

Pappas Capital Portfolio Company VelosBio to be Acquired by Merck



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RESEARCH TRIANGLE PARK, N.C., Nov. 5, 2020 /PRNewswire/ -- Pappas Capital, a leading venture capital firm focused on advancing life sciences, today announced that its portfolio company, VelosBio Inc. ("VelosBio" or the "Company"), has entered into a definitive agreement to be acquired by a subsidiary of Merck (NYSE: MRK) for \$2.75 billion in cash, subject to customary adjustments. The exit is amongst Pappas Capital's most successful in its 25-plus-year history.

VelosBio is a clinical-stage biopharmaceutical company committed to developing first-in-class cancer therapies targeting receptor tyrosine kinase-like orphan receptor 1 (ROR1). Pappas Capital first invested in VelosBio in 2018 as part of the Company's \$58 million Series A financing. Encouraged by the strong potential of VelosBio's novel therapies for difficult-to-treat cancers, Pappas Capital subsequently participated in the Company's \$137 million Series B financing in July 2020.

Pappas Managing Partner Kyle Rasbach, Ph.D., PharmD. has served as a VelosBio Board Observer, providing hands-on support and guidance to the Company's leadership team and Board of Directors on the development of VelosBio's investigational candidate (VLS-101). VLS-101 is an antibody-drug conjugate (ADC) targeting ROR1 that is currently being evaluated in a Phase 1 and a Phase 2 clinical trial for the treatment of patients with hematologic malignancies and solid tumors, respectively.

Dr. Rasbach commented, "At Pappas, our focus has long been on identifying and executing on investment opportunities in innovative life science companies and partnering with exceptional teams to bring these technologies to market. VelosBio serves as an ideal example of our strategy at work, and we are thrilled to watch the Company embark on its next phase of growth as part of Merck."

"This acquisition is a transformative event that will propel the advancement of VLS-101 as a potential new cancer treatment, and we are humbled to have worked closely with the VelosBio team to achieve this milestone. We look forward to continuing to build upon our investment track record by sourcing new opportunities that seek to not only provide superior results to our investors, but just as importantly, improve the lives of patients."

VelosBio is Pappas Ventures V's second exit this year, following the acquisition of Curzion Pharmaceuticals, Inc., a company co-founded by Pappas Capital, by Horizon Therapeutics plc in April 2020.

About Pappas Capital

Founded in 1994, Pappas Capital invests exclusively in innovative life sciences companies with a focus on biotechnology, biopharmaceuticals, drug delivery, medical devices, and related ventures, across the United States and Canada. Pappas Capital has raised more than \$540 million and has guided the launch or development of more than 85 companies. In addition to its Pappas Ventures funds, the firm manages customized investment vehicles for third parties through its Specialized Fund Management Group, and works with academic institutions in developing innovation through its Translational Medicine Research Initiative. For more information, please visit: www.pappas-capital.com.

Investor Contact:

Lisa Dreyer

919-998-3308

ldreyer@pappas-capital.com

Media Contact:

Amanda Klein/Alex Jeffrey

Gasthalter & Co.

212-257-4170

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