

Montreal biotech seeks better treatments for those with metabolic disorders

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Francois Ravenelle and the team at Inversago Pharma are focused on research that could help so many people in Canada and around the world who suffer from metabolic disorders and need therapies to improve their lives.

Montreal-based Inversago is working on medications that address complications of metabolic disorders such as obesity and diabetes. The privately owned, clinical stage, biotech company specializes in the development of new therapies focusing on CB1 blockade.

"We're using what we call a clinically validated biology," explains Francois Ravenelle, CEO of Inversago. "That means drugs of this class were previously developed in this field, showing significant therapeutic potential, but weren't successful because of their side effect profile."

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The company is revisiting this class of drugs and looking at the same biology in a way that prevents the side effects.

“It’s built on something we know works and provides a broad therapeutic profile for people who are obese, diabetic and/or have dyslipidemia. By not targeting the brain, we believe we may prevent the psychiatric adverse events that caused problems for the previous compounds,” he says.

On October 17, 2022, Inversago Pharma announced it had completed its \$95 million Series C financing round led by New Enterprise Associates with participation from Forbion’s Growth Opportunities Fund, Amgen Ventures, Forbion’s Ventures Fund IV, Fonds de solidarité FTQ, Genesys Capital, AmorChem, JDRF T1D Fund and adMare BioInnovations. Proceeds from the financing round will be used to move Inversago’s lead program, INV-202, into a Phase 2 clinical trial in Diabetic Kidney Disease.

The year ahead: pushing forward with trials

“Last year at about the time we were closing our C round we obtained positive results from an early clinical trial. We saw compelling efficacy in an obesity trial,” Francois says. “Subjects with metabolic syndrome lost significant weight and that’s exciting enough for us to not only continue on to the Phase 2 clinical trial that’s presently running but also add another study.”

Inversago has a phase two trial that started in November 2022, which was the objective of the funding raise.

“Now that we’ve seen such a nice profile in that early obesity trial, we are preparing to launch another Phase 2 clinical trial later this year,” says Francois.

Working with Osler

When it came to engaging with legal counsel, Francois said it was Osler’s presence in the startup community and its reputation for working with founders and entrepreneurs that drew them to work with the firm’s Emerging and High Growth Companies Group in Montréal.

“It was really Osler being out there when we started pitching and talking to investors. It was the way I connected with Nathalie (Beauregard) and Osler overall. She was there early in my efforts to finance the company, and she offered counsel and answered questions until eventually we had a term sheet we could engage in financing. It’s all about Osler being present when new companies are trying to raise and found companies,” he says.

He was also drawn to the fact Osler has experience with investors both locally and cross-border.

“In Canada and Montréal, we’re a small ecosystem. What makes Osler strong is that they see a lot of those deals and they know most of the European and U.S. investors that we work with as well as local investors. First and foremost, Nathalie and Osler understand the philosophy behind most of the funders who invest here. That gives them an edge,” he says.

Inversago also saw Osler’s exposure to the U.S. market as something not every law firm in Montréal had experience with.

"When I connected early on in the process with Nathalie, I realized that the exposure to the U.S. market was not just something reserved to the securities law group of the firm. Nathalie, who's more focused on the emerging and growth companies, is very up to date with those market trends in the U.S. as well as in Canada," says Jean-Daniel Belanger, vice-president and general counsel and secretary with Inversago.

Advice to other founders: find connections who will listen and support

When it comes to finding support in the current market, Francois says seek out those who can provide advice and lend their own experience to help inform your own journey.

"Tap into the available advice and experience around you. It could be other founders or friends who will help you build and sometimes that's just in 15 or 30-minute calls," he says.

And founders shouldn't be discouraged that funding may appear to be less available than in the last few years.

"I think there's capital still available. It was a tough year last year, but there's a lot of capital that still needs to be deployed," he says. "There was a reparation period last year with the market caps of public biotech companies going down. Big funds have closed even in the last six to 12 months, and more importantly, I believe there's always money for the good projects."