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Xencor Reports Complete Data Results from XmAb7195 Phase 1a Trial Showing Rapid Reduction of Serum IgE in High IgE Atopic Subjects at ATS 2016 International Conference

- 75% of high IgE subjects had reduction of free IgE below limit of detection following a single intravenous infusion across all dose levels -
- Generally well tolerated as an intravenous infusion with transient, asymptomatic thrombocytopenia at doses ≥2.0 mg/kg -

MONROVIA, Calif., May 18, 2016 /PRNewswire/ -- Xencor, Inc. (NASDAQ: XNCR), a clinical-stage biopharmaceutical company developing engineered monoclonal antibodies for the treatment of autoimmune diseases, asthma and allergic diseases and cancer, today announced that it presented complete data results from a Phase 1a, first-in-human study for XmAb®7195. XmAb7195 was generally well tolerated with transient, asymptomatic thrombocytopenia reported at doses ≥2.0 mg/kg, and induced rapid and extensive depletion of serum IgE at all doses tested, including in high IgE subjects. Results of this study support further development in a multiple ascending dose study with subcutaneous administration, expected to begin in 2016. Data are being presented Wednesday May 18, 2016 at 9:00 a.m. PT at the American Thoracic Society (ATS) 2016 International Conference in San Francisco, CA (A6476: Poster Board Number 407).

"These clinical data show rapid and potent suppression of free IgE below the limit of detection, including from single doses in 75% of high IgE subjects (median pre-dose total IgE 489.5 IU/mL). In particular, five of six high IgE subjects dosed at 0.6 mg/kg had undetectable free IgE following infusion. In addition to soluble free and total IgE, basophil surface-bound IgE and basophil IgE receptor levels (FceR1), which are orthogonal measures of IgE presence, showed large and sustained reductions for nearly all subjects," said Paul Foster, M.D., chief medical officer of Xencor. "XmAb7195's three distinct mechanisms of action, in particular accelerated clearance of XmAb7195:IgE immune complexes from the circulation, offers a first-in-class approach to IgE control in allergic diseases including the hardest-to-treat population with high IgE levels."

"The highly effective IgE reduction of XmAb7195 has potential in a range of diseases where IgE is the key mediator of allergic manifestations, including allergic asthma and food allergy," said Bassil Dahiyat, Ph.D., president and chief executive officer of Xencor. "In particular, XmAb7195's potency in high IgE subjects and overall tolerability profile in this Phase 1a trial support our plan to initiate later this year a multi-dose Phase 1 trial with a subcutaneous formulation of XmAb7195."

The data showed rapid reduction in circulating free IgE levels to below the limit of detection (< 9.59 ng/mL) for 93% of XmAb7195 treated healthy adult subjects in Part 1 that had detectable free IgE pre-dose, including those at the lowest dose evaluated of 0.3 mg/kg, with total IgE reduced in a parallel fashion. Five of six high IgE subjects dosed at 0.6 mg/kg XmAb7195 and nine of 12 subjects across all doses had sustained undetectable free IgE following infusion, with a median pre-dose free IgE of 710 ng/mL (424 - 1777 ng/mL). High IgE subjects treated with XmAb7195 single infusions across all dose levels had profound (mean pre-dose 583.5 IU/mL, mean nadir 7.77 IU/mL) reductions of total IgE, which were sustained for at least a week at ≥1.0 mg/kg doses. Total IgE reduction differentiates XmAb7195 from other anti-IgE therapeutic antibodies, which actually increase total IgE levels. Because total IgE assays, unlike free IgE assays, are readily available to clinicians, the effect of XmAb7195 on total IgE levels could enable for the first time simple monitoring, and potentially adjustment, of anti-IgE therapy.

XmAb7195 as an intravenous (IV) infusion was generally well tolerated in the safety population of 54 subjects. The two most common treatment emergent adverse events (TEAEs) were thrombocytopenia and urticaria. All but one TEAE was mild or moderate. One serious adverse event of severe bronchospasm was observed during infusion in an atopic subject with a history of perennial and seasonal allergies. The event responded quickly to discontinuation of the infusion and medical intervention.

The adverse event of thrombocytopenia, which was transient and asymptomatic, was reported in seven out of seven subjects treated with ≥2 mg/kg doses of XmAb7195, and in no subjects treated with < 2 mg/kg. The nadir in platelet count occurred by 24 hours post-infusion and recovery began by 48 hours, with near full recovery by Day 8 in most subjects, at which time serum drug concentrations still exceeded levels that eliminate detectable IgE. Dose-dependent, non-clinically significant, reductions in platelet count were observed in most subjects that received ≥0.75 mg/kg XmAb7195. In Part 3 of the study, decreases in platelet count were seen after the second dose on Day 8 for the 1.0 mg/kg dose level, even for subjects with no detectable free IgE after the Day 1 0.3 mg/kg priming dose, but not seen after the second dose for the 0.3 mg/kg dose level. There was no apparent relationship of thrombocytopenia to known polymorphisms of Fcg receptor IIa. No evidence of thrombocytopenia has been observed in any of the clinical trials of XmAb5871, an anti-CD19 antibody with the

identical XmAb Immune Inhibitor Fc domain as that of XmAb7195.

Moderate urticaria was reported in a total of 10 of 54 XmAb7195 treated subjects with an apparent correlation of dose with frequency of occurrence. In all cases regardless of dose, the signs/symptoms of urticaria were mild, non-diffuse and easily treated with oral antihistamine, and the study drug infusions were continued to completion without worsening of symptoms. Importantly, two subjects that experienced urticaria during the first dose in Part 3 did not have recurrence during or after the second dose.

The average half-life of XmAb7195 in healthy subjects across the dose levels of 0.3 to 3.0 mg/kg was 3.9 days, with little, if any, dependence on dose level. Only 1 of 54 (1.9%) XmAb7195 treated subjects was observed to have a confirmed positive anti-drug antibody result.

The poster is available on the Events and Presentations page of Xencor's website at http://investors.xencor.com/events.cfm.

About the Phase 1a Study of XmAb®7195
The Phase 1a study was a randomized, double-blind, placebo-controlled, ascending dose trial conducted in three parts. In Part 1, 40 healthy subjects were randomized to receive a single IV administration of XmAb®7195 or matching placebo (6:2) in five consecutive dose cohorts of eight subjects each. In Part 2, 16 otherwise healthy subjects with a history of allergic rhinitis and/or allergic conjunctivitis and/or atopic dermatitis with elevated serum IgE (> 300 IU/mL) were randomized to receive a single IV administration of XmAb7195 or matching placebo (6:2) in two consecutive dose cohorts of eight subjects each. In Part 3, 16 healthy subjects were randomized to receive two sequential IV administrations (Day 1 priming dose of 0.3 mg/kg and Day 8 second ascending dose) of XmAb7195 or matching placebo (6:2) in two consecutive dose cohorts of eight subjects each. The primary and secondary objectives of the study were to determine the safety and tolerability profile of IV administration of XmAb7195 and to characterize the pharmacokinetics (PK) and immunogenicity of IV administration of XmAb7195, respectively. Exploratory objectives include the determination of the effect of XmAb7195 on serum free and total IgE and the effect on basophil surface IgE and basophil FcεRI expression levels.

About XmAb®7195
A first in class monoclonal antibody that targets IgE with its variable domain and uses Xencor's XmAb® Immune Inhibitor Fc domain to target FcgRIIb, resulting in three distinct mechanisms of action for reducing IgE levels for the potential treatment of allergic disease.

About Xencor's XmAb® Immune Inhibitor Technology
FcγRIIb (IIb), also called CD32b, is a receptor for Fc domains on B cells and other immune cells. When engaged, the IIb receptor blocks immune activation pathways and traffics bound soluble antigens out of circulation. Xencor has discovered a series of Fc domain variants with up to a 400-fold increase in binding affinity to FcγRIIb derived from just two amino acid changes. These XmAb® Immune Inhibitor Fc domains greatly heighten the properties of IIb receptor engagement and have potential as building blocks for drug candidates in autoimmune, allergic and inflammatory diseases.

About Xencor, Inc.
Xencor is a clinical-stage biopharmaceutical company developing engineered monoclonal antibodies for the treatment of autoimmune diseases, asthma and allergic diseases and cancer. Currently, nine candidates that have been engineered with Xencor's XmAb® technology are in clinical development internally and with partners. Xencor's internally-discovered programs include: XmAb5871 in Phase 2 development for the treatment of IgG4-Related Disease, and also for the treatment of Systemic Lupus Erythematosus; XmAb7195 in Phase 1a development for the treatment of asthma and allergic diseases; and XmAb5574/MOR208 which has been licensed to Morphosys AG and is in Phase 2 clinical trials for the treatment of chronic lymphocytic leukemia and non-Hodgkin lymphoma. Xencor's XmAb antibody engineering technology enables small changes to the structure of monoclonal antibodies resulting in new mechanisms of therapeutic action and robust, long-acting bispecific antibodies. Xencor partners include Amgen, Merck, Janssen R&D LLC, Alexion, Novo Nordisk and Boehringer Ingelheim. For more information, please visit www.xencor.com.

Forward Looking Statements
Statements contained herein regarding matters that are not historical facts are "forward-looking statements" within the meaning of the U.S. securities laws, including statements associated with Xencor's research and its expectations regarding future therapeutic and commercial potential of Xencor's technologies, programs, drug candidates, including XmAb®7195, and intellectual property related to Xencor's XmAb technology. Because such statements are subject to risks and uncertainties, including risks associated with the process of discovering, developing and commercializing drugs that are safe and effective, actual results and the timing of events may differ materially from those expressed or implied by such forward-looking statements. These and other risks concerning Xencor's programs and technology are described in additional detail in Xencor's SEC filings. These forward-looking statements speak as of the date on which they were made, are based upon Xencor's current expectations and involve assumptions that may never materialize or may prove to be incorrect. Xencor disclaims any intention or obligation to update such statements to reflect events that occur or circumstances that exist after

the date on which they were made.

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