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Xencor Licenses Fc Antibody Engineering IP to Merck

MONROVIA, Calif., July 2, 2013 – Xencor, Inc. announced today that it has entered into a technology license and option agreement to provide Merck, known as MSD outside the United States and Canada, access to one of Xencor's Fc engineering patents for a therapeutic monoclonal antibody.

Under the agreement, Merck will be granted a non-exclusive license to a Xencor patent for use in an undisclosed product, as well as an option to license the same intellectual property for future products. Xencor will receive an upfront payment and annual maintenance fees. Xencor is also eligible to receive milestone payments associated with the successful development of Merck product candidates, as well as royalties on sales of any potential products that may result from this agreement.

"This agreement with Merck reflects the significant value we have seen in the use of our extensive antibody engineering IP for enhancing next-generation protein and antibody drug candidates," said Bassil Dahiyat, Ph.D., Xencor's chief executive officer. "This technology offers our partners an opportunity to create truly best-in-class therapeutics which will be covered by our ever growing IP portfolio."

About Xencor, Inc.

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

Xencor Media Contact

Jason Spark
Canale Communications for Xencor
Tel: 619-849-6005
jason@canalecomm.com