

November 11, 2020



XOMA Earns First Milestone Payment from 2018 Royalty Purchase Agreement

EMERYVILLE, Calif., Nov. 11, 2020 (GLOBE NEWSWIRE) -- XOMA Corporation (Nasdaq: XOMA) ("XOMA" or the "Company") today announced it has earned a \$1 million milestone payment from Agenus Inc. (NASDAQ: AGEN) related to Merck's advancement of MK-4830 into a Phase 2 study in patients with advanced non-small cell lung cancer (NSCLC) previously treated with anti-programmed cell death receptor ligand 1 (PD-L1) therapy. MK-4830 is part of XOMA's first transaction under its royalty and milestone aggregator business model in which the Company acquired a royalty interest in seven milestone and royalty-bearing licenses Agenus held with Merck and Incyte for \$15 million.

"Today's announcement marks the first asset that the XOMA team acquired under our royalty and milestone aggregator business model to achieve a clinical milestone. We congratulate Merck on its early clinical success with MK-4830, and we hope this positive development ultimately translates into a new therapeutic option for patients with non-small cell lung cancer," stated Jim Neal, Chief Executive Officer at XOMA.

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 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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Source: XOMA Corporation