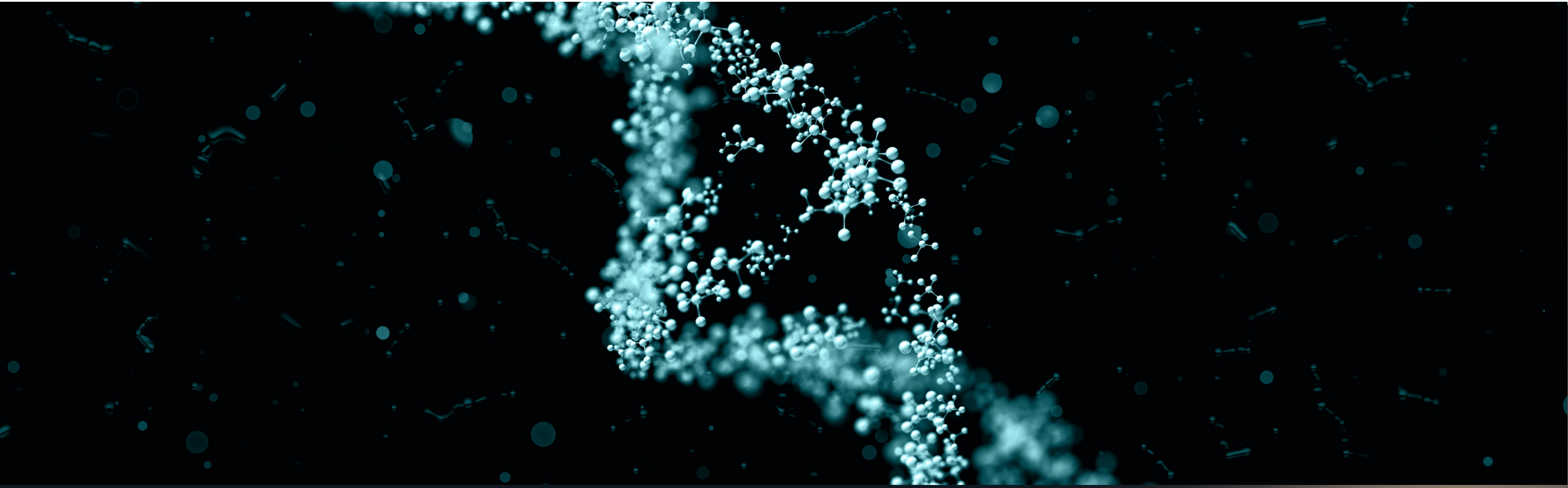
J.P.Morgan

Q1 2026 Biopharma Licensing and Venture Report

April 2026

Fueled by

DEALFORMA



Executive summary

Biopharma capital markets opened 2026 with selective momentum as licensing and M&A remained strong to lead venture and IPO activity

Biopharma financing and transaction activity in Q1 2026 continued to reflect a selective capital environment, with investors and acquirers concentrating around later-stage assets, differentiated science and programs with clearer clinical and commercial pathways. Venture fundraising remained uneven, reinforcing the importance of licensing, structured partnerships and M&A as primary sources of capital and strategic execution.

Large-cap biopharma remained active in pursuing external innovation through licensing and acquisitions. Deal structures remained milestone-heavy, while upfront economics stayed strong for the most competitive assets.

Here are a few highlights from our Q1 2026 report:

- **Venture investment in therapeutics and discovery platforms:** Biopharma venture funding totaled $6.9 billion in Q1 2026, below the $8.6 billion raised in Q1 2025, with deal count also trending lower.
- **Biopharma licensing partnerships:** Biopharma licensing reached $82.7 billion in announced value in Q1 2026, with upfront cash representing 6% of total deal value.
- **M&A:** Biopharma M&A totaled $40.9 billion across 32 deals in Q1 2026, following a strong 2025.
- **IPOs:** 6 biopharma IPOs raised $1.8 billion in Q1 2026 for a strong start to the year, already passing full-year 2025.

J.P. Morgan is committed to your success. Our relationships, our capital and our skilled team of bankers and specialists dedicated to the life sciences and healthcare sectors reflect our conviction in the pivotal contributions these clients add to their stakeholders—society, shareholders and employees alike.

Our bankers' expertise ranges from advising companies at the earliest stage of formation to executing complex M&A and capital markets transactions. Regardless of the size or stage of your company, we are prepared, equipped and enthusiastic about helping you meet your strategic, financial and technical objectives.

Thank you for taking the time to read this report. We look forward to supporting you.

Kathryn McDonough
Head of Life Sciences
Innovation Economy, Commercial Banking
J.P. Morgan

Parameters

Biopharma companies are defined as firms developing therapeutics and technology platforms engaged in drug discovery, clinical R&D and commercialization.

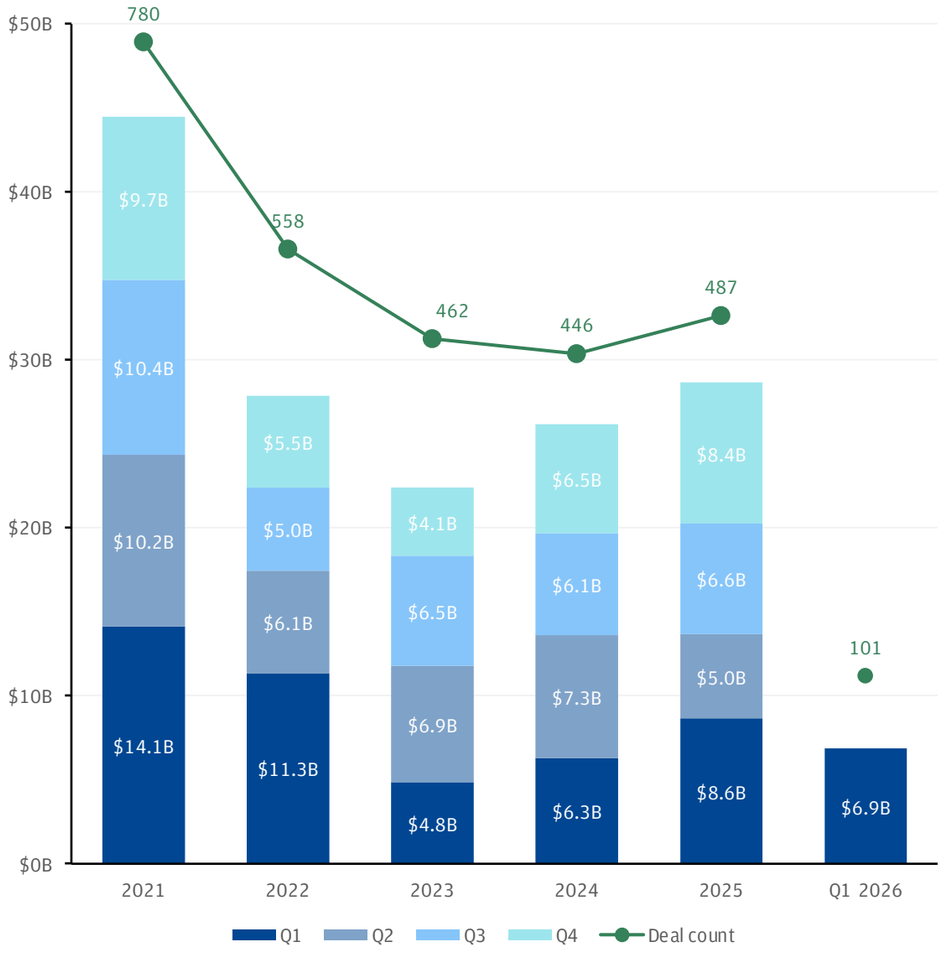
Therapy areas, development stages, modalities and deal structures are segmented per the DealForma database.

Financials are based on disclosed figures curated by DealForma. Multiple tranches of the same Series are counted as one together.

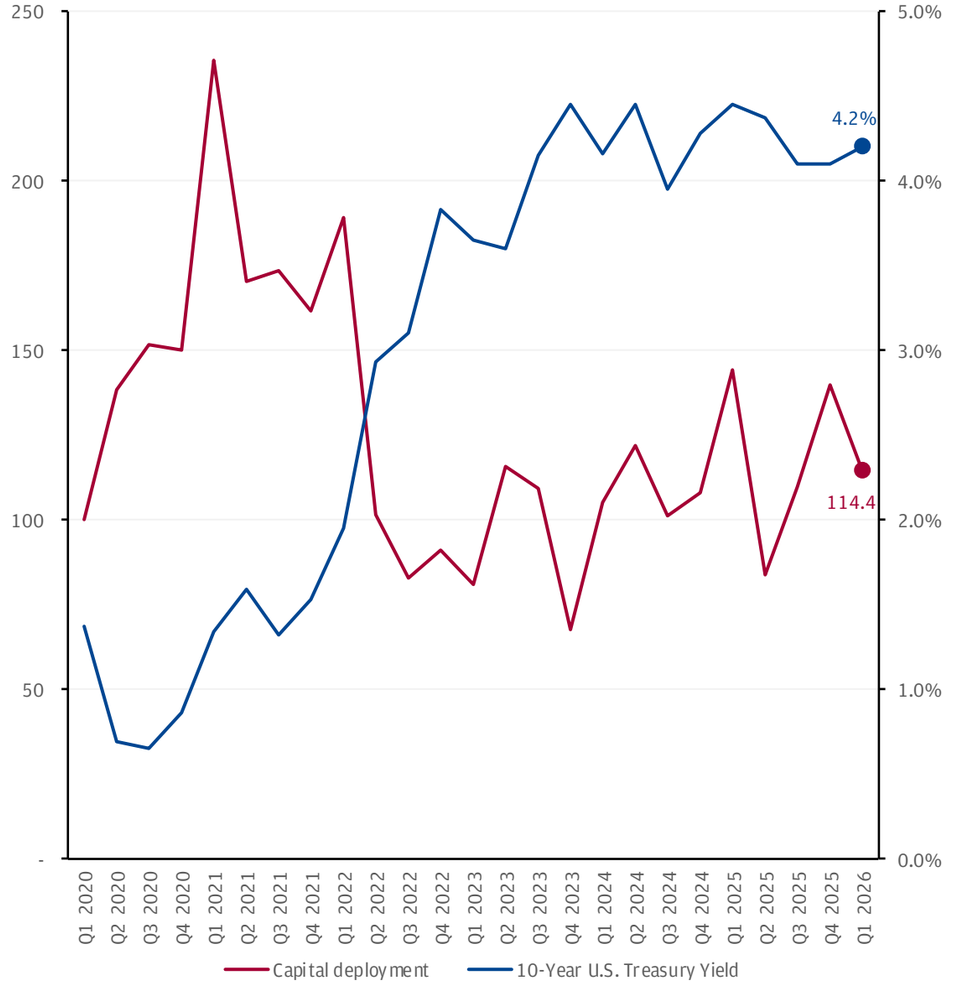
Data as of March 31, 2026.

Biopharma venture investment increased exiting 2025 but remains below prior quarter highs

QUARTERLY BIOPHARMA VENTURE INVESTMENT VS. ANNUAL VENTURE DEAL COUNT[1]



10-YEAR U.S. TREASURY YIELD VS. BIOPHARMA VENTURE DEPLOYMENT (INDEXED)[1 2]

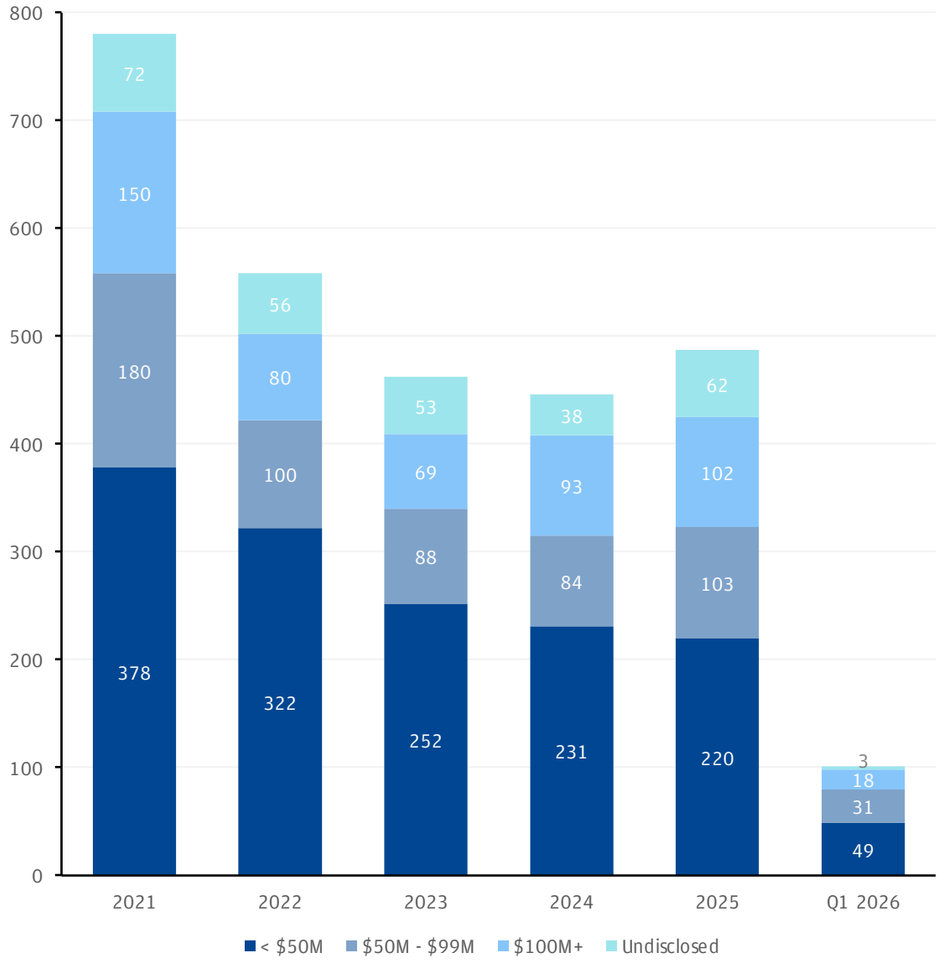


Biopharma venture funding in Q1 2026 came in at $6.9 billion across 101 deals, a step down from the stronger pace seen in Q4 2025 but still indicative of a market with meaningful investor engagement. Biotech deal activity remained resilient despite broader geopolitical risks that emerged in the macroeconomy. The earlier momentum that built through 2025 appears to have moderated as investors weighed the reopened the exit landscape, both of which offer alternative liquidity paths that can temper the urgency of new venture commitments. Capital deployment remains focused on established portfolio companies with advanced pipelines and upcoming clinical catalysts, reflecting a market that continues to reward later-stage conviction over broad-based early-stage exploration.

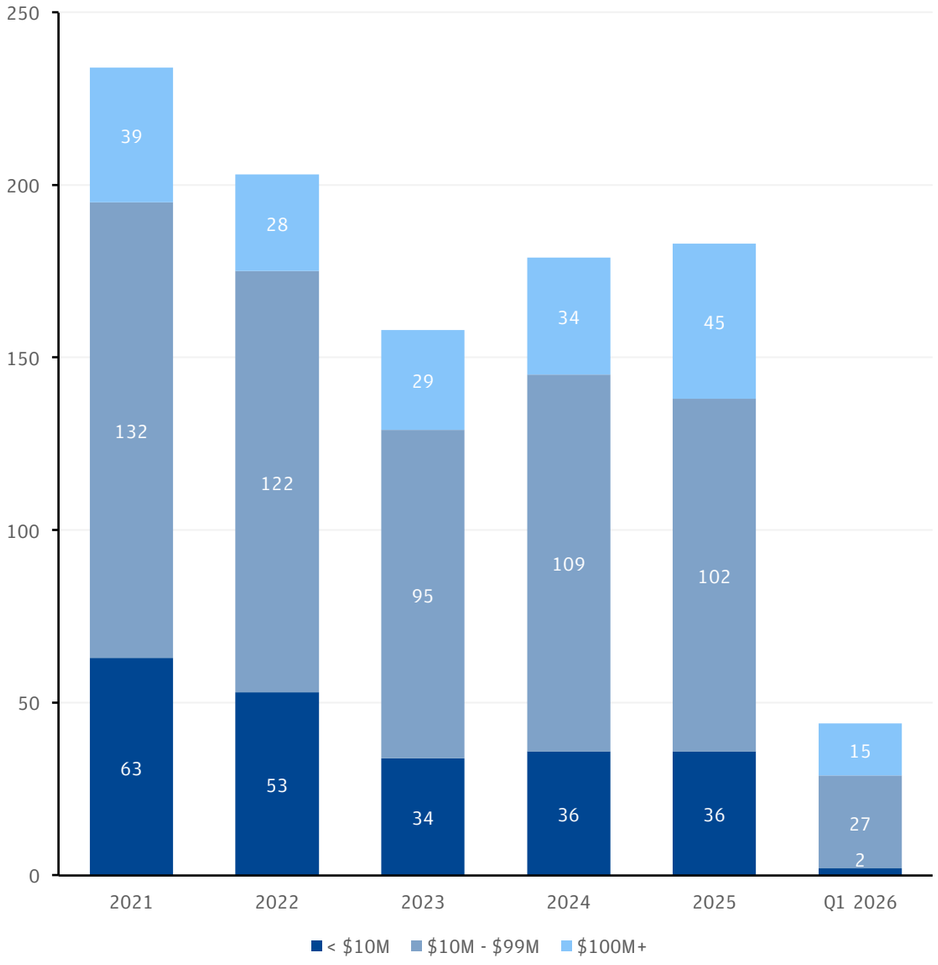
Notes: [1]Financials based on disclosed figures. Data through March 31, 2026. [2]Biopharma venture capital deployment is indexed to Q1 2020, where Q1 2020 = 100.

Licensing upfronts remain resilient as venture round count and breadth continue to narrow

COUNT OF VENTURE INVESTMENT ROUNDS BY ROUND SIZE[1]



COUNT OF BIOPHARMA R&D LICENSES BY DISCLOSED UPFRONT CASH AMOUNT[1]



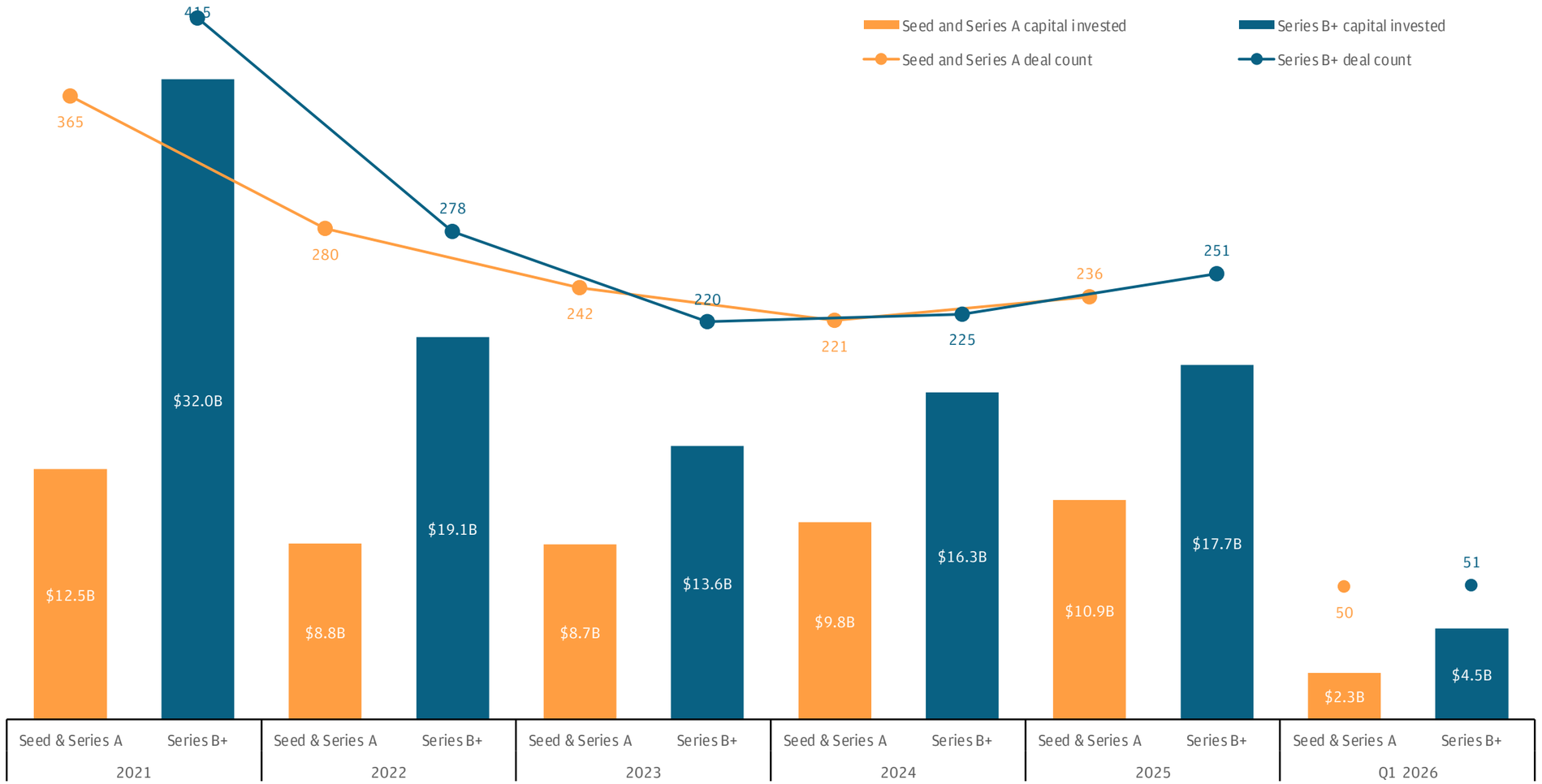
Fewer companies completed venture financings in Q1 2026, and round activity remained below prior years across size bands. Capital continues to favor larger, later-stage financings over broad-based early-stage participation.

In contrast, licensing activity remains active, with 15 R&D licensing deals in Q1 2026 disclosing upfront payments above $100 million. Large-cap biopharma continues to use licensing to secure differentiated assets amid a still-selective venture environment.

Note: [1]Financials based on disclosed figures. Data through March 31, 2026.

Early-stage venture funding remained under pressure as later-stage rounds continued to lead

BIOPHARMA SEED AND SERIES A VENTURE ACTIVITY VS. SERIES B+ VENTURE ACTIVITY[1]



Seed and Series A funding totaled $2.3 billion across 50 deals in Q1 2026, remaining well below Series B+ activity at $4.5 billion across 51 deals. The early-stage recovery seen intermittently in 2024 and 2025 has not yet broadened. Despite later-stage public market activity picking up, first-time financings are on pace for their lowest annual count since pre-COVID.

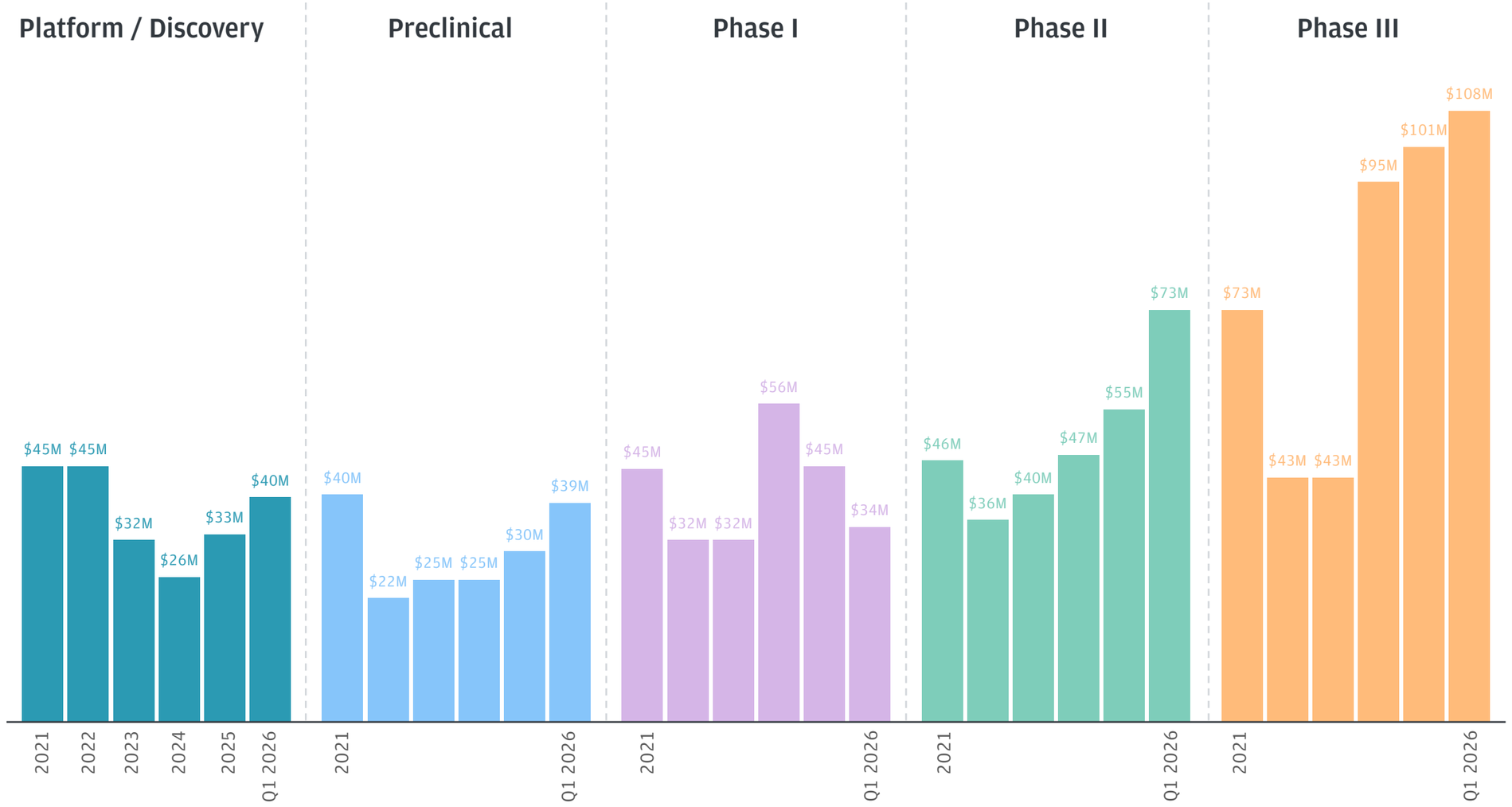
Investors continue to prioritize later-stage companies with established data packages, de-risked development paths, and nearer-term catalysts, reinforcing the funding gap between early and late-stage issuers.

Notable Series A financings include Slate Medicine's $130 million Series A and Poplar Therapeutics' $95 million Series A.

Note: [1]Financials based on disclosed figures. Data through March 31, 2026.

Median round sizes remained strongest for Phase II and Phase III companies in Q1 2026

BIOPHARMA THERAPEUTICS AND PLATFORMS: MEDIAN VENTURE ROUND SIZE BY COMPANY STAGE AT FUNDING



Median venture round sizes in Q1 2026 reached $40 million for platforms, $39 million for preclinical, $34 million for Phase I, $73 million for Phase II, and $108 million for Phase III companies, underscoring continued investor preference for more mature programs.

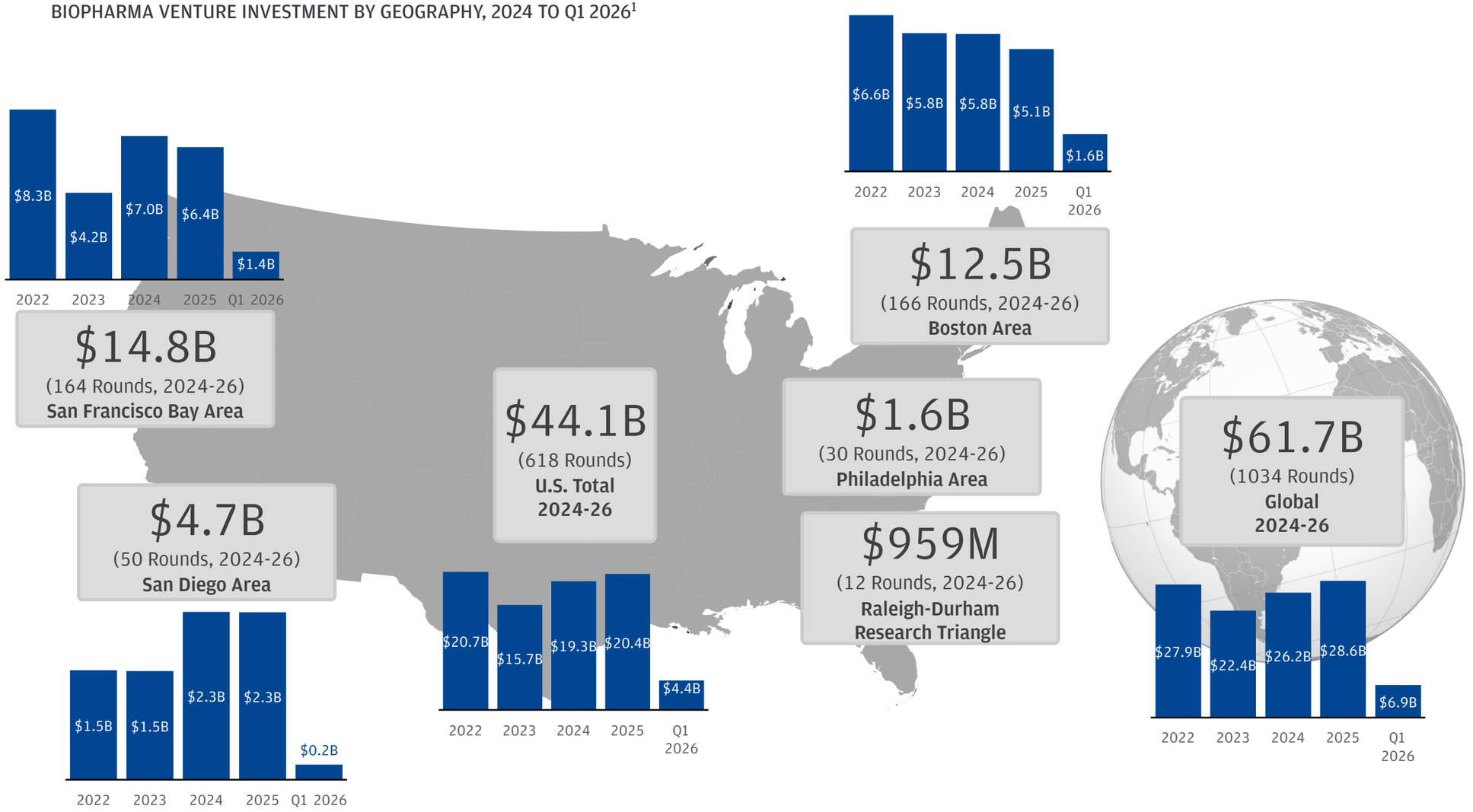
Financing levels remain highest for companies with validated mechanisms, clearer endpoints, and shorter paths to registration or commercialization, while earlier-stage issuers continue to face a more selective market.

Note: [1]Financials based on disclosed figures. Data through March 31, 2026.

Source: DealForma.com database.

U.S. biopharma hubs continued to lead global venture investment in Q1 2026

BIOPHARMA VENTURE INVESTMENT BY GEOGRAPHY, 2024 TO Q1 2026[1]



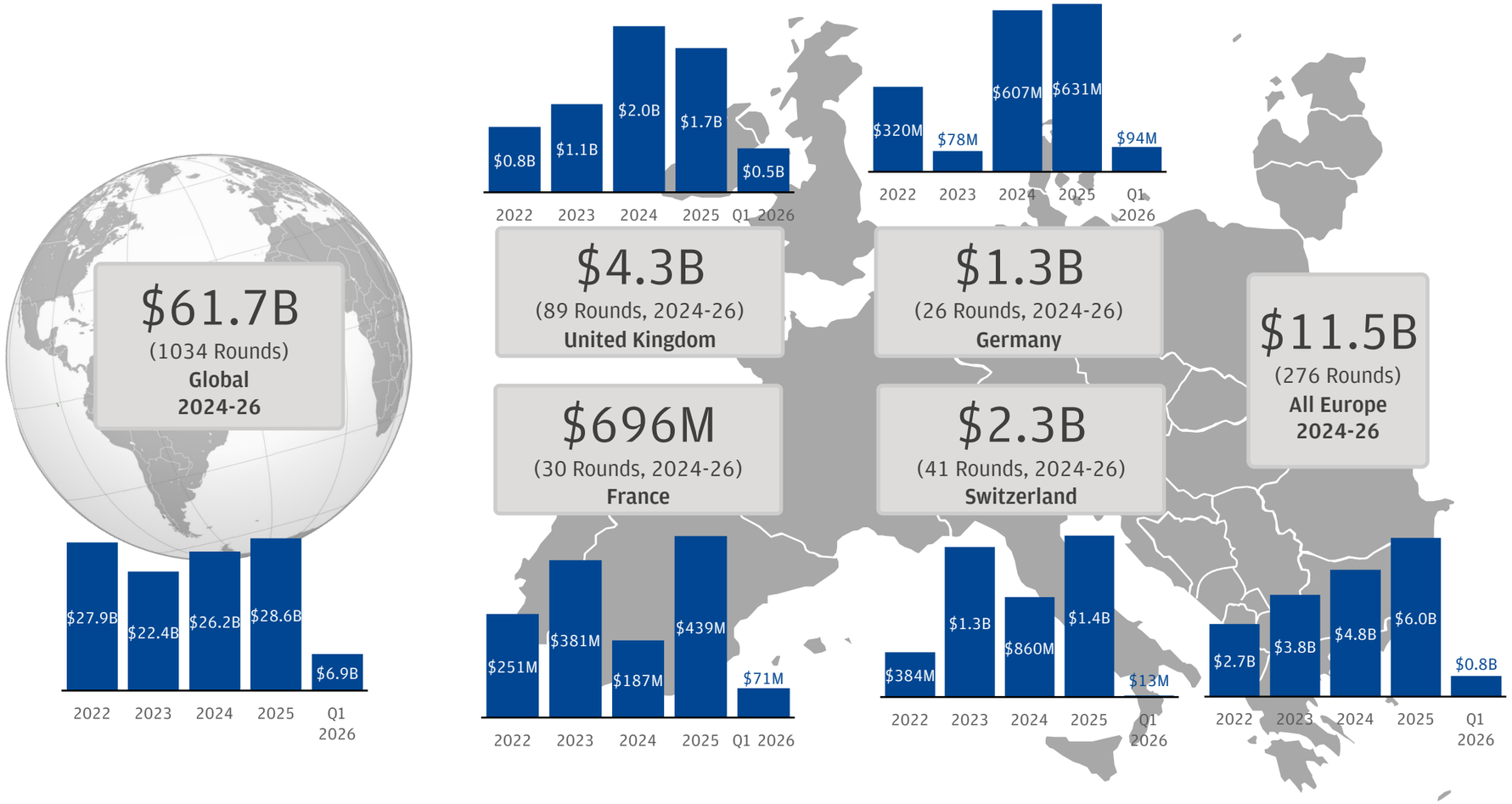
From 2024 through Q1 2026, biopharma companies raised $61.7 billion globally across 1,034 rounds, with $44.1 billion – over 70% – flowing into U.S.-based companies.

The Bay Area ($14.8B across 164 rounds) and Boston ($12.5B across 166 rounds) continued to anchor the domestic landscape, together accounting for the lion's share of U.S. investment. San Diego ($4.7B across 50 rounds) and Philadelphia ($1.6B across 30 rounds) solidified their positions as the third and fourth largest U.S. hubs respectively, following two record-setting years that have elevated their profiles among investors seeking opportunities beyond the traditional coastal powerhouses.

Note: [1]Financials based on disclosed figures. Data through March 31, 2026.

European biopharma investment continued to increase

BIOPHARMA VENTURE INVESTMENT BY GEOGRAPHY, 2024 TO Q1 2026[1]

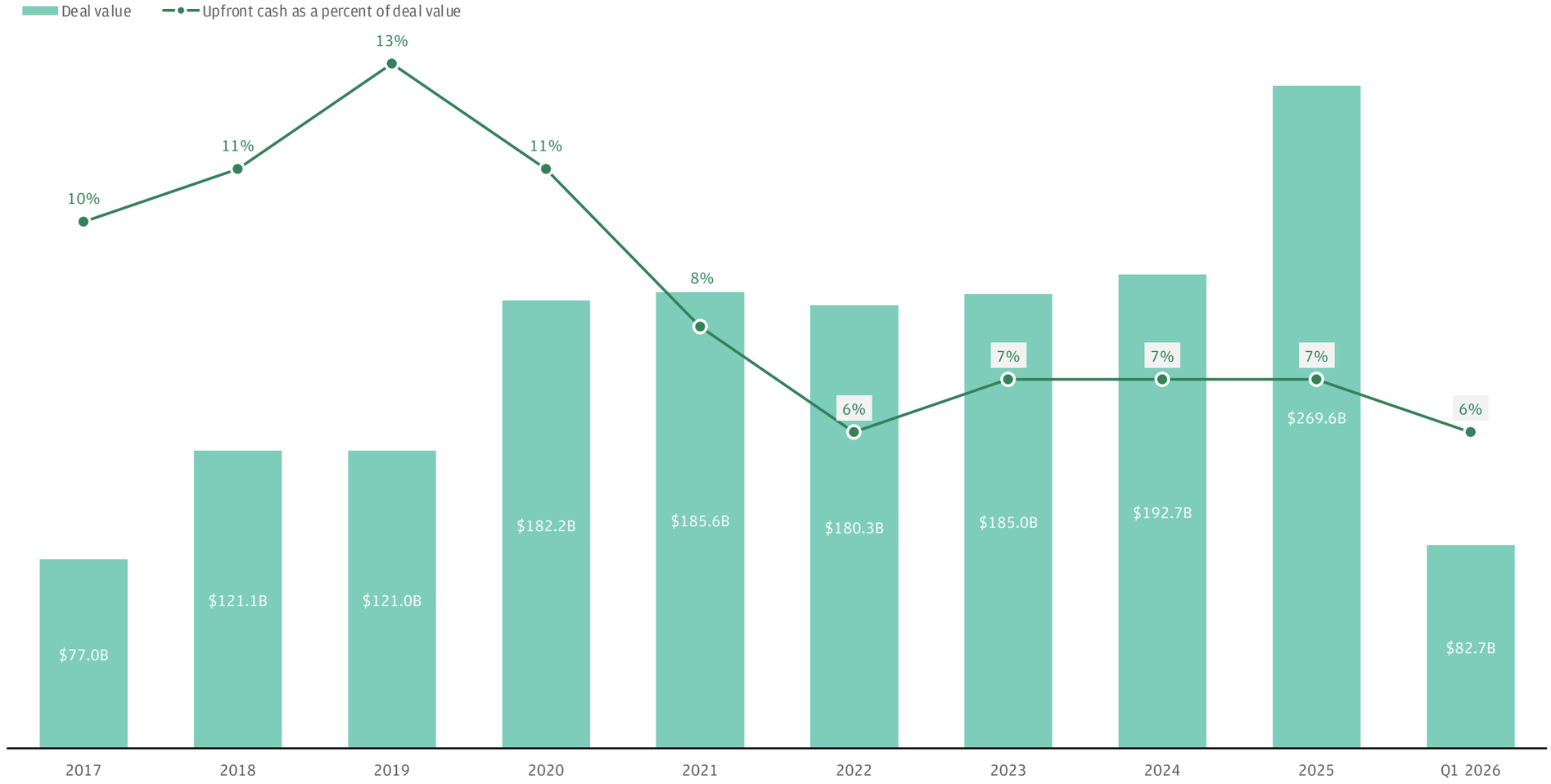


European biopharma companies raised $11.5 billion across 276 rounds from 2024 through Q1 2026, extending an upward trajectory that has been building steadily since 2022 . The United Kingdom ($4.3B across 89 rounds) and Switzerland ($2.3B across 41 rounds) remained the leading hubs by capital raised. German biopharma companies have attracted increasing capital in recent periods, while France ($696M across 30 rounds) continued to contribute meaningfully to the broader European ecosystem. The breadth and consistency of investment across multiple European markets suggests that the region is increasingly being viewed not just as a source of scientific talent, but as a viable and growing destination for venture capital seeking differentiated biopharma opportunities.

Note: [1]Financials based on disclosed figures. Data through March 31, 2026.

Licensing value stayed elevated in Q1 2026, supported by milestone-heavy structures

BIOPHARMA THERAPEUTICS AND PLATFORMS R&D LICENSING TOTALS AND UPFRONT CASH AS A PROPORTION OF DEAL VALUE[1]



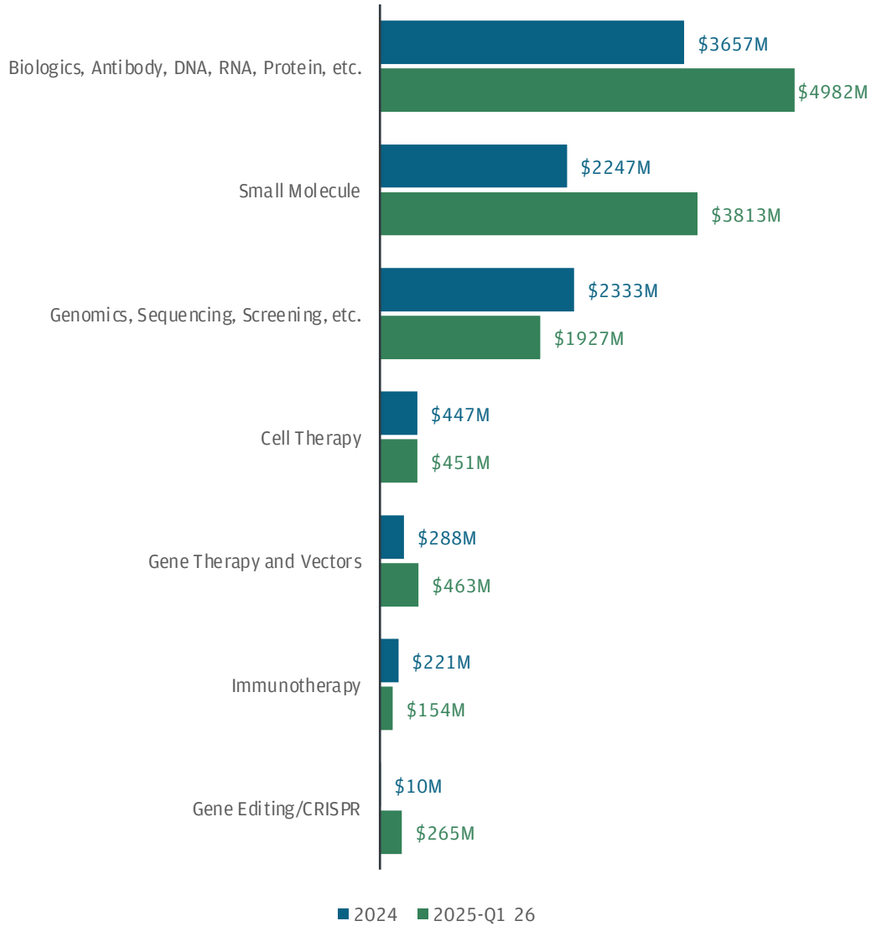
Biopharma licensing announced value reached $82.7 billion in Q1 2026, following the record $269.6 billion reached in 2025. While below 2025's pace, activity remains elevated relative to most prior years.

Upfront cash represented 6% of total deal value in Q1 2026, modestly below the 7% seen in 2023-25, highlighting the continued importance of large development, regulatory and commercial milestone packages in current deal structures.

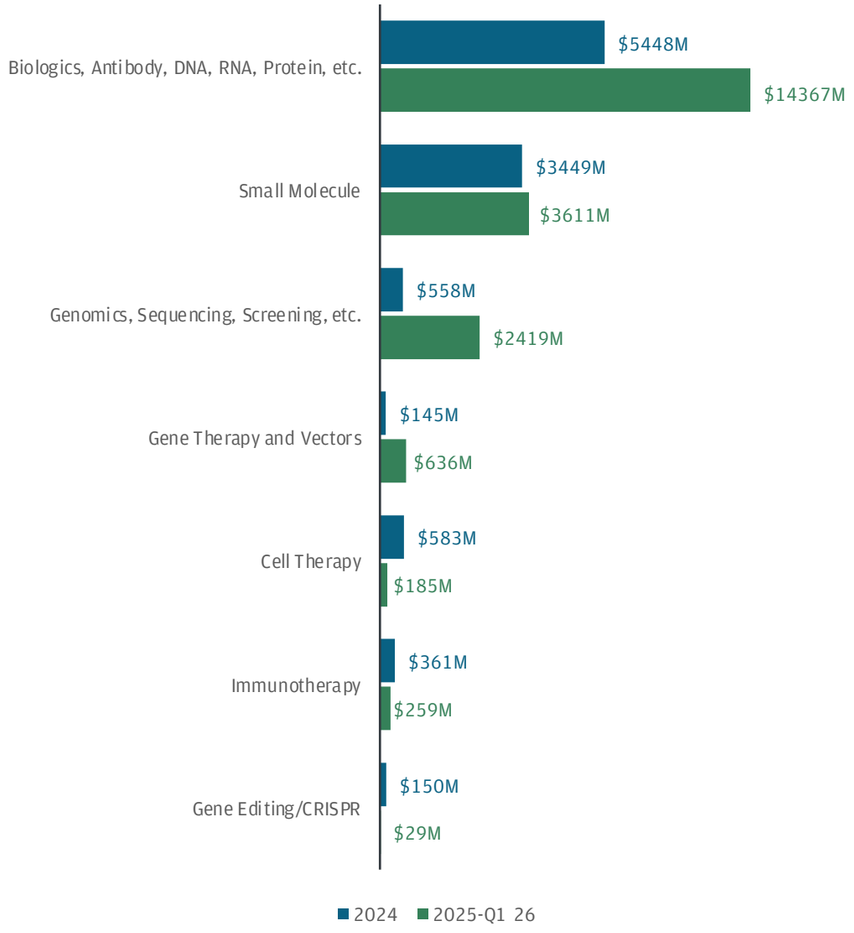
Note: [1]Financials based on disclosed figures. Data through March 31, 2026.

Biologics continued to lead early-stage funding and licensing upfronts entering 2026

TOP BIOPHARMA MODALITIES: TOTAL SEED AND SERIES A VENTURE FUNDING[1]



TOP BIOPHARMA MODALITIES: TOTAL LICENSING UPFRONT CASH AND EQUITY[1]



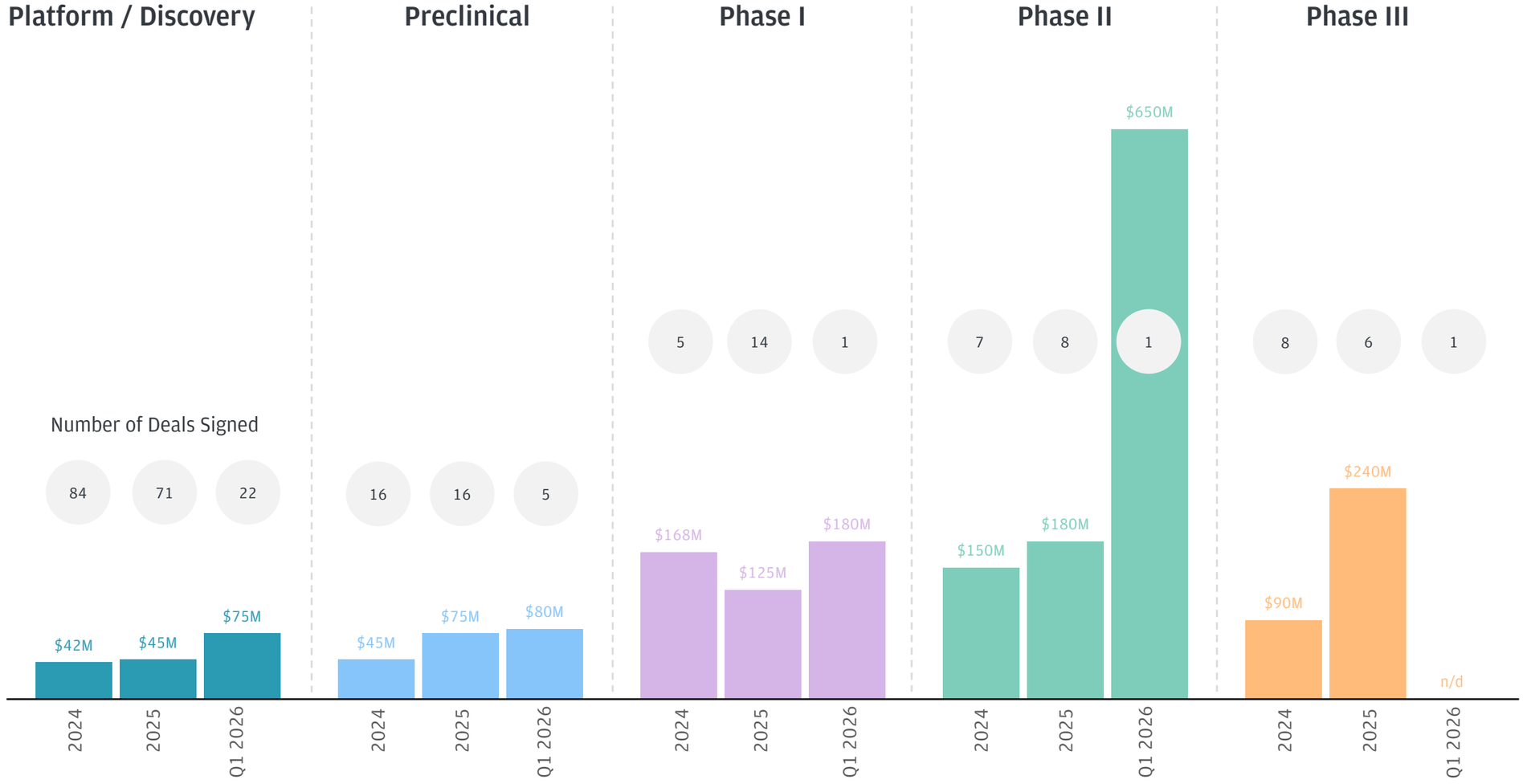
Biologics remained the largest modality in both Seed/Series A venture funding and licensing upfront cash through 2025 and Q1 2026, reflecting sustained demand for differentiated antibody, protein and related platforms.

Small molecules continued to rank second across both venture and licensing, while gene therapy and genomics-related modalities also contributed meaningfully. Overall, capital remains concentrated in modalities with strong validation and multiple partnership pathways.

Note: [1]Financials based on disclosed figures. Data through March 31, 2026.

Big pharma continued to pay premium upfronts for late-stage assets in Q1 2026

IN-LICENSING BY BIG PHARMA: MEDIAN UPFRONT CASH & EQUITY AND NUMBER OF DEALS BY STAGE AT SIGNING[1]



In Q1 2026, large-cap biopharma in-licensing remained focused on late-stage programs, with median upfront cash and equity of $650 million for Phase II assets, though based on a limited number of deals. Phase III activity was more muted to start the year.

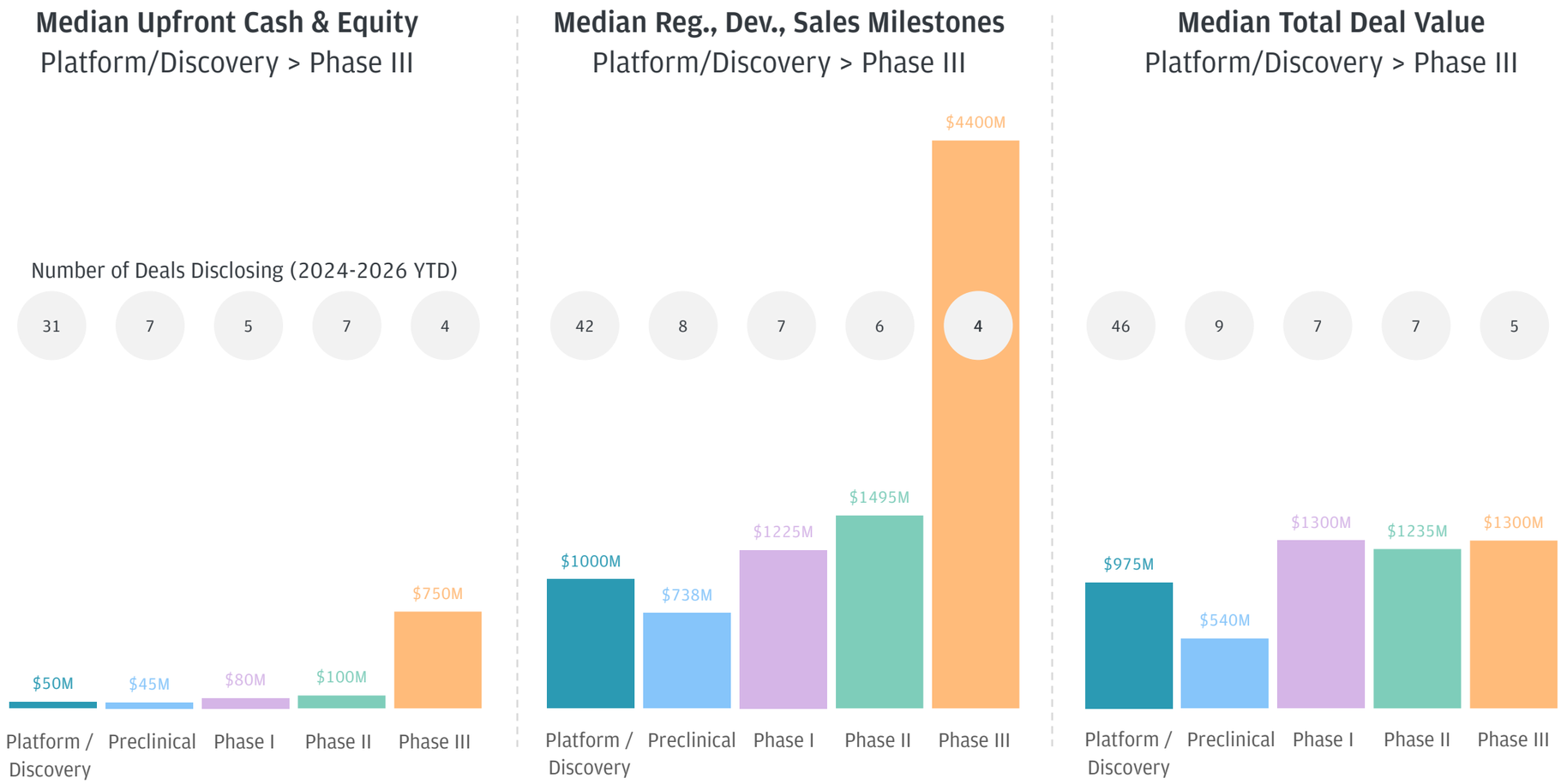
Big pharma also continued to transact selectively at earlier stages, including preclinical and platform deals, reflecting the need to balance near-term pipeline replacement with longer-term optionality.

Note: [1]Financials based on disclosed figures. Data through March 31, 2026. Stage of lead asset in multi-asset deals.

Source: DealForma.com database.

Oncology licensing economics remained strongest in Phase II and Phase III programs

IN-LICENSING BY BIG PHARMA: MEDIAN DEAL PAYMENTS AND NUMBER OF DEALS DISCLOSING VALUES BY STAGE AT SIGNING, ONCOLOGY ASSETS, 2024 TO Q1 2026[1]



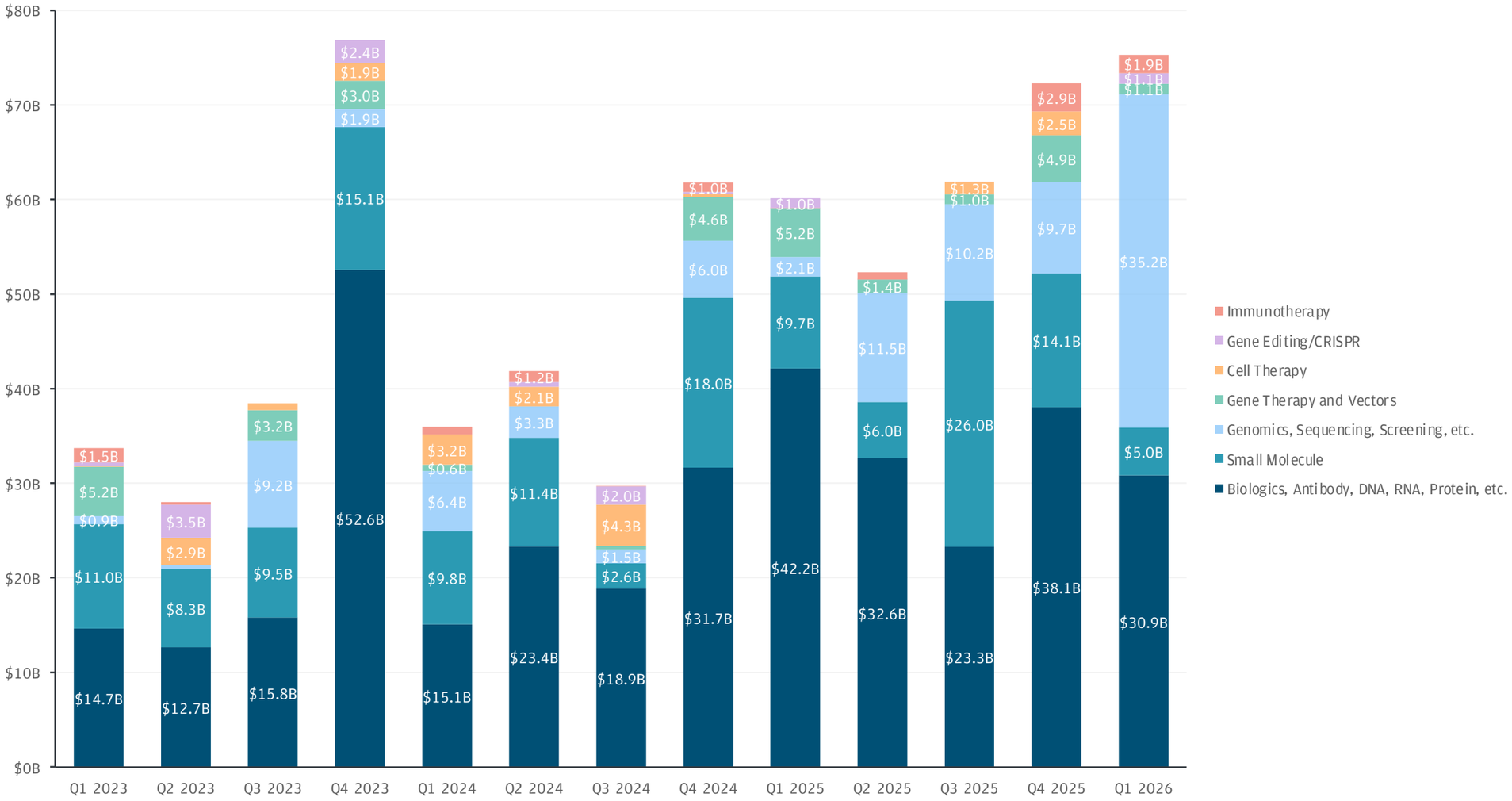
Oncology remained the most active therapeutic area for large-cap biopharma licensing through Q1 2026, with the highest median upfronts and total deal values concentrated in Phase II and Phase III assets.

Later-stage oncology deals continue to command large milestone packages and premium upfront economics, reflecting sustained demand for differentiated assets with near-term commercial relevance.

Note: [1]Financials based on disclosed figures. Not all deals disclose all payment terms. Data through March 31, 2026. Stage of lead asset in multi-asset deals. Median reg., dev., sales milestones means regulatory, development, and sales milestones.

Biologics and small molecules continued to dominate licensing value in Q1 2026

R&D PARTNERSHIPS FOR TOP BIOPHARMA MODALITIES: TOTAL ANNOUNCED DEAL VALUE



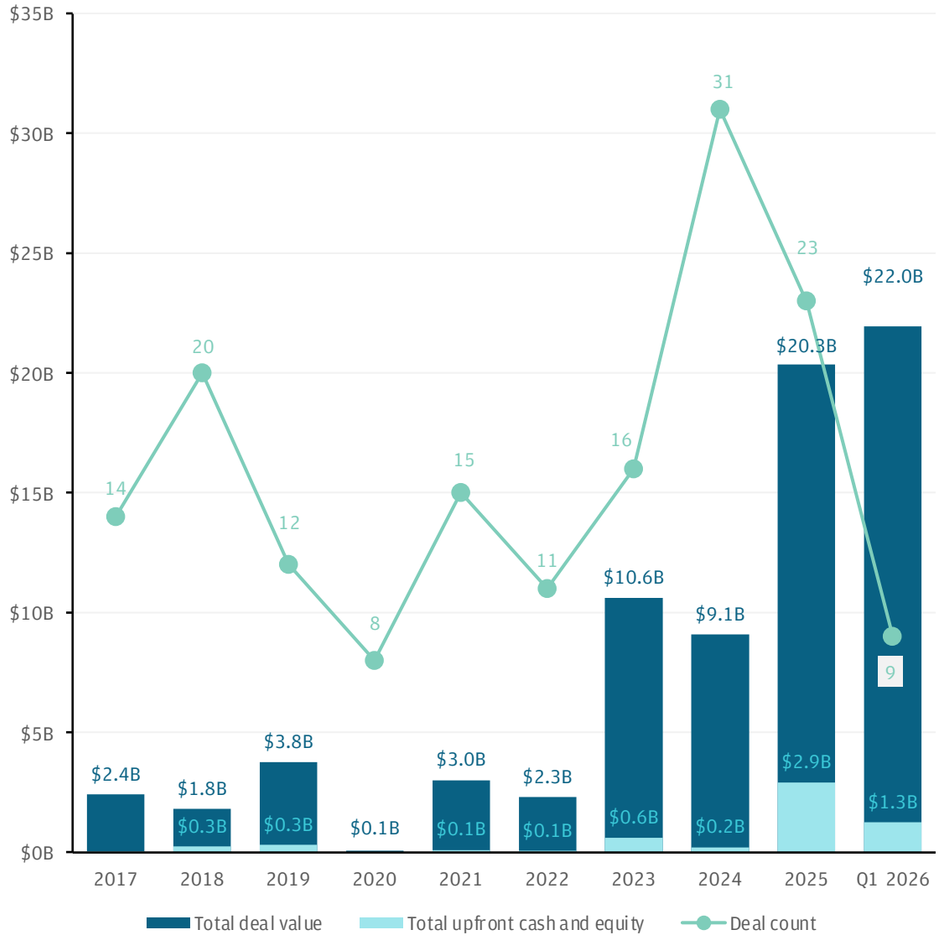
In Q1 2026, announced R&D partnership value remained led by biologics, followed by small molecules, continuing the modality concentration seen throughout 2025.

Headline values continue to be supported by a relatively small number of large transactions, particularly in validated modalities and competitive target classes where strategic acquirers and partners are willing to pay a premium for differentiated assets. Other modalities—including gene therapy, cell therapy, gene editing, and immunotherapy—contribute more episodically, though their presence in the deal mix speaks to ongoing interest in next-generation platforms that could reshape the therapeutic landscape over time.

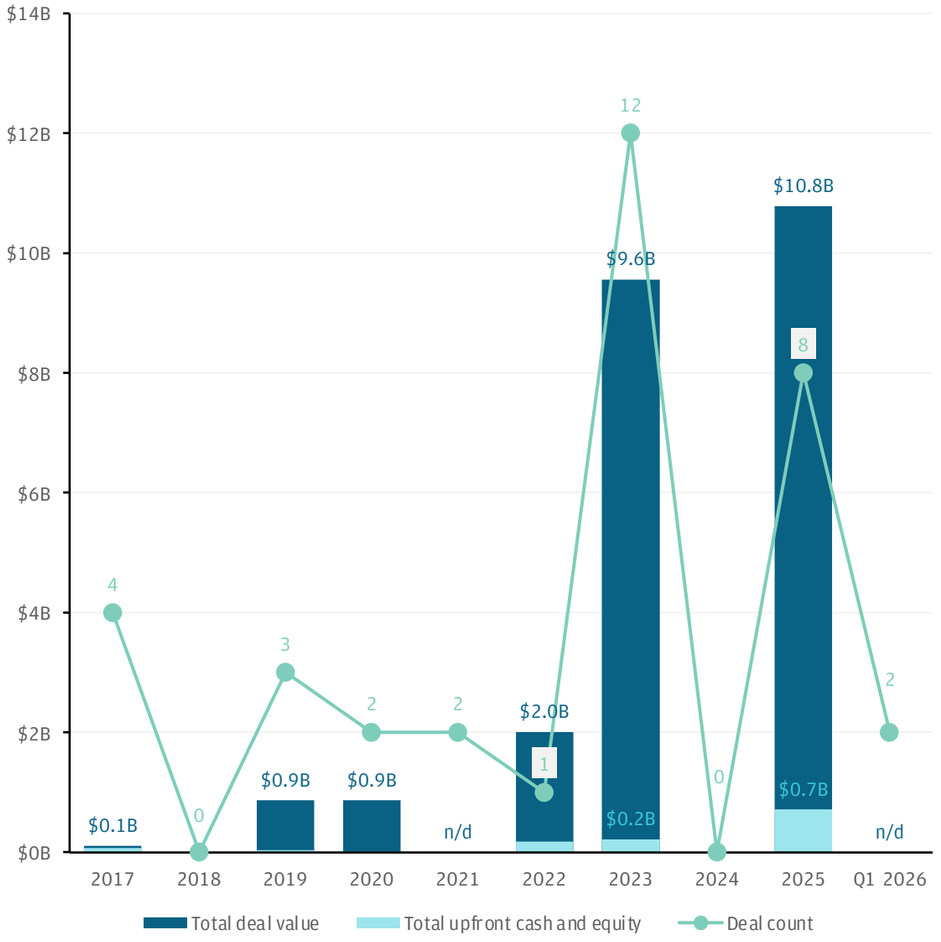
Note: [1]Financials based on disclosed figures. Data through March 31, 2026.

Obesity and diabetes licensing remained active in Q1 2026, though below 2025 peak levels

R&D PARTNERSHIPS FOR BIOPHARMA THERAPEUTICS AND DRUG DISCOVERY: OBESITY AND DIABETES



R&D PARTNERSHIPS FOR BIOPHARMA THERAPEUTICS AND DRUG DISCOVERY: GLP-1, GLP-1R AND GIP TARGETED THERAPEUTICS



R&D partnerships in obesity and diabetes reached $22.0 billion in total announced deal value in Q1 2026, exceeding full-year 2025 levels, and upfront cash and equity was just as strong at $1.3 billion through the first quarter.

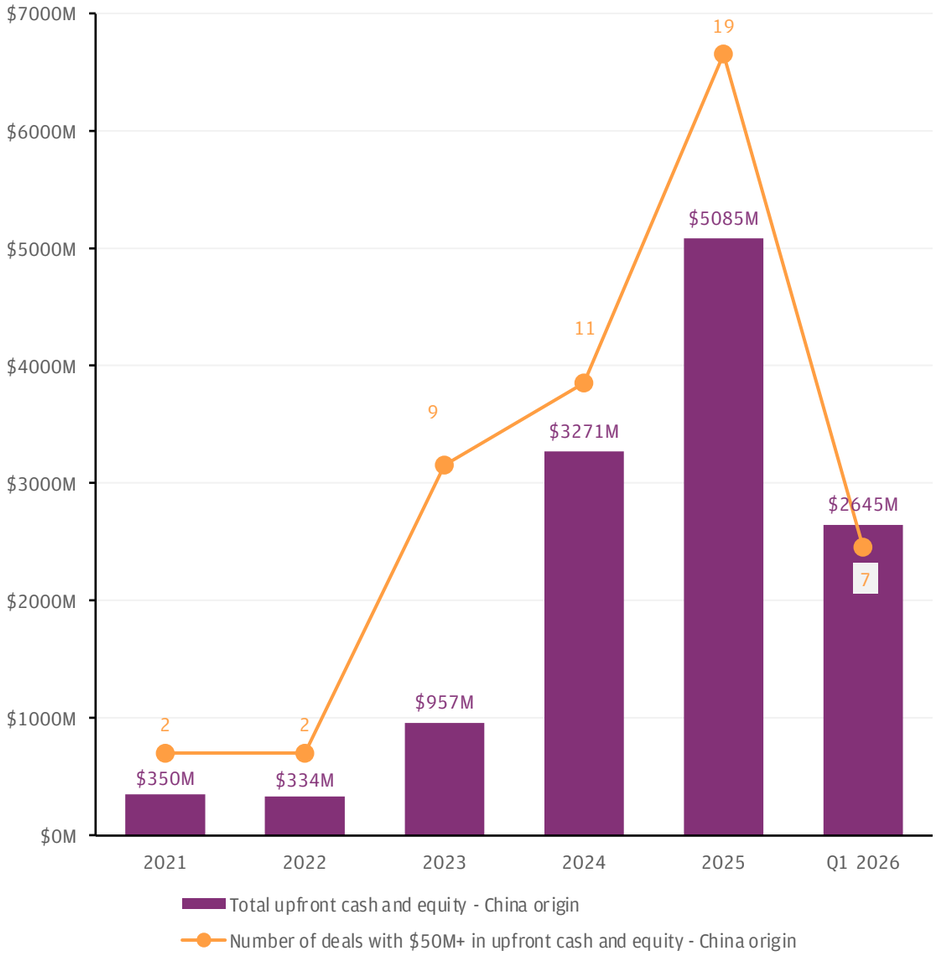
For GLP-1, GLP-1R, and GIP-targeted therapeutics, last year's total deal value reached $10.8 billion, following sporadic, but elevated, activity in 2023 and 2025. Q1 2026 has seen only two partnerships in for these targets, though financials were not disclosed for either. Strategic interest remains high, but deal flow is concentrated in a limited number of high-value transactions.

Note: [1]Financials based on disclosed figures. Data through March 31, 2026.

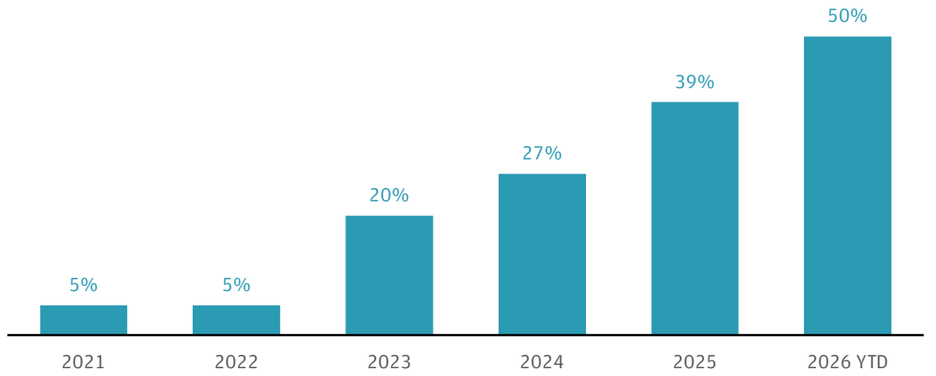
Source: DealForma.com database.

China-origin assets accounted for an even larger share of big pharma licensing in Q1 2026

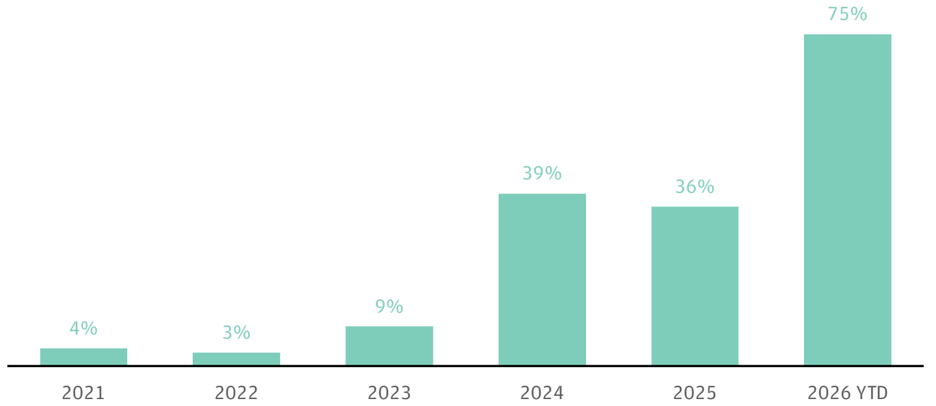
GLOBAL LARGE-CAP BIOPHARMA IN-LICENSING FROM CHINESE BIOPHARMA: DEALS WITH AT LEAST $50 MILLION PAID UP FRONT



SHARE OF GLOBAL BIG PHARMA DEALS WITH $50M+ UPFRONT ORIGINATING FROM CHINA—DEAL COUNT



SHARE OF GLOBAL BIG PHARMA UPFRONTS OVER $50M+ PAID TO CHINESE BIOPHARMA



Global large-cap biopharma continued to source assets from Chinese biopharma in Q1 2026, with seven deals carrying upfront payments of at least $50 million and total upfront cash and equity of $2.6 billion.

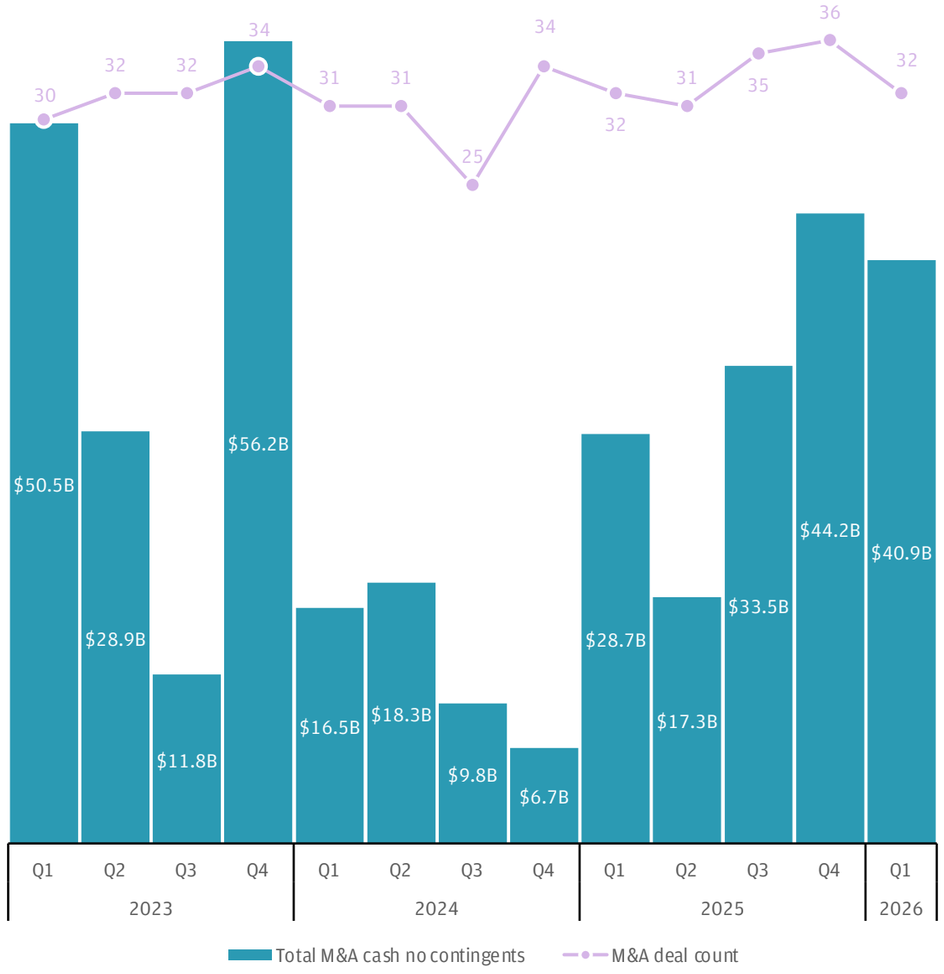
China-origin biopharma assets represented 50% of global large-cap pharma deals with upfronts above $50 million in Q1 2026 and 75% of total upfront dollars in that group, highlighting China's growing role as a source of competitive licensing opportunities.

Early-stage biotechs are increasingly engaging Chinese Biopharma to evaluate if purchasing versus building early-stage assets is a more capital-efficient starting point.

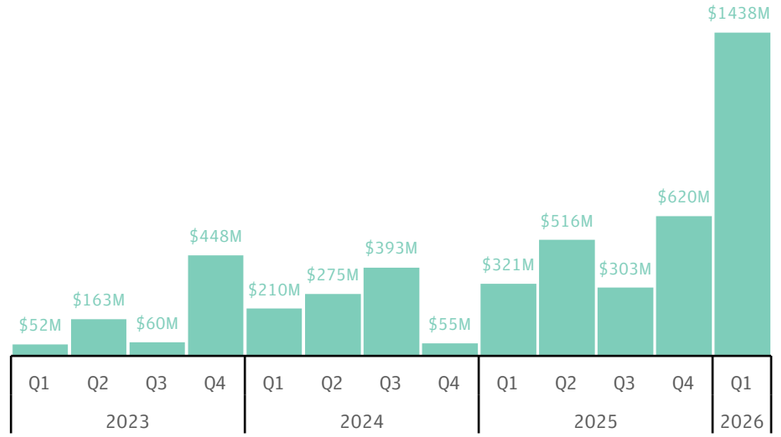
Note: [1]Financials based on disclosed figures. Data through March 31, 2026. Deals among global large-cap biopharma and Chinese domiciled biopharma.

Biopharma M&A remained active in Q1 2026 following a strong 2025 rebound

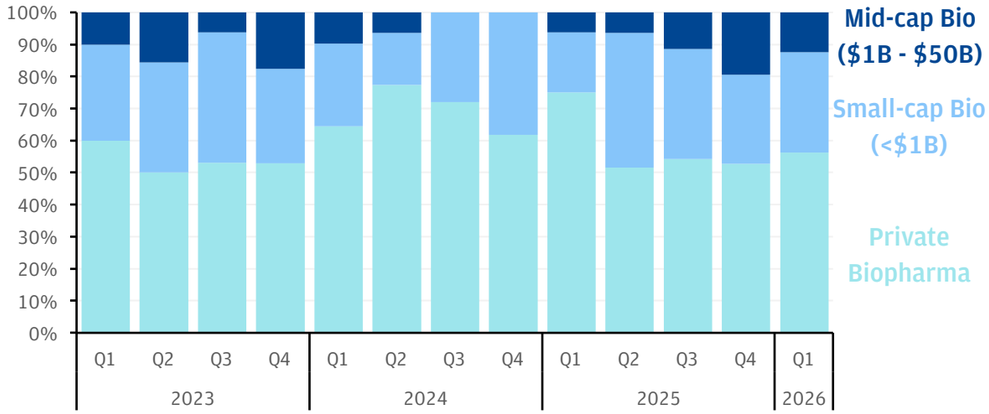
NUMBER OF BIOPHARMA M&A DEALS AND UPFRONT CASH AND EQUITY[1,2]



MEDIAN M&A UPFRONT CASH AND EQUITY[1,2]



COUNT OF M&A DEALS BY ACQUIRED COMPANY TYPE[1,2]



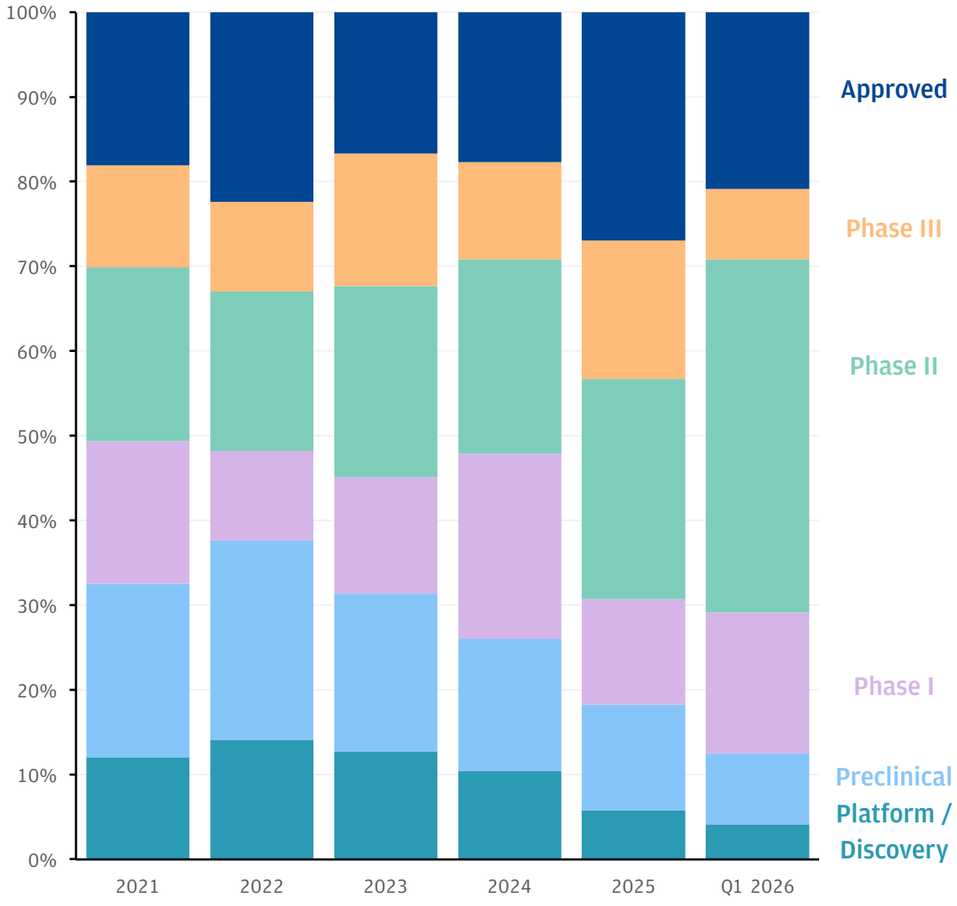
Biopharma M&A totaled $40.9 billion in committed upfront value across 32 deals in Q1 2026, down slightly from the elevated pace seen in Q4 2025 but still consistent with continued strategic activity. Median upfront cash and equity reached $1.4 billion in Q1 2026, indicating that buyers remain willing to pay for high-quality assets even as broader valuation discipline persists.

Private companies continued to account for a significant share of target volume, while strategic buyers remained focused on pipeline replenishment and selective late-stage acquisitions. Notable deals include Merck's acquisition of Terns Pharmaceuticals for $6.7 billion, and Eli Lilly's acquisition of Centessa Pharmaceuticals for $7.8 billion ($6.3 billion upfront).

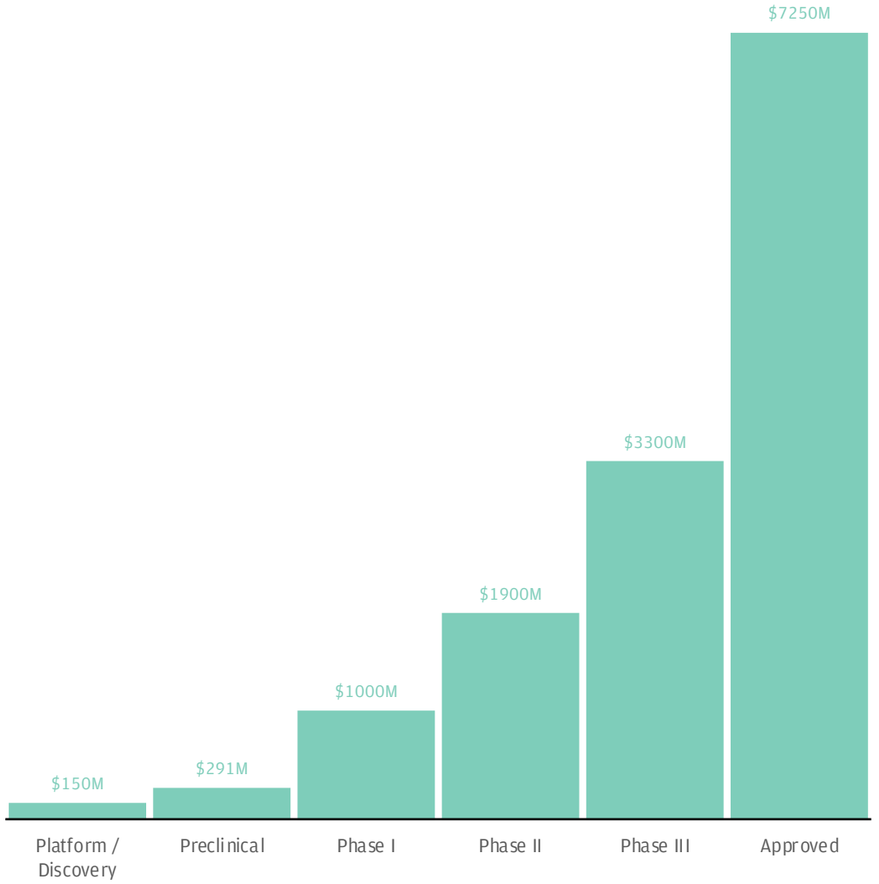
Note: [1]Financials based on disclosed figures. Data through March 31, 2026. [2]Biopharma M&A with any buyer type, acquisition options, and reverse mergers.

Biopharma M&A buyers continued to focus on later-stage and approved companies

SHARE OF BIOPHARMA M&A BY TARGET COMPANY STAGE AT ACQUISITION[1,2]



MEDIAN M&A UPFRONT CASH AND EQUITY BY TARGET COMPANY STAGE, 2021 TO Q1 2026
LARGE-CAP ($50B+) BIOPHARMA BUY-SIDE[1,2]



Through Q1 2026, biopharma M&A continued to skew toward Phase II, Phase III, and approved-stage companies, reflecting continued buyer preference for more advanced and de-risked assets.

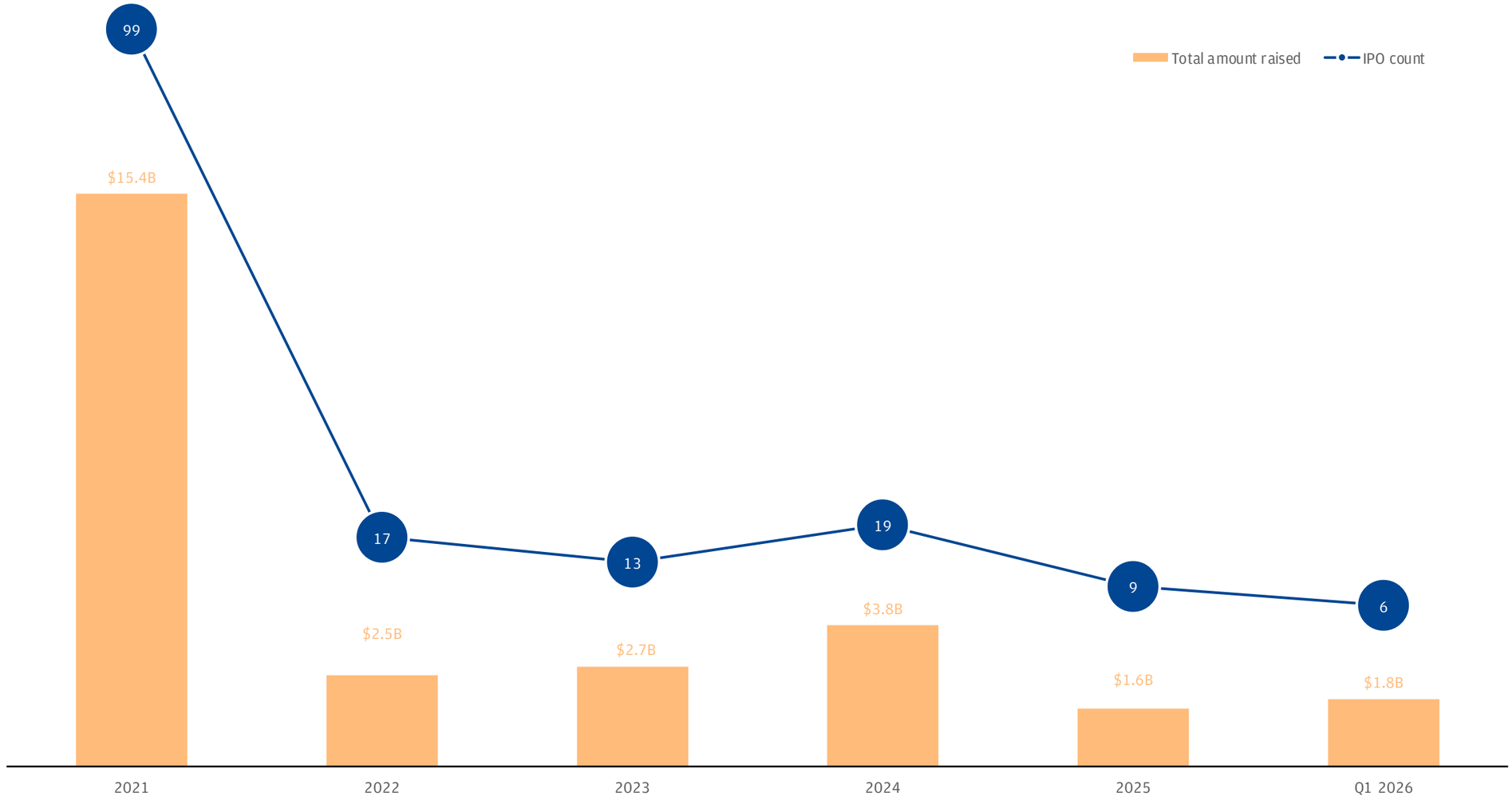
Median transaction values rise materially with asset maturity, reaching $3.3 billion for Phase III companies and $7.3 billion for approved-stage targets across 2021-Q1 2026, underscoring the premium placed on later-stage assets.

Note: [1]Financials based on disclosed figures. Data through March 31, 2026. [2]Biopharma-to-Biopharma M&A, acquisition options, and reverse mergers.

Source: DealForma.com database.

Biopharma IPO activity improved modestly in Q1 2026

NASDAQ AND NYSE COMPLETED IPOS IN BIOPHARMA THERAPEUTICS AND PLATFORMS: TOTALS ($B) AND COUNT[1,2]



Biopharma IPO activity showed encouraging early momentum in Q1 2026, with six offerings on NASDAQ and NYSE raising $1.8 billion—already surpassing the $1.6 billion in total proceeds generated across all of 2025.

While the IPO count remains a fraction of the 99 offerings completed during the 2021 peak, the strength of Q1 proceeds suggests that when the right issuers come to market, investor demand is there to meet them. That said, the window remains open primarily to a limited set of later-stage, well-positioned companies, leaving IPOs a selective financing path relative to licensing and M&A—and reinforcing the notion that public market access in biopharma continues to favor quality and readiness over volume.

Note: [1]Financials based on disclosed figures. Data through March 31, 2026. [2]Includes only NASDAQ and NYSE IPOs over $15 million. Excludes Kenvue, Inc. (Q2 2023, $4.4B) and other OTC focused companies. IPOs by completion date.

Source: DealForma.com database.

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