UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2025

or

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

For the transition period from _____ to _____

Commission file number: 001-36182

Xencor, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**20-1622502**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
465 North Halstead Street, Suite 200, Pasadena, CA	**91107**
(Address of principal executive offices)	(Zip Code)

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

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	The Nasdaq Global Market

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer", "accelerated filer", "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐ 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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:

Class	**Outstanding at October 30, 2025**
Common stock, par value $0.01 per share	71,410,469

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In this report, unless otherwise stated or the context otherwise indicates, references to "Xencor," "the Company," "we," "us," "our" and similar references refer to Xencor, Inc. The Xencor logo is a registered trademark of Xencor, Inc. This report also contains registered marks, trademarks, and trade names of other companies. All other trademarks, registered marks and trade names appearing in this report are the property of their respective holders.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and we intend that such forward-looking statements be subject to the safe harbors created thereby. All statements other than statements of historical fact contained in this Quarterly Report on Form 10-Q are forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as "may," "will," "should," "could," "expects," "plans," "intends," "anticipates," "believes," "estimates," "predicts," "potential," "continue," or the negative of these terms or other comparable terminology.

These forward-looking statements should, therefore, be considered in light of various important factors, including but not limited to, the following:

- the effects of inflation on our financial condition, results of operations, cash flows and performance;
- our ability to execute on our plans to research, develop and commercialize our product candidates;
- the success of our ongoing and planned clinical trials;
- the timing of and our ability to obtain and maintain regulatory approvals for our product candidates;
- our ability to identify additional products or product candidates with significant commercial potential that are consistent with our business objectives;
- our ability to receive research funding and achieve anticipated milestones under our collaborations;
- our partners' abilities to advance drug candidates into, and successfully complete, clinical trials;
- our ability to attract collaborators with development, regulatory, and commercialization expertise;
- our ability to protect our intellectual property position;
- the rate and degree of market acceptance and clinical utility of our products;
- costs of compliance and our failure to comply with new and existing governmental regulations;
- the capabilities and strategy of our suppliers and vendors including key manufacturers of our clinical drug supplies;
- significant competition in our industry;
- the potential loss or retirement of key members of management;
- our failure to successfully execute our growth strategy including any delays in our planned future growth;
- our failure to maintain effective internal controls, which led to the restatement of our financial statements, and the risk that we may experience additional material weaknesses; and
- our ability to accurately estimate expenses, future revenues, capital requirements and needs for additional financing.

These forward-looking statements reflect management's current views with respect to future events and with respect to our business and future financial performance, and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. Factors that may cause actual results to differ materially from current expectations include, among other things, those described under Part II, "Item 1A. Risk Factors" and elsewhere in this Quarterly Report on Form 10-Q. Other sections of this Quarterly Report on Form 10-Q may include additional factors that could adversely affect our business and financial performance. Moreover, we operate in a very competitive and rapidly changing environment. New risk factors emerge from time to time and it is not possible for management to predict all risk factors, nor can we assess the impact of all risk factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. Given these uncertainties, you should not place undue reliance on these forward-looking statements. Except as required by law, we assume no obligation to update or revise these forward-looking statements for any reason, even if new information becomes available in the future. You are advised, however, to consult any further disclosure we make in our reports filed with the Securities and Exchange Commission.

PART I — FINANCIAL INFORMATION

Item 1. Financial Statements

Xencor, Inc.
Consolidated Balance Sheets
(in thousands, except per share amounts)

	September 30, 2025	December 31, 2024
	(unaudited)	
Assets		
Current assets:		
Cash and cash equivalents	$ 28,291	$ 40,875
Marketable debt securities	358,493	408,971
Marketable equity securities	84,260	47,929
Accounts receivable	21,805	60,849
Prepaid expenses and other current assets	25,592	18,977
Total current assets	518,441	577,601
Property and equipment, net	54,587	59,800
Patents, licenses, and other intangible assets, net	9,468	18,485
Restricted cash	288	387
Marketable debt securities - long term	247,158	256,833
Right-of-use assets	38,371	38,341
Other assets	498	498
Total assets	$ 868,811	$ 951,945
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 9,079	$ 16,759
Accrued expenses	28,108	19,217
Lease liabilities	3,936	3,009
Liabilities related to the sales of future royalties	45,362	48,447
Total current liabilities	86,485	87,432
Uncertain tax position payable	3,903	9,990
Lease liabilities, net of current portion	65,331	65,338
Liabilities related to the sales of future royalties, net of current portion	87,776	115,159
Total liabilities	243,495	277,919
Commitments and contingencies		
Noncontrolling interest and stockholders' equity		
Common stock, $0.01 par value: Authorized 200,000 shares Issued and outstanding 71,343 and 70,256 shares at September 30, 2025 and December 31, 2024, respectively.	714	703
Additional paid-in capital	1,412,750	1,381,607
Accumulated other comprehensive income (loss)	1,158	(663)
Accumulated deficit	(789,306)	(704,036)
Total stockholders' equity attributable to Xencor, Inc.	625,316	677,611
Noncontrolling interest	—	(3,585)
Total noncontrolling interest and stockholders' equity	625,316	674,026
Total liabilities and stockholders' equity	$ 868,811	$ 951,945

The accompanying notes are an integral part of these unaudited consolidated financial statements.

Xencor, Inc.
Consolidated Statements of Operations and Comprehensive Loss
(unaudited)
(in thousands, except per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Revenue				
Collaborations, milestones, and royalties	$ 20,999	$ 17,796	$ 97,339	$ 57,700
Operating expenses:				
Research and development	54,367	58,226	174,610	176,630
General and administrative	14,151	14,767	46,603	46,300
Total operating expenses	68,518	72,993	221,213	222,930
Operating loss	(47,519)	(55,197)	(123,874)	(165,230)
Other income (expense):				
Interest income	6,538	7,537	21,324	23,766
Interest expense	(7,665)	(9,026)	(24,573)	(27,984)
Gain (loss) on marketable equity securities, net	44,201	9,254	50,109	(448)
Asset impairment charges	(1,565)	—	(8,288)	(20,430)
Other, net	(17)	(10)	(65)	(14)
Total other income (expense)	41,492	7,755	38,507	(25,110)
Loss before income tax expense and noncontrolling interest	(6,027)	(47,442)	(85,367)	(190,340)
Income tax expense	—	—	117	—
Net loss including noncontrolling interest	(6,027)	(47,442)	(85,484)	(190,340)
Net loss attributable to noncontrolling interest	—	(1,154)	(214)	(3,275)
Net loss attributable to Xencor, Inc.	**$ (6,027)**	**$ (46,288)**	**$ (85,270)**	**$ (187,065)**
Net loss per share attributable to Xencor, Inc. (basic and diluted)	$ (0.08)	$ (0.72)	$ (1.15)	$ (3.00)
Weighted-average shares used in calculating net loss per share (basic and diluted)	74,413	64,023	74,122	62,310
Other comprehensive income, net of tax:				
Net unrealized gain on marketable debt securities	900	2,452	1,821	510
Comprehensive loss	$ (5,127)	$ (44,990)	$ (83,663)	$ (189,830)
Less: comprehensive loss attributable to the noncontrolling interest	—	(1,154)	(214)	(3,275)
Comprehensive loss attributable to Xencor, Inc.	$ (5,127)	$ (43,836)	$ (83,449)	$ (186,555)

The accompanying notes are an integral part of these unaudited consolidated financial statements.

Xencor, Inc.
Consolidated Statements of Stockholders' Equity
(unaudited)
(in thousands)

	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Noncontrolling Interest	Total
	Shares	Amount					
Balance at December 31, 2024	70,256	$ 703	$ 1,381,607	$ (663)	$ (704,036)	$ (3,585)	$ 674,026
Stock-based compensation	—	—	12,213	—	—	—	12,213
Exercise of stock options	189	2	2,972	—	—	—	2,974
Issuance of restricted stock units	691	7	(7)	—	—	—	—
Net unrealized gain on marketable debt securities	—	—	—	1,018	—	—	1,018
Purchase of noncontrolling interest	—	—	(5,524)	—	—	3,799	(1,725)
Net loss	—	—	—	—	(48,418)	(214)	(48,632)
Balance at March 31, 2025	71,136	$ 712	$ 1,391,261	$ 355	$ (752,454)	$ —	$ 639,874
Stock-based compensation	—	—	10,737	—	—	—	10,737
Issuance of common stock under the Employee Stock Purchase Plan	80	1	661	—	—	—	662
Issuance of restricted stock units	81	1	(1)	—	—	—	—
Net unrealized loss on marketable debt securities	—	—	—	(97)	—	—	(97)
Net loss	—	—	—	—	(30,825)	—	(30,825)
Balance at June 30, 2025	71,297	$ 714	$ 1,402,658	$ 258	$ (783,279)	$ —	$ 620,351
Stock-based compensation	—	—	10,092	—	—	—	10,092
Issuance of restricted stock units	46	—	—	—	—	—	—
Net unrealized gain on marketable debt securities	—	—	—	900	—	—	900
Net loss	—	—	—	—	(6,027)	—	(6,027)
Balance at September 30, 2025	71,343	$ 714	$ 1,412,750	$ 1,158	$ (789,306)	$ —	$ 625,316

	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Noncontrolling Interest	Total
	Shares	Amount					
Balance at December 31, 2023	60,998	$ 611	$ 1,131,266	$ 1,291	$ (471,418)	$ 337	$ 662,087
Stock-based compensation	—	—	11,421	—	—	—	11,421
Exercise of stock options	153	1	1,786	—	—	—	1,787
Issuance of restricted stock units	484	5	(5)	—	—	—	—
Net unrealized loss on marketable debt securities	—	—	—	(1,445)	—	—	(1,445)
Net loss	—	—	—	—	(73,440)	(676)	(74,116)
Balance at March 31, 2024	61,635	$ 617	$ 1,144,468	$ (154)	$ (544,858)	$ (339)	$ 599,734
Stock-based compensation	—	—	17,190	—	—	—	17,190
Exercise of stock options	10	—	140	—	—	—	140
Issuance of common stock under the Employee Stock Purchase Plan	54	1	929	—	—	—	930
Issuance of restricted stock units	67	1	(1)	—	—	—	—
Net unrealized loss on marketable debt securities	—	—	—	(498)	—	—	(498)
Net loss	—	—	—	—	(67,337)	(1,445)	(68,782)
Balance at June 30, 2024	61,766	$ 619	$ 1,162,726	$ (652)	$ (612,195)	$ (1,784)	$ 548,714
Stock-based compensation	—	—	12,338	—	—	—	12,338
Exercise of stock options	59	1	684	—	—	—	685
Issuance of restricted stock units	44	—	—	—	—	—	—
Sale of common stock and pre-funded warrants, net of issuance cost	8,094	81	189,098	—	—	—	189,179
Net unrealized gain on marketable debt securities	—	—	—	2,452	—	—	2,452
Net loss	—	—	—	—	(46,288)	(1,154)	(47,442)
Balance at September 30, 2024	69,963	$ 701	$ 1,364,846	$ 1,800	$ (658,483)	$ (2,938)	$ 705,926

The accompanying notes are an integral part of these unaudited consolidated financial statements.

Xencor, Inc.
Consolidated Statements of Cash Flows
(unaudited)
(in thousands)

	Nine Months Ended September 30,	
	2025	**2024**
Cash flows from operating activities		
Net loss	$ (85,484)	$ (190,340)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	7,935	9,113
Accretion of discount on marketable debt securities, net	(3,141)	(16,635)
Stock-based compensation	33,042	40,949
Gain on sale of marketable securities, net	(4,973)	(3)
Change in fair value of marketable equity securities	(45,136)	448
Asset impairment charges	8,288	20,430
Non-cash royalty revenue related to the sale of future royalties	(57,828)	(48,646)
Non-cash interest expense on liabilities related to the sale of future royalties	24,569	27,950
Changes in operating assets and liabilities:		
Accounts receivable	34,532	1,875
Prepaid expenses and other assets	8,761	328
Accounts payable	(5,644)	4,856
Accrued expenses	6,854	1,843
Operating lease, net	890	1,374
Other assets and liabilities, net	(6,071)	(5,893)
Net cash used in operating activities	(83,406)	(152,351)
Cash flows from investing activities		
Purchase of marketable debt securities	(261,045)	(540,844)
Purchase of property and equipment	(2,010)	(4,433)
Purchase of patents	—	(2,396)
Proceeds from sales of marketable equity securities	13,778	6,639
Proceeds from sales and maturities of marketable debt securities	318,089	475,910
Net cash provided by (used in) investing activities	68,812	(65,124)
Cash flows from financing activities		
Proceeds from the exercises of stock options	2,974	2,612
Proceeds from issuance of common stock under the Employee Stock Purchase Plan	662	930
Proceeds from issuance of common stock and pre-funded warrants	—	201,256
Common stock and pre-funded warrants issuance costs	—	(12,077)
Cash paid to acquire noncontrolling interest	(1,725)	—
Net cash provided by financing activities	1,911	192,721
Net decrease in cash, cash equivalents, and restricted cash	(12,683)	(24,754)
Cash, cash equivalents, and restricted cash, beginning of period	41,262	54,170
Cash, cash equivalents, and restricted cash, end of period	$ 28,579	$ 29,416
Supplemental disclosure of cash flow information		
Interest paid	$ 4	$ 31
Income taxes paid	$ 7,359	$ 6,100

The accompanying notes are an integral part of these unaudited consolidated financial statements.

Xencor, Inc.
Notes to Consolidated Financial Statements
(unaudited)

1. Organization and Summary of Significant Accounting Policies

Organization

Xencor, Inc. (the "Company") was incorporated in California in 1997 and reincorporated in Delaware in September 2004. The Company is a clinical-stage biopharmaceutical company focused on discovering and developing engineered antibody therapeutics to treat patients with cancer and autoimmune diseases, who have unmet medical needs. The Company leverages its protein engineering capabilities to design new technologies and XmAb® drug candidates with improved properties. These candidates are advanced into clinical-stage development, where the Company is conducting Phase 1 and Phase 2 studies across a broad portfolio of programs. Based on the results of these studies, the Company determines which programs to advance into later-stage development and potential commercialization, which to partner in order to access complementary resources, and which to discontinue.

Consolidation and Basis of Presentation

The interim consolidated financial statements of Xencor, Inc. are unaudited and have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP") applicable to interim periods. In the opinion of management, all material adjustments of a normal recurring nature have been made to present fairly the Company's financial position, the results of operations and cash flows for the periods presented. All intercompany transactions and balances have been eliminated.

Certain note disclosures that are normally included in annual financial statements prepared in accordance with GAAP have been condensed or omitted as they are not required for interim reporting purposes. Readers are urged to review the Company's Annual Report on Form 10-K for the year ended December 31, 2024 for more complete descriptions and discussions. Operating results and cash flows for the three and nine months ended September 30, 2025 are not necessarily indicative of the results that may be expected for the fiscal year ending December 31, 2025.

Gale Therapeutics Inc. ("Gale")

The interim consolidated financial statements included the accounts of Xencor, Inc. and Gale, a variable interest entity for which the Company was the primary beneficiary. Up through January 20, 2025, the Company owned or was exposed to less than 100% of the economics, and accordingly, the Company recorded net loss attributable to noncontrolling interests in its consolidated statements of operations and comprehensive loss equal to the percentage of the economic or ownership interests retained in such entity by the respective noncontrolling party. Effective January 20, 2025, the Company obtained 100% of the economic interests in Gale and no longer recognized a noncontrolling interest in its consolidated financial statements.

Effective April 29, 2025, Gale was merged into the Company in a transaction between entities under common control. The Company completed a common-control transfer of assets and liabilities with Gale. The assets and liabilities were recognized at historical carrying amounts; no fair value measurement was applied. This transaction did not result in a change in reporting entity and was accounted for prospectively, with no adjustments to prior periods.

Income Tax

The Company recorded an income tax expense of $0 and $0.1 million for the three and nine months ended September 30, 2025, respectively. No income tax provision was recorded for each of the three and nine months ended September 30, 2024. As of September 30, 2025, the Company's deferred income tax assets, consisting primarily of capitalized R&D under IRC Section 174, net operating loss and research and development tax credit carryforwards, have been fully offset by a valuation allowance.

On July 4, 2025, the One Big Beautiful Bill Act ("OBBBA") was signed into law, making permanent key elements of the Tax Cuts and Jobs Act, including 100% bonus depreciation, expensing of domestic research and development costs, and the limitation on business interest expense deduction. The Company has preliminarily evaluated the impact of the new tax law on its financial condition and results of operations and does not anticipate a material change to its effective income tax rate and net deferred federal income tax assets, as it continues to maintain a full valuation allowance.

Summary of Significant Accounting Policies

There have been no changes to the significant accounting policies disclosed in the Company's most recent Annual Report on Form 10-K for the fiscal year ended December 31, 2024.

Recent Accounting Pronouncements

The Company does not expect any recently issued accounting standards, other than those disclosed in its Annual Report on Form 10-K for the year ended December 31, 2024, to have an impact on its financial results, other than the following:

In September 2025, the Financial Accounting Standards Board ("FASB") issued Accounting Standard Update ("ASU") 2025-06, *Intangible - Goodwill and Other - Internal-Use Software (Subtopic 350-40): Improvements to Internal-Use Software*, to amend certain aspects of the accounting for and disclosure of software costs. This ASU will become effective for the Company beginning January 1, 2028, and is not expected to have a material impact on its consolidated financial statements or related disclosures.

In September 2025, the FASB issued ASU 2025-05, *Financial Instruments - Credit Losses (Subtopic 326): Practical Expedient for Reasonable and Supportable Forecasts,* which allows entities to elect a practical expedient that assumes current conditions as of the balance sheet date remain unchanged over the remaining life of the asset when developing reasonable and supportable forecast used to estimate expected credit losses. This ASU will become effective for the Company beginning January 1, 2026, and is not expected to have a material impact on its consolidated financial statements or related disclosures.

2. Collaboration and Licensing Agreements

The following table provides a summary of revenue recognized:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
	(in thousands)			
Alexion	$ 18,703	$ 15,667	$ 50,996	$ 42,118
Incyte	2,295	2,124	44,332	6,528
Mabgeek	—	—	—	1,500
Vega	—	—	—	500
Vir Bio	1	5	2,011	54
Third Party Licensee	—	—	—	7,000
Total[(1)]	$ 20,999	$ 17,796	$ 97,339	$ 57,700

(1) As of September 30, 2025, there was no deferred revenue related to the agreements the Company entered into with the parties listed above.

The following table presents a disaggregation of revenue recognized during the periods indicated:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
	(in thousands)			
License	$ —	$ —	$ —	$ 8,500
Milestone	—	—	39,500	500
Royalties	20,999	17,796	57,839	48,700
Total	$ 20,999	$ 17,796	$ 97,339	$ 57,700

Alexion Pharmaceuticals, Inc. ("Alexion")

In January 2013, the Company entered into an Option and License Agreement (the "Alexion Agreement") with Alexion. Under the terms of the Alexion Agreement, the Company granted to Alexion an exclusive research license, with limited sublicensing rights, to make and use the Company's Xtend technology to evaluate and advance compounds. Alexion exercised its rights to one target program, ALXN1210, which is now marketed as Ultomiris®.

Under the Alexion Agreement, no further milestone payments are expected. The Company is entitled to receive royalties based on a percentage of net sales of Ultomiris sold by Alexion, its affiliates or its sublicensees, which percentage

is in the low single digits. Alexion's royalty obligations continue on a product-by-product and country-by-country basis until the expiration of the last-to-expire valid claim in a licensed patent covering the applicable product in such country.

On November 3, 2023, the Company entered into a royalty sale agreement (the "Ultomiris Royalty Sale Agreement") with OCM Life Sciences Portfolio LP ("OMERS"), under which OMERS acquired the rights to certain royalties associated with the existing license relating to Ultomiris.

Under the Alexion Agreement, the Company recognized non-cash royalty revenue of $18.7 million and $15.7 million during the three months ended September 30, 2025 and 2024, respectively, and $51.0 million and $42.1 million during the nine months ended September 30, 2025 and 2024, respectively. As of September 30, 2025, the Company recorded $18.5 million in accounts receivable based on estimated royalties due under the arrangement. Payment of this receivable will be made directly to OMERS. See Note 6.

Incyte Corporation ("Incyte")

In June 2010, the Company entered into a Collaboration and License Agreement (the "MorphoSys Agreement") with MorphoSys AG ("MorphoSys"). Under the MorphoSys Agreement, the Company granted MorphoSys an exclusive worldwide license to its patents and know-how to research, develop and commercialize the XmAb5574 product candidate (subsequently renamed MOR208 and tafasitamab) with the right to sublicense under certain conditions. In February 2024, Incyte assumed all of MorphoSys' right, title and interest in the MorphoSys Agreement and acquired exclusive global development and commercialization rights to tafasitamab. If certain developmental, regulatory and sales milestones are achieved, the Company is eligible to receive future milestone payments and royalties from Incyte.

The United States Food and Drug Administration ("FDA ") accepted Incyte's submission of a supplemental biologics license application in February 2025, triggering a $12.5 million milestone payment to the Company, which was paid in the second quarter of 2025. The FDA approved the application in June 2025, triggering a $25.0 million milestone payment to the Company, which was paid in the third quarter of 2025.

Under the MorphoSys Agreement, the Company is eligible to receive up to $98.0 million in developmental, regulatory and sales milestones, as well as royalties on net sales, subject to the terms and conditions of the agreement.

On November 3, 2023, the Company entered into a royalty sale agreement (the "Monjuvi Royalty Sale Agreement") with OMERS, under which OMERS acquired the rights to certain royalties associated with the existing license relating to Incyte. The $37.5 million of milestone payments the Company received in 2025 is not subject to the Monjuvi Royalty Sale Agreement.

Under the MorphoSys Agreement, the Company recognized non-cash royalty revenue of $2.3 million and $2.1 million during the three months ended September 30, 2025 and 2024, respectively, and $6.8 million and $6.5 million during the nine months ended September 30, 2025 and 2024, respectively. As of September 30, 2025, the Company recorded $3.3 million in accounts receivable based on estimated royalties due under the arrangement. Payment of this receivable will be made directly to OMERS. See Note 6.

Shanghai Mabgeek Biotech Co., Ltd. ("Mabgeek")

On December 22, 2023, the Company entered into a Technology License Agreement with Mabgeek. On June 21, 2024, the parties entered into Amendment No. 1 to the Technology License Agreement (as amended, the "Mabgeek Agreement"). Under the Mabgeek Agreement, the Company received an upfront payment of $1.5 million, which was recognized as revenue, and is eligible to receive royalties in the low single digits on net sales of approved products.

The Company evaluated the Mabgeek Agreement and determined that it contains a single performance obligation—access to a non-exclusive license to certain Company patents, which was transferred to Mabgeek in June 2024.

Under the Mabgeek Agreement, the Company is eligible to receive up to $11.9 million in developmental, regulatory and sales milestones, as well as royalties on net sales, subject to the terms and conditions of the agreement.

Vega Therapeutics, Inc. ("Vega")

In October 2021, the Company entered into a Technology License Agreement (the "Vega Agreement") with Vega, granting Vega a non-exclusive license to its Xtend Fc technology. In March 2024, Vega initiated a Phase 1 study, triggering a $0.5 million milestone payment, which was recognized as revenue.

Under the Vega Agreement, the Company is eligible to receive up to $30.0 million in developmental, regulatory and sales milestones, as well as royalties on net sales, subject to the terms and conditions of the agreement.

Vir Biotechnology, Inc. ("Vir Bio")

In 2019, the Company entered into a Patent License Agreement (the "Vir Bio Agreement") with Vir Bio, granting a non-exclusive license to its Xtend technology for up to two targets. In March 2025, Vir Bio initiated a Phase 3 study for tobevibart, triggering a $2.0 million milestone payment to the Company, which was paid in the second quarter of 2025.

In March 2020, the Company entered into a second Patent License Agreement (the "Second Vir Bio Agreement") with Vir Bio, granting a non-exclusive license to its Xtend technology to extend the half-life of novel antibodies Vir Bio developed as potential treatments for patients with COVID-19, including sotrovimab. Under the terms of the Second Vir Bio Agreement, Vir Bio is responsible for all research, development, regulatory and commercial activities for the antibodies, and the Company is eligible to receive royalties on the net sales of approved products in the mid-single digit percentage range. Vir Bio and its marketing partner, GSK, began recording sales for sotrovimab beginning in June 2021.

The Company recognized nominal amounts of royalty revenue for the three and nine months ended September 30, 2025 and 2024. Under the Vir Bio Agreement, the Company is eligible to receive up to $152.0 million in developmental, regulatory and sales milestones, as well as royalties on net sales, subject to the terms and conditions of the agreement.

Third-Party License

In May 2024, the Company entered into a Patent License Agreement with a third-party licensee. The Company satisfied its performance obligation under the agreement, triggering a $7.0 million payment to the Company, which was paid in the third quarter of 2024. There is no further obligation under this agreement.

3. Marketable Debt and Equity Securities

Marketable Debt Securities

The Company's marketable debt securities consisted of the following:

	As of September 30, 2025			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
	(in thousands)			
Money market funds	$ 18,095	$ —	$ —	$ 18,095
Corporate securities	11,964	25	—	11,989
Government securities	592,520	1,309	(167)	593,662
	$ 622,579	$ 1,334	$ (167)	$ 623,746
Reported as				
Cash equivalents				$ 18,095
Marketable debt securities				605,651
Total				$ 623,746

	As of December 31, 2024			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
	(in thousands)			
Money market funds	$ 26,180	$ —	$ —	$ 26,180
Corporate securities	142,688	185	—	142,873
Government securities	523,769	647	(1,485)	522,931
	$ 692,637	$ 832	$ (1,485)	$ 691,984
Reported as				
Cash equivalents				$ 26,180
Marketable debt securities				665,804
Total				$ 691,984

The following table summarizes the contract maturities of the Company's marketable debt securities as of September 30, 2025:

	Amortized Cost	Estimated Fair Value
	(in thousands)	
Mature in one year or less	$ 358,349	$ 358,493
Mature within two years	246,135	247,158
Total	$ 604,484	$ 605,651

The Company did not record any impairment losses on its marketable debt securities during the three and nine months ended September 30, 2025 and 2024.

Marketable Equity Securities

The Company's marketable equity securities consisted of the following:

	September 30, 2025	December 31, 2024
	(in thousands)	
INmune Bio, Inc.	$ —	$ 8,805
Viridian Therapeutics, Inc.	15,476	13,748
Zenas BioPharma, Inc.	68,784	25,376
	$ 84,260	$ 47,929

During the nine months ended September 30, 2025, the Company sold its entire holdings of 1,885,533 shares in INmune Bio, Inc., generating $13.8 million in proceeds.

Net realized and unrealized gains (losses) on marketable equity securities, recognized in other income (expense) in the consolidated statements of operations, were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
	(in thousands)			
Total gains (losses) recorded on marketable equity securities	$ 44,201	$ 9,254	$ 50,109	$ (448)
Less: (Losses) gains recorded on sale of marketable equity securities	(10)	92	4,973	1,280
Unrealized gains (losses) on securities held at the reporting date	$ 44,211	$ 9,162	$ 45,136	$ (1,728)

The increase in unrealized gains for the three and nine months ended September 30, 2025 was primarily attributable to the higher fair value of the Company's equity investment in Zenas BioPharma, Inc.

No impairment losses were recognized on marketable equity securities during the three and nine months ended September 30, 2025. The Company recorded impairment charges of $20.4 million related to equity securities without a

readily determinable fair value during the nine months ended September 30, 2024, and no impairment during the three months ended September 30, 2024.

4. Fair Value of Measurements

The Company employs a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The Company's valuation techniques and inputs used to measure fair value and the definition of the three levels (Level 1, Level 2, and Level 3) of the fair value hierarchy are disclosed in Note 1, Summary of Significant Accounting Policies of Notes to Consolidated Financial Statements of Part II, "Item 8. Consolidated Financial Statements and Supplementary Data" of its Annual Report on Form 10-K for the year ended December 31, 2024.

The Company uses prices and inputs that are current as of the measurement date, including during periods of market disruption. In periods of market disruption, the ability to observe prices and inputs may be reduced for many instruments. This condition could cause an instrument to be reclassified from Level 1 to Level 2, or from Level 2 to Level 3. The Company recognizes transfers between levels at either the actual date of the event or a change in circumstances that caused the transfer. As of September 30, 2025 and December 31, 2024, the Company did not have any financial assets or financial liabilities based on Level 3 measurements.

The following table presents information about the Company's assets and liabilities measured at fair value on a recurring basis, and indicates the fair value hierarchy of the valuation techniques utilized by the Company:

	September 30, 2025			
	Total Fair Value	Level 1	Level 2	Level 3
	(in thousands)			
Cash equivalents:				
Money market funds	$ 18,095	$ 18,095	$ —	$ —
Marketable debt securities:				
Corporate securities	11,989	—	11,989	—
Government securities	593,662	—	593,662	—
Marketable equity securities	84,260	84,260	$ —	$ —
Total financial assets	$ 708,006	$ 102,355	$ 605,651	$ —

	December 31, 2024			
	Total Fair Value	Level 1	Level 2	Level 3
	(in thousands)			
Cash equivalents:				
Money market funds	$ 26,180	$ 26,180	$ —	$ —
Marketable debt securities:				
Corporate securities	142,873	—	142,873	—
Government securities	522,931	—	522,931	—
Marketable equity securities	$ 47,929	47,929	$ —	$ —
Total financial assets	$ 739,913	$ 74,109	$ 665,804	$ —

5. Balance Sheet Accounts

Property and Equipment

The following table summarizes the Company's major classes of property and equipment:

	September 30, 2025	December 31, 2024
	(in thousands)	
Lab equipment	$ 43,244	$ 40,937
Computer, software and office equipment	2,283	2,131
Furniture and fixtures	128	128
Leasehold improvements	51,695	51,566
Construction in progress	6,638	7,217
Total gross carrying amount	103,988	101,979
Less: accumulated depreciation and amortization	(49,401)	(42,179)
Property and equipment, net	$ 54,587	$ 59,800

Depreciation and amortization expense for property and equipment for the three months ended September 30, 2025 and 2024 was $2.4 million and $2.8 million, respectively. Depreciation and amortization expense for property and equipment for the nine months ended September 30, 2025 and 2024 was $7.2 million and $8.2 million, respectively.

Patents, Licenses, and Other Intangible Assets

The following table summarizes the Company's patents, licenses, and other intangible assets:

	September 30, 2025	December 31, 2024
	(in thousands)	
Patents	$ 10,870	$ 16,854
Licenses and other intangible assets	982	2,430
Total finite-lived assets	11,852	19,284
Indefinite-lived assets	4,970	10,795
Total gross carrying amount	16,822	30,079
Accumulated amortization	(7,354)	(11,594)
Total patents, licenses, and other intangible assets, net	$ 9,468	$ 18,485

Patents, licenses and other intangible assets with definite useful lives are amortized on a straight-line basis over their useful lives. Amortization expense was $0.2 million and $0.3 million for the three months ended September 30, 2025 and 2024, respectively. Amortization expense was $0.7 million and $1.0 million for the nine months ended September 30, 2025 and 2024, respectively. None of these assets with definite useful lives are anticipated to have a residual value.

Patents, licenses and other intangible assets are reviewed annually for impairment and more frequently if potential impairment indicators exist. The Company recorded the asset impairment charges of $1.6 million and $8.3 million during the three and nine months ended September 30, 2025, respectively, related to its decision to pause further development of certain programs and prioritize resources toward advancing other pipeline programs. As a result, associated patents related to the paused programs were impaired. No impairment charges were recorded for each of the three and nine months ended September 30, 2024.

The following table presents the estimated future amortization expense related to definite-lived assets as of September 30, 2025:

Year ending December 31,	Amortization Expense (in thousands)
For the remainder of 2025	$ 28
2026	734
2027	705
2028	577
2029	361
2030 and thereafter	2,093
Total	$ 4,498

Accrued Expense

Accrued expenses consist of the following:

	September 30, 2025	December 31, 2024
	(in thousands)	
Accrued R&D expenses	$ 10,130	$ 2,324
Accrued payroll and benefits	16,173	14,849
Other	1,805	2,044
Total accrued expenses	$ 28,108	$ 19,217

6. Liabilities Related to the Sales of Future Royalties

Ultomiris Royalty Sale Agreement

On November 3, 2023, the Company and OMERS entered into the Ultomiris Royalty Sale Agreement. Pursuant to the Ultomiris Royalty Sale Agreement, OMERS acquired the rights to a portion of royalties and milestones earned after July 1, 2023 associated with the existing license relating to Ultomiris® (ravulizumab-cwvz) in exchange for an upfront payment of $192.5 million. Pursuant to the Ultomiris Royalty Sale Agreement and subject to the Company's existing license with Alexion, OMERS acquired the right to receive: (i) 100% of royalties payable on past and future sales related to Ultomiris that occur from July 1, 2023 through December 31, 2025; (ii) up to $35.0 million annually in royalties on future sales related to Ultomiris that occur from January 1, 2026 through December 31, 2028, with any royalties in excess of $35.0 million reverting to the Company; (iii) up to $12.0 million annually in royalties on future sales related to Ultomiris that occur from and after January 1, 2029, with any royalties in excess of $12.0 million reverting to the Company; and (iv) $18.0 million of a certain future sales based milestone payment pursuant to the existing license with Alexion, which was paid in the fourth quarter of 2023.

Monjuvi Royalty Sale Agreement

On November 3, 2023, the Company and OMERS entered into the Monjuvi Royalty Sale Agreement. Pursuant to the Monjuvi Royalty Sale Agreement, OMERS acquired the rights to a portion of royalties earned after July 1, 2023 associated with the existing license relating to Monjuvi®/Minjuvi® (tafasitamab-cxix) in exchange for an upfront payment of $22.5 million. Pursuant to the Monjuvi Royalty Sale Agreement and subject to the Company's existing license with Incyte, OMERS acquired the right to receive up to $29.3 million in royalties earned after July 1, 2023 related to sales of Monjuvi/Minjuvi, with any royalties in excess of $29.3 million paid to OMERS reverting to the Company.

The Company has evaluated the terms of both Ultomiris and Monjuvi Royalty Sale Agreements and concluded, in accordance with the relevant accounting guidance, that the Company accounted for both transactions as debt and the proceeds recorded as liabilities related to the sale of future royalties on its consolidated balance sheets.

The Company records the obligations at their carrying value using the effective interest method. In order to amortize the liabilities related to the sale of future royalties, the Company utilizes the prospective method to estimate the future royalties to be paid by the Company to the counterparty over the life of the arrangement. Under the prospective method, a new effective interest rate is determined based on the revised estimate of remaining cash flows. The new rate is the discount rate that equates the present value of the revised estimate of remaining cash flows with the carrying amount of the

debt, and it will be used to recognize non-cash interest expense for the remaining periods. The Company periodically assesses the amount and the timing of expected royalty payments using a combination of internal projections and forecasts from external sources. The estimates of future net product sales (and resulting royalty payments) are based on key assumptions such as future sales forecasts and other significant events. To the extent such payments are greater or less than the Company's initial estimates or the timing of such payments is different than its original estimates, the Company will prospectively adjust the amortization of the royalty financing obligations and the effective interest rate. As of September 30, 2025, the estimated effective interest rates were 22.7% and 16.3% for Ultomiris and Monjuvi Royalty Sale Agreements, respectively.

The following table presents the activities with respect to the liabilities related to the sales of future royalties:

	September 30, 2025	December 31, 2024
	(in thousands)	
Beginning balance	$ 163,606	$ 189,483
Royalties owed to OMERS	—	834
Royalties paid to OMERS	(55,037)	(63,304)
Non-cash interest expense recognized	24,569	36,593
Ending balance	$ 133,138	$ 163,606
Current liabilities	$ 45,362	$ 48,447
Long-term liabilities	87,776	115,159
Total	$ 133,138	$ 163,606

7. Commitments and Contingencies

Litigation

From time to time, the Company may be subject to claims and legal proceedings arising in the ordinary course of business. The Company evaluates each matter and assesses its potential financial exposure. If the potential loss from a legal proceeding is considered probable and the amount can be reasonably estimated, the Company records an accrual for the estimated loss. Because the outcome of legal proceedings is inherently uncertain, significant judgment is required in assessing the likelihood of a loss and whether the amount is reasonably estimable. The Company's assessments and any recorded accruals are based on information available at the time of evaluation. As additional information becomes available, the Company re-evaluates its estimates and may adjust recorded liabilities accordingly.

The Company is currently a party to an action initiated by Merus N.V. ("Merus") in the District of Delaware alleging that the Company's manufacture, use, offer for sale, sale and/or importation of common light chain antibodies and heterodimeric antibodies infringes certain claims of three Merus patents. Merus filed its complaint against the Company on August 5, 2024. Merus asserted claims of U.S. Patent Nos. 9,944,695, 9,358,286 and 11,926,859 (collectively, the "Asserted Patents"). Merus seeks a judgment of patent infringement, an order enjoining the Company from infringing the Asserted Patents, a damages award (together with interest), a declaration of willful infringement, and a finding that this case is exceptional. On October 10, 2024, the Company filed a motion to dismiss the Merus complaint with prejudice under Rule 12(b)(6), in which the Company argued that all of the activities accused of infringement are covered by the 35 U.S.C.§ 271(e)(1) safe harbor. The Company's motion to dismiss under Rule 12(b)(6) was granted on October 1, 2025. The Court has provided Merus until November 11, 2025 to file an amended complaint. On February 11, 2025, the Company filed for inter partes review ("IPR") of Merus' U.S. Patent Nos. 9,358,286 and 11,926,859 before the U.S. Patent and Trademark Office's Patent and Trial Appeal Board ("PTAB") seeking a finding that certain claims of those patents are unpatentable. The PTAB instituted the IPR on September 26, 2025. The Company believes it has strong defenses to Merus' claims, including defenses of invalidity and/or non-infringement—some of which have already been accepted by the district court and preliminarily accepted by the PTAB, but there is no guarantee that the Company will ultimately prevail.

Commitments

The Company is party to certain license agreements that obligate it to make future payments to third parties, which may include sublicense fees, royalties and milestone payments contingent upon the achievement of specified development and commercialization events. Because the occurrence, timing and amounts of these potential payments are not currently

probable or reasonably estimable, they have not been recorded on the Company's consolidated balance sheets as of September 30, 2025 and December 31, 2024.

In addition, the Company has entered into agreements with various third-party vendors for research, development and manufacturing services. These agreements generally provide for future payments contingent upon the vendors' delivery of goods or performance of services. Such commitments are not recorded until the related goods or services are received.

8. Stockholders' Equity

The following table summarizes the Company's shares of common stock and preferred stock:

		Shares		
	Par Value	Authorized	Issued	Outstanding
As of September 30, 2025				
Common Stock	$0.01	200,000,000	71,343,148	71,343,148
Preferred Stock	$0.01	10,000,000	—	—
As of December 31, 2024				
Common Stock	$0.01	200,000,000	70,256,108	70,256,108
Preferred Stock	$0.01	10,000,000	—	—

On February 27, 2023, the Company filed an automatic universal shelf registration statement on Form S-3 (File No. 333-270030) as a well-known seasoned issuer as defined in Rule 405 under the Securities Act of 1933, as amended, which became effective upon filing (the "Shelf Registration Statement"). The Shelf Registration Statement allows the Company to offer an indeterminate amount of securities, including equity securities, debt securities, warrants, rights, units and depositary shares, from time to time as described in the Shelf Registration Statement. The specific terms of any offering under the Shelf Registration Statement will be established at the time of such offering. The Shelf Registration Statement will expire on February 27, 2026.

On February 27, 2023, the Company entered into a sales agreement (the "Sales Agreement") with SVB Securities LLC (the "Agent"), pursuant to which the Company may offer and sell, from time to time through the Agent (the "ATM Offering"), shares of its common stock having an aggregate offering price of up to $200.0 million (the "ATM Shares"). Any ATM Shares offered and sold in the ATM Offering will be issued pursuant to the Company's Shelf Registration Statement and the prospectus supplement filed pursuant to Rule 424(b) relating to the ATM Offering, dated February 27, 2023. As of September 30, 2025, no shares have been issued under the Sales Agreement.

On September 12, 2024, the Company completed an underwritten public offering pursuant to the Company's Shelf Registration Statement. In the offering, the Company sold pre-funded warrants to purchase up to 3,088,888 shares of common stock at a purchase price of $17.99 per pre-funded warrant, for an aggregate value of approximately $55.6 million. The outstanding pre-funded warrants are exercisable at any time and do not have an expiration date.

9. Leases

Monrovia, California: The Company leases office and laboratory space in Monrovia, California, which lease expires in December 2025. The lease contains an option to renew for one additional five-year term. As of September 30, 2025, the Company has concluded it will not exercise the renewal option; therefore, no renewal periods are included in the remaining lease term, and the option is excluded from the measurement of the right-of-use assets and liabilities.

On August 8, 2025, the Company entered into the seventh amendment to the lease to extend the term for the second floor premises by one year. The amended lease term will commence on January 1, 2026 and expire on December 31, 2026. The total lease expense associated with this lease is approximately $0.9 million.

Pasadena, California: In June 2021, the Company entered into a lease agreement for laboratory and office space in Pasadena, California, with a lease term through July 2035 and no renewal option. The lease includes two phases: Phase 1 commenced on August 1, 2022, and Phase 2 commenced on December 1, 2022.

The lease provides tenant improvement allowances of up to $17.0 million for Phase 1 and $3.3 million for Phase 2. In August 2022, the lease was amended to provide an additional $5.0 million in Phase 1 improvement allowance in exchange for an increase in rent.

San Diego, California: In August 2023, the Company entered into a sublease agreement for office space in San Diego, California, with a lease term from September 2023 through December 2027. As part of the sublease, the Company issued a $0.4 million letter of credit to the landlord, secured by a cash collateral account classified as restricted cash on the consolidated balance sheets. The amount of the letter of credit will decrease over the lease term.

The Company's lease agreements do not contain any residual value guarantees or restrictive covenants. The components of lease assets and liabilities along with their classification on the Company's consolidated balance sheets were as follows:

Lease Assets and Liabilities	Classification	September 30, 2025	December 31, 2024
		(in thousands)	
Operating lease assets	Right-of-use assets	$ 38,371	$ 38,341
Current operating lease liabilities	Lease liabilities	3,936	3,009
Non-current operating lease liabilities	Lease liabilities, net of current portion	65,331	65,338

The following table presents maturities of operating lease liabilities on an undiscounted basis as of September 30, 2025:

Year	Amounts
	(in thousands)
For the remainder of 2025	$ 1,209
2026	9,084
2027	9,759
2028	9,276
2029	9,531
2030 and thereafter	58,229
Total	97,088
Less: Imputed interest	(27,821)
Total operating lease liabilities (includes current portion)	$ 69,267

The following table presents lease costs, supplemental cash flow and other information:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
		(in thousands)		
Operating lease cost	$ 2,213	$ 1,881	$ 5,947	$ 5,643
Variable lease cost	259	(201)	701	939
Total lease costs	$ 2,472	$ 1,680	$ 6,648	$ 6,582
Right-of-use assets adjusted in exchange for amended operating lease liabilities	$ 863	$ —	$ 863	$ 7,166
Cash paid for amounts included in the measurement of lease liabilities	$ 2,201	$ 801	$ 5,629	$ 2,679

	September 30,	
	2025	2024
Weighted-average remaining lease term (in years)	9.6 years	10.5 years
Weighted-average discount rate (%)	7.0 %	7.0 %

10. Stock Based Compensation

In June 2023, the Company's Board of Directors (the "Board") and stockholders approved the 2023 Equity Incentive Plan (the "2023 Plan"), which became effective on June 14, 2023, and replaced the 2013 Equity Incentive Plan (the "2013 Plan"). No additional awards may be granted under the 2013 Plan.

The 2023 Plan reserves 3,000,000 shares of common stock, plus any remaining shares available under the 2013 Plan as of the effective date. In addition, shares subject to outstanding awards under the 2013 Plan that expire, are forfeited, or otherwise terminate without being issued after June 14, 2023, will be added to the 2023 Plan share reserve. The 2023 Plan does not include an automatic annual share increase (an evergreen provision). On June 12, 2025, the Company's stockholders approved the amendment and restatement of the 2023 Plan to increase the number of authorized shares reserved for issuance thereunder by 3,000,000 shares. As of September 30, 2025, the total number of shares of common stock reserved for issuance under the 2023 Plan is 20,359,868.

In addition, the Company's Board and stockholders approved the Employee Stock Purchase Plan (the "ESPP"), which became effective on December 5, 2013. As of September 30, 2025, the total number of shares of common stock available for issuance under the ESPP is 865,198.

The following table presents a summary of awards outstanding:

	September 30, 2025		
	2013 Plan	2023 Plan	Total
Stock options	9,230,740	4,245,179	13,475,919
RSUs	223,840	1,728,761	1,952,601
	9,454,580	5,973,940	15,428,520

The following table summarizes stock-based compensation expenses included in operating expenses:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
	(in thousands)			
General and administrative	$ 4,496	$ 5,158	$ 13,769	$ 18,326
Research and development	5,596	7,180	19,273	22,623
	$ 10,092	$ 12,338	$ 33,042	$ 40,949

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
	(in thousands)			
Stock options	$ 5,230	$ 6,760	$ 17,541	$ 24,578
RSUs	4,640	5,372	14,833	15,748
ESPP	222	206	668	623
	$ 10,092	$ 12,338	$ 33,042	$ 40,949

Stock Option Awards

The following table presents a summary of the stock option activity for the nine months ended September 30, 2025:

	Number of Shares Subject to Outstanding Options	Weighted Average Exercise Price (per share)	Weighted Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value (in thousands)
Outstanding at December 31, 2024	12,370,081	$ 28.59	5.9	$ 10,386
Granted	1,993,374	13.00		
Exercised	(189,194)	15.72		
Forfeited	(698,342)	25.67		
Outstanding at September 30, 2025	13,475,919	$ 26.62	5.6	$ 1,253
Exercisable at September 30, 2025	9,559,952	$ 29.55	4.3	$ 110

The aggregate intrinsic values represent the amount by which the market price of the underlying stock exceeds the exercise price of the option. The total intrinsic value of the options exercised during the three and nine months ended September 30, 2025 were $0 and $0.5 million, respectively. The total intrinsic value of the options exercised during the three and nine months ended September 30, 2024 were $0.4 million and $1.8 million, respectively.

As of September 30, 2025, the pre-tax compensation expense for all outstanding unvested stock options in the amount of $36.1 million will be recognized in the Company's results of operations over a weighted average period of 2.3 years.

The per share weighted average grant date fair values of the stock options granted in the period are $4.59 and $7.11 for the three and nine months ended September 30, 2025, and $9.74 and $12.01 for the three and nine months ended September 30, 2024, respectively. The following table provides the weighted-average assumptions used in the calculation of grant date per share fair values of these stock options based on the Black-Scholes option pricing model:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Expected term (in years) [1]	6.3	5.8	6.4	6.4
Expected volatility [2]	53.2 %	50.8 %	51.0 %	50.1 %
Risk-free interest rate [3]	4.0 %	4.2 %	4.1 %	4.2 %
Expected dividend yield [4]	— %	— %	— %	— %
Underlying stock price	$ 8.24	$ 18.54	$ 13.00	$ 22.21

(1) The computation of expected term was determined based on the option holders' past exercise patterns.
(2) Volatility is estimated based on volatility average of the Company's common stock price.
(3) The risk-free interest rate is based on that of the U.S. Treasury yields with equivalent terms in effect at the time of the grant.
(4) The dividend yield is zero as the Company currently does not pay a dividend.

Restricted Stock Units ("RSUs")

The following table summarizes the activity of the Company's RSUs:

	Restricted Stock Units	Weighted Average Grant Date Fair Value (Per unit)
Outstanding as of December 31, 2024	1,783,795	$ 25.52
Granted	1,143,134	13.25
Vested	(817,938)	26.57
Forfeited	(156,390)	19.97
Outstanding as of September 30, 2025	1,952,601	$ 18.23

The fair value of RSUs was determined based on the closing price of the Company's common stock on the grant date.

As of September 30, 2025, there was $24.0 million of total unrecognized compensation cost related to RSUs that is expected to be recognized over a weighted-average period of 1.8 years.

Employee Stock Purchase Plan

The following table provides the assumptions used in the calculation of grant date fair values of these shares issued under the Company's ESPP based on the Black-Scholes option pricing model:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Expected term (in years)	0.5 - 2.0	0.5 - 2.0	0.5 - 2.0	0.5 - 2.0
Expected volatility	42.97% - 73.25%	42.97% - 44.60%	42.97% - 73.25%	42.97% - 44.60%
Risk-free interest rate	4.22% - 5.40%	4.71% - 5.40%	4.22% - 5.40%	4.71% - 5.40%
Expected dividend yield	— %	— %	— %	— %

As of September 30, 2025, the pre-tax compensation expense for all outstanding shares issued under the Company's ESPP in the amount of $0.2 million will be recognized in the Company's results of operations over a weighted average period of 2 months.

11. Net Loss Per Share

The following table presents the computation of basic and diluted net loss per share.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
	(in thousands)			
Numerator:				
Net loss attributable to Xencor, Inc.	$ (6,027)	$ (46,288)	$ (85,270)	$ (187,065)
Denominator:				
Weighted-average basic shares outstanding	74,413	64,023	74,122	62,310
Effect of dilutive securities	—	—	—	—
Weighted-average diluted shares outstanding	74,413	64,023	74,122	62,310
Basic and diluted net loss per share	$ (0.08)	$ (0.72)	$ (1.15)	$ (3.00)

All outstanding options and RSUs as of September 30, 2025 and 2024 were excluded from the calculation of diluted net loss per share because to include them would be anti-dilutive. The following table sets forth the potentially dilutive securities calculated as if the Company was in a net income position for the periods presented.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Options	—	276,868	5,062	374,076
Restricted stock units	81,598	164,269	255,052	225,072
Total	81,598	441,137	260,114	599,148

12. Segment Reporting

The Company operates as a single reportable segment focused on discovering and developing engineered antibody therapeutics to treat patients with cancer and autoimmune diseases who have unmet medical needs. Segment profit or loss is measured as the net loss reported in the Company's consolidated statements of operations and comprehensive loss. Segment revenue consists of license, royalties, and milestone payments derived from collaboration and licensing agreements. See Note 2. Segment assets is represented by total assets as reported on the Company's consolidated balance sheets.

The Company's Chief Executive Officer serves as the Chief Operating Decision Maker (CODM). The CODM evaluates performance, allocates resources and conducts planning and forecasting using financial information as presented in the consolidated statements of operations. In addition, the CODM reviews research and development expenses by program.

The table below details the Company's revenues and expenses and reconciles those amounts to the Company's consolidated net loss as computed under U.S. GAAP in the consolidated statements of operations and comprehensive loss:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
	(in thousands)			
Revenues:				
License	$ —	$ —	$ —	$ 8,500
Milestone	—	—	39,500	500
Royalties	20,999	17,796	57,839	48,700
Total revenues	20,999	17,796	97,339	57,700
Operating expenses:				
Research and development:				
External research and development expenses	26,260	29,094	85,085	84,394
Internal research and development expenses	22,511	21,952	70,252	69,613
Stock based compensation	5,596	7,180	19,273	22,623
Total research and development	54,367	58,226	174,610	176,630
General and administrative	14,151	14,767	46,603	46,300
Total operating expenses	68,518	72,993	221,213	222,930
Operating loss	(47,519)	(55,197)	(123,874)	(165,230)
Other income (expense), net [1]	41,492	7,755	38,507	(25,110)
Loss before income tax expense and noncontrolling interest	$ (6,027)	$ (47,442)	$ (85,367)	$ (190,340)

(1) Other income (expense), net, included interest income, interest expense, gain/loss on marketable equity securities and asset impairment charges.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
	(in thousands)			
External R&D expenses per program:				
XmAb819 (ENPP3 x CD3)	$ 3,735	$ 3,370	$ 14,883	$ 8,270
XmAb541 (CLDN6 x CD3)	3,757	1,293	8,732	2,547
XmAb808 (B7-H3 x CD28)	1,016	2,354	4,891	6,397
XmAb942 (Xtend TL1A)	3,003	5,597	8,368	15,553
Plamotamab (CD20 x CD3)	1,422	3,851	5,063	4,258
XmAb657 (CD19 x CD3)	2,650	612	12,827	612
Other programs including research and early stage	6,731	5,151	15,607	23,519
Wind down costs of terminated programs	3,946	6,866	14,714	23,238
Total external R&D expenses	26,260	29,094	85,085	84,394
Internal research and development expenses	22,511	21,952	70,252	69,613
Stock based compensation	5,596	7,180	19,273	22,623
Total R&D expenses	$ 54,367	$ 58,226	$ 174,610	$ 176,630

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis should be read in conjunction with our financial statements and accompanying notes included in this Quarterly Report on Form 10-Q and the financial statements and accompanying notes thereto for the fiscal year ended December 31, 2024 and the related Management's Discussion and Analysis of Financial Condition and Results of Operations, both of which are contained in our Annual Report on Form 10-K for the year ended December 31, 2024. See also "Special Note Regarding Forward-Looking Statements" included in this Quarterly Report on Form 10-Q.

COMPANY OVERVIEW

We are a clinical-stage biopharmaceutical company focused on discovering and developing engineered antibody therapeutics to treat patients with cancer and other serious diseases, who have unmet medical needs. We use our protein engineering capabilities to design new technologies and XmAb® drug candidates with improved properties. We advance these candidates into clinical-stage development, where we are conducting Phase 1 and Phase 2 studies for a broad portfolio of programs, to determine which programs we advance into later stages of development and potentially commercialization, which programs we partner to access complementary resources to optimize development, and which programs we discontinue.

Our approach to protein design includes engineering Fc domains, the parts of antibodies that interact with multiple segments of the immune system and control antibody structure. The Fc domain is constant and interchangeable among antibodies, and our engineered Fc domains can be readily substituted for natural Fc domains.

We and our partners develop XmAb antibodies and other types of biotherapeutic drug candidates with improved properties and functionality, which can provide innovative approaches to potentially treating disease and clinical benefits over other treatment options. Applications of our protein engineering technologies include multi-specific antibodies that bind two or more different targets simultaneously, creating entirely new biological mechanisms of anti-disease activity, or enhancement of antibody performance by increasing immune inhibitory activity, improving cytotoxicity, extending circulating half-life and stabilizing novel protein structures. Three marketed XmAb medicines have been developed with our protein engineering technologies.

Refer to Part I, "Item 1. Business" under "XmAb Bispecific Fc Domain and Multi-Specific Antibody Formats" and "Other XmAb Fc Domains" in the description of our business included in our Annual Report on Form 10-K for the year ended December 31, 2024 for a discussion of our core Fc technology platforms.

XmAb Drug Candidates

We are currently enrolling four clinical studies to evaluate our XmAb drug candidates for patients with many different types of serious diseases.

Oncology Programs

XmAb819 (ENPP3 x CD3): XmAb819 is a novel, potential first-in-class, tumor-targeted, T-cell engaging XmAb 2+1 bispecific antibody in development for patients with clear cell renal cell carcinoma (ccRCC). XmAb819 is designed to engage the immune system and activate T cells for highly potent and targeted lysis of tumor cells expressing ENPP3, an antigen highly expressed on kidney cancers. ENPP3 is a differentially expressed target, with high level expression in RCC and low level expression on normal tissues. With two tumor-antigen binding domains and one T-cell binding domain, our XmAb 2+1 format is designed to enable antibodies to bind more avidly and selectively kill tumor cells with higher antigen density, potentially sparing normal cells. We are conducting a Phase 1 study to evaluate XmAb819 in patients with advanced ccRCC. The first dose-expansion cohort in the study is enrolling patients as dose-escalation continues.

At the AACR-NCI-EORTC Conference on Molecular Targets and Cancer Therapeutics in October 2025, we presented initial results from the Phase 1 dose-escalation study. As of the data cut-off, 69 patients had received XmAb819 across 15 dose cohorts; patients were heavily pre-treated, having received a median of 4 prior lines of therapy. All patients received prior anti-PD1 therapy and prior VEGF-TKI therapy, and 36% of patients were previously treated with a HIF2α inhibitor. XmAb819 demonstrated evidence of anti-tumor activity and an acceptable safety profile that was generally well tolerated across dose levels. Of the 20 efficacy-evaluable patients treated at the dose levels that were preclinically predicted to be within the target dose range, 25% achieved a partial response (PR, per RECIST v1.1) as best response with a 70% disease control rate. The most common treatment-emergent adverse events (AEs) were cytokine release syndrome, rash and gastrointestinal-related toxicities that were primarily Grade 1 or 2 in severity and predominantly associated with prime-step dosing in the first four weeks of treatment. No cases of treatment-related immune effector cell-associated neurotoxicity syndrome (ICANS) were observed. No Grade 5 events were reported. Four patients (6%) were dose-reduced due to treatment-related AEs, and three patients (4%) discontinued treatment due to treatment-related AEs.

XmAb541 (CLDN6 x CD3): XmAb541 is a novel, potential first-in-class, tumor-targeted, T-cell engaging XmAb 2+1 bispecific antibody in development for patients with CLDN6 expressing tumor types including ovarian cancer. XmAb541 is designed to engage the immune system and activate T cells for highly potent and targeted lysis of tumor cells expressing CLDN6, a tumor-associated antigen in ovarian cancer, germ cell tumors and other solid tumors. The XmAb 2+1 multivalent format used in XmAb541 enables greater selectivity for CLDN6 over similar Claudin family members, such as CLDN9, CLDN3 and CLDN4. We are conducting a Phase 1 dose-escalation study to evaluate XmAb541 in patients with advanced gynecologic and germ cell tumors.

In October 2025 we presented early efficacy data from a cohort in the ongoing Phase 1 dose-escalation study. As of the data cut-off, nine patients received XmAb541 in the most recently completed escalation cohort. Confirmed partial responses per RECIST v1.1 were observed in three patients: one patient with ovarian cancer and two patients with germ cell tumors.

XmAb808 (B7-H3 x CD28): XmAb808 is a tumor-selective, co-stimulatory CD28 bispecific antibody that binds to the broadly expressed tumor antigen B7-H3 and is constructed with the XmAb 2+1 multivalent format. Co-stimulation is required for T cells to achieve full activation, and targeted CD28 bispecific antibodies may provide conditional co-stimulation of T cells when the antibodies are bound to tumor cells. Enrollment in the final cohort of a Phase 1 dose-escalation study of XmAb808 in combination with pembrolizumab, an anti-PD1 antibody, is complete. Data from the study are expected to inform future development decisions for the program. Potential combination with CD3 T-cell engaging bispecific antibodies is being evaluated.

Autoimmune Disease Programs

XmAb942 (Xtend TL1A): XmAb942 is a high-potency, extended half-life, investigational anti-TL1A antibody in clinical development for patients with inflammatory bowel disease (IBD), such as ulcerative colitis (UC) and Crohn's disease (CD). The first generation of anti-TL1A antibodies, designed to block the interaction between the DR3 receptor and its ligand TL1A, have reduced disease activity in patients with UC and CD in multiple clinical studies. We announced interim results from a Phase 1 dose-escalation study in healthy volunteers in April 2025. The results indicate that XmAb942 was well tolerated at single and multiple doses. Pharmacokinetic analysis of the single dose cohorts estimated a human half-life of greater than 71 days, which supports a 12-week dosing interval during maintenance treatment. We initiated a Phase 2b study of XmAb942 in UC, the XENITH-UC Study, in the third quarter of 2025. XENITH-UC is a randomized, double-blind, placebo-controlled trial in patients with moderate-to-severe UC, whose disease has progressed after at least one conventional or advanced therapy.

Plamotamab (CD20 x CD3): Plamotamab is a B-cell depleting bispecific T-cell engager that targets CD20, a target receptor on B cells. In the second quarter of 2025, we received regulatory authorization to initiate a Phase 1b proof-of-concept study for plamotamab in rheumatoid arthritis (RA), and we initiated the study in the third quarter of 2025. The study will select a priming and step-up dose regimen based on the regimen established in oncology, and will assess the

initial safety, efficacy and biomarkers of plamotamab in patients with RA. Results from the previously conducted Phase 1 study in hematologic cancers showed favorable tolerability and comparable preliminary efficacy data, when cross compared to results from studies of a competitor molecule within the class, with similar patient baseline characteristics. Data demonstrating deep peripheral B-cell depletion observed in patients with lymphoma were presented at a medical meeting in December 2024. Based on these clinical outcomes, significant B-cell depletion, and the emergent biology supportive of B-cell targeted T-cell engagers for the treatment of patients with autoimmune diseases, we are evaluating plamotamab in RA, in which patients progressed through prior standard of care treatment.

XmAb657 (CD19 x CD3): We have leveraged our XmAb protein engineering platforms to create XmAb657, a potent, potentially long-acting CD19 x CD3 bispecific antibody, utilizing the XmAb 2+1 bispecific antibody format and Xtend Fc technology. In non-human primate studies, a single dose of XmAb657 deeply reduced B cells by over 99.98% in the peripheral compartment, bone marrow and lymph nodes, which was sustained for at least 28 days. Half-life was estimated to be 15 days, which indicates a potential for durable B-cell depletion in clinical studies. XmAb657 was well tolerated preclinically, with no clinical signs of cytokine release syndrome. We plan to initiate a first-in-human study by year end 2025.

XmAb412 (TL1A x IL-23): XmAb412 is a TL1A x IL-23p19 bispecific antibody, which targets two important inflammatory pathways for autoimmune and inflammatory disease, while avoiding the complexities of dosing and formulary access for two separate TL1A and IL23 targeted drugs. *In vitro* studies show that the candidate matches the target inhibition potency of monospecific antibodies to these targets, but in a bispecific format. We anticipate initiating first-in-human studies during 2026.

Collaborations, Partnerships and Licensing Arrangements

A key part of our business strategy is to leverage our protein engineering capabilities, XmAb Fc domains and drug candidates with partnerships, collaborations and licenses. Through these arrangements we generate revenues in the form of upfront payments, milestone payments and royalties. For partnerships for our drug candidates, we aim to retain a major economic interest in the form of keeping major geographic commercial rights; profit-sharing; co-development options; and the right to conduct studies with drug candidates developed in the collaboration. The types of arrangements that we have entered into with partners include product licenses, novel bispecific antibody collaborations, technology licensing agreements and strategic collaborations.

Product Licenses

Product licenses are arrangements in which we have internally developed drug candidates and, based on a strategic review, licensed partial or full rights to third parties to continue development and potential commercialization. We seek partners that can provide infrastructure and resources to successfully develop our drug candidates, have a track record of successfully developing and commercializing medicines, or have a portfolio of development-stage candidates and commercialized medicines that could potentially be developed in rational combinations with our drug candidates.

The FDA approved Monjuvi® (tafasitamab-cxix) under accelerated approval in July 2020. Monjuvi is a CD19-directed cytolytic antibody indicated in combination with lenalidomide for the treatment of adult patients with relapsed or refractory diffuse large B-cell lymphoma (DLBCL) not otherwise specified, including DLBCL arising from low grade lymphoma, and who are not eligible for autologous stem cell transplant (ASCT). This indication is approved under accelerated approval based on overall response rate. Continued approval for this indication may be contingent upon verification and description of clinical benefit in a confirmatory trial(s). In August 2021, the European Commission granted conditional marketing authorization for Minjuvi® (tafasitamab) in combination with lenalidomide, followed by tafasitamab monotherapy, for the treatment of adult patients with DLBCL who are not eligible for ASCT. In December 2024, Incyte announced positive full results from the pivotal study of tafasitamab in combination with lenalidomide and rituximab in relapsed or refractory follicular lymphoma (FL) and submitted a supplemental Biologics License Application, which was accepted in February 2025. In June 2025, the FDA approved Monjuvi in combination with rituximab and lenalidomide for the treatment of adult patients with relapsed or refractory FL. Tafasitamab was created and initially developed by us. Tafasitamab is marketed by Incyte under the brand name Monjuvi in the U.S. and under the brand name Minjuvi in Europe and Canada. Incyte has exclusive commercialization rights to tafasitamab outside the U.S. In February 2024, Incyte acquired exclusive global development and commercialization rights to tafasitamab from MorphoSys AG. We earned $2.3 million in estimated non-cash royalties from Incyte for the three months ended September 30, 2025.

Zenas BioPharma, Inc., (“Zenas”) is advancing obexelimab, an antibody that targets CD19 with its variable domain and uses an XmAb Immune Inhibitor Fc Domain, for the treatment of patients with autoimmune diseases. In October 2025, Zenas announced positive results from the Phase 2 MoonStone trial of obexelimab in relapsing multiple sclerosis, in which the primary endpoint of the study was met.

Novel Bispecific Antibody Collaborations

Novel bispecific antibody collaborations are arrangements in which our partner seeks to create a bispecific antibody using one or more of our XmAb bispecific technologies. Our partners provide an antibody or a tumor-associated antigen, and we conduct limited research and development to create potential bispecific antibody candidates for further development and commercialization by our partners.

Amgen Inc. ("Amgen") is advancing xaluritamig, a STEAP1 x CD3 2+1 XmAb bispecific T-cell engager, for the treatment of patients with prostate cancer. The XmAb 2+1 multivalent format enables higher binding capability for STEAP1 expressing cells. In the third quarter of 2025, Amgen initiated the Phase 3 Xalience study of xaluritamig in combination with abiraterone versus investigator's choice therapy in patients with chemotherapy-naïve metastatic castration-resistant prostate cancer (mCRPC). XALute, a Phase 3 monotherapy study of xaluritamig in patients who have previously been treated with taxane-based chemotherapy, is ongoing. Multiple Phase 1 or Phase 1b studies evaluating xaluritamig as a monotherapy or in combination are enrolling patients with earlier prostate cancer, as well.

Astellas is advancing ASP2138, an investigational bispecific CD3 T-cell engager, for the treatment of patients with Claudin 18.2 (CLDN18.2)-positive gastric, gastroesophageal junction and pancreatic cancers. ASP2138 utilizes the XmAb 2+1 multivalent format to enable activation of T cells against CLDN18.2-expressing tumor cells. In October 2025, the first clinical data from ASP2138, both as a monotherapy and in combination with standard of care therapies in gastric gastroesophageal junction adenocarcinomas, were presented during the European Society for Medical Oncology (ESMO) congress in Berlin.

Technology License Agreements

We enter into technology licensing agreements in which we license access to one or more of our XmAb Fc domains on a restricted basis, typically to an XmAb Cytotoxic Fc Domain and/or the Xtend Fc Domain. Our partners are responsible for all research, development and commercialization activities of the drug candidates. The plug-and-play nature of XmAb technologies allows us to license access to our platforms with limited or no internal research and development activities.

Alexion's Ultomiris® uses Xtend Fc technology for longer half-life. Ultomiris has received marketing authorizations in global markets for the treatment of patients with paroxysmal nocturnal hemoglobinuria (PNH), for certain patients with atypical hemolytic uremic syndrome (aHUS), for certain patients with generalized myasthenia gravis (gMG) and for certain patients with neuromyelitis optica spectrum disorder (NMOSD). Alexion is also evaluating Ultomiris in a broad development program across additional hematology, nephrology and neurology indications. We earned $18.7 million in estimated non-cash royalties from Alexion for the three months ended September 30, 2025.

In August 2019, we entered into an agreement with Vir Bio, in which we provided Vir Bio a non-exclusive license to our Xtend technology for two targets in infectious disease. Tobevibart is currently in clinical development for the treatment of patients with chronic hepatitis delta (CHD) and patients with chronic hepatitis B. Vir Bio initiated a Phase 3 study of tobevibart in combination with a small interfering ribonucleic acid (siRNA) in people living with CHD in March 2025, triggering a $2.0 million milestone payment to the Company, which was paid in the second quarter of 2025.

Refer to Part I, Item 1, Note 2, Collaboration and Licensing Agreements of the Notes to Consolidated Financial Statements included in this Quarterly Report on Form 10-Q for a description of the key terms of our arrangements.

Discontinued Programs

Vudalimab (PD-1 x CTLA-4): Vudalimab is a bispecific antibody that targets PD-1 and CTLA-4, two immune checkpoint receptors, to selectively activate the tumor microenvironment. In the fourth quarter of 2024, we completed enrollment in two studies of vudalimab in patients with metastatic castration-resistant prostate cancer and in Part 1 of a study in patients with locally advanced or metastatic non-small cell lung cancer. We have previously disclosed that further development of vudalimab has been paused.

Our patent estate, on a worldwide basis, includes issued patents and pending patent applications, with claims directed to XmAb Fc domains, all of our clinical and preclinical stage product candidates and our computational protein design methods and platforms.

Since we commenced active operations in 1998, we have devoted substantially all our resources to staffing our Company, business planning, raising capital, developing our technology platforms, identifying potential product candidates, undertaking preclinical and Investigational New Drug (IND)-enabling studies, and conducting clinical trials. We have no internally developed products approved for commercial sale and have not generated any revenues from our own product sales, and we continue to incur significant research and development expenses and other expenses related to

our ongoing operations. To date, we have funded our operations primarily through the sale of stock and from payments generated from our product development partnerships and licensing arrangements.

RESULTS OF OPERATIONS

The following table summarizes our results of operations for the following periods indicated:

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2025	2024	Change	2025	2024	Change
			(in thousands)			
Revenues:						
License	$ —	$ —	$ —	$ —	$ 8,500	$ (8,500)
Milestone	—	—	—	39,500	500	39,000
Royalties	20,999	17,796	3,203	57,839	48,700	9,139
Total revenues	20,999	17,796	3,203	97,339	57,700	39,639
Operating expenses:						
Research and development	54,367	58,226	(3,859)	174,610	176,630	(2,020)
General and administrative	14,151	14,767	(616)	46,603	46,300	303
Total operating expenses	68,518	72,993	(4,475)	221,213	222,930	(1,717)
Operating loss	(47,519)	(55,197)	7,678	(123,874)	(165,230)	41,356
Other income (expense), net[(1)]	41,492	7,755	33,737	38,507	(25,110)	63,617
Loss before income tax expense and noncontrolling interest	$ (6,027)	$ (47,442)	$ 41,415	$ (85,367)	$ (190,340)	$ 104,973

(1) Other income (expense), net, included interest income, interest expense, gain/loss on marketable equity securities and asset impairment charges.

Revenues

Total revenue for the three and nine months ended September 30, 2025 increased by $3.2 million and $39.6 million, respectively, from the same periods in 2024. The change was primarily driven by the revenue recognition associated with Alexion and Incyte license agreements as discussed below. See Note 2, Collaboration and Licensing Agreements of the Notes to Consolidated Financial Statements of Part I, "Item 1. Financial Statements" for more information on revenue recognized under the collaboration and license agreements.

Alexion: In January 2013, we entered into an Option and License Agreement (the Alexion Agreement) with Alexion. Under the terms of the Alexion Agreement, we granted to Alexion an exclusive research license, with limited sublicensing rights, to make and use our Xtend technology to evaluate and advance compounds. Alexion exercised its rights to one target program, ALXN1210, which is now marketed as Ultomiris®.

Under the Alexion Agreement, we recognized $18.7 million and $15.7 million of non-cash royalty revenue during the three months ended September 30, 2025 and 2024, respectively, and $51.0 million and $42.1 million during the nine months ended September 30, 2025 and 2024, respectively.

Incyte: In June 2010, we entered into a Collaboration and License Agreement with MorphoSys AG, which was subsequently amended in 2012, 2020 and 2024 (as amended, the Morphosys Agreement). The MorphoSys Agreement provides MorphoSys AG with an exclusive worldwide license to our patents and know-how to research, develop, and commercialize our XmAb5574 product candidate (subsequently renamed MOR208 and tafasitamab) with the right to sublicense under certain conditions. If certain developmental, regulatory and sales milestones are achieved, we are eligible to receive future milestone payments and royalties. In February 2024, Incyte assumed all of MorphoSys AG's right, title and interest under the MorphoSys Agreement. Under this agreement, originally executed in June 2010, we entered into a Collaboration and License Agreement in June 2010 with MorphoSys AG and acquired exclusive global development and commercialization rights to tafasitamab.

In February 2025, the FDA accepted Incyte's submission of a supplemental biologics license application, triggering a $12.5 million milestone payment to us, which was paid in the second quarter of 2025. The FDA approved the application in June 2025, triggering a $25.0 million milestone payment to us, which was paid in the third quarter of 2025.

Under the MorphoSys Agreement, we recognized $2.3 million and $2.1 million of non-cash royalty revenue during the three months ended September 30, 2025 and 2024, respectively, and $6.8 million and $6.5 million during the nine months ended September 30, 2025 and 2024, respectively.

Research and Development (R&D) Expenses

R&D expenses are related to our research and development efforts and related candidate costs, which are comprised primarily of outsourced costs related to the manufacturing of clinical supplies, toxicity/efficacy studies and clinical trial expenses. Internal costs primarily relate to drug discovery and development operations at our research facilities in California, including facility costs and laboratory-related expenses.

The following tables summarize our research and development expenses for the following periods indicated:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
	(in thousands)			
External R&D expenses per program:				
XmAb819 (ENPP3 x CD3)	$ 3,735	$ 3,370	$ 14,883	$ 8,270
XmAb541 (CLDN6 x CD3)	3,757	1,293	8,732	2,547
XmAb808 (B7-H3 x CD28)	1,016	2,354	4,891	6,397
XmAb942 (Xtend TL1A)	3,003	5,597	8,368	15,553
Plamotamab (CD20 x CD3)	1,422	3,851	5,063	4,258
XmAb657 (CD19 x CD3)	2,650	612	12,827	612
Other programs including research and early stage	6,731	5,151	15,607	23,519
Wind down costs of terminated programs	3,946	6,866	14,714	23,238
Total external R&D expenses	26,260	29,094	85,085	84,394
Internal research and development expenses	22,511	21,952	70,252	69,613
Stock based compensation	5,596	7,180	19,273	22,623
Total research and development expenses	$ 54,367	$ 58,226	$ 174,610	$ 176,630

R&D expenses decreased by $3.9 million and $2.0 million for the three and nine months ended September 30, 2025, respectively, compared to the same periods in 2024, respectively. The decrease was primarily driven by lower stock based compensation in the current periods and higher costs incurred in the prior-year periods related to programs that are winding down or had been terminated. R&D expenses may fluctuate from period to period depending on the timing, progress, and level of activity of each program.

General and Administrative Expenses

General and administrative expenses consists of salaries, stock compensation, professional services related to legal, audit, consulting, patent filings, business insurance and technology expenses, facilities, and depreciation and amortization. General and administrative expenses for the three and nine months ended September 30, 2025 remained relatively consistent with the same periods in 2024.

Other Income (Expense)

Other income (expense) primarily consists of interest income and expense, gains and losses on marketable equity securities, and asset impairment charges. Other income increased by $33.7 million and $63.6 million for the three and nine months ended September 30, 2025, compared to the same periods in 2024, respectively.

The change for the three and nine months ended September 30, 2025, was primarily driven by a combination of realized and unrealized gains from the marketable equity securities. In addition, impairment charges of $20.4 million were recognized in the first quarter of 2024 related to an equity interest in a private biotechnology company.

Cash Flows

The following table sets forth the primary sources and uses of cash for each of the periods presented below:

	Nine Months Ended September 30,		
	2025	2024	Change
Cash Flow from:			
Operating activities	$ (83,406)	$ (152,351)	$ 68,945
Investing activities	68,812	(65,124)	133,936
Financing activities	1,911	192,721	(190,810)
Net decrease in cash, cash equivalents, and restricted cash	$ (12,683)	$ (24,754)	$ 12,071

During the nine months ended September 30, 2025, cash flow used in operating activities was $83.4 million, which was primarily due to the ongoing expenses related to our research and development programs and general and administrative expenses. While overall operating expenditures remained consistent with the prior year, the change was primarily driven by higher milestone receipts in 2025, including $30.0 million received from Amgen during the nine months ended September 30, 2025, which had been recognized as revenue in December 2024. Cash provided by investing activities amounted to $68.8 million, primarily reflecting proceeds of $331.9 million from sales and maturities of marketable securities, offset by purchases of marketable securities totaling $261.0 million. Cash provided by financing activities of $1.9 million was primarily related to cash received from stock option exercises and the issuance of common stock under the ESPP, offset by payments to acquire non-controlling interest.

During the nine months ended September 30, 2024, cash flow used in operating activities was $152.4 million, which was primarily due to the ongoing expenses related to our research and development programs and general and administrative expenses. Cash provided by investing activities amounted to $65.1 million, primarily reflecting proceeds of $482.5 million from sales and maturities of marketable securities, offset by purchases of marketable securities totaling $540.8 million. Cash provided by financing activities of $192.7 million was primarily related to proceeds from issuance of common stock and pre-funded warrants.

Liquidity and Capital Resources

We have historically financed our operations through private placements of equity securities, the issuance of convertible notes, public offerings of common stock, and payments received from product development partnerships and licensing arrangements.

As of September 30, 2025, we had $633.9 million of cash, cash equivalents, and marketable debt securities compared to $706.7 million as of December 31, 2024.

On February 27, 2023, we entered into an open market sale agreement (the “Sales Agreement”), pursuant to which we may, from time to time, offer and sell up to $200.0 million in shares of our common stock through SVB Securities LLC, acting as the sales agent. As of September 30, 2025, no shares have been issued under the Sales Agreement.

We expect to continue receiving payments from our collaborators for research and development services rendered, as well as potential additional milestone, opt-in, contingent payments and royalties. The receipt of future milestone and contingent payments is dependent on the achievement of certain research and development milestones by us or our partners and, as such, remains uncertain at this time.

We believe our current financial resources are sufficient to fund our operations through at least the next twelve months from the date of the issuance of these unaudited consolidated financial statements.

Funding Requirements

We have not generated any revenue from the sale of products developed by us to date and do not expect to do so until we obtain regulatory approval of and commercialize one or more of our internal product development candidates. As we are currently in the clinical stage of development, it will be some time before we expect to achieve this, and it is uncertain that we will ever commercialize one or more of our internal product development candidates. We expect that we will continue to increase our operating expenses in connection with ongoing and additional clinical and preclinical development of product candidates in our pipeline and candidates that we are co-developing with our partners.

Although it is difficult to predict our funding requirements, based upon our current operating plan, we expect that our existing cash, cash equivalents, marketable securities and certain potential milestone payments will fund our operating

expenses and capital expenditure requirements into 2028. We have based these estimates on assumptions that may prove to be wrong which would cause us to use our capital resources sooner than we currently expect.

Contractual Obligations and Commitments

There were no material changes outside of the ordinary course of business to our specific contractual obligations during the three and nine months ended September 30, 2025.

Critical Accounting Policies

For a discussion of our material changes in critical accounting policies, see "Recent Accounting Pronouncements" in Note 1, Organization and Summary of Significant Accounting Policies of the Notes to Consolidated Financial Statements included in this Quarterly Report on Form 10-Q.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

There have been no material changes in the Company's exposure to market risk from that described in Part II, "Item 7A. Quantitative and Qualitative Disclosures About Market Risk" of its Annual Report on Form 10-K for the year ended December 31, 2024.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

The Company's management, with the participation of its Chief Executive Officer and Chief Financial Officer (its principal executive officer and principal financial officer, respectively), evaluated the effectiveness of the Company's disclosure controls and procedures (as defined in Rules 13(a)- 15(e) and 15(d)- 15(e) under the Securities Exchange Act of 1934, as amended), as of September 30, 2025, the end of the period covered by this Quarterly Report on Form 10-Q.

Based on such evaluation, the Company's Chief Executive Officer and Chief Financial Officer have concluded that as of such date, the Company's disclosure controls and procedures were not effective at the reasonable assurance level due to the material weakness related to the design of controls related to its review of the accounting treatment of the proceeds from the sale of future royalties pursuant to the Ultomiris Royalty Sale Agreement as part of non-routine transactions and the design of controls related to the evaluation of certain tax legislation. These material weaknesses resulted in the restatement of the Company's consolidated financial statements as of and for the year ended December 31, 2023 and the unaudited consolidated financial statements for each of the first three quarters of 2024. Additionally, these material weaknesses could result in a misstatement of the account balances or disclosures that would result in a material misstatement to the annual or interim consolidated financial statements that would not be prevented or timely detected.

Management's Plan to Remediate the Material Weaknesses

The Company's management is committed to maintaining a strong internal control environment. In response to the material weaknesses identified above, management intends to implement comprehensive remediation actions in a timely manner, under the appropriate oversight of the Audit Committee. These actions to remediate the material weakness in internal control over financial reporting include:

(1) Material weakness related to the proceeds from the sale of future royalties

- implementing a more rigorous and structured analysis of non-routine transactions;
- engaging qualified third-party advisors to assist with highly technical and complex accounting transactions; and
- enhancing management's review of the qualifications and work performed by third-party advisors, specifically in connection with the application of accounting guidance for complex, non-routine transactions.

(2) Material weakness related to the evaluation of certain tax legislation

- enhancing management's review of the qualifications and work performed by third-party advisors in connection with the review and application of tax advice;
- conducting quarterly reviews of income tax legislative changes and their potential impact on the financial statements in collaboration with tax experts.

The Company believes that the actions outlined above, when fully implemented, will remediate the identified material weaknesses. However, the material weaknesses will not be considered remediated until the applicable controls have operated for a sufficient period of time and management has concluded, through testing, that the controls are operating effectively. Management may also determine that additional measures are necessary to remediate the material

weaknesses in the Company's internal control over financial reporting, which could require additional time for implementation and evaluation. Management will continue to assess the effectiveness of the Company's internal control over financial reporting and remains committed to remediating the material weaknesses as expeditiously as possible. Management also provides periodic updates on the progress and status of the remediation efforts to the Audit Committee.

Changes in Internal Control over Financial Reporting

Other than the changes associated with the material weakness remediation procedures described above, there have been no changes in the Company's internal control over financial reporting during the Company's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting. The Company regularly evaluates its controls and procedures and makes improvements in the design and effectiveness of established controls and procedures and the remediation of any deficiencies which may be identified during this process.

PART II — OTHER INFORMATION

Item 1. Legal Proceedings

For a discussion of material pending legal proceedings, please read Note 7, Commitments and Contingencies to the Company's consolidated financial statements included in Part I, "Item I. Financial Statements" of this Quarterly Report on Form 10-Q, which is incorporated into this item by reference.

From time to time, the Company may be subject to various litigation and related matters arising in the ordinary course of business. We are currently a party to an action initiated by Merus N.V. (Merus) in the District of Delaware alleging that our manufacture, use, offer for sale, sale, and/or importation of common light chain antibodies and heterodimeric antibodies infringes certain claims of three Merus patents. Merus filed its complaint against us on August 5, 2024. Merus asserted claims of U.S. Patent Nos. 9,944,695, 9,358,286 and 11,926,859 (collectively, the Asserted Patents). Merus seeks a judgment of patent infringement, an order enjoining us from infringing the Asserted Patents, a damages award (together with interest), a declaration of willful infringement and a finding that this case is exceptional. On October 10, 2024, we filed a motion to dismiss the Merus complaint with prejudice under Rule 12(b)(6), in which we argued that all of the activities accused of infringement are covered by the 35 U.S.C.§ 271(e)(1) safe harbor. Our motion to dismiss under Rule 12(b)(6) was granted on October 1, 2025. The Court has provided Merus until November 11, 2025 to file an amended complaint. On February 11, 2025, we filed for inter partes review (IPR) of Merus' U.S. Patent Nos. 9,358,286 and 11,926,859 before the U.S. Patent and Trademark Appeal Board (PTAB) seeking a finding that certain claims of those patents are unpatentable. The PTAB instituted the IPR on September 26, 2025. We believe we have strong defenses to Merus' claims, including defenses of invalidity and/or non-infringement—some of which have already been accepted by the district court and preliminarily accepted by PTAB, but there is no guarantee that we will ultimately prevail.

Item 1A. Risk Factors

Investing in the Company's securities involves a high degree of risk. You should carefully consider the factors discussed in Part I, "Item 1A. Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 31, 2024, which could materially affect the Company's business, financial position, or future results of operations. See also "Special Note Regarding Forward-Looking Statements" included in this Quarterly Report on Form 10-Q. Below are material changes to our risk factors since our Annual Report on Form 10-K for the year ended December 31, 2024.

Risks Related to Our Unique and Specific Business Operations as a Small Biotechnology Company

Unfavorable global economic or political conditions could adversely affect our business, financial condition or results of operations.

Our business is susceptible to general conditions in the global economy and in the global financial markets. A global financial crisis or a global or regional political disruption could cause extreme volatility in the capital and credit markets. A severe or prolonged economic downturn, including a recession or depression resulting from the political disruption, could result in a variety of risks to our business, including weakened demand for our current or future product candidates, if approved, and our ability to raise additional capital when needed on acceptable terms, if at all. A weak or declining economy or political disruption could also strain our manufacturers or suppliers, possibly resulting in supply disruption, or cause our customers to delay making payments for our potential drugs, if approved.

The current U.S. administration has substantially departed from prior U.S. government international trade policy and has commenced activities to renegotiate, or potentially terminate, certain existing bilateral or multi-lateral trade agreements and treaties with foreign countries. In addition, the current U.S. administration has initiated and is continuing to consider

imposing additional tariffs on certain foreign goods. Related to this action, certain foreign governments, including China, have instituted or are considering imposing reciprocal tariffs on certain U.S. goods. It remains unclear what the current U.S. administration or foreign governments will or will not do with respect to tariffs or other international trade agreements and policies. A trade war or other governmental action related to tariffs or international trade agreements or policies has the potential to disrupt our research activities, increase the cost of materials purchased to develop our products, and/or affect the United States or global economy or certain sectors thereof.

The foregoing could materially and adversely affect our business, financial condition, results of operations and prospects, and we cannot anticipate all of the ways in which the political or economic climate and financial market conditions could adversely impact our business.

Disruptions at the FDA, SEC and other government agencies caused by changing priorities or funding shortages could hinder their ability to hire, retain or deploy key leadership and other personnel, prevent new or modified products from being developed, reviewed, approved or commercialized in a timely manner or at all, which could negatively impact our business.

Recently, beginning on October 1, 2025, the U.S. government shut down and remains shut down as of the date of this filing, during which time certain regulatory agencies, such as the FDA and the SEC, have furloughed critical employees and stopped critical activities. Additionally, on October 10, 2025, the U.S. government implemented substantial layoffs and workforce reductions in connection with the ongoing federal government shutdown, which has resulted in the suspension or delay of various government-funded programs. While the Company continues to monitor developments, there is no assurance that affected government employees or contractors will be reinstated and that government-funded programs will resume. The ability of the FDA and foreign regulatory authorities to review and approve new products can be affected by a variety of factors, including reductions in force or hiring freezes, government budget and funding levels, statutory, regulatory, and policy changes, the FDA's or foreign regulatory authorities' ability to hire and retain key personnel and accept the payment of user fees, and other events that may otherwise affect the FDA's or foreign regulatory authorities' ability to perform routine functions, including uncertainty associated with the current presidential administration in the United States. Average review times at the FDA and foreign regulatory authorities have fluctuated in recent years as a result. In addition, government funding of other government agencies that fund research and development activities is subject to the political process, which is inherently fluid and unpredictable.

Disruptions at the FDA may also slow the time necessary for new drugs, medical devices and biologics or modifications to approved drugs and biologics to be reviewed and/or approved by necessary government agencies, which would adversely affect our business. For example, the current U.S. administration has discussed several changes to the reach and oversight of the FDA, which could affect its relationship with the pharmaceutical industry, transparency in decision making and ultimately the cost and availability of prescription drugs. Additionally, over the last several years, including for 35 days beginning on December 22, 2018, the U.S. government has shut down several times and certain regulatory agencies, such as the FDA, have had to furlough critical FDA employees and stop critical activities. If funding for the FDA is reduced, if the FDA workforce is reduced, or if the current government shutdown continues, it could significantly impact the ability of the FDA or other regulatory authorities to timely review and process our regulatory submissions, which could have a material adverse effect on our business.

Further, a prolonged or future shutdown of the U.S. federal government could materially impact the operations of the SEC. For example, the SEC announced that during the current U.S. federal government shutdown, it will not declare registration statements effective. In the event of an extended shutdown, the SEC may operate with limited staff or suspend certain functions altogether, which could delay the review or effectiveness of our filings, including registration statements or other financing-related disclosures. Such delays could adversely affect our ability to access the public markets and obtain necessary capital in order to properly capitalize and continue to fund our operations.

The FDA or comparable foreign regulatory authorities may also face delays or resource constraints relating to foreign inspections, such as those that occurred during the COVID-19 pandemic. In response, such agencies may shift inspection priorities, may turn to remote regulatory assessments, or may issue other policies that could affect product approval timelines, which could have a material adverse effect on our business. A prolonged or continuing U.S. government shutdown or reductions in FDA funding or workforce may also affect inspection-related activities.

Risks Related to Our Industry

Present and future legislation may increase the difficulty and cost for us to obtain marketing approval of and commercialize our product candidates and affect the prices we may obtain.

Among policy makers and payors in the United States and elsewhere, there is significant interest in promoting changes in healthcare systems with the stated goals of containing healthcare costs, improving quality and/or expanding access. In the United States, the pharmaceutical industry has been a particular focus of these efforts and has been

significantly affected by major legislative initiatives. Healthcare reform measures, if approved, may result in more rigorous coverage criteria and lower reimbursement, and in additional downward pressure on the price that may be charged for any of our product candidates. In particular, there have been and continue to be a number of initiatives at the U.S. federal and state levels that seek to reduce healthcare costs and improve the quality of healthcare.

For example, in March 2010, the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act, (collectively, the ACA), was enacted in the United States, which substantially changed the way healthcare is financed by both governmental and private insurers in the United States and significantly affected the pharmaceutical industry. The ACA, among other things, subjected biologic products to potential competition by lower-cost biosimilars, addressed a new methodology by which rebates owed by manufacturers under the Medicaid Drug Rebate Program (the MDRP) are calculated for drugs and biologics that are inhaled, infused, instilled, implanted or injected, increased the minimum Medicaid rebates owed by manufacturers under the MDRP, extended manufacturer Medicaid rebate obligations to utilization by individuals enrolled in Medicaid managed care organizations, established annual fees and taxes on manufacturers of certain branded prescription drugs and biologics, and established a new Medicare Part D coverage gap discount program. Since its enactment, there have been judicial, congressional, and executive branch challenges to the ACA, which have resulted in delays in the implementation of, and action taken to repeal or replace, certain aspects of the ACA. On June 17, 2021, the U.S. Supreme Court dismissed a challenge on procedural grounds that argued the ACA is unconstitutional in its entirety because the "individual mandate" was repealed by Congress.

In addition, there have been a number of health reform initiatives that have impacted the ACA. For example, on August 16, 2022, the Inflation Reduction Act (the IRA) became law, which, among other things, extends enhanced subsidies for individuals purchasing health insurance coverage in ACA marketplaces through plan year 2025. The IRA also eliminated the "donut hole" under the Medicare Part D program beginning in 2025 by significantly lowering the beneficiary maximum out-of-pocket cost and through a newly established manufacturer discount program. In addition, the IRA imposes new manufacturer financial liability on certain drugs under Medicare Part D, allowing the U.S. government to negotiate Medicare Part B and Part D price caps for certain high-cost drugs and biologics without generic or biosimilar competition, subject to certain exemptions applicable to orphan drugs. It is possible that the ACA will be subject to judicial or congressional challenges in the future. It is unclear how such challenges, and the healthcare reform measures of the current administration, will impact the ACA and our business.

In addition, other legislative changes have been proposed and adopted since the ACA was enacted. For example, on August 2, 2011, the Budget Control Act of 2011 was signed into law, which, among other things, resulted in reductions to Medicare payments to providers of 2% per fiscal year, which went into effect on April 1, 2013, and, due to subsequent legislative amendments to the statute, will remain in effect through 2032 unless additional Congressional action is taken. In certain countries outside the United States, reimbursement for products that have not yet received marketing authorization may be provided through national managed access programs.

Moreover, there has been heightened governmental scrutiny over the manner in which manufacturers set prices for their marketed products, which has resulted in several U.S. presidential executive orders, congressional inquiries, and proposed and enacted legislation designed, among other things, to bring more transparency to product pricing, review the relationship between pricing and manufacturer patient programs and reform government program reimbursement methodologies for pharmaceutical products. The IRA, among other things, (i) directs the U.S. Department of Health and Human Services (HHS) to negotiate the price of certain high-expenditure, single-source drugs and biologics covered under Medicare, and subject drug manufacturers to civil monetary penalties and a potential excise tax by offering a price that is not equal to or less than the negotiated "maximum fair price" for such drugs and biologics under the law, and (ii) imposes rebates with respect to certain drugs and biologics covered under Medicare Part B or Medicare Part D to penalize price increases that outpace inflation. The IRA permits HHS to implement many of these provisions through guidance, as opposed to regulation, for the initial years. These provisions took effect progressively starting in fiscal year 2023. On August 15, 2024, HHS announced the agreed-upon reimbursement prices of the first ten drugs that were subject to price negotiations. The prices of these ten drugs are scheduled to become effective January 1, 2026. On January 17, 2025, HHS announced its selection of 15 additional drugs covered by Part D for the second cycle of negotiations by February 1, 2025. The second cycle of negotiations with participating drug companies will occur during 2025, and any negotiated prices for this second set of drugs will be effective starting January 1, 2027. Each year thereafter more Part B and Part D products will become subject to the Medicare Drug Price Negotiation Program. On December 8, 2023, the National Institute of Standards and Technology published for comment a Draft Interagency Guidance Framework for Considering the Exercise of march-in rights, which for the first time includes the price of a product as one factor an agency can use when deciding to exercise march-in rights. While march-in rights have not previously been exercised, it is uncertain whether that will continue under the new framework. It is unclear whether or how much such rights may be exercised.

Several pharmaceutical companies, as well as the U.S. Chamber of Commerce, and the Pharmaceutical Research and Manufacturers of America have filed lawsuits against HHS and the Centers for Medicare & Medicaid Services, or CMS,

asserting that, among other things, the IRA's drug price negotiation program for Medicare constitutes an uncompensated taking in violation of the Fifth Amendment of the U.S. Constitution and is otherwise unlawful. HHS has generally won the substantive disputes in these cases, and several federal district court judges have expressed skepticism regarding the merits of the legal arguments being pursued by the pharmaceutical industry. Certain of these cases are now on appeal.

We expect that the ACA, the IRA, and any other healthcare reform measures that may be adopted in the future may result in additional reductions in Medicare and other healthcare funding, more rigorous coverage criteria, new payment methodologies and additional downward pressure on the price that we receive for any approved product. Any reduction in reimbursement from Medicare or other government programs may result in a similar reduction in payments from private payors. The implementation of cost containment measures or other healthcare reforms may prevent us from being able to generate revenue, attain profitability or commercialize our product candidates, if approved.

The current Trump administration is pursuing policies to reduce regulations and expenditures across government including at HHS, the FDA, CMS and related agencies. These actions, presently directed by executive orders or memoranda from the Office of Management and Budget, may propose policy changes that create additional uncertainty for our business. These actions and proposals may, for example, include directives: (1) reducing agency workforce and cutting programs; (2) rescinding a Biden administration executive order tasking the Center for Medicare and Medicaid Innovation, or CMNI, to consider new payment and healthcare models to limit drug spending; (3) eliminating the Biden administration's executive order that directed HHS to establish an AI task force and develop a strategic plan; (4) directing HHS and other agencies to lower prescription drug costs through a variety of initiatives, including by improving upon the Medicare Drug Price Negotiation Program and establishing Most-Favored-Nation pricing for pharmaceutical products; (5) imposing tariffs on imported pharmaceutical products; and (6) directing certain federal agencies to enforce existing law regarding hospital and plan price transparency and by standardizing prices across hospitals and health plans. Congress may introduce and ultimately pass healthcare-related legislation that could impact the drug approval process and make changes to the Medicare Drug Price Negotiation Program created under the IRA. This could lower the price that we receive for any approved product. Any denial in coverage or reduction in reimbursement from Medicare or other government-funded programs may result in a similar denial or reduction in payments from private payors, which may prevent us from being able to generate sufficient revenue, attain profitability or commercialize our product candidates, if approved. Furthermore, on July 4, 2025, legislation commonly referred to as the One Big Beautiful Bill Act was signed into law, which reduced funding to federal healthcare programs and imposed additional requirements to be eligible for healthcare, which may result in decreased access to healthcare, particularly in Medicaid programs.

Further, changes in regulatory requirements and guidance may occur and we may need to amend clinical trial protocols to reflect these changes. Amendments may require us to resubmit our clinical trial protocols to IRBs for re-examination, which may impact the costs, timing or successful completion of a clinical trial. In light of widely publicized events concerning the safety risk of certain drug products, regulatory authorities, members of Congress, the Governmental Accounting Office, medical professionals and the general public have raised concerns about potential drug safety issues. These events have resulted in the recall and withdrawal of drug products, revisions to drug labeling that further limit use of the drug products and establishment of risk management programs that may, for instance, restrict distribution of drug products or require safety surveillance or patient education. The increased attention to drug safety issues may result in a more cautious approach by the FDA to clinical trials and the drug approval process. Data from clinical trials may receive greater scrutiny with respect to safety, which may make the FDA or comparable foreign regulatory authorities more likely to terminate or suspend clinical trials before completion or require longer or additional clinical trials that may result in substantial additional expense and a delay or failure in obtaining approval or approval for a more limited indication than originally sought.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Not applicable.

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

(c) Rule 10b5-1 Plans

During the quarter ended September 30, 2025, no director or officer (as defined in Rule 16a-1(f) of the Securities Exchange Act of 1934, as amended) adopted or terminated any trading arrangement, including a Rule 10b5-1 plan (as defined in Item 408(a)(1)(i) of Regulation S-K) or a non-Rule 10b5-1 trading arrangement (as defined in Item 408(c) of Regulation S-K).

Item 6. Exhibits

Exhibit Number	Description of Document
3.1	Amended and Restated Certificate of Incorporation of the Company (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K, filed with the SEC on December 11, 2013).
3.2	Amended and Restated Bylaws of the Company (incorporated by reference to Exhibit 3.2 to the Company's Annual Report on Form 10-K, filed with the SEC on February 27, 2023).
4.1	Form of Common Stock Certificate of the Company (incorporated by reference to Exhibit 4.1 to the Company's Registration Statement on Form S-1, as amended (File No. 333-191689), originally filed with the SEC on October 25, 2013).
4.2	Form of Pre-Funded Warrant to Purchase Common Stock (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K, filed with the SEC on September 12, 2024).
10.1*	Seventh Amendment to Lease, dated August 8, 2025, by and between the Company and 111 Lemon Investors LLC.
10.2*	Consulting Agreement, dated June 6, 2025, by and between the Company and Nancy Valente.
31.1*	Rule 13a-14(a) Certification of Principal Executive Officer.
31.2*	Rule 13a-14(a) Certification of Principal Financial Officer.
32.1**	Section 1350 Certification of Principal Executive Officer and Principal Financial Officer.
101*	The following financial statements from the Company's 10-Q for the fiscal quarter ended September 30, 2025, formatted in iXBRL: (i) Consolidated Balance Sheets, (ii) Consolidated Statements of Operations and Comprehensive Loss, (iii) Consolidated Statements of Stockholders' Equity, (iv) Consolidated Statements of Cash Flows, (v) Notes to Consolidated Financial Statements
104*	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

*Filed herewith.

**Furnished herewith.

SIGNATURES

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

XENCOR, INC.

Dated: November 5, 2025

BY: /s/ BASSIL I. DAHIYAT
Bassil I. Dahiyat, Ph.D.
President and Chief Executive Officer
(Principal Executive Officer)

Dated: November 5, 2025

BY: /s/ BART JAN CORNELISSEN
Bart Jan Cornelissen
Chief Financial Officer
(Principal Financial Officer)

Exhibit 10.1

SEVENTH AMENDMENT TO LEASE

This SEVENTH AMENDMENT TO LEASE (this "**Amendment**") is made and effective as of August 8, 2025 (the "**Effective Date**") by and between 111 LEMON INVESTORS LLC, a California limited liability company successor-in-interest to BF Monrovia, LLC, a California limited liability company ("**Landlord**") and XENCOR, INC., a Delaware corporation successor-in-interest to Xencor, Inc., a California corporation ("**Tenant**").

R E C I T A L S:

A. Landlord and Tenant entered into that certain Lease dated as of January 1, 2015 (the "**Original Lease**") whereby Landlord leased to Tenant and Tenant leased from Original Landlord that certain space containing approximately 24,573 rentable square feet, comprising the entirety of the second (2nd) floor (the "**2nd Floor Premises**") of that certain building located at 111 West Lemon Street, Monrovia, California 91016 (the "**Building**").

B. The Original Lease by and between Landlord and Tenant was amended by (i) that certain Amendment to Lease dated as of January 26, 2015 (the "**First Amendment**"), (ii) the Second Amendment to Lease dated as of July 5, 2017 (the "**Second Amendment**"), (iii) the Third Amendment to Lease dated as of April 30, 2020 (the "**Third Amendment**"), (iv) the Fourth Amendment to Lease dated as of September 30, 2020 (the "**Fourth Amendment**"), (v) the Fifth Amendment to Lease dated as of October 31, 2020 (the "**Fifth Amendment**"), and (vi) the Sixth Amendment to Lease dated as of November 14, 2022 (the "**Sixth Amendment**") (the Original Lease, as amended by the First Amendment, Second Amendment, Third Amendment, Fourth Amendment, Fifth Amendment, and Sixth Amendment shall be referred to collectively as the "**Lease**.")

C. The parties desire to amend the Lease to (i) extend the term of the Lease as to the 2nd Floor Premises ONLY, and to (ii) otherwise modify the Lease, all upon the terms and conditions hereinafter set forth.

A G R E E M E N T:

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Capitalized Terms. All capitalized terms when used herein shall have the same meanings given such terms in the Lease unless expressly superseded by the terms of this Amendment. All references in the Lease and in this Amendment to "**the Lease**" or "**this Lease**" shall be construed to mean the Lease referenced above as amended and supplemented by this Amendment.

2. 2nd Floor Space – Extension of Term. Notwithstanding anything to the contrary in the Lease, pursuant to this Seventh Amendment, the Term for the 2nd Floor Premises is scheduled to expire according to its terms on December 25, 2025. By mutual agreement of the parties, the term of

the Lease is hereby extended for one (1) additional period of twelve (12) months (hereinafter "**Term**"), which shall commence on January 1, 2026 (the "**New Commencement Date**") and expiring on December 31, 2026. No such extension shall operate to release Tenant from liability for any amounts owed or defaults which existing under the Lease prior to the commencement of the new Term.

3. 2nd Floor Space Base Rent. Effective as of the New Commencement Date, the Base Rent for the 2nd Floor Premises shall be Seventy-Six Thousand One Hundred Seventy-Six and 30/100 Dollars ($76,176.30) per month for the remainder of the Term.

4. Condition of the 2nd Floor Premises. Tenant is in possession of the 2nd Floor Premises and, except as otherwise provided in the Lease or this Amendment, shall continue to occupy the same in its current "AS IS" condition without any agreements, representations, understandings or obligations on the part of Landlord to perform or pay for any alterations, repairs or improvements other than as specifically provided in the Lease or this Amendment. Tenant further acknowledges that except as expressly provided in the Lease, neither Landlord nor any agent of Landlord has made any representation or warranty with respect to the functionality thereof or the suitability of any of the foregoing for the conduct of Tenant's business and that all representations and warranties of Landlord, if any, are as set forth in the Lease.

5. Clarification of the Lease.

Notwithstanding any provision of the Lease or this Amendment to the contrary, the provisions of the Lease are hereby clarified, amended and modified as follows:

Tenant acknowledges that it currently is the only Tenant leasing space in the Building, comprising approximately 24,573 rentable square feet, i.e., the entirety of the 2nd Floor. Tenant agrees that as long as it is the only Tenant leasing space in the Building, Tenant shall be responsible for 100% of its Proportionate Share of Operating Expenses each year in excess of Base Year Operating Expenses for the 2nd Floor Premises. From and after the New Commencement Date as defined in this Amendment, as long as Tenant is the only Tenan leasing space in the Building, under the Lease, but subject to Section 5(a) below, Tenant shall be solely responsible at Tenant's sole cost and expense for the repair and maintenance (but not replacement and in the case of the elevators, replacement or capital repair) as set forth below of the following:

(a) The existing HVAC unit(s) servicing the 2nd Floor Premises, the HVAC package units servicing the 2nd Floor Premises, and the two (2) existing boilers servicing the 2nd Floor Premises;

(b) The gate serving the parking garage for the Building;

(c) Trash removal, landscaping, sweeping and maintenance of the Common Areas, and

(d) The elevators serving the Building (the areas and items described in the foregoing subparagraphs (a), (b), (c) and (d) are referred to herein as "**Special Areas and Items**").

6. No Brokers. Landlord and Tenant hereby warrant to each other that they shall have no obligation to provide a commission to any real estate broker or agent in connection with the negotiation of this Amendment. Each party agrees to indemnify and defend the other party against and

hold the other party harmless from any and all claims, demands, losses, liabilities, lawsuits, judgments, and costs and expenses (including, without limitation, reasonable attorneys' fees) with respect to any leasing commission or equivalent compensation alleged to be owing on account of any dealings with any real estate broker or agent occurring by, through our under the indemnifying party.

7. Authorization. Landlord and Tenant represent and warrant to each other respectively that they have the requisite power and authority to enter into this Amendment; that all necessary and appropriate approvals, authorizations and other steps have been taken to effect the legality of this Amendment; that the signatories executing this Amendment on behalf of Landlord and Tenant have been duly authorized and empowered to execute this Amendment on behalf of Landlord and Tenant, respectively; and that this Amendment is valid and shall be binding upon and enforceable against Landlord and Tenant and their respective successors and assigns and shall inure to the benefit of Landlord and Tenant, and their respective successors and assigns.

8. Full Force and Effect. Except as set forth herein, all of the terms, covenants, and conditions of the Lease shall remain in full force and effect and there exists as of the date hereof no default or breach by Tenant of (or to Landlord's knowledge the occurrence of an event which, with the passage of time or the giving of notice or either of them would constitute a default or breach by Tenant of) any of the terms or conditions of, or obligations of Tenant under the Lease. If a conflict or inconsistency exists between the terms and provisions of this Amendment and the terms and provisions of the Lease, the terms and provisions of this Amendment shall control to the extent of any such conflict or inconsistency.

9. Submission. Submission of this Amendment by Landlord to Tenant for examination and/or execution shall not in any manner bind Landlord and no obligations on Landlord shall arise under this Amendment unless and until this Amendment is fully signed and delivered by Landlord and Tenant; provided, however, the execution and delivery by Tenant of this Amendment to Landlord shall constitute an irrevocable offer by Tenant of the terms and conditions herein contained, which offer may not be revoked for thirty (30) days after such delivery.

10. Counterparts; Electronic Signatures. This Amendment may be executed in any number of counterparts, all of which shall be deemed an original, but such counterparts, when taken together, shall constitute one agreement. The parties hereto may deliver their signatures to this Amendment by facsimile, electronic mail, or other electronic transmission, and agree to accept such digital image of this Amendment, as executed, as a true and correct original and admissible as if such signatures were original executed versions of this Amendment. In the event a signature is transmitted electronically, the party so transmitting shall deliver original signature pages within three (3) business days thereafter.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, this Seventh Amendment to Lease has been executed as of the Effective Date.

"**Landlord**" 111 LEMON INVESTORS LLC,
a California limited liability company

By: Robhana LV1 LLC,
a Nevada limited liability company
Its Member

By: /s/ Robert Hanasab
Robert Hanasab
Its Manager

"**Tenant**" XENCOR, INC.,
a Delaware corporation

By: /s/ Bassil Dahiyat
Printed Name: Bassil Dahiyat
Its: President & CEO

XENCOR, INC.

CONSULTING AGREEMENT

Effective Date: June 6, 2025

This Consulting Agreement (the "***Agreement***") is made as of the Effective Date set forth above by and between Xencor, Inc. ("***Client***") and the consultant named on the signature page hereto ("***Consultant***").

WHEREAS, Client and Consultant entered into and agreed to a consulting arrangement on June 6, 2025 for Consultant to provide business and corporate development services to Client in exchange for Client's agreement to continue certain option vesting and option exercise periods during the term of the arrangement;

WHEREAS, Client and Consultant wish to document the arrangement in writing in a formal Consulting Agreement;

THEREFORE, for good and valuable consideration the sufficiency of which is acknowledged, the parties agree as follows:

1. Engagement of Services. Client may issue Project Assignments to Consultant in the form attached to this Agreement as **Exhibit A** (each, a "***Project Assignment***"). Subject to the terms of this Agreement, Consultant will render the services set forth in Project Assignment(s) accepted by Consultant (the "***Services***") by the completion dates set forth therein. Except as otherwise provided in the applicable Project Assignment, Consultant will be free of control and direction from the Client (other than general oversight and control over the results of the Services), and will have exclusive control over the manner and means of performing the Services, including the choice of place and time. Consultant will provide, at Consultant's own expense, a place of work and all equipment, tools and other materials necessary to complete the Services; however, to the extent necessary to facilitate performance of the Services, Client may, in its discretion, make certain of its equipment or facilities available to Consultant at Consultant's request. While on the Client's premises, Consultant agrees to comply with Client's then-current access rules and procedures, including those related to safety, security and confidentiality. Consultant agrees and acknowledges that Consultant has no expectation of privacy with respect to Client's telecommunications, networking or information processing systems (including stored computer files, email messages and voice messages) and that Consultant's activities, including the sending or receiving of any files or messages, on or using those systems may be monitored, and the contents of such files and messages may be reviewed and disclosed, at any time, without notice.

2. Compensation. Client will provide the compensation, if any, set forth in each Project Assignment for Services rendered pursuant to this Agreement as Consultant's sole compensation for such Services; it being expressly understood that except for the consideration set forth in Exhibit A, Client is not offering and Consultant is not relying on any additional compensation. Consultant will be reimbursed only for expenses that are expressly provided for in a Project Assignment or that have been approved in advance in writing by Client, provided Consultant has furnished such documentation for authorized expenses as Client may reasonably request.

3. Ownership of Work Product. Consultant hereby irrevocably assigns to Client all right, title and interest worldwide in and to any deliverables specified in a Project Assignment and to any ideas, concepts, processes, discoveries, developments, formulae, information, materials, improvements, designs, artwork, content, software programs, other copyrightable works, and any other work product created, conceived or developed by Consultant (whether alone or jointly with others) for Client during or before the term of this Agreement, including all copyrights, patents, trademarks, trade secrets, and other intellectual property rights therein (collectively, the "***Work Product***"). Consultant retains no rights to use the Work Product and agrees not to challenge the validity of Client's ownership of the Work Product. Consultant agrees to execute, at Client's request and expense, all documents and other instruments necessary or desirable to confirm such assignment, including without limitation, any copyright assignment or patent assignment provided by the Client. Consultant hereby irrevocably appoints Client as Consultant's attorney-in-fact for the purpose of executing such documents on Consultant's behalf, which appointment is coupled with an interest. At Client's request, Consultant will promptly record any such patent assignment with the United States Patent and Trademark Office. Client will reimburse Consultant for any reasonable out-of-pocket expenses actually incurred by Consultant in fulfilling its obligations under this section. Consultant will deliver each item of Work Product specified in each Project Assignment and disclose promptly in writing to Client all other Work Product.

4. Other Rights. If Consultant has any rights, including without limitation "artist's rights" or "moral rights," in the Work Product that cannot be assigned, Consultant hereby unconditionally and irrevocably grants to Client an exclusive (even as to Consultant), worldwide, fully paid and royalty-free, irrevocable, perpetual license, with rights to sublicense through multiple tiers of sublicensees, to use, reproduce, distribute, create derivative works of, publicly perform and publicly display the Work Product in any medium or format, whether now known or later developed. In the event that Consultant has any rights in the Work Product that cannot be assigned or licensed, Consultant unconditionally and irrevocably waives the enforcement of such rights, and all claims and causes of action of any kind against Client or Client's customers.

5. License to Preexisting IP. Consultant agrees not to use or incorporate into Work Product any intellectual property developed by any third party or by Consultant other than in the course of performing Services for Client ("***Preexisting IP***") unless the Preexisting IP has been specifically identified and described in the applicable Project Assignment. In the event Consultant uses or incorporates Preexisting IP into Work Product, Consultant hereby grants to Client a non-exclusive, worldwide, fully-paid and royalty-free, irrevocable, perpetual license, with the right to sublicense through multiple tiers of sublicensees, to use, reproduce, distribute, create derivative works of, publicly perform and publicly display in any medium or format, whether now known or later developed, such Preexisting IP incorporated or used in Work Product.

6. Representations and Warranties. Consultant represents and warrants that: (a) the Services will be performed in a professional manner and in accordance with the industry standards and the Work Product will comply with the requirements set forth in the applicable Project Assignment, (b) the Work Product will be an original work of Consultant, (c) Consultant has the right and unrestricted ability to assign the ownership of Work Product to Client as set forth in Section 3 (including without limitation the right to assign the ownership of any Work Product created by Consultant's employees or contractors), (d) neither the Work Product nor any element thereof will infringe upon or misappropriate any copyright, patent, trademark, trade secret, right of publicity or privacy, or any other proprietary right of any person, whether contractual, statutory or common law, (e) Consultant has an unqualified right to grant to Client the license to Preexisting IP set forth in Section 5, (f) none of the Work Product incorporates any software code licensed under the GNU General Public License or Lesser General Public License or any other license that, by its terms, requires or conditions the use or distribution of such code on the disclosure, licensing, or distribution of any source code owned or licensed by Client, except as expressly agreed by the Client in writing, and (g) Consultant will comply with all applicable federal, state, local and foreign laws governing self-employed individuals, including laws requiring the payment of taxes, such as income and employment taxes, and social security, disability, and other contributions. Consultant further represents and warrants that Consultant is self-employed in an independently established trade, occupation, or business; maintains and operates a business that is separate and independent from Client's business; holds himself or herself out to the public as independently competent and available to provide applicable services similar to the Services; has obtained and/or expects to obtain clients or customers other than Client for whom Consultant performs services; and will perform work for Client that Consultant understands is outside the usual course of Client's business. Consultant agrees to indemnify and hold Client harmless from any and all damages, costs, claims, expenses or other liability (including reasonable attorneys' fees) arising from or relating to the breach or alleged breach by Consultant of the representations and warranties set forth in this Section 6.

7. Independent Contractor Relationship. Consultant's relationship with Client is that of an independent contractor, and nothing in this Agreement is intended to, or should be construed to, create a partnership, agency, joint venture or employment relationship between Client and any of Consultant's employees or agents. Consultant is not authorized to make any representation, contract or commitment on behalf of Client. Consultant (if Consultant is an individual) and Consultant's employees will not be entitled to any of the benefits that Client may make available to its employees, including, but not limited to, group health or life insurance, profit-sharing or retirement benefits. Because Consultant is an independent contractor, Client will not withhold or make payments for social security, make unemployment insurance or disability insurance contributions, or obtain workers' compensation insurance on behalf of Consultant. Consultant is solely responsible for, and will file, on a timely basis, all tax returns and payments required to be filed with, or made to, any federal, state or local tax authority with respect to the performance of Services and receipt of fees under this Agreement. Consultant is solely responsible for, and must maintain adequate records of, expenses incurred in the course of performing Services under this Agreement. No part of Consultant's compensation will be subject to withholding by Client for the payment of any social security, federal, state or any other employee payroll taxes. Client will regularly report amounts paid to Consultant by filing Form 1099-MISC with the Internal Revenue Service as required by law. If, notwithstanding the foregoing, Consultant is reclassified as an employee of Client, or any affiliate of Client, by the U.S. Internal Revenue Service, the U.S. Department of Labor, or any other federal or state or foreign agency as the result of any administrative or judicial proceeding, Consultant agrees that Consultant will not, as the result of such reclassification, be entitled to or eligible for, on

either a prospective or retrospective basis, any employee benefits under any plans or programs established or maintained by Client.

8. Confidential Information. During the term of this Agreement and thereafter Consultant (i) will not use or permit the use of Client's Confidential Information in any manner or for any purpose not expressly set forth in this Agreement, (ii) will hold such Confidential Information in confidence and protect it from unauthorized use and disclosure, and (iii) will not disclose such Confidential Information to any third parties except as set forth in this section and in Section 9 below. Consultant will protect Client's Confidential Information from unauthorized use, access or disclosure in the same manner as Consultant protects its own confidential information of a similar nature, but in no event will it exercise less than reasonable care. Notwithstanding the foregoing or anything to the contrary in this Agreement or any other agreement between Client and Consultant, nothing in this Agreement shall limit Consultant's right to report possible violations of law or regulation with any federal, state, or local government agency or to discuss the terms and conditions of Consultant's engagement by Client to the extent that such disclosure is protected under applicable provisions of law or regulation, including but not limited to "whistleblower" statutes or other similar provisions that protect such disclosure. "***Confidential Information***" as used in this Agreement means all information disclosed by Client to Consultant, whether during or before the term of this Agreement, that is not generally known in the Client's trade or industry and will include, without limitation: (a) concepts and ideas relating to the development and distribution of content in any medium or to the current, future and proposed products or services of Client or its subsidiaries or affiliates; (b) trade secrets, drawings, inventions, know-how, software programs, and software source documents; (c) information regarding plans for research, development, new service offerings or products, marketing and selling, business plans, business forecasts, budgets and unpublished financial statements, licenses and distribution arrangements, prices and costs, suppliers and customers; (d) existence of any business discussions, negotiations or agreements between the parties; and (e) any information regarding the skills and compensation of employees, contractors or other agents of Client or its subsidiaries or affiliates. Confidential Information also includes proprietary or confidential information of any third party who may disclose such information to Client or Consultant in the course of Client's business. Confidential Information does not include information that (x) is or becomes a part of the public domain through no act or omission of Consultant, (y) is disclosed to Consultant by a third party without restrictions on disclosure, or (z) was in Consultant's lawful possession without obligation of confidentiality prior to the disclosure and was not obtained by Consultant either directly or indirectly from Client. In addition, this section will not be construed to prohibit disclosure of Confidential Information to the extent that such disclosure is required by law or valid order of a court or other governmental authority; *provided, however*, that Consultant will first have given notice to Client and will have made a reasonable effort to obtain a protective order requiring that the Confidential Information so disclosed be used only for the purposes for which the order was issued. All Confidential Information furnished to Consultant by Client is the sole and exclusive property of Client or its suppliers or customers. Upon request by Client, Consultant agrees to promptly deliver to Client the original and any copies of the Confidential Information. Notwithstanding the foregoing nondisclosure obligations, pursuant to 18 U.S.C. Section 1833(b), Consultant will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made: (1) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, and solely for the purpose of reporting or investigating a suspected violation of law; or (2) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

8.1 Personal Information. With respect to any Confidential Information that constitutes personal data, personal information, personally identifiable information or similar information under applicable privacy or data security laws (collectively, "***Personal Information***"), Consultant shall not (i) sell Personal Information or (ii) retain, use or disclose Personal Information for any purpose other than the specific purpose of providing the Services. For the avoidance of doubt, the foregoing prohibits Consultant from "selling" Personal Information, as defined in the California Consumer Privacy Act of 2018 (as amended, the "***CCPA***"), and from retaining, using, or disclosing Personal Information outside of the direct business relationship between Consultant and Client or for a "commercial purpose" (as defined in the CCPA). Consultant hereby certifies that it understands the obligations under this Section 8.1 and will comply with them.

(a) Consultant shall use reasonable security measures appropriate to the nature of any Personal Information in its possession or control to protect the Personal Information from unauthorized access, destruction, use, modification, or disclosure.

(b) The parties acknowledge and agree that Consultant's access to Personal Information is not part of the consideration exchanged by the parties in respect of the Agreement.

(c) If any individual contacts Consultant to make a request pertaining to their Personal Information, Consultant shall promptly forward the request to the Client and shall not respond to the

individual except as instructed by Client. Consultant shall promptly take such actions and provide such information as Client may request to help Client fulfill requests of individuals to exercise their rights under the applicable privacy or data security laws, including, without limitation, requests to access, delete, opt-out of the sale of, or receive information about the processing of, Personal Information pertaining to them. Consultant agrees to cooperate with Client to further amend the Agreement as may be necessary to address compliance with applicable privacy or data security laws.

9. Consultant's Employees, Consultants and Agents. Consultant shall have the right to disclose Confidential Information only to those of its employees, consultants, and agents who have a need to know such information for the purpose of performing Services and who have entered into a binding written agreement that is expressly for the benefit of Client and protects Client's rights and interests in and to the Confidential Information to at least the same degree as this Agreement. Client reserves the right to refuse or limit Consultant's use of any employee, consultant or agent or to require Consultant to remove any employee, consultant or agent already engaged in the performance of the Services. Client's exercise of such right will in no way limit Consultant's obligations under this Agreement.

10. No Conflict of Interest. During the term of this Agreement, Consultant will not accept work, enter into a contract, or accept an obligation from any third party, inconsistent or incompatible with Consultant's obligations under this Agreement, or the scope of Services. Consultant warrants that there is no other contract or duty on its part inconsistent with this Agreement. Consultant agrees to indemnify Client from any and all loss or liability incurred by reason of the alleged breach by Consultant of any services agreement with any third party.

11. Term and Termination.

11.1 Term. The term of this Agreement shall begin on the Effective Date set forth above and end on May 31, 2026 (the "***Term***"), unless earlier terminated as provided in this Agreement.

11.2 Termination. Either party may terminate this Agreement for cause, at any time upon written notice to the other party. For purposes of termination for cause by Xencor, cause shall have the meaning set forth in Xencor's 2013 and 2023 Equity Plans.

11.3 Survival. The rights and obligations contained in Sections 3 ("***Ownership of Work Product***"), 4 ("***Other Rights***"), 5 ("***License to Preexisting IP***"), 6 ("***Representations and Warranties***"), 8 ("***Confidential Information***"), 13 ("***Nonsolicitation***"), 14 ("***Agreement to Arbitrate All Disputes***"), and 15 ("***Other Provisions***") will survive any termination or expiration of this Agreement.

12. Noninterference with Business. Consultant agrees that during the Term of this Agreement, Consultant will not, without Client's express written consent, either directly or indirectly engage in any employment or business activity that is competitive with, or would otherwise conflict with the Services rendered to, or that would otherwise interfere with the business of, the Client. Moreover, Consultant shall not disparage the Company or its officers, directors, employees, shareholders and agents in any manner likely to be harmful to its or their business, business reputation or personal reputation.

13. Nonsolicitation. Consultant agrees that during the Term of this Agreement, and for one year thereafter, Consultant will not either directly or indirectly, solicit or attempt to solicit any employee, independent contractor, or consultant of Client to terminate his, her or its relationship with Client in order to become an employee, consultant, or independent contractor to or for any other person or entity.

14. Return of Client Property. Consultant agrees that, upon termination, Consultant will perform a good faith search for, and return to Client, all Client documents (and all copies thereof) and other Client property in Consultant's possession or control, including, but not limited to, Consultant's files, correspondence, memoranda, notes, notebooks, drawings, books and records, plans, forecasts, reports, proposals, studies, agreements, financial information, personnel information, sales and marketing information, research and development information, systems information, specifications, computer-recorded information, tangible property and equipment, credit cards, entry cards, identification badges and keys, and any materials of any kind that contain or embody any proprietary or confidential information of Client (and all reproductions thereof in whole or in part).

15. Agreement to Arbitrate All Disputes. To ensure the timely and economical resolution of disputes that may arise between Consultant and Client, both Consultant and Client mutually agree that pursuant to the Federal Arbitration Act, 9 U.S.C. §1-16, and to the fullest extent permitted by applicable law, Consultant and Client will submit solely to final, binding and confidential arbitration any and all disputes, claims, or causes

of action arising from or relating to: **(i)** the negotiation, execution, interpretation, performance, breach or enforcement of this Agreement; or **(ii)** Consultant's relationship with Client (including but not limited to all statutory claims); or **(iii)** the termination of Consultant's relationship with Client (including but not limited to all statutory claims). **BY AGREEING TO THIS ARBITRATION PROCEDURE, BOTH CONSULTANT AND CLIENT WAIVE THE RIGHT TO RESOLVE ANY SUCH DISPUTES THROUGH A TRIAL BY JURY OR JUDGE OR THROUGH AN ADMINISTRATIVE PROCEEDING.**

15.1 Arbitrator Authority. The arbitrator shall have the sole and exclusive authority to determine whether a dispute, claim or cause of action is subject to arbitration under this Section and to determine any procedural questions which grow out of such disputes, claims or causes of action and bear on their final disposition.

15.2 Individual Capacity Only. All claims, disputes, or causes of action under this Section, whether by Consultant or Client, must be brought solely in an individual capacity, and shall not be brought as a plaintiff (or claimant) or class member in any purported class or representative proceeding, nor joined or consolidated with the claims of any other person or entity. The arbitrator may not consolidate the claims of more than one person or entity, and may not preside over any form of representative or class proceeding. To the extent that the preceding sentences in this paragraph are found to violate applicable law or are otherwise found unenforceable, any claim(s) alleged or brought on behalf of a class shall proceed in a court of law rather than by arbitration.

15.3 Arbitration Process. Any arbitration proceeding under this Section shall be presided over by a single arbitrator and conducted by JAMS, Inc. ("***JAMS***") or its successor, under the then applicable JAMS Comprehensive Arbitration Rules & Procedures available upon request and also currently available at https://www.jamsadr.com/rules-comprehensive-arbitration/). Consultant and Client both have the right to be represented by legal counsel at any arbitration proceeding, at each party's own expense. The location of the arbitration proceeding shall take place San Diego, California. The arbitrator shall: **(i)** have the authority to compel adequate discovery for the resolution of the dispute; **(ii)** issue a written arbitration decision, to include the arbitrator's essential findings and conclusions and a statement of the award; and **(iii)** be authorized to award any or all remedies that Consultant or Client would be entitled to seek in a court of law. Client shall pay all JAMS arbitration fees in excess of the amount of court fees that would be required of Consultant if the dispute were decided in a court of law.

15.4 Excluded Claims. This Section shall not apply to any action or claim that cannot be subject to mandatory arbitration as a matter of law (including, without limitation, claims brought pursuant to the California Private Attorneys General Act of 2004, as amended), to the extent such claims are not permitted by applicable law to be submitted to mandatory arbitration and such applicable law is not preempted by the Federal Arbitration Act or otherwise invalid (collectively, the "***Excluded Claims***"). In the event Consultant intends to bring multiple claims, including one of the Excluded Claims listed above, the Excluded Claims may be filed with a court, while any other claims will remain subject to mandatory arbitration.

15.5 Injunctive Relief and Final Orders. Nothing in this Section is intended to prevent either Consultant or Client from obtaining injunctive relief in court to prevent irreparable harm pending the conclusion of any such arbitration. Any final award in any arbitration proceeding hereunder may be entered as a judgment in the federal and state courts of any competent jurisdiction and enforced accordingly.

16. Other Provisions.

16.1 Successors and Assigns. Consultant may not subcontract or otherwise delegate or assign this Agreement or any of its obligations under this Agreement without Client's prior written consent. Any attempted assignment in violation of the foregoing will be null and void. Subject to the foregoing, this Agreement will be for the benefit of Client's successors and assigns, and will be binding on Consultant's assignees.

16.2 Notices. Any notice required or permitted by this Agreement will be in writing and will be delivered as follows with notice deemed given as indicated: (i) by personal delivery when delivered personally; (ii) by overnight courier upon written verification of receipt; (iii) by telecopy or facsimile transmission upon acknowledgment of receipt of electronic transmission; or (iv) by certified or registered mail,

return receipt requested, upon verification of receipt. Notice will be sent to the addresses set forth below or such other address as either party may specify in writing.

16.3 Governing Law. This Agreement will be governed in all respects by the laws of the United States of America and by the laws of the State of California, without giving effect to any conflicts of laws principles that require the application of the law of a different jurisdiction.

16.4 Severability. Should any provisions of this Agreement be held by a court of law to be illegal, invalid or unenforceable, the legality, validity and enforceability of the remaining provisions of this Agreement will not be affected or impaired thereby.

16.5 Waiver. The waiver by Client of a breach of any provision of this Agreement by Consultant will not operate or be construed as a waiver of any other or subsequent breach by Consultant.

16.6 Injunctive Relief for Breach. Consultant's obligations under this Agreement are of a unique character that gives them particular value; breach of any of such obligations will result in irreparable and continuing damage to Client for which there will be no adequate remedy at law; and, in the event of such breach, Client will be entitled to injunctive relief and/or a decree for specific performance, and such other and further relief as may be proper (including monetary damages if appropriate).

16.7 Entire Agreement. This Agreement constitutes the entire agreement between the parties relating to this subject matter and supersedes all prior or contemporaneous oral or written agreements concerning such subject matter. The terms of this Agreement will govern all services undertaken by Consultant for Client; *provided, however*, that in the event of any conflict between the terms of this Agreement and any Project Assignment, the terms of the applicable Project Assignment will control, provided that the Project Assignment specifically calls out the applicable Section number of this Agreement to be superseded and has been signed by an authorized officer of Client. This Agreement may only be changed or amended by mutual agreement of authorized representatives of the parties in writing. This Agreement may be executed in two or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, Uniform Electronic Transactions Act or other applicable law) or other transmission method and any counterpart so delivered will be deemed to have been duly and validly delivered and be valid and effective for all purposes.

[Remainder of page intentionally left blank]

The parties have executed this Agreement as of the Effective Date.

CLIENT:

Xencor, Inc.

By: /s/ Bassil Dahiyat

Name: Bassil Dahiyat

Title: President & CEO

Email: ***

Address:

465 N. Halstead, Suite 200
Pasadena, California 91107

CONSULTANT:

/s/ Nancy Valente

Nancy Valente

Email: ***

Address: ***

***

EXHIBIT A

Project Assignment Under Consulting Agreement

Dated: June 6, 2025

Services:

Consultant will provide clinical development consulting and advisory services to Xencor (the "***Services***"). We anticipate this to include advising on oncology program strategy, providing input at key governance meetings, and serving as a resource to clinical development leadership.

Schedule Of Work:

Consultant shall provide Services from time to time as requested by Xencor.

Fees And Reimbursement:

Client will pay a monthly retainer in the amount of $7,500 for Services performed.

As consideration for the Services, Client will consider the period during which Consultant provides Services to Client under this Consulting Agreement to be "Continuous Service" for purposes of Client's 2013 Equity Incentive Plan and/or the 2023 Equity Incentive Plan (the "***Equity Plans***"), and therefore Consultant's outstanding equity awards will continue to vest and, as applicable, remain exercisable in accordance with their terms during the Term of the Consulting Agreement; Vesting of the equity awards will cease at the end of the Term and Consultant's rights to exercise or otherwise acquire any vested shares shall be governed and controlled by the Equity Plan and the applicable grant documents (the "***Equity Documents***"). All terms, conditions and limitations applicable to the equity awards will continue to be subject to the applicable Equity Documents.

Consultant will be reimbursed for expenses, including for reasonable travel (at cost), if approved in writing in advance by Client. Consultant will provide such reasonable receipts or other documentation of expenses as Client might request.

The parties have executed this Project Assignment as of the date first written above.

CLIENT:

Xencor, Inc.

By: /s/ Bassil Dahiyat

Name: Bassil Dahiyat

Title: President & CEO

CONSULTANT:

/s/ Nancy Valente

Nancy Valente

Exhibit 31.1

CERTIFICATION OF THE PRINCIPAL EXECUTIVE OFFICER PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Bassil I. Dahiyat, Ph.D., certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Xencor, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ BASSIL I. DAHIYAT

Bassil I. Dahiyat, Ph.D.
President & Chief Executive Officer
(Principal Executive Officer)

Date: November 5, 2025

Exhibit 31.2

CERTIFICATION OF THE PRINCIPAL FINANCIAL OFFICER PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Bart Jan Cornelissen, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Xencor, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ BART JAN CORNELISSEN

Bart Jan Cornelissen
Chief Financial Officer
(Principal Financial Officer)

Date: November 5, 2025

Exhibit 32.1

CERTIFICATION

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
(Subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code)

In connection with the Quarterly Report on Form 10-Q of Xencor, Inc. (the "Company") for the period ended September 30, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Bassil I. Dahiyat, President & Chief Executive Officer of Xencor, Inc. (the "Company"), and Bart Jan Cornelissen, Chief Financial Officer of the Company, each hereby certifies that, to the best of their knowledge:

1. The Report fully complies with the requirements of Section 13(a) or Section 15(d) of the Exchange Act; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: November 5, 2025

/s/ BASSIL I. DAHIYAT	/s/ BART JAN CORNELISSEN
Bassil I. Dahiyat	Bart Jan Cornelissen
President & Chief Executive Officer	Chief Financial Officer
(Principal Executive Officer)	*(Principal Financial Officer)*

This certification accompanies the Periodic Report to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of Xencor, Inc. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Form 10-Q), irrespective of any general incorporation language contained in such filing.