



XBiotech Identifies “Super Bloods” for the Development of a True Human™ COVID-19 Therapy

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Donors with Potent Natural Immunity Against the Virus are Identified as the Starting Point for XBiotech’s Drug Development Program to Treat COVID-19

AUSTIN, Texas, May 01, 2020 (GLOBE NEWSWIRE) -- XBiotech Inc. (NASDAQ: XBIT) announced today that human immune donors have now been identified that can support the Company’s development of a True Human™ antibody therapy for COVID-19. XBiotech recently developed and transferred screening technology to South Texas Blood & Tissue Center (STBTC), a blood donor organization, that enables blood donors that have COVID-19 immunity to be identified. In collaboration with STBTC, XBiotech scientists have been searching for ideal blood donors with strong natural immunity to COVID-19 to begin its True Human™ antibody discovery process.

XBiotech scientists have focused their search to find blood donors that have both very high levels of antibodies against COVID-19 and at the same time do *not* have a history of a serious illness from the virus. XBiotech believes that individuals with evidence of a vigorous antibody response against COVID-19 in the absence of a history of serious illness are ideal for identifying antibodies that could serve as a powerful therapy against the virus. XBiotech scientists are now receiving these exclusive blood samples from STBTC and have begun its proprietary discovery process to isolate the unique genetic information or genes responsible for producing the antibodies in the donors.

“There is no other research or pharmaceutical organization better prepared with the technology and capabilities of XBiotech to identify and develop antibody therapies derived from natural human immunity” commented John Simard, XBiotech’s CEO. He further stated, “The COVID-19 crisis brings into sharp relief the unique position of XBiotech to address existing and emerging unmet medical needs for infectious diseases.”

About XBiotech

XBiotech is a fully integrated, global biopharmaceutical company dedicated to pioneering the discovery, development and commercialization of therapeutic antibodies. XBiotech currently is advancing a pipeline of therapies by harnessing naturally occurring antibodies from patients with immunity to certain diseases. Utilizing natural human immunity as a source of new medicines offers the potential to redefine the standards of care for a wide range of diseases.

On December 30, 2019 XBiotech sold an IL-1 α blocking True Human™ antibody that had been used successfully in a number of clinical trials. The sale of the antibody generated \$750 million in upfront cash and up to \$600 million in potential milestone payments. The Company retained the right to pursue the development of True Human™ antibodies targeting IL-~~1~~ for all areas of medicine outside of dermatology. While the Company previously was focused on a single True Human™ antibody targeting IL-~~1~~, it now plans to develop multiple product candidates, which will target IL-1 α in specific areas of medicine.

In addition to recent sale of its anti-IL-1 α antibody, XBiotech now has other revenue sources. Commencing January 1, 2020 XBiotech began using its proprietary manufacturing technology to produce clinical drug product for a major Pharmaceutical Company under a two-year supply agreement. In addition, XBiotech is providing clinical trial contract research operations to conduct two large, double-blind placebo-controlled Phase II clinical studies. The financial strength generated from the sale and contract operations is enabling XBiotech to expand both its anti-IL-1 α product development and infectious disease programs.

To accelerate advance of the Company’s pipeline, the Company is expanding its existing manufacturing and research center, and planning to build an additional 30,000ft² infectious disease research & development center on its 48-acre property in Austin, TX which is wholly owned by the Company. The expansion and new building will be in addition to the present custom-built 33,000ft² combined manufacturing and R&D facility that currently exists on the campus. XBiotech owns the 48-acre campus—and all structures on the property—debt-free and envisions further expansion of facilities. For more information, visit www.xbiotech.com.

About True Human™ Therapeutic Antibodies

XBiotech’s True Human™ antibodies are the only available antibodies derived without modification from humans who possess

natural immunity to certain diseases. (Unlike all commercially available antibodies, which are called “Humanized” or “Fully Human,” XBiotech’s True Human™ antibodies are directly sourced from the natural human immune response for specific diseases without modification.) XBiotech’s True Human™ antibodies have the potential to harness the body’s natural immunity to fight disease with unprecedented safety, efficacy, and tolerability.

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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