

Market Pulse

October 2025

Northern BioStrategies

Market Highlights

- Deal activity and selective IPOs point to a steady biotech market recovery, while the UK remains more cautious due to macro and policy uncertainty.
- Clinical and regulatory progress across oncology, autoimmune disease and women’s health shows a broadening and productive innovation pipeline.
- AI adoption in drug development is rising, improving trial design, patient selection and overall R&D efficiency.
- US and EU policy shifts, including faster biosimilar pathways and updated pharmaceutical frameworks, aim to support competition, access and continued innovation.

Investment and M&A Activity

- M&A: Novartis \$12B Avidity Biosciences; strengthening Novartis’ RNA-based therapeutics pipeline in neuromuscular and genetic diseases.
- M&A: Ipsen \$1B ImCheck Therapeutics: Acquisition adds a $\gamma\delta$ T-cell platform and expands Ipsen’s oncology pipeline.
- IPO: MapLight Therapeutics raises \$250M: CNS-focused biotech executes one of the largest biotech public offerings of 2025, marking a cautious reopening of the IPO market.
- VC: Zag Bio \$80M Series A: New autoimmune and diabetes biotech attracts major strategic investors, highlighting selective early-stage investment activity.



Regulatory & Policy

- FDA draft guidance opens the door to faster and cheaper biosimilars, potentially Reshaping biologics competition.
- EU pharmaceutical legislation overhaul nears completion with market access, supply-security and exclusivity frameworks undergoing changes.

Investor and Market Sentiment

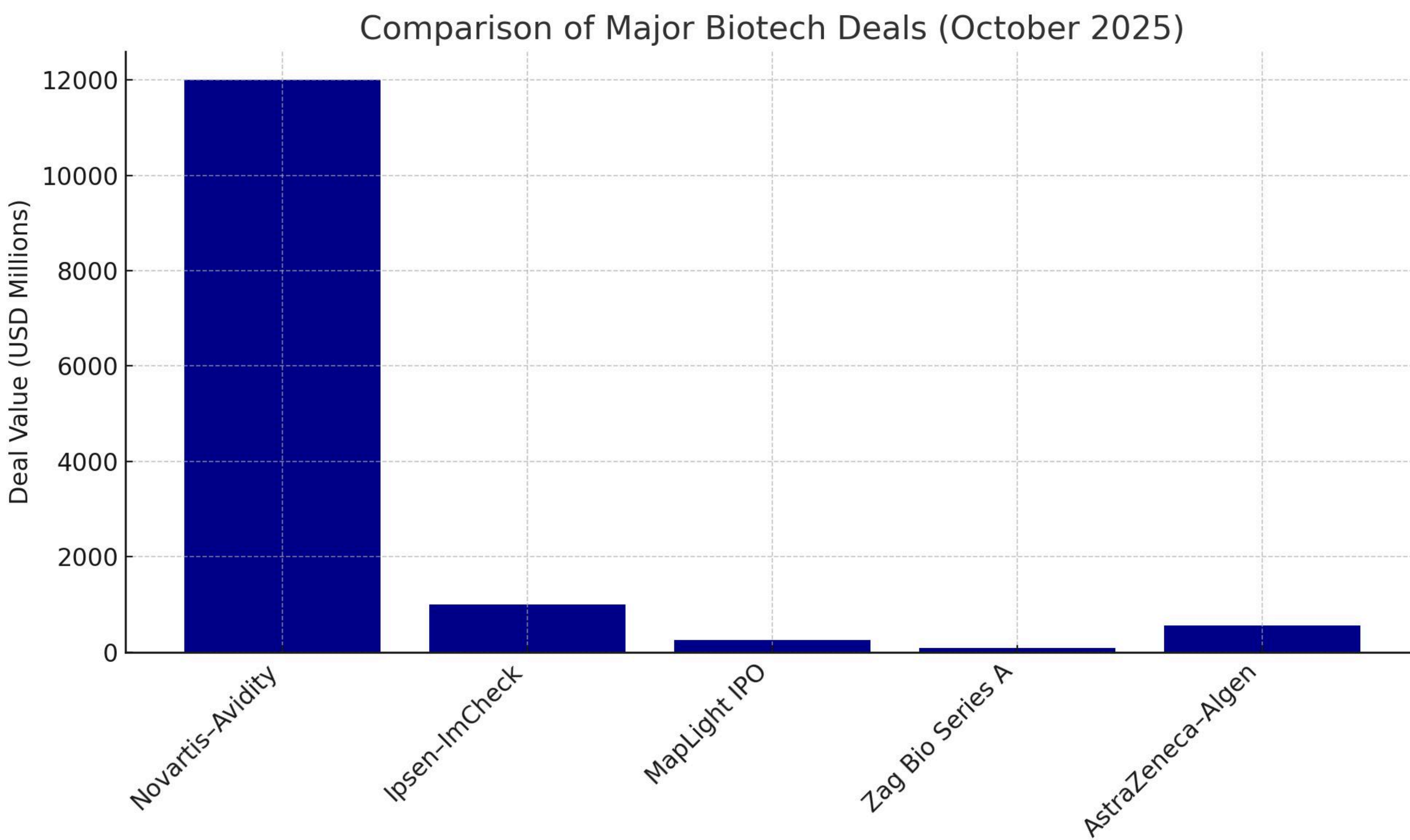
- VC: +71% in Q3 2025, signalling improving global investor confidence and selective risk appetite in biotech.
- UK biotech VC funding: totalled £187M in Q3 2025 (down from £344M in Q2); Investors focused on established firms and lower-risk opportunities due to local factors such as macroeconomic uncertainty and policy risks.
- Public markets: iShares Biotechnology ETF (IBB) rallied ~30.2% over the past six months (as of Oct15), outperforming the S&P 500’s ~13.7% gain, signalling renewed investor interest in biotech.

Academic & Clinical Insights

- Key breakthrough: AI and deep learning reshapes trial design and vaccine and immunotherapy development for faster design and smarter clinical trials.
- Approvals: FDA Approves new treatments — lupus kidney disease, menopause symptoms, and lung cancer
- Clinical milestone: Datopotamab deruxtecan showed strong survival results in a major breast cancer trial, big advances in hard-to-treat triple-negative disease.

Company Spotlights

- Eli Lilly partners with Nvidia to build a new supercomputer that take in data, train models on experiments performed by Lilly scientists and generate inferences.
- Key breakthroughs: AI agents work alongside Lilly’s robotic systems to speed up manufacturing via reasoning, advanced medical imaging and digital twins.
- Outlook: infrastructure to be used in molecule discovery research, shortening development cycles and sharing AI models on Lilly’s TuneLab platform for early-stage biotech.



Regional Activity (Edinburgh)

- Trogenix leverages advanced genomics, immunotherapy, and gene therapy through its proprietary Odysseus® platform to target aggressive, treatment-resistant solid tumours.
- Landmark deals: IQ Capital \$95M Series A
- Clinical milestones: lead glioblastoma program enters clinical trials with first patient dosing expected in Q1 2026.
- Outlook: Follow-on program targets on colorectal cancer liver metastases, with additional pipeline focus on other aggressive solid liver and lung cancers.