



XBiotech Announces Receipt of \$75 Million from Sale of Antibody

June 30, 2021

Company Has Now Received a Total of \$750 million for Sale of Its True Human Antibody

AUSTIN, Texas, June 30, 2021 (GLOBE NEWSWIRE) -- XBiotech (NASDAQ: XBIT) announced today it received \$75 million from funds escrowed as part of its December 2019 sale of bermekimab. The True Human™ antibody developed by the company to treat inflammatory disorders, including skin diseases, was sold in a uniquely structured Pharma deal that allowed XBiotech to continue to develop new anti-inflammatory antibodies against the same target. With the receipt of \$75 million, XBiotech has now received a total of \$750 million pursuant to the deal.

XBiotech developed technology to clone monoclonal antibodies from the peripheral blood of humans with natural immunity against diseases. Bermekimab is a naturally occurring antibody capable of neutralizing one of the body's most potent, and potentially destructive, inflammatory substances. In the sale agreement, XBiotech maintained the right to discover and develop new True Human antibody molecules with similar activity as bermekimab. According to the purchase agreement, XBiotech can develop these new True Human antibodies for all indications in medicine with the exception of dermatological indications. XBiotech could potentially receive up to \$600 million more in cash from the deal by agreeing to provide exclusivity for certain additional indications with bermekimab.

As part of the sale agreement for bermekimab, XBiotech agreed to continue under contract to manufacture the antibody and supply finished product. As well, XBiotech engaged in a services agreement to provide its clinical operations to support clinical trial activities with the antibody therapy. These services have been ongoing and have been a significant source of revenue.

Since the sale, XBiotech has focused on research and development of other True Human antibodies that target the same inflammatory pathway as bermekimab. XBiotech has recently commenced a clinical program with just such a new antibody, XB2001, in pancreatic cancer.

About True Human™ Therapeutic Antibodies

XBiotech's True Human™ antibodies are derived without modification from individuals who possess natural immunity to certain diseases. 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.

About XBiotech

XBiotech is a fully integrated global biosciences company dedicated to pioneering the discovery, development and commercialization of therapeutic antibodies based on its True Human™ proprietary technology. XBiotech is currently advancing a robust pipeline of antibody therapies to redefine the standards of care in oncology, inflammatory and infectious diseases. Headquartered in Austin, Texas, XBiotech has also developed innovative biotech manufacturing technology designed to produce its True Human Antibodies rapidly and cost-effectively. 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 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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