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XOMA Earns \$10 Million Milestone Payment as Another of its Licensed Assets Advances into Clinical Development

BERKELEY, Calif., May 18, 2017 (GLOBE NEWSWIRE) -- XOMA Corporation (Nasdaq:XOMA), a pioneer in the discovery and development of therapeutic antibodies, today announced it has earned a \$10 million milestone payment, reflecting the clinical advancement of an asset the Company licensed to one of its pharmaceutical partners.

“Our corporate strategy is to drive shareholder value by combining revenue from our portfolio of collaborator-funded programs with a lean cost structure,” stated Jim Neal, Chief Executive Officer of XOMA. “This \$10 million milestone payment is the first of a potential \$40 million we could receive from our portfolio of partnerships over the next 36 months. As these milestones are received, our belief is shareholders will begin to see XOMA transition to a cash flow positive company.”

Similar to this program, XOMA has over 20 additional clinical and preclinical programs that are fully funded by partners across the biotech and pharmaceutical landscape. Each of those programs, as well as several internal programs available to be partnered, are capable of adding to the anticipated growth in milestone payments and royalty revenue streams over time.

As previously announced, XOMA will hold its annual meeting of stockholders today, May 18, 2017, at 9:00 a.m. PT (12:00 p.m. ET), which will be held virtually via live webcast. Jim Neal, Chief Executive Officer of XOMA, will host the meeting and provide a corporate update. The presentation slides and webcast can be accessed via the Investors and Media section of XOMA's website at <http://investors.xoma.com/events.cfm>.

About XOMA Corporation

XOMA has an extensive portfolio of products, programs, and technologies that are the subject of licenses the Company has in place with other biotech and pharmaceutical companies. Many of these licenses are the result of the Company's pioneering efforts in the discovery and development of antibody therapeutics. There are more than 20 such programs that are fully funded by partners and could produce milestone payments and royalty payments in the future. In order to maximize its value in a licensing transaction, XOMA continues to invest in X358, an allosteric monoclonal antibody that reduces insulin receptor activity, as the antibody could have a major impact on the treatment of hyperinsulinism. For more information, visit www.xoma.com.

Forward-Looking Statements

Certain statements contained in this press release are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, including statements regarding: the potential of XOMA's portfolio of partnered programs and licensed technologies generating milestone and royalty proceeds over time; and statements that otherwise relate to future periods. These statements are based on assumptions that may not prove accurate, and actual results could differ materially from those anticipated due to certain risks inherent in the biotechnology industry and for companies engaged in the development of new products in a regulated market. Potential risks to XOMA meeting these expectations are described in more detail in XOMA's most recent filing on Form 10-K and in other SEC filings. Consider such risks carefully when considering XOMA's prospects. Any forward-looking statement in this press release represents XOMA's views only as of the date of this press release and should not be relied upon as representing its views as of any subsequent date. XOMA disclaims any obligation to update any forward-looking statement, except as required by applicable law.

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