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Mustang Bio Completes a \$75 Million Debt Financing with Runway Growth Capital

WORCESTER, Mass., March 08, 2022 (GLOBE NEWSWIRE) -- Mustang Bio, Inc. ("Mustang") (NASDAQ: MBIO), a clinical-stage biopharmaceutical company focused on translating today's medical breakthroughs in cell and gene therapies into potential cures for hematologic cancers, solid tumors and rare genetic diseases, today announced completion of a \$75 million long-term debt facility with Runway Growth Capital LLC ("Runway"), a leading provider of growth loans to both venture and non-venture backed companies seeking an alternative to raising equity.

"This financing provides us with enhanced financial flexibility as we continue to develop our gene and cell therapies in our fully integrated cell processing facility in Worcester, Mass. that has capacity to launch at commercial scale. We expect to initiate two Mustang-sponsored multicenter pivotal clinical trials and one Mustang-sponsored multicenter Phase 1/2 clinical trial in 2022. Additionally, we anticipate multiple investigator-IND gene and CAR T cell therapy interim data readouts across our pipeline this year," said Manuel Litchman, M.D., President and Chief Executive Officer of Mustang. "Partnering with Runway, a prominent provider of growth loans with an extensive history of supporting innovative life science companies, bolsters our cash position and supports Mustang's growth trajectory while furthering our mission of bringing potentially life-saving treatments to patients in need."

Igor DaCruz, Managing Director, Life Sciences at Runway, said, "We are pleased to partner with Mustang by providing capital to potentially help expedite the development of Mustang's robust pipeline of cell and gene therapies targeting cancers and rare diseases."

Thirty million of the \$75 million loan was funded upon closing. The additional \$45 million available under the facility may be funded upon Mustang's achieving certain predetermined milestones. The loan will be repaid in 60 monthly payments consisting of 24 monthly payments of interest only, followed by 36 monthly payments of principal and accrued interest, and will be payable monthly in arrears, with all repayments ending on the same date as the initial tranche. The interest-only period may be extended to 36 months contingent upon Mustang's achieving certain milestones. In connection with the debt financing, Mustang issued Runway warrants to purchase up to 748,036 of its common shares at an exercise price of \$0.8021 per share. Proceeds from the facility will be used to support the ongoing clinical development of key investigational product candidates within Mustang's pipeline and for general working capital purposes.

Cantor Fitzgerald served as sole placement agent to Mustang in conjunction with this

transaction.

About Mustang Bio

Mustang Bio, Inc. is a clinical-stage biopharmaceutical company focused on translating today's medical breakthroughs in cell and gene therapies into potential cures for hematologic cancers, solid tumors and rare genetic diseases. Mustang aims to acquire rights to these technologies by licensing or otherwise acquiring an ownership interest, to fund research and development, and to outlicense or bring the technologies to market. Mustang has partnered with top medical institutions to advance the development of CAR T therapies across multiple cancers, as well as lentiviral gene therapies for severe combined immunodeficiency. Mustang is registered under the Securities Exchange Act of 1934, as amended, and files periodic reports with the U.S. Securities and Exchange Commission ("SEC"). Mustang was founded by Fortress Biotech, Inc. (NASDAQ: FBIO). For more information, visit www.mustangbio.com.

About Runway Growth Capital LLC

Runway Growth Capital LLC is the investment advisor to investment funds, including Runway Growth Finance Corp. (NASDAQ: RWAY), a business development company, and other private funds, which are lenders of growth capital to companies seeking an alternative to raising equity. Led by industry veteran David Spreng, these funds provide senior term loans of \$10 million to \$75 million to fast-growing companies based in the United States and Canada. For more information on Runway Growth Capital LLC and its platform, please visit our website at www.runwaygrowth.com.

Forward-Looking Statements

This press release may contain "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, each as amended. Such statements include, but are not limited to, any statements relating to our growth strategy and product development programs and any other statements that are not historical facts. Forward-looking statements are based on management's current expectations and are subject to risks and uncertainties that could negatively affect our business, operating results, financial condition and stock value. Factors that could cause actual results to differ materially from those currently anticipated include: risks relating to our growth strategy; our ability to obtain, perform under, and maintain financing and strategic agreements and relationships; risks relating to the results of research and development activities; risks relating to the timing of starting and completing clinical trials; uncertainties relating to preclinical and clinical testing; our dependence on third-party suppliers; our ability to attract, integrate and retain key personnel; the early stage of products under development; our need for substantial additional funds; government regulation; patent and intellectual property matters; competition; as well as other risks described in our SEC filings. We expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in our expectations or any changes in events, conditions or circumstances on which any such statement is based, except as required by law, and we claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995.

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