

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A INFORMATION
Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934

Filed by the Registrant ☒

Filed by a Party other than the Registrant ☐

Check the appropriate box:

- ☐ Preliminary Proxy Statement
- ☐ Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- ☒ Definitive Proxy Statement
- ☐ Definitive Additional Materials
- ☐ Soliciting Material Pursuant to § 240.14a-12

XBiotech Inc.

(Name of Registrant as Specified In Its Charter)

Payment of Filing Fee (Check the appropriate box)

- ☒ No fee required.
 - ☐ Fee paid previously with preliminary materials.
 - ☐ Fee computed on table in exhibit required by Item 25(b) per Exchange Act Rules 14a6(i)(1) and 0-11.
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XBiotech Inc.
5217 Winnebago Lane
Austin, Texas 78744

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

To Be Held on November 24, 2026

Dear Shareholder:

You are cordially invited to attend the 2026 Annual Meeting of Shareholders (the “Meeting”) of XBiotech Inc., a British Columbia corporation (the “Company”). The meeting will be held on Wednesday, November 24, 2026 at 10:00 a.m. central time in a virtual meeting format only, via the Internet, with no physical in-person meeting, for the following purposes:

1. To elect the five (5) nominees for director named herein to serve until the next annual meeting and their successors are duly elected and qualified.
2. To ratify the selection by the Audit Committee of the Board of Directors of Whitley Penn LLP as the independent registered public accounting firm of the Company for its fiscal year ending December 31, 2026.
3. To approve, on an advisory basis, the compensation of the Company’s named executive officers.

These items of business are more fully described in the Proxy Statement accompanying this notice.

To participate in the Annual Meeting virtually via the Internet, please visit www.proxydocs.com/xbit. In order to attend, you must register in advance at www.proxydocs.com/xbit prior to the deadline of November 23, 2026 at 5:00 p.m. central time. Upon completing your registration, you will receive further instructions via email, including your unique links that will allow you access to the meeting. You will not be able to attend the Annual Meeting in person.

Our Board unanimously recommends that you vote “For” the election of all five nominees for director, “For” ratification of the selection by the Audit Committee of the Board of Whitley Penn LLP as the independent registered public accounting firm of the Company for its fiscal year ending December 31, 2026, and “For” approval of the compensation of the Company’s executive officers on an advisory basis.

The record date for the annual meeting is September 25, 2026. Only shareholders of record at the close of business on that date may vote at the meeting or any adjournment thereof. Your vote is very important. Pursuant to the rules promulgated by the U.S. Securities and Exchange Commission (the "SEC"), we are providing access to our proxy materials, including the Notice of Annual Meeting of Shareholders (the "Notice") and our 2025 Annual Report (which includes our 2025 Annual Report on Form 10-K, which was filed with the SEC on March 13, 2026 and supplemented by an amendment on Form 10-K/A filed with the SEC on April 29, 2026), both by sending you a full set of proxy materials and making copies of these materials available on the internet. We expect our 2026 Annual Report and proxy materials to be available on or about October 2, 2026. We urge you to access and review the proxy materials before voting and vote as soon as possible, whether or not you plan to attend the Meeting. This Notice is not a form for voting and presents only an overview of the more complete proxy materials, which contain important information and are available on the Internet or by mail. You will need the control number printed on your Notice, proxy card or voting instruction card in order to vote and you will not otherwise receive a paper or email copy. A list of shareholders of record will be available during the Meeting for inspection by shareholders for any legally valid purpose relating to the Meeting.

Important Notice Regarding the Availability of Proxy Materials for the Shareholders' Meeting to Be Held on November 24, 2026 at 10:00 a.m. central time virtually at www.proxydocs.com/xbit:

This Notice, the proxy statement and annual report to shareholders are available at www.proxydocs.com/xbit.

By Order of the Board of Directors



John Simard
Chairman of the Board

Austin, Texas
October 2, 2026

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**PROXY STATEMENT
FOR THE 2026 ANNUAL MEETING OF SHAREHOLDERS**

To be held on November 24, 2026

QUESTIONS AND ANSWERS ABOUT THESE PROXY MATERIALS AND VOTING

Why did I receive these proxy materials?

Pursuant to rules adopted by the SEC, we have made these materials available to you over the internet and have delivered printed versions of these materials to you by mail because the Board of Directors (sometimes referred to as the “Board”) of XBiotech Inc. (sometimes referred to as “we,” “us,” the “Company” or “XBiotech”) is soliciting your proxy to vote at our 2026 Annual Meeting of Shareholders, including at any adjournments or postponements of the meeting. All shareholders will have the ability to access the proxy materials on the website referred to in the Notice in addition to a printed set of the proxy materials so delivered. The Notice was first mailed to our Shareholders of record entitled to vote at the annual meeting on or about October 2, 2026.

How do I attend the annual meeting?

The meeting will be held on Wednesday, November 24, 2026 at 10:00 a.m. central time virtually at www.proxydocs.com/xbit. In order to attend, you must register in advance at www.proxydocs.com/xbit prior to the deadline of November 23, 2026 at 5:00 p.m. central time. Upon completing your registration, you will receive further instructions via email, including your unique links that will allow you access to the meeting.

Who can vote at the annual meeting?

Only shareholders of record at the close of business on September 25, 2026 will be entitled to vote at the annual meeting. As of September 25, 2026, there were 30,487,731 shares of common stock outstanding and entitled to vote.

Shareholders of Record: Shares Registered in Your Name

If on September 25, 2026 your shares were registered directly in your name with the Company’s transfer agent, Equiniti Trust Company, then you are a shareholder of record. As a shareholder of record, you may vote virtually at www.proxydocs.com/xbit at the meeting or vote by proxy. Whether or not you plan to attend the meeting, we urge you to vote by proxy to ensure your vote is counted.

Beneficial Owner: Shares Registered in the Name of a Broker or Bank

If on September 25, 2026 your shares were not held in your name, but rather in an account at a brokerage firm, bank, dealer or other similar organization, then you are the beneficial owner of shares held in “street name” and will have received a Notice from that organization. The organization holding your account is considered to be the shareholder of record for purposes of voting at the annual meeting. As a beneficial owner, you have the right to direct your broker or other agent regarding how to vote the shares in your account. You are also invited to attend the annual meeting. However, since you are not the shareholder of record, you may not vote your shares through the internet at the meeting unless you request and obtain a valid proxy from your broker or other agent.

What am I voting on?

There are three matters scheduled for a vote:

- Election of the five (5) nominees for director named herein for a one-year term;
- Ratification of the selection by the Audit Committee of the Board of Directors of Whitley Penn LLP as the independent registered public accounting firm of the Company for its fiscal year ending December 31, 2026; and
- Approval, on an advisory basis, of the compensation of the Company's named executive officers for fiscal year 2026.

What if another matter is properly brought before the meeting?

The Board of Directors knows of no other matters that will be presented for consideration at the annual meeting. If any other matters are properly brought before the meeting, it is the intention of the persons named in the proxy to vote on those matters in accordance with their best judgment.

How do I vote?

For Proposal 1, you may either vote "For" all the nominees to the Board of Directors or you may "Withhold" your vote for any nominee you specify. For each of Proposals 2 and 3, you may vote "For" or "Against" or abstain from voting. Our Board unanimously recommends that you vote "For" the election of all five nominees for director, "For" ratification of the selection by the Audit Committee of the Board of Whitley Penn LLP as the independent registered public accounting firm of the Company for its fiscal year ending December 31, 2026, and "For" approval of the compensation of the Company's executive officers.

The procedures for voting are fairly simple:

Shareholders of Record: Shares Registered in Your Name

If you are a shareholder of record, you may vote online if attending the annual meeting, by proxy over the telephone, by proxy through the internet, or by proxy using a proxy card that you may request. Whether or not you plan to attend the meeting, we urge you to vote by proxy to ensure your vote is counted. You may still attend the meeting and vote through the internet even if you have already voted by proxy.

- To vote using a proxy card that may be delivered to you at a later time, simply complete, sign and date the proxy card and return it promptly in the envelope provided. If you return your signed proxy card to us before the annual meeting, we will vote your shares as you direct.
- To vote over the telephone, dial toll-free 1-866-243-5061 using a touch-tone phone and follow the recorded instructions. You will be asked to provide the company number and control number from the Notice. Your vote must be received by the start of the meeting to be counted.
- To vote through the internet, go to www.proxydocs.com/xbit to complete an electronic proxy card. You will be asked to provide the control number from the Notice. Your vote must be received by the start of the meeting to be counted.

Beneficial Owners: Shares Registered in the Name of Broker or Bank

If you are a beneficial owner of shares registered in the name of your broker, bank or other agent, you should have received a Notice containing voting instructions from that organization rather than from XBiotech. Simply follow the instructions in the Notice to ensure that your vote is counted. To vote during the meeting, you must submit a valid legal proxy via email to dsmsupport@betanxt.com with the subject line “Legal Proxy” by 5:00 p.m., Central Time, on November 23, 2026, and must also register to attend the Annual Meeting, as described above. If you have a valid legal proxy, you may submit your vote via the Internet or by telephone, as instructed by your broker, bank, or other agent, at any time prior to the closing of the polls during the Annual Meeting.

[How many votes do I have?](#)

On each matter to be voted upon, you have one vote for each share of common stock you own as of September 25, 2026, with no shares having cumulative voting rights.

[What happens if I do not vote?](#)

Shareholders of Record: Shares Registered in Your Name

If you are a shareholder of record and do not vote by completing a proxy card, by telephone, or through the internet at the annual meeting, your shares will not be voted.

Beneficial Owners: Shares Registered in the Name of Broker or Bank

If you are a beneficial owner and do not instruct your broker, bank or other agent how to vote your shares, the question of whether your broker or nominee will still be able to vote your shares depends on whether the particular proposal is considered to be a routine matter under applicable rules. Brokers and nominees can use their discretion to vote uninstructed shares with respect to matters that are considered to be routine under applicable rules, but not with respect to non-routine matters. Under applicable rules and interpretations, non-routine matters are matters that may substantially affect the rights or privileges of shareholders, such as mergers, shareholder proposals, elections of directors (even if not contested), executive compensation and certain corporate governance proposals, even if management-supported. Routine matters, on which a broker or other nominee is generally empowered to vote, include ratification of the appointment of an independent registered public accounting firm. Accordingly, your broker or nominee may not vote your shares on Proposals 1 and 3 without your instructions, but may vote your shares on Proposal 2.

[What if I return a proxy card or otherwise vote but do not make specific choices?](#)

If you return a signed and dated proxy card or otherwise vote without marking voting selections, your shares will be voted, as applicable, “For” the election of all five nominees for director, “For” ratification of the selection by the Audit Committee of the Board of Whitley Penn LLP as the independent registered public accounting firm of the Company for its fiscal year ending December 31, 2026, and “For” approval on advisory basis of the compensation of the Company’s executive officers. If any other matter is properly presented at the meeting, your proxyholder (one of the individuals named on your proxy card) will vote your shares using his or her best judgment.

Who is paying for this proxy solicitation?

The Company anticipates first mailing definitive copies of this proxy statement on or about October 2, 2026. We are asking for your proxy and will pay all of the costs associated with asking for shareholders' proxies for the 2026 Annual Meeting. In addition to the use of the mail, proxies may be solicited by the Directors, officers and employees of XBiotech by personal interview, telephone or otherwise. Directors, officers and employees will not be additionally compensated, but may be reimbursed for out-of-pocket expenses in connection with solicitation. Arrangements also will be made with brokerage houses and other custodians, nominees and fiduciaries for the forwarding of solicitation material to beneficial owners holding our shares in street name, and we will reimburse custodians, nominees and fiduciaries for reasonable out-of-pocket expenses in connection with the forwarding of solicitation material.

What does it mean if I receive more than one set of proxy materials?

If you receive more than one set of proxy materials, your shares may be registered in more than one name or in different accounts. Please follow the voting instructions on each of the proxy cards in the proxy materials to ensure that all of your shares are voted.

Can I change my vote after submitting my proxy?

Yes. You can revoke your proxy at any time before the final vote at the meeting.

Shareholders of Record: Shares Registered in Your Name

If you are the record holder of your shares, you may revoke your proxy in any one of the following ways:

- You may submit a properly completed proxy card with a later date.
- You may grant a subsequent proxy by telephone or through the internet.
- You may send a timely written notice that you are revoking your proxy to XBiotech's Secretary at 5217 Winnebago Lane, Austin, TX 78744.

Your most current proxy card or telephone or internet proxy is the one that is counted.

Beneficial Owners: Shares Registered in the Name of Broker or Bank

If your shares are held by your broker or bank as a nominee or agent, you should follow the instructions provided by your broker or bank in order to change your vote.

When are shareholder proposals and director nominations due for next year's annual meeting?

To be considered for inclusion in the Company's proxy materials for next year's annual meeting of shareholders, your proposal must be delivered in writing to the attention of the Secretary of XBiotech Inc. at 5217 Winnebago Lane, Austin, TX 78744. The deadline after which date the notice of a shareholder proposal submitted is considered untimely is March 15, 2027. The deadline for submitting nominees for inclusion in the Company's proxy statement and form of proxy pursuant to the Company's governing documents as they relate to the inclusion of shareholder director nominees in the Company's proxy materials for the Company's next annual meeting of the shareholders shall be no earlier than the opening of business on the 65th day before the date of the annual meeting and no later than the close of business on the 30th day before the date of the annual meeting; provided, however, that if the annual meeting is to be held on a date that is less than 50 days after the date on which the first public announcement of the date of the annual meeting was made, notice may be made not later than the close of business on the 10th day following such public announcement. If you wish to submit a solicitation of proxies in support of director nominees other than the Company's nominees pursuant to Rule 14a-19 for the Company's next annual meeting, notice to us must be made no later than 60 days before the date of the annual meeting. Any dissenting shareholder should comply with the additional requirements of a proper notice under Rule 14a-19, which includes the statement that a dissident using the universal proxy rule intends to solicit 67% of the outstanding voting shares entitled to vote on the election of directors. You are also advised to review the Company's Articles, which contain additional requirements about advance notice of shareholder proposals and director nominations.

How are votes counted?

Votes will be counted by the inspector of election appointed for the meeting, who will separately count votes “For,” “Against,” “Withhold,” abstentions, and broker non-votes, as applicable, for each proposal. For Proposal 1 (election of directors), the inspector will count votes “For” and “Withhold.” For Proposal 2 (ratification of the Audit Committee’s selection of Whitley Penn LLP as our independent registered public accounting firm), the inspector will count votes “For,” “Against,” abstentions, and broker non-votes. For Proposal 3 (advisory approval of executive compensation), the inspector will count votes “For,” “Against,” and abstentions. Abstentions will have the same effect as “Against” votes for Proposals 2 and 3. Broker non-votes will have no effect on, and will not be counted towards, the vote total for Proposals 1 and 3.

What are “broker non-votes”?

As discussed above, when a beneficial owner of shares held in “street name” does not give instructions to the broker or nominee holding the shares as to how to vote on matters deemed to be non-routine under applicable rules, the broker or nominee may not vote the shares. These unvoted shares are counted as “broker non-votes.” Proposals 1 and 3 are considered non-routine, so a broker or nominee holding shares may not vote those shares on those proposals without specific instructions from the beneficial owner. Proposal 2, the proposal to ratify our independent public accounting firm is considered routine.

How many votes are needed to approve each proposal?

- For Proposal 1, the election of directors, the five nominees receiving more “For” votes than “Withhold” votes from the holders of shares present in person or represented by proxy and entitled to vote on the election of directors will be elected. Only votes “For” or “Withhold” will affect the outcome.
- To be approved, Proposal 2 ratifying the selection by the Audit Committee of the Board of Directors of Whitley Penn LLP as the independent registered public accounting firm of the Company for its fiscal year ending December 31, 2026 must receive “For” votes from the holders of a majority of shares present and entitled to vote either in person or represented by proxy. If you mark your proxy to “Abstain” from voting, it will have the same effect as an “Against” vote.
- To be approved, Proposal 3, the advisory approval of the Company’s executive compensation must receive “For” votes from the holders of a majority of shares present and entitled to vote either in person or represented by proxy. If you mark your proxy to “Abstain” from voting, it will have the same effect as an “Against” vote.

What is the quorum requirement?

A quorum of shareholders is necessary to hold a valid meeting. A quorum will be present if shareholders holding at least one-third of issued shares entitled to vote are present at the meeting in person or represented by proxy. The actual number of shares entitled to vote on the record date, July 2, 2026, will be determined and disclosed in a supplement if materially different.

Your shares will be counted towards the quorum only if you submit a valid proxy (or one is submitted on your behalf by your broker, bank or other nominee) or if you vote through the internet at the meeting. Abstentions and broker non-votes will be counted towards the quorum requirement. If there is no quorum, the holders of a majority of shares present at the meeting in person or represented by proxy may adjourn the meeting to another date.

How can I find out the results of the voting at the annual meeting?

Preliminary voting results will be announced at the annual meeting. In addition, final voting results will be published in a current report on Form 8-K that we expect to file within four business days after the annual meeting. If final voting results are not available to us in time to file a Form 8-K within four business days after the meeting, we intend to file a Form 8-K to publish preliminary results and, within four business days after the final results are known to us, file an additional Form 8-K to publish the final results.

What proxy materials are available on the internet?

The proxy statement, Form 10-K and annual report to shareholders are available at www.proxydocs.com/xbit.

Householding of Proxy Materials

The SEC has adopted rules that permit companies and intermediaries (e.g., brokers) to satisfy the delivery requirements for proxy materials or other annual meeting materials with respect to two or more shareholders sharing the same address by delivering a single set of proxy materials or other annual meeting materials to those shareholders. This process, which is commonly referred to as “householding,” potentially means extra convenience for shareholders and cost savings for companies.

This year, a number of brokers with account holders who are XBiotech Inc. shareholders will be “householding” the Company’s proxy materials. A single set of proxy materials will be delivered to multiple shareholders sharing an address unless contrary instructions have been received from the affected shareholders. Once you have received notice from your broker that they will be “householding” communications to your address, “householding” will continue until you are notified otherwise or until you revoke your consent. If, at any time, you no longer wish to participate in “householding” and would prefer to receive a separate set of proxy materials or set of annual meeting materials, please notify your broker or XBiotech Inc. Direct your written request to XBiotech Inc., Attn: Corporate Relations, 5217 Winnebago Lane, Austin, TX 78744, or contact our Corporate Relations at XBiotech Inc. by telephone at (512) 386-2900. Shareholders who currently receive multiple sets of proxy materials at their addresses and would like to request “householding” of their communications should contact their brokers.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information regarding the ownership of the Company’s common stock as of October 2, 2026 by (i) each of our directors; (ii) each of our Named Executive Officers as defined below under the heading “Executive Compensation”; (iii) each person known by us to beneficially own more than 10% of our outstanding common stock and (iv) all of our current executive officers and directors as a group.

Beneficial ownership is determined in accordance with the rules of the SEC and includes voting and investment power with respect to the securities. This table is based upon information supplied by officers, directors and principal shareholders and Schedules 13D and 13G filed with the SEC. Except as indicated by footnote, and subject to applicable community property laws, we believe the persons named in the table have sole voting and investment power with respect to all shares of common stock shown as beneficially owned by them. The number of shares of common stock used to calculate the percentage ownership of each listed person includes the shares of common stock underlying options held by such persons that are exercisable as of December 1, 2026, which is 60 days after October 2, 2026.

Percentage of beneficial ownership is based on 30,487,731 shares of common stock outstanding as of October 2, 2026.

Beneficial Owner	Number of Shares	Percent of Total
Name and address of Greater than 5% Shareholders		
Thomas Gut ⁽¹⁾ Lindenberg Family Office Ltd. Laternengasse 5 8001 Zurich, Switzerland	3,914,111	12.8%
W. Thorpe McKenzie ⁽²⁾ 832 Georgia Avenue, Suite 1100, Chattanooga, TN 37402, US	3,006,259	9.8%

Named Executive Officers and Directors (3)		
John Simard	5,671,650	17.5%
Thomas Kündig (4)	379,115	1.2%
Craig Rademaker (5)	263,089	*
Tevi Troy	56,000	*
David Soffer	51,000	*
Sushma Shivaswamy	515,000	1.7%
Angela Hu	80,500	*
All named executive officers and directors as a group (7 persons) (6)	7,016,354	21.1%

* Less than one percent.

(1) Based on information set forth in a Form 13/G filed with the SEC on February 7, 2024.

(2) Mr. McKenzie served as a director until his retirement on March 27, 2025. This figure includes 66,748 shares held by the McKenzie Foundation, 31,864 shares held by Mr. McKenzie's spouse and 7,676 shares held in a Trust for Mr. McKenzie's stepchildren.

(3) These figures include shares of common stock underlying stock options held by our executive officers and directors that are immediately exercisable or scheduled to become immediately exercisable within 60 days of October 2, 2026. Underlying stock options include the following amounts: John Simard – 1,848,484; Craig Rademaker – 92,104; Thomas Kündig – 79,115; Tevi Troy – 56,000; David Soffer – 51,000; Sushma Shivaswamy – 515,000 and Angela Hu – 55,000.

(4) This figure includes 200,000 shares held by Mr. Kündig and 100,000 shares held by Mr. Kündig's daughters.

(5) This figure includes 104,237 shares held by a family trust and 66,748 shares held by Mr. Rademaker's spouse.

(6) Includes 2,696,703 shares of common stock underlying stock options held by our executive officers and directors (7 persons total) that are immediately exercisable or are scheduled to become exercisable within 60 days of October 2, 2026.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Exchange Act requires the Company's directors and executive officers, and persons who own more than 10% of a registered class of the Company's equity securities, to file with the SEC initial reports of ownership and reports of changes in ownership of Common Stock and other equity securities of the Company. To the Company's knowledge, based solely on a review of copies of the reports filed with the SEC and written representations that no other reports were required, during the fiscal year ended December 31, 2026, we believe that all Section 16(a) filing requirements applicable to its officers, directors and greater than 10% beneficial owners were complied with.

PROPOSAL 1

ELECTION OF DIRECTORS

Our Board of Directors currently consists of five directors. There are five nominees for director, which consist of all incumbent directors. Proxies may not be voted for a greater number of persons than the number of nominees named in this proxy statement. Each director to be elected and qualified will hold office until the next annual meeting of shareholders and until his or her successor is elected, or, if sooner, until the director's death, resignation or removal. Notwithstanding the foregoing, directors are elected by a plurality of the votes of the holders of shares present in person or represented by proxy and entitled to vote on the election of directors if the number of eligible nominees standing for election at any meeting of the shareholders exceeds the number of directors to be elected. The five nominees receiving the highest number of affirmative votes will be elected.

The Company invites and welcomes all directors and nominees for directors to attend the annual meeting of shareholders. The Company believes that one director - John Simard - attended the 2025 Annual Meeting of Shareholders, which was conducted by videoconference.

Current Board and Nominees

The Nominating and Corporate Governance Committee seeks to assemble a Board that, as a whole, possesses the appropriate balance of professional and industry knowledge, financial expertise and high-level management experience necessary to oversee and direct the Company's business. To that end, the members of the Nominating and Corporate Governance Committee, together with the other independent directors of the Board, have identified and evaluated nominees in the broader context of the Board's overall composition, with the goal of recruiting members who complement and strengthen the skills of other members and who also exhibit integrity, collegiality, sound business judgment and other qualities that the Nominating and Corporate Governance Committee members and independent directors of the Board view as critical to effective functioning of the Board. The brief biographies below include information, as of the date of this proxy statement, regarding the specific and particular experience, qualifications, attributes or skills of each director or nominee that led the members of the Nominating and Corporate Governance Committee and the other independent directors of the Board to conclude that the person should serve as a director as of the date of this proxy statement. However, each of the members of the Nominating and Corporate Governance Committee and independent directors of the Board may have a variety of reasons why he believes a particular person would be an appropriate nominee or director for the Board, and these views may differ from the views of other members.

Name	Age	Position Held With the Company
John Simard	64	Founder & Chairman of the Board
Thomas Kündig, M.D.	63	Director
Craig Rademaker	61	Director
Tevi D. Troy, M.A., Ph.d.	59	Director
David Soffer, B.Sc. DMD	61	Director

John Simard, Chairman of the Board, founded XBiotech Inc. in 2005 and served as its President and Chief Executive Officer and Chairman of the Board from 2005 to 2025. He retired from his role as President and Chief Executive Officer effective December 8, 2025 and continues to serve as Chairman of the Board of Directors and as a Scientific Advisor. Prior to XBiotech, he was founder and Chief Executive Officer of CTL ImmunoTherapies Corp., a developer of therapeutic vaccines to treat cancer and chronic infectious disease; he also founded AlleCure Corp., of Valencia, California, a developer of allergy treatments and immune modulating therapies. In 2001, AlleCure and CTL ImmunoTherapies merged to form MannKind Corp., where Mr. Simard served as Corporate Vice President and a board member. Mr. Simard holds a degree in Biochemistry from the University of Saskatchewan and attended graduate studies in Medical Biophysics/Immunology at the University of Toronto. He has over 240 issued and pending patents related to cancer therapy, therapeutic vaccines and therapeutic antibodies, as well as a substantial number of peer-reviewed scientific publications and the textbook “Immune Response Genes.”

Our Board of Directors believes that Mr. Simard’s qualifications to serve as a director include his extensive executive leadership experience, his role as founder of the company, his many years of service on our Board of Directors and as our Chief Executive Officer, and extensive knowledge of our company and industry.

Dr. Thomas Kündig M.D. was appointed to the Company’s Board of Directors on June 24, 2025. Dr. Kündig is a distinguished leader in academic medicine, currently serving as Director of the Department of Dermatology at the University Hospital Zurich (USZ) and Full Professor of Dermatology at the University of Zurich. With over three decades of experience spanning clinical care, translational research, and institutional leadership, he brings a unique blend of scientific rigor, operational excellence, and strategic vision. Dr. Kündig’s career is marked by pioneering contributions to immunohematology, particularly in the development of intralymphatic immunotherapy (ILIT), which has significantly reduced treatment durations for allergy patients. His research group has also advanced preclinical models for cancer immunotherapy and allergen-specific monoclonal antibodies. As a department head, Dr. Kündig has overseen substantial resources and complex clinical operations, leading initiatives in patient-centered care, including the integration of self-help programs to enhance health literacy. His leadership has positioned USZ’s dermatology clinic as a national and international reference center, reflecting his ability to elevate institutional performance and reputation.

Dr. Kündig’s governance experience includes board roles in the Swiss Society for Dermatology & Venereology and the European Dermatology Forum. As well, he is a recipient of the Swiss Technology Award and the Georg-Friedrich Götz Prize. Prof. Kündig has an M.D. from the University of Zürich.

Craig Rademaker was appointed to the Company’s Board of Directors on June 24, 2025. Mr. Rademaker has over 35 years’ experience in the financial industry, covering a multitude of areas and industries, both private and public. These include institutional and retail brokerage, principal trading, equity and debt raising, mergers and acquisitions advice and venture capital as a facilitator and principal investor. Mr. Rademaker started his career in venture capital at the age of 16, working in his father’s firm in Vancouver, B.C. At 23 Mr. Rademaker began working on the trade desk and was quickly promoted to the underwriting group, managing an international trade desk with focus on trading volatility and market making for public companies. During his underwriting years, Mr. Rademaker was responsible for multiple initial public offerings, reverse take overs and mergers related to US, Canadian and international exchanges. After approximately 15-20 years in underwriting, Mr. Rademaker transitioned to become a capital markets leader. He has served as a consultant to multiple Canadian private equity firms and opened a Canadian office for a European trust company group. Mr. Rademaker’ focus has evolved towards helping companies and investors build risk mitigating strategies, align competing interests and perfect capital stocks. Mr. Rademaker has a B.Sc. degree in economics from Simon Fraser University.

The Hon. Tevi D. Troy M.A., Ph.D. is a Senior Fellow at the Ronald Reagan Institute, Senior Scholar at the Straus Center at Yeshiva University, former White House aide and a best-selling author on presidential history. Dr. Troy is former Deputy Secretary of the U.S. Department of Health and Human Services, the chief operating officer of the largest civilian department in the federal government, with a budget of \$716 billion and over 67,000 employees. Dr. Troy has extensive White House experience, serving in several high-level positions, culminating in his service as Deputy Assistant and then Acting Assistant to the President for Domestic Policy. Dr. Troy has held high-level positions on Capitol Hill as well, serving as Policy Director for Senator John Ashcroft, Senior Domestic Policy Adviser and later Domestic Policy Director for the House Policy Committee. In addition to governmental work and health care expertise, Dr. Troy has written over 400 published articles for The New York Times, The Wall Street Journal, The Washington Post, Politico, The Atlantic, and many other publications. He is a frequent television and radio analyst, and has appeared on CNN, C-SPAN, Fox News, and The NewsHour, among other outlets. Dr. Troy has a B.S. in Industrial and Labor Relations from Cornell University and an M.A and Ph.D. in American Civilization from the University of Texas at Austin.

Dr. David Soffer, B.Sc. DMD. has a distinguished background in both science and healthcare. After earning a Bachelor of Science in Biochemistry from the University of Saskatchewan, Dr. Soffer was a researcher at the Weizmann Institute in Rehovot, Israel, where his work on autoimmune disorders led to a published study in the European Journal of Immunology entitled "Factors Outside the Major Histocompatibility Complex Influence Susceptibility to Acquired Autoimmune Encephalomyelitis." Following his scientific work, Dr. Soffer pursued dentistry, graduating with a Doctor of Dental Medicine (DMD) from the University of Saskatchewan in 1996. Over the next two decades, he practiced dentistry in rural Canada, where he owned and operated clinics. He also founded a hospital dentistry program to treat pediatric patients under general anesthesia, enhancing access to care in underserved communities. Dr. Soffer continues to practice dentistry and serve outlying communities that require specialized care. Beyond his clinical work, Dr. Soffer is an active trader in the stock market. Drawing on his analytical background and commitment to fairness, he looks to contribute to broader discussions on equity and transparency, aiming to amplify the voices and concerns of retail investors in an increasingly complex biotechnology sector.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR EACH OF THE FIVE NAMED NOMINEES

Independence of the Board of Directors

As required under the NASDAQ Stock Market ("NASDAQ") listing standards, a majority of the members of a listed company's Board of Directors must qualify as "independent," as affirmatively determined by the Board of Directors. The Board consults with the Company's counsel to ensure that the Board's determinations are consistent with relevant securities and other laws and regulations regarding the definition of "independent," including those set forth in pertinent listing standards of NASDAQ, as in effect from time to time.

Consistent with these considerations, after review of all relevant identified transactions or relationships between each director, or any of his family members, and the Company, its senior management and its independent auditors, the Board has determined that the following existing directors and nominees for the next Board term are independent within the meaning of the applicable NASDAQ listing standards: Dr. Thomas Kündig, Mr. Craig Rademaker, Dr. David Soffer and Dr. Tevi Troy. In making this determination, the Board found that none of these directors had a material or other disqualifying relationship with the Company.

Current Board Leadership Structure

Our Board of Directors is currently chaired by John Simard. Our Board of Directors believes that, given the perspective, experience, and expertise that Mr. Simard brings as the founder of the Company, he is the most equipped individual to serve as Chairman of the Board and his service in these capacities is appropriate and in the best interests of our Board of Directors, our company and our shareholders. Dr. Thomas Kündig currently serves on our Board of Directors and is chairman of the Compensation Committee and a member of Nominating and Corporate Governance Committee. Craig Rademaker currently serves on our Board of Directors and is chairman of the Nominating and Corporate Governance Committee and a member of the Audit Committee and Compensation Committee. Dr. Tevi Troy currently serves on our Board of Directors and is chairman of the Audit Committee. Dr. David Soffer currently serves on our Board of Directors and is a member of Audit Committee.

Role of the Board in Risk Oversight

One of the key functions of our Board of Directors is informed oversight of our risk management process. The Board of Directors does not have a standing risk management committee, but rather administers this oversight function directly through the Board of Directors as a whole, as well as through various standing committees of our Board of Directors that address risks inherent in their respective areas of oversight. In particular, our Board of Directors is responsible for monitoring and assessing strategic risk exposure, and our Audit Committee has the responsibility to consider and discuss our major financial risk exposures and the steps our management has taken to monitor and control these exposures, including guidelines and policies to govern the process by which risk assessment and management is undertaken. The Audit Committee also monitors compliance with legal and regulatory requirements. Our Nominating and Corporate Governance Committee monitors the effectiveness of our corporate governance practices, including whether they are successful in preventing illegal or improper liability-creating conduct. Our Compensation Committee assesses and monitors whether any of our compensation policies and programs has the potential to encourage excessive risk-taking.

Meetings of the Board of Directors

The Board of Directors met twice during 2025, the Company's last fiscal year. All directors who served in 2025 attended all of the meetings of the Board and of the committees on which they served.

Information Regarding Committees of the Board of Directors

The Board has three standing committees: an Audit Committee, a Compensation Committee and a Nominating and Corporate Governance Committee. The following table provides membership and meeting information in 2025 for each of the Board committees:

Name	Audit	Compensation	Nominating and Corporate Governance
Thomas Kündig		X*	X
Craig Rademaker	X	X	X*
Tevi D. Troy	X*		
David Soffer	X		
Total meetings in 2025	4	4	1

* Committee Chairperson

Below is a description of each committee of the Board of Directors. Each of the committees has authority to engage legal counsel or other experts or consultants, as it deems appropriate to carry out its responsibilities.

Audit Committee

The Audit Committee of our Board of Directors was established by our Board of Directors in February 2015 in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), to oversee the Company’s corporate accounting and financial reporting processes and audits of its financial statements. For this purpose, our Audit Committee performs several functions. Our Audit Committee evaluates the performance of and assesses the qualifications of the independent auditors; determines and approves the engagement of the independent auditors; determines whether to retain or terminate the existing independent auditors or to appoint and engage new independent auditors; reviews and approves the retention of the independent auditors to perform any proposed permissible non-audit services; monitors the rotation of partners of the independent auditors on the Company’s audit engagement team as required by law; reviews and approves or rejects transactions between the Company and any related persons; confers with management and the independent auditors regarding the effectiveness of internal controls over financial reporting; establishes procedures, as required under applicable law, for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters and the confidential and anonymous submission by employees of concerns regarding questionable accounting or auditing matters; and meets to review the Company’s annual audited financial statements and quarterly financial statements with management and the independent auditor.

Our Audit Committee is currently composed of three directors: Mr. Tevi Troy (Chair), Mr. Craig Rademaker and Dr. David Soffer. Our Board of Directors has adopted a written charter of the Audit Committee that is available to shareholders on the Company’s website at www.xbiotech.com. Our Board of Directors reviews the NASDAQ listing standards definition of independence for Audit Committee members on an annual basis and has determined that all members of our Audit Committee are independent as defined under NASDAQ listing standards, including the heightened standards applicable to Audit Committee members.

Our Board of Directors previously determined that Mr. Thorpe McKenzie, who served on our Audit Committee before his retirement from the Board on March 27, 2025, qualified as an “audit committee financial expert” prior to his retirement based on a qualitative assessment of Mr. McKenzie’s level of knowledge and experience based on a number of factors, including being a graduate of the Wharton Graduate division of the University of Pennsylvania, followed by a career in the finance industry spanning several decades, including extensive executive experience overseeing the preparation of financial statements and related matters. The Board also previously determined that Mr. Jan-Paul Waldin, who served on our Audit Committee until the end of his term as a director on August 29, 2025, was sufficiently proficient in reading and understanding the company’s financial statements to serve on the Audit Committee. The Board has determined that Mr. Rademaker qualifies as an audit committee financial expert based, among other considerations, on his understanding of generally accepted accounting principles; his ability to assess the general application of such principles in connection with the accounting for estimates, accruals, and reserves; and his experience evaluating financial statements in connection with multiple initial public offerings, reverse takeovers and mergers as an underwriter and in his subsequent role as a capital markets leader at a Canadian private equity firm. The Board further believes that Dr. Troy and Dr. Soffer are sufficiently proficient in reading and understanding the company’s financial statements to serve on the Audit Committee.

Report of the Audit Committee of the Board of Directors*

The Audit Committee has reviewed and discussed with management of the Company and the independent auditor the audited financial statements for the fiscal year ended December 31, 2025. The Audit Committee has reviewed and discussed with the independent registered public accounting firm the matters required to be discussed and all communications required to be discussed by the applicable requirements of the Public Company Accounting Oversight Board (“PCAOB”) and the SEC. The Audit Committee has also received the written disclosures and the letter from the independent registered public accounting firm required by applicable requirements of the PCAOB regarding the independent accountants’ communications with the Audit Committee concerning independence, and has discussed with the independent registered public accounting firm the accounting firm’s independence. Based on the foregoing, the Audit Committee has recommended to the Board of Directors, and the Board subsequently approved the recommended, that the audited financial statements be included in the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2025, for filing with the SEC.

THE AUDIT COMMITTEE

Dr. Tevi Troy (Chair)

Mr. Craig Rademaker

Dr. David Soffer

* This material is not “soliciting material,” is not deemed “filed” with the SEC and is not to be incorporated by reference in any filing of the Company under the Exchange Act or the Securities Act of 1933, as amended, whether made before or after the date hereof and irrespective of any general incorporation language in any such filing.

Compensation Committee

The Compensation Committee was established by our Board of Directors in February 2015 and is currently composed of two directors: Dr. Thomas Kündig (Chair) and Mr. Craig Rademaker. The Board of Directors reviews the NASDAQ listing standards definition of independence for Compensation Committee members on an annual basis and has determined that all members of the Company's Compensation Committee are independent as defined under NASDAQ listing standards, including the heightened standards applicable to Compensation Committee members, and are "outside directors" for purposes of Section 162(m) of the Internal Revenue Code of 1986, as amended. The Compensation Committee has adopted a written charter that is available to shareholders on the Company's website at www.xbiotech.com.

Compensation Committee Processes and Procedures

The Compensation Committee meets annually and with greater frequency if necessary. Our Compensation Committee is responsible for the executive compensation programs for our executive officers and reports to our Board of Directors on its discussions, decisions and other actions. Our Compensation Committee reviews and approves corporate goals and objectives relating to the compensation of our Chief Executive Officer, evaluates the performance of our Chief Executive Officer in light of those goals and objectives, and determines and approves the compensation of our Chief Executive Officer based on such evaluation. Our Compensation Committee has the sole authority to determine our Chief Executive Officer's compensation. In addition, our Compensation Committee, in consultation with our Chief Executive Officer, reviews and approves all compensation for other officers.

The charter of the Compensation Committee grants the Compensation Committee sole authority and right, at the expense of the Company, to retain or obtain the advice of legal counsel, compensation and other consultants, accountants, experts and advisers of its choice to assist the Committee in connection with its functions, including any studies or investigations, but only after conducting an independence assessment and taking into consideration all factors relevant to any adviser's independence from management, including those specified in Rule 5605(d)(3) of the Nasdaq Rules and those set forth in SEC rules. In particular, the Compensation Committee has the sole authority to retain compensation consultants to assist in its evaluation of executive and director compensation, including the authority to approve the consultant's reasonable fees and other retention terms. During the 2025 fiscal year, the Compensation Committee determined not to utilize a third party compensation consultant, as the Committee did not feel that the application of a compensation consultant was an efficient use of funds in light of the Company's current size.

Under its charter, the Compensation Committee may form, and delegate authority to, subcommittees as appropriate. In 2026, the Board determined that for the sake of administrative convenience, it was desirable to delegate Dr. Sushma Shivaswamy, the interim Chief Executive Officer and Chief Scientific Officer (the "Executive"), the authority to grant certain options pursuant to the terms of the Company's 2025 Equity Incentive Plan (the "2025 Plan"), subject to certain limitations including (i) without the prior written approval of the Board, Executive shall not in any one calendar year grant options to acquire more than 1,000,000 Shares in the aggregate or more than 100,000 options to any one individual, provided that options granted pursuant to any such written approval shall not be counted toward the foregoing thresholds; (ii) without the prior written approval of the Board, Executive shall not grant options to herself, John Simard or to certain other executive officers; (iii) the exercise price for options granted by Executive shall be the closing price of the Shares on the date of grant and term of any such options shall not be greater than 10 years; and (iv) Executive shall make any and all option grants pursuant to the authority delegated by the Board and specify the material terms of such options and provide that such options will be subject to the terms and conditions of a stock option agreement to be prepared by the Company promptly following the date of grant. The purpose of these delegations of authority was to enhance the flexibility of option administration within the Company and to facilitate the timely grant of options to non-management employees, particularly new employees, within specified limits approved by the Compensation Committee.

The Compensation Committee will make adjustments, if any, to annual compensation, bonus and equity awards and performance guidelines at one or more meetings during 2026. Generally, the Compensation Committee's process comprises two related elements: the determination of compensation levels and the establishment of performance objectives for the current year. For executives other than the Chief Executive Officer, the Compensation Committee solicits and considers evaluations and recommendations submitted to the Committee by the Chief Executive Officer. In the case of the Chief Executive Officer, the evaluation of her performance is conducted by the Compensation Committee, which determines any adjustments to her compensation as well as awards to be granted.

Compensation Committee Interlocks and Insider Participation

None of our directors who served as members of our Compensation Committee as of December 31, 2025, nor any of the directors who currently serve as members of our Compensation Committee, is, or has at any time in the past been, an officer or employee of the Company or any of its subsidiaries.

None of our executive officers serves, or has served, during the last completed fiscal year, on the compensation committee or board of directors of any other company that has one or more executive officers serving on our Compensation Committee or Board.

Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee is currently composed of two directors in compliance with the NASDAQ listing standards: Mr. Craig Rademaker (Chair) and Dr. Thomas Kündig. All members of the Nominating and Corporate Governance Committee are independent as defined under NASDAQ listing standards. The Nominating and Corporate Governance Committee has adopted a written charter that is available to shareholders on the Company's website at www.xbiotech.com.

The Nominating and Corporate Governance Committee was established by the Board of Directors in February 2015 and is responsible for identifying, reviewing and evaluating candidates to serve as directors of the Company (consistent with criteria approved by the Board), reviewing and evaluating incumbent directors, recommending to the Board for selection candidates for election to the Board of Directors, making recommendations to the Board regarding the membership of the committees of the Board, assessing the performance of the Board, and monitoring the Company's adherence to its Code of Business Conduct and Ethics.

The Nominating and Corporate Governance Committee believes that candidates for director, both individually and collectively, should provide the integrity, experience, judgment, commitment (including having sufficient time to devote to the Company and level of participation), skills, diversity and expertise appropriate for the Company. In assessing the directors, both individually and collectively, the Nominating and Corporate Governance Committee may consider the current needs of the Board and the Company to maintain a balance of knowledge, experience and capability in various areas. However, the Nominating and Corporate Governance Committee retains the right to modify these qualifications from time to time. Candidates for director nominees are reviewed in the context of the current composition of the Board, the operating requirements of the Company and the long-term interests of shareholders. In conducting this assessment, the Nominating and Corporate Governance Committee typically considers diversity, age, skills and such other factors as it deems appropriate, given the current needs of the Board and the Company, to maintain a balance of knowledge, experience and capability on the Board. In the case of incumbent directors whose terms of office are set to expire, the Nominating and Corporate Governance Committee reviews these directors' overall service to the Company during their terms, including the number of meetings attended, level of participation, quality of performance and any other relationships and transactions that might impair the directors' independence. In the case of new director candidates, the Nominating and Corporate Governance Committee also determines whether the nominee is independent for NASDAQ purposes, which determination is based upon applicable NASDAQ listing standards, applicable SEC rules and regulations and the advice of counsel, if necessary. The Nominating and Corporate Governance Committee then uses its network of contacts to compile a list of potential candidates, but may also engage, if it deems appropriate, a professional search firm. The Nominating and Corporate Governance Committee will also consider candidates recommended by shareholders. In order to recommend a candidate for consideration, shareholders must follow the procedures described below under the heading "Advance Notice Provisions."

The Nominating and Corporate Governance Committee conducts any appropriate and necessary inquiries into the backgrounds and qualifications of possible candidates after considering the function and needs of the Board. The Nominating and Corporate Governance Committee meets to discuss and consider the candidates' qualifications and then selects a nominee for recommendation to the Board by majority vote.

[Advance Notice Provisions](#)

Our Articles contain provisions known as "Advance Notice Provisions", which provide that advance notice to the Company must be made and the procedures set out in the Articles must be followed for persons to be eligible for election to the Board of Directors. Nomination of persons for election to the Board of Directors may only be made at an annual meeting of shareholders or at a special meeting of shareholders called for any purpose, which includes the election of directors.

Among other things, the Advance Notice Provisions fix a deadline by which holders of record of common shares must submit director nominations to us prior to any annual or special meetings of shareholders and set forth the specific information that a shareholder must include in the written notice to the Company for an effective nomination to occur. No person will be eligible for election as a director of the Company unless nominated in accordance with the provisions of the Advance Notice Provisions.

In the case of an annual meeting of shareholders, notice to us must be made not less than 30 or more than 65 days prior to the date of the annual meeting; provided, however, that if the annual meeting is to be held on a date that is less than 50 days after the date on which the first public announcement of the date of the annual meeting was made, notice may be made not later than the close of business on the 10th day following such public announcement. In the case of a special meeting of shareholders (which is not also an annual meeting), notice to us must be made not later than the close of business on the 15th day following the day on which the first public announcement of the date of the special meeting was made.

The Board of Directors may, in its sole discretion, waive any requirement of the Advance Notice Provisions.

Board Diversity

The members of our Board are highly qualified, outstanding individuals. The Company's Nominating and Corporate Governance Committee has a solitary objective: to identify board members—irrespective of gender or race—that represent the greatest value to our Company and shareholders. The Company's Nominating and Corporate Governance Committee strives to assemble a board that has diversity of thought, with each member offering unique insight and perspective, where individual members share a common ability to work productively within the context of the Board and management team.

Communications With the Board of Directors

The Company's Board has adopted a formal process by which shareholders and other interested parties may communicate with the Board or any of its directors. Shareholders and other interested parties who wish to communicate with the Board may do so by sending written communications addressed to the Secretary of XBiotech Inc. at 5217 Winnebago Lane, Austin, TX 78744. Each communication must set forth the name and address of the interested party or the Company shareholder on whose behalf the communication is sent and the number of Company shares that are owned beneficially by such shareholder as of the date of the communication. Each communication will be reviewed by the Company's Secretary to determine whether it is appropriate for presentation to the Board or relevant directors. Communications determined by the Company's Secretary to be appropriate for presentation to the Board or any relevant directors are submitted to the Board or relevant directors on a periodic basis.

Code of Ethics

The Company has adopted a Code of Business Conduct and Ethics that applies to all directors, officers and employees. The Code of Business Conduct and Ethics is available on the Company's website at www.xbiotech.com under the Corporate Governance section of our Investor Relations page. If the Company makes any substantive amendments to the Code of Business Conduct and Ethics that applies to our principal executive officer, principal financial officer, principal accounting officer, controller or persons performing similar functions, or grants any waiver from a provision of the Code of Business Conduct and Ethics to any of these specified individuals that is required to be disclosed pursuant to SEC rules and regulations, the Company will promptly disclose the nature of the amendment or waiver on its website.

Insider Trading Policy; Employee, Officer and Director Hedging and Pledging

The Company has adopted an Insider Trading Policy that governs the purchase, sale, and other dispositions of the Company's securities by all directors, officers and employees. It is the Company's policy to comply with applicable insider trading laws, rules and regulations, and any exchange listing standards when engaging in transactions in Company securities. The Insider Trading Policy provides that the Company's directors, executive officers and their respective family members and others in their households (1) may not enter into hedging or monetization transactions or similar arrangements with respect to Company securities and (2) may not hold Company securities in a margin account or pledge Company securities as collateral for a loan. The Company does not have any practices or policies regarding the ability of employees other than officers to purchase financial instruments (including prepaid variable forward contracts, equity swaps, collars, and exchange funds), or otherwise engage in transactions, that hedge or offset, or are designed to hedge or offset, any decrease in the market value of the Company's common stock. The Company believes its policies are reasonably designed to promote compliance with insider trading laws, rules and regulations, and any listing standards applicable to the Company.

PROPOSAL 2

RATIFICATION OF SELECTION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee has selected Whitley Penn LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2026 and has further directed that management submit the selection of independent registered public accounting firm for ratification by the shareholders at the annual meeting. Whitley Penn has audited the Company's financial statements for the fiscal year ending December 31, 2025. Representatives of Whitley Penn are not expected to be present at the annual meeting and will not have an opportunity to make a statement or to respond to questions from the shareholders.

Whitley Penn is the 34th largest firm in the nation based on 2025 rankings in Accounting Today and one of the fastest growing firms in the nation. They have an extensive team of experienced audit, tax, consulting and valuation professionals. For more than 20 years, Whitley Penn has been named to the "Best of the Best" listing by INSIDE Public Accounting, the publication's report of the top 25 accounting firms in the country. INSIDE Public Accounting is a national monthly publication that reports on the accounting industry.

Neither the Company's Articles nor other governing documents or law require shareholder ratification of the selection of Whitley Penn as the Company's independent registered public accounting firm. However, the Audit Committee is submitting the selection of Whitley Penn to the shareholders for ratification as a matter of good corporate practice. If the shareholders fail to ratify the selection, the Audit Committee will reconsider whether or not to retain that firm. Even if the selection is ratified, the Audit Committee in its discretion may direct the appointment of different independent auditors at any time during the year if they determine that such a change would be in the best interests of the Company and its shareholders.

The affirmative vote of the holders of a majority of the shares present in person or represented by proxy and entitled to vote at the annual meeting will be required to ratify the selection of Whitley Penn. Abstentions and broker non-votes will be counted toward the tabulation of votes on proposals presented to the shareholders and will have the same effect as negative votes. Because this is a routine proposal on which brokers can vote shares in the absence of express instructions from the beneficial owner, if you do not give instructions to your bank, brokerage firm or other agent, the bank, brokerage firm or other agent will nevertheless be entitled to vote your shares of common stock in its discretion on this routine matter and may give or authorize the giving of a proxy to vote the shares of common stock in its discretion on this proposal.

Principal Accountant Fees and Services

The following table represents aggregate fees billed to the Company during the fiscal years ended December 31, 2025 and December 31, 2024, by Whitley Penn, the Company's principal accountant. All fees described below were pre-approved by the Audit Committee.

	Fiscal Year Ended	
	2025	2024
	(in thousands)	
Audit Fees(1)	\$ 323	\$ 284
Audit-Related Fees(2)	-	-
Tax Fees(3)	-	-
All Other Fees(4)	-	-
Total Fees	\$ 323	\$ 284

- (1) Audit fees consist of fees billed for professional services by Whitley Penn for audit and quarterly review of our financial statements and related services that are normally provided in connection with statutory and regulatory filings or engagements.
- (2) Audit-related fees consist of fees billed for assurance and related services that are reasonably related to the performance of the audit or review of our consolidated financial statements and are not reported under "Audit Fees."
- (3) Tax fees consist of fees billed for tax consultation services for professional services relating to tax compliance, tax planning, and tax advice.
- (4) All other fees consist of fees billed for publications provided by Whitley Penn.

In connection with the audit of the 2025 and 2024 financial statements, the Company entered into an engagement agreement with Whitley Penn which sets forth the terms by which Whitley Penn will perform audit services for the Company. Such agreements are subject to alternative dispute resolution procedures.

During the fiscal years ended December 31, 2025 and December 31, 2024, none of the total hours expended on the Company's financial audit by Whitley Penn was provided by persons other than the full-time permanent employees.

None of Whitley Penn's reports on the Company's financial statements for the fiscal year ended December 31, 2025 and December 31, 2024 contained an adverse opinion or a disclaimer of opinion, or was qualified or modified as to uncertainty, audit scope or accounting principles. During the fiscal year ended December 31, 2025 and 2024, there were (i) no disagreements between the Company and Whitley Penn on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure, which disagreement, if not resolved to the satisfaction of Whitley Penn, would have caused Whitley Penn to make reference to the subject matter of the disagreement in their reports on the Company's consolidated financial statements for such years, and (ii) no "reportable events" as that term is defined in Item 304(a)(1)(v) of Regulation S-K. The percentage of hours expended on the principal accountant's engagement to audit our financial statements for the most recent fiscal year that were attributed to work performed by persons other than the principal accountant's full time, permanent employees was 0%.

Pre-Approval Policies And Procedures

The Audit Committee's policy is to pre-approve the scope of all audit and non-audit services rendered by the Company's independent registered public accounting firm. Audit services and permitted non-audit services must be pre-approved by the full Audit Committee.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR PROPOSAL 2

PROPOSAL 3

ADVISORY VOTE ON THE EXECUTIVE COMPENSATION OF THE COMPANY'S NAMED EXECUTIVE OFFICERS

This proposal provides our shareholders with the opportunity to cast an advisory vote on the Company's executive compensation program (commonly known as "say-on-pay") of our named executive officers as disclosed in this proxy statement pursuant to Item 402 of Regulation S-K and in accordance with the SEC's rules. This proposal, which may be referred to as a "say-on-pay" proposal, is required by Section 14A of the Exchange Act, which was put in place by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. We must provide this opportunity to our shareholders at least once every three years.

As described in this proxy statement under the heading "Executive Compensation," our executive compensation program is designed to enable us to attract and retain key executives who are critical to the Company's future success and creation of shareholder value. Our executive compensation program seeks to enhance shareholder value by aligning the financial interests of our executive officers with those of our shareholders. We have also designed our compensation program to motivate and reward executives whose knowledge, skills and performance are critical to our success. We believe that both short-term and long-term incentive compensation opportunities provided to our named executive officers are directly aligned with our performance, and that our compensation program is structured to ensure that a significant portion of executives' compensation opportunities is directly related to achievement of financial and operational goals and other factors that impact shareholder value.

We are asking our shareholders to indicate their support for the compensation of our named executive officers, as described in this proxy statement. This proposal gives our shareholders the opportunity to express their views on the compensation of our named executive officers. This vote is not intended to address any specific item of compensation, but rather the overall compensation of our named executive officers and the philosophy, policies and practices described in this proxy statement. Accordingly, we are asking our shareholders to vote "FOR" the following resolution at the annual meeting:

"RESOLVED, that the Company's shareholders approve, on an advisory basis, the compensation paid to the Company's named executive officers, as disclosed pursuant to the compensation disclosure rules of the Securities and Exchange Commission, including the compensation tables and narrative discussion included in the section of the proxy statement entitled Executive Compensation."

While the vote does not bind the Board of Directors to any particular action, the Board of Directors values the input of the shareholders and will take into account the outcome of this vote in considering future compensation decisions.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR PROPOSAL 3

EXECUTIVE OFFICERS

The following table sets forth our named executive officers for the fiscal year ended December 31, 2025, their ages, and the positions held by each such person with the Company:

Name	Age	Position Held With the Company
John Simard	64	Founder, Former Chief Executive Officer & Chairman
Dr. Sushma Shivaswamy, Ph.D.	48	Interim Chief Executive Officer & Chief Scientific Officer
Angela Hu	43	Director of Finance

John Simard's biographical information is set forth above under Proposal 1.

Sushma Shivaswamy, Ph.D. was appointed as the Company's Interim Chief Executive Officer in December 2025 and continues to serve as Chief Scientific Officer. As Interim CEO and CSO, Dr. Shivaswamy oversees all scientific and technical operations with respect to research and development and Good Manufacturing Practice production of antibody. Dr. Shivaswamy has been with the Company since 2009 also holding positions of Director of Research & Development (2011-2015) and Senior Scientist (2009-2011). Prior to joining XBiotech, Dr. Shivaswamy was a postdoctoral researcher at the Center for Systems and Synthetic Biology at the University of Texas at Austin. She has a Ph.D. degree in Molecular Biology from the Center for Cellular and Molecular Biology, India. Dr.

Angela Hu joined XBiotech in April 2015, initially serving as the Financial Controller before transitioning to the position of Director of Finance in February 2023. Ms. Hu holds a bachelor's degree in finance and has previous experience as a senior accountant at National Instruments and Honeywell prior to joining XBiotech.

EXECUTIVE COMPENSATION

Pursuant to Item 10(f) of Regulation S-K promulgated under the Securities Act of 1933, as amended, as indicated herein, we have elected to comply with certain scaled disclosure requirements applicable to "smaller reporting companies" with respect to certain portions of the executive compensation disclosure in this proxy statement.

For the year ended December 31, 2025, our former principal executive officer and our two other executive officers (the "Named Executive Officers") were as follows:

- John Simard, Founder, Chairman of the Board & former Chief Executive Officer;
- Sushma Shivaswamy, Ph.D., Interim Chief Executive Officer & Chief Scientific Officer; and
- Angela Hu, Director of Finance

Processes and Procedures for Compensation Decisions

Our Compensation Committee has the sole authority to determine our Chief Executive Officer's compensation and, in its discretion, may award cash bonus payments in addition to the incentive cash payments set forth in the Chief Executive Officer's employment agreement. In determining the Chief Executive Officer's compensation, our Compensation Committee has discretion to consider any factors it deems important, including but not limited to our Chief Executive Officer's performance and the performance of the Company. In addition, our Compensation Committee, in consultation with our Chief Executive Officer, reviews and approves all compensation for other officers.

In addition, our Compensation Committee, in consultation with our Chief Executive Officer, reviews and approves all compensation for other officers, including the directors. The Compensation Committee is authorized to retain the services of one or more executive compensation and benefits consultants or other outside experts or advisors as it sees fit, in connection with the establishment of our compensation programs and related policies.

Summary Compensation Table

The following table shows for the fiscal years ended December 31, 2025 and December 31, 2024, compensation awarded to, paid to, or earned by, the Named Executive Officers.

Summary Compensation Table for Fiscal Years 2025 and 2024

Name and Principal Position	Year	Salary (\$)	Option Awards (\$) (1)	Bonus(\$)(2)	Severance(\$)(3)	All Other Compensation(\$)(4)	Total (\$)
John Simard, Former President & Chief Executive Officer	2025	1,250,000	3,000,000	8,530,442	17,341,326	12,436	30,134,204
	2024	1,205,083	-	5,030,000	-	10,498	6,245,581
Sushma Shivaswamy, Ph.D. Interim Chief Executive Officer & Chief Scientific Officer	2025	468,557	-	90,000	-	12,436	570,992
	2024	450,000	-	197,047	-	10,498	657,572
Angela Hu, Director of Finance	2025	200,000	-	40,000	-	5,419	245,419
	2024	200,000	-	80,000	-	5,419	285,419

- (1) In accordance with SEC rules, this column reflects the aggregate grant date fair value of the option awards granted during 2025 and 2024, as applicable, computed in accordance with Financial Accounting Standard Board ASC Topic 718 (“ASC 718”) for stock-based compensation transactions. Assumptions used in the calculation of these amounts are included in Note 2 to the Financial Statements in our Annual Report on Form 10-K for the year ended December 31, 2025. These amounts do not reflect the actual economic value that will be realized by the Named Executive Officer upon the vesting of the stock options, the exercise of the stock options, or the sale of the common stock underlying such stock options.
- (2) Amounts shown represent discretionary performance bonuses earned in 2025 and 2024. In 2025, Mr. Simard was granted a cash bonus of \$4,000,000 for the performance of 2024 in the first quarter of 2025 and paid in the first quarter of 2025, and a cash bonus of \$4,530,442 for the performance of 2025 in December of 2025 based on the Employee Agreement, which was paid in January 2026. In 2024, Mr. Simard was granted a cash bonus of \$5,030,000 for the performance of 2023, which was paid in the second quarter of 2024.
- (3) Amounts shown represent the severance payment to Mr. Simard in connection with his retirement on December 8, 2025, in accordance with the terms of his executed Employment Agreement.
- (4) Amounts shown represent premiums for health and life insurance as well as short and long-term disability insurance paid by us on behalf of the Named Executive Officers. All of these benefits are provided to the Named Executive Officers on the same terms as provided to all of our regular full-time employees in the United States.

Outstanding Equity Awards at Fiscal Year End

The following table shows for the fiscal year ended December 31, 2025, certain information regarding outstanding equity awards at fiscal year-end for the Named Executive Officers.

Name	Grant Date	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price (\$)	Option Expiration Date
John Simard	03/31/2016 ⁽¹⁾	48,125		\$ 9.45	3/30/2026
	06/19/2017 ⁽²⁾	61,516		\$ 4.24	6/18/2027
	06/19/2018 ⁽³⁾	110,740		\$ 4.44	6/18/2028
	06/27/2019 ⁽⁴⁾	150,000		\$ 7.45	6/26/2029
	12/06/2019 ⁽⁵⁾	500,000		\$ 11.12	12/5/2029
	03/17/2025 ⁽⁶⁾	1,026,228		\$ 3.52	03/16/2035
Sushma Shivaswamy	6/19/2017 ⁽⁷⁾	50,000		\$ 4.24	06/19/2027
	11/20/2017 ⁽⁸⁾	150,000		\$ 4.13	11/19/2027
	01/04/2019 ⁽⁹⁾	15,000		\$ 5.26	01/03/2029
	11/06/2019 ⁽¹⁰⁾	100,000		\$ 10.36	11/05/2029
	11/19/2021 ⁽¹¹⁾	100,000		\$ 12.67	11/18/2031
	02/10/2023 ⁽¹²⁾	100,000		\$ 3.84	02/09/2033
Angela Hu	01/04/2019 ⁽¹³⁾	5,000		\$ 5.26	01/03/2029
	11/06/2019 ⁽¹⁴⁾	10,000		\$ 10.36	11/05/2029
	11/19/2021 ⁽¹⁵⁾	10,000		\$ 12.64	11/18/2031
	02/10/2023 ⁽¹⁶⁾	30,000		\$ 3.84	02/09/2033

(1) Fully vested as of March 31, 2019. Expired in accordance to its terms as of March 30, 2026.

(2) Fully vested as of June 19, 2020.

(3) Fully vested as of June 19, 2021.

(4) Fully vested as of June 27, 2022.

(5) Fully vested as of December 6, 2020.

(6) Fully vested as of March 17, 2025.

(7) Fully vested as of June 19, 2020.

(8) Fully vested as of November 20, 2020.

(9) Fully vested as of January 4, 2021.

(10) Fully vested as of November 6, 2022.

(11) Fully vested as of November 19, 2023.

(12) Fully vested as of February 10, 2025.

(13) Fully vested as of January 4, 2021.

(14) Fully vested as of November 06, 2022.

(15) Fully vested as of November 19, 2023.

(16) Fully vested as of February 10, 2025.

Employment Agreements with Named Executive Officers

All of our Named Executive Officers have or had employment agreements and/or offer letters with us that provide that their employment is at will and may be terminated at any time by the executive or by us with or without cause and without notice. The employment agreements provide for certain base salary, target bonus and severance payments to our Named Executive Officers as follows:

Employment Agreement with John Simard. We entered into an Executive Employment Agreement with John Simard, our former CEO and President, effective October 1, 2025, to replace and supersede all prior employment agreements between Mr. Simard and the Company. The employment agreement was approved by our Compensation Committee.

Under the employment agreement, Mr. Simard received an annual base salary of \$1,250,000. Mr. Simard was also eligible to receive an annual base bonus of \$4,530,442, to be determined each calendar year by the Compensation Committee during Mr. Simard's employment. The amount of the base salary and base bonus was to be adjusted for inflation at the end of each calendar year as provided in the employment agreement. The Compensation Committee also had discretion to award Mr. Simard stock options and additional cash bonus amounts if the Compensation Committee determined such options or amounts are warranted. Mr. Simard is also entitled to reimbursement of reasonable and documented expenses and to participate in the Company's benefit programs.

The employment agreement also provides that in the event of Mr. Simard's retirement, departure due to disability, or termination without cause, Mr. Simard or his estate shall receive a severance payment equal to three (3) full calendar years of base salary and three (3) full calendar years of base bonus, using the annual amount of base salary and base bonus for the calendar year when the termination occurred, to be paid in cash within 14 days after the effective date of the release. Upon Mr. Simard's retirement, he will continue to serve in a consulting capacity with the Company for at least eighteen (18) months thereafter, and will also continue to receive base salary during that time period. In the event of termination for cause, the severance amount would be reduced as provided in the employment agreement. Mr. Simard received the severance and bonus payments described above following his retirement and continues to serve in a consulting capacity with the Company pursuant to the terms of his employment agreement.

Offer Letters with Other Named Executive Officers. We entered into an offer letter with Dr. Shivaswamy upon her hiring, which originally provided that she was paid an annual base salary of \$70,000 per year as well as granted stock options. Dr. Shivaswamy was appointed as the Company's Interim Chief Executive Officer effective December 8, 2025, in connection with John Simard's retirement, and continues to serve as Chief Scientific Officer. Her annual base salary was increased from \$450,000 to \$750,000 while she serves in these roles, with a bonus structure and a full remuneration package to be determined by the Compensation Committee at a later time. We entered into a written employment arrangement with Ms. Hu, pursuant to which she received a base salary of \$200,000 and from time to time she receives option grants as approved by the Board of Directors or Compensation Committee.

None of the Named Executive Officers' employment agreements or offer letters provide for the gross up of any excise taxes imposed by Section 4999 of the Internal Revenue Code of 1986, as amended (the "Code"). If any of the payments under the employment agreements or offer letters would constitute a "parachute payment" within the meaning of Section 280G of the Code, subject to the excise tax imposed by Section 4999 of the Code, the employment agreements and offer letters provide for a best-after tax analysis with respect to such payments, under which the executive will receive whichever of the following two alternative forms of payment would result in the executive officer's receipt, on an after-tax basis, of the greater amount of the transaction payment notwithstanding that all or some portion of the transaction payment may be subject to the excise tax: (i) payment in full of the entire amount of the transaction payment, or (ii) payment of only a part of the transaction payment so that the executive receives the largest payment possible without the imposition of the excise tax.

Equity Compensation Plans and Other Benefits Plans

2015 Equity Incentive Plan, as amended (the "2015 Plan")

The 2015 Plan was adopted by the Board of Directors on April 1, 2015, and approved by the Company's shareholders on March 13, 2015. The 2015 Plan is not subject to the provisions of the Employee Retirement Income Security Act of 1974 because it is not an "employee benefit plan" as defined in that Act. The 2015 Plan is not a pension, profit-sharing or stock bonus plan within the meaning of Section 401(a) of the Internal Revenue Code of 1986, as amended (the "Code"). The purpose of the 2015 Plan is to promote the interests of the Company by (i) providing directors, officers, employees and consultants of the Company or any of its subsidiaries or other persons as the Board may approve ("Eligible Persons") with greater incentive to further develop and promote the business and financial success of the Company; (ii) aligning the interests of participants with those of Company shareholders and (iii) assisting the Company in attracting, retaining and motivating its directors, officers and employees. The 2015 Plan became effective March 13, 2015 and will continue in effect for a term of ten years from the date adopted by the Board, unless terminated earlier by the Board. Upon adoption, the 2015 Plan initially had 1,000,000 common shares of the Company available for issuance under the 2015 Plan. On May 13, 2016, the Board adopted an amendment to the 2015 Plan that increased the number of shares reserved for issuance thereunder to 4,000,000, which amendment was approved by the shareholders on June 20, 2016. On December 18, 2019, the Board of Directors adopted a second amendment to the 2015 Plan to increase the number of common shares that may be awarded under the plan by an additional 2,500,000 shares, which amendment was approved by the shareholders on June 26, 2020. On April 27, 2020, the Board of Directors adopted a third amendment to the 2015 Plan to increase the number of common shares that may be awarded under the plan by an additional 1,500,000 shares, which amendment was approved by the shareholders on June 26, 2020. If any award (or portion thereof) expires or terminates without having been exercised in full or is forfeited to or repurchased by the Company, the number of Common Shares subject to such award will again be available for issuance under the 2015 Plan. Common Shares used to pay the exercise price of an award or to satisfy the tax withholding obligations related to an award will become available for future grant under the 2015 Plan. To the extent an award under the 2015 Plan is paid out in cash rather than Common Shares, such cash payment will not result in a reduction in the number of Common Shares available for issuance under the 2015 Plan.

The 2015 Plan automatically terminated on April 1, 2025. No further awards may be granted under the 2015 Plan, but any awards granted prior to such termination remain outstanding in accordance with their terms. As of December 31, 2025, award with respect to 5,168,256 common shares were outstanding under the 2015 Plan.

Adjustments. In the event that any dividend or other distribution (whether in the form of cash, Common Shares, other securities, or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase, or exchange of Common Shares or other securities of the Company, or other change in the corporate structure of the Company affecting the Common Shares occurs, the Board, in order to prevent diminution or enlargement of the benefits or potential benefits intended to be made available under the 2015 Plan, will adjust the number and class of Common Shares that may be delivered under the 2015 Plan and/or the number, class, and price of Common Shares covered by each outstanding award.

Administration. The 2015 Plan is administered by the Board, which pursuant to the terms of such Plan has delegated certain of its administrative authority and functions to the Company's compensation committee. The Board has also delegated the authority to grant options (subject to certain limitations) to the Company's chief executive officer, who is deemed to constitute a committee under the terms of the 2015 Plan. The Board has retained the authority to concurrently administer the 2015 Plan with any committee and may, at any time, reassume some or all of the powers previously delegated. The Board of Directors has the authority to determine all questions arising out of the 2015 Plan and any award granted pursuant to the 2015 Plan, which interpretations and determinations will be conclusive and binding on the Company and all other affected persons.

To the extent that the Board determines it to be desirable to qualify awards granted hereunder as "performance-based compensation" within the meaning of Section 162(m) of the Code, the 2015 Plan will be administered by a Committee of two or more "outside directors" within the meaning of Section 162(m) of the Code.

Recoupment. All awards granted under the 2015 Plan shall be subject to recoupment in accordance with any clawback policy that the Company is required to adopt pursuant to the listing standards of any stock exchange on which the Company's securities are listed or as is otherwise required by other applicable law. In addition, an Award Agreement may contain such other clawback, recovery or recoupment provisions as the Board determines necessary or appropriate, including but not limited to a reacquisition right in respect of previously acquired Common Shares.

Limitations on Transfer. Unless the Board expressly provides otherwise in the Award Agreement, an award may not be sold, pledged, assigned, hypothecated, transferred, or disposed of in any manner other than by will or by the laws of descent or distribution and may be exercised, during the lifetime of the participant, only by the participant.

Merger or Change in Control. In the event of a merger or change of control, as defined in the 2015 Plan, an outstanding award may, at the determination of the Board (i) be assumed or substantially equivalent award substituted by the acquiring or succeeding corporation; (ii) be terminated upon or immediately prior to the merger or change of control (with or without payment or receipt of any consideration); (iii) vest and become exercisable, realizable or payable, or applicable restrictions lapse prior to or upon consummation of the merger or change of control; or (iv) any combination of the foregoing. If a successor corporation does not assume or provide a substitute for an outstanding award, such award shall fully vest and the participant shall have the right to exercise all of his or her outstanding Options and SARs and all restrictions on Restricted Share Awards and RSU Awards will lapse, and, with respect to awards subject to performance-based vesting, all performance goals or other vesting criteria will be deemed achieved at 100% of target levels and all other terms and conditions met.

Suspension, Termination or Amendment. Subject to any limitations imposed by the 2015 Plan, the Board has the right at any time and from time to time to suspend, amend or terminate the 2015 Plan in any manner without consent or approval from participants or shareholders. No such suspension, amendment or termination shall materially prejudice the rights of any participant under any outstanding award without the participant's consent. The full powers of the Board as provided for in the 2015 Plan will survive the termination of the 2015 Plan until all awards have been exercised or settled in full or have otherwise expired.

Stock Options. Options under the 2015 Plan can take the form of both incentive stock options ("ISOs"), under which favorable tax treatment will be afforded the holder if certain conditions are met, and options not intended to qualify as ISOs ("NQSOs"). The exercise price under both ISOs and NQSOs shall be at least 100% (or 110% in the case of an ISO granted to a participant who owns 10% or more of the total voting power of all classes of the Company's shares) of the fair market value of the Common Share on the date of grant. An option does not convey any rights of a shareholder to the participant until the underlying shares have been issued. Only Eligible Persons who are employees of the Company or its parent or subsidiaries may be granted ISOs.

The Board may impose such limitations or conditions on the exercise or vesting of any option as it deems appropriate. Each Award Agreement will provide that the Option granted thereunder may be exercised by notice signed by the participant and accompanied by full payment for the Common Shares being purchased or by other means, including without limitation electronic means via on-line arrangements, as the Board may from time to time approve and allow. Acceptable form of consideration for payment of the exercise price may include: (i) cash or check (ii) tendering to the Company Common Shares already owned by the participant, and registered in his or her name, having a fair market value equal to the option price, (iii) a broker-assisted cashless exercise arrangement; (iv) net exercise; (v) such other consideration and method of payment permissible under applicable law; or (vi) by any combination of any of the foregoing payment methods.

Except as otherwise specified in the Award Agreement, (i) an option will remain exercisable for 90 days after the date the participant ceases to be an Eligible Person due to his or her termination without cause or resignation (or 180 days in the case of the participant's retirement); (ii) if a participant ceases to be an Eligible Person due a termination of employment or service on account of disability, the option may be exercised by the participant or a representative within 365 days after such termination; (iii) in the event of death of the participant while an Eligible Person or within 90 days after ceasing to be an Eligible Person, the option shall be exercisable within 365 days after the date of the participant's death; and (iv) an option shall immediately terminate and cease to be exercisable upon a participant's termination for cause. However, in no event may an option be exercised more than ten years (five years in the case of a participant who owns Common Shares possessing more than 10% of the total combined voting power of class of shares of the Company) after the grant date or after the expiration of the option.

Stock Appreciation Rights. Awards under the 2015 Plan may also be in the form of stock appreciation rights (“SARs”), which are generally intended to give a participant the right to receive the difference between the fair market value per Common Share on the date of exercise over the exercise price, subject to the terms, conditions and vesting requirements imposed by the Board and set forth in the Award Agreement evidencing the SAR award. The exercise under each SAR will be determined by the Board by reference to the fair market price(s) of the Common Shares on the primary Stock Exchange for which most trading of the Common Shares occurs, generally by reference to the closing market price of the Common Shares, provided that such price may not be less than 100% of the Fair Market Value Price per Common Share on the date of grant. To exercise a SAR, the participant must provide written notice of exercise to the Company in compliance with the provisions of the Award Agreement. No SAR shall be exercisable after the expiration of ten years from the date of its grant or such shorter period specified in the Award Agreement. The appreciation distribution in respect of a SAR shall be paid in Common Shares, in cash, in any combination of the two or in any other form of consideration, as determined by the Board and set forth in the Award Agreement.

Restricted Share Awards. The Board may grant Common Shares which are subject to restrictions on transferability as established by the Board and set forth in the Award Agreement evidencing such Restricted Share Award. A Restricted Share Award may be awarded in consideration for (i) cash, check, bank draft or money order payable to the Company; (ii) past services actually rendered to the Company or an Affiliate; or (iii) any other form of legal consideration that may be acceptable to the Board, in its sole discretion, and permissible under applicable law. Common Shares subject to a Restricted Share Award may be subject to forfeiture to or repurchase by the Company in accordance with a vesting schedule or other restrictions to be determined by the Board as specified in the Award Agreement. The Board, in its discretion, may accelerate the time at which any vesting conditions or other restrictions will lapse or be removed. Except as otherwise provided in the Award Agreement, a participant holding a Restricted Share Award may exercise full voting rights and be entitled to receive all dividends and distributions paid with respect to such Common Shares prior to the vesting of the award. If any such dividends or distributions are paid in Common Shares, the Common Shares will be subject to the same restrictions on transferability and forfeitability as the Common Shares subject to the Restricted Share Award with respect to which they were paid. Except as otherwise provided in the 2015 Plan, Common Shares subject to the Restricted Share Award will be held in escrow and released after such Common Shares vest or the restrictions lapse or at such other time as determined by the Board.

Restricted Share Unit Awards. Awards under the 2015 Plan may be in the form of a Restricted Share Unit (RSU) Award, which represent the right to receive Common Shares (or its cash equivalent or combination thereof) at a designated time in the future, subject to participant’s satisfaction of the restrictions and conditions to vesting established by the Board and set forth in the Award Agreement evidencing the RSU Award. At the time of grant of a RSU Award, the Board will determine the consideration, if any, to be paid by the participant upon delivery of each Common Share subject to the RSU Award. The consideration to be paid (if any) by the participant for each Common Share subject to a Restricted Share Unit Award may be paid in any form of legal consideration that may be acceptable to the Board of Directors in its sole discretion and permissible under applicable law. A participant may be credited with dividend equivalents, which at the discretion of the Board, may be converted into additional common shares covered by the RSU Award. Since RSUs are not actual ownership interests in the underlying Common Shares, a participant holding an RSU Award is not entitled to voting, dividend or other shareholder rights unless or until the RSUs vest and the Common Shares thereunder are transferred to the participant. Except as otherwise provided in the Award Agreement, the RSU Award (or vested portion thereof) shall be settled upon the participant’s satisfaction of the applicable vesting criteria.

Performance Share Awards. The Board shall determine the terms and conditions applicable to a Performance Share Award, including the performance period, the performance objectives or other vesting provisions (including, without limitation, continued status as an Eligible Person). Performance objectives may be based upon the achievement of Company-wide, divisional, business unit or individual goals. After the applicable performance period has ended, a participant will be entitled to receive a payout of the number of Common Shares subject to the Performance Share Award earned over the performance period, to be determined as a function of the extent to which the corresponding performance objectives or other vesting provisions have been achieved. The Board, in its sole discretion, may reduce or waive any performance objectives or other vesting provisions for such Common Shares subject to the Performance Share Award. A vested Performance Share Award may be settled in Common Shares, its cash equivalent, or in any combination thereof, as determined by the Board and contained in the Award Agreement.

2025 Equity Incentive Plan (the “2025 Plan”).

The 2025 Plan was adopted by our Board of Directors and approved by the Company’s shareholders on August 29, 2025. The 2025 Plan became effective August 29, 2025 and will continue in effect for a term of ten years from the date adopted by the Board, unless terminated earlier by the Board. The purpose of the 2025 Plan is to promote the interests of the Company by (i) providing directors, officers, employees and consultants of the Company or any of its subsidiaries or other persons as the Board may approve with greater incentive to further develop and promote the business and financial success of the Company; (ii) aligning the interests of participants with those of Company shareholders and (iii) assisting the Company in attracting, retaining and motivating its directors, officers and employees. The material terms of the 2025 Plan include the following:

Shares Subject to the Plan. The aggregate number of shares of common stock (“Common Shares”) that may be issued pursuant to awards granted under the 2025 Plan will equal 3,000,000 Common Shares plus the number of Common Shares subject to outstanding share awards under the 2015 Plan that (i) are not issued because such stock award or any portion thereof expires or otherwise terminates without all of the shares covered by such stock award having been issued, (ii) are not issued because such stock award or any portion thereof is settled in cash, (iii) are forfeited back to or repurchased by the Company because of the failure to meet a contingency or condition required for the vesting of such Common Shares, or (iv) are withheld or used to pay the exercise price of a stock award or to satisfy the tax withholding obligations related to a stock award, which number of Common Shares may not exceed 8,382,681 Common Shares. The number of shares of common stock that may be issued pursuant to incentive stock options under the 2025 Plan is also limited to 8,382,681 Common Shares. Shares of common stock available for distribution under the 2025 Plan may consist, in whole or in part, of authorized and unissued shares, treasury shares or shares reacquired by the Company in any manner. If any award (or portion thereof) expires or terminates without having been exercised in full or is forfeited to or repurchased by the Company, the number of Common Shares subject to such award will again be available for issuance under the 2025 Plan. Common Shares used to pay the exercise price of an award or to satisfy the tax withholding obligations related to an award will become available for future grant under the 2025 Plan. To the extent an award under the 2025 Plan is paid out in cash rather than Common Shares, such cash payment will not result in a reduction in the number of Common Shares available for issuance under the 2025 Plan.

Eligibility. Participation in the 2025 Plan is limited to employees, directors and consultants of the Company and its subsidiaries (“Eligible Persons”). As of June 27, 2025, there were 5 non-employee directors, approximately 91 employees, and approximately 15 consultants of the Company that would be eligible for grants under the 2025 Plan.

Adjustments. In the event that any dividend or other distribution (whether in the form of cash, Common Shares, other securities, or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase, or exchange of Common Shares or other securities of the Company, or other change in the corporate structure of the Company affecting the Common Shares occurs, the Board, in order to prevent diminution or enlargement of the benefits or potential benefits intended to be made available under the 2025 Plan, will adjust the number and class of Common Shares that may be delivered under the 2025 Plan and/or the number, class, and price of Common Shares covered by each outstanding award.

Administration. The 2025 Plan is administered by the Board, which pursuant to the terms of such Plan has delegated certain of its administrative authority and functions to the Company’s Compensation Committee. The Board has also delegated the authority to grant options (subject to certain limitations) to the Company’s chief executive officer, who is deemed to constitute a committee under the terms of the 2025 Plan. The Board has retained the authority to concurrently administer the 2025 Plan with any committee and may, at any time, reassume some or all of the powers previously delegated. The Board has the authority to determine all questions arising out of the 2025 Plan and any award granted pursuant to the 2025 Plan, which interpretations and determinations will be conclusive and binding on the Company and all other affected persons.

Recoupment. All awards granted under the 2025 Plan shall be subject to recoupment in accordance with the XBiotech, Inc. Clawback Policy (as may be amended and/or restated from time to time) and any other clawback policy that the Company is required to adopt pursuant to the listing standards of any stock exchange on which the Company’s securities are listed or as is otherwise required by other applicable law. In addition, an Award Agreement may contain such other clawback, recovery or recoupment provisions as the Board determines necessary or appropriate, including but not limited to a reacquisition right in respect of previously acquired Common Shares.

Non-employee director compensation limit. The 2025 Plan provides that the maximum number of shares of common stock subject to awards granted during a single fiscal year to any non-employee director, together with any cash fees paid to such director during the fiscal year, may not exceed a total value of \$750,000 (calculating the value of any awards based on the grant date fair value for financial reporting purposes).

Limitations on Transfer. Unless the Board expressly provides otherwise in the Award Agreement, an award may not be sold, pledged, assigned, hypothecated, transferred, or disposed of in any manner other than by will or by the laws of descent or distribution and may be exercised, during the lifetime of the participant, only by the participant.

Merger or Change in Control. In the event of a merger or change of control, as defined in the 2025 Plan, an outstanding award may, at the determination of the Board (i) be assumed or substantially equivalent award substituted by the acquiring or succeeding corporation; (ii) be terminated upon or immediately prior to the merger or change of control (with or without payment or receipt of any consideration); (iii) vest and become exercisable, realizable or payable, or applicable restrictions lapse prior to or upon consummation of the merger or change of control; (iv) (A) be terminated in exchange for an amount of cash and/or property, if any, equal to the amount that would have been attained upon the exercise of such award or realization of the participant's rights as of the date of the occurrence of the transaction or (B) be replaced with other rights or property selected by the Board in its sole discretion; or (v) any combination of the foregoing. If a successor corporation does not assume or provide a substitute for an outstanding award, such award shall fully vest and the participant shall have the right to exercise all of his or her outstanding Options and SARs and all restrictions on Restricted Share Awards and RSU Awards will lapse, and, with respect to awards subject to performance-based vesting, all performance goals or other vesting criteria will be deemed achieved at 100% of target levels and all other terms and conditions met.

Suspension, Termination or Amendment. The 2025 Plan will become effective on the date it is approved by the Company's shareholders, and will continue in effect for a term of ten years from the date adopted by the Board, unless terminated earlier by the Board. Subject to any limitations imposed by the 2025 Plan, the Board has the right at any time and from time to time to suspend, amend or terminate the 2025 Plan in any manner without consent or approval from participants or shareholders. No such suspension, amendment or termination shall materially prejudice the rights of any participant under any outstanding award without the participant's consent. The full powers of the Board as provided for in the 2025 Plan will survive the termination of the 2025 Plan until all awards have been exercised or settled in full or have otherwise expired.

Types of Awards Available for Grant under the 2025 Plan. The plan administrator has the authority to grant the following types of awards under the 2025 Plan. All awards shall be evidenced by an award agreement and shall be subject to such conditions not inconsistent with the 2025 Plan as may be reflected in the award agreement.

Stock Options. Options under the 2025 Plan can take the form of both incentive stock options ("ISOs"), under which favorable tax treatment will be afforded the holder if certain conditions are met (see "Federal Income Tax Consequences") and options not intended to qualify as ISOs ("NQSOs"). The exercise price under both ISOs and NQSOs shall be at least 100% (or 110% in the case of an ISO granted to a participant who owns 10% or more of the total voting power of all classes of the Company's shares) of the fair market value of the Common Share on the date of grant. An option does not convey any rights of a shareholder to the participant until the underlying shares have been issued. Only Eligible Persons who are employees of the Company or its parent or subsidiaries may be granted ISOs. The Board may impose such limitations or conditions on the exercise or vesting of any option as it deems appropriate. Each Award Agreement will provide that the Option granted thereunder may be exercised by notice signed by the participant and accompanied by full payment for the Common Shares being purchased or by other means, including without limitation electronic means via on-line arrangements, as the Board may from time to time approve and allow. Acceptable form of consideration for payment of the exercise price may include: (i) cash or check (ii) tendering to the Company Common Shares already owned by the participant, and registered in his or her name, having a fair market value equal to the option price, (iii) a broker-assisted cashless exercise arrangement; (iv) net exercise; (v) such other consideration and method of payment permissible under applicable law; or (vi) by any combination of any of the foregoing payment methods. In no event may an option be exercised more than ten years (five years in the case of a participant who owns Common Shares possessing more than 10% of the total combined voting power of class of shares of the Company) after the grant date or after the expiration of the option.

Stock Appreciation Rights. Awards under the 2025 Plan may also be in the form of stock appreciation rights (“SARs”), which are generally intended to give a participant the right to receive the difference between the fair market value per Common Share on the date of exercise over the exercise price, subject to the terms, conditions and vesting requirements imposed by the Board and set forth in the Award Agreement evidencing the SAR award. The exercise under each SAR will be determined by the Board by reference to the fair market price(s) of the Common Shares on the primary Stock Exchange for which most trading of the Common Shares occurs, generally by reference to the closing market price of the Common Shares, provided that such price may not be less than 100% of the Fair Market Value Price per Common Share on the date of grant. To exercise a SAR, the participant must provide written notice of exercise to the Company in compliance with the provisions of the Award Agreement. No SAR shall be exercisable after the expiration of ten years from the date of its grant or such shorter period specified in the Award Agreement. The appreciation distribution in respect of a SAR shall be paid in Common Shares, in cash, in any combination of the two or in any other form of consideration, as determined by the Board and set forth in the Award Agreement.

Restricted Share Awards. The Board may grant Common Shares which are subject to restrictions on transferability as established by the Board and set forth in the Award Agreement evidencing such Restricted Share Award. A Restricted Share Award may be awarded in consideration for (i) cash, check, bank draft or money order payable to the Company; (ii) past services actually rendered to the Company or an Affiliate; or (iii) any other form of legal consideration that may be acceptable to the Board, in its sole discretion, and permissible under applicable law. Common Shares subject to a Restricted Share Award may be subject to forfeiture to or repurchase by the Company in accordance with a vesting schedule or other restrictions to be determined by the Board as specified in the Award Agreement. The Board, in its discretion, may accelerate the time at which any vesting conditions or other restrictions will lapse or be removed. Except as otherwise provided in the Award Agreement, a participant holding a Restricted Share Award may exercise full voting rights with respect to the Common Shares subject to the award prior to the vesting of the award, but shall not be entitled to receive all dividends and distributions paid with respect to such Common Shares prior to the vesting of the award. Except as otherwise provided in the 2025 Plan, Common Shares subject to the Restricted Share Award will be held in escrow and released after such Common Shares vest or the restrictions lapse or at such other time as determined by the Board.

Restricted Share Units. Awards under the 2025 Plan may be in the form of RSUs, which represent the right to receive Common Shares (or its cash equivalent or combination thereof) at a designated time in the future, subject to participant's satisfaction of the restrictions and conditions to vesting established by the Board and set forth in the Award Agreement evidencing the RSU Award. At the time of grant of a RSU Award, the Board will determine the consideration, if any, to be paid by the participant upon delivery of each Common Share subject to the RSU Award. The consideration to be paid (if any) by the participant for each Common Share subject to a Restricted Share Unit Award may be paid in any form of legal consideration that may be acceptable to the Board of Directors in its sole discretion and permissible under applicable law. A participant may be credited with dividend equivalents, which at the discretion of the Board, may be converted into additional common shares covered by the RSU Award. Since RSUs are not actual ownership interests in the underlying Common Shares, a participant holding an RSU Award is not entitled to voting, dividend or other shareholder rights unless or until the RSUs vest, are settled and the Common Shares thereunder are transferred to the participant. Except as otherwise provided in the Award Agreement, the RSU Award (or vested portion thereof) shall be settled upon the participant's satisfaction of the applicable vesting criteria.

Performance Share Awards. The Board shall determine the terms and conditions applicable to a Performance Share Award, including the performance period, the performance objectives or other vesting provisions (including, without limitation, continued status as an Eligible Person). Performance objectives may be based upon the achievement of Company-wide, divisional, business unit or individual goals. After the applicable performance period has ended, a participant will be entitled to receive a payout of the number of Common Shares subject to the Performance Share Award earned over the performance period, to be determined as a function of the extent to which the corresponding performance objectives or other vesting provisions have been achieved. The Board, in its sole discretion, may reduce or waive any performance objectives or other vesting provisions for such Common Shares subject to the Performance Share Award. A vested Performance Share Award may be settled in Common Shares, its cash equivalent, or in any combination thereof, as determined by the Board and contained in the Award Agreement.

401(k) Plan.

All of our full-time employees in the United States, including our Named Executive Officers, are eligible to participate in our 401(k) plan, which is a retirement savings defined contribution plan established in accordance with Section 401(a) of the Code. Pursuant to our 401(k) plan, employees may elect to defer their eligible compensation into the plan on a pre-tax basis, up to the statutorily prescribed annual limit of \$23,000 in 2025 (additional salary deferrals not to exceed \$7,500 are available to those employees 50 years of age or older) and to have the amount of this reduction contributed to our 401(k) plan. In general, eligible compensation for purposes of the 401(k) plan includes an employee's wages, salaries, fees for professional services and other amounts received for personal services actually rendered in the course of employment with us to the extent the amounts are includible in gross income, and subject to certain adjustments and exclusions required under the Code. The 401(k) plan currently does not offer the ability to invest in our securities.

Potential Payments Upon Termination or Change in Control

Pursuant to his employment agreement, Mr. Simard is eligible to receive severance and change in control benefits under the terms of his employment agreement described above under “—Employment Agreements with Named Executive Officers.”

Additionally, with respect to awards under the 2015 Plan and 2025 Plan, in the event of a merger or change of control, as defined in the 2015 Plan and 2025 Plan, respectively, an outstanding award may, at the determination of the Board (i) be assumed or substantially equivalent award substituted by the acquiring or succeeding corporation; (ii) be terminated upon or immediately prior to the merger or change of control (with or without payment or receipt of any consideration); (iii) vest and become exercisable, realizable or payable, or applicable restrictions lapse prior to or upon consummation of the merger or change of control; or (iv) any combination of the foregoing. If a successor corporation does not assume or provide a substitute for an outstanding award, such award shall fully vest and the participant shall have the right to exercise all of his or her outstanding Options and SARs and all restrictions on Restricted Share Awards and RSU Awards will lapse, and, with respect to awards subject to performance-based vesting, all performance goals or other vesting criteria will be deemed achieved at 100% of target levels and all other terms and conditions met.

Equity Compensation Plan Information

The following table provides information as of December 31, 2025, with respect to shares of our common stock that may be issued under our existing equity compensation plans:

Plan Category	(a) Number of securities to be issued upon exercise of outstanding options, warrants and rights	(b) Weighted-average exercise price of outstanding options, warrants and rights	(c) Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by shareholders:			
2015 Equity Incentive Plan	5,168,256 ⁽¹⁾	\$ 7.74	— ⁽²⁾
2025 Equity Incentive Plan	305,651 ⁽¹⁾	\$ 2.69	2,694,349
Equity compensation plans not approved by shareholders:			
None	—	—	—

(1) All shares issuable upon exercise of options.

(2) The 2015 Equity Incentive Plan expired on April 1, 2025. No awards may be granted under the 2015 Plan following its expiration.

For more information about the 2015 Incentive Stock Option Plan and the 2025 Equity Incentive Plan, please refer to the section above entitled “—Equity Compensation Plans and Other Benefit Plans”, as well as Note 7 to the Financial Statements in our Annual Report on Form 10-K for the year ended December 31, 2025.

CEO PAY RATIO

Item 402(u) of the SEC's Regulation S-K requires disclosure of the ratio of the annual total compensation of the Company's CEO to the Company's median employee's annual total compensation. The ratio disclosed below is a reasonable estimate calculated in a manner consistent with Item 402(u).

Methodology and Determined Ratio

The pay ratio disclosure rule permits companies to identify the median employee only once every three years, provided that there has not been a change in employee population or employee compensation arrangements that would significantly change the pay ratio disclosure. However, the total compensation amounts for both the median employee and the CEO to calculate the CEO pay ratio are required to be updated and disclosed on an annual basis.

In 2025, we determined the median employee by analyzing base salary and wages (including overtime, stock option, etc.) for all active employees (annualized based on full-time or part-time hourly or salaried status for 2025 if employed for less than the full year) in and outside the United States as of December 31, 2025. We calculated the median employee's total compensation for 2025 in accordance with the rules applicable to disclosure of compensation in the summary compensation table. The total compensation of the median employee based on this methodology and criteria for 2025 was \$87,096.

The Company's CEO total compensation during 2025, as reported in the Summary Compensation Table, was \$30,102,697, which includes the year-end bonuses for both 2024 and 2025 plus the severance payments associated with the CEO's retirement. In accordance with Instruction 10 to Item 402(u) of Regulation S-K, because the Company had more than one individual serving as CEO during the year, this amount reflects the combined compensation of Mr. John Simard, who served as Chief Executive Officer until his retirement on December 8, 2025 (including severance, the 2024 year-end bonus paid in 2025, and a 2025 bonus paid in January 2026), and Dr. Sushma Shivaswamy, who served as Interim Chief Executive Officer from December 8, 2025 through December 31, 2025, in each case during their respective terms as Chief Executive Officer. Therefore, the annual CEO total compensation was approximately 345 times that of the median annual total compensation of all other employees in 2025.

PAY VERSUS PERFORMANCE

As required by Section 953(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 402(v) of Regulation S-K, we are providing the following information about the relationship between executive compensation actually paid and certain financial performance of our company.

Year	Summary Compensation Table Total for Principal Executive Officer ("PEO")(1)	Compensation Actually Paid to PEO	Average Summary Compensation Table Total for Non-PEO Named Executive Officers ("NEOs")(2)	Average Compensation Actually Paid to Non-PEO NEOs(3)	Value of Initial Fixed \$100 Investment Based On Total Shareholder Return ("TSR")(4)	Net Loss (millions)(5)
(a)	(b)	(c)	(d)	(e)	(f)	(g)
2025	30,102,697	27,102,297	384,576	384,576	(41.56)	(45.54)
2024	6,245,581	6,245,581	471,495	471,495	2.25	(38.53)
2023	5,556,481	5,556,481	499,893	324,062	13.96	(24.56)

- (1) The dollar amount reported in column (b) for 2025 reflects the combined compensation of Mr. John Simard, who served as Chief Executive Officer until his retirement on December 8, 2025 (including severance and the 2025 bonus paid in January 2026), and Dr. Sushma Shivaswamy, who served as Interim Chief Executive Officer thereafter. The dollar amounts reported in column (b) for 2024 and 2023 represent the amounts of total compensation reported for Mr. Simard (our Chief Executive Officer) for each corresponding year in the "Total" column of the Summary Compensation Table. Refer to "Executive Compensation—Summary Compensation Table."
- (2) The dollar amounts reported in column (d) represent the average of the amounts reported for our company's named executive officers as a group (excluding Chief Executive Officer) in the "Total" column of the Summary Compensation Table in each applicable year. For fiscal year 2025, the named executive officers included in this calculation are Dr. Shivaswamy (with compensation included only for the period prior to her appointment as Interim Chief Executive Officer) and Ms. Hu. For 2024 and 2023, the named executive officers (excluding Mr. Simard) included in this calculation are Dr. Shivaswamy and Ms. Hu for the full year.
- (3) The dollar amounts reported in column (e) represent the average amount of "compensation actually paid" to the named executive officers as a group (excluding Chief Executive Officer), as computed in accordance with Item 402(v) of Regulation S-K. The dollar amounts do not reflect the actual average amount of compensation earned by or paid to the named executive officers as a group (excluding Chief Executive Officer) during the applicable year. In accordance with the requirements of Item 402(v) of Regulation S-K, the following adjustments were made to average total compensation for the named executive officers as a group (excluding Chief Executive Officer) for each year to determine the compensation actually paid:

Year	Average Reported Summary Compensation Table Total for Non-PEO NEOs (\$)	Average Reported Value of Equity Awards (\$)	Average Compensation Actually Paid to Non-PEO NEOs (\$)
2025	384,576	-	384,576
2024	471,495	-	471,495
2023	499,893	(175,831)	324,062

- (4) Cumulative TSR is calculated by dividing the sum of the cumulative amount of dividends for the measurement period, assuming dividend reinvestment, and the difference between our company's share price at the end and the beginning of the measurement period by our company's share price at the beginning of the measurement period.
- (5) The dollar amounts reported represent the amount of net income (loss) reflected in our consolidated audited financial statements for the applicable year.

Analysis of the Information Presented in the Pay Versus Performance Table

We generally seek to incentivize long-term performance and therefore do not specifically align our performance measures with "compensation actually paid" (as computed in accordance with Item 402(v) of Regulation S-K) for a particular year. In accordance with Item 402(v) of Regulation S-K, we are providing the following descriptions of the relationships between information presented in the Pay Versus Performance table.

Compensation Actually Paid and Net Income (Loss)

Our business model includes discovery and development of drug candidates for potential sale prior to marketing authorization. Revenues are thus periodic. Our company has historically looked to value creation of its pipeline of assets rather than to net income (loss) as a performance measure for our executive compensation program. In 2025 and 2024, the Company’s net loss increased primarily due to severance payments associated with the retirement of the Chief Executive Officer. Compensation actually paid for our principal executive officer and non-PEO named executive officers increased in 2025 and 2024.

Compensation Actually Paid and Cumulative TSR

The compensation actually paid to our principal executive officer and non-PEO named executive officers during the periods presented are related to performance measures with respect to the potential transactional value and market potential with our pipeline of drug candidates. To align executive compensation with performance, we employ several measures, but they are generally not financial performance measures, such as TSR. For compensation we consider both stock options and discretionary cash bonuses as an essential part of our executive incentive and retention program. Stock options only generate value if the market price of our common stock increases and the executive officer remain employed with us during the vesting period and align our executive officers’ interests with those of our shareholders. Discretionary cash bonuses provide strong incentive and retention value and is generally less costly to the Company in the long term than stock-based compensation. In 2025 and 2024, the Company’s TSR declined, while compensation actually paid to our Principal Executive Officer increased in both years. Compensation actually paid to our non-PEO named executive officers decreased in both years.

Policies and Practices for Granting Certain Equity Awards

We maintain an Insider Trading Policy that generally prohibits Company personnel from engaging in securities transactions while in possession of material nonpublic information. A copy of the Insider Trading Policy was filed as Exhibit 10.19 to the Company’s Annual Report on Form 10-K for 2025. While we do not maintain separate formal policies with respect to the timing of awarding options in relation to the disclosure of material nonpublic information, our Board and Compensation Committee do not seek to time equity grants to take advantage of information, either positive or negative, about the Company that has not been publicly disclosed. Similarly, it is our practice not to time the release of material nonpublic information based on equity award grant dates or for the purpose of affecting the value of executive compensation.

During fiscal year 2025, the Company granted stock options to Mr. Simard on March 17, 2025, with an aggregate grant date fair value of approximately \$3.0 million. Such grant was made during the period beginning four business days before the filing of the Company’s March 18, 2025 Form 10-K, and ending one business day after the filing or furnishing of such report. The Company hereby furnishes the following information pertaining to the March 17, 2025 grant:

Name	Grant date	Number of securities underlying the award	Exercise price of the award (\$/Sh)	Grant date fair value of the award	Percentage change in the closing market price of the securities underlying the award between the trading day ending immediately prior to the disclosure of material nonpublic information and the trading day beginning immediately following the disclosure of material nonpublic information
John Simard	March 17, 2025	1,026,228	\$3.52/share	\$2,999,997.97	(-2.84%)

Clawback Policy

We adopted the XBiotech, Inc. Clawback Policy (as may be amended and/or restated from time to time) (the “Clawback Policy”), which is intended to comply with the Nasdaq listing standards adopted pursuant to Rule 10D-1 under the Exchange Act. Under the Clawback Policy, if the Company is required to prepare an accounting restatement due to any material noncompliance with financial reporting requirements under applicable securities laws, we will be required to recover from current and former NEOs any incentive-based compensation that was erroneously paid or provided to the NEOs during the three years preceding the date that the Company is required to prepare such restatement, unless the Audit Committee determines that recovery would be impracticable. Incentive-based compensation includes compensation that is granted, earned, or vested based wholly or in part on any financial reporting measure(s). If recovery is triggered under the Clawback Policy due to an accounting restatement, we are required to recover the excess of the amount of incentive-based compensation actually received by the NEO over the amount of incentive-based compensation that he or she would have received had payment been determined based on the restated financial measure.

During the fiscal year ended December 31, 2025, there were no amounts subject to recovery under the Clawback Policy.

DIRECTOR COMPENSATION

We compensate non-employee members of the Board of Directors through both cash fees and annual equity grants under our 2025 Plan, which grants are made at the fair market value of our common stock at the time of grant. Directors who are also employees do not receive cash or equity compensation in addition to compensation they receive for their service as our employees. Both non-employee and employee members of the Board of Directors are reimbursed as necessary for travel, lodging and other reasonable expenses incurred while attending Board of Directors or committee meetings.

The following table shows for the fiscal year ended December 31, 2025 certain information with respect to the compensation of all non-employee directors of the Company. Because John Simard serves as former Chief Executive Officer of the Company, he did not receive compensation for his services as Chairman of the Board.

Director Compensation for Fiscal Year 2025

Name	Fees Earned or Paid in Cash (\$)	Option Awards (\$) (1)(2)(3)	All Other Compensation (\$)	Total (\$)
Jan-Paul Waldin ⁽⁴⁾	105,644	23,976	—	129,620
Peter Libby ⁽⁵⁾	85,836	23,976	—	109,812
Tak Mak ⁽⁶⁾	46,219	23,976	—	70,195
W.Thorpe McKenzie ⁽⁷⁾	32,986	—	—	32,986
Thomas Kündig	62,795	140,147	—	202,942
Craig Rademaker	73,260	163,156	—	236,417
Tevi Troy	33,973	99,200	—	133,173
David Soffer	30,575	90,343	—	120,919

- (1) Amounts listed represent the aggregate grant date fair value amount computed as of the grant date of each option awarded during 2025 in accordance with ASC 718. Assumptions used in the calculation of these amounts are included in Note 2 to the Financial Statements in our Annual Report on Form 10-K for the year ended December 31, 2025. As required by SEC rules, the amounts shown exclude the impact of estimated forfeitures related to service-based vesting conditions. Our directors will only realize compensation to the extent the trading price of our common stock is greater than the exercise price of such stock options. As required by SEC rules, the amounts shown exclude the impact of estimated forfeitures related to service-based vesting conditions.

- (2) Pursuant to the terms of their Board Member Agreements or other agreements with the Company. Kündig, Rademaker, Troy, and Soffer were granted nonstatutory stock options 79,115, 92,104, 56,000 and 51,000, respectively, under the Company's 2025 Equity Incentive Plan, which options were granted at the closing sales price per share of the Company's Common Stock on the date of issuance. All such options vest in two equal portions at four months and ten months from the Grant Date and expire ten years from the Grant Date.
- (3) The aggregate number of outstanding options held by Kündig, Rademaker, Troy, and Soffer as of December 31, 2025 was 79,115, 92,104, 56,000 and 51,000, respectively.
- (4) Mr. Waldin left the Board of Directors in August 2025 at the end of his elected term.
- (5) Dr. Libby left the Board of Directors in August 2025 at the end of his elected term.
- (6) Dr. Mak left the Board of Directors in August 2025 at the end of his elected term.
- (7) Mr. McKenzie retired from the Board of Directors in March 2025.

Transactions with Related Parties

Policies and Procedures for Related Party Transactions. As set forth in our Audit Committee charter, our Audit Committee is responsible for reviewing and approving, in accordance with the Company's Related Party Transaction Policy, any proposed transaction between the Company and any related party as defined by applicable law, the SEC rules and the Nasdaq Rules, which consist of all transactions and series of similar transactions to which we were a party or will be a party and in which any of our directors, executive officers and holders of more than 5% of our voting securities and their respective affiliates has a direct or indirect material interest. As used in this section, the terms "related person" and "transaction" have the meanings set forth in Item 404(a) of Regulation S-K under the Securities Act. In the course of its review and approval of transactions with related persons, the Audit Committee considers:

- the nature of the related person's interest in the transaction;
- the material terms of the transaction, including the amount involved and the type of the transaction;
- the importance of the transaction to the related person and to XBiotech;
- whether the transaction would impair the judgment of a director or executive officer to act in our best interest and the best interest of our shareholders; and
- any other matters the Audit Committee deems appropriate.

Any member of the Audit Committee who is a related person with respect to a transaction under review will not be able to participate in the discussions or vote on the approval or ratification of the transaction, other than to provide all material information regarding the transaction, including information regarding the extent of the member's interest in the transaction, to the Audit Committee. However, such a director may be counted in determining the presence of a quorum at a meeting of the committee that considers the transaction. Any material changes to the terms of, or any renewal of, any of these transactions will also require the same approval. If a related party transaction will be ongoing, the Audit Committee may establish guidelines or other parameters or conditions relating to our participation in the transaction. The Audit Committee may from time to time pre-approve types or categories of transactions by related persons but we have no such pre-approved types or categories of transactions at this time.

Related Transactions. During the last two completed fiscal years, we have not been a party to any transaction or series of transactions in which the amount involved exceeds the lesser of \$120,000 or 1% of the average of our total assets at year-end, in which any of our directors, executive officers, or holders of more than 5% of our shares, or an affiliate or immediate family member thereof, had or will have a direct or indirect material interest, other than compensation arrangements which are described under the sections of this proxy captioned “Director Compensation” and “Executive Compensation” and the previously disclosed Convertible Loan Agreement (the “Loan”) dated January 3, 2024 between the Company and Mr. Simard, our chairman of the Board of Directors and former Chief Executive Officer. The Loan provided \$10 million in funding for the potential construction of a new, state-of-the-art research and development facility at 5217 Winnebago Lane in Austin, Texas. The Loan was secured by the real estate and cash holdings of the Company, with interest to accrue at a simple rate equal to eight percent per year and interest-only payments to be made at six-month intervals after the Loan is funded. At Mr. Simard’s election, the balance was convertible to XBiotech stock at any time the Loan balance is outstanding at a fixed conversion price equal to the average Nasdaq Official Closing Price of the common stock (as reflected on Nasdaq.com) for the five trading days immediately preceding the signing of this Loan, which is \$4.048 per share. The conversion feature was subject to a cap limiting the number of shares that could be converted under the Loan based on Mr. Simard’s total stock ownership in the Company at the time of conversion. The Loan also allowed Mr. Simard to obtain immediate cash repayment of the Loan balance at his election one year after the Loan is funded or upon certain other conditions set forth in the Loan. On January 31, 2025, the Loan was terminated upon full repayment of the Loan in principal and interest by the Company. As a result, all conversion rights to XBiotech stock at \$4.048 per share associated with the Loan were extinguished.

Related Person Transaction Policy. We adopted a formal, written policy, which became effective as of February 2015, that our executive officers, directors (including director nominees), holders of more than 5% of any class of our voting securities, and any member of the immediate family of or any entities affiliated with any of the foregoing persons, are not permitted to enter into a related party transaction with us without the prior approval or, in the case of pending or ongoing related party transactions, ratification of our Audit Committee. For purposes of our policy, a related party transaction is a transaction, arrangement or relationship where we were, are or will be involved and in which a related party had, has or will have a direct or indirect material interest, other than transactions available to all of our employees.

Indemnification Agreements. We have entered into indemnification agreements with our directors in addition to the indemnification provided for under the British Columbia Business Corporations Act (the “BCBCA”) and in our Articles. These agreements, among other things, require us to indemnify our directors for certain expenses, including attorneys’ fees, judgments, fines and settlement amounts incurred by a director in any action or proceeding arising out of their services as one of our directors or any other company or enterprise to which the person provides services at our request. We believe that these indemnification agreements are necessary to attract and retain qualified persons as directors.

Requirements under the British Columbia Business Corporations Act. Pursuant to the BCBCA, directors and officers are required to act honestly and in good faith with a view to the best interests of the company. Under the BCBCA, subject to certain limited exceptions, a director who holds a disclosable interest in a material contract or transaction is not entitled to vote on any director's resolution approving such contract or transaction. A director or senior officer, with certain exceptions, has a disclosable interest in a contract or transaction if:

- (a) the contract or transaction is material to the company;
- (b) the company has entered, or proposes to enter, into the contract or transaction;
- (c) either of the following applies to the director or senior officer:
 - (i) the director or senior officer has a material interest in the contract or transaction;
 - (ii) the director or senior officer is a director or senior officer of, or has a material interest in, a person who has a material interest in the contract or transaction.

The tables and narratives provided above in connection with Proposal 3 contain the most current and accurate information available to the Company relating to the compensation of the Company's Named Executive Officers and directors and control over any prior compensation-related disclosures.

OTHER MATTERS

The Board of Directors knows of no other matters that will be presented for consideration at the annual meeting. If any other matters are properly brought before the meeting, it is the intention of the persons named in the proxy to vote on such matters in accordance with their best judgment.

By Order of the Board of Directors



John Simard
Chairman of the Board

Austin, Texas
October 2, 2026

A copy of the Company's Annual Report to the Securities and Exchange Commission on Form 10-K for the fiscal year ended December 31, 2025 is available without charge upon written request to: Corporate Secretary, XBiotech Inc., 5217 Winnebago Lane, Austin, TX 78744. This Annual Report is enclosed herewith. This report does not form any part of the material for solicitation of proxies.

Your vote matters!



Have your ballot ready and please use one of the methods below for **easy voting**:

Your control number

Have the 12 digit control number located in the box above available when you access the website and follow the instructions.

XBiotech Inc.

Annual Meeting of Stockholders

For Stockholders of record as of September 25, 2026

Tuesday, November 24, 2026 10:00 AM, Central Time

This event will be held live via the Internet- please visit www.proxydocs.com/XBIT for more details.

YOUR VOTE IS IMPORTANT!

PLEASE VOTE BY: 10:00 AM, Central Time, November 24, 2026.

This proxy is being solicited on behalf of the Board of Directors

The undersigned hereby appoints John Simard and Angela Hu (the "Named Proxies"), and each or either of them, as the true and lawful attorneys of the undersigned, with full power of substitution and revocation, and authorizes them, and each of them, to vote all the shares of capital stock of XBiotech Inc. which the undersigned is entitled to vote at said meeting and any adjournment or postponement thereof upon the matters specified and upon such other matters as may be properly brought before the meeting or any adjournment or postponement thereof, conferring authority upon such true and lawful attorneys to vote in their discretion on such other matters as may properly come before the meeting and revoking any proxy heretofore given.

THE SHARES REPRESENTED BY THIS PROXY WILL BE VOTED AS DIRECTED OR, IF NO DIRECTION IS GIVEN, SHARES WILL BE VOTED IDENTICAL TO THE BOARD OF DIRECTORS RECOMMENDATION. This proxy, when properly executed, will be voted in the manner directed herein. In their discretion, the Named Proxies are authorized to vote upon such other matters that may properly come before the meeting or any adjournment or postponement thereof.

You are encouraged to specify your choice by marking the appropriate box (SEE REVERSE SIDE) but you need not mark any box if you wish to vote in accordance with the Board of Directors' recommendation. The Named Proxies cannot vote your shares unless you sign (on the reverse side) and return this card.

Internet:



www.proxypush.com/XBIT

- Cast your vote online
- **Have your Proxy Card ready**
- Follow the simple instructions to record your vote

Phone:



1-866-243-5061

- Use any touch-tone telephone
- **Have your Proxy Card ready**
- Follow the simple recorded instructions

Mail:



- Mark, sign and date your Proxy Card
- Fold and return your Proxy Card in the postage-paid envelope provided

Virtual:



You must register to attend the meeting online and/or participate at www.proxydocs.com/XBIT

PLEASE BE SURE TO SIGN AND DATE THIS PROXY CARD AND MARK ON THE REVERSE SIDE

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Please make your marks like this: ☒

THE BOARD OF DIRECTORS RECOMMENDS A VOTE:

FOR ON PROPOSALS 1, 2 AND 3

PROPOSAL	YOUR VOTE			BOARD OF DIRECTORS RECOMMENDS
1. To elect the five (5) nominees for director named herein to serve until the next annual meeting and their successors are duly elected and qualified.				
1.01 John Simard	FOR ☐	WITHHOLD ☐		FOR
1.02 Thomas Kündig, M.D.	☐	☐		FOR
1.03 Craig Rademaker	☐	☐		FOR
1.04 Tevi D. Troy, M.A., Ph.d.	☐	☐		FOR
1.05 David Soffer, B.Sc. DMD	☐	☐		FOR
2. To ratify the selection by the Audit Committee of the Board of Directors of Whitley Penn LLP as the independent registered public accounting firm of the Company for its fiscal year ending December 31, 2026.	FOR ☐	AGAINST ☐	ABSTAIN ☐	FOR
3. To approve, on an advisory basis, the compensation of the Company's named executive officers.	☐	☐	☐	FOR

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Authorized Signatures - Must be completed for your instructions to be executed.

Please sign exactly as your name(s) appears on your account. If held in joint tenancy, all persons should sign. Trustees, administrators, etc., should include title and authority. Corporations should provide full name of corporation and title of authorized officer signing the Proxy/Vote Form.

Signature (and Title if applicable)

Date

Signature (if held jointly)

Date