DISCLAIMERS

Certain statements in this presentation 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: future potential monetization opportunities, active transactions with significant financial implications, collaborations poised for significant financial contribution, our library of potentially value-generating assets, future potential for milestone and royalty payments, the potential of our antibody discovery engine, potential out-licensing of our internal compounds and products, the ability of our partners and their licensees to successfully develop their pipeline programs, the productivity of acquired assets, our revenue forecasts, upcoming internal milestones and value catalysts, our future cash needs, our strategy for value creation, and other statements that relate to future periods. These statements are not guarantees of future performance and undue reliance should not be placed on them. They 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 statements represent XOMA’s views only as of the date of this presentation 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 law.

NOTE: All references to “portfolio” in this presentation are to milestone and/or royalty rights associated with a basket of drug products in development. All references to “assets” in this presentation are to milestone and/or royalty rights associated with individual drug product candidates in development.
XOMA SNAPSHOT

▪ Acquire pre-commercial drug royalties
  - Use portfolio approach to expand number of royalty positions
  - Differentiate by focusing on development-stage assets with blockbuster potential licensed to large-cap partners

▪ Provide exposure, through royalties, to the upside potential of biotech
  - Capital-efficient model where R&D costs are borne by partners
  - Cash inflows from interim milestone payments
  - Exposure risk mitigated through portfolio effects

▪ Expected value appreciation driven by:
  - Advancement of assets by partners who spend hundreds of millions of dollars to develop XOMA royalty assets
  - Acquisition of additional assets by XOMA to expand revenue potential and further mitigate risk

▪ Portfolio of 65+ assets in >30 disclosed indications today and growing
# XOMA’S VALUE PROPOSITION

<table>
<thead>
<tr>
<th><strong>PORTFOLIO SIZE</strong></th>
<th>Typical Small/Mid-Cap Biotech</th>
<th><strong>PORTFOLIO FOCUS</strong></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1 - 3 assets</td>
<td>65+ assets</td>
<td>Narrow</td>
<td>Diversified</td>
</tr>
<tr>
<td><strong>PROBABILITY OF AN APPROVAL</strong></td>
<td></td>
<td>Low</td>
<td>High</td>
</tr>
<tr>
<td><strong>RISK : RETURN</strong></td>
<td>High : High</td>
<td>Low : Mid / High</td>
<td><strong>CAPITAL</strong></td>
</tr>
<tr>
<td>User</td>
<td>Provider</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
BASICS OF A ROYALTY MONETIZATION TRANSACTION

STEP 1: Program Licensed

STEP 2: Capital

BIG PHARMA

Biotech

Royalties & Milestones
ROYALTY FINANCINGS CAN HELP COMPANIES RAISE CAPITAL MORE EFFICIENTLY THAN EQUITY AND IS LESS ONEROUS THAN DEBT

<table>
<thead>
<tr>
<th></th>
<th>Equity</th>
<th>Debt</th>
<th>Royalty Financing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of Capital</td>
<td>High</td>
<td>Medium to High</td>
<td>Low to Medium</td>
</tr>
<tr>
<td>Dilution</td>
<td>High</td>
<td>Low</td>
<td>NA</td>
</tr>
<tr>
<td>Covenants/Restrictions</td>
<td>Medium</td>
<td>High</td>
<td>Low</td>
</tr>
<tr>
<td>Transaction Cost</td>
<td>High</td>
<td>Medium to High</td>
<td>Low</td>
</tr>
<tr>
<td>Control</td>
<td>High</td>
<td>Low to Medium</td>
<td>NA</td>
</tr>
<tr>
<td>Diligence/Disruption</td>
<td>High</td>
<td>Medium to High</td>
<td>Low</td>
</tr>
<tr>
<td>Collateral</td>
<td>N/A</td>
<td>All Assets</td>
<td>Limited to Royalty Asset(s)</td>
</tr>
</tbody>
</table>

**Equity**
- Cost of Capital: High
- Dilution: High
- Covenants/Restrictions: Medium
- Transaction Cost: High
- Control: High
- Diligence/Disruption: High
- Collateral: N/A

**Debt**
- Cost of Capital: Medium to High
- Dilution: Low
- Covenants/Restrictions: High
- Transaction Cost: Medium to High
- Control: Low to Medium
- Diligence/Disruption: Medium to High
- Collateral: All Assets

**Royalty Financing**
- Cost of Capital: Low to Medium
- Dilution: NA
- Covenants/Restrictions: Low
- Transaction Cost: Low
- Control: NA
- Diligence/Disruption: Low
- Collateral: Limited to Royalty Asset(s)
OPPORTUNITIES ABOUND FOR ROYALTY MONETIZATION

Biotech & Pharma License Transactions consist of:
- Milestone payments
- Royalty obligations

Companies’ funding needs increase over time

<table>
<thead>
<tr>
<th>Phase/Clinical Stage</th>
<th>Licensing Deals:</th>
<th>1,988</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phase 3</td>
<td>236</td>
<td></td>
</tr>
<tr>
<td>Phase 2</td>
<td>343</td>
<td></td>
</tr>
<tr>
<td>Phase 1</td>
<td>194</td>
<td></td>
</tr>
<tr>
<td>Preclinical/Other</td>
<td>1,215</td>
<td></td>
</tr>
</tbody>
</table>

TOTAL INDUSTRY LICENSING DEALS ’14-'18

Bloomberg data
XOMA IS POSITIONED TO MONETIZE ROYALTIES ON MID- TO EARLY-STAGE CLINICAL ASSETS
THE BENEFITS TO ASSET SELLERS:

- Recognize value of non-dilutive, non-recourse financing
- Ability to monetize license-economics of mid-stage clinical assets
- Immediate cash infusion to advance high-priority internal programs to improve human health

---

XOMA ACQUISITION STRATEGY IS DISTINCT

- Acquire milestone and royalty rights to high-potential, fully funded assets
- Focus on mid-stage clinical assets
- Ever-increasing pipeline of potential opportunities
- Team focused on acquiring new royalty assets
KEY ATTRIBUTES
OF XOMA TARGET ASSETS

PRE-COMMERCIAL THERAPEUTIC ASSETS
Therapeutic area agnostic

LONG DURATION OF MARKET EXCLUSIVITY
Patent expiration or regulatory exclusivity

HIGH REVENUE POTENTIAL
High unmet need or clear clinical benefit over alternatives

STRONG DEVELOPER/MARKETER
Assets partnered with high-quality pharma / biopharma companies
XOMA-AGENUS TRANSACTION

- **7** Assets with Large-Cap Partners
- **33%** of Agenus' Royalty Interest
- **10%** of Future Milestones
- **100%** Immuno-Oncology Focus

Total XOMA Investment: $15M
XOMA-ARONORA TRANSACTION

2 of 5 Assets with Large-Cap Partner

100% of Aronora’s Royalty Interest

10% of Future Milestones

100% Anti-Thrombotic Focus

Total XOMA Investment: $9M
XOMA-PALOBIOFARMA TRANSACTION

1 of 6 Assets with Large-Cap Partner
100% Adenosine Receptor-Focused
1st Diversification into Oral Compounds
100% Clinical-Stage Assets

Total XOMA Investment: $10M
THESE TRANSACTIONS HIT ALL OF THE KEY ATTRIBUTES OF XOMA TARGET ASSETS

- PRE-COMMERCIAL THERAPEUTIC ASSETS
- LONG DURATION EXCLUSIVITY
- HIGH REVENUE POTENTIAL
- STRONG DEVELOPER/MARKETER

Phase 1, Phase 2 typically
Potentially 10 years post-commercialization
Immuno-oncology, anti-thrombotics, COPD & NASH
Incyte, Merck, Bayer, Novartis
MEASURING XOMA’S INTRINSIC VALUE TODAY

FULLY FUNDED PROGRAMS

YE 2016 | YE 2017 | YE 2018 | YE 2019
25 | 30 | 45 | 65+

XOMA PORTFOLIO PROFILE

- 65+ assets and growing
- > 60% of assets in clinical-stage development
- Many with blockbuster revenue potential

TYPICAL XOMA ECONOMICS

- Development & Sales milestones
- Average royalty rate: ~2.5%
- Royalty term: 8 – 12 years post commercialization
XOMA’S PORTFOLIO: **65+ PARTNERED PROGRAMS**

<table>
<thead>
<tr>
<th>Phase</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preclinical</td>
<td>16+</td>
</tr>
<tr>
<td>Phase 1</td>
<td>19</td>
</tr>
<tr>
<td>Phase 1/2</td>
<td>3</td>
</tr>
<tr>
<td>Phase 2</td>
<td>17</td>
</tr>
<tr>
<td>Phase 3</td>
<td>1</td>
</tr>
<tr>
<td>BLA Filing</td>
<td>1</td>
</tr>
</tbody>
</table>

Total Future Development Expenses by XOMA: **$0**

42 Assets with Large-Cap Partners
EXAMPLES OF CONDITIONS & DISEASES XOMA PARTNERS ARE PURSUING

- Lupus Nephritis
- Systemic Lupus Erythematosus
- Kidney Transplant
- Liver Transplant
- Hidradenitis Suppurativa
- Type 1 Diabetes
- Sjogren’s Syndrome
- Graves' Disease
- Moderate to Severe Myasthenia Gravis
- Rheumatoid Arthritis
- Congenital hyperinsulinism
- Multiple Myeloma
- Thromboembolism
- End Stage Renal Disease
- Metastatic Solid Tumors
- Prostate Cancer
- Urothelial Cancer
- Acute Myeloid Leukemia
- Colorectal Cancer
- Gastroesophageal Cancer
- Renal Cancer
- Non-Hodgkin Lymphoma
- Triple-negative Breast Cancer
- Non-small Cell Lung Cancer
- Squamous Cell Carcinoma
- Pancreatic Cancer
- Anti-Botulism
- Asthma
- Ulcerative Colitis
- Non-muscle Invasive Bladder Cancer
- Advanced Solid Tumors
- Generalized Myasthenia Gravis
### XOMA’S PORTFOLIO: KEY HIGHLIGHTS

<table>
<thead>
<tr>
<th>PARTNER</th>
<th>ASSET NAME</th>
<th>TARGET</th>
<th>ROYALTY RATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bayer</td>
<td>BAY1213790 (osocimab)</td>
<td>Factor Xi</td>
<td>Low single-digit</td>
</tr>
<tr>
<td>Bayer</td>
<td>BAY1831865</td>
<td>Factor XI</td>
<td>Low single-digit</td>
</tr>
<tr>
<td>Bayer/Aronora</td>
<td>AB023 (xisomab 3G3)</td>
<td>Factor XI</td>
<td>Low single-digit</td>
</tr>
<tr>
<td>Incyte</td>
<td>INCAGN1876</td>
<td>GITR</td>
<td>Mid-single-digit</td>
</tr>
<tr>
<td>Incyte</td>
<td>INCAGN1949</td>
<td>OX-40</td>
<td>Mid-single-digit</td>
</tr>
<tr>
<td>Incyte</td>
<td>INCAGN02390</td>
<td>TIM-3</td>
<td>Low to mid-single-digit</td>
</tr>
<tr>
<td>Incyte</td>
<td>INCAGN2385</td>
<td>LAG-3</td>
<td>Low to mid-single-digit</td>
</tr>
<tr>
<td>Janssen Biotech</td>
<td>JNJ-63723283 (cetrelimab)</td>
<td>PD-1</td>
<td>0.75%</td>
</tr>
<tr>
<td>Janssen Biotech</td>
<td>JNJ-55920839</td>
<td>IFN</td>
<td>0.75%</td>
</tr>
<tr>
<td>Janssen Biotech</td>
<td>JNJ-63709178</td>
<td>CD123xCD3</td>
<td>0.75%</td>
</tr>
<tr>
<td>Janssen Biotech</td>
<td>JNJ-63890831</td>
<td>PSMA</td>
<td>0.75%</td>
</tr>
<tr>
<td>Janssen Biotech</td>
<td>JNJ-64232025</td>
<td>CD154</td>
<td>0.75%</td>
</tr>
<tr>
<td>Janssen Biotech</td>
<td>undisclosed</td>
<td>GPRC5DxCD3</td>
<td>0.75%</td>
</tr>
<tr>
<td>Merck</td>
<td>MK-4830</td>
<td>ILT-4</td>
<td>Low single-digit</td>
</tr>
<tr>
<td>Novartis</td>
<td>CFZ533 (iscalimab)</td>
<td>CD-40</td>
<td>Mid-single-digit to low-teens</td>
</tr>
<tr>
<td>Novartis</td>
<td>VPM0087 (gevokizumab)</td>
<td>IL-1ß</td>
<td>High single-digit to mid-teens</td>
</tr>
<tr>
<td>Novartis</td>
<td>NIS793</td>
<td>TGF8</td>
<td>Mid-single-digit to low teens</td>
</tr>
<tr>
<td>Novartis</td>
<td>NIR178</td>
<td>adenosine A2A</td>
<td>Low single-digit</td>
</tr>
<tr>
<td>Takeda</td>
<td>TAK-079</td>
<td>CD-38</td>
<td>4%</td>
</tr>
<tr>
<td>Takeda (Molecular Templates)</td>
<td>TAK-169</td>
<td>CD-38</td>
<td>4%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PARTNER</th>
<th>ASSET NAME</th>
<th>TARGET</th>
<th>ROYALTY RATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adhera</td>
<td>PRESTALIA</td>
<td>ACE inhibitor and Ca channel blocker</td>
<td>Up to double digit</td>
</tr>
<tr>
<td>Alligator Bioscience (Janssen)</td>
<td>JNJ-64457107 (mitazalimab)</td>
<td>CD40</td>
<td>0.75%</td>
</tr>
<tr>
<td>Aronora</td>
<td>AB002 (ProCase)</td>
<td>E-WE thrombin</td>
<td>Low single-digit</td>
</tr>
<tr>
<td>AVEO</td>
<td>ficlatuzumab</td>
<td>Anti-HGF</td>
<td>Low single-digit</td>
</tr>
<tr>
<td>Compugen</td>
<td>COM902</td>
<td>TIGIT</td>
<td>Low single-digit</td>
</tr>
<tr>
<td>Margaux Biologics</td>
<td>XOMA 629</td>
<td>BPI</td>
<td>Low to mid-single-digit</td>
</tr>
<tr>
<td>Monopar (Formerly Tactic &amp; Attenuon)</td>
<td>MNPR-101</td>
<td>uPAR antibody</td>
<td>None</td>
</tr>
<tr>
<td>Ology</td>
<td>XOMA 3AB, XOMA B, and XOMA E toxin serotypes</td>
<td>Botulism</td>
<td>15%</td>
</tr>
<tr>
<td>Palbiofarma</td>
<td>PBF-680</td>
<td>adenosine A1</td>
<td>Low single-digit</td>
</tr>
<tr>
<td>Palbiofarma</td>
<td>PBF-677</td>
<td>adenosine A3</td>
<td>Low single-digit</td>
</tr>
<tr>
<td>Palbiofarma</td>
<td>PBF-999</td>
<td>adenosine A2A / Phosphodiesterase 10 (PDE-10)</td>
<td>Low single-digit</td>
</tr>
<tr>
<td>Palbiofarma</td>
<td>PBF-1129</td>
<td>adenosine A2B</td>
<td>Low single-digit</td>
</tr>
<tr>
<td>Palbiofarma</td>
<td>PBF-1650</td>
<td>adenosine A3</td>
<td>Low single-digit</td>
</tr>
<tr>
<td>Rezolute</td>
<td>RZ358</td>
<td>INSR</td>
<td>High single-digit to mid-teens</td>
</tr>
<tr>
<td>Rezolute</td>
<td>AB101</td>
<td>Insulin</td>
<td>Low single-digit</td>
</tr>
<tr>
<td>Rezolute</td>
<td>R2402</td>
<td>Kallikrein Inhibitor</td>
<td>Low single-digit</td>
</tr>
<tr>
<td>Sesen (Formerly Eleven Bio &amp; Viventia)</td>
<td>Vicinium</td>
<td>EpCAM antigens</td>
<td>2.50%</td>
</tr>
</tbody>
</table>

> $1 billion in potential milestones

(Does not include all assets, including certain assets subject to confidentiality agreements)
CAPTURING IMMUNO-ONCOLOGY’S NEXT WAVE

XOMA’s current royalty portfolio covers >90% of the next generation of emerging and novel I-O targets.

Novartis R&D Day

London, UK
December 5, 2019
Iscalimab
(CFZ533)

Fully human monoclonal antibody blocking the CD154-CD40 pathway

Key highlights

Potential to provide “One Transplant for Life” with improved patient and graft survival and become the new SoC in transplant

Kidney transplant grafts showed pristine histology, suggesting potential to provide calcineurin-free therapy, prolonged graft survival and fewer side effects

Positive proof-of-concept study in Sjögren’s syndrome, the second most common rheumatic autoimmune disease after rheumatoid arthritis

Phase 2b studies in kidney transplant and Sjögren’s on track to read out in 2021; Phase 2a readouts in systemic lupus erythematosus, lupus nephritis and hidradenitis suppurativa expected in 2021
Potential to reimagine transplantation with better graft protection and less toxicity

Today with Standard of Care

10 YEARS

10y median graft survival time

Patients return to dialysis: poor QoL and high 5y mortality (53%)

Re-transplant with another kidney, depletes pool of donor organs

†† Death

Hypothetical illustration with a median graft survival of 20 years vs current 10-year graft survival rate at 47.3% for deceased donors in the USA (USRDS report 2018)

Tomorrow with iscalimab

20 YEARS

20y median graft survival time

No patients return to dialysis

Organ pool used for new patients (no re-transplantation required)

Graft survival is determined as the earliest occurrence of either death with graft function or graft failure requiring dialysis or re-transplant

14 Novartis R&D Day | December 5, 2019
Advancing iscalimab in a range of indications through 2020-26

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kidney Transplant</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>⭐</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Liver Transplant</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sjögren’s Syndrome</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Systemic Lupus Erythematosus</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lupus Nephritis</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hidradenitis Suppurativa</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Phase 2b study in Kidney Transplantation to support early registration and conditional approval
- Anticipated launch ⭐ in 2023 with projected blockbuster sales potential
- Additional indications under consideration
# XOMA’s Significant Royalty Revenue Potential

## Assets by Projected Peak Sales Potential

<table>
<thead>
<tr>
<th>Royalty Rate at Projected Peak Sales</th>
<th>&lt; $500M</th>
<th>$500M - $1B</th>
<th>≥ $1B</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; 2.5%</td>
<td>20+</td>
<td>15</td>
<td>11</td>
</tr>
<tr>
<td>2.5% - 7.5%</td>
<td>4</td>
<td>4</td>
<td>8</td>
</tr>
<tr>
<td>7.5% - 15%</td>
<td>1</td>
<td>1</td>
<td>3</td>
</tr>
</tbody>
</table>

- 9 of 25+ with large-cap partners
- 13 of 20 with large-cap partners
- 18 of 22 with large-cap partners

**Example:** If a partnered product were to achieve $1B in annual sales, and XOMA held a 3% royalty on that product, XOMA would receive $30M annual royalty revenue plus any interim revenue from development & regulatory milestones.
1. **PATIENCE** - PROVIDE TIME FOR UNDERLYING DRUG ASSETS TO ADVANCE THROUGH YEARS OF DISCOVERY, DEVELOPMENT AND APPROVAL

2. **LEAN INFRASTRUCTURE** - MINIMIZE COSTS

---

### XOMA Spend

- **2014**: $120
- **2016**: $60
- **2019**: $0

- **SG&A**
- **R&D**
**RECENT HIGHLIGHTS**

**OPERATIONAL**

- Increased number of royalty licenses by 40% since 3Q18
- Acquired milestone & royalty interests in:
  - 2 Bayer assets & 1 Bayer option & 2 unpartnered assets from Aronora
  - 1 Novartis asset & 5 unpartnered assets from Palobiofarma
  - Future assets from 2 technology platform companies
- Added 9 Janssen Biotech assets to royalty interest portfolio
- Licensed XOMA’s IL-2 mAb to Zydus for development and commercialization rights in India, Mexico, and Brazil
- Received $15.8M from partners during 2019
- Completed $22M Rights Offering; backstopped by BVF Partners

**PARTNERS & PARTNERED ASSETS**

- **Novartis**
  - Oncology clinical studies with gevokizumab started
  - Iscalimab (CFZ533) data presentations - American Transplant Congress, European College of Rheumatology, 2019 R&D Day
  - Multiple Phase 2 trials initiated with iscalimab
- **Sesen Bio & Vicinium®** for the treatment of BCG-unresponsive non-muscle invasive bladder cancer
  - Rolling BLA initiated Dec 2019
- **Takeda**
  - TAK-079 & TAK-169 Data presentations at American Society of Hematology (ASH) Annual Meeting 2019
**LOOKING AHEAD**

**OPERATIONAL**

- Acquire additional milestone and royalty interest assets to continue to grow the portfolio
- Maintain lean cost infrastructure and financial discipline
  - Current balance sheet sufficient to fund operations for multiple years
  - ~$1M per month core G&A expense

**PARTNERS & PARTNERED ASSETS**

- **NOVARTIS**
  - Iscalimab data readouts – 5 Phase 2 studies
  - TGFβ advancing to Phase 2
  - Gevokizumab advancing to Phase 2
- **MERCK**
  - MK-4830 advancing to Phase 2
- **TAKEDA**
  - TAK-079 advancing to Phase 2
- **SESEN BIO**
  - Completed BLA Filing / PDUFA date
WHY XOMA’S PORTFOLIO IS VALUABLE

- XOMA holds **65+ current assets**; pharmaceutical partners fund research & development and cover 100% of costs

- XOMA sources **royalty rights** through deep industry network

- XOMA constructs an increasingly **diverse and expanding portfolio** to increase odds of success and mitigate binary risk

- XOMA has **low-cost infrastructure**; future potential **revenues** largely fall to bottom line