BioProcess International by informa

Global Markets | Bioregions | Economics | News

Beyond innovation: The perils of surviving scale-up in Europe

Exciting startups are bursting onto the scene across the pond, but what happens when it's time to tackle the next phase?



Josh Abbott, News Editor, BioProcess International

November 19, 2026

5 Min Read



stock.adobe.com

The life science industry is built on innovation. We celebrate the exciting discoveries and developments that drive medical breakthroughs and life-changing treatments. But as I've learned through my many discussions with experts across Europe, the road from innovator to market player is perilous.

Johan Hyllner, vice chairman and board member at Sahlgrenska Science Park, identified innovation as one of Sweden's strengths, but added that the next step for start-up companies often leads to struggle as they seek financing to grow beyond early development.

He said that when Swedish life science companies are ready to upscale, they approach the stock market early with an Initial Public Offering (IPO). "That's where you get your first type of money," he said. But by going public quickly, companies limit their potential growth, missing out on the windfall of cash that would be available to them had they managed to secure investment funding and emerge at a later stage. "In an ideal world, you can get private equity or investments before that."

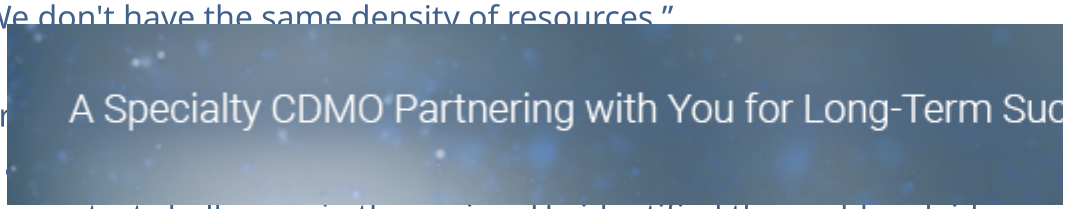
Related: Europe widens biomanufacturing gap between EU and US

Part of the problem, he said, lies in the amount of funds available to innovators as they try to take the next step. While companies with ideas to address market failures may have a reasonable time securing $2–3 million – in part through government support – the pathway to further success is not always clear.

"When you start a company, it's quite Darwinistic, to be honest. You have to survive and see where you can find the money."

Magnus Björsne, CEO of AstraZeneca BioVentureHub, knows all about the issues facing Sweden, particularly as an innovation stakeholder seeking to bridge that gap through promoting partnership.

Sweden, he said, tops Europe in innovation, but that advantage erodes when it comes to utilizing and scaling. "We have tons of startups, but we don't have the same type of capital markets as in the US. We don't have the same density of resources."



Justinas Didika, director [illegible] Lithuania, said that his [illegible] addressing some of the greatest challenges in the region. He identified the problem laid out by Hyllner and Björsne as affecting the continent at large. "The biggest obstacle that we and the whole of Europe has is translating scientific knowledge into businesses," he said.

Some Lithuanian companies, such as Vilnius-based enzyme developer Biomatter, have found success, recently securing US$18 million in Series A funding following an enzyme partnership with Thermo Fisher Scientific. Biomatter is also part of the BioVentureHub and has worked with AstraZeneca, Sanofi, and other major life science companies.

Related: BPI's mid-year report highlights 2026 biotech trends

But where Biomatter has flourished, many Lithuanian startups are struggling to get over the hump. According to Virgilijus Kupinas, head of marketing & project management at Lithuanian contract development and manufacturing organization (CDMO) Northway Biotech, the problem stems from a lack of funding. “We are very good at opening new startups,” he said, praising the technologies that such companies have developed. “But when it comes to new drugs, that requires [more] money. The scale is just different.”

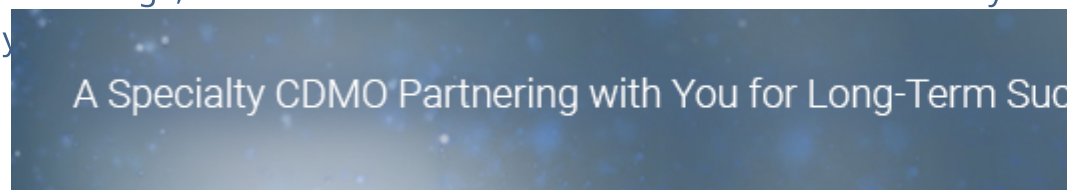
He said that investors have often been wary about investing big money in new drugs due to a history of clinical trial failures that illustrate high risk.

Northway, meanwhile, has established a thriving CDMO business with a presence that stretches across the Atlantic to Boston, Massachusetts, but its clients come from outside of Lithuania, hailing from Western Europe and the US.

Mario Jenni, cofounder and CEO of Bio-Technopark in Schlieren, Switzerland, echoed a similar sentiment, stating that the biotech start-up space in his country faces challenges as life science companies prepare to move into the clinic. He said that the Swiss ecosystem provides well-funded universities and support during the incubation period, but when companies are ready to scale, it’s a different matter. At that point, they seek outside investment, often turning to the US. As a result, Switzerland invests in its own companies early, only to lose out when the big economic force that is the United States reaps the market benefits later.

Related: Move over Boston: The New York biotech industry is on the rise

“It’s something we have to change, because it makes no sense that we invest a lot in early stage,” Jenni said, “[only



Natural selection?

Jenni’s Bio-Technopark provides a space for biotech companies to work alongside the region’s academic institutes and university clinics while helping startups to survive the post-innovation slump.

“Our small companies will never afford to launch their own drug, so they license everything out,” Jenni said. Companies at the park have signed licensing agreements worth about CHF 10 billion (US$11.8 billion), and 20 such companies have been purchased by larger pharma firms in big money deals.

Meanwhile, in Sweden, AstraZeneca's BioVentureHub provides an outlet for small companies to form lucrative partnerships, as Biomatter has done. And across the country in Uppsala, biotechnology firm Nanexa struck gold with a pair of huge deals with pharma giants Moderna and Novo, enabling the company to continue development and manufacturing of its PharmaShell drug delivery platform with an eye on further hiring and expansion.

So while resources exist for small European life science companies looking to take the next step, with so much money at stake, the path remains challenging. Success depends on the science a company is developing and how it harmonizes with the needs of big pharma firms and investors. Those that succeed are often able to fill the right niche at the right time, and factors such as geography also come into play.

In such a competitive landscape with a limited number of investors, Hyllner's "Darwinian" characterization may well be right. The companies that blossom are those that best fit the market's needs. But with regional hubs that nourish the proverbial soil by supporting small companies and fostering relationships, more startups will reach through the underbrush and find their way to the sun.

About the Author

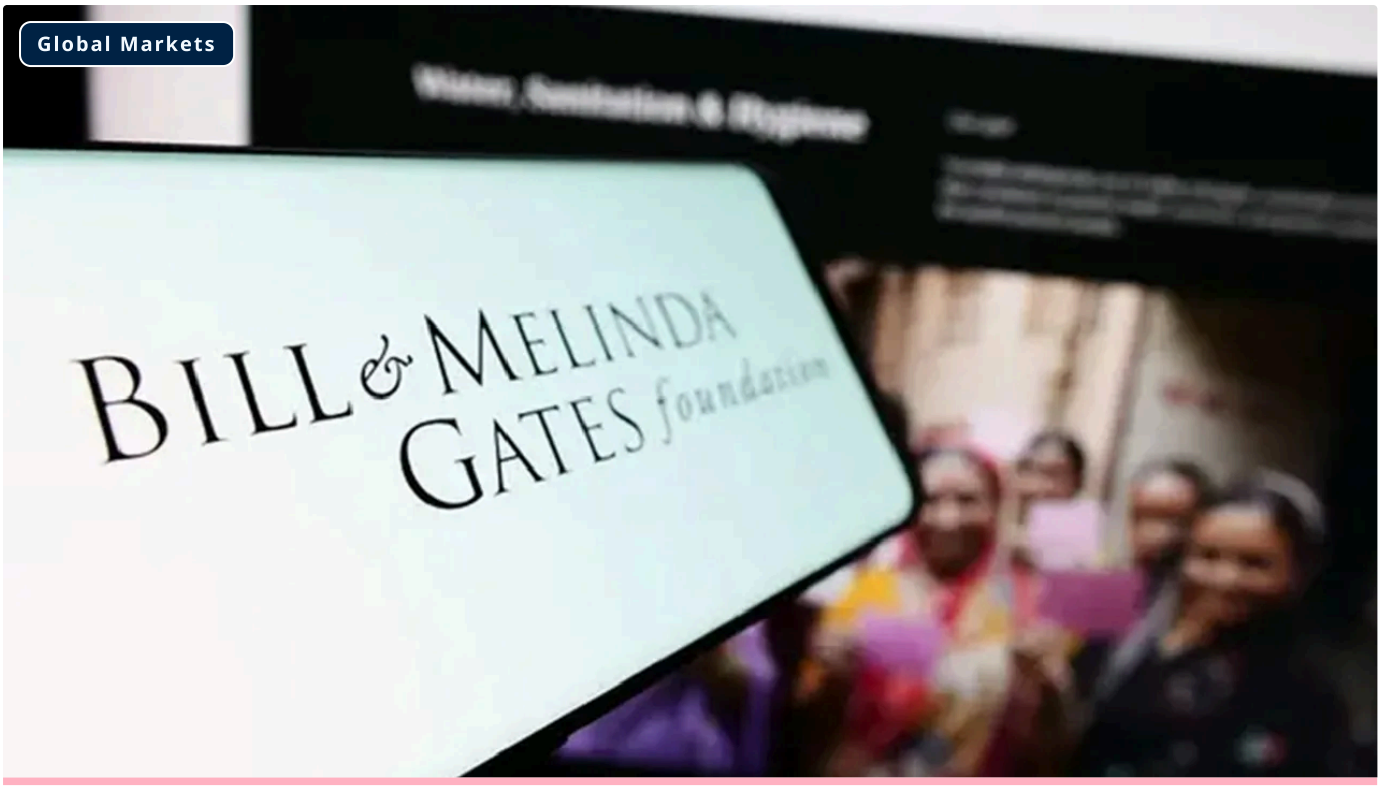


Josh Abbott

Josh moved to *BioProces*
BioProcess International.
therefore obligated to say "Go Ducks," even though he kind of feels sorry for the state rival Beave...

A Specialty CDMO Partnering with You for Long-Term Suc

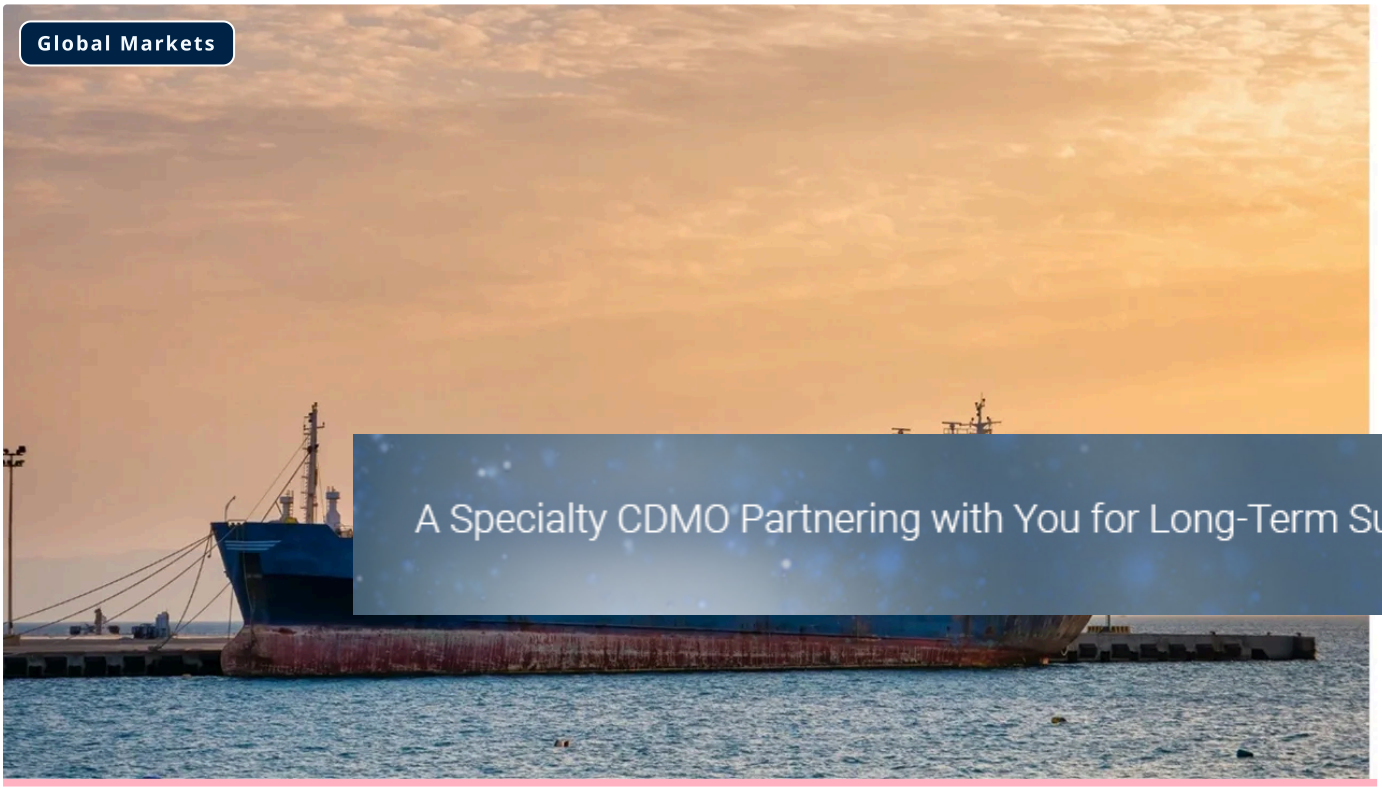
Recommendations



Gates Foundation invests in medicines manufacturing to increase drug access

by **Millie Hoe**

May 12, 2026



Red Sea blockade would put US at risk of pharmaceutical shortages, experts warn

by **Millie Hoe**

Apr 17, 2026



BioNTech to shut down vaccine manufacturing facility in Singapore by 2027

by **Millie Hoe**

Apr 08, 2026



Babies as ‘guinea pigs’: A vaccine trial in Guinea-Bissau comes under intense scrutiny

by **Søren Hough**

Jan 27, 2026

Source: https://www.bioprocessintl.com/global-markets/beyond-innovation-the-perils-of-surviving-scale-up-in-europe

