



NextCure Reports Second Quarter 2020 Financial Results

August 6, 2020

BELTSVILLE, Md., Aug. 06, 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 second quarter 2020 financial results and provided a business update.

"Despite our recent announcement that we did not see sufficient clinical activity required for advancement in our initial non-small cell lung cancer and ovarian cancer Phase 2 cohorts, we remain encouraged about the NC318 single agent activity we have seen in patients with both non-small cell lung and head and neck cancers. We are working diligently in hopes of better understanding Siglec-15 biology and evaluating biomarkers that may provide a focused path forward. We anticipate having more information by the end of this year," said Michael Richman, NextCure's president and chief executive officer. "We recently initiated the Phase 1 portion of a Phase 1/2 clinical trial of NC410, our second product candidate, and expect to have initial clinical data for that trial in the second half of 2021. We remain highly committed to our goal of bringing novel immunomedicines to patients and remain focused on advancing our current clinical and preclinical programs."

Business Highlights and upcoming milestones

- Observed one confirmed partial response in head and neck squamous cell carcinoma (HNSCC), and advanced this indication to the stage 2 portion of the Simon 2-stage trial of NC318.
- Continued enrolling new patients in the HNSCC and triple-negative breast cancer cohorts of the NC318 monotherapy trial.
- Reported initial biomarker data from the Phase 1 portion of the NC318 Phase 1/2 monotherapy clinical trial at the virtual American Society of Clinical Oncology Annual Meeting.
- Initiated the Phase 1 portion of a Phase 1/2 clinical trial for NC410.

Financial Results for Quarter Ended June 30, 2020

- Cash, cash equivalents and marketable securities as of June 30, 2020 were \$309.3 million, compared to \$334.6 million as of December 31, 2019. The decrease of \$25.3 million primarily reflects cash used to fund operations of \$23.0 million and cash used to purchase fixed assets of \$4.3 million.
- Research and development expenses were \$11.1 million for the quarter ended June 30, 2020, as compared to \$7.6 million for the quarter ended June 30, 2019. The increases primarily reflect an increase in headcount, clinical research costs for NC318 and NC410, and expenses for lab supplies and services for NC318, NC410, our other early stage programs and discovery activities.
- General and administrative expenses were \$4.7 million for the quarter ended June 30, 2020, as compared to \$2.7 million for the quarter ended June 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 becoming a publicly traded company.
- There was no revenue recognized in the quarter ended June 30, 2020 as compared to \$1.4 million in the quarter ended June 30, 2019. Revenue generated in the prior year quarter was from our former research and development agreement with Eli Lilly.
- Net loss was \$14.5 million for the quarter ended June 30, 2020, as compared to \$8.2 million for the quarter ended June 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		Six Months Ended	
	June 30, 2020	2019	June 30, 2020	2019
Revenue:				
Revenue from research and development arrangement	\$ —	\$ 1,402	\$ 22,378	\$ 2,759
Operating expenses:				
Research and development	11,130	7,643	21,708	14,156
General and administrative	4,671	2,714	8,259	4,373
Total operating expenses	15,801	10,357	29,967	18,529
Loss from operations	(15,801)	(8,955)	(7,589)	(15,770)
Other income, net	1,293	734	2,814	1,394
Net loss	\$ (14,508)	\$ (8,221)	\$ (4,775)	\$ (14,376)
Loss per share:				
Net loss per common share—basic and diluted	\$ (0.53)	\$ (0.61)	\$ (0.17)	\$ (1.92)
Weighted average number of common shares—basic and diluted	27,518,129	13,498,393	27,512,528	7,472,298
Comprehensive Loss:				
Net loss	\$ (14,508)	\$ (8,221)	\$ (4,775)	\$ (14,376)
Unrealized gain on marketable securities	2,478	—	1,935	—
Total comprehensive loss	\$ (12,030)	\$ (8,221)	\$ (2,840)	\$ (14,376)

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

	June 30, 2020	December 31, 2019
Assets		

Current assets:		
Cash and cash equivalents	\$ 25,050	\$ 34,091
Marketable securities	284,285	300,514
Restricted cash	1,706	1,706
Prepaid expenses and other current assets	4,029	3,684
Total current assets	315,070	339,995
Property and equipment, net	14,831	12,090
Other assets	3,588	4,083
Total assets	\$ 333,489	\$ 356,168
Liabilities, Preferred Stock and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 2,435	\$ 1,861
Accrued liabilities	4,118	4,871
Deferred rent, current portion	142	215
Term loan, current portion	1,667	1,667
Deferred revenue, current portion	—	6,428
Total current liabilities	8,362	15,042
Deferred rent, net of current portion	571	359
Term loan, net of current portion	2,639	3,333
Deferred revenue, net of current portion	—	15,950
Total liabilities	11,572	34,684
Stockholders' equity:		
Preferred stock, par value of \$0.001 per share; 10,000,000 shares authorized at June 30, 2020 and December 31, 2019. No shares issued and outstanding at June 30, 2020 and December 31, 2019	—	—
Common stock, par value of \$0.001 per share; 100,000,000 shares authorized at June 30, 2020 and December 31, 2019, 27,520,650 and 27,499,260 shares issued and outstanding at June 30, 2020 and December 31, 2019, respectively	28	27
Additional paid-in capital	405,763	402,529
Accumulated other comprehensive income (loss)	1,935	(38)
Accumulated deficit	(85,809)	(81,034)
Total stockholders' equity	321,917	321,484
Total liabilities, preferred stock and stockholders' equity	\$ 333,489	\$ 356,168

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