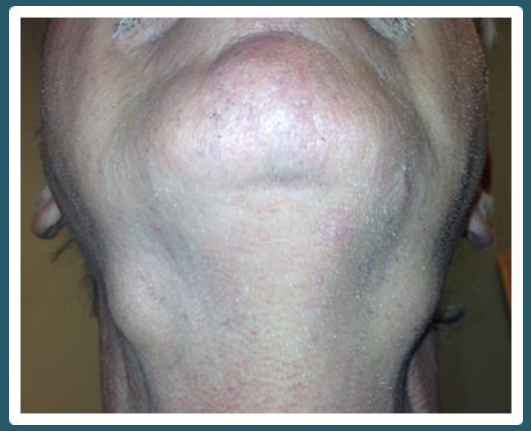
Preliminary Data from the Ongoing Open-Label XmAb5871 Phase 2 Pilot Study in IgG4-Related Disease Presented at American College of Rheumatology (ACR) 2016 Annual Meeting



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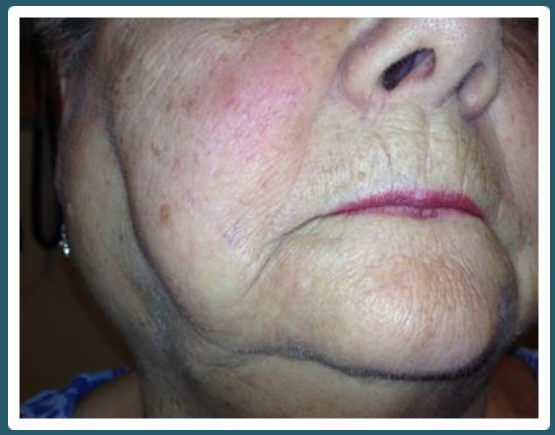

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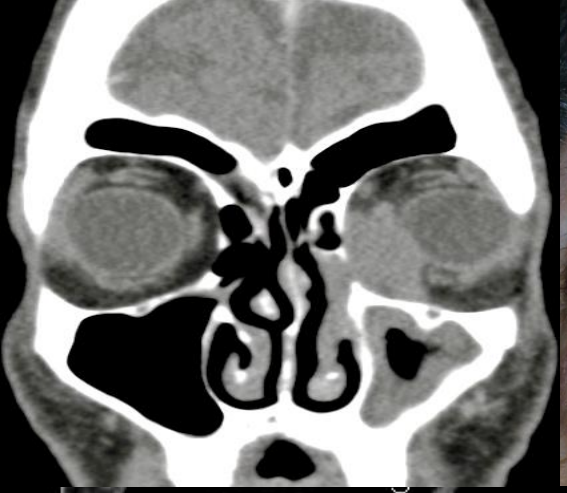
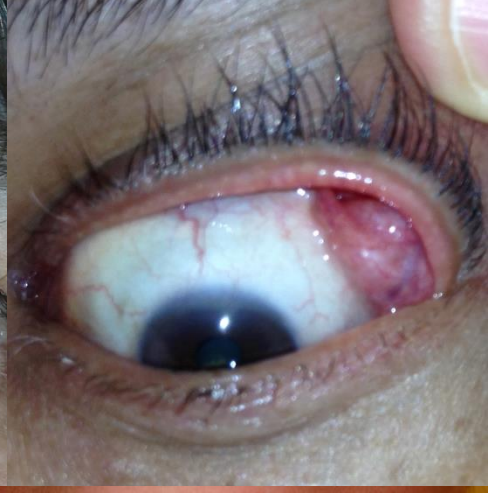
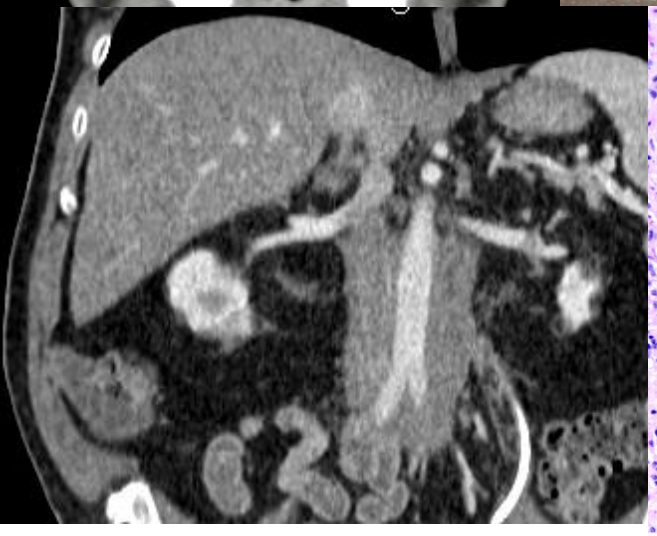
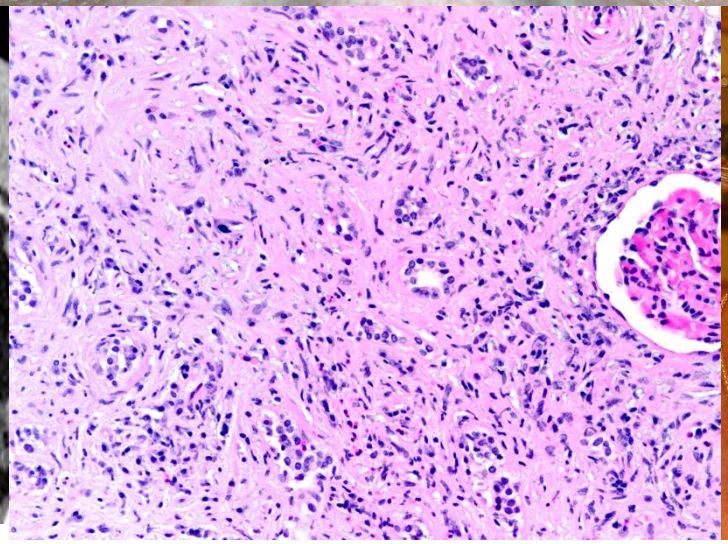
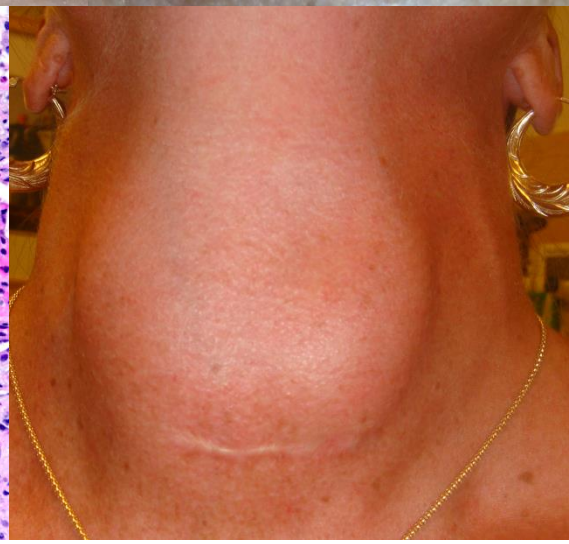
Conflicts of Interest

- Dr. Stone has received research funding from Xencor on the subject of IgG4-related disease.
- Drs. Zack and Foster are full-time employees of Xencor, Inc. and hold stock and stock options.

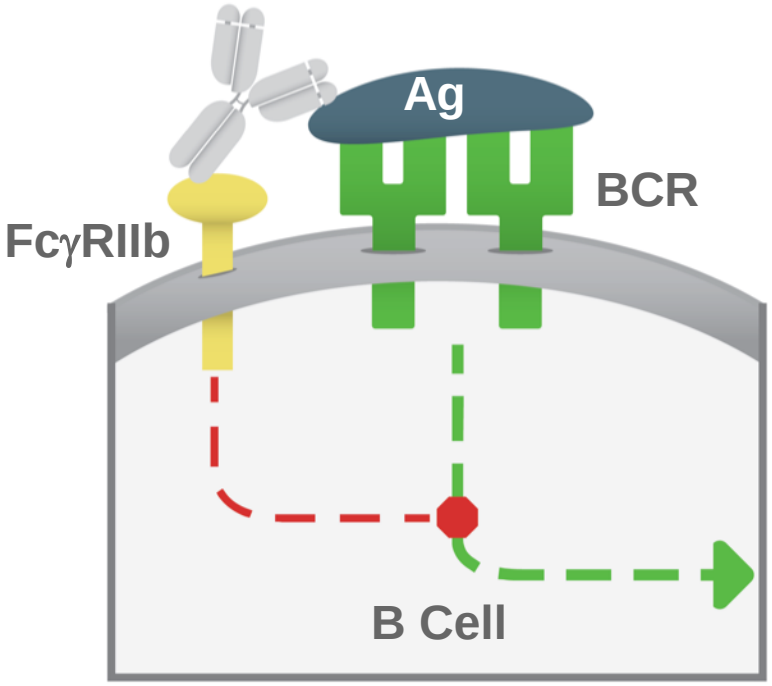


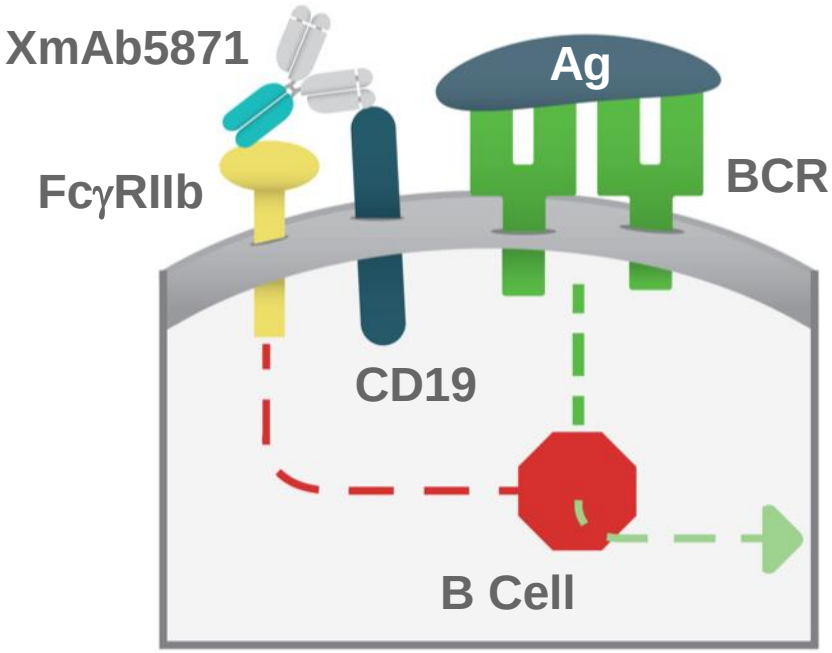
Mimicker of Sjögren's syndrome, granulomatosis with polyangiitis, lupus, Takayasu's arteritis, sarcoidosis, lymphoma, idiopathic membranous glomerulonephropathy

XmAb®5871 Enhances Natural Regulatory Role of FcγRIIb

Natural:
Ag + αAg Immune Complex



XmAb5871:
anti-CD19 with Immune Inhibitor Fc domain



- **Inhibits many activation pathways in both healthy and diseased B cells**
- **Potent suppression of B-cell responses without destroying B cells**

XmAb5871-03: Phase 2 Pilot Trial in IgG4-RD

- **Design:**
  Phase 2, open-label, multiple-dose trial

- **Study Population**:
  Histopathologically-proven, active disease:
  - Disease activity in one or more organ systems AND
  - IgG4-RD RI of ≥ 3

- **Numbers:**
  Target 15 patients (12 enrolled)

- **Study Drug Dose:**
  5 mg/kg of XmAb5871 IV q 14 days (12 doses)

XmAb5871-03 Phase 2 Pilot Study in IgG4-RD

Primary Objective

- To evaluate the effect of XmAb5871 on the IgG4-RD Responder Index (RI) in patients with active IgG4-RD.
- **Primary endpoint:**
  Proportion of patients on Day 169 with decrease in IgG4-RD RI of ≥ 2 points from Day 1 pre-dose disease activity score.

Secondary Objectives

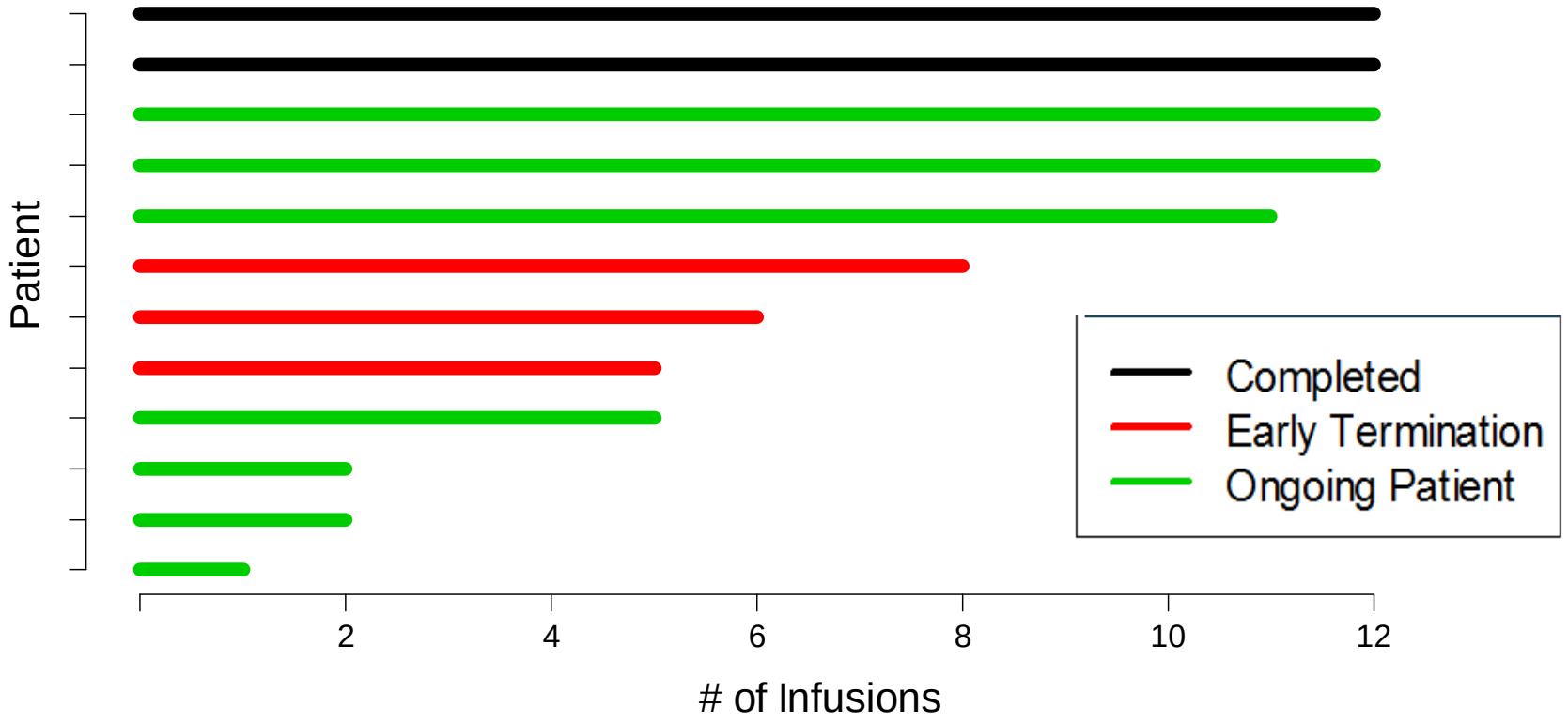
- Safety, tolerability
- Pharmacokinetics, immunogenicity

Exploratory Objectives

- Mechanistic studies
- PET scans

This Trial Is Still In Progress

- Presentation is based on a data cut-off as of October 31, 2016.
- Exposure per patient (n = 12) shown below:



- Median number of infusions: 7 (range 1-12)

Demographics and Disease Characteristics

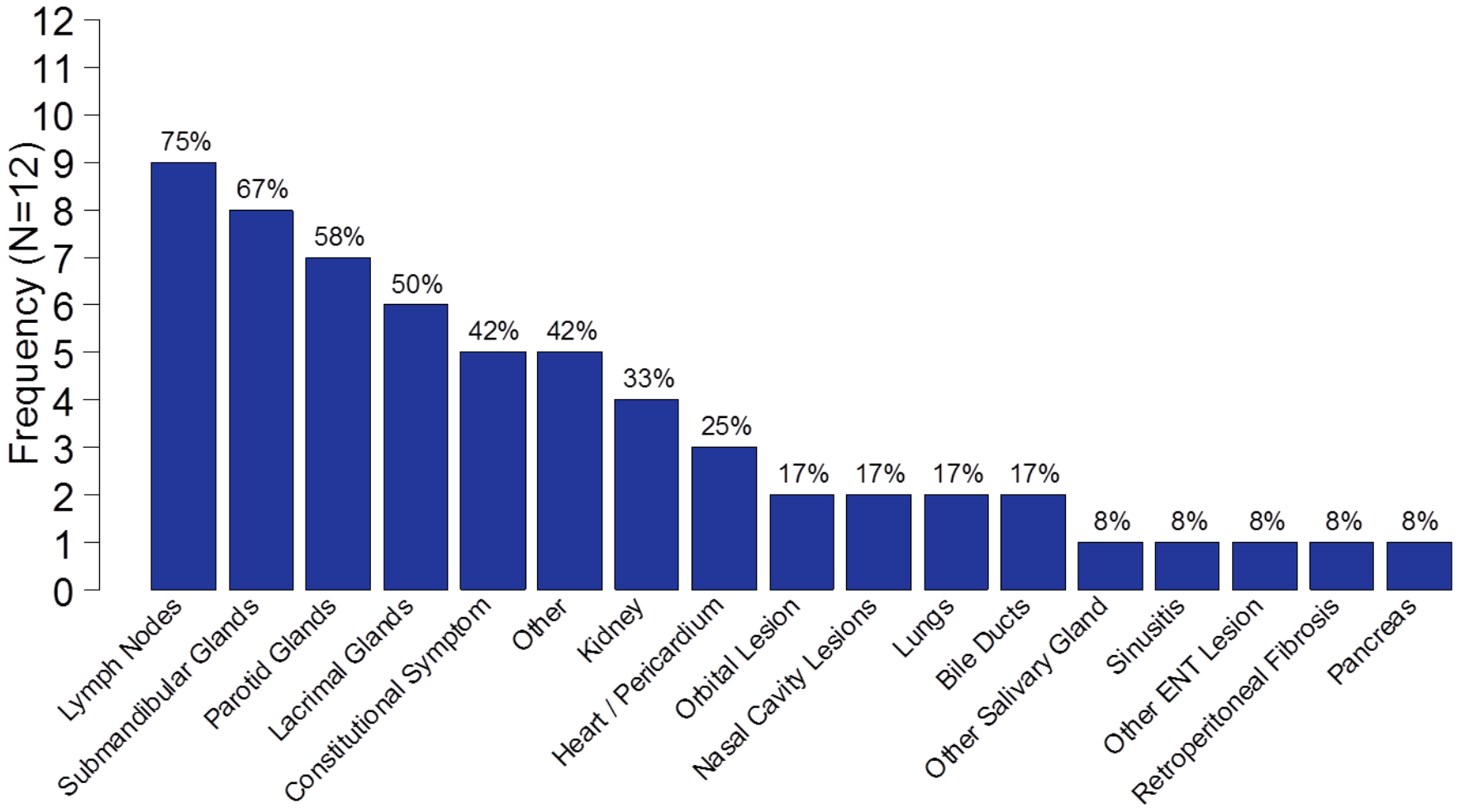
Demographics (N=12)

Age	Years, median (range)	58 (43 - 78)
Sex	Male Female	8 (67%) 4 (33%)
Race	White Black Asian	10 (84%) 1 (8%) 1 (8%)

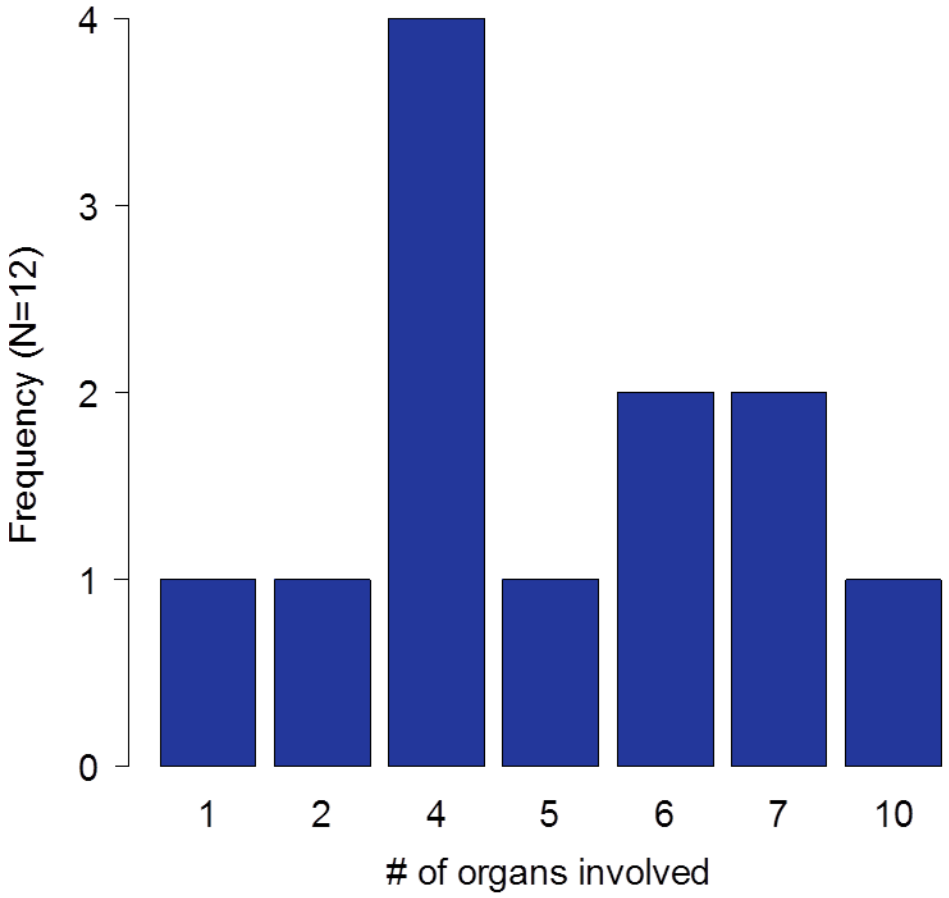
Baseline disease characteristics (N=12)

IgG4-RD Responder Index – median (range)	10 (2 - 30)
IgG4 level (normal 3.9 - 86.4 mg/dl) – median (range)	181 (25 - 2415)
Previously treated – n (%)	8 (67%)

Active Organs At Baseline



Number of Organs Involved At Baseline



Median (Range)	**4 (1-10)**

Summary: Treatment Emergent Adverse Events (TEAEs)

No SAEs have been reported.

TEAEs occurred in 58% of patients and were of mild to moderate severity.

XmAb5871-03 TEAEs in > 1 Patient		
TEAE	All TEAE	Related TEAE*
MedDRA preferred term	Number (%)	Number (%)
Abdominal Pain/Discomfort	4 (33%)	3 (25%)
Headache	2 (16.7%)	2 (16.7%)

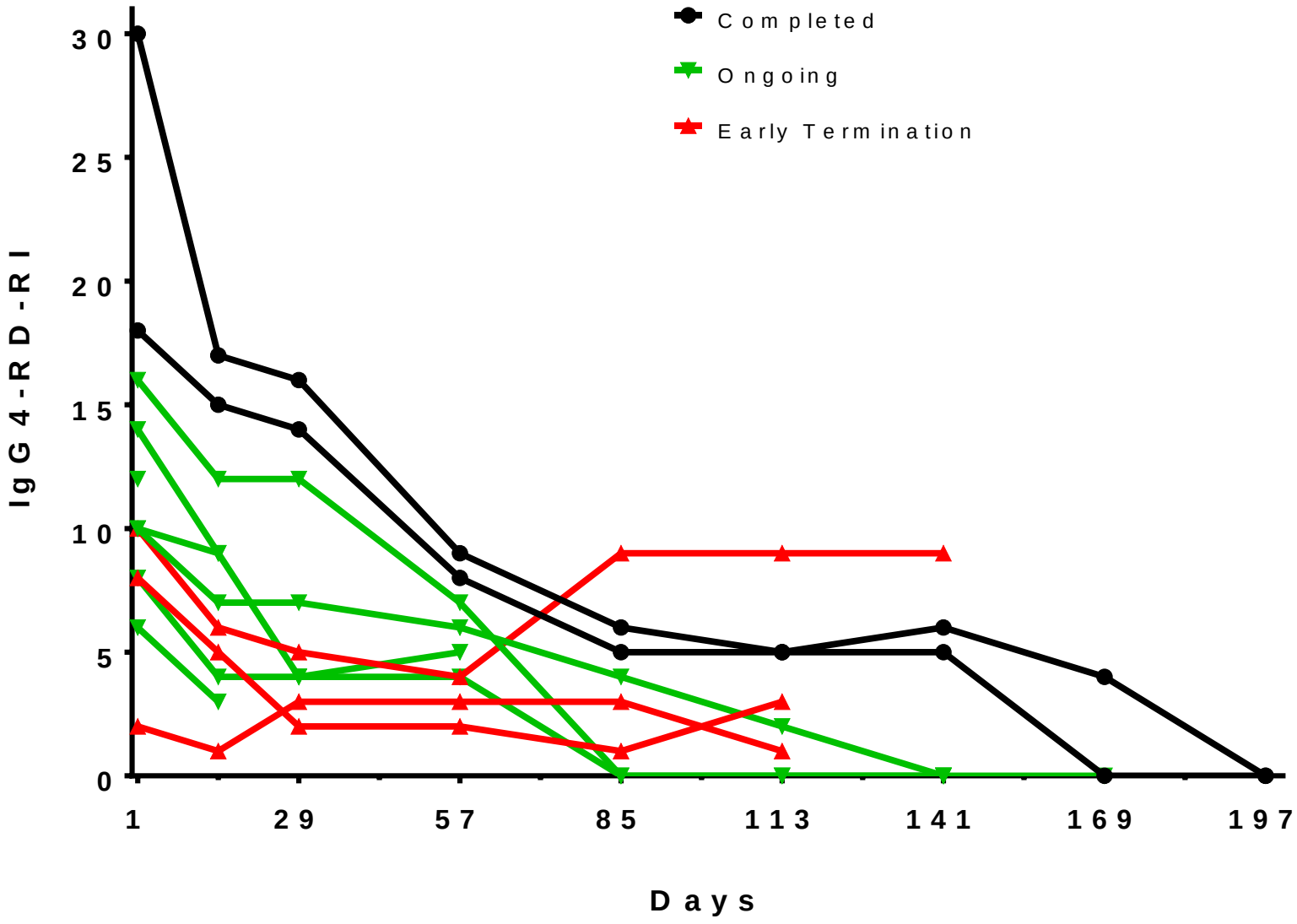
* Related is possibly, probably or definitely related to drug as per the investigator.

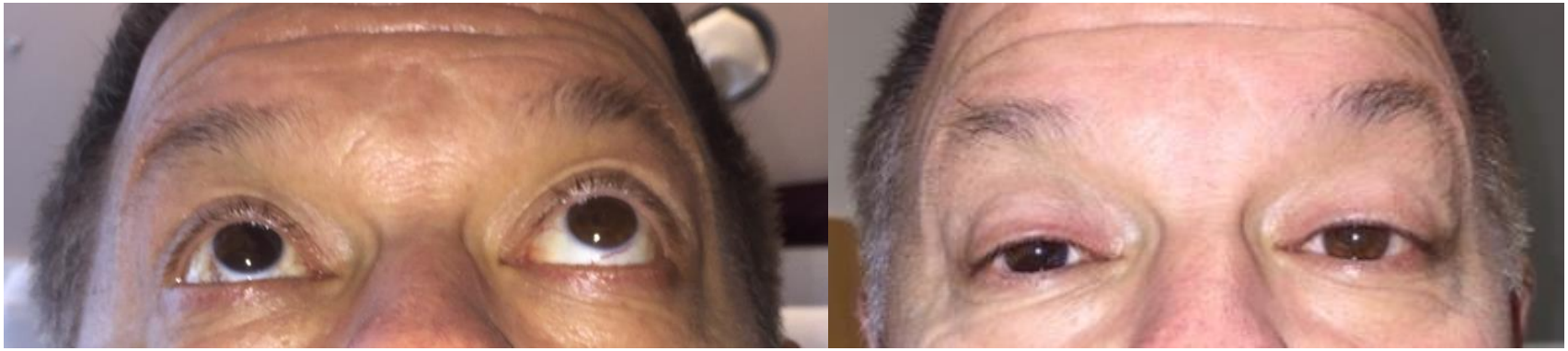
One patient developed a rash and arthritis after her 5th infusion (Day 57). Anti-drug antibodies were positive and the self-limiting event was consistent with serum sickness.

Preliminary Efficacy

- 9 of 11 patients (82%) demonstrated treatment response
  - At least a 3 point decrease in the IgG4-RD RI within two weeks of first dose.
- 5 patients have achieved an IgG4-RD RI of 0.
- 2 patients who were on steroids at baseline were tapered and discontinued successfully.
- One patient with an atypical presentation (single organ, larynx) did not respond.
- A second patient responded initially but lost response on Day 85.
  - Both failed subsequent rituximab, too.

IgG4-RD Responder Index Over Time





Preliminary Conclusions

- XmAb5871 in active IgG4-RD was tolerated well.
- Treatment responses (decrease of IgG4-RD RI of ≥ 2) observed in 9 of 11 patients (82%).
- Initial response to therapy occurred quickly, within two weeks.
- Remission (IgG4-RD RI of 0) attained in 5 patients.
- Steroids tapered and discontinued in two of the patients that were on steroids at entry.
- Enrollment continues.

Thank you!

We thank the patients participating in this trial.