J.P.Morgan

Q2 2026 Biopharma Licensing and Venture Report

July 2026

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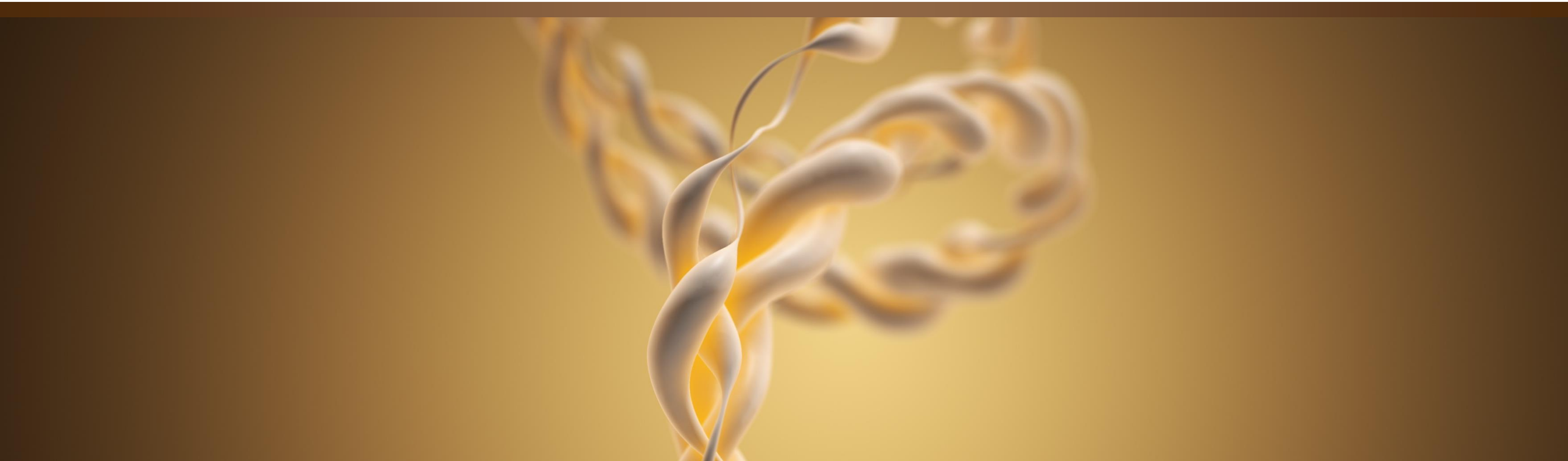
DEALFORMA



Executive summary

Biopharma deal activity strengthened in H1 2026, as licensing, M&A and IPOs gained momentum

Biopharma financing and transaction activity through H1 2026 remained constructive, with capital concentrated around later-stage assets, differentiated science and programs with more defined clinical and commercial catalysts. Venture funding improved modestly in Q2 capping off a robust first half of the year, though deal count remained below prior-cycle levels.

Large-cap biopharma continued to pursue external innovation through licensing and M&A transactions. Licensing deals remained elevated and milestone-heavy, while M&A delivered back-to-back quarters of robust activity as 33 deals were announced with values of $1 billion or greater.

Here are a few highlights from our Q2 2026 report:

- **Venture investment:** Biopharma venture funding totaled $16.3 billion across 235 rounds in H1 2026, with Q2 funding of $9.2 billion and 2026 pacing toward roughly $33 billion.
- **Biopharma licensing partnerships:** Announced R&D licensing value reached $166.7 billion in H1 2026. China-origin assets continued to play an outsized role, representing 42% of global large-cap licensing deals with $50 million+ upfront payments and 68% of upfront dollars in those transactions.
- **M&A:** Biopharma M&A totaled $96 billion in upfront cash across 80 deals in H1 2026, including $55.1 billion from 48 deals in Q2.
- **IPOs:** Biopharma IPOs raised $5 billion across 13 offerings in H1 2026, already exceeding full-year totals from 2022 through 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 to the most graduated, complex M&A and capital markets transactions. Regardless of the size or stage of your company, we are prepared, equipped and enthusiastic about advising and enabling you to 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

Contributor
Dan Greaney, CFA
Executive Director, 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.

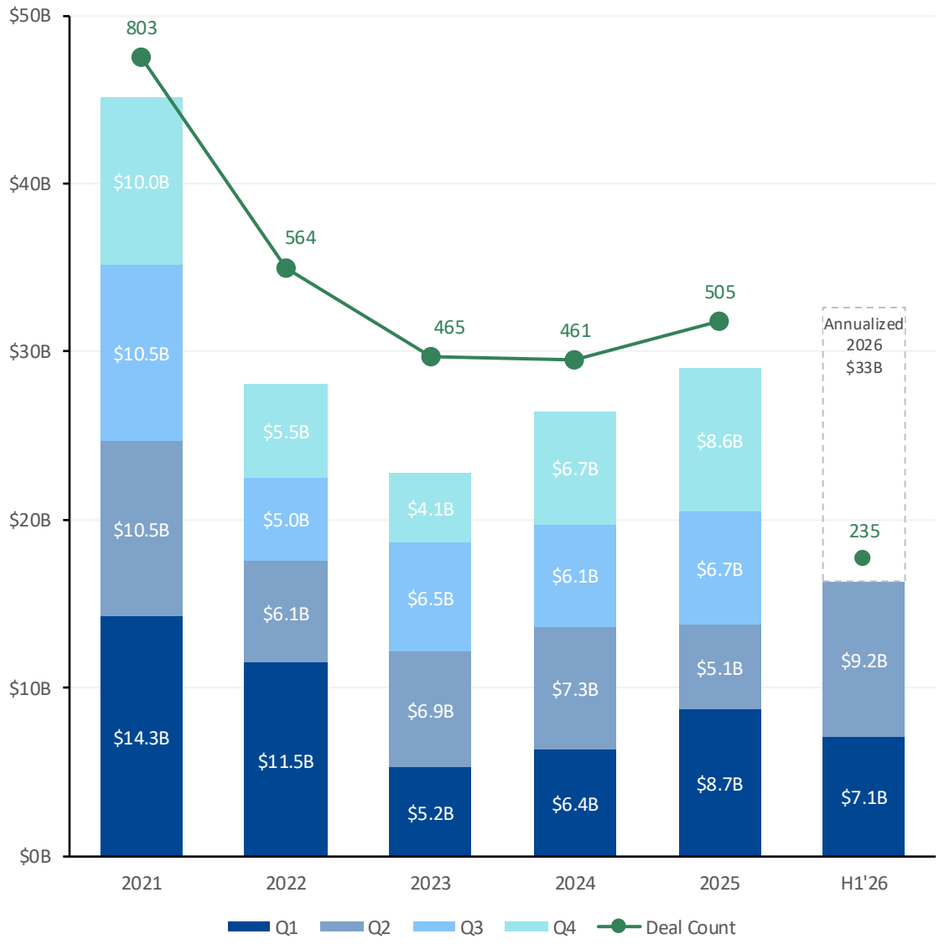
Therapy areas, development stages, modalities and deal structures are segmented per the DealForma database.

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

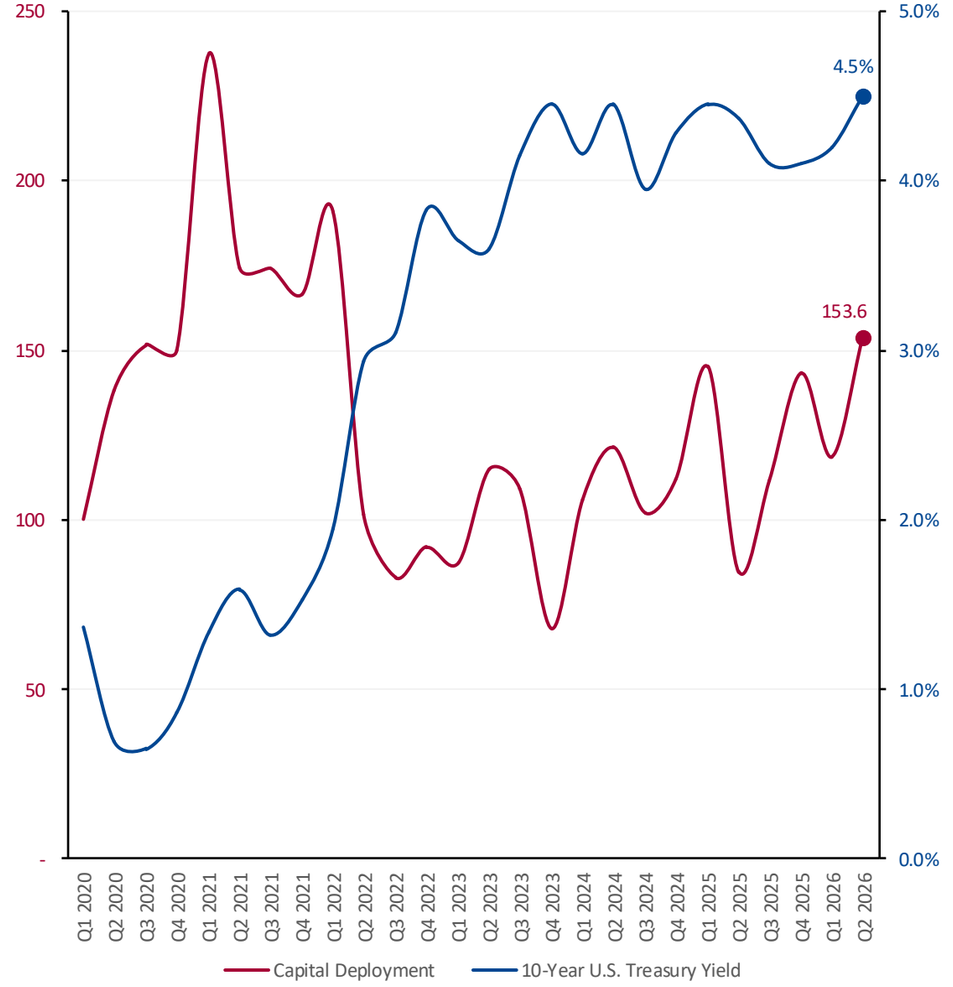
Data as of June 30, 2026

Biopharma venture funding improved in Q2, though deal count remained constrained

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



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



Global biopharma venture funding totaled $16.3 billion across 235 rounds in H1 2026, with Q2 funding of $9.2 billion—meaningfully above Q1 and the second largest Q2 since 2021.

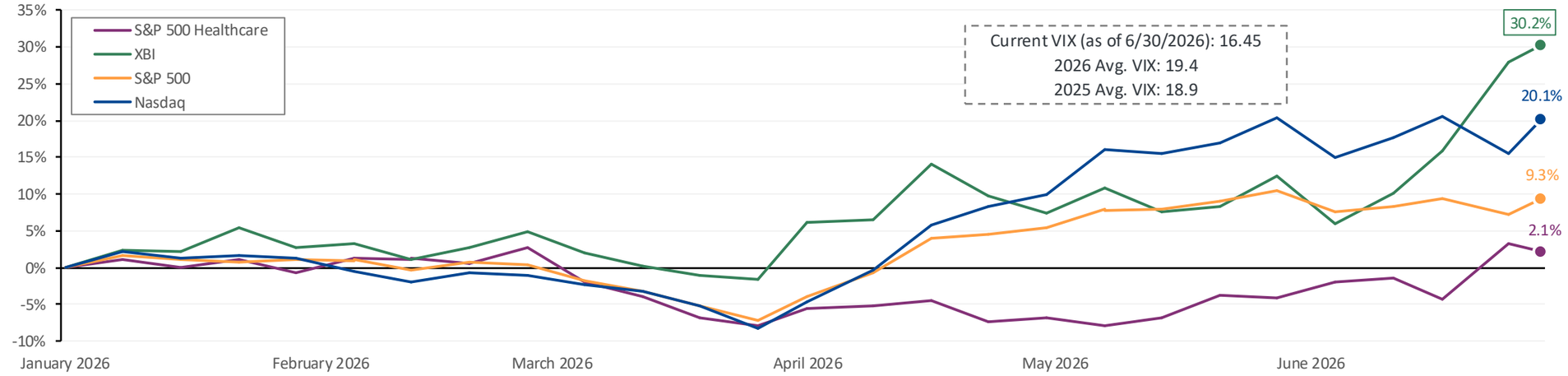
The current pace implies $33 billion for full-year 2026, increasing annually since 2023. If H2 2026 carries the momentum, the industry would experience a 12% growth rate in investment dollars YoY and, similarly, a 3-year CAGR of 13% from 2023.

Capital deployment in the biopharma industry has trended positively since 2023 despite the 10-year U.S. Treasury yield nudging towards 4.5% over the same time frame and recent geopolitical tensions around the globe.

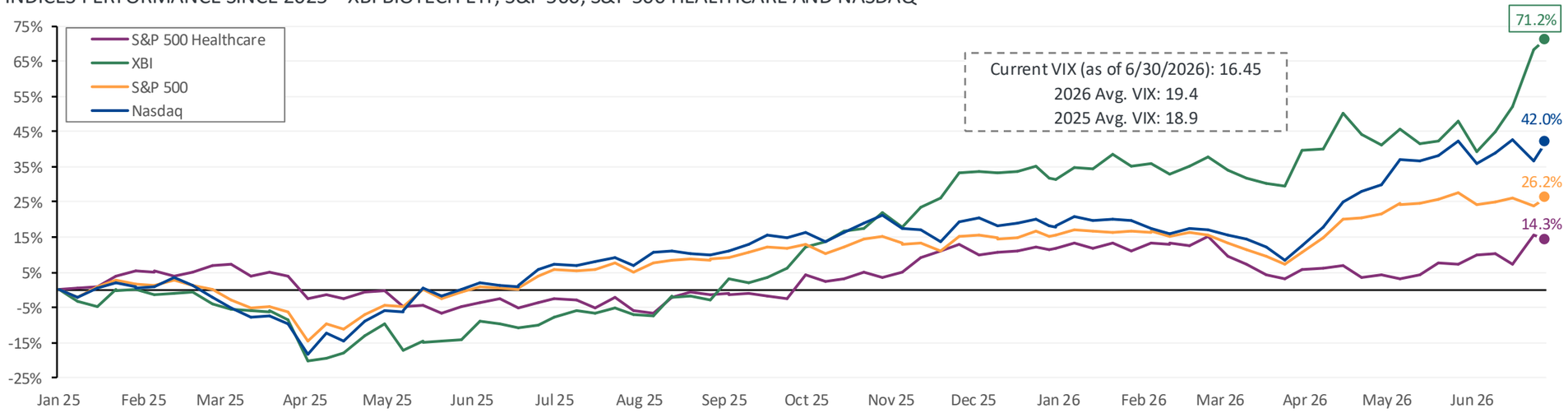
Note: [1]Financials based on disclosed figures. Data through June 30, 2026. [2]Biopharma venture capital deployment is indexed to Q1 2020, where Q1 2020 = 100.

Public biotech indices reaccelerated in H1 2026, outperforming major benchmarks

INDICES PERFORMANCE 2026 YTD—XBI BIOTECH ETF, S&P 500, S&P 500 HEALTHCARE AND NASDAQ



INDICES PERFORMANCE SINCE 2025—XBI BIOTECH ETF, S&P 500, S&P 500 HEALTHCARE AND NASDAQ



The XBI Biotech ETF materially outperformed major equity benchmarks during H1 2026, rising 30.2% versus 20.1% for the NASDAQ and 9.3% for the S&P 500.

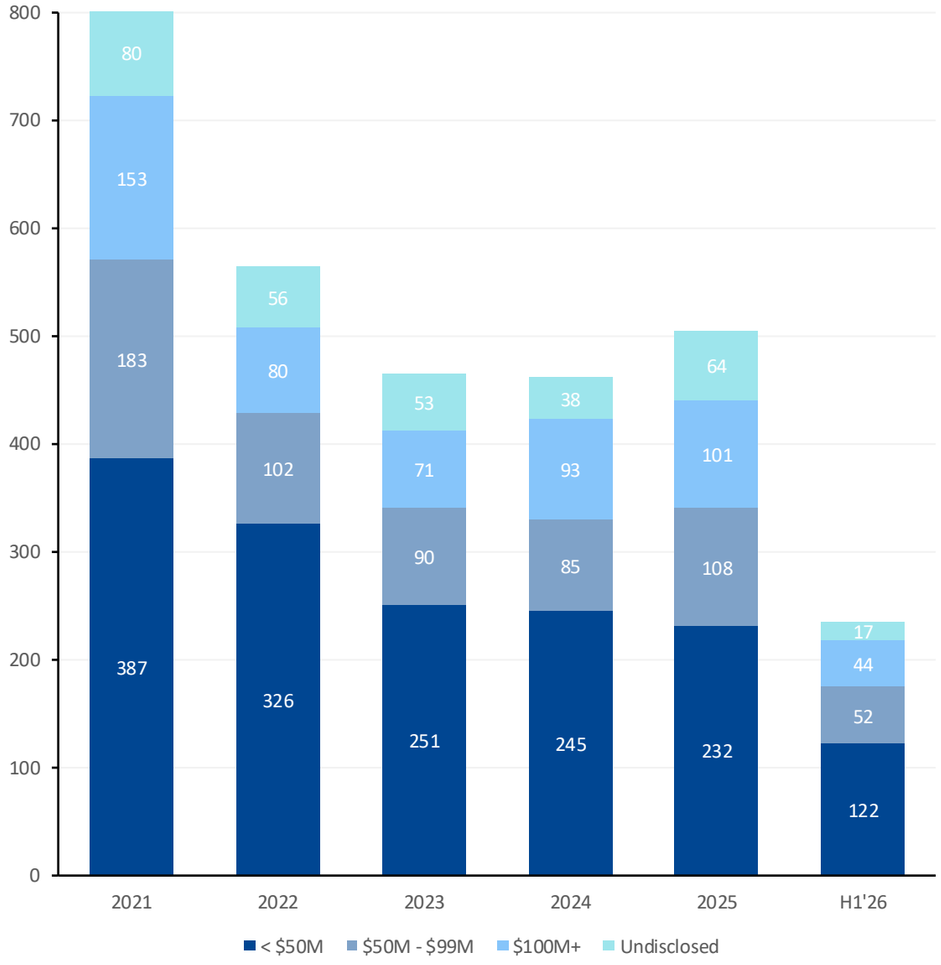
The rally occurred against a backdrop of subdued volatility, with the VIX remaining below recent annual averages despite ongoing macro and regulatory uncertainty. A VIX below 20 is generally considered conducive to IPO activity.

Improved public market performance likely supported the stronger IPO backdrop in H1 2026 as well as private capital funding, though capital remained concentrated among select companies with differentiated technologies.

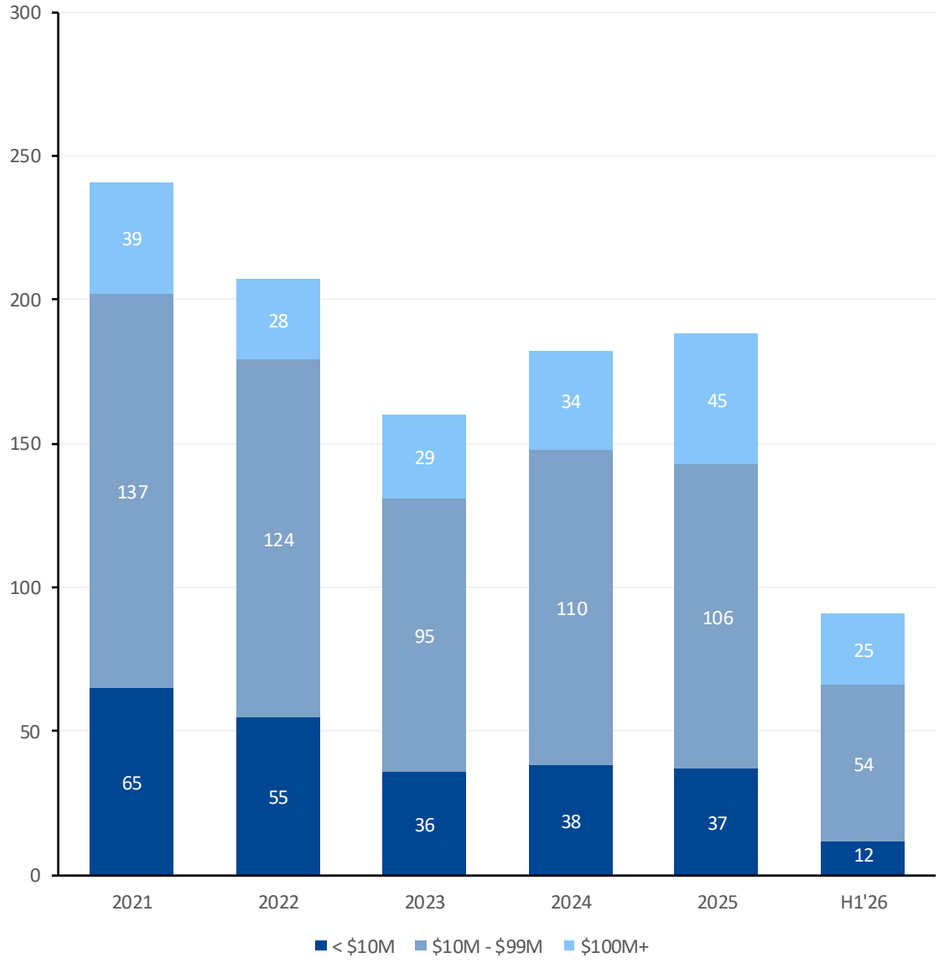
Note: Data through June 30, 2026. Top chart reflects year-to-date 2026 performance indexed to January 1, 2026 (=0%). Bottom chart reflects cumulative performance since 2025 indexed to January 1, 2025 (=0%). VIX as of June 30, 2026. XBI = SPDR S&P Biotech ETF. Performance shown for XBI, S&P 500, S&P 500 Healthcare and NASDAQ.

Large venture rounds and $100M+ licensing upfronts remained active in H1 2026

COUNT OF VENTURE INVESTMENT ROUNDS BY ROUND SIZE[1]



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



Venture round count remained below historical annual levels, but H1 2026 still included 44 rounds above $100 million and 52 rounds between $50 million and $99 million. Nearly half of the financings for the $50 million to $99 million segment were for Seed / Series A companies.

H1 2026 mega rounds included NewLimit's $435 million Series C and Ollin Biosciences $330 million Series B.

Licensing activity remained robust, with 25 R&D licensing deals disclosing upfront payments above $100 million in H1 2026, already more than half of the 2025 full-year total for deals with large upfront payments.

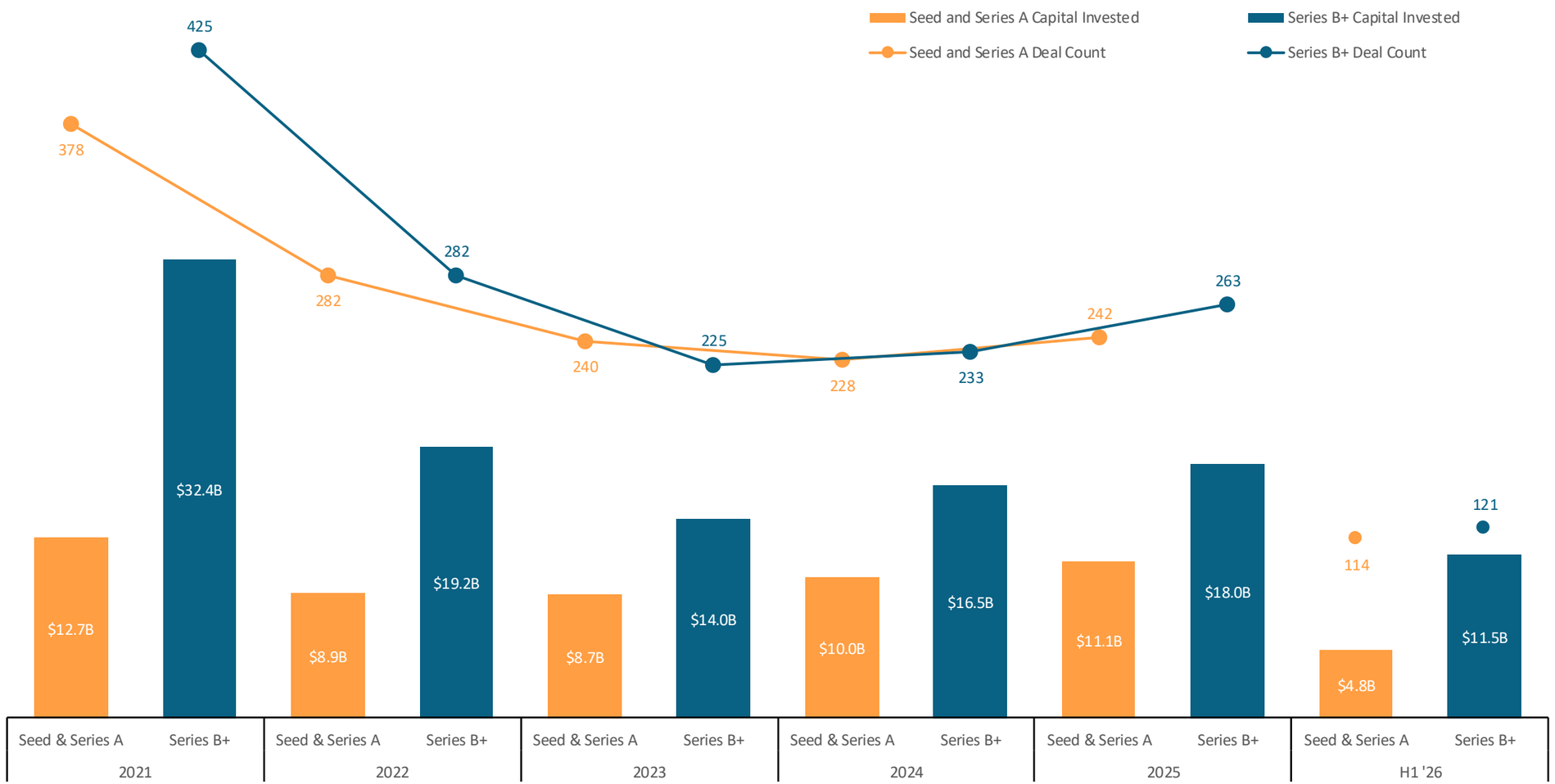
The data continues to show a bifurcated market: fewer venture-backed companies are raising capital, while high-quality assets have access to multiple funding sources.

Note: [1]Financials based on disclosed figures. Data through June 30, 2026.

Source: DealForma.com database.

Later-stage venture rounds continued to absorb most biopharma capital in H1 2026

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



Seed and Series A companies raised $4.8 billion across 114 deals in H1 2026, while Series B and later rounds raised $11.5 billion across 121 deals.

Although early-stage and later-stage deal counts were similar, later-stage rounds accounted for 71% of total deployed capital whereas in 2025, 62% of capital went to later-stage companies.

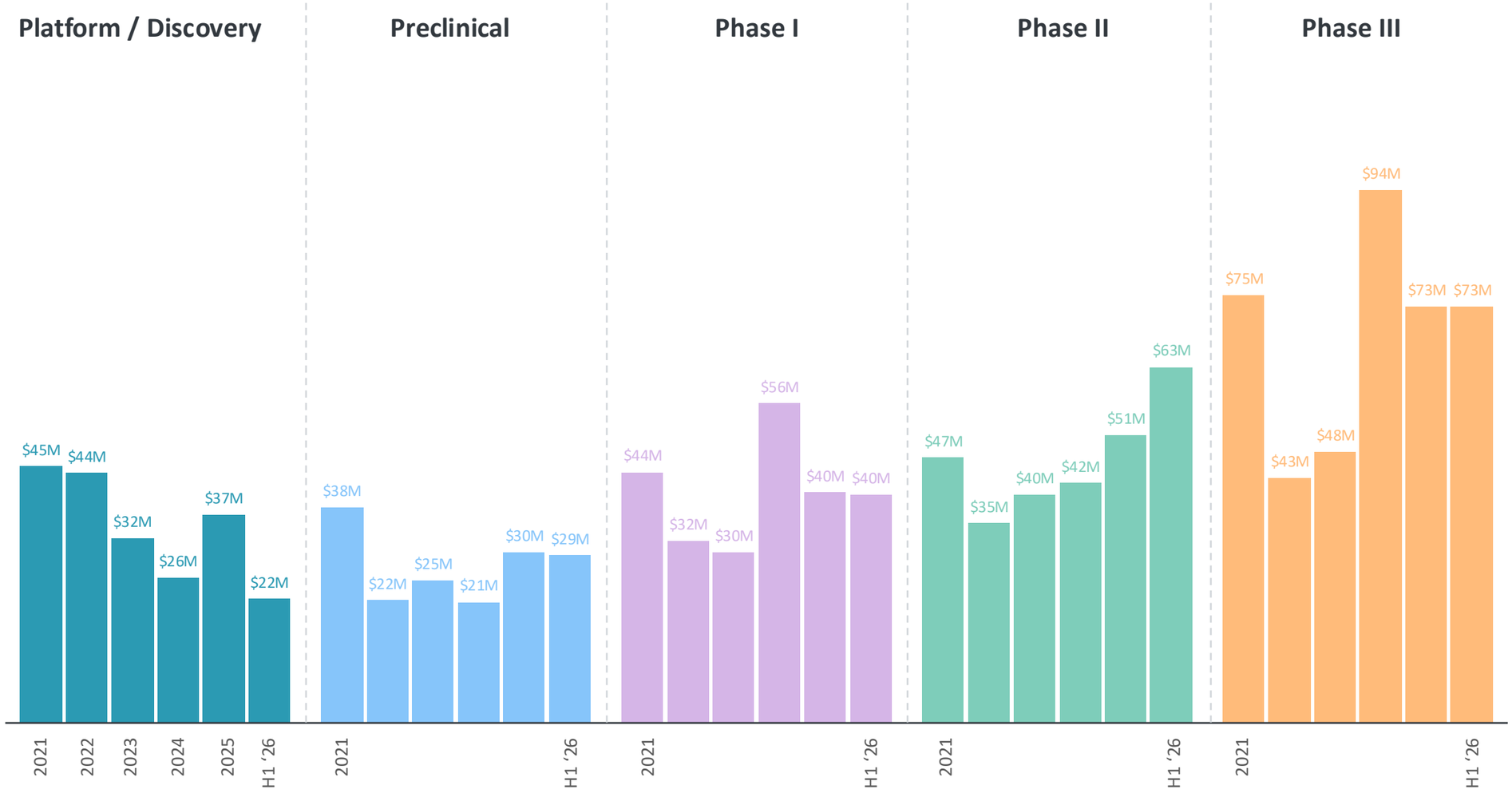
Investors continue to favor companies with established data packages, de-risked development paths and clearer near-term value inflection points.

Notable Series A financings in 2026 include Memento Medicines ($93 million) and Tortugas Neuro ($106 million).

Note: [1]Financials based on disclosed figures. Data through June 30, 2026.

Median round sizes remained highest for Phase II and Phase III companies in H1 2026

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



Median venture round sizes in H1 2026 were $22 million for platform/ discovery, $29 million for preclinical, $40 million for Phase I, $63 million for Phase II and $73 million for Phase III companies.

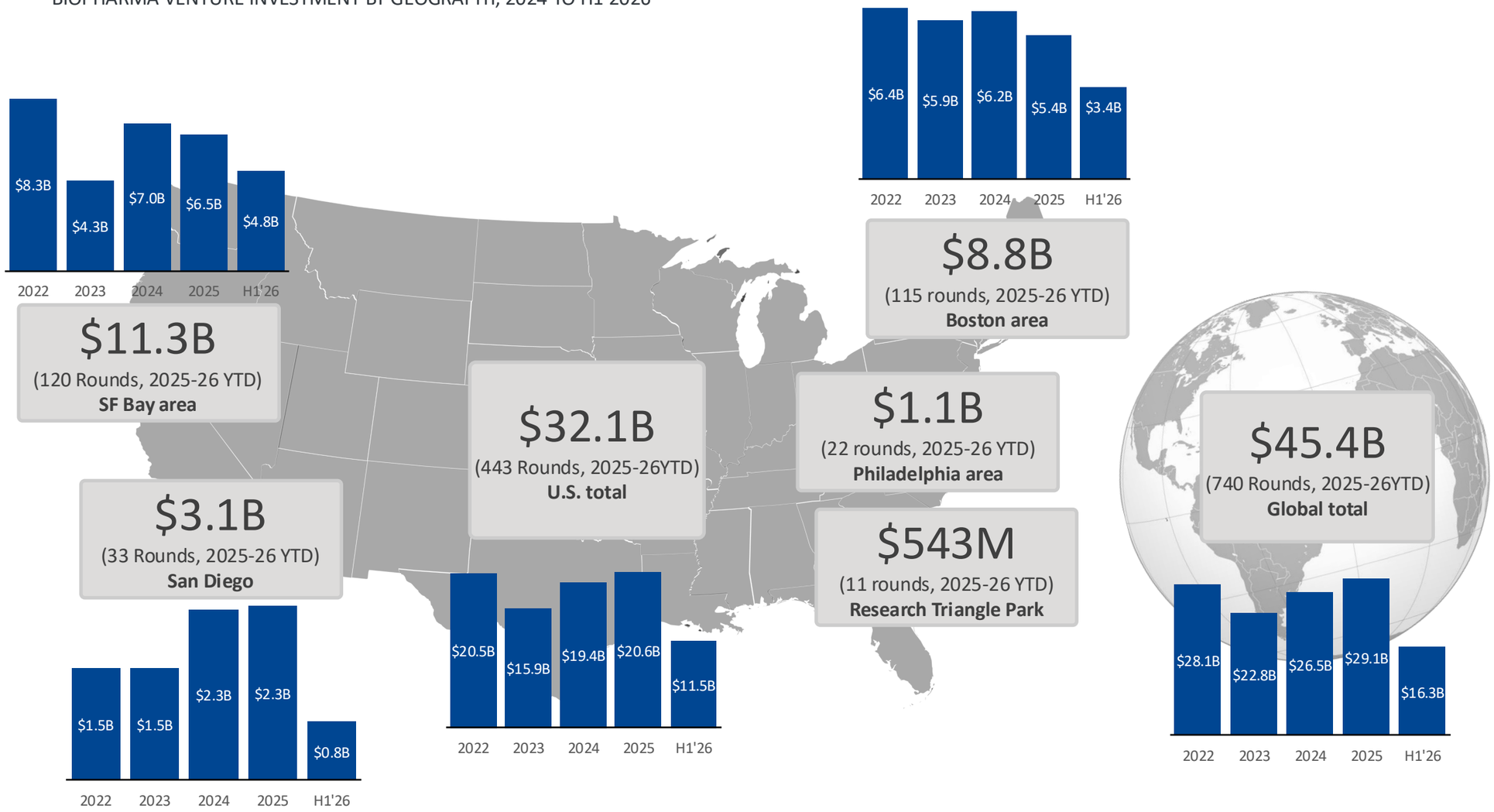
Phase II and Phase III companies continued to command the largest median financings, reflecting the increased capital needs as companies enter human clinical trials in their development cycle.

Earlier-stage companies remained more exposed to funding selectivity and more modest round sizes in aggregate, suggesting a preference for funding sizes that are more tightly correlated to early developmental milestones.

Note: [1]Financials based on disclosed figures. Data through June 30, 2026.

U.S. biopharma hubs remained the dominant source of global venture funding in H1 2026

BIOPHARMA VENTURE INVESTMENT BY GEOGRAPHY, 2024 TO H1 2026[1]



From 2025 through H1 2026, biopharma companies raised $45.4 billion globally, with $32.1 billion invested in U.S.-based companies.

The San Francisco Bay Area and Boston remained the leading U.S. hubs, raising $11.3 billion and $8.8 billion, respectively, from 2025 through H1 2026.

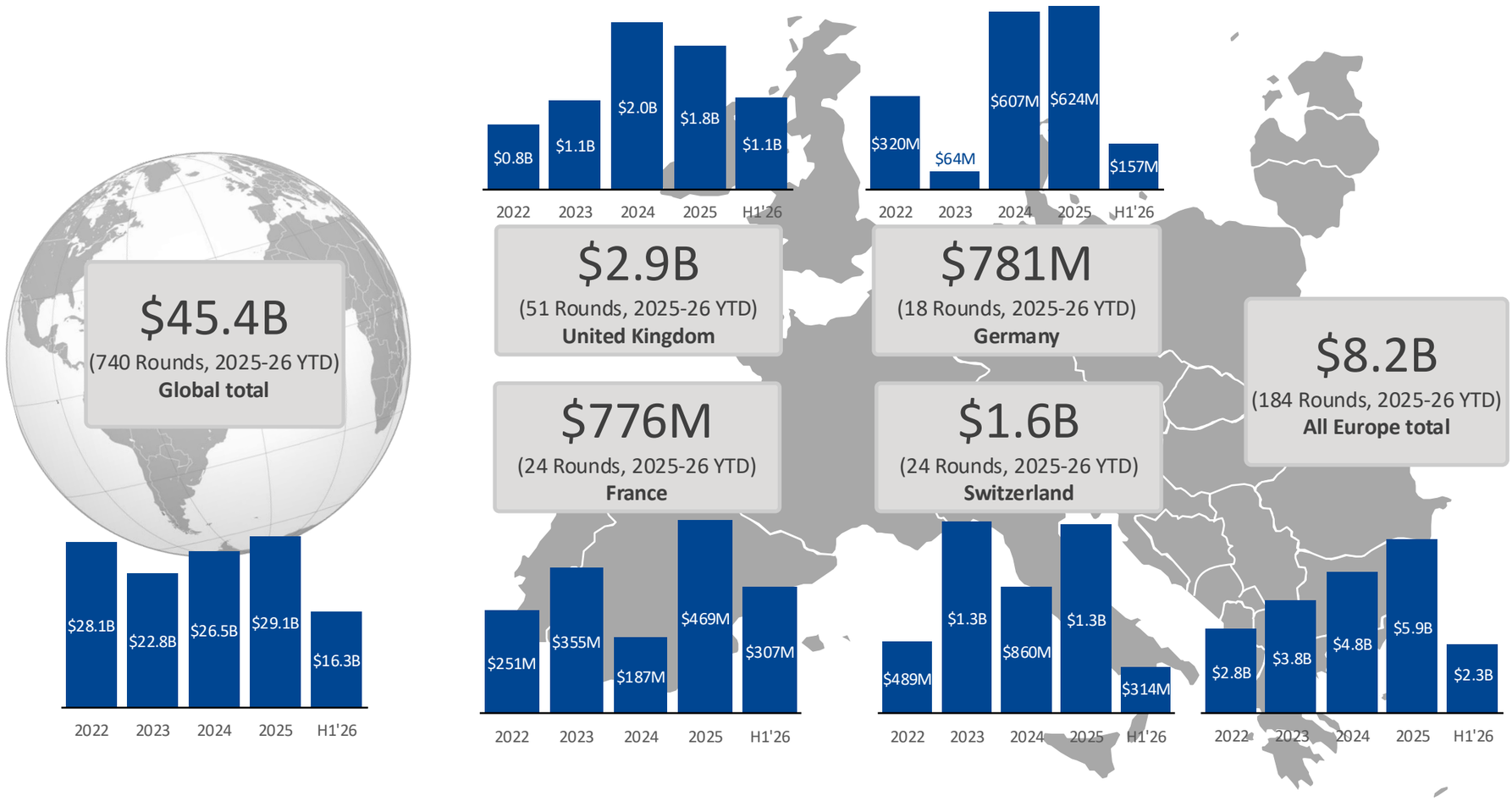
San Diego, Philadelphia and Research Triangle Park continued to attract targeted investment, though at smaller scale than the two largest coastal hubs.

In H1 2026, the U.S. accounted for 70% of global venture dollars. This compares to 71% for FY'25 and 73% for FY'24.

Note: [1]Financials based on disclosed figures. Data through June 30, 2026.

European biopharma funding moderated in H1 2026 after a strong 2025

BIOPHARMA VENTURE INVESTMENT BY GEOGRAPHY, 2024 TO H1 2026[1,2]



European biopharma companies raised $8.2 billion across 184 rounds from 2025 through H1 2026, including $2.3 billion in H1 2026 (vs. $3.5 billion in H1 2025) and $1.5 billion in Q2 2026 (vs. $1.5 billion in Q2 2025).

The U.K. and Switzerland continue to lead as the largest European capital hubs, together accounting for 54% of the $8.2 billion raised and 41% of the 184 rounds across Europe. Germany and France continue to rank next, together contributing 18% of the $8.2 billion raised and 23% of the 184 rounds across Europe.

Across Europe, the $8.2 billion of capital raised was concentrated mainly across preclinical and Phase II assets, and by therapeutic area was mainly focused on oncology. By technology, capital skewed toward small molecules and antibodies.

Funding concentration toward fewer, larger rounds continued as a trend, with 50% ($4.1 billion) of the $8.2 billion raised concentrated in 15% (27) of total rounds (184).

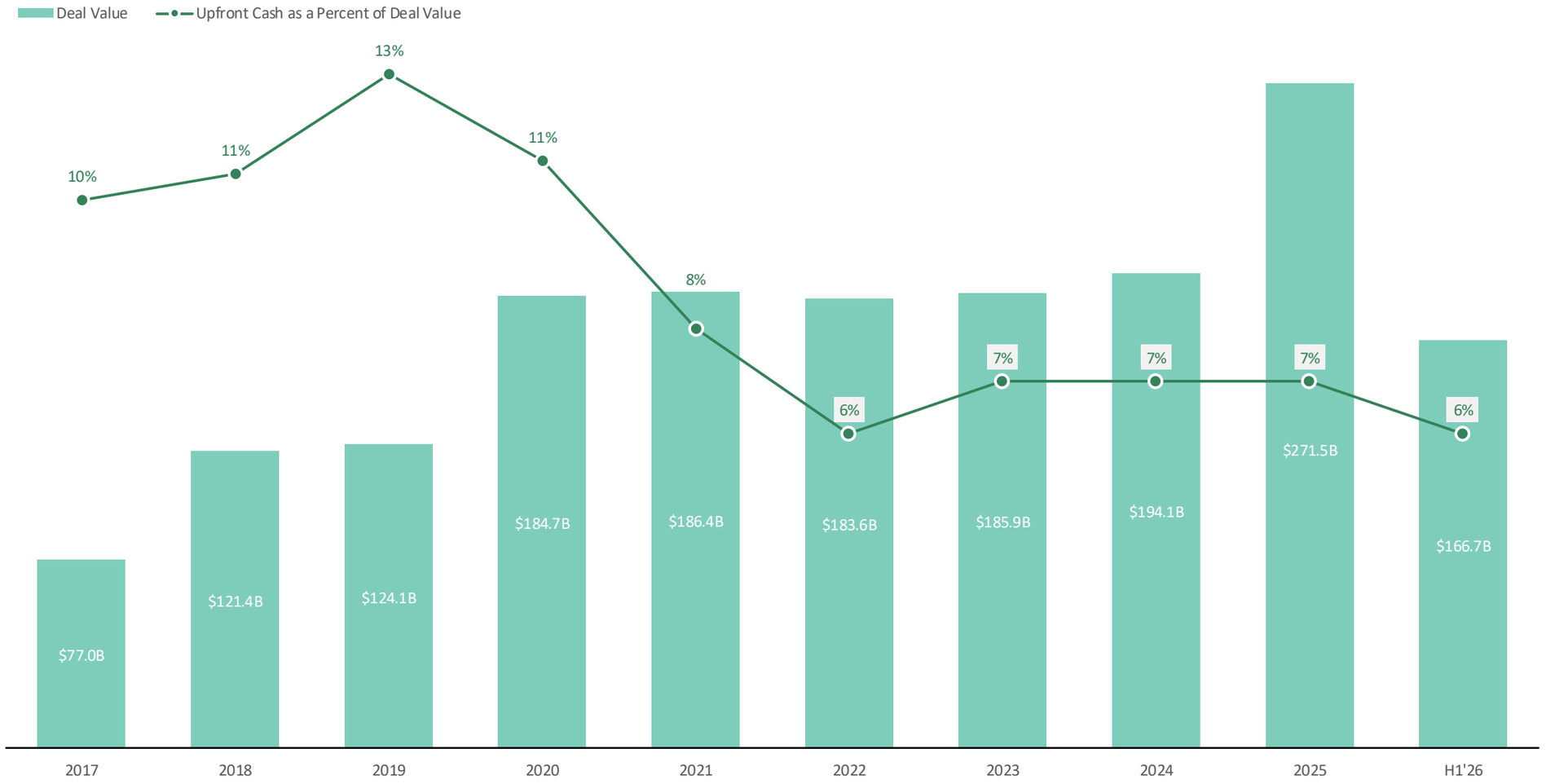
Notable funding rounds in Q2 2026 include CellCentric ($220 million Series D), Windward Bio ($165 million crossover financing), Coultreon Biopharma ($125 million Series A), ONA Therapeutics ($87 million Series B), and Cytospire ($83 million Series A), as well as Immutrin's $87 million Series A in Q1 2026.

Note: [1]Financials based on disclosed figures. Data through June 30, 2026.
[2]European countries include Austria, Belgium, Denmark, Finland, France, Germany, Iceland, Ireland, Italy, Netherlands, Norway, Portugal, Slovakia, Spain, Sweden, Switzerland, and the United Kingdom.

Source: DealForma.com database.

Biopharma licensing remained elevated in H1 2026, supported by milestone-heavy structures

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



Announced biopharma R&D licensing values reached $166.7 billion in H1 2026, already more than half of full-year 2025's record level.

Upfront cash represented 6% of total deal value, modestly below the 7% level seen from 2023 through 2025.

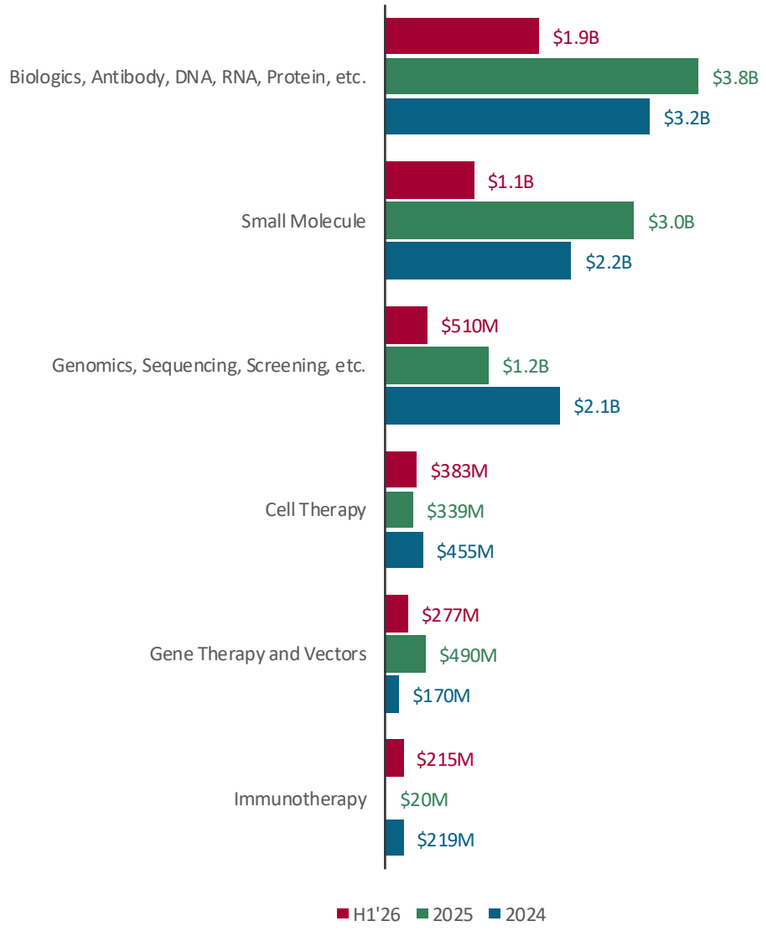
Deal structures continue to emphasize development, regulatory and commercial milestones, allowing buyers to secure access while preserving downside protection.

The top five deals all involved a Chinese out-licensor. The top two licensing deals include AstraZeneca/CSPC Pharma ($18.5 billion) and Bristol Myers Squibb/ Jiangsu Hengrui Pharma ($15.2 billion).

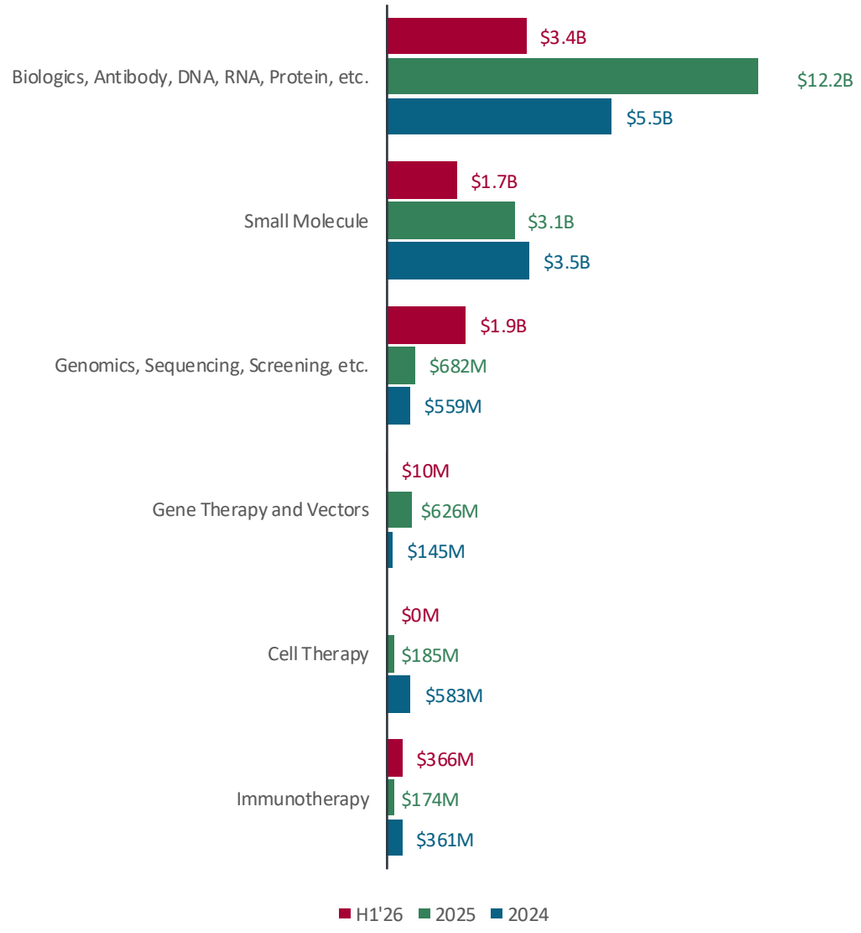
Note: [1]Financials based on disclosed figures. Data through June 30, 2026.

Biologics led early-stage funding, while genomics and small molecules were active in licensing

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 for both Seed/Series A funding and licensing upfront cash in H1 2026, with $1.9 billion in early-stage venture funding and $3.4 billion in licensing upfront cash and equity.

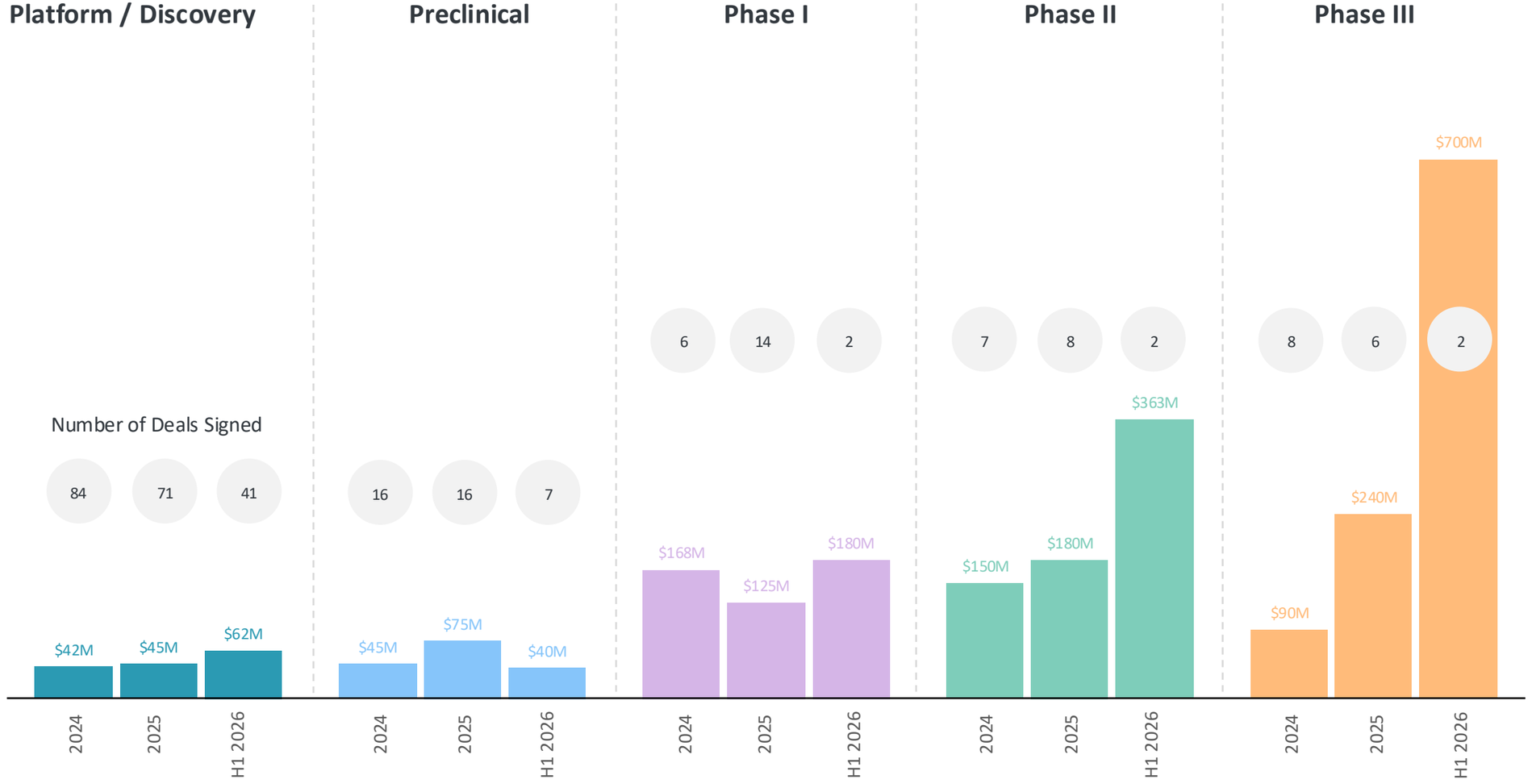
Small molecules ranked second in early-stage venture funding at $1.1 billion. Genomics, sequencing and screening generated $1.9 billion of licensing upfront cash and equity.

Capital remains concentrated in modalities with strong validation, scalable platform potential and multiple partnership pathways.

Note: [1]Financials based on disclosed figures. Data through June 30, 2026.

Big pharma paid higher upfronts for late-stage assets in H1 2026

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



Median upfront cash and equity from large-cap biopharma ($50 billion+ market cap) reached $363 million for Phase II assets and $700 million for Phase III assets in H1 2026, though based on limited deal counts.

Platform and discovery-stage activity remained broad, with 41 deals and a disclosed median upfront of $62 million, reflecting continued upstream option-building.

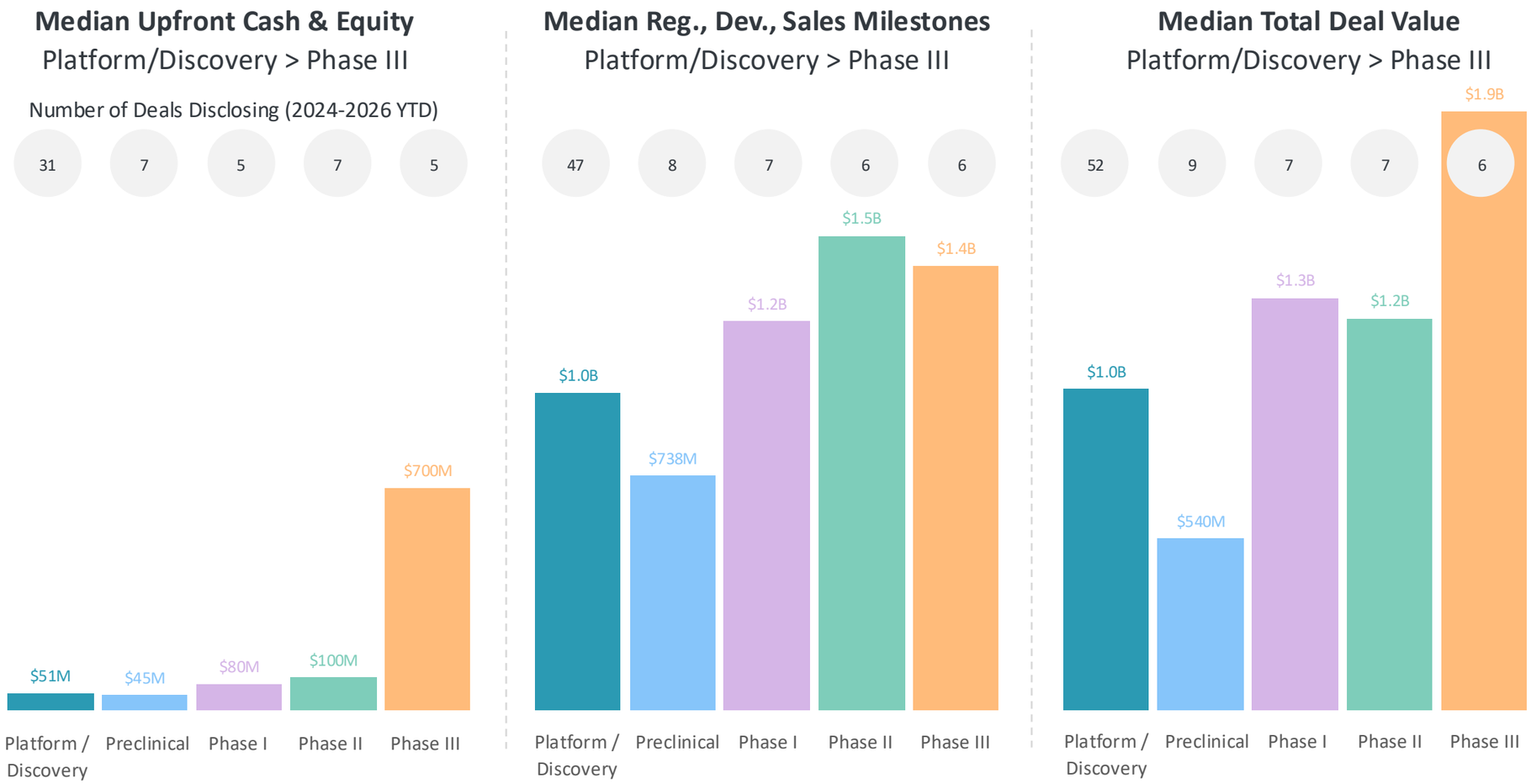
Preclinical median upfronts moderated, while late-stage assets continued to command premium economics as large-cap biopharma prioritized pipeline replenishment.

Note: [1]Financials based on disclosed figures. Data through June 30, 2026. Stage of lead asset in multi-asset deals.

Source: DealForma.com database.

Oncology licensing economics remained strongest for later-stage assets

IN-LICENSING BY BIG PHARMA: MEDIAN DEAL PAYMENTS AND NUMBER OF DEALS DISCLOSING VALUES BY STAGE AT SIGNING, ONCOLOGY ASSETS, 2024 TO H1 2026[1]



Oncology continued to lead large-cap biopharma licensing, with the strongest economics concentrated in Phase II and Phase III assets.

Phase III oncology programs commanded the highest median upfront cash and equity at $700 million, with median total deal value approaching $1.9 billion.

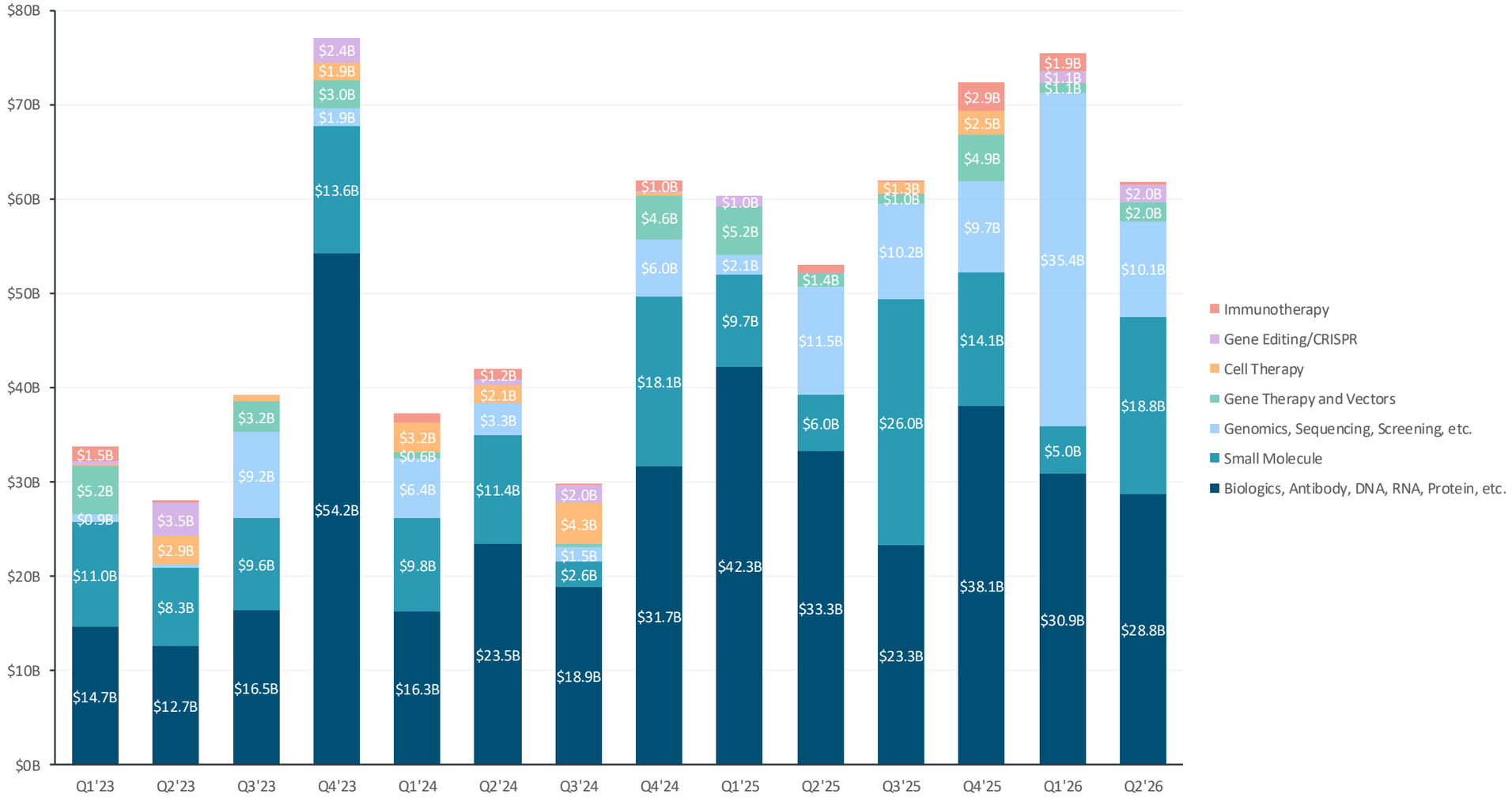
Milestone packages remained substantial across oncology transactions, reflecting continued competition for differentiated assets with near-term commercial relevance as large pharma's need to replace revenue caused by upcoming patent cliffs filters through the market.

Note: [1]Financials based on disclosed figures. Not all deals disclose all payment terms. Data through June 30, 2026. Stage of lead asset in multi-asset deals.

Source: DealForma.com database.

Biologics and small molecules continued to anchor licensing value through H1 2026

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



R&D partnership value in Q2 2026 remained led by biologics and small molecules, continuing the modality concentration seen throughout 2025 and Q1 2026.

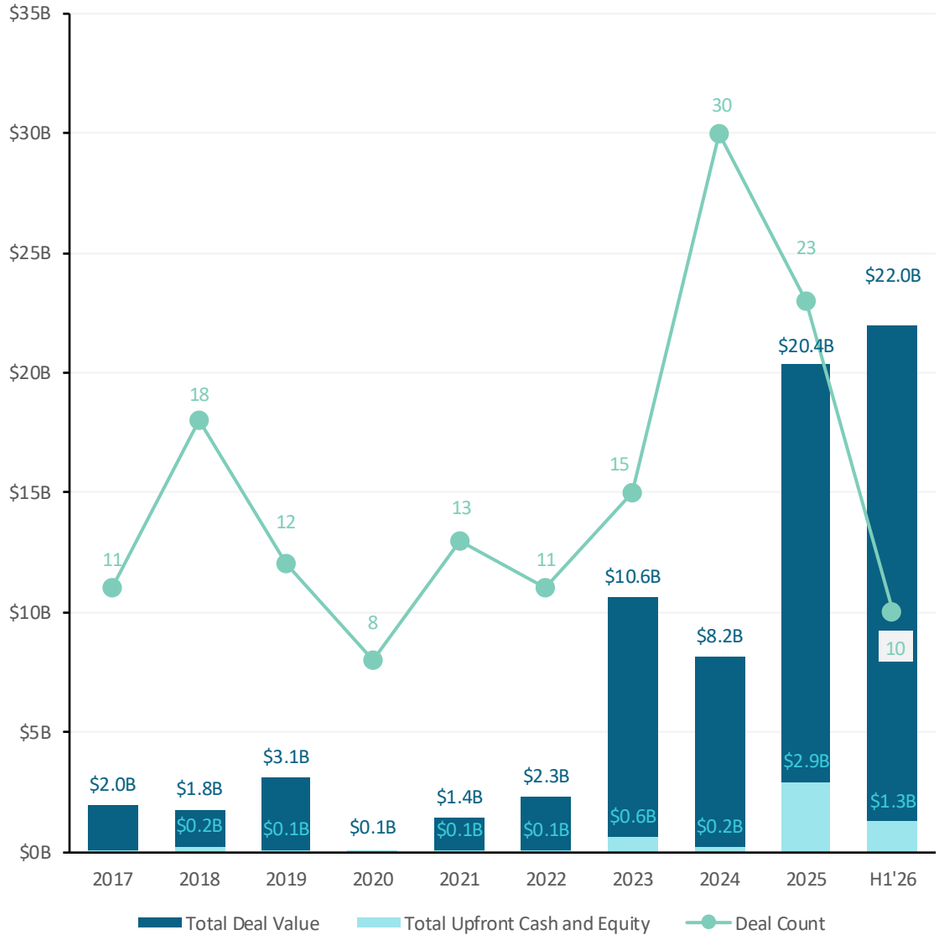
Biologics generated $28.8 billion of announced deal value in Q2, while small molecules contributed $18.8 billion to headline totals.

Other modalities contributed more episodically, with headlines still driven by a limited number of large transactions in validated and competitive target classes.

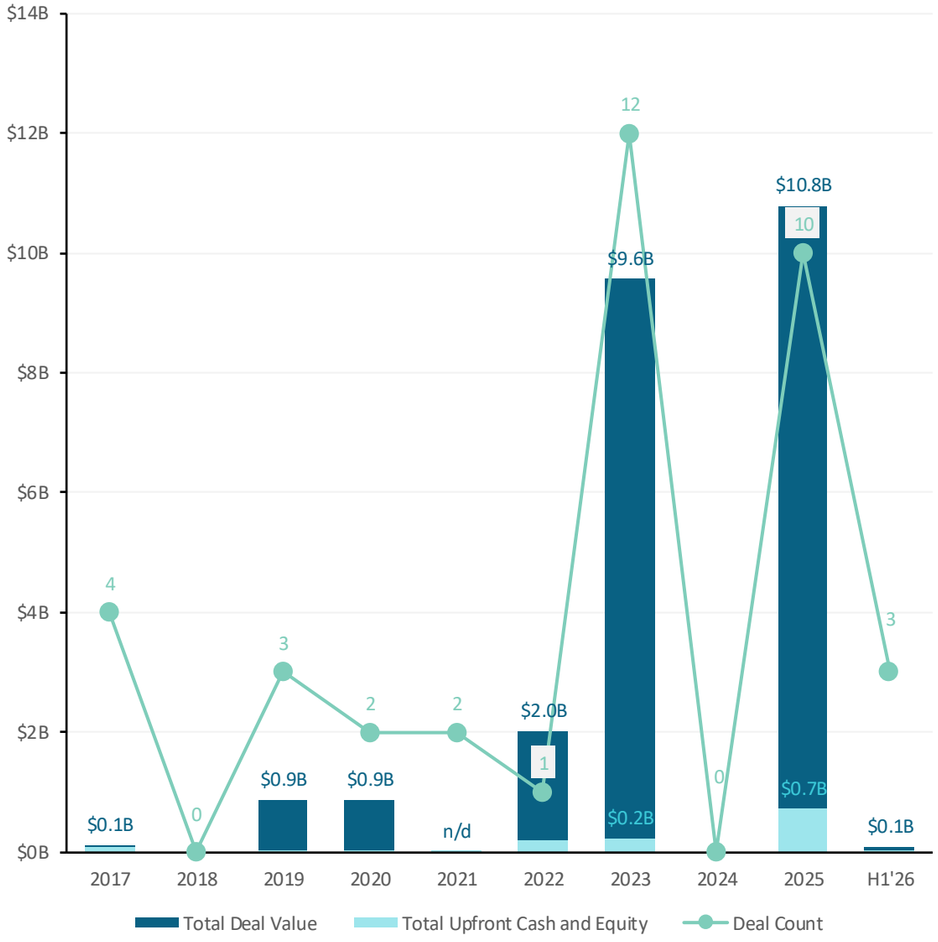
Note: [1]Financials based on disclosed figures. Data through June 30, 2026.

Obesity and diabetes deal value remained elevated in H1 2026, while GLP-1 activity cooled

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



Obesity and diabetes R&D partnerships reached $22.0 billion in total announced deal value in H1 2026, already exceeding full-year 2025.

Upfront cash and equity totaled $1.3 billion across obesity and diabetes partnerships in H1 2026, below the 2025 upfront peak but still meaningful.

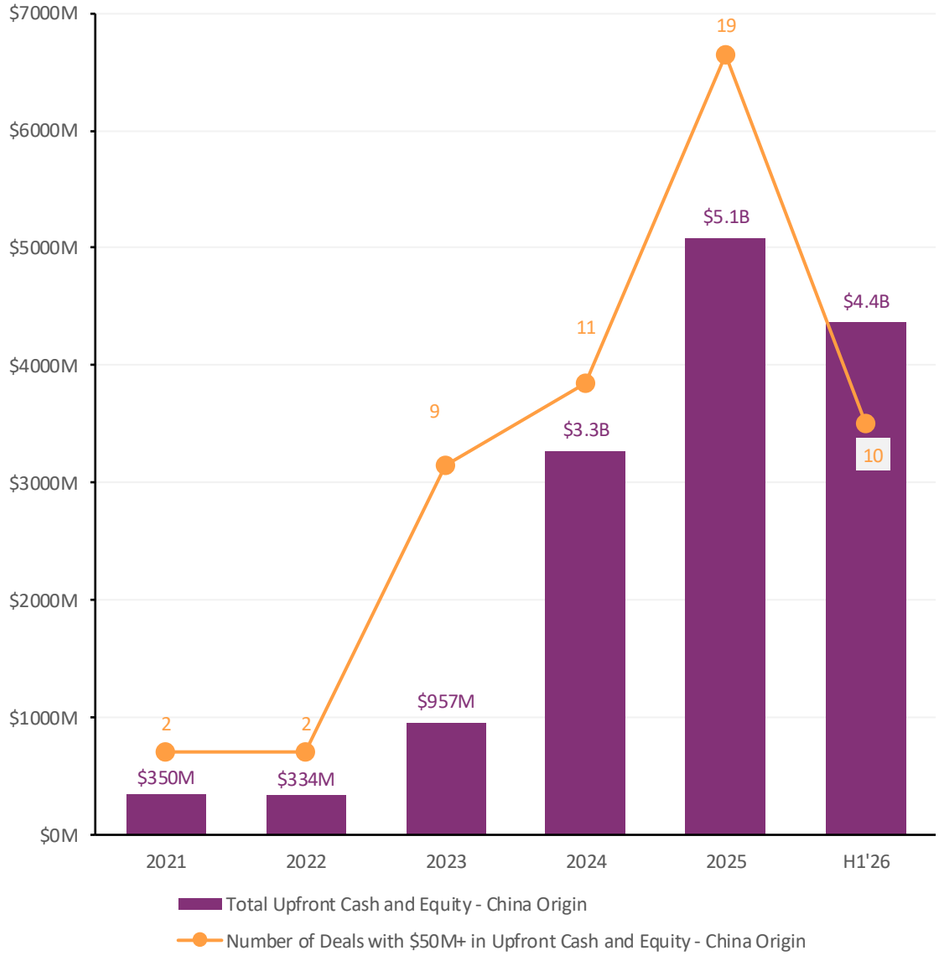
GLP-1, GLP-1R and GIP-targeted transactions slowed sharply in H1 2026, with 3 deals and only $100 million in disclosed total deal value after elevated activity in 2023 and 2025.

Note: [1]Financials based on disclosed figures. Data through June 30, 2026.

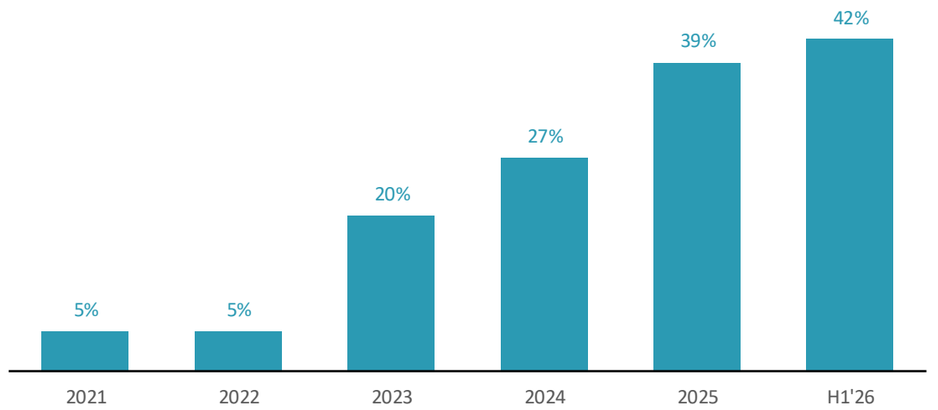
Source: DealForma.com database.

China-origin assets sustained an outsized share of big pharma licensing in H1 2026

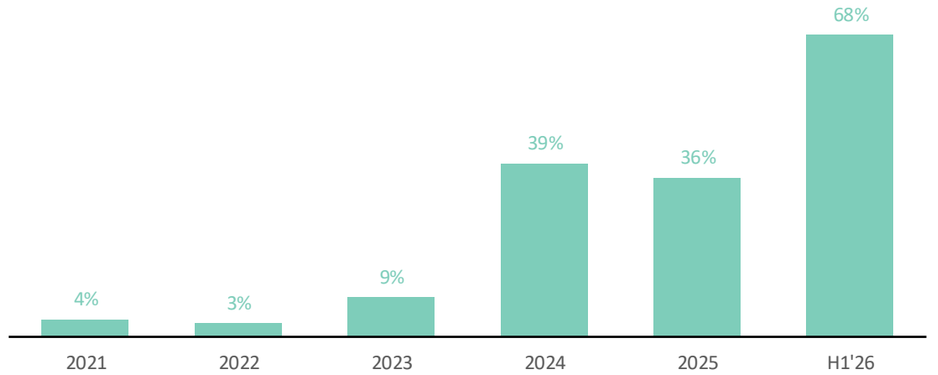
GLOBAL LARGE-CAP BIOPHARMA IN-LICENSING FROM CHINESE BIOPHARMA: DEALS WITH AT LEAST $50 MILLION PAID UP FRONT



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



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



Global large-cap biopharma completed 10 China-origin licensing deals with at least $50 million upfront in H1 2026, totaling $4.4 billion in upfront cash and equity.

China-origin assets represented 42% of global big pharma deals with $50 million-plus upfront and 68% of upfront dollars in that group.

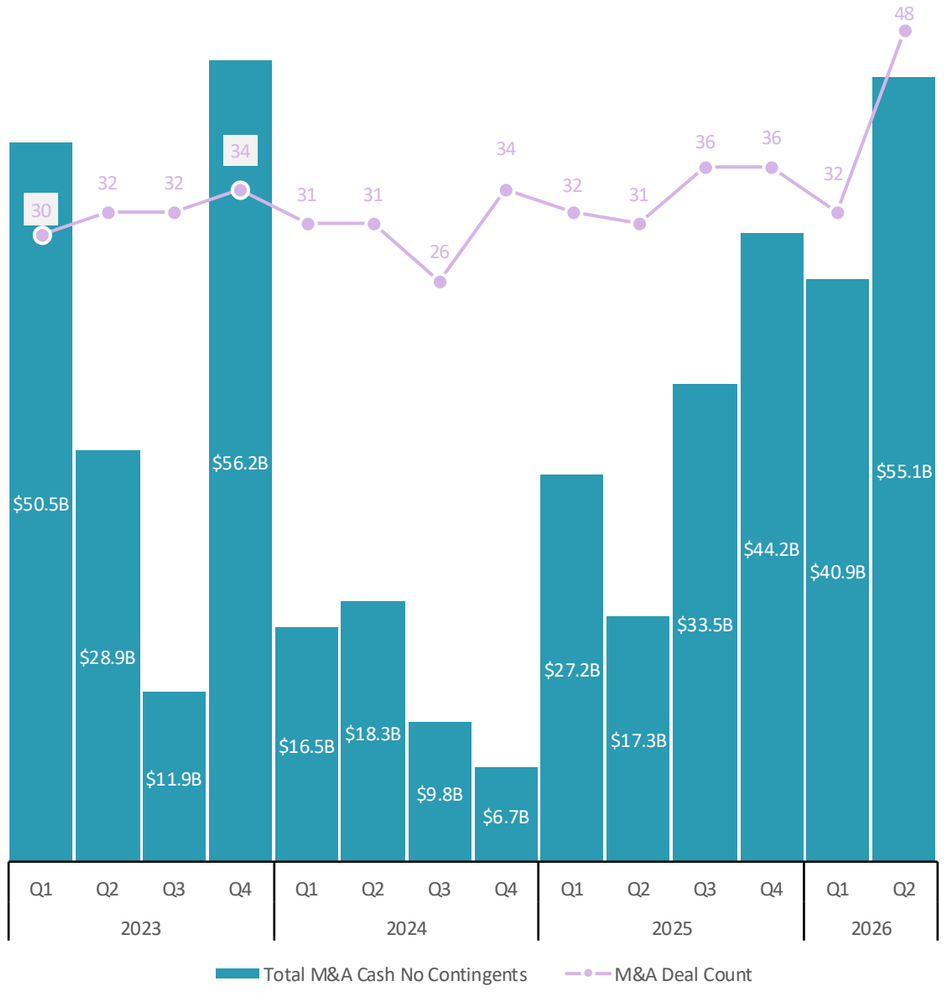
While there is clearly an evolving demand shift towards Chinese assets for large pharma licensing activity, the trend is also reflected in smaller U.S. venture-backed transactions, as investors increasingly source early-stage innovation from abroad.

The trend highlights China's growing role as a source of differentiated clinical assets and competitive licensing opportunities for multinational sponsors.

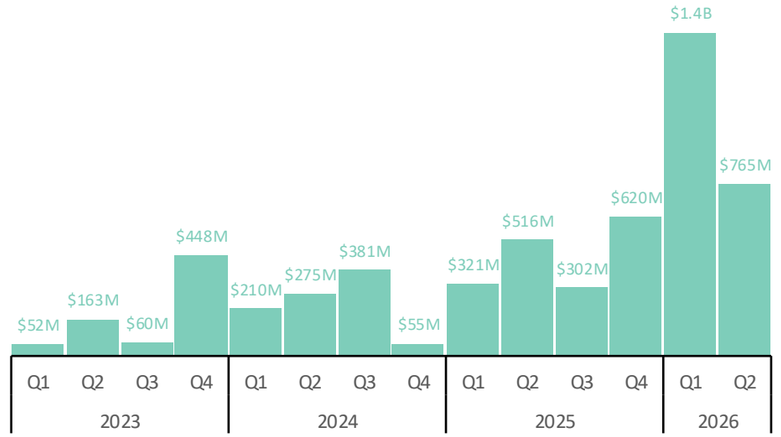
Note: [1]Financials based on disclosed figures. Data through June 30, 2026. Deals among global large-cap biopharma and Chinese domiciled biopharma.

Biopharma M&A remained strong in H1 2026, with back-to-back $40B+ quarters

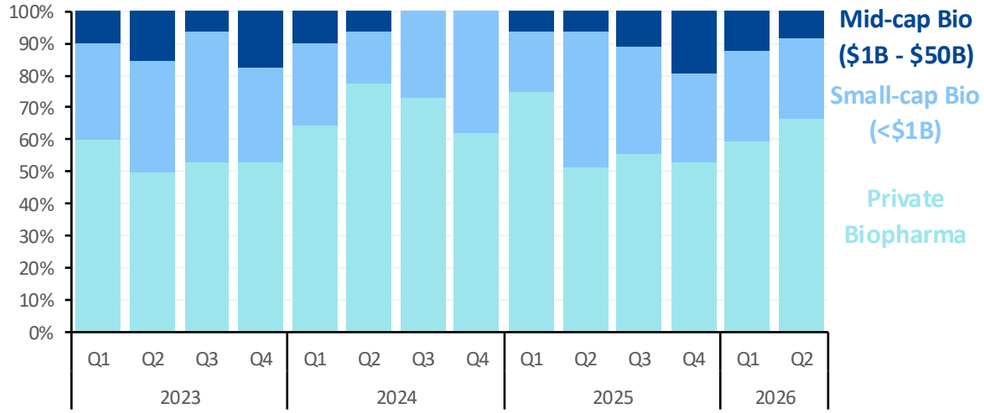
NUMBER OF BIOPHARMA M&A DEALS AND UPFRONT CASH AND EQUITY[1,2]



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



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



Biopharma M&A totaled $55.1 billion on up-front cash and equity across 48 deals in Q2 2026, surpassing figures in Q1 2026.

In H1 2026 when looking at total deal values (i.e. inclusive of milestone-based pay-outs), there were 33 deals where the target was valued $1 billion or greater. This compares to just 34 deals for all of 2025 where the target had a valuation of $1 billion or greater.

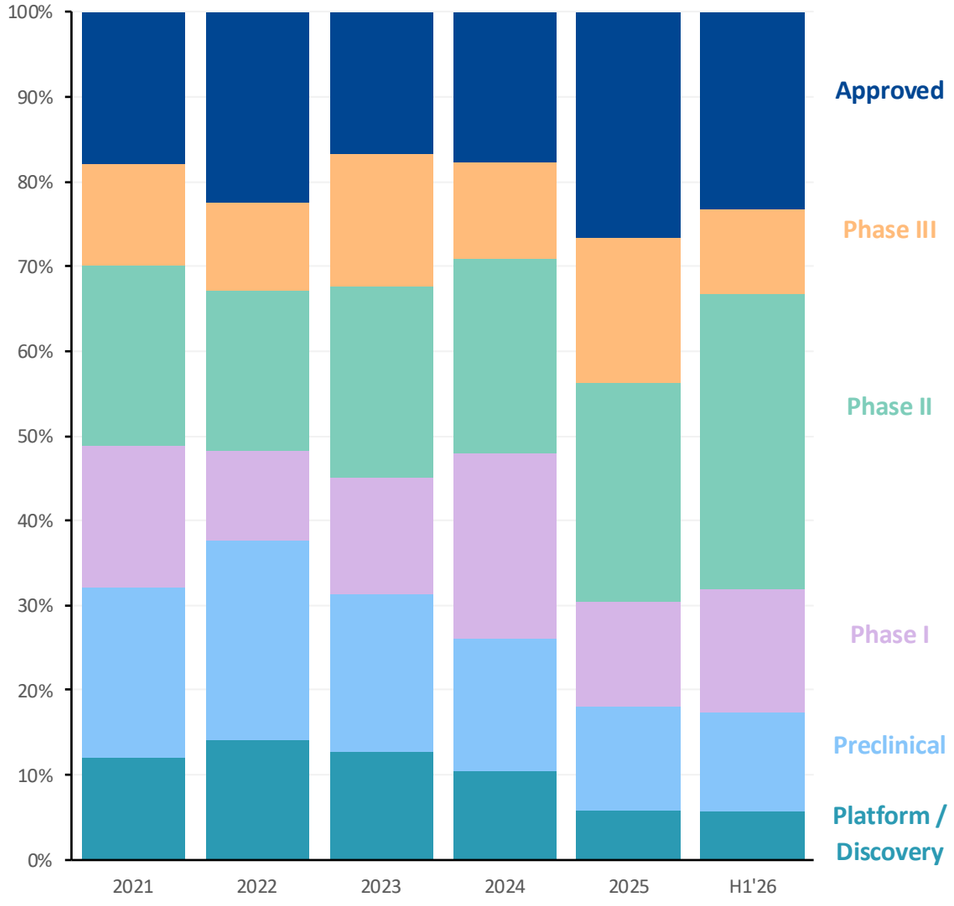
Median upfront cash and equity moderated to $765 million in Q2 from $1.4 billion in Q1 but remained elevated relative to most of 2023 through 2025.

Two of the largest M&A of Q2 2026 include AbbVie/Apogee ($10.9 billion) and GSK/Nuvalent ($10.6 billion). Both transactions were announced within 14 days of each other.

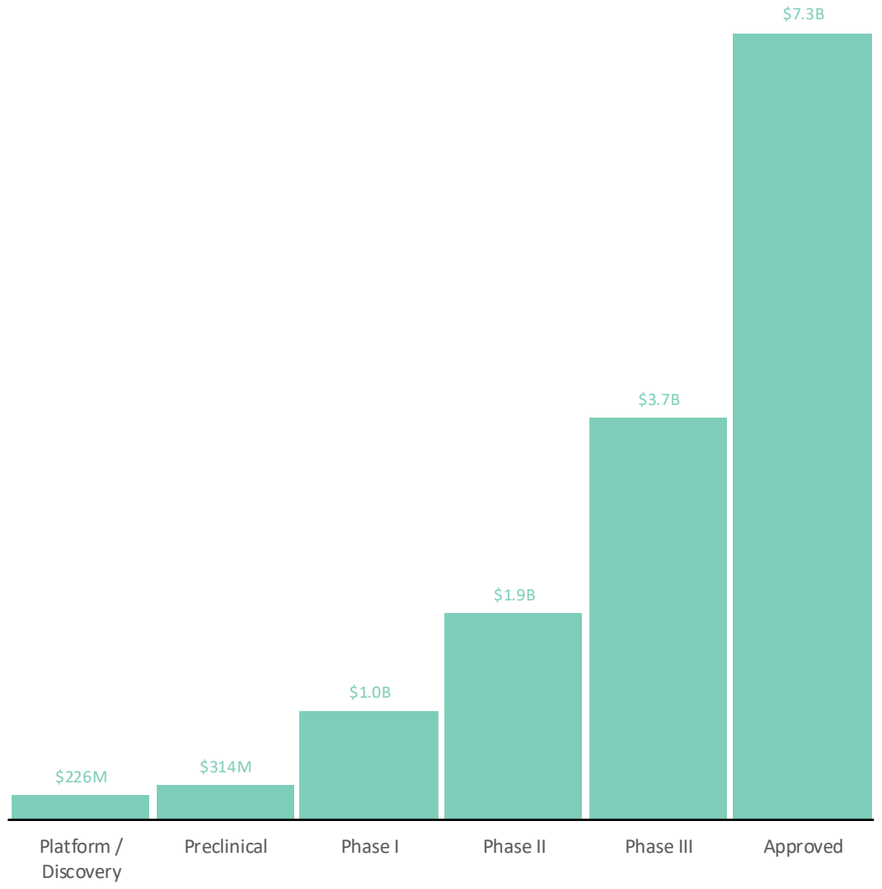
Note: [1]Financials based on disclosed figures. Data through June 30, 2026. [2]Biopharma M&A with any buyer type, acquisition options, and reverse mergers.

Biopharma acquirers continued to pay premiums for later-stage and approved targets

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 H1 2026
LARGE-CAP ($50B+) BIOPHARMA BUY-SIDE[1,2]



Biopharma M&A continued to skew toward Phase II, Phase III and approved-stage companies in H1 2026, reflecting buyer preference for more de-risked assets.

Median transaction values rose sharply with target maturity, from approximately $226 million for platform/discovery assets to $7.3 billion for approved-stage companies.

Phase III and approved assets continued to command the largest strategic premiums, while earlier-stage acquisitions remained more focused on platform capabilities and longer-term optionality.

The largest preclinical acquisition of Q2 2026 was Eli Lilly/Vaccine Company for $1.5 billion. Vaccine Company reported a Phase I ready asset at the time of the acquisition.

Note: [1]Financials based on disclosed figures. Data through June 30, 2026. [2]Biopharma-to-Biopharma M&A, acquisition options and reverse mergers.

Source: DealForma.com database.

Record-setting biopharma IPOs highlight renewed public market demand

2018 Record Setters

Allogene Therapeutics (2018)

IPO priced October 11, 2018, raising **$324 million**

- Pipeline at IPO: No wholly owned drug candidate had entered human clinical trials. Pipeline built around allogenic CAR-T therapy with licensed assets.
- Valuation step-up: Last private round was $300 million Series A + A-1 at a pre-money valuation that is undisclosed.
- First day close: Shares surged 39% on its first day of trading.

Moderna (2018)

IPO priced December 7, 2018, raising **$604 million**

- Pipeline at IPO: Featured 20+ total programs with 10 in clinical studies spanning infectious diseases, oncology, cardiovascular, and rare genetic diseases.
- Valuation step-up: Last private round was $125 million Series H at a post-money valuation of $7.1 billion. The IPO valued the company at $7.5 billion (1.1x step up).
- First day close: Shares fell 19% on its first day of trading (despite an oversubscribed IPO).

2026 Record Setters

Kailera Therapeutics (2026)

IPO priced April 17, 2026, raising **$625 million**

- Pipeline at IPO: Advanced four GLP-1 based obesity drugs including ribupatide (Phase 3 injectable) as well as two additional oral candidates.
- Valuation step-up: Last private round was $600 million Series B at a post-money valuation of $1.3 billion. The IPO valued the company at $1.5 billion (1.1x step-up).
- First day close: Shares surged 63% on its first day of trading.

Parabilis Medicines (2026)

IPO priced June 10, 2026, raising **$670 million**

- Pipeline at IPO: Led by zolucatetide for desmoid tumors and a proprietary platform targeting previously undruggable cancer targets. The asset was in Phase 1 / 2 trials at the time of IPO.
- Valuation step-up: Last private round was $305 million Series F at a post-money valuation of $920 million. The IPO valued the company at $1.9 billion (2.1x step up).
- First day close: Shares surged 58% on its first day of trading.

H1 2026 had two record-breaking IPOs for development stage biotechs in terms of proceeds—a record that had already broken twice in 2015, and then twice again in 2018.

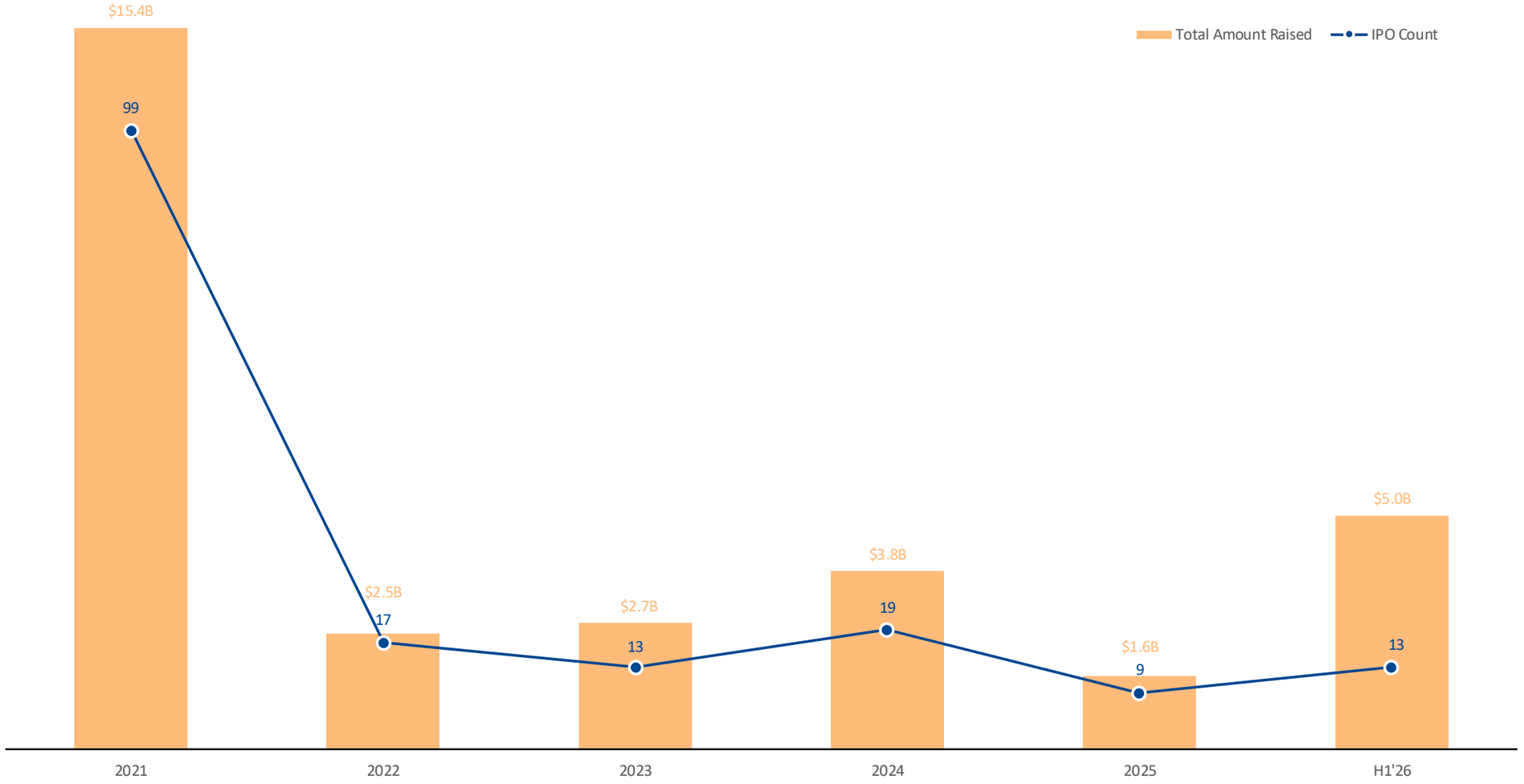
In H1 2026, Kailera Therapeutics held the record ($625 million) which was broken shortly thereafter by Parabilis Medicines ($670 million). The two companies became the largest biopharma IPOs on record, surpassing the previous fundraising record established by Moderna in 2018.

The transactions highlight an improving biopharma financing environment and continued investor willingness to support larger offerings from companies with differentiated science and compelling clinical value propositions.

Note: [1]Financials based on disclosed figures. IPO proceeds exclude any exercise of the underwriters' option. Data through June 30, 2026. [2]Prior to Allogene holding the record, Galapagos held the record ($275 million in proceeds, 2015) followed by Axovant Therapeutics ($315 million in proceeds, 2015).

Biopharma IPO activity accelerated in H1 2026, surpassing recent annual totals

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



Biopharma IPOs on NASDAQ and NYSE raised $5.0 billion across 13 offerings in H1 2026, already exceeding full-year totals since 2022.

The IPO window has improved materially from 2025, though issuance remains well below the 2021 peak of $15.4 billion across 99 IPOs.

Public market access remains selective and focused on companies with stronger clinical, commercial or platform positioning. 11 out of the 13 IPOs in H1 20226 had Phase II assets or later.

Parabilis Medicines and Kailera Therapeutics both had record-breaking IPOs, raising over $1 billion in combined IPO proceeds in H1 2026.

Note: [1]Financials based on disclosed figures. Data through June 30, 2026. [2]Iincludes 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.