



January 22, 2015

Athersys and Cell Therapy Catapult Announce Grant to Support Clinical Development of Stem Cell Therapy for Severe Acute Respiratory Condition

Innovate UK Grant Awarded for MultiStem(R) Therapy Clinical Trial in United Kingdom

LONDON and CLEVELAND, Jan. 22, 2015 (GLOBE NEWSWIRE) -- Athersys Limited (an affiliate of Athersys, Inc.) (Nasdaq:ATHX) and the Cell Therapy Catapult, a not-for-profit centre, which is focused on the development of the United Kingdom cell therapy industry to increase the nation's health and wealth, are pleased to announce that Athersys Limited has been awarded a grant from Innovate UK, formerly the Technology Strategy Board, which will support a Phase 2a clinical study evaluating the administration of MultiStem[®] cell therapy to acute respiratory distress syndrome (ARDS) patients.

The grant is expected to provide up to approximately £2.0 million in support over the course of the study, which will be conducted by Athersys Limited at leading clinical sites in the UK in conjunction with the Cell Therapy Catapult.

"We are pleased to receive this award from Innovate UK and to work with the Cell Therapy Catapult to conduct this important study. Both organizations reflect a commitment to be a driving force in healthcare innovation, and to establish the UK as the leading gateway for the regenerative medicine field in Europe," said Dr. Gil Van Bokkelen, Chairman and CEO of Athersys, Inc. "ARDS is a serious condition that is ineffectively treated by current standards of care, resulting in substantial patient and healthcare system impact. We believe that MultiStem cell therapy may provide an important new option for treatment, and has the potential to meaningfully improve clinical outcomes for patients that are extremely ill."



Keith Thompson, CEO of the Cell Therapy Catapult said, "We are excited by the potential health benefits this trial may achieve for such severe and life-threatening disease, such as ARDS. Bringing advanced therapeutic clinical trials to the UK is a key part of our strategy to accelerate the growth of the cell therapy industry to generate health and wealth. We are delighted to collaborate with Athersys Limited on this important trial."

ARDS is a serious immunological and inflammatory condition characterised by widespread inflammation in the lungs. ARDS can be triggered by pneumonia, sepsis, or other trauma and represents a major cause of morbidity and mortality in the critical care setting. It has significant implications, as it prolongs intensive care unit (ICU) and hospital stays, and requires convalescence in the hospital and rehabilitation. There are limited interventions and no effective drug treatments for ARDS, making it an area of high unmet clinical need with high treatment costs. Given ARDS high treatment costs, a successful cell therapy could be expected to generate significant savings for the healthcare system by reducing days on a ventilator, days in the ICU and total days in the hospital, and importantly, could reduce mortality and improve quality of life for those suffering from the condition. The medical need for a safe and effective treatment of ARDS is significant due to its high mortality rate, and it affects annually approximately 33,000 patients in the UK and 400,000 - 500,000 patients in Europe, the United States and Japan, alone.

MultiStem cell therapy has demonstrated the capacity to reduce inflammation, support tissue regeneration and promote homeostasis in acute immunological and injury settings. Preclinical data suggests that MultiStem cells may have a protective effect by shifting the physiological response from pro-inflammatory to anti-inflammatory. In animal models, MultiStem cells have demonstrated an ability to reduce the severity of pulmonary distress, reduce alveolar edema and return lung endothelial permeability to normal. Intravenous MultiStem treatment early following the onset of the condition may ameliorate the initial hyper-inflammation and reduce the fibrotic activity that follows, thereby speeding the return to and improving the likelihood of more normal lung function, and helping patient recovery.

About Athersys

Athersys is a clinical stage 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 platform for disease indications in the cardiovascular, neurological, inflammatory and immune disease areas. The Company currently has several clinical stage programs involving MultiStem, including for treating ischemic stroke, inflammatory bowel disease, damage caused by myocardial infarction, and for the prevention of graft-versus-host disease. Athersys has also developed a diverse portfolio that includes other technologies and product development opportunities, and has forged strategic partnerships and collaborations with leading pharmaceutical and biotechnology companies, as well as world-renowned research institutions to further develop its platform and products. Athersys Limited conducts operations and clinical development on behalf of Athersys in the United Kingdom, Europe and beyond.

About the Cell Therapy Catapult

The Cell Therapy Catapult is a centre of translational excellence for cell therapy and regenerative medicine. Its vision is for the UK to be a global leader in the development, delivery and commercialisation of cell therapy, making it a location for business start-up and growth. Based in London at Guy's Hospital, the centre takes products into early clinical trials, providing clinical, technical, manufacturing, regulatory, health economics and market access expertise. There is a focus on collaboration and lowering barriers to investment and funding, and operations have grown rapidly since inception. UK Trade & Investment has valued the global regenerative medicine industry at just over £500 million, and estimates that it will be generating revenues of over £5 billion by 2021. For more information go to ct.catapult.org.uk

About Catapults

Catapult centres are being established and overseen by Innovate UK as a new addition to its range of programmes to stimulate innovation. They are places where the best of the UK's innovative businesses and researchers work together to bring new products and services more quickly to commercialisation. Focusing on areas with great market potential, Catapults will open up global opportunities for the UK and generate economic growth for the future. For more information, please visit www.catapult.org.uk

About Innovate UK

Innovate UK is the new name for the Technology Strategy Board - the UK's innovation agency. Taking a new idea to market is a challenge. Innovate UK funds, supports and connects innovative businesses through a unique mix of people and programmes to accelerate sustainable economic growth. For further information visit www.innovateuk.org

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, 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. Some of the more significant known risks that we face that could cause actual results to differ materially from those implied by forward-looking statements are the risks and uncertainties inherent in the process of discovering, developing, and commercializing products that are safe and effective for use as human therapeutics, such as the uncertainty regarding market acceptance of our product candidates and our ability to generate revenues, including MultiStem for the treatment of acute respiratory distress syndrome and other disease indications. These risks 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. Other important factors to consider in evaluating our forward-looking statements include: our ability to raise additional capital; final results from our MultiStem clinical trials; the possibility of delays in, adverse results of, and excessive costs of the development process; our ability to successfully initiate and complete clinical trials; changes in external market factors; changes in our industry's overall performance; changes in our business strategy; our ability to protect our intellectual property portfolio; our possible inability to realize commercially valuable discoveries in our collaborations with pharmaceutical and other biotechnology companies; our collaborators' ability to continue to fulfill their obligations under the terms of our collaboration agreements; the success of our efforts to enter into new strategic partnerships and advance our programs; our possible inability to execute our strategy due to changes in our industry or the economy generally; changes in productivity and reliability of suppliers; and the success of our competitors and the emergence of new competitors. You should not place undue reliance on forward-looking statements contained in this press release, and we undertake no obligation to publicly update forward-looking statements, whether as a result of new information, future events or otherwise.

William (B.J.) Lehmann, J.D.

President and Chief Operating Officer

Tel-UK: 0131-516-3002

Tel-USA: (216) 431-9900

bjlehmann@athersysltd.co.uk

bjlehmann@athersys.com

Cell Therapy Catapult

David Robertson

Head of Communications

Tel: 0203-728-9675

david.robertson@ct.catapult.org.uk



Source: Athersys, Inc.; Cell Therapy Catapult

News Provided by Acquire Media