

Dx/Tools

VC-Backed Investment Highlights

Q1 2026 Insights

First-financing¹ dollars were strong at \$465M, the second-best total in last three years. There were no \$100M+ mega deals (like Lila's \$200M round in Q1 2025), but nine deals exceeded \$20M. Corporate venture were key investors in four of these deals, including nVentures (NVIDIA), SCILEX, LabCorp, UCI Health Ventures, and McKesson Ventures.

R&D tools first-financing remained robust, focused on **bioreactor/manufacturing** (Neion and Avenue³) and **computational biology** (comp bio) (Proxima, Boltz, and Tamarind). All three comp bio deals fit within our Insight Platforms and Infrastructure (IPI)² subsector.

Dx Test activity increased, shifting from liquid biopsy toward blood disorders (Prenosis, Abram Scientific and MedicQuant). Dx Analytics⁴ funding remained limited with only Modulus and Quantum Scan exceeding \$6M.

Overall sector investment has remained consistent over the last three years at \$1.6B. However, subsector investment focus has shifted to R&D tools. Nine of the top ten and 16 of the top 20 largest financings were R&D tool companies, capturing 81% of Q1 Dx/Tools dollars. Outside of the top deals, we see many add-on and insider financing rounds in this sector instead of new round financings.

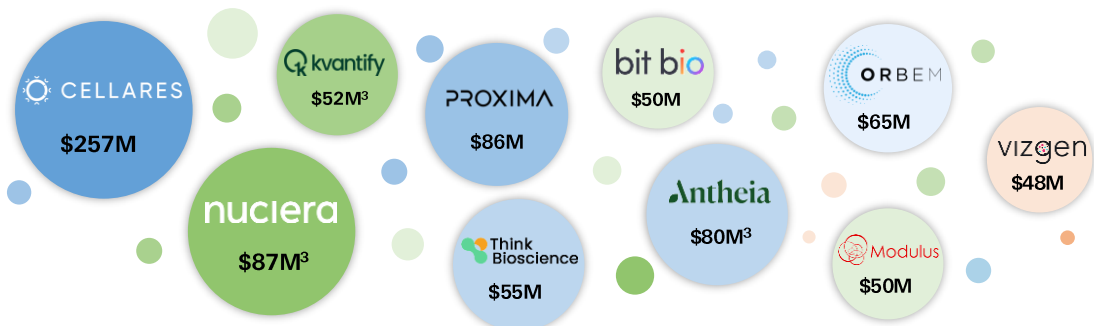
Comp bio tools remained a leading focus, mostly within IPI (Proxima, Orbem, Kvantify³ and bit.bio), while manufacturing companies (Cellares and Antheia³) captured two of the largest four deals.

Dx Test investment plunged to \$178M in Q1, barely 10% of FY 2025 investment, with only one deal raising \$30M+ (Waiv, liquid biopsy). Given annual investment averaged \$1.3-\$2.0B since 2023, dollars will likely pick up.

Dx Analytics raised \$240M in Q1, consistent with FY 2025 investment, though over 50% of dollars funded three deals, including Modulus (medical history), Vista.ai (cardiovascular) and Surgical Safety (operating theatre).

AI M&A in the sector suggests an intriguing new class of buyers. The \$400M acquisition of Dimension-cofounded Coefficient Bio by Anthropic (Q2 M&A) highlights the potential for cash-rich AI players to buy neolabs building across the sciences and may signal a broader class of acquirers looking across the intersection of tech and bio.

Top Deals



¹First-financing defined as initial venture financing of \$2M+.

²Insight Platforms and Infrastructure (IPI): Biology/chemical characterization, development of data banks, computational infrastructure, and bio-manufacturing

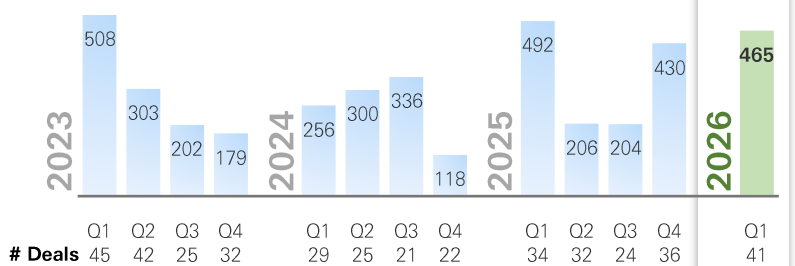
³Round originally announced in prior years but added additional funding in 2026

⁴Dx Analytics defined as software-based companies that help clinicians make clinical decisions

Source: PitchBook, Company Websites, Internal Analysis

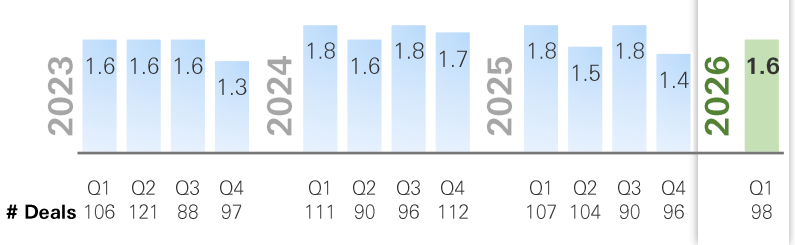
Dx/Tools Investment Activity (First Financing Deals)

Investment (\$ Millions)



Dx/Tools Investment Activity (All Deals)

Investment (\$ Billions)



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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.

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