

XBiotech Announces Publication of Clinical Results Supporting Its True Human(TM) Antibody Therapy for Type 2 Diabetes Mellitus

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Results Published in the Journal of Diabetes and its Complications

AUSTIN, Texas, July 7, 2015 (GLOBE NEWSWIRE) -- XBiotech (NASDAQ:XBIT), the world's leading developer of next-generation True HumanTM therapeutic antibodies, announced publication of clinical results from an open label pilot study for its antibody therapy for treatment of Type 2 diabetes. The results are now available online as an "Article in Press" in the *Journal of Diabetes and its Complications*. The findings point towards a groundbreaking therapy for Type 2 diabetes by treating the disease rather than its symptoms. The Company has developed a True Human monoclonal antibody therapy derived from an individual with natural immunity to the body's own inflammatory process that can disrupt pancreas function and limit insulin action.

In the peer-reviewed article titled, "Safety, Pharmacokinetics, and Preliminary Efficacy of a Specific Anti-IL-1alpha Therapeutic Antibody (MABp1) in Patients with Type 2 Diabetes Mellitus," XBiotech reported that biweekly intravenous infusions with MABp1 for a period of 60 days resulted in objective improvements to a number of diabetes parameters including HbA1c, fasting C-peptide, pro-insulin and insulin. Interestingly, the study also showed that the antibody therapy not only improved measures of glucose control, but also significantly reduced blood pressure in the patients. The ability to improve glucose control by treating diabetes as an inflammatory disease and reduce blood pressure (the most important risk factor for cardiovascular disease) has the potential to differentiate this therapy in the crowded market for diabetes therapies.

Katharina Timper, MD, researcher at the Department of Biomedicine, Metabolism Group at University Hospital Basel and lead author, said, "The initial response demonstrated in this trial suggests that the novel mechanism of IL-1a blockade may improve glucose homeostasis and beta-cell function, along with decreased blood pressure without signs of short-term toxicity. We are highly encouraged by these preliminary findings, which warrant further studies using this antibody in this high-need patient population."

John Simard, President and CEO of XBiotech, added, "The findings here suggest that Type 2 diabetes may be treated by resolving the underlying inflammatory process that both impairs pancreatic function and reduces insulin sensitivity and glucose uptake in tissues. This is unique in comparison to conventional approaches to treating Type 2 diabetes, which focus on the use of chemical entities that tend to push the pancreas harder to produce more insulin or to increase the strength of the diminishing insulin signal in tissues, but which fail to address the underlying disease process."

Mr. Simard continued, "To have a means of treating the disease, rather than simply managing glucose levels, would indeed represent a remarkable advance for the millions of people suffering from diabetes. And to do so with the safety of a natural human antibody is testament to the power of XBiotech's platform and the extraordinary wealth of product opportunities in our pipeline."

Among the largest markets for all pharmaceuticals, by 2017 diabetes drugs are expected to generate \$55 billion in sales. Type 2 diabetes is the most common form of diabetes, accounting for as much as 95% of all diabetes mellitus. The worldwide incidence of the disease, already at epidemic proportions, continues to grow. Over the next 15 years, those affected by the disease will increase from the current 285 million to 439 million persons (Chen et al. *Nature Reviews Endocrinology*, 2011).

Mr. Simard added, "In addition to the potential therapeutic advantages of our True Human monoclonal antibody, our unique manufacturing technology offers the ability to produce biological drugs in a more efficient and less capital intensive manner. Thus XBiotech is uniquely positioned to not only develop this breakthrough therapy in the clinic but also to provide the strategic platform for its commercial success."

In the study, seven patients with type 2 diabetes mellitus received four doses of MABp1 at 1.25mg/kg every two weeks and were followed up for a total of 90 days. Compared to baseline, after the 60 day period of treatment HbA1c was reduced by 0.14±0.21%, fasting C-peptide was increased by 88%, pro-insulin by 48%, and insulin increased by 74%. Systolic blood pressure was also lowered by 11 mmHg from baseline values. Both HbA1c and blood pressure rebounded to baseline levels thirty days after cessation of treatment. MABp1 was well tolerated and no drug related adverse events occurred during the study.

About XBiotech

XBiotech is pioneering a new era in the discovery and development of targeted antibodies based on its True HumanTM 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, XilonixTM, 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 is 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 <u>www.xbiotech.com</u>.

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