Athersys Announces Expansion of Collaboration With Healios

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Healios receives rights to develop and commercialize additional indications and Athersys receives $20 million in license fees, plus potential milestones payments and royalties

Discussions extended for China and other rights

CLEVELAND, Ohio, June 07, 2018 (GLOBE NEWSWIRE) -- Athersys, Inc. (NASDAQ:ATHX) announced today that it has entered into an agreement with HEALIOS K.K. (“Healios”) to expand their collaboration into additional therapeutic areas. Under the terms of the agreements, Healios obtained exclusive licenses for the development and commercialization in Japan of MultiStem® therapy for the treatment of acute respiratory distress syndrome (“ARDS”) and of MultiStem cells used in combination with iPSC-derived cells for the treatment of certain organs. 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 other transplantation areas. In exchange, Athersys receives $20 million in license fees, comprising $10 million paid from an escrow account established with the letter of intent signed in March 2018 and four installments of $2.5 million each to be paid in this and the next three quarters.

As part of the agreement, Athersys may also receive up to approximately $360 million in aggregate development and commercialization milestones for the licensed programs, as well as tiered double-digit royalties on MultiStem therapies developed for ARDS, and single-digit royalties for other licensed products. Under the terms of the agreement, Healios will also receive a credit of $10 million to be used against certain future development milestones and a right of first negotiation to broaden the field and territory related to MultiStem cells used in combination with iPSC-derived cells.

Also as part of the agreement, Healios has been granted a right of first negotiation regarding an exclusive option for a license to develop and commercialize MultiStem therapy for certain indications in China, and the potential inclusion of an additional indication to the Japan license.

“We are excited about completing this collaboration expansion with Healios,” commented Dr. Gil Van Bokkelen, Chairman and CEO of Athersys. “It creates exciting opportunities in meaningful therapeutic areas where there is substantial unmet medical need and tangible value for both companies, building off of the work already conducted by Athersys in certain areas, including ARDS.”

In association with Healios’ recent equity investment and the expanded collaboration, Dr. Hardy Kagimoto, CEO of Healios, has been nominated for election to the Athersys Board of Directors at the next scheduled annual stockholders’ meeting on June 18, 2018.

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 human therapeutics, such as the uncertainty regarding regulatory approval and market acceptance of

our product candidates and our ability to generate revenues, including MultiStem for the treatment of ischemic stroke, acute myocardial infarction, spinal cord injury and acute respiratory distress syndrome and other disease indications, including graft-versus-host disease. 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 work with Healios to reach an agreement on an option for China; the success of our collaboration with Healios and others, including our ability to reach milestones and receive milestone payments, and whether any products are successfully developed and sold so that we earn royalty payments; 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 or collaborations and advance our programs; our ability to raise additional capital; results from our MultiStem clinical trials, including the MASTERS-2 Phase 3 clinical trial and the TREASURE 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 within the expected time frame or at all; 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 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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Contact:

William (B.J.) Lehmann
President and Chief Operating Officer
Tel: (216) 431-9900
bjlehmann@athersys.com

Karen Hunady
Corporate Communications & Investor Relations
Tel: (216) 431-9900
khunady@athersys.com

David Schull
Russo Partners, LLC
Tel: (212) 845-4271 or (858) 717-2310
David.schull@russopartnersllc.com