SECURITIES & EXCHANGE COMMISSION EDGAR FILING

CLEVELAND BIOLABS INC

Form: 8-K

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): December 18, 2015

CLEVELAND BIOLABS, INC.

(Exact name of registrant as specified in its charter)

DELAWARE	001-32954	20-0077155
(State of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

73 High Street
Buffalo, New York 14203
(Address of principal executive offices and zip code)

Registrant's telephone number, including area code: (716) 849-6810

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 Entry into a Material Definitive Agreement.

Company Subscription Agreement

On December 18, 2015, Cleveland BioLabs, Inc. (the "**Company**") entered into a stock subscription agreement (the "**Subscription Agreement**") with an accredited investor, Open Joint Stock Company "Rusnano," a company organized under the laws of the Russian Federation ("**Rusnano**"), pursuant to which the Company agreed to issue and sell to Rusnano an aggregate of 256,215 shares of the Company's common stock, par value $0.005 per share (the "**Shares**"), for an aggregate purchase price equivalent to approximately $1,140,200, or $4.45 per share. In lieu of paying the aggregate purchase price in cash, Rusnano agreed to apply the value of the Shares to partially satisfy the obligations owed by Panacela Labs, Inc., a Delaware corporation and majority-owned joint venture of the Company ("**Panacela**"), to Rusnano under certain existing arrangements (the "**Panacela Loan**"). Prior to the date of the Subscription Agreement, Rusnano was, and remains, a significant stockholder of Panacela.

The Subscription Agreement also contains provisions providing that within 60 days of the closing of the sale of the Shares, the Company will file a registration statement under the Securities Act of 1933, as amended (the "**Securities Act**"), registering the resale of the Shares by Rusnano. The Company is further required to use its reasonable best efforts to keep the registration statement effective until the earlier of the date that all of the shares of Company common stock covered by the registration statement, including the Shares, are sold or the date that such shares can be sold publicly without any volume limitation under Rule 144 under the Securities Act. The Company will bear all expenses of such registration, other than any underwriting discounts, selling fees or commissions, in the case of an underwritten offering, or any stock transfer taxes. Each of the Company and Rusnano have agreed to indemnify the other under certain circumstances and each made certain customary representations and warranties to one another.

The Shares have not been registered under the Securities Act, and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements. The Company is relying on the private placement exemption from registration provided by Section 4(a)(2) of the Securities Act and by Rule 506 of Regulation D promulgated thereunder by the Securities and Exchange Commission (the "**SEC**"). The Company will file a Form D with the SEC in accordance with the requirements of Regulation D.

This description of the Subscription Agreement does not purport to be complete and is subject to and qualified in its entirety by reference to the full text of the Subscription Agreement, which is attached as Exhibit 10.1 to this Current Report on Form 8-K, and is incorporated herein by reference.

Panacela Subscription Agreements

Also on December 18, 2015, Panacela entered into a stock subscription agreement with each of Rusnano and the Company (each, a " **Panacela Subscription Agreement**," and together, the "**Panacela Subscription Agreements**") pursuant to which Panacela agreed to issue and sell to such stockholders an aggregate of 24,724 shares of Panacela's common stock, par value $0.001 per share (the "**Panacela Shares**"), for an aggregate purchase price of approximately $2,902,600. The Panacela Shares were only offered to all current stockholders of Panacela in an offering exempt from registration under the Securities Act (the "**Panacela Offering**"). Pursuant to the terms of the Panacela Offering, each current stockholder of Panacela was entitled to purchase the number of Panacela Shares equal to his, her or its pro rata percentage interest in Panacela immediately prior to the commencement of the Panacela Offering. However, no stockholders of Panacela other than the Company and Rusnano elected to purchase Panacela Shares. Accordingly, pursuant to the terms of the Panacela Offering, the Company purchased all Panacela Shares offered that were not purchased by stockholders to whom the offer was extended.

Pursuant to the Panacela Subscription Agreements:

(i) the Company purchased Panacela Shares, valued at approximately $2,196,600, in exchange for (1) offsetting part of the purchase price against approximately $333,300 owed by Panacela to the Company, (2) agreeing to use approximately $723,100 of its own cash to pay approximately $291,000 to Rusnano in partial satisfaction of amounts owed by Panacela under the Panacela Loan, to pay approximately $412,200 in outstanding trade payables owed by Panacela and to pay approximately $19,900 directly to Panacela and (3) an agreement by the Company to issue the Shares, valued at approximately $1,140,200 to Rusnano under the Subscription Agreement in satisfaction of the remaining amounts owed by Panacela to Rusnano under the Panacela Loan; and

(ii) Rusnano purchased Panacela Shares in exchange for an agreement to offset the value of the Panacela Shares being purchased, approximately $706,000, against part of the amount owed to it by Panacela under the Panacela Loan.

As described below, upon consummation of each of the issuance and sale of the Shares to Rusnano under the Subscription Agreement and the Panacela Offering, both of which closed on December 18, 2015, the remaining amount outstanding under the Panacela Loan will be deemed fully paid and satisfied.

This description of each of the Panacela Subscription Agreement entered into between Panacela and the Company and the Panacela Subscription Agreement between Rusnano and the Company do not purport to be complete and are subject to and qualified in their entirety by reference to the full text of each such Panacela Subscription Agreement, which are attached as Exhibit 10.2 and 10.3 to this Current Report on Form 8-K, and are incorporated herein by reference.

Acknowledgement Agreement

In connection with the sale of the Shares and the Panacela Shares, the Company, Panacela and Rusnano entered into an Acknowledgement Agreement, also dated December 18, 2015 (the "**Acknowledgement Agreement**"). Under the terms of the Acknowledgement Agreement, Panacela agreed to undertake the Panacela Offering, the Company agreed to issue and sell the Shares to Rusnano under the Subscription Agreement and Rusnano agreed that upon the closing of those transactions, (i) it will waive any accrued and unpaid interest on the principal of Panacela Loan from and after October 13, 2015 and (ii) the remaining amount outstanding under the Panacela Loan will be deemed fully paid and satisfied. The parties also agreed that the Warrant to Purchase Common Stock, dated September 3, 2013, issued by the Company to Rusnano (the "**Warrant**") would be cancelled effective upon the closing of the transactions contemplated under the Acknowledgement Agreement. Each of the Company, Panacela and Rusnano made customary representations and warranties to one another.

This description of the Acknowledgement Agreement does not purport to be complete and is subject to and qualified in its entirety by reference to the full text of the Acknowledgement Agreement, which is attached as Exhibit 10.4 to this Current Report on Form 8-K, and is incorporated herein by reference.

Amendment to Convertible Loan Agreement

In connection with the transactions described above, the Company entered into Amendment and Supplemental Agreement No. 1 to the Convertible Loan Agreement, dated as of December 18, 2015 (the "**Loan Amendment**"), by and among the Company, Panacela and Rusnano under which the parties agreed to amend the Convertible Loan Agreement, dated as of September 3, 2013 (the "**Original Loan Agreement**"), which governs the terms of the Panacela Loan. In the Loan Amendment, the parties agreed to change the maturity date to December 30, 2015 from the date that was 730 days after the day the Panacela Loan was made and that no interest on the principal amount of the Panacela Loan would accrue from and after October 13, 2015 so long as the Panacela Loan was paid in full by December 30, 2015. Additionally, under the Loan Amendment, Rusnano agreed, consistent with the terms of the Acknowledgement Agreement, that upon the closing of those transactions, the remaining amount outstanding under the Panacela Loan will be deemed fully paid and satisfied.

This description of the Loan Amendment does not purport to be complete and is subject to and qualified in its entirety by reference to the full text of the Loan Amendment, which is attached as Exhibit 10.5 to this Current Report on Form 8-K, and is incorporated herein by reference.

Item 1.02 Termination of a Material Definitive Agreement.

As previously disclosed, on September 3, 2013, in consideration of the benefits to be received by Panacela under the Original Loan Agreement, the Company issued to Rusnano the Warrant. The Warrant entitled Rusnano to purchase that number of shares of the Company's common stock equal to the product of 69.2% of any outstanding amount remaining unpaid under the Panacela Loan at the time of exercise, divided by the exercise price. The Warrant had an exercise price of $33.88, which was subject to certain customary adjustments. On December 18, 2015, in connection with the consummation of the transactions contemplated in the Subscription Agreement, the Panacela Subscription Agreements, the Acknowledgement Agreement and the Loan Amendment, the Company and Rusnano terminated the Warrant.

Other than in respect of the Warrant, the Company and its affiliates and Rusnano continue to have a material relationship, as the Company and/or Panacela are parties with Rusnano to the Subscription Agreement, the Panacela Subscription Agreement between Rusnano and Panacela, the Acknowledgement Agreement and the Original Loan Agreement, as amended by the Loan Amendment. Rusnano is also a significant stockholder of Panacela and, as a result of its purchase of the Shares, a stockholder of the Company.

Item 8.01 Other Events.

On December 21, 2015, the Company issued a press release relating to the issue and sale of the Shares by the Company to Rusnano, the Panacela Offering and the satisfaction of the Panacela Loan. A copy of the press release is filed as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Description
10.1	Stock Subscription Agreement, dated as of December 18, 2015, between Cleveland BioLabs, Inc. and Open Joint Stock Company “Rusnano”
10.2	Stock Subscription Agreement, dated as of December 18, 2015, between Panacela Labs, Inc. and Cleveland BioLabs, Inc.
10.3	Stock Subscription Agreement, dated as of December 18, 2015, between Panacela Labs, Inc. and Open Joint Stock Company “Rusnano”
10.4	Acknowledgement Agreement, dated as of December 18, 2015, among Cleveland BioLabs, Inc., Panacela Labs, Inc. and Open Joint Stock Company “Rusnano”
10.5	Amendment and Supplemental Agreement No. 1 to the Convertible Loan Agreement, dated as of December 18, 2015, among Cleveland BioLabs, Inc., Panacela Labs, Inc. and Open Joint Stock Company “Rusnano”
99.1	Press release of Cleveland BioLabs, Inc.

Forward-Looking Statements

This Current Report on Form 8-K contains forward-looking statements within the meaning of the federal securities laws. These forward-looking statements are based on the Company’s current expectations and beliefs concerning future developments and their potential effects on the Company. There can be no assurance that future developments affecting the Company will be those that the Company has anticipated. These forward-looking statements involve a number of risks, uncertainties (some of which are beyond the Company’s control) or other assumptions that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements. These risks and uncertainties include, but are not limited to, the risks and uncertainties described in the section entitled “Risk Factors” in the Company’s Annual Report on Form 10-K for the year ended December 31, 2014 and in its other filings from time to time filed with the SEC. Should one or more of these risks or uncertainties materialize, or should any of the Company’s assumptions prove incorrect, actual results may vary in material respects from those projected in these forward-looking statements. The Company undertakes no obligation to publicly update or revise any forward-looking statements.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: December 24, 2015

CLEVELAND BIOLABS, INC.

By: /s/ Yakov Kogan
Yakov Kogan
Chief Executive Officer

INDEX TO EXHIBITS

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STOCK SUBSCRIPTION AGREEMENT

This STOCK SUBSCRIPTION AGREEMENT dated as of December 18, 2015 is by and between Open Joint Stock Company "Rusnano", a company organized under the laws of the Russian Federation with its registered address at 10A prospect 60-letiya Oktyabrya, Moscow 117036, Russian Federation (the "Investor") and Cleveland BioLabs, Inc., a Delaware corporation with its principal business address at 73 High Street, Buffalo, New York USA 14203 (the "Company").

WHEREAS, the Company, the Investor and Panacela Labs, Inc. (" Panacela") have entered into that certain Acknowledgement Agreement dated as of the date hereof (the "Acknowledgement Agreement"), pursuant to which the parties hereto are required to deliver this Agreement (as defined below);

WHEREAS, the Company is authorized by its Restated Certificate of Incorporation, as amended (the " Certificate of Incorporation"), to issue up to 160,000,000 shares of its Common Stock (as defined below);

WHEREAS, the Investor hereby offers to subscribe for and purchase, and the Company desires to provide for the subscription for and purchase of, 256,215 shares of Common Stock (the "Shares"), at $4.45 per Share (the closing market price of a share of Common Stock of the Company on the NASDAQ Capital Market as of October 13, 2015) in exchange for the Investor agreeing to apply the aggregate value of the Shares (i.e., $1,140,156.75) (the "Aggregate Value") to satisfy partially the obligations owed by Panacela to the Investor under the Panacela Loan Documents (the " Purchase Consideration"); and

WHEREAS, the Company will derive a benefit from the partial satisfaction of Panacela's debt because the issuance of the Shares to the Investor is in partial satisfaction of the Company's payment obligations under that certain Stock Subscription Agreement between the Company and Panacela, dated as of the date hereof.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements hereinafter set forth, the Company and the Investor hereby agree as follows:

1. Definitions.

(a) As used in this Agreement, the following terms shall have the following meanings:

"Affiliate" means, with respect to a specified Person, a Person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the Person specified. For purposes of this definition, "control" means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract, or otherwise.

"Agreement" means this Stock Subscription Agreement dated as of the date hereof, and all amendments hereto made in accordance with the provisions of Section 9(b).

"Common Stock" means the Common Stock, $0.005 par value per share, of the Company.

"Exchange Act" means the United States Securities Exchange Act of 1934, as amended.

"Governmental Authority" means any United States federal, state or local or any foreign government, governmental, regulatory or administrative authority, agency or commission or any court, tribunal, or judicial or arbitral body.

"Lien" means any security interest, pledge, mortgage, lien (including, without limitation, environmental and tax liens), charge, encumbrance, adverse claim, preferential arrangement or restriction of any kind, including, without limitation, any restriction on the use, voting, transfer, receipt of income or other exercise of any attributes of ownership.

"Material Adverse Effect" means any circumstance, change in or effect on the Company or any of its Subsidiaries that, individually or in the aggregate with all other circumstances, changes in, or effects on, the Company and/or its Subsidiaries is materially adverse to the business, operations, assets, liabilities, results of operations or financial condition of the Company and its Subsidiaries, taken as a whole.

"Panacela Loan Documents" means that certain Convertible Loan Agreement, dated September 3, 2013, between the Investor and Panacela (as amended and supplemented by that certain Amendment and Supplemental Agreement No. 1 to Convertible Loan Agreement dated as of the date hereof).

"Person" means an individual, corporation, limited liability company, partnership, association, trust, joint stock company or other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

"Securities Act" means the United States Securities Act of 1933, as amended.

"SEC" means the United States Securities and Exchange Commission.

"SEC Reports" means the reports set forth on Schedule A hereto.

"Subsidiary" or "Subsidiaries" means, with respect to any Person, any entity of which (i) securities or other ownership interests having ordinary voting power to elect a majority of the board of directors or other persons performing similar functions, (ii) more than 50% of the interest in the capital or profits of such Person or entity or (iii) more than 50% of the beneficial interest in such trust or estate, is at the time of determination directly or indirectly owned or controlled by such Person.

(b) The terms not defined in Section 1(a) above shall have the meanings set forth in this Agreement.

2. Purchase and Sale of the Shares.

(a) Commitments to Purchase the Shares. In reliance on the representations and warranties herein contained of the Investor, but subject to the terms and conditions hereinafter stated, the Company agrees to issue and sell to the Investor and the Investor, in reliance on the representations and warranties herein contained of the Company, but subject to the terms and conditions hereinafter stated, agrees to purchase from the Company the Shares, for an aggregate purchase price equal to the Purchase Consideration.

(b) The Closing. Subject to the terms and conditions of this Agreement, the closing (the "Closing") of the purchase and sale provided for in Section 2(a) shall take place at McGuireWoods LLP, 7 Saint Paul Street, Suite 1000, Baltimore, Maryland 21202 on December 18, 2015 or at such other date and place as the parties shall agree. At the option of the parties, documents to be delivered to the place of Closing may be delivered by electronic transmission on or before the Closing.

(c) Deliveries. At the Closing, (i) the Investor hereby acknowledges that upon receipt of the Shares, an amount equal to the Aggregate Value shall be applied in partial satisfaction of the indebtedness by Panacela to the Investor pursuant to the Panacela Loan Documents, in accordance with the Acknowledgement Agreement, and (ii) the Company shall deliver to Rusnano the Shares in book-entry form to be purchased by the Investor pursuant to this Agreement registered in the name of the Investor, each as described in more detail in the Acknowledgement Agreement.

3. Representations and Warranties of the Company.

The Company represents and warrants to the Investor as follows as of the Closing:

(a) Organization, Standing, etc. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and has all requisite power and authority to own, operate or lease the properties and assets now owned, operated or leased by it and to carry on its business as it has been and is currently conducted. The Company is duly licensed or qualified to do business and is in good standing in each jurisdiction in which the properties owned or leased by it or the operation of its business makes such licensing or qualification necessary or desirable, except where the failure to be so licensed, qualified or in good standing would not have a Material Adverse Effect.

(b) Authorization, Noncontravention. The Company has all requisite power and authority to enter into this Agreement, to perform its obligations hereunder and to consummate the transactions contemplated hereby. The execution and delivery by the Company of this Agreement, the consummation of the transactions contemplated herein, and the fulfillment of and compliance with the respective terms, conditions and provisions hereof or of any instruments required hereby have been duly authorized by all requisite action on the part of the Company and do not and will not (i) conflict with or result in a breach of any of the terms, conditions or provisions of any (A) law or regulation of any Governmental Authority applicable to the Company or any of its Subsidiaries, (B) writ, injunction, award or decree of any court or arbitral tribunal applicable to the Company or any of its Subsidiaries, or (C) material agreement or instrument to which the Company or any of its Subsidiaries is a party, by which it is bound, or to which it is subject, (ii) result in (A) the creation or imposition of any Lien or (B) any violation of the Certificate of Incorporation or bylaws (or analogous documents) of the Company or any of its Subsidiaries or (iii) require filing with, notice to or consent of any Governmental Authority or other third Person, except as set forth in Section 3(f).

(c) Binding Effect. This Agreement has been duly authorized, executed and delivered by the Company, and assuming due authorization, execution and delivery by the Investor, this Agreement constitutes the legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except that enforceability hereof may be limited by (i) applicable bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights generally and (ii) equitable principles which may limit the availability of certain equitable remedies (such as specific performance).

(d) Capitalization, Subsidiaries.

(i) The shares of Common Stock comprising the Shares to be purchased pursuant to this Agreement have been duly authorized and, when issued, delivered and paid for in accordance with the terms of this Agreement, will have been validly issued and will be fully paid and nonassessable and effective as of the Closing the Investor shall have valid and legal title to the Shares, free and clear of all Liens, other than restrictions on transfer pursuant to U.S. federal and state securities laws. Other than as described in the SEC Reports previously filed by the Company, (A) there are no outstanding or authorized subscriptions, warrants, options, calls, commitments or other rights or agreements to which the Company or any other Person is bound or entitled to the benefit of relating to the issuance, sale, redemption, conversion, transfer or voting of any equity interests of the Company; and (B) the issuance of the Shares will not be subject to preemptive or similar rights. Immediately following the Closing, the authorized capital stock of the Company will consist of 10,000,000 shares of Preferred Stock and 160,000,000 shares of Common Stock, of which zero (0) shares of Preferred Stock will be issued and outstanding, and following the Closing 10,987,166 shares of Common Stock will be issued and outstanding.

(ii) The Company has no Subsidiaries other than those disclosed in the SEC Reports previously filed by the Company.

(e) Solicitation. No form of general solicitation or general advertising was used by the Company, or, to the best knowledge of the Company, any other Person acting on its behalf, in respect of the Shares or in connection with the offer and sale of the Shares.

(f) No Other Action. No action by, or in respect of, or filing with, any Governmental Authority is required for the execution, delivery and performance of this Agreement by the Company and acquisition of the Shares, except for the Form D filing pursuant to Rule 506 of Regulation D of the Securities Act and any notice filings required by the laws of any U.S. state or any political subdivision thereof.

(g) SEC Reports. The SEC Reports, as of their respective dates of filing with the SEC, did not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and no event or circumstances have occurred since the date of the last SEC Report that would (i) cause the Confidential Private Placement Memorandum of Panacela, dated as of December 4, 2015, as supplemented by that certain Confidential Private Placement Memorandum Supplement, dated as of December 15, 2105 to contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading or (ii) require the filing with the SEC of any report, statement or schedule under the Securities Act or the Exchange Act, where such filing has not been made as of the date of this Agreement.

4. Representations and Warranties of the Investor.

The Investor represents and warrants to the Company as follows as of the Closing:

(a) Organization and Authority. The Investor is a joint stock company duly organized, validly existing and in good standing under the laws of the Russian Federation and has all necessary power and authority to enter into this Agreement, to carry out its obligations hereunder and to consummate the transactions contemplated hereby.

(b) Authorization, Noncontravention. The execution and delivery of this Agreement by the Investor, the performance by the Investor of its obligations hereunder and the consummation by the Investor of the transactions contemplated hereby have been duly authorized on its part by all requisite action. The execution and delivery by the Investor of this Agreement, the consummation of the transactions contemplated herein, and the fulfillment of and compliance with the respective terms, conditions and provisions hereof or of any instruments required hereby have been duly authorized by all requisite action on the part of the Investor and do not and will not (i) conflict with or result in a breach of any of the terms, conditions or provisions of any (A) law or regulation of any Governmental Authority applicable to the Investor, (B) writ, injunction, award or decree of any court or arbitral tribunal applicable to the Investor, or (C) material agreement or instrument to which the Investor is a party, by which it is bound, or to which it is subject, (ii) result in any violation of the organizational documents of the Investor or (iii) require filing with, notice to or consent of any third Person.

(c) Binding Effect. This Agreement has been duly executed and delivered by the Investor and (assuming due authorization, execution and delivery by the Company) constitutes a legal, valid and binding obligation of the Investor, enforceable against the Investor in accordance with its terms, except that enforceability hereof may be limited by (i) applicable bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights generally and (ii) equitable principles which may limit the availability of certain equitable remedies (such as specific performance).

(d) No Other Action. No action by, or in respect of, or filing with, any Governmental Authority is required for the execution, delivery and performance of this Agreement by the Investor.

(e) Investment Intent. The Shares to be acquired by the Investor hereunder are being acquired for its own account and without a view to the public distribution of such Shares or any interest therein.

5. Investment Representations. The Investor further represents and warrants to the Company as follows as of the Closing:

(a) Shares Unregistered. Subject to Section 7, the Investor understands and acknowledges that (i) the offering and sale of the Shares to be acquired by the Investor hereunder are intended to be exempt from registration under the Securities Act pursuant to Section 4(a)(2) thereof and, accordingly, the offer and sale of the Shares have not been registered under the Securities Act, (ii) the Shares must be held indefinitely and the Investor must continue to bear the economic risk of the investment in the Shares unless the offering and sale of such Shares are subsequently registered under the Securities Act and all applicable securities laws of the states of the United States of America ("U.S. state securities laws") or an exemption from such registration is available and (iii) a restrictive legend describing, in customary form, the limitations on transferability imposed by the Securities Act shall be placed on all Shares (whether in certificated or book-entry form) to be acquired by the Investor hereunder.

(b) The Shares are speculative investments which involve a substantial degree of risk of loss by the Investor of its investment in the Shares.

(c) No federal or state agency has made any findings as to the fairness of the terms of the offering of the Shares.

(d) That the Investor is an "accredited investor" as that term is defined in Regulation D under the Securities Act and is otherwise a sophisticated, knowledgeable investor (either alone or with the aid of a purchaser representative) with adequate net worth and income for this investment. The Investor acknowledges that it has completed the Accredited Investor Certificate contained in Annex A hereto and that the information contained therein is complete and accurate as of the date hereof, and the Investor will immediately notify the Company if any such information contained therein becomes incomplete or inaccurate at any time.

(e) That the Investor has knowledge and experience in financial and business matters, is capable of evaluating the merits and risks of an investment in the Company and its proposed activities and has carefully considered the suitability of an investment in the Company for the Investor's particular financial situation, and has determined that the Shares are a suitable investment.

(f) That the Investor has reviewed the information provided or available to the Investor by the Company in connection with the Investor's decision to purchase the Shares, including but not limited to, the Company's SEC Reports. The Investor acknowledges it is the Investor's responsibility to conduct its own independent investigation and evaluation of the Company. That the offer to sell the Shares was communicated to the Investor by the Company in such a manner that the Investor was able to ask questions of and receive answers from the Company concerning the terms and conditions of this transaction and that at no time was the Investor presented with or solicited by any leaflet, public promotional meeting, newspaper or magazine article, radio or television advertisement or any other form of advertising or general solicitation.

(g) That the Investor is a joint stock company, resident in the Russian Federation, is providing a Form W-8BEN, and the Investor will notify the Company within sixty (60) days of any change to such status and of any new country of residence. The Investor agrees to provide to the Company in a timely manner any tax documentation that may be reasonably required by the Company.

(h) That the Investor is an existing entity, and has not been organized or reorganized for the purpose of making this investment (or if not true, such fact shall be disclosed to the Company in writing).

6. Covenants.

(a) Investment Company Act. The Company shall take all reasonable actions necessary to remain exempt from the provisions of the Investment Company Act of 1940, as amended.

(b) Further Action. If at any time after the date hereof any further action is reasonably necessary to carry out the purpose of this Agreement, each of the Company and the Investor agrees to use its reasonable efforts to take such further action.

(c) Restrictions on Transfer. Prior to any proposed sale, assignment, transfer or pledge of any Shares, unless there is in effect a registration statement under the Securities Act and any applicable U.S. state securities laws covering the proposed transfer, the Investor shall give written notice to the Company of the Investor's intention to effect such transfer, sale, assignment or pledge. Each such notice shall describe the manner and circumstances of the proposed transfer, sale, assignment or pledge in sufficient detail, and shall be accompanied, at the Investor's expense with evidence satisfactory to the Company that the proposed transfer of the Shares may be effected without registration under the Securities Act or any applicable U.S. state securities laws.

(d) Form D Filing. The Company shall properly and timely effectuate the filing of Form D pursuant to Rule 506 of the Securities Act.

(e) Rule 144. With a view to making available the benefits of certain rules and regulations of the SEC that may permit the sale of the Shares to the public without registration, the Company agrees to make and keep available adequate current public information, as those terms are understood and defined in Rule 144, at all times from and after the date of effectiveness of the initial Registration Statement filed pursuant to this Agreement until the earlier of (i) the date that all Shares are sold, assigned or transferred by the Investor or (ii) three (3) years from the date of this Agreement.

7. Registration Rights.

(a) Within sixty (60) days of the Closing, the Company shall prepare and file with the SEC a registration statement or, if a registration statement is then effective, a supplement to the prospectus contained therein, in either case covering the resale of all Shares for an offering to be made on a continuous basis pursuant to Rule 415 (or any successor provision) (the "Registration Statement"). The Registration Statement shall be on Form S-3 (except if the Company is not then eligible to register for resale the Shares on Form S-3, in which case such registration shall be on another appropriate form in accordance with the Securities Act and the Exchange Act).

(b) The Company shall use its reasonable best efforts to keep the Registration Statement continuously effective under the Securities Act until the earlier of the date that all Shares covered by such Registration Statement have been sold or can be sold publicly without any volume limitations under Rule 144 (the "Effectiveness Period").

8. Registration Procedures. In connection with the Company's registration obligations hereunder, the Company shall:

(a) Not less than three days prior to the filing of a Registration Statement or any related prospectus or any amendment or supplement thereto, furnish to the Investor copies of all such documents proposed to be filed, which documents (other than any document that is incorporated or deemed to be incorporated by reference therein) will be subject to the review of the Investor. The Company shall reflect in each such document when so filed with the SEC such comments regarding the description of the transactions contemplated by this Agreement, the Investor and the plan of distribution as the Investor may reasonably and promptly propose no later than two business days after the Investor has been so furnished with copies of such documents as aforesaid.

(b) (i) Prepare and file with the SEC such amendments, including post-effective amendments, to each Registration Statement and the prospectus used in connection therewith as may be necessary to keep the Registration Statement continuously effective, as to the Shares for the Effectiveness Period and prepare and file with the SEC such additional Registration Statements in order to register for resale under the Securities Act all of the Shares; (ii) cause the related Prospectus to be amended or supplemented by any required Prospectus supplement, and as so supplemented or amended to be filed pursuant to Rule 424 (or any successor provision) under the Securities Act; and (iii) comply in all material respects with the provisions of the Securities Act and the Exchange Act with respect to the disposition of all Shares covered by the Registration Statement during the applicable period in accordance with the intended methods of disposition by the Investor thereof set forth in the Registration Statement as so amended or in such prospectus included therein as so supplemented.

(c) Notify the Investor as promptly as reasonably possible, and if requested by the Investor, confirm such notice in writing no later than two business days thereafter, of any of the following events: (i) the SEC issues any stop order suspending the effectiveness of any Registration Statement or initiates any proceedings for that purpose; (ii) the Company receives notice of any suspension of the qualification or exemption from qualification of any of the Shares for sale in any jurisdiction, or the initiation or threat of any proceeding for such purpose; or (iii) the financial statements included in any Registration Statement become ineligible for inclusion therein or any Registration Statement or prospectus included therein or other document contains any untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(d) Prior to any public offering of the Shares, use reasonable best efforts to register or qualify or cooperate with the selling Investor in connection with the registration or qualification (or exemption from such registration or qualification) of the Shares for offer and sale under the securities or Blue Sky laws of such jurisdictions within the United States as the Investor requests in writing, to keep each such registration or qualification (or exemption therefrom) effective for so long as required, but not to exceed the duration of the Effectiveness Period, and to do any and all other acts or things reasonably necessary or advisable to enable the disposition in such jurisdictions of the Shares covered by a Registration Statement; provided, however, that the Company shall not be obligated to file any general consent to service of process or to qualify as a foreign corporation or as a dealer in securities in any jurisdiction in which it is not so qualified or to subject itself to taxation in respect of doing business in any jurisdiction in which it is not otherwise so subject.

(e) It shall be a condition precedent to the obligations of the Company to complete the registration filing pursuant to this Agreement with respect to the Shares that the Investor furnish to the Company the information regarding itself, the Shares and the intended method of disposition of the Shares held by it as shall be reasonably required to effect the registration of such Shares under the Securities Act and shall complete and execute such documents in connection with the foregoing as the Company may reasonably request.

(f) The Company shall pay all fees and expenses (other than all underwriting discounts, selling fees or commissions and stock transfer taxes applicable to any sale of the Shares (collectively, "Selling Expenses")) incurred in connection with the performance of or compliance with Sections 7 and 8 of this Agreement by the Company, including without limitation (a) all registration and filing fees and expenses, including without limitation those related to filings with the SEC, any national securities exchange and in connection with applicable state securities or Blue Sky laws, (b) printing expenses (including without limitation expenses of printing certificates for the Shares), (c) messenger, telephone and delivery expenses, (d) fees and disbursements of counsel for the Company, (e) fees and expenses of all other Persons retained by the Company in connection with the consummation of the transactions contemplated by this Agreement, and (f) all listing fees to be paid by the Company to the applicable national securities exchange. All Selling Expenses incurred in connection with the sale of the Shares shall be borne by the Investor or other holder selling such Shares. The Investor or other holder of the Shares shall pay the expenses of its own counsel and other advisers.

(g) In addition and not in limitation of the foregoing, the Company shall as promptly as practicable:

(i) In case of an underwritten offering, furnish to the Investor and to any underwriter of the Shares (A) an opinion of counsel for the Company addressed to such underwriter and the Investor and dated the date of the closing under the underwriting agreement (if any) (or if such offering is not underwritten, dated the effective date of the Registration Statement) and (B) "cold comfort" letters dated as of the effective date of the Registration Statement and brought down to the date of the closing under the underwriting agreement addressed to such underwriter and the Investor and signed by the independent public accountants who have audited the financial statements of the Company included in such Registration Statement, in each case such case covering substantially the same matters with respect to such Registration Statement (and the prospectus included therein) as are customarily covered in opinions of issuer's counsel and accountants' letters delivered to underwriters in connection with the consummation of underwritten public offerings of securities and such other matters as the Investor may reasonably request and, in the case of such accountants' letter, with respect to events subsequent to the date of such financial statements;

(ii) in the case of an underwritten offering, cause the senior executive officers of the Company to participate in any customary "road show" presentations that may be reasonably requested by the managing underwriter or underwriters in any such underwritten offering and otherwise to facilitate, cooperate with, and participate in each proposed offering contemplated herein and customary selling efforts related thereto;

(iii) make available to the appropriate representatives of the underwriters, if any, and the Investor, access to such information and Company personnel as is reasonable and customary to enable such parties to establish a due diligence defense under the Securities Act, including without limitation, such reasonable and customary access to its books, records and properties and such opportunities to discuss the business and affairs of the Company with its officers and the independent public accountants who have certified the financial statements of the Company as shall be necessary, in the reasonable opinion of the Investor and such underwriters or their respective counsel, to conduct a reasonable investigation within the meaning of the Securities Act

(h) Underwriting Agreement. In connection with any underwritten offering of the Shares, the Company shall enter into an underwriting agreement in customary form with the underwriters for such offering, which agreement will contain such representations, warranties and covenants by the Company and such other terms and provisions as are customarily contained in underwriting agreements with respect to secondary distributions, including indemnification and contribution provisions substantially to the effect and to the extent provided in Section 8(i), and agreements as to the provision of opinions of counsel and accountants' letters to the effect and to the extent provided in Section 8(g)(i). Subject to the last sentence of this Section 8(h), the Investor on whose behalf the Shares are to be distributed by such underwriters shall be a party to any such underwriting agreement, which shall also contain such representations and warranties by the Investor and such other terms and provisions as are customarily contained in underwriting agreements with respect to secondary distributions on the part of selling shareholders, including indemnification and contribution provisions substantially to the effect and to the extent provided in Section 8(i). All of the representations and warranties by, and the other agreements on the part of, the Company to and for the benefit of the underwriters included in each such underwriting agreement shall also be made to and for the benefit of the Investor, and any or all of the conditions precedent to the obligations of such underwriters under such underwriting agreement shall be conditions precedent to the obligations of the Investor. The Investor shall not be required in any such underwriting agreement to make any representations or warranties to or agreements with the Company or the underwriters other than representations, warranties or agreements regarding the Investor, ownership of the Investor's Shares, the Investor's intended method of distribution and any written information specifically provided by the Investor for inclusion in the Registration Statement; and any liability of the Investor to any underwriter or other Person under such underwriting agreement for indemnity, contribution or otherwise shall in no case be greater than the amount of the net proceeds received by the Investor upon the sale of the Shares pursuant to the Registration Statement and in no event shall relate to anything other than information about the Investor specifically provided in writing by the Investor for use in the Registration Statement.

(i) Indemnification and Contribution.

(i) Company's Indemnification Obligations. To the extent permitted by law, the Company shall indemnify and hold harmless the Investor, its Affiliates, and each of their respective directors, officers, members, managers, partners, employees, stockholders, agents and advisors and each Person, if any, who controls the Investor within the meaning of Section 15 of the Securities Act (collectively, the "Investor Indemnified Persons"), from and against any and all losses, claims, damages and liabilities (including any legal or other costs, fees and expenses reasonably incurred in connection with defending or investigating any such action or claim, "Damages") insofar as such Damages are caused by (i) any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement or any amendment thereof, any free writing prospectus, any preliminary prospectus or prospectus (as amended or supplemented), offering circular or other document relating to the Shares, (ii) any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, (iii) any other information provided by the Company, either directly or through the underwriters, to any purchaser of the Shares in connection with or at the time of sale of the Shares or any omissions of material facts that any purchaser of the Shares lacked at the time of sale of such Shares or (iv) any violation (or alleged violation) by the Company of the Securities Act, the Exchange Act, any state securities laws or any rule or regulation thereunder applicable to the Company and relating to action or inaction required of the Company in connection with any offering covered by such registration, qualification, or compliance, except insofar as such Damages are caused by (y) any such untrue statement or omission or alleged untrue statement or omission which is based upon and in conformity with information relating to the Investor which is furnished to the Company in writing by such Investor Indemnified Person expressly for use therein; provided, that the indemnity agreement contained in this Section 8(i)(i) shall be subject to compliance with Section 8(i)(iii), and provided, further, that the foregoing exception to the indemnity agreement contained in this Section 8(i)(i) shall not apply to the extent that the Investor has furnished in writing to the Company prior to the filing of any such Registration Statement, amendment thereof, free writing prospectus, preliminary prospectus, prospectus, offering circular, amendment or supplement information expressly for use in such Registration Statement, amendment thereof, free writing prospectus, preliminary prospectus, prospectus, offering circular, amendment or supplement which corrected or made not misleading information previously furnished to the Company, and the Company failed to include such information therein or (z) the use by the Investor of an outdated, defective or otherwise unavailable prospectus after the Company has notified the Investor in writing that the prospectus is outdated, defective or otherwise unavailable for use by the Investor.

(ii) To the extent permitted by law, the Investor agrees to indemnify and hold harmless the Company, all Affiliates of the Company, each of their respective directors, officers, members, managers, partners, employees, stockholders, agents and advisors and each Person, if any, who controls the Company within the meaning of Section 15 of the Securities Act (collectively, the "Company Indemnified Persons"), from and against any and all Damages insofar as such Damages are caused by (x) the use by the Investor of an outdated, defective or otherwise unavailable prospectus after the Company has notified the Investor in writing that the prospectus is outdated, defective or otherwise unavailable for use by the Investor or (y) any untrue statement or alleged untrue statement of a material fact contained in any Registration Statement or any amendment thereof, any free writing prospectus, preliminary prospectus or prospectus (as amended or supplemented), offering circular or other document relating to the Shares, or caused by any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, but only with reference to information relating to the Investor furnished in writing by or on behalf of such Investor expressly for use in a Registration Statement, any free writing prospectus, preliminary prospectus, prospectus, offering circular, or any amendments or supplements thereto, it being understood and agreed that the only information furnished or to be furnished for use in any such Registration Statement, free writing prospectus, preliminary prospectus, prospectus, offering circular, or amendment or supplement thereto are statements specifically relating to (i) the beneficial ownership of shares of Common Stock by the Investor and its Affiliates as disclosed in the section of such document entitled "Selling Stockholders" or "Principal and Selling Stockholders" or (ii) other matters relating to the Investor required to be disclosed in response to Item 507 of Regulation S-K under the Securities Act and the Exchange Act; provided, that the Investor shall not be liable in any such case to the extent that the Investor has furnished in writing to the Company prior to the filing of the Registration Statement, free writing prospectus, preliminary prospectus, prospectus, offering circular, amendment or supplement information expressly for use in the Registration Statement, preliminary prospectus, prospectus, offering circular, amendment or supplement which corrected or made not misleading information previously furnished to the Company, and the Company failed to include such information therein. Notwithstanding any other provision of this Section 8(i), the Investor's obligations to indemnify pursuant to this Section 8(i) in connection with any given registration shall not exceed the amount of net proceeds received by the Investor in connection with the offering of its Shares under such registration.

(iii) Each party indemnified under Section 8(i)(i) or 8(i)(ii) above shall, promptly after receipt of notice of a claim or action against such indemnified party in respect of which indemnity may be sought hereunder, notify the indemnifying party in writing of the claim or action and the indemnifying party shall assume the defense thereof, including the employment of counsel reasonably satisfactory to such indemnified party, and shall assume the payment of all fees and expenses; provided, that the failure of any indemnified party so to notify the indemnifying party shall not relieve the indemnifying party of its obligations hereunder except to the extent that the indemnifying party is materially prejudiced by such failure to notify. In any such action, any indemnified party shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the sole expense of such indemnified party unless (i) the indemnifying party and the indemnified party shall have mutually agreed to the retention of such counsel or (ii) in the reasonable judgment of such indemnified party representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them, in which case the fees and expenses of one separate counsel (together with any required local counsel) shall be at the sole expense of the indemnifying party. It is understood that the indemnifying party shall not, other than as provided in the preceding sentence, be liable for the reasonable fees and expenses of more than one separate firm of attorneys (in addition to any local counsel) at any time for all such indemnified parties, and that all such fees and expenses shall be reimbursed as they are incurred. The indemnifying party shall not be liable for any settlement of any claim or action effected without its written consent, which consent shall not be unreasonably withheld or delayed, but if settled with such consent, or if there be a final judgment for the plaintiff, the indemnifying party shall indemnify and hold harmless such indemnified parties from and against any loss or liability (to the extent stated above) by reason of such settlement or judgment. No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement of any pending or threatened claim or action in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party, unless such settlement includes an unconditional release of such indemnified party from all liability arising out of such proceeding and imposes no obligations on such indemnified party other than the payment of monetary damages (which damages will be paid by the indemnifying party hereunder).

(iv) If the indemnification provided for in this Section 8(i) shall for any reason be unavailable (other than in accordance with its terms), including without limitation instances where (i) a party otherwise entitled to indemnification is judicially determined (by entry of a final judgment or decree by a court of competent jurisdiction and the expiration of time to appeal or the denial of the last right of appeal) that such indemnification may not be enforced, notwithstanding the fact that this Section 8(i) provides for indemnification, or (ii) contribution under the Securities Act may be required on the part of any party hereto, for which indemnification is provided under this Section 8(i), then the indemnifying party shall, in lieu of indemnifying such indemnified party, contribute to the amount paid or payable by the indemnified party as a result of any Damages that would otherwise be indemnifiable hereunder, in such proportion as is appropriate to reflect the relative fault of the indemnifying party on the one hand and the indemnified party on the other. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the indemnifying party or the indemnified party and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such untrue statement or omission. Notwithstanding anything in this Section 8(i)(iv) to the contrary, in no event shall the Investor's liability pursuant to this Section 8(i)(iv), when combined with the amounts paid or payable by the Investor pursuant to Section 8(i)(ii), in connection with any given registration, exceed the net proceeds received by the Investor in connection with the offering of its Shares under such registration. In addition, neither the Investor or any Affiliate thereof shall be required to pay any amount under this Section 8(i)(iv) unless such Person or entity would have been required to pay an amount pursuant to Section 8(i)(ii) if it had been applicable in accordance with its terms. The parties to this Agreement agree that it would not be just and equitable if contribution pursuant to this Section 8(i)(iv) were determined by pro rata allocation or by any other method of allocation that does not take account of the equitable considerations referred to in the immediately preceding paragraph. No Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation. If indemnification is available under this Section 8(i), the indemnifying parties shall indemnify each indemnified party to the full extent provided in Sections 8(i)(i) and 8(i)(ii) without regard to the relative fault of said indemnifying parties or indemnified party.

(v) The obligations of the parties under this Section 8(i) shall be in addition to any liability which any party may otherwise have to any other party.

(vi) The rights and obligations of the Company and the Investor under this Section 8(i) shall survive the Closing or any termination of this Agreement, and shall control over any inconsistent or conflicting provisions in any underwriting agreement.

9. Miscellaneous.

(a) Governing Law. This Subscription Agreement shall be construed, governed, interpreted and applied in accordance with the laws of the State of New York, without regard to principles of conflicts of laws.

(b) Entire Agreement. This Agreement, together with the Acknowledgement Agreement and the Panacela Loan Documents, constitute the entire agreement between the parties hereto with respect to the subject matter hereof and supersede any prior or contemporaneous understandings, representations, warranties or agreements (whether oral or written).

(c) No Waivers, Amendments. The waiver by any party hereto of a breach of any provision of this Agreement shall not operate or be construed as a further or continuing waiver of such breach or as a waiver of any other or subsequent breach. No failure or delay on the part of any party in exercising any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or remedy. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law. Any provision of this Agreement may be amended if, but only if such amendment is in writing and is signed by the Company and the Investor. Any agreement on the part of any party to any waiver shall be valid only if set forth in a written instrument executed and delivered by a duly authorized officer on behalf of such party.

(d) Successors and Assigns. This Acknowledgment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

(e) Communications. All notices, consents and other communications hereunder shall be in writing and shall be deemed to have been duly given (i) when delivered by hand or by Federal Express or a similar overnight courier, (ii) five business (5) days after being deposited in any United States Post Office enclosed in a postage prepaid and registered or certified envelope addressed to or (iii) when successfully transmitted by fax or e-mail (with a confirming copy of such communication to be sent as provided in clauses (i) or (ii) above) to, the party for whom intended, at the address or fax number for such party set forth below (or at such other address, fax number or e-mail address for a party as shall be specified by like notice, provided, however, that any notice of change of address, fax number or e-mail address shall be effective only upon receipt):

(i) If to the Company:

Cleveland BioLabs, Inc.
73 High Street
Buffalo, New York USA 14203
Attention: Chief Executive Officer
Facsimile: (716) 849-6820
E-mail: notices@cbiolabs.com

With a copy to:

McGuireWoods LLP
7 Saint Paul Street, Suite 1000
Baltimore, Maryland USA 21202
Attention: Cecil E. Martin, III
Facsimile: (410) 659-4535
E-mail: cmartin@mcguirewoods.com

(ii) If to the Investor:

OJSC “RUSNANO”
10A Prospect 60-Letiya Oktyabrya
Moscow 117036
Russian Federation
Attention: Leysan Shaydullina, Investment Manager
Facsimile: 7-495-988-5399
E-mail: Leysan.Shaydullina@rusnano.com

With a copy to:

Dentons US LLP
1221 Avenue of Americas
New York, NY 10020-1089
USA
Attention: Olga Sandler
Facsimile: +1-212-768-6800
Email: olga.sandler@dentons.com

(f) Survival of Provisions. The representations, warranties, covenants and agreements contained in this Agreement shall survive the consummation of the transactions contemplated hereby. This Section 9(f) shall not limit any covenant or agreement of the parties hereto which, by its terms, contemplates performance after the Closing. Without limiting the generality of the previous sentence, Section 9(g) shall survive beyond the Closing.

(g) Expenses, Documentary Taxes. Each party shall pay all costs and expenses that it incurs with respect to the negotiation, execution, delivery and performance of this Agreement, or any amendment or waiver hereof.

(h) Headings. The descriptive headings contained in this Agreement are for convenience of reference only and shall not affect in any way the meaning or interpretation of this Agreement.

(i) Severability. Whenever possible, each provision or portion of any provision of this Agreement shall be interpreted in such manner as to be effective, enforceable and valid under applicable law, but if any provision or portion of any provision of this Agreement is held to be invalid, illegal or unenforceable under applicable law, this Agreement shall be considered divisible and such provision or portion thereof shall be deemed inoperative to the extent it is deemed invalid, illegal or unenforceable, and in all other respects this Agreement shall remain in full force and effect and such invalidity, illegality or unenforceability shall not affect any other provision or portion of any provision

(j) No Third-Party Beneficiaries. This Agreement is for the sole benefit of the parties hereto and their permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other Person any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

(k) Execution in Counterparts. This Agreement may be executed in two counterparts, each of which when executed shall be deemed to be an original, but all of which taken together shall constitute one and the same agreement. The delivery of signed counterparts by facsimile or email transmission that includes a copy of the sending party's signature is as effective as signing and delivering the counterpart in person, for all purposes; provided that an original of such facsimile or electronic signature shall be delivered within five (5) business days thereof.

(l) Currency. All references to "$" in this Agreement shall be deemed to refer to U.S. dollars, the legal currency of the United States of America.

[*Signatures Follow*]

IN WITNESS WHEREOF, the undersigned has executed this Stock Subscription Agreement as of the date first written above.

256,215

Number of Shares of Common Stock Subscribed for

Open Joint Stock Company “Rusnano”

By: /s/ Yurii Udalstov

on behalf of OJSC Rusnano
Yurii Udaltsov
Deputy Chairman of the Management Board of Management company RUSNANO LLC acting on the basis of a power of attorney

THE SHARES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT AND MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED UNLESS THE SECURITIES ARE REGISTERED UNDER THE ACT OR AN EXEMPTION THEREFROM IS AVAILABLE, AND THEN ONLY IN COMPLIANCE WITH THE CERTIFICATE OF INCORPORATION AND STOCKHOLDERS’ AGREEMENT.

Accepted by the Company:

CLEVELAND BIOLABS, INC.

By: /s/ C. Neil Lyons

C. Neil Lyons, CPA
Executive Vice President & Chief Financial Officer

[Signature Page for Rusnano/CBLI Subscription Agreement]

Schedule A

SEC Reports

1. Annual Report on Form 10-K, filed with the SEC on February 27, 2015;
2. Current Report on Form 8-K, filed with the SEC on March 13, 2015;
3. Current Report on Form 8-K, filed with the SEC on April 17, 2015;
4. Current Report on Form 8-K, filed with the SEC on May 4, 2015;
5. Quarterly Report on Form 10-Q, filed with the SEC on May 7, 2015;
6. Current Report on Form 8-K, filed with the SEC on May 11, 2015;
7. Current Report on Form 8-K, filed with the SEC on May 18, 2015;
8. Current Report on Form 8-K, filed with the SEC on June 24, 2015;
9. Current Report on Form 8-K, filed with the SEC on June 25, 2015;
10. Current Report on Form 8-K, filed with the SEC on July 7, 2015;
11. Current Report on Form 8-K, filed with the SEC on July 9, 2015;
12. Current Report on Form 8-K, filed with the SEC on July 10, 2015;
13. Current Report on Form 8-K, filed with the SEC on July 13, 2015;
14. Quarterly Report on Form 10-Q, filed with the SEC on August 12, 2015;
15. Current Report on Form 8-K, filed with the SEC on September 2, 2015;
16. Current Report on Form 8-K, filed with the SEC on September 21, 2015; and
17. Quarterly Report on Form 10-Q, filed with the SEC on November 9, 2015.

Annex A

Accredited Investor Certificate

The undersigned hereby certifies to being an "accredited investor" as that term is defined in Regulation D adopted pursuant to the Securities Act of 1933, as amended (the "Securities Act"). The specific category(s) of accredited investor applicable to the undersigned is checked below.

☐ an individual whose individual net worth, or joint net worth with the individual's spouse, exceeds $1,000,000 (excluding the value of the individual's primary residence) (the term "net worth" means the excess of total assets over total liabilities).

☐ an individual who had an individual income in excess of $200,000 in each of 2013 and 2014 or joint income with that person's spouse in excess of $300,000 in each of those years and who reasonably expects to reach the same income level in 2015.

☐ a bank as defined in Section 3(a)(2) of the Securities Act, or a savings and loan association or other institution as defined in Section 3(a)(5)(A) of the Securities Act, whether acting in its individual or fiduciary capacity; a broker or dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934, as amended; an insurance company as defined in Section 2(13) of the Securities Act; an investment company registered under the Investment Company Act of 1940 (the "1940 Act") or a business development company as defined in Section 2(a)(48) of the 1940 Act; a Small Business Investment Company licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958; any plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, if such plan has total assets in excess of $5,000,000; or an employee benefit plan within the meaning of Title I of the Employee Retirement Income Security Act of 1974 ("ERISA"), if the investment decision is made by a plan fiduciary, as defined in Section 3(21) of ERISA, which is either a bank, savings and loan association, insurance company or registered investment adviser, or if the employee benefit plan has total assets in excess of $5,000,000 or if a self-directed plan, with investment decisions made solely by persons that are accredited investors.

☐ a private business development company as defined in Section 202(a)(22) of the Investment Advisers Act of 1940.

☐ an organization described in Section 501(c)(3) of the Internal Revenue Code, a corporation, a Massachusetts or similar business trust, or a partnership, not formed for the specific purpose of acquiring the Purchased Stock, with total assets in excess of $5,000,000.

☐ an individual who is a director or executive officer of the Company.

☐ a trust, with total assets in excess of $5,000,000, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a person who has such knowledge and experience in financial and business matters that he or she is capable of evaluating the merits and risks of the prospective investment.

☐ an entity in which all of the equity owners are accredited investors as set forth above.

Open Joint Stock Company "Rusnano"

By: /s/ Yurii Udalstov
on behalf of OJSC Rusnano
Yurii Udaltsov
Deputy Chairman of the Management Board
of Management company RUSNANO LLC
acting on the basis of a power of attorney

Address: 10A Prospect 60-Letiya Oktyabrya
Moscow 117036
Russian Federation

STOCK SUBSCRIPTION AGREEMENT

STOCK SUBSCRIPTION AGREEMENT dated as of December 18, 2015 by and between Cleveland BioLabs, Inc., a Delaware corporation with a principal business address of 73 High Street, Buffalo, New York USA 14203 (the "Investor"), and Panacela Labs, Inc., a Delaware corporation with a principal business address at 73 High Street, Buffalo, New York USA 14203 (the "Company").

WHEREAS, the Company, the Investor and Open Joint Stock Company "Rusnano" (" Rusnano") have entered into that certain Acknowledgment Agreement dated as of the date hereof (the "Acknowledgment Agreement"), pursuant to which the parties hereto are required to deliver this Agreement (as defined below);

WHEREAS, the Company is authorized by its Amended and Restated Certificate of Incorporation (the " Certificate of Incorporation") to issue up to 137,420 shares of its Common Stock (the "Shares"); and

WHEREAS, the Investor hereby offers to subscribe to and purchase, and the Company desires to provide for the subscription for and purchase of, 18,710 Shares, for the purchase price per share of $117.40, and an aggregate purchase price of $2,196,554.00 (such aggregate purchase price, the "Purchase Price").

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements hereinafter set forth, the Company and the Investor hereby agree as follows:

1. Definitions.

(a) As used in this Agreement, the following terms shall have the following meanings:

"Agreement" means this Stock Subscription Agreement dated as of the date hereof, and all amendments hereto made in accordance with the provisions of Section 6(c).

"Common Stock" means the Common Stock, $0.001 par value per share, of the Company.

"Offering Materials" means this Agreement, the Stockholders' Agreement and the PPM.

"PPM" means the Confidential Private Placement Memorandum of the Company relating to the Shares dated as of December 4, 2015, as supplemented and otherwise updated.

"Securities Act" or the "Act" means the United States Securities Act of 1933, as amended.

"Stockholders' Agreement" means that certain Stockholders and Investor Rights Agreement, by and among the Company and the stockholders listed on Schedule 1 thereto, as amended by that certain First Amendment to Stockholders and Investor Rights Agreement dated as of September 3, 2013.

(b) The terms not defined in Section 1(a) above shall have the meanings set forth in this Agreement.

2. Purchase and Sale of the Shares.

(a) Commitments to Purchase the Shares. Upon the basis of the representations and warranties herein contained of the Investor, but subject to the terms and conditions hereinafter stated, the Company agrees to issue and sell to the Investor and the Investor, upon the basis of the representations and warranties herein contained of the Company, but subject to the terms and conditions hereinafter stated, agrees to purchase from the Company the Shares, for an aggregate purchase price equal to the Purchase Price.

(b) The Closing. Subject to the terms and conditions of this Agreement, the closing (the " Closing") of the purchase and sale provided for in Section 2(a) shall take place at McGuireWoods LLP, 7 Saint Paul Street, Suite 1000, Baltimore, Maryland 21202 on December 18, 2015 or at such other date and place as the parties shall agree. At the option of the parties, documents to be delivered to the place of Closing (other than stock certificates evidencing the Shares) may be delivered by electronic transmission on or before the Closing. It is understood and agreed that the Company shall have the sole right, in its complete discretion, to accept or reject this subscription, in whole or in part, for any reason or no reason, and that the subscription shall not be deemed to be accepted by the Company unless and until it is signed by a duly authorized officer of the Company and delivered to the Investor at the Closing. Subscriptions need not be accepted in the order received, and the shares of Common Stock being offered hereby may be allocated among subscribers. The undersigned recognizes that in the event this subscription is rejected in whole or in part, the undersigned's funds will, to the extent that the shares of Common Stock subscribed for are not sold to the undersigned, be returned as soon as practicable without interest or deduction.

(c) Delivery. At the Closing, (i) the Investor shall pay to the Company the Purchase Price by (A) wire transfer of immediately available funds in the amount of $290,965.61 to Rusnano, on behalf of the Company, in partial satisfaction of the indebtedness by the Company to Rusnano pursuant to that certain Convertible Loan Agreement between the Company and Rusnano, dated as of September 3, 2013 (as amended and supplemented by that certain Amendment and Supplemental Agreement No. 1 to Convertible Loan Agreement dated as of the date hereof, the "Convertible Loan Agreement"), (B) wire transfer of immediately available funds in the amount of $19,876.39 to the Company to be used by the Company for general operating purposes, (C) payment of certain indebtedness of the Company totaling $412,217.36 owed to Rusnano and certain other third parties as set forth on Exhibit A to that certain Acknowledgment Agreement, (D) issuance of 256,215 shares of common stock of the Investor to Rusnano (at the aggregate value of $1,140,156.75) in partial satisfaction, on behalf of the Company, of the indebtedness of the Company under the Convertible Loan Agreement, and (E) setting off against the remainder of the Purchase Price an amount equal to $333,337.89, which amount reflects indebtedness owed by the Company to the Investor, in each case as described in the Acknowledgment Agreement and (ii) the Company shall deliver certificates evidencing the Shares to be purchased by the Investor pursuant to this Agreement in definitive form and registered in the name of the Investor.

3. Representations and Warranties of the Investor.

The Investor represents and warrants to the Company as follows as of the Closing:

(a) Organization and Authority. The Investor is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of formation and has all necessary power and authority to enter into this Agreement, to carry out its obligations hereunder and to consummate the transactions contemplated hereby.

(b) Authorization, Noncontravention. The execution and delivery of this Agreement by the Investor, the performance by the Investor of its obligations hereunder and the consummation by the Investor of the transactions contemplated hereby have been duly authorized on its part by all requisite action.

(c) Binding Effect. This Agreement has been duly executed and delivered by the Investor and (assuming due execution and delivery by the Company) constitutes a legal, valid and binding obligation of the Investor, enforceable against the Investor in accordance with its terms.

(d) No Other Action. No action by, or in respect of, or filing with, any Governmental Authority is required for the execution, delivery and performance of this Agreement by the Investor.

(e) Investment Intent. The Shares to be acquired by the Investor hereunder are being acquired for its own account and without a view to the public distribution of such Shares or any interest therein.

(f) Shares Unregistered. The Investor understands and acknowledges that (i) the offering and sale of the Shares to be acquired by the Investor hereunder are intended to be exempt from registration under the Securities Act pursuant to Section 4(a)(2) thereof and, accordingly, the offer and sale of the Shares have not been registered under the Securities Act, (ii) the Shares must be held indefinitely and the Investor must continue to bear the economic risk of the investment in the Shares unless the offering and sale of such Shares are subsequently registered under the Securities Act and all applicable U.S. state securities laws or an exemption from such registration is available, (iii) there is no established public or other market for the Shares and it is not anticipated that there will be any public market for the Shares in the foreseeable future, (iv) the Company does not provide current public information within the meaning of Rule 144 under the Securities Act and, other than in accordance with the Stockholders' Agreement, the Company has made no covenant to make such information available and (v) a restrictive legend in the form set forth in Section 12(a) and (b) of the Stockholders' Agreement shall be placed on all certificates evidencing the Shares to be acquired by the Investor hereunder.

4. Investment Representations. The Investor further represents and warrants to the Company as follows as of the Closing:

(a) That the Investor is aware of or has been informed of the following:

(i) The Shares are speculative investments which involve a substantial degree of risk of loss by the Investor of its investment in the Shares.

(ii) No federal or state agency has made any findings as to the fairness of the terms of the offering of the Shares.

(iii) That any projections or predictions that may have been made available to the Investor are based on estimates, assumptions and forecasts which may prove to be incorrect; and no assurance is given that actual results will correspond with the results contemplated by the various projections.

(b) That the Investor is an "accredited investor" as that term is defined in Regulation D under the Act or is otherwise a sophisticated, knowledgeable investor (either alone or with the aid of a purchaser representative) with adequate net worth and income for this investment. The Investor acknowledges that it has completed the Accredited Investor Certificate contained in Annex A hereto and that the information contained therein is complete and accurate as of the date hereof, and the Investor will immediately notify the Company if any such information contained therein becomes incomplete or inaccurate at any time.

(c) That the Investor has knowledge and experience in financial and business matters, is capable of evaluating the merits and risks of an investment in the Company and its proposed activities and has carefully considered the suitability of an investment in the Company for the Investor's particular financial situation, and has determined that the Shares are a suitable investment.

(d) That the Investor has reviewed the information provided to the Investor by the Company in connection with the Investor's decision to purchase the Shares, including but not limited to the PPM. The Investor acknowledges that the PPM is as of December 4, 2015, as supplemented by that certain Confidential Private Placement Memorandum-Supplement dated as of December 15, 2015, and may not contain all of the terms and conditions of the offering and sale of the Shares, and understands and acknowledges that it is the Investor's responsibility to conduct its own independent investigation and evaluation of the Company; provided, however, the Investor is not relying on any information contained on the Company's website located at http://www.panacelalabs.com. That the offer to sell Shares was communicated to the Investor by the Company in such a manner that the Investor was able to ask questions of and receive answers from the Company concerning the terms and conditions of this transaction and that at no time was the Investor presented with or solicited by any leaflet, public promotional meeting, newspaper or magazine article, radio or television advertisement or any other form of advertising or general solicitation.

(a) That the Investor has reviewed this Agreement in its entirety, has had an opportunity to obtain the advice of counsel, regulatory, tax, business, investment, financial and accounting advisers to the extent it has deemed necessary, prior to executing this Agreement and fully understands all provisions of this Agreement.

(b) That the Investor is an existing entity, and has not been organized or reorganized for the purpose of making this investment (or if not true, such fact shall be disclosed to the Company in writing along with information concerning the beneficial owners of Investor).

5. Covenants.

(a) Further Action. If at any time after the date hereof any further action is reasonably necessary to carry out the purpose of this Agreement, each of the Company and the Investor agrees to use its reasonable efforts to take such further action.

(b) Restrictions on Transfer. The Investor agrees to comply in all respects with the provisions of this Agreement and the provisions of the Stockholders' Agreement. Prior to any proposed sale, assignment, transfer or pledge of any Shares, unless there is in effect a registration statement under the Securities Act and any applicable U.S. state securities laws covering the proposed transfer, the Investor thereof shall give written notice to the Company of Investor's intention to effect such transfer, sale, assignment or pledge. Each such notice shall describe the manner and circumstances of the proposed transfer, sale, assignment or pledge in sufficient detail, and shall be accompanied, at the Investor's expense with evidence satisfactory to the Company the effect that the proposed transfer of the Shares may be effected without registration under the Securities Act or applicable U.S. securities laws, and, without limitation, an opinion from Investor's counsel to such effect shall be deemed satisfactory evidence. The Investor will cause any proposed purchaser, assignee, transferee or pledgee of the Shares held by the Investor to agree to take and hold such securities subject to the provisions and conditions of this Agreement, including without limitation this Section 5(b), and the Stockholders' Agreement.

6. Miscellaneous.

(a) Governing Law. This Subscription Agreement shall be construed, governed, interpreted and applied in accordance with the laws of the State of New York, without regard to principles of conflicts of laws.

(b) Entire Agreement. This Agreement, together with the Offering Materials, the Acknowledgment Agreement and the Convertible Loan Agreement, constitute the entire agreement between the parties hereto with respect to the subject matter hereof and supersede any prior or contemporaneous understandings, representations, warranties or agreements (whether oral or written).

(c) No Waivers, Amendments. The waiver by any party hereto of a breach of any provision of this Agreement shall not operate or be construed as a further or continuing waiver of such breach or as a waiver of any other or subsequent breach. No failure or delay on the part of any party in exercising any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or remedy. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law. Any provision of this Agreement may be amended if, but only if such amendment is in writing and is signed by the Company and the Investor. Any agreement on the part of any party to any waiver shall be valid only if set forth in a written instrument executed and delivered by a duly authorized officer on behalf of such party.

(d) Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

(e) Communications. All notices, consents and other communications hereunder shall be in writing and shall be deemed to have been duly given (i) when delivered by hand or by Federal Express or a similar overnight courier, (ii) five (5) days after being deposited in any United States Post Office enclosed in a postage prepaid and registered or certified envelope addressed to or (iii) when successfully transmitted by fax or e-mail (with a confirming copy of such communication to be sent as provided in clauses (i) or (ii) above) to, the party for whom intended, at the address or fax number for such party set forth below (or at such other address, fax number or e-mail address for a party as shall be specified by like notice, provided, however, that any notice of change of address, fax number or e-mail address shall be effective only upon receipt):

(i) If to the Company:

Panacela Labs, Inc.
73 High Street
Buffalo, New York USA 14203
Attention: Chief Executive Officer
Facsimile: (716) 849-6820
E-mail: notices@cbiolabs.com

(ii) If to the Investor:

Cleveland BioLabs, Inc.
73 High Street
Buffalo, New York USA 14203
Attention: Chief Executive Officer
Facsimile: (716) 849-6820
E-mail: notices@cbiolabs.com

With a copy to:

McGuireWoods LLP
7 Saint Paul Street, Suite 1000
Baltimore, Maryland USA 21202
Attention: Cecil E. Martin, III
Facsimile: (410) 659-4535
E-mail: cmartin@mcguirewoods.com

(f) Survival of Provisions. The representations, warranties, covenants and agreements contained in this Agreement shall survive the consummation of the transactions contemplated hereby. This Section 6(f) shall not limit any covenant or agreement of the parties hereto which, by its terms, contemplates performance after the Closing. Without limiting the generality of the previous sentence, Section 6(g) shall survive beyond the Closing.

(g) Expenses, Documentary Taxes. The Investor shall pay all costs and expenses that it incurs with respect to the negotiation, execution, delivery and performance of this Agreement, or any amendment or waiver hereof.

(h) Headings. The descriptive headings contained in this Agreement are for convenience of reference only and shall not affect in any way the meaning or interpretation of this Agreement.

(i) Severability. Whenever possible, each provision or portion of any provision of this Agreement shall be interpreted in such manner as to be effective, enforceable and valid under applicable law, but if any provision or portion of any provision of this Agreement is held to be invalid, illegal or unenforceable under applicable law, this Agreement shall be considered divisible and such provision or portion thereof shall be deemed inoperative to the extent it is deemed invalid, illegal or unenforceable, and in all other respects this Agreement shall remain in full force and effect and such invalidity, illegality or unenforceability shall not affect any other provision or portion of any provision.

(j) No Third-Party Beneficiaries. This Agreement is for the sole benefit of the parties hereto and their permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

(k) Execution in Counterparts. This Agreement may be executed in two counterparts, each of which when executed shall be deemed to be an original, but all of which taken together shall constitute one and the same agreement. The delivery of signed counterparts by facsimile or email transmission that includes a copy of the sending party's signature is as effective as signing and delivering the counterpart in person, for all purposes; provided that an original of such facsimile or electronic signature shall be delivered within five (5) business days thereof.

(l) Currency. All references to "$" in this Agreement shall be deemed to refer to U.S. dollars, the legal currency of the United States of America.

[*Signatures Follow*]

IN WITNESS WHEREOF, the undersigned has executed this Stock Subscription Agreement as of the date first written above.

18,710
Number of Shares of Common Stock Subscribed for

CLEVELAND BIOLABS, INC.

By: /s/ C. Neil Lyons
Name: C. Neil Lyons, CPA
Title: Executive Vice President & Chief Financial Officer

THE SHARES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT AND MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED UNLESS THE SECURITIES ARE REGISTERED UNDER THE ACT OR AN EXEMPTION THEREFROM IS AVAILABLE, AND THEN ONLY IN COMPLIANCE WITH THE CERTIFICATE OF INCORPORATION AND STOCKHOLDERS' AGREEMENT.

Accepted by the Company:

PANACELA LABS, INC.

By: /s/ C. Neil Lyons
C. Neil Lyons, CPA
Chief Financial Officer

[Signature Page for CBLI/Panacela Subscription Agreement]

Annex A

Accredited Investor Certificate

The undersigned hereby certifies to being an "accredited investor" as that term is defined in Regulation D adopted pursuant to the Securities Act of 1933, as amended (the "Securities Act"). The specific category(s) of accredited investor applicable to the undersigned is checked below.

☐ an individual whose individual net worth, or joint net worth with the individual's spouse, exceeds $1,000,000 (excluding the value of the individual's primary residence) (the term "net worth" means the excess of total assets over total liabilities).

☐ an individual who had an individual income in excess of $200,000 in each of 2013 and 2014 or joint income with that person's spouse in excess of $300,000 in each of those years and who reasonably expects to reach the same income level in 2015.

☐ a bank as defined in Section 3(a)(2) of the Securities Act, or a savings and loan association or other institution as defined in Section 3(a)(5)(A) of the Securities Act, whether acting in its individual or fiduciary capacity; a broker or dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934, as amended; an insurance company as defined in Section 2(13) of the Securities Act; an investment company registered under the Investment Company Act of 1940 (the "1940 Act") or a business development company as defined in Section 2(a)(48) of the 1940 Act; a Small Business Investment Company licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958; any plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, if such plan has total assets in excess of $5,000,000; or an employee benefit plan within the meaning of Title I of the Employee Retirement Income Security Act of 1974 ("ERISA"), if the investment decision is made by a plan fiduciary, as defined in Section 3(21) of ERISA, which is either a bank, savings and loan association, insurance company or registered investment adviser, or if the employee benefit plan has total assets in excess of $5,000,000 or if a self-directed plan, with investment decisions made solely by persons that are accredited investors.

☐ a private business development company as defined in Section 202(a)(22) of the Investment Advisers Act of 1940.

☐ an organization described in Section 501(c)(3) of the Internal Revenue Code, a corporation, a Massachusetts or similar business trust, or a partnership, not formed for the specific purpose of acquiring the Purchased Stock, with total assets in excess of $5,000,000.

☐ an individual who is a director or executive officer of the Company.

☐ a trust, with total assets in excess of $5,000,000, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a person who has such knowledge and experience in financial and business matters that he or she is capable of evaluating the merits and risks of the prospective investment.

☐ an entity in which all of the equity owners are accredited investors as set forth above.

CLEVELAND BIOLABS, INC.

By: /s/ C. Neil Lyons
Name: C. Neil Lyons, CPA
Title: Chief Financial Officer

Address: 73 High Street
Buffalo, New York 14203

STOCK SUBSCRIPTION AGREEMENT

This STOCK SUBSCRIPTION AGREEMENT dated as of December 18, 2015 is by and between Open Joint Stock Company "Rusnano", a company organized under the laws of the Russian Federation with its registered address at 10A prospect 60-letiya Oktyabrya, Moscow 117036, Russian Federation (the "Investor"), and Panacela Labs, Inc., a Delaware corporation (the " Company").

WHEREAS, the Company, the Investor and Cleveland BioLabs, Inc. have entered into that certain Acknowledgment Agreement dated as of the date hereof (the "Acknowledgment Agreement"), pursuant to which the parties hereto are required to deliver this Agreement (as defined below);

WHEREAS, the Company is authorized by its Amended and Restated Certificate of Incorporation (the " Certificate of Incorporation") to issue up to 137,420 shares of its Common Stock (the "Shares"); and

WHEREAS, the Investor hereby offers to subscribe to and purchase, and the Company desires to provide for the subscription for and purchase of, 6,014 Shares for, the purchase price per share of $117.40 and an aggregate purchase price of $706,043.60 (such aggregate purchase price, the "Purchase Price").

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements hereinafter set forth, the Company and the Investor hereby agree as follows:

1. Definitions.

(a) As used in this Agreement, the following terms shall have the following meanings:

"Agreement" means this Stock Subscription Agreement dated as of the date hereof, and all amendments hereto made in accordance with the provisions of Section 7(c).

"Common Stock" means the Common Stock, $0.001 par value per share, of the Company.

"Governmental Authority" means any United States federal, state or local or any foreign government, governmental, regulatory or administrative authority, agency or commission or any court, tribunal, or judicial or arbitral body.

"Lien" means any security interest, pledge, mortgage, lien (including, without limitation, environmental and tax liens), charge, encumbrance, adverse claim, preferential arrangement or restriction of any kind, including, without limitation, any restriction on the use, voting, transfer, receipt of income or other exercise of any attributes of ownership.

"Material Adverse Effect" means any circumstance, change in or effect on the Company or any of its Subsidiaries that, individually or in the aggregate with all other circumstances, changes in, or effects on, the Company and/or its Subsidiaries is materially adverse to the business, operations, assets, liabilities, results of operations or financial condition of the Company and its Subsidiaries taken as a whole.

"Offering Materials" means this Agreement, the Stockholders' Agreement and the PPM.

"Other Subscription Agreements" means the Stock Subscription Agreements by and among certain other existing stockholders of the Company and the Company, in each case dated on or about the date hereof, the executed copies of which have been provided to the Investor at or prior to the Closing.

"Person" means an individual, corporation, limited liability company, partnership, association, trust, joint stock company, or other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

"PPM" means the Confidential Private Placement Memorandum of the Company relating to the Shares dated as of December 4, 2015, as supplemented and otherwise updated.

"Securities Act" or "Act" means the United States Securities Act of 1933, as amended.

"Stockholders' Agreement" means that certain Stockholders and Investor Rights Agreement, by and among the Company and the stockholders listed on Schedule 1 thereto, as amended by that certain First Amendment to Stockholders and Investor Rights Agreement dated as of September 3, 2013.

"Subsidiary" or "Subsidiaries" means, with respect to any Person, any entity of which (i) securities or other ownership interests having ordinary voting power to elect a majority of the board of directors or other persons performing similar functions, (ii) more than 50% of the interest in the capital or profits of such Person or entity or (iii) more than 50% of the beneficial interest in such trust or estate, is at the time of determination directly or indirectly owned or controlled by such Person.

(b) The terms not defined in Section 1(a) above shall have the meanings set forth in this Agreement.

2. Purchase and Sale of the Shares.

(a) Commitments to Purchase the Shares. In reliance on the representations and warranties herein contained of the Investor, but subject to the terms and conditions hereinafter stated, the Company agrees to issue and sell to the Investor and the Investor, in reliance on the representations and warranties herein contained of the Company, but subject to the terms and conditions hereinafter stated, agrees to purchase from the Company the Shares, for an aggregate purchase price equal to the Purchase Price.

(b) The Closing. Subject to the terms and conditions of this Agreement, the closing (the " Closing") of the purchase and sale provided for in Section 2(a) shall take place at McGuireWoods LLP, 7 Saint Paul Street, Suite 1000, Baltimore, Maryland 21202 on December 18, 2015 or at such other date and place as the parties shall agree. At the option of the parties, documents to be delivered to the place of Closing (other than stock certificates evidencing the Shares) may be delivered by electronic transmission on or before the Closing.

(c) Deliveries. At the Closing, (i) the Investor shall pay to the Company the Purchase Price by setting off the Purchase Price against certain indebtedness owed to the Investor by the Company pursuant to that certain Convertible Loan Agreement dated as of September 3, 2013 (as amended and supplemented by that certain Amendment and Supplemental Agreement No. 1 to Convertible Loan Agreement dated as of the date hereof, the "Convertible Loan Agreement") such that an amount of such indebtedness that is equal to the Purchase Price is deemed satisfied and paid, as contemplated by the Acknowledgment Agreement, and (ii) the Company shall deliver to the Investor certificates evidencing the Shares to be purchased by the Investor pursuant to this Agreement registered in the name of the Investor.

3. Representations and Warranties of the Company .

The Company represents and warrants to the Investor as follows as of the Closing:

(a) Organization, Standing, etc. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and has all requisite power and authority to own, operate or lease the properties and assets now owned, operated or leased by it and to carry on its business as it has been and is currently conducted. The Company is duly licensed or qualified to do business and is in good standing in each jurisdiction in which the properties owned or leased by it or the operation of its business makes such licensing or qualification necessary or desirable, except where the failure to be so licensed, qualified or in good standing would not have a Material Adverse Effect.

(b) Authorization, Noncontravention. The Company has all requisite power and authority to enter into this Agreement, to perform its obligations hereunder and to consummate the transactions contemplated hereby. The execution and delivery by the Company of this Agreement, the consummation of the transactions contemplated herein, and the fulfillment of and compliance with the respective terms, conditions and provisions thereof or of any instruments required hereby have been duly authorized by all requisite action on the part of the Company and do not and, will not (i) conflict with or result in a breach of any of the terms, conditions or provisions of any (A) law or regulation of any Governmental Authority applicable to the Company or any of its Subsidiaries, (B) writ, injunction, award or decree of any court or arbitral tribunal applicable to the Company or any of its Subsidiaries, or (C) material agreement or instrument to which the Company or any of its Subsidiaries is a party, by which it is bound, or to which it is subject; (ii) result in (A) the creation or imposition of any Lien or (B) any violation of the Certificate of Incorporation or bylaws (or analogous documents) of the Company or any of its Subsidiaries or (iii) require filing with, notice to or consent of any Governmental Authority or other third Person, except as set forth in the Stockholders' Agreement or Section 3(f).

(c) Binding Effect. This Agreement has been duly authorized, executed and delivered by the Company, and assuming due authorization, execution and delivery by the Investor, this Agreement constitutes the legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except that enforceability hereof may be limited by (i) applicable bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights generally and (ii) equitable principles which may limit the availability of certain equitable remedies (such as specific performance).

(d) Capitalization, Subsidiaries.

(i) The shares of Common Stock comprising the Shares to be purchased pursuant to this Agreement have been duly authorized and, when issued, delivered and paid for in accordance with the terms of this Agreement, will have been validly issued and will be fully paid and nonassessable, and the Investor upon payment of the Purchase Price shall have valid and legal title to the Shares, free and clear of all Liens, other than restrictions on transfer pursuant to U.S. federal and state securities laws and Liens created by the Stockholders' Agreement. Other than as provided in the Offering Materials and the Other Subscription Agreements, (A) there are no outstanding or authorized subscriptions, warrants, options, calls, commitments or other rights or agreements to which the Company or any other Person is bound or entitled to the benefit of relating to the issuance, sale, redemption, conversion, transfer or voting of any equity interests of the Company; and (B) the issuance of the Shares will not be subject to preemptive or similar rights, except for such as have been validly waived or complied with. Immediately following the Closing, the authorized capital stock of the Company will consist of 102,580 shares of Series A Preferred Stock and 137,420 shares of Common Stock, of which 11,353 shares of Series A Preferred Stock will be issued and outstanding, and following all closings in connection with the offering pursuant to the PPM and assuming the purchase of all Common Stock proposed in the offering, 48,377 shares of Common Stock will be issued and outstanding.

(ii) The Company has no Subsidiaries other than the Limited Liability Company "Panacela Labs", a limited liability company formed under the laws of the Russian Federation on July 14, 2011, state registration number (OGRN): 1117746551812. There are no corporations, partnerships, joint ventures, associations or other entities in which the Company owns of record or beneficially, any direct or indirect equity or other interest or any right (contingent or otherwise) to acquire the same. The Company is not a member of any partnership nor is the Company a participant in any joint venture or similar arrangement.

(e) Solicitation. No form of general solicitation or general advertising was used by the Company, or, to the best knowledge of the Company, any other Person acting on its behalf, in respect of the Shares or in connection with the offer and sale of the Shares.

(f) No Other Action. No action by, or in respect of, or filing with, any Governmental Authority is required for the execution, delivery and performance of this Agreement by the Company and acquisition of the Shares, except for the Form D filing pursuant to Rule 506 of Regulation D of the Securities Act and any notice filings required by the laws of any U.S. state or any political subdivision thereof.

(g) PPM. The PPM does not contain any untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading and no event or circumstance has occurred since the date of the PPM that would cause the PPM to contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

4. Representations and Warranties of the Investor.

The Investor represents and warrants to the Company as follows as of the Closing:

(a) Organization and Authority. The Investor is a joint stock company duly organized, validly existing and in good standing under the laws of the Russian Federation.

(b) Authorization, Noncontravention. The Investor has all requisite power and authority to enter into this Agreement, to perform its obligations hereunder and to consummate the transactions contemplated hereby. The execution and delivery by the Investor of this Agreement, the consummation by the Investor of the transactions contemplated herein, and the fulfillment of and compliance by the Investor with the terms, conditions and provisions hereof or of any instruments required hereby, have been duly authorized by all requisite action on the part of the Investor and do not and will not (i) conflict with or result in a breach of any of the terms, conditions or provisions of any (A) law or regulation of any Governmental Authority applicable to the Investor, (B) writ, injunction, award or decree of any court or arbitral tribunal applicable to the Investor, or (C) material agreement or instrument to which the Investor is a party, by which it is bound, or to which it is subject, (ii) result in any violation of the Certificate of Incorporation or bylaws (or analogous documents) of the Investor or (ii) require filing with, notice to or consent of any third Person.

(c) Binding Effect. This Agreement has been duly executed and delivered by the Investor and (assuming due authorization, execution and delivery by the Company) constitutes a legal, valid and binding obligation of the Investor, enforceable against the Investor in accordance with its terms, except that enforceability hereof may be limited by (i) applicable bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights generally and (ii) equitable principles which may limit the availability of certain equitable remedies (such as specific performance).

(d) No Other Action. No action by, or in respect of, or filing with, any Governmental Authority is required for the execution, delivery and performance of this Agreement by the Investor.

(e) Investment Intent. The Shares to be acquired by the Investor hereunder are being acquired for its own account and without a view to the public distribution of such Shares or any interest therein.

5. Investment Representations. The Investor further represents and warrants to the Company as follows as of the Closing:

(a) Shares Unregistered. The Investor understands and acknowledges that (i) the offering and sale of the Shares to be acquired by the Investor hereunder are intended to be exempt from registration under the Securities Act pursuant to Section 4(a)(2) thereof and, accordingly, the offer and sale of the Shares have not been registered under the Securities Act, (ii) the Shares must be held indefinitely and the Investor must continue to bear the economic risk of the investment in the Shares unless the offering and sale of such Shares are subsequently registered under the Securities Act and all applicable securities laws of the states of the United States of America ("U.S. state securities laws") or an exemption from such registration is available, (iii) there is no established public or other market for the Shares and it is not anticipated that there will be any public market for the Shares in the foreseeable future, (iv) the Company does not provide current public information within the meaning of Rule 144 under the Securities Act and, other than in accordance with the Stockholders' Agreement, the Company has made no covenant to make such information available and (v) a restrictive legend in the form set forth in Section 12(a) and (b) of the Stockholders' Agreement shall be placed on all certificates evidencing the Shares to be acquired by the Investor hereunder.

(b) The Shares are speculative investments which involve a substantial degree of risk of loss by the Investor of its investment in the Shares.

(c) No federal or state agency has made any findings as to the fairness of the terms of the offering of the Shares.

(d) That the Investor is an "accredited investor" as that term is defined in Regulation D under the Act or is otherwise a sophisticated, knowledgeable investor (either alone or with the aid of a purchaser representative) with adequate net worth and income for this investment. The Investor acknowledges that it has completed the Accredited Investor Certificate contained in Annex A hereto and that the information contained therein is complete and accurate as of the date hereof, and the Investor will immediately notify the Company if any such information contained therein becomes incomplete or inaccurate at any time.

(e) That the Investor has knowledge and experience in financial and business matters, is capable of evaluating the merits and risks of an investment in the Company and its proposed activities and has carefully considered the suitability of an investment in the Company for Investor's particular financial situation, and has determined that the Shares are a suitable investment.

(f) That the Investor has reviewed the information provided to the Investor by the Company in connection with the Investor's decision to purchase the Shares, including but not limited to the PPM. The Investor acknowledges that the PPM is as of December 4, 2015, as supplemented by that certain Confidential Private Placement Memorandum-Supplement dated as of December 15, 2015, and may not contain all of the terms and conditions of the offering and sale of the Shares, and understands and acknowledges that it is the Investor's responsibility to conduct its own independent investigation and evaluation of the Company; provided, however, the Investor is not relying on any information contained on the Company's website located at http://www.panacelalabs.com. That the offer to sell Shares was communicated to the Investor by the Company in such a manner that the Investor was able to ask questions of and receive answers from the Company concerning the terms and conditions of this transaction and that at no time was the Investor presented with or solicited by any leaflet, public promotional meeting, newspaper or magazine article, radio or television advertisement or any other form of advertising or general solicitation.

(g) That the Investor is a joint stock company, resident in the Russian Federation, is providing a Form W-8BEN, and the Investor will notify the Company within sixty (60) days of any change to such status and of any new country of residence. The Investor agrees to provide to the Company in a timely manner any tax documentation that may be reasonably required by the Company.

(h) That the Investor is an existing entity, and has not been organized or reorganized for the purpose of making this investment (or if not true, such fact shall be disclosed to the Company in writing).

6. Covenants.

(a) Use of Proceeds. The Company acknowledges that the net proceeds received from the offering under the PPM will be used to pay off certain of the Company's outstanding indebtedness (including amounts owed to the Investor), to satisfy certain outstanding trade payables and $19,876.39 shall be used for general operating purposes, in each case as further described in the Acknowledgment Agreement, and shall not be used for any other purpose.

(b) Investment Company Act. The Company shall take all reasonable actions necessary to remain exempt from the provisions of the Investment Company Act of 1940, as amended.

(c) Further Action. If at any time after the date hereof any further action is reasonably necessary to carry out the purpose of this Agreement, each of the Company and the Investor agrees to use its reasonable efforts to take such further action.

(d) Restrictions on Transfer. The Investor agrees to comply in all respects with the provisions of this Agreement and the provisions of the Stockholders' Agreement. To the extent required by the Stockholders' Agreement, the Investor will cause any proposed purchaser, assignee, transferee or pledgee of the Shares held by the Investor to agree to take and hold such securities subject to the provisions and conditions of the Stockholders' Agreement. The parties hereto acknowledge that after the Closing, the Stockholders' Agreement shall continue in full force and effect as in effect on the date hereof (prior to the Closing), and is hereby ratified and affirmed by the parties hereto.

(e) Form D Filing. The Company shall properly and timely effectuate the filing of Form D pursuant to Rule 506 of the Securities Act.

(f) Waiver of Series A Conversion Price. In accordance with Section 5.2 of the Certificate of Incorporation, and as the holder of 75% of the issued and outstanding shares of Series A Preferred Stock (as defined in the Certificate of Incorporation) the Investor hereby agrees and acknowledges that no adjustment in the Series A Conversion Price (as defined in the Certificate of Incorporation) pursuant to Section 5.4 of the Certificate of Incorporation shall be made in connection with the Offering (as defined in the PPM).

7. Miscellaneous.

(a) Governing Law. This Subscription Agreement shall be construed, governed, interpreted and applied in accordance with the laws of the State of New York, without regard to principles of conflicts of laws.

(b) Entire Agreement. This Agreement, together with the Acknowledgment Agreement, the Convertible Loan Agreement and the Offering Materials, constitute the entire agreement between the parties hereto with respect to the subject matter hereof and supersede any prior or contemporaneous understandings, representations, warranties or agreements (whether oral or written) and may be amended only by a writing executed by all parties.

(c) No Waivers, Amendments. The waiver by any party hereto of a breach of any provision of this Agreement shall not operate or be construed as a further or continuing waiver of such breach or as a waiver of any other or subsequent breach. No failure or delay on the part of any party in exercising any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or remedy. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law. Any provision of this Agreement may be amended if, but only if such amendment is in writing and is signed by the Company and the Investor. Any agreement on the part of any party to any waiver shall be valid only if set forth in a written instrument executed and delivered by a duly authorized officer on behalf of such party.

(d) Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

(e) Communications. All notices, consents and other communications hereunder shall be in writing and shall be deemed to have been duly given (i) when delivered by hand or by Federal Express or a similar overnight courier, (ii) five business (5) days after being deposited in any United States Post Office enclosed in a postage prepaid and registered or certified envelope addressed to or (iii) when successfully transmitted by fax or e-mail (with a confirming copy of such communication to be sent as provided in clauses (i) or (ii) above) to, the party for whom intended, at the address or fax number for such party set forth below (or at such other address, fax number or e-mail address for a party as shall be specified by like notice, provided, however, that any notice of change of address, fax number or e-mail address shall be effective only upon receipt):

(i) If to the Company:

Panacela Labs, Inc.
73 High Street
Buffalo, New York USA 14203
Attention: Chief Executive Officer
Facsimile: (716) 849-6820
E-mail: notices@cbiolabs.com

(ii) If to the Investor:

OJSC “RUSNANO”
10A Prospect 60-Letiya Oktyabrya
Moscow 117036
Russian Federation
Attention: Leysan Shaydullina, Investment Manager
Facsimile: 7-495-988-5399
E-mail: Leysan.Shaydullina@rusnano.com

With a copy to:

Dentons US LLP
1221 Avenue of Americas
New York, NY 10020-1089
USA
Attention: Olga Sandler
Facsimile: +1-212-768-6800
Email: olga.sandler@dentons.com

(f) Survival of Provisions. The representations, warranties, covenants and agreements contained in this Agreement shall survive the consummation of the transactions contemplated hereby. This Section 7(f) shall not limit any covenant or agreement of the parties hereto which, by its terms, contemplates performance after the Closing. Without limiting the generality of the previous sentence, Section 7(g) shall survive beyond the Closing.

(g) Expenses, Documentary Taxes. Each party shall pay all costs and expenses that it incurs with respect to the negotiation, execution, delivery and performance of this Agreement, or any amendment or waiver thereof; provided, however, that the Company shall not incur any such costs or expense in connection with this Agreement, the Acknowledgment Agreement or any other agreement or document executed or filed pursuant to the Acknowledgment Agreement that in the aggregate exceed $2,000.

(h) Headings. The descriptive headings contained in this Agreement are for convenience of reference only and shall not affect in any way the meaning or interpretation of this Agreement.

(i) Severability. Whenever possible, each provision or portion of any provision of this Agreement shall be interpreted in such manner as to be effective, enforceable and valid under applicable law, but if any provision or portion of any provision of this Agreement is held to be invalid, illegal or unenforceable under applicable law, this Agreement shall be considered divisible and such provision or portion thereof shall be deemed inoperative to the extent it is deemed invalid, illegal or unenforceable, and in all other respects this Agreement shall remain in full force and effect and such invalidity, illegality or unenforceability shall not affect any other provision or portion of any provision

(j) No Third-Party Beneficiaries. This Agreement is for the sole benefit of the parties hereto and their permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other Person any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

(k) Execution in Counterparts. This Agreement may be executed in two counterparts, each of which when executed shall be deemed to be an original, but all of which taken together shall constitute one and the same agreement. The delivery of signed counterparts by facsimile or email transmission that includes a copy of the sending party's signature is as effective as signing and delivering the counterpart in person, for all purposes; provided that an original of such facsimile or electronic signature shall be delivered within five (5) business days thereof.

(l) Currency. All references to "$" in this Agreement shall be deemed to refer to U.S. dollars, the legal currency of the United States of America.

[*Signatures Follow*]

IN WITNESS WHEREOF, the undersigned has executed this Stock Subscription Agreement as of the date first written above.

6,014
Number of Shares of Common Stock Subscribed for

Open Joint Stock Company “Rusnano”

By: /s/ Yurii Udalstov
on behalf of OJSC Rusnano
Yurii Udaltsov
Deputy Chairman of the Management Board of Management company RUSNANO LLC acting on the basis of a power of attorney

THE SHARES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT AND MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED UNLESS THE SECURITIES ARE REGISTERED UNDER THE ACT OR AN EXEMPTION THEREFROM IS AVAILABLE, AND THEN ONLY IN COMPLIANCE WITH THE CERTIFICATE OF INCORPORATION AND STOCKHOLDERS' AGREEMENT.

Accepted by the Company:
PANACELA LABS, INC.

By: /s/ C. Neil Lyons
C. Neil Lyons, CPA
Chief Financial Officer

[Signature Page for Rusnano/Panacela Subscription Agreement]

Annex A

Accredited Investor Certificate

The undersigned hereby certifies to being an "accredited investor" as that term is defined in Regulation D adopted pursuant to the Securities Act of 1933, as amended (the "Securities Act"). The specific category(s) of accredited investor applicable to the undersigned is checked below.

☐ an individual whose individual net worth, or joint net worth with the individual's spouse, exceeds $1,000,000 (excluding the value of the individual's primary residence) (the term "net worth" means the excess of total assets over total liabilities).

☐ an individual who had an individual income in excess of $200,000 in each of 2013 and 2014 or joint income with that person's spouse in excess of $300,000 in each of those years and who reasonably expects to reach the same income level in 2015.

☐ a bank as defined in Section 3(a)(2) of the Securities Act, or a savings and loan association or other institution as defined in Section 3(a)(5)(A) of the Securities Act, whether acting in its individual or fiduciary capacity; a broker or dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934, as amended; an insurance company as defined in Section 2(13) of the Securities Act; an investment company registered under the Investment Company Act of 1940 (the "1940 Act") or a business development company as defined in Section 2(a)(48) of the 1940 Act; a Small Business Investment Company licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958; any plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, if such plan has total assets in excess of $5,000,000; or an employee benefit plan within the meaning of Title I of the Employee Retirement Income Security Act of 1974 ("ERISA"), if the investment decision is made by a plan fiduciary, as defined in Section 3(21) of ERISA, which is either a bank, savings and loan association, insurance company or registered investment adviser, or if the employee benefit plan has total assets in excess of $5,000,000 or if a self-directed plan, with investment decisions made solely by persons that are accredited investors.

☐ a private business development company as defined in Section 202(a)(22) of the Investment Advisers Act of 1940.

☐ an organization described in Section 501(c)(3) of the Internal Revenue Code, a corporation, a Massachusetts or similar business trust, or a partnership, not formed for the specific purpose of acquiring the Purchased Stock, with total assets in excess of $5,000,000.

☐ an individual who is a director or executive officer of the Company.

☐ a trust, with total assets in excess of $5,000,000, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a person who has such knowledge and experience in financial and business matters that he or she is capable of evaluating the merits and risks of the prospective investment.

☐ an entity in which all of the equity owners are accredited investors as set forth above.

Open Joint Stock Company “Rusnano”

By: /s/ Yurii Udalstov
on behalf of OJSC Rusnano
Yurii Udaltsov
Deputy Chairman of the Management Board of Management company RUSNANO LLC acting on the basis of a power of attorney

Address: 10A Prospect 60-Letiya Oktyabrya
Moscow 117036
Russian Federation

ACKNOWLEDGMENT AGREEMENT

This ACKNOWLEDGMENT AGREEMENT (this "Acknowledgment"), is effective as of the 18 day of December, 2015 (the "Effective Date"), and is executed by and among Panacela Labs, Inc., a Delaware corporation (the "Company"), Cleveland BioLabs, Inc., a Delaware corporation ("CBLI"), and Open Joint Stock Company "Rusnano", a company organized under the laws of the Russian Federation ("Rusnano").

WHEREAS, CBLI and Rusnano are stockholders of the Company;

WHEREAS, the Company, as borrower, and Rusnano, as lender, are parties to that certain Convertible Loan Agreement dated as of September 3, 2013, as amended and supplemented by the Supplemental Agreement (as defined below) (the "Convertible Loan Agreement");

WHEREAS, attached hereto as Exhibit A is an accounting of the indebtedness of the Company owed to Rusnano under the Convertible Loan Agreement and certain other indebtedness of the Company owed to CBLI, Rusnano and certain other third party trade creditors identified therein immediately prior to the Effective Date (collectively, the "Obligations"); and

WHEREAS, the parties desire to evidence the mutual agreements and understandings of the parties hereto with respect to the satisfaction in full of the Obligations.

NOW, THEREFORE, in consideration of the foregoing, the mutual acknowledgments hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto acknowledge and agree to the following facts and understandings:

1. Definitions.

(a) As used in this Acknowledgment, the following terms shall have the following meanings:

(i) "CBLI Common Stock" means the Common Stock, $0.005 par value per share, of CBLI.

(ii) "Governmental Authority" means any United States federal, state or local or any foreign government, governmental, regulatory or administrative authority, agency or commission or any court, tribunal, or judicial or arbitral body.

(iii) "Intercompany Loan Agreement" means that certain Loan Agreement dated as of September 3, 2013, between the Company and the LLC, as amended by Amendment No. 1 to Loan Agreement dated as of October 8, 2013.

(iv) "Intercompany Loan Amendment" means that certain Amendment No. 2 to Loan Agreement to be entered into by the Company and the LLC, substantially in the form of Exhibit B attached hereto.

(v) "Lien" means any security interest, pledge, mortgage, lien (including, without limitation, environmental and tax liens), charge, encumbrance, adverse claim, preferential arrangement or restriction of any kind, including, without limitation, any restriction on the use, voting, transfer, receipt of income or other exercise of any attributes of ownership.

(vi) "LLC" means Panacela Labs, LLC, a company organized under the laws of the Russian Federation.

(vii) "Material Adverse Effect" means, with respect to any Person, any circumstance, change in or effect on such Person or any of its Subsidiaries that, individually or in the aggregate with all other circumstances, changes in, or effects on, such Person and/or its Subsidiaries is materially adverse to the business, operations, assets, liabilities, results of operations or financial condition of such Person and its Subsidiaries, taken as a whole.

(viii) "Minority Stockholder" means any stockholder of the Company, other than CBLI or Rusnano.

(ix) "Panacela Common Stock" means the Common Stock, $0.001 par value per share, of the Company.

(x) "Person" means an individual, corporation, limited liability company, partnership, association, trust, joint stock company, or other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

(xi) "Proportionate Percentage" means the percentage that expresses the ratio of (x) the number of issued and outstanding shares of capital stock of the Company (on an as converted basis) then owned of record by such stockholder over (y) the aggregate number of outstanding shares of capital stock of the Company (on an as converted basis).

(xii) "Securities Act" means the United States Securities Act of 1933, as amended.

(xiii) "Stockholders' Agreement" means that certain Stockholders and Investor Rights Agreement, by and among the Company and the stockholders listed on Schedule 1 thereto, as amended by that certain First Amendment to Stockholders and Investor Rights Agreement dated as of September 3, 2013.

(xiv) "Subsidiary" or "Subsidiaries" means, with respect to any Person, any entity of which (i) securities or other ownership interests having ordinary voting power to elect a majority of the board of directors or other persons performing similar functions, (ii) more than 50% of the interest in the capital or profits of such Person or entity or (iii) more than 50% of the beneficial interest in such trust or estate, is at the time of determination directly or indirectly owned or controlled by such Person.

(xv) "Supplemental Agreement" means that certain Amendment and Supplemental Agreement No. 1 to Convertible Loan Agreement dated as of the date hereof between Rusnano and the Company.

(xvi) "Transaction Documents" means this Acknowledgment, the CBLI/Rusnano Subscription Agreement, the Panacela/Rusnano Subscription Agreement, the CBLI Subscription Agreement, the Supplemental Agreement, the Intercompany Loan Amendment and other documents, agreements, certificates and instruments delivered pursuant to any of the foregoing.

(b) The terms not defined in Section 1(a) above shall have the meanings set forth in this Acknowledgment.

2. Restructuring.

(a) Issuance of Panacela Shares.

(i) Prior to the Closing, the Company has offered for sale to all stockholders of the Company 24,724 shares of Panacela Common Stock ("Panacela Shares"), at $117.4 per share, with each stockholder entitled to purchase such stockholder's Proportionate Percentage of such Panacela Shares, which offer and sale, subject to Section 2(e)(i) and (ii), was conducted in accordance with the Stockholders' Agreement and applicable U.S. federal and state securities laws. None of the Minority Stockholders have elected to subscribe for or purchase any Panacela Shares.

(ii) Subject to the satisfaction or waiver of the conditions set forth in Section 4, at the Closing:

(A) Rusnano shall subscribe for and purchase, and the Company shall issue and deliver to Rusnano, 6,014 Panacela Shares;

(B) Rusnano shall pay the aggregate consideration for such Panacela Shares by acknowledging the repayment of $706,043.60 of the Rusnano Obligations as set forth in Section 2(b)(i)(B) (as it relates to Section 2(b)(i)(A)(3)); and

(C) In connection with transactions contemplated by this Section 2(a)(ii), Rusnano and the Company shall enter into a Stock Subscription Agreement substantially in the form of Exhibit C attached hereto (the "Panacela/Rusnano Subscription Agreement").

(iii) Subject to the satisfaction or waiver of the conditions set forth in Section 4, at the Closing:

(A) CBLI shall subscribe for and purchase, and the Company shall issue and deliver to CBLI, 18,710 Panacela Shares;

(B) CBLI shall pay the aggregate consideration for such Panacela Shares of $2,196,554 as set forth in Sections 2(b)(i)(A)(1) and (2) and Sections 2(b)(ii) and (iii);

(C) In connection with transactions contemplated by this Section 2(a)(iii), CBLI and the Company shall enter into a Stock Subscription Agreement substantially in the form of Exhibit D attached hereto (the "CBLI Subscription Agreement");

(iv) Issuance of CBLI Shares. Subject to the satisfaction or waiver of the conditions set forth in Section 4, at the Closing:

(A) Rusnano shall subscribe for and purchase, and CBLI shall issue and deliver to Rusnano, 256,215 shares of CBLI Common Stock (the "CBLI Shares"), at $4.45 per share (the closing market price of a share of CBLI Common Stock on the NASDAQ Capital Market as of October 13, 2015);

(B) Rusnano shall pay the aggregate consideration for such CBLI Shares of $1,140,156.75 by accepting CBLI Shares in partial satisfaction of the Rusnano Obligations, as described in Section 2(b)(i)(A)(2) and (B) (to the extent related to Section 2(b)(i)(A)(2)); and

(C) In connection with the transactions contemplated by Section 2(a)(iv), Rusnano and CBLI shall enter into a Stock Subscription Agreement substantially in the form of Exhibit E attached hereto (the "CBLI/Rusnano Subscription Agreement").

(v) All CBLI Shares and Panacela Shares shall be issued free and clear of all Liens other than any restrictions pursuant to U.S. federal and state securities laws and, in the case of Panacela Shares, any additional Liens created by or arising under the Stockholders' Agreement.

(b) Repayment of the Obligations.

(i) Rusnano Obligations.

(A) As of the Effective Date, prior to the consummation of the transactions contemplated hereby, provided that the transactions contemplated in this Acknowledgment are consummated prior to December 30, 2015, the Company owes $2,137,165.96 to Rusnano pursuant to the Convertible Loan Agreement (the "Rusnano Obligations") of which $1,530,000.00 is the outstanding initial principal amount (the "Principal Amount") and $607,165.96 is the accrued and unpaid interest as of October 13, 2015, as further set forth on Exhibit A. Provided the transactions contemplated in this Acknowledgment are consummated prior to December 30, 2015, Rusnano hereby waives any interest accrued on the Principal Amount after October 13, 2015 through the Effective Date. At the Closing, the Rusnano Obligations shall be satisfied in full as follows and as set forth in the Supplemental Agreement:

(1) CBLI shall pay Rusnano, on behalf of the Company, $290,965.61 (the "Cash Amount") by wire transfer of immediately available funds to the account of Rusnano as notified by Rusnano in writing prior to the Closing;

(2) CBLI shall pay $1,140,156.75 of the Rusnano Obligations (the "CBLI Shares Amount"), on behalf of the Company, by issuing and delivering the CBLI Shares to Rusnano, as described in Section 2(a)(iv); and

(3) The Company shall pay $706,043.60 of the Rusnano Obligations by issuing and delivering 6,014 Panacela Shares to Rusnano pursuant to the Panacela/Rusnano Subscription Agreement as described in Section 2(a)(ii).

(B) Rusnano hereby accepts repayment of the Rusnano Obligations as set forth in Section 2(b)(i)(A)(1) through (3) above and acknowledges and agrees that, after (i) the consummation of the transactions contemplated by clauses (1) through (3) above (including, without limitation, the receipt by Rusnano of the Cash Amount, the CBLI Shares and the Panacela Shares) and subject to Section 2(b)(i)(D) (including, without limitation, Section 9 of the Convertible Loan Agreement): (w) the Rusnano Obligations shall automatically and without any further action by the parties be deemed fully paid and satisfied, (x) that certain Warrant dated as of September 3, 2013 by and between CBLI and Rusnano (the "Warrant") shall be deemed cancelled, (y) Rusnano hereby releases any and all liens, security interests, assignments, pledges and other similar interests Rusnano may have in respect of the Convertible Loan Agreement, the Warrant and the Rusnano Obligations, and (z) Rusnano for itself and for its successors and assigns, fully and unconditionally releases and forever discharges the Company and its employees, officers, directors, agents, representatives successors and assigns from all of its obligations and liabilities under or claims relating to the Convertible Loan Agreement and the Warrant.

(C) After consummation of the transactions set forth in Section 2(b)(i)(A)(1) through (3) above, the Company does hereby for itself and for its successors and assigns, fully and unconditionally release and forever discharge Rusnano and its employees, officers, directors, agents, representatives successors and assigns from all of its obligations and liabilities under or claims relating to the Convertible Loan Agreement and the Warrant.

(D) Notwithstanding anything to the contrary in this Acknowledgment, (i) all obligations and duties of the Company under the Convertible Loan Agreement which, by their express terms, specifically survive the repayment of the Rusnano Obligations (and, in all events, Sections 9 and 11.3 of the Convertible Loan Agreement) and any claims related thereto first arising after the Effective Date shall not be deemed to have been terminated, released or discharged pursuant to this Acknowledgment and (ii) in the event of occurrence of events described in Section 9 of the Convertible Loan Agreement, each of the waiver set forth in Section 2(b)(i)(A) and Section 1 of the Supplemental Agreement shall be null and void and of no force and effect.

(E) For the avoidance of doubt and notwithstanding anything to the contrary in this Acknowledgment, the payment provisions set forth in Section 3 of the Supplemental Agreement shall not be in addition to, but shall be a mere restatement of, certain agreements of the parties as set forth in this Acknowledgment.

(iii) CBLI Obligations. As of the Effective Date and prior to the consummation of the transactions contemplated hereby, the Company owes $333,337.89 to CBLI as further set forth on Exhibit A (the "CBLI Obligations"). At the Closing, (i) the Company and CBLI shall set off the CBLI Obligations against CBLI's purchase price obligation under the CBLI Subscription Agreement, whereby, after giving effect to such set-off, the amount to be remitted by CBLI pursuant to the CBLI Subscription Agreement as the purchase price shall be reduced by the amount of the CBLI Obligations and (ii) upon receipt by CBLI of 18,710 Panacela Shares, the CBLI Obligations shall automatically and without any further action by the parties be deemed fully paid and satisfied and (iii) upon and subject to receipt of 18,710 Panacela Shares, CBLI hereby releases any and all liens, security interests, assignments, pledges and other similar interests CBLI may have in respect of the CBLI Obligations.

(iii) Trade Payables. As of the Effective Date and prior to the consummation of the transactions contemplated hereby, the Company owes (x) an aggregate amount of $397,217.36 in trade payables to third party creditors (other than CBLI and Rusnano) and (y) an aggregate amount of $15,000.00 to Rusnano pursuant to Section 6.2(a) of the Master Agreement dated as of September 3, 2013, as amended (the "Master Agreement Obligations"), for a total of $412,217.36, each as shown on Exhibit A (collectively, the "Trade Payables"). At or prior to the Closing, CBLI, on behalf of the Company, shall pay by wire transfer of immediately available funds to the account of each such third party creditor (including Rusnano) the respective amounts shown on Exhibit A and provide evidence of payment of such amounts to Rusnano and CBLI. Such payments made by CBLI shall be set-off against CBLI's purchase price obligations under the CBLI Subscription Agreement (as further described in Section 2(a)(iii)(B)), thereby reducing the actual amount that CBLI shall be required to remit to the Company in immediately available funds pursuant thereto. The Company shall use its best efforts to obtain a pay-off letter substantially in the form of Exhibit F attached hereto from each such third party creditor (other than Rusnano) on or prior to the Closing. Subject to and upon receipt by Rusnano of $15,000.00 pursuant to this Section 2(b)(iii), (i) the Master Agreement Obligations shall automatically and without any further action by the parties be deemed fully paid and satisfied and (ii) Rusnano hereby releases any and all liens, security interests, assignments, pledges and other interests Rusnano may have in respect of the Master Agreement Obligations. For the avoidance of doubt, the preceding sentence shall not apply to the Rusnano Obligations, which are addressed in Section 2(b)(i).

(c) Additional Documentation. At or prior to the Closing:

(i) The Company shall enter, and shall cause the LLC to enter, into the Intercompany Loan Amendment, which amendment is to extend the term of the Intercompany Loan Agreement until October 8, 2017.

(ii) CBLI shall deliver to Rusnano a certificate duly executed by the Secretary of CBLI certifying and attaching all corporate approvals obtained by CBLI in connection with the Transaction Documents to which CBLI is a party.

(iii) The Company shall deliver to Rusnano a certificate duly executed by the Secretary of the Company certifying and attaching (i) all corporate approvals obtained in connection with the Transaction Documents to which the Company is a party and (ii) all executed waivers obtained from Minority Stockholders pursuant to Section 2(e)(ii).

(d) Application of Funds. All funds received by the Company pursuant to this Acknowledgment, the Panacela/Rusnano Subscription Agreement and the CBLI Subscription Agreement shall be applied towards satisfaction of the Obligations; provided that a total of $19,876.39 out of the amount to be received from CBLI pursuant to Section 2(a)(iii) shall be used by the Company for general operational purposes.

(e) Waiver and Ratification of Stockholders' Agreement.

(i) CBLI and Rusnano hereby waive the requirements of Section 4 of the Stockholders' Agreement solely in respect of the transactions contemplated by this Acknowledgment.

(ii) On or prior to the Closing, the Company shall obtain a waiver of Section 4 of the Stockholders' Agreement in respect of the transactions contemplated by this Acknowledgment from each Minority Stockholder that does not participate in the offering by the Company to purchase Panacela Shares.

(iii) Except for the waivers described in clauses (i) and (ii) above, the Stockholders' Agreement shall continue in full force and effect as originally constituted and is hereby ratified and affirmed by the parties hereto.

3. The Closing. Subject to the terms and conditions of this Acknowledgment, the closing (the " Closing") of the transactions provided for in Section 2 shall take place at McGuireWoods LLP, 7 Saint Paul Street, Suite 1000, Baltimore, Maryland 21202 on December 18, 2015 or at such other date and place as the parties shall agree. At the option of the parties, documents to be delivered to the place of Closing may be delivered by electronic transmission on or before the Closing (except for stock certificates representing Panacela Shares).

4. Condition to Closing. All transactions described in Section 2 shall occur contemporaneously.

5. Representations and Warranties of CBLI.

CBLI represents and warrants to Rusnano and the Company as follows as of the Effective Date:

(a) Organization, Standing, etc. CBLI is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and has all requisite power and authority to own, operate or lease the properties and assets now owned, operated or leased by it and to carry on its business as it has been and is currently conducted. CBLI is duly licensed or qualified to do business and is in good standing in each jurisdiction in which the properties owned or leased by it or the operation of its business makes such licensing or qualification necessary or desirable, except where the failure to be so licensed, qualified or in good standing would not have a Material Adverse Effect with respect to CBLI.

(b) Authorization, Noncontravention. CBLI has all requisite power and authority to enter into this Acknowledgment and into each other Transaction Document to which CBLI is a party, to perform its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution and delivery by CBLI of this Acknowledgment and all other Transaction Documents to which CBLI is a party, the consummation of the transactions contemplated herein and therein, and the fulfillment of and compliance with the respective terms, conditions and provisions hereof or thereof or of any instruments required hereby or thereby have been duly authorized by all requisite action on the part of CBLI and do not and will not (i) conflict with or result in a breach of any of the terms, conditions or provisions of any (A) law or regulation of any Governmental Authority applicable to CBLI or any of its Subsidiaries, (B) writ, injunction, award or decree of any court or arbitral tribunal applicable to CBLI or any of its Subsidiaries, or (C) material agreement or instrument to which CBLI or any of its Subsidiaries is a party, by which it is bound, or to which it is subject, (ii) result in (A) the creation or imposition of any Lien or (B) any violation of the Certificate of Incorporation or bylaws (or analogous documents) of CBLI or any of its Subsidiaries or (iii) require filing with, notice to or consent of any Governmental Authority or other third Person, except as set forth in Section 5(d).

(c) Binding Effect. This Acknowledgment and each of the other Transaction Documents to which CBLI is a party have been duly authorized, executed and delivered by CBLI, and assuming due authorization, execution and delivery by other parties thereto, this Acknowledgment constitutes, and each other Transaction Document to which CBLI is a party at Closing will constitute, legal, valid and binding obligations of CBLI, enforceable against CBLI in accordance with their respective terms, except that enforceability hereof and thereof may be limited by (i) applicable bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights generally and (ii) equitable principles which may limit the availability of certain equitable remedies (such as specific performance).

(d) No Other Action. No action by, or in respect of, or filing with, any Governmental Authority is required for the execution, delivery and performance by CBLI of this Acknowledgment or any Transaction Document to which CBLI is a party, except for any Form D filings pursuant to Rule 506 of Regulation D of the Securities Act and any notice filings required by the laws of any U.S. state or any political subdivision thereof.

(e) Offering. Assuming the veracity and accuracy of the representations and warranties of Rusnano in this Acknowledgment and in the CBLI/Rusnano Subscription Agreement and subject to any Form D filings pursuant to Rule 506 of Regulation D of the Securities Act and any notice filings required by applicable law, the issuance of the CBLI Shares as set forth in this Acknowledgment and the CBLI/Rusnano Subscription Agreement will comply with all applicable laws.

6. Representations and Warranties of the Company .

The Company represents and warrants to Rusnano and CBLI as follows as of the Effective Date:

(a) Organization, Standing, etc. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and has all requisite power and authority to own, operate or lease the properties and assets now owned, operated or leased by it and to carry on its business as it has been and is currently conducted. The Company is duly licensed or qualified to do business and is in good standing in each jurisdiction in which the properties owned or leased by it or the operation of its business makes such licensing or qualification necessary or desirable, except where the failure to be so licensed, qualified or in good standing would not have a Material Adverse Effect with respect to the Company.

(b) Authorization, Noncontravention. The Company has all requisite power and authority to enter into this Acknowledgment and into each other Transaction Document to which the Company is a party, to perform its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution and delivery by the Company of this Acknowledgment and all other Transaction Documents to which the Company is a party, the consummation of the transactions contemplated herein and therein, and the fulfillment of and compliance with the respective terms, conditions and provisions hereof and thereof or of any instruments required hereby or thereby have been duly authorized by all requisite action on the part of the Company and do not and will not (i) conflict with or result in a breach of any of the terms, conditions or provisions of any (A) law or regulation of any Governmental Authority applicable to the Company or any of its Subsidiaries, (B) writ, injunction, award or decree of any court or arbitral tribunal applicable to the Company or any of its Subsidiaries, or (C) material agreement or instrument to which the Company or any of its Subsidiaries is a party, by which it is bound, or to which it is subject, (ii) result in (A) the creation or imposition of any Lien or (B) any violation of the Certificate of Incorporation or bylaws (or analogous documents) of the Company or any of its Subsidiaries or (iii) require filing with, notice to or consent of any Governmental Authority or other third Person, except as set forth in Section 6(d).

(c) Binding Effect. This Acknowledgment and each of the other Transaction Documents to which the Company is a party have been duly authorized, executed and delivered by the Company, and assuming due authorization, execution and delivery by other parties thereto, this Acknowledgment constitutes, and each other Transaction Document to which the Company is a party, at Closing will constitute, legal, valid and binding obligations of the Company, enforceable against the Company in accordance with their respective terms, except that enforceability hereof and thereof may be limited by (i) applicable bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights generally and (ii) equitable principles which may limit the availability of certain equitable remedies (such as specific performance).

(d) No Other Action. No action by, or in respect of, or filing with, any Governmental Authority is required for the execution, delivery and performance of this Acknowledgment by the Company, except for any Form D filings pursuant to Rule 506 of Regulation D of the Securities Act and any notice filings required by the laws of any U.S. state or any political subdivision thereof .

(e) Obligations. Except for miscellaneous expenses, not to exceed $2,000 in the aggregate, incurred by the Company in connection with the performance by the Company of its obligations under this Acknowledgment and the other Transaction Documents, the Company has no liabilities to any third party other than as described on Exhibit A hereto.

(f) Offering. Assuming the veracity and accuracy of the representations and warranties of Rusnano in this Acknowledgment and in the Panacela/Rusnano Subscription Agreement and subject to any Form D filings pursuant to Rule 506 of Regulation D of the Securities Act and any notice filings required by applicable law, the offering and sale of the Panacela Shares pursuant to that certain Private Placement Memorandum of the Company, dated as of December 4, 2015, and supplemented on December 15, 2015, will comply with all applicable laws.

7. Representations and Warranties of the Company with respect to the LLC .

The Company represents and warrants to Rusnano and CBLI as follows as of the Effective Date:

(a) Organization, Standing, etc. The LLC is a limited liability company duly organized, validly existing and in good standing under the laws of the Russian Federation and has all requisite power and authority to own, operate or lease the properties and assets now owned, operated or leased by it and to carry on its business as it has been and is currently conducted. The LLC is duly licensed or qualified to do business and is in good standing in each jurisdiction in which the properties owned or leased by it or the operation of its business makes such licensing or qualification necessary or desirable, except where the failure to be so licensed, qualified or in good standing would not have a Material Adverse Effect with respect to the LLC.

(b) Authorization, Noncontravention. The LLC has all requisite power and authority to enter into the Intercompany Loan Amendment, to perform its obligations thereunder and to consummate the transactions contemplated thereby. The execution and delivery by the LLC of the Intercompany Loan Amendment, the consummation of the transactions contemplated therein, and the fulfillment of and compliance with the terms, conditions and provisions thereof have been duly authorized by all requisite action on the part of the LLC and do not (i) conflict with or result in a breach of any of the terms, conditions or provisions of any (A) law or regulation of any Governmental Authority applicable to the LLC, (B) writ, injunction, award or decree of any court or arbitral tribunal applicable to the LLC, or (C) material agreement or instrument to which the LLC is a party, by which it is bound, or to which it is subject, (ii) result in (A) the creation or imposition of any Lien or (B) any violation of the Certificate of Incorporation or bylaws (or analogous documents) of the LLC or (iii) require filing with, notice to or consent of any Governmental Authority or other third Person.

(c) Binding Effect. The Intercompany Loan Amendment has been duly authorized, executed and delivered by the LLC, and assuming due authorization, execution and delivery by other parties thereto, the Intercompany Loan Agreement at Closing will constitute, a legal, valid and binding obligation of the LLC, enforceable against the LLC in accordance with its terms, except that enforceability thereof may be limited by (i) applicable bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights generally and (ii) equitable principles which may limit the availability of certain equitable remedies (such as specific performance).

(d) No Other Action. No action by, or in respect of, or filing with, any Governmental Authority is required for the execution, delivery and performance of the Intercompany Loan Amendment by the LLC.

8. Representations and Warranties of Rusnano.

Rusnano represents and warrants to CBLI and the Company as follows as of the Effective Date:

(a) Organization and Authority. Rusnano is a joint stock company duly organized, validly existing and in good standing under the laws of the Russian Federation.

(b) Authorization, Noncontravention. Rusnano has all requisite power and authority to enter into this Acknowledgment and all other Transaction Documents to which Rusnano is a party, to perform its obligations hereunder and to consummate the transactions contemplated hereby. The execution and delivery by Rusnano of this Acknowledgment and all other Transaction Documents to which Rusnano is a party, the consummation of the transactions contemplated herein and therein, and the fulfillment of and compliance by Rusnano with the respective terms, conditions and provisions hereof and thereof or of any instruments required hereby or thereby have been duly authorized by all requisite action on the part of Rusnano and do not and will not (i) conflict with or result in a breach of any of the terms, conditions or provisions of any (A) law or regulation of any Governmental Authority applicable to Rusnano, (B) writ, injunction, award or decree of any court or arbitral tribunal applicable to Rusnano, or (C) material agreement or instrument to which Rusnano is a party, by which it is bound, or to which it is subject, (ii) result in any violation of the Certificate of Incorporation or bylaws (or analogous documents) of Rusnano or (iii) require filing with, notice to or consent of any third Person.

(c) Binding Effect. This Acknowledgment and each of the other Transaction Documents to which Rusnano is a party have been duly executed and delivered by Rusnano and (assuming due authorization, execution and delivery by the other parties thereto) this Acknowledgment Agreement constitutes, and each other Transaction Document to which Rusnano is a party, at Closing will constitute, legal, valid and binding obligations of Rusnano, enforceable against Rusnano in accordance with their respective terms, except that enforceability hereof and thereof may be limited by (i) applicable bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights generally and (ii) equitable principles which may limit the availability of certain equitable remedies (such as specific performance).

(d) No Other Action. No action by, or in respect of, or filing with, any Governmental Authority is required for the execution, delivery and performance by Rusnano of this Acknowledgment and any other Transaction Document to which Rusnano is a party.

9. No Third Party Beneficiary Rights. This Acknowledgment is for the sole benefit of the parties hereto and their permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other Person any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Acknowledgment.

10. Governing Law. This Acknowledgment shall be construed, governed, interpreted and applied in accordance with the laws of the State of New York, without regard to principles of conflicts of laws.

11. Entire Agreement. This Acknowledgment and the other Transaction Documents constitute the entire agreement between the parties hereto with respect to the subject matter hereof and thereof and supersede any prior or contemporaneous understandings, representations, warranties or agreements (whether oral or written).

12. No Waivers, Amendments. The waiver by any party hereto of a breach of any provision of this Acknowledgment shall not operate or be construed as a further or continuing waiver of such breach or as a waiver of any other or subsequent breach. No failure or delay on the part of any party in exercising any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or remedy. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law. Any provision of this Acknowledgment may be amended if, but only if such amendment is in writing and is signed by CBLI and Rusnano. Any agreement on the part of any party to any waiver shall be valid only if set forth in a written instrument executed and delivered by a duly authorized officer on behalf of such party.

13. Successors and Assigns. This Acknowledgment shall be binding upon and inure to the benefit of the parties hereto and their respective successors, and assigns.

14. Communications. All notices, consents and other communications hereunder shall be in writing and shall be deemed to have been duly given (i) when delivered by hand or by Federal Express or a similar overnight courier, (ii) five business (5) days after being deposited in any United States Post Office enclosed in a postage prepaid and registered or certified envelope addressed to or (iii) when successfully transmitted by fax or e-mail (with a confirming copy of such communication to be sent as provided in clauses (i) or (ii) above) to, the party for whom intended, at the address or fax number for such party set forth below (or at such other address, fax number or e-mail address for a party as shall be specified by like notice, provided, however, that any notice of change of address, fax number or e-mail address shall be effective only upon receipt):

(a) If to CBLI:

Cleveland BioLabs, Inc.
73 High Street
Buffalo, New York USA 14203
Attention: Chief Executive Officer
Facsimile: (716) 849-6820
E-mail: notices@cbiolabs.com

With a copy to:

McGuireWoods LLP
7 Saint Paul Street, Suite 1000
Baltimore, Maryland USA 21202
Attention: Cecil E. Martin, III
Facsimile: (410) 659-4535
E-mail: cmartin@mcguirewoods.com

(b) If to the Company:

Panacela Labs, Inc.
73 High Street
Buffalo, New York USA 14203
Attention: Chief Executive Officer
Facsimile: (716) 849-6820
E-mail: notices@cbiolabs.com

(c) If to Rusnano:

OJSC “RUSNANO”
10A Prospect 60-Letiya Oktyabrya
Moscow 117036
Russian Federation
Attention: Leysan Shaydullina, Investment Manager
Facsimile: 7-495-988-5399
E-mail: Leysan.Shaydullina@rusnano.com

With a copy to:

Dentons US LLP
1221 Avenue of Americas
New York, NY 10020-1089
USA
Attention: Olga Sandler
Facsimile: +1-212-768-6800
Email: olga.sandler@dentons.com

15. Survival of Provisions. The representations, warranties, covenants and agreements contained in this Acknowledgment shall survive the consummation of the transactions contemplated hereby. This Section 15 shall not limit any covenant or agreement of the parties hereto which, by its terms, contemplates performance after the Closing. Without limiting the generality of the previous sentence, Section 16 shall survive beyond the Closing.

16. Expenses, Documentary Taxes. Each party shall pay all costs and expenses that it incurs with respect to the negotiation, execution, delivery and performance of this Acknowledgment and other Transaction Documents, or any amendment or waiver hereof or thereof; provided, however, that the Company shall not incur any such costs or expenses in connection with this Acknowledgment or any other agreement or document executed or filed pursuant to this Acknowledgment that in the aggregate exceed $2,000.

17. Headings. The descriptive headings contained in this Acknowledgment are for convenience of reference only and shall not affect in any way the meaning or interpretation of this Acknowledgment.

18. Severability. Whenever possible, each provision or portion of any provision of this Acknowledgment shall be interpreted in such manner as to be effective, enforceable and valid under applicable law, but if any provision or portion of any provision of this Acknowledgment is held to be invalid, illegal or unenforceable under applicable law, this Acknowledgment shall be considered divisible and such provision or portion thereof shall be deemed inoperative to the extent it is deemed invalid, illegal or unenforceable, and in all other respects this Acknowledgment shall remain in full force and effect and such invalidity, illegality or unenforceability shall not affect any other provision or portion of any provision.

19. Execution in Counterparts. This Acknowledgment may be executed in two or more counterparts, each of which when executed shall be deemed to be an original, but all of which taken together shall constitute one and the same agreement. The delivery of signed counterparts by facsimile or email transmission that includes a copy of the sending party's signature is as effective as signing and delivering the counterpart in person, for all purposes; provided that an original of such facsimile or electronic signature shall be delivered within five (5) business days thereof.

20. Conflicts. In the event of any conflicts between the terms of this Acknowledgment and any other Transaction Document, the terms of this Acknowledgment shall prevail.

21. Currency. All references to "$" in this Acknowledgment shall be deemed to refer to U.S. dollars, the legal currency of the United States of America.

22. No Presumption Against Drafting Party. Each party acknowledges that each party to this Acknowledgment has been represented by counsel in connection with this Acknowledgment and other Transaction Documents and the transactions contemplated by this Acknowledgement and other Transaction Documents. Accordingly, any rule of law or any legal decision that would require interpretation of any claimed ambiguities in this Acknowledgment or any other Transaction Document against the drafting party has no application and is expressly waived.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the undersigned have duly executed this Acknowledgment as of the date above set forth.

PANACELA LABS, INC.

By: /s/ C. Neil Lyons
Name: C. Neil Lyons, CPA
Title: Chief Financial Officer

CLEVELAND BIOLABS, INC.

By: /s/ C. Neil Lyons
Name: C. Neil Lyons, CPA
Title: Executive Vice President & Chief Financial Officer

OPEN JOINT STOCK COMPANY “RUSNANO”

By: /s/ Yurii Udalstov
Name: Yurii Udalstov
Title: Deputy Chairman of the Management Board of Management company RUSNANO LLC acting on the basis of a power of attorney

AMENDMENT AND SUPPLEMENTAL AGREEMENT NO. 1 TO CONVERTIBLE LOAN AGREEMENT

This AMENDMENT AND SUPPLEMENTAL AGREEMENT NO. 1 (this "Agreement") to the Convertible Loan Agreement, dated as of the 18th day of December, 2015, is executed by and among Panacela Labs, Inc., a Delaware corporation (the "Panacela"), Open Joint Stock Company "Rusnano", a company organized under the laws of the Russian Federation ("Rusnano") and Cleveland BioLabs, Inc., a Delaware corporation ("CBLI").

WHEREAS, Panacela, as borrower, and Rusnano, as lender, entered into that certain Convertible Loan Agreement dated as of September 3, 2013 (the "Convertible Loan Agreement");

WHEREAS, CBLI is a stockholder of Panacela;

WHEREAS, in connection with the Convertible Loan Agreement, CBLI issued that certain Warrant No. H-1 dated September 3, 2013 (the "Warrant"); and

WHEREAS, Panacela, Rusnano and CBLI desire to enter into this Agreement to modify the Convertible Loan Agreement to reflect the parties' understanding regarding the pay-off of amounts owed under the Convertible Loan Agreement and cancellation of the Warrant.

ИЗМЕНЕНИЕ И ДОПОЛНИТЕЛЬНОЕ СОГЛАШЕНИЕ №1 К ДОГОВОРУ О КОНВЕРТИРУЕМОМ ЗАЙМЕ

Настоящее ИЗМЕНЕНИЕ И ДОПОЛНИТЕЛЬНОЕ СОГЛАШЕНИЕ №1 («Соглашение») к Договору о конвертируемом займе от __ декабря 2015 года («Дата вступления в силу») подписано Панацела Лэбс, Инк., корпорацией штата Делавэр («Панацела»), Открытым акционерным обществом «Роснано», учрежденным в соответствии с законодательством Российской Федерации («Роснано»), и Кливленд БайоЛэбс Инк., корпорацией штата Делавэр («КБЛИ»).

ПРИНИМАЯ ВО ВНИМАНИЕ, ЧТО компания Панацела в качестве заемщика и компания Роснано в качестве займодавца заключили Договор о конвертируемом займе от 3 сентября 2013 года (именуемый «Договор о конвертируемом займе»);

ПРИНИМАЯ ВО ВНИМАНИЕ, ЧТО компания КБЛИ является акционером компании Панацела;

ПРИНИМАЯ ВО ВНИМАНИЕ, ЧТО в связи с Договором о конвертируемом займе компания КБЛИ выпустила Варрант № Н-1 от 3 сентября 2013 года («Варрант»); и

ПРИНИМАЯ ВО ВНИМАНИЕ, ЧТО компании Панацела, Роснано и КБЛИ желают заключить настоящее Соглашение с целью внести в Договор о конвертируемом займе изменения, отражающие договоренность сторон о погашении задолженности по Договору о конвертируемом займе и аннулировании Варранта.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, Rusnano, Panacela and CBLI hereby agree as follows:

НАСТОЯЩИМ, за надлежащее и полноценное встречное удовлетворение, получение и достаточность которого стороны настоящим признают, и имея намерение установить для себя юридически значимые обязательства, компании Панацела, Роснано и КБЛИ договорились о нижеследующем:

1. Amendment to the Convertible Loan Agreement.

Subject to Section 13 below, as of the date hereof, Section 2.1 of the Convertible Loan Agreement is hereby amended by:

(i) deleting the words “730 days after the Effective Date” and replacing such words with “on December 30, 2015”; and

(ii) adding the following proviso to the end of fourth sentence of Section 2.1 of the Convertible Loan Agreement: “; provided, however, that no interest shall accrue from and after October 13, 2015, provided that the full principal amount and all accrued and unpaid interest as of October 13, 2015 is received by the Lender on or prior to December 30, 2015.”

Изменение Договора о конвертируемом займе.

С учетом статьи 13 ниже, в дату настоящего Соглашения, статья 2.1 Договора о конвертируемом займе настоящим изменяется путем:

(i) удаления слов «через 730 дней с Даты вступления в силу» и заменой этих слов словами: «30 декабря 2015»; и

(ii) добавления следующего условия в конец четвертого предложения статьи 2.1 Договора о конвертируемом займе: «; при условии, однако, что процент не начисляется с 13 октября 2015 года и после этой даты, при условии, что вся основная сумма и все начисленные, но еще не уплаченные проценты по состоянию на 13 октября 2015 года будут получены Займодавцем до 30 декабря 2015 года (включительно).»

2. Effectiveness of Amendments; Affirmation.

(a) The amendments set forth in Section 1 above shall be deemed effective immediately prior to the consummation of the transactions described in Section 3 below.

(b) From and after the effectiveness of Section 1 above, all references in the Convertible Loan Agreement to “this Agreement” and all references to the “Convertible Loan Agreement” in Sections 3 and 4 below shall be deemed references to the Convertible Loan Agreement as amended by Section 1 above.

(c) Except as specifically amended as set forth in Section 1 above, the Convertible Loan Agreement shall continue in full force and effect as originally constituted and is ratified and affirmed by the parties hereto.

Вступление в силу изменений; подтверждение.

(a) Изменения, вносимые статьей 1 выше, считаются вступившими в силу непосредственно перед совершением сделок, описанных в статье 3 ниже.

(b) С момента вступления в силу статьи 1 выше и после этого момента все отсылки в Договоре о конвертируемом займе на «настоящий Договор» и все отсылки на «Договор о конвертируемом займе» в статьях 3 и 4 ниже должны пониматься как отсылки к Договору о конвертируемом займе, измененном статьей 1 выше.

(c) За исключением случая, указанного в статье 1 выше, Договор о конвертируемом займе продолжает действовать в полной мере как он был первоначально заключен и он ратифицирован и подтверждается сторонами настоящего Соглашения.

3. Satisfaction of Indebtedness. Notwithstanding any provision to the contrary in the Convertible Loan Agreement:

(a) As of the date hereof, Panacela owes an aggregate amount of $2,137,165.96 (the "Rusnano Obligations") under the Convertible Loan Agreement, of which $1,530,000.00 is the outstanding initial principal amount (the "Principal Amount") and $607,165.96 is the accrued and unpaid interest as of October 13, 2015 (the "Accrued Interest").

(b) On the date hereof, in full satisfaction of Rusnano Obligations by Panacela, the following transactions shall take place:

(i) CBLI shall pay Rusnano, on behalf of Panacela, $290,965.61 (the "Cash Amount") by wire transfer of immediately available funds to the account of Rusnano set forth on Exhibit A;

(ii) CBLI shall pay $1,140,156.75 of the Rusnano Obligations (the "CBLI Shares Amount") on behalf of Panacela, by issuing and delivering directly to Rusnano 256,215 shares of Common Stock of CBLI, par value of $0.005 per share (the "CBLI Shares"), each of which CBLI Shares is valued at $4.45 per share (the closing market price of a share of Common Stock of CBLI on the NASDAQ Capital Market as of October 13, 2015) and $1,140,156.75 in the aggregate; and

(iii) Panacela shall pay $706,043.60 of the Rusnano Obligations (the "Panacela Shares Amount") by issuing and delivering 6,014 shares of Common Stock of Panacela, par value $0.001 per share (the "Panacela Shares") to Rusnano, at $117.40 per share and $706,043.60 in the aggregate.

(c) Upon receipt of Rusnano of the Cash Amount, the CBLI Shares and the Panacela Shares, (A) subject to Section 9 of the Convertible Loan Agreement, the Rusnano Obligations shall automatically and without any further action by the parties be deemed fully paid and satisfied and (B) the Warrant shall be deemed cancelled.

Погашение задолженности. Невзирая на любое положение Договора о конвертируемом займе, противоречащее нижеизложенному:

(a) По состоянию на дату настоящего Соглашения совокупная сумма задолженности компании Панацела по Договору о конвертируемом займе составляет 2 137 165,96 долларов США («Обязательства перед Роснано»), из которых 1,530,000 долларов США составляет непогашенный первоначальный основной долг («Сумма основного долга») и 607 165,96 долларов США – начисленные, по состоянию на 13 октября 2015 года, и неуплаченные проценты («Начисленные проценты»).

(b) В дату подписания настоящего Соглашения, в удовлетворение компанией Панацела всех Обязательств перед Роснано, совершаются следующие действия:

(i) компания КБЛИ уплачивает компании Роснано от имени компании Панацела 290 965,61 долларов США («Денежная сумма») банковским переводом в непосредственно доступных для использования средствах на счет компании Роснано, указанный в Приложении А;

(ii) компания КБЛИ уплачивает 1 140 156,75 долларов США из суммы Обязательств перед Роснано («Сумма акций КБЛИ») за компанию Панацела путем выпуска и передачи непосредственно компании Роснано 256 215 Обыкновенных акций КБЛИ номинальной стоимостью 0,005 доллара США за одну акцию («Акции КБЛИ»), которые оцениваются в 4,45 доллара США за одну акцию (рыночная цена за одну Обыкновенную акцию КБЛИ на закрытии торгов на бирже NASDAQ (секция рынок капитала) 13 октября 2015 года) и совокупной стоимостью в 1 140 156,75 долларов США; и

(iii) компания Панацела уплачивает 706 043,60 доллара США из суммы Обязательств перед Роснано («Сумма акций Панацела») путем выпуска и передачи Роснано 6 014 Обыкновенных акций Панацела номинальной стоимостью 0,001 доллара США за одну акцию («Акции Панацела») по цене 117,40 доллара США за акцию, совокупной стоимостью в 706 043,60 доллара США.

(c) После получения компанией Роснано Денежной суммы, Акций КБЛИ и Акций Панацела (А) при соблюдении статьи 9 Договора о конвертируемом займе Обязательства перед Роснано автоматически и без каких-либо дополнительных действий сторон считаются полностью оплаченными и погашенными и (В) Варрант считается аннулированным.

(d) The CBLI Shares shall be delivered to Rusnano in book-entry form and CBLI shall deliver, or cause to be delivered, to Rusnano, a copy of the account statement issued by Continental Stock Transfer & Trust Company, the transfer agent of CBLI, that reflects registration of CBLI Shares in the name of Rusnano. Rusnano shall acknowledge receipt of such CBLI Shares by executing and delivering a receipt substantially in the form of Exhibit B.

(e) The delivery of the Panacela Shares shall be effectuated by delivery by Panacela to Rusnano of one or more stock certificates representing Panacela Shares issued in the name of Rusnano. Rusnano shall acknowledge receipt of such Panacela Shares by executing and delivering a receipt substantially in the form of Exhibit C.

(f) Upon receipt of the Cash Amount, the CBLI Shares and the Panacela Shares, the Cash Amount, the CBLI Shares Amount and the Panacela Shares Amount shall be applied or deemed applied as follows:

(i) The Cash Amount shall be applied towards satisfaction of a portion of Accrued Interest equal to $290,965.61;

(ii) The Panacela Shares Amount shall be deemed applied towards satisfaction of a portion of the Principal Amount equal to $706,043.60; and

(iii) The CBLI Shares Amount shall be deemed applied towards satisfaction of the remaining portion of the Principal Amount equal to $823,956.40 and the remaining portion of the Accrued Interest equal to $316,200.35.

4. Notice of Prepayment. Any notice of prepayment required by the Convertible Loan Agreement is hereby waived in connection with payments and other transactions to be made pursuant to Section 3 above.

(d) Акции КБЛИ должны быть переданы компании Роснано в форме записи о передаче акций и КБЛИ должен передать или обеспечить передачу компании Роснано копии выписки по счету, предоставленной компанией Continental Stock Transfer & Trust Company – трансфер-агентом компании КБЛИ, и которая подтверждает регистрацию Акций КБЛИ на имя компании Роснано. Компания Роснано подтверждает получение Акций КБЛИ путем подписания и вручения расписки в форме, в основном соответствующей Приложению B.

(e) Передача Акций Панацела осуществляется путем передачи компанией Панацела компании Роснано одного или нескольких акционерных сертификатов на Акции Панацела выпущенных на имя Роснано. Компания Роснано подтверждает получение Акций Панацела путем подписания и вручения расписки в форме, в основном соответствующей Приложению C.

(f) После получения компанией Роснано Денежной суммы, Акций КБЛИ и Акций Панацела Денежная сумма, Сумма акций КБЛИ и Сумма акций Панацела направляются или считаются направленными на следующие цели:

(i) Денежная сумма направляется на погашение части Начисленных процентов в размере 290 965,61 долларов США;

(ii) Сумма акций Панацела считается направленной на погашение части Суммы основного долга а размере 706 043,60 долларов США; и

(iii) Сумма акций КБЛИ считается направленной на погашение оставшейся части Суммы основного долга в размере 823 956,40 долларов США и оставшейся части Начисленных процентов в размере 316 200,35 долларов США.

Уведомление о предоплате. В отношении платежей и иных сделок, подлежащих осуществлению в соответствии со статьей 3 выше, настоящим предоставляется отказ от любого требования из Договора о конвертируемом займе о направлении уведомления о досрочном платеже.

5. No Third Party Beneficiary Rights. Nothing in this Agreement, expressed or implied, shall confer or be deemed to confer upon any person or entity, other than the parties to this Agreement and their respective successors and permitted assigns, any legal or equitable rights hereunder.

Отсутствие прав у сторонних выгодоприобретателей. Ни одно положение настоящего Соглашения, прямо выраженное или подразумеваемое, не предоставляет и не считается предоставляющим какие-либо права по настоящему Соглашению на основании норм общего права или права справедливости каким-либо иным лицам или организациям, помимо сторон настоящего Соглашения, их соответствующих правопреемников и разрешенных цессионариев.

6. Governing Law. This Agreement and the performance of the transactions and obligations of the parties hereunder will be governed by and construed and enforced in accordance with the laws of the State of New York, without giving effect to any choice of law principles.

Регулирующее законодательство. Настоящее Соглашение, исполнение предусмотренных им сделок и обязательства сторон по нему регулируются и подлежат истолкованию в соответствии с законодательством штата Нью-Йорк без применения принципов выбора права.

7. Controlling Language. This Agreement was prepared in both the English and Russian languages. In the event of any inconsistency or discrepancy between the English and the Russian languages, the English language shall govern the interpretation of, and any dispute regarding, the terms of this Agreement.

Главенствующая языковая версия. Настоящее Соглашение было составлено на английском и русском языках. В случае расхождений или несоответствий между английской и русской языковыми версиями английская языковая версия является главенствующей при толковании условий настоящего Соглашения и рассмотрении споров в отношении них.

8. Modification. This Agreement may not be amended or modified, whether by course of conduct or otherwise, except by an instrument in writing signed on behalf of each party hereto.

Изменения. В настоящее Соглашение не могут вноситься изменения и дополнения, будь то в силу поведения сторон или иным образом, за исключением изменений и дополнений в форме письменного документа, подписанного от имени каждой стороны настоящего Соглашения.

9. No Waivers. The waiver by any party hereto of a breach of any provision of this Agreement shall not operate or be construed as a further or continuing waiver of such breach or as a waiver of any other or subsequent breach. No failure on the part of any party hereto to exercise, and no delay in exercising, any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of such right, power or remedy by such party preclude any other or further exercise thereof or the exercise of any other right, power or remedy. The rights and remedies of the parties hereunder are cumulative and not exclusive of any rights or remedies that they would otherwise have hereunder. Any agreement on the part of any party to any waiver shall be valid only if set forth in a written instrument executed and delivered by a duly authorized officer on behalf of such party.

Отсутствие отказа от прав. Отказ стороны от принятия мер в связи с нарушением любого положения настоящего Соглашения не должен применяться или толковаться как последующий или длящийся отказ от принятия мер в связи с таким нарушением или же отказ от принятия мер в связи с иным или последующим нарушением. Никакое воздержание стороны от осуществления и никакая задержка в осуществлении ею какого-либо права, полномочия или средства правовой защиты по настоящему Соглашению не считаются отказом от такого права, полномочия или средства правовой защиты, а разовое или частичное осуществление такого права, полномочия или средства правовой защиты стороной не препятствует повторному или дальнейшему его осуществлению, а также осуществлению любого иного права, полномочия или средства правовой защиты. Права и средства правовой защиты сторон по настоящему Соглашению действуют в дополнение, а не во исключение любых иных прав или средств правовой защиты, которые могут иметься в их распоряжении по настоящему Соглашению. Согласие стороны на отказ от прав действительно только в случае его совершения в форме письменного документа, подписанного и врученного должным образом уполномоченным должностным лицом от имени такой стороны.

10. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

Правопреемники и цессионарии. Настоящее Соглашение действует в пользу и имеет обязательную силу для его сторон и их соответствующих правопреемников и цессионариев.

11. Severability. Whenever possible, each provision or portion of any provision of this Agreement shall be interpreted in such manner as to be effective, enforceable and valid under applicable law, but if any provision or portion of any provision of this Agreement is held to be invalid, illegal or unenforceable under applicable law, this Agreement shall be considered divisible and such provision or portion thereof shall be deemed inoperative to the extent it is deemed invalid, illegal or unenforceable, and in all other respects this Agreement shall remain in full force and effect and such invalidity, illegality or unenforceability shall not affect any other provision or portion of any provision.

Самостоятельность положений. Насколько это возможно, каждое положение или часть положения настоящего Соглашения должны толковаться в пользу их действительности и наличия у них исковой силы согласно применимому законодательству, однако в случае, если положение или часть положения настоящего Соглашения будут признаны недействительными, противозаконными или лишенными исковой силы согласно применимому законодательству, настоящее Соглашение будет считаться делимым и данное положение или часть положения будут считаться не действующими в той части, в которой они признаны недействительными, противозаконными или лишенными исковой силы, однако во всех прочих отношениях настоящее Соглашение сохранит полную силу и действительность и факт такой недействительности, противозаконности или отсутствия исковой силы не окажет воздействия на прочие положения и прочие части любого положения.

12. Execution in Counterparts. This Agreement may be executed in three or more counterparts, each of which when executed shall be deemed to be an original, but all of which taken together shall constitute one and the same agreement. The delivery of signed counterparts by facsimile or email transmission that includes a copy of the sending party's signature is as effective as signing and delivering the counterpart in person, for all purposes provided that an original of such fax or electronic signature shall be delivered within five (5) business days thereof.

Подписание в форме отдельных экземпляров. Настоящее Соглашение может быть совершено в трех и более экземплярах, каждый из которых с момента подписания считается оригиналом, а все вместе составляют единое соглашение. Доставка подписанных экземпляров в форме сообщения по факсу или электронной почте, включающего копию подписи стороны-отправителя, имеет ту же силу, что и подписание и передача экземпляра в очной форме, для всех целей при условии, что оригинал факсимильной или электронной подписи должен быть передан в течение 5 (пяти) рабочих дней после такой доставки.

13. Effectiveness. This Agreement shall become effective upon execution and delivery of hereof by all parties hereto; provided, however, if all transactions described in Section 3 above are not consummated on or prior to 30 December 2015, then Section 1 above shall be deemed null and void as of the date hereof and the Rusnano Obligations shall be deemed equal to the sum of the Principal Amount and all unpaid interest accrued thereon in accordance with Section 2.1 of the Convertible Loan Agreement (without giving effect to amendments set forth in Section 1 above).

Вступление в силу. Данное Соглашение вступает в силу после подписания и вручения данного документа всеми его сторонами, при условии, однако, что если сделки, описанные в статье 3 выше, не реализованы до 30 декабря 2015 (включительно), то статья 1 выше будет являться ничтожной и недействительной, начиная с даты заключения настоящего Соглашения, и Обязательства перед Роснано считается равным сумме Основного долга и всех начисленных и не уплаченных процентов в соответствии со статьей 2.1 Договора о конвертируемом займе (без вступления в силу изменений, предусмотренных статьей 1 выше).

14. Currency. All references to "$" in this Agreement shall be deemed to refer to U.S. dollars, the legal currency of the United States of America.

Валюта. Все указания на знак «$» в настоящем Соглашении считаются относящимися к долларам США, законной валюте Соединенных Штатов Америки.

[SIGNATURE PAGE FOLLOWS]

[НИЖЕ СЛЕДУЕТ СТРАНИЦА ПОДПИСЕЙ СТОРОН]

IN WITNESS WHEREOF, the undersigned have duly executed this Amendment as of the date above set forth.

В ПОДТВЕРЖДЕНИЕ ВЫШЕИЗЛОЖЕННОГО нижеподписавшиеся стороны должным образом подписали настоящее Соглашение в дату, указанную выше.

PANACELA LABS, INC. / ПАНАЦЕЛА ЛЭБС, ИНК.

By/Подпись: /s/ C. Neil Lyons
Name/ФИО: C. Neil Lyons, CPA
Title/Должность: Chief Financial Officer

OPEN JOINT STOCK COMPANY "RUSNANO"/ ОТКРЫТОЕ АКЦИОНЕРНОЕ ОБЩЕСТВО «РОСНАНО»

By/Подпись: /s/ Yurii Udalstov
Name/ФИО: Yuri Udalstov
Title/Должность: Deputy Chairman of the Management Board of Management company RUSNANO LLC acting on the basis of a power of attorney

CLEVELAND BIOLABS, INC./ КЛИВЛЕНД БАЙОЛЭБС, ИНК.

By/Подпись: /s/ C. Neil Lyons
Name/ФИО: C. Neil Lyons, CPA
Title/Должность: Executive Vice President & Chief Financial Officer

Cleveland BioLabs

FOR IMMEDIATE RELEASE

Cleveland BioLabs and Rusnano Make Additional Investments in Panacela

Buffalo, NY — December 22, 2015 – Cleveland BioLabs, Inc. (NASDAQ:CBLI) today announced that through a series of transactions and in cooperation with Open Joint Stock Company RUSNANO (Rusnano) it has recapitalized Panacela Labs, Inc. (Panacela), a majority-owned joint venture.

Panacela owed approximately $2.1 million under a convertible loan to Rusnano, approximately $0.4 million in trade payables to CBLI and approximately $0.4 million to third-party vendors, for total obligations of approximately $2.9 million. CBLI issued 256,215 shares of common stock to Rusnano, valued at $4.45 per share for an aggregate value of approximately $1.1 million in partial settlement of the obligations of Panacela due under the convertible loan. Then, through a combination of debt-to-equity conversions and cash investment, an additional $1.8 million of equity capital was provided to Panacela in order to retire the remaining obligations. As a result, Rusnano's proportionate equity position remained constant and CBLI's grew from 60.47% to 66.77%.

Panacela is developing Mobilan, a nanoparticle-formulated, recombinant, non-replicating adenovirus that directs expression of Toll-like Receptor 5 (TLR5) and its agonistic ligand, flagellin. In preclinical studies, delivery of Mobilan to tumor cells caused constant TLR5 signaling that induced innate immune response to the tumor with subsequent development of adaptive anti-tumor immune response. A Phase 1 multicenter, randomized, placebo-controlled, single-blinded study evaluating single injections of ascending doses of Mobilan administered directly into the prostate of patients with prostate cancer is ongoing under an Investigational New Drug application in the Russian Federation. This study is being performed under a development contract with the Ministry of Industry and Trade of the Russian Federation, (MPT).

Yakov Kogan, Ph.D., MBA, Chief Executive Officer, stated, "With Panacela's debt settled, its team can focus their efforts on continued clinical development of Mobilan. As an extension of our TLR5 agonist franchise, we believe that further clinical validation of Mobilan's utility as an oncology immunotherapy remains attractive and valuable."

About Panacela Labs, Inc.

Panacela Labs, Inc. is a clinical stage biotechnology company founded in 2011 by Cleveland BioLabs and received initial investments from CBLI and Rusnano, a Russian Federation venture fund. Intellectual property contributors include Roswell Park Cancer Institute, Children's Cancer Institute Australia and Cleveland Clinic Foundation. Panacela is a majority-owned joint venture of Cleveland BioLabs. Panacela's lead development program is Mobilan, a nanoparticle-formulated, recombinant non-replicating adenovirus in clinical development as a cancer therapy. To learn more about Panacela Labs, Inc., please visit http://www.panacelalabs.com/.

About Cleveland BioLabs, Inc.

Cleveland BioLabs, Inc. is an innovative biopharmaceutical company developing novel approaches to activate the immune system and address serious medical needs. The company's proprietary platform of Toll-like immune receptor activators has applications in radiation mitigation, and oncology immunotherapy. The company's most advanced product candidate is entolimod, which is being developed for a biodefense indication and as an immunotherapy for oncology. The company conducts business in the United States and in the Russian Federation through a wholly-owned subsidiary, BioLab 612, LLC and Panacela. The company maintains strategic relationships with the Cleveland Clinic and Roswell Park Cancer Institute. To learn more about Cleveland BioLabs, Inc., please visit the Company's website at http://www.cbiolabs.com.

This press release contains certain forward-looking information about Cleveland BioLabs that is intended to be covered by the safe harbor for "forward-looking statements" provided by the Private Securities Litigation Reform Act of 1995, as amended. Forward-looking statements are statements that are not historical facts. Words such as "expect(s)," "feel(s)," "believe(s)," "will," "may," "preparing," "finalizing," and "underway" and similar expressions are intended to identify forward-looking statements. These statements include, but are not limited to, statements regarding our ability to successfully develop and commercialize our therapeutic products; our ability to successfully submit and receive approval of our pre-EUA application for entolimod, the conduct and results of our various clinical trials; our ability to obtain approval from the U.S. Food and Drug Administration of our product candidates; and future performance. All of such statements are subject to certain risks and uncertainties, many of which are difficult to predict and generally beyond the control of Cleveland BioLabs, that could cause actual results to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements.

These risks and uncertainties include, among others, Cleveland BioLabs' failure to successfully and timely develop existing and new products; Cleveland BioLabs' collaborative relationships and the financial risks related thereto; the risks inherent in the early stages of drug development and in conducting clinical trials; Cleveland BioLabs' ability to comply with its obligations under license agreements; Cleveland BioLabs' inability to obtain regulatory approval in a timely manner or at all; subsequent changes in the agreement with the Russian Ministry of Industry and Trade, Cleveland BioLabs' history of operating losses and the potential for future losses, which may lead Cleveland BioLabs to not be able to continue as a going concern. Some of these factors could cause future results to materially differ from the recent results or those projected in forward-looking statements. See also the "Risk Factors" and "Forward-Looking Statements" described in Cleveland BioLabs' periodic filings with the Securities and Exchange Commission.

Contact:
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