J.P.Morgan

Q4 2025 Medtech Licensing and Venture Report

December 2025

Fueled by

DealForma

Executive summary

MEDTECH EXITS STRENGTHENED IN 2025, LED BY IPOS AND SUSTAINED M&A ACTIVITY

Medtech exit activity improved through Q4 2025, with both IPO and M&A volumes exceeding full-year 2024 levels. M&A included two headline acquisitions that equated to more than $41 billion. Public market receptivity increased modestly, allowing a broader set of medtech companies to access U.S. exchanges relative to recent years.

Strategic acquirers remained active, supporting deal flow across company sizes and subsectors. Together, IPOs and M&A continued to provide viable exit paths, contrasting with more constrained conditions across other healthcare verticals.

Here are a few highlights from our Q4 2025 report:

- **Medtech venture activity:** There were 62 venture rounds totaling $2.0 billion in Q4 2025, bringing the 2025 total to $11.3 billion across 323 rounds.
- **Medtech licensing partnerships:** There were 20 medtech licensing partnership deals announced in Q4 2025, with only one deal disclosing a total deal value of $200 million with $75 million upfront. The 2025 total reached $10.0 billion, with $221 million committed upfront.
- **M&A:** 27 medtech M&A deals were announced in Q4 2025, totaling $43.4 billion in upfront cash and equity, driven by two deals totaling $41.3 billion.
- **IPOs:** One medtech IPO raised $314 million on Nasdaq in Q4 2025, bringing 2025 IPO volume to $1.8 billion across eight offerings of $15 million+ on U.S. exchanges.

J.P. Morgan is committed to your success. Our relationships, our capital, and our skilled team of bankers and specialists dedicated to the life sciences and healthcare sectors reflect our conviction in the pivotal contributions these clients add to their stakeholders—society, shareholders and employees alike.

Our bankers' expertise ranges from advising companies at the earliest stage of formation to the most graduated, complex M&A and capital markets transactions. Regardless of the size or stage of your company, we are prepared, equipped and enthusiastic about advising and enabling you to meet your strategic, financial and technical objectives.

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.

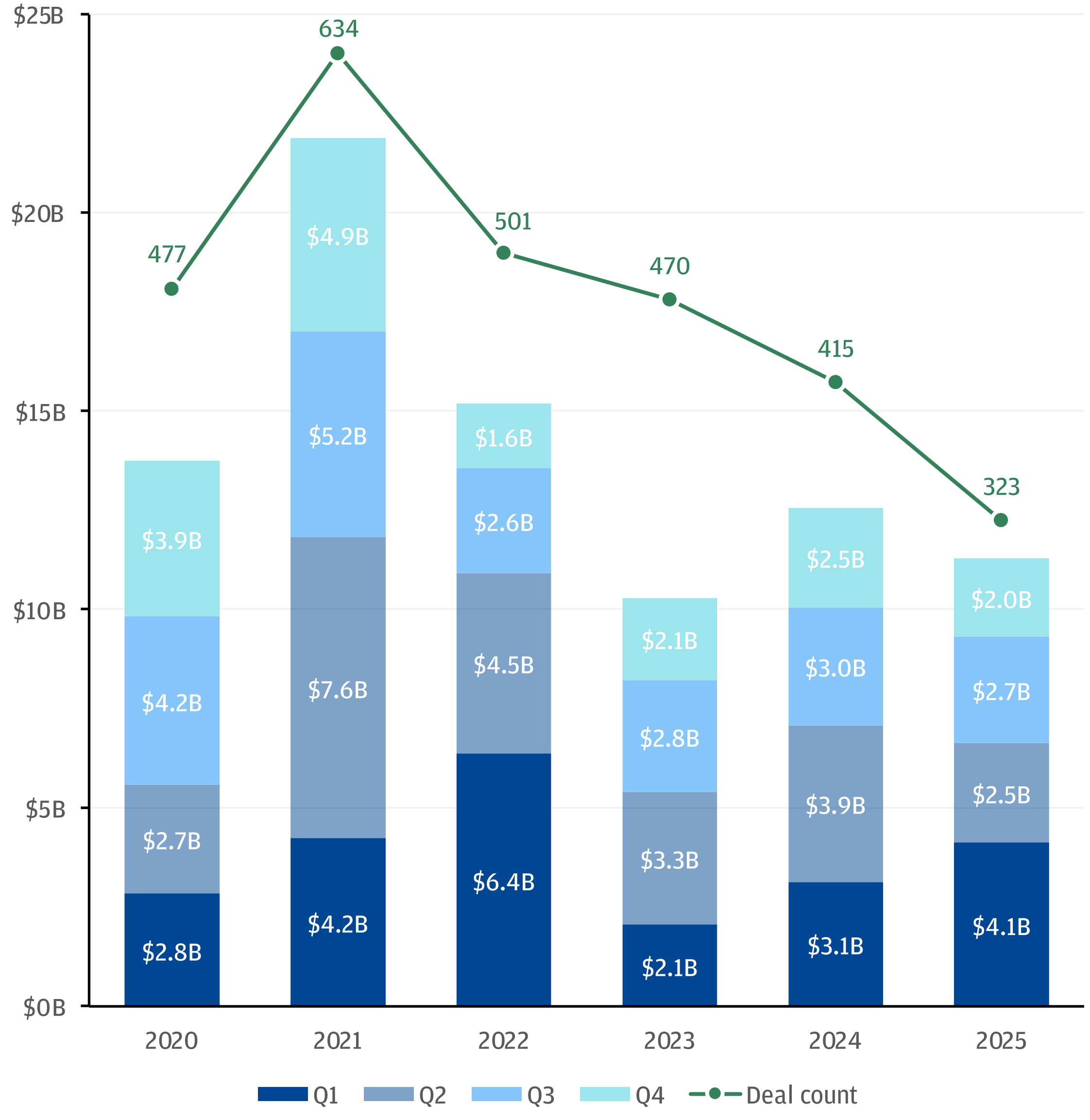
Financials are based on disclosed figures curated by DealForma. Multiple tranches of the same Series are counted as one together.

Deals are tracked globally unless otherwise noted.

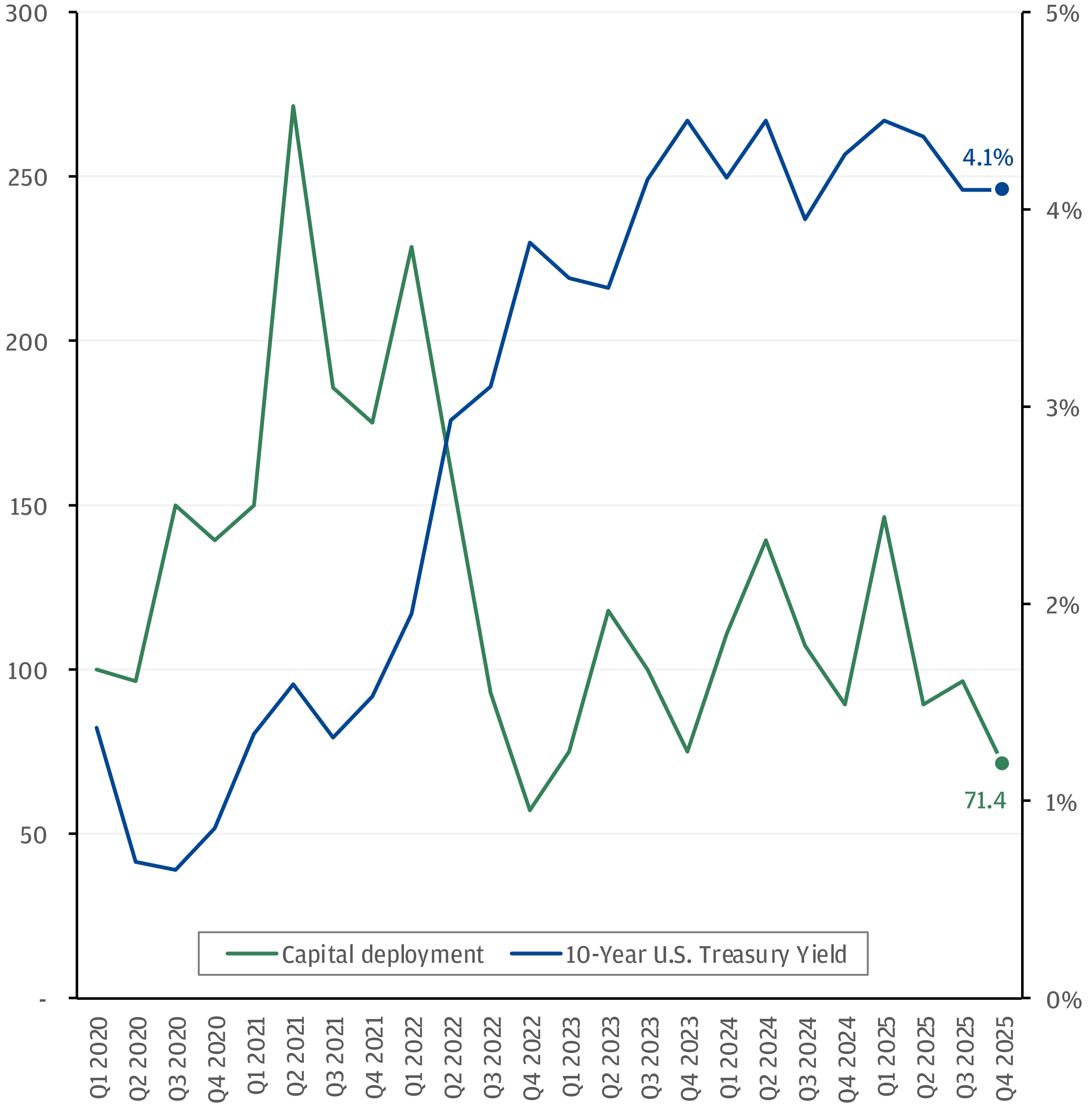
Data as of December 15, 2025

Medtech venture funding softened in the second half of 2025 after a strong start

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



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



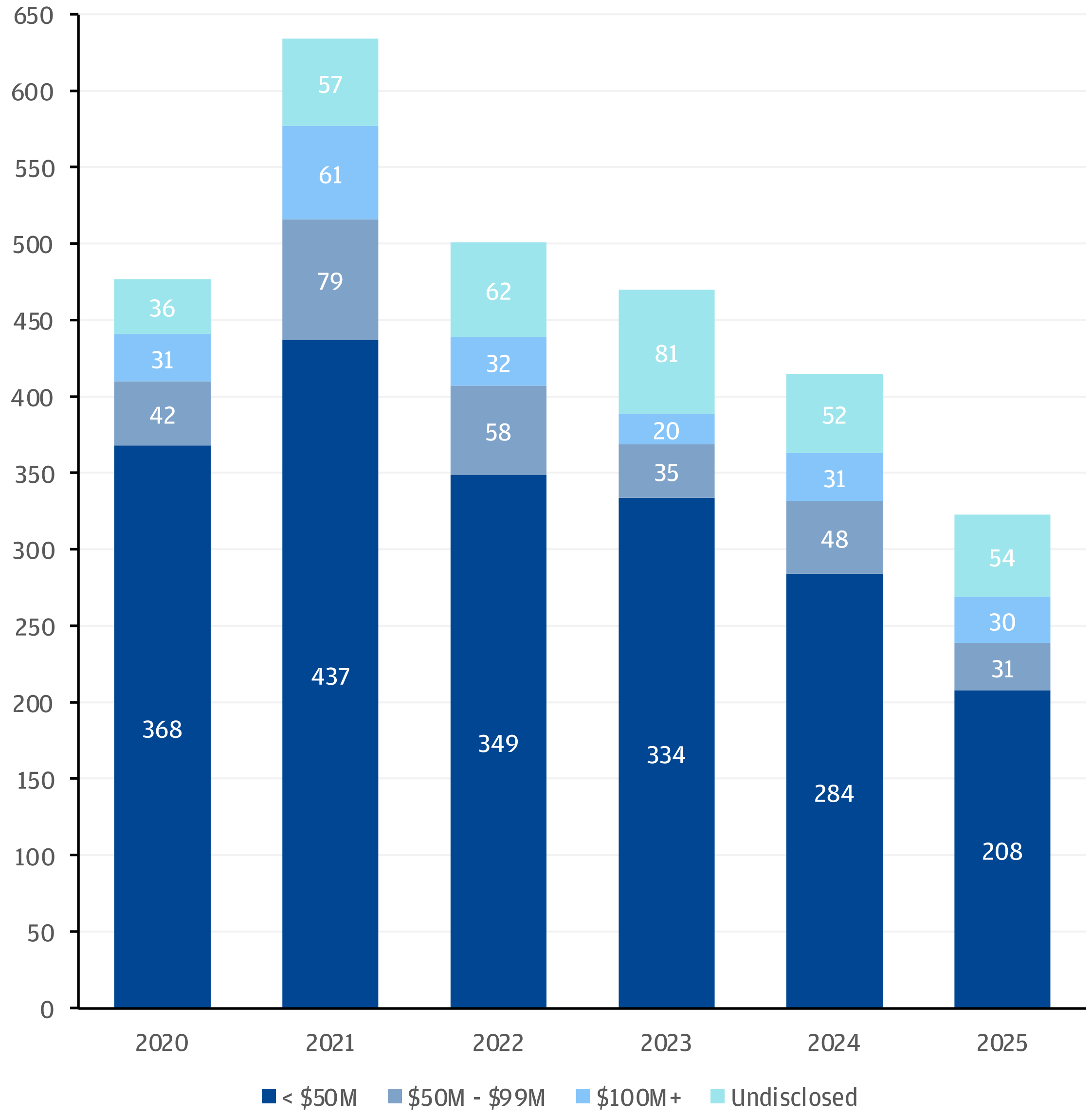
Medtech venture investment entered 2025 at elevated levels, then softened in Q2 and Q3 amid a broader healthcare pullback. Q4 totaled $2.0 billion, below Q4 2024, reflecting slower deployment and fewer large rounds.

Even with this deceleration, full-year funding was meaningful at $11.3 billion across 323 rounds, only $1.3 billion below 2024, indicating continued investor engagement, particularly for differentiated technologies and later-stage companies.

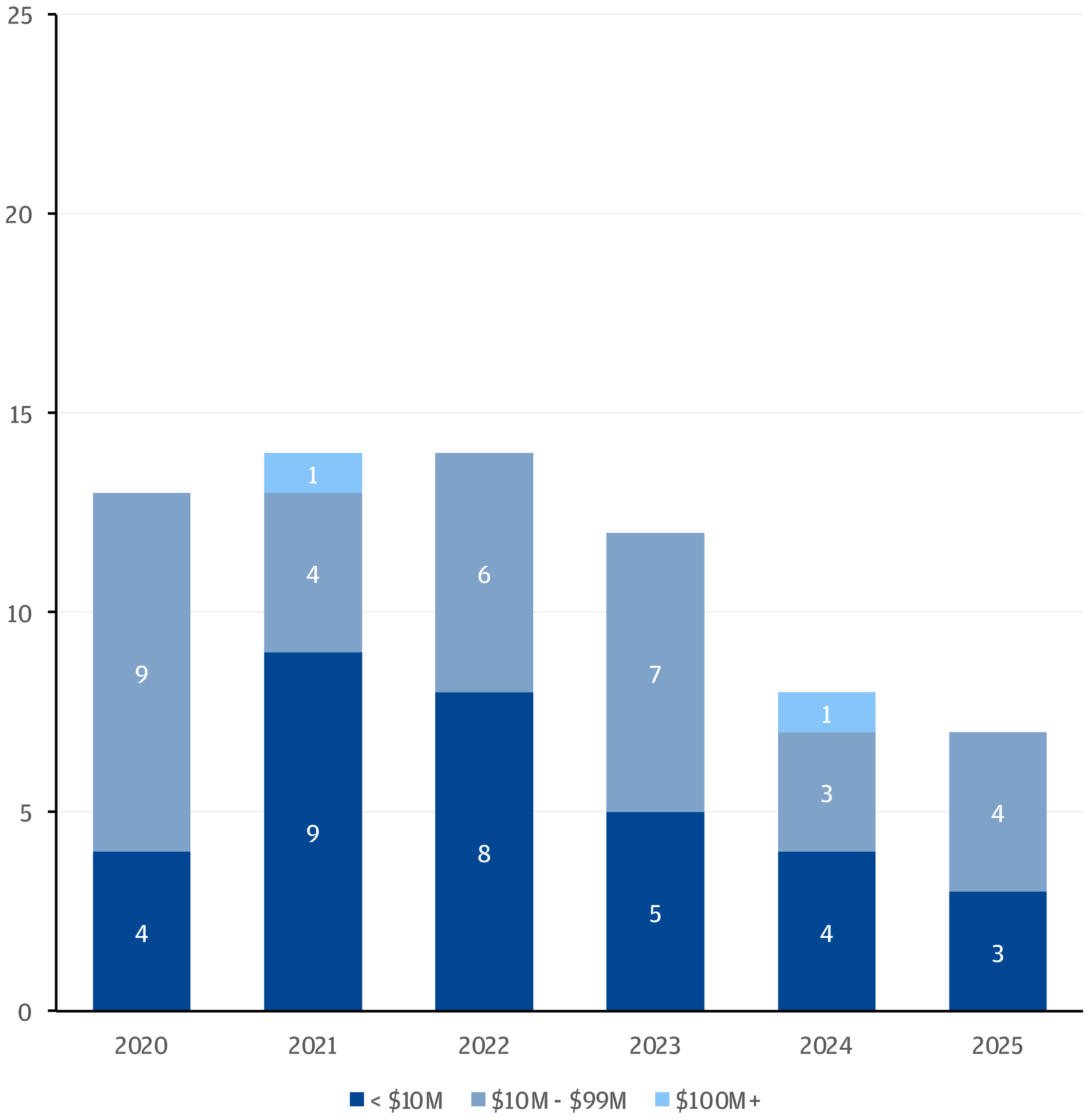
Notes: [1]Financials based on disclosed figures. Data through December 15, 2025. [2]Medtech venture capital deployment is indexed to Q1 2020, where Q1 2020 = 100.

Large venture rounds continued to anchor medtech financing in 2025

COUNT OF VENTURE INVESTMENT ROUNDS BY ROUND SIZE[1]



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



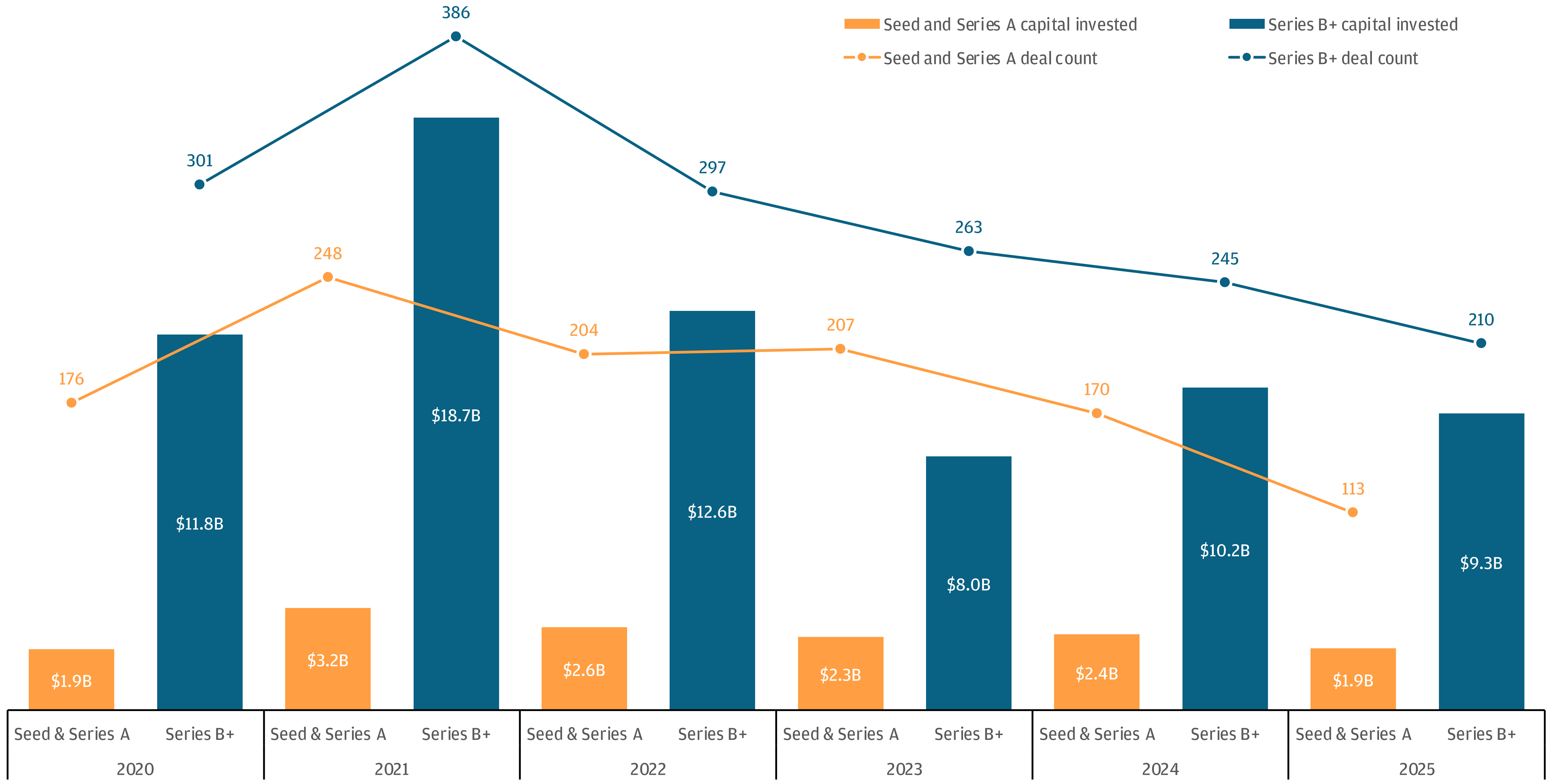
A notable share of medtech venture capital in 2025 flowed into large rounds, with 61 financings exceeding $50 million and 30 of those above $100 million. In aggregate, these transactions raised $8.0 billion—roughly 71% of medtech venture funding in 2025—and supported scaled platforms and capital-intensive development programs.

Medtech licensing and R&D partnership upfront payments remained limited by comparison as only four deals exceeded $10 million in disclosed upfront consideration.

Note: [1]Financials based on disclosed figures. Data through December 15, 2025.

Later-stage medtech venture rounds made up nearly two-thirds of all deals

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



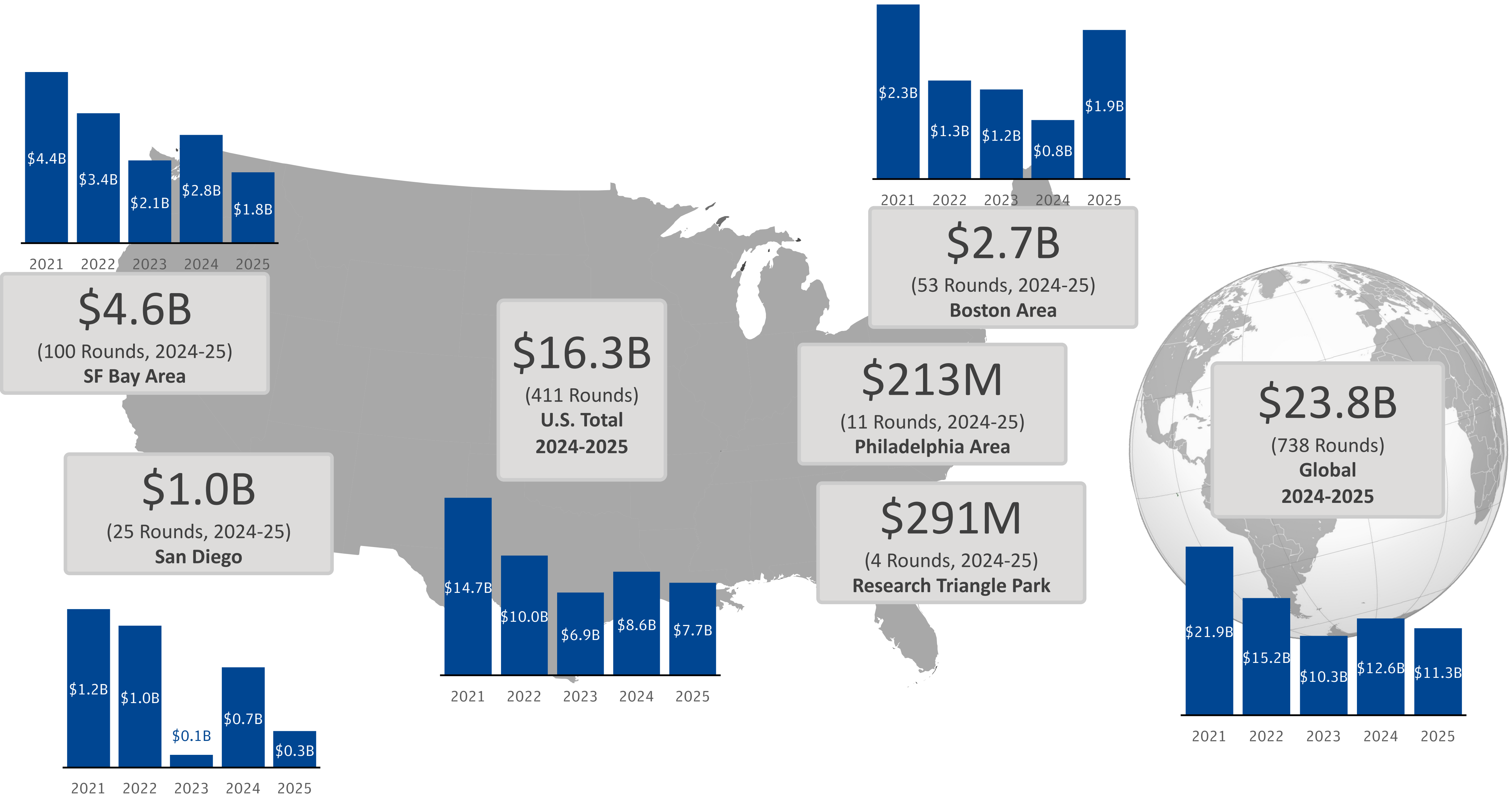
Series B and later-stage rounds comprised a majority share of medtech venture activity in 2025, with 210 of 323 financings (65%) and $9.3 billion in deal value. Capital continued to gravitate to companies with clinical validation, regulatory visibility, or established commercial traction.

Seed and Series A activity was more measured, totaling $1.9 billion across 113 rounds, reflecting a higher bar for early programs and longer diligence cycles.

Note: [1]Financials based on disclosed figures. Data through December 15, 2025.

U.S. medtech hubs captured majority share of venture capital in 2024–2025

MEDTECH VENTURE INVESTMENT BY GEOGRAPHY, 2024-2025[1]



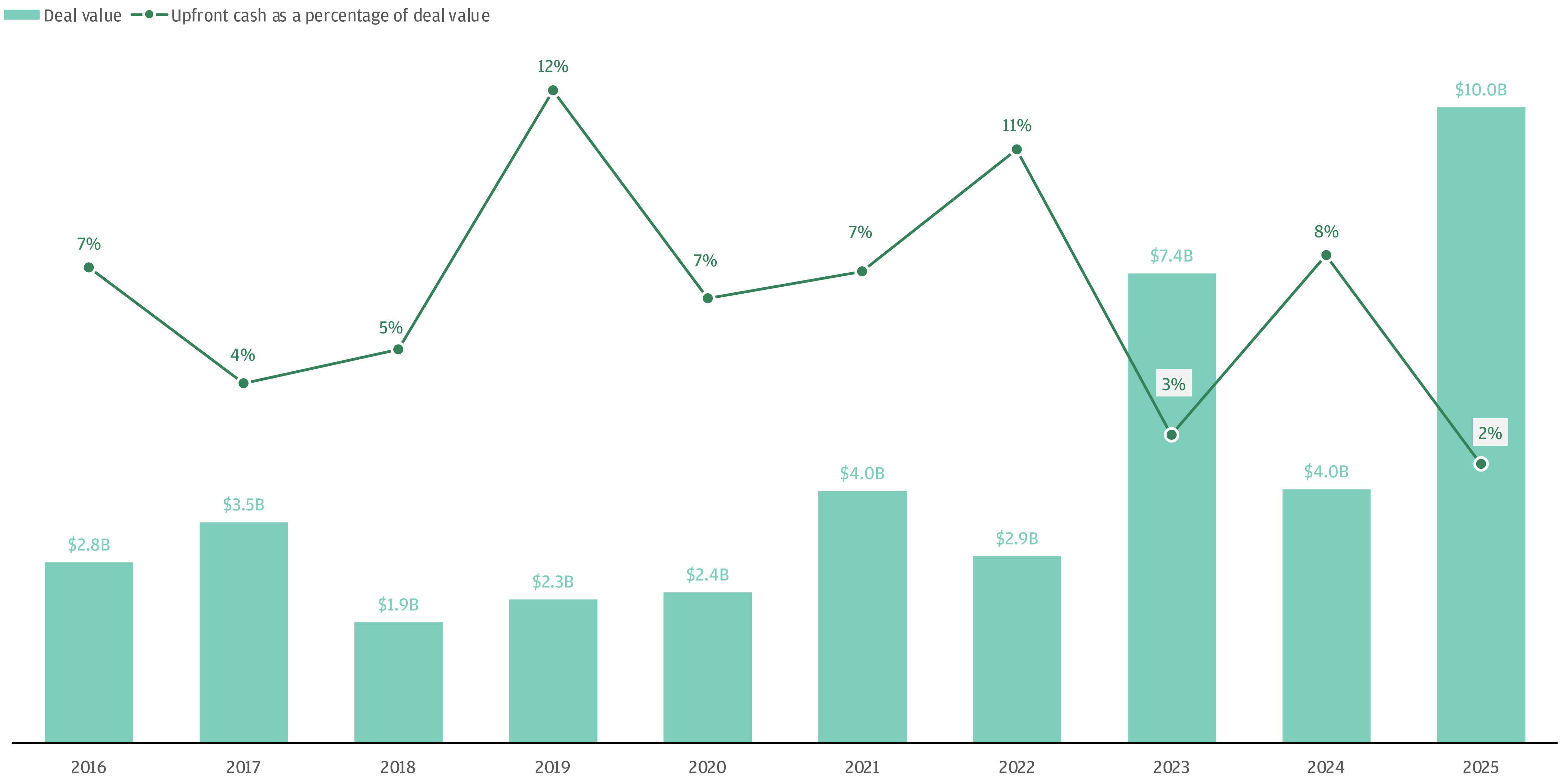
Medtech companies raised $23.8 billion in venture capital globally in 2024 and 2025. $16.3 billion of that was invested in U.S.-based companies.

The San Francisco Bay Area biopharma and medtech hub remained the largest by capital raised at $4.6 billion, followed by Boston/Cambridge. Boston-area medtech companies raised $2.7 billion, more than doubling prior-year levels and signaling renewed regional momentum. Other established hubs, including San Diego, Philadelphia, and Research Triangle Park, continued to attract targeted investment.

Note: [1]Financials based on disclosed figures. Data through December 15, 2025.

Licensing value concentrated in one mega-deal; upfront share stands at 2%

MEDTECH R&D PARTNERSHIP AND LICENSING DEAL VALUE TOTALS AND UPFRONT CASH AS A PERCENTAGE OF DEAL VALUE[1]



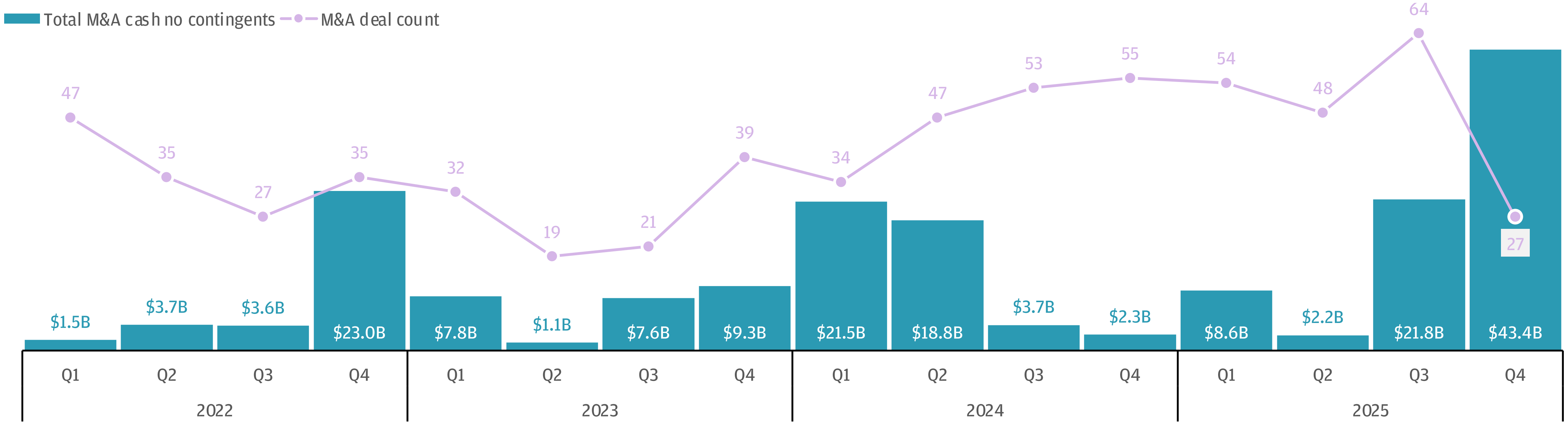
2025 medtech licensing deals reached $10.0 billion in total announced deal value across 89 transactions, with disclosed upfronts totaling $221 million—just 2% of value. Most of the 2025 medtech licensing nominal value was concentrated in the XtalPi-DoveTree partnership, which includes up to $5.9 billion in contingent milestones.

Overall, deal structures continued to emphasize regulatory and commercial milestones, reflecting ongoing risk aversion and a preference for contingent economics tied to product performance.

Note: [1]Financials based on disclosed figures. Data through December 15, 2025.

Medtech M&A dominated by two mega-deals in Q4

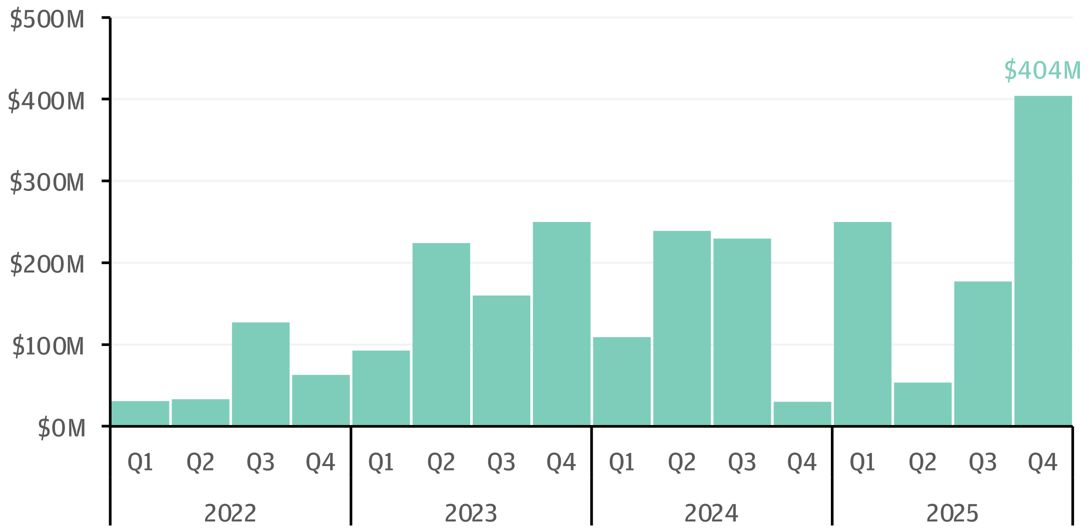
MEDTECH M&A ACTIVITY[1,2]



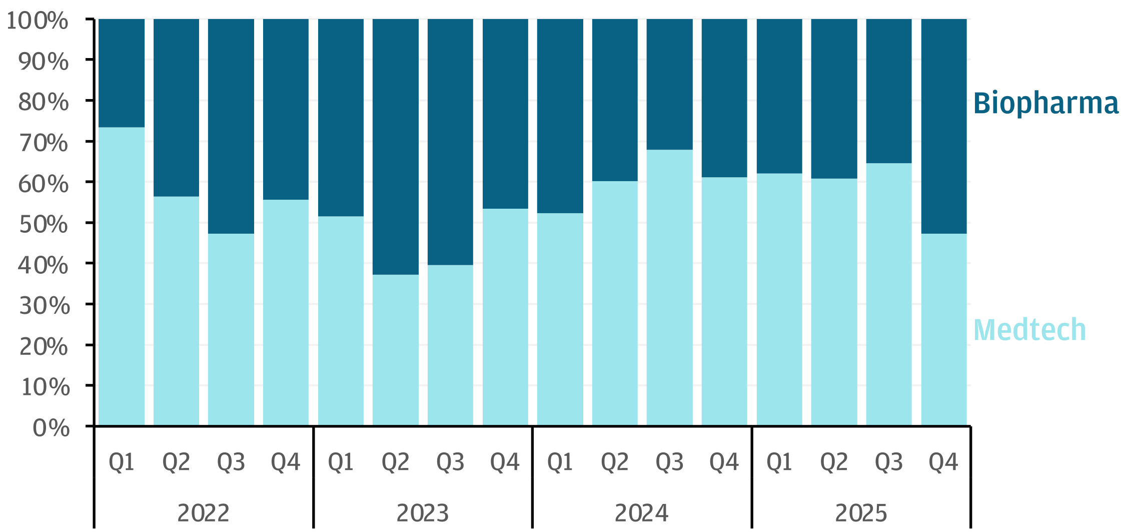
Medtech M&A finished 2025 with 27 transactions totaling $43.4 billion in cash and equity, and full-year deal value reached $44.6 billion. Headline value was driven by two megadeals—Abbott's $23 billion acquisition of Exact Sciences and the $18.3 billion take-private of Hologic by Blackstone and TPG.

Excluding these transactions, Q4 deal value was $3.3 billion, highlighting that momentum is real at the top end, but the broader market is selective and quality-driven, favoring assets with clear pathways to scale and cash-flow sustainability.

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



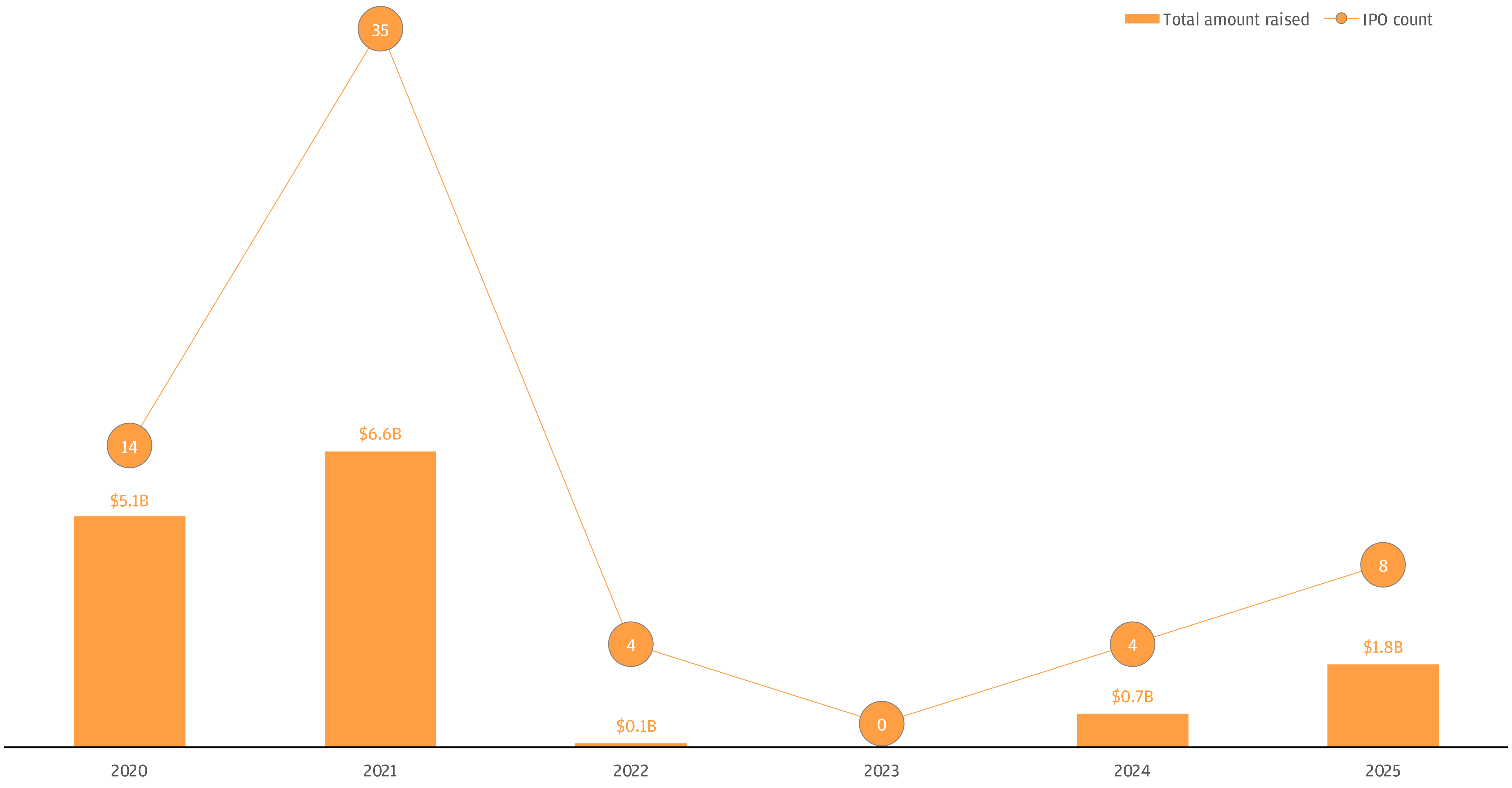
COUNT OF M&A DEALS BY ACQUIRED COMPANY TYPE[1,2]



Note: [1]Financials based on disclosed figures. Data through December 15, 2025. [2]Medtech M&A with any buyer type, acquisition options, and reverse mergers.

2025 was the most active medtech IPO market since 2021

MEDTECH IPO ACTIVITY[1,2]



Medtech IPO activity finished 2025 strong, with eight U.S. offerings over $15 million raising a combined $1.8 billion. Q4 was highlighted by BillionToOne's $314 million debut, and the year included five additional IPOs above $100 million.

While the window remains relatively quiet by historical standards, 2025 was the most active year for medtech IPOs since 2021. This increased momentum points to a constructive, if discerning, public market for differentiated medtech platforms with durable growth trajectories.

Note: [1]Financials based on disclosed figures. Data through December 15, 2025. [2]Includes only NASDAQ and NYSE IPOs $15 million and larger by completion date.