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Xenetic Biosciences, Inc.'s Major Strategic Shareholders Enter Into Long Term Lock-Up Agreements

LEXINGTON, Mass., Oct. 07, 2015 (GLOBE NEWSWIRE) -- **Xenetic Biosciences, Inc.** (OTCQB:XBIO) (the "Company"), a biopharmaceutical company focused on developing next-generation biologic drugs and novel oncology therapeutics, announces that several of its major shareholders including Baxalta Incorporated (NYSE:BXLT) (formerly Baxter Healthcare), SynBio LLC and Serum Institute of India Limited have entered into Lock-up Letter Agreements (the "Lock-up"). Under the Lock-up each of the shareholders has agreed to not sell any of its shares currently held before June 30, 2016 and then further to limit the sale of its shares in the Company for an additional six months (to December 2016) to a price of no less than $1.25 per share. The Lock-up covers more than 58% of the issued shares of the Company's common stock.

"The signing of these lock-up agreements, which cover such an extended period of time and include a minimum price floor no less than $1.25 after June 30, 2016, demonstrates both the confidence our largest shareholders have in the Company but also in the clinical pipeline and in the strategy of the management team," said M. Scott Maguire, Chief Executive Officer of Xenetic. "After adding in management's personal equity stakes, Xenetic has approximately 66% of its outstanding shares in some form of no-sale obligation. Going forward, these commitments will be important for facilitating the Company's move to a globally recognized stock exchange thereby creating a pathway to deliver the resources to drive our numerous candidates into clinical development."

About Xenetic Biosciences

Xenetic Biosciences, Inc. is a biopharmaceutical company developing next-generation biologic drugs and novel oncology therapeutics. Xenetic's proprietary drug technology platforms include PolyXen®, designed to develop next generation biologic drugs by extending the efficacy, safety and half-life of biologic drugs, and OncoHist™ for the development of novel oncology drugs focused on orphan indications.

Xenetic's lead product candidates include ErepoXen®, a polysialylated form of erythropoietin (EPO) for the treatment of anemia in pre-dialysis patients with chronic kidney disease, and OncoHist™, a novel recombinant human histone H1.3 molecule for the treatment of refractory Acute Myeloid Leukemia (AML) with potential to treat numerous other cancer indications. Xenetic is collaborating with Russian-based OJSC Pharmsynthez (who is an affiliate of a significant shareholder in Xenetic) and the Serum Institute of India to test additional drug candidates and to de-risk the development process with clinical data generated in Russia and India before Xenetic takes these candidates into the clinic in the Western markets.

Xenetic is also developing a broad pipeline of clinical candidates for next generation biologics and novel oncology therapeutics in a number of orphan disease indications. For more information, please visit the company's website at www.xeneticbio.com and connect on Twitter, LinkedIn, Facebook and Google+.

Xenetic is working together with Baxalta Incorporated (formerly Baxter Healthcare) to develop a novel series of polysialylated blood coagulation factors, including a next generation Factor VIII. This collaboration relies on the Xenetic's PolyXen® technology to conjugate PSA to therapeutic blood-clotting factors, with the goal of improving the pharmacokinetic profile and extending the active life of these biologic molecules. Baxalta is one of the Company's largest shareholders having invested in a number of rounds with the most recent investment of $10M last year. The agreement is an exclusive research, development and license agreement which grants Baxalta a worldwide, exclusive, royalty-bearing license to Xenetic's PSA patented and proprietary technology in combination with Baxalta's proprietary molecules designed for the treatment of blood and bleeding disorders. Under the agreement, Xenetic may receive regulatory and sales target payments for total potential milestone receipts of up to $100 million plus royalties on sales.

Forward-Looking Statements

This release contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, including but not limited to, the potential safety, tolerability and efficacy of our product candidates and the advancement of our clinical trials. Forward-looking statements can be identified by terminology such as "anticipate," "believe," "could," "could increase the likelihood," "estimate," "expect," "intend," "is planned," "may," "should," "will," "will enable," "would be expected," "designed to," "look forward," "may provide," "would" or similar terms, variations of such terms or the negative of those terms. Any forward-looking statements in this press release are based on management's current expectations of future events and are subject to a number of risks and uncertainties that could cause actual results to differ materially and adversely from those set forth in or implied by such forward-looking statements. These risks and uncertainties include, but are not limited to, the risk of cessation or delay of any of the ongoing or planned clinical trials and/or our development of our product candidates, the risk that the results of previously conducted studies involving similar product candidates will not be repeated or observed in ongoing or future studies involving current product candidates, the risk that our collaboration with Baxter will not continue or will not be successful, and the risk that any one or more of our product candidates will not be successfully developed and commercialized. For a discussion of other risks and uncertainties, and other important factors, any of which could cause our actual results to differ from those contained in the forward-looking statements, see the section entitled "Risk Factors" in our Annual Report on Form 10-K, as well as discussions of potential risks, uncertainties, and other important factors in our subsequent filings with the Securities and Exchange Commission. All information in this press release is as of the date of the release, and Xenetic undertakes no duty to update this information unless required by law.

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