April 19, 2012

Xencor Receives Milestone Payment from CSL Limited Under Antibody Optimization Collaboration

SEVENTH ANTIBODY DEVELOPED WITH XENCOR'S XmAb TECHNOLOGY MOVES INTO HUMAN TRIALS

MONROVIA, Calif., April 19, 2012 – Xencor, Inc. announced today that the Company received a milestone payment under an antibody optimization collaboration agreement with CSL Limited. The payment was triggered by filing of an investigational new drug application with the FDA for a novel monoclonal antibody that was optimized using Xencor's XmAb® antibody engineering technology. This is the first XmAb candidate to move into human clinical testing under the agreement with CSL Limited. The amount of the milestone payment and the oncology drug target were not disclosed.

"This milestone payment marks the second that Xencor has received in recent weeks for antibody therapeutics developed by our partners using XmAb technology moving into the clinic, bringing the total number of XmAb antibodies in clinical development to seven," said Bassil Dahiyat, Ph.D., CEO of Xencor. "Xencor's partnerships are validating the XmAb technology platform with multiple clinical candidates while at the same time providing non-dilutive capital to support our own internal development programs."

In 2009 the two companies entered into a collaboration agreement that provided CSL with access to Xencor's proprietary XmAb technology platform to enhance the antibody-dependent cell cytotoxicity (ADCC) function of CSL's therapeutic antibodies. XmAb engineered high ADCC Fc domains have an improved capacity to recruit the immune system to target cancer cells, giving antibodies more tumor killing power. As part of the collaboration Xencor has granted CSL several commercial licenses to move product candidates incorporating XmAb technology into development and ultimately commercialization.

About XmAb® High ADCC technology
XmAb High ADCC technology can increase the potency of therapeutic antibodies by specifically engaging the body's immune system against target antigen cells. Xencor's proprietary suite of XmAb® Fc variants allows the selective improvement of antibody cytotoxic properties by enhancing antibody-dependent cell cytotoxicity (ADCC), phagocytosis and/or complement activation. Increased antibody potency has the potential to improve antibody efficacy in a variety of therapeutic areas, including oncology, infectious disease and autoimmune disorders.

About Xencor, Inc.
Xencor, Inc. engineers superior biotherapeutics using its proprietary Protein Design Automation® technology platform, and is a leader in the field of antibody engineering to significantly improve antibody half-life, immune-regulatory function and potency. The company is advancing multiple XmAb® antibody drug candidates in the clinic, including XmAb®5871 targeting CD32b and CD19 for autoimmune diseases, and an anti-CD30 candidate XmAb®2513 for the treatment of Hodgkin's lymphoma. Xencor is also advancing a portfolio of biosuperior versions of blockbuster antibody drugs engineered for superior half-life and dosing schedule. Xencor has entered into multiple partnerships with industry leaders such as Amgen, Pfizer, Centocor, MorphoSys, Boehringer Ingelheim, CSL Ltd. and Human Genome Sciences. In these partnerships Xencor is applying its suite of proprietary antibody Fc domains to improve antibody drug candidates for traits such as sustained half-life and/or potency.

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