

FINANCE

With details on lead sialoglycan degrader in place, Palleon raises \$100M series B

BY KAREN TKACH TUZMAN, ASSOCIATE EDITOR

Having nominated a lead program, identified top indications and sorted out manufacturing, Palleon raised a \$100 million series B round to bring its enzymatic sialoglycan degrader to the clinic for cancer.

Palleon Pharmaceuticals Inc.'s central thesis is that certain sialylated glycoproteins act as immune checkpoints, and that modulating these sialoglycans or their receptors can tune immune function in cancer and autoimmunity.

Through its EAGLE platform, Palleon develops enzyme therapies that trim immunosuppressive sialoglycans from tumor and immune cell surfaces to unleash antitumor immunity (see [“Palleon: Sweeter Checkpoints”](#)).

CEO Jim Broderick told BioCentury investors were attracted by the fact the company had nominated its lead program while continuing to develop a deep preclinical pipeline, had identified undisclosed tumor types more likely to respond based on their sialylated glycoprotein levels, and had worked out the challenges of manufacturing the complex biologic: an Fc protein domain fused to two sialidase enzymes.

He said the funding gives the company enough runway to bring Sialidase-Fc and at least one other program into the clinic.

Behind Sialidase-Fc, Palleon has at least three other preclinical sialidase compounds, including at least one that directs the enzyme to tumor cells by targeting a cancer cell surface antigen. The approach is part of a growing set of therapies that expand the logic of targeted protein degraders to other enzyme functions (see [“Beyond PROTACs and the Proteasome”](#)).

The company also has preclinical candidates generated via its CONVERGENCE platform targeting the SIGLEC proteins that act as receptors for sialoglycans. The sialic acid-binding immunoglobulin-like lectin (SIGLEC) target class has been taking off thanks to advances in chemical tools and disease models (see [“SIGLECs go from Homing Beacons to Next-Gen Checkpoints”](#)).

The B round was led by Matrix Capital Management, with participation from SR One, Pfizer Ventures, Vertex Ventures HC, Takeda Ventures, and AbbVie Ventures — who participated in the company's \$47.6 million series A round in 2017 — as well as new investor Surveyor Capital.

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