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New Haven's Next Big Bioscience Star? Former Alexion execs raise $182M for Rallybio



Rallybio's co-founders (from left to right) are: Dr. Stephen Uden, Jeffrey Fryer and Martin Mackay. PHOTO STEVE LASCHEVER

BY NATALIE MISSAKIAN
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Just 10 months after Rallybio launched in early 2018, Fierce Biotech, an international trade journal widely followed in the bioscience world, dubbed it one of the year's 15 most promising biotechs.

The New Haven-based company had yet to make any groundbreaking discoveries. In fact, it didn't have a single drug in its portfolio. And outside of its announced focus on treatments for severe rare diseases, Rallybio's founders had offered few details about what medical conditions the startup planned to pursue.

Still, the company was getting noticed — not only by reporters covering the industry but also by investors — as evidenced by the $37 million it raised shortly after setting up its first lab and office at UConn's Technology Incubation Program (TIP) in Farmington.

Most of the attention was focused on the pedigree of Rallybio's three co-founders — Martin Mackay, Dr. Stephen Uden and Jeffrey Fryer — all former top-level executives at Alexion

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"It's the dream team," for a rare-disease drug company, said Tim Shannon, a member of Rallybio's board of directors and partner with venture capital firm Canaan Partners, an early Rallybio investor. "It really is a group of world-class people that are fortunately in our midst here in the area. And that holds with the leadership team of Martin, Steve and Jeff — but it goes right through the company."

That team has quickly grown to 21 — and all are from Connecticut, as the founders are quick to point out. Many of the initial hires came out of Alexion, but Rallybio has also absorbed scientists from large pharmaceutical companies such as Pfizer and Bristol-Myers Squibb, which, like Alexion, have downsized their Connecticut presence in recent years.

Uden, who is Alexion's former head of research, said their ability to assemble such a high-caliber team so quickly speaks to the strength of the state's biotech talent pool.

"The problem that drug development innovation faces is not the number of new ideas but the numbers of people who know how to do it," said Uden. "Our secret sauce is really the team that we managed to put together. We would not be the company we are without them."

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Active year

Rallybio is coming off an active year in 2020, when it moved its home office to New Haven's Gold Building at 234 Church St., and began human testing on its first drug, which treats a rare condition causing uncontrolled bleeding in newborns.

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the Hartford Business Journal last year that the company has been one of the most successful fundraisers in the incubator's history.

Mackay, Rallybio's CEO and Alexion's former executive vice president and global head of research and development, said the company's genesis was rooted in the founders' desire to continue their life's work helping patients with rare and devastating diseases.

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The name Rallybio reflects their mission to rally scientists around that goal, he said. Over the last few years, the company has scoured the globe searching for innovative small molecules, antibodies and engineered proteins that it could develop into life-changing treatments.

Its first drug came from a startup in Norway, which the founders discovered at a little-known conference in New York that was held by a trade group for biotechs in the Nordic region.

"We very quickly realized it was a diamond in the rough that had been passed over," Uden said.

The drug is a potential treatment for a life-threatening condition known as FNAIT (fetal and neonatal alloimmune thrombocytopenia), which causes a pregnant woman to develop antibodies that attack a fetus' platelets, putting them at risk for uncontrolled bleeding.

The rare disease has largely been ignored by the medical world, but can have crushing consequences, Uden explained. Babies born to mothers with the condition can develop brain bleeds in the womb or shortly after birth, causing many to die or suffer severe disabilities.

The current medical treatment is to resuscitate the babies and manage future pregnancies, Uden explained. But Rallybio hopes to prevent the condition by injecting at-risk mothers with a low dose of the problematic antibodies during pregnancy.

The startup is now working with the German Red Cross and the Fraunhofer Institute in Germany to test the drug in healthy male volunteers (women volunteers are not being used to avoid potential risks to future pregnancies). Rallybio expects data on the first group of volunteers later this year.

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"If [illegible] get better.

Expansion mode

Meanwhile, the company plans to use its recent cash infusion to continue growing in 2021, with plans to advance two more drugs into clinical trials. One is a hematology drug; the other targets immune-inflammatory diseases. But Rallybio is waiting to complete preclinical testing before discussing them publicly.

It also continues to build out its team. In January, the company brought on Steven Tuch, a former executive for investment banking company BMO Capital Markets, to head up corporate development.

And it has again expanded its footprint in the Elm City, acquiring the remaining 1,300 square feet on its floor at 234 Church St., bringing its total square footage to 4,500. Fryer, Alexion's former chief tax officer who now runs the financial end of Rallybio, said the space is large enough to accommodate a 30-member team.

The company continues to have an office at the UConn TIP, which the founders praised as playing a crucial role in germinating the startup. But they said they are also excited about being closer to the biotech ecosystem that is blossoming in the New Haven region. Not only is their new lab close to other prominent city biotechs, but it's also accessible to investors and collaborators in New York and Boston, they said.

"The New Haven biotech culture is strong," added Fryer. "It's a great place to be and we felt as though we wanted to be a part of that."

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