



CESCA RECEIVES NOTICE OF ALLOWANCE FOR U.S. PATENT APPLICATION COVERING A NOVEL METHOD OF CELL SEPARATION

RANCHO CORDOVA, CA, October 3, 2017 – Cesca Therapeutics Inc. (NASDAQ: KOOL), a market leader in automated cell processing and point-of-care, autologous cell-based therapies, today announced that the U.S. Patent and Trademark Office (USPTO) has issued a Notice of Allowance regarding the company's pending application for a patent covering its proprietary method for separating 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 cell separation technology, known as Buoyancy-Activated Cell Separation, or BACS, is key to the ongoing development of Cesca's CAR-TXpress™ platform.

When issued, this will be Cesca's second patent in a series relating to its X-BACS technology. On July 28, 2017, Cesca announced that SynGen, Inc., which the company acquired on July 10, 2017, had been awarded a U.S. patent (No. 9,695,394, or the '394 patent) covering the X-BACS apparatus. The '394 patent also allows for the automated isolation of cells with low density surface antigens, which was previously a major cellular manufacturing challenge.

"This Notice of Allowance further strengthens our intellectual property position as we advance development of our novel CAR-TXpress™ solution for the automated manufacture of CAR-T cells," said Chris Xu, Cesca's chief executive officer. "CAR-T represents the future of cancer treatment, yet we believe speed, cost and consistency will likely emerge as significant industry challenges. With the X-BACS technology embedded in CAR-TXpress, manufacturers will be able to improve the yield and consistency of CAR-T cells in less time and at a lower cost. We look forward to partnering with some of the most innovative biopharmaceutical companies in the field to enhance the commercial viability of these ground-breaking treatments."

"We are pleased that the USPTO continues to recognize the unique attributes of the X-BACS technology," said Philip Coelho, chief technology officer of ThermoGenesis and co-inventor of the allowed patent. "In clinical trials, CAR-T immunotherapies continue to show unprecedented results where currently available treatments have failed, but the delivery of CAR-T represents a significant departure from legacy biopharmaceutical business models. We are eager to leverage X-BACS to make these expensive and time-consuming treatments more broadly available to patients in need."

The X-BACS technology 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.

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.

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