



NextCure Reports Fourth Quarter and Full Year 2019 Financial Results

March 12, 2020

BELTSVILLE, Md., March 12, 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 fourth quarter and full year 2019 financial results and provided a business update.

"2019 was a momentous year for NextCure, highlighted by completing enrollment and reporting initial clinical data of the phase 1 portion of the NC318 phase 1/2 clinical trial, initiation of the phase 2 portion of the NC318 trial and two public financings," said Michael Richman, NextCure's president and chief executive officer. "Following the recent acceptance of our IND by the U.S. Food and Drug Administration for our second product candidate, NC410, we plan to initiate phase 1 clinical development in the second quarter of 2020. We believe we are well-positioned to continue accelerating our clinical development, advancing our preclinical programs, and growing our manufacturing capabilities as we pursue our goal of bringing novel immunomedicines to patients."

2019 Business Highlights

- Published a *Nature Medicine* paper with Yale University describing Siglec-15 (S15) as a new target for immunotherapy in March.
- Closed initial public offering (IPO) in May, raising \$86.3 million in gross proceeds.
- Promoted Timothy Mayer, Ph.D., to Chief Operating Officer in October.
- Initiated the phase 2 portion of the ongoing NC318 phase 1/2 monotherapy clinical trial in October.
- Presented positive clinical data from the phase 1 portion of the NC318 phase 1/2 monotherapy clinical trial at the 34th Annual Meeting of SITC in November.
- Closed follow-on offering in November, raising \$172.2 million in gross proceeds.

Upcoming Milestones

- Initiate enrollment in the phase 1 portion of our phase 1/2 clinical trial for our second product candidate, NC410, in the second quarter of 2020.
- Initiate an NC318 combination clinical trial in NSCLC with standard-of-care chemotherapies in mid-2020.
- Report initial data from the NC318 phase 2 monotherapy clinical trial by the end of 2020.

Financial Results for Fourth Quarter and Full Year Ended December 31, 2019

- Cash, cash equivalents, and marketable securities, excluding restricted cash, as of December 31, 2019 were \$334.6 million, compared to \$135.2 million as of December 31, 2018. This increase was primarily due to \$238.4 million net proceeds from public offerings partially offset by cash used to fund operations of \$35.6 million.
- Revenue from research and development arrangement was \$2.0 million and \$6.3 million for the three months and the full year ended December 31, 2019, respectively. We had no revenue in 2018. All revenue was generated from our agreement with Eli Lilly (Lilly), which was terminated by Lilly effective March 3, 2020.
- Research and development expenses were \$11.4 million and \$34.2 million for the fourth quarter and full year ended December 31, 2019, respectively, as compared to \$6.3 million and \$19.8 million for the comparable periods in 2018, respectively. The increases primarily reflect a growth in headcount, NC318 clinical research costs, lab supplies and services for NC318 and our other early stage programs and discovery activities, as well as, in the case of the increase for the full year ended December 31, 2019, 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 \$9.6 million for the fourth quarter and full year ended December 31, 2019, respectively, as compared to \$0.8 million and \$3.4 million, respectively, for the comparable periods in 2018. The increases were primarily related to increases in professional fees and insurance costs in connection with becoming a publicly traded company, as well as growth in headcount and, in the case of the increase for the full year ended December 31, 2019, an unrestricted gift to an academic lab in the quarter ended June 30, 2019.
- Net loss was \$10.9 million for the fourth quarter of 2019 and \$33.7 million for the year ended December 31, 2019, as compared to \$6.9 million and \$22.8 million, respectively, for the comparable periods in 2018.

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 novel immunomedicine that was developed to block LAIR-1-mediated immune suppression by mimicking the natural decoy effects of LAIR-2. LAIR-1 is a co-inhibitory receptor expressed on T cells and dendritic cells. LAIR-2 is a naturally occurring soluble decoy protein for LAIR-1. 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 to promote 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," "forward," "progress," "continue," "momentum," "well-positioned," "upcoming" 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-K filed with the SEC on March 12, 2020. 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)

	Year Ended	
	December 31,	
	2019	2018
Revenue:		
Revenue from research and development arrangement	\$ 6,347	\$ —
Operating expenses:		
Research and development	34,216	19,787
General and administrative	9,613	3,409
Total operating expenses	43,829	23,196
Loss from operations	(37,482)	(23,196)
Other income, net	3,745	397
Net loss	(33,737)	(22,799)
Net loss per common share — basic and diluted	\$ (2.15)	\$ (16.64)
Weighted average number of common shares — basic and diluted	15,695,461	1,369,846
Comprehensive loss:		
Net loss	(33,737)	(22,799)
Unrealized loss on marketable securities	(38)	—
Total comprehensive loss	\$ (33,775)	\$ (22,799)

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

	December 31, 2019	2018	
Assets			
Current assets:			
Cash and cash equivalents	\$ 34,091	\$ 135,173	
Marketable securities	300,514	—	
Restricted cash	1,706	460	
Prepaid expenses and other current assets	3,684	152	
Total current assets	339,995	135,785	
Property and equipment, net	12,090	11,407	
Other assets	4,083	436	
Total assets	\$ 356,168	\$ 147,628	
Liabilities, Preferred Stock and Stockholders' Equity (Deficit)			
Current liabilities:			
Accounts payable	\$ 1,861	\$ 2,483	
Accrued liabilities	4,871	2,411	
Deferred rent, current portion	215	28	
Term loan, current portion	1,667	387	
Deferred revenue, current portion	6,428	4,989	
Total current liabilities	15,042	10,298	
Deferred rent, net of current portion	359	242	
Term loan, net of current portion	3,333	73	
Deferred revenue, net of current portion	15,950	21,736	
Total liabilities	34,684	32,349	
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 December 31, 2019 and 2018, respectively	—	71,000	
Series B Preferred Stock, par value \$0.001 per share; 0 and 56,828,852 shares authorized at December 31, 2019 and 2018, respectively, 0 and 56,828,851 shares issued and outstanding at December 31, 2019 and 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 December 31, 2019 and 2018. No shares issued and outstanding at December 31, 2019 and 2018, respectively	—	—	
Common stock, par value of \$0.001 per share; 100,000,000 and 158,745,671 shares authorized at December 31, 2019 and 2018, respectively, 27,499,260 and 1,374,812 shares issued and outstanding at December 31, 2019 and 2018, respectively	27	1	
Additional paid-in capital	402,529	352	
Accumulated other comprehensive loss	(38)	—
Accumulated deficit	(81,034)	(47,297
Total stockholders' equity (deficit)	321,484	(46,944)
Total liabilities, preferred stock and stockholders' equity (deficit)	\$ 356,168	\$ 147,628	

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