



Aiolos Bio raises \$245M on prospect of better asthma drug

The Series A funding round ranks among the largest in the biotech industry this year, with investors including Atlas, Bain and Forbion backing the startup.

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Mohammed Haneefa Nizamudeen via Getty Images

A new biotechnology company has raised \$245 million in a Series A financing round on the promise of an asthma drug that only needs to be taken twice a year.

Aiolos Bio is launching with heavy hitters in its corner. Atlas Venture, Bain Capital Life Sciences, Forbion and Sofinnova Investments led the Series A, with additional funds coming from RA Capital Management. And former Gilead CEO John Milligan will chair the company's board of directors, according to a statement released Tuesday.

While investors have shown more appetite for biotechs in recent months, the Aiolos financing stands out. The total funding tops any venture capital round for a biotech during the first quarter and comes close to the top five of the second quarter, according to the pharmaceutical industry information company Evaluate.

Unlike other startups that seek to bring entirely new technologies to the market, Aiolos Bio is going after a known drug target for a disease that's well understood. The company's lead therapy, AIO-001, is designed to block TSLP, a protein linked to inflammation in

diseases including asthma and the target of Amgen and AstraZeneca's approved medicine Tezspire.

Aiolos says its experimental treatment has unique properties that allow for a significantly extended half-life.

The company plans to advance AIO-001 into a Phase 2 trial for patients with moderate-to-severe asthma after promising early results. Aiolos is also studying the monoclonal antibody's benefits in other conditions, including chronic obstructive pulmonary disorder and chronic spontaneous urticaria.

The drug came to Aiolos via China's Jiangsu Hengrui Pharmaceuticals, from which the startup licensed AIO-001 in August.

Aiolos' approach is similar to that of Upstream Bio, which launched in June 2022 and raised new funds earlier this year. Upstream is also targeting TSLP and announced positive Phase 1 results Tuesday. Upstream said the study shows high potency for its drug, UPB-101, and the company will explore dosing every 12 weeks and every 24 weeks in a Phase 2 trial for severe asthma.

Aiolos is led by Khurem Farooq, who before becoming CEO of the startup was chief executive of Gyroscope Therapeutics, a gene therapy company acquired by Novartis in 2021.