UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): **December 4, 2020**

XENCOR, INC.

(Exact name of registrant as specified in its charter)

Delaware	**001-36182**	**20-1622502**
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification Number)
111 West Lemon Avenue **Monrovia, California** (Address of principal executive offices)		**91016** (Zip Code)

(626) 305-5900
(Registrant's telephone number, including area code)

N/A
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	**Trading Symbol(s)**	**Name of each exchange on which registered**
Common Stock, par value $0.01 per share	XNCR	Nasdaq Global Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 1.01. Entry into a Material Definitive Agreement.

On December 4, 2020, Xencor, Inc. ("Xencor") entered into a Collaboration and License Agreement (the "Agreement") with Janssen Biotech, Inc. ("Janssen") pursuant to which Xencor and Janssen will conduct research and development activities to discover novel CD28 bispecific antibodies for the treatment of prostate cancer. The parties will conduct joint research activities for up to a three-year period to discover XmAb® bispecific antibodies against CD28 and against an undisclosed prostate tumor-target (any such antibodies that are identified, the "Licensed Antibodies") with Janssen maintaining exclusive worldwide rights to develop and commercialize pharmaceutical products that in any form contains one or more Licensed Antibodies. Both parties have the right to perform clinical studies of combination therapies in prostate cancer with products developed pursuant to the Agreement ("Licensed Products") and also with other identified agents proprietary to each party, subject to certain requirements.

Xencor is generally responsible for conducting research activities under the Agreement and Janssen is generally responsible for all development, manufacturing and commercialization activities for Licensed Products that are advanced, subject to Xencor's option to co-fund a percentage of development costs and an option to co-detail activities in the United States.

Under the terms of the Agreement, Xencor will receive a $50 million upfront payment and is eligible to receive up to an aggregate of approximately $663 million in development, regulatory, commercialization and sales milestone payments and tiered royalties on net sales of approved products from high single-digit to low double-digit percentages. If Xencor exercises its co-funding option, it will be responsible for 20% of development costs subject to certain limitations, and will be eligible for tiered royalties on net approved products from low double-digit to mid-teen percentages.

The term of the Agreement will continue on a country-by-country basis and a product-by-product basis until there are no remaining royalty payment obligations from Janssen to Xencor. Janssen may terminate the Agreement by providing prior written notice. Xencor may terminate the Agreement if Janssen does not advance a Licensed Product into development within a certain period of time upon termination of the research activities. Either party may also terminate the Agreement with written notice upon a bankruptcy of the other party or for a material breach by the other party if such breach has not been cured within a defined period of receiving such notice. In the event of a termination of the Agreement, certain rights revert to Xencor.

The Agreement is subject to customary closing conditions, including clearance under the Hart-Scott-Rodino Antitrust Improvements Act, and customary indemnification obligations by each of Xencor and Janssen against certain losses.

The foregoing description of the Agreement does not purport to be complete and is subject to, and is qualified in its entirety by, the full text of the Agreement, a copy of which will be filed as an exhibit to Xencor's Annual Report on Form 10-K for its fiscal year ending December 31, 2020, portions of which may be subject to FOIA Confidential Treatment.

Item 8.01 Other Events.

On December 7, 2020, Xencor issued a press release announcing the Agreement, a copy of which is attached hereto as Exhibit 99.1 and incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
99.1	Press release issued by Xencor, Inc. on December 7, 2020.
104	Cover Page Interactive Data File, formatting Inline Extensible Business Reporting Language (iXBRL).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: December 7, 2020

XENCOR, INC.

By: /s/ Celia Eckert
Celia Eckert
General Counsel & Corporate Secretary

Xencor Enters Collaboration with Janssen with Aim to Discover Novel CD28 Bispecific Antibodies for the Treatment of Prostate Cancer

-- Research collaboration focused on the discovery of novel bispecific antibodies directed toward the CD28 co-stimulatory receptor and an undisclosed prostate tumor target --

-- Xencor receives $50 million upfront payment and is eligible to receive potential milestone payments and a royalty on net sales from commercialized medicines --

-- Each company receives the right to conduct directed non-registrational clinical studies in prostate cancer, combining agents in its respective pipeline with select agents from the other's portfolio --

MONROVIA, Calif.--Dec. 7, 2020-- Xencor, Inc. (NASDAQ:XNCR), a clinical-stage biopharmaceutical company developing engineered monoclonal antibodies for the treatment of cancer and autoimmune diseases, today announced it has entered into a research collaboration and license agreement with Janssen Biotech, Inc. (Janssen). The research and license agreement is focused on the discovery of XmAb® bispecific antibodies against CD28, an immune co-stimulatory receptor on T cells, and an undisclosed prostate tumor target, for the potential treatment of patients with prostate cancer. Additionally, Xencor has a right to access select, predefined agents from Janssen's portfolio of clinical-stage drug candidates and commercialized medicines to evaluate potential combination therapies in prostate cancer with agents in its own pipeline in non-registrational clinical studies. Janssen has the same right with Xencor's portfolio of clinical-stage drug candidates to evaluate potential combination therapies in prostate cancer, as well.

"Our XmAb bispecific Fc domains enable the creation of a wide range of multi-specific antibody and protein structures, such as bispecific antibodies in our new CD28 platform. These antibodies can co-stimulate T cells in a tumor-target dependent manner and can synergize with both checkpoint inhibitor therapies and other tumor-targeted agents, like CD3 bispecific antibodies, in order to enhance anti-tumor activity," said Bassil Dahiyat, Ph.D., president and chief executive officer at Xencor. "In addition, the ability to study combinations of therapies from both companies' prostate cancer portfolios leverages Xencor's broad clinical pipeline and the leading prostate cancer therapeutics portfolio at Janssen. This collaboration with Janssen expands the use of our CD28 platform and complements our first wholly owned internal candidate, a B7-H3 x CD28 bispecific antibody designed to treat a range of solid tumors, which is currently advancing through preclinical development."

Under the terms of the agreement, Xencor will apply its XmAb bispecific Fc technology to create and characterize XmAb CD28 bispecific antibody candidates against the tumor target specified by Janssen. Preclinical activities and all clinical development, regulatory and commercial activities will be conducted by Janssen, which has exclusive worldwide rights to develop and commercialize the novel drug candidates. Xencor will receive an upfront payment of $50 million and will be eligible to receive development, regulatory and sales milestone payments and high-single digit to low-double digit percent royalties on net sales.

Upon clinical proof of concept for a bispecific antibody candidate, Xencor has the right to opt-in to fund 20 percent of development costs and to perform up to 30 percent of the detailing efforts in the United States; Xencor would be eligible for milestone payments and low-double digit to mid-teen percent royalties on net sales.

The agreement is subject to customary closing conditions, including clearance under the Hart-Scott-Rodino Antitrust Improvements Act, and closing is expected to occur by year end.

About Xencor, Inc.

Xencor is a clinical-stage biopharmaceutical company developing engineered monoclonal antibodies for the treatment of cancer and autoimmune diseases. Currently, 18 candidates engineered with Xencor's XmAb® technology are in clinical development internally and with partners. Xencor's XmAb antibody engineering technology enables small changes to the structure of monoclonal antibodies resulting in new mechanisms of therapeutic action. For more information, please visit www.xencor.com.

Forward Looking Statements

Statements contained in this press release regarding matters that are not historical facts are forward-looking statements within the meaning of applicable securities laws, including, but not limited to, the quotations from Xencor's president and chief executive officer and any expectations relating to Xencor's financial expectations and business, the timing and success of clinical trials, future product candidates, Xencor's research and development programs, partnering efforts and capital requirements. Such statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements and the timing of events to be materially different from those implied by such statements, and therefore these statements should not be read as guarantees of future performance or results. Such risks include, without limitation, the risks associated with the process of discovering, developing, manufacturing and commercializing drugs that are safe and effective for use as human therapeutics and other risks described in Xencor's public securities filings. For a discussion of these and other factors, please refer to Xencor's annual report on Form 10-K for the year ended December 31, 2019 as well as Xencor's subsequent filings with the Securities and Exchange Commission. All forward-looking statements are based on Xencor's current information and belief as well as assumptions made by Xencor. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. This caution is made under the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. All forward-looking statements are qualified in their entirety by this cautionary statement and Xencor undertakes no obligation to revise or update this press release to reflect events or circumstances after the date hereof, except as required by law.

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