



## DIVE BRIEF

# J&J-backed startup raises another \$150M for brain drug development

The funding for Rapport Therapeutics saw participation from a series of so-called crossover investors, many of which have pulled back from biotech startups in recent years.

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*Evgenii Kovalev via Getty Images*

**Dive Brief:**

- Rapport Therapeutics, a young biotechnology company developing precision drugs for brain and nervous system disorders, has raised another \$150 million from a collection of existing and new investors.
- The Series B round was led by Cormorant Asset Management and saw participation from other, so-called crossover investors, including divisions of Fidelity and Goldman Sachs. Rapport, which was built around a discovery platform from Johnson & Johnson's research unit, officially launched early this year, with backing from J&J's strategic venture capital arm as well as the investment firms Third Rock Ventures and Arch Venture Partners.
- The round also comes during a prolonged downturn in the biotech stock market that has made raising money more

difficult. These challenges have been especially apparent with the larger funds that help move startups closer to an initial public offering — an important milestone for many young biotechs.

**Dive Insight:**

Rapport's work revolves around "RAPs," or receptor-associated proteins. These proteins, unlike other kinds, are local to specific areas of the brain and central nervous system. By targeting RAPs, Rapport believes it can create precision drugs that are either more effective or safer than other treatment options.

The company's most advanced program has already entered human testing as a potential therapy for drug-resistant seizure disorders. When Rapport, with offices in Boston and San Diego, launched in March with \$100 million from a Series A financing round, its newly appointed CEO Abraham Ceesay said the money would help to get that lead program to the point where it had "proof-of-concept" data.

Now, with another \$150 million, Rapport is "extremely well positioned to advance our ongoing clinical programs in seizure and psychiatric disorders, and to expand our pipeline by harnessing our unique capability to leverage receptor-associated proteins for precision neuromedicine," Ceesay said in a statement Wednesday.

In addition to Cormorant, Fidelity and Goldman Sachs, the Series B round received investment from Logos Capital, Perceptive Advisors, Sofinnova Investments, Surveyor Capital and funds and accounts advised by T. Rowe Price. Rapport said all of its existing investors participated, too, including Third Rock, Arch and Johnson & Johnson Innovation.

Alongside the fundraising, Rapport announced that Raymond Kelleher, a managing director at Cormorant, and James Healy, a managing director at Sofinnova, have been appointed to the company's board of directors.

Rapport's latest haul adds to an influx of funding over the past couple years for neuroscience-focused startups. Neumora Therapeutics, which launched in late 2021 with the aim of developing precision medicines for psychiatric and neurodegenerative disorders, has brought in approximately \$650 million from a lengthy list of investors that includes Arch and the biopharmaceutical giant Amgen.

More recently, Nido Biosciences emerged from stealth mode with \$109 million. The startup was incubated by venture firm 5AM Ventures and attracted investment from Eli Lilly, among others.