

Intranasal Becomes Ikano, Nabs \$18M Series B

By Lorie Konish, VentureWire Lifescience, Tuesday, March 03, 2009

After shifting focus last year, Intranasal Therapeutics Inc. has changed its name to Ikano Therapeutics Inc. and closed an \$18 million Series B round to support its first Phase III trial.

The company's main investors, including Burrill & Co., Fidelity Biosciences, SV Life Sciences and Tullis-Dickerson & Co., participated in the round. Those investors participated in the company's \$39.1 million Series A round in 2006 alongside Commonwealth Seed Fund of Kentucky, Fort Washington Capital, Apjohn Ventures, and Kentucky Co-Investment Partners. Fort Washington and Apjohn participated in the Series B, said Ikano President and Chief Executive Peter Young. The valuation of the round, which closed in two \$9 million tranches in June 2008 and mid-February 2009, was not disclosed.

The Series B follows an effort by the company to streamline its business last year, Young said, which included laying off about a quarter of its staff and consolidating its offices in a new location in Saddle Brook, N.J. The company previously had operations in Kentucky and Montvale, N.J. Ikano, currently with 10 employees, also named SV Life Sciences Managing Partner Michael Ross to the position of chairman last year, replacing Ed Cohen, who remains an investor in the company.

"I think we had spread ourselves too thin across a range of possibilities, but you can't take everything forward," Young said. "We're focused on fewer things and more interesting things and have assembled a greater degree of capability professionally to take things forward."

The company previously focused exclusively on intranasal pharmaceutical treatments, but its narrower range of products is no longer limited to those applications, Young said, although its first two products continue to focus on that area. Ikano's lead midazolam nasal product, ITI-111, had a successful end of Phase II meeting with the Food and Drug Administration in December, and is scheduled to begin a Phase III trial for the control of intermittent bouts of increased seizure activity in epilepsy patients. The company plans to pursue potential partnerships for that treatment. Young declined to elaborate on programs the company decided not to take forward.

For SV Life Sciences' Ross, the company's change has marked more of an "evolution," now focusing on novel formulations and delivery systems. The company is also looking for a marketing partner for its lead Phase III product now, Ross said, so as to have the proper data necessary from the trial ready when it goes to market. For now, the company has enough funding to get through the Phase III trial, Ross said. "If you have a product that makes a positive difference to patients, then your asset is perceived by the world as quite valuable," Ross said. "It certainly is a seller's market."

<http://www.ikanotherapeutics.com>