



XBiotech Announces Granting of European Patent for Treatment of Inflammatory Skin Diseases

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Broad European Patent Issued Supports XBiotech's Skin Disease Program for Monoclonal Antibody Bermekimab

AUSTIN, Texas, Sept. 26, 2018 (GLOBE NEWSWIRE) -- XBiotech Inc. (NASDAQ: XBIT) announced today that the European Patent Office has granted XBiotech a patent (Patent Number EP2694107) that covers the use of bermekimab as a treatment for inflammatory skin diseases. The patent includes data from studies showing that antibodies which specifically neutralize the activity of interleukin-1alpha (IL-1α) can reduce skin inflammation and treat inflammatory skin diseases. XBiotech has conducted a number of clinical trials in dermatology using bermekimab (an anti- IL-1α antibody), including ongoing studies in hidradenitis suppurativa and atopic dermatitis. XBiotech has also published clinical findings for the use of bermekimab for treatment of psoriasis and acne. The development of bermekimab for the treatment of inflammatory skin disorders is an important part of XBiotech's commercialization programs.

Stanley Kim, Ph.D., J.D., XBiotech's Corporate Vice President of Intellectual Property, stated, "I am pleased that the European Patent Office acknowledged the significance of XBiotech's contribution to this field by granting this patent with broad claims. As a pioneer in IL-1α research, XBiotech has developed a significant worldwide patent portfolio for the use of bermekimab to prevent and treat inflammatory skin diseases as well as other conditions involving sterile inflammation."

This patent issuance further broadens XBiotech's patent portfolio as it relates to bermekimab and its potential to treat inflammatory skin disorders through IL-1α blockade. XBiotech previously conducted clinical studies with bermekimab to treat dermatological conditions including psoriasis¹, acne² and hidradenitis suppurativa³. The Company is currently conducting two separate open label, phase 2, multi-center studies evaluating a subcutaneous formulation of bermekimab in pre-filled syringes for treatment of atopic dermatitis and hidradenitis suppurativa.

The grant of this patent in Europe is in addition to patents granted in the US, Australia, and Japan. The Company's patent portfolio also includes several pending U.S. and foreign applications directed to dermatologic pathologies. The Company plans to continue to pursue inflammatory skin disorder indications as it further strengthens its clinical pipeline.

About 85 million Americans sought treatment from a physician for skin disease in 2013, with an estimated direct health care cost of \$75 billion⁴. The economic impact and prevalence of skin disease is on a similar magnitude as other major diseases affecting the US population, including diabetes and cardiovascular disease. Consequently, revenues from new biological drugs used to treat skin diseases are growing rapidly. XBiotech believes bermekimab may emerge as a major new therapy for skin disease.

Dr. Kim has been XBiotech's chief intellectual property counsel for over 10 years. Prior to joining XBiotech, Dr. Kim led his law firm's patent and life sciences practices. Dr. Kim is a registered patent attorney, experienced in procuring domestic and foreign patents, licensing and joint ventures, intellectual property opinions and due diligence, strategic patent portfolio development, and intellectual property litigation matters. Dr. Kim holds a bachelor's degree in Biology from Bowdoin College, a Ph.D. in Microbiology and Immunology from the University of Miami, and a law degree from Suffolk University.

About True Human™ Therapeutic Antibodies

XBiotech's True Human™ antibodies are derived without modification from individuals who possess natural immunity to certain diseases. With discovery and clinical programs across multiple disease areas, XBiotech's True Human antibodies have the potential to harness the body's natural immunity to fight disease with increased safety, efficacy and tolerability.

About XBiotech

XBiotech is a fully integrated global biosciences company dedicated to pioneering the discovery, development and commercialization of therapeutic antibodies based on its True Human™ proprietary technology. XBiotech currently is advancing a robust pipeline of antibody therapies to redefine the standards of care in oncology, inflammatory conditions and infectious diseases. Headquartered in Austin, Texas, XBiotech also is leading the development of innovative biotech manufacturing technologies designed to more rapidly, cost-effectively and flexibly produce new therapies urgently needed by patients worldwide. For more information, visit www.xbiotech.com.

Cautionary Note on Forward-Looking Statements

This press release contains forward-looking statements, including declarations regarding management's beliefs and expectations that involve substantial risks and uncertainties. In some cases, you can identify forward-looking statements by terminology such as "may," "will," "should," "would," "could," "expects," "plans," "contemplate," "anticipates," "believes," "estimates," "predicts," "projects," "intend" or "continue" or the negative of such terms or other comparable terminology, although not all forward-looking statements contain these identifying words. Forward-looking statements are subject to inherent risks and uncertainties in predicting future results and conditions that could cause the actual results to differ materially from those projected in these forward-looking statements. These risks and uncertainties are subject to the disclosures set forth in the "Risk Factors" section of certain of our SEC filings. Forward-looking statements are not guarantees of future performance, and our actual results of operations, financial condition and liquidity, and the development of the industry in which we operate, may differ materially from the forward-looking statements contained in this press release. Any forward-looking statements that we make in this press release speak only as of the date of this press release. We assume no obligation to update our forward-looking statements whether as a result of new information, future events or otherwise, after the date of this press release.

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¹ Coleman KM et al. Open-Label Trial of MABp1, a True Human Monoclonal Antibody Targeting Interleukin 1 α , for the Treatment of Psoriasis. *JAMA Dermatol.* 2015 May;151(5):555-6.

² Carrasco D et al. An Open Label, Phase 2 Study of MABp1 Monotherapy for the Treatment of Acne Vulgaris and Psychiatric Comorbidity. *J Drugs Dermatol.* 2015 Jun;14(6):560-4.

³ Kanni T et al. MABp1 Targeting Interleukin-1Alpha for Moderate to Severe Hidradenitis Suppurativa not Eligible for Adalimumab: A Randomized Study. *J Invest Dermatol.* 2018 Apr; 138(4):795-801.

⁴ Lim et al. The burden of skin disease in the United States. *J. Am Acad Dermatol.* 2017 May; 76 (5), 958-972.



XBiotech Inc.