



NEWS RELEASE

## Athersys Amends Securities Purchase Agreement in Connection with Recent Registered Direct Offering

9/23/2022

Provides Additional Financial Flexibility in Exchange for New Warrants with a \$6.385 Exercise Price

Company to hold a business update conference call the week of October 3rd

CLEVELAND--(BUSINESS WIRE)-- **Athersys, Inc. (NASDAQ: ATHX)**, a regenerative medicine company developing MultiStem® (invimestrocel) for critical care indications, announced today that it has entered into amended agreements to extend the exercise period of the warrants that were issued as part of a registered direct offering that closed on August 17, 2022, among other changes, and to issue additional warrants to the same warrant holder, a healthcare-focused U.S. institutional investor.

The Purchase Agreement contains certain restrictions that, subject to certain exceptions, prohibit the Company from issuing its common stock in certain variable rate transactions for a period of 180 days following the Closing Date (the “Standstill Period”). The Purchase Agreement also gives the Purchasers the right to participate in certain future offerings of the Company in an amount of up to 30 percent in the aggregate of any offered securities during the 12 months following the Closing Date.

On September 22, 2022, the Company entered into an amendment to the Purchase Agreement (the “Purchase Agreement Amendment”) with the Purchasers to, among other things, (i) extend the exercise period of the Initial Warrants from five years to seven years after the six-month anniversary of the Closing Date (the “Warrant Amendment”), (ii) reduce the Standstill Period from 180 days to 150 days following the Closing Date, (iii) reduce the term and amount of the Participation Right from twelve months to six months following the Closing Date and from 30 percent to 20 percent in the aggregate of any offered securities, respectively, and (iv) require the Purchasers, subject to certain conditions, to participate in the event the Company proposes to offer and sell shares of offered securities during the six months following the Closing Date to investors primarily for capital raising purposes.

In return, Athersys issued to the same warrant holder additional warrants that are exercisable for an aggregate of 2,000,000 shares of common stock and have an exercise price of \$6.3850 for a seven-year period after the six-month anniversary of the date of issuance.

A more detailed discussion of the amendments is contained in a Current Report that Athersys filed on September 22, 2022 with the U.S. Securities and Exchange Commission on Form 8-K.

“We are pleased to have entered into this amendment with our new major investor which provides more financial flexibility going forward as well as a commitment for the investor that recently invested \$12 million in Athersys to participate in future financings if requested. As Athersys continues to pursue licensing and other business development opportunities for our proprietary technology this amendment can help facilitate future transactions with financial and strategic investors. We are fortunate to have established a strong relationship with a prominent healthcare focused institutional investor that embraces the value of our MultiStem cell therapy and is responsive to our priorities,” stated Dan Camardo, Chief Executive Officer of Athersys.

“I am also pleased with progress we’ve made in our business transformation and I look forward to updating shareholders during a conference call to be held the week of October 3rd,” he added.

Athersys intends to issue a separate news release that will provide further information on the date and time of the call, as well as instructions regarding how to participate.

## About MultiStem®

MultiStem® (invimestrocel) cell therapy is a patented regenerative medicine product in clinical development that has shown the ability to promote tissue repair and healing in a variety of ways, such as through the production of therapeutic factors in response to signals of inflammation and tissue damage. MultiStem therapy’s potential for multidimensional therapeutic impact distinguishes it from traditional biopharmaceutical therapies focused on a single mechanism of benefit. The therapy represents a unique “off-the-shelf” stem cell product that can be

manufactured in a scalable manner, may be stored for years in frozen form, and is administered without tissue matching or the need for immune suppression. Based upon its efficacy profile, its novel mechanisms of action, and a favorable and consistent tolerability demonstrated in clinical studies, we believe that MultiStem therapy could provide a meaningful benefit to patients, including those suffering from serious diseases and conditions with unmet medical need.

## About Athersys

Athersys is a biotechnology company engaged in the discovery and development of therapeutic product candidates designed to extend and enhance the quality of human life. The Company is developing its MultiStem® cell therapy product, a patented, adult-derived “off-the-shelf” stem cell product, initially for disease indications in the neurological, inflammatory and immune, and other critical care indications and has several ongoing clinical trials evaluating this potential regenerative medicine product. Athersys has forged strategic partnerships and a broad network of collaborations to further advance MultiStem cell therapy toward commercialization. Investors and others should note that we may post information about the Company on our website at [www.athersys.com](http://www.athersys.com) and/or on our accounts on Twitter, Facebook, LinkedIn or other social media platforms. It is possible that the postings could include information deemed to be material information. Therefore, we encourage investors, the media and others interested in the Company to review the information we post on our website at [www.athersys.com](http://www.athersys.com) and on our social media accounts. Follow Athersys on Twitter at [www.twitter.com/athersys](http://www.twitter.com/athersys). Information that we may post about the Company on our website and/or on our accounts on Twitter, Facebook, LinkedIn or other social media platforms may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that involve risks and uncertainties. You should not place undue reliance on forward-looking statements contained on our website and/or on our accounts on Twitter, Facebook, LinkedIn or other social media platforms, and we undertake no obligation to publicly update forward-looking statements, whether as a result of new information, future events or otherwise.

## Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that involve risks and uncertainties. These forward-looking statements relate to, among other things, statements regarding the potential benefits of our MultiStem product candidate; anticipated results of clinical trials involving our MultiStem product candidate; the expected timetable for development of our product candidates, our growth strategy, and our future financial performance, including our operations, economic performance, financial condition, prospects, and other future events. We have attempted to identify forward-looking statements by using such words as “anticipates,” “believes,” “can,” “continue,” “could,” “estimates,” “expects,” “intends,” “may,” “plans,” “potential,” “should,” “suggest,” “will,” or other similar expressions. These forward-looking

statements are only predictions and are largely based on our current expectations. A number of known and unknown risks, uncertainties, and other factors could affect the accuracy of these statements. The following risks and uncertainties may cause our actual results, levels of activity, performance, or achievements to differ materially from any future results, levels of activity, performance, or achievements expressed or implied by these forward-looking statements: the possibility of unfavorable results from ongoing and additional clinical trials involving MultiStem; the risk that positive results in a clinical trial may not be replicated in subsequent or confirmatory trials or success in an early stage clinical trial may not be predictive of results in later stage or large scale clinical trials; our ability to raise capital to fund our operations in the near term, including, but not limited to, our ability to raise financing and to continue as a going concern; our ability to enter into a partnership for the co-development and co-commercialization of MultiStem; our ability to successfully implement our transformation plan, including our ability to reduce expenses; and the risks mentioned elsewhere in our Annual Report on Form 10-K for the year ended December 31, 2021 under Item 1A, "Risk Factors" and our other filings with the SEC. You should not place undue reliance on forward-looking statements, and we undertake no obligation to publicly update forward-looking statements, whether as a result of new information, future events or otherwise.

## Athersys

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