

J.P.Morgan

Q2 2025 Medtech Licensing and Venture Report

July 2025

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Executive summary

Strategic Consolidation: Larger deals shape medtech investment and licensing in early 2025

In Q2 2025, medtech venture investment activity continued to reflect a flight to quality, with capital concentrating in larger, later-stage rounds. Although total quarterly venture funding was lower than in Q1, investor interest remains strong for well-positioned platforms with clear clinical and commercial potential. Medtech licensing and R&D partnerships gained significant traction, with three disclosed R&D licensing deals surpassing the \$100 million upfront threshold—matching the full-year 2024 figure within just the first half of this year. M&A and IPO activity moderated in Q2, reflecting broader market caution, but investor interest in category-defining assets remains intact. With macro uncertainty and rate pressure still affecting transaction velocity, a clearer market backdrop could unlock renewed deal momentum in the quarters ahead. Here are a few highlights from our Q2 2025 report:

- **Medtech venture activity:** There were 90 venture rounds totaling \$2.6 billion in Q2 2025, bringing the H1 2025 total to \$6.8 billion across 194 rounds.
- **Medtech licensing partnerships:** In Q2 2025, 286 medtech deals were announced, disclosing a total deal value of \$4.5 billion, with over \$307 million in upfront payments. The H1 2025 total reached \$6.0 billion, with \$827 million committed upfront.
- **M&A:** 43 medtech M&A deals were announced in Q2 2025, totaling \$2.1 billion.
- **IPOs:** One medtech IPO raised \$494 million on NASDAQ, bringing the H1 2025 IPO volume to \$1 billion across three offerings.

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Thank you for taking the time to read this report. We look forward to supporting you.

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

Parameters

Medtech companies are defined as firms developing medical devices, diagnostics, therapeutic digital health and commercial research tools. Healthcare IT and payer/provider software are excluded.

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

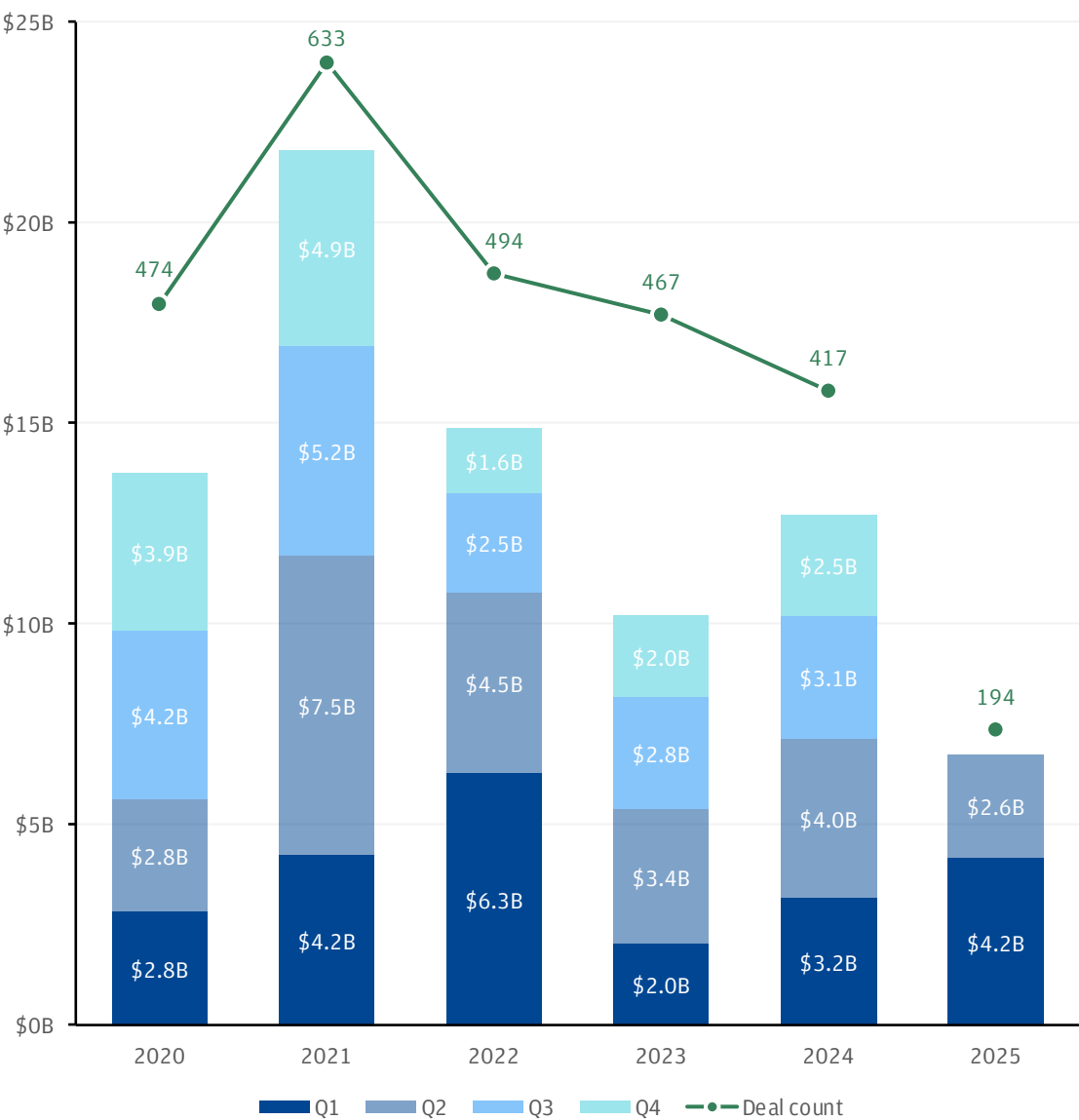
Financials are based on disclosed figures curated by DealForma. Multiple tranches of the same Series are counted as one together.

Deals are tracked globally unless otherwise noted.

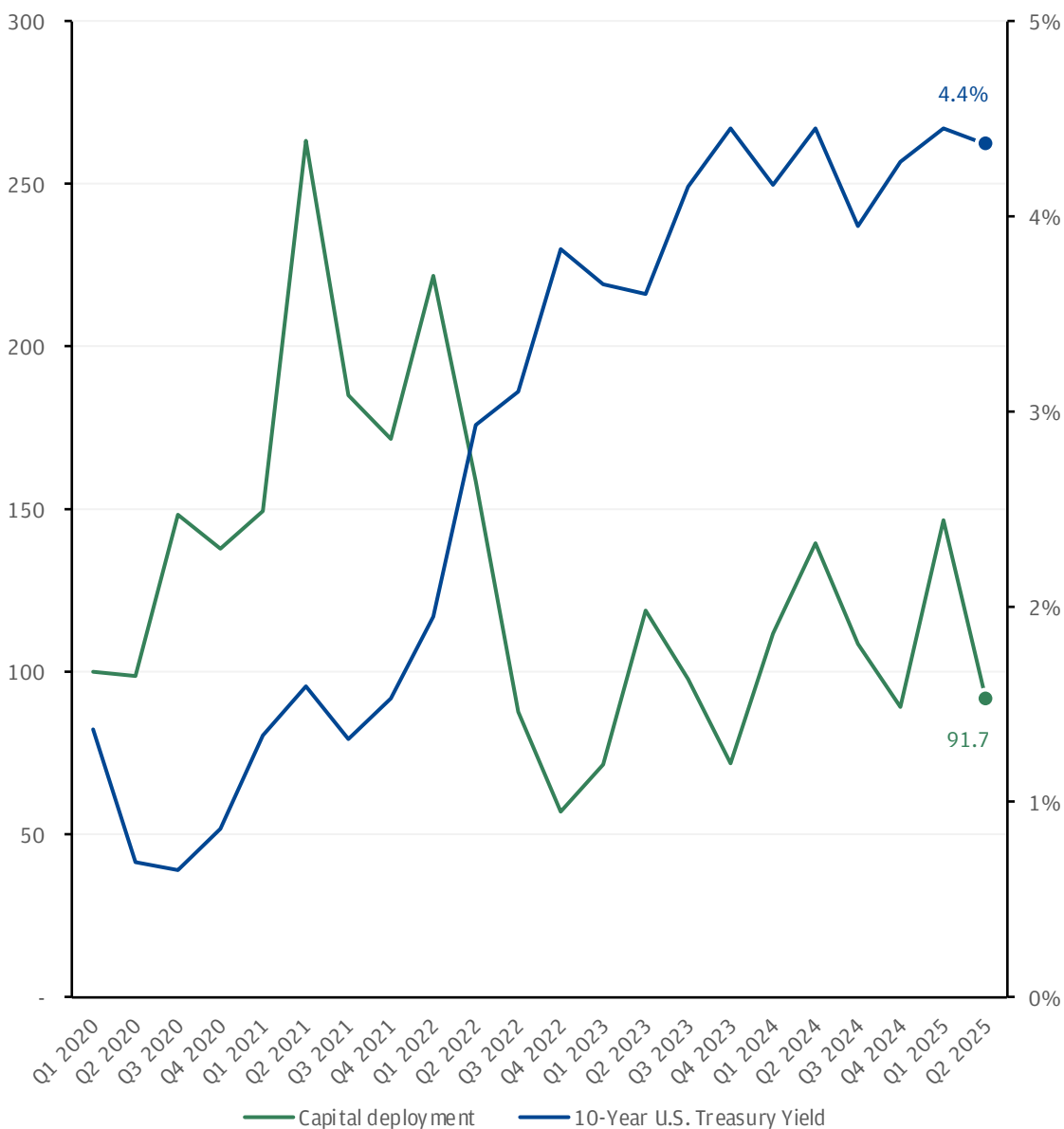
Data as of June 30, 2025

Medtech venture funding holds strong through first half of 2025, reaching nearly \$7B

QUARTERLY MEDTECH VENTURE INVESTMENT VS. ANNUAL VENTURE DEAL COUNT¹



10-YEAR U.S. TREASURY YIELD VS. MEDTECH VENTURE DEPLOYMENT (INDEXED)^{1,2}



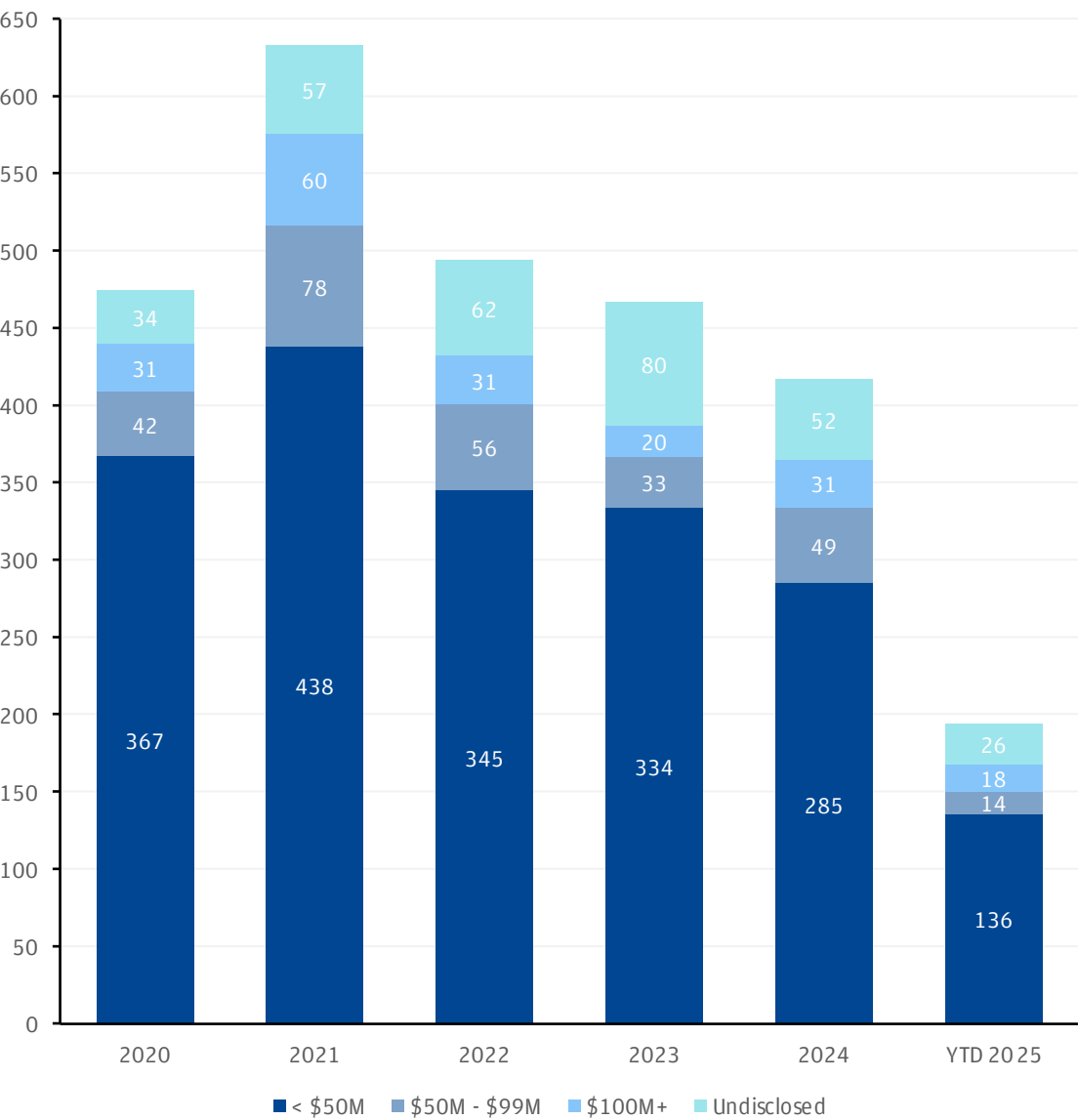
The medtech venture landscape continues to show resilience, with total venture funding reaching \$6.8 billion in the first half of 2025, positioning the sector to potentially exceed 2024's \$12.7 billion full-year total. This strength was largely anchored by a standout Q1, which represented the most active quarter since early 2022.

While macroeconomic conditions, such as elevated rates, have created a more selective fundraising environment, medtech continues to attract meaningful interest from venture investors. The nearly \$7 billion raised in the first half of 2025 reflects strong conviction in startups building essential healthcare solutions. For founders, this signals that capital will still be available, particularly for those who can demonstrate both the technical rigor and commercial readiness needed to lead the next wave of healthcare innovation.

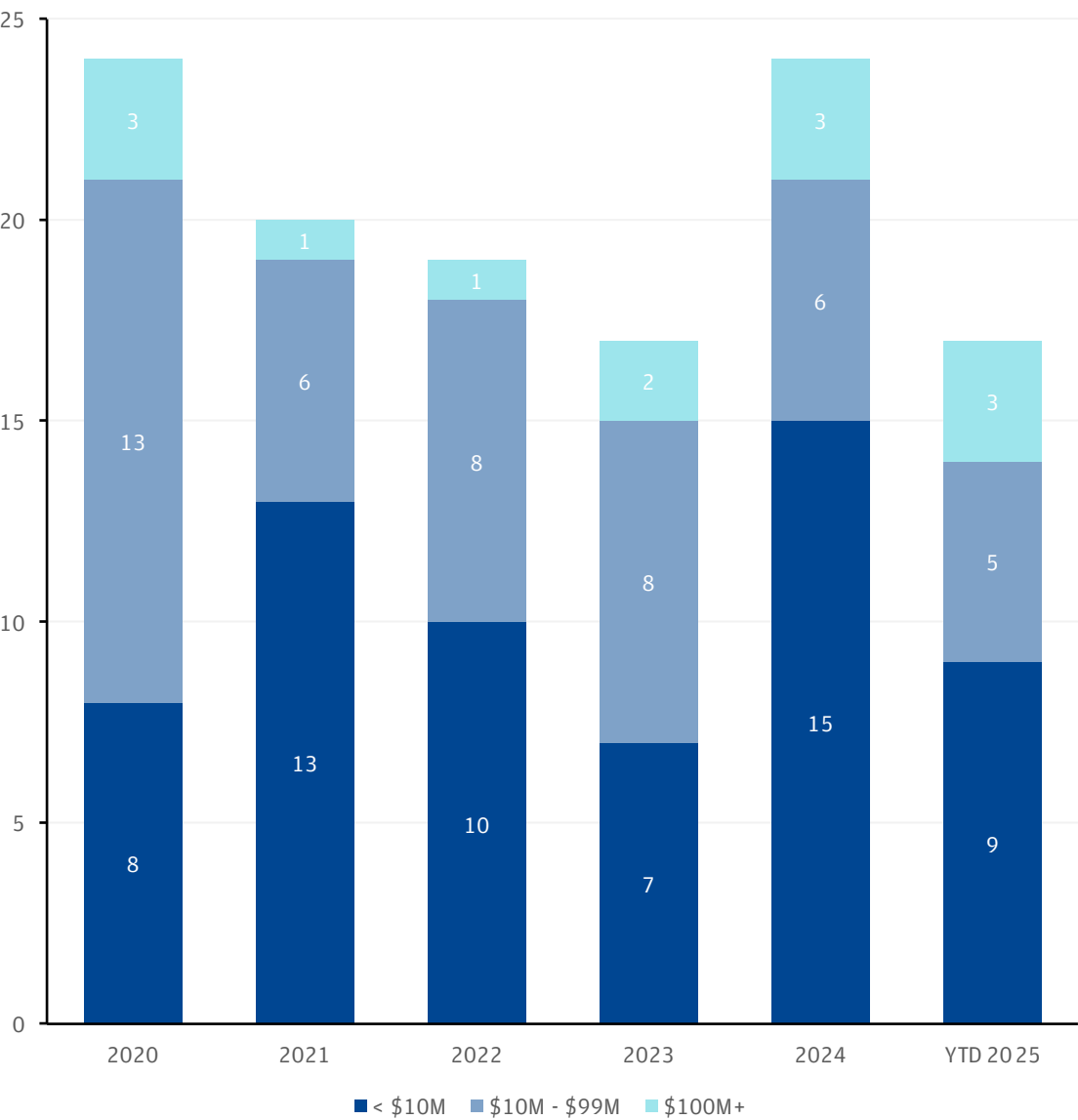
Notes: ¹Financials based on disclosed figures. Data through June 30, 2025. ²Medtech venture capital deployment is indexed to Q1 2020, where Q1 2020 = 100.

\$100M+ deals drive momentum in H1 2025

COUNT OF VENTURE INVESTMENT ROUNDS BY ROUND SIZE¹



COUNT OF R&D LICENSES BY DISCLOSED UPFRONT CASH AMOUNT¹



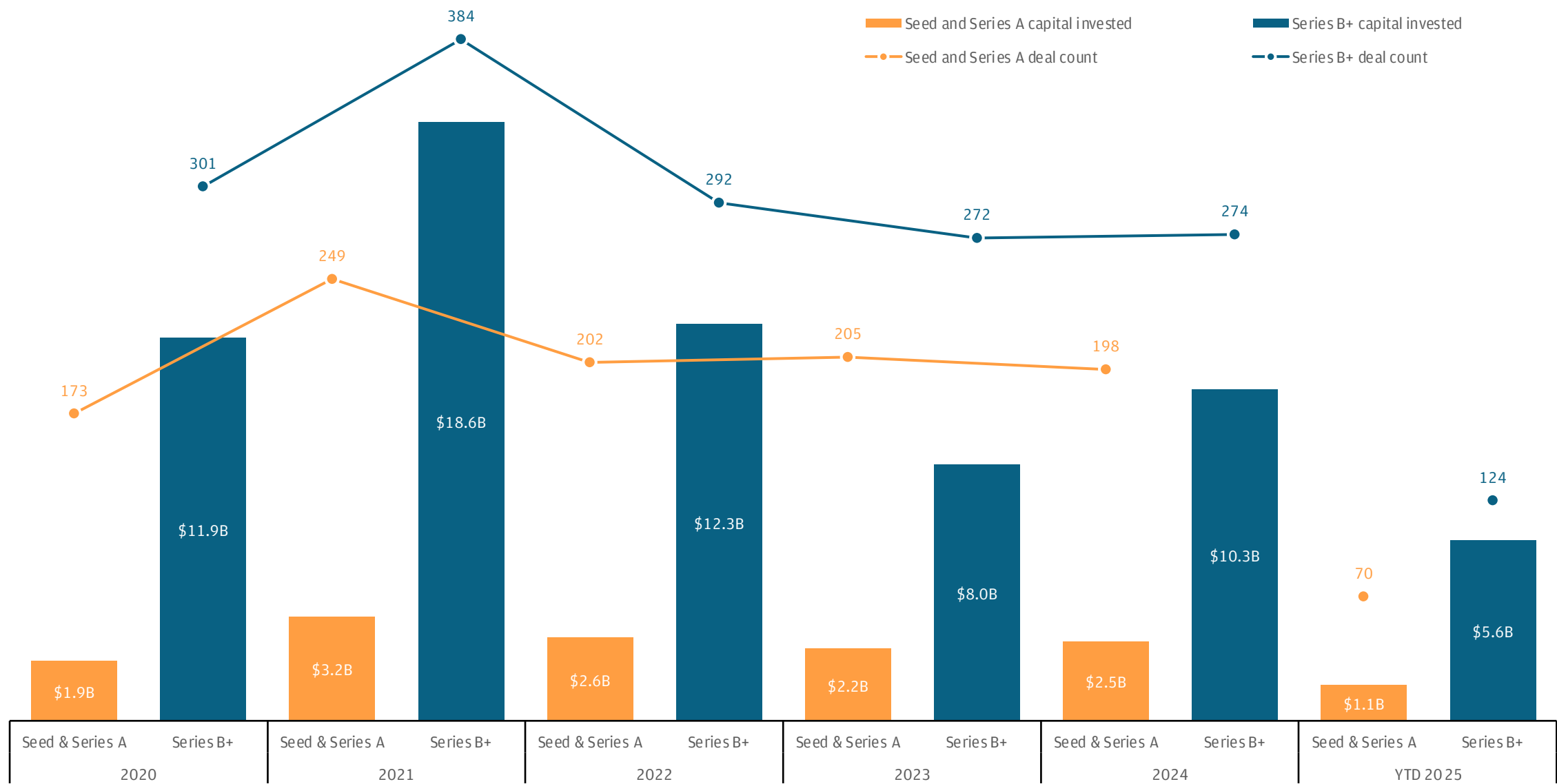
Q2 2025 has continued the trend of outsized rounds driving momentum within the medtech venture landscape. Of the 194 medtech venture rounds closed so far this year, 18 exceeded \$100 million, and an additional 14 surpassed \$50 million. Among the largest medtech venture rounds in Q2 2025 were the Neuralink Series E at \$650 million and the \$100MM Series C for Biolineq.

Medtech partnership and licensing upfront payments also increased, with more deals disclosing upfront payments exceeding \$100 million in Q2 2025. Three of the 17 disclosed R&D licensing deals have crossed the \$100 million threshold—matching the full-year 2024 figure within just the first half of this year. This might indicate a growing urgency among strategic partners to secure external innovation.

Note: ¹Financials based on disclosed figures. Data through June 30, 2025.

Later-stage venture rounds outpace earlier-stage nearly five-to-one in H1 2025

MEDTECH SEED AND SERIES A VENTURE ACTIVITY VS. SERIES B+ VENTURE ACTIVITY¹

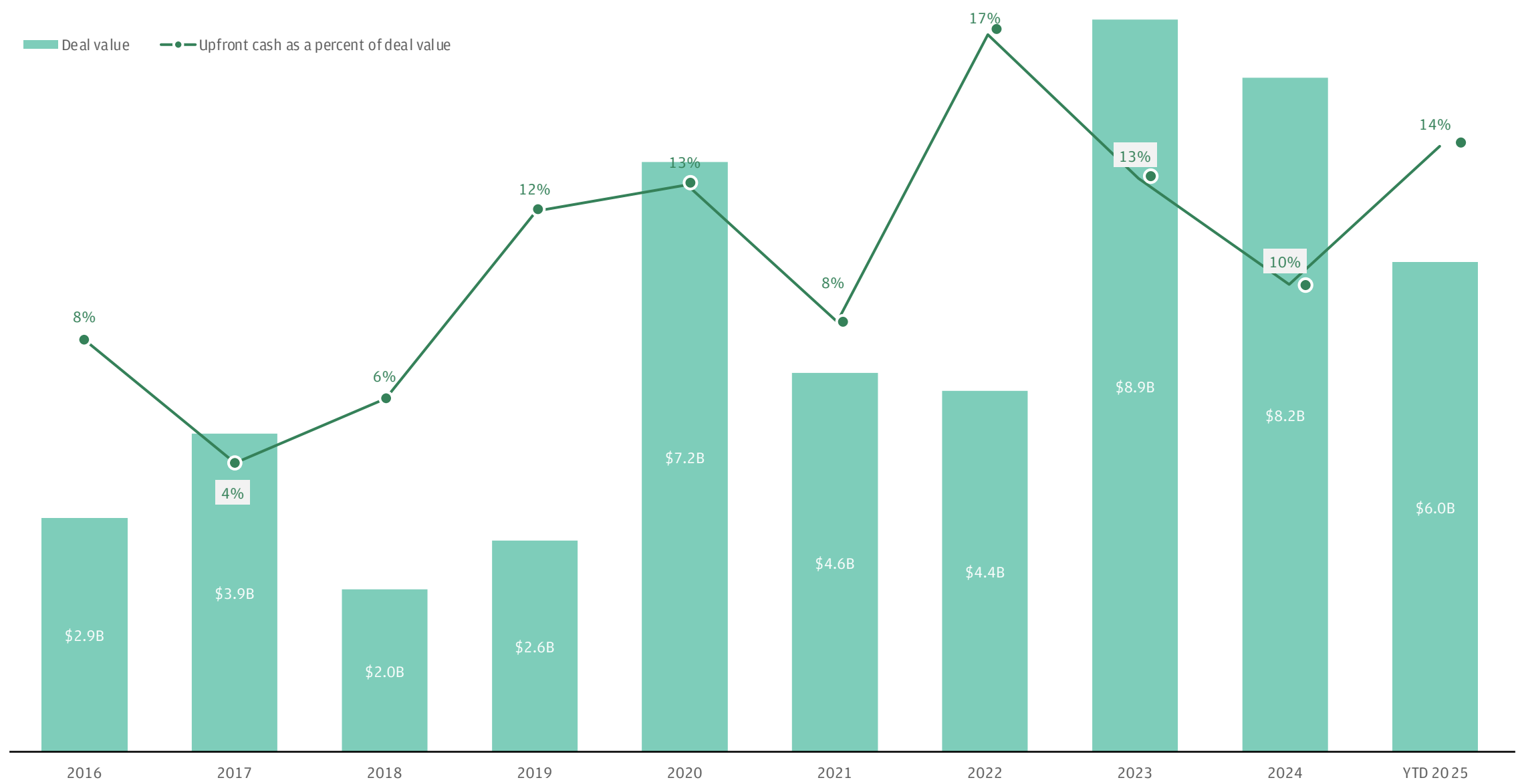


In H1 2025, Series B+ rounds accounted for \$5.6 billion across 124 rounds—more than five times the capital deployed into Seed and Series A rounds during the same period. Seed and Series A rounds saw \$1.1 billion invested across 70 deals in H1 2025. Out of the top 10 Series A financings, five were headquartered outside of the U.S. While early-stage rounds still play an important role in the medtech venture ecosystem, their relative slowdown may signal a market that is weary of entrenched first-movers. This likely stems from a combination of various factors, such as macro uncertainty and tighter fundraising conditions. Still, the outlook remains encouraging. For early-stage founders, today’s market environment rewards those who can show traction with a differentiated technology. Meanwhile, later-stage founders are well positioned to scale with conviction as capital pools remain available.

Note: ¹Financials based on disclosed figures. Data through June 30, 2025.

Medtech licensing captures over \$800M in upfront payments in the first half of 2025

MEDTECH R&D PARTNERSHIP, LICENSING AND CONTRACTING DEAL VALUE TOTALS AND UPFRONT CASH AS A PROPORTION OF DEAL VALUE¹



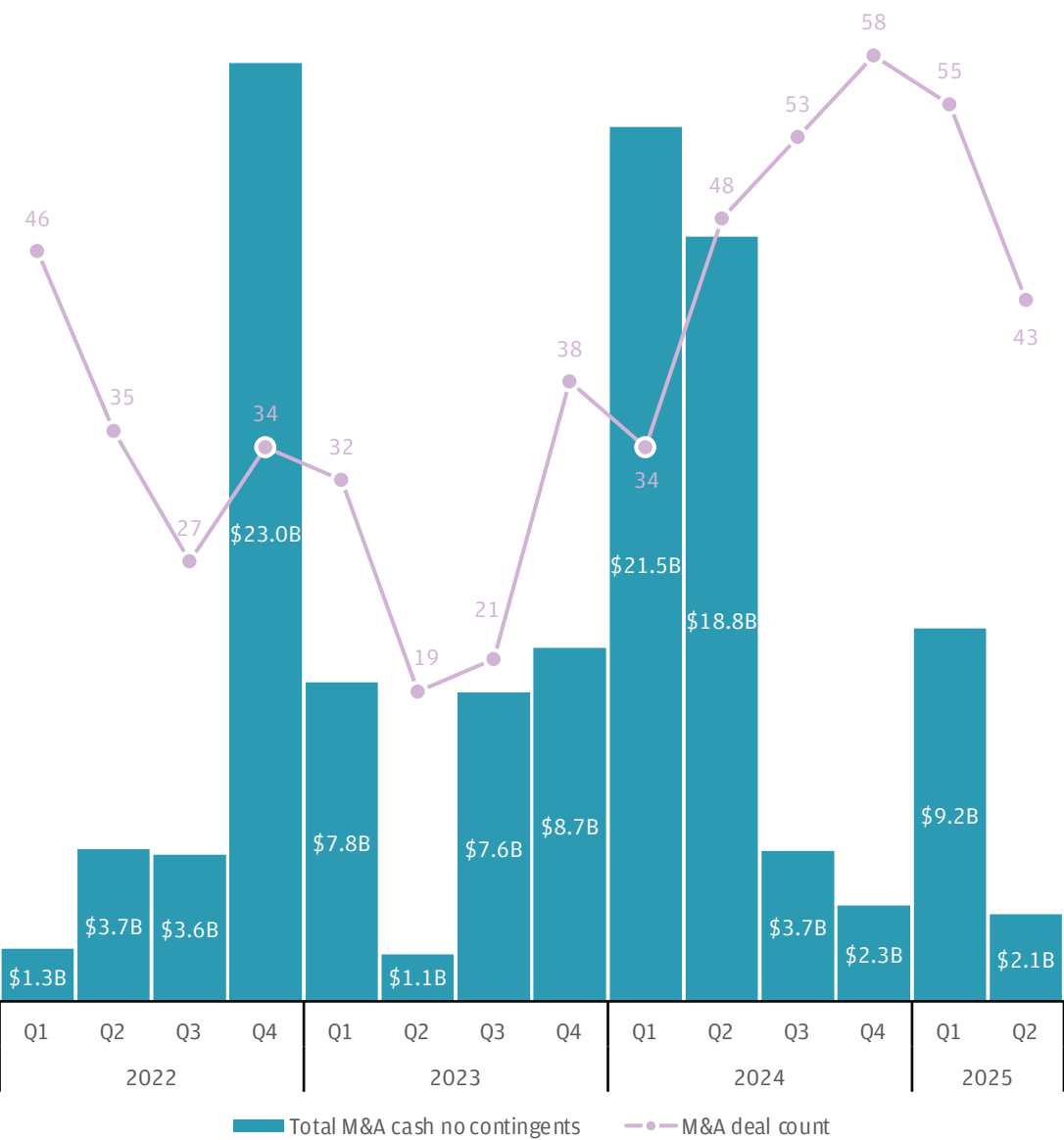
In the first half of 2025, medtech licensing deals reached \$6 billion in total announced deal value—with \$827 million paid upfront. That represents 14% of total deal value, the second-highest upfront share in nearly a decade. This rise in upfront payments likely reflects stronger convictions from strategic partners who are increasingly willing to pay upfront for access to high-potential technologies that drive savings to a variety of stakeholders.

Notable deals include: The joint venture between Hologen AI and MeiraGTx, which, with \$230 million upfront, aims to apply Hologen's multimodal generative foundation models to obesity; and the Viking Therapeutics' agreement with CordenPharma, which features \$150 million upfront for autoinjectors and formulations of Viking's drug.

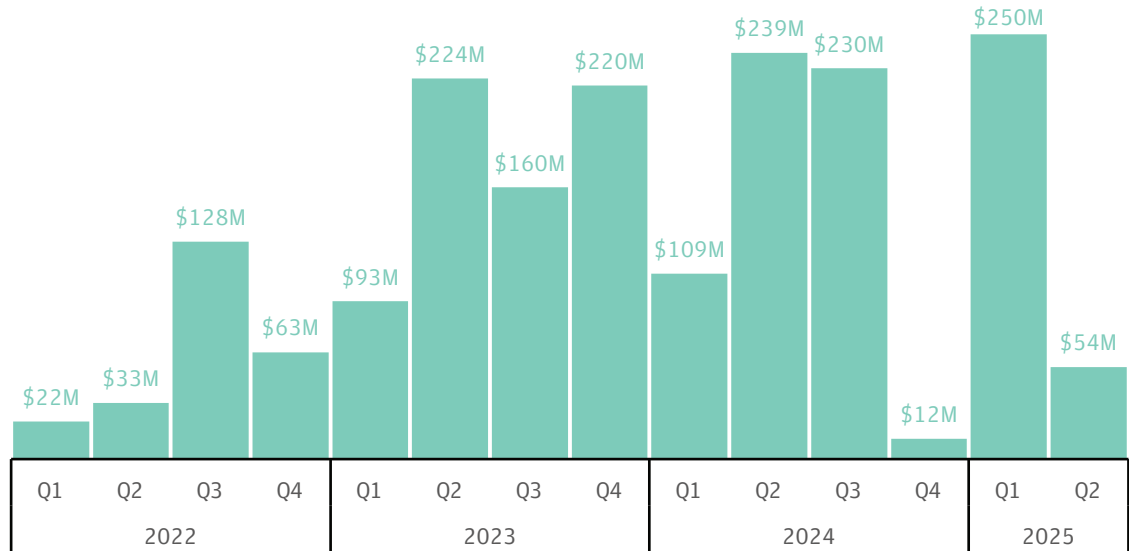
Note: ¹Financials based on disclosed figures. Data through June 30, 2025.

Medtech M&A activity slows in Q2 2025, but future market stability could bring back appetite

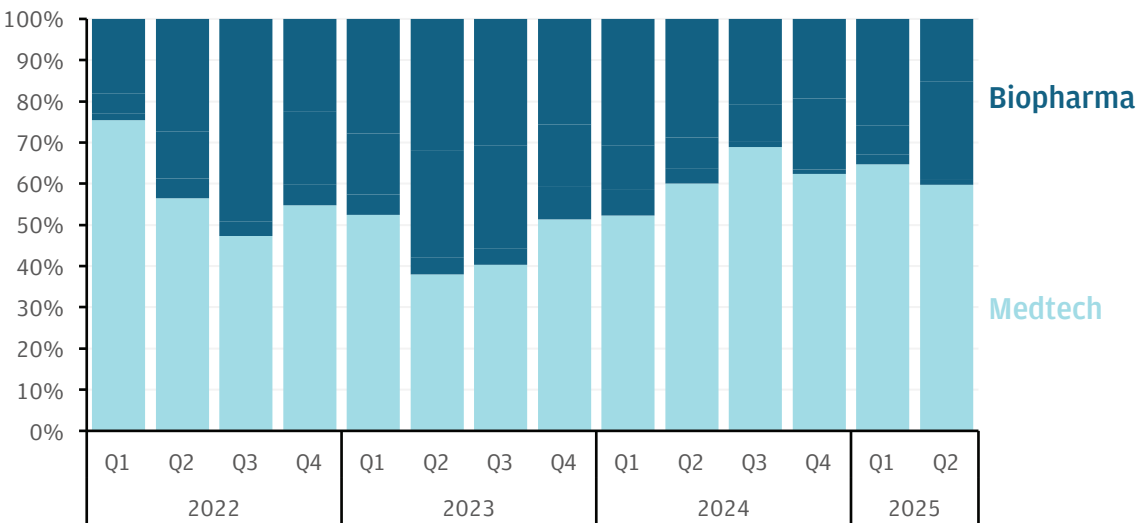
MEDTECH M&A ACTIVITY^{1,2}



MEDIAN M&A UPFRONT CASH AND EQUITY^{1,2}



COUNT OF M&A DEALS BY ACQUIRED COMPANY TYPE^{1,2}



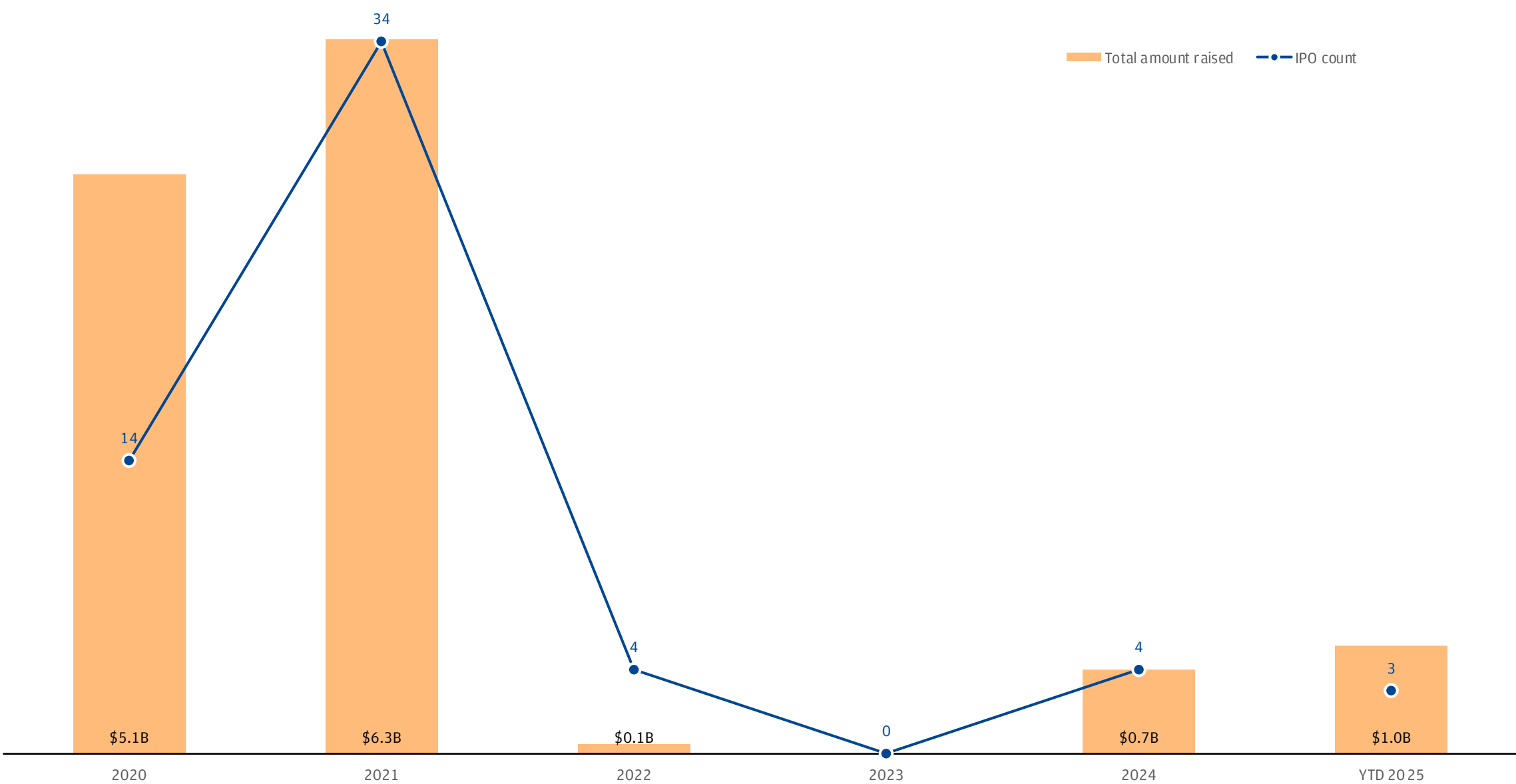
Medtech M&A activity slowed in Q2 2025, with 43 transactions totaling \$2.1 billion—down from the 55 deals and \$9.2 billion recorded in Q1. Median upfront payments also fell to \$54 million, suggesting a more cautious tone from acquirers. This deceleration reflects the broader macro environment, where ongoing uncertainty, elevated rates and valuation mismatches have made dealmaking more selective.

Still, many strategic acquirers continue to signal strong interest in expanding capabilities across medical devices, diagnostics, therapeutic digital health and commercial research tools. A notable Q2 2025 medtech acquisition was Merit Medical's acquisition of Biolife Delaware, a manufacturer of hemostatic devices.

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

H1 2025 medtech IPO dollars surpass full-year 2024

NASDAQ AND NYSE COMPLETED IPOs IN MEDTECH: TOTALS (\$B) AND COUNT^{1,2}



Medtech IPO activity re-emerged slightly in the first half of 2025. There was one medtech IPO over \$15 million on a U.S. exchange in Q2 2025, bringing the total to three in the first half of the year. The total IPO dollar volume of \$1 billion at the end of H1 2025 exceeded full-year 2024 on one fewer IPO. The IPO of Caris Life Sciences, a medtech company with diverse offerings, including precision data and diagnostic capabilities, was completed on NASDAQ in Q2 2025, raising \$494 million in June 2025. Two medtech IPOs were completed on NASDAQ in Q1 2025: Beta Bionics with \$235 million in January 2025 and Kestra Medical Technologies with \$232 million in March 2025.

Note: ¹Financials based on disclosed figures. Data through June 30, 2025. ²includes only POs \$15 million and larger by completion date.

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