



NextCure Reports Third Quarter 2020 Financial Results

November 5, 2020

BELTSVILLE, Md., Nov. 05, 2020 (GLOBE NEWSWIRE) -- [NextCure, Inc.](#) (Nasdaq: NXTC), a clinical-stage biopharmaceutical company committed to discovering and developing novel, first-in-class immunomedicines to treat cancer and other immune-related diseases, today reported third quarter 2020 financial results and provided a business update.

"We continue to enroll in our ongoing NC318 and NC410 clinical trials. In addition, we are making progress analyzing biomarker data, including Siglec-15 expression in biopsies from the NC318 Phase 2 trial," said Michael Richman, NextCure's president and chief executive officer. "We look forward to providing a clinical update and additional biomarker data on the NC318 monotherapy trial by the end of 2020 and remain committed to our goal of developing novel immunomedicines for patients who do not respond to standard treatments or existing immunotherapies."

Business Highlights and upcoming milestones

- Continue enrolling new patients in the head and neck squamous cell carcinoma and triple-negative breast cancer cohorts of the NC318 Phase 2 monotherapy trial.
- Plan to report updated clinical and initial biomarker data from the Phase 1 and 2 portions of the NC318 Phase 1/2 monotherapy clinical trial by the end of 2020.
- Continue enrolling patients in the Phase 1 portion of a Phase 1/2 clinical trial for NC410 and remain on track to report initial clinical data in the second half of 2021 as planned.
- Two abstracts regarding pre-clinical research for the NC410 program accepted for poster presentation at the upcoming virtual 35th Annual Meeting of the Society for Immunotherapy of Cancer (SITC) in November.
- Announced the appointment of John G. Houston, Ph.D., president and chief executive officer of clinical-stage biopharmaceutical company Arvinas, Inc., to NextCure's Board of Directors.

Financial Results for Quarter Ended September 30, 2020

- Cash, cash equivalents and marketable securities as of September 30, 2020 were \$291.2 million, as compared to \$334.6 million as of December 31, 2019. The decrease of \$43.4 million as of September 30, 2020 as compared to as of December 31, 2019 primarily reflects cash used to fund operations of \$38.6 million and cash used to purchase fixed assets of \$6.2 million offset by a reduction in restricted cash of \$1.1 million.
- Research and development expenses were \$12.7 million for the quarter ended September 30, 2020, as compared to \$8.7 million for the quarter ended September 30, 2019. The increase was primarily related to an increase in headcount. Other significant components of the increase included clinical research costs related to advancing NC318 and NC410.
- General and administrative expenses were \$4.7 million for the quarter ended September 30, 2020, as compared to \$2.6 million for the quarter ended September 30, 2019. The increase was primarily related to increases in personnel-related costs due to an increase in headcount, as well as increases in professional fees and insurance costs in connection with operating as a publicly traded company.
- There was no revenue recognized in the quarter ended September 30, 2020, as compared to \$1.6 million for the quarter ended September 30, 2019. Revenue generated in the prior year quarter was from our former research and development agreement with Eli Lilly.
- Net loss was \$16.4 million for the quarter ended September 30, 2020, as compared to \$8.4 million for the quarter ended September 30, 2019. The increase in net loss for the quarter was primarily due to increased research and development expenses and increased general and administrative expenses from an increase in headcount.

About NC318

NC318 is a first-in-class immunomedicine against S15, a novel immunomodulatory target found on highly immunosuppressive cells called M2 macrophages in the tumor microenvironment and on certain tumor types including lung, ovarian and head and neck cancers. In preclinical research, it was observed that S15 promoted the survival and differentiation of suppressive myeloid cells and negatively regulated T cell function, allowing cancer to avoid immune destruction. In preclinical studies, NC318 blocked the negative effects of S15. NextCure believes NC318 has the potential to treat multiple cancer types.

About NC410

NC410 is a first-in-class immunomedicine designed to block immune suppression mediated by LAIR-1, an immunomodulatory receptor expressed on T cells and dendritic cells, a type of antigen presenting cell. In preclinical research, it was observed that LAIR-1 inhibited T cell function and dendritic

cell activity allowing tumor cells to grow. In preclinical studies, NC410 blocked the negative effects of LAIR-1 and promoted T cell function and dendritic cell activity. NextCure believes NC410 has the potential to treat multiple cancer types.

About NextCure, Inc.

NextCure is a clinical-stage biopharmaceutical company committed to discovering and developing novel, first-in-class immunomedicines to treat cancer and other immune-related diseases. Through our proprietary FIND-IO™ platform, we study various immune cells to discover and understand targets and structural components of immune cells and their functional impact in order to develop immunomedicines. Our initial focus is to bring hope and new treatments to patients who do not respond to current cancer therapies, patients whose cancer progresses despite treatment and patients with cancer types not adequately addressed by available therapies. www.nextcure.com

Forward-Looking Statements

This press release contains forward-looking statements, including statements pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These statements are based on current expectations, forecasts, assumptions and other information available to NextCure as of the date hereof. Forward-looking statements include statements regarding NextCure's expectations, beliefs, intentions or strategies regarding the future and can be identified by forward-looking words such as "may," "will," "potential," "expects," "believes," "intends," "hope," "towards," "forward," "later" and similar expressions. Examples of forward-looking statements in this press release include, among others, statements about the progress and evaluation and expected timing of results of NextCure's ongoing clinical trial of NC318, expectations regarding the potential benefits, activity, effectiveness and safety of NC318, the evaluation of biomarkers, the expected timing of results of NextCure's ongoing clinical trial of NC410 and NextCure's plans, objectives and intentions with respect to the discovery and development of immunomedicines. Forward-looking statements involve substantial risks and uncertainties that could cause actual results to differ materially from those projected in any forward-looking statement. Such risks and uncertainties include, among others: the impacts of the COVID-19 pandemic on NextCure's business, including NextCure's clinical trials, third parties on which NextCure relies and NextCure's operations; positive results in preclinical studies may not be predictive of the results of clinical trials; NextCure's limited operating history and no products approved for commercial sale; NextCure's history of significant losses; NextCure's need to obtain additional financing; risks related to clinical development, marketing approval and commercialization; the unproven approach to the discovery and development of product candidates based on NextCure's FIND-IO platform; and dependence on key personnel. More detailed information on these and additional factors that could affect NextCure's actual results are described in NextCure's filings with the Securities and Exchange Commission (the "SEC"), including NextCure's most recent Form 10-K and subsequent Form 10-Q. You should not place undue reliance on any forward-looking statements. Forward-looking statements speak only as of the date of this press release, and NextCure assumes no obligation to update any forward-looking statements, even if expectations change.

NEXTCURE, INC.
CONDENSED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(unaudited, in thousands, except share and per share amounts)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2020	2019	2020	2019
Revenue:				
Revenue from research and development arrangement	\$ —	\$ 1,583	\$ 22,378	\$ 4,342
Operating expenses:				
Research and development	12,740	8,663	34,448	22,819
General and administrative	4,659	2,622	12,918	6,995
Total operating expenses	17,399	11,285	47,366	29,814
Loss from operations	(17,399)	(9,702)	(24,988)	(25,472)
Other income, net	1,032	1,268	3,846	2,662
Net loss	\$ (16,367)	\$ (8,434)	\$ (21,142)	\$ (22,810)
Loss per share:				
Net loss per common share—basic and diluted	\$ (0.59)	\$ (0.37)	\$ (0.77)	\$ (1.81)
Weighted average number of common shares —basic and diluted	27,547,737	22,715,567	27,524,350	12,609,219
Comprehensive loss:				
Net loss	\$ (16,367)	\$ (8,434)	\$ (21,142)	\$ (22,810)
Unrealized gain (loss) on marketable securities	(637)	(58)	1,298	(58)
Total comprehensive loss	\$ (17,004)	\$ (8,492)	\$ (19,844)	\$ (22,868)

NEXTCURE, INC.
CONDENSED BALANCE SHEETS
(unaudited, in thousands, except share and per share amounts)

	September 30,	December 31,
	2020	2019
Assets		

Current assets:		
Cash and cash equivalents	\$ 22,534	\$ 34,091
Marketable securities	268,672	300,514
Restricted cash	1,706	1,706
Prepaid expenses and other current assets	4,069	3,684
Total current assets	296,981	339,995
Property and equipment, net	15,819	12,090
Other assets	3,278	4,083
Total assets	\$ 316,078	\$ 356,168
Liabilities, Preferred Stock and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 186	\$ 1,861
Accrued liabilities	3,754	4,871
Deferred rent, current portion	134	215
Term loan, current portion	1,667	1,667
Deferred revenue, current portion	—	6,428
Total current liabilities	5,741	15,042
Deferred rent, net of current portion	776	359
Term loan, net of current portion	2,222	3,333
Deferred revenue, net of current portion	—	15,950
Total liabilities	8,739	34,684
Stockholders' equity:		
Preferred stock, par value of \$0.001 per share; 10,000,000 shares authorized at September 30, 2020 and December 31, 2019. No shares issued and outstanding at September 30, 2020 and December 31, 2019	—	—
Common stock, par value of \$0.001 per share; 100,000,000 shares authorized at September 30, 2020 and December 31, 2019, 27,553,089 and 27,499,260 shares issued and outstanding at September 30, 2020 and December 31, 2019, respectively	28	27
Additional paid-in capital	408,189	402,529
Accumulated other comprehensive income (loss)	1,298	(38)
Accumulated deficit	(102,176)	(81,034)
Total stockholders' equity	307,339	321,484
Total liabilities, preferred stock and stockholders' equity	\$ 316,078	\$ 356,168

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