

PRESS RELEASE



Gracell Biotechnologies Announces Pricing of Initial Public Offering

SUZHOU and SHANGHAI, China, January 8, 2021 -- Gracell Biotechnologies Inc. (NASDAQ:GRCL) ("Gracell"), a global clinical-stage biopharmaceutical company dedicated to discovering and developing breakthrough cell therapies to address major industry challenges and fulfill unmet medical needs in the treatment of cancer, today announced the pricing of its initial public offering of 11,000,000 American Depositary Shares ("ADSs"), each representing five ordinary shares, at a public offering price of US\$19.00 per ADS. The gross proceeds to Gracell from the offering are expected to be US\$209.0 million, before deducting underwriting discounts and commissions and other offering expenses. In addition, Gracell has granted the underwriters a 30-day option to purchase up to an additional 1,650,000 ADSs at the initial public offering price, less underwriting discounts and commissions. All of the ordinary shares represented by ADSs are being offered by Gracell.

The ADSs have been approved for listing on The Nasdaq Global Market and are expected to begin trading on January 8, 2021 under the ticker symbol "GRCL". The offering is expected to close on January 12, 2021 subject to the satisfaction of customary closing conditions.

Citigroup, Jefferies, Piper Sandler & Co. and Wells Fargo Securities are acting as joint book-running managers for the offering.

The offering of the securities is made only by means of a prospectus forming a part of the effective registration statement. A copy of the prospectus relating to the offering may be obtained by contacting: Citigroup Global Markets Inc., c/o Broadridge Financial Solutions, 1155 Long Island Avenue, Edgewood, NY 11717, by telephone at (800) 831-9146 or by email at prospectus@citi.com; Jefferies LLC, Attention: Equity Syndicate Prospectus Department, 520 Madison Avenue, 2nd Floor, New York, NY 10022, by telephone at (877) 821-7388 or by email at prospectus_department@jefferies.com; Piper Sandler & Co., Attention: Prospectus Department, 800 Nicollet Mall, J12S03, Minneapolis, MN 55402, by telephone at (800) 747-3924 or by email at prospectus@psc.com; or Wells Fargo Securities, LLC, Attention: Equity Syndicate Department, 500 West 33rd Street, New York, NY 10001, by telephone at (800) 326-5897 or by email at cmclientsupport@wellsfargo.com.

Gracell's registration statement relating to the offering has been filed with, and declared effective by the U.S. Securities and Exchange Commission. This press release does not constitute an offer to sell or a solicitation of an offer to buy the securities described herein, nor shall there be any sale of these securities in any state or jurisdiction in which such an offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.

About Gracell

Gracell Biotechnologies Inc. ("Gracell") is a global clinical-stage biopharmaceutical company dedicated to discovering and developing breakthrough cell therapies. Leveraging its pioneering FasTCAR and TruUCAR technology platforms, Gracell is developing a rich clinical-stage pipeline of multiple autologous and allogeneic product candidates with the potential to overcome major industry challenges that persist with conventional CAR-T therapies, including lengthy manufacturing time, suboptimal production quality, high therapy cost and lack of effective CAR-T therapies for solid tumors.

Cautionary Noted Regarding Forward-Looking Statements

Statements in this press release about future expectations, plans and prospects, as well as any other statements regarding matters that are not historical facts, may constitute "forward-looking statements" within the meaning of The Private Securities Litigation Reform Act of 1995. These statements include, but are not limited to, statements relating to the expected trading commencement and closing date of the offering. The words "anticipate," "believe," "continue," "could," "estimate," "expect," "intend," "may," "plan," "potential," "predict," "project," "should," "target," "will," "would" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. Actual results may differ materially from those indicated by such forward-looking statements as a result of various important factors, including: the uncertainties related to market conditions and the completion of the public offering on the anticipated terms or at all, and other factors discussed in the "Risk Factors" section of the preliminary prospectus filed with the Securities and Exchange Commission. Any forward-looking statements contained in this press release speak only as of the date hereof, and Gracell specifically disclaims any obligation to update any forward-looking statement, whether as a result of new information, future events or otherwise. Readers should not rely upon the information on this page as current or accurate after its publication date.

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