

EMERGING TECH RESEARCH **Biopharma Report**

Funding tops \$10 billion with record exits

Q2
2026

REPORT PREVIEW

The full report is available
through the PitchBook Platform.





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Institutional Research Group



Ben Zercher
Senior Research Analyst,
Biotech & Pharma
ben.zercher@pitchbook.com



Caleb Wilkins
Data Analyst
caleb.wilkins@pitchbook.com

pbinstitutionalresearch@pitchbook.com

Published on June 24, 2026



Biopharma landscape

- 1 Small molecule
- 2 Biologics
- 3 Cell & gene therapy
- 4 Nucleic acid therapies
- 5 Radiopharmaceuticals
- 6 Novel & emerging modalities

For the complete biopharma taxonomy and company list, [click here](#) to see the market map on the PitchBook Platform.



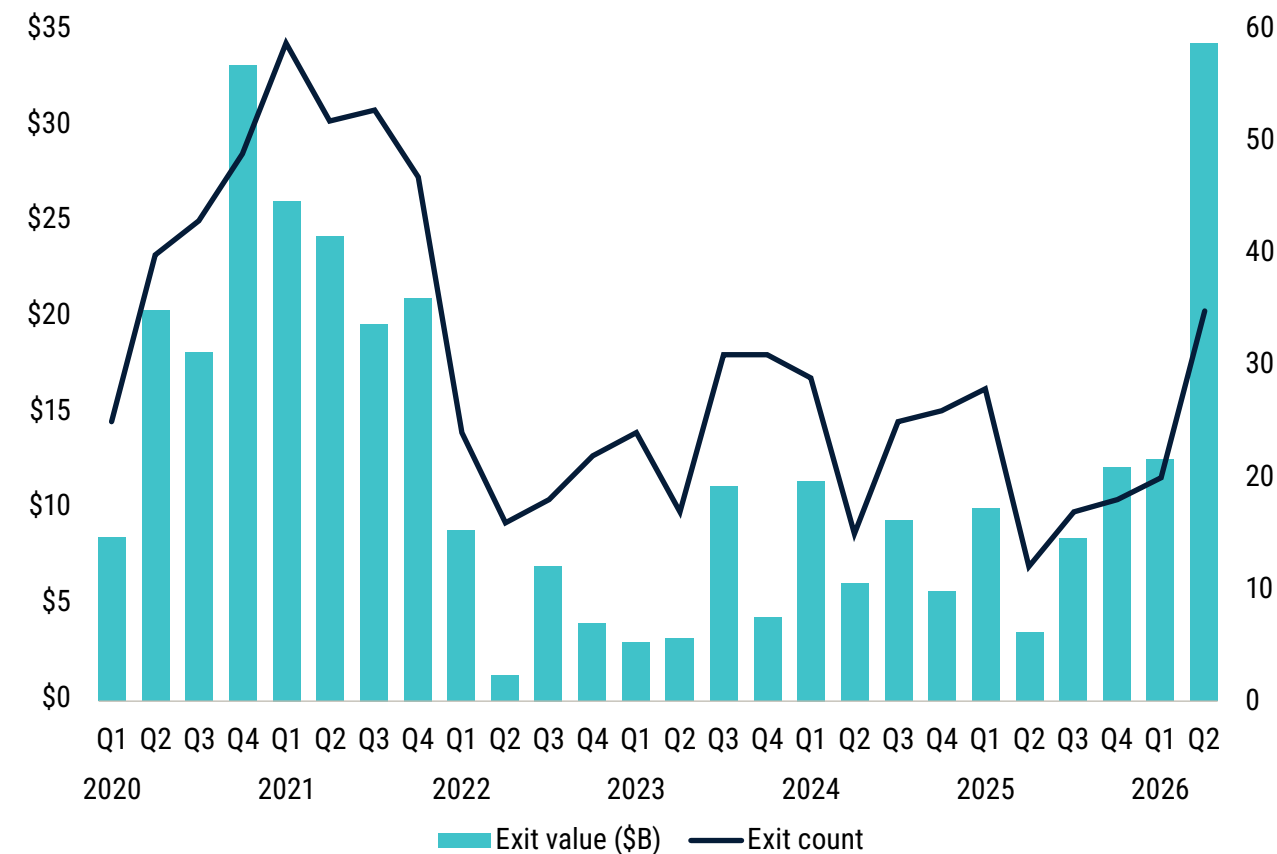


Quarterly analysis

Key takeaways

- **The VC-backed exit value hit a record \$34.4 billion in Q2 2026.** It was driven by seven billion-dollar-plus acquisitions alongside a reopened IPO window.
- **Biopharma VC funding topped \$10 billion for only the third time since early 2022.** Nearly 20% of Q2 deal value came from Isomorphic's record \$2.1 billion Series B.
- **Capital is concentrating in later-stage, de-risked bets.** The share of early-stage deal value is tracking toward a record low despite strong overall activity.
- **The quarter's largest AI-enabled rounds were funded predominantly by tech VCs, while traditional healthcare investors waited for clinical assets.** This is a rational response to platform hype, but it may leave the sharpest value inflection in drug development to investors less equipped to evaluate the science.
- **While biologics and small molecules hum along, nucleic acids look like a contrarian entry point.** The segment has had flat growth with few mega-rounds despite validated mechanisms and approved drugs on the market.
- **Ophthalmology is a cross-segment opportunity to generate outsized returns, validated by capital flow in Q2 2026.** Favorable delivery dynamics and aging-population tailwinds are pulling new modalities into an indication long dominated by a single class of injectable therapies.

Biopharma VC exit activity by quarter



Source: PitchBook • Geography: Global • As of June 30, 2026



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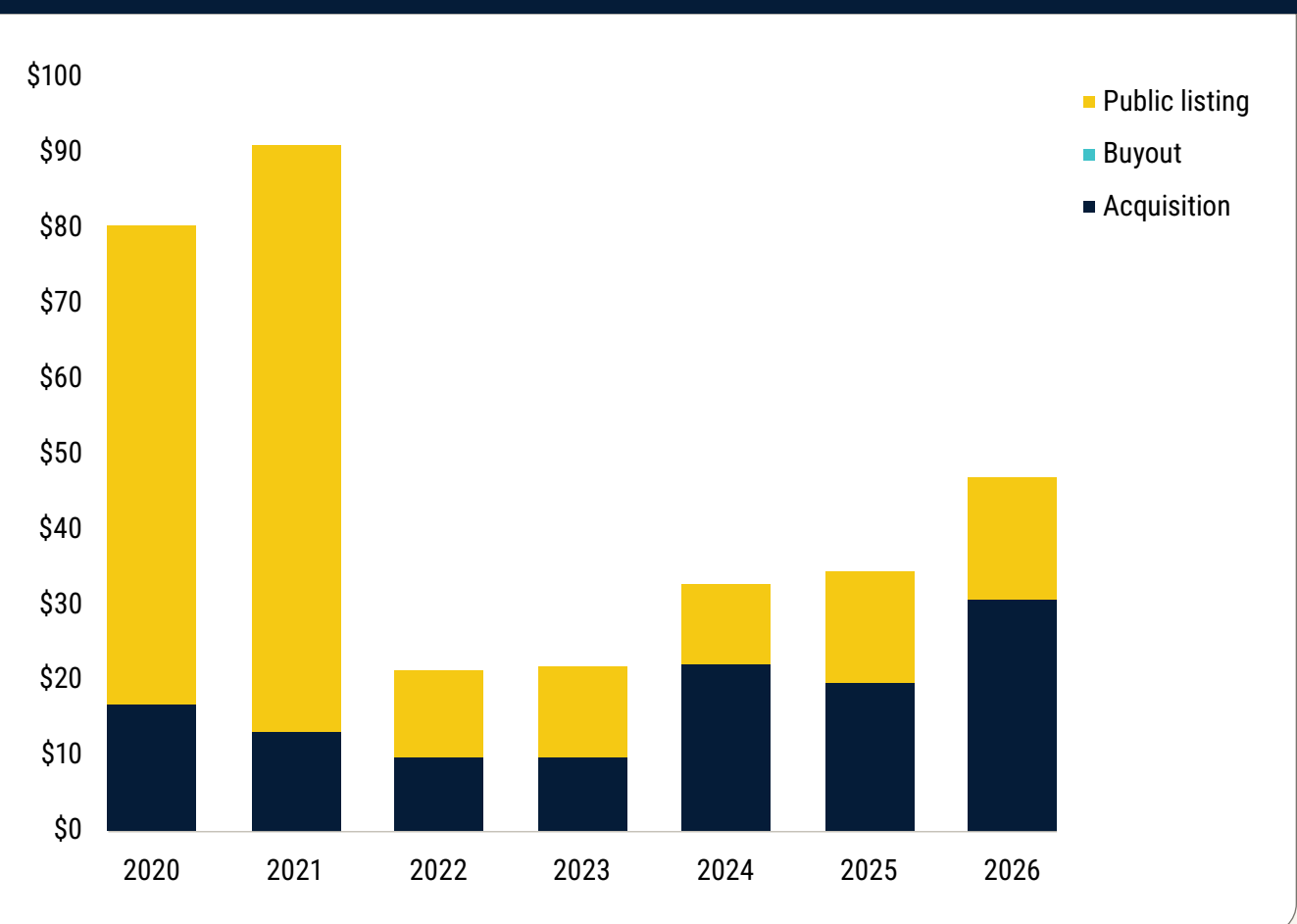
VC activity

Exits were the story in Q2, as exit value hit \$34.4 billion, eclipsing the previous mark set in Q4 2020. 19 VC-backed biopharma companies were acquired, and 15 went public, with two listings—Kailera Therapeutics and Parabilis Medicines—setting consecutive records for the largest biotech IPOs. Public markets continue to back companies with late-stage clinical assets, a clear path to commercialization, and optionality across indications. 2026 investment has redefined “platform” companies in biopharma: Platform companies are no longer open-ended, early-stage stories; the most desirable ones now pair mature clinical programs with technologies that provide a template for indication expansion. Parabilis illustrates the model, as phase 1/2 data for its first-in-class Helicon peptide earned Food and Drug Administration fast track and orphan drug designations in desmoid tumors with potential to expand into broader solid tumor applications.

M&A drove 68% of total exit value in Q2, a notable shift from the pandemic era when public listings dominated. VC-backed acquisitions reached \$23.5 billion, with seven deals exceeding \$1 billion. The approaching patent cliff, asset scarcity, and a higher bar for public listings are all pushing acquirers toward private targets. Q2 value was concentrated: The top three deals alone exceeded all realized exit value from Q1.

Biopharma VC funding reached \$10.7 billion across 272 deals in Q2, in line with the strong H2 2025 quarters. A single raise—Isomorphic Labs’ \$2.1 billion Series B—accounted for nearly 20% of that total.¹ This concentration reflects the broader environment, as deal count fell for the second consecutive quarter. Underlying the decline is a shift toward later-stage investment. Early-stage deal value share is tracking toward a record low in 2026, and even nominally early-stage rounds are increasingly going to mature companies with advanced clinical programs.

Biopharma VC exit value (\$B) by type

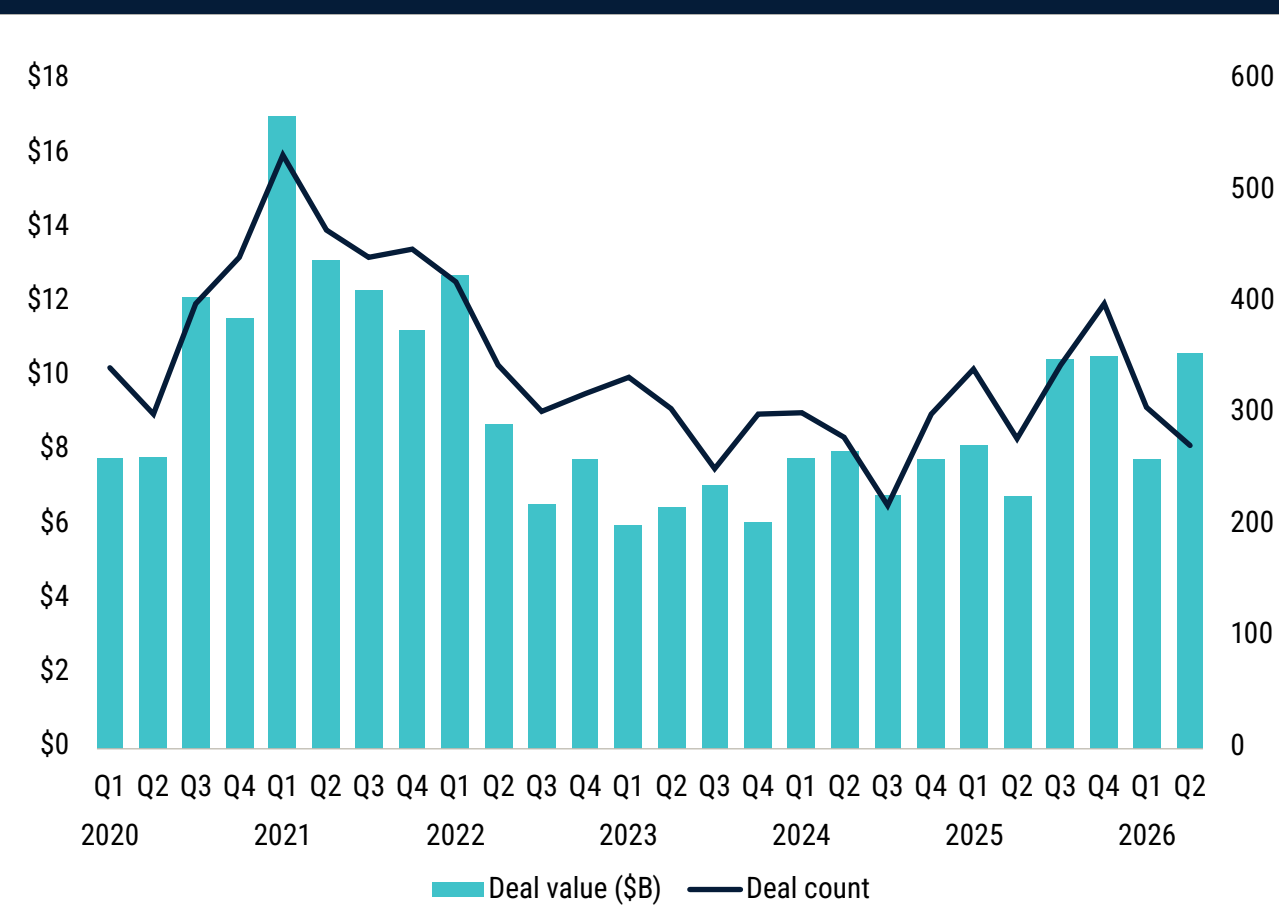


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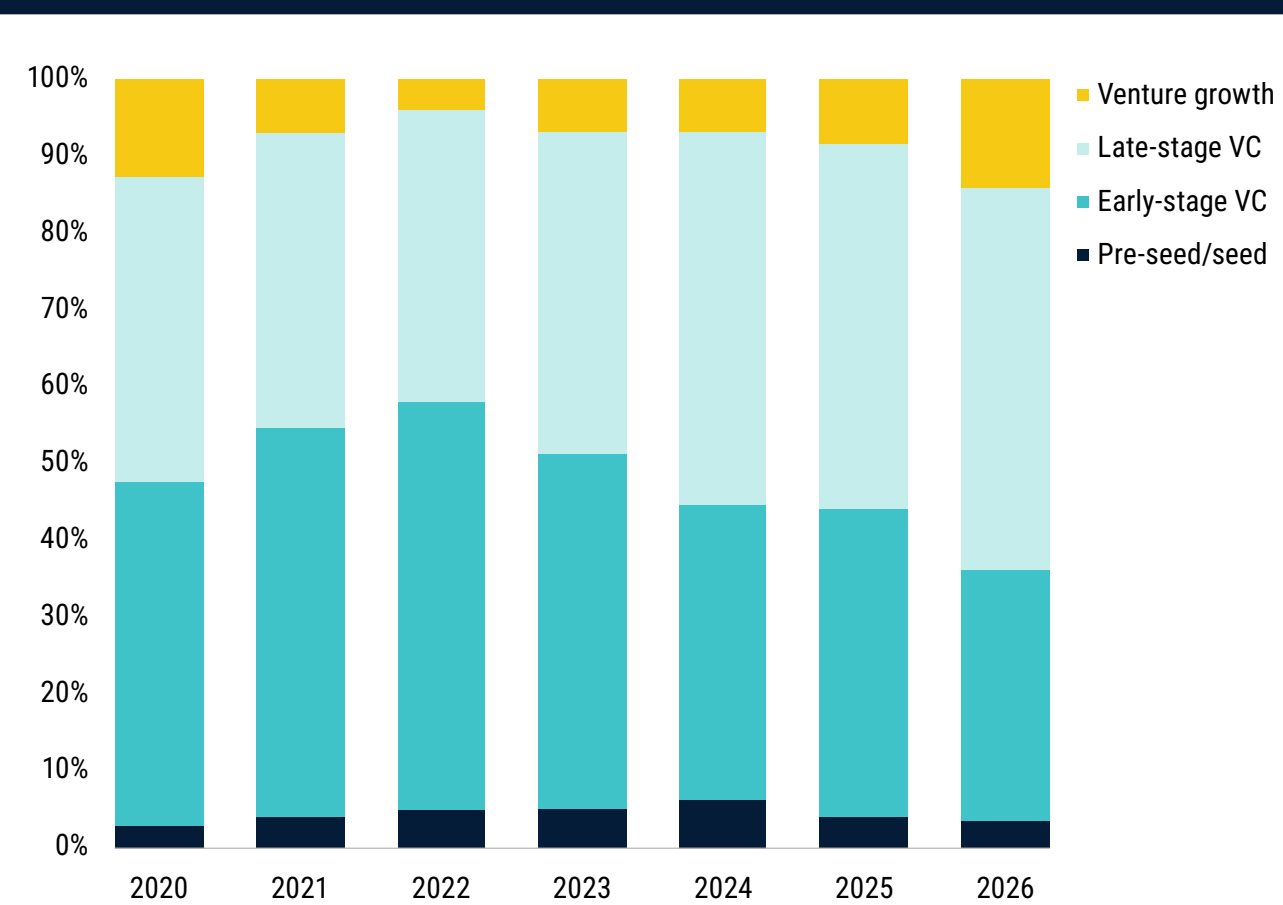
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Biopharma VC deal activity by quarter



Source: PitchBook • Geography: Global • As of June 30, 2026

Share of biopharma VC deal value by stage



Source: PitchBook • Geography: Global • As of June 30, 2026



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Companies in the biologics and small-molecule segments each raised \$2.8 billion, the largest sums for any segment. Biologics investment was concentrated in the monoclonal antibodies (mAbs) & multispecifics subsegment, driven by durable interest in bispecific antibody formats in multiple therapeutic areas. The cell & gene therapy segment raised \$1.6 billion across 56 deals, reversing Q1's decline, although NewLimit's \$435 million contributed over 25% to this segment. Nucleic acids were the YoY laggard, with flat deal value growth and a slight decline in deal count. With 17 deals totaling \$574 million, the segment only slightly outpaced the more niche radiopharmaceuticals. The radiopharmaceutical segment punched above its weight in Q2 despite low deal counts, drawing three mega-rounds north of \$130 million as the remaining private players vied to fill the void left by recent exits in the segment.

Key raises

Isomorphic Labs' \$2.1 billion Series B headlined the quarter. Prominent tech VCs and sovereign capital made up the investor syndicate, with traditional healthcare VC notably absent. Isomorphic is unconstrained by biopharma VC's rising clinical bar, as the company has yet to disclose a single drug from its discovery platform. It is a path laid by Retro Biosciences, another tech-backed, AI-enabled private company sitting on a war chest with minimal public disclosure. Like Isomorphic, NewLimit's investor syndicate skews toward Silicon Valley tech rather than traditional healthcare VCs, which is fitting for a company built at the intersection of compute and longevity. NewLimit raised the second-largest round of Q2—\$435 million—to advance its first epigenetic reprogramming candidate into the clinic.

Oncology drove the majority of biopharma VC activity in Q2, with a notable concentration in radiopharmaceuticals. Three developers each drew mega-rounds: Full-Life Technologies (Shanghai,

\$146 million) for next-generation alpha emitters, Newrite Medical (Chengdu, China, \$145 million) for radioactive microspheres and a radioligand therapy pipeline, and Nuclidium (Basel, Switzerland, \$134 million) for copper-based radiotheranostics. All three are ex-US, as the private radiopharmaceutical cohort is being replenished with international companies after the main US players exited via M&A or, in the case of Aktis Oncology, IPO. Beyond radiopharmaceuticals, CellCentric raised \$220 million for a small-molecule inhibitor targeting tumor progression in multiple myeloma, and Syncromune raised \$144 million for a device-therapeutic combination for localized solid tumor treatment.

Immunology ranked second among the most active therapeutic areas. Beeline Medicines' \$426 million Series A topped the category, funding small-molecule lupus and psoriasis programs in-licensed from Bristol Myers Squibb. Other immunology companies with Q2 mega-rounds were Bionyra Pharma (\$165 million) and Coultreon Biopharma (\$125 million). Bionyra is advancing in-licensed assets from China in atopic dermatitis and inflammatory bowel disease, while Coultreon is focused on former Galapagos assets in psoriasis and ulcerative colitis. All three represent the prominent "NewCo" model, where experienced commercial teams are formed around existing clinical assets.

Q2 was a strong quarter for ophthalmology, especially for developers of age-related macular degeneration (AMD) therapeutics. Ollin Biosciences raised \$330 million to fund phase 3 trials for its lead bispecific antibody in wet AMD and diabetic macular edema (DME). Osanni Bio, which has operated in stealth since its 2022 founding, raised \$190 million in Q2 after filing patents on regulating cholesterol expression in wet AMD.² It was the second-largest ophthalmology deal of the quarter. Memento Medicines (\$93 million Series A) is targeting the same AMD and DME indication pair as Ollin, also with a bispecific antibody.



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Ray Therapeutics raised \$125 million to advance a mutation-agnostic gene therapy for degenerative retinal diseases, while Life Biosciences (\$80 million Series D) recently entered phase 1 with an epigenetic reprogramming approach for age-related eye diseases. GelMEDIX raised \$14 million in a seed round for a light-activated biomaterial therapeutic. Taken together, these deals reflect several converging theses: multispecific antibodies expanding beyond oncology, longevity-oriented investment targeting diseases of aging, and a quiet resurgence of cell & gene therapy approaches.

Key exits

Eli Lilly's \$7 billion acquisition of Kelson Therapeutics was the largest exit of the quarter. The price tag raised eyebrows for a phase 1 company, but Kelson has since reported a 100% overall response rate at the American Society of Clinical Oncology Annual Meeting in May 2026.³ The deal punctuated a flurry of in vivo CAR-T acquisitions as Big Pharma moved to capitalize on immune-based approaches that could sidestep the production challenges of ex vivo methods. Lilly continues to be a story unto itself, using its GLP-1 windfall to diversify across therapeutic areas and modalities. The company completed four acquisitions of VC-backed companies in Q2, with another four in progress at quarter close. Lilly's outsized role in the exit environment is a tailwind for VC-backed biotech companies, though it raises the question of whether other acquirers will step in to sustain the pace if Lilly's appetite normalizes.

Gilead Sciences paid \$5 billion for German antibody-drug conjugate (ADC) developer Tubulis, whose lead candidate is in phase 2 trials. The premium reflects Tubulis' broader portfolio of novel linker chemistries designed to extend the ADC modality into adjacent oncology indications. Bayer's acquisition of Perfuse Therapeutics for \$2.45 billion is a direct response to EYLEA's loss of exclusivity. Perfuse's phase 2 PER-001 targets glaucoma and diabetic retinopathy, which are orthogonal to

EYLEA's indications but within the same ophthalmology commercial channel, giving Bayer a wider prescriber base to potentially offset declining revenue.

Elsewhere, three neurology privates—Transcend Therapeutics, Neurona Therapeutics, and Emalex Biosciences—were acquired in Q2, reflecting growing confidence in a historically challenging therapeutic area. Biomarker-based trial enrollment and new mechanism classes are opening opportunities that were unavailable one cycle ago.

AI themes

A bifurcation is emerging in how AI capital flows into biopharma. The quarter's two largest rounds—Isomorphic Labs and NewLimit—were funded predominantly by tech investors, with traditional healthcare VC largely on the sidelines. But beyond those two, AI was not the main story. The quarter's record-setting IPOs, largest acquisitions, and top venture rounds were driven by clinical-stage assets and proven mechanisms, not discovery platforms. Where AI-native companies did engage with the biopharma industry, it was through drug discovery partnerships rather than venture rounds—as with Insilico Medicine and Chai Discovery—suggesting pharma is willing to buy into AI-generated assets without underwriting the platforms themselves.

The question heading into H2 is whether this represents a durable division of labor, with tech capital funding early-stage AI platforms and healthcare VC only entering once those platforms produce clinical-stage molecules. If so, biopharma may be quietly ceding the earliest stage of AI drug discovery to an investor class with very different return expectations.



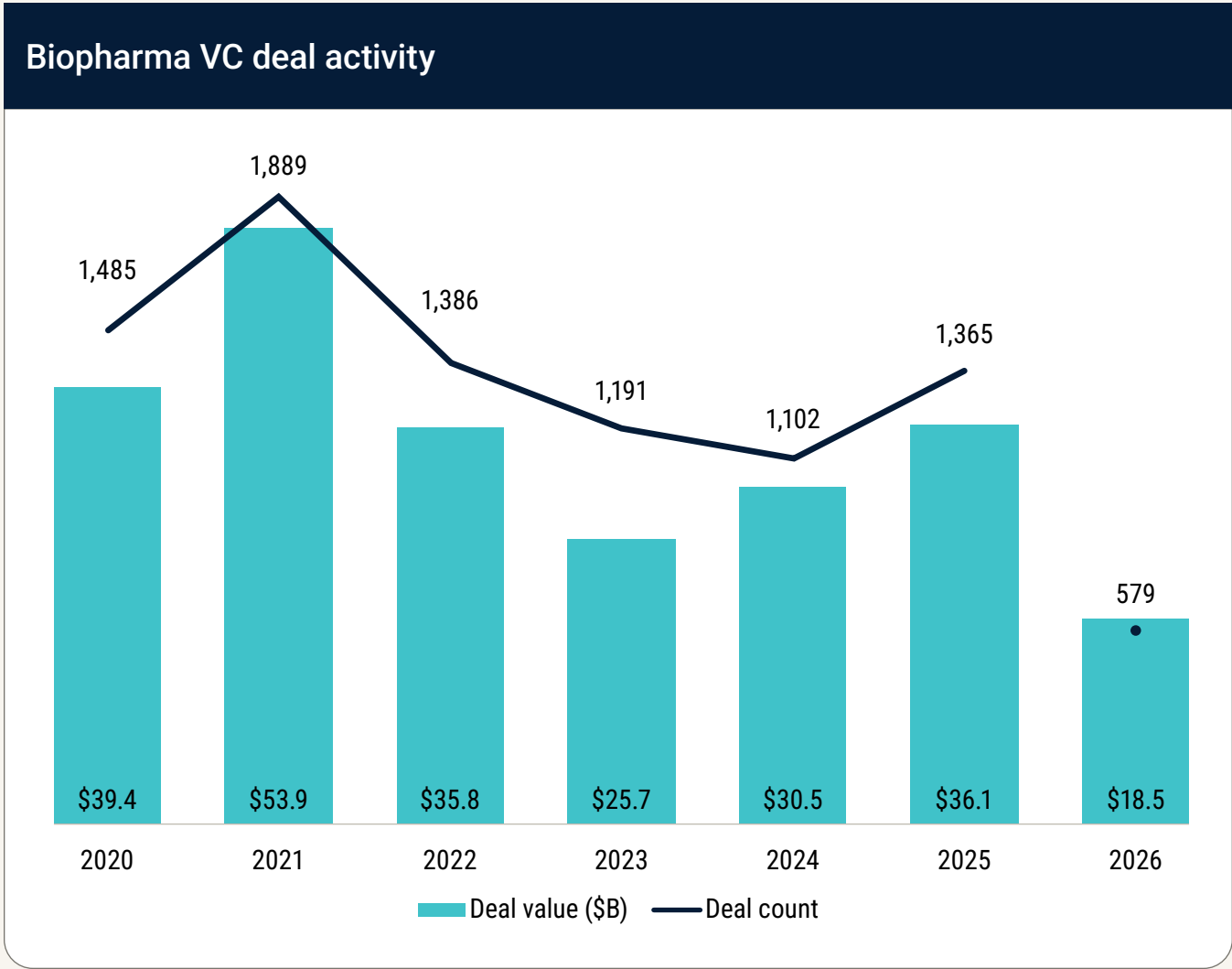
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Conclusions

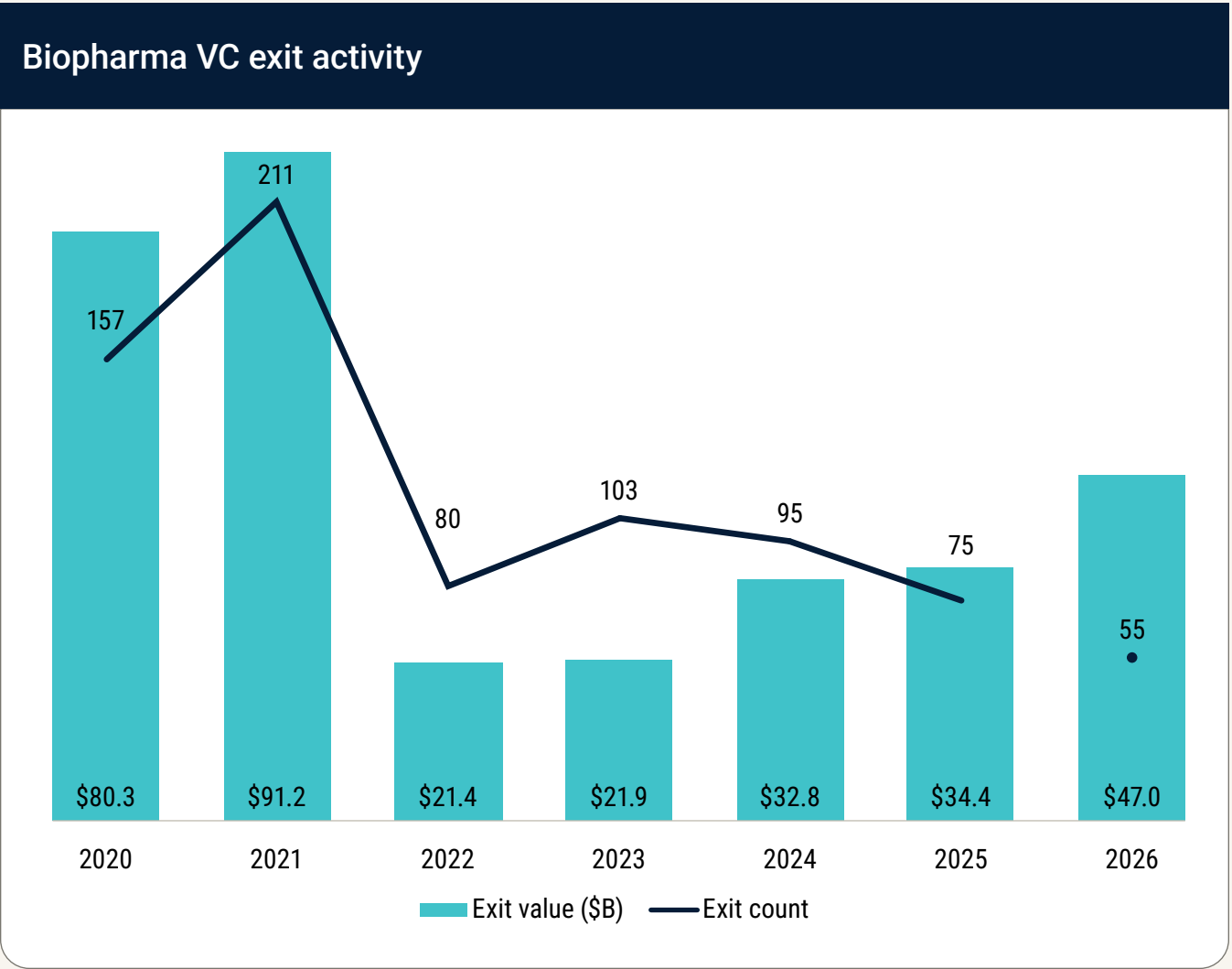
Q2 2026 may have finally put the “cautious optimism” that has defined the sector in recent years to rest. Record-setting exits stand to return locked-up capital from the 2022-2024 biotech winter, while VC deployment eclipsed \$10 billion for only the third time since early 2022. The question is: Where does it go next? PitchBook’s healthcare funds series will track how capital recycles as the sector rebounds. On the deployment side, we will be watching whether investment remains concentrated in later-stage, de-risked bets or extends to earlier-stage companies. Much of Q2’s exit momentum reflects a backlog of high-quality private companies that matured through the downturn. As that backlog clears, the second half of 2026 will begin to answer which companies replenish it and which investors stand to benefit.



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Source: PitchBook • Geography: Global • As of June 30, 2026

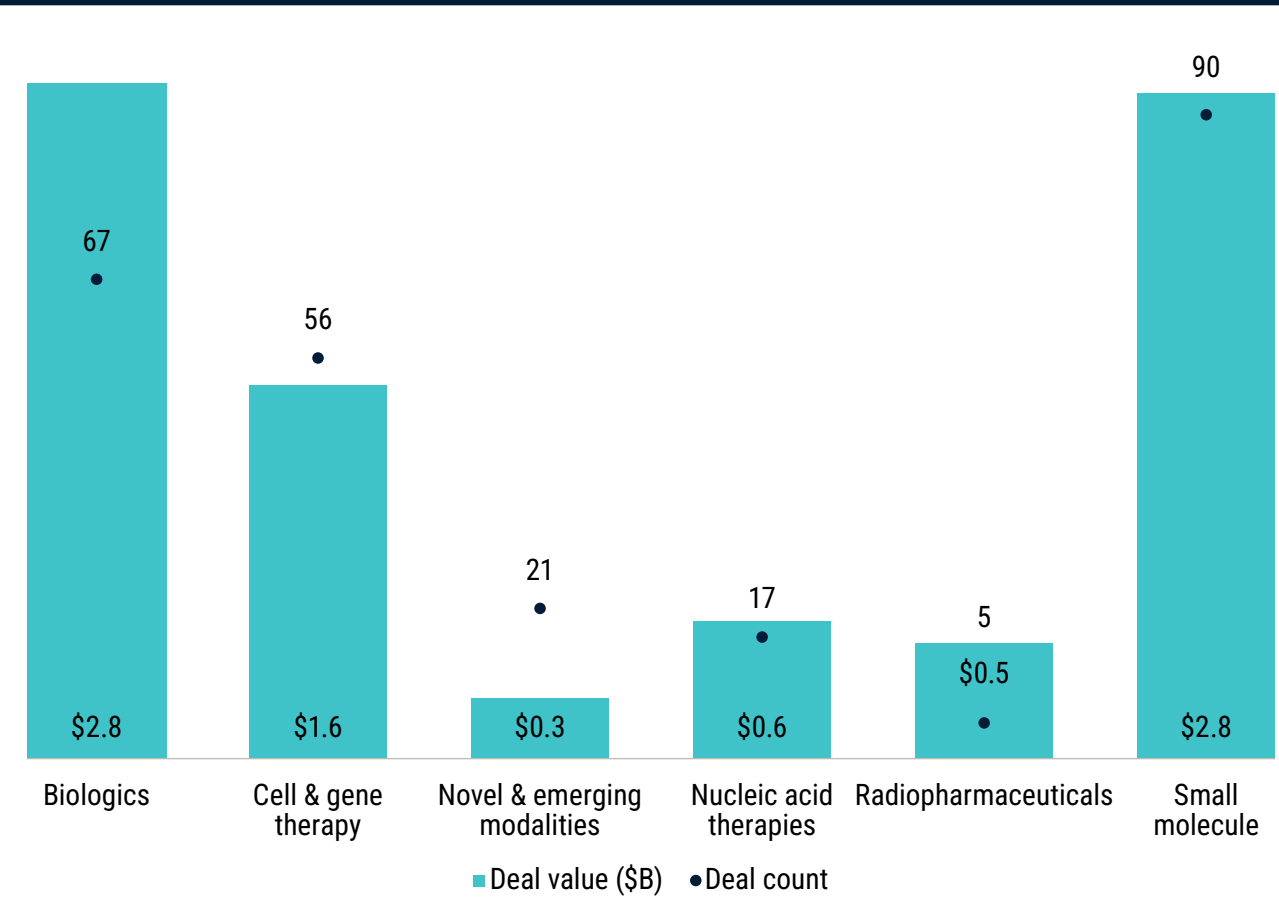


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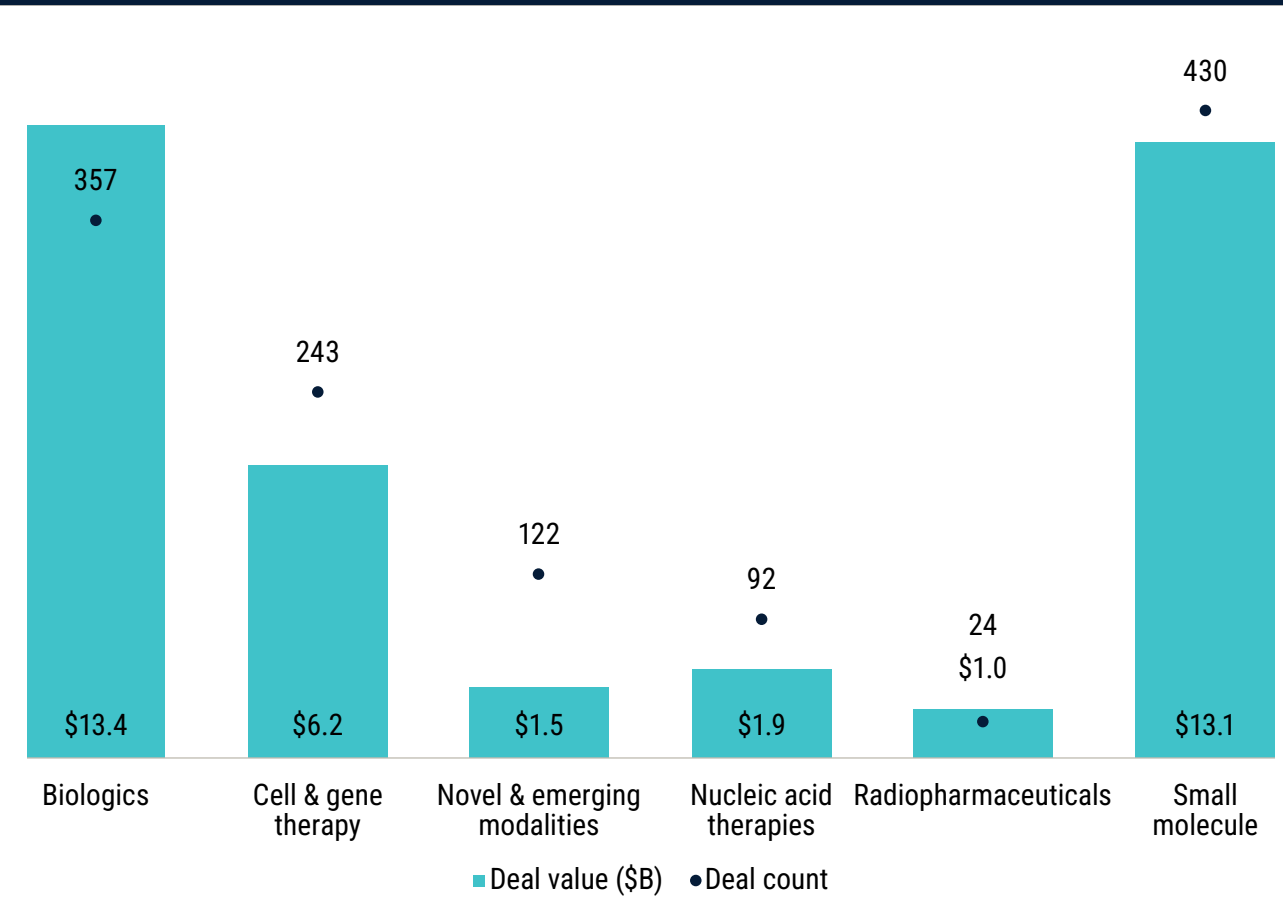
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Q2 2026 biopharma VC deal activity by segment



Source: PitchBook • Geography: Global • As of June 30, 2026

TTM biopharma VC deal activity by segment



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Key biopharma VC deals in Q2 2026

Company	Close date	Subsegment	Deal value (\$M)	Deal type	Country
Isomorphic Labs	May 12	Stealth	\$2,100.0	Series B	UK
NewLimit	June 2	Epigenetic reprogramming	\$435.0	Series C	US
Beeline Medicines	June 30	Inhibitors & activators	\$426.3	Series A	US
Ollin	June 24	mAbs & multispecifics	\$330.0	Series B	US
Beren Therapeutics	June 10	Proximity-based molecules	\$300.0	N/A	US
CellCentric	May 6	Inhibitors & activators	\$220.0	Series D	UK
Osanni Bio	June 23	Inhibitors & activators	\$190.0	Series B	US
Bionyra	June 22	mAbs & multispecifics	\$165.0	Series A	France
Windward Bio	May 4	mAbs & multispecifics	\$165.0	Series B	Switzerland
Full-Life Technologies	May 18	Alpha emitters	\$146.7	Series D	China

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Key biopharma VC exits in Q2 2026

Company	Close date	Subsegment	Exit value (\$M)	Exit type	Country
Kelonia	June 26	In vivo gene therapy	\$7,000.0	M&A	US
Tubulis	May 21	Drug conjugates	\$5,000.0	M&A	Germany
Perfuse Therapeutics	June 17	Inhibitors & activators	\$2,450.0	M&A	US
Ajax Therapeutics	June 13	Inhibitors & activators	\$2,300.0	M&A	US
Candid Therapeutics	June 17	mAbs & multispecifics	\$2,200.0	M&A	US
Parabilis Medicines	June 10	Peptides & peptidomimetics	\$1,661.3	IPO	US
METis TechBio	May 13	Inhibitors & activators	\$1,464.4	IPO	China
Kailera Therapeutics	April 17	Peptides & peptidomimetics	\$1,353.9	IPO	US
Transcend Therapeutics	June 12	Inhibitors & activators	\$1,225.0	M&A	US
Neurona Therapeutics	June 2	Allogeneic cell therapy	\$1,150.0	M&A	US

Source: PitchBook • Geography: Global • As of June 30, 2026



Biopharma VC deal summary

	Quarterly activity					TTM activity	
	Q2 2025	Q3 2025	Q4 2025	Q1 2026	Q2 2026	Q3 2024-Q2 2025	Q3 2025-Q2 2026
Deal count	279	345	400	307	272	1,140	1,324
QoQ change	-18.2%	23.7%	15.9%	-23.3%	-11.4%	N/A	16.1%
Share of total VC	2.8%	3.4%	3.8%	3.0%	3.1%	2.7%	3.3%
Deal value (\$B)	\$6.8	\$10.5	\$10.6	\$7.8	\$10.7	\$29.6	\$39.5
QoQ change	-17.1%	54.7%	0.6%	-26.2%	36.8%	N/A	33.5%
Share of total VC	5.1%	8.7%	8.1%	2.3%	4.6%	6.1%	4.8%
Exit count	12	17	18	20	35	91	90
Acquisitions	6	7	10	10	19	52	46
Buyouts	0	0	0	0	1	0	1
Public listings	6	10	8	10	15	39	43

Source: PitchBook • Geography: Global • As of June 30, 2026

Note: Q2 2026's overall deal count is higher than segment-level totals due to the inclusion of stealth biopharma companies that do not contribute to segment-level trends.



References

- 1: Isomorphic Labs is categorized as “stealth” and does not contribute to segment-level totals within this report.
- 2: [“Compositions and Methods for Modulation of 3-hydroxy-3-methylglutaryl-CoA reductase \(HMGCR\) Expression,” Google Patents, Hans Huber, et al., October 2, 2025.](#)
- 3: [“Kelsonia Therapeutics Presents Updated First-in-Human Data from Phase 1 inMMycAR Study of KLN-1010 in vivo BCMA CAR-T Therapy at the 2026 American Society of Clinical Oncology \(ASCO\) Annual Meeting,” Business Wire, May 31, 2026.](#)



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Nizar Tarhuni

Executive Vice President of Research and Market Intelligence

Paul Condra

Global Head of Private Markets Research

James Ulan

Director of Emerging Technology Research

Report created by:

Ben Zercher

Senior Research Analyst, Biotech & Pharma

Caleb Wilkins

Data Analyst

Chloe Ladwig

Graphic Designer

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