Atreca and Xencor Enter Strategic Collaboration to Discover, Develop and Commercialize Novel T Cell Engaging Bispecific Antibodies

July 8, 2020

SOUTH SAN FRANCISCO, Calif. and MONROVIA, Calif., July 08, 2020 (GLOBE NEWSWIRE) -- Atreca, Inc. (Atreca) (NASDAQ: BCEL), a clinical-stage biotechnology company focused on developing novel therapeutics generated through a unique discovery platform based on interrogation of the active human immune response, and Xencor, Inc. (NASDAQ: XNCR), a clinical-stage biopharmaceutical company developing engineered monoclonal antibodies for the treatment of cancer and autoimmune diseases, today announced that the companies have entered into a collaboration and license agreement to research, develop and commercialize T cell-engaging bispecific antibodies as potential therapeutics in oncology.

Bispecific antibodies that direct T cells to tumor cells, by simultaneously binding CD3 on T cells and a target on tumor cells, have the potential to drive tumor cell killing. This collaboration will leverage Xencor's XmAb ® engineering platform to design and manufacture CD3 bispecific antibodies and Atreca's ability to generate novel antibody-target pairs through its discovery platform, including its Immune Repertoire Capture® (IRC™) technology.

Under the terms of the agreement, the companies will engage in a three-year discovery program. Atreca will provide antibodies against novel tumor targets from which Xencor will engineer XmAb bispecific antibodies that also bind to the CD3 receptor on T cells. Up to two joint programs will be mutually selected for further development and commercialization, with each partner sharing 50 percent of costs and profits. Each company will lead development, regulatory and commercialization activities for one of the joint programs. In addition, the agreement allows for each partner to pursue up to two programs independently, with a mid-to high-single digit percent royalty payable on net sales. Atreca and Xencor began working together in 2019 under a material transfer agreement to accelerate this new collaboration agreement.

“We are proud to be partnering with Xencor, a leader in the engineering and development of antibody therapeutics,” said John A. Orwin, Chief Executive Officer of Atreca. “We believe this collaboration leverages two approaches with the potential to be highly complementary and underscores the value of novel antibody-target pairs in the development of cancer therapeutics. We are encouraged by the work already completed under our initial agreement and look forward to a productive partnership, as well as the prospect of adding T cell-engaging bispecific product candidates to our clinical pipeline.”

“Xencor is building a broad portfolio of drug candidates based on our XmAb technologies, which enable us to create therapeutic antibodies and other proteins with enhanced properties and new mechanisms of action,” said Bassil Dahiyat, Ph.D., President and Chief Executive Officer at Xencor. “Atreca’s unique discovery platform complements our protein engineering capabilities and bispecific platform by providing novel, tumor-selective antibodies and targets to engage with cytotoxic T cell killing. This collaboration offers both Xencor and Atreca with several opportunities to advance novel first-in-class CD3 bispecific antibodies for the potential treatment of patients with cancer.”

About XmAb® Bispecific Fc Technology and CD3 Bispecific Antibodies

XmAb® bispecific Fc domains enable the rapid design and simplified development of bispecific antibodies, and other protein structures, that can bind two or more different targets simultaneously using an engineered heterodimer Fc domain. CD3 bispecific antibodies contain an anti-tumor associated antigen binding domain and a second binding domain targeted to CD3, an activating receptor on T cells, with the goal to recruit or activate T cells against the antigen target. Xencor has developed a mixed valency format, the XmAb 2+1 bispecific antibody, with two domains that bind a tumor target, which preferentially may bind and kill tumor cells with high target expression while potentially sparing low-expression normal tissues.

About Atreca, Inc.

Atreca is a biopharmaceutical company developing novel antibody-based immunotherapeutics generated by its differentiated discovery platform. Atreca’s platform allows access to an unexplored landscape in oncology through the identification of unique antibody-target pairs generated by the human immune system during an active immune response against tumors. These antibodies provide the basis for first-in-class therapeutic candidates, such as our lead product candidate ATRC-101. A Phase 1b study evaluating ATRC-101 in multiple solid tumor cancers is currently enrolling patients. For more information on Atreca, please visit www.atreca.com.

About Xencor, Inc.

Xencor is a clinical-stage biopharmaceutical company developing engineered monoclonal antibodies for the treatment of cancer and autoimmune diseases. Currently, 17 candidates engineered with Xencor's XmAb® technology are in clinical development internally and with partners. Xencor's XmAb antibody engineering technology enables small changes to the structure of monoclonal antibodies resulting in new mechanisms of therapeutic action. For more information, please visit www.xencor.com.

Atreca Forward-Looking Statements

This release contains forward-looking statements regarding our strategy and future plans, including statements regarding the potential to add T-cell engaging bispecific product candidates to our clinical pipeline, the development of ATRC-101 and our clinical and regulatory plans, and the timing thereof. These forward-looking statements include, but are not limited to, statements about our plans, objectives, representations and contentions and are not historical facts and typically are identified by use of terms such as “will”, “believe,” “potential,” “prospect,” and similar words, although some forward-looking statements are expressed differently. Our actual results may differ materially from those indicated in these forward-looking statements due to risks and uncertainties related to the initiation, timing, progress and results of our research and development programs, preclinical studies, any clinical trials and Investigational New Drug application and other regulatory submissions, and other matters that are described in our most recent Annual Report on Form 10-K and Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission (SEC) and available on the

SEC's website at www.sec.gov, including the risk factors set forth therein. Investors are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this release, and we undertake no obligation to update any forward-looking statement in this press release, except as required by law.

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

Atreca Contacts
Atreca, Inc.
Herb Cross
Chief Financial Officer
info@atreca.com

Investors:
Alex Gray, 650-779-9251
agray@atreca.com

Media:
Sheryl Seapy, 213-262-9390
sseapy@w2ogroup.com

Xencor Contacts
Xencor, Inc.
Charles Liles
626-737-8118
cliles@xencor.com

Media Contact:
Jason I. Spark
Canale Communications
619-849-6005
jason@canalecomm.com