UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(Mark One)

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

For the fiscal year ended December 31, 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 **001-36112**

MACROGENICS, INC.

(Exact name of registrant)

Delaware	06-1591613
(State of organization)	*(I.R.S. Employer Identification Number)*

9704 Medical Center Drive, Rockville, Maryland 20850
(Address of principal executive offices and zip code)

(**301**) **251-5172**
(Registrant's telephone number)

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	MGNX	Nasdaq Global Select Market

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
Yes ☐ No ☑

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Exchange Act.
Yes ☐ No ☑

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 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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☑

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant’s executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

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

The aggregate market value of the registrant's common stock, par value $0.01 per share, held by non-affiliates of the registrant on June 30, 2025, the last business day of the registrant's most recently completed second fiscal quarter, was approximately $73.9 million based on the closing price of the registrant's common stock on the Nasdaq Global Select Market on that date. Exclusion of shares held by any person should not be construed to indicate that such person possesses the power, direct or indirect, to direct or cause the direction of management or policies of the registrant, or that such person is controlled by or under common control with the registrant.

The number of shares of the registrant's common stock outstanding on March 5, 2026 was 63,555,837.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of MacroGenics, Inc.'s definitive proxy statement for the 2026 annual meeting of stockholders are incorporated by reference into Part III of this Annual Report.

MACROGENICS, INC.
ANNUAL REPORT ON FORM 10-K
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FORWARD-LOOKING STATEMENTS

This report includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements include statements that may relate to our plans, objectives, goals, strategies, future events, future revenues or performance, capital expenditures, financing needs and other information that is not historical information. Many of these statements appear, in particular, under the headings "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in this Annual Report on Form 10-K. Forward-looking statements can often be identified by the use of terminology such as "subject to", "believe", "anticipate", "plan", "expect", "intend", "estimate", "project", "may", "will", "should", "would", "could", "can", the negatives thereof, variations thereon and similar expressions, or by discussions of strategy.

All forward-looking statements, including, without limitation, our examination of historical operating trends, are based upon our current expectations and various assumptions. We believe there is a reasonable basis for our expectations and beliefs, but they are inherently uncertain. We may not realize our expectations, and our beliefs may not prove correct. Actual results could differ materially from those described or implied by such forward-looking statements. The following uncertainties and factors, among others (including those set forth under "Risk Factors"), could affect future performance and cause actual results to differ materially from those matters expressed in or implied by forward-looking statements:

- our plans to develop our product candidates;
- the outcomes of our ongoing and planned clinical trials and the timing of those outcomes, including when clinical trials will be initiated or completed, enrollment of trials, and when data will be reported or regulatory filings will be made;
- the timing of and our ability to obtain and maintain regulatory approvals for our product candidates and the labeling for any approved products;
- our estimates regarding expenses, future revenue, capital requirements and needs for additional financing;
- our ability to receive research funding and achieve anticipated milestones under our collaborations, as well as our ability to offset the operating costs of our manufacturing facility from our contract development and manufacturing services;
- our ability to raise additional capital through the capital markets or through one or more corporate partnerships, equity offerings, debt financings, collaborations, licensing arrangements or asset sales;
- our expectations regarding product candidates currently being developed by our collaborators;
- the compromise of our or our third parties' information technology systems and resultant costs, disruptions in our operations or related impact on our reputation;
- our ability to enter into new collaborations or to identify additional products or product candidates with significant commercial potential that are consistent with our commercial objectives;
- the potential benefits and future operation of our existing collaborations;
- our ability to recover the investment in our manufacturing capabilities;
- the rate and degree of market acceptance and clinical utility of our products;
- our commercialization, marketing and manufacturing capabilities and strategy;
- significant competition in our industry;
- costs of litigation and the failure to successfully defend lawsuits and other claims against us and our expectations regarding the outcome of any regulatory or legal proceedings;
- economic, political and other risks associated with our international operations;
- our ability to protect and enforce patents and other intellectual property;
- costs of compliance and our failure to comply with new and existing governmental regulations including, but not limited to, tax regulations;
- loss or retirement of key members of management;
- failure to successfully execute our growth strategy, including any delays in our planned future growth;
- our failure to maintain effective internal controls; and
- the impact of legislative and regulatory developments, public health crises, geopolitical tensions or other macroeconomic factors on our business, operations, clinical programs, manufacturing, financial results and other aspects of our business.

Consequently, forward-looking statements speak only as of the date that they are made and should be regarded solely as our current plans, estimates and beliefs. You should not place undue reliance on forward-looking statements. We cannot guarantee future results, events, levels of activity, performance or achievements. Except as required by law, we do not undertake and specifically decline any obligation to update, republish or revise forward-looking statements to reflect future events or circumstances or to reflect the occurrences of unanticipated events.

PART I

ITEM 1. BUSINESS

Except as otherwise indicated herein or as the context otherwise requires, references in this annual report on Form 10-K to "MacroGenics," the "company," "we," "us" and "our" refer to MacroGenics, Inc. and its consolidated subsidiaries. "MacroGenics®, the MacroGenics logo, DART®, TRIDENT® and the phrases Breakthrough Biologics, Life-Changing Medicines® and Developing Breakthrough Biologics, Life-Changing Medicines® are our trademarks. The other trademarks, trade names and service marks appearing in this report are the property of their respective owners.

Overview

We are a clinical-stage biopharmaceutical company focused on developing innovative antibody-based therapeutics for the treatment of cancer. We generate our pipeline of product candidates from our proprietary suite of antibody technology platforms. We are currently developing therapeutics utilizing multiple modalities, including antibody-drug conjugates (ADCs) and multi-specific antibodies (which we refer to as DART and TRIDENT molecules). The combination of our technology platforms and antibody engineering expertise has allowed us to generate promising product candidates – three of which have received marketing approval by the U.S. Food and Drug Administration (FDA) – and to enter into several strategic collaborations with global biopharmaceutical companies. These collaborations have provided us with over $1.6 billion of non-dilutive funding since our inception in 2000, and have enabled us to leverage the additional expertise of our collaborators to advance the development of multiple partnered product candidates. In addition, we operate a commercial-scale cGMP antibody manufacturing facility in our Maryland headquarters. We have utilized the facility to support our clinical programs and we also provide outsourced contract development and manufacturing services to our collaborators and other third parties for commercial and clinical products to offset a significant portion of the operating costs of this facility.

We currently have three proprietary product candidates in clinical development: lorigerlimab, a bispecific DART molecule that targets checkpoint inhibitors PD-1 and CTLA-4; MGC026, an ADC that targets B7-H3 and delivers a novel topoisomerase I inhibitor (TOP1i)-based linker-payload, and MGC028, an ADC that targets ADAM9 and delivers a novel TOP1i-based linker-payload. We are also actively developing preclinical-stage ADC and next generation T-cell engager programs.

We and our partners are developing or commercializing product candidates for which we retain certain economic rights. These include three products approved by the FDA: ZYNYZ® (retifanlimab-dlwr), an anti-PD-1 monoclonal antibody (mAb) that we out-licensed; MARGENZA® (margetuximab-cmkb), an anti-HER2 mAb that we sold to a partner; and TZIELD® (teplizumab-mzwv), an anti-CD3 mAb that we sold to a partner. We are also collaborating with Gilead Sciences, Inc. (Gilead) on the development of MGD024, a bispecific DART molecule targeting CD123 and CD3 that utilizes our next-generation T-cell engager technology, as well as two additional undisclosed pre-clinical DART and TRIDENT molecule development programs.

Our Portfolio of Product Candidates

The table below depicts the status of our diverse pipeline of investigational oncology product candidates for which we retain commercialization or other important rights in the U.S. or more broadly:

Program	Target / Modality	Lead Indication(s)	Preclinical	Phase 1 *Dose Finding*	Phase 1/2 *PoC*	Phase 2/3 *Pivotal*	Partner
Antibody Drug Conjugates							
MGC026	B7-H3 / TOP1i	Multiple Solid Tumors					—
MGC028	ADAM9 / TOP1i	Multiple Solid Tumors					—
MGC030	Undisclosed / TOP1i	Multiple Solid Tumors					—
Dual Checkpoint							
Lorigerlimab	PD-1 × CTLA-4 / DART®	LINNET Study (PROC/CCGC)[a]					—
T-Cell Engagers							
MGD024	CD123 × CD3 / DART	CD123+ Heme Malignancies					Exclusive Option GILEAD
Bispecific	Undisclosed / TRIDENT®	Multiple Solid Tumors					GILEAD
Bispecific	Undisclosed / DART	Undisclosed					GILEAD

(a) No new patients will be enrolled in LINNET study until partial clinical hold is lifted by FDA. Current study participants may continue to receive study drug.

Our Wholly-Owned Product Candidates

MGC026

MGC026 is an investigational ADC incorporating a B7-H3-targeting antibody and a novel TOP1i-based linker-payload, SYNtecan E™. This cleavable linker-payload is based on exatecan, a clinically validated and potent camptothecin, and is site-specifically conjugated using the GlycoConnect® technology developed by our collaboration partner, Synaffix B.V., a Lonza company (Synaffix).

An ongoing Phase 1 dose escalation study of MGC026 was initiated in 2024. Study enrollment was completed in 2025 and we anticipate sharing the initial results of this trial in mid-2026. Based on the selection of a dosing regimen in dose escalation, a Phase 1 dose expansion study of MGC026 in selected indications was initiated in 2025 and is ongoing.

In preclinical studies, MGC026 exhibited a favorable profile, with potent in vivo activity toward B7-H3-expressing tumor xenografts representing a range of cancer indications. MGC026 was tolerated in cynomolgus monkeys, a relevant toxicology model, at exposure levels exceeding those likely required for antitumor activity in patients. In preclinical studies, MGC026 was shown to have greater potency than B7-H3-directed antibodies conjugated to deruxtecan, (DXd), a topoisomerase-based payload utilized in other ADCs. In addition, the MGC026 payload has been shown to be less susceptible to multi-drug resistance (MDR) mechanisms than DXd and SN-38. Finally, compared with other B7-H3-targeted TOP1i ADC molecules, MGC026's glycan conjugation is designed to abolish Fc-γ receptor binding, potentially reducing risk of lung toxicity associated with non-specific uptake by alveolar macrophages.

MGC028

MGC028 is an investigational, first-in-class ADC that targets ADAM9, a member of the ADAM family of multifunctional type 1 transmembrane proteins that play a role in tumorigenesis and cancer progression and is overexpressed in multiple solid tumors. MGC028 is currently being evaluated in a Phase 1 dose escalation study in patients with advanced solid tumors. The Company anticipates reporting initial MGC028 clinical data in the second half of 2026.

MGC030

MGC030 is a first-in-class preclinical ADC that targets an undisclosed antigen expressed across several solid tumors. An Investigational New Drug (IND) application submission to the FDA for MGC030 is targeted for the third quarter of 2026.

Lorigerlimab

Lorigerlimab (previously known as MGD019) is an investigational, bispecific tetravalent DART molecule designed to enable simultaneous and/or independent blockade of PD-1 and CTLA-4, with potentially enhanced CTLA-4 blockade on T cells co-expressing these immune checkpoint molecules. Approved mAbs that target the immune checkpoints PD-1 and CTLA-4 have shown enhanced clinical antitumor activity when given in combination in various cancers, including renal cell carcinoma, melanoma, non-small cell lung cancer (NSCLC), esophageal cancer and microsatellite instability-high (MSI-H) colorectal cancer.

We initiated the LINNET study in patients with platinum-resistant ovarian cancer (PROC) in mid-2025. This study is evaluating lorigerlimab as monotherapy in a Simon two-stage trial in eligible patients who have previously received up to three prior lines of therapy. If a certain predefined threshold of activity is achieved in part 1 of the two-stage design, the study will be expanded with a total of up to 40 patients evaluated. In addition, the LINNET study will evaluate up to 20 patients with clear cell gynecologic cancer (CCGC) who have received at least one prior line of therapy. Any patients with PROC or CCGC who have primary platinum-refractory disease are excluded from study participation. The study's primary endpoint is objective response rate (ORR), with multiple secondary endpoints. In February 2026, we announced the FDA's initiation of a partial clinical hold of the LINNET study. The FDA's partial clinical hold was initiated following the Company's recent notification to the FDA of a temporary pause in enrollment of new participants in the LINNET trial due to the occurrence of recent safety events. The safety events that prompted the enrollment pause occurred across four patients and included Grade 4 thrombocytopenia (N=2), Grade 4 myocarditis (N=1), and Grade 4 neutropenia and concurrent septic shock (N=1) which led to a Grade 5 event. Under the partial clinical hold, no new patients will be enrolled in the LINNET study until the partial hold is lifted by the FDA. Current study participants may continue to receive study drug. We are working closely with the FDA to resolve the partial clinical hold as soon as possible. We expect to provide a clinical update on the first part of the two-stage LINNET study in mid-2026.

In November 2025, we announced that we had determined not to pursue further development of lorigerlimab in second-line metastatic castration-resistant prostate cancer (mCRPC) based on interim data from the Phase 2 LORIKEET trial, a 150-patient randomized study evaluating lorigerlimab in combination with docetaxel and prednisone vs. docetaxel and prednisone in second-line, chemotherapy-naïve patients with mCRPC. Based on review of study data with an October 17, 2025 data cut-off, we determined that the experimental treatment arm would not reach the study's primary goal of showing an improvement in progression-free survival (rPFS) vs. that of the control arm for the targeted patient population. We intend to present or publish the final LORIKEET data at a future date.

Product Candidates in Development under Collaborations

In addition to the molecules identified above, we have out-licensed various product candidates for which we retain certain economic rights. These molecules provide potential sources of future cash flow and platform validation.

MGD024

MGD024 is an investigational, next-generation, bispecific CD123 × CD3 DART molecule designed to engage CD3 expressed on immune effector cells, such as T cells, to kill CD123-expressing cancer cells for the potential treatment of certain hematologic malignancies, including acute myeloid leukemia (AML) and myelodysplastic syndrome (MDS). MGD024 was designed to minimize cytokine-release syndrome, while maintaining anti-tumor cytolytic activity, and permitting intermittent dosing through a longer half-life. CD123, the interleukin-3 receptor alpha chain, is widely overexpressed in various hematologic malignancies, including AML and MDS, making it an attractive therapeutic target.

We continue to enroll patients in a Phase 1 dose-escalation study of MGD024 in patients with CD123-positive neoplasms, including AML and MDS.

In October 2022, we and Gilead entered into an exclusive option and collaboration agreement (Gilead Agreement) to develop and commercialize MGD024 and create up to two separate bispecific cancer target research programs using our DART platform and undertake their early development. Under the Gilead Agreement, we will continue the ongoing phase 1 trial for MGD024 according to a development plan, during which Gilead will have the right to exercise an option granted to them to obtain an exclusive license to develop and commercialize MGD024 and other bispecific antibodies of ours that bind CD123 and CD3 (CD123 Option). The agreement also grants Gilead the right, within the first two years, to nominate a bispecific cancer target set for up to two research programs conducted by us and to exercise separate options to obtain an exclusive license for the development, commercialization and exploitation of molecules created under each research program (Research Program Option). Gilead nominated the first of the two research programs in September 2023. In January 2024, the parties amended the Gilead Agreement to revise certain matters related to intellectual property in the performance of the research plans under the agreement. On August 30, 2024, the parties amended the agreement by entering into a second letter agreement under which Gilead will pay us to conduct certain research and which extends the period for Gilead to select its second research target combination.

In November 2025, Gilead exercised its rights under the Gilead Agreement to nominate and license an additional MacroGenics preclinical program, triggering a $25 million payment to MacroGenics. This licensed program leverages our novel, proprietary platform with the objective of improving upon the safety and efficacy of traditional T-cell engagers. As a result of this license exercise, we and Gilead are now advancing three programs under the collaboration: MGD024, a preclinical TRIDENT molecule program, and this newly licensed preclinical DART molecule program.

As part of the Gilead Agreement, Gilead previously paid us a non-refundable upfront payment of $60.0 million. We remain eligible to receive up to approximately $1.6 billion in aggregate remaining option fees, and development, regulatory and commercial milestone payments across the three programs, assuming Gilead exercises the applicable options and successfully develops and commercializes the resulting product candidates. In addition, upon exercise of the CD123 Option, we are eligible to receive tiered, low double-digit royalties on worldwide net sales of MGD024 and any other CD123 products developed under the agreement, and upon exercise of the applicable Research Program Options, a flat royalty on worldwide net sales of any products resulting from the additional research programs.

Early Bispecific Research Programs

In September 2023, Gilead nominated the first of two potential research programs under the Research Program Option as part of the Gilead Agreement, leveraging our DART and TRIDENT platforms for generating bispecific antibodies. This

nomination granted Gilead an exclusive option to license worldwide rights to the research program, upon achievement of a pre-defined preclinical milestone.

In November 2025, Gilead nominated and licensed the second research program under the Research Program Option as part of the Gilead Agreement. This licensed program leverages our novel, proprietary platform with the objective of improving upon the safety and efficacy of traditional T-cell engagers.

Partnered Marketed Products

TZIELD

In 2018, we entered into an asset purchase agreement (Provention APA) with Provention Bio, Inc., subsequently acquired by Sanofi S.A. (Sanofi), pursuant to which they acquired our interest in teplizumab, a mAb we had been developing for the treatment of type 1 diabetes. Teplizumab was granted Breakthrough Therapy Designation by the FDA and PRIority MEdicines (PRIME) designation by the European Medicines Agency (EMA).

In November 2022, the FDA approved TZIELD (teplizumab-mzwv) to delay the onset of Stage 3 type 1 diabetes (T1D) in adult and pediatric patients aged 8 years and older with Stage 2 T1D, which triggered a $60.0 million milestone payment to us.

In March 2023, we sold our royalty interest in TZIELD to a wholly-owned subsidiary of DRI Healthcare Trust for $100.0 million. Such royalty interest was subsequently acquired by Sanofi. In July 2023, Sanofi reported that the PROTECT placebo-controlled study investigating TZIELD in patients with newly-diagnosed stage 3 T1D met its primary endpoint by demonstrating preservation of beta cell function, which triggered a $50.0 million milestone payment to us. We retain the right to receive a 50% share of the royalty on global net sales above a certain annual threshold and are also eligible to receive an additional $50.0 million milestone if TZIELD achieves a specified level of net sales.

In August and September 2025, TZIELD was approved by the Medicines and Healthcare products Regulatory Agency (MHRA) in the United Kingdom and by the National Medical Products Administration (NMPA) in China, respectively, triggering aggregate milestone payments of $50.0 million, which we received during the fourth quarter of 2025.

In October 2025, Sanofi announced that TZIELD had been accepted for expedited review in the United States for Stage 3 T1D under the FDA Commissioner's National Priority Voucher (CNVP) pilot program. Sanofi subsequently announced that they anticipate an FDA decision for this indication in the first half of 2026.

In January 2026, the European Commission approved TEIZEILD (teplizumab), as its known in the European Union, to delay the onset of Stage 3 T1D in adult and pediatric patients aged eight years and older with Stage 2 T1D. Also in January 2026, the FDA accepted for priority review a supplemental biologics license application submitted by Sanofi seeking to expand the approved age indication for TZIELD in the United States to include children aged one year and older with Stage 2 T1D. Sanofi has reported that the FDA's target action date for the supplemental application is April 29, 2026.

We remain eligible to receive a total of up to $330.0 million in additional regulatory and commercial milestone payments related to TZIELD.

ZYNYZ

In 2017, we licensed retifanlimab, a mAb targeting PD-1, to Incyte Corporation (Incyte) under a global collaboration and license agreement (Incyte License Agreement); we retain the right to develop the molecule in combination with product candidates from our pipeline.

In March 2023, the FDA approved ZYNYZ (retifanlimab-dlwr) for the treatment of adult patients with metastatic or recurrent locally advanced Merkel cell carcinoma. ZYNYZ is marketed by Incyte. In May 2025, the FDA approved ZYNYZ in combination with carboplatin and paclitaxel (platinum-based chemotherapy) for the first-line treatment of adult patients with inoperable locally recurrent or metastatic squamous cell carcinoma of the anal canal (SCAC). In addition, the FDA granted approval for ZYNYZ as a single agent for the treatment of adult patients with locally recurrent or with metastatic SCAC with disease progression on or intolerance to platinum-based chemotherapy. In December 2025, Japan's Ministry of Health, Labour and Welfare approved ZYNYZ as first-line therapy for adults with locally recurrent or metastatic SCAC. In addition, Incyte announced in March 2026 that the European Commission approved ZYNYZ in combination with carboplatin and paclitaxel for the first-line treatment of adult patients with metastatic or inoperable locally recurrent SCAC.

In June 2025, we received $70.0 million upon entering into a royalty purchase agreement with Sagard Healthcare Partners (Sagard) in exchange for a capped royalty interest on future global net sales of ZYNYZ. We will also continue to support a portion of the global commercial manufacturing needs for ZYNYZ. We remain eligible to receive up to $540.0 million in additional development, regulatory, and commercial milestones related to ZYNYZ.

MARGENZA

In October 2024, we announced that we had entered into an agreement in which TerSera Therapeutics LLC (TerSera), a privately-held biopharmaceutical company with a focus in oncology and non-opioid pain management, would acquire global rights to MARGENZA® (margetuximab-cmkb). Pursuant to the terms of the agreement, TerSera paid MacroGenics $40.0 million at the closing in November 2024; in addition, we are eligible to receive sales milestone payments from TerSera of up to an aggregate of $35.0 million. In November 2024, we paid an $8.0 million amendment fee to Eversana Life Sciences Services, LLC (Eversana), our former partner that had previously commercialized MARGENZA.

MARGENZA was approved by the FDA in December 2020 in combination with chemotherapy for the treatment of adult patients with metastatic HER2-positive breast cancer who have received two or more prior anti-HER2 regimens, at least one of which was for metastatic disease. The approval was based on results from the pivotal SOPHIA Phase 3 head-to-head clinical trial evaluating the safety and efficacy of MARGENZA vs. Herceptin® (trastuzumab), both combined with chemotherapy. Margetuximab is a mAb developed using our Fc Optimization platform and targets the HER2 oncoprotein, a protein found on the surface of some cancer cells that promotes growth and is associated with aggressive disease and poor prognosis.

Discontinued Program

Vobramitamab Duocarmazine

Vobra duo was an investigational ADC with a cleavable peptide linker designed to deliver a DNA-alkylating duocarmycin payload to dividing and non-dividing cells on solid tumors that express B7-H3. The underlying ADC technology was licensed from Byondis B.V. (Byondis). We conducted a Phase 2 study, which we referred to as the TAMARACK study, of vobra duo in a total of 177 mCRPC patients and four patients with other cancer types. On July 30, 2024, we reported that after a review of accumulated study data though a July 9, 2024 data cut-off, we agreed with the study's Independent Safety Monitoring Committee recommendation that study treatment be discontinued, for safety reasons, for the remaining mCRPC study participants who potentially could have received additional doses. In November 2024, we announced that we had paused all company-sponsored vobra duo development, pending assessment of trial results. In March 2025, we announced that the TAMARACK results did not support future company investment in vobra duo, and discontinued MacroGenics-based development of the molecule.

Ancillary Contract Development and Manufacturing Services

We provide outsourced contract development and manufacturing services to certain clients, including collaboration partners, in our commercial-scale manufacturing facility to offset a significant portion of the operating costs of the facility.

Incyte

In January 2022, we entered into an agreement with Incyte to provide manufacturing services to produce certain Incyte bulk drug substance over a three-year period. Under the terms of this agreement, we received an upfront payment of $10.0 million and are eligible to receive annual fixed payments paid quarterly over the term of the contract totaling $14.4 million. We will also be reimbursed for materials used to manufacture product as well as other costs incurred to provide manufacturing services. In July 2022, we and Incyte executed an amendment to the agreement which extended the term for one year and provided for an additional annual fixed payment of $5.1 million.

In December 2024, we and Incyte entered into a letter agreement whereby Incyte reserved additional manufacturing services with a fixed cost of $9.1 million.

In September 2025, we and Incyte entered into a new Manufacturing and Clinical Supply Agreement to provide manufacturing services to produce certain Incyte bulk drug substance over a three-year period beginning in January 2026. Based on the current manufacturing schedule contemplated in the agreement, Incyte will pay us a total fixed cost of $16.8

million over the term of the agreement. We will also be reimbursed for materials used to manufacture product as well as other costs incurred to provide manufacturing services.

Emergent BioSolutions

In 2023, we entered into an agreement with Emergent BioSolutions (Emergent) to provide development and manufacturing services to produce certain Emergent bulk drug substances. Under the terms of the agreement, we receive payments in accordance with the manufacturing schedule and are reimbursed for materials used to manufacture product, as well as other costs incurred to provide development and manufacturing services.

TerSera

In November 2024, we sold global rights to MARGENZA to TerSera. In connection with the sale, we entered into an agreement with TerSera to provide manufacturing services to produce MARGENZA. Under the terms of the agreement, we receive payments in accordance with the manufacturing schedule and are reimbursed for materials used to manufacture product, as well as other costs incurred to provide manufacturing services.

Our Therapeutic Area Focus: Cancer

Cancer is a broad group of diseases in which cells divide and grow in an uncontrolled manner, forming malignancies that can invade other parts of the body. In normal tissues, the rates of new cell growth and cell death are tightly regulated and kept in balance. In cancerous tissues, this balance is disrupted as a result of mutations and/or other genetic or epigenetic modifications, causing unregulated cell division or proliferation that leads to tumor formation and growth. While tumors can grow slowly or rapidly, the dividing cells will nevertheless accumulate, and the normal organization of the tissue will become disrupted. Cancers subsequently can spread throughout the body by processes known as invasion and metastasis. Once cancer spreads to sites beyond the primary tumor, it generally becomes more difficult to treat and may be incurable. Cancer cells that arise in the lymphatic system and bone marrow are referred to as hematological malignancies. Cancer cells that arise in other tissues or organs are referred to as solid tumors. Cancer can arise in virtually any part of the body, with the most common types arising in the prostate gland, breast, lung, colon and skin. Cancer is the second leading cause of death in the United States, exceeded only by heart disease. An increasing number of people are also living longer with cancer.

We believe that our platforms position us very well strategically to actively develop approaches for the treatment of both solid tumors and hematologic malignancies.

Our Platforms and Technology Expertise

We apply our understanding of disease biology, immune-mediated mechanisms and next-generation antibody technologies to design specifically targeted antibody-based product candidates focused on our DART, TRIDENT, T-cell engager, and licensed ADC platforms. Through these platforms, we have designed antibody-based product candidates that have the potential to improve on standard treatments by having one or more of the following attributes: (1) recognition of multiple antigens; (2) increased abilities to leverage the body's immune system to fight tumors; (3) capacity to bind more avidly or more selectively to specific antigen targets; (4) increased therapeutic windows; (5) reduced immunogenicity or (6) the ability to target and kill cancer cells that are resistant to standard treatments. Moreover, these technology platforms are complementary in certain cases and can be combined to address the complex biology of cancer.

DART and TRIDENT Platforms: Our Proprietary Approach to Engineer Multi-Specific Antibodies

We use our DART platform to create derivatives of antibodies with the ability to bind to two distinct targets instead of a single target as with traditional mAbs. DART product candidates are therefore bispecific.

Because cancer cells have developed ways to escape the immune system, we have created DART molecules, which are alternative antibody-like structures with unique properties compared to the parent antibody molecules from which they are derived. The two variable regions of an antibody are mono-specific and target only a single antigen. For many years, researchers have sought to create recombinant molecules that are capable of targeting two antigens or epitopes (i.e., specific part of an antigen bound by the antibody) within the same molecule. The challenges in creating such molecules have been the instability of the resulting bispecific molecules sometimes associated with short half-lives, as well as the inefficiencies in manufacturing these compounds. We believe our DART platform has overcome these engineering challenges by incorporating proprietary covalent di-sulfide linkages and particular amino acid sequences that efficiently pair the chains of the DART molecule. This is designed to provide a structure with enhanced manufacturability, long-term structural stability and the ability

to tailor the half-lives of the DART molecules to their clinical needs. This engineered antibody-like protein has a compact and stable structure and enables the targeting of two different antigens with a single recombinant molecule.

The DART platform has been specifically engineered to accommodate virtually any variable region sequence with predictable expression and antigen recognition. We believe our multi-specific platforms may provide a significant advantage over current biological interventions in cancer, autoimmune disorders and infectious diseases by enabling a range of different modalities.

In addition to the ability to tailor a DART molecule's valency, we have the capacity to modify the strength by which the binding sites attach to their targets and the molecule's half-life in the blood circulation after delivery to a patient. Furthermore, when an Fc domain is coupled with a DART molecule, additional changes can be included that can modulate the DART molecule's engagement with different immune cells.

We are currently developing product candidates using our DART technology, including lorigerlimab and MGD024, in clinical trials, as well as others in preclinical development.

We have also advanced beyond our DART platform to establish a TRIDENT platform, which reflects the continuing evolution of our multi-specific antibody-based targeting expertise. Built on the DART module, the trivalent TRIDENT platform incorporates in an Ig-like format an additional domain capable of engaging an independent antigen. With the inclusion of a third targeting arm, TRIDENT molecules enable a broader range of mechanisms of action than simpler bispecific targeting, allowing, for instance, the engagement of up to three antigens on a single or on different cells or enabling enhanced target selectivity by modulating the avidity of one of two antigens. Product candidates using this technology are currently in preclinical development.

Licensed ADC Platforms

We have licensed ADC platforms from collaboration partners to leverage their past investment in proprietary linker-toxin technology and know-how. While we don’t necessarily believe there is a single best linker-toxin technology capable of addressing all targets and indications, we have selected what we believe are best-in-class technologies for construction of each of our ADC product candidates. For example, we are currently utilizing linker payload technologies developed by Synaffix for multiple molecules, including MGC026, MGC028 and MGC030.

Our Collaborations

Throughout our company's history, we have entered into collaborations with other biopharmaceutical companies and plan to continue to do so. We enter into collaborations when there is a strategic advantage to us and when we believe the financial terms of the collaboration are favorable for helping us meet our short-term and long-term strategic objectives. We are not dependent upon any one of these collaborations, but in many cases, we have rights to receive sales royalties and other significant financial payments if the partnered product candidates achieve certain development and sales milestones. We endeavor to establish collaborations that preserve our right to participate in future commercialization, for example by securing co-promotion or profit-sharing rights under certain circumstances.

We pursue a balanced approach between product candidates that we develop ourselves and those that we develop with our collaborators. Under our strategic collaborations to date, we have received significant non-dilutive funding and continue to have rights to additional funding upon completion of certain research, achievement of key product development milestones and royalties and other payments upon the commercial sale of products. Each of our collaborations has a unique set of terms and conditions.

Intellectual Property

We strive to protect the proprietary technologies that we believe are important to our business, including seeking and maintaining patents intended to protect, for example, the composition of matter of our product candidates, their methods of use, their formulation, the technology platforms used to generate them, related technologies and/or other aspects of the inventions that are important to our business. We also rely on trade secrets, confidentiality and invention assignment agreements and careful monitoring of our proprietary information to protect aspects of our business that are not amenable to, or that we do not consider appropriate for, patent protection.

Our success will depend significantly on our ability to obtain and maintain patent and other proprietary protection for commercially important technology, inventions and know-how related to our business. In addition, there is cost and risk to our

business in defending and enforcing our patents, maintaining our licenses to use intellectual property owned by third parties and preserving the confidentiality of our trade secrets and operating without infringing the valid and enforceable patents and other proprietary rights of third parties. We also rely on know-how, continuing technological innovation and in-licensing opportunities to develop, strengthen and maintain our proprietary positions. We currently use multiple industry-standard patent monitoring systems to monitor new United States Patent and Trademark Office (USPTO) filings for any applications by third parties that may infringe on our patents.

The patent positions of biopharmaceutical companies like us are generally uncertain and involve complex legal, scientific and factual questions. In addition, the coverage claimed in a patent application can be significantly reduced before the patent is issued, and its scope can be reinterpreted by the courts after issuance. Consequently, we do not know whether any of our product candidates will be protectable or remain protected by enforceable patents. We cannot predict whether the patent applications we are currently pursuing will be issued as patents in any particular jurisdiction or whether the claims of any issued patents will provide sufficient proprietary protection from competitors. Any patents that we hold may be challenged, narrowed, circumvented or invalidated by third parties.

A third party may hold patents or other intellectual property rights that are important to or necessary for the development of our product candidates or use of our technology platforms. It may be necessary for us to use the patented or proprietary technology of third parties to commercialize our product candidates, in which case we would be required to obtain a license from these third parties on commercially reasonable terms, or our business could be harmed, possibly materially. Because patent applications in the United States and certain other jurisdictions can be maintained in secrecy for 18 months or potentially even longer, and because publication of discoveries in the scientific or patent literature often lags behind actual discoveries, we cannot be certain of the priority of inventions covered by pending patent applications. Moreover, we may have to participate in interference proceedings declared by the USPTO to determine priority of invention. In the ordinary course of business we participate in post-grant challenge proceedings, such as oppositions, that challenge the patentability of third party patents. Such proceedings could result in substantial cost, even if the eventual outcome is favorable to us.

Pipeline Patent Protection

As of December 31, 2025, we held 58 patents in the United States with 24 patent applications pending and 681 patents in other countries of the world with 283 patent applications pending. In addition to patents and patent applications generally providing protection for various aspects of our Fc Optimization, DART, and TRIDENT platforms, we have patent and patent applications for the composition of matter of each of our clinical pipeline product candidates and, in some cases, we also have other patents and patent application related to various aspects of the technology underlying these product candidates or their methods of use.

Patent terms may be adjusted or extended, as described in greater detail below, in certain circumstances. However, assuming no adjustments or extensions, the primary composition of matter patent for each of our clinical pipeline product candidates is expected to expire in the following timeframes:

Product or Product Candidate	Expiration Date
retifanlimab	2036
lorigerlimab	2036
MGD024	2039
MGC026	2044*
MGC028	2045*

* *pending*

Patent Term Extension and Reference Product Exclusivity

The Hatch-Waxman Act permits a patent term extension for FDA-approved drugs, including biological products, of up to five years beyond the expiration of the patent. The length of the patent term extension is related to the length of time the drug is under regulatory review. Patent extension cannot extend the remaining term of a patent beyond a total of 14 years from the date of product approval and only one patent applicable to an approved drug may be extended. Similar provisions are available in Europe and other jurisdictions to extend the term of a patent that covers an approved drug. If and when our pharmaceutical product candidates receive FDA approval, we expect to apply, or have applied, for patent term extensions on patents covering those products. We intend to seek, and are seeking, patent term extensions to our issued patents in any jurisdiction where these are available. For example, we have submitted a request to obtain patent term extension of U.S. Patent No. 10,577,422, the primary composition of matter of retifanlimab. However, there is no guarantee that the applicable authorities, including the

FDA in the United States, will agree with our assessment of whether such extensions should be granted, and even if granted, the length of such extensions.

The Patient Protection and Affordable Care Act, as amended by the Healthcare and Education Affordability Reconciliation Act (collectively the ACA) created a regulatory scheme authorizing the FDA to approve biosimilars via an abbreviated licensure pathway. In many cases, this allows biosimilars to be brought to market without conducting the full suite of clinical trials typically required of originators. Under the ACA, a manufacturer may submit an application for licensure of a biologic product that is "biosimilar to" or "interchangeable with" a previously approved biological product or "reference product." The "biosimilar" application must include specific information demonstrating biosimilarity based on data derived from: (1) analytical studies, (2) animal studies, and (3) a clinical study or studies that are sufficient to demonstrate safety, purity, and potency in one or more appropriate conditions of use for which the reference product is licensed, except that FDA may waive some of these requirements for a given application. Under this new statutory scheme, an application for a biosimilar product may not be submitted to the FDA until four years after the date of first licensure. The FDA may not approve a biosimilar product until 12 years from the date on which the reference product was first licensed. The law does not change the duration of patents granted on biological products. Even if a product is considered to be a reference product eligible for exclusivity, another company could market a competing version of that product if the FDA approves a full biologics license application (BLA) for such product containing the sponsor's own preclinical data and data from adequate and well-controlled clinical trials to demonstrate the safety, purity and potency of their product. There have been persistent proposals to repeal or modify the ACA and it is uncertain how any of those proposals, if in the future approved, would affect these provisions.

Trade Secrets

We also rely on trade secret protection for our confidential and proprietary information. Although we take steps to protect our proprietary information and trade secrets, including through contractual means with our employees and consultants, third parties may independently develop substantially equivalent proprietary information and techniques or otherwise gain access to our trade secrets or disclose our technology. Thus, we may not be able to meaningfully protect our trade secrets. It is our policy to require our employees, consultants, outside scientific collaborators, sponsored researchers and other advisors to enter into agreements with confidentiality terms prior to sharing any of our proprietary and confidential information with them. These agreements provide that all confidential information concerning our business or financial affairs developed or made known to the individual during the course of the individual's relationship with us is to be kept confidential and not disclosed to third parties except in specific circumstances. In the case of employees, the agreements provide that all inventions made, conceived, created or reduced to practice by the individual, and which are related to our current or planned business or research and development or made during normal working hours, on our premises or using our equipment or proprietary information, are our exclusive property. In many cases our agreements with consultants, outside scientific collaborators, sponsored researchers and other advisors require them to assign or grant us licenses to inventions they invent as a result the work or services they render under such agreements or grant us an option to negotiate a license to use such inventions.

In-Licensed Intellectual Property

We have entered into patent and know-how license agreements that grant us the rights to use certain technologies related to biological manufacturing for our commercial and clinical product candidates such as, but not limited to, technology related to the conjugation of cytotoxic payloads to our antibody molecules. We anticipate using these technologies for future product candidates. These licensors have businesses dedicated to licensing this type of technology and we anticipate that licenses to use these technologies for our future products will be available. The licenses typically include yearly maintenance payments and sales royalties, and may also include upfront payments or milestone payments.

Manufacturing

We currently manufacture drug substance for most of our clinical trials at our manufacturing facility located in Rockville, Maryland. We also rely on our licensees and contract manufacturers, including, Synaffix, Sterling and Millipore Sigma, for producing components of our ADC candidates. We have an FDA-approved commercial manufacturing site at 9704 Medical Center Drive in Rockville, Maryland for the manufacture of MARGENZA and ZYNYZ drug substance. We commercially produce MARGENZA and ZYNYZ for TerSera and Incyte, respectively, and intend to commercially produce any of our product candidates when, and if approved, by the FDA. In addition, we currently rely on and will continue to rely on contract fill-finish service providers, primarily PCI Pharma Services (formerly known as Ajinomoto Bio-Pharma Services), Symbiosis, and Simtra BioPharma Solutions, to fulfill our fill-finish needs for our current and future product candidates.

Most of the principal materials we use in our manufacturing operations are available from more than one source. However, we obtain certain raw materials principally from only one source. In the event one of these suppliers was unable to

provide the materials or product, we generally seek to maintain sufficient inventory to supply the market until an alternative source of supply can be implemented. However, in the event of an extended failure of a supplier or general national supply chain disruption, it is possible that we could experience an interruption in supply until we established new sources or, in some cases, implemented alternative processes.

Production processes for biological therapeutic products are complex, highly regulated, and vary widely from product to product. Shifting or adding manufacturing capacity can be a very lengthy process requiring significant capital expenditures, process modifications, and regulatory approvals. Accordingly, if we were to experience extended plant shutdowns at our own facility, extended failure of a contract supplier or contract manufacturing organization, or extraordinary unplanned increases in demand, we could experience an interruption in supply of certain products or product shortages until production could be resumed or expanded.

Commercialization

Of the three products that originated from our pipeline and for which U.S. approval for commercialization has been received, MARGENZA was the only product for which we retained the majority of commercial rights, until we sold global rights to MARGENZA to TerSera in November 2024. In November 2020, we partnered with Eversana, a pioneer of next-generation commercial services to the global life sciences industry, to commercialize margetuximab in the U.S. by leveraging their integrated commercial services. Under the terms of the Eversana agreement, we maintained ownership of margetuximab, including all manufacturing, regulatory and development responsibilities for the product. Eversana received a co-exclusive right to conduct approved commercialization activities. Eversana utilized its internal capabilities to support marketing, channel management services, medical affairs and other commercial and patient access related services; we booked MARGENZA sales. We and Eversana equally shared in funding Eversana's commercialization expenses. In exchange for co-funding these expenses, Eversana was eligible to earn future revenue share payments which were capped at 125% of Eversana's cumulative service fees. The term of the agreement was five years following the date of FDA approval, subject to predefined termination provisions. Pursuant to the sale of MARGENZA to TerSera, we paid Eversana an amendment fee.

For our product candidates, we cannot market or promote a new product in a country until a marketing application has been approved by the appropriate regulatory authority for that jurisdiction. Subject to receiving marketing authorization in a jurisdiction, we believe we will be able to commercialize in that market through arrangements with third-party commercial partners. If we are unable to enter into third-party commercial arrangements for our product candidates that may be approved in the future, with respect to the United States we believe that we could potentially build the capabilities to commercialize our approved product or products. Outside the United States, our strategy is to enter into arrangements with third-party commercial partners for any of our product candidates that obtain marketing approval.

Competition

There are a large number of companies developing or marketing treatments for cancer, including many major pharmaceutical and biotechnology companies. We also face intensifying competition worldwide, including in China where research and development capabilities have expanded and accelerated significantly. These treatments consist both of small molecule drug products, as well as biologic therapeutics that work by using next-generation antibody technology platforms to address specific cancer targets.

In particular, we are developing a PD-1 and CTLA-4 directed DART molecule, which if successful, will likely face significant competition both by therapeutics that are already being marketed as well as those that will be approved for marketing before our program. The bispecific immuno-oncology field targeting PD-1 and CTLA-4 has several competitors, with treatments currently approved in China or in development for various tumor types and patient populations. Akeso, Inc., AstraZeneca plc (AstraZeneca), and Jiangsu Alphamab Biopharmaceuticals Co., Ltd. have anti-PD-1 or anti-PD-L1 and CTLA-4 bispecific antibodies in clinical development, all of which would compete with our PD-1 and CTLA-4 DART program and have significantly greater resources than we do.

In addition, several of our product candidates in clinical development are ADCs and many companies have ADC therapeutics in development. Such companies include, but are not limited to Abbvie Inc., AstraZeneca, BeOne Medicines, BioNTech SE, Duality Biotherapeutics, Genmab A/S, GSK plc, Hansoh Pharmaceutical, Innovent Biologics Co., Ltd., MediLink Therapeutics, Merck & Co., Inc., and Pfizer Inc. These companies have significantly greater resources than we do.

Further, several companies are also developing t-cell engager therapeutics that work by targeting multiple specificities using a single recombinant molecule. Amgen Inc. has obtained marketing approval for one such t-cell engager product in a solid tumor indication that works by targeting antigens both on immune effector cell populations and those expressed on certain

cancer cells, and has other product candidates in development that use this mechanism. In addition, other companies are developing new t-cell engager treatments for cancer that utilize multi-specific approaches, including Abbvie, Amgen, AstraZeneca, F. Hoffmann-La Roche Ltd and Hoffmann-La Roche Inc., particularly through its affiliate, Genentech, Inc., Genmab A/S, Janux Therapeutics, Johnson & Johnson Services, Inc., Regeneron Pharmaceuticals, Inc., Xencor and Zymeworks, Inc.

Finally, our competition in the contract development and manufacturing organization (CDMO) service market includes a number of full-service contract manufacturers and large pharmaceutical companies offering third-party development and manufacturing services to fill their excess capacity. Large pharmaceutical companies have been seeking to divest portions of their manufacturing capacity, and any such divested businesses may compete with us in the future. In addition, most of our competitors have substantially greater financial, marketing, technical or other resources than we do.

Many of our competitors have significantly greater financial, manufacturing, marketing, drug development, technical and human resources than we do. Mergers and acquisitions in the pharmaceutical, biotechnology and diagnostic industries may result in even more resources being concentrated among a smaller number of our competitors. Smaller or early-stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. These competitors also compete with us in recruiting and retaining top qualified scientific and management personnel and establishing clinical trial sites and patient registration for clinical trials, as well as in acquiring technologies complementary to, or necessary for, our programs.

The key competitive factors affecting the success of all our therapeutic product candidates, if approved, are likely to be their efficacy, safety, dosing convenience, price, the effectiveness of companion diagnostics in guiding the use of related therapeutics, the level of generic or biosimilar competition and the availability of reimbursement from government and other third-party payors. In addition, the standard of medical care provided to cancer patients continues to evolve as more scientific and medical information becomes available. These changes in medical care relate to pharmaceutical products, but are also affected by other factors, and such changes can positively or negatively affect the prospects of our product candidates as well as those of our competitors.

Our commercial opportunity for our product candidates could be reduced or eliminated if our competitors develop and commercialize products that are more effective, have fewer or less severe effects, are more convenient or are less expensive than any products that we may develop, or the standards of care for cancer patients change while our clinical trials are ongoing. Our competitors also may obtain FDA or other regulatory approval for their products more rapidly than we may obtain approval for ours, which could result in our competitors establishing a strong market position before we are able to enter the market. In addition, our ability to compete may be affected in many cases by insurers or other third-party payors seeking to encourage the use of biosimilar products. Biosimilar products are expected to become available over the coming years. For example, trastuzumab biosimilars have been approved in the U.S. by the FDA.

The most common methods of treating patients with cancer are surgery, radiation and drug therapy. There are a variety of available drug therapies marketed for cancer. Many of these approved drugs are well established therapies and are widely accepted by physicians, patients and third-party payors. In many cases, these drugs are administered in combination to enhance efficacy. The treatment landscape for cancer is complex due to the sequential order in which oncology drugs are administered. Initially, first-line treatments are prescribed, followed by second-line treatments when the first no longer yields results, and so on with third-line treatments and beyond. While our product candidates may compete with many existing drug and other therapies, to the extent an approved drug is ultimately used in combination with or as an adjunct to these therapies, our product candidates will not be competitive with the approved drug.

Government Regulation and Product Approval

Government authorities in the United States, at the federal, state and local level, and in other countries extensively regulate, among other things, the research, development, testing, manufacture, packaging, storage, recordkeeping, labeling, advertising, promotion, distribution, pricing, reimbursement, marketing, import and export of pharmaceutical products such as those we are developing. The processes for obtaining regulatory approvals in the United States and in foreign countries, along with subsequent compliance with applicable statutes and regulations, require the expenditure of substantial time and financial resources.

FDA Regulation

All our current product candidates are subject to regulation in the United States by the FDA as biological products (biologics). The FDA subjects biologics to extensive pre- and post-market regulation. The Public Health Service Act, the

Federal Food, Drug, and Cosmetic Act (FDCA) and other federal and state statutes and regulations, govern, among other things, the research, development, testing, manufacture, storage, recordkeeping, approval, labeling, promotion and marketing, distribution, post-approval monitoring and reporting, sampling, and import and export of biologics. Failure to comply with applicable U.S. requirements may subject a company to a variety of administrative or judicial sanctions, such as FDA refusal to file or approve pending BLAs, withdrawal of approvals, clinical holds, warning letters, product recalls, product seizures, total or partial suspension of production or distribution, injunctions, fines, civil penalties, or criminal penalties.

Preclinical Studies. Preclinical studies include laboratory evaluation of product chemistry, formulation and toxicity, pharmacology, as well as animal trials to assess the characteristics and potential safety and efficacy of the product. The conduct of the preclinical tests must comply with federal regulations and requirements including the FDA's good laboratory practice (GLP) regulations and the U.S. Department of Agriculture's regulations implementing the Animal Welfare Act. After laboratory analysis and preclinical testing in animals, we file an IND application with the FDA to begin human testing. An IND sponsor must submit the results of the preclinical tests, together with manufacturing information, analytical data, any available clinical data or literature, and a proposed clinical trial protocol, among other things, to the FDA as part of an IND application. Certain preclinical tests, such as animal tests of reproductive toxicity and carcinogenicity, may commence or continue even after the IND application is submitted. An IND application automatically becomes effective 30 days after receipt by the FDA, unless before that time the FDA raises concerns or questions related to one or more proposed clinical trials and places the clinical trial on a clinical hold or agrees on an alternate approach with us. In such a case, the IND sponsor and the FDA must resolve any outstanding concerns before the IND application is cleared and the clinical trial can begin. As a result, submission of an IND application may not result in the FDA allowing clinical trials to commence.

Clinical Development. Clinical trials involve the administration of the investigational drug to human participants (healthy volunteers or patients) under the supervision of a qualified investigator. Clinical trials must be conducted: (i) in compliance with all applicable federal regulations and guidance, including those pertaining to good clinical practice (GCP) standards that are meant to protect the rights, safety, and welfare of human participants and to define the roles of clinical trial sponsors, investigators, and monitors; as well as (ii) under protocols detailing, among other things, the objectives of the trial, the parameters to be used in monitoring safety, and the effectiveness criteria to be evaluated. Each protocol involving testing of a new drug in the United States (whether in patients or healthy volunteers) must be included in an IND application submission, and the FDA must be notified of subsequent protocol amendments. In addition, the protocol must be reviewed and approved by an institutional review board (IRB) and all study participants must provide informed consent prior to participating in the study. Typically, each institution participating in the clinical trial will require review of the protocol before any clinical trial commences at that institution. Information about certain clinical trials must be submitted within specific timeframes to NIH for public dissemination on their ClinicalTrials.gov website. Progress reports detailing the results of the clinical trials and any changes to the manufacturing must be submitted at least annually to the FDA and there are additional, more frequent reporting requirements exist for suspected unexpected serious adverse events.

A study sponsor might choose to discontinue a clinical trial or a clinical development program for a variety of reasons. In addition, the FDA may impose a temporary or permanent clinical hold, or other sanctions, if it believes that the clinical trial either is not being conducted in accordance with FDA requirements or presents an unacceptable risk to the clinical trial participants. An IRB may also require the clinical trial at the site to be halted, either temporarily or permanently, for failure to comply with the IRB's requirements, or may impose other conditions.

Clinical trials to support BLAs for marketing approval are typically conducted in three pre-approval phases, but the phases may overlap or be combined, particularly in testing for oncology indications. In Phase 1, testing is conducted in a small group of participants who may be patients with the target disease or condition or healthy volunteers, to evaluate its safety, determine a safe dosage range, and identify side effects. In Phase 2, the drug is given to a larger group of participants with the target condition to further evaluate the safety of the drug and gather preliminary evidence of efficacy. Phase 3 studies typically last multiple years for oncology indications. In Phase 3, the drug is given to a large group of participants with the target disease or condition (several hundred to several thousand), often at multiple geographical sites, to confirm its effectiveness, monitor side effects, and collect data to support drug approval. In some cases, the FDA may require post-market studies, known as Phase 4 studies, to be conducted as a condition of approval in order to gather additional information on the drug's effect in various populations and any side effects associated with long-term use. Depending on the risks posed by the drugs, other post-market requirements may be imposed. Only a small percentage of investigational drugs complete all three phases and obtain marketing approval.

Product Approval. After completion of the required clinical testing, a BLA can be prepared and submitted to the FDA. FDA approval of the BLA is required before marketing of the product may begin in the United States. The BLA must include the results of preclinical, clinical and other testing and a compilation of data relating to the product's chemistry, manufacture and controls. The cost of preparing and submitting a BLA is substantial. Under federal law, the submission of most BLAs is

additionally subject to a substantial application user fee, and annual program user fees also apply. These fees are typically increased annually.

The FDA has 60 days from its receipt of a BLA to determine whether the application will be accepted for filing based on the FDA's threshold determination that it is sufficiently complete to permit substantive review. Once the submission is accepted for filing, the FDA begins a substantive review, and the review period under the Prescription Drug User Fee Act begins. The standard for reviewing a BLA is whether the product is safe, pure and potent, which has been interpreted to include that the product is safe and effective and has a favorable benefit-risk profile. The FDA's current performance goals call for the FDA to complete review of 90 percent of standard (non-priority) BLAs within 10 months of filing and within six months for priority BLAs, which is 12 months and eight months, respectively, if the 60-day review of the initial application is included in the timeline. In addition, the FDA has developed approaches intended to make certain qualifying products available to patients rapidly - Priority Review, Breakthrough Therapy, Accelerated Approval, Fast Track Designation, and the Commissioners National Priority Review Voucher Pilot Program. While the timelines for approval under these designations and pathway may be shorter, requirements and conditions are associated with each, and no assurance can be given that any of our investigational products will be able to meet the conditions or requirements necessary to receive any such designation or approval or be able to receive the benefits associated with such designations.

The FDA may refer applications for novel products or products that present difficult questions of safety or efficacy to an advisory committee, typically a panel that includes outside clinicians and other experts, for review, evaluation and a recommendation as to whether sufficient data exist in the application to support product approval. The FDA is not bound by the recommendation of an advisory committee, but it generally gives significant deference to such recommendations.

Before approving a BLA, the FDA will typically inspect one or more clinical sites and possibly the sponsor itself to assure compliance with GCP. Additionally, the FDA will typically inspect the facility or the facilities at which the drug is manufactured. The FDA will not approve the product unless compliance with current Good Manufacturing Practices (cGMPs) is satisfactory. The FDA also reviews the proposed labeling submitted with the BLA and typically requires changes in the labeling text.

After the FDA evaluates the BLA and the manufacturing and testing facilities, it issues either an approval letter or a complete response letter. Complete response letters generally outline the deficiencies in the submission and delineate the additional testing or information needed in order for the FDA to reconsider the application. If and when deficiencies outlined in a complete response letter have been addressed to the FDA's satisfaction in a resubmission of the BLA, the FDA will issue an approval letter. The FDA has committed to reviewing 90 percent of resubmissions within two or six months from receipt depending on the type of information included.

An approval letter authorizes commercial marketing of the drug for the approved indication or indications and the other conditions of use set out in the approved prescribing information. Once granted, product approvals may be withdrawn or modified if compliance with regulatory standards is not maintained or problems are identified following initial marketing.

As a condition of BLA approval, the FDA may require substantial post-approval testing and surveillance to monitor the drug's safety or efficacy and may impose other conditions, including labeling restrictions that can materially affect the potential market and profitability of the product. As a condition of approval, or after approval, the FDA also may require submission of a risk evaluation and mitigation strategy (REMS) to mitigate any identified or suspected serious risks. The REMS may include medication guides, physician communication plans, assessment plans, and elements to assure safe use, such as restricted distribution methods, patient registries, or other risk minimization tools.

Other U.S. Post-Marketing Regulatory Requirements. Once a BLA is approved, a product will be subject to certain post-approval requirements, including those relating to advertising, promotion, adverse event reporting, recordkeeping, and cGMPs, as well as registration, listing, and inspection. There also are continuing, annual program user fee requirements for marketed products.

The FDA regulates the content and format of prescription drug labeling, advertising, and promotion, including direct-to-consumer advertising and promotional Internet communications. The FDA also establishes parameters for permissible non-promotional communications between industry and the medical community, including industry-supported scientific and educational activities. The FDA and other agencies actively enforce the laws and regulations prohibiting the promotion for uses not consistent with the approved labeling, and a company found to have improperly promoted off-label uses or otherwise not to have met applicable promotion rules may be subject to significant liability under both the FDCA and other statutes, including the False Claims Act. See "Other Healthcare Laws and Compliance Requirements" below for more information.

All aspects of pharmaceutical manufacture must conform to cGMPs after approval. Drug manufacturers and certain subcontractors are required to register their establishments with the FDA and certain state agencies, and are subject to periodic

unannounced inspections by the FDA during which the FDA inspects manufacturing facilities to assess compliance with cGMPs. Changes to the manufacturing process are strictly regulated and often require prior FDA approval before implementation. FDA regulations also require investigation and correction of any deviations from cGMPs and impose reporting and documentation requirements upon the sponsor and any third-party manufacturers that the sponsor may decide to use. Accordingly, manufacturers must continue to expend time, money and effort in the areas of production and quality control to maintain compliance with cGMPs.

Products may be marketed only for the approved indications and in accordance with the provisions of the approved labeling. Changes to some of the conditions established in an approved application, including changes in indications, labeling, product formulation or manufacturing processes or facilities, require submission and FDA approval of a new BLA or BLA supplement, in some cases before the change may be implemented. A BLA supplement for a new indication typically requires clinical data similar to that in the original application, and the FDA generally uses the same procedures and actions in reviewing BLA supplements as it does in reviewing BLAs.

Manufacturers are subject to requirements for adverse event reporting and submission of periodic reports following FDA approval of a BLA. Later discovery of previously unknown problems with a product, including adverse events of unanticipated severity or frequency, or with manufacturing processes, or failure to comply with regulatory requirements, or failure of Phase 4 studies to meet their specified endpoints, may result in revisions to the approved labeling to add new safety information, the need to conduct additional post-market studies or clinical trials to assess new safety risks, imposition of distribution or other restrictions under a REMS program, or recall of the product and withdrawal of the BLA.

Noncompliance with post-marketing requirements can result in one or more of the following consequences:

- Restrictions on the marketing or manufacturing of the product, complete withdrawal of the product from the market or product recalls;
- Warning letters;
- Holds on post-approval clinical trials;
- Refusal of the FDA to approve pending BLAs or supplements to approved BLAs, or suspension or revocation of product license approvals;
- Product seizure or detention, or refusal to permit the import or export of products; or
- Injunctions or the imposition of civil or criminal penalties.

In addition, the distribution of prescription pharmaceutical products is subject to the Drug Supply Chain Security Act which sets minimum standards for the registration and regulation of drug distributors by the states.

Approval of Biosimilars. The ACA authorized the FDA to approve biosimilars via a separate, abbreviated pathway. In many cases, this allows biosimilars to be brought to market without conducting the full suite of clinical trials typically required of originators. The law establishes a period of 12 years of exclusivity for reference products in order to preserve incentives for future innovation and outlines statutory criteria for science-based biosimilar approval standards that take into account patient safety considerations. Under this framework, exclusivity protects innovator products by prohibiting others, for a period of 12 years, from being granted FDA approval based in part on reliance on or reference to the innovator's data in their application to the FDA.

Other Healthcare Laws and Compliance Requirements

We may be subject to various federal and state laws pertaining to health care "fraud and abuse," including anti-kickback and false claims laws, as well as laws related to health care transparency and data protection. Anti-kickback laws generally prohibit a prescription drug manufacturer from soliciting, offering, receiving, or paying any remuneration to generate business, including the purchase or prescription of a particular drug. Although the specific provisions of these laws vary, their scope is generally broad and there may not be regulations, guidance or court decisions that apply the laws to particular industry practices. There is therefore a possibility that such laws may apply and our practices might be challenged under such anti-kickback laws. False claims laws prohibit anyone from knowingly and willingly presenting, or causing to be presented, any claims for payment for reimbursed drugs or services to third-party payors (including Medicare and Medicaid) that are false or

fraudulent. Violations of fraud and abuse laws may be punishable by criminal or civil sanctions, including fines and civil monetary penalties, and/or exclusion from federal health care programs (including Medicare and Medicaid).

Laws and regulations enacted by the federal government and various states to regulate the sales and marketing practices of pharmaceutical manufacturers with marketed products generally limit financial interactions between manufacturers and health care providers and/or require disclosure to the government and public of such interactions. State laws may also require disclosure of pharmaceutical pricing information and marketing expenditures. Many of these laws and regulations contain ambiguous requirements or require administrative guidance for implementation. We are subject to federal, state and foreign laws that govern the privacy and security of health information in some circumstances, many of which differ from each other in significant ways, thus complicating compliance efforts. Given the lack of clarity in laws and their implementation, our activities could be subject to the penalty provisions of the pertinent laws and regulations.

International Regulation

In addition to regulations in the United States, we and our collaborators, may be subject to a variety of foreign regulations governing clinical trials, drug registration, commercial sales and distribution of our product candidates outside the United States. These regulations can vary between jurisdictions and can be more onerous than regulations in the United States. Whether or not we obtain FDA approval for a product candidate, we must obtain approval from the comparable regulatory authorities of foreign countries or economic areas, such as the European Union (EU) before we may commence clinical trials or market products in those countries or areas. The approval process and requirements governing the conduct of clinical trials, product licensing, pricing and reimbursement vary greatly from place to place, and the time to approval may be longer or shorter than that required for FDA approval.

Certain countries outside of the United States have a process that requires the submission of a clinical trial application (CTA) much like an IND prior to the commencement of human clinical trials. In Europe, for example, a CTA must be submitted to the competent national health authority and to independent ethics committees in each country in which a company intends to conduct clinical trials. Once the CTA is approved in accordance with a country's requirements, clinical trial development may proceed in that country. In all cases, the clinical trials must be conducted in accordance with GCP, and other applicable regulatory requirements. A separate CTA must be submitted for each clinical trial to be conducted.

In the EU, for example, to obtain regulatory approval of an investigational medicinal product, a company must submit a marketing authorization application (MAA). The content of the MAA is similar to that of a BLA filed in the United States, with the exception of, among other things, EU-specific document requirements. Under the EU regulatory system, a company may submit marketing authorization applications either under a centralized or decentralized procedure. Under the centralized procedure in the EU, a MAA is submitted to the European Medicines Agency (EMA) where it will be evaluated by the Committee for Medicinal Products for Human Use (CHMP). The maximum timeframe for a CHMP evaluation of an MAA that has been validated is 210 days, excluding time taken by an applicant to respond to questions. A favorable opinion on the application by the CHMP will typically result in the granting of the marketing authorization by the European Commission within 67 days of receipt of the opinion. Generally, the entire review process takes approximately 13-14 months. Accelerated evaluation might be granted by the CHMP in exceptional cases, when a medicinal product is expected to be of a major public health interest, particularly from the point of view of therapeutic innovation. In this circumstance, the EMA ensures that the opinion of the CHMP is given within 150 days, excluding time taken by an applicant to respond to questions.

As in the United States, we or our collaborators may apply for designation of a product as an orphan drug for the treatment of a specific indication in the EU before the MAA is made. Orphan drugs in Europe enjoy certain benefits, including up to 10 years of exclusivity for the approved indication unless another applicant can show that its product is safer, more effective or otherwise clinically superior to the orphan designated product. The PRIME initiative was established by the EMA to help promote and foster the development of new medicines in the EU that demonstrate potential for a major therapeutic advantage in areas of unmet medical need. Benefits from the PRIME designation include early confirmation of potential for accelerated assessment, early dialogue and increased interaction with relevant regulatory committees to discuss development options, scientific advice at key development milestones, and proactive regulatory support from the EMA.

If we, or our collaborators, fail to comply with applicable foreign regulatory requirements, we may be subject to, among other things, fines, suspension or withdrawal of regulatory approvals, product recalls, seizure of products, operating restrictions and criminal prosecution.

Biopharmaceutical Coverage, Pricing, Reimbursement, and Health Care Reform

In the United States and other countries, sales of any product candidates for which we receive regulatory approval for commercial sale will depend in part on the availability of adequate reimbursement from third-party payors, including government health administrative authorities, managed care providers, private health insurers, and other organizations. Third-

party payors are increasingly examining the medical necessity and cost effectiveness of medical products and services in addition to safety and efficacy and, accordingly, significant uncertainty exists as to the reimbursement status of newly approved therapeutics. Adequate third-party reimbursement that enables us to realize an appropriate return on our investment in research and product development may not be available or optimal for our products. Further, coverage policies and third-party payor reimbursement rates may change at any time. Even if favorable coverage and reimbursement status is attained for one or more products for which we receive regulatory approval, less favorable coverage policies and reimbursement rates may be implemented in the future. In addition, companion diagnostic tests require coverage and reimbursement separate and apart from the coverage and reimbursement for their companion pharmaceutical or biological products. Similar challenges to obtaining coverage and reimbursement, applicable to pharmaceutical or biological products, will apply to companion diagnostics.

Drug prices have become a subject of increased focus in recent years. Although there are currently no direct government price controls over private sector purchases in the U.S., federal law requires pharmaceutical manufacturers to pay prescribed rebates on certain government or Medicaid-reimbursed drugs to enable them to be eligible for reimbursement under certain public healthcare programs such as Medicaid and Medicare Part B. Various states have adopted further mechanisms that seek to control drug prices, including by disfavoring certain higher priced drugs or by seeking supplemental rebates from manufacturers. Managed care has also become a potent force in the marketplace that increases downward pressure on the prices of pharmaceutical products.

Public and private healthcare payors control costs and influence drug pricing through a variety of mechanisms, including through negotiating discounts with the manufacturers and through the use of tiered formularies and other mechanisms that provide preferential access to certain drugs over others within a therapeutic class. Payors also set other criteria to govern the uses of a drug that will be deemed medically appropriate and therefore reimbursed or otherwise covered.

Moreover, in the U.S., there have been several presidential executive orders, congressional inquiries and proposed and enacted federal and state legislation designed to, among other things, bring more transparency to product pricing, review the relationship between pricing and manufacturer patient programs, and reform government program reimbursement methodologies for products. For example, on August 16, 2022, the Inflation Reduction Act of 2022 (IRA) was signed into law, which among other things, (i) extends enhanced subsidies for individuals purchasing health insurance coverage in ACA marketplaces through plan year 2025, (ii) authorizes HHS to negotiate the price of certain high-expenditure, single-source drugs covered under Medicare that have been on the market for at least 7 years, and (iii) 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. These provisions began to take effect progressively starting in fiscal year 2023. Additional state and federal health reform measures may be adopted in the future, particularly in light of the recent U.S. Presidential and Congressional elections, any of which could limit the amounts that federal and state governments will pay for healthcare products and services.

Human Capital Management

As of February 28, 2026, we had 293 full-time employees, 245 of whom were primarily engaged in research, development and manufacturing activities, and 61 of whom had an M.D. and/or Ph.D. Our employees are critically important to the achievement of our company’s mission and goals.

Our senior leadership oversees all human capital management matters and is committed to attracting, developing, engaging and retaining the best people. We strive to offer our employees an intellectually challenging and diverse work environment, opportunities to expand their knowledge and skills, feedback on performance, and paths for career advancement. We believe management’s relationships with our employees is very positive and they are not subject to a collective bargaining agreement or represented by a trade or labor union.

Compensation and Benefits

Our compensation programs are designed to align our employees' interests with our business goals and stockholder returns. We provide employee wages that are competitive within our industry, and we engage an outside compensation and benefits consulting firm to independently evaluate the effectiveness of our compensation and benefit programs and to provide benchmarking against our peers within the industry. We link annual changes in compensation to overall Company performance, as well as each individual’s contribution to the results achieved. The emphasis on overall Company performance is intended to align the employee’s financial interests with the interests of stockholders. We are committed to providing our employees with a benefits program that is both comprehensive and competitive. Our benefits program offers health care, dental and vision coverage, along with benefits designed to provide increased financial security to our employees and their families.

We maintain an Employee Stock Purchase Plan under which employees may purchase Company common stock through payroll deductions at a price equal to 85% of the fair market value of the stock as of the end of the offering periods.

Our Culture

Our Living Values are the backbone of our culture: *Patients First, Do It Right, Innovate, Pitch In, Take Action* and *Be Inclusive.* Consistent with our Living Value of "*Be Inclusive*" we have a number of initiatives to reinforce the importance of an inclusive workforce and culture of belonging to our Company's success. To further champion our inclusion efforts, we formed an employee-led team with sponsorship from our senior leadership team. We have periodically conducted employee engagement surveys to understand our employees' perspectives and endeavor to listen, change and improve on how we work together in response to these perspectives.

All employees are required to observe high standards of business and personal ethics and must adhere to our Code of Business Conduct and Ethics, for which they receive training annually. The Code requires reporting any actual or suspected misconduct, illegal activities or fraud. To that end, we maintain a Speak Up Culture where all employees are encouraged to raise issues, report concerns, and ask questions. We also maintain an anonymous hotline that is available to all of our employees, contractors and vendors to report any matter of concern. Communications to the hotline (which is facilitated by an independent third party) are routed to our General Counsel (or, if the General Counsel is the subject of the communication, to the Chair of our Audit Committee) for investigation and resolution. We also maintain a policy of no retaliation, where employees who report any misconduct are to be free of any harassment, retaliation or adverse employment consequence.

Learning and Development

We continue to invest in our employees to achieve their goals and to lead our company through learning and development. We conduct regular performance reviews. We encourage all employees to take advantage of our leadership, management and technical skill trainings and resources. In addition, we provide focused development for managers and emerging leaders who are designated as "key talent" based on performance and leadership potential.

Community

We believe in giving back and supporting the local communities where we work as well as initiatives consistent with our areas of focus. Employees are encouraged to participate in charitable causes and receive eight hours of voluntary paid time off annually to participate in local opportunities to give back to the community.

Available Securities and Exchange Commission Filing Information

Our main company website address is www.macrogenics.com. We post links to http://ir.macrogenics.com/financial-information/sec-filings for the following filings as soon as reasonably practicable after they are electronically filed with or furnished to the Securities and Exchange Commission (SEC): annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, proxy statements, and any amendments to those reports filed or furnished pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended. All such filings are available through our website free of charge. In addition, the SEC makes available at its website (www.sec.gov), free of charge, reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC.

ITEM 1A. RISK FACTORS

The discussion below addresses material factors, of which we are currently aware, that could have a material and adverse effect on our business, results of operations and financial condition. These risk factors and other forward-looking statements that relate to future events, expectations, trends and operating periods involve certain factors that are subject to change, and important risks and uncertainties that could cause actual results to differ materially. These risks and uncertainties should not be considered a complete discussion of all the risks and uncertainties we may face and although the risks are organized by headings and each risk is discussed separately, many are interrelated.

Summary of Risk Factors Affecting Our Business

Our business is subject to numerous risks. The following summary highlights some of the risks you should consider with respect to our business and prospects. This summary is not complete and the risks summarized below are not the only risks we face. You should review and consider carefully the risks and uncertainties described in the "Risk Factors" section of this Annual Report on Form 10-K, which includes a more complete discussion of the risks summarized below as well as a discussion of other risks related to our business and an investment in our common stock, as well as our other SEC filings.

- We will require substantial additional funding, which may not be available to us on acceptable terms, or at all, and, if not available, may require us to delay, scale back, or cease our product development programs or operations.
- We have incurred significant losses since inception and anticipate that we will continue to incur losses for the foreseeable future. Accordingly, we may never achieve or sustain profitability.
- We depend substantially on the development potential of our product candidates, through our own efforts or those of our collaborators. If we or our collaborators are unable to successfully progress product candidate clinical development, obtain additional regulatory approvals, commercialize product candidates, or experience delays in doing so, our business will be materially harmed and we may not be able to generate sufficient revenues and cash flows to continue our operations.
- Drug development involves a lengthy and expensive process, with a highly uncertain outcome. We expect to incur significant additional costs related to the development of our product candidates and we or our collaborators may experience delays in completing, or ultimately be unable to complete, the development and commercialization of our other product candidates.
- Our product candidates may have undesirable side effects which may delay or prevent further clinical development or marketing approval, or, if approval is received, require them to be taken off the market, require them to include safety warnings or otherwise limit their sales.
- Our existing collaborations are important to our business, and future collaborations may also be important to us. If we are unable to maintain any of these collaborations, or if these collaborations are not successful, our business could be adversely affected.
- If clinical trials for our product candidates are prolonged, delayed or stopped for any reason, including for safety reasons or lack of efficacy, we may be unable to obtain regulatory approval and commercialize our product candidates on a timely basis, which would require us to incur additional costs and delay our receipt of any product revenue.
- The results of previous clinical trials or pre-clinical research may not be predictive of future results, and interim, immature, or top-line data may be subject to change or qualification based the complete analysis of data. In addition, the results of our current or planned clinical trials may not satisfy the requirements of the FDA or non-U.S. regulatory authorities for product approval.
- We face significant competition and if our competitors continue to develop and market products that are more effective, safer or less expensive than our product candidates or if they are ahead of us in development, our product development or current or future commercial opportunities may be negatively impacted.
- We use novel technologies in the development of our product candidates and the FDA and other regulatory authorities have not approved or may not approve products that utilize these technologies.

- We may not be successful in our efforts to use and expand our technology platforms to build a pipeline of product candidates. We may expend our limited resources to pursue a particular product candidate or indication and fail to capitalize on product candidates or indications that may be more profitable or for which there is a greater likelihood of success.

- Our product candidates, if approved, may fail to achieve or maintain market acceptance by physicians, patients, third-party payors and others in the medical community necessary for commercial success.

- The manufacture of our product candidates, for ourselves and our collaborators, is complex, and we may encounter difficulties in production for ourselves or our collaborators. There can be no assurance that we will be able to effectively manufacture clinical quantities of our product candidates in the future. Further, we have limited experience in large-scale commercial manufacturing, and there can be no assurance that we will be able to effectively manufacture commercial quantities of products or product candidates for ourselves or our collaborators, if and when approved.

- Our manufacturing facility is subject to significant government regulations and approvals, which are often costly and could result in adverse consequences to our business if we fail to comply with the regulations or maintain the approvals.

- We have limited experience in launching and marketing biopharmaceutical products. If our product candidates achieve regulatory approval and we are unable to develop marketing and sales capabilities or enter into agreements with third parties to market and sell our products, we may not be able to generate substantial product sales revenue.

- Our future success depends on our ability to attract or retain key executives and to attract, retain and motivate qualified personnel.

- Actual or anticipated changes to the laws, regulations, policies and governmental priorities, governing the health care system may have a negative impact on cost and access to health insurance coverage and reimbursement of health care items and services, which could impact the pricing and profitability of biopharmaceuticals and adversely affect the commercial potential of our or our collaborators' products and product candidates..

- Reimbursement decisions by third-party payors, including government payors, may have an adverse effect on pricing and market acceptance.

- Raising additional capital may cause dilution to our stockholders, restrict our operations or require us to relinquish substantial rights.

- We contract with, and may in the future contract with, third parties to perform or provide services associated with or critical to our product discovery and development as well as for components of the manufacturing of our product candidates, including but not limited to our antibody drug conjugate candidates. Failure of third-party contractors to successfully perform their obligations could harm our ability to develop our products or product candidates.

- If our information technology systems or those third parties upon which we rely for our data, are or were compromised, we could experience adverse consequences resulting from such compromise, including but not limited to regulatory investigations or actions; litigation; fines and penalties; disruptions of our business operations; reputational harm; loss of revenue or profits; loss of customers or sales; and other adverse consequences.

- Our success depends significantly on our ability to operate without infringing the valid patents and other proprietary rights of third parties.

- If we are unable to obtain and enforce patent protection for our products and our product candidates and related technology, our business could be materially harmed.

- We have been and may in the future be subject to securities litigation, which is expensive and could divert management attention and adversely impact our business.

- Failure to successfully develop and commercialize companion diagnostics with third party contractors for use with our product candidates could harm our ability to commercialize our product candidates.

- If any product liability lawsuits are successfully brought against us or any of our collaborators, we may incur substantial liabilities and may be required to limit commercialization of our product candidates.

Risks Related to Our Financial Position and Need for Additional Capital

We will require substantial additional funding, which may not be available to us on acceptable terms, or at all, and, if not available, may require us to delay, scale back, or cease our product development programs or operations.

Pharmaceutical product development, including conducting nonclinical studies and clinical trials, is expensive. In order to obtain regulatory approval of product candidates, we will be required to conduct clinical trials for each indication for each of our product candidates. We will continue to require additional funding beyond what was raised in our public offerings and through our collaborations and license agreements to complete the development and commercialization of our product candidates and to continue to advance the development of our other product candidates. Due to worsening and highly uncertain global economic conditions, including high rates of inflation, fluctuating interest rates and concerns of a recession or economic volatility in the United States or other major markets, the recent disruptions to and volatility in the credit and financial markets in the United States and worldwide, and geopolitical instability, such funding may not be available on acceptable terms or at all. Although it is difficult to predict our funding requirements, we anticipate that our cash, cash equivalents and marketable securities as of December 31, 2025, combined with anticipated and potential future payments from our partners, and anticipated savings from our cost-reduction initiatives, should enable us to fund our operations into late 2027. Such guidance does not reflect or further expansion of studies currently ongoing. Because development of our product candidates is uncertain, we are unable to estimate accurately the actual funds we will require to complete research, development and clinical testing to commercialize our product candidates. Our future funding requirements will depend on many factors, including but not limited to:

- the number and characteristics of other product candidates and indications that we pursue;

- the scope, progress, timing, cost and results of research, nonclinical development, and clinical trials;

- the costs, timing and outcome of seeking and obtaining FDA and non-U.S. regulatory approvals;

- the costs associated with manufacturing our product candidates as well as the costs of operation of our manufacturing facility;

- the economic and other terms, timing of and success of our existing collaborations, and any collaboration, licensing, or other arrangements into which we may enter in the future, including the timing of receipt of any milestone or royalty payments under these agreements;

- the costs of establishing sales, marketing, and distribution capabilities;

- our ability to maintain, expand, and defend the scope of our intellectual property portfolio, including the amount and timing of any payments we may be required to make in connection with the licensing, filing, defense and enforcement of any patents or other intellectual property rights;

- our need and ability to hire additional management, scientific, and medical personnel;

- the effect of competing products that may limit market potential of our product candidates;

- our need to implement additional internal systems and infrastructure, including financial and reporting systems;

- the economic and other terms, timing of and success of our existing collaborations, and any collaboration, licensing, contract manufacturing, or other arrangements into which we may enter in the future, including the timing of receipt of any milestone or royalty payments under these agreements; and

- the costs of establishing sales, marketing, and distribution capabilities.

Until we can generate a sufficient amount of product revenue to finance our cash requirements, which we may never do, we expect to finance future cash needs primarily through a combination of strategic collaborations, public or private equity offerings, debt financings, and grant funding. If sufficient funds on acceptable terms are not available when needed, or at all, we could be forced to significantly reduce operating expenses and delay, scale back or eliminate one or more of our development programs or our business operations.

We have incurred significant losses since inception and anticipate continuing to incur losses for the foreseeable future. We may never achieve or sustain profitability.

We have incurred significant losses since our inception. As of December 31, 2025, our accumulated deficit was approximately $1.2 billion. We expect to continue to incur losses for the foreseeable future, and we expect our accumulated deficit to increase as we continue our research and development of, and seek regulatory approvals for, our product candidates, manufacture product and product candidate inventory, prepare for and begin to commercialize any future approved products, and add infrastructure and personnel if needed to support our product development efforts and operations as a public company. The net losses and negative cash flows incurred to date, together with expected future losses, have had, and likely will continue to have, an adverse effect on our stockholders' deficit and working capital. The amount of future net losses will depend, in part, on the rate of future growth of our expenses and our ability to generate revenue.

Because of the numerous risks and uncertainties associated with pharmaceutical product development and commercialization, we are unable to accurately predict the timing or amount of increased expenses or when, or if, we will be able to achieve profitability. For example, our expenses could increase if we are required by the FDA to perform trials in addition to those that we currently expect to perform, or if there are any delays in completing our currently planned clinical trials or in the development of any of our product candidates. Our expenses would significantly increase to the extent we build out a sales force and other commercially relevant functions to support the commercialization of any of our product candidates.

To become and remain profitable, we must succeed in developing and commercializing products with significant market potential. In order to develop or commercialize any additional product candidates, we will need to be successful in a range of challenging activities for which we are only in the preliminary stages, including developing product candidates, obtaining regulatory approval for them, and manufacturing, marketing and selling approved products and product candidates for which we may obtain regulatory approval. We may never succeed in these activities and may never generate revenue from product sales that is significant enough to achieve profitability. Even if we achieve profitability in the future, we may not be able to sustain profitability in subsequent periods. Our failure to become or remain profitable would depress our market value and could impair our ability to raise capital, expand our business, develop other product candidates, or continue our operations. A decline in the value of our company could also cause you to lose all or part of your investment.

Our business could be adversely affected by economic downturns, inflation, increases in interest rates, disruption in global supply chains, natural disasters, political crises, geopolitical events, or other macroeconomic conditions, which have in the past and may in the future negatively impact our business and financial performance.

The global economy, including credit and financial markets, has experienced extreme volatility and disruptions, including, among other things, severely diminished liquidity and credit availability, declines in consumer confidence, declines in economic growth, supply chain shortages, increases in inflation rates, higher interest rates and uncertainty about economic stability. Over the past several years, the Federal Reserve has raised interest rates multiple times in response to concerns about inflation and it may raise them again. Higher interest rates, coupled with reduced government spending and volatility in financial markets, may increase economic uncertainty and affect consumer spending. Similarly, ongoing geopolitical conflicts have created extreme volatility in the global capital markets and is expected to have further global economic consequences, including disruptions of the global supply chain and energy markets. Further, tariffs imposed by either the U.S. government or foreign governments could increase the cost of manufacturing our product candidates, although we are seeking alternative sources for certain components to mitigate supply risk. Any such or other volatility or global market disruptions may adversely affect our business or the third parties on whom we rely. If the equity and credit markets deteriorate, including as a result of political unrest or war, it may make any necessary debt or equity financing more costly or more dilutive or more difficult to obtain in a timely manner or on favorable terms, if at all. Increased inflation rates can adversely affect us by increasing our costs, including labor and employee benefit costs.

Raising additional capital may cause dilution to our stockholders, restrict our operations or require us to relinquish substantial rights.

To the extent that we raise additional capital through the sale of equity or convertible debt securities, your ownership interest will be diluted, and the terms of these new securities may include liquidation or other preferences that adversely affect your rights as a common stockholder. Debt financing, if available at all, may involve agreements that include covenants limiting or restricting our ability to take specific actions such as incurring additional debt, making capital expenditures, or declaring dividends. If we raise additional funds through collaborations, strategic alliances, or licensing arrangements with third parties, we may have to relinquish valuable rights to our technologies, product candidates, or future revenue streams, or grant licenses on terms that are not favorable to us. We cannot guarantee we will be able to obtain additional funding if and when necessary. If we are unable to obtain adequate financing on a timely basis, we could be required to delay, scale back or eliminate one or more of our development programs or grant rights to develop and market product candidates that we would otherwise prefer to develop and market ourselves.

Our ability to use our net operating loss carryforwards and other tax attributes may be limited.

U.S. federal net operating loss (NOL) carryforwards generated in taxable periods beginning after December 31, 2017, may be carried forward indefinitely, but the deductibility of such NOL carryforwards in a taxable year is limited to 80% of taxable income in such year. In addition, our ability to utilize portions of our federal NOL carryforwards and federal tax credits is currently limited, and may be limited further, under Sections 382 and 383 of the Internal Revenue Code of 1986, as amended. The limitations apply if an ownership change, as defined by Section 382, occurs. Generally, an ownership change occurs when certain shareholders increase their aggregate ownership by more than 50 percentage points over their lowest ownership percentage in a testing period, which is typically three years or since the last ownership change. We are already subject to Section 382 limitations due to acquisitions we made in 2002 and 2008. As of December 31, 2025, we had federal and state NOL carryforwards of approximately $650.0 million and federal research and development tax credits of approximately $108.5 million available. Future changes in stock ownership may also trigger an ownership change and, consequently, another Section 382 limitation. Similar rules may apply under state tax laws. In addition, there may be other limitations under state law on our ability to utilize NOL carryforwards, including temporary suspensions or other limitations on the use of NOL carryforwards s to offset taxable income. Any limitation may result in expiration of a portion of the net operating loss or tax credit carryforwards before utilization which would reduce our gross deferred income tax assets and corresponding valuation allowance. As a result, if we earn net taxable income, our ability to use our pre-change NOL carryforwards and tax credit carryforwards to reduce United States federal income tax may be subject to limitations, which could potentially result in increased future cash tax liability to us.

Risks Related to Our Business and the Development and Commercialization of Our Product Candidates

We depend substantially on the success of the clinical development of our product candidates, through our own efforts or those of our collaborators. If we or our collaborators are unable to successfully complete clinical development, obtain additional regulatory approvals and commercialize our product candidates, or experience significant delays in doing so, our business will be materially harmed and we may not be able to generate sufficient revenues and cash flows to continue our operations.

Our business depends on the successful development, regulatory approval and commercialization of our product candidates. We have invested and will continue to invest a significant portion of our efforts and financial resources in the development of our product candidates. The success of our product candidates depends on many factors, including but not limited to:

- successful and timely patient enrollment in, and completion of, clinical trials, as well as completion of nonclinical studies;
- the acceptability and adequacy of safety, tolerability and efficacy data from our clinical trials and other studies;
- the sufficiency of our financial resources and ability to obtain additional funding for the development of our product candidates;
- receipt of regulatory approvals;

- the performance by clinical research organizations (CROs) or other third parties we may retain of their duties to us in a manner that complies with our protocols and applicable laws and that protects the integrity of the resulting data;
- obtaining and maintaining patent, trade secret and other intellectual property protection and regulatory exclusivity;
- ensuring we do not infringe, misappropriate or otherwise violate the valid patent, trade secret or other intellectual property rights of third parties;
- successfully launching our product candidates if and when approved;
- maintaining commercial manufacturing capabilities, either by utilizing our current manufacturing facilities or making arrangements with third-party manufacturers;
- manufacturing or obtaining sufficient supplies of our product candidates that may be necessary for use in clinical trials for evaluation of our product candidates and commercialization of our products;
- obtaining and maintaining favorable reimbursement from third-party payors for product candidates;
- competition with other products;
- post-marketing commitments to regulatory agencies following regulatory approval; and
- continued acceptable safety profile following regulatory approval.

Drug development involves a lengthy and expensive process, with a highly uncertain outcome. We expect to incur significant additional costs related to the development of our product candidates and may experience delays in completing, or ultimately be unable to complete, the development and commercialization of our other product candidates.

The research, testing, manufacturing, labeling, approval, selling, marketing and distribution of drug products are subject to extensive regulation by the FDA and non-U.S. regulatory authorities, which regulations differ from country to country. We are not permitted to market our product candidates in the United States or in other countries until we receive approval of a BLA from the FDA or marketing approval from applicable regulatory authorities outside the United States. Our product candidates are in various stages of development and are subject to the risks of failure inherent in drug development. The approval of a BLA can be a lengthy, expensive and uncertain process. In addition, failure to comply with FDA and non-U.S. regulatory requirements may, either before or after product approval, subject our company or our collaborators to administrative or judicially imposed sanctions, including:

- restrictions on our ability to conduct clinical trials, including full or partial clinical holds on ongoing or planned trials;
- restrictions on the products, manufacturers, manufacturing facilities or manufacturing process;
- fines, warning letters or untitled letters;
- civil and criminal penalties;
- injunctions;
- suspension or withdrawal of regulatory approvals;
- product seizures, detentions or import bans;
- voluntary or mandatory product recalls;
- the issuance of safety alerts, Dear Healthcare Provider letters, press releases and other communications containing warnings or other safety information about the product;
- total or partial suspension of production;

- consent decrees, corporate integrity agreements, debarment or exclusion from federal healthcare programs;
- imposition of restrictions on marketing or operations, including costly new manufacturing requirements; and
- refusal to approve pending BLAs or supplements to approved BLAs or analogous marketing approvals outside the United States.

The FDA and foreign regulatory authorities also have substantial discretion in the drug approval process. The number of nonclinical studies and clinical trials that will be required for regulatory approval varies depending on the product candidate, the disease or condition that the product candidate is designed to address, and the regulations applicable to any particular drug candidate. Regulatory agencies can delay, limit or halt development or deny approval of a product candidate for many reasons, including:

- a product candidate may not be deemed safe or effective;
- the results may not confirm the positive results from earlier nonclinical studies or clinical trials;
- regulatory agencies may not find the data from nonclinical studies and clinical trials sufficient or meaningful;
- regulatory agencies might not approve or might require changes to our manufacturing processes or facilities; or
- regulatory agencies may change their approval policies or adopt new regulations.

Any delay in obtaining or failure to obtain required approvals could materially adversely affect our ability to generate revenue from the particular product candidate, which likely would result in significant harm to our financial position and adversely impact our stock price. Furthermore, any regulatory approval to market a product may be subject to limitations on the indicated uses for which we may market the product. These limitations may limit the size of the potential market for a product candidate, if approved.

If clinical trials for our product candidates are prolonged, delayed or stopped, for any reason, we may be unable to obtain regulatory approval and commercialize our product candidates on a timely basis, which would require us to incur additional costs and delay our receipt of any product revenue.

We, or our collaborators or investigators, are either currently (or anticipate) initiating, continuing, designing, or supporting clinical trials for molecules that include lorigerlimab, retifanlimab, MGD024, MGC026, MGC028, or other molecules, as monotherapies or in combination with other product candidates. We anticipate in the future collaborators will initiate or continue clinical trials of one or more of our product candidates. The continuation, modification, or commencement of existing or new clinical trials could be substantially delayed or prevented by several factors, including:

- further discussions with the FDA or other regulatory agencies regarding the scope or design of our clinical trials;
- the limited number of, and competition for, suitable sites to conduct our clinical trials, many of which may already be engaged in other clinical trial programs, including some that may be for the same indication as our product candidates;
- any delay or failure in patient recruitment or enrollment in our or our collaborators' trials for any reason;
- any delay or failure to obtain regulatory approval or agreement to commence a clinical trial in any of the countries where enrollment is planned;
- inability to obtain sufficient funds required for a clinical trial;
- clinical holds on, or other regulatory objections to, a new or ongoing clinical trial;
- delay or failure to manufacture sufficient supplies of the product candidate for our clinical trials;

- delay or failure to reach agreement on acceptable clinical trial terms or clinical trial protocols with prospective sites or CROs the terms of which can be subject to extensive negotiation and may vary significantly among different sites or CROs;
- delay or failure to obtain IRB approval to conduct a clinical trial at a prospective site;
- significant competition of product candidates that are expected to be more effective or have a more favorable safety profile; and
- approval of potential therapies by competitors.

The progress or completion of our, or our collaborators', clinical trials have been and could also be substantially delayed or prevented by many factors, including:

- unforeseen safety issues, including severe or unexpected drug-related adverse effects experienced by patients, including actual and possible deaths;
- delays in expected site initiation, patient recruitment and enrollment, for any reason;
- failure of patients to complete the clinical trial;
- lack of efficacy during clinical trials;
- termination of our clinical trials by one or more clinical trial sites;
- inability or unwillingness of patients or clinical investigators to follow our clinical trial protocols;
- economic and political instability in countries where our trial sites are located, including terrorist attacks, civil unrest and actual or threatened armed conflict;
- inability to monitor patients adequately during or after treatment by us, our collaboration partners and/or our CROs; and
- the need to repeat or terminate clinical trials as a result of inconclusive or negative results or unforeseen complications in testing.

Changes in regulatory requirements and guidance may also occur and we may need to significantly amend clinical trial protocols to reflect these changes with appropriate regulatory authorities. Amendments may require us to renegotiate terms with CROs or resubmit clinical trial protocols to IRBs for re-examination, which may impact the costs, timing or successful completion of a clinical trial. Our clinical trials may be suspended or terminated at any time by the FDA, other regulatory authorities, the IRB overseeing the clinical trial at issue, any of our clinical trial sites with respect to that site, or us, due to a number of factors, including:

- failure to conduct the clinical trial in accordance with regulatory requirements or our clinical protocols;
- unforeseen safety issues or any determination that a clinical trial presents unacceptable health risks;
- lack of adequate funding to continue the clinical trial due to unforeseen costs or other business decisions; and
- upon a breach or pursuant to the terms of any agreement with, or for any other reason by, current or future collaborators that have responsibility for the clinical development of any of our product candidates.

Clinical trials of our product candidates are subject to partial or full clinical holds from time to time. A clinical hold received in the midst of conducting a trial may delay the progress of a clinical trial, or may require us to modify or discontinue such trial. Any failure or significant delay in completing clinical trials for our product candidates would adversely affect our ability to obtain regulatory approval and our commercial prospects and ability to generate product revenue will be diminished.

The results of previous clinical trials may not be predictive of future results, and interim or top line data may be subject to change or qualification, based on several factors, including a complete analysis of data, or in the case of interim analysis,

the continued or ongoing accrual of data. In addition, the results of our current and planned clinical trials may not satisfy the requirements of the FDA or non-U.S. regulatory authorities for product approval.

Clinical failure can occur at any stage of clinical development. Clinical trials may produce negative or inconclusive results, and we or any of our current and future collaborators may decide, or regulators may require us, to conduct additional clinical or nonclinical testing. Success in early clinical trials does not mean that future larger registration clinical trials will be successful because product candidates in later-stage clinical trials may fail to demonstrate sufficient safety and efficacy to the satisfaction of the FDA and non-U.S. regulatory authorities despite having progressed through initial clinical trials. A number of companies in the pharmaceutical industry, including those with greater resources and experience than us, have suffered significant setbacks in advanced clinical trials, even after obtaining promising results in earlier clinical trials.

We may publicly disclose top line or interim data from time to time, which is based on a preliminary analysis of then-available data, and the results and related findings and conclusions are subject to change following a more comprehensive review of the data related to the particular study or trial or continued progress of the study or trial. The top line or interim results that we report may differ from future results of the same studies, or different conclusions or considerations may qualify such results, once additional data have been received and fully evaluated. Top line and interim data also remain subject to audit and verification procedures that may result in the final data being materially different from the preliminary data we previously published. In addition, the achievement of one primary endpoint for a trial does not guarantee that additional co-primary endpoints or secondary endpoints will be achieved, which may have an adverse effect on our ability to obtain or retain additional regulatory approval of products or product candidates in the U.S. or in other jurisdictions.

Certain of our antibody-drug conjugate, or ADC, product candidates incorporate technology developed by our collaboration partners. To date, no ADC product candidates incorporating any such technology have been approved by the FDA.

Certain of our ADC products in development incorporate technology developed by our collaboration partners, including: MGC026 and MGC028 (incorporate Hydraspace®, GlycoConnect™ ®, and toxSYN® technology developed by our collaboration partner, Synaffix). To date, no ADC product candidates incorporating any of the Hydraspace GlycoConnect® or toxSYN technologies have been approved by the FDA. There is no assurance that the FDA will approve future product candidates using such technologies. The validation process takes time and resources, may require independent third-party analyses, and may not be accepted by the FDA and other regulatory authorities. For some of our product candidates that are based on these technology platforms, the regulatory approval path and requirements may not be clear or evolve as more data becomes available for this product candidates, which could add significant delay and expense. Delays or failure to obtain regulatory approval of any of the product candidates that we develop would adversely affect our business.

We may not be successful in our efforts to use and expand our technology platforms to build a pipeline of product candidates. We may expend our limited resources to pursue a particular product candidate or indication and fail to capitalize on product candidates or indications that may be more profitable or for which there is a greater likelihood of success.

A key element of our strategy is to use and expand our technology platforms to continue to build a pipeline of product candidates and progress several of these product candidates through clinical development for the treatment of a variety of different types of diseases. Although our research and development efforts to date have resulted in a pipeline of product candidates directed at various cancers, as well as autoimmune disorders and infectious diseases, we may not be able to develop product candidates that are safe and effective. Even if we are successful in continuing to build our pipeline, the potential product candidates that we identify may not be suitable for initial or continued clinical development, including as a result of being shown to have harmful side effects or other characteristics that indicate that they are unlikely to be products that will receive marketing approval and achieve market acceptance. If we do not continue to successfully develop and begin to commercialize product candidates, we will face difficulty in obtaining product revenues in future periods, which could result in significant harm to our financial position and adversely affect our stock price.

Because we have limited financial and managerial resources, we focus on research programs and product candidates that we identify for specific indications. As a result, we may forego or delay pursuit of opportunities with other product candidates or for other indications that later prove to have greater commercial potential. Our resource allocation decisions may cause us to fail to capitalize on viable commercial products or profitable market opportunities. Our spending on current and future research and development programs and product candidates for specific indications may not yield any commercially viable products. If we do not accurately evaluate the commercial potential or target market for a particular product candidate, we may relinquish valuable rights to that product candidate through collaboration, licensing or other royalty arrangements in cases in which it would have been more advantageous for us to retain sole development and commercialization rights.

Our product candidates, if approved, may fail to achieve or maintain market acceptance by physicians, patients, third-party payors and others in the medical community necessary for commercial success.

Our product candidates, if approved, may fail to achieve or maintain market acceptance by physicians, patients, third-party payors and others in the medical community necessary for commercial success.

If product candidates that we develop do not achieve an adequate level of acceptance, we may not generate significant product revenues and we may not become profitable. The degree of market acceptance of any product candidates that we develop will depend on a number of factors, including but not limited to:

- the efficacy and potential advantages compared to alternative treatments;
- the prevalence and severity of any side effects;
- any safety events that may have occurred in connection with the development of the product candidate;
- our ability to offer our products for sale at competitive prices;
- the convenience and ease of administration compared to alternative treatments;
- the willingness of physicians to prescribe the product or other new therapies, and of the patient population to try the product or these therapies;
- the strength of marketing, sales, and distribution support;
- the availability of third-party coverage and adequate reimbursement; and
- any restrictions on the use of our products together with other medications.

The potential market opportunities for our product candidates are difficult to precisely estimate. A product's market acceptance depends significantly on the medical community's determination of clinical benefit and safety compared to alternative therapies available both now and in the future. Our internal estimates of the potential market opportunities our product candidates include several key assumptions based on a variety of factors, which may include our industry knowledge, industry publications, third-party research reports, assessment of competition, and other surveys. While we believe that our internal assumptions are reasonable, no independent source has verified such assumptions. If any of these assumptions proves to be inaccurate, then the actual market for our product candidates could be smaller than our estimates of our potential market opportunity.

Our product candidates may have undesirable side effects, including fatalities. These side effects may delay or prevent further clinical development or marketing approval, or, if approval is received, require them to be taken off the market, require them to include safety warnings or otherwise limit their sales.

Although all of our product candidates have undergone or will undergo safety testing, not all adverse effects of drugs can be predicted or anticipated. Unforeseen side effects from any of our product candidates have arisen, either during clinical development or after the approved product has been marketed, and may arise in the future. Ongoing or future trials of our product candidates may not support the conclusion that one or more of these product candidates have acceptable safety profiles.

The results of future clinical or nonclinical trials may show undesirable or unacceptable side effects, which could interrupt, delay or halt clinical trials, and result in delay of, or failure to obtain, marketing approval from the FDA and other regulatory authorities, or result in marketing approval from the FDA and other regulatory authorities with restrictive label warnings, risk management measures, or potential product liability claims. These risks have affected our business and may continue to do so. For example, in July 2024, we announced the discontinuation of vobra duo treatment of mCRPC patients in our TAMARACK study based on the recommendation of the study's Independent Data Monitoring Committee (IDMC). The investigators for the TAMARACK study have reported a total of 11 treatment-related deaths across all patient types (6.1% of the 180 patients who received treatment). These patient deaths occurred between 87 days and 339 days after commencing treatment with vobra duo. In addition, in February 2026, we announced the FDA initiated a partial clinical hold on the LINNET study of lorigerlimab. The partial clinical hold was initiated by the FDA following the Company's notification to the FDA of a temporary pause in enrollment of new participants in the LINNET trial due to the occurrence of recent safety events. The safety events that prompted the enrollment pause occurred across four patients and included Grade 4 thrombocytopenia (N=2), Grade

4 myocarditis (N=1), and Grade 4 neutropenia and concurrent septic shock (N=1) which led to a Grade 5 event. Under the partial clinical hold, no new patients will be enrolled in the LINNET study until the partial hold is lifted by the FDA.

Even if our product candidates are approved for marketing, and we or others later identify undesirable or unacceptable side effects potentially caused by such products:

- regulatory authorities may require us to take our approved product off the market;
- regulatory authorities may require the addition of labeling statements, specific warnings, a contraindication or field alerts to physicians and pharmacies;
- we may be required to change the way the product is administered, impose other risk-management measures, conduct additional clinical trials or change the labeling of the product;
- we may be subject to limitations on how we may promote the product;
- sales of the product may decrease significantly;
- we may be subject to litigation or product liability claims; and
- our reputation may suffer.

Any of these events could prevent us, our collaborators or our potential future partners from achieving or maintaining market acceptance of the affected product or could substantially increase commercialization costs and expenses, which in turn could delay or prevent us from generating significant revenue from the sale of our products.

Our manufacturing facility is subject to significant government regulations and approvals, which are often costly and could result in adverse consequences to our business if we fail to comply with the regulations or maintain the approvals.

We must comply with the FDA's cGMP requirements, as set out in statute, regulations and interpreted through guidance. We may encounter difficulties in achieving quality control and quality assurance and may experience shortages in qualified personnel. We are subject to inspections by the FDA and comparable agencies in other jurisdictions to confirm compliance with applicable regulatory requirements. See "Other U.S. Post-Marketing Regulatory Requirements" above for additional information. Any failure to follow cGMP or other regulatory requirements or delay, interruption or other issues that arise in the manufacture, fill-finish, packaging, or storage of our product or product candidates as a result of a failure of our facilities or the facilities or operations of third parties to comply with regulatory requirements or pass any regulatory authority inspection could significantly impair our ability to develop and commercialize our product candidates, including leading to significant delays in the availability of drug product for sale and our clinical trials or the termination or hold on a clinical trial, or the delay or prevention of a filing or approval of marketing applications for our product candidates. Significant noncompliance could also result in the imposition of sanctions, including fines, injunctions, civil penalties, failure of regulatory authorities to grant marketing approvals for our product candidates, delays, suspension or withdrawal of approvals, license revocation, seizures or recalls of products, operating restrictions and criminal prosecutions, any of which could damage our reputation or negatively impact a product's commercial success. If we are not able to maintain regulatory compliance, we may not be permitted to market our product candidates and/or may be subject to product recalls, seizures, injunctions, or criminal prosecution. Additionally, if the FDA or a comparable foreign regulatory authority does not approve of our facilities for the manufacture of a customer product or if it withdraws such approval in the future, our customers may choose to identify alternative manufacturing facilities and/or relationships, which could significantly impact our ability to expand our CDMO capacity and capabilities and achieve profitability.

Our manufacturing facility is not currently being primarily utilized for the production of our own product candidates, and we may not be able to efficiently and effectively offset the costs of maintaining the facility through contract manufacturing services for third parties in the future.

We maintain a cGMP manufacturing facility in Rockville, Maryland at which we manufacture our own product candidates and we also provide outsourced contract development and manufacturing (CDMO) services to our collaborators and other third parties to offset a significant portion of the operating costs of the facility. While we have been able to secure sufficient CDMO engagements to date to substantially offset our facility costs, there can be no assurance that we will continue to be able to do so in the future. Our ability to generate contract manufacturing revenue sufficient to cover the costs of the

facility depends on a number of factors, including demand for outsourced biologic manufacturing capacity among potential customers, the competitive pricing environment for CDMO services, our ability to schedule and manage production runs for multiple customers without disruption, and the regulatory standing of our facility. Securing and managing these engagements also requires a meaningful allocation of management time and attention that could otherwise be directed toward our core research and development activities. If we are unable to maintain a sufficient level of CDMO utilization, we will incur facility operating costs that are not offset by revenue, increasing our net cash expenditures and potentially accelerating the timeline for additional financing.

We face significant competition and if our competitors continue to develop and market products that are more effective, safer or less expensive than our product candidates or if they are ahead of us in development, our current or future commercial opportunities may be negatively impacted.

The life sciences industry is highly competitive and subject to rapid and significant technological change. We are currently developing therapeutics that will compete with other drugs and therapies that currently exist or are being developed. Products we may develop in the future are also likely to face competition from other drugs and therapies, some of which we may not currently be aware. We have competitors both in the United States and internationally, including major multinational pharmaceutical companies, established biotechnology companies, specialty pharmaceutical companies, universities and other research institutions and including in China where research and development capabilities have expanded significantly. Many of our competitors have significantly greater financial, manufacturing, marketing, drug development, technical and human resources than we do. Large pharmaceutical companies, in particular, have extensive experience in clinical testing, obtaining regulatory approvals, recruiting patients and manufacturing pharmaceutical products. These companies also have significantly greater research and marketing capabilities than we do and may also have products that have been approved or are in late stages of development, and collaborative arrangements in our target markets with leading companies and research institutions. Established pharmaceutical companies may also invest heavily to accelerate discovery and development of novel compounds or to in-license novel compounds that could make the product candidates that we develop obsolete. As a result of all of these factors, our competitors may succeed, or may have succeeded, in obtaining patent protection and/or FDA approval or discovering, developing and commercializing products in our field before we do.

Specifically, there are a large number of companies developing or marketing potential treatments for cancer, including many major pharmaceutical and biotechnology companies. These treatments consist both of small molecule drug products, as well as biologic therapeutics that work by using next-generation antibody technology platforms to address specific cancer targets. In addition, several companies are developing therapeutics that work by targeting multiple specificities using a single recombinant molecule. See “Competition” above for additional information.

The commercial opportunity for future product candidates may be reduced or limited if our competitors develop and commercialize products that are safer, more effective, have fewer or less severe effects, are more convenient or are less expensive than any products that we may develop. Our competitors also may obtain FDA or other regulatory approval for their products more rapidly than we may obtain approval for ours. In addition, our ability to compete may be affected in many cases by insurers or other third-party payors seeking to encourage the use of biosimilar products.

Smaller and other early-stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. These third parties compete with us in recruiting and retaining qualified scientific and management personnel, establishing clinical trial sites and patient registration for clinical trials, as well as in acquiring technologies complementary to, or necessary for, our programs. In addition, the biopharmaceutical industry is characterized by rapid technological change. If we fail to stay at the forefront of technological change, we may be unable to compete effectively. Technological advances or products developed by our competitors may render our technologies, products or product candidates obsolete, less competitive or not profitable.

The manufacture of products or product candidates, for ourselves and our collaborators, is complex, and we may encounter difficulties in production. There can be no assurance that we will be able to effectively manufacture clinical quantities of our product candidates in the future. Further, we have limited experience in large-scale commercial manufacturing, and there can be no assurance that we will be able to effectively manufacture commercial quantities of products or product candidates for ourselves or our collaborators, if and when approved.

We currently manufacture product and product candidates for ourselves and our collaborators in our in-house manufacturing facility, and we anticipate manufacturing both commercial product as well as product candidates in the future. We have limited experience in manufacturing at commercial scale. The process of commercial or clinical biotechnology manufacturing for ourselves and our collaborators is highly susceptible to delays or product loss due to a variety of factors, including but not limited to contamination, equipment failure, improper installation or operation of equipment, vendor or

operator error, inconsistency in yields, variability in product characteristics, difficulties in scaling the production process, and vendor supply chain disruptions or fluctuations. Even minor deviations from manufacturing processes could result in reduced production yields, product defects and other supply disruptions. If microbial, viral or other contaminations are discovered in our products or product candidates or in the manufacturing facilities in which our products and our product candidates are made, such manufacturing facilities may need to be closed for an extended period of time to investigate and remedy the contamination. Any adverse developments affecting manufacturing operations for our products and our product candidates, if any are approved, may result in shipment delays, inventory shortages, lot failures, product withdrawals or recalls, or other interruptions in the supply of our products. We may also have to take inventory write-offs and incur other charges and expenses for products that fail to meet specifications, undertake costly remediation efforts or seek more costly manufacturing alternatives. In addition, if we fail to supply required quantities of a product or a product candidate for one of our collaborators, our collaborator may terminate our agreement.

Although we currently maintain insurance coverage against damage to our property and to cover business interruption and research and development restoration expenses, our insurance coverage may not reimburse us, or may not be sufficient to reimburse us, for any expenses or losses we may suffer. If there were to be a catastrophic event or failure of our manufacturing facilities or processes, we may be unable to meet our requirements for supply of our products or product candidates.

Further, our manufacturing activities require financial and managerial resources that might otherwise be focused on our research and development activities and may require us to forego or delay the pursuit of other clinical development opportunities that may have greater potential to be profitable, which would materially and adversely impact our business and financial position.

We have limited experience in launching and marketing approved products. If our products achieve regulatory approval and we are unable to further develop marketing and sales capabilities or enter into agreements with third parties to market and sell our products we may not be able to generate substantial product sales revenue.

We continue to have limited internal commercialization capabilities, and the commercialization of any future products or product candidates that we may develop or in-license, will require building, or contracting for, capabilities, which will require significant capital expenditures, management resources and time. For example, we have limited experience in building and managing a commercial team, conducting a comprehensive market analysis or managing distributors and a field force for our products. We will compete with many companies that currently have extensive and well-funded sales and marketing operations with respect to any approved products.

For commercialization of any or all of our product candidates, we will have to compete with other pharmaceutical and biotechnology companies to recruit, hire, train and retain marketing and sales personnel. If we are unable to, or decide not to, further develop internal sales, marketing, and commercial distribution capabilities for any or all of our products, we will likely pursue additional collaborative arrangements regarding the sales and marketing of our products. However, there can be no assurance that we will be able to establish or maintain such collaborative arrangements, or if we are able to do so, that they will be effective. There can be no assurance that we will be able to develop or successfully maintain internal sales and commercial capabilities or establish or maintain relationships with third-party collaborators to successfully commercialize any product, and as a result, we may not be able to generate substantial product sales revenue.

Actual or anticipated changes to the laws and regulations governing the health care system may have a negative impact on cost and access to health insurance coverage and reimbursement of healthcare items and services.

The United States and several foreign jurisdictions are considering, or have already enacted, a number of legislative and regulatory proposals to change the healthcare system in ways that could affect our ability to sell any of our future approved products profitably. 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 through lowering prescription drug prices, improving quality and/or expanding access to healthcare. In the United States, the pharmaceutical industry has been a particular focus of these efforts and has been significantly affected by major legislative initiatives, including the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act, or collectively, the ACA, which became law in 2010. While it is difficult to assess the impact of the ACA in isolation, either in general or on our business specifically, it is widely thought that the ACA increases the likelihood of downward pressure on pharmaceutical reimbursement, which could negatively affect market acceptance of, and the price we may charge for, any products we develop that receive regulatory approval. Further, the United State and foreign governments regularly consider additional reform measures that affect healthcare coverage and costs. Such reforms may include changes to the coverage and reimbursement of healthcare services and products. In particular, there have been executive, judicial and Congressional challenges and

amendments to the ACA. For example, on July 4, 2025, the One Big Beautiful Bill Act, or the OBBBA, was signed into law, which narrowed access to ACA marketplace exchange enrollment and declined to extend the ACA enhanced advanced premium tax credits that expired at the end of 2025, which, among other provisions in the law, are anticipated to reduce the number of Americans with health insurance. The OBBBA also is expected to reduce Medicaid spending and enrollment by implementing work requirements for some beneficiaries, capping state-directed payments, reducing federal funding, and limiting provider taxes used to fund the program. Congress is considering proposed legislation intended to further reduce healthcare costs with alternatives to replace the expired ACA subsidies. We expect that additional U.S. federal healthcare reform measures will be adopted in the future, any of which could limit the amounts that the U.S. federal government will pay for healthcare products and services, which could result in reduced demand for our product candidates or additional pricing pressures.

The current administration is pursuing policies to reduce regulations and expenditures across government agencies including at the U.S. Department of Health and Human Services, or 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. For example, the current administration has announced agreements with several pharmaceutical companies that require the drug manufacturers to offer, through a direct-to-consumer platform, U.S. patients and Medicaid programs prescription drug Most-Favored Nation pricing equal to or lower than those paid in other developed nations, with additional mandates for direct-to-patient discounts and repatriation of foreign revenues. Other recent actions, for example, include (1) directing agencies to reduce agency workforce and cut programs; (2) 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; (3) imposing tariffs on imported pharmaceutical products; and (4) as part of the Make America Healthy Again Commission's Strategy Report released in September 2025, working across government agencies to increase enforcement on direct-to-consumer pharmaceutical advertising. Additionally, the current administration recently called on Congress to enact "The Great Healthcare Plan," to codify and expand Most-Favored Nation pricing, lower government subsidies to private insurance companies, increase healthcare price transparency, expand pharmaceutical drugs available for over-the-counter purchase, and enact restrictions on pharmacy benefit manager, or PBM, payment methodologies, among other things. These actions and policies may significantly reduce U.S. drug prices, potentially impacting manufacturers' global pricing strategies and profitability, while increasing their operational costs and compliance risks. In June 2024, in Loper Bright Enterprises v. Raimondo, or Loper Bright, the U.S. Supreme Court greatly reduced judicial deference to regulatory agencies, which could increase successful legal challenges to federal regulations affecting our operations. Congress may introduce and ultimately pass health care related legislation that could impact the drug approval process and make changes to the Medicare Drug Price Negotiation Program.

Individual states in the United States have also become increasingly active in passing legislation and implementing regulations designed to control pharmaceutical and biological product pricing, including price or patient reimbursement constraints, discounts, restrictions on certain product access and marketing cost disclosure and transparency measures, and, in some cases, designed to encourage importation from other countries and bulk purchasing.

We cannot predict the likelihood, nature or extent of government regulation that may arise from future legislation or administrative or judicial action in the United States or any other jurisdiction. If we or any third parties we may engage are slow or unable to adapt to changes in existing requirements or the adoption of new requirements or policies, or if we or such third parties are not able to maintain regulatory compliance, we may not achieve or sustain profitability.

Reimbursement decisions by third-party payors may have an adverse effect on pricing and market acceptance. If there is not sufficient reimbursement for our products, it is less likely that our products will be widely used.

Market acceptance and sales of our product candidates, if approved for sale by the appropriate regulatory authorities, may depend on reimbursement policies and may be affected by future healthcare reform measures. Government authorities and third-party payors, such as private health insurers and health maintenance organizations, decide which drugs they will reimburse and establish payment levels and, in some cases, utilization management strategies, such as tiered formularies and prior authorization. We cannot be certain that reimbursement will be available for our products or any products that we develop. Also, we cannot be certain that reimbursement policies will not reduce the demand for, or the price paid for, our products. Our ability to commercialize our products may depend, in part, on the extent to which reimbursement for the products will be available from government authorities and third-party payors. If reimbursement for our products is not available or is available on a limited basis, or if the reimbursement amount for our products is inadequate to support a product's price, we may not be able to successfully commercialize any of our approved products.

There is uncertainty related to third-party payor coverage and reimbursement of newly approved products. In the United States, for example, principal decisions about reimbursement for new products are typically made by CMS, an agency within HHS. CMS decides whether and to what extent a new product will be covered and reimbursed under Medicare, and private third-party payors often follow CMS's decisions regarding coverage and reimbursement to a substantial degree. However, one third-party payor's determination to provide coverage for a product candidate does not assure that other payors will also provide coverage for the product candidate. Further, no uniform policy for coverage and reimbursement exists in the United States, and coverage and reimbursement can differ significantly from payor to payor. As a result, the coverage and reimbursement determination process is often time-consuming and costly. This process may require us to provide scientific and clinical information to support the coverage or reimbursement of our products to each third-party payor separately, with no assurance that coverage and adequate reimbursement will be applied consistently or obtained in the first instance.

As federal and state governments implement additional health care cost containment measures, including measures to lower prescription drug pricing, we cannot be sure that our products and our product candidates, if approved, will be covered, or remain covered, by private or public payors, and if covered, whether the reimbursement will be perceived by product purchasers as adequate. For example, HHS imposes rebates on many Medicare Part B and Medicare Part D products to penalize price increases that outpace inflation on an annual basis. HHS has also been empowered to negotiate the price of certain single-source biologics that have been on the market for at least 11 years covered under Medicare as part of the Medicare Drug Price Negotiation Program. Each year up to 20 products will be selected by HHS for the Medicare Drug Price Negotiation Program. Products subject to the Medicare Drug Price Negotiation Program are expected to experience a significant reduction in reimbursement from the Medicare program on a per unit basis. Health reform actions by federal and state governments and health plans may put additional downward pressure on pharmaceutical pricing and health care costs, which could negatively impact coverage and reimbursement for our product or our product candidates, if approved, our revenue, and our ability to compete with other marketed products and to recoup the costs of our research and development.

Increasingly, third-party payors are requiring that biopharmaceutical manufacturers provide them with discounts from list prices and are challenging the prices charged for medical products. Further, such payors are increasingly challenging the price, examining the medical necessity and reviewing the cost effectiveness of medical products. There may be especially significant delays in obtaining coverage and reimbursement for newly approved drugs. Third-party payors may limit coverage to specific product candidates on an approved list, known as a formulary, which might not include all FDA-approved drugs for a particular indication. We may need to conduct expensive pharmaco-economic studies to demonstrate the medical necessity and cost effectiveness of our products. Nonetheless, our products may not be considered medically necessary or cost effective. We cannot be sure that coverage and reimbursement will be available for any approved product that we commercialize and, if reimbursement is available, what the level of reimbursement will be. Further, coverage policies and third-party payor reimbursement rates may change at any time. Even if favorable coverage and reimbursement status is attained, less favorable coverage policies and reimbursement rates may be implemented in the future. Additionally, we or our collaborators may develop companion diagnostic tests for use with our product candidates where appropriate. We or our collaborators will be required to obtain coverage and reimbursement for these tests separate and apart from the coverage and reimbursement we may seek for our product candidates. While we have not yet developed any companion diagnostic tests for our product candidates, if we do, there is significant uncertainty regarding our ability to obtain coverage and adequate reimbursement for the same reasons applicable to our product candidates.

If any product liability lawsuits are successfully brought against us or any of our collaborators, we may incur substantial liabilities and may be required to limit commercialization of our products or product candidates.

We face an inherent risk of product liability lawsuits related to the sale of our products to, use of our products by, and testing of our product candidates in, seriously ill patients. Product liability claims may be brought against us or our collaborators by participants enrolled in our clinical trials, patients, health care providers or others using, administering or selling any of our approved products. If we cannot successfully defend ourselves against any such claims, we may incur substantial liabilities. Regardless of their merit or eventual outcome, liability claims may result in:

- decreased demand for our future approved products;
- injury to our reputation;
- withdrawal of clinical trial participants;
- termination of clinical trial sites or entire trial programs;
- increased regulatory scrutiny;

- significant litigation costs;
- substantial monetary awards to or costly settlement with patients or other claimants;
- product recalls or a change in the indications for which they may be used;
- loss of revenue;
- diversion of management and scientific resources from our business operations; and
- the inability to commercialize our product candidates.

With respect to our product candidates that may receive approval for commercial sale or our partners' products, we are, and will be, highly dependent upon physician and patient perceptions of us and the safety and quality of our products. We could be adversely affected if we are subject to negative publicity. We could also be adversely affected if any of our products or any similar products distributed by other companies prove to be, or are asserted to be, harmful to patients. Because of our dependence upon consumer perceptions, any adverse publicity associated with illness or other adverse effects resulting from patients' use or misuse of our products or any similar products distributed by other companies could have a material adverse impact on our financial condition or results of operations.

As of December 31, 2025, we hold $20.0 million in product liability insurance coverage in the aggregate, with a per incident limit of $20.0 million, which may not be adequate to cover all liabilities that we may incur. We may need to increase our insurance coverage when we begin the commercialization of product candidates. Insurance coverage is becoming increasingly expensive. As a result, we may be unable to maintain or obtain sufficient insurance at a reasonable cost to protect us against losses that could have a material adverse effect on our business. A successful product liability claim or series of claims brought against us, particularly if judgments exceed any insurance coverage we may have, could decrease our cash resources and adversely affect our business, financial condition and results of operation.

Even if we and our collaborators obtain regulatory approvals to market our current and any future approved products, we and our collaborators will remain subject to extensive ongoing regulatory obligations and oversight, including post-approval requirements, that could result in significant additional expense and could negatively impact our and our collaborators' ability to commercialize our current and any future approved products.

We and our collaborators are subject to extensive ongoing obligations and continued regulatory review from applicable regulatory agencies with respect to any product obtaining regulatory approval, such as continued adverse event reporting requirements and post-marketing commitments, all of which may result in significant expense and limit our and our collaborators' ability to commercialize our current and any future approved products.

We and the manufacturers of our current and any future approved products are also required, or will be required, to comply with cGMP regulations, which include requirements relating to quality control and quality assurance as well as the corresponding maintenance of records and documentation. Further, regulatory agencies must approve these manufacturing facilities before they can be used to manufacture our product candidates, and these facilities are subject to ongoing regulatory inspections. In addition, regulatory agencies subject an approved product, its manufacturer and the manufacturer's facilities to continual review and inspections, including periodic unannounced inspections. The subsequent discovery of previously unknown problems with our current or any future approved products, including adverse events of unanticipated severity or frequency, or problems with the facilities where our current or any future approved products are manufactured, may result in restrictions on the marketing of our current or any such future approved products, up to and including withdrawal of the affected product from the market. If our manufacturing facilities, our collaborators' manufacturing facilities, or those of our respective suppliers, fail to comply with applicable regulatory requirements, such noncompliance could result in regulatory action and additional costs to us.

Failure to comply with applicable FDA and other regulatory requirements may subject us to administrative or judicially imposed sanctions, including:

- issuance of Form FDA 483 notices or Warning Letters by the FDA or other regulatory agencies;
- imposition of fines and other civil penalties;

- criminal prosecutions;
- injunctions, suspensions or revocations of regulatory approvals;
- suspension of any ongoing clinical trials;
- total or partial suspension of manufacturing;
- delays in commercialization;
- refusal by the FDA to approve pending applications or supplements to approved applications submitted by us;
- refusals to permit drugs to be imported into or exported from the United States;
- restrictions on operations, including costly new manufacturing requirements; and
- product recalls or seizures.

The policies of the FDA and other regulatory agencies may change and additional government regulations may be enacted that could prevent or delay regulatory approval of our product candidates, or further restrict or regulate post-approval activities. We cannot predict the likelihood, nature or extent of adverse government regulation that may arise from future legislation or administrative action, either in the United States or abroad. If we are not able to maintain regulatory compliance, we or our collaborators might not be permitted to market our current or any future approved products and our business would suffer.

We and/or our collaboration partners may never obtain approval or commercialize our products outside of the United States, which would limit our ability to realize their full market potential.

In order to market any products outside of the United States, we and our current and potential collaboration partners must establish and comply with numerous and varying regulatory requirements of other countries regarding safety and efficacy. Clinical trials conducted in one country may not be accepted by regulatory authorities in other countries, and regulatory approval in one country does not mean that regulatory approval will be obtained in any other country. Approval procedures vary among countries and may require additional nonclinical studies or clinical trials or additional administrative review periods, which could result in significant delays, difficulties and costs for us. In addition, our failure to obtain regulatory approval in any country may delay or have negative effects on the process for regulatory approval in other countries. Further, even if a product candidate receives regulatory approval outside of the United States, the collaborator may not commercialize the product or may not commercialize the product effectively. If we fail to comply with regulatory requirements in international markets or to obtain and maintain required approvals, our target market will be reduced and our ability to realize the full market potential of our products will be harmed.

Inadequate funding or government efficiency initiatives for the FDA and other government agencies could reduce agency staffing or hinder agency ability to hire and retain key leadership and other personnel, prevent new products and services from being developed or commercialized in a timely manner or otherwise prevent those agencies from performing normal business functions on which the operation of our business may rely, which could negatively impact our business.

The ability of the FDA to review and approve new products can be affected by a variety of factors, including government budget, funding and staffing levels, ability to hire and retain key personnel and accept the payment of user fees, and statutory, regulatory and policy changes. Average review times at the agency have fluctuated in recent years as a result and may fluctuate significantly in the future. In addition, government funding and staffing levels of other government agencies on which our operations may rely, including those that fund research and development activities is subject to the political process, which is inherently fluid and unpredictable.

Disruptions at the FDA and other agencies may also slow the time necessary for new drugs to be reviewed and/or approved by necessary government agencies, which would adversely affect our business. For example, over the past decade, the U.S. government has shut down several times and certain regulatory agencies, such as the FDA, have had to furlough critical FDA, and other government employees and pause or stop critical activities. If a prolonged government shutdown occurs, or if FDA or other government employees' positions are eliminated or become vacant, it could significantly impact the ability of the FDA to timely review and process our regulatory submissions, which could have a material adverse effect on our business.

Changes in U.S. tax law may have a material adverse effect on our business, financial condition and results of operations, and changes in international trade relations may have a material adverse effect on the commercialization of some or all of our product candidates.

Changes in laws and policy relating to taxes may have an adverse effect on our business, financial condition and results of operations. Recent tax reforms in the United States have resulted in significant changes to preexisting U.S. tax rules and regulations. These changes may trigger an adverse effect on our business, financial conditions and results of operations.

Additionally, there is inherent risk, based on the complex relationships among the United States and the countries in which we plan to conduct business in, that political, diplomatic, and national security factors can lead to global trade restrictions and changes in trade policies and export regulations that may adversely affect our business and operations. The United States and other countries have imposed and may continue to impose new trade restrictions and export regulations, have levied tariffs and taxes on certain goods, and could significantly increase tariffs on a broad array of goods. Overall, changes in international trade relations, such as the imposition of or increase in tariffs or other trade barriers, could materially and adversely impact our costs, the ability to make sales of our product candidates to any of our significant customers in other countries, and reduce the competitiveness of our product candidates.

Public health crises such as pandemics or similar outbreaks may have a significant negative impact on our clinical trials, nonclinical studies, development, manufacturing and commercialization of our product candidates and other aspects of our business, staff, and operations.

Public health crises such as pandemics or similar outbreaks may have a material impact our business. For instance, the COVID-19 pandemic impaired, and future public health crises may in the future impair, our ability to enroll patients in clinical trials, continue ongoing clinical trials and activate clinical trial sites. Further, patients may be unable or unwilling to enroll in our clinical trials or be unable to comply with clinical trial protocols if public health restrictions impede patient movement or interrupt healthcare services. Public health crises may also negatively affect the operations of third-party CROs that we rely upon to carry out our clinical trials, or the operations of other service providers, which could result in delays or disruptions in the supply of our product candidates or other aspects of our business or that of our collaborators. Any negative impact public health crises could adversely affect our ability to seek and obtain regulatory approval for and to commercialize any approved product candidates, increase our operating expenses and have a material adverse effect on our business and financial results.

Risks Related to Our Dependence on Third Parties

Our existing therapeutic collaborations are important to our business, and future collaborations may also be important to us. If we are unable to maintain any of these collaborations, or if these collaborations are not successful, our business could be adversely affected.

We have limited capabilities for drug development and have little to no internal capability for sales, marketing or distribution. We have entered into collaborations with other companies that we believe can provide such capabilities, including our agreements with, for example, Gilead Sciences, Inc, and Incyte Corporation. These current collaborations also have provided us with important funding for our development programs and technology platforms and we expect to receive additional funding under these collaborations in the future. Our existing therapeutic collaborations, and any future collaborations we enter into, may pose a number of risks, including the following:

- collaborators have significant discretion in determining the efforts and resources that they will apply to these collaborations;
- collaborators may not perform their obligations as expected;
- collaborators may not pursue development and commercialization of any product candidates that achieve regulatory approval or may elect not to continue or renew development or commercialization programs based on clinical trial results, changes in the collaborators' strategic focus or available funding, or external factors, such as an acquisition, that divert resources or create competing priorities;
- collaborators may delay clinical trials, provide insufficient funding for a clinical trial program, stop a clinical trial or abandon a product candidate, repeat or conduct new clinical trials or require a new formulation of a product candidate for clinical testing;

- collaborators could independently develop, or develop with third parties, products that compete directly or indirectly with our products or product candidates if the collaborators believe that competitive products are more likely to be successfully developed or can be commercialized under terms that are more economically attractive than ours;

- product candidates discovered in collaboration with us may be viewed by our collaborators as competitive with their own product candidates or products, which may cause collaborators to cease to devote resources to the commercialization of our product candidates;

- a collaborator with marketing and distribution rights to one or more of our product candidates that achieve regulatory approval may not commit sufficient resources to the marketing and distribution of such product or products;

- disagreements with collaborators, including disagreements over proprietary rights, contract interpretation or the preferred course of development, might cause delays in payment, or non-payment, of royalties, milestones or other monies owed, delays or termination of the research, development or commercialization of product candidates, might lead to additional responsibilities for us with respect to product candidates, or might result in litigation or arbitration, any of which would be time-consuming and expensive;

- collaborators may not properly maintain or defend our intellectual property rights or may use our proprietary information in such a way as to invite litigation that could jeopardize or invalidate our intellectual property or proprietary information or expose us to potential litigation;

- collaborators may infringe the intellectual property rights of third parties, which may expose us to litigation and potential liability; and

- collaborations may be terminated for the convenience of the collaborator and, if terminated, we could be required to raise additional capital to pursue further development or commercialization of the applicable product candidates. For example, each of our collaboration and license agreements may be terminated for convenience upon the completion of a specified notice period.

If our collaborations do not result in the successful development and commercialization of products or if one of our collaborators terminates its agreement with us, we may not receive any future research funding or milestone or royalty payments under the collaboration. All of the risks relating to product development, regulatory approval and commercialization described in this Annual Report on Form 10-K also apply to the activities of our program collaborators.

Additionally, subject to its contractual obligations to us, if one of our collaborators is involved in a business combination, the collaborator might de-emphasize or terminate the development or commercialization of any product candidate licensed to it by us. If one of our collaborators terminates its agreement with us, we may find it more difficult to attract new collaborators.

We may in the future decide to collaborate with additional pharmaceutical and biotechnology companies for development and potential commercialization, if approved, our product candidates. We face significant competition in seeking appropriate collaborators. Our ability to reach a definitive agreement for a collaboration will depend, among other things, upon our assessment of the collaborator's resources and expertise, the terms and conditions of the proposed collaboration and the proposed collaborator's evaluation of a number of factors. These factors may include the design or results of clinical trials, the likelihood of approval by the FDA or similar regulatory authorities outside the United States, the potential market for the subject product candidate, the costs and complexities of manufacturing and delivering such product candidate to patients, the potential of competing products, the existence of uncertainty with respect to our ownership of technology, which can exist if there is a challenge to such ownership without regard to the merits of the challenge and industry and market conditions generally. The collaborator may also consider alternative products, product candidates or technologies for similar indications that may be available to collaborate on and whether such a collaboration could be more attractive than the one with us for our product candidate.

Collaborations are complex and time-consuming to negotiate and document. If we are unable to reach agreements with suitable collaborators on a timely basis, on acceptable terms, or at all, we may have to curtail the development of our product candidates, reduce or delay one or more of our other development programs, delay the commercialization of a product candidate or reduce the scope of any sales or marketing activities, or increase our expenditures and undertake development or commercialization activities at our own expense. If we elect to fund and undertake development or commercialization activities on our own, we may need to obtain additional expertise and additional capital, which may not be available to us on acceptable

terms or at all. If we fail to enter into collaborations and do not have sufficient funds or expertise to undertake the necessary development and commercialization activities, we may not be able to further develop our product candidates or bring them to market or continue to develop our technology platforms and our business may be materially and adversely affected.

We may also be restricted under collaboration agreements from entering into additional agreements on certain terms with potential collaborators. Most of our existing therapeutic collaborations contain a restriction on our engaging in activities that are the subject of the collaboration with third parties for specified periods of time.

We contract with, and may in the future contract with, third parties for components of the manufacturing of our product candidates, including our antibody drug conjugate candidates. Failure of third-party contractors to successfully perform their obligations could harm our ability to develop or commercialize our product or product candidates.

We currently have one cGMP manufacturing facility located in Rockville, Maryland in compliance with cGMP to support future clinical and commercial production of our and our collaborators' product candidates. We manufacture drug substance lots at this facility that we use for clinical trials of our and our collaborators' product candidates. We will continue to rely on third parties for bioconjugation to produce ADCs and for fill finish activities, neither of which our cGMP manufacturing facility can currently accommodate.

We have entered into agreements with contract manufacturing organizations in the past to supplement our clinical supply and internal capacity as we advance product candidates in our pipeline. In addition, in the future, we may use third parties for the manufacture of some or all components of our product candidates for clinical testing, including antibody drug conjugates, as well as for commercial manufacture of some of our product candidates that receive marketing approval and that are not manufactured by us or one of our third-party collaborators. We may be unable to reach agreement with any of these contract manufacturers, or to identify and reach arrangements on satisfactory terms with other contract manufacturers, to manufacture any of our product candidates. Additionally, the facilities used by any contract manufacturer to manufacture any of our product candidates must be the subject of a satisfactory inspection before the FDA and other regulatory authorities approve a BLA or marketing authorization for the product candidate manufactured at that facility. We will depend on these third-party manufacturing partners for compliance with the FDA's requirements for the manufacture of our finished products. If our manufacturers cannot successfully manufacture material that conforms to our specifications and the FDA and other regulatory authorities' cGMP requirements, our product candidates will not be approved or, if already approved, may be subject to recalls.

Reliance on third-party manufacturers entails risks to which we would not be subject if we manufactured products or product candidates ourselves, including:

- the possibility of a breach of the manufacturing agreements by the third parties because of factors beyond our control;
- the possibility of termination or nonrenewal of the agreements by the third parties before we are able to arrange for a qualified replacement third-party manufacturer; and
- the possibility that we may not be able to secure a manufacturer or manufacturing capacity in a timely manner and on satisfactory terms in order to meet our manufacturing needs.

Any of these factors could adversely impact the development of our product candidates, delay approval of our product candidates, or cause us to incur higher costs or prevent us from commercializing our products or product candidates successfully. Furthermore, if contract manufacturers fail to deliver the required quantities of finished product on a timely basis and at commercially reasonable prices, and we are unable to find one or more replacement manufacturers capable of production at a substantially equivalent cost, in substantially equivalent volumes and quality and on a timely basis, we would likely be unable to meet expectations for our clinical development needs, which would delay our ability to execute and complete clinical trials It may take several years to establish an alternative source of supply for our product candidates and to have any such new source approved by the FDA or any other relevant regulatory authorities.

Failure to successfully develop and commercialize companion diagnostics with third party contractors for use with our product candidates could harm our ability to commercialize our product candidates.

We plan to develop, or engage third parties to develop, companion diagnostics for our product candidates where appropriate. At least in some cases, the FDA and similar regulatory authorities outside the United States may request or require the development and regulatory approval of a companion diagnostic as a condition to approving one or more of our product

candidates. We do not have experience or capabilities in developing or commercializing diagnostics and are relying, and in the future plan to continue to rely, in large part on third parties to perform these functions.

In most cases, we will likely outsource the development, production and commercialization of companion diagnostics to third parties. By outsourcing these companion diagnostics to third parties, we become dependent on the efforts of our third party contractors to successfully develop and commercialize these companion diagnostics. Our contractors:

- may not perform their obligations as expected;
- may encounter production difficulties that could constrain the supply of the companion diagnostic;
- may have difficulties gaining acceptance of the use of the companion diagnostic in the clinical community;
- may not commit sufficient resources to the marketing and distribution of such product; and
- may terminate their relationship with us.

If any companion diagnostic for use with one of our product candidates fails to gain market acceptance, our ability to derive revenues from sales of such product candidate could be harmed. If our third-party contractors fail to commercialize such companion diagnostic, we may not be able to enter into arrangements with another diagnostic company to obtain supplies of an alternative diagnostic test for use in connection with such product candidate or do so on commercially reasonable terms, which could adversely affect and delay the development or commercialization of such product candidate.

Independent clinical investigators and CROs that we engage to conduct our clinical trials may not devote sufficient time or attention to our clinical trials or be able to repeat their past success.

We expect to continue to depend on independent clinical investigators and CROs to conduct our clinical trials. CROs may also assist us in the collection and analysis of data. There is a limited number of third-party service providers that specialize or have the expertise required to achieve our business objectives. Identifying, qualifying and managing performance of third-party service providers can be difficult, time consuming and cause delays in our development programs. These investigators and CROs are not and will not be our employees and we will not be able to control, other than by contract, the amount of resources, including time, which they devote to our product candidates and clinical trials. If independent investigators or CROs fail to devote sufficient resources to the development of our product candidates, or if their performance is substandard, it may delay or compromise the prospects for approval and commercialization of any product candidates that we develop. In addition, the use of third-party service providers requires us to disclose our proprietary information to these parties, which could increase the risk that this information will be misappropriated. Further, the FDA requires that we comply with standards, commonly referred to as current Good Clinical Practice (GCP) for conducting, recording and reporting clinical trials to assure that data and reported results are credible and accurate and that the rights, integrity and confidentiality of trial subjects are protected. Failure of clinical investigators or CROs to meet their obligations to us or comply with GCP procedures could adversely affect the clinical development of our product candidates and harm our business.

Commercialization collaborations will be important to our business. If we are unable to maintain commercialization collaborations, or if commercialization collaborations are not successful, our business could be adversely affected.

We have limited capabilities for drug commercialization, with little to no internal capability for sales, marketing or distribution. We may enter into commercial collaborations in the future for any approved products or our product candidates. Any future commercialization collaborations we enter into may pose a number of risks, including the following:

- collaborators may have significant discretion in determining the efforts and resources that they will apply to these collaborations;
- collaborators may not perform their obligations as expected;
- collaborators may not pursue commercialization our products or any product candidates that achieve regulatory approval or may elect not to continue commercialization based on clinical trial results, changes in the collaborators' strategic focus or other factors that divert resources or create competing priorities;

- collaborators could independently commercialize products that compete directly or indirectly with our products or product candidates if the collaborators believe that competitive products are more likely to be successfully commercialized under terms that are more economically attractive than ours;

- collaborators with marketing and distribution rights to our products or our product candidates that achieve regulatory approval may not commit sufficient resources to the marketing and distribution of such product or products;

- disagreements with collaborators, including disagreements on contract interpretation, commercialization strategy or tactics, might cause delays or termination of the commercialization of products or product candidates, might lead to additional responsibilities for us with respect to our products or product candidates, or might result in litigation or arbitration, any of which would be time-consuming and expensive;

- collaborators may not properly utilize our intellectual property rights or may use our proprietary information in such a way as to invite litigation that could jeopardize or invalidate our intellectual property or proprietary information or expose us to potential litigation;

- collaborators may violate, or be investigated for potentially violating, health care compliance and related laws and regulations, which may expose us to litigation, enforcement actions or inquiries, or other potential liability; and

- collaborations may be terminated for the convenience of the collaborator and, if terminated, we could be required to raise additional capital to pursue further commercialization of our products or applicable product candidates.

All of the risks relating to commercialization, and health care legal compliance described in this Annual Report on Form 10-K also apply to the commercialization activities of our collaborators.

Additionally, subject to its contractual obligations to us, if one of our collaborators is involved in a business combination, the collaborator might de-emphasize or terminate the development or commercialization of a product candidate licensed to it by us. If one of our collaborators terminates its agreement with us, we may find it more difficult to attract new collaborators for the products in the covered territory or elsewhere. We may also be restricted under commercialization collaboration agreements from entering into future agreements on certain terms with potential collaborators.

Commercialization collaborations are complex and time-consuming to negotiate and document. If we are unable to reach agreements with suitable collaborators on a timely basis, on acceptable terms, or at all, we may have to curtail the commercialization of a product or product candidate, reduce the scope of any sales or marketing activities, or increase our expenditures and undertake or commercialization activities at our own expense. If in the future we elect to fund and undertake commercialization activities on our own, we may need to obtain additional expertise and additional capital, which may not be available to us on acceptable terms or at all. If we fail to enter into collaborations to commercialize our product candidates and do not have sufficient funds or expertise to undertake the necessary commercialization activities, we may not be able to commercialize our product candidates or bring them to market or continue and our business may be materially and adversely affected.

If our information technology systems, or those third parties with whom we work, are or were compromised, we could experience adverse consequences resulting from such compromise, including but not limited to regulatory investigations or actions; litigation; fines and penalties; disruptions of our business operations; reputational harm; loss of revenue or profits; loss of customers or sales; and other adverse consequences.

In the ordinary course of our business, we and the third parties with whom we work, process, collect, receive, store, process, generate, use, transfer, disclose, make accessible, protect, secure, dispose of, transmit, and share (collectively, process) proprietary, confidential, and sensitive data, including personal data (such as health-related data), intellectual property, trade secrets and any other sensitive data the we may process, e.g., business plans, transactions, financial information, etc. (collectively, sensitive information).

Cyber-attacks, malicious internet-based activity, online and offline fraud, and other similar activities threaten the confidentiality, integrity, and availability of our sensitive information and information technology systems, and those of the third parties with whom we work. Such threats are prevalent and continue to rise, are increasingly difficult to detect, and come from a variety of sources, including traditional computer “hackers,” threat actors, “hacktivists,” organized criminal threat actors, personnel (such as through theft or misuse), sophisticated nation states, and nation-state-supported actors.

Some actors now engage and are expected to continue to engage in cyber-attacks, including without limitation nation-state actors for geopolitical reasons and in conjunction with military conflicts and defense activities. During times of war and other major conflicts, we, the third parties with whom we work, and our customers may be vulnerable to a heightened risk of these attacks, including retaliatory cyber-attacks, that could materially disrupt our systems and operations, supply chain, and ability to produce, sell and distribute our goods and services.

We and the third parties with whom we work are subject to a variety of evolving threats, including but not limited to social-engineering attacks (including through deep fakes and the use of Artificial Intelligence (AI), which may be increasingly more difficult to identify as fake, and phishing attacks), malicious code (such as viruses and worms), malware (including as a result of advanced persistent threat intrusions), denial-of-service attacks, credential stuffing attacks, credential harvesting, personnel misconduct or error, ransomware attacks, supply-chain attacks, software bugs, server malfunctions, software or hardware failures, loss of data or other information technology assets, adware, telecommunications failures, earthquakes, fires, floods, attacks enhanced or facilitated by AI, and other similar threats.

Severe ransomware attacks are becoming increasingly prevalent and can lead to significant interruptions in our operations, ability to provide our products or services, loss of sensitive data and income, reputational harm, and diversion of funds. Extortion payments may alleviate the negative impact of a ransomware attack, but we may be unwilling or unable to make such payments due to, for example, applicable laws or regulations prohibiting such payments. Remote work poses increased risks to our information technology systems and data, as our employees utilize network connections, computers and devices outside our premises or network, including working at home, while in transit and in public locations.

It may be difficult and/or costly to detect, investigate, mitigate, contain, and remediate a security incident. Our efforts to do so may not be successful. Actions taken by us or the third parties with whom we work to detect, investigate, mitigate, contain, and remediate a security incident could result in outages, data losses, and disruptions of our business. Threat actors may also gain access to other networks and systems after a compromise of our networks and systems. For example, threat actors may use an initial compromise of one part of our environment to gain access to other parts of our environment, or leverage a compromise of our networks or systems to gain access to the networks or systems of third parties with whom we work, such as through phishing or supply chain attacks.

Future or past business transactions (such as acquisitions or integrations) could expose us to additional cybersecurity risks and vulnerabilities, as our systems could be negatively affected by vulnerabilities present in acquired or integrated entities' systems and technologies. Furthermore, we may discover security issues that were not found during due diligence of such acquired or integrated entities, and it may be difficult to integrate companies into our information technology environment and security program.

We rely on third-parties to operate critical business systems to process sensitive information in a variety of contexts, including, without limitation, encryption and authentication technology, employee email, content delivery to customers, and other functions. Our ability to monitor these third parties' information security practices is limited, as is our ability to determine whether these third parties may not have adequate information security measures in place. If the third-parties with whom we work experience a security incident or other interruption, we could experience adverse consequences. While we may be entitled to damages if our third-party service providers fail to satisfy their privacy or security-related obligations to us, any award may be insufficient to cover our damages, or we may be unable to recover such award. In addition, supply-chain attacks have increased in frequency and severity, and we cannot guarantee that third parties' infrastructure in our supply chain or our third-party partners' supply chains have not been compromised.

While we have implemented security measures designed to protect against security incidents, there can be no assurance that these measures will be effective. We take steps designed to detect, mitigate, and remediate vulnerabilities in our information systems (such as our hardware and/or software, including that of third parties with whom we work). We have not and may not in the future, however, detect and remediate all such vulnerabilities including on a timely basis. Further, we have and may in the future experience delays in developing and deploying remedial measures and patches designed to address identified vulnerabilities. Any of the previously identified or similar threats could cause a security incident or other interruption that could result in unauthorized, unlawful, or accidental acquisition, modification, destruction, loss, alteration, encryption, disclosure of, or access to our sensitive information or our information technology systems, or those of the third parties upon whom we rely. A security incident or other interruption could disrupt our ability (and that of third parties with whom we work) to provide our products.

We may expend significant resources or modify our business activities (including our clinical trial activities) to try to protect against security incidents. Certain data privacy and security obligations may require us to implement and maintain

specific security measures or industry-standard or reasonable security measures to protect our information technology systems and sensitive information. Applicable data privacy and security obligations may require us to notify relevant stakeholders, including affected individuals, customers, regulators, and investors, of security incidents. Such disclosures are costly, and the disclosure or the failure to comply with such requirements could lead to adverse consequences.

If we (or a third party upon whom we rely) experience a security incident or are perceived to have experienced a security incident, we may experience material adverse consequences, such as government enforcement actions (for example, investigations, fines, penalties, audits, and inspections); additional reporting requirements and/or oversight; restrictions on processing sensitive information (including personal data); litigation (including class claims); indemnification obligations; negative publicity; reputational harm; monetary fund diversions; diversion of management attention; interruptions in our operations (including availability of data); financial loss; and other similar harms. Security incidents and attendant consequences may prevent or cause customers to stop using our products, deter new customers from using our products, and negatively impact our ability to grow and operate our business.

Our contracts may not contain limitations of liability, and even where they do, there can be no assurance that limitations of liability in our contracts are sufficient to protect us from liabilities, damages, or claims related to our data privacy and security obligations. We cannot be sure that our insurance coverage will be adequate or sufficient to protect us from or to mitigate liabilities arising out of our privacy and security practices, that such coverage will continue to be available on commercially reasonable terms or at all, or that such coverage will pay future claims.

In addition to experiencing a security incident, third parties may gather, collect, or infer sensitive information about us from public sources, data brokers, or other means that reveals competitively sensitive details about our organization and could be used to undermine our competitive advantage or market position. Additionally, sensitive information of the Company could be leaked, disclosed, or revealed as a result of or in connection with our employees', personnel's, or vendors' use of generative AI technologies.

Risks Related to Our Intellectual Property

Our success depends significantly on our ability to operate without infringing the valid patents and other proprietary rights of third parties.

Our success will depend in part on our ability to operate without infringing the proprietary rights of third parties. Third parties may have or obtain patents or proprietary rights that could limit our ability to make, use, sell, offer for sale or import our future approved products or impair our competitive position.

Third parties could possess patents that we may ultimately be found to infringe, or such third-party patents could issue in the future. Third parties may have or may obtain valid and enforceable patents or proprietary rights that could block us from developing product candidates using our technology. Our failure to obtain a license to any technology that we require may materially harm our business, financial condition and results of operations. Moreover, our failure to maintain a license to any technology that we require may also materially harm our business, financial condition, and results of operations. Furthermore, we would be exposed to a threat of litigation.

In the biopharmaceutical industry, significant litigation and other proceedings regarding patents, patent applications, trademarks and other intellectual property rights have become commonplace. The types of situations in which we may become a party to such litigation or proceedings include:

- we or our collaborators may initiate litigation or other proceedings against third parties seeking to invalidate the patents held by those third parties or to obtain a judgment that our products or processes do not infringe those third parties' patents;
- if our competitors file patent applications that claim technology also claimed by us or our licensors, we or our licensors may be required to participate in interference, opposition or other proceedings to determine the priority of invention, which could jeopardize our patent rights and potentially provide a third party with a dominant patent position;
- if third parties initiate litigation claiming that our processes or products infringe their patent or other intellectual property rights, we and our collaborators will need to defend against such proceedings; and

- if a license to necessary technology is terminated, the licensor may initiate litigation claiming that our processes or products infringe or misappropriate their patent or other intellectual property rights and/or that we breached our obligations under the license agreement, and we and our collaborators would need to defend against such proceedings.

These lawsuits would be costly and could affect our results of operations and divert the attention of our management and scientific personnel. There is a risk that a court would decide that we or our collaborators are infringing the third party's patents and would order us or our collaborators to stop the activities covered by the patents. In that event, we or our collaborators may not have a viable alternative to the technology protected by the patent and may need to halt work on the affected product candidate or cease commercialization of an approved product. In addition, there is a risk that a court will order us or our collaborators to pay the other party damages. An adverse outcome in any litigation or other proceeding could subject us to significant liabilities to third parties and require us to cease using the technology that is at issue or to license the technology from third parties. We may not be able to obtain any required licenses on commercially acceptable terms or at all. Any of these outcomes could have a material adverse effect on our business.

The pharmaceutical and biotechnology industries have produced a significant number of patents, and it may not always be clear to industry participants, including us, which patents cover various types of products, methods of use, or processes. The coverage of patents is subject to interpretation by the courts, and the interpretation is not always uniform or predictable. If we are sued for patent infringement, we would need to demonstrate that our products, methods, or processes either do not infringe the patent claims of the relevant patent or that the patent claims are invalid, and we may not be able to do so. Proving invalidity is difficult. For example, in the United States, proving invalidity requires a showing of clear and convincing evidence to overcome the presumption of validity enjoyed by issued patents. Even if we are successful in these proceedings, we may incur substantial costs and divert management's time and attention in pursuing these proceedings, which could have a material adverse effect on us. If we are unable to avoid infringing the patent rights of others, we may be required to seek a license, defend an infringement action or challenge the validity of the patents in court. Patent litigation is costly and time consuming. We may not have sufficient resources to bring these actions to a successful conclusion. In addition, if we do not obtain a license, develop or obtain non-infringing technology, fail to defend an infringement action successfully or have infringed patents declared invalid, we may incur substantial monetary damages, encounter significant delays in bringing our product candidates to market and be precluded from manufacturing or selling our product candidates.

The cost of any patent litigation or other proceeding, even if resolved in our favor, could be substantial. Some of our competitors may be able to sustain the cost of such litigation and proceedings more effectively than we can because of their substantially greater resources. Uncertainties resulting from the initiation and continuation of patent litigation or other proceedings could have a material adverse effect on our ability to compete in the marketplace. Patent litigation and other proceedings may also absorb significant management time.

If we are unable to obtain and enforce patent protection for our products and our product candidates and related technology, our business could be materially harmed.

Issued patents may be challenged, narrowed, invalidated or circumvented. In addition, court decisions may introduce uncertainty in the enforceability or scope of patents owned by biotechnology companies. The legal systems of certain countries do not favor the aggressive enforcement of patents, and the laws of foreign countries may not allow us to protect our inventions with patents to the same extent as the laws of the United States. Patent applications in the United States and many foreign jurisdictions are typically not published until 18 months after filing, or in some cases not at all. Publications of discoveries in scientific literature lag behind actual discoveries, thus we cannot be certain that we were the first to make the inventions claimed in our issued patents or pending patent applications, or that we were the first to file for protection of the inventions set forth in our patents or patent applications. As a result, we may not be able to obtain or maintain protection for certain inventions. Therefore, the enforceability and scope of our patents in the United States and in foreign countries cannot be predicted with certainty and, as a result, any patents that we own or license may not provide sufficient protection against competitors. We may not be able to obtain or maintain patent protection from our pending patent applications, from those we may file in the future, or from those we may license from third parties. Moreover, even if we can obtain patent protection, it may be of insufficient scope to achieve our business objectives.

Our strategy depends on our ability to identify and seek patent protection for our discoveries. This process is expensive and time consuming, and we may not be able to file and prosecute all necessary or desirable patent applications at a reasonable cost, in a timely manner, or in all jurisdictions where protection may be commercially advantageous. Despite our efforts to protect our proprietary rights, unauthorized parties may be able to obtain and use information that we regard as proprietary.

The issuance of a patent does not ensure that a court or agency finds or will find the patent valid or enforceable, so even if we obtain patents, they may not be valid or enforceable against third parties. In addition, the issuance of a patent does not give us the right to practice the patented invention. Third parties may have blocking patents that could prevent us from marketing our own patented product and practicing our own patented technology. Third parties may also seek to market biosimilar versions of any approved products. Alternatively, third parties may seek approval to market their own products, which are similar to or otherwise competitive with our products. In these circumstances, we may need to defend and/or assert our patents, including by filing lawsuits alleging patent infringement. In any of these types of proceedings, a court or agency with jurisdiction may find our patents invalid and/or unenforceable. Even if we have valid and enforceable patents, these patents still may not provide protection against competing products or processes sufficient to achieve our business objectives.

The patent position of pharmaceutical or biotechnology companies, including ours, is generally uncertain and involves complex legal and factual considerations. The standards which the USPTO and its foreign counterparts use to grant patents are not always applied predictably or uniformly and can change. There is also no uniform, worldwide policy regarding the subject matter and scope of claims granted or allowable in pharmaceutical or biotechnology patents. The laws of some foreign countries do not protect proprietary information to the same extent as the laws of the United States, and many companies have encountered significant problems and costs in protecting their proprietary information in these foreign countries. Outside the United States, patent protection must be sought in individual jurisdictions, further adding to the cost and uncertainty of obtaining adequate patent protection outside of the United States. Accordingly, we cannot predict whether additional patents protecting our technology will issue in the United States or in foreign jurisdictions, or whether any patents that do issue will have claims of adequate scope to provide competitive advantage. Moreover, we cannot predict whether third parties will be able to successfully obtain claims or the breadth of such claims. The allowance of broader claims may increase the incidence and cost of patent interference proceedings, opposition proceedings, and/or reexamination proceedings, the risk of infringement litigation, and the vulnerability of the claims to challenge. On the other hand, the allowance of narrower claims does not eliminate the potential for adversarial proceedings and may fail to provide a competitive advantage. Our issued patents may not contain claims sufficiently broad to protect us against third parties with similar technologies or products or provide us with any competitive advantage.

We may become involved in lawsuits to protect or enforce our patents, which could be expensive, time consuming and unsuccessful.

Even after they have been issued, our patents and any patents which we license may be challenged, narrowed, invalidated or circumvented. If our patents are invalidated or otherwise limited or will expire prior to the commercialization of any approved product candidates, other companies may be better able to develop products that compete with ours, which could adversely affect our competitive business position, business prospects and financial condition.

The following are examples of litigation and other adversarial proceedings or disputes that we could become a party to involving our patents or patents licensed to us:

- we or our collaborators may initiate litigation or other proceedings against third parties to enforce our patent rights;
- third parties may initiate litigation or other proceedings seeking to invalidate patents owned by or licensed to us or to obtain a declaratory judgment that their product or technology does not infringe our patents or patents licensed to us;
- third parties may initiate opposition, reexamination or inter partes review proceedings challenging the validity or scope of our patent rights, requiring us or our collaborators and/or licensors to participate in such proceedings to defend the validity and scope of our patents;
- there may be a challenge or dispute regarding inventorship or ownership of patents currently identified as being owned by or licensed to us;
- the USPTO may initiate an interference between patents or patent applications owned by or licensed to us and those of our competitors, requiring us or our collaborators and/or licensors to participate in an interference proceeding to determine the priority of invention, which could jeopardize our patent rights; or
- third parties may seek approval to market biosimilar versions of our future approved products prior to expiration of relevant patents owned by or licensed to us, requiring us to defend our patents, including by filing lawsuits alleging patent infringement.

These lawsuits and proceedings would be costly and could affect our results of operations and divert the attention of our managerial and scientific personnel. There is a risk that a court or administrative body would decide that our patents are invalid or not infringed by a third party's activities, or that the scope of certain issued claims must be further limited. An adverse outcome in a litigation or proceeding involving our own patents could limit our ability to assert our patents against these or other competitors, affect our ability to receive royalties or other licensing consideration from our licensees, and may curtail or preclude our ability to exclude third parties from making, using and selling similar or competitive products. Any of these occurrences could adversely affect our competitive business position, business prospects and financial condition.

The degree of future protection for our proprietary rights is uncertain because legal means afford only limited protection and may not adequately protect our rights or permit us to gain or keep our competitive advantage. For example:

- others may be able to develop a platform that is similar to, or better than, ours in a way that is not covered by the claims of our patents;
- others may be able to make compounds that are similar to our product candidates but that are not covered by the claims of our patents;
- we might not have been the first to make the inventions covered by patents or pending patent applications;
- we might not have been the first to file patent applications for these inventions;
- any patents that we obtain may not provide us with any competitive advantages or may ultimately be found invalid or unenforceable; or
- we may not develop additional proprietary technologies that are patentable.

If we fail to comply with our obligations under our intellectual property licenses with third parties, we could lose license rights that are important to our business.

We are currently party to various intellectual property license agreements. These license agreements impose, and we expect that future license agreements may impose, various diligence, milestone payment, royalty, insurance and other obligations on us. For example, we entered into patent and know-how license agreements that grant us the right to use certain technologies related to biological manufacturing to manufacture our clinical product candidates. These licenses typically include an obligation to pay yearly maintenance payments and royalties on sales and may also include upfront and milestone payments. If we fail to comply with our obligations under the licenses, the licensors may have the right to terminate their respective license agreements, in which event we might not be able to market any product that is covered by the agreements. Termination of the license agreements or reduction or elimination of our licensed rights may result in our having to negotiate new or reinstated licenses with less favorable terms, which could adversely affect our competitive business position and harm our business.

If we are unable to protect the confidentiality of our proprietary information, the value of our technology and products could be adversely affected.

In addition to patent protection, we also rely on other proprietary rights, including protection of trade secrets, and other proprietary information. To maintain the confidentiality of trade secrets and proprietary information, we enter into confidentiality agreements with our employees, consultants, collaborators and others upon the commencement of their relationships with us. These agreements require that all confidential information developed by the individual or made known to the individual by us during the course of the individual's relationship with us be kept confidential and not disclosed to third parties. Our agreements with employees and our personnel policies also provide that any inventions conceived by the individual while rendering services to us shall be our exclusive property. However, we may not obtain these agreements in all circumstances, and individuals with whom we have these agreements may not comply with their terms. Thus, despite such agreement, such inventions may become assigned to third parties. In the event of unauthorized use or disclosure of our trade secrets or proprietary information, these agreements, even if obtained, may not provide meaningful protection, particularly for our trade secrets or other confidential information. To the extent that our employees, consultants or contractors use technology or know-how owned by third parties in their work for us, disputes may arise between us and those third parties as to the rights in related inventions. To the extent that an individual who is not obligated to assign rights in intellectual property to us is rightfully an inventor of intellectual property, we may need to obtain an assignment or a license to that intellectual property from that individual, or a third party or from that individual's assignee. Such assignment or license may not be available on commercially reasonable terms or at all.

Adequate remedies may not exist in the event of unauthorized use or disclosure of our proprietary information. The disclosure of our trade secrets would impair our competitive position and may materially harm our business, financial condition and results of operations. Costly and time-consuming litigation could be necessary to enforce and determine the scope of our proprietary rights, and failure to maintain trade secret protection could adversely affect our competitive business position. In addition, others may independently discover or develop our trade secrets and proprietary information, and the existence of our own trade secrets affords no protection against such independent discovery.

As is common in the biotechnology and pharmaceutical industries, we employ individuals who were previously or concurrently employed at research institutions and/or other biotechnology or pharmaceutical companies, including our competitors or potential competitors. We may be subject to claims that these employees, or we, have inadvertently or otherwise used or disclosed trade secrets or other proprietary information of their former employers, or that patents and applications we have filed to protect inventions of these employees, even those related to one or more of our product candidates, are rightfully owned by their former or concurrent employer. Litigation may be necessary to defend against these claims. Even if we are successful in defending against these claims, litigation could result in substantial costs and be a distraction to management.

Obtaining and maintaining our patent protection depends on compliance with various procedural, documentary, fee payment and other requirements imposed by governmental patent agencies, and our patent protection could be reduced or eliminated for non-compliance with these requirements.

Periodic maintenance fees, renewal fees, annuity fees and various other governmental fees on patents and/or applications will be due to the USPTO and various foreign patent offices at various points over the lifetime of our patents and/or applications. We have systems in place to remind us to pay these fees, and we rely on our outside counsel or our agents to pay these fees when due. Additionally, the USPTO and various foreign patent offices require compliance with a number of procedural, documentary, fee payment and other similar provisions during the patent application process. We employ reputable law firms and other professionals to help us comply, and in many cases, an inadvertent lapse can be cured by payment of a late fee or by other means in accordance with rules applicable to the particular jurisdiction. However, there are situations in which noncompliance can result in abandonment or lapse of the patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. If such an event were to occur, it could have a material adverse effect on our business. In addition, we may be responsible for the payment of patent fees for patent rights that we license from other parties. If any licensor of these patents does not itself elect to make these payments, and we fail to do so, we may be liable to the licensor for any costs and consequences of any resulting loss of patent rights.

If we do not obtain protection under the Hatch-Waxman Amendments and similar foreign legislation for extending the term of patents covering each of our product candidates, our business may be materially harmed.

Depending upon the timing, duration and conditions of FDA marketing approval of our product candidates, one or more of our U.S. patents may be eligible for limited patent term extension under the Drug Price Competition and Patent Term Restoration Act of 1984, referred to as the Hatch-Waxman Amendments. The Hatch-Waxman Amendments permit a patent term extension of up to five years for a patent covering an approved product as compensation for effective patent term lost during product development and the FDA regulatory review process. However, we may not receive an extension if we fail to apply within applicable deadlines, fail to apply prior to expiration of relevant patents or otherwise fail to satisfy applicable requirements. Moreover, the length of the extension could be less than we request. If we are unable to obtain patent term extension or the term of any such extension is less than we request, the period during which we can enforce our patent rights for that product will be shortened and our competitors may obtain approval to market competing products sooner. As a result, our revenue from applicable products could be reduced, possibly materially.

Risks Related to Legal Compliance Matters

We are subject to the U.S. Foreign Corrupt Practices Act and other anti-corruption laws. If we fail to comply with these laws, we could be subject to civil or criminal penalties, other remedial measures, and legal expenses, which could adversely affect our business, results of operations and financial condition.

Our operations are subject to anti-corruption laws, including the U.S. Foreign Corrupt Practices Act (FCPA), and other anti-corruption laws that apply in countries where we do business. The FCPA and these other laws generally prohibit us and our employees and intermediaries from bribing, being bribed or making other prohibited payments to government officials or other persons to obtain or retain business or gain some other business advantage. We and our commercial partners operate in a number of jurisdictions that pose a risk of potential FCPA violations, and we participate in collaborations and relationships with third parties whose actions could potentially subject us to liability under the FCPA or other anti-corruption laws. There is no

assurance that we will be completely effective in ensuring our compliance with all applicable anti-corruption laws. If we violate provisions of the FCPA or other anti-corruption laws or are subject to an investigation or audit pursuant to these laws, we may be subject to criminal and civil penalties, disgorgement and other sanctions and remedial measures and legal expenses, which could have an adverse impact on our business, financial condition and results of operations.

If we do not comply with laws regulating the protection of the environment and health and human safety, our business could be adversely affected.

Our research and development involves, and may in the future involve, the use of potentially hazardous materials and chemicals. Our operations may produce hazardous waste products. Although we believe that our safety procedures for handling and disposing of these materials comply with the standards mandated by local, state and federal laws and regulations, the risk of accidental contamination or injury from these materials cannot be eliminated. If an accident occurs, we could be held liable for resulting damages, which could be substantial. We are also subject to numerous environmental, health and workplace safety laws and regulations and fire and building codes, including those governing laboratory procedures, exposure to blood-borne pathogens, use and storage of flammable agents and the handling of biohazardous materials. Although we maintain workers' compensation insurance as prescribed by the States of Maryland and California to cover us for costs and expenses we may incur due to injuries to our employees resulting from the use of these materials, this insurance may not provide adequate coverage against potential liabilities. We do not maintain insurance for environmental liability or toxic tort claims that may be asserted against us. Additional federal, state and local laws and regulations affecting our operations may be adopted in the future. We may incur substantial costs to comply with, and substantial fines or penalties if we violate, any of these laws or regulations.

We and our collaborators are subject to various healthcare laws, and our failure, or the failure of our collaborators, to comply with those laws could result in significant penalties and adversely affect our business, operations and financial condition.

In the United States, our operations, and those of our collaborators, are subject to regulation by various local, state, federal authorities in addition to the FDA, including but not limited to, CMS, other divisions of HHS (such as the Office of Inspector General, Office for Civil Rights and the Health Resources and Service Administration), the U.S. Department of Justice (DOJ) and individual U.S. Attorney offices within the DOJ, and state and local governments. We and our collaborators are or may be subject to broadly applicable "fraud and abuse" laws, such as false claims, anti-kickback laws, transparency laws, and privacy and security laws. Federal false claims laws, including the federal civil False Claims Act, prohibit, among other things, any person or entity from knowingly presenting, or causing to be presented, a false claim for payment to the federal government or knowingly making, or causing to be made, a false statement to get a claim paid.

The federal healthcare program anti-kickback statute prohibits, among other things, knowingly and willfully offering, paying, soliciting or receiving remuneration to induce, or in return for, purchasing, leasing, ordering or arranging for the purchase, lease or order of any healthcare item or service reimbursable under Medicare, Medicaid or other federally financed healthcare programs. This statute has been interpreted to apply to arrangements between pharmaceutical manufacturers on the one hand and prescribers, purchasers and formulary managers on the other. Although there are several statutory exemptions and regulatory safe harbors protecting certain common activities from prosecution, the exemptions and safe harbors are drawn narrowly, and practices that involve remuneration intended to induce prescribing, purchasing or recommending may be subject to scrutiny if they do not qualify for an exemption or safe harbor. Failure to meet all of the requirements of a particular applicable statutory exception or regulatory safe harbor does not make the conduct per se illegal under the federal anti-kickback statute. Instead, the legality of the arrangement will be evaluated on a case-by-case basis based on a cumulative review of all of its facts and circumstances. Our practices, or those of our collaborators, may not in all cases meet all of the criteria for protection under a statutory exception or regulatory safe harbor.

Additionally, the intent standard under the federal anti-kickback statute and the criminal healthcare fraud statutes (discussed below) was amended by the ACA to a stricter standard such that a person or entity no longer needs to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation. In addition, the ACA codified case law that a claim including items or services resulting from a violation of the federal anti-kickback statute constitutes a false or fraudulent claim for purposes of the federal civil false claims act.

The federal Health Insurance Portability and Accountability Act of 1996 (HIPAA) which prohibits, among other things, knowingly and willfully executing, or attempting to execute, a scheme or artifice to defraud any healthcare benefit program or obtain, by means of false or fraudulent pretenses, representations, or promises, any of the money or property owned by, or under the custody or control of, any healthcare benefit program, regardless of the payor (e.g., public or private), willfully obstructing a criminal investigation of a healthcare offense, and knowingly and willfully falsifying, concealing or covering up by any trick or device a material fact or making any materially false, fictitious or fraudulent statements in connection with the

delivery of, or payment for, healthcare benefits, items or services relating to healthcare matters. Similar to the federal anti-kickback statute, a person or entity does not need to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation.

In addition, under the federal Physician Payment Sunshine Act provisions of the ACA, covered manufacturers of drugs, devices, biological and medical supplies for which payment is available under a federal health care program (with certain exceptions) are subject to annual federal reporting and disclosure requirements with regard to payments or other transfers of value made to physicians defined to include doctors, dentists, optometrists, podiatrists and chiropractors, other healthcare professionals (such as physician assistants and nurse practitioners), and teaching hospitals as well as information regarding certain ownership and investment interests held by physicians and their immediate family members.

Most states also have statutes or regulations similar to the federal anti-kickback law and federal false claims laws, which may apply to items such as pharmaceutical products and services reimbursed by private insurers. Some state laws also prohibit certain gifts to healthcare providers, require pharmaceutical companies to report payments to healthcare professionals, and/or require companies to adopt compliance programs or codes of conduct.

HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act of 2019, or HITECH, and their respective implementing regulations, impose obligations on "covered entities," including certain healthcare providers, health plans, and healthcare clearinghouses, as well as their respective "business associates" that create, receive, maintain or transmit individually identifiable health information for or on behalf of a covered entity and their subcontractors that use, disclose, access, or otherwise process individually identifiable health information, with respect to safeguarding the privacy, security and transmission of individually identifiable health information.

Further, in order to distribute products commercially in the United States, we or our collaborators must also comply with state laws that require the registration of manufacturers and wholesale distributors of pharmaceutical products in a state, including, in certain states, manufacturers, and distributors who ship products into the state even if such manufacturers or distributors have no place of business within the state. Some states also impose requirements on manufacturers and distributors to establish the pedigree of product in the chain of distribution, including some states that require manufacturers and others to adopt new technology capable of tracking and tracing product as it moves through the distribution chain. Several states have enacted legislation requiring pharmaceutical companies to establish marketing compliance programs, file periodic reports with the state, make periodic public disclosures on sales, marketing, pricing, track, and report gifts, compensation and other remuneration made to physicians and other healthcare providers, clinical trials and other activities, and/or register their sales representatives, as well as to prohibit pharmacies and other healthcare entities from providing certain physician prescribing data to pharmaceutical companies for use in sales and marketing, and to prohibit certain other sales and marketing practices.

If our operations, or those of our collaborators marketing, distributing or commercializing any of our products on our behalf, are found to be in violation of any of the federal and state healthcare laws described above or any other governmental regulations that apply to us, we may be subject to penalties, including without limitation, significant civil, criminal and/or administrative penalties, damages, fines, disgorgement, exclusion from participation in government programs, such as Medicare and Medicaid, injunctions, private "qui tam" actions brought by individual whistleblowers in the name of the government, or refusal to allow us to enter into government contracts, contractual damages, reputational harm, administrative burdens, diminished profits and future earnings, and the curtailment or restructuring of our operations, any of which could adversely affect our ability to operate our business and our results of operations.

In addition, our operations and those of our collaborators may be subject to analogous foreign health care laws in the jurisdictions in which we operate.

We and the third parties with whom we work are subject to stringent and evolving U.S. and foreign laws, regulations, and rules, contractual obligations, industry standards, policies and other obligations related to data privacy and security. Our actual or perceived failure to comply with such obligations could lead to regulatory investigations or actions; litigation (including class claims) and mass arbitration demands; fines and penalties; disruptions of our business operations; reputational harm; loss of revenue or profits; loss of customers; and other adverse business consequences.

In the ordinary course of business, we and the third parties with whom we work process personal data and other sensitive information, including proprietary and confidential business data, trade secrets, intellectual property, data we collect about trial participants in connection with clinical trials, sensitive third-party data, business plans, transactions, and financial information, which we collectively refer to as "sensitive data.". Our data processing activities subject us to numerous data privacy and security obligations, such as various laws, regulations, guidance, industry standards, external and internal privacy and security policies, contractual requirements, and other obligations relating to data privacy and security. Data privacy and

security have become significant issues in the United States, Europe, and in many other jurisdictions where we or our partners may in the future conduct our operations.

In the United States, federal, state, and local governments have enacted numerous data privacy and security laws and regulations, including data breach notification laws, personal data privacy laws, consumer protection laws (e.g., Section 5 of the Federal Trade Commission Act), and other similar laws (e.g., wiretapping laws). Furthermore, numerous U.S. states have enacted comprehensive privacy laws that impose certain obligations on covered businesses, including providing specific disclosures in privacy notices and affording residents with certain rights concerning their personal data. As applicable, such rights may include the right to access, correct, or delete certain personal data, and to opt-out of certain data processing activities, such as targeted advertising, profiling, and automated decision-making. The exercise of these rights may impact our business and ability to provide our products and services. Certain states also impose stricter requirements for processing certain personal data, including sensitive information, such as conducting data privacy impact assessments. These state laws allow for statutory fines for noncompliance. For example, the California Consumer Privacy Act of 2018 ("CCPA") applies to personal data of consumers, business representatives, and employees who are California residents, and requires businesses to provide specific disclosures in privacy notices and honor requests of such individuals to exercise certain privacy rights. The CCPA provides for fines for violations and allows private litigants affected by certain data breaches to recover significant statutory damages. Although the CCPA exempts some data processed in the context of clinical trials, the CCPA increases compliance costs and potential liability with respect to other personal data we maintain about California residents. Similar laws are being considered in several other states, as well as at the federal and local levels, and we expect more states to pass similar laws in the future.

Outside the United States, an increasing number of laws, regulations, and industry standards govern data privacy and security. For example, under the European Union's General Data Protection Regulation (EU GDPR), companies may face temporary or definitive bans on data processing and other corrective actions; fines of up to 20 million Euros under the EU GDPR, 17.5 million pounds sterling under the UK GDPR or, in each case, 4% of annual global revenue, whichever is greater; or private litigation related to processing of personal data brought by classes of data subjects or consumer protection organizations authorized at law to represent their interests. In Canada, the Personal Information Protection and Electronic Documents Act (PIPEDA) and various related provincial laws, may apply to our operations. As another example, Australia's Privacy Act of 1998 may apply to our operations.

Additionally, the U.S. Department of Justice issued a rule entitled the Preventing Access to U.S. Sensitive Personal Data and Government-Related Data by Countries of Concern or Covered Persons, which places additional restriction on certain data transactions involving countries of concern (e.g., China, Russia, Iran) and covered persons (i.e., individuals and entities who are designated as such by the U.S. Attorney General or considered "foreign persons" and are majority owned by, organized under the laws of, a primary resident in, or a contractor of, a covered person or country of concern, as applicable) that may impact certain business activities such as vendor engagements, sale or sharing of data, employment of certain individuals, and investor agreements. Violations of the rule could lead to significant civil and criminal fines and penalties. The rule applies regardless of whether data is anonymized, key-coded, pseudonymized, de-identified or encrypted, which presents particular challenges for companies like ours and may impact our ability to engage in transactions or agreements with certain third parties in the future.

Our employees and personnel may integrate generative AI technologies to perform their work, and the disclosure and use of personal data in AI technologies is subject to various privacy laws and other privacy obligations. Governments have passed and are likely to pass additional laws regulating AI. Any use of this technology could result in additional compliance costs, regulatory investigations and actions, and lawsuits. If we are unable to use AI and/or automated decision-making technologies, it could make our business less efficient and result in competitive disadvantages.

Obligations related to data privacy and security (and consumers' data privacy expectations) are quickly changing, becoming increasingly stringent, and creating uncertainty. Additionally, these obligations may be subject to differing applications and interpretations, which may be inconsistent or conflict among jurisdictions. Preparing for and complying with
requires us to devote significant resources, which may necessitate changes to our services, information technologies, systems, and practices and to those of any third parties that process personal data on our behalf. In addition, these obligations may require us to change our business model. Failure to comply with these current and future laws, policies, industry standards or legal obligations or any security incident resulting in the unauthorized access to, or acquisition, release or transfer of personal information may result in governmental enforcement actions, litigation, fines and penalties or adverse publicity and could cause our customers to lose trust in us, which could have a material adverse effect on our business and results of operations.

We may at times fail (or be perceived to have failed) in our efforts to comply with our data privacy and security obligations. Moreover, despite our efforts, our personnel or third parties with whom we work may fail to comply with such obligations, which could negatively impact our business operations. If we or the third parties with whom we work fail, or are perceived to have failed, to address or comply with applicable data privacy and security obligations, we could face significant consequences, including but not limited to: government enforcement actions (e.g., investigations, fines, penalties, audits, inspections, and similar); litigation (including class-action claims) and mass arbitration demands; additional reporting requirements and/or oversight; bans on processing personal data; orders to destroy or not use personal data; and imprisonment of company officials.

In particular, plaintiffs have become increasingly more active in bringing privacy-related claims against companies, including class claims and mass arbitration demands. Some of these claims allow for the recovery of statutory damages on a per violation basis, and, if viable, carry the potential for significant statutory damages, depending on the volume of data and the number of violations. Any of these events could have a material adverse effect on our reputation, business, or financial condition, including but not limited to: loss of customers; interruptions or stoppages in our business operations (including, clinical trials); inability to process personal data or to operate in certain jurisdictions; limited ability to develop or commercialize our products; expenditure of time and resources to defend any claim or inquiry; adverse publicity; or substantial changes to our business model or operations.

Our employees may engage in misconduct or other improper activities, including noncompliance with regulatory standards and requirements and insider trading.

We are exposed to the risk of employee fraud or other misconduct. Misconduct by employees could include intentional failures to comply with FDA regulations, to provide accurate information to the FDA or other agencies, to comply with federal and state health care fraud and abuse laws and regulations, to report financial information or data accurately or to disclose unauthorized activities to us. In particular, sales, marketing and business arrangements in the health care industry are subject to extensive laws and regulations intended to prevent fraud, misconduct, kickbacks, self-dealing and other abusive practices. Employee misconduct could also involve the improper use of information obtained in the course of clinical trials, which could result in regulatory sanctions and serious harm to our reputation. We have adopted a code of conduct, but it is not always possible to identify and deter employee misconduct, and the precautions we take to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting us from governmental investigations or other actions or lawsuits stemming from a failure to comply with these laws or regulations. If any such actions are instituted against us, and we are not successful in defending ourselves or asserting our rights, those actions could have a significant impact on our business, including the imposition of significant fines or other sanctions.

Risks Related to Employee Matters and Human Capital Management

Our future success depends on our ability to attract or retain key executives and to attract, retain and motivate qualified personnel.

We are highly dependent on the research and development, clinical and business development expertise of certain of our executive officers and other key employees. Although we have entered into employment agreements with our executive officers, each of them may terminate their employment with us at any time. The loss of the services of our executive officers or other key employees could impede the achievement of our research, development, manufacturing and commercialization objectives and seriously harm our ability to successfully implement our business strategy.

Recruiting and retaining qualified scientific, clinical, manufacturing and other personnel will also be critical to our success. For example, we have experienced employee turnover, consistent with the broader American economy, and we may continue to experience employee turnover in the future that may have an adverse effect on our business strategy. New hires require significant training and, in most cases, take significant time before they achieve full productivity. New employees may not become as productive as we expect, and we may be unable to hire or retain sufficient numbers of qualified individuals. Furthermore, replacing executive officers and key employees may be difficult and may take an extended period of time because of the limited number of individuals in our industry with the breadth of skills and experience required to successfully develop, gain regulatory approval of and commercialize products. Competition to hire from this limited pool is intense, and we may be unable to hire, train, retain or motivate these key personnel on acceptable terms given the competition among numerous pharmaceutical and biotechnology companies for similar personnel. We also experience competition for the hiring of scientific and clinical personnel from universities and research institutions. In addition, we rely on consultants and advisors, including scientific and clinical advisors, to assist us in formulating our research and development and commercialization strategy. Our consultants and advisors may be employed by employers other than us and may have commitments under consulting or advisory contracts with other entities that may limit their availability to us. If we are unable to continue to attract and retain high

quality personnel, motivate existing employees, or maintain our corporate culture in a hybrid or remote work environment and in the midst of higher turnover, our ability to pursue our growth strategy will be limited.

We may undertake internal restructuring activities, including associated workforce reductions, that could result in disruptions to our business or otherwise materially harm our results of operations or financial condition.

From time to time, we may undertake internal restructuring activities, including associated workforce reductions, as we continue to evaluate and attempt to optimize our cost and operating structure in light of developments in our business strategy and long-term operating plans. Any restructuring activities that we may undertake in the future may result in write-offs or other restructuring charges, including employee termination-related charges in connection with any associated workforce reductions. We may not realize, in full or in part, the anticipated benefits, savings and improvements in our operating structure from any restructuring efforts due to unforeseen difficulties, delays or unexpected costs. If we are unable to realize the expected operational efficiencies and cost savings from any restructuring, our results of operation and financial condition could be adversely affected. Furthermore, any strategic restructuring plan may be disruptive to our operations. For example, any workforce reductions could yield unanticipated consequences, such as attrition beyond planned staff reductions, increased difficulties in our day-to-day operations and reduced employee morale. Any employees not affected by any reduction in force may seek alternate employment, which could result in us seeking contract support which may result in unplanned additional expense or harm our productivity. Any workforce reductions could also harm our ability to attract and retain qualified management, scientific, clinical, and manufacturing personnel who are critical to our business. Any failure to attract or retain qualified personnel could prevent us from successfully developing our product candidates in the future.

We may need to grow or contract our organization, and we may experience difficulties in managing this growth or contraction, which could disrupt our operations.

As of February 28, 2026, we had 293 full-time employees. In addition to the risks associated with a reduction in force, as our finances, development and commercialization plans and strategies evolve, we may choose to expand or contract our employee base for managerial, operational, manufacturing, financial and other resources. Future growth or additional contraction would impose significant costs as well as added responsibilities on members of management, including the potential need to identify, recruit, maintain, motivate and integrate additional employees. Also, our management may need to divert a disproportionate amount of their attention away from our day-to-day activities and devote a substantial amount of time to managing either growth or contraction activities. We may not be able to effectively manage our operations which may result in weaknesses in our infrastructure, give rise to operational errors, loss of business opportunities, loss of employees and reduced productivity among remaining employees.

Growth could require significant capital expenditures and may divert financial resources from other projects, such as the development of existing and additional product candidates. If our management is unable to effectively manage such growth, our expenses may increase more than expected, our ability to generate and/or grow revenue could be reduced and we may not be able to implement our business strategy. Our future financial performance and our ability to develop and commercialize our product candidates and compete effectively with others in our industry will depend, in part, on our ability to effectively manage any such growth.

Risks Related to Our Common Stock

We have been and may in the future be subject to securities litigation, which is expensive and could divert management attention and adversely impact our business.

The market price of our common stock has been and may continue to be volatile. Companies that have experienced volatility in the market price of their common stock are often subject to securities class action litigation. For example, in July 2024, a putative securities class action suit, entitled Crain v. MacroGenics, Inc. (Case No. 24-cv-02184), was filed in the U.S. District Court for the District of Maryland against our company and Scott Koenig, M.D., Ph.D., our former President and Chief Executive Officer and a current member of our Board of Directors, alleging violations of securities laws during 2024. On December 20, 2024, the District Court issued an Order dismissing the case, without prejudice. Previously, on September 13, 2019, a securities class action complaint was filed against us, and certain of our officers and/or directors in the U.S. District Court for the District of Maryland. On September 29, 2021, the District Court issued an Order dismissing the case, with prejudice, and on March 2, 2023 the Fourth Circuit affirmed the District Court's dismissal.

Due to the inherent uncertainties in legal proceedings, we cannot accurately predict the ultimate outcome of any such proceedings. Any securities litigation brought by private parties or government enforcement agencies could result in substantial

costs and diversion of management's attention and resources, which could adversely impact our business. Any adverse determination in litigation could also subject us to significant liabilities.

The market price of our stock may fluctuate unpredictably in response to factors unrelated to our operating performance. The stock market has recently experienced significant volatility, particularly with respect to pharmaceutical, biotechnology, and other life sciences company stocks. The volatility of pharmaceutical, biotechnology, and other life sciences company stocks often does not relate to the operating performance of the companies represented by the stock. Some of the factors that may cause the market price of our common stock to fluctuate include:

- results and timing of our clinical trials and clinical trials of our competitors' products;
- failure or discontinuation of any of our development programs;
- issues in manufacturing our product candidates or future approved products;
- regulatory developments or enforcement in the United States and foreign countries with respect to our product candidates or our competitors' products;
- competition from existing products or new products that may emerge;
- developments or disputes concerning patents or other proprietary rights;
- introduction of technological innovations or new commercial products by us or our competitors;
- announcements by us, our collaborators or our competitors of significant acquisitions, strategic partnerships, joint ventures, collaborations or capital commitments;
- changes in estimates or recommendations by securities analysts, if any cover our common stock;
- fluctuations in the valuation of companies perceived by investors to be comparable to us;
- public concern over our product candidates or any future approved products;
- threatened or actual litigation;
- future or anticipated sales of our common stock;
- share price and volume fluctuations attributable to inconsistent trading volume levels of our shares;
- additions or departures of key personnel;
- changes in the structure of health care payment systems in the United States or overseas;
- failure of any of our product candidates, if approved, to achieve commercial success;
- economic and other external factors or other disasters or crises;
- period-to-period fluctuations in our financial condition and results of operations, including the timing of receipt of any milestone or other payments under commercialization or licensing agreements;
- general market conditions and market conditions for biopharmaceutical stocks; and
- overall fluctuations in U.S. equity markets.

In addition, in the past, when the market price of a stock has been volatile, holders of that stock have sometimes instituted securities class action litigation against the company that issued the stock. For example, we recently had one such securities class action lawsuit brought against us that was later voluntarily dismissed by the plaintiffs, as discussed above, and two related state derivative lawsuits that are pending. We could incur substantial costs defending these similar lawsuits, as well as diversion of the time and attention of our management, any or all of which could seriously harm our business.

Provisions of our charter, bylaws, third-party agreements and Delaware law may make an acquisition of us or a change in our management more difficult.

Certain provisions of our restated certificate of incorporation and amended and restated bylaws could discourage, delay, or prevent a merger, acquisition, or other change in control that stockholders may consider favorable, including transactions in which you might otherwise receive a premium for your shares. These provisions also could limit the price that investors might be willing to pay in the future for shares of our common stock, thereby depressing the market price of our common stock. Stockholders who wish to participate in these transactions may not have the opportunity to do so. Furthermore, since our board of directors is responsible for appointing the members of our management team, these provisions could prevent or frustrate attempts by our stockholders to replace or remove our management by making it more difficult for stockholders to replace members of our board of directors. These provisions:

- allow the authorized number of directors to be changed only by resolution of our board of directors;
- establish a classified board of directors, providing that not all members of the board of directors be elected at one time;
- authorize our board of directors to issue without stockholder approval blank check preferred stock that, if issued, could operate as a "poison pill" to dilute the stock ownership of a potential hostile acquirer to prevent an acquisition that is not approved by our board of directors;
- require that stockholder actions must be effected at a duly called stockholder meeting and prohibit stockholder action by written consent;
- establish advance notice requirements for stockholder nominations to our board of directors or for stockholder proposals that can be acted on at stockholder meetings;
- limit who may call stockholder meetings; and
- require the approval of the holders of 75% of the outstanding shares of our capital stock entitled to vote in order to amend certain provisions of our restated certificate of incorporation and restated bylaws.

Furthermore, in the ordinary course of our business, from time to time we discuss and enter into collaborations, licenses and other transactions with various third parties, including other pharmaceutical companies and biotechnology companies. When we deem it appropriate, our agreements with such third parties may include standstill provisions. These standstill provisions, several of which may be in force from time-to-time, typically prohibit such parties from acquiring our securities for a period of time, which may discourage such parties from acquiring MacroGenics even if doing so would be beneficial to our stockholders.

In addition, because we are incorporated in Delaware, we are governed by the provisions of Section 203 of the Delaware General Corporation Law, which may, unless certain criteria are met, prohibit large stockholders, in particular those owning 15% or more of our outstanding voting stock, from merging or combining with us for a prescribed period of time. This provision could have the effect of delaying or preventing a change of control, whether or not it is desired by or beneficial to our stockholders.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 1C. CYBERSECURITY

Risk Management and Strategy

We have implemented and maintain various information security processes designed to identify, assess, and manage material risks from cybersecurity threats to our critical computer networks, third party hosted services, communications systems, hardware and software, and our critical data, including intellectual property, confidential information that is proprietary, strategic or competitive in nature, and clinical trial data (Information Systems and Data).

Our information security function is led by our Vice President of Information Technology and supported by the Associate Director of Information Security. They are supported by our legal team, a management-level Technology Steering Committee, and the Audit Committee of the Board of Directors. This function is responsible for identifying, assessing, and managing the Company's cybersecurity threats and risks. We employ various methods to monitor and evaluate the threat environment, including automated tools, subscriptions to cybersecurity threat reports and services, analysis of threats reported to us, evaluations of our and our industry's risk profile, threat actor analyses, audits, vulnerability assessments, and tabletop incident response exercises.

Depending on the environment and system, we implement and maintain various technical, physical, and organizational measures, processes, and policies designed to manage and mitigate material risks from cybersecurity threats to our Information Systems and Data. These include: an incident response plan and procedures, incident detection and response playbook, business continuity plans, encryption of certain data, network security controls, identity management and access controls, physical security controls, 24/7 systems monitoring, vendor risk management processes, employee cybersecurity and privacy training, penetration testing, cybersecurity insurance, and dedicated cybersecurity staff. Our assessment and management of material risks from cybersecurity threats are integrated into our overall enterprise risk management program. Specifically, (1) cybersecurity risk is addressed as a component of our enterprise risk management program and reflected in our risk register; (2) the information security function works with management to prioritize cybersecurity risks that are more likely to have a material impact on our business; and (3) our Technology Steering Committee evaluates material cybersecurity risks against our overall business objectives and reports to the Audit Committee of the Board of Directors, which evaluates our overall enterprise risk.

We engage third-party service providers, including professional services firms, cybersecurity consultants, cybersecurity software providers, managed cybersecurity service providers, penetration testing firms, and dark web monitoring services, to assist in identifying, assessing, and managing material risks from cybersecurity threats.

In addition, we use third-party service providers to perform a variety of functions throughout our business, such as application providers, hosting companies, CROs, distributors, and supply chain management resources. We have vendor management processes to manage cybersecurity risks associated with our use of certain of these providers, such as reviewing security questionnaires, reviewing the vendor's written security program, conducting risk assessments for certain vendors, arranging security assessment calls with the vendor's security personnel, reviewing security assessments, or imposing contractual obligations on the vendor. Depending on the nature of the services provided, the sensitivity of the Information Systems and Data at issue, and the identity of the provider, our vendor management process may involve different levels of assessment designed to help identify and mitigate cybersecurity risks associated with a provider.

For a description of the risks from cybersecurity threats that may materially affect the Company and how they may do so, see our risk factors under Part 1. Item 1A. Risk Factors in this Annual Report on Form 10-K.

Governance

Our board of directors addresses the Company's cybersecurity risk management as part of its general oversight function. The board of directors' Audit Committee and management's Technology Steering Committee are responsible for overseeing the Company's cybersecurity risk management processes, including oversight and mitigation of risks from cybersecurity threats.

Our cybersecurity risk assessment and management processes are implemented and maintained by certain Company management, including our Vice President, Information Technology, who has 15 years of information security experience and holds a Certified Information Systems Security Professional (CISSP) certification. Our Associate Director of Information Security holds the CISSP and CCSP certifications, has an MSc. in Information Security and has over 20 years government and industry cybersecurity experience.

Company management is responsible for hiring appropriate personnel, helping to integrate cybersecurity risk considerations into the Company's overall risk management strategy, and communicating key priorities to relevant personnel. Company management is also responsible for approving budgets, helping prepare for cybersecurity incidents, approving cybersecurity processes, and reviewing security assessments and other security-related reports.

Our cybersecurity incident response processes are designed to escalate certain cybersecurity incidents to members of management depending on the circumstances and incident severity, including our Vice President Information Technology who works with the Company's incident response team to help the Company mitigate and remediate cybersecurity incidents. In addition, the Company's incident response process includes reporting to the audit committee of the board of directors for certain cybersecurity incidents.

The board of directors' Audit Committee receives periodic reports from our Vice President Information Technology concerning the Company's significant cybersecurity threats and risk and the processes the Company has implemented to address them. The board of directors also receives regular reports, summaries or presentations related to cybersecurity threats, risk, and mitigation.

ITEM 2. PROPERTIES

We lease a total of approximately 190,000 square feet of manufacturing, office, laboratory and warehouse space in Maryland. Our headquarters building in Rockville, Maryland currently houses laboratory, office and manufacturing operations to support clinical and commercial quantities and scale. This location is occupied under a lease that expires in 2035. Our leases each have one or more five-year options to renew. We believe that our properties are generally in good condition, well maintained, suitable and adequate to carry on our business. We believe our capital resources are sufficient to lease any additional facilities required to meet our expected growth needs.

ITEM 3. LEGAL PROCEEDINGS

Securities Litigation

In July 2024, a putative securities class action suit, entitled Crain v. MacroGenics, Inc. (Case No. 24-cv-02184), was filed in the U.S. District Court for the District of Maryland against the Company and Scott Koenig, M.D., Ph.D., the Company's former President and Chief Executive Officer and a current member of the Company's Board of Directors, alleging violations of securities laws during 2024. The suit asserted certain claims under Section 10 and Rule 10b-5 of the Securities and Exchange Act of 1934 based on alleged misstatements or omissions concerning the Company's TAMARACK Phase 2 study of vobramitamab duocarmazine in patients with metastatic castration-resistant prostate cancer. On December 20, 2024, the District Court issued an Order dismissing the case, without prejudice.

On December 9, 2024, a shareholder derivative suit, entitled Gregora v. Heiden et al. (Case No. 24-cv-03546), was filed in the U.S. District Court for the District of Maryland against certain of the Company's officers and directors and naming the Company as a nominal defendant. The suit asserts certain claims under Section 10(b) and Rule 10b-5 of the Securities and Exchange Act of 1934 and for breach of fiduciary duty, aiding and abetting breach of fiduciary duty, unjust enrichment, and waste of corporate assets based on the same facts as the Securities Class Action. On March 10, 2025, the plaintiff filed a notice of voluntary dismissal. On March 11, 2025, the Court entered an Order dismissing the case without prejudice.

On December 11, 2024, a shareholder derivative suit, entitled Cottle v. MacroGenics, Inc., et al. (Case No. 8:24-cv-03578), was filed in the U.S. District Court for the District of Maryland against the same defendants and alleging similar claims as the Gregora derivative action. On March 20, 2025, the parties filed a stipulation of dismissal without prejudice. On March 24, 2025, the Court entered an Order approving the stipulation and closing the case.

In the ordinary course of business, we are or may be involved in various legal or regulatory proceedings, claims or class actions related to alleged patent infringements and other intellectual property rights, or alleged violation of commercial, corporate, securities, labor and employment, and other matters incidental to our business. We do not, however, expect such legal proceedings to have a material adverse effect on our business, financial condition or results of operations. However, depending on the nature and timing of a given dispute, an eventual unfavorable resolution could materially affect our current or future results of operations or cash flows.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information

Our common stock is listed on the Nasdaq Global Select Market under the symbol "MGNX". As of March 5, 2026, we had 63,555,837 shares of common stock outstanding held by approximately 51 holders of record, which include shares held by a broker, bank or other nominee. We have never declared or paid any cash dividends. We do not anticipate declaring or paying cash dividends for the foreseeable future. Instead, we will retain our earnings, if any, for the future operation and expansion of our business.

ITEM 6. [RESERVED]

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read together with our selected consolidated financial data and the consolidated financial statements and related notes included elsewhere herein. This discussion contains forward-looking statements that involve risks and uncertainties. As a result of many factors including, but not limited to, those set forth under the sections entitled "Risk Factors" and "Forward-Looking Statements", our actual results may differ materially from those anticipated in such forward-looking statements.

For the discussion of our financial condition and results of operations for the year ended December 31, 2024 compared to the year ended December 31, 2023, please refer to Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K for the year ended December 31, 2024 filed with the SEC on March 20, 2025.

Overview

We are a clinical-stage biopharmaceutical company focused on developing innovative antibody-based therapeutics for the treatment of cancer. We generate our pipeline of product candidates from our proprietary suite of antibody technology platforms. We are currently developing therapeutics utilizing multiple modalities, including antibody-drug conjugates (ADCs) and multi-specific antibodies (which we refer to as DART and TRIDENT molecules). The combination of our technology platforms and antibody engineering expertise has allowed us to generate promising product candidates – three of which have received marketing approval by the U.S. Food and Drug Administration (FDA) – and to enter into several strategic collaborations with global biopharmaceutical companies. These collaborations have provided us with over $1.6 billion of non-dilutive funding since our inception in 2000, and have enabled us to leverage the additional expertise of our collaborators to advance the development of multiple partnered product candidates. In addition, we operate a commercial-scale cGMP antibody manufacturing facility in our Maryland headquarters to support our clinical programs. We also provide outsourced contract development and manufacturing services to our collaborators and other third parties for commercial and clinical products to offset a significant portion of the operating costs of this facility.

We are currently advancing three proprietary product candidates in clinical development: lorigerlimab, a bispecific DART molecule that targets checkpoint inhibitors PD-1 and CTLA-4; MGC026, an ADC that targets B7-H3 and delivers a novel topoisomerase I inhibitor (TOP1i)-based linker-payload, and MGC028, an ADC that targets ADAM9 and delivers a novel TOP1i-based linker-payload. We are also actively developing multiple preclinical-stage ADC and next generation T-cell engager programs.

We and our partners are developing or commercializing product candidates for which we retain certain economic rights. These include three products approved by the FDA: ZYNYZ® (retifanlimab-dlwr), an anti-PD-1 monoclonal antibody (mAb) that we out-licensed; MARGENZA® (margetuximab-cmkb), an anti-HER2 mAb that we sold to a partner; and TZIELD® (teplizumab-mzwv), an anti-CD3 mAb that we sold to a partner. We are also collaborating with Gilead Sciences, Inc. (Gilead) on the development of MGD024, a bispecific DART antibody targeting CD123 and CD3 that utilizes our next-generation T-cell engager technology, as well as two additional undisclosed pre-clinical DART and TRIDENT development programs.

Our operations to date have concentrated on developing our technology platforms, identifying potential product candidates, undertaking preclinical studies, conducting clinical trials, developing collaborations, operating manufacturing facilities, business planning and raising capital. We only began generating revenues from the sale of products in 2021. We have financed our operations primarily through the public and private offerings of our securities, and collaborations with other biopharmaceutical companies. Although it is difficult to predict our funding requirements, we anticipate that our cash, cash equivalents and marketable securities as of December 31, 2025, combined with projected and anticipated future payments from our partners, and anticipated savings from our cost-reduction initiatives, will support our cash runway into late 2027. We have implemented, and will continue to evaluate and execute, various cost-saving measures that are intended to extend our financial runway while continuing to progress our pipeline.

Through December 31, 2025, we had an accumulated deficit of $1.2 billion. We expect that over the next several years this deficit will increase as we continue to incur research and development expense in connection with our ongoing activities and several clinical trials.

Macroeconomic Conditions

The global economy, credit markets and financial markets have and may continue to experience significant volatility as a result of significant worldwide events, including, fluctuating interest rates, and geopolitical upheaval and tariffs or other

restrictions imposed by the United States government or governments of other nations (collectively, the Macroeconomic Conditions). These Macroeconomic Conditions have and may continue to create supply chain disruptions, inventory disruptions, and fluctuations in economic growth, including fluctuations in employment rates, inflation, energy prices and consumer sentiment. It remains difficult to assess or predict the ultimate duration and economic impact of the Macroeconomic Conditions. Prolonged uncertainty with respect to Macroeconomic Conditions could cause further economic slowdown or cause other unpredictable events, each of which could adversely affect our business, results of operations or financial condition.

Collaborations

We pursue a balanced approach between product candidates that we develop ourselves and those that we develop with our collaborators. Under our strategic collaborations to date, we have received significant non-dilutive funding and continue to have rights to additional funding upon completion of certain research, achievement of key product development milestones and royalties and other payments upon the commercial sale of products. Our current collaborations include the following:

- *Incyte Corporation (Incyte).* We have an exclusive global collaboration and license agreement with Incyte for retifanlimab, a monoclonal antibody that inhibits PD-1 (Incyte License Agreement). Under this agreement, as amended, Incyte has obtained exclusive worldwide rights for the development and commercialization of retifanlimab in all indications, while we retain the right to develop our pipeline assets in combination with retifanlimab. We received an upfront payment of $150.0 million and milestone payments totaling $215.0 million from Incyte through December 31, 2025, including $100.0 million received in August 2024. We are eligible to receive up to an additional $210.0 million in development and regulatory milestones and $330.0 million in commercial milestones. We are eligible for tiered royalties of 15% to 24% on any global net sales (see Note 10, Royalty Monetization Arrangement, in our consolidated financial statements for further information about ZYNYZ royalties), and we have the option to co-promote retifanlimab with Incyte. We retain the right to develop our pipeline assets in combination with retifanlimab, with Incyte commercializing retifanlimab and us commercializing our asset(s), if any such potential combinations are approved. We also have an agreement with Incyte under which we are entitled to manufacture a portion of Incyte's global commercial supply of retifanlimab (Incyte Commercial Supply Agreement).
- *Gilead*. In 2022, we and Gilead entered into an exclusive option and collaboration agreement (Gilead Agreement) to develop and commercialize MGD024 and create bispecific cancer antibodies using our DART and TRIDENT platforms and undertake their early development under a maximum of two separate bispecific cancer target research programs. Under the Gilead Agreement, we are continuing the ongoing phase 1 trial for MGD024 according to a development plan, during which Gilead will have the right to exercise an option granted to Gilead to obtain an exclusive license to develop and commercialize MGD024 and other bispecific antibodies of ours that bind CD123 and CD3 (CD123 Option). The agreement also granted Gilead the right, within its first two years, to nominate a bispecific cancer target set for up to two research programs conducted by us and to exercise separate options to obtain an exclusive license for the development, commercialization and exploitation of molecules created under each research program (Research Program Option). As part of the Gilead Agreement, Gilead paid us a non-refundable upfront payment of $60.0 million and we are eligible to receive up to $1.7 billion in target nomination, option fees, and development, regulatory and commercial milestones, assuming Gilead exercises the CD123 Option and Research Program Option, successfully develops and commercializes MGD024 or other CD123 products developed under the agreement, and products result from the two additional research programs. Assuming exercise of the CD123 Option, we will also be eligible to receive tiered, low double-digit royalties on worldwide net sales of MGD024 (or other CD123 products developed under the agreement) and assuming exercise of the Research Program Option, a flat royalty on worldwide net sales of any products resulting from the two research programs. In 2023, Gilead nominated the first of the two research programs contemplated in the Gilead Agreement (First Research Program) and paid us a $15.7 million nomination fee. We granted Gilead a research license, and the parties agreed on a research plan for the First Research Program under which we will provide research and development services. In January 2024, the parties amended the Gilead Agreement to revise certain matters related to intellectual property in the performance of the research plans under the agreement. In June 2024, Gilead paid us variable consideration totaling $3.3 million upon achievement of a research plan milestone. On August 30, 2024, the parties entered into a second letter agreement under which Gilead will pay us to conduct certain research and which extends the period for Gilead to select its second research target combination. In November 2025, Gilead nominated the second of the two research programs contemplated in the

Gilead Agreement (Second Research Program) and we granted Gilead a research license. Gilead also exercised their exclusive option to obtain a license to exploit the research molecule and research product with respect to the Second Research Program. Gilead paid us a total of $25.0 million related to the nomination and option exercise in December 2025.

Financial Operations Overview

Revenue

Our revenue consists of the following:

- revenue from collaborative and other agreements which includes amounts recognized relating to upfront nonrefundable payments for licenses or options to obtain future licenses, amounts earned by performing development and manufacturing services, research and development funding and milestone payments earned under our collaboration and license agreements with our strategic collaborators;
- contract manufacturing revenue which is earned from providing development and manufacturing services to third parties and manufacturing their drug substance;
- product sales, net which reflects sales of MARGENZA. Product revenue is recorded net of applicable reserves for variable consideration, including discounts and other allowances. In November 2024, we sold global rights to MARGENZA to TerSera Therapeutics, LLC (TerSera) for an upfront payment of $40.0 million, and accordingly, no longer have product sales; and
- sales-based royalty revenue that is recognized when the related sales occur or when the performance obligation to which some or all of the royalty has been allocated has been satisfied or partially satisfied.

Cost of Manufacturing Services

Cost of manufacturing services consists of the costs to provide manufacturing services to produce certain bulk drug substance under manufacturing and clinical supply agreements with third parties, including salaries and benefits and related stock-based compensation, materials, overhead and other related costs.

Research and Development Expense

Research and development expense consists of expenses incurred in performing research and development activities. These expenses include conducting preclinical experiments and studies, clinical trials, manufacturing efforts and regulatory filings for all product candidates, and other indirect expenses in support of our research and development activities. We capture research and development expense on a program-by-program basis for our product candidates and recognize these expenses as they are incurred. The following are items we include in research and development expense:

- employee-related expenses, such as salaries and benefits;
- employee-related overhead expenses, such as facilities and other allocated items;
- stock-based compensation expense to employees engaged in research and development activities;
- depreciation of laboratory and manufacturing equipment, computers and leasehold improvements;
- fees paid to consultants, subcontractors, clinical research organizations (CROs) and other third party vendors for work performed under our preclinical and clinical trials including, but not limited to, investigator grants, laboratory work and analysis, database management, statistical analysis, and other items;
- amounts paid to vendors and suppliers for laboratory supplies;
- internal and third party costs related to manufacturing clinical trial materials, including vialing, packaging and testing;
- license fees and other third party vendor payments related to in-licensed product candidates and technology; and
- costs related to compliance with regulatory requirements.

It is difficult to determine with certainty the duration and completion costs of our current or future preclinical programs and clinical trials of our product candidates, or if, when or to what extent we will generate revenues from the commercialization and sale of any of our product candidates that obtain regulatory approval. The duration, costs and timing of clinical trials and development of our product candidates will depend on a variety of factors, including the uncertainties of future clinical trials and preclinical studies, uncertainties in clinical trial enrollment rates and significant and changing government regulation. In addition, the probability of success for each product candidate will depend on numerous factors, including competition, manufacturing capability and commercial viability. We will determine which programs to pursue and how much to fund each program in response to the scientific and clinical success of each product candidate, as well as an assessment of each product candidate's commercial potential.

Selling, General and Administrative Expense

Selling, general and administrative expense consists of salaries and related benefit costs for employees in our executive, finance, legal and intellectual property, business development, human resources, information technology and other support functions. Selling, general and administrative expense also includes legal and professional fees and included costs incurred under the arrangement with our commercialization partner, Eversana Life Science Services, LLC in 2023 and 2024.

Critical Accounting Estimates

Our management's discussion and analysis of financial conditions and results of operations is based on our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The preparation of these consolidated financial statements requires us to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the balance sheets and the reported amount of the revenue and expenses recorded during the reporting period. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable. We review and evaluate these estimates on an on-going basis. These assumptions and estimates form the basis for making judgments about the carrying values of assets and liabilities and amounts that have been recorded as revenues and expenses. Actual results and experiences may differ from these estimates. We did not make any material changes to these assumptions during the year ended December 31, 2025, and do not expect any material changes in the near term to the underlying assumptions. If we were to adjust our assumptions, the results of any material revisions would be reflected in the consolidated financial statements prospectively from the date of the change in estimate. Management considers an accounting estimate to be critical if:

- it requires a significant level of estimation uncertainty; and
- changes in the estimate are reasonably likely to have a material effect on our financial condition or results of operations.

While a summary of significant accounting policies is described fully in Note 2 in our consolidated financial statements, we believe that the following accounting policies are the most critical to assist you in fully understanding and evaluating our financial results and the effect of the estimates and judgments we used in preparing our consolidated financial statements.

Revenue Recognition

We recognize revenue under Accounting Standards Codification (ASC) Topic 606, *Revenue from Contracts with Customer*s, (ASC 606) when our customer obtains control of promised goods or services, in an amount that reflects the consideration which we expect to receive in exchange for those goods or services. To determine revenue recognition for arrangements that we determine are within the scope of ASC 606, management performs the following five steps: (i) identify the contract(s) with a customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations in the contract; and (v) recognize revenue when (or as) we satisfy a performance obligation. We recognize as revenue the amount of the transaction price that is allocated to the respective performance obligation when (or as) the performance obligation is satisfied.

Collaborative and Other Agreements

We enter into licensing agreements that are within the scope of ASC 606, under which we may license rights to research, develop, manufacture and commercialize our product candidates to third parties. The terms of these arrangements typically include payment to us of one or more of the following: non-refundable, upfront license fees; reimbursement of certain costs; customer option exercise fees; development, regulatory and commercial milestone payments; and royalties on net sales of licensed products. We may also enter into development and manufacturing service agreements with our collaborators.

For each arrangement that results in revenues, we identify all performance obligations, which may include a license to intellectual property and know-how, research and development activities, transition activities and/or manufacturing services. In order to determine the transaction price, in addition to any upfront payment, management estimates the amount of variable consideration at the outset of the contract either utilizing the expected value or most likely amount method, depending on the facts and circumstances relative to the contract. We constrain (reduce) the estimates of variable consideration such that it is probable that a significant reversal of previously recognized revenue will not occur. When determining if variable consideration should be constrained, management considers whether there are factors outside our control that could result in a significant reversal of revenue. In making these assessments, management considers the likelihood and magnitude of a potential reversal of revenue. These estimates are re-assessed each reporting period as required.

Once the estimated transaction price is established, amounts are allocated to the performance obligations that have been identified. The transaction price is generally allocated to each separate performance obligation on a relative standalone selling price basis. We must develop assumptions that require judgment to determine the standalone selling price in order to account for these agreements. To determine the standalone selling price, management's assumptions may include (i) the probability of obtaining marketing approval for the product candidate, (ii) estimates regarding the timing and the expected costs to develop and commercialize the product candidate, and (iii) estimates of future cash flows from potential product sales with respect to the product candidate. Standalone selling prices used to perform the initial allocation are not updated after contract inception. We do not include a financing component to its estimated transaction price at contract inception unless we estimate that certain performance obligations will not be satisfied within one year.

Amounts received prior to revenue recognition are recorded as deferred revenue. Amounts expected to be recognized as revenue within the 12 months following the balance sheet date are classified as current portion of deferred revenue in the accompanying consolidated balance sheets. Amounts not expected to be recognized as revenue within the 12 months following the balance sheet date are classified as deferred revenue, net of current portion.

Licenses. When we grant a license to our intellectual property, we determine whether the nature of the intellectual property to which the customer will have rights is functional intellectual property (functional IP), which has significant standalone functionality, or symbolic intellectual property (symbolic IP) which does not have significant standalone functionality. Revenue from functional IP is recognized at the point in time when control of the distinct license is transferred to the customer. Revenue from symbolic IP is recognized over the access period to our intellectual property. If the license to our intellectual property is determined to be distinct from the other promises or performance obligations identified in the arrangement, we recognize revenue from non-refundable, upfront fees allocated to the license when the license is transferred to the customer and when (or as) the customer is able to use and benefit from the license. In assessing whether a promise or performance obligation is distinct from the other promises, we consider factors such as the research, development, manufacturing and commercialization capabilities of the licensee and the availability of the associated expertise in the general marketplace. In addition, we consider whether the licensee can benefit from a promise for its intended purpose without the receipt of the remaining promise, whether the value of the promise is dependent on the unsatisfied promise, whether there are other vendors that could provide the remaining promise, and whether it is separately identifiable from the remaining promise. For licenses that are combined with other promises, management utilizes judgment to assess the nature of the combined performance obligation to determine whether the combined performance obligation is satisfied over time or at a point in time and, if over time, the appropriate method of measuring progress for purposes of recognizing revenue. We evaluate the measure of progress each reporting period and, if necessary, adjust the measure of performance and related revenue recognition. The measure of progress, and thereby periods over which revenue should be recognized, are subject to estimates by management and may change over the course of the research and development and licensing agreement. Such a change could have a material impact on the amount of revenue we record in future periods.

Research, Development and/or Manufacturing Services. The promises under our agreements may include research and development or manufacturing services to be performed by us on behalf of the counterparty. If these services are determined to be distinct from the other promises or performance obligations identified in the arrangement, we recognize the transaction price allocated to these services as revenue over time based on an appropriate measure of progress when the performance by us does not create an asset with an alternative use and we have an enforceable right to payment for the performance completed to date. If these services are determined not to be distinct from the other promises or performance obligations identified in the arrangement, we recognize the transaction price allocated to the combined performance obligation as the related performance obligations are satisfied.

Customer Options. If an arrangement contains customer options, we evaluate whether the options are material rights because they allow the customer to acquire additional goods or services for free or at a discount. If the customer options are determined to represent a material right, the material right is recognized as a separate performance obligation at the outset of the arrangement. We allocate the transaction price to material rights based on the relative standalone selling price, which is

determined using assumptions regarding estimated costs, discount rates, post-option development timeline, the probability of technical and regulatory success and the probability that the customer will exercise the option. Amounts allocated to a material right are not recognized as revenue until, at the earliest, the option is exercised or expires. If the options are deemed not to be a material right, they are excluded as performance obligations at the outset of the arrangement.

Milestone Payments. At the inception of each arrangement that includes development milestone payments, management evaluates whether the milestones are considered probable of being achieved and estimates the amount to be included in the transaction price using the most likely amount method. If it is probable that a significant revenue reversal would not occur, the associated milestone value is included in the transaction price. Milestone payments that are not within our control or the licensee's control, such as regulatory approvals, are not considered probable of being achieved until those approvals are received. We evaluate factors such as the scientific, clinical, regulatory, commercial, and other risks that must be overcome to achieve the particular milestone in making this assessment. There is considerable judgment involved in determining whether it is probable that a significant revenue reversal would not occur. At the end of each subsequent reporting period, management reevaluates the probability of achievement of all milestones subject to constraint and, if necessary, adjusts its estimate of the overall transaction price. Any such adjustments are recorded on a cumulative catch-up basis, which would affect revenues and earnings in the period of adjustment.

Royalties. For arrangements that include sales-based royalties which are the result of a customer-vendor relationship and for which the license is deemed to be the predominant item to which the royalties relate, we recognize revenue at the later of (i) when the related sales occur, or (ii) when the performance obligation to which some or all of the royalty has been allocated has been satisfied or partially satisfied.

We analyze our collaboration arrangements to assess whether such arrangements involve joint operating activities performed by parties who are both active participants in the activities and are both exposed to significant risks and rewards dependent on the commercial success of such activities. Such arrangements generally are within the scope of ASC 808, *Collaborative Arrangements* (ASC 808). While ASC 808 defines collaborative arrangements and provides guidance on income statement presentation, classification, and disclosures related to such arrangements, it does not address recognition and measurement matters, such as (1) determining the appropriate unit of accounting or (2) when the recognition criteria are met. Therefore, the accounting for these arrangements is either based on an analogy to other accounting literature or an accounting policy election by management. We account for certain components of the collaboration agreement that are reflective of a vendor-customer relationship (e.g., licensing arrangement) based on ASC 606. We account for other components based on a reasonable, rational and consistently applied accounting policy election. Reimbursements from the counter-party that are the result of a collaborative relationship with the counter-party, instead of a customer relationship, such as co-development activities, are recorded as a reduction to research and development expense as the services are performed.

Contract Manufacturing Revenue

We enter into agreements with third parties to manufacture their drug substance at our Good Manufacturing Practice (GMP) facility. The terms of these arrangements can include an upfront payment to us to reserve manufacturing capacity, scheduled payments during the manufacturing process and reimbursement for materials used to manufacture product. We recognize revenue over time on a straight-line basis as the manufacturing services are performed, as we believe that our efforts in providing the manufacturing services are incurred evenly throughout the performance period and therefore straight-line revenue recognition closely approximates the level of effort for the manufacturing services. Variable consideration relating to the reimbursed materials and other reimbursed costs incurred to manufacture product are allocated to the related manufacturing activities and are recognized as revenue as those activities occur.

Research and Development Expense, Including Clinical Trial Accruals/Expenses

Research and development expense consists of costs we incur for our own research and development activities and costs incurred by our collaborators under cost sharing arrangements. Research and development costs consist of salaries and benefits, including related stock-based compensation, laboratory supplies and facility costs, as well as fees paid to other entities that conduct certain research and development activities on our behalf, such as CROs, and the cost of acquiring and manufacturing clinical trial materials, including costs incurred under agreements with contract manufacturing organizations (CMOs). Research and development costs are expensed as incurred. We receive estimates from our collaborators when we are sharing development expenses, and use these estimates to record an increase or decrease in research and development expense, depending on how much we have each spent during the period.

Clinical trial expenses are a significant component of research and development expense, and we outsource a significant portion of these costs to third parties. Third party clinical trial expenses include investigator fees, site and patient

costs, CRO costs, costs for central laboratory testing, data management and CMO costs. The accrual for site and patient costs includes inputs such as estimates of patient enrollment, patient cycles incurred, clinical site activations, and other pass-through costs. These inputs are required to be estimated due to a lag in receiving the actual clinical information from third parties. Payments for these activities are based on the terms of the individual arrangements, which may differ from the pattern of costs incurred, and are reflected on the consolidated balance sheets as a prepaid asset or accrued expenses. These third-party agreements are generally cancelable, and related costs are recorded as research and development expense as incurred. Non-refundable advance clinical payments for goods or services that will be used or rendered for future research and development activities are recorded as a prepaid asset and recognized as expense as the related goods are delivered or the related services are performed. When evaluating the adequacy of the accrued expenses, we analyze progress of the studies, including the phase or completion of events, invoices received and contracted costs. Significant judgments and estimates may be made in determining the accrued balances at the end of any reporting period. Actual results could differ from the estimates made. The historical clinical accrual estimates have not been materially different from the actual costs.

Liability related to the sale of future royalties and related interest expense

The liability related to future royalties is presented net of unamortized issuance costs on our consolidated balance sheets. Interest expense on the liability related to future royalties is recognized using the effective interest rate method over the life of the arrangement. We calculate an effective interest rate which will amortize our related obligation to zero over the anticipated repayment period. The liability related to future royalties and the related interest expense are based on our current estimates of future royalties expected to be received over the life of the arrangement, which we determine by using internal sales projections and external information from market data sources, which are considered Level 3 inputs. We periodically assess the expected payments and to the extent our estimates of future royalty payments are greater or less than previous estimates or the estimated timing of such payments is materially different than previous estimates, we will adjust the effective interest rate and recognize related non-cash interest expense on a prospective basis.

Recent Accounting Pronouncements

See Note 2, Summary of Significant Accounting Policies, to the consolidated financial statements for information under the caption "Recent Accounting Pronouncements."

Results of Operations

Revenue

The following represents a comparison of our revenue for the years ended December 31, 2025 and 2024 (dollars in millions):

	Year Ended December 31,		Increase/(Decrease)	
	2025	2024		
Collaborative and other agreements	$ 87.2	$ 119.9	$ (32.7)	(27)%
Contract manufacturing	52.6	13.1	39.5	302 %
Product sales, net	—	16.4	(16.4)	(100)%
Royalty revenue	9.7	0.6	9.1	NM
Total revenue	$ 149.5	$ 150.0	$ (0.5)	— %

NM: Not Meaningful

The decrease of $32.7 million in revenue from collaborative and other agreements for the year ended December 31, 2025 compared to the year ended December 31, 2024 was primarily due to $100.0 million recognized from milestones under the Incyte License Agreement in 2024 compared to $50.0 million recognized from milestones under the Provention (Sanofi) Asset Purchase Agreement and $25.0 million from the Gilead Agreement in 2025.

Revenue from collaborative and other agreements may vary substantially from period to period depending on the progress made by our collaborators with their product candidates and the timing of milestones achieved under current agreements, and whether we enter into additional collaboration agreements.

Contract manufacturing revenue increased by $39.5 million for the year ended December 31, 2025 compared to the year ended December 31, 2024, reflecting increased production for external clients in 2025.

The decrease in product sales, net is due to the fact that we sold the global rights to MARGENZA to TerSera in November 2024, and accordingly, no longer have product sales.

Royalty revenue increased by $9.1 million for the year ended December 31, 2025 compared to December 31, 2024 due to higher sales of ZYNYZ. During 2025, $7.9 million of the royalty revenue was non-cash due to the sale of our royalty rights to Sagard Healthcare Partners (Sagard) in June 2025. See Note 10, Royalty Monetization Arrangement**,** to the consolidated financial statements for additional information.

Cost of Manufacturing Services

Cost of manufacturing services was $36.0 million and $11.5 million for the years ended December 31, 2025 and 2024, respectively. Cost of manufacturing services includes the costs to provide manufacturing services to our customers. The increase in the cost of manufacturing services is due to increased production for external clients in 2025. We expect cost of manufacturing services to vary from period to period based on the agreed-upon manufacturing schedule.

Research and Development Expense

The following represents a comparison of our research and development expense for the years ended December 31, 2025 and 2024 (dollars in millions):

	Year Ended December 31,		Increase/(Decrease)	
	2025	2024		
Lorigerlimab	$ 33.9	$ 36.8	$ (2.9)	(8)%
MGC030	21.0	10.1	10.9	108 %
MGC028	18.7	24.1	(5.4)	(22)%
Vobramitamab duocarmazine	17.5	39.8	(22.3)	(56)%
MGC026	17.1	14.1	3.0	21 %
Next-generation T-cell engagers (a)	12.4	8.4	4.0	48 %
MGD024	9.6	9.7	(0.1)	(1)%
Preclinical antibody-drug conjugates (ADCs)	4.8	8.0	(3.2)	(40)%
Margetuximab	0.7	10.9	(10.2)	(94)%
Other programs (a) (b)	11.5	15.3	(3.8)	(25)%
Total research and development expense	$ 147.2	$ 177.2	$ (30.0)	(17)%

(a) Includes research and discovery projects, as well as early preclinical molecules and molecules not advanced to clinical development.
(b) Includes discontinued projects.

Research and development expense for the year ended December 31, 2025 decreased by $30.0 million compared to the year ended December 31, 2024. This decrease was primarily attributable to:

- decreased vobra duo costs due to the decision to discontinue further internal development of that program;
- decreased development costs related to the wind down of margetuximab activities after the sale of MARGENZA to TerSera; and
- decreased development, manufacturing and IND-enabling costs related to MGC028.

These decreases were partially offset by

- increased clinical trial costs related to MGC026 and MGC028; and
- increased development costs related to MGC030.

There are uncertainties associated with our research and development expenses for future periods which are impacted by multiple variables, including timing of wind down activities for recently closed studies and current and expected expenditures associated with our ongoing clinical studies.

Selling, General and Administrative Expense

Selling, general and administrative expenses were $39.2 million and $71.0 million for the years ended December 31, 2025 and 2024, respectively. The decrease is primarily due to lower stock-based compensation expense and reduced professional fees. The decrease in stock-based compensation expense was largely driven by additional stock-based compensation expense and accrued severance related to the separation agreement with our Chief Executive Officer recorded in 2024. The reduction in professional fees was largely driven by the cessation of commercialization activities for MARGENZA.

Gain on Sale of MARGENZA

In October 2024, we entered into an Asset Purchase and Sale Agreement (ASA) with TerSera Therapeutics, LLC (TerSera) which closed in November 2024. Under the terms of the ASA, we sold the global rights to MARGENZA, inclusive of our business of researching, developing, commercializing, manufacturing, packaging, distributing, promoting, marketing and selling the MARGENZA product, as well as using and licensing the intellectual property relating to MARGENZA. In addition to MARGENZA's intellectual property, TerSera also acquired all existing MARGENZA inventory. We recognized a gain of $36.3 million related to the ASA with TerSera during the year ended December 31, 2024.

Interest and Other Expense

In June 2025, we entered into a Purchase and Sale Agreement (Royalty Purchase Agreement) with Sagard, pursuant to which we sold to Sagard our right to receive royalties on global net sales of ZYNYZ (retifanlimab-dlwr) occurring on and after July 1, 2025 under our Incyte License Agreement, dated as of October 24, 2017, as amended. We are recognizing non-cash interest expense over the life of the Royalty Purchase Agreement, $8.3 million of which was recognized during the year ended December 31, 2025. The increase in Interest and Other Expense of $7.4 million from the year ended December 31, 2024 to the year ended December 31, 2025 is primarily due to this non-cash interest expense, partially offset by a decrease in other expense. See Note 10, Royalty Monetization Arrangement, for more information.

Liquidity and Capital Resources

Cash Flows

The following table represents a summary of our cash flows for the years ended December 31, 2025 and 2024 (dollars in millions):

	Year Ended December 31,		Increase/(Decrease)	
	2025	2024		
Net cash provided by (used in):				
Operating activities	$ (81.0)	$ (68.4)	$ (12.6)	(18)%
Investing activities	(114.1)	149.3	(263.4)	(176)%
Financing activities	69.5	1.0	68.5	NM
Net (decrease) increase in cash and cash equivalents	$ (125.6)	$ 81.9	$ (207.5)	(253)%

NM: Not Meaningful

Operating Activities

Net cash used in operating activities consists of our net loss adjusted for non-cash items such as depreciation and amortization expense and stock-based compensation, gain on royalty monetization arrangement which is classified as a financing activity, gain on sale of MARGENZA which is classified as an investing activity, and changes in working capital. Net cash used in operating activities for the year ended December 31, 2025 benefited from $50.0 million in milestones from Sanofi and a $25.0 million payment related to the nomination and option exercise from Gilead. Net cash used in operating activities for the year ended December 31, 2024 benefited from a $100.0 million milestone payment received from Incyte under the Incyte License Agreement.

Investing Activities

Net cash used in investing activities during the year ended December 31, 2025 is primarily due to purchases of marketable securities, partially offset by maturities of marketable securities. Net cash provided by investing activities during the

year ended December 31, 2024 is primarily due to proceeds from the sale of MARGENZA to TerSera and maturities of marketable securities, partially offset by purchases of marketable securities.

Financing Activities

Net cash provided by financing activities for the year ended December 31, 2025 is primarily due to $70.0 million received from Sagard upon sale of our right to receive royalties on global net sales of ZYNYZ (retifanlimab-dlwr). Net cash provided by financing activities for the year ended December 31, 2024 includes proceeds from stock option exercises and ESPP purchases, offset by taxes paid related to net share settlement of equity awards.

Our multiple product candidates currently under development will require significant additional research and development efforts that include extensive preclinical studies and clinical testing, and regulatory approval prior to commercial use. Our future success is dependent on our ability to identify and develop our product candidates, and ultimately upon our ability to attain profitable operations. We have devoted substantially all of our financial resources and efforts to research and development and general and administrative expenses to support such research and development. Net losses and negative cash flows have had, and will continue to have, an adverse effect on our stockholders' equity and working capital, and accordingly, our ability to execute our future operating plans.

As a biotechnology company, we have primarily funded our operations with proceeds from the sale of our common stock in equity offerings and revenue from our multiple collaboration agreements. Management regularly reviews our available liquidity relative to our operating budget and forecast to monitor the sufficiency of our working capital and anticipates continuing to draw upon available sources of capital, including equity and debt instruments, to support our product development activities. There can be no assurances that new sources of capital will be available to us on commercially acceptable terms, if at all. Also, any future collaborations, strategic alliances and marketing, distribution or licensing arrangements may require us to give up some or all rights to a product or technology at less than its full potential value. If we are unable to enter into new arrangements or to perform under current or future agreements or obtain additional capital, we will assess our capital resources and may be required to delay, reduce the scope of, or eliminate one or more of our product research and development programs or clinical studies, and/or downsize our organization. Although it is difficult to predict our funding requirements, we anticipate that our cash, cash equivalents and marketable securities as of December 31, 2025, combined with projected and anticipated future payments from our partners, and anticipated savings from our cost-reduction initiatives, supports our cash runway into late 2027. We have implemented, and will continue to evaluate and execute, various cost-saving measures that are intended to extend our financial runway while continuing to progress our pipeline.

Material Cash Requirements

Our short-term and long-term material cash requirements consist of operational and capital expenditures, some of which contain contractual obligations. Our primary uses of cash relate to paying salaries and benefits, conducting research activities, administering clinical trials and providing the technology and facilities necessary to support our operations. The most significant contractual obligations are the operating leases at our facilities in Maryland. Our future minimum lease payments as of December 31, 2025 totaled $5.5 million related to short-term lease liabilities, and $59.8 million related to long-term lease liabilities. See Note 5, Commitments and Contingencies, in the Notes to the Financial Statements in this Annual Report on Form 10-K for additional information about our contractual obligations. We expect to fund these requirements with current cash, cash equivalents and marketable securities as well as anticipated and potential collaboration payments.

We do not have any off-balance sheet arrangements, as defined under the rules and regulations of the Securities and Exchange Commission.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are a smaller reporting company as defined in Item 10(f)(1) of Regulation S-K. As a result, pursuant to Item 305(e) of Regulation S-K, we are not required to provide the information required by this Item 7A.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The information required by this item is set forth beginning on page F-1 in this Annual Report on Form 10-K.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Our management, including our principal executive and principal financial officers, has evaluated the effectiveness of our disclosure controls and procedures as of December 31, 2025. Our disclosure controls and procedures are designed to provide reasonable assurance that the information required to be disclosed in this Annual Report on Form 10-K has been appropriately recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, and that such information is accumulated and communicated to our management, including our principal executive and principal financial officers, to allow timely decisions regarding required disclosure. Based on that evaluation, our principal executive and principal financial officers have concluded that our disclosure controls and procedures are effective at the reasonable assurance level.

Changes in Internal Control

Our management, including our principal executive and principal financial officers, has evaluated any changes in our internal control over financial reporting that occurred during the quarterly period ended December 31, 2025, and has concluded that there was no change that occurred during the quarterly period ended December 31, 2025 that have materially affected, or are reasonably likely to materially effect, the Company's internal control over financial reporting.

Management's Report on Internal Control over Financial Reporting

The management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rule 13a-15(f) or 15d-15(f) promulgated under the Securities Exchange Act of 1934, as amended, as a process designed by, or under the supervision of, the Company's principal executive and principal financial officers and effected by the Company's board of directors, management and other personnel, 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 and includes those policies and procedures that:

- pertain to the management of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

The Company's management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2025. In making this assessment, the Company's management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (COSO) in Internal Control-Integrated Framework. Based on our assessment, management believes that, as of December 31, 2025, the Company's internal control over financial reporting is effective based on those criteria.

The effectiveness of our internal control over financial reporting as of December 31, 2025 has been audited by Ernst & Young, LLP, an independent registered public accounting firm, as stated in their report which is included herein on page 68.

ITEM 9B. OTHER INFORMATION

10b5-1 Trading Plans

During the three months ended December 31, 2025, none of the Company's directors or officers adopted, modified, or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of MacroGenics, Inc.

Opinion on Internal Control Over Financial Reporting

We have audited MacroGenics, Inc.'s internal control over financial reporting as of December 31, 2025, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, MacroGenics, Inc. (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2025, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2025 and 2024, the related consolidated statements of operations and comprehensive loss, stockholders' equity and cash flows for each of the three years in the period ended December 31, 2025, and the related notes and our report dated March 9, 2026 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

Tysons, Virginia
March 9, 2026

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

We incorporate herein by reference the relevant information concerning directors, executive officers and corporate governance to be included in our definitive proxy statement for the 2026 annual meeting of stockholders (the 2026 Proxy Statement) under the captions “Directors and Nominees,” “Corporate Governance,” “Executive Officers,” and “Delinquent Section 16(a) Reports”.

We have adopted a Code of Business Conduct and Ethics (the “Code”) that applies to all of our employees, officers and directors. The Code is available under the Corporate Governance section of our website at http://ir.macrogenics.com/governance. We expect that any amendments to the Code, or any waivers of its requirements, will be disclosed on our website.

We have an insider trading policy governing the purchase, sale and other dispositions of our securities that applies to all of our personnel, including directors, officers, employees, and other covered persons. We believe that our insider trading policy is reasonably designed to promote compliance with insider trading laws, rules and regulations, and listing standards applicable to us. A copy of our insider trading policy is filed as Exhibit 19.1 to this Annual Report on Form 10-K.

ITEM 11. EXECUTIVE COMPENSATION

We incorporate herein by reference the relevant information concerning executive compensation to be included in the 2026 Proxy Statement under the captions “Executive Compensation Information” and “Director Compensation”.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

We incorporate herein by reference the relevant information concerning security ownership of certain beneficial owners and management to be included in the 2026 Proxy Statement under the captions “Security Ownership of Certain Beneficial Owners and Management” and “Information About Equity Compensation Plans”.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

We incorporate herein by reference the relevant information concerning certain other relationships and related transactions to be included in the 2026 Proxy Statement under the captions “Corporate Governance” and “Certain Relationships and Related Party Transactions”.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

We incorporate herein by reference the relevant information concerning principal accountant fees and services to be included in the 2026 Proxy Statement under the caption “Principal Accountant Fees and Services”.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) The following documents are filed as part of this Annual Report on Form 10-K:

1. Consolidated Financial Statements:

2. Financial Statement Schedules:

All financial statement schedules have been omitted because they are not applicable, not required or the information required is shown in the financial statements or the notes thereto.

3. Exhibits:

The exhibits filed as part of this Annual Report on Form 10-K are set forth on the Exhibit Index immediately following our consolidated financial statements. The Exhibit Index is incorporated herein by reference.

ITEM 16. FORM 10-K SUMMARY

Not applicable.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized:

MacroGenics, Inc.

By: /s/ Eric Risser
Eric Risser
President and CEO and Director

Pursuant to the requirements of the Securities Act of 1934, as amended, this Report has been signed by the following persons on behalf of the registrant and in the capacities and on the dates indicated:

Signature	Title	Date
/s/ Eric Risser Eric Risser	President and CEO and Director (Principal Executive Officer)	March 9, 2026
/s/ James Karrels James Karrels	Senior Vice President and Chief Financial Officer (Principal Financial Officer)	March 9, 2026
/s/ Beth Smith Beth Smith	Vice President, Controller and Treasurer (Principal Accounting Officer)	March 9, 2026
/s/ Karen Ferrante, M.D. Karen Ferrante, M.D.	Director	March 9, 2026
/s/ William Heiden William Heiden	Director	March 9, 2026
/s/ Edward Hurwitz Edward Hurwitz	Director	March 9, 2026
/s/ Scott Jackson Scott Jackson	Director	March 9, 2026
/s/ Meenu Chhabra Karson Meenu Chhabra Karson	Director	March 9, 2026
/s/ Scott Koenig, M.D., Ph.D. Scott Koenig, M.D., Ph.D.	Director	March 9, 2026
/s/ Margaret A. Liu, M.D. Margaret A. Liu, M.D.	Director	March 9, 2026
/s/ Federica O'Brien Federica O'Brien	Director	March 9, 2026
/s/ Jay Siegel, M.D. Jay Siegel, M.D.	Director	March 9, 2026
/s/ David Stump, M.D. David Stump, M.D.	Director	March 9, 2026

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of MacroGenics, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of MacroGenics, Inc. (the Company) as of December 31, 2025 and 2024, the related consolidated statements of operations and comprehensive loss, stockholders' equity and cash flows for each of the three years in the period ended December 31, 2025, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2025 and 2024, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2025, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2025, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), and our report dated March 9, 2026 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Liability and Interest Expense Related to the Sale of Future Royalties

Description of the Matter	As discussed in Note 10 of the consolidated financial statements, in June 2025, the Company entered into a Purchase and Sale Agreement ("Royalty Purchase Agreement") to sell its royalty interest on future global net sales of ZYNYZ, up to $140.0 million, to Sagard Healthcare Partners ("Sagard") for a $70.0 million upfront payment. The Company accounted for the Royalty Purchase Agreement as a financing transaction. The carrying value of the liability related to the sale of future royalties at December 31, 2025 was $70.0 million and the related interest expense for the year ended December 31, 2025 was $8.3 million. Auditing the Company's liability and interest expense related to the sale of future royalties was complex due to the significant judgments used by management to estimate the payments to be made to Sagard over the term of the Royalty Purchase Agreement based on forecasted revenues. Specifically, the forecasted revenues of ZYNYZ involved significant estimation uncertainty given the limited historical ZYNYZ sales data. Changes to these forecasted revenues could have a material effect on the Company's calculation of the effective interest rate which is used to discount royalty payments to measure the liability balance each reporting period. As a result, auditing forecasted revenues required especially complex auditor judgment.
How We Addressed the Matter in Our Audit	We obtained an understanding, evaluated the design, and tested the operating effectiveness of controls over the Company's process to account for the liability and interest expense related to the sale of future royalties, including management's control over the review of the Company's estimates of forecasted revenues. To audit the Company's accounting for the liability and interest expense related to the sale of future royalties, our audit procedures included evaluating the reasonableness of management's assumptions related to forecasted revenues. We compared forecasted revenues with historical results, analyst expectations, information from other third-party sources, and performed a sensitivity analysis over forecasted revenues to evaluate the changes in the liability and related interest expense.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2006.

Tysons, Virginia
March 9, 2026

MACROGENICS, INC.
CONSOLIDATED BALANCE SHEETS
(In thousands, except share and per share data)

	December 31,	
	2025	**2024**
Assets		
Current assets:		
Cash and cash equivalents	$ 57,217	$ 182,840
Marketable securities	132,696	18,827
Accounts receivable	13,373	4,309
Inventory, net	7,910	—
Prepaid expenses and other current assets	8,745	11,514
Total current assets	219,941	217,490
Property, equipment and software, net	12,625	18,100
Operating lease right-of-use assets	22,895	24,509
Other non current assets	1,385	1,556
Total assets	$ 256,846	$ 261,655
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	$ 4,787	$ 5,013
Accrued expenses and other current liabilities	22,230	29,334
Deferred revenue	10,921	16,319
Lease liabilities	5,177	4,864
Total current liabilities	43,115	55,530
Liability related to future royalties	70,000	—
Deferred revenue, net of current portion	55,503	55,503
Lease liabilities, net of current portion	31,585	32,597
Other non current liabilities	1,052	1,968
Total liabilities	201,255	145,598
Stockholders' equity:		
Common stock, 0.01 par value -- 125,000,000 shares authorized, 63,318,613 and 62,819,857 shares outstanding at December 31, 2025 and December 31, 2024, respectively	633	628
Additional paid-in capital	1,299,264	1,285,143
Accumulated other comprehensive gain	32	4
Accumulated deficit	(1,244,338)	(1,169,718)
Total stockholders' equity	55,591	116,057
Total liabilities and stockholders' equity	$ 256,846	$ 261,655

See accompanying notes.

MACROGENICS, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(In thousands, except share and per share data)

	Year Ended December 31,		
	2025	**2024**	**2023**
Revenues:			
Collaborative and other agreements	$ 87,183	$ 119,918	$ 30,546
Contract manufacturing	52,631	13,057	9,833
Product sales, net	—	16,426	17,939
Royalty revenue	9,686	561	431
Total revenues	149,500	149,962	58,749
Costs and expenses:			
Cost of product sales	—	847	619
Cost of manufacturing services	36,009	11,452	7,603
Research and development	147,172	177,194	166,583
Selling, general and administrative	39,160	71,047	52,188
Total costs and expenses	222,341	260,540	226,993
Loss from operations	(72,841)	(110,578)	(168,244)
Gain on royalty monetization arrangement	—	—	150,930
Gain on sale of MARGENZA	—	36,250	—
Interest and other income	6,057	9,421	9,686
Interest and other expense	(8,508)	(1,115)	(1,430)
Loss before income taxes	(75,292)	(66,022)	(9,058)
Income tax (benefit) expense	(672)	944	—
Net loss	(74,620)	(66,966)	(9,058)
Other comprehensive income (loss):			
Unrealized gain (loss) on investments	28	10	(1)
Comprehensive loss	$ (74,592)	$ (66,956)	$ (9,059)
Basic and diluted net loss per common share	$ (1.18)	$ (1.07)	$ (0.15)
Basic and diluted weighted average common shares outstanding	63,155,096	62,621,185	61,929,198

See accompanying notes.

MACROGENICS, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(In thousands, except share amounts)

	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
	Shares	Amount				
Balance, December 31, 2022	61,701,467	$ 617	$ 1,235,095	$ (1,093,694)	$ (5)	$ 142,013
Share-based compensation	—	—	18,373	—	—	18,373
Issuance of common stock, net of offering costs	167,270	2	1,037	—	—	1,039
Stock plan related activity	201,890	2	245	—	—	247
Unrealized loss on investments	—	—	—	—	(1)	(1)
Net loss	—	—	—	(9,058)	—	(9,058)
Balance, December 31, 2023	62,070,627	621	1,254,750	(1,102,752)	(6)	152,613
Share-based compensation	—	—	29,439	—	—	29,439
Stock plan related activity	749,230	7	954	—	—	961
Unrealized loss on investments	—	—	—	—	10	10
Net loss	—	—	—	(66,966)	—	(66,966)
Balance, December 31, 2024	62,819,857	628	1,285,143	(1,169,718)	4	116,057
Share-based compensation	—	—	14,286	—	—	14,286
Stock plan related activity	498,756	5	(165)	—	—	(160)
Unrealized gain on investments	—	—	—	—	28	28
Net loss	—	—	—	(74,620)	—	(74,620)
Balance, December 31, 2025	63,318,613	$ 633	$ 1,299,264	$ (1,244,338)	$ 32	$ 55,591

See accompanying notes.

MACROGENICS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

	Year Ended December 31,		
	2025	**2024**	**2023**
Operating activities			
Net loss	$ (74,620)	$ (66,966)	$ (9,058)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation and amortization	7,172	7,540	9,645
Amortization of premiums and discounts on marketable securities	(1,648)	(2,810)	(5,004)
Share-based compensation	14,286	29,439	18,373
Gain on royalty monetization arrangement	—	—	(150,930)
Gain on sale of MARGENZA	—	(36,250)	—
Non-cash royalty revenue	(7,932)	—	—
Non-cash interest expense	8,259	—	1,430
Non-cash lease expense	1,784	(663)	3,489
Other non-cash items	—	2	423
(Gain) loss on disposal of assets	(10)	(57)	111
Changes in operating assets and liabilities:			
Accounts receivable	(9,063)	6,058	45,855
Inventory	(7,910)	(2,188)	230
Prepaid expenses and other current assets	2,769	(1,567)	215
Other non current assets	—	(170)	(7)
Accounts payable	(280)	(1,530)	1,281
Accrued expenses and other current liabilities	(6,834)	5,003	(4,823)
Lease liabilities	(699)	3,490	(861)
Deferred revenue	(5,398)	(9,414)	11,426
Other non current liabilities	(916)	1,710	—
Net cash used in operating activities	(81,040)	(68,373)	(78,205)
Cash flows from investing activities			
Purchases of marketable securities	(208,336)	(77,182)	(239,683)
Proceeds from sales and maturities of marketable securities	96,142	190,025	161,299
Purchases of property, equipment and software	(1,914)	(3,706)	(1,764)
Proceeds from sale of MARGENZA	—	40,000	—
Proceeds from sales of equipment	11	160	64
Net cash provided by (used in) investing activities	(114,097)	149,297	(80,084)
Cash flows from financing activities			
Proceeds from issuance of common stock, net of offering costs	—	—	616
Proceeds from stock option exercises and ESPP purchases	129	3,435	553
Taxes paid related to net share settlement of equity awards	(288)	(2,475)	(306)
Principal payments on royalty monetization arrangement	—	—	(157)
Net proceeds from sale of future royalties	69,673	—	149,655
Net cash provided by financing activities	69,514	960	150,361
Net change in cash and cash equivalents	(125,623)	81,884	(7,928)
Cash and cash equivalents at beginning of period	182,840	100,956	108,884
Cash and cash equivalents at end of period	$ 57,217	$ 182,840	$ 100,956
Non-cash operating and investing activities			
Property and equipment included in accounts payable or accruals	$ 54	$ 100	$ 505

See accompanying notes.

1. Organization and Nature of Operations

MacroGenics, Inc. (the Company) is incorporated in the state of Delaware. The Company is a biopharmaceutical company focused on developing innovative antibody-based therapeutics for the treatment of cancer. The Company generates its pipeline of product candidates from its proprietary suite of antibody technology platforms. The Company is currently developing therapeutics utilizing multiple modalities, including antibody-drug conjugates (ADCs) and multi-specific antibodies (which are referred to as DART and TRIDENT molecules). The combination of the Company's technology platforms and antibody engineering expertise has allowed the Company to generate promising product candidates – three of which have received marketing approval by the U.S. Food and Drug Administration (FDA) – and to enter into several strategic collaborations with global biopharmaceutical companies. These collaborations have enabled the Company to leverage the additional expertise of its collaborators to advance the development of multiple partnered product candidates. In addition, the Company operates a commercial-scale cGMP antibody manufacturing facility in its Maryland headquarters to support its clinical programs. The Company also provides outsourced contract development and manufacturing services to its collaborators and other third parties for commercial and clinical products to offset a significant portion of the operating costs of this facility.

The Company is currently advancing three proprietary product candidates in clinical development: lorigerlimab, a bispecific DART molecule that targets checkpoint inhibitors PD-1 and CTLA-4; MGC026, an ADC that targets B7-H3 and delivers a novel topoisomerase I inhibitor (TOP1i)-based linker-payload, and MGC028, an ADC that targets ADAM9 and delivers a novel TOP1i-based linker-payload. The Company is also actively developing multiple preclinical-stage ADC and next generation T-cell engager programs.

The Company and its partners are developing or commercializing product candidates for which the Company retains certain economic rights. These include three products approved by the FDA: ZYNYZ® (retifanlimab-dlwr), an anti-PD-1 monoclonal antibody (mAb) that the Company out-licensed; MARGENZA® (margetuximab-cmkb), an anti-HER2 mAb that the Company sold to a partner; and TZIELD® (teplizumab-mzwv), an anti-CD3 mAb that the Company sold to a partner. The Company is also collaborating with Gilead Sciences, Inc. (Gilead) on the development of MGD024, a bispecific DART antibody targeting CD123 and CD3 that utilizes its next-generation T-cell engager technology, as well as two additional undisclosed pre-clinical development programs.

Liquidity

The Company's multiple product candidates currently under development will require significant additional research and development efforts that include extensive preclinical studies and clinical testing, and regulatory approval prior to commercial use.

The future success of the Company is dependent on its ability to identify and develop its product candidates, and ultimately upon its ability to attain profitable operations. The Company has devoted substantially all of its financial resources and efforts to research and development and general and administrative expense to support such research and development. Net losses and negative cash flows have had, and will continue to have, an adverse effect on the Company's stockholders' equity and working capital, and accordingly, its ability to execute its future operating plans.

As a biotechnology company, the Company has primarily funded its operations with proceeds from the sale of its common stock in equity offerings and revenue from its multiple collaboration agreements. Management regularly reviews the Company's available liquidity relative to its operating budget and forecast to monitor the sufficiency of the Company's working capital. The Company plans to meet its future operating requirements by generating revenue from current and future strategic collaborations or other arrangements and royalties. The Company anticipates continuing to draw upon available sources of capital, including equity and debt instruments, to support its product development activities. If the Company is unable to enter into new arrangements or to perform under current or future agreements or obtain additional capital, the Company will assess its capital resources and may be required to delay, reduce the scope of, or eliminate one or more of its product research and development programs or clinical studies, reduce other operating expenses, and/or downsize its organization. Based on the Company's most recent cash flow forecast, the Company believes its current resources are sufficient to fund its operating plans for a minimum of twelve months from the date that this Annual Report on Form 10-K was filed.

Other risk factors pertinent to the Company's business, including significant equity market volatility and availability of funding in the biotechnology sector, as well as potential issues in the global economy, credit markets and financial markets as a result of significant worldwide events, including inflation, fluctuating interest rates and geopolitical upheaval, might

unfavorably impact the Company's ability to generate such additional funding. Given the uncertainty in the rapidly changing market and economic conditions related to these uncertainties, the Company will continue to evaluate the nature and extent of the impact of these uncertainties on its business and financial position.

2. Summary of Significant Accounting Policies

Basis of Presentation and Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, MacroGenics UK Limited and MacroGenics Limited. All intercompany accounts and transactions have been eliminated in consolidation. The Company currently operates in one operating segment. Operating segments are defined as components of an enterprise about which separate discrete information is available for the chief operating decision maker, or decision making group, in deciding how to allocate resources and assessing performance. The Company views its operations and manages its business in one segment, which is developing and commercializing monoclonal antibody-based therapeutics. See Note 13, Segment Reporting, for the Company's evaluation of its reportable segment and additional disclosures.

Use of Estimates

The preparation of the financial statements in accordance with generally accepted accounting principles (GAAP) requires the Company to make estimates and judgments in certain circumstances that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. In preparing these consolidated financial statements, management has made its best estimates and judgments of certain amounts included in the financial statements, giving due consideration to materiality. On an ongoing basis, the Company evaluates its estimates, including those related to revenue recognition, fair values of assets, inventory, preclinical study and clinical trial accruals and other contingencies. Management bases its estimates on historical experience or on various other assumptions that it believes to be reasonable under the circumstances. Although actual results could differ from these estimates, management does not believe that such differences would be material.

Cash, Cash Equivalents and Marketable Securities

The Company considers all investments in highly liquid financial instruments with a maturity of 90 days or less at the date of purchase to be cash equivalents. Cash and cash equivalents includes investments in money market funds with commercial banks and financial institutions, securities issued by the U.S. government and its agencies, Government Sponsored Enterprise agency debt obligations and corporate debt obligations. Cash equivalents are stated at amortized cost, plus accrued interest, which approximates fair value.

The Company carries marketable securities classified as available-for-sale at fair value as determined by prices for identical or similar securities at the balance sheet date. Classification of marketable securities between current and non-current is dependent upon the maturity date at the balance sheet date taking into consideration the Company's ability and intent to hold the investment to maturity. Marketable securities consist of Level 2 financial instruments in the fair-value hierarchy. The Company records unrealized gains and losses as a component of other comprehensive loss within the statements of operations and comprehensive loss and as a separate component of stockholders' equity. Realized gains or losses on available-for-sale securities are determined using the specific identification method and the Company includes net realized gains and losses in other income, along with interest income and amortization of premiums and discounts.

Accounts Receivable

Accounts receivable arise from amounts due from the Company's collaborative partners and contract manufacturing work performed by the Company. Accounts receivable that management has the intent and ability to collect are reported in the consolidated balance sheets at outstanding amounts, less an allowance for doubtful accounts. The Company writes off uncollectible receivables when the likelihood of collection is remote.

The Company evaluates the collectability of accounts receivable on a regular basis. The allowance, if any, is based upon various factors including the financial condition and payment history of customers, an overall review of collections experience on other accounts and economic factors or events expected to affect future collections experience. No allowance was recorded as of December 31, 2025 or 2024, as the Company has a history of collecting on all outstanding accounts.

Fair Value of Financial Instruments

The Company's financial instruments consist of cash and cash equivalents, marketable securities, accounts receivable, accounts payable and accrued expenses. The carrying amount of accounts receivable, accounts payable and accrued expenses

are generally considered to be representative of their respective fair values because of their short-term nature. The Company accounts for recurring and non-recurring fair value measurements in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures* (ASC 820). ASC 820 defines fair value, establishes a fair value hierarchy for assets and liabilities measured at fair value, and requires expanded disclosures about fair value measurements. The ASC 820 hierarchy ranks the quality of reliability of inputs, or assumptions, used in the determination of fair value and requires assets and liabilities carried at fair value to be classified and disclosed in one of the following three categories:

- Level 1 – Fair value is determined by using unadjusted quoted prices that are available in active markets for identical assets and liabilities.
- Level 2 – Fair value is determined by using inputs other than Level 1 quoted prices that are directly or indirectly observable. Inputs can include quoted prices for similar assets and liabilities in active markets or quoted prices for identical assets and liabilities in inactive markets. Related inputs can also include those used in valuation or other pricing models, such as interest rates and yield curves that can be corroborated by observable market data.
- Level 3 – Fair value is determined by inputs that are unobservable and not corroborated by market data. Use of these inputs involves significant and subjective judgments to be made by a reporting entity – e.g., determining an appropriate adjustment to a discount factor for illiquidity associated with a given security.

The Company evaluates financial assets and liabilities subject to fair value measurements on a recurring basis to determine the appropriate level at which to classify them each reporting period. This determination requires the Company to make subjective judgments as to the significance of inputs used in determining fair value and where such inputs lie within the ASC 820 hierarchy. There were no transfers between levels during the periods presented.

The carrying value of the deferred royalty obligation related to the sale of future royalties under the Purchase and Sale Agreement with Sagard Healthcare Partners (Sagard) approximates its fair value as of December 31, 2025 and is based on the Company's current estimate of future royalties expected to be earned over the estimated life of the royalty term arrangement. See Note 10, Royalty Monetization Arrangement, for the description of the Level 3 inputs used to estimate the fair value of the liability.

Financial assets measured at fair value on a recurring basis were as follows (in thousands):

	Fair Value Measurement at December 31, 2025		
	Total	**Level 1**	**Level 2**
Assets:			
Money market funds	$ 11,466	$ 11,466	$ —
U.S Treasury securities	4,939	—	4,939
Government-sponsored enterprises	53,950	—	53,950
Corporate debt securities	81,300	—	81,300
Total assets measured at fair value [(a)]	$ 151,655	$ 11,466	$ 140,189

	Fair Value Measurement at December 31, 2024		
	Total	**Level 1**	**Level 2**
Assets:			
Money market funds	$ 67,886	$ 67,886	$ —
U.S Treasury securities	5,000	—	5,000
Government-sponsored enterprise	3,994	—	3,994
Corporate debt securities	25,548	—	25,548
Total assets measured at fair value [(b)]	$ 102,428	$ 67,886	$ 34,542

(a) Total assets measured at fair value at December 31, 2025 includes approximately $19.0 million reported as cash and cash equivalents and $132.7 million reported as marketable securities on the balance sheet.

(b) Total assets measured at fair value at December 31, 2024 includes approximately $83.6 million reported as cash and cash equivalents and $18.8 million reported as marketable securities on the balance sheet.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash, cash equivalents, marketable securities and accounts receivable. The Company maintains its cash and money market funds with financial institutions that are federally insured. While balances deposited in these institutions often exceed Federal Deposit Insurance Corporation limits, the Company has not experienced any losses on related accounts to date. The Company's investment policy limits investments to certain types of debt securities issued by the U.S. government, its agencies and institutions with investment-grade credit ratings and places restrictions on maturities and concentration by type and issuer. The counterparties are various corporations, financial institutions and government agencies of high credit standing.

The Company's revenue relates to contract development and manufacturing services, agreements with various collaborators, and MARGENZA net product sales (prior to the sale to TerSera Therapeutics LLC (TerSera) in November 2024). The following table includes those counterparties that represent more than 10% of total revenue earned in the periods indicated:

	Year Ended December 31,		
	2025	**2024**	**2023**
Sanofi S.A. (Sanofi)	33%	*	10%
Incyte Corporation (Incyte)	32%	76%	53%
Gilead Sciences, Inc (Gilead)	24%	*	*
ASD Healthcare and Oncology Supply (ASD)	*	*	10%
McKesson Plasma & Biologics and McKesson Specialty Care Distribution LLC (McKesson)	*	*	12%

* Amount is less than 10% for the period indicated.

The following table includes those counterparties that represent more than 10% of accounts receivable at the date indicated:

	December 31,	
	2025	**2024**
Incyte	69%	39%
Emergent Biosolutions	16%	*
TerSera	12%	*
ASD	*	18%
McKesson	*	13%
Cardinal Health, Inc.	*	12%

* Balance is less than 10% as of the date indicated.

Inventory

Inventory is composed of raw materials valued at the lower of cost or estimated net realizable value. Cost is determined using the moving average cost basis, which approximates cost on a first-in, first-out basis. The Company performs an assessment of the recoverability of capitalized inventory during each reporting period, and it writes down any excess, obsolete or expired materials to their estimated realizable value in the period in which the impairment is first identified. Such write downs, should they occur, are recorded within the cost of manufacturing services in the statement of operations. Inventory at December 31, 2025 consists of $7.9 million in raw materials and supplies procured for the purpose of manufacturing drug substance for the Company's contract manufacturing customers. At December 31, 2025 there was no inventory reserve recorded.

Property, Equipment and Software

Property, equipment and software are stated at cost. Upon retirement or sale, the cost of assets disposed of and the related accumulated depreciation or amortization are removed from the accounts and any resulting gain or loss is credited or

charged to operations. Repairs and maintenance costs are expensed as incurred. Depreciation and amortization are computed using the straight-line method over the following estimated useful lives:

Computer equipment	3 years
Software	3 years
Furniture	10 years
Laboratory and office equipment	5 years
Leasehold improvements	Shorter of lease term or useful life

Impairment of Long-Lived Assets

The Company assesses the recoverability of its long-lived assets in accordance with the provisions of ASC 360, *Property, Plant and Equipment* (ASC 360). ASC 360 requires that long-lived assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of the long-lived asset is measured by a comparison of the carrying amount of the asset to future undiscounted net cash flows expected to be generated by the asset or asset group. If carrying value exceeds the sum of undiscounted cash flows, the Company then determines the fair value of the underlying asset group. Any impairment to be recognized is measured by the amount by which the carrying amount of the asset group exceeds the estimated fair value of the asset group. Assets to be disposed of are reported at the lower of the carrying amount or fair value, less costs to sell. For the years ended December 31, 2025, and 2024, the Company determined that there were no impaired assets.

Revenue recognition

The Company recognizes revenue under ASC Topic 606, *Revenue from Contracts with Customer*s (ASC 606) when its customer obtains control of promised goods or services, in an amount that reflects the consideration which the entity expects to receive in exchange for those goods or services. To determine revenue recognition for arrangements that an entity determines are within the scope of ASC 606, the entity performs the following five steps: (i) identify the contract(s) with a customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations in the contract; and (v) recognize revenue when (or as) the entity satisfies a performance obligation. The Company recognizes as revenue the amount of the transaction price that is allocated to the respective performance obligation when (or as) the performance obligation is satisfied.

Collaborative and Other Agreements

The Company enters into licensing agreements that are within the scope of ASC 606, under which it may license rights to research, develop, manufacture and commercialize its product candidates to third parties. The terms of these arrangements typically include payment to the Company of one or more of the following: non-refundable, upfront license fees; reimbursement of certain costs; customer option exercise fees; development, regulatory and commercial milestone payments; and royalties on net sales of licensed products. The Company may also enter into development and manufacturing service agreements with its collaborators.

For each arrangement that results in revenues, the Company identifies all performance obligations, which may include a license to intellectual property and know-how, research and development activities, transition activities and/or manufacturing services. In order to determine the transaction price, in addition to any upfront payment, the Company estimates the amount of variable consideration at the outset of the contract either utilizing the expected value or most likely amount method, depending on the facts and circumstances relative to the contract. The Company constrains (reduces) the estimates of variable consideration such that it is probable that a significant reversal of previously recognized revenue will not occur. When determining if variable consideration should be constrained, management considers whether there are factors outside the Company's control that could result in a significant reversal of revenue. In making these assessments, the Company considers the likelihood and magnitude of a potential reversal of revenue. These estimates are re-assessed each reporting period as required.

Once the estimated transaction price is established, amounts are allocated to the performance obligations that have been identified. The transaction price is generally allocated to each separate performance obligation on a relative standalone selling price basis. The Company must develop assumptions that require judgment to determine the standalone selling price in order to account for these agreements. To determine the standalone selling price, the Company's assumptions may include (i) the probability of obtaining marketing approval for the product candidate, (ii) estimates regarding the timing and the expected costs to develop and commercialize the product candidate, and (iii) estimates of future cash flows from potential product sales with respect to the product candidate. Standalone selling prices used to perform the initial allocation are not updated after

contract inception. The Company does not include a financing component to its estimated transaction price at contract inception unless it estimates that certain performance obligations will not be satisfied within one year.

Amounts received prior to revenue recognition are recorded as deferred revenue. Amounts expected to be recognized as revenue within the 12 months following the balance sheet date are classified as current portion of deferred revenue in the accompanying consolidated balance sheets. Amounts not expected to be recognized as revenue within the 12 months following the balance sheet date are classified as deferred revenue, net of current portion.

Licenses. When the Company grants a license to its intellectual property, it determines whether the nature of the intellectual property to which the customer will have rights is functional intellectual property (functional IP), which has significant standalone functionality, or symbolic intellectual property (symbolic IP) which does not have significant standalone functionality. Revenue from functional IP is recognized at the point in time when control of the distinct license is transferred to the customer. Revenue from symbolic IP is recognized over the access period to the Company's intellectual property. If the license to the Company's intellectual property is determined to be distinct from the other promises or performance obligations identified in the arrangement, the Company recognizes revenue from non-refundable, upfront fees allocated to the license when the license is transferred to the customer and when (or as) the customer is able to use and benefit from the license. In assessing whether a promise or performance obligation is distinct from the other promises, the Company considers factors such as the research, development, manufacturing and commercialization capabilities of the licensee and the availability of the associated expertise in the general marketplace. In addition, the Company considers whether the licensee can benefit from a promise for its intended purpose without the receipt of the remaining promise, whether the value of the promise is dependent on the unsatisfied promise, whether there are other vendors that could provide the remaining promise, and whether it is separately identifiable from the remaining promise. For licenses that are combined with other promises, the Company utilizes judgment to assess the nature of the combined performance obligation to determine whether the combined performance obligation is satisfied over time or at a point in time and, if over time, the appropriate method of measuring progress for purposes of recognizing revenue. The Company evaluates the measure of progress each reporting period and, if necessary, adjusts the measure of performance and related revenue recognition. The measure of progress, and thereby periods over which revenue should be recognized, are subject to estimates by management and may change over the course of the research and development and licensing agreement. Such a change could have a material impact on the amount of revenue the Company records in future periods.

Research, Development and/or Manufacturing Services. The promises under the Company's agreements may include research and development or manufacturing services to be performed by the Company on behalf of the counterparty. If these services are determined to be distinct from the other promises or performance obligations identified in the arrangement, the Company recognizes the transaction price allocated to these services as revenue over time based on an appropriate measure of progress when the performance by the Company does not create an asset with an alternative use and the Company has an enforceable right to payment for the performance completed to date. If these services are determined not to be distinct from the other promises or performance obligations identified in the arrangement, the Company recognizes the transaction price allocated to the combined performance obligation as the related performance obligations are satisfied.

Customer Options. If an arrangement contains customer options, the Company evaluates whether the options are material rights because they allow the customer to acquire additional goods or services for free or at a discount. If the customer options are determined to represent a material right, the material right is recognized as a separate performance obligation at the outset of the arrangement. The Company allocates the transaction price to material rights based on the relative standalone selling price, which is determined using assumptions regarding estimated costs, discount rates, post-option development timeline, the probability of technical and regulatory success and the probability that the customer will exercise the option. Amounts allocated to a material right are not recognized as revenue until, at the earliest, the option is exercised. If the options are deemed not to be a material right, they are excluded as performance obligations at the outset of the arrangement.

Milestone Payments. At the inception of each arrangement that includes development milestone payments, the Company evaluates whether the milestones are considered probable of being achieved and estimates the amount to be included in the transaction price using the most likely amount method. If it is probable that a significant revenue reversal would not occur, the associated milestone value is included in the transaction price. Milestone payments that are not within the control of the Company or the licensee, such as regulatory approvals, are not considered probable of being achieved until those approvals are received. The Company evaluates factors such as the scientific, clinical, regulatory, commercial, and other risks that must be overcome to achieve the particular milestone in making this assessment. There is considerable judgment involved in determining whether it is probable that a significant revenue reversal would not occur. At the end of each subsequent reporting period, the Company reevaluates the probability of achievement of all milestones subject to constraint and, if necessary, adjusts its estimate of the overall transaction price. Any such adjustments are recorded on a cumulative catch-up basis, which would affect revenues and earnings in the period of adjustment.

Royalties. For arrangements that include sales-based royalties which are the result of a customer-vendor relationship and for which the license is deemed to be the predominant item to which the royalties relate, the Company recognizes revenue at the later of (i) when the related sales occur, or (ii) when the performance obligation to which some or all of the royalty has been allocated has been satisfied or partially satisfied.

The Company analyzes its collaboration arrangements to assess whether such arrangements involve joint operating activities performed by parties who are both active participants in the activities and are both exposed to significant risks and rewards dependent on the commercial success of such activities. Such arrangements generally are within the scope of ASC 808, *Collaborative Arrangements* (ASC 808). While ASC 808 defines collaborative arrangements and provides guidance on income statement presentation, classification, and disclosures related to such arrangements, it does not address recognition and measurement matters, such as (1) determining the appropriate unit of accounting or (2) when the recognition criteria are met. Therefore, the accounting for these arrangements is either based on an analogy to other accounting literature or an accounting policy election by the Company. The Company accounts for certain components of the collaboration agreement that are reflective of a vendor-customer relationship (e.g., licensing arrangement) based on ASC 606. The Company accounts for other components based on a reasonable, rational and consistently applied accounting policy election. Reimbursements from the counter-party that are the result of a collaborative relationship with the counter-party, instead of a customer relationship, such as co-development activities, are recorded as a reduction to research and development expense as the services are performed.

For a complete discussion of accounting for revenue from collaborative and other agreements, see Note 7, Revenue.

Contract manufacturing revenue

The Company enters into agreements with third parties to manufacture their drug substance at its Good Manufacturing Practice (GMP) facility. The terms of these arrangements can include an upfront payment to the Company to reserve manufacturing capacity, scheduled payments during the manufacturing process and reimbursement for materials used to manufacture product. The Company recognizes revenue over time on a straight-line basis as the manufacturing services are performed, as the Company believes that its efforts in providing the manufacturing services are incurred evenly throughout the performance period and therefore straight-line revenue recognition closely approximates the level of effort for the manufacturing services. Variable consideration relating to the reimbursed materials and other reimbursed costs incurred to manufacture product are allocated to the related manufacturing activities and are recognized as revenue as those activities occur.

Cost of Manufacturing Services

Cost of manufacturing services consists of the costs to provide manufacturing services to produce certain bulk drug substance under manufacturing and clinical supply agreements with third parties, including salaries and benefits and related stock-based compensation, materials, overhead and other related costs.

Research and Development Expense, Including Clinical Trial Accruals/Expenses

Research and development expenditures are expensed as incurred. Research and development costs primarily consist of employee related expenses, including salaries and benefits, expenses incurred under agreements with contract research organizations (CROs), investigative sites and consultants that conduct the Company's clinical trials, the cost of acquiring and manufacturing clinical trial materials, including costs incurred under agreements with contract manufacturing organizations (CMOs), and other allocated expenses, license fees for and milestone payments related to in-licensed products and technologies, stock-based compensation expense, and costs associated with non-clinical activities and regulatory approvals.

Right-to-develop agreements may contain cost-sharing provisions whereby the Company and the collaborator share the cost of research and development activities. Reimbursement of research and development expenses received in connection with these agreements is recorded as a reduction of such expenses.

Clinical trial expenses are a significant component of research and development expense, and the Company outsources a significant portion of these costs to third parties. Third party clinical trial expenses include investigator fees, site and patient costs, CRO costs, costs for central laboratory testing, data management and CMO costs. The accrual for site and patient costs includes inputs such as estimates of patient enrollment, patient cycles incurred, clinical site activations, and other pass-through costs. These inputs are required to be estimated due to a lag in receiving the actual clinical information from third parties. Payments for these activities are based on the terms of the individual arrangements, which may differ from the pattern of costs incurred, and are reflected on the consolidated balance sheets as a prepaid asset or accrued expenses. These third party agreements are generally cancelable, and related costs are recorded as research and development expenses as incurred. Non-refundable advance clinical payments for goods or services that will be used or rendered for future research and development

activities are recorded as a prepaid asset and recognized as expense as the related goods are delivered or the related services are performed. When evaluating the adequacy of the accrued expenses, management analyzes progress of the studies, including the phase or completion of events, invoices received and contracted costs. Significant judgments and estimates may be made in determining the accrued balances at the end of any reporting period. Actual results could differ from the estimates made. The historical clinical accrual estimates have not been materially different from the actual costs.

Leases

The Company determines whether an arrangement is or contains a lease at the inception of an arrangement under ASC 842, *Leases*. For leases where the Company is the lessee, right-of-use (ROU) assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent an obligation to make lease payments arising from the lease. ROU assets and lease liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The interest rate implicit in lease contracts is typically not readily determinable. As such, the Company utilizes the appropriate incremental borrowing rate, which is the rate incurred to borrow on a collateralized basis over a similar term of the lease for which the rate is estimated. Certain adjustments to the ROU asset may be required for items such as initial direct costs paid or incentives received. The lease terms used to calculate the ROU asset and related lease liabilities include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. Lease expense for operating leases is recognized on a straight-line basis over the lease term as an operating expense while the expense for finance leases is recognized as depreciation expense and interest expense using the accelerated interest method of recognition.

Comprehensive Loss

Comprehensive loss represents net loss adjusted for the change during the periods attributed to unrealized gains and losses on available-for-sale debt securities.

Net Loss Per Share

Basic and diluted loss per common share is computed by dividing net loss by the weighted average number of common shares outstanding during the period. All stock options and restricted stock units (RSUs) are excluded from the per share calculations as such securities were anti-dilutive for all periods presented. The following table presents the number of stock options and RSUs that were excluded from the calculation of net loss per share:

	Year Ended December 31,		
	2025	**2024**	**2023**
Stock options and RSUs	14,851,944	14,008,511	13,129,251

Liability related to the sale of future royalties and related interest expense

The Company assesses the relevant accounting criteria under the FASB ASC Topic 470, Debt (ASC 470) to determine whether the upfront payment received from the purchaser should be accounted for as debt or deferred income depending on the facts and circumstances. If the criteria in ASC 470 is met, the Company accounts for net proceeds from sales of its rights to receive future royalty payments as a liability that is amortized using the effective interest method over the term of the arrangement. The liability related to future royalties is presented net of unamortized issuance costs on the consolidated balance sheets. Interest expense on the liability related to future royalties is recognized using the effective interest rate method over the life of the arrangement. The Company calculates an effective interest rate which will amortize its related obligation to zero over the anticipated repayment period. The liability related to future royalties and the related interest expense are based on the Company's current estimates of future revenues expected to be received over the life of the arrangement, which the Company determines by using internal sales projections and external information from market data sources, which are considered Level 3 inputs. The Company periodically assesses the expected payments and to the extent the Company's estimates of future royalty payments are greater or less than previous estimates or the estimated timing of such payments is materially different than previous estimates, the Company will adjust the effective interest rate and recognize related non-cash interest expense on a prospective basis. Non-cash amortization is reflected as interest expense in the consolidated statements of operations and comprehensive loss. See Note 10, Royalty Monetization Arrangement, for additional information.

Recent Accounting Pronouncements

Recent Accounting Pronouncements Not Yet Adopted

In November 2024, the FASB issued Accounting Standards Update (ASU) No. 2024-03, Disaggregation of Income Statement Expense. The standard requires further disaggregation of relevant expense captions in a separate note to the financial statements. The standard is effective for fiscal years beginning after December 15, 2026 and interim periods within fiscal years beginning after December 15, 2027. Early adoption is permitted. The Company is currently assessing the impact of adopting this guidance on its consolidated financial statements.

Recently Adopted Accounting Pronouncements

In December 2023, the FASB issued ASU No. 2023-09, Income Taxes (Topic 740). The standard requires disaggregation of the effective rate reconciliation into standard categories, enhances disclosure of income taxes paid, and modifies other income tax-related disclosures. The Company adopted the standard in 2025 on a prospective basis, which resulted in incremental income tax disclosures. See Note 11, Income Taxes, for additional information.

3. Marketable Securities

Available-for-sale marketable securities as of December 31, 2025 and 2024 were as follows (in thousands):

	December 31, 2025			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
U.S. Treasury securities	$ 4,935	$ 3	$ —	$ 4,938
Government-sponsored enterprises	53,932	19	—	53,951
Corporate debt securities	73,796	15	(4)	73,807
Total	$ 132,663	$ 37	$ (4)	$ 132,696

	December 31, 2024			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Government-sponsored enterprises	$ 1,995	$ —	$ —	$ 1,995
Corporate debt securities	16,828	4	—	16,832
Total	$ 18,823	$ 4	$ —	$ 18,827

All of the Company's available-for-sale securities held at December 31, 2025 and 2024 had contractual maturities of less than one year. All of the Company's available-for-sale marketable debt securities in an unrealized loss position as of December 31, 2025 were in a loss position for less than twelve months. Unrealized losses on available-for-sale debt securities as of December 31, 2025 were not significant and were primarily due to changes in interest rates, including market credit spreads, and not due to increased credit risks associated with specific securities. Accordingly, no allowance for credit losses related to the Company's available-for-sale debt securities was recorded for the years ended December 31, 2025 and 2024. The Company does not intend to sell these investments and it is not more likely than not that the Company will be required to sell the investments before recovery of their amortized cost bases, which may be at maturity. The Company recorded interest income of $3.4 million, $5.6 million and $4.0 million during the years ended December 31, 2025, 2024 and 2023, respectively, which is included in interest and other income on the consolidated statements of operations and comprehensive loss.

4. Property, Equipment and Software

Property, equipment and software consists of the following (in thousands):

	December 31,	
	2025	2024
Computer equipment	$ 3,696	$ 3,661
Software	11,313	10,926
Furniture and office equipment	717	697
Motor vehicles	50	50
Lab equipment	47,262	46,140
Leasehold improvements	45,023	44,097
Construction in progress	371	1,216
Property, equipment and software	108,432	106,787
Less accumulated depreciation and amortization	(95,807)	(88,687)
Property, equipment and software, net	$ 12,625	$ 18,100

Depreciation and amortization expense related to property, equipment and software for the years ended December 31, 2025, 2024 and 2023 was $7.2 million, $7.5 million and $9.6 million, respectively.

5. Commitments and Contingencies

Leases

The Company has non-cancelable operating leases for manufacturing, laboratory, office and warehouse space in Maryland. The Company's leases each have one or more five-year options to renew.

The table below presents supplemental balance sheet information related to operating leases:

	December 31,	
	2025	2024
Weighted-average remaining lease term (in years)	9.2	10.0
Weighted-average discount rate	12.3%	12.0%

During the years ended December 31, 2025 and 2024, the Company made cash payments for operating leases of $5.2 million and $3.8 million, respectively. As of December 31, 2025 and 2024, the Company's ROU assets were valued at $22.9 million and $24.5 million, respectively.

The components of lease cost for the years ended December 31, 2025 and 2024 were as follows (in thousands):

	December 31,	
	2025	2024
Operating lease cost	$ 6,099	$ 6,610
Variable lease cost	1,163	1,114
Sublease income	(901)	(1,145)
Net lease cost	$ 6,361	$ 6,579

As of December 31, 2025, the maturities of the Company's operating lease liabilities were as follows (in thousands):

2026	$	5,507
2027		6,258
2028		7,413
2029		6,346
2030		6,417
Thereafter		33,356
Total lease payments		65,297
Less: imputed interest		(28,535)
Total lease liabilities	$	36,762

In-licensing arrangement

In January 2022, the Company entered into a non-exclusive license agreement with Synaffix B.V., a Lonza company (Synaffix) to develop, manufacture and commercialize up to three antibody-drug conjugate targets using Synaffix's proprietary technology. The Company made an upfront payment to Synaffix upon contract execution. In March 2023, the Company and Synaffix amended the agreement, adding four additional targets. Assuming all seven targets are successfully developed and commercialized, the Company would be obligated to pay up to $2.8 billion for development, regulatory and sales milestones. Finally, pursuant to the terms of this license agreement, as amended, upon commencement of commercial sales of any products developed from these targets, the Company would be required to pay Synaffix tiered royalties in the low-single digit percentages on net sales of the respective products. The Company may terminate this agreement at any time with 30 days' notice to Synaffix. Amounts paid to Synaffix under this agreement are recorded as research and development expense in the consolidated statement of operations. The Company incurred $3.2 million, $4.7 million and $2.8 million in expense under this agreement during the years ended December 31, 2025, 2024 and 2023, respectively.

Contractual Commitments

The Company has certain contractual commitments under manufacturing-related supplier arrangements as of December 31, 2025 totaling $4.1 million that expire through May 2026.

6. Stockholders' Equity

The Company's amended and restated certificate of incorporation authorizes 125,000,000 shares of common stock, and 5,000,000 shares of undesignated preferred stock, both with a par value of $0.01 per share. There were no shares of undesignated preferred stock issued or outstanding as of December 31, 2025 or 2024.

In March 2023, the Company entered into a sales agreement with an agent to sell, from time to time, shares of its common stock having an aggregate sales price of up to $100.0 million through an "at the market offering" (ATM Offering) as defined in Rule 415 under the Securities Act of 1933, as amended. No shares were sold under the ATM offering during the years ended December 31, 2025 and 2024.

7. Revenue

Collaborative and Other Agreements

Incyte Corporation

Incyte License Agreement

In 2017, the Company entered into an exclusive global collaboration and license agreement with Incyte, which was amended in March 2018, April 2022, July 2022, and July 2024, for retifanlimab, an investigational monoclonal antibody that inhibits PD-1 (Incyte License Agreement). Incyte has obtained exclusive worldwide rights for the development and commercialization of retifanlimab in all indications, while the Company retains the right to develop its pipeline assets in combination with retifanlimab. Under the terms of the Incyte License Agreement, Incyte paid the Company an upfront payment of $150.0 million in 2017. The Company manufactures a portion of Incyte's global commercial supply of retifanlimab. In March 2023, the FDA approved Incyte's Biologics License Application (BLA) for ZYNYZ (retifanlimab-dlwr) for the

treatment of adults with metastatic or recurrent locally advanced Merkel cell carcinoma. In May 2025, the FDA approved ZYNYZ with carboplatin and paclitaxel for the first-line treatment of adults with inoperable locally recurrent or metastatic squamous cell carcinoma of the anal canal (SCAC), and as a single agent, for adults with locally recurrent or metastatic SCAC with disease progression on or intolerance to platinum-based chemotherapy. In December 2025, Japan's Ministry of Health, Labour and Welfare approved ZYNYZ as first-line therapy for adults with locally recurrent or metastatic SCAC. In March 2026, Incyte announced that the European Commission approved ZYNYZ in combination with carboplatin and paclitaxel for the first-line treatment of adult patients with metastatic or inoperable locally recurrent SCAC. Furthermore, Incyte has stated it is pursuing development of retifanlimab in potentially registration-enabling studies, including in patients with non-small cell lung cancer. Incyte is also pursuing development of retifanlimab in combination with select product candidates from its pipeline.

Under the terms of the Incyte License Agreement, as amended, Incyte leads global development of retifanlimab. From the inception of the Incyte License Agreement through December 31, 2025, the Company has recognized $215.0 million for certain development and regulatory milestones under the Incyte License Agreement, including $15.0 million received following the FDA approval of ZYNYZ and $100.0 million received in August 2024 upon entering into an amendment to the Incyte License Agreement pursuant to which certain development milestones were deemed to have been met. Assuming successful development and commercialization by Incyte in multiple indications, the Company is eligible to receive up to an additional $210.0 million in development and regulatory milestones, and up to $330.0 million in commercial milestones. The Company is also eligible to receive tiered royalties of 15% to 24% on global net sales but sold this right to Sagard in June 2025 as described more fully in Note 10, Royalty Monetization Arrangement. The Company retains the right to develop its pipeline assets in combination with retifanlimab, with Incyte commercializing retifanlimab and the Company commercializing its asset(s), if any such potential combinations are approved. In addition, the Company retains the right to manufacture a portion of both companies' global commercial supply needs of retifanlimab, subject to the separate commercial supply agreement.

The Company evaluated the Incyte License Agreement under the provisions of ASC 606 at inception and identified the following two performance obligations under the agreement: (i) the license of retifanlimab and (ii) the performance of certain clinical activities through a brief technology transfer period. The Company determined that the license and clinical activities are separate performance obligations because they are capable of being distinct, and are distinct in the context of the contract. The license has standalone functionality as it is sublicensable, Incyte has significant capabilities in performing clinical trials, and Incyte is capable of performing these activities without the Company's involvement; the Company performed the activities during the transfer period as a matter of convenience. The Company determined that the transaction price of the Incyte License Agreement at inception was $154.0 million, consisting of the consideration to which the Company was entitled in exchange for the license and an estimate of the consideration for clinical activities to be performed. The transaction price was allocated to each performance obligation based on their relative standalone selling price. The standalone selling price of the license was determined using the adjusted market assessment approach considering similar collaboration and license agreements. The standalone selling price for the agreed-upon clinical activities to be performed was determined using the expected cost approach based on similar arrangements the Company has with other parties. The potential development and regulatory milestone payments are fully constrained until the Company concludes that achievement of the milestone is probable and that recognition of revenue related to the milestone will not result in a significant reversal in amounts recognized in future periods, and as such have been excluded from the transaction price. Any consideration related to sales-based milestones and royalties will be recognized when the related sales occur, as they were determined to relate predominantly to the license granted to Incyte and, therefore, have also been excluded from the transaction price. The Company reassesses the transaction price in each reporting period and when events whose outcomes are resolved or other changes in circumstances occur. In July 2024, the Company and Incyte executed Amendment No. 4 to the Incyte License Agreement pursuant to which certain development milestones were deemed to have been met. The Company evaluated the amendment as a contract modification under the provisions of ASC 606 which resulted in $100.0 million of revenue being recognized during the year ended December 31, 2024. From 2018 through December 31, 2025, it became probable that a significant reversal of cumulative revenue would not occur for development milestones totaling $215.0 million related to clinical and regulatory activities related to the further advancement of retifanlimab. Therefore the associated consideration was added to the estimated transaction price and was recognized as revenue.

The Company recognized the $150.0 million allocated to the license when it satisfied its performance obligation and transferred the license to Incyte in 2017. The $4.0 million allocated to the clinical activities was recognized ratably as services were performed during 2017 and 2018. The Company recognized revenue of $9.7 million, $100.6 million and $15.0 million under the Incyte License Agreement during the years ended December 31, 2025, 2024 and 2023, respectively. The revenue is primarily related to development milestones and includes royalties on ZYNYZ sales beginning in late 2023.

Incyte Commercial Supply Agreement

In 2020, the Company entered into an agreement with Incyte pursuant to which the Company is entitled to manufacture a portion of the global commercial supply needs for retifanlimab (Incyte Commercial Supply Agreement). Unless terminated earlier, the term of the Incyte Commercial Supply Agreement will expire upon the expiration of Incyte's obligation to pay royalties under the Incyte License Agreement. The Company evaluated this agreement under ASC 606 and identified one performance obligation under the agreement: to perform services related to manufacturing the commercial supply of retifanlimab. The transaction price is based on a fixed price per batch of bulk drug substance to be manufactured and is recognized over time as the services are provided, as the performance by the Company does not create an asset with an alternative use and the Company has an enforceable right to payment for the performance completed to date. The transaction price is being recognized using the input method reflecting the costs incurred (including resources consumed and labor costs incurred) related to the manufacturing services. During the years ended December 31, 2025, 2024, and 2023, the Company recognized revenue of $1.7 million, $1.8 million and $4.2 million, respectively, for services performed under the Incyte Commercial Supply Agreement.

Gilead Sciences, Inc.

In 2022, the Company and Gilead entered into an exclusive option and collaboration agreement (Gilead Agreement) to develop and commercialize MGD024, an investigational, bispecific antibody that binds CD123 and CD3, and create bispecific cancer antibodies using the Company's DART and TRIDENT platforms and undertake their early development under a maximum of two separate bispecific cancer target research programs. Under the agreement, the Company will continue the ongoing phase 1 trial for MGD024 according to a development plan, during which Gilead will have the right to exercise an option granted to Gilead to obtain an exclusive license under the Company's intellectual property to develop and commercialize MGD024 and other bispecific antibodies of MacroGenics that bind CD123 and CD3 (CD123 Option). The agreement also granted Gilead the right, within its first two years, to nominate a bispecific cancer target set for up to two research programs conducted by the Company and to exercise separate options to obtain an exclusive license for the development, commercialization and exploitation of molecules created under each research program (Research Program Option). Gilead nominated the first of the two research programs in September 2023. In January 2024, the parties amended the Gilead Agreement to revise certain matters related to intellectual property in the performance of the research plans under the agreement. On August 30, 2024, the parties amended the agreement by entering into a second letter agreement under which Gilead will pay the Company to conduct certain research and which extends the period for Gilead to select its second research target combination.

Under the terms of the Gilead Agreement, as amended, in October 2022 Gilead paid the Company an upfront payment of $60.0 million. Assuming Gilead exercises the CD123 Option and Research Program Option and successfully develops and commercializes MGD024, or other CD123 products developed under the agreement, and products result from the two additional research programs, the Company would be eligible to receive up to a total of $1.7 billion in target nomination, option fees, and development, regulatory and commercial milestones. Assuming exercise of the CD123 Option, the Company will also be eligible to receive tiered, low double-digit royalties on worldwide net sales of MGD024 (or other CD123 products developed under the agreement) and assuming exercise of the Research Program Option, a flat royalty on worldwide net sales of any products resulting from the two research programs.

The Company evaluated the Gilead Agreement under the provisions of ASC 606 and identified the following material promises under the agreement: (i) a license to perform any activities allocated to Gilead under the MGD024 development plan; (ii) development activities regarding MGD024, including manufacturing, research and early clinical development activities, necessary to deliver an informational package of development and clinical data, information and materials specified in the Gilead Agreement during the period in which Gilead can exercise the CD123 Option; (iii) the CD123 Option and (iv) the Research Program Option.

The Company concluded that the license under the MGD024 development plan and development activities are not distinct from one another, as the license has limited value without the Company's performance of the development activities. Therefore, the Company determined that the development term license and development activities should be combined into a single performance obligation (Development Activities). The CD123 Option is considered a material right as the value of the exclusive license exceeds the payment to be made by Gilead if they exercise their option to obtain an exclusive license to develop and commercialize MGD024 or an alternative CD123 product, and is therefore a distinct performance obligation. The Company determined that the Research Program Option does not provide a material right, as there is no discount on its standalone selling price.

In accordance with ASC 606, the Company determined that the initial transaction price under the Gilead Agreement was $60.0 million, consisting of the upfront, non-refundable payment paid by Gilead. The CD123 Option and Research

Program Option payments are excluded from the initial transaction price at contract inception along with any future development, regulatory, and commercial milestone payments (including royalties) following the CD123 Option and Research Program Option exercise. The Company reassesses the amount of variable consideration included in the transaction price every reporting period. The Company allocated the $60.0 million upfront payment in the transaction price to the Development Activities and the CD123 Option based on each performance obligation's relative standalone selling price. The standalone selling price for the Development Activities was calculated using an expected cost-plus margin approach for the pre-option development timeline. For the standalone selling price of the CD123 Option, the Company utilized an income-based approach which included the following key assumptions: post-option development timeline and costs, forecasted revenues, discount rates and probabilities of technical and regulatory success.

The Company is recognizing revenue related to the Development Activities performance obligation over the estimated period to complete the Development Activities using an input method reflecting the costs incurred (including resources consumed and labor hours expended) related to the Development Activities. The Company has deferred revenue recognition related to the CD123 Option. If Gilead exercises the CD123 Option and obtains an exclusive license, the Company will recognize revenue as it fulfills its obligations under the Gilead Agreement. If the CD123 Option is not exercised, the Company will recognize the entirety of the revenue in the period when the CD123 Option expires.

During the year ended December 31, 2025, the Company recorded de minimis revenue under the Gilead Agreement. During each of the years ended December 31, 2024 and 2023, the Company recorded revenue of $1.5 million related to the Gilead Agreement. As of December 31, 2025 and December 31, 2024, $56.8 million in revenue was deferred under this agreement, $1.3 million of which was current and $55.5 million of which was non-current.

In September 2023, the Company and Gilead executed a Letter Agreement (First Letter Agreement) through which Gilead nominated the first of the two research programs contemplated in the Gilead Agreement (First Research Program), the Company granted Gilead a research license, and the parties agreed on a research plan for the First Research Program under which the Company will provide research and development services. Gilead paid the Company a $15.7 million nomination fee. The Company evaluated the Letter Agreement under the terms of ASC 606, and concluded that it is a modification to the Gilead Agreement that results in a separate contract since the modification is for additional goods and services that are distinct and at standalone selling price. The Company determined that the license and the related research and development activities were not distinct from one another, as the license has limited value without the performance of the research and development activities. As such, the Company determined that these should be combined into a single performance obligation. Gilead also has the exclusive option to pay the Company $10.0 million to obtain a license to exploit the research molecule and research product with respect to the First Research Program. The Company determined that this exclusive option does not provide a material right, as there is no discount on its standalone selling price.

In accordance with ASC 606, the Company determined that the initial transaction price for the First Research Program agreement was $15.7 million, consisting of the non-refundable payment paid by Gilead. The Company is recognizing revenue over the estimated period to complete the services using the input method reflecting the costs incurred (including resources consumed and labor hours expended) related to the research and development services. In June 2024, the Company received variable consideration totaling $3.3 million from Gilead upon achievement of a research plan milestone. The variable consideration was added to the transaction price and allocated to the performance obligation to determine the amount of related revenue to be recognized. A proportional amount was recognized based on the input cost to cost measurement of work completed to date.

As of December 31, 2025, the Company has completed performing the services related to the First Research Program and therefore all of the related revenue has been recognized. During the years ended December 31, 2025, 2024 and 2023 the Company recorded revenue of $11.0 million, $7.8 million and $0.8 million, respectively, related to the First Research Program. As of December 31, 2025, no revenue was deferred under this agreement. As of December 31, 2024, $11.0 million in revenue was deferred under this agreement, all of which was current.

In November 2025,the parties amended the Gilead Agreement by entering into a third letter agreement (Third Letter Agreement) under which Gilead nominated the second of the two research programs contemplated in the Gilead Agreement (Second Research Program) and the Company granted Gilead a research license. Gilead also exercised their exclusive option to obtain a license to exploit the research molecule and research product with respect to the Second Research Program. Gilead paid the Company a total of $25.0 million related to the nomination and option exercise. The Company evaluated the Third Letter Agreement under the terms of ASC 606, and concluded that it is a modification to the Gilead Agreement that results in a separate contract since the modification is for additional goods and services that are distinct and at standalone selling price. The Company determined that there is one performance obligation under the Third Letter Agreement; to grant the research term license and exploitation license. In accordance with ASC 606, the Company determined that the initial transaction price for the

Second Research Program was $25.0 million, consisting of the non-refundable payment made by Gilead. The Company recognized this amount when it satisfied its performance obligation and transferred the license to Gilead during the year ended December 31, 2025. The Company is entitled to future development, regulatory and commercial milestones related to the Second Research Program should Gilead successfully develop and commercialize the molecule. These potential development and regulatory milestone payments are fully constrained until the Company concludes that achievement of the milestone is probable and that recognition of revenue related to the milestone will not result in a significant reversal in amounts recognized in future periods, and as such have been excluded from the transaction price. Any consideration related to sales-based milestones and royalties will be recognized when the related sales occur, as they were determined to relate predominantly to the license granted to Gilead and, therefore, have also been excluded from the transaction price.

Sanofi S.A.

In 2018, the Company entered into an asset purchase agreement with Provention Bio, Inc. (Provention) pursuant to which Provention acquired the Company's interest in teplizumab, a monoclonal antibody being developed for the treatment of type 1 diabetes (Provention APA). The FDA approved the BLA for TZIELD (teplizumab-mzwv) in November 2022. In March 2023, the Company sold its single-digit royalty interest in TZIELD to a wholly-owned subsidiary of DRI Healthcare Trust (DRI) and received a $100.0 million payment from DRI under a Royalty Purchase Agreement. The Company retained its other economic interests related to TZIELD, including future potential regulatory and commercial milestones, as well as the right to receive a 50% share of the royalty on global net sales above a certain annual threshold. In addition, the Company remains eligible to receive an additional $50.0 million if TZIELD achieves a certain level of net sales.

In April 2023, Sanofi S.A. completed its acquisition of Provention and the Company entered into a tripartite agreement with DRI and Sanofi under which it was released of any obligations under the Royalty Purchase Agreement. In September 2023, the Company and Sanofi executed Amendment No. 2 to the Provention APA and terminated the Royalty Purchase Agreement with DRI. As a result, the remaining $50.0 million sales milestone under the Royalty Purchase Agreement was incorporated into the Provention APA.

The Company evaluated the Provention APA under the provisions of ASC 606, and determined that the potential development and regulatory milestone payments are fully constrained until the Company concludes that achievement of the milestone is probable and that recognition of revenue related to the milestone will not result in a significant reversal in amounts recognized in future periods. Any consideration related to sales-based milestones will be recognized when the related sales occur. The Company re-assesses the transaction price in each reporting period and when events whose outcomes are resolved or other changes in circumstances occur.

During the year ended December 31, 2025, two regulatory milestones were achieved and the Company recognized $50.0 million in revenue. During the year ended December 31, 2024, no revenue was recognized under these agreements. During the year ended December 31, 2023, the Company recognized revenue of $5.6 million under these agreements.

Manufacturing Services Agreements

Incyte

In January 2022, the Company entered into a Manufacturing and Clinical Supply Agreement with Incyte (2022 Incyte Manufacturing and Clinical Supply Agreement) to provide manufacturing services to produce certain Incyte bulk drug substance over a three-year period. Under the terms of the 2022 Incyte Manufacturing and Clinical Supply Agreement, the Company received an upfront payment of $10.0 million and was eligible to receive annual fixed payments paid quarterly over the term of the contract totaling $14.4 million. The Company was also reimbursed for materials used to manufacture product as well as other costs incurred to provide manufacturing services. In July 2022, the Company and Incyte executed an amendment to the Incyte Manufacturing and Clinical Supply Agreement which extended the term for one year and provided for an additional annual fixed payment of $5.1 million (July 2022 Incyte Amendment). In December 2024 and March 2025, the Company and Incyte entered into letter agreements whereby Incyte reserved additional manufacturing services during 2025 with a total fixed cost of $13.5 million (Incyte Letter Agreements).

The Company evaluated the Incyte Manufacturing and Clinical Supply Agreement, the July 2022 Incyte Amendment and the Incyte Letter Agreements under the provisions of ASC 606 and identified one performance obligation to provide manufacturing runs to Incyte, as and when requested by Incyte, over the term of the contract that is part of a series of goods and services. The Company determined that the transaction price consists of the upfront payment of $10.0 million, the annual fixed payments and the payments per batch under the Incyte Letter Agreements totaling $41.7 million. The Company is recognizing revenue over time on a straight-line basis as the manufacturing services are provided to Incyte, as the Company determined that its efforts in providing the manufacturing services are incurred evenly throughout the performance period and therefore straight-line revenue recognition closely approximates the level of effort for the manufacturing services. Variable consideration relating

to the reimbursed materials and other reimbursed costs incurred to manufacture product for Incyte will be allocated to the related manufacturing activities and will be recognized as revenue as those activities occur. Materials purchased by the Company to manufacture the product for Incyte are considered inventory and are capitalized and expensed as the materials are used to provide the manufacturing services.

During the years ended December 31, 2025, 2024, and 2023, the Company recognized revenue of $36.8 million, $11.0 million and $9.7 million, respectively, under the 2022 Incyte Manufacturing and Clinical Supply Agreement. As of December 31, 2025, $1.5 million in revenue was deferred under this agreement, all of which was current. As of December 31, 2024, $3.4 million in revenue was deferred under this agreement, all of which was current.

In September 2025, the Company entered into a new Manufacturing and Clinical Supply Agreement with Incyte (2025 Incyte Manufacturing and Clinical Supply Agreement) to provide manufacturing services to produce certain Incyte bulk drug substance over a three-year period beginning in January 2026. Based on the current manufacturing schedule contemplated in the 2025 Incyte Manufacturing and Clinical Supply Agreement, Incyte will pay a total fixed cost of $16.8 million over the term of the agreement. The Company will also be reimbursed for materials used to manufacture product as well as other costs incurred to provide manufacturing services.

The Company evaluated the 2025 Incyte Manufacturing and Clinical Supply Agreement under the provisions of ASC 606 and identified one performance obligation to provide manufacturing runs to Incyte, as and when requested by Incyte, over the term of the contract that is part of a series of goods and services.

The Company will recognize revenue over time on a straight-line basis as the manufacturing services are provided to Incyte, as the Company determined that its efforts in providing the manufacturing services are incurred evenly throughout the performance period and therefore straight-line revenue recognition closely approximates the level of effort for the manufacturing services. Variable consideration relating to the reimbursed materials and other reimbursed costs incurred to manufacture product for Incyte will be allocated to the related manufacturing activities and will be recognized as revenue as those activities occur. Materials purchased by the Company to manufacture the product for Incyte are considered inventory and are capitalized and expensed as the materials are used to provide the manufacturing services. As of December 31, 2025, no revenue was recorded under this agreement.

Emergent Biosolutions

In 2024 and 2025, the Company entered into agreements with Emergent BioSolutions (Emergent) to provide manufacturing services to produce certain Emergent bulk drug substance (Emergent Agreement). Under the terms of the agreement, the Company receives payments in accordance with the manufacturing schedule and are reimbursed for materials used to manufacture product, as well as other costs incurred to provide development and manufacturing services. The Company evaluated the Emergent Agreement under the provisions of ASC 606 and identified one performance obligation to manufacture bulk drug substances over the term of the contract that is part of a series of goods and services. The Company determined that the transaction price consisted of $13.5 million of fixed consideration. The Company is recognizing revenue over time on a straight-line basis as the manufacturing is provided to Emergent, as the Company determined that its efforts in providing the manufacturing services will be incurred evenly throughout the performance period and therefore straight-line revenue recognition closely approximates the level of effort for the manufacturing services. Variable consideration relating to the reimbursed materials and other reimbursed costs incurred to manufacture product for Emergent will be allocated to the related manufacturing activities and will be recognized as revenue as those activities occur. During the years ended December 31, 2025 and 2024, the Company recognized revenue of $10.7 million and $2.0 million, respectively, under the Emergent Agreement. During the year ended December 31, 2023, de minimis revenue was recognized under the agreement. As of December 31, 2025, $5.6 million in revenue was deferred under this agreement, all of which was current. As of December 31, 2024, $0.3 million in revenue was deferred under this agreement, all of which was current.

8. Stock-based Compensation

Employee Stock Purchase Plan

In May 2017, the Company's stockholders approved the 2016 Employee Stock Purchase Plan (the 2016 ESPP). The 2016 ESPP is structured as a qualified employee stock purchase plan under Section 423 of the Internal Revenue Code of 1986, as amended, and is not subject to the provisions of the Employee Retirement Income Security Act of 1974. The Company reserved 800,000 shares of common stock for issuance under the 2016 ESPP. The 2016 ESPP allows eligible employees to purchase shares of the Company's common stock at a discount through payroll deductions of up to 10% of their eligible compensation, subject to any plan limitations. The 2016 ESPP provides for six-month offering periods ending on May 31 and November 30 of each year. At the end of each offering period, employees are able to purchase shares at 85% of the fair market value of the Company's common stock on the last day of the offering period. During the year ended December 31, 2025,

employees purchased 105,652 shares of common stock under the 2016 ESPP for net proceeds to the Company of approximately $0.1 million.

Employee Stock Incentive Plans

In October 2013, the Company implemented the 2013 Equity Incentive Plan (2013 Plan). In May 2023, the 2013 Plan was terminated, and no further awards may be issued under the plan. If an option granted under the 2013 Plan expires or terminates for any reason without having been fully exercised, if any shares of restricted stock are forfeited, or if any award terminates, expires or is settled without all or a portion of the shares of common stock covered by the award being issued, such shares will become available for issuance under the 2023 Equity Incentive Plan (2023 Plan).

As of December 31, 2025, under the 2013 Plan, there were options to purchase an aggregate of 9,202,161 shares of common stock outstanding at a weighted average exercise price of $14.27 per share. As of December 31, 2025, there were 144,263 unvested RSUs outstanding under the 2013 Plan.

The 2023 Plan was effective as of stockholder approval in May 2023 and provides for grants of stock options and other stock-based awards, as well as cash-based performance awards. The 2023 Plan has been amended pursuant to stockholder approval to increase the number of authorized shares of common stock, and as of December 31, 2025, there are 8,100,000 shares of common stock authorized for issuance under the 2023 Plan. If an option expires or terminates for any reason without having been fully exercised, if any shares of restricted stock are forfeited, or if any award terminates, expires or is settled without all or a portion of the shares of common stock covered by the award being issued, such shares are available for the grant of additional awards. However, any shares that are withheld (or delivered) to pay withholding taxes or to pay the exercise price of an option are not available for the grant of additional awards. As of December 31, 2025, under the 2023 Plan, there were options to purchase an aggregate of 4,897,067 shares of common stock outstanding at a weighted average exercise price of $6.94 per share. As of December 31, 2025, there were 601,328 unvested RSUs outstanding under the 2023 Plan.

The following stock-based compensation amounts were recognized for the periods indicated (in thousands):

	Year Ended December 31,		
	2025	**2024**	**2023**
Research and development	$ 8,647	$ 11,759	$ 9,190
Selling, general and administrative	5,639	17,680	9,183
Total stock-based compensation expense	$ 14,286	$ 29,439	$ 18,373

On October 25, 2024, Dr. Scott Koenig, the former President and Chief Executive Officer of the Company and the Company entered into a separation and consulting agreement (the Separation Agreement), which provided for the terms of Dr. Koenig's separation from employment. The Company evaluated the impacts of the Separation Agreement and the related modifications to Dr. Koenig's option awards and RSU awards. As a result, the Company recognized all additional stock-based compensation expense in 2024 in accordance with ASC Topic 718, *Compensation – Stock Compensation* (ASC 718) in the amount of $6.1 million.

The assumptions used to estimate the fair value of Dr. Koenig's modified awards in 2024 were as follows:

Expected dividend yield	0%
Expected volatility	108% -174%
Risk-free interest rate	4.2% - 4.3%
Expected term	1.00 year - 5.50 years

Employee Stock Options

The Company accounts for stock-based compensation to employees and non-employee directors in accordance with ASC 718. The Company estimates the fair value of stock option awards using the Black-Scholes option pricing model on the date of grant using the assumptions in the table below. Stock options granted to employees generally vest over four years and have a term of ten years. Stock-based compensation expense for stock options is recognized as expense over the requisite service period, which is the vesting period. As the Company has not paid dividends since inception, nor does it expect to pay any dividends for the foreseeable future, the expected dividend yield assumption is zero. The expected volatility is based on the historical stock volatility of the Company's own common stock over a period equal to the expected term of the options. The risk-free rate of the stock options is based on the U.S. Treasury rate in effect at the time of grant for the expected term of the

stock options. The Company calculates expected term based on the historical experience with similar awards, giving consideration to the contractual terms of the share-based awards, vesting schedules and expectations of future employee behavior. In addition, the Company estimates the expected forfeiture rate and only recognizes expense for those shares expected to vest. The Company estimates the forfeiture rate based on historical experience and its expectations regarding future pre-vesting termination behavior of employees. The Company reviews its estimate of the expected forfeiture rate annually, and stock-based compensation expense is adjusted accordingly.

	Year Ended December 31,		
	2025	2024	2023
Expected dividend yield	0%	0%	0%
Expected volatility	111% -116%	95% - 116%	76% - 96%
Risk-free interest rate	3.7% - 4.5%	3.5% - 4.7%	3.5% - 4.8%
Expected term	6.11 years	6.06 years	5.88 years

The following table summarizes stock option activity for 2025:

	Shares	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value (in thousands)
Outstanding, December 31, 2024	12,939,517	$ 14.80	6.4	
Granted	3,074,544	2.14		
Exercised	—	—		
Forfeited	(691,507)	8.54		
Expired	(1,216,406)	22.06		
Outstanding, December 31, 2025	14,106,148	$ 11.72		$ 125
As of December 31, 2025:				
Exercisable	10,216,005	$ 14.06	5.4	$ 26
Vested and expected to vest	13,793,041	$ 11.84	6.3	$ 115

As of December 31, 2025, the total unrecognized compensation expense related to unvested stock options, net of related forfeiture estimates, was approximately $12.4 million, which the Company expects to recognize over a weighted-average period of approximately 1.2 years. The following table summarizes additional information on stock options (in thousands, except per share amounts):

	Year Ended December 31,		
	2025	2024	2023
Shares of common stock issued with stock options exercises	—	333,522	34,608
Weighted-average fair value per share of stock options granted	$ 1.81	$ 12.61	$ 3.83
Total intrinsic value of stock options exercised	$ —	$ 2,617	$ 93
Total cash received for stock options exercised	$ —	$ 3,128	$ 129
Total grant date fair value of stock options vested	$ 15,634	$ 17,992	$ 16,435

Restricted Stock Units

RSUs are valued based on the closing price of the Company's common stock on the date of the grant. The fair value of RSUs is recognized and amortized on a straight-line basis over the requisite service period of the award.

The following table summarizes RSU activity for 2025:

	Shares	Weighted-Average Grant Date Fair Value
Outstanding, December 31, 2024	1,068,994	$ 11.97
Granted	359,420	2.46
Vested	(506,646)	10.53
Forfeited or expired	(175,972)	9.96
Outstanding, December 31, 2025	745,796	$ 8.84

At December 31, 2025, there was $2.9 million of total unrecognized compensation cost related to unvested RSUs, which the Company expects to recognize over a remaining weighted-average period of 1.0 year.

9. TerSera Transaction

In October 2024, the Company entered into an Asset Purchase and Sale Agreement (ASA) with TerSera in which TerSera acquired global rights to MARGENZA. Pursuant to the ASA, the Company received $40.0 million and may also receive up to $35.0 million in future sales milestone payments. The transaction closed in November 2024. In connection with the ASA, the Company also entered into a Master Manufacturing & Supply Agreement (MSA) with TerSera under which it will manufacture MARGENZA product for TerSera, and a Transition Services Agreement under which it will provide certain services to ensure a smooth business transition to TerSera.

The Company determined that the sale of MARGENZA does not qualify for reporting as a discontinued operation since it does not represent a strategic shift that has or will have a major effect on its operations and financial results. The Company determined that the agreements should be accounted for as one single combined contract with multiple elements under which the Company allocated the total consideration of $44.5 million on a relative standalone selling price basis in accordance with the applicable authoritative guidance. The Company recorded a $36.3 million gain on the sale of MARGENZA and related inventory in the “Gain on Sale of MARGENZA” line on its consolidated statements of operations and comprehensive loss for the year ended December 31, 2024.

10. Royalty Monetization Arrangement

In June 2025, the Company and Sagard entered into a Purchase and Sale Agreement (Royalty Purchase Agreement) pursuant to which the Company sold to Sagard its right to receive royalties on global net sales of ZYNYZ (retifanlimab-dlwr) occurring on and after July 1, 2025 under the Company’s Global Collaboration and License Agreement, dated as of October 24, 2017, as amended (Incyte License Agreement), with Incyte Corporation (Incyte).

Under the terms of the Royalty Purchase Agreement, the Company received a cash payment of $70.0 million. In exchange, Sagard acquired the royalties payable to the Company under the License Agreement for global net sales of ZYNYZ, subject to a cap. Following Sagard’s receipt of aggregate royalty payments totaling $140.0 million, the Company will resume collecting all future royalties under the License Agreement. The Company has retained its other economic interests related to ZYNYZ, including future potential development, regulatory and commercial milestones.

The $70.0 million proceeds received from Sagard under the Royalty Purchase Agreement were recorded as a liability related to future royalties, net of transaction costs of $0.3 million, which will be amortized over the estimated life of the arrangement using the effective interest rate method. The Company accounted for the Royalty Purchase Agreement as a financing arrangement because the Company has significant continuing involvement in the generation of cash flows due to Sagard and other existing obligations under the License Agreement. Royalty revenue will be recognized as earned on net sales of ZYNYZ, and the Company will record the royalty payments Incyte makes to Sagard as a reduction of the liability when earned. The aggregate future estimated payments, less the $69.7 million of net proceeds, will be recorded as interest expense over the estimated life of the arrangement. As such payments are made to Sagard, the balance of the liability will be effectively repaid over the life of the Royalty Purchase Agreement. The Company estimates the payments to be made to Sagard over the term of the Royalty Purchase Agreement based on forecasted royalties and will calculate the effective interest rate required to discount such payments back to the liability balance. As of December 31, 2025, the estimated effective interest rate under the agreement was approximately 24.3%. Over the course of the Royalty Purchase Agreement, the actual effective interest rate will be affected by the amount and timing of net royalty revenue recognized and changes in forecasted revenue. On a quarterly basis, the Company will reassess the effective interest rate and adjust the rate prospectively as necessary. The Company

recognized non-cash interest expense of $8.3 million during the year ended December 31, 2025, which is reflected in the interest and other expense line on the consolidated statements of operations.

Changes to the liability related to future royalties were as follows for the year ended December 31, 2025 (in thousands):

Liability relating to future royalties - beginning balance	$ —
Proceeds from sale of future royalties	70,000
Deferred transaction costs	(327)
Non-cash royalty revenue payable to Sagard	(7,932)
Non-cash interest expense recognized	8,259
Liability relating to future royalties - ending balance	$ 70,000

11. Income Taxes

For the year ended December 31, 2025, the Company recorded an income tax benefit of $0.7 million which reflects refunds net of income taxes paid. For the year ended December 31, 2024 the Company was is in a taxable income position due to the Tax Cuts and Jobs Act of 2017 (the Jobs Act) limitation on utilization of Net Operating Losses to 80% of taxable income as well as the limitation on utilization of income tax credits, while the company remains in a full valuation allowance position. For the year ended December 31, 2023 there was no provision for income taxes due to taxable losses generated, fully offset by a valuation allowance. During the year ended December 31, 2025, the Company paid $0.3 million in taxes (net of refunds) to the state of Maryland, and all of the payments made for Federal taxes were refunded.

The Company recorded income tax benefit (expense) as follows (in thousands):

	Year Ended December 31,		
	2025	**2024**	**2023**
Current income tax (benefit) expense:			
Federal	$ (435)	$ 707	$ —
State	(237)	237	—
Total	$ (672)	$ 944	$ —

Beginning in 2025 annual reporting, the Company adopted ASU 2023-09 prospectively. See Note 2, Summary of Significant Accounting Policies - Recently Adopted Accounting Pronouncements for additional details. The reconciliation of the reported estimated income tax expense to the amount that would result by applying the U.S. federal statutory tax rate to the net income is as follows (in thousands):

	Year Ended December 31, 2025	
	Amount	**Rate**
United States federal tax at statutory rate	$ (15,811)	21.00 %
Maryland taxes (net of federal benefit)	(237)	0.31 %
Research credit, net	448	(0.60)%
Orphan drug credit, net	15	(0.02)%
Officers limit on compensation	1,239	(1.65)%
Equity-based compensation	2,024	(2.69)%
Change in valuation allowance	12,066	(16.03)%
Other	(416)	0.55 %
Income tax expense/(benefit)	$ (672)	0.89 %

	Year Ended December 31,	
	2024	2023
United States federal tax at statutory rate	$ (13,866)	$ (1,902)
State taxes (net of federal benefit)	(4,183)	(163)
Deferred income tax adjustments	(7,299)	5,024
Deferred state blended rate adjustments	(2,663)	1,841
Research credit, net	(12,082)	(3,168)
Orphan drug credit, net	(1,308)	2,374
Other permanent items	388	1,301
Equity-based compensation	5,594	1,950
Change in valuation allowance	36,287	(7,257)
Other	76	—
Income tax expense/(benefit)	$ 944	$ —

The significant components of the Company's deferred income tax assets (liabilities) were as follows (in thousands):

	December 31,	
	2025	2024
Deferred income tax assets:		
Federal U.S. net operating loss carryforward	$ 136,476	$ 116,341
State net operating loss carryforward	33,028	31,758
Research and development credit, net	78,946	79,108
Orphan drug credit, net	33,817	33,834
Operating lease liabilities	10,116	10,308
Deferred revenue	35,108	18,795
Section 174 deferred tax asset	68,910	98,810
Equity based compensation	15,838	16,272
Other	5,584	4,971
Gross deferred income tax assets	417,823	410,197
Valuation allowance	(410,103)	(401,297)
Net deferred income tax assets	7,720	8,900
Deferred income tax liabilities:		
Operating lease ROU assets	(6,300)	(6,745)
Prepaid expenditures	(1,420)	(2,155)
Gross deferred income tax liabilities	(7,720)	(8,900)
Net deferred income tax asset/(liability)	$ —	$ —

In assessing the realization of deferred tax assets, the Company considers whether it is more likely than not that some portion or all the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon future generation for taxable income during the periods in which temporary differences representing net future deductible amounts become deductible. The Company considers the scheduled reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in making this assessment. After consideration of all the information available, the Company continues to maintain a full valuation allowance against U.S. federal and state net deferred tax assets due to the Company’s cumulative loss position and lack of sufficient positive evidence to support the realizability of its U.S. net deferred tax assets.

The activity in the valuation allowance on deferred tax assets was as follows (in thousands):

	Balance at Beginning of Year	Additions	Deductions	Balance at End of Year
Year Ended December 31, 2025	$ 401,297	$ 8,806	$ —	$ 410,103
Year Ended December 31, 2024	365,010	36,287	—	401,297
Year Ended December 31, 2023	372,267	—	(7,257)	365,010

As of December 31, 2025, the Company has U.S. federal and state net operating loss (NOL) carryforwards of approximately $650.0 million. Of these NOLs, $2.2 million will expire beginning in 2027 through 2028. $647.8 million of NOLs were generated post December 31, 2017 and carryforward indefinitely. In addition, the Company has U.S. federal tax credits of $108.5 million, which will expire in various years beginning in 2027 through 2045.

Utilization of the Company's U.S. federal NOL and tax credit carryforwards may be subject to a substantial annual limitation under Sections 382 and 383 of the Internal Revenue Code (IRC) of 1986, and corresponding provisions of state law, due to ownership changes that may have occurred previously or that could occur in the future. These ownership changes may limit the amount of net operating loss and research and development tax credit carryforwards that can be utilized annually to offset future tax liabilities.

Beginning January 1, 2022, the Jobs Act eliminated the option to deduct research and development expenditures in the current year and requires taxpayers to capitalize such expenses pursuant to IRC Section 174. The capitalized expenses are amortized over a 5-year period for domestic expenses and a 15-year period for foreign expenses.

A reconciliation of the beginning and ending amount of gross unrecognized tax benefits is as follows (in thousands):

	Year Ended December 31,		
	2025	2024	2023
Beginning balance	$ 9,334	$ 7,821	$ 7,376
Increases for current year tax positions	398	1,001	449
Increases/(decreases) for prior year tax positions	(1,393)	512	(4)
Ending balance	$ 8,339	$ 9,334	$ 7,821

As of December 31, 2025 and 2024, of the total gross unrecognized tax benefits, approximately $8.3 million and $9.3 million would favorably impact the Company's effective income tax rate, respectively. Although, due to the Company's determination that the deferred income tax asset would not more likely than not be realized, a valuation allowance would be recorded, therefore, zero net impact would result within the Company's effective income tax rate. The Company's uncertain income tax position liability has been recorded to deferred income taxes to offset the tax attribute carryforward amounts.

For the years ended December 31, 2025, 2024 and 2023, the Company has not recognized any interest or penalties related to the uncertain income tax positions due to the fact such position is related to tax attribute carryforwards which have not yet been utilized. The Company does not anticipate any significant changes to its unrecognized income tax position within the next twelve months.

The Company files tax returns as prescribed by the tax laws of the jurisdictions in which it operates. In the normal course of business, the Company is subject to examination by federal and state jurisdictions, where applicable.The Company's tax years in the U.S from 2007 forward remain open to examination due to the carryover of unused income tax credits and net operating losses.

On July 4, 2025, the One Big Beautiful Bill Act of 2025 (OBBBA) was enacted, which includes, among other provisions, changes to the U.S. corporate income tax system including the allowance of immediate expensing of qualifying research and development expenses and permanent extensions of certain provisions within the Jobs Act. The Company is currently evaluating the impact that the OBBBA will have on its financial statements, but it is not expected have a material impact on the Company’s consolidated financial statements.

12. Employee Benefit Plan

In 2002, the Company established the MacroGenics 401(k) Plan (the Plan) for its employees under Section 401(k) of the IRC. Under this Plan, all employees at least 21 years of age are eligible to participate in the Plan, starting on the first day of employment. Employees may contribute up to 100% of their salary, subject to government maximums.

Employees are 100% vested in their contributions to the Plan. The Company's contribution to the Plan, as determined by the Board of Directors, is discretionary. For the years ended December 31, 2025, 2024 and 2023, the Company's contributions to the Plan totaled $2.2 million, $2.2 million and $2.1 million, respectively.

13. Segment Reporting

The Company identifies its reportable segments based on information reviewed by the Company's Chief Operating Decision Maker (CODM). The Company operates as one operating and reportable segment, which is discovering, developing, manufacturing and commercializing innovative antibody-based therapeutics for the treatment of cancer. The Company has determined its reportable operating segment based on the management approach, which considers the internal organization and reporting used by the Company's CODM to make decisions about allocating resources and assessing the Company's performance. The determination of a single business segment is consistent with the consolidated financial information regularly reviewed by the CODM for purposes of assessing performance and allocating resources.

The CODM uses consolidated net loss, consistent with the amounts reported in the Company's consolidated statements of operations to evaluate performance, forecast future period financial results and allocate resources. Total consolidated assets presented in the accompanying consolidated balance sheets also represent the segment's total assets.

The table below summarizes the significant expenses regularly reviewed by the CODM (in thousands):

	Year Ended December 31,		
	2025	2024	2023
Total revenue (a)	$ 149,500	$ 149,962	$ 58,749
Cost of product sales	—	847	619
Cost of manufacturing services	36,009	11,452	7,603
Research and development expenses:			
Lorigerlimab	33,851	36,805	27,716
MGC030	20,968	10,100	—
MGC028	18,681	24,055	14,408
Vobramitamab duocarmazine	17,486	39,809	39,217
MGC026	17,128	14,126	13,523
Next-generation T-cell engagers	12,353	8,421	10,464
MGD024	9,643	9,734	6,974
Preclinical antibody-drug conjugates (ADCs)	4,818	8,002	11,170
Margetuximab	719	10,846	16,081
Other programs	11,525	15,296	27,030
Total research and development expenses	147,172	177,194	166,583
Selling, general and administrative expenses	39,160	71,047	52,188
Other segment income (loss), net (b)	(1,779)	43,612	159,186
Net loss	$ (74,620)	$ (66,966)	$ (9,058)

(a) Total revenue includes collaborative and other agreements, product sales, net, contract manufacturing, and government agreements.
(b) Other segment income (loss), net includes the gain on sale of MARGENZA, gain on royalty monetization, interest and other income and expense, and income tax expense.

Prior period segment information has be recast to conform to the current-period presentation. These changes include moving discontinued projects separately presented in 2024 and 2023 into Other programs and presenting programs separately in 2025 for molecules no longer in a preclinical phase.

The Company operates in the United States and all material long-lived assets of the Company reside in the United States. For information about the Company's revenues, see Note 7, Revenue.

EXHIBIT INDEX

Exhibit No.	Description
3.1	Restated Certificate of Incorporation of the Company and Certificate of Correction to the Restated Certificate of Incorporation of the Company (incorporated by reference to Exhibits 3.1 and 3.3, respectively, to the Company's Current Report on Form 8-K filed on October 18, 2013)
3.2	Amended and Restated By-Laws of the Company (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K (File No. 001-36112) filed on April 2, 2021)
4.1	Specimen Stock Certificate (incorporated by reference to Exhibit 4.2 to the Registration Statement on Form S-1 (File No. 333-190994) filed by the Company on October 9, 2013)
4.2	Description of Common Stock (incorporated by reference to Exhibit 4.2 to the Company's Annual Report on Form 10-K filed on February 25, 2021)
10.1*	Form of Indemnification Agreement
10.2†	Global Collaboration and License Agreement by and between the Company and Incyte Corporation, dated October 24, 2017 (incorporated by reference to Exhibit 10.3 to the Company's Annual Report on Form 10-K filed on February 27, 2018)
10.3+	Company 2013 Equity Incentive Plan (incorporated by reference to Exhibit 10.5 to the Registration Statement on Form S-1 (File No. 333-190994) filed by the Company on October 1, 2013)
10.4+	Form of Incentive Stock Option Agreement under 2013 Equity Incentive Plan (incorporated by reference to Exhibit 10.6 to the Registration Statement on Form S-1 (File No. 333-190994) filed by the Company on October 1, 2013)
10.5+	Form of Nonstatutory Stock Option Agreement under 2013 Equity Incentive Plan (incorporated by reference to Exhibit 10.7 to the Registration Statement on Form S-1 (File No. 333-190994) filed by the Company on October 1, 2013)
10.6+	Form of Restricted Stock Units Grant Notice under 2013 Equity Incentive Plan (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q filed on May 6, 2015)
10.7+	Company 2023 Equity Incentive Plan (incorporated by reference to Exhibit 99.1 to the Registration Statement on Form S-8 (File No. 333-272451) filed by the Company on June 6, 2023)
10.8+	Form of Employee Stock Option Grant Notice and Stock Option Agreement under 2023 Equity Incentive Plan (incorporated by reference to Exhibit 10.8 to the Company's Annual Report on Form 10-K filed on March 7, 2024)
10.9+	Form of Employee Restricted Stock Unit Award Grant Notice and Award Agreement under 2023 Equity Incentive Plan (incorporated by reference to Exhibit 10.9 to the Company's Annual Report on Form 10-K filed on March 7, 2024)
10.10+	Form of Director Stock Option Grant Notice and Stock Option Agreement under 2023 Equity Incentive Plan (incorporated by reference to Exhibit 10.10 to the Company's Annual Report on Form 10-K filed on March 7, 2024)
10.11+	Form of Director Restricted Stock Unit Award Grant Notice and Award Agreement under 2023 Equity Incentive Plan (incorporated by reference to Exhibit 10.11 to the Company's Annual Report on Form 10-K filed on March 7, 2024)
10.12+	2016 Employee Stock Purchase Plan (incorporated by reference to Exhibit 4.1 to the Registration Statement on Form S-8 (File No. 333-214386) filed by the Company on November 2, 2016)
10.13+	Employment Agreement between the Company and Scott Koenig, M.D., Ph.D. (incorporated by reference to Exhibit 10.14 to the Company's Annual Report on Form 10-K filed by the Company on February 29, 2016)
10.14+	Employment Agreement between the Company and James Karrels (incorporated by reference to Exhibit 10.15 to the Company's Annual Report on Form 10-K filed by the Company on February 29, 2016)
10.15+	Separation and Consulting Agreement between the Company and Scott Koenig, M.D., Ph.D dated October 25, 2024 (incorporated by reference to Exhibit 10.33 to the Company's Annual Report on Form 10-K filed on March 20, 2025)
10.16+	Amendment No.1 to the Employment Agreement between the Company and James Karrels dated January 1, 2025 (incorporated by reference to Exhibit 10.34 to the Company's Annual Report on Form 10-K filed on March 20, 2025)

10.17+	Amendment to Separation and Consulting Agreement between the Company and Scott Koenig, M.D., Ph.D. dated February 25, 2025 (incorporated by reference to Exhibit 10.36 to the Company's Annual Report on Form 10-K filed on March 20, 2025)
10.18†	Amendment No, 1 to the Global Collaboration and License Agreement by and between the Company and Incyte Corporation, dated March 15, 2018 (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed on May 7, 2018)
10.19#	Amendment No. 2 to the Global Collaboration and License Agreement by and between the Company and Incyte Corporation, dated April 7, 2022 (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed on August 8, 2022)
10.20#	Amendment No. 3 to the Global Collaboration and License Agreement by and between the Company and Incyte Corporation, dated April 7, 2022 (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed on November 3, 2022)
10.21#	Amendment No. 4 to the Global Collaboration and License Agreement by and between the Company and Incyte Corporation, dated July 24, 2024 (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed on November 5, 2024)
10.22#	Commercial Supply Agreement by and between Incyte Corporation and the Company, dated October 13, 2020 (incorporated by reference to Exhibit 10.16 to the Company's Annual Report on Form 10-K filed on February 25, 2021)
10.23#	Collaboration and License Agreement by and between the Company and Gilead Sciences, Inc., dated October 14, 2022 (incorporated by reference to Exhibit 10.22 to the Company's Annual Report on Form 10-K filed by the Company on March 15, 2023)
10.24#	Amendment No. 1 to the Collaboration and License Agreement by and between the Company and Gilead Sciences, Inc., dated January 11, 2024 (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed on May 9, 2024)
10.25#	Second Letter Agreement by and between the Company and Gilead Sciences, Inc., dated August 30, 2024 (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q filed on November 5, 2024)
10.26#*	Third Letter Agreement by and between the Company and Gilead Sciences, Inc., dated November 11, 2025
10.27#	Asset Purchase Agreement by and between the Company and Provention Bio, Inc., dated May 7, 2018 (incorporated by reference to Exhibit 10.23 to the Company's Annual Report on Form 10-K filed by the Company on March 15, 2023)
10.28#	Amendment No. 1 to the Asset Purchase Agreement by and between the Company and Provention Bio, Inc., dated November 30, 2022 (incorporated by reference to Exhibit 10.24 to the Company's Annual Report on Form 10-K filed by the Company on March 15, 2023)
10.29#	Amendment No. 2 to the Asset Purchase Agreement by and between the Company and Provention Bio, Inc., dated September 19, 2023 (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed on November 6, 2023
10.30#	Lease by and between BMR-Medical Center Drive LLC and J. Craig Venter Institute, Inc., dated May 3, 2010 (incorporated by reference to Exhibit 10.25 to the Company's Annual Report on Form 10-K filed by the Company on March 15, 2023)
10.31#	First Amendment to Lease by and between BMR-Medical Center Drive LLC and J. Craig Venter Institute, Inc. dated March 26, 2014 (incorporated by reference to Exhibit 10.26 to the Company's Annual Report on Form 10-K filed by the Company on March 15, 2023)
10.32#	Second Amendment to Lease by and between the Company and BMR-Medical Center Drive LLC, dated July 31, 2015 (incorporated by reference to Exhibit 10.27 to the Company's Annual Report on Form 10-K filed by the Company on March 15, 2023)
10.33#	Third Amendment to Lease by and between the Company and BMR-Medical Center Drive LLC, dated November 5, 2015 (incorporated by reference to Exhibit 10.28 to the Company's Annual Report on Form 10-K filed by the Company on March 15, 2023)
10.34#	Fourth Amendment to Lease by and between the Company and BMR-Medical Center Drive LLC, dated July 21, 2017 (incorporated by reference to Exhibit 10.29 to the Company's Annual Report on Form 10-K filed by the Company on March 15, 2023)
10.35#	Fifth Amendment to Lease by and between the Company and ARE-Maryland No. 45, LLC, dated December 14, 2022 (incorporated by reference to Exhibit 10.30 to the Company's Annual Report on Form 10-K filed by the Company on March 15, 2023)

10.36#	Purchase and Sale Agreement by and between the Company and Sagard Healthcare Partners, dated June 9, 2025 (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed by the Company on August 14, 2025)
10.37+*	Amended and restated employment agreement between the Company and Eric Risser
19.1	MacroGenics Inc. Insider Trading Policy (incorporated by reference to Exhibit 19.1 to the Company's Annual Report on Form 10-K filed by the Company on March 20,2025)
97.1	MacroGenics.Inc. Incentive Compensation Recoupment Policy (MacroGenics.Inc. Incentive Compensation Recoupment Policy (incorporated by reference to Exhibit 97.1 to the Company's Annual Report on Form 10-K filed by the Company on March 7, 2024)
23.1*	Consent of Ernst & Young, LLP, Independent Registered Public Accounting Firm
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
32.2**	Section 1350 Certification of Principal Financial Officer
101.INS	XBRL Instance Document
101.SCH	XBRL Schema Document
101.CAL	XBRL Calculation Linkbase Document
101.DEF	XBRL Definition Linkbase Document
101.LAB	XBRL Labels Linkbase Document
101.PRE	XBRL Presentation Linkbase Document
104	Cover Page Interactive Data (formatted as Inline XBRL and contained in Exhibit 101 filed herewith)

† Portions of this exhibit (indicated by asterisks) have been omitted pursuant to a request for confidential treatment granted by the SEC.

Portions of this document (indicated by "[***]" have been omitted because they are not material and are the type that MacroGenics, Inc. treats as private and confidential.

+ Indicates management contract or compensatory plan.

* Filed herewith.

** Furnished herewith.

Exhibit 10.1

INDEMNIFICATION AGREEMENT

This Indemnification Agreement is dated as of [date] (this "**Agreement**") and is between MacroGenics, Inc., a Delaware corporation (the "**Company**"), and [name] ("**Indemnitee**").

Background

The Company believes that in order to attract and retain highly competent persons to serve as directors or in other capacities, including as officers, it must provide such persons with adequate protection through indemnification against the risks of claims and actions against them arising out of their services to and activities on behalf of the Company.

The Company desires and has requested Indemnitee to serve as a director and/or executive officer of the Company and, in order to induce the Indemnitee to serve in such capacity, the Company is willing to grant the Indemnitee the indemnification provided for herein. Indemnitee is willing to so serve on the basis that such indemnification be provided.
The parties by this Agreement desire to set forth their agreement regarding indemnification and the advancement of expenses.
In consideration of Indemnitee's service to the Company, the covenants and agreements set forth below and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

Section 1. Indemnification.

To the fullest extent permitted by the General Corporation Law of the State of Delaware (the "**DGCL**"):

(a) The Company shall indemnify Indemnitee if Indemnitee was or is made or is threatened to be made a party to, or is otherwise involved in, as a witness or otherwise, any threatened, pending or completed action, suit or proceeding (brought in the right of the Company or otherwise), whether civil, criminal, administrative, regulatory or investigative and whether formal or informal, including appeals, by reason of the fact that Indemnitee is or was or has agreed to serve as a director and/or executive officer of the Company, or, while serving in such capacity, is or was serving or has agreed to serve at the request of the Company as a director, officer, employee or agent (which, for purposes hereof, shall include a trustee, fiduciary, partner or manager or similar capacity) of another corporation, limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise, or by reason of any action alleged to have been taken or omitted in any such capacity, in each case whether or not serving in such capacity at the time any liability or expense is incurred for which indemnification, reimbursement or advancement of expenses can be provided under this Agreement.

(b) The indemnification provided by this Section 1 shall be from and against all loss and liability suffered and expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by or on behalf of Indemnitee in connection with such action, suit or proceeding, including any appeals.

(c) If Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for a portion of any expenses, losses, liabilities, judgments, fines and amounts paid in settlement incurred by Indemnitee, but not for the total amount thereof, the Company shall nevertheless indemnify Indemnitee for such portion.

Section 2. Advance Payment of Expenses. To the fullest extent permitted by the DGCL, expenses (including attorneys' fees) incurred by Indemnitee in appearing at, participating in or defending any action, suit or proceeding or in connection with an enforcement action as contemplated by Section 3(e), shall be paid by the Company in advance of the final disposition of such action, suit or proceeding within 30 days after receipt by the Company of a statement or statements from Indemnitee requesting such advance or advances (including any invoices received by Indemnitee, which invoices may be redacted as necessary to avoid the waiver of any privilege accorded by applicable law) from time to time. The Indemnitee hereby undertakes to repay any amounts advanced (without interest) to the extent that it is ultimately determined that Indemnitee is not entitled under this Agreement to be indemnified by the Company in respect thereof. Such repayment obligation shall be unsecured and shall not bear interest. The Company shall not impose on Indemnitee additional conditions to advancement or require from Indemnitee additional undertakings regarding repayment other than the execution of this Agreement. The Company agrees that for the purposes of any advancement of expenses for which Indemnitee has made a written demand in accordance with this Agreement, all expenses included in such demand that are certified by affidavit of Indemnitee's counsel as being reasonable shall be presumed conclusively to be reasonable. This Section 2 shall be subject to Section 3(b) and shall not apply to any claim made by Indemnitee for which indemnity is excluded pursuant to Section 6 and Section 7.

Section 3. Procedure for Indemnification; Notification and Defense of Claim.

(a) Promptly after receipt by Indemnitee of notice of the commencement of any action, suit or proceeding, Indemnitee shall, if a claim in respect thereof is to be made against the Company hereunder, notify the Company in writing of the commencement thereof. The failure to promptly notify the Company of the commencement of the action, suit or proceeding, or of Indemnitee's request for indemnification, will not relieve the Company from any liability that it may have to Indemnitee hereunder, except to the extent the Company is actually and materially prejudiced in its defense of such action, suit or proceeding as a result of such failure. To obtain indemnification under this Agreement, Indemnitee shall submit to the Company a written request therefor including such documentation and information as is reasonably available to Indemnitee and is reasonably necessary to enable the Company to determine whether and to what extent Indemnitee is entitled to indemnification.

(b) With respect to any action, suit or proceeding of which the Company is so notified as provided in this Agreement, the Company shall, subject to the last two sentences of this paragraph, be entitled to assume the defense of such action, suit or proceeding, with counsel reasonably acceptable to Indemnitee, upon the delivery to Indemnitee of written notice of its election to do so. After delivery of such notice, approval of such counsel by Indemnitee and the retention of such counsel by the Company, the Company will not be liable to Indemnitee under this Agreement for any subsequently-incurred fees of separate counsel engaged by Indemnitee with respect to the same action, suit or proceeding unless the employment of separate counsel by Indemnitee has been previously authorized in writing by the Company. Notwithstanding the foregoing, if Indemnitee, based on the advice of his or her counsel, shall have reasonably concluded (with written notice being given to the Company setting forth the basis for such conclusion) that, in the conduct of any such defense, there is or is reasonably likely to be a conflict of interest or position between the Company and Indemnitee with respect to a significant issue, then the Company will not be entitled, without the written consent of Indemnitee, to assume such defense. In addition, the Company will not be entitled, without the written consent of Indemnitee, to assume the defense of any claim brought by or in the right of the Company.

(c) To the fullest extent permitted by the DGCL, the Company's assumption of the defense of an action, suit or proceeding in accordance with paragraph 3(b) will constitute an irrevocable acknowledgement by the Company that any loss and liability suffered by Indemnitee and expenses

(including attorneys' fees), judgments, fines and amounts paid in settlement by or for the account of Indemnitee incurred in connection therewith are indemnifiable by the Company under Section 1 of this Agreement.

(d) The determination whether to grant Indemnitee's indemnification request shall be made promptly and in any event within 30 days following the Company's receipt of a request for indemnification in accordance with Section 3(a). If the Company determines that Indemnitee is entitled to such indemnification or, as contemplated by paragraph 3(c) the Company has acknowledged such entitlement, the Company will make payment to Indemnitee of the indemnifiable amount within such 30 day period. If the Company is not deemed to have so acknowledged such entitlement or the Company's determination of whether to grant Indemnitee's indemnification request shall not have been made within such 30 day period, the requisite determination of entitlement to indemnification shall, subject to Section 6, nonetheless be deemed to have been made and Indemnitee shall be entitled to such indemnification, absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statement not materially misleading, in connection with the request for indemnification, or (ii) a prohibition of such indemnification under the DGCL.

(e) In the event that (i) the Company determines in accordance with this Section 3 that Indemnitee is not entitled to indemnification, in whole or in part, under this Agreement, (ii) the Company fails to respond or make a determination of entitlement to indemnification within 30 days following receipt of a request for indemnification as described above, (iii) payment of indemnification is not made within such 30 day period, (iv) advancement of expenses is not timely made in accordance with Section 2, or (v) the Company or any other person takes or threatens to take any action to declare this Agreement void or unenforceable, or institutes any litigation or other action or proceeding designed to deny, or to recover from, the Indemnitee the benefits provided or intended to be provided to Indemnitee hereunder, Indemnitee shall be entitled to an adjudication in any court of competent jurisdiction of his or her entitlement to such indemnification or advancement of expenses. Indemnitee's expenses (including attorneys' fees) incurred in connection with successfully establishing Indemnitee's right to indemnification or advancement of expenses, in whole or in part, in any such proceeding or otherwise shall also be indemnified by the Company to the fullest extent permitted by the DGCL.

(f) Indemnitee shall be presumed to be entitled to indemnification and advancement of expenses under this Agreement upon submission of a request therefor in accordance with Section 2 or Section 3 of this Agreement, as the case may be. The Company shall have the burden of proof in overcoming such presumption, and such presumption shall be used as a basis for a determination of entitlement to indemnification and advancement of expenses unless the Company overcomes such presumption by clear and convincing evidence.

Section 4. Insurance and Subrogation.

(a) The Company shall use its reasonable best efforts to purchase and maintain a policy or policies of insurance with reputable insurance companies with A.M. Best ratings of "A" or better (or, if A.M. Best does not rate the insurance company, an equivalent rating by an equivalent licensed insurance rating organization or agency), providing Indemnitee with coverage for any liability asserted against, and incurred by, Indemnitee or on Indemnitee's behalf by reason of the fact that Indemnitee is or was or has agreed to serve as a director and/or executive officer of the Company, or, while serving in such capacity, is or was serving or has agreed to serve at the request of the Company as a director, officer, employee or agent (which, for purposes hereof, shall include a trustee, fiduciary, partner or manager or similar capacity) of another corporation, limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise, or arising out of Indemnitee's status as such, whether or not the Company would have the power to indemnify Indemnitee against such liability under the provisions of this

Agreement. Such insurance policies shall have coverage terms and policy limits at least as favorable to Indemnitee as the insurance coverage provided to any other director or officer of the Company. Notwithstanding the foregoing, the Company shall have no obligation to obtain or maintain such insurance if the Company determines in good faith that such insurance is not reasonably available, if the premium costs for such insurance are disproportionate to the amount of the coverage provided, or if the coverage provided by such insurance is limited by exclusions so as to provide an insufficient benefit, or if the Company otherwise determines in good faith that obtaining or maintaining such insurance is not in the best interests of the Company. If the Company has such insurance in effect at the time the Company receives from Indemnitee any notice of the commencement of an action, suit or proceeding, the Company shall give prompt notice of the commencement of such action, suit or proceeding to the insurers in accordance with the procedures set forth in the policy. The Company shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of Indemnitee, all amounts payable as a result of such proceeding in accordance with the terms of such policy.

(b) In the event of any payment by the Company under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee with respect to any insurance policy. Indemnitee shall execute all papers required and take all action necessary to secure such rights, including execution of such documents as are necessary to enable the Company to bring suit to enforce such rights in accordance with the terms of such insurance policy. The Company shall pay or reimburse all expenses actually and reasonably incurred by Indemnitee in connection with such subrogation.

(c) The Company shall not be liable under this Agreement to make any payment of amounts otherwise indemnifiable hereunder (including, but not limited to, judgments, fines and amounts paid in settlement) if and to the extent that Indemnitee has otherwise actually received such payment under this Agreement or any insurance policy, contract, agreement or otherwise.

Section 5. Certain Definitions. For purposes of this Agreement, the following definitions shall apply:

(a) The term "**action, suit or proceeding**" shall be broadly construed and shall include, without limitation, the investigation, preparation, prosecution, defense, settlement, arbitration and appeal of, and the giving of testimony in, any threatened, pending or completed claim, action, suit, arbitration, alternative dispute mechanism or proceeding, whether civil, criminal, administrative or investigative.

(b) The term "**by reason of the fact that Indemnitee is or was or has agreed to serve as a director and/or [executive] officer of the Company, or, while serving in such capacity, is or was serving or has agreed to serve at the request of the Company as a director, officer, employee or agent (which, for purposes hereof, shall include a trustee, partner or manager or similar capacity) of another corporation, limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise**" shall be broadly construed and shall include, without limitation, any actual or alleged act or omission to act.

(c) The term "**expenses**" shall be broadly construed and shall include, without limitation, all direct and indirect costs of any type or nature whatsoever (including, without limitation, all attorneys' fees and related disbursements, appeal bonds, other out-of-pocket costs and reasonable compensation for time spent by Indemnitee for which Indemnitee is not otherwise compensated by the Company or any third party), actually and reasonably incurred by Indemnitee in connection with either the investigation, defense or appeal of an action, suit or proceeding or establishing or enforcing a right to indemnification under this Agreement or otherwise incurred in connection with a claim that is indemnifiable hereunder.

(d) The term "**judgments, fines and amounts paid in settlement**" shall be broadly construed and shall include, without limitation, all direct and indirect payments of any type or nature whatsoever, as well as any penalties or excise taxes assessed on a person with respect to an employee benefit plan).

Section 6. Limitation on Indemnification. Notwithstanding any other provision herein to the contrary, the Company shall not be obligated pursuant to this Agreement:

(a) Claims Initiated by Indemnitee. To indemnify or advance expenses to Indemnitee with respect to an action, suit or proceeding (or part thereof) initiated by Indemnitee, except with respect to an action, suit or proceeding brought to establish or enforce a right to indemnification or advancement of expenses under this Agreement (which shall be governed by the provisions of Section 6(b) of this Agreement), unless such action, suit or proceeding (or part thereof) was authorized or consented to by the Board of Directors of the Company (the "**Board**").

(b) Action for Indemnification. To indemnify Indemnitee for any expenses incurred by Indemnitee with respect to any action, suit or proceeding instituted by Indemnitee to enforce or interpret this Agreement, unless Indemnitee is successful in such action, suit or proceeding in establishing Indemnitee's right, in whole or in part, to indemnification or advancement of expenses hereunder (in which case such indemnification or advancement shall be to the fullest extent permitted by the DGCL), or unless and to the extent that the court in such action, suit or proceeding shall determine that, despite Indemnitee's failure to establish their right to indemnification, Indemnitee is entitled to indemnification for such expenses; provided, however, that nothing in this Section 6(b) is intended to limit the Company's obligations with respect to the advancement of expenses to Indemnitee in connection with any such action, suit or proceeding instituted by Indemnitee to enforce or interpret this Agreement, as provided in Section 2 hereof.

(c) Certain Exchange Act Claims. To indemnify Indemnitee in connection with any action, suit or proceeding made against Indemnitee for (i) an accounting of profits made from the purchase and sale (or sale and purchase) by Indemnitee of securities of the Company within the meaning of Section 16(b) of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**") or similar provisions of state statutory law or common law, (ii) any reimbursement of the Company by the Indemnitee of any bonus or other incentive-based or equity-based compensation or of any profits realized by the Indemnitee from the sale of securities of the Company, as required in each case under the Exchange Act (including any such reimbursements that arise from an accounting restatement of the Company pursuant to Section 304 of the Sarbanes-Oxley Act of 2002 (the "**Sarbanes-Oxley Act**"), or the payment to the Company of profits arising from the purchase and sale by Indemnitee of securities in violation of Section 306 of the Sarbanes-Oxley Act) or (iii) any reimbursement of the Company by Indemnitee of any compensation pursuant to any compensation recoupment or clawback policy adopted by the Board or the compensation committee of the Board, including but not limited to any such policy adopted to comply with stock exchange listing requirements implementing Section 10D of the Exchange Act.

(d) Fraud or Willful Misconduct. To indemnify Indemnitee on account of conduct by Indemnitee where such conduct has been determined by a final (not interlocutory) judgment or other adjudication of a court or arbitration or administrative body of competent jurisdiction as to which there is no further right or option of appeal or the time within which an appeal must be filed has expired without such filing to have been knowingly fraudulent or constitute willful misconduct.

(e) Prohibited by Law. To indemnify Indemnitee in any circumstance where such indemnification has been determined by a final (not interlocutory) judgment or other adjudication of a court or arbitration or administrative body of competent jurisdiction as to which there is no further right or option of appeal, or the time within which an appeal must be filed has expired without such filing having been made, to be prohibited by law.

Section 7. Change in Control.

(a) The Company agrees that if there is a change in control of the Company, then with respect to all matters thereafter arising concerning the rights of Indemnitee to indemnification and advancement of expenses under this Agreement, any other agreement or the Company's certificate of incorporation or by-laws now or hereafter in effect, the Company shall seek legal advice only from independent counsel selected by Indemnitee and approved by the Company (which approval shall not be unreasonably withheld). In addition, upon written request by Indemnitee for indemnification pursuant to Section 3(a), a determination, if required by the DGCL, with respect to Indemnitee's entitlement thereto shall be made by such independent counsel in a written opinion to the Board of Directors of the Company, a copy of which shall be delivered to Indemnitee. The Company agrees to pay the reasonable fees of the independent counsel referred to above [and to indemnify fully such counsel against any and all expenses (including attorney's fees), claims, liabilities and damages arising out of or relating to this Agreement or its engagement pursuant hereto.

(b) For purposes of this Section 7, the following definitions shall apply:

(i) A "**change in control**" shall be deemed to occur upon the earliest to occur after the date of this Agreement of any of the following: (A) any person (as defined below) becomes the beneficial owner (as defined below), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the combined voting power of the Company's then outstanding securities, (B) during any period of two (2) consecutive years (not including any period prior to the execution of this Agreement), individuals who at the beginning of such period constitute the Board of Directors of the Company, and any new director (other than a director designated by a person who has entered into an agreement with the Company to effect a transaction described in Sections 7(b)(i)(A), 7(b)(i)(C) or 7(b)(i)(D) or a director whose initial nomination for, or assumption of office as, a member of the Board of Directors of the Company occurs as a result of an actual or threatened solicitation of proxies or consents for the election or removal of one or more directors by any person or group other than a solicitation for the election of one or more directors by or on behalf of the Board of Directors of the Company) whose election by the Board of the Directors of the Company or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority of the members of the Board of Directors of the Company, (C) the effective date of a merger or consolidation of the Company with any other entity, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) at least 50% of the combined voting power of the voting securities of the surviving entity outstanding immediately after such merger or consolidation and with the power to elect at least a majority of the board of directors or other governing body of such surviving entity, and (D) the approval by the stockholders of the Company of a complete liquidation of the Company or an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets, and (E) there occurs any other event of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A

(or a response to any similar item on any similar schedule or form) promulgated under the Exchange Act (as defined below), whether or not the Company is then subject to such reporting requirement.

For purposes of Section 7(b)(i), the following terms shall have the following meanings:

(I) "**Exchange Act**" shall mean the Securities Exchange Act of 1934, as amended from time to time.

(II) "**person**" shall have the meaning as set forth in Sections 13(d) and 14(d) of the Exchange Act; provided, however, that person shall exclude (a) the Company, (b) any trustee or other fiduciary holding securities under an employee benefit plan of the Company, and (c) any corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company.

(III) "**beneficial owner**" shall have the meaning given to such term in Rule 13d-3 under the Exchange Act; provided, however, that beneficial owner shall exclude any person otherwise becoming a beneficial owner by reason of the stockholders of the Company approving a merger of the Company with another entity.

(ii) The term "**independent counsel**" means a law firm, or a member of a law firm, that is experienced in matters of corporation law and neither presently is, nor in the past five years has been, retained to represent: (A) the Company or Indemnitee in any matter material to either such party, or (B) any other party to the action, suit or proceeding giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term "independent counsel" shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee's rights under this Agreement.

Section 8. Establishment of Trust.

(a) In the event of a potential change in control, the Company shall, upon written request by Indemnitee, create a trust for the benefit of the Indemnitee and, from time to time upon written request of Indemnitee, shall fund such trust in an amount sufficient to satisfy any and all expenses reasonably anticipated at the time of each such request to be incurred in connection with investigating, preparing for and defending any action, suit or proceeding for which a right of indemnification has been granted pursuant to Section 1, and any and all judgments, fines and amounts paid in settlement of any and all actions, suits or proceedings for which a right of indemnification has been granted pursuant to Section 1, and from time to time actually paid or claimed, reasonably anticipated or proposed to be paid. The terms of the trust shall provide that upon a change in control (i) the trust shall not be revoked or the principal thereof invaded, without the written consent of the Indemnitee, (ii) the trustee shall advance, within 30 days after receipt by of a request by the Indemnitee, any and all expenses to the Indemnitee for which funding has been provided (and the Indemnitee hereby agrees to reimburse the trust under the circumstances under which the Indemnitee would be required to reimburse the Company under Section 2), (iii) the trust shall continue to be funded by the Company in accordance with the funding obligation set forth above, (iv) the trustee shall promptly pay to the Indemnitee all amounts for which the Indemnitee shall be entitled to indemnification pursuant to this Agreement or otherwise, and (v) any amounts deposited in the escrow which are no longer required for the purposes intended by this Section 8(a) shall be returned to the Company, provided however, that amounts shall only be deemed to no longer be

required when the action, suit or proceeding shall have been settled, or when it shall have been finally determined by a court of competent jurisdiction. Nothing in this Section 8(a) or the trust shall relieve the Company of any of its obligations under this Agreement.

(b) The amounts to be deposited pursuant to Section 8(a) shall be determined by agreement between the Company and Indemnitee. If the Indemnitee and the Company cannot agree on the amounts to be deposited, then such amounts shall be determined by the Company's independent accountants, or, if such determination would compromise such accountants' independence, another nationally recognized accounting firm, considering the amount which such accountants believe the Company would reserve pursuant to generally accepted accounting principles to cover such liability assuming (i) an unfavorable outcome in such action, suit or proceeding and (ii) that the Company were obligated to pay the full cost of any liability resulting from such action, suit or proceeding, including defense costs. Pending any such determination, if at the time for such deposit, the amount of insurance maintained by the Company to cover the Indemnitee's and/or the Company's liability which could result from such action, suit or proceeding is less than the highest amount of such coverage maintained by the Company at any time between the date hereof and the date of such deposit (such difference is the "**insurance reduction**"), the Company shall deposit an amount not less than the insurance reduction into the trust.

(c) For purposes of this Section 8, a "**potential change in control**" shall be deemed to have occurred if (i) the Company enters into an agreement the consummation of which would result in the occurrence of a change in control (as such term is defined in Section 8(b)), (ii) any person (including the Company) publicly announces an intention to take or to consider making actions which if consummated would constitute a change in control, or (iii) the Board of Directors of the Company adopts a resolution to the effect that, for purposes of this Agreement, a potential change in control has occurred.

Section 9. Certain Settlement Provisions. The Company shall have no obligation to indemnify Indemnitee under this Agreement for any amounts paid in settlement of any action, suit or proceeding without the Company's prior written consent. The Company shall not settle any action, suit or proceeding in any manner that would impose any fine or other obligation on Indemnitee without Indemnitee's prior written consent. Neither the Company nor Indemnitee will unreasonably withhold his, her, its or their consent to any proposed settlement.

Section 10. Savings Clause. If any provision or provisions (or portion thereof) of this Agreement shall be invalidated on any ground by any court of competent jurisdiction, then the Company shall nevertheless indemnify Indemnitee if Indemnitee was or is made or is threatened to be made a party or is otherwise involved in any threatened, pending or completed action, suit or proceeding (brought in the right of the Company or otherwise), whether civil, criminal, administrative or investigative and whether formal or informal, including appeals, by reason of the fact that Indemnitee is or was or has agreed to serve as a director and/or [executive] officer of the Company, or, while serving in such capacity, is or was serving or has agreed to serve at the request of the Company as a director, officer, employee or agent (which, for purposes hereof, shall include a trustee, partner or manager or similar capacity) of another corporation, limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise, or by reason of any action alleged to have been taken or omitted in such capacity, from and against all loss and liability suffered and expenses (including attorneys' fees), judgments, fines and amounts paid in settlement reasonably incurred by or on behalf of Indemnitee in connection with such action, suit or proceeding, including any appeals, to the fullest extent permitted by any applicable portion of this Agreement that shall not have been invalidated.

Section 11. Contribution. In order to provide for just and equitable contribution in circumstances in which the indemnification provided for herein is held by a court of competent

jurisdiction to be unavailable to Indemnitee in whole or in part, it is agreed that, in such event, the Company shall, to the fullest extent permitted by law, contribute to the payment of all of Indemnitee's loss and liability suffered and expenses (including attorneys' fees), judgments, fines and amounts paid in settlement reasonably incurred by or on behalf of Indemnitee in connection with any action, suit or proceeding, including any appeals, in an amount that is just and equitable in the circumstances; provided that, without limiting the generality of the foregoing, such contribution shall not be required where such holding by the court is due to any limitation on indemnification set forth in Section 4(c), 6 (other than clause (e)) or 7 hereof.

Section 12. Form and Delivery of Communications. All notices, requests, demands and other communications under this Agreement shall be in writing and shall be deemed to have been duly given if (a) delivered by hand, upon receipt by the party to whom said notice or other communication shall have been directed, (b) mailed by certified or registered mail with postage prepaid, on the third business day after the date on which it is so mailed, (c) mailed by reputable overnight courier, one day after deposit with such courier and with written verification of receipt, or (d) sent by email or facsimile transmission, with receipt of oral confirmation that such transmission has been received. Notice to the Company shall be directed to the Company, Attention: General Counsel, email: PetersJ@MacroGenics.com. Notice to Indemnitee shall be directed to [name], email: [email].

Section 13. Nonexclusivity. The provisions for indemnification and advancement of expenses set forth in this Agreement shall not be deemed exclusive of any other rights which Indemnitee may have under any provision of law, in any court in which a proceeding is brought, the Company's certificate of incorporation or by-laws, other agreements or otherwise, and Indemnitee's rights hereunder shall inure to the benefit of the heirs, executors and administrators of Indemnitee. No amendment or alteration of the Company's certificate of incorporation or by-laws or any other agreement shall adversely affect the rights provided to Indemnitee under this Agreement.

Section 14. No Construction as Employment Agreement. Nothing contained herein shall be construed as giving Indemnitee any right to be retained as a director of the Company or in the employ of the Company. For the avoidance of doubt, the indemnification and advancement of expenses provided under this Agreement shall continue as to the Indemnitee even though Indemnitee may have ceased to be a director or executive officer of the Company.

Section 15. Interpretation of Agreement. It is understood that the parties hereto intend this Agreement to be interpreted and enforced so as to provide indemnification to Indemnitee to the fullest extent now or hereafter permitted by the DGCL.

Section 16. Entire Agreement. This Agreement and the documents expressly referred to herein constitute the entire agreement between the parties hereto with respect to the matters covered hereby, and any other prior or contemporaneous oral or written understandings or agreements with respect to the matters covered hereby are expressly superseded by this Agreement.

Section 17. Modification and Waiver. No supplement, modification, waiver or amendment of this Agreement shall be binding unless executed in writing by both of the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision hereof (whether or not similar) nor shall such waiver constitute a continuing waiver. For the avoidance of doubt, this Agreement may not be terminated by the Company without Indemnitee's prior written consent.

Section 18. Successor and Assigns. All of the terms and provisions of this Agreement shall be binding upon, shall inure to the benefit of and shall be enforceable by the parties hereto and their respective successors, assigns, heirs, executors, administrators and legal representatives. The Company shall require and cause any direct or indirect successor (whether by purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of the Company, by written agreement in form and substance reasonably satisfactory to Indemnitee, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place.

Section 19. Service of Process and Venue. The Company and Indemnitee hereby irrevocably and unconditionally (a) agree that any action or proceeding arising out of or in connection with this Agreement shall be brought only in the Chancery Court of the State of Delaware (the "**Delaware Court**"), and not in any other state or federal court in the United States of America or any court in any other country, (b) consent to submit to the exclusive jurisdiction of the Delaware Court for purposes of any action or proceeding arising out of or in connection with this Agreement, (c) appoint, to the extent such party is not otherwise subject to service of process in the State of Delaware, irrevocably **[name] [address]** as its agent in the State of Delaware as such party's agent for acceptance of legal process in connection with any such action or proceeding against such party with the same legal force and validity as if served upon such party personally within the State of Delaware, (d) waive any objection to the laying of venue of any such action or proceeding in the Delaware Court, and (e) waive, and agree not to plead or to make, any claim that any such action or proceeding brought in the Delaware Court has been brought in an improper or inconvenient forum.

Section 20. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware. If a court of competent jurisdiction shall make a final determination that the provisions of the law of any state other than Delaware govern indemnification by the Company of Indemnitee, then the indemnification provided under this Agreement shall in all instances be enforceable to the fullest extent permitted under such law, notwithstanding any provision of this Agreement to the contrary.

Section 21. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument, notwithstanding that both parties are not signatories to the original or same counterpart.

Section 22. Headings and Section References. The section and subsection headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. Section references are to this Agreement unless otherwise specified.

This Indemnification Agreement has been duly executed and delivered to be effective as of the date stated above.

MacroGenics, Inc.

By _____
Name:

Title:

INDEMNITEE:

_____
Name:

CERTAIN PORTIONS OF THIS EXHIBIT (INDICATED BY [***]) HAVE BEEN EXCLUDED PURSUANT TO ITEM 601(B)(10) OF REGULATION S-K BECAUSE THEY ARE BOTH NOT MATERIAL AND ARE THE TYPE THAT THE COMPANY TREATS AS PRIVATE AND CONFIDENTIAL.

November 11, 2025

MacroGenics, Inc.
9704 Medical Center Drive
Rockville, MD 20850
Attention: Chief Executive Officer

Ladies and Gentlemen:

This third letter agreement ("**Third Letter Agreement**") is entered into as of November 11, 2025 (the "**Third Letter Agreement Effective Date**"), by and between MacroGenics, Inc. ("**MacroGenics**") and Gilead Sciences, Inc. ("**Gilead**") (collectively, the "**Parties**"). Reference is hereby made to the Collaboration and License Agreement between the Parties, dated as of October 14, 2022, as amended by the First Amendment to the Collaboration and License Agreement, dated January 11, 2024 (the "**Collaboration Agreement**"), the Letter Agreement between the Parties, dated as of August 31, 2023 ("**First Letter Agreement**") and the Second Letter Agreement between the Parties, dated as of August 30, 2024 ("**Second Letter Agreement**"). Unless otherwise specified or defined herein, (a) any capitalized term used but not defined in this Third Letter Agreement will have the meaning assigned to it in the Collaboration Agreement, the First Letter Agreement or the Second Letter Agreement, as applicable; and (b) any capitalized term that is used herein and defined (differently) in this Third Letter Agreement and the Collaboration Agreement, the First Letter Agreement and/or the Second Letter Agreement, shall, for purposes of the second Research Program (whether such second Research Program is referenced in this Third Letter Agreement or in the Collaboration Agreement), have the meaning given to such term in this Third Letter Agreement.

As of the Third Letter Agreement Effective Date, and notwithstanding any conditions precedent detailed in the Collaboration Agreement, the Parties desire to designate [***], as the Confirmed Research Target Combination and the Licensed Research Target Combination for the second Research Program and Gilead desires to exercise the Research Program Opt-In with respect thereto. As a condition to the acceleration of Gilead's Research Program Opt-In for the second Research Program and the related licenses from MacroGenics and payments from Gilead with respect thereto, the Parties have agreed to enter into this Third Letter Agreement, memorializing their agreement to the following:

1. **Designation of Confirmed Research Target Combination and Licensed Research Target Combination**. As of the Third Letter Agreement Effective Date and notwithstanding (a) the nomination process set forth in Section 5.1 (Research Target Nomination) of the Collaboration Agreement, including the end date for the Research Target Selection Period described therein, (b) the Gatekeeper clearance process described in Sections 5.1(b) (Gatekeeper) and 5.1(c) (Confirmed Research Target Combinations) of the Collaboration Agreement, (c) the limitation of each Research Program [***] as described in Sections 5.1(a) (Research Target Nomination Rights) through Section 5.1(c) (Confirmed Research Target Combinations) of the Collaboration Agreement and (d) the process steps related to the generation,

characterization and evaluation of Research Molecules and Research Products that are directed to a given Confirmed Research Target Combination for a given Research Program, including the requirement for MacroGenics to deliver a Research Program Data Package and for Gilead to exercise its opt-in during the Research Program Opt-In Term, all as further described in Sections 5.2 (Research Program), 5.5 (Research Term) and 5.8 (Research Program Opt-In) of the Collaboration Agreement, the Parties have agreed to designate [***], as the Confirmed Research Target Combination and the Licensed Research Target Combination for the second Research Program.

2. **Exercise of Option and Payment of Accelerated Opt-In Fee**. Gilead hereby exercises the Research Program Opt-In with respect to the second Research Program. Notwithstanding Sections 5.2 (Research Program) and Section 5.8(c) (Option Exercise) of the Collaboration Agreement, within [***] after the Third Letter Agreement Effective Date, Gilead will pay MacroGenics a fee of Twenty-Five Million U.S. Dollars (US$25,000,000) for the second Research Program (the "**Accelerated Opt-In Fee**") [***]. Gilead has determined that no Antitrust Filing is required in connection with its exercise of the Research Program Opt-In. Accordingly, for the purposes of the Collaboration Agreement, the Third Letter Agreement Effective Date will be the Research Program Opt-In Date, the Research Program Opt-In Effective Date and the Option Effective Date for the second Research Program.

3. **Research Plan**. The research plan for generating and characterizing Research Molecules and Research Products that are directed to the Confirmed Research Target Combination for the second Research Program is set forth in **Exhibit A** (the "**Research Plan**"; such activities, the "**Research Program**"). The Research Plan shall be deemed approved by the JSC as of the Third Letter Agreement Effective Date. For clarity, the Research Plan attached hereto as **Exhibit A** includes (a) an initial research plan setting forth a description of the Research Program activities to be performed, specifying which activities (if any) are to be performed by MacroGenics, and (b) a list and description of the information and materials to be provided by MacroGenics to Gilead, including a related technology transfer plan (which plan, for clarity, shall supersede the provisions of Section 5.9 (Technology Transfer) of the Collaboration Agreement).

4. **Amendments to the Research Plan**. Pursuant to Section 2.1(e)(ii) of the Collaboration Agreement, the Parties agree that the JSC will continue and will serve as a forum to discuss MacroGenics' activities under the Research Plan for the second Research Program, through [***] for such second Research Program. [***]

5. **Subcontracting**. [***]

6. **Effectiveness of Research License**. On and after the Third Letter Agreement Effective Date, the co-exclusive research license granted to Gilead under Section 3.1(a) (Research Term License) of the Collaboration Agreement will automatically become effective. Notwithstanding anything to the contrary in the Collaboration Agreement, solely for purposes of the second Research Program, the "**Research Target Combination License Date**" shall mean the Third Letter Agreement Effective Date.

7. **Confirmed Research Target Combination**. For purposes of the second Research Program, all references in the Collaboration Agreement and this Third Letter Agreement to the "Confirmed Research Target Combination" and the "Licensed Research Target Combination" shall mean [***]. For clarity, the restrictions set forth in Section 3.10 of the Collaboration Agreement are [***].

8. **Effectiveness of Commercial License**. On and after the Third Letter Agreement Effective Date, the license granted to Gilead under Section 3.1(b) (Exploitation Licenses for Research Molecules and Research Products) of the Collaboration Agreement will automatically become effective.

9. **[**[***]

10. **[***] Research Costs**. [***] incurred by or on behalf of [***] in connection with the conduct of the Research Program activities allocated to [***] under the Research Plan for the second Research Program in accordance with the remainder of this Section 8 of the Third Letter Agreement. Within [***] during the Term, [***] shall [***] incurred by [***] during such [***] in the conduct of such activities and [***] shall [***]

11. **[**[***]

12. **Definitions**. For purposes of the second Research Program, the following capitalized terms when appearing in the Collaboration Agreement, the First Letter Agreement, the Second Letter Agreement or this Third Letter Agreement shall have the meanings set forth below:

    a. [***]

    b. [***]

    c. "**Gilead Assigned Improvement Know-How**" means all Know-How, whether patentable or not, conceived or reduced to practice by MacroGenics or Gilead in the course of conducting activities under the second Research Program, in each case that constitutes an improvement, modification or enhancement of [***] ("**Gilead Assigned Improvement Know-How**") but excluding any improvements, modifications or enhancements that [***] the MacroGenics Platform.

    d. "**MacroGenics Platform**" means MacroGenics' Proprietary [***] DART® and TRIDENT® platforms regardless of application [***]. The MacroGenics Platform as of the Third Letter Agreement Effective Date is further described in **Schedule 1.86** (MacroGenics Platform) of the Collaboration Agreement and attached hereto as **Exhibit B**.

    e. "**MacroGenics Platform Improvement Know-How**" means all Know-How, whether patentable or not, conceived or reduced to practice by MacroGenics or Gilead in the course of conducting activities under this Agreement, in each case, that constitutes an improvement, modification or enhancement of the MacroGenics Platform, which Know-How arises from and only relates to the use of such MacroGenics Platform [***].

    f. "**MacroGenics Research Patent**" means, with respect to the second Research Program, any Patent (excluding any Jointly Owned Patent) that is Controlled by MacroGenics or any of its Affiliates as of the Effective Date or at any time during the Term and that Covers one or more multi-specific (including bi-specific) antibody molecules that are directed to the Licensed Research Target Combination [***]. For clarity, the definition of MacroGenics Research Patents with respect to the first Research Program remains unchanged.

g. "**Proprietary**" means, with respect to a subject matter and a Party, at the time such subject matter is disclosed or otherwise provided by such Party to the other Party under the Agreement, that such subject matter [***]

h. "**Research Molecule**" means any multi-specific, including bi-specific, antibody molecule that [***] and (b) is [***] directed to the Licensed Target Research Combination [***]. For clarity [***].

i. "**Research Term**" means the period commencing on the Second Research Program Opt-In Date and continuing until [***].

13. **Patent Prosecution**. Notwithstanding each Party's right to file, prosecute, and maintain the MacroGenics Product-Specific Patents and MacroGenics Platform Patents after the Option Effective Date as set forth in this Section 16.2(a) of the Collaboration Agreement:

a. At its earliest opportunity (but not earlier than thirty (30) months after the earliest priority date) during patent prosecution, MacroGenics, in consultation with Gilead, in jurisdictions where permissible and to the extent reasonably feasible and in a manner that does not materially prejudice the prosecution of MacroGenics Licensed Patents, will file one or more non-provisional patent application(s) claiming priority to MacroGenics' U.S. provisional application [***] with claims that solely cover [***]. Any such non-provisional patent application shall be deemed a MacroGenics Product-Specific Patent under the Collaboration Agreement (and thereafter prosecution of such non-provisional patent application will be subject to Section 16.2(a)(v)(2) of the Collaboration Agreement).

b. Likewise, if during the Term, MacroGenics files any new provisional or non-provisional patent application that includes written description that, if claimed, could cover [***], then, at Gilead's request and expense, MacroGenics, in consultation with Gilead, in jurisdictions where permissible and to the extent reasonably feasible and in a manner that does not materially prejudice the prosecution of MacroGenics Licensed Patents, will file one or more non-provisional patent application(s) claiming priority to such new patent application with claims that solely cover [***]. Any such non-provisional patent application shall be deemed a MacroGenics Product-Specific Patent under the Collaboration Agreement (and thereafter prosecution of such non-provisional patent application will be subject to Section 16.2(a)(v)(2) of the Collaboration Agreement).

14. **Retained Rights**. MacroGenics retains all rights with respect to the MacroGenics Platform other than those expressly granted to Gilead under the Collaboration Agreement (as amended, including by this Third Letter Agreement). Without limiting the foregoing [***].

15. **MacroGenics Licensed Patents. Schedule 1.80** (MacroGenics Licensed Patents) of the Collaboration Agreement is updated to include the information attached hereto as **Exhibit C**.

16. **General Provisions**. This Third Letter Agreement will be deemed to be incorporated into, and made a part of, the First Letter Agreement, the Second Letter Agreement and the Collaboration Agreement, and the First Letter Agreement, the Second Letter Agreement, Collaboration Agreement and this Third Letter Agreement will be read, taken, and construed as one and the same agreement (including with respect to

the provisions set forth in Article 19 (Miscellaneous) of the Collaboration Agreement which will, as applicable, be deemed to apply to this Third Letter Agreement *mutatis mutandis*). In the event of any express conflict or inconsistency between this Third Letter Agreement, on one hand, and the First Letter Agreement, the Second Letter Agreement or the Collaboration Agreement on the other hand, the terms and conditions of this Third Letter Agreement will control solely with respect to the second Research Program. This Third Letter Agreement, together with the First Letter Agreement, the Second Letter Agreement and the Collaboration Agreement, sets forth the complete, final, and exclusive agreement and all the covenants, promises, agreements, warranties, representations, conditions, and understandings between the Parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings between the Parties existing as of the Third Letter Agreement Effective Date with respect to the subject matter hereof. Except as expressly set forth in this Third Letter Agreement, all terms and conditions of the First Letter Agreement, the Second Letter Agreement and the Collaboration Agreement will remain in full force and effect during the effective period thereof.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the Parties have caused this Third Letter Agreement to be executed by their respective duly authorized officers as of the Third Letter Agreement Effective Date.

GILEAD SCIENCES, INC.

[***]

MACROGENICS, INC.

[***]

[*Signature Page to Third Letter Agreement*]

Exhibit A

[***]

Exhibit B

**[*****]

Exhibit C

[***]

AMENDED AND RESTATED EMPLOYMENT AGREEMENT

This Amended and Restated Employment Agreement (the **"Agreement"**) is entered into as of August 13, 2025 (the **"Effective Date"**), by and between MacroGenics, Inc., a Delaware corporation, including its successors and assigns (the **"Employer"** or **"Company"**), and Eric Risser (**"Executive"**).

Whereas, the Company and the Executive are parties to an employment agreement dated March 6, 2016 (the "**Prior Agreement**"), pursuant to which Executive has been employed as the Company's Chief Operating Officer;

Whereas the Company wishes to promote the Executive to President and Chief Executive Officer of the Company and to amend and restate the Prior Agreement in accordance with Section 7.06 of the Prior Agreement, subject to the terms and conditions provided herein;

Now Therefore, in consideration of the promises and the respective undertakings of Employer and Executive set forth below, Employer and Executive hereby agree as follows:

1. Employment. Employer hereby employs Executive, and Executive hereby accepts such employment and agrees to perform services for Employer, for the period and on the other terms and subject to the conditions set forth in this Agreement.

2. Employment at Will. Executive is employed "at-will" which means that Executive's employment is not for any defined term and may be terminated by either Executive or the Company at any time, with or without cause, for any or no reason, subject to the notice provisions in Section 5. Upon termination of Executive's employment for any reason, Executive shall be deemed to have resigned from all positions and terminated any relationships as an employee, advisor, officer or director with the Company and any of its affiliates, each effective on the date of termination.

3. Position and Duties.

3.01. Service with Employer. Employer hereby employs Executive in an executive capacity with the title of President and Chief Executive Officer (**"Title"**), and Executive hereby accepts such employment and undertakes and agrees to serve in such capacity. Subject to the overall policy directives of the Board of Directors (the **"Board"**) and applicable law, in Executive's capacity as Title, Executive shall have such powers, perform such duties and fulfill such responsibilities as are typically associated with such position in other similarly situated companies. The Board has requested that Executive serve as a member of the Board, solely during the term of Executive's employment, for no additional compensation, subject to the Board duly appointing Executive as a a director.

3.02. Performance of Duties. Executive agrees to: (i) devote substantially all of Executive's business time, attention and efforts to the business and affairs of Employer while employed; and (ii) adhere to all Employer's written employment policies and procedures as shall be in force from time to time. Executive shall perform Executive's duties primarily at the Company's headquarters in Rockville, Maryland, but is expected to travel as Company business necessitates and may work remote occasionally.

3.03. Outside Activities. During the term of Executive's employment with the Company pursuant to this Agreement, Executive shall not, except as set forth below: (i) accept

other employment; (ii) render or perform services for compensation to any Person (as hereinafter defined) other than Employer; (iii) serve as an officer or on the board of directors (or similar governing body) of any entity other than Employer, whether or not for compensation; or (iv) engage in any other business or professional activity that will require any effort on the part of Executive that, in the sole discretion of Employer, could reasonably be expected to materially detract from the ability of Executive to perform Executive's duties to Employer pursuant to this Agreement; provided, however, Executive may engage in the activities (x) set forth in Schedule 1 hereto (as may be amended from time to time by mutual written agreement of the parties) so long as in doing so Executive is not in any way competing with the Company and such outside activities do not materially detract from Executive's performance of his duties hereunder or (y) described in clause (iii) or (iv) above if prior to engaging in such activity described in clause (iii) or (iv), Executive has disclosed such activity to the Board and received written approval to engage in such activity from the Board. Executive may engage in personal investments without disclosure to or written approval from the Board provided Executive is not required or expected to serve as a board member, advisor or consultant and Executive shall, at any time, own beneficially less than 5% of the outstanding securities of any issuer and such personal investment shall not otherwise interfere with Executive's performance of duties hereunder and/or the provisions of Executive's written agreements with Employer. Although Executive may be engaged in outside activities pursuant to this section, nothing herein is intended to limit or waive Executive's fiduciary duties.

3.04. Executive Representations. Executive represents that Executive is not subject to any restrictive covenant, confidentiality agreement, or any other agreement that would prevent Executive from accepting continued employment with Employer, and based on the information provided to Employer by Executive, Employer accepts such representation.

4. Compensation.

4.01. Base Salary. Employer shall pay to Executive an annual base salary rate for all services to be rendered by Executive under this Agreement of $625,000 (the **"Base Salary"**), which Base Salary shall be paid in accordance with Employer's normal payroll schedule, procedures and policies (which schedule, procedures and policies may be modified from time to time) and subject to applicable deductions as required by law. Employer shall review Executive's salary on an annual basis and may, in its discretion, consider and declare from time to time increases in the Base Salary that it pays Executive. Any and all increases in Executive's salary pursuant to this section shall cause the level of Base Salary to be increased by the amount of each such increase for purposes of this Agreement. The increased level of Base Salary as provided in this section shall become the level of Base Salary for the remainder of the term of this Agreement unless there is a further increase in Base Salary as provided herein.

4.02. Annual Bonus. Executive shall also be eligible to receive, in addition to the Base Salary, an annual bonus having a target amount equal to 60% of Executive's Base Salary (**"Target Bonus"**), with the actual amount being determined by the Human Capital Management Committee of the Board (the "**Committee**") in its discretion taking into account the Company's performance and Executive's individual performance. The Target Bonus may be adjusted by the Committee from time to time based on a qualitative leadership assessment of Executive's performance. In order to earn and receive a Target Bonus, Executive must be employed by Employer on the date the bonus is paid.

4.03. Equity Compensation. The Company will grant Executive an option to purchase 550,000 shares of the Company's Common Stock with an exercise price equal to the closing per-share trading price of the Company's Common Stock on the Effective Date (the "**Option**"). 25% of the Option will vest one year after the Effective Date and in 12 substantially equal quarterly installments thereafter, subject to Executive's continued employment through the

applicable vesting dates. The Option will otherwise be subject to the terms of the Company's 2023 Equity Incentive Plan and the applicable award agreement thereunder.

4.04. Participation in Benefit Plans. Executive shall be entitled to participate in all employee benefit plans or programs offered to other senior executives from time to time (to the extent that Executive meets the requirements for each such plan or program), including participation in any health insurance plan, disability insurance plan, dental plan, eye care plan, 401(k) plan, life insurance plan, or other similar plans (all such benefits, the **"Benefit Plans"**).

4.05. Expenses. Employer shall reimburse Executive for all ordinary and necessary business expenses reasonably incurred by Executive in the performance of Executive's duties under this Agreement, subject to the presentment and approval of appropriate itemized expense statements, receipts, vouchers or other supporting documentation in accordance with Employer's normal policies for expense verification in effect from time to time.

4.06. Vacation. Executive shall be entitled to twenty (20) vacation days per calendar year, accruing in accordance with the Company's vacation policy. Executive may carry over up to a maximum of 200 hours of annual leave (including sick pay) at any time, and any unused vacation time beyond that will be forfeited.

4.07. Total Compensation. Other than the retention bonus agreement between the Company and Executive, dated November 7, 2024, and as may be approved by the Board, Executive shall not receive any other compensation or benefits from the Company other than as provided in Sections 4.01 through 4.06 hereof.Executive and Employer further acknowledge and agree that as of the Effective Date, Executive has not earned and is no longer eligible for nor owed any compensation or benefits under the Prior Agreement, provided however that, Executive's service under the Prior Agreement in 2025 should be considered by the Committee in determining an annual bonus amount for the 2025 calendar year.

5. Payments Upon Termination.

5.01. Voluntary Resignation without Good Reason. Executive may terminate Executive's employment by providing Employer with 30 days' advance written notice, which notice period may be waived by the Company in its discretion and will be deemed to be waived in the case of the Executive's effective resignation due to death or Disability (as defined below). If Executive terminates Executive's employment (other than for Good Reason (as defined below) or by reason of death or Disability (as defined below)) (i) Employer shall pay to Executive the Accrued Obligations (as defined below), (ii) Executive's participation in the Benefit Plans shall terminate as of the Termination Date, and (iii) Employer shall have no other obligations to Executive under this Agreement, other than those provided in this Section 5.01.

(a) For purposes of this Agreement, **"Accrued Obligations"** means: (i) Executive's earned and unpaid Base Salary through the Termination Date; (ii) reimbursement for any reimbursable business expenses incurred by Executive through the Termination Date in accordance with Section 4.05; and (iii) Executive's accrued but unused vacation time as of the Termination Date.

(b) For purposes of this Agreement, **"Termination Date"** means: the effective date of Executive's "separation from service" as defined in Section 409A of the Internal Revenue Code, or any applicable successor provision in effect at the Termination Date (the "**Code**").

5.02. Termination by Employer For Cause. If Executive's employment is terminated for Cause: (i) Employer shall pay to Executive the Accrued Obligations, (ii)

Executive's participation in the Benefit Plans shall terminate as of the Termination Date, and (iii) Employer shall have no further obligations to Executive under this Agreement, other than those provided in this Section 5.02. For purposes of this Agreement, **"Cause**" means: (a) Executive's failure to substantially perform Executive's duties with the Company (if Executive has not cured such failure to substantially perform, if curable, within thirty (30) days after Executive's receipt of written notice thereof from the Board that specifies the conduct constituting Cause under this clause (a)); (b) Executive's willful misconduct, or gross negligence in the performance of Executive's duties hereunder; (c) the conviction of Executive, or the entering by Executive of a guilty plea or plea of no contest with respect to, any crime that constitutes a felony or involves fraud, dishonesty or moral turpitude; (d) Executive's commission of an act of fraud, embezzlement or misappropriation against the Company; (e) Executive's material breach of the fiduciary duty owed by Executive to Company; (f) Executive's engaging in any grossly improper conduct that has or is likely to have a materially adverse economic or reputational impact on the Company; or (g) Executive's material breach of this Agreement (if Executive has not cured such breach, if curable, within thirty (30) days after Executive's receipt of written notice thereof from the Board that specifies the conduct constituting Cause under this clause (g)).

5.03. Termination by Employer Without Cause or by Executive for Good Reason. If Executive's employment is terminated by Employer without Cause or by Executive for Good Reason: (i) Employer shall pay to Executive the Accrued Obligations, (ii) Executive shall be entitled to receive the Severance Benefits (as defined below in Section 5.05 and subject to the conditions described therein and in Section 5.06, and (iii) Employer shall have no further obligations to Executive under this Agreement, other than those provided in this Section 5.03. For purposes of this Agreement, **"Good Reason"** means the occurrence of any of the following events (without Executive's consent):

(i) a material adverse change in Executive's functions, duties, or responsibilities as Title with the Company, which change would cause Executive's position to become one of materially lesser responsibility, importance, or scope;

(ii) a change in the geographic location at which Executive must perform services to the Company of 50 miles or more from the Company's headquarters in Rockville, Maryland (unless Executive is permitted to telecommute rather than work at the Company's new headquarters); or

(iii) a material breach of this Agreement by the Company.

(a) Notwithstanding the foregoing, no such event shall constitute "Good Reason" unless (A) Executive shall have given written notice of such event to the Company within six (6) months after the initial occurrence thereof, (B) the Company shall have failed to cure the condition constituting Good Reason within thirty (30) days following the delivery of such notice (or such longer cure period as may be agreed upon by the parties), and (C) Executive terminates employment within thirty (30) days after expiration of such cure period.

5.04. Termination by Employer due to Executive's Death or Disability. If Executive's employment is terminated by reason of death or Disability (as defined below): (i) Employer shall pay to Executive the Accrued Obligations, (ii) Executive's participation in the Benefit Plans shall terminate as of the Termination Date (except to the extent Executive is eligible for continued death or disability benefits under the applicable Employer plan), and (iv) Employer shall have no further obligations to Executive under this Agreement, other than those

provided in this Section 5.04. For the purposes of clarity, nothing in this Section 5.04 is to be construed as limiting Executive's right to recover insurance proceeds under the Company's life or disability insurance benefit plans that would otherwise be applicable to Executive's death or Disability. For purposes of this Agreement, **"Disability"** means (a) Executive being determined to be totally disabled as defined by guidelines of the then-existing Company disability insurance plan in which Executive is participating, or (b) a determination by the Social Security Administration that the Executive is "totally disabled" or (c) Executive's inability to engage in comparable professional activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than twelve months.

5.05. Severance Benefits: **"Severance Benefits"** means:

(a) The payment to Executive of the Severance Amount in substantially equal installments over one year (with the first payment commencing on the first payroll date that occurs at least one week after the Irrevocable Release has become irrevocable), in accordance with Employer's normal payroll practices (**"Severance Period"**). If the Executive's termination is in connection with or in the twelve (12) months following a Change of Control, then Severance Amount means (i) a multiple of 1.5x the Executive's then-current annual Base Salary plus (ii) a multiple of 1.5x the Executive's Target Bonus for the year of termination. If the Executive's termination precedes a Change of Control or occurs more than twelve (12) months following a Change of Control, then Severance Amount means (x) a multiple of 1.0x the Executive's then-current Base Salary plus (y) a multiple of 1.0x the Target Bonus for the year of termination, prorated for the number of days that have elapsed between January 1 of the calendar year of termination and the Termination Date.

(b) The continuation of Executive's participation in the Company's medical, dental, and vision benefit plans at the same premium cost to Executive as charged to Executive immediately prior to the Termination Date for a period of eighteen (18) months immediately following the Termination Date, or if earlier, until Executive obtains other employment which provides the same type of benefit; *provided*, *however*, that (a) it is understood and agreed that such continued medical, dental and vision benefits may at the election of the Company be provided by Executive electing the continuation of such coverage pursuant to COBRA with the Company reimbursing Executive for COBRA premiums to the extent required so that Executive's premium cost for the coverage in effect for Executive prior to the Termination Date is substantially the same as immediately prior to the Termination Date, and (b) if the Company determines, in its reasonable judgment, that providing medical, dental, and/or vision benefits in accordance with the preceding provisions of this Section 5.05(b) would result in a violation of applicable law, the imposition of any penalties under applicable law, or adverse tax consequences for participants covered by the Company's medical, dental, and/or vision plans, the Company may terminate such coverage (or reimbursement) with respect to Executive and instead pay to Executive taxable cash payments at the same time and in an amount that, after taxes, would be the same amount as the Company would have paid as premiums (or as COBRA premium reimbursements) to provide such coverage.

(c) If the Termination Date occurs upon or within one year after the occurrence of a Change in Control, each equity award granted by the Company to Executive that is outstanding as of the Termination Date and is not fully vested as of the date of the Termination Date shall, as of the date Executive provides the Company with the Irrevocable Release provided for in Section 5.06 (but only if the Irrevocable Release is provided within the period provided for by Section 5.06 and becomes irrevocable),

become vested with respect to 100% of the shares with respect to which the equity award is not vested as of the Termination Date; provided, however that in no event shall any such option vest to the extent the award has expired prior to the date Executive provides the Company with the Irrevocable Release. For the avoidance of doubt, in the event that any of Executive's unvested equity awards are to be terminated in connection with a Change of Control, Executive shall nonetheless be entitled to the accelerated vesting of 100% of the unvested equity awards described in and subject to the conditions of this clause (c).

(i) For purposes of this Agreement, **"Change of Control"** means, and shall be deemed to have occurred, if:

a. any Person, excluding (i) employee benefit plans of the Company or any of its Affiliates, is or becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act, which Rules shall apply for purposes of this clause (a) whether or not the Company is subject to the Exchange Act), directly or indirectly, of Company securities representing more than fifty percent (50%) of the combined voting power of the Company's then outstanding securities (**"Voting Power"**);

b. the Company consummates a merger, consolidation, share exchange, division or other reorganization or transaction of the Company (a **"Fundamental Transaction"**) with any other corporation, other than a Fundamental Transaction that results in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) at least fifty percent (50%) of the combined Voting Power immediately after such Fundamental Transaction of (i) the Company's outstanding securities, (ii) the surviving entity's outstanding securities, or (iii) in the case of a division, the outstanding securities of each entity resulting from the division;

c. the stockholders of the Company approve a plan of complete liquidation or winding-up of the Company or the consummation of the sale or disposition (in one transaction or a series of transactions) of all or substantially all of the Company's assets; or

d. during any period of 24 consecutive months, individuals who at the beginning of such period constituted the Board (including for this purpose any new director whose election or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who were directors at the beginning of such period or whose appointment, election or nomination was previously so approved or recommended) cease for any reason to constitute at least a majority of the Board;

provided that, in each case, a merger, share issuance or other transaction or series of transactions in which (i) the Company acquires an asset or business or (ii) the Company is a shell company, as defined under Rule 405 of the Securities Act of 1933, that acquires or is acquired by an operating company, shall not constitute a Fundamental Transaction.

(d) The foregoing payment of any of the Severance Benefits are expressly conditioned on receipt by the Company of an Irrevocable Release (as defined below) and the expiration of any statutory revocation period without any such revocation. To the extent such an Irrevocable Release has not been received by the Company, the time periods for payment of the Severance Benefits may be tolled by the Company until receipt of such an Irrevocable Release and expiration of such revocation period, at which point the Company may make a one-time catch-up payment for the applicable time period and then resume the regular periodic payment of Severance Benefits as provided in this Section 5.05.

(e) 5.06 Required Delivery of Irrevocable Release; Compliance with Section 6 Obligations. Notwithstanding the provisions of Section 5.05, as a condition to entitlement to any Severance Benefits, Executive must provide to the Company an Irrevocable Release not later than the twenty-first (21st) day after the Date of Termination (or longer, to the extent there is an applicable statutory period pursuant to which Executive may consider and/or revoke such release and such period has lapsed without any such revocation). In the event Executive fails to provide an Irrevocable Release to the Company within such period, the Company will immediately cease to pay or provide any further Severance Benefits and no accelerated vesting of equity awards pursuant to Section 5.05(c) shall occur. **"Irrevocable Release"** means a confidential separation agreement and release of claims, in the form attached Exhibit A (as may be modified to reflect any change in laws or regulations that would pertain to such an agreement and release at the time of separation) that has been executed by Executive, delivered to the Company, and become irrevocable by Executive. In addition, in the event that Executive breaches the obligations under Section 6 of this Agreement at any time during the Severance Period, Executive will cease to be entitled to any further Severance Benefits.

6. Promises and Covenants Regarding Confidential Information and Goodwill; Inventions and Assignment; Restrictive Covenants.

6.01. Confidential Information and Goodwill. In consideration of Executive's promises and covenants contained in this Agreement, including Executive's promise and covenant not to disclose Confidential Information, Employer will provide Executive with Confidential Information. In further consideration of Executive's promises and covenants contained in this Agreement, including Executive's promise and covenant to utilize the Goodwill exclusively for the benefit of Employer, Employer will allow Executive to receive Confidential Information concerning the Company's customers, labs, vendors and employees and, to the extent required to fulfill Executive's duties, the Company will permit Executive to represent the Company on its behalf with such persons. To the extent that Executive's duties involve sales or customer relations, the Company will permit Executive to utilize the Goodwill in Executive's sales efforts and will provide sales support to Executive similar to that which it provides to its sales representatives.

6.02. Duties. While employed by Company, Executive shall perform the duties required of Executive hereunder and shall devote Executive's best efforts and, subject to the matters set forth on Schedule 1 (as amended from time to time by mutual written agreement of the parties), and consistent with the provisions of Section 3 of this agreement, exclusive business time, energy and skill to performing such duties; not make any disparaging remarks regarding Company to any person with whom Company has business relations, including any employee or vendor of Company; use the Goodwill solely for the benefit of Company; and not interfere in such Goodwill, either during or following Executive's employment with Company.

6.03. Delivery of Company Property. Executive recognizes that all documents, magnetic media and other tangible items which contain Confidential Information are the property of Company exclusively. Upon request by Company or termination of Executive's employment with Company, Executive shall promptly return to Company all Confidential Information and Company Property within Executive's possession and control, and shall refrain from taking any Confidential Information or Company Property or allowing any Confidential Information or Company Property to be taken from Company; and immediately return to Company all information pertaining to Company or Company Property in Executive's possession.

6.04. Promise and Covenant Not to Disclose. The parties acknowledge that Company is the sole and exclusive owner of Confidential Information, and that Company has legitimate business interests in protecting Confidential Information. The parties further acknowledge that Company has invested, and continues to invest, considerable amounts of time and money in obtaining, developing, and preserving the confidentiality of Confidential Information and that, by reason of the trust relationship arising between Executive and Company, Executive owes Company a fiduciary duty to preserve and protect Confidential Information from all unauthorized disclosure and unauthorized use. Executive shall not, directly or indirectly, disclose Confidential Information to any third party (except to Executive's attorneys, the Company's personnel, other persons designated in writing by the Company, or except as otherwise provided by law) or use Confidential Information for any purpose other than for the direct benefit of Company while in Company's employ and thereafter.

6.05. Inventions and Assignment. Executive agrees that he will promptly disclose to the Company any and all Company Inventions and that Executive hereby irrevocably assigns to the Company all ownership rights in and to any and all Company Inventions. During Executive's employment or at any time thereafter, upon request of the Company, Executive will sign, execute and deliver any and all documents or instruments, including, without limitation, patent applications, declarations, invention assignments and copyright assignments, and will take reasonable action which the Company shall request to perfect in the Company trademark, copyright or patent rights with respect to Company Inventions, or to otherwise protect the Company's trade secrets and proprietary interests. The term **"*Inventions*"** means discoveries; developments; trade secrets; processes; formulas; data; lists; software programs; graphics; artwork; logos, and all other works of authorship, ideas, concepts, know-how, designs, and techniques, whether or not any of the foregoing is or are patentable, copyrightable, or registrable under any intellectual property laws or industrial property laws in the United States. The term **"*Company Inventions*"** means all Inventions that (a) relate to the business or proposed business of the Company or any of its predecessors or that are discovered, developed, created, conceived, reduced to practice, made, learned or written by Executive, either alone or jointly with others, in the course of Executive's employment; (b) utilize, incorporate or otherwise relate to Confidential Information; or (c) are discovered, developed, created, conceived, reduced to practice, made, or written by him using property or equipment of the Company or any of its predecessors. Executive agrees to promptly and fully communicate in writing to the Company (to such department or officer of the Company and in accordance with such procedures as the Company may direct from time to time) any and all Company Inventions. Executive acknowledges and agrees that any work of authorship by Executive or others comprising

Company Inventions shall be deemed to be a "work made for hire," as that term is defined in the United States Copyright Act (17 U.S.C. § 101 (2000)). To the extent that any such work of authorship may not be deemed to be a work made for hire, Executive hereby irrevocably assigns any ownership rights Executive may have in and to such work to the Company. This Agreement does not apply to any Inventions Executive made or to which Executive contributed before Executive's employment with the Company.

6.06. Other Promises and Covenants.

(a) During Executive's employment with Company and for a period of 12 months following termination of employment for any reason (the **"Non-Competition Period"**), Executive shall not either directly or indirectly, on Executive's own or another's behalf, engage in or assist others in any of the following activities (except on behalf of Company):

(i) (whether as principal, agent, partner or otherwise) engage in, own, manage, operate, control, finance, invest in, participate in, or otherwise carry on, or be employed by, associated with, or in any manner connected with, lend such Executive's name to, lend Executive's credit to, or render services or advice to a Competing Business anywhere in the Geographic Area; *provided*, *however*, that Executive may be employed by a Competing Business if (A) the role and responsibilities to be taken by Executive can clearly be segregated from any responsibility relating to the competing Company Business and (B) such Competing Business provides the Company with written confirmation acknowledging Executive's obligations under this Agreement with such Competing Business's agreement that it will ensure that Executive's role and responsibilities will be segregated in such manner;

(ii) provide or develop any products, technology or services that are the same or Substantially Similar to the products, technology and services provided or developed by the Company or any of its Affiliates;

(iii) induce or attempt to induce any customer, agent, supplier, licensee, or business relation of the Company or any of its Affiliates to cease doing business with the Company or any of its Affiliates, or in any way interfere with the relationship between any customer, supplier, licensee, or business relation of the Company or any of its Affiliates; or

(iv) on behalf of a Competing Business, solicit or attempt to solicit the business or patronage of any Person who is a customer or agent of the Company or any of its Affiliates, whether or not Executive had personal contact with such Person.

(v) For clarity, this Section 6.06(a) does not prohibit Executive from working at a non-Competing Business in the Geographic Area.

(b) During Executive's employment with Company and for a period of 12 months following termination of employment for any reason (the "Non-Solicitation Period"), Executive shall not either directly or indirectly, on Executive's own or another's behalf, engage in or assist others in any of the following activities:

(i) solicit, encourage, or take any other action which is intended to induce any employee, independent contractor or agent of the Company or any of its Affiliates to terminate Executive's employment or other business relationship with the Company or such Affiliate;

(ii) in any way interfere in any manner with the employment or other business relationship between the Company and/or any of its Affiliates, on the one hand, and any employee, independent contractor or agent of the Company or such Affiliate, on the other hand; or

(iii) employ, or otherwise engage as an employee, independent contractor or otherwise, any individual who was an employee or was otherwise affiliated with the Company or any of its Affiliates from the period beginning one year prior to Executive's last day of employment and continuing through the expiration of the Non-Solicitation Period.

provided, *however*, that nothing set forth in this Section 6 shall prohibit Executive from owning, as a passive investment, not in excess of five percent (5%) in the aggregate of any class of capital stock of any corporation if such stock is publicly traded and listed on any national or regional stock exchange or reported on the Nasdaq Stock Market.

6.07. Definitions. For purposes hereof:

(a) ***"Affiliate"*** means, with respect to any Entity, any Entity that, directly or indirectly through one or more intermediaries, controls, is controlled by or under common control with, such Entity.

(b) ***"Company Business"*** means the research, development, testing and/or marketing/sales of pharmaceutical products that are, rely on, target or rely upon (i) monoclonal antibodies directed against B7-H3 that are in active clinical development (meaning that an IND has been filed and accepted by the FDA or EMA with respect to that product candidate and the Company is developing the protocol, enrolling sites or patients or analyzing patients with respect to a human clinical trial for such product candidate), (ii) any bi-specific or multi-specific antibody-based protein targeting any of the Company's product candidates that are in active clinical development (as described in (i)), or (iii) any target or specific combination of targets that is the subject of pre-clinical research and for which the Company intends to file an IND for a product candidate with such specificity or specificities in the 12 months following Termination.

(c) ***"Company Property"*** means all physical materials, documents, information, keys, computer software and hardware, including laptop computers and mobile or handheld scheduling computers, manuals, data bases, product samples, tapes, magnetic media, technical notes and any other equipment or items which Company provides for or to Executive or which otherwise belongs to the Company, and those documents and items which Executive may develop or help develop while in Company's employ, whether or not developed during regular working hours or on Company's premises. The term *"Company Property"* shall include the original of such materials, any copies thereof, any notes derived from such materials, and any derivative work of such materials.

(d) ***"Competing Business"*** means any other Entity engaged in the Company Business, other than the Company and its Affiliates. For clarity, "Competing

Business" does not include the Food & Drug Administration, any of the National Institutes of Health or other government or regulatory agencies, and non-profit Entities are applicable only to the extent they are engaged in the research and/or development of biopharmaceutical products.

(e) ***"Confidential Information"*** means the trade secrets and other information of Company, including but not limited to (i) the customer lists, customer contact information, customer purchase information, pricing information, strategic and marketing plans, compilations of customer information, names of employees, contracts with third parties, training, financial and marketing books, sales projections, internal employer databases, reports, manuals and information including information related to Company, its Affiliates or its customers, including those documents and items which any employee may develop or help develop while in the employ of the Company or any of its Affiliates, whether or not developed during regular working hours or on the premises of the Company or such Affiliate; (ii) the identity, skills, personnel file information, performance appraisals and compensation of job applicants, employees, contractors, and consultants; (iii) specialized training; (iv) source code, scripts, user screens, reports or any other information pertaining to the internal information technology or network of the Company and/or its Affiliates, including the proprietary database system commonly referred to as the Office System; and (v) information related to inventions owned by the Company or any of its Affiliates or licensed from third parties; and unless the context requires otherwise, the term "*Confidential Information*" includes the original of such materials, any copies thereof, any notes derived from such materials, and any derivative work of such materials. The term "*Confidential Information*" does not include (1) information that was or becomes generally available publicly other than through disclosure by Executive, or (2) is required to be disclosed to any governmental agency or self-regulatory body or is otherwise required to be disclosed by law. Unless the context requires otherwise, the term *"Confidential Information"* shall include the original of such materials, any copies thereof, any notes derived from such materials, and any derivative work of such materials.

(f) ***"Entity"*** means and includes any person, partnership, association, corporation, limited liability company, trust, unincorporated organization or any other business entity or enterprise.

(g) ***"Geographic Area"*** mean those states in the United States in which the Company or any of its subsidiaries conducts business and has a physical location, or in which Company or any of its subsidiaries sells or markets products at the time of the termination of Executive's employment.

(h) ***"Goodwill"*** means the value of the relationships between the Company and its agents, customers, vendors, labs, and employees.

(i) ***"Substantially Similar"*** means substantially competitive to the products or services being developed, manufactured or sold by the Company during and/or at the end of Executive's employment, or are marketed for substantially the same indicated use as that to which the products and services of the Company are marketed or proposed to be marketed.

6.08. Acknowledgements Regarding Other Promises and Covenants. With regard to the promises and covenants set forth herein, Executive acknowledges and agrees that:

(a) the restrictions are ancillary to an otherwise enforceable agreement including the provisions of this Agreement regarding the disclosure, ownership and use of the Confidential Information and Goodwill of Company;

(b) the limitations as to time, geographical area, and scope of activity to be restricted are reasonable and acceptable to Executive, and do not impose any greater restraint than is reasonably necessary to protect the Goodwill and other legitimate business interests of Company;

(c) the performance by Executive, and the enforcement by Company, of such promises and covenants will cause no undue hardship on Executive;

(d) Executive will play a key business role for the Company in which he will have access to the Company's Confidential Information and Goodwill;

(e) the time periods covered by the promises and covenants will not include any period(s) of violation of, or any period(s) of time required for litigation brought by Company to enforce any such promise or covenant, it being understood that the extension of time provided in this paragraph may not exceed two (2) years.

6.09. [Reserved.]

6.10. Independent Elements. The parties acknowledge that the promises and covenants contained in Section 6 above are essential independent elements of this Agreement and that, but for Executive agreeing to comply with them, Company would not employ Executive. Accordingly, the existence or assertion of any claim by Executive against Company, whether based on this Agreement or otherwise, shall not operate as a defense to Company's enforcement of the promises and covenants in Section 6. An alleged or actual breach of the Agreement by Company will not be a defense to enforcement of any such promise or covenant, or other obligations of Executive to Company. The promises and covenants in Section 6 will remain in full force and effect whether Executive is terminated by Company or voluntarily resigns.

6.11. Remedies for Breach of Agreement. Executive acknowledges that Executive's breach of any promise or covenant contained in Section 6 will result in irreparable injury to Company and that Company's remedies at law for such a breach will be inadequate. Accordingly, Executive agrees and consents that Company, in addition to all other remedies available at law and in equity, shall be entitled to both preliminary and permanent injunctions to prevent and/or halt a breach or threatened breach by Executive of any such promise or covenant, and Executive waives the requirement of the posting of any bond in connection with such injunctive relief. Executive further acknowledges and agrees that the promises and covenants contained in Section 6 are enforceable, reasonable, and valid.

6.12. Directors and Officers Insurance. During Executive's period of employment with the Company (and for any applicable "tail-period" thereafter), Executive shall be covered under a director and officer's liability insurance policy that provides insurance coverage for Executive on substantially the same terms and conditions as the other senior executives and director of the Company.

7. Miscellaneous.

7.01. Governing Law; Arbitration

(a) This Agreement is made under and shall be governed by and construed in accordance with the laws of Maryland, without regard to its conflicts of law principles.

(b) Executive agrees that at the same time he signs and returns this Agreement to the Company, he will also sign and return the Mutual Arbitration Agreement, attached as Exhibit B hereto.

7.02. Entire Agreement. This Agreement and the documents referenced herein (including applicable equity award agreements and the equity plans to which they relate) contain the entire agreement of the parties relating to the employment of Executive by Employer and the ancillary matters discussed herein and supersedes all prior agreements, negotiations and understandings with respect to such matters, including, without limitation, any term sheet between the parties hereto with respect to such matters, and the parties hereto have made no agreements, representations or warranties relating to such employment or ancillary matters which are not set forth herein. Any agreement contrary to, or modifying, any provision of this Agreement must be in entered into, in writing, and signed by Executive and an executive officer or the chair of the board of directors of the Employer. Oral representations made before or after Executive is hired do not alter this Agreement.

7.03. Withholding Taxes. Employer may withhold from any compensation and Benefits payable under this Agreement all federal, state, city or other taxes as shall be required pursuant to any law or governmental regulation or ruling.

7.04. Golden Parachute Limit. Notwithstanding any other provision of this Agreement, in the event that any portion of the Severance Benefits or any other payment or benefit received or to be received by Executive (whether pursuant to the terms of this Agreement or any other plan, arrangement or agreement) (collectively, the **"Total Benefits"**) would be subject to the excise tax imposed under Section 4999 of the Code (the **"Excise Tax"**), the Total Benefits shall be reduced to the extent necessary so that no portion of the Total Benefits is subject to the Excise Tax; provided, however, that no such reduction in the Total Benefits shall be made if by not making such reduction, Executive's Retained Amount (as hereinafter defined) would be more than ten percent (10%) greater than Executive's Retained Amount if the Total Benefits are so reduced. All determinations required to be made under this Section 7.04 shall be made by tax counsel selected by the Company and reasonably acceptable to Executive (**"Tax Counsel"**), which determinations shall be conclusive and binding on Executive and the Company absent manifest error. All fees and expenses of Tax Counsel shall be borne solely by the Company. Prior to any reduction in Executive's Total Benefits pursuant to this Section 7.04, Tax Counsel shall provide Executive and the Company with a report setting forth its calculations and containing related supporting information. In the event any such reduction is required, the Total Benefits shall be reduced in the following order: (i) the Severance Amount (in reverse order of payment), (iii) any other portion of the Total Benefits that are not subject to Section 409A of the Code (other than Total Benefits resulting from any accelerated vesting of equity awards), (iv) other Total Benefits that are subject to Section 409A of the Code in reverse order of payment, and (v) Total Benefits that are not subject to Section 409A and arise from any accelerated vesting of any equity awards. **"Retained Amount"** shall mean the present value (as determined in accordance with sections 280G(b)(2)(A)(ii) and 280G(d)(4) of the Code) of the Total Benefits net of all federal, state and local taxes imposed on Executive with respect thereto.

7.05. Compliance With Section 409A. This Agreement is intended to comply with the requirements of Section 409A of the Code (including the exceptions thereto), to the extent applicable, and shall be interpreted accordingly. If any provision contained in this Agreement conflicts with the requirements of Section 409A of the Code (or the exemptions intended to apply under this Agreement), this Agreement shall be deemed to be reformed to comply with the requirements of Section 409A of the Code (or applicable exemptions thereto). Notwithstanding anything to the contrary herein, for purposes of determining Executive's entitlement to the Severance Benefits under Section 5 hereof, (a) Executive's employment shall not be deemed to have terminated unless and until Executive incurs a "separation from service" as defined in Section 409A of the Code, and (b) the effective date of any termination or resignation of employment (or any similar term) shall be the effective date of Executive's separation from service. Reimbursement of any expenses provided for in this Agreement shall be made in accordance with the Company's policies (as applicable) with respect thereto as in effect from time to time (but in no event later than the end of calendar year following the year such expenses were incurred) and in no event shall (i) the amount of expenses eligible for reimbursement hereunder during a taxable year affect the expenses eligible for reimbursement in any other taxable year or (ii) the right to reimbursement be subject to liquidation or exchange for another benefit. Notwithstanding anything to the contrary herein, if a payment or benefit under this Agreement is due to a "separation from service" for purposes of the rules under Treas. Reg. § 1.409A-3(i)(2) (payments to specified employees upon a separation from service) and Executive is determined to be a "specified employee" (as determined under Treas. Reg. § 1.409A-1(i)), such payment shall, to the extent necessary to comply with the requirements of Section 409A of the Code, be made on the later of (x) the date specified by the foregoing provisions of this Agreement or (y) the date that is six (6) months after the date of Executive's separation from service (or, if earlier, the date of Executive's death). Any installment payments that are delayed pursuant to the provisions of this section shall be accumulated and paid in a lump sum on the first day of the seventh month following Executive's separation from service (or, if earlier, upon Executive's death) and the remaining installment payments shall begin on such date in accordance with the schedule provided in this Agreement. To the extent permitted by Section 409A, each payment hereunder shall be deemed to be a separate payment for purposes of Section 409A of the Code. Notwithstanding the foregoing, to the extent this Agreement (or any provision of this Agreement) is determined not to be compliant with Section 409A of the Code, the Company shall not be liable for any resulting taxes to be paid by Executive. To the extent necessary to avoid the imposition of tax under Section 409A of the Code, where a payment hereunder could be made in either of two separate taxable years depending on the time of execution of the Irrevocable Release, the payment shall be made in the later tax year.

7.06. Amendments. No amendment or modification of the terms of this Agreement shall be valid unless made in writing and signed by both Executive and Employer.

7.07. Severability; Reformation. Whenever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable Law but if any provision of this Agreement is held to be invalid, illegal or unenforceable under any applicable Law or rule, the validity, legality and enforceability of the other provisions of this Agreement will not be affected or impaired thereby. If any provision of this Agreement is found invalid, illegal or unenforceable because it is too broad in scope, too lengthy in duration or violates any Law or regulation, it shall be reformed by limiting its scope, limiting its duration or construing it to avoid such violation (as the case may be) while giving the greatest effect to the intent of the parties as is legally permissible.

7.08. No Waiver. No waiver of any provision of this Agreement shall in any event be effective unless the same shall be in writing and signed by the party against whom such

waiver is sought to be enforced, and any such waiver shall be effective only in the specific instance and for the specific purpose for which given.

7.09. Assignment; No Third Party Beneficiary. This Agreement is a personal service contract, and shall not be assignable by Executive. This Agreement shall be assignable by Employer to any affiliate of Employer without the written consent of the Executive. This Agreement shall be assignable by Employer to any successor to the business of Employer, without the written consent of Executive; provided, however, that the assignee or transferee is the successor to all or substantially all of the business assets of Employer and such assignee or transferee expressly assumes all the obligations, duties, and liabilities of Employer set forth in this Agreement. Any purported assignment of this Agreement in violation of this Section 7.09 shall be null and void. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns, and no other Person shall have any right, benefit or obligation hereunder.

7.10. Counterparts; Facsimile Signatures. This Agreement may be executed in separate counterparts, each of which will be an original and all of which taken together shall constitute one and the same agreement, and any party hereto may execute this Agreement by signing any such counterpart. A facsimile signature by any party on a counterpart of this Agreement shall be binding and effective for all purposes. Such party shall subsequently deliver to the other party an original, executed copy of this Agreement; provided, however, that a failure of such party to deliver an original, executed copy shall not invalidate Executive's or its signature. This Agreement may be signed electronically, and the Company and Executive agree that such methods to sign electronically have the same legal and evidentiary effect as a handwritten signature. By signing electronically, Executive and the Company consent to using their electronic signature.

7.11. Notices. All notices and other communications relating to this Agreement will be in writing and will be deemed to have been given when personally delivered, three (3) days following mailing by certified or registered mail, return receipt requested, and one (1) Business Day following delivery to a reliable overnight courier or immediately following transmission by electronic mail. All notices to Employer shall be addressed and delivered to:

MacroGenics, Inc.
9704 Medical Center Drive
Rockville, MD 20850
Attn: General Counsel

or to such other address and facsimile number or email address as designated by Employer in a written notice to Executive. All notices to Executive shall be addressed and delivered to:

Eric Risser
**** ***** ****
******, ** *****

or to such other address and facsimile number or email address as Executive has designated in a written notice to Employer.

7.12. Interpretation. The headings contained in this Agreement are for reference purposes only and shall not in any way affect the meaning or interpretation of this Agreement.

7.13. Cumulative Remedies. The rights and remedies of the parties hereunder are cumulative and not exclusive of any rights or remedies any party hereto may otherwise have.

7.14. Expenses Relating to this Agreement. Each party shall pay its or Executive's own expenses incident to the negotiation, preparation and execution of this Agreement.

IN WITNESS WHEREOF, Executive and Employer have executed this Agreement as of the date set forth in the first paragraph.

"EMPLOYER"

MacroGenics, Inc.

By:_____
Name: William Heiden
Title: Chair of the Board of Directors

"EXECUTIVE"

_____
Eric Risser

SCHEDULE 1

OUTSIDE ACTIVITIES

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EXHIBIT A

CONFIDENTIAL SEPARATION AGREEMENT AND GENERAL RELEASE

Pursuant to the Amended and Restated Employment Agreement (the "**Employment Agreement**") by and between Eric Risser (**"Executive"**) and MacroGenics, Inc. (the **"Company"** and together with the Executive, the "**Parties**"), in order for Executive to receive any of the Severance Benefits therein, Executive is required to enter into this Confidential Separation Agreement and General Release (this **"Release"**). The Severance Benefits shall be provided as set forth in the Employment Agreement provided this Release is executed and irrevocable.

In consideration of the foregoing, of the mutual promises herein contained, of other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged by the Parties, it is agreed as follows:

1. As of the Termination Date, and at all times forward, Executive will not hold himself out to any person or entity as being an employee, officer, representative, or agent of the Company.

2. In exchange for the considerations provided for in this Release including the receipt of any of the Severance Benefits, Executive hereby completely, irrevocably, and unconditionally releases and forever discharges the Company, and any of its affiliated companies, and each and all of their officers, agents, directors, supervisors, employees, representatives, and their successors and assigns, and all persons acting by, through, under, for, or in concert with them, or any of them, in any and all of their capacities (hereinafter individually or collectively, the **"Released Parties"**), from any and all charges, complaints, claims, and liabilities of any kind or nature whatsoever, known or unknown, suspected or unsuspected (hereinafter referred to as "claim" or "claims") which Executive at any time heretofore had or claimed to have or which Executive may have or claim to have regarding events that have occurred as of the date Executive signs this Release, including, without limitation, those based on: any employee welfare benefit or pension plan governed by the Employee Retirement Income Security Act as amended (hereinafter **"ERISA"**) (provided that this release does not extend to any vested retirement benefits of Executive under Company's 401(k) Safe Harbor Plan); the Civil Rights Act of 1964, as amended (race, color, religion, sex and national origin discrimination and harassment); the Civil Rights Act of 1966 (42 U.S.C. § 1981) (discrimination); the Age Discrimination in Employment Act of 1967 (hereinafter **"ADEA"**), as amended; the Older Workers Benefit Protection Act, as amended; the Americans With Disabilities Act (hereinafter **"ADA"**), as amended; § 503 of the Rehabilitation Act of 1973; the Fair Labor Standards Act, as amended (wage and hour matters); the Family and Medical Leave Act, as amended, (family leave matters), Article 49B of the Maryland Code (discrimination), any other federal, state, or local laws or regulations regarding employment discrimination or harassment, wages, insurance, leave, privacy or any other matter; any negligent or intentional tort; any contract, policy or practice (implied, oral, or written); or any other theory of recovery under federal, state, or local law, and whether for compensatory or punitive damages, or other equitable relief, including, but not limited to, any and all claims which Executive may now have or may have had, arising from or in any way whatsoever connected with Executive's employment or contacts, with Company or any other of the Released Parties.

3. Executive acknowledges, understands and agrees that Executive has been paid in full for all hours that Executive has worked for the Company and that Executive has been paid any and all compensation or bonuses which have been earned by Executive through the date of execution of this Release. Executive acknowledges, understands and agrees that Executive has not been denied any leave requested under the FMLA or applicable state leave laws and that, to the extent applicable, Executive has been returned to Executive's job, or an equivalent position, following any FMLA or state leave taken pursuant to the FMLA or state laws. Executive acknowledges, understands and agrees that Executive has reported to the Employer's management personnel any work related injury or illness that occurred up to and including Executive's last day of employment. Executive acknowledges, understands, and agrees that Executive has no knowledge of any actions or inactions by any of the Released Parties or by Executive not previously disclosed to the Company that Executive believes could possibly constitute a basis for a claimed violation of any federal, state, or local law, any common law or any rule promulgated by an administrative body.

4. Executive understands that nothing in this Release limits Executive's ability to file a charge or complaint with the Equal Employment Opportunity Commission, the Department of Labor, the National Labor Relations Board, the Occupational Safety and Health Administration, the Department of Justice, the Securities and Exchange Commission or any other federal, state or local governmental agency or commission ("**Government Agencies**"). Executive further understands this Release does not limit Executive's ability to communicate with any Government Agencies or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency, including providing documents or other information, without notice to the Company. While this Release does not limit Executive's right to receive a government-issued award for information provided to any Government Agency in connection with a government whistleblower program or protected whistleblower activity, Executive understands and agrees that, to the maximum extent permitted by law, Executive is otherwise waiving any and all rights Executive may have to individual relief based on any claims that Executive has released and any rights Executive has waived by signing this Release. Furthermore, nothing in this Release waives any rights Executive may have under Section 7 of the National Labor Relations Act (subject to the release of claims set forth herein).

5. Older Workers Benefit Protection Act /ADEA Waiver

5.01. Executive acknowledges that Company has advised him in writing to consult with an attorney of his choice before signing this Release, and Executive has been given the opportunity to consult with an attorney of his choice before signing this Release.

5.02. Executive acknowledges that he has been given the opportunity to review and consider this Release for a full twenty-one days before signing it, and that, if he has signed this Release in less than that time, he has done so voluntarily in order to obtain sooner the benefits of this Release.

5.03. Executive further acknowledges that he may revoke this Release within seven (7) days after signing it, provided that this Release will not become effective until such seven (7) day period has expired. To be effective, any such revocation must be in writing and delivered to Company's principal place of business by the close of business on the seventh (7th) day after signing the Release and must expressly state Executive's intention to revoke this Release. Provided that Executive does not timely revoke this Release, the eighth (8th) day following Executive's execution hereof shall be deemed the "Effective Date" of this Release.

5.04. The Parties also agree that the release provided by Executive in this Release does not include a release for claims under the ADEA arising after the date Executive signs this Release.

6. Executive shall promptly turn over to the Company any and all documents, files, computer records, or other materials belonging to, or containing confidential or proprietary information obtained from, the Company that are in Executive's possession, custody, or control, including any such materials that may be at Executive's home.

7. Executive acknowledges his obligation to comply with any confidentiality or non-disclosure agreement Executive has executed including as set forth in the Employment Agreement.

8. The Parties agree that they will keep absolutely confidential, and not make any future disclosures to anyone except that the Parties may disclose this Release:

8.01. to enforce this Release; and/or

8.02. to an attorney; and/or

8.03. tax advisor or attorney in connection with a tax matter; and/or

8.04. to the United States Internal Revenue Service, or state or local tax authority upon its request for tax purposes; and/or

8.05. as required by court order or otherwise required by law or in response to valid legal process; provided that the Parties may make disclosure to attorneys, accountants, tax advisors, and family members only if such persons agree to keep the information confidential; and provided further that before providing information pursuant to a court order or other legal requirement, the Party providing such information shall promptly notify the other Party, and to the extent possible will comply with the court order or other legal requirement in ways that preserve confidentiality; and

8.06. to prospective employers consistent with Section 6.09 of the Employment Agreement.

9. Executive agrees that Executive will not publicly make or publish any adverse, disparaging, untrue, or misleading statement or comment about the Company or any of its officers, directors, employees, or agents. The Company agrees to instruct its directors, officers, and senior management not to publicly make or publish any adverse, disparaging, untrue, or misleading statement or comment about Executive.

10. Executive agrees to answer questions that the Company may have from time to time regarding matters that Executive worked on and to cooperate with the Company, upon request, to assist in the investigation, prosecution or defense of any claim, grievance, investigation, or audit by or against the Company. The time requirement for these activities will be nominal, will not be disruptive to the ability of the Executive to perform his own ongoing personal or professional responsibilities and will not require travel unless agreed upon by the Executive. The Company agrees to reimburse Executive for any reasonable and necessary out-of-pocket expenses he incurs as a result of such cooperation and to compensate him a reasonable hourly rate in the event such cooperation exceeds an aggregate of 20 hours (provided that the first 20 hours of cooperation has been performed to the reasonable satisfaction of the Company).

11. This Release shall not in any way be construed as an admission by the Company of any acts of unlawful conduct, wrongdoing or discrimination against Executive, and the Company specifically disclaims any liability to Executive on the part of itself, its employees, or its agents. This Release shall not in any way be construed as an admission by Executive of any acts of unlawful conduct, wrongdoing or discrimination against the Company, and Executive specifically disclaims any liability to Company on the part of himself or his agents.

12. This Release shall be binding upon Executive and upon Executive's heirs, administrators, representatives, executors, successors, and assigns, and shall inure to the benefit of the Company, and its representatives, executors, successors, and assigns. This Release shall be binding upon the Company and upon the Company's assigns and shall inure to the benefit of Executive and his heirs, administrators, representatives, executors, successors, and assigns.

13. This Release, including its Exhibits, and any applicable equity award agreements and the equity plans to which they relate, set forth the entire agreement between the Company and Executive and, except as expressly provided for in this Release, fully supersedes any and all prior agreements or understandings between the Company and Executive pertaining to the subject matter hereof, except that Executive's obligations in Section 6 of the Employment Agreement shall remain in full force and effect. In reaching this Release, neither the Company nor Executive has relied upon any representation or promise except those set forth herein. If any provision, or portion of a provision, of this Release is held to be invalid or unenforceable for any reason, the remainder of the Release shall remain in full force and effect, as if such provision, or portion of such provision, had never been contained herein. The unenforceability or invalidity of a provision of the Release in one jurisdiction shall not invalidate or render that provision unenforceable in any other jurisdiction.

14. This Release cannot be amended, modified, or supplemented in any respect except by written agreement entered into and signed by the Parties.

15. This Release shall be governed by the laws of the State of Maryland without giving effect to conflict of laws principles, and Executive consents to exclusive personal jurisdiction in the state and federal courts of the State of Maryland for any proceeding arising out of or relating to this Release. The language of all parts of the Release shall in all cases be construed as a whole, according to its fair meaning, and not strictly for or against any of the Parties.

16. Executive acknowledges that he has read each and every section of this Release and that he understands his rights and obligations under this Release. Executive acknowledges that the Company has advised him in writing to consult with an attorney of his choice before signing this Release, and that Executive has been given the opportunity to consult with an attorney of his choice before signing this Release.

17. This Release may be signed in counterparts, each of which shall be considered an original for all purposes, and all of which taken together shall constitute one and the same written agreement.

IN WITNESS WHEREOF, the Company, has caused this Release to be executed by its duly authorized officer, and Executive has executed this Release, on the date(s) set forth below.

Executive

_____
Eric Risser /Date

MacroGenics, Inc.

By:_____
Name: /Date
Title:

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EXHIBIT B

MUTUAL ARBITRATION AGREEMENT

1. Definitions. In this Mutual Arbitration Agreement ("Arbitration Agreement"), the term "the Company" refers to the employer, MacroGenics, Inc., and its successors, assigns, subsidiaries, and affiliated companies, and their respective owners, officers, managers, employees, and agents. The term "Employee" refers to the individual whose name and signature appear on the last page of this Arbitration Agreement. The Company and Employee are collectively referred to herein as the "Parties."

2. Mutual Agreement to Arbitrate Disputes. In consideration of the Parties' mutual agreement to arbitrate and the mutual benefits that arbitration can provide the Parties, and in consideration of Employee's employment or continued employment, the Parties agree that any Covered Claims, as defined below, that either party may have against the other shall be submitted to binding arbitration under the Federal Arbitration Act ("FAA"). The Parties agree that this Arbitration Agreement is governed by the FAA because the Company's business involves interstate commerce. If the FAA does not apply, the state law in the state where Employee's primarily assigned work location shall apply.

3. Covered Claims. The Parties agree they will submit all Covered Claims to be determined exclusively by binding arbitration. "Covered Claims" means any controversy, dispute or claim either party has against the other arising out of or relating to Employee's employment with the Company, including but not limited to Employee's application for employment, terms and conditions of employment, and separation from employment. Covered Claims include but are not limited to:

a. All claims arising under federal, state, or local laws, regulations, or statutes prohibiting employment discrimination, failure to accommodate, harassment (except as provided in Section 4(d) below) and/or retaliation on the basis of a protected class. Such claims include those under Title VII of the Civil Rights Act of 1964; the Civil Rights Acts of 1866 and 1871, 42 U.S.C. § 1981; the Age Discrimination in Employment Act; the Americans with Disabilities Act; the Equal Pay Act; the Family and Medical Leave Act; the Pregnancy Discrimination Act; and all other state and local laws prohibiting employment discrimination, failure to accommodate, harassment and/or retaliation;

b. All claims arising under an alleged or actual agreement, whether oral, written or implied, and any claims of alleged violations of public policy;

c. All claims under federal, state, or local laws regarding payment of wages, compensation practices, or benefit plans. Such claims include but are not limited to claims under the Fair Labor Standards Act, the Employee Retirement Income Security Act, and all state or local wage and hour and wage payment laws;

d. All claims for refusal to hire, wrongful termination, defamation, assault, battery, negligence, invasion of privacy, layoffs, background or credit reports, drug testing, and other claims of personal, emotional, physical or other economic injury; and

e. All claims relating to the scope, validity, or enforceability of this Arbitration Agreement.

4. Excluded Claims. Notwithstanding anything herein to the contrary, the following are not Covered Claims and are not subject to mandatory arbitration under this Arbitration Agreement:

a. Any claim arising under the National Labor Relations Act that is brought before the National Labor Relations Board, including but not limited to unfair labor practice charges;

b. Any claim for medical and disability benefits under workers' compensation laws or any claim for unemployment benefits;

c. Any claim brought on an individual basis which may be brought properly in, and only to the extent it remains in, small claims court;

d. At employee's voluntarily election, any "sexual assault dispute" or "sexual harassment dispute" as defined under the Ending Forced Arbitration of Sexual Assault and Sexual Harassment Act of 2021, 9 U.S.C. § 401 ("Act"), provided the Act is in effect at the time the claim accrues. If Employee elects to pursue a "sexual harassment dispute" or "sexual assault dispute" as defined by the Act in court, Employee agrees that such claims will be tried only to a judge and not to a jury;

e. Any claim arising out of any written contract(s) between Employee and the Company where the contract specifically provides for resolution through the courts;

f. Any claim for benefits under a Company plan in which the plan provides its own dispute resolution procedure; and

g. Any claim for temporary or preliminary injunctive relief (including expedited discovery in aid thereof) from a state or federal court of competent jurisdiction to restrain violations or threatened violations of this Arbitration Agreement, any other agreement between the Parties, or applicable law, or to preserve the status quo and prevent irreparable harm pending the arbitration of any Covered Claim.

5. **Participation in Agency Investigations.** Notwithstanding anything herein to the contrary, nothing in this Arbitration Agreement shall prevent Employee from filing administrative claims with the U.S. Equal Employment Opportunity Commission, the National Labor Relations Board, or any other federal, state or local agency. (If Employee chooses to pursue a Covered Claim following the exhaustion of administrative remedies before an agency, that claim would be subject to arbitration unless otherwise specifically excluded from arbitration by this Arbitration Agreement.) Likewise, nothing in this Arbitration Agreement prevents a party from participating in any investigation or proceeding conducted by any federal, state or local agency.

6. **Arbitration Procedure.** Covered Claims shall be settled by submission by either party of the controversy, claim or dispute to binding arbitration administered by JAMS pursuant to its Employment Arbitration Rules & Procedures and subject to JAMS Policy on Employment Arbitration Minimum Standards of Procedural Fairness in effect at the time the arbitration is initiated, except as indicated herein. The JAMS Employment Arbitration Rules & Procedures and JAMS Policy on Employment Arbitration Minimum Standards of Procedural Fairness may be obtained at http://www.jamsadr.com. If the JAMS Rules current at the time the arbitration is initiated are in conflict with the procedure below,

then the JAMS Rules shall supersede the stated procedures. To the extent they do not conflict with the JAMS Rules, the arbitration shall be governed by the Federal Rules of Civil Procedure.

7. **Form of Arbitration and Waiver of Multi-Plaintiff Litigation.** In any arbitration, any claim shall be arbitrated only on an individual basis and not on a class or private attorney general basis. Employee and the Company expressly waive any right to arbitrate as a class representative, as a class member, in a collective action, or in or pursuant to a private attorney general capacity, and there shall be no joinder or consolidation of parties. In the event an arbitrator or court determines a claim may be brought as a class or in a collective action, then the agreement to arbitrate that claim is void and such class or collective action must be brought in the appropriate court and not in arbitration. In such case, Section 14, Waiver of Jury Trial, shall still apply.

Employee and the Company each agree, to the fullest extent permitted by applicable law, that neither will, in any capacity:

a. file, join, intervene, or participate in any way as a party, class member, or individual eligible for monetary or equitable relief in any lawsuit or court case that is subject to mandatory binding arbitration under this Arbitration Agreement;

b. file, join, participate, or intervene in any class-based lawsuit or court case against the other party (including any collective or representative action); or

c. file, join, participate, or intervene in any class-based arbitration against the other party.

d. Except as provided above, this waiver does not prohibit Employee's right to act in concert with other applicants or Employees, under the NLRA, nor does it restrict any other rights under the NLRA, and Employee will not be subject to discipline or retaliation for exercising such rights and/or filing claims with the NLRB.

8. **Location of Arbitration.** The Parties agree that arbitration shall be held within fifty (50) miles of the Company's headquarters in Rockville, Maryland. In the event this venue selection clause is unenforceable for any reason, the Parties agree that arbitration shall be held in the state and county where Employee's primarily assigned Company work location is located. If Employee works exclusively remotely, the assigned work location shall be deemed to be the location of the Company office from which Employee receives the majority of Employee's assignments.

9. **Submission of Claims.** Employee and the Company understand that the party asserting a claim must file a Demand for Arbitration with JAMS using the forms provided by JAMS and in compliance with JAMS' rules, which may be found at http://jamsadr.com. The party asserting a claim must submit a copy of the Demand for Arbitration by certified mail/return receipt requested to the other party pursuant to the Notice Section below.

10. **Time Limitations.** Claims must be submitted to JAMS within the time period allowed pursuant to the statute, regulation, or other law applicable to the alleged act or omission giving rise to the claim, unless otherwise agreed by the Parties. Any claim not submitted to JAMS within the applicable time period is waived. To the extent either party asserts a claim for which administrative exhaustion of remedies is required, nothing in this Arbitration Agreement extends a party's deadline to file an

administrative complaint or charge of discrimination or extends a party's deadline to initiate a claim once such claims are administratively exhausted.

11. **Authority of Arbitrator.** The arbitrator has the authority to award relief, including attorneys' fees, compensatory damages and punitive damages if provided under applicable law, to the Company or Employee, and the arbitrator's authority is as binding as a decision in a matter litigated in the courts. The Arbitrator shall have the authority of a trial court judge sitting without a jury, but may not add to, modify, invalidate or ignore any provision of this Arbitration Agreement or the JAMS Rules, nor may the Arbitrator invoke any basis for a ruling other than controlling law. The arbitrator shall have no power under this Arbitration Agreement to consolidate claims and/or to hear a collective or class action. In addition to requirements imposed by law or by JAMS, any arbitrator shall be a retired state or federal court judge, or a licensed attorney with arbitration experience and at least ten years' experience practicing employment law, and shall be subject to disqualification on the same grounds as would apply to a judge of a court of relevant jurisdiction. The arbitrator shall follow controlling law and issue a written reasoned decision based on applicable law. An arbitrator's final decision is binding and conclusive on the Parties and may be entered in any court of competent jurisdiction.

12. **Fees and Costs of Arbitration.** The party who requests arbitration shall pay the JAMS filing fee subject to any caps imposed by JAMS Rules. In no case shall Employee's filing fee exceed the filing fee then applicable to initiate an action in a United States district court. The Company shall pay the Arbitrator's fee and any other type of expenses or costs assessed by JAMS that Employee would not be required to pay if the Covered Claim had been brought in court, as well as any other expenses or costs that are unique to arbitration. The Company and Employee are responsible for paying their own fees and expenses associated with hiring an attorney, experts, witnesses, and costs in preparing for and participating in the arbitration. An Arbitrator will not have authority to award attorneys' fees or costs unless a statute or contract at issue in the dispute authorizes the award of attorneys' fees or costs to the prevailing party.

13. **Dismissal of Any Lawsuit.** The Company and Employee agree that if either pursues a Covered Claim against the other by any method other than the arbitration provision herein, and an exception does not apply, the responding party is entitled to dismissal of such action, and the recovery of all damages in responding, to include related attorneys' fees, costs, and losses. Requests for fees, costs and losses related to such an action shall be addressed by the court granting such dismissal.

14. **Waiver of Jury Trial. EMPLOYEE AND THE COMPANY UNDERSTAND THAT BY ENTERING INTO THIS ARBITRATION AGREEMENT, BOTH GIVE UP THEIR RIGHT TO TRIAL BY JURY OF ANY INDIVIDUAL, CLASS, COLLECTIVE ACTION, MULTIPLE-PARTY, PRIVATE ATTORNEY GENERAL, OR OTHER CLAIM EITHER MAY HAVE AGAINST THE OTHER.**

15. **Severability.** Should any term or provision, or portion thereof, be declared void or unenforceable or deemed in contravention of law, it shall be severed and/or modified by the arbitrator or court and the remainder of this Arbitration Agreement shall be enforceable; provided, however, that if the "Form of Arbitration" provision above prohibiting class-wide, collective action, consolidated, or other group arbitration is deemed invalid, then this entire Agreement shall be null and void as to that action and the parties encompassed, except for Section 14, Waiver of Jury Trial, which shall survive.

16. **Advice of Counsel.** Employee acknowledges that, in executing this Arbitration Agreement, employee has had the opportunity to seek the advice of independent legal counsel, and Employee has read and understood all of the terms and provisions of this Arbitration Agreement. This Arbitration

Agreement will not be construed for or against any Party by reason of the drafting or preparation of this Arbitration Agreement.

17. **Exclusive Agreement.** Any agreement contrary to, or modifying, the foregoing arbitration provisions must specifically state an intent to modify this Arbitration Agreement and must be in entered into, in writing, and signed by Employee and an executive officer of the Company. Oral representations made before or after Employee is hired do not alter this Arbitration Agreement.

18. **Entire Agreement.** This is a complete agreement of the Parties and supersedes any and all prior understandings or agreements regarding dispute resolution.

19. **Electronic Signature.** This Arbitration Agreement may be signed electronically. The Company and Employee agree that such methods to sign electronically have the same legal and evidentiary effect as a handwritten signature. By signing electronically, Employee and the Company consent to using their electronic signature.

20. **Notice.** Notice shall be effective upon receipt by Employee if it is sent via certified mail/return receipt requested to the physical address on file with the Company. Notice shall be effective upon receipt by Company if it is sent via certified mail/return receipt directed to "General Counsel" at MacroGenics, Inc.'s corporate headquarters address.

AGREEMENT TO ARBITRATE

I UNDERSTAND THAT THIS ARBITRATION GREEMENT CONTAINS AN AGREEMENT TO ARBITRATE. I UNDERSTAND THAT I WILL NOT BE ABLE TO BRING OR CONTINUE A LAWSUIT OUTSIDE OF ARBITRATION CONCERNING ANY DISPUTE WHICH IS COVERED BY THE ARBITRATION AGREEMENT. MY SIGNATURE BELOW ATTESTS TO THE FACT THAT I HAVE READ, UNDERSTAND, AND AGREE TO BE LEGALLY BOUND TO ALL OF THE ABOVE TERMS. I ALSO UNDERSTAND THAT THIS ARBITRATION AGREEMENT CONTAINS A WAIVER OF JURY TRIAL.

I KNOWINGLY, WILLINGLY AND VOLUNTARILY AGREE TO THIS ARBITRATION AGREEMENT. I ACKNOWLEDGE THAT NO REPRESENTATIONS OF FACT OR OPINION HAVE BEEN MADE BY ANY PERSON OR ENTITY TO INDUCE MY EXECUTION OF THIS ARBITRATION AGREEMENT OR TO IN ANY WAY MODIFY OR NULLIFY ITS EFFECT.

Employee For the Company

_____ _____

Employee's Signature Date Company Representative Signature Date

_____ Its: _____

Print Name (Employee)

EXHIBIT 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the following Registration Statements:

1. Registration Statement (Form S-8 No. 333-192277) pertaining to the 2000 Stock Option and Incentive Plan, the 2003 Equity Incentive Plan, and 2013 Equity Incentive Plan of MacroGenics, Inc.,
2. Registration Statements (Form S-8 No. 333-202470) pertaining to the 2013 Equity Incentive Plan of MacroGenics, Inc.,
3. Registration Statements (Form S-8 No. 333-209812) pertaining to the 2013 Equity Incentive Plan of MacroGenics, Inc.,
4. Registration Statements (Form S-8 No. 333-217620) pertaining to the 2013 Equity Incentive Plan of MacroGenics, Inc.,
5. Registration Statements (Form S-8 No. 333-223682) pertaining to the 2013 Equity Incentive Plan of MacroGenics, Inc.,
6. Registration Statements (Form S-8 No. 333-230292) pertaining to the 2013 Equity Incentive Plan of MacroGenics, Inc.,
7. Registration Statements (Form S-8 No. 333-237127) pertaining to the 2013 Equity Incentive Plan of MacroGenics, Inc.,
8. Registration Statements (Form S-8 No. 333-253502) pertaining to the 2013 Equity Incentive Plan of MacroGenics, Inc.,
9. Registration Statements (Form S-8 No. 333-262967) pertaining to the 2013 Equity Incentive Plan of MacroGenics, Inc.,
10. Registration Statement (Form S-8 No. 333-270562) pertaining to the 2013 Equity Incentive Plan of MacroGenics, Inc.,
11. Registration Statement (Form S-8 No. 333-214386) pertaining to the 2016 Employee Stock Purchase Plan of MacroGenics, Inc.,
12. Registration Statement (Form S-8 No. 333-272451) pertaining to the 2023 Equity Incentive Plan of MacroGenics, Inc.,
13. Registration Statement (Form S-3 No. 333-275343) of MacroGenics, Inc.,
14. Registration Statement (Form S-8 No. 333-279674) pertaining to the 2023 Equity Incentive Plan of MacroGenics, Inc.,and
15. Registration Statement (Form S-8 No. 333-289603) pertaining to the 2023 Equity Incentive Plan of MacroGenics, Inc.

of our reports dated March 9, 2026, with respect to the consolidated financial statements of MacroGenics, Inc. and the effectiveness of internal control over financial reporting of MacroGenics, Inc. included in this Annual Report (Form 10-K) of MacroGenics, Inc. for the year ended December 31, 2025.

/s/ Ernst & Young LLP

Tysons, Virginia
March 9, 2026

EXHIBIT 31.1

I, Eric Risser, certify that:

1. I have reviewed this Annual Report on Form 10-K for the period ended December 31, 2025 of MacroGenics, 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 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 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/ Eric Risser

Eric Risser

President and Chief Executive Officer
(Principal Executive Officer)

Dated: March 9, 2026

EXHIBIT 31.2

I, James Karrels, certify that:

1. I have reviewed this Annual Report on Form 10-K for the period ended December 31, 2025 of MacroGenics, 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 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 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/ James Karrels

James Karrels
Senior Vice President and Chief Financial Officer
(Principal Financial Officer)

Dated: March 9, 2026

EXHIBIT 32.1

Certification of Principal Executive Officer Pursuant to 18 U.S.C. 1350 (Section 906 of the Sarbanes-Oxley Act of 2002)

I, Eric Risser, President and Chief Executive Officer (principal executive officer) of MacroGenics, Inc. (the "Registrant"), certify, to the best of my knowledge, based upon a review of the Annual Report on Form 10-K for the period ended December 31, 2025 of the Registrant (the "Report"), that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

/s/ Eric Risser
Name: Eric Risser
Date: March 9, 2026

EXHIBIT 32.2

Certification of Principal Financial Officer Pursuant to 18 U.S.C. 1350 (Section 906 of the Sarbanes-Oxley Act of 2002)

I, James Karrels, Senior Vice President and Chief Financial Officer (principal financial officer) of MacroGenics, Inc. (the "Registrant"), certify, to the best of my knowledge, based upon a review of the Annual Report on Form 10-K for the period ended December 31, 2025 of the Registrant (the "Report"), that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

/s/ James Karrels
Name: James Karrels
Date: March 9, 2026