XBiotech Candidate True Human™ COVID-19 Therapy Found to Target Highly Infectious Emerging Strain

January 21, 2021

With New Infectious Strain Rapidly Spreading, XBiotech Establishes Data Indicating its Candidate True Human™ COVID-19 Therapy may be Effective for Treating New Mutant Strain

AUSTIN, Texas, Jan. 21, 2021 (GLOBE NEWSWIRE) -- XBiotech Inc. (NASDAQ: XBIT) announces that its COVID-19 candidate True Human™ antibody therapy may also be used for treating the COVID-19 mutant virus that recently emerged in the UK and is now rapidly spreading across the US. The mutant COVID-19 virus has alterations to the spike protein that reportedly make the virus more contagious, and these mutations might also enable the virus to escape existing vaccines or therapies. XBiotech's candidate therapy specifically targets the so-called spike protein of the virus and potently neutralizes the virus' ability to infect cells. The company analyzed its candidate COVID-19 therapy for its ability to bind the spike protein of the mutant COVID-19 virus and was found to have the same high affinity for spike protein of both the original COVID-19 and mutant COVID-19 viruses. These findings provide quick and convincing evidence that XBiotech's candidate True Human™ therapy, which was potently effective in neutralizing the original strain of COVID-19, could be expected to be similarly effective at neutralizing the mutant strain of the virus.

The new mutant COVID-19 virus has undergone changes that include small differences in the so-called spike protein of the virus. Scientists at XBiotech used a state-of-the-art method employing bio-layer interferometry to analyze binding of its COVID-19 True Human™ antibody to the spike protein of the mutant strain. These studies showed the antibody bound to the mutant spike protein with same high affinity as it does to the original COVID-19 virus.

Sushma Shivaswamy, Ph.D., XBiotech's Chief Scientific Officer, commented, "We are extremely excited that our antibody therapy has the capability of treating this new, even more contagious, strain of the virus. I applaud the hard work and dedication of our scientists who are tirelessly working to address emerging needs of this pandemic while keeping us on track to pursue other important diseases."

The Company previously announced that its candidate True Human™ therapy for COVID-19—isolated from an actual patient that had recovered from the infection—was found to neutralize the virus at concentrations about four-times better than antibodies currently FDA approved under emergency use authorization.

The higher rate of transmission of the mutant COVID-19 virus means that it could quickly become the dominant form of the virus in the US. The CDC in fact predicts the new variant will be the main cause of COVID infections in the USA by March, 2021. A therapy that could be used to treat both COVID-19 and the mutant strains of the virus could be of crucial importance as the mutant virus spreads. The Company has engineered production capable cell lines and is prepared to establish manufacturing processes for clinical development as necessary.

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-1α 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-1α for all areas of medicine outside of dermatology. While the Company previously was focused on a single True Human™ antibody targeting IL-1α, it now plans to develop multiple product candidates, which will target IL-1α in specific areas of medicine.

In addition to recent sale of its anti-IL-1α 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-1α 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 30,000ft^2 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 33,000ft^2 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, and thereby have not been shown to cause immunogenicity.) 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.

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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