J.P.Morgan

# Q3 2025 Biopharma Licensing and Venture Report

October 2025

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# Executive summary

**While venture fundraising remains challenging, M&A offers a bright spot. IPO activity remains tepid in the U.S  whereas Chinese dealmaking gathers steam**

Biopharma continued to see fewer transactions allocated to more advanced programs in Q3 2025. Venture fundraising remained challenging across early and later rounds. Licensing transactions posted larger upfront payments and potential deal values as the largest biopharma dealmakers sought to partner with the most promising pipeline assets.

Two new biopharma IPOs listed on NASDAQ in Q3 2025. Biopharma M&A saw one deal at $10 billion and two more above $7 billion to put 2025 ahead of full-year 2024 M&A dollar volume.

Here are a few highlights from our Q3 2025 report:

- **Venture investment in therapeutics and discovery platforms:** $5.8 billion invested in Q3 2025 in 86 rounds for biopharma companies, down from $6.6 billion in Q3 2024.
- **Biopharma licensing partnerships:** $61.5 billion in total announced deal value for biopharma licensing deals signed in Q3 2025, bringing the total to $181.5 billion in 2025 YTD.
- **M&A:** 33 biopharma M&A transactions were announced in Q3 2025 totaling $30.9 billion in upfront cash and equity.
- **IPOs:** $1.1 billion across seven IPOs on NASDAQ completed through September 30, 2025, with two IPOs in Q3 2025 on U.S. exchanges.

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Our bankers' expertise ranges from advising companies at the earliest stage of formation to leading complex M&A and capital markets transactions. Regardless of the size or stage of your company, we are prepared and equipped to advise and support you in meeting your strategic and financial objectives.

Thank you for taking the time to read our report. We look forward to working with you.

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

**Parameters**

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

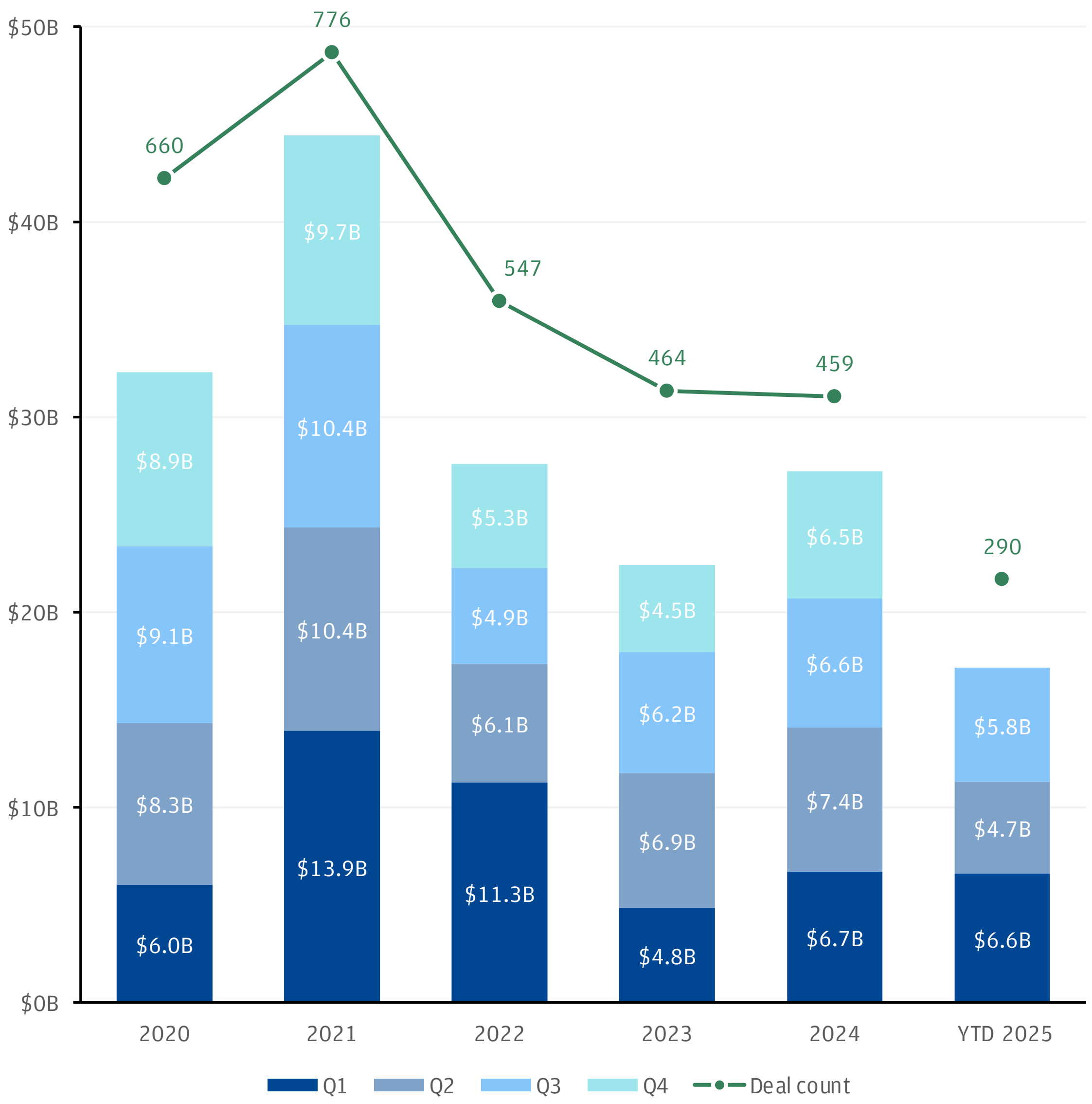
Therapy areas, development stages, modalities and deal structures are segmented per the DealForma database.

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

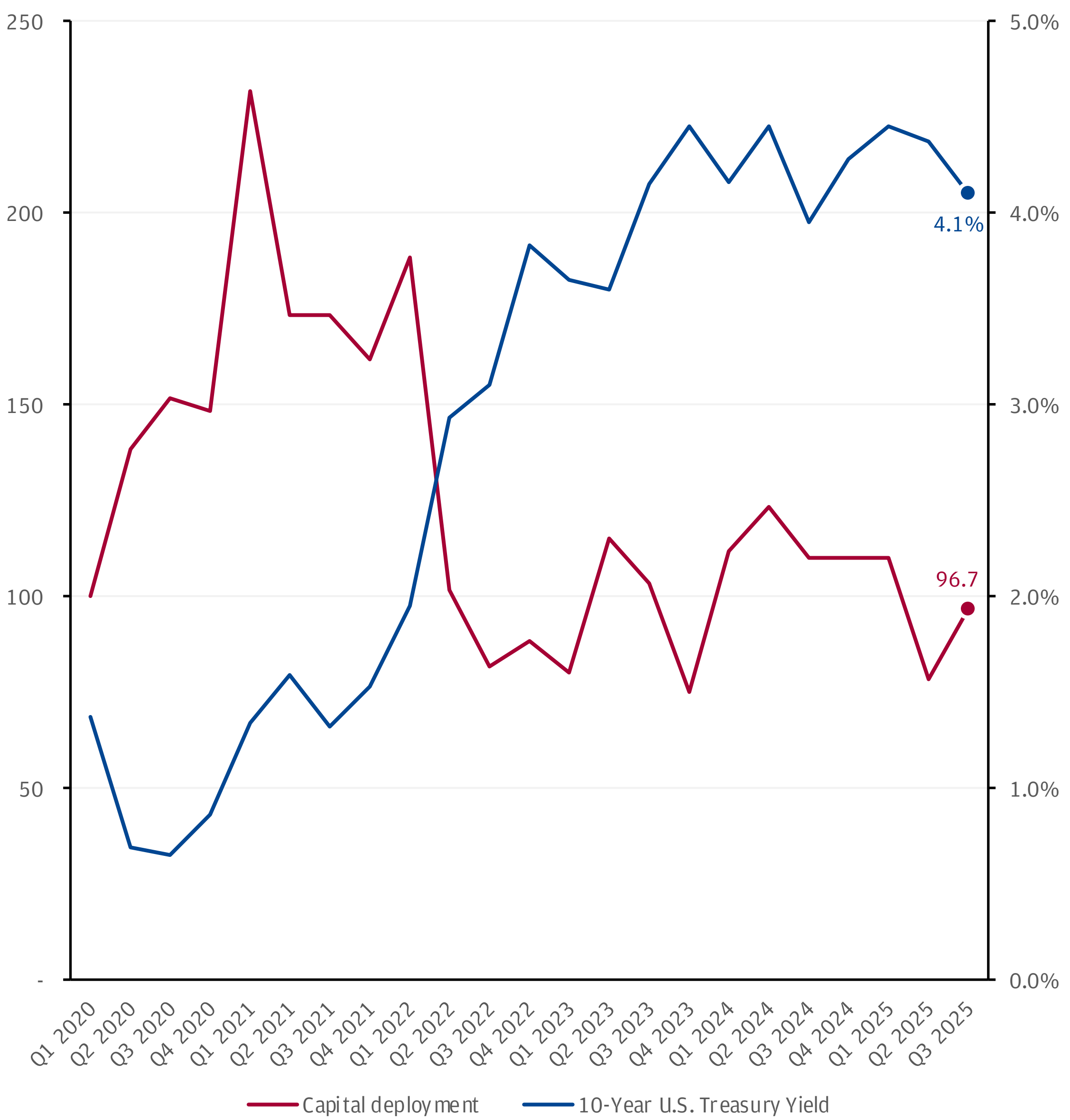
Data as of Sept. 30, 2025

# Biopharma venture dollars increased QoQ but remain on pace for a YoY decline

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




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




Biopharma venture funding slowed to $5.8 billion in Q3 2025, the smallest third-quarter total since 2022 and following a weak Q2. This decline continues the shift toward capital discipline in an elevated rate environment amid regulatory uncertainty throughout the year.

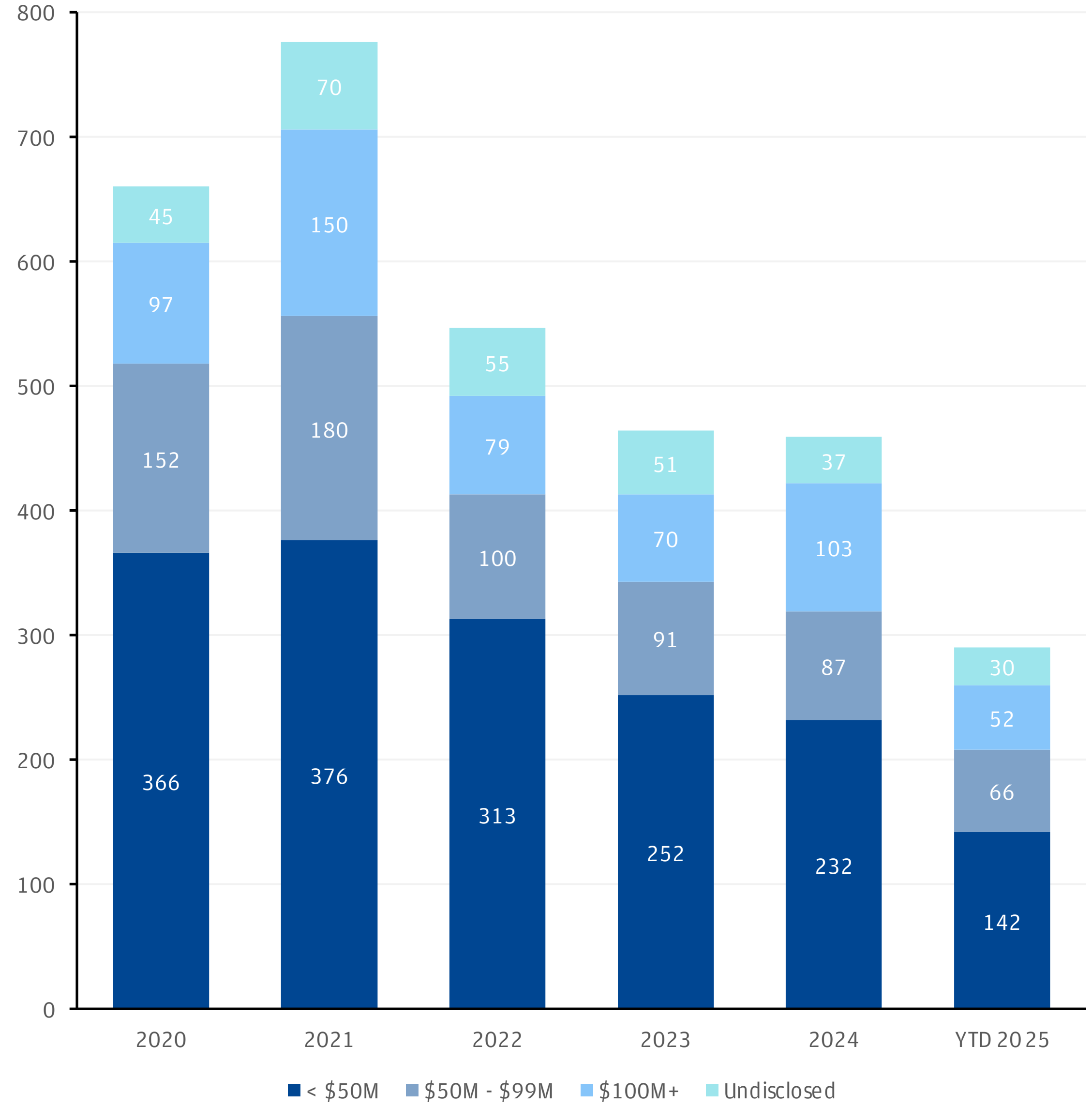
Venture activity remained cautious, with investment favoring more advanced therapeutic asset pipelines with near-term clinical and commercial potential.

Corporate venture capital funds remain active, participating in four of the 10 the largest deals of the quarter. Meanwhile, M&A activity has also increased, often with Big Pharma involved on one side of the transaction.

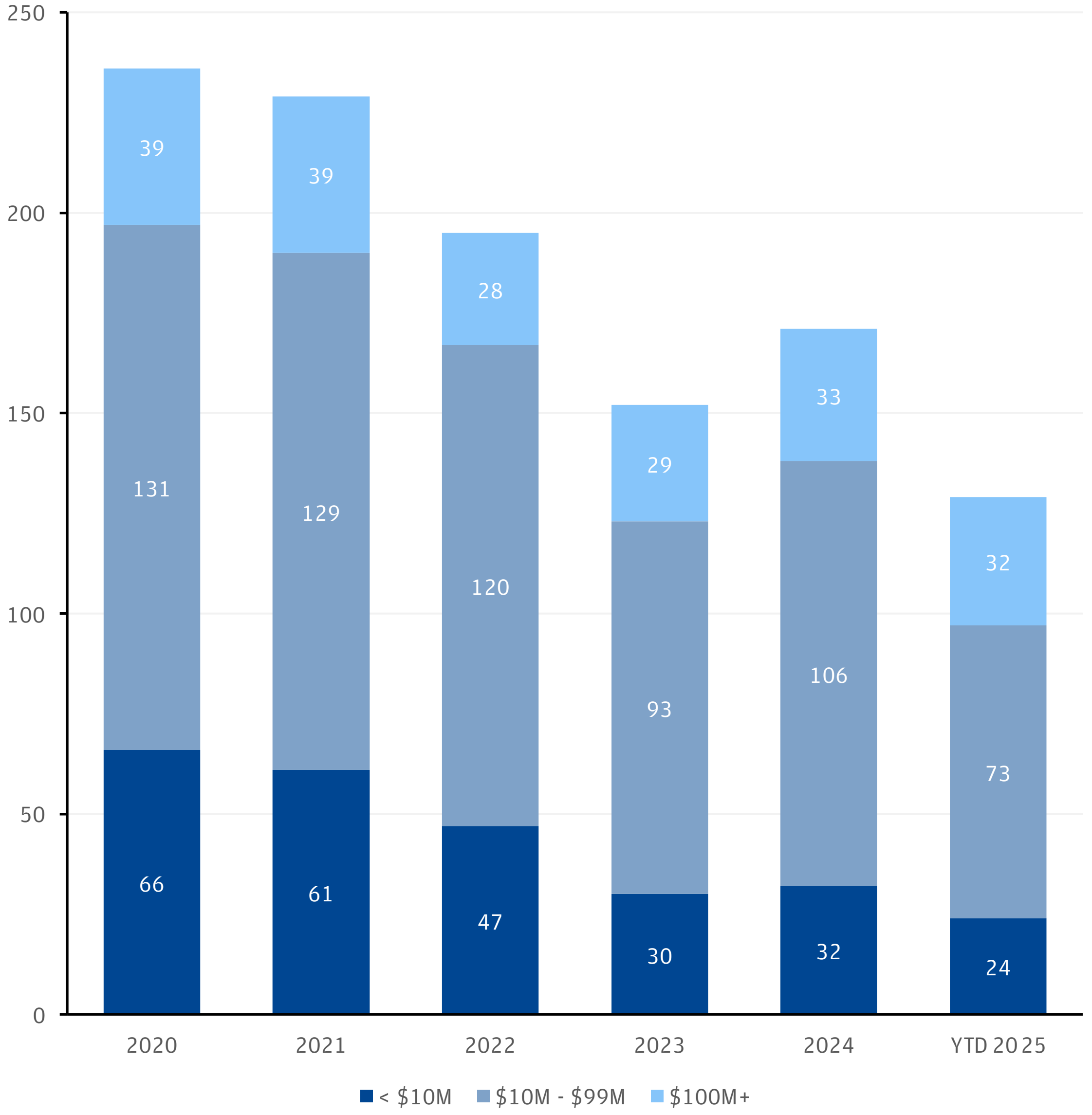
Notes: [1]Financials based on disclosed figures. Data through Sept. 30, 2025. [2]Biopharma venture capital deployment is indexed to Q1 2020, where Q1 2020 = 100.

# Licensing upfronts and venture rounds were selectively larger through Q3 2025

COUNT OF VENTURE INVESTMENT ROUNDS BY ROUND SIZE[1]




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



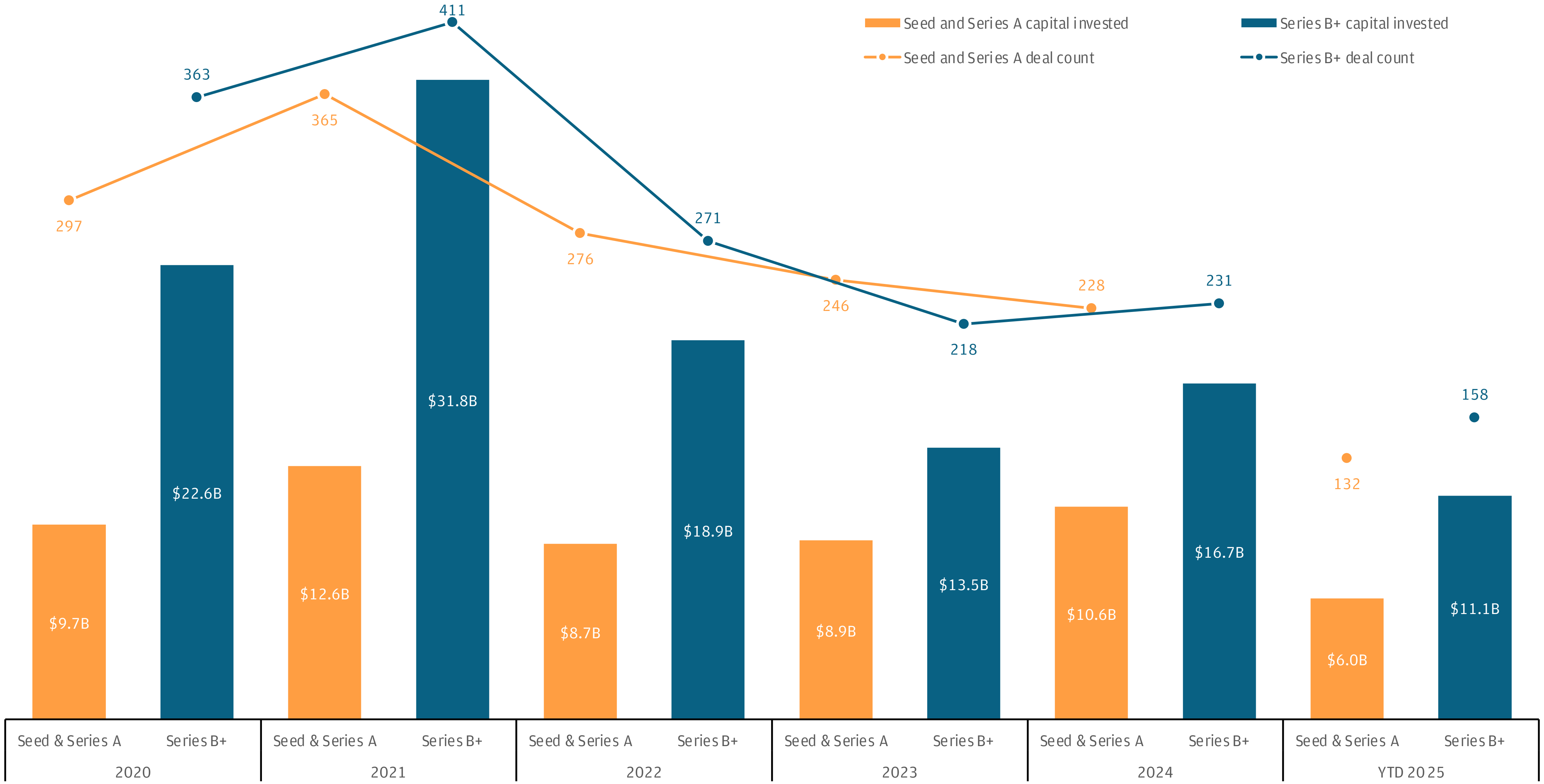

Fewer biopharma companies raised venture rounds through Q3 2025, but those that did were predominantly later-stage companies that attracted larger investments. There were 52 venture rounds of $100 million or more. Notable Q3 2025 raises include: MapLight Therapeutics' $372 million Series D, and ARTBIO's $132 million Series B.

License deals continued to reward the most advanced and promising assets, though with fewer deals. There were 32 deals through Q3 2025 with $100 million+ in upfront payments, compared to 33 in all of 2024. Notable deals with large-cap biopharma included Zealand Pharma's deal with Roche ($1.4 billion at signing and $250 million over two years), BioNTech's deal with Bristol Myers Squibb ($1.5 billion up front and up to $2 billion in non-contingent anniversary payments through 2028), and 3SBio's deal with Pfizer ($1.3 billion up front and $100 million in equity investment).

Note: [1]Financials based on disclosed figures. Data through Sept. 30, 2025.

# Early-stage biopharma venture activity was lighter in Q3, widening the gap with later rounds

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



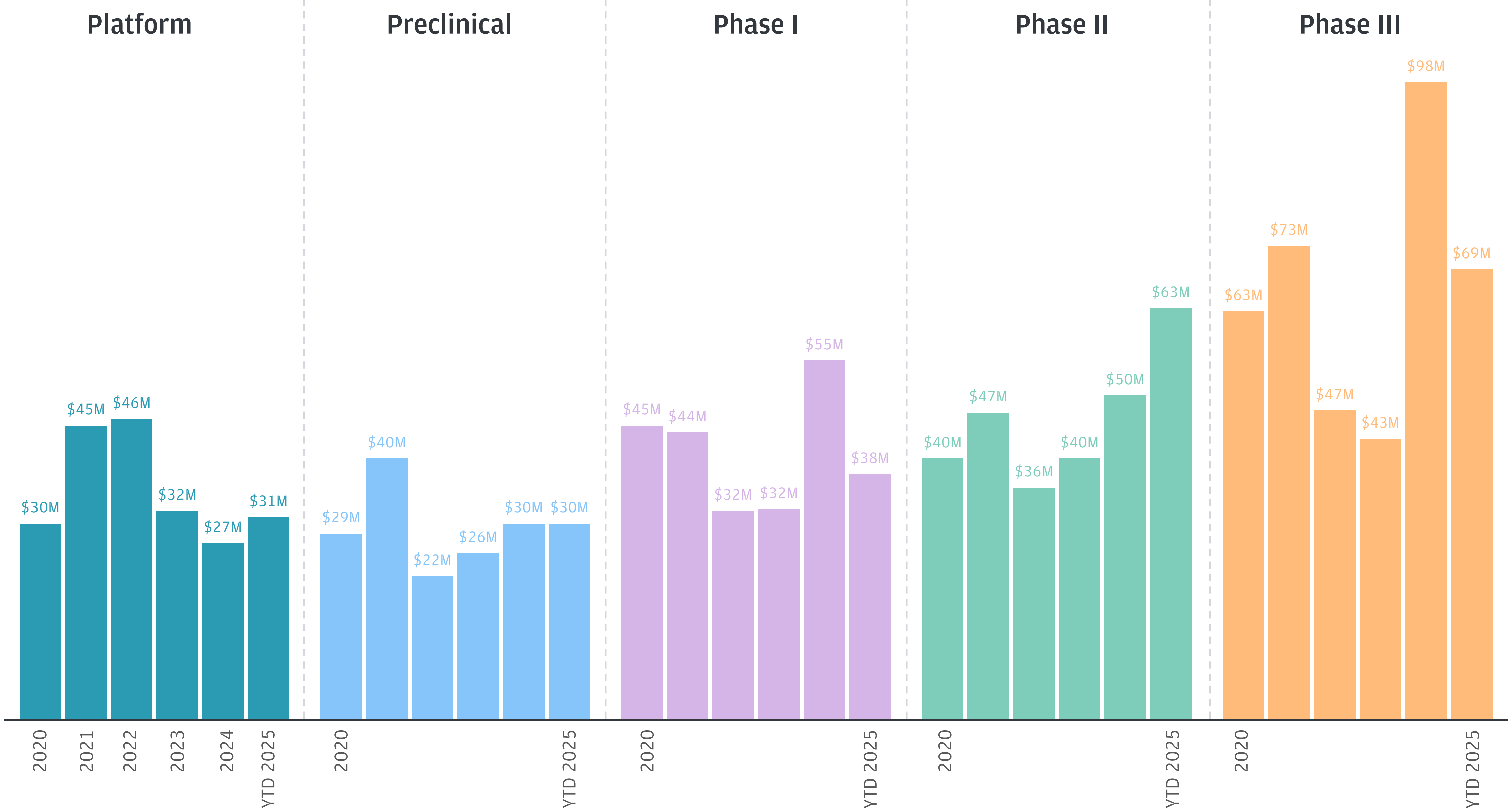

Early-stage biopharma venture activity saw $6 billion across 132 seed and Series A rounds through the end of Q3 2025, losing the momentum from earlier in the year and widening the gap with Series B+. Later rounds continued to lead biopharma venture activity with $11.1 billion raised across 158 rounds. Seed and Series A deals continued to see more tranching structures as part of their financing agreements.

Large seed and Series A rounds in Q3 2025 were Ollin Biosciences' seed round of $100 million and Reunion Neuroscience's Series A extension from 2024 to $133 million.

Note: [1]Financials based on disclosed figures. Data through Sept. 30, 2025.

# Phase II pipelines continued to bring larger venture rounds

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



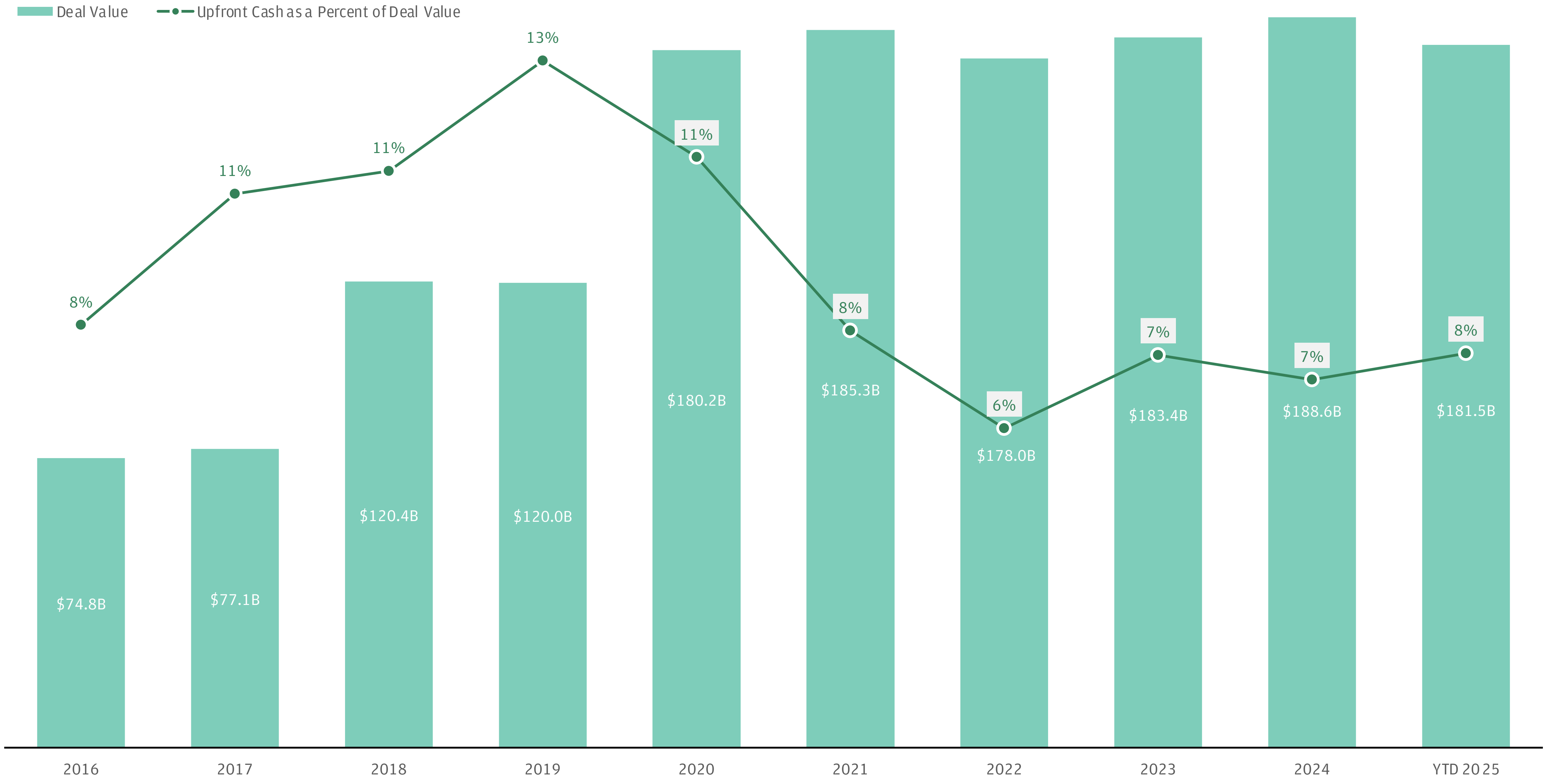

Biopharma venture round median values continued to increase for Phase II companies, rising to $63 million through Q3 2025 from $50 million in 2024. This corresponds to the increase in Series B and later activity and an investor preference to fund assets with clearer development pathways, lower perceived risk and near-term approval catalysts.

Notable Phase II companies that completed financings in Q3 2025 include MapLight Therapeutics' $373 million Series D and ARTBIO's $132 million Series B.

Note: [1]Financials based on disclosed figures. Data through Sept. 30, 2025.

# Upfront cash accounts for a growing share of announced R&D licensing deal value

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



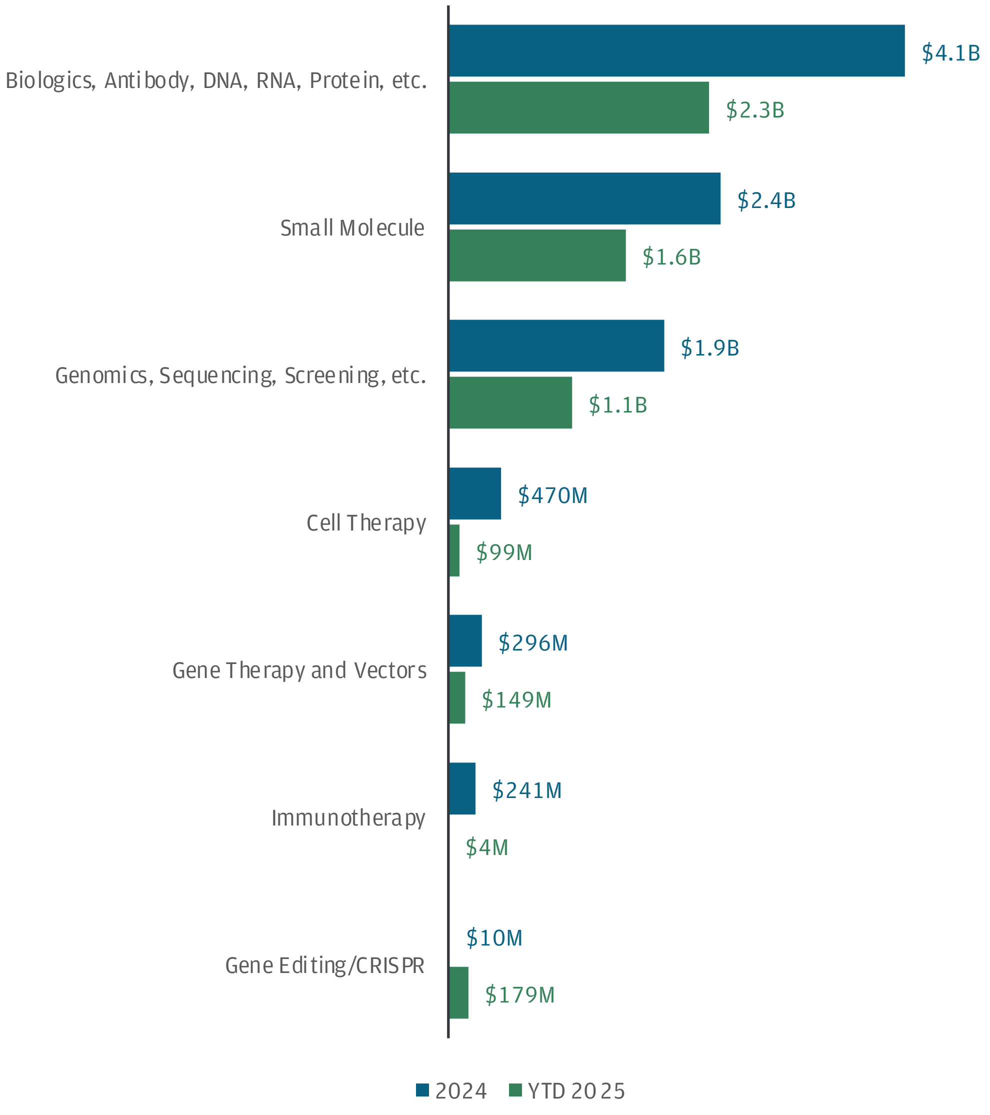

Biopharma licensing deals totaled $181.5 billion in announced deal values through Q3 2025, with 8% of that value paid upfront—an increase from 7% in 2024 to match the share in 2021.

Select transactions include Monte Rosa Therapeutics (Novartis), Orna Therapeutics (Vertex Pharmaceuticals), and Superluminal Medicines (Eli Lilly).

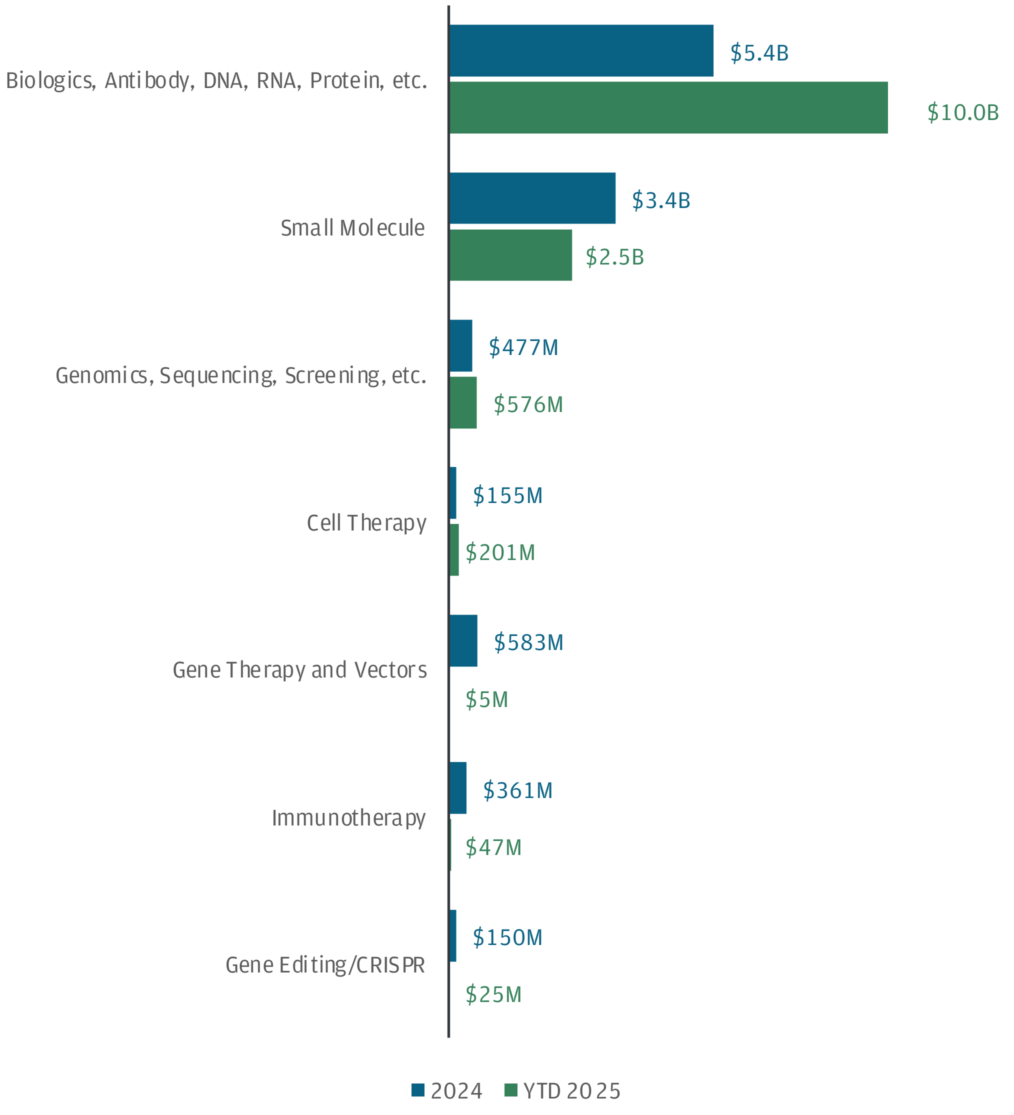
Note: [1]Financials based on disclosed figures. Data through Sept. 30, 2025.

# ADC biologics drove the largest licensing upfronts and venture round through Q3 2025

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




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



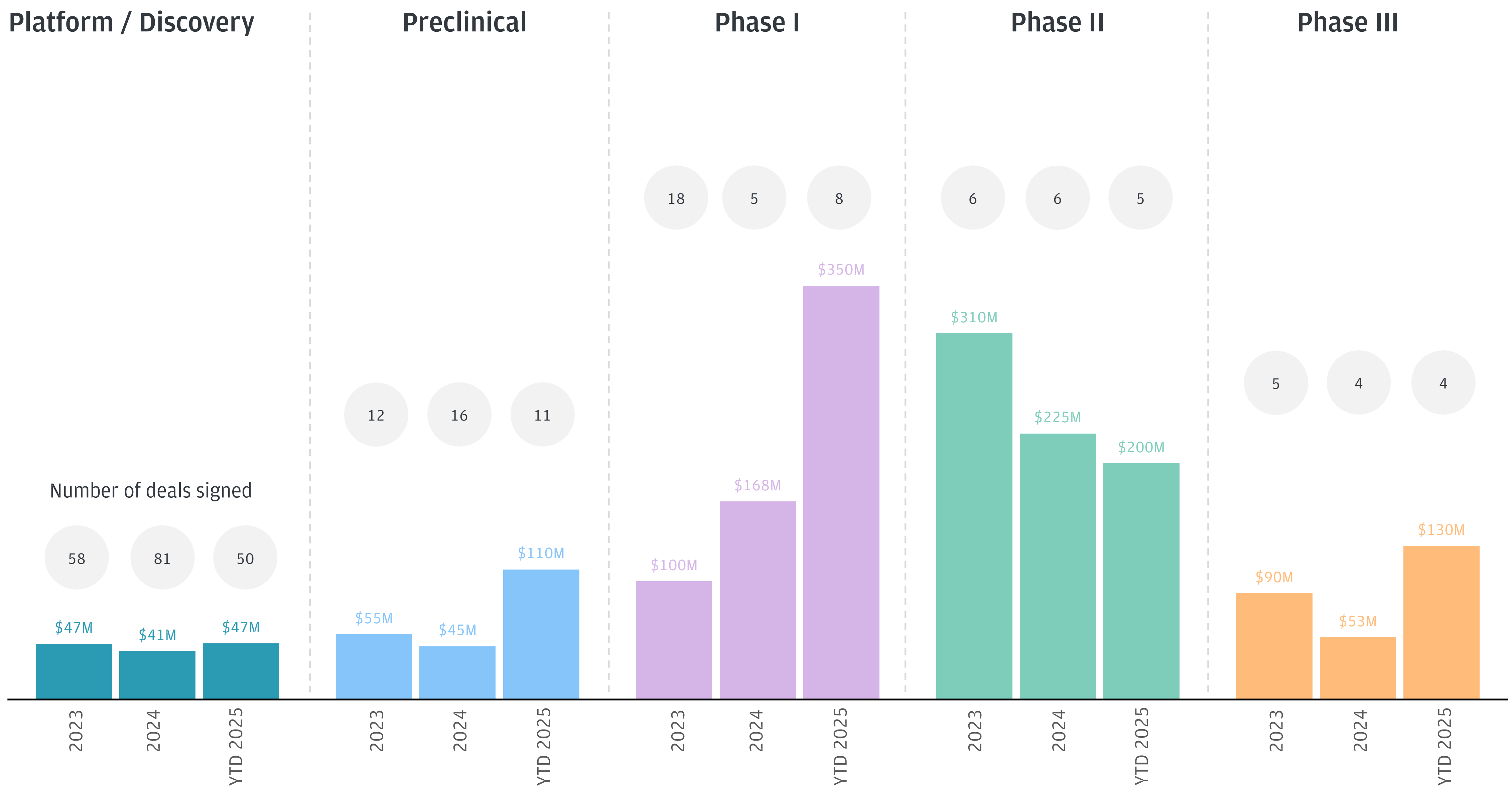

Biologics continued to lead both early-stage venture investment and licensing activity. Large deals for antibody-drug conjugates contributed to the $10 billion in total upfront cash and equity in licensing and the $2.3 billion in seed and Series A investment.

Small molecules followed with $1.6 billion in seed and Series A venture rounds and $2.5 billion in total licensing upfront payments. Small molecules typically see lower development costs and well-understood regulatory pathways.

Note: [1]Financials based on disclosed figures. Data through Sept. 30, 2025.

# Big pharma made larger deal moves in Phase I as competition for key programs increased

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




Large-cap biopharma companies (market cap of $50 billion+) remained in active competition to secure the most promising therapeutic programs, and they did so at earlier clinical stages. Q3 2025 saw median upfront payments grow larger for Phase I programs, now at $350 million across the eight deals signed this year, jumping from $168 million in 2024.

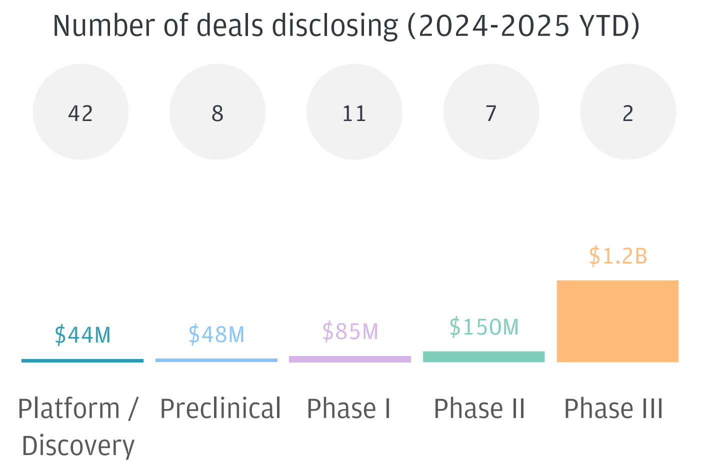
Preclinical assets also attracted larger median upfront payments. The median upfront cash and equity value year to date is $110 million, up from $45 million in 2024.

Note: [1]Financials based on disclosed figures. Data through Sept. 30, 2025. Stage of lead asset in multi-asset deals.

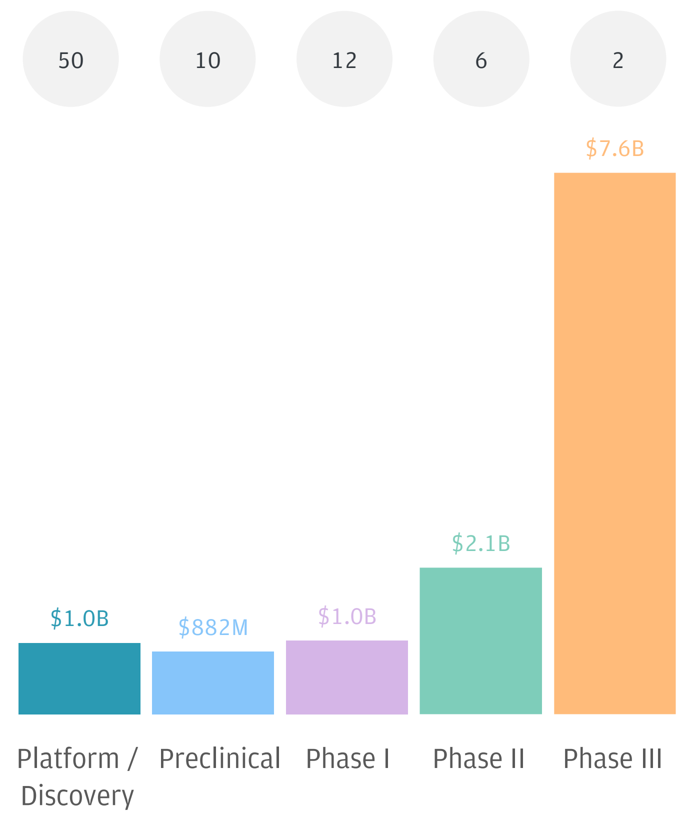
# Oncology deal terms: Big pharma paying more in upfronts and milestones for later-stage assets

IN-LICENSING BY BIG PHARMA: MEDIAN DEAL PAYMENTS AND NUMBER OF DEALS DISCLOSING VALUES BY STAGE AT SIGNING, ONCOLOGY ASSETS, 2024-2025 YTD[1]

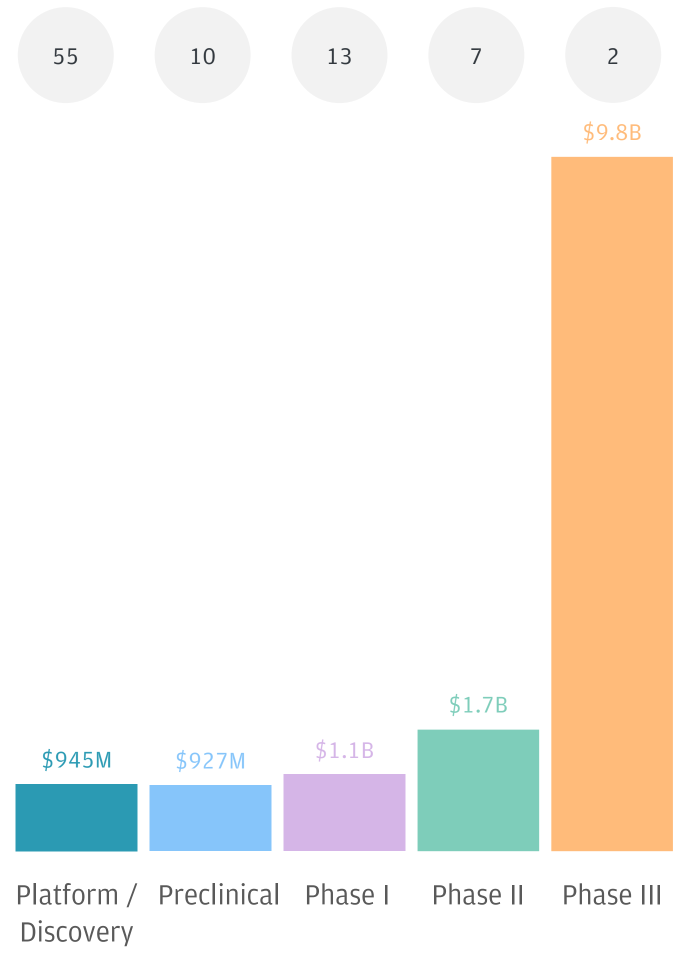
**Median Upfront Cash & Equity**
Platform/Discovery > Phase III




**Median Reg., Dev., Sales Milestones**
Platform/Discovery > Phase III




**Median Total Deal Value**
Platform/Discovery > Phase III



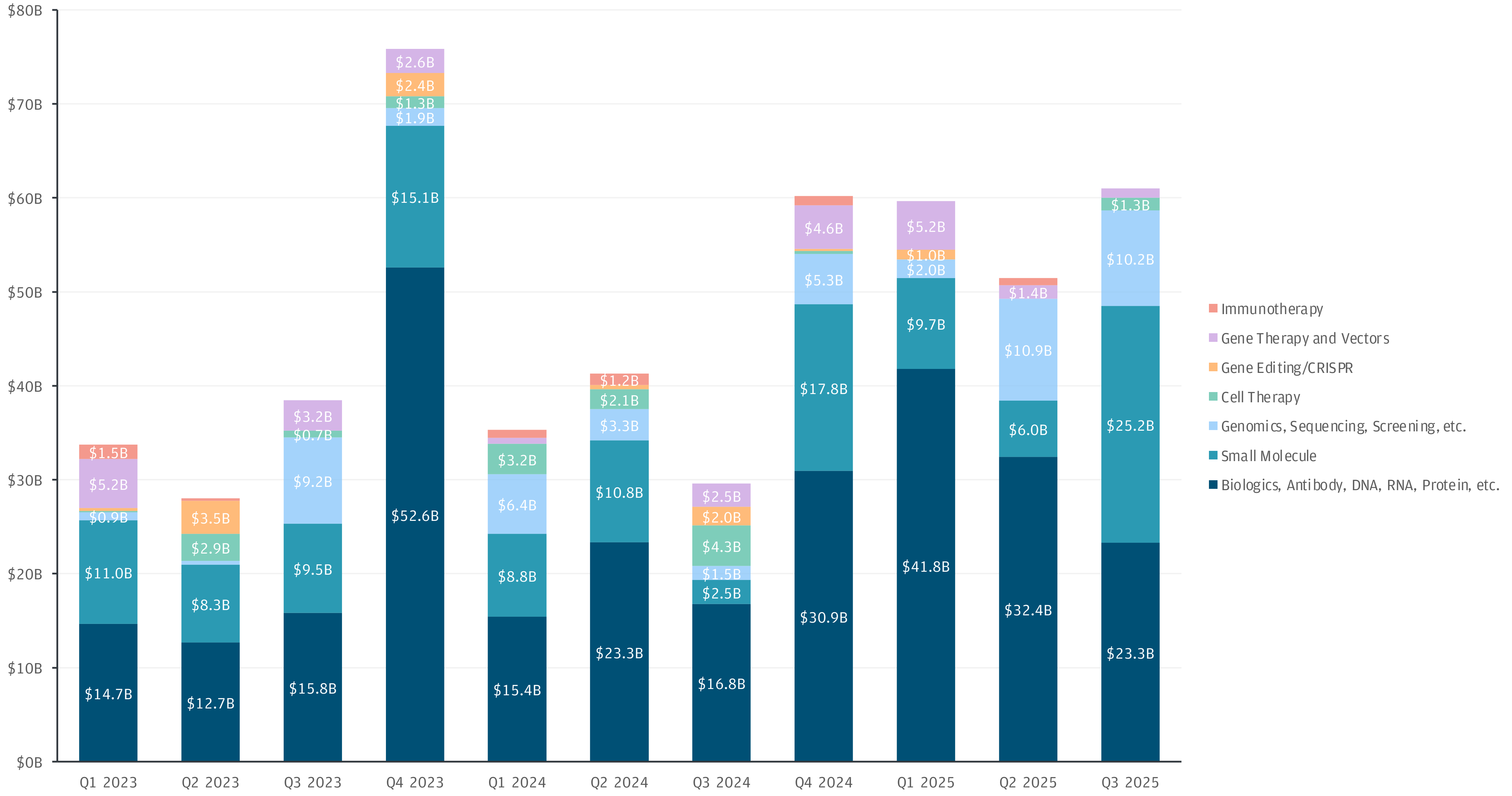

Oncology remains the most active therapeutic area for licensing and R&D partnerships with biopharma companies with a market cap of $50 billion or more. From 2024 through Q3 2025, big pharma companies paid a median upfront of $150 million for Phase II programs and over $1 billion for Phase III assets.

Median milestone totals were larger as well, with over $2 billion following deals signed in Phase II and more than $7 billion in potential milestones for deals signed at Phase III, mainly in final approval and sales-based milestones.

Note: [1]Financials based on disclosed figures. Not all deals disclose all payment terms. Data through Sept. 30, 2025. Stage of lead asset in multi-asset deals.

# Biologics and small molecules have remained the top modalities for R&D partnerships

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



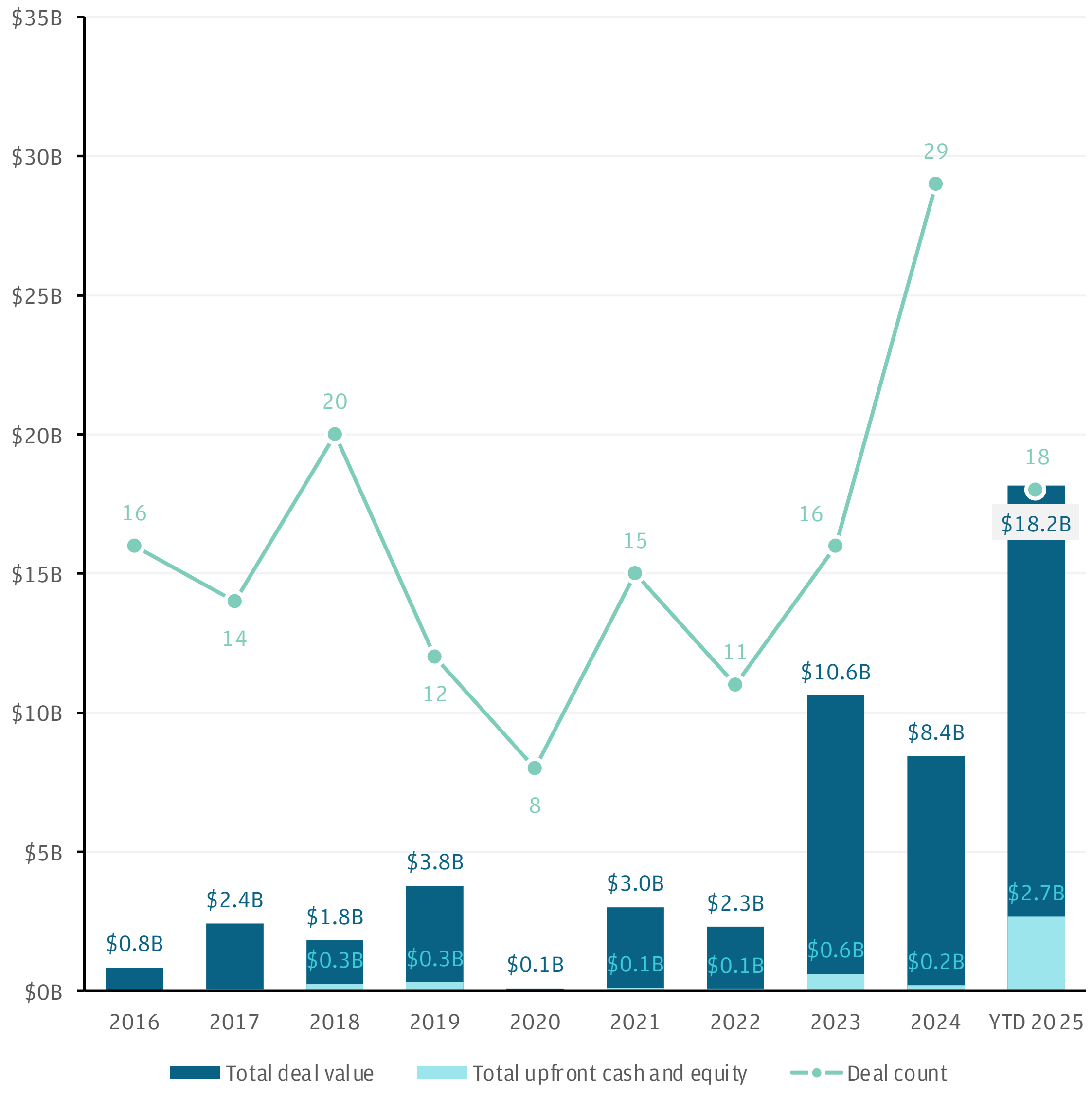

Total announced licensing deal values for biologics reached $23.3 billion in Q3 2025, adding to the $32.4 billion announced in the second quarter, bringing the 2025 year-to-date total for biologics to $97.5 billion. Antibody-drug conjugate programs led with headline deals, mainly in oncology.

Small molecule programs, which typically rank second, added $25.2 billion in announced deal value during Q3 2025, the largest amount since Q1 2023.

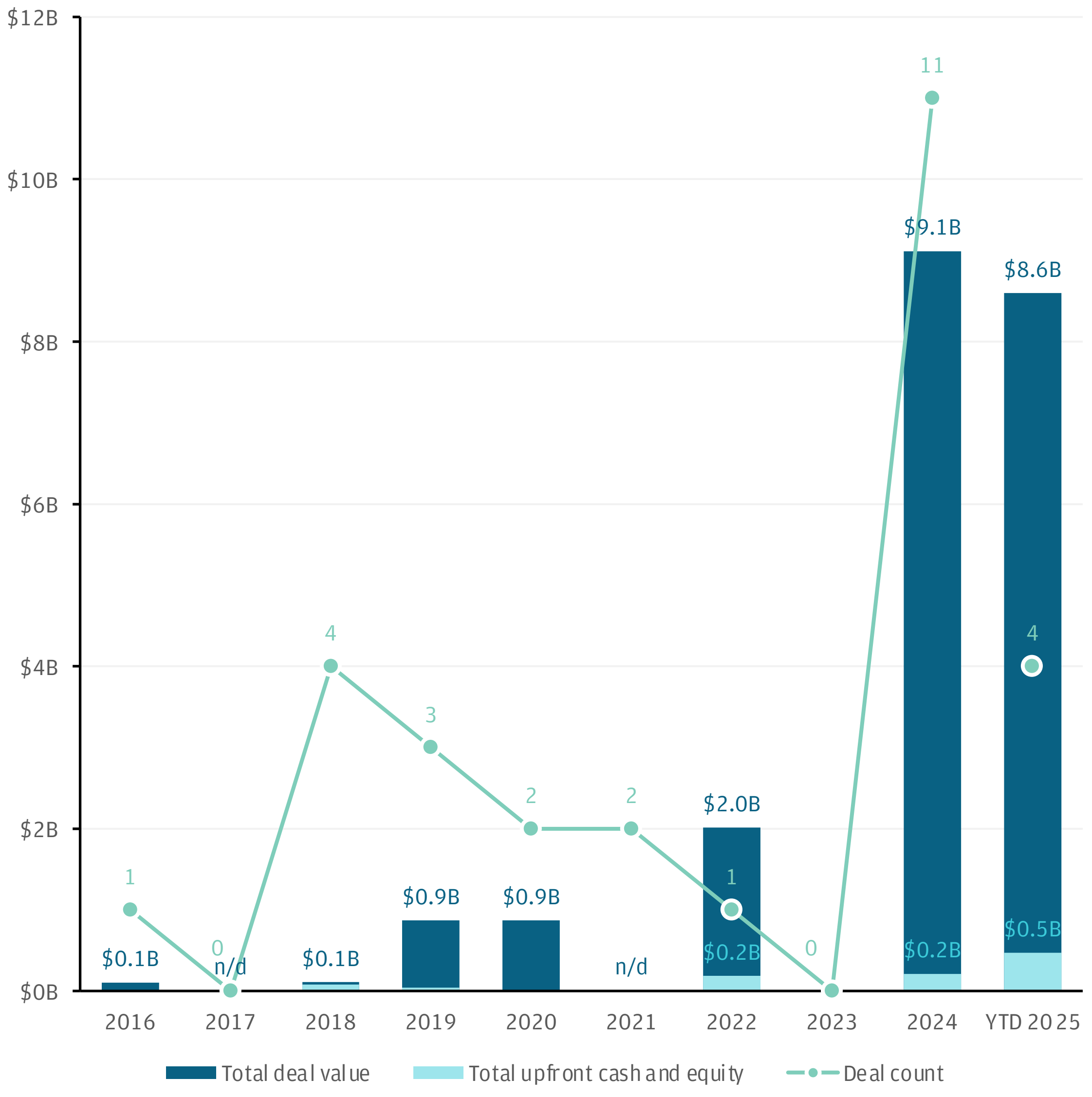
Note: [1]Financials based on disclosed figures. Data through Sept. 30, 2025.

# Obesity and diabetes remain among the most active areas for recent dealmaking

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



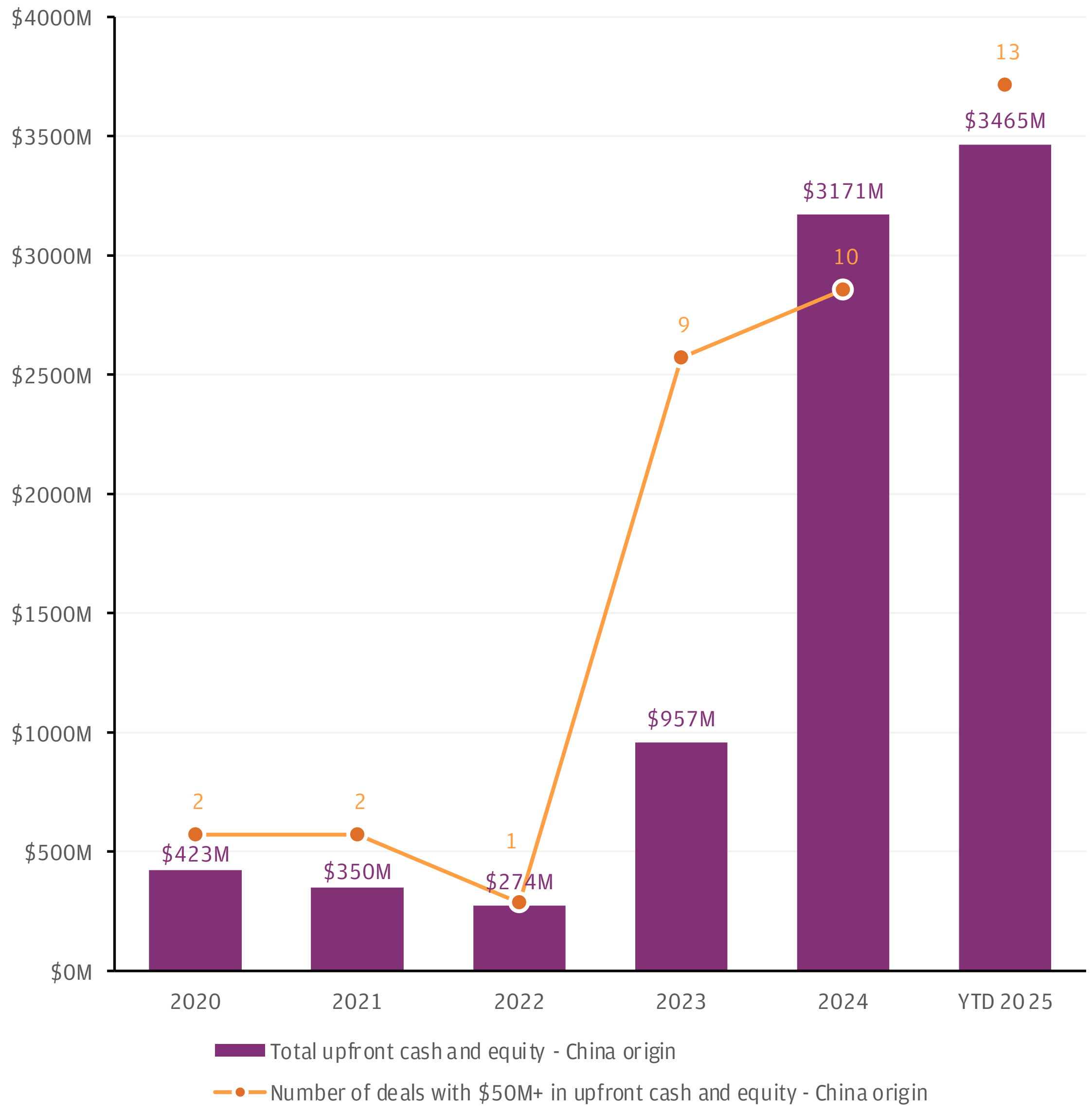

Population-level diseases such as obesity and diabetes continued to see R&D partnership activity reach record levels through Q3 2025 for both total announced deal values and upfront payments. Year to date, 18 R&D partnerships and licensing deals were signed for obesity and diabetes, totaling $18.2 billion in announced potential deal value and $2.7 billion in announced upfront cash and equity. The full year of 2024 saw 29 deals and $8.4 billion in headline deal numbers.

Four deals included upfront payments of more than $100 million, including Roche's agreement with Zealand Pharma, which featured $1.4 billion upfront plus $250 million committed over two years. Four deals totaling $8.6 billion in announced potential deal value were signed for GLP-1, GLP-1R and GIP targeted therapies through Q3 2025.

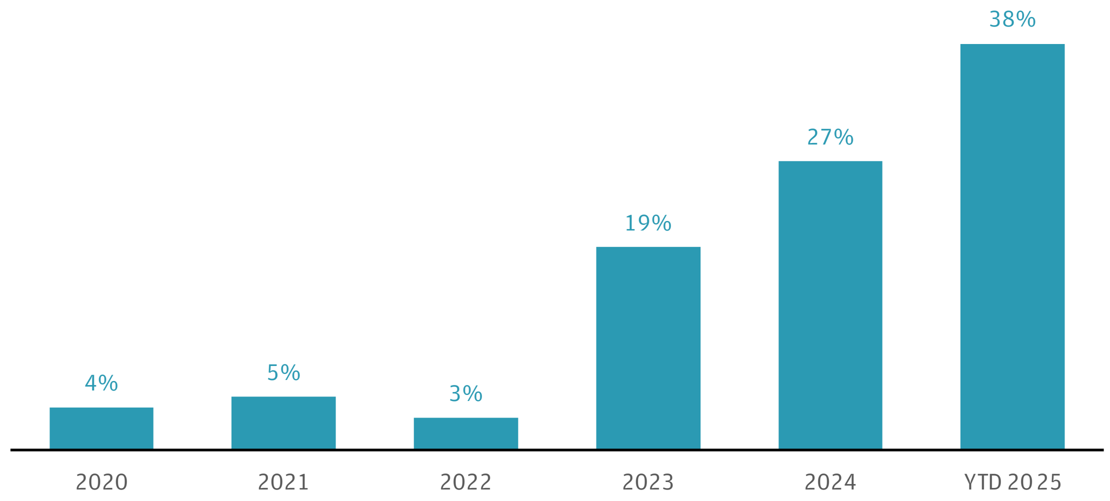
Note: [1]Financials based on disclosed figures. Data through Sept. 30, 2025.

# Global collaborations: Chinese biopharma continued to attract large-cap biopharma deal flow

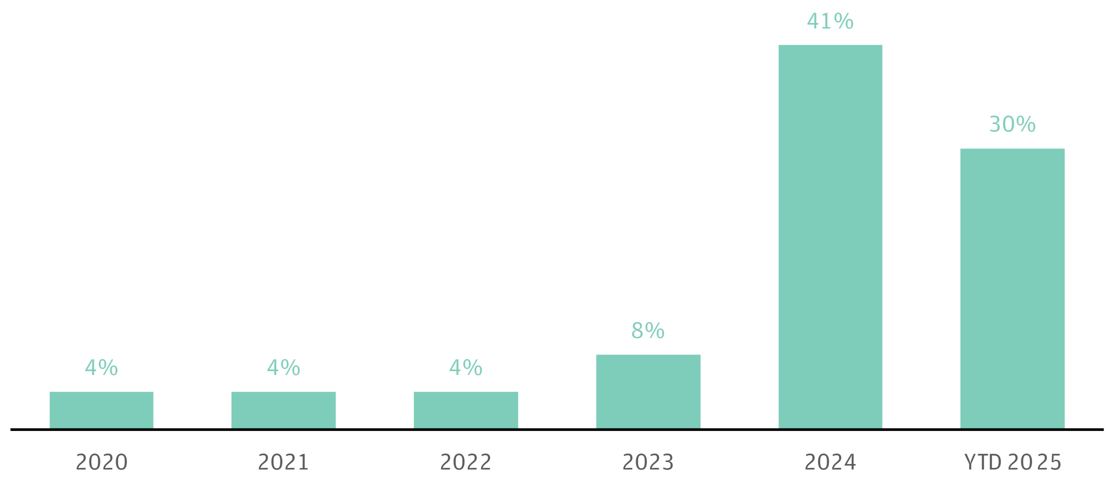
GLOBAL LARGE-CAP BIOPHARMA IN-LICENSING FROM CHINESE BIOPHARMA: DEALS WITH AT LEAST $50 MILLION PAID UP FRONT




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




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




The share of deals and dollars paid upfront by global large-cap biopharma companies (market cap of $50 billion+) to Chinese domiciled biopharma has increased over the past two years.

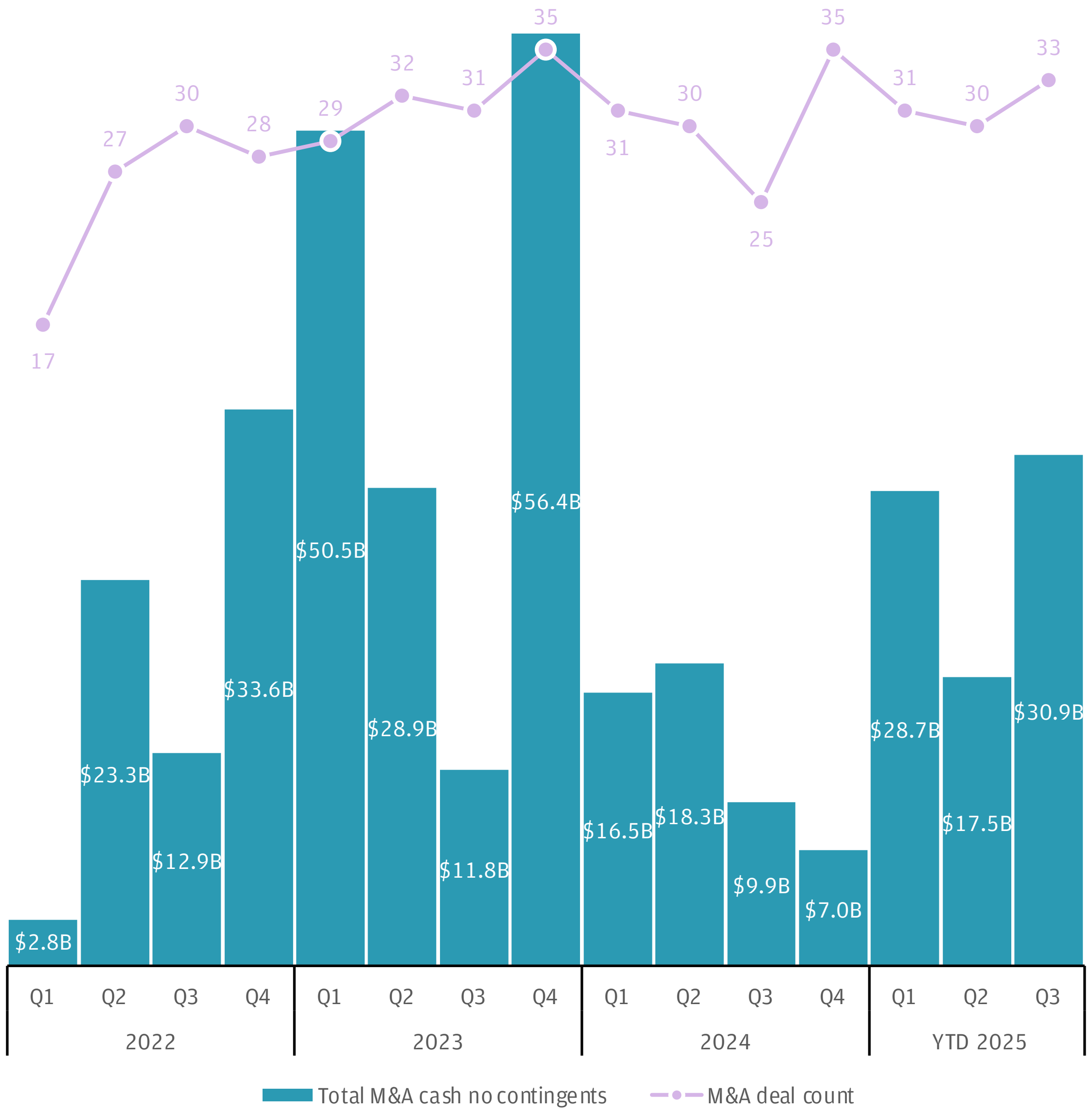
As of the third quarter, 2025 saw $3.5 billion in total announced upfront payments across 13 in-licensing deals, each with at least $50 million paid upfront by global pharma to Chinese biopharma companies. This accounts for 38% of global pharma's large deal activity and 30% of their upfront payments directed to biopharma companies in China.

Meanwhile, the Hong Kong Stock Exchange has also seen increased activity YTD with seven biotech IPOs relative to three in all of 2024.

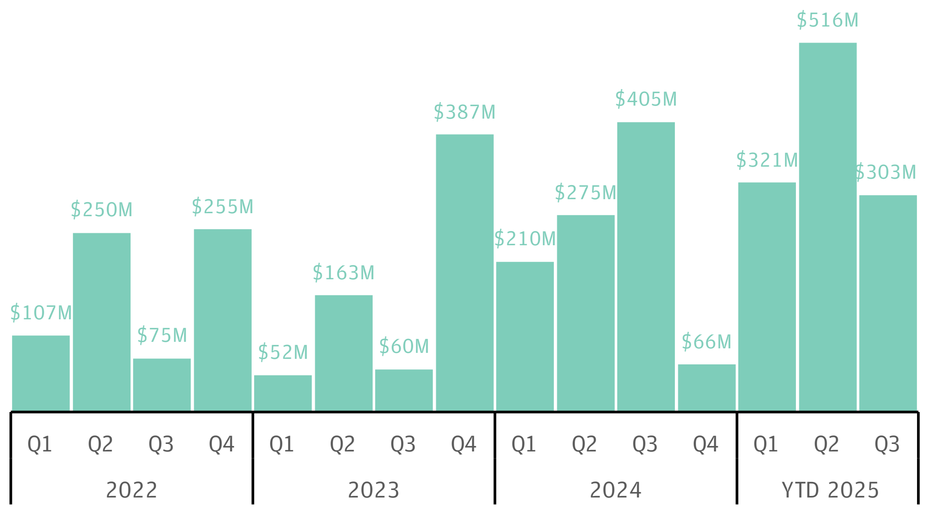
Note: [1]Financials based on disclosed figures. Data through Sept. 30, 2025. Deals among global large-cap biopharma and Chinese domiciled biopharma.

# Biopharma M&A: An active year already topping last year's dollar volume

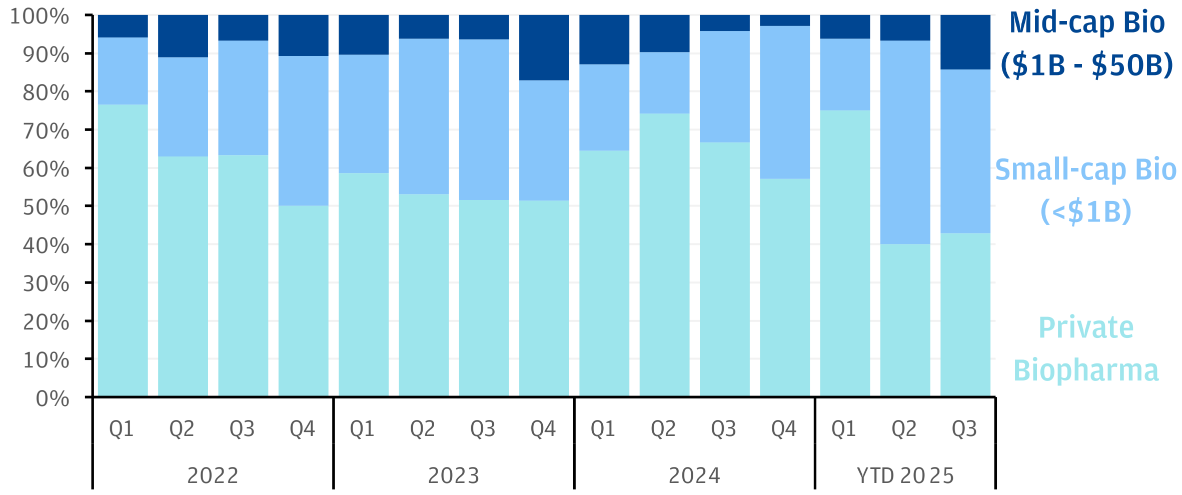
BIOPHARMA M&A ACTIVITY[1,2]




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




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

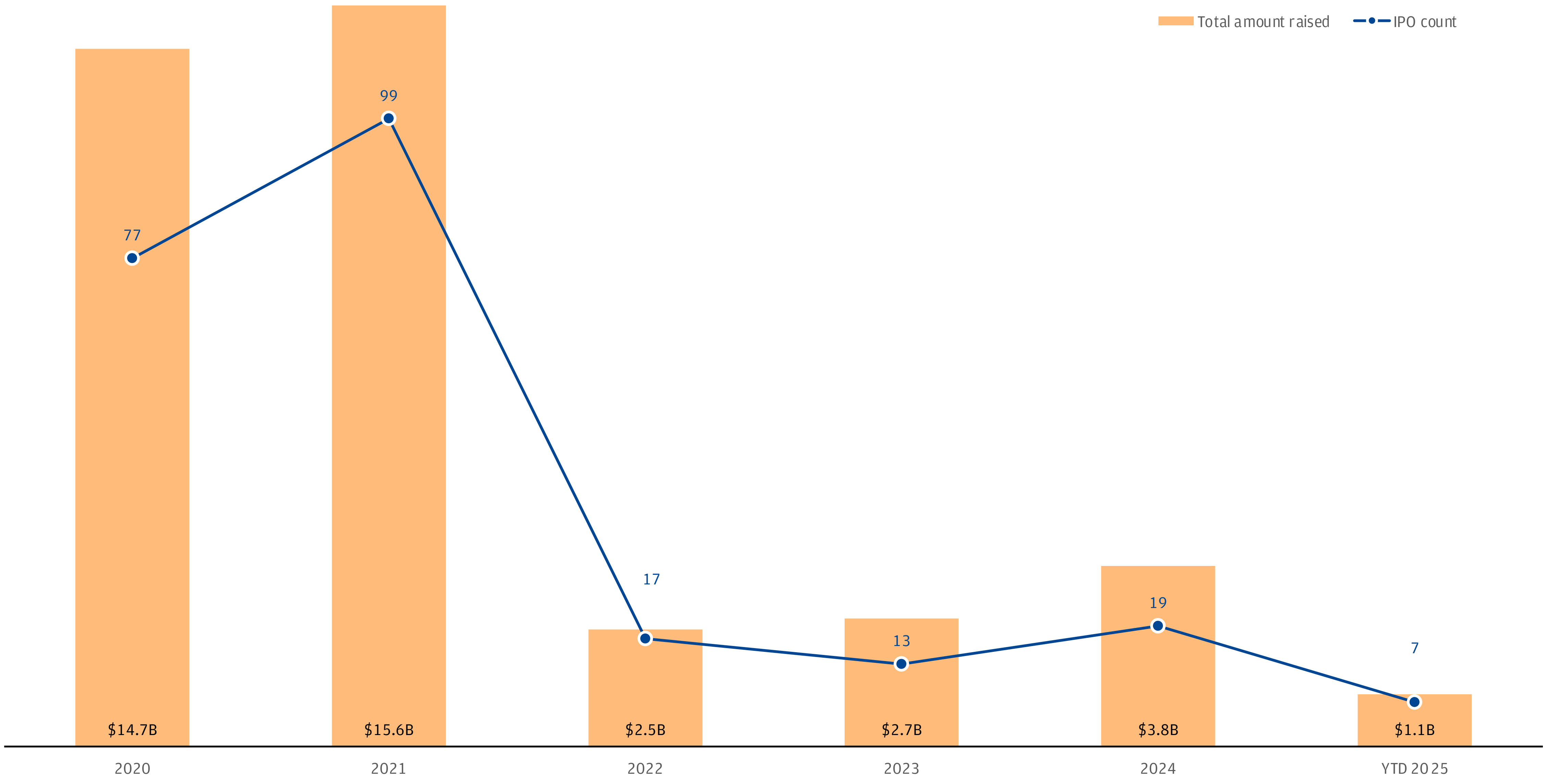



Mid- and small-cap biopharma accounted for 57% of total biopharma acquisitions by deal count through Q3 2025, marking the second largest share behind Q2 2025. Median M&A value dipped in the third quarter, however, to $303 million, down from $516 million in the second quarter. Q3 2025 saw 33 announced M&A transactions for biopharma therapeutics and platform companies, totaling $30.9 billion and placing 2025 ahead of full-year 2024 in dollar volume. Notable transactions this quarter include Merck acquiring Verona Pharma for $10 billion, Genmab acquiring Merus for $8.0 billion and Pfizer acquiring Metsera for $7.3 billion.

Note: [1]Financials based on disclosed figures. Data through Sept. 30, 2025. [2]Biopharma M&A with any buyer type, acquisition options, and reverse mergers.

# 2025 Biopharma IPO activity remains quiet

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




Only seven biopharma companies completed IPOs of $15 million or more on U.S. exchanges through Q3 2025. These companies collectively raised $1.1 billion. This marks the least active year since 2010, as the cautious environment persists. Q3 2025 IPOs included LB Pharmaceuticals ($285 million) and Curanex Pharmaceuticals ($17.3 million).

Note: [1]Financials based on disclosed figures. Data through Sept. 30, 2025. [2]Includes only NASDAQ and NYSE IPOs over $15 million. Excludes Kenvue, Inc. (Q2 2023, $4.4B) and other OTC focused companies. IPOs by completion date.

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