



NextCure Reports First Quarter 2021 Financial Results

May 6, 2021

BELTSVILLE, Md., May 06, 2021 (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 first quarter 2021 financial results and provided a business update.

"We are highly focused on advancing our three clinical programs and broadening our pipeline of novel immunomedicines this year. We are committed to continuing to evaluate NC318 in multiple indications in our Phase 2 monotherapy trial as well as the Phase 2 investigator-initiated clinical trial at Yale University that recently commenced," said Michael Richman, NextCure's president and chief executive officer. "The NC410 program continues to advance and we will be sharing a trial in progress poster at the upcoming American Society of Clinical Oncology Virtual Annual Meeting. With encouraging preclinical and IND-enabling data for NC762 presented at AACR, we look forward to advancing the asset into the clinic this quarter."

Business Highlights and Upcoming Milestones

- Commenced the Yale University Phase 2 investigator-initiated clinical trial of NC318 in combination with pembrolizumab in patients with advanced non-small cell lung cancer with anticipated initial data in the first half of 2022.
- Presented preclinical and investigational new drug (IND)-enabling data for NC762 at the American Association for Cancer Research Annual Meeting 2021.
- On track to initiate the NC762 Phase 1 clinical trial in the second quarter of 2021 and report initial data in mid-2022.
- On track to report NC318 Phase 2 monotherapy update in the fourth quarter of 2021.
- Continue enrolling patients in the Phase 1 portion of a Phase 1/2 clinical trial for NC410 and on track to report initial clinical data in the second half of 2021.
- Present trial in progress poster for NC410 at the upcoming 2021 American Society of Clinical Oncology (ASCO) Virtual Annual Meeting.

Financial Guidance

Based on its current research and development plans, NextCure expects its existing cash, cash equivalents and marketable securities will enable it to fund operating expenses and capital expenditure requirements into the second half of 2023.

Financial Results for Quarter Ended March 31, 2021

- Cash, cash equivalents, and marketable securities, excluding restricted cash as of March 31, 2021, were \$268.2 million as compared with \$283.4 million as of December 31, 2020. The decrease of \$15.2 million reflects cash used to fund operations of \$13.9 million and cash used to purchase fixed assets of \$0.8 million.
- Research and development expenses were \$12.4 million for the quarter ended March 31, 2021 as compared to \$10.6 million for the quarter ended March 31, 2020. The increase was primarily related to increase in personnel-related costs.
- General and administrative expenses were \$4.8 million for the quarter ended March 31, 2021, as compared to \$3.6 million for the quarter ended March 31, 2020. The increase was primarily related to increase in personnel-related costs.
- Revenue was not recognized in the quarter ended March 31, 2021, as compared to \$22.4 million for the quarter ended March 31, 2020. Revenue generated in the first quarter of 2020 was from our former research and development agreement with Eli Lilly.
- Net loss was \$16.5 million for the quarter ended March 31, 2021, as compared with net income of \$9.7 million for the quarter ended March 31, 2020. The change to a loss from the previous year's quarter were primarily due to the recognition in the prior year of the remaining deferred revenue under the former agreement with Eli Lilly and increased personnel-related costs in both research and development expenses and general and administrative expenses.

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 NC762

NC762 is a monoclonal antibody that binds specifically to B7-H4, a protein expressed on multiple tumor types. NextCure believes NC762 acts by inhibiting tumor cell growth and killing tumor cells, including by enhancing immune response. The company has observed in preclinical studies that NC762 inhibits the growth of human melanoma tumors in mice, and believes that NC762 has the potential to treat multiple tumor types. NextCure's research indicates that NC762 inhibits tumor cell growth independently of immune cell infiltration in the tumor microenvironment.

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

Some of the statements contained in this press release are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including with respect to our plans, objectives and expectations for our business, operations and financial performance and condition, including the progress and results of clinical trials, development plans regarding our immunomedicines and upcoming milestones. Any statements contained herein that are not statements of historical fact may be deemed to be forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as "aim," "anticipate," "assume," "believe," "continue," "could," "should," "due," "estimate," "expect," "intend," "hope," "may," "objective," "plan," "predict," "potential," "positioned," "seek," "target," "towards," "forward," "later," "will," "would" and other similar expressions that are predictions of or indicate future events and future trends, or the negative of these terms or similar language.

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 (including the emergence of variant strains) 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 under the heading "Risk Factors" in NextCure's most recent Annual Report on Form 10-K and in the Company's other filings with the Securities and Exchange Commission. 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	
	March 31,	
	2021	2020
Revenue:		
Revenue from former research and development arrangement	\$ —	\$ 22,378
Operating expenses:		
Research and development	12,386	10,578
General and administrative	4,848	3,588
Total operating expenses	17,234	14,166
(Loss) income from operations	(17,234)	8,212
Other income, net	701	1,521
Net (loss) income	\$ (16,533)	\$ 9,733
(Loss) earnings per share:		
Basic	\$ (0.60)	\$ 0.35
Diluted	\$ (0.60)	\$ 0.33
Shares used in the calculation of (loss) earnings per share:		
Basic	27,597,426	27,506,927
Diluted	27,597,426	29,348,615
Comprehensive (loss) income:		

Net (loss) income	\$	(16,533)	\$	9,733
Unrealized loss on marketable securities		(600)		(543)
Total comprehensive (loss) income	\$	(17,133)	\$	9,190

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

	<u>March 31,</u> <u>2021</u>	<u>December 31,</u> <u>2020</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 36,527	\$ 32,772
Marketable securities	231,709	250,676
Restricted cash	1,706	1,706
Prepaid expenses and other current assets	3,109	2,824
Total current assets	273,051	287,978
Property and equipment, net	15,470	15,809
Other assets	2,438	2,857
Total assets	\$ 290,959	\$ 306,644
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 2,017	\$ 3,901
Accrued liabilities	4,295	4,627
Deferred rent, current portion	209	130
Term loan, current portion	1,667	1,667
Total current liabilities	8,188	10,325
Deferred rent, net of current portion	2,223	792
Term loan, net of current portion	1,389	1,806
Total liabilities	11,800	12,923
Stockholders' equity:		
Preferred stock, par value of \$0.001 per share; 10,000,000 shares authorized at March 31, 2021 and December 31, 2020; no shares issued and outstanding at March 31, 2021 and December 31, 2020	—	—
Common stock, par value of \$0.001 per share; 100,000,000 shares authorized at March 31, 2021 and December 31, 2020; 27,604,417 and 27,568,802 shares issued and outstanding at March 31, 2021 and December 31, 2020, respectively	28	28
Additional paid-in capital	413,122	410,551
Accumulated other comprehensive income	179	779
Accumulated deficit	(134,170)	(117,637)
Total stockholders' equity	279,159	293,721
Total liabilities and stockholders' equity	\$ 290,959	\$ 306,644

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