



NextCure Reports Third Quarter 2019 Financial Results

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BELTSVILLE, Md., Nov. 12, 2019 (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 2019 financial results and provided a business update.

"NextCure has made important clinical and operational progress toward realizing our long-term vision of developing novel immunomedicines for patients who do not respond to standard treatments or existing immunotherapies," said Michael Richman, president and chief executive officer. "Completion of enrollment and announcement of preliminary data in the Phase 1 portion of the clinical trial with our lead program NC318 are major milestones for NextCure. We believe that NC318 is in position to achieve further meaningful clinical endpoints as we progress into the Phase 2 portion of the trial. We remain confident in NC318's potential to be a new therapy for patients with solid tumors and low levels of PD-1 expression or who do not respond to anti-PD-1/PD-L1 treatments."

Business Highlights

- Presented clinical data from the Phase 1 portion of the NC318 Phase 1/2 Clinical Trial at the 34th Annual Meeting of SITC.
- Initiated the Phase 2 portion of the ongoing Phase 1/2 clinical trial of NC318.
- Promoted Timothy Mayer, Ph.D. to Chief Operating Officer.
- Continued research activities under our collaboration agreement with Eli Lilly and Company ("Lilly").
- Remain on track to submit an investigational new drug application to the U.S. Food and Drug Administration for our second product candidate, NC410, in the first quarter of 2020. NC410 is a novel immunomedicine designed to block immune suppression mediated by an immune modulator called Leukocyte-Associated Immunoglobulin-like Receptor 1, or LAIR-1.

Financial Results for Quarter Ended September 30, 2019

- Cash, cash equivalents, and marketable securities as of September 30, 2019 were \$184.1 million, compared to \$135.2 million as of December 31, 2018. This increase primarily reflects net proceeds from our IPO of \$77.0 million, partially offset by cash used to fund operations of \$25.6 million.
- Revenue was \$1.6 million and \$4.3 million for the three and nine months ended September 30, 2019, respectively. We had no revenue in 2018. Revenue to date has been generated from the Lilly agreement.
- Research and development expenses were \$8.7 million and \$22.8 million for the three and nine months ended September 30, 2019, respectively, as compared to \$4.9 million and \$13.5 million for the three and nine months ended September 30, 2018, respectively. The increases primarily reflect an increase in headcount, NC318 clinical research costs, lab supplies and services for NC318 and our other early stage programs and discovery activities, as well as a one-time license payment in connection with our IPO in the quarter ended June 30, 2019.
- General and administrative expenses were \$2.6 million and \$7.0 million for the three and nine months ended September 30, 2019, respectively as compared to \$0.9 million and \$2.6 million for the three and nine months ended September 30, 2018, respectively. The increase was primarily related to increases in professional fees and insurance costs in connection with becoming a publicly traded company, as well as increases in personnel-related costs and an unrestricted gift to an academic lab in the prior quarter.
- Net loss was \$8.4 million and \$22.8 million for the three and nine months ended September 30, 2019, respectively, as compared to \$5.7 million and \$15.9 million for the three and nine months ended September 30, 2018, respectively.

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," "toward," "progress," "continue," "vision," "on track" and similar expressions. Examples of forward-looking statements in this press release include, among others, statements about the strength of NextCure's financial position to continue advancing its product candidates, the progress and expected timing of NextCure's ongoing clinical trial of NC318, planned clinical trials of NC318 and NC410 and other research and development programs, 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: 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; and the unproven approach to the discovery and development of product candidates based on NextCure's FIND-IO platform. 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 Form 10-Q filed with the SEC on August 12, 2019. 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 September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
Revenue:				
Revenue from research and development arrangement	\$ 1,583	\$ —	\$ 4,342	\$ —
Operating expenses:				
Research and development	8,663	4,895	22,819	13,539
General and administrative	2,622	925	6,995	2,590
Total operating expenses	11,285	5,820	29,814	16,129
Loss from operations	(9,702)	(5,820)	(25,472)	(16,129)
Other income, net	1,268	110	2,662	192
Net loss	(8,434)	(5,710)	(22,810)	(15,937)
Net loss per common share—basic and diluted	\$(0.37)	\$(4.17)	\$(1.81)	\$(11.64)
Weighted average number of common shares —basic and diluted	22,715,567	1,369,212	12,609,219	1,369,212
Comprehensive loss:				
Unrealized loss on marketable securities	(58)	—	(58)	—
Total comprehensive loss	\$(8,492)	\$(5,710)	\$(22,868)	\$(15,937)

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

	September 30, 2019	December 31, 2018
Assets		
Current assets:		
Cash and cash equivalents	\$ 9,935	\$ 135,173
Marketable securities	174,147	—
Restricted cash	1,289	460
Prepaid expenses and other current assets	3,777	152
Total current assets	189,148	135,785
Property and equipment, net	12,031	11,407
Other assets	3,945	436
Total assets	\$ 205,124	\$ 147,628
Liabilities, Preferred Stock and Stockholders' Equity (Deficit)		

Current liabilities:		
Accounts payable	\$ 2,576	\$ 2,483
Accrued liabilities	2,582	2,411
Deferred rent, current portion	—	28
Term loan, current portion	1,250	387
Deferred revenue, current portion	6,199	4,989
Total current liabilities	12,607	10,298
Deferred rent, net of current portion	434	242
Term loan, net of current portion	3,750	73
Deferred revenue, net of current portion	17,684	21,736
Total liabilities	34,475	32,349
Commitments and contingencies		
Redeemable preferred stock:		
Series A Preferred Stock, par value of \$0.001 per share; 0 and 68,181,819 shares authorized, issued and outstanding at September 30, 2019 and December 31, 2018, respectively	—	71,000
Series B Preferred Stock, par value \$0.001 per share; 0 and 56,828,852 shares authorized at September 30, 2019 and December 31, 2018, respectively, 0 and 56,828,851 shares issued and outstanding at September 30, 2019 and December 31, 2018, respectively	—	91,223
Total redeemable preferred stock	—	162,223
Stockholders' equity (deficit):		
Preferred stock, par value of \$0.001 per share; 10,000,000 and 0 shares authorized at September 30, 2019 and December 31, 2018. No shares issued and outstanding at September 30, 2019 and December 31, 2018, respectively	—	—
Common stock, par value of \$0.001 per share; 100,000,000 and 158,745,671 shares authorized at September 30, 2019 and December 31, 2018, respectively, 22,739,345, and 1,374,812 shares issued and outstanding at September 30, 2019 and December 31, 2018, respectively	23	1
Additional paid-in capital	240,791	352
Accumulated other comprehensive loss	(58)	—
Accumulated deficit	(70,107)	(47,297)
Total stockholders' equity (deficit)	170,649	(46,944)
Total liabilities, preferred stock and stockholders' equity (deficit)	\$ 205,124	\$ 147,628

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