

September 11, 2017



XOMA Earns \$3 Million Milestone Payment from its License Agreement with Nanotherapeutics

BERKELEY, Calif., Sept. 11, 2017 (GLOBE NEWSWIRE) -- XOMA Corporation (Nasdaq:XOMA), a pioneer in the discovery, development and licensing of therapeutic antibodies, today announced it has earned a \$3 million milestone payment related to the clinical advancement of an anti-botulism product candidate the Company licensed to Nanotherapeutics, Inc. in 2015. The product candidate was originally discovered and engineered with XOMA's antibody platform and expertise. Nanotherapeutics now is developing the product, which is intended to protect against the harmful and even deadly effects of botulinum neurotoxins that could be deployed by bioterrorists or other enemies.

Beyond representing both a near- and long-term cash generating event, the milestone more importantly indicates that the product is advancing towards later-stage development. If the product candidate advances from its current stage of development to production and stockpiling by governmental agencies, XOMA is eligible to receive a 15% royalty on net sales.

"We are rapidly advancing our corporate strategy to drive shareholder value by combining revenues from our portfolio of partner-funded programs with a lean cost structure," stated Jim Neal, Chief Executive Officer of XOMA. "This milestone event reinforces the strength of our business model. The wide-range of XOMA assets under development by our partnerships has the potential to generate near- and long-term financial benefits."

In September 2017, the Company received an initial cash payment of \$250,000 related to the milestone. The remaining amounts of the milestone payment will be received in monthly payments over the next eleven months.

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. 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. 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.

Investor contact:

Luke Heagle
Pure Communications
+1 910-726-1372
lheagle@purecommunications.com

Media contact:

Julie Normart
Pure Communications
+1 415-946-1087
jnormart@purecommunications.com



Source: XOMA Corporation