

October 14, 2020



XOMA Earns \$1.9 Million Associated with Two Partner Developments

- *Rezolute's recent private placement triggers \$1.4 million payment to XOMA*
- *In an unrelated development, a partner initiated Phase 2 development of an undisclosed asset, which triggers \$0.5 million milestone payment to XOMA*

EMERYVILLE, Calif., Oct. 14, 2020 (GLOBE NEWSWIRE) -- XOMA Corporation (Nasdaq: XOMA) ("XOMA" or the "Company") today announced it has earned \$1.9 million in payments from two partners. The Company earned \$1.4 million in accelerated payments from Rezolute, Inc., in connection with its recent private placement to continue advancing RZ358 for congenital hyperinsulinism ("CHI") and RZ402 for diabetic macular edema ("DME") in clinical development. Additionally, in a separate development, XOMA has been notified by a partner that the partner has advanced an undisclosed asset in XOMA's milestone and royalty portfolio into Phase 2 clinical development, triggering a \$0.5 million milestone payment.

"We congratulate Rezolute on attracting high-caliber investors in its recent private placement. Having conducted the early stage studies for RZ358 we were able to get to know the CHI community, the patients, and their families. We know the medical community needs approved treatment options to help families and patients manage this devastating condition. We are very pleased Rezolute has secured this capital to invest in the next stage of clinical development of RZ358 as a potential therapeutic option for CHI patients," stated Jim Neal, Chief Executive Officer at XOMA. "In addition, it is gratifying to see our monetization strategy continue to mature and produce milestone events like the Phase 2 advancement on the undisclosed partner molecule."

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. For more information, visit www.xoma.com.

Safe Harbor Statement

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 this date, all assets in XOMA's portfolio are investigational compounds. There can be no assurance these compounds will be approved by the regulatory authorities and commercially available.

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