January 18, 2024

XOMA Expands its Commercial Royalty and Milestone Portfolio with DSUVIA® Acquisition

XOMA provided an $8 million non-dilutive royalty capital solution to Talphera

XOMA will receive a 15% royalty on all commercial sales and a significant portion of the 75% royalty generated by U.S. Department of Defense purchases

XOMA is entitled to no less than 50% of the potential $116.5 million in milestone payments

EMERYVILLE, Calif., Jan. 18, 2024 (GLOBE NEWSWIRE) -- XOMA Corporation (NASDAQ: XOMA) announced today it has acquired an economic interest in DSUVIA® (sufentanil sublingual tablet) from Talphera, Inc., for $8 million. DSUVIA® was approved in 2018 by the U.S. Food and Drug Administration (FDA) for use in adults in certified medically supervised healthcare settings. In April 2023, Talphera divested DSUVIA® to Alora Pharmaceuticals for an upfront payment, a 15 percent royalty on commercial net sales, a 75 percent royalty on net sales to the U.S. Department of Defense (DoD), and up to $116.5 million in milestone payments.

“The Talphera transaction is consistent with XOMA’s business model of acquiring royalty economics that we believe offer attractive and asymmetric risk/reward profiles. DSUVIA® is an important sublingual, single use pain management option addressing moderate-to-severe acute pain when used in actively supervised medical settings. We believe Alora has the resources and expertise to relaunch and successfully commercialize DSUVIA® within its expansive pain management portfolio,” stated Brad Sitko, Chief Investment Officer at XOMA. “XOMA was able to structure an attractive, non-dilutive royalty solution as an alternative to traditional financing as Talphera repositions its strategy for future growth.”

In April 2020, DSUVIA® received Milestone C approval from the U.S. Department of Defense (DoD) for use in U.S. Army sets, kits, and outfits (SKOs) and was added to the DoD Joint Deployment Formulary in September 2020. Given the convenient sublingual delivery via a single dose applicator and its ability to provide effective pain relief for several hours, DSUVIA® could be an effective tool for use by military medics to treat injured personnel in contested environments.

Under the terms of the agreement, XOMA will receive 100 percent of all royalties and milestones related to DSUVIA® sales until the Company receives $20 million. Thereafter, XOMA fully retains the 15 percent royalty associated with DSUVIA® commercial sales, and the 75 percent royalties generated from DoD purchases will be shared equally between

XOMA and Talphera, as will the remaining $116.5 million in potential milestone payments due from Alora Pharmaceuticals.

About DSUVIA (sufentanil sublingual tablet), 30 mcg

DSUVIA® is indicated for use in adults in certified medically supervised healthcare settings, such as hospitals, surgical centers, and emergency departments, for the management of acute pain severe enough to require an opioid analgesic and for which alternative treatments are inadequate. DSUVIA was designed to provide rapid analgesia via a non-invasive route and to eliminate dosing errors associated with intravenous (IV) administration. DSUVIA is a single-strength solid dosage form administered sublingually via a single-dose applicator (SDA) by healthcare professionals. Sufentanil is an opioid analgesic previously only marketed for IV and epidural anesthesia and analgesia. The sufentanil pharmacokinetic profile, when delivered sublingually, avoids the high peak plasma levels and short duration of action observed with IV administration.

For more information, including important safety information and black box warning for DSUVIA, please visit www.DSUVIA.com.

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 commercial payments to XOMA and other developments related to DSUVIA®. 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, and our third-party licensees will not be able to market them. 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® (faricimab), IXINITY® [coagulation factor IX (recombinant)], and DSUVIA® (sufentanil sublingual tablet) 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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Source: XOMA Corporation