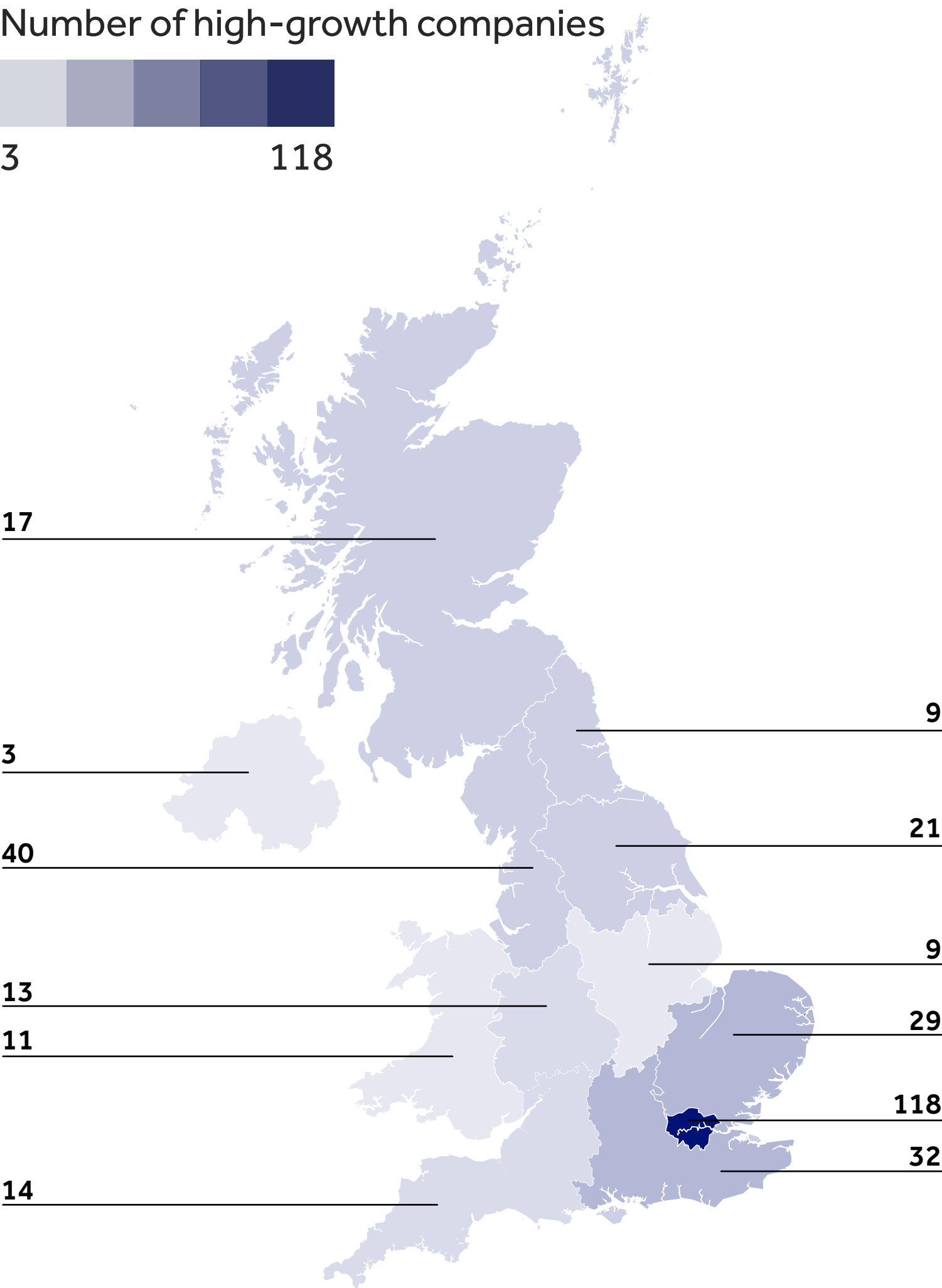
# High-growth company IPOs

As of June 2025, companies headquartered in London have produced the highest level of IPO activity in the UK, with 118 listings since 2011, by far the greatest concentration nationwide. As the UK’s financial hub, many companies headquartered in London are in close proximity to legal and other advisors.

The concentration of IPO activity among companies headquartered in London is largely a reflection of the region’s broader business landscape. Many high growth companies are based in London, drawn by its access to capital, deep talent pool, and strong infrastructure and transport links. These factors make it a natural centre for companies preparing to go public. The concentration of IPO activity by companies headquartered in the City of London (42) and Westminster (36) highlights the importance of these institutional and financial ecosystems in supporting public market access.

Outside the capital, IPO activity is far more limited but not absent. The North West is the second most active region for IPO activity. Within the North West, Manchester is the most active local authority, accounting for 14 IPOs—more than any other local authority outside London. This suggests that while financial infrastructure remains heavily centralised, certain regional centres can develop the necessary conditions to support IPO activity, particularly where there is a combination of university-led innovation, local investor networks, and public or private sector initiatives aimed at supporting growth-stage firms. However, the geographic skew in IPO distribution indicates that broader access to capital and support infrastructure remains uneven, with limited evidence of substantial decentralisation in the UK's public markets.

Number of high-growth companies that have IPOd by region (as of June 2025)



# ***Female-founded companies***

There are 21 female-founded UK high-growth companies that were admitted to the public markets between 2011 and June 2025. For this analysis, female-founded, UK-based companies were included regardless of the exchange on which the company was listed. This means just 6.83% of high-growth IPOs were by companies with a female founder. Half of all these companies were admitted onto the AIM exchange. The most common industries for these companies to operate in are application software, pharmaceuticals, Software-as-a-Service (SaaS), and artificial intelligence.

The largest IPO among these companies was by Debenhams Group, which raised £300m through its March 2014 IPO. Boohoo, co-founded by Carol Kane, operates a group of online fashion retail companies including PrettyLittleThing, Karen Millen and Debenhams. The Debenhams brand was added to

the group following its acquisition out of liquidation, and the wider group has since been renamed under the Debenhams name. More recent IPOs include RedCloud, which listed on the NASDAQ in March 2025, raising £15.5m in the process. RedCloud develops technologies that enable mobile and cloud banking. It was co-founded by current Chief Operating Officer Soumaya Hamzaoui.

In total, these companies have collectively raised £1.22b through their IPOs. In terms of market capitalisation, the largest at the time of admission was Darktrace. Co-founded by Poppy Gustafsson in 2013, the University of Cambridge spinout develops a cybersecurity software platform which takes an AI-native approach to security.



# Top sectors of UK IPOs

Between 2011 and June 2025, IPO activity among high-growth UK companies has been concentrated in a few key sectors, with a notable emphasis on technology and life sciences. Application software leads by a considerable margin, accounting for 87 IPOs—reflecting the sector’s potential for scalability, capital efficiency, and recurring revenue. This is closely followed by Software-as-a-Service (SaaS), with 40 IPOs. The SaaS sector benefits from the high margins and predictable growth trajectories that technology companies typically exhibit.

Life sciences forms the other major source of UK IPO activity. The pharmaceutical sector is the second most active overall, with 42 IPOs, supported by a broader ecosystem that includes clinical research (27 IPOs) and precision medicine (16). These figures reflect the strength of the UK’s biomedical innovation base, which draws on world-class

research coming from universities and research centres across the country. Among the top IPOs in the pharmaceuticals sector is Orchard Therapeutics, a gene therapy spinout from the University of Manchester and UCL. The company listed on the NASDAQ in 2018 with a £177m IPO, just three years after its founding, highlighting the common pathway from academic research to public market in this space.

While these top sectors dominate the IPO landscape, activity in other sectors drops off sharply. This suggests that the UK ecosystem has developed significant depth in specific high-growth niches, particularly in software and life sciences, but that broader sectoral diversity in public markets remains limited.



# ***Biggest Listing***

The biggest high-growth listing since 2011 was carried out by currency exchange and payment platform **Wise**.

The London-based company went public in July 2021 with a market capitalisation of £7.96b. Wise listed on the London Stock Exchange through a direct listing, which differs slightly from an IPO. While an IPO involves the offering of shares to investors, a direct listing involves the admission of the shares without an associated offering of shares to investors. Wise has since decided to pursue a dual listing in the UK and the US. Wise hopes that listing in the US will improve the awareness of the company in the US and allow access to the deep capital on offer in the US, which will help fuel its growth.

# ***Smallest IPO***

The smallest high-growth IPO by market capitalisation since 2011 was by **Roquefort Therapeutics**.

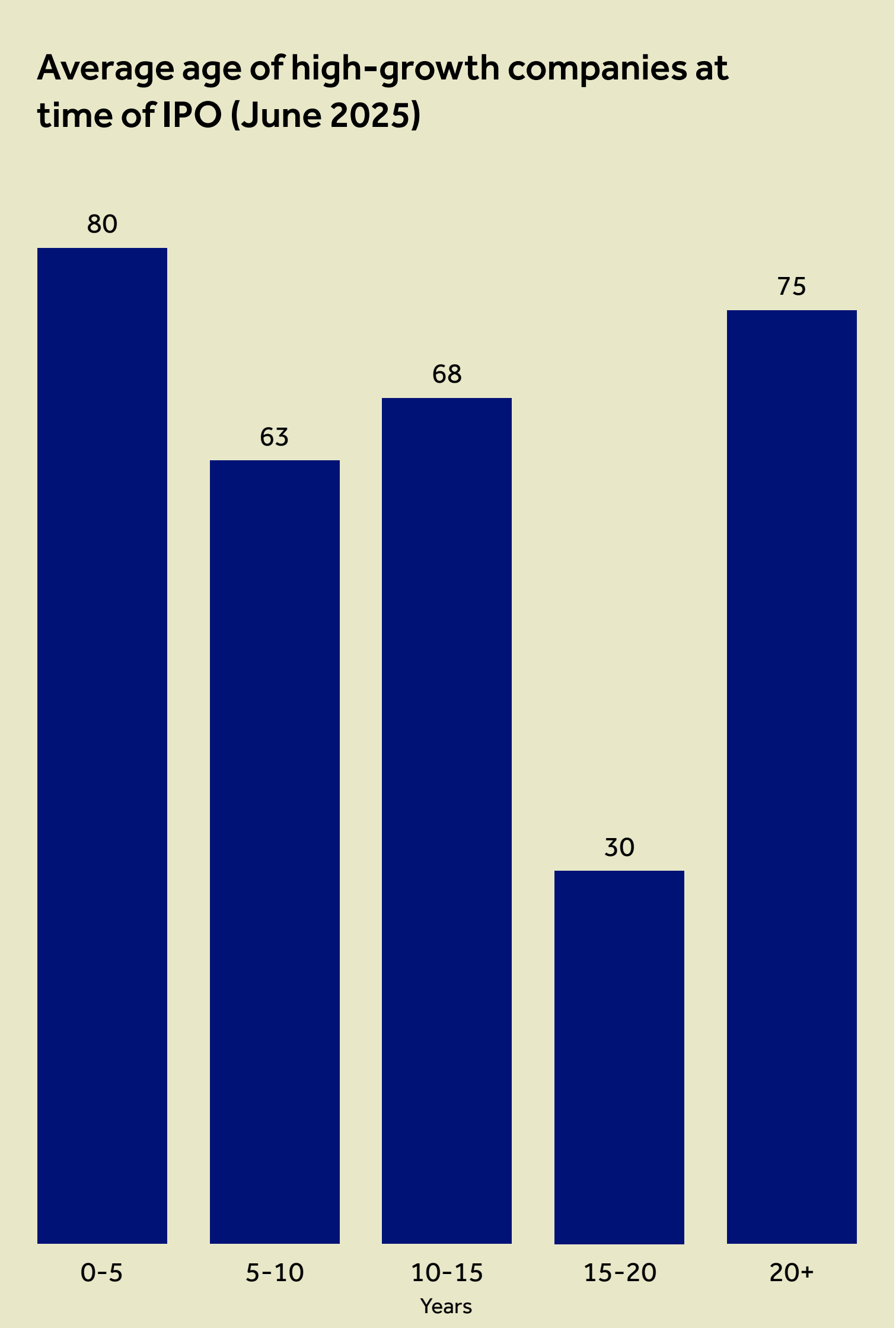
The company develops pre-clinical anti-cancer medicines and then partners with or sells the developed medicines to larger pharmaceutical companies. The Westminster-based company was listed on the London Stock Exchange Main Market in 2021, with a total of 32.4m shares at 5 pence a share, leading to a total market capitalisation of £1.62m. Since its listing, the company has acquired the Australian pharmaceutical company Lynamid and the UK-based biotech firm Oncogeni. Roquefort Therapeutics has subsequently begun the process of selling these two companies.

# Company age at IPO

The timing of an IPO can reveal as much about a company’s strategic trajectory as it does about broader market dynamics. In the UK, more than 300 IPOs occurred between 2011 and June 2025. Most listings occurred at either end of the age spectrum, with 80 occurring between 0 and 5 years since founding, and the second most occurring more than 20 years after. A closer look at the 0 to 5-year range reveals that 20 companies IPOd within one year of their founding. The most common sector for companies that underwent an IPO in their first year of operating is biotechnology, with six of the 20 companies operating in this space, two of which were academic spinouts. The findings suggest that while some firms move quickly toward admission, even fast-growing businesses typically require several years to reach the maturity needed for a public listing, with the average age at listing being closer to 15 years.

This is also a result of historic, but recently changed, premium listing requirements set by the FCA (that then impact applications for admission to trading on LSE’s main market), where firms seeking a premium listing used to be required to have a three-year revenue-raising track record in order to list.

IPO admissions are highest among companies over 20 years old, with 75 companies going public. This suggests that many take longer to develop before listing, especially in capital intensive or regulated sectors such as pharmaceuticals and manufacturing. In contrast, there is a noticeable dip in IPO activity in the 15–20-year bracket, with only 30, possibly reflecting a less favourable period for public market entry due to factors like plateauing growth or increased acquisition vulnerability.

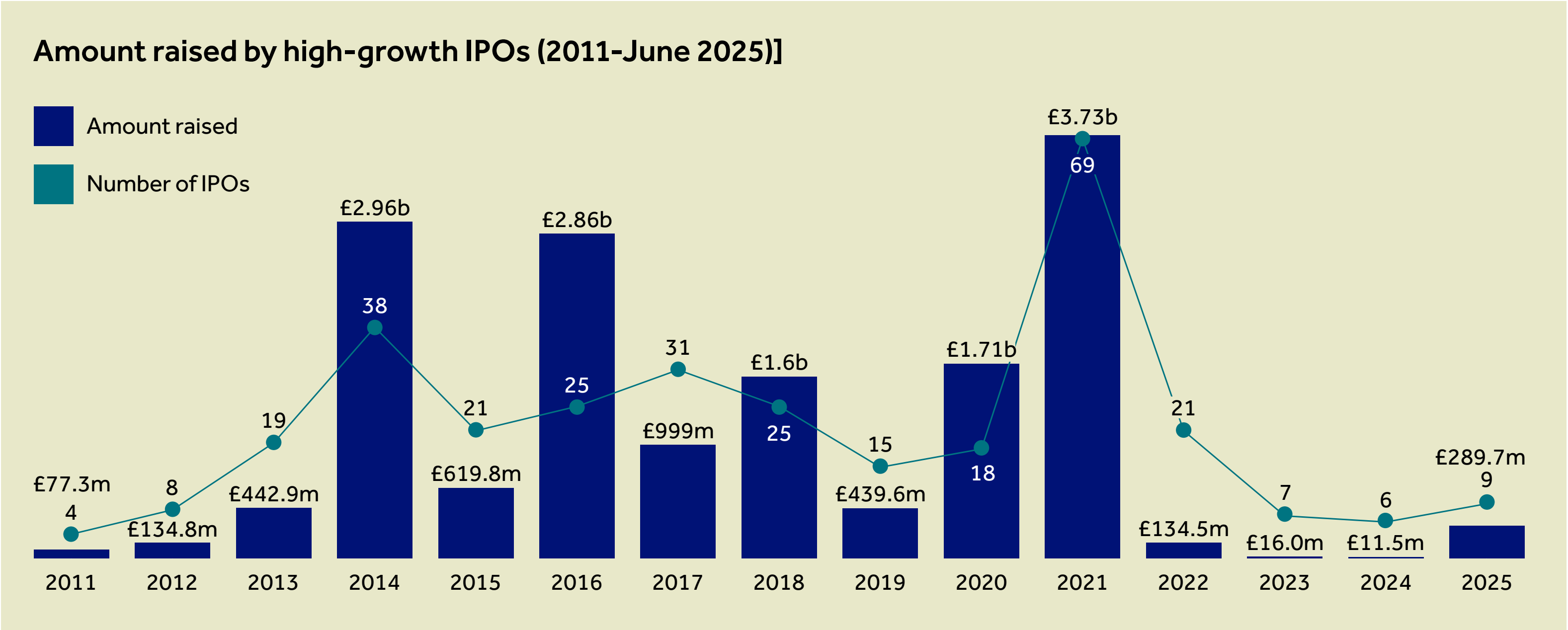


# Amount raised by high-growth IPOs

The first half of 2025 has already seen the amount raised through IPOs exceed that of the preceding three years combined, despite only nine companies going public. In the first half of 2025 alone, companies raised 64.1% of the total amount raised across all high-growth exits from 2022 through H1 2025.

IPO activity peaked in 2021, when 69 high-growth companies listed, raising a combined total of £3.73b. Market conditions were near perfect for companies to list in 2021. Many companies delayed their public market plans from 2020 due to COVID-19, when confidence was low. The government implemented measures to stimulate the economy after the pandemic, which contributed to lower interest rates. Lower interest rates made capital cheaper and improved investor confidence, which in turn helped encourage IPOs. Since then, conditions have

worsened. Interest rates rose between 2022 and 2024 in an attempt to quell rising inflation. This, combined with increasing geopolitical tension, dampened investor sentiment.



# Capital raising vs liquidity

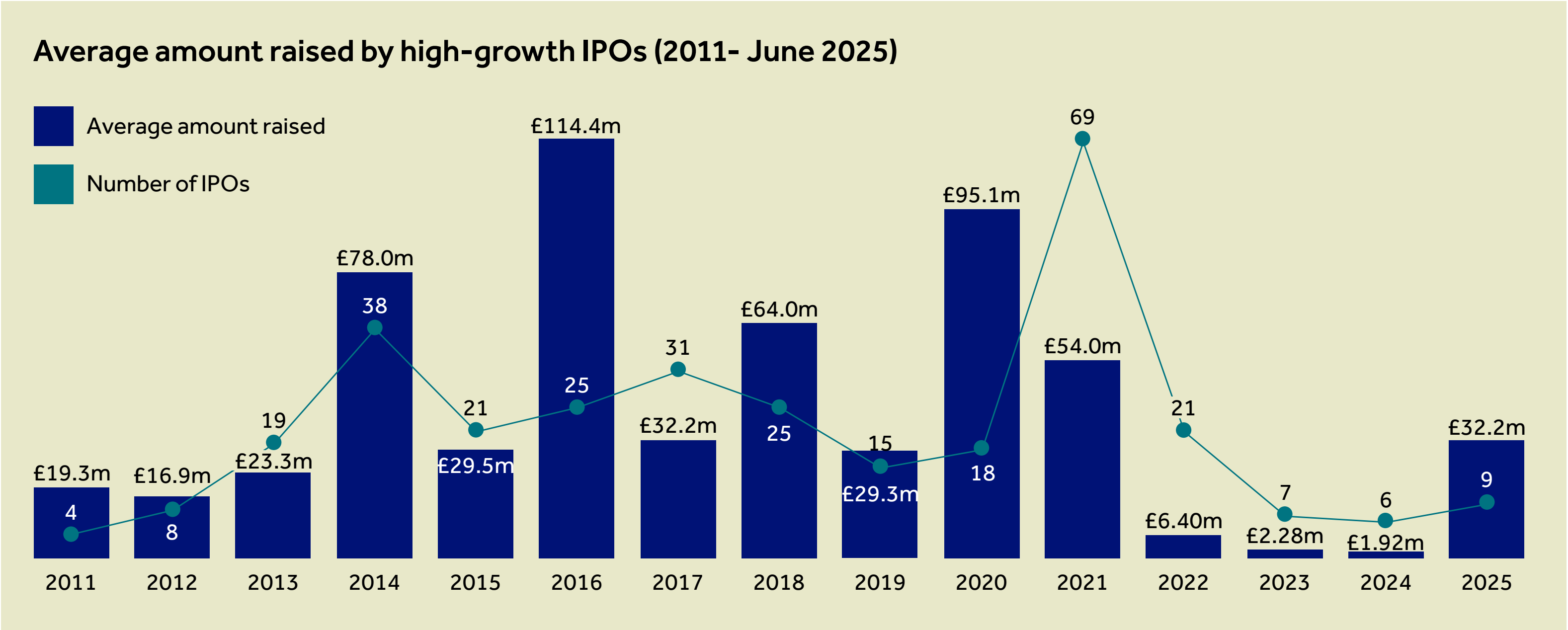
Amount raised refers to the amount of money a company that underwent an IPO gained from the issuance of new shares. This is different from the company’s market capitalisation at the time of the IPO, as this also takes into account a company’s existing shares.

The average amount raised has varied over the period, and is seemingly uncorrelated with the number of deals occurring in each year. The average amount raised peaked in 2016 and 2020, with an average of £114m and £95.1m raised, respectively. The high averages in these years were propped up by several high-value IPOs. In 2016, ConvaTec raised £1.47b when it listed on the LSE in November. ConvaTec raised the most of any company over the observed period. The Hut Group raised £920m through its listing on the LSE in September 2020, the fourth largest raise over the period. The average

in 2020 was boosted by a relatively small number of IPOs, with the average for 2016 made even more impressive by the higher number of IPOs (25 compared to 2020’s 18).

Motivation for a company undertaking an IPO can fit into two broad categories: capital raising and liquidity. Capital raising refers to a company issuing new shares, with the proceeds being used to fund future growth. This may include funding expansion into new markets, R&D, or increasing hiring to further grow capacity.

The second motivation is liquidity, or providing the opportunity for existing shareholders to realise the value of their shareholdings. Existing shareholders in high-growth companies will often be the company’s founders, its employees, or venture capital investors. These types of transactions are often secondary, meaning the proceeds go to the shareholders themselves rather than the company. If a business has less need for growth capital, then this may be the preferred strategy at IPO.



# Average time taken from first equity raise to IPO

The most common length of time for companies to go from their first equity raise to an IPO is between four and six years, with an overall average of 5.31 years. This fits with the general perception of venture fund time horizons, where returns can take up to 10 years, but in some cases happen as early as five or six years.

It took 35 high-growth companies less than two year to go from their first raise to an IPO. This time bracket is the second most common for companies that have raised equity and undergone an IPO, which proves some companies move extremely quickly towards public markets. This was particularly common in 2024, when half of the companies that undertook an IPO in that year did so less than two years after their first equity raise. This includes

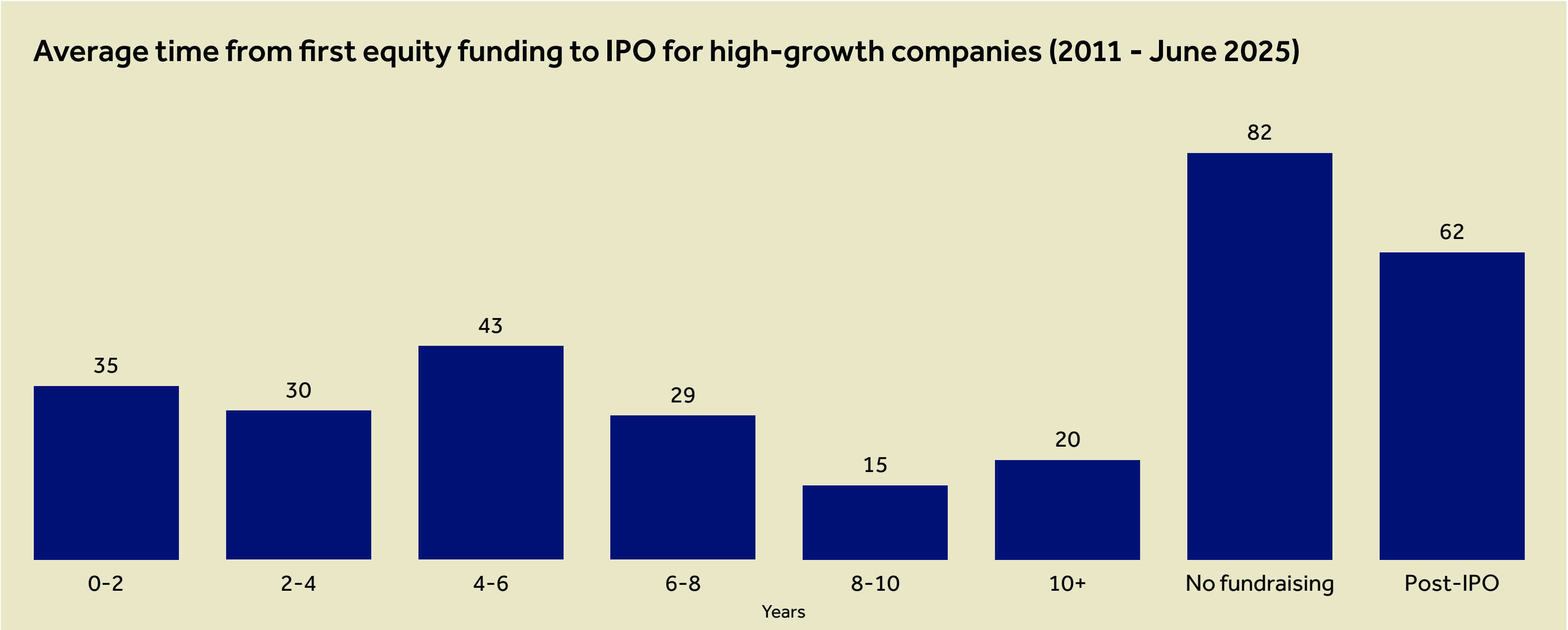
IntelliAM, which listed on the Aquis Stock Exchange with a market capitalisation of £15.4m in July 2024, just six months after raising £183k through its first equity investment in January of the same year. The firm develops data analysis software that uses AI to improve the operating efficiency of machinery in the manufacturing industry.

The longest a company took to go from its first equity raise to eventual IPO was Cardiogeni, which took 15.5 years to do so. Cardiogeni, a University of Swansea spinout, develops cell therapies for the heart, and

platelet therapies that aid with tissue regeneration.

The company received its first equity investment in January 2011 and underwent an IPO on Aquis in January 2025.

It is also common for companies to raise no equity before undertaking an IPO, with some doing so after their IPO.



# Markets ranking

The most common exchange for high-growth companies to quote on is AIM. AIM caters more to high-growth companies, since its entry requirements are less strict, meaning smaller companies are more likely to quote there than the larger Main Market of the LSE. Investors in the AIM market are more familiar with high-growth companies, and so this may encourage companies to seek admission on AIM, since they may feel they are more likely to attract investment. AIM also has no minimum market capitalisation and is subject to less public scrutiny, while still offering increased visibility. It also benefits from lower listing and advisory costs, along with several tax advantages such as no stamp duty on AIM shares, inheritance tax reliefs, and potential eligibility for the Enterprise Investment Scheme (EIS). All of these reasons contribute to it being a more popular option for smaller high-growth companies.

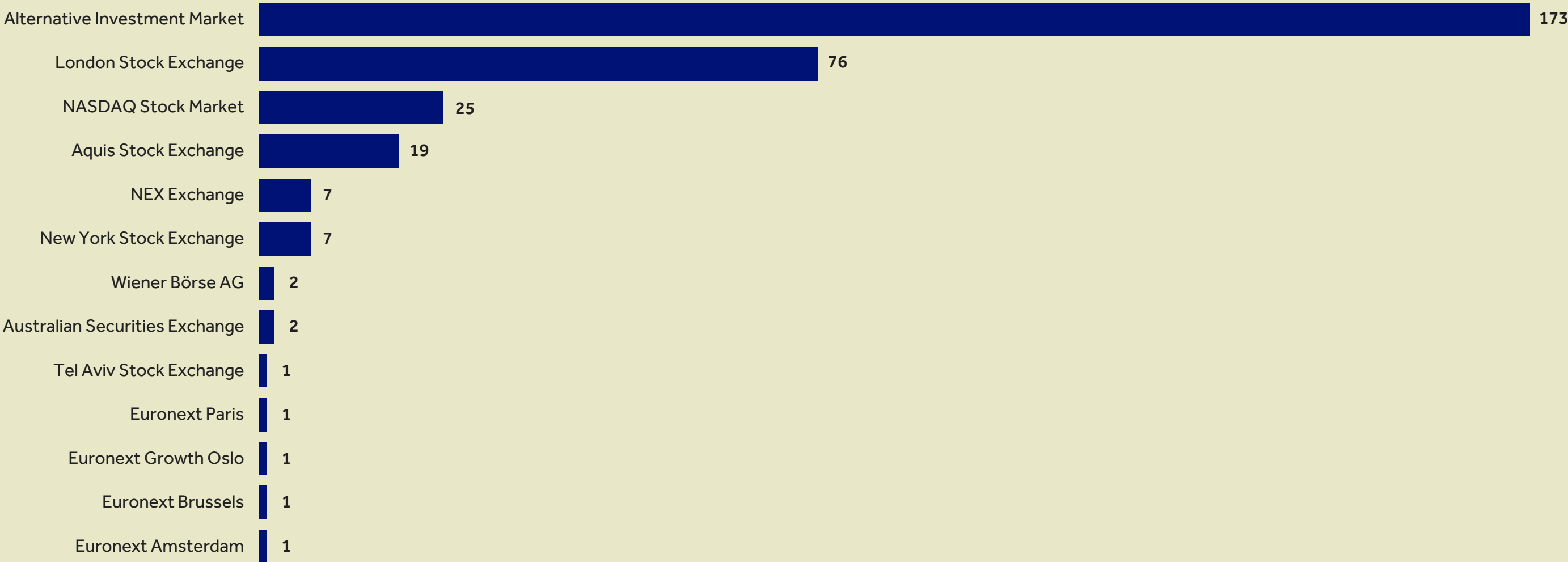
The second most popular listing destination for UK high-growth companies is the Main Market of the LSE. Given that some high-growth companies reach

a very large size and profitability, it makes sense for them to list on the LSE Main Market. This will give these companies high levels of visibility and could help them attract significant capital from the public market.

Outside of the UK, the NASDAQ exchange in the US is most favoured. The NASDAQ exchange mostly focuses on technology stocks, which could help explain its popularity among UK-based high-growth companies, since many of these operate in sectors such as application software and software-as-a-service. Stock exchanges in the US may also offer opportunities for

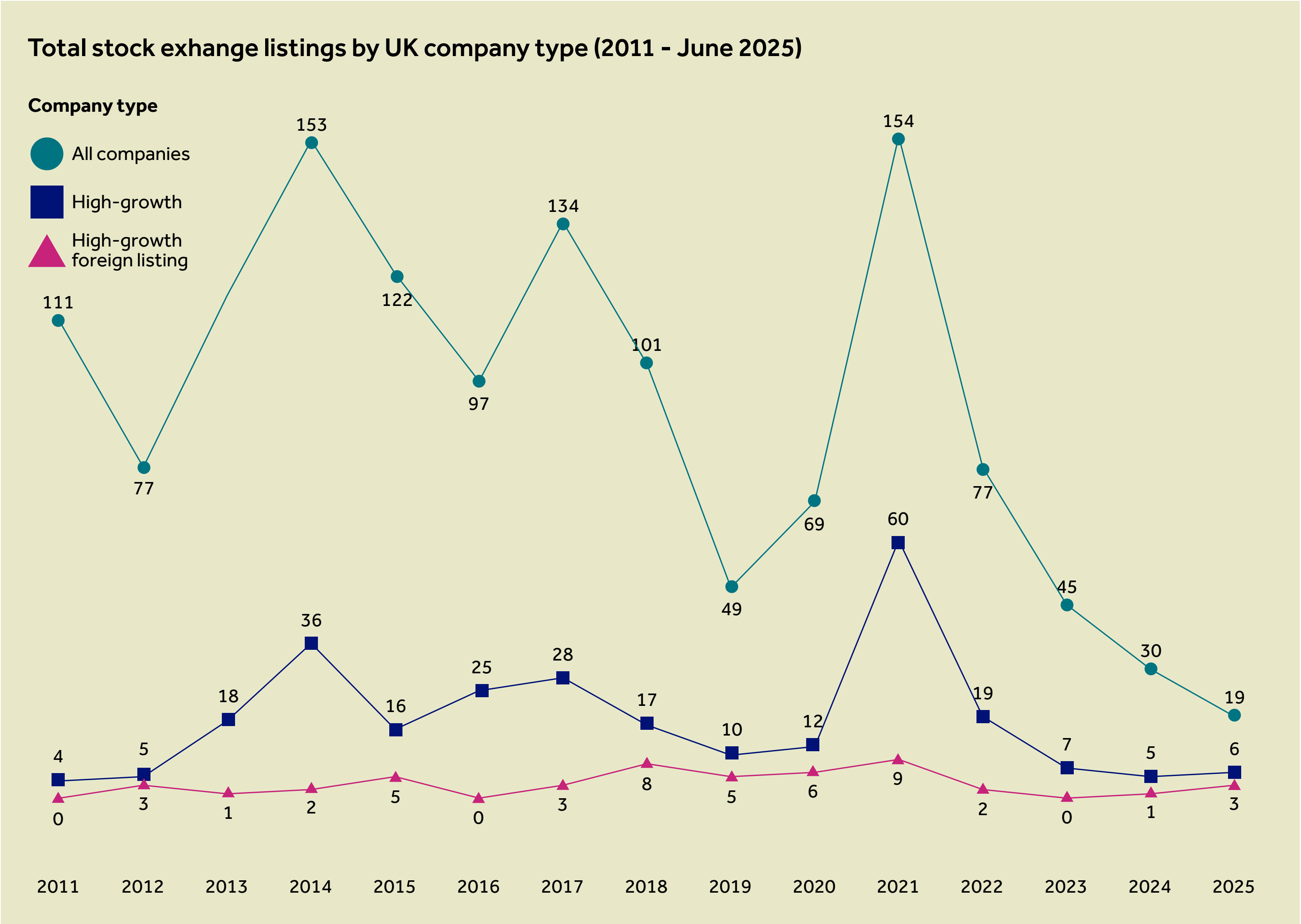
UK companies to raise more capital than they do in the UK. This is because the US has larger pools of capital than the UK Listing in the US may also give a company more global visibility and access to a larger customer base.

Top stock exchanges by number of UK high-growth company IPOs (worldwide) (2015 - June 2025)



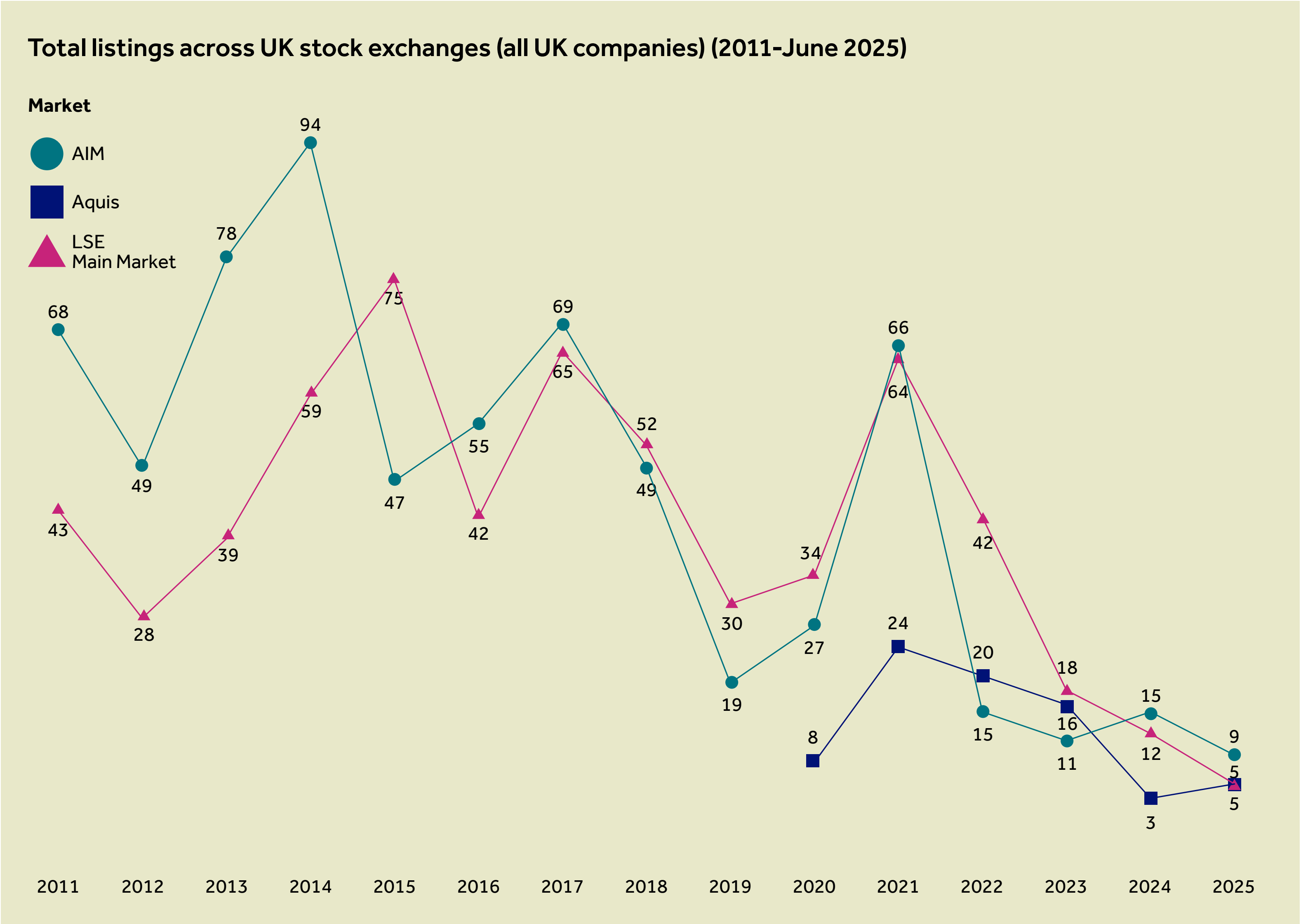
# Listing by UK companies

Overall admission volumes peaked in 2014 and 2021, with 153 and 154 admissions respectively. High growth admissions, while fewer in number, followed a similar trend with a sharp rise in 2021. Foreign high growth admissions also spiked in 2021 but remained low otherwise. After 2021, activity dropped significantly across all categories, likely due to macroeconomic challenges. By mid-2025, admissions were at their lowest point in over a decade, with only 19 overall and 6 high growth admissions.



# UK stock exchanges

AIM and the LSE Main Market have historically dominated listings. However, both markets show a sharp decline post-2021. Aquis, a smaller exchange, began gaining traction around 2020, but has also seen reduced activity recently. Overall, admissions across all markets have dropped significantly since their respective highs, reflecting broader market uncertainty and possibly tighter economic conditions. The trend suggests a challenging IPO environment in the UK as of 2025.



# Junior markets spotlight

## AIM

AIM is owned by the London Stock Exchange and runs as a separate venue to the main market. AIM is designed for smaller, high-growth companies to go public and access capital from the public markets. According to the London Stock Exchange, there have been 4,000 companies admitted to AIM since its inception in 1995. The admission requirements and ongoing requirements of AIM are less strict than on the LSE Main Market, which is appealing to smaller companies. On the LSE's main market, a company must have 10% of shares in public hands, but this is not required on AIM. Companies applying to the main market of the LSE must also have a prospectus approved by the Financial Conduct Authority and have a market capitalisation of at least £30.0m. For admission on AIM, none of these requirements must be met.

## The Aquis Stock Exchange

The Aquis Stock Exchange (AQSE) was created in 2020 when Aquis Exchange PLC acquired the NEX Exchange business from CME Group. Aquis offers trading for smaller and mid-cap companies as it is smaller than the LSE and AIM, with around 100 companies listed. The Aquis exchange is split into two market segments: Access and Apex. Access is aimed at early-stage businesses, while Apex is for more established growth companies. The exchange is regulated by the Financial Conduct Authority and operates under the same regulatory regime as AIM, rather than the Main Market of the LSE. The market is designed to provide a more cost-effective way for companies to raise capital and is a more viable option for smaller companies, which may struggle with the high costs and administrative burden of larger, more traditional exchanges. The exchange focuses on growth businesses across all sectors, one of the largest of which is The Smarter Web Company.

# Aquis Exchange— Alasdair Haynes

“Aquis Stock Exchange was created to challenge monopolies,” says founder and President Alasdair Haynes. Created in 2012, Aquis Exchange has since evolved into a three-part group. Aquis Markets operates a subscription-based exchange offering pan-European cash equities trading. Alongside it, Aquis Technologies licenses its trading technology to other exchanges. Aquis Stock Exchange (AQSE), the most recent addition to the group, is a UK-regulated market aimed at smaller companies. AQSE is one of only two active recognised investment exchanges for equities in the UK, positioning itself as a venue for businesses at an earlier growth stage that want the transparency of a public market.

For high-growth businesses considering going public, Haynes is clear about the current challenges. “The IPO process is too expensive and too slow. Our own IPO at Aquis in 2018 took months, which makes it extremely difficult for a small, fast-growing company to access

public markets.” He stresses that regulation, while necessary, can also create unintended barriers: “When investors are held back, companies cannot raise capital. Without capital there is no trading, and without trading, there is no liquidity.”

Haynes argues that cultural attitudes must also evolve if the UK is to support a stronger IPO market. “In the United States, the public has been actively encouraged to participate in the public markets. In the UK, equities are often portrayed as excessively risky. Yet many people trade cryptocurrency every week. That perception must change. Regulated markets are not inherently risky; their very purpose is to uphold standards.”

Tax incentives, he believes, could be a powerful catalyst for growth. “If capital gains relief were extended to retail investors in small-cap and microcap stocks on regulated growth markets, it would deliver a net gain for the government. If a company fails, there is no tax to collect. If it succeeds, it pays corporation tax, creates employment, and contributes to economic growth. Investors win, issuers win, and the government wins. It is a straightforward proposition.”

For founders weighing international options, the issue of valuations is often decisive. “If a founder is told they can achieve a valuation 50% higher in the United States, very few will turn that down. Listing there is more expensive,

but the valuations are higher although may be harder to maintain.” Nonetheless, Haynes stresses that the UK is still attractive: “London has the infrastructure, the talent, and the capability. Among international professionals, London and New York remain the two most desirable centres in which to work.”

Aquis’ recent acquisition by SIX Group further strengthens its international positioning. “Today, the London Stock Exchange is not a European exchange. SIX, with its reach into Spain, Switzerland, and the UK, has the ability to operate as a truly pan-European platform. That represents a major opportunity.” Looking forward, Haynes identifies two strategic priorities for exchanges and issuers: restoring confidence and widening participation. “Going to the market should not be regarded as an exit for venture capital. It should be a stage in the growth journey. Exchanges must innovate, compete with private equity, and re-engage the public. Without this, the ability to raise capital for vital UK businesses will be undermined.”

Above all, Haynes believes exchanges must return to their core mission. “Exchanges should not determine which sectors are right or wrong. Their role is to ensure governance is rigorous and markets are professional. If investors wish to buy and sell, the exchange should provide a platform for that purpose. That is their responsibility.”

# ***Market choices for growing companies***

# ***Understanding market choices for growing companies***

Companies on the AIM exchange have an average market capitalisation of £101m as of December 2024<sup>1</sup>. There are an estimated 716 private high-growth companies with a post money valuation higher than this.

Since AIM's inception in 1995, 4,000 companies have raised £48.0b at inception, meaning companies have raised an average of £12.0m of capital when they were admitted to on AIM<sup>2</sup>. There are approximately 2,900 UK high-growth companies that have raised £12.0m or more from private investors.

Companies currently admitted on Aquis have an average market capitalisation of £17.7m. This gives a comparable cohort of just over 4,000 private companies with a post-money valuation higher than this average. These same admitted companies have raised an average of £2.72m since listing. There are just over 8,000 private UK companies that have received at least this value of equity investment.

The calculations above provide a guide to the number of private companies at a comparable scale to those listed on public exchanges, but have chosen to remain private. There are several reasons why a company would continue to use the private market rather than go public. For one, raising money privately can be quicker and more flexible, with fewer regulatory requirements at the point of fundraising. In the private market, companies are not required to make disclosures to the public in order to raise capital, which can lead to time and cost savings. Private investors are also increasingly able to deploy significant amounts of capital to the right businesses. That said, due diligence processes in the private market have become increasingly rigorous. While an IPO may involve a higher bar at the outset, public listings can offer longer-term fundraising advantages. Once listed, companies often find it easier to raise follow-on capital due to immediate access to a broad pool of investors and the benefit of continuous disclosure requirements, which help ensure

up-to-date information is readily available to the market. This can simplify the process of launching new fundraising rounds.

However, staying private can also come with trade-offs. Access to capital can be more limited, especially for firms looking to raise very large rounds or scale internationally. Private companies may miss out on the visibility, credibility, and brand awareness that a public listing can bring. Remaining private can also limit liquidity for early investors and employees, who may face long waits for an exit opportunity or need to rely on secondary markets.

The increasing tenure of companies in the private market can also impact the UK economy. Companies that remain private are often funded through private equity or venture capital, which are sources typically available only to institutional or high-net-worth individuals. This means that the growth assets available to retail investors can be limited, which can restrict wealth creation for these individuals. International investors are increasingly prevalent in private funding rounds in the UK, which means that the economic benefits from UK-based companies may be reaped by entities outside the UK.

The new Mansion House Accord may help open up further opportunities in this space, with selected UK pension funds now pledging to invest in private assets. While this is not direct retail access to these private assets, it does allow retail investors to gain exposure via their pension schemes.

Publicly listed companies often generate more tax than private companies, with the top 100 largest UK companies (which includes some of the largest private companies) contributing to nearly 10% of UK tax receipts for the year up to 31 March 2024<sup>4</sup>.

<sup>1</sup> London Stock Exchange. 2024. "AIM | London Stock Exchange." Wwww.londonstockexchange.com. 2024.  
<https://www.londonstockexchange.com/raise-finance/equity/aim>.  
<sup>2</sup> "Since AIM's Inception in 1995." n.d. Accessed June 12, 2025.  
<https://docs.londonstockexchange.com/sites/default/files/documents/infographic-economic-impact-of-aim.pdf>.  
<sup>3</sup> <https://www.pwc.co.uk/tax/assets/pdf/total-tax-contribution-100-group-2024.pdf>



# ***Considerations for entrepreneurs on the path to IPO***

# M&A

For entrepreneurs, mergers and acquisitions (M&A) can offer a route to grow and increase the value of their business. While IPOs can provide access to public markets and external investment, mergers and acquisitions may help improve a company's position ahead of an IPO or be an alternative exit strategy.

One of the primary motivations for companies engaging in M&A is the opportunity for market expansion. Acquiring or merging with another business can provide immediate access to new customer groups or geographies. This can help companies broaden their reach without the cost and time associated with organic growth.

Companies may also undergo M&A to achieve economies of scale. When two businesses combine, they often integrate infrastructure and operations, leading to cost efficiencies. Shared functions, such as finance, IT or supply chains, can reduce duplication and cost. In the context of an IPO, these

cost improvements can have a positive impact on financial reporting and valuation.

M&A may also provide a way for existing owners, founders, or early investors to realise value from the companies. A deal may involve a full sale of the company or a partial sale with continued involvement. Payment can be a mix of cash, equity in the new combined entity, or performance-based payments over time. This level of flexibility is not always available in a public listing, which typically follows a standardised format. In some cases, companies use M&A as a preparatory step ahead of an IPO, allowing them to grow before entering public markets.

Depending on how an M&A transaction is structured, it can sometimes be more favourable than a direct sale or IPO. Tax liabilities might be deferred or reduced, making certain deal structures more appealing. While not the main driver, these financial implications often influence how deals are structured. For business owners, mergers and acquisitions can provide a means of developing their company, unlocking capital, or preparing for future steps, including an IPO.



# Recommendations

Despite signs of renewed momentum in UK public markets, the evidence presented in this report shows that significant challenges remain if the UK is to sustain a strong pipeline of high-growth companies. The UK has strengths in sectors such as application software, life sciences and fintech, but many companies are considering listing overseas. This is often due to perceptions of deeper capital markets, higher valuations and a wider pool of investors abroad. To address these issues and improve the appeal of UK public markets, several areas require attention.

One important step is to increase the flow of domestic capital into UK public equities, especially for high-growth companies. Although recent reforms like the Mansion House are signs of improvement, encouraging and incentivising pension funds and other large investors to allocate more capital to UK public markets could help improve liquidity and support valuations. Greater

participation by domestic investors would also send a positive signal about confidence in UK markets. This would give both founders and investors clearer reasons to pursue public listings in the UK rather than looking overseas for capital and market recognition.

Alongside the need for more capital, work needs to be done to simplify both the admission process and the ongoing requirements associated with being a public company. Consideration should be given to whether specific alleviations can be put in place for high growth companies, or markets like AIM and Aquis themselves. The FCA's regulatory updates in 2024 have already lowered some barriers, for instance by removing the requirement for a three-year revenue track record and easing rules around dual-class share structures. By working closely with market participants, regulators can identify further areas where the regulatory framework can be streamlined and made less expensive, without reducing the efficacy of measures designed to protect investors. A regulatory system that makes it easier for companies to list at an earlier stage could help ensure that public markets remain a viable option for high-growth companies.

It is also important to address the funding gap between early-stage and growth-stage investment. The UK has a strong early-stage ecosystem, but many companies

struggle to raise larger sums as they mature. Without sufficient growth capital, businesses risk being undervalued if they go public too early. Developing more specialist growth funds and patient capital initiatives could help businesses continue to expand and secure stronger market positions before going public.

The UK could also consider targeted measures to support key sectors where it holds competitive advantages, such as technology and life sciences. Sustaining the tax incentives currently provided in relation to 'unquoted' or 'unlisted' companies (Enterprise Investment Schemes, Venture Capital Trusts, Inheritance tax and Capital Gains) for companies that join domestic public markets for a limited period of time could improve the relative appeal of domestic markets for growing companies. These recommendations could help ensure that public markets remain an attractive and practical route for high-growth companies in the UK in the years ahead.

# Barclays Eagle Labs

Barclays Eagle Labs are an entrepreneurial network providing support to ambitious startup and scaleup businesses, particularly those that are focused on technology and innovation.

Our mission is to connect the UK's entrepreneurial ecosystem through our networks, support and expertise with the aim of helping businesses innovate and grow. We champion inclusivity and are committed to driving positive change and reducing barriers to entry for diverse founders.

We provide learning, dedicated growth programmes, access to experts and a collaborative community designed to help businesses on their growth journey through virtual support and physical spaces across the UK.

[Eagle Labs Academy](#) gives you access to free online courses that'll help you develop the skills you need to start or scale a business.

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# Aquis

Aquis Stock Exchange is a stock market providing primary and secondary markets for equity and debt products. It is authorised as a Recognised Investment Exchange, which allows it to operate a regulated listings venue. The AQSE Growth Market is divided into two segments 'Access' and 'Apex'; the Access market focuses on earlier stage growth companies, while Apex is the intended market for larger, more established businesses.

Aquis Stock Exchange is part of Aquis Exchange Ltd, Europe's challenger exchange which aims to create better markets for a modern economy. Aquis has market-leading technology and innovative rules for trading, and offer primary listings and secondary trading of equities, along with global licensing of proprietary technology.

Aquis is part of SIX: the provider and operator of stable and efficient infrastructure for the Swiss and Spanish financial centres. For more information, please go to [www.aquis.eu](http://www.aquis.eu).

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# Before you go

Get in touch if you would like to find out how we can support you and your business. We'd love to hear from you.



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