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XOMA Appoints Matthew Perry to its Board of Directors

Company outlines new strategic imperatives and value drivers

BERKELEY, Calif., Feb. 16, 2017 (GLOBE NEWSWIRE) -- XOMA Corporation (Nasdaq:XOMA), a leader in the discovery and development of therapeutic antibodies, today announced the appointment of Matthew Perry, President of BVF Partners L.P. (BVF), to the XOMA Board of Directors.

"On behalf of the entire XOMA team, we are thrilled to have Matthew Perry, a highly accomplished investor and industry professional, join our board," said W. Denman Van Ness, Chairman of the Board of XOMA.

"We have an extensive portfolio of products and technologies, including a significant number of development programs fully funded by partner companies, that are expected to generate substantial milestone payments and royalties for XOMA over time," said Jim R. Neal, Chief Executive Officer of XOMA. "Matthew's deep business expertise and unique perspective will be invaluable as we capitalize on these and other programs to create growing value for our shareholders. As we indicated just a few weeks ago, our lead development asset, 358, has achieved clinical proof-of-concept and is ready for advancement to the next stage of clinical development. Our intention is to maximize the value of 358 for shareholders through a licensing agreement, either now or after continued investment to improve its value to a prospective partner. We believe this approach will expedite patient access to this important new therapy for those in need of new treatment options in hyperinsulinemic hypoglycemia."

Mr. Perry joined BVF in December 1996 and has been a successful lead investor in dozens of transactions, positively assisting corporate direction for more than twenty years. BVF is a private investment partnership that manages over \$1 billion and focuses on value-oriented investment opportunities. Mr. Perry is also a co-founder and director of Nordic Biotech Advisors ApS, a venture capital firm based in Copenhagen, Denmark. Mr. Perry graduated from the College of William and Mary with a B.S. from the Biology department.

"XOMA has one of the most extensive portfolios of licensed assets in the life sciences industry, and we believe this portfolio will generate significant milestones and royalties in the future. In addition, the XOMA team has a broad range of wholly owned assets that address unmet medical needs, particularly in orphan indications and oncology," said Mr. Perry. "I am looking forward to being an active board member and helping the company realize its full growth potential by supporting this journey to further harness its 30-plus years of innovation."

"Matthew and his team at BVF have clearly demonstrated their belief that there is significant unrecognized value in XOMA," added Tom Burns, Vice President, Finance, and Chief Financial Officer of XOMA. "The substantial cost reductions we announced in December, BVF's investment, and the out-license potential of our unpartnered programs significantly extend our cash runway, enabling us to retain the full value of our partnered programs and help shareholders to fully realize the value of our investment in research and development."

About XOMA Corporation

XOMA discovers and develops innovative antibody therapeutics. XOMA has an extensive portfolio of products, programs, and technologies that are the subject of licenses the company has in place with other biotech and pharmaceutical companies. There are more than 20 such programs that are fully funded by partners and could produce milestone payments and royalty payments in the future. XOMA continues to advance Phase 2 development activities for 358, an allosteric monoclonal antibody that reduces insulin receptor activity, as the antibody could have a major impact on the treatment of hyperinsulinism, particularly congenital hyperinsulinism and hypoglycemia after bariatric surgery. For more information, visit www.xoma.com.

Forward-Looking Statements

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: our extensive portfolio of products and technologies expected to generate substantial milestone payments and royalties over time; creating growing value for our shareholders; the future progress of the 358 clinical program; our intent to maximize the value of 358 through a licensing agreement; our belief that licensing 358 will expedite patient access to 358; our portfolio of assets that address unmet medical needs, particularly in orphan indications and oncology; our cash runway; and our future

growth potential. The words "estimate," "anticipate," "intend," "expect," "potential" and similar expressions are intended to identify forward-looking statements. These statements are based on assumptions that may not prove accurate. Actual results and the timing of events could differ materially from those anticipated in such forward-looking statements as a result of various risks and uncertainties, which include risks related to XOMA's business strategy, its clinical programs, ability to receive potential milestones and royalty payments, current economic and financial market conditions and other risks that are described in more detail in "Risk Factors" contained in XOMA's most recent Quarterly Report on Form 10-Q for the quarter ended September 30, 2016. XOMA undertakes no obligation to publicly update any forward-looking statements, regardless of any new information, future events or other occurrences. You are advised, however, to consult any additional disclosures made by XOMA in its reports to the SEC on Forms 10-K, 10-Q and 8-K.

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