



October 24, 2007

Xencor Expands Series E Financing to \$60 Million

MONROVIA, Calif.–(BUSINESS WIRE)—Xencor, a company developing protein and antibody therapeutics, today announced that it raised an additional \$15 million in an extension of its Series E financing, bringing the total raised in this round to \$60 million. The first closing of \$45 million occurred in October 2006. New investors, Oxford Bioscience Partners and Merlin Nexus, and existing investor Novo Nordisk participated in the extension. Other investors that participated in the Series E included MedImmune Ventures, HealthCare Ventures and Zen Investments. This financing will be used to advance clinical and pre-clinical development of Xencor's XmAb™ antibody drug candidates.

"We welcome the addition of new investors in our Series E financing, which will accelerate the clinical validation of our XmAb™ platform and drug candidates, and enable us to bring additional pre-clinical candidates forward," said Bassil Dahiyat, Ph.D., president and CEO of Xencor.

Xencor's lead drug candidate XmAb™ 2513, a humanized monoclonal antibody that targets the antigen CD30 for the treatment of Hodgkin's disease and T-cell lymphoma, will enter Phase I clinical trials in late 2007.

The company recently selected two humanized monoclonal antibody candidates, XmAb™ 5574 and XmAb™ 5483, for IND enabling pre-clinical development for the treatment of B-cell malignancies and autoimmune diseases. XmAb™ 5574 and XmAb™ 5483 target the antigens CD19 and CD40, respectively. CD19 is a validated target for B-cell cancers and inflammatory diseases. CD40 is a validated target for B-cell cancers and a variety of solid tumor cancers including bladder, renal and ovarian cancer. Xencor has started pre-clinical studies that will allow the company to file Investigational New Drug (IND) applications with the U.S. Food and Drug Administration for these candidates.

"A key challenge for new biologics therapies is engineering better efficacy and pharmaceutical properties into product candidates. Fc region engineering presents the most powerful and flexible platform for achieving these goals across multiple therapeutic areas, and Xencor is the clear leader in Fc region engineering," said Douglas Fambrough, general partner of Oxford Bioscience Partners, who will join Xencor's board of directors.

"Xencor has a cutting-edge antibody engineering platform that should translate into superior clinical candidates directed against known targets," said Dominique Sémon, chief investment officer of Merlin Nexus. "We believe that the company's programs have the potential for significant value creation with less clinical risk."

RBC Capital Markets acted as exclusive placement agent to Xencor for this transaction.

About Oxford Biosciences

Oxford Bioscience Partners (OBP), established in 1992, is a venture capital firm that provides equity financing and management assistance to emerging, entrepreneurial-driven companies within the life sciences and healthcare sectors. Experienced partners, who bring together deep domain knowledge in life sciences, have established a proven track record of identifying, validating and backing emerging trends and technologies. While willing to consider an investment in a company at almost any stage, OBP brings unique value and expertise to early-stage situations. With approximately \$1 billion of committed capital under management, OBP has invested in over 140 life science companies worldwide, and has successfully leveraged the extensive research, operating, and financial expertise and experience of its team of investment professionals.

About Merlin Nexus

Merlin Nexus, based in New York, is a company focused on crossover investment management in the life sciences industry. Merlin Nexus invests globally in private and public healthcare companies and now manages several crossover private equity funds and a public-only fund, with commitments totaling over \$175 million. Merlin Nexus has a later-stage investment focus as compared to traditional venture capital firms, and it invests opportunistically and selectively. This approach has resulted in a significant number of profitable exits from investments, and consistently high returns which are benchmarked.

About Xencor, Inc.

Xencor, Inc. engineers superior biotherapeutics using its proprietary XmAb™ technology and is a leader in the field of antibody Fc engineering to significantly improve antibody potency, safety, and half-life. The company is advancing XmAb™ antibody drug candidates optimized for activity against biologically validated targets into the clinic, led by XmAb™2513, for the treatment of Hodgkin's disease and T-cell lymphoma. With multiple partners, such as industry leaders Genentech, Boehringer Ingelheim, Centocor and MedImmune, Xencor is applying its suite of XmAb™ antibody Fc domains to improve a variety of antibody drug candidates. For more information, please visit www.xencor.com.