MACROGENICS INC
Form 424B5
March 28, 2018
TABLE OF CONTENTS

Filed Pursuant to Rule 424(b)(5)
Registration No. 333-214385

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered[1]	Proposed Maximum Offering Price per Security	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee[2]
Common Stock, par value $0.01 per share	5,175,000	$ 21.25	$ 109,968,750	$ 13,692

(1) Includes 675,000 shares of common stock that may be purchased by the underwriters upon exercise of their option in full to purchase additional shares of common stock.
(2) Calculated in accordance with Rule 456(b) and Rule 457(r) under the Securities Act of 1933, as amended.

TABLE OF CONTENTS

PROSPECTUS SUPPLEMENT
(To Prospectus dated November 2, 2016)

4,500,000 Shares

MACROGENICS, INC.

Common Stock

We are offering 4,500,000 shares of our common stock. Our common stock trades on the Nasdaq Global Select Market under the symbol MGNX. On March 27, 2018, the last reported sale price of our common stock was $23.60 per share.

Investing in our common stock involves risks. See Risk Factors beginning on page S-5 of this prospectus supplement, the accompanying prospectus and the other documents that are incorporated by reference herein.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Per Share	Total
Public offering price	$ 21.250	$ 95,625,000
Underwriting discounts and commissions(1)	$ 1.275	$ 5,737,500
Proceeds, before expenses, to us	$ 19.975	$ 89,887,500

(1) See Underwriting for further information regarding compensation to the underwriters for this offering.

The underwriters also have the right to purchase up to an additional 675,000 shares of common stock from us at the public offering price, less the underwriting discounts and commissions, at their option, within 30 days of the date of this prospectus supplement. If the underwriters exercise their option to purchase additional shares in full, the total underwriting discounts and commissions will be $6,598,125 and the total proceeds, before deducting expenses payable by us, will be $103,370,625.

The shares of common stock will be ready for delivery on or about April 2, 2018

Joint Book-Running Managers

Leerink Partners **Evercore ISI** **Deutsche Bank Securities**

Lead Managers

Stifel **Nomura** **SunTrust Robinson Humphrey**

Co-Manager

H.C. Wainwright & Co.

The date of this prospectus supplement is March 27, 2018.

TABLE OF CONTENTS

Table of Contents

Prospectus Supplement

Prospectus

S-i

TABLE OF CONTENTS

About this Prospectus Supplement

This prospectus supplement is part of an automatic shelf registration statement, or Registration Statement, that we filed with the Securities and Exchange Commission, or SEC, as a well-known seasoned issuer as defined in Rule 405 under the Securities Act of 1933, as amended, or the Securities Act, using a shelf registration process. Under this shelf registration process, we may, from time to time, sell any combination of the securities described in the Registration Statement and selling securityholders may, from time to time, offer such securities owned by them. This prospectus supplement, together with the accompanying prospectus and the documents incorporated by reference therein and herein, includes all material information relating to this offering.

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of this offering of our common stock and also adds to and updates information contained in the accompanying prospectus and the documents incorporated by reference into the accompanying prospectus. The second part, the accompanying prospectus, provides more general information about our shelf registration. If the information in this prospectus supplement or the documents incorporated by reference herein is inconsistent with the accompanying prospectus, you should rely on this prospectus supplement.

Neither this prospectus supplement or the accompanying prospectus shall constitute an offer to sell or a solicitation of an offer to buy offered securities in any jurisdiction in which it is unlawful for such person to make such an offering or solicitation. It is important for you to read and consider all information contained in this prospectus supplement and the accompanying prospectus, including the documents incorporated by reference therein and herein, in making your investment decision. You should also read and consider the information in the documents to which we have referred you in the sections entitled Where You Can Find More Information and Incorporation of Certain Documents by Reference in this prospectus supplement and in the accompanying prospectus.

You should rely only on the information contained in or incorporated by reference in this prospectus supplement, the accompanying prospectus or in any related free writing prospectus filed by us with the SEC. Neither we nor the underwriters have authorized anyone to provide you with different information. This prospectus supplement and the accompanying prospectus do not constitute an offer to sell or the solicitation of an offer to buy any securities other than the securities described in this prospectus supplement or an offer to sell or the solicitation of an offer to buy such securities in any circumstances in which such offer or solicitation is unlawful. You should assume that the information appearing in this prospectus supplement, the accompanying prospectus, the documents incorporated by reference and any related free writing prospectus is accurate only as of their respective dates. Our business, financial condition, results of operations and prospects may have changed materially since those dates.

Our primary executive offices are located at 9704 Medical Center Drive, Rockville, Maryland 20850, and our telephone number is (301) 251-5172. Our website address is www.macrogenics.com. The information contained on, or that can be accessed through, our website is not a part of, and should not be construed as being incorporated by reference into, this prospectus supplement or the accompanying prospectus.

Unless the context otherwise indicates, references in this prospectus supplement to we, our and us refer, collectively, to MacroGenics, Inc., a Delaware corporation, and its consolidated subsidiary.

MacroGenics, the MacroGenics logo and DART® are our trademarks or registered trademarks. The other trademarks, trade names and service marks appearing in this prospectus supplement are the property of their respective owners.

TABLE OF CONTENTS

Special Note Regarding Forward-Looking Statements

This prospectus supplement, the accompanying prospectus and the information incorporated by reference herein and therein include forward-looking statements within the meaning of Section 27A of the Securities Act, and Section 21E of the Securities Exchange Act of 1934, or the Exchange Act. 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. Forward-looking statements can often be identified by the use of terminology such as subject to, believe, anticipate, plan, expect, intend, esti project, may, will, should, would, could, can, the negatives thereof, variations thereon and similar expressi discussions of strategy.

All forward-looking statements 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, could affect future performance and cause actual results to differ materially from those matters expressed in or implied by our forward-looking statements:

- our plans to develop and commercialize our product candidates;
- the timing and outcomes of our ongoing and planned clinical trials, including when clinical trials will be initiated and completed and when data will be reported or regulatory filings made;
- the timing of and our ability to obtain and maintain regulatory approvals for our product candidates;
- our estimates regarding expenses, future revenue, capital requirements and needs for additional financing;
- 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;
- 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;
- 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;
- our failure to maintain effective internal controls; and
- our expected use of proceeds from this offering.

The factors, risks and uncertainties referred to above and others are more fully described under the heading Risk Factors in our Annual Report on Form 10-K for the fiscal year ended December 31, 2017, as updated from time to time in our subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K. Forward-looking statements should be regarded solely as our current plans, estimates and beliefs. You should not place undue reliance on forward-looking statements. The forward-looking statements contained herein represent our judgment as of the date of this prospectus supplement. We are not under any obligation, and we expressly disclaim any obligation, to update or alter any forward-looking statements, whether as a result of new

TABLE OF CONTENTS

information, future events or otherwise, except to the extent required by law. You should read this prospectus supplement, the accompanying prospectus and the information incorporated by reference herein and therein completely and with the understanding that our actual future results may be materially different from what we expect.

TABLE OF CONTENTS

Prospectus Supplement Summary

This summary highlights information contained elsewhere in this prospectus supplement and the accompanying prospectus or incorporated by reference herein or therein. Because it is a summary, it does not contain all the information you should consider before investing in our common stock. You should carefully read this entire prospectus supplement and the accompanying prospectus, including the Risk Factors section beginning on page S-5 of this prospectus supplement, along with our consolidated financial statements and notes to those consolidated financial statements and the other information incorporated by reference in this prospectus supplement and the accompanying prospectus, before making an investment decision.

Company Overview

We are a clinical-stage biopharmaceutical company focused on discovering and developing innovative antibody-based therapeutics designed to modulate the human immune response for the treatment of cancer. We currently have a pipeline of product candidates in human clinical testing, including seven immuno-oncology programs, that have been created primarily using our proprietary antibody-based technology platforms. These technologies are designed to have broad applicability across other therapeutic domains as well, including autoimmune disorders and infectious disease. We believe our product candidates have the potential to have a meaningful effect on treating patients' unmet medical needs as monotherapy or, in some cases, in combination with other therapeutic agents.

Our most advanced clinical product candidate is margetuximab, a monoclonal antibody directed against human epidermal growth factor receptor 2, or HER2, that has been enhanced using our proprietary Fc Optimization platform. We are evaluating margetuximab in a Phase 3 clinical trial in patients with metastatic breast cancer expressing HER2 at the 3+ level by immunohistochemistry, or IHC, or 2+ level by IHC with gene amplification who have failed up to three lines of therapy with other HER2-directed therapeutic agents. In this trial, which we call SOPHIA, patients are randomized into two arms and treated with either margetuximab or trastuzumab and, in both cases, the principal investigators' choice of chemotherapy. We are also evaluating margetuximab in a Phase 2 clinical trial in patients with HER2-positive gastric or gastroesophageal junction cancer in combination with an anti-PD-1 monoclonal antibody.

Flotetuzumab, another of our product candidates, is one of several clinical-stage molecules developed using our proprietary platform technology for making DART® molecules. Unlike standard monoclonal antibodies, DART molecules are bispecific, which means they can be directed against two different biological targets, and therefore lend themselves to a variety of different applications. Flotetuzumab is a bispecific, humanized DART molecule designed to redirect T lymphocytes to kill CD123-expressing cells by recognizing CD123 on the target cancer cells, with a portion of an antibody recognizing CD3, an activating protein expressed by normal T cells. An additional CD3-targeting DART molecule, MGD007, is currently in Phase 1 clinical testing. MGD007, which recognizes glycoprotein A33, or gpA33, and CD3, is being tested in patients with colorectal cancer.

In addition, we are pursuing multiple approaches for targeting an immune system protein known as programmed cell death protein 1, or PD-1, these programs include MGA012, a humanized, proprietary anti-PD-1 monoclonal antibody we licensed to Incyte Corporation, or Incyte, in 2017 and which is being developed for use as monotherapy as well as in combination with other potential cancer therapeutics; MGD013, a DART molecule designed to provide co-blockade of two immune checkpoint molecules expressed on T cells, PD-1 and lymphocyte-activation gene 3, or LAG-3, for the potential treatment of a range of solid tumors and hematological malignancies; and MGD019, a DART molecule designed to provide co-blockade of both PD-1 and cytotoxic T-lymphocyte-associated protein 4, or CTLA-4, on T cells.

We are also developing several product candidates targeting B7-H3, a protein in the B7 family of immune regulator proteins. B7-H3 is widely expressed by a number of different tumor types and may play a key role in regulating the

immune response to various types of cancer. There are no currently approved therapeutic agents directed against B7-H3. We have two clinical product candidates directed against B7-H3, enoblituzumab and MGD009, and we also have ongoing investigational new drug, or IND, enabling efforts underway to advance MGC018, an antibody-drug conjugate, or ADC, directed against B7-H3. Our most advanced candidate in this franchise, enoblituzumab, is a monoclonal antibody that has also been enhanced using our Fc Optimization platform. Enoblituzumab is being evaluated clinically in combination with an anti-PD-1 antibody across multiple tumor types, while MGD009 is a DART molecule that targets B7-H3 and CD3 and is being tested as monotherapy as well as in combination with MGA012.

TABLE OF CONTENTS

Our Pipeline of Immuno-Oncology Product Candidates

The table below depicts the current status of our immuno-oncology product candidates:

(a) Antibody-drug conjugate (ADC) based on duocarmycin payload with cleavable peptide linker licensed from Synthon Biopharmaceuticals.

(b) MacroGenics retains rights to develop its pipeline assets in combination with MGA012 and to manufacture a portion of global clinical and commercial supply needs of MGA012.

Upcoming Milestones

Under our current plans, we believe our most meaningful near-term goals and milestones include the following, which we expect to achieve in the periods indicated:

- Margetuximab (anti-HER2 monoclonal antibody using our proprietary Fc Optimization antibody platform):
  Fully enroll the Phase 3 SOPHIA metastatic breast cancer study (4Q 2018),
  Fully enroll additional 25 gastric cancer patients in Phase 2 anti-PD-1 combination study (2H 2018),