Market Pulse

April 2026

Northern BioStrategies

NBS

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Market Highlights

- Biopharma activity strengthened in early 2026, driven by a resurgence in IPOs, major M&A deals, and continued adoption of AI partnerships to accelerate drug development and operational efficiency.
- Investor sentiment improved, with global healthcare deal value surging, UK biotech venture funding recovering, and licensing remaining the dominant source of capital allocation across the sector.
- Regulators advanced innovation through faster drug review, modernised approval pathways and support for breakthrough medicines, while Manchester continued to attract investment as a growing UK life sciences hub.

Investment and M&A Activity

- **M&A:** Eli Lilly $7B (with $3.25B upfront) in vivo CAR-T specialist Kelonia Therapeutics, including its phase 1 BCMA-targeted myeloma therapy KLN-1010, to expand Lilly's cell and gene therapy oncology portfolio.
- **IPO:** upsized biotech IPOs led by Hemab Therapeutics and Seaport Therapeutics raised $1.5B, marking the strongest IPO month in over five years and signalling investor confidence in innovative drug development.
- **Partnership:** Big pharma continues to embrace AI, with Novo Nordisk partnering with OpenAI and Merck partnering with Google Cloud to integrate generative AI across R&D, manufacturing, regulatory, and commercial operations, accelerating drug development and operational efficiency.

Company Spotlights (Kailera Therapeutics)

- **Major financing milestone:** Raised $625M through one of the largest biotech IPOs of 2026, signalling renewed investor confidence in the sector
- **Late-stage pipeline advancement:** Lead candidate ribupatide is already in Phase 3 trials, positioning Kailera among the most advanced emerging obesity companies.
- **Differentiated obesity strategy:** Developing injectable, oral and next-generation GLP-1 therapies to compete with market leaders Novo Nordisk and Eli Lilly.

Regulatory & Policy

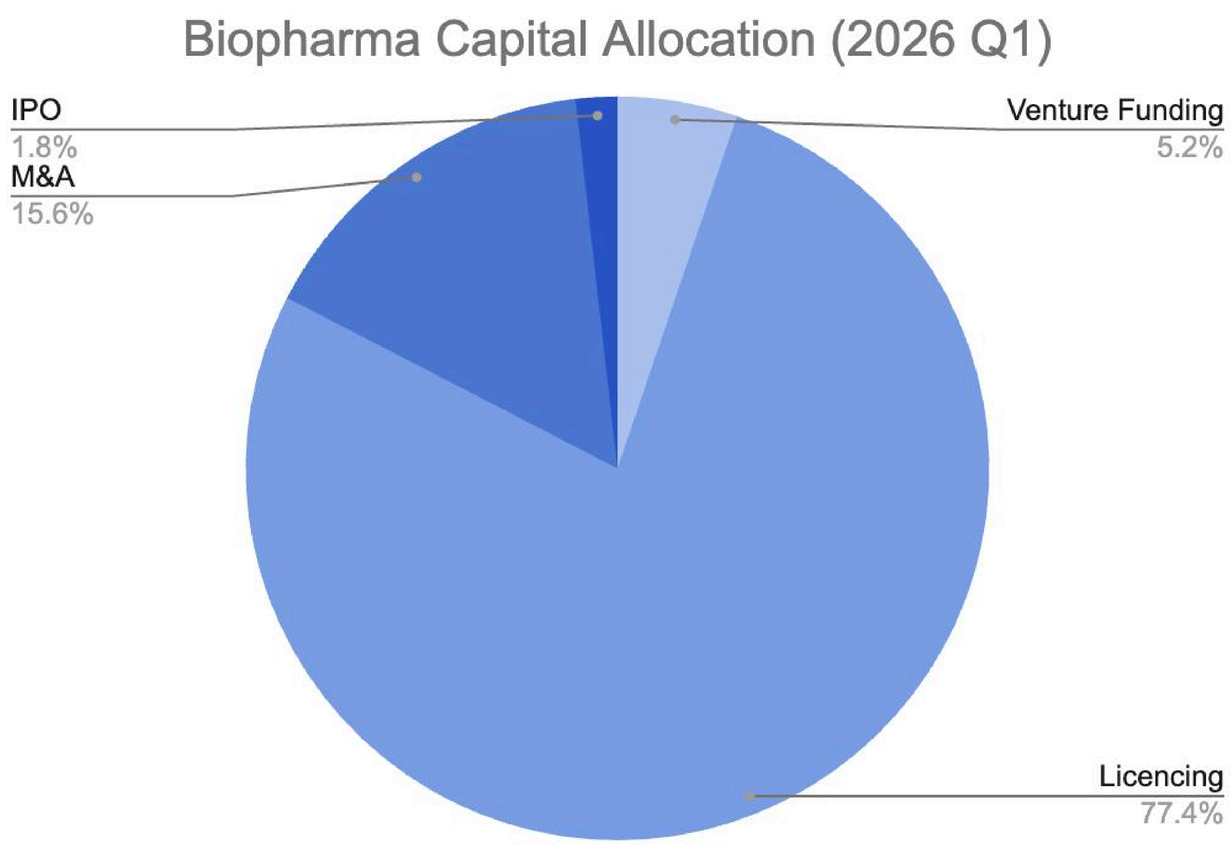
- FDA continued implementing faster drug review initiatives, including a pilot bonus programme rewarding reviewers for completing evaluations ahead of schedule to improve efficiency and reduce approval timelines.
- MHRA reinforced clinical trial oversight by pausing a UK study into puberty blockers (Pathways) due to safety and protocol concerns, highlighting stricter enforcement of participant protection standards.
- FDA proposed modernised approval pathways for gene and personalised therapies, allowing smaller early-stage trials with post-market evidence requirements.

Investor and Market Sentiment

- **Capital Market:** Biopharma and medtech entered 2026 with selective momentum, as robust biopharma licensing and M&A alongside improving medtech exit conditions and a modest IPO reopening drove Q1 activity across venture funding, deals and capital markets.
- **Deal Surge:** global healthcare deal value surged 340% year-on-year in April 2026 to 82 transactions worth $41.9B, driven by large M&A, while venture funding remained relatively flat at $2.3B across 85 deals.
- **VC Pulse:** British biotech venture funding rose to £552M in Q1 2026, signalling a recovery and more diversified investment, but IPO activity remained stagnant with no new UK biotech listings.

Academic & Clinical Insights

- EMA supported several innovative therapies, including treatments for multiple sclerosis and spinal muscular atrophy, strengthening the EU medicines pipeline.
- GSK's efimosfermin received FDA Breakthrough Therapy and EMA PRIME designations for MASH, accelerating development.
- EMA and partners advanced initiatives to support faster development of breakthrough medicines and medical technologies in the EU.



(Source: J.P. Morgan; 16th April, 2026)

Regional Activity (Greater Manchester)

- **Life sciences investment pilot:** Greater Manchester was selected as a pilot region for the UK's new Life Sciences Large Investment Portfolio (LSLIP), designed to attract large-scale pharma and biotech investment.
- **Industry expansion:** The region continued to attract life sciences companies, with organisations including IQVIA, Convatec and Vortex Biotech establishing operations locally.
- **Government backing:** LSLIP scheme offers grants (up to £130M) to support UK life sciences manufacturing and R&D.
- **Cluster growth:** Life sciences contributed to the region's status as one of the UK's fastest-growing regional economies.