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XOMA Earns $2 Million Milestone from Takeda as Mezagitamab Advances into Phase 2 Development

EMERYVILLE, Calif., Nov. 16, 2020 (GLOBE NEWSWIRE) -- XOMA Corporation (Nasdaq: XOMA) ("XOMA" or the "Company") today announced it has earned a $2 million milestone payment from Takeda Pharmaceutical Company Limited as the first patient has been dosed in its Phase 2 study to evaluate safety, tolerability, and efficacy of mezagitamab (TAK-079) in participants with generalized myasthenia gravis (MG). In 2006, XOMA and Takeda entered into a collaboration agreement to identify potential therapeutic antibodies that Takeda would advance into clinical development. Mezagitamab is an anti-CD38 antibody that resulted from the companies' collaboration.

"Takeda has multiple early stage mezagitamab studies ongoing in several indications. Myasthenia gravis is a chronic autoimmune neuromuscular disorder that causes patients to experience muscle weakness that may significantly impact their quality of life. We applaud Takeda for advancing mezagitamab development in generalized MG," stated Jim Neal, Chief Executive Officer at XOMA. "With only one therapy approved in the U.S., MG clearly is a condition with unmet medical need.

"In the last month, we have earned $28.5 million in combined value from four partners, Takeda, Novartis, Merck, and one undisclosed company, as each achieved the first-patient-dosed milestone in their respective Phase 2 clinical trials. In addition, we expanded and diversified our portfolio with the acquisition of milestone interest and royalty rights associated with four lysosomal storage disorder enzymes. XOMA's royalty aggregator model is beginning to bear fruit, and our team is excited as we share in our partners' successes," Mr. Neal concluded.

XOMA may receive up to $16 million in additional milestones from Takeda. Upon receipt of regulatory approval to commercialize mezagitamab, XOMA will receive a four percent royalty on any net product sales.

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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