Xilio Therapeutics Announces Closing of $50.0 Million Public Offering

June 5, 2025

Total gross proceeds of up to $150.0 million before the end of 2026 if all Series B warrants and Series C warrants are exercised for cash

Xilio may elect to cancel unexercised Series B or Series C warrants proportionately to the amount of non-dilutive capital received, under certain circumstances

Financing co-led by new investors Coastlands Capital and Frazier Life Sciences and included participation from Gilead Sciences, Inc., Logos Capital, Samsara BioCapital and other new and existing investors

WALTHAM, Mass., June 05, 2025 (GLOBE NEWSWIRE) -- Xilio Therapeutics, Inc. (Nasdaq: XLO), a clinical-stage biotechnology company discovering and developing tumor-activated immuno-oncology therapies for people living with cancer, today announced the closing of its previously announced underwritten public offering of pre-funded warrants and accompanying common stock warrants for initial gross proceeds of approximately $50.0 million before deducting underwriting discounts and commissions and offering expenses. In addition, if all of the Series B warrants and Series C warrants are exercised in cash at their exercise price of $0.75 per warrant, Xilio would receive up to $100.0 million of additional gross proceeds by the second half of 2026, for total gross proceeds of up to $150.0 million before deducting underwriting discounts and commissions and offering expenses. The financing was co-led by new investors Coastlands Capital and Frazier Life Sciences and included participation from Gilead Sciences, Inc., Logos Capital, Samsara BioCapital and other new and existing institutional investors.

Overview of Pre-Funded Warrants and Common Stock Warrants

In connection with the offering, Xilio issued pre-funded warrants to purchase 66,676,000 shares of common stock (the “pre-funded warrants”), accompanied by Series A warrants to purchase 66,676,000 shares of common stock (or, in certain circumstances, pre-funded warrants) (the “Series A warrants”), Series B warrants to purchase 66,676,000 shares of common stock (or, in certain circumstances, pre-funded warrants) (the “Series B warrants”) and Series C warrants to purchase 66,676,000 shares of common stock (or, in certain circumstances, pre-funded warrants) (the “Series C warrants”). The combined public offering price of one pre-funded warrant, one Series A warrant, one Series B warrant and one Series C warrant, which were sold together but are immediately separable, is $0.7499, which is equal to the combined offering price of the pre-funded warrants, Series A warrants, Series B warrants and Series C warrants, less the $0.0001 per share exercise price of the pre-funded warrants. The offering closed on June 5, 2025, and all of the warrants were sold by Xilio.

The pre-funded warrants and Series A warrants may be exercised for cash or on a net exercise or “cashless” basis, and the Series B warrants and Series C warrants may be exercised for cash or on a net exercise or “cashless” basis provided there is no effective registration statement or prospectus available which covers the Series B warrants and Series C warrants and shares of common stock issuable upon exercise of the Series B warrants and Series C warrants.

The Series B warrants are exercisable at an exercise price of $0.75 per share of common stock between November 1, 2025 and December 2, 2025, subject to the terms of the warrant. If all of the Series B warrants are exercised for cash at their exercise price, Xilio would receive up to $50.0 million in additional gross proceeds before the end of 2025. The Series C warrants are exercisable at an exercise price of $0.75 per share of common stock between June 1, 2026 and December 2, 2026, subject to the terms of the warrant. If all of the Series C warrants are exercised for cash at their exercise price, Xilio would receive up to $50.0 million in additional gross proceeds before the end of 2026. In addition, for each dollar of non-dilutive capital received by Xilio prior to the exercise or expiration of the Series B and Series C warrants, Xilio may elect to cancel a number of warrant shares equal to $1.00 divided by the $0.75 warrant exercise price (or one and one-third warrants) without any compensation paid by Xilio to the warrant holders. For example, if Xilio received $30.0 million in non-dilutive capital, it could elect to cancel 40.0 million of warrant shares.

Xilio intends to use the net proceeds received from the offering to advance the development of its product candidates and for working capital requirements and other general corporate purposes.

Leerink Partners acted as the sole bookrunner for the offering.

A shelf registration statement on Form S-3 (File No. 333-285703), as amended, relating to the securities to be offered in the public offering was initially filed with the Securities and Exchange Commission (the “SEC”) on March 11, 2025, and declared effective on May 8, 2025. The offering was made only by means of a prospectus supplement and accompanying prospectus that form a part of the registration statement. A final prospectus supplement relating to the offering has been filed with the SEC and may be obtained for free by visiting the SEC’s website at www.sec.gov. Copies of the preliminary prospectus supplement and final prospectus supplement relating to the offering may also be obtained by contacting Leerink Partners LLC, Syndicate Department, 53 State Street, 40th Floor, Boston, MA 02109, or by telephone at (800) 808-7525 ext. 6105, or by email at syndicate@leerink.com.

This press release shall not constitute an offer to sell, or a solicitation of an offer to buy these securities, nor shall there be any sale of, these securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.

About Xilio Therapeutics

Xilio Therapeutics is a clinical-stage biotechnology company discovering and developing tumor-activated, or masked, immuno-oncology (I-O) therapies with the goal of significantly improving outcomes for people living with cancer without the systemic side effects of current I-O treatments. The company is leveraging its proprietary platform to advance a pipeline of novel, tumor-activated I-O molecules that are designed to optimize the therapeutic index by localizing anti-tumor activity within the tumor microenvironment.

Cautionary Note Regarding Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, as amended, including, without limitation, statements regarding the use of proceeds of the offering. The words "aim," "may," "will," "could," "would," "should," "expect," "plan," "anticipate," "intend," "believe," "estimate," "predict," "project," "potential," "continue," "seek," "target" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. Any forward-looking statements in this press release are based on management's current expectations and beliefs and are subject to a number of important risks, uncertainties and other factors that may cause actual events or results to differ materially from those expressed or implied by any forward-looking statements contained in this press release. These and other risks and uncertainties are described in greater detail in the sections entitled "Risk Factor Summary" and "Risk Factors" in Xilio's filings with the SEC, including Xilio's most recent Quarterly Report on Form 10-Q and any other filings that Xilio has made or may make with the SEC in the future. Any forward-looking statements contained in this press release represent Xilio's views only as of the date hereof and should not be relied upon as representing its views as of any subsequent date. Except as required by law, Xilio explicitly disclaims any obligation to update any forward-looking statements.

Investor and Media Contact

Scott Young
Vice President, Investor Relations and Corporate Communications
investors@xiliotx.com