



Mustang Bio Announces \$12.8 Million Grant to Fund Phase 1 Trial of CAR T Therapy MB-101 in Malignant Glioma

Mustang research partner City of Hope awarded California Institute for Regenerative Medicine grant to support ongoing Phase 1 study

New York, NY – October 11, 2017 – Mustang Bio, Inc. (“Mustang”) (NASDAQ: MBIO), a Fortress Biotech, Inc. (NASDAQ: FBIO) company focused on the development of novel immunotherapies based on proprietary chimeric antigen receptor engineered T cell (CAR T) technology, today announced that research and development partner City of Hope has received a \$12.8 million grant from the California Institute for Regenerative Medicine (CIRM) to fund an ongoing Phase 1 study of Mustang’s MB-101 (IL13R α 2-specific CAR T cells) for the treatment of patients with recurrent and refractory malignant glioma, including glioblastoma.

The City of Hope research team led by Christine Brown, Ph.D., Heritage Provider Network Professor in Immunotherapy and Associate Director of the T Cell Therapeutics Research Laboratory, and a clinical team headed by Behnam Badie, M.D., Chief of Neurosurgery, will use the funds to support two expanded arms of the Phase 1 trial. The Stratum III arm will evaluate the intracerebroventricular (ICV) administration of MB-101 CAR T cells infused into the cerebrospinal fluid, and the Stratum IV arm will assess the intracavitary and ICV administration of MB-101 CAR T cells at the tumor site and into the cerebrospinal fluid.

Manuel Litchman, M.D., President and Chief Executive Officer of Mustang, said, “MB-101 has demonstrated compelling therapeutic potential when infused into the ventricular system, specifically delivering an unprecedented complete response in a glioblastoma patient, which was published in December 2016 in *The New England Journal of Medicine*. This grant will enable the expansion of the Phase 1 trial to continue to explore the most effective delivery methods of MB-101. We would like to congratulate our research and development partners at City of Hope on this prestigious achievement, and look forward to continuing to work with the City of Hope team to advance MB-101, as well as our four other partnered CAR T programs, to patients with a variety of hematologic malignancies and solid tumors.”

Additional information on the Phase 1 study can be found on www.ClinicalTrials.gov using identifier [NCT02208362](https://clinicaltrials.gov/ct2/show/study/NCT02208362).

About Mustang Bio

Mustang Bio, Inc., a subsidiary of Fortress Biotech, Inc., is a clinical-stage biopharmaceutical company focused on the development and commercialization of novel cancer immunotherapy products designed to leverage the patient’s own immune system to eliminate cancer cells. Mustang aims to acquire rights to these technologies by licensing or otherwise acquiring an ownership interest, funding research and development, and outlicensing or bringing the technologies to market. Mustang has partnered with the

City of Hope National Medical Center (“COH”) and the Fred Hutchinson Cancer Research Center in the development of proprietary chimeric antigen receptor (CAR) engineered T cell (CAR T) therapies across many cancers. Mustang’s lead programs are in Phase 1 clinical trials at COH: MB-101 for the treatment of brain cancer and MB-102 as a therapeutic agent in acute myeloid leukemia. Mustang is registered under the Securities Exchange Act of 1934, as amended, and files periodic reports with the U.S. Securities and Exchange Commission. For more information, visit www.mustangbio.com.

About Fortress Biotech

Fortress Biotech, Inc. (“Fortress”) is a biopharmaceutical company dedicated to acquiring, developing and commercializing novel pharmaceutical and biotechnology products. Fortress develops and commercializes products both within Fortress and through certain of its subsidiary companies, also known as Fortress Companies. In addition to its internal development programs, Fortress leverages its biopharmaceutical business expertise and drug development capabilities and provides funding and management services to help the Fortress Companies achieve their goals. Fortress and the Fortress Companies may seek licensing arrangements, acquisitions, partnerships, joint ventures and/or public and private financings to accelerate and provide additional funding to support their research and development programs. For more information, visit www.fortressbiotech.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; 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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