Venture Capital Term Sheet Guide 2026

A Commercial Guide to VC Term Sheets

Volume 1: Executive Summary and Market Overview

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HSBC Innovation Banking

Demystifying VC Term Sheets

We are pleased to present the latest edition of our annual **VC Term Sheet Guide** – our most comprehensive analysis yet of what "market standard" really looks like in venture today. Term sheets are often called "market standard", but terms vary widely by stage, sector, investor type and market conditions – making transparency critical for founders. This guide cuts through the complexity.

Built on one of the UK's largest datasets of anonymised, final completed term sheets, this report combines market data, legal insight and commercial perspective to help founders navigate fundraising with greater clarity and confidence.

We sampled **711 signed term sheets** (643 UK HQ'd) underpinning binding investment agreements (not templates) covering investment rounds from Seed to Series C+ from 29 law firms with **50,000 data points analysed.** Our guide also **covers 42% of all UK equity deal volumes and 46% by deal values over £0.5m in 2025**[1].

How to use this guide

This guide is an **independent one-stop practical resource** on what term sheet "market standard" looks like – plus insights from a separate HSBC Innovation Banking investor sentiment and term sheet pulse survey on where terms/the market may move in 2026.

The guide is structured across a series of focused volumes, designed to be both practical in isolation and to be read in combination:

Volume 1: Executive Summary and Market Overview – key insights and takeaways of trends shaping term sheets.

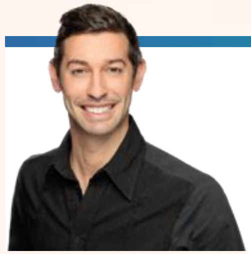
Volume 2: How-to-Guide – the practical playbook with detailed explanations of key terms and negotiation 'top tips'.

Volume 3-6: Sector Deep Dives – provides sector specific insight across DeepTech, Fintech, CleanTech, Life Sciences & BioTech and Health/MedTech.

Volume 7: Regional & University Spin-Outs – explores how term sheets have been evolving in the Regions and for Uni Spin-Outs.

Used together, the volumes provide a joined-up view of market practice, but they are equally designed to be dipped into as needed – whether a specific clause, preparing for negotiations, or understanding how dynamics have shifted by the sector or region.

This guide is part of our broader commitment to supporting founders through our **Founder Success platform.**



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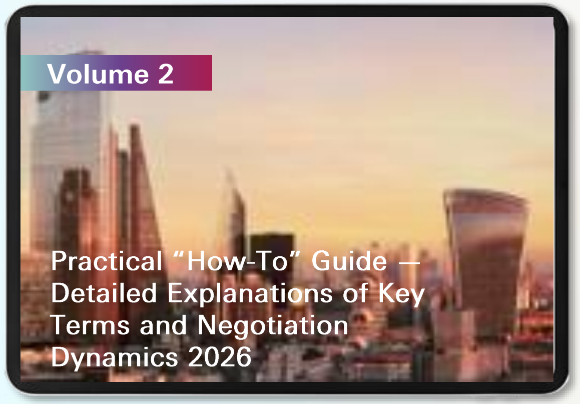
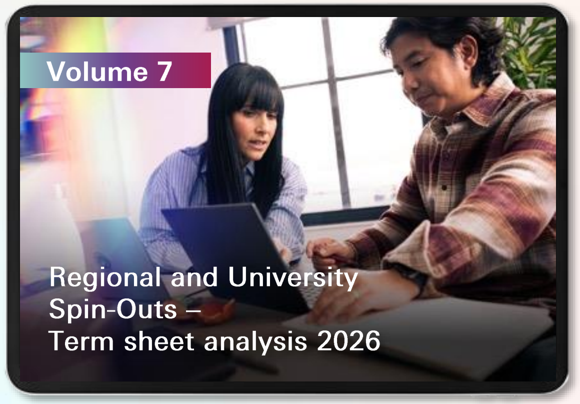
1 Pitchbook and term sheet survey data as of March 2026.

Term Sheet Guide 2026: Market- and sector-aligned

Overview of HSBC Innovation Banking's 2026 Term Sheet Guide Volumes





To access the guides, please visit our website or speak with your Relationship Manager here:

www.hsbcinnovationbanking.com

Market Overview

A note from Emily Turner

The UK venture ecosystem continues to show **resilience and maturity.** World class research, deep pools of talent and a growing base of experienced founders all reinforce the UK's position as a leading destination for VC investment.

This year's term sheet analysis highlights that the UK venture market is entering a more mature phase. In general, core venture terms have remained broadly stable, with less volatility and greater standardisation in headline provisions.

Capital is not evenly distributed – it is concentrated, selective and conviction-led. We are seeing a clear shift towards fewer, larger funding rounds, particularly in AI and DeepTech, with international capital playing an increasingly important role at scale. Meanwhile, the rise of **repeat founders is a clear signal of ecosystem maturity** – bringing experience, credibility and capital to the next generation of companies.

At the same time, the market has **repriced** and **rebalanced**. **In larger raises, activity** has **strengthened and is more founder friendly** but **early-stage rounds** are becoming **more structured and investor friendly**. The early-stage environment is now characterised by greater discipline – with more syndication, more downside protection and a sharper focus on revenue and performance.

How liquidity is achieved is also evolving. With IPO markets subdued, **secondaries** have become a core feature of the ecosystem, providing flexibility for investors and employees while enabling companies to stay private for longer.

Looking ahead, a more nuanced dynamic is emerging. Investor sentiment is improving but **negotiations are likely to become more polarised** as founders continue to push for higher valuations, while investors remain disciplined on structure – creating a growing tension between pricing and protection. The result is a market that is more active but more demanding – where capital is available for the best companies but with higher expectations and scrutiny.

Emily Turner

CEO HSBC Innovation Banking UK

Built on one of the UK's largest VC term sheet datasets

Anonymised data from 29 leading UK and international law firms, capturing final, executed term sheets and demonstrating how market terms are evolving year-on-year

29 Leading law firms	**711** Completed term sheets (643 UK HQ'd)	**£11.2bn** Aggregate investment value (£8.8bn UK HQ'd)

Contributing law firms:

- Addleshaw Goddard
- A&O Shearman
- Bird & Bird
- Browne Jacobson
- Burges Salmon
- CMS
- Cooley
- Covington
- Dentons
- Eversheds Sutherland
- fieldfisher
- fladgate
- Founders Law
- fox williams
- Goodwin
- Harbottle & Lewis
- Haynes Boone
- Herbert Smith Freehills
- ignition law
- Joelson
- Marriott Harrison
- MBM Entrepreneurial Business Lawyers
- Mishcon de Reya
- orrick
- Osborne Clarke
- pillsbury
- Seven Legal
- Shoosmiths
- Taylor Wessing

Partners:

- UK Private Capital
- Capsule
- carta

Comments from the innovation community (1 of 2)

Andrew Noble
COO,
PXN Group

“What stands out in this year’s data is the continued maturation of the UK VC market. Capital is becoming more selective and more structured, with a clear ‘flight to quality’ driving both valuation concentration and disciplined deployment. We are also seeing a meaningful shift in where and how innovation is funded - DeepTech and resilience-driven sectors are attracting sustained interest, while regional ecosystems play an increasingly important role in originating globally relevant companies. The net effect is a market that is more rational and robust, but also more segmented - where access to capital, and the terms on which it is provided, are increasingly determined by quality, sector and geography.”

Ashley Abrahams
Head of Origination,
Guinness Ventures

“Alongside Atomico’s State of the Market guide the HSBC Innovation Banking Term Sheet Guide is one of the key go to resources for the ecosystem. Don’t go into a term sheet negotiation blind. This guide breaks down every element of a standard investor term sheet - what’s normal and what should be challenged. I often share the HSBC Innovation Banking term sheet guide with Founders when discussing potential investments into their companies. It clearly lays out the current market standard, making it a brilliant resource for our industry."

Carolyn Dawson OBE
CEO,
Founders Forum Group

"Navigating the fundraising process can be daunting, especially for early-stage founders. This latest term sheet guide by HSBC Innovation Banking provides practical, founder-focused insights that demystify key terms, empower entrepreneurs to negotiate with confidence and encourage transparency across the startup ecosystem with market data."

Check Warner
Co-Founding Partner,
Ada Ventures

“Guides like these are critical. There is a big information imbalance between founders and investors – particularly first-time founders and particularly those that don’t have the connections or peer networks to sense-check terms with. HSBC Innovation Banking’s Term Sheet Guide levels the playing field for founders, empowering them with the data to make informed decisions about investment offers they receive. This guide is also valuable for the investors, ensuring that the terms they are offering companies are fair and equitable.”

Chris Adelsbach
Partner,
Outrun Ventures

“I love the transparency of this guide by HSBC Innovation Banking, mainly because I dislike it when investors and lawyers who negotiate regularly, try to convince founders to acquiesce by stating, "you need to accept because these are the market standards" and then have no data to prove that this is so. This is a pretty elementary negotiation tactic but, with data, both investor and founder can agree, line by line, what is indeed "market." HSBC Innovation Banking's guide goes some way to help founders to engage in fairer negotiations with their investors and their investors' lawyers!”

Chris Smith
Managing Partner,
Playfair Capital

"Receiving a term sheet is an important milestone for every founder building a venture backed startup. But excitement can soon turn to fear - what do all these terms mean? Which ones should I negotiate and what are the parameters? Am I getting a good deal? This guide is the perfect primer to enable you to get up to speed quickly and come to term sheet negotiations armed with the latest data and insights to make sure you get the best deal for you and your company."

Dan Bowyer
Partner,
SuperSeed

"The market has bifurcated and don't expect that to change any time soon. If you're building something genuinely differentiated in the hotspots of AI, defence, or what we now call "resilience", capital is hot to trot, valuations are friendly, and terms are loosey goosey. If you're not in that bucket, expect more structure, and some tougher conversations. However, my advice to founders in the early stages is don't fixate on valuation, it's vanity. What matters is you knocking it out of the park with the right partners in tow. Agree a clean, standard term sheet (which is the usual btw), with sensible numbers and clauses to do us all proud.”

Debbie Toms
Chief of Staff,
CuspAI

"One thing I'd encourage founders to really think about is the governance architecture you're signing up to - board composition, consent rights, voting thresholds. It's easy to gloss over these in the rush to close, but they shape how you actually run the company day to day. Every consent right is potentially another conversation before you can move. Every board seat changes the dynamic in the room. That's not necessarily a bad thing - good investors add real value and proper governance protects everyone - but you need to go in with your eyes open about what it means operationally. The best term sheets strike a balance: investors get the protection they need without every decision turning into a process."

Dr Mark Payton
Chief Executive Officer,
Mercia Asset Management

“The HSBC Innovation Banking regional comparison table contains some relevant observations for Mercia's territories. The Midlands data shows a notably higher VCT presence (28%) and lower VC/LP share (33%) compared to London (71% VC/LP). VCTs are higher in the North (33%) and Midlands (28%), while CVC participation is higher in the East of England (18% vs 6% in London). Despite these regional variations, Mercia Ventures’ ethos is to base its investors in areas where there is a high level of innovation, and to access our national and international network to help those we back to build the best businesses."

Comments from the innovation community (2 of 2)

Edward Keelan
Partner,
Octopus Ventures

"In a market that has never been more exciting, or more complex and fast paced, founders and investors need clear, practical information more than ever. The pace of innovation across the VC ecosystem is extraordinary, but navigating fundraising well still requires experience, perspective and access to the right data. HSBC Innovation Banking has done a fantastic job bringing that together in a way that is both accessible, interesting and genuinely useful for founders and the wider venture community. Huge thanks to the team for the time and effort they have put into producing it."

Michael Moore
Chief Executive,
UK Private Capital
(formerly BVCA)

"The UK Private Capital model documents provide essential support to the venture capital ecosystem, standardising terms between founders and investors and saving them both time and capital. We continue to update these documents in line with industry feedback, and provide them at no cost, to ensure that founders and investors can concentrate on growing businesses and driving innovation across the UK."

Paul Lehair
Partner,
AlbionVC

"One of the most overlooked drivers of fundraising success is term literacy. When founders walk into a negotiation understanding what is market on liquidation preferences, dilution, board composition and protective provisions, rounds close faster, with less friction and better outcomes for everyone. We see a clear pattern in our own portfolio: founders who benchmark terms early spend less time in legal back-and-forth and more time building. In a market where speed and conviction matter more than ever, that knowledge gap has a real cost."

Roderick Beer
Managing Director,
UKBAA

"At UKBAA, we really welcome the insights in the HSBC Innovation Banking VC Term Sheet Guide 2026. It's a genuinely helpful resource for angel investors, making VC term sheets easier to navigate and supporting better informed investment decisions. The commentary on typical investment sizes and ownership outcomes is particularly useful, giving angels a clearer sense of how dilution can play out in later rounds and underlining the importance of pre money valuation and looking at the full cap table. It's also encouraging to see the guide pointing to a positive and resilient venture market for the year ahead."

Rubén Domínguez Ibar
VC Investor,
Itnig

"VCs know term sheets inside out. Founders? Not so much. That's why they often negotiate at a disadvantage. HSBC Innovation Banking analysed 711 term sheets from 29 law firms, exposing how deals really get done. For the 600,000+ founders and VCs in my audience, for Itnig's investments, and my own as an angel—this kind of transparency is rare and super useful. Big institutions almost never open their data like this. A must-read for anyone raising or investing in 2026."

Tara Schoeller-Burke
General Counsel,
Speedinvest

"Reports like this are extremely valuable for founders and the wider ecosystem. By bringing data-driven transparency to venture terms - an area filled with jargon - HSBC Innovation Banking helps demystify what the market actually looks like today. Being able to benchmark properly means founders can focus on building balanced, long-term partnerships with their VCs and get a clearer view of how 'founder-friendly' those terms really are. For a pan-European VC like Speedinvest, it's also a great way to compare UK norms with what we're seeing across Europe!"

Tom Wehmeier
Partner,
Atomico

"These findings underscore the continued strength of our ecosystem at the early stage, and the first few months of 2026 make clear there's now real momentum at the growth stage and in exits too. In recent months we've also seen growing political recognition of the crucial role of technology founders in driving economic growth and innovation. Now there's an urgent need to create the best conditions for these entrepreneurs to thrive. By demystifying VC term sheets and providing detailed insights to guide decisions, this guide will help make our ecosystem easier for founders to navigate."

Triin Linamagi
Founding Partner,
Sie Ventures

"Access to term sheet benchmarks in Venture Capital empower founders with transparency, helping them understand market norms, negotiate fair terms, and avoid unfavourable clauses. In a fundraising landscape where knowledge is leverage, these insights level the playing field between investors and entrepreneurs."

Vanessa Vasquez
Head of Legal,
Seedcamp

"As a generalist lead seed investor backing companies across sectors, we see how term sheet negotiations play out in real time across the European startup ecosystem. The data behind this guide helps cut through anecdote - showing where terms are standard, where they're shifting, and how founders and investors are finding balance in today's market. It's a practical benchmark for navigating early-stage deals with greater clarity and confidence."

Executive Summary and Market Overview

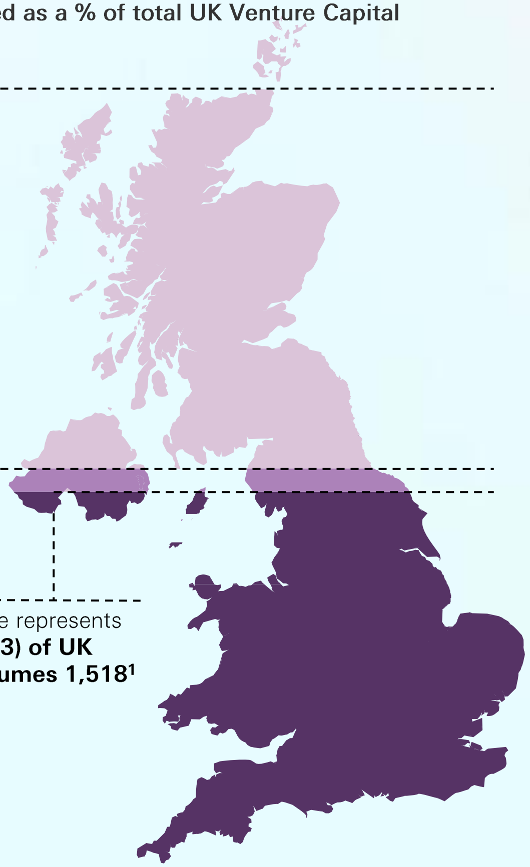
HSBC Innovation Banking

Our independent Term Sheet Guide is based on a comprehensive data set derived from venture deals, representing 42% of the UK VC market by deal volume and 46% by investment value, based on the surveyed term sheets

The survey captures a significant portion of UK VC activity

Term sheets surveyed as a % of total UK Venture Capital activity in 2025[1]

Total UK market venture deal value
£19.1bn



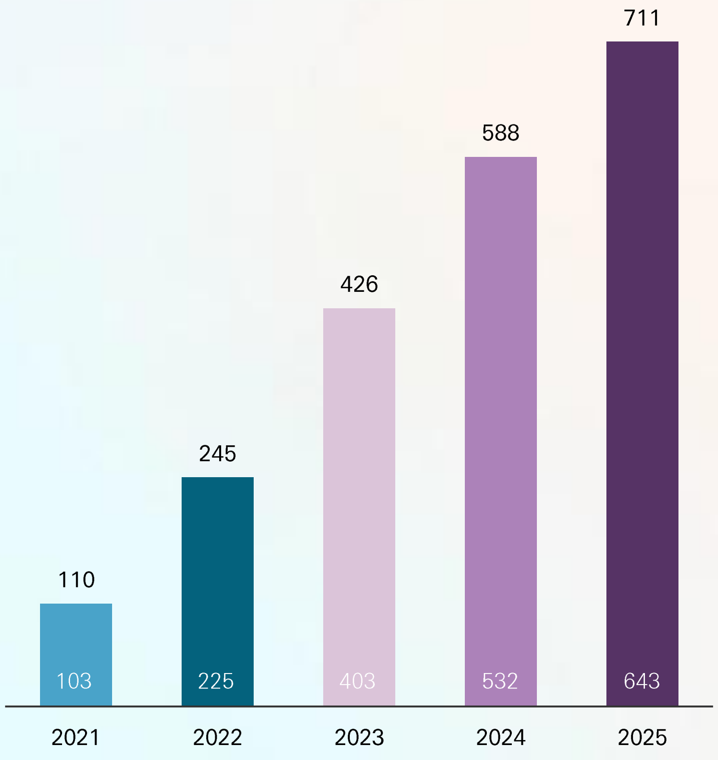
Our guide represents **46% (£8.8bn) of UK deal value £19.1bn[1]**

Our guide represents **42% (643) of UK deal volumes 1,518[1]**

Map shading indicates the coverage of survey responses across total UK VC investment activity in 2025.

Record participation increased by 21% in 2025

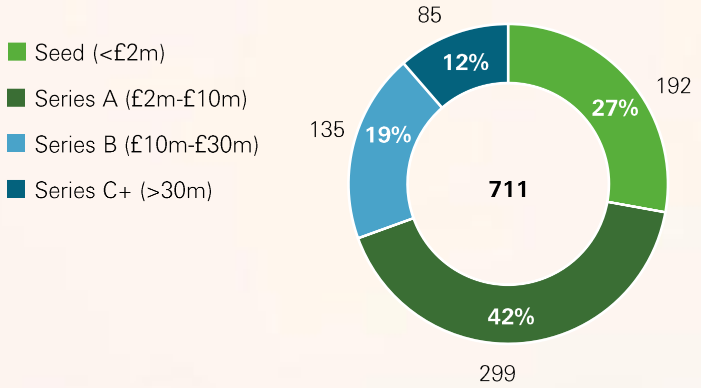
term sheets analysed in survey year



Number of UK HQ'd term sheets shown in graph.

Comprehensive review of the entire VC investment ecosystem

Term sheets by investment stage / size



Note: For the purposes of this guide, investment sizes have been labelled as: **Seed (up to £2m), Series A (£2.01m-£10m), Series B (£10.01m-£30m) and Series C+ (£30m+).**

For simplicity of this guide, these investment sizes may not always reflect the stage of maturity of the term sheet issued (e.g. Isomorphic Labs completed a Series A round of £450m – the largest UK Series A deal in 2025). We also looked at broader market data – around 10-15% of deals are supersized Series A rounds >£30m ticket sizes, suggesting our Series C+ category is broadly aligned with market trends.

1 Calculated as % of term sheets for UK-headquartered companies (643 out of 711 by volume and £8.8bn out of £11.2bn value total term sheets sampled) compared against the UK Venture Capital market (completed VC deals >£0.5m in 2025) of 1,518 transactions and £19.1bn of deal value, source Pitchbook as of March 2026.

Term sheet survey: 10 takeaways that define the market (1 of 2)

	2025	2024	2023
Market repricing and stage dynamics			
1 **Later-stage activity / larger cheque sizes have rebounded, with rising valuations & fewer participating preferences as competition drives more founder-friendly terms:** Series B and C+ represented 31% of all term sheets (up from 26% in 2024), signalling a flight to quality as capital concentrates in fewer, scaled companies as well as breakout AI/deep tech businesses where the founders have greater negotiation power. This is supporting higher valuations & simpler, founder-friendly deal structures (participating prefs fell from 17% to 10% at Series B and from 15% to 6% at Series C+).	26% Series B & C+	26% Series B & C+	27% Series B & C+
2 **Structured Seed rounds are on the rise & on more investor-friendly terms.** While convertible notes, ASAs & SAFEs remain common at the earliest stages, priced seed deals are becoming more investor-friendly and complex: participating preferences have doubled (7% to 14%) & syndication has increased (26% to 31%). This reflects tighter capital markets, greater scrutiny on AI accountability & longer gaps between funding stages. As funding becomes harder to secure, investors are prioritising tangible performance—revenue & profitability—overgrowth alone, driving a more disciplined approach to investment & deal terms.	14% (partipc. pref.)	7% (partipc. pref.)	15% (partipc. pref.)
Capital concentration and ecosystem clustering			
3 **Cross-border capital continues to drive UK growth-stage rounds, while UK investors continue to anchor Seed and Series A:** c.65% of Series B and C+ deals were led by foreign lead investors. There has been a rotation in 2025 from European to US investors, dominating later-stage rounds (37%), while UK investors continue to dominate Seed (c.70%) and Series A (c.55%). This reinforces the UK "scale-up gap": strong domestic support to form companies, but international capital required to fund later-stage scale.	37% Series C+: US invest.	27% Series C+: US invest.	23% Series C+: US invest.
4 **AI[1] (generative and LLMs) remains the dominant investment theme, with investors increasingly concentrated in emerging DeepTech-focused[2] sectors:** Activity has risen sharply – 35% of term sheets (from 15% in 2021) are pure AI / 'Deep-Tech'. There has been a notable rise across the resilience economy (Cybersecurity and Energy), Hardware and CleanTech. This shift reflects a growing preference for businesses with strong competitive moats (high barriers to entry) and the rising strategic importance of the UK's sovereign innovation capabilities.	35% AI & DeepTech	28% AI & DeepTech	27% AI & DeepTech
5 **Regional funding is a real story: In Energy & CleanTech and Life Sciences & BioTech, >50% of deals across all stages is now being funded in regions outside London**, reflecting proximity to specialist innovation hubs such as Cambridge, Oxford and Manchester. This points to a growing concentration of capital in world-leading UK regional clusters where the UK has clear strengths – and where investors see the potential for outsized returns. However, in some regions, term sheets show greater use of investor protections (e.g., participating preference), suggesting lower competitive tension, tighter capital supply and a different investor mix – using structure to bridge risk where capital is scarcer or existing investors doing smaller follow-on rounds into underperforming assets.	45% In regions	Not surveyed	Not surveyed

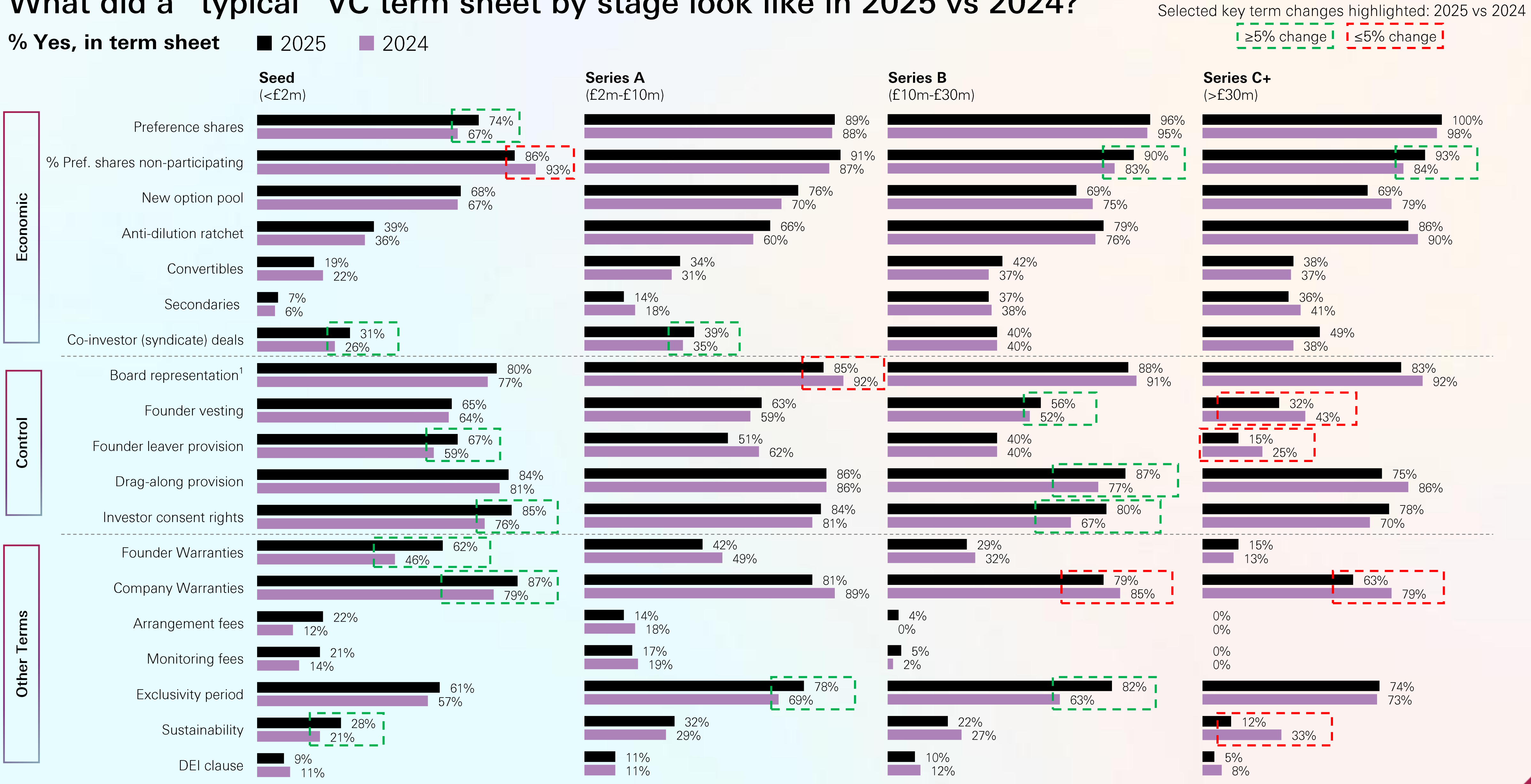
1 AI defined as companies focused exclusively on "pure AI" (tools and technologies that cover two key business models: Generative AI including Large Language Models (LLMs). Enabling AI has been classified in the sector it relates to (e.g. Enterprise Software or CleanTech). Survey sector classification defined as the primary end market or consumer.
2 DeepTech companies are defined by distinctive or first-of-its-kind science-based technology characteristics with strong competitive moats (high barriers to entry). It also includes energy and engineering products.

Term sheet survey: 10 takeaways that define the market (2 of 2)

#	Capital concentration and ecosystem clustering (continued)	2025	2024	2023
6	**Uni spin-out terms encouragingly are becoming increasingly aligned with 'standard' VC norms with differences mainly marginal (e.g. participating preference at 13% are only 3ppt higher than the wider market) albeit there is still some work to do in areas such as secondaries:** Uni spin-outs represent 9% of UK HQ term sheets but punch above their weight, across leading innovation hubs such as London, Cambridge, Oxford, Manchester, Bristol and Edinburgh and in IP-rich sectors like Life Sciences & BioTech and Health/MedTech (46% of spin-out term sheets) and DeepTech (38%). Initiatives such as the Uni Spin-out Investment Terms ('USIT') guidelines and Deepening Uni Investor Links have helped reduce friction and align terms. Continued convergence and the development of flexible, standardised term sheet frameworks will be key to scaling spin-outs more efficiently.	9%	Not surveyed	Not surveyed
	Market dynamics and outlook			
7	**CVCs punch well above their weight - they're 9% of term sheets yet led around a third of the largest Series A rounds by valuation:** CVC deal volumes have declined materially since 2021 (21% to 9%), reflecting a higher cost of capital, underperformance of recent vintages and increased budget discipline from parent companies. Where CVCs remain active, deployment is increasingly concentrated in fewer, more strategically aligned deals – often influencing round dynamics and cheque sizes, particularly from Series A onwards. Activity was most prominent in FinTech (12) and AI (11), with the largest share of CVC capital flowing to later-stage transactions, with Series C+ capturing c.80% of total CVC investment in 2025.	9% CVC term sheets	12% CVC term sheets	14% CVC term sheets
8	**Direct secondaries have emerged as a key liquidity release valve in a subdued IPO market - featuring in 37% and 36% of Series B and C+ rounds respectively:** As companies stay private for longer, secondaries are increasingly providing a structured pathway to exit offering early investors and employees partial liquidity, while enabling new investors access to high quality assets with potentially lower risk and shorter hold periods. This dynamic supports LP distributions, delivers tangible value to early employees and is becoming an important tool for talent retention/attracting new talent.	36% at Series C+	41% at Series C+	40% at Series C+
9	**ESG clauses retreated rapidly at Series C+, while later-stage DE&I clauses continue to decline:** ESG clauses at Series C+ declined from 33% in 2024 to 12% 2025, while DE&I clauses declined from 19% in 2022 to 5% in 2025. While ESG and DE&I provisions remain more prevalent at early stages (ESG increased markedly at Seed by 7ppt), their decline at the growth end of the market reflects a shift in market dynamics.	12% ESG at Series C+	33% ESG at Series C+	23% ESG at Series C+
10	**Investor sentiment is strengthening but term sheet negotiations are predicted to become more polarised in 2026:** In our investor term sheet pulse survey of 41 VCs, 71% of VCs are optimistic on the overall market for 2026 and are shifting back towards deployment, with 41% prioritising new investments (up from 20% in 2025). Conviction is concentrated in AI (78%) and increasingly DeepTech (71%, +30ppt YoY). However, 53% of investors expect founders to be pushing for more aggressive valuations in negotiations, while from an investor perspective, 71% expect the term structures will remain broadly unchanged. This divergence points to a growing disconnect between pricing expectations and structural discipline – likely to be a feature of deal making in 2026.	41% New deals	21% New deals	Not surveyed

1 Series C+ (>£30m) average post money valuation.

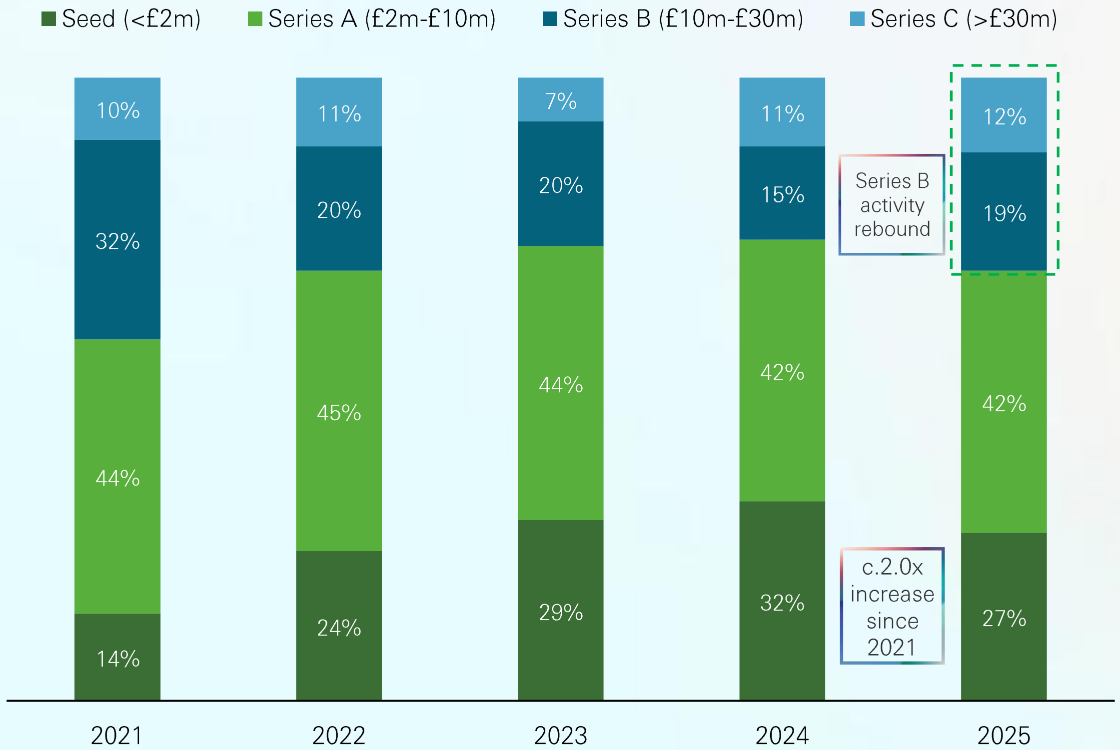
A market standard term sheet:
What did a "typical" VC term sheet by stage look like in 2025 vs 2024?



1 Board representation excluding observer.

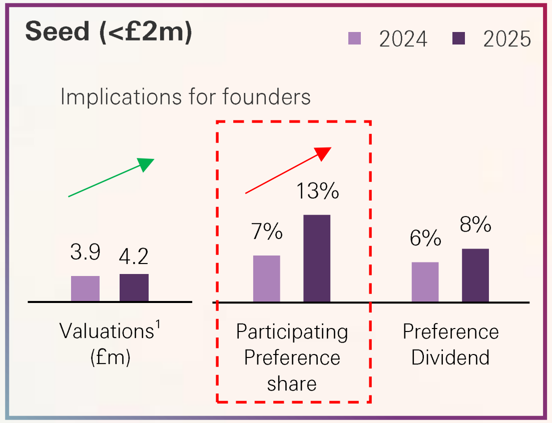
Series B and C+ deal activity rose to 31% of all deals, up from 26% in 2024. Series C+ valuations increased significantly in 2025, while participating preferences became less common as the flight to quality and heightened competition pushed investors to offer more founder-friendly terms

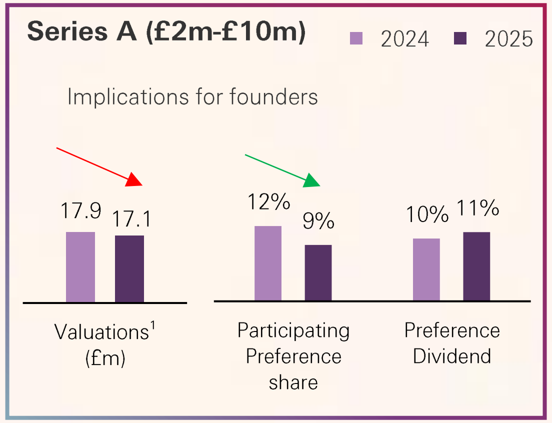
Term sheet volume by investment stage %

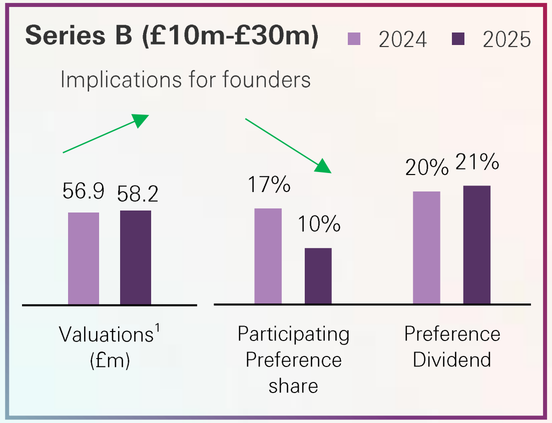


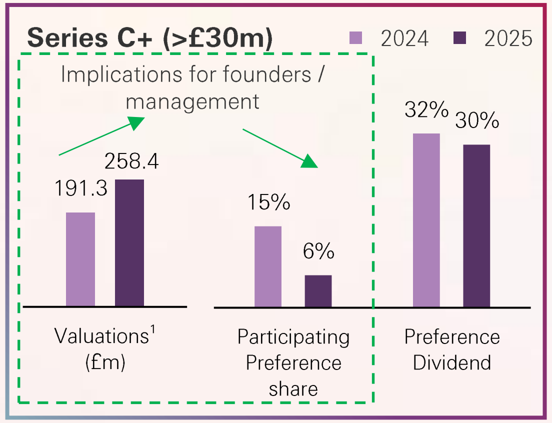
For consistency in our data analysis, we group financings by investment deal size. However, in the UK market we're seeing very **large "breakout" rounds in AI / DeepTech businesses that are, in practice, "super-sized" Series A rounds** (for example, Isomorphic Labs completed a £450m Series A – the UK's largest Series A deal in 2025). In these cases, founders typically have greater negotiating power over terms.

Comparison of select valuation and terms in 2025 vs 2024









Paul Lehair
Partner,
AlbionVC

"The shift toward Series B and C+ reflects a broader market dynamic where capital is concentrating in proven winners: deal counts are falling while valuations rise, investors are writing fewer but larger cheques, and the bar for early-stage funding is high. This flight to quality and the competition for it is pushing terms in founders' favour."

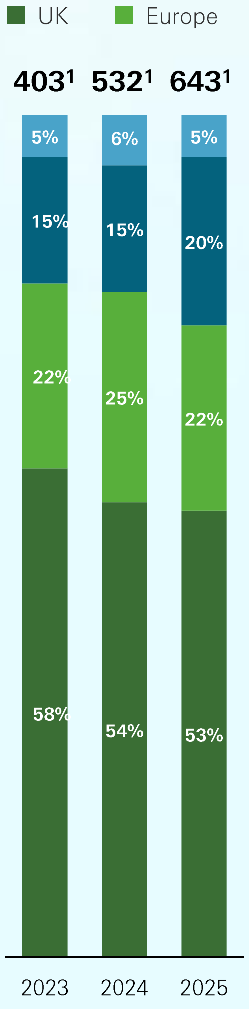
Philip Edmondson-Jones
Partner,
Oxx

"The Series B re-bound has been palpable. Three things converged in 2025 to drive this: a maturing post-2021 Series A cohort reaching scale; AI-native companies graduating to early-growth stage faster than previous generations; and companies who raised 2023-2024 bridge rounds reaching the right metrics to come out to market."

1 UK VC Median post-money valuation (across all sectors) £m as of Pitchbook, March 2026.

UK post-Series A funding: the market has shifted from European to US HQ'd growth investors fuelled by relative valuation compression and FX movements that made UK opportunities more attractive than US peers, alongside a strong appetite for leading UK innovation

Term sheet volumes – lead investor HQ location



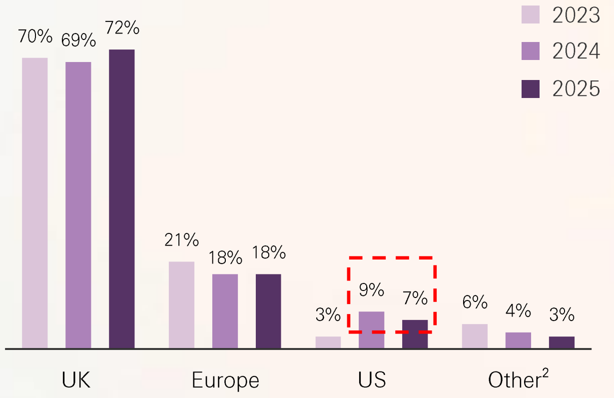
Gajan Rajanathan
Partner,
Highland Europe

"The increase in growth stage activity reflects two converging forces: AI-native companies compressing financing timelines, and a dumbbell effect where established investors are concentrating capital into a scarce pool of proven breakout companies, pushing valuations higher in the process."

The UK scale-up-gap
European & US investors dominate UK Series C+ deals indicative of the “scale-up” gap in the UK venture ecosystem. The UK VC ecosystem is well-capitalised at Seed and Series A but there is less domestic capital available for £30m+ cheques, with many UK funds capping out at Series B, leaving a funding gap for later stage companies seeking to scale.

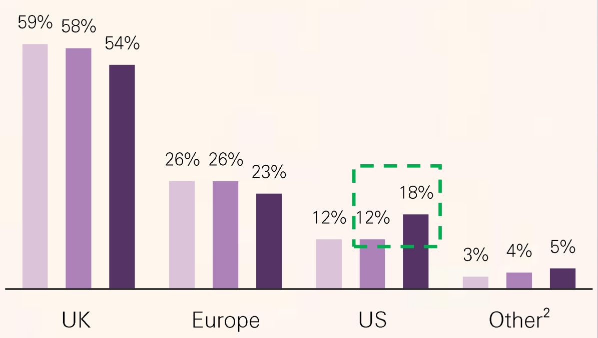
Seed stage (<£2m) lead investor HQ location

2023: 115 2024: 167 2025: 180



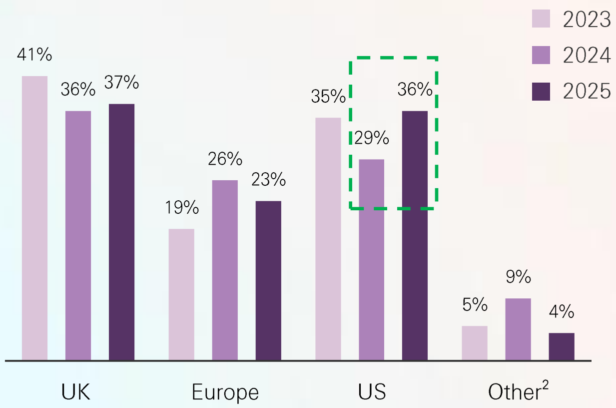
Series A (£2m-£10m) lead investor HQ location

2023: 179 2024: 230 2025: 269



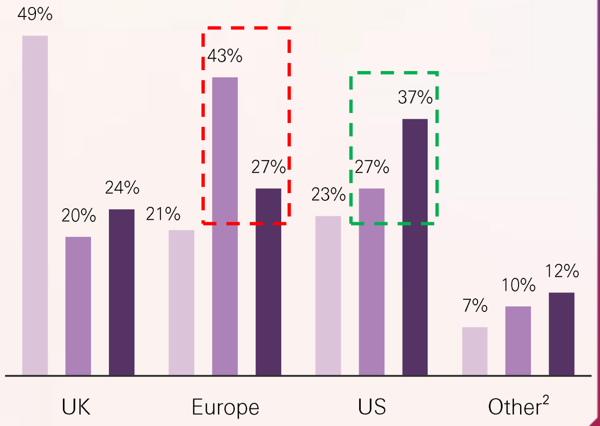
Series B (£10m-£30m) stage lead investor HQ location

2023: 80 2024: 84 2025: 121



Series C+ (>£30m) lead investor HQ location

2023: 29 2024: 51 2025: 63

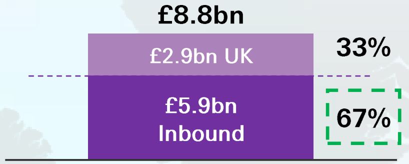


Note: The term "lead investor HQ location" refers to the location of the parent company's headquarters, rather than the location of its investment office/branch.
1 UK headquartered companies only, in 2025 represented 90% of VC term sheet survey responses (643 out of 711 term sheets).
2 "Other" refers to investors in the Middle East, Africa and Asia.

HSBC Innovation Banking

Foreign capital drives UK VC capital flows: c.70% (£5.9bn) of UK VC investment value is inbound. US investors lead, contributing £3.1bn (52% of inbound; up from 36% in 2024) across all stages. This underlines the UK's ability to produce world-leading startups, particularly in high investor demand sectors such as AI, Life Sciences & BioTech and FinTech

Term sheet value – lead investor HQ location



UK investment into 643 UK HQ'd companies

US Investor HQ

US ► UK Inbound

2025: **52%** (£3.1bn)

2024: **36%** (£1.5bn)

+16% ppt vs 2024

(14%) ppt vs 2024

EU Investor HQ

Europe ► UK Inbound

2025: **34%** (£2.0bn)

2024: **48%** (£2.1bn)

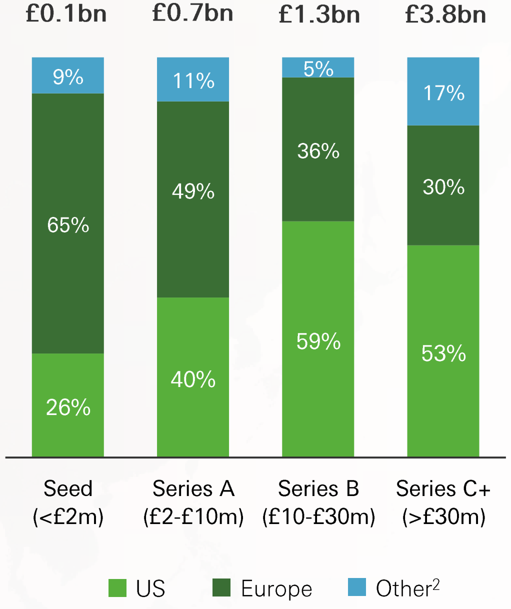
(2%) ppt vs 2024

Other[2] ► UK Inbound

2025: **14%** (£0.8bn)

2024: **16%** (£0.7bn)

2025 – overseas lead investor HQ location by investment stage and value



Michael Moore
Chief Executive,
UK Private Capital
(formerly BVCA)

"It is great to see a rebound in some later-stage activity and size of investment in 2025, providing vital capital to companies as they grow. However, the report also highlights a clear scale up gap, with US investors increasingly dominating later stage funding rounds. Addressing this imbalance is critical to ensuring that the UK can benefit from its most innovative, high-growth businesses."

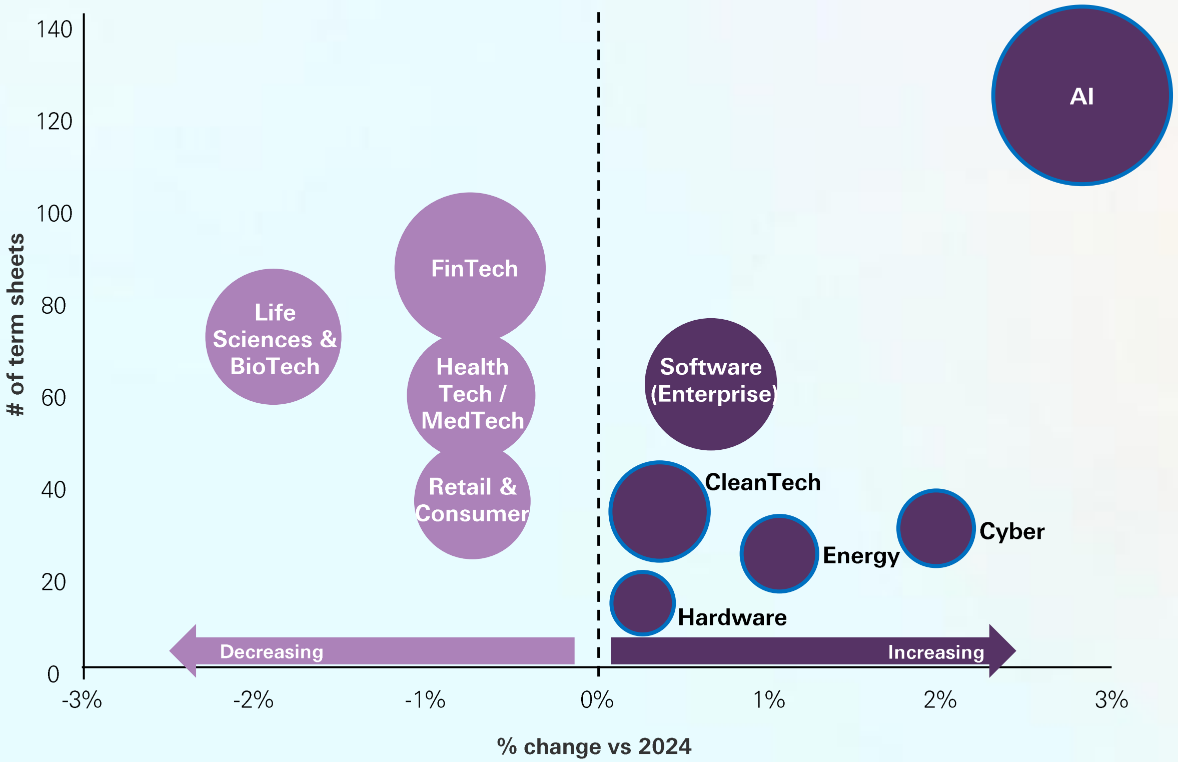
Market participants increasingly point to a 'UK-maxxing' dynamic: US capital and acquirers are playing a larger role in UK tech, and some UK champions are choosing US listings or moving their existing primary listings to the US. While this can be positive for funding and global scale, it also raises questions about whether the UK captures enough long-term value as its best companies scale or exit overseas.

Note: The term "lead investor HQ location" refers to the location of the parent company's headquarters, rather than the location of its investment office/branch.
1 UK headquartered companies only, in 2025 represented 90% of VC term sheet survey responses (companies (643 out of 711 by volume and £8.8bn out of £11.2bn value total term sheets).
2 "Other" refers to investors in the Middle East, Africa and Asia.

AI remained the dominant investment theme in 2025 (17% of all term sheets), with Cyber and Energy emerging as sectors to watch amid the geopolitical and macroeconomic backdrop. While FinTech, LS & Biotech remain strong – they saw a slight decline from 2024

Top 10 sectors by # term sheets and YoY % change

Size of bubble represents % size of total



Classified as DeepTech. DeepTech companies are defined by distinctive or first-of-its-kind science-based technology characteristics with strong competitive moats (high barriers to entry). It also includes energy and engineering products.

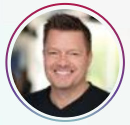
AI sector definition

AI defined as companies focused exclusively on "pure AI" (tools and technologies that cover two key business models: Generative AI including Large Language Models (LLMs). Enabling AI has been classified in the sector it relates to (e.g. Enterprise Software). Survey sector classification defined as the primary end market or consumer.

Top 10 sectors 2022 - 2025

Sorted by 2025 % number of term sheets

	2022 %	2023 %	2024 %	2025 %	2025 vs 2024 ppt% change
AI	4.5%	8.9%	14.3%	17.4%	+3.1%
FinTech	15.1%	10.1%	12.4%	11.8%	(0.6%)
Life Sciences & BioTech	9.8%	6.1%	12.2%	10.5%	(1.7%)
Health/MedTech	11.8%	12.2%	9.5%	8.9%	(0.6%)
Software - Enterprise	9.4%	8.0%	7.5%	8.2%	+0.7%
Retail & Consumer	5.7%	5.6%	6.8%	6.2%	(0.6%)
CleanTech	3.7%	6.1%	4.9%	5.2%	+0.3%
Cyber	4.1%	3.5%	2.0%	4.1%	+2.1%
Energy	2.0%	4.2%	2.7%	3.8%	+1.1%
Hardware	0.8%	1.9%	1.7%	2.1%	+0.3%
Top 10 % Total	**67%**	**67%**	**74%**	**78%**	**+4%**
Other[1] % Total	**33%**	**32%**	**26%**	**22%**	**(4%)**



Dan Bowyer
Partner,
SuperSeed

"Wow! The cycle certainly cycled away from last year - Bio/Pharma/Health etc! Plus here is a great example of 'capital concentration' crushing everything else out of the picture. AI - Boom! All of that said, keep in mind everything is a cycle, the smartest investors are investing in tomorrow, not today."

Dan Chaplin
Partner,
Dawn Capital

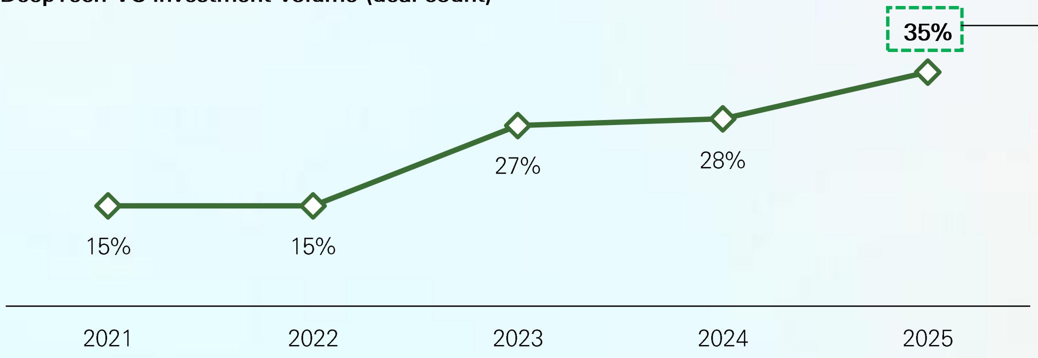
"The activity and ambition of European entrepreneurs to improve our societies and working lives continues with a surge in term sheets focused on transformative technologies in AI and Life Sciences, and the ongoing reshaping of Financial Services."

1 "Other" refers to industry sectors that fall outside the top 10 based on the number of term sheets. This category includes the following sectors, listed in alphabetical order: AdTech (0.1%), AgTech (0.6%), Blockchain (0.4%), Crypto (0.8%), Data analytics, (3.0%), Digital (2.4%), EdTech (0.7%), Esports/Gaming (1.7%), FoodTech (1.4%), Government (0.8%), IoT (0.1%), Marketplace (0.8%), Media (1.3%), NanoTech (0.7%), Real Estate/PropTech (0.7%), Robotics (0.6%), Social Impact (0.4%), Software – Non-Enterprise (1.5%), SpaceTech (1.0%), Telecoms (0.3%), Transportation (2.0%), VR & AR (0.4%) and WearableTech (0.0%).

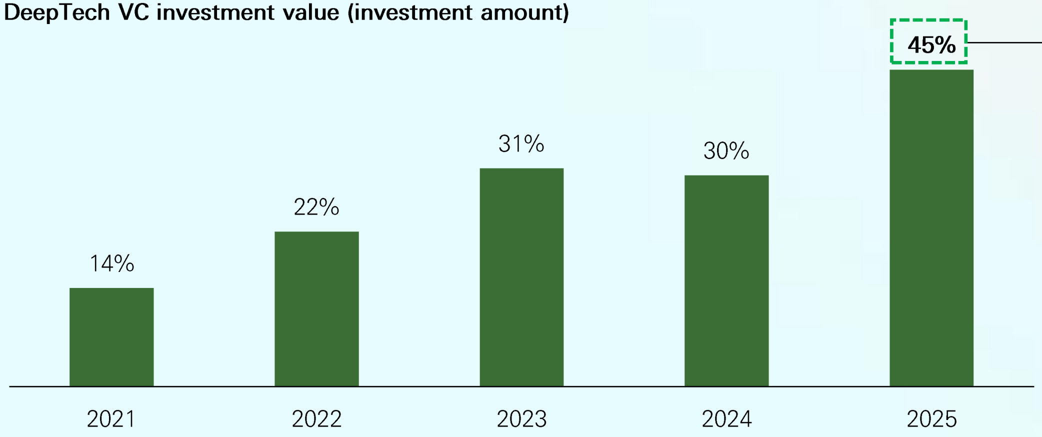
Notable rise in DeepTech sectors – led by AI, the 'resilience economy' (Cybersecurity and Energy), Hardware and CleanTech – as investors increasingly favour companies with strong competitive moats (high barriers to entry) & as the UK's sovereign innovation capabilities grow in strategic importance

DeepTech[1] classified sectors have increased materially, rising to 35% of total term sheet volumes in 2025 from 15% in 2021…

DeepTech VC investment volume (deal count)



DeepTech VC investment value (investment amount)



…with strong innovation tailwinds in AI and Resilience driving the most growth, a trend that is expected to continue during 2026

AI

- **Still the headline theme**: AI remains the dominant investment driver, with investors underwriting disruption and outsized upside for category leaders
- **From "emerging tech" to an infrastructure supercycle**: The story has shifted to a full-stack buildout—chips, data centres, power etc.
- **Rapid capability gains and falling unit costs**: "Intelligence-per-pound" is rising fast. As deployment costs fall, more use cases clear ROI hurdles—expanding TAM and pulling in capital

Resilience

- **Core allocation**: Investors are leaning into cybersecurity, energy security, defence-enabled Hardware, and SpaceTech as strategic priorities
- **Sovereign focus**: Capital is backing homegrown champions and reducing reliance on foreign critical-infrastructure providers
- **Energy demand tailwinds**: AI/data-centre growth and geopolitics are lifting UK power demand—supporting grid resilience, storage and next-gen energy

CleanTech

- **Rotation back into climate**: Climate-focused investors are deploying capital after significant dry powder build-up in 2024/25, driving renewed deal activity
- **Security-linked decarbonisation**: Increased interest in solutions that strengthen UK domestic supply chains and reduce strategic dependencies—where climate and national resilience overlap
- **UK policy-supported pathways**: Tailwinds from favourable UK policy (e.g., sustainable aviation fuel) are accelerating investable opportunities that bridge energy and CleanTech

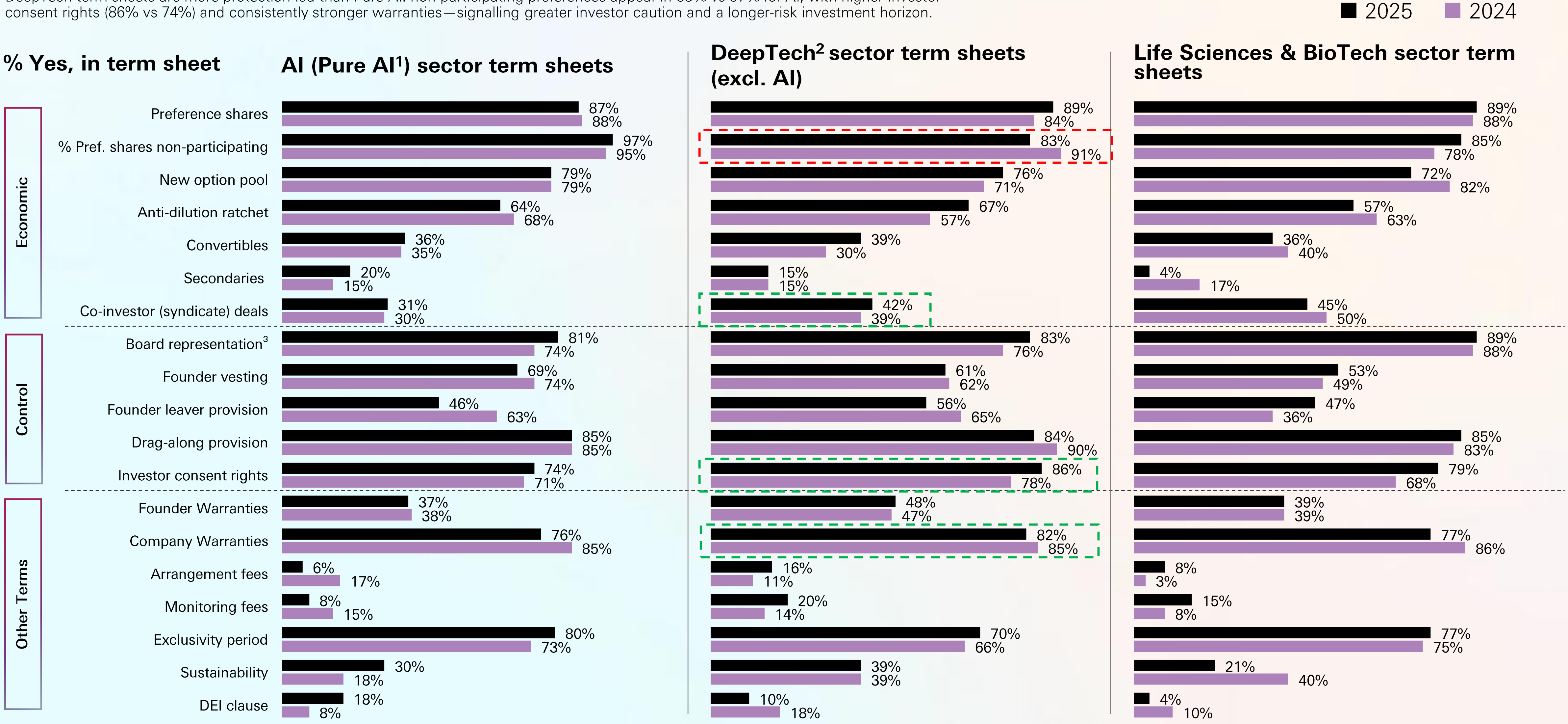
DeepTech definition
DeepTech companies are defined by distinctive or first-of-its-kind science-based technology characteristics with strong competitive moats (high barriers to entry). It also includes energy and engineering products.

AI sector definition
AI defined as companies focused exclusively on "pure AI" (tools and technologies that cover two key business models: Generative AI including Large Language Models (LLMs). Enabling AI has been classified in the sector it relates to. Survey sector classification defined as the primary end market or consumer.

Source: HSBC Innovation Banking proprietary research, Air Street Capital The State of AI Report 2025.
1 DeepTech includes: AI, CleanTech, Cyber. Energy, Hardware, Robotics, SpaceTech, VR & AR and Wearable. Non-DeepTech includes: AdTech, AgTech, Blockchain, Crypto, Data Analytics, Digital, EdTech, Esports/Gaming, FinTech, FoodTech, Government, Health/MedTech, IoT, Life Sciences & BioTech, Marketplaces, Media, NanoTech, PropTech/Real Estate, Retail & Consumer, Social Impact, Software Enterprise, Software-Non-Enterprise, Telecoms and Transportation.

Despite strong investor enthusiasm, DeepTech term sheets include more investor protections than AI, including lower non-participation prefs (i.e. more structure) and higher consent rights

DeepTech term sheets are more protection-led than Pure AI: non-participating preferences appear in 83% vs 97% for AI, with higher investor consent rights (86% vs 74%) and consistently stronger warranties—signalling greater investor caution and a longer-risk investment horizon.



1 AI defined as companies focused exclusively on "pure AI" (tools and technologies that cover two key business models: Generative AI including Large Language Models (LLMs). Enabling AI has been classified in the sector it relates to (e.g. Enterprise Software or CleanTech). Survey sector classification defined as the primary end market or consumer.
2 DeepTech includes: AI, CleanTech, Cyber. Energy, Hardware, Robotics, SpaceTech, VR & AR and Wearable.
3 Board representation excluding observer.

HSBC Innovation Banking

Seed funding saw 51% of rounds completed outside London. From a sector perspective, AI and FinTech remain London-led, while Life Sciences, CleanTech, and Hardware skew more regional, reflecting the increasingly important role these ecosystems play in originating globally relevant companies

Regional split by investment stage (UK HQ'd term sheets)

		Volume UK Composition			Value UK Composition		
Rank	Stage	# Term Sheets	London	Regions	Investment Amount (£m)	London	Regions
1	Seed (<£2m)	181	49%	**51%**	£228	53%	47%
2	Series A (£2m-£10m)	274	71%	29%	£1,457	71%	29%
3	Series B (£10-£30m)	124	77%	23%	£2,249	76%	24%
4	Series C+ (>£30m)	64	72%	28%	£3,423	75%	25%
	All stages		**66%**	**34%**			

Regional split of top 10 sectors (78% of all term sheets) by number of term sheets (UK HQ'd term sheets)

		Volume UK Composition			Value UK Composition		
Rank	Sector	# Term Sheets	London	Regions	Investment Amount (£m)	London	Regions
1	AI	112	74%	**26%**	£1,492	80%	20%
2	FinTech	77	90%	**10%**	£1,103	94%	6%
3	Life Sciences & BioTech	63	40%	**60%**	£400	22%	78%
4	Health/MedTech	57	54%	46%	£547	70%	30%
5	Software - Enterprise	52	71%	29%	£467	91%	9%
6	Retail & Consumer	43	63%	37%	£281	80%	20%
7	CleanTech	36	39%	**61%**	£376	41%	59%
8	Cyber	23	74%	26%	£194	90%	10%
9	Energy	25	44%	56%	£334	36%	64%
10	Hardware	14	43%	**57%**	£230	63%	37%

Andrew Noble
COO,PXN Group

"The data reinforces what we are seeing on the ground: the regions are rich in innovation and foundational technologies, particularly those which underpin sectors such as Clean Tech, Life Sciences and Advanced Manufacturing. Ecosystems outside of London are now delivering a disproportionate share of innovation, driven by globally competitive university research in areas like advanced materials, quantum, photonics, AI and energy systems."

Edinburgh (Scotland) | Scotland saw elevated term sheet activity in: CleanTech (7), BioTech (5) and Health/MedTech (10). These sectors prevail due to strong wind, tidal and hydro resources as well as university connectivity.

Manchester (North of England) | Traditionally strong Hardware / DeepTech company formation due to the city's industrial heritage and presence of research universities.

Oxford (South East), Cambridge (East of England) | Life Sciences and HealthTech are very prevalent in the East of England (12 altogether) due to the proximity to the 'Golden Triangle'.

Bristol (South West)| Interesting to note significant BioTech (4) and CleanTech (4) seen in the South West due to science research institutions and green-focused local authorities.

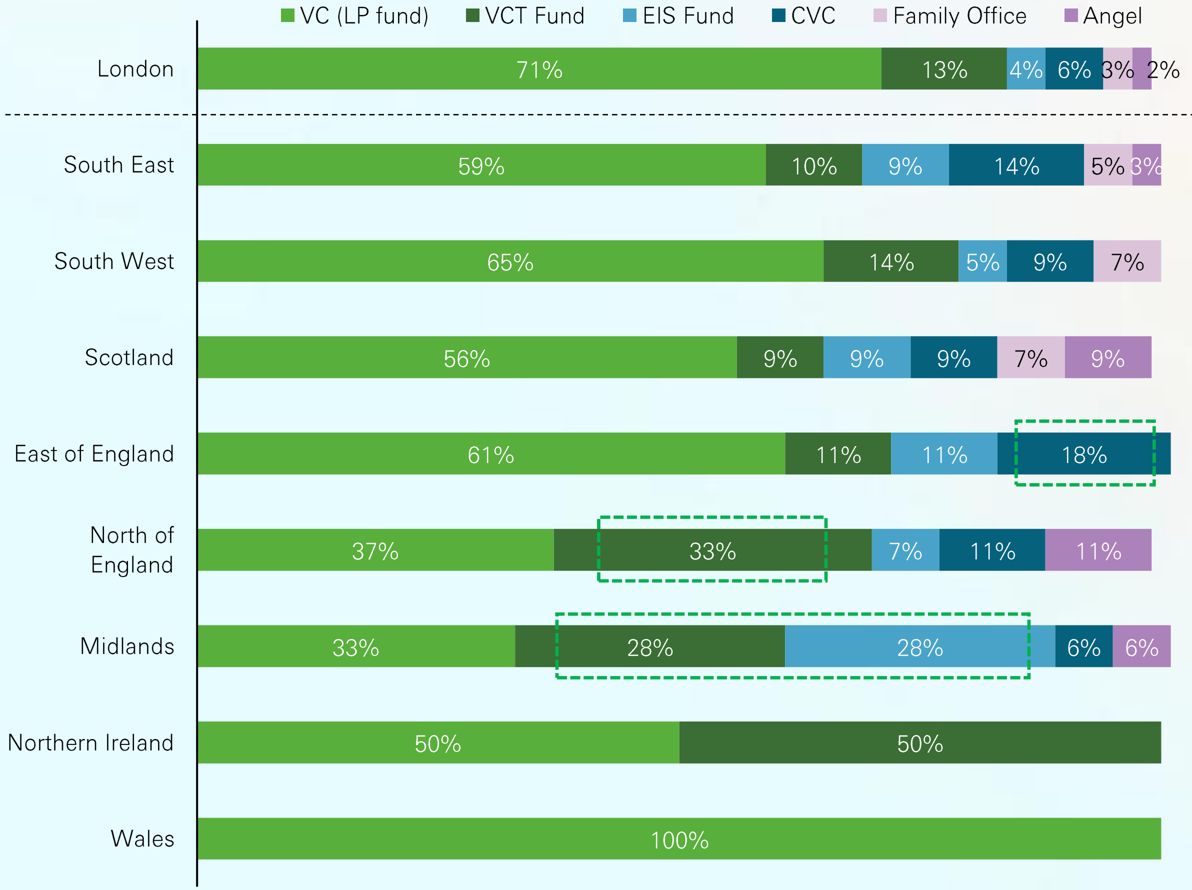
London | AI and FinTech dominate funding with c.75% of AI and 90% of FinTech due to the dense talent pool and proximity to major VC funds and capital.

Note: Figures in parentheses ( ) on the UK map denote the number of term sheets.
Regions include East of England, Midlands, North of England, Northern Ireland, Scotland, South East, South West, Wales and exclude London.
1 Where disclosed in the term sheet survey.

Founders raising outside London should expect a wider mix of capital sources and more negotiation on downside protection and structure, rather than a single "London-standard" template

Type of investor by region – volume of term sheets

VC/LP funds dominate most regions (c.50–71% of term sheets), but VCTs are higher in the North (33%) and Midlands (28%), where VCT regional sourcing and co-invest networks are present while CVC participation is higher in the East of England (18% vs 6% in London), where corporates are active investors.



Term sheet survey regional comparison of terms - % yes in term sheet

Preference shares are common nationwide, but London is the most standardised (89% preference shares; 93% non-participating) and most consistently sees new option pools (75%).

	# of Term Sheets (UK HQ'd)	Avg. Investment Size	Preference share	Preference share non-participating	Avg. Liquidation multiple	New option pool	Founder vesting
London	418	£15.1m	89%	93%	1x	75%	64%
South East	57	£15.9m	83%	81%	1.1x	62%	52%
South West	43	£11.3m	74%	91%	1x	74%	51%
Scotland	40	£5.7m	79%	82%	1.1x	72%	51%
East of England	28	£11.0m	86%	92%	1.4x	54%	54%
North of England	27	£10.9m	81%	77%	1.1x	59%	52%
Midlands	18	£5.0m	83%	73%	1.1x	72%	72%
Northern Ireland	7	£3.5m	100%	100%	1.5x	50%	50%
Wales	5	£0.5m	100%	20%	1x	100%	-

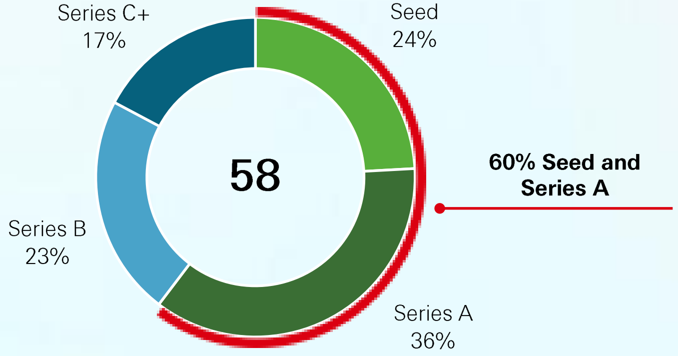
Dr Mark Payton
Chief Executive Officer,
Mercia Asset Management

"The HSBC Innovation Banking term sheet data shows more variation in the regional markets – although the Midlands and the North are remarkably similar in terms of liquidation multiple (1.1x), preference share (81% - 83%), with a slightly wider spread in non-participating (77% - 83%). There is some variation in the option pool and founder vesting, and data doesn't tell the complete picture. However, the alignment between team and investor is critical and our value creation planning methodology demonstrates just how passionate we are about this."

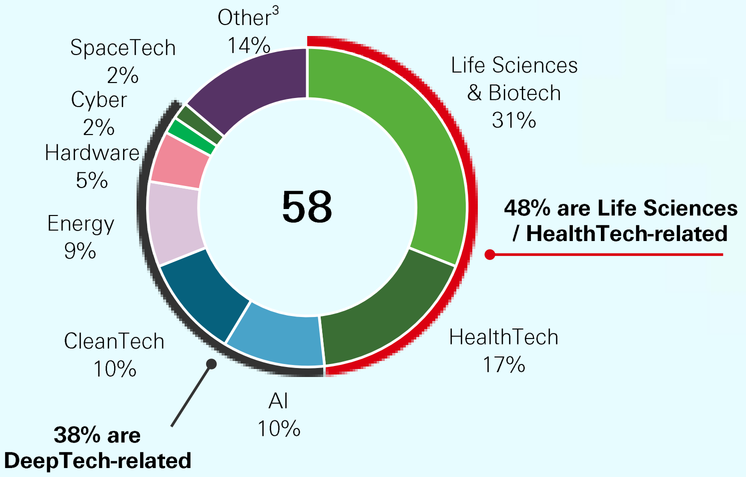
HSBC Innovation Banking

Spin-outs represent 9% of UK term sheets sampled - concentrated in the Life Sciences / HealthTech and DeepTech-related sectors and increasingly aligned to standard VC terms

Term sheets by investment stage / size



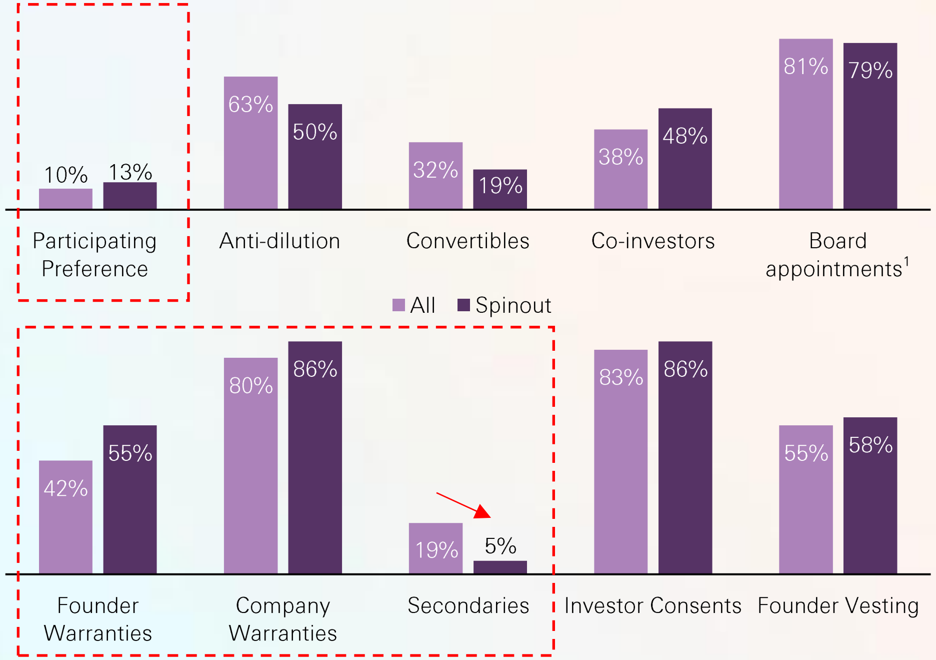
Term sheets by investment sector



Note: Series stage breakdown by investment size:
Seed (<£2m), Series A (£2m-10m), Series B (£10m-30m), Series C+ (>£30m).
1 Board representation excluding observer.
2 Beauhurst "Spotlight on Spin-outs March 2025".
3 Other includes Nanotech (3), Government (3), Software-enterprise (1), Social impact (1).

Select key terms

University spin-out terms are increasingly not materially different from standard VC terms due to a concerted effort to align with market standards, specifically through initiatives such as the University Spin-out Investment Terms (USIT) guide to accelerate commercialisation and reduce negotiation time.



Tony Hickson
Chief Business Officer,
Cancer Research Horizons

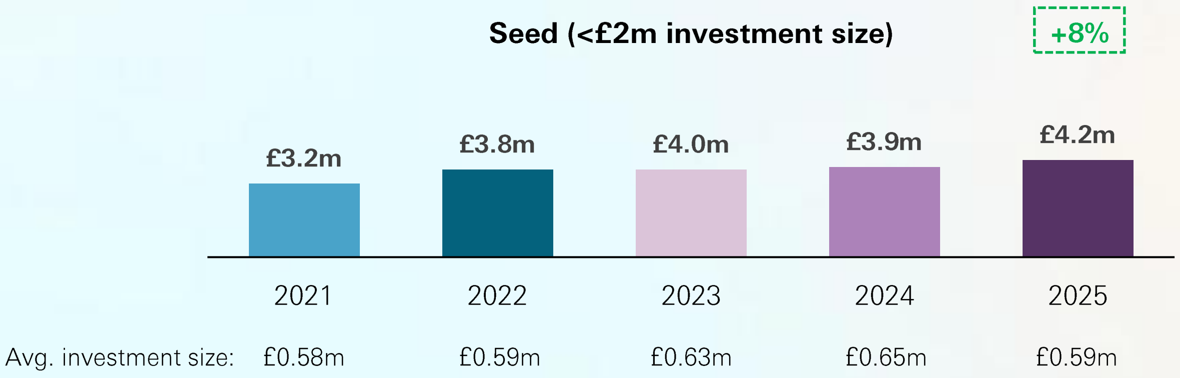
"The data show a clear and welcome shift towards market standard investment terms for university spin-outs, reflecting real progress in how universities and investors are working together. That's great to see, but the next step is to accelerate this alignment by making engagement quicker and more consistent, while preserving the flexibility needed to support the sheer diversity of spin outs across technologies, sectors and stages. The data also reinforces the outsized role spin-outs play in government priority areas like Life Sciences and DeepTech, but highlights that secondaries still lag the wider market, perhaps suggesting there is more we can do to enable partial liquidity for spin-out founders and reduce the temptation to exit too early."

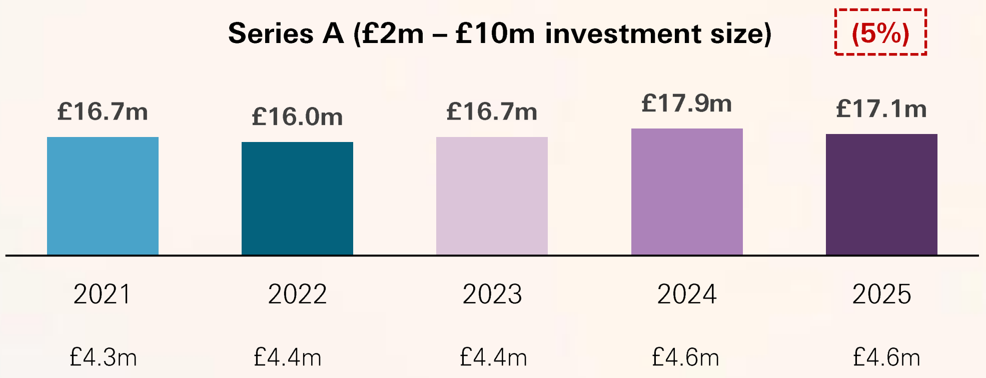
Top 10 universities by # spin-outs[1]

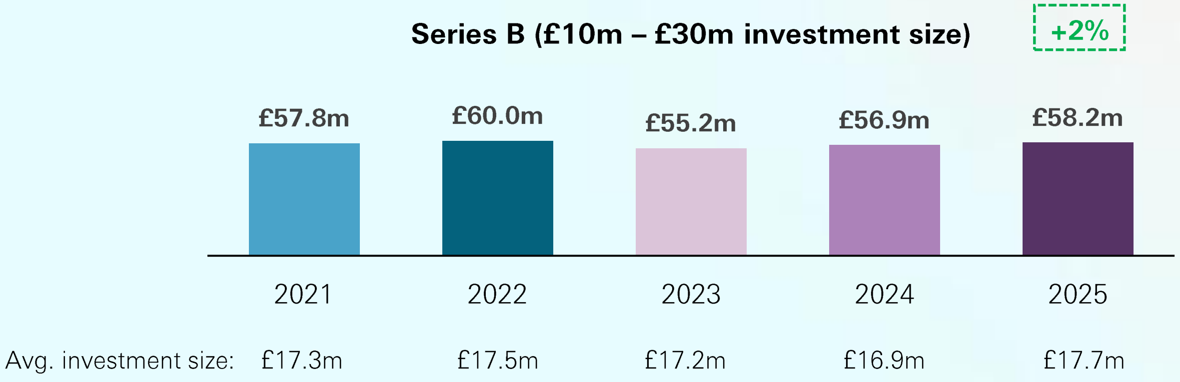
Beauhurst "Spotlight on Spin-outs March 2025"	# spin-outs created 2011- January 2025
University of Oxford	225
University of Cambridge	175
Imperial College London	132
Manchester 1824	114
UCL	99
University of Bristol	81
Royal College of Art	72
The University of Edinburgh	71
Swansea University Prifysgol Abertawe	58
Queen's University Belfast	57

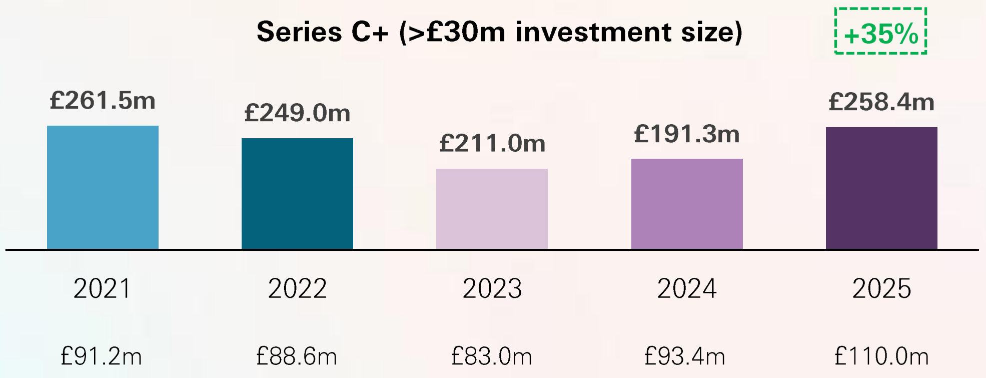
Valuations are rising – but increasingly concentrated. Series C+ saw the strongest uplift, with post-money valuations rebounding to around 2021 highs as investors – particularly HQ investors – sought high-quality assets and backed the UK’s ability to build world-leading companies

Pitchbook UK VC Median post-money valuation and average investment size (across all sectors) £m









Source: Pitchbook as of March 2026.

Hardware and robotics attracted outsized investment and higher valuations, reflecting intensifying investor competition for DeepTech and 'resilience economy' companies and products

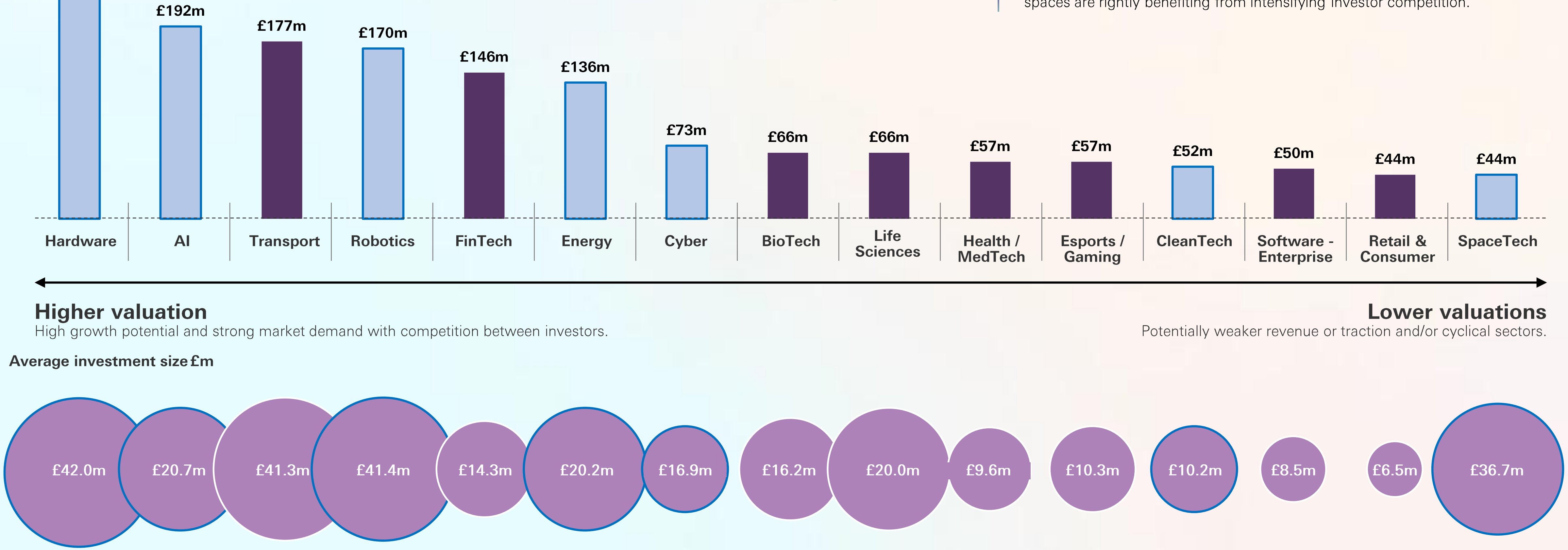
Illustrative - select 15 sectors by post-money valuation[1] and investment size £m

Classified as DeepTech. DeepTech companies are defined by distinctive or first-of-its-kind science-based technology characteristics with strong competitive moats (high barriers to entry). It also includes energy and engineering products.

Adam French
Partner,
Antler

"The data confirms what we're seeing on the ground at Antler: capital is flowing decisively towards companies solving hard, tangible problems. DeepTech and Robotics commanding valuations well above software is a meaningful reversal from recent years, and founders building in these spaces are rightly benefiting from intensifying investor competition."

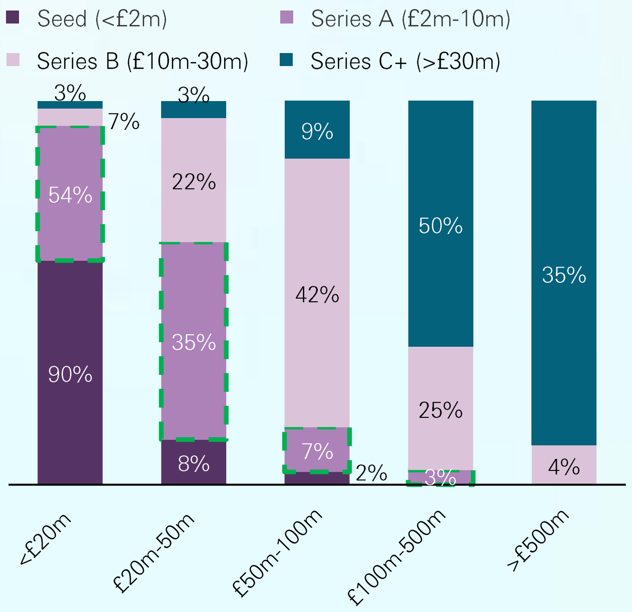
Average post-money valuation[1] £m



Note: AI defined as companies focused exclusively on "pure AI" (tools and technologies that cover two key business models: Generative AI including Large Language Models (LLMs). Enabling AI has been classified in the sector it relates to (e.g. Enterprise Software or CleanTech). Survey sector classification defined as the primary end market or consumer.
1 Implied post-money valuation based on midpoint of pre-money valuation plus deal investment.

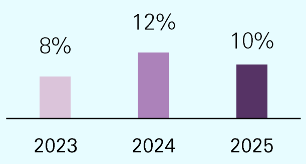
CVCs punch above their weight: they led 33% of the largest Series A deals despite 9% of term sheets – reshaping round dynamics and cheque sizes

Pre-money valuation indicated in term sheet by stage (where disclosed)

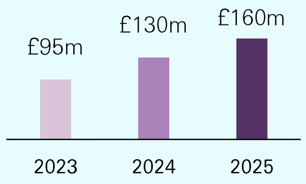


Decrease in number of £50m+ valuations at Series A but average valuations for these companies are climbing strongly

% Series A term sheets with >£50m pre-money valuation



Average Series A >£50m pre-money valuation



Series A rounds at >£50m pre-money fell to 10% from 12% in 2024 (27 term sheets in 2025 vs 31 in 2024). Despite lower volume, valuations rose, including one AI deal priced at £1bn+ pre-money valuation. AI and FinTech commanded the highest valuations, while the remainder were broadly diversified by sector, typically using simple non-participating preference shares

The top 15 Series A investments >£50m pre-valuation out of 27 surveyed in 2025 (sorted by pre-money valuation)

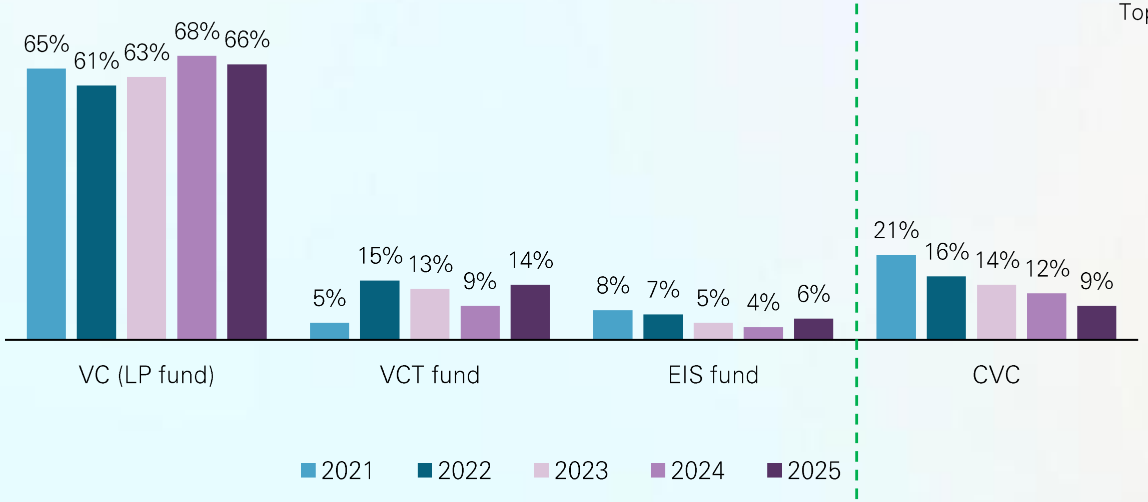
	Industry	Pre-money valuation	Investor type	Preference share	Preference share participating	Liquidation multiple
Term sheet 1	AI	£1bn+	CVC	Y	N	1.25x
Term sheet 2	AI	£650m - £699m	CVC	Y	N	1x
Term sheet 3	FinTech	£350m - £399m	CVC	Y	N	N/A
Term sheet 4	FinTech	£250m - £299m	VC (LP fund)	Mixture - Ord. & Pref.	N	N/A
Term sheet 5	EdTech	£200m - £249m	VC (LP fund)	Y	N	1x
Term sheet 6	Media	£150m - £199m	VC (LP fund)	Y	N	1x
Term sheet 7	Life sciences	£150m - £199m	CVC	Y	Y	1x
Term sheet 8	Health/MedTech	£100m - £149m	VC (LP fund)	Y	N	1x
Term sheet 9	Blockchain	£100m - £149m	VC (LP fund)	Y	N	1x
Term sheet 10	Software - Enterprise	£70m - £79.9m	VC (LP fund)	Y	N	N/A
Term sheet 11	Health/MedTech	£70m - £79.9m	CVC	Y	N	1x
Term sheet 12	AI	£70m - £79.9m	VC (LP fund)	Y	N	1x
Term sheet 13	Digital	£60m - £69.9m	VCT fund	Y	N	1x
Term sheet 14	AI	£60m - £69.9m	VC (LP fund)	Y	N	1x
Term sheet 15	Retail & Consumer	£60m - £69.9m	VCT fund	Y	N	1x

Antoine Moyroud
Partner, Lightspeed

"Participating structures of more than 1x liquidation multiples should only be considered as a last resort option when the company hasn't been able to show strong enough results to catalyse enough "traditional" investor interest. At early stage, it should be a big no-no as it reflects a misalignment of incentives with investors who are heavily optimizing for downside protection. That being said, any funding enabling founders to successfully take their company towards their next milestones and granting them "another shot at goal" should be considered. Founders should clearly understand the implications of these non-market terms as they will heavily affect the founder's outcomes in the event of an acquisition or exit."

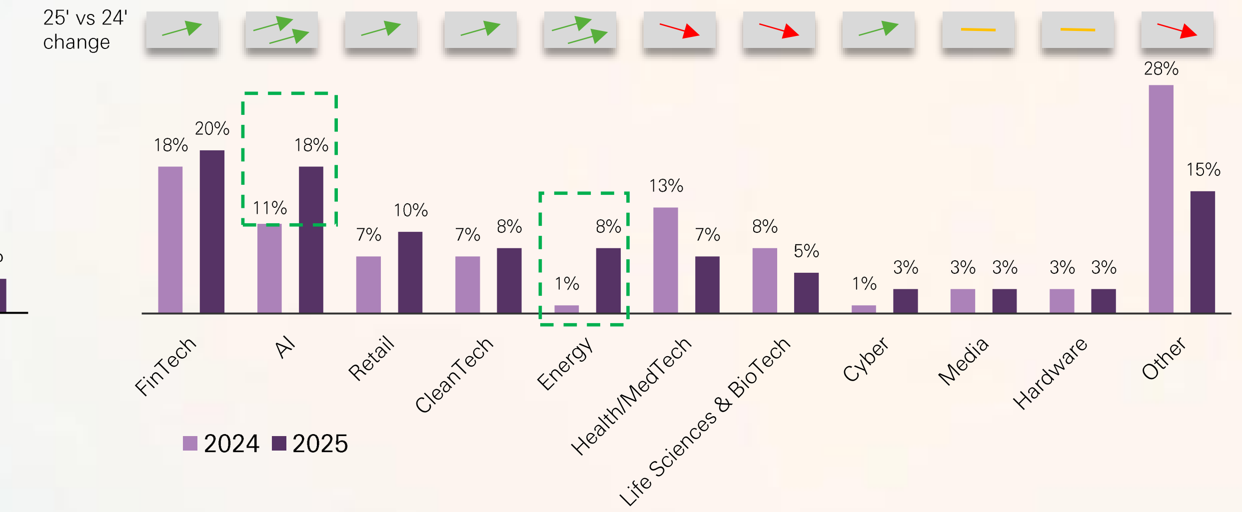
CVCs made up 9% of 2025 deals but 15% of total value (second only to VCs), reflecting their heavier weighting to larger Series C+ rounds. AI and Energy sectors CVC investment volume share were both up 7ppt in 2025

Select investor type by term sheet volume # (%)

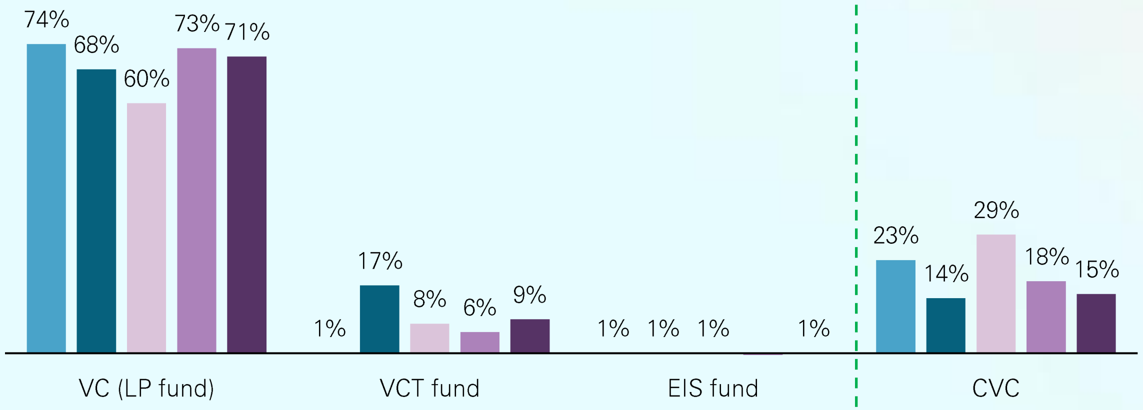


CVC sector investment by term sheet volume # (%)

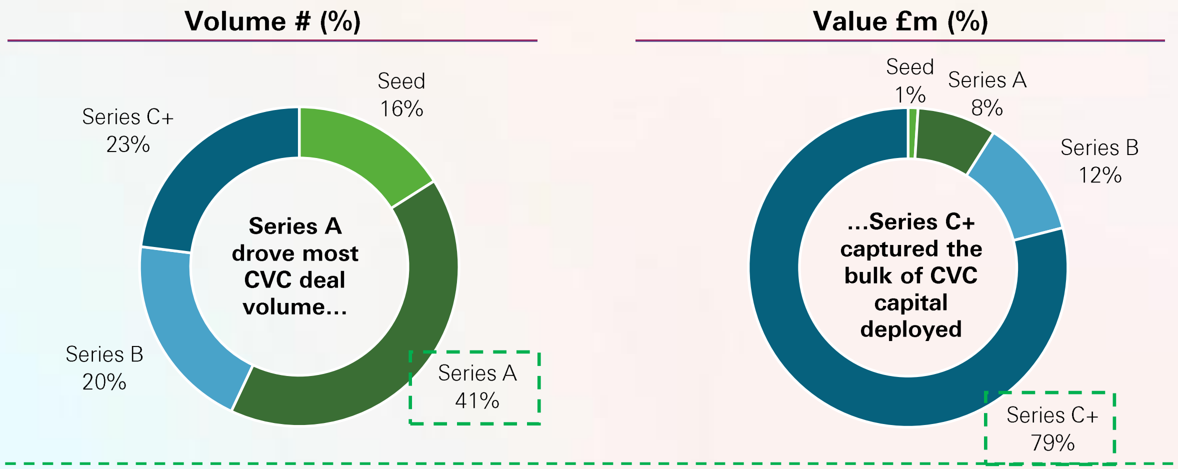
Top 10 sectors by number of deals



Select investor type by term sheet value £m (%)



CVC investment by stage 2025



Note: Series stage breakdown by investment size: Seed (<£2m), Series A (£2m-£10m), Series B (£10m-£30m), Series C+ (>£30m).

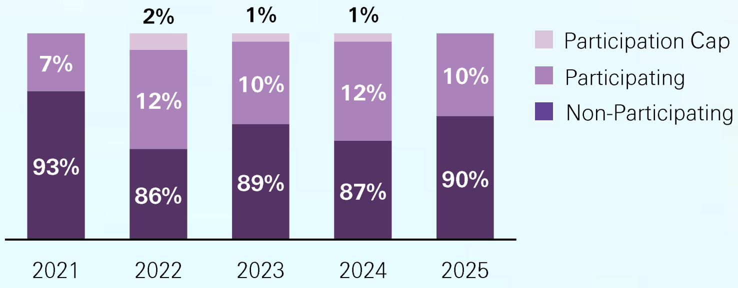
Economics: Participating preference is easing – especially from Series A onwards – as terms shift away from the most investor-protective structures. Rising syndication points to larger rounds and investors sharing risk while pooling specialist (often international) expertise. The trade-off is more coordination, which can lengthen investment timelines

Investment structure

Preference shares, % Yes

84%	77%	83%	84%	87%

Where liquidation preference, % type

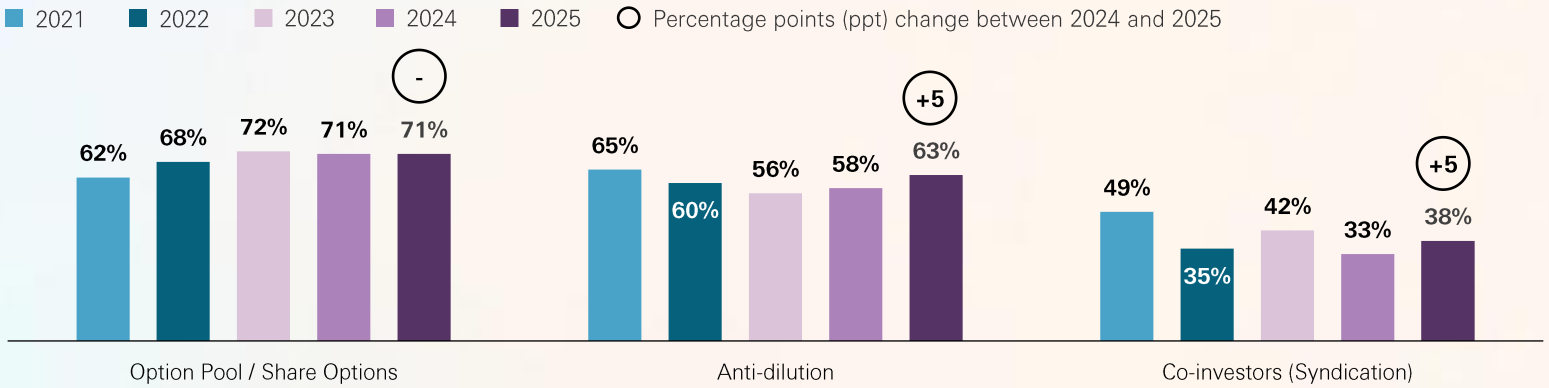


Ashley Abrahams
Head of Origination,
Guinness Ventures

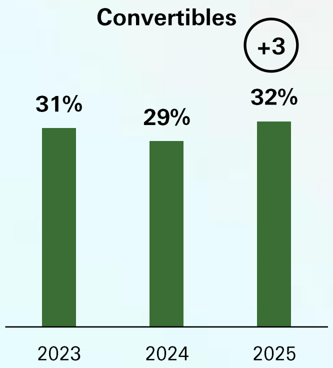
"Valuation and preferred shares are frequently linked and it can be helpful to think of them as a sliding scale – the higher the initial valuation vs comparable businesses, the more likely there will be a preference share proposed and, if valuation is materially above market comparables, it might be more than 1x. This serves to continue to align investor and founder interests – investors may take more certainty of a lower return at the expense of greater share of the upside. It is important to ensure both founders and investors are aligned in long term objectives and the structure reflects this – having too high a valuation or non-standard preference can cause problems later on for both parties. Usually, a lower valuation and cleaner structure is better in the long run for all parties, this is where exit waterfall analysis is helpful."

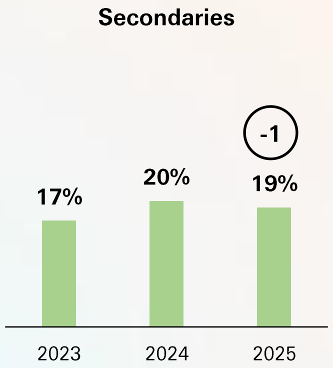
Other economic terms included in term sheet

Last 5 years survey results % Yes



Survey results % Yes





Convertibles triggered as part of the round (i.e. existing investors converting alongside new equity investors)

Rodney Appiah
Managing Partner,
Cornerstone VC

"Convertibles remain a useful tool for founders, particularly in an environment where raising capital at a valuation acceptable to founders and existing investors is taking longer. By extending the cash runway without re-visiting the valuation of the business, founders are afforded more time to achieve their milestones and maintain trading momentum."

carta

For the release of the Term Sheet Guide 2026, Carta have created a **free exit simulator tool for the UK market – see** here (exit waterfall discussed later).

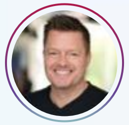
Control: Founders should consider the balance of control terms vs economics when negotiating the term sheet; board representation is typically seen once institutional investors are involved and founders need to carefully consider board dynamics, investor consents and founder vesting conditions

Control term included in term sheet

Last 5 years survey results % Yes

2021 2022 2023 2024 2025

Percentage points (ppt) change between 2024 and 2025

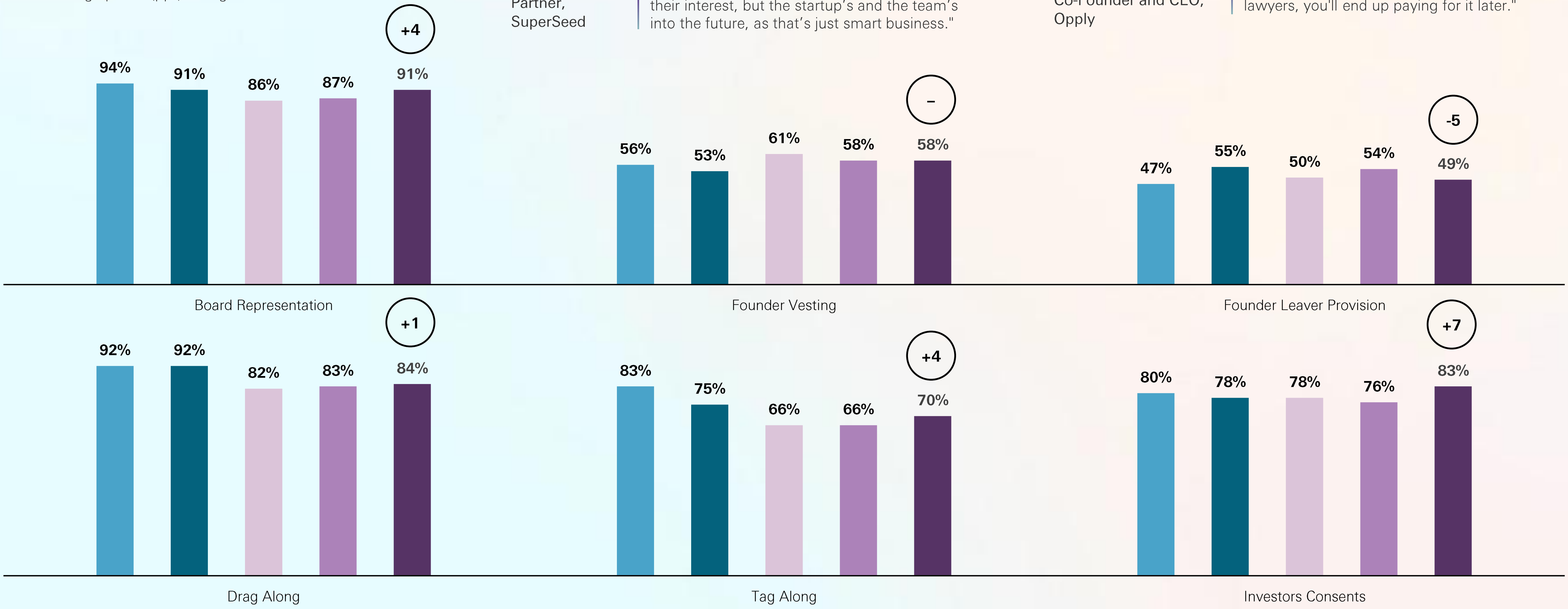


Dan Bowyer
Partner,
SuperSeed

“There are only a handful of real gotchas in any term sheet but in essence the key is to understand that the energy must be in balance. Many founders I work with at first draft act like it’s my way or the highway until I remind them. Great VCs will protect not only their interest, but the startup’s and the team’s into the future, as that’s just smart business."

Helen Murphy
Co-Founder and CEO,
Opply

"Work with investors who want to help you understand term sheets, if they're unwilling to help, think about how unhelpful they'll be as investors too! Never sign if you don’t fully get it, time scales are often there just to add pressure. And don't scrimp on lawyers, you'll end up paying for it later."



Other terms: Company warranties remain common but have softened, particularly at later stages. Exclusivity has increased materially (74% of term sheets), while ESG/sustainability clauses have remained stable overall – with early-stage gains offset by later-stage decline

Other terms included in term sheet

Last 5 years survey results % Yes

2021 | 2022 | 2023 | 2024 | 2025

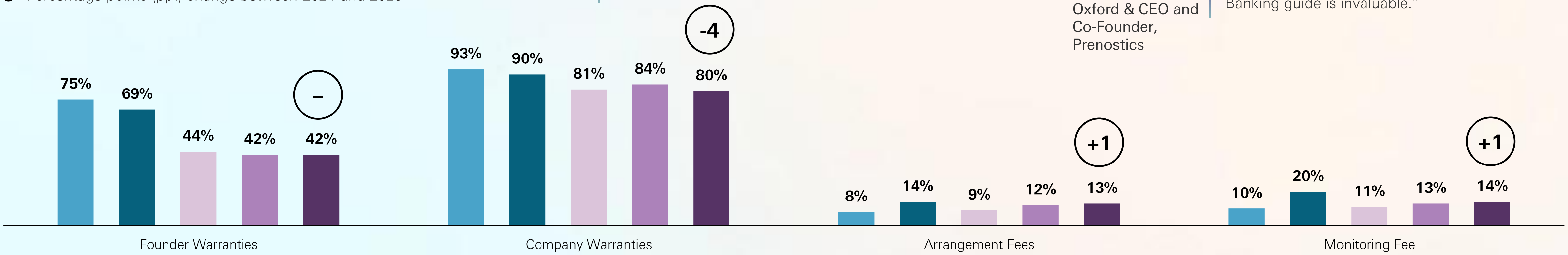
Percentage points (ppt) change between 2024 and 2025

Chris Smith
Managing Partner,
Playfair Capital

"Founders often see vesting as a protection for VCs, but in reality, it is a key protection for co-founders and investors. Nobody expects a co-founder to leave before the end of the journey, but it happens - personal circumstances change, life events happen, small misalignments become large ones. Appropriate vesting provisions ensure fair reward for a departing co-founder's efforts whilst ensuring that the cap table remains investable and with sufficient room to incentivise new joiners required when the co-founder departs."

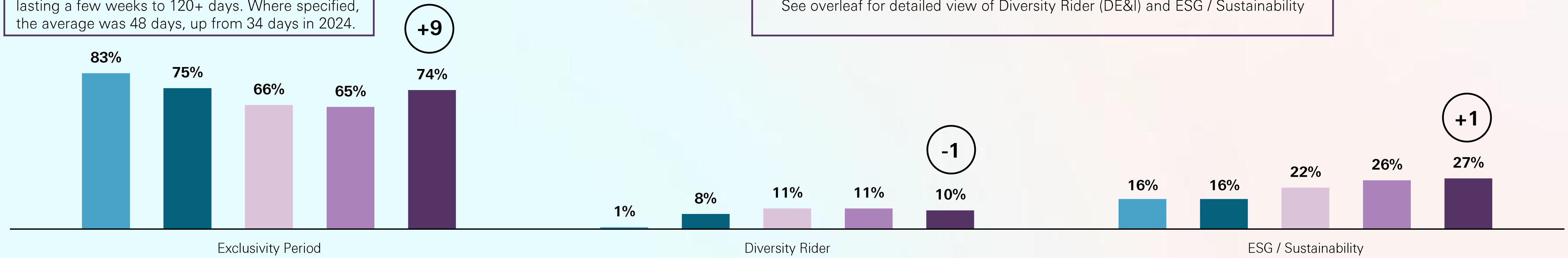
Sarah Blagden
Professor of Experimental Oncology, Uni of Oxford & CEO and Co-Founder, Prenostics

"This guide is an invaluable resource for founders, providing much needed transparency on market standards and bringing everything into one place. We used the practical guidance provided in last year's guide on our fundraising journey and it was a very useful reference guide – especially for negotiations. For life science founders, many of whom do not come from a finance background, the clarity provided in the HSBC Innovation Banking guide is invaluable."



Exclusivity featured in 74% of term sheets, typically lasting a few weeks to 120+ days. Where specified, the average was 48 days, up from 34 days in 2024.

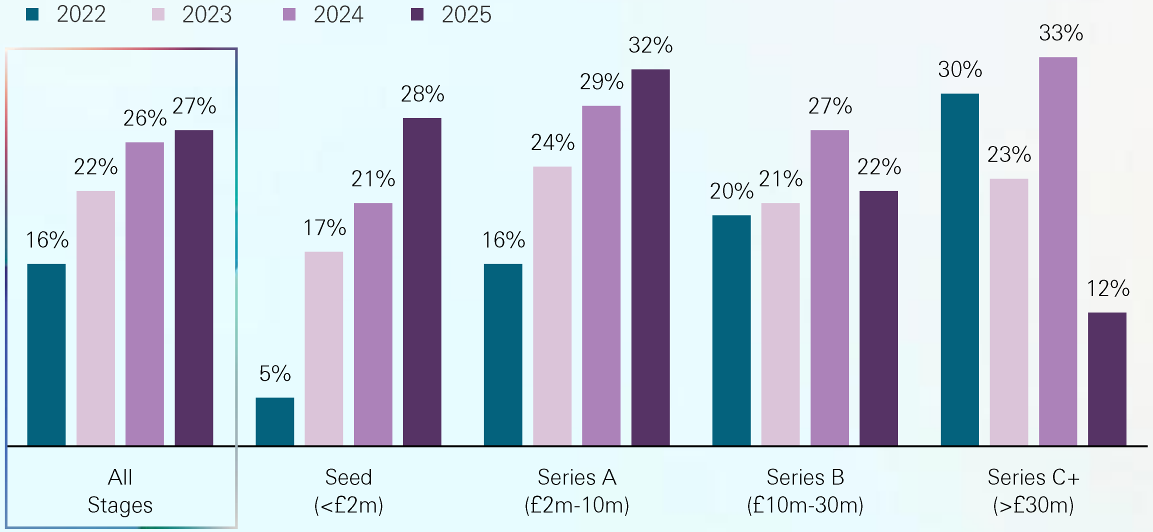
See overleaf for detailed view of Diversity Rider (DE&I) and ESG / Sustainability



ESG/sustainability clauses were included in 27% of term sheets (vs 26% in 2024), while DE&I stayed broadly in line with 2023/24 at 10%

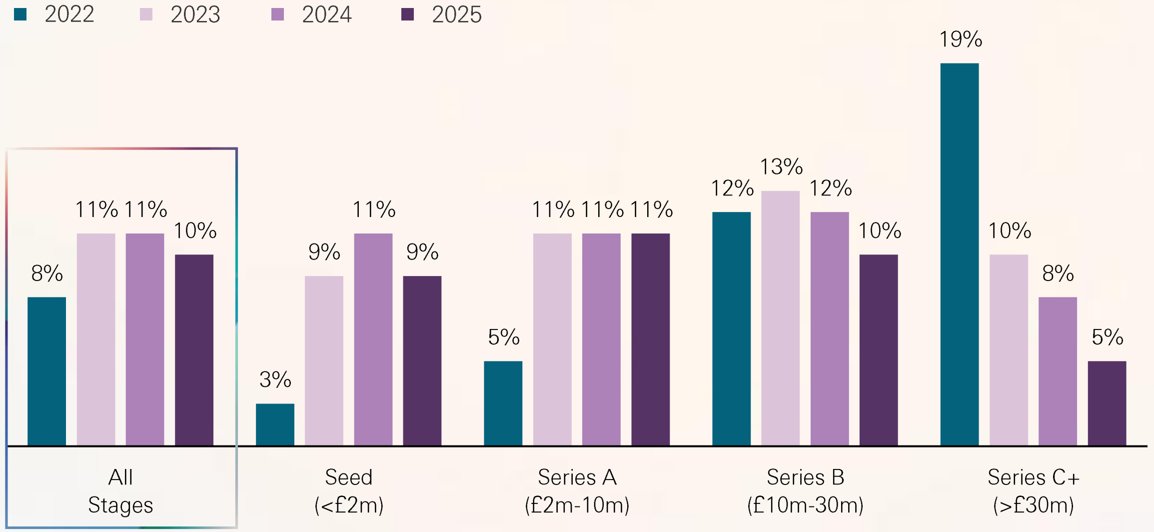
The inclusion of ESG/sustainability clauses in term sheets remained broadly flat driven by an uptick at Seed/Series A offset by Series B/C+ falls

% term sheets with an ESG / Sustainability clause



DE&I rider clause included - this term refers to term sheets that include a diversity rider clause that expects the investee company to integrate inclusive DE&I practices and policies

% term sheets with a diversity clause by stage



Hannah Leach
Partner, Antler &
Co-Founder and Exec Chair,
Reframe Venture

It's encouraging to see ESG clauses increasingly included in term sheets - with the strongest momentum at Seed and Series A, where embedding good practices early matters most. The sharp drop at Series C+ is worth watching closely - at later stages, US-headquartered investors, who tend to be more prevalent in growth-stage rounds, are less likely to include ESG clauses than their European counterparts. Clause inclusion is a positive signal, but what really counts is whether VC firms are genuinely integrating ESG into their investment decision-making and portfolio support - otherwise term sheet language is just optics."

Shavon D'Souza
Founder,
CORPherATE

"Having started CORPherATE to help women challenge workplace imbalances, it is discouraging to see this continued decline in diversity rider clauses, particularly at the later stages. Female founders already receive significantly less investment than their male counterparts so it's even more important for investors to set the standard by encouraging DE&I practices and policies. Furthermore, initiatives that champion diversity should be promoted both in the workplace and outside."

Triin Linamagi
Founding Partner,
Sie Ventures

"The broadly stable inclusion of diversity riders shows that investors continue to prioritise inclusivity, particularly at the earliest stages of the funding journey, even as we see a slight softening at Seed. The sharper drop-off in later-stage rounds highlights that diversity is not yet a deeply entrenched principle across the full funding lifecycle."

Meghan Stevenson-Krausz
CEO,
Diversity VC

"What we're seeing is a familiar pattern: progress at the early stages, but less consistency as companies grow. Our Impact Report shows that structured approaches can drive measurable change – but only when they're sustained over time. The drop-off at Series C+ highlights the gap between early intent and long-term implementation. If inclusion is to have a meaningful impact on outcomes, it needs to be embedded as a core part of governance, not something that falls away as companies mature or new investors come in."

Investor by type – key takeaways from the survey 2025 vs 2024

% Yes, in term sheet ■ 2025 ■ 2024

		VC (466 terms sheets £13.1m avg. investment size) 2025	VC 2024	VCT (98 terms sheets £8.3m avg. investment size) 2025	VCT 2024	EIS (41 terms sheets £2.4m avg. investment size) 2025	EIS 2024	CVC (61 terms sheets £18.3m avg. investment size) 2025	CVC 2024	Family Office (25 terms sheets £13.8m avg. investment size) 2025	Family Office 2024	Angel (20 terms sheets £6.2m avg. investment size) 2025	Angel 2024
Economic	Liquidation preferences	93%	89%	86%	72%	68%	67%	89%	87%	64%	71%	35%	37%
Economic	Non-part. preference shares	92%	89%	88%	76%	79%	71%	83%	89%	81%	80%	100%	80%
Economic	New option pool	75%	75%	71%	60%	78%	67%	61%	62%	44%	57%	40%	63%
Economic	Anti-dilution ratchet	70%	65%	60%	43%	0%	0%	69%	58%	52%	50%	15%	19%
Economic	Convertibles	33%	30%	36%	30%	12%	14%	26%	31%	28%	29%	35%	26%
Economic	Secondaries	18%	22%	20%	13%	5%	0%	28%	24%	36%	14%	0%	19%
Economic	Co-investor (syndicate) deals	39%	33%	42%	32%	24%	29%	44%	27%	28%	36%	30%	52%
Control	Board appointments[1]	83%	87%	93%	91%	84%	61%	78%	92%	76%	83%	77%	83%
Control	Founder vesting	62%	63%	63%	40%	71%	71%	30%	51%	40%	36%	30%	37%
Control	Founder leaver provision	48%	55%	60%	64%	78%	67%	34%	42%	32%	29%	30%	44%
Control	Drag-along provision	85%	84%	93%	81%	85%	86%	80%	79%	72%	64%	65%	89%
Control	Investor consent rights	83%	77%	81%	75%	90%	71%	85%	70%	72%	71%	90%	78%
Other Terms	Founder Warranties	38%	42%	56%	60%	61%	62%	39%	30%	36%	21%	40%	30%
Other Terms	Company Warranties	79%	85%	87%	89%	88%	86%	79%	82%	84%	71%	80%	78%
Other Terms	Arrangement fees	6%	7%	30%	47%	51%	33%	7%	4%	12%	0%	15%	11%
Other Terms	Monitoring fees	9%	8%	32%	43%	41%	43%	5%	6%	8%	0%	20%	19%
Other Terms	Exclusivity period	80%	70%	76%	58%	61%	62%	54%	58%	44%	36%	35%	33%
Other Terms	Sustainability	27%	31%	32%	28%	24%	14%	30%	13%	4%	7%	15%	15%
Other Terms	DEI clause	11%	13%	11%	6%	0%	10%	15%	6%	0%	0%	0%	7%

Note: Technically, EIS funds do not issue preference shares, however from a commercial perspective (due to HMRC rules) EIS investors typically receive ordinary shares, although ordinary shares (e.g. 'A ordinary', 'B ordinary') that have some characteristics of preference shares (i.e. liquidation priority) can be issued. This is often a route taken by more sophisticated EIS fund investors. In the analysis, in this guide EIS liquidation priority has been classified as preferred shares.
As noted elsewhere in this guide, several terms are found in long-form document rather than the term sheet.
1 Board representation excluding observer.

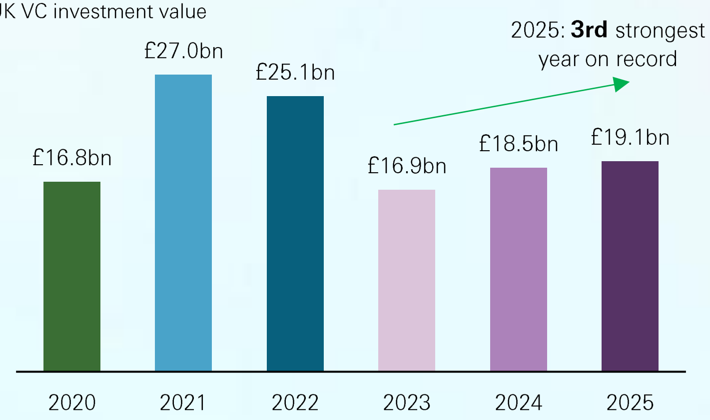
2026 Outlook and Investor Survey

HSBC Innovation Banking

UK VC investment recorded a second consecutive year of growth, reaching £19.1bn, as a flight to quality concentrated capital into fewer, scaled late-stage (Series C+) deals – a trend we expect to continue into 2026, supported by sustained momentum and elevated dry powder

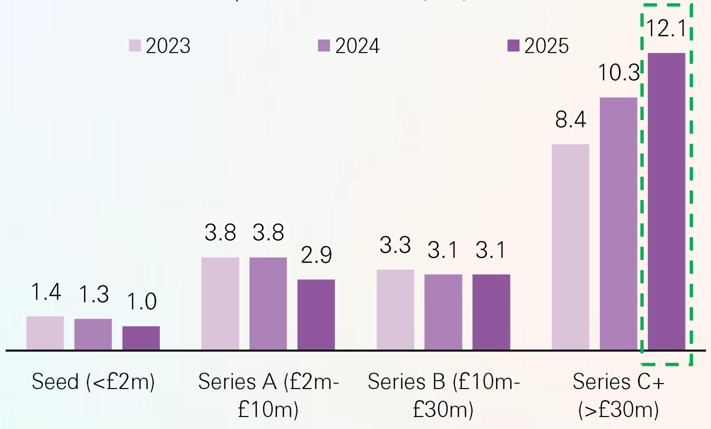
UK VC investment rebounds to £19.1bn

UK VC investment value



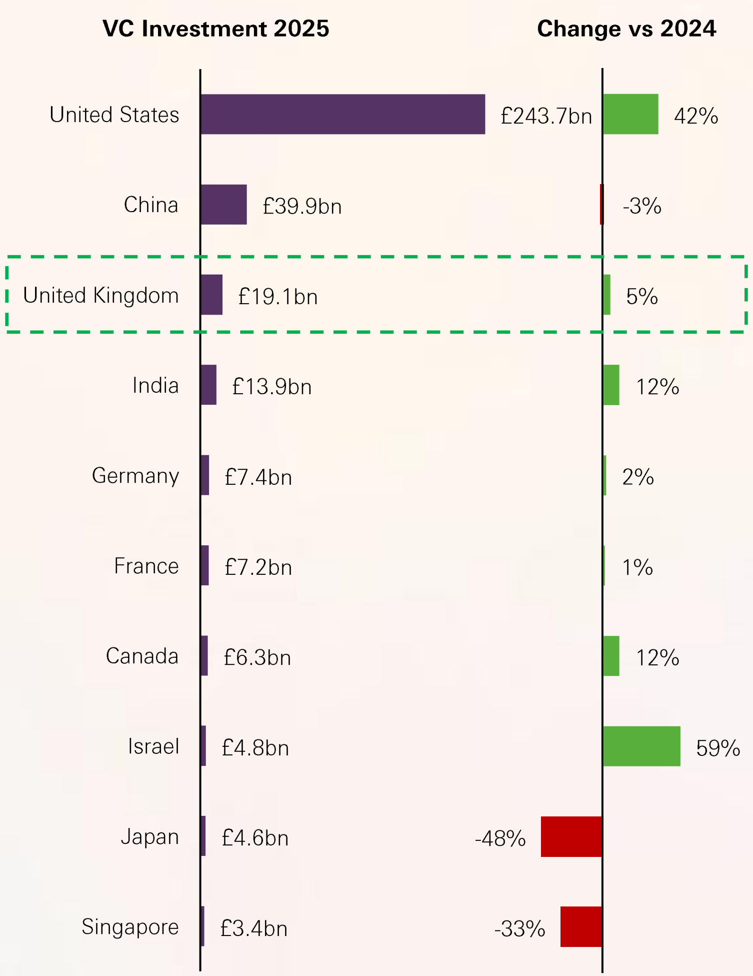
Flight to quality: bigger, fewer winners

UK VC investment value by deal concentration (£bn)



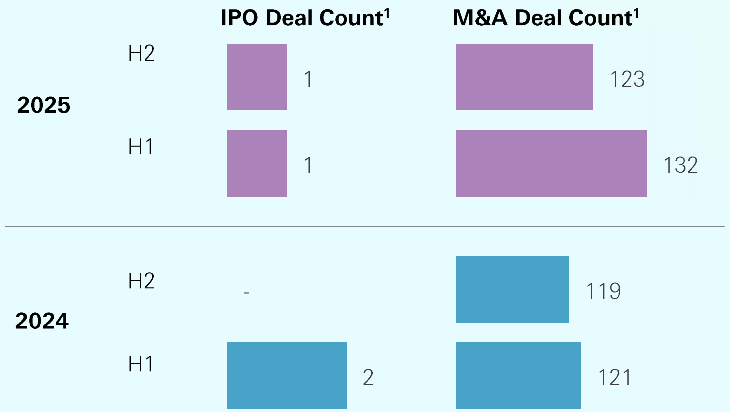
UK holds #3 venture market globally

Top 10 countries by VC investment in 2025



Public exits subdued; private M&A for liquidity

UK VC-backed public and private exits

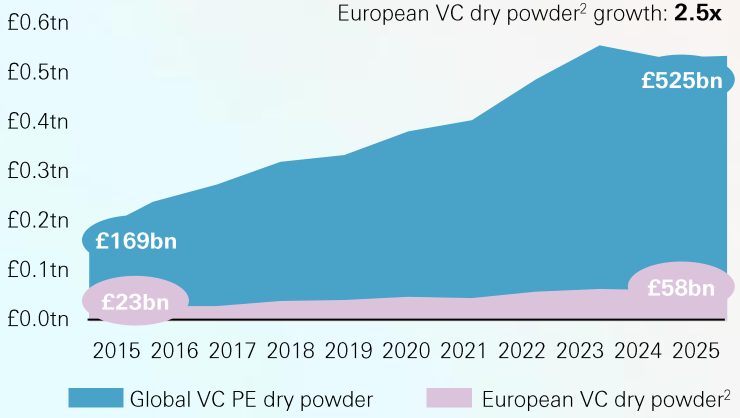


Constructive outlook for VC; elevated powder

VC dry powder

Global VC dry powder growth: **3.1x**

European VC dry powder[2] growth: **2.5x**



Source: Pitchbook as of March 2026.

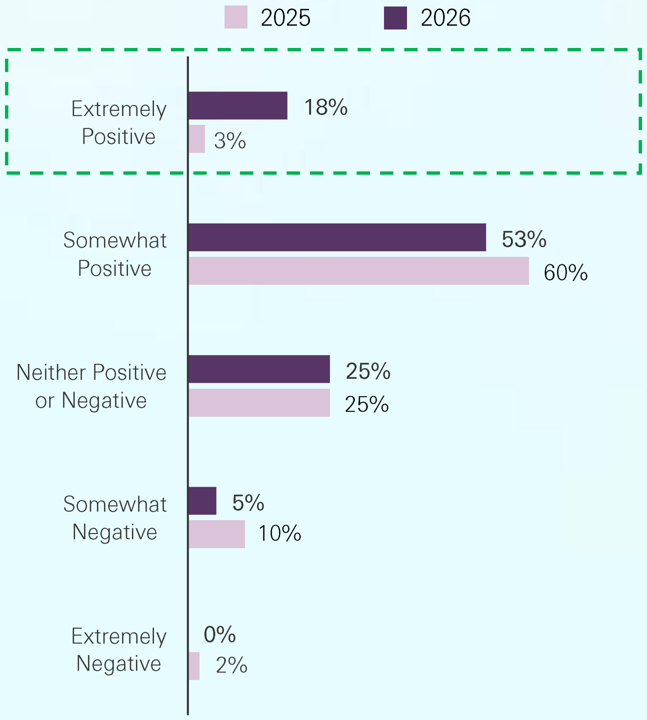
1 IPOs and completed M&A transactions involving UK-headquartered companies that were VC-backed prior to the transaction. M&A includes strategic acquisitions, buyouts, and reverse mergers.

2 European dry powder includes UK.

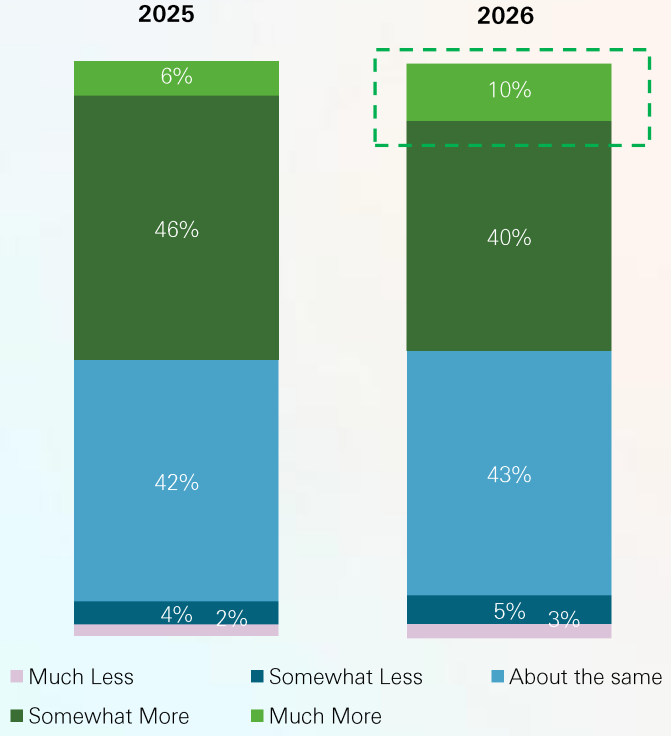
HSBC Innovation Banking

Our 2026 investor pulse survey highlights that 71% of investors are optimistic on the overall market and are shifting back to capital deployment – 41% plan to prioritise new investments in 2026, up from 20% in 2024

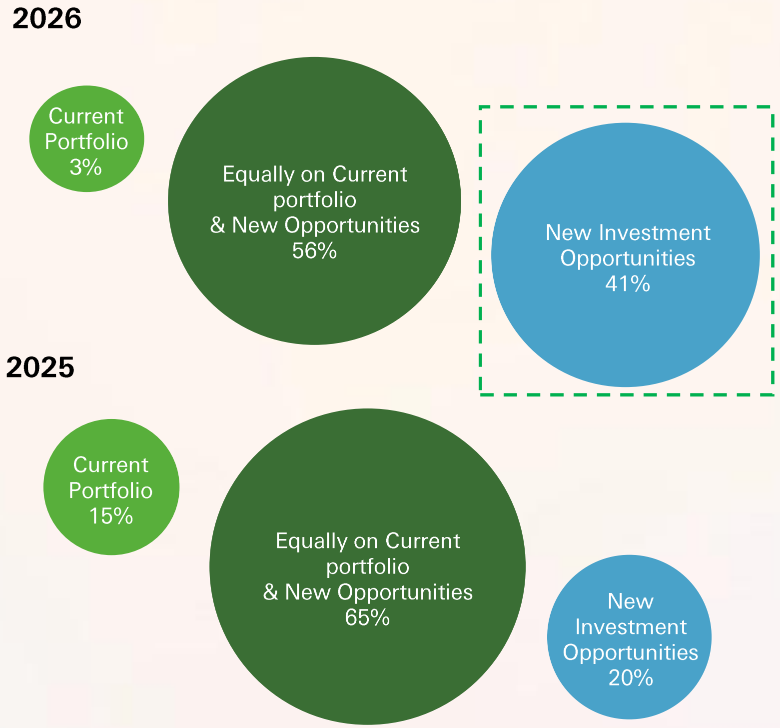
HSBC Innovation Banking's separate UK VC Investor Market Pulse survey (Q1 2026 vs Q1 2025) – extract of results



Question to investors: What is your view on the general outlook for UK VC activity in 2026 vs 2025?



Question to investors: Do you expect an increase in the number of equity investments you will make in 2026 vs 2025?

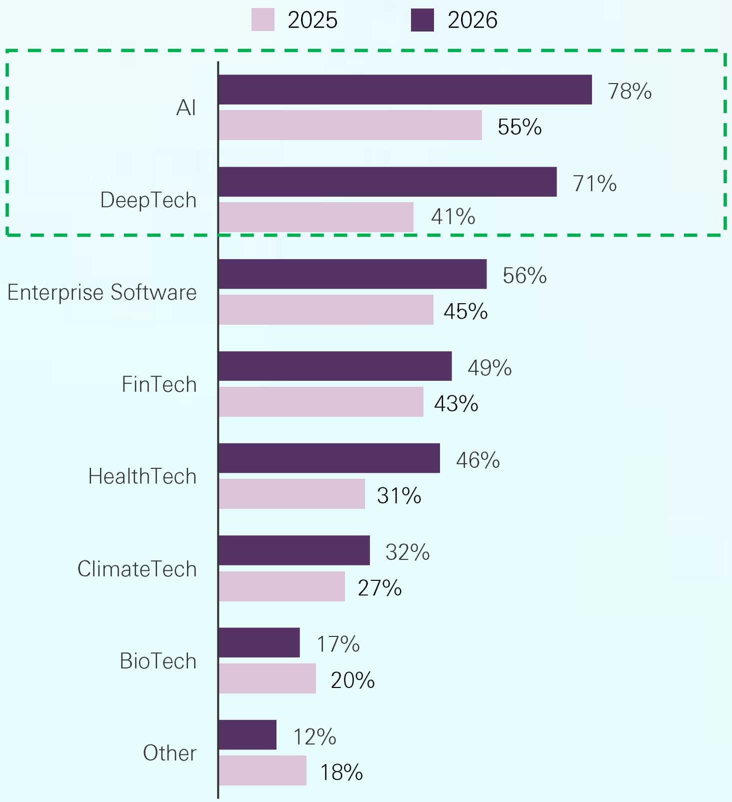


Question to investors: Where do you plan to **focus the majority of your attention** in the next 12 months?

Source: HSBC Innovation Banking UK VC Investor Market Pulse survey. 2026: 41 leading UK VC investors surveyed, 16–27 March 2026 and 2025: 52 leading UK VC investors surveyed, 4–14 March 2025.

Investor conviction remains strongest in AI (78%), while sentiment has shifted decisively towards DeepTech in 2026 – the largest year-on-year mover, rising to 71% (+30ppt)

HSBC Innovation Banking's separate UK VC Investor Market Pulse survey (Q1 2026 vs Q1 2025) – extract of results



Question to investors: What sectors are you most bullish on this year? (answers can be more than one sector)

What we're hearing from investors on sector trends (survey insights[1])

1. **AI is shifting from "chat" to "do"**: strong interest in agentic/automation that executes workflows, and in AI that "does the work" (reframing opportunity from SaaS toward services)
2. **"Picks-and-shovels" wins**: investors are prioritising **AI infrastructure** (data pipelines, integrations, orchestration, security/compliance, governance/observability) and **defensible moats** (proprietary data, embedded workflows) over thin application layers that could be absorbed by foundation models
3. **Physical AI / robotics is moving mainstream**: repeated calls-out for **robotics, autonomy and AI in the physical world** (manufacturing, logistics, construction, healthcare devices), with labour shortages and productivity as key drivers
4. **Defence, dual-use and resilience are rising fast**: geopolitical fragmentation is pushing **defence tech, national security and resilience** from niche to mainstream; **space** also appears as a dual-use theme
5. **Healthcare remains a durable growth area**: continued focus on **healthtech** (including regulated healthcare applications), plus niches like **agetech/femtech** and healthcare systems optimisation

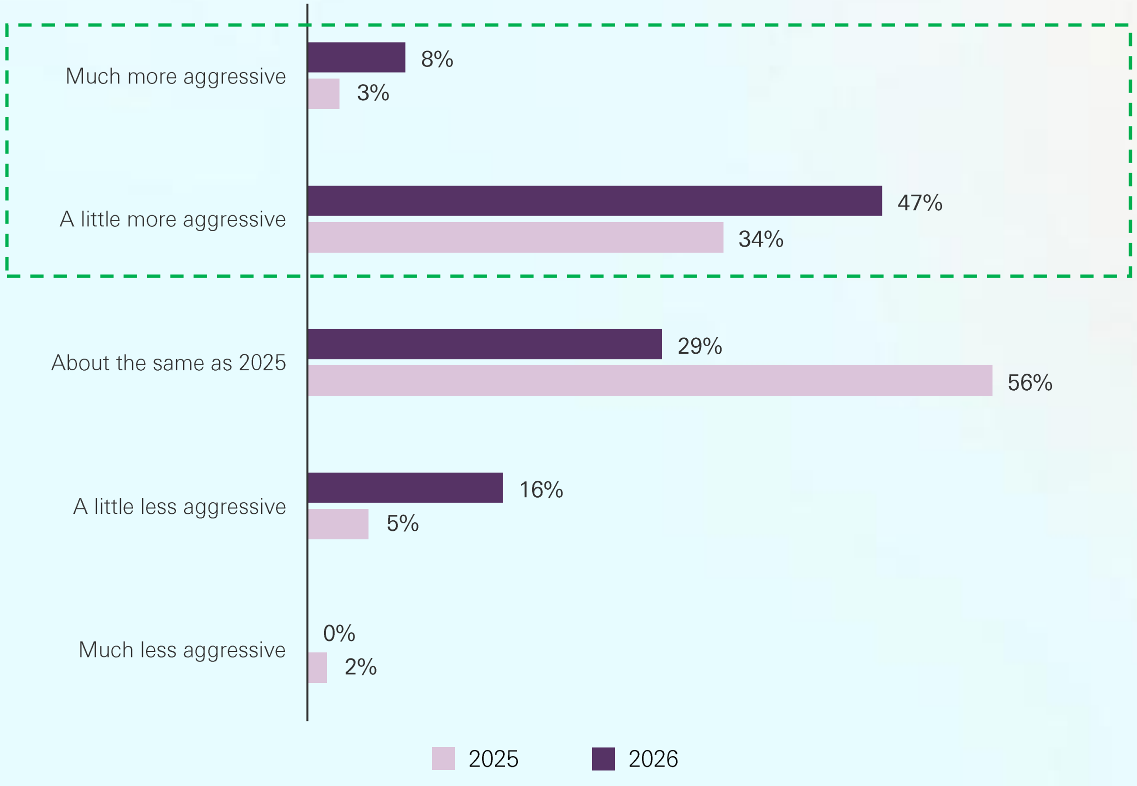
Source: HSBC Innovation Banking UK VC Investor Market Pulse survey. 2026: 41 leading UK VC investors surveyed, 16–27 March 2026 and 2025: 52 leading UK VC investors surveyed, 4–14 March 2025.
1 Aggregated feedback from survey VC investor comments.

HSBC Innovation Banking

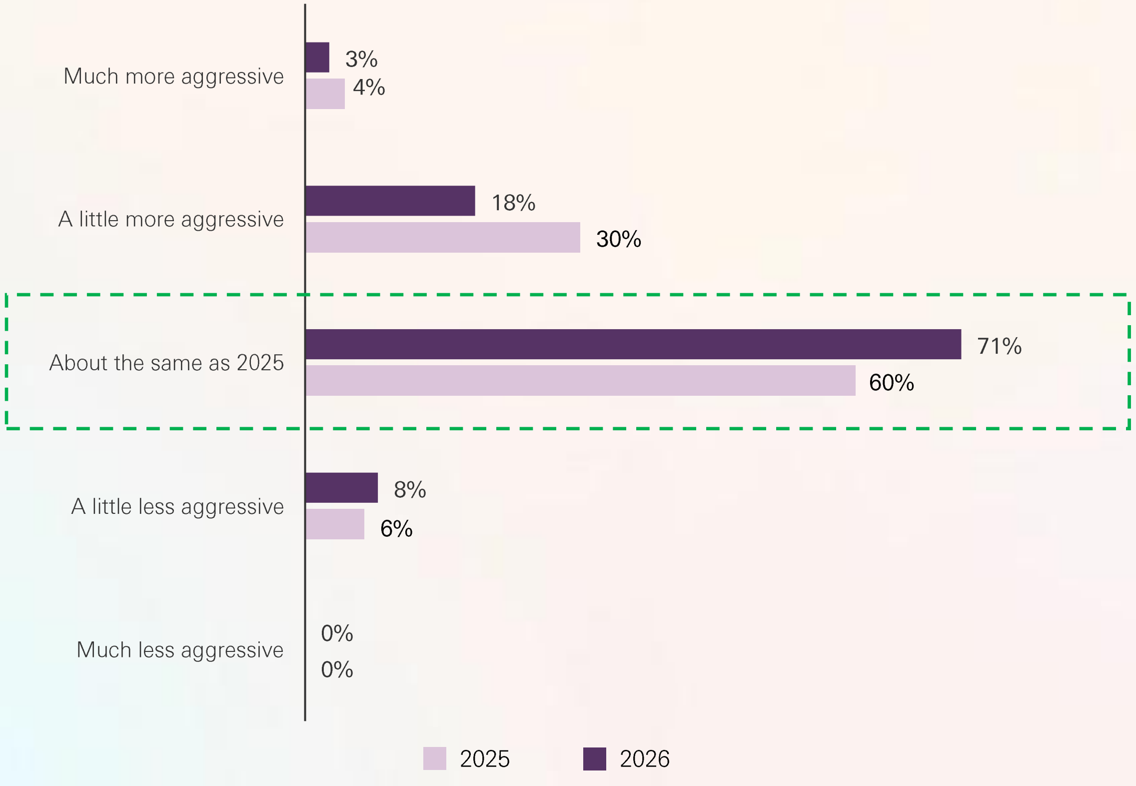
A gap is emerging between founder and investor expectations: over 50% of investors expect founders to push for more aggressive valuations in 2026, while 71% of investors anticipate investor term-sheet structures will remain broadly consistent with 2025

HSBC Innovation Banking's separate UK VC Investor Market Pulse survey (Q1 2026 vs Q1 2025) – extract of results

Question to investors: In your recent experience negotiating term sheets, have you observed a shift in **founder expectations** regarding valuations?



Question to investors: From an **investor's perspective**, how do you anticipate term sheet structures will evolve in 2026 compared to 2025?



Source: HSBC Innovation Banking UK VC Investor Market Pulse survey. 2026: 41 leading UK VC investors surveyed, 16–27 March 2026 and 2025: 52 leading UK VC investors surveyed, 4–14 March 2025.

HSBC Innovation Banking and Survey Participants Biographies

HSBC Innovation Banking

HSBC Innovation Banking biographies

Emily Turner is the CEO of HSBC Innovation Banking UK. Emily leads the bank and is responsible for scaling the business across the UK, Denmark and Sweden driving growth with leading innovation companies and investors. Emily is also a member of the UK Board.

Over the past decade, Emily established and built-up Citi Ventures UK, led Citi's Global Institutional Strategic Investing group, and developed multiple early-stage companies as part of Citi's internal incubator. Most recently, Emily held the position of MD and Head of Business Development, Citi's Client Organisation.

Before joining Citi, Emily worked as a management consultant at McKinsey & Company in London. A native New Yorker, Emily is a graduate of Dartmouth College and has an MBA from Columbia University.

Emily brings extensive experience of driving growth within the innovation ecosystem, both as an investor and as an operator.

Emily Turner
CEO
HSBC Innovation Banking UK

Glen is Head of Banking - Tech & Life Sciences at HSBC Innovation Banking UK where he focuses on partnering with fast growth tech and life science entrepreneurs and businesses on their growth journey. He is responsible for client relationship teams from early-stage, venture capital–backed companies, to those that are publicly listed and private equity.

Glen has 20+ years of experience, which includes working on 150+ transactions in the PE and VC space, mainly with private emerging tech businesses looking to acquire, exit or raise finance.

Prior to joining HSBC Innovation Banking, Glen founded, built and led the PwC Raise Ventures proposition for 5 years, which helped high-growth startups raise Seed-Series B equity funding of between £1m-£30m. He also spent 10+ years at PwC, leading Financial Due Diligence teams in the mid-market TMT sectors.

Glen is a Chartered Accountant, has been a CFO and board advisor to a number of early-stage businesses and is currently a board advisor to a non-profit organisation the Cancer Vaccine Coalition.

Glen Waters
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London

Survey participants’ biographies (1 of 6)

Addleshaw Goddard

Elvan Hussein
Partner

Elvan is a partner and co-head of Digital Assets, Payments and Fintech in the London team. She has experience advising on a broad range of corporate transactions, with a focus on private domestic and cross-border M&A transactions. Her wider experience includes advising on joint ventures, shareholder arrangements, restructurings and M&A (both public and private). Elvan also runs Addleshaw Goddard’s award winning FinTech legal mentoring scheme, AG Elevate. Elvan also heads Addleshaw Goddard's Türkiye Business Group.

A&O Shearman

Will Samengo-Turner
Partner

Will is Technology Sector Lead and advises founders, boards and investors on global tech M&A and growth investments, with a particular focus on high-growth and disruptive technologies and complex cross-border transactions spanning EMEA and the United States. His experience covers transactions across all stages of growth - from seed-stage investments to major acquisitions and disposals by multinational listed companies - and he is known for delivering practical commercial advice on fast-moving frequently transatlantic deals.

Bird & Bird

Mark Rundall
Partner

Mark is a partner at Bird & Bird, based in London. He specialises in venture capital, focusing on the financing of high-growth organisations. Acting for top-tier investors and high growth companies, Mark’s transactional experience includes advising in respect of companies at all stages of their life-cycle: from their incorporation and commercial set-up, to scale-up and all the way through to exit and beyond. As well as venture equity, he is highly experienced in growth debt/venture debt financings, and regularly acts for some of the leading lenders in the market. Mark is ranked for VC in both the Legal 500 (where he is ranked as a Leading Partner) and in Chambers.

Struan Penwarden
Partner

Struan is Head of Venture Capital at Bird & Bird, focusing on domestic and international corporate transactions for emerging and high-growth companies and the investors in and lenders to those companies. Struan focuses on business sectors where technology plays a key role and involves venture capital financings, joint ventures and mergers and acquisitions. His clients operate in a wide range of technology sectors including automotive, software, semi-conductors, internet, mobile and telecommunications, cleantech and life sciences. As well as venture equity Struan is recognised as one of the leading practitioners in the venture/growth debt arena in Europe.

Browne Jacobson

Jon Snade
Partner

Jon is Head of the UK and Ireland Venture Capital and High Growth team at the firm, which stands out for its expertise in advising investors and expanding, innovative companies on their domestic and cross-border venture capital and angel-led financing rounds, guiding clients all the way through to exit. The team has particular specialisms and profound insights across a range of sectors, including FinTech, InsurTech, HealthTech, AgriTech, Automotive, Advanced Manufacturing, CleanTech and Retail and Consumer. Jon also co-leads the firm’s Venture Debt team.

Burges Salmon

Alex Lloyd
Partner

Alex is a partner in our Corporate and M&A team, is a member of our Technology Transactions team and leads our Emerging Companies practice. He has broad experience of both domestic and cross border private M&A, joint ventures and equity investments for individuals, major corporates and institutions with a focus on the technology sector. He is also experienced in supporting high growth start-up and scale up business in relation to corporate structuring and governance, venture capital and growth capital transactions. Alex is listed as a Next Generation Partner by Legal 500.

Charles Claisse
Partner

Charles focuses his practice on advising technology and digital businesses operating across a number of verticals and their investors on mergers and acquisitions, investments, strategic partnering transactions and spin-offs. Charles has extensive experience of international (particularly US/UK) transactions and supporting businesses through their lifecycle from raising growth capital through to an exit. He has been advising in the technology and technology-enabled sector for over twenty years and has supported on a number of well known global technology and digital businesses on their M&A activity.

Niall Mackle
Senior Associate

Niall is a senior associate in the Corporate Finance team, who specialises in mergers and acquisitions, equity investments, corporate structuring and commercial contracts. Within the renewable energy sector, Niall has advised on transactions involving onshore and offshore wind, solar, hydro and battery storage. Niall’s work on equity investments has included advising start-up and scale-up companies from incorporation and seed investment, through each of their fundraising rounds and on their eventual exits. Niall also regularly advises VC firms and PE funds on their investment activity.

Survey participants' biographies (2 of 6)

CMS

Anthony Waller
Partner

Anthony is a partner in the Corporate/M&A Team at CMS London. Anthony deals with all aspects of corporate work, including private company and business acquisitions and disposals, public takeovers, schemes of arrangement, fundraisings, venture capital investments and IPOs, joint ventures and reorganisations. Anthony works alongside the firm's international Corporate team. Anthony has advised clients in the TMC sector for many years, advising established international companies on a variety of transactions and public company issues.

Sam Pout
Partner

Sam is a partner in the CMS Transactions team in London and a member of the Corporate Technology sector. Specialising in the Technology, Media and Gambling sectors including investments, joint ventures and mergers and acquisitions, Sam advises a variety of clients (entrepreneurs/start-ups, established management teams, investment houses and large corporates) from initial investment rounds, through to more complex fundraising and, ultimately, company disposals/exits.

Cooley

Aaron Archer
Partner

Aaron is a partner in the emerging companies and venture capital practice in London. Aaron provides a pragmatic, hands-on approach to helping high-growth often disruptive companies and investors in these companies navigate through a company's life cycle from initial structuring through to exit and beyond, including all the various types and stages of financings, M&A, and general corporate governance and advisory in between.

Eric Davison
Partner

Eric is a partner in Cooley's UK emerging companies and venture capital team. Eric advises high-growth technology companies and their investors on private financings, M&A and strategic and corporate governance matters. Eric also represents private technology companies at all stages, from inception through to sale/initial public offering, and in a range of sectors, with a particular focus on artificial intelligence (AI) and FinTech companies.

COVINGTON

James Halstead
Partner

James is a managing partner of Covington's London office and a member of the Corporate Practice. James is recognised by his clients for his expertise in handling complex transactions. Clients include international pharmaceutical and tech companies, as well as leading venture and growth capital investment funds active in these sectors together with their portfolio companies. James is focused on transactions concerning the development of, and realization of value in, new technologies. James has substantive experience in sell and buy-side M&A transactions and regularly advises on fund raisings.

DENTONS

Joseph Altendorff
Partner

Joseph is recognized by clients as being "outstanding and technically excellent"; "clearly marked out for the very top of the profession"; and having an "incredible dedication, superb attention to detail and, best of all, humanity and genuine care for our business and our people". Legal 500 ranks him as a "leading individual" for venture capital and a "name to note" for M&A. Joseph has led cross-border investment and M&A teams in more than 100 jurisdictions. Joseph's broad experience of corporate growth helps clients capitalize on evolving trends in the marketplace – whether by raising finance, investing, acquiring or selling targets, or teaming with the right strategic partner.

Joseph Collingwood
Partner

Joseph is recognised by clients as being "unwaveringly positive and calm... The person you want on your team to get the deal done" and "trustworthy, responsive and pragmatic", and noted that what "made Joe unique in my mind is his ability to explain to the executives the key issues that needed clarity in order to facilitate a deal". Legal 500 ranks him as a "Next Generation Partner" for both venture capital and M&A. Dual qualified in California, Joseph advises founders, high-growth companies and investors throughout the investment cycle, with a particular focus on cross-border and international transactions.

EVERSHEDS SUTHERLAND

Jon Gill
Partner

Jon is a partner in our Corporate team specialising in venture capital, private equity and M&A transactions in the TMT sector. Jon advises high growth companies and entrepreneurs on equity fundraisings across the full lifecycle, from seed to Series A, through to later-stage growth rounds and exit. Jon also advises venture capital funds and private equity investors on platform investments, bolt-on acquisitions and the realisation of value on exit.

fieldfisher

Tom Ward
Partner

Tom is Co-head of Fieldfisher's Emerging Company and Venture Capital (ECVC) group. Fieldfisher's ECVC team advise high growth companies and investment funds predominantly in the technology and life sciences sectors on a range of domestic and cross border venture capital and growth equity transactions. He is known for the volume of company-side mandates he works on in the UK market, working closely with founders and technology companies as they finance and scale their businesses. Tom also works with a growing number of leading VC funds on their equity investments into UK emerging companies.

Thomas Colmer
Partner

Thomas is a corporate transactional partner with particular experience in helping businesses internationalising (especially involving the US) or growing at pace, particularly where innovation or technology are involved. Thomas advises on legal aspects of deals: preparation, organisation, strategy, drafting, tactics, negotiating, reviewing, execution & completion of transactions. His clients range from entrepreneurial founders, owner-managed or family businesses through to international corporate groups and financial investors.

fladgate

Howard Watt
Partner

Howard is a corporate transactional partner with a particular focus on UK and European venture capital. Howard's practice is built on providing commercial, pragmatic advice and efficient deal execution to all players in the European venture capital ecosystem. His deal experience ranges from early/seed stage investments spanning the full life cycle of Series A-D and through to M&A and IPO exits for venture backed companies. Howard is recognised in the latest Legal 500 and Chambers guides as a leading individual in his field.

Janine Suttie
Partner

Janine is a corporate transactional partner, focused on venture capital, providing dynamic, pragmatic advice and effective deal execution to investors, founders and companies within the venture capital ecosystem. Janine has extensive experience in providing strategic counsel to investors and companies within the venture and growth capital sectors. Janine has a passion for helping entrepreneurs and investors build iconic global businesses and expertise spans the entire investment lifecycle from early/seed stage investments through Series A–G to ultimate exit.

fox williams

Bryan Shaw
Partner

Bryan is a partner in Fox Williams' corporate team, specialising in venture capital, private equity and tech M&A. Bryan Shaw regularly advises entrepreneurs, scale-ups/fast growing companies (usually in the tech/digital or financial services sectors) and investors along the equity fundraising journey through to exit. Bryan also advises serial acquirers ("Searchers") with their acquisitions in all sectors with deals ranging in size from £2 million to £50 million. With the help of his colleagues at Fox Williams, Bryan has become known as the "go-to" solicitor in the "Entrepreneurship Through Acquisition" or ETA industry.

Founders Law

Tom Bohills
Founder

In 2019, Tom founded Founders Law which provides a full service, bespoke in-house legal resource to high growth companies across the UK and Europe. In 2020, following the rapid growth of the firm, Tom was shortlisted by the Law Society as 'Solicitor of the Year – Private Practice' and 'Sole Practitioner of the Year'. In 2022, following a strategic investment, Founders Law became part of the wider Founders Forum group.

Abdul Khan
Senior Associate

Abdul Khan is a Senior Associate at Founders Law, where he leads the firm's Corporate & Venture Capital practice. He advises companies on venture and growth financings including secondary transactions with a particular focus on high-growth technology companies. Abdul advises from pre-incorporation through late-stage rounds and regularly works opposite venture capital funds and institutional investors across the UK, Europe and the US.

GOODWIN

Adam Thatcher
Partner

Adam is a partner in Goodwin's Technology and Life Sciences groups. Adam advises growth companies and investors on a broad range of corporate matters, through every stage of the corporate life cycle, with a particular focus on venture capital financings and M&A transactions. Adam has been recognized for his venture capital and corporate work by Legal 500 as a 'Next Generation Partner' and 'Rising Star'. Adam has also been a speaker at various UK technology-focused accelerators and venture capital conferences and has written several articles and blog posts on financings.

Survey participants' biographies (4 of 6)

HERBERT SMITH FREEHILLS

Dylan Doran Kennett
Partner

Dylan is a partner at Herbert Smith Freehills where he co-leads its Venture and Growth Capital practice, and co-heads its Sports group. Dylan has a wealth of experience in venture and growth equity transactions, as well as private equity, domestic and cross-border M&A. Dylan has taken a number of high-growth companies 'global' advising on 'land and expand' strategy. Dylan acts on both sides of the investment dialogue, advising both company-side and investor-side (whether institutional or strategic).

HARBOTTLE & LEWIS

Tom Macleod
Partner

Tom is a Partner and Co-Head of the venture capital and emerging companies practice at Harbottle & Lewis. Tom advises founders, growing entrepreneurial businesses, venture capital funds and angel investors on a broad range of corporate matters including acquisitions and disposals, exits, all forms of financing rounds (S/EIS, venture capital, venture debt, VCT, growth capital), joint ventures, corporate restructurings and share incentivisation schemes. Tom is also part of the firm's international strategy group, with a particular focus on the USA.

Rosie Marston
Managing Associate

Rosie is a managing associate in the firm's venture capital and emerging companies practice. Rosie has extensive experience advising on corporate transactions, including venture capital and growth stage fundraisings, mergers and acquisitions, shareholder arrangements, early stage SEIS/EIS investments, convertible instruments (including ASAs, SAFEs and convertible loans), founder disputes, share incentive schemes (including EMI options), joint ventures and corporate reorganisations.

HAYNES BOONE

Andrew Pannell
Partner

Andrew is a Partner in the Investment Management Practice Group in the London office of Haynes Boone specialising in advising venture capital, private equity and corporate clients. Andrew has deep experience representing venture capital managers, family offices, CVCs and HNWs on a broad range of matters, including venture and growth capital, private equity investments, M&A/exits, direct and indirect investments, secondary transactions and cross-border reorganisations.

ignition law

Alex McPherson
Founder

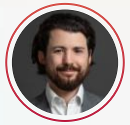
Alex set up Ignition Law in 2015, which is now a high-growth full-service law firm that has worked with many thousands of start-ups, scale-ups and entrepreneurial clients, to provide pragmatic and cost-effective legal services in a community-minded and ethical way.

Joelson

Matthew Overton
Founder

Matthew deals with a broad range of transactional and advisory work for both private and public companies, including acquisitions and disposals, corporate finance, restructuring and reorganisations, AIM work, IPOs and general commercial work. Matthew is very experienced in acting on investments and fundraisings – from seed through to series A, series B and beyond – as well as advising on shareholder arrangements, employee incentive structures. Matthew also advises companies wishing to obtain SEIS/EIS advance assurance from HMRC.

MARRIOTT HARRISON



David Strong
Partner

David is a partner and head of VC at Marriott Harrison, recognised for his expertise in the venture capital and technology sectors. David works closely with institutional investors, corporates, founders and management teams, including a number of the leading technology focused VCs in the UK, on a wide range of corporate matters including financings and exits. Both Chambers & Partners and Legal 500 recognise David as a venture capital specialist and he regularly speak and contribute to industry discussions in this space.

Frances Spooner
Partner

Frances Spooner is a VC specialist lawyer and Partner in the Corporate team at Marriott Harrison. Recognised as a Next Generation Partner for VC by Legal 500 UK and Up and Coming by Chambers and Partners, Fran advises founders, investors, and high-growth tech companies on VC investments and tech-driven M&A. Deeply embedded in the startup and VC ecosystem, she understands what founders and investors need from their legal advisers and is trusted by leading investors, mission-driven businesses, and diverse founding teams.

Survey participants' biographies (5 of 6)

MBM ENTREPRENEURIAL BUSINESS LAWYERS

Michael Arnott
Partner

Michael is a Partner and Head of the London office of MBM Commercial – an entrepreneurial law firm with a focus on helping FOUNDERS to start-up, scale up, and go global, and INVESTORS to raise capital, make debt and equity investments and exit. Michael acts as a trusted adviser to early-stage companies, PE/VC investors and funds. Michael regularly helps early-stage businesses in their business journey, ensuring that they are primed for fundraising and business expansion.

Caroline Urban
Partner

Caroline is a Partner in MBM's London Corporate Team. Caroline has broad experience advising on buy and sell-side of M&A transactions, investments on company and investor side and capital markets transactions. Caroline advises several e-commerce and other industry aggregators on their acquisitions. She also manages their overall business support with expertise from the other specialist areas include debt finance and security, commercial contracts (from supply agreements to bespoke services agreements) and IP protection (registered and unregistered).

Mishcon de Reya

Chris Keen
Partner

Chris is the head of the Emerging Companies team at Mishcon. Chris' expertise is in working with technology companies, entrepreneurs, and the people who invest in them, from the beginning of their journeys right the way through to exit. Chris advises his clients on a full range of corporate and commercial matters, specializing in venture capital and angel investments, technology transfer transactions including corporate and academic spin-outs, equity incentives, and more.

Hayley Cross
Partner

Hayley is a Partner in the Corporate department, with a focus on working with emerging, innovative companies and those who invest in them. Hayley supports companies throughout the early stages of their life cycle, starting with incorporation and shareholder arrangements, to raising investment at seed stage and throughout. Hayley also works with a number of VC firms advising on their seed to Series A/B investments into emerging companies. Hayley specialises in advising on venture capital transactions and has played a pivotal role in building the Emerging Companies team.

Osborne Clarke

Mathias Loertscher
Partner

Mathias is a Partner and advises on M&A, venture and growth capital fundraisings, joint ventures, corporate reorganisations and corporate governance, primarily in the Technology sector. Mathias has advised on a large variety of corporate transactions and has worked with businesses operating in, amongst other areas, FinTech; enterprise SaaS; digital media; e-commerce and consumer internet; video games; cybersecurity; digital transformation consulting; IT services; and advertising and marketing services. Mathias is recognised as a 'Leading Partner' in the Legal 500 for venture capital (2020-2026).

Robert Wood
Partner

Rob is a Partner in the corporate practice and advises investors, management teams and companies on all aspects of the private equity market, focusing on venture and growth capital transactions, private equity buyouts, buy-and-build projects and exits. Robert has particular expertise in advising on complex transactions involving investor syndicates. Much of Rob's work focuses on the Tech, Media and Comms sector, particularly on high-growth companies trying to bring the latest technology to market. Rob was named 'Lawyer of the Year' at the 2018 Thames Valley Deal awards.

orrick

Jamie Moore
Partner

Jamie's practice specialises in venture capital with significant experience advising start-ups through to unicorns, focussing particularly on disruptive technologies and innovation (he is best known for his experience in FinTech and AI investments). Jamie acts for both early and late-stage companies in intellectual property rich sectors and those who invest in them. Jamie Moore has contributed to industry standard form documentation, acted as a mentor for various Seedcamp portfolio companies and hosted office-hours for the Barclays' TechStars cohort.

pillsbury

Sarah Melaney
Partner

Sarah Melaney has more than a decade of experience advising high-growth companies and investors. Her practice focuses on investment rounds, scaleups, strategic exits, such as trade sales and IPOs, and general corporate governance, primarily in the climatetech, renewable energy, foodtech, female founders, artificial intelligence, life sciences and digital health sectors. Sarah's extensive transactional knowledge positions her to support clients seamlessly at every stage of their corporate life cycle. She is recognised as a 'Next Generation Partner' by the Legal 500.

Survey participants’ biographies (6 of 6)

Seven Legal

Bill Cogan
Founder

Bill is a dual-qualified lawyer, admitted as a Solicitor in England & Wales and an Attorney-at-Law in New York, following a master’s degree from the University of California, Berkeley. With over 15 years of legal and advisory experience, Bill has focused his career on advising early stage fast growth companies in the UK and US as a lawyer, advisor and investor. As the Founder of Seven Legal, his expertise lies in aligning legal guidance with business strategy to support clients in navigating complex regulatory and commercial landscapes.

SHOOSMITHS

Alistair Hammerton
Partner

Alistair leads Shoosmiths’ Emerging Companies & Venture Capital (ECVC) team and also co-leads the firm’s Tech and AI Sector. Alistair’s focus is on venture and growth capital transactions, and as head of the firm’s ECVC team he is responsible for driving Shoosmiths’ continued growth in this space. He is one of the leading venture capital lawyers in the UK and a prominent figure in the VC ecosystem. Alistair works across various sectors including financial services, technology, energy and life sciences businesses.

Helen Burnell
Partner

Helen is a partner in Shoosmiths’ corporate team, specialising in venture capital, growth capital and energy and infrastructure investments. Helen is the co-sector lead for the firm’s Energy and Infrastructure Sector and co-chair for the firm's women's network, Empower. Helen specialises in advising investors, founders and management teams from seed to Series A/B/C funding right through to Exit with a focus on E&I growth companies and sustainable next generation infrastructure such as digital infrastructure, EV Charging and clean energy development.

TaylorWessing

Ian Moore
Partner

Ian Moore is a Partner in the Emerging Companies and M&A team based in London, advising on a range of corporate matters including venture capital, private equity and domestic and cross-border M&A. Ian has been recognised in the leading legal directories as "particularly experienced in technology transactions", as a "key lawyer" and a name "to note" for venture capital transactions, and as having "expertise in cross-border M&A" specifically in the retail and consumer sector. As a former founder of a growth stage business, Ian was the winner of the Scottish EDGE Entrepreneurship Award.

Contributors' biographies

UK PRIVATE CAPITAL

Michael Moore
Chief Executive

Michael Moore is Chief Executive of the British Private Equity and Venture Capital Association. Michael and his colleagues are focused on supporting the development of the private capital industry, as it invests in thousands of businesses and supports millions of jobs across the UK. As policymakers work on the competitiveness of the UK's investment climate, Michael is confident that private equity and venture capital will continue to create significant public value through investment in growth, innovation and people.

carta

Nick Richards
Head of Business Development

Nick heads up Carta Europe's Business Development team bringing his expertise working as VC and LP.

UKBAA
UK Business Angels Association

Roderick Beer
Managing Director

Roderick's career spans over 15 years of managing, founding and growing angel groups and investment platforms that have collectively deployed over £100m of equity investment in more than 500 startup and scaleup businesses. He started his career at Beer & Partners, one of the first and largest angel groups in the UK and later helped form and grow a corporate finance firm as their COO. He is now the Managing Director of the UK Business Angels Association, the trade body for angel and early-stage investing, representing over 200 organisations and 18,000 investors around the UK that collectively deploy over £1bn p.a. in early-stage businesses.

Capsule

Liam Green
COO and Co-Founder

Liam's team are the proactive insurance partner to more than 1000 clients from Seed to IPO. Liam was previously Underwriting Director at Kingsbridge where he managed 70k clients and £40m in GWP.

Kit Lewin
Head of Partnerships

Kit leads Capsule's relationships with investors and partners across the UK venture ecosystem. Capsule directly insure over 30 of the UKs leading early-stage VC funds, alongside specialist support for VC backed companies across FinTech, MedTech, SaaS, AI, Consumer, Climate & DeepTech.

Thank you

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