December 21, 2020

XOMA Announces Exercise of Green Shoe Option and Closes Preferred Stock Offering

EMERYVILLE, Calif., Dec. 21, 2020 (GLOBE NEWSWIRE) -- XOMA Corporation (Nasdaq: XOMA) ("XOMA" or the "Company") today announced the closing of its previously announced underwritten registered public offering of 984,000 shares, which includes the underwriters option to purchase additional 104,000 shares of its 8.625% Series A Cumulative Perpetual Preferred Stock, with liquidation preference of $25.00 per share (the "Preferred Stock"), at an initial public offering price of $25.00 per share. The offering resulted in net proceeds of approximately $23.4 million after deducting underwriting discounts and commissions, but before deducting expenses and the structuring fee. The Company expects to use the net proceeds of this offering to fund the segregated dividend account and the remaining net proceeds for general corporate purposes, including funding future acquisitions of milestone and royalty rights associated with drug development programs with third-party funding. Shares of the Preferred Stock are trading on Nasdaq under the symbol "XOMAP".

B. Riley Securities, Inc., Ladenburg Thalmann & Co. Inc., National Securities Corporation, and William Blair & Company acted as joint book-runners for this offering. Aegis Capital Corp., Boenning & Scattergood, Inc., and Northland Capital Markets acted as co-managers.

Cooley LLP acted as legal counsel to the Company. Duane Morris LLP acted as legal counsel to the underwriters.

The offering of these securities was made pursuant to an effective shelf registration statement on Form S-3, which was initially filed with the Securities and Exchange Commission (the "SEC") on March 7, 2018, and declared effective by the SEC on April 5, 2018. The offering was made by means of a prospectus and prospectus supplement. A copy of the prospectus and prospectus supplement relating to these securities may be obtained from the website of the SEC at http://www.sec.gov or by contacting: B. Riley Securities, Inc., 1300 17th Street North, Suite 1300, Arlington, Virginia 22209, Attn: Prospectus Department, Email: prospectuses@brileyfin.com, Telephone: (703) 312-9580.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.

About XOMA Corporation
XOMA has built a significant portfolio of products that are licensed to and being developed

by other biotech 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 milestone and royalty rights associated with drug development programs with third-party funding.

Safe Harbor Statement / Explanatory Notes
This release contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and such forward-looking statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. "Forward-looking statements" describe future expectations, plans, results, or strategies and are generally preceded by words such as "anticipates," "expect," "may," "plan" or "will". Forward-looking statements include, without limitation, projections, predictions, expectations, or beliefs about future events or results and are not statements of historical fact, including statements regarding the expected use of proceeds from the offering. You are cautioned that such statements are subject to a multitude of risks and uncertainties that could cause future circumstances, events, or results to differ materially from those projected in the forward-looking statements, including the availability of, and participation in, financing opportunities. These and other risks are identified in our filings with the Commission, including without limitation our Quarterly Report on Form 10-Q for the quarter ended September 30, 2020 and in other filings subsequently made by the Company with the Commission. All forward-looking statements contained in this press release speak only as of the date on which they were made and are based on management's assumptions and estimates as of such date. We do not undertake any obligation to publicly update any forward-looking statements, whether as a result of the receipt of new information, the occurrence of future events or otherwise.

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.

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