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2026 Biopharma Financing Focus

The Data, Deals and Discipline Reshaping Growth

In Vivo 2026 Outlook Report

The life sciences industry enters 2026 with cautious confidence. After two years of volatility, the sector has found its footing in an environment that rewards disciplined growth, sharper portfolio decisions and capital efficiency. This report from In Vivo brings together data, insights and perspectives that provide clarity for innovators, dealmakers, pharma strategists and investors.

Our first section looks at the overall state of biopharma as we start the year. By the end of 2025, M&A was accelerating – finally. Fueled in part by a looming patent cliff that threatens over $300bn of revenue through 2030, large pharma companies are ramping up business development strategies. Sizeable transactions returned in late 2025, signaling that buyers have re-engaged but they're operating with greater precision.

Capital efficiency now drives decision-making. After years of inflated valuations and abundant capital, companies must demonstrate sharper resource allocation, tighter clinical rationale and clear milestones that justify investment. This shift is reshaping how biotechs build pipelines and how investors allocate capital.

In other positive developments, investor sentiment has strengthened, and equity market valuations are at their most favorable levels for several years. Public companies are accessing capital successfully, and there are early indications of a reopening IPO window. However, the biotechnology sector remains bifurcated, with investor interest concentrated in clinical-stage opportunities, while earlier-stage start-ups continue to face constrained access to capital.

The report also anticipates at the winners and losers of 2026, looking at how companies are navigating opportunities and challenges. Some are seeing extraordinary growth, while others face steep declines. Unsurprisingly, the patent cliff features again here as Bristol Myers Squibb and others face loss of exclusivity on blockbuster drugs.

Finally, we look at technology. Specifically, what corporate VCs are looking for in pharmatech and digital health companies. Great AI and strong teams aren't enough to impress investors now and companies hoping to break through need to demonstrate a nuanced blend of transformational technology, strategic fit and independent viability that is difficult to articulate.

The chapters ahead detail the forces redefining biopharma in 2026. Patent exposure, AI-driven transformation and evolving investment strategies all help shape the emerging picture.

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Biopharma In 2026: From Darwinian Reset To Disciplined Growth

Executive Summary

The biopharmaceutical landscape in 2026 will be shaped by rapid technological progress, shifting geographic leadership, a looming patent cliff and a renewed focus on capital efficiency.

By Lucie Ellis-Taitt
Executive Editor

China is evolving beyond contract manufacturing into a major source of innovative R&D and clinical-stage innovation – introducing novel platforms and development models that are reshaping global competition.

We have also seen investors and boards demand tighter capital discipline: milestone-based financing, rigorous de-risking strategies and leaner development footprints that prioritize scalable assets. Those pressures create financing challenges for start-ups and mid-sized companies, which now navigate tougher valuations, greater expectations for clinical validation and increasingly complex funding.

Meanwhile, evolving therapeutic areas – such as metabolic disorders and rare diseases – are expanding addressable markets but also introducing new regulatory, manufacturing and reimbursement complexities.

For stakeholders across the ecosystem the imperative is clear: adapt partnership models, invest in manufacturing and regulatory capacity and align incentives to accelerate patient access while maintaining scientific rigor.

Despite the challenges, the consensus entering 2026 is cautious optimism. The sector is emerging from a short but sharp "Darwinian" period, but there is much to be learned and action to take to see progress in the new year.

M&A REBOUNDS TO ANSWER PATENT CLIFF WOES

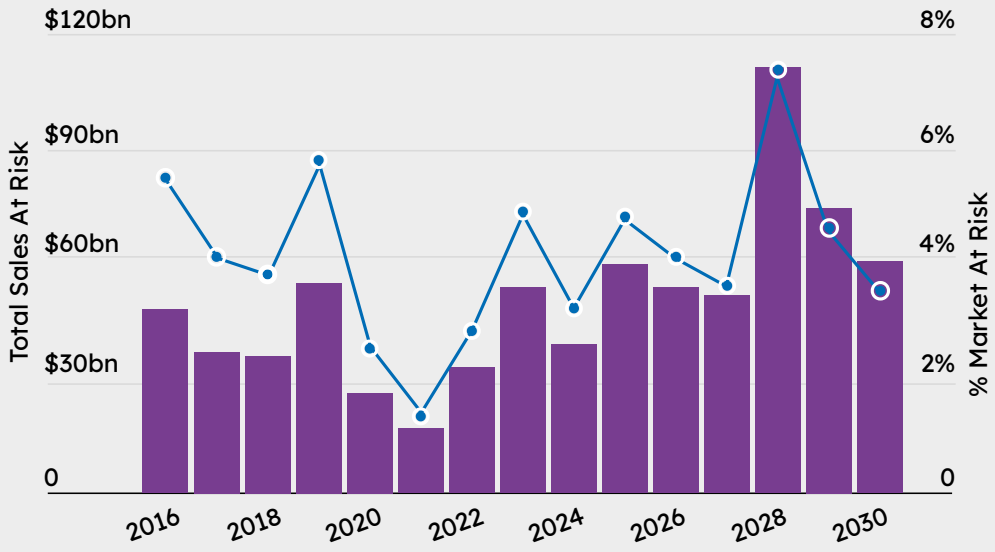
While a major patent cliff is looming over big pharma (*see Exhibit 1*), solutions are emerging.

Between 2025 and 2030, brands with a cumulative $300bn of revenues will face loss of exclusivity and competition from lower cost generics and biosimilars. For patients and healthcare budgets, this represents a considerable cost saving opportunity – improving access to treatment and allowing reinvestment into the next generation of innovative therapies. But for pharma companies, there are considerable challenges to manage portfolios in such a way that bridges this patent cliff and provides continuous growth.

"There's only one recipe to a patent cliff – that's innovation," biopharma veteran Werner Lanthaler told *In Vivo*.

Exhibit 1: Worldwide Sales At Risk From Patent Expiration

Each upcoming year sees more than 3% of total revenues facing end-of-lifecycle competition from generics or biosimilars. This begins with expiries totaling $52bn in 2025, rising to a peak of $104bn in 2028 – the year of Keytruda's expiry.



Source: Evaluate

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The list of brands facing loss of exclusivity in the next six years is extensive. Focusing on the main contributors, 68 separate products will be blockbusters at the time of expiry. Half of these will generate more than $2bn in annual sales, while the 10 biggest expiries share $126bn in at-risk revenues (*see Exhibit 2*). The leading culprits are primarily diffused among large pharmaceutical companies.

Exhibit 2: Top 10 Expiries During The 2025-30 Patent Cliff
Merck and Bristol Myers Squibb are doubly exposed, both having two products in the top 10 that combine for 64% and 54% of their portfolios, respectively.

DRUG	COMPANY	MAJOR PATENT EXPIRY OR LOSS OF EXCLUSIVITY	PRIOR YEAR SALES	PORTFOLIO CONTRIBUTION
Keytruda	Merck & Co.	December 2028	$32.6bn	53%
Darzalex	Johnson & Johnson	May 2029	$17.8bn	27%
Eliquis	Bristol Myers Squibb	November 2026	$14.3bn	31%
Jardiance	Boehringer Ingelheim	August 2028	$11.8bn	51%
Ocrevus	Roche	March 2029	$9.9bn	15%
Opdivo	Bristol Myers Squibb	December 2028	$9.2bn	22%
Vabysmo	Roche	March 2030	$8.9bn	13%
Cosentyx	Novartis	December 2029	$8.3bn	14%
Gardasil 9	Merck & Co.	June 2028	$6.8bn	11%
Prevnar 13	Pfizer	December 2026	$6.4bn	13%

Source: Evaluate

In response to the patent cliff, there is an expectation that M&A will continue to rebound in 2026. While the past two years have been difficult for the industry – with funding scarcity, political uncertainty and company failures – conditions are improving.

"Preclinical stage companies today are struggling in fundraising. It's much easier if you are in the clinical stage. But we had good M&A [in 2025], mostly at the clinical stage, so hopefully money will flow back to finance earlier-stage assets," Mathieu Piéronne, a director at Andera Life Sciences, told *In Vivo*.

A noticeable trend in the 2020s is big pharma cutting back on in-house earlier stage research and development; buying innovation is faster (and sometimes cheaper) than building it.

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> "Survival of the fittest will make much better companies that are investable again."
>
> Werner Lanthaler, Wlanholding

Merck & Co.'s 2025 acquisition of Verona Pharma is an example of how established players use their financial strength to "shortcut" lengthy development timelines by purchasing proven drugs or platforms. Merck first talked to Verona about partnering several years ago, but it was the exceptionally strong launch of COPD drug Ohtuvayre that helped seal its $10bn buyout deal announced in August 2025.

The US giant agreed to pay $107 per share to get hold of Ohtuvayre, a first-in-class selective dual inhibitor of phosphodiesterase 3 and 4 (PDE3 and PDE4), which was approved by the US Food and Drug Administration in June 2024. The first novel inhaled mechanism for the treatment of COPD in more than 20 years, boasting bronchodilator and non-steroidal anti-inflammatory effects, the therapy has more than held its own in a highly competitive space and first-quarter 2025 sales were $71.3m, up by 95% versus the fourth quarter of 2024.

The Verona acquisition was Merck's largest since its $10.8bn purchase of Prometheus Biosciences in 2023. It represents another step in the company's strategy of filling the revenue gap that will come after its cancer behemoth Keytruda (pembrolizumab) goes off patent.

Looking into 2026, the M&A outlook in biotech remains optimistic but selective. The patent cliff is "a beautiful thing for VC," said Piéronne. "It's a circular movement $30bn that creates M&A opportunities."

CAPITAL EFFICIENCY IS KING

The past two years have been extremely challenging across all segments – service providers, biotechs and pharma companies alike.

"Thinking back to 2017, 2018 and 2019, we have to accept that there was a bit of an inflation in our industry," said Lanthaler. "COVID-19 accelerated that inflation. Now, for the first time after these two anomalies, we come to a phase of normality again."

Capital efficiency is a defining theme for the biopharma industry going forward. While European biotechs might be more familiar with shorter cash runways and tighter budgets, strategies across the life sciences sector are having to adjust now that investment is not as free flowing as it was in the late 2010s.

The funding slowdown, while painful, is driving a healthy reset. In this Darwinian era, "The survival of the fittest will make much better companies that are then at reasonable valuations and investable again," Lanthaler said.

Ultimately, capital efficiency is both a financial and strategic advantage. The companies that emerge strongest from this cycle will be those that manage resources tightly, prioritize assets with clear clinical and commercial potential, and align investment with measurable progress. This shift marks a maturation of the sector – toward disciplined innovation rather than exuberant spending.

Andera's Piéronne emphasized that capital efficiency was about more than just money – it's about structuring funding in a way that maximizes value creation. Andera Partners avoids "drip-feeding" small rounds that can constrain growth, and instead encourages companies to design development plans with clear value inflection points.

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"If you go for a €30m round, maybe you close the door to some funds because it's too small … There is money, so why not increase a bit and open up more opportunities?" Piéronne told *In Vivo*.

By raising the right-sized rounds, companies not only unlock more investor interest but also position themselves to scale effectively. As Piérrone put it, "If you have the right amount of capital and are equipped to do this change of scale – with the right people around you – it can be implemented efficiently and quickly." This approach ensures that both capital and strategic resources are aligned to accelerate growth.

HAS THE VISION FOR AI CHANGED?

Evaluate estimates that 95% of biopharma companies are investing in artificial intelligence to access technology that has the potential to transform the pharmaceutical sector from end to end.

"The world of precise medicine we've talked about for the last 25 years is really coming into an acceleration phase now through AI and more targeted drugs," Lanthaler told *In Vivo*.

Still, only a few AI-designed drugs have reached Phase II trials, meaning the proof of concept is still pending. "AI will create great opportunities to unlock aspects of drug development – to speed up the process and cut projects early on," said Andera's Piéronne. "That's where we see real value, even if the jury is still out for AI-designed drugs."

2025 saw a change in thinking around the use of AI. The biopharma sector has moved away from focusing on individual use cases. Constraining the application of AI to individual use cases limits its potential impact. Instead, viewing AI as a strategic enabler that spans the value chain allows companies to unlock new opportunities for growth and competitive advantage, driving improvements in productivity, decision-making and customer engagement.

In 2025, Andera invested in Bioptimus, a global AI tech company that is pioneering the world's first universal foundation model for biology. The company has raised around $76m so far. Co-founder and CEO Jean-Philippe Vert explained: "What we are building is not just a technological breakthrough; it's a transformative tool for understanding biology in its full complexity … Our model will empower researchers in the pharmaceutical industry to simulate complex biology, predict disease outcomes and response to treatment, and design therapies with unprecedented precision."

"If you can speed up the [R&D] process and eliminate some of the steps, you save time and you save money by doing so. That's a great opportunity," Piéronne said.

The pace of biopharma investment and interest in AI is not slowing down. *In Vivo* tallied more than 30 AI-focused M&As, partnerships and financings in the biopharma industry for just the third quarter of 2025, following on from around 57 deals in the first half of 2025.

Andrew Mackinnon, global executive general manager at Medable, believes 2026 will bring "smart pipelines" to the life sciences sector. "In 2026, expect the transformation of drug development from a predominantly human-driven, sequential process into a continuously learning, agentic-AI-supported pipeline."

While humans "won't be removed from the process," Mackinnon expects to see roles shift to higher-value oversight positions, "validating AI-generated options and steering strategy while AI handles the labor-intensive, multi-step analytical and coordination work." In September 2025, Medable launched the first agentic AI platform purpose-built for life sciences.

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LONGEVITY IS TRENDING

Healthy aging is a new target for the biopharma sector – a space that increasingly crosses over with the tech industry. Lanthaler described longevity and healthy aging as one of the "most promising" yet ethically complex emerging areas in biotechnology. He views it as a broad field that spans nutrition, pharmaceuticals and digital health tools, emphasizing that its focus should be on "extending healthy, productive years of life, not just lifespan."

"It can't be the birthright of the rich to get old and of the poor to die young," Lanthaler cautioned. "If we end up using technologies to create an unequal world when it comes to the right to get older, then we're creating a bigger problem than we solve."

While longevity remains somewhat in the realms of science fiction (Lanthaler sees pharmacological interventions to extend life as a longer-term prospect, 25-40 years away) there are expectations that within the next decade, biopharma can significantly improve the quality and duration of healthy living – if guided by ethical, data-driven and inclusive approaches.

CHINA AND R&D TRENDS

Asian territories are increasingly important for biotech and medtech development. Regulatory reforms in China that began in 2015 primed the country's biopharmaceutical sector for vast and rapidly paced innovation, which is yielding business development growth for China-based companies. In particular, US and European biopharma firms are making deals with their counterparts in China, with Citeline noting 77 such alliance and M&A deals between September 2024 and September 2025.

China's growing force in the biopharma industry is especially evident in R&D. From virtually no pipeline activity in the 1990s to 7,041 candidates in 2025, China is now the second-most active region for R&D. The country is also the second-largest domicile for biopharma, with 17% of global pharma R&D firms based there – trailing the US's 39% but well ahead of any other single country.

Piéronne emphasized that companies should have China on their radar early, whether through licensing, co-development or partnerships, and noted that several of Andera's portfolio companies already have local collaborations in place.

Licensing deals with Chinese partners are increasingly occurring at earlier stages, even preclinical or Phase I, reflecting a shift from the previous focus on late-stage assets.

While Andera has not yet invested directly in Asian companies, it sees opportunities emerging. "The challenge is having a local co-investor to help in deal-making and evaluation, so a bit of handholding is needed at first."

Still, industry veteran Jeremy Levin believes there are gaps within China's innovation takeover. During a panel session at the 2025 Bio-Europe Fall conference, held in Vienna, Austria, he highlighted that drug development in China was skewed towards oncology.

He told the audience that European and US companies working in the PD-1 space, for example, should "give up now." He also noted that Chinese companies were fast developing more options in obesity.

> European and US companies working in the PD-1 space should "give up now."
>
> **Jeremy Levin, Ovid Therapeutics**

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Levin said European companies, especially, must “look at innovation in different areas, neurology, psychiatry, psychosis, certain areas of dermatology, pulmonology and cardiology – immense opportunities lie there.”

While oncology is still the most active TA for clinical trials, other disease areas are growing. According to Citeline’s 2025 Clinical Trials Roundup, which analyzed 10,503 Phase I-III clinical trials investigating at least one drug with a disclosed start date within the 2024 calendar year, CNS had the second highest growth rate.

Oncology trials had the most initiations in 2024. “Strides made in immunotherapy, T cell therapies, antibody-drug conjugates (ADCs), bispecific antibodies, and radiopharmaceuticals, among others, have enabled oncology to encompass 37.2% of all trial initiations,” the Citeline analysts noted. However, the growth rate decreased from 9.5% in 2023, where it had an impressive bump in trials, to 5% in 2024.

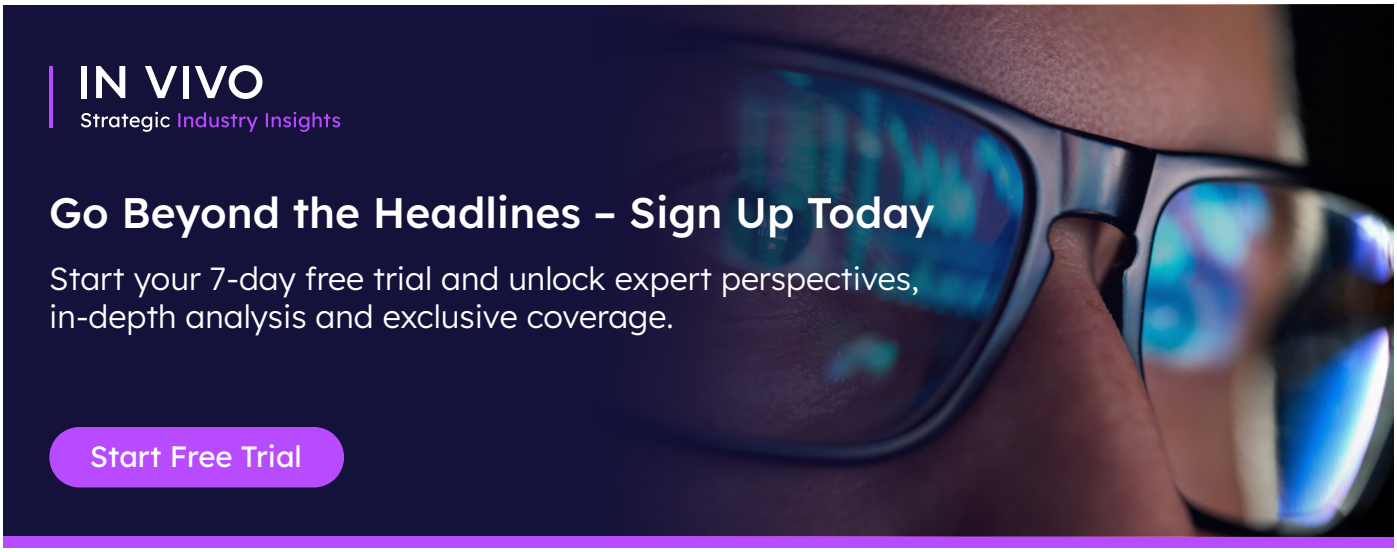
CNS trials had a growth rate of 14.7% to claim the second most active area, comprising 15.7% of all trial initiations and indicating continued R&D in pain, depression and Alzheimer’s disease. According to the World Health Organization, neurological conditions are now the leading cause of ill health and disability worldwide. “We believe this TA will continue to have a strong growth rate in the future,” the Citeline analysts said.

Cardiovascular trials experienced the highest growth rate of all TAs at 15.6%, but this was significantly less than the prior growth rate of 29.7% in 2023.

A NEW YEAR

Entering 2026, the biopharmaceutical sector faces a transformative landscape shaped by AI, a patent cliff and capital discipline. China is emerging as a major R&D and clinical innovation hub, while investors demand milestone-based financing and lean development models.

M&A is rebounding, but start-ups must navigate tougher valuations and competition for substantial funding. Despite challenges, cautious optimism prevails, with opportunities for faster, tech-driven innovation.



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Finance Outlook: Less Uncertainty, More M&A Mean Better Biopharma Fundraising Prospects

Valuations Are Rising, Though Start-Ups Are Still Left Behind

Executive Summary

As regulatory uncertainty under the Trump administration eases, with dealmaking picking up and biopharma firms delivering good data, financial markets are primed for biopharma investment.

Mandy Jackson
Managing Editor

The biopharmaceutical industry has reached a sustained period of positive investor sentiment, driven by a variety of important factors, leading to rising stock price valuations and increased fundraising by drug developers. The amount of money raised by public companies in particular is booming, raising hopes that initial public offerings and funding for start-ups will soon regain momentum.

Both venture and stock market investors are still largely focused on clinical-stage opportunities, leaving new start-ups and early-stage companies struggling more than their later-stage peers to raise money. And while institutional investors are coming back into the public markets, potentially opening the window for near-term IPOs, they still are not as inclined to invest in venture capital, so start-up funding going forward may become further constrained.

But with the XBI fund and Nasdaq Biotechnology Index (NBI) trading in positive territory for several months in a row, investors and bankers are feeling positive about the state of biopharma

Finance Outlook: Less Uncertainty, More M&A Mean Better Biopharma Fundraising Prospects

> "It's important not only that companies come public, but that they do well after going public."
>
> **Christiana Bardon, MPM BioImpact**

funding as 2025 transitions into 2026. The XBI ended the third quarter of 2025 up 23.1% year-to-date, while the NBI ended Q3 up 23.7%. That's a big turnaround after the XBI and NBI hit their 2025 low points in April – 23.7% below and 14% below their Jan. 2, 2025 values, respectively.

MPM BioImpact managing partner Christiana Bardon, who leads public market investing as portfolio manager for the investment firm's BioImpact Equities and Oncology Impact funds, noted in an interview that the biopharma capital markets have been in the middle of a four-year meltdown. "So, from that perspective, we're actually overdue for a little bit of a pickup," she observed.

Bardon said the financial outlook was improving at the end of 2024, but after the election of president Donald Trump in January there was a lot of regulatory and economic uncertainty related to his administration's actions on tariffs, most favored nation drug pricing and changes at the US Food and Drug Administration during the early part of 2025 that rattled potential biopharma investors. As the year progressed and some of the administration's policy positions became clearer, some of that uncertainty eased, she said.

"Investors are more comfortable stepping back in after the chaos of the economic environment and the FDA volatility," Bardon said. In tandem, she observed, merger and acquisition activity increased as the reduction in regulatory and economic uncertainty gave big pharma more confidence to acquire companies and in-license assets at a brisk pace.

IMPROVED CERTAINTY, RISING M&A BOOST FINANCINGS

Initial public offerings by biopharma companies have been few and far between in the US in 2025, with just 12 as of Evommune's $172.5m IPO on Nov. 5. But after a dearth of significantly sized first-time offerings, all three drug developer IPOs in the US since LB Pharmaceuticals went public in September have raised well over $100m. And, perhaps more importantly, already public companies have been able to raise big money through follow-on public offerings (FOPOs), private investment in public equity (PIPE) financings, debt transactions and other vehicles.

"We're seeing IPOs again, we're seeing secondary financings," Bardon said. "That market has come back and not only has it come back, aftermarket performance of IPOs is doing well. It's important not only that companies come public, but that they do well after going public."

In William Blair's Q3 2025 US Biopharma Recap, the investment bank looked at the performance of each group of companies that went public between 2022 and 2025 and compared each annual cohort with the XBI. The XBI was up 0.8% relative to its year-ago value at the end of Q3, while the IPO class of 2025 ended the quarter with a 71.8% gain so far in 2025. The IPO classes of 2022, 2023 and 2024 delivered one-year gains of 49.2%, 53.9% and -9.9%, respectively.

Bardon noted earlier in 2025 that there still were a number of struggling biopharma companies that needed to fail and shut down so that the industry overall would be healthier in the eyes of investors. Many drug developers have cut costs and laid off employees in 2025 to focus on key programs and make their cash last longer, but

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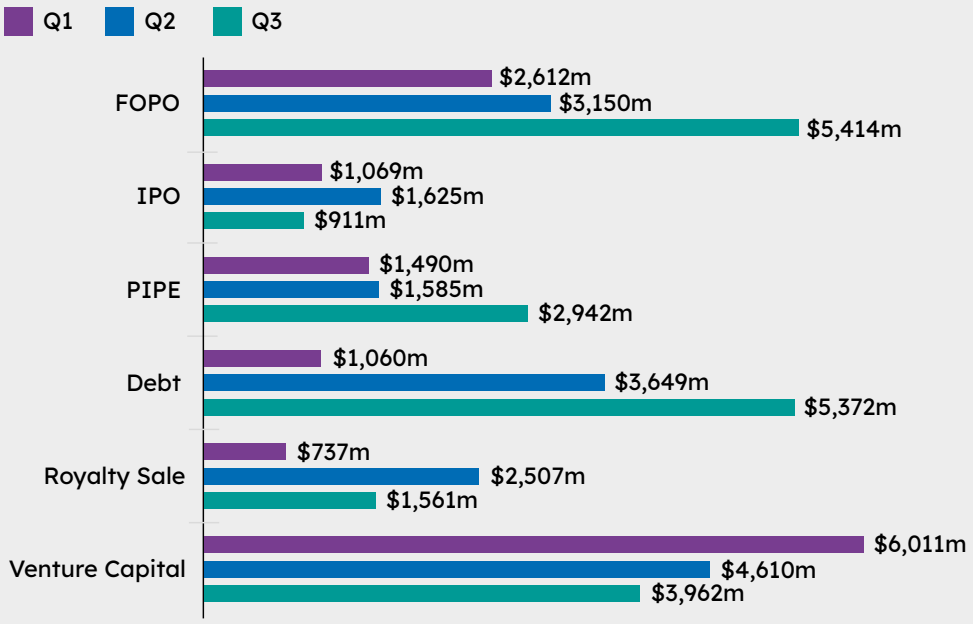
Exhibit 1: Biopharma Fundraising In 2025 Through Q3



Public company fundraising has surged globally in 2025 via follow-on public offerings (FOPOs), private investment in public equity (PIPE) financings and debt, while venture capital deals have declined from quarter to quarter, according to data from Biomedtracker, which shows greater quarterly variability in initial public offerings and royalty sales.

Source: Biomedtracker

many others have made the decision to sell their assets, combine with another biopharma firm or wind down operations.

"I think we've done a great job of collectively clearing out some of the unfortunate situations in the market, but I think there's probably still some work that needs to be done there," Kevin Eisele, managing director for healthcare capital markets at William Blair, said in an interview. "This is also a sector that's notorious for high risk/high reward, and so over time you generally see more companies that have setbacks that need to be cleaned up, so it is a pool that gets continuously recycled."

In addition to efficiently clearing out failed biopharma companies during the last few years, Eisele said the industry also has become "very diligent about what the expectations are for companies that make it onto the public markets." Drug developers that have been able to go public during the last two years mostly have been mid- to late-stage companies, with experienced management teams who are developing drug candidates with modalities and therapeutic areas of interest to investors.

"So, less of the very early, interesting, but very unproven [technologies], which I think was a big issue that created a lot of this carnage kind of when things started to go sideways," Eisele said.

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OBESITY, IMMUNOLOGY ATTRACTIVE TO INVESTORS

Bardon noted that companies working on obesity and obesity-related illnesses continue to be interesting for investors, especially new drug targets and modalities that address challenges within obesity treatment, such as improving gastrointestinal safety and tolerability, minimizing muscle loss that occurs alongside fat loss, and offering alternative dosing and administration options. She said inflammation and autoimmune diseases are also attractive opportunities for investors as companies advance new mechanisms of action and offer oral alternatives to injectable therapies.

Investments in modalities such as cell and gene therapy are more targeted to next-generation technologies that reduce manufacturing costs and complexities, and – in the case of gene therapies – address safety concerns that have arisen with the one-time treatments, Bardon explained. RNA therapeutics remain attractive opportunities, especially approaches that deliver the treatments to specific organs, and she said new iterations of antibody-drug conjugate (ADC) technologies are also intriguing, including multispecific ADCs and ADCs with novel payloads.

Vie Ventures co-founders Steven St. Peter and Luke Evnin launched their venture capital firm in 2025 to focus on investments in companies developing drugs for autoimmune and inflammatory conditions. The new VC firm is raising its first fund, starting with high-net-worth families, disease foundations and pharma companies with special interests in autoimmune and inflammatory diseases before focusing fundraising efforts on more traditional limited partners, such as pension funds, foundations and endowments.

St. Peter is a former managing director at MPM BioImpact, served as CEO of the pet medicines developer Aratana Therapeutics and most recently was managing director of the T1D Fund, a type 1 diabetes-focused venture philanthropy fund, while Evnin is an MPM co-founder, former managing director and current senior advisor of the firm, and has been chairman of the Scleroderma Research Foundation since 1999.

“A lot of the technologies and tools from the immuno-oncology world are now available for these companies that want to pivot to autoimmune disease,” St. Peter said in an interview. He explained that Vie Ventures sees investment opportunities in this space because of “a ripeness of where we are from a technology perspective, the availability of things like single-cell sequencing, really the tools to basically interrogate the immune system to understand the control points and then use those to control autoimmune disease.”

VENTURE CAPITAL: A MARKET OF HAVES AND HAVE-NOTS

Having lived through multiple economic downturns during his 30-year career, St. Peter keeps the current state of the biopharma venture capital market in perspective.

“I entered the business after my medical training in 1999 during the dot-com boom and at that point in time, everyone was focused on six months to 12 months of liquidity and the idea of doing biotech seemed really hard, but ultimately in that environment we were able to raise money and keep things going,” he said. “And then in 2008 and 2009, we had another big hiccup where the funding was dramatically down for companies … [and] I think what was very different is the funds had not appropriately reserved and they’d not raised big enough funds to sustain them through the lull.”

What is different in the current downturn is that many companies are still accessing venture capital, because a lot of VC firms raised enough money for their most recent funds to continue supporting the companies already in their portfolios and to launch a few compelling start-ups. St. Peter pointed out that 2024 was still

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In the current downturn many companies are still accessing venture capital.

one of the best years on record in terms of total biopharma venture capital raised.

The National Venture Capital Association (NVCA)/Pitchbook Venture Monitor report shows that 2024 had the fourth-highest total for biopharma VC fundraising between 2015 and 2025, with $25.1bn raised by drug developers. That was up from $19.6bn in 2023, but below the $27.7bn raised in 2020, $38.9bn in 2021 and $28.4bn in 2022.

However, the NVCA/Pitchbook data show that biopharma companies raised just $16.2bn during the first three quarters of 2025, so if the industry does not significantly exceed 2025's VC fundraising pace of $5.4bn per quarter in Q4, 2025 could be a down year. But even at $21.6bn for all four quarters if the current quarterly fundraising pace holds, 2025 would be the fifth best VC funding year of the past decade.

St. Peter conceded that fewer start-ups with early-stage programs have been able to raise money than in years past, while a lot of money is going to a smaller number of later-stage companies in $100m-plus mega-rounds.

"It's a bit of an environment that's bifurcated," he said. "There's companies that are able to raise, and then there's a group of companies that maybe raised a series A and they simply can't raise a series B or a C because I think the VC firms are focused on the companies that they started and making sure that their reserves and capital can support those companies."

St. Peter said the drop in fundraising by venture capital investors for new VC funds is concerning, because it has dropped to a fraction of what it was in 2020 and 2021.

William Blair said in its Q3 biopharma recap that new life science fund formation surged to $6.1bn in Q3, but that total rose from anemic levels of $2.7bn in Q2 and $1.8bn in Q1. The bank also noted that the majority of investments from established funds are going to VC firms' existing portfolio companies with a smaller portion invested in new start-ups.

"When you look at funding into venture funds, it's dramatically down," St. Peter said. "And what I worry about is that has to rebound before the coffers of the existing funds gets exhausted … because eventually the funding environment for companies will get more desperate."

Venture capital firms need further strengthening of the IPO market and a continued increase in M&A activity to convince institutional investors and other limited partners to back new VC funds that can support both start-ups and growth-stage companies.

"In general, I would say there's definitely less appetite for new company formation," Bardon said. "Because the investors have yet to see their distributions from their previous venture capital investments in biotech, I think that they are less enthusiastic about investing in long-term, long lockup venture funds and instead are looking for shorter-term liquidity options, whether that's public equities or whether those are more late-stage equities."

Further recovery in the financial markets, Bardon and St. Peter agreed, will depend on continued M&A and improved stability at the FDA. Declining interest rates would also be positive for biopharma, Bardon said, while St. Peter noted that an increase in positive clinical trial readouts also will fuel positive investor sentiment.

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2026's Sales Growth Winners And Losers

Companies Of All Sizes Navigate Opportunities And Challenges

Executive Summary

The pharmaceutical industry continues to experience significant shifts in sales performance, with some companies achieving remarkable growth while others face stagnation or decline.

Edwin Elmhirst
Data Journalist

Here, *In Vivo* looks ahead to 2026, highlighting the companies leading the charge, those lagging behind and the key drivers propelling these changes in the sector.

The analysis looks at companies, split by market capitalization as of Nov. 11, 2025 – with the highest and lowest percentage sales growth in 2026 – according to Evaluate consensus forecasts. In order to qualify for the analysis companies were also required to have at least $1m in prescription pharmaceutical sales forecast for 2025.

BIG CAP ($30BN+) BEST PERFORMERS

Insmed

Insmed's 92% sales growth in 2026 is driven primarily by the launch of its second marketed asset, Brinsupri (brensocatib). Brensocatib received approval from the FDA on Aug. 12, 2025 for the treatment of non-cystic fibrosis bronchiectasis (NCFB) in adults and children aged 12 and older. The first-in-class dipeptidyl peptidase 1 (DPP1) inhibitor is also in Phase II trials for chronic rhinosinusitis and hidradenitis suppurativa, both of which are expected to read out

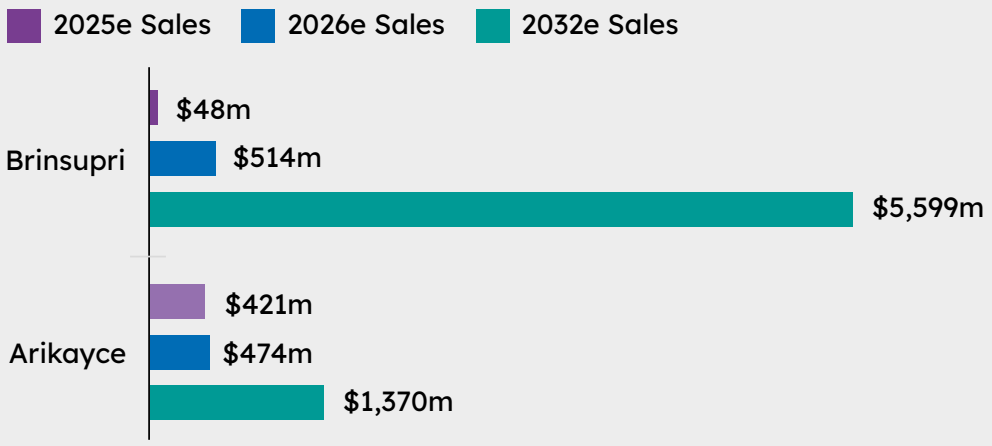
before H1 2026. Evaluate is forecasting first full year sales of $514m rising to peak sales of $5.7bn in 2039, however this could go higher if Brinsupri can secure supplementary approvals.

Arikayce (amikacin sulfate), Insmed's first marketed drug, was approved in 2018 for Mycobacterium avium complex (MAC) lung disease in adults with limited or no alternative treatment options. Sales of the drug are forecast to continue to grow out until 2032, which Evaluate predicts as its peak sales year. Insmed plans to submit a supplementary new drug application to the US FDA to cover all MAC patients in the second half of 2026 – assuming its ENCORE trial is a success. This may further raise Arikayce's prospects.

Alnylam Pharmaceuticals

Amvuttra (vutrisiran), a transthyretin (TTR) RNAi therapeutic, is Alnylam Pharmaceuticals' bestselling product and is forecast to account for 75% of the company's sales in 2026. First approved in 2022, for hereditary transthyretin-mediated (hATTR) amyloidosis in adults, Amvuttra received its second authorization from the FDA in March 2025 for the treatment of cardiomyopathy of wild-type or hereditary transthyretin-mediated amyloidosis (ATTR-CM) in adults. In the months following its ATTR-CM approval Amvuttra has performed better than many covering analysts initially predicted, given its third-to-market status. It is forecast to make over $6.6bn in worldwide sales in 2032.

Exhibit 1: Insmed's Predicted Key Product Sales



Source: Evaluate

Alnylam has two other marketed assets which are set for modest growth in 2026. Givlaari, an RNAi porphyria treatment, is forecast to grow by $65m over 2026 to $363m. Oxlumo, a Glycolate oxidase inhibitor for chronic kidney disease, is predicted to rise $43m to $241m.

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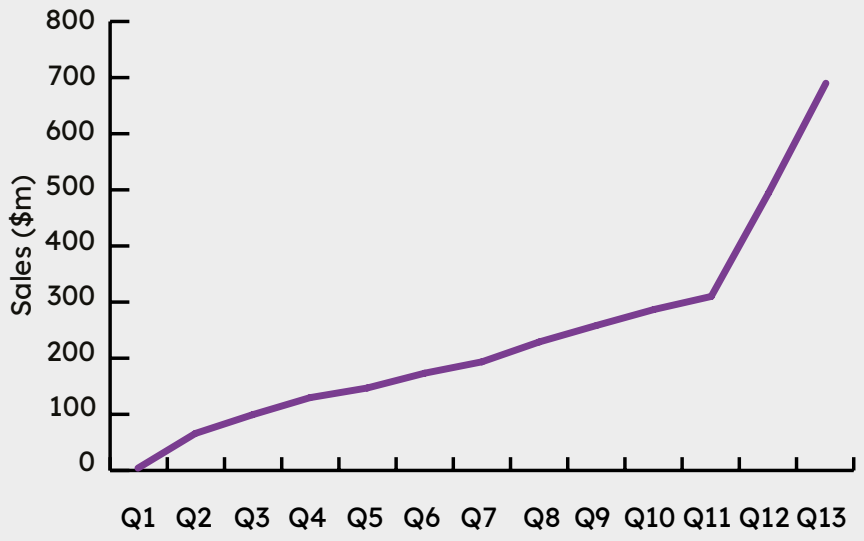
Exhibit 2: Amvuttra Launch Curve



Source: Evaluate

BIG CAP ($30BN+) WORST PERFORMERS

Bristol Myers Squibb

Bristol Myers Squibb is forecast to have a 10% decline in topline sales between the end of 2025 and end of 2026. This is largely driven by three separate products set to see sales shrinkage of over $1bn, with a further 13 assets losing sales to a lesser extent.

Eliquis (apixaban) is forecast to be BMS's top selling product in both 2025 and 2026. However, the coagulation factor Xa inhibitor sales will decline by $2.5bn over the next year, according to sellside forecasts. Not only is Eliquis' patent due to expire in November 2026 but BMS, and alliance partner Pfizer, also announced a new buying option for the drug in July 2025 where patients in the US can buy the drug direct at a heavily discounted rate from the pre-program list price. Covering analysts believe this program is a response to the Trump administration's most favored nation (MFN) drug pricing proposal.

Eliquis is also one the first drugs facing Medicare price negotiations under the Inflation Reduction Act, starting in 2026. This set a fair price of $231 for a 30-day supply, even lower than the $346 of the direct-to-patient program.

Revlimid (lenalidomide), another workhorse for BMS over the past several years, will see heavy sales losses in 2026. Sales of the blood-cancer therapy peaked at $12.8bn in 2021, but since its 2022 patent expiry BMS has slowed generic erosion through agreements that delayed several competitors' market entry. Many of these agreements, however, expire in January 2026 allowing for unlimited volume sales from that point onward.

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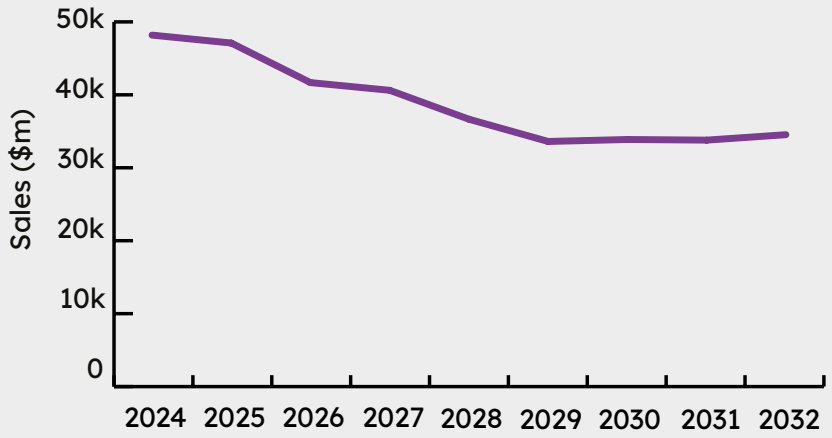
Exhibit 3: Bristol Myers Squibb Rx Sales Forecast



Source: Evaluate

Pomalyst (pomalidomide), a tumor necrosis factor alpha (TNFa) inhibitor, is another asset in BMS’s stable which is continuing to decline post-patent expiry. BMS is also drawing fire for the use of pay-for-delay tactics. In June 2025, insurer Cigna filed an antitrust lawsuit against BMS and its subsidiary Celgene claiming the company persuaded manufacturers to postpone their generic market entries until 2026 in exchange for payments linked to Revlimid settlements.

These sales declines are slightly mitigated by growth from Opdivo Qvantig, Breyanzi and Cobenfy. However, forecasts show BMS’s topline sales declining until 2029, where they are currently predicted to stabilize, if not recover.

Otsuka Holdings

Japanese giant Ostuka Holdings is the only other big cap company in this analysis which is due to see sales decline, by 2%, in 2026.

The majority of Otstuka’s topline decline is due to the patent expiration of polycystic kidney disease treatment Jynarque (tolvaptan). The vasopressin 2 receptor (V2R) antagonist is predicted to see losses of $624m in 2026, its first full year post-patent loss. Indian generics producer Lupin has already secured FDA approval for its generic tolvaptan along with 180 days of generic exclusivity.

Unlike BMS, however, Otsuka’s poor fortune is only forecast to last for one year before there is a reversal. Rexulti (brexpiprazole) – an anti-psychotic marketed for schizophrenia, depression and agitation – continues to grow in sales out to 2028, somewhat offsetting the losses in 2026. Meanwhile, sibeprenlimab, an IgA nephropathy treatment, continues to make progress with forecasts expecting a late 2026 launch.

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MID CAP ($2.5BN-$30BN) BEST PERFORMERS

Crinetics Pharmaceuticals
On Sept. 25, 2025, Crinetics received its first FDA drug approval. The treatment in question, Palsonify (paltusotine), is the first once-daily oral drug for adults with acromegaly. According to Evaluate forecasts whilst Palsonify will make $58m in the first full year of sales this is expected to rapidly climb to blockbuster levels by 2030. By 2029 Palsonify is predicted to become the market lead in acromegaly, displacing currently leader Ipsen's Somatuline (lanreotide acetate), narrowly beating Chiesi Farmaceutici's new offering Mycapssa (octreotide acetate).

The somatostatin receptor type 2 (SSTR2) agonist is also in Phase III trials for carcinoid syndrome. Although it is unlikely to gain expanded approval before 2027, sales in this indication are forecast to make up around 34% of the company's topline sales by 2032.

Arrowhead
Arrowhead's lead asset, plozasiran, an apolipoprotein C (ApoC) 3 antisense RNAi, has a PDUFA target action date of Nov. 18, 2025 in Familial Chylomicronemia Syndrome, with a launch expected shortly afterwards.

Plozasiran is forecast, by many covering analysts, to be best-in-class with a current consensus sales forecast of $1.7bn in 2032. It is not only the sellside which seems to believe in plozasiran; Sanofi acquired the rights to sell the drug in Greater China in September 2025 for $130m upfront with an addition potential $265m in regulatory milestones.

Arrowhead also has its lead asset in Phase III studies for severe hypertriglyceridemia and mixed hyperlipidemia, all of which are due to read out in 2026.

Biogen is the largest of the predicted mid cap decliners in 2026.

MID CAP ($2.5BN-$30BN) WORST PERFORMERS

Biogen
Biogen is the largest of the predicted mid cap decliners in 2026, with a forecast sales shrinkage of -6%. The company's top three sales assets in 2025 are all expected to experience sales losses as they struggle to maintain dominance in the face of competition both generic and branded.

Tysabri (natalizumab), a monoclonal antibody for the treatment of relapsing forms of multiple sclerosis (MS), has been treading water in terms of market share in the increasingly crowded MS space for over a decade at around 9%. This share began decreasing in 2025 and a decline of $265m is forecast for the drug in 2026. This coincides with the launch of the first US biosimilar, Sandoz's Tyruko. Tyruko is forecast to account for 12% of all natalizumab sales in 2026.

Biogen's second bestselling MS offering, Tecfidera (dimethyl fumarate), is also due to see a drop in sales in 2026 – by $206m. Tecfidera's sales peaked in 2019 at $4.4bn before the drug lost its patent protection the following year. The drug was dealt a further blow in October 2025 when the European Commission's decision to extend Tecfidera's EU market exclusivity by another year was overturned. However, the company remains confident about the resiliency of its MS portfolio.

Spinraza (nusinersen), Biogen's spinal muscular atrophy (SMA) treatment forecast to lose $86m of sales in 2026, continues its slow decline

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from 2019 at the hands of competitors such as Roche's Evrysdi (risdiplam) and Novartis's Zolgensma (onasemnogene abeparvovec). Biogen hoped to rekindle sales with a higher-dose approval, however it was met with a complete response letter (CRL) in September 2025. The company said the CRL was unrelated to clinical data and it aims to resubmit as soon as possible. Analysts are skeptical that a higher dose will save Spinraza.

Skyclarys, a treatment for Friedreich's ataxia, is Biogen's only product predicted to experience growth of over $100m in 2026 and is forecast to become the company's lead asset by 2032.

Ono Pharmaceutical
Ono Pharmaceutical is expected to experience a 3% decline in topline sales over the course of 2026. This is mainly due to Farxiga's (dapagliflozin propanediol) patent expiration. The Sodium-glucose cotransporter 2 (SGLT2) inhibitor, licensed from AstraZeneca for promotion in Japan, is forecast to see its sales shrink by just over $200m in 2026.

The company's losses from Farxiga in 2026 are not offset by Ono's growth assets such as Opdivo (nivolumab), which is forecast to grow by $100m in 2026. However, the topline sales for Ono are forecast to stabilize and resume growth from 2028 onwards.

SMALL CAP ($250M-$2.5BN) BEST PERFORMERS

Precigen
August 2025 saw the US approval of Precigen's lead asset Papzimeos (zopapogene imadenovec), the first approved therapy for recurrent respiratory papillomatosis (RRP).

The approval was based on data from a single-arm open-label Phase I/II study. The immunotherapy is predicted to make $151m in its first full year of sales rising to $689m at Evaluate's current forecast horizon of 2032.

Whilst Papzimeos is the first treatment approved for RRP, there is a contender hot on its heels in the form of Inovio's INO-3107, which submitted its own BLA for accelerated approval at the start of November 2025. INO-3107, a DNA immunotherapy, is forecast to make around half the sales of Papzimeos, starting in 2026.

Kura Oncology
Komzifti (ziftomenib), Kura Oncology and Kyowa Kirin's partnered menin inhibitor, was approved by the FDA in November 2025 for relapsed/refractory NPM1 mutation-positive (NPM1m) acute myeloid leukemia (AML). Komzifti is forecast to generate just over $40m in sales for Kura in 2026, rising to $779m in 2032.

Soon after Komzifti's approval, competing menin inhibitor, and forecast market lead across grouped AML indications, Syndax Pharmaceuticals' Revuforj (revumenib) was given a label expansion into relapsed/refractory NPM1m. However, Syndax's offering carries an additional boxed warning of QTc prolongation, which could give Kura and Kyowa Kirin the edge and perhaps raise 2026's expectations further.

SMALL CAP ($250M-$2.5BN) WORST PERFORMERS

Novavax
Novavax's 2026 sales slump of -79% is in part due to an artificial bump in 2025 full year sales guidance. In a third quarter presentation, Novavax projected full year 2025 sales of $610m. The vast majority of this sales line is, however, from the termination of Canada and New Zealand purchase agreements of Novavax's marketed asset, COVID-19 vaccine, Nuvaxovid. The company had reported sales and revenue decline in 2024.

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Novavax’s 2026 sales slump of -79% is in part due to an artificial bump in 2025 FY guidance.

In 2024, Novavax licensed rights to book sales of Nuvaxovid to Sanofi. This deal covers all countries except India, Japan and South Korea – where partnerships already existed. Under the terms of the deal, Novavax will still take double-digit royals from Nuvaxovid sales but the vaccine has long struggled to take market share from competitors developed by far larger companies – a fact that has caused friction with some investors.

Sarepta Therapeutics

All four of Sarepta’s marketed assets for Duchenne muscular dystrophy are forecast to have sales declines in 2026, according to Evaluate consensus, for a total loss of -$327m.

Sarepta’s marketed lead, Elevidys (delandistrogene moxeparvovec), took a knock in 2025, as following the deaths of two Elevidys-treated DMD patients after acute liver failure, the company agreed with the FDA to a labelling update. The revised label limits treatment to ambulatory patients and adds a black box warning about liver injury along with additional monitoring suggestions.

The company’s phosphorodiamidate morpholino oligomer (PMO) therapies, which are the other significant portion of its revenue, also suffered setback during 2025. The Phase III ESSENCE confirmatory study for Amondys 45 (casimersen) and Vyondys 53 (golodirsen) did not achieve statistical significance on its primary endpoint. This study was intended to convert existing accelerated FDA approvals into full approvals. While the FDA is not going to pull them from the market it does raise concerns about the future path for the entire PMO franchise.

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Pharmatech Funding: What Corporate VCs Actually Want

Executive Summary

Corporate venture arms can be powerful growth partners, but founders who don't take time to understand them risk missing their greatest value.

David Wild
Senior Reporter

For pharmatech and digital health start-ups seeking investment from corporate venture arms, understanding what separates fundable companies from the rest has become increasingly nuanced. It's no longer enough to have compelling software or artificial intelligence innovation and a strong founding team. Investors – particularly those operating from pharmaceutical company balance sheets – are looking for a complex combination of transformational technology, strategic fit and independent viability that many founders struggle to demonstrate.

"We're looking for things that we are not ready to partner with or acquire," explained Cris De Luca, a partner at Sanofi Ventures overseeing the firm's AI fund, speaking at a panel during LSX World Congress USA. "We act as an entry point for innovators to Sanofi, where companies might not yet be ready for a business development partnership or in-licensing agreement, and we can instead invest directly at an early stage, moving at a faster pace and deepening the relationship through board engagement."

THE CORPORATE VC SPECTRUM

That "sweet spot" – pharmatech companies with proven revenue and market fit but not yet ready for full-scale commercial partnerships – defines the core investment focus for many

corporate venture groups active in the sector today. However, corporate venture arms operate under a variety of models, and these structural differences can have significant implications for start-ups deciding which investors best align with their strategic goals.

For example, Sanofi Ventures, which manages $1.4bn, takes an institutional approach, leading or co-leading rounds and taking full board seats, as De Luca mentioned. Despite investing from Sanofi's balance sheet, he emphasized that the team operates with fiduciary duties to portfolio companies – legally bound to act in the start-up's interest rather than the parent corporation's strategic agenda, with strict firewalls between investment and partnership decisions.

Others operate differently. John Pavletic, executive director at Lilly Ventures, described a deliberately hands-off approach. His firm, which has $200m under management, writes smaller checks, does not take board seats, and is focused on providing resources and connections, rather than governance.

"Because we have small checks, we are looking for companies that can build a strong syndicate and that are building a business that resonates with other investors, because we have the capacity to help a company, but we don't have the capacity to save them," he said.

This distinction matters for founders. Companies seeking active strategic guidance and board-level engagement should pursue investors like Sanofi Ventures. Those wanting lighter-touch relationships with broader syndicate participation might prefer the Lilly Ventures model.

In both cases, the key requirement is the same: companies must stand on their own as venture-backable businesses, capable of succeeding independently of any strategic partnership.

WHAT INVESTORS ARE EVALUATING

De Luca articulated four core elements Sanofi Ventures assesses: transformational innovation, exceptional teams, strategic fit and venture-backable business models. But the nuance lies in how these factors interact.

"We wouldn't invest in companies that are classic vendors or selling into pharma from a SaaS service agreement," De Luca said. "We're looking for things that are special, typically a leap in innovation and emerging technology that could really transform how we think about a problem, a business or a therapeutic area."

Strategic fit carries weight for corporate investors, but not in the way founders might assume. The goal isn't to find companies that perfectly align with current pharma strategy, but rather companies where a deepened relationship – beyond typical commercial contracts – could create value neither party could achieve independently.

"Because pharma strategy comes and goes and often depends on leadership changes, we want to make sure that we're investing in companies that will stand on their own two feet, with or without a partnership," added De Luca.

Pavletic stressed the importance of a founder's passion for the unmet need they are addressing. "We look for people that are intimately aware of the problem they're solving and frankly, obsessed with it," he said. "It's really easy to get locked in and talk around how important the solution is, but we also need to have a really strong understanding of what the underlying problem is that they're actually solving."

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Pharmatech Funding: What Corporate VCs Actually Want

THE REVENUE IMPERATIVE

Perhaps the bluntest message from the panel centered on revenue generation. Pavletic put it simply: “The only thing that grows is revenue.”

While drug developers can raise capital on preclinical or early clinical data, companies building software, AI tools or R&D infrastructure increasingly need to demonstrate revenue traction before accessing growth capital.

For PharmStars, a digital health accelerator, this revenue focus shapes the entire selection and development process. Naomi Fried, the accelerator’s founder and CEO, said her organization required start-ups to enter with prototypical products because pharma partners want to see working technology before signing deals – the program’s key success metric.

“At the end of the day, the most important thing for a start-up is to be able to sell their product and to achieve product-market fit,” Fried said. “Once you do that, the investment dollars will follow, because revenue is on its way.”

PharmStars follows a hybrid model, where the accelerator teaches start-ups about pharma’s operational realities and unmet needs, and PharmStars Ventures provides initial investment to all graduates and significant follow-on funding to high-growth companies. After spending 10 weeks in intensive engagement with start-ups, the venture arm’s decision-makers develop strong convictions about which companies will succeed. The metrics speak for themselves. Since its founding in 2021, PharmStars Ventures has helped launch 35 portfolio companies, ranging from Comend, a Canadian pharmatech with a federated digital marketplace of rare disease patient advocacy groups and their biosamples, studies and IP, to InterCellular, an AI-enabled miRNA platform for cancer monitoring. Collectively, the 35 companies have completed 98 deals with pharma.

THE ACCELERATOR ADVANTAGE

For investors, PharmStars and other accelerators, incubators and prizes provide validation that help identify promising companies. “The ecosystem does diligence for us, in many ways,” said De Luca. “The start-ups that are rising and haven’t dropped go through these programs and build muscle.”

De Luca said accelerator participation mattered most when programs delivered meaningful value beyond capital – such as customer access, domain expertise or operational support. For example, PharmStars addresses a “pharma-start-up gap” not just in terms of products needed by industry, but a gap in cultures, development timelines, resource availability and risk appetites. The accelerator teaches digital health start-ups pharma’s operational intricacies and the language of pharma.

“In the pharma world, medical and clinical do not mean the same thing,” Fried noted. “But they’re exactly the same in the provider world.”

By learning pharma’s language, start-ups that emerge from programs like PharmStars can translate their value propositions into pharma’s problem-solving frameworks and articulate their investment opportunities clearly.

WHERE CAPITAL IS FLOWING

When asked about investment trends in pharmatech, AI dominated the discussion, though with important distinctions. De Luca characterized large language models and agentic AI systems as “a leap in technological innovation” that’s creating entirely new company categories. AI-enabled companies can now reach $100m in annual recurring revenue in three to four years, which is roughly half the time traditional software companies have historically required to reach the same level of revenue.

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> **"Because pharma strategy comes and goes and often depends on leadership changes, we want to make sure that we're investing in companies that will stand on their own two feet, with or without a partnership."**
>
> **Cris De Luca, Sanofi Ventures**

Sanofi Ventures' recent investment in QuantHealth reflects its belief that AI-driven virtual trial simulations can transform how drugs are discovered and tested.

Lilly Ventures' Pavletic distinguished between AI applications and underlying models. "I think tons of money is poured into underlying models, but those companies eventually have to show that they've built a significant business and not just a model that is potentially replaceable," he said.

Beyond AI, Pavletic highlighted the promise of platforms that make health records more broadly accessible, with new coding techniques that allow smaller teams to build sophisticated data access solutions without requiring customers to surrender data rights or accept predatory terms.

And, like De Luca, Fried emphasized digital innovations for clinical trials as particularly ripe for investment. With drug development taking 14 years and costing approximately $1bn on average, she sees opportunities across the entire clinical trial lifecycle from patient identification and recruitment to virtual trial infrastructure, remote patient monitoring, data cleaning and analysis and regulatory communication.

PRE-COMPETITIVE COLLABORATION

Perhaps the session's most important message for founders centered on collaboration among ostensibly competing corporate venture arms. De Luca explicitly rejected the notion that accepting investment from one pharma precludes working with others.

"We're all on stage together. We're all pre-competitive. We could all be … investing in the same company, all with the best interest of seeing that company rise," he said.

This pre-competitive mindset extends beyond syndication to knowledge-sharing about founder quality and technology validation. Corporate venture investors regularly make introductions and share insights, functioning more like a collaborative network than a competitive landscape.

For start-ups, this means strategic decisions need not be binary. Demonstrating traction with one corporate investor often makes it easier to engage others, provided that relationships are structured appropriately without exclusive provisions that would preclude additional strategic investors.

The panelists emphasized the fiduciary responsibilities that corporate investors have, reiterating that when corporate VCs take board seats, they're bound by duties to the company rather than their parent corporations. This creates the legal and ethical framework that enables multi-pharma syndicates that would otherwise create untenable conflicts.

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Pharmatech Funding: What Corporate VCs Actually Want

THE BRUTAL MATH

Underlying all the strategic considerations is a mathematical reality that founders must internalize. Pavletic emphasized that investors must understand burn rates and exactly how much progress companies need to demonstrate between funding rounds.

"As we're looking at these companies, we try to get a sense of whether they really understand the specific part of the value chain that they're addressing," he said. "Do they know who the selling point is? Do they understand what the actual solution used to look like there?"

Companies that can't articulate clear milestones, capital efficiency plans and paths to the next value inflection point struggle to raise capital, regardless of how compelling their technology might be.

The panelists also emphasized that not every business would need venture capital. "If you can bootstrap something and build it on your own and maintain control, I think that's a tremendous path forward," Pavletic said.

> "As we're looking at these companies, we try to get a sense of whether they really understand the specific part of the value chain that they're addressing. Do they understand what the actual solution used to look like there?"
>
> John Pavletic, Lilly Ventures

TIMING AND PATIENCE

A final theme centered on timing, both for fundraising and for developing strategic relationships. Initial rejections do not preclude future engagement. Strategic priorities shift; leadership changes and technologies mature. A company rejected at one point can be highly relevant within 18 months, which means maintaining relationships and periodically updating investors on progress can lead to investments that would not have been possible initially.

THREE MISCONCEPTIONS THAT SINK PHARMATECH CVC FUNDRAISING

1. Overvaluing strategic alignment. Founders think they need perfect fit with current pharma priorities. Investors care more about solving fundamental problems that will remain relevant despite leadership changes and strategy shifts.

2. Misunderstanding budget authority. Digital and innovation groups often lack investment budgets. R&D divisions control capital but have different decision-making processes. Understanding these organizational dynamics before approaching investors saves time and improves targeting.

3. Pitching the wrong people. Well-meaning pharma employees will take meetings and provide feedback without having budget or investment authority. The solution: research, networking and multiple entry points to find actual decision-makers, which varies significantly across organizations.

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This long-term relationship-building requires patience that venture timelines don't always accommodate. But for corporate strategic investors operating with different time horizons than traditional VCs, extended courtship periods are normal rather than exceptional.

THE PATH FORWARD

The messages to founders are more complex than simply raising capital efficiently or demonstrating traction. Success requires understanding the specific investment mandates, organizational structures and strategic calculations of different investor types.

Corporate venture arms offer more than capital; they provide strategic validation, customer access and domain expertise that can accelerate company development in ways pure financial investors cannot. But accessing these benefits requires founders to invest as much in understanding their investors as investors do in understanding companies.

As Lilly Ventures' Pavletic said: "Don't take your foot off the gas in terms of being able to get out there and learn from your users, understand where the unmet needs are and be an expert."

In an environment where capital remains challenging and strategic relationships increasingly important, the pharmatech companies that succeed will be those that understand the investment evaluation process as deeply as they understand their own technology.

Full Outlook 2026 Report

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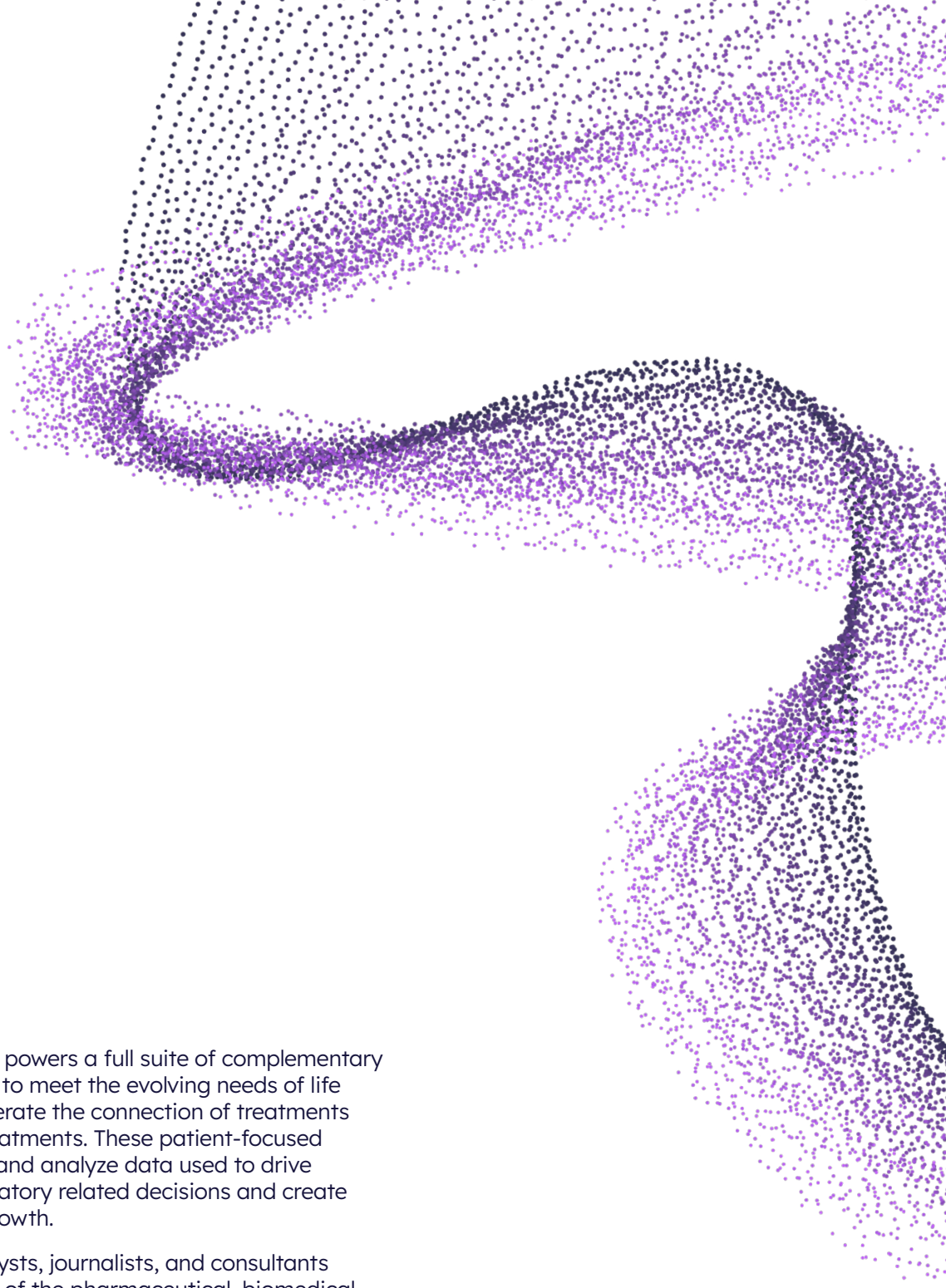

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