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Cytori, Lorem to commercialize Cytori Cell Therapy

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Singapore: US-based Cytori Therapeutics and China-based Lorem Vascular have formed a partnership to commercialize Cytori Cell Therapy for the cardiovascular, renal and diabetes markets in China, Hong Kong, Malaysia, Singapore and Australia.

Under the terms of the agreement, Lorem Vascular is committed to pay up to $531 million in license fees, opening product purchase commitments and Cytori equity purchases. Cytori Cell Therapy is derived from the company's Celution System, which enables access to a patient's own adipose-derived regenerative cells (ADRCs) at the point-of-care.

Lorem Vascular will pay up to $500 million in fees for a 30-year exclusive license to Cytori Cell Therapy for all indications, excepting alopecia and aesthetics, in the licensed territories in the form of revenue milestones. In addition, Lorem Vascular agrees to purchase the Cytori Celution System and consumables under a product supply agreement. Cytori will receive $24 million in exchange for 8 million shares of Cytori common stock at $3 per share.

"Cytori Cell Therapy will transform the way healthcare addresses the most costly and insidious diseases impacting healthcare today and well into the future," said Mr KT Lim. "This therapy represents a front-line treatment modality that will serve as the centerpiece of our cardiovascular, renal and diabetes commercial activities across the region. Lorem Vascular will initiate an immediate launch in Hong Kong, Singapore and Australia. A subsequent launch in China and Malaysia is planned in 2014, pending regulatory approvals."

"Through this agreement with Lorem Vascular, we have secured a committed partner to bring Cytori Cell Therapy to patients in countries where we have recently received, or are in the process of achieving, regulatory approval," said Mr Christopher J Calhoun, CEO, Cytori.

He added, "With the Celution System now approved and available in more than 40 countries, we are uniquely positioned to expand our cell therapy brand by being first-to-market with cell therapy products in new geographies around the world. Lorem Vascular brings to Cytori the required resources, market knowledge, dedication and focus to commercialize this innovative

treatment and pioneer the introduction of cell therapy products for patients with the most serious conditions."

"Expanding in emerging markets throughout the world is critical to our mission and growth and partnerships such as this are a key driver of our approach," said Mr David Oxley, VP, emerging markets, Cytori.

"China is one of the three largest and highest value medical markets in the world. A market penetration of less than five percent of the cardiovascular market alone represents millions of patients treated in the next thirty years, a multiple of billions in cost savings to the People's Republic of China, and a transformation in the quality and standard of care. The announcement with Lorem Vascular marks the beginning of an important partnership in transforming healthcare and will create long-term shareholder value."