Dr Shawn Manning
+44 (0) 207 1006990
shawn.manning@akesiosassociates.com

Akesios Associates

Akesios Augur

Investment Watch: June 2026, Mixed Signals

2nd June 2026

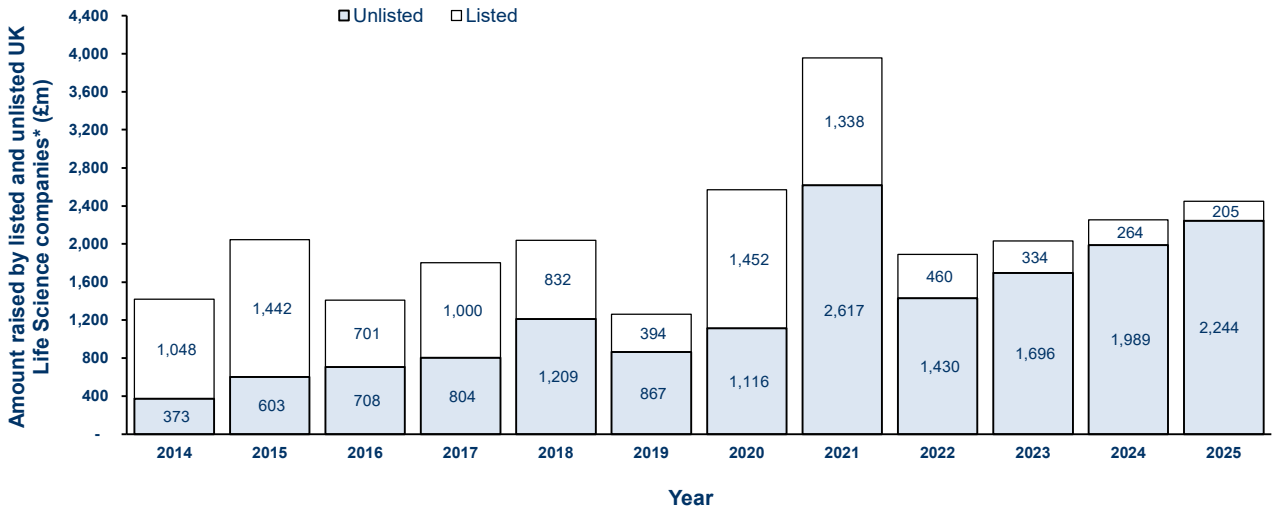
UK 2025 Life Science funding already matched by May 2026: But funding is increasingly challenging for smaller, unsupported companies

Over 2025 £2.4bn (+9% vs 2024) was raised by UK Life Science companies. The average value of larger (£20m+) UK Life Science private funding rounds (n = 25) has doubled over the past 4 years (+93% to £1.96bn), and represented 87% of all private UK funding. The lack of a viable UK IPO market for unlisted Life Science companies, has forced companies, and their investors, to become increasingly reliant on private follow-on rounds in order to advance towards typically M&A-based liquidity events and overseas listings. These currently offer levels of return far exceeding those in the UK public capital markets. Incredibly, the total amount raised over 2025 has already been matched in the first five months of 2026, and there are even potential 'green shoots' in the UK public capital markets. Notwithstanding a significant *volte face* in sector sentiment, or very adverse global macroeconomics, we expect 2026 to be a stellar year for investment into UK Life Sciences. However, capital raised via smaller (sub-£20m) private rounds (n = 66) significantly decreased (-49% to £154m) in 2025, and represented just 13% of all private UK funding. This presents a more challenging environment for the numerous earlier-stage companies seeking more modest levels of funding in what is now for them a top-heavy, underfunded and increasingly competitive ecosystem. Whilst investor appetite for investment remains, differentiation is key. We recommend: (i) proactive and considered investor engagement; (ii) good operational and overarching governance (iii) robust, credible and commercial narrative, underpinned by observable activity; (iv) focus on critical pathway driven execution; (v) value-based project management, and (vi) alignment of Board and management with required capabilities. If necessary, reliable third party advice should be sought and implemented.

£2.4bn raised in 2025: Another record breaking year for funding

Despite the initial dismay voiced from some quarters regarding the quantum of new funding raised over 2025 (£1.9bn is often quoted) our data, based on disclosed funding data for listed and unlisted UK Life Science companies, indicates a total of £2.4bn was raised, representing a 9% increase in funds raised in 2024 (see Chart 1, below). The year was characterised by a 13% increase in funding to private companies, versus a 22% decline in UK LSE-based public ECM (equity capital markets) funding.

Chart 1: Funds raised by listed and unlisted UK-based Life Science companies, 2014-2025



*= Excludes funds raised for overseas listings (i.e. NASDAQ) or funds raised by companies with primary activities based overseas (i.e. the US). Also excludes funding for companies involved in activities not associated with human health (i.e. materials, energy or agriculture)

Source: Akesios Associates Limited proprietary database

This document is subject to important disclosures and disclaimers which can be found at the end of it and which form an integral part of it. Under no circumstances does this document constitute investment advice.

Funding momentum continues into 2026, led by increasingly large rounds

Even excluding public capital based markets funding for May 2026 (not yet published by the LSE), our data indicates that £2.4bn, matching 2025, has already been raised for UK Life Science SMEs so far this year (see Table 1 below). Key observations include:

- The amount raised is clearly impacted by the May 2026 £1.6bn fundraise by Isomorphic Labs. This represents the largest ever fundraise in the UK by a private Life Science company;
- Even without Isomorphic's contribution, £847.7m at this point in the year would still have been promising;
- Notwithstanding a significant *volte face* in sector sentiment, or very adverse global macroeconomics, we expect 2026 to be a stellar year, on a purely quantitative basis, for investment in UK Life Sciences;
- The amount raised in the public capital markets in April 2026 is the strongest month we have seen since June 2022. This reflects renewed interest in the sector, which has led some in the City of London to speculate that 'Biotech is back'. We eagerly await further data to substantiate this sentiment;
- We note the declining levels of funding allocated to fundraising rounds totalling less than £20m (see below). This is a matter of concern regarding potential support for smaller companies looking to raise capital.

Table 1: Listed and unlisted UK Life Science funding since January 1st 2026

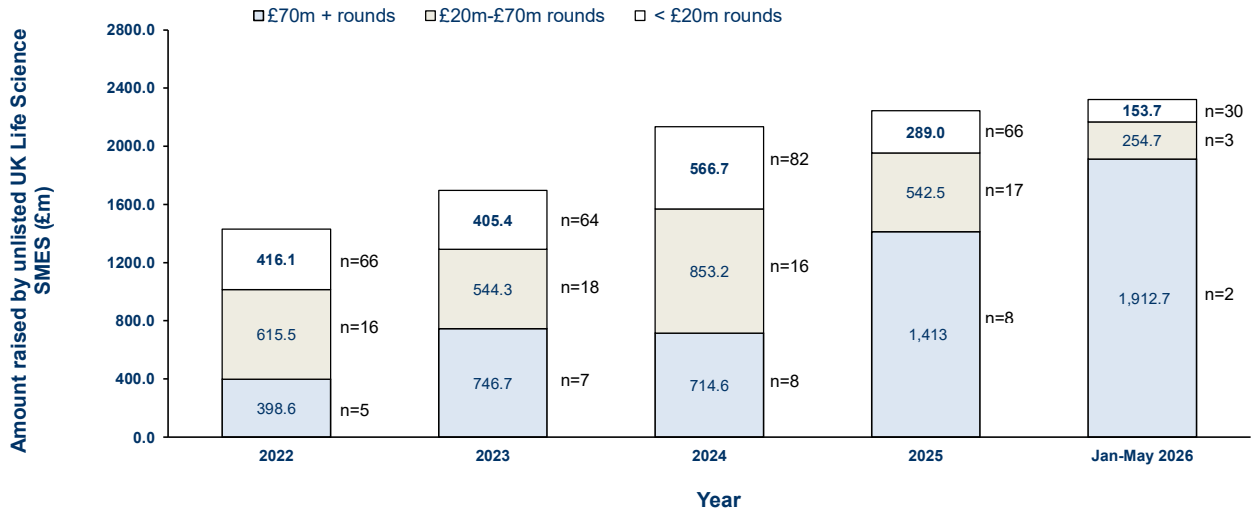
Market	Q1		April and May	
	Companies	Amount raised (£m)	Companies	Amount raised (£m)
Listed rounds (LSE)	All (n=11)	27.3	All (April only; n=7)	73.2
Unlisted (rounds ≥£20m)	TenPoint Therapeutics (London)	173.9	Isomorphic Labs (London)	1,574.0
	Immutrin (Cambridge)	65.0	CellCentric (Cambridge)	164.9
	Bit.bio (Cambridge)	37.0	CytoSpire (London)	61.0
	Mestag Therapeutics (Cambridge)	30.0	Storm Therapeutics (Cambridge)	41.7
			Lightcast Discovery (Cambridge)	20.1
Unlisted (rounds <£20m)	Various (n=19)	77.1	Various (n=11)	76.6
Total	**ALL**	**410.3**	**ALL**	**2,011.5**

Source: London Stock Exchange; Company data

Larger rounds now dominate the story, as the UK IPO pathway remains blocked

Since 2022 we have seen a significant increase in the contribution of funding rounds in excess of £20m to the total revenue raised (see Chart 2, below). Over 2022 to 2026 funding raised by rounds in excess of £20m has almost doubled from £1.01bn to £1.96bn (+93%; CAGR of 24%). The number of these larger rounds (25 in 2025) has remained relatively static. A key contributor of this enhanced capital flow has been the lack of a viable UK IPO market for unlisted Life Science companies. As such, these companies, and their investors, have become increasingly reliant on follow-on rounds in order to advance towards M&A driven liquidity events and overseas listings. These currently offer levels of return far exceeding those in the UK public capital markets.

Chart 2: Funds raised by privately-owned, non-listed, UK Life Science companies, by size of funding round, 2022-Present



*= Excludes funds raised for overseas listings (i.e. NASDAQ) or funds raised by companies with primary activities based overseas (i.e. the US). Also excludes funding for companies involved in activities not associated with human health (i.e. materials, energy or agriculture)

Source: Akesios Associates Limited proprietary database

This document is subject to important disclosures and disclaimers which can be found at the end of it and which form an integral part of it.
Under no circumstances does this document constitute investment advice.

Investor capital increasingly favours follow-ons versus early innovation

Amongst investors, there has been an increasing appetite to support, via follow-on investments, existing Life Science investments that are 'known quantities', with established and part-validated critical pathways, perceived lower risk, and potential for a relatively rapid return on investment (via trade sale) versus newer, early stage, and potentially more risky companies. Many investors would view this process as equivalent to 'doubling down' on the 20% of investments that will deliver 80% of the return. Key factors in the decision to invest in follow-ons include:

- It is statistically safer, in terms of potential return, to allocate investment to an asset that an investor believes has already proven its approach, rather than to spread smaller investments across earlier-stage unproven companies;
- The derisked attributes of more advanced investments include (i) more data to validate the proposition; (ii) better validation by third parties, including potential purchasers; (iii) greater clarity of the regulatory pathway requirements and how to navigate them; (iv) higher levels of confidence in management, the composition of which may have already at this point, been dictated by investors, and (v) a proven and aligned investor syndicate structure.
- Deployment of increased levels of capital can significantly reduce execution risk, ensuring programmes are fully funded, or even expanded, in order to ensure that the next value inflection point is achieved. Expansion may include increasing options available for each programme, or even expanding the number of programmes under development. Expansion, as well as potentially increasing 'shots on goal', may also provide additional investor protection against programme failure.
- Increased levels of investment may elongate 'cash runways' allowing management teams to focus on delivery, rather than ensuring that they have sufficient funding.

Early stage companies face a shrinking pool of capital

Over 2022 to 2025, the number of disclosed smaller, sub-£20m funding rounds, remained relatively consistent each year (between 64 and 82 rounds each year). Over 2022, 2023 and 2024 these smaller rounds annually represented 29%, 24% and 27% of total capital raised for all UK Life Science companies respectively. Over, the same period the quantum of capital raised by these smaller deals increased by 36% to £567m.

However in 2025 the value of these deals dropped significantly, to under £330m – representing a 49% decline versus the previous year, and a 38% decline versus the previous three year average. More starkly, the amount raised by these smaller rounds in 2025 represented just 13% of total capital raised (see Table 2, below). A like-for-like comparison for 2026 is not yet available, although it is likely this trend is continuing (smaller deals represented just 6% pf total funds raised over the first 5 months of 2026).

Table 2: UK Life Science funding rounds of <£20m, 2022-2025

Year	Number of fund raisings totalling less than £20m	Total amount raised (£m)	Total amount raised as a percentage of all private UK funding	Average amount raised (£m)	Median amount raised (£m)
2022	66	416.1	29%	6.3	3.3
2023	64	405.4	24%	6.3	2.4
2024	82	566.7	27%	6.9	3.2
2025	**66**	**289.0**	**13%**	**4.4**	**2.5**
To May 2026	*30*	*153.7*	*7%*	*5.1*	*2.8*

Source: London Stock Exchange; Company data

What smaller companies must do to compete for capital in a top-heavy market

This presents a more challenging environment for the numerous earlier-stage companies seeking more modest levels of funding in what is now for them a top-heavy, underfunded and increasingly competitive ecosystem. It is likely that funding levels for smaller companies will continue to decline. Whilst investor appetite for investment remains, differentiation, credibility and agility are key. We recommend:

- Proactive and considered investor engagement;
- Application and maintenance of good operational and overarching governance;
- Construction and maintenance of a robust, credible and commercial narrative, underpinned by observable activity;
- Increased focus on a critical pathway driven execution, and avoidance of non-critical distractions;
- Value-based programme and assessment, with appropriate planning and scenario modelling;
- Alignment of Board and management with required capabilities. Ensure your team are 'fit for purpose'.

If necessary, reliable third party advice should be sought and implemented.

If your organisation is preparing to fundraise, reassessing its strategic plan, or strengthening its Board level capabilities, I would be pleased to share perspectives. I have advised companies in these areas for over a decade and would be happy to have a confidential conversation. Please feel free to contact me at shawn.manning@akesiosassociates.com

This document is subject to important disclosures and disclaimers which can be found at the end of it and which form an integral part of it.
Under no circumstances does this document constitute investment advice.

Dr Shawn Manning

Manning is an experienced Life Sciences executive and adviser. He has over three decades of experience in the Life Science sector and brings a distinctive combination of scientific depth, commercial strategy, capital markets expertise and strategic and operational leadership. His experience includes fundraising, corporate development, M&A, strategic planning, corporate governance and creation of shareholder value. Manning is a strong advocate of pro-active and supportive Boards, agile management and value-accretive and critical-path led strategy.

Following the founding of Akesios Associates, he has worked for over 40 Life Science companies, on a variety of Board level assignments, and served in Executive and Non-Executive positions. Formerly he was an Extel- and Starmine-rated Life Sciences equity analyst, broker and corporate financier in the City of London. Prior to this, he worked as a strategy consultant with Abbott, Novartis, GlaxoWellcome, Zeneca, Serono and Medeva. He Chairs BioUK's Investment and Tax Advisory Group (ITAG), is a Fellow of the Royal Society of Medicine, holds a D.Phil. in infectious disease transmission from the University of Oxford, and a BSc (Hons) from Imperial College, London.

Akesios Associates Limited

Akesios Associates Limited provides Life Science services to investors, Boards and Executive teams, covering strategy, planning, finance, transactions, governance and critical-path based value creation. We offer strategic and financial solutions that enhance corporate, and where appropriate, shareholder value. We also provide an independent 'sounding board' for management. Akesios Associates maintains an international capability, including emerging markets. Our expertise draws on extensive capital markets, research and industry experience, incorporating product positioning, portfolio analysis, financial modelling, valuation, financing, M&A and investor communication. We believe our clients should receive the highest levels of ethical support, independent of banking, trading or other conflicts of interest. Our clients include private companies, public companies, financial institutions, government, academia and investors.

Contact

Shawn.manning@akesiosassociates.com
Tel: 0207 1006 990

DISCLOSURES AND DISCLAIMER

This document has been prepared by Akesios Associates Limited ("Akesios") for information purposes only and reflects Akesios' opinions at this date only. It has been prepared for distribution to Akesios clients and other interested parties within the pharmaceutical and biotechnology sector. Under no circumstances should this document be construed as offering investment advice. Information contained in this publication has been compiled from sources believed to be reliable, but it has not been independently verified; no representation is made as to its accuracy or completeness. No reliance should be placed on it, and no liability is accepted for any decisions made on the basis of its content. None of the companies mentioned in this document are currently clients of Akesios.

Akesios complies in all respects with the relevant laws, regulations and codes of conduct applicable to it in any jurisdiction, including, but not limited to, in relation to the United Kingdom, the Companies Act 2006, the Financial Services and Markets Act 2000, the Proceeds of Crime Act 2002 and the Criminal Justice Act 1993. Akesios is not authorised under the Financial Services and Markets Act 2000. This document is not intended to represent an invitation, or inducement, to engage in investment activities on behalf of the Company or any other party. Akesios Associates Limited is a company registered in England with Company Registration number 833339.

This document is subject to important disclosures and disclaimers which can be found at the end of it and which form an integral part of it.
Under no circumstances does this document constitute investment advice.