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# XOMA Acquires Royalty and Milestone Economics to Phase 3 First-In-Class Orphan Disease Asset for Niemann-Pick Disease Type C (NPC) and Phase 2 Oncology Asset

## New Drug Application for arimoclomol in NPC to be filed as early as the third quarter of 2023[1]

EMERYVILLE, Calif., June 22, 2023 (GLOBE NEWSWIRE) -- XOMA Corporation (NASDAQ: XOMA), announced today it has acquired the royalty and milestone rights associated with two assets from LadRx Corporation: arimoclomol, an oral therapeutic for Niemann-Pick disease type C, and aldoxorubicin, an albumin-linked formulation of doxorubicin.

Arimoclomol is a first-in-class investigational therapy that has completed a randomized, placebo-controlled, multinational Phase 2/3 program in Niemann-Pick Disease Type C, an ultra-rare, genetic, progressive neurogenerative disorder. The compound has received Orphan Drug Designation for the treatment of NPC by the Regulatory Authorities in the U.S. and EU. Additionally, the U.S. Food and Drug Administration (FDA) has granted the compound Fast-Track Designation, Breakthrough Therapy Designation and Rare Pediatric Disease Designation. Zevra Therapeutics has announced its intention to file a New Drug Application for arimoclomol as early as the third quarter of 2023[1].

The second asset is aldoxorubicin, a Phase 2 program that is being developed by ImmunityBio as a potential therapy for pancreatic cancer. The FDA has granted aldoxorubicin Orphan Drug Designation for the treatment of soft tissue sarcoma.

“This is a notable acquisition of the economics associated with a therapy that has the potential to address a significant unmet need in a devastating disease,” stated Owen Hughes, Executive Chairman of XOMA. “This transaction is very much aligned with our strategy of seeking assets that have the potential to establish new standards of care for patients while driving cashflow generation for XOMA shareholders.”

“NPC is an ultra-rare genetic disorder where patients can lose their vision and hearing, their ability to walk and swallow, and it leads to premature death. In the United States, there are no approved treatments for NPC. Zevra is actively preparing to file a New Drug Application[1], as these patients clearly need access to therapy as evidenced by over 150 patients receiving arimoclomol therapy through expanded access,” stated Brad Sitko, Chief Investment Officer

at XOMA. “We provided a non-dilutive capital solution to LadRx, which had been exploring strategic alternatives. LadRx can now advance an internal pipeline of new therapeutics to treat patients with high unmet needs.”

Under the terms of the agreement, XOMA will receive a mid-single digit royalty on arimoclomol’s commercial sales upon approval and up to $52.6 million, net, in potential milestone payments. Should aldoxorubicin be approved for marketing, XOMA will receive a mid-single-digit to mid-teens royalty rate on aldoxorubicin commercial sales depending upon the indication, in addition to potential milestone payments of up to $343 million in development and commercial milestones. LadRx will be entitled to receive up to $6 million in certain pre-specified milestones associated with arimoclomol and aldoxorubicin. XOMA acquired these royalty and milestone interests for $5 million.

XOMA was represented by Gibson Dunn & Crutcher LLP. LadRx was represented by Roth Capital Partners and Haynes and Boone LLP.

**About XOMA Corporation**
XOMA is a biotechnology royalty aggregator playing a distinctive role in helping biotech companies achieve their goal of improving human health. XOMA acquires the potential future economics associated with pre-commercial therapeutic candidates that have been licensed to pharmaceutical or biotechnology companies. When XOMA acquires the future economics, the seller receives non-dilutive, non-recourse funding they can use to advance their internal drug candidate(s) or for general corporate purposes. The Company has an extensive and growing portfolio with more than 70 assets (asset defined as the right to receive potential future economics associated with the advancement of an underlying therapeutic candidate). For more information about the Company and its portfolio, please visit www.xoma.com.

**Forward-Looking Statements/Explanatory Notes**
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 timing and amount of potential milestone and commercial payments to XOMA and other developments related to arimoclomol and aldoxorubicin, and the potential of XOMA’s portfolio of partnered programs and licensed technologies generating substantial milestone and royalty proceeds over time. In some cases, you can identify such forward-looking statements by terminology such as “anticipate,” “intend,” “believe,” “estimate,” “plan,” “seek,” “project,” “expect,” “may,” “will,” “would,” “could” or “should,” the negative of these terms or similar expressions. These forward-looking statements are not a guarantee of XOMA’s performance, and you should not place undue reliance on such statements. 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 filings with the Securities and Exchange Commission. Consider such risks carefully when considering XOMA's prospects. Any forward-looking statement in this press release represents XOMA's beliefs and assumptions 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.

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

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[1] https://investors.zevra.com/news-releases/news-release-details/zevra-therapeutics-reports-corporate-updates-and-first-quarter

Source: XOMA Corporation