CORRECTING and REPLACING -- XBiotech Announces Publication of Phase 2 Clinical Results for Its True Human(TM) Antibody MABp1 for Treating Acne Vulgaris

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Monotherapy Led to Rapid Improvement in Skin Lesions and Acne-Associated Psychological Symptoms

AUSTIN, Texas, June 15, 2015 (GLOBE NEWSWIRE) -- In a release issued under the same headline earlier today by XBiotech (Nasdaq:XBIT), please note that in the fifth paragraph the mean overall scores of .09 and .01 should be 0.9 and 0.1. The corrected release follows.

XBiotech (Nasdaq:XBIT), the developer of True Human™ therapeutic antibodies, announces positive results from the Company's Phase 2 study of its MABp1 antibody for treating acne vulgaris. Findings are published in the June 2015 issue of *Journal of Drugs in Dermatology*[1]. The study concluded that MABp1, due to its unique molecular target, may be a safe and effective means of treating not only inflammatory acne lesions, but also improving feelings of depression and anxiety commonly associated with acne.

MABp1 is a novel True Human monoclonal antibody that neutralizes interleukin-1 alpha (IL-1α), a potent inflammatory substance naturally produced by the body in minute quantities but which can cause disease when not effectively controlled. Previous studies suggest that IL-1α plays a role in the early stages of acne lesion formation, so the effect of IL-1α blockade with MABp1 on reducing lesion count was assessed. Furthermore, IL-1α signaling in the hypothalamus region of the brain is also known to mediate triggering feelings of anxiety and depression, which are commonly reported by acne patients, suggesting a second potential point of intervention that is unique to MABp1.

Dr. Michael Stecher, author and Medical Director for XBiotech, said, "The initial response demonstrated in this trial suggests that the novel mechanism of IL-1α blockade may represent a promising new strategy in the treatment of moderate to severe acne. Interestingly, it is the first clinical study to demonstrate a compelling mechanistic link between the physical and mental symptoms of the disease by showing both could be improved by IL-1α inhibition. It may indeed be the first agent that could potentially treat both skin lesions as well as the psychiatric manifestations of this disorder. Further studies using this antibody are warranted in this patient population."

John Simard, President and CEO of XBiotech, added, "We are very pleased to publish the data from our Phase 2 study of MABp1 in this journal. Not only does it serve to highlight our potential breakthrough therapy for treating acne, it also showcases the remarkably broad applicability of our MABp1 True Human antibody, for which we have shown significant potential to treat the key inflammatory processes that play a role in exacerbation or progression of a wide range of diseases, including colorectal cancer, non-small cell lung cancer, type-2 diabetes and other dermatological indications such as psoriasis and pyoderma gangrenosum."

In the open-label Phase 2 clinical study, ten patients with moderate to severe acne received three subcutaneous injections of MABp1 monotherapy over a six-week period and were followed for a total of 70 days to assess safety and efficacy endpoints. MABp1 showed excellent tolerability in the study, with no serious adverse events reported and only few mild adverse events. Disease severity, as measured by inflammatory lesion count, improved consistently, with a median 36% reduction by day 56. MABp1 monotherapy also resulted in clinically meaningful improvements in anxiety/depression and body image scores using two clinically validated questionnaires (Hospital Anxiety and Depression Scale (HADS), median score of 6 reduced to 1 on day 56; and Body Image Disturbance Questionnaire (BIDQ), mean overall score improved from 2.3+0.9 to 2.1+0.1).

[1]Carrasco et al., "An Open Label Phase 2 Study of MABp1 Monotherapy for the Treatment of Acne Vulgaris and Psychiatric Comorbidity." *J Drugs Dermatol*. June 2015;14(6):560-564. The *Journal of Drugs in Dermatology* is a peer-reviewed publication offering original articles, award-winning case reports, and timely features pertaining to new methods, techniques, and drug therapy in dermatology.

About XBiotech

XBiotech is pioneering a new era in the discovery and development of targeted antibodies based on its True Human™ technology. The company's mission is to rethink the way antibody medicines are discovered and commercialized by advancing its robust pipeline of *truly* natural human antibodies for treating serious diseases such as cancer, inflammatory conditions and infectious diseases. XBiotech's lead product, Xilonix™, is a potential breakthrough antibody therapy that is currently the subject of two pivotal clinical studies for treating patients with advanced colorectal cancer. Xilonix specifically targets and neutralizes interleukin-1 alpha (IL-1a), a molecule known to promote angiogenesis, growth and spread of tumors, as well as mediate symptoms such as metabolic dysregulation, fatigue and anxiety associated with advanced cancer. XBiotech's broad pipeline of True Human antibodies are able to potentially deliver unmatched safety and efficacy because they are cloned directly from individual donors who possess natural immunity against certain targeted diseases. As such, True Human antibodies retain their natural physiology and tolerance profile, having passed the rigors of immune selection in the body. 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 disclosure set forth in "Risk Factors" in 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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