



DIVE BRIEF // Obesity drugs

# An obesity drug biotech gets buy-in from Eli Lilly, venture firms

Startup OrsoBio raised \$60 million in a Series A round co-led by Longitude Capital and Enavate Sciences, and joined by the pharma's venture arm.

Published Nov. 7, 2023



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## Dive Brief:

- OrsoBio, a biotechnology startup developing drugs for obesity, said Tuesday it raised \$60 million in a Series A financing round.
- The company is developing several treatments for metabolic conditions like obesity and diabetes. Unlike the GLP-1 drugs now popular thanks to the success of Ozempic, Wegovy and Mounjaro, its experimental candidates are aimed at other drug targets.
- The Menlo Park, California drug developer was backed by Longitude Capital, Enavate Sciences, Samsara BioCapital, NuevaBio and Eli Lilly's venture arm.

## Dive Insight:

Obesity affects a large swathe of the U.S. adult population and the many health issues — particularly the metabolic disorders — that

can result from excess weight have made it an emerging research priority.

The success of GLP-1 drugs in managing diabetes and weight loss has also fueled billions of dollars in sales for Lilly, which makes Mounjaro, and Novo Nordisk, the maker of Ozempic and Wegovy.

While those medicines are potent, drugmakers still see room for improvement. Companies like OrsoBio have stepped in with plans for complementary therapies, for instance.

OrsoBio's lead program, dubbed TLC-3595, is already in a Phase 2 study for diabetes. And the startup has now drawn the interest of both seasoned biotech investors and Lilly with a pipeline of three other drugs that work in different ways.

According to OrsoBio CEO Mani Subramanian, the investment from the pharmaceutical company reinforced a "commitment to furthering new approaches."

"They're quite interested in all four mechanisms of action, but particularly interested in the protonophore program," Subramanian said, referring to one of its obesity drugs that targets the liver.

The cash raised will help the company fund clinical studies in obesity, diabetes, nonalcoholic steatohepatitis, hypertriglyceridemia and other liver and kidney conditions.

"While we've witnessed remarkable breakthroughs in the treatment of obesity and diabetes, notably with GLP-1 receptor agonists, there remains a high unmet need for effective and safe oral therapies that are complementary to, and can be used in combination with, these agents," Edd Fleming, a member of OrsoBio's board and executive vice president for commercialization at Enavate Sciences, said in a statement.

OrsoBio, which launched publicly last year and was incubated by Samsara, raised \$37 million prior to the Series A round announced Tuesday.

“We’re just at the beginning of the journey for incredibly rich set of tools to tap into to manage obesity and obesity-associated conditions,” Subramanian said. “The way this landscape will look in two or five years from now will be quite different from where we are today.”