

PNC PHARMA & LIFE SCIENCES

Monthly News Brief

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Biotech funding plummets as Trump policies unnerve investors: Jefferies *(BioPharma Dive)*

BioTech funding declined 57% y/y in May, falling to \$2.7B. The drop in investor confidence can be attributed to the Trump administration's FDA restructuring, NIH cuts, and drug pricing rules—all of which are exacerbating the downturn and diminishing investor confidence in BioTech. Notably, the BioTech industry is especially sensitive to dips in funding due to the expensive nature of discovering and testing new medicines, requiring companies to raise cash on a near-constant basis. The recent pullback means it's likely some companies are operating even further in the red

Nvidia's David Niewolny on the future of AI in medical devices *(MedTech Dive)*

Nvidia, a world leading chip designer and manufacturer, has struck partnerships with top MedTech firms including Medtronic, Johnson & Johnson, GE Healthcare, and Philips to build platforms for AI-enabled robotics, imaging and other features. In imaging, Nvidia has partnered with GE Healthcare around autonomous X-ray and ultrasound solutions, and is working with Philips to develop foundation models, a type of model that can be used for a wide variety of tasks, for MRI machines. In robotics, J&J's Monarch platform for bronchoscopy uses Nvidia's computing platform. Nvidia also debuted a new developer framework for healthcare robotics in March, called Isaac for Healthcare

National Resilience, a well-funded manufacturing startup, to scale back operations *(BioPharma Dive)*

National Resilience, which launched in 2020 and has raised over \$2B in in venture capital and debt funding, is shuttering six underutilized manufacturing sites in California, Massachusetts and Florida. The company's "capacity expansion has outpaced industry demand" due to a sector-wide pullback that has hit gene and cell therapy developers particularly hard. The company is streamlining operations, focusing resources on a main hub in Cincinnati as well as its Toronto operations. Both will work in "high-growth segments" such as cell-based medicines, biologics, and aseptic drug products

Dexcom recalls more than 700,000 CGM receivers for lack of audible alarm *(MedTech Dive)*

Dexcom announced a class I recall, the highest risk category, of more than 700,000 receivers for its glucose sensors which may cause people to not get an audible alert for low or high blood sugar levels. Dexcom has received 56 reports of severe adverse events, such as seizure, loss of consciousness, and other hypoglycemic or hyperglycemic symptoms. The recall applies to receivers associated with Dexcom's G7, G6, One and One+ CGMs. A majority of Dexcom users rely on smartphone apps for glucose monitoring and alerts, which are not impacted by this recall

EU limits Chinese companies' access to public MedTech contracts *(MedTech Dive)*

The European Commission announced it will exclude Chinese suppliers from participating in government purchases of medical devices worth more than 5 million euros (\$5.8MM). Additionally, no successful bids can have more than 50% of inputs from China. The vote by EU member states to support restrictions comes after an investigation into China's public procurement practices, which concluded that China unfairly prevented EU-based medical device suppliers from accessing its market through policies that favored local companies. Chinese exports of medical devices to the EU more than doubled between 2015 and 2023, while China erected barriers to 87% of its public MedTech contracts

ADA takeaways: Diabetes tech firms preview new patch pumps, glucose sensors *(MedTech Dive)*

Several firms are developing insulin patch pumps, with Insulet seeming poised to be the only company on the market with a fully disposable device. Medtronic's developmental patch pump has a semi-durable design with a rechargeable battery, larger insulin reservoir, at 300 units, and a longer wear time, at seven days. Beta Bionics prototype patch pump is a mix of disposable and reusable components, with a reusable piece that lasts for about 2 years, requiring new batteries periodically, and can take up to 200 units of insulin. Dexcom's next continuous glucose monitor, the G8, is currently in human feasibility trials. The sensor will last for 15 days and support multi-analyte capabilities. Senseonics is working on a fully implantable and self-powered glucose sensor. The prototype requires no transmitter

Generic cancer drugs used around the world fail quality tests, investigation shows *(STAT)*

Vital chemotherapy drugs used around the world have failed quality tests, putting cancer patients in more than 100 countries at risk of ineffective treatments and potentially fatal side effects. The generic drugs in question form the backbone of treatment plans for numerous common cancers—including breast, ovarian, and leukemia. Of the 189 samples collected, about 20% failed, meaning they had significantly more or less of the active pharmaceutical ingredient than stated on the label, and in some cases, pills from the same blister pack contained different amounts. The samples consisted of 20 different generic drugs made by 17 manufacturers, and all but one of the manufacturers were based in India

FDA stops Olympus devices from entering the US *(MedTech Dive)*

The FDA has blocked 58 models of Olympus devices used in urinary, respiratory, abdominal and pelvic procedures from reaching customers in the U.S. because of quality system failings at a site in Japan. The block comes after the FDA sent 3 warning letters to Olympus from November 2022 to March 2023 as part of its work to reduce the risk of infection associated with reprocessed endoscopes. U.S. healthcare providers can continue to use devices they already own that are working as intended. Olympus has been working to resolve the quality issues by the end of its 2026 fiscal year

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