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

FORM 10-Q

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

For the quarterly period ended March 31, 2022

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 as specified in its charter)

Delaware	**06-1591613**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
9704 Medical Center Drive Rockville, Maryland	**20850**
(Address of principal executive offices)	**(Zip code)**

301-251-5172

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.01 per share	MGNX	Nasdaq Global Select Market

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted and posted 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 and post 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 definitions of "accelerated filer," "large accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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

As of April 29, 2022, 61,333,500 shares of the registrant's common stock, par value $0.01 per share, were outstanding.

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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 Quarterly Report on Form 10-Q. 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 "Item 1A. Risk Factors" of our Annual Report on Form 10-K for the year ended December 31, 2021), 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 and commercialize 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, 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 raise additional capital through the capital markets or through one or more corporate partnerships, equity offerings, debt financings, collaborations, licensing arrangements or asset sales and the availability of financing to fund the development of our product candidates;
- our expectations regarding commercial prospects of or product revenues from MARGENZA and our product candidates if approved;
- the severity and duration of the impact of the COVID-19 global pandemic on our business, operations, clinical programs, manufacturing, financial results and other aspects of our business;
- our expectations regarding product candidates currently being developed by our collaborators;
- 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 receive research funding and achieve anticipated milestones under our collaborations;
- 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; and

- our failure to maintain effective internal controls.

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. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

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

	March 31, 2022	December 31, 2021
	(unaudited)	
Assets		
Current assets:		
Cash and cash equivalents	$ 47,328	$ 123,469
Marketable securities	136,658	120,147
Accounts receivable	14,905	10,386
Inventory, net	4,598	4,388
Prepaid expenses and other current assets	14,712	21,170
Total current assets	218,201	279,560
Property, equipment and software, net	36,034	37,676
Other non current assets	17,210	18,009
Total assets	$ 271,445	$ 335,245
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	$ 3,731	$ 15,500
Accrued expenses and other current liabilities	32,967	33,755
Deferred revenue	25,562	20,646
Lease liabilities	4,837	4,677
Total current liabilities	67,097	74,578
Deferred revenue, net of current portion	6,364	—
Lease liabilities, net of current portion	19,512	20,791
Other non current liabilities	258	258
Total liabilities	93,231	95,627
Stockholders' equity:		
Common stock, $0.01 par value -- 125,000,000 shares authorized, 61,333,074 and 61,307,428 shares outstanding at March 31, 2022 and December 31, 2021, respectively	613	613
Additional paid-in capital	1,218,263	1,213,002
Accumulated other comprehensive loss	(283)	(61)
Accumulated deficit	(1,040,379)	(973,936)
Total stockholders' equity	178,214	239,618
Total liabilities and stockholders' equity	$ 271,445	$ 335,245

See notes to consolidated financial statements.

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

	Three Months Ended March 31,	
	2022	**2021**
Revenues:		
Revenue from collaborative and other agreements	$ 7,093	$ 15,184
Product revenue, net	3,580	887
Revenue from government agreements	428	810
Total revenues	11,101	16,881
Costs and expenses:		
Cost of product sales	48	17
Research and development	61,438	53,121
Selling, general and administrative	16,253	15,036
Total costs and expenses	77,739	68,174
Loss from operations	(66,638)	(51,293)
Other income	195	21
Net loss	(66,443)	(51,272)
Other comprehensive income (loss):		
Unrealized gain (loss) on investments	(222)	18
Comprehensive income (loss)	$ (66,665)	$ (51,254)
Basic and diluted net loss per common share	$ (1.08)	$ (0.90)
Basic and diluted weighted average common shares outstanding	61,324,163	57,202,846

See notes to consolidated financial statements.

MACROGENICS, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(unaudited)
(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, 2021	61,307,428	$ 613	$ 1,213,002	$ (973,936)	$ (61)	$ 239,618
Share-based compensation	—	—	5,224	—	—	5,224
Stock plan related activity	25,646	—	37	—	—	37
Unrealized loss on investments	—	—	—	—	(222)	(222)
Net loss	—	—	—	(66,443)	—	(66,443)
Balance, March 31, 2022	61,333,074	$ 613	$ 1,218,263	$ (1,040,379)	$ (283)	$ 178,214

	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
	Shares	Amount				
Balance, December 31, 2020	56,244,771	$ 562	$ 1,067,150	$ (771,821)	$ (7)	$ 295,884
Share-based compensation	—	—	5,243	—	—	5,243
Issuance of common stock, net of offering costs	3,622,186	36	98,164	—	—	98,200
Stock plan related activity	144,249	2	2,456	—	—	2,458
Unrealized gain on investments	—	—	—	—	18	18
Net loss	—	—	—	(51,272)	—	(51,272)
Balance, March 31, 2021	60,011,206	$ 600	$ 1,173,013	$ (823,093)	$ 11	$ 350,531

See notes to consolidated financial statements.

MACROGENICS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)
(in thousands)

	Three Months Ended March 31,	
	2022	**2021**
Cash flows from operating activities		
Net loss	$ (66,443)	$ (51,272)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization expense	2,913	2,729
Amortization of premiums and discounts on marketable securities	334	367
Stock-based compensation	5,274	5,286
Changes in operating assets and liabilities:		
Accounts receivable	(4,520)	15,934
Inventory	(210)	(6,172)
Prepaid expenses and other current assets	6,457	(1,239)
Other non current assets	801	3,673
Accounts payable	(11,920)	1,829
Accrued expenses and other current liabilities	(543)	855
Lease liabilities	(1,119)	(683)
Deferred revenue	11,280	(601)
Other non current liabilities	—	258
Net cash used in operating activities	(57,696)	(29,036)
Cash flows from investing activities		
Purchases of marketable securities	(54,077)	(93,881)
Proceeds from sale and maturities of marketable securities	37,010	60,250
Purchases of property, equipment and software	(1,415)	(626)
Net cash used in investing activities	(18,482)	(34,257)
Cash flows from financing activities		
Proceeds from issuance of common stock, net of offering costs	—	98,200
Proceeds from stock option exercises	37	2,458
Net cash provided by financing activities	37	100,658
Net change in cash and cash equivalents	(76,141)	37,365
Cash and cash equivalents at beginning of period	123,469	181,131
Cash and cash equivalents at end of period	$ 47,328	$ 218,496
Supplemental Cash Flow Information		
Property, equipment and software included in accounts payable or accruals	$ 151	$ 486

See notes to consolidated financial statements.

MACROGENICS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

1. Nature of Operations

Description of the business

MacroGenics, Inc. (the Company) is incorporated in the state of Delaware. The Company is a biopharmaceutical company focused on developing and commercializing innovative antibody-based therapeutics designed to modulate the human immune response for the treatment of cancer. The Company has a pipeline of product candidates being evaluated in clinical trials sponsored by MacroGenics or its collaborators. These product candidates include multiple immuno-oncology programs, some of which were created primarily using the Company's proprietary, antibody-based technology platforms. The Company believes its product candidates have the potential, if approved for marketing by regulatory authorities, to have a meaningful effect on treating patients' unmet medical needs as monotherapy or, in some cases, in combination with other therapeutic agents. In March 2021, the Company and its commercialization partner commenced U.S. marketing of MARGENZA (margetuximab-cmkb), a human epidermal growth factor receptor 2 (HER2) receptor antagonist indicated, 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.

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.

As a biotechnology company, the Company has primarily funded its operations with proceeds from the sale of its common stock in equity offerings, revenue from its multiple collaboration agreements, and contracts and grants from the National Institute of Allergy and Infectious Diseases (NIAID). 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. 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 Quarterly Report on Form 10-Q was filed. The Company plans to meet its future operating requirements by generating revenue from current and future strategic collaborations or other arrangements, and product sales. 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.

Similar to the other risk factors pertinent to the Company's business, the COVID-19 pandemic and geopolitical tensions, including the ongoing military conflict between Russia and Ukraine and the related sanctions imposed against Russia, 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 the COVID-19 pandemic and geopolitical tensions, the Company will continue to evaluate the nature and extent of the impact of these uncertainties on its business and financial position.

Basis of Presentation

The accompanying unaudited interim consolidated financial statements of the Company have been prepared in accordance with U.S. generally accepted accounting principles (GAAP) for interim financial information. The financial statements include all adjustments (consisting only of normal recurring adjustments) that the management of the Company believes are necessary for a fair presentation of the periods presented. These interim financial results are not necessarily indicative of results expected for the full fiscal year or for any subsequent interim period.

The accompanying unaudited interim consolidated financial statements include the accounts of MacroGenics, Inc. and its wholly owned subsidiaries, MacroGenics UK Limited and MacroGenics Limited. All intercompany accounts and transactions have been eliminated in consolidation. These consolidated financial statements and related notes should be read in conjunction with the financial statements and notes thereto included in the Company's 2021 Annual Report on Form 10-K filed with the Securities and Exchange Commission (SEC) on February 24, 2022.

2. Summary of Significant Accounting Policies

During the three months ended March 31, 2022, there have been no material changes to the significant accounting policies previously disclosed in the Company's Annual Report on Form 10-K for the year ended December 31, 2021.

Recent Accounting Pronouncements

There were no new accounting pronouncements that were issued or became effective since the issuance of the Company's 2021 Annual Report on Form 10-K that had, or are expected to have, a material impact on its consolidated financial position, results of operations or cash flows.

3. 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.

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

	Fair Value Measurements at March 31, 2022		
	Total	Level 1	Level 2
Assets:			
Money market funds	$ 352	$ 352	$ —
U.S. Treasury securities	127,956	127,956	—
Government-sponsored enterprises	7,700	—	7,700
Corporate debt securities	6,999	—	6,999
Total assets measured at fair value[(a)]	$ 143,007	$ 128,308	$ 14,699

	Fair Value Measurements at December 31, 2021		
	Total	Level 1	Level 2
Assets:			
Money market funds	$ 17,202	$ 17,202	$ —
U.S. Treasury securities	81,132	81,132	—
Government-sponsored enterprises	7,734	—	7,734
Corporate debt securities	37,280	—	37,280
Total assets measured at fair value[(b)]	$ 143,348	$ 98,334	$ 45,014

(a) Total assets measured at fair value at March 31, 2022 includes approximately $6.3 million reported in cash and cash equivalents on the consolidated balance sheet.

(b) Total assets measured at fair value at December 31, 2021 includes approximately $23.2 million reported in cash and cash equivalents on the consolidated balance sheet.

4. Marketable Securities

The following tables summarize the Company's marketable debt securities (in thousands):

	March 31, 2022			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
U.S. Treasury securities	$ 128,231	$ —	$ (274)	$ 127,957
Government-sponsored enterprises	7,705	—	(5)	7,700
Corporate debt securities	1,004	—	(3)	1,001
Total	$ 136,940	$ —	$ (282)	$ 136,658

	December 31, 2021			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
U.S. Treasury securities	$ 81,184	$ —	$ (52)	$ 81,132
Government-sponsored enterprises	7,739	—	(5)	7,734
Corporate debt securities	31,285	—	(4)	31,281
Total	$ 120,208	$ —	$ (61)	$ 120,147

All available-for-sale marketable debt securities held as of March 31, 2022 and December 31, 2021 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 March 31, 2022 and December 31, 2021 were in a loss position for less than twelve months. Unrealized losses on

available-for-sale debt securities as of March 31, 2022 and December 31, 2021 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 any periods presented. 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.

5. Inventory, Net

All of the Company's inventory relates to the manufacturing of MARGENZA. The following table sets forth the Company's net inventory (in thousands):

	March 31, 2022	December 31, 2021
Work in process	$ 3,724	$ 3,929
Finished goods	874	459
Total inventory, net	$ 4,598	$ 4,388

Prior to U.S. Food and Drug Administration (FDA) approval of MARGENZA in December 2020, the cost of materials and expenses associated with the manufacturing of MARGENZA were recorded as research and development expense. Subsequent to FDA approval, the Company began capitalizing inventory costs related to the manufacture of MARGENZA. The inventory balance as of March 31, 2022 and December 31, 2021 is net of a reserve of $2.0 million for unsaleable inventory.

6. Stockholders' Equity

In November 2020, the Company entered into a sales agreement (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. The shares that were sold under the Sales Agreement were issued and sold pursuant to the Company's shelf registration statement on Form S-3 that was filed with the SEC on November 4, 2020. During the three months ended March 31, 2021, the Company sold 3,622,186 shares of common stock at a weighted average price per share of $27.60, resulting in net proceeds of approximately $98.2 million, net of underwriting discounts and commissions and other offering expenses.

In April 2021, the Company entered into Amendment No. 1 to the Sales Agreement which increases the amount of the Company’s common stock that can be sold by the Company through its agent under the ATM Offering, from an aggregate offering price of up to $100.0 million to an aggregate offering price of up to $300.0 million. The Company has not sold any shares of common stock related to Amendment No. 1 to the Sales Agreement as of March 31, 2022.

As part of the consideration for the rights granted to Zai Lab US LLC under the collaboration and license agreement described more fully in Note 7, Revenue, the Company and Zai Lab US LLC entered into a separate stock purchase agreement (Stock Purchase Agreement) in June 2021. Under this Stock Purchase Agreement, Zai Lab US LLC paid the Company approximately $30.0 million to purchase 958,467 newly issued shares of the Company's common stock, par value $0.01, at a fixed price of $31.30 which represented a $10.4 million premium over the share price on the Stock Purchase Agreement date.

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 Corporation (Incyte) for retifanlimab, an investigational monoclonal antibody that inhibits programmed cell death protein 1 (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. In July 2021, Incyte announced that the FDA had issued a Complete Response Letter (CRL) regarding its Biologics License Application (BLA) for retifanlimab as a potential treatment for adult patients with locally advanced or metastatic squamous cell carcinoma of the anal canal. Incyte’s announcement indicated that the FDA determined that additional data are needed to demonstrate the clinical benefit of retifanlimab for the submitted indication, and that Incyte was reviewing the CRL

and would discuss next steps with the FDA. Incyte subsequently withdrew its European application for marketing authorization of retifanlimab for the treatment of squamous carcinoma of the anal canal. Incyte has stated it is pursuing development of retifanlimab in potentially registration-enabling studies beyond squamous cell carcinoma of the anal canal, including in patients with MSI-high endometrial cancer, Merkel cell carcinoma and non-small cell lung cancer. Incyte is also pursuing development of retifanlimab in combination with multiple product candidates from its pipeline.

Under the terms of the Incyte License Agreement, Incyte will lead global development of retifanlimab. Assuming successful development and commercialization by Incyte, the Company could receive up to approximately $420.0 million in development and regulatory milestones and up to $330.0 million in commercial milestones. From the inception of the Incyte License Agreement through March 31, 2022, the Company has recognized $70.0 million in development milestones under the Incyte License Agreement. If retifanlimab is approved and commercialized, the Company would be eligible to receive tiered royalties of 15% to 24% on any global net sales. 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 Accounting Standards Codification Topic 606, *Revenue from Contracts with Customers* (ASC 606) 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 re-assesses the transaction price in each reporting period and when events whose outcomes are resolved or other changes in circumstances occur. From 2018 through March 31, 2022, it became probable that a significant reversal of cumulative revenue would not occur for development milestones totaling $70.0 million related to clinical and regulatory activities related to the further advancement of retifanlimab, including Incyte’s initiation of a Phase 3 clinical trial. 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. No revenue was recognized under the Incyte License Agreement during the three months ended March 31, 2022. During the three months ended March 31, 2021, $10.0 million in milestone revenue was recognized under the Incyte License Agreement.

Incyte Clinical Supply Agreement

In 2018, the Company entered into an agreement with Incyte, under which the Company is to perform development and manufacturing services for Incyte’s clinical needs of retifanlimab (Incyte Clinical Supply Agreement). The Company evaluated the Incyte Clinical Supply Agreement under ASC 606 and identified one performance obligation under the agreement: to perform services related to the development and manufacturing of the clinical supply of retifanlimab. The transaction price is based on the costs incurred to develop and manufacture drug product and drug substance, 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 hours expended) related to the manufacturing services. During the three months ended March 31, 2022 and 2021, the Company recognized revenue of $0.3 million and $0.1 million, respectively, for services performed under the Incyte Clinical Supply Agreement.

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 the Incyte Commercial Supply 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 will be recognized using the input method reflecting the costs incurred (including resources consumed and labor costs incurred) related to the manufacturing services. During the three months ended March 31, 2022 , the Company recognized de minimis revenue and during the three months ended March 31, 2021 the Company recognized $3.1 million for services performed under the Incyte Commercial Supply Agreement.

Zai Lab Limited

2018 Zai Lab Agreement

In 2018, the Company entered into a collaboration and license agreement with Zai Lab Limited (Zai Lab) under which Zai Lab obtained regional development and commercialization rights in mainland China, Hong Kong, Macau and Taiwan (Zai Lab's territory) for (i) margetuximab, an immune-optimized anti-HER2 monoclonal antibody, (ii) tebotelimab, a bispecific DART® molecule designed to provide coordinate blockade of PD-1 and LAG-3 for the potential treatment of a range of solid tumors and hematological malignancies, and (iii) an undisclosed multi-specific TRIDENT molecule in preclinical development (2018 Zai Lab Agreement). Zai Lab will lead clinical development of these molecules in its territory.

Under the terms of the 2018 Zai Lab Agreement, Zai Lab paid the Company an upfront payment of $25.0 million ($22.5 million after netting value-added tax withholdings of $2.5 million). Assuming successful development and commercialization of margetuximab, tebotelimab and the TRIDENT molecule, the Company could receive up to $140.0 million in development and regulatory milestones, of which the Company has earned $9.0 million through March 31, 2022. In addition, Zai Lab would pay the Company tiered royalties at percentage rates of mid-teens to 20% for net sales of margetuximab in Zai Lab's territory, mid-teens for net sales of tebotelimab in Zai Lab's territory and 10% for net sales of the TRIDENT molecule in Zai Lab's territory, which may be subject to adjustment in specified circumstances.

The Company evaluated the 2018 Zai Lab Agreement under the provisions of ASC 606 and identified the following material promises under the arrangement for each of the two product candidates, margetuximab and tebotelimab: (i) an exclusive license to develop and commercialize the product candidate in Zai Lab's territory and (ii) certain research and development activities. The Company determined that each 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 promises should be combined into a single performance obligation for each product candidate. Activities related to margetuximab and tebotelimab are separate performance obligations from each other because they are capable of being distinct, and are distinct in the context of the contract. The Company evaluated the promises related to the TRIDENT molecule and determined they were immaterial in context of the contract, therefore there is no performance obligation related to that molecule. The Company determined that the net $22.5 million upfront payment from Zai Lab constituted the entirety of the consideration to be included in the transaction price as of the outset of the arrangement, and the transaction price was allocated to the two performance obligations based on their relative standalone selling price. The standalone selling price of the performance obligations was determined using the adjusted market assessment approach considering similar collaboration and license agreements. 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 royalties will be recognized if and when the related sales occur, as they were determined to relate predominantly to the license granted to Zai Lab and, therefore, have also been excluded from the transaction price.

The Company re-assesses the transaction price in each reporting period and when events whose outcomes are resolved or other changes in circumstances occur. From 2020 through March 31, 2022, it became probable that a significant reversal of cumulative revenue would not occur for development and regulatory milestones totaling $9.0 million. Therefore, the associated consideration was added to the estimated transaction price and was recognized as revenue. Of this $9.0 million, $5.0 million was recognized as revenue during the three months ended March 31, 2022. No revenue was recognized during the three months ended March 31, 2021 under the 2018 Zai Lab Agreement.

Zai Lab Clinical Supply Agreements

During 2019, the Company entered into two agreements under which the Company is to perform manufacturing services for Zai Lab's clinical needs of margetuximab and tebotelimab (Zai Lab Clinical Supply Agreements). The Company evaluated the agreements under ASC 606 and determined that they should be accounted for as a single contract and identified two performance obligations within that contract: to perform services related to manufacturing the clinical supply of each of margetuximab and tebotelimab. The transaction price is based on the costs incurred to manufacture drug product and drug substance, 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 hours expended) related to the manufacturing service. During the three months ended March 31, 2022 and 2021, the Company recognized revenue of $0.2 million and $1.1 million, respectively, related to the Zai Lab Clinical Supply Agreements.

2021 Zai Lab Agreement

In June 2021, the Company entered into a collaboration and license agreement with Zai Lab US LLC (collectively with Zai Lab Limited referred herein as Zai Lab) involving collaboration programs and license-only programs (collectively, the Programs) encompassing four separate immuno-oncology molecules (2021 Zai Lab Agreement). The first program covers a lead research molecule that incorporates the Company's DART platform and binds CD3 and an undisclosed target that is expressed in multiple solid tumors (Lead Program). The second program covers a target to be designated by the Company. For these programs, Zai Lab receives commercial rights in Greater China, Japan, and Korea while the Company receives commercial rights in all other territories. Under the Lead Program, Zai Lab received an option upon reaching a predefined clinical milestone to convert the regional arrangement into a global 50/50 profit share. If Zai Lab elects such option, Zai Lab is to pay the Company $85.0 million plus any research costs incurred by both parties as of the option election date. Zai Lab also obtained exclusive, global licenses from the Company to develop, manufacture and commercialize two additional molecules. Zai Lab granted the Company a worldwide, royalty-free, co-exclusive license to conduct the development activities allocated to the Company.

Under the terms of the 2021 Zai Lab Agreement, the Lead Program includes joint research and development services by both the Company and Zai Lab. For the other programs, Zai Lab can separately negotiate and agree with the Company to perform research and development services in the future.

In connection with the execution of the 2021 Zai Lab Agreement, Zai Lab paid the Company an upfront payment of $25.0 million. Additionally, as part of the consideration for the rights granted to Zai Lab under the 2021 Zai Lab Agreement, the Company and Zai Lab entered into the Stock Purchase Agreement whereby Zai Lab paid the Company approximately $30.0 million to purchase shares of the Company's common stock, par value $0.01, at a fixed price of $31.30 which represented a $10.4 million premium over the share price on the Stock Purchase Agreement date.

Assuming successful development and commercialization of the Programs, the Company could receive up to approximately $800.0 million in development and regulatory milestones and $600.0 million in commercial milestones. In addition, Zai Lab would pay the Company tiered royalties at percentage rates of low double digit teens on annual net sales of certain specified products and of mid-single digits to low double digit teens on annual net sales of other specified products in Zai Lab's territory, which may be subject to specified royalty reduction pursuant to the 2021 Zai Lab Agreement. Per the terms of the 2021 Zai Lab Agreement, the Company may also receive reimbursements from Zai Lab for certain research and development costs incurred by the Company.

The Company evaluated the 2021 Zai Lab Agreement under the provisions of ASC 606 and identified the following material promises: (i) exclusive licenses to develop, manufacture and commercialize the products in Zai Lab's territory for each Program and (ii) certain research and development activities for the Lead Program. The Company determined that for the Lead Program, the license is not distinct from the related research and development activities, considering the early stage of development of the molecule and the Company's significant expertise in this area and as such, the research and development services are expected to significantly modify and customize the license. Therefore, for the Lead Program, the license and the services were combined into a single performance obligation. Since the other programs each represent distinct intellectual property and there are no other services included in the 2021 Zai Lab Agreement related to these licenses, each license is considered to be a distinct performance obligation. As such, there are four performance obligations included in the 2021 Zai Lab Agreement.

The Company concluded that the estimated transaction price is $40.4 million, consisting of the $25.0 million upfront payment, the $10.4 million premium related to the purchase of the Company's common stock, and the $5.0 million estimated reimbursement by Zai Lab for research and development activities for the Lead Program. The potential milestone payments

were deemed to be 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 royalties will be recognized if and when the related sales occur, as they were determined to relate predominantly to the license granted to Zai Lab and, therefore, have also been excluded from the transaction price. The Company will re-assess the transaction price in each reporting period and when events whose outcomes are resolved or other changes in circumstances occur.

The transaction price of $40.4 million was then allocated to the four performance obligations based on their relative standalone selling price. The standalone selling price of the performance obligations was not directly observable; therefore, the Company estimated the standalone selling price using an adjusted market assessment approach, representing the amount that the Company believes a market participant is willing to pay for the product or service. The estimate was based on consideration of observable inputs, such as, values of other preclinical collaboration arrangements adjusted for the Company's estimate of the probability of success for each Program.

Revenue related to the Lead Program license and related research and development services performance obligation is being recognized over time as the research and development activities are performed. The Company will utilize a cost-based input method according to costs incurred to date compared to estimated total costs. The transfer of control occurs over this time period and, in management's judgment, is the best measure of progress towards satisfying the performance obligations. The Company recognized revenue allocated to the other programs at a point in time upon transfer of the licenses to Zai Lab in June 2021. During the three months ended March 31, 2022, the Company recognized revenue of $0.3 million under the 2021 Zai Lab Agreement. As of March 31, 2022, $16.2 million in revenue was deferred under the agreement, all of which was current. As of December 31, 2021, $16.1 million in revenue was deferred, all of which was current.

Janssen Biotech, Inc.

In December 2020, the Company entered into a research collaboration and license agreement with Janssen Biotech, Inc. (Janssen) to develop a novel DART molecule (Janssen Agreement). The research collaboration will incorporate the Company's proprietary DART platform to enable simultaneous targeting of two undisclosed targets in a therapeutic area outside oncology. Under the terms of the Janssen Agreement, Janssen paid the Company an upfront payment of $20.0 million and will be responsible for funding all research and development expenses. The Company will also be eligible to receive up to $312.0 million in potential milestone payments and tiered royalties of up to 10% on worldwide product sales.

Subject to the terms of this agreement, the Company granted Janssen an exclusive, royalty-bearing license to develop, manufacture and commercialize the preclinical bispecific molecule and the Company will perform certain research and development activities during a specified research term. The Company evaluated the Janssen Agreement under the provisions of ASC 606 and identified the following material promises under the arrangement: (i) a license to develop the preclinical bispecific molecule and (ii) performing certain research and development activities during the research term. The Company determined that the license and research and development 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 Janssen could benefit from the license on its own without the Company's involvement during the research term. The Company determined that the transaction price of the Janssen Agreement at inception was $22.2 million, consisting of the consideration to which the Company was entitled in exchange for the license and an estimate of the consideration for research and development 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 as well as current market conditions. The standalone selling price for agreed-upon research and development activities to be performed was determined using the expected cost approach based on similar arrangements the Company has with other parties. This variable consideration is fully constrained until the Company begins its work under the performance obligation. The potential 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 Janssen and, therefore, have also been excluded from the transaction price. The Company re-assesses the transaction price in each reporting period and when events whose outcomes are resolved or other changes in circumstances occur.

The Company recognized the $20.0 million allocated to the license when it satisfied its performance obligation and transferred the license to Janssen in December 2020. The $2.2 million allocated to the research and development activities is being recognized over the Company's involvement in the research term, which is estimated to be less than two years. The Company recognized revenue of $0.3 million for each of the three-month periods ended March 31, 2022 and 2021 for research and development activities performed under the Janssen Agreement.

I-Mab Biopharma

I-Mab License Agreement

In 2019, the Company entered into a collaboration and license agreement with I-Mab Biopharma (I-Mab) to develop and commercialize enoblituzumab, an immune-optimized, anti-B7-H3 monoclonal antibody that incorporates the Company's proprietary Fc Optimization technology platform (I-Mab License Agreement). I-Mab obtained regional development and commercialization rights in mainland China, Hong Kong, Macau and Taiwan (I-Mab's territory), will lead clinical development of enoblituzumab in its territories, and will participate in global studies conducted by the Company.

Under the terms of the I-Mab License Agreement, I-Mab paid the Company an upfront payment of $15.0 million. Assuming successful development and commercialization of enoblituzumab, the Company could receive up to $135.0 million in development and regulatory milestones, of which $5.0 million has been earned from the inception of the I-Mab License Agreement through March 31, 2022. In addition, I-Mab would pay the Company tiered royalties ranging from mid-teens to 20% on annual net sales in I-Mab's territory.

The Company evaluated the I-Mab License Agreement under the provisions of ASC 606 and identified the following material promises under the arrangement: (i) an exclusive license to develop and commercialize enoblituzumab in I-Mab's territories, (ii) perform certain research and development activities and (iii) conduct a chronic toxicology study. 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 the license and related research and development activities should be combined into a single performance obligation. The Company determined that the $15.0 million upfront payment from I-Mab constituted the entirety of the consideration to be included in the transaction price as of the outset of the arrangement for the license and related research and development activities. The Company has also determined that the chronic toxicology study is distinct from the other promises and has estimated the variable consideration of that performance obligation to be approximately $1.0 million. I-Mab paid the Company for the cost of this study as the costs were incurred and I-Mab received a one-time credit of eighty percent of the total amount of such costs against the milestone achieved during 2021. The Company reassessed the transaction price as it became probable that a significant reversal of cumulative revenue would not occur for a $5.0 million milestone ($4.5 million after netting a one-time credit as described above) related to development progress of enoblituzumab, therefore the associated consideration was added to the estimated transaction price and was recognized as revenue during 2021. 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 royalties will be recognized if and when the related sales occur, as they were determined to relate predominantly to the license granted to I-Mab and, therefore, have also been excluded from the transaction price. The Company re-assesses the transaction price in each reporting period and when events whose outcomes are resolved or other changes in circumstances occur.

Revenue under the I-Mab License Agreement is being recognized using a cost-based input method according to costs incurred to date compared to estimated total costs. The transfer of control occurs over this time period and, in management's judgment, is the best measure of progress towards satisfying the performance obligations. During the three months ended March 31, 2022 and 2021, the Company recognized revenue of $0.2 million and $0.6 million, respectively, under the I-Mab License Agreement. As of March 31, 2022, $4.4 million in revenue was deferred under the I-Mab License Agreement, all of which was current. As of December 31, 2021, $4.5 million in revenue was deferred under the I-Mab License Agreement, all of which was current.

I-Mab Clinical Supply Agreement

In October 2021, the Company entered into an agreement under which the Company is to perform development and manufacturing services for I-Mab's clinical needs of enoblituzumab (I-Mab Clinical Supply Agreement). The Company evaluated this agreement under ASC 606 and identified one performance obligation under the agreement: to perform services related to the development and manufacturing of the clinical supply of enoblituzumab. The transaction price is based on the costs incurred to develop and manufacture drug product and drug substance, 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 will be recognized using the input method reflecting the costs incurred (including resources consumed and labor hours expended) related to the manufacturing services. During the three months ended March 31, 2022, the Company recognized revenue of $0.9 million for research and development activities performed under the I-Mab Clinical Supply Agreement.

Manufacturing Services Agreement

Incyte

In January 2022, the Company entered into a Manufacturing and Clinical Supply Agreement with Incyte (Incyte Manufacturing and Clinical Supply Agreement) to provide manufacturing services to produce certain Incyte bulk drug substance over a three-year period at one of the Company's manufacturing facilities. Under the terms of the Incyte Manufacturing and Clinical Supply Agreement, the Company received an upfront payment of $10.0 million and is eligible to receive annual fixed payments paid quarterly over the term of the contract totaling $14.4 million. 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 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 determined that the transaction price at inception consists of the upfront payment received of $10.0 million and the annual fixed payments totaling $14.4 million. 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 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 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 costs to fulfill a contract and will be capitalized and expensed as the materials are used to provide the manufacturing services.

There was no revenue recognized under the Incyte Manufacturing and Clinical Supply Agreement during the three months ended March 31, 2022. As of March 31, 2022, $11.2 million in revenue was deferred under this agreement, $4.8 million of which was current and $6.4 million of which was non-current.

Government Agreement

NIAID Contract

The Company entered into a contract with National Institute of Allergy and Infectious Diseases (NIAID), effective as of September 15, 2015, to perform product development and to advance up to two DART molecules, MGD014 and MGD020 (NIAID Contract). Under the NIAID Contract, the Company will develop these product candidates for Phase 1/2 clinical trials as therapeutic agents, in combination with latency reversing treatments, to deplete cells infected with human immunodeficiency virus (HIV) infection. NIAID does not receive goods or services from the Company under this contract, therefore the Company does not consider NIAID to be a customer and concluded this contract is outside the scope of ASC 606.

Since the inception of the NIAID Contract, NIAID has exercised the two options contemplated in the original contract and executed modifications such that the total funded contract value as of March 31, 2022 is $25.1 million. In addition, the most recent modification changed the period of performance under the NIAID Contract to end in July 2023. During the three months ended March 31, 2022 and 2021, the Company recognized revenue under the NIAID Contract of $0.4 million and $0.8 million, respectively.

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 (IRC), 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 three months ended March 31, 2022, no shares of common stock were purchased under the 2016 ESPP.

Employee Stock Option Plans

Effective February 2003, the Company implemented the 2003 Equity Incentive Plan (2003 Plan), and it was amended and approved by the Company's stockholders in 2005. Stock options granted under the 2003 Plan may be either incentive stock options as defined by the IRC, or non-qualified stock options. In 2013, the 2003 Plan was terminated, and no further awards may be issued under the plan. Any shares of common stock subject to awards under the 2003 Plan that expire, terminate, or are

otherwise surrendered, canceled, forfeited or repurchased without having been fully exercised, or resulting in any common stock being issued, will become available for issuance under the 2013 Stock Incentive Plan (2013 Plan), up to a specified number of shares. As of March 31, 2022, under the 2003 Plan, there were options to purchase an aggregate of 160,357 shares of common stock outstanding.

In October 2013, the Company implemented the 2013 Plan. The 2013 Plan provides for the grant of stock options and other stock-based awards, as well as cash-based performance awards. The number of shares of common stock reserved for issuance under the 2013 Plan will automatically increase on January 1 of each year from January 1, 2014 through and including January 1, 2023, by the lesser of (a) 1,960,168 shares, (b) 4.0% of the total number of shares of common stock outstanding on December 31 of the preceding calendar year, or (c) the number of shares of common stock determined by the Company's Board of Directors. During the three months ended March 31, 2022, the maximum number of shares of common stock authorized to be issued by the Company under the 2013 Plan was increased to 15,816,949. 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 March 31, 2022, there were options to purchase an aggregate of 10,346,223 shares of common stock outstanding.

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

	Three Months Ended March 31,	
	2022	2021
Research and development	$ 2,392	$ 2,727
Selling, general and administrative	2,882	2,559
Total stock-based compensation expense	$ 5,274	$ 5,286

The fair value of each option award is estimated on the date of grant using the Black-Scholes option-pricing model using the assumptions in the following table for options issued during the period indicated:

	Three Months Ended March 31,	
	2022	2021
Expected dividend yield	0%	0%
Expected volatility	87.9% -88.3%	86.4% - 86.7%
Risk-free interest rate	1.5% - 2.4%	0.6% - 1.4%
Expected term	5.95 years	6.25 years

The following table summarizes stock option activity during the three months ended March 31, 2022:

	Shares	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value (in thousands)
Outstanding, December 31, 2021	8,373,921	$ 21.47	6.6	
Granted	2,349,197	10.21		
Exercised	(25,646)	1.44		
Forfeited	(157,197)	16.51		
Expired	(33,695)	21.16		
Outstanding, March 31, 2022	10,506,580	$ 19.08	7.1	$ 904
As of March 31, 2022:				
Exercisable	5,853,827	$ 22.61	5.5	898
Vested and expected to vest	9,693,151	$ 19.41	7.0	903

The weighted-average grant-date fair value of options granted during the three months ended March 31, 2022 and 2021 was $7.48 and $14.23, respectively. The total intrinsic value of options exercised during the three months ended March 31, 2022 and 2021 was approximately $0.3 million and $1.4 million, respectively. The total cash received for options

exercised during the three months ended March 31, 2022 was de minimis, and $2.5 million was received for options exercised during the three months ended March 31, 2021. The total fair value of shares vested in the three months ended March 31, 2022 and 2021 was approximately $5.4 million and $4.1 million, respectively. As of March 31, 2022, the total unrecognized compensation expense related to unvested stock options, net of related forfeiture estimates, was approximately $38.4 million, which the Company expects to recognize over a weighted-average period of approximately 1.6 years.

Restricted Stock Units

The Company grants restricted stock units (RSUs) under the 2013 Plan to employees from time to time as a component of their compensation. During the three months ended March 31, 2022, the Company awarded RSUs to employees in conjunction with the annual performance review process. Each RSU vests over a two-year period and entitles the holder to receive one share of the Company's common stock when the RSU vests. Compensation expense is recognized on a straight-line basis over the vesting period.

The following table summarizes RSU activity during the three months ended March 31, 2022:

	Shares	Weighted-Average Grant Date Fair Value
Outstanding, December 31, 2021	21,500	$ 25.97
Granted	309,372	10.25
Forfeited	(5,428)	10.15
Outstanding, March 31, 2022	325,444	11.29

At March 31, 2022, 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 approximately 1.4 years.

9. Commitments and Contingencies

On September 13, 2019, a securities class action complaint was filed in the U.S. District Court for the District of Maryland (District Court) by Todd Hill naming the Company, its Chief Executive Officer, Dr. Koenig, and its Chief Financial Officer, Mr. Karrels, as defendants for allegedly making false and materially misleading statements regarding the Company’s SOPHIA trial. On August 17, 2020, the Employees’ Retirement System of the City of Baton Rouge and Parish of East Baton Rouge was appointed as Lead Plaintiff, and on October 16, 2020, the Lead Plaintiff filed an amended complaint. The amended complaint asserts a putative class period stemming from February 6, 2019 to June 4, 2019. The Company filed a Motion to Dismiss on November 30, 2020. On September 29, 2021, the District Court issued an Order dismissing the case, with prejudice. On October 28, 2021 the Lead Plaintiff filed a Notice of Appeal. The appeal is now pending in the Fourth Circuit. The Company intends to vigorously defend against this action. However, the outcome of this legal proceeding is uncertain at this time and the Company cannot reasonably estimate a range of loss, if any. Accordingly, the Company has not accrued any liability associated with this action.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations is based upon our unaudited consolidated financial statements included in this Quarterly Report on Form 10-Q, which have been prepared by us in accordance with U.S. generally accepted accounting principles (GAAP), for interim periods and with Regulation S-X promulgated under the Securities Exchange Act of 1934, as amended. This discussion and analysis should be read in conjunction with these unaudited consolidated financial statements and the notes thereto as well as in conjunction with our audited consolidated financial statements and related notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2021.

Overview

We are a biopharmaceutical company focused on developing and commercializing innovative antibody-based therapeutics for the treatment of cancer. We have a pipeline of product candidates being evaluated in clinical trials sponsored by us or our collaborators. These product candidates include multiple immuno-oncology programs, some of which were created primarily using our proprietary, antibody-based technology platforms. We believe our product candidates have the potential, if approved for marketing by regulatory authorities, to have a meaningful effect on treating patients' unmet medical needs as monotherapy or, in some cases, in combination with other therapeutic agents. In March 2021, we and our commercialization partner commenced U.S. marketing of MARGENZA (margetuximab-cmkb), a human epidermal growth factor receptor 2 (HER2) receptor antagonist indicated, 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.

We commenced active operations in 2000, and have since devoted substantially all of our resources to staffing our company, developing our technology platforms, identifying potential product candidates, undertaking preclinical studies, conducting clinical trials, developing collaborations, 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, collaborations with other biopharmaceutical companies, and government grants and contracts. Although it is difficult to predict our funding requirements, we anticipate that our cash, cash equivalents and marketable securities as of March 31, 2022, combined with anticipated and potential collaboration payments and product revenues, should enable us to fund our operations through 2023. Our expected funding requirements do not reflect anticipated expenditures related to the full Phase 2/3 development of MGC018 in metastatic castration-resistant prostate cancer (mCRPC) anticipated to begin by year-end 2022, or further expansion of our other studies currently ongoing. However, we believe that we can reasonably obtain funding for the planned Phase 2 portion of the MGC018 mCRPC study through a combination of existing financial resources, a variety of external funding or potential revenue sources, and project prioritization.

Through March 31, 2022, we had an accumulated deficit of $1.0 billion. We expect that over the next several years this deficit will increase as we increase our expenditures in research and development in connection with our ongoing activities with several clinical trials, and incur costs related to commercial product sales.

COVID-19 Pandemic

The COVID-19 pandemic has negatively impacted the global economy, created significant financial market volatility, disrupted global supply chains, and resulted in a significant number of infections and deaths worldwide. In addition, several national, state and local governments have placed restrictions on people from gathering in groups or interacting within a certain physical distance.

To date, although there has been some negative impact on our business and operations, including, for example, slowed clinical trial enrollment, we have been able to mitigate against more severe impacts of the COVID-19 pandemic on our business and operations. However, the COVID-19 pandemic could have a more significant negative impact on our business in the future depending on the depth of the effects and the duration of the crisis. In response to the COVID-19 pandemic, we have been focused on keeping our employees safe, continuing patients on trials, and maintaining our manufacturing capabilities and research efforts. The COVID-19 pandemic and its variants continue to evolve and we continue to monitor our business very closely to try and mitigate any potential impacts. We expect the pandemic to continue to have some near-term impact on the initiation of new studies and on clinical trial enrollment. Significant delays in the timing of our clinical trials and in regulatory reviews could adversely affect our ability to commercialize the product candidates in our pipeline. We are classified as a government contractor and are required to comply with Executive Order 14042. The contract terms include the requirement that all our employees that may be on site at the same location as any employee supporting the government contract be fully vaccinated against COVID-19, unless legally entitled to an accommodation due to a disability or religious belief, practice or

observance. In anticipation of deadlines associated with the contract terms and Executive Order 14042, we implemented a company-wide vaccination requirement by the end of 2021, with certain exceptions. To date, we do not believe our vaccination requirement has resulted in workforce attrition nor will it result in material difficulty securing future labor needs. If attrition is significant, our business could be adversely affected.

Notwithstanding the foregoing, we cannot precisely predict the impact that the COVID-19 pandemic will have in the future due to numerous uncertainties, including the severity, duration and resurgences of the disease and new variants, actions that may be taken by governmental authorities, the impact to the business of potential variations or disruptions in our supply chain, and other factors identified in Part II, Item 1A. “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2021. Given these uncertainties, the COVID-19 pandemic could disrupt the business of certain of our collaborators and impact our business operations and our ability to execute on our associated business strategies and initiatives, and adversely impact our consolidated results of operations and/or our financial condition in the future. We will continue to closely monitor and evaluate the nature and extent of the impact of the COVID-19 pandemic to our business, consolidated results of operations, and 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.* In 2017, we entered into an exclusive global collaboration and license agreement with Incyte Corporation (Incyte) for retifanlimab, an investigational monoclonal antibody that inhibits programmed cell death protein 1 (PD-1) (Incyte License Agreement). 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. Incyte paid us an upfront payment of $150.0 million under the terms of the agreement. In July 2021, Incyte announced that the U.S. Food and Drug Administration (FDA) had issued a Complete Response Letter (CRL) regarding its Biologics License Application (BLA) for retifanlimab as a potential treatment for adult patients with locally advanced or metastatic squamous cell carcinoma of the anal canal. Incyte’s announcement indicated that the FDA determined that additional data were needed to demonstrate the clinical benefit of retifanlimab for the submitted indication, and that Incyte was reviewing the CRL and would discuss next steps with the FDA. Incyte subsequently withdrew its European application for marketing authorization of retifanlimab for the treatment of squamous carcinoma of the anal canal. Incyte has stated it is pursuing development of retifanlimab in potentially registration-enabling studies beyond squamous cell carcinoma of the anal canal, including in patients with MSI-high endometrial cancer, Merkel cell carcinoma and non-small cell lung cancer. Incyte is also pursuing development of retifanlimab in combination with multiple product candidates from its pipeline.

  Under the terms of the Incyte License Agreement, Incyte leads global development of retifanlimab. Assuming successful development and commercialization of retifanlimab by Incyte, we could receive total development and regulatory milestones of up to approximately $420.0 million and up to $330.0 million in commercial milestones. We received $70.0 million of the total development milestones through March 31, 2022. If retifanlimab is approved and commercialized, we would be eligible to receive tiered royalties of 15% to 24% on any global net sales 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 to perform development and manufacturing services for Incyte's clinical needs of retifanlimab (Incyte Clinical Supply Agreement) and another agreement under which we are entitled to manufacture a portion of Incyte’s global commercial supply of retifanlimab (Incyte Commercial Supply Agreement).

- *Zai Lab*. In 2018, we entered into a collaboration and license agreement with Zai Lab Limited (Zai Lab) under which Zai Lab obtained regional development and commercialization rights in mainland China, Hong Kong, Macau and Taiwan (Zai Lab’s territory) for (i) margetuximab, an immune-optimized anti-HER2 monoclonal antibody, (ii) tebotelimab, a bispecific DART molecule designed to provide coordinate blockade of PD-1 and LAG-3 for the potential treatment of a range of solid tumors and hematological malignancies, and (iii) an undisclosed multi-specific TRIDENT molecule in preclinical development (2018 Zai Lab Agreement). Zai Lab will lead clinical development in its territory.

Under the terms of the 2018 Zai Lab Agreement, Zai Lab paid us an upfront payment of $25.0 million less foreign withholding tax of $2.5 million. Assuming successful development and commercialization of margetuximab, tebotelimab and the TRIDENT molecule, we could receive up to $140.0 million in development and regulatory milestones, of which we have already earned $9.0 million. In addition, Zai Lab would pay us tiered royalties at percentage rates of mid-teens to 20% for net sales of margetuximab in Zai Lab's territory, mid-teens for net sales of tebotelimab in Zai Lab's territory and 10% for net sales of the TRIDENT molecule in Zai Lab's territory, which may be subject to adjustment in specified circumstances.

In 2019, we entered into two agreements under which we are to perform manufacturing services for Zai Lab's clinical needs of margetuximab and tebotelimab (Zai Lab Clinical Supply Agreements).

In June 2021, we entered into a collaboration and license agreement with Zai Lab US LLC (collectively with Zai Lab Limited referred herein as Zai Lab) involving collaboration programs and license-only programs (collectively, the Programs) encompassing four separate immuno-oncology molecules (2021 Zai Lab Agreement). The first program covers a lead research molecule that incorporates our DART platform and binds CD3 and an undisclosed target that is expressed in multiple solid tumors (Lead Program). The second program covers a target to be designated by us. For these programs, Zai Lab receives commercial rights in Greater China, Japan, and Korea while we receive commercial rights in all other territories. Under the Lead Program, Zai Lab received an option upon reaching a predefined clinical milestone to convert the regional arrangement into a global 50/50 profit share. If Zai Lab elects such option, Zai Lab is to pay us $85.0 million plus any research costs incurred by both parties as of the option election date. Zai Lab also obtained exclusive, global licenses from us to develop, manufacture and commercialize two additional molecules (license-only programs). Zai Lab granted us a worldwide, royalty-free, co-exclusive license to conduct the development activities allocated to us.

Under the terms of the 2021 Zai Lab Agreement, the Lead Program includes joint research and development services by both us and Zai Lab. For the other programs, Zai Lab can separately negotiate and agree with us to perform research and development services in the future.

In connection with the execution of the 2021 Zai Lab Agreement, Zai Lab paid us an upfront payment of $25.0 million. Additionally, as part of the consideration for the rights granted to Zai Lab under the 2021 Zai Lab Agreement, we and Zai Lab entered into a separate stock purchase agreement (Stock Purchase Agreement) whereby Zai Lab paid us approximately $30.0 million to purchase 958,467 newly issued shares of our common stock, par value $0.01, at a fixed price of $31.30 which represented a $10.4 million premium over the share price on the Stock Purchase Agreement date.

Assuming successful development and commercialization of the Programs under the 2021 Zai Lab Agreement, we could receive up to $1.4 billion in development, regulatory and commercial milestones. In addition, Zai Lab would pay us tiered royalties at percentage rates of low double digit teens on annual net sales of certain specified products and of mid-single digits to low double digit teens on annual net sales of other specified products in Zai's territory, subject to specified royalty reduction pursuant to the 2021 Zai Lab Agreement. Per the terms of the 2021 Zai Lab Agreement, we may also receive reimbursements from Zai Lab for certain research and development costs incurred by us.

- *I-Mab Biopharma.* In 2019, we entered into a collaboration and license agreement with I-Mab Biopharma (I-Mab) to develop and commercialize enoblituzumab, an immune-optimized, anti-B7-H3 monoclonal antibody that incorporates our proprietary Fc Optimization technology platform (I-Mab License Agreement). I-Mab obtained regional development and commercialization rights in mainland China, Hong Kong, Macau and Taiwan (I-Mab's territory), will lead clinical development of enoblituzumab in its territories, and will participate in global studies conducted by us.

  Under the terms of the agreement, I-Mab paid us an upfront payment of $15.0 million. Assuming successful development and commercialization of enoblituzumab, we could receive up to $135.0 million in development and regulatory milestones of which $5.0 million has been earned from the inception of the I-Mab License Agreement through March 31, 2022. In addition, I-Mab would pay us tiered royalties ranging from mid-teens to 20% on annual net sales in its territories.

In October 2021, we entered into an agreement under which we are to perform development and manufacturing services for I-Mab's clinical needs of enoblituzumab.

- *Janssen.* In December 2020, we entered into a research collaboration and global license agreement to develop a preclinical bispecific molecule with Janssen Biotech, Inc. (Janssen). The research collaboration will incorporate our proprietary DART platform to enable simultaneous targeting of two undisclosed targets in a therapeutic area outside oncology. Under the terms of the agreement, Janssen paid us an upfront payment of $20.0 million and will be responsible for funding all expenses. We will also be eligible to receive up to $312.0 million in potential milestone payments and tiered royalties of up to 10% on worldwide product sales.

Critical Accounting Estimates

Our critical accounting estimates are policies which require the most significant judgments and estimates in the preparation of our consolidated financial statements. A summary of our critical accounting estimates is presented in Part II, Item 7, of our Annual Report on Form 10-K for the year ended December 31, 2021. There have been no material changes with respect to our critical accounting estimates during the three months ended March 31, 2022.

Results of Operations

Revenue

The following represents a comparison of our revenue for the three months ended March 31, 2022 and 2021 (dollars in millions):

	Three Months Ended March 31,		Increase/(Decrease)	
	2022	2021		
Revenue from collaborative and other agreements	$ 7.1	$ 15.2	$ (8.1)	(53)%
Product revenue, net	3.6	0.9	2.7	300 %
Revenue from government agreements	0.4	0.8	(0.4)	(47)%
Total revenue	$ 11.1	$ 16.9	$ (5.8)	(34)%

The decrease in revenue of $5.8 million for the three months ended March 31, 2022 compared to the three months ended March 31, 2021 was primarily due to:

- a decrease of $10.0 million in development milestones recognized under the Incyte License Agreement; and
- a decrease of $3.0 million in revenue recognized under the Incyte Commercial Supply Agreement due to timing of manufacturing activities.

These decreases were partially offset by:

- recognition of a $5.0 million milestone under the 2018 Zai Lab Agreement during the three months ended March 31, 2022; and
- an increase of $2.7 million in net product revenue from sales of MARGENZA.

Cost of Product Sales

Cost of product sales for the three months ended March 31, 2022 and 2021 consisted primarily of product royalties and fill finish costs. Product sold during these periods consisted of drug product that was previously charged to research and development expense prior to FDA approval of MARGENZA, which favorably impacted our gross margin for the three months ended March 31, 2022 and 2021. We expect cost of product sales to continue to be positively impacted as we sell through this drug product.

Research and Development Expense

The following represents a comparison of our research and development expense for the three months ended March 31, 2022 and 2021 (dollars in millions):

	Three Months Ended March 31,		Increase/(Decrease)	
	2022	2021		
MGC018	$ 16.5	$ 4.7	$ 11.8	251 %
Margetuximab	8.2	12.2	(4.0)	(33)%
Flotetuzumab	5.1	9.4	(4.3)	(46)%
Lorigerlimab	5.0	3.1	1.9	61 %
Enoblituzumab	4.9	4.1	0.8	20 %
Tebotelimab	4.2	5.3	(1.1)	(21)%
IMGC936	2.4	0.9	1.5	167 %
Retifanlimab	1.5	3.9	(2.4)	(62)%
MGD024	1.3	0.9	0.4	44 %
DART molecules under HIV government contract	0.9	1.5	(0.6)	(40)%
Other programs (a)	11.4	7.1	4.3	61 %
Total research and development expense	$ 61.4	$ 53.1	$ 8.3	16 %

(a) Includes research and discovery projects, as well as early preclinical and terminated molecules.

Our research and development expense for the three months ended March 31, 2022 increased by $8.3 million compared to the three months ended March 31, 2021 primarily due to:

- increased development, manufacturing and clinical trial costs related to MGC018;
- increased development of discovery projects and preclinical molecules; and
- increased clinical trial enrollment costs related to lorigerlimab.

These increases were partially offset by:

- decreased development, manufacturing and clinical trial costs related to flotetuzumab, which development has been discontinued;
- decreased margetuximab manufacturing costs related to the Zai Lab Clinical Supply Agreement; and
- decreased retifanlimab manufacturing costs related to the Incyte Commercial Supply Agreement.

We expect our research and development expense will continue to increase as we progress our pipeline of product candidates.

Selling, General and Administrative Expense

Selling, general and administrative expenses increased by $1.2 million for the three months ended March 31, 2022 compared to the three months ended March 31, 2021 primarily due to MARGENZA selling costs, as well as increased stock-based compensation and consulting expenses.

Liquidity and Capital Resources

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. As a biotechnology company, we have primarily funded our operations with proceeds from the sale of our common stock in equity offerings, revenue from our multiple collaboration agreements, and contracts and grants from the National Institute of Allergy and Infectious Diseases. 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 March 31, 2022, as well as anticipated and potential collaboration payments, and product revenues should enable us to fund our operations through 2023. Our expected funding requirements do not reflect anticipated expenditures related to the full Phase 2/3 development of MGC018 in mCRPC anticipated to begin by year-end 2022, or further expansion of our other studies currently ongoing. However, we believe that we can reasonably obtain funding for the planned Phase 2 portion of the MGC018 mCRPC study through a combination of existing financial resources, a variety of external funding or potential revenue sources, and project prioritization.

Material Cash Requirements

During the three months ended March 31, 2022, there were no significant changes to our material cash requirements, including contractual and other obligations, as presented in Part II, Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2021.

Cash Flows

The following table represents a summary of our cash flows for the three months ended March 31, 2022 and 2021:

	Three Months Ended March 31,	
	2022	**2021**
	(dollars in millions)	
Net cash provided by (used in):		
Operating activities	$ (57.7)	$ (29.0)
Investing activities	(18.5)	(34.3)
Financing activities	—	100.7
Net change in cash and cash equivalents	**$ (76.2)**	**$ 37.4**

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 and changes in working capital. Cash used in operating activities for the three months ended March 31, 2022 benefited from the $11.2 million received from Incyte under the Incyte Manufacturing and Clinical Supply Agreement, and cash used in operating activities for the three months ended March 31, 2021 benefited from the $10.0 million milestone payment received under the Incyte License Agreement.

Investing Activities

Net cash used in investing activities during the three months ended March 31, 2022 and 2021 is primarily due to purchases of marketable securities, partially offset by maturities of marketable securities.

Financing Activities

Net cash provided by financing activities for the three months ended March 31, 2021 reflects net cash proceeds from our securities offerings of approximately $98.2 million.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

As of March 31, 2022, our exposure to market risk has not changed materially since December 31, 2021. For more information on financial market risks related to changes in interest rates, reference is made to Item 7A. Quantitative and Qualitative Disclosures About Market Risk contained in Part II of our Annual Report on Form 10-K for the fiscal year ended December 31, 2021, filed with the SEC on February 24, 2022.

ITEM 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Our management, including our principal executive officer and principal financial officer, has evaluated the effectiveness of our disclosure controls and procedures as of March 31, 2022. Our disclosure controls and procedures are designed to provide reasonable assurance that the information required to be disclosed in our periodic reports filed with the SEC (such as this Quarterly Report on Form 10-Q) has been appropriately recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, to allow timely decisions regarding required disclosure. Based on their evaluation of our disclosure controls and procedures as of March 31, 2022, our principal executive officer and principal financial officer have concluded that our disclosure controls and procedures are effective at the reasonable assurance level.

Changes in Internal Control

There were no changes in our internal control over financial reporting during the three months ended March 31, 2022 that materially affected, or are reasonably likely to materially effect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

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 currently, 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.

See Note 9, Commitments and Contingencies, to the consolidated financial statements of this Quarterly Report on Form 10-Q for more information.

Item 1A. Risk Factors

There have been no material changes in the risk factors described in “Item 1A. Risk Factors” of our Annual Report on Form 10-K for the year ended December 31, 2021.

Item 6. Exhibits

10.1+	Employment Agreement between the Company and Thomas Spitznagel Ph.D.
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)

+ Indicates management contract or compensatory plan.

SIGNATURES

Pursuant to the requirements of the Securities Exchange 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/ Scott Koenig
Scott Koenig, M.D., Ph.D.
President and Chief Executive Officer
(Principal Executive Officer)

BY: /s/ James Karrels
James Karrels
Senior Vice President and Chief Financial Officer
(Principal Financial Officer)

Dated: May 3, 2022

EMPLOYMENT AGREEMENT

This Employment Agreement (the "**Agreement**") is entered into as of November 1, 2019 (the "**Effective Date**"), by and between MacroGenics, Inc., a Delaware corporation, together with its successors and assigns (the "**Employer"** or "**Company**"**)**, and Thomas Spitznagel **(**"**Executive"**).

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 herein.

3. Position and Duties.

3.01 Service with Employer. Employer hereby employs Executive in an executive capacity with the title of Sr. Vice President, BioPharmaceutical Development and Manufacturing ("**Title**") reporting directly to the President and Chief Executive Officer ("**CEO**"), 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**"), CEO, and applicable law, in Executive's capacity as, Sr. Vice President, BioPharmaceutical Development and Manufacturing, Executive shall have such powers, perform such duties and fulfill such responsibilities as are typically associated with such position in other similarly situated companies.

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.

3.03 Outside Activities. During the term of Executive's employment with the Company pursuant to this Agreement, Executive shall not: (i) accept other employment; (ii) render or perform services for compensation to any Person (as hereinafter defined) other than Employer and its Affiliates (as defined below); (iii) serve as an officer or on the board of directors (or similar governing body) of any entity other than Employer or an Affiliate of Employer, whether or not for compensation; or (iv) engage in any other business enterprise or activity without prior approval from the CEO and Board of Directors. Executive may engage in personal investments without disclosure to or written approval from the Board provided (1) such investment is passive and Executive is not required or expected to, and does not, serve as a board member, advisor or consultant, (2) at all times Executive owns beneficially less than 5 % of the outstanding securities of any issuer, and (3) and such personal investment shall not otherwise interfere with Executive's performance of duties hereunder and/or the other provisions of this Agreement or any other of Executive's written agreements with Employer. Executive may engage in charitable and community activities without disclosure to or written approval from the Board provided such activities do not interfere with Executive's responsibilities, duties and obligations to Employer. 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, or any other agreement that would interfere in any way with Executive's employment with Employer.

4. Compensation.

4.01 Base Salary. Employer shall pay to Executive an annual base salary for all services to be rendered by Executive under this Agreement (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. As of the date hereof, the Base Salary is $385,000. 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.

4.02 Annual Bonus. Executive shall also be eligible to receive, in addition to the Base Salary, an annual bonus ("**Bonus**") having a target amount equal to a percent of Executive's Base Salary ("**Target Bonus**"). The Target Bonus will be determined by the Compensation Committee of the Board (the "**Compensation Committee**") from time to time based on Executive's position and title. The actual dollar amount of any Bonus payable for any particular year will be determined by the Compensation Committee in its discretion taking into account the Company's performance and Executive's individual performance. In order to receive a Bonus, Executive must be employed by Employer on the date the Bonus is paid, except as set forth below in Section 5.03 or Section 5.04.

4.03 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**"), in accordance with the terms and conditions of such Benefit Plans in effect from time to time.

4.04 Expenses. Employer shall reimburse Executive for all ordinary and necessary business expenses reasonably incurred by him 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.

4.05 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 at any time, and any unused vacation time beyond that will be forfeited.

4.06 Total Compensation. Other than as may be approved by the Compensation Committee or Board, Executive shall not receive any other compensation or benefits from the Company other than as provided in this Agreement.

5. Termination and 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. Employer may waive some or all of such notice period and accelerate the Termination Date, or request that Executive not report to work for some of all such notice period notice, neither of which will be deemed a termination by Employer or a Good Reason event. 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. The amounts payable hereunder shall be paid no later than sixty (60) days following Executive's 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 of 1986, as amended (the "**Code**").

5.02 Termination by Employer For Cause. Employer may terminate Executive with or without Cause upon written notice to Executive. If Executive 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 improper conduct (including conduct that occurred within ten (10) years prior to the date of this Agreement that has not been previously disclosed to the Company) that has or is likely to have an adverse economic or reputational impact on the Company; (g) Executive engaging in sexual or other harrasment in the workplace or with respect to any employees, consultants, customers, vendors or business relations of Employer and its Affiliates or violating any Company policies regarding harassment; or (h) 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 (h)).

5.03 Termination by Employer Without Cause or by Executive for Good Reason. If Executive 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). (iii) Employer shall pay to Executive any earned, but unpaid, bonus obligation relating to the prior fiscal year payable at the same time as bonuses are paid to the senior management team (but not later than March 15 of the calendar year following the year for which the bonus is payable), and (iv) Employer shall have no further obligations to Executive under this Agreement, other than those provided in this Section 5.03. Executive's rights to the Severance Benefits under this Agreement shall be in lieu of, and not in addition to, any severance under any other policy, plan or arrangement of Employer. 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 Sr. Vice President, Biopharmaceutical Development & Manufacturing with the Company, which change would cause Executive's position to become one of materially lesser responsibility, importance, or scope;

(ii) a material 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.

Notwithstanding the foregoing, (1) no such event shall constitute "Good Reason" unless (a) Executive shall have given written notice of such event to the Company within ninety (90) days 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, and (2) there shall not be "Good Reason" under clause (i) above if the Company puts Executive on a paid leave of absence or similar arrangement in order to investigate whether there has been a "**Cause**" event as long as the Board has determined in good faith that such investigation is warranted.

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) Employer shall pay to Executive any earned, but unpaid, bonus obligation relating to the prior fiscal year payable at the same time as bonuses are paid to the senior management team (but not later than March 15 of the calendar year following the year for which the bonus is payable), (iii) Executive's participation in the Benefit Plans shall terminate as of the Termination Date (except to the extent Executive is eligible for continued 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 purposes of this Agreement, "**Disability**" means Executive being determined to be totally disabled by the Social Security Administration or Executive's inability to engage in any substantial gainful 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 28 days following the Termination Date), in accordance with Employer's normal payroll practices ("**Severance Period**"). If the Executive's termination occurs as of or in the twelve (12) months following a Change of Control, then "**Severance Amount**" means (i) one year of Executive's then-current Base plus (ii) the Target Bonus multiplied by the Executive's then-current Base Salary. If the Executive's termination occurs prior to, or more than twelve (12) months following, a Change of Control, then "**Severance Amount**" means one year of Executive's then-current Base Salary.

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 twelve (12) months immediately following the Termination Date, or if earlier, until Executive obtains other employment which provides the same type of benefit; *provided*, *however*, that (i) 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 (ii) 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 the same amounts 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 stock option 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 (as defined below) provided for in Section 5.06 (but only if the Irrevocable Release is provided within the 60 day period provided for by Section 5.06), become vested with respect to 100% of the shares with respect to which the stock option is not vested as of the Termination Date; provided, however that in no event shall any such option vest to the extent the option 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 stock options are to be terminated in connection with a Change of Control, Executive shall nonetheless be entitled to the accelerated vesting 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 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 Securities and Exchange Act of 1934, as amended (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.

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 the Severance Benefits, Executive must provide to the Company an Irrevocable Release (as defined below) not later than the twenty-first (21st) day after the Date of Termination (or such later deadline as is specified by the Employer), and any statutory period pursuant to which Executive may revoke such release, as set forth in the Irrevocable Release, has lapsed without any such revocation. The Severance Benefits will not be paid or provided until the Irrevocable Release has been executed and delivered and the revocation period lapsed without revocation, and any Severance Benefits otherwise payable with respect to such waiting period shall be paid or provided with the first payment following the end of such waiting period. "**Irrevocable Release**" means a confidential separation agreement and release of claims, in form and substance substantially similar to the attached Exhibit A. 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 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 (as defined below), 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 (as defined below) 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 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.

6.03 Non-Disclosure Obligation. Executive will not at any time or in any manner, whether during or after the termination of employment, for any reason whatsoever (other than as required for the

performance of Executive's authorized employment duties to Company), directly or indirectly disclose or make accessible to any person or entity (both commercial and non-commercial) any of the trade secrets, proprietary, technical and/or confidential business information concerning the Company and its affiliates ("**Confidential Information**"), including: its research and development activities, including results and insights; biological materials, products, designs, prototypes, methods, techniques, systems, processes, and technical specifications; inventions (whether patentable or not), show-how and know-how; potential or actual collaborations, partnerships or other arrangements with third parties; regulatory and marketing plans, proposals and strategies; pricing and costing policies; sales; customer and supplier lists and accounts; employee information; nonpublic financial information of the Company; or information received by the Company from others under an obligation of confidentiality. This restriction shall not apply to: (i) information that is in the public domain through no fault of the Executive; (ii) information approved for release by written authorization of the Company but only to the extent of such authorization; or (iii) information to the extent required by law or an order of any court, agency or proceeding to be disclosed, provided that the Executive shall provide the Company with prompt notice of such disclosure so that the Company may seek an appropriate protective order or other relief and the Executive shall cooperate with the Company in any efforts by the Company to obtain a protective order or any other appropriate remedy restricting the disclosure. In addition, under the U.S. Defend Trade Secrets Act (18 U.S.C. Section 1833(b)(1)), Executive will not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that (i) is made (A) in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney; and (B) solely for the purpose of reporting or investigating a suspected violation of law; or (ii) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Executive shall comply with Company's policies pertaining to the management and protection of Confidential Information, as may be updated from time to time.

6.04 Company Property. The Executive agrees that during Executive's employment with the Company, the Executive shall not use or permit to be used any Company Property (as hereinafter defined) otherwise than for the purpose of performing services pursuant to Executive's employment with the Company. The term "**Company Property**" shall include all Company Confidential Information, notes, memoranda, files, reports, lists, agreements, records, drawings, sketches, designs, specifications, software programs, software codes, data, computers, network infrastructure, supplies, equipment (including lab equipment), assays, biological materials, cellular telephones and other devices, credit and/or calling cards, keys, access cards, all means of access to any account, database, or computer system of the Company (whether personal to the Executive or public, published or unpublished, standard or backdoor, including all account names, passwords, access codes, unique personal identification numbers, any code kept secret and any other means allowing employee access to Company data or documentation), documentation or other materials of any nature and in any form, whether written, printed, electronic or in digital format or otherwise, relating to any matter within the scope of the business or reasonably anticipated business of the Company and its affiliates or concerning any of its dealings or affairs and any other Company property in Executive's possession, custody or control. The Executive further agrees that Executive shall not, after the termination of Executive's employment with the Company, possess, use or permit others to possess or use any such Company Property. The Executive acknowledges and agrees that all Company Property shall be and remain the sole and exclusive property of the Company. At any time and from time to time upon the request of the Company, the Executive shall deliver immediately to the Company all or any part of the Company Property in Executive's possession, and all copies thereof (including electronic copies), specified by the Company in such request. In addition, immediately upon the termination of Executive's employment with the Company, the Executive shall deliver to the Company all Company Property in Executive's possession, and all copies thereof (including electronic copies). Upon request, Executive shall deliver to Company a signed certification stating that Executive has complied with the terms of this Section 6.04.

6.05 Assignment of Inventions.

a) The Executive expressly agrees to assign and does hereby assign to Company Executive's entire right, title, and interest in and to any designs, developments, trade secrets, technical specifications and technical data, methods, techniques, systems, processes, know-how and show-how, customer and supplier lists, marketing plans, pricing policies, inventions, concepts, ideas, works of authorship, expressions, discoveries, documentation, formulas, software, and improvements, derivatives, or modifications in any of the foregoing, (whether or not patentable or registerable under copyright, trademark or similar statutes, or subject to analogous protection) authored, created, made, conceived and/or reduced to practice, in whole or in part by the Executive, solely or jointly with others, during Executive's employment with the Company (or initiated during Executive's employment and substantially completed during the six (6) months following Executive's termination of employment for any reason), and which (i)

relate to or arise out of Executive's employment with the Company or the business or reasonably anticipated business of the Company, (ii) are developed using the Company Property, or (iii) are based on or derived from the Company Confidential Information (collectively, "**Inventions**") together with all intellectual property rights in and to such Inventions throughout the world, in each case, free and clear of any liens and other encumbrances and without reservations of any kind. The Executive agrees that all Inventions consisting of copyrightable subject matter are "works made for hire" as defined in in the Copyright Act of 1976 (17 U.S.C. §101), as amended) and therefore the copyrights in such Inventions are solely owned by the Company. Executives waives any and all moral rights in or with respect to the Inventions that Executive may retain under law despite the foregoing assignment.

b) The Executive agrees that Executive will promptly disclose to the Company any and all Inventions, and that during the Executive's employment or at any time thereafter, upon request of the Company, the Executive will sign, execute and deliver any and all documents or instruments, including applications, registrations, oaths, declarations, affidavits, invention assignments and copyright assignments, and will take any other action which the Company shall deem necessary to (i) procure or register trademark, copyright or patent rights with respect to Inventions, or to otherwise protect the Company's intellectual property and proprietary interests, (ii) enforce or defend Company's intellectual property rights in and to such Inventions, or (iii) perfect or demonstrate the Company's ownership of such Inventions and any intellectual property rights in and to such Inventions. The Company agrees to pay reasonable fees and expenses or other costs incurred by the Executive for any assistance rendered to the Company pursuant to this Section 6.05(b).

c) In the event the Company is unable, after reasonable effort, to secure the Executive's signature on any document required for the filing, prosecution or granting of an application (whether foreign or domestic) for patent, copyright or other analogous protection relating to the Inventions, whether because of the Executive's physical or mental incapacity, inability to locate Executive, failure of Executive to respond to reasonable requests or for any other reason whatsoever, the Executive hereby irrevocably designates and appoints the Company and its duly authorized officer and agent as the Executive's agent and attorney-in-fact (which designation and appointment is irrevocable and shall be deemed coupled with an interest and shall survive the Executive's death or incapacity), to act for and in the Executive's behalf and stead to execute and file any such documents and to do all other lawfully permitted acts to further the prosecution and issuance of patent, copyright or other analogous protection in the name of the Company with the same legal force and effect as if executed by the Executive.

d) The Executive's obligation to assign Inventions shall not apply to any invention that the Executive can demonstrate through contemporaneous written records: (i) was developed entirely on the Executive's own time and effort without using the Company's equipment, supplies, facilities, trade secrets or confidential information or other Company Property; (ii) does not relate to the business of the Company or to the Company's actual or anticipated research and development activities; and (iii) did not result from any work performed by the Executive for the Company. The obligations of the Executive under this Section 6.05 shall continue beyond the termination of the Executive's employment with respect to Inventions.

6.06 Pre-Existing Intellectual Property. Executive has attached hereto as Exhibit B a complete list of all existing inventions (including patents and patent applications) and works of authorship (including publications) to which Executive claims ownership (whether partial or in its entirety) as of the date of this agreement and which relate, directly or indirectly, to Company's existing or proposed business, products, or research and development activities (the "**Pre-Existing Intellectual Property**"). If no list is attached to this Agreement, Executive represents and warrants that there is no such Pre-Existing Intellectual Property. Executive will inform Company in writing, and obtain Company's express written permission, before incorporating any Pre-Existing Intellectual Property into any Invention or otherwise utilizing such Pre-Existing Intellectual Property in the course of Executive's employment with the Company. To the extent any Invention includes, is based on, or is a derivative or improvement of, or cannot reasonably be made, used, imported, sold, reproduced, distributed, modified, adapted, displayed, performed or otherwise exploited without using or violating any Pre Existing Intellectual Property or any other intellectual property rights that Executive owns or controls that have not been assigned hereunder, Executive hereby grants to Company a worldwide, royalty-free, fully paid-up, perpetual, irrevocable, transferable, non-exclusive right and license (with the right to sublicense through multiple tiers) to exploit and exercise all such Pre-Existing Intellectual Property and other intellectual property rights in connection with such Invention.

6.07 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;

(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 the Goodwill of the Company; 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;

provided, however, that nothing set forth in this Section 6.06(a) 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

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 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.

6.08 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 or processes that are, rely on, target or rely upon (a) monoclonal antibodies directed against HER2 or B7-H3, (b) any bi-specific or multi-specific antibody-based protein targeting any of the Company's product candidates 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), or (c) any target or 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 24 months following Termination.

c) "***Competing Business***" means any other Entity engaged in the Company Business, other than the Company and its Affiliates.

d) ***"Entity"*** means and includes any person, partnership, association, corporation, limited liability company, trust, unincorporated organization or any other business entity or enterprise.

e) "***Geographic Area***" mean those states in which the Company or any of its Affiliates conducts business or in which its products are being sold or marketed at the time of the termination of Executive's employment.

f) "***Goodwill***" means the value of the relationships between the Company and its agents, customers, vendors, labs, and employees.

g) "***Person***" means any Entity or individual.

h) "***Substantially Similar***" means substantially similar in function or capability or otherwise 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 to substantially the same type of user or customer as that to which the products and services of the Company are marketed or proposed to be marketed.

6.09 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; and

d) Executive will play a key business role for the Company in which Executive 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.

6.10 Duty to Give Notice of Agreement. During employment by Company and the period of any post-employment obligation applicable hereunder, Executive shall provide written notice to any prospective employer of Executive's obligations under this Agreement and shall provide to it a true copy of Section 6 of this Agreement before accepting employment with such prospective employer.

6.11 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.

6.12 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.

7. Directors and Officers Insurance. The Company shall cause Executive to 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 of the Company.

8. Miscellaneous.

8.01 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) With respect to claims by the Company against Executive related to Executive's threatened or actual breach of Section 6 of this Agreement, each Party hereby irrevocably agrees that all actions or proceedings concerning such disputes may be brought by the Company in (a) the United States District Court for the District of Maryland; or (b) in any court of the State of Maryland sitting in Montgomery County, provided that the United States District Court. lacks subject matter jurisdiction over such action or proceeding. Executive consents to jurisdiction of and venue in the courts in the State of Maryland set forth in this Section, and hereby waives to the maximum extent permitted by applicable law any objection which Executive may have based on improper venue or *forum non conveniens*.

c) Except to the extent provided for in subsection (b) above, the Company and Executive agree that any claim, dispute or controversy arising under or in connection with this Agreement, or otherwise in connection with Executive's employment by the Company or termination of his employment (including any such claim, dispute or controversy arising under any federal, state or local statute, regulation or ordinance or any of the Company's employee benefit plans, policies or programs) shall be resolved solely and exclusively by binding, confidential, arbitration. The arbitration shall be held in Rockville, MD (or at such other location as shall be mutually agreed by the parties). The arbitration shall be conducted in accordance with the Commercial Rules of the American Arbitration Association (the "**AAA**") in effect at the time of the arbitration, including the Expedited Procedures. All fees and expenses of the arbitration, including a transcript if either requests them, shall be borne equally by the parties. Each party is responsible for the fees and expenses of its own attorneys, experts, witnesses, and preparation and presentation of proofs and post-hearing briefs (unless the party prevails on a claim for which attorney's fees are recoverable under law). In rendering a decision, the arbitrator shall apply all legal principles and standards that would govern if the dispute were being heard in court. This includes the availability of all remedies that the parties could obtain in court. In addition, all statutes of limitation and defenses that would be applicable in court, will apply to the arbitration proceeding. The decision of the arbitrator shall be set forth in writing and be binding and conclusive on all parties. Any action to enforce or vacate the arbitrator's award shall be governed by the Federal Arbitration Act, if applicable, and otherwise by applicable state law. If either the Company or Executive improperly pursues any claim, dispute or controversy against the other in a proceeding other than the arbitration provided for herein, the responding party shall be entitled to dismissal or injunctive relief regarding such action and recovery of all costs, losses and attorney's fees related to such action.

8.02 Entire Agreement. This Agreement and the documents referenced herein 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 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. To the extent that work product, intellectual property rights, Inventions, Company Property and/or Company Confidential Information are owned by the Company on the date hereof as a result of prior agreement or under law, this Agreement shall not derogate such ownership.

8.03 Taxes and Withholding. All compensation and benefits will be subject to applicable 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 or as authorized by Executive.

8.04 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 8.04 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 8.04. 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.

8.05 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, but nothing in this Agreement shall transfer liability for any tax, including under Section 409A of the Code, from Executive to the Company or any other Person. 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, provided that, with respect to taxable reimbursements, no reimbursement .shall be paid 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 anything to the contrary in Section 5. if the period during which the Executive has discretion to execute or revoke a release straddles two calendar years, the Company shall make the payments that are conditioned upon the release no

earlier than January 1st of the second of such calendar years, regardless of which taxable year the Executive actually delivers the executed release to the Company.

8.06 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.

8.07 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.

8.08 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.

8.09 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 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 8.09 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.

8.10 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.

8.11 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 facsimile. All notices to Employer shall be addressed and delivered to:

MacroGenics, Inc.
9704 Medical Center Drive
Rockville, MD 20850
Attn: Chief Executive Officer

or to such other address and facsimile number as designated by Employer in a written notice to Executive. All notices to Executive shall be addressed and delivered to:

Tom Spitznagel
[***]
[***]

or to such other address and facsimile number as Executive has designated in a written notice to Employer.

8.12 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. The words “include,”

“includes” and “including,” when used in this Agreement, will be deemed to be followed by the phrase “but not limited to”.

8.13 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.

8.14 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.

[Remainder of the Page Intentionally Left Blank]

IN WITNESS WHEREOF, Executive and Employer have executed this Employment Agreement as of the date set forth in the first paragraph.

"**EMPLOYER**"

MacroGenics, Inc.

By:/s/ Scott Koenig
Name: Scott Koenig
Title: President and CEO

Date:__

"**EXECUTIVE**"

/s/ Thomas Spitznagel, Ph.D.
Thomas Spitznagel, Ph.D.
Sr. Vice President, BioPharmaceutical Development & Manufacturing

Date:__

EXHIBIT A

CONFIDENTIAL SEPARATION AGREEMENT AND GENERAL RELEASE

[***]

EXHIBIT B

LIST OF PRE-EXISTING INTELLECTUAL PROPERTY

[***]

Exhibit B

PUBLICATIONS

[***]

PATENTS

[***]

EXHIBIT 31.1

I, Scott Koenig, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the period ended March 31, 2022 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/ Scott Koenig
Scott Koenig, M.D., Ph.D.
President and Chief Executive Officer
(Principal Executive Officer)

Dated: May 3, 2022

EXHIBIT 31.2

I, James Karrels, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the period ended March 31, 2022 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: May 3, 2022

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, Scott Koenig, 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 Quarterly Report on Form 10-Q for the period ended March 31, 2022 of the Registrant (the Report), that:

1. The Report fully complies with the requirements of Section 13(a) 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/ Scott Koenig
Name: Scott Koenig, M.D., Ph.D.
Date: May 3, 2022

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 Quarterly Report on Form 10-Q for the period ended March 31, 2022 of the Registrant (the Report), that:

1. The Report fully complies with the requirements of Section 13(a) 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: May 3, 2022