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Xenetic Biosciences Announces the Closing of its \$10M Public Offering

LEXINGTON, Mass.--(BUSINESS WIRE)-- Xenetic Biosciences, Inc. (NASDAQ:XBIO) ("Xenetic" or the "Company"), a clinical-stage biopharmaceutical company focused on discovery, research and development of next-generation biologic drugs and novel orphan oncology therapeutics, today announced the closing of its public offering of an aggregate of 2,424,242 units, consisting of (i) 484,849 units, consisting of one share of Convertible Series B Preferred Stock and a Class A Warrant to purchase one share of common stock and (ii) 1,939,393 units consisting of one share of Convertible Series B Preferred Stock and a Class B Warrant to purchase one share of common stock, at a public offering price of \$4.125 per unit. OPKO Health, Inc. (Nasdaq:OPK) along with other healthcare institutional investors participated in the offering.

As previously announced, in connection with the closing of its public offering, the Company commenced trading of its common stock today on The Nasdaq Capital Market under the symbol "XBIO."

Ladenburg Thalmann & Co. Inc. acted as the sole book running manager for the offering.

The total gross proceeds of the public offering are approximately \$10 million before the underwriter's discount and expenses. The net proceeds from this offering will be used to fund the research and development of Xenetic's product candidates, including Virexxa, as well as future development programs, potential in licensing of products or technology, potential in licensing of products or technology, capital expenditures, working capital, repayment of existing indebtedness, and other general corporate purposes.

The shares and warrants described above were offered by Xenetic pursuant to a registration statement on Form S-1 previously filed with, and subsequently declared effective by the Securities and Exchange Commission ("SEC"). A final prospectus supplement relating to the offering was filed with the SEC and is available, along with the accompanying base prospectus, on the SEC's website at <http://www.sec.gov> or from Ladenburg Thalmann & Co. Inc., Prospectus Department, 570 Lexington Avenue, 11th Floor, New York, New York 10022, by calling (212) 409-2000.

This press release shall not constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of these securities in any state or jurisdiction in which such an offer, solicitation or sale is not permitted.

About Xenetic Biosciences

Xenetic Biosciences, Inc. is a clinical-stage biopharmaceutical company focused on discovery, research and development of 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.

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