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XOMA Announces Full Repayment of Hercules Technology Growth Capital Debt Obligation

Company extinguishes Hercules term loan; repayment further reduces operating expenses and strengthens XOMA's balance sheet, reflecting its new business strategy

BERKELEY, Calif., March 22, 2017 (GLOBE NEWSWIRE) -- XOMA Corporation (Nasdaq:XOMA), a pioneer in the discovery and development of therapeutic antibodies, announced today it has fully prepaid the outstanding balance of approximately \$6.5 million under the Company's term loan with Hercules Technology Growth Capital, Inc., in accordance with the terms of the loan agreement.

"This loan prepayment is another important step in our strategy to reduce debt and strengthen our balance sheet, as we continue to pursue our goal of becoming a profitable company," said Jim Neal, Chief Executive Officer of XOMA. "We have decreased our debt by approximately \$16.7 million, or 39 percent, in the past three months. We continue our focus on initiatives that enhance our financial position. Our lean cost structure gives us the opportunity to reach positive cash flow more quickly, creating value for shareholders as we realize multiple revenue streams from our portfolio of programs that are fully funded by partners across the biopharma landscape."

XOMA funded this extinguishment using, in part, proceeds of the approximately \$25 million equity offering to Biotechnology Value Fund, L.P., completed in February 2017.

About XOMA Corporation

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. Many of these licenses are the result of the Company's pioneering efforts in the discovery and development of antibody therapeutics. There are more than 20 such programs that are fully funded by partners and could produce milestone payments and royalty payments in the future. In order to maximize its value in a licensing transaction, XOMA continues to invest in X358, an allosteric monoclonal antibody that reduces insulin receptor activity, as the antibody could have a major impact on the treatment of hyperinsulinism. For more information, visit www.xoma.com.

Forward-Looking Statements

Certain statements contained in this press release are forward-looking statements, including our ability to reach positive cash flow and profitability and recognize revenue from our portfolio of fully funded programs, 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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