Lineage Establishes New R&D Facility in U.S. and Expands Current GMP Manufacturing Facility in Israel

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Expansions Expected to Support Process Development and Production of Current and Future Cell Transplant Programs

CARLSBAD, Calif.--(BUSINESS WIRE)--Oct. 3, 2022-- Lineage Cell Therapeutics, Inc. (NYSE American and TASE: LCTX), a clinical-stage biotechnology company developing allogeneic cell therapies for unmet medical needs, announced today the opening of a new research and development (R&D) facility in Carlsbad, California, and the expansion of its Good Manufacturing Practice (GMP) manufacturing facility based in Jerusalem, Israel. Lineage's new Carlsbad facility will broaden the Company's R&D capabilities in the U.S. and support the development of current and future allogeneic cell transplant programs. The expansion of Lineage's Israel-based facility will increase the Company's infrastructure, including development and optimization of larger-scale clinical manufacturing processes, and continued execution under its ongoing collaboration with Roche and Genentech for RG6501 (OpRegen®), a retinal pigment epithelium cell replacement therapy which has completed enrollment in a Phase 1/2a clinical trial for the treatment of geographic atrophy (GA) secondary to age-related macular degeneration (AMD).

"We have elected to increase our R&D footprint at our existing GMP manufacturing facility and establish a new R&D facility in Carlsbad, California," stated Brian M. Culley, Lineage CEO. "These steps will permit us to expand our process development and analytical testing capabilities and conduct exploratory work on future programs, whether owned by us or our current or future partners. This move also is expected to reduce our reliance on certain vendors, which may reduce costs and risks of timeline uncertainty or supply chain disruption. The additional capacity also can help us become an even more capable partner in prospective alliances for new products and allow us to explore additional uses for our current cell transplant programs."

Mr. Culley added, "Challenges in the biotech sector are unlikely to persist indefinitely. We believe it is important to take steps, even in this environment, to be positioned for a future recovery. The modest investments we are making today, partially offset by the termination of the lease for our research facility in Alameda, California in January of next year, will help centralize our operations and put us in a position of greater readiness for future success."

About Lineage Cell Therapeutics, Inc.

Lineage Cell Therapeutics is a clinical-stage biotechnology company developing novel cell therapies for unmet medical needs. Lineage's programs are based on its robust proprietary cell-based therapy platform and associated in-house development and manufacturing capabilities. With this platform Lineage develops and manufactures specialized, terminally differentiated human cells from its pluripotent and progenitor cell starting materials. These differentiated cells are developed to either replace or support cells that are dysfunctional or absent due to degenerative disease or traumatic injury or administered as a means of helping the body mount an effective immune response to cancer. Lineage's clinical programs are in markets with billion dollar opportunities and include five allogeneic ("off-the-shelf") product candidates: (i) OpRegen, a retinal pigment epithelial cell therapy in development for the treatment of geographic atrophy secondary to age-related macular degeneration, is being developed under a worldwide collaboration with Roche and Genentech, a member of the Roche Group; (ii) OPC1, an oligodendrocyte progenitor cell therapy in Phase 1/2a development for the treatment of acute spinal cord injuries; (iii) VAC2, a dendritic cell therapy produced from Lineage's VAC technology platform for immuno-oncology and infectious disease, currently in Phase 1 clinical development for the treatment of non-small cell lung cancer; (iv) ANP1, an auditory neuronal progenitor cell therapy for the potential treatment of auditory neuropathy; and (v) PNC1, a photoreceptor neural cell therapy for the treatment of vision loss due to photoreceptor dysfunction or damage. For more information, please visit www.lineagecell.com or follow the company on Twitter @LineageCell.

Forward-Looking Statements

Lineage cautions you that all statements, other than statements of historical facts, contained in this press release, are forward-looking statements. Forward-looking statements, in some cases, can be identified by terms such as "believe," "aim," "may," "will," "estimate," "continue," "anticipate," "design," "intend," "expect," "could," "can," "plan," "potential," "predict," "seek," "should," "would," "contemplate," "project," "target," "tend to," or the negative version of these words and similar expressions. Such statements include, but are not limited to, statements relating to: the potential benefits of the new and expanded facilities to the Company and its operations, including the broadening of the Company's R&D capabilities, increasing development and optimization of larger-scale clinical manufacturing processes, the expansion of the Company's process development and analytical testing capabilities and ability to conduct exploratory work on future programs, the increase in the Company's manufacturing facilities, the decreased reliance on certain vendors, the reduction in costs and risks of timeline uncertainty and supply chain disruption, and the improvement in the Company's position of greater readiness for future success. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause Lineage's actual results, performance or achievements to be materially different from future results, performance or achievements expressed or implied by the forward-looking statements in this press release, including, but not limited to, the following risks: that potential benefits of the new and expanded facilities to the Company and its operations may not be realized as quickly as expected or at all; that we may need to allocate our cash to unexpected events and expenses causing us to use our cash more quickly than expected; that positive findings in early clinical and/or nonclinical studies of a product candidate may not be predictive of success in subsequent clinical and/or nonclinical studies of that candidate; that competing alternative therapies may adversely impact the commercial potential of OpRegen; that Roche and Genentech may not successfully advance OpRegen or be successful in completing further clinical trials for OpRegen and/or obtaining regulatory approval for OpRegen in any particular jurisdiction; that we may not establish new partnerships or expand existing collaborations; that we do not successfully broaden awareness of our mission or accomplishments; that Lineage may not be able to manufacture sufficient clinical quantities of its product candidates in accordance with current good manufacturing practice; and those risks and uncertainties inherent in Lineage's business and other risks discussed in Lineage's filings with the Securities and Exchange Commission (SEC). Lineage's forward-looking statements are based upon its current expectations

and involve assumptions that may never materialize or may prove to be incorrect. All forward-looking statements are expressly qualified in their entirety by these cautionary statements. Further information regarding these and other risks is included under the heading “Risk Factors” in Lineage’s periodic reports with the SEC, including Lineage’s most recent Annual Report on Form 10-K and Quarterly Report on Form 10-Q filed with the SEC and its other reports, which are available from the SEC’s website. You are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date on which they were made. Lineage undertakes no obligation to update such statements to reflect events that occur or circumstances that exist after the date on which they were made, except as required by law.

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