
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported) March 11, 2019

XOMA CORPORATION

(Exact name of registrant as specified in its charter)

000-14710
(Commission
File Number)

Delaware
(State or other jurisdiction
of incorporation)

52-2154066
(IRS Employer
Identification No.)

**2910 Seventh Street, Berkeley,
California**
(Address of principal executive offices)

94710
(Zip Code)

Registrant's telephone number, including area code (510) 204-7200

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 7.01 Regulation FD Disclosure

Beginning on March 12, 2019, XOMA Corporation (the “Company”) will participate in conferences with investors and analysts during the Cowen and Company 38th Annual Health Care Conference in Boston, Massachusetts. A copy of the Company’s presentation materials has been posted to the Company’s website and is attached hereto as Exhibit 99.1.

Limitation of Incorporation by Reference

In accordance with General Instruction B.2. of Form 8-K, this information, including the Exhibit, is furnished pursuant to Item 7.01 and shall not be deemed to be “filed” for the purpose of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section. The information in this Item 7.01 of this Current Report on Form 8-K will not be deemed an admission as to the materiality of any information that is required to be disclosed solely by Regulation FD.

Cautionary Statements

This filing and the presentation include “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we can give no assurance that such expectations will prove to be correct. Important factors that could impair the Company’s royalty assets or business are disclosed in the “Risk Factors” contained in the Company’s 2018 Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 7, 2019, and updated in subsequent filings. All forward-looking statements are expressly qualified in their entirety by such factors. We do not undertake any duty to update any forward-looking statement except as required by law

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

<u>Number</u>	<u>Description of Document</u>
99.1	Presentation

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: March 11, 2019

XOMA Corporation

By: /s/ Thomas Burns
Thomas Burns
Senior Vice President, Finance and
Chief Financial Officer



CORPORATE
PRESENTATION

March 2019

NASDAQ: XOMA

A Royalty Aggregation Company



DISCLAIMERS

Certain statements in this presentation 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: future potential monetization opportunities, active transactions with significant financial implications, collaborations poised for significant financial contribution, our library of potentially value-generating assets, future potential for milestone and royalty payments, the potential of our antibody discovery engine, potential out-licensing of our internal compounds and products, the ability of our partners and their licensees to successfully develop their pipeline programs, the productivity of acquired assets, our revenue forecasts, upcoming internal milestones and value catalysts, our future cash needs, our strategy for value creation, and other statements that relate to future periods. These statements are not guarantees of future performance and undue reliance should not be placed on them. They 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 statements represent XOMA's views only as of the date of this presentation 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 law.

NOTE: All references to "portfolio" in this presentation are to milestone and/or royalty rights associated with a basket of drug products in development. All references to "assets" in this presentation are to milestone and/or royalty rights associated with individual drug product candidates in development.

 XOMA

XOMA SNAPSHOT

- **Monetizing and aggregating pre-commercial drug royalties**
 - Use portfolio approach to expand number of royalty positions
 - Differentiate by focusing on development-stage assets with blockbuster potential licensed to large-cap partners
- **Providing exposure, through royalties, to the upside potential of biotech**
 - Capital-efficient model where R&D costs are borne by partners
 - Cash inflows from interim milestone payments
 - Exposure risk mitigated through portfolio effects
- **Expected value appreciation driven by:**
 - Assets advancing in hands of partners
 - Acquiring additional assets to expand revenue potential and further mitigate risk
- **Portfolio of 45 assets today and growing**

XOMA'S PORTFOLIO MODEL



Traditional Biotech Companies

Fund and perform internal research and development; expensive and can take up to 15 years. Many programs fail but those that succeed can be incredibly valuable.



XOMA's Approach

Accumulate and hold milestone and royalty interests in multiple assets partnered with pharmaceutical companies who conduct and fund R&D.

XOMA vs. Traditional Biotech Industry



Biotech Industry Characteristics

LONG PRODUCT LIFE CYCLES

HIGH CAPITAL REQUIREMENTS

LOW SUCCESS PROBABILITY

XOMA Royalty Aggregator Strategy

Hold royalty interests for the long-term

Development costs borne by partners

Large diversified portfolio mitigates single asset risk



Opportunities Abound for Royalty Monetization

1,988

TOTAL LICENSING DEALS 2014 - 2018

PHASE 3
LICENSING DEALS:

236

PHASE 2
LICENSING DEALS:

343

PHASE 1
LICENSING DEALS:

194

PRECLINICAL / OTHER
LICENSING DEALS:

1,215

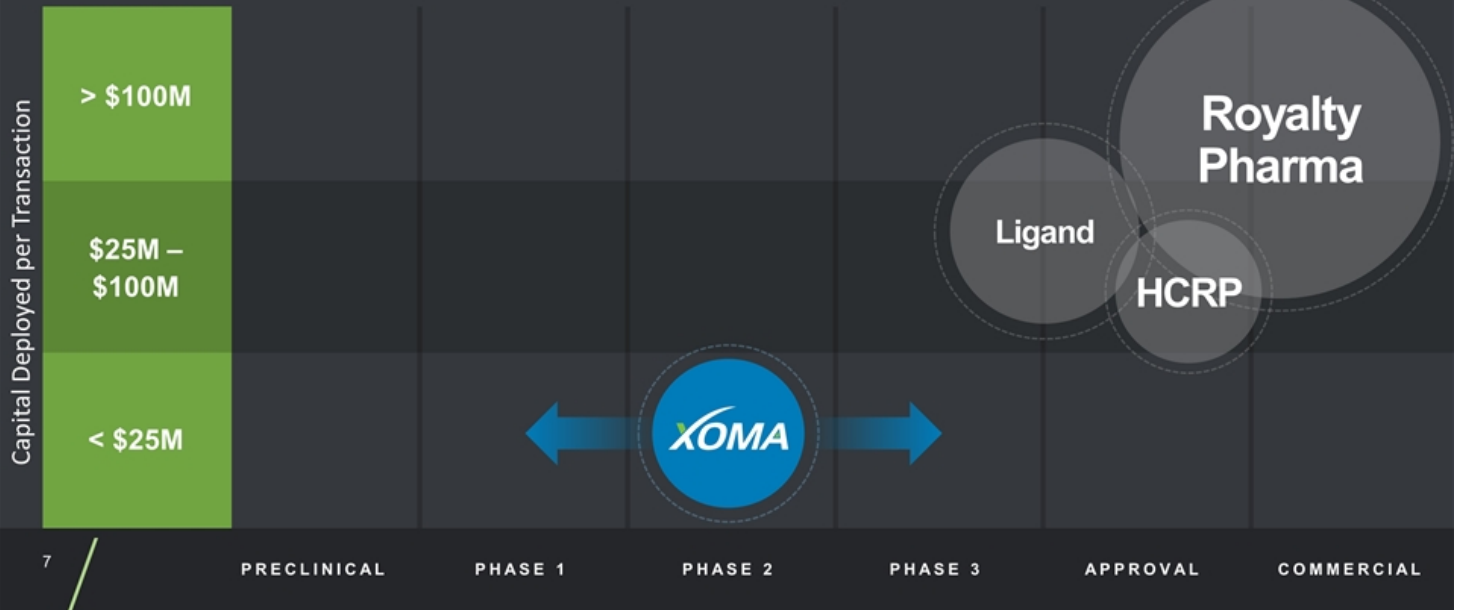
Biotech & Pharma License Transactions

consist of:

- Milestone payments
- Royalty obligations

Companies' funding needs increase over time

XOMA IS POSITIONED TO MONETIZE ROYALTIES ON MID-TO EARLY STAGE CLINICAL ASSETS



XOMA'S COMPETITIVE ADVANTAGE

Typical Small/
Mid-Cap Biotech

XOMA

PORTFOLIO SIZE

1 - 3 assets

45 assets

PORTFOLIO FOCUS

Narrow

Diversified

PROBABILITY OF AN APPROVAL

Low

High

RISK : RETURN POTENTIAL

High : High

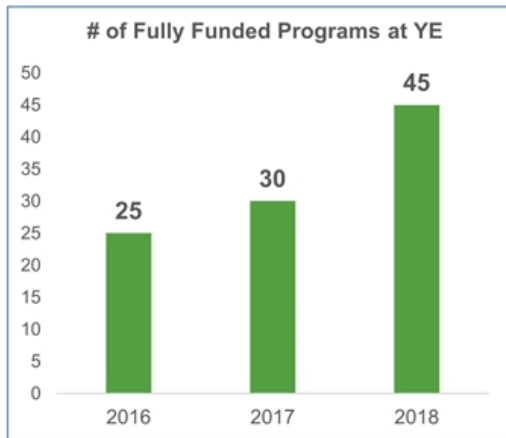
Low : Mid / High

CAPITAL

User

Provider

MEASURING XOMA'S INTRINSIC VALUE TODAY



XOMA portfolio profile

- 45 assets and growing
- > 60% of assets in mid-stage development
- Many with blockbuster revenue potential

Typical XOMA economics

- Development & Sales milestones
- Royalty rate: ~3%
- Royalty term: 8 – 12 years post commercialization

XOMA'S MODEL: HOLD & BUY MORE

HOLD LEGACY ASSETS

Allow **current portfolio** of assets to advance, fully funded by Partners; hold milestone & royalty payment rights

38 ASSETS

BUY MORE & HOLD

Acquire rights to **additional** potential milestone & royalty assets

7 ASSETS

**TOTAL:
45
ASSETS**

XOMA'S MODEL: HOLD & BUY MORE



HOLD

**ALLOW PORTFOLIO OF ASSETS TO ADVANCE,
FULLY FUNDED BY PARTNERS; HOLD MILESTONE
& ROYALTY PAYMENT RIGHTS**

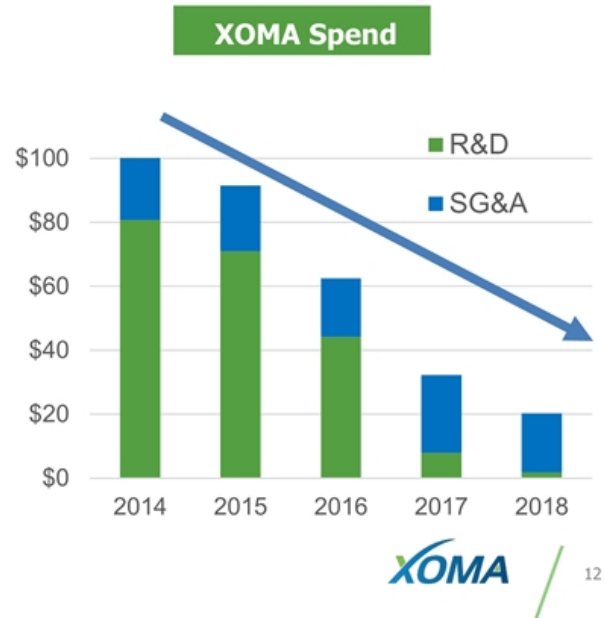


BUY MORE & HOLD

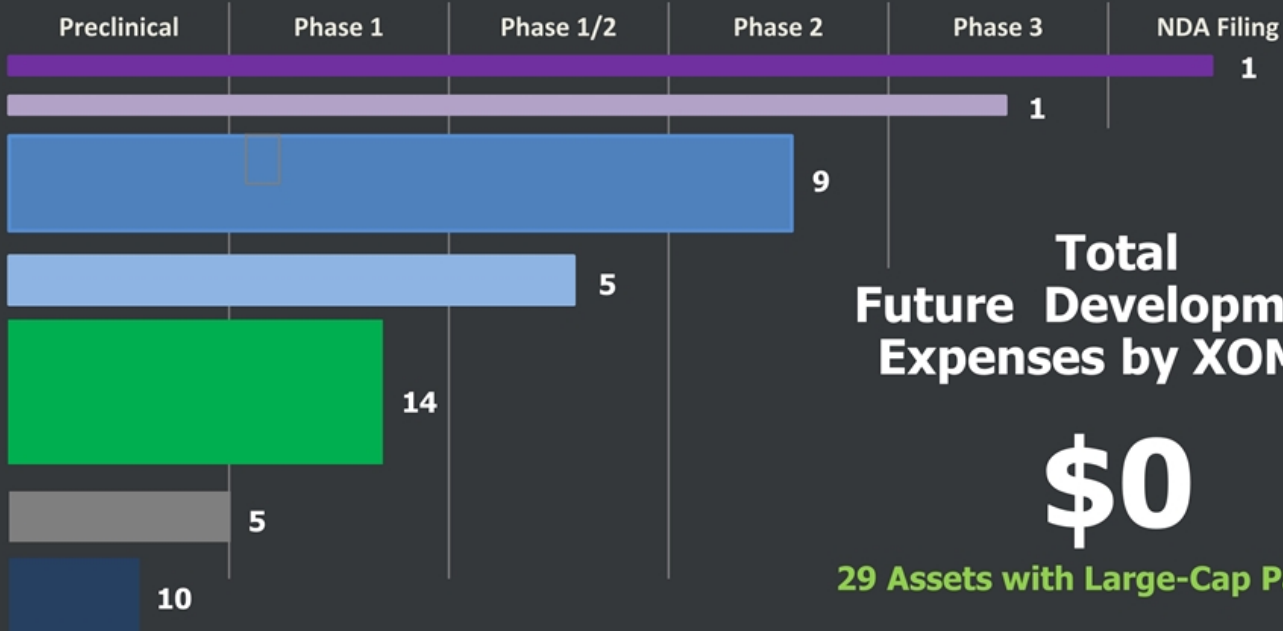
**ACQUIRE MILESTONE AND ROYALTY RIGHTS
TO ADDITIONAL FULLY FUNDED ASSETS**

HOLD STRATEGY COMPONENT REQUIRES 2 THINGS

1. **PATIENCE** TO PROVIDE TIME FOR UNDERLYING DRUG ASSETS TO ADVANCE THROUGH THE YEARS OF DISCOVERY, DEVELOPMENT AND APPROVAL
1. A **LEAN INFRASTRUCTURE** TO MINIMIZE COSTS



XOMA'S Portfolio - 45 Partnered Programs

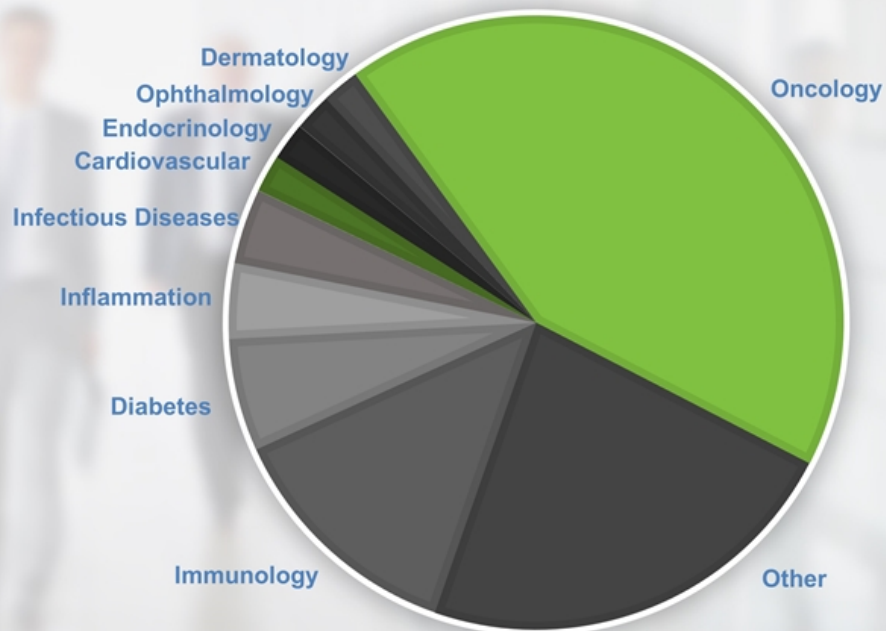


**Total
Future Development
Expenses by XOMA:**

\$0

29 Assets with Large-Cap Partners

DIVERSIFICATION: 45 ASSETS ACROSS 10+ THERAPEUTIC CATEGORIES



XOMA'S PORTFOLIO KEY HIGHLIGHTS

COMPANY	ASSET & PHASE OF DEVELOPMENT	POTENTIAL MILESTONES	ROYALTY %
Novartis	CFZ533 (Anti-CD40) <i>Phase 2</i>	\$14M	Mid single digits – low teens
Takeda	TAK-079 (Anti-CD38) <i>Phase 1b/2</i>	\$21M	4%
Novartis	NIS793 (Anti-TGFβ) <i>Phase 1b</i>	\$480M	Mid-single digits – low teens
Rezolute	XOMA 358 <i>Phase 2</i>	\$232M	High single digits – low teens
Novartis	VPM087 (Gevokizumab IL-1β) <i>Phase 1b</i>	\$438M	High single digits – mid teens
Sesen	Vicinium <i>One Phase 3 complete</i>	\$250,000	Low single-digit
Five Prime	Phage display library <i>Early Stage</i>	Undisclosed	Low single-digit



NOVARTIS' EXPANSIVE DEVELOPMENT OF ANTI-CD40

INDICATION	PHASE	STATUS	STUDY SIZE	START DATE
Lupus Nephritis	2	Recruiting	60	8/18
Systemic Lupus Erythematosus	2	Recruiting	120	9/18
Kidney Transplant	2	Recruiting	325	9/18
Liver Transplant	2	Not yet recruiting	128	12/18
Hidradenitis Suppurativa	2	Not yet recruiting	90	2/19
Primary Sjogren's Syndrome	2	Completed	66	
Graves' Disease	2	Completed	15	
Moderate to Severe Myasthenia Gravis	2	Completed	44	
de Novo Renal Transplantation	1/2	Completed	59	Advanced to Phase 2 (see above)
Rheumatoid Arthritis	1	Completed	75	



SIGNIFICANT ROYALTY REVENUE POTENTIAL

ASSETS BY PROJECTED PEAK SALES POTENTIAL

Royalty Rate at Projected Peak Sales	< \$500M (15 assets)	\$500M - \$1B (11 assets)	≥ \$1B (19 assets)
< 2.5%	9	8	9
2.5% - <7.5%	5	2	7
7.5% - 15%	1	1	3
	4 of 15 with Large-Cap Partners	8 of 11 with Large-Cap Partners	17 of 19 with Large-Cap Partners

Illustrative Example

If a partnered product were to achieve \$1B in annual sales, and XOMA held a 3% royalty on that product, XOMA would receive \$30M annual royalty revenue plus any interim revenue from development & regulatory milestones

XOMA'S MODEL: HOLD & BUY MORE



HOLD

ALLOW CURRENT PORTFOLIO OF ASSETS TO ADVANCE, FULLY FUNDED BY PARTNERS; HOLD MILESTONE & ROYALTY PAYMENT RIGHTS



BUY MORE & HOLD

ACQUIRE MILESTONE & ROYALTY RIGHTS TO ADDITIONAL FULLY FUNDED ASSETS

XOMA ACQUISITION STRATEGY IS DISTINCT

- Acquire milestone and royalty licenses to high-potential, fully funded assets
- Focus on mid-clinical stage assets
- Partner companies pay all development costs
- Ever-increasing pipeline of potential targets
- Team entirely focused on acquiring new royalty assets

THE BENEFITS TO ASSET SELLERS

- Recognize value of non-dilutive, non-recourse financing
- Few options to monetize license agreements associated with partnered mid-stage clinical assets
- Immediate cash infusion to advance high-priority internal programs to improve human health

KEY ATTRIBUTES OF XOMA TARGET ASSETS

R_x

PRE-COMMERCIAL THERAPEUTIC ASSETS

Phase 1, 2, or 3

31

LONG DURATION OF MARKET EXCLUSIVITY

Patent expiration or regulatory exclusivity

\$

HIGH REVENUE POTENTIAL

High unmet need or clear clinical benefit over alternatives

↑

STRONG DEVELOPER/MARKETER

Assets partnered with high-quality pharma / biopharma companies

XOMA'S FIRST ROYALTY MONETIZATION TRANSACTION - **AGENUS**

7

Assets with
Large-Cap Partners

33%

of Agenus'
Royalty Interest

10%

of Future
Milestones

100%

Immuno-Oncology
Focus

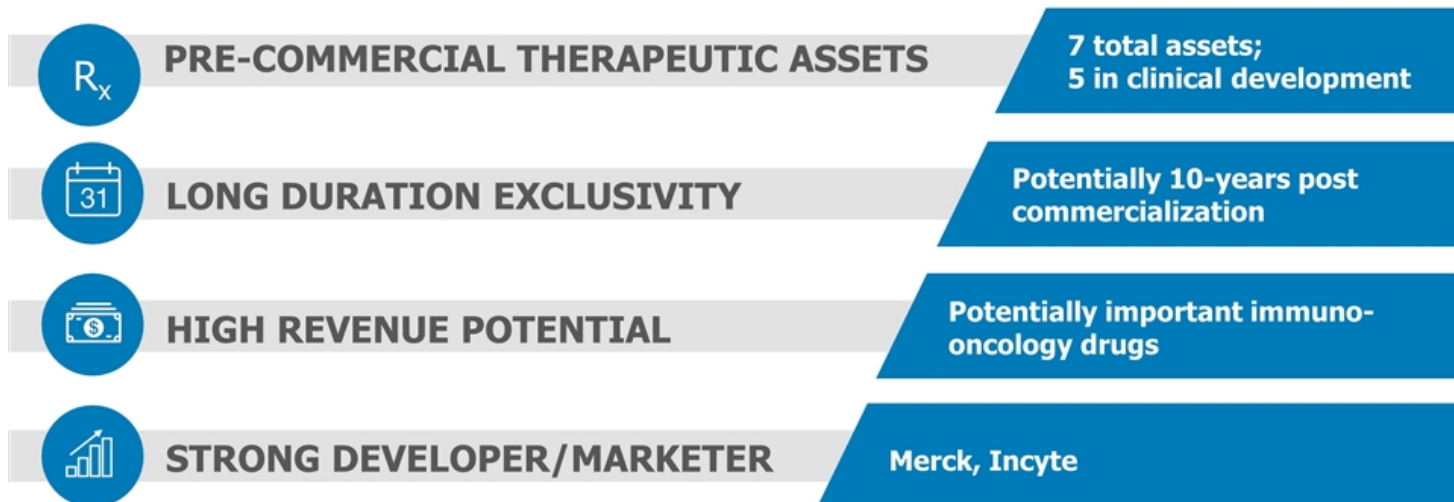
Total XOMA Investment:

\$15M

XOMA

22

AGENUS TRANSACTION HITS ALL KEY ATTRIBUTES OF XOMA TARGET ASSETS



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ASSETS**

RECENT HIGHLIGHTS

Operational

- \$20M Rights Offering led by BVF Partners
- Established \$20M LoC with Silicon Valley Bank
- Acquired milestone & royalty interests in 6 Incyte assets & 1 Merck asset from Agenus for \$15M
- Added \$5.5M to the balance sheet in Feb '19 from Rezolute milestone
- Added Barbara Kosacz, Partner at Cooley LLP, to Board of Directors
- Maintained lean cost infrastructure and financial discipline

Partners & Partnered Assets

- Novartis announced gevokizumab will enter oncology clinical studies
- Sesen Bio disclosed positive top-line Phase 3 data on Vicinium – Jan '19
- Novartis / CFZ533 progress
 - _ Initiated Phase 2 trials:
 - _ Kidney Transplant Rejection
 - _ Systemic Lupus Erythematosus
 - _ Additional Phase 2 trials planned:
 - _ Liver Transplant Rejection
 - _ Hidradenitis Suppurativa



LOOKING AHEAD

Operational

- Acquire additional milestone and royalty interest assets to take portfolio to >50
- Maintain lean cost infrastructure and financial discipline
 - Current balance sheet sufficient to fund operations for multiple years
 - \$1M per month core G&A expense

Partners & Partnered Assets

- Novartis – gevokizumab Phase 1b study – first patient dosing
- Novartis – TGF β advancing to Phase 2
- Incyte – Immuno-oncology programs – data readouts from Phase 1/2 and Phase 1
- Merck – Immuno-oncology program – data readout from Phase 1
- Sesen Bio – Full data readout from Phase 3 Vicinium study

WHY IS XOMA'S PORTFOLIO VALUABLE?

- XOMA holds **45 current assets**; pharmaceutical **partners fund the research & development and cover 100% of costs**
- XOMA sources **royalty rights** through deep industry network
- XOMA constructs an increasingly **diverse and expanding portfolio** to increase odds of success and mitigate binary risk
- XOMA has **low-cost infrastructure**; future potential **revenues largely fall to bottom line**