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XOMA Acquires Royalty Interest in Four Lysosomal Storage Disorder Enzymes Being Developed Under the Chiesi Group–Bioasis Strategic Alliance

EMERYVILLE, Calif., Nov. 03, 2020 (GLOBE NEWSWIRE) -- XOMA Corporation (NASDAQ: XOMA), announced today it has acquired the rights to future milestone and royalty revenue due to Bioasis Technologies Inc. (TSXV:BTI.V; OTCQB:BIOAF), associated with the advancement of the enzymes being investigated as potential treatments for four different lysosomal storage disorders (LSD) under Bioasis' strategic alliance with Chiesi Group.

"Bioasis has a technology designed to deliver therapeutic candidates across the blood-brain barrier that we found interesting. Our 2019 agreement included an option right to acquire certain royalty rights on the next two license agreements entered into by Bioasis. We are pleased that Chiesi Group, a well-respected pharmaceutical company, is driving the development efforts of these enzymes in rare disease indications and to be able to acquire an economic position in them," commented Jim Neal, Chief Executive Officer of XOMA. "These enzyme replacement therapeutic candidates further expand XOMA's royalty interest portfolio beyond monoclonal antibodies and small molecules."

Under the terms of the agreement, in exchange for a \$1.2 million upfront payment, XOMA will receive a low single-digit royalty on the future net sales of each of the four Chiesi-Bioasis enzymes and an undisclosed share of the up to \$138 million in potential milestones due to Bioasis under its agreement with Chiesi.

About XOMA Corporation

XOMA has built a significant portfolio of products that are licensed to and being developed by other biotechnology and pharmaceutical companies. The Company's portfolio of partner-funded programs spans multiple stages of the drug development process and across various therapeutic areas. Many of these licenses are the result of XOMA's pioneering efforts in the discovery and development of antibody therapeutics. The Company's royalty-aggregator business model includes acquiring additional licenses to partner-funded programs. 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 substantial milestone and royalty proceeds over time, creating additional value for the stockholders, cash sufficiency forecast,

economic outlook, and potential impact of the COVID-19 pandemic. 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, including those related to the fact that our product candidates subject to out-license agreements are still being developed, and our licensees may require substantial funds to continue development which may not be available; we do not know whether there will be, or will continue to be, a viable market for the products in which we have an ownership or royalty interest; if the therapeutic product candidates to which we have a royalty interest do not receive regulatory approval, our third-party licensees will not be able to market them, and the impact to the global economy as a result of the COVID-19 pandemic. Other 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.

EXPLANATORY NOTE:

Any references to “portfolio” in this press release refer strictly to milestone and/or royalty rights associated with a basket of drug products in development. Any references to “assets” in this press release refer strictly to milestone and/or royalty rights associated with individual drug products in development. References to royalties or royalty rates strictly refer to future potential payment streams regardless of whether or not they are technically defined as royalties in the underlying contractual agreement; further, any rates referenced herein are subject to potential future contractual adjustments.

As of the date of this press release, all assets in XOMA’s milestone and royalty portfolio are investigational compounds. Efficacy and safety have not been established. There is no guarantee that any of these assets will become commercially available.

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