Market Pulse

November 2025

Northern BioStrategies

Market Highlights

- A split market has emerged where surging AI-health-tech funding (+24.4% to $10.7B) contrasts sharply with a 50% correction in industry giants like Novo Nordisk.
- Strategic M&A is accelerating as major players like Merck and Sandoz deploy capital to secure infectious disease assets and manufacturing capabilities.
- New regulatory are strengthening with new US and EU frameworks that lower barriers for biosimilars and fast-track rare disease therapies.
- Advanced tech hubs are expanding in the UK through the new National Centre for Neurotechnology, signalling a long-term rotation into neurological innovation.

Investment and M&A Activity

- M&A: Merck $9.21B Cidara Therapeutics; expanding its infectious disease portfolio through Cidara's antibody-based therapeutic platform.
- M&A: Sandoz ~$350M Just-Evotec Biologics; bringing advanced continuous biologics manufacturing capabilities in-house for biosimilar pipeline.
- M&A: Qiagen $225M Parse Biosciences upfront (+$55M potential milestones); integrating single-cell sequencing technology into growing genomics portfolio.
- VC: Iambic, T-Therapeutics, Gate Bioscience $256M; advancing AI-powered drug design, engineered biologics for oncology and immunology, and small molecule therapeutics targeting disease-causing proteins.

Regulatory & Policy

- FDA and EMA update regulatory requirements to streamline biosimilar and biologic drug approvals, lowering development costs and expanding patient access
- Regulators gave SOM3355 (Huntington's disease) a clear path to Phase 3, showing continued support for advancing cell, gene, and neurological treatments
- FDA are "re-evaluating several biotech approvals", signalling ongoing regulatory caution and uncertainty for certain programmes.

Investor and Market Sentiment

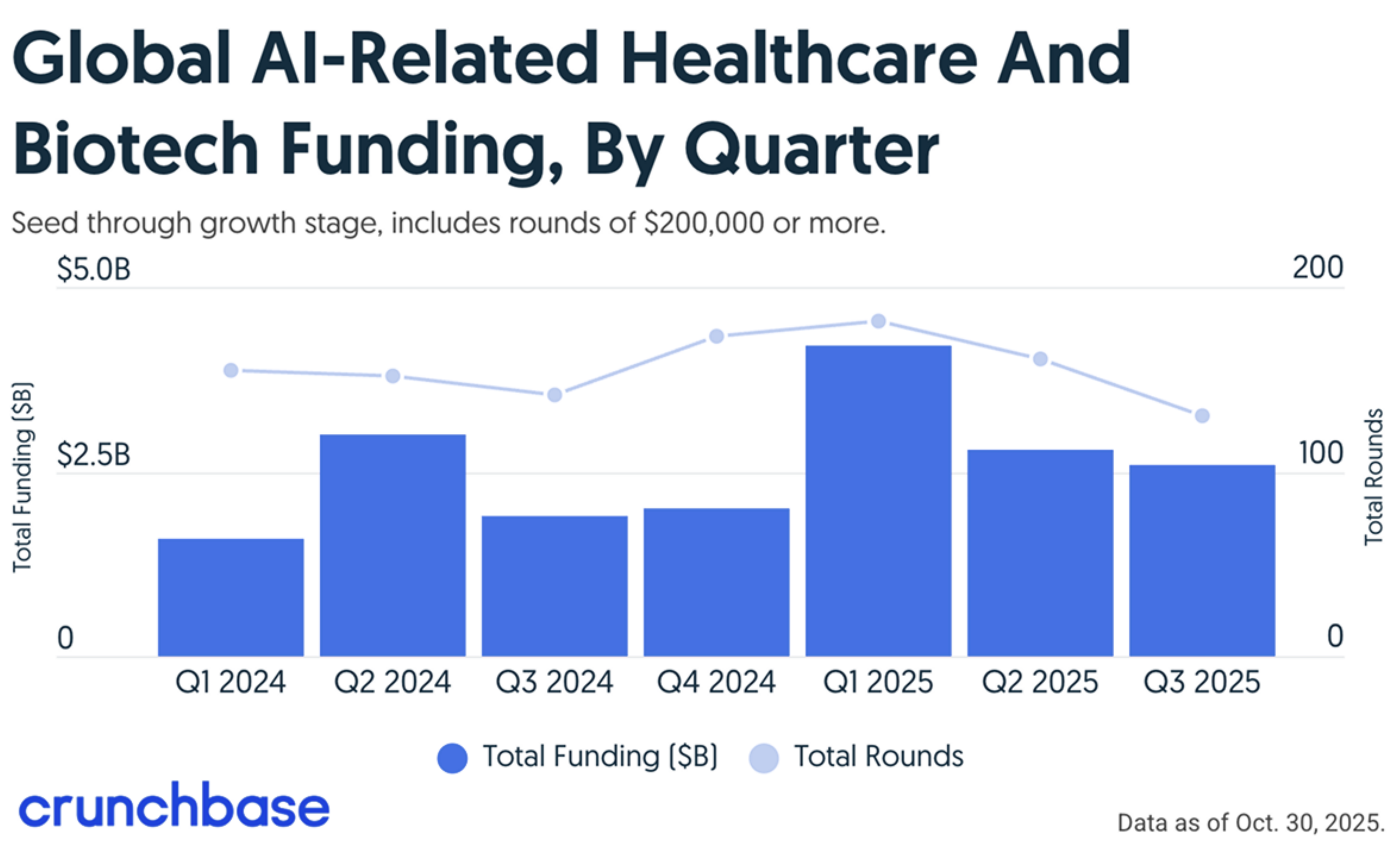
- VC Funding: + $10.7B into AI-powered health-tech and biotech companies in 2025 (+24.4% from $8.6B in 2024), showing strong momentum in AI-enabled biotech.
- VC Environment: Sofinnova Partners $750M healthcare fund on early-stage biotech, indicating robust institutional commitment to long-horizon life-sciences investing despite broader macro uncertainty.
- Public Markets: Specialist biotech trusts, e.g. International Biotechnology Trust (IBT) outperformed broader markets, showing growing investor preference for diversified biotech exposure.

Academic & Clinical Insights

- Key Breakthroughs: FDA approved Itvsima, expanding gene-replacement therapy for SMA in older children, teens and adults - the first therapy for this broader SMA population.
- Approvals: FDA approved Plozasiran for rare genetic lipid disorder and Sevabertinib for HER2-mutant lung cancer, showing continued progress in rare disease and precision oncology.
- Clinical Milestones: Ziftomenib (Komzifti) approved for patient with a specific form of AML, giving a new targeted treatment options where few exist.

Company Spotlights

- Novo Nordisk's US shares -5% to around $45, hitting a four-year low and leaving -50% stock in 2025.
- The key blow was the failure of two major Alzheimer's trials (EVOKE and EVOKE+), where semaglutide (Wegovy/ Ozempic) showed biomarker improvements but did not slow cognitive decline, wiping out hopes for a new high-growth indication.
- Investor sentiment is further hurt by slowing Wegovy/ Ozempic momentum, heavy price cuts, rising competitive pressure from Eli Lilly's Zepbound, leadership changes, layoffs, and guidance cuts that are squeezing margins.



(VC funding: AI-biotech funding surged 24% to $10.7B in 2025, signalling a definitive market comeback fueled by renewed investor conviction.)

Regional Activity (Newcastle)

- New UK National Centre for Neurotechnology and Neurorestoration established at Newcastle Hospitals in partnership with Newcastle University to advance brain-focused neurotechnologies.
- First centre dedicated to clinical trials of implanted and other neurotechnologies (e.g. brain–computer interfaces, neurostimulators) for brain and nervous system disorders.
- Outlook: acts as a national hub providing academic, regulatory and clinical support for UK and international neurotechnology developers.improve understanding of the brain and expand patient access to cutting-edge trials that restore movement, sensation, mood and cognition.