Innovation Banking

HSBC Venture Healthcare Report

Is it Over Now?
Investment sentiment turns positive as headwinds abate

Annual Report 2025

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Lead Author:

Jonathan Norris, Managing Director
HSBC Innovation Banking
jonathan.norris@us.hsbc.com

HSBC Innovation Banking

Lead Author

Jonathan Norris joined HSBC's Innovation Banking Division in April 2023. He manages healthcare venture relationships and works with investors and companies on commercial banking and debt products.

In addition, for more than fifteen years, Jonathan has written comprehensive reports on the venture healthcare ecosystem, covering venture fundraising, investment, valuations, and exits. These reports have been widely cited in the ecosystem, and he often speaks at major investor and industry conferences. He has more than 26 years of healthcare banking experience.

Jonathan earned a B.S. in business administration from the University of California, Riverside, and a J.D. from Santa Clara University.

Jonathan Norris

Managing Director
Jonathan.Norris@us.hsbc.com
Mobile: 650.885.6981
San Francisco, CA

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HSBC Venture Healthcare Report

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2025 Recap – Is it Over Now?

General Overview

The current down cycle has been difficult for both companies and investors. The past few years were marked by insider rounds[1] and extensions, a slowdown in new investment pace, limited IPO activity, and difficult macroeconomic stressors. Investors in 2025 sought to mitigate financing risk with $100M+ "mega rounds", but companies looking for their first financing and mid-stage companies looking for Series B – D struggled to attract new capital. Overall, 2025 investment was up from 2024, and most sectors showed increased activity, especially in Q4. Every sector benefited from AI-enabled technology investment, many securing up rounds[2] from diverse investors. As 2025 ends, we feel that headwinds for the venture healthcare industry appear to have eased, as public market performance has rebounded, macroeconomic factors have turned more neutral to favorable for investment, and private M&A and IPO activity have picked up. While it is naïve to say the downturn is completely behind us, we are cautiously optimistic for continued reasonable investment growth and a stronger exit environment in 2026.

Biopharma

- **First Financing mega rounds continue:** First-financing dollars remained steady in 2025, though quarterly numbers spiked in Q1 based on two $400M+ mega-rounds. There were 17 mega rounds in 2025, with an increase in Phase II and later stage financings (eight deals). Overall, preclinical financings were the most common stage, but we note a lack of traditional VCs in sub $50M first-financings.
- **Oncology first-financings down:** Oncology dollars declined, despite an increase in the number of deals. First-financing investment also declined in metabolic and autoimmune, while neuro and cardiovascular financings increased.
- **Overall investment stable:** Investment pace in biopharma was stable outside of $400M+ mega rounds. The top 20 deals in biopharma captured 27% of all sector funding. There were 76 mega rounds in 2025, down from 97 in 2024. China activity was a highlight, both as a source of in-licensed assets for newcos and pipeline additions, and as a competitor, with companies emerging from stealth and surpassing older venture-backed companies on the strength of their clinical data.
- **M&A and IPO activity:** M&A was a highlight for both private and public VC-backed deals, but higher invested capital cut into upfront multiples. IPO activity stalled.

Dx/Tools

- **First-financing slowdown:** First-financing slowed in Q2 and Q3, before picking up in Q4, likely a response to strong performance of recent IPOs and the successful public debut by BillionToOne. Six of the top 10 deals were comp bio[1] R&D Tool companies.
- **Overall investment slightly down:** Deals and dollars were well below 2020-2022 levels and slightly below 2024. The deals that did close were larger (28 $50M+ delas) and showed strong step-ups in valuation across rounds (1.4x median step-up among 82 deals with valuation data).
- **Subsector overview:** R&D tool investment was flat but highlighted by comp bio drug-discovery deals accounting for 12 of the top 20 deals. Dx Test activity fell overall, but investment was led by oncology and sepsis tests, many of which used comp bio technologies. Dx Analytics, down for the third consecutive year, was focused on cardiovascular for its largest deals. The largest Dx Analytics deal, Heartflow, subsequently went public with strong post-IPO performance.
- **M&A and IPO activity:** Private M&A remained muted, with only four commercial stage deals, but upfront deal value increased. There were two strong IPOs: Heartflow in dx analytics and dx test company BillionToOne.

Med Device

- **First-financing struggles:** First-financing felt more challenging, even as investment dollars remained relatively stable. Traditional VCs have prioritized later-stage investment, leaving the first-financing landscape dependent on smaller VCs, angels and family offices. Neuro and cardiovascular were investment bright spots.
- **Overall investment record:** 2025 set a record for med device investment, led by ultra mega rounds for Oura and Neuralink. Excluding those outliers, 2025 still marked a record year, led by 52 $50M+ financings. Neuro almost doubled investment from 2024, exceeding $2B, and NIM, cardiovascular and surgical (driven by robotics) each saw $1B+ invested, well above 2024 totals.
- **AI a key part of top deals:** AI in neuro (brain/computer interface "BCI"), surgical (surgical robotic plays), NIM and imaging (data analytics) dominated the larger deals, accounting for seven of the top ten largest financings.
- **M&A upfront strong, 4 IPOs debut:** Similar to 2024, M&A bounced back in 2H 2025, ending with ten deals and a record median upfront over $500M. Two companies secured $1B+ M&A deals. Two NIM companies, Kestra and Beta Bionics, went public in Q1and showed strong aftermarket performance with market caps over $1B. Carlsmed and Shoulder Innovations, two orthopedic companies, went public in Q3 and have traded flat.

HealthTech

- **First-financing activity recovers:** Following the steep decline that began in 2H 2023, investor confidence in early-stage HealthTech has recovered. Funding activity in 2025 exceeded the previous two years and average deal-size increased nearly 20% as investors made larger bets in select companies.
- **Overall investment marks a return to normal:** Deal activity is trending back toward a normal range as investor confidence improved alongside greater liquidity from exits and lower Fed Funds rates. Excluding Q4, total investment in each quarter in 2025 exceeded funding in each of the previous 8 quarters.
- **Workflow automation dominates, other subsectors accelerate:** As AI capabilities advance, automation of payer and provider workflows accounted for 35% of 2025 funding activity. Other subsectors saw faster year-over-year growth, including Health and Wellness (125%) and Specialty Care (45%), while Behavioral Heath funding declined (-37%), suggesting a maturing market.
- **Exit activity continues to rebound:** Overall M&A exceeded 2024 activity, providing important liquidity to the venture market. The successful IPOs of Omada & Hinge, combined with cheaper debt, positions 2026 for increased exit activity as large HealthTechs acquire smaller companies ahead of future IPOs and strategic mergers.

Note: Data from PitchBook as of 12/15/25.

1. Insider rounds defined as equity/convertible financings where only insiders participate, typically at smaller amounts.
2. Up round calculated using Pitchbook valuation data: Divide new pre-money valuation by previous round post-money valuation – if greater than one, deal is labeled as an up round.

Source: PitchBook, company websites, internal analysis.

Venture Healthcare Overview

2025

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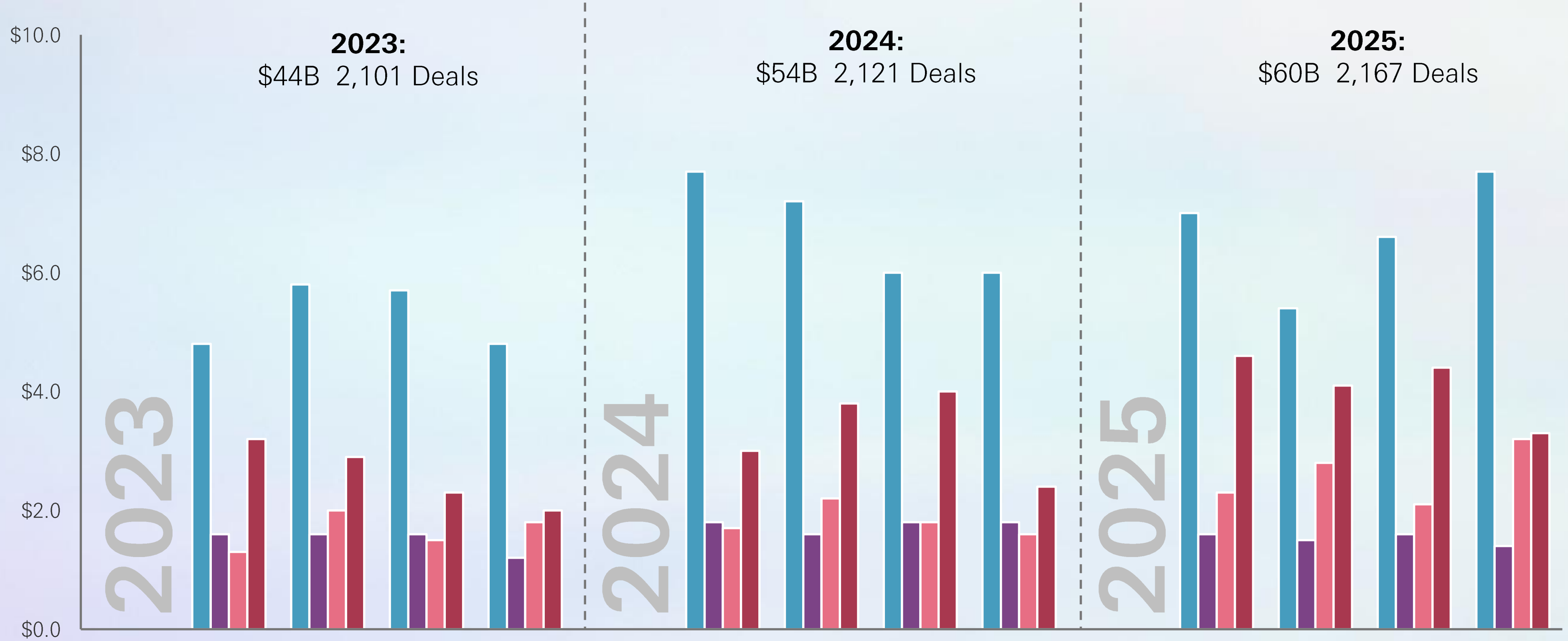
Venture Capital Investment by Healthcare Sector

Investment hits 3-year record in Q4 as headwinds abate

Healthcare Venture Investment Activity ($/Deals)

Investment ($ billions)



Quarterly Totals	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
$ Invested	$11.0B	$12.3B	$11.1B	$9.7B	$14.3B	$14.8B	$13.6B	$11.8B	$15.4B	$13.9B	$14.7B	$15.8B
# Deals	587	536	492	486	570	553	450	548	562	498	515	592

Biopharma Dx/Tools Med Device HealthTech[1]

2023–2025 US & Europe

Venture Healthcare's Wild Ride (2021-2024)
Healthcare venture investment peaked in 2021 at $90B, supported by strong IPO and M&A activity. Investment remained robust through mid-2022, but in 2H 2022, public market weakness stalled IPOs and forced valuation resets, as market performance of recent IPOs toppled. 2023 was defined by insider rounds[2] as VCs reassessed their private portfolio, supporting clear winners, while letting others struggle without additional capital support. 2024 saw continued insider extensions, but overall investment increased over 2023. With the lack of clarity for next round investor support, $100M+ "mega rounds" emerged. Large investor syndicates in mega rounds gave companies ample capital, with existing investors positioned to support future financing needs. There were 148 mega rounds in 2024, dominated by biopharma (97 deals), totaling $23B and representing 43% of all healthcare venture investment in the US and Europe.

2025: Tailwinds, Headwinds and Tariffs, oh my!
Early in 2025, strong IPO and M&A activity boosted healthcare investor confidence, which led to a surge in investing in the early part of Q1. However, later in Q1 uncertainty around tariffs, FDA strife, and market unease dampened enthusiasm and pushed venture healthcare back into a conservative stance. Investment in Q2 and Q3 were similar to 2024's lower pace, led by insider rounds and new mega round financings. Q4 2025 marked a turning point, with many investors shifting from a conservative to an active investment strategy, with renewed IPO hope, and strong public and private M&A. Mega rounds maintained dominance in 2025, with 135 mega round deals totaling $26B, representing 43% of total dollars.

Percentage of healthcare sector dollars per year

	2023	2024	2025
Biopharma	47%	50%	43%
Dx/Tools	13%	13%	11%
Med Device	14%	13%	17%
HealthTech[1]	28%	27%	29%

Note: Data from PitchBook as of 12/15/25. December 15-31, 2025 financing deals and dollars were estimated for this report.
1. HealthTech deals that overlap with other healthcare sectors are not counted in the HealthTech totals in this slide – including overlap, HealthTech investment was $12.7B in 2023, $14.6B in 2024 and $17.5B in 2025.
2. Insider rounds defined as equity/convertible financings where only insiders participate, typically at smaller amounts.
Source: PitchBook, company websites, internal analysis. Thanks to Mind Machine for slide strategy, creative, and design.

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Biopharma Early Stage: First-Financing Analysis (Seed/Series A)

2025

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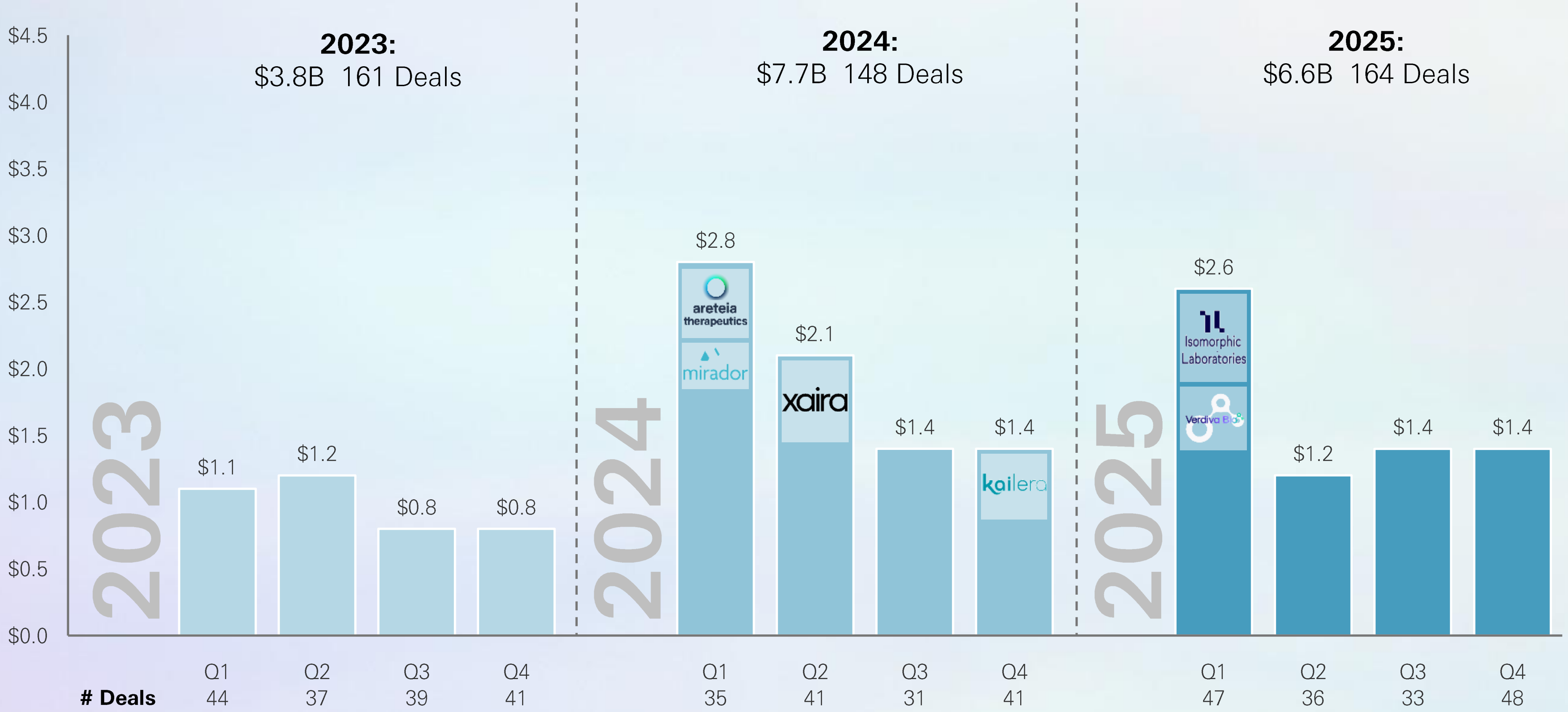
Biopharma First-Financing[1] Analysis

Steady pace of investment in 2025; Largest deals dominated by late-stage clinical mega rounds

Biopharma First-Financing Investment Activity ($/Deals)

Investment ($ Billions)



Logos represent $400M+ private financings of VC-backed deals.

Mega round first-financing remained dominant
Mega rounds became a prominent part of first-financing activity starting in 2024, addressing both rising drug development costs and financing risk mitigation. Large syndicates provided extended time to reach major valuation-creating milestones, with the backstop of insider support. In 2023, first-financing mega rounds were rare (six deals accounting for 22% of total dollars) but in 2024, this grew to 20 first-financing mega rounds, accounting for an astounding 64% of total dollars. This trend persisted in 2025, with 17 first-financing mega rounds accounting for 56% of total dollars. Most first-financings were for preclinical assets, but mega rounds skewed toward later-stage spin-outs from big pharma or China, with a distinct focus on phase II or phase III assets. These spin-out and in-licensing deals grew from 20% of first-financing mega rounds in 2024 to 47% in 2025.

Excluding $400M+ mega round outliers in the past two years, first financing has remained consistent around $1.4B per quarter.

Barbell of newcos and mega rounds for VCs
Traditional $20-50M first-financing rounds with 2-3 venture investors, where venture ownership is significant, but financing risk remains, have largely disappeared. There were only 11 deals under $50M that had a larger traditional biopharma investor in the syndicate, led by SV, F-Prime and Sante with two deals each. Despite the reduction in smaller first-financing rounds in 2025, newco startup activity from traditional venture investors continued to be robust. This raises questions about how many of these newcos will emerge from stealth with mega rounds versus traditional, smaller financings.

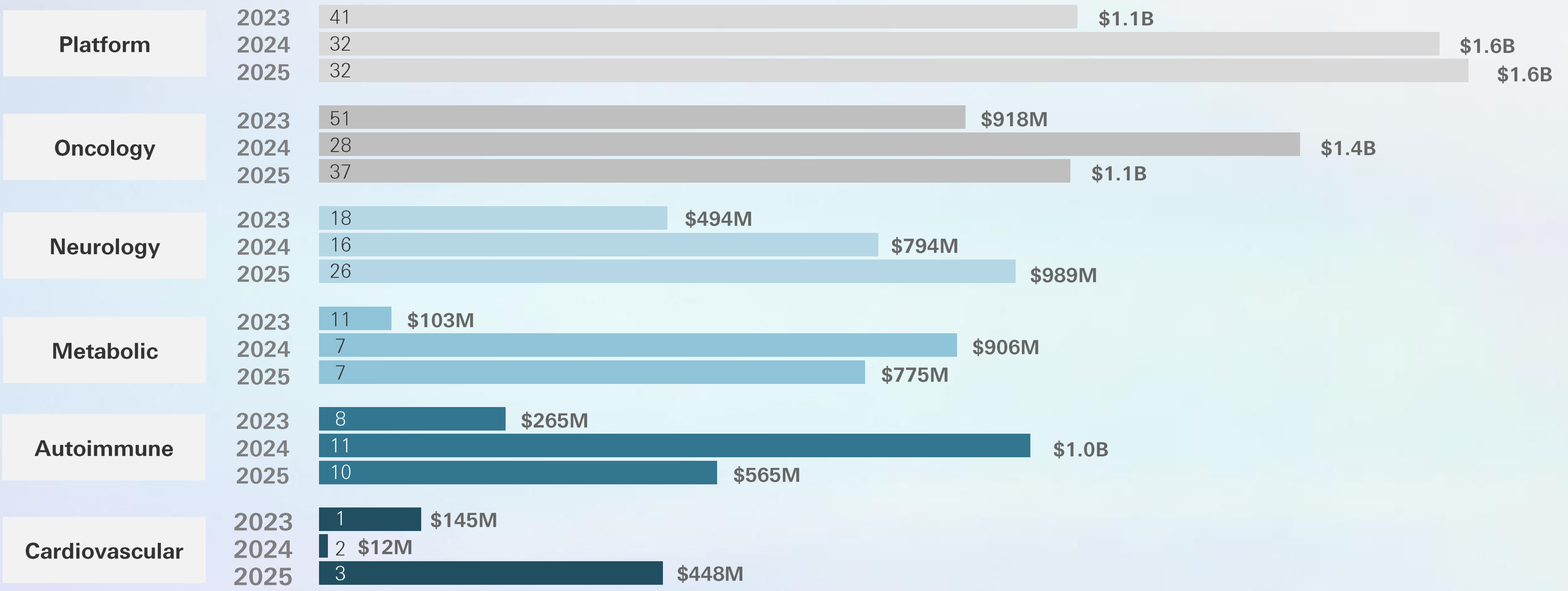
Selective pharma support of discovery deals
While conventional wisdom is that discovery/pre-clinical activity by pharma is on the decline, Lilly (six deals), Abbvie and Angelini (three deals each), and Pfizer (one deal) all invested in pre-clinical first financing deals in 2025.

Note: Data from PitchBook as of 12/15/25. December 15-31, 2025 financing deals and dollars were estimated for this report.
Covers private, venture-backed investment.
1. First-financing defined as initial Seed or Series A financing of $2M+.
Source: PitchBook, company websites, internal analysis. Thanks to Mind Machine for slide strategy, creative, and design.

Biopharma First-Financing[1] by Top Indications[2]

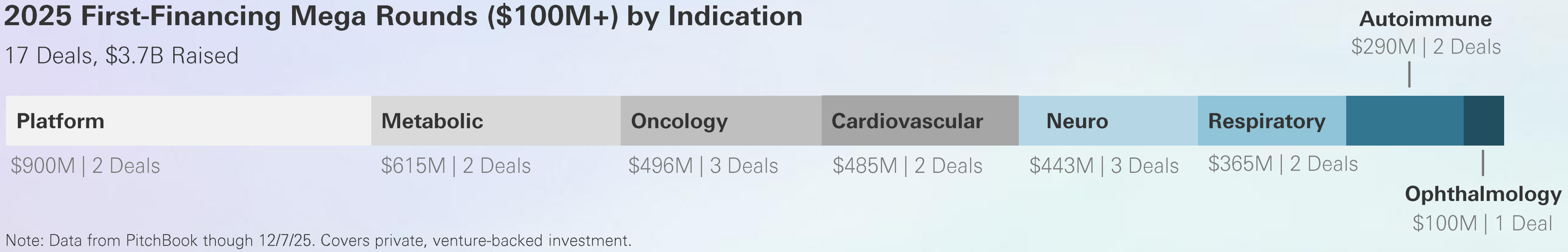
Neurology first-financing increases; mega rounds span multiple indications

Dollar Investment by Indication



2025 First-Financing Mega Rounds ($100M+) by Indication

17 Deals, $3.7B Raised



Note: Data from PitchBook though 12/7/25. Covers private, venture-backed investment.
1. First-financing defined as initial Seed or Series A financing of $2M+.
2. Indication defined as lead asset focus area or focus delineated in the company's website. If preclinical with multiple areas of potential focus, it is defined as Platform.
Source: PitchBook, company websites, internal analysis.

2023–2025 US & Europe

Seed deals rebound in 2025

Mega rounds dominated first-financing dollars in 2025, with 56% of total funds attributed to just 17 mega rounds. At the same time, seed-stage deals rebounded, with 70 seed deals in 2025 compared to just 40 in 2024 and 60 in 2023. Seed deals were concentrated in pre-clinical stage assets. The leading indications were oncology (22 deals), platform (16 deals), and neuro (nine deals). The median seed-stage deal size was $6M, with a median pre-money valuation of $11M (15 deals with valuation data).

Uptick in oncology deals, platform remains flat

Oncology led first-financing deal count in 2025, but dollars were down and distributed across small, medium, and large rounds. Consistent with 2023 and 2024, oncology first-financings were concentrated in pre-clinical assets (27 deals), with three mega rounds (two pre-clinical and one Phase II).

Platform first-financing investment was flat compared to 2024, with two mega rounds accounting for 56% of total platform dollars (Isomorphic Labs and Solve Therapeutics). The median platform deal size was $14M in 2025 compared to ~$20M in both 2024 and 2023.

Later-stage neuro and cardiovascular dollars surge

Neuro first-financing deals increased 62% year-over-year. There were nine seed deals (all but one preclinical) and three mega rounds, all clinical stage: Tasman, Ambros, and Alchemab.

Cardiovascular dollars increased to $488M from $12M in 2024, driven almost entirely by two mega rounds (Kardigan and Braveheart), both Series A financings with Phase II assets.

Metabolic and autoimmune dollars decline

Metabolic deals were concentrated in pre-clinical assets (five of seven deals), though both mega rounds were clinical stage (Verdiva Bio and Crystalys Therapeutics). Autoimmune first-financing dollars declined, with investment split evenly between pre-clinical and clinical stage deals.

Biopharma First-Financing[1] Largest Rounds

Phase II and Phase III deals account for nearly half the largest first-financing rounds; Bay Area remains the leading geography

Largest Investments in 2025

#	Company	Indication Stage	Size of Round ($M)	Deal Quarter	Location
1	Isomorphic Laboratories	Platform Preclinical (Comp Bio)	$579	Q1	London, UK
2	Verdiva Bio	Metabolic Phase I	$410	Q1	Guildford, UK
3	SOLVE Therapeutics	Platform Phase I	$321	Q4	Belmont, CA
4	Kardigan	Cardiovascular Phase II (Comp Bio)	$300	Q1	SSF, CA
5	Crystalys	Metabolic Phase III	$205	Q3	San Diego, CA
6	Windward Bio	Respiratory Phase II	$200	Q1	Basel, Switzerland
7	callio Therapeutics	Oncology Preclinical	$187	Q1	Seattle, WA
8	braveheart	Cardiovascular Phase II	$185	Q4	SF, CA
9	Timberlyne Therapeutics	Autoimmune Clinicals	$180	Q1	San Diego, CA
10	Antares Therapeutics	Oncology Preclinical (Comp Bio)	$177	Q2	Boston, MA
11	Tasman Therapeutics	Neuro Phase III	$175	Q1	SF, CA
12	Expedition Therapeutics	Respiratory Phase II	$165	Q4	SF, CA
13	Ambros Therapeutics	Neuro Phase III	$154	Q3	Irvine, CA
14	syncromune	Oncology Phase II	$132	Q3	Fort Lauderdale, FL
15	Alchemab Therapeutics	Neuro Phase I (Comp Bio)	$114	Q3	London, UK
16	RayThera	Autoimmune Preclinical	$110	Q2	San Diego, CA
17	ollin Biosciences	Ophthalmology Phase I	$100	Q3	Austin, TX
18	Newleos	Neuro Phase I	$94	Q1	Boston, MA
19	syndeio biosciences	Neuro Phase II	$90	Q2	Indianapolis IN
20	Stylus	Platform Preclinical	$85	Q2	Cambridge, MA

Numbers at a glance: 20 largest first-financing deals

The top 20 deals in 2025 raised $4.0B, accounting for 61% of all biopharma first-financing dollars. There was a clear later-stage skew, with nine of the 20 largest deals being Phase II or later, more than double the four in 2024.

Four comp bio deals (two now in clinical trials) appear among the largest financings, including Isomorphic Labs, Kardigan (Phase II), Antares and Alchemab (Phase I). In-licensed company creation was also well represented among the largest deals, with seven Asia-sourced assets and three pharma spinouts (non-Asia).

Stage

Phase II:	6 deals
Phase I:	5 deals
Preclinical:	5 deals
Phase III:	3 deals

Indication

Neuro:	5 deals
Platform:	3 deals
Oncology:	3 deals
Autoimmune, Metabolic, Cardiovascular	2 deals

Location

NorCal:	5 deals
SoCal:	3 deals
UK:	3 deals
MA:	3 deals

Most active investors in largest first-financings

Novo (five deals) and Orbimed (four) were the most active investors in the top 20 first-financing deals. Omega and Abingworth followed with three investments each, while Lightstone, RA Capital, Frazier, Lilly Asia, Arch, Logos, BVF and Eli Lilly each invested in two deals.

Note: Data from PitchBook though 12/15/25. Covers private, venture-backed investment.

1. First-financing defined as initial Seed or Series A financing of $2M+.

Source: PitchBook, company websites, internal analysis. Thanks to Mind Machine for slide strategy, creative, and design.

Biopharma Active Investors in Smaller First-Financings[1]

Investors that have completed multiple $2-12M early-stage investments

Active Investors[2] in Smaller First-Financing Pre-Seed/Seed/A Deals
($2-12m Deals, list not exhaustive)

- 10X Capital
- 2048 Ventures
- Actium
- age1
- Alumni Ventures
- Axial
- Boom Capital
- BoxOne
- Breakout Ventures
- Calm Ventures
- Civilization Ventures
- Compound
- Conscience
- Cure Ventures
- DCVC Bio
- Dimension
- Dolby Family Ventures
- Fifty Years
- Gaingels
- Hawktail
- KdT Ventures
- Lux
- Madrona
- Mission BioCapital
- NFX
- Pear
- Pillar
- Pioneer
- Playground
- Red Tree Venture Capital
- SOSV
- Two Bear Capital
- What If Ventures
- YK Bioventures

Note: Data from PitchBook though 12/15/25. Covers investors who did at least two smaller venture-backed biopharma investments in the United States since 2024.
1. First-financing defined as initial Seed or Series A financing of $2M+.
2. Investors with more than one small early-stage investment since 2024. We have not included firms that predominately create their own newco companies.
Source: PitchBook, company websites, internal analysis and conversations with investors. Thanks to Mind Machine for slide strategy, creative, and design.

Biopharma Investment: All Venture Deals

2025

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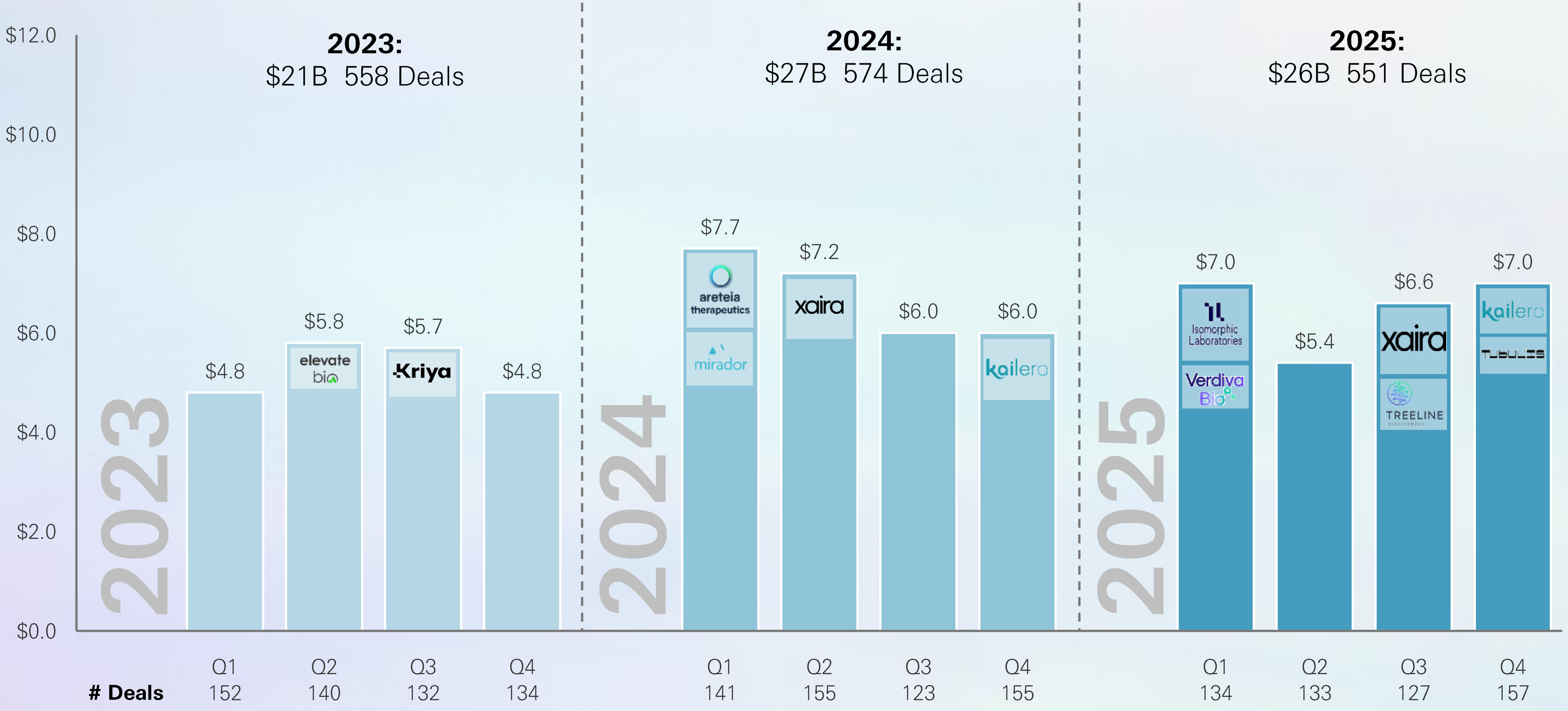
Biopharma Analysis (All Deals)

Stable investment outside of $400M+ mega rounds

Biopharma Investment Activity ($/Deals)

Investment ($ Billions)



Logos represent $400M+ private financings of VC-backed deals.

2023–2025 US & Europe

Mega Round deals account for more than half of all biopharma financing dollars in 2024-2025

Mega round deals declined by 21 from 2024 (97) to 2025 (76), although total dollars raised through mega rounds remained similar ($16B in 2024 and $15B in 2025), representing 59% and 57% of total biopharma dollars, respectively. The continued prevalence of mega rounds provides both financing risk mitigation and access to larger capital pools, enabling companies to pursue bigger market opportunities that require more extensive clinical trials typically undertaken by big pharma. However, mega rounds are not immune to technology risk, as seen by Areteira's wind-down after a $425M financing in 2024. Another concern is that higher post-money valuations may cut into exit multiples. In 2025, median dollars invested in private M&A rose to $181M while upfront median exit multiples for last round investors[1] were just 1.4x - not the upfront multiples we are used to for a biopharma winner.

Later-stage mega rounds in 2025 showed strong valuation step-ups. The top three mega rounds by step-up multiples were NewLimit's Series B at 4x, Pledge's Series B and Xaira's Series A, both at 3x.

China: worthy opponent for investment dollars and an amazing opportunity for accelerated data.

China's innovation and its ability to generate clinical data rapidly puts it in a unique competitive position for top venture investors. Recent venture-created newcos and startups are increasingly monitoring competing assets with data emerging from China. At the same time, many early-stage venture investors have teams reviewing China-based assets for in-licensing and US company formation. A potential risk for VCs is increased pharma engagement with China-based assets (removing VCs from the equation). It will be interesting to see how venture investors (and big pharma) engage with the China biotech ecosystem in 2026 – and ramifications for US/European investment, drug development, and acquirers.

Series C+ deals find new investment, at a discount

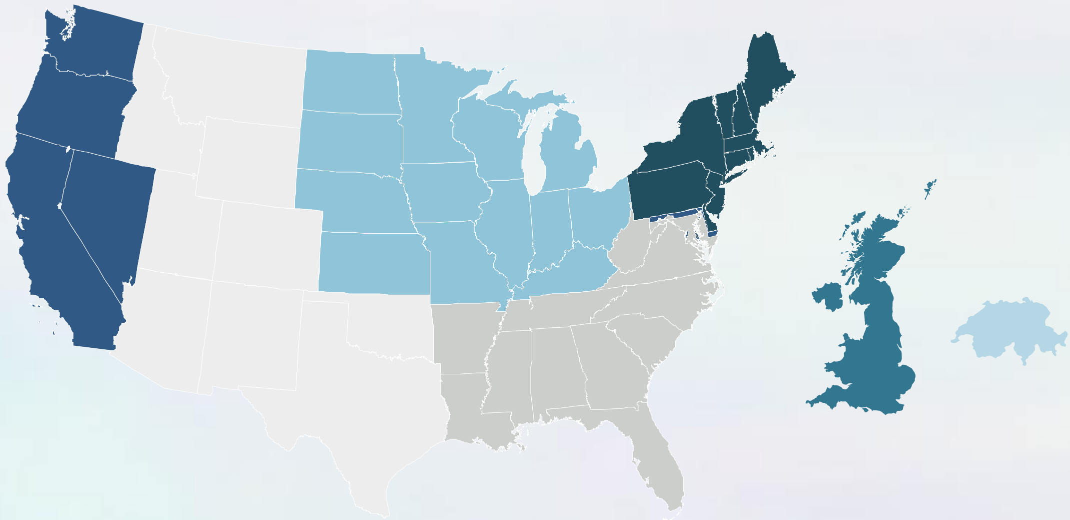
Series C and later deals were able to secure new investor-led rounds in 2025, compared with heavier reliance on insider rounds and extensions in 2023 and 2024. However, deals with valuation data show a 2:1 down round ratio. Down rounds were concentrated in phase II assets, with oncology as the leading indication. However, in these deals, median raise sizes remained relatively strong at $80M.

Note: Data from PitchBook as of 12/15/25. December 15-31, 2025 financing deals and dollars were estimated for this report.
Covers private, venture-backed investment.
Source: PitchBook, company websites, internal analysis. Thanks to Mind Machine for slide strategy, creative, and design.

Biopharma Deal Activity By Region

West and Northeast dominate investment dollars, but both are down versus 2024

Dollar Size by Region



Notable Deals 2025

West	Northeast	UK	Midwest	Switzerland	Southeast
xaira	Treeline Biosciences	Isomorphic Laboratories	Pathos	Numab	Tune Therapeutics
eikon therapeutics	Odyssey Therapeutics	Draig Therapeutics	Wugen	Windward Bio	Atsena Therapeutics
Kriya	kailera	Verdiva Bio	syndeio biosciences	Glycoera	ReAlta Life Sciences
Solve Therapeutics	MapLight	cellcentric	Cindome	ReproNovo	syncromune

Note: Data from PitchBook as of 6/30/25. Covers private, venture-backed investment.
1. Most Active Investors only include investment into a new portfolio company, not follow-on financings.
Source: PitchBook, company websites, internal analysis. Thanks to Mind Machine for slide strategy, creative, and design.

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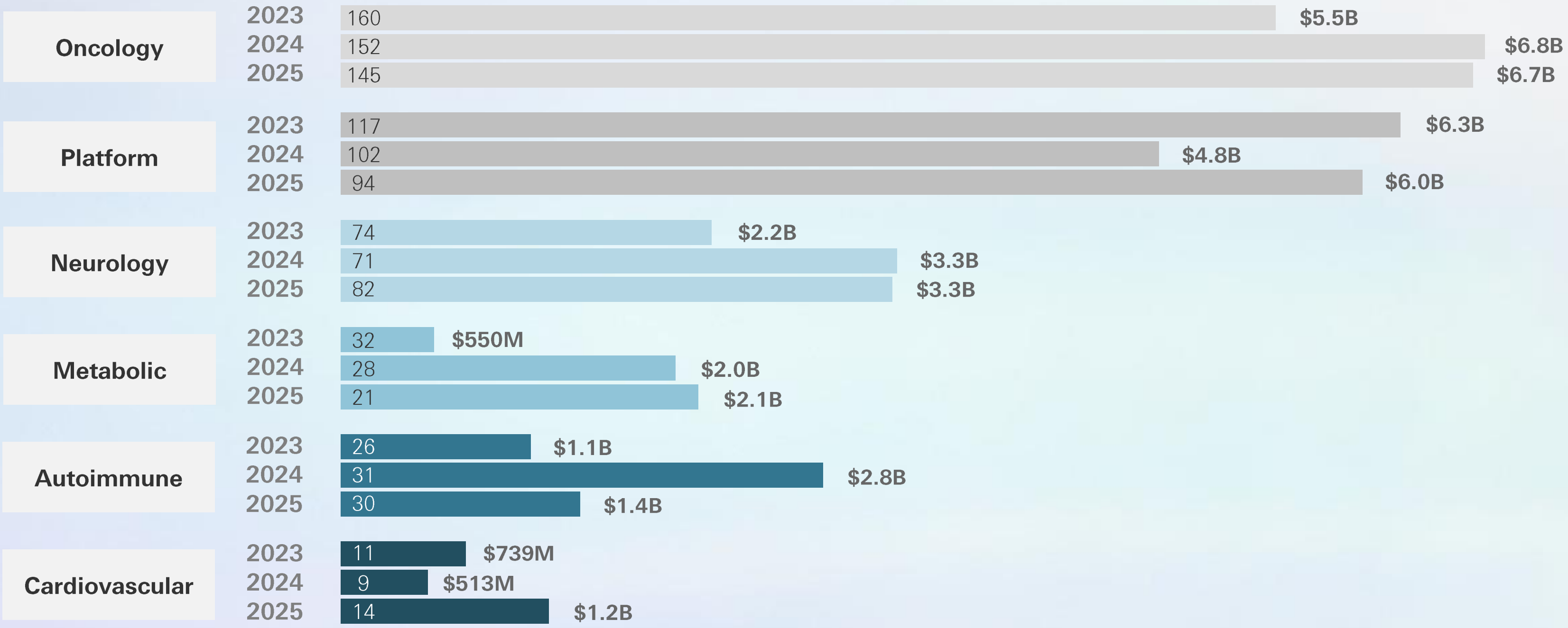
Biopharma Investment by Top Indications[1]

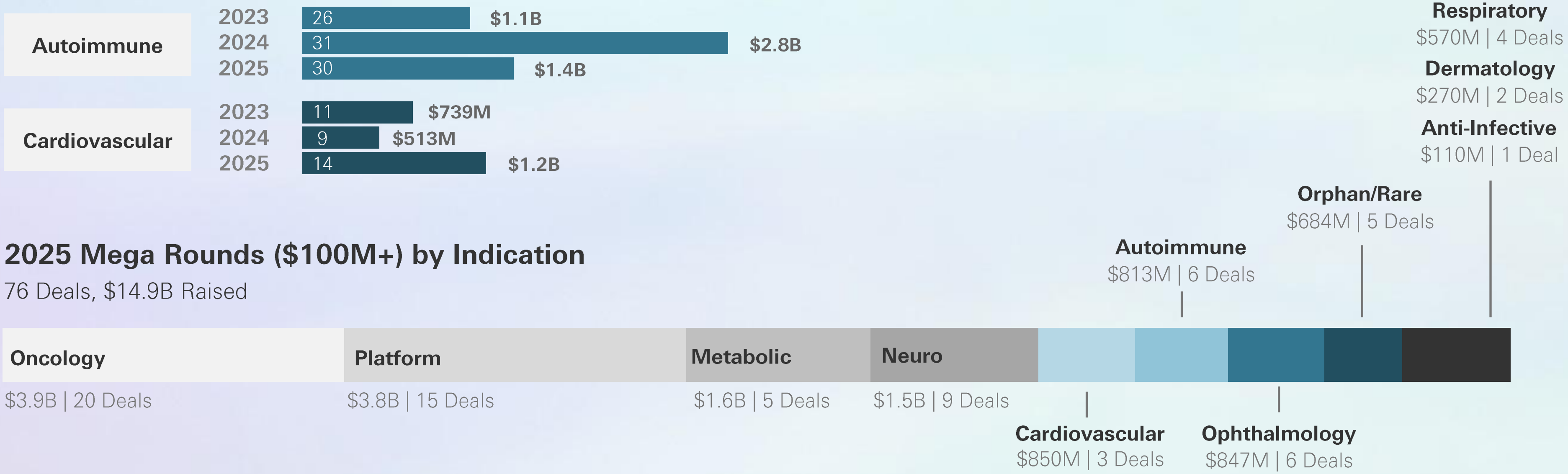
Platform dollars rebound; Oncology, Neurology, Metabolic investment in line with 2024

Dollar Investment by Indication



2025 Mega Rounds ($100M+) by Indication

76 Deals, $14.9B Raised



Oncology mega rounds prevail
Oncology was the top indication in 2025, with total dollars invested in-line with 2024 levels. However, total deal counts declined, reflecting continued concentration in mega rounds. Interestingly, there were fewer oncology mega rounds in 2025 (20 deals) than in 2024 (26 deals), indicating an uptick in mega round check sizes. Four oncology deals exceeded $300M in 2025, with dollars concentrated in clinical-stage comp bio companies. The top three oncology modalities by dollars in 2025 were comp bio ($1.5B), ADCs ($950M), and cell therapy ($534M).

Platform dollars rebound
Platform investment increased to $6.0B in 2025 following a sharp decline in 2024. While pre-clinical stage deals comprised most platform dollars, multi-indication Phase I deals surged in 2025, increasing to $1.3B (11 deals) from $56M in 2024 (three deals) and $286M in 2023 (six deals). This uptick may reflect renewed market interest in platform models with demonstrated validation, particularly those capable of generating multiple programs with downstream M&A opportunities.

Neuro and Metabolic dollars flat
Neuro investment remained flat year-over-year, though total deals increased to a three-year high (82 deals). Larger financings skewed toward later-stage, with 12 of the 21 deals exceeding $50M in Phase II or Phase III trials, alongside four pre-clinical deals. Neuropsychiatric activity increased to five deals in 2025, up from three in 2024 and two in 2023.

Metabolic closed five $100M+ mega rounds, led by Kailera ($600M). These metabolic deals were primarily Phase III (three deals), with one pre-clinical and one Phase I. It will be important to track whether these companies emerge as near-term M&A or IPO candidates in the crowded metabolic space.

Autoimmune investment dips to 2023 levels
Following a strong growth year in 2024, autoimmune investment decreased by 50% in 2025, mirroring its decline in first-financing dollars. Fewer dollars were invested across all stages, though total deals were in-line with 2024. There were six autoimmune mega rounds in 2025, including one China-licensed deal (Timberlyne), and five additional $50M+ financings.

Note: Data from PitchBook though 12/7/25. Covers private, venture-backed investment.
1. Indication defined as lead asset focus area or focus delineated in the company's website. If preclinical with multiple areas of potential focus, it is defined as Platform.
Source: PitchBook, company websites, internal analysis.

Biopharma Largest Rounds (All Deals)

Later-stage and Comp Bio dominate largest financings; diverse group of crossover investors back multiple deals

Largest Investments in 2025

#	Company	Indication Stage	Size of Round/ ($M) Step-up?[1]	Quarter/ Round	Location
1	xaira	Platform Preclinical (Comp Bio)	$800 (3.6x)	Q3 A	SSF, CA
2	Treeline Biosciences	Oncology Phase I (Comp Bio)	$622	Q3 A	Watertown, MA
3	kailera	Metabolic Phase III	$600	Q4 B	Waltham, MA
4	Isomorphic Laboratories	Platform Preclinical (Comp Bio)	$579	Q1 A	London, UK
5	Verdiva Bio	Metabolic Phase I	$410	Q1 A	Guildford, UK
6	Tubulis	Oncology Phase II	$400	Q3 C	Planegg-Martinsreid, Germany
7	MapLight	Neuro Phase II	$373 (0.9x)	Q3 D	Burlington, MA
8	Pathos	Oncology Phase II (Comp Bio)	$365 (2.0x)	Q2 D	Chicago, IL
9	eikon therapeutics	Oncology Phase III (Comp Bio)	$350	Q1 D	Hayward, CA
10	Solve Therapeutics	Platform Phase I	$321	Q4 A	Belmont, CA
11	Kriya	Platform Phase I	$320 (1.6x)	Q3 D	Palo Alto, CA
12	Kardigan	Cardiovascular Phase II (Comp Bio)	$300	Q1 A	SSF, CA
13	Kardigan	Cardiovascular Phase III (Comp Bio)	$254	Q4 B	SSF, CA
14	Odyssey Therapeutics	Platform Phase II	$213	Q3 D	Boston, MA
15	Aviceda Therapeutics	Ophthalmology Phase II/III	$208	Q1 C	Cambridge, MA
16	Crystalys	Metabolic Phase III	$205	Q3 A	San Diego, CA
17	abcuro	Autoimmune Phase III	$200 (1.9x)	Q1 C	Newton, MA
18	numab	Platform Phase I	$200	Q1 C	Horgan, Switzerland
19	Souffle therapeutics	Platform Preclinical	$200	Q4 A	Watertown, MA
20	Windward Bio	Respiratory Phase II	$200	Q1 A	Basel, Switzerland

Valuation[1] Step-Up Flat Rd Step-Down

2025 US & Europe

Later-stage and Comp Bio highlight largest deals

The top 20 deals accounted for just 4% of all biopharma financings but captured 27% of total venture dollars, as mega rounds increased in scale. This top 20 total represents a three-year high compared to 2023 (23% of all dollars) and 2024 (24%). The three largest deals all closed in 2H 2025.

Later-stage (phase II and III) deals captured 12 of the 20 largest rounds of 2025, up from 10 in 2024 and eight in 2023.

Comp Bio deals accounted for three of the top four spots, and seven of the largest 20. Three distinct comp bio categories were represented among the largest deals: AID (AI optimization and discovery of novel targets), IPI (insight platforms), and CRP (clinical response prediction). Additional detail on comp bio activity is discussed in our Comp Bio section.

Numbers at a glance (largest 20 deals)

Stage

Phase II & III: 6 deals each
Phase I: 5 deals
Preclinical: 3 deals

Indication

Platform: 7 deals
Oncology: 4 deals
Metabolic: 3 deals
Cardiovascular: 2 deals

Location

MA: 7 deals
NorCal: 6 deals
UK: 2 deals

The most active investors in the top 20 deals included VCs Novo (four), Orbimed and Forbion (three each), along with growth investors Blue Owl (three), General Atlantic (two) and crossover investors Abrdn (three) and Fidelity, T. Rowe Price, Logos, and Janus with two deals each.

Note: Data from PitchBook though 12/15/25. Covers private, venture-backed investment.
1. Step-ups calculated using Pitchbook valuation data for previous and new financing as follows: Divide new pre-money valuation by previous round post-money valuation.
Source: PitchBook, company websites, internal analysis. Thanks to Mind Machine for slide strategy, creative, and design.

Biopharma Most Active Investors[1]

VC and corporate investment hold steady; growth activity down versus 2024

First-Financing and Later Stage deals

VC[3]		Corporate[3]		Growth[2]	
12	Novo Holdings	18	Lilly	10	RA Capital
11	OrbiMed Healthcare Fund Management; Forbion Ventures	15	Sanofi	7	Cormorant Asset Management; Invus; Jeito
6	Versant Ventures; Andreessen Horowitz	12	Alexandria Venture Investments	6	Blue Owl Capital Corporation
5	Catalio Capital Management; NEA; Goldman Sachs; Sofinnova Partners	8	Regeneron Ventures	5	Janus Henderson Investors; QIA جهاز قطر للاستثمار Qatar Investment Authority
5 (tie)	Nextech; Qiming Venture Partners; SR One; YK Bioventures; Omega Funds	6	AbbVie; Angelini Ventures	5 (tie)	Logos Capital; EQT Life Sciences; Kurma Partners

Note: Data from PitchBook as of 12/15/25. Covers private, venture-backed investment.

1. Most Active Investors only include investment into a new portfolio company, not follow-on financings.
2. Growth Investors defined as investment firms that typically invest in later-stage companies that either are revenue scaling, or the round is anticipated to be the last before an IPO.
3. Note that families of funds are combined for this slide, as are corporate and corporate venture with the same parent.

Source: PitchBook, company websites, internal analysis and conversations with investors. Thanks to Mind Machine for slide strategy, creative, and design.

Biopharma Largest Post-Money Values[1]

Crossovers retreat from later-stage venture deals as Corporate and VC investment increased

Largest Post-Money Valuations in 1H 2025

Indication	Company	Quarter	Deal Size ($M)	Round	Post $ ($M)/ Step-up?[2]	Stage	Notable/Lead New Investor(s)
Platform (Comp Bio)	xaira	Q3	$800	A	$3,550 (3.6x)	Preclinical	Insiders
Platform (Comp Bio)	Isomorphic Laboratories	Q1	$579	A	$1,790	Preclinical	Corporate, VC
Platform	Kriya	Q3	$320	D	$1,700 (1.6x)	Phase I	Family Office, Angel
Oncology (Comp Bio)	PATHOS	Q2	$365	D	$1,600 (2.0x)	Phase II	Undisclosed
Metabolic (Comp Bio)	NewLimit	Q4	$45	B+	$1,600 (1.9x)	Preclinical	Corporate, VC
Platform (Comp Bio)	Enveda Biosciences	Q3	$150	D	$1,161 (1.6x)	Phase !	VC (Tech/Generalist)
Metabolic (Comp Bio)	NewLimit	Q2	$130	B	$825 (4.3x)	Preclinical	VC, Angel
Neuro	MapLight	Q3	$373	D	$816 (0.9x)	Phase II	PE, Asset Manager, Corporate, VC
Autoimmune	abcuro	Q1	$200	C	$700 (1.9x)	Phase III	Asset Manager, VC

Valuation[3] **Step-Up** **Flat Rd** **Step-Down**

2025 US & Europe

Comp Bio excitement drives early-stage deals
Six of the seven top post-money valuations from private financings in 2025 were comp bio deals. Most of these financings were preclinical or phase I (five of six) and all six deals with available valuation data showed step-ups in pre-money valuation (median step-up 2.0x).

Corporate support of top-valued deals continue
Corporate investors have remained consistent supporters of venture-backed biopharma deals for the past twenty years. Following the 2007 recession, as big pharma reduced their internal research arms, pharma pivoted to provide critical early-stage capital to Seed and Series A venture-backed innovation companies, supporting their next generation of potential pipeline additions.

Now, when late-stage and crossover investors pulled back from later-round private investment, corporates again played a larger role in supporting later-round deals as new investors. Since 2023, new corporate investors have participated in 12 of the top 27 post-money deals (44%). These corporates included Sanofi (three deals), Regeneron (three), Amgen (two), and Eli Lilly, Bayer, Pfizer, GV and NVIDIA with one deal each.

Return questions remain for these deals
The post-money values shown raise an important question around how significant returns are generated in these deals. Going public, then generating great data, remains the most straightforward path. However, IPO activity has been limited in recent years, making IPOs less accessible. Private M&A has shown the strongest median up-front and total deal values observed to date. However, 2025 private M&A medians (upfront of $925M and total deal value of $1.5B) do not consistently exceed a 2x upfront relative to the top post-money valuations of the past three years. The IPO window will be tested in early 2026, with multiple companies already preparing for the public market.

Note: Data from PitchBook though 12/15/25. Covers private, venture-backed investment.
1. Financing data based on information available from PitchBook, including post-money values and step-up, flat and down round calculations.
2. Step-ups calculated using Pitchbook valuation data for previous and new financing as follows: Divide new pre-money valuation by previous round post-money valuation.

Source: PitchBook, company websites, internal analysis. Thanks to Mind Machine for slide strategy, creative, and design.

Biopharma Investment: Private M&A and IPO Analysis

2025

HSBC Innovation Banking

Biopharma Private VC-Backed M&A[1] Analysis

Biopharma M&A vales rise alongside invested capital

M&A Median Values

Date	2019	2020	2021	2022	2023	2024	2025
Deals	15	20	15	9	6	17	17
Upfront ($M)	$250	$315	$370	$320	$305	$800	$925
Milestone TBE ($M)	$375	$138	$350	$100	$500	–	$450
Total Deal ($M) Median Total Yr Deal Value ($B)	$600 $17B	$608 $20B	$525 $8B	$405 $12B	$828 $7B	$1,100 $19B	$1,500 $26B
$1B+ Total Deal Value Exits	4 (33%)	7 (35%)	5 (33%)	3 (33%)	3 (50%)	10 (59%)	13 (76%)
# of Preclinical & Phase I deals[2]	10 (67%)	13 (65%)	9 (60%)	6 (67%)	5 (83%)	11 (65%)	9 (53%)

Notable VC-Backed Private M&A 2025

Scorpion → Lilly	Capstan Therapeutics → AbbVie	Elektrofi → Halozyme	Gilgamesh → AbbVie
Dren Bio → Sanofi	Araris → Taiho Pharma	Interius → Gilead	Arthrosi Therapeutics Inc → Sobi
SiteOne Therapeutics → Lilly	EsoBiotec → AstraZeneca	Renalys → Chugai	
IDRx → GSK	Vicebio → Sanofi	Halda Therapeutics → Johnson & Johnson	
Anthos → Novartis	Orbital → Bristol Myers Squibb	Bluejay Therapeutics → Mirum	

$1B+ Total Deal Value M&A

VC-backed Public M&A 2025[3]

Public M&A total deal value was $38B

Avidity Biosciences, Metsera, Akero, SpringWorks, Tourmaline, 89bio, Verve Therapeutics, CureVac, 2seventybio, Inozyme Pharma, iTeos Therapeutics, Cargo Therapeutics, HilleVax

Note:
1. Biopharma M&A defined as announced private, venture-backed M&A with an upfront payment of at least $75M, calculated on a best-efforts basis.
2. Stage defined as either preclinical or the last completed clinical round prior to M&A announcement.
3. Public companies included in this analysis are ones that IPO'd or reverse merged into public companies since 2019.

Source: PitchBook, public news articles and conversations with investors and companies. Thanks to Mind Machine for slide strategy, creative, and design.

2019–2025

$64B in public and private deal value from VC-backed companies

In 2025, total deal value for VC-backed M&A increased to $64B, including $26B in private VC-backed acquisitions and another $38B from acquisitions of VC-backed public companies that had IPO'd or completed reverse mergers since 2019. Many public deals entered the market at the pre-clinical or early clinical stage and were later acquired based on phase II or later clinical data. This elevated level of M&A activity provided returns to VC firms to help support subsequent fundraising efforts, but more importantly produced liquidity for crossover, hedge, asset managers and specialty public market investors, enabling reinvestment into new private financings and IPOs.

The total upfront for private M&A continued its two-year rise in 2025, nearly tripling the median yearly upfront from 2019-2023. More than three-quarters of private M&A in 2025 obtained total deal values equal or exceeding $1B.

Time to exit fast, but $ invested increases

The biopharma sector maintained the shortest median times to exit for private M&A across all healthcare sectors. In 2025 median time to exit from the first-financing was just 4.4 years. Over the past seven years, the annual median time to exit was also 4.4 years, with the longest median number, 5.2 years, recorded in 2021 and 2023.

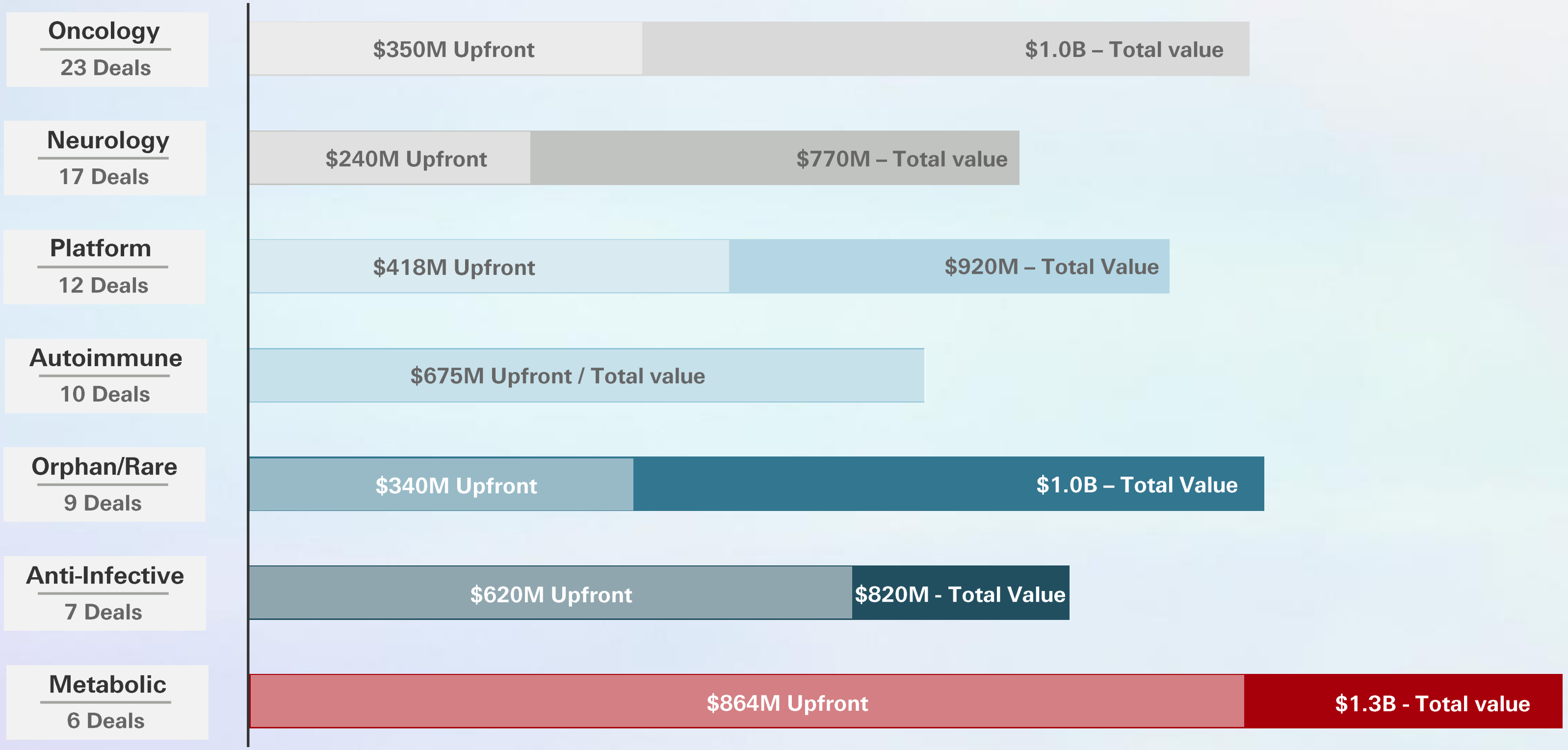
However, alongside larger deal sizes, median venture dollars invested prior to exits have also increased. From 2019-2023, median invested dollars per exit was $68M, with 23 of 65 exits (35%) occurring with $50M or less invested at the time of exit. Over the past two years, median invested capital per exit rose to $148M and $181M, respectively, with only six of 34 exits (18%) achieved with $50M or less invested.

The mega round financings has become a prevailing theme in private biopharma, and many of these acquisitions now follow companies that raised large first-financing mega rounds. This dynamic may contribute to compression in upfront multiples for the industry. In 2025, based on available last round post-money valuations, the median upfront private M&A multiple was just 1.5x.

Biopharma Private M&A by Top Indications[1]

Oncology leads exit activity; strong Phase II exit multiples

Private M&A Exits since 2019 with median deal values ($M)



2019–2025 US & Europe

Oncology leads private M&A
Oncology has been the leading indication for private, VC-backed M&A deals[1] since 2019, accounting for 24% of total exits (23 of the 99).

The top seven indications accounted for 85% of all biopharma private M&A activity since 2019. By upfront median, metabolic, autoimmune and anti-infective were the top three indications, while neurology and orphan/rare had the smallest upfront medians.

Stage[2] preference varies by indication
As expected, platform companies, defined as underlying technologies applicable across multiple indications, yielded the highest percentage of preclinical M&A exits at 58% (seven of 12), with oncology close behind at 52% (12 of 23). Within oncology, 74% of exits (17 of 23) were early-stage (preclinical and phase I).

For later-stage exits (phase II and later), neuro (six deals, 35%) and oncology (six deals, 26%) led by deal volume, while metabolic (four of six deals, 67%) and orphan/rare (five of nine deals, 56%) led by later-stage exit percentage.

Capital in/upfront multiples surprise in phase II
The ratio of capital invested divided by upfront deal value is a useful metric to assess returns based on the guaranteed upfront payment. As expected, early-stage exits achieved strong median multiples, with preclinical exits at 5.0x and phase I at 3.3x over the past seven years. Surprisingly, the phase II median multiple was 4.5x across 29 deals.

Acquirer activity
Abbvie and Novartis were the most active acquirers of VC-backed exits with nine deals each, followed by Merck, Roche and Sanofi with five each. AstraZeneca, Bayer, Gilead, J&J, and Takeda each completed four deals.

Note:
1. Biopharma M&A defined as announced private, venture-backed M&A with an upfront payment of at least $75M, calculated on a best-efforts basis.
2. Stage defined as either preclinical or the last completed clinical round prior to M&A.
Source: PitchBook, public news articles and conversations with investors and companies.

Biopharma Private VC-Backed IPO[1] Analysis

IPO activity down, but good post-IPO performance provides hope for a strong 2026

2019–2025

IPO Activity 2018–2024

Date	2019	2020	2021	2022	2023	2024	2025
VC-Backed IPOs	50	83	96	19	11	18	7

VC-backed IPOs 2025

Quarter	Company	Indication	Stage	Time to IPO[2]	Step-up to IPO[3]	IPO Dollars Raised ($M)	IPO Post Money ($M)	Performance to IPO Price (12/31)
Q1	Metsera	Metabolic	Phase II	0.4	Unknown	$275	$1,890	Acquired for $10B by Pfizer +289%
Q1	Maze Therapeutics	Renal	Phase I	5.9	1.0x	$115	$700	+158%
Q1	sionna	Genetic	Phase I	6.0	1.2x	$191	$765	+128%
Q1	aardvark therapeutics	Metabolic	Phase III	5.3	0.8x	$94	$342	-19%
Q3	LB pharmaceuticals	Neuro	Phase II	6.5	Unknown Down Round	$285	$336	+48%
Q3	MapLight	Neuro	Phase II	6.6	0.6x	$251	$704	+3%
Q4	evommune	Inflammation	Phase II	5.0	0.9x	$150	$481	+7%

Note:
1. Biopharma IPOs defined as private, venture-backed deals with an IPO raise of at least $25M.
2. Time to IPO calculated as years between first venture financing or spin-out and date of IPO.
3. Step Up/Down to IPO calculated as follows: divide last private round post-money valuation with IPO pre-money valuation.

Source: PitchBook, public news articles and conversations with investors and companies. Thanks to Mind Machine for slide strategy, creative, and design.

2024 IPO performance improved drastically over last six months

At the end of 2024, the median post-IPO performance for the 18 IPOs that year was -33%. Performance weakened further into 1H 2025, with 16 of 18 companies trading below IPO price, and median performance down an astonishing -76% at midyear.

However, by 2025 year end, 11 of 18 2024 IPOs were now trading above IPO price, and the collective market cap increased from $11.6B at the end of 2024 to $17.5B.

1H 2025 was a difficult mezzanine and public market

The IPO market was tough in 2025. An estimated 30+ companies could potentially have accessed the public market if sentiment mirrored what it was in Q1 2024. Instead of investing in private pre-IPO rounds, for the first three quarters VC and late-stage capital flowed toward biopharma PIPEs (private investment in public entities) in VC-backed companies that recently went public. PIPEs offer investors near-term less constrained liquidity, but diverted capital away from mid-stage private companies, making it harder for those companies to raise new rounds. Market conditions for private deals improved in late 2025, supported by increased public M&A activity. Public M&A returned capital to investors and positioned the sector for a stronger IPO environment in early 2026, with investors returning to support private late-stage financing rounds.

2025 IPOs trend later-stage, away from oncology

The seven IPOs in 2025 were predominantly later-stage, with five at phase II or III. The early 2025 IPOs performed strongly, including a notable M&A for Metsera, and strong post-IPO performance for phase I deals Maze and Sionna. By contrast, 2H 2025 IPOs were more stable in the public market, though all three raised down-round IPOs from the last private post-money valuation.

Dx/Tools Early-Stage: First-Financing Analysis (Seed/Series A)

2025

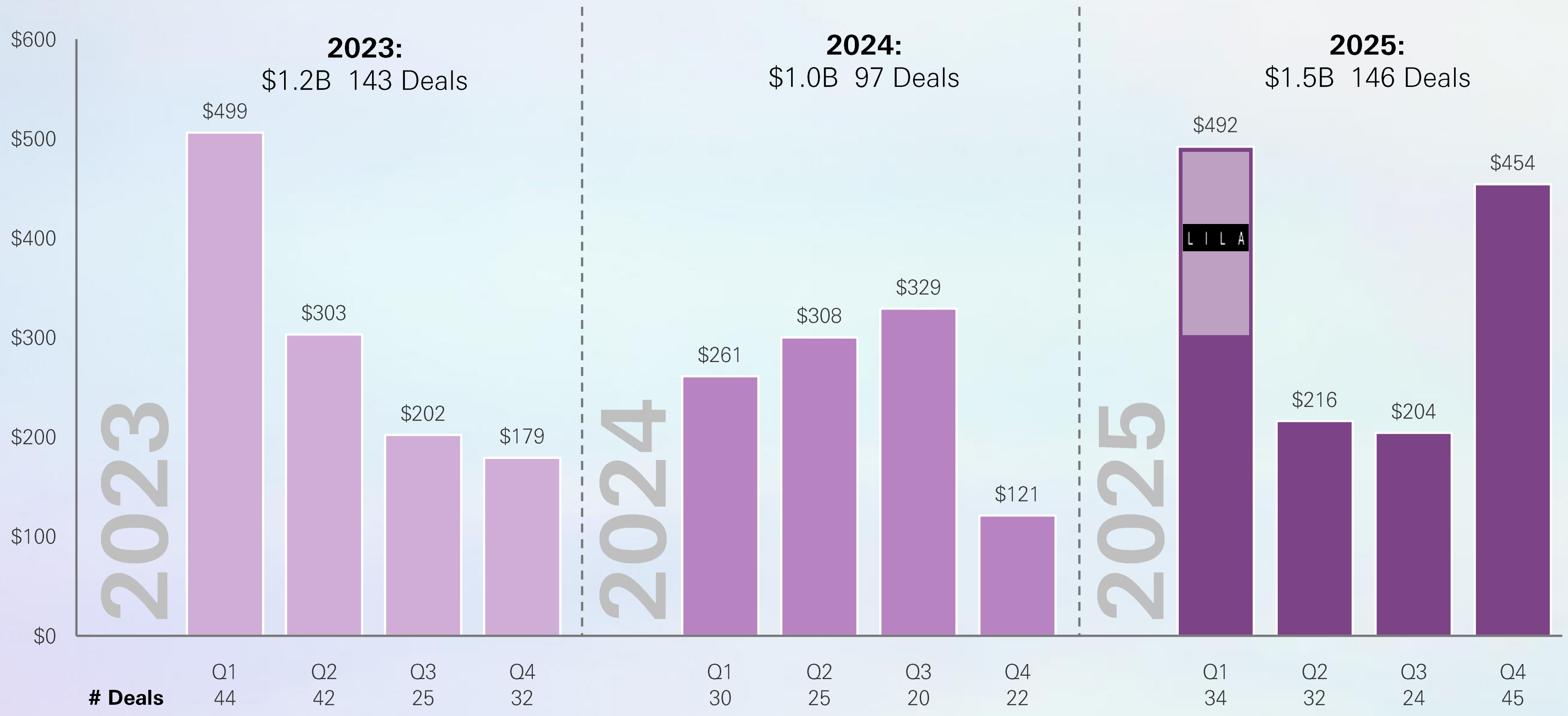
HSBC Innovation Banking

Dx/Tools First-Financing[1] Analysis

AI-enabled technologies dominate larger first-financings; R&D Tool deals help with Q4 surge

Dx/Tools First-Financing Investment Activity ($/Deals)

Investment ($ Millions)



Logo represents $200M private financing of VC-backed deal.

First-Financing struggles in 2025
Other than Lila Sciences ($200M seed round in Q1), the slower first-financings trend continued during the first three quarters, driven by macro-economic conditions that encouraged more conservative VC and growth investor activity. This was compounded by weak private M&A activity and largely closed IPO window. Larger first-financings during this period were primarily driven by comp bio R&D Tool companies.

Q4 upswing in investment and exits
Investment surged back in Q4, with the highest projected deal count in three years and strong investment dollars. Multiple factors contributed, including immense interest in AI-enabled life science tools, improved public market performance in recent IPOs such as Tempus and PE-backed Caris, and two VC-backed IPOs in 2H 2025, including BillionToOne's long anticipated debut in Q4.

AI-enabled technology interest
Among first-financings, seven of the nine largest deals were R&D Tool comp bio deals. These companies attracted a mix of healthcare and tech investors, alongside corporate participation. Traditional healthcare investors included firms such as Flagship, Deerfield, Dimension, Lux, Khosla, General Catalyst, Sofinnova Partners and Sutter Hill while tech-focused investors included Amplify Partners, Greylock, Founders Fund, and Next Play. Corporate investors spanned both life sciences (Eli Lilly) and tech (NVIDIA, OpenAI).

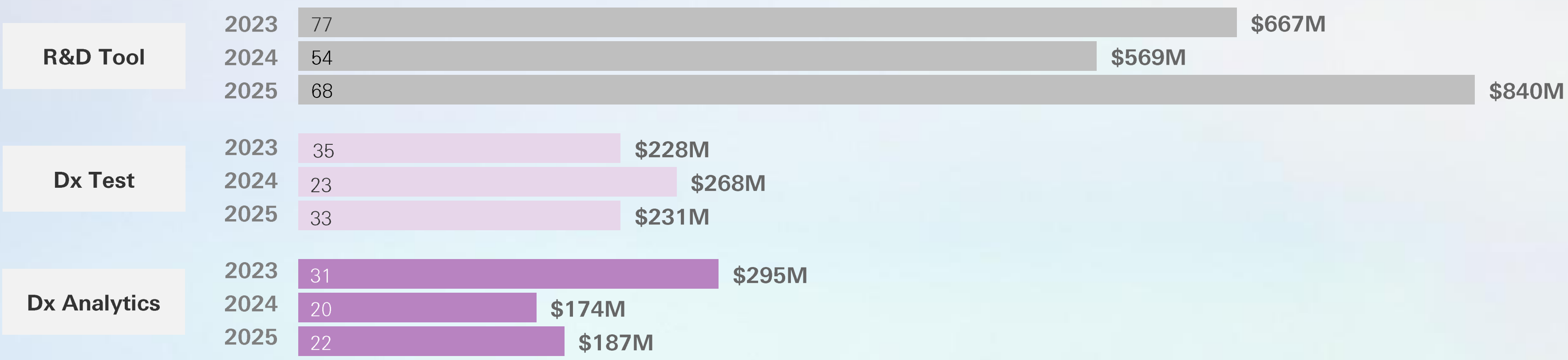
Largest Dx Test first-financings diversify beyond liquid biopsy
Dx Test first-financings over the past few years have been heavily concentrated in liquid biopsy (early cancer detection blood test). In 2025, only one of the top four $20M+ first-financings fit this profile (Lume Bioscience). The other three deals focused on personalized medicine (radiation therapy) and home-based testing, including women's health (Teal Health) and toxin detection (Valthos).

Note: Data from PitchBook as of 12/15/25. December 15-31, 2025 financing deals and dollars were estimated for this report.
Covers private, venture-backed investment.
First-financing defined as initial Seed or Series A financing of $2M+.
Source: PitchBook, company websites, internal analysis. Thanks to Mind Machine for slide strategy, creative, and design.

Dx/Tools First-Financing[1] by Subsector[2]

R&D tools fueled by comp bio; Dx analytics driven by Europe

Dollar Investment by Indication



Largest Rounds in 2025

#	Company	Indication	Size of Round ($M)	Deal Quarter	Location
1	LILA	R&D Tool Platform Tool (Comp Bio)	$200	Q1	Cambridge, MA
2	excelsior sciences	R&D Tool Molecule Synthesis (Comp Bio)	$95	Q4	New York, NY
3	Manas AI	R&D Tool Drug Discovery (Comp Bio)	$51	Q3	SF, CA
4	Achira	R&D Tool Drug Discovery (Comp Bio)	$33	Q1	New York, NY
5	See All	Dx Analytics Surgical Imaging	$33	Q2	Nashua, NH

#	Company	Indication	Size of Round ($M)	Deal Quarter	Location
6	NovaGray	Dx Test Oncology	$33	Q1	Montpellier, France
7	Valthos	R&D Tool Biodefense (Comp Bio)	$30	Q4	New York, NY
8	uncountable.	R&D Tool Lab Management (Comp Bio)	$27	Q2	SF, CA
9	Ridge Bio	R&D Tool Drug Discovery (Comp Bio)	$25	Q3	Palo Alto, CA
10	teal health	Dx Test Women's Health	$23	Q1	SF, CA

Note: Data from PitchBook though 12/15/25. Covers private, venture-backed investment.
1. First-financing defined as initial Seed or Series A financing of $2M+.
2. Subsector defined as central focus of the company delineated on the company's website.
Source: PitchBook, company websites, internal analysis. Thanks to Mind Machine for slide strategy, creative, and design.

Comp bio focus continued in R&D Tools
R&D Tool companies continued to dominate dx/tools first-financings over the past three years. In 2023, leading deals centered on gene and cell therapy manufacturing and optimization, while in 2024, radiopharmaceutical related companies secured the largest rounds. In 2025, 23 of 54 deals were comp bio companies, including 14 of the largest 18 financings, reflecting the growing role of AI as a key differentiator in life science tool technologies. R&D Tools comp bio investment was concentrated in drug discovery, as well as lab automation and biodefense.

Dx Test investment drops
Dx Test first-financing investment remained relatively stable over the past three years, though the focus evolved. In 2023, activity skewed toward commercial-stage investment for the top deals, with anti-infective accounting for one-third of deals, followed by oncology and neuro. Liquid biopsy (oncology) dominated the largest deals in 2024. In 2025, Dx Test activity broadened across indications, including both home-based and lab tests, as well as AI-enabled diagnostic services and imaging technologies.

Dx Analytics
Investment in Dx Analytics has declined from peak levels of $400-500M per year in 2021 and 2022. In 2025, European activity matched US activity by deal count (11 of 22 deals), with European companies securing two-thirds of total invested capital.

2025 Numbers (10 largest first-financing deals)
Subsector

R&D Tools	7 deals
Dx Test	2 deals
Dx Analytics	1 deal

Location

NorCal	4 deals
NY	3 deals

Dx/Tools Active Investors in Smaller First-Financings

Investors that have completed multiple $2-12M First-Financing[1] investments

Active Investors[2] in Smaller First-Financing Pre-Seed/Seed/A Deals
($2-12M First-Financing Deals, list not exhaustive)

Y 50
Alumni Ventures
American Cancer Society BrightEdge
crv
DCVC
kv
Civilization Ventures
illumina Ventures™
Keiretsu Forum
LabCorp Laboratory Corporation of America
Pear
Qiming Venture Partners
Magnetic
SeaX
LifeX
SpaceCadet

Note: Data from PitchBook though 12/15/25. Covers investors who did at least two smaller venture-backed biopharma investments in the United States since 2024.
1. First-financing defined as initial Seed or Series A financing of $2M+.
2. Investors with more than one small early-stage investments since 2024. We have not included firms that predominately create their own newco companies.
Source: PitchBook, company websites, internal analysis and conversations with investors. Thanks to Mind Machine for slide strategy, creative, and design.

Dx/Tools Investment: All Venture Deals

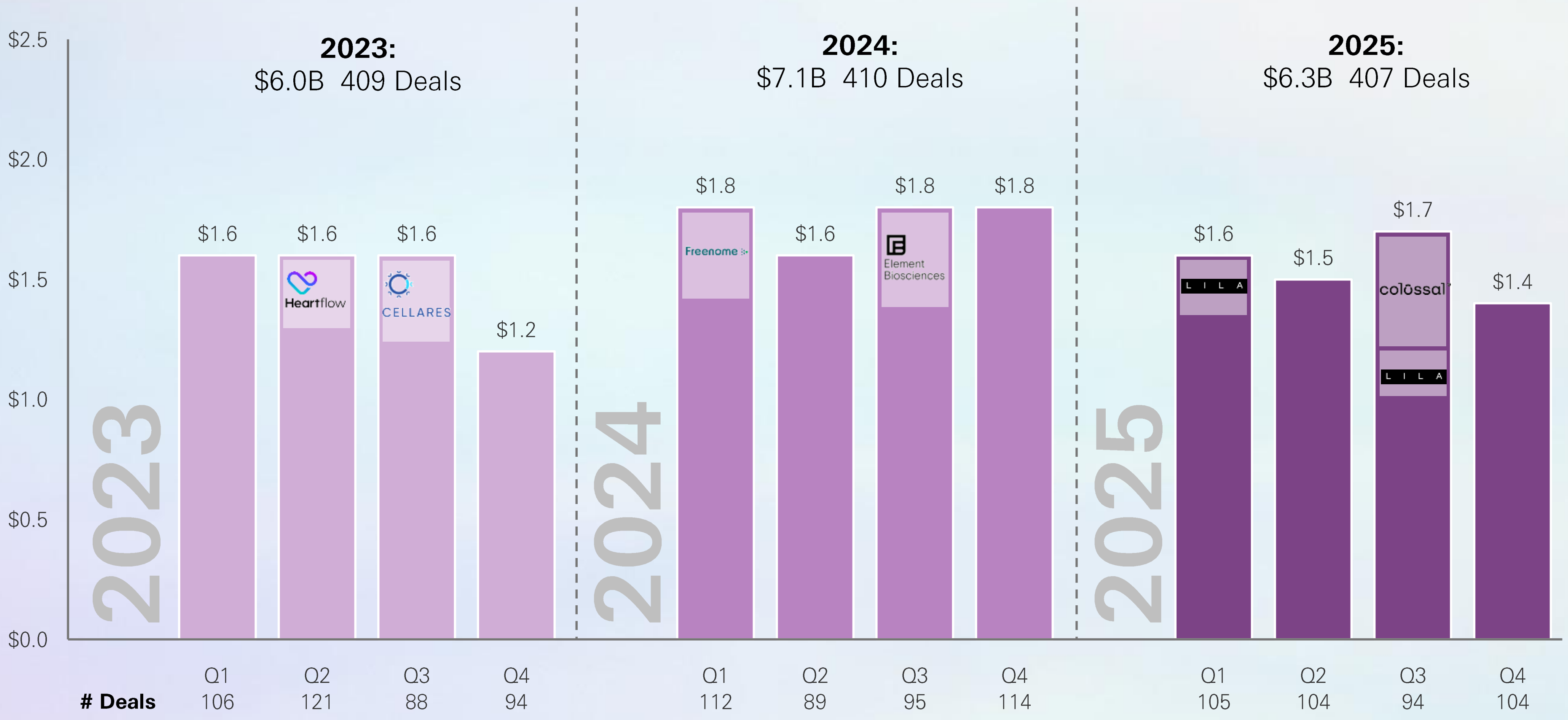
2025

HSBC Innovation Banking

Dx/Tools Analysis (All Deals)

Top R&D Tool deals secured largest fundings as a diverse set of Corporates remain active in the sector

Dx/Tools Investment Activity ($/Deals)
Investment ($ Billions)



Logos represent $200M+ private financings of VC-backed deals.

Investment consistent, but far from Covid 19 highs
Overall investment in Dx/Tools has remained consistent over the past three years, though still 30-50% below peak levels from 2020 and 2021. Deal activity in 2025 continued the trend toward larger later-stage rounds, many of which achieved step-ups. However, the largest 10% of deals accounted for a smaller percentage of dollars in 2025 (28%) compared with 2024 (44%), signaling increased activity in the $30M-90M round range. Top companies are still rewarded with step-up rounds in this sector. Among deals with valuation data, step-up rounds outnumbered down-rounds by 3x (58 vs.16), alongside eight flat rounds. The median step-up for Dx/Tools deals in 2025 was a lofty 1.4x.

Larger deals dominated by R&D Tool companies
R&D Tool companies (seven deals) and Dx Test companies (six deals) represented 13 of the 15 largest deals in 2025. Of the 28 financings exceeding $50M in 2025, R&D Tools accounted for 50% (14), with seven each in Dx Test and Dx Analytics. Among the $50M+ deals with valuation data (15 deals), 13 were step-up rounds, including three of the largest R&D Tool financings: Colossal's Series C (6x step-up), Profluent's Series B (3x step-up) and Chai's Series A (2x step-up and its second financing of 2025).

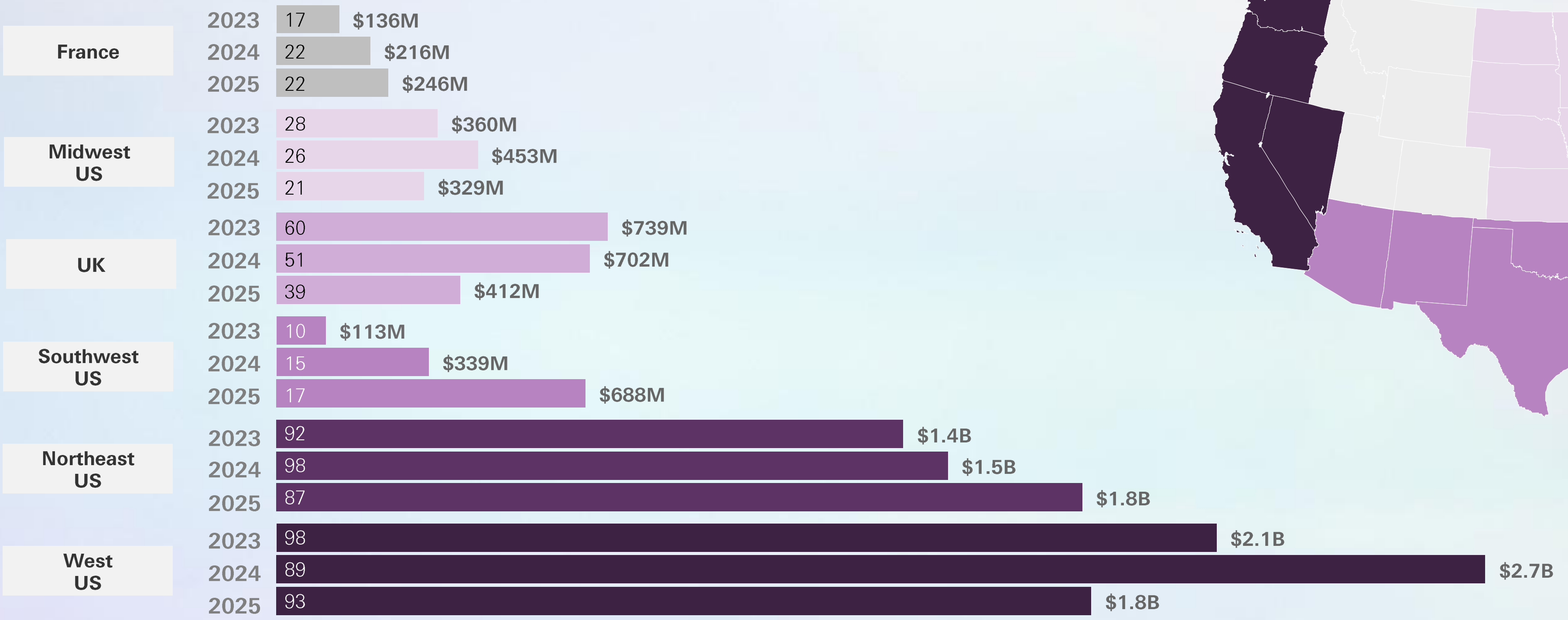
Diverse corporate investor support
Twelve of 37 deals over $40M (33%) included a new corporate investor in their syndicate in 2025. Among the six R&D Tool deals with corporate investment, all comp bio, pharma investors included Lilly (2), BMS, and Merck, as well as Open AI and Hitachi. The three Dx Test financings attracted the most diverse set of investors, including Lab Corp and Bio-Rad, Roche, Hologic and health system Cedars Sinai. The two Dx Analytics deals had participation from Boston Scientific and Samsung.

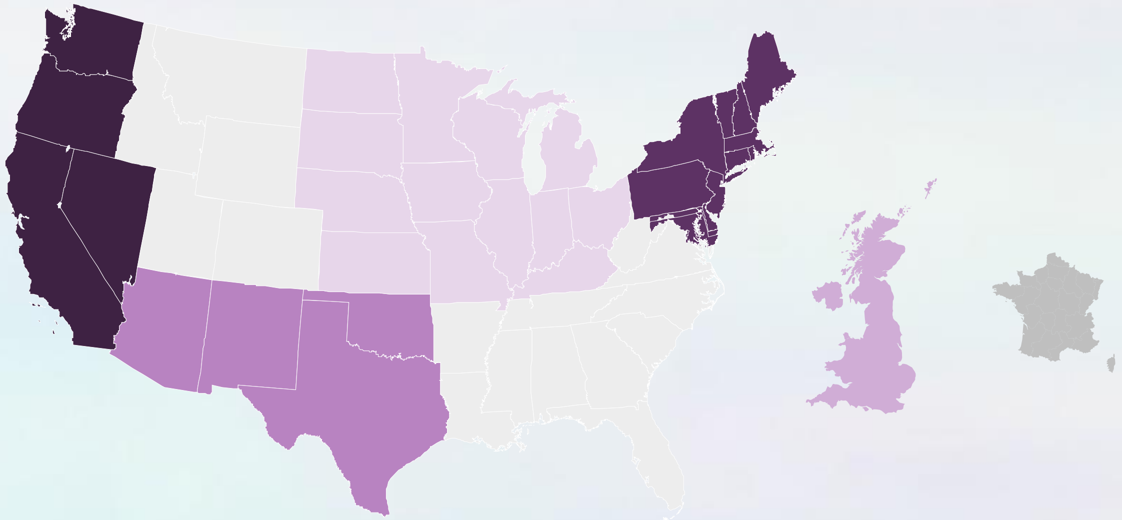
Note: Data from PitchBook as of 12/15/25. December 15-31, 2025 financing deals and dollars were estimated for this report.
Covers private, venture-backed investment. Logos represent $200M+ private financings of VC-backed deals.
Source: PitchBook, company websites, internal analysis. Thanks to Mind Machine for slide strategy, creative, and design.

Dx/Tools Deal Activity By Region

West experiences major decline, now tied with Northeast as top region

Dollar Size by Region





Notable Deals 2025

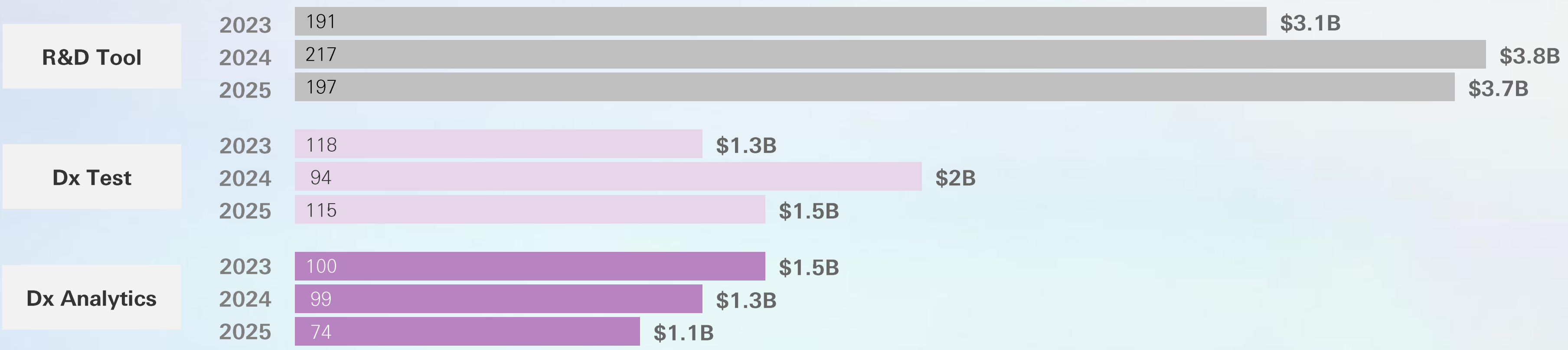
West	Northeast	Southwest	UK	Midwest	France
Chai Discovery, Heartflow, BigHat Biosciences, Profluent	Insilico Medicine, Stellaromics, excelsior sciences, LILA	colossal, Baylor Genetics, gameto, pattern	Ultromics, Latent Labs, Cyted, Chemify	Geneoscopy, elephas, HOPPR	NovaGray, Bioptimus

Note: Data from PitchBook as of 12/15/25. Covers private, venture-backed investment. Activity measured by number of deals by region of the US and by country in Europe.
Source: PitchBook, company websites, internal analysis.

Dx/Tools VC Investment by Subsector[1]

All three subsectors were down as Comp Bio deals highlight largest financings

Dollar Investment by Indication



Largest Rounds in 2025

#	Company	Indication	Size of Round/ ($M) Step-up?[1]	Quarter/ Round	Location
1	colossal	R&D Tool Gene Editing	$320 (6.4x)	Q1 C	Austin, TX
2	LILA	R&D Tool Platform Tool (Comp Bio)	$235	Q3 A	Cambridge, MA
3	LILA	R&D Tool Platform Tool (Comp Bio)	$200	Q1 Seed	Cambridge, MA
4	Chai Discovery	R&D Tool Drug Discovery (Comp Bio)	$130 (2.0x)	Q4 B	S.F., CA
5	BigHat Biosciences	R&D Tool Drug Discovery (Comp Bio)	$124 (4.2x)	Q2 B	San Mateo, CA
6	Insilico Medicine	R&D Tool Drug Discovery (Comp Bio)	$123	Q2 E	Boston, MA
7	Profluent	R&D Tool AI Gene Editor (Comp Bio)	$106 (3.2x)	Q4 B	Emeryville, CA
8	Geneoscopy	Dx Test GI	$105 (2.1x)	Q1 C	Saint Louis, MO
9	Baylor Genetics	Dx Test Platform	$102	Q1 A	Houston, TX
10	Heartflow	Dx Analytics Cardiovascular	$98	Q2 Later Stage	Mountain View, CA

Valuation[1] Step-Up Flat Rd Step-Down

R&D Tool investment stable, with some up-rounds
Investment in R&D Tools declined by approximately 50% from the 2020-2021 time frame but remained consistent over the past three years.

AI-enabled comp bio companies captured 14 of the largest 20 R&D financings and eight of the top ten. These deals focus on AI-enabled drug design (BigHat, InSilico and Manas) as well as infrastructure and insight platforms (Lila, Chai, Profluent and Excelsior). Among non-comp bio deals, manufacturing capabilities accounted for three of the top 20 financings, including radiopharmaceutical-focused companies. The step-up[2] median for the six largest R&D Tool deals that had valuation data was a very strong 4.2x.

Dx Test investment down, sepsis test interest up
Dx Test investment declined modestly relative to 2024. While the top deals spanned multiple indications, oncology-focused companies captured three of the eight largest deals, including two liquid biopsy and one cancer efficacy platform. Three of the top ten Dx Test deals were comp bio-focused (Freenome, Pattern and Curve). Sepsis companies Magnolia Medical ($68M) and DeepUll ($50M) also closed large rounds.

Dx Analytics dollars led by cardiovascular
Dx Analytics, a subsector combining precision medicine, AI/ML and SaaS to guide physician treatment decisions, declined for a third consecutive year. The top three deals focused on cardiovascular, including now public HeartFlow, Anumana and Ultromics, followed by metabolic-focused Somite and Twin Health.

2025 Numbers (10 largest deals)

Subsector		Location	
R&D Tools	7 deals	NorCal	4 deals
Dx Test	2 deals	MA	3 deals
Dx Analytics	1 deal	Texas	2 deals

Note: Data from PitchBook though 12/15/25. Covers private, venture-backed investment.
1. Subsector defined as central focus of the company delineated on the company's website.
2. Step-up analysis uses PB supplied valuations if available.
Source: PitchBook, company websites, internal analysis. Thanks to Mind Machine for slide strategy, creative, and design.

Dx/Tools Most Active Investors[1]

Large investor stratification in US and OUS; less active growth players

First-Financing and Later Stage deals

Angel/VC		Corporate[3]		Growth[2]	
6	Gaingels, khosla ventures	8	labcorp	2	Avenir
3	AIX Ventures, Alumni Ventures, CARB-X, CATALIO Capital Management, MODI Ventures, General Catalyst	2	Bruker, Lilly, GoHub Ventures, NVentures		
2 US HQ	Lux, Impact Assets, andreessen horowitz, Compound, Hawktail, Civilization Ventures, Emerson Collective, Felicis, dYdX, Ford Street Ventures, DCVC, illumina Ventures, Kickstart Ventures				
2 (tie) US HQ	Mana Ventures, MBX Capital, Portfolia, Range Ventures, DML Group, Keiretsu Forum, S32, SeaX Southeast Asia Exponential Ventures, treeoVC, Tribe Capital, Xcellerant Ventures				
2 OUS HQ	Bayern Kapital, Buenavista Equity Partners, cdp, UI investissement, Supernova Invest, HLC Highlight Capital, Maven, Molten				
2 (tie) OUS HQ	Columbus Venture Partners, FSG, global brain, HCVC, edbi, Super Capital, Grids Capital, Polytechnique Ventures, byFounders, Tensor.Ventures, Blast.				

Note: Data from PitchBook as of 12/15/25. Covers private, venture-backed investment.
1. Most Active Investors only include investment into a new portfolio company, not follow-on financings.
2. Growth Investors defined as investment firms that typically invest in later-stage companies that either are revenue scaling, or the round is anticipated to be the last before an IPO.
3. Note that families of funds are combined for this slide, as are corporate and corporate venture with the same parent.

Source: PitchBook, company websites, internal analysis and conversations with investors. Thanks to Mind Machine for slide strategy, creative, and design.

Dx/Tools Largest Post-Money Values[1]

Strong VC support, robust step-ups help commercial stage deals ramp

Largest Post-Money Valuations in 2025

Subsector	Company	Quarter	Deal Size ($M)	Round	Post $ ($M)/ Step-up?[2]	Focus	Notable/Lead New Investor(s)
R&D Tool	colossal	Q3	$320	C	$10,320 (6.4x)	Gene Editing/ Development	PE, VC, Angel
R&D Tool (Comp Bio)	Chai Discovery	Q4	$130	B	$1,300 (2.0x)	Drug Discovery/ Commercial	Growth, VC
R&D Tool (Comp Bio)	LILA	Q3	$235	A	$1,260	Platform Tool/ Development	Sovereign, Hedge, Corporate, VC
Dx Analytics	twin health	Q3	$53	E	$950 (1.6x)	Metabolic/ Commercial	PE
Dx Analytics	anumana	Q2	$95	C	$580 (1.5x)	Cardiovascular/ Commercial	Corporate
R&D Tool (Comp Bio)	Chai Discovery	Q3	$70	A	$573 (3.4x)	Drug Discovery/ Commercial	Corporate, VC
R&D Tool (Comp Bio)	Profluent	Q4	$106	B	$525 (3.2x)	Gene Editing/ Commercial	Family Office, VC
R&D Tool	GATC Health	Q3	$26	B	$525 (1.0x)	Drug Development/ Commercial	VC

Valuation[1] Step-Up Flat Rd Step-Down

Strong support for later-stage commercial plays
Colossal returned to the top post-money valuations list in 2025, following a Series B in 2023 that also delivered the highest valuation. Among the highest-valued private companies, six completed up-rounds and one secured a flat round, with a median step-up of 2.0x. The four largest step-ups occurred in the R&D Tool subsector, all of which included traditional VC as new investors, likely influenced by strong recent IPO performance plus the impending, then successful, BillionToOne IPO.

The majority of these companies (seven of eight) were commercial stage, reflecting investor focus on supporting revenue scale. Among the notable new investors in these commercialization rounds, four included new VC investors, three had corporates, and one each had growth, PE, and family office investors. This mix of investor types supporting revenue growth is a great sign for this sector.

Lookback: 2023-2024 top valued deals at inflection points; possible tailwinds for the sector
There were 20 Dx/Tools deals between 2023-2024 that closed rounds with publicly-disclosed post-money valuations above $400M, including ten R&D Tool deals, and five each in Dx Analytics and Dx Test. Outcomes since have varied. Colossal raised another round in 2025 at a significant step-up, while BillionToOne went public at a $2.7B market cap. Other companies have completed private secondary deals, and several are reported to be on the path to IPO. The strong IPO performance of BillionToOne, Heartflow and 2024 IPO Tempest has provided a needed lift for a sector that has faced limited IPO activity and few large private M&A exits in recent years. The recent IPOs provide renewed hope of IPO receptivity in 2026 for the highly-valued companies of the last three years.

Note: Data from PitchBook though 12/15/25. Covers private, venture-backed investment.
1. Financing data based on information available from PitchBook, including post-money values and step-up, flat and down round calculations.
2. Step-Ups calculated using Pitchbook valuation data for previous and new financing as follows: Divide new pre-money valuation by previous round post-money valuation.
Source: PitchBook, company websites, internal analysis. Thanks to Mind Machine for slide strategy, creative, and design.

Dx/Tools Investment: Private M&A Analysis

2025

HSBC Innovation Banking

Dx/Tools Private VC-Backed M&A[1] by Indication

Larger M&A upfronts and successful IPOs point to positive momentum

M&A Median Values

Date	2019	2020	2021	2022	2023	2024	2025
Deals	6	11	25	5	6	4	4
Upfront ($m)	$68	$350	$225	$100	$117	$97	$263
Milestone TBE ($m)	$-	$-	$-	$-	$13	$-	$88
Total Deal ($m)	$83	$350	$270	$100	$129	$97	$425

Notable M&A 2025

STILLA → BIO-RAD | EVERGREEN THERAGNOSTICS → LANTHEUS | FORESIGHT DIAGNOSTICS → natera | AETION → datavant

VC-Backed IPOs 2025

Date	Company	Subsector	Focus	Time to IPO[2]	Step-up to IPO[3]	IPO Dollars Raised ($m)	IPO Post Money ($m)	Performance to IPO Price (12/31)
Q3	Heartflow	Dx Analytics	Cardiovascular	15.3	unknown	$316	$1,530	+51%
Q4	BILLION TO ONE	Dx Test	Prenatal/ Oncology	8.2	1.8x	$273	$2,680	+43%

Note:
1. Dx/Tools M&A defined as announced private, venture-backed M&A with an upfront payment of at least $50M.

Source: PitchBook, public news articles and conversations with investors and companies. Thanks to Mind Machine for slide strategy, creative, and design.

2019–2025

2025 M&A deal volume remains limited

VC-backed M&A in Dx/Tools remained limited in 2025, with just four deals. Deal numbers were in line with 2024 but below activity levels seen over the past 5 years, and well below the COVID-19 peak in 2020-2021, when Dx/Tools investment and exit activity increased sharply.

Even during the elevated M&A environment of 2020-2021, median deal values remained modest despite notable exits for Dx Test companies GRAIL and Thrive and R&D Tool deals ArcherDX and Decipher. The open IPO window helped support larger outcomes, as IPOs excelled and true exit optionality was apparent.

Current optionality may be improving, supported by multiple IPOs over the past two years. Median upfront M&A values increased to $263M in 2025, more than double 2022-2024's median.

IPOs, higher M&A value, set the stage for a stronger 2026

The 2025 M&A deals focused on two R&D Tool companies (Stilla and Evergreen) one Dx Test deal (Foresight) and one Dx Analytics acquisition (Aetion). All four exits were commercial-stage. Activity from mid-cap and large cap players such as Natera and Bio-Rad was encouraging, though we would like to see broader participation from other public players. Additional acquirer interest included PE-backed Datavant and public player Lantheus, both actively expanding complementary capabilities to their scaling businesses through venture-backed acquisitions.

Tools IPOs (one VC, one PE) provides promise

There were two IPOs in 2025, one Dx Analytics and one Dx Test deal, following 2024 IPOs from VC-backed Tempest and PE-backed dx analytics/R&D tool company Caris. All four IPOs are trading above their IPO price. As a reference point, these companies reported 1H 2025 revenue between $81M and $500M, with current market caps between $2.6B (Heartflow) and $10.7B (Tempus). This points to momentum for scaling dx/tools companies.

Deep Dive: Computational Biology Analysis

2025

HSBC Innovation Banking

Comp Biology: Landscape

Four main comp bio subcategories

Logos arranged in ascending order based on increasing deal size

AI Drug Discovery (AID)

Later Stage

xaira, Treeline Biosciences, eikon therapeutics, enveda, Parabilis Medicines, NewLimit, BigHat Biosciences, Insilico Medicine, Fore, character, Iambic, Neuron23, Circle Pharma, Cartography Biosciences, Peptilogics, arbor biotech, zipbio, Ampersand biomedicines, HAYA Therapeutics, Dewpoint, PsiThera, Juvena Therapeutics, NewLimit, Atomwise, Biooptimus, Relation, sensorium therapeutics, arpeggio, Anivive, ensocell therapeutics, sōlaria biō, Acelot, VRG Therapeutics, avicenna, Alivexis, Superluminal Medicines, Cyrus Biotechnology, Model Medicines, Axelyf, healx

First-Financing

Alchemab Therapeutics, NewLimit, Manas AI, AI Proteins, Arctic Therapeutics, scripta therapeutics, decibel, Junevity, Ignota Labs, Axelyf, OLIO, Brink Therapeutics, CircNova, InVirtuoLabs, graph, Amply Discovery

First-Financing: $373M Raised, 16 Deals

All deals: $4.4B Raised, 58 Deals

Insight Platforms & Infrastructure (IPI)

Later Stage

LILA, Chai Discovery, triveni bio, Profluent, orbis medicines, Stellaromics, Chai Discovery, Chemify, terrana biosciences, vivodyne, Latent Labs, Tahoe, inductivebio, Portal, Matterworks, bexorg, overture, Manifold, parallelbio, Aether, Celltrio, Persist, Aspect Analytics, Dash, Arsenale Bioyards, synfini, Infinity Bio, Adaptyv Bio, Biophy, kvantify, Ribbon Bio, Modulo, Arzeda, biostate.AI, pluto bio, Probius, QSimulate

First-Financing

Isomorphic Laboratories, LILA, Antares Therapeutics, excelsior sciences, Expedition Medicines, Etiome, uncountable, Ridge Bio, Tamarind Bio, OnePot.AI, Araceli Biosciences, stately bio, Synthesize Bio, cresset discovery, Terrain Bio, AutoIVF Biotech, Dalton, HotHouse Therapeutics, Science Machine, Zymvol, Trackpaw Scientific, Aspect Analytics, Kiin Bio, Differential Bio, Meta-Flux

First-Financing: $1.4B Raised, 27 Deals

All deals: $2.7B Raised, 63 Deals

Diagnostics (Dx)

Later Stage

Freenome, pattern, Actual, Galatea Bio, Imagene, SeqOne, ClearNote Health, Pictorlabs, eyebot, Ataraxis, Senseye, HederaDx, DermaSensor, Precise Dx, prognomiQ, the signs, DxCover, ChromaCode, Nanovery

First-Financing

Achira, FYR, Hepta, nolla, Ainnova, descendantsDNA, Illuminoscell AI

First-Financing: $61M Raised, 7 Deals

All deals: $456M Raised, 26 Deals

Clinical Response Prediction (CRP)

Later Stage

Pathos, Kardigan, One Biosciences, curve biosciences, Metabolon, Simbiosys, Linusbio

First-Financing

Kardigan, Valinor, Ingenix, Numenos, CurieGen

First-Financing: $333M Raised, 5 Deals

All deals: $1B Raised, 12 Deals

2025 US & Europe

In 2025, we identified and analyzed 151 computational biology (comp bio) companies. These companies raised a total of nearly $8.7B across 159 financing rounds.

For this analysis, to qualify as a comp bio company, firms must **1)** apply computational tools to acquire novel chemical or biological insights in therapeutics, R&D Tools, and Dx sectors only; **2)** have a leadership member with computational expertise; and **3)** raise over $2M in a financing round.

The Four Comp Bio Subcategories

Companies were classified into four subcategories, based on their products and use of computation:

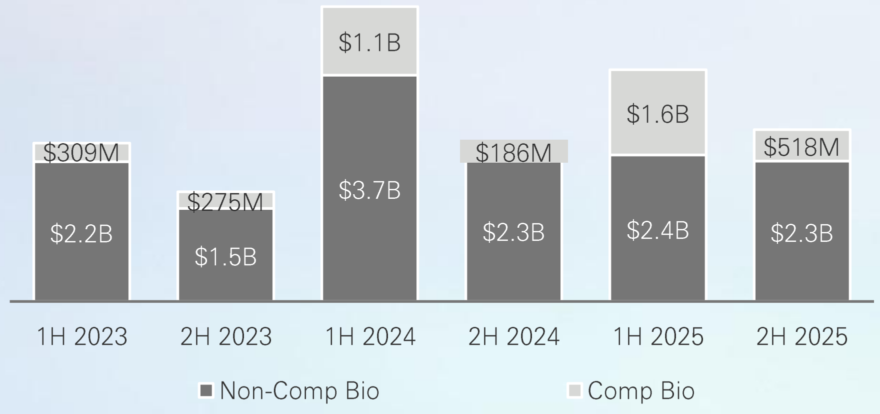
- **AID**: Optimization and discovery of novel targets, molecules, chemicals, and delivery systems.
- **IPI**: Bio/chem characterization, development of data banks, computational infrastructure, and bio-manufacturing.
- **Dx**: Diagnostics and long-term monitoring of biological markers.
- **CRP**: Personalized medicine, clinical decision support software, and drug response prediction.

Note: Data from PitchBook as of 12/15/25, including deals of $2M+. Covers private, venture-backed investment.
First-financing defined as first equity investment of $2M+.
Source: PitchBook, company websites, internal analysis.

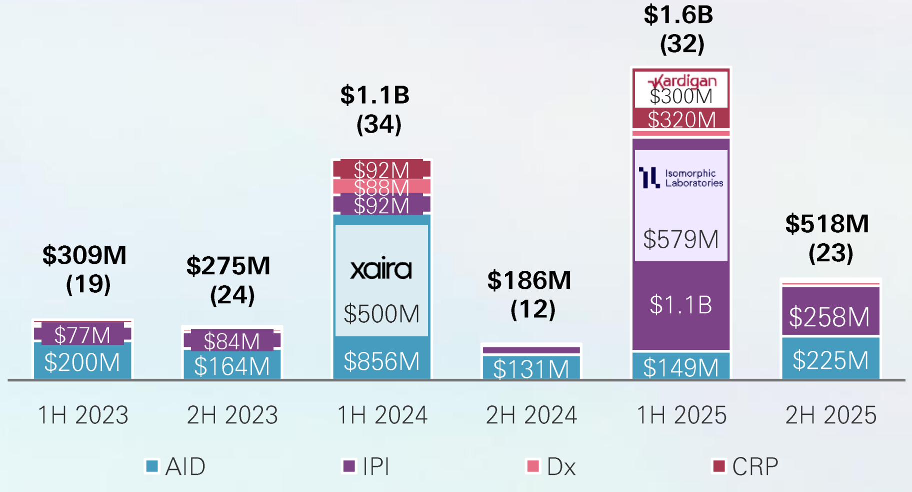
Comp Bio First-Financing Analysis

First-Financing comp bio dollars hit three year high in 2025

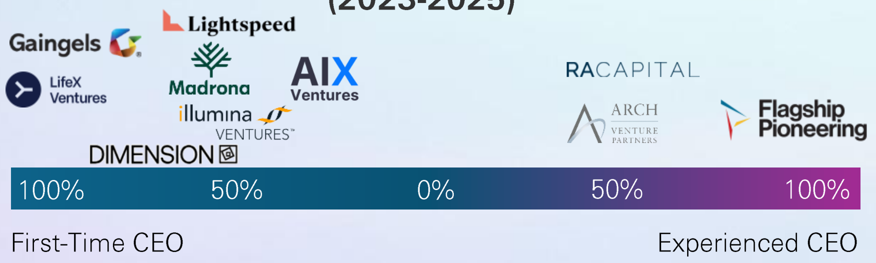
First-Financing Dollars Raised Comp vs. Non-Comp Bio

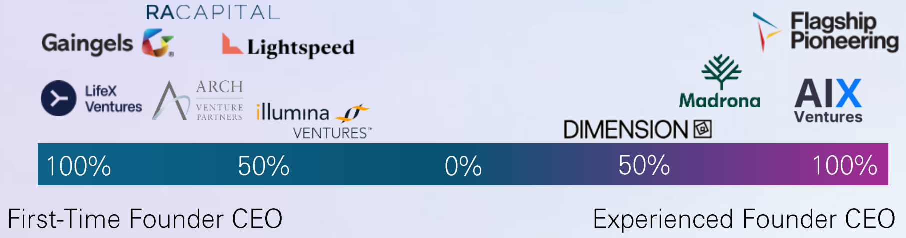


First-Financing Comp Bio Dollars by Subcategory (Deals)



Investors Backing First-Time CEOs & CEO Founders[2] (2023-2025)





First-Financing Top Pre-Money Valuations[1]

Company	Pre-money Valuation	Round Size	Quarter / Round	Sector	Stage
Isomorphic Laboratories	$1.2B	$579M	Q1 A	Biopharma / Platform	Preclinical
Kardigan	$346M	$300M	Q1 A	Biopharma / Cardiovascular	Phase II
ETIOME	$94M	$50M	Q2 A	Biopharma / Platform	Preclinical
NewLimit	$88M	$72M	Q1 A	Biopharma / Metabolic	Preclinical
TAMARIND BIO	$43M	$14M	Q2 A	R&D Tool / Protein design	Commercial
RIDGE BIO	$40M	$25M	Q3 Seed	R&D Tool / Enzyme design	Commercial

First-financing normalizes after 1H 2025 spike
Following a 1H 2025 peak driven by Isomorphic labs ($579M) and Kardigan ($320M), comp bio first-financing dollars moderated in 2H 2025. Total dollars declined from $1.6B to $518M, with no mega rounds in 2H 2025, and median pre-money valuations declined from $22.5M to $12.1M. Most top valuations were in 1H 2025, with Ridge Bio ($25M seed, $40M valuation) being the notable exception in Q3. Total comp bio first-financing investment in 2025 reached $2.1B, a three-year high.

IPI drives top subcategory shift
IPI became the dominant first-financing category in 2025, surpassing AID's 2024 lead. Alongside CRP, IPI and CRP captured eight of the top ten first-financing pre-money valuations in 2025. This is a shift from 2024, when AID dominated the top ten pre-money valuations, with six AID, three IPI and one CRP company. In 2025, only NewLimit and Decibel Bio were AID, while seven of the top ten were IPI (four R&D tools), signaling growing investor focus on platforms, infrastructure and protein design tools. Of the top seven IPI companies, three were therapeutic design platforms, three applied bio / chem insight platforms, and one computational infrastructure, reflecting broad IPI interest.

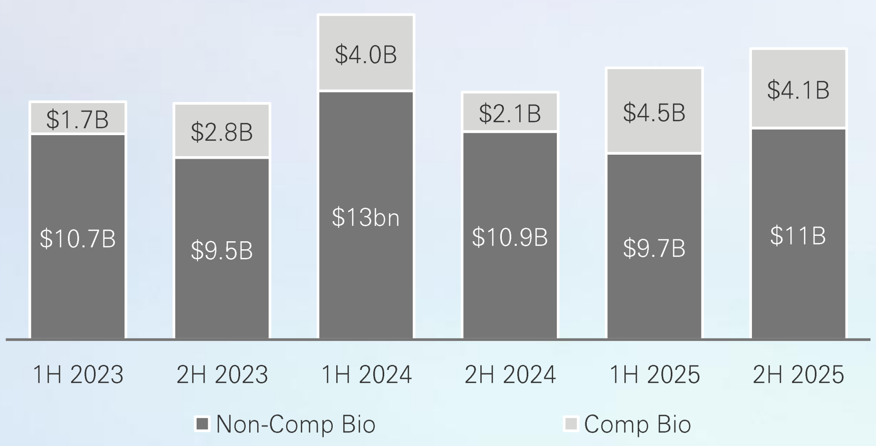
CEO experience at first-financing (2023-25)
Among investors with at least three first-financing investments since 2023, LifeX Ventures and Gaingels led in backing new CEOs who were also first-time founders, with 100% of their comp bio investments from 2023-2025 supporting this profile. In contrast, Flagship Pioneering favored founders with prior execution experience. Overall, more comp bio VCs backed first time CEOs and founders, which is counter to the trend from traditional biopharma VC's.

Note: Data from PitchBook as of 12/15/25, including deals of $2M+. First-financing defined as first equity investment of $2M+.
1. Companies shown in this chart include only ones with reported pre-money valuations on PitchBook as of 12/15/2025.
2. Minimum of three comp bio first financing deals for an investor to be included in this CEO/Founder chart.
Source: PitchBook, company websites, internal analysis.

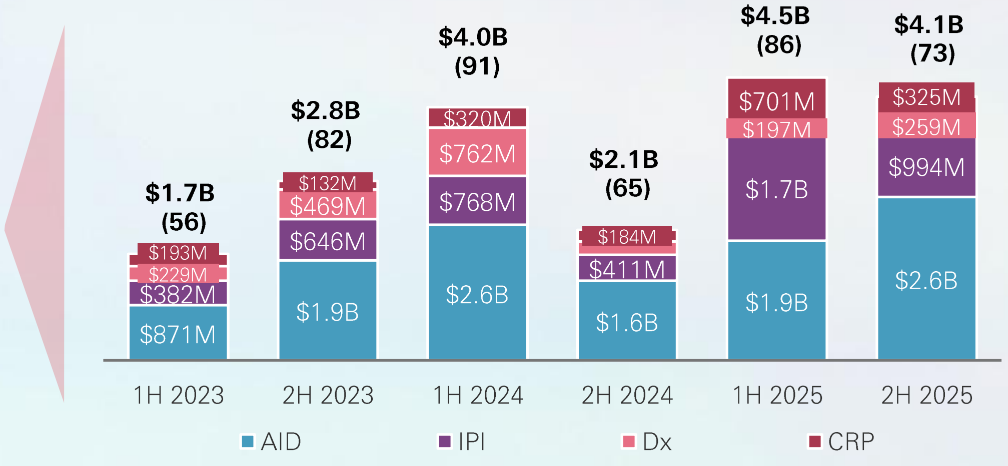
Comp Bio Analysis (All Deals)

Comp Bio IPI interest grows; Post Series B pre-money down

Dollar Raised Comp vs. Non-Comp Bio

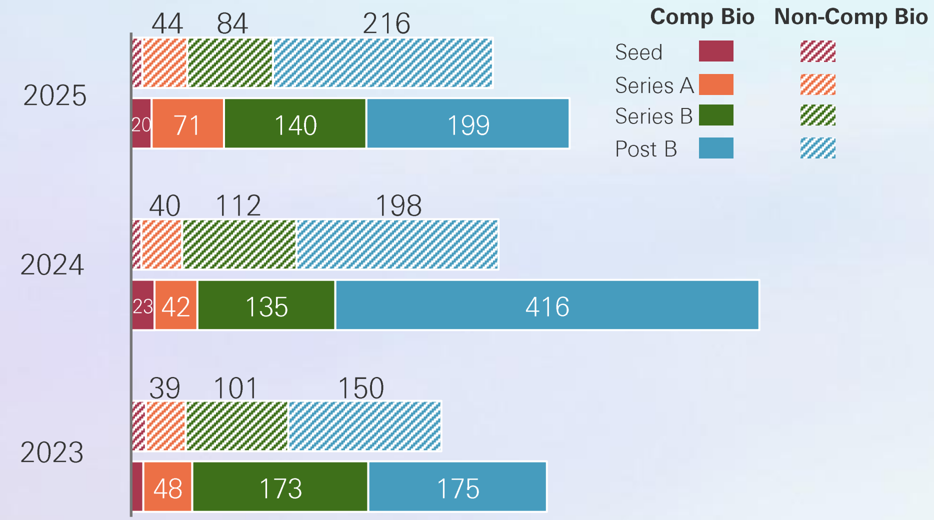


Comp Bio Dollars Raised by Subcategory (All Deals)



Comp Bio Median Pre-Money[1] Valuation by Round

$M



Top Pre-Money Valuations[1]

Company	Pre-money Valuation	Round Size / Step-up	Quarter/ Round	Sector	Stage
xaira	$2.75B	$800M	Q3 A	Biopharma / AI drug design	Preclinical
NewLimit	$1.56B	$45M 1.9x	Q3 B1	Biopharma / Metabolic	Preclinical
PATHOS	$1.24B	$365M 2.1x	Q2 D	Biopharma / Oncology	Phase II
Isomorphic Laboratories	$1.21B	$579M	Q1 A	Biopharma / Platform	Preclinical
Chai Discovery	$1.170B	$130M	Q4 B	R&D Tool / Protein design	Commercial
LILA	$1.02B	$235M	Q3 A	R&D Tool / AI scientific superintelligence	Pre-commercial

Comp bio companies raised $4.1B across 73 deals in 2H 2025. Except for 2H 2024, comp bio dollars have held near ~$4B since 1H 2024, reflecting steady investor confidence in backing existing comp bio deals.

Higher comp bio valuations in earlier rounds; later rounds shift to non-comp bio

In 2025, comp bio companies maintain higher median pre-money valuations at Series A ($71M vs. $44M) and Series B ($140M vs. $84M) stages versus non-comp bio companies. However, for the first time since 2023, the trend reverses post-Series B, with non-comp bio reaching $216M vs. $199M for comp bio. This shift may partly reflect more later stage clinical mega rounds in non-comp bio, where 12 of the top 20 deals were Phase II or III.

Platform-driven models lead top valuations

The highest valuations are concentrated in companies with dedicated IPI and AI-discovery platforms such as Xaira ($2.75B), NewLimit ($1.56B), and Enveda ($1.01B), which use internal platforms to generate multiple programs. This reflects growing investor preference for scalable infrastructure.

Shift toward protein and small molecule discovery

In 2025, investments shifted away from cell and gene therapies towards AI-enabled protein and small-molecule design platforms targeting oncology and autoimmune disease. Companies like BigHat Biosciences ($124 M Series B) and Ampersand Biomedicines ($65M Series B) exemplify this focus on computationally designed therapeutics that can drug previously inaccessible targets while reducing manufacturing complexity and development timelines. This contrasts with 2024, when investors were still funding cell and gene therapy companies such as Outpace Bio ($144M 2H 2024) and Gordian Biotechnology ($8.5M 1H 2024).

Note: Data from PitchBook as of 12/15/25, including deals of $2M+.

1. Companies shown in this chart include only ones with reported new-round valuation on PitchBook as of 12/15/2025.

Source: PitchBook, company websites, internal analysis.

Comp Bio Step-Up Analysis (2023-2025)

Companies with available valuation information

Top Companies by Step-Up Multiples (2023-2025)

Round	Pre-money valuation (Step-up)						
Seed → A	NAGI BIOSCIENCE $33M (5.7x) 2023 Q3	moonwalk BIOSCIENCES $93M (4.6x) 2024 Q1	EvolutionaryScale $900M (4.5x) 2023 Q2	Inceptive $400M (4.0x) 2023 Q3	eyebot $85M (4.0x) 2025 Q3	inductivebio $55M (3.5x) 2025 Q2	Latent Labs $100M (3.5x) 2025 Q1
A → B	ASIMOV $1.05B (9.55x) 2023 Q1	NewLimit $695M (4.3x) 2025 Q2	PATHOS $380M (2.92x) 2023 Q1	ROME $161M (2.3x) 2023 Q3	enveda $226M (2.2x) 2024 Q2	character $90M (2.1x) 2025 Q3	EMPIRICO $165M (2.08x) 2023 Q1
Post B	PATHOS $1.24B (2.1x) 2025 Q2	Cytovale $85M (1.92x) 2023 Q4	enveda $1.01B (1.6x) 2025 Q3	Cytovale $240M (1.42x) 2024 Q4	VERGE genomics $335M (1.37x) 2023 Q3	Formation Bio $1.328B (1.33x) 2024 Q2	PATHOS $538M (1.31x) 2024 Q4

AID IPI Dx CRP

Comp Bio Step-Up Analysis by Round

	2023				2024				2025			
Round	Median Pre-Money (deals)	Median Deal Size	Median Step-Up	# Down Rounds	Median Pre-Money (deals)	Median Deal Size	Median Step-Up	# Down Rounds	Median Pre-Money (deals)	Median Deal Size	Median Step-Up	# Down Rounds
Seed → A	$29M (13)	$16M	1.3x	1	$57M (19)	$18M	1.6x	2	$70M (10)	$24M	2.5x	1
A → B	$168M (13)	$38M	1.4x	2	$51M (11)	$30M	1.0x	5	$90M (7)	$50M	1.5x	0
Post B	$115M (7)	$45M	1.19x	1	$310M (17)	$100M	1.0x	7	$239M (8)	$121M	0.5x	5

Note: Data from PitchBook as of 12/15/25, including deals of $2M+.
1. Companies shown include only ones with reported new-round valuation on PitchBook as of 12/15/2025.
Source: PitchBook, company websites, internal analysis.

2023–2025 US & Europe

Step-ups lower in AID; IPI and CRP hold
In 2025, AID median step-up multiple fell sharply from 1.3x-1.9x in 2023-2024 to a 0.35x step-down. In contrast, IPI and CRP held strong multiples at 1.6x and 1.5x,, highlighting investment preference for multi-asset discovery engines and infrastructure.

Despite the AID decline in 2025, NewLimit (4.3x Series B), Character Biosciences (2.1x Series B), and Enveda (1.6x Series D; 1.2x Series C), achieved notable step-ups, indicating investors will pay up for AID companies translating into differentiated pipelines or revenue. NewLimit's step up reflects identification of transcription factors with pre-clinical efficacy for epigenetic reprogramming in liver disease, and a $45M add-on round included Eli Lilly to support its clinical push. Character Biosciences is advancing two age-related macular degeneration in partnership with Bausch + Lomb and Enveda has three assets in Phase I and II, with Sanofi joining the Series C.

Later-stage pressure and down-round skew
Post Series B companies faced valuation pressure in 2025. Five of eight post Series B rounds priced as down rounds, a higher percentage than seven of seventeen in 2024, even as median deal size rose from $100M to $121M. The down-rounds were concentrated in AID and Dx (three and two deals, respectively), resembling the 2024 pattern (four AID and three Dx down-rounds). IPI and CRP saw no down-rounds, demonstrating relative resilience for multi-asset platforms. Many AID down-rounds were in oncology and immune-mediated programs on widely pursued targets like KRAS and NLRP3, rather than the novel target and epitope discovery efforts highlighted earlier, suggesting favor for AI platforms opening previously undruggable or under-served targets versus those backing assets in crowded spaces.

Comp Bio Top Investors (2023-2025)

Top Investors by Subcategory[1]

	AID	IPI	Dx	CRP
NVentures	11	2	-	-
Alexandria Venture Investments	8	2	1	1
Gaingels	6	2	1	2
Lilly	5	3	1	2
khosla ventures	3	4	1	-
Sofinnova partners	3	3	-	2
RA Capital	7	-	-	-
Flagship Pioneering	4	4	-	-
AIX Ventures	1	5	1	-
Bristol Myers Squibb	5	-	-	1
Dimension	4	2	-	-
Modi Ventures	3	1	1	2
Fidelity Investments	3	2	-	1
Alumni Ventures	2	2	3	-
illumina Ventures	2	1	2	1
Arch Venture Partners	4	-	-	1

	AID	IPI	Dx	CRP
sanofi	4	1	-	-
S32	4	1	-	-
Merck	3	-	1	1
Andreessen Horowitz	3	2	-	-
DCVC	3	2	-	-
Founders Fund	2	2	1	-
Civilization Ventures	1	3	-	-
Lightspeed	3	1	-	-
WRF Capital	3	1	-	-
General Catalyst	2	2	1	-
Novartis	2	-	-	2
NEA	2	1	-	1
Innospark	2	1	-	1
Madrona	2	2	-	-
A-C	-	3	-	1
Insight Partners	1	2	1	-

NVIDIA dominates amid strong AID interest
Nventures, the venture arm of NVIDIA, led AID investing with eleven deals, placing the biggest tech company at the center of comp bio. Its BioNeMo models and AI-Foundry let companies train discovery models on NVIDIA's stack, making it an investor and infrastructure provider. Alexandria Venture Investments and RA Capital follow with eight and seven AID deals, with RA Capital concentrated in AID and Alexandria Venture spread across all comp bio subcategories.

Pharma capital complements internal R&D
Large pharma including Eli Lilly, Bristol-Myers Squibb, Sanofi, Merck and Novartis are active comp bio investors as they look to leverage new platforms and discovery engines. For example, Eli Lilly's partnership with Superluminal Medicines for AI-driven GPCR obesity programs brings that engine into its cardiometabolic pipeline, while Sanofi's collaboration with Formation Bio and OpenAI on the Muse software embeds AI trial-design tools into its late-stage development.

Strategic diversification across sectors
Alexandria Ventures, Eli Lilly, Gaingels, Modi Ventures and Illumina ventures back companies across all comp bio subcategories, reducing single-modality risk. Dx remains the narrowest area, with only 12 of the 32 top investors active in Dx, with Quest Diagnostics concentrating its equity capital in Dx.

Which later-stage investors support pre-clinical?
Across later-stage financings, NVIDIA, Eli Lilly, Sanofi, Bristol Myers Squibb, NEA, and Catalio direct most capital to pre-clinical programs, favoring early discovery and validation. In contrast, Gaingels, RA Capital, and Modi Ventures lean toward Phase I and II assets with emerging human data.

1. Top Investors only include first investment into a new portfolio company, not follow-on financings. Data as of 12/15/25.
Source: PitchBook, company websites, internal analysis and conversations with investors.
Note that families of funds are combined for this slide, as are corporate and corporate venture with the same parent.

Deep Dive: BioPharma Infrastructure

2025

HSBC Innovation Banking

What is BioPharma Infrastructure?
The (AI enabled) Infrastructure Layer of BioPharma

General Overview

BioPharma Infrastructure is the digital infrastructure underlying modern pharmaceutical development and commercialization, enabling pharma across the full value chain – from discovery and preclinical research through clinical development, regulatory, launch, manufacturing and commercialization. These technologies are sold into pharma and its service ecosystem to improve execution speed, data quality, capital efficiency, and therapeutic effectiveness. This category represents a growing category of venture-backed platforms that help pharma operationalize innovation at scale as the industry transitions from discovery speed to execution efficiency.

Why it matters now?

- AI has dramatically accelerated target identification and compound discovery, driving a surge in assets entering the clinic.
- This has shifted the **bottleneck** downstream – to clinical trial design and execution, patient enrollment, data quality, regulatory workflows, and scalable GMP manufacturing.
- As a result, pharma's marginal ROI soon will depend less on discovering molecules and more increasingly on **executing faster, cheaper, and with higher probability of success through the clinic and into commercialization.**
- BioPharma Infrastructure addresses this execution gap by digitizing and automating the most complex, costly, and failure-prone parts of the drug lifecycle.

Exit Validation and Capital Formation

- Large strategic acquisitions (e.g. Siemens' ~$5.1B acquisition of Dotmatics) validate BioPharma Infrastructure platforms as mission-critical infrastructure with durable exit paths.
- These exits have de-risked the category and catalyzed increased venture funding, which we expect to continue as pharma modernizes legacy systems and operationalized AI at scale.

Bottom Line

- BioPharma Infrastructure is emerging as one of the most durable and strategic layers of healthcare infrastructure, with **long sales cycles but high switching costs, recurring revenue, and multiple credible exit paths.**
- As the industry shifts from discovery speed to execution efficiency, BioPharma Infrastructure becomes a multi-decade investment theme.

Early-Stage R&D

Clinical Enablement

Commercialisation and Market Access

Manufacturing and Supply Chain

Early-Stage R&D → Clinical Enablement → Commercialization and Market Access → Manufacturing

"What started as pilot experimentation is now maturing into enterprise-scale strategy, driven by growing pressure to increase productivity, accelerate time to market, and unlock value from an expanding wave of multimodal data. At the same time, pharma's appetite for external partnerships is growing, creating fertile ground for startup entrepreneurs."

Chuka Esiobu, Define Ventures

BioPharma Infrastructure: Landscape

Early R&D Enablement

Key Venture Backed Deals

Benchling, Profluent, inductivebio, AUTOMATA, excelsior SCIENCES, cradle

Recent Financings

Flywheel, Axiom, Pheiron, tetrascience, orchestra

Commercial & Market Access Solutions

Key Venture Backed Deals

alto PHARMACY[1], OpenEvidence, ODAIA, H1, Waltz Health[1], komodo

Recent Financings

House Rx, tycho, tandem, Celestra, Foundation Health, OSTRO

Clinical R&D Enablement

Key Venture Backed Deals

peer, TRUVETA, Paradigm Health, faro, Double Blind Bio, Crescendo Health, SleuTh

Recent Financings

PHASE V, Onc AI, GXL, convoke, Lightship, BlankBio, Prudentia Sciences, collate

Supply Chain & Manufacturing Infrastructure

Key Venture Backed Deals

EITRI AI, ZoomLogi

Recent Financings

TRANSVOYANT, labviva, Qualifyze, PERSIST AI, APPRENTICE, aizon

2023–2025 US & Europe

New framework for technology in biopharma
BioPharma Infrastructure represents an expanded subcategorization of deal profiles from the historic HealthTech framework, recognizing the multi-billion-dollar services, software and vertical AI opportunity unique to biopharma.

Companies are classified into four subcategories, based on their products and primary pharma function:

- **Early R&D Enablement:** Tools and platforms that accelerate pre-clinical R&D processes within pharma (e.g., target discovery, protocol design, literature review, etc.). Excludes companies developing therapeutics.
- **Clinical R&D Enablement:** Solutions that optimize clinical research design, execution, and evidence generation.
- **Commercial & Market Access Solutions:** Companies that support the successful launch, pricing, distribution, and promotion of a drug; includes sales enablement software, medical affairs platforms, provider marketing tools, digital hub services, etc.
- **Supply Chain & Manufacturing Infrastructure:** Vendors providing next-gen infrastructure and processes required to produce, quality control, and distribute drugs at scale.

Emerging categories & business models
BioPharma Infrastructure is a fast-paced emerging sector for investors and founders. We expect new categories to emerge over the coming year around AI models for clinical prediction, novel models for chemistry and molecular design, and new models for human evidence and patient identification in commercial. We also see early signs that BioPharma is willing to focus on unique service and outcomes/upside business models, in particular with companies that are predictive with pre-clinical and clinical effectiveness and outcomes.

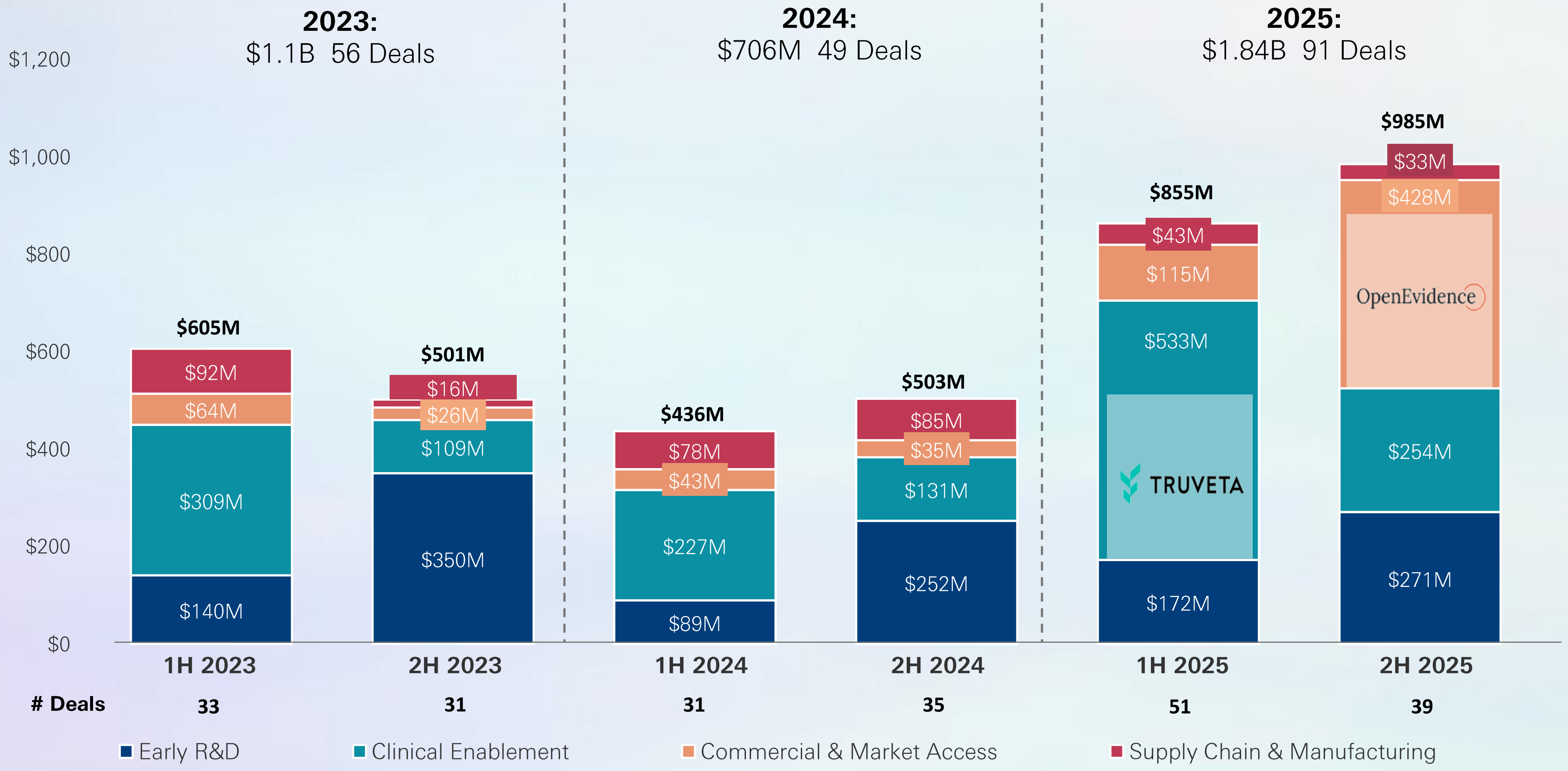
1. Company M&A in 2025

Note: Data from PitchBook though 12/15/25. Covers private, venture-backed investment.
Source: PitchBook, company websites, internal analysis and conversations with investors.

BioPharma Infrastructure: Investment Trends

As discovery accelerates, capital flows into emerging space

Pharma Tech Investment Activity ($/Deals)
Investment ($ millions)



Capital is following the bottleneck into early R&D and clinical enablement.

Over the past three years, BioPharma Infrastructure investment has grown most rapidly in early-stage R&D and clinical enablement. AI-driven discovery has increased the volume of assets entering development, placing new pressure on preclinical validation, clinical trial design, enrollment, and data execution. Investors are responding by backing platforms (e.g. Truveta, $320M Series C) that improve throughput (e.g. Profluent, $106M Series B), reduce cycle times, and improve asset progression; supported by clear ROI, strong pharma demand, and increasing strategic M&A validation (Dotmatics $5.1B acquisition by Siemens).

OpenEvidence dominates commercialization and manufacturing investment.

Outside of the substantial investment in OpenEvidence over three financings in 2025 ($75M in February, $210M in July, and $200M in October), investment growth in commercialization, market access, and manufacturing infrastructure has been more measured, reflecting longer sales cycles, regulatory complexity, and integration requirements. However, as AI-enabled assets progress towards late-stage development and approval, demand for scalable commercial and manufacturing infrastructure is expected to accelerate. With increasing AI budgets prioritized within pharma, we view this is a second wave of BPI investment, likely to gain further momentum as assets mature and pharma focuses on launch readiness and operational scalability.

Note: Data from PitchBook as of 12/15/25. Covers private, venture-backed investment
For this analysis, to qualify as a BPI company, a firm must directly serve the operational and budgetary needs of biopharmaceutical companies across core functions: R&D, clinical development and clinical trials, commercialization, and manufacturing – often spanning multiple internal stakeholders and budget centers; and have raised over $2M in a disclosed financing round.
Many of these companies serve across multiple pharma functions, but for the sake of this analysis the primary function was used to categorize.
Source: PitchBook, company websites, internal analysis.

BioPharma Infrastructure Most Active Investors[1]

Investors pickup investment level alongside AI thematic growth

All deals[2]

VC/Seed/Angel		Corporate/Strategics	
6	General Catalyst, Atria Ventures	3	McKesson Ventures
5	Define Ventures, Lux, Alumni Ventures	2	Merck
4	Insight Partners, Obvious Ventures		
3	GV, AIX Ventures, Lightspeed, SignalFire, Gaingels		
2	andreessen horowitz, khosla ventures, LRV Health, Arch Venture Partners, Kleiner Perkins, Accel		

Early-Stage Companies to Watch [3]

Biomni, Celestra, Double Blind Bio, FutureHouse, GXL, inductivebio, Kepler AI, valkai

Capital Follows Pharma Demand

We see active investors in this space viewing pharma not just as a place for asset acquisition but as a consumer of services and technology, forming a crucial layer embedded within pharma's core operating model, best suited for development by venture-backed companies.

"95% of biopharma venture capital has historically flowed into molecules and R&D. As AI accelerates discovery and increases the number of assets entering the clinic, the bottleneck has shifted downstream – in clinical predictiveness, Phase III execution, regulatory readiness, and commercial launch infrastructure. At the same time, more novel biotechs are running late-stage programs and bringing drugs to market independently – requiring new infrastructure to be built to enable these companies to thrive.

As a result, strategic capital and VC interest are rapidly moving toward bio-pharma infrastructure: platforms that improve clinical and commercial predictability, reduce late-stage risk, and determine which assets ultimately reach patients."

Chris Leiter, General Partner at Atria Ventures

Strong Pipeline of early stage

We are monitoring a subset of early-stage BioPharma Infrastructure companies that, while still early, reflecting emerging areas of innovation and offering early signals into the next wave of innovation.

Note: PharmaTech defined as companies or product/solutions that enable pharma across the value chain, from discovery and preclinical research, through clinical development, regulatory, launch, and manufacturing.
Data from PitchBook as of 12/15/25. Covers private, venture-backed investment.

1. Most Active Investors only include investment into a new portfolio company, not follow-on financings.
2. Note that families of funds are combined for this slide, as are corporate and corporate venture with the same parent.
3. Companies raised seed rounds in last ~6 months of 2025, which may not be reflected in the data given the small round size.

Source: PitchBook, company websites, internal analysis and conversations with investors.

BioPharma Infrastructure Acquirer Landscape

Multiple buyer archetypes demand pharma's digital infrastructure

Pharma & Biopharma	Life Sciences and Industrial Strategics	CROs and Pharma Services	Big Tech & Hyperscalers
Acquire platforms to improve R&D productivity, clinical execution, and manufacturing efficiency	Extend from instruments and services into high-margin software and data	Differentiate services and improve margins through tech-enabled execution	Drive industry-specific demand for compute, cloud, and AI infrastructure
Targets: discovery platforms, clinical enablement, R&D informatics, regulatory	Targets: Electronic Lab Notebooks/LIMS, scientific data platforms, quality and validation software	Targets: trial operations, enrollment, data management, endpoint measurement.	Activity today skewed toward partnerships; selective M&A over time

Category	Acquirer / Partner	Target / Partner	Year	Deal Type	Deal Size	Strategic rationale
Pharma / Biopharma	Eli Lilly	NVIDIA	2024-2025	Strategic Partnership	N/A	Build AI supercomputing infrastructure to accelerate discovery, development, and manufacturing workflows
	BioNTech	InstaDeep	2023	Acquisition	~$560M	Internalize AI capabilities for drug discovery and R&D optimization
Life Sciences & Industrial Strategics	**Siemens**	**Dotmatics**	**2025**	Acquisition	**~$5.1B**	Establish end-to-end digital R&D “thread” across scientific data, modeling, and analytics
	Thermo Fisher	**Clario**	**2025**	Acquisition	**Up to ~$9.4B**	Expand clinical trial data, endpoint, and services platform
CROs & Pharma Services	Thermo Fisher (PPD)	CorEvitas	2021	Acquisition	~$912M	Strengthen real-world evidence and clinical data capabilities
Big Tech / Hyperscalers	NVIDIA	Eli Lilly (and others)	2024-2025	Strategic Partnership	N/A	Drive pharma-specific demand for AI compute and software stack
	AWS	AION labs	Ongoing	Strategic Partner / Investor	N/A	Provide cloud + AI infrastructure for pharma-led venture creation

Note: Data from PitchBook as of 12/15/25. Covers private, venture-backed investment.
1. First-financing defined as initial Seed or Series A financing of $2M+.
Source: PitchBook, company websites, internal analysis.

Med Device Early Stage: First-Financing Analysis (Seed/Series A)

2025

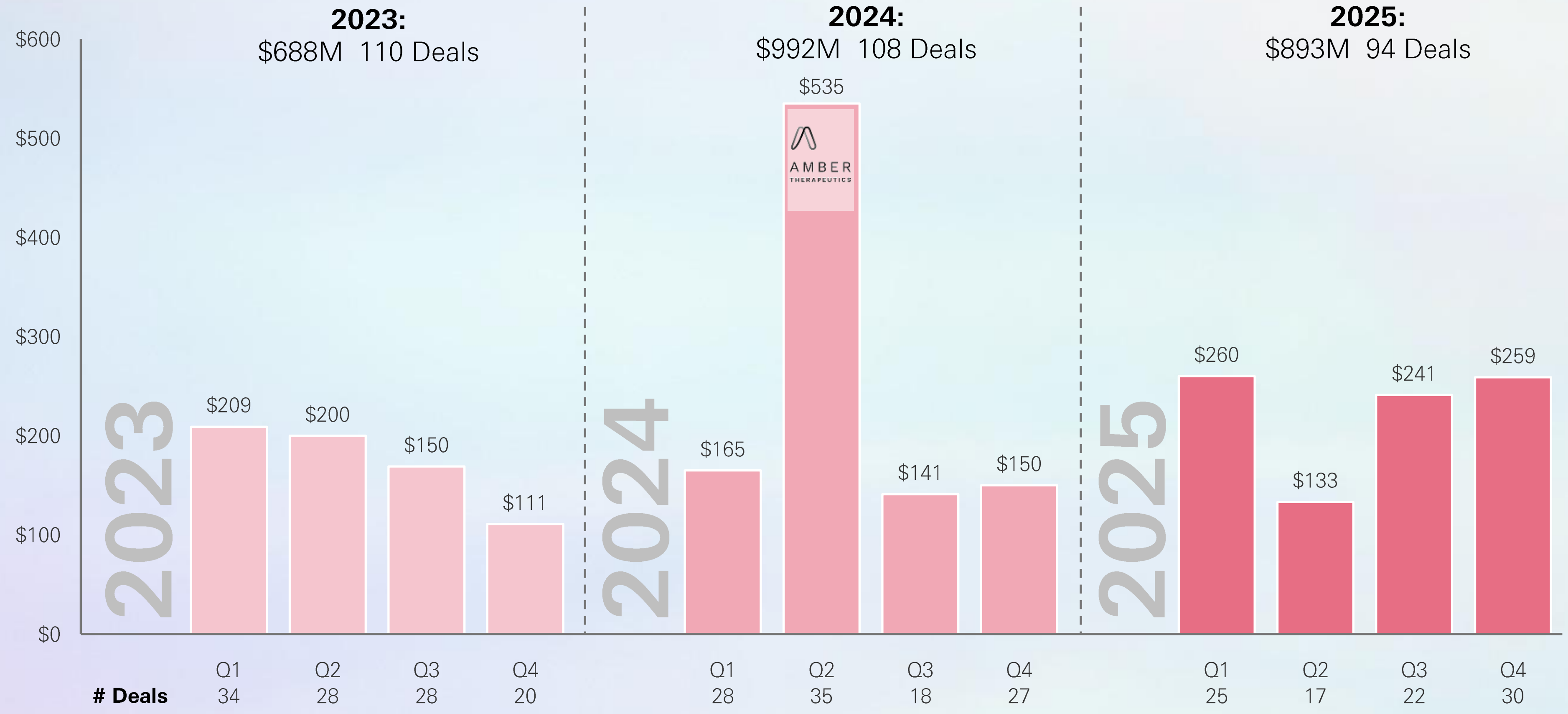
HSBC Innovation Banking

Med Device First-Financing[1] Analysis

Consistent first-financing activity belies current market difficulties

Med Device First-Financing Investment Activity ($/Deals)

Investment ($ Millions)



Logo represents $100M private financing of VC-backed deal.

First-financing activity feels down, but isn't

Since 2019, med device first-financing investment has remained stable, ranging between $700-900M per year, with quarterly deal counts in the mid-20s.

2025 falls within the historical range, even though market conditions may feel historically difficult for early-stage companies. This feeling may be driven by traditional med device funds that are absent from early-stage. The investors filling the early-stage gap are largely a mix of smaller venture funds, geographically-focused angel groups and family offices.

The pullback by traditional investors from early-stage occurred in two ways: first, a combination of numerous insider rounds within existing portfolios created capital constraints that have redirected capital toward existing portfolio support instead of new deals. At the same time, many traditional investors are investing new capital into later-stage opportunities, perceived as closer to exit, in order to drive returns. The current issue in early-stage med device is whether early-stage investors are being rewarded for taking development risk. If not, and later-stage investors continue to write large checks but demand valuation concessions, this presents a significant challenge for the med device sector.

Emerging technologies in Neuro attract new capital sources

There were ten first-financing deals over $20M in 2025, fewer than in 2024 (twelve) but above 2023 levels (seven). Four of the top ten were neuro deals, including three brain/computer interface "BCI" technologies. Investors in these neuro deals were predominantly firms with strong tech backgrounds. An interesting take-away, which also appears in later-stage deals, is that these integrated technology opportunities have attracted new groups of investors into the med device sector.

Note: Data from PitchBook as of 12/15/25. December 15-31, 2025 financing deals and dollars were estimated for this report.
Covers private, venture-backed investment.

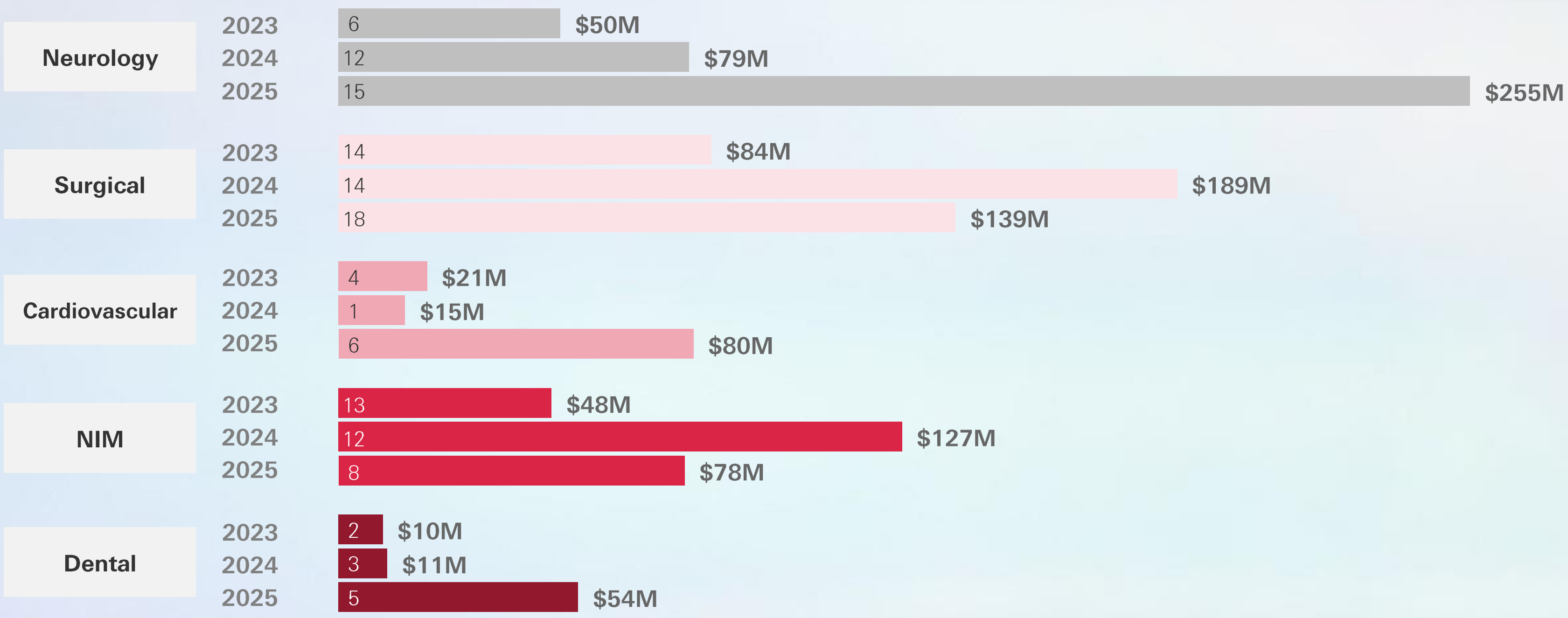
1. First-financing defined as initial Seed or Series A financing of $2M+.

Source: PitchBook, company websites, internal analysis. Thanks to Mind Machine for slide strategy, creative, and design.

Med Device First-Financing[1] by Indication[2]

Neuro investment showcases AI-enabled tech

Dollar Investment by Indication



Largest Rounds in 2025

		Indication	Size of Round ($M)	Deal Quarter	Location
1	nudge	Neuro Focused Ultrasound	$100	Q3	SF, CA
2	echo Neuro Technologies	Neuro Brain/Computer	$50	Q1	SF, CA
3	Field Medical	Cardiovascular Pulsed Ablation	$40	Q2	Encinitas, CA

		Indication	Size of Round ($M)	Deal Quarter	Location
4	ECM Therapeutics, Inc.	Regenerative Hydrogel	$35	Q4	Warrendale, PA
5	VARDIS	Dental Tooth Protection	$35	Q1	Zug, Switzerland
6	subsense	Neuro Brain/Computer	$27	Q4	Allston, MA

Note: Data from PitchBook though 12/15/25. Covers private, venture-backed investment.
1. First-financing defined as initial Seed or Series A financing of $2M+.
2. Indication defined as the central focus of the company delineated on their website. If NIM or Imaging company, that indication bucket supersedes the underlying focus.
Source: PitchBook, company websites, internal analysis.

2023–2025 US & Europe

Neuro-led growth, supported by dental and cardio
First-financing dollars in neurology accelerated in 2025 as scientific advances aligned with improving commercial feasibility. BCI technologies, an increasingly important med device category, enable communication between neural signals and external devices, allowing users to control computers, prosthetics, or other systems to restore or enhance function.

Four of the 15 neurology first-financings in 2025 were BCI companies, up from one in 2024 and two in 2023. These four BCI deals raised $105M, representing 41% of total neuro first-financings in 2025.

Deep Dive in Cardio and Surgical
While raising early development capital remains challenging in med device, cardiovascular funding showed substantial growth versus the previous two years. Within cardiovascular, the two largest deals, Field Medial and EBAmed, focused on beam ablation, one invasive and one non-invasive.

Surgical funding declined 26%, though several companies developing novel devices raised first venture funding. These include Petal Surgical's incisionless surgical platform using sound waves to destroy tissue, and Jupiter Endovascular's Endoportal Control system to deliver interventional treatment from an endovascular access point.

Investment slowdown for NIM
NIM first financings decreased 40% from 2024, reflecting the unusually strong NIM equity raises last year rather than a broad slowdown. Investment in 2025 remained materially above 2023 levels. NIM first financings funded four commercial and four development-stage companies, with capital focused on blood pressure, diabetes and platform technologies. The two top deals, Luna and Paulex, were both diabetes-focused.

Med Device First-Financing[1] Analysis

Investors in First-Financing deals in the US since 2024

Active Investors[2] in Smaller First-Financing Deals

2024 – Historically Known

- xontogeny
- Lightstone Ventures
- Intuitive Ventures
- OHC Osang Healthcare
- F-Prime
- NEA
- Laborie
- TVM Life Science Capital
- MVM Partners
- Hatteras Venture Partners
- Cormorant Asset Management
- treoventures
- Sonder Capital
- Portal Innovations
- Rex Health Ventures

2024 – Less Known

- Every Where
- Transform VC
- NextGen
- Puma Venture Capital
- KLI Capital
- Atma Capital
- FemHealth Ventures
- rev1 ventures
- streamlined
- Avestria
- RH Capital
- Spineart
- Sun Pharma
- Avanos
- tao capital partners
- Nurse Capital

2025 – Historically Known

- andreessen horowitz
- Bold Capital Partners
- Mayo Clinic Business Development
- Catalyst Health Ventures
- SOSV
- Good Growth Capital
- Wavemaker Three-Sixty Health
- Vensana Capital
- Maverick Ventures
- orbimed
- Shangbay Capital
- treoventures
- Ben Franklin Technology Partners
- Warf Ventures
- Johnson & Johnson
- Exsight Ventures
- general inception
- HAX
- Launchpad Venture Group

2025 – Less Known

- Golden Falcon Capital
- freeflow
- engage Venture Partners
- Camford
- red alpine
- Nexus Neurotech Ventures
- Thornapple River Capital
- Highpoint Ventures
- Dream Ventures
- VIPC Virginia Innovation Partnership Corporation
- Accomplice
- Bold Ventures
- Asymmetry Ventures
- celularity
- Monte Carlo Capital
- 2468 Ventures
- TSVC

Note: Data from PitchBook though 12/15/25.
1. First-financing defined as initial Seed or Series A financing of $2M+.
2. Investors with one or more small, early-stage first-financing investments in the US since 2024.

Source: PitchBook, company websites, internal analysis and conversations with investors. Thanks to Mind Machine for slide strategy, creative, and design.

Med Device Investment: All Venture Deals

2025

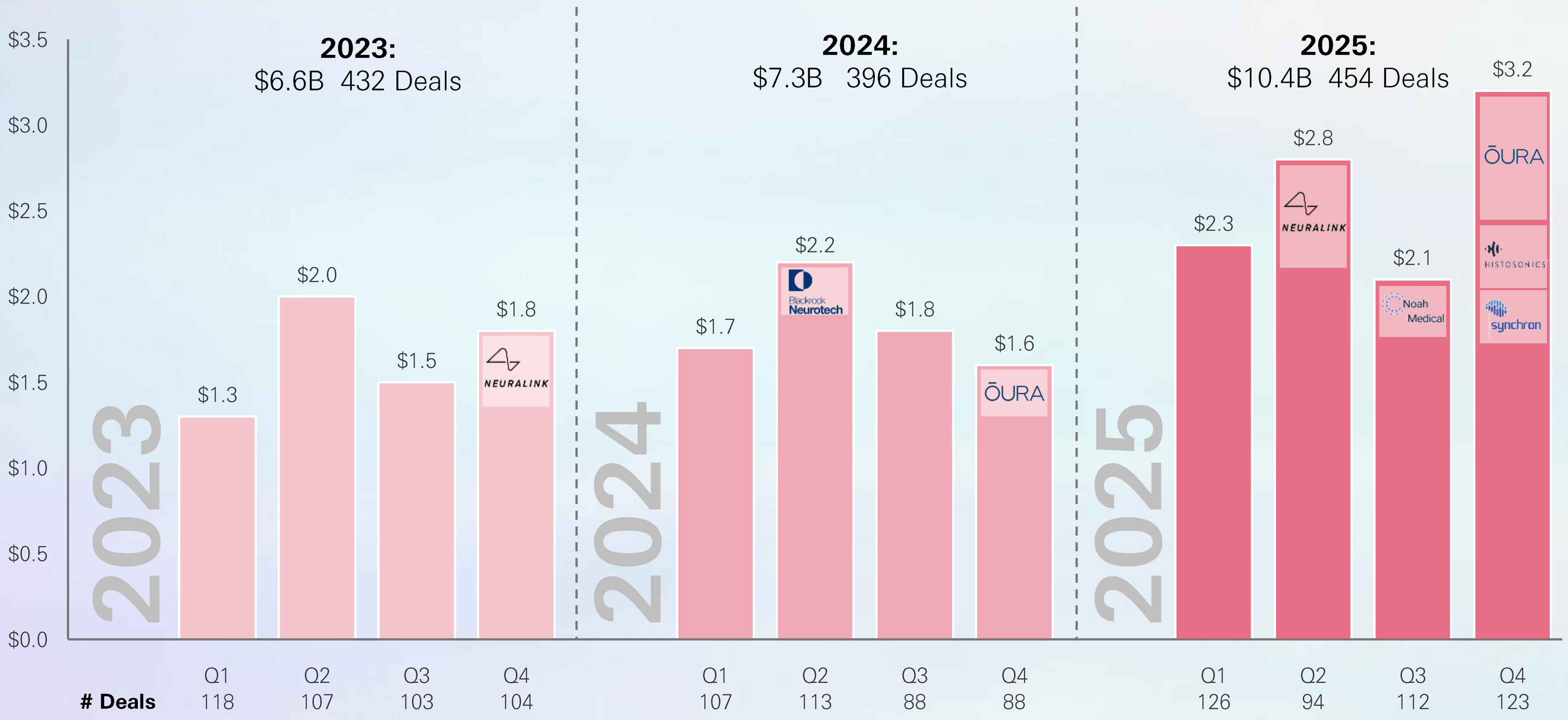
HSBC Innovation Banking

Med Device Analysis (All Deals)

Record investment with diverse capital sources prime med device for strong exit potential in 2026

Med Device Investment Activity ($/Deals)

Investment ($ Billions)



Logos represent $200M+ private financings of VC-backed deals.

Record investment for Med Device
At $10.4B in 2025, med device investment reached an all-time high. While totals were punctuated by large rounds for Neuralink ($650M) in Q2 and Oura ($908M) in Q4, investment excluding these outliers still exceeded 2021's prior record.

This record investment reflects a strong, varied group of capital sources, spanning PE, growth, hedge funds, VC, corporates, angels and family offices. The diversity of capital sources in 2025 is a great sign for med device in 2026. In addition, $1B+ M&A exits from OrganOx and Histosonics, alongside IPOs from Beta Bionics, Kestral, Carlsmed and Shoulder Innovations supports improving M&A exit value and emerging exit optionality. Three of the four IPOs have traded at or above their IPO price through 2025, supporting the outlook for additional public offerings in 2026.

$50M rounds continued, many led by VCs
There were 26 $50M+ financings in med device in 2023, increasing to 45 in 2024, and 54 in 2025. This growth contrasts with the persistent difficulty in first-financing and Series B fundraising over the past few years and reflects a shift in traditional venture behavior. During this phase of the down-cycle, many investors have moved away from the early-stage investments that combine technology and reimbursement risk, instead, favoring later-stage companies with a perceived faster path to an exit, though likely with more modest exit multiples.

Series B remains difficult but has picked up
Securing a new investor-led Series B financing remained challenging, but activity increased in 2024 (72 deals), and continued in 2025, with 55 Series B deals raising $2.1B. Only 16 Series A deals disclosed insider rounds in 2025[1], signaling stronger new investor interest to lead a Series B. However, at the same time, several Series A companies already on insider rounds shut down or consolidated after being unable to secure external capital in 2025.

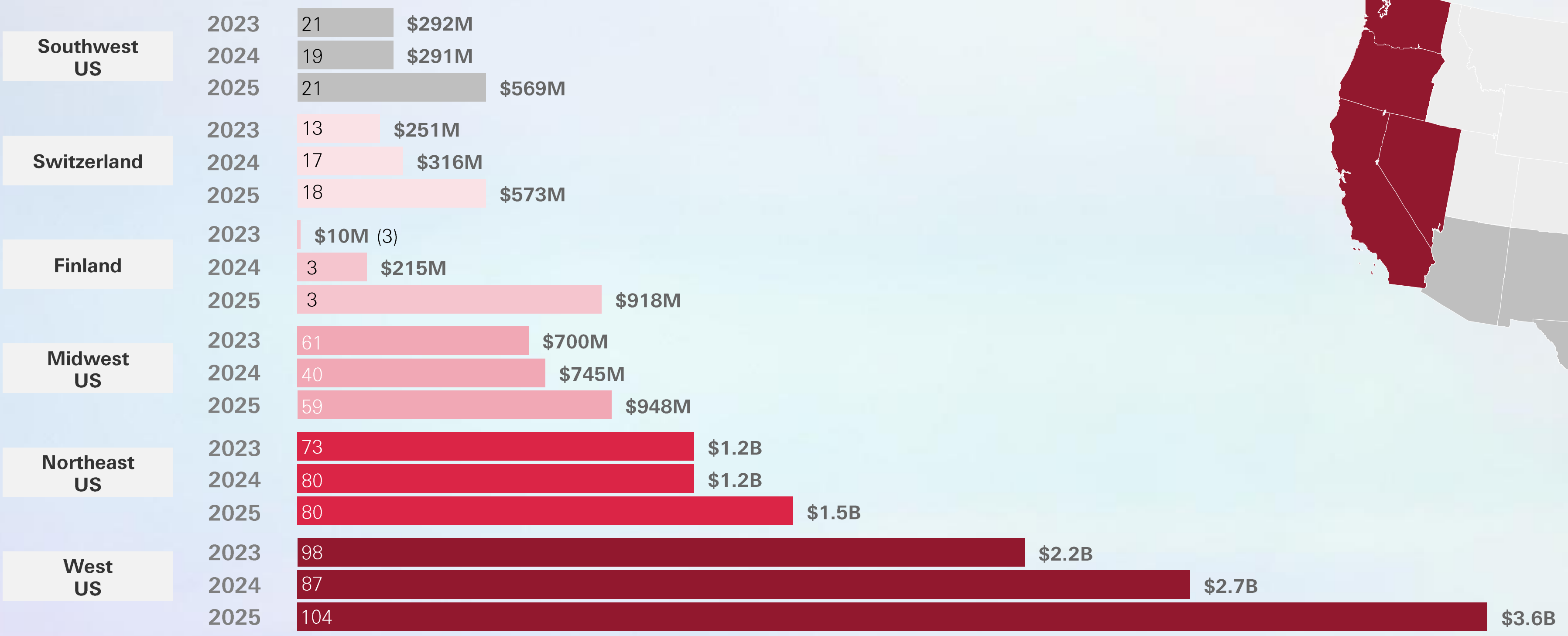
Series B step-up rounds (17) outpaced down rounds (six) at a 3:1 rate in 2025, among companies with disclosed valuation data.

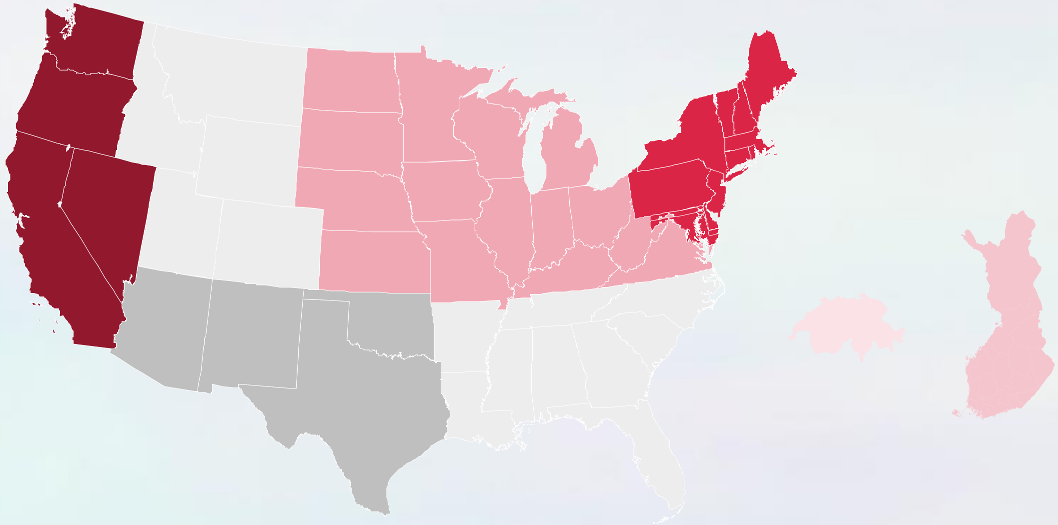
Note: Data from PitchBook as of 12/15/25. December 15-31, 2025 financing deals and dollars were estimated for this report.
Covers private, venture-backed investment.
1. According to available PitchBook data as of 12/15/25.
Source: PitchBook, company websites, internal analysis. Thanks to Mind Machine for slide strategy, creative, and design.

Med Device Deal Activity By Region

West and Northeast led deal activity; West saw investment growth

Dollar Size by Region





Notable Deals 2025

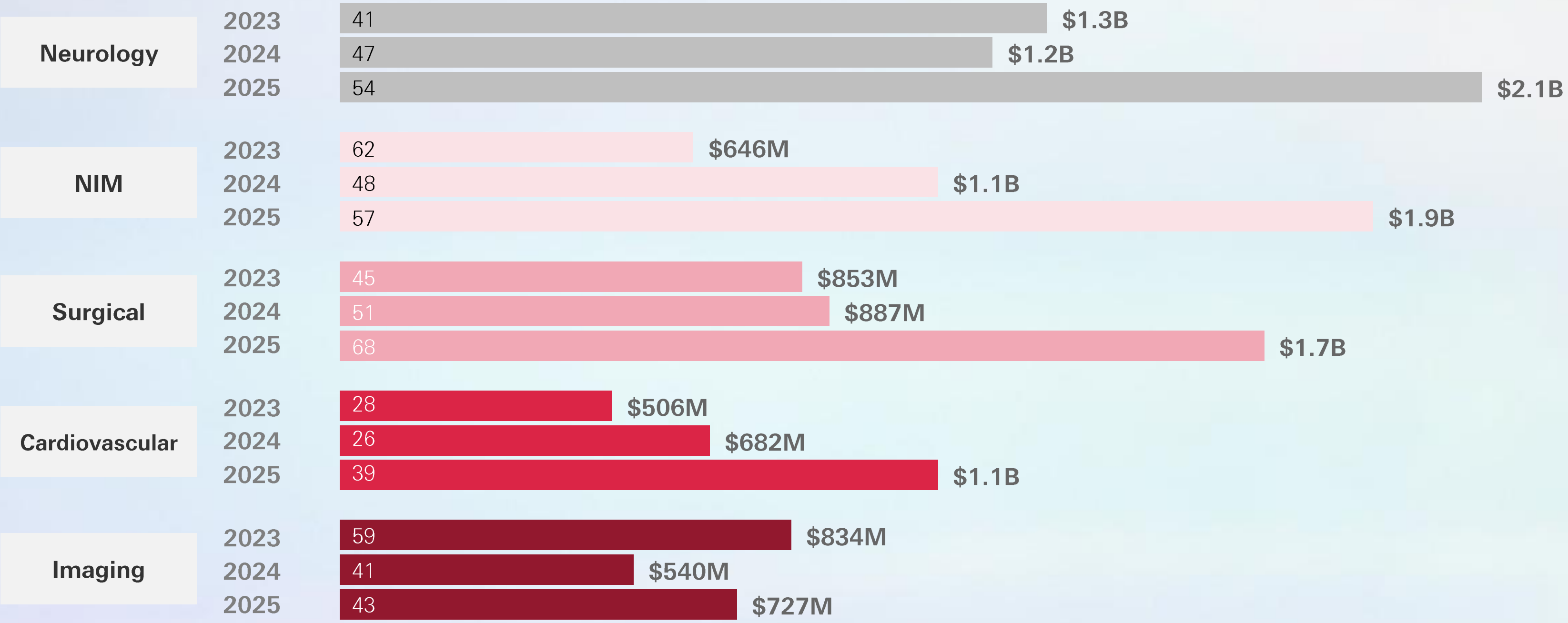
West	Northeast	Midwest	Finland	Switzerland	Southwest
Neuralink, Noah Medical, apreo Health, prenuvo	synchron, Lumicell, Beacon Biosignals, Ablative Solutions	Histosonics, francis Medical, 4C Medical, Alpheus medical	ŌURA	Distalmotion, Cutiss personalized skin, CeQur, Vardis Switzerland	VPS Vascular Perfusion Solutions, Alleviant, MicroTransponder, EndoQuest Robotics

Note: Data from PitchBook as of 12/15/25. Covers private, venture-backed investment. Activity measured by number of deals by region of the US and by country in Europe.
Source: PitchBook, company websites, internal analysis.

Med Device Investment by Top Indications[1]

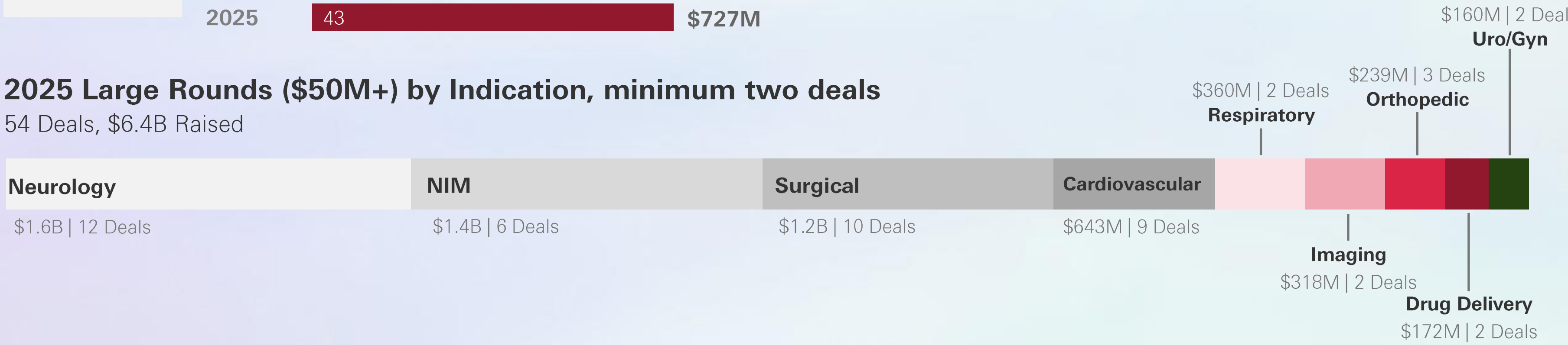
Neuro, NIM and Surgical dollars up, joined by Cardio and Imaging

Dollar Investment by Indication



2025 Large Rounds ($50M+) by Indication, minimum two deals

54 Deals, $6.4B Raised



Neurostim (BCI) attracted record dollars
Neuro investment reached a record high in 2025, nearly doubling funding levels from 2023 and 2024. The $2.1B raised was fueled by two core sectors: BCI and neural stim, with BCI accounting for more than $1B of funding. Neuralink's $650M Q2 raise led the category, with other notable BCI financings from Synchron ($200M Series D) and Science ($104M later-stage round).

BCI development remains early, and often attracts a non-traditional med device investor syndicate. Recent BCI mega rounds included participation from Founders Fund, Sequoia, Qatar Investment Authority, and Bezos Expeditions. These investors likely have long return horizons and substantial capital, given resources and development timelines required for BCI.

Neural stim "neurostim" also saw significant growth in 2025. Notable financings included SetPoint Medical's $116M Series D and Cala Health's $50M Series C. Less invasive neurostim devices, such as Cala Health's kIQ, rely on 510(k) clearance, while the majority of the BCI and invasive neurostim, including Neuralink and Setpoint Medical, require a PMA approval.

Noninvasive monitoring success continues
NIM funding remains concentrated in chronic disease management, cardiometabolic risk tracking, and post-acute monitoring. Leading rounds include Oura's $908M Series E and VitalConnect's $100M Series G. NIM is also expanding into neuro monitoring, cognition, and sleep, highlighted by Beacon Biosignal's $86M Series B.

Steady growth in Cardiovascular
Clinical stage cardio companies led dollars raised in 2025. Four of the eight largest deals were for pivotal trials, two deals were for feasibility studies, and one funding early commercial efforts. Structural heart companies received ~10% of cardiovascular funding, including Xeltis who raised $58M to fund early commercial efforts for their artificial vessel and valve tech.

Note: Data from PitchBook though 12/15/25. Covers private, venture-backed investment.
1. Indication defined as the central focus of the company delineated on their website. If NIM or Imaging company, that indication bucket supersedes the underlying focus.
Source: PitchBook, company websites, internal analysis.

Med Device Venture Investments

AI dominated large deals in neuro, surgical robotics and imaging

Largest Rounds in 2025

	Indication Focus	Size of Round/ ($M) Step-up?[1]	Quarter/ Round	Location
1 ŌURA	NIM Blood Pressure	$908 (1.9x)	Q4 E	Oulu, Finland
2 NEURALINK	Neuro Brain/Computer	$650 (2.4x)	Q2 E	Fremont, CA
3 HISTOSONICS	Surgical Tissue Ablation	$250	Q4 Later Stage	Plymouth, MN
4 Noah Medical	Respiratory Surgical Robotics	$230 (2.4x)	Q3 B1	San Carlos, CA
5 synchron	Neuro Brain/Computer	$200	Q4 D	New York, NY

	Indication Focus	Size of Round/ ($M) Step-up?[1]	Quarter/ Round	Location
6 LUMICELL	Imaging Oncology	$198	Q2 E	Newton, MA
7 OrganOx	Surgical Organ Transplant	$160	Q2 Later Stage	Oxford, UK
8 Distalmotion	Surgical Robotics	$150	Q4 G	Lausanne, Switzerland
9 VPS Vascular Perfusion Solutions	Surgical Organ Transplant	$147	Q2 Later Stage	San Antonio, TX
10 CMR SURGICAL	Surgical Robotics	$131	4/2 D2	Cambridge, UK

Valuation[1] Step-Up | Flat Rd | Step-Down

Split between commercial and clinical financing
In 2025, the top 10 deals were split six to four between commercialization and development or clinical-stage financings. Development capital supported 510(k) development programs for Oura and VPS, as well as early and pivotal PMA clinical development for Neuralink and Synchron.

AI-based technology deals take center-stage
Seven of the top 10 deals relied on AI-enabled technology as a core component of their businesses. These included three surgical robotics companies (Noah in respiratory, Distalmotion in gynecological and hernia and CMR in Gallbladder), two BCI technologies (Neuralink and Synchron) and one each for data analytics (Oura) and advanced imaging (Lumicell).

Beyond the top 10, an additional seven financings over $100M incorporated AI technology in 2025. These included three for BCI/brain stimulation companies (Science, CoMind and Nudge), three NIM data analytic platforms (Fire1, Bioling and VitalConnect) and one imaging technology company (Prenuvo).

Numbers at a glance (10 largest deals)

Indication	
Surgical:	5 deals
Neuro:	2 deals
Location	
OUS:	4 deals
NorCal:	2 deals
Modality	
Surgical Robotics:	3 deals
Brain/Computer:	2 deals
Organ Transplant:	2 deals

Note: Data from PitchBook though 12/15/25. Covers private, venture-backed investment.
1. Step-up analysis uses PB supplied valuations if available.
Source: PitchBook, company websites, internal analysis. Thanks to Mind Machine for slide strategy, creative, and design.

Med Device Most Active Investors[1]

More corporate activity from large acquirers, less VC and growth firms with multiple deals

First-Financing and Later Stage deals

Angel/VC		Corporate[3]		Growth[2]	
4	Gilde Healthcare; Nexus Neurotech Ventures	7	Boston Scientific	4	Ally Bridge Group
3	Panakès Partners; Vensana Capital; Shangbay Capital	5	Intuitive Ventures; Medtronic	3	جهاز قطر للاستثمار QIA Qatar Investment Authority
3 (tie)	Catalio Capital Management; S3 Ventures; SOSV	3	Elevage Medical Technologies	2	HealthQuest Capital; Sands Capital
3 (tie)	Sontag Innovation Fund; Invest-NL	2	accelmed; invierte; Enea Tech Biomedical	2 (tie)	MVM Partners; Sprig Equity; Soleus Capital

Note: Data from PitchBook as of 12/15/25. Covers private, venture-backed investment.
1. Most Active Investors only include investment into a new portfolio company, not follow-on financings.
2. Growth Investors defined as investment firms that typically invest in later-stage companies that either are revenue scaling, or the round is anticipated to be the last before an IPO.
3. Note that families of funds are combined for this slide, as are corporate and corporate venture with the same parent.
Source: PitchBook, company websites, internal analysis and conversations with investors. Thanks to Mind Machine for slide strategy, creative, and design.

Med Device Largest Post-Money[1] Values

More clinical than commercial stage in late-round, older set of companies; many at strong valuation step-ups

Largest Post-Money Valuations in 2025

Indication	Company	Quarter	Deal Size ($M)	Round	Post $ ($M)/ Step-up?[1,2]	Stage	Notable/Lead New Investor(s)
NIM Blood Pressure	ŌURA	Q4	$908	E	11,000 (1.9x)	Development 510(k)	Asset Manager, Hedge Fund, PE, VC
Neuro Brain/Computer	NEURALINK	Q2	$650	E	$9,000 (2.4x)	Clinical Trials PMA	Asset Manager, Corporate, Hedge, PE/Growth, VC
Surgical Robotics Platform	CMR SURGICAL	Q2	$131	D2	$3,000	Commercial De Novo	Corporate, Growth, VC
Respiratory Robotics	Noah Medical	Q3	$230	B1	2,000 (2.4x)	Commercial 510(k)	Undisclosed
Surgical Articulating arm	LIVSMED	Q1	$26	F	$480	Commercial 510(k)	Asset Manager, Corporate, Government, VC
Neuro Neurostim	SETPOINT MEDICAL	Q4	$115	D	$480 (1.4x)	Pivotal Trial PMA	Growth
NIM Platform	VitalConnect	Q1	$100	G	$463	Commercial 510(k)	PE/Growth
Cardiovascular pVAD	Supira MEDICAL	Q1	$120	E	$420	Clinical Trials PMA	Sovereign, VC

Valuation[2] Step-Up | Flat Rd | Step-Down

Note: Data from PitchBook though 12/15/25. Covers private, venture-backed investment.
1. Financing data based on information available from PitchBook, including post-money values and step-up, flat and down round calculations.
2. Step-Ups calculated using Pitchbook valuation data for previous and new financing as follows: Divide new pre-money valuation by previous round post-money valuation.
Source: PitchBook, company websites, internal analysis. Thanks to Mind Machine for slide strategy, creative, and design.

Later-round, long-established deals dominate
The highest-valued financings in 2025 were predominately later-stage rounds, with seven of the top eight valued deals at Series D or later.

These companies are long-established. Neuralink raised its first round eight years ago while others, CMR (nine years), LivsMed (10 years), Supira (13 years), VitalConnect (14 years), and SetPoint (18 years), raised much earlier. Five of the eight have raised more than $500M in equity.

At the same time, four of the eight deals achieved valuation step-ups, with a median step-up of 2.2x and two flat rounds. Investors continue to find upside despite elevated post-money valuations.

Investors participation skewed towards PE, growth and hedge funds, reflecting a preference for faster, though potentially lower-multiple, return metrics.

Review of 2023 and 2024 large post-money deals
Notably, three companies on the 2025 list also appeared among the largest post-money valuations in 2023 (Neuralink and Supira) and 2024 (Oura).

Two companies from the 2023 top valuation list have since exited. Relievant was acquired for $850M upfront (2.4x its 2023 post-money value), and Beta Bionics went public in 2025, ending the year valued at over $1.3B (2.6x its last private round). Among 2024 top valuation deals, Histosonics sold a majority stake for over $2B and Nalu was acquired by Boston Scientific for $533M, approximately 1.4x its prior post-money valuation.

Med Device Investment: Private Exit Analysis

2025

HSBC Innovation Banking

Med Device Private VC-Backed M&A[1] by Indication

M&A mean deal value surges on multiple $1B+ acquisitions; IPO window remains open for strong revenue stories

M&A Median Values

Date	2019	2020	2021	2022	2023	2024	2025
Deals	17	16	23	10	9	14	10
Upfront ($m)	$120	$132	$250	$138	$400	$288	$529
Milestone TBE ($m)	$35	$100	---	$130	$120	$63	-
Total Deal Median ($m)	$220	$223	$300	$255	$600	$338	$570
Yearly Total Deal Value	$9B	$4B	$7B	$4B	$6B	$7B	$7B

Notable M&A 2025

SoniVie → Boston Scientific	BOLT Medical → Boston Scientific	Vectorious → Edwards	nalu neurostimulation → Boston Scientific	Histosonics → Buyout
endostream → Kaneka	OrganOx → Terumo	Alcyone Therapeutics → Biogen	Acera Surgical → solventum	SpectraWAVE → Philips Healthcare

IPOs[2] 2025

Quarter	Company	Indication	Stage	Time to IPO[2] (yrs)	Step-up to IPO[3]	IPO Dollars Raised ($M)	IPO Post Money ($M)	Performance to IPO Price (12/31)
Q1	Beta Bionics	NIM/ Metabolic	Commercial	9.1	unknown	$204	$728	+73%
Q1	kestra Medical Technologies	NIM/ Cardiovascular	Commercial	10.7	unknown	$202	$842	+43%
Q3	carlsmed	Orthopedic/ Implant	Commercial	4.6	1.2x	$101	$398	-22%
Q3	Shoulder Innovations	Orthopedic/ Implant	Commercial	7.8	1.2x	$75	$303	-4%

Note:
1. Med Device M&A defined as announced private, venture-backed M&A with an upfront payment of at least $50M, calculated on a best-efforts basis.
2. IPOs defined as private venture-backed IPOs that raise at least $25m in an IPO.

Source: PitchBook, public news articles and conversations with investors and companies.

2025 M&A upswing in 2H

The past two years followed similar M&A patterns, with weaker first halves followed by stronger second halves. In 2024, eleven M&As were announced in 2H after just three in 1H. In 2025, there were seven in 2H following three in 1H. Upfront median deal value nearly doubled from 2024 reaching a new annual high in 2025. While exit count declined from 2024, total deal value was $7B, tying 2024 for the second-highest annual deal value, behind only 2019 (which was driven by J&J's acquisition of Auris). There were two deals exceeding $1B in total value, Histosonics and OrganOx.

Exits were more focused on novel technologies in 2025, with six PMA/De Novo versus four 510(k) deals. By contrast 2024 favored 510(k) deals (10) versus just four PMA. By stage, exits were split into development or clinical stage trials (four deals), CE Mark only companies (one) and US commercial (five). All pre-commercial exits were PMA focused. While Boston Scientific completed three acquisitions in 2025, Medtronic, Abbott, J&J and Stryker were notably absent from private venture activity. Greater participation from these important players would support sector momentum.

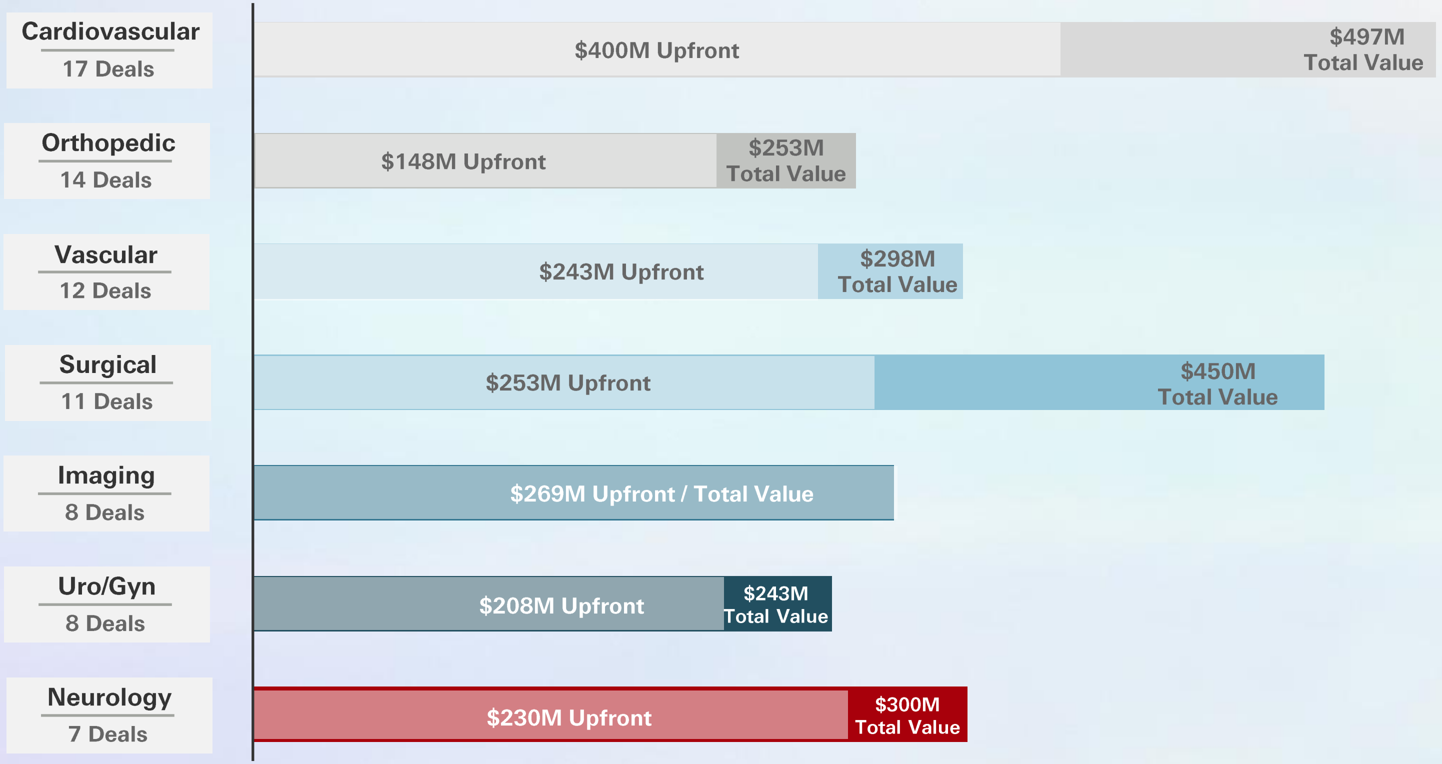
Four IPOs highlight 2025

Following the Q4 2024 IPO of Ceribell, four additional med device IPOs occurred in 2025. Beta Bionics and Kestra Medical, both NIM companies, went public in Q1 2025, each raising more capital and achieving higher IPO post-money valuations than Ceribell. Both companies had annual revenue run rates above $50M and achieved strong post IPO performance, with $1B+ market caps at year end. In Q3, two additional med device IPOs were completed by orthopedic companies Carlsmed and Shoulder Innovations. These companies had smaller revenue run rates, raised less capital at IPO at smaller market caps, and were trading near or slightly below IPO price at year-end.

Med Device Private M&A by Top Indications[1]

70% of exits are US commercial: Boston, J&J and Stryker lead acquisitions

Private M&A Exits since 2019 with median deal values ($M)



2019–2025 US & Europe

Stratified group of indications
The seven indications shown account for 77% of the 99 med device exits over the past seven years.

Med Device exit life stage
Approximately 70% of med device exits were US commercial stage (69 of 99), compared with 20% development or clinical stage exits and 10% CE Mark-only (with just one CE Mark-only deal since 2022). Within commercial stage exits, most were 510(k)-cleared devices (iterative devices with a predicate) at 71% (49 of 69), while 26% (18 of 69) achieved De Novo or PMA approval (more novel devices). The most active commercial exit categories were Orthopedic (14 exits), Surgical (11), Vascular (11), Imaging (8) and Uro/Gyn (7).

Among the 20 non-commercial exits, PMA pathways dominated at 80% (16 of 20), led by cardiovascular (nine exits), and followed by vascular (three), neuro and drug delivery (two exits each). J&J led non-commercial acquisitions with five deals, followed by Edwards at three and Medtronic and Boston with two each.

Trendlines for the last three years
Since 2023, there have been 33 exits, split 25 to eight between commercial-stage and development-stage deals. Exits were evenly split between 510(k) (17 exits) and PMA or De Novo (16 exits). Cardiovascular led all indications with six exits, followed by Vascular (five), Orthopedic (four), and Imaging, Surgical and Uro/Gyn (three exits each).

Acquirers in med device since 2019
The top acquirer (with indication listed if two or more exits)[2] was Boston Scientific with 10 deals (two neuro and four vascular), followed by J&J (eight deals, four cardiovascular), Stryker (seven deals, three orthopedic and two vascular), Hologic (five deals, two imaging and two uro/gyn), Medtronic (five deals, two cardiovascular) and Edwards (four deals, three cardiovascular).

Note:
1. Med Device M&A defined as announced private, venture-backed M&A with an upfront payment of at least $50M, calculated on a best-efforts basis.
2. Listed indications with two or more exits for top acquirers.

Source: PitchBook, public news articles and conversations with investors and companies.

Analysis of VC-Backed PMA Approvals

The road to exit for a PMA device company is long, but when achieved, valuable

40 venture backed PMA approvals: 2020 – 2025

Timeline

Metric	Value (median)
First VC Round to PMA Approval	9.5 Years
PMA Trial Start to Trial Completion	3.9 Years
PMA Trial Start to FDA Approval (no BDD[1])	4.6 Years
PMA Trial Start to FDA Approval (with BDD[1])	4.0 Years
Dollars Raised to PMA Approval	$81m
Median First-Financing Round Date from Cohort	3/19/2014

M&A Outcomes

Metric	Value (median)
M&A Exits	7
Upfront Price: All-in price:	$250M $425M
Acquired Pre-PMA Approval	4
Dollars Raised prior to Acquisition	$96M
Time to M&A from First Venture Funding	8.8 Years

Buyers

PHILIPS, INARI, Laborie, Otsuka, Boston Scientific, BAUSCH + LOMB, Edwards

IPO Outcomes

Metric	Value (median)
IPO Exits	5
Pre-PMA Approval IPOs	1
Mkt Cap at IPO	$842M
Dollars Raised Prior to IPO	$246M
Time from First Financing to IPO	12.9 Years
Current Market Cap Greater than IPO Market Cap	4 (1 acq'd)

VC-backed PMA Approvals

Of the 202 PMA approvals granted by the FDA between 1/1/2020 and 12/31/2025, 40 (20%) were venture-backed. Cardiovascular led this venture cohort with 15 PMAs, followed by GI with seven. Trial data showed a median enrollment of 205 subjects for these approvals.

Where are they now?

Of the 40 venture-backed PMA companies, 12 have achieved exits, with seven M&A and five IPOs, including Kestra, Transmedics, EBR Systems, Tempus and Shockwave (which was later acquired). Twenty-seven remain venture-funded, with 22 raising additional venture rounds since 2023.

Breakthroughs provide shorter path

Ten of the 40 venture-backed companies received Breakthrough Device Designation (BDD). For these companies, BDD shortened the time from PMA trial start to approval by 0.6 years. The median trial duration for BDDs was shorter and time from submission to approval was also shorter.

More to come!

This analysis includes only companies that have already received PMA approval. A number of venture-backed PMA path companies have shown strong M&A outcomes in recent years prior to PMA approval, including Laminar, V-Wave and Jenavalve. Additional companies SoniVie and Vectorious Medical would also be included, both with announced M&A in 2025.

Note: Venture backed company defined as a company who raised over $2M in venture funding. First VC Round defined as first round from institutional venture investors over $2m.
1. 10 of the 40 companies in cohort received Breakthrough Device Designation (BDD).
Source: PitchBook, FDA.gov, public news articles and conversations with investors and companies.

HealthTech Early-Stage: First-Financing Analysis (Seed/Series A)

2025

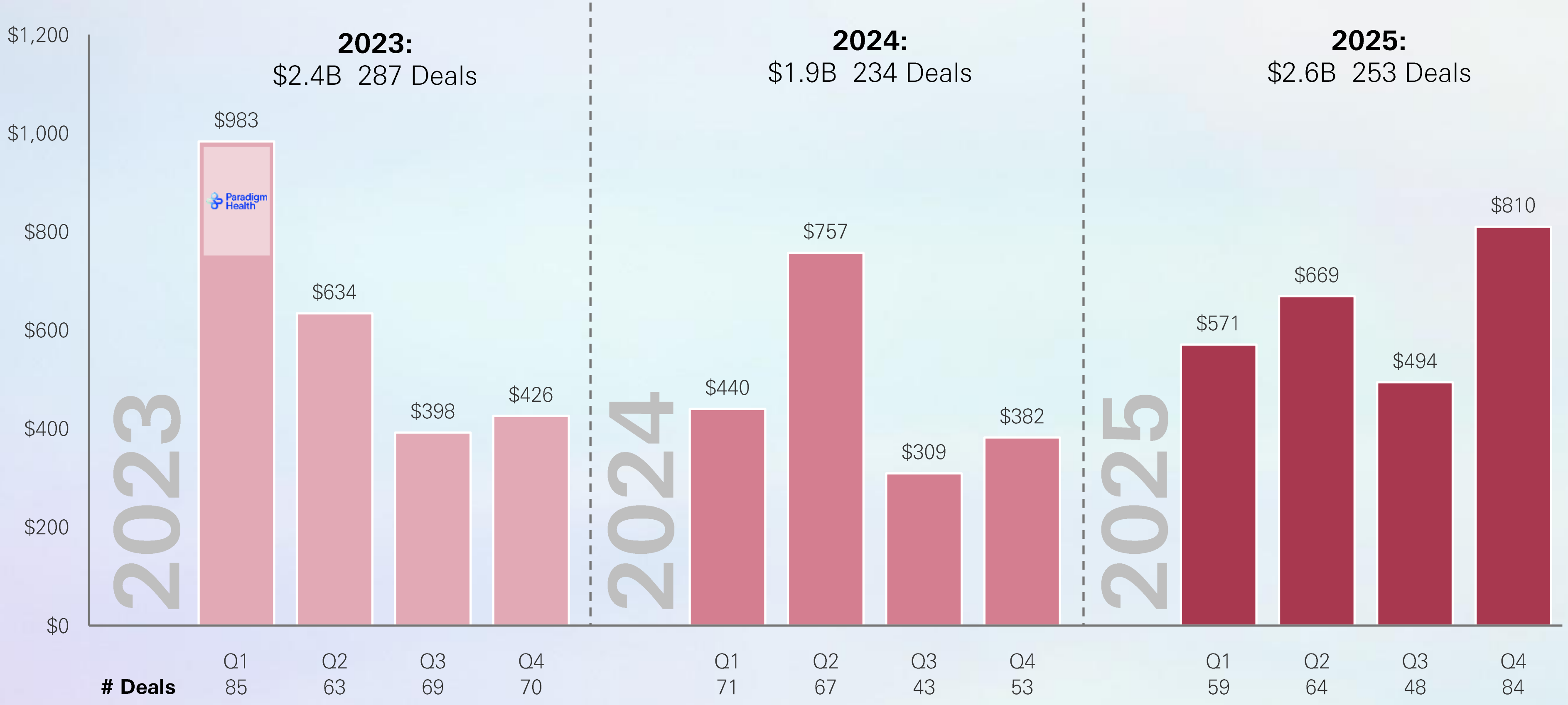
HSBC Innovation Banking

HealthTech First-Financing[1] Analysis

Larger checks reflect rising conviction in AI-enabled workflow

HealthTech First-Financing Investment Activity ($/Deals)

Investment ($ millions)



Logos represent $200M+ private financings of VC-backed deals.

Renewed Confidence in Early-Stage Investment

Early-stage investment (Seed and Series A) strengthened in 2025, with capital invested exceeding the prior two years. This improvement reflects renewed confidence among venture investors, supported in part by increased M&A and IPO activity in Q2 and Q3, including exits from Hinge Health, Omada, and Kyruus that returned liquidity to both investors and their limited partners.

Q4 2025 was particularly strong, with $810M invested across 84 deals, marking the most active quarter since Q1 2023. Excluding Paradigm Health's $203M Series A, Q4 2025 investment still exceeded Q1 2023 levels.

The average deal size increased to over $10M in 2025, up from approximately $8M in 2023 and 2024, indicating that investors are making larger, more decisive commitments to promising companies. While first-financing deal count remains below 2023 levels (253 in 2025 versus 287 in 2023), the trend direction is positive.

Advances in AI are accelerating product development and reducing operational costs, prompting investors to expect greater traction from Seed-stage companies. This trend is reflected in the increase in average Series A round size to $19M in 2025, up from $14M in 2023. These larger rounds are designed to support execution and market expansion ahead of Series B, where metrics such as unit economics, ROI, resilience, and scalability become critical.

The momentum from Q4 2025 is expected to carry into 2026, supported by improving market sentiment heading into large industry events in the early part of the year. While macroeconomic risks remain, the outlook for first-financing deal activity is optimistic, with continued growth expected.

Note: HealthTech defined as companies or product/solutions that help in delivering care, helping doctors or other forms of medical solution deliver care, or helping the broader ecosystem deliver care. Data from PitchBook as of 12/15/25. December 15-31, 2025 financing deals and dollars were estimated for this report.
Covers private, venture-backed investment and companies may overlap with other healthcare sectors.

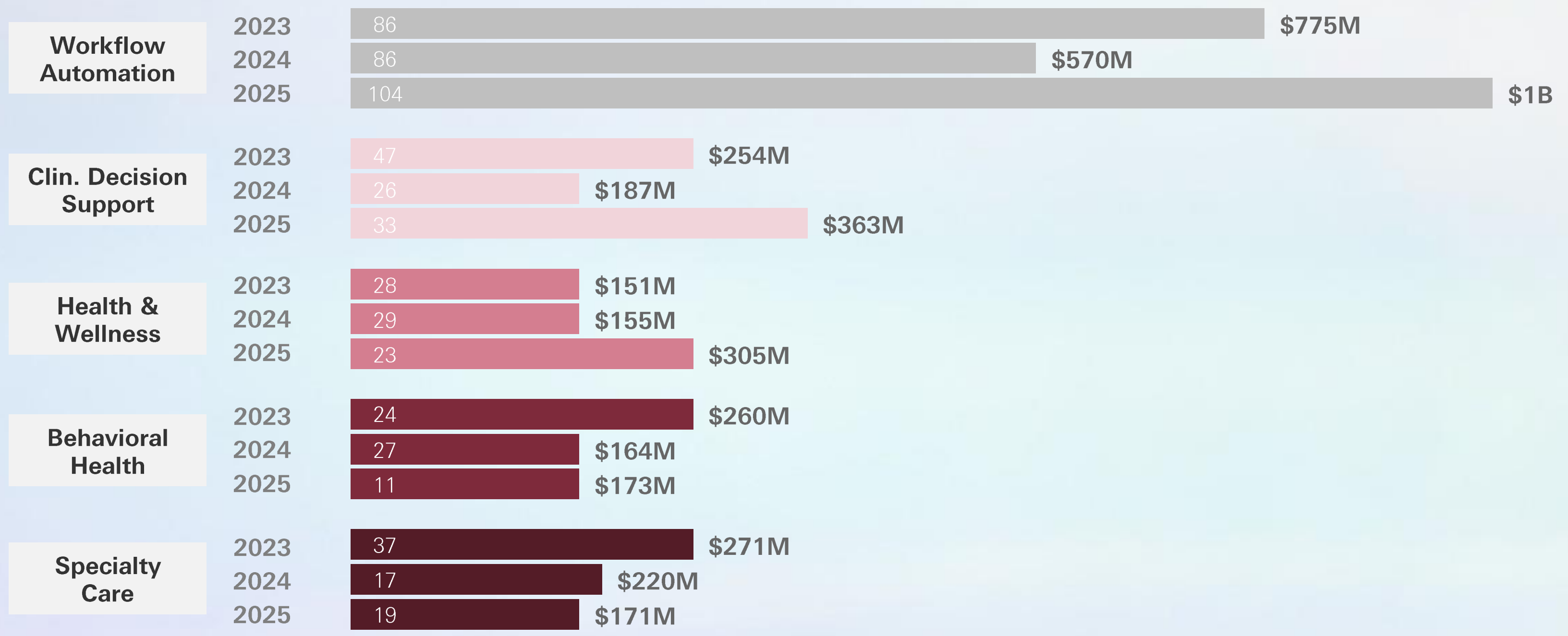
1. First-financing defined as initial Seed or Series A financing of $2M+.

Source: PitchBook, company websites, internal analysis. Thanks to Mind Machine for slide strategy, creative, and design.

HealthTech First-Financings[1] by Subsector[2]

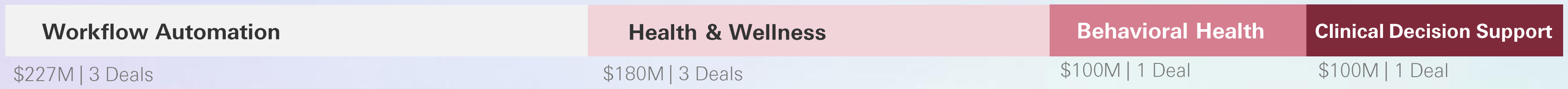
Workflow and Clinical AI lead while Behavioral Health matures

Dollar Investment by Indication



2025 Large Rounds ($50M+) by Indication

8 Deals, $607M Raised



Workflow Automation's Dominance Continues
Workflow automation remained the largest HealthTech first-financing subsector in 2025, as AI-enabled tools were increasingly applied to automate administrative workflows for payers and providers. Investor confidence in the category is reflected in the scale of funding, with $1B invested across early-stage deals in 2025.

Clinical Decision Support Gaining Momentum
Clinical decision support is another area where AI is being applied to improve quality of care. Over $300M was invested in first-financing deals in this subsector, nearly doubling 2024 levels. Notable rounds included Tala Health's $100M Series A, supporting the expansion of their agentic AI platform focused on delivering clinician-validated medical opinions. As access to high-quality clinical data expands, AI-enabled decision support tools are positioned to improve clinical decision-making between patients and providers.

Behavioral Health Starts to Cool
In 2023, Behavioral Health saw $260M invested across 24 first-financings. In 2024, investment declined to $164M across a similar number of companies. The downtrend continued in 2025 with 11 first-financing deals, totaling $173M. While funding remained relatively stable, the reduction in deal count suggests a maturing market. Given how strong this category was pre- and post-pandemic, it's not unexpected that signs of maturity are coming through in the funding landscape.

Note: HealthTech defined as companies or product/solutions that help in delivering care, helping doctors or other forms of medical solution deliver care, or helping the broader ecosystem deliver care. Data from PitchBook though 12/15/25. Covers private, venture-backed investment.

1. First-financing defined as initial Seed or Series A financing of $2M+.
2. Subsector defined as focus delineated in the company's website.

Source: PitchBook, company websites, internal analysis.

HealthTech Investment: All Venture Deals

2025

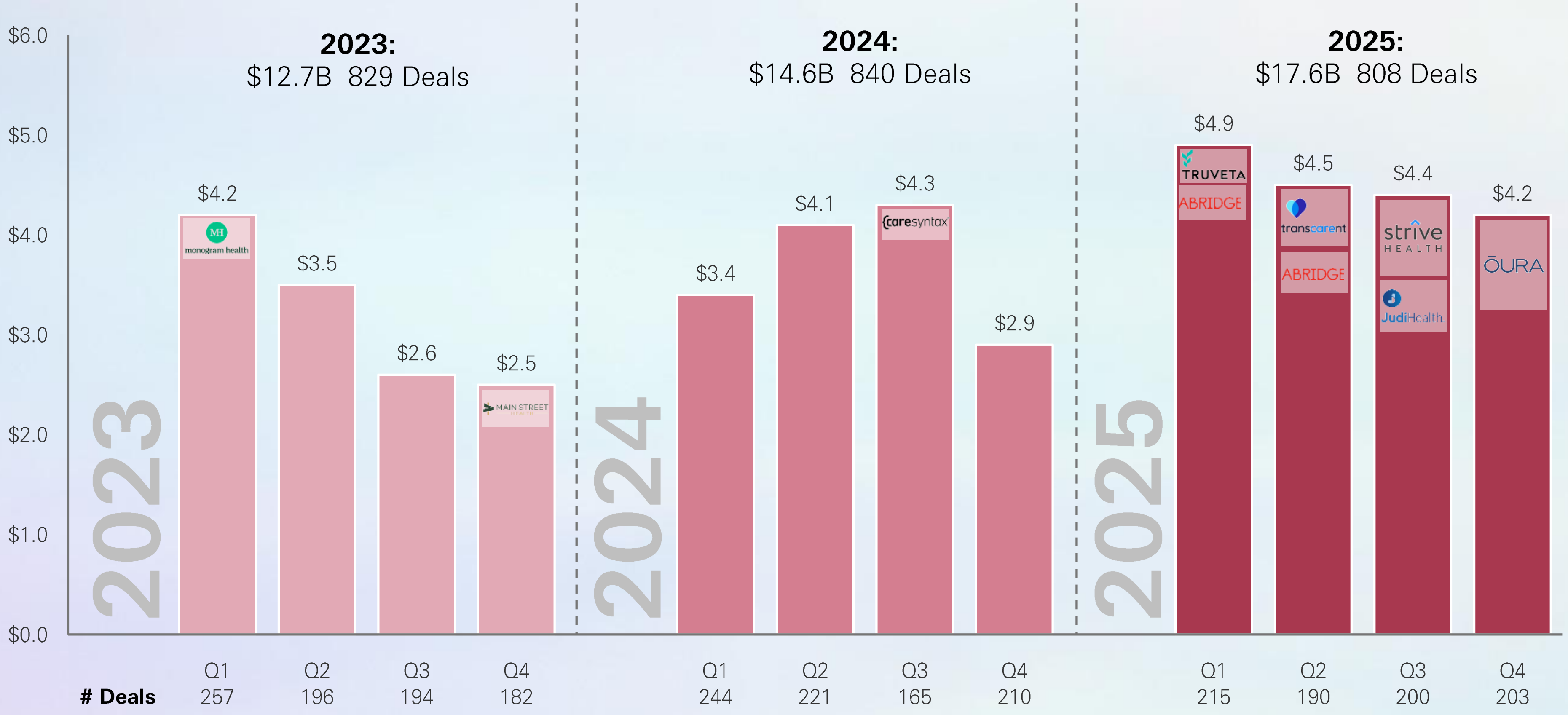
HSBC Innovation Banking

HealthTech VC Investment (All Deals)

Growth driven by mega rounds amid stable core activity; consolidation picks up

HealthTech Investment Activity ($/Deals)

Investment ($ billions)



Logos represent $300M+ private financings of VC-backed deals.

2025: The Year of the Mega-Round
HealthTech VC investment increased meaningfully in 2025, with nearly $5B more capital invested than in 2023, and $3B more than in 2024. This increase was driven largely by ten $250M+ mega rounds. These ten rounds were completed across nine different companies, raising a combined $4.1B and representing 23% of total capital invested in 2025. Notable mega rounds included: Innovaccer, Truveta, Neko Health, Abridge (two rounds), Amboss, Transcarent, Judi Health, Strive Health, and Oura. By comparison, only five $250M+ mega rounds were completed across 2023 and 2024 combined, totaling $1.5B. While not crossing the $250M (single-round) threshold, OpenEvidence raised a significant $485M across three rounds in 2025.

Excluding these $250M+ mega rounds, total funding activity in 2025 remained in line with 2024, at $13.6B in 2025 and $14.0B in 2024. Deal count declined modestly in 2025 (798 vs. 838) while average deal size remained stable at $17.0M, compared with $16.7M in 2024. The data suggests a continued trend towards capital concentration, with VCs allocating larger amounts to fewer companies amid increased market competition and significant levels of dry powder. While unicorns captured significant attention, the broader investment landscape reflects a strategic focus on fewer, higher-value opportunities.

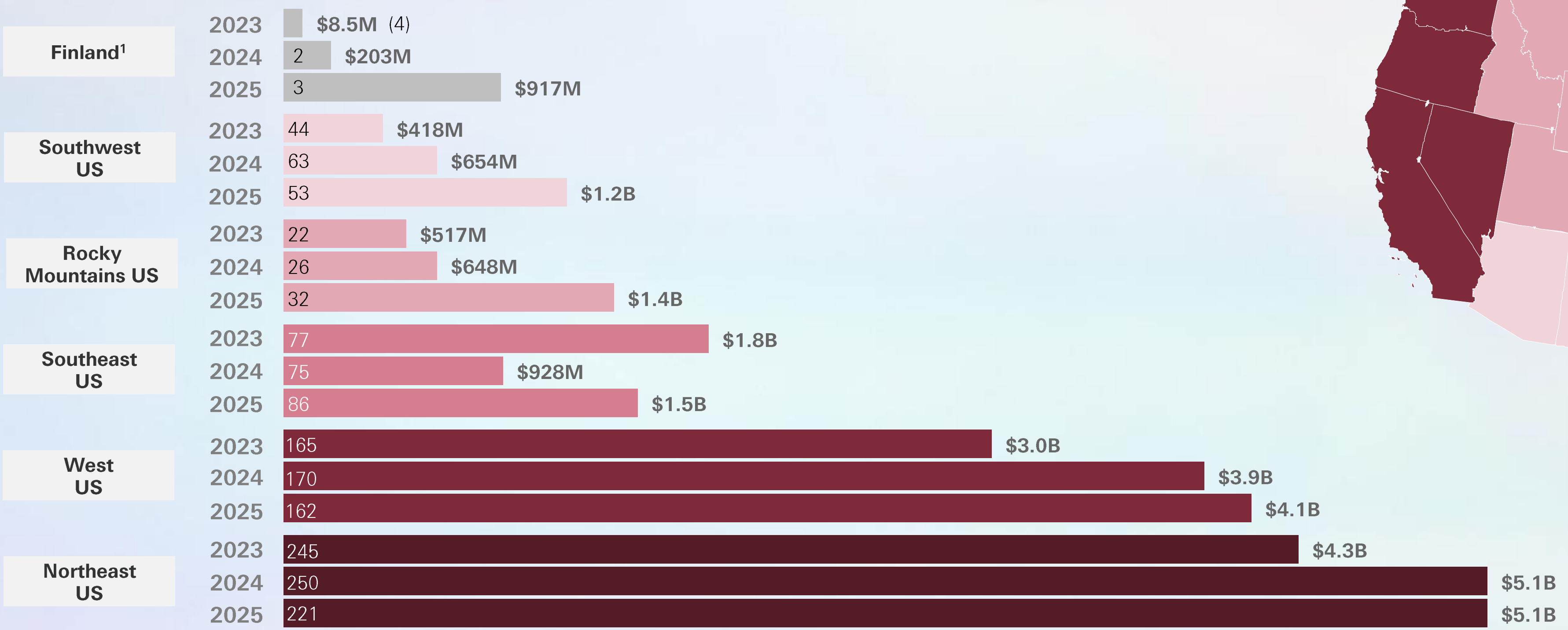
Market consolidation starts to pick up
Large mega rounds are enabling later-stage and other unicorn companies to expand their offerings and/or market presence by acquiring smaller startups, a trend expected to become more prominent in 2026. Following its $275M Series E round, Innovaccer acquired three companies in 2025 (Humbi.ai, Story Health, and Evidium) to improve its data intelligence platform. Other notable M&A transactions included Transcarent's acquisition of Accolade, Hazel Health's three acquisitions, Teladoc's two acquisitions, and one acquisition by OpenEvidence, along with 100+ other total M&A deals in HealthTech.

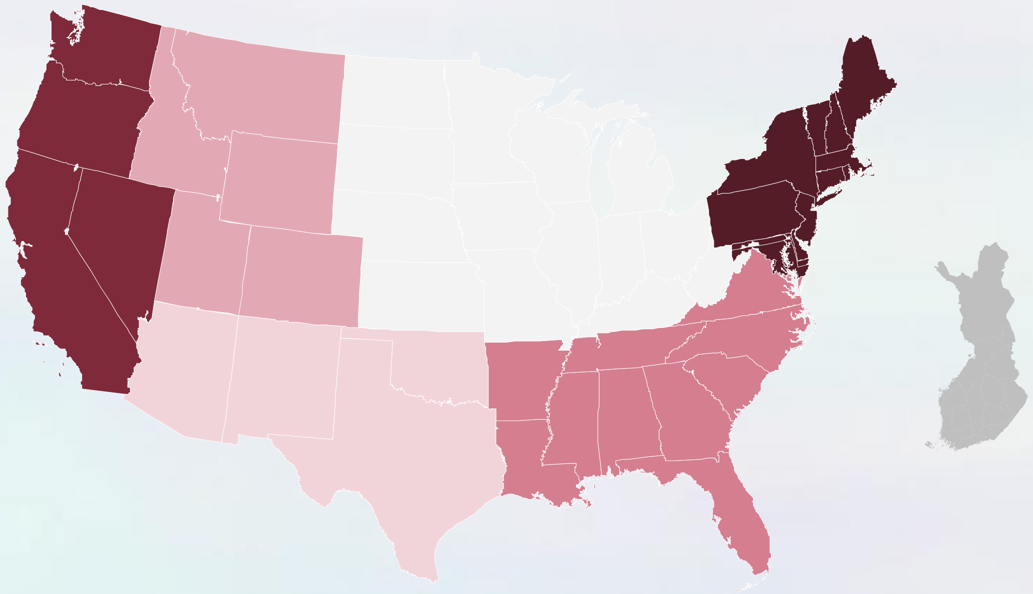
Note: HealthTech defined as companies or product/solutions that help in delivering care, helping doctors or other forms of medical solution deliver care, or helping the broader ecosystem deliver care.
Data from PitchBook as of 12/15/25. December 15-31, 2025 financing deals and dollars were estimated for this report.
Covers private, venture-backed investment and companies may overlap with other healthcare sectors.
Source: PitchBook, company websites, internal analysis. Thanks to Mind Machine for slide strategy, creative, and design.

HealthTech Deal Activity By Region

Northeast reinforces role as lead HealthTech hotspot

Dollar Size by Region





Notable Deals 2025

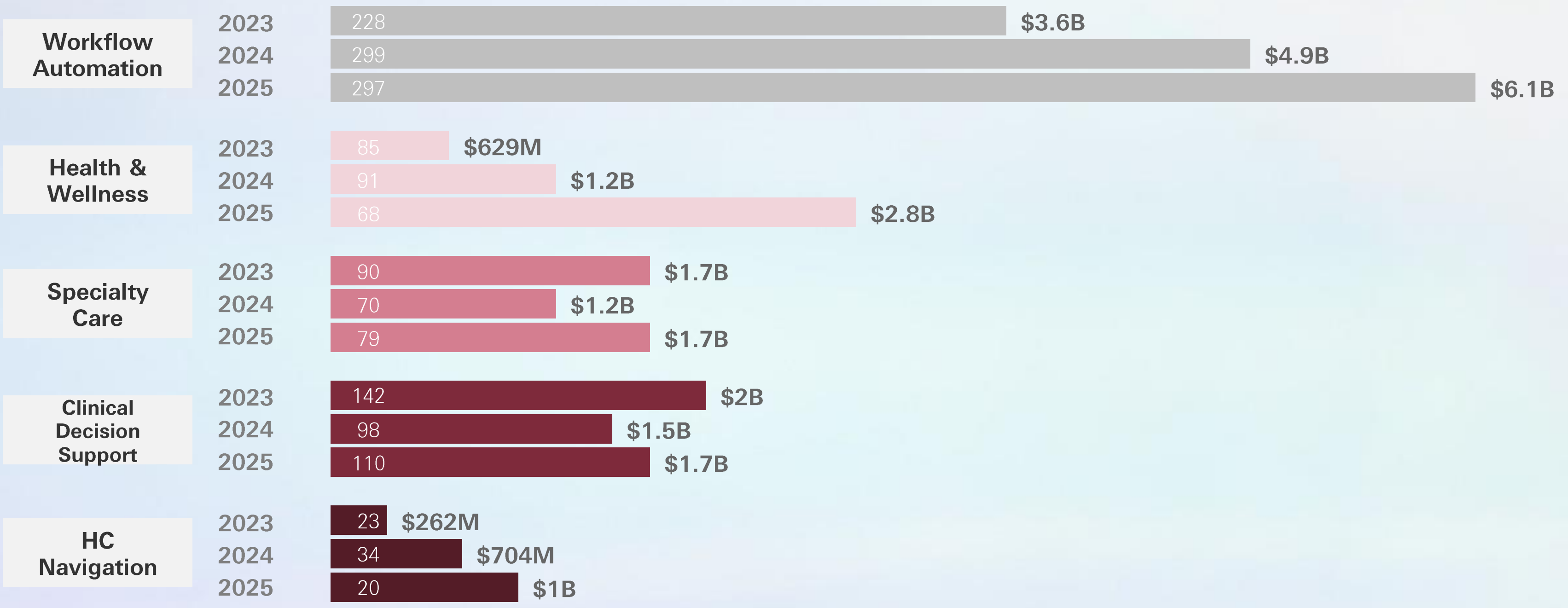
Northeast	West	Southeast	Rocky Mountains	Southwest	Europe
ABRIDGE, OpenEvidence, JudiHealth, aidoc	TRUVETA, Ambience, innovaccer, commure	evergreen nephrology, OpenEvidence, Thyme Care, studycast	strive HEALTH, transcarent, sword, dispatch health	Function, curative, Harbor Health	ŌURA

Note: Data from PitchBook as of 12/15/25. Covers private, venture-backed investment. Activity measured by number of deals by region of the US and by country in Europe.
1. Oura raised the largest HealthTech venture-backed round of the year, closing $908M in October 2025.
Source: PitchBook, company websites, internal analysis.

HealthTech by Subsector[1]

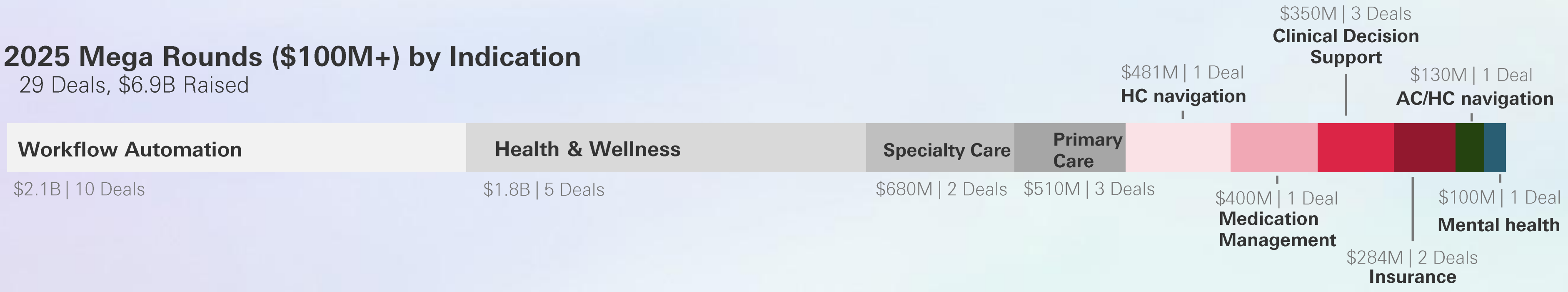
AI platforms dominate fundraising, consumer health platforms gain share

Dollar Investment by Indication



2025 Mega Rounds ($100M+) by Indication

29 Deals, $6.9B Raised



Continued investment in AI-driven workflow automation
Investors continue to show confidence in AI-enabled platforms that automate clinical and administrative workflows across healthcare organizations. These solutions span revenue cycle management (RCM), data analytics, and digital scribe tools. Notable investments in this category include Hippocratic AI, Innovaccer, and Abridge.

In 2025, workflow automation platforms captured a significant share of HealthTech investment, with total funding reaching $6.1B and accounting for 37% of total capital invested. While the overall deal count remained consistent with previous years, capital became more concentrated towards workflow automation startups. The average deal size increased to $20.5M, up from $16.4M in 2024, indicating a shift towards larger, more strategic investments in platforms with scalable and robust technical architectures.

Consumer-centric healthcare platforms come into focus
Health & Wellness investment increased substantially in 2025, with total funding more than doubling compared to the previous year. The subsector attracted $2.8B in capital, despite a 25% reduction in deal count. This shift reflects increasing capital concentration around a smaller number of companies. Notable raises include Oura ($908M), OpenEvidence ($485M), Neko Health ($260M), and Amboss ($257M).

The capital inflow aligns with the expansion of AI-enabled, consumer-focused healthcare platforms, many of which partner on the back-end with enterprise customers such as providers and pharma. Improved access to health data and advancements in AI are enabling individuals to take a more active role in managing their health, a trend reinforced by rising healthcare premiums and deductibles that increase demand for innovative, cost-effective solutions.

Platforms that leverage AI for personalized health insights, predictive analytics, and seamless user experiences attracted investor interest. The average deal size in this subsector increased to $41M in 2025, up from $13M in 2024, signaling strong investor confidence in the scalability and durability of consumer-centric healthcare management solutions.

Note: HealthTech defined as companies or product/solutions that help in delivering care, helping doctors or other forms of medical solution deliver care, or helping the broader ecosystem deliver care.
Data from PitchBook as of 12/15/25. Covers private, venture-backed investment and companies may overlap with other healthcare sectors.
1. Subsector defined as focus delineated on the company's website.
Source: PitchBook, company websites, internal analysis. Thanks to Mind Machine for slide strategy, creative, and design.

HealthTech Largest Financings

Increasing concentration of investment in top deals

Largest Rounds in 2025

#	Company	Subsector	Size of Round/ ($M) Step-up?[1]	Quarter/ Round	Location
1	ŌURA	Wellness & Education Health& Wellness	$908 (1.9x)	Q4 E	Oulu, Finland
2	strive HEALTH	Alternative Care Specialty Care	$550	Q3 D	Denver, CO
3	transcarent	Healthcare Navigation Provider Matching	$481 (1.0x)	Q2 D1	Denver, CO
4	JudiHealth	Medication Management Pharmacy Benefits	$400 (2.0x)	Q3 F	New York, NY
5	ABRIDGE	Provider Ops Workflow	$354 (1.8x)	Q2 E	Pittsburgh, PA
6	TRUVETA	Provider Ops Workflow	$320	Q1 C	Bellevue, WA
7	innovaccer[2]	Provider Ops Workflow	$275 (1.2x)	Q1 F	SF, CA
8	NEKO	Wellness & Education Education & Wellness	$260	Q1 B	Stockholm, Sweden
9	AMBOSS	Wellness & Education Medical Education	$257	Q1 Late Stage	Berlin, Germany
10	ABRIDGE[2]	Provider Ops Workflow	$250 (2.9x)	Q1 D	Pittsburgh, PA

#	Company	Subsector	Size of Round/ ($M) Step-up?[1]	Quarter/ Round	Location
11	OpenEvidence	Wellness & Education Medical Education	$210 (3.3x)	Q2 B	Cambridge, MA
12	Ambience	Provider Ops Workflow	$210 (3.5x)	Q3 C	SF, CA
13	Function	Alternative Care Primary Care	$200 (12.0x)	Q2 B	Austin, TX
14	commure	Provider Ops Workflow	$200	Q1 Late Stage	Mountain View, CA
15	OpenEvidence	Wellness & Education Medical Education	$200 (1.7x)	Q4 C	Miami, FL
16	dispatchhealth	Alternative Care Primary Care	$160 (1.0x)	Q1 E1	Denver, CO
17	Cera	Alternative Care Primary Care	$150	Q1 C1	London, UK
18	aidoc	Provider Ops Clinical Decision Support	$150	Q3 E	New York, NY
19	curative	Insurance	$150 (30x)	Q4 B	Austin, TX
20	Hippocratic AI — Do No Harm —	Provider Ops Workflow	$141 (3.1x)	Q1 B	Palo Alto, CA

Valuation[1] Step-Up Flat Rd Step-Down

Key Takeaways from 2025 Largest Financings

1. Investment is Highly Concentrated in Mega-Rounds
A small group of companies captured a disproportionate share of total sector funding, with the top ten rounds exceeding $250M, reflecting a "winner-takes-most" dynamic.

2. Provider Operations Workflow Leads Financings
Provider operations platforms dominated the largest rounds, indicating strong investor confidence in workflow automation, data integration, and operational efficiency solutions for healthcare providers, with multiple companies securing large rounds.

3. Alternative Care & Specialty Care Attracts Major Funding
Increased investment in this subsector highlights a shift towards technology-enabled care models outside traditional clinical settings.

4. Wellness & Education Remains a Key Focus
Large financings for Oura, Neko, Amboss, and OpenEvidence highlight continued interest in consumer health analytics, wearables, and digital medical education, suggesting ongoing demand for personalized health and scalable learning platforms.

5. Healthy Step-Up Valuations
Most mega-rounds were completed at higher valuations compared to prior financings, with some companies achieving step-ups of 3x or more, reflecting robust market optimism and confidence in future growth.

6. Geographical Diversity
While US-based companies dominated, notable participation from European companies (Finland, Sweden, Germany, UK) indicated global investor interest in HealthTech innovation.

Overall, the 2025 HealthTech financings were defined by large, concentrated investments focused on provider workflow automation, alternative care models, and consumer wellness. Step-up valuations and global participation highlights both the competitive environment and the sector's perceived long-term growth prospects.

Note: HealthTech defined as companies or product/solutions that help in delivering care, helping doctors or other forms of medical solution deliver care, or helping the broader ecosystem deliver care. Data from PitchBook though 12/15/25. Covers private, venture-backed investment.
1. Step-Ups calculated using Pitchbook valuation data for previous and new financing as follows: Divide new pre-money valuation by previous round post-money valuation.
2. Round originally announced in prior years
Source: PitchBook, company websites, internal analysis. Thanks to Mind Machine for slide strategy, creative, and design.

HealthTech Most Active Investors[1]

Brand name firms dominate list of active investors

All deals

VC/Angel		Corporate[3]		Growth[2]	
9	andreessen horowitz, Alumni Ventures	8	CVS Health Ventures	5	Five Elms Capital, labcorp, GOHUB Ventures
8	Define Ventures, AlleyCorp	7	Optum Ventures	4	Avenir Growth Capital, Transformation Capital, HealthQuest Capital
7	Valtruis, General Catalyst, virtue	4	Memorial Hermann, UPMC	3	Goldman Sachs Asset Management, Intermountain Ventures, OAK HC FT
6	.406 Ventures, Sequoia	3	GV, Samsung Next		
5	LRV Health, HV Capital, Flare Capital Partners, BakerBridge Capital, Lightspeed, Insight Partners, SV Angel, Gaingels				

Note: HealthTech defined as companies or product/solutions that help in delivering care, helping doctors or other forms of medical solution deliver care, or helping the broader ecosystem deliver care.
Data from PitchBook as of 12/15/25. Covers private, venture-backed investment of $2M+..

1. Most Active Investors only include investment into a new portfolio company, not follow-on financings.
2. Growth Investors defined as investment firms that typically invest in later-stage companies that either are revenue scaling, or the round is anticipated to be the last before an IPO.
3. Note that families of funds are combined for this slide, as are corporate and corporate venture with the same parent.

Source: PitchBook, company websites, internal analysis and conversations with investors. Thanks to Mind Machine for slide strategy, creative, and design.

HealthTech Largest Post-Money Values[1]

IPOs returned; Growth Equity and Corporate investment drives the highest-valued private companies

Largest Post-Money Valuations in 2025

Subsector	Company	Quarter	Deal Size ($M)	Round	Post $ ($M)/ Step-up?[3]	Subsector Focus	Notable/Lead New Investor(s)
Wellness & Education	ŌURA	Q4	$907	E	$11,000 (1.9x)	Health & Wellness	Asset Manager, Hedge Fund, PE, VC
Wellness & Education	OpenEvidence	Q4	$200	C	6,000 (1.7x)	Medical Education	PE, VC
Provider Ops	ABRIDGE	Q2	$354	E	$5,300 (1.8x)	Workflow	VC
Alternative Care	sword	Q2	$40	Late Stage	$4,000 (1.5x)	Specialty Care	Angels, Corporate, VC
Alternative Care	dispatchhealth	Q1	$160	E1	$3,660 (1.1)	Primary Care	Insiders
Wellness & Education	OpenEvidence	Q3	$210	B	3,500 (3.3x)	Medical Education	PE, VC, Corporate
Provider Ops	Hippocratic AI — Do No Harm —	Q4	$126	C	3,500 (2.1x)	Workflow	Growth Equity, Angels
Provider Ops	innovaccer[2]	Q1	$275	F	$3,450 (1.2x)	Workflow	Corporate, Growth, PE, VC
Medication Management	JudiHealth	Q3	$400	F	$3,250 (2.0x)	Pharmacy Benefits	Asset Manager, Growth, VC, Corporate

Valuation[2] Step-Up | Flat Rd | Step-Down

Note: HealthTech defined as companies or product/solutions that help in delivering care, helping doctors or other forms of medical solution deliver care, or helping the broader ecosystem deliver care. Data from PitchBook as of 12/15/25. Covers private, venture-backed investment.

1. Financing data based on information available from PitchBook, including post-money values and step-up, flat and down round calculations.
2. Round originally announced in prior years.
3. Step-Ups calculated using Pitchbook valuation data for previous and new financing as follows: Divide new pre-money valuation by previous round post-money valuation.

Source: PitchBook, company websites, internal analysis. Thanks to Mind Machine for slide strategy, creative, and design.

The Return of the IPO

After a prolonged slowdown in traditional HealthTech IPOs since 2022, public listings resumed cautiously in 2025. Companies such as Hinge Health and Omada Health have helped reopen this window, signaling renewed—though more measured—confidence in public markets. This contrasts with the SPAC-driven wave of 2021-22, when many newly public companies struggled to maintain post-listing valuations. Hinge Health delivered a strong IPO performance but remains below its $6.2B private valuation peak in 2021, while Omada Health achieved more modest post-listing gains, but now trades above its 2022 private round valuation.

The IPO window is reopening, but with greater emphasis on sustainable growth and profitability. Companies are being valued more conservatively compared with previous years.

Resilience and Momentum in Late-Stage Private Markets

In the first half of 2025, six out of the nine largest private financings were up-rounds, reflecting continued valuation growth and investor demand for mature, scalable business models. Investors are rewarding companies that demonstrate clear paths to profitability and market leadership, with step-up multiples indicating confidence in future growth.

AI Platforms Dominate High-Value Deals

Five of the nine highest-valued private financings involved AI-enabled platforms, highlighting continued investor interest in technology-driven healthcare models. Several of these companies raised significant funding in consecutive years, reinforcing continued momentum.

The Role of Corporate and Institutional Investors

Corporate and institutional investors played a central role in scaling HealthTech companies. This diversity of capital sources is critical for supporting both late-stage growth and strategic expansion. Investor focus has shifted towards sustainable growth, operational excellence, and scalable technology platforms. As the IPO market gradually reopens, companies with strong fundamentals and clear value propositions are best positioned to succeed across both private and public markets.

Healthcare Outlook: Perspectives for 2026

HSBC Innovation Banking

Healthcare Outlook
A Look Ahead to 2026

General Overview

In 2026, we expect the healthcare venture industry to see modest investment growth, supported by improving conditions for both M&A and IPO activity. The headwinds that constrained investor appetite are easing, and we believe that VCs are likely to increase investment pace. Venture activity will be supported by a strong group of growth and crossover investors with capital from recent market gains, alongside corporates looking to support innovation in biopharma and expansion rounds in the other healthcare sectors. AI-enabled, VC-backed companies across all four sectors will continue to attract large rounds from traditional and new investors alike along with corporates looking to support innovation, even beyond their main area of expertise. We predict overall investment will grow to $65-70B in 2026.

Biopharma

- **First-financing mega rounds drop:** Mega rounds are expected to persist, but become less frequent, with activity shifting toward $25-50M deals. Overall investment will remain near $1.4B per quarter.
- **Investments will remain robust:** Total investment will reach $26–$28B, at $6-7B per quarter, supported by a return of mezzanine rounds with crossover participation alongside a more open IPO market. Mid-stage companies, however, may continue to struggle to secure funding.
- **M&A activity:** M&A activity is expected to be flat to slightly down in 2026, as more companies pursue IPOs. We anticipate a mix of large $1B+ deals, smaller early-stage preclinical or phase I deals, and a few comp bio platform exits.
- **IPO activity in 2026:** Assuming macroeconomic conditions remain stable, we anticipate 15-20 IPOs, skewed toward Phase II and later IPOs rather than preclinical.

Dx/Tools

- **Stable first-financing focused on comp bio:** First-financing activity is expected to match Q4 2025 levels in 2026, with a yearly total of $1.6-2B, supported by continued growth in both Dx Test and Dx Analytics.
- **Overall investment:** Investment should increase slightly to $5.6-7B, driven by more commercial-stage financings across all three subsectors, as investor interest in potential IPOs grows.
- **Sector focus:** Strong later-stage stories may be positioned for mezzanine financings in anticipation of an IPO across all three sectors in 2026. Dx Test investment activity in Series B-D is expected to increase.
- **IPO and M&A outlook:** Recent successful Dx/Tools IPOs has renewed IPO interest. We anticipate four to six IPOs in 2026, which should also support M&A activity. A key question for M&A remains: what metrics will drive strong acquisition interest, and could development-stage assets with little to no revenue pique acquirer interest?

Med Device

- **First-financing rebound in dollars:** First-financings will remain stable, around $800M, supported by larger syndicate rounds involving traditional VCs and corporates. AI-enabled technologies in neuro, imaging and NIM will see increased capital, likely from newer investors to the sector.
- **Overall investment steady:** Later-stage investment will continue to drive an increase in dollars. With multiple capital sources, and increasing AI-focus in venture, total med device investment is expected at $2-2.4B per quarter, for $8-9.6B for the year.
- **Sector focus:** AI-driven advances in neuro, imaging, NIM and surgical robotics will continue to command larger rounds, while cardiovascular remains the leading indication in private M&A.
- **IPO and M&A outlook:** With some usually-active acquirers on the sidelines in 2025, we anticipate stronger venture M&A in 2026, with deal count in the mid-teens, and a mix of tuck-in deals and larger dollar exits. We anticipate three to five additional IPOs in 2026.

HealthTech

- **Early-stage investing will remain strong:** Investor confidence in early-stage HealthTech strengthened in 2025, with a greater share of capital invested and higher average deal sizes. We expect this momentum to continue in 2026 as liquidity improves and AI continues to speed up product development.
- **Increased capital concentration:** The increase in mega rounds in 2025 is expected to continue in 2026, reinforcing a "winner-takes-most" dynamic as VCs allocate larger sums to fewer, high-potential companies.
- **Global participation will increase:** While the U.S. remains dominant, European companies are increasingly attracting capital from a global mix of investors. With reduced confidence in U.S. macros, we anticipate a greater number of investors will look to European and Asian markets to capture value.
- **Acceleration of M&A activity:** As capital concentrates in fewer "winners", we expect mega-round recipients to use new capital to consolidate the market, expand their offerings and increase market reach, further positioning themselves for an IPO.

Source: PitchBook, company websites, internal analysis. Thanks to Mind Machine for slide strategy, creative, and design.

HSBC Innovation Banking
Contributing Authors

BRANDON CLARK
HealthTech, BioPharma Infrastructure

Director
Brandon.Clark@us.hsbc.com
San Francisco, CA

ALEX HATZIS
HealthTech

Vice President
alex.hatzis@us.hsbc.com
Boston, MA

STEVE AGULAR
HealthTech

Head of Healthcare Investor Coverage
Steve.Agular@us.hsbc.com
Boston, MA

CHRIS MONIZ
HealthTech

Managing Director
Chris.Moniz@us.hsbc.com
San Francisco, CA

MATT GRIFFITHS
HealthTech

Managing Director
Matt.Griffiths@us.hsbc.com
Boston, MA

SAIRA REYES
Comp Bio, Editor

Bioengineering Graduate Student @ Stanford
spreyes@stanford.edu

GRACIE GEORGI
Biopharma

Vice President
Gracie.georgi@us.hsbc.com
San Francisco, CA

NOAH MELNICK
Med Device

Associate Vice President
Noah.Melnick@us.hsbc.com
San Francisco, CA

JESSE ESSAFF
Dx/Tools

Director
jesse.essaff@us.hsbc.com

NAMAN THAKUR
Editor

Analyst
Naman.kumar.thakur@hsbc.co.in
Bangalore, India

KIERSTEN MCBRIDE
Comp Bio, Active Investors

Graduate Analyst Program
Kiersten.renee.mcbride@us.hsbc.com
Boston, MA

MIKAELA KIMPTON
Biopharma, Comp Bio

Associate
mikaela.kimpton@us.hsbc.com

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