BIOPHARMADIVE

Intarcia, a former biotech unicorn, gets new life with startup deal

With $46 million in Series A funding, i2o Therapeutics is taking another run at approval of a drug-device combination licensed from Intarcia.

Published Aug. 30, 2023

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A diabetic woman checks her insulin dosage. *ClarkandCompany via Getty Images*

Former biotechnology unicorn Intarcia Therapeutics is getting a new life less than a month before a panel of Food and Drug Administration advisers could decide the fate of the diabetes treatment it's spent more than a decade trying to develop.

A private company called i2o Therapeutics, founded in 2019, announced this week it acquired Intarcia's assets, among them the biotech's diabetes drug-eluting implant and the technology on which it was built. That treatment, called ITCA 650, helped Intarcia raise more than $1 billion in private financing.

The Boston-based startup also named Kurt Graves, Intarcia's longtime leader, as its chairman and CEO alongside a $46 million Series A round to advance its research.

I2o's goal is to provide "innovative drug delivery solutions that are needed to raise standards of care," Graves said in a statement.

Founded in 1995 as BioMedicines Inc., Intarcia was once valued at nearly $5 billion, drawing backers such as RA Capital Management, Venrock and the Bill and Melinda Gates Foundation to fund a technology that can steadily deliver a precise amount of a drug into the body.

That technology, an implantable device dubbed "Medici," is a matchstick-sized pump that can hold enough medication to treat a patient for up to one year. The key prospect to emerge from that work, ITCA 650, slowly pumps out the diabetes medication exenatide, an early entrant of a now widely known class of diabetes treatments known as GLP-1 agonists. Newer versions, like Novo Nordisk's Wegovy and Eli Lilly's Mounjaro, have surged in popularity due to their more potent weight-loss effects.

Intarcia's medicine showed promise in clinical testing, but the company hit roadblocks on its way to a potential FDA approval. Regulators cited safety concerns, such as acute kidney injury, in rejecting the company's application in 2017. The FDA then turned back another request in 2020.

Intarcia tried a third time, ultimately convincing regulators to hold a public advisory committee meeting on Sept. 21 to argue its case.

Graves will once again lead that charge, this time as the head of i2o. In submitted comment to the FDA ahead of the meeting, Graves argued that side effects observed in testing of Wegovy disprove regulators' assertion that Intarcia's product is "the only GLP-1 product to show a small numeric imbalance" of serious acute kidney injury in a controlled clinical trial.

I2o separately signed a four-year research and licensing deal with the Harvard University lab of co-founder Samir Mitragotri.