

Zenas BioPharma Acquires Exclusive Worldwide Rights to Obexelimab from Xencor

Xencor receives rights to additional equity in Zenas as upfront payment and is eligible for up to \$480 million in potential milestone payments and royalties on net sales of commercialized products

Obexelimab is a novel bifunctional antibody with first-in-class potential to treat autoimmune diseases

MONROVIA, Calif., HONG KONG and BOSTON, Nov. 21, 2021 (GLOBE NEWSWIRE) — Xencor, Inc. (NASDAQ: XNCR), a clinical-stage biopharmaceutical company developing engineered monoclonal antibodies and cytokines for the treatment of cancer and autoimmune diseases, and Zenas BioPharma (“Zenas”), a global biopharmaceutical company based in the USA and China committed to the development and delivery of immune-based therapies, today announced that Zenas has acquired from Xencor exclusive worldwide rights to develop, manufacture and commercialize the investigational antibody obexelimab.

Obexelimab is a potential first-in-class bifunctional antibody that targets CD19 with its variable domain and uses Xencor’s XmAb®Immune Inhibitor Fc Domain to target FcγRIIb, a receptor that inhibits the function of B-cells, which are important components in the immune system. Xencor demonstrated through early-stage clinical studies that obexelimab effectively inhibits B-cell function without depleting the cells and generates an encouraging treatment effect in patients with multiple autoimmune diseases.

“Zenas is advancing a broad pipeline of differentiated drug candidates that are intended to bring best-in-class innovation to patients with underserved medical needs,” said Hua Mu, Ph.D., MD, president and chief executive officer at Zenas. “Today, we are pleased to add obexelimab to our portfolio, and based on its clinical profile, we believe it is positioned as a first-in-class candidate with the potential to treat numerous autoimmune diseases.”

“Obexelimab’s highly potent and broad blockade of B-cell activation—without depleting B cells—differentiates it from other B-cell targeting therapies, and it has demonstrated disease-modifying activity in settings where B-cell inhibition is a proven strategy,” said Bassil Dahiyat, Ph.D., president and chief executive officer at Xencor. “In Zenas BioPharma, we have found a partner committed to broadly and aggressively developing therapeutics like obexelimab for patients with autoimmune diseases, enabling Xencor’s continued focus on the growing opportunities provided by our XmAb bispecific antibody and cytokine pipeline.”

Under the terms of the new agreement, Zenas will issue to Xencor a warrant giving Xencor the right to acquire additional Zenas equity, such that Xencor's total equity in Zenas would be 15% of its fully diluted capitalization following the closing of Zenas' next round of equity financing, subject to certain requirements. Xencor previously received equity in Zenas under a separate license agreement. Xencor is also eligible to receive up to \$480 million based on the achievement of certain clinical development, regulatory and commercialization milestones and is eligible to receive tiered, mid-single digit to mid-teen percent royalties upon commercialization of obexelimab, dependent on geography. Zenas will have sole responsibility for advancing the research, development, regulatory and commercial activities of obexelimab worldwide.

About Xencor, Inc.

Xencor is a clinical-stage biopharmaceutical company developing engineered monoclonal antibodies and cytokines for the treatment of cancer and autoimmune diseases. Currently, 22 candidates engineered with Xencor's XmAb® technology are in clinical development internally and with partners. Xencor's XmAb antibody engineering technology enables small changes to the structure of proteins resulting in new mechanisms of therapeutic action. For more information, please visit www.xencor.com.

About Zenas BioPharma

Zenas BioPharma is a global biopharmaceutical company based in the USA and China committed to becoming a leader in the development and delivery of immune-based therapies for patients in the US, China and around the world. Zenas is rapidly advancing a deep pipeline of innovative therapeutics that continues to grow through our successful business development strategy. Our experienced leadership team and network of business partners drive operational excellence to deliver potentially transformative therapies to improve the lives of those facing autoimmune and rare diseases. For more information about Zenas BioPharma, please visit www.zenasbio.com and follow us on Twitter at [@ZenasBioPharma](https://twitter.com/ZenasBioPharma) and [LinkedIn](https://www.linkedin.com/company/zenasbio).

Xencor Forward-Looking Statements

Certain statements contained in this press release may constitute forward-looking statements within the meaning of applicable securities laws. Forward-looking statements include statements that are not purely statements of historical fact, and can generally be identified by our use of words such as "potential," "can," "will," "plan," "may," "could," "would," "expect," "anticipate," "seek," "look forward," "believe," "committed," "investigational," and similar terms, or by express or implied discussions relating to the development of obexelimab as a potential treatment for patients with autoimmune diseases; the commercial potential of obexelimab; the safety, tolerability, efficacy and pharmacokinetics of obexelimab; the quotations from Xencor's president and chief executive officer; and other statements that are not purely statements of historical fact. Such statements are made on the basis of the current beliefs,

expectations, and assumptions of the management of Xencor and are subject to significant known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements and the timing of events to be materially different from those implied by such statements, and therefore these statements should not be read as guarantees of future performance or results. Such risks include, without limitation, the risks associated with the process of discovering, developing, manufacturing and commercializing drugs that are safe and effective for use as human therapeutics and other risks described in Xencor's public securities filings. For a discussion of these and other factors, please refer to Xencor's annual report on Form 10-K for the year ended December 31, 2020 as well as Xencor's subsequent filings with the Securities and Exchange Commission. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. This caution is made under the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, as amended to date. All forward-looking statements are qualified in their entirety by this cautionary statement and Xencor undertakes no obligation to revise or update this press release to reflect events or circumstances after the date hereof, except as required by law.

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