



CESCA THERAPEUTICS ANNOUNCES ISSUANCE OF NEW CELLULAR PROCESSING PATENT POISED TO REVOLUTIONIZE CAR-T CELL MANUFACTURING

Next-generation automated technology isolates and harvests rare cell types with superior purity, recovery, and viability, and is well suited to the high production demands of immunotherapy drugs

RANCHO CORDOVA, CA, July 28, 2017 – Cesca Therapeutics Inc. (NASDAQ: KOOL), a market leader in automated cell processing, today announced that the U.S. Patent and Trademark Office has awarded a new U.S. Patent, No. 9,695,394 (the '394 patent'), entitled "Cell Separation Devices, Systems, and Methods." The patent was awarded to SynGen, Inc., whose cell processing assets were acquired by ThermoGenesis Corp., Cesca's 80%-owned device subsidiary, on July 10, 2017. The patent relates to the automated isolation of rare, therapeutically critical target cells from blood, bone marrow, leukapheresis product, and other cell sources, while maintaining the viability of the cells under aseptic conditions. This advanced technology is part of Cesca's proprietary CAR-TXpress™ platform that now integrates multi-component automation steps, including T-cell isolation, purification, culture expansion and washing, and single cassette-based automated -196°C cryopreservation and retrieval. The CAR-TXpress™ system provides a comprehensive and commercially viable, automated cellular manufacturing and control (CMC) solution for the development of CAR-T and CAR-NK therapeutics.

"This new patent issuance significantly strengthens the intellectual property position surrounding our proprietary automation technology which is core to our best-in-class ThermoGenesis portfolio of cell processing systems," said Chris Xu, Cesca's chief executive officer. "Traditional cell processing methodologies, including those currently being implemented and used by leading CAR-T developers, are manual and time consuming, presenting significant challenges to the future large-scale commercial feasibility of these revolutionary therapies. In contrast, Cesca's patented, automated cell processing systems provide greater cell yields and higher consistency in a fraction of the time, making them ideally suited to meet industry needs. The ability to leverage our technology to commercialize the BACS process is a milestone achievement for our company."

Cesca's '394 patent covers a device and methodology for integrating automated cellular separation and buoyancy-activated cell sorting (BACS) processes. BACS employs microscopic bubbles to isolate a specific cell type from a complex mixture of cells, such as blood. These microbubbles bear antibodies on their surface, enabling them to bind specifically to a single desired target cell type. When coated with

microbubbles, the target cells float to the top of the host liquid, while non-target cells sink to the bottom - a process that can be accelerated by centrifugation. Subsequent collection of the floating target cell layer and release of the cells from their microbubbles provides a highly-purified preparation of just the cells of interest, with high recovery efficiency while retaining cell viability. Additionally, the '394 patent allows for the automated isolation of cells with low density surface antigens, which was previously a major cellular manufacturing challenge.

“Cesca’s unique CAR-TXpress™ cell processing solution begins with BACS-based cell isolation technology to provide the ultra-high levels of cell purity, recovery, and viability of target immune cells from donor blood that therapeutic cell manufacturers increasingly demand,” said Philip Coelho, chief technology officer of ThermoGenesis and co-inventor of the '394 patent. “Unlike conventional cell isolation technologies that work on narrow streams of slowly moving suspended cells, our BACS-enabling technology works in bulk volumes of cells, dramatically reducing processing time. With these advantages, we look forward to partnering with leading CAR-T developers as they strive to bring these groundbreaking therapies to patients suffering from cancer and other serious diseases.”

About Cesca Therapeutics Inc.

Cesca is a leading regenerative medicine company that develops, commercializes and markets a range of automated technologies for cell-based therapeutics. Its device division, ThermoGenesis, provides a full suite of solutions for automated clinical biobanking, point-of-care applications, and automation for immuno-oncology. Cesca is also leveraging its proprietary AutoXpress® technology platform to develop autologous stem cell-based therapies that address significant unmet needs in the vascular, cardiology and orthopedic markets.

Forward-Looking Statement

The statements contained herein may include statements of future expectations and other forward-looking statements that are based on management’s current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. A more complete description of risks that could cause actual events to differ from the outcomes predicted by Cesca Therapeutics' forward-looking statements is set forth under the caption "Risk Factors" in Cesca Therapeutics’ annual report on Form 10-K and other reports it files with the Securities and Exchange Commission from time to time, and you should consider each of those factors when evaluating the forward-looking statements.

Company Contact: Cesca Therapeutics Inc.

ir@cescatherapeutics.com

Investor Contact:

Rx Communications

Paula Schwartz

917-322-2216
pschwartz@rxir.com

###