



# Athersys Adds to Surge of Biotechs Filing for Bankruptcy, Sells to Healios

*By Kate Goodwin  
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Continuing the surge of biotech bankruptcies, **Athersys** filed for Chapter 11 on January 5, according to an **SEC filing**.

All assets of the regenerative medicine and cell therapy company are being divested to its research partner, Healio, to the tune of \$2 million in the form of a credit bid.

The bankruptcy filing was not a surprise. After reporting disappointing results from its MultiStem pivotal trial in **October** 2023, the company said it was exploring options but, if unable to obtain adequate financing, would have to file for protection under bankruptcy laws to “conduct an orderly wind down of operations.” Athersys ended the **third quarter** of 2023 with only \$1 million in cash, despite cost reduction efforts which included layoffs earlier in the year. Even a **\$10.4 million** raise from investors and licensing partners in November was not enough to stave off Chapter 11.

Healios will now take the reins on Athersys’ MultiStem program, which has been in development since 1994. The off-the-shelf therapy developed from adult stem cells was being studied in ischemic stroke—a program which was already partnered with Healios—traumatic injury and acute respiratory distress syndrome. The treatment was attractive as a stem cell option because

it could be given to patients without prior immune suppression or tissue matching.

Last year was a particularly tough one for biotech, presenting a **record high** number of bankruptcies, *BioSpace* found, with 41 biotech and pharma companies filing for bankruptcy. By comparison, 20 companies filed in 2022 and only nine in 2021.

Experts identified the primary drivers for the surge as the post-COVID-19 economy, a shift toward data-driven financing activity, rising inflation rates and the rapid rate of innovation leading to increased competition in the space.

“It’s a terrible market to get financing,” Ira Leiderman, managing director of the healthcare practice at Cassel Salpeter & Co., told *BioSpace* previously. “Companies are not getting financed, and they have no choice but to break the glass and push the bankruptcy button.”

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