Healios Agrees to Make Payment to Extend Exclusive Period for Negotiating an Option for a License to Multistem® Therapy for Indications in China

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Parties working together on development plan in China

CLEVELAND, Ohio, Dec. 17, 2018 (GLOBE NEWSWIRE) -- Athersys, Inc. (NASDAQ: ATHX) announced today the extension of HEALIOS K.K.'s (Healios) exclusive period to negotiate an option that would allow Healios to obtain a license for the development and commercialization of MultiStem therapy for certain indications in China. Healios has agreed to make a one-time $2.0 million payment in December 2018 for an extension through June 30, 2019. Furthermore, Healios may make an additional payment of $3.0 million to extend the negotiation period for another six months through December 31, 2019. All such payments would be creditable against the $15 million option fee that would be payable by Healios upon execution of the China option agreement, and milestones for any licensed program, if applicable.

"China now represents the second largest healthcare market in the world, surpassing Japan, and we and Healios both view it as being strategically important to our long-term goals and objectives," commented Dr. Gil Van Bokkelen, Chairman & CEO at Athersys. "An executive advisor with extensive experience in China has been engaged by Healios to advise on multiple aspects of the opportunity, and we agreed with Healios that it was appropriate to implement this extension to allow us sufficient time to work together to more precisely define regulatory, manufacturing and potential commercialization activities in China.

"We maintain a strong and close relationship with Healios, as evidenced by their good faith payment related to the China negotiation period, as well as our ongoing collaborative activities focused on treating stroke patients and those afflicted with acute respiratory distress syndrome ("ARDS") and other areas of unmet medical need where we are working together. We share a global vision of the potential for regenerative medicine technology and how it might be used to benefit patients in multiple therapeutic areas and create substantial value for our shareholders," concluded Dr. Van Bokkelen.

Athersys' collaboration with Healios was established in 2016 for the development of MultiStem cell therapy in Japan for the treatment of ischemic stroke, and Healios is conducting an ongoing registrational clinical trial referred to as TREASURE. In March 2018, Healios made a $21.1 million equity investment in Athersys, and in June 2018, the partnership was further expanded to include a license to additional therapeutic areas in exchange for a $20 million license fee, additional milestones and royalties. As part of the collaboration expansion, Healios obtained exclusive licenses for the development and commercialization in Japan of MultiStem therapy for the treatment of ARDS and for MultiStem cells used in combination with iPSC-derived cells for the treatment of certain organ dysfunction indications. Healios also received an exclusive global license to develop and commercialize MultiStem cells, either as a standalone therapy or in combination with retinal pigmented epithelial ("RPE") cells for certain ophthalmological indications, and an expansion of its license to use Athersys technology to support its organ bud programs to include certain other transplantation areas. As Healios announced in November 2018, it is planning to conduct an open-label clinical trial of MultiStem therapy to treat patients with pneumonia-induced ARDS.

About MultiStem

MultiStem 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 produced 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 safety profile demonstrated in clinical studies, 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 an international biotechnology company engaged in the development of therapeutic products 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, cardiovascular, and inflammatory and immune disease areas, 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. More information is available at www.athersys.com. Follow Athersys on Twitter at www.twitter.com/athersys.

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 therapeutics, including the uncertainty regarding market acceptance of our product candidates and our ability to generate revenues. 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 capital to fund our operations; the timing and nature of results from our MultiStem clinical trials, including the MASTERS-2 Phase 3 clinical trial and the Healios' TREASURE clinical trial in Japan; the possibility of delays in, adverse results of, and excessive costs of the development process; our ability to successfully initiate and complete clinical trials of our product candidates; the possibility of delays, work stoppages or interruptions in manufacturing by third parties to us, such as due to material supply constraints, contaminations, or regulatory issues, which could negatively impact our trials and the trials of our collaborators; uncertainty regarding market acceptance of our product candidates and our ability to generate revenues, including MultiStem cell therapy for the treatment of stroke, acute respiratory distress syndrome, acute myocardial infarction and trauma, and the prevention of graft-versus-host disease and other disease indications; changes in external market factors; changes in our industry's overall performance; changes in our business strategy; our ability to protect and defend our intellectual property and related business operations, including the successful prosecution of our patent applications and enforcement of our patent rights, and operate our business in an environment of rapid technology and intellectual property development; our possible inability to realize commercially valuable discoveries in our collaborations with pharmaceutical and other biotechnology companies; our ability to work with Healios to reach an agreement for an option in China; our ability to meet milestones and earn royalties under our collaboration agreements, including the success of our collaboration with Healios; our collaborators' ability to continue to fulfill their obligations under the terms of our collaboration agreements and generate sales related to our technologies; the success of our efforts to enter into new strategic partnerships and advance our programs, including, without limitation, in North America, Europe and Japan; 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.

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