



Mustang Bio Announces \$9.28 Million Grant to Fund Phase 1 Trial of CAR T Therapy MB-103 in HER2-Positive Breast Cancer with Brain Metastases

City of Hope awarded California Institute for Regenerative Medicine grant to support ongoing Phase 1 clinical trial

New York, NY – August 13, 2019 – 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 City of Hope has received a \$9.28 million grant from the California Institute for Regenerative Medicine (CIRM) to fund an ongoing Phase 1 clinical trial of MB-103 (HER2-specific CAR T cells) for the treatment of HER2-positive breast cancer with brain metastases. City of Hope patents covering the HER2 CAR were licensed to Mustang Bio in 2017.

The City of Hope research team led by Saul Priceman, Ph.D., assistant professor in the Department of Hematology & Hematopoietic Cell Transplantation, along with the clinical lead Jana Portnow, M.D., Associate Clinical Professor in the Department of Medical Oncology & Therapeutics Research, will use the funds to support the Phase 1 trial. The trial is expected to enroll 21 patients at City of Hope. The trial’s primary objective is to determine the safety and recommended Phase 2 dosing of intraventricular delivery of HER2-specific CAR T cells. Secondary objectives include assessing cerebrospinal fluid (CSF) and peripheral blood for HER2-CAR T cell persistence and endogenous immune system activation, describing changes in cytokine levels in the CSF and peripheral blood and describing changes in circulating tumor cells in the CSF.

According to the American Cancer Society, about 1 in 5 patients with breast cancer have HER2-positive cancer cells. Nearly half of patients with HER2-positive breast cancer ultimately develop brain metastases.

Manuel Litchman, M.D., President and Chief Executive Officer of Mustang, said, “We congratulate City of Hope on receipt of this prestigious grant to fund the Phase 1 MB-103 trial. When infused into the ventricular system through the brain, MB-103 has the potential to target and destroy HER2-expressing tumors that metastasized from breast cancer. We look forward to continuing to work with the City of Hope team to advance this program and bring hope to patients with breast-cancer-related brain metastases, who have very few treatment options available.”

Additional information on the Phase 1 trial can be found on www.ClinicalTrials.gov using identifier [NCT03696030](https://clinicaltrials.gov/ct2/show/study/NCT03696030).

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.

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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