Callidus Biopharma Announces $4.6 million in Series A Financing to Pursue Orphan Disease Therapies

Press Release: Walter Greenblatt & Associates – Tue, May 14, 2013 9:55 AM EDT

DOYLESTOWN, Pa., May 14, 2013 /PRNewswire/ -- Callidus Biopharma, Inc., a development-stage biotechnology company focused on creating breakthrough biologic drugs for a range of orphan diseases, announced today that it has closed on $4.6 million in Series A financing led by two strategic investors. The Company intends to use the proceeds to accelerate pre-clinical development of its drug discovery pipeline of therapies for lysosomal storage diseases (LSDs), including lead candidates in Pompe and Gaucher diseases as well as other IGF-2 related LSDs with no FDA-approved therapy currently available. Additionally, the company will use the funds to commercialize its related proprietary protein expression technology to increase dramatically the yields of secreted protein production processes crucial to biologics manufacture.

Dr. Hung Do, Chief Scientific Officer and Co-Founder of Callidus, said, "We are very pleased to raise this first external financing for Callidus. Having recently demonstrated *in vivo* proof of concept for our Pompe candidate, which is expected to be at least 5X more effective than current therapies due to better targeted delivery, we will now be working toward initiating clinical studies during 2014. Not only could this increase in effectiveness revolutionize the way these drugs are administered to patients, the Callidus technology has the added benefit of simplifying and increasing the reliability of the manufacturing process. We are also hopeful that we will be able to shorten dramatically the onerous dosing regimens associated with current enzyme replacement therapies, which often require infusion times as long as 8-14 hours for small children.

"In addition, we will be using our lysosomal storage disease drug-targeting platform to create additional enzyme replacement therapies for rare and ultra-rare diseases. Almost all therapies for LSDs can be targeted using IGF-2. For the first time, we have the ability to modify nearly any therapeutic enzyme so it will be effectively delivered to the lysosome, enabling it to reduce the accumulated substrate that causes these devastating diseases."

Dr. Barry Byrne, Director of the University of Florida Powell Center for Rare Disease Research and a leading authority on Pompe disease and related diseases, and a pioneer in developing new therapies to restore muscle function in Pompe and other inherited myopathies, noted, "Callidus' approach opens up a new avenue for improving drug targeting of enzyme replacement treatments for Lysosomal Storage Disorders. Poor targeting has been a major hurdle for efficient delivery of ERTs. This breakthrough technology has the potential to improve the efficacy, safety and dosing regimens for ERTs for these devastating diseases."

Walter Greenblatt & Associates (member FINRA, SIPC), a life-science focused investment bank, served as the exclusive financial advisor to Callidus Biopharma in the transaction.

About Callidus Biopharma, Inc.

Callidus Biopharma, Inc. (www.callidusbiopharma.com) is a development-stage biotechnology company focused on developing superior biologic drugs for rare and ultra-rare diseases. Specifically, the company is focused on discovering and developing best-in-class enzyme replacement therapies (ERTs) for lysosomal storage diseases (LSDs). Callidus' novel technology platform is based on attaching a form of the naturally occurring insulin-like growth factor 2 (IGF-2) to enhance the targeting of therapeutic enzymes to the relevant cells in the body.

Callidus Biopharma's therapeutics offer the potential to reduce significantly the amount of drug that needs to be infused, which translates to patient and medical benefits of better efficacy, shorter infusion times, reduced immunogenicity, and greater convenience. The company's lead program is for Pompe Disease, and Callidus is also applying its proprietary IGF-2 technology to other LSDs to improve drug targeting and efficacy. Additionally, the company has created a more stable enzyme which has the potential to be a superior ERT for Gaucher Disease. Callidus intends to demonstrate proof-of-concept in each of its programs and to partner with larger companies to commercialize the resulting therapeutic products. In conjunction with its therapeutic discoveries, Callidus has also developed a proprietary protein expression technology that can increase by as much as a factor of ten the yield of secreted protein production processes crucial to biologics manufacture.

About Walter Greenblatt & Associates

Walter Greenblatt & Associates, *Member FINRA, SIPC*, (www.wgreenblatt.com) is a life-science focused investment bank working with early stage companies around the world to raise the initial rounds of capital they need to advance their therapeutics, devices, diagnostics, healthcare IT or pharmaceutical services. This early capital enables client companies to achieve key milestones such as demonstrating initial proof-of-concept and then progressing to other key early value inflection points and into the clinic or onto the market, positioning them for liquidity events and creating value for founders, investors and strategic partners.

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