



XBiotech Discovers COVID-19 Candidate Therapy

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The Company has Identified Highly Targeted Anti-COVID-19 True Human Antibodies from Immune Donor Blood

AUSTIN, Texas, Aug. 17, 2020 (GLOBE NEWSWIRE) -- XBiotech Inc. (NASDAQ: XBIT) announced today that it has identified True Human antibodies that could potentially be used as a therapy against SARS-CoV2, the virus that causes COVID-19. The Company discovered these antibodies through a collaboration with BioBridge Global (parent organization of the South Texas Blood & Tissue Center and QualTex Laboratories, one of the largest independent testing laboratories in the United States).

For the collaboration, BioBridge Global used XBiotech's proprietary COVID-19 screening technology to identify blood donors who had been infected by the novel coronavirus, as part of a program to provide convalescent plasma to treat patients suffering from severe COVID-19 infections. In return, BioBridge Global provided XBiotech with blood samples from patients who had been infected with COVID-19. For its antibody discovery process, XBiotech selected blood samples from patients who had recovered rapidly from the virus without serious illness—factors that indicated these donors had antibodies that were highly effective at protecting them against the virus.

It was only May 21, 2020 that XBiotech received its donor blood and launched its discovery program for COVID-19 True Human antibodies. Today, XBiotech now has a number of True Human antibodies that precisely block the COVID-19 virus' ability to be infectious and at the same time enable the body to naturally clear the virus.

Dr. Galina Kuzmicheva, Ph.D., XBiotech's Principal Scientist who led the COVID-19 discovery effort, commented, "COVID-19 has resulted in an unprecedented impact on our community. We are pleased to be able to utilize our unique discovery technology to rapidly identify natural human immunity—in the form of True Human antibodies—that can potentially be used to treat the virus infection in humans."

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 α for all areas of medicine outside of dermatology. While the Company previously was focused on a single True Human™ antibody targeting IL-1 α , 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.

About BioBridge Global

BioBridge Global is a San Antonio-based 501(c)(3) nonprofit corporation that offers diverse services through its subsidiaries – the South Texas Blood & Tissue Center, QualTex Laboratories, GenCure and The Blood & Tissue Center Foundation. BBG provides products and services in blood resource management, cellular therapy, donated umbilical cord blood and human tissue as well as testing of blood, plasma and tissue products for clients in the United States and worldwide. BBG is committed to saving and enhancing lives through the healing power of human cells and tissue. It enables advances in the field of regenerative medicine by providing access to human cells and tissue, testing services and biomanufacturing and clinical trials support. Learn more at BioBridgeGlobal.org.

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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