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XOMA Announces the Sale of Its Manufacturing Facilities to Agenus

XOMA's divests biodefense program to Nanotherapeutics, Inc.

BERKELEY, Calif., Nov. 5, 2015 (GLOBE NEWSWIRE) -- XOMA Corporation (Nasdaq:XOMA), a leader in the discovery and development of therapeutic antibodies, announced today it has agreed to sell its biologics manufacturing facilities, equipment, and associated real estate to Agenus Inc. (Nasdaq:AGEN). The transaction is expected to close in December 2015. In conjunction with the transaction, Agenus will offer employment to a select team of XOMA employees currently operating the facilities and may provide small-scale manufacturing services for XOMA in the future.

"We welcome Agenus as our neighbor and our manufacturing collaborator. We are very pleased our colleagues will have the opportunity to join Agenus where they can continue their leadership role in creating and advancing manufacturing technologies that allow for cost-effective antibody drug development," stated John Varian, Chief Executive Officer of XOMA. "With this transaction and the divestiture of our biodefense program to Nano therapeutics, we will have trimmed our headcount by over 50 percent, and it will complete our transformation to an endocrine company. We are now laser focused on advancing our deep pipeline of endocrine assets, particularly XOMA 358, to offer new hope to underserved patient populations."

Under the terms of the agreement, Agenus will pay approximately \$5.0 million in cash up-front and \$1.0 million in common stock. In addition to the biologics manufacturing facility and a team of employees associated with the program, Agenus will also gain access to selected antibody technologies.

Concurrently, XOMA also announced it has divested its biodefense program to Nanotherapeutics, Inc., a biopharmaceutical company located in Alachua, FL. Nanotherapeutics will extend employment offers to all employees associated with the program and will prosecute related contract awards going forward. Future opportunities for advancement of XOMA's anti-botulinum assets will be solicited and conducted by Nanotherapeutics.

About Agenus

Agenus is an immunology company engaged in the discovery and development of novel checkpoint modulators, vaccines and adjuvants to treat cancer and other diseases. Using its proprietary platforms Retrocyte Display™ and SECANT®, the Company is discovering and developing novel antibodies to target GITR, OX40, CTLA-4, LAG-3, TIM-3, PD-1, CEACAM1 and other undisclosed checkpoints in partnered and internal programs. Agenus' heat shock

protein vaccine, Prophage, has successfully completed Phase 2 studies in newly diagnosed glioblastoma multiforme. The Company's QS-21 Stimulon® adjuvant is partnered with GlaxoSmithKline and Janssen Sciences Ireland UC. For more information, please visit www.agenusbio.com; information that may be important to investors will be routinely posted on our website.

About XOMA Corporation

XOMA Corporation is a leader in the discovery and development of therapeutic antibodies. The Company's innovative product candidates result from the Company's expertise in developing ground-breaking monoclonal antibodies, including allosteric antibodies, which have created new opportunities to potentially treat a wide range of human diseases. XOMA's scientific research has produced a portfolio of six endocrine assets, each of which have the opportunity to address multiple indications. The Company's lead product candidate, XOMA 358, is an allosteric monoclonal antibody that reduces insulin receptor activity, which could have a major impact on the treatment of hyperinsulinism. The Company recently initiated Phase 2 development activities for XOMA 358 in patients with congenital hyperinsulinism. Additionally, XOMA is developing gevokizumab (IL-1 beta modulating antibody) in an ongoing Phase 3 program enrolling patients with pyoderma gangrenosum, a rare ulcerative skin condition. For more information, visit www.xoma.com.

Forward-Looking Statements

Certain statements contained in this press release including, but not limited to, statements related to anticipated timing of clinical trials, anticipated timing of the release of clinical data, regulatory approval of unapproved product candidates, the anticipated process of clinical data analysis, the anticipated success of any clinical trial, the anticipated receipt by XOMA of royalty or milestone payments, anticipated capital reserves or statements that otherwise relate to future periods 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. 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 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 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.

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