J.P.Morgan

Q2 2025 Biopharma Licensing and Venture Report

July 2025

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Executive summary

Cautious Progress: Biopharma navigates a challenged fundraising environment marked by broader market volatility and selective investors

Biopharma deal and funding activity continued cautiously through Q2 2025. Venture investments were larger, but there were fewer of them. Licensing transactions posted larger potential deal values with a few standout deals having over $1 billion in upfront payments.

Just one new biopharma IPO listed on NASDAQ in Q2 2025. Biopharma M&A saw one large deal over $9 billion with the rest remaining in the $1 billion to $2 billion range.

Here are a few highlights from our Q2 2025 report:

- **Venture investment in therapeutics and discovery platforms:** $4.5 billion invested in Q2 2025 in 93 rounds for biopharma companies, down from $7.5 billion in Q2 2024.
- **Biopharma licensing partnerships:** $59.3 billion in total announced deal value for biopharma licensing deals signed in Q2 2025, bringing the total to $119.9 billion in H1 2025.
- **M&A:** 26 biopharma-to-biopharma M&A transactions were announced in Q2 2025 totaling $17.1 billion.
- **IPOs:** $793 million across 5 biopharma IPOs on NASDAQ completed through June 30, 2025 with one modest IPO in Q2 2025.

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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

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

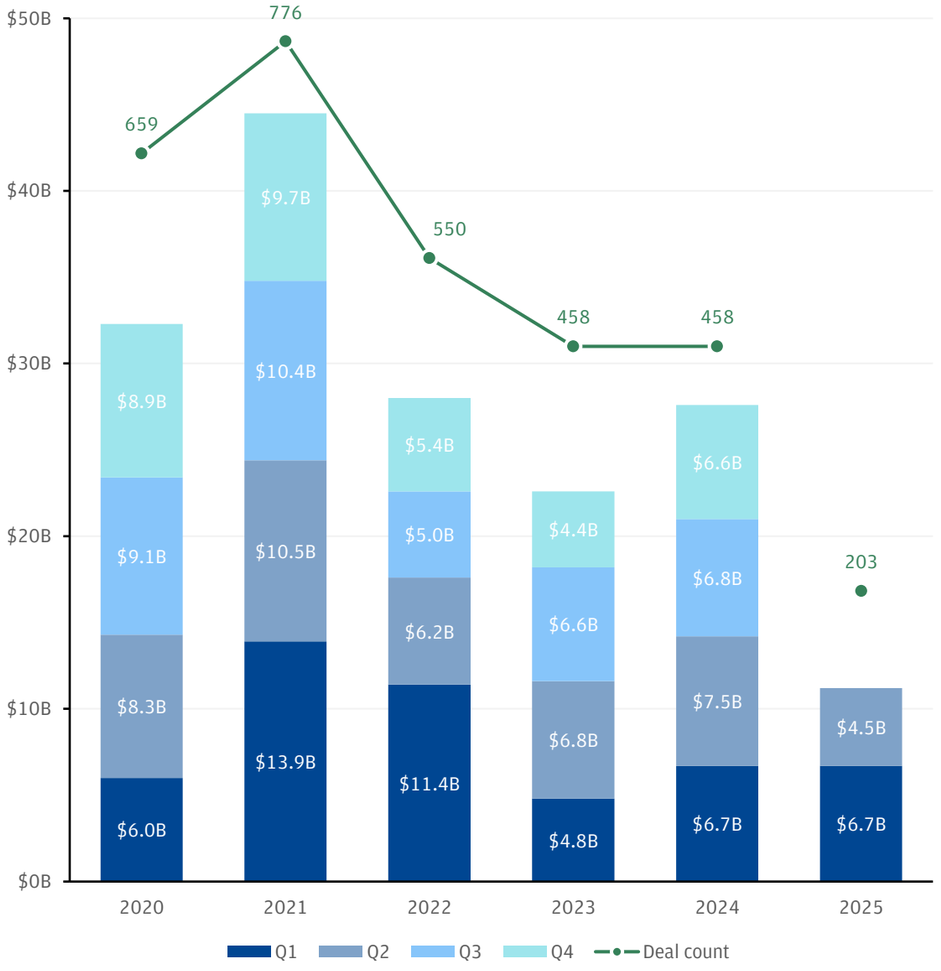
Therapy areas, development stages, modalities and deal structures are segmented per the DealForma database.

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

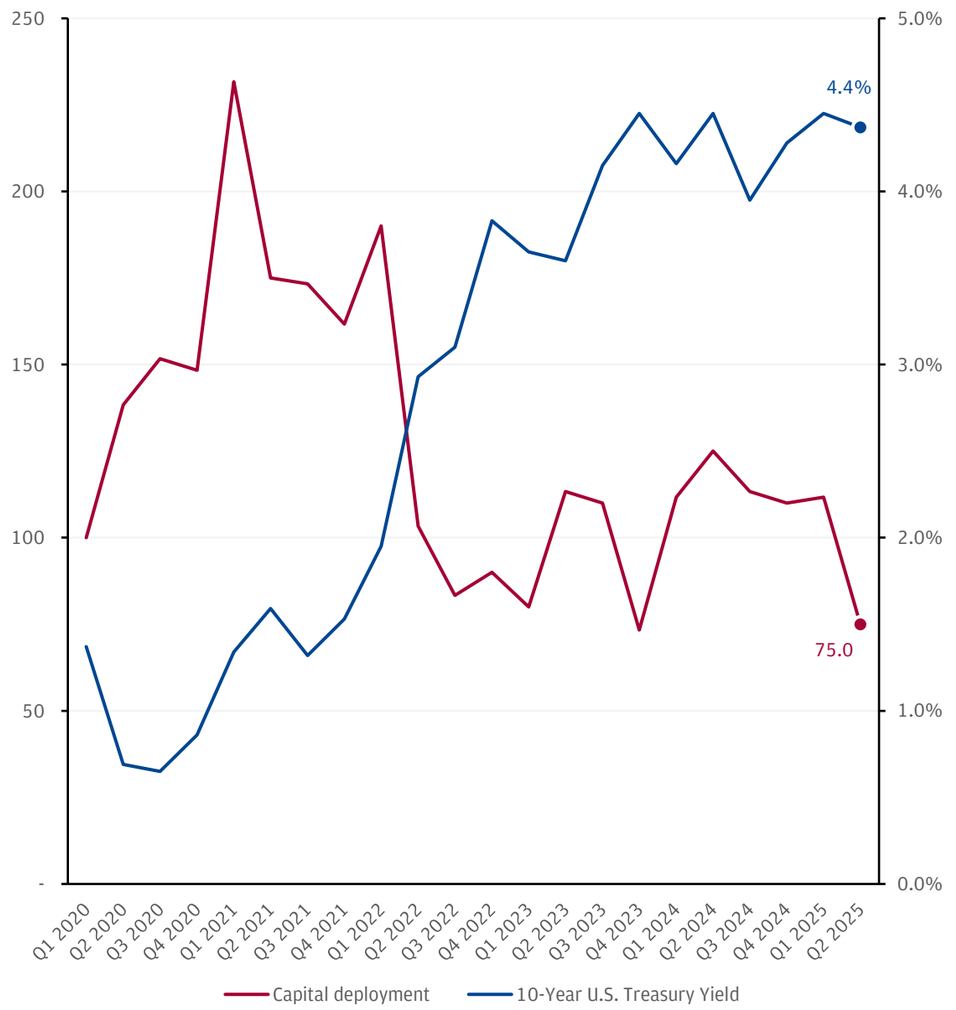
Data as of June 30, 2025

Biopharma venture activity wrestles with broader market volatility through first half of 2025

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



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



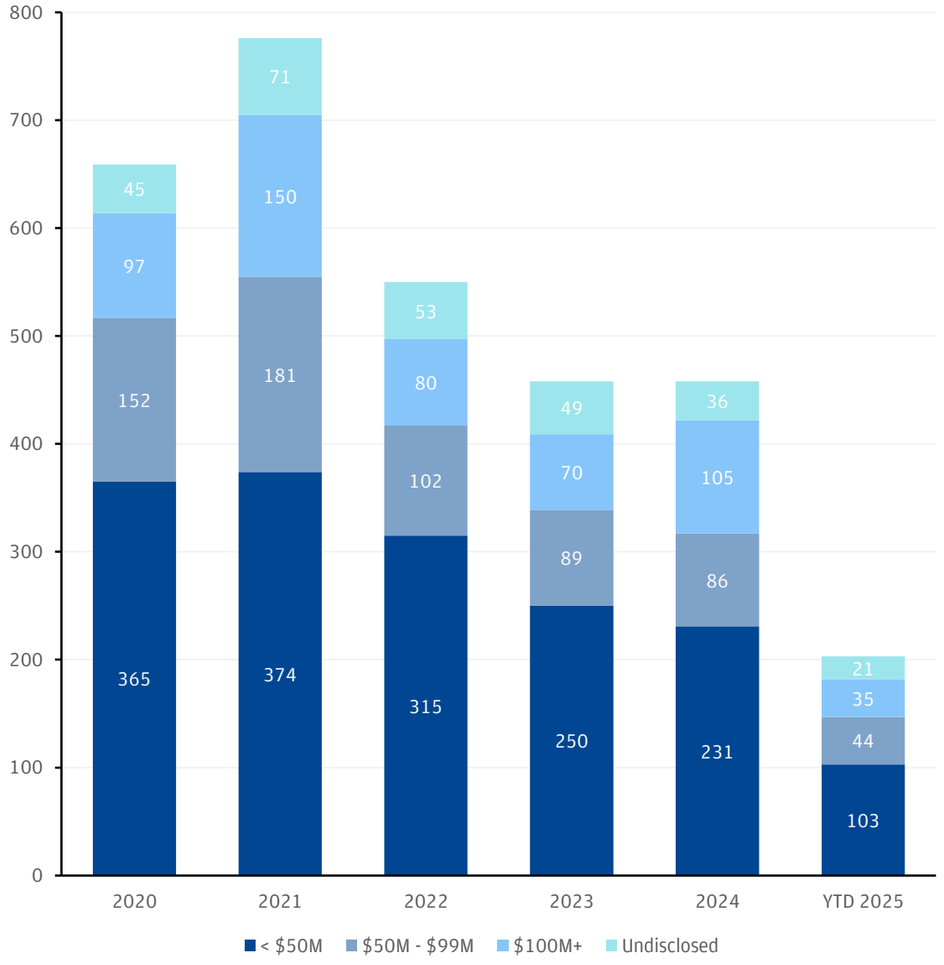
Biopharma venture funding slowed to $4.5 billion in Q2 2025, marking the lowest second-quarter total in five years. This decline reflects a broader shift toward capital discipline among investors amid elevated rates and market uncertainty. Notably, The CBOE Volatility Index, a biomarker (pun intended) of volatility in the broader market, spiked to over 40 in April. The VIX has since dropped to less than 20—a level generally considered conducive to IPOs.

The cautious VC environment suggests a recalibration where capital is being directed more selectively to therapeutic platforms with clearer clinical and commercial viability. Companies have increasingly sought nondilutive financing as the market craves stabilization. Biotech investors have been reserved in the second quarter and generalist investors have been near dormant.

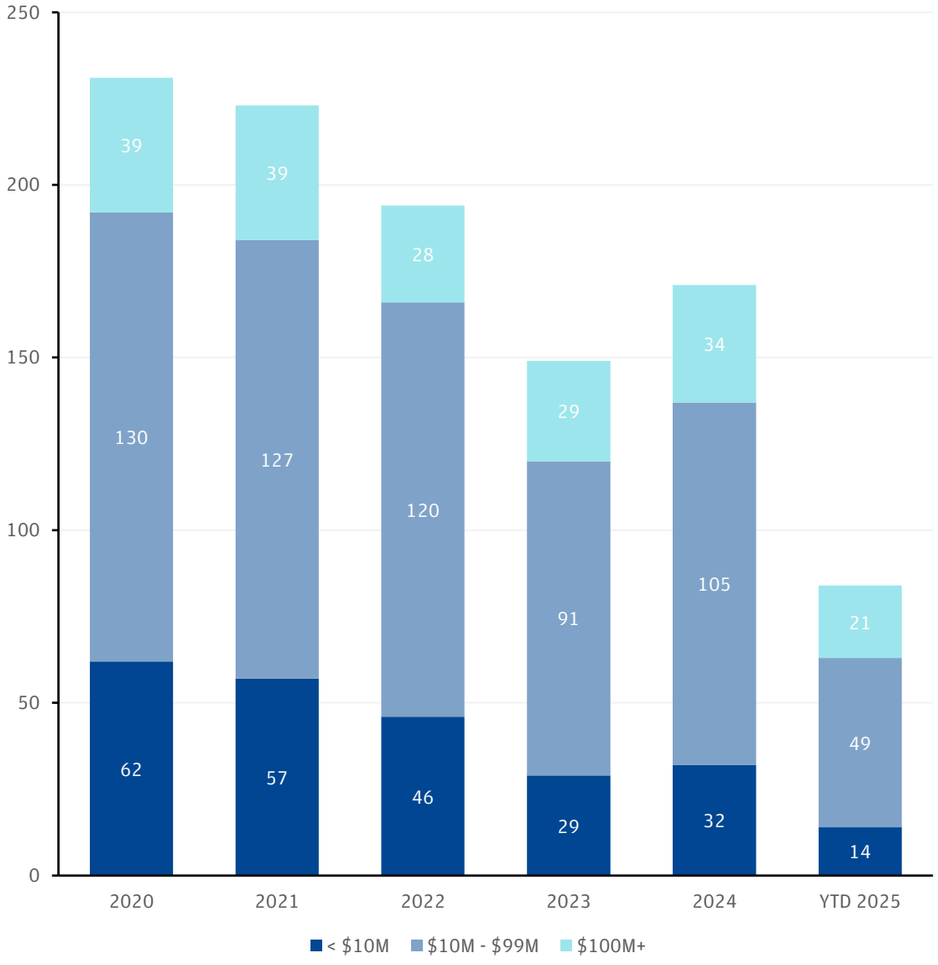
Notes: [1]Financials based on disclosed figures. Data through June 30, 2025. [2]Biopharma venture capital deployment is indexed to Q1 2020, where Q1 2020 = 100.

Large deals and high-value partnerships make up sizeable proportion of activity in H1 2025

COUNT OF VENTURE INVESTMENT ROUNDS BY ROUND SIZE[1]



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



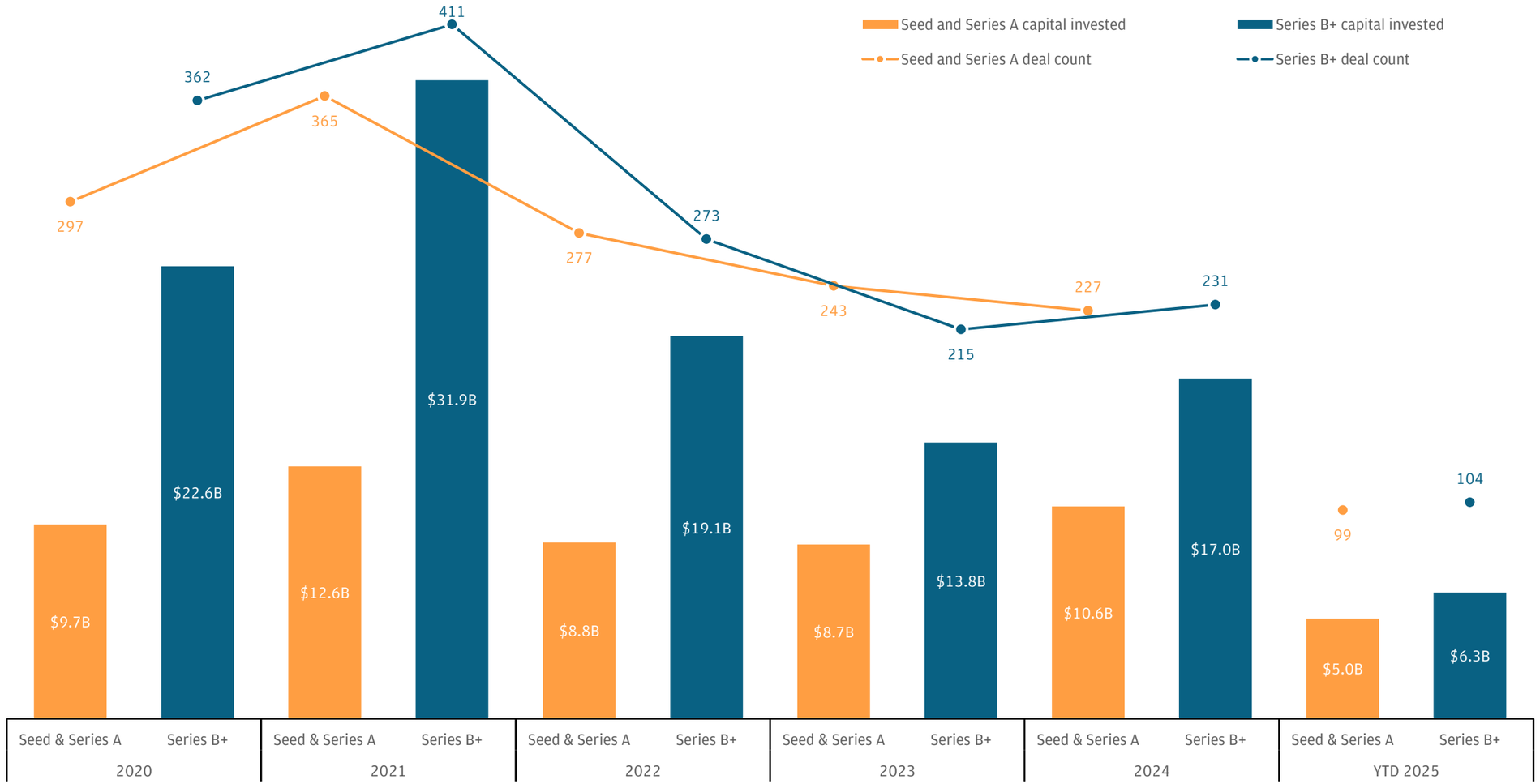
Biopharma venture investment in H1 2025 reflects a preference for fewer rounds at a larger scale. The venture market, while notably tepid in Q2, continues to reward standout platforms and therapeutics companies, as evidenced by 35 venture rounds greater than $100 million so far this year. Notable Q2 2025 raises include Pathos AI's $365 million Series D and AIRNA's $155 million Series B.

The rise in licensing activity, particularly deals with $100 million-plus upfront payments—21 deals in H1 2025 compared to 34 in all of 2024—illustrates a willingness from pharma to make large, decisive bets early in a product's development lifecycle. One notable Q2 2025 transaction includes $105MM upfront to Orionis Biosciences on its second deal with Genentech.

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

Early-stage biopharma venture activity holds steady, narrows gap with later-stage rounds

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



While Series B+ activity continued to lead biopharma venture activity in H1 2025 with $6.3 billion raised across 104 rounds, early-stage investment remained steadfast with respect to dollars deployed, raising $5.0 billion across 99 rounds. This represents a narrower funding gap between early- and late-stage rounds compared to prior periods, reflecting sustained investor appetite for early-stage biopharma innovation. That said, the number of deals remains in decline as 2025 is on pace for 200 first-time financings relative to 227 for 2024.

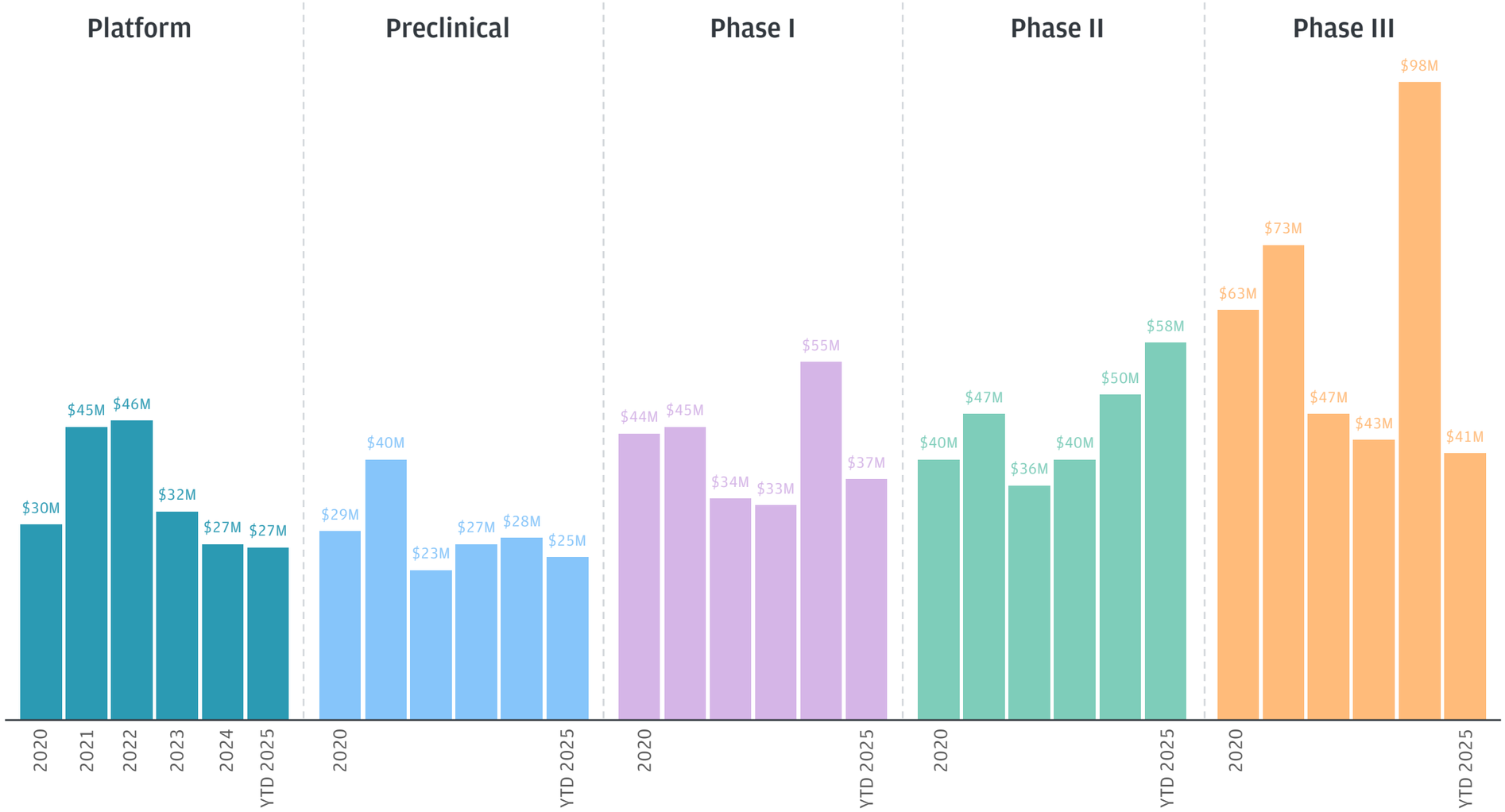
The largest biopharma investment in H1 2025 was Pathos AI's $365 million Series D.

We counted four $100MM+ first time financings for the quarter, including Merida Biosciences and Antares Therapeutics—both based in Boston.

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

Investors dial up support for Phase II programs

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



Biopharma venture investments notably increased in median round sizes for Phase II companies in H1 2025, rising to $58 million from $50 million in 2024. This increased figure may reflect an increasing investor preference for clinical stage assets with clearer development pathways and lower perceived risk, especially given market uncertainties.

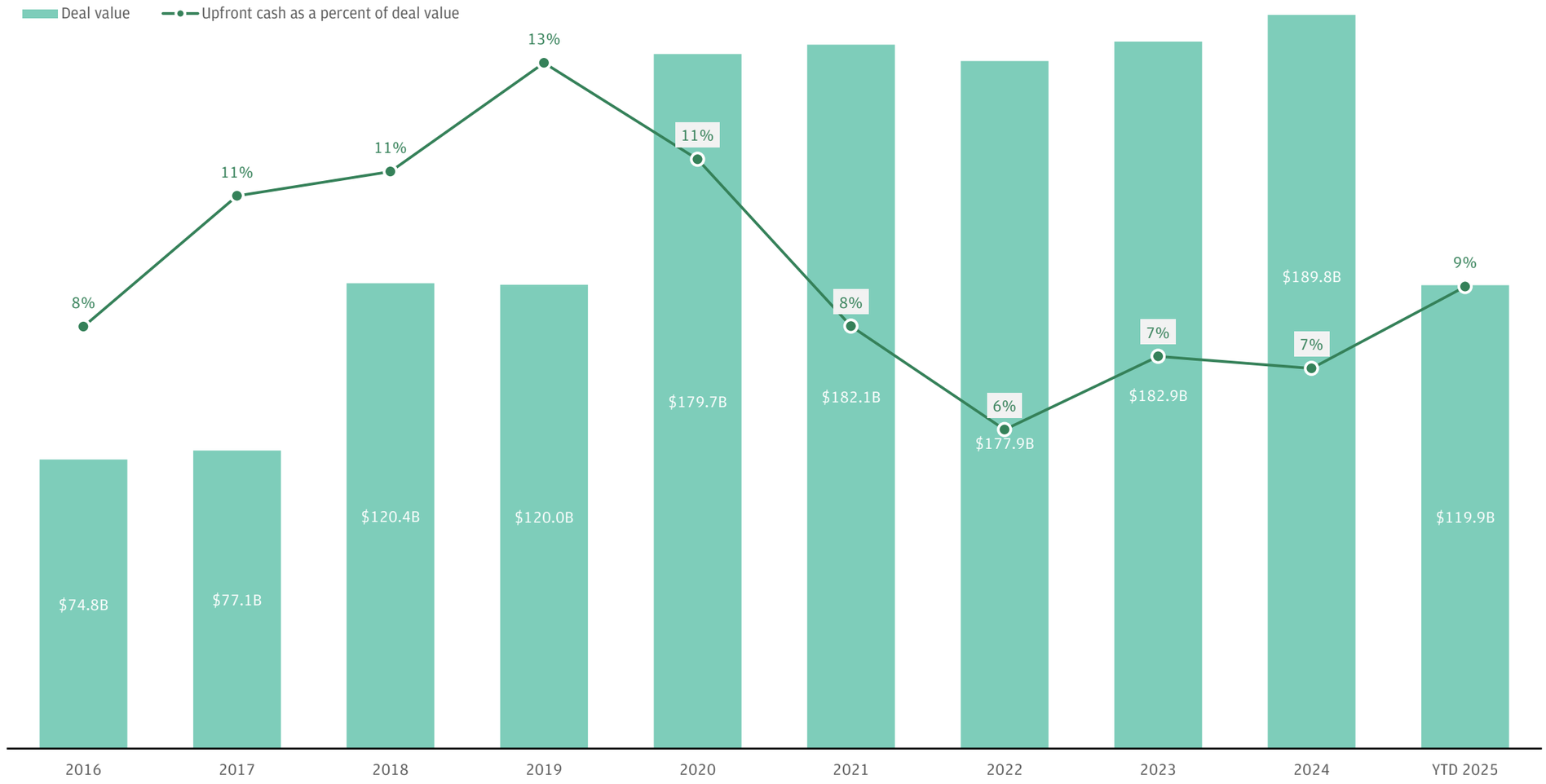
Notable Phase II companies that completed financings include Eikon Therapeutics' $351 million Series D, Aviceda Therapeutics' $208 million Series C and Windward Bio's $200 million Series A.

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

Source: DealForma.com database.

Proportion of upfront cash in R&D licensing deals reaches highest level since 2020

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



Biopharma licensing deals totaled $119.9 billion in announced deal values in H1 2025, with 9% of that value paid upfront—an increase from 7% in 2024 and the highest share since 2020. This rise in the proportion of upfront commitments may suggest that despite market caution, biopharma partners are increasingly willing to make larger initial bets on high-potential programs.

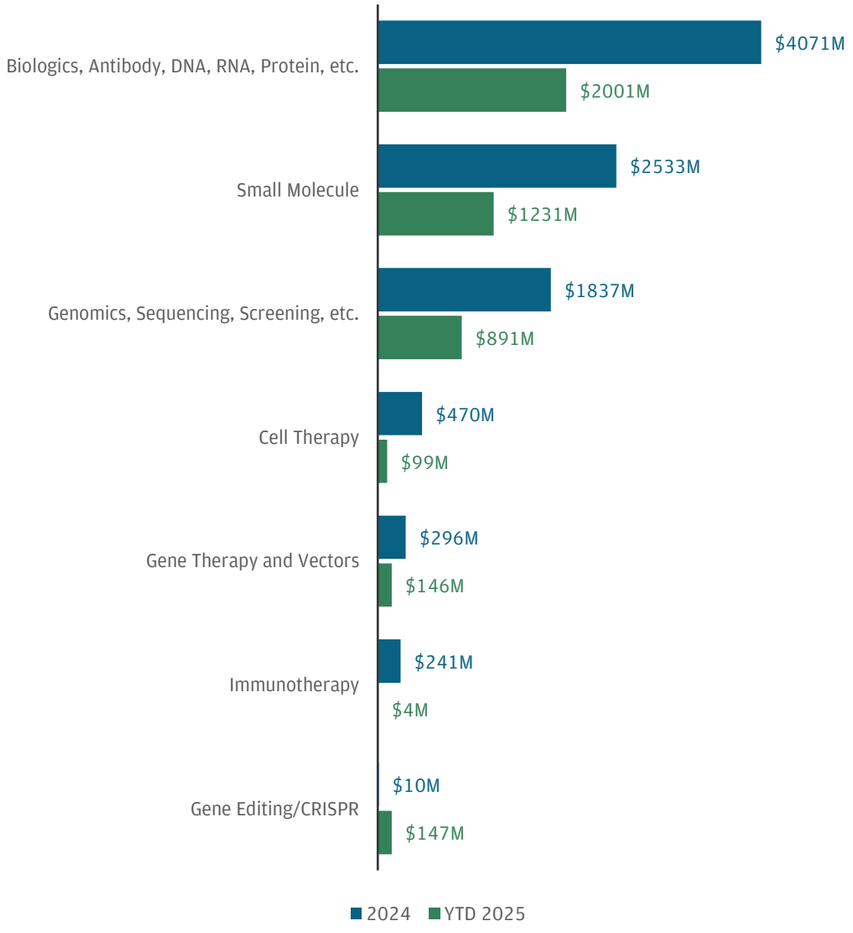
For biopharma founders and innovators, this environment favors quality over quantity; companies with clear scientific rationale, strong early data and well-defined development plans are able to attract capital and favorable terms. Big Pharma continues to seek licensing deals to solve revenue drop-offs and biotech companies appear ready to out-license as the VC market was more cautious in Q2 2025.

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

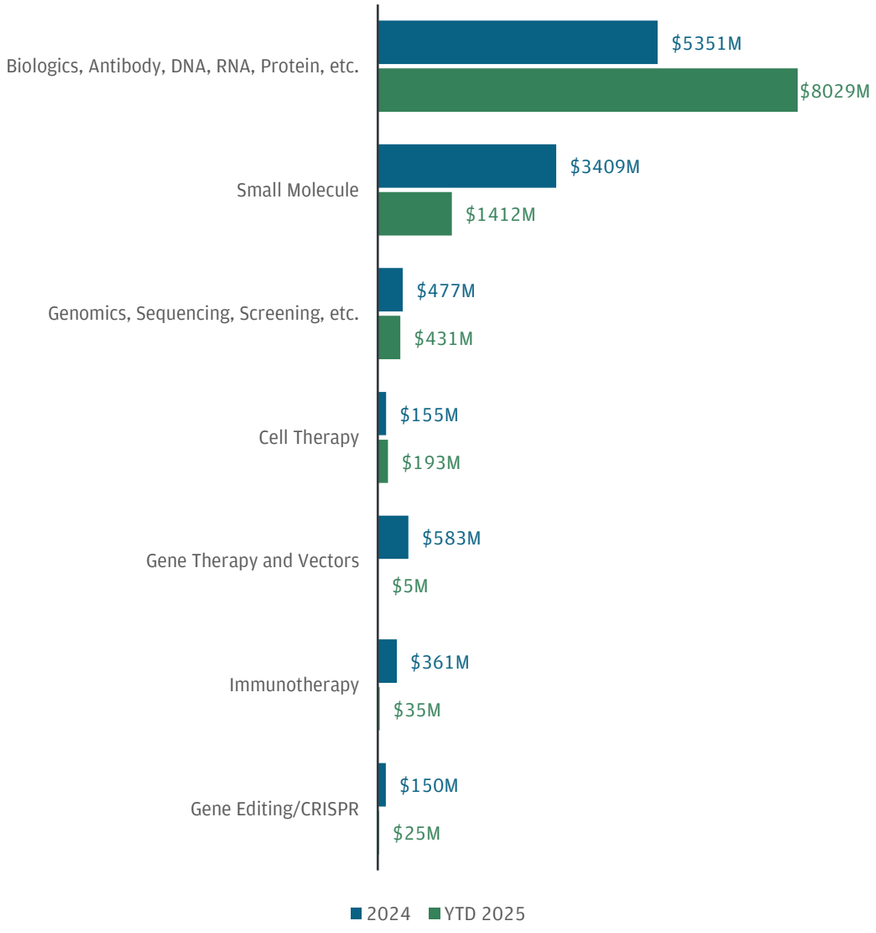
Source: DealForma.com database.

Biologics and small molecules lead the way through the first half of 2025

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



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



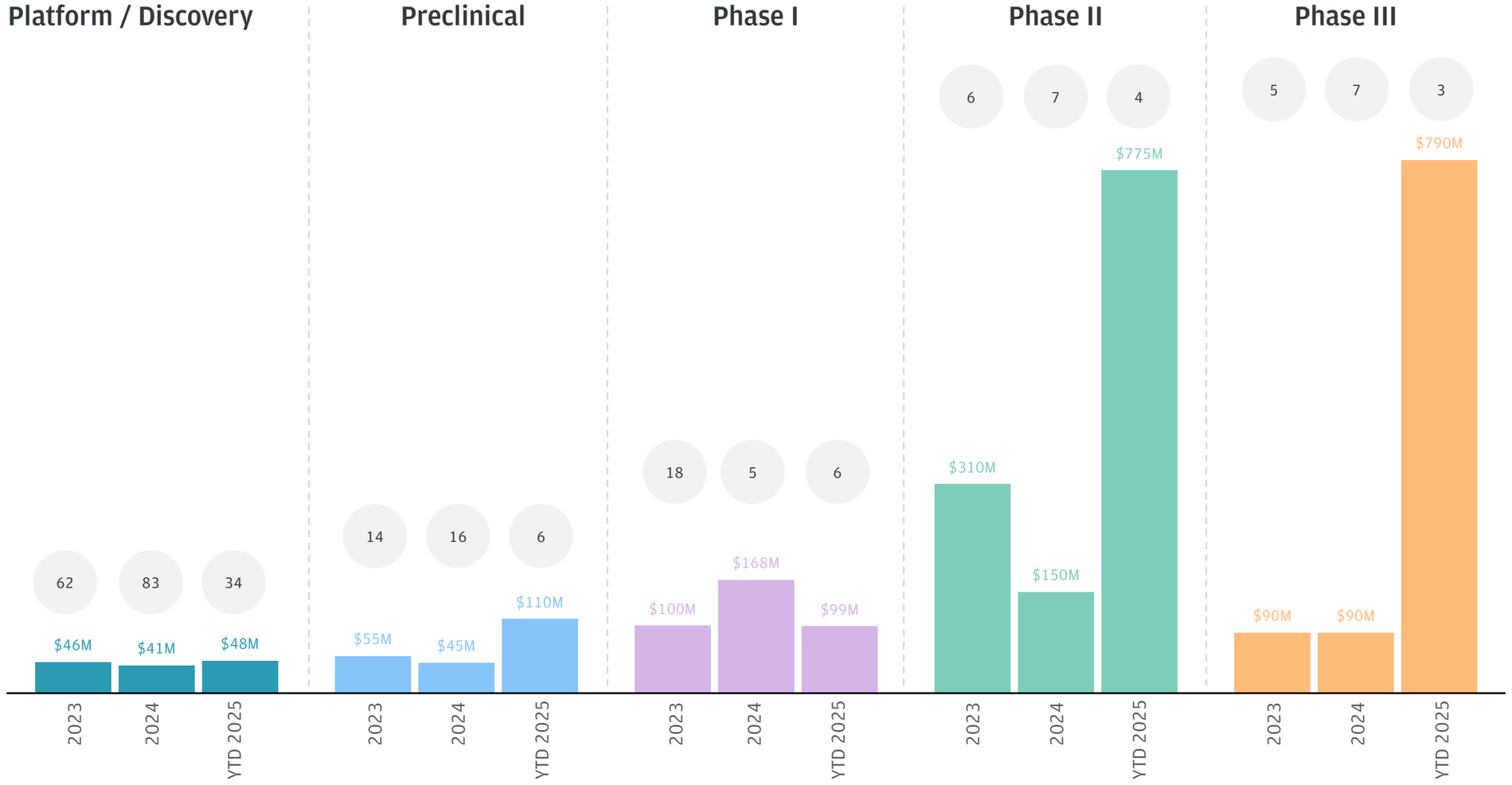
Through the first half of 2025, biologics continued to lead both early-stage venture investment and licensing activity. These modalities attracted $2.0 billion in seed and Series A funding and commanded over $8.0 billion in total licensing upfront payments, highlighting strong strategic and investor confidence in their clinical relevance and commercial potential.

Small molecules followed with a solid $1.2 billion in early-stage venture activity and $1.4 billion in licensing upfront payments, reinforcing confidence in their broad applicability, lower development costs and well-understood regulatory pathways—especially in therapeutics areas where speed to market and scalability are key.

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

Late-Stage focus: Big pharma’s investment in advanced programs

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+) are concentrating on filling their pipelines with therapies nearing approval. This focus kept the earliest platform deal upfront medians in the $41 million to $48 million range, while Phase II reached $775 million and Phase III reached $790 million in H1 2025. Median upfront cash and equity payments from Big Pharma were highest for Phase III and Phase II, along with a notable increase in the preclinical median.

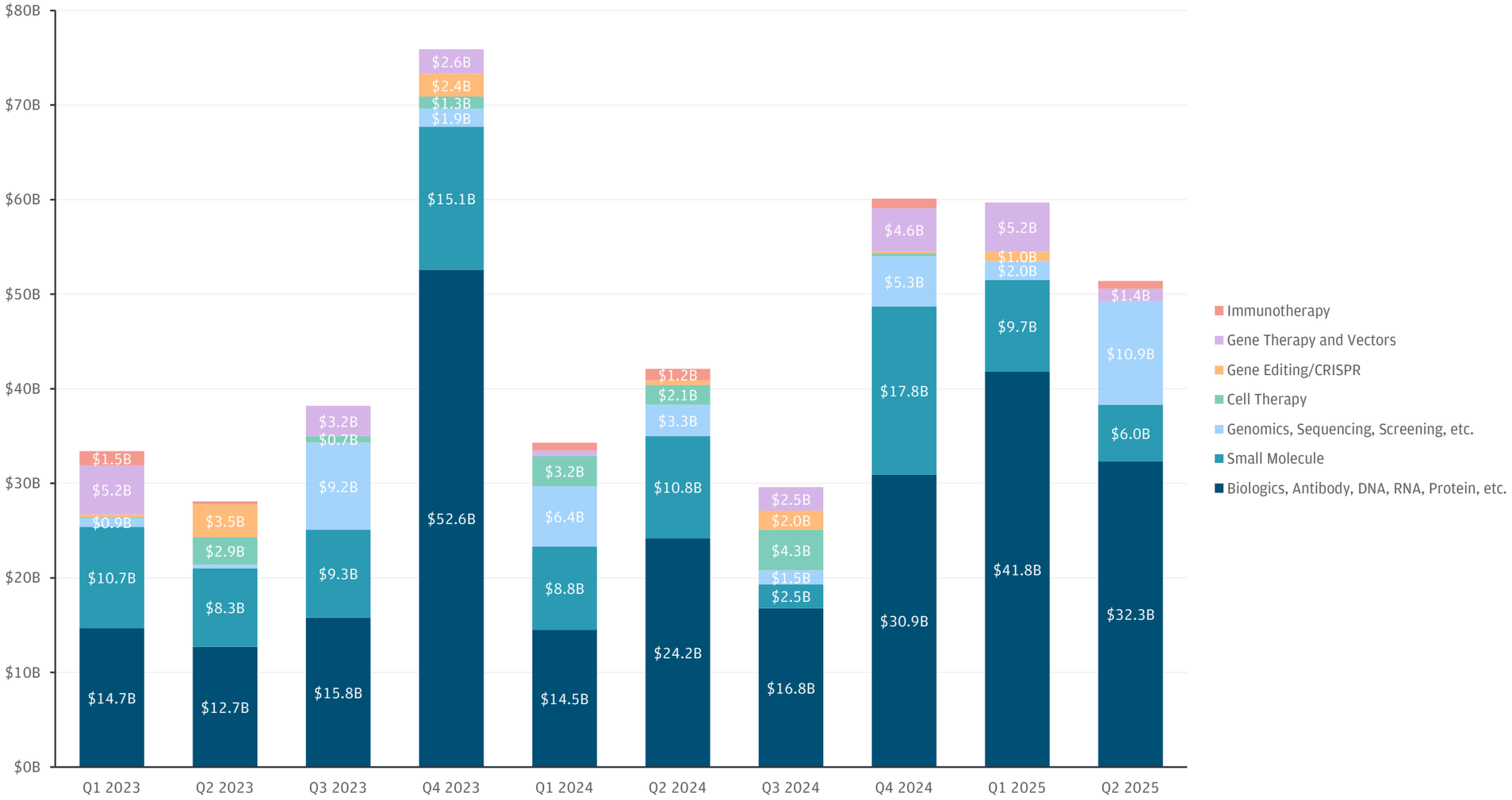
Phase III assets received $790 million in median upfront cash and equity payments, despite volatility due to fewer deals. The largest median disclosed upfront payments in Q2 2025 included the Phase II deal between Pfizer and 3SBio ($1.35 billion upfront) and the Phase III deal between Bristol Myers Squibb and BioNTech ($1.5 billion upfront).

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

Source: DealForma.com database.

Antibody-drug conjugates and bispecific antibody programs dominate R&D partnerships

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



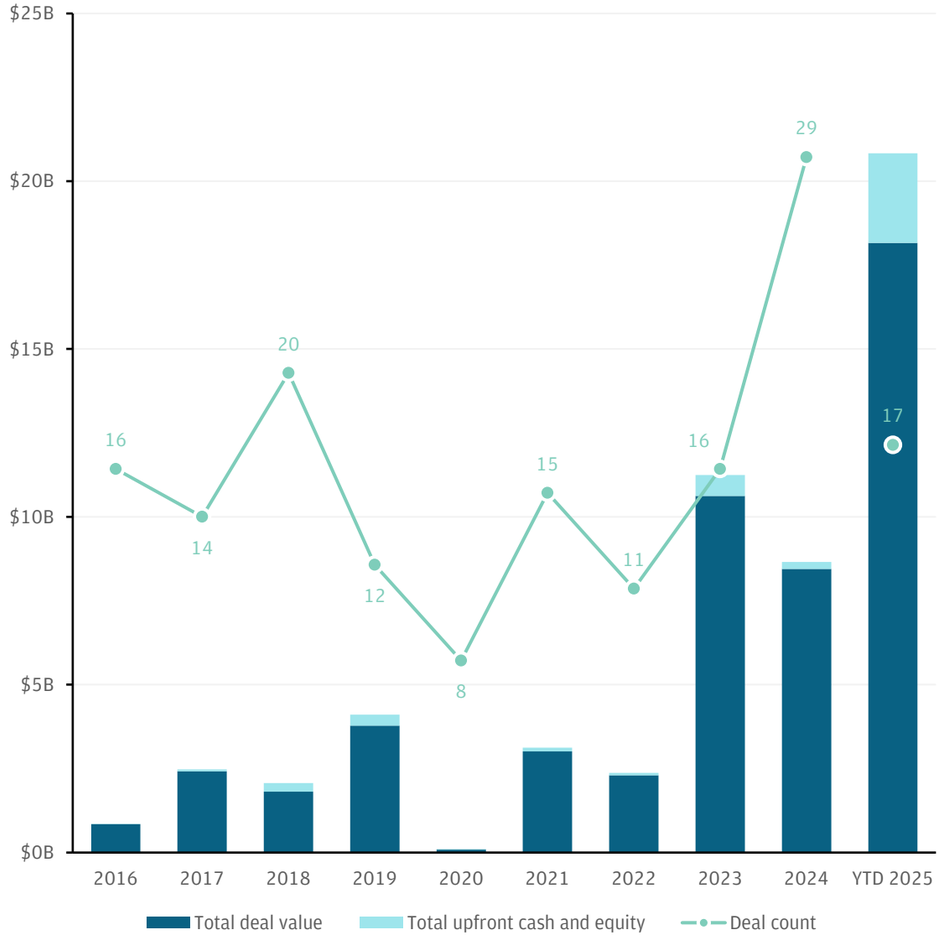
In Q2 2025, total announced licensing deal values for biologics reached $32.3 billion, adding to the $41.8 billion announced in the first quarter, bringing the first half total above $70 billion. Interest in biologics deals was particularly focused on antibody-drug conjugates and bispecific antibody programs within the broader category.

Small molecules also showed consistent licensing traction, adding $6.0 billion in announced deal value during Q2 2025.

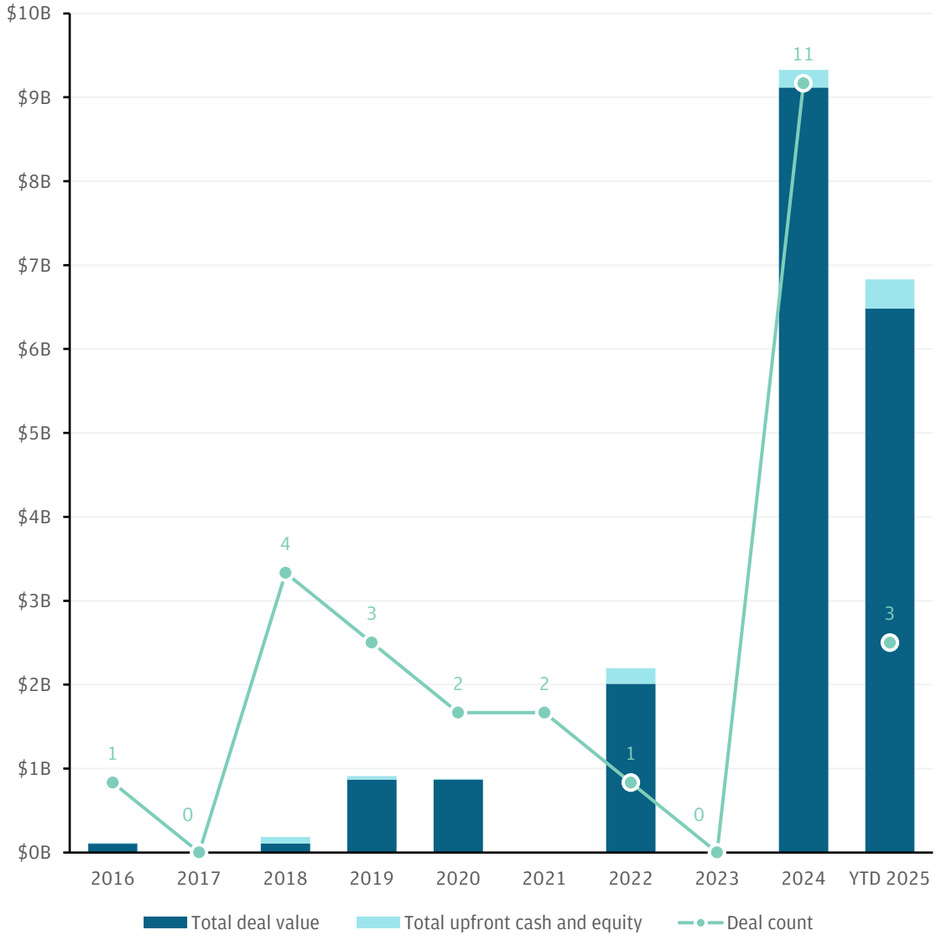
Note: [1]Financials based on disclosed figures. Data through June 30, 2025.

Record deals: Transformative growth in obesity and diabetes

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



Licensing partnerships to develop treatments for obesity and diabetes reached record levels in H1 2025 for both total announced deal values and upfront payments. In H1 2025, 17 R&D partnerships and licensing deals were signed for obesity and diabetes, totaling $18.2 billion in announced potential deal value. The full year of 2024 saw 29 deals and $8.4 billion in headline deal numbers. Seven obesity and diabetes treatment deals announced more than $1 billion in total potential value, with the highest reaching $5.3 billion.

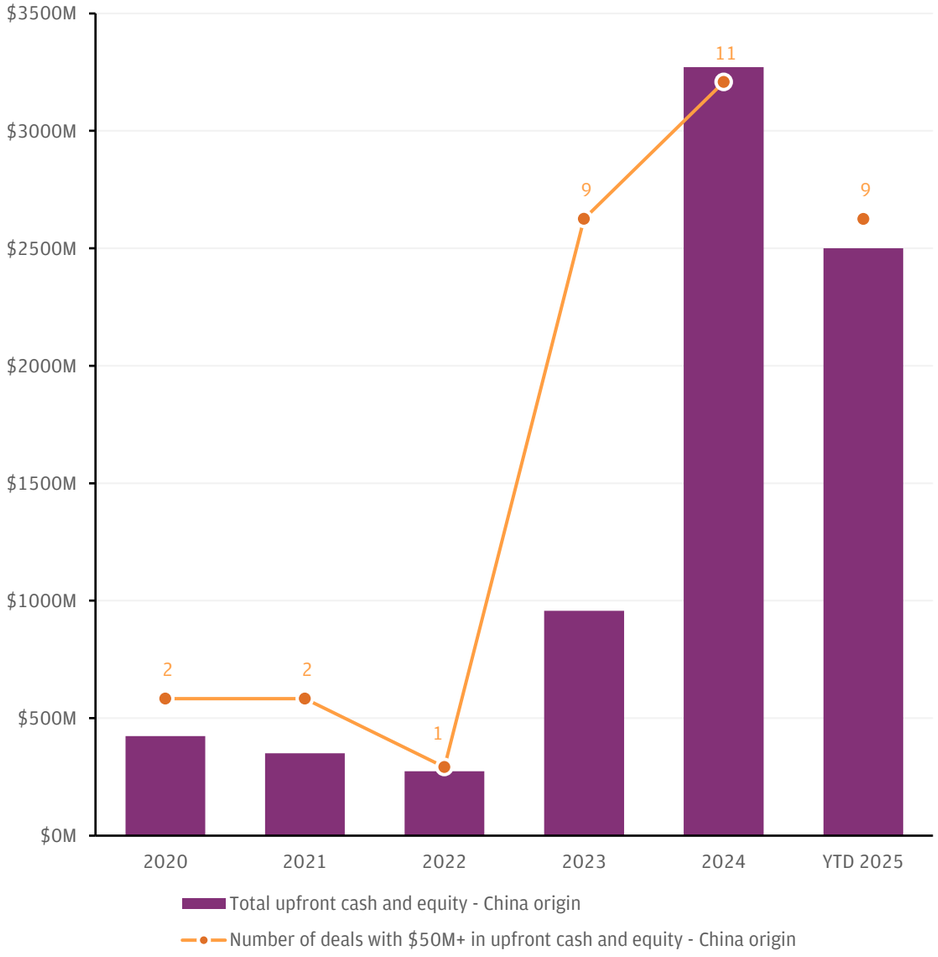
Four deals included upfront payments of more than $100 million, including Roche's agreement with Zealand Pharma, which featured $1.4 billion upfront plus $250 million committed over two years. Three deals totaling $6.5 billion in announced potential deal value were signed for GLP-1, GLP-1R and GIP targeted therapies in H1 2025.

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

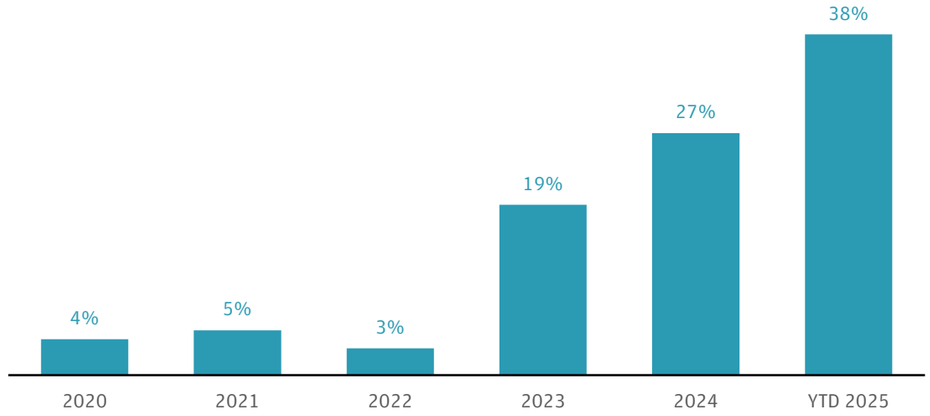
Source: DealForma.com database.

Global collaborations: Large-Cap biopharma invests in Chinese biopharma

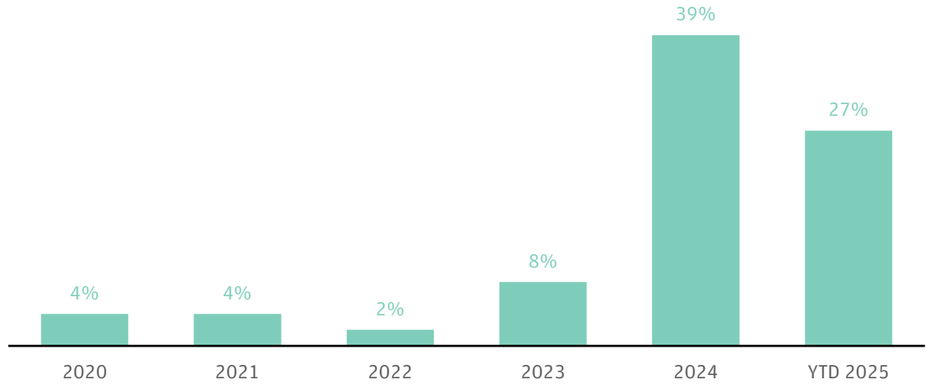
GLOBAL LARGE-CAP BIOPHARMA IN-LICENSING FROM CHINESE BIOPHARMA: DEALS WITH AT LEAST $50 MILLION PAID UP FRONT



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.

In H1 2025, 38% of large-cap biopharma's major deals, representing 27% of their total global upfront payments, originated from Chinese biopharma.

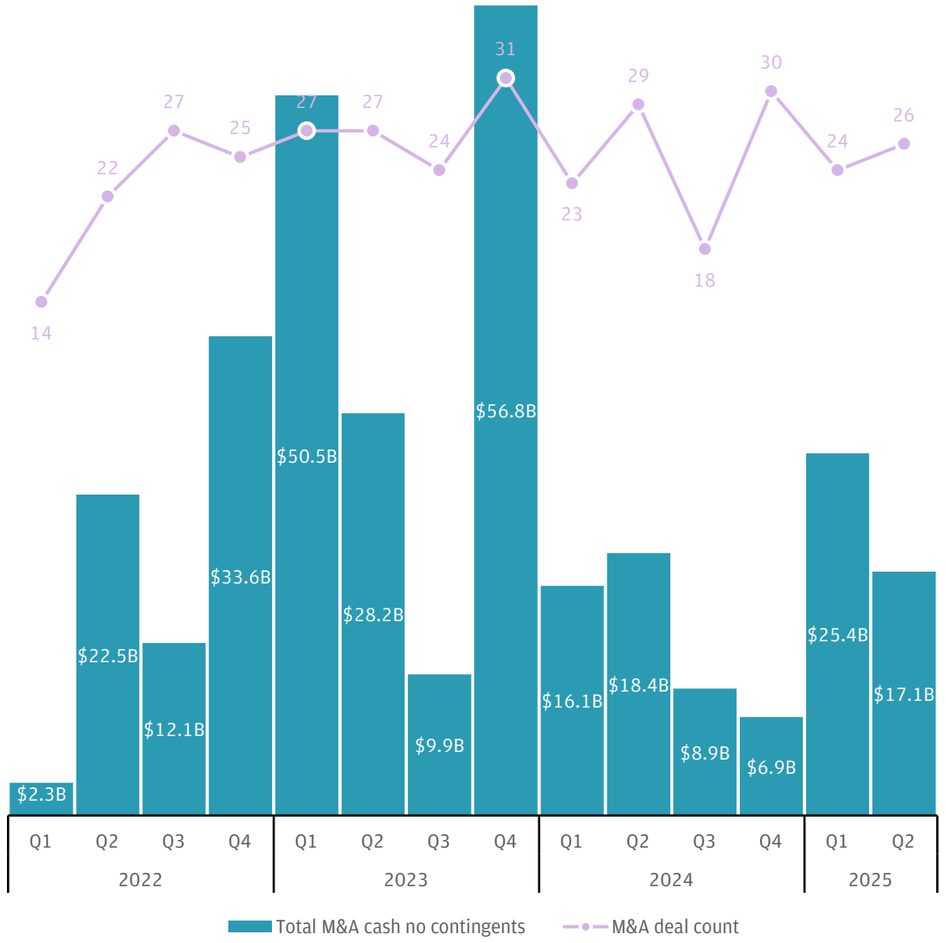
H1 2025 saw $2.5 billion in total upfront payments across nine in-licensing deals, each with at least $50 million paid upfront by global pharma to Chinese biopharma companies. This accounts for 38% of global pharma's large deal activity and 27% of their upfront payments directed to biopharma companies in China.

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

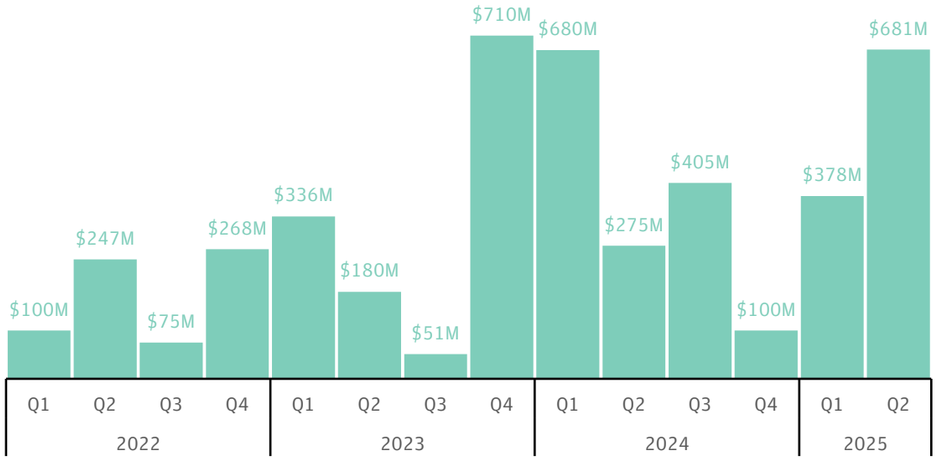
Source: DealForma.com database.

M&A: A silver lining amid a challenging fundraising environment

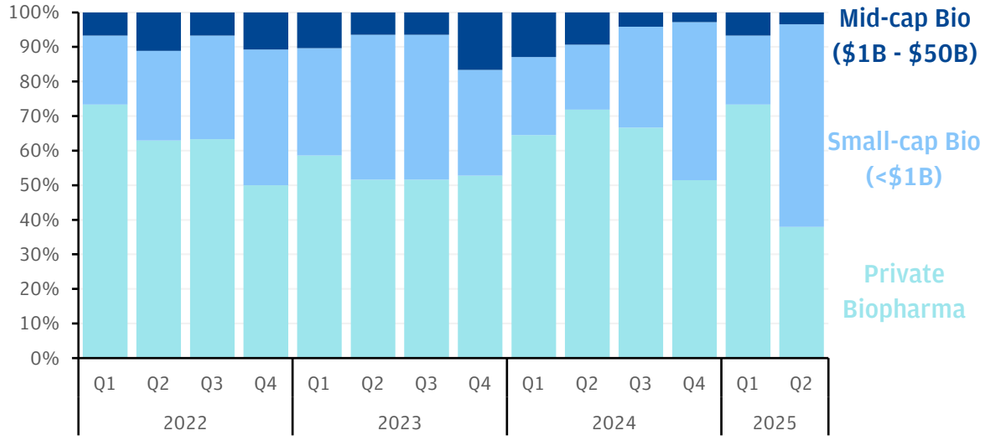
BIOPHARMA M&A ACTIVITY[1,2]



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



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



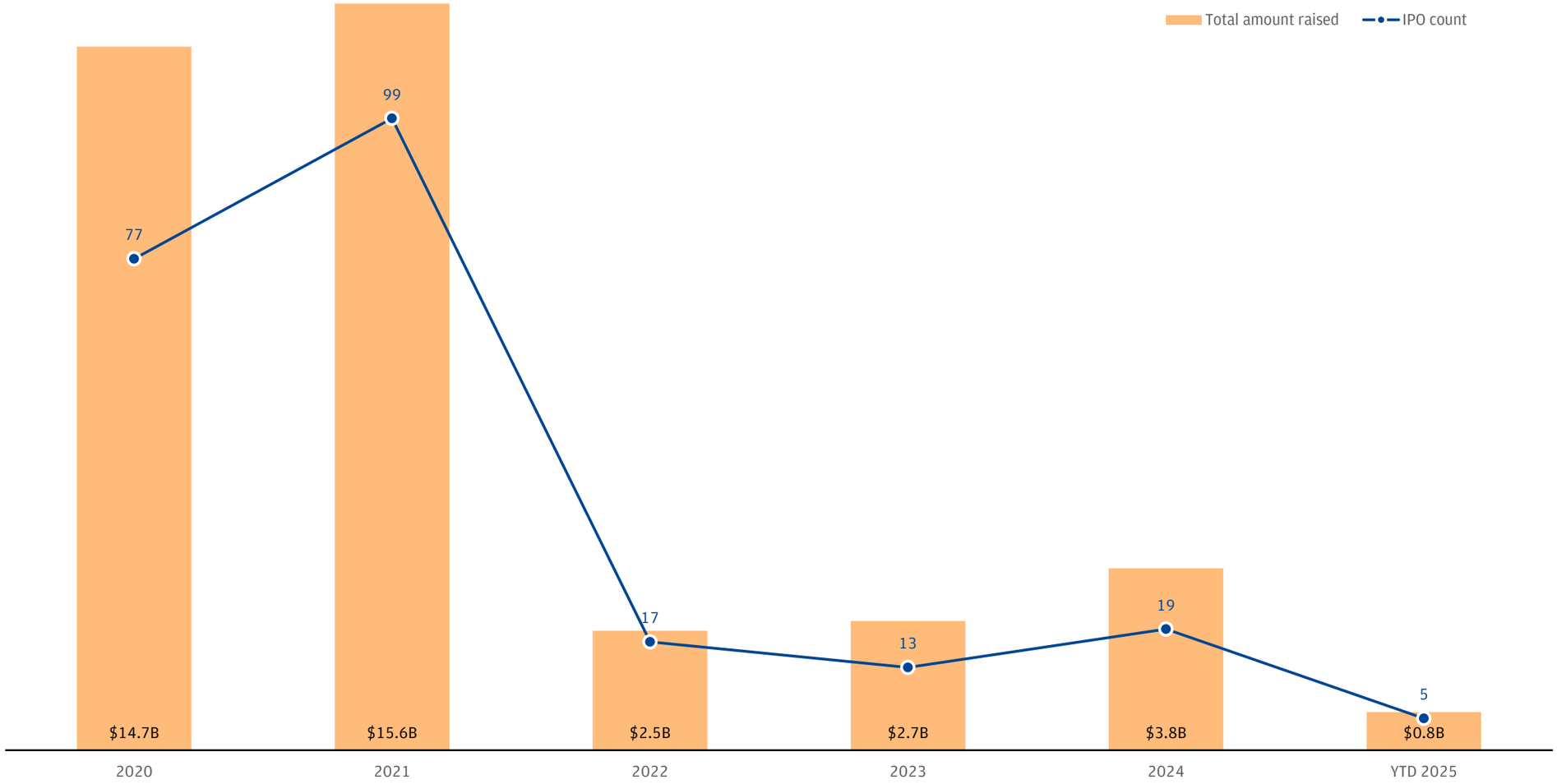
In Q2 2025, small-cap biopharma accounted for nearly 60% of total biopharma acquisitions by deal count, marking the largest share since 2022. At $681 million, median upfront cash and equity values were also higher. The number of deals increased slightly in Q2 compared to Q1 2025, though the quarter ended with a smaller upfront total.

Twenty-six M&A transactions between biopharma therapeutics and platform companies were announced in Q2 2025, totaling $17.1 billion. The median biopharma M&A value in Q2 2025 increased to $681 million. Notable biopharma-to-biopharma Q2 2025 acquisition announcements include Sanofi acquiring Blueprint Medicines for up to $9.5 billion, AbbVie acquiring Capstan for $2.1 billion and BioNTech acquiring CureVac for $1.3 billion.

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

IPO landscape: Navigating selective biopharma opportunities

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



In Q2 2025, just one new biopharma company listed on NASDAQ, bringing the total to five (U.S. exchanges only) for the first half of 2025. These companies collectively raised $793 million, reflecting a cautious and slow-paced IPO environment. Outside of the U.S., five biotech companies went public on either the Korean or Hong Kong exchanges in the first half of 2025. The sole Q2 2025 biopharma IPO was Jyong Biotech, which raised just $20 million on NASDAQ.

Q1 2025 IPOs included Metsera Therapeutics ($316 million), Maze Therapeutics ($140 million), Sionna Therapeutics ($219 million) and Aardvark Therapeutics ($94 million).

As macroeconomic uncertainties ease and investor confidence returns, biopharma IPO activity could pick back up in the back half of the year—but will it be enough to outpace 2024 and solidify a three-year trend?

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

Source: DealForma.com database.

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