

HEALTHCARE AND LIFE SCIENCES

Capital Markets Quarterly Report

APRIL 2026



Key Takeaways

During the first quarter of 2026, capital markets for life sciences companies have outpaced the first quarter of 2025 in both transaction volume and aggregate gross proceeds across IPOs and follow-on offerings. IPO issuers raised more aggregate proceeds than in any quarter surveyed, with a strong year-over-year increase in average transaction size. Follow-on market activity similarly increased in both transaction volume and aggregate gross proceeds, though it fell short of a particularly robust first quarter in 2024.

This report surveys IPO and follow-on market activity from the past three years, including a total of 41 IPOs and 359 follow-on offerings. Below are some of the key observations of the review, including market trends and transaction structures:

- Although the sharp upward trend in follow-on market activity through the second half of 2025 tempered in the first quarter of 2026, robust transaction volume and a broadening range of issuer clinical development stages suggest the market remains open and accessible.
- IPO average deal size increased substantially in the first quarter of 2026, returning to a level consistent with the three-year rolling average after relatively weak performance in the first quarters of 2025 and 2024.
- While life sciences companies continue to rely on pre-funded warrants to enable certain large investments while capping certain investors' beneficial ownership, offerings limited to common stock have been more prevalent in the most recent three quarters than in any period since the first quarter of 2024.

Perspectives and Outlook

Alternative Transactions

Other types of transactions may also follow trends observed in public offerings, with respect to activity levels and dollars raised.

For example, in the first quarter of 2026, the median investment size in biopharmaceutical PIPEs increased by approximately 45% relative to the first quarter of 2025, while transaction volume increased 47%. The median equity market capitalization of such issuers, meanwhile, more than doubled, rising from \$234.7 million in the first quarter of 2025 to \$515.4 million in the first quarter of 2026.

PIPEs remain a popular alternative to public equity offerings, rather than a supplement. In the first quarter of 2026, 16 of 20 PIPE issuers (80%) did not conduct a concurrent follow-on offering. Relatedly, year-over-year declines in average daily trading volume were observed across biopharmaceutical companies that conducted PIPEs in the first quarter of 2026. These declines were consistent among issuers at every level of equity market capitalization. In addition to market volatility, factors driving issuers to pursue a PIPE in lieu of a follow-on offering may include shelf eligibility (e.g., due to a recent IPO), transaction timing (e.g., due to staleness of financials prior to 10-K filing) or disclosure timing (e.g., prior to the public announcement of clinical trial results), among others.

Second Quarter Outlook

Market volatility late in the first quarter of 2026 and into the second, driven largely by global geopolitical tensions and related uncertainty regarding interest rates and commodity prices, has halted or delayed many offerings planned for the quarter. We expect many issuers may wait for better market certainty before executing opportunistic capital markets transactions, prompting those with more pressing needs to consider alternative transaction structures.

Initial Public Offerings

Overview of Initial Public Offering Market Activity

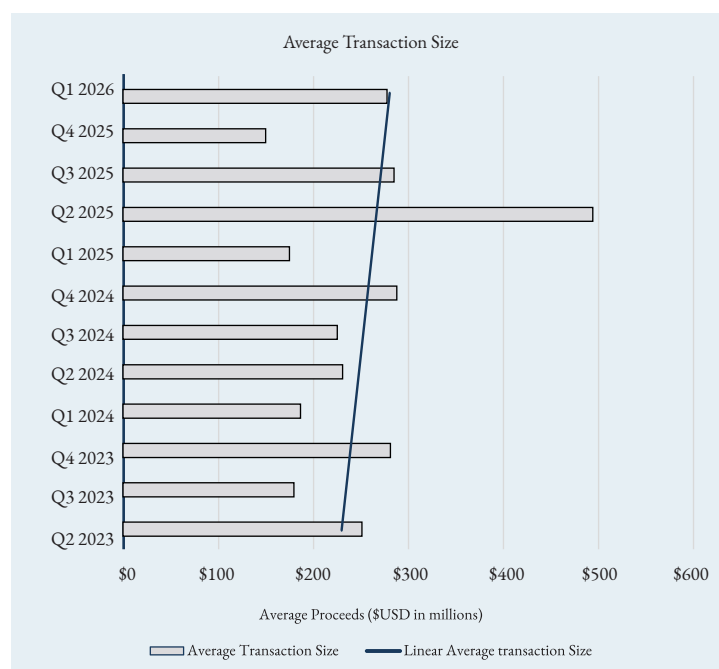
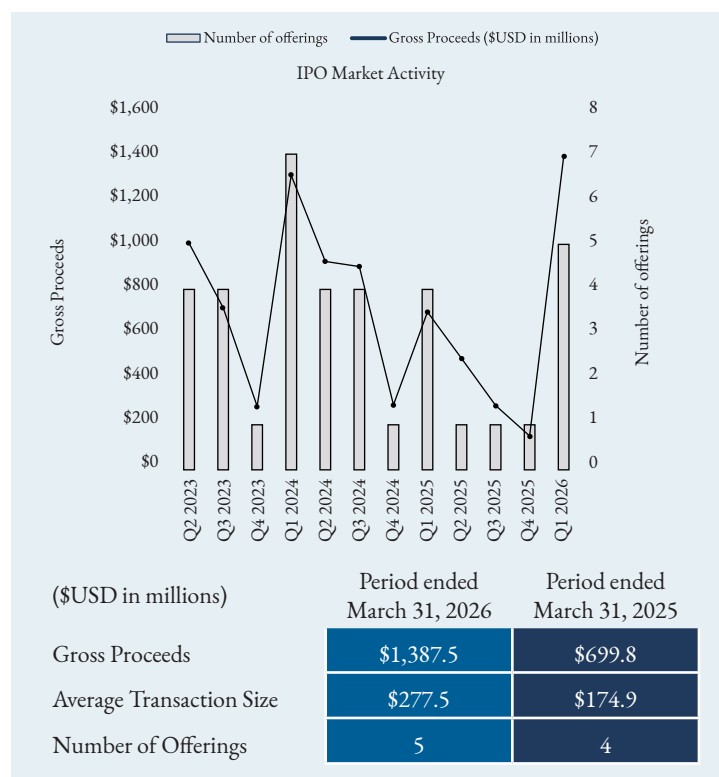
In the first quarter of 2026, there were five life sciences IPOs, as compared to four IPOs in the first quarter of 2025 and seven IPOs in the first quarter of 2024.

The five life sciences IPOs in the first quarter of 2026 raised aggregate gross proceeds of approximately \$1.4 billion, as compared to \$700 million raised in the first quarter of 2025 and \$1.3 billion in the first quarter of 2024.

Significant increases in gross proceeds were observed across the range of IPOs relative to the first quarter of 2025, including the minimum (up 60%), median (up 55%) and maximum (up 45%) offering size.

Average Transaction Size

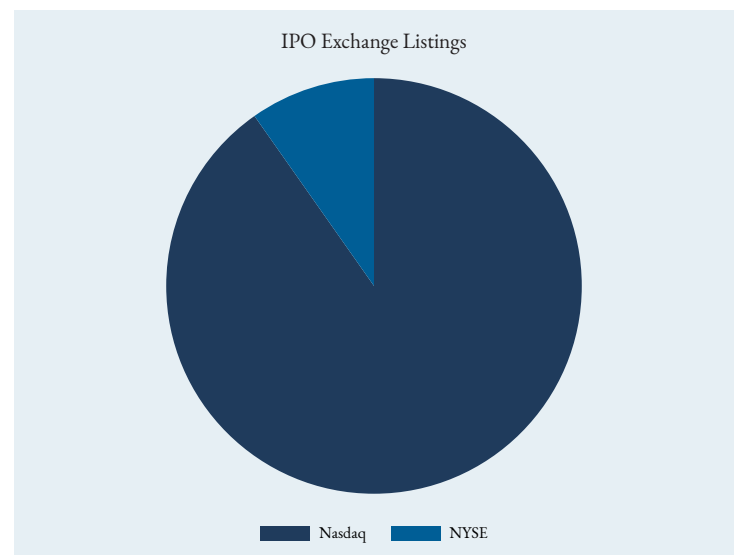
The five life sciences IPOs in the first quarter of 2026 had an average transaction size of \$277.5 million, significantly exceeding first quarter averages across recent years covered.



Initial Public Offerings

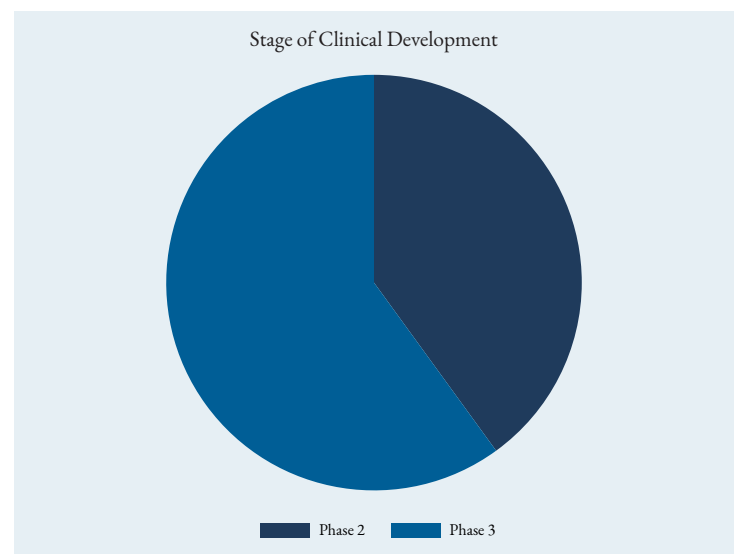
IPO Exchange Listings

In the past three years, 37 out of 41 life sciences IPO issuers listed equity securities on the Nasdaq Stock Market, as compared to only four life sciences IPO issuers who listed equity securities on the New York Stock Exchange.



Stage of Clinical Development

In the first quarter of 2026, two life sciences issuers had a lead product candidate in Phase 2 clinical development and three life sciences issuers had a lead product candidate in Phase 3 clinical development. During the period, no life sciences issuers conducting IPOs had commercialized products or lead product candidates in preclinical or Phase 1 stages of development.



IPO Transaction Structure

Primary Offerings. In the first quarter of 2026, all life sciences IPOs were primary-only and did not include shares sold by any selling stockholders.

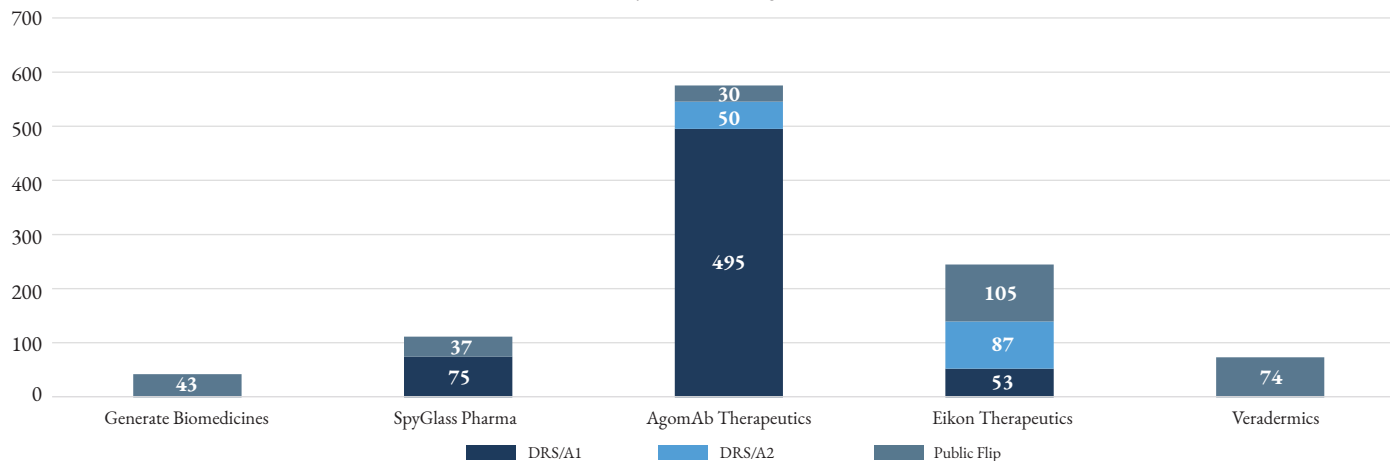
Concurrent Private Placements. In the first quarter of 2026, no life sciences IPOs included concurrent private placements.

Initial Public Offerings

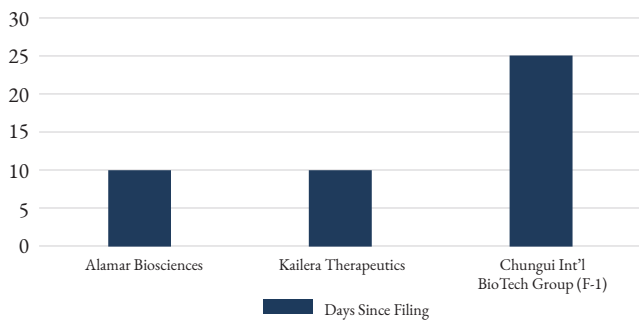
Q1 2026 Performance and Timing

Date	Company	Clinical Stage	Offering Size (\$M)	Last 30 Days	Last 60 Days	Vs. Offer Price
Feb. 26	Generate Biomedicines, Inc.	Phase 3	\$400	4.1%	--	(21.9%)
Feb. 5	SpyGlass Pharma, Inc.	Phase 3	\$150	(7.1%)	--	61.9%
Feb. 5	AgomAb Therapeutics NV	Phase 2	\$200	(34.4%)	--	(34.4%)
Feb. 4	Eikon Therapeutics, Inc.	Phase 2	\$381	(25.4%)	--	(41.2%)
Feb. 3	Veradermics, Inc.	Phase 3	\$256	34.4%	--	271.5%
				<i>S&P 500</i>	(4.3%)	6.4%
				<i>Russell 2000</i>	(4.3%)	5.5%

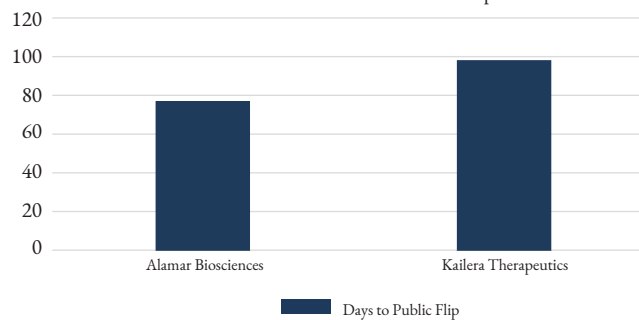
DRS to Public Flip – Q1 2026 IPOs
(Days Between Filings)



Recent IPO Filers



Recent IPO Filers - DRS to Public Flip

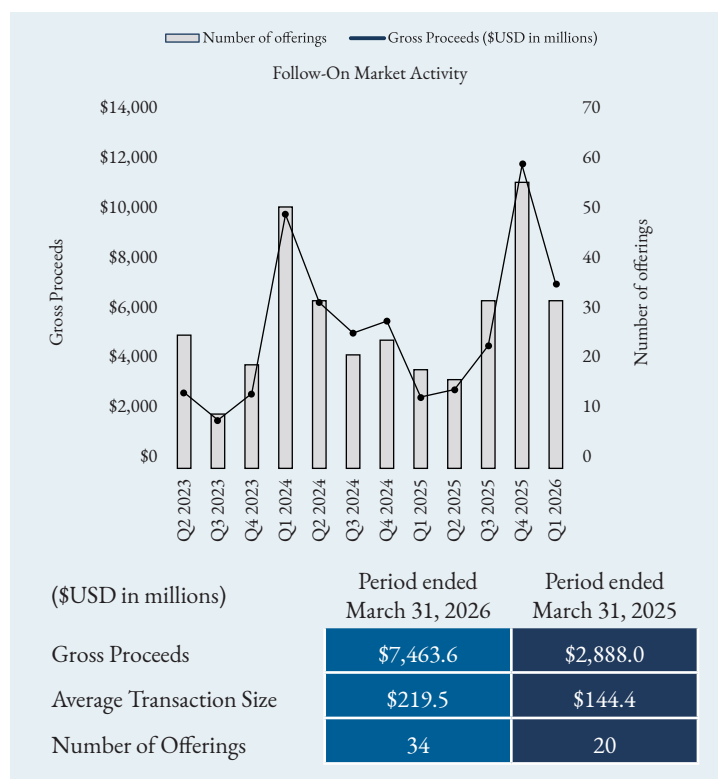


Follow-On Offerings

Overview of Follow-On Offering Market Activity

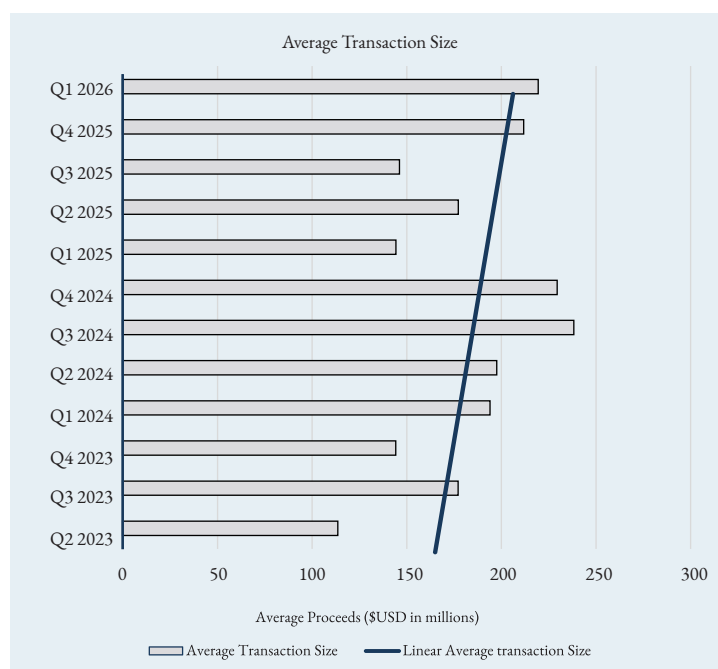
In the first quarter of 2026, there were a total of 34 follow-on offerings by life sciences companies, representing a 70% increase as compared to 20 follow-on offerings by life sciences companies during the first quarter of 2025.

These 34 life sciences follow-on offerings raised aggregate gross proceeds of approximately \$7.5 billion, substantially exceeding aggregate gross proceeds of approximately \$2.9 billion in the first quarter of 2025 while falling short of 2024's recent high-water mark for the period at \$10.2 billion.



Average Transaction Size

The 34 life sciences follow-on offerings in the first quarter of 2026 had an average transaction size of \$219.5 million, exceeding the average for every quarter of 2025.

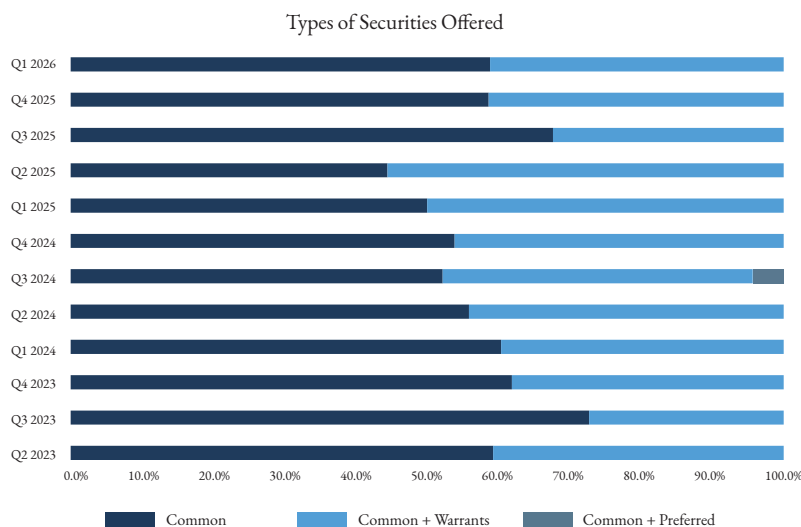


Follow-On Offerings

Types of Securities Offered

In the first quarter of 2026, 59% of life sciences follow-on offerings included common stock only and 41% included common stock and equity warrants, continuing a slight reversion in the prevalence of equity warrants over the past several quarters versus those prior.

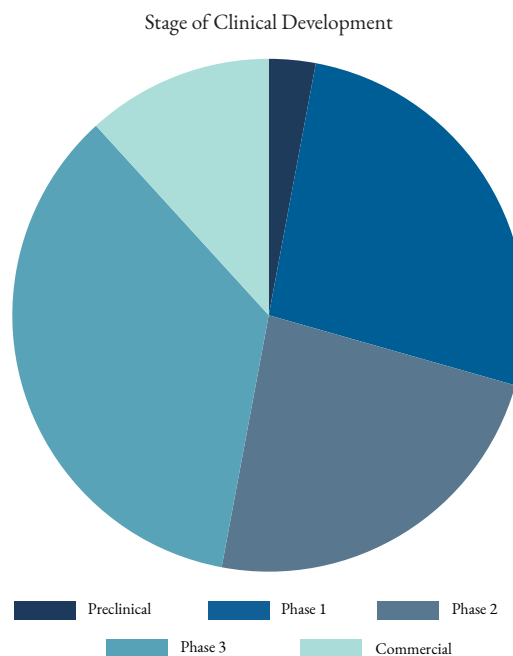
All 14 offerings during the period that included equity warrants included pre-funded warrants. One offering, the only registered direct offering of the group, included both pre-funded and market warrants.



Stage of Clinical Development

In the first quarter of 2026, approximately 29% of life sciences issuers had a lead product candidate in preclinical or Phase 1 clinical development, approximately 59% of life sciences issuers had a lead product candidate in Phase 2 or Phase 3 clinical development, and approximately 12% of life sciences issuers had a commercialized lead product.

While a plurality of life sciences follow-on offerings in the past quarter (35%) were conducted by issuers with a lead product candidate in Phase 3 clinical development, consistent with the first quarter of past years, the distribution has broadened slightly, suggesting potentially expanded access to issuers of all stages of development.

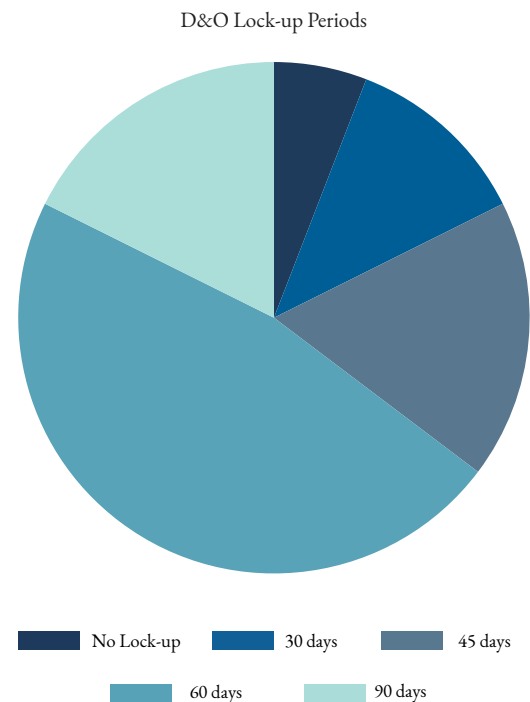
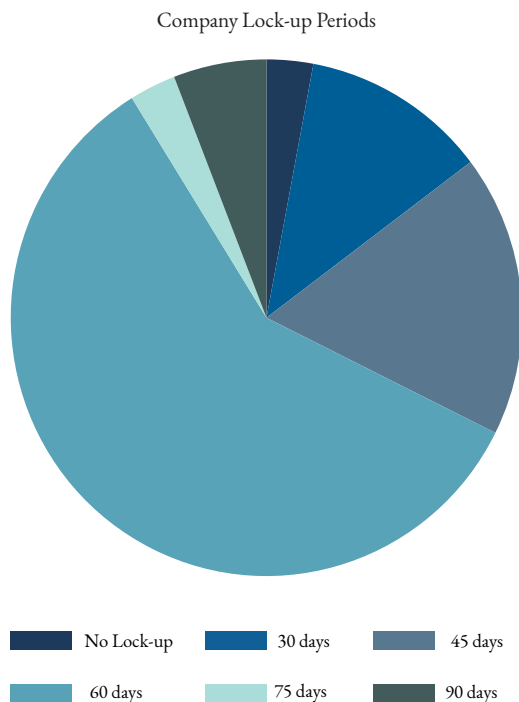


Follow-On Offerings

Lock-Up Agreement Terms

In the first quarter of 2026, the most common company lock-up period and director and officer lock-up period for life sciences follow-on offerings was 60 days (59%), followed by 45 days (18%) and 30 days (12%).

Company and director and officer lock-up periods were aligned in all but four offerings this quarter. In three instances, the director and officer lock-up period exceeded the company lock-up period, and in one, only directors and officers were subject to a lock-up agreement. In the one registered direct offering, neither the company nor its directors and officers were subject to a lock-up period.



Methodology

- Market data for the Initial Public Offering data set was sourced from the S&P Capital IQ database, a product of S&P Global Market Intelligence, a division of S&P Global Inc. The industry classification utilized was “Pharmaceuticals, Biotechnology and Life Sciences (Primary).” Initial public offerings reviewed were limited to those with issuers listed on the Nasdaq Global Select Market, Nasdaq Global Market, Nasdaq Capital Market, New York Stock Exchange or NYSE American. To be included in the data set, an initial public offering had to have raised at least \$30 million in gross proceeds.
- Market data for the Follow-On Offering data set was sourced from the S&P Capital IQ database. The industry classification utilized was “Pharmaceuticals, Biotechnology and Life Sciences (Primary).” Follow-on offerings reviewed were limited to those with issuers listed on the Nasdaq Global Select Market, Nasdaq Global Market, Nasdaq Capital Market, New York Stock Exchange or NYSE American. To be included in the data set, a follow-on offering had to have raised at least \$30 million in gross proceeds.
- Market data for PIPE transactions was sourced from the PrivateRaise database. The industry classification was “Pharmaceuticals & Related.” PIPE transactions reviewed were limited to those with issuers listed on the Nasdaq Global Select Market, Nasdaq Global Market, Nasdaq Capital Market, New York Stock Exchange or NYSE American. To be included in the data set, a PIPE transaction had to have raised at least \$30 million in gross proceeds.
- Additional data was sourced from company filings from the Securities and Exchange Commission’s EDGAR database (<https://www.sec.gov/edgar>).
- For Stage of Clinical Development charts and analysis, we looked to how far advanced an issuer’s lead product candidate was in its FDA clinical trial process at the time of the transaction, as disclosed in such issuer’s final prospectus or on its website during the applicable quarter.

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