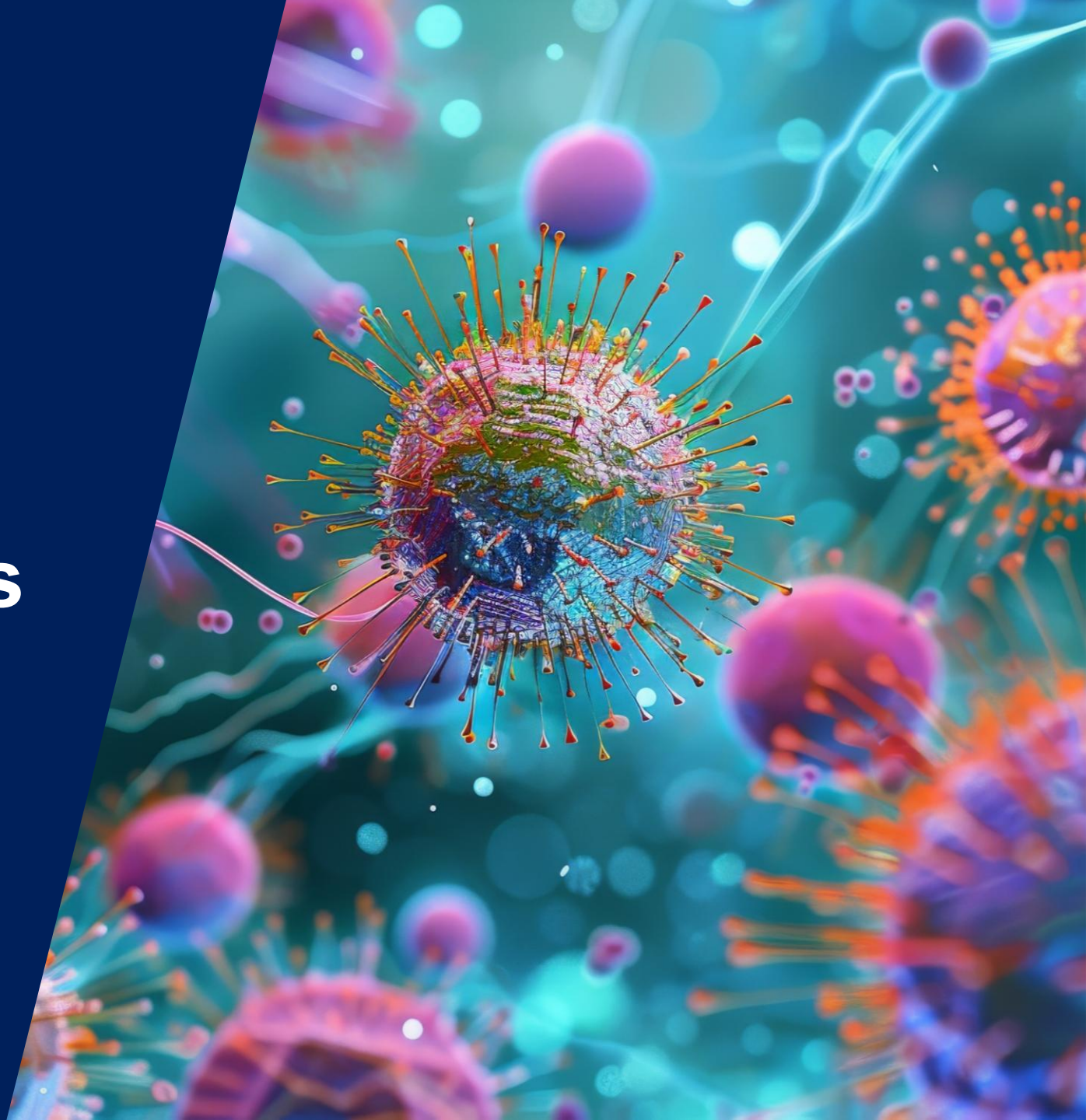


Healthcare Investments and Exits

Biopharma | Healthtech | Dx/Tools | Device

Published August 25, 2026

Disclaimer: This report was written prior to the rebrand from SVB to First Citizens Innovation Banking and therefore contains references to SVB.



The Biggest Get Even Bigger



The message is pretty clear. The focus for healthcare investment is on real products and technologies that are proving their value through market adoption or clinical research. Investors with tight pockets and limited interest seem to have plenty of money and time for companies that can show results.”

Haves and have-nots. Winners and losers. The top of the heap and everyone else. Pick your metaphor: The trend doesn’t show any signs of reversing. Drops in the total amount of healthcare investment are coming from fewer checks, not smaller ones. In fact, some of the checks are getting bigger than ever. It’s just getting harder and harder to lay your hands on one. Strong fundamentals and clear commercial prospects have driven the biggest deals this year.

AI is still driving the conversation, but it looks like most of it has moved past wild promises and enthusiastic claims. In healthtech, operational tools for revenue cycle and data integration or for managing clinical trials are attracting investment, while ambient documentation software is becoming table stakes in clinical healthtech. The one exception is in AI-driven computational biology, where the promise of AI drug design and protein modeling is drawing staggering amounts of money.

Nothing illustrates the current state of healthcare investment better than Isomorphic Labs single-handedly accounting for about 15% of all biopharma investment so far in 2026, or Boston Scientific pumping \$1.5B into MiRus and nearly doubling device investment. In both cases, the deals came on the heels of impressive progress in bringing a product to the clinic. It’s clear that tangible commercial potential drove the investments, not just hot technology.

Does a biopharma company need an independent drug pipeline? Isomorphic Labs is operating like the big AI foundational models at the moment, letting partners use its tech without needing to be involved in the details of clinical trials or manufacturing. That’s not a surprise given its origins and close connections with Google DeepMind. Still, when a company’s Series B round is big enough to

look like a typo at first glance, you take a second look at where you put them. But this is not a one-time problem. Newer companies are blurring the boundaries between the different sectors. The two biggest rounds in healthtech so far this year went to resurgent payviders, blending insurers and clinical providers with a value proposition that clearly still has a lot of cachet with investors.

Exit markets give a better sense of long-term trends. Healthtech is still struggling to generate healthy exits, even with a growing list of successful IPOs. Biopharma, on the other hand, is seeing a massive boom in M&A activity alongside successful IPOs. Biopharma is facing the loss of patent exclusivity for some of its biggest revenue drivers, so it’s not a surprise that the hunt is on for assets that can patch those holes in the bottom line. Investors are following suit, backing clinical-stage companies in spaces like oncology, autoimmune disease, and metabolic conditions with big rounds and generous valuations. With venture funds desperate for returns, it’s only a matter of time before investment in the sector catches up to exits.

The message is pretty clear. The focus for healthcare investment is on real products and technologies that are proving their value through market adoption or clinical research. Investors with tight pockets and limited interest seem to have plenty of money and time for companies that can show results.

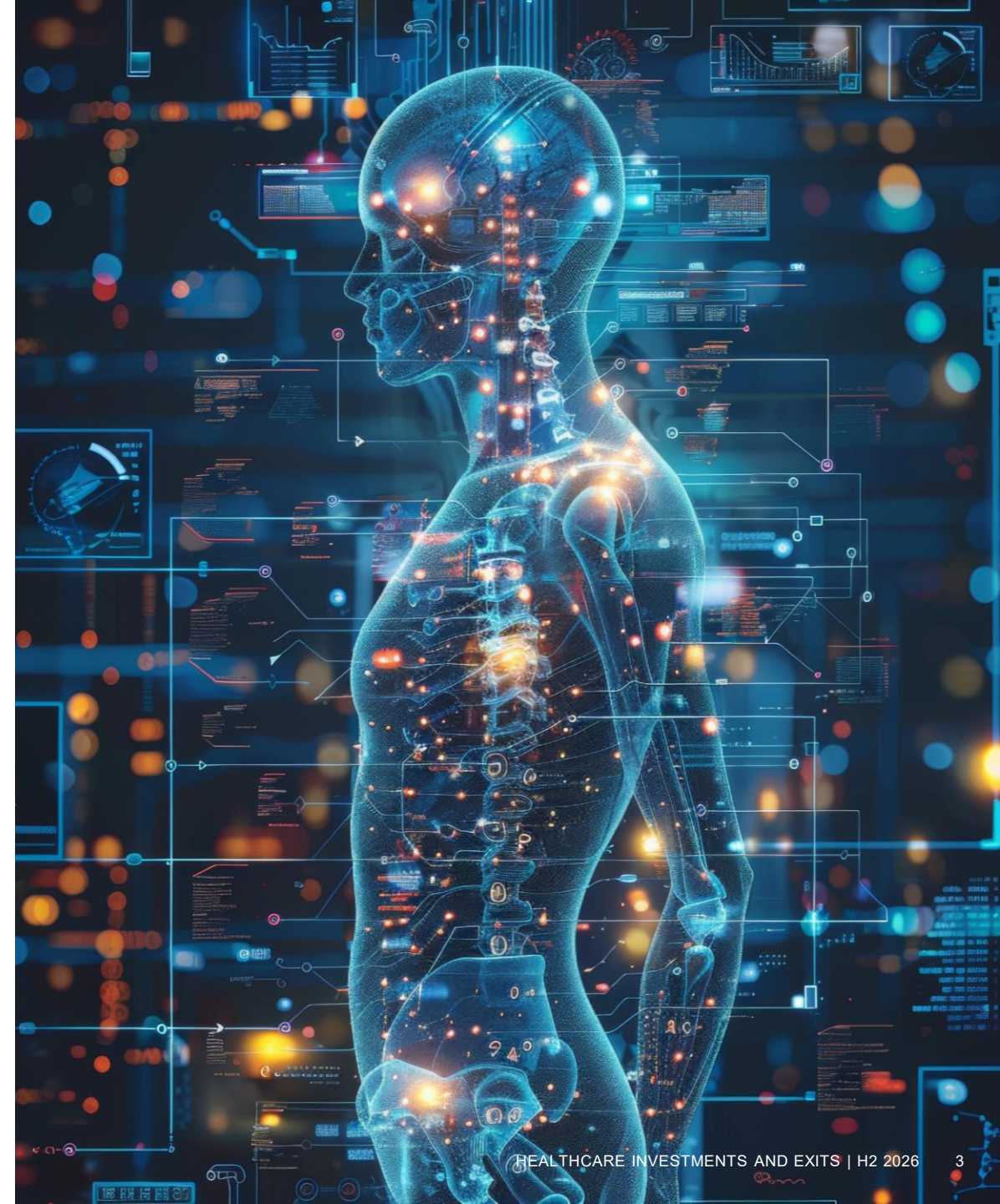


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Healthcare Market Highlights



Market Highlights



Biopharma

Deal volumes fell, but investment stayed on an upward track. Deal sizes and valuations help tell the story: Money is still available for the right companies. AI drug discovery reaped the biggest rounds, but investors are also positioning themselves in more mature companies that can benefit from the boom in M&A spending as patent expirations start to cost Biopharma tens of billions of dollars in revenue.



Healthtech

AI brought healthtech its best half in years. The boom-or-bust, winners-and-losers dynamic grew even more stark, as the top six deals accounted for about 50% of investment in the first six months. What's missing is strong exits, but consistent successes from the small number of IPOs since 2024 show the appetite is there for durable growth and strong fundamentals, not tech fads or pure enthusiasm.



Dx/Tools

Diagnostics and tools companies had their worst investment half in years. There don't seem to be any consistent trends or spaces. Instead, investors gave big deals to leading performers across a variety of indications and technology, more focused on commercial viability than anything else. At the same time, money continues to flow into adjacent tech categories in biopharma and device as categories shift and definitions blur.



Device

Although deal activity declined slightly, device remained stable for another year with consistent valuations and deal sizes. A couple of outsized deals helped to bump the numbers back to average, making it clear that the device sector isn't immune from the focus on commercial viability that's driving investment across the healthcare space. Still, a reviving M&A market should give everyone some hope that the venture capital (VC) flywheel continues to turn.

Fundraising and Investment

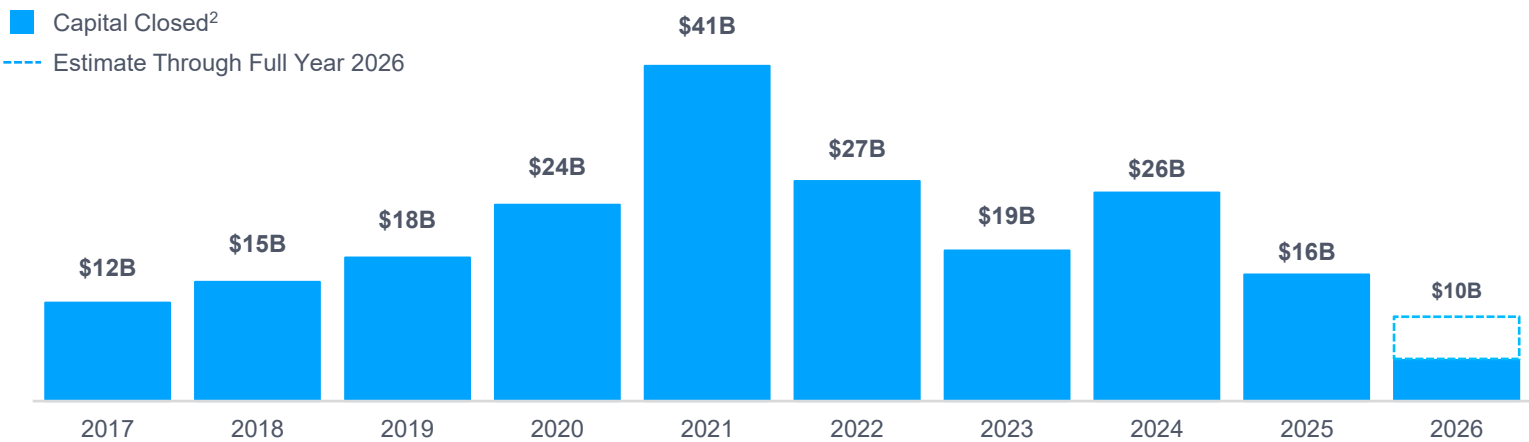
Health Investment Finding New Wells

Dedicated health VC fundraising is drying up as specialist funds increasingly aren't the biggest source of funding in the space. Fundraising for healthcare VC continued its downward slope and hit a decade low so far in 2026, with a familiar refrain behind the raw numbers: A few really big names are raising a lot of money, and other activity is trailing behind. Three firms — Lux Capital, Frist Cressey Ventures and Santé Ventures — accounted for 59% of our estimated healthcare allocation in the first half of 2026. In investment, a mega deal isn't what it used to be. Something similar is happening in venture fundraising. It will be interesting to see how the two realities end up confronting each other. Ultimately, what we're seeing isn't an overall reduction in the capital available for healthcare investment, but a reduction in the capital available from specialized funds. That's most likely to be felt in the early stages, where generalist funds tend to be less involved.

Large generalist funds and corporate VCs are increasingly coming in for the largest deals in healthcare. These huge funds are focusing on larger and safer bets, trading more stable returns for a smaller internal rate of return. They're also distorting the market and making it harder for specialized firms to participate in the biggest rounds. That may end up being a problem in healthcare, where investors don't always have the same perspectives when it comes to market interest or the lengthy, bumpy timelines towards profitability.

Healthcare VC Fundraising Falls to a Decade Low

US Healthcare VC Fundraising 2017-2026¹



Notable Funds with More than \$100M Allocated to Healthcare Closed in H1 2026



Notes: 1) Data as of 06/30/2026. 2) Includes funds that list healthcare-related sectors as a core area of focus. Estimates are based on weighted fund totals and anecdotal conversations with investors. Source: PitchBook Data, Inc., Preqin and SVB analysis.

Most Active Life Science and Healthcare Investors

Ranking Investor Activity by Sector and Stage, US and Europe (2024-H1 2026) ^{1,2}

Biopharma			Healthtech		
Seed	Early	Late	Seed	Early	Late
SUSV Boehringer Ingelheim INDIE BIO TEDCO HTGF LIFESPAN VENTURES CIVILIZATION VENTURES	ARCH VENTURE PARTNERS ATLAS VENTURE Forbion OMEGA FUNDS G/ rtw FRAZIER HEALTHCARE PARTNERS THE COLUMN GROUP	RACAPITAL Lilly orbimed Gaingels ALEXANDRIA Venture Investments Janus Henderson INVESTORS novo holdings F-PRIME	BOX GROUP TRANPOSE PLATFORM CITY LIGHT NC TWEENER FUND T/Tau Ventures REDESIGN HEALTH Headwater VENTURES tmv.	andreessen.horowitz Bessemer Venture Partners FLARE CAPITAL PARTNERS MENLO VENTURES SignalFire SemperVirens Pear town hall VENTURES	GENERAL CATALYST G/ Alumni Ventures SEQUOIA Gaingels AlleyCorp NEA OAK INVESTMENT PARTNERS
Dx/Tools			Device		
Seed	Early	Late	Seed	Early	Late
SFC Capital TRANPOSE PLATFORM DRAPER ASSOCIATES Amino Collective NINA.CAPITAL Arben Ventures Zürcher Kantonalbank KAD MOS	bpi france OMX VENTURES Sofinnova partners meltwind DIMENSION BLUE YARD IMPACTASSETS Teampact Ventures	Gaingels European Innovation Council labcorp khosla ventures Alumni Ventures illumina VENTURES SUSV NLC Health Ventures	JUMPSPACE VENTURES LIFE SCIENCE ANGELS Device of Tomorrow Capital NEXUS NEUROTECH VENTURES SYMBIOTIC CAPITAL Surosh SBXI SAFAR PARTNERS	F-PRIME innovation works HATTERAS VENTURE PARTNERS XEIA rpv C/P SCP Ventures, LLC CAMBRIDGE ANGELS	European Innovation Council HAX Enterprise Ireland Alumni Ventures bpi france PANAKES PARTNERS SUSV USVP U.S. VENTURE PARTNERS

Notes: 1) Most active investors calculated as investment activity in identified rounds in US and European life science and healthcare companies. 2) All 2026 data is as of 06/30/2026. Dates of financing rounds are subject to change based on add-on investments. Additional investors not listed due to space limitations. Investor map does not include investors who are primarily accelerators or incubators.
Source: PitchBook Data, Inc., conversations with investors and SVB proprietary data.

Deals Down, Dollars Are Growing

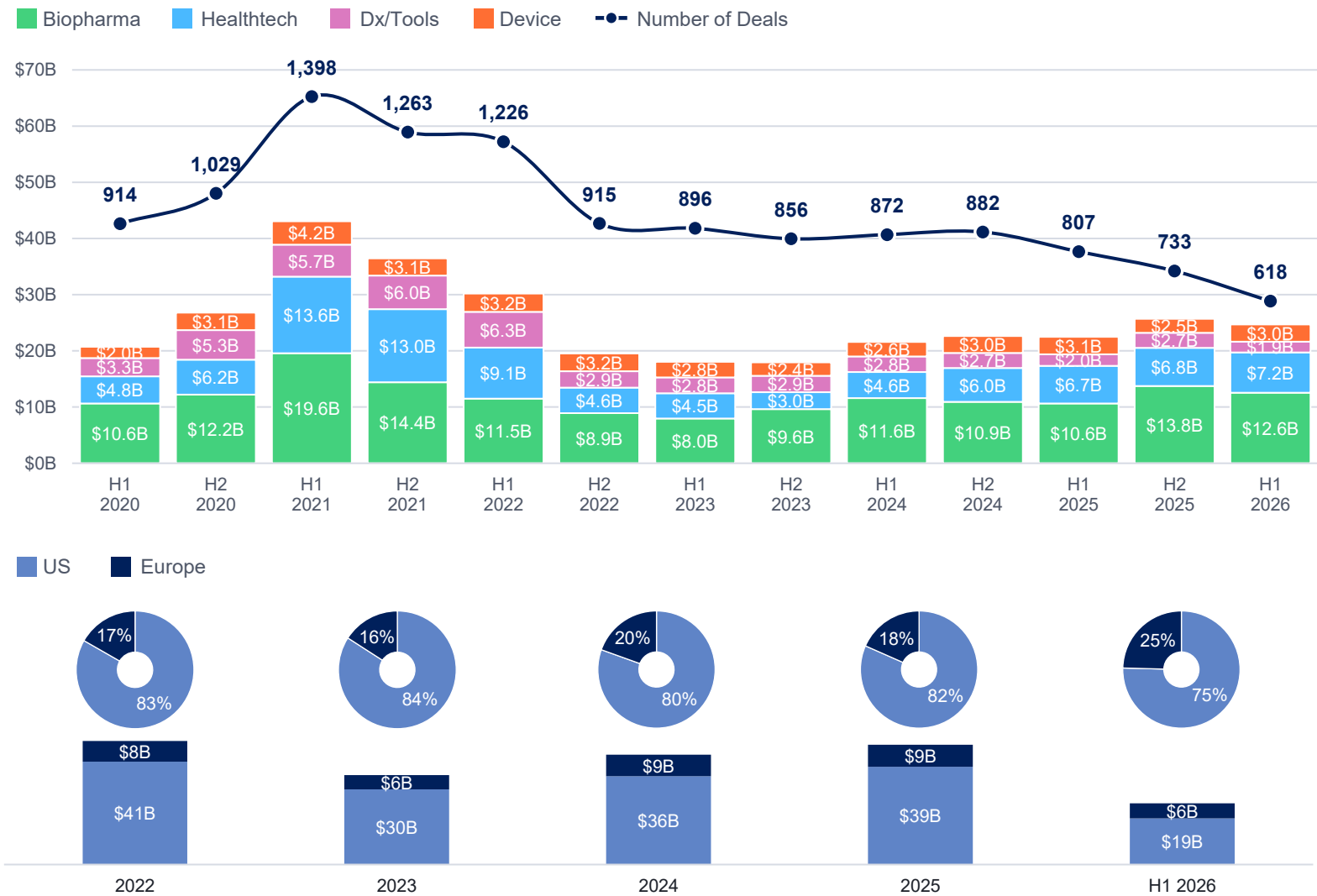
Healthcare venture funding continued to step down from the 2020 to 2021 peak but appears to have stabilized into growth from pre-pandemic levels. The total is below H2 2025 — and a little over half of the approximately \$43B raised at the H1 2021 high-water mark — but still on a steady upward trend since 2022.

Deal activity shows a different pattern. Total financings declined from more than 1,300 at the peak in H1 2021 to just 618 in H1 2026, a new multiyear low that reflects both a more selective funding environment and continued concentration of capital in fewer companies. While the US still accounts for the majority of healthcare venture investment, Europe increased its share of funding to 25% in H1 2026, the highest level shown in the period.

The impact also varies by sector. Biopharma led funding with \$12.6B raised, bolstered by Isomorphic Labs’ \$2.1B Series B financing. Currently without an independent pipeline and instead operating as a drug discovery partner for other companies, Isomorphic’s model underscores the increasingly blurred definitions in healthcare technology.

Projecting forward, if H2 2026 comes roughly in line with the first half’s \$24.7B, total healthcare venture funding for the year is likely to finish around \$49B, marking a clear reset from the 2021 peak but also a more stable footing for the market.

Fewer Deals, More Concentrated Capital US and European VC Dollars and Deals by Healthcare Sector¹



Notes: 1) All deals include either institutional venture investment or corporate venture investment, or are equal to or greater than \$2M, regardless of investor. Dates of financing rounds are subject to change based on add-on investments. 2) Healthtech deals that overlap with the Dx/Tools and device sectors are not included in healthtech totals on this slide, but they are included in the healthtech-specific analysis on page 12.
Source: PitchBook Data, Inc. and SVB proprietary data. All 2026 data is as of 06/30/2026.

Investment by Sector



Biopharma Investment

Biopharma venture funding stayed on an upward trend, raising \$12.6B invested across the US and Europe. The total is down from the peak reached in H2 2025, but still up 8% from H1 of that year.

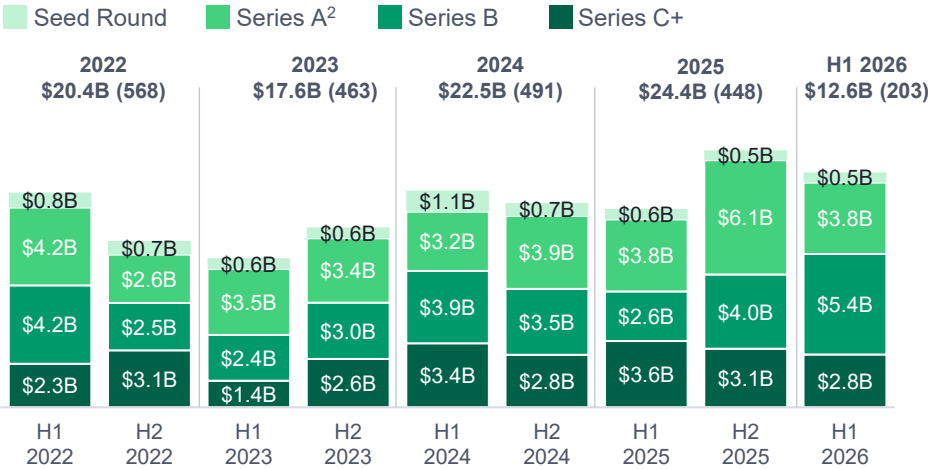
The more telling pattern sits beneath the total. Median deal sizes have trended higher across stages since 2020, so the decline in dollars is really a decline in volume: investors are doing fewer biopharma deals, not smaller ones. For mid-stage companies, the deals are bigger than ever. At the same time, valuations have broken out after a long flat stretch, with pre-money valuation growth reaching record levels in 2026 across several stages. It's important to note that these trends hold true even without the staggering Series B raised by Isomorphic Labs.

That pricing strength lines up with a few busy years for biopharma M&A and a wave of major patent expirations. Investors are positioning themselves ahead of large-cap demand in categories like oncology, ophthalmology, immunology and metabolic disease.

The largest rounds show the activity first-hand. Alongside Isomorphic, later-stage raises like NewLimit (\$435M), Parabilis Medicines (\$305M) and Beren Therapeutics (\$300M), together with massive raises from Earendil Labs, Beeline Medicines and several other \$200M-plus Series A rounds, show how much capital is still flowing to the strongest stories.

Biopharma Dollars Pull Back in H1 2026

US and Europe Biopharma Total Dollars (and Deals)¹

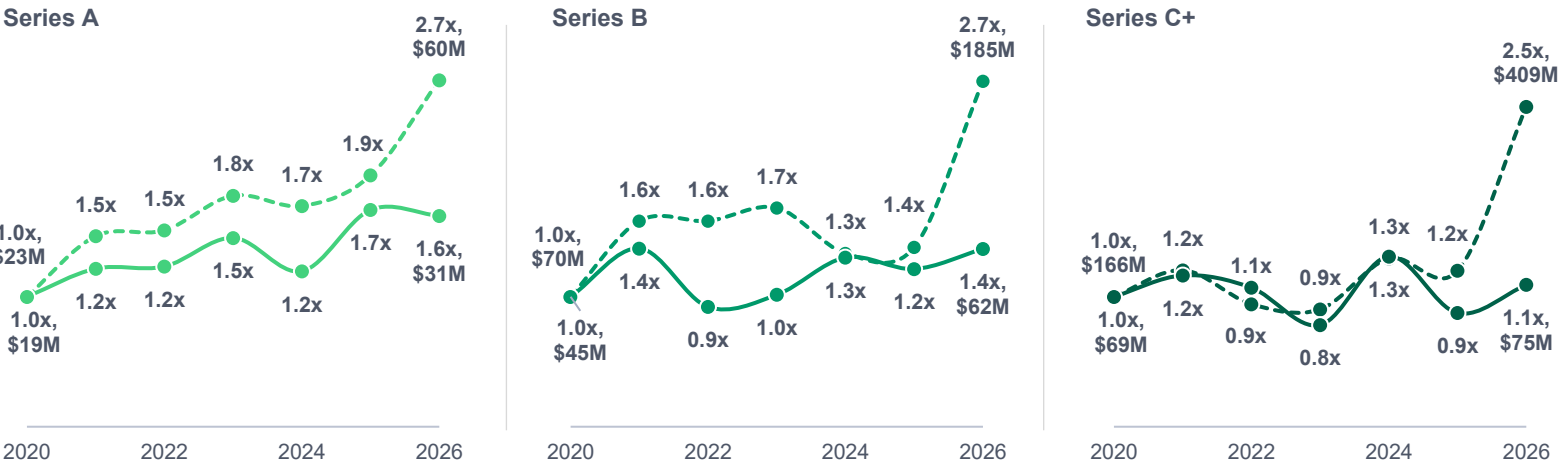


Top Biopharma H1 2026 Deals

Series A	Later Stage
Earendil Labs \$787M	Isomorphic Labs \$2.1B
beeline MEDICINES \$426M	NewLimit \$435M
ThirdArcBio \$217M	Parabilis MEDICINES \$305M
AirNexis Therapeutics \$200M	beren \$300M
Alveus Therapeutics \$197M	orcabio \$250M
dren bio \$173M	tenpoint THERAPEUTICS \$235M
BIONYRA \$165M	CellCentric \$219M

Valuation Growth Rates Reach New Records

Median Biopharma Valuations and Deal Size Growth (Indexed to 2020 = 1.0x)



Notes: 1) All deals include either institutional venture investment or corporate venture investment, or are equal to or greater than \$2M, regardless of investor. Dates of financing rounds are subject to change based on add-on investments. 2) The Series A criteria used for this report have been updated from previous versions of this report; investments are considered Series A if the deal is disclosed as such.
Source: PitchBook Data, Inc. and SVB proprietary data. All 2026 data is as of 06/30/2026.

Healthtech Investment

Healthtech looked impressive in the first half of 2026, raising the most seen in the sector since 2022. Approximately \$7.2B flowed into US and European companies, ahead of recent half-year levels, as investor enthusiasm for AI-enabled healthcare continued to build.

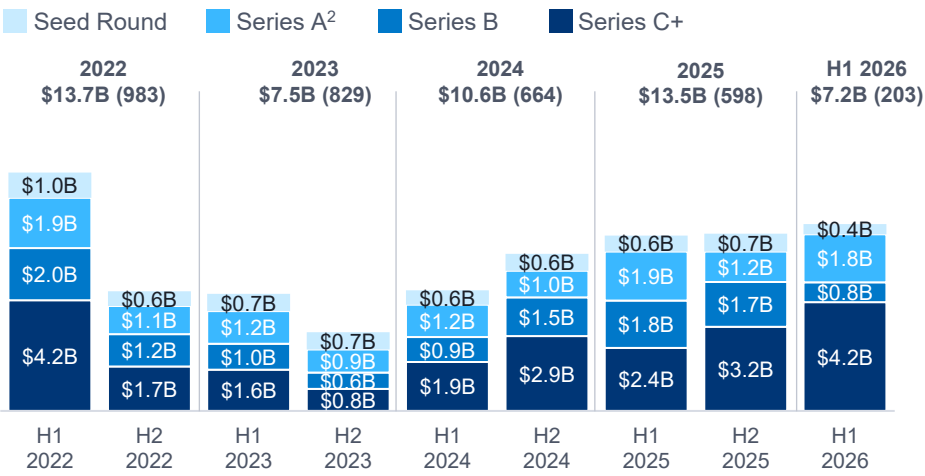
AI is doing most of the heavy lifting, with activity concentrated in clinical workflow automation, administrative efficiency and data infrastructure. The most surprising part of healthtech funding in the half came from the resurgence of payviders, with Devoted Health and Paris-based Alan raising more than \$900M. While they address different markets — Devoted is focused on Medicare Advantage, and Alan currently only serves customers in Europe and Canada — both companies are leveraging AI to help them succeed in a historically difficult space.

Pricing followed a similar pattern. Median Series C+ valuations reached record highs in 2026, while Series B valuations also remained elevated. Median deal sizes, however, have been comparatively stable as investors become increasingly selective while continuing to pay premium valuations for the strongest companies.

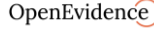
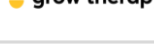
The bar for founders has risen toward durable growth, differentiated technology and a credible path to scale, especially those leveraging AI to address meaningful healthcare challenges.

AI Lifts Healthtech While Other Sectors Cool

US and Europe Healthtech Total Dollars (and Deals)¹

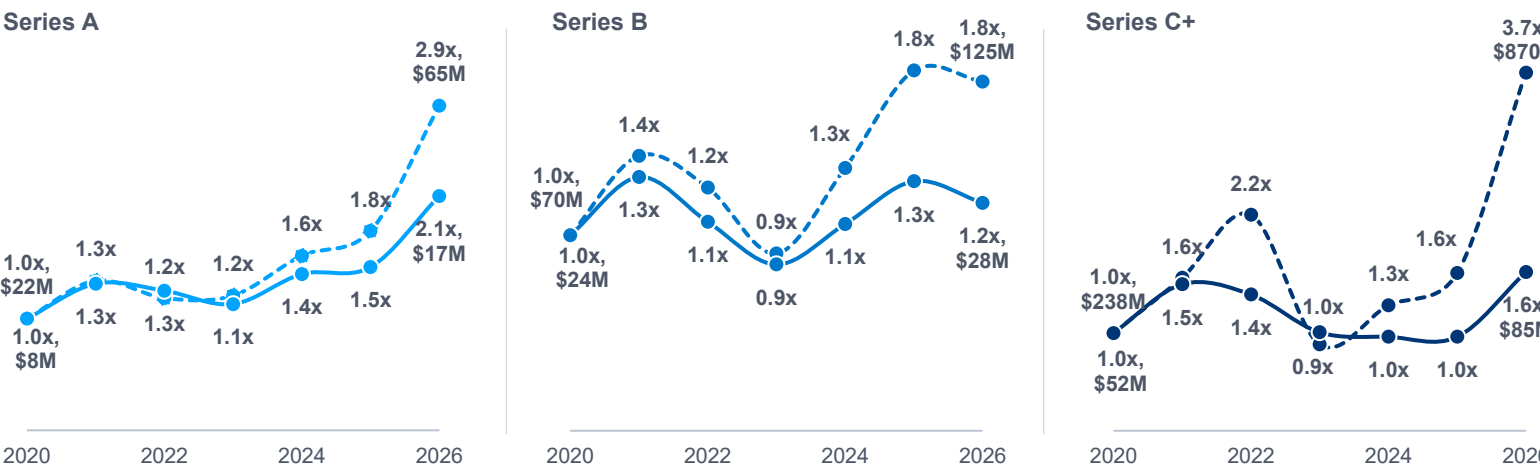


Notable Healthtech H1 2026 Deals

Series A	Later Stage
 zorminoli PEDIATRICS \$110M	 alan \$554M
 Qualified Health \$100M	 Devoted \$366M
 COLLATE \$95M	 ABRIDGE \$316M
 latent \$80M	 OpenEvidence \$250M
 CHAMBER CARDIO \$60M	 Oviva \$220M
 Biorce \$53M	 Talkiatry \$210M
 Fathom \$47M	 grow therapy \$150M

AI Pushes Series C+ Valuations to New Highs

Median Healthtech Valuations and Deal Size Growth (Indexed to 2020 = 1.0x) —●— Deal Size Multiple —●— Pre-Money Valuation Multiple



Notes: 1) All deals include either institutional venture investment or corporate venture investment, or are equal to or greater than \$2M, regardless of investor. Dates of financing rounds are subject to change based on add-on investments. 2) The Series A criteria used for this report have been updated from previous versions of this report; investments are considered Series A if the deal is disclosed as such.
Source: PitchBook Data, Inc. and SVB proprietary data. All 2026 data is as of 06/30/2026.

Dx/Tools Investment

Dx/Tools remained under pressure in the first half of 2026. Approximately \$1.9B was invested across the US and Europe, down from the second half of 2025 and the weakest first-half showing in several years. Lingering reimbursement and commercialization questions continue to weigh on the space.

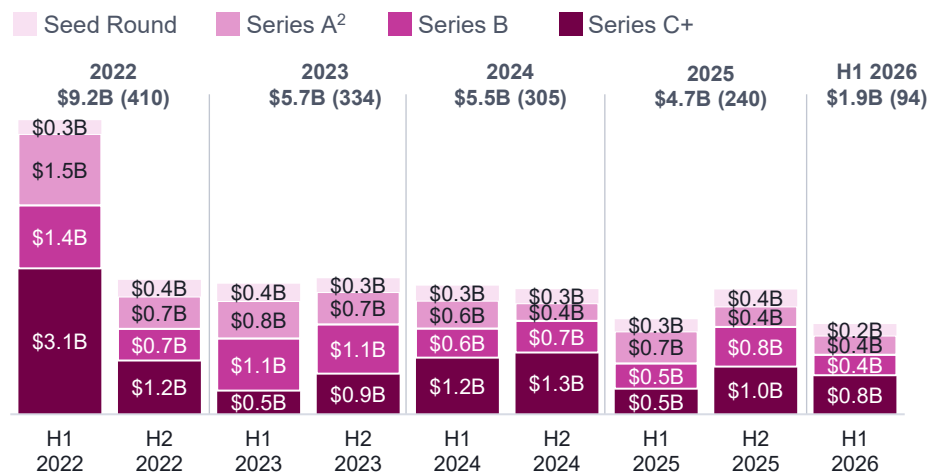
With dollars scarce, investors grew even more selective. Rather than betting on the category broadly, capital went to companies like Cellares, which is planning a near-term commercial launch, or Stipple Bio, which has preparations underway to enter the clinic in 2027. That discipline shows up in deal sizes, where a modest median sits alongside a handful of large outliers.

Valuations, however, tell a more nuanced story. Series A and Series B pre-money valuations moved higher over the period, with Series A peaking at 2.1x in 2025 and Series B growing to 3.6x 2020 levels by 2026. By contrast, late-stage valuations remained volatile and below prior peaks, highlighting a clear preference for earlier-stage companies with differentiated technology and stronger growth potential.

Later-stage raises alongside sizable Series A rounds show that investors will still back high-conviction Dx/Tools at scale if there is genuine commercial traction or clear platform leverage.

Dx/Tools Investment Contracts Further in H1 2026

US and Europe Dx/Tools Total Dollars (and Deals)¹

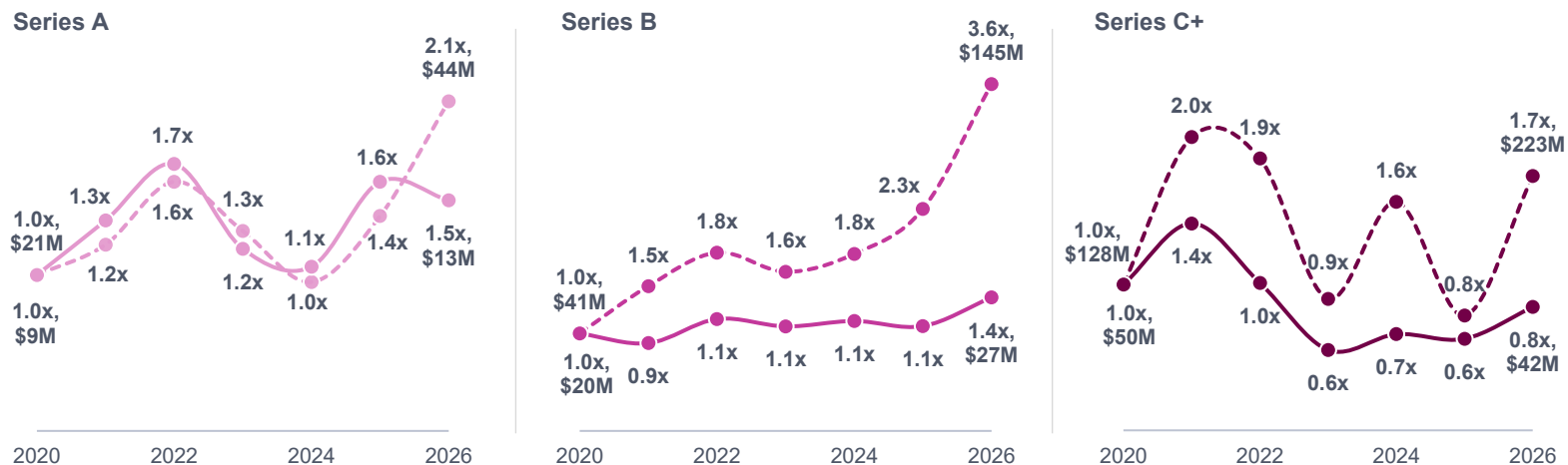


Notable Dx/Tools H1 2026 Deals

Series A		Later Stage	
stipple bio	\$100M	CELLARES	\$327M
imu biosciences	\$54M	nuciera	\$87M
KANVAS	\$48M	cellanome	\$76M
Waiv	\$33M	covera health	\$73M
mammogen	\$30M	Nabla Bio	\$70M
Countable Labs.	\$26M	BAMF Health	\$60M
Elio	\$21M	N VISION	\$55M

Mid-Stage Valuations Climb, Late-Stage Valuations Stay Volatile

Median Dx/Tools Valuations and Deal Size Growth (Indexed to 2020 = 1.0x)



Notes: 1) All deals include either institutional venture investment or corporate venture investment, or are equal to or greater than \$2M, regardless of investor. Dates of financing rounds are subject to change based on add-on investments. 2) The Series A criteria used for this report have been updated from previous versions of this report; investments are considered Series A if the deal is disclosed as such.

Source: PitchBook Data, Inc. and SVB proprietary data. All 2026 data is as of 06/30/2026.

Device Investment

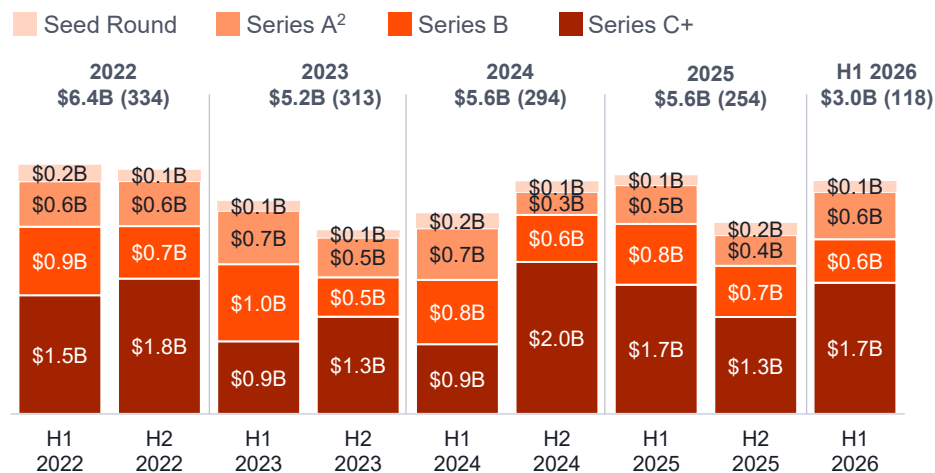
Device investment was broadly stable in the first half of 2026 across the US and Europe, with \$3.0B raised across 118 deals, similar to H1 2025 dollar levels. Capital has eased down from the heights of 2021 and settled into a steadier, much more consistent pace.

Deal activity softened slightly, but investors continued to support companies with differentiated technologies and clear commercial pathways. Valuation trends reflected that dynamic. Median Series A and Series B valuations remained relatively stable over time, while late-stage valuations climbed to new highs in 2026. Deal sizes followed a similar pattern, with Series C+ rounds reaching record levels, indicating strong investor appetite for a limited number of mature, high-conviction opportunities.

The same pattern shows up in the distribution of deal sizes, with a modest median and a long upper tail. MiRus by itself accounted for much of that tail this half, receiving \$1.5B from Boston Scientific to continue developing novel biomaterials for implants and delivery systems. The investment — and an exclusive acquisition option — came a few months after receiving FDA approval for expedited clinical trials for a novel aortic valve replacement system. Taken alongside the massive Series G deal grabbed by WHOOP, it's clear that commercial viability is one of the biggest deciding factors for investors right now, even if exits aren't visible in the short term.

Device Dollars Hold Steady at a Lower Level

US and Europe Device Total Dollars (and Deals)¹



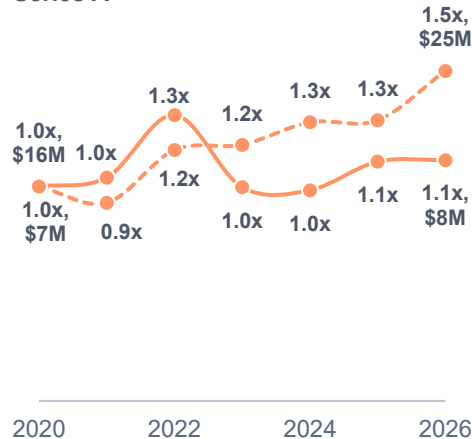
Notable Device H1 2026 Deals

Series A		Later Stage	
Spiro MEDICAL	\$67M	MiRus	\$1.5B
Axoft	\$55M	WHOOP	\$575M
THROMBOLEX	\$50M	Science	\$230M
Cresilon	\$49M	Endogenex	\$138M
VENTARIS	\$31M	Cognito Therapeutics	\$110M
Re-EMergeDBS	\$30M	CeQur	\$101M
		GT Medical TECHNOLOGIES	\$100M

Late-Stage Valuations Climb as Early Rounds Hold

Median Device Valuations and Deal Size Growth (Indexed to 2020 = 1.0x)

Series A



Series B



Series C+



Notes: 1) All deals include either institutional venture investment or corporate venture investment, or are equal to or greater than \$2M, regardless of investor. Dates of financing rounds are subject to change based on add-on investments. 2) The Series A criteria used for this report have been updated from previous versions of this report; investments are considered Series A if the deal is disclosed as such.

Source: PitchBook Data, Inc. and SVB proprietary data. All 2026 data is as of 06/30/2026.

Healthcare Exits: M&A and IPO Trends

Biopharma Exits

Biopharma IPOs are looking strong, but this is going to be remembered as a year of M&A.

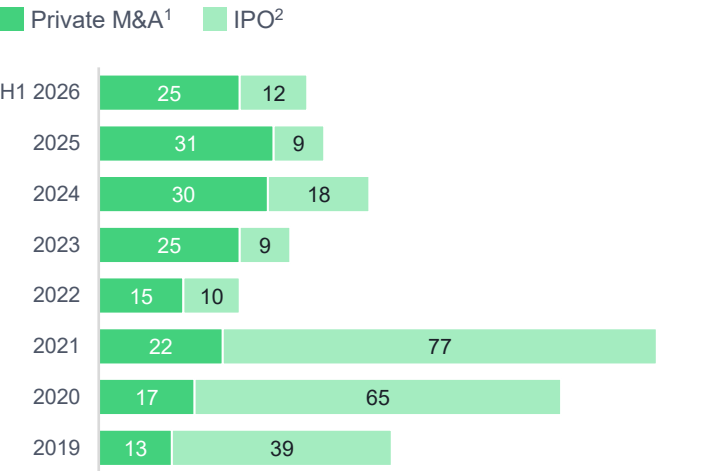
2026 is on pace to be the most active M&A year on record, with 25 private acquisitions in just the first six months and the number doubling when public activity is taken into account. Interest in acquisitions, IPOs and development deals is being driven by upcoming patent cliffs. Jakafi (Novartis), Opdivo (Bristol Myers Squibb) and Eliquis (Bristol Myers Squibb) are all expiring in the next two years and together account for about \$23B in annual revenue. Another \$23B is leaving in 2027 and 2028, as patents expire for Ibrance and Prevnar (both Pfizer), and Stelara (J&J).

Lilly was by far the most active buyer, followed by Gilead. Both focused on oncology companies, spending more than \$15B across different cancer therapies. Forty percent of the acquired companies had a prior institutional or corporate venture capital (CVC) investor, but only one was acquired by the CVC that had invested in them: Neurona Therapeutics, acquired in June by the Belgium-based UCB. The patent for UCB’s epilepsy drug Vimpat expired in 2026, while Neurona presented results from the Phase I/II clinical trials for its epilepsy therapeutic in April 2026.

Some major successes are making IPOs look more promising. Parabilis and Generate leveraged AI drug discovery platforms. Kailera, on the other hand, licensed drugs developed in China. All three have continued to rise since their debut, helping drive public biopharma gains even higher.

Biopharma M&A Surging

Biopharma Disclosed Private M&A Deals and IPOs



IPO Successes Make Investors Breathe Easy

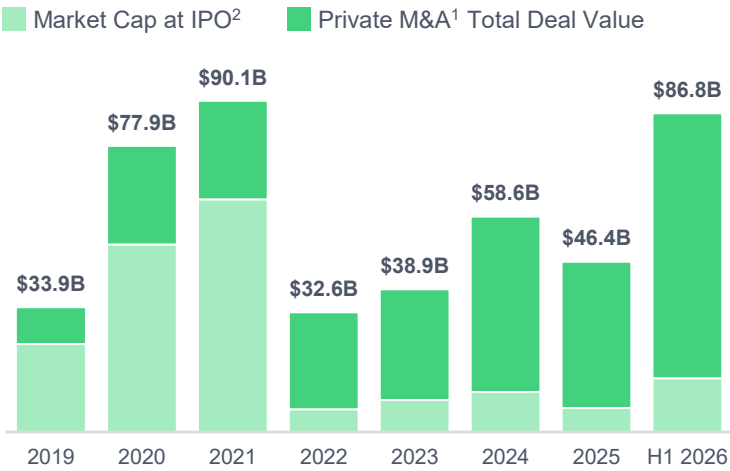
Performance of Top 2026 Biopharma IPOs by Market Cap

SVB Indication	Oncology	Respiratory	Metabolic
Stage at IPO	Phase III	Phase III	Phase II
IPO Price per Share (Date)	\$20 (06/10/2026)	\$16 (02/26/2026)	\$16 (04/17/2026)
Market Cap at IPO	\$1.7B	\$1.6B	\$1.4B
Price +/- as of 07/01/2026	100%	31%	100%
Market Cap as of 07/01/2026	\$3.4B	\$2.1B	\$2.8B

Notes: 1) Private venture-backed M&As with a minimum \$75M deal size as of 06/30/2026. Number of deals does not include deals of undisclosed value. 2) IPOs with a minimum \$25M deal size as of 06/30/2026. 3) Stocks for biopharma companies that went public from 2015 to H1 2026. Performance measured by change in index value as of 07/01/2025 compared with S&P 500 performance.
Source: DealForma, PitchBook Data, Inc., S&P Capital IQ and SVB proprietary data.

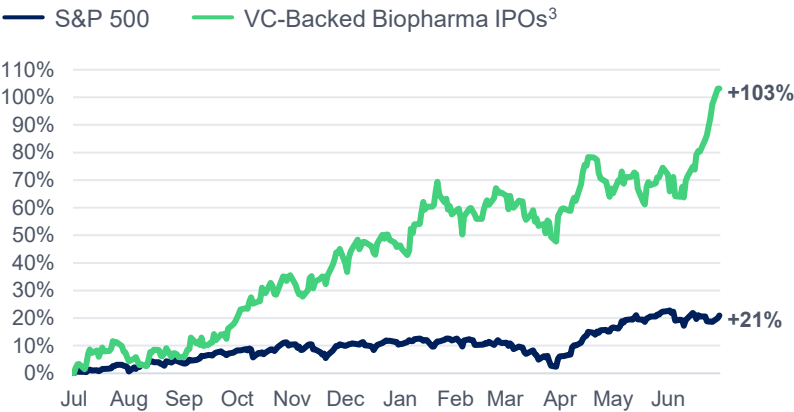
M&A Pushing 2026 to New Exit Highs

Biopharma Exit Values by Year



Public Companies See Surging Values

Formerly VC-Backed Public Biopharma Index:
Global 2026 Performance³



Healthtech Exits

Healthtech exits are struggling, despite the successful IPOs of 2025. Positive first-quarter earnings reports from long-time incumbents like Clover Health also helped buoy the public performance of VC-backed healthtech. The enthusiastic reaction to growing membership numbers, positive net incomes and strong EBITDA results showed how much the market values bottom-line performance. Since then, there hasn't been a rush of startups eager to open their books to public scrutiny. Companies that looked poised for IPOs are raising late-stage rounds instead, making it unlikely that 2026 will be the breakthrough year investors are hoping for.

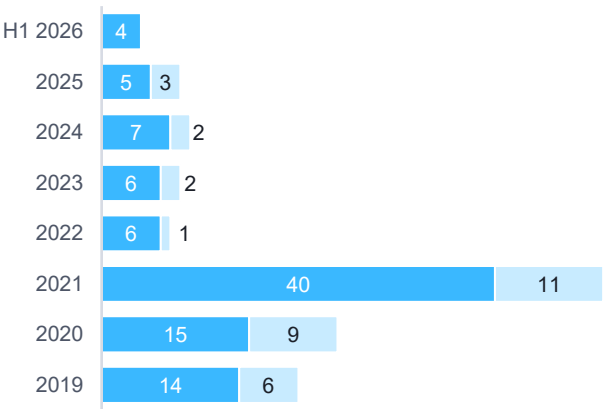
That said, there are still some IPOs scheduled for the second half of the year that could make the final numbers perk up a bit. Zelis, a revenue cycle and claims management platform, filed a confidential S-1 in 2025 with an estimated valuation nearing \$17B. The CEO of Virta Health also announced it would be ready to go public in 2026, although 2027 looks more likely.

M&A is picking up the slack, with total activity looking like it'll hit a multi year high. Not all of the acquisitions are good news, however. Many are coming at a discount or with an undisclosed price (deals without a disclosed price aren't included in our charts) as more mature companies and strategic incumbents look for tech bargains, consolidation, and access to new markets. Hims & Hers Health and Sword Health both made acquisitions that will bring them sizable international user bases.

A Buyer's Market

Healthtech Disclosed Private M&A Deals and IPOs

■ Private M&A¹ ■ IPO²



An Up and Some Downs

Top 2026 Healthtech M&A Deals by Price

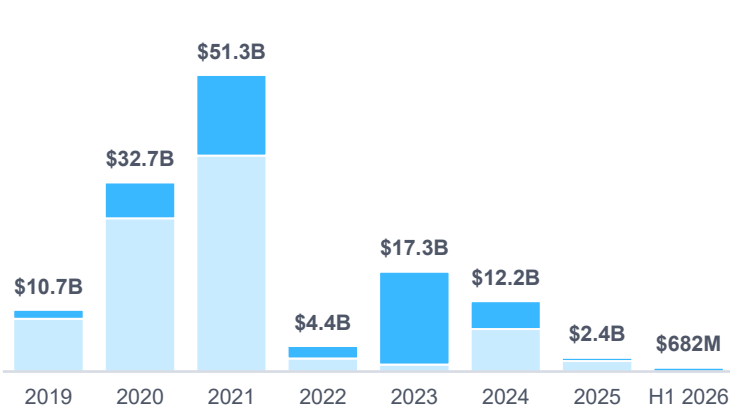
			
SVB Indication	Alternative Care	Provider Operations	Provider Operations
Acquirer			
Amount	\$285M	\$100M	\$26M
Valuation Multiple	X2.8	-0.6x	-0.66x

Notes: 1) Private venture-backed M&As with a minimum \$25M deal size as of 06/30/2026. 2) IPOs with a minimum \$25M deal size as of 06/30/2026. 3) Stocks for healthtech companies that went public from 2015 to H1 2026. Performance measured by change in index value as of 07/01/2025 compared with S&P 500 performance. Source: PitchBook Data, Inc., S&P Capital IQ and SVB proprietary data.

Everyone Is Looking for Deals

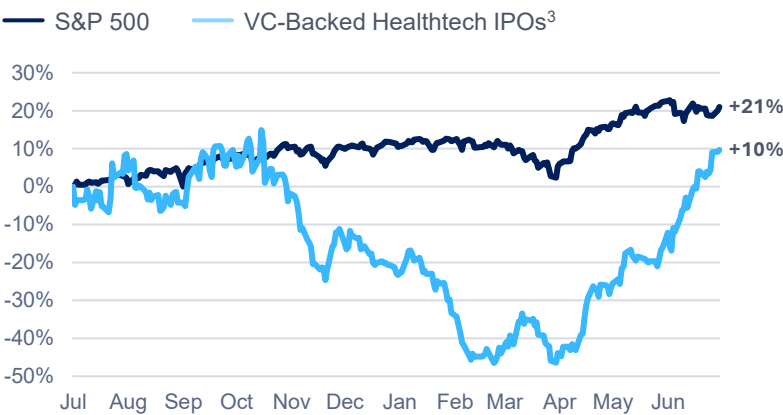
Healthtech Exit Values by Year

■ Market Cap at IPO² ■ Private M&A¹ Total Deal Value



Good Earnings Bring Public Healthtech Back Up

Formerly VC-Backed Public Healthtech Index:
Global 2026 Performance³



Dx/Tools Exits

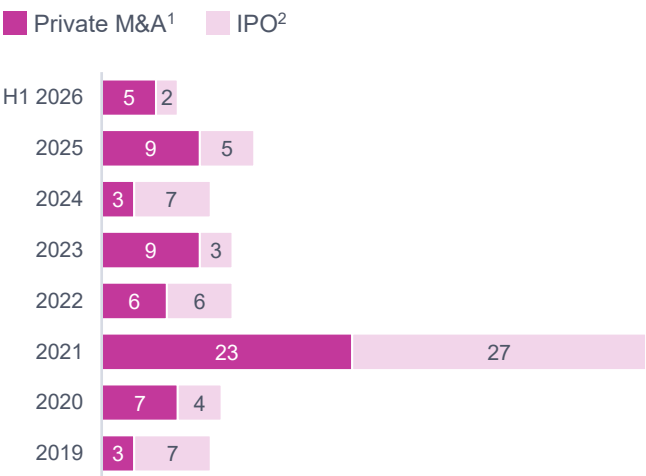
2025 brought a lot of hope for a more open IPO market, with strong entries from Heartflow, InSilico Medicine, and BillionToOne. The optimism hasn't paid off so far in 2026. Acquisitions have stayed on pace for nine or ten acquisitions total, almost exactly in line with the last few years.

The Dx/Tools space looks stuck in a painful feedback loop, where a lack of exits and viable profit opportunities drives down investment and hurts the perception of the space, making it harder for companies to scale and exit. By all rights, diagnostics should be a booming space. Precision medicine and population health both rely on accurately detecting and identifying conditions before they become more serious. Value-based contracting and outcomes-based payments require keeping patients healthy and offering clinical interventions earlier in the course of disease. Despite this, Dx/Tools remains underinvested, and nothing about the trends looks like they'll change soon.

It's becoming harder and harder to differentiate between a Dx/tools company and a device company, and some of the money that might be going into Dx/Tools is unquestionably going into wearables and monitoring devices instead. Developments in biomarker detection and oncology research tools like antibody drug conjugate platforms are blurring the lines between Dx/tools and biopharma. Exits in biopharma and device by diagnostic-adjacent companies can help spur vital investment within the Dx/tools sector.

A Few Good Exits

Dx/Tools Disclosed Private M&A Deals and IPOs



IPO Looks Strong, SPAC3 Looks Not So Great

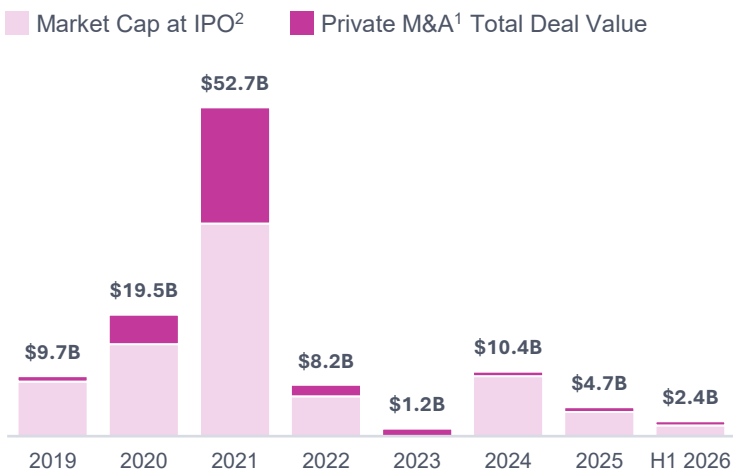
2026 Dx/Tools IPOs and Reverse Mergers by Initial Market Cap

	 ALAMAR BIOSCIENCES	 VERAXA
SVB Indication	Oncology	Oncology
IPO Price per Share (Date)	\$17 (04/17/2026)	\$10 (06/11/2026)
Market Cap at IPO	\$1.2B	\$505M
Price +/-	58%	-41%
Market Cap as of 07/01/2026	\$1.9B	\$297M

Notes: 1) Private venture-backed M&As with a minimum \$15M deal size as of 06/30/2026. 2) IPOs with a minimum \$25M deal size as of 06/30/2026. 3) Special Purpose Acquisition Company. 4) Stocks for Dx/Tools companies that went public from 2015 to H1 2026. Performance measured by change in index value as of 07/01/2025 compared with S&P 500 performance. Source: PitchBook Data, Inc., S&P Capital IQ and SVB proprietary data.

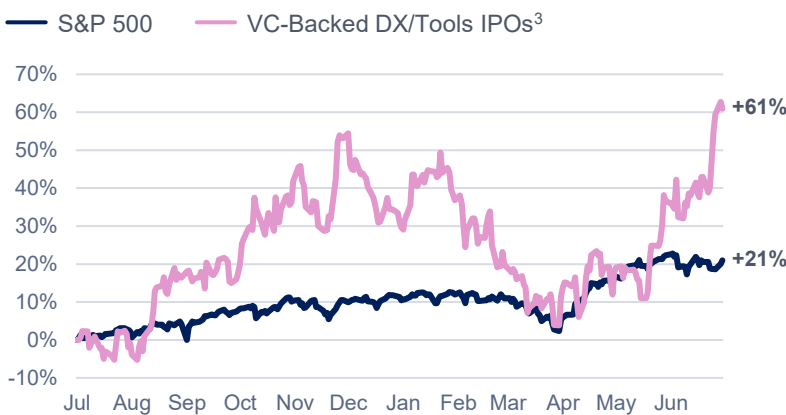
Exit Values Free Fall

Dx/Tools Exit Values by Year



Public Markets Have an Appetite for Diagnostics

Formerly VC-Backed Public Dx/Tools Index:
Global 2026 Performance⁴



Device Exits

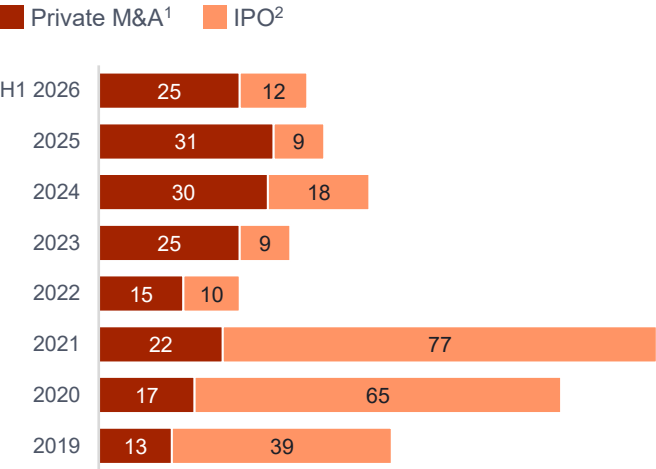
The resurgence of M&A in 2026 is a healthy signal for the device market, bringing returns to funds and limited partners who have stuck with the device market. Big incumbents like Stryker, Boston Scientific, and Phillips spent heavily to acquire new technology. In cases like ResMed's acquisition of restless leg syndrome developer Noctrix Health, they show a company aggressively expanding outside of its historical niche.

Smart ring giant Oura is the next major healthcare IPO. Consumer wearables are now part of the general healthcare landscape — according to the American Medical Association, 97% of physicians report reviewing some kind of wearable data — but their role in clinical care has been limited. Partnerships with clinical providers and companies like Dexcom and Maven show how much importance Oura places on being accepted into the clinical toolset.

The device space is preparing for more exits, but the paths are long and complex. Concerns about the future of remote patient management (RPM) reimbursement aren't helping. The Centers for Medicare and Medicaid Services (CMS) have proposed major cuts in RPM payments and new restrictions on who can monitor patients. The emergence of RPM billing codes in 2019 helped drive both investment in the space and adoption by healthcare. Newer outcomes-based programs like CMS ACCESS are predicated on using tech to bring better monitoring, management and care to chronically ill seniors. If RPM payments are significantly cut, then the exit window for device companies will become even narrower.

Device M&A Takes Off as IPOs Fall to Earth

Device Disclosed Private M&A Deals and IPOs



A Mixed Bag of IPOs

2025 Device IPOs by Initial Market Cap

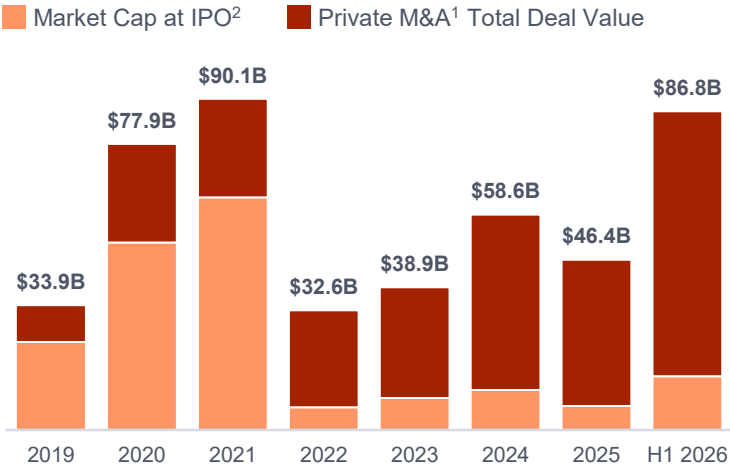
		
SVB Indication	Ophthalmology	Neurology
Stage at IPO	Phase 3	Commercial
IPO Price per Share (Date)	\$16 (02/05/2026)	\$15 (05/07/2026)
Market Cap at IPO	\$511M	\$496M
Price +/-	27%	-12%
Market Cap as of 07/01/2026	\$651M	\$438M

Notes: 1) Private venture-backed M&As with a minimum \$75M deal size as of 06/30/2026. Number of deals does not include deals of undisclosed value. 2) IPOs with a minimum \$25M deal size as of 06/30/2026. 3) Stocks for biopharma companies that went public from 2015 to H1 2026. Performance measured by change in index value as of 07/01/2025 compared with S&P 500 performance.

Source: DealForma, PitchBook Data, Inc., S&P Capital IQ and SVB proprietary data.

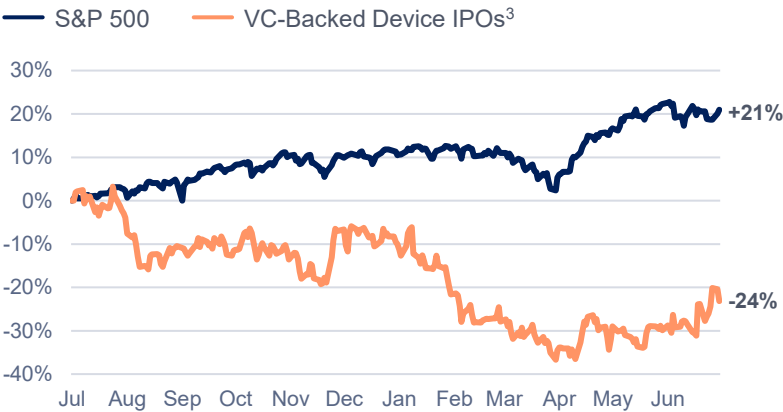
Acquisitions Are the Rule This Year

Device Exit Values by Year



Device Struggles on Public Markets

Formerly VC-Backed Public Device Index:
Global 2026 Performance³



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Megan leads a nationwide team dedicated to serving the unique needs of innovative life science and healthcare companies at all stages of growth. With 25+ years of experience financing innovation, she develops creative capital solutions for clients, connects investors and stakeholders to high-impact opportunities, and manages a dynamic and complex banking P&L. Megan joined SVB in 1997. Prior to her current leadership role, she served as Global Senior Credit Officer, leading a team responsible for international deals, including holistic and specialized debt financings.

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Adam leads the investor coverage practice for the bank's life science and healthcare business. He and his team provide tailored services, industry insights and strategic guidance to top investors in the innovation economy.

Before taking on his current role, Adam led a team focused upon delivering solutions for the liquidity needs of the bank's corporate clients. Prior to this, Adam helped build and lead SVB's Global Fund Banking business, delivering solutions to the bank's venture capital and private equity firm clients. Adam was instrumental in building this business unit from a small niche provider into a global practice, positioning SVB as the premier partner to investors in the innovation economy.

Adam began his banking career as a relationship manager at Fleet National Bank in its acquisition finance division. He holds a master's degree in business administration from the F.W. Olin Graduate School of Business at Babson College.

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About First Citizens Innovation Banking

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