



Cellular Biomedicine Group Reports Q1 2020 Financial Results and Business Highlights

NEW YORK, NY and SHANGHAI, China, May 06, 2020 – Cellular Biomedicine Group Inc. (NASDAQ: CBMG) (“CBMG” or the “Company”), a biopharmaceutical firm engaged in the drug development of immunotherapies for cancer and stem cell therapies for degenerative diseases, today reported business highlights and financial results for the first quarter of 2020.

“We currently have six clinical assets in development. In Q1, China’s National Medical Products Administration (NMPA) accepted our Investigational New Drug (IND) application for B-cell maturation antigen (BCMA) Chimeric antigen receptor (CAR) T-cell therapy for multiple myeloma (MM). Although early in the study, we are guardedly optimistic about the preliminary data of the 19 infused patients with only one patient being observed to have grade 3 cytokine release syndrome (CRS). We are excited to continue the development of this program and believe that our competitive advantages may be partially attributable to our proprietary manufacturing process with reduced vein-to-vein times. We are also conducting an Investigator-Initiated Trial (IIT) on our anti-CD19/CD20 BiCAR-T in non-Hodgkin’s Lymphoma (NHL) in China and are seeing promising early data,” said Tony (Bizuo) Liu, the Company’s Chief Executive Officer.

Mr. Liu added, “Together with our new Rockville, Maryland facility coming online in the latter part of the year, which will support the early phases of our U.S. clinical trials, and observation of the promising data in our China study, we are taking small steps to explore feasibility of a U.S. clinical trial for anti-CD19 /CD20 Bi-CAR-T for non-Hodgkin's lymphoma (NHL) as well as the tumor infiltrating lymphocytes (TIL) clinical trial for Non-Small-Cell Lung Cancer (NSCLC).

“Regarding our regenerative medicine program, with the COVID-19 outbreak tapering off in China, we have resumed patients’ enrollment for our knee osteoarthritis (KOA) Phase II allogenic (off the shelf AlloJoin®) stem-cell clinical trial and are in the process of preparing for the Phase II autologous (ReJoin®) trial as well.

“We are continuing to execute our vision to build a global platform of cutting-edge process development and incisive translational medicine, delivering innovative cell therapies to patients via personalized bespoke manufacturing processes. These transformative capabilities can bring not only fast vein-to-vein delivery but also safe and effective drugs to patients suffering with cancer and degenerative diseases. And amid the COVID-19 pandemic, we are pleased to have secured facilities to bolster our balance sheet to fund our clinical development.”

First Quarter 2020 and Other Recent Corporate Developments

- Anti-BCMA CAR-T for Relapsed or Refractory Multiple Myeloma
 - o National Medical Products Administration of China (NMPA) accepted our IND application for Phase I clinical trial;



- 19 patients have been infused under investigator-initiated studies; 17 patients have evaluable data for clinical efficacy with only one grade 3 CRS observed;
- Anti-CD19/CD20 Bi-Specific CAR-T for Non-Hodgkin's Lymphoma
 - 4 patients have been infused under investigator-initiated studies; 3 patients have evaluable data for clinical efficacy;
- On April 30, 2020, we received approval for CNY 30 million line of credit (approximately USD \$4.2 million).

First Quarter 2020 Financial Results

- Cash Position: Cash, cash equivalents and restricted cash of March 31, 2020 were \$21.6 million, compared to \$15.4 million as of December 31, 2019;
- Research & Development Expenses: R&D expenses were \$7.8 million for the first quarter of 2020, compared to \$6.0 million for the first quarter of 2019;
- General & Administrative Expenses: G&A expenses were \$3.4 million for the first quarter of 2020, compared to \$3.4 million for the first quarter of 2019;
- Net loss was \$11.5 million for the first quarter of 2020, compared to \$9.3 million for the first quarter of 2019;
- Executed a bridge loan of \$16 million.

About Cellular Biomedicine Group, Inc.

Cellular Biomedicine Group, Inc. (NASDAQ: CBMG) develops proprietary cell therapies for the treatment of cancer and degenerative diseases. The company conducts immuno-oncology and stem cell clinical trials in China using products from its integrated GMP laboratory. The Company's GMP facilities in China, consisting of twelve independent cell production lines, are designed and managed according to both China and U.S. GMP standards. Its Shanghai facility includes a "Joint Laboratory of Cell Therapy" with GE Healthcare and a "Joint Cell Therapy Technology Innovation and Application Center" with Thermo Fisher Scientific. These partnerships focus on improving manufacturing processes for cell therapies. CBMG currently has ongoing CAR-T Phase I clinical trials in China. The China NMPA (formerly CFDA) approved the Company's IND application for a Phase II trial for AlloJoin®, CBMG's "Off-the-Shelf" allogenic haMPC therapy for the treatment of Knee Osteoarthritis (KOA), and has accepted the Company's IND application for a Phase II trial for ReJoin® autologous haMPC therapy for the treatment of KOA. The NMPA has also accepted CBMG's dossier for an IND application for clinical trials of anti-BCMA CAR-T. CBMG is included in the broad-market Russell 3000® Index the small-cap Russell 2000® Index and the Loncar China BioPharma index. To learn more about CBMG, please visit www.cellbiomedgroup.com.

Forward-Looking Statements

Statements in this press release relating to plans, strategies, trends, specific activities or investments, and other statements that are not descriptions of historical facts and may be forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking information is inherently subject to risks and uncertainties, and actual results could differ materially from those currently anticipated due to a number of factors, which include any risks detailed



from time to time in CBMG’s reports filed with the Securities and Exchange Commission, Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, and Current Reports on Form 8-K, including risks relating to the impact of the COVID-19 pandemic on our operations. Generally, the words “believes,” “anticipates,” “may,” “will,” “should,” “could,” “expect,” “plans,” “intend,” “estimate,” “projects,” “presents,” “potential,” “continue” and similar expressions or the negative thereof or comparable terminology are intended to identify forward-looking statements. These statements reflect our current views with respect to future events or to our future financial performance and involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Given these uncertainties, you should not place undue reliance on these forward-looking statements.

CELLULAR BIOMEDICINE GROUP, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

| | March 31, 2020 | December 31, 2019 |
|---|-------------------|----------------------|
| Assets | | |
| Cash and cash equivalents | \$ 21,597,360 | \$ 15,443,649 |
| Restricted cash | - | 17,000,000 |
| Other receivables | 253,749 | 750,943 |
| Prepaid expenses | 1,707,265 | 835,048 |
| Total current assets | 23,558,374 | 34,029,640 |
| Investments | - | 240,000 |
| Property, plant and equipment, net | 21,338,143 | 21,434,414 |
| Right of use | 19,280,349 | 20,106,163 |
| Goodwill | 7,678,789 | 7,678,789 |
| Intangibles, net | 7,035,420 | 7,376,940 |
| Long-term prepaid expenses and other assets | 6,997,391 | 6,458,354 |
| Total assets | \$ 85,888,466 | \$ 97,324,300 |
| Liabilities and Stockholders' Equity | | |
| Liabilities: | | |
| Short-term debt | \$ 14,000,000 | \$ 14,334,398 |
| Accounts payable | 1,620,314 | 2,039,686 |
| Accrued expenses | 2,372,410 | 1,904,829 |
| Taxes payable | 30,420 | 26,245 |
| Other current liabilities | 5,509,393 | 5,367,708 |
| Total current liabilities | 23,532,537 | 23,672,866 |
| Other non-current liabilities | 17,204,688 | 17,933,743 |
| Total liabilities | 40,737,225 | 41,606,609 |



Stockholders' equity:

| | | |
|--|----------------------|----------------------|
| Preferred stock, par value \$.001, 50,000,000 shares authorized; none issued and outstanding as of March 31, 2020 and December 31, 2019, respectively | - | - |
| Common stock, par value \$.001, 300,000,000 shares authorized; 20,427,185 and 20,359,889 issued; and 19,371,686 and 19,304,390 outstanding, as of March 31, 2020 and December 31, 2019, respectively | 20,427 | 20,360 |
| Treasury stock at cost; 1,055,499 shares of common stock as of March 31, 2020 and December 31, 2019, respectively | (14,992,694) | (14,992,694) |
| Additional paid in capital | 273,535,311 | 272,117,518 |
| Accumulated deficit | (211,514,040) | (199,966,543) |
| Accumulated other comprehensive loss | (1,897,763) | (1,460,950) |
| Total stockholders' equity | <u>45,151,241</u> | <u>55,717,691</u> |
| Total liabilities and stockholders' equity | <u>\$ 85,888,466</u> | <u>\$ 97,324,300</u> |

**CELLULAR BIOMEDICINE GROUP, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)**

| | For the Three Months Ended March 31, | |
|--|---|----------------|
| | <u>2020</u> | <u>2019</u> |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Net loss | \$ (11,547,497) | \$ (9,336,788) |
| Adjustments to reconcile net loss to net cash used in operating activities: | | |
| Depreciation and amortization | 1,593,078 | 1,329,699 |
| Loss on disposal of assets | - | (23) |
| Stock based compensation expense | 936,062 | 1,124,562 |
| Other than temporary impairment on investments | 240,000 | - |
| Changes in operating assets and liabilities: | | |
| Accounts receivable | - | 788 |
| Other receivables | 493,853 | (161,074) |



| | | |
|---|----------------------|----------------------|
| Prepaid expenses | (884,281) | (1,038,324) |
| Long-term prepaid expenses and other assets | (472,222) | (378,024) |
| Accounts payable | (744,090) | 426,027 |
| Accrued expenses | 486,538 | 12,704 |
| Other current liabilities | 599,822 | 155,980 |
| Taxes payable | 4,175 | - |
| Other non-current liabilities | <u>-</u> | <u>(71,221)</u> |
| Net cash used in operating activities | <u>(9,294,562)</u> | <u>(7,935,694)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Proceeds from disposal of assets | - | 359 |
| Purchases of intangibles | (51,687) | (619,165) |
| Purchases of property, plant and equipment | <u>(1,582,479)</u> | <u>(3,545,355)</u> |
| Net cash used in investing activities | <u>(1,634,166)</u> | <u>(4,164,161)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Net proceeds from the issuance of common stock | - | 16,038,504 |
| Proceeds from exercise of stock options | 481,798 | 109,261 |
| Proceeds from short-term debt | 14,000,000 | 6,131,723 |
| Repayment of short-term debt | (14,315,898) | - |
| Repurchase of treasury stock | <u>-</u> | <u>(1,039,028)</u> |
| Net cash provided by financing activities | <u>165,900</u> | <u>21,240,460</u> |
| EFFECT OF EXCHANGE RATE CHANGES ON CASH | (83,461) | 84,032 |
| INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH | (10,846,289) | 9,224,637 |
| CASH, CASH EQUIVALENTS AND RESTRICTED CASH, BEGINNING OF PERIOD | <u>32,443,649</u> | <u>52,812,880</u> |
| CASH, CASH EQUIVALENTS AND RESTRICTED CASH, END OF PERIOD | <u>\$ 21,597,360</u> | <u>\$ 62,037,517</u> |
| SUPPLEMENTAL CASH FLOW INFORMATION | | |
| Income tax refund | <u>\$ 3,200</u> | <u>\$ -</u> |
| Cash paid for income taxes | <u>\$ 800</u> | <u>\$ 2,400</u> |
| Interest expense paid | <u>\$ 99,271</u> | <u>\$ 30,506</u> |



| | | |
|--|---------------------------|---------------------------|
| Interest income from pledged bank deposits received, netting off withholding tax | <u>\$ 460,041</u> | <u>\$ -</u> |
| | March 31, 2020 | March 31, 2019 |
| Reconciliation of cash, cash equivalents and restricted cash in condensed consolidated statements of cash flows: | | |
| Restricted cash | \$ - | \$ 17,000,000 |
| Cash and cash equivalents | 21,597,360 | 45,037,517 |
| | <u>\$ 21,597,360</u> | <u>\$ 62,037,517</u> |

CELLULAR BIOMEDICINE GROUP, INC.
CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS AND COMPREHENSIVE LOSS
(UNAUDITED)

| | For the Three Months Ended March 31, | |
|------------------------------|---|--------------------|
| | <u>2020</u> | <u>2019</u> |
| Net sales and revenue | \$ - | \$ 49,265 |
| Operating expenses: | | |
| Cost of sales | - | 8,087 |
| General and administrative | 3,431,344 | 3,447,734 |
| Selling and marketing | - | 42,260 |
| Research and development | 7,759,358 | 5,968,096 |
| Impairment of investments | 240,000 | - |
| Total operating expenses | <u>11,430,702</u> | <u>9,466,177</u> |
| Operating loss | <u>(11,430,702)</u> | <u>(9,416,912)</u> |
| Other (expense) income | | |
| Interest income, net | 12,772 | 97,034 |
| Other expense, net | <u>(127,792)</u> | <u>(14,510)</u> |
| Total other (expense) income | <u>(115,020)</u> | <u>82,524</u> |
| Loss before taxes | (11,545,722) | (9,334,388) |
| Income taxes provision | (1,775) | (2,400) |



| | | |
|---|-------------------------------|------------------------------|
| Net loss | <u>\$ (11,547,497)</u> | <u>\$ (9,336,788)</u> |
| Other comprehensive income: | | |
| Cumulative translation adjustment | <u>(436,813)</u> | <u>396,126</u> |
| Total other comprehensive income: | <u>(436,813)</u> | <u>396,126</u> |
| Comprehensive loss | <u><u>\$ (11,984,310)</u></u> | <u><u>\$ (8,940,662)</u></u> |
| Net loss per share : | | |
| Basic and diluted | <u><u>\$ (0.60)</u></u> | <u><u>\$ (0.51)</u></u> |
| Weighted average common shares outstanding: | | |
| Basic and diluted | <u><u>19,340,982</u></u> | <u><u>18,152,429</u></u> |

Company/Investor Contact:

Derrick C. Li
 Head of Strategy and Investor Relations, CBMG
 Phone: 917-717-0994
 Email: derrick.li@cellbiomedgroup.com