

J.P.Morgan

Q3 2025 Medtech Licensing and Venture Report

October 2025

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Executive summary

Exit Potential: Medtech IPO and M&A remained active through Q3 2025

Medtech IPO and M&A activity increased through Q3 2025, surpassing full-year 2024 numbers. Venture investment, which started the year strong, weakened in the third quarter. Medtech licensing and R&D partnerships saw a smaller share of deal value in upfront payments despite a larger total announced deal value.

Here are a few highlights from our Q3 2025 report:

- **Medtech venture activity:** There were 67 venture rounds totaling \$2.9 billion in Q3 2025, bringing the 2025 year-to-date total to \$9.5 billion across 259 rounds.
- **Medtech licensing partnerships:** In Q3 2025, 21 medtech licensing partnership deals were announced, disclosing a total deal value of \$7.9 billion, with over \$126 million in upfront payments. The 2025 year-to-date total reached \$10.1 billion, with \$376 million committed upfront.
- **M&A:** 65 medtech M&A deals were announced in Q3 2025, totaling \$21.7 billion in upfront cash and equity.
- **IPOs:** Four medtech IPOs raised \$568 million on NASDAQ and NYSE in Q3 2025, bringing the 2025 year-to-date IPO volume to \$1.5 billion across seven offerings of \$15 million+ 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

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. Clinical research organizations are also included where they are leveraging innovative research tools.

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

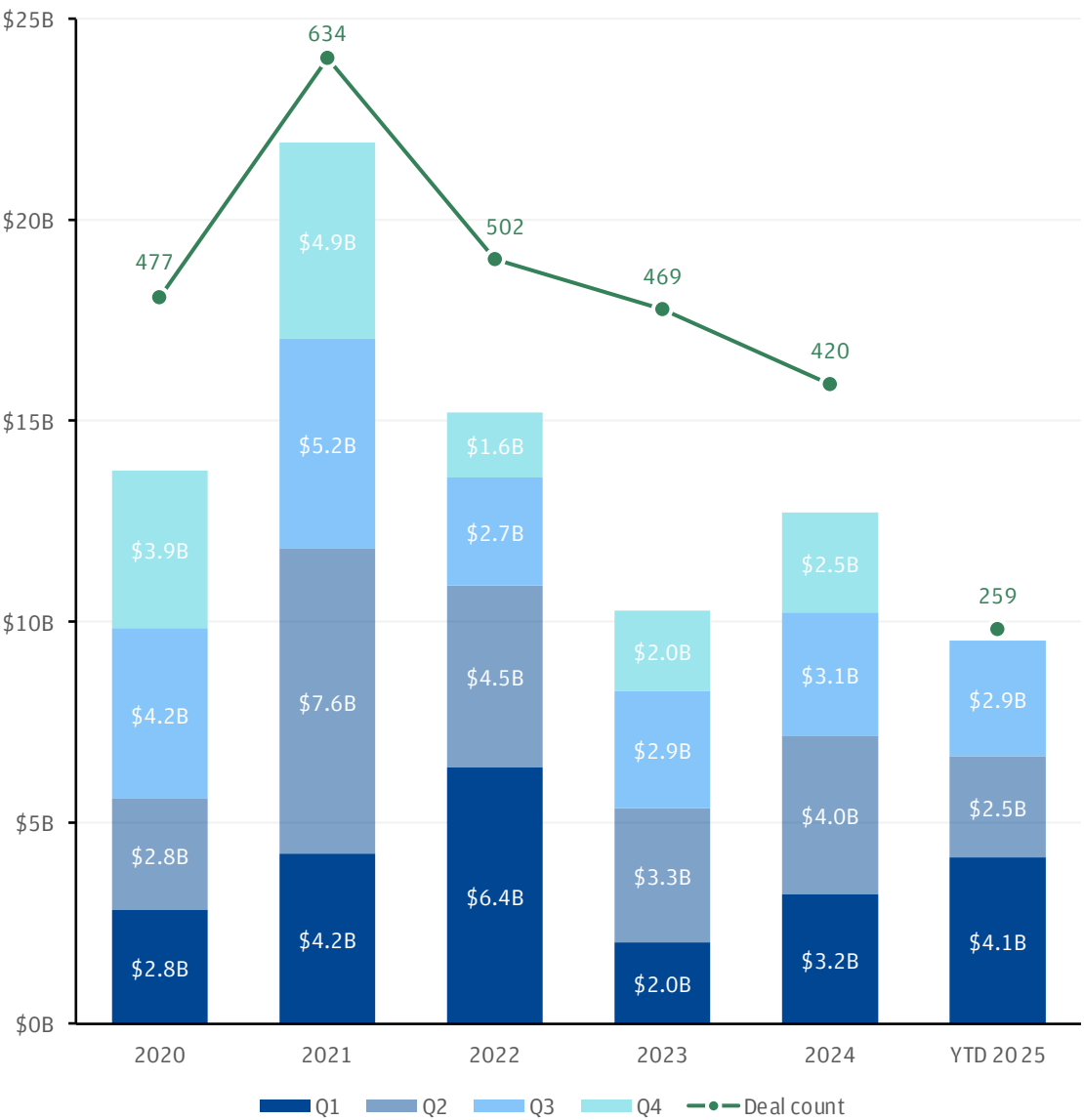
Financials are based on disclosed figures curated by DealForma. Multiple tranches of the same Series are counted as one together.

Deals are tracked globally unless otherwise noted.

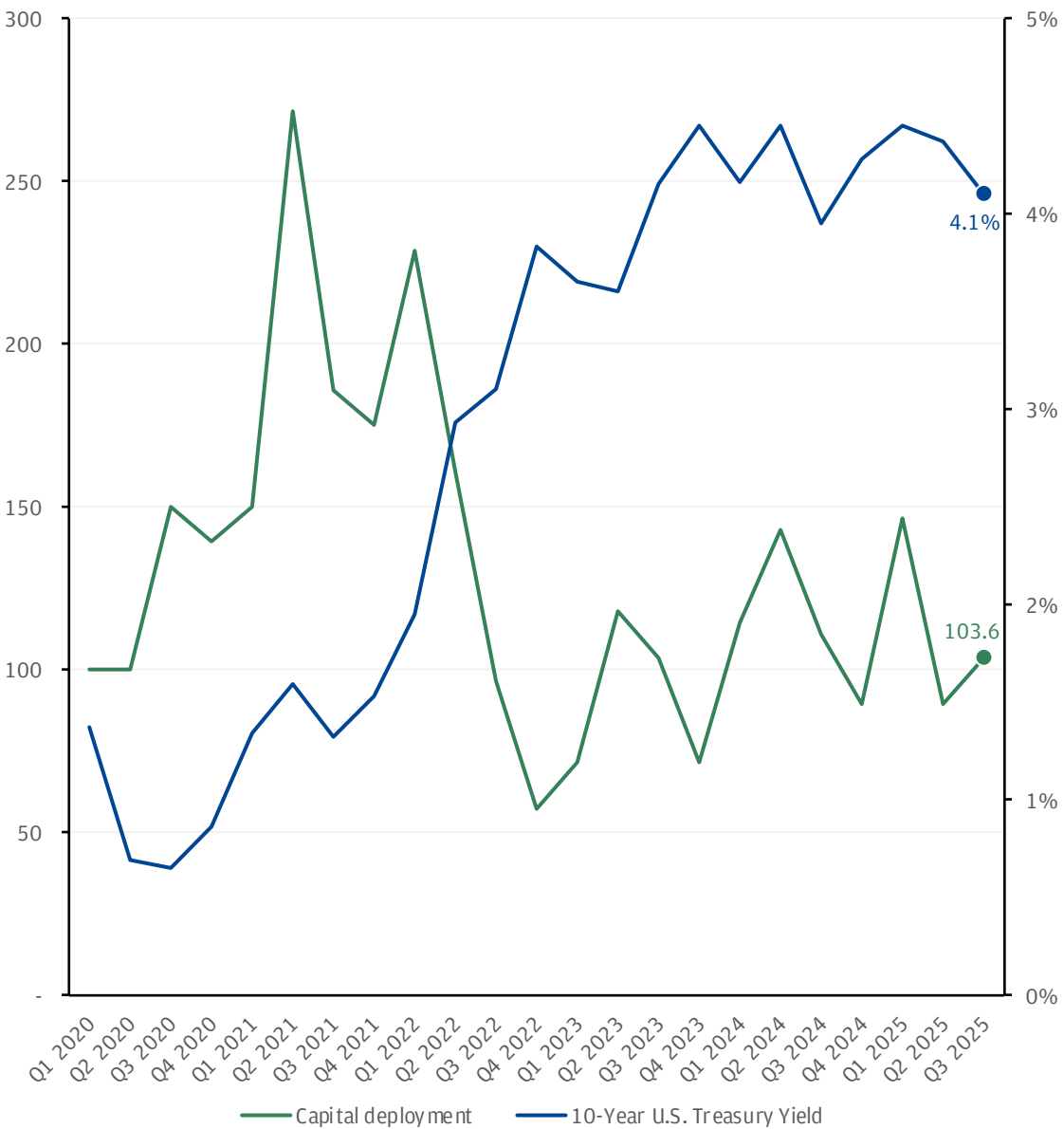
Data as of Sept. 30, 2025

Q3 medtech venture funding up quarter over quarter, but down year over year

QUARTERLY MEDTECH VENTURE INVESTMENT VS. ANNUAL VENTURE DEAL COUNT¹



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



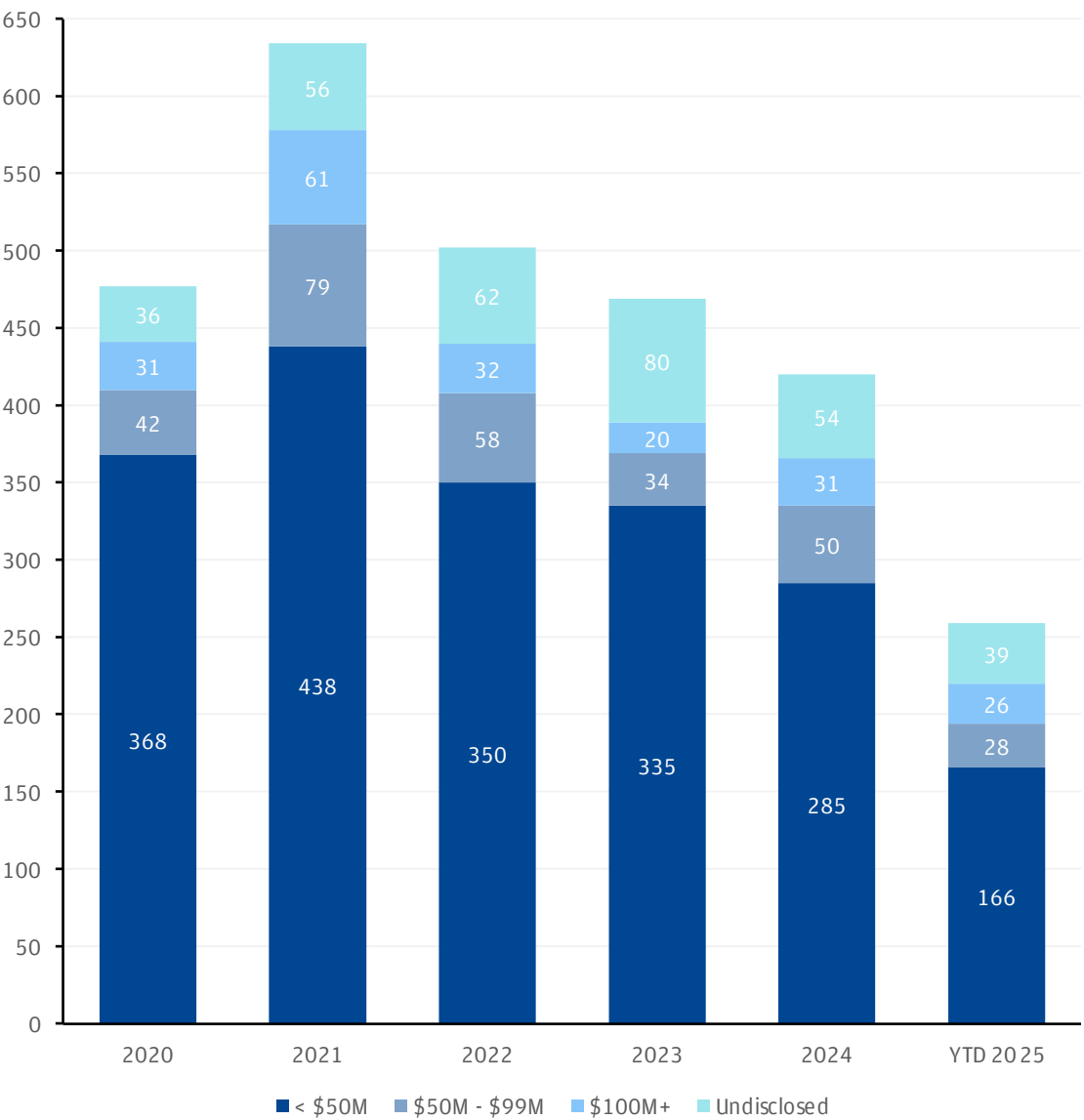
Medtech venture funding started the year strong yet had a weaker Q2 and Q3 in a challenging venture funding environment across all of healthcare and life sciences. \$2.9 billion was invested in Q3 2025 compared to \$3.1 billion in Q3 2024.

Despite Q3 being down slightly year over year, Medtech continues to attract meaningful interest from venture investors with \$9.5 billion raised across 259 rounds year-to-date.

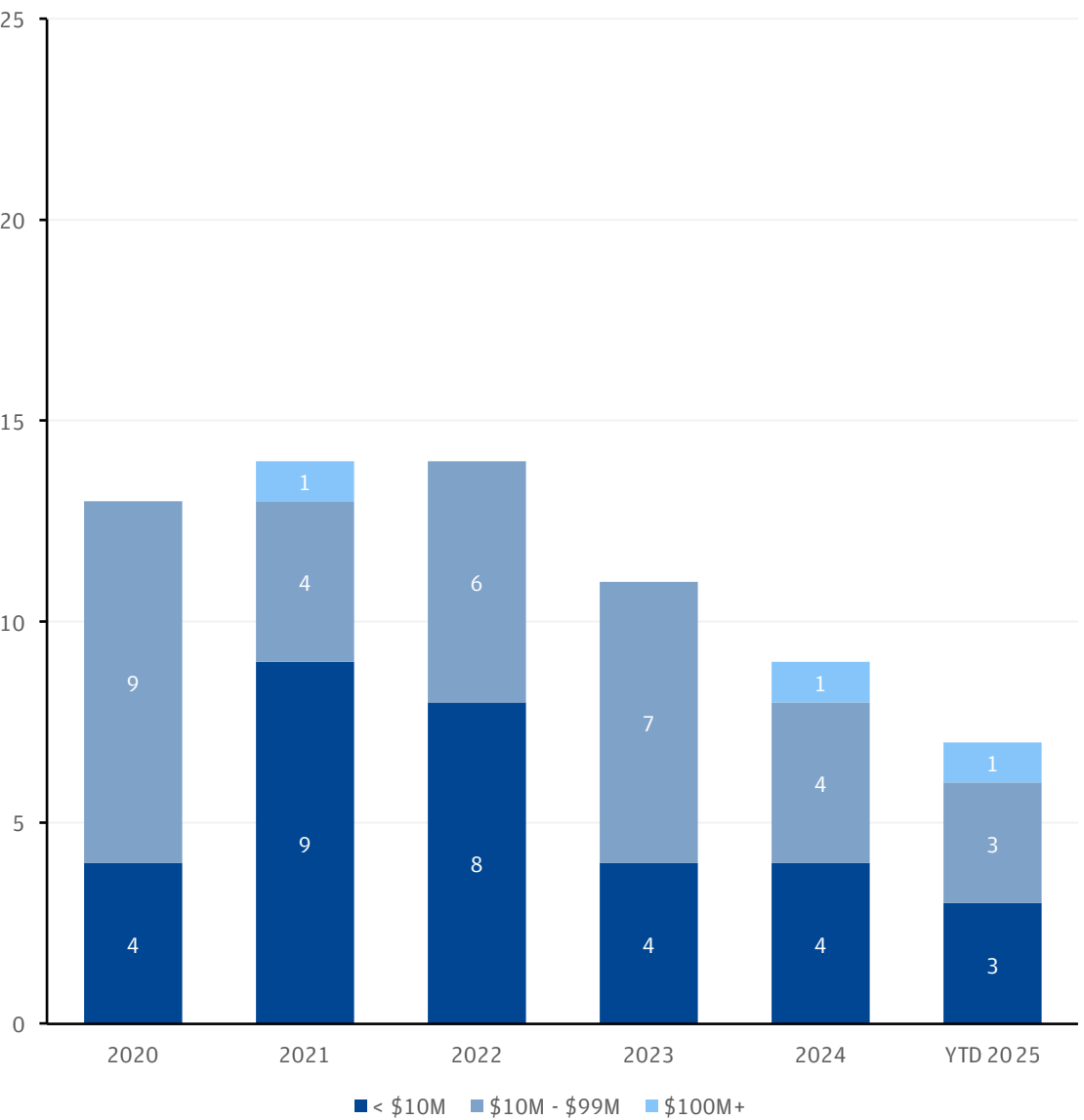
Notes: ¹Financials based on disclosed figures. Data through Sept. 30, 2025. ²Medtech venture capital deployment is indexed to Q1 2020, where Q1 2020 = 100.

Large medtech investment rounds continued through Q3 2025

COUNT OF VENTURE INVESTMENT ROUNDS BY ROUND SIZE¹



COUNT OF R&D LICENSES BY DISCLOSED UPFRONT CASH AMOUNT¹



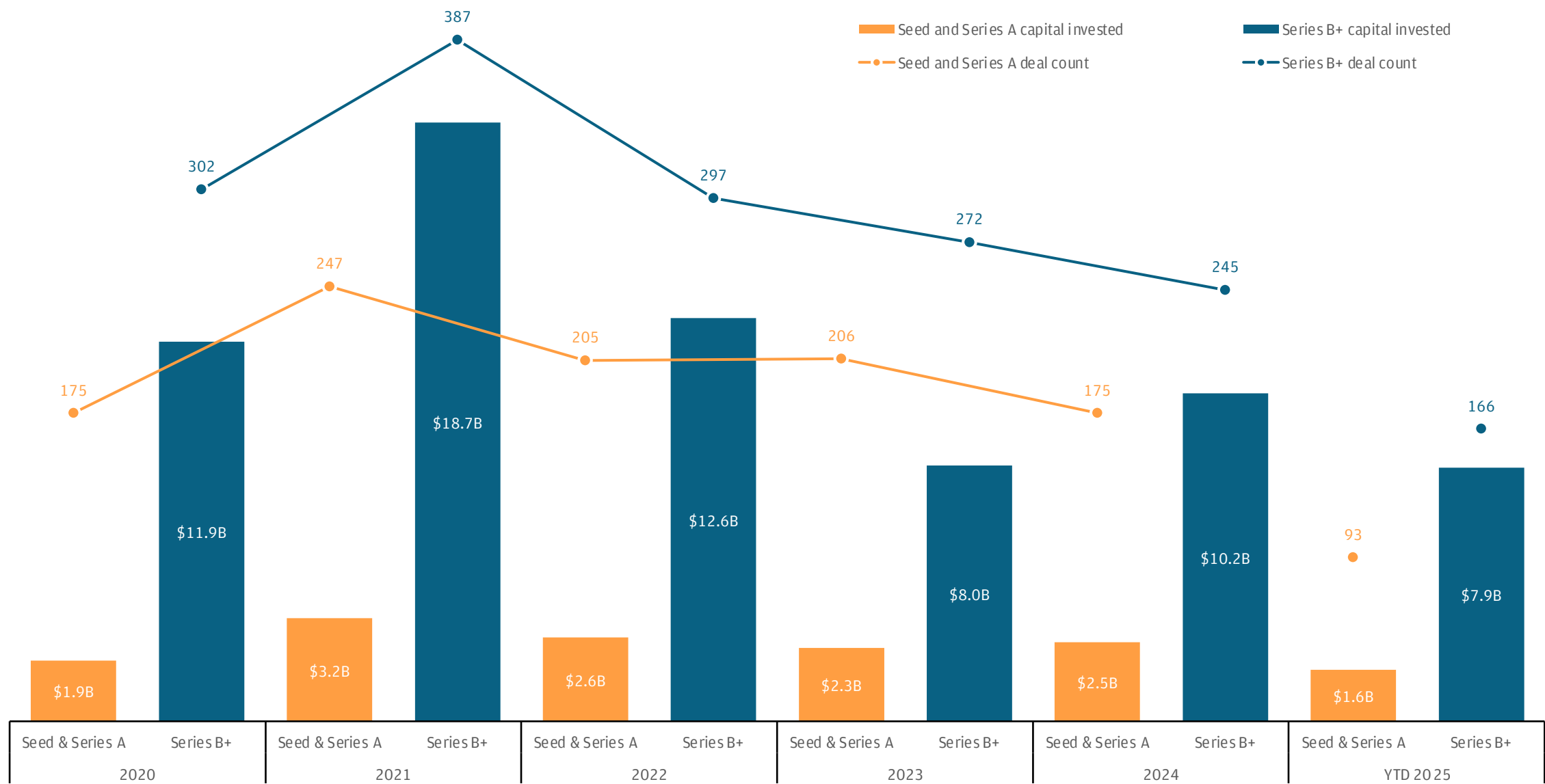
Q3 2025 continued a trend of large funding rounds in the medtech venture space. Of the 259 medtech venture rounds closed so far this year, 26 were \$100 million or greater, and an additional 28 surpassed \$50 million. Among the largest medtech venture rounds in Q3 2025 were the Lila Sciences Series A at \$235 million, Supira Medical's \$120 million Series E and SetPoint Medical's \$115 million Series D.

Medtech R&D partnership and licensing upfront payments remained steady, with one licensing partnership disclosing an upfront payment exceeding \$100 million through Q3 2025. There were no large upfront deals in Q3, however. Three more of the seven disclosed R&D licensing deals have crossed the \$10 million threshold, just one short of full-year 2024.

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

Early-stage medtech venture rounds continued to lag late-stage activity through Q3 2025

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



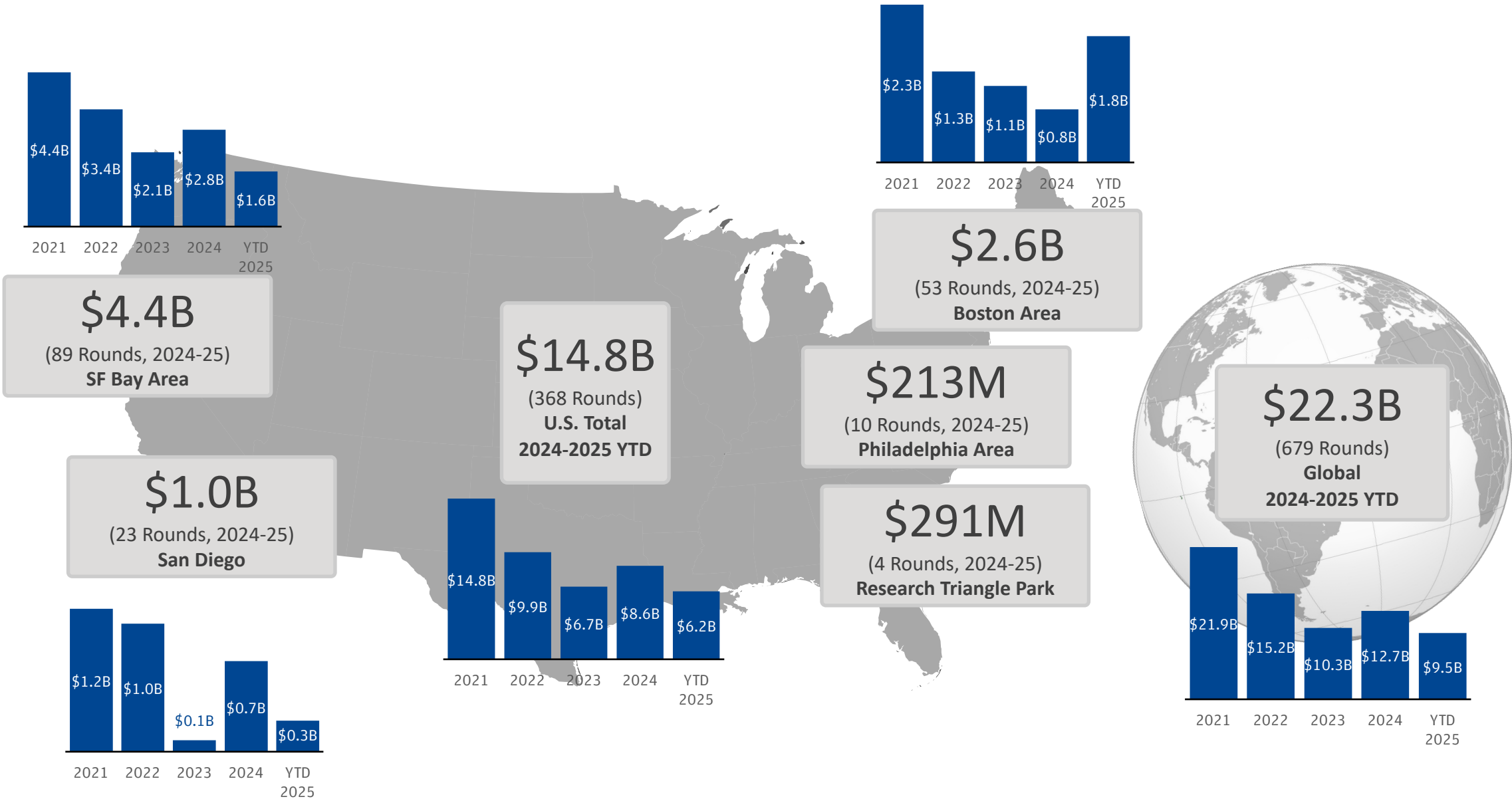
Through Q3 2025, Series B+ rounds accounted for \$7.9 billion across 166 rounds. Seed and Series A rounds during the same period saw only \$1.6 billion invested across 93 rounds.

Notable Series A transactions in the space from Q3 2025 include Axon Therapies (\$32 million), as well as Luna Health (\$23 million).

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

Medtech companies in San Francisco and Boston attracted the most venture investment

MEDTECH VENTURE INVESTMENT BY GEOGRAPHY, 2024-2025 YTD¹

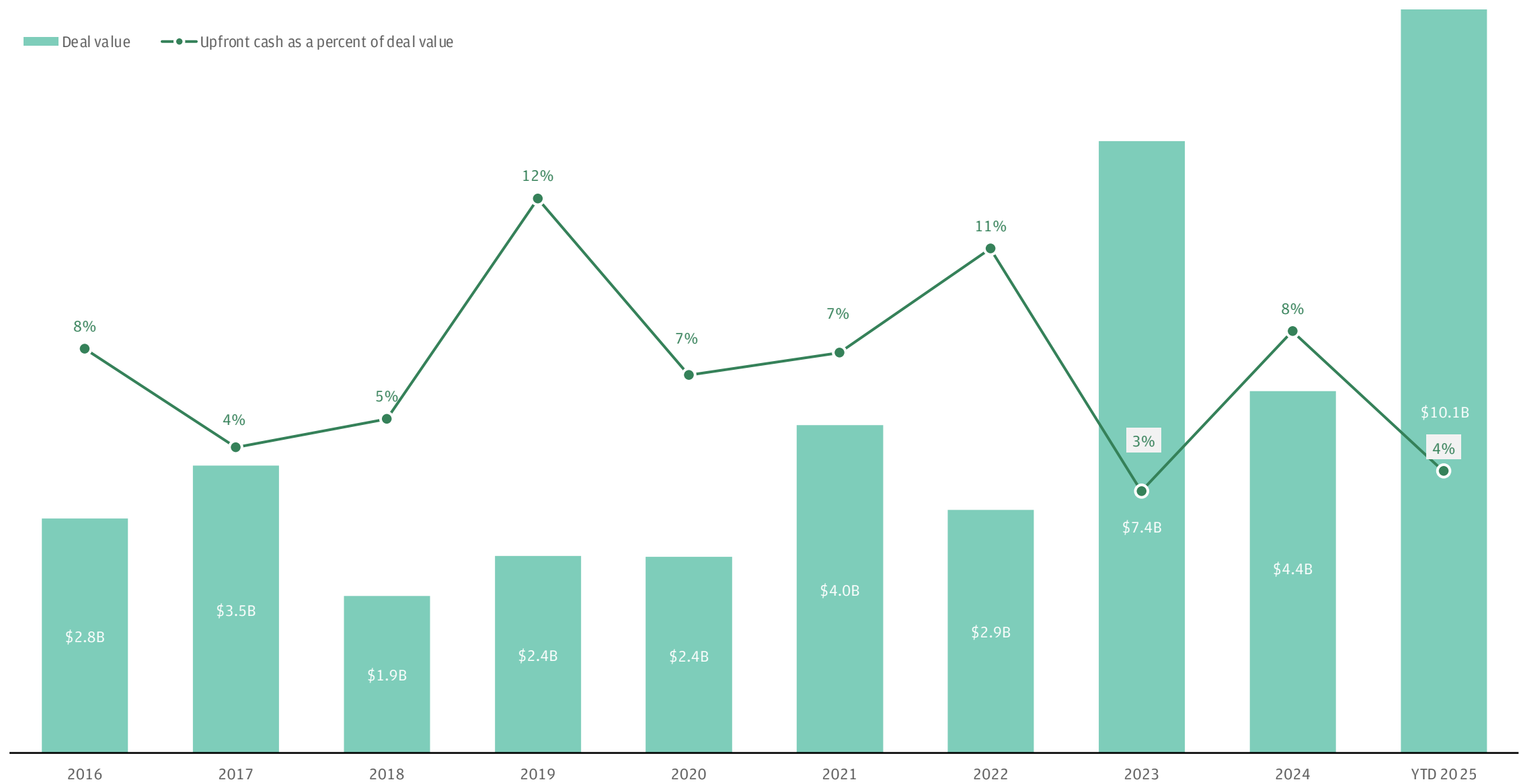


Medtech venture investment totaled \$22.3 billion globally from 2024 to 2025 year-to-date across 679 rounds. Companies in the United States accounted for roughly 66% of that investment, raising \$14.8 billion from 368 rounds. Among the major biopharma and medtech hub regions of the United States, the San Francisco Bay Area was home to \$4.4 billion in 89 venture rounds since 2024. Boston/Cambridge-area medtech companies raised \$2.6 billion, followed by companies in San Diego, Philadelphia and North Carolina's Research Triangle Park.

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

Medtech licensing continues to place a larger share of deal value on contingent payments

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

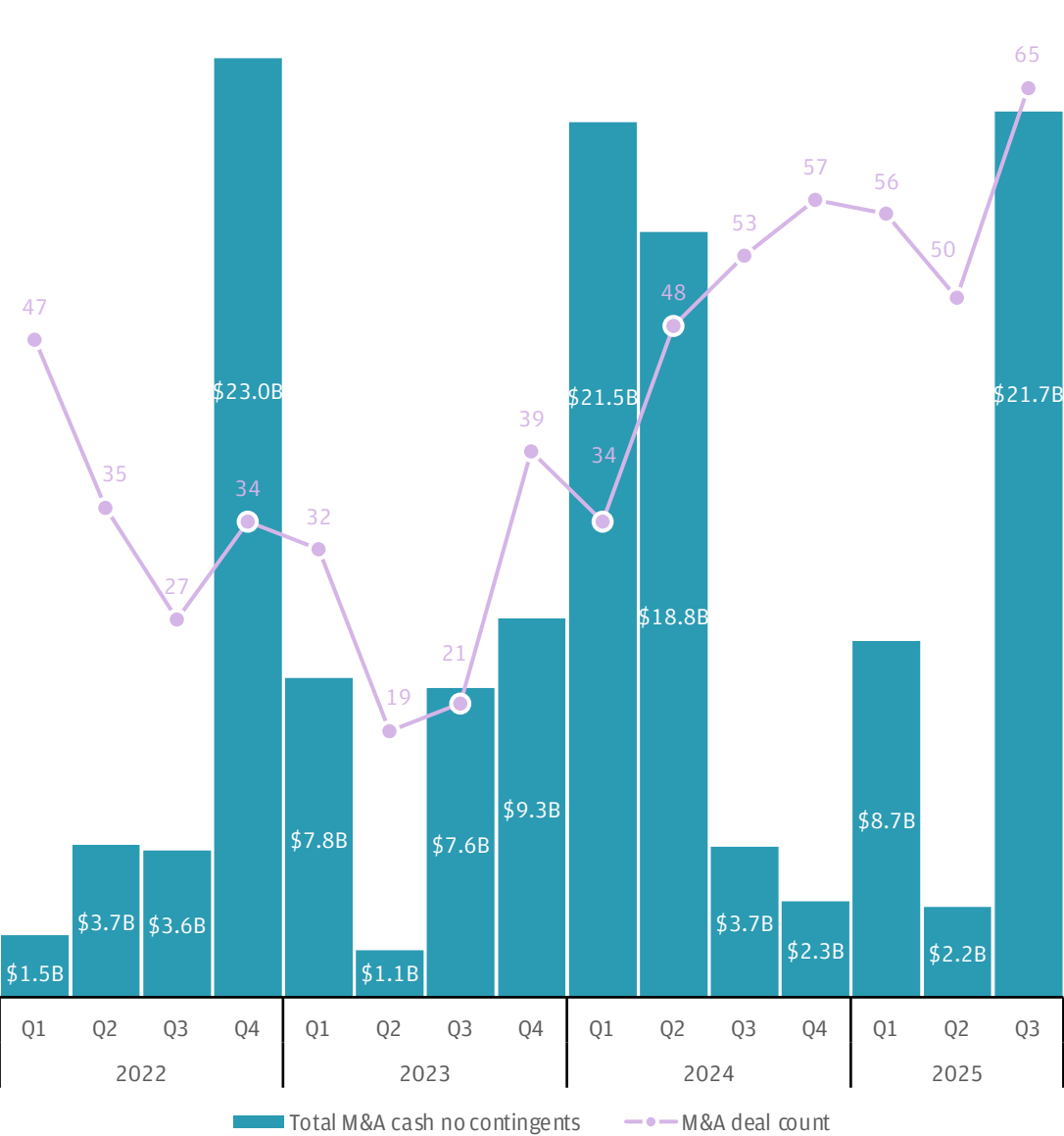


Year-to-date 2025 medtech licensing deals reached \$10.1 billion in total announced deal value—with \$376 million paid upfront. That represents 4% of total deal value, tied for the second-smallest upfront share in nearly a decade. Risk aversion continued as deal economics favored more contingent payments through regulatory and commercial milestones.

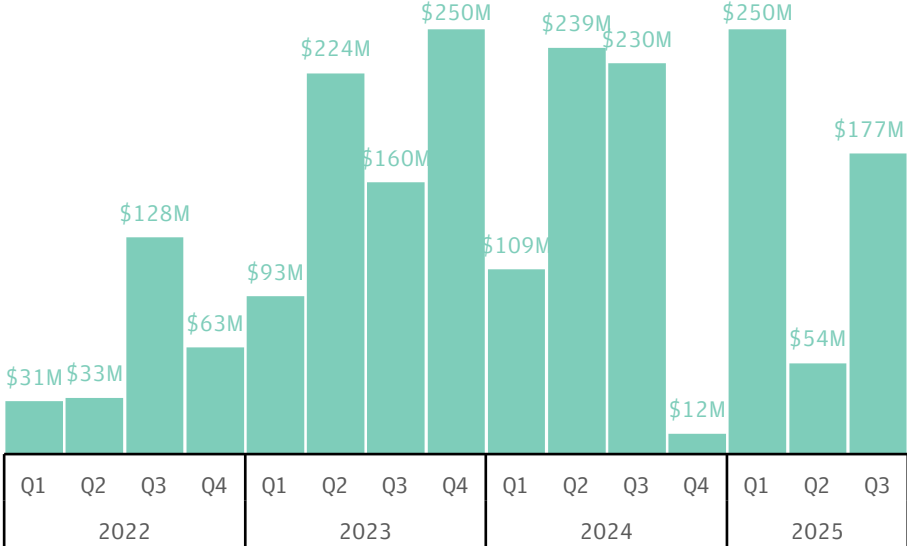
Note: ¹Financials based on disclosed figures. Data through Sept. 30, 2025.

Medtech M&A remained active in Q3 2025

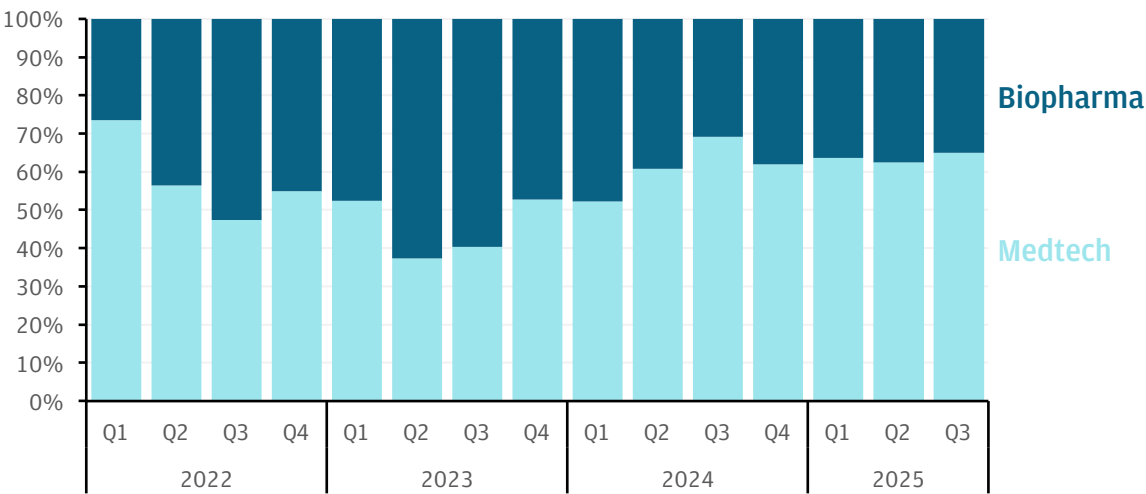
MEDTECH M&A ACTIVITY^{1,2}



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



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



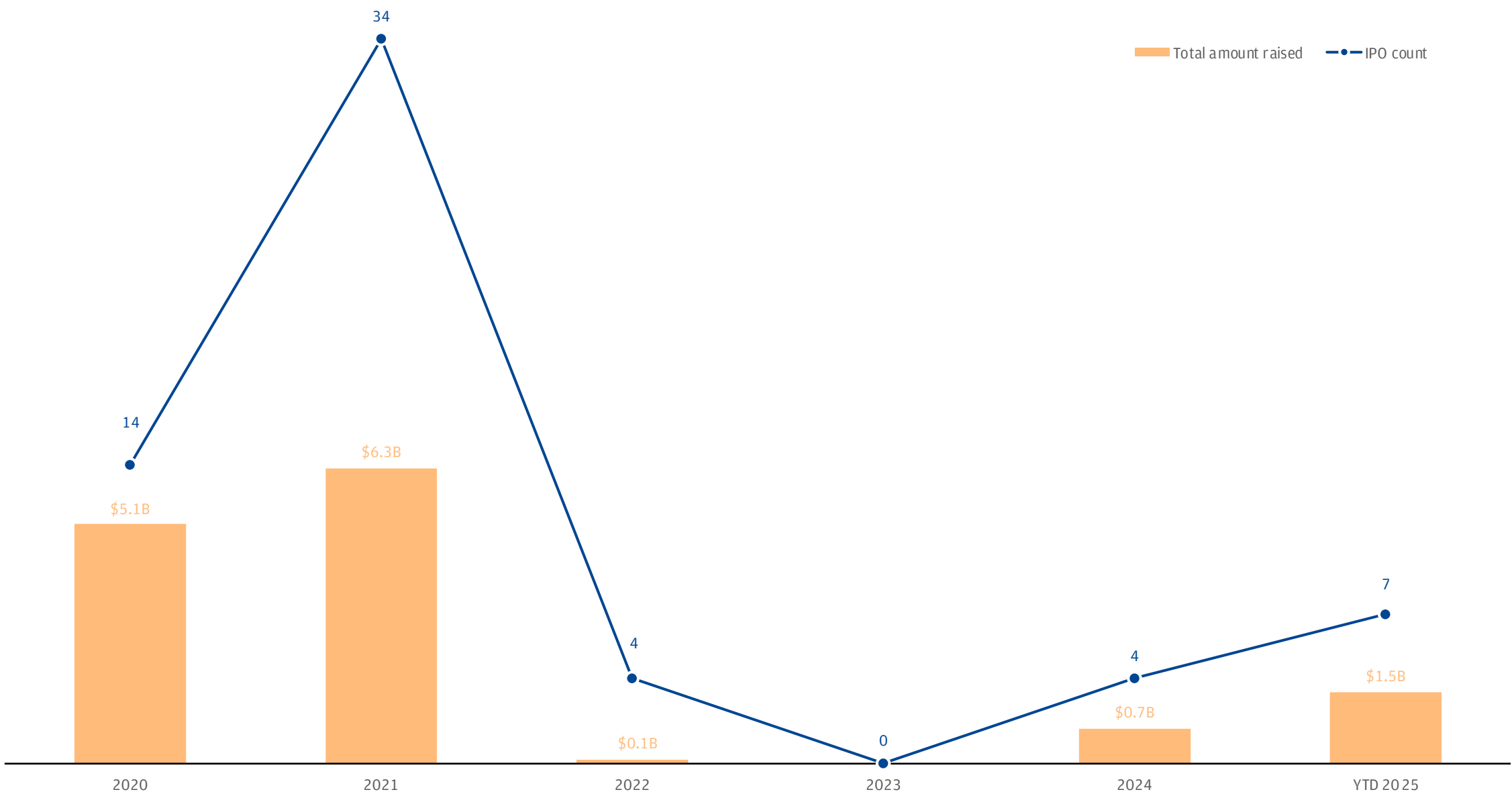
Medtech M&A activity accelerated in Q3 2025 with 65 transactions, the most active quarter since 2022. Those transactions totaled \$21.7 billion in upfront cash and equity, the second-highest quarterly value over the same period. Median M&A upfront payments rose to \$177 million.

The major driver of the spike in transaction value in Q3 2025 was Waters Corp's merger with Beckton Dickinson's Biosciences & Diagnostic Solutions business for approximately \$17.5 billion. Other notable transactions include Terumo Corp's acquisition of OrganOx for \$1.5 billion and ArchiMed Group's acquisition of ZimVie Inc. for \$730 million.

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

Year-to-date 2025 medtech IPO activity rose again to surpass full-year 2024

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



Medtech IPO activity increased through Q3 2025. There have been seven medtech IPOs over \$15 million on U.S. exchanges in 2025 for a total volume of \$1.5 billion.

Q3 2025 medtech IPOs include: CapsoVision (\$28 million), Carlsmed (\$101 million), Heartflow (\$364 million), and Shoulder Innovations (\$75 million).

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

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