

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

OMB APPROVAL

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☒ Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934
or Section 30(h) of the Investment Company Act of 1940

☐ Check this box to indicate that a transaction was made pursuant to a contract, instruction or written plan for the purchase or sale of equity securities of the issuer that is intended to satisfy the affirmative defense conditions of Rule 10b5-1(c). See Instruction 10.

1. Name and Address of Reporting Person *	2. Issuer Name and Ticker or Trading Symbol	5. Relationship of Reporting Person(s) to Issuer
<u>Hughes Owen</u>	<u>XOMA Royalty Corp [XOMA]</u>	(Check all applicable)
(Last) (First) (Middle)	3. Date of Earliest Transaction (Month/Day/Year)	☒ Director 10% Owner
<u>C/O XOMA ROYALTY CORPORATION</u>	<u>07/14/2026</u>	☒ Officer (give title below) Other (specify below)
<u>2200 POWELL STREET, SUITE 310</u>	4. If Amendment, Date of Original Filed (Month/Day/Year)	<u>Chief Executive Officer</u>
(Street)		6. Individual or Joint/Group Filing (Check Applicable Line)
<u>EMERYVILLE CA 94608</u>		☒ Form filed by One Reporting Person
(City) (State) (Zip)		Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed Of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	07/14/2026		J		191,264 ⁽¹⁾⁽²⁾⁽³⁾	D	(1)(2)(3)	0	D	
Common Stock	07/14/2026		J		752 ⁽¹⁾⁽²⁾	D	(1)(2)	0	I	By 401(k) Plan
Depository Shares - 8.375% Series B Cumulative Stock	07/14/2026		D		102,000 ⁽¹⁾⁽⁴⁾	D	(1)(4)	0	D	

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares				
Stock Option (Right to Buy)	\$18.66	07/14/2026		D			100,000	(1)(5)(6)	01/03/2033	Common Stock	100,000	\$0	0	D	
Stock Option (Right to Buy)	\$30	07/14/2026		D			75,000	(1)(5)(6)	01/03/2033	Common Stock	75,000	\$0	0	D	
Performance Stock Units	(1)(7)(8)	07/14/2026		D			116,245	(1)(7)(8)	03/11/2029	Common Stock	116,245	\$0	0	D	
Performance Stock Units	(1)(7)(8)	07/14/2026		D			132,714	(1)(7)(8)	05/18/2026	Common Stock	132,714	\$0	0	D	

Explanation of Responses:

1. Disposed of pursuant to the Agreement and Plan of Merger, dated April 27, 2026, as amended by Amendment No. 1 to the Agreement and Plan of Merger on May 16, 2026 (as amended, the "Merger Agreement"), by and among XOMA Royalty Corporation (the "Issuer"), Ligand Pharmaceuticals Incorporated ("Parent"), Flex Merger Sub, Inc., a wholly-owned subsidiary of Parent ("Merger Sub"), and XOMA Royalty Holdings Corporation ("HoldCo"). Pursuant to the Merger Agreement, on July 14, 2026, the Issuer effected a holding company reorganization, and Merger Sub merged with and into HoldCo (the "Merger"), with HoldCo surviving the Merger as a wholly-owned subsidiary of Parent. Unless context otherwise requires, all references in this Form 4 to the "Issuer" refer to HoldCo, which assumed all obligations of the Issuer under the Merger Agreement.

2. At the time the Merger became effective (the "Effective Time"), pursuant to the Merger Agreement, each issued and outstanding share of common stock, par value \$0.0075 per share, of the Issuer (the "Shares") (other than certain Shares cancelled pursuant to the Merger Agreement and Dissenting Shares (as defined in the Merger Agreement)) automatically converted into the right to receive (i) \$39.00 per Share in cash, without interest, and subject to deduction for any required withholding tax (the "Closing Amount"), plus (ii) an amount of contingent value rights (each, a "CVR") representing a right to receive certain contingent payments subject to and in accordance with the terms of the CVR Agreement (as defined in the Merger Agreement) (the Closing Amount plus CVR, the "Merger Consideration").

3. At the Effective Time, pursuant to the Merger Agreement, each outstanding restricted stock unit ("RSU") became fully vested and cancelled and converted into the right to receive (A) an amount in cash, without interest, and subject to deduction for any required withholding tax, equal to the product of (i) the number of Shares subject to such RSU and (ii) the Closing Amount, plus (B) one CVR for each Share subject to such RSU.

4. Prior to the Effective Time, pursuant to the Merger Agreement, each issued and outstanding share of 8.375% Series B Cumulative Perpetual Preferred Stock, par value \$0.05 per share, of the Issuer (including the Depository Shares) was redeemed by the Issuer in accordance with the terms of the certificate of designation governing such stock, including payment of all accrued and unpaid dividends thereon through the date of such redemption.

5. At the Effective Time, pursuant to the Merger Agreement, each outstanding option to purchase Shares (each, a "Company Stock Option") that had an exercise price per Share that was less than the sum of the Closing Amount and the fair market value of one CVR (each, a "Terminating Company Stock Option") became fully vested and was cancelled, and in exchange therefor, the holder received (i) an amount in cash, without interest, and subject to deduction for any required withholding taxes, equal to the product of (A) the excess of the Closing Amount over the exercise price per Share with respect to such Terminating Company Stock Option and (B) the number of Shares subject to such Terminating Company Stock Option, plus (ii) one CVR with respect to each Share subject to such Terminating Company Stock Option.
6. As of immediately prior to the Effective Time, each Company Stock Option that did not constitute a Terminating Company Stock Option was cancelled and no consideration was delivered in exchange therefor.
7. Immediately prior to the Effective Time, pursuant to the Merger Agreement, each outstanding performance stock unit award ("PSU") automatically converted into and was substituted with a restricted stock unit award (each, a "Converted PSU") with respect to a number of Shares equal to either (x) for each PSU granted on or after March 1, 2026, the excess of (A) 100% of the "Target Shares" (as the term "Target Shares" is defined and set forth in the applicable award agreement governing such PSU) underlying such PSU over (B) the number of "Target Shares" as to which, as of immediately prior to the Effective Time, the "Performance-Requirement" has been achieved, or (y) for each PSU granted prior to March 1, 2026, the excess of (A) the percentage of the "Target Shares" underlying such PSU as to which the "Performance-Requirement" would be satisfied if the "Closing Price" (as defined in the applicable award agreement governing such PSU) were equal to the Closing Amount over
8. (Continued from footnote 7) (B) the number of "Target Shares" as to which, as of immediately prior to the Effective Time, the "Performance-Requirement" has been achieved. Immediately prior to the Effective Time, each Converted PSU was automatically cancelled and converted into the right to receive (A) an amount in cash, without interest, and subject to deduction for any required tax withholding, equal to the product of (i) the number of Shares subject to such Converted PSU and (ii) the Closing Amount, and (B) one CVR for each Share subject to such Converted PSU.

/s/ Maricel Montano, as attorney-
in-fact for Owen Hughes 07/14/2026

** Signature of Reporting Person Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

* If the form is filed by more than one reporting person, see Instruction 4 (b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

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