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Mustang Bio Announces \$20 Million Venture Debt Financing Agreement with Horizon Technology Finance

NEW YORK, April 01, 2019 (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 that it has entered into a \$20 million debt financing agreement with Horizon Technology Finance Corporation (NASDAQ: HRZN) ("Horizon"), a leading specialty finance company that provides capital in the form of secured loans to venture capital-backed companies in the technology, life science, healthcare information and services and cleantech industries.

Fifteen million of the \$20 million loan was funded upon closing. The remaining \$5 million may be funded upon Mustang achieving certain predetermined milestones. Each advance of the loan will be repaid in 42 monthly payments consisting of 18 monthly payments of interest only, followed by 24 monthly payments of principal and accrued interest, and will be payable monthly in arrears. The interest-only period may be extended to 24 months contingent upon Mustang achieving certain milestones. In connection with the debt financing, Mustang issued Horizon warrants to purchase up to 288,184 of its common shares at an exercise price of \$3.47 per share.

"This financing provides Mustang with additional working capital to continue to develop our gene and cell therapies in our cell processing facility in Worcester, Mass., with the goal of bringing potentially life-saving treatments to patients in need," said Manuel Litchman, M.D., President and Chief Executive Officer of Mustang. "We are pleased to partner with Horizon, a leading specialty finance company that has an extensive history of supporting innovative life science companies."

Gerald A. Michaud, President of Horizon, stated, "We are delighted to provide this significant loan for Mustang Bio, an exciting company with promising treatments for cancer and rare genetic diseases. With Mustang Bio's pipeline of cell and gene therapies, the company is poised for success as it works to commercialize its product pipeline."

Torrey Partners served as financial advisor to Mustang in conjunction with this transaction.

About Mustang Bio

Mustang Bio, Inc. ("Mustang") 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 and CRISPR/Cas9-enhanced CAR T therapies across multiple cancers, as well as a lentiviral gene therapy for XSCID. Mustang is registered under the Securities Exchange Act of 1934, as amended, and files periodic reports with the U.S. Securities and Exchange Commission. Mustang was founded by Fortress Biotech, Inc. (NASDAQ: FBIO). For more information, visit www.mustangbio.com.

About Horizon Technology Finance

Horizon Technology Finance Corporation (NASDAQ: HRZN) is a leading specialty finance company that provides capital in the form of secured loans to venture capital backed companies in the technology, life science, healthcare information and services, and cleantech industries. The investment objective of Horizon is to maximize its investment portfolio's return by generating current income from the debt investments it makes and capital appreciation from the warrants it receives when making such debt investments. Headquartered in Farmington, Connecticut, Horizon also has regional offices in Pleasanton, California, Reston, Virginia and Boston, Massachusetts. To learn more, please visit www.horizontechfinance.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.

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