

# MACROGENICS INC

## **FORM 8-K** (Current report filing)

Filed 10/27/17 for the Period Ending 10/24/17

Address	9704 MEDICAL CENTER DRIVE Rockville, MD, 20850
Telephone	301-251-5172
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Symbol	MGNX
SIC Code	2834 - Pharmaceutical Preparations
Industry	Biotechnology & Medical Research
Sector	Healthcare
Fiscal Year	12/31

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D.C. 20549

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**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934**

Date of report (Date of earliest event reported): October 24, 2017

**MACROGENICS, INC.**

(Exact Name of Registrant as Specified in Charter)

**Delaware**  
(State or Other Jurisdiction  
of Incorporation)

**001-36112**  
(Commission  
File Number)

**06-1591613**  
(IRS Employer  
Identification No.)

**9704 Medical Center Drive,  
Rockville, Maryland**  
(Address of Principal Executive Offices)

**20850**  
(Zip Code)

Registrant's telephone number, including area code: **(301) 251-5172**

**Not applicable**

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 or Rule 12b-2 of the Securities Exchange Act of 1934.

Emerging growth company

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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. [ ]

### **Item 1.01 Entry into a Material Definitive Agreement**

On October 24, 2017, MacroGenics, Inc. (the “Company”) entered into an exclusive global collaboration and license agreement (the “Agreement”) with Incyte Corporation (“Incyte”) for the Company’s MGA012 molecule, an investigational monoclonal antibody (mAb) that inhibits programmed cell death protein 1 (PD-1). Under the terms of the Agreement, Incyte has obtained exclusive worldwide rights from the Company for the development and commercialization of MGA012 in all indications, while the Company retains the right to develop its pipeline assets in combination with MGA012. Further, the Company retains the right to manufacture a portion of both companies’ global clinical and commercial supply needs of MGA012. The transaction is expected to close in the fourth quarter of 2017, subject to the early termination or expiration of any applicable waiting periods under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 and customary closing conditions.

Upon closing, Incyte will pay the Company an upfront payment of \$150 million. The Company will also be eligible to receive up to an additional \$750 million in potential clinical, regulatory and sales milestone payments related to MGA012. In addition, the Company will be eligible to receive royalty payments based on global net sales of MGA012 by Incyte.

The foregoing description of the Agreement is qualified in its entirety by reference to the Agreement, a copy of which will be filed as an exhibit to the Company’s Annual Report on Form 10-K for the year ending December 31, 2017.

#### *Forward-Looking Statements*

This Current Report on Form 8-K contains 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. These include statements about future expectations, plans and prospects for the Company, including statements about the Company’s strategy, future operations, clinical development of its therapeutic candidates, milestone or opt-in payments from the Company’s collaborators, the Company’s anticipated milestones and future expectations and plans and prospects for the Company. Actual results may differ materially from those indicated by such forward-looking statements as a result of various important factors, including: the uncertainties inherent in the initiation and enrollment of future clinical trials, expectations of expanding ongoing clinical trials, availability and timing of data from ongoing clinical trials, expectations for regulatory approvals, other matters that could affect the availability or commercial potential of the Company’s product candidates and other risks described in the Company’s filings with the Securities and Exchange Commission. In addition, the forward-looking statements included in this Current Report on Form 8-K represent the Company’s views only as of the date hereof. The Company anticipates that subsequent events and developments will cause the Company’s views to change. However, while the Company may elect to update these forward-looking statements at some point in the future, the Company specifically disclaims any obligation to do so, except as may be required by law. These forward-looking statements should not be relied upon as representing the Company’s views as of any date subsequent to the date hereof.

### **Item 7.01. Regulation FD Disclosure.**

On October 25, 2017, the Company issued a press release announcing the Agreement. A copy of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K and incorporated by reference herein.

The information furnished pursuant to this Item 7.01 of this Report, including Exhibit 99.1 attached hereto, shall not be deemed “filed” for purposes of Section 18 of the Exchange Act or otherwise subject to the liability of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or under the Exchange Act, regardless of any general incorporation language in any such filing, unless the Company expressly sets forth in such filing that such information is to be considered “filed” or incorporated by reference therein.

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**Item 9.01 Financial Statements and Exhibits**

**(d) Exhibits.**

99.1 [Press Release, dated October 25, 2017.](#)

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**SIGNATURE**

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 hereunto duly authorized.

Date: October 27, 2017

**MACROGENICS, INC.**

By: /s/ Jeffrey Peters  
Jeffrey Peters  
Vice President and Acting General Counsel



**For Immediate Release**

## **Incyte and MacroGenics Announce Global Collaboration and Licensing Agreement for Anti-PD-1 Monoclonal Antibody MGA012**

- *Incyte gains exclusive, worldwide development and commercialization rights to MGA012 in all indications*
- *MacroGenics to receive an upfront cash payment of \$150 million plus potential milestone payments and royalties, and retains right to develop its pipeline assets in combination with MGA012*

**WILMINGTON, Del. AND ROCKVILLE, Md. – October 25, 2017** – Incyte Corporation (NASDAQ:INCY) and MacroGenics, Inc. (NASDAQ:MGNX) announced today that the companies have entered into an exclusive global collaboration and license agreement for MacroGenics' MGA012, an investigational monoclonal antibody that inhibits programmed cell death protein 1 (PD-1). Incyte has obtained exclusive worldwide rights for the development and commercialization of MGA012 in all indications, while MacroGenics retains the right to develop its pipeline assets in combination with MGA012.

“Anti-PD-1 therapy is becoming a mainstay of cancer treatment across multiple tumor types, and we believe the addition of MGA012 to our clinical pipeline is important to fulfilling our long-term development strategy in immuno-oncology. This collaboration with MacroGenics will allow us to rapidly explore the potential clinical benefit of developing MGA012 as a monotherapy and also combining anti-PD-1 therapy with several of our existing portfolio assets,” said Steven Stein, M.D., Chief Medical Officer of Incyte.

“We believe Incyte is the ideal partner for MGA012, given its immuno-oncology portfolio and dedication to researching and developing innovative and transformative cancer therapies and we hope that the combined resources of both companies will be able to significantly expand and accelerate the current development efforts for this promising molecule,” said Scott Koenig, M.D., Ph.D., President and Chief Executive Officer of MacroGenics. “Furthermore, we look forward to exploring the combination of MGA012 with multiple molecules in our own portfolio, including DART molecules for redirected T-cell killing, antibodies with enhanced effector function and ADCs, potentially to provide improved patient benefit.”

Enrollment in the dose escalation portion of the Phase 1 study of MGA012 has been completed and the molecule is currently being evaluated as monotherapy across four solid tumor types in the dose expansion portion of the study. Data from the dose escalation portion of the Phase 1 study have been accepted for poster presentation at the upcoming Society for Immunotherapy of Cancer (SITC) 32nd Annual Meeting in November 2017.

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## **Terms of the Collaboration**

Upon closing, Incyte will pay MacroGenics an upfront payment of \$150 million. Incyte will receive worldwide rights to develop and commercialize MGA012 in all indications.

Per the terms of the collaboration, MacroGenics will also be eligible to receive up to \$420 million in potential development and regulatory milestones, and up to \$330 million in potential commercial milestones. If MGA012 is approved and commercialized, MacroGenics would be eligible to receive royalties, tiered from 15 percent to 24 percent, on future sales of MGA012 by Incyte.

Under the terms of the collaboration, Incyte will lead global development of MGA012. MacroGenics retains the right to develop its pipeline assets in combination with MGA012, with Incyte commercializing MGA012 and MacroGenics commercializing its asset(s), if any such potential combinations are approved.

In addition, MacroGenics retains the right to manufacture a portion of both companies' global clinical and commercial supply needs of MGA012. MacroGenics intends to utilize its commercial-scale GMP facility, which is expected to be fully operational in 2018.

The transaction is expected to close in the fourth quarter of 2017, subject to the early termination or expiration of any applicable waiting periods under the Hart-Scott Rodino Act and customary closing conditions.

## **About Incyte Corporation**

Incyte Corporation is a Wilmington, Delaware-based biopharmaceutical company focused on the discovery, development and commercialization of proprietary therapeutics. For additional information on Incyte, please visit the Company's website at [www.incyte.com](http://www.incyte.com).

Follow @Incyte on Twitter at <https://twitter.com/Incyte>.

## **About MacroGenics, Inc.**

MacroGenics is a clinical-stage biopharmaceutical company focused on discovering and developing innovative monoclonal antibody-based therapeutics for the treatment of cancer, as well as autoimmune disorders and infectious diseases. MacroGenics generates its pipeline of product candidates primarily from its proprietary suite of next-generation antibody-based technology platforms. The combination of MacroGenics' technology platforms and protein engineering expertise has allowed MacroGenics to generate promising product candidates and enter into several strategic collaborations with global pharmaceutical and biotechnology companies. For more information, please see MacroGenics' website at [www.macrogenics.com](http://www.macrogenics.com). MacroGenics and the MacroGenics logo are trademarks or registered trademarks of MacroGenics, Inc.

## **Incyte Forward-Looking Statements**

Except for the historical information set forth herein, the matters set forth in this press release contain predictions, estimates and other forward-looking statements, including without limitation statements regarding: whether the planned transaction will close within the expected timeframe or ever; whether MGA012 will successfully advance through clinical studies or will ever be approved for use in humans anywhere or will be commercialized anywhere successfully or at all; whether MGA012 will be effective in the treatment of cancer or other indications; and whether and when any of the milestone payments or royalties under this collaboration will ever be paid by Incyte. These forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially, including unanticipated developments in and risks related to: obtaining approval for this planned collaboration;

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research and development efforts related to the collaboration programs; the possibility that results of clinical trials may be unsuccessful or insufficient to meet applicable regulatory standards or warrant continued development; other market or economic factors; unanticipated delays; each company's ability to compete against parties with greater financial or other resources; greater than expected expenses; and such other risks detailed from time to time in each company's reports filed with the Securities and Exchange Commission, including the Form 10-Q for the quarter ended June 30, 2017 filed by each company. Each party disclaims any intent or obligation to update these forward-looking statements.

#### **MacroGenics' Cautionary Note on Forward-Looking Statements**

Any statements in this press release about future expectations, plans and prospects for MacroGenics, including statements about MacroGenics' strategy, future operations, clinical development of MacroGenics' therapeutic candidates, milestone or opt-in payments from MacroGenics' collaborators, MacroGenics' anticipated milestones and future expectations and plans and prospects for MacroGenics and other statements containing the words "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 constitute 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. Actual results may differ materially from those indicated by such forward-looking statements as a result of various important factors, including: the uncertainties inherent in the initiation and enrollment of future clinical trials, expectations of expanding ongoing clinical trials, availability and timing of data from ongoing clinical trials, expectations for regulatory approvals, other matters that could affect the availability or commercial potential of MacroGenics' product candidates and other risks described in MacroGenics' filings with the Securities and Exchange Commission. In addition, the forward-looking statements included in this press release represent MacroGenics' views only as of the date hereof. MacroGenics anticipates that subsequent events and developments will cause MacroGenics' views to change. However, while MacroGenics may elect to update these forward-looking statements at some point in the future, MacroGenics specifically disclaims any obligation to do so, except as may be required by law. These forward-looking statements should not be relied upon as representing MacroGenics' views as of any date subsequent to the date hereof.

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#### **Incyte Contacts:**

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