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

SCHEDULE TO
(Rule 14d-100)

TENDER OFFER STATEMENT UNDER SECTION 14(d)(1) OR 13(e)(1)
OF THE SECURITIES EXCHANGE ACT OF 1934

TURNSTONE BIOLOGICS CORP.

(Name of Subject Company (Issuer))

XOMA ROYALTY CORPORATION
(Name of Filing Persons (Offeror))

Common Stock, Par Value \$0.001 Per Share
(Title of Class of Securities)

98419J206
(CUSIP Number of Class of Securities)

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(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications on Behalf of Filing Persons)

Copies to:

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☒ Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer.

Check the appropriate boxes below to designate any transactions to which the statement relates:

- ☒ third-party tender offer subject to Rule 14d-1.
- ☐ issuer tender offer subject to Rule 13e-4.
- ☐ going-private transaction subject to Rule 13e-3.
- ☐ amendment to Schedule 13D under Rule 13d-2.

Check the following box if the filing is a final amendment reporting the results of the tender offer. ☐

If applicable, check the appropriate box(es) below to designate the appropriate rule provision(s) relied upon:

- ☐ Rule 13e-4(i) (Cross-Border Issuer Tender Offer)
 - ☐ Rule 13d-1(d) (Cross-Border Third-Party Tender Offer)
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This filing relates solely to preliminary communications made before the commencement of a planned tender offer (the “Offer”) by XOMA Royalty Corporation, a Nevada corporation (“Parent”), to purchase all of the issued and outstanding shares of common stock, par value \$0.001 per share (“Shares”), of Turnstone Biologics Corp., a Delaware corporation (“Turnstone”), to be commenced pursuant to the Agreement and Plan of Merger, dated as of June 26, 2025, among Parent, XRA 3 Corp., a Delaware corporation and a wholly owned subsidiary of Parent, and Turnstone (the “Merger Agreement”).

The press release filed herewith as Exhibit 99.1 is neither an offer to purchase nor a solicitation of an offer to sell securities. The Offer for the Shares described in this filing has not commenced. At the time the Offer is commenced, Parent will file a tender offer statement on Schedule TO with the Securities and Exchange Commission (“SEC”), and Turnstone will file a solicitation/recommendation statement on Schedule 14D-9, with respect to the Offer.

Cautionary Note Regarding Forward-Looking Statements

This communication contains forward-looking statements related to Parent and Turnstone and the acquisition by Parent of Turnstone, including express or implied forward-looking statements about the future operations and performance of Turnstone and Parent. These forward-looking statements are within the meaning of U.S. federal securities laws, including, without limitation, statements regarding the anticipated timing of and closing of the proposed Offer, the merger and related transactions contemplated by the Merger Agreement (collectively referred to as the “transactions”). The words “anticipate,” “approximately,” “look to,” “plan,” “expect,” “may,” “will,” “could” or “should,” the negative of these terms or similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. These statements are based on current plans, estimates and projections. By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific. Parent cautions that a number of important factors, including those described in this communication, could cause actual results to differ materially from those contemplated in any forward-looking statements. Any forward-looking statements in this communication are based on management’s current expectations and beliefs and are subject to a number of risks, uncertainties and important factors that may cause actual events or results to differ materially from those expressed or implied by any forward-looking statements contained in this communication, including, without limitation, the impact of actions of other parties with respect to the transactions; the possibility that competing offers will be made; the outcome of any legal proceedings that have been or could be instituted against Parent, Turnstone or their respective directors; the risk that the transactions may not be completed in a timely manner, or at all, which may adversely affect Turnstone’s or Parent’s respective businesses and the price of their respective common stock; the failure to satisfy all of the closing conditions of the transactions contemplated by the Merger Agreement; the occurrence of the events giving rise to payments under the Contingent Value Rights (“CVR”) Agreement; the occurrence of any event, change or other circumstance that could give rise to the termination of the Merger Agreement; the effect of the announcement or pendency of the transactions on Turnstone’s and Parent’s respective businesses and operating results; risks that the transactions may disrupt Turnstone’s or Parent’s respective current plans and business operations; risks related to the diverting of management’s attention from Turnstone’s and Parent’s respective ongoing business operations; general economic and market conditions and the other risks identified in Turnstone’s and Parent’s respective filings with the SEC and subsequent filings with the SEC. Should any risks and uncertainties develop into actual events, these developments could have a material adverse effect on the transactions and/or Turnstone and Parent’s ability to successfully complete the transactions and, with respect to any CVR payment amounts, the consideration ultimately paid to Turnstone stockholders (including whether any payments will be payable at all). In addition, unlisted factors may present significant additional obstacles to the realization of forward-looking statements. Parent cautions investors not to place undue reliance on any forward-looking statements. Any forward-looking statements contained in this communication represent Parent’s views only as of the date hereof and should not be relied upon as representing its views as of any subsequent date. Parent disclaims any obligation to publicly update or revise any such statements to reflect any change in expectations or in events, conditions or circumstances on which any such statements may be based, or that may affect the likelihood that actual results will differ from those set forth in the forward-looking statements.

Additional Information and Where to Find It

The tender offer for the Shares of Turnstone referenced in this communication has not yet commenced. This communication is for informational purposes only and is neither an offer to purchase nor a solicitation of an offer to sell shares, nor is it a substitute for the tender offer materials that Parent will file with the SEC. At the time the tender offer is commenced, Parent will file tender offer materials on Schedule TO, and, thereafter, Turnstone will file a Solicitation/Recommendation Statement on Schedule 14D-9 with the SEC with respect to the tender offer. The Offer will be made only pursuant to the tender offer materials (including an offer to purchase, a related letter of transmittal and certain other tender offer documents) filed with the SEC.

THE TENDER OFFER MATERIALS (INCLUDING AN OFFER TO PURCHASE, A RELATED LETTER OF TRANSMITTAL AND CERTAIN OTHER TENDER OFFER DOCUMENTS) AND THE SOLICITATION/RECOMMENDATION STATEMENT WILL CONTAIN IMPORTANT INFORMATION. HOLDERS OF SHARES OF TURNSTONE'S COMMON STOCK ARE URGED TO READ THESE DOCUMENTS CAREFULLY WHEN THEY BECOME AVAILABLE (AS EACH MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME) BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION THAT HOLDERS OF SHARES OF TURNSTONE'S COMMON STOCK SHOULD CONSIDER BEFORE MAKING ANY DECISION REGARDING TENDERING THEIR SHARES.

The Offer to Purchase, the related Letter of Transmittal and certain other tender offer documents, as well as the Solicitation/Recommendation Statement, will be made available to all holders of shares of Turnstone's common stock at no expense to them. The tender offer materials and the Solicitation/Recommendation Statement will be made available for free at the SEC's website at www.sec.gov or by accessing the Investor Relations section of Parent's website at <https://investors.xoma.com/>.

EXHIBIT INDEX.

Index No.

99.1 Press Release issued by XOMA Royalty Corporation on June 27, 2025



Turnstone Biologics Corp. Enters into Agreement to be Acquired by XOMA Royalty Corporation for \$0.34 in Cash Per Share Plus a Contingent Value Right

EMERYVILLE and SAN DIEGO, Calif., June 27, 2025 (GLOBE NEWSWIRE) – XOMA Royalty Corporation (“XOMA Royalty”) (Nasdaq: XOMA) and Turnstone Biologics Corp. (“Turnstone” or the “Company”) (Nasdaq-CM: TSBX) today announced that they have entered into a definitive merger agreement (“the Merger Agreement”), whereby XOMA Royalty will acquire Turnstone for \$0.34 in cash per share of Turnstone common stock (“Turnstone common stock”) plus one non-transferable contingent value right (“CVR”).

Following a thorough review process conducted with the assistance of its legal and financial advisors, the Turnstone Board of Directors has unanimously determined that the acquisition by XOMA Royalty is in the best interests of all Turnstone stockholders and has approved the Merger Agreement and related transactions.

Terms

Pursuant and subject to the terms of the Merger Agreement, XOMA Royalty will commence a tender offer (the “Offer”) by July 11, 2025, to acquire all outstanding shares of Turnstone common stock. The closing of the Offer is subject to certain conditions, including the tender of Turnstone common stock representing at least a majority of the total number of outstanding shares, a minimum cash balance at closing, and other customary closing conditions. Immediately following the closing of the tender offer, Turnstone will be acquired by XOMA Royalty, and all remaining shares not tendered in the offer, other than shares validly subject to appraisal, will be converted into the right to receive the same cash and CVR consideration per share as is provided in the tender offer. Turnstone stockholders holding approximately 25.2% of Turnstone common stock have signed support agreements under which such stockholders have agreed to tender their shares in the Offer and support the merger transaction. The merger transaction is expected to close in August 2025.

Advisors

Leerink Partners is acting as exclusive financial advisor and Cooley LLP is acting as legal counsel to Turnstone. Gibson, Dunn & Crutcher LLP is acting as legal counsel to XOMA Royalty.

About XOMA Royalty Corporation

XOMA Royalty is a biotechnology royalty aggregator playing a distinctive role in helping biotech companies achieve their goal of improving human health. XOMA Royalty acquires the potential future economics associated with pre-commercial and commercial therapeutic candidates that have been licensed to pharmaceutical or biotechnology companies. When XOMA Royalty acquires the future economics, the seller receives non-dilutive, non-recourse funding they can use to advance their internal

drug candidate(s) or for general corporate purposes. XOMA Royalty has an extensive and growing portfolio of assets (asset defined as the right to receive potential future economics associated with the advancement of an underlying therapeutic candidate). For more information about XOMA Royalty and its portfolio, please visit www.xoma.com or follow XOMA Royalty Corporation on [LinkedIn](#).

About Turnstone

Turnstone Biologics is a biotechnology company historically focused on the development of a differentiated approach to treat and cure patients with solid tumors by pioneering selected tumor-infiltrating lymphocyte ("Selected TIL") therapy. For additional information about Turnstone, please visit www.turnstonebio.com.

XOMA Royalty Forward-Looking Statements/Explanatory Notes

Certain statements contained in this press release are forward-looking statements, including statements regarding the expected timing and ability to satisfy the conditions required to close the tender offer, the merger and other transactions contemplated by the Merger Agreement. In some cases, you can identify such forward-looking statements by terminology such as "expect," "may," or "will," the negative of these terms or similar expressions. These forward-looking statements are not a guarantee of XOMA Royalty's performance, and you should not place undue reliance on such statements. These statements are based on assumptions that may not prove accurate, and actual results could differ materially from those anticipated due to certain risks including that XOMA Royalty does not achieve anticipated net cash after winding down Turnstone's operations and that the conditions to the closing the merger in the Merger Agreement are not satisfied. Other potential risks to XOMA Royalty meeting these expectations are described in more detail in XOMA Royalty's most recent filing on Form 10-Q and in other filings with the Securities and Exchange Commission ("SEC"). Any forward-looking statement in this press release represents XOMA Royalty's beliefs and assumptions 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 Royalty 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.

Turnstone Forward-Looking Statements

This press release contains "forward-looking statements," including, but not limited to, statements regarding the Turnstone's beliefs and expectations and statements about the Offer, the merger and the related transactions, including the timing of and closing conditions to the transactions; the potential payment of proceeds to the Company's stockholders, if any, pursuant to the CVR; and other statements that are not historical fact. These statements may be identified by their use of forward-looking terminology including, but not limited to, "anticipate," "believe," "continue," "could," "estimate," "expect," "goal," "intend," "may," "might," "plan," "potential," "predict," "project," "should," "target," "will," and "would," and similar words expressions are intended to identify forward-looking statements.

Forward-looking statements are neither historical facts nor assurances of future performance and involve risks and uncertainties that could cause actual results to differ materially from those projected, expressed or implied by such forward-looking statements. These risks and uncertainties include, but are not limited to: the possibility that various closing conditions set forth in the Merger Agreement may not be satisfied or waived, including uncertainties as to the percentage of Turnstone's stockholders tendering their shares in the Offer; the possibility that competing offers will be made; the possibility that the conditions to the closing of the merger and related transactions may not be met; the risk that the merger and the related transactions may not be completed in a timely manner, or at all, which may adversely affect Turnstone's business and the price of its common stock; significant costs associated with the proposed transactions; the risk that any stockholder litigation in connection with the transactions may result in significant costs of defense, indemnification and liability; the risk that activities related to the CVR agreement may not result in any value to the Company's stockholders; and other risks and uncertainties discussed in Turnstone's Quarterly Report on Form 10-Q for the quarter ended March 31, 2025, filed with the SEC on May 9, 2025, especially under the caption "Risk Factors," as well as other documents that may be filed by Turnstone from time to time with the SEC. Investors are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this release. Turnstone undertakes no obligation to update any forward-looking statement in this press release, except as required by law.

Additional Information and Where to Find It

The tender offer described in this press release has not yet commenced. This press release is for informational purposes only and is neither a recommendation, nor an offer to purchase nor a solicitation of an offer to sell any shares of the Turnstone common stock or any other securities. On the commencement date of the Offer, a tender offer statement on Schedule TO, including an offer to purchase, a letter of transmittal and related documents, will be filed with the SEC by XOMA and its acquisition subsidiary, and a Solicitation/Recommendation Statement on Schedule 14D-9 will be filed with the SEC by the Company. The Offer to purchase the outstanding shares of Turnstone common stock will only be made pursuant to the offer to purchase, the letter of transmittal and related documents filed as a part of the Schedule TO. **INVESTORS AND SECURITY HOLDERS ARE URGED TO READ THE TENDER OFFER MATERIALS (INCLUDING THE OFFER TO PURCHASE, A LETTER OF TRANSMITTAL AND RELATED DOCUMENTS) AND THE SOLICITATION/RECOMMENDATION STATEMENT ON SCHEDULE 14D-9 REGARDING THE OFFER, AS THEY MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME, WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION THAT INVESTORS AND SECURITY HOLDERS SHOULD CONSIDER BEFORE MAKING ANY DECISION REGARDING TENDERING THEIR SHARES, INCLUDING THE TERMS AND CONDITIONS OF THE OFFER.** Investors and security holders may obtain a free copy of these statements (when available) and other documents filed with the SEC at the website maintained by the SEC at www.sec.gov or by directing such requests to the information agent for the Offer, which will be named in the tender offer statement. Investors and security holders may also obtain, at no charge, the documents filed or furnished to the SEC by the Company and XOMA by accessing the Investor Relations sections of both companies' websites at <https://www.investors.xoma.com> and <https://ir.turnstonebio.com/>.

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