March 23, 2022

Xenetic Biosciences, Inc. Reports Full Year 2021 Financial Results and Provides Business Update

- XCART™ continuing to advance toward IND-enabling studies

- PolyXen® platform technology growing royalty stream through license agreement

- Closed the year with $18.2 million of cash

FRAMINGHAM, MA / ACCESSWIRE / March 23, 2022 /Xenetic Biosciences, Inc. (NASDAQ:XBIO) ("Xenetic" or the "Company"), a biopharmaceutical company focused on advancing XCART™, a personalized CAR T platform technology engineered to target patient- and tumor-specific neoantigens, today reported its financial results for the full year 2021 and provided a corporate update.

"Over the course of the past year, our team has continued to advance the XCART program through pre-clinical studies, which are key to defining the best development pathway for this novel platform technology. Looking ahead, we remain focused on moving XCART toward IND-enabling studies. Though still early in its development, we believe XCART continues to demonstrate its potential as an important program due to its ability to target cancers with a patient- and tumor-specific approach," commented Jeffrey Eisenberg, Chief Executive Officer of Xenetic.

XCART Platform Technology Overview*: Significantly differentiated, proprietary approach to personalized CAR T lymphoma therapy targeting tumor-specific neoantigens that target independently of CD19 or other surface antigens that are common to both normal and malignant B-cells. Lead program for Non-Hodgkin lymphoma, an area of significant unmet need, with the potential to address an initial global market opportunity of over $7 billion annually.[1]*

Program Highlights:

- Advancing preclinical efforts through ongoing research and development collaborations including with The Scripps Research Institute and other institutions in the United States ("U.S.") covering design and implementation of the pre-clinical

development program, as well as activities supporting process development for clinical manufacturing.
- Bolstered intellectual property portfolio with issuance of a U.S. patent covering the co-administration of XCART-derived CAR T cells, together with a personalized vaccine designed to enhance the effectiveness of the CAR T therapy.

PolyXen Platform Technology: *Patent-protected platform technology designed for protein or peptide therapeutics, enabling next-generation biological drugs by prolonging a drug's circulating half-life and potentially improving other pharmacological properties.*

Program Highlight:

- Royalty payments of approximately $1.2 million were received in the year ended December 31, 2021, representing an approximate 166% increase over 2020 as Takeda's sublicensee has launched the relevant product in multiple global markets.

Summary of Financial Results for Fiscal Year 2021

Net loss for the year ended December 31, 2021, was approximately $5.6 million. Research and development expenses for the year ended December 31, 2021 increased to $3.2 million compared to $1.7 million for the year ended December 31, 2020, representing continued investment in our XCART technology. General and administrative expenses for the year ended December 31, 2021 were $3.7 million compared to $3.4 million in the same period in 2020. At December 31, 2021, the Company reported working capital of approximately $17.3 million compared to $11.4 million at December 31, 2020. During the year ended December 31, 2021, the Company's working capital increased by $5.9 million due to the $12.5 million private placement in July 2021 partially offset by the Company's net loss for the year ended December 31, 2021.

The Company ended the year with approximately $18.2 million of cash.

About Xenetic Biosciences

Xenetic Biosciences, Inc. is a biopharmaceutical company focused on progressing XCART™, a personalized CAR T platform technology engineered to target patient-specific tumor neoantigens. The Company is advancing cell-based therapeutics targeting the unique B-cell receptor on the surface of an individual patient's malignant tumor cells for the treatment of B-cell lymphomas. XCART™ has the potential to fuel a robust pipeline of therapeutic assets targeting high-value oncology indications.

Additionally, Xenetic is leveraging PolyXen®, its proprietary drug delivery platform, to partner with biotechnology and pharmaceutical companies. PolyXen® has demonstrated its ability to improve the half-life and other pharmacological properties of next-generation biologic drugs. The Company receives royalty payments under an exclusive license arrangement in the field of blood coagulation disorders.

For more information, please visit the Company's website atwww.xeneticbio.com and connect on Twitter, LinkedIn, and Facebook.

Forward-Looking Statements

This press release contains forward-looking statements that we intend to be subject to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. All statements contained in this press release other than statements of historical facts may constitute forward-looking statements within the meaning of the federal securities laws. These statements can be identified by words such as "expects," "plans," "projects," "will," "may," "anticipates," "believes," "should," "intends," "estimates," and other words of similar meaning, including, but not limited to, statements regarding: our plans to continue moving XCART toward IND-enabling studies; our confidence in the importance and potential of the XCART platform and its ability to target cancers with a patient- and tumor-specific approach; the matters set forth under the Program Highlights sections above; our plans to apply the XCART™ technology to advance cell-based therapeutics by targeting the unique B-cell receptor on the surface of an individual patient's malignant tumor cells for the treatment of B-cell lymphomas; our expectations that XCART™ has the potential to fuel a robust pipeline of therapeutic assets targeting high-value oncology indications; our belief that our significantly differentiated, proprietary approach to personalized CAR T lymphoma therapy for the treatment of multiple tumor types of B-cell Non-Hodgkin lymphoma, an area of significant unmet need, has the potential to address an initial global market opportunity of over $7 billion annually; our plans to leverage PolyXen® to partner with biotechnology and pharmaceutical companies; and our expectation regarding receipt of royalty payments under an exclusive license agreement. Any forward-looking statements contained herein are based on current expectations, and are subject to a number of risks and uncertainties. Many factors could cause our actual activities, performance, achievements, or results to differ materially from the activities and results anticipated in forward-looking statements. Important factors that could cause actual activities, performance, achievements, or results to differ materially from such plans, estimates or expectations include, among others, (1) failure to realize the anticipated potential of the XCART™ or PolyXen® technology; (2) the ability of the Company to implement its business strategy; and (3) other risk factors as detailed from time to time in the Company's reports filed with the SEC, including its annual report on Form 10-K, periodic quarterly reports on Form 10-Q, current reports on Form 8-K and other documents filed with the SEC. The foregoing list of important factors is not exclusive. In addition, forward-looking statements may also be adversely affected by general market factors, general economic and business conditions, including potential adverse effects of public health issues, such as the COVID-19 outbreak, and geopolitical events, such as the Russian invasion of Ukraine, on economic activity, competitive product development, product availability, federal and state regulations and legislation, the regulatory process for new product candidates and indications, manufacturing issues that may arise, patent positions and litigation, among other factors. The forward-looking statements contained in this press release speak only as of the date the statements were made, and the Company does not undertake any obligation to update forward-looking statements, except as required by law.

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[1] Triangle Insights: Company Commissioned Market Report

SOURCE: Xenetic Biosciences, Inc.

View source version on accesswire.com:
https://www.accesswire.com/694261/Xenetic-Biosciences-Inc-Reports-Full-Year-2021-Financial-Results-and-Provides-Business-Update