

Caladrius Biosciences Closes the Sale of its Remaining Interest in PCT to Hitachi Chemical for \$75 Million

May 18, 2017



Conference Call scheduled for today at 5:00 p.m. Eastern time

BASKING RIDGE, N.J. (May 18, 2017) – Caladrius Biosciences, Inc. (NASDAQ:CLBS) ("Caladrius" or the "Company"), a clinical stage development company with a cell therapy pipeline focused on immune modulation and select cardiovascular indications, announces that Company has closed on the sale of its remaining 80.1% ownership interest in its PCT subsidiary to Hitachi Chemical Co. America, Ltd. ("Hitachi Chemical") for \$75 million in cash, subject to certain adjustments, including based on PCT's cash and outstanding indebtedness as of the Closing Date and a potential future milestone payment (the "Purchase Price").

Caladrius received \$5.0 million of the Purchase Price upon the signing of the Interest Purchase Agreement (the "Purchase Agreement") on March 16, 2017. The remainder of the Purchase Price was paid as follows:

- \$60.1 million was paid to Caladrius, taking into account the Purchase Price adjustments based on PCT's cash and outstanding indebtedness as of the Closing Date;
- \$5.0 million (the "Escrow Amount") was deposited into an escrow account to cover potential indemnification claims against the Company pursuant to the terms of the Purchase Agreement;
- \$4.9 million was used to pay off the remaining balance owed pursuant to the loan and security agreement, dated as of September 19, 2014, among Oxford Finance LLC, as collateral agent and lender, the Company and certain subsidiaries of the Company.

In addition, Hitachi will pay the Company \$5.0 million (the "Milestone Payment") if PCT achieves \$125 million in Cumulative Revenue (excluding clinical service reimbursables) (the "Milestone") for the period from January 1, 2017 through December 31, 2018 (the "Milestone Period"). For purposes of the Milestone, "Cumulative Revenue" will be calculated based on PCT's revenue from all customers (including the Company and its subsidiaries) in accordance with the financial accounting and reporting standards set forth in the statements and pronouncements of the Financial Accounting Standards Board, consistently applied. There can be no assurance that such Milestone Payment will be earned or received.

The Escrow Amount is expected to be released on June 17, 2018 (the "Escrow Release Date"), subject to indemnification claims, if any, that are paid prior to or that exist on the Escrow Release Date.

"We are delighted to close this transformative transaction for Caladrius and now turn our attention to moving forward with our clinical development plans," stated David J. Mazzo, PhD, President and Chief Executive Officer of Caladrius Biosciences. "We look forward to continuing to work with PCT, a Hitachi Group Company, as our partner and as the preferred provider for the manufacture of CLBS03, our lead product candidate currently in a Phase 2 clinical trial for the treatment of type 1 diabetes."

Conference Call

Caladrius' management will host a conference call on May 18, 2017 beginning at 5:00 p.m. Eastern Time to review 2017 first quarter financial results, provide a Company update and answer questions.

Stockholders and other interested parties may participate in the conference call by dialing 877-562-4460 (U.S.) or 513-438-4106 (international) and providing conference ID 20837689. The call will also be broadcast live on the Internet via the Company's website at www.caladrius.com/eyents.

The webcast will be archived on the Company's website for 90 days.

About Caladrius Biosciences

Caladrius Biosciences, Inc. is a clinical stage development company with cell therapy products in development based on multiple technology platforms and targeting autoimmune and select cardiology indications. The Company is investigating its lead product candidate, CLBS03, an ex vivo expanded polyclonal T regulatory cell therapy for the treatment of recent-onset type 1 diabetes in a currently enrolling Phase 2 trial. For more information on Caladrius please visit www.caladrius.com.

Forward Looking Statement

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements reflect management's current expectations, as of the date of this press release, and involve certain risks and uncertainties. All statements other than statements of historical fact contained in this press release are forward-looking statements. The Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of various factors. Factors that could cause future results to materially differ from the recent results or those projected in forward-looking statements include the "Risk Factors" described in the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission ("SEC") on March 17, 2017, and in the Company's other periodic filings with the SEC. The Company's further development is highly dependent on, among other things, future medical and research developments and market acceptance, which are outside of its control.



Source: Caladrius Biosciences, Inc.