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Athersys Subsidiary and Leading Animal Health Company Enter Into Research and Option Agreement for Cell Therapy

CLEVELAND, Jan. 18, 2017 (GLOBE NEWSWIRE) -- Athersys, Inc. (NASDAQ:ATHX) announced today that through its Belgian subsidiary, ReGenesys BVBA (ReGenesys), it has entered into an agreement with a global leader in the animal health business segment to evaluate the cell therapy technology for application in a non-disclosed animal health area. Under the terms of the agreement, ReGenesys will receive an initial payment in exchange for an exclusive period to evaluate the cell therapy technology with an option to negotiate for a license for the development and commercialization of the technology for this area. Additional details were not disclosed.

Athersys and ReGenesys have demonstrated that Athersys' stem cell technology, MultiStem[®], can 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. The cell therapy can be used "off-the-shelf," manufactured in a scalable manner and stored in frozen form. Based upon its efficacy profile, its novel mechanisms of action, and a favorable and consistent safety profile demonstrated in both animal models and human clinical settings, MultiStem therapy could provide meaningful benefits to animal patients, including those suffering from serious conditions with unmet medical need.

"In addition to our clinical and other programs, we believe our stem cell technology has potential to advance treatment in the animal health area based on our research to date and work performed at ReGenesys," stated Dr. Gil Van Bokkelen, Chairman and Chief Executive Officer of Athersys. "While development of our clinical programs for human health indications remains our priority, we welcome this opportunity to work with a leader in this field to further evaluate the potential of our technology in this important and growing area."

According to Future Market Insights (FMI) and other analysts the global animal healthcare market was estimated to be valued at approximately \$32 billion in 2015 and is expected to grow to more than \$43 billion by 2020, reflecting a CAGR of more than 5% during this period. The companion animal segment is a particularly fast growing area, projected to exceed more than \$15 billion by 2020.

ReGenesys was advised by Destum Partners in developing this collaborative opportunity.

About Athersys

Athersys is an international 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 cardiovascular, neurological, inflammatory and immune disease areas, and has several ongoing clinical trials evaluating this potential regenerative medicine product. Athersys 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. More information is available at www.athersys.com.

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, such as 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: the establishment of a license agreement with an animal healthcare company, 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 under any such license agreement; 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; the possibility of delays in, adverse results of, and excessive costs of the development process; changes in external market factors; changes in our industry's overall performance; 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 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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