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

SCHEDULE TO
TENDER OFFER STATEMENT UNDER SECTION 14(d)(1) OR 13(e)(1)
OF THE SECURITIES EXCHANGE ACT OF 1934
(Amendment No. 2)

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)

Owen Hughes
XOMA Royalty Corporation
2200 Powell Street, Suite 310
Emeryville, California 94608
Tel. (510) 204-7200
(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications on Behalf of Filing Persons)

Copies to:

Ryan A. Murr
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Gibson, Dunn & Crutcher LLP
One Embarcadero Center, Suite 2600
San Francisco, CA 94111

☐ 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 Amendment No. 2 (this “Amendment”) amends and supplements the Tender Offer Statement on Schedule TO originally filed under cover of Schedule TO on July 11, 2025, as amended by Amendment No. 1 filed with the SEC on July 24, 2025 (together with any subsequent amendments and supplements thereto, the “Schedule TO”), by XOMA Royalty Corporation, a Nevada corporation (“Purchaser”). This Amendment relates to the offer (the “Offer”) to purchase all of the outstanding shares of common stock, par value \$0.001 per share (“Shares”), of Turnstone Biologics Corp., a Delaware corporation (“Turnstone”), for a price per Share of (i) \$0.34 (the “Cash Amount”), payable subject to any applicable tax withholding and without interest, and (ii) one non-transferable contractual contingent value right (“CVR”) for each Share, which shall represent the right to receive potential payments, in cash, described in, and subject to and in accordance with the terms and conditions of, the CVR Agreement (as described below), subject to any applicable tax withholding and without interest (such amount, the “CVR Amount,” and together with the Cash Amount, the “Offer Price”), all upon the terms and subject to the conditions described in the Amended and Restated Offer to Purchase, dated July 23, 2025 (together with any amendments or supplements thereto, the “Offer to Purchase”) and in the related Letter of Transmittal, copies of which are attached to the Schedule TO as exhibits (a)(1)(E) and (a)(1)(B), respectively. The Offer is being made pursuant to the Agreement and Plan of Merger, dated as of June 26, 2025 (together with any amendments or supplements thereto, the “Merger Agreement”), among Turnstone, Purchaser and XRA 3 Corp., a Delaware corporation and a wholly owned subsidiary of Purchaser (“Merger Sub”), a copy of which is filed as Exhibit (d)(1) to the Schedule TO and incorporated herein by reference with respect to Items 4 through 11 of this Amendment.

Except as otherwise set forth in this Amendment, all terms of the Offer and all other disclosures set forth in the Schedule TO and the Exhibits thereto remain unchanged and are hereby expressly incorporated into this Amendment by reference. This Amendment should be read together with the Schedule TO. Capitalized terms used and not otherwise defined in this Amendment shall have the meanings assigned to such terms in the Schedule TO and the Offer to Purchase.

ITEMS 1 THROUGH 9 AND 11

Items 1 through 9 and 11 of the Schedule TO, to the extent such Items incorporate by reference the information contained in the Offer to Purchase, are hereby amended and supplemented as follows:

“Closing of the Merger

The Offer expired as scheduled, one minute past 11:59 p.m. Eastern Time on August 7, 2025 (the “Expiration Date”) and was not extended. The Depositary and Paying Agent has advised Purchaser that, as of the Expiration Date, a total of 17,192,002 Shares were validly tendered into, and not validly withdrawn from, the Offer, representing approximately 74% of Shares that were issued and outstanding as of the Expiration Date. All conditions to the Offer, including the Minimum Tender Condition, having been satisfied or waived, Purchaser irrevocably accepted for payment, and made payment for all Shares validly tendered and not validly withdrawn in the Offer.

On August 11, 2025, Purchaser completed the acquisition of Turnstone pursuant to the terms of the Merger Agreement through the merger of Merger Sub with and into Turnstone in accordance with Section 251(h) of the DGCL, with Turnstone continuing as the surviving corporation in the Merger and thereby becoming a wholly owned subsidiary of Purchaser. At the Effective Time, each issued and outstanding Share not tendered into the Offer (other than any Excluded Shares or Dissenting Shares) was automatically converted into the right to receive the Offer Price.

The Shares ceased to trade on Nasdaq prior to the commencement of trading on August 11, 2025, and Turnstone has requested that Nasdaq file a Notification of Removal from Listing and/or Registration under Section 12(b) of the Exchange Act on Form 25 to delist and deregister the Shares. Purchaser and Turnstone intend to file a certification and notice of termination of registration on Form 15 with the SEC requesting the termination of registration of the Shares under Section 12(g) of the Exchange Act and the suspension of reporting obligations under Section 13 and 15(d) of the Exchange Act with respect to the Shares and take steps to cause the termination of the registration of the Shares under the Exchange Act and suspend all of Turnstone’s reporting obligations under the Exchange Act as promptly as practicable.”

ITEM 12. EXHIBITS.

Item 12 of the Schedule TO is hereby amended and supplemented by adding the following Exhibit to the list of Exhibits:

Index No.

(a)(5)(B)* [Press Release of Purchaser issued on August 11, 2025.](#)

* Filed herewith.

SIGNATURE

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: August 11, 2025

XOMA Royalty Corporation

By: /s/ Owen Hughes

Name: *Owen Hughes*

Title: *Chief Executive Officer*

**XOMA Royalty Announces Closing of Tender Offer for Turnstone Biologics**

- Turnstone Stockholders Received \$0.34 Per Share in Cash Plus Contingent Value Right -

EMERYVILLE, Calif., August 11, 2025 (GLOBE NEWSWIRE) – XOMA Royalty Corporation (NASDAQ: XOMA) (“XOMA Royalty” or the “Company”), a biotechnology royalty aggregator playing a distinctive role in helping biotech companies achieve their goal of improving human health, today announced the Company has successfully completed its previously announced tender offer to acquire all outstanding shares of Turnstone Biologics Corp. (NASDAQ: TSBX) common stock for a price per share of \$0.34 in cash (the “Cash Amount”), plus one non-tradeable contingent value right (“CVR” and together with the Cash Amount, the “Offer Price”).

The tender offer and related withdrawal rights expired one minute after 11:59 p.m. Eastern Time on Thursday, August 7, 2025 (the “Expiration Date”). As of the Expiration Date, a total of 17,192,002 shares of Turnstone common stock were validly tendered, and not validly withdrawn, representing approximately 74% of the outstanding shares of Turnstone common stock as of the Expiration Date. As of the Expiration Date, the number of shares validly tendered in accordance with the terms of the tender offer and not validly withdrawn satisfied the minimum tender condition, and all other conditions to the tender offer were satisfied or waived. Immediately after the Expiration Date, XOMA Royalty irrevocably accepted for payment all shares validly tendered and not validly withdrawn and expects to promptly pay for such shares.

Following the closing of the tender offer, XOMA Royalty merged Turnstone with and into a subsidiary, XRA 3 Corp. (the “Merger”), and all shares of Turnstone common stock that had not been validly tendered were converted into the right to receive the Offer Price. As a result of the Merger, Turnstone became a wholly owned subsidiary of XOMA Royalty. Prior to the opening of trading on The Nasdaq Stock Market LLC (“Nasdaq”) on August 11, 2025, all shares of Turnstone common stock will cease trading on Nasdaq, and Turnstone intends promptly to cause such shares to be delisted from Nasdaq and deregistered under the Securities Exchange Act of 1934, as amended.

Advisors

XOMA Royalty was represented by Gibson, Dunn & Crutcher LLP. Leerink Partners acted as the exclusive financial advisor and Cooley LLP acted as legal counsel to Turnstone.

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](#).

Forward-Looking Statements/Explanatory Notes

Certain statements contained in this press release are forward-looking statements, including statements regarding the payment and timing of payment of the Offer Price to former Turnstone common stockholders and the ability and timing of delisting of Turnstone's common stock. 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, that the timing of the payment or delisting may be delayed and that there are no payments made under the CVRs. 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.

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