



## **Versant Ventures Announces Acquisition of Cell Therapy Company BlueRock Therapeutics**

***Another successful outcome from a Versant-created company in a breakthrough field***

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SAN FRANCISCO & NEW YORK & VANCOUVER, British Columbia & BASEL, Switzerland--([BUSINESS WIRE](#))--Versant Ventures today announced the acquisition of portfolio company BlueRock Therapeutics by Bayer AG for up to \$1 billion in total value. For the firm, it represents another in a series of significant transactions by Versant-created companies founded on globally sourced cutting-edge science. A common aspiration of each Versant start-up is to pioneer a new generation of important medicines. Other recent examples include Century, Therachon, Black Diamond, Jecure, Inception 5, Crispr and Quanticel.

Versant conceived and began to build BlueRock in late 2015 with conviction that stem cells had the potential to produce regenerative therapeutics based on fundamental advances achieved in cell differentiation, manufacturing and engineering. The initial seed phase spanned over 12 months allowing the necessary time to secure foundational technology from the McEwen Stem Cell Institute at the University Health Network in Toronto and the Stem Cell Center at Memorial Sloan Kettering in New York, key management talent, intellectual property, as well as manufacturing expertise from partners.

In December 2016, BlueRock came out of stealth mode with a \$225 million Series A round led by Versant and Bayer. Using this financing, the company expanded its ranks with an experienced R&D team of more than 100 scientists, refined process development and manufacturing capabilities to efficiently engineer and produce cell therapies at commercial scale, and advanced a portfolio across selected cardiology, immunology and neurology indications. The pipeline includes a promising treatment for Parkinson's disease expected to enter the clinic by year end.

Under the terms of today's transaction, Bayer will acquire the shares in BlueRock it did not already own for about \$600 million, including about \$240 million up front and up to \$360 million in potential preclinical and early clinical milestone payments. Versant held more than 40% ownership in the company.

"The BlueRock transaction reinforces our current approach to early identification of emerging science that can be assimilated and nurtured within our firm or one of our global discovery engines while we prepare to formally launch a start-up," said Brad Bolzon, Ph.D., managing director and chairman at Versant and BlueRock board director. "Our best investments often combine assets, talent and capabilities from multiple geographies. BlueRock is no exception, as it blended science, leadership and operations across Canada and the U.S."

"Prioritization of regenerative medicine as a new frontier for investment allowed us to develop a position in a new field with two to three years of lead time. The hope is to produce revolutionary therapeutics that can reverse degenerative diseases," added Jerel Davis, Ph.D., managing director at Versant and BlueRock board director. "We established a Canadian

8/8/2019 presence to identify the startup world-class acquisition with Delays in the development of therapeutics. Business trying to see this kind of external recognition by a leading pharmaceutical company such as Bayer."

Versant's track record of forming successful start-ups across multiple geographies is linked to an ability to leverage its experience and infrastructure with in-house models, including de novo company creation and incubation of newcos within its discovery engine laboratories. Furthermore, financing models range from traditional venture syndication to strategic Pharma investments, providing dual paths to liquidity through the public markets and Pharma acquisition. While methods vary, the common theme is a forward-looking focus on cutting-edge scientific fields such as cell therapy, regenerative medicine, precision medicine, gene editing and gene therapy.

"Constructing early stage biotech portfolios from promising yet unproven areas of scientific innovation has taught us to be flexible about how we form, finance and exit companies," said Dr. Bolzon. "In the end, the key is to focus on the fundamentals of combining the best ideas, talent, technology, partners and co-investors to produce exceptional investment opportunities."

#### About Versant Ventures

Versant Ventures is a leading healthcare venture capital firm committed to helping exceptional entrepreneurs build the next generation of great companies. The firm's emphasis is on biotechnology companies that are discovering and developing novel therapeutics. With \$3.2 billion under management and offices in the U.S., Canada and Europe, Versant has built a team with deep investment, operating and R&D expertise that enables a hands-on approach to company building. Since the firm's founding in 1999, 75 Versant companies have achieved successful acquisitions or IPOs. Versant is currently investing out of its seventh fund, Versant Venture Capital VII, a \$600 million global biotech fund closed in December 2018. In parallel the firm co-invests out of its Canadian strategic fund Versant Voyageurs I and its later-stage biotech opportunity fund Versant Vantage I. For more information, please visit [www.versantventures.com](http://www.versantventures.com).

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