Zydus and XOMA Announce IL-2-Based Immuno-Oncology Therapy Licensing Agreement

Zydus gains exclusive rights to develop and commercialize XOMA's IL-2 antibody

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AHMEDABAD, INDIA and EMERYVILLE, Calif., March 9, 2020 (GLOBE NEWSWIRE)

Zydus Cadila, an innovation-driven global pharmaceutical company, and XOMA Corporation (Nasdaq: XOMA) today announced they have entered into a licensing agreement to advance an IL-2-based immuno-oncology (IO) drug candidate that combines Zydus' IL-2 with XOMA's novel anti-IL-2 monoclonal antibody.

As part of the agreement, Zydus will advance the new IO candidate through formal clinical trials. Zydus has been granted exclusive rights to develop and commercialize the therapy in India, Brazil, Mexico and other emerging markets, and XOMA has the potential to receive single-to double-digit royalties on commercial sales in those territories. XOMA retains rights in all other territories (i.e., XOMA territory). Through this collaboration, Zydus will develop the new IO drug candidate through human proof-of-concept and each company has the potential to receive pre-defined shares of future proceeds that may arise from licensing and commercialization activities.

Speaking about the development, Managing Director of the Zydus group, Dr. Sharvil Patel said, "IL-2 will be the backbone of IO-based therapies for cancer treatment in the future. In this win-win agreement, we see a great strategic fit between our IL-2 and XOMA's anti-IL-2 monoclonal antibody as together they have the potential to provide a safe and efficacious medicine to address the unmet needs of patients living with cancer."

Jim Neal, Chief Executive Officer at XOMA commented, "IL-2 has long been recognized as an effective anti-tumor agent, but its utility has been limited by its toxicity. XOMA has developed unique, fully human antibodies that promote IL-2 action specifically to the cytotoxic effector immune cell populations relevant for anti-tumor activity while simultaneously limiting the unwanted stimulation of immunosuppressive T cells, thereby minimizing its undesired side effects. This IL-2 and monoclonal antibody combination has the potential to turn the immune system against the cancer cells, and Zydus is an ideal partner to advance this combination through clinical development."

About Zydus

Zydus Cadila is an innovative, global pharmaceutical company that discovers, develops, manufactures and markets a broad range of healthcare therapies, including small molecule

drugs, biologic therapeutics, and vaccines. Over the last several years, Zydus Biologics has developed significant capabilities in non-clinical, clinical development, scale-up, and manufacturing biologicals, having successfully developed a portfolio of 30+ biologics, with 12 biologics receiving marketing authorization.

The group employs nearly 25,000 people worldwide, including 1,400 scientists engaged in R & D, and is dedicated to creating healthier communities globally. www.zyduscadila.com

About XOMA Corporation

XOMA has built a significant portfolio of products that are licensed to and being developed by other biotechnology 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 licenses to programs with third-party funding. For more information, visit www.xoma.com.

XOMA Corporation 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 potential of XOMA's portfolio of partnered programs and licensed technologies generating substantial milestone and royalty proceeds over time and creating additional value for the stockholders. 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. 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.

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