

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

SCHEDULE TO
(Amendment No. 2)

Tender Offer Statement under Section 14(d)(1) or 13(e)(1)
of the Securities Exchange Act of 1934

XBIOTECH INC.

(Name of Subject Company (Issuer) and Filing Person (Offeror))

Common Stock, no par value
(Title of Class of Securities)

98400H102
(CUSIP Number of Class of Securities)

John Simard
President and Chief Executive Officer
5217 Winnebago Lane
Austin, TX 78744
(512) 386-2900

(Name, address and telephone number of person authorized to receive notices and communications on behalf of filing persons)

Copy To:

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Calculation of Filing Fee

| Transaction Valuation* | Amount of Filing Fee** |
|-------------------------------|-------------------------------|
| \$420,000,000 | \$54,516 |

* The transaction value is estimated only for purposes of calculating the filing fee. This amount is based on the offer to purchase up to \$420,000,000 in value of common shares, no par value.

** The amount of the filing fee, calculated in accordance with Rule 0-11 under the Securities Exchange Act of 1934, as amended, equals \$129.80 per million dollars of the value of the transaction.

Check the box if any part of the fee is offset as provided by Rule 0-11(a)(2) and identify the filing with which the offsetting fee was previously paid. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

Amount Previously Paid: \$54,516
Form or Registration No.: Schedule TO

Filing Party: XBiotech Inc.
Date Filed: January 14, 2020

Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer.

Check the appropriate boxes below to designate any transactions to which the statement relates:

- third-party tender offer subject to Rule 14d-1.
 issuer tender offer subject to Rule 13e-4.
 going-private transaction subject to Rule 13e-3.
 amendment to Schedule 13D under Rule 13d-2.

Check the following box if the filing is a final amendment reporting the results of the tender offer:
If applicable, check the appropriate box(es) below to designate the appropriate rule provision(s) relied upon:

- Rule 13e-4(i) (Cross-Border Issuer Tender Offer)
 Rule 14d-1(d) (Cross-Border Third Party Tender Offer)

INTRODUCTION

This Amendment No. 2 (this “Amendment No. 2”) amends and supplements the Tender Offer Statement on Schedule TO originally filed with the Securities and Exchange Commission (the “Commission”) on January 14, 2020, (the “Schedule TO”) , as amended and supplemented on February 5, 2020. The Schedule TO relates to the offer by XBiotech Inc., a British Columbia corporation (“XBiotech” or the “Company”), to purchase up to \$420,000,000 in value of its common shares, no par value per share (the “Shares”), at a price not greater than \$33.00 nor less than \$30.00 per Share, to the seller in cash, less any applicable withholding taxes and without interest, upon the terms and subject to the conditions described in the Offer to Purchase, dated January 14, 2020 (the “Offer to Purchase”), a copy of which was filed as Exhibit (a)(1)(i) to the Schedule TO, and in the related Letter of Transmittal (the “Letter of Transmittal” and, together with the Offer to Purchase, as they may be amended or supplemented from time to time, the “Offer”), a copy of which was filed as Exhibit (a)(1)(ii) to the Schedule TO.

This Amendment No. 2 to the Schedule TO is intended to satisfy the reporting requirements of Rule 13e-4(c)(3) and Rule 13e-4(d) under the Securities Exchange Act of 1934, as amended.

The information in the Offer to Purchase and the Letter of Transmittal is incorporated herein by reference in response to all of the items of Schedule TO, except that such information is hereby amended and supplemented to the extent specifically provided in this Amendment No. 2. You should read this Amendment No. 2 together with Amendment No. 1, the Schedule TO, the Offer to Purchase and the Letter of Transmittal.

The Schedule TO is hereby amended and supplemented as follows:

Item 11. Additional Information.

Item 11 is hereby amended and supplemented by adding the following:

“On February 13, 2020, XBiotech issued a press release announcing the preliminary results of the Offer, which expired at 5:00 p.m., New York City time, on February 12, 2020. A copy of such press release is filed as Exhibit (a)(5)(iii) to this Schedule TO and is incorporated herein by reference.”

Item 12. Exhibits.

| Exhibit No. | Description |
|-----------------------------|--|
| (a)(1)(i)* | Offer to Purchase, dated January 14, 2020. |
| (a)(1)(ii)* | Letter of Transmittal. |
| (a)(1)(iii)* | Notice of Guaranteed Delivery. |
| (a)(1)(iv)* | Letter to Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees. |
| (a)(1)(v)* | Letter to Clients for use by Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees. |
| (a)(2) | Not Applicable. |
| (a)(3) | Not Applicable. |
| (a)(4) | Not Applicable. |
| (a)(5)(i)* | Press Release, dated January 14, 2020. |
| (a)(5)(ii)* | Summary Advertisement, dated January 14 2020. |
| (a)(5)(iii) | Press Release, dated February 13, 2020. |
| (b) | Not Applicable. |

| Exhibit No. | Description |
|--------------------|--|
| (d)(i) | XBiotech 2005 Incentive Stock Option Plan (incorporated by reference to Exhibit 10.4 to the Company's Registration Statement on Form S-1 filed with the SEC on February 2, 2015). |
| (d)(ii) | XBiotech Inc. 2015 Equity Incentive Plan (incorporated by reference to Exhibit 10.11 to the Company's Registration Statement on Form S-1 filed with the SEC on March 10, 2015). |
| (d)(iii) | Executive Employment Agreement dated as of March 22, 2005 between XBiotech and John Simard (incorporated by reference to Exhibit 10.1 to the Company's Registration Statement on Form S-1 filed with the SEC on February 2, 2015). |
| (d)(iv) | Change in Control Agreement dated as of March 22, 2005 between XBiotech and John Simard (incorporated by reference to Exhibit 10.2 to the Company's Registration Statement on Form S-1 filed with the SEC on February 2, 2015). |
| (d)(v) | Form of indemnification agreement between XBiotech and each director of XBiotech (incorporated by reference to Exhibit 10.5 to the Company's Registration Statement on Form S-1 filed with the SEC on February 2, 2015). |
| (d)(vi) | Board Member Agreement, dated as of July 10, 2019, by and between XBiotech Inc. and Peter Libby (filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on July 16, 2019 (File No. 001-37347) and incorporated herein by reference). |
| (g) | Not Applicable. |
| (h) | Not Applicable. |

* Filed as an exhibit to the Schedule TO

SIGNATURE

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

XBIOTECH INC.

By: /s/ John Simard
Name: John Simard
Title: President and Chief Executive Officer

Dated: February 13, 2020

XBiotech Announces Preliminary Results of Tender Offer

AUSTIN, Texas, Feb. 13, 2020 (GLOBE NEWSWIRE) -- XBiotech Inc. (NASDAQ: XBIT) ("XBiotech") today announced the preliminary results of its "modified Dutch auction" tender offer, which expired at 5:00 p.m., New York City time, on February 12, 2020.

Based on the preliminary count by American Stock Transfer & Trust Co., LLC, the depository for the tender offer, a total of 41,164,725 common shares of XBiotech were properly tendered and not properly withdrawn at or below the maximum purchase price of \$33.00 per share, including 2,178,233 shares that were tendered by notice of guaranteed delivery.

In accordance with the terms and conditions of the tender offer and based on the preliminary count by the depository, XBiotech expects to accept for payment, at a purchase price of \$30.00, approximately 14,000,000 common shares properly tendered at or below the purchase price and not properly withdrawn before the expiration date, at an aggregate cost of approximately \$420 million, excluding fees and expenses relating to the tender offer. The preliminary proration factor for shares that XBiotech expects to purchase pursuant to the tender offer is approximately 30.91 percent, before giving effect to odd lots.

The number of shares to be purchased and the purchase price are preliminary and subject to change. The preliminary information contained in this press release is subject to confirmation by the depository and is based on the assumption that all shares tendered through notice of guaranteed delivery will be delivered within the two trading day settlement period. The final number of shares to be purchased and the final purchase price will be announced following the expiration of the guaranteed delivery period and completion by the depository of the confirmation process. Payment for the shares accepted for purchase under the tender offer, and return of all other shares tendered and not purchased, will occur promptly thereafter.

D.F. King & Co., Inc. is the information agent for the Offer. Shareholders with questions may call D.F. King at (212) 269-5550 (banks and brokers) or (866) 856-3065 (all others).

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.

Contact

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