

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 10-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2025

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____
Commission File Number: 001-38905

NextCure, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

9000 Virginia Manor Road, Suite 200

Beltville, Maryland

(Address of principal executive offices)

47-5231247

(I.R.S. Employer
Identification No.)

20705

(Zip Code)

Registrant's telephone number, including area code: **(240) 399-4900**

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered:
Common Stock, \$0.001 par value per share	NXTC	Nasdaq Global Select Market

Securities registered pursuant to Section 12(g) of the Act: None.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes No

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Non-accelerated filer

Accelerated filer

Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. Yes No

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The aggregate market value of the registrant's common stock held by non-affiliates as of June 30, 2025, the last business day of the registrant's most recently completed second fiscal quarter, was approximately \$12.6 million, as computed by reference to the closing price of the common stock on the Nasdaq Global Select Market on that date.

As of February 27, 2026, the registrant had 3,560,410 shares of common stock, par value \$0.001 per share, issued and outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive Proxy Statement for its 2026 Annual Meeting of Stockholders, which will be filed with the Commission within 120 days after December 31, 2025, are incorporated by reference into Part III of this Report.

NextCure, Inc.
Form 10-K
For the Year Ended December 31, 2025

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report contains forward-looking statements, including with respect to our plans, objectives and expectations for our business, operations and financial performance and condition. Any statements contained herein that are not statements of historical facts may be deemed to be forward-looking statements. The forward-looking statements are contained principally in the sections entitled “Business,” “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” but are also contained elsewhere in this Annual Report. In some cases, you can identify forward-looking statements by terminology such as “aim,” “anticipate,” “assume,” “believe,” “continue,” “could,” “due,” “estimate,” “expect,” “intend,” “may,” “objective,” “plan,” “predict,” “project,” “potential,” “positioned,” “seek,” “should,” “target,” “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 include, but are not limited to, statements about:

- our expectations regarding the timing, progress and results of preclinical studies and clinical trials for SIM0505, LNCB74 and any other product candidates we develop, including statements regarding the timing of initiation and completion of studies or trials and related preparatory work, the period during which the results of the trials will become available and our research and development programs;
- our estimates regarding our expenses, future revenues, capital requirements, needs for or ability to obtain additional financing and the period over which we expect our current cash, cash equivalents and marketable securities to be sufficient to fund our operations;
- the timing or likelihood of regulatory filings for SIM0505, LNCB74 and any other product candidates we develop and our ability to obtain and maintain regulatory approvals for such product candidates for any indication;
- the identification, analysis and use of biomarkers and biomarker data;
- our drug product sourcing and manufacturing strategy, including the scalability of our methods and processes;
- our expectations regarding the potential benefits, activity, effectiveness and safety of SIM0505, LNCB74 and any other product candidates we develop;
- our intentions and ability to successfully commercialize, including through partnering, our product candidates;
- our expectations regarding the nature of the biological pathways we are targeting;
- our expectations regarding our ability to discover and advance product candidates using our technologies;
- the potential benefits of and our ability to maintain our relationship with LigaChem Biosciences, Inc. (formerly known as LegoChem Biosciences, Inc. or hereinafter “LigaChem”), Simcere Zaiming Pharmaceutical Co, Ltd. (formerly known as Hainan Simcere Zaiming Pharmaceutical, Ltd. or hereinafter “Zaiming”), and other third-party vendors and collaborators;
- our ability to retain key personnel;
- our intended reliance on and the performance of third parties, including collaborators, contract research organizations and third-party manufacturers;
- changes in international relations, tariffs, and other trade regulations between the U.S. and China;
- our ability to protect and enforce our intellectual property protection and the scope and duration of such protection;
- developments and projections relating to our competitors and our industry, including competing therapies; and
- the impact of current and future laws and regulations.

These statements, and other forward-looking statements, are based on management’s current expectations, estimates, forecasts and projections about our business and industry, are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors that are in some cases beyond our control, and that may cause our actual results, levels of activity, performance or achievements to be materially different from those anticipated by the forward-looking statements. Forward-looking statements contained in this Annual Report should be considered in light of these factors and the factors set forth under “Risk Factor Summary” below and the factors described elsewhere in this Annual Report, including in the sections entitled “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” These factors, and the other cautionary statements made in this Annual Report, are applicable to all related forward-looking statements wherever they appear in this Annual Report. If one or more of these factors materialize, or if any underlying assumptions prove incorrect, our actual results, levels of activity, performance, or achievements may vary materially from any future results, activity, performance, or achievements expressed or implied by these forward-looking statements.

We caution readers not to place undue reliance on any forward-looking statements made by us, which speak only as of the date of this Annual Report. We undertake no obligation to publicly update any forward-looking statements after

the date of this Annual Report, whether as a result of new information, future events or otherwise, except as required by law. We qualify all of our forward-looking statements by the foregoing cautionary statements.

RISK FACTOR SUMMARY

The following is a summary of the principal risk factors that make an investment in our common stock speculative or risky. Before you invest in our securities, you should read the following summary together with the more detailed description of material risks described under "Risk Factors" in Item 1A of this Annual Report and the other information contained in this Annual Report.

Risks Related to Our Financial Position and Need for Additional Capital

- We have a limited operating history and no products approved for commercial sale. We have a history of significant losses, expect to continue to incur significant losses for the foreseeable future and may never achieve or maintain profitability. We have never generated revenue from product sales and may never be profitable.
- We will require substantial additional financing to pursue our business objectives, which may not be available on acceptable terms, or at all.

Risks Related to the Discovery and Development of Our Product Candidates

- Our business is dependent on our ability to advance our current and future product candidates through preclinical studies and clinical trials, marketing approval and ultimately commercialization, each of which is uncertain.
- Regulatory approval processes are lengthy and inherently unpredictable.
- Clinical development involves a lengthy and expensive process with uncertain outcomes, and as an organization we have limited experience designing and implementing clinical trials. Failure to adequately design a trial, or incorrect assumptions about the design of the trial, could result in delays in product development and in additional costs, delays or the inability to develop, obtain regulatory approval for or commercialize our products.
- Preclinical development is uncertain. Our preclinical programs may experience delays or may never advance to clinical trials, which would adversely affect our ability to obtain regulatory approvals or commercialize these programs on a timely basis or at all.
- Initial positive trial results and positive results from preclinical studies and early-stage clinical trials may not be predictive or indicative of results obtained when the trial is completed or in later stage trials.
- We, or our collaborators, could encounter difficulties enrolling patients in our clinical trials due to pandemics or other factors.
- Because the numbers of subjects in our Phase 1 clinical trials are small, the results from the trials, once completed, may be less reliable than results achieved in larger clinical trials.
- Our current or future product candidates may cause undesirable side effects or have other properties that could halt their clinical development, delay or prevent their regulatory approval, limit their commercial potential or result in significant negative consequences.

Risks Related to the Regulatory Approval and Commercialization of Product Candidates and Other Legal Compliance Matters

- We may be unable to obtain regulatory approval of our product candidates. The denial or delay of any such approval would prevent or delay commercialization of our product candidates and harm our business.
- Even if a current or future product candidate receives marketing approval, it may fail to achieve the degree of market acceptance by physicians, patients, third-party payors and others in the medical community necessary for commercial success, and the market opportunities for any such product candidate may be limited.
- We are studying and developing product candidates in combination with other therapies, which exposes us to additional regulatory risks.
- We depend on data and our information technology systems, and any failure of these systems or any related security breaches, loss of data, or other disruptions could harm our business.

Risks Related to Manufacturing

- Given our limited operating history, our manufacturing experience, as an organization and with our manufacturing facility, is limited.
- We may be unable to secure sufficient quantities of our product candidates economically, or at the necessary scale, whether through use of a third party, by scaling up our paused manufacturing operations, or by otherwise failing to

source adequate supply of our product candidates which would delay or prevent us from developing and, if approved, commercializing our product candidates.

- We are subject to multiple manufacturing risks, any of which could substantially increase our costs and limit supply of our product candidates.
- We depend on third-party suppliers for key materials used in our manufacturing process, and the loss of these third-party suppliers, their inability to comply with applicable regulatory requirements, or their inability to supply us with adequate materials could harm our business.

Risks Related to Intellectual Property

- We have filed patent applications for our product candidates, but we have to-date obtained only a small number of patents from these applications. If we are unable to obtain and maintain patent protection, or if the scope of the patent protection obtained is not sufficiently robust, our competitors could develop and commercialize products similar or identical to ours, and our ability to successfully commercialize our product candidates may be adversely affected.
- We are party to a license agreement with Yale University under which we acquired rights to intellectual property related to certain of our product candidates. If we breach our obligations under this agreement, the agreement could be terminated, which would adversely affect our business and prospects.
- Our intellectual property agreements with third parties may be subject to disagreements over contract interpretation, which could narrow the scope of our rights to the relevant intellectual property or technology or increase our financial or other obligations to our licensors.
- We may not be able to protect our intellectual property rights throughout the world.
- We may be subject to claims, or we may become involved in lawsuits to protect or enforce our intellectual property, which could be expensive, time-consuming and unsuccessful; our intellectual property could be found invalid or unenforceable.

Risks Related to Reliance on Third Parties

- We rely on third parties to help conduct our ongoing and planned preclinical studies and clinical trials. If these third parties do not successfully carry out their contractual duties, comply with regulatory requirements or meet expected deadlines, we may not be able to obtain marketing approval for our product candidates.
- We may depend on other third-party collaborators for the discovery, development and commercialization of certain of our current and future product candidates. If our collaborations are not successful, we may not be able to capitalize on the market potential of these product candidates.
- We may seek to establish additional collaborations and, if we are not able to establish them on commercially reasonable terms, we may have to alter our development and commercialization plans.

Risks Related to Our Business

- There is substantial doubt as to our ability to continue as a going concern, which may affect our ability to obtain future financing and may require us to curtail or cease our operations. We will require substantial additional funding in the immediate term to continue operations as planned.
- We are highly dependent on our key personnel, and if we are not successful in attracting, motivating and retaining highly qualified personnel, we may not be able to successfully implement our business strategy.
- We face significant competition from other biotechnology and pharmaceutical companies, and our operating results will suffer if we fail to compete effectively.
- In the future, we may need to grow the size of our organization, and we may experience difficulties in managing this growth.
- If we are unable to establish marketing, sales and distribution capabilities for any product candidate that may receive regulatory approval, we may not be successful in commercializing those product candidates.

Risks Related to Our Common Stock

- The price of our common stock has been and may in the future be volatile and fluctuate substantially.
- We have been and may in the future be subject to securities litigation, which can be expensive and could divert management's attention.
- If securities analysts do not publish research or reports about our business or if they publish inaccurate or unfavorable research about our business, the price of our stock could decline.
- Sales of a substantial number of shares of our common stock in the public market could cause our stock price to fall, even if our business is doing well.

PART I

Item 1. Business

Overview

We are a clinical-stage biopharmaceutical company that is focused on advancing innovative medicines that treat cancer patients that do not respond to, or that have disease progression on, current therapies, through the use of targeted therapies, including antibody-drug conjugates (“ADCs”). An ADC consists of a monoclonal antibody conjugated to a cytotoxic drug via a chemical linker. We focus on advancing therapies that leverage our core strengths in understanding biological pathways and biomarkers, the interactions of cells, including in the tumor microenvironment, and the role each interaction plays in a biologic response.

Our product candidate SIM0505 is a novel ADC candidate developed by Simcere Zaiming Pharmaceutical Co., Ltd. (formerly known as Hainan Simcere Zaiming Pharmaceutical, Ltd. or hereinafter “Zaiming”). We obtained (1) an exclusive, worldwide (excluding the Zaiming Territory, as identified below) license to develop, manufacture, and commercialize Zaiming’s clinical-stage ADC candidate, SIM0505, and related compounds (the “Zaiming Products”), and (2) a non-exclusive, worldwide (excluding the Zaiming Territory) license to use Zaiming’s ADC platform technology to develop ADCs based on the Company’s proprietary antibodies for an additional novel target (the “NextCure Products”) (“the License agreement”). Zaiming retained exclusive rights to develop and commercialize the Zaiming Products and any NextCure Products in China, Hong Kong, Macau, and Taiwan (the “Zaiming Territory”).

SIM0505 is directed to cadherin-6 or K-cadherin (“CDH6”), a promising anti-tumor target, using a unique binding epitope designed to have increased tumor binding compared to competing candidates. It also features Zaiming’s proprietary topoisomerase 1 inhibitor (“TOPOi”) payload, designed for broad anti-tumor activity while offering fast systemic clearance to enlarge the therapeutic window. Preclinical studies have demonstrated robust anti-tumor activity across multiple solid tumor models and a promising safety profile in toxicology models.

Zaiming is currently in Phase 1 dose escalation studies in China with SIM0505 for the treatment of solid tumors, including ovarian, endometrial, non-small cell lung and renal. In December 2024, Zaiming received clearance from the U.S. Food and Drug Administration (“the FDA”) for its Investigational New Drug (“IND”) for a Phase 1 clinical trial for treating multiple cancers. We received notification by the FDA in June 2025 of the assignment of the IND to NextCure. In October 2025, we announced dosing our first patient and expect to provide a Phase 1 dose escalation data readout in the second quarter of 2026.

Our product candidate LNCB74 is designed as a state-of-the-art B7-H4 targeted ADC to kill tumors. B7-H4, a clinically validated target, is a cell surface protein expressed on multiple tumor types including breast, ovarian, and endometrial cancers. LNCB74 will be positioned with both potential improved safety and efficacy compared to other ADCs targeting B7-H4. Preclinical studies demonstrated potent tumor killing in disease models and a favorable safety profile. LNCB74 is being advanced under a November 2022 Research Collaboration and Co-Development Agreement (the “LigaChem Agreement”) with LigaChem Biosciences, Inc., formerly known as LegoChem Biosciences, Inc (“LigaChem”).

In December 2024, we announced that the FDA accepted an IND application for initiation of a Phase 1 clinical trial to evaluate LNCB74 for treating multiple cancers known to have high B7-H4 expression, including breast, ovarian, and endometrial cancers. In January 2025, the first patient in our Phase 1 trial of LNCB74 was dosed. In November 2025, we announced that the FDA had cleared a protocol amendment giving us the ability to add higher dose escalation cohorts. In January 2026, we announced that proof of concept data, previously anticipated in the first half of 2026, had been updated to accommodate expanded dosing and enrollment including prioritizing patients with high B7-H4 expression in breast and gynecological cancers, while adding adenoid cystic carcinoma type 1 (“ACC-1”). We plan to provide a trial update in the second half of 2026.

In addition, we are seeking to partner our other clinical programs NC410 and NC525 and to pursue a partner or obtain third-party financing to advance our preclinical non-oncology programs NC605 and NC181.

In March 2024, we announced a prioritization and restructuring of our operations to align with our focused pipeline (the “2024 Restructuring”) (see Note 14, Restructuring and Asset Impairment). We paused our internal manufacturing operations and reduced our workforce.

Our Strategy

We are uniquely positioned in the ADC field, with ADCs targeting two clinically validated targets, leveraging two distinct payloads: a Topoisomerase 1 inhibitor (SIM0505 targeting CDH6) and a Tubulin Inhibitor (LNCB74 targeting B7-H4).

The crucial elements of our business strategy include the following:

- **Accelerating development of SIM0505, a differentiated ADC focused on CDH6, a clinically validated target.** SIM0505 is a novel ADC targeting CDH6. It features a proprietary TOPOi payload engineered for broad anti-tumor activity, rapid systemic clearance, and an optimized therapeutic window. Clinical evidence continues to validate CDH6 as a highly relevant oncology target. By conducting a combined U.S.-China Phase 1 trial in partnership with Zaiming, we have cost-effectively accelerated our global development and regulatory timelines. We expect to report Phase 1 dose escalation data readout in the second quarter of 2026, which will feature clinical results from both U.S. participants and patients enrolled by Zaiming in China.
- **Accelerating development of LNCB74, a differentiated ADC focused on B7-H4, a clinically validated target.** Building on our strong know-how and previous clinical experience with B7-H4, we have created a new mAb intermediate and combined it with LigaChem’s differentiated ADC technology to create a promising B7-H4 ADC for the treatment of B7-H4 expressing cancers. We are currently dosing in higher dose cohorts of the dose escalation portion of the Phase 1 trial. We plan to provide a trial update in the second half of 2026.
- **Strategically positioned in the ADC sequencing paradigm in gynecological oncology.** Given the multi-line nature of ovarian cancer treatment, patients require sequential ADC therapies targeting distinct antigens. By offering both TOPOi and Tubulin payloads, we address mechanisms of resistance and maximize tumor eradication, providing a distinct competitive advantage in treatment durability.
- **Pursuing partnering of our clinical oncology programs NC410 and NC525 as well as our non-oncology preclinical programs.** Based on our ADC focus, we will seek partnering, licensing or other strategic approaches for our NC410 and NC525 programs. Our non-oncology programs include NC181, a humanized antibody targeting ApoE4 for the treatment of Alzheimer’s disease, and NC605, an antibody that targets Siglec-15 for the treatment of osteogenesis imperfecta. We believe that both of these non-oncology programs have the potential to file an IND application within 12 to 18 months if financial support from partners or third parties is secured.

Our ADC Product Candidates:

SIM0505

SIM0505 is a novel ADC directed to CDH6, featuring a proprietary TOPO1 payload. An ADC consists of a monoclonal antibody (mAb) conjugated to a cytotoxic drug via a chemical linker. CDH6, a clinically validated target, is a cell surface protein expressed on multiple tumor types including ovarian, endometrial, non-small cell lung and renal, that we believe represents a large market opportunity. SIM0505 will be positioned as a promising CDH6 ADC with both improved safety and efficacy based on the following differentiation:

Antibody – CDH6 mAb with a unique binding epitope with increased affinity.

Linker – Cancer-selective payload release via a Gly-Gly-Phe-Gly linker that provides tumor-specific cleavage.

Payload – A proprietary novel TOPO1 inhibitor known as CPT116, with a drug-to-antibody ratio (DAR) of 8, has demonstrated high systemic clearance for reduced toxicity due to its hydrophilic properties.

In December 2024, Zaiming received FDA clearance for its IND for a Phase 1 clinical trial to treat multiple cancers. Zaiming commenced the Phase 1 dose escalation studies in China with SIM0505 in the first quarter of 2025. In June 2025, we acquired global rights excluding the Zaiming Territory, and within the same month received notification by the FDA of the assignment of the IND to NextCure. In October 2025, we announced dosing our first patient and expect to provide Phase 1 dose escalation data in the second quarter of 2026.

Mechanism of Action

CDH6 is a cell surface protein expressed on multiple tumor types and shows limited expression in most normal tissues. CDH6 is a type II calcium-dependent transmembrane protein that mediates cell-cell adhesion and promotes cancer progression. It is overexpressed in various cancers, including ovarian cancer, estimated between 65% to 94% of cases, and often promotes metastasis.

SIM0505 binds to CDH6-expressing tumor cells and SIM0505 undergoes internalization and intracellular linker cleavage by lysosomal enzyme, and releases CPT116. Upon release, CPT116 enters the nucleus, binds to TOP-I, and inhibits its activity, leading to DNA damage and apoptosis. In addition, the membrane permeable CPT116 can be released from the tumor cell and kill neighboring tumor cells through bystander effect.

Clinical Development Plan

In collaboration with our partner Zaiming, we are conducting a Phase 1 open-label, multicenter study to evaluate the safety, tolerability, pharmacokinetics, and preliminary anti-tumor activity of SIM0505 on tumor types known to have high CDH6 expression.

Clinical Trial Structure

The study is divided into two primary parts designed to accelerate global proof-of-concept with the objective of defining a recommended Phase 2/3 dose and establish clinical activity to support a potential single-arm or randomized registrational trial for accelerated approval. The two parts are as follows:

- Part 1: Dose Escalation and Backfill: This part identifies the safety profile and defines two to three recommended dose levels. The study initiated in China in the first quarter of 2025 and expanded to the U.S. in October 2025, where the first patient was dosed at a mid-tier level where clinical responses had already been observed.
- Part 2: Dose Expansion and Optimization: Once recommended doses are established, the study will transition into tumor-specific randomized cohorts. We are currently adding clinical sites and increasing drug supply with a goal to initiating this phase in the second quarter of 2026.

Target Indications & Registrational Strategy

While evaluating advanced solid tumors broadly, the clinical program places a strategic emphasis on gynecological cancers, particularly platinum-resistant ovarian cancer. Other histologically defined CDH6-expressing tumor types under evaluation include:

- Ovarian: High-grade serous and high-grade endometrioid.
- Renal: Clear cell and papillary renal cell carcinoma (RCC).
- Lung: Adenocarcinoma of non-small cell lung cancer (NSCLC) without actionable EGFR mutations.
- Other: Endometrial cancer and Uterine Serous Carcinoma (USC).

LNCB74

LNCB74 is designed as a state-of-the-art B7-H4 targeted ADC to kill tumors. B7-H4, a clinically validated target, is a cell surface protein expressed on multiple tumor types including breast, ovarian, and endometrial cancers, that we

believe represents a large market opportunity. LNCB74 will be positioned as a promising B7-H4 ADC with both improved safety and efficacy based on the following differentiation:

Antibody – B7-H4 mAb with an Fc modification to protect immune cells to improve safety.

Linker – Cancer-selective payload release via a glucuronidase cleavage that minimizes toxicity in non-tumor cells.

Payload – A Monomethyl auristatin E (MMAE) toxin in a drug-to-antibody ratio (DAR) of 4 and has the advantage to diffuse from the target cell and into surrounding tumor cells for bystander killing.

In December 2024, we announced that the FDA accepted the IND application and initiated the dose escalation portion of the Phase 1 trial in patients with various tumor types, including breast, ovarian, and endometrial cancers. LNCB74 is being advanced under the LigaChem Agreement pursuant to which both parties equally share the costs of development and profits. In April 2023, the parties designated LNCB74 as the first of up to three co-development candidates.

Mechanism of Action

B7-H4 is a cell surface protein expressed on multiple tumor types and shows limited expression in most normal tissues. B7-H4 was initially discovered in 2003 in the Mayo Clinic lab of our scientific co-founder Dr. Lieping Chen. It is a member of the same family of co-inhibitory checkpoint proteins as B7-H1, known as PD-L1, which was also discovered by Dr. Chen's laboratory. B7-H4 has been shown in published articles to negatively regulate T-cell immune response, inhibit cytokine production, suppress antigen-presenting cells, promote immune escape and play a role in tumorigenesis and tumor development. Expression of B7-H4 in tumor cells has been shown in preclinical research and published articles to be correlated with reduced overall survival, and B7-H4 has generally non-overlapping expression with PD-L1.

LNCB74 is an anti-B7-H4 ADC that binds to B7-H4 on the cell surface and is internalized, upon which the linker is cleaved to release the MMAE payload, a well characterized microtubule-disrupting agent, and a commonly used payload in FDA approved ADCs.

LNCB74 is comprised of a NextCure generated mAb intermediate, specific for B7-H4 protein, engineered with a sequence to facilitate site-specific conjugation of the antibody and linker arm to facilitate generation of an ADC. This mAb is conjugated with a proprietary LigaChem developed beta-glucuronide cleavable linker technology known as “ConjuAll” that leverages a novel selective payload release of MMAE for tumor killing and also allowing for “bystander” killing of neighboring tumor cells while minimizing toxicity in non-tumor cells.

Clinical Development Plan

We initiated a Phase 1 dose-escalation and dose expansion/optimization study to evaluate the safety, tolerability and preliminary anti-tumor activity of LNCB74 in patients with tumor types known to have high B7-H4 expression. The dose escalation and backfill cohorts (Part 1) will identify two recommended dose levels for further evaluation based on safety and anti-tumor activity. Once the two recommended doses are established, tumor type-specific randomized dose expansion/optimization cohorts will be opened in Part 2 of the study. The objective of this part of the study will be to define a recommended Phase 2 dose and to define clinical activity in one or more histologically defined B7-H4 expressing tumor types for a potential single-arm or randomized registrational trial for accelerated approval.

In January 2025, the first patient in our Phase 1 trial of LNCB74 was dosed. In November 2025, we announced that the FDA had cleared a protocol amendment giving us the ability to add higher dose escalation cohorts. In January 2026, we announced that proof of concept data, previously anticipated in the first half of 2026, had been updated to accommodate expanded dosing and enrollment including prioritizing patients with high B7-H4 expression in breast and gynecological cancers, while adding adenoid cystic carcinoma type 1 (“ACC-1”). We plan to provide a trial progress update in the second half of 2026.

Based on our focus on SIM0505 and LNCB74, we are seeking to partner, license or advance through other strategic approaches NC410 and NC525 and our non-oncology preclinical programs NC605 and NC181.

Clinical Oncology Programs

NC410

NC410 is a fusion protein of LAIR-2, a naturally occurring soluble version of, and decoy protein for, LAIR-1 that is designed to block immune suppression mediated by LAIR-1. Early preclinical correlative biomarker work suggests that NC410 has the potential to overcome tumor resistance by remodeling the tumor's extracellular matrix (ECM) to remove a physical barrier surrounding the tumor to enhance T cell tumor killing. We have exclusive worldwide rights to NC410.

NC525

NC525 is a novel LAIR-1 antibody that selectively targets Acute Myeloid Leukemia (AML), blast cells and leukemic stem cells (LSCs). Preclinical data show that NC525 kills AML blast cells and LSCs while sparing hematopoietic stem and progenitor cells (HSPCs). Preclinical data also show that NC525: (i) inhibits colony formation of AML LSCs *in vitro*; (ii) inhibits AML growth in the MV4-11 derived xenographs (CDX) animal model *in vivo*; and (iii) restricts AML progression in patient-derived xenographs (PDX) *in vivo*. We have exclusive worldwide rights to NC525.

Preclinical Programs

NC181

NC181 is a humanized antibody targeting ApoE4 for the treatment of Alzheimer's disease (AD). In preclinical AD animal models, NC181 has demonstrated amyloid clearance, prevention of amyloid deposition, plaque clearance and reduced neuroinflammation. Preclinical studies have demonstrated that NC181 reduces microhemorrhages and improves cerebral vascular function; lowers risk Amyloid Related Imaging Abnormalities (ARIA). We have exclusive worldwide rights to NC181.

NC605

NC605 is an antibody that targets Siglec-15. Preclinical data reported NC605 treatment reduced bone loss and enhanced bone quality in mice with OI. OI is a rare disorder that results in high bone turnover, abnormal bone formation, bone fragility, and recurrent fractures. NC605 could also have applications in chronic bone diseases such as osteoarthritis and non-union fractures. We have exclusive worldwide rights to NC605.

We believe that both of these non-oncology programs have the potential to file an IND application within 12 to 18 months if financial support from partners or third parties is secured.

Our Collaboration Agreements

Zaiming Agreement

On June 13, 2025, the Company entered into a License Agreement (the "License Agreement") with Simcere Zaiming Pharmaceutical Co., Ltd. (formerly known as Hainan Simcere Zaiming Pharmaceutical, Ltd. or hereinafter "Zaiming"), a biopharmaceutical company based in China. Pursuant to the License Agreement, the Company obtained (1) an exclusive, worldwide (excluding the Zaiming Territory, as identified below) license to develop, manufacture, and commercialize Zaiming's clinical-stage antibody drug conjugate ("ADC") candidate, SIM0505 (also known as SCR-9359), and related compounds (the "Zaiming Products"), and (2) a non-exclusive, worldwide (excluding the Zaiming Territory) license to use Zaiming's ADC platform technology to develop ADCs based on the Company's proprietary antibodies for an additional novel target (the "NextCure Products"). Zaiming retained exclusive rights to develop and commercialize the Zaiming Products and any NextCure Products in China, Hong Kong, Macau, and Taiwan (the "Zaiming Territory").

Under the License Agreement: (i) the Company agreed to pay \$17 million to Zaiming, which includes an upfront cash payment of \$12 million and an additional \$5 million that became payable upon the earlier of a qualifying financing event or December 31, 2025, which became payable on December 31, 2025; (ii) upon initiation of the first Phase 1 clinical trial for SIM0505, the Company agreed to pay Zaiming \$1.5 million, which became payable in October 2025; (iii) upon initiation of the first Phase 2 clinical trial for SIM0505, the Company is obligated to issue to Zaiming \$1 million in its common stock, or under certain conditions, pay an equivalent cash amount in lieu of common stock; (iv) the Company is obligated to pay Zaiming certain development and regulatory milestone payments of up to \$166.5 million per Zaiming Product and up to \$25.5 million per NextCure Product, and certain commercial sales-based milestone payments of up to \$535 million; and (v) the Company is obligated to pay tiered royalties on annual net sales of licensed products, at rates ranging from mid-single digit to low double digit percentages for Zaiming Products; and low to mid-single digit percentages for NextCure Products, in all cases, subject to standard reductions.

LigaChem Agreement

In November 2022, the Company entered into the LigaChem Agreement to develop up to three ADCs. Under the terms of the LigaChem Agreement, both parties equally share the costs of developing the ADC products and profits on commercialized products. The collaboration consists of up to three research programs for which a research plan will be developed. With respect to a research plan, each party shall use reasonable efforts to execute and perform the activities assigned to it. Each party shall be solely responsible for costs associated with its assigned activities as outlined in the research plan. Upon successful completion of a research plan, or as otherwise agreed, the parties may designate a research product as a co-development product. Upon designation of a co-development product, development of the product under a cost sharing on a 50-50 basis between the Company and LigaChem would begin. The activities associated with the research plan and co-development products will be coordinated by a joint steering committee, which is comprised of an equal number of representatives from the Company and LigaChem. If and when a co-development product becomes commercialized, the Company and LigaChem would equally share in the profits. There are no implied licenses or other rights created under the LigaChem Agreement after designation of a co-development product.

Effective April 1, 2023, the parties designated LNCB74 as the first co-development product under the LigaChem Agreement. As such, LNCB74 is being advanced as the first co-development product under the LigaChem Agreement subject to cost sharing on a 50-50 basis between Company and LigaChem.

Manufacturing

We have a purpose-built, dedicated, state-of-the-art cGMP manufacturing facility that utilizes single-use technology to support and advance our product candidates into and through clinical development. The facility has a production capacity of 2,000 liters that has supported our multiple product candidates. The investment in our manufacturing facility has been a critical element of our ability to quickly identify whether a candidate is likely to be successful and to facilitate an efficient development path. In March 2024, we paused our internal manufacturing operations, but continue to maintain the facility for potential future cGMP manufacturing use.

Competition

The biotechnology and pharmaceutical industries, and the oncology subsector, are characterized by rapid evolution of technologies, fierce competition and strong defense of intellectual property. We believe that our programs, platforms, technology, knowledge, experience and scientific resources provide us with competitive advantages, but we also face competition from pharmaceutical and biotechnology companies, academic institutions, governmental agencies and public and private research institutions, among others. Our competitors include larger and better funded biopharmaceutical, biotechnology and therapeutics companies, including companies focused on cancer immunotherapies. Moreover, we may also compete with smaller or earlier-stage companies, universities and other research institutions that have developed, are developing or may be developing current and future cancer therapeutics.

SIM0505 faces a competitive landscape of CDH6-targeted programs in clinical development, most notably raludotatug deruxtecan (R-DXd), a Phase 2/3 candidate co-developed by Merck & Co. and Daiichi Sankyo. Additional CDH6 programs, such as OnCusp Therapeutics' CUSP06 and Hansoh Pharma's HS-20124, are also in early-stage development. Within the ovarian cancer space, SIM0505 may also compete with alternative targeted modalities, including Folate Receptor Alpha (FR α), with AbbVie's commercially marketed product Elahere and Genmab's clinical candidate rinatart sesutecan (Rina-S), and with clinical candidate TUB-040 which targets NaPi2b. Our competitive success will depend on effectively differentiating SIM0505 through its proprietary topoisomerase 1 inhibitor payload, optimized safety

profile, and efficacy across specific tumor types. Failure to establish a distinct clinical advantage over these established or emerging therapies could materially impact our market position.

LNCB74 will compete with a range of B7-H4 targeted programs currently in clinical trials from companies including AstraZeneca plc, BeiGene Ltd. (licensed from DualityBio), GSK plc (licensed from Hansoh Pharmaceutical Group Limited), and Day One Biopharmaceuticals, Inc. (acquired Mersana Therapeutics). We are also aware of additional B7-H4 ADCs in preclinical development and other companies' development of B7-H4 targeting therapeutics that are not ADCs. Our ability to compete effectively with other B7-H4 programs will depend on our ability to differentiate LNCB74 from such other therapies based on target tumor types, payload, efficacy and tolerability. Any inability to effectively differentiate LNCB74 from other product candidates targeting B7-H4 would negatively impact our ability to compete.

Intellectual Property

Our commercial success depends in part on our ability to obtain and maintain proprietary protection for our products, methods and manufacturing processes, to operate without infringing on the proprietary rights of others and to prevent others from infringing on our proprietary rights. We rely on a combination of patents, patent applications and trade secrets, as well as contractual protections, to establish and protect our intellectual property rights. We seek to protect our proprietary position by, among other things, filing patent applications in the United States and internationally. Our patent estate includes patents and patent applications with claims relating to our product candidates, methods of use and manufacturing processes, and claims for potential future products and developments. As of December 31, 2025, our intellectual property portfolio includes, on a worldwide basis, over 40 U.S. and foreign granted patents or pending patent applications relating to LNCB74 and SIM0505 that we either own or license exclusively. Patents resulting from our patent applications for LNCB74, if issued, are expected to expire beginning in 2039 absent any patent term adjustments or extensions, and those for SIM0505, if issued, are expected to expire beginning in 2044. We also have additional granted patents and pending patent applications for our discovery and research programs and our prior clinical stage programs that we either own or license exclusively, including under our license agreement ("Yale License") with Yale University ("Yale"). Specifically, we have an exclusive, royalty-bearing, sublicensable worldwide license from Yale for an intellectual property portfolio that includes, among other things, a patent relating to methods of use for S15 that covers the use of NC318, a patent relating to our Functional, Integrated, NextCure Discovery ("FIND") platform, and a non-exclusive license to any data regarding cancer targets developed in the course of any sponsored research that was conducted with Yale in connection with the Yale License. These patents licensed from Yale and any other patents that might issue in connection therewith are expected to expire no earlier than 2036 absent any patent term adjustments or extensions.

For all patent applications, we determine strategy for claim scope on a case-by-case basis, taking into account advice of counsel and our business model and needs. We file patents containing claims for protection of all useful applications of our proprietary technologies and any products, as well as all new applications and/or uses we discover for existing technologies and products, based on our assessment of their strategic value. We continuously reassess the number and type of patent applications, as well as the pending and issued patent claims to ensure that maximum coverage and value are obtained for our processes and compositions, given existing patent office rules and regulations. Further, claims may be modified during patent prosecution to meet our intellectual property and business needs.

We also rely upon trade secrets, know-how and continuing technological innovation to develop and maintain our competitive position, including with respect to our FIND platform. We seek to protect our proprietary technology and processes, in part, by confidentiality and invention assignment agreements with our employees, consultants, scientific advisors and other contractors. In addition, in the ordinary course of our business, we enter into agreements with other third parties for non-exclusive rights to intellectual property directed to other technologies that are ancillary to our business, including laboratory information management software and research and development tools. In addition, we have trademark registrations with the U.S. Patent and Trademark Office, or the USPTO, for "NextCure" and our logo.

Government Regulation

Government Regulation and Product Approval

The FDA and other regulatory authorities at federal, state and local levels, as well as in foreign countries, extensively regulate, among other things, the research, development, testing, manufacture, quality control, import, export, safety, effectiveness, labeling, packaging, storage, distribution, recordkeeping, approval, advertising, promotion, marketing, post-approval monitoring and post-approval reporting of biological products. Along with third-party

contractors, we will be required to navigate the various preclinical, clinical and commercial approval requirements of the governing regulatory agencies of the countries in which we intend to conduct studies or seek approval or licensure of our product candidates. The processes for obtaining regulatory approvals in the United States and in foreign jurisdictions, along with subsequent compliance with applicable laws and regulations and other regulatory authorities, require the expenditure of substantial time and financial resources.

Government policies may change, and additional government regulations may be enacted, that may prevent or delay further development or regulatory approval of any product candidates, product or manufacturing changes, additional disease indications or label changes. We cannot predict the likelihood, nature or extent of government regulation that might arise from future legislative or administrative action.

Review and Approval for Licensing Biologics in the United States

In the United States, the FDA regulates our current product candidates as biological products, or biologics, under the Federal Food, Drug, and Cosmetic Act, or “FDCA”, the Public Health Service Act and associated implementing regulations. Biologics, like other drugs, are used for the treatment, prevention or cure of disease in humans. In contrast to small molecular weight drugs, which have a well-defined structure and can be thoroughly characterized, biologics are generally derived from living material (human, animal or microorganism) are complex in structure, and thus are usually not fully characterized. Biologics include therapies for cancer and other diseases.

Biologics are also subject to other federal, state and local statutes and regulations. The failure to comply with applicable statutory and regulatory requirements at any time during the product development process, approval process or after approval may subject a sponsor or applicant to administrative or judicial enforcement actions. These actions could include the suspension or termination of clinical trials by the FDA, the FDA’s refusal to approve pending applications or supplemental applications, withdrawal of an approval, Warning Letters or Untitled Letters, product recalls, product seizures, total or partial suspension of production or distribution, import detention, injunctions, fines, refusals of government contracts, restitution, disgorgement of profits, or civil or criminal investigations and penalties brought by the FDA, the Department of Justice, or “DOJ”, or other governmental entities.

An applicant seeking approval to market and distribute a biologic in the United States must typically undertake the following:

- completion of non-clinical laboratory tests and animal studies performed in accordance with the FDA’s good laboratory practice, or “GLP”, regulations;
- manufacture, labeling and distribution of investigational drug in compliance with cGMP;
- submission to the FDA of an IND application, which must become effective before clinical trials may begin and must be updated annually or when significant changes are made;
- approval by an independent institutional review board, or “IRB”, or ethics committee at each clinical site before each clinical trial may be initiated;
- performance of adequate and well-controlled human clinical trials in accordance with the FDA’s current Good Clinical Practices requirements, or “cGCP”, to establish the safety, purity and potency of the proposed biological product candidate for its intended purpose;
- preparation of and submission to the FDA of a biologics license application, or “BLA”, after completion of all pivotal clinical trials requesting marketing approval for one or more proposed indications;
- obtain satisfactory completion of an FDA Advisory Committee review, where appropriate, as may be requested by the FDA to assist with its review;
- satisfactory completion of one or more FDA inspections of the manufacturing facility or facilities at which the proposed product, or certain components thereof, are produced to assess compliance with cGMP and data

integrity requirements to assure that the facilities, methods and controls are adequate to preserve the biologic's identity, safety, quality, purity and potency;

- satisfactory completion of FDA audits of selected clinical investigation sites to assure compliance with cGCP requirements and the integrity of the clinical data;
- payment of user fees under the Prescription Drug User Fee Act for the relevant year;
- obtain FDA review and approval of the BLA to permit commercial marketing of the licensed biologic for particular indications for use in the United States; and
- compliance with post-approval requirements, including the potential requirements to implement a Risk Evaluation and Mitigation Strategy, or "REMS", adverse event and biological product deviation reporting and to complete any post-approval studies.

From time to time, legislation is drafted, introduced and passed in Congress that could significantly change the statutory provisions governing the testing, approval, manufacturing and marketing of products regulated by the FDA. In addition to new legislation, FDA regulations and policies are often revised or interpreted by the agency in ways that may significantly affect our business and our products. It is impossible to predict whether further legislative changes will be enacted or whether FDA regulations, guidance, policies or interpretations will be changed or what the effect of such changes, if any, may be.

Preclinical and Clinical Development

Before an applicant can begin testing the potential candidate in human subjects, the applicant must first conduct preclinical studies. Preclinical studies include laboratory evaluations of product chemistry, toxicity and formulation, as well as *in vitro* and animal studies to assess the potential safety and activity of the drug for initial testing in humans and to establish a rationale for therapeutic use. Preclinical studies are subject to federal regulations and requirements, including GLP regulations. The results of an applicant's preclinical studies are submitted to the FDA as part of an IND.

An IND is a request for authorization from the FDA to administer an investigational new drug product to humans. An IND is an exemption from the FDCA that allows an unapproved drug to be shipped in interstate commerce for use in an investigational clinical trial. Such authorization must be secured prior to interstate shipment and administration of a biologic that is not the subject of an approved BLA. In support of a request for an IND, applicants must submit a protocol for each clinical trial. Any subsequent protocol amendments must be submitted to the FDA as part of the IND.

Human clinical trials cannot begin until an IND is effective. The IND automatically becomes effective 30 days after receipt by the FDA, unless the FDA raises safety concerns or questions about the proposed clinical trial within the 30-day time period. In such a case, the IND may be placed on clinical hold and the IND sponsor and the FDA must resolve any outstanding concerns or questions before the clinical trial can begin. Submission of an IND therefore may or may not result in FDA authorization to begin a clinical trial.

The FDA may also place a clinical hold or partial clinical hold on such trial following commencement of a clinical trial under an IND. A clinical hold is an order issued by the FDA to the sponsor to delay a proposed clinical investigation or to suspend an ongoing investigation. A partial clinical hold is a delay or suspension of only part of the clinical work requested under the IND. For example, a specific protocol or part of a protocol is not allowed to proceed, while other protocols may do so. No more than 30 days after imposition of a clinical hold or partial clinical hold, the FDA will provide the sponsor a written explanation of the basis for the hold. Following issuance of a clinical hold or partial clinical hold, an investigation may only resume after the FDA has notified the sponsor that the investigation may proceed. The FDA will base that determination on information provided by the sponsor correcting the deficiencies previously cited or otherwise satisfying the FDA that the investigation can proceed.

Clinical trials involve the administration of the investigational product to human subjects under the supervision of qualified investigators in accordance with cGCP regulations, which include the requirement that all research subjects provide their informed consent for their participation in any clinical trial. Clinical trials are conducted under protocols detailing, among other things, the objectives of the trial, the parameters to be used in monitoring safety and the

effectiveness criteria to be evaluated. A separate submission to the existing IND must be made for each successive clinical trial conducted during product development and for any subsequent protocol amendments.

A sponsor may choose, but is not required, to conduct a foreign clinical study under an IND. When a foreign clinical study is conducted under an IND, all FDA IND requirements must be met unless waived. When the foreign clinical study is not conducted under an IND, the sponsor must ensure that the study complies with cGCP regulations in order to use the study as support for an IND or application for marketing approval, including cGCP regulations, including review and approval by an independent ethics committee and informed consent from subjects.

Furthermore, an independent IRB for each site proposing to conduct the clinical trial must review and approve the plan for any clinical trial and its informed consent form before the clinical trial begins at that site and must monitor the trial until completed. Regulatory authorities, the IRB or the sponsor may suspend a clinical trial at any time on various grounds, including a finding that the subjects are being exposed to an unacceptable health risk or that the trial is unlikely to meet its stated objectives.

Some trials also include oversight by an independent group of qualified experts organized by the clinical trial sponsor, known as a data safety monitoring board, or “DSMB”. DSMBs provide recommendations for whether or not a trial may move forward at designated check points based on access to certain data from the trial and may recommend halting the clinical trial if it determines that there is an unacceptable safety risk for subjects or other grounds, such as no demonstration of efficacy. Other grounds for suspension or termination may be made based on evolving business objectives and/or competitive climate. There are also requirements governing the reporting of ongoing clinical trials and clinical trial results to public registries.

Clinical Trials

For purposes of BLA approval, clinical trials are typically conducted in the following sequential phases:

- Phase 1: The investigational product is initially introduced into healthy human subjects or patients with the target disease or condition. These trials are designed to test the safety, dosage tolerance, absorption, metabolism and distribution of the investigational product in humans and the side effects associated with increasing doses. These trials may also yield early evidence of effectiveness.
- Phase 2: The investigational product is administered to a limited patient population with a specified disease or condition to evaluate the preliminary efficacy, optimal dosages and dosing schedule and to identify possible adverse side effects and safety risks. Multiple Phase 2 clinical trials may be conducted to obtain information prior to beginning larger and more expensive Phase 3 clinical trials.
- Phase 3: The investigational product is administered to an expanded patient population to further evaluate dosage, to provide statistically significant evidence of clinical efficacy and to further test for safety, generally at multiple geographically dispersed clinical trial sites. These clinical trials are intended to generate sufficient data to statistically evaluate the efficacy and safety of the product for approval, to establish the overall risk/benefit ratio of the investigational product and to provide an adequate basis for product approval by the FDA.

These phases may overlap or be combined. In some cases, the FDA may require, or companies may voluntarily pursue, additional clinical trials, after a product is approved, to gain more information about the product, referred to as Phase 4 trials. Such post-approval trials, when applicable, are conducted following initial approval, typically to develop additional data and information relating to the biological characteristics of the product and treatment of patients in the intended therapeutic indication.

Progress reports detailing the results of the clinical trials must be submitted at least annually to the FDA and more frequently if serious adverse events occur. In addition, IND safety reports must be submitted to the FDA for any of the following: suspected serious and unexpected adverse reactions; findings from epidemiological studies, pooled analysis of multiple studies, animal or *in vitro* testing, or other clinical studies, whether or not conducted under an IND, and whether or not conducted by the sponsor, that suggest a significant risk in humans exposed to the drug; and any clinically important increase in the rate of a serious suspected adverse reaction over such rate listed in the protocol or investigator brochure.

Our ongoing and planned clinical trials may not be completed successfully within any specified period, or at all. Furthermore, the FDA or the sponsor may suspend or terminate a clinical trial at any time on various grounds, including a finding that the research subjects are being exposed to an unacceptable health risk. Similarly, an IRB can suspend or terminate approval of a clinical trial at its institution, or an institution it represents, if the clinical trial is not being conducted in accordance with the IRB's requirements or if the drug has been associated with unexpected serious harm to patients. The FDA will typically inspect one or more clinical sites to assure compliance with cGCP and the integrity of the clinical data submitted.

During clinical development, the sponsor often refines the indication and endpoints on which the BLA will be based. For endpoints based on patient-reported outcomes, or "PROs", and observer reported outcomes, or "OROs", the process typically is an iterative one. The FDA has issued guidance on the framework it uses to evaluate PRO instruments. Although the agency may offer advice on optimizing PRO and ORO instruments during the clinical development process, the FDA usually reserves final judgment until it reviews the BLA.

Concurrent with clinical trials, companies often complete additional animal studies, and develop additional information about the chemistry and physical characteristics of the drug and finalize a process for manufacturing the product in commercial quantities in accordance with cGMP. The manufacturing process must be capable of consistently producing quality batches of the drug candidate and, among other things, must develop methods for testing the identity, strength, quality, purity and potency of the final drug. Additionally, appropriate packaging must be selected and tested, and stability studies must be conducted to demonstrate that the drug candidate does not undergo unacceptable deterioration over its shelf life.

BLA Submission and Review

If an applicant successfully completes all required clinical testing in accordance with all applicable regulatory requirements, an applicant may submit a BLA requesting licensing to market the biologic for one or more indications in the United States. The BLA must include the results of product development, nonclinical studies and clinical trials; detailed information on the product's chemistry, manufacture, controls and proposed labeling. Under the Prescription Drug User Fee Amendments, a BLA submission is subject to an application user fee, unless a waiver or exemption applies. The cost of preparing and submitting a BLA is substantial. These fees are typically increased annually.

The FDA will initially review the BLA for completeness before accepting it for filing. Under the FDA's procedures, the agency has 60 days from its receipt of a BLA to determine whether the application will be accepted for filing and substantive review. If the agency determines that the application does not meet this initial threshold standard, the FDA may refuse to file the application and request additional information, in which case the application must be resubmitted with the requested information and review of the application delayed.

With certain exceptions, BLAs must include a pediatric assessment, generally based on clinical trial data, of the safety and effectiveness of the biologic in relevant pediatric populations. Under certain circumstances, the FDA may waive or defer the requirement for a pediatric assessment, either at the sponsor's request or by the agency's initiative.

After the BLA is accepted for filing, the FDA reviews the BLA to determine, among other things, whether a product is safe, pure and potent and if the facility in which it is manufactured, processed, packed or held meets standards designed to assure the product's continued identity, strength, quality, safety, purity and potency. The FDA may convene an advisory committee to provide clinical insight on application review questions. Before approving a BLA, the FDA will typically inspect the facility or facilities where the product is manufactured. The FDA will not approve an application unless it determines that the manufacturing processes and facilities comply with cGMP and are adequate to assure consistent production of the product within required specifications. In addition, the FDA expects that all data be reliable and accurate and requires sponsors to implement meaningful and effective strategies to manage data integrity risks. Data integrity is an important component of the sponsor's responsibility to ensure the safety, efficacy and quality of its product or products.

The FDA will typically inspect one or more clinical sites to assure compliance with cGCP regulations before approving a BLA. If the FDA determines that the application, manufacturing process or manufacturing facilities are not acceptable, it will outline the deficiencies in the submission and often will request additional testing or information. Notwithstanding the submission of any requested additional information, the FDA ultimately may decide that the application does not satisfy the regulatory criteria for approval.

FDA performance goals generally provide for action on a BLA within 10 months of filing, which (as discussed above) typically occurs within 60 days of submission, but that deadline is extended in certain circumstances. Furthermore, the review process is often significantly extended by the FDA's requests for additional information or clarification.

The FDA may refer applications for novel products or products that present difficult questions of safety or efficacy to an advisory committee. Typically, an advisory committee consists of a panel that includes clinicians and other experts who will review, evaluate and provide a recommendation as to whether the application should be approved and, if so, under what conditions. The FDA is not bound by the recommendations of an advisory committee, but it considers such recommendations carefully when making decisions and usually has followed such recommendations.

After the FDA evaluates a BLA and conducts inspections of manufacturing facilities where the investigational product and/or its components will be produced, the FDA may issue an approval letter or a Complete Response Letter, or "CRL". An approval letter authorizes commercial marketing of the biologic with specific prescribing information for specific indications. A CRL will describe all of the deficiencies that the FDA has identified in the BLA, except that where the FDA determines that the data supporting the application are inadequate to support approval, the FDA may issue the CRL without first conducting required inspections, testing submitted product lots and/or reviewing proposed labeling. If the deficiencies have been addressed to the FDA's satisfaction in a resubmission of the BLA, the FDA will issue an approval letter. In issuing the CRL, the FDA may recommend actions that the applicant might take to place the BLA in condition for approval, including requests for additional data, information or clarification. The FDA may delay or refuse approval of a BLA if applicable regulatory criteria are not satisfied and may require additional testing or information and/or require post-marketing studies and clinical trials. Even with submission of this additional information, the FDA ultimately may decide that the application does not satisfy the regulatory criteria for approval.

During the approval process, the FDA will determine whether a REMS is necessary to assure the safe use of the biologic. A REMS is a safety strategy to manage a known or potential serious risk associated with a product and to enable patients to have continued access to such medicines by managing their safe use, and could include medication guides, physician communication plans or elements to assure safe use, such as restricted distribution methods, patient registries and other risk minimization tools. If the FDA concludes that a REMS is needed, the BLA sponsor must submit a proposed REMS and the FDA will not approve the BLA without a REMS that the agency has determined is acceptable.

If the FDA approves a product, it may limit the approved indications for use for the product, or require that contraindications, warnings or precautions be included in the product labeling. The FDA may also require that post-approval studies, including Phase 4 clinical trials, be conducted to further assess the drug's safety after approval. The FDA may prevent or limit further marketing of a product based on the results of post-market studies or surveillance programs.

The FDA may also require testing and surveillance programs to monitor the product after commercialization. For biologics, such testing may include official lot release, which requires the manufacturer to perform certain tests on each lot of the product before it is released for distribution. The manufacturer then typically must submit samples of each lot of product to the FDA, together with a release protocol showing a summary of the history of manufacture of the lot and the results of all of the manufacturer's tests performed on the lot. The FDA may also perform certain confirmatory tests on lots of some products itself, before releasing the lots for distribution by the manufacturer.

After approval, many types of changes to the approved product, such as adding new indications, manufacturing changes and additional labeling claims, are often subject to further testing requirements and FDA review and approval, depending on the nature of the post-approval change. The FDA may withdraw the product approval if compliance with pre- and post-marketing requirements is not maintained or if problems occur after the product reaches the marketplace.

Post-Approval Requirements

Any products manufactured or distributed pursuant to FDA approvals are subject to pervasive and continuing regulation by the FDA, including, among other things, requirements relating to recordkeeping, periodic reporting, reporting of certain deviations and adverse experiences, product sampling and distribution and advertising and promotion of the product. After approval, most changes to the approved product, such as adding new indications or other labeling claims, are subject to FDA review and approval. Biologic manufacturers and their third-party contractors are required to register their facilities with the FDA and certain state agencies. These facilities are subject to routine and periodic unannounced inspections by the FDA and certain state agencies for compliance with cGMP, post-marketing safety reporting and data integrity requirements, which impose certain procedural and documentation requirements to assure quality of

manufacturing and product. FDA has increasingly observed cGMP violations involving data integrity during site inspections and is a significant focus of its oversight. Requirements with respect to data integrity include, among other things, controls to ensure data are complete and secure; activities documented at the time of performance; audit trail functionality; authorized access and limitations; validated computer systems; and review of records for accuracy, completeness and compliance with established standards.

Post-approval changes to the manufacturing process are strictly regulated, and, depending on the significance of the change, may require FDA approval before being implemented. FDA regulations also require investigation and correction of any deviations from cGMP and impose reporting requirements upon us and any third-party manufacturers that we may decide to use. Accordingly, manufacturers must continue to expend time, money and effort in the area of production and quality control to maintain compliance with cGMP, data integrity, pharmacovigilance and other aspects of regulatory compliance.

The FDA may withdraw the approval if compliance with regulatory requirements and standards is not maintained or if problems occur after the product reaches the market. Later discovery of previously unknown problems with a product, including adverse events of unanticipated severity or frequency, or with manufacturing processes, or failure to comply with regulatory requirements, may result in revisions to the approved labeling to add new safety information; imposition of post-approval studies or clinical trials to assess new safety risks; or imposition of distribution or other restrictions under a REMS. Other potential consequences include, among other things:

- restrictions on the marketing or manufacturing of a product, complete withdrawal of the product from the market or product recalls;
- fines, Warning Letters, Untitled Letters or holds on post-approval clinical studies;
- refusal of the FDA to approve pending applications or supplements to approved applications, or suspension or revocation of existing product approvals;
- product seizure or detention, or refusal of the FDA to permit the import or export of products or Import Alert; or
- permanent injunctions and consent decrees, including the imposition of civil or criminal penalties.

The FDA strictly regulates the marketing, labeling, advertising and promotion of prescription drug and biological products placed on the market. A company can make only those claims relating to safety and efficacy, purity and potency that are approved by the FDA and in accordance with the provisions of the approved label. The FDA's regulation includes, among other things, standards and regulations for direct-to-consumer advertising, communications regarding unapproved uses, industry-sponsored scientific and educational activities and promotional activities involving the Internet and social media. Promotional claims relating to a product's safety or effectiveness are prohibited before the drug is approved. After approval, a product generally may not be promoted for uses that are not approved by the FDA, as reflected in the product's prescribing information. In the United States, healthcare professionals are generally permitted to prescribe drugs for such uses not described in the drug's labeling, known as off-label uses, because the FDA does not regulate the practice of medicine. However, FDA regulations impose rigorous restrictions on manufacturers' communications, prohibiting the promotion of off-label uses. It may be permissible, under very specific, narrow conditions, for a manufacturer to engage in non-promotional, non-misleading communication regarding off-label information, such as distributing scientific or medical journal information.

If a company is found to have promoted off-label uses, it may become subject to adverse public relations and administrative and judicial enforcement by the FDA, the DOJ or the Office of the Inspector General of the Department of Health and Human Services, or "HHS", as well as other federal and state authorities. This could subject a company to a range of penalties that could have a significant commercial impact, including civil, administrative, and criminal fines, penalties, and agreements that materially restrict the manner in which a company promotes or distributes products. The federal government has levied large civil, administrative, and criminal fines and penalties against companies for alleged improper promotion and has also requested that companies enter into consent decrees and permanent injunctions under which specified promotional conduct is changed or curtailed.

The distribution of prescription drug and biological products are subject to the Drug Supply Chain Security Act, or “DSCSA”, which requires manufacturers and other stakeholders to comply with product identification, tracing, verification, detection and response, notification and licensing requirements. In addition, the Prescription Drug Marketing Act and its implementing regulations and state laws limit the distribution of prescription pharmaceutical product samples, and the DSCSA imposes requirements to ensure accountability in distribution and to identify and remove prescription drug and biological products that may be counterfeit, stolen, contaminated, or otherwise harmful from the market.

Patent Term Restoration

After approval, owners of relevant drug or biological product patents may apply for up to a five-year patent extension to restore a portion of patent term lost during product development and FDA review of a BLA under the Drug Price Competition and Patent Term Restoration Act of 1984, referred to as the Hatch-Waxman Act. The allowable patent term extension is calculated as one-half of the product’s testing phase, which is the time between IND and BLA submission, and all of the review phase, which is the time between BLA submission and approval, up to a maximum of five years. The time can be shortened if the FDA determines that the applicant did not pursue approval with due diligence. The total patent term after the extension may not exceed more than 14 years from the date of FDA approval of the product. Only one patent claiming each approved product is eligible for restoration and the patent holder must apply for restoration within 60 days of approval. The USPTO, in consultation with the FDA, reviews and approves the application for patent term restoration.

For patents that might expire during the application phase, the patent owner may request an interim patent extension. An interim patent extension increases the patent term by one year and may be renewed up to four times. For each interim patent extension granted, the post-approval patent extension is reduced by one year. The director of the USPTO must determine that approval of the product candidate covered by the patent for which a patent extension is being sought is likely. Interim patent extensions are not available for a product candidate for which a BLA has not been submitted.

Biosimilars and Marketing Exclusivities

The Biologics Price Competition and Innovation Act, or “BPCIA”, created an abbreviated approval pathway for biological product candidates shown to be highly similar to or interchangeable with an FDA licensed biological product. A biological product on which another biological product candidate’s BLA relies to establish biosimilarity is known as a reference product. Biosimilarity sufficient to reference a prior FDA-approved product requires that the biological product candidate be highly similar to the reference product notwithstanding minor differences in clinically inactive components, and there be no clinically meaningful differences between the biological product candidate and the reference product in terms of safety, purity and potency. Biosimilarity must be shown through analytical trials, animal trials and at least one clinical trial, unless the FDA waives a required element. A biosimilar product candidate may be deemed interchangeable with a prior approved product if it meets the higher hurdle of demonstrating that it can be expected to produce the same clinical results as the reference product and, for products administered multiple times, the biologic and the reference biologic may be switched after one has been previously administered without increasing safety risks or risks of diminished efficacy relative to exclusive use of the reference biologic. Complexities associated with the larger, and often more complex, structures of biologics, as well as the process by which such products are manufactured, pose significant hurdles to implementation of the abbreviated approval pathway that are still being worked out by the FDA.

A reference biologic is granted 12 years of exclusivity from the time of first licensure of the reference product, and no application for a biosimilar can be submitted for four years from the date of licensure of the reference product. The first interchangeable biosimilar biological product has exclusivity against a finding of interchangeability for other biologics for the lesser of (i) one year after first commercial marketing of the first interchangeable biosimilar, (ii) 18 months after the first interchangeable biosimilar is approved if there is no patent challenge, (iii) 18 months after resolution of a lawsuit over the patents of the reference biologic in favor of the first interchangeable biosimilar applicant, or (iv) 42 months after the first interchangeable biosimilar’s application has been approved if a patent lawsuit is ongoing within the 42 month period. State pharmacy laws and regulations govern whether products deemed “interchangeable” by the FDA will, in fact, be readily substituted by pharmacies, and may impose additional requirements such as notification of prescriber and/or patient, documentation and recordkeeping.

If a biologic is designated and approved for an orphan indication, it will be granted seven years of orphan drug exclusivity. An orphan indication is granted to biological products and drugs designated and approved to treat diseases or

conditions affecting fewer than 200,000 individuals in the United States, or if there is no reasonable expectation that the sponsor will be able to recover the costs of developing and marketing the drug or biological product in the United States. During the seven-year exclusivity period, the FDA may not approve any other applications to market the same drug or biological product for the same disease, except in limited circumstances, such as a showing of clinical superiority to the product with orphan drug exclusivity. A biosimilar may not be licensed by FDA for the protected orphan indication until after the expiration of the seven-year orphan drug exclusivity period or the 12-year reference product exclusivity, whichever is later.

Pediatric exclusivity adds an additional six-month exclusivity period to any marketing exclusivities and patents that a biological product has obtained. In order to obtain pediatric exclusivity, a BLA sponsor must conduct pediatric studies as requested by the FDA in a Written Request. The data do not need to show the product to be effective in the pediatric population studied; rather, if the clinical trial is deemed to fairly respond to the FDA's request, the additional protection is granted. If reports of requested pediatric studies are submitted to and accepted by the FDA within the statutory time limits, whatever statutory or regulatory periods of exclusivity or patent protection cover the product are extended by six months. While pediatric exclusivity is not an actual extension on a patent term, it effectively extends the preclusive effect of the patent on FDA's authority to approve another application that relies on the product with pediatric exclusivity.

The BPCIA is complex and continues to be interpreted and implemented by the FDA. On December 20, 2019, President Trump signed into law H.R. 1865, the Further Consolidated Appropriations Act of 2020. The law includes significant provisions concerning the FDA's implementation of the BPCIA, such as clarifying that "chemically synthesized polypeptides" are no longer excluded from being regulated as biologics, while "peptides" (polymers composed of 40 or fewer amino acids) will continue to be regulated as drugs unless they otherwise meet the statutory definition of biological products. In addition, the Further Consolidated Appropriations Act of 2020 clarifies exclusivity and procedural issues related to certain biologics approved as drugs pursuant to new drug applications, or "NDAs", to be the subject of an approved BLA, or transition biological products. The law also incorporates provisions intended to reduce price and increase competitiveness in the pharmaceutical industry. The law amends the FDCA to create a private right of action against NDA or BLA holders that refuse to provide sufficient quantities of samples of an approved reference product to generic and biosimilar developers. In July 2018, the FDA released its Biosimilars Action Plan to improve the efficiency of the biosimilar and interchangeable product development and approval process. The Further Consolidated Appropriations Act of 2020 is consistent with FDA guidance documents issued in December 2018 that were intended to advance the agency's biosimilars policy framework. The implementation of the Further Consolidated Appropriations Act of 2020 and the ultimate impact of the agency's Biosimilars Action Plan are uncertain and may evolve over time through future laws and regulations and guidance provided by regulatory and governing bodies. In addition, there has been discussion of whether Congress should reduce the 12-year reference product exclusivity period. Other aspects of the BPCIA, some of which may impact the BPCIA exclusivity provisions, have been the subject of recent litigation. As a result, the ultimate implementation of the BPCIA is subject to significant uncertainty.

Regulation of Companion Diagnostics and Laboratory Developed Tests

A companion diagnostic is an *in vitro* diagnostic that can: identify the patients most likely to benefit from a particular therapeutic product; identify those likely to be at an increased risk for serious side effects; or monitor responses to treatment with a particular therapeutic product for the purpose of adjusting treatment to achieve improved safety or effectiveness. Under the FDCA, *in vitro* companion diagnostics are generally regulated as medical devices. The FDA has generally classified *in vitro* companion diagnostics as high-risk, Class III devices, which require FDA approval of a premarket approval application, or "PMA", but recognizes the possibility of a moderate-risk IVD companion diagnostic (*i.e.*, Class II device), which would require clearance of a 510(k) premarket notification or grant of a *de novo* request. Approval or clearance of the *in vitro* companion diagnostic device will ensure that the device has been adequately evaluated and has adequate performance characteristics in the intended population.

For those *in vitro* companion diagnostics that require PMA approval, the process involves gathering and submitting clinical and preclinical data on the device for review by the FDA. It involves a rigorous premarket review, during which the applicant must provide the FDA with reasonable assurance of the device's safety and effectiveness, as well as information regarding the device's design, manufacturing and labeling. In addition, the FDA will typically inspect the device manufacturer's facilities for compliance with the Quality System Regulation, which imposes testing, control, documentation and other quality assurance requirements.

The FDA has issued guidance on the approval of therapeutic products and *in vitro* companion diagnostic devices. According to the FDA's guidance, for novel therapeutic products including biologics, an *in vitro* companion diagnostic device and its corresponding therapeutic should be approved or cleared contemporaneously by the FDA for the use indicated in the therapeutic product's labeling.

In some cases, information from a diagnostic test may be useful to a prescriber, but not necessary for the safe and effective administration of the therapeutic product. In those cases, health care providers may employ information derived from a complementary diagnostic test such as a laboratory developed test, or "LDT", when administering a therapeutic product. An LDT is a type of *in vitro* diagnostic test that is designed, manufactured and used within a single laboratory. LDTs can be used to measure or detect a wide variety of analytes (substances such as proteins, chemical compounds like glucose or cholesterol, or DNA), in a sample taken from a human body.

The Centers for Medicare and Medicaid Services, or "CMS", regulates LDTs and the laboratories that develop them, and enforces the Clinical Laboratories Improvement Amendments, or "CLIA". CMS evaluates whether there is clinical utility for each specific test, and also performs post-market oversight of laboratory operational processes. CMS's oversight through the CLIA program is designed to confirm that a lab assesses analytical validity but does not confirm whether it had results from an analytical validity assessment that were sufficient to support the claimed intended use of the test.

Historically, the FDA has generally not enforced premarket review and other FDA requirements on LDTs because LDTs were relatively simple lab tests and generally available on a limited basis. Due to advances in technology, however, some LDTs are now much more complex, have a nationwide reach and present higher risks, such as detection of risk for breast cancer and Alzheimer's disease, which are similar to those of other *IV in vitro* diagnostics that have undergone premarket review.

In May 2024, the FDA finalized a rule asserting that LDTs are medical devices subject to the requirements applicable to other *in vitro* diagnostic, or "IVD", products, and the FDA plans to phase in the enforcement of medical device requirements to LDTs over a period of four years. In connection with the final rule, the FDA established certain new, targeted enforcement discretion policies, including, among others, for LDTs marketed as of the date of publication of the final rule (May 6, 2024), as well as for LDTs that have received approval from New York State's Clinical Laboratory Evaluation Program ("NY CLEP"). Specifically, the FDA intends to exercise enforcement discretion and not enforce certain medical device requirements, including the requirements for marketing authorization and compliance with certain elements of the Quality System Regulation ("QSR"), with respect to LDTs that were marketed as of the date of the final rule's publication, although such products must still comply with certain other FDA requirements, including registration and listing, portions of the QSR, medical device reporting, labeling, and corrections and removals reporting. However, where these tests are modified in certain ways from the version of the test marketed as of the final rule's publication date, this enforcement discretion policy will no longer apply, and the FDA intends to enforce all applicable FDA requirements (including premarket review and marketing authorization requirements) consistent with the phase-in policy. In addition, for LDTs that receive approval from NY CLEP, the FDA intends not to enforce marketing authorization requirements when these requirements are phased in more generally at either three and a half or four years following the date of publication of the final rule. However, these tests will still be subject to the remaining medical device requirements, including registration and listing, medical device reporting, and quality system requirements, at the time that such requirements are phased in more generally.

The final rule is currently subject to legal challenge before a court in the Eastern District of Texas. In addition, Congress has for over the past decade, considered a number of proposals, which, if enacted, would subject LDTs to additional or different regulatory requirements. Depending on the approach adopted under any potential legislation, certain LDTs (likely those of higher risk) may be required to undergo some form of premarket review, potentially with a transition period for compliance and a grandfathering provision.

New laws, regulations or changes to existing laws, regulations and policies may result in changes to the requirements for LDTs or *in vitro* diagnostic devices and to the FDA's compliance and enforcement policies.

Healthcare Regulation

Pharmaceutical Coverage and Reimbursement

Our ability to successfully commercialize any of our product candidates for which we may receive regulatory approval will depend in significant part on the availability of coverage and reimbursement from third-party payors, including governmental healthcare programs, such as the Medicare and Medicaid programs in the U.S., private health insurers, managed care organizations, and other entities. Third-party payors may limit coverage to specific products on an approved list, or formulary, which might not include one or more of our product candidates. Third-party payors, together with regulators and others, are increasingly challenging the prices charged for pharmaceutical products and related services, in addition to their cost-effectiveness, safety and efficacy.

No uniform policy for coverage and reimbursement exists in the United States. Though we expect our initial product offering to be covered under Medicare Part B, and third-party payors often rely upon Medicare coverage policy and payment limitations in setting their own coverage and reimbursement policies, payors have their own methods and approval processes apart from Medicare determinations. Therefore, the availability and scope of coverage, as well as reimbursement rates can vary significantly from payor to payor. The marketability of any products for which we may receive regulatory approval for commercial sale depends on these payors' coverage policies and reimbursement rates.

Moreover, obtaining coverage and adequate reimbursement is a time-consuming and costly process. We may be required to provide scientific and clinical support for the use of any product to each third-party payor separately with no assurance that approval will be obtained, and we may need to conduct expensive pharmacoeconomic studies in order to demonstrate the cost-effectiveness of our products. We cannot be certain that our product candidates will be considered cost-effective by third-party payors. This process could delay the market acceptance of any product candidates for which we may receive approval and could have a negative effect on our future revenues and operating results.

Other U.S. Healthcare Laws and Compliance Requirements

In the United States, our business is subject to healthcare fraud and abuse regulation and enforcement by both the federal government and the states in which we conduct our business, particularly once third-party reimbursement becomes available for one or more of our products. The healthcare fraud and abuse laws and regulations that may affect our ability to operate include but are not limited to:

- The federal Anti-Kickback Statute is a criminal law that prohibits any person or entity from, among other things, knowingly and willfully soliciting, receiving, offering, providing, or paying any remuneration (including any kickback or bribe), directly or indirectly, overtly or covertly, in cash or in kind, to induce, or in return for, either the referral of an individual, or the purchase, lease, order, arranging for or recommending the purchase, lease, or order of any item or service for which payment may be made, in whole or in part, under federal healthcare programs, such as Medicare or Medicaid. A person or entity can be found guilty of violating the statute without actual knowledge of the statute or specific intent to violate it. The federal Anti-Kickback Statute has been interpreted to apply, for example, to arrangements between pharmaceutical manufacturers on the one hand and prescribers, purchasers, and formulary managers on the other, including, for example, consulting/speaking arrangements, discount and rebate offers, grants, charitable contributions, and patient support offerings, among others. A conviction for violation of the federal Anti-Kickback Statute can result in criminal fines and/or imprisonment and requires mandatory exclusion from participation in federal health care programs. Exclusion may also be imposed if the government determines that an entity has committed acts that are prohibited by the federal Anti-Kickback Statute. Although there are a number of statutory exceptions and regulatory safe harbors to the federal Anti-Kickback Statute protecting certain common business arrangements and activities from prosecution or regulatory sanctions, the exceptions and safe harbors are drawn narrowly. Practices that involve remuneration to those who prescribe, purchase, or recommend pharmaceutical and biological products that are not designed to fit squarely within an exception or safe harbor are evaluated based on the specific facts and circumstances and are typically subject to increased scrutiny. Our practices may not in all cases meet all of the criteria for safe harbor protection from Anti-Kickback Statute liability.
- The federal civil and criminal false claims laws and civil monetary penalty laws, including the civil False Claims Act, or "FCA", which prohibits anyone from, among other things: (i) knowingly presenting, or causing to be presented, claims for payment of government funds that are false or fraudulent; (ii) knowingly

making, or using or causing to be made or used, a false record or statement material to a false or fraudulent claim; (iii) knowingly making, using or causing to be made or used a false record or statement material to an obligation to pay money to the government; or (iv) knowingly concealing or knowingly and improperly avoiding, decreasing, or concealing an obligation to pay money to the federal government. Private individuals, commonly known as “whistleblowers,” can bring FCA qui tam actions, on behalf of the government and may share in amounts paid by the defendant to the government in recovery or settlement. Pharmaceutical companies have been investigated and/or subject to government enforcement actions asserting liability under the FCA in connection with their alleged off-label promotion of drugs, purportedly concealing price concessions in the pricing information submitted to the government for government price reporting purposes, and allegedly providing free product to customers with the expectation that the customers would bill federal healthcare programs for the product, among other things. In addition, a claim including items or services resulting from a violation of the federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the FCA. Moreover, manufacturers can be held liable under the FCA even though they, in most cases, do not submit claims directly to government payors if they are deemed to “cause” the submission of false or fraudulent claims. FCA liability is potentially significant in the healthcare industry because the statute provides for treble damages and significant mandatory penalties per false or fraudulent claim or statement for violations. Such per-claim penalties are currently set at \$14,308 to \$28,619 per false claim for penalties assessed after January 15, 2025 with respect to violations occurring after November 2, 2015. Criminal penalties, including imprisonment and criminal fines, are also possible for making or presenting a false, fictitious or fraudulent claim to the federal government;

- The federal Health Insurance Portability and Accountability Act of 1996, or “HIPAA”, which, among other things, prohibits knowingly and willfully executing, or attempting to execute, a scheme to defraud any healthcare benefit program, including private third-party payors, and prohibits (i) knowingly and willfully falsifying, concealing or covering up a material fact or making any materially false, fictitious or fraudulent statement or representation and (ii) making or using any false writing or document knowing the same to contain any materially false, fictitious or fraudulent statement or entry in connection with the delivery of or payment for healthcare benefits, items or services. Similar to the federal Anti-Kickback Statute, a person or entity can be found guilty of violating the HIPAA fraud provisions without actual knowledge of the statute or specific intent to violate it;
- HIPAA, the Health Information Technology for Economic and Clinical Health Act, or “HITECH Act”, and HIPAA’s implementing regulations, and certain state and local laws impose requirements relating to the privacy, security and transmission of individually identifiable health information held by covered entities, including health plans, healthcare clearinghouses and certain healthcare providers, and their business associates, individuals or entities that perform certain services on behalf of a covered entity that involve the use or disclosure of individually identifiable health information. HIPAA includes several tiers of civil monetary penalties as well as criminal penalties. In addition, state attorneys general have authority to file civil actions for damages or injunctions in federal courts to enforce HIPAA and seek attorneys’ fees and costs associated with pursuing federal civil actions. Research institutions that we collaborate with and healthcare providers who may prescribe our products, once commercialized, are subject to privacy and security requirements under HIPAA. The Department of Health and Human Services Office for Civil Rights (OCR) has recently increased its enforcement efforts on compliance with HIPAA, including the security regulations (Security Rule), bringing actions against entities which have failed to implement security measures sufficient to reduce risks to electronic protected health information or to conduct an accurate and thorough risk analysis, among other violations. Although we are not directly subject to HIPAA other than with respect to providing certain employee benefits, we could potentially be subject to criminal penalties if we, our affiliates or our agents knowingly obtain or disclose individually identifiable health information maintained by a HIPAA-covered entity in a manner that is not authorized or permitted by HIPAA;
- Numerous other federal and state laws and regulations that also govern the privacy and security of individually identifiable health information, including state data breach notification laws, state health information or genetic privacy laws, and federal and state consumer protection laws such as Section 5 of the Federal Trade Commission, or “FTC”, Act and the California Consumer Privacy Act, or “CCPA”. The CCPA gives California residents expanded rights to access and delete their personal information, opt out of certain personal information sharing and receive detailed information about how their personal information is used by requiring covered companies to provide new disclosures to California consumers (as that term is broadly

defined) and provide such consumers new ways to opt-out of certain sales of personal information. The CCPA provides for civil penalties for violations, as well as a private right of action for data breaches that is expected to increase data breach litigation. Although there are certain exemptions for personal information subject to HIPAA and personal data collected in a clinical trial context, the CCPA's implementation standards and enforcement practices may increase our compliance costs and potential liability. Additionally, a California ballot initiative, the California Privacy Rights Act, or "CPRA", passed in November 2020, and went into effect on January 1, 2023. The CPRA will impose additional data protection obligations on companies doing business in California, including additional consumer rights processes, limitations on data uses, new audit requirements for higher risk data, and opt outs for certain uses of sensitive data. It also created a new California data protection agency authorized to issue substantive regulations and could result in increased privacy and information security enforcement. Additional compliance investment and potential business process changes may be required. Laws similar to the California laws have passed in states such as Virginia and Colorado, and comparable laws have been proposed in other states and at the federal level that may ultimately have conflicting requirements that would further complicate compliance and adversely affect our business.

- The FTC and many state attorneys general are interpreting existing federal and state consumer protection laws to impose evolving standards for the collection, use, dissemination and security of health-related and other personal information. For instance, the FTC has promulgated standards for fair information practices, which concern consumer notice, choice, security and access, and also require notice of certain health information breaches outside the HIPAA context. Consumer protection laws require us to publish statements that describe how we handle personal information and choices individuals may have about the way we handle their personal information. Violating consumers' privacy rights, publishing untrue information about security practices, or failing to take appropriate steps to keep consumers' personal information secure may constitute unfair or deceptive acts or practices in violation of Section 5 of the FTC Act. Additionally, the FTC recently published an advance notice of proposed rulemaking on commercial surveillance and data security and is seeking comment on whether it should implement new trade regulation rules or other regulatory alternatives concerning the ways in which companies (1) collect, aggregate, protect, use, analyze, and retain consumer data, as well as (2) transfer, share, sell, or otherwise monetize that data in ways that are unfair or deceptive. Federal regulators, state attorneys general and plaintiffs' attorneys have been and will likely continue to be active in this space, and if we do not comply with existing or new laws and regulations related to patient health information, we could be subject to criminal or civil sanctions.
- In addition, some countries are considering or have passed legislation implementing data protection requirements or requiring local storage and processing of data or similar requirements that could increase the cost and complexity of research activities. These laws and regulations, as well as any associated claims, inquiries, investigations or any other government actions may lead to unfavorable outcomes including increased compliance costs, delays or impediments in the development of new products, negative publicity, increased operating costs, diversion of management time and attention and remedies that harm our business, including fines or demands or orders that we modify or cease existing business practices.
- The federal Physician Payments Sunshine Act, implemented as the Open Payments Program, which requires manufacturers of drugs, devices, biologics and medical supplies for which payment is available under Medicare, Medicaid or the Children's Health Insurance Program (with certain exceptions), among others, to track and report annually to CMS information related to direct or indirect payments and other transfers of value they make to U.S.-licensed physicians (defined to include doctors, dentists, optometrists, podiatrists and licensed chiropractors), physician assistants, nurse practitioners, clinical nurse specialists, certified registered nurse anesthetists, anesthesiology assistants, certified nurse-midwives, and U.S. teaching hospitals, as well as tracking and reporting of ownership and investment interests held in a company by U.S.-licensed physicians and their immediate family members. Failure to timely, accurately, and completely submit the required information for all payments, transfers of value and ownership or investment interests may result in civil monetary penalties.
- Analogous U.S. state and local laws and regulations, such as state anti-kickback and false claims laws, which may apply to sales or marketing arrangements and claims involving healthcare items or services reimbursed by non-governmental third-party payors, including private insurers; state laws that require pharmaceutical companies to comply with the pharmaceutical industry's voluntary compliance guidelines and the relevant

compliance guidance promulgated by the federal government or otherwise restrict payments that may be made to healthcare providers; state laws that restrict the ability of manufacturers to offer co-pay support to patients for certain prescription drugs, including information pertaining to and justifying price increases; prohibit prescription drug price gouging; or impose payment caps on certain pharmaceutical products deemed by the state to be “high cost”; state laws that require drug manufacturers to report information related to clinical trials, or information related to payments and other transfers of value to physicians and other healthcare providers or marketing expenditures; state laws that require drug manufacturers to report information on the pricing of certain drugs; state laws and local ordinances that require identification or licensing of sales representatives; and state laws governing the privacy and security of health information in certain circumstances, many of which differ from each other in significant ways and often are not preempted by HIPAA, thus complicating compliance efforts.

We will be required to spend substantial time and money to ensure that our business arrangements with third parties comply with applicable healthcare laws and regulations. Even then, governmental authorities may conclude that our business practices do not comply with current or future statutes, regulations or case law involving applicable fraud and abuse or other healthcare laws and regulations. If governmental authorities find that our operations violate any of these laws or any other governmental regulations that may apply to us, we may be subject to significant civil, criminal and administrative penalties, damages, fines, disgorgement, individual imprisonment, exclusion from government funded healthcare programs, such as Medicare and Medicaid, and additional reporting obligations and oversight if we become subject to a corporate integrity agreement or other agreement to resolve allegations of non-compliance with these laws, and we may be required to curtail or restructure our operations. Moreover, we expect that there will continue to be federal and state laws and regulations, proposed and implemented, that could impact our operations and business. In addition, the approval and commercialization of any product candidate we develop outside the United States will also likely subject us to foreign equivalents of the healthcare laws mentioned above, among other foreign laws. The extent to which future legislation or regulations, if any, relating to health care fraud and abuse laws or enforcement, may be enacted or what effect such legislation or regulation would have on our business remains uncertain.

Healthcare Reform

There have been and continue to be a number of healthcare-related legislative and regulatory initiatives and reforms in the United States that significantly affect the pharmaceutical industry. For example, the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act of 2010, or collectively, the “ACA,” was passed in March 2010 and substantially changed the way healthcare is financed by both governmental and private insurers and significantly impacted the U.S. pharmaceutical industry. Among other things, the ACA: subjects biologics to potential competition by lower-cost biosimilars; addresses a methodology through which rebates owed by manufacturers under the Medicaid Drug Rebate Program, or “MDRP,” are calculated for covered outpatient drugs that are inhaled, infused, instilled, implanted or injected; increases the minimum Medicaid rebates owed by manufacturers under the MDRP and extends the rebate program to individuals enrolled in Medicaid managed care organizations; and establishes annual fees and taxes on manufacturers of certain branded prescription drugs.

The ACA and certain of its provisions have been subject to judicial challenges as well as legislative and regulatory efforts to repeal or replace them or to alter their interpretation or implementation. For example, Congress has considered legislation that would repeal or repeal and replace all or part of the ACA. While Congress has not passed comprehensive repeal legislation, bills affecting the implementation of certain taxes under the ACA have been signed into law. The Tax Cuts and Jobs Act of 2017, or the “Tax Act,” includes a provision that repealed the tax-based shared responsibility payment imposed by the ACA on certain individuals who fail to maintain qualifying health coverage for all or part of a year, commonly referred to as the “individual mandate.” CMS rules issued in 2018 permit further collections and payments to and from certain ACA-qualified health plans and health insurance issuers under the ACA risk adjustment program. The Further Consolidated Appropriations Act of 2020 fully repealed the ACA’s “Cadillac Tax” on certain high-cost employer-sponsored insurance plans and, effective in 2021, the annual fee imposed on certain health insurance providers based on market share. On March 11, 2021, Congress enacted the American Rescue Plan Act of 2021, which included among its provisions a sunset of the ACA’s cap on pharmaceutical manufacturers’ rebate liability under the Medicaid Drug Rebate Program. Under the ACA, manufacturers’ rebate liability was previously capped at 100% of the average manufacturer price for a covered outpatient drug. However, as of January 1, 2024, manufacturers’ MDRP rebate liability is no longer capped, potentially resulting in a manufacturer paying more in MDRP rebates than it receives on the sale of certain covered outpatient drugs. The American Rescue Plan Act also temporarily increased premium tax credit assistance for individuals eligible for subsidies under the ACA for 2021 and 2022 and removed the 400% federal poverty level limit that otherwise applies for purposes of eligibility to receive premium tax credits. The Inflation Reduction Act of 2022 (“IRA”) extended

this increased tax credit assistance and removal of the 400% federal poverty limit through 2025. The enhanced subsidies expired on December 31, 2025, but remain the subject of Congressional debate. In the future, there may be additional challenges and/or amendments to the ACA.

On June 17, 2021, the U.S. Supreme Court dismissed a legal challenge to the ACA brought by several states arguing that, without the individual mandate, the entire ACA was unconstitutional. The Supreme Court dismissed the lawsuit without ruling on the merits of the states' constitutionality arguments. It is unclear how future litigation and any healthcare reform measures of the Trump administration will impact the ACA and our business.

Additionally, there has been increasing legislative and enforcement interest in the United States with respect to specialty drug pricing practices. Specifically, several U.S. Congressional inquiries and proposed and enacted pieces of federal and state legislation have been designed to, among other things: bring more transparency to drug pricing; reduce the cost of prescription drugs under government payor programs; review the relationship between pricing and manufacturer patient programs; and reform government program reimbursement methodologies for drugs. Policymakers have also indicated that they will continue to seek legislative and administrative measures to control drug costs. For example, in August 2022, former President Biden signed into law the IRA, which implements substantial changes to the Medicare program, including drug pricing reforms and the creation of new Medicare inflation rebates. Namely, the IRA imposes inflation rebates on drug manufacturers for products reimbursed under Medicare Parts B and D if the prices of those products increase faster than inflation; implements changes to the Medicare Part D benefit that includes capping beneficiary annual out-of-pocket spending at \$2,000 (adjusted annually for inflation), while imposing new discount obligations for pharmaceutical manufacturers; and, establishing a "maximum fair price" for a fixed number of high expenditure pharmaceutical and biological products covered under Medicare Parts B and D following a price negotiation process with CMS. CMS has also taken steps to implement the IRA, including: negotiating and publishing "maximum fair prices" for drugs selected under the IRA's price negotiation framework; and releasing quarterly lists of Medicare Part B products and annual lists of Medicare Part D products that are subject to adjusted coinsurance rates based on the inflationary rebate provisions of the IRA. While it remains to be seen how the drug pricing provisions imposed by the IRA will affect the broader pharmaceutical industry, several pharmaceutical manufacturers and other industry stakeholders have challenged the law, including through lawsuits brought against the HHS, the Secretary of the HHS, CMS, and the CMS Administrator challenging the constitutionality and administrative implementation of the IRA's drug price negotiation provisions.

The current presidential administration has also signaled its intent to pursue additional healthcare reform measures, including those aimed at reducing prescription drug prices. For example, President Trump has signed multiple executive orders addressing prescription drug pricing and access, including: on April 15, 2025, outlining several actions the Secretary of HHS must take to optimize healthcare regulations that will provide access to prescription drugs at lower costs; on May 5, 2025, aiming to promote domestic production of critical medicines; and on May 12, 2025, aiming to establish a "most favored nation" drug pricing policy that would tie US drug prices to the prices paid for drugs in other countries. Additionally, CMS has taken action to implement the administration's "most-favored-nation" pricing policy, including by announcing a new voluntary payment model where drug manufacturers may offer supplemental rebates to participating state Medicaid programs to provide such Medicaid programs with a "most favored nation" price for participating manufacturers' products, as well proposing mandatory payment models where, if finalized, manufacturers of certain Medicare Part B and Medicare Part D drugs would be assessed rebates if the prices for such products exceed those paid in economically comparable countries. It remains to be seen how these drug pricing initiatives will affect the broader pharmaceutical industry.

Individual states in the United States have also increasingly passed legislation and implemented regulations designed to control pharmaceutical and biological product pricing, including price or patient reimbursement limitations, discounts, restrictions on certain product access and marketing cost disclosure and transparency measures, and, in some cases, designed to encourage importation from other countries and bulk purchasing. In addition, regional healthcare authorities and individual hospitals are increasingly using bidding procedures to determine what pharmaceutical products and which suppliers will be included in their prescription drug and other healthcare programs.

Moreover, in May 2018, the Trickett Wendler, Frank Mongiello, Jordan McLinn and Matthew Bellina Right to Try Act of 2017, or the Right to Try Act, was signed into law. The law, among other things, provides a federal framework for certain patients to access certain investigational new drug products that have completed a Phase 1 clinical trial and that are undergoing investigation for FDA approval. Under certain circumstances, eligible patients can seek treatment without enrolling in clinical trials and without obtaining FDA permission under the FDA expanded access program. There is no

obligation for a pharmaceutical manufacturer to make its drug products available to eligible patients as a result of the Right to Try Act.

The biopharmaceutical industry is subject to extensive regulatory obligations and policies that may be subject to significant and abrupt change, including due to judicial challenges, election cycles, and resulting regulatory updates and changes in policy priorities. For example, on June 28, 2024, the U.S. Supreme Court issued an opinion holding that courts reviewing agency action pursuant to the Administrative Procedure Act (“APA”) “must exercise their independent judgment” and “may not defer to an agency interpretation of the law simply because a statute is ambiguous.” The decision will have a significant impact on how lower courts evaluate challenges to agency interpretations of law, including those by CMS and other agencies with significant oversight of the healthcare industry. The new framework is likely to increase both the frequency of such challenges and their odds of success by eliminating one way in which the government previously prevailed in such cases. As a result, significant regulatory policies may be subject to increased litigation and judicial scrutiny. Any resulting changes in regulation may result in unexpected delays, increased costs, or other negative impacts that are difficult to predict but could have a material adverse effect on our business and financial condition. For example, certain of these changes could impose additional limitations on the rates we will be able to charge for our current and future products or the amounts of reimbursement available for our current and future products from governmental agencies or third-party payors.

Human Capital Resources

As of December 31, 2025, we had 40 full-time employees.

Our success depends upon our ability to retain and attract highly qualified management and technical personnel. We consider the intellectual capital of our employees to be an essential driver of our business and key to our future prospects. Recruiting and retaining qualified employees, consultants and advisors for our business, including scientific and technical personnel, is critical to our success. Competition for skilled personnel is intense and the turnover rate can be high in our industry. We continue to monitor our turnover rate and the overall supply of skilled labor in the market. We also monitor our compensation programs closely and provide what we consider to be a competitive mix of compensation and benefits for our employees, as well as participation in our equity programs. None of our employees are subject to a collective bargaining agreement or represented by a trade or labor union.

Corporate Information and Access to SEC Reports

We were incorporated in Delaware in September 2015. Our primary executive offices are located at 9000 Virginia Manor Road, Suite 200, Beltsville, Maryland 20705 and our telephone number is (240) 399-4900. We make available, free of charge, on our website at www.nextcure.com, our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and any amendments to such reports as soon as reasonably practicable after such reports are electronically filed with, or furnished to, the SEC. The contents of our website are not incorporated into this Annual Report.

Item 1A. Risk Factors

Investing in our common stock involves a high degree of risk. You should carefully consider the risks described below together with all of the other information in this Annual Report, including our financial statements and the related notes and the information described in the section entitled “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” before deciding whether to invest in our common stock. If any of the events described below actually occurs, our business, results of operations, financial conditions, cash flows or prospects could be harmed. If that were to happen, the trading price of our common stock could decline, and you could lose all or part of your investment. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business operations.

Risks Related to Our Financial Position and Need for Additional Capital

We have a limited operating history and no products approved for commercial sale. We have a history of significant losses, expect to continue to incur significant losses for the foreseeable future and may never achieve or maintain profitability.

We are a clinical-stage biopharmaceutical company with a limited operating history. Since our founding in 2015, we have incurred significant net losses. Our net losses were \$55.8 million and \$55.7 million for the years ended December

31, 2025 and 2024, respectively. As of December 31, 2025, we had an accumulated deficit of \$436.0 million. We have funded our operations to date primarily with proceeds from public offerings of our common stock and private placements of our common and preferred stock. Since commencing operations, we have devoted substantially all of our efforts and financial resources to organizing and staffing our company, identifying business development opportunities, raising capital, securing intellectual property rights related to our product candidates, building and optimizing our manufacturing capabilities and conducting discovery, research and development activities for our product candidates.

We expect that it will be several years, if ever, before we have a commercialized product. We expect to continue to incur significant expenses and operating losses for the foreseeable future. The net losses we incur may fluctuate significantly from year to year. We anticipate that our expenses will increase substantially if, and as, we:

- continue to advance the preclinical and clinical development of our existing product candidates and our research programs;
- seek regulatory approvals for any product candidates that successfully complete clinical trials;
- source cGMP manufacture of drug supply necessary for any future, including late stage, clinical trials;
- hire additional clinical, quality control, regulatory, scientific and administrative personnel;
- expand our operational, financial and management systems and increase personnel, including to support our clinical development, manufacturing and commercialization efforts and our operations as a public company;
- maintain, expand and protect our intellectual property portfolio;
- establish a marketing, sales, distribution and medical affairs infrastructure to commercialize any products for which we may obtain marketing approval and commercialize, whether on our own or jointly with a partner;
- acquire or in-license other technologies or engage in strategic partnerships; and
- incur additional legal, accounting or other expenses in operating our business.

To become and remain profitable, we, whether on our own or jointly with any potential future collaborator, must develop and eventually commercialize products with significant market potential. We will need to be successful in a range of challenging activities, including completing preclinical studies and clinical trials, obtaining marketing approval for product candidates, manufacturing, marketing and selling products and satisfying any post-marketing requirements. We may never succeed in any or all of these activities and, even if we do, we may never generate revenue that is significant or large enough to achieve profitability. If we do achieve profitability, we may not be able to sustain or increase profitability on a quarterly or annual basis. Our failure to become and remain profitable would decrease the value of our company and could impair our ability to raise capital, maintain our research and development efforts, expand our business or continue our operations. A decline in the value of our company could also cause you to lose all or part of your investment.

We have never generated revenue from product sales and may never be profitable.

Our ability to generate revenue from product sales and achieve profitability depends on our ability, alone or with collaboration partners, to successfully complete the development of, and obtain the regulatory approvals necessary to commercialize, our product candidates. We do not anticipate generating revenue from product sales for the next several years, if ever. Our ability to generate future revenue from product sales depends heavily on our, or our potential future collaborators', success in:

- completing preclinical studies and clinical trials of our product candidates, including our ongoing Phase 1 clinical trials for SIM0505 and LNCB74;
- seeking and obtaining marketing approvals for any product candidates that we or our collaborators develop;
- receiving acceptance of INDs for future product candidates;

- identifying and developing new product candidates;
- launching and commercializing product candidates for which we obtain marketing approval by establishing a marketing, sales, distribution and medical affairs infrastructure or, alternatively, collaborating with a commercialization partner;
- achieving coverage and adequate reimbursement by hospitals and third-party payors, including governmental authorities, such as Medicare and Medicaid, private insurers and managed care organizations, for product candidates, if approved, that we or our collaborators develop;
- manufacturing cGMP supply of our product candidates for clinical trials and, if approved, commercial sales;
- obtaining market acceptance of product candidates, if approved, that we develop as viable treatment options;
- addressing any competing technological and market developments;
- negotiating favorable terms in any collaboration, licensing or other arrangements into which we may enter and performing our obligations under such arrangements;
- maintaining, protecting and expanding our portfolio of intellectual property rights, including patents, trade secrets and know-how;
- defending against third-party interference or infringement claims, if any; and
- attracting, hiring and retaining qualified personnel.

We anticipate incurring significant costs associated with commercializing any product candidate that is approved for commercial sale. Our expenses could increase beyond expectations if we are required by the FDA or other regulatory agencies to perform clinical trials or studies in addition to those that we currently anticipate. Even if we are able to generate revenue from the sale of any approved products, we may not become profitable and may need to obtain additional funding to continue operations.

We will require substantial additional financing to pursue our business objectives, which may not be available on acceptable terms, or at all. A failure to obtain this necessary capital when needed could force us to delay, limit, reduce or terminate our product development, commercialization efforts or other operations.

Our operations have consumed substantial amounts of cash since inception. We expect to continue to spend substantial amounts to continue the preclinical and clinical development of our current and future programs. If we receive marketing approval for any product candidates, including SIM0505 and LNCB74, we will require significant additional amounts of cash in order to launch and commercialize such product candidates. In addition, other unanticipated costs may arise. Because the designs and outcomes of our planned and anticipated clinical trials are highly uncertain, we cannot reasonably estimate the actual amounts necessary to successfully complete the development of and commercialize any product candidate we develop.

Our future capital requirements depend on many factors, including:

- the scope, progress, timing, results and costs of researching and developing SIM0505, LNCB74 and our other product candidates, and of conducting preclinical studies and clinical trials;
- the timing of, and the costs involved in, obtaining marketing approval for SIM0505, LNCB74 and any future product candidates we develop, if clinical trials are successful;
- the costs of manufacturing SIM0505, LNCB74 and any future product candidates for preclinical studies and clinical trials and in preparation for marketing approval and commercialization;

- the costs of commercialization activities, including marketing, sales and distribution costs, for SIM0505, LNCB74 and any future product candidates we develop, whether alone or with a collaborator, if any of these product candidates are approved for sale;
- our ability to establish and maintain additional strategic collaborations, licensing or other arrangements on favorable terms, if at all;
- the costs involved in preparing, filing, prosecuting, maintaining, expanding, defending and enforcing patent claims, including litigation costs and the outcome of any such litigation;
- our current collaboration and license agreements remaining in effect and our achievement of milestones and the timing and amount of milestone payments we are required to make, or that we may be eligible to receive, under those agreements;
- the timing, receipt and amount of sales of, or royalties on, our future products, if any; and
- the emergence of competing therapies and other developments in the oncology market.

Unless and until we generate sufficient product and royalty revenue to finance our cash requirements, we expect to finance our future cash needs through a combination of public or private equity offerings, debt financings, marketing and distribution arrangements, other collaborations, strategic alliances and licensing arrangements. As of December 31, 2025, we had \$41.8 million in cash, cash equivalents and marketable securities. Based on our research and development plans, we expect that our existing cash, cash equivalents and marketable securities will enable us to fund our operating expenses and capital expenditure requirements into the first half of 2027. This estimate is based on assumptions that may prove to be wrong, and we could use our available capital resources sooner than we expect. Changes may occur within or beyond our control that would cause us to consume our available capital before that time, including changes in and progress of our development activities, acquisitions of additional product candidates and changes in regulation.

If we raise additional capital through marketing, sales and distribution arrangements or other collaborations, strategic alliances or licensing arrangements with third parties, we may have to relinquish certain valuable rights to our product candidates, future revenue streams, research programs or technologies or grant licenses on terms that may not be favorable to us. If we raise additional capital through public or private equity offerings, the terms of these securities may include liquidation or other preferences that adversely affect our stockholders' rights. Further, to the extent that we raise additional capital through the sale of common stock or securities convertible or exchangeable into common stock, including, for example, transactions such as the private placement completed in November 2025, your ownership interest will be diluted. If we raise additional capital through debt financing, we would be subject to fixed payment obligations and may be subject to covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends.

Adequate additional financing may not be available to us on acceptable terms, or at all. If we are unable to obtain additional financing on favorable terms when needed, we may be required to delay, limit, reduce or terminate preclinical studies, clinical trials, or other research and development activities or one or more of our development programs.

Risks Related to the Discovery and Development of Our Product Candidates

As an organization, we have limited experience designing and implementing clinical trials, and we have never conducted pivotal clinical trials. Failure to adequately design a trial, or incorrect assumptions about the design of the trial, could adversely affect the ability to initiate the trial, enroll patients, complete the trial, or obtain regulatory approval on the basis of the trial results, as well as lead to increased or unexpected costs and in delayed timelines.

The design and implementation of clinical trials is a complex process. We have limited experience designing and implementing clinical trials, and we may not successfully or cost-effectively design and implement clinical trials that achieve our desired clinical endpoints efficiently, or at all. A clinical trial that is not well designed may delay or prevent initiation or completion of the trial, can lead to increased difficulty in enrolling patients, may make it more difficult to obtain regulatory approval for the product candidate on the basis of the study results, or, even if a product candidate is approved, could make it more difficult to commercialize the product successfully or obtain reimbursement from third-party payors. Additionally, a trial that is not well-designed could be inefficient or more expensive than it otherwise would

have been, or we may incorrectly estimate the costs to implement the clinical trial, which could lead to a shortfall in funding. If we select an incorrect dose or dose administration schedule, that could negatively impact the results of the trial, including if we select doses that are too low to be effective or administer doses too infrequently based on the half-life of the active ingredient. We also expect to continue to rely on third parties to conduct our pivotal clinical trials (see “Risks Related to Reliance on Third Parties”). We rely, or will rely, on third parties to help conduct our ongoing and planned preclinical studies and clinical trials for SIM0505, LNCB74 and any future product candidates we develop. If these third parties do not successfully carry out their contractual duties, comply with regulatory requirements or meet expected deadlines, we may not be able to obtain marketing approval for or commercialize SIM0505, LNCB74 and any future product candidates we develop, and our business could be materially harmed. Consequently, we may be unable to successfully and efficiently execute and complete clinical trials that are required for BLA submission and FDA approval of SIM0505, LNCB74 or future product candidates. We may require more time and incur greater costs than our competitors and may not succeed in obtaining regulatory approvals of product candidates that we develop.

Our business is dependent on our ability to advance our current and future product candidates through clinical trials, obtain marketing approval and ultimately commercialize them.

We are early in our development efforts. We initiated our first clinical trial for SIM0505 in October 2025. We initiated our first clinical trial for LNCB74 in January 2025. Our ability to generate product revenues, which we do not expect will occur for several years, if ever, will depend heavily on the successful development and eventual commercialization of SIM0505, LNCB74 and any future product candidates we develop, which may never occur. Our current product candidates and any future product candidates we develop will require additional preclinical or clinical development, management of clinical, preclinical and manufacturing activities, marketing approval in the United States and other jurisdictions, demonstration of effectiveness to pricing and reimbursement authorities, sufficient cGMP manufacturing supply for both preclinical and clinical development and commercial production, building of a commercial organization and substantial investment and significant marketing efforts before we generate any revenues from product sales.

The clinical and commercial success of our current and future product candidates will depend on several factors, including the following:

- timely and successful completion of preclinical studies and our clinical trials;
- sufficiency of our financial and other resources to complete the necessary preclinical studies and clinical trials;
- acceptance of INDs for any future product candidates;
- successful enrollment in and completion of clinical trials;
- successful data from our clinical program that supports an acceptable risk-benefit profile of our product candidates in the intended patient populations;
- our ability to consistently manufacture our product candidates on a timely basis or to establish agreements with third-party manufacturers, if needed;
- whether we are required by the FDA or comparable foreign regulatory authorities to conduct additional clinical trials or other studies beyond those planned or anticipated to support approval of our product candidates;
- acceptance of our proposed indications and the primary endpoint assessments evaluated in the clinical trials of our product candidates by the FDA and comparable foreign regulatory authorities;
- receipt and maintenance of timely marketing approvals from applicable regulatory authorities;
- successfully launching commercial sales of our product candidates, if approved;

- the prevalence, duration and severity of potential side effects or other safety issues experienced with our product candidates, if approved;
- entry into collaborations to further the development of our product candidates;
- obtaining and maintaining patent and trade secret protection or regulatory exclusivity for our product candidates;
- acceptance of the benefits and uses of our product candidates, if approved, by patients, the medical community and third-party payors;
- maintaining a continued acceptable safety, tolerability and efficacy profile of the product candidates following approval;
- our compliance with any post-approval requirements imposed on our products, such as post-marketing studies, a REMS or additional requirements that might limit the promotion, advertising, distribution or sales of our products or make the products cost-prohibitive;
- competing effectively with other therapies;
- obtaining and maintaining healthcare coverage and adequate reimbursement from third-party payors;
- our ability to identify targets and therapies, through our collaborative relationships, or otherwise; and
- enforcing and defending intellectual property rights and claims.

These factors, many of which are beyond our control, could cause us to experience significant delays or an inability to obtain regulatory approvals or commercialize our current or future product candidates, and could otherwise materially harm our business. Successful completion of preclinical studies and clinical trials does not mean that LNCB74 or any future product candidates we develop will receive regulatory approval. Even if regulatory approvals are obtained, we could experience significant delays or an inability to successfully commercialize our current and any future product candidates we develop, which would materially harm our business. If we are not able to generate sufficient revenue through the sale of any current or future product candidate, we may not be able to continue our business operations or achieve profitability.

The regulatory approval processes of the FDA and comparable foreign authorities are lengthy, time-consuming and inherently unpredictable, and if we are ultimately unable to obtain regulatory approval for our product candidates, our business will be materially harmed.

The time required to obtain approval by the FDA and comparable foreign authorities is unpredictable but typically takes many years following the commencement of clinical trials and depends upon numerous factors, including the substantial discretion of the regulatory authorities. In addition, approval policies, regulations or the type and amount of clinical data necessary to gain approval may change during the course of a product candidate's clinical development and may vary among jurisdictions. We have not obtained regulatory approval for any product candidate. Neither we nor any future collaborator is permitted to market any biological product in the United States until we or the future collaborator receives regulatory approval of a BLA from the FDA. It is possible that none of our current or future product candidates will ever obtain regulatory approval from the FDA or comparable foreign regulatory authorities.

Our current and future product candidates could fail to receive regulatory approval for many reasons, including the following:

- the FDA or comparable foreign regulatory authorities may disagree with the design or implementation of our clinical trials;
- we may be unable to demonstrate to the satisfaction of the FDA or comparable foreign regulatory authorities that a product candidate is safe, pure and potent for its proposed indication;

- the results of clinical trials may not meet the level of statistical significance required by the FDA or comparable foreign regulatory authorities for approval;
- we may be unable to demonstrate that a product candidate's clinical and other benefits outweigh its safety risks;
- the FDA or comparable foreign regulatory authorities may disagree with our interpretation of data from clinical trials or preclinical studies;
- the data collected from clinical trials of our product candidates may not be sufficient to support the submission of a BLA to the FDA or regulatory submissions to comparable regulatory authorities to obtain regulatory approval in such jurisdiction; and
- the FDA or comparable foreign regulatory authorities may find deficiencies with or fail to approve our manufacturing processes or facility or the manufacturing processes or facilities of third-party manufacturers with which we contract for clinical and commercial supplies.

This lengthy approval process as well as the unpredictability of clinical trial results may result in our failing to obtain regulatory approval to market any product candidate we develop, which would significantly harm our business, results of operations and prospects. The FDA and other comparable foreign authorities have substantial discretion in the approval process and in determining when or whether regulatory approval will be granted for any product candidate that we develop. Even if we believe the data collected from current or future clinical trials of our product candidates are promising, such data may not be sufficient to support approval by the FDA or any other regulatory authority.

In addition, even if we were to obtain approval, the FDA may approve any of our product candidates for fewer or more limited indications, or a more limited patient population, than we request, may grant approval contingent on the performance of costly clinical trials, development of an *in vitro* companion diagnostic, or other post-marketing requirements, or may approve a product candidate with a label that does not include the labeling claims we believe are necessary or desirable for the successful commercialization of such product candidates.

The FDA or comparable foreign regulatory authorities may change their policies, promulgate additional regulations, revise existing regulations or take other actions that may prevent or delay approval of our future products under development on a timely basis. Such policy or regulatory changes could impose additional requirements upon us that could delay our ability to obtain approvals, increase the costs of compliance or restrict our ability to maintain any marketing authorizations we may have obtained. Any of the foregoing scenarios could materially harm the commercial prospects for our product candidates.

Clinical development involves a lengthy and expensive process with uncertain outcomes. We may incur additional costs and experience delays in developing and commercializing or be unable to develop or commercialize our current and future product candidates.

To obtain the requisite regulatory approvals to commercialize any of our product candidates, we must demonstrate through extensive preclinical studies and clinical trials that our product candidates are safe, pure and potent in humans. Clinical testing is expensive and can take many years to complete, and its outcome is highly uncertain. Failure can occur at any time during the clinical trial process, and our future clinical trial results may not be successful. We may experience delays in completing our clinical trials or preclinical studies and initiating or completing our planned clinical trials and development efforts. Additionally, we cannot be certain the ongoing and planned preclinical studies or clinical trials for SIM0505, LNCB74 or any future product candidates will begin on time, not require redesign, enroll an adequate number of subjects on time or be completed on schedule, if at all. For example, we announced in December 2023 that based on current efficacy data and prioritization, we had decided to discontinue our monotherapy Phase 2 clinical trial for NC762. We may also experience numerous unforeseen events during our clinical trials that could delay or prevent our ability to receive marketing approval or commercialize the product candidates we develop, including:

- results from preclinical studies or clinical trials may not be predictive of results from later clinical trials of any product candidate;

- the FDA or other regulatory authorities, IRBs or independent ethics committees may not authorize us or our investigators to commence a clinical trial or conduct a clinical trial at a prospective trial site;
- the FDA or other regulatory authorities may require us to submit additional data such as long-term toxicology studies, or impose other requirements on us, before permitting us to initiate a clinical trial;
- we may experience delays in reaching, or fail to reach, agreement on acceptable terms with prospective trial sites and prospective contract research organizations, or “CROs”, as the terms of these agreements can be subject to extensive negotiation and vary significantly among different CROs and trial sites;
- clinical trials of any product candidate may fail to show safety, purity or potency, or may produce negative or inconclusive results, which may cause us to decide, or regulators to require us, to conduct additional nonclinical studies or clinical trials or which may cause us to decide to abandon product candidate development programs;
- the number of patients required for clinical trials may be larger than we anticipate or we may have difficulty in recruiting and enrolling patients to participate in clinical trials, including as a result of the size and nature of the patient population, the proximity of patients to clinical trial sites, eligibility criteria for the clinical trial, the nature of the clinical trial protocol, the availability of approved effective treatments for the relevant disease, competition from other clinical trial programs for similar indications and clinical trial subjects and the impact of public health emergencies;
- it may be difficult to enroll a sufficient number of patients, enrollment in these clinical trials may be slower than we anticipate, or participants may drop out of these clinical trials or may fail to return for post-treatment follow-up at a higher rate than we anticipate;
- our CROs and other third-party contractors may fail to comply with regulatory requirements or meet their contractual obligations to us in a timely manner, or at all, or may deviate from the clinical trial protocol or drop out of the trial, which may require that we add new clinical trial sites or investigators;
- we may elect to, or regulators, IRBs or ethics committees may require that we or our investigators, suspend or terminate clinical research or trials for various reasons, including noncompliance with regulatory requirements or a finding that participants are being exposed to unacceptable health risks;
- any of our product candidates could cause undesirable side effects that could result in significant negative consequences, including the inability to enter clinical development or receive regulatory approval;
- the cost of preclinical or nonclinical testing and studies and clinical trials of any product candidates may be greater than we anticipate;
- we may face hurdles in addressing subject safety concerns that arise during the course of a trial, causing us or our investigators, regulators, IRBs or ethics committees to suspend or terminate trials, or reports may arise from nonclinical or clinical testing of other cancer therapies that raise safety or efficacy concerns about our product candidates;
- the supply, quality or timeliness of delivery of materials for product candidates we develop or other materials necessary to conduct clinical trials may be insufficient or inadequate; and
- we, or third parties on whom we are dependent, may suffer business interruptions resulting from geo-political actions, including war and terrorism, or natural disasters and public health emergencies.

We may encounter delays if a clinical trial is suspended or terminated by us, the IRBs of the institutions in which such trials are being conducted or ethics committees, or the DSMB recommends suspension or termination for such trial or by the FDA or other regulatory authorities. Such authorities may impose such a suspension or termination due to a number of factors, including failure to conduct the clinical trial in accordance with regulatory requirements or our clinical protocols, inspection of the clinical trial operations or trial site by the FDA or other regulatory authorities resulting in the

imposition of a clinical hold, unforeseen safety issues or adverse side effects, failure to demonstrate a benefit from using a product candidate, changes in governmental regulations or administrative actions or lack of adequate funding to continue the clinical trial. Many of the factors that cause, or lead to, a delay in the commencement or completion of clinical trials may also ultimately lead to the denial of marketing approval of our product candidates. The FDA or other regulatory authorities may disagree with our clinical trial design and our interpretation of data from clinical trials or may change the requirements for approval even after they have reviewed and commented on the design for our clinical trials. In addition, factors outside our control, such as government shutdowns, natural disasters and public health emergencies could disrupt business at the FDA or other regulatory authorities, which could result in delays of reviews, approvals and communications with regulatory authorities related to our clinical trials and product candidates.

Principal investigators for our clinical trials may serve as scientific advisors or consultants to us from time to time and may receive cash or equity compensation in connection with such services. If these relationships and any related compensation result in perceived or actual conflicts of interest, or a regulatory authority concludes that the financial relationship may have affected the interpretation of the trial, the integrity of the data generated at the applicable clinical trial site may be questioned and the utility of the clinical trial itself may be jeopardized, which could result in the delay or rejection of the marketing application we submit. Any such delay or rejection could prevent or delay us from commercializing our current or future product candidates.

If we experience delays in the completion, or termination, of any clinical trial of our product candidates, the commercial prospects of our product candidates will be harmed and our ability to generate product revenues from any of these product candidates will be delayed. In addition, any delays in completing our clinical trials will increase our costs, slow down the development and approval process for our product candidates and jeopardize our ability to commence product sales and generate revenues. Significant clinical trial delays could also allow our competitors to bring products to market before we do or shorten any periods during which we have the exclusive right to commercialize our product candidates. Any such events would impair our ability to successfully commercialize our product candidates and may harm our business and results of operations.

Any of these occurrences may significantly harm our business, financial condition and prospects. In addition, many of the factors that cause, or lead to, a delay in the commencement or completion of clinical trials may also ultimately lead to the denial of regulatory approval of our product candidates or result in the development of our product candidates stopping early.

Preclinical development is uncertain. Our preclinical programs may experience delays or may never advance to clinical trials, which would adversely affect our ability to obtain regulatory approvals or commercialize these programs on a timely basis or at all.

With the exception of SIM0505, LNCB74, NC410 and NC525, all of our product candidates are still in the preclinical stage, and the risk of failure for such product candidates is high. In order to obtain FDA approval to market a new biologic we must demonstrate proof of safety, purity and potency, including efficacy, in humans. To meet these requirements, we will have to conduct adequate and well-controlled clinical trials. Before we can commence clinical trials for a product candidate, we must complete extensive preclinical testing and studies that support our planned clinical trials in humans. We cannot be certain of the timely completion or outcome of our preclinical testing and studies and cannot predict if the FDA will accept our proposed clinical programs or if the outcome of our preclinical testing and studies will ultimately support the further development of our current or future product candidates. As a result, we cannot be sure that we will be able to submit INDs or similar applications for our preclinical programs on the timelines we expect, if at all, and we cannot be sure that submission of INDs or similar applications will result in the FDA or other regulatory authorities allowing clinical trials to begin.

Conducting preclinical testing is a lengthy, time-consuming and expensive process. The length of time of such testing may vary substantially according to the type, complexity and novelty of the program, and often can be several years or more per program. Delays associated with programs for which we are conducting preclinical testing and studies may cause us to incur additional operating expenses. Moreover, we may be affected by delays associated with the preclinical testing and studies of certain programs that are the responsibility of our potential future collaborators over which we have no control. The commencement and rate of completion of preclinical studies and clinical trials for a product candidate may be delayed by many factors, including but not limited to:

- an inability to generate sufficient preclinical or other in vivo or in vitro data to support the initiation of clinical studies;
- delays in reaching a consensus with regulatory agencies on study design; and
- the FDA not permitting the reliance on preclinical or other data from published scientific literature.

Interim and preliminary results from our clinical trials that we announce or publish from time to time may change as more patient data become available and are subject to audit, validation and verification procedures that could result in material changes in the final data.

From time to time, we may publish interim data, including interim top-line results or preliminary results from our clinical trials. Interim data and results from our clinical trials are subject to the risk that one or more of the clinical outcomes may materially change as patient enrollment continues and more patient data become available. For example, notwithstanding the durable responses initially observed in our ongoing Phase 1/2 clinical trial of NC318 in NSCLC, we announced in November 2022 that based upon then-current efficacy data we decided to discontinue our Phase 2 clinical trial for NC318 monotherapy. Preliminary or top-line results also remain subject to audit, validation and verification procedures that may result in the final data being materially different from the interim and preliminary data we previously published. There is a high failure rate for drugs and biologics proceeding through clinical trials. As a result, interim and preliminary data may not be predictive of final results and should be viewed with caution until the final data are available. Differences between preliminary or interim data and final data could significantly harm our business prospects and may cause the trading price of our common stock to fluctuate significantly.

Even if our clinical trials are completed, the results may not be sufficient to obtain regulatory approval for our product candidates. Data obtained from preclinical and clinical activities are subject to varying interpretations, which may delay, limit or prevent regulatory approval. In addition, the results of our preclinical studies may not be predictive of the results of outcomes in human clinical trials. For example, our current or future product candidates may demonstrate different chemical, biological and pharmacological properties in patients than they do in laboratory studies or may interact with human biological systems in unforeseen or harmful ways. Product candidates in later stages of clinical trials may fail to show desired pharmacological properties or produce the necessary safety and efficacy results despite having progressed through preclinical studies and initial clinical trials. Even if we are able to initiate and complete clinical trials, the results may not be sufficient to obtain regulatory approval for our product candidates. In addition, we may experience regulatory delays or rejections as a result of many factors, including changes in regulatory policy during the period of our product candidate development. Any such delays could negatively impact our business, financial condition, results of operations and prospects.

Because the numbers of subjects in our Phase 1/2 and Phase 1 clinical trials are small, the results from each of these trials, once completed, may be less reliable than results achieved in larger clinical trials.

A study design that is considered appropriate includes a sufficiently large sample size with appropriate statistical power, as well as proper control of bias, to allow a meaningful interpretation of the results. The preliminary results of studies with smaller sample sizes, such as our Phase 1 clinical trial of LNCB74, can be disproportionately influenced by the impact the treatment had on a few individuals, which limits the ability to generalize the results across a broader community, thus making the study results less reliable than studies with a larger number of subjects and making it difficult to predict final results from preliminary results. As a result, there may be less certainty that the respective investigational drug product would achieve a statistically significant effect in any future clinical trials. In ongoing clinical trials of LNCB74 we may not achieve a statistically significant result or the same level of statistical significance seen, if any, in our Phase 1 clinical trial. Similarly, if we conduct a clinical trial of any other product candidate we develop with a small sample size, the results of any such trial may be less reliable than results achieved in larger clinical trials and may provide less certainty of achieving statistically significant effects in any future clinical trials.

Our approach to the discovery and development of product candidates using our FIND platform is unproven and may not result in marketable products.

The success of our business depends in part upon our ability to identify targets based on our proprietary FIND platform and to develop and commercialize medicines. Our approach to the discovery of targets and development of products using the FIND platform is novel. We have not yet initiated or completed a clinical trial of any product candidate

developed for a target identified from the FIND platform. The platform may fail to accurately identify targets that modulate the immune system and are appropriate for therapies. Even if we are able to identify targets from the FIND platform and to develop corresponding product candidates, we cannot assure that such product candidates will achieve marketing approval to safely and effectively treat cancer or other disease states.

If we uncover any previously unknown risks related to our FIND platform, or if we experience unanticipated problems or delays in developing our FIND product candidates, we may be unable to achieve our strategy of building an oncology pipeline of novel targets for new therapies focused on non-responders.

Our current or future product candidates may cause undesirable side effects or adverse events, including death, or have other properties when used alone or in combination with other approved products or investigational new drugs that could halt their clinical development, delay or prevent their regulatory approval, limit their commercial potential or result in significant negative consequences.

Before obtaining regulatory approvals for the commercial sale of our product candidates, we must demonstrate through lengthy, complex and expensive preclinical testing and clinical trials that our product candidates are safe, pure and potent for use in each target indication, and failures can occur at any stage of testing. As with most biologics, use of our current or future product candidates could be associated with side effects or adverse events which can vary in severity from minor reactions to death and in frequency from infrequent to prevalent. There have been serious adverse side effects reported in response to immunotherapies in oncology.

Possible adverse side effects that could occur with treatment with therapies include an immunologic reaction early after administration that, while not necessarily adverse to the patient's health, could substantially limit the effectiveness of the treatment. In addition to any potential side effects caused by the product or product candidate, the administration process or related procedures also can cause adverse side effects. If unacceptable adverse events occur, our clinical trials or any future marketing authorization could be suspended or terminated.

If unacceptable side effects arise in the development of our product candidates, the DSMB may recommend or, we, the FDA, or the IRBs at the institutions in which our studies are conducted could suspend or terminate our clinical trials or the FDA or comparable foreign regulatory authorities could order us to cease clinical trials or deny approval of our product candidates for any or all targeted indications. Treatment-related side effects could also affect patient recruitment or the ability of enrolled patients to complete any of our clinical trials or result in potential product liability claims. In addition, these side effects may not be appropriately recognized or managed by the treating medical staff. We expect to have to train medical personnel using our product candidates to understand the side effect profiles for our clinical trials and upon any commercialization of any of our product candidates. Inadequate training in recognizing or managing the potential side effects of our product candidates could result in patient injury or death. Any of these occurrences may significantly harm our business, financial condition and prospects.

Although our current and future product candidates have undergone and will undergo safety testing to the extent possible and, where applicable, under such conditions discussed with regulatory authorities, not all adverse effects of drugs can be predicted or anticipated. Our current and future product candidates could lead to serious side effects that we only discover in clinical trials or during commercial marketing. Unforeseen side effects could arise either during clinical development or after our product candidates have been approved by regulatory authorities and the approved product has been marketed, resulting in the exposure of additional patients. So far, we have not demonstrated that NC410, LNCB74 or any other product candidate is safe in humans, and we cannot predict if ongoing or future clinical trials will do so. If any of our current or future product candidates fail to demonstrate safety and efficacy in clinical trials or do not gain marketing approval, we will not be able to generate revenue and our business will be harmed.

We may develop SIM0505, LNCB74 and future product candidates in combination with other therapies, which exposes us to additional risks relating to undesirable side effects or other properties. For example, the other therapies may lead to toxicities that are improperly attributed to our product candidates or the combination of our product candidates with other therapies may result in toxicities that the product candidate or other therapy does not produce when used alone. The other therapies we are using in combination may be removed from the market, or we may not be able to secure adequate quantities of such materials for which we have no guaranteed supply contract, and thus be unavailable for testing or commercial use with any of our approved products. The other therapies we may use in combination with our product candidates may also be supplanted in the market by newer, safer or more efficacious products or combinations of products.

Even if we successfully advance one of our product candidates through clinical trials, such trials will likely only include a limited number of subjects and limited duration of exposure to our product candidates. As a result, we cannot be assured that adverse effects of our product candidates will not be uncovered when a significantly larger number of patients are exposed to the product candidate. Further, any clinical trial may not be sufficient to determine the effect and safety consequences of taking our product candidates over a multi-year period.

If any of our product candidates receives marketing approval, and we or others later identify undesirable side effects caused by such products, a number of potentially significant negative consequences could result, including:

- regulatory authorities may withdraw their approval of the product;
- we may be required to recall a product or change the way such product is administered to patients;
- additional restrictions may be imposed on the marketing of the particular product or the manufacturing processes for the product or any component thereof;
- regulatory authorities may require the addition of labeling statements, such as a “black box” warning or a contraindication;
- we may be required to implement a REMS or create a Medication Guide outlining the risks of such side effects for distribution to patients;
- we could be sued and held liable for harm caused to patients;
- we may be subject to fines, warning letters, or other regulatory enforcement action;
- we may be subject to injunctions or the imposition of civil or criminal penalties;
- we may be required to conduct additional post-market clinical trials to assess the safety of the product;
- we may be subject to product seizure or detention, or refusal to permit the import or export of products;
- FDA may refuse to approve pending applications or supplements to approved applications filed by us;
- the product may become less competitive; and
- our reputation may suffer.

Any of the foregoing events could prevent us from achieving or maintaining market acceptance of the particular product candidate, if approved, and result in the loss of significant revenues, which would materially harm our business. In addition, if one or more of our product candidates or our immunotherapeutic development approach generally prove to be unsafe, our entire technology platform could be affected, which would also materially harm our business.

If there are difficulties enrolling patients in our clinical trials, our clinical development activities could be delayed or otherwise be adversely affected.

The successful and timely completion of clinical trials in accordance with their protocols depends on, among other things, our ability to enroll a sufficient number of patients who remain in the trial until the trial’s conclusion, including any follow-up period. We may experience difficulties in patient enrollment in our clinical trials for a variety of reasons. For example, we experienced a slowdown of enrollment in our clinical trials as a result of the COVID-19 pandemic. The enrollment of patients depends on many factors, including:

- the patient eligibility criteria defined in the protocol;
- the nature and size of the patient population required for analysis of the trial’s primary endpoints and the process for identifying patients;

- the number and location of participating clinical sites or patients;
- the design of the trial;
- our ability to recruit clinical trial investigators with the appropriate competencies and experience;
- clinicians' and patients' perceptions as to the potential advantages and risks of the product candidate being studied in relation to other available therapies, including any new products that may be approved for the indications we are investigating;
- the availability of competing commercially available therapies and other competing drug candidates' clinical trials;
- our ability to obtain and maintain patient informed consents for participation in our clinical trials;
- the risk that patients enrolled in clinical trials will drop out of the trials before completion or, because they may be late-stage cancer patients, will not survive the full terms of the clinical trials; and
- factors outside of our control, including as a result of business interruptions resulting from natural disasters, geopolitical developments, and public health emergencies.

In addition, our clinical trials will compete with other clinical trials for product candidates that are in the same therapeutic areas as our current and potential future product candidates. This competition will reduce the number and types of patients available to us, because some patients who might have opted to enroll in our trials may instead opt to enroll in a trial conducted by one of our competitors. Because the number of qualified clinical investigators is limited, we expect to conduct some of our clinical trials at the same clinical trial sites that some of our competitors use, which will reduce the number of patients who are available for our clinical trials at such sites. Moreover, because our current and potential future product candidates may represent a departure from more commonly used methods for cancer treatment, potential patients and their doctors may be inclined to use conventional therapies, such as chemotherapy, rather than enroll patients in our ongoing or any future clinical trial.

Delays from difficulties in patient enrollment in a clinical trial may result in increased costs or affect the timing, outcome or completion of the trial, which could delay or prevent our receipt of regulatory approval of the applicable product candidate or to abandon the trial altogether.

We may be required to suspend, repeat or terminate our clinical trials if they are not conducted in accordance with regulatory requirements, the results are negative or inconclusive or the trials are not well designed.

Clinical trials must be conducted in accordance with the FDA's current cGCP or analogous requirements of applicable foreign regulatory authorities. Clinical trials are subject to oversight by the FDA, other foreign governmental agencies and IRBs or ethical committees at the study sites where the clinical trials are conducted. In addition, clinical trials must be conducted with product candidates manufactured in accordance with applicable cGMP. Clinical trials may be suspended by the FDA, other foreign regulatory authorities, us, or by an IRB or ethics committee with respect to a particular clinical trial site, for various reasons, including:

- deficiencies in the conduct of the clinical trials, including failure to conduct the clinical trial in accordance with regulatory requirements or study protocols;
- deficiencies in the clinical trial operations or trial sites;
- unforeseen adverse side effects or the emergence of undue risks to study subjects;
- deficiencies in the trial design necessary to demonstrate efficacy;
- the product candidate may not appear to offer benefits over current therapies; or

- the quality or stability of the product candidate may fall below acceptable standards.

We have chosen to prioritize development of SIM0505 and LNCB74. We may expend our limited resources on product candidates or indications that do not yield a successful product and fail to capitalize on other candidates or indications for which there may be a greater likelihood of success or may be more profitable.

Because we have limited resources, we have strategically determined to prioritize development of SIM0505 and LNCB74 rather than other product candidates based, in part, on the significant resources required for developing and manufacturing therapies. To date, no regulatory authority has granted approval for a therapy targeting CDH6 or B7-H4. As a result, we may be foregoing other potentially more profitable therapies or therapies with a greater likelihood of success. Our decisions concerning the allocation of research, development, collaboration, management and financial resources toward particular product candidates or therapeutic areas may not lead to the development of any viable commercial product and may divert resources away from better opportunities. Similarly, our potential decisions to delay, terminate or collaborate with third parties with respect to, certain programs may subsequently also prove to be suboptimal and could cause us to miss valuable opportunities. If we make incorrect determinations regarding the viability or market potential of any of our current or future product candidates or misread trends in the oncology or biopharmaceutical industry, our business, financial condition and results of operations could be materially adversely affected. As a result, we may fail to capitalize on viable commercial products or profitable market opportunities, be required to forego or delay pursuit of opportunities with other product candidates or other diseases and disease pathways that may later prove to have greater commercial potential than those we choose to pursue, or relinquish valuable rights to such product candidates through collaboration, licensing or other royalty arrangements in cases in which it would have been advantageous for us to invest additional resources to retain development and commercialization rights.

We may need to develop, or enter into a collaboration or partnership to develop, complementary or companion diagnostics for our current or future product candidates. If we, or our future collaborators, are unable to successfully develop complementary or companion diagnostics, or experience significant delays in doing so, we may not realize the full commercial potential of our current or future product candidates.

One of the key elements of our product development strategy is to identify cancer patient populations that may derive meaningful benefit from our current or future product candidates. Because predictive biomarkers are being and may be used to identify the right patients for current or future product candidates, we believe that our success may depend, in part, on our ability to develop complementary or companion diagnostics in collaboration with partners.

We have limited experience in the development of diagnostics and, as such, we may rely in part on future collaborators in developing appropriate diagnostics to pair with our current or future product candidates. We have not yet begun substantial discussions with any potential partners with respect to the development of complementary or companion diagnostics and may be unsuccessful in entering into collaborations for the development of any such diagnostics for our current or future product candidates.

Companion diagnostics are subject to regulation by the FDA and similar comparable foreign regulatory authorities as medical devices and require separate regulatory approval or clearance prior to commercialization. Complementary diagnostics may be subject to regulation by CMS or the FDA and similar comparable foreign regulatory authorities and may require separate regulatory approval or clearance prior to commercialization. Gaining regulatory approval could be time consuming and costly and could delay regulatory approval of the related product candidate.

We and our collaborators may encounter difficulties in developing such tests, including issues relating to the selectivity or specificity of the diagnostic, analytical validation, reproducibility or clinical validation. If we, our collaborators, or any third parties that we engage to assist us, are unable to successfully develop complementary or companion diagnostics for our current or future product candidates or experience delays in doing so:

- development of our current or future product candidates may be adversely affected if we are unable to appropriately select patients for enrollment in our clinical trials; and
- we may not realize the commercial potential of our current or future product candidates if, among other reasons, we are unable to appropriately identify, or it takes us longer to identify, patients who are likely to benefit from therapy with our products, if approved.

If any of these events were to occur, our business could be materially harmed.

Risks Related to the Regulatory Approval and Commercialization of Product Candidates and Other Legal Compliance Matters

We may be unable to obtain FDA approval of our product candidates under applicable regulatory requirements. The denial or delay of any such approval would prevent or delay commercialization of our product candidates and adversely impact our potential to generate revenue, our business and our results of operations.

To gain approval to market our product candidates in the United States, we must provide the FDA with clinical data that adequately demonstrate the safety, purity and potency, including efficacy, of the product candidate for the proposed indication or indications in a BLA submission. Product development is a long, expensive and uncertain process, and delay or failure can occur at any stage of any of our clinical development programs. A number of companies in the biotechnology and pharmaceutical industries have suffered significant setbacks in clinical trials, even after promising results in earlier preclinical studies or clinical trials. These setbacks have been caused by, among other things, preclinical findings made while clinical trials were underway and safety or efficacy observations made in clinical trials, including previously unreported adverse events. Success in preclinical testing and early clinical trials does not ensure that later clinical trials will be successful, and the results of clinical trials by other parties may not be indicative of the results in trials we may conduct.

We have not previously submitted a BLA or any other marketing application to the FDA or similar filings to comparable foreign regulatory authorities. A BLA or other similar regulatory filing requesting approval to market a product candidate must include extensive preclinical and clinical data and supporting information to establish that the product candidate is safe, pure and potent for each desired indication. The BLA or other similar regulatory filing must also include significant information regarding the chemistry, manufacturing and controls for the product.

The research, testing, manufacturing, labeling, approval, marketing, sale and distribution of biological products are subject to extensive regulation by the FDA and other regulatory authorities in the United States and other countries, and such regulations differ from country to country. We are not permitted to market our product candidates in the United States or in any foreign countries until they receive the requisite approval from the applicable regulatory authorities of such jurisdictions.

The FDA or comparable foreign regulatory authorities can delay, limit or deny approval of our product candidates for many reasons, including:

- our inability to demonstrate to the satisfaction of the FDA or a comparable foreign regulatory authority that our product candidates are safe and effective for the requested indication;
- the FDA or a comparable foreign regulatory authority's disagreement with our trial protocol or the interpretation of data from preclinical studies or clinical trials;
- our inability to demonstrate that the clinical and other benefits of our product candidates outweigh any safety or other perceived risks;
- the FDA or a comparable foreign regulatory authority's requirement for additional preclinical studies or clinical trials;
- the FDA or a comparable foreign regulatory authority's non-approval of the formulation, labeling, or specifications of our product candidates;
- the FDA or a comparable regulatory authority's failure to approve our manufacturing processes and facilities or the manufacturing processes and facilities of third-party manufacturers upon which we rely; or
- potential for approval policies or regulations of the FDA or a comparable foreign regulatory authority to significantly change in a manner rendering our clinical data insufficient for approval.

Even if we eventually complete clinical testing and receive approval from the FDA or comparable foreign regulatory authorities for any of our product candidates, the FDA or comparable foreign regulatory authorities may grant approval contingent on the performance of costly additional clinical trials which may be required after approval. The FDA or comparable foreign regulatory authorities also may approve any of our product candidates for a more limited indication or a narrower patient population than we originally requested, and the FDA or comparable foreign regulatory authorities may not approve any of our product candidates with the labeling that we believe is necessary or desirable for the successful commercialization of any such product candidates.

Of the large number of biopharmaceutical products in development, only a small percentage successfully complete the FDA or other regulatory bodies' approval processes and are commercialized. Any delay in obtaining, or inability to obtain, applicable regulatory approval would delay or prevent commercialization of our product candidates and would materially harm our business.

Even if a current or future product candidate receives marketing approval, it may fail to achieve the degree of market acceptance by physicians, patients, third-party payors and others in the medical community necessary for commercial success.

If any current or future product candidate we develop receives marketing approval, whether as a single agent or in combination with other therapies, it may nonetheless fail to gain sufficient market acceptance by physicians, patients, third-party payors, and others in the medical community. For example, current approved immunotherapies, and other cancer treatments like chemotherapy and radiation therapy, are well established in the medical community, and doctors may continue to rely on these therapies. Our approach to targeting different components of the TME is novel and unproven. In addition, adverse events in clinical trials testing our product candidates or in clinical trials of others developing similar product candidates and the resulting publicity, as well as any other adverse events in the field of immuno-oncology that may occur in the future, could result in a decrease in demand for our current or future product candidates. If public perception is influenced by claims that the use of cancer immunotherapies is unsafe, whether related to our therapies or our competitors' products, our products may not be accepted by the general public or the medical community. Future adverse events in immuno-oncology or the biopharmaceutical industry could also result in greater governmental regulation, stricter labeling requirements and potential regulatory delays in the testing or approvals of our products.

If our current and any future product candidates we develop do not achieve an adequate level of acceptance, we may not generate significant product revenues and we may not become profitable. The degree of market acceptance of our current and any future product candidates, if approved for commercial sale, will depend on a number of factors, including:

- efficacy and potential advantages compared to alternative treatments, including those that are not yet approved;
- the ability to offer our products, if approved, for sale at competitive prices;
- convenience and ease of administration compared to alternative treatments;
- the willingness of the target patient population to try new therapies and of physicians to prescribe these therapies;
- the strength of marketing, sales and distribution support;
- the ability to obtain sufficient third-party coverage and adequate reimbursement, including with respect to the use of the approved product as a combination therapy;
- the regulatory approval and adoption of a companion or complementary diagnostic, if needed or advisable; and
- the prevalence and severity of any side effects.

The market opportunities for any current or future product candidate we develop, if approved, may be limited to those patients who are ineligible for established therapies or for whom prior therapies have failed, and may be small.

Any revenue we are able to generate in the future from product sales will be dependent, in part, upon the size of the market in the United States and any other jurisdiction for which we gain regulatory approval and have commercial rights. If the markets or patient subsets that we are targeting are not as significant as we estimate, we may not generate significant revenues from sales of such products, even if approved.

Cancer therapies are sometimes characterized as first-line, second-line or third-line, and the FDA often approves new therapies initially only for third-line use. When cancer is detected early enough, first-line therapy, usually chemotherapy, hormone therapy, surgery, radiation therapy or a combination of these, is sometimes adequate to cure the cancer or prolong life without a cure. Second- and third-line therapies are administered to patients when prior therapy is not effective. We may initially seek approval for SIM0505, LNCB74 and any other product candidates we develop as second or third-line therapies. If we do so, for those products that prove to be sufficiently beneficial, if any, we would expect potentially to seek approval as a first-line therapy, but there is no guarantee that any product candidate we develop, even if approved, would be approved for first-line therapy, and, prior to any such approvals, we may have to conduct additional clinical trials.

The number of patients who have the types of cancer we are targeting may turn out to be lower than expected. Additionally, the potentially addressable patient population for our current or future product candidates may be limited, if and when approved. Even if we obtain significant market share for any product candidate, if and when approved, if the potential target populations are small, we may never achieve profitability without obtaining marketing approval for additional indications, including to be used as first- or second-line therapy.

We may study SIM0505 and LNCB74 in combination with other therapies and future product candidates in combination with other therapies, which exposes us to additional regulatory risks.

We may develop SIM0505, LNCB74 and future product candidates in combination with one or more currently approved cancer therapies. These combinations have not been tested before and may, among other things, fail to demonstrate synergistic activity, fail to achieve superior outcomes relative to the use of single agents or other combination therapies, or fail to demonstrate sufficient safety or efficacy traits in clinical trials to enable us to complete those clinical trials or obtain marketing approval for the combination therapy.

In addition, we did not develop or obtain regulatory approval for, and we do not manufacture or sell, any of these approved therapeutics. Therefore, even if any product candidate we develop were to receive marketing approval or be commercialized for use in combination with other existing therapies, we would continue to be subject to the risk that the FDA or comparable foreign regulatory authorities could revoke approval of the therapy used in combination with our product candidate or that safety, efficacy, manufacturing or supply issues could arise with these existing therapies. This could result in our own products being removed from the market or being less successful commercially. Combination therapies are commonly used for the treatment of cancer, and we would be subject to similar risks if we develop any of our product candidates for use in combination with other drugs or for indications other than cancer.

We may also evaluate SIM0505, LNCB74 or any future product candidate in combination with one or more other cancer therapies that have not yet been approved for marketing by the FDA or comparable foreign regulatory authorities. We will not be able to market and sell LNCB74 or any product candidate we develop in combination with any such unapproved cancer therapies that do not ultimately obtain marketing approval.

If the FDA or comparable foreign regulatory authorities do not approve these other biological products or revoke their approval of, or if safety, efficacy, manufacturing or supply issues arise with, the biologics we choose to evaluate in combination with SIM0505, LNCB74 or any product candidate we develop, we may be unable to obtain approval of or market any such product candidate.

Even if we receive marketing approval of a product candidate, we will be subject to ongoing regulatory obligations and continued regulatory review, which may result in significant additional expense. If we fail to comply or experience unanticipated problems with our products, we may be subject to administrative and judicial enforcement, including monetary penalties, for non-compliance and our approved products, if any, could be deemed misbranded or adulterated and prohibited from continued distribution.

Any marketing approvals that we receive for any current or future product candidate may be subject to limitations on the approved indicated uses for which the product may be marketed or the conditions of approval or contain requirements for potentially costly post-market testing and surveillance to monitor the safety and efficacy of the product candidate. The FDA may also require implementation of a REMS as a condition of approval of any product candidate, which could include requirements for a medication guide, physician communication plans or additional elements to ensure safe use, such as restricted distribution methods, patient registries and other risk minimization tools. In addition, if the FDA or a comparable foreign regulatory authority approves a product candidate, the manufacturing processes, labeling, packaging, distribution, adverse event and deviation reporting, storage, advertising, promotion, import and export and record keeping for the product candidate will be subject to extensive and ongoing regulatory requirements. These requirements include submissions of safety and other post-marketing information and reports, registration, as well as continued compliance with cGMP and cGCP, for any clinical trials that we may conduct post-approval. Later discovery of previously unknown problems with any approved candidate, including adverse events of unanticipated severity or frequency, or with our or our third-party manufacturers' manufacturing processes or facilities, or failure to comply with regulatory requirements, may result in, among other things:

- suspension of, or imposition of restrictions on, the marketing or manufacturing of the product, withdrawal of the product from the market, or product recalls;
- Warning Letters or Untitled Letters, or holds on clinical trials;
- refusal by the FDA to approve pending applications or supplements to approved applications we file, or suspension or revocation of approved biologics licenses;
- product seizure or detention, monetary penalties, refusal to permit the import or export of the product, or placement on Import Alert; and
- permanent injunctions and consent decrees including the imposition of civil or criminal penalties.

Given the nature of biologics manufacturing, there is a risk of contamination. Any contamination could materially adversely affect our ability to produce product candidates on schedule and could, therefore, harm our results of operations and cause reputational damage. Some of the raw materials and other components required in our manufacturing process are derived from biologic sources. Such raw materials are difficult to procure and may be subject to contamination or recall. A material shortage, contamination, recall or restriction on the use of biologically derived substances in manufacturing our product or product candidates could adversely impact or disrupt the commercial manufacturing or the production of clinical material, which could materially and adversely affect our development and commercialization timelines and our business, financial condition, results of operations and prospects and could adversely affect our ability to meet our supply obligations.

Moreover, the FDA strictly regulates the promotional claims that may be made about drug and biological products. An approved product may not be promoted for uses that are not approved by the FDA as reflected in the product's approved labeling, or off-label uses. The FDA and other agencies actively enforce the laws and regulations prohibiting the promotion of off-label uses. The FDA has issued guidance on the factors that it will consider in determining whether a firm's product communication is consistent with the FDA-required labeling for that product, and those factors contain complexity and potential for overlap and misinterpretation. A company that is found to have improperly promoted off-label uses of their products may be subject to significant civil, criminal and administrative penalties.

The FDA and other regulatory authorities' policies may change, and additional government regulations may be enacted, that could prevent, limit or delay marketing approval of a product. We cannot predict the likelihood, nature or extent of government regulation that may arise from future legislation or administrative action, either in the United States or abroad. If we are slow or unable to adapt to changes in existing requirements or the adoption of new requirements or

policies, or if we are not able to maintain regulatory compliance, we may lose any marketing approval that we may have obtained, and we may not achieve or sustain profitability.

Any government investigation of alleged violations of law could require us to expend significant time and resources in response and could generate negative publicity. Any failure to comply with ongoing regulatory requirements may significantly and adversely affect our ability to commercialize and generate revenue from our products. If regulatory sanctions are applied or if regulatory approval is withdrawn, the value of our company and our operating results will be adversely affected.

In addition, if we are slow or unable to adapt to changes in existing requirements or the adoption of new requirements or policies, or if we are not able to maintain regulatory compliance, we may lose any marketing approval that we may have obtained, and we may not achieve or sustain profitability.

Obtaining and maintaining marketing approval of our current and future product candidates in one jurisdiction does not mean that we will be successful in obtaining and maintaining marketing approval of our current and future product candidates in other jurisdictions.

Obtaining and maintaining marketing approval of our current and future product candidates in one jurisdiction does not guarantee that we will be able to obtain or maintain marketing approval in any other jurisdiction, while a failure or delay in obtaining marketing approval in one jurisdiction may have a negative effect on the marketing approval process in others. For example, even if the FDA grants marketing approval of a product candidate, comparable regulatory authorities in foreign jurisdictions must also approve the manufacturing, marketing and promotion of the product candidate in those countries. Approval procedures vary among jurisdictions and can involve requirements and administrative review periods different from, and greater than, those in the United States, including additional preclinical studies or clinical trials conducted in one jurisdiction may not be accepted by regulatory authorities in other jurisdictions. In many jurisdictions outside the United States, a product candidate must be approved for reimbursement before it can be approved for sale in that jurisdiction. In some cases, the price that we intend to charge for our products is also subject to approval.

We may also submit marketing applications in other countries. Regulatory authorities in jurisdictions outside of the United States have requirements for approval of product candidates with which we must comply prior to marketing in those jurisdictions. Obtaining foreign marketing approvals and compliance with foreign regulatory requirements could result in significant delays, difficulties and costs for us and could delay or prevent the introduction of our products in certain countries. If we fail to comply with the regulatory requirements in international markets or fail to receive applicable marketing approvals, our target market will be reduced and our ability to realize the full market potential of our product candidates will be harmed.

We depend on data and our information technology systems, and any failure of these systems could harm our business. Security breaches, loss of data, and other disruptions could compromise sensitive information related to our business or prevent us from accessing critical information and expose us to liability, which could adversely affect our business, results of operations and financial condition.

We collect and maintain information in digital form that is necessary to conduct our business, and we are dependent on our information technology systems and those of third parties to operate our business. In the ordinary course of our business, we collect, store and transmit large amounts of confidential information, including intellectual property, proprietary business information, personal information, protected health information and data to comply with cGMP and data integrity requirements. It is critical that we do so in a secure manner to maintain data security and data integrity of such information. We have established physical, electronic and organizational measures to safeguard and secure our systems to prevent a data compromise. We have also outsourced elements of our information technology infrastructure, and as a result a number of third-party vendors may or could have access to our confidential information. If we or our vendors fail to comply with applicable data privacy laws, or if the legal mechanisms we or our vendors rely upon for the transfer of personal data are ever deemed inadequate, or if we or our vendors experience a data breach resulting in exposure of personal data subject to the applicable laws, we could be subject to government enforcement actions and significant penalties against us, criminal and civil liability for us and our officers and directors, private litigation or adverse publicity. The OCR, pursuant to legislation passed in 2021, recently issued guidance on recognized security practices for covered entities and business associates, the OCR indicated that recognized security practices will not be an aggravating factor in OCR investigations, but that implementation of recognized security practices strengthen an organization's cybersecurity and regulatory posture, as well as possibly lessening enforcement penalties in a potential regulatory enforcement.

Our internal information technology systems and infrastructure, and those of our current and any future collaborators, contractors and consultants and other third parties on which we rely, are vulnerable to damage from computer viruses, malware, natural disasters, terrorism, war, telecommunication and electrical failures, cyber-attacks or cyber-intrusions, phishing, persons inside our organization or persons with access to systems inside our organization. We and our third-party service providers regularly defend against, respond to and mitigate risks from data security incidents. The risk of a security breach or disruption or data loss, including by computer hackers, foreign governments and cyber terrorists, has generally increased as the number, intensity and sophistication of attempted attacks and intrusions from around the world have increased. In addition, the prevalent use of mobile devices that access confidential information increases the risk of data security breaches, which could lead to the loss of confidential information or other intellectual property. The costs to us to mitigate network security problems, bugs, viruses, worms, malicious software programs, ransomware and security vulnerabilities could be significant, and while we have implemented security measures to protect our data security and information technology systems, our efforts to address these problems may not be successful, and these problems could result in unexpected interruptions, delays, cessation of service and other harm to our business and our competitive position. If such an event were to occur and cause interruptions in our operations, it could result in a material disruption of our product development programs. For example, the loss of clinical trial data from completed or ongoing or planned clinical trials could result in delays in our regulatory approval efforts and significantly increase our costs to recover or reproduce the data. Likewise, we rely on third parties to conduct clinical trials, and similar events relating to their computer systems could also have a material adverse effect on our business. Moreover, if a computer security breach affects our systems or results in the unauthorized release of personally identifiable information, our reputation could be materially damaged. In addition, such a breach may require notification to governmental agencies, the media or individuals pursuant to various federal and state privacy and security laws, if applicable, including HIPAA and its implementing regulations, as well as regulations promulgated by the Federal Trade Commission and state breach notification laws. We would also be exposed to a risk of loss or litigation and potential liability, which could materially adversely affect our business, results of operations and financial condition. We may need to expend significant resources and make significant capital investment to protect against security breaches or to mitigate the impact of any such breaches.

The successful commercialization of our product candidates will depend in part on the extent to which third-party payors, including governmental authorities and private health insurers, provide coverage and adequate reimbursement levels, as well as implement pricing policies favorable for our product candidates. Failure to obtain or maintain coverage and adequate reimbursement for our product candidates, if approved, could limit our ability to market those products and decrease our ability to generate revenue.

The availability of coverage and adequacy of reimbursement by third-party payors, including managed care plans, governmental healthcare programs, such as Medicare and Medicaid and private health insurers is essential for most patients to be able to afford medical services and pharmaceutical products such as our product candidates that may receive FDA approval. Our ability to achieve acceptable levels of coverage and reimbursement for our products or procedures using our products by third-party payors will have affect our ability to successfully commercialize our product candidates. Obtaining coverage and adequate reimbursement for our products may be particularly difficult because of the higher prices often associated with drugs administered under the supervision of a physician. Separate reimbursement for the product itself or the treatment or procedure in which our product is used may not be available. A decision by a third-party payor not to cover or not to separately reimburse for our products or procedures using our products could reduce physician utilization of our products once approved. Assuming there is coverage for our product candidates, or procedures using our product candidates by a third-party payor, the resulting reimbursement payment rates may not be adequate or may require co-payments that patients find unacceptably high. We cannot be sure that coverage and reimbursement in the United States, the European Union or elsewhere will be available for our current or future product candidates, or for any procedures using such product candidates, and any reimbursement that may become available may not be adequate or may be decreased or eliminated in the future.

Our ability to successfully commercialize any product candidate, whether as a single agent or combination therapy, will also depend in part on the extent to which coverage and reimbursement for these product candidates and related treatments will be available from third-party payors. Third-party payors decide which medications they will pay for and establish reimbursement levels. It is difficult to predict at this time what government authorities and third-party payors will decide with respect to coverage and reimbursement for our current and future product candidates.

In addition, third-party payors are increasingly challenging prices charged for pharmaceutical and biological products and services, and many third-party payors may refuse to provide coverage and reimbursement for particular drugs or biologics when an equivalent generic drug, biosimilar or a less expensive therapy is available. It is possible that a third-

party payor may consider our product candidates as substitutable and only offer to reimburse patients for the less expensive product. Even if we show improved efficacy or improved convenience of administration with our product candidates, pricing of existing third-party therapeutics may limit the amount we will be able to charge for our product candidates. These third-party payors may deny or revoke the reimbursement status of our product candidates, if approved, or establish prices for our product candidates at levels that are too low to enable us to realize an appropriate return on our investment. If reimbursement is not available or is available only at limited levels, we may not be able to successfully commercialize our product candidates and may not be able to obtain a satisfactory financial return on our product candidates.

There is significant uncertainty related to the insurance coverage and reimbursement of newly approved products, especially novel products like our therapies. To date, no regulatory authority has granted approval for an ADC targeting B7-H4. The Medicare and Medicaid programs are increasingly used as models in the United States for how private third-party payors and other governmental payors develop their coverage and reimbursement policies for drugs and biologics. Some third-party payors may require pre-approval of coverage for new or innovative devices or drug therapies before they will reimburse healthcare providers who use such therapies. Moreover, eligibility for reimbursement does not imply that any drug will be reimbursed in all cases or at a rate that covers our costs, including research, development, manufacture, sale and distribution. Interim reimbursement levels for new drugs, if applicable, may also not be sufficient to cover our costs and may not be made permanent. We cannot predict at this time what third-party payors will decide with respect to the coverage and reimbursement for our product candidates.

No uniform policy for coverage and reimbursement for products exist among third-party payors in the United States. Therefore, coverage and reimbursement for products can differ significantly from payor to payor. As a result, the coverage determination process is often a time-consuming and costly process that may require us to provide scientific and clinical support for the use of our product candidates to each payor separately, with no assurance that coverage and adequate reimbursement will be applied consistently or obtained in the first instance. Furthermore, rules and regulations regarding reimbursement can change, in some cases on short notice.

Additionally, if we or our collaborators develop companion diagnostic tests for use with our product candidates, we, or our collaborators, will be required to obtain coverage and reimbursement for these tests separate and apart from the coverage and reimbursement we seek for our product candidates, once approved. While we and our collaborators have not yet developed any companion diagnostic test for our product candidates, if we or our collaborators do, there is significant uncertainty regarding the ability to obtain coverage and adequate reimbursement for the same reasons applicable to our product candidates.

Moreover, a primary trend in the healthcare industry in the United States and elsewhere is cost containment. Government authorities and third-party payors have attempted to control costs by limiting coverage and the amount of reimbursement for particular medications. Increasingly, the third-party payors who reimburse patients or healthcare providers, such as government and private insurance plans, are requiring that drug companies provide them with predetermined discounts from list prices and are seeking to reduce the prices charged or the amounts reimbursed for medical products. We cannot be sure that coverage and reimbursement will be available for any drug that we commercialize and, if coverage and reimbursement are available, we cannot be sure as to the level of reimbursement. Reimbursement may impact the demand for, or the price of, any product candidate for which we obtain marketing approval. If reimbursement is not available or is available only to limited levels, we may not be able to successfully commercialize any product candidate for which we obtain marketing approval. We expect to experience pricing pressures in connection with the sale of our product candidates due to the trend toward managed health care, the increasing influence of health maintenance organizations and additional legislative changes. The downward pressure on healthcare costs in general, particularly prescription drugs and biologics and surgical procedures and other treatments, has become intense. As a result, increasingly high barriers are being erected to the entry of new products.

Enacted healthcare legislation, changes in healthcare law and implementation of regulations, as well as changes in healthcare policy, may increase the difficulty and cost for us to commercialize our product candidates, may impact our business in ways that we cannot currently predict, could affect the prices we may set, and could have a material adverse effect on our business and financial condition.

In the United States, there have been and continue to be a number of legislative initiatives to contain healthcare costs. In particular, there have been and continue to be a number of initiatives at the U.S. federal and state levels that seek to reduce healthcare costs and improve the quality of healthcare. For example, the ACA substantially changed the way healthcare is financed by both governmental and private insurers, and significantly impacted the U.S. pharmaceutical

industry. The ACA, among other things, subjects biologics to potential competition by lower-cost biosimilars, addresses a methodology by which rebates owed by manufacturers under the MDRP are calculated for drugs that are inhaled, infused, instilled, implanted or injected, increases the minimum Medicaid rebates owed by manufacturers under the MDRP and extends the rebate program to individuals enrolled in Medicaid managed care organizations, and establishes annual fees and taxes on manufacturers of certain branded prescription drugs.

The ACA and certain of its provisions have been subject to judicial challenges as well as legislative and regulatory efforts to repeal or replace them or to alter their interpretation or implementation. For example, Congress has considered legislation that would repeal or repeal and replace all or part of the ACA. While Congress has not passed comprehensive repeal legislation, bills affecting the implementation of certain taxes under the ACA have been signed into law. The Tax Act included a provision that repealed the tax-based shared responsibility payment imposed by the ACA on certain individuals who fail to maintain qualifying health coverage for all or part of a year that is commonly referred to as the “individual mandate.” Also, in 2018, CMS issued final rules permitting further collections and payments to and from certain ACA qualified health plans and health insurance issuers under the ACA risk adjustment program in response to the outcome of federal district court litigation regarding the method CMS uses to determine this risk adjustment. The Further Consolidated Appropriations Act of 2020 fully repealed the ACA’s “Cadillac Tax” on certain high-cost employer-sponsored insurance plans and, effective in 2021, the annual fee imposed on certain health insurance providers based on market share. On March 11, 2021, Congress enacted the American Rescue Plan Act of 2021, which included among its provisions a sunset of the ACA’s cap on pharmaceutical manufacturers’ rebate liability under the Medicaid Drug Rebate Program. Under the ACA, manufacturers’ rebate liability was previously capped at 100% of the average manufacturer price for a covered outpatient drug. However, as of January 1, 2024, manufacturers’ MDRP rebate liability is no longer capped, potentially resulting in a manufacturer paying more in MDRP rebates than it receives on the sale of certain covered outpatient drugs. The American Rescue Plan Act also temporarily increased premium tax credit assistance for individuals eligible for subsidies under the ACA for 2021 and 2022 and removed the 400% federal poverty level limit that otherwise applies for purposes of eligibility to receive premium tax credits. The IRA extended this increased tax credit assistance and removal of the 400% federal poverty limit through 2025. The enhanced subsidies expired at the end of 2025 but remain the subject of Congressional debate. In the future, there may be additional challenges and/or amendments to the ACA. It remains to be seen precisely what any new legislation will provide, when or if it will be enacted, and what impact it will have on the availability and cost of healthcare items and services, including drug products.

On June 17, 2021, the U.S. Supreme Court dismissed a legal challenge to the law brought by several states arguing that, without the individual mandate, the entire ACA was unconstitutional. The Supreme Court dismissed the lawsuit without ruling on the merits of the states’ constitutionality arguments. It is unclear how future litigation and any healthcare reform measures of the Trump administration will impact the ACA and our business.

Other healthcare-related legislative and regulatory initiatives and reforms have been proposed and adopted in the United States since the ACA was enacted. In August 2011, the Budget Control Act of 2011, among other things, created measures for automatic spending reductions under certain circumstances. In conjunction with the operation of subsequently enacted law, this has resulted in aggregate reductions of Medicare payments to providers of, on average, 2% per fiscal year, which will remain in effect through the first eleven months of FY 2032 (with the exception of a temporary suspension, and later a temporary reduction, instituted during the COVID-19 pandemic that expired on July 1, 2022, unless Congress takes additional action. The American Taxpayer Relief Act of 2012, which was signed into law in January 2013, among other things, further reduced Medicare payments to several types of providers and increased the statute of limitations period for the government to recover overpayments to providers from three to five years.

Moreover, payment methodologies may be subject to changes in healthcare legislation and regulatory initiatives. For example, in September 2024, CMS published a final rule that included significant revisions to certain Medicaid Drug Rebate Program provisions. In addition, there are pending legal and legislative developments relating to the 340B drug pricing program, including ongoing litigation challenging federal enforcement actions against manufacturers and recently introduced and enacted state legislation. We expect that additional state and federal healthcare reform measures will be adopted in the future, any of which could limit the amounts that federal and state governments will pay for healthcare products and services, which could result in reduced demand for any product candidate we develop or complementary or companion diagnostics or additional pricing pressures.

CMS may develop new payment and delivery models. In addition, there has been heightened governmental scrutiny over the manner in which manufacturers set prices for their marketed products, which has resulted in several U.S. Congressional inquiries and proposed and enacted federal and state legislation designed to, among other things, bring more

transparency to drug pricing, reduce the cost of prescription drugs under government payor programs, and review the relationship between pricing and manufacturer patient programs; and reform government program reimbursement methodologies for drugs. For example, in August 2022, former President Biden signed into law the IRA, which implements substantial changes to the Medicare program, including drug pricing reforms and the creation of new Medicare inflation rebates. Namely, the IRA imposes inflation rebates on drug manufacturers for products reimbursed under Medicare Parts B and D if the prices of those products increase faster than inflation; implements changes to the Medicare Part D benefit that caps beneficiary annual out-of-pocket spending at \$2,000 (adjusted annually for inflation), while imposing new discount obligations for pharmaceutical manufacturers; and establishes a “maximum fair price” for a fixed number of high expenditure pharmaceutical and biological products covered under Medicare Parts B and D following a price negotiation process with CMS. CMS has also taken steps to implement the IRA, including: negotiating and publishing “maximum fair prices” for drugs selected under the IRA’s price negotiation framework and releasing quarterly lists of Medicare Part B products and annual lists of Medicare Part D products that are subject to adjusted coinsurance rates based on the inflationary rebate provisions of the IRA. While it remains to be seen how the drug pricing provisions imposed by the IRA will affect the broader pharmaceutical industry, several pharmaceutical manufacturers and other industry stakeholders have challenged the law, including through lawsuits brought against HHS, the Secretary of HHS, CMS, and the CMS Administrator challenging the constitutionality and administrative implementation of the IRA’s drug price negotiation provisions.

The current presidential administration has also signaled its intent to pursue healthcare reform measures, including those aimed at reducing prescription drug prices. For example, President Trump has signed multiple executive orders addressing prescription drug pricing and access, including: on April 15, 2025, outlining several actions the Secretary of HHS must take to optimize healthcare regulations that will provide access to prescription drugs at lower costs; on May 5, 2025, aiming to promote domestic production of critical medicines; and on May 12, 2025, aiming to establish a most favored nation (“MFN”) drug pricing policy that would tie US drug prices to the prices paid for drugs in other countries. Since the May 12, 2025 MFN executive order, the Trump administration has continued to exert pressure on drug manufacturers to implement MFN pricing. Over a dozen large pharmaceutical manufacturers have entered into agreements with the Trump Administration to offer lower prices for their drugs. Additionally, CMS has taken action to implement the administration’s MFN pricing policy, including by announcing a new voluntary payment model where drug manufacturers may offer supplemental rebates to participating state Medicaid programs to provide such Medicaid programs with a “most favored nation” price for participating manufacturers’ products, as well proposing mandatory payment models where, if finalized, manufacturers of certain Medicare Part B and Medicare Part D drugs would be assessed rebates if the prices for such products exceed those paid in economically comparable countries. The Trump administration also announced that both manufacturers would make products available at significant discounts on a new direct-to-consumer website that will be launched in January 2026. It remains to be seen how these drug pricing initiatives will affect the broader pharmaceutical industry.

Individual states in the United States have also increasingly passed legislation and implemented regulations designed to control pharmaceutical and biological product pricing, including price or patient reimbursement limitations, discounts, restrictions on certain product access and marketing cost disclosure and transparency measures, and, in some cases, designed to encourage importation from other countries and bulk purchasing. Legally mandated price controls on payment amounts by third-party payors or other restrictions on coverage or access could harm our business, results of operations, financial condition and prospects. In addition, regional healthcare authorities and individual hospitals are increasingly using bidding procedures to determine what pharmaceutical products and which suppliers will be included in their prescription drug and other healthcare programs. Some states have also established prescription drug affordability boards that are tasked with identifying certain high-cost prescription products that may pose affordability challenges for consumers and payers, conducting cost reviews on such products, and, in some circumstances, imposing upper payment limits on such products. This could reduce the ultimate demand for our product candidates that we successfully commercialize or put pressure on our product pricing.

Additionally, in May 2018, the Right to Try Act was signed into law. The law, among other things, provides a federal framework for certain patients to access certain investigational new drug products that have completed a Phase 1 clinical trial and that are undergoing investigation for FDA approval. Under certain circumstances, eligible patients can seek treatment without enrolling in clinical trials and without obtaining FDA permission under the FDA expanded access program. There is no obligation for a pharmaceutical manufacturer to make its drug products available to eligible patients as a result of the Right to Try Act.

We cannot predict the likelihood, nature or extent of government regulation that may arise from future legislation or administrative action in the United States. If we or any third parties we may engage are slow or unable to adapt to changes in existing requirements or the adoption of new requirements or policies, or if we or such third parties are not able to maintain regulatory compliance, our product candidates may lose any regulatory approval that may have been obtained and we may not achieve or sustain profitability.

The pharmaceutical industry is subject to extensive regulatory obligations and policies that may be subject to significant and abrupt change, including due to judicial challenges, election cycles, and resulting regulatory updates and changes in policy priorities.

On June 28, 2024, the U.S. Supreme Court issued an opinion holding that courts reviewing agency action pursuant to the APA “must exercise their independent judgment” and “may not defer to an agency interpretation of the law simply because a statute is ambiguous.” The decision will have a significant impact on how lower courts evaluate challenges to agency interpretations of law, including those by HHS, CMS, FDA and other agencies with significant oversight of the biopharmaceutical industry. The new framework is likely to increase both the frequency of such challenges and their odds of success by eliminating one way in which the government previously prevailed in such cases. As a result, significant regulatory policies will be subject to increased litigation and judicial scrutiny.

In addition, federal agency priorities, leadership, policies, rulemaking, communications, spending, and staffing may be significantly impacted by election cycles, including, for example, the current presidential administration’s commitment to significantly reduce government spending through cuts to federal healthcare programs and reductions in the workforces of key government agencies, such as HHS, FDA, and CMS. Efforts by the current administration to limit federal agency budgets or personnel result in reductions to agency budgets, employees, and operations. The administration and agencies have also made abrupt announcements about new or changed regulatory policies, such as policies related to the use of artificial intelligence to review product applications. Relatedly, federal government shutdowns may prevent the FDA or other regulatory authorities from conducting their regular inspections, reviews or other regulatory activities, and may significantly impact the ability of the FDA to timely review and process our regulatory submissions. These developments may lead to greater uncertainty regarding FDA policies, slower response times and longer review periods, potentially affecting our ability to progress development of our product candidates or obtain regulatory approval for our product candidates. Additionally, in February 2025, HHS ended a longstanding commitment to voluntarily comply with notice and comment requirements for public benefits rules, even when not required by statute, which could contribute to rapid changes in policy without opportunity for public input.

Any resulting changes in regulation may result in unexpected delays, increased costs, or other negative impacts on our business that are difficult to predict.

Our relationships with customers, third-party payors and others may be subject to applicable anti-kickback, fraud and abuse and other healthcare laws and regulations, which could expose us to criminal sanctions, civil penalties, contractual damages, reputational harm, administrative burdens and diminished profits and future earnings.

Healthcare providers, physicians and third-party payors in the United States and elsewhere will play a primary role in the recommendation and prescription of any product candidates for which we obtain marketing approval. Our current and future arrangements with healthcare providers, third-party payors, customers, and others may expose us to broadly applicable fraud and abuse and other healthcare laws and regulations, which may constrain the business or financial arrangements and relationships through which we research, as well as sell, market and distribute any products for which we obtain marketing approval. The applicable federal and state healthcare laws and regulations that may affect our ability to operate include, but are not limited to, those described in “Business—Government Regulation—Healthcare Regulation.”

Because of the breadth of these laws and the narrowness of the statutory exceptions and regulatory safe harbors available under such laws, it is possible that some of our business activities could be subject to challenge under one or more of such laws. The scope and enforcement of each of these laws is uncertain and subject to rapid change in the current environment of healthcare reform. Federal and state enforcement bodies continue to increase their scrutiny of interactions between healthcare companies and healthcare providers, which has led to a number of investigations, prosecutions, convictions and settlements in the healthcare industry. Ensuring that our business arrangements with third parties comply with applicable healthcare laws, as well as responding to investigations by government authorities, can be time and resource consuming and can divert management’s attention from the business.

If our operations are found to be in violation of any of the laws described above or any other government regulations that apply to us, we may be subject to penalties, including civil, criminal and administrative penalties, damages, fines, disgorgement, individual imprisonment, possible exclusion from participation in federal and state funded healthcare programs, contractual damages and the curtailment or restricting of our operations, as well as additional reporting obligations and oversight if we become subject to a corporate integrity agreement or other agreement to resolve allegations of non-compliance with these laws. Further, if the physicians or other providers or entities with whom we expect to do business are found not to be in compliance with applicable laws, they may be subject to criminal, civil and administrative sanctions, including exclusion from government funded healthcare programs. In addition, the approval and commercialization of any product candidate we develop outside the United States will also likely subject us to foreign equivalents of the healthcare laws mentioned above, among other foreign laws. All of these could harm our ability to operate our business and our financial results.

We are subject to certain U.S. and foreign anti-corruption, anti-money laundering, export control, sanctions and other trade laws and regulations. We can face serious consequences for violations.

Among other matters, U.S. and foreign anti-corruption, anti-money laundering, export control, sanctions and other trade laws and regulations, which are collectively referred to as Trade Laws, prohibit companies and their employees, agents, clinical research organizations, legal counsel, accountants, consultants, contractors and other partners from engaging in certain prohibited activities, including transacting with certain foreign individuals or companies, operating in or cooperation with entities from certain foreign jurisdictions or with foreign government entities, or authorizing, promising, offering, providing, soliciting, or receiving directly or indirectly, corrupt or improper payments or anything else of value to or from recipients in the public or private sector. Violations of Trade Laws can result in substantial criminal fines and civil penalties, imprisonment, the loss of trade privileges, debarment, tax reassessments, breach of contract and fraud litigation, reputational harm and other consequences.

Our business is heavily regulated and therefore involves significant interaction with public officials. We have direct or indirect interactions with officials and employees of government agencies or government-affiliated hospitals, universities and other organizations. We also expect our non-U.S. activities to increase in time. Additionally, in many other countries, the health care providers who prescribe pharmaceuticals are employed by their government, and the purchasers of pharmaceuticals are government entities; therefore, our dealings with these prescribers and purchasers are subject to regulation under the U.S. Foreign Corrupt Practices Act of 1977, as amended, or “FCPA”. We plan to engage third parties for clinical trials or to obtain necessary permits, licenses, patent registrations, and other regulatory approvals and we can be held liable for the corrupt or other illegal activities of our personnel, agents, or partners, even if we do not explicitly authorize or have prior knowledge of such activities. In particular, our operations will be subject to FCPA, which prohibits, among other things, U.S. companies and their employees and agents from authorizing, promising, offering, or providing, directly or indirectly, corrupt or improper payments or anything else of value to foreign government officials, employees of public international organizations and foreign government-owned or affiliated entities, candidates for foreign political office, and foreign political parties or officials thereof. Recently, the SEC and Department of Justice have increased their FCPA enforcement activities with respect to biotechnology and pharmaceutical companies. There is no certainty that all of our employees, agents, suppliers, manufacturers, contractors, or collaborators, or those of our affiliates, will comply with all applicable laws and regulations, particularly given the high level of complexity of these laws. Violations of these laws and regulations could result in fines, criminal sanctions against us, our officers, or our employees, the closing down of facilities, including those of our suppliers and manufacturers, requirements to obtain export licenses, cessation of business activities in sanctioned countries, implementation of compliance programs and prohibitions on the conduct of our business. Any such violations could also result in prohibitions on our ability to offer our products in one or more countries as well as difficulties in manufacturing or continuing to develop our products, and could materially damage our reputation, our brand, our international expansion efforts, our ability to attract and retain employees and our business, prospects, operating results and financial condition.

We collaborate with research institutions, strategic business partners, and contractors, including contract manufacturing organizations, that are located within, and exist under the laws of foreign countries. As the Trade Laws evolve and change, it may restrict our ability to continue to collaborate with our preferred partners, institutions and contractors abroad. If Trade Laws are adopted that impact our foreign collaborators, such laws could materially negatively impact our ability to develop, manufacture and obtain marketing approval for our product candidates. For example, the BIOSECURE Act (H.R. 7085) legislation introduced in the United States Congress on January 25, 2024, a revised version of which was included in the National Defense Authorization Act for Fiscal Year 2026, signed into law on December 18, 2025, could restrict the ability of U.S. pharmaceutical companies to collaborate with certain Chinese entities without losing

the ability to contract with the U.S. government. Such laws could harm our ability to operate our business and our financial results.

If we fail to comply with environmental, health and safety laws and regulations, we could become subject to fines or penalties or incur costs that could have a material adverse effect on the success of our business.

We are subject to numerous environmental, health and safety laws and regulations, including those governing laboratory procedures and the handling, use, storage, treatment and disposal of hazardous materials and wastes. Our operations involve the use of hazardous and flammable materials, including chemicals and biological materials. Our operations also produce hazardous waste products. We generally contract with third parties for the disposal of these materials and wastes. We cannot eliminate the risk of contamination or injury from these materials. In the event of contamination or injury resulting from our use of hazardous materials, we could be held liable for any resulting damages, and any liability could exceed our resources. We also could incur significant costs associated with civil or criminal fines and penalties.

Although we maintain workers' compensation insurance to cover us for costs and expenses, we may incur due to injuries to our employees resulting from the use of hazardous materials, this insurance may not provide adequate coverage against potential liabilities. We do not maintain insurance for environmental liability or toxic tort claims that may be asserted against us in connection with our storage or disposal of biological or hazardous materials.

Risks Related to Manufacturing

Given our limited operating history, our manufacturing experience as an organization and with our manufacturing facility is limited, particularly following a recent restructuring that paused manufacturing operations.

Manufacturing is a critical component of our approach to developing therapies and we have invested significantly in our manufacturing facility. Previously we manufactured our product candidates for preclinical and clinical trials, but announced in March 2024 as part of our restructuring, the pausing of manufacturing operations as we believe ample clinical mAb supply has been produced, including the LNCB74 mAb intermediate, to supply programs in the near term.

Manufacturing drugs for clinical trials and for commercial sale is subject to oversight by the FDA to ensure compliance with cGMP and by other regulatory authorities under other laws, regulations and standards. We cannot assure you that we can successfully manufacture our products in compliance with cGMP and with any other applicable laws, regulations and standards in sufficient quantities for clinical trials or for commercial sale, or in a timely or economical manner.

Our manufacturing facility requires specialized personnel and is expensive to operate and maintain. Validation is an ongoing process that must be maintained to allow us to manufacture under cGMP guidelines. We cannot guarantee that our facility will remain in compliance with cGMP.

Manufacturing pharmaceutical products is a highly complex process in which a variety of difficulties may arise from time to time. We are currently the sole manufacturer of antibody materials for LNCB74, and if anything were to interfere with our continuing manufacturing operations in our facility, once we recommence our manufacturing operations, such interference it could materially adversely affect our business and financial condition.

If we fail to secure sufficient manufacturing capacity with a suitable third party, or fail to manufacture our product candidates economically or on reasonable scale or volumes, or in accordance with cGMP, our development programs and commercialization of any approved products will be materially adversely affected. This may result in delays in commencing or continuing our clinical trials for SIM0505 and LNCB74. Any such delays could materially adversely affect our business and financial condition. Additionally, if and when we decide to recommence manufacturing operations, we may undergo a ramp-up period that could cause a temporary shortage of materials for our clinical trials and other needs.

We may be unable to successfully scale-up manufacturing of our product candidates in sufficient quality and quantity, which would delay or prevent us from developing and, if approved, commercializing our product candidates.

In order to conduct clinical trials of our product candidates, we will need to manufacture them in sufficient quantities. Previously, we manufactured our product candidates in small quantities for use in various preclinical studies

and our ongoing Phase 1 clinical trial LNCB74. However, in March 2024, as part of a broader restructuring, we paused our manufacturing operations. If one or more of our product candidates progress to late-stage development, we will need to scale up our internal capabilities or otherwise source suitable third party manufacturing capabilities, which may require additional significant expenses in the further expansion or construction of manufacturing facilities and increases in personnel in order to manufacture product candidates in sufficient quantities. We cannot assure you that we will be able to successfully manufacture product candidates at a larger scale in a timely or economical manner, or at all. If we are unable to successfully scale our internal and/or external manufacturing capacity, the development, testing and clinical trials of our current or future product candidates may be delayed or infeasible, and regulatory approval or commercial launch of any resulting product may be delayed or not obtained, which could significantly harm our business.

The loss of our third-party manufacturing partners or our, or our partners', failure to comply with applicable regulatory requirements or to supply sufficient quantities at acceptable quality levels or prices, or at all, would materially and adversely affect our business.

Although we have manufactured our product candidates for preclinical and clinical trials, certain elements of manufacturing, including Master Cell Bank manufacturing and fill-finish services, take place at qualified third-party contract manufacturing organizations, or CMOs. Further, we are working with CMOs to manufacture drug substance for LNCB74 in addition to providing Master Cell Bank manufacturing and fill-finish services. If approved, commercial supply of LNCB74 and any future product candidates may be manufactured at a CMO or CMOs.

The facilities used by our CMOs to manufacture our product candidates are subject to various regulatory requirements and may be subject to the inspection of the FDA or other regulatory authorities. We do not control the manufacturing process at our CMOs and are completely dependent on them for compliance with current regulatory requirements. If we or our CMOs cannot successfully manufacture material that conforms to our specifications and the strict regulatory requirements of the FDA or comparable regulatory authorities in foreign jurisdictions, we may not be able to rely on their manufacturing facilities for manufacturing elements of our product candidates. In addition, we have limited control over the ability of our CMOs to maintain adequate quality control, quality assurance and qualified personnel. If the FDA or a comparable foreign regulatory authority finds our facilities or those of our CMOs inadequate for manufacturing our product candidates or if such facilities are subject to enforcement action in the future or are otherwise inadequate, we may need to find alternative manufacturing facilities, which would significantly impact our ability to develop, obtain regulatory approval for or market our product candidates.

Further, any facilities located outside the United States that are used by our CMOs to manufacture our product candidates, including SIM0505 and LNCB74, will likewise be subject to various regulatory requirements of the jurisdiction in which they are located and in addition be subject to Trade Laws and regulations of the United States that may restrict our ability to continue to utilize our preferred CMOs. For example, WuXi XDC, which is currently the only CDMO we use to conjugate our B7-H4 antibody and produce LNCB74 ADC drug product, is affiliated with WuXi AppTec. WuXi AppTec was identified as a United States national security threat in the proposed BIOSECURE Act, a revised version of which was included in the National Defense Authorization Act for Fiscal Year 2026, signed into law on December 18, 2025, could restrict WuXi's business in the United States or the ability of businesses in the United States to conduct business with WuXi. Moreover, if a foreign regulatory authority curtails operations at such foreign facilities of our CMOs, or if Trade Laws are adopted limiting our ability to use such CMO facilities, we may need to find alternative manufacturing facilities, which would significantly impact our ability to develop, obtain regulatory approval for or market our product candidates.

Additionally, our CMOs may experience manufacturing difficulties due to resource constraints or as a result of labor disputes or unstable political environments. If our CMOs were to encounter any of these difficulties, our ability to provide our product candidate to patients in clinical trials, or to provide product for the treatment of patients once approved, would be jeopardized.

We are subject to multiple manufacturing risks, any of which could substantially increase our costs and limit supply of our product candidates.

The process of manufacturing therapies, including our product candidates, is complex, time-consuming, highly regulated and subject to several risks, including:

- product loss during the manufacturing process, including loss caused by contamination, equipment failure or improper installation or operation of equipment, or operator error. Even minor deviations from normal

manufacturing processes could result in reduced production yields, product defects and other supply disruptions. If microbial, viral or other contaminations are discovered in our products or in the manufacturing facilities in which our products are made, such manufacturing facilities may need to be closed for an extended period of time to investigate and remedy the contamination;

- the manufacturing facilities in which our products are made could be adversely affected by equipment failures, labor and raw material shortages, including due to restrictions on the movement of people or goods, natural disasters, public health emergencies, power failures, other business disruptions and numerous other factors; and
- any adverse developments affecting manufacturing operations for our products may result in shipment delays, inventory shortages, lot failures, product withdrawals or recalls, or other interruptions in the supply of our products. We may also have to take inventory write-offs and incur other charges and expenses for products that fail to meet specifications, undertake costly remediation efforts or seek more costly manufacturing alternatives.

We may also make changes to our manufacturing processes at various points during development, for a number of reasons, such as controlling costs, achieving scale, decreasing processing time, increasing manufacturing success rate or other reasons. Such changes carry the risk that they will not achieve their intended objectives, and any of these changes could cause our product candidates to perform differently and affect the results of our ongoing or future clinical trials. In some circumstances, changes in the manufacturing process may require us to perform ex vivo comparability studies and to collect additional data from patients prior to undertaking more advanced clinical trials. For instance, changes in our process during the course of clinical development may require us to show the comparability of the product used in earlier clinical phases or at earlier portions of a trial to the product used in later clinical phases or later portions of the trial.

We depend on third-party suppliers for key materials used in our manufacturing processes, and the loss of these third-party suppliers or their inability to supply us with adequate materials, or rising prices due to inflation, could harm our business.

We rely on third-party suppliers for certain materials and components required for the production of our product candidates. Our dependence on these third-party suppliers and the challenges we may face in obtaining adequate supplies of materials involve several risks, including limited control over pricing, availability, and quality and delivery schedules. As a small company, our negotiation leverage is limited, and we are likely to get lower priority than our competitors that are larger than we are. We cannot be certain that our suppliers will continue to provide us with the quantities of the raw materials that we require or satisfy our anticipated specifications and quality requirements whether due to our size, or otherwise. Any supply interruption in limited or sole sourced raw materials could materially harm our ability to manufacture our product candidates until a new source of supply, if any, could be identified and qualified. We may be unable to find a sufficient alternative supply channel in a reasonable time or on commercially reasonable terms. Any performance failure on the part of our suppliers could delay the development and potential commercialization of our product candidates, including limiting supplies necessary for clinical trials and regulatory approvals, which would have a material adverse effect on our business.

Changes in methods of product candidate manufacturing or formulation may result in additional costs or delay.

As product candidates proceed through preclinical studies to late-stage clinical trials towards potential approval and commercialization, it is common that various aspects of the development program, such as manufacturing methods and formulation, are altered along the way in an effort to optimize processes and results. Such changes carry the risk that they will not achieve these intended objectives. Any of these changes could cause our product candidates to perform differently and affect the results of planned clinical trials or other future clinical trials conducted with the materials manufactured using altered processes. Such changes may also require additional testing, FDA notification or FDA approval. This could delay completion of clinical trials, require the conduct of bridging clinical trials or the repetition of one or more clinical trials, increase clinical trial costs, delay approval of our product candidates and jeopardize our ability to commence sales and generate revenue.

Risks Related to Intellectual Property

We have filed patent applications for our product candidates, but no patent has yet issued from these applications. If we are unable to obtain and maintain patent protection for our product candidates, or if the scope of the patent protection obtained is not sufficiently broad or robust, our competitors could develop and commercialize products similar or identical to ours, and our ability to successfully commercialize our product candidates may be adversely affected.

Our success depends, in large part, on our ability to obtain and maintain patent protection in the United States and other countries with respect to our product candidates. We and our licensors have sought, and intend to seek, to protect our proprietary position by filing patent applications in the United States and abroad related to our product candidates and technology that are important to our business. To date, only a limited number of patents have issued from our patent applications. The patent position of biotechnology and pharmaceutical companies generally is highly uncertain, involves complex legal and factual questions and has, in recent years, been the subject of much litigation. As a result, the issuance, scope, validity, enforceability and commercial value of our patent rights are highly uncertain. Our pending and future patent applications may not result in patents being issued that protect our technology or product candidates or that effectively prevent others from commercializing competitive technologies and product candidates. Because patent applications in the United States and most other countries are confidential for a period of time after filing, and some remain so until issued, we cannot be certain that we or our licensors were the first to file a patent application relating to any particular aspect of a product candidate. Furthermore, if third parties have filed such patent applications, we may challenge their ownership, for example in a derivation proceeding before the USPTO, to determine who has the right to the claimed subject matter in the applications. Similarly, if our patent applications are challenged in a derivation proceeding, the USPTO may hold that a third-party is entitled to certain patent ownership rights instead of us. We may then be forced to seek a license from the third party that may not be available on commercially favorable terms, or at all.

The patent prosecution process is expensive, time-consuming and complex, and we may not be able to file, prosecute, maintain, enforce or license all necessary or desirable patent applications at a reasonable cost or in a timely manner. It is also possible that we will fail to identify patentable aspects of our research and development output before it is too late to obtain patent protection.

Even if the patent applications we license or own do issue as patents, they may not issue in a form that will provide us with any meaningful protection, prevent competitors or other third parties from competing with us or otherwise provide us with any competitive advantage. Our competitors or other third parties may be able to circumvent our patents by developing similar or alternative technologies or products that do not infringe our patents.

We are party to a license agreement with Yale University under which we acquired rights to intellectual property related to certain of our product candidates. If we breach our obligations under this agreement, the agreement could be terminated, which would adversely affect our business and prospects.

We are a party to a license agreement with Yale pursuant to which we in-license patents and technology for certain of our product candidates. This license imposes various diligence, milestone payment, royalty, insurance and other obligations on us. If we fail to comply with these and other obligations or otherwise materially breach this license agreement, Yale may have the right to terminate the license. If this agreement is terminated, we may not be able to develop, manufacture, market or sell the product candidates or products covered by the agreement, or we would have to negotiate a new or reinstated agreement, which may not be available to us on equally favorable terms, or at all.

Our intellectual property agreements with third parties may be subject to disagreements over contract interpretation, which could narrow the scope of our rights to the relevant intellectual property or technology or increase our financial or other obligations to our licensors.

Certain provisions in our intellectual property agreements may be susceptible to multiple interpretations. The resolution of any contract interpretation disagreement that may arise could affect the scope of our rights to the relevant intellectual property or technology or affect financial or other obligations under the relevant agreement, either of which could have a material adverse effect on our business, financial condition, results of operations and prospects. Moreover, if disputes over intellectual property that we have licensed prevent or impair our ability to maintain our current licensing arrangements on commercially acceptable terms, we may be unable to successfully develop and commercialize the affected product candidates.

Obtaining and maintaining our patent protection depends on compliance with various procedural, document submission, fee payment and other requirements imposed by government patent agencies, and our patent protection could be reduced or eliminated for non-compliance with these requirements.

Periodic maintenance fees, renewal fees, annuity fees and various other government fees on patents or applications will be due to be paid to the USPTO and various government patent agencies outside of the United States over the lifetime of our licensed patents or applications and any patent rights we own or may own in the future. We rely, in part, on our outside counsel or our licensing partners to pay these fees due to the USPTO and to non-U.S. patent agencies. The USPTO and various non-U.S. government patent agencies require compliance with several procedural, documentary, fee payment and other similar provisions during the patent application process. In many cases, an inadvertent lapse can be cured by payment of a late fee or by other means in accordance with the applicable rules. There are situations, however, in which non-compliance can result in abandonment or lapse of the patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. In such an event, potential competitors might be able to enter the market and this circumstance could have a material adverse effect on our business.

We may not be able to protect our intellectual property rights throughout the world.

Filing, prosecuting and enforcing patents on product candidates in all countries throughout the world would be prohibitively expensive, and our intellectual property rights in some countries outside the United States are and could remain less extensive than those in the United States. In addition, the laws of some foreign countries do not protect intellectual property rights to the same extent as federal and state laws in the United States. Consequently, we may be less likely to be able to prevent third parties from infringing our patents in all countries outside the United States, or from selling or importing products that infringe our patents in and into the United States or other jurisdictions. Competitors may use our technologies in jurisdictions where we have not obtained patent protection to develop their own products and, further, may export otherwise infringing products to territories where we have patent protection, but enforcement is not as strong as that in the United States. These products may compete with our products and our patents or other intellectual property rights may not be effective or sufficient to prevent them from competing.

Many countries have compulsory licensing laws under which a patent owner may be compelled to grant licenses to third parties. In addition, many countries limit the enforceability of patents against government agencies or government contractors. In these countries, the patent owner may have limited remedies, which could materially diminish the value of such patent. If we or any of our licensors are forced to grant a license to third parties with respect to any patents relevant to our business, our competitive position may be impaired and our business, financial condition, results of operations and prospects may be adversely affected.

Changes in patent law could diminish the value of patents in general, thereby impairing our ability to protect our product candidates.

Changes in either the patent laws or interpretation of the patent laws in the United States could increase the uncertainties and costs surrounding the prosecution of patent applications and the enforcement or defense of issued patents. Assuming that other requirements for patentability were met, prior to March 2013, in the United States, the first to invent the claimed invention was entitled to the patent, while outside the United States, the first to file a patent application was entitled to the patent. After March 2013, under the Leahy-Smith America Invents Act, or the “America Invents Act”, the United States transitioned to a first inventor to file system in which, assuming that other requirements for patentability are met, the first inventor to file a patent application will be entitled to the patent on an invention regardless of whether a third party was the first to invent the claimed invention. The America Invents Act also included a number of significant changes that affected the way patent applications are prosecuted and also may affect patent litigation. These include allowing third-party submission of prior art to the USPTO during patent prosecution and additional procedures to attack the validity or ownership of a patent by USPTO administered post-grant proceedings, including post-grant review, *inter partes* review and derivation proceedings. Additional changes in patent law could increase the uncertainties and costs surrounding the prosecution of our patent applications and the enforcement or defense of our issued patents, all of which could have a material adverse effect on our business, financial condition, results of operations and prospects.

In addition, the patent positions of companies in the development and commercialization of biologics and pharmaceuticals are particularly uncertain. Recent rulings from the U.S. Court of Appeals for the Federal Circuit and the U.S. Supreme Court have narrowed the scope of patent protection available in certain circumstances and weakened the rights of patent owners in certain situations. This combination of events has created uncertainty with respect to the validity

and enforceability of patents. Depending on future actions by the U.S. Congress, the federal courts and the USPTO, the laws and regulations governing patents could change in unpredictable ways that could have a material adverse effect on our existing patent portfolio and our ability to protect and enforce our intellectual property in the future.

We may become involved in lawsuits to protect or enforce our intellectual property, which could be expensive, time-consuming and unsuccessful.

Competitors may infringe our patents or the patents of our licensors, or we may be required to defend against claims of infringement. Countering infringement or unauthorized use claims or defending against claims of infringement can be expensive and time-consuming. Even if resolved in our favor, litigation or other legal proceedings relating to intellectual property claims may cause us to incur significant expenses and could distract our technical and management personnel from their normal responsibilities. In addition, there could be public announcements of the results of hearings, motions or other interim proceedings or developments, and if securities analysts or investors perceive these results to be negative, it could have a substantial adverse effect on the price of our common stock. Such litigation or proceedings could substantially increase our operating losses and reduce the resources available for development activities or any future marketing, sales or distribution activities. We may not have sufficient financial or other resources to adequately conduct such litigation or proceedings. Some of our competitors may be able to sustain the costs of such litigation or proceedings more effectively than we can because of their greater financial resources and more mature and developed intellectual property portfolios. Uncertainties resulting from the initiation and continuation of patent litigation or other proceedings could have a material adverse effect on our ability to compete in the marketplace.

In addition, many companies have encountered significant problems in protecting and defending intellectual property rights in foreign jurisdictions. The legal systems of certain countries, particularly certain developing countries, do not favor the enforcement of patents, trade secrets and other intellectual property, particularly those relating to biotechnology products, which could make it difficult for us to stop the infringement of our patents or marketing of competing products in violation of our proprietary rights generally. Proceedings to enforce our patent rights in foreign jurisdictions could result in substantial costs and divert our efforts and attention from other aspects of our business, could put our patents at risk of being invalidated or interpreted narrowly and our patent applications at risk of not issuing and could provoke third parties to assert claims against us. We may not prevail in any lawsuits that we initiate, and the damages or other remedies awarded, if any, may not be commercially meaningful. Accordingly, our efforts to enforce our intellectual property rights around the world may be inadequate to obtain a significant commercial advantage from the intellectual property that we own, develop or license.

Issued patents covering our product candidates could be found invalid or unenforceable if challenged in court. We may not be able to protect our trade secrets in court.

If we or one of our licensing partners initiate legal proceedings against a third party to enforce any patent that is issued covering one of our product candidates, the defendant could counterclaim that the patent covering our product candidate is invalid or unenforceable. In patent litigation in the United States, defendant counterclaims alleging invalidity or unenforceability are commonplace. Grounds for a validity challenge could be an alleged failure to meet any of several statutory requirements, including lack of novelty, obviousness, written description or non-enablement. In addition, patent validity challenges may, under certain circumstances, be based upon non-statutory obviousness-type double patenting, which, if successful, could result in a finding that the claims are invalid for obviousness-type double patenting or the loss of patent term, including a patent term adjustment granted by the USPTO, if a terminal disclaimer is filed to obviate a finding of obviousness-type double patenting. Grounds for an unenforceability assertion could be an allegation that someone connected with prosecution of the patent withheld information material to patentability from the USPTO, or made a misleading statement, during prosecution. Third parties also may raise similar claims before administrative bodies in the United States or abroad, even outside the context of litigation. Such mechanisms include re-examination, post grant review, *inter partes* review and equivalent proceedings in foreign jurisdictions. Such proceedings could result in the revocation or cancellation of or amendment to our patents in such a way that they no longer cover our product candidates. The outcome following legal assertions of invalidity and unenforceability is unpredictable. We cannot be certain that there is no invalidating prior art of which the patent examiner and we or our licensing partners were unaware during prosecution. If a defendant were to prevail on a legal assertion of invalidity or unenforceability, we could lose part, and perhaps all, of the patent protection on one or more of our product candidates. Such a loss of patent protection could have a material adverse impact on our business.

In addition to the protection afforded by patents, we rely on trade secret protection and confidentiality agreements to protect proprietary know-how that is not patentable or that we elect not to patent, processes for which patents are difficult to enforce and any other elements of our product candidate discovery and development processes that involve proprietary know-how, information or technology that is not covered by patents, including portions of our FIND platform. However, trade secrets can be difficult to protect, and some courts inside and outside the United States are less willing or unwilling to protect trade secrets.

Third parties may initiate legal proceedings alleging that we are infringing their intellectual property rights, the outcome of which would be uncertain and could have a material adverse effect on the success of our business and financial condition.

Our commercial success depends upon our ability and the ability of any collaborators to develop, manufacture, market and sell our product candidates and use our proprietary technologies without infringing the proprietary rights and intellectual property of third parties. We cannot provide any assurances that third-party patents do not exist which might be enforced against our current manufacturing methods, product candidates or future methods or products, resulting in either an injunction prohibiting our manufacture or sales, or, with respect to our sales, an obligation on our part to pay royalties or other forms of compensation to third parties.

The biotechnology and pharmaceutical industries are characterized by extensive and complex litigation regarding patents and other intellectual property rights. We may in the future become party to, or be threatened with, adversarial proceedings or litigation regarding intellectual property rights with respect to our product candidates and technology, including post grant review and *inter partes* review before the USPTO. The risks of being involved in such litigation and proceedings may also increase as our product candidates approach commercialization and as we gain greater visibility as a public company. Third parties may assert infringement claims against us based on existing patents or patents that may be granted in the future, regardless of their merit. There is a risk that third parties may choose to engage in litigation with us to enforce or to otherwise assert their patent rights against us. Even if we believe such claims are without merit, a court of competent jurisdiction could hold that these third-party patents are valid, enforceable and infringed, which could materially and adversely affect our ability to commercialize any of our product candidates or technologies covered by the asserted third-party patents.

If we are found to infringe a third party's valid and enforceable intellectual property rights, we could be required to obtain a license from such third party to continue developing, manufacturing and marketing our product candidates and technology. However, we may not be able to obtain any required license on commercially reasonable terms or at all. Even if we were able to obtain a license, it could be non-exclusive, thereby giving our competitors and other third parties access to the same technologies licensed to us, and it could require us to make substantial licensing and royalty payments. We could be forced, including by court order, to cease developing, manufacturing and commercializing the infringing technology or product candidates. In addition, we could be found liable for monetary damages, including treble damages and attorneys' fees, if we are found to have willfully infringed a patent or other intellectual property right. A finding of infringement could prevent us from manufacturing and commercializing our product candidates or force us to cease some of our business operations, which could materially harm our business. Claims that we have misappropriated the confidential information or trade secrets of third parties could have a similar negative impact on our business, financial condition, results of operations and prospects.

Others may claim an ownership interest in our intellectual property and our product candidates, which could expose us to litigation and have a significant adverse effect on our prospects.

While we are presently unaware of any claims or assertions by third parties with respect to our patents or other intellectual property, we cannot guarantee that a third party will not assert a claim or an interest in any of such patents or intellectual property. For example, a third party may claim an ownership interest in one or more of our, or our licensors', patents or other proprietary or intellectual property rights. A third party could bring legal actions against us to seek monetary damages or enjoin clinical testing, manufacturing or marketing of the affected product candidate or product. If we become involved in any litigation, it could consume a substantial portion of our resources and cause a significant diversion of effort by our technical and management personnel. If any such action is successful, in addition to any potential liability for damages, we could be required to obtain a license to continue to manufacture or market the affected product candidate or product, in which case we could be required to pay substantial royalties or grant cross-licenses to patents. We cannot, however, assure you that any such license would be available on acceptable terms, if at all. Ultimately, we could be prevented from commercializing a product, or forced to cease some aspect of our business operations as a result of

claims of patent infringement or violation of other intellectual property rights. Further, the outcome of intellectual property litigation is subject to uncertainties that cannot be adequately quantified in advance, including the demeanor and credibility of witnesses and the identity of any adverse party. This is especially true in intellectual property cases, which may turn on the testimony of experts as to technical facts upon which experts may reasonably disagree. Any of the foregoing could have a material adverse effect on our business, financial condition, results of operations or prospects.

If we are unable to protect the confidentiality of our proprietary information, the value of our technology and products could be adversely affected.

Trade secrets and know-how can be difficult to protect. To maintain the confidentiality of trade secrets and proprietary information, we enter into confidentiality agreements with our employees, consultants, collaborators and others upon the commencement of their relationships with us. These agreements require that all confidential information developed by the individual or made known to the individual by us during the course of the individual's relationship with us be kept confidential and not disclosed to third parties. Our agreements with employees and our personnel policies also provide that any inventions conceived by the individual in the course of rendering services to us shall be our exclusive property. However, we cannot guarantee that we have entered into such agreements with each party that may have or have had access to our trade secrets or proprietary technology and processes, and individuals with whom we have these agreements may not comply with their terms. Thus, despite such agreement, there can be no assurance that such inventions will not be assigned to third parties. In the event of unauthorized use or disclosure of our trade secrets or proprietary information, these agreements, even if obtained, may not provide meaningful protection, particularly for our trade secrets or other confidential information. To the extent that our employees, consultants or contractors use technology or know-how owned by third parties in their work for us, disputes may arise between us and those third parties as to the rights in related inventions. To the extent that an individual who is not obligated to assign rights in intellectual property to us is rightfully an inventor of intellectual property, we may need to obtain an assignment or a license to that intellectual property from that individual, or a third party or from that individual's assignee. Such assignment or license may not be available on commercially reasonable terms or at all. We also seek to preserve the integrity and confidentiality of our trade secrets by other means, including maintaining physical security of our premises and physical and electronic security of our information technology systems. However, these security measures may be breached, and we may be forced to bring claims against third parties, or defend claims that they may bring against us, to determine the ownership of what we regard as our intellectual property.

Adequate remedies may not exist in the event of unauthorized use or disclosure of our proprietary information. The disclosure of our trade secrets would impair our competitive position and may materially harm our business, financial condition and results of operations. Costly and time-consuming litigation could be necessary to enforce and determine the scope of our proprietary rights, and failure to maintain trade secret protection could adversely affect our competitive business position. In addition, others may independently discover or develop our trade secrets and proprietary information, and the existence of our own trade secrets affords no protection against such independent discovery. For example, a public presentation in the scientific or popular press on the properties of our product candidates could motivate a third party, despite any perceived difficulty, to assemble a team of scientists having backgrounds similar to those of our employees to attempt to independently reverse engineer or otherwise duplicate our antibody technologies to replicate our success.

We may be subject to claims asserting that our employees, consultants or advisors have wrongfully used or disclosed alleged trade secrets of their current or former employers.

Many of our employees, consultants or advisors are currently, or were previously, employed at universities or other biotechnology or pharmaceutical companies, including our competitors or potential competitors. Although we try to ensure that our employees, consultants and advisors do not use the proprietary information or know-how of others in their work for us, we may be subject to claims that these individuals, or we, have used or disclosed intellectual property, including trade secrets or other proprietary information, of any such individual's current or former employer, or that patents and applications we have filed to protect inventions of these employees, even those related to one or more of our product candidates, are rightfully owned by their former or current employer. Litigation may be necessary to defend against these claims. For example, in 2021, a third party filed a lawsuit in Federal court against the Company, and in 2022 claims were added to that lawsuit to add our Chief Executive Officer as a co-defendant with Company. This lawsuit alleges that our Chief Executive Officer breached contractual and fiduciary duties he owed to the plaintiff by, among other things, improperly utilizing plaintiff's purported confidential information to benefit the Company's business, including with respect to our discovery efforts. If we fail in defending claims of misappropriation and similar claims, in addition to paying

monetary damages, we may lose valuable intellectual property rights or personnel. Even if we are successful in defending against such claims, litigation could result in substantial costs and be a distraction to management.

If our trademarks and trade names are not adequately protected, then we may not be able to build name recognition in our markets of interest and our business may be adversely affected.

Any registered trademarks or trade names may be challenged, circumvented or declared generic or determined to be infringing on other marks. We may not be able to protect our rights to these trademarks and trade names, which we need to build name recognition among potential partners or customers in our markets of interest. At times, competitors may adopt trade names or trademarks similar to ours, thereby impeding our ability to build brand identity and possibly leading to market confusion. In addition, there could be potential trade name or trademark infringement claims brought by owners of other registered trademarks or trademarks that incorporate variations of our registered or unregistered trademarks or trade names. Over the long term, if we are unable to establish name recognition based on our trademarks and trade names, then we may not be able to compete effectively, and our business may be adversely affected. Our efforts to enforce or protect our proprietary rights related to trademarks, trade secrets, domain names, copyrights or other intellectual property may be ineffective and could result in substantial costs and diversion of resources and could adversely impact our financial condition or results of operations.

Intellectual property rights do not necessarily address all potential threats.

The degree of future protection afforded by our intellectual property rights is uncertain because intellectual property rights have limitations and may not adequately protect our business or permit us to maintain our competitive advantage. For example:

- others may be able to make products that are similar to our product candidates but that are not covered by the claims of the patents that we own or license or may own in the future;
- we, or any partners or collaborators, might not have been the first to make the inventions covered by the issued patent or pending patent application that we license or may own in the future;
- we, or any partners or collaborators, might not have been the first to file patent applications covering certain of our or their inventions;
- others may independently develop similar or alternative technologies or duplicate any of our technologies without infringing our owned or licensed intellectual property rights;
- it is possible that our pending licensed patent applications or those that we may own in the future will not lead to issued patents;
- issued patents that we hold rights to may be held invalid or unenforceable, including as a result of legal challenges by our competitors;
- our competitors might conduct research and development activities in countries where we do not have patent rights and then use the information learned from such activities to develop competitive products for sale in our major commercial markets;
- we may not develop additional proprietary technologies that are patentable;
- the patents of others may have an adverse effect on our business; and
- we may choose not to file a patent for certain trade secrets or know-how, and a third party may subsequently file a patent covering such intellectual property.

Should any of these events occur, they could significantly harm our business, financial condition, results of operations and prospects.

Risks Related to Reliance on Third Parties

We rely or will rely on third parties to help conduct our ongoing and planned preclinical studies and clinical trials for SIM0505, LNCB74 and any future product candidates we develop. If these third parties do not successfully carry out their contractual duties, comply with regulatory requirements or meet expected deadlines, we may not be able to obtain marketing approval for or commercialize SIM0505, LNCB74 and any future product candidates we develop, and our business could be materially harmed.

We currently do not have the ability to independently conduct preclinical studies that comply with GLP requirements. We also do not currently have the ability to independently conduct any clinical trials. The FDA and regulatory authorities in other jurisdictions require us to comply with regulations and standards, including cGCP, or requirements for conducting, monitoring, recording and reporting the results of clinical trials, in order to ensure that the data and results are scientifically credible and accurate and that the trial subjects are adequately informed of the potential risks of participating in clinical trials. We rely on medical institutions, clinical investigators, contract laboratories and other third parties, such as CROs, to conduct GLP-compliant preclinical studies and cGCP-compliant clinical trials on our product candidates properly and on time. While we have agreements governing their activities, we control only certain aspects of their activities and have limited influence over their actual performance. The third parties with whom we contract for execution of our GLP-compliant preclinical studies and our cGCP-compliant clinical trials play a significant role in the conduct of these studies and trials and the subsequent collection and analysis of data. These third parties are not our employees and, except for restrictions imposed by our contracts with such third parties, we have limited ability to control the amount or timing of resources that they devote to our current or future product candidates. Although we rely on these third parties to conduct our GLP-compliant preclinical studies and cGCP-compliant clinical trials, we remain responsible for ensuring that each of our preclinical studies and clinical trials is conducted in accordance with its investigational plan and protocol and applicable laws and regulations, and our reliance on the CROs does not relieve us of our regulatory responsibilities.

Many of the third parties with whom we contract may also have relationships with other commercial entities, including our competitors, for whom they may also be conducting clinical trials or other drug development activities that could harm our competitive position. Further, under certain circumstances, these third parties may terminate their agreements with us upon as little as 10 days' prior written notice. Some of these agreements may also be terminated by such third parties under certain other circumstances. If the third parties conducting our preclinical studies or our clinical trials do not adequately perform their contractual duties or obligations, experience significant business challenges, disruptions or failures, including as a result of natural disasters or public health emergencies, do not meet expected deadlines, terminate their agreements with us or need to be replaced, or if the quality or accuracy of the data they obtain is compromised due to their failure to adhere to our protocols or to GLP and cGCP, or for any other reason, we may need to enter into new arrangements with alternative third parties. This could be difficult, costly or impossible, and our preclinical studies or clinical trials may need to be extended, delayed, terminated or repeated. As a result, we may not be able to obtain regulatory approval in a timely fashion, or at all, for the applicable product candidate, our financial results and the commercial prospects for our product candidates would be harmed, our costs could increase and our ability to generate revenues could be delayed.

We may depend on third-party collaborators for the discovery, development and commercialization of certain of our current and future product candidates. If our collaborations are not successful, we may not be able to capitalize on the market potential of these product candidates.

We are co-developing LNCB74 under a 50:50 cost sharing arrangement with LigaChem under the LigaChem Agreement. The LigaChem Agreement provides for the ability of either party to opt to cease co-funding development of a co-development product in exchange for accepting a lower share of any potential downstream revenues resulting from commercialization or partnering of the product. If LigaChem were to cease co-developing LNCB74 or any other future co-development product under the LigaChem Agreement, the Company would retain the right to move forward with the development of LNC74 or any other such co-development products at its own discretion. However, in such cases the Company would incur 100% of the costs which might require a reassessment of our capital resources.

In the future, we may form or seek other strategic alliances, joint ventures or collaborations, or enter into additional licensing arrangements with third parties that we believe will complement or augment our development and commercialization efforts with respect to product candidates we develop.

Our collaborations pose, and potential future collaborations involving our product candidates may pose, the following risks to us:

- collaborators may have significant discretion in determining the efforts and resources that they will apply to these collaborations;
- collaborators could independently develop, or develop with third parties, products that compete directly or indirectly with our products or product candidates;
- collaborators may not properly enforce, maintain or defend our intellectual property rights or may use our proprietary information in a way that gives rise to actual or threatened litigation or that could jeopardize or invalidate our intellectual property or proprietary information, exposing us to potential litigation or other intellectual property proceedings;
- collaborators may infringe the intellectual property rights of third parties, which may expose us to litigation and potential liability;
- disputes may arise between a collaborator and us that cause the delay or termination of the research, development or commercialization of the product candidate, or that result in costly litigation or arbitration that diverts management attention and resources;
- a collaborator with marketing and distribution rights to one or more of our product candidates that achieve regulatory approval may not commit sufficient resources to the marketing and distribution of such products;
- if a present or future collaborator were to be involved in a business combination, the continued pursuit and emphasis on our product development or commercialization program under such collaboration could be delayed, diminished or terminated; and
- collaboration agreements may restrict our right to independently pursue new product candidates.

If we enter into additional collaboration agreements and strategic partnerships or license our intellectual property, products or businesses, we may not be able to realize the benefit of such transactions if we are unable to successfully integrate them with our existing operations, which could delay our timelines or otherwise adversely affect our business. We also cannot be certain that, following a strategic transaction or license, we will achieve the revenue or net income that justifies such transaction. Any of the factors set forth above and any delays in entering into new collaborations or strategic partnership agreements related to any product candidate we develop could delay the development and commercialization of our product candidates, which would harm our business prospects, financial condition and results of operations.

In the event a present or future collaborator terminates their agreement with us, we would be prevented from receiving the benefits of any such agreement, which could have a materially adverse effect on our results of operations.

We may seek to establish additional collaborations and, if we are not able to establish them on commercially reasonable terms, we may have to alter our development and commercialization plans.

The advancement of our product candidates and development programs and the potential commercialization of our current and future product candidates will require substantial additional cash to fund expenses. For some of our current or future product candidates, we may decide to collaborate with additional pharmaceutical and biotechnology companies with respect to development and potential commercialization. Any of these relationships may require us to incur non-recurring and other charges, increase our near- and long-term expenditures, issue securities that dilute our existing stockholders, or disrupt our management and business.

We face significant competition in seeking appropriate strategic partners and the negotiation process is time-consuming and complex. Whether we reach a definitive agreement for other collaborations will depend, among other things, upon our assessment of the collaborator's resources and expertise, the terms and conditions of the proposed collaboration and the collaborator's evaluation of a number of factors. Those factors may include the design or results of clinical trials, the progress of our clinical trials, the likelihood of approval by the FDA or similar regulatory authorities

outside the United States, the potential market for the subject product candidate, the costs and complexities of manufacturing and delivering such product candidate to patients, the potential of competing products, the existence of uncertainty with respect to our ownership of technology, which can exist if there is a challenge to such ownership without regard to the merits of the challenge and industry and market conditions generally. The collaborator may also consider alternative product candidates or technologies for similar indications that may be available to collaborate on and whether such a collaboration could be more attractive than the one with us for our product candidate.

Further, we may not be successful in our efforts to establish a strategic partnership or other alternative arrangements for future product candidates because they may be deemed to be at too early of a stage of development for collaborative effort and third parties may not view them as having the requisite potential to demonstrate safety and efficacy.

We may also be restricted under existing collaboration agreements from entering into future agreements on certain terms with potential collaborators. Such exclusivity could limit our ability to enter into strategic collaborations with future collaborators. In addition, there have been a significant number of recent business combinations among large pharmaceutical companies that have resulted in a reduced number of potential future collaborators.

We may not be able to negotiate collaborations on a timely basis, on acceptable terms, or at all. If we are unable to do so, we may have to curtail the development of the product candidate for which we are seeking to collaborate, reduce or delay its development program or one or more of our other development programs, delay its potential commercialization or reduce the scope of any marketing or sales activities, or increase our expenditures and undertake development or commercialization activities at our own expense. If we elect to increase our expenditures to fund development or commercialization activities on our own, we may need to obtain additional capital, which may not be available to us on acceptable terms or at all. If we do not have sufficient funds, we may not be able to further develop our product candidates or bring them to market and generate product revenue.

Risks Related to Our Business

There is substantial doubt as to our ability to continue as a going concern, which may affect our ability to obtain future financing and may require us to curtail or cease our operations. We will require substantial additional funding in the immediate term to continue operations as planned.

The Company has incurred net losses and negative cash flows from operations since its inception, has an accumulated deficit of \$436.0 million as of December 31, 2025 and anticipates continuing to incur net losses for the foreseeable future. Under the Company's current plan, management believes its cash and cash equivalents and marketable securities of \$41.8 million as of December 31, 2025 will not be sufficient to fund the Company's operations for a period of one year after the issuance of the accompanying audited financial statements. Thus, we have concluded that there is substantial doubt about our ability to continue as a going concern.

As a result, the Company will be required to raise additional capital by partnering, selling equity, or other means and has implemented cost-reduction measures. There can be no assurance as to whether partnering efforts will be successful or whether additional financing will be available on terms acceptable to the Company, if at all, or in amounts sufficient to fund our operations. If sufficient funds on acceptable terms are not available when needed, it would have a negative impact on the Company's financial condition and could force the Company to implement additional cost cutting measures, delay, limit, reduce, or terminate product development or future commercialization efforts or grant rights to develop and market product candidates that the Company would otherwise plan to develop and market itself.

If we are unable to continue as a going concern, we may have to liquidate our assets and may receive less than the value at which those assets are carried on our audited financial statements, and it is likely that investors will lose all or part of their investment. If we seek additional financing to fund our business activities as a result of the substantial doubt as to our ability to continue as a going concern, investors or other financing sources may be unwilling to provide additional funding to us on commercially reasonable terms or at all.

We are highly dependent on our key personnel, and if we are not successful in attracting, motivating and retaining highly qualified personnel, we may not be able to successfully implement our business strategy.

We are highly dependent on members of our executive team. The loss of the services of any of them may adversely impact the achievement of our objectives. Any of our executive officers could leave our employment at any time, as all of

our employees are “at-will” employees, and we do not have “key person” insurance on them. The loss of the services of one or more of our executive officers or of certain members of our SAB could impede the achievement of our research, development and commercialization objectives.

Recruiting and retaining qualified employees, consultants and advisors for our business, including scientific and technical personnel, is critical to our success. We have observed an increasingly competitive labor market. Increased employee turnover and changes in the availability of our workers could result in increased costs. We may not be able to attract and retain personnel on acceptable terms given the competition among numerous pharmaceutical and biotechnology companies and academic institutions for skilled individuals. In addition, failure to succeed in preclinical studies, clinical trials or applications for marketing approval may make it more challenging to recruit and retain qualified personnel. The inability to recruit, or the loss of services of certain executives, key employees, consultants or advisors, may impede the progress of our research, development and commercialization objectives and have a material adverse effect on our business, financial condition, results of operations and growth prospects.

We face significant competition from other biotechnology and pharmaceutical companies, and our operating results will suffer if we fail to compete effectively.

The biotechnology industry is intensely competitive and subject to rapid and significant technological change. Our current or future product candidates may face competition from major pharmaceutical companies, specialty pharmaceutical companies, universities and other research institutions and from products and therapies that currently exist or are being developed, some of which products and therapies we may not currently know about. Many of our competitors have significantly greater financial, manufacturing, marketing, product development, technical and human resources than we do. Large pharmaceutical companies, in particular, have extensive experience in clinical testing, obtaining marketing approvals, recruiting patients and manufacturing pharmaceutical products, and they may also have products that have been approved or are in late stages of development, and collaborative arrangements in our target markets with leading companies and research institutions. Established pharmaceutical companies may also invest heavily to accelerate discovery and development of novel compounds or to in-license novel compounds that could make the product candidates that we develop obsolete. Mergers and acquisitions in the pharmaceutical and biotechnology industries may result in even more resources being concentrated among a smaller number of our competitors. As a result of all of these factors, our competitors may succeed in obtaining patent protection and/or FDA or other regulatory approval or discovering, developing and commercializing products in our field before we do, which could result in our competitors establishing a strong market position before we are able to enter the market.

Our competitors may obtain FDA or other regulatory approval of their product candidates more rapidly than we may or may obtain patent protection or other intellectual property rights that limit our ability to develop or commercialize our product candidates or platform technologies. Our competitors may also develop drugs or discovery platforms that are more effective, more convenient, more widely used or less costly than our product candidates or, in the case of drugs, have a better safety profile than our product candidates. These competitors may also be more successful than us in manufacturing and marketing their products and have significantly greater financial resources and expertise in research and development.

There are a large number of companies developing or marketing treatments for cancer, including many major pharmaceutical and biotechnology companies. Currently marketed oncology drugs and therapeutics range from traditional cancer therapies, including chemotherapy, to antibody-drug conjugates, such as Genentech’s Kadcyla, to immune checkpoint inhibitors targeting CTLA-4, such as BMS’ Yervoy, and PD-1/PD-L1, such as BMS’ Opdivo, Merck & Co.’s Keytruda and Genentech’s Tecentriq, to T-cell-engager immunotherapies, such as Amgen’s Blinicyto. Companies are also developing treatments targeting the Siglec family of proteins, such as Celldex Therapeutics and Palleon Pharmaceuticals, both of which are currently engaged in preclinical studies. In addition, numerous compounds are in clinical development for cancer treatment. Many of these companies are well-capitalized and have significant clinical experience (see “Business—Competition”).

Smaller and other early-stage companies may also prove to be significant competitors. These third parties compete with us in recruiting and retaining qualified scientific and management personnel, establishing clinical trial sites and patient registration for clinical trials, as well as in acquiring technologies complementary to, or necessary for, our current and future product candidates. In addition, the biopharmaceutical industry is characterized by rapid technological change. If we fail to stay at the forefront of technological change, we may be unable to compete effectively. Technological advances or products developed by our competitors may render our product candidates obsolete, less competitive or not economical.

Our commercial opportunity could be reduced or eliminated if our competitors develop and commercialize products that are safer, more effective, have fewer or less severe side effects, are more convenient, have a broader label, are marketed more effectively, are reimbursed or are less expensive than any products that we may develop. Our competitors may also obtain patent protection or other intellectual property rights that limit our ability to develop or commercialize our product candidates or platform technologies. Even if our product candidates achieve marketing approval, they may be priced at a significant premium over competitive products if any have been approved by then, resulting in reduced competitiveness. If we do not compete successfully, we may not generate or derive sufficient revenue from any product candidate for which we obtain marketing approval and may not become or remain profitable.

We may need to grow the size of our organization, and we may experience difficulties in managing future growth.

As our development plans and strategies develop, we may need additional managerial, operational, marketing, sales, financial and other personnel. Future growth would impose significant added responsibilities on members of management, including:

- identifying, recruiting, integrating, maintaining and motivating additional employees;
- managing our internal development efforts effectively, including the clinical and FDA review process for SIM0505, LNCB74 and any future product candidates we develop, while complying with our contractual obligations to contractors and other third parties; and
- improving our operational, financial and management controls, reporting systems and procedures.

Our future financial performance and our ability to advance development of and, if approved, commercialize SIM0505, LNCB74 and any future product candidates we develop will depend, in part, on our ability to effectively manage any future growth, and our management may have to divert a disproportionate amount of its attention away from day-to-day activities in order to devote a substantial amount of time to managing these growth activities.

We currently rely, and for the foreseeable future will continue to rely, in substantial part on certain independent organizations, advisors and consultants to provide certain services. We cannot assure you that the services of independent organizations, advisors and consultants will continue to be available to us on a timely basis when needed, or that we can find qualified replacements. In addition, if we are unable to effectively manage our outsourced activities or if the quality or accuracy of the services provided by consultants is compromised for any reason, our clinical trials may be extended, delayed or terminated, and we may not be able to obtain marketing approval of any current or future product candidates or otherwise advance our business. We cannot assure you that we will be able to manage our existing consultants or find other competent outside contractors and consultants on economically reasonable terms, or at all.

If we are not able to effectively expand our organization by hiring new employees and expanding our groups of consultants and contractors, we may not be able to successfully implement the tasks necessary to further develop and commercialize SIM0505, LNCB74 and any future product candidates we develop and, accordingly, may not achieve our research, development and commercialization goals.

If we are unable to establish marketing, sales and distribution capabilities for SIM0505, LNCB74 or any other product candidate that may receive regulatory approval, we may not be successful in commercializing those product candidates if and when they are approved.

We do not have sales or marketing infrastructure. To achieve commercial success for SIM0505, LNCB74 and any other product candidate for which we may obtain marketing approval, we will need to establish a sales and marketing organization. In the future, we expect to build a focused sales and marketing infrastructure to market some of our product candidates in the United States, if and when they are approved. There are risks involved with establishing our own marketing, sales and distribution capabilities. For example, recruiting and training a sales force is expensive and time consuming and could delay any product launch. If the commercial launch of a product candidate for which we recruit a sales force and establish marketing capabilities is delayed or does not occur for any reason, we would have prematurely or unnecessarily incurred these commercialization expenses. This may be costly, and our investment would be lost if we cannot retain or reposition our sales and marketing personnel.

Factors that may inhibit our efforts to market our products on our own include:

- our inability to recruit, train and retain adequate numbers of effective sales and marketing personnel;
- the inability of sales personnel to obtain access to physicians in order to educate physicians about our product candidates, once approved;
- the lack of complementary products to be offered by sales personnel, which may put us at a competitive disadvantage relative to companies with more extensive product lines; and
- unforeseen costs and expenses associated with creating an independent sales and marketing organization.

If we are unable to establish our own marketing, sales and distribution capabilities and are forced to enter into arrangements with, and rely on, third parties to perform these services, our revenue and our profitability, if any, are likely to be lower than if we had developed such capabilities ourselves. In addition, we may not be successful in entering into arrangements with third parties to sell, market and distribute our product candidates or may be unable to do so on terms that are favorable to us. We likely will have limited control over such third parties, and any of them may fail to devote the necessary resources and attention to sell and market our products effectively. If we do not establish marketing, sales and distribution capabilities successfully, either on our own or in collaboration with third parties, we will not be successful in commercializing our product candidates.

Product liability lawsuits against us could cause us to incur substantial liabilities and to limit commercialization of our product candidates.

We face an inherent risk of product liability exposure related to the testing of our product candidates in human trials and may face greater risk if we commercialize any products that we develop. Product liability claims may be brought against us by subjects enrolled in our trials, patients, healthcare providers or others using, administering or selling our products. If we cannot successfully defend ourselves against such claims, we could incur substantial liabilities. Regardless of merit or eventual outcome, liability claims may result in:

- decreased demand for any product candidate we may develop;
- withdrawal of trial participants;
- termination of clinical trial sites or entire trial programs;
- injury to our reputation and significant negative media attention;
- initiation of investigations by regulators;
- significant time and costs to defend the related litigation;
- substantial monetary awards to trial subjects or patients;
- diversion of management and scientific resources from our business operations; and
- the inability to commercialize any product candidates that we may develop.

While we currently hold trial liability insurance coverage consistent with industry standards, the amount of coverage may not adequately cover all liabilities that we may incur. We may not be able to maintain insurance coverage at a reasonable cost or in an amount adequate to satisfy any liability that may arise. We intend to expand our insurance coverage for products to include the sale of commercial products if we obtain marketing approval for our product candidates, but we may be unable to obtain commercially reasonable product liability insurance. A successful product liability claim or series of claims brought against us, particularly if judgments exceed our insurance coverage, could decrease our cash and adversely affect our business and financial condition.

Our disclosure controls and procedures may not prevent or detect all errors or acts of fraud.

We are subject to the periodic reporting requirements of the Exchange Act. We designed our disclosure controls and procedures to reasonably assure that information we must disclose in reports we file or submit under the Exchange Act is accumulated and communicated to management, and recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC. We believe that any disclosure controls and procedures or internal controls and procedures, no matter how well-conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple errors or mistakes. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by an unauthorized override of the controls. Accordingly, because of the inherent limitations in our control system, misstatements due to error or fraud may occur and not be detected.

Our ability to use our net operating loss carryforwards to offset future taxable income may be subject to certain limitations.

We have incurred substantial losses during our history and do not expect to become profitable in the near future, and we may never achieve profitability. To the extent that we continue to generate taxable losses, unused losses will carry forward to offset future taxable income, if any, until such unused losses expire. As of December 31, 2025, we had federal and state net operating loss carryforwards of \$310.9 million and \$314.0 million, respectively. Certain federal and state net operating loss carryforwards will begin to expire, if not utilized, by 2036. Limitations imposed by the applicable jurisdictions on our ability to utilize net operating loss carryforwards could cause income taxes to be paid earlier than would be paid if such limitations were not in effect and could cause such net operating loss carryforwards to expire unused, in each case reducing or eliminating the benefit of such net operating loss carryforwards. Furthermore, we may not be able to generate sufficient taxable income to utilize our net operating loss carryforwards before they expire. If any of these events occur, we may not derive some or all of the expected benefits from our net operating loss carryforwards. In addition, we may experience ownership changes in the future as a result of subsequent shifts in our stock ownership, some of which may be outside of our control. As a result, even if we earn net taxable income, our ability to use our net operating loss and tax credit carryforwards may be materially limited, which could harm our future operating results by effectively increasing our future tax obligations.

Natural disasters or other unexpected events may disrupt our operations, adversely affect our results of operations and financial condition, and may not be covered by insurance.

The occurrence of one or more unexpected events, including fires, tornadoes, tsunamis, hurricanes, earthquakes, floods, and other forms of severe hazards in the United States or in other countries in which we or our suppliers or manufacturers operate or are located could adversely affect our operations and financial performance. These types of unexpected events could result in physical damage to and complete or partial closure of one or more of the manufacturing facilities operated by our contract manufacturers, or the temporary or long-term disruption in the supply of products, and/or disruption of our ability to deliver products to customers. Further, the long-term effects of climate change on general economic conditions and the pharmaceutical manufacturing and distribution industry in particular are unclear, and changes in the supply, demand or available sources of energy and the regulatory and other costs associated with energy production and delivery may affect the availability or cost of goods and services, including natural resources, necessary to run our businesses. Existing insurance arrangements may not provide protection for the costs that may arise from such events, particularly if such events are catastrophic in nature or occur in combination. Any long-term disruption in our ability to service our customers from one or more distribution centers or outsourcing facilities could have a material adverse effect on our operations, our business, results of operations and stock price.

Risks Related to Our Common Stock

The price of our common stock has been and may continue to be volatile and fluctuate substantially.

Our stock price has been and is likely to remain volatile. The stock market in general, and the market for biopharmaceutical companies in particular, have experienced extreme volatility that has often been unrelated to the operating performance or prospects of particular companies. As a result of this volatility, you may not be able to sell your common stock at or above a recently reported price, or at all. The market price for our common stock may be influenced by many factors, including:

- the commencement, enrollment or results of our ongoing or future clinical trials, or changes in the development status of our product candidates;
- any delay in our regulatory filings for our product candidates and any adverse development or perceived adverse development with respect to the applicable regulatory authority's review of such filings, including without limitation the FDA's issuance of a "refusal to file" letter or a request for additional information;
- adverse results or delays in clinical trials;
- our decision to initiate a clinical trial, not to initiate a clinical trial or to terminate an existing clinical trial;
- adverse regulatory decisions, including failure to receive regulatory approval of our product candidates;
- our failure to commercialize our product candidates;
- unanticipated serious safety concerns related to the use of our product candidates;
- the size and growth of our target markets;
- the success of competitive products or technologies;
- regulatory actions with respect to our product candidates or our competitors' products or product candidates;
- announcements by us or our competitors of significant acquisitions, strategic collaborations, joint ventures, collaborations or capital commitments;
- regulatory or legal developments in the United States and other countries applicable to our product candidates, including but not limited to clinical trial requirements for approvals;
- our inability to obtain adequate product supply for any approved product or inability to do so at acceptable prices;
- developments or disputes concerning patent applications, issued patents or other proprietary rights;
- the recruitment or departure of key personnel;
- the level of expenses related to our product candidates or clinical development programs;
- the results of our efforts to discover, develop, acquire or in-license product candidates;
- actual or anticipated changes in estimates as to financial results, development timelines or recommendations by securities analysts or publications of research reports about us or our industry;
- variations in our annual or quarterly financial results or those of companies that are perceived by investors to be similar to us;

- our cash position;
- fluctuations in the valuation of companies perceived by investors to be comparable to us;
- share price and volume fluctuations attributable to inconsistent trading volume levels of our shares;
- announcement or expectation of additional financing efforts;
- sales of our common stock by us, our directors, officers or their affiliated funds or our other stockholders;
- changes in the structure of healthcare payment systems;
- significant lawsuits, including intellectual property or stockholder litigation;
- market conditions in the pharmaceutical and biotechnology sectors;
- general economic, industry and market conditions; and
- other events or factors, many of which are beyond our control, or unrelated to our operating performance or prospects.

In addition, the stock market in general, and Nasdaq and biotechnology companies in particular, have experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of these companies. Broad market and industry factors may negatively affect the market price of our common stock, regardless of our actual operating performance. The realization of any of the above risks or any of a broad range of other risks, including those described in this “Risk Factors” section, could have a dramatic and material adverse impact on the market price of our common stock.

If securities analysts do not publish research or reports about our business or if they publish inaccurate or unfavorable research about our business, the price of our stock could decline.

The trading market for our common stock relies, in part, on the research and reports that industry or financial analysts publish about us or our business. We currently receive only limited coverage by equity research analysts. If additional analysts do not commence coverage of us, the trading price of our stock could decrease. In addition, if one or more of the analysts covering our business issue adverse reports about us or downgrade their evaluations of our stock, the price of our stock could decline. If one or more of these analysts cease to cover our stock or fail to publish reports on us regularly, we could lose visibility in the market for our stock, which, in turn, could cause our stock price to decline.

Sales of a substantial number of shares of our common stock in the public market could cause our stock price to fall, even if our business is doing well.

If our existing stockholders sell, or indicate an intention to sell, substantial amounts of our common stock in the public market, the market price of our common stock could decline significantly.

We have filed registration statements on Form S-8 shares of common stock that are either subject to options or other equity awards issued or reserved for future issuance under our equity incentive plans. The number of shares available for issuance under the 2019 Omnibus Plan is subject to an automatic annual increase on January 1st of each year, continuing until the expiration of the 2019 Omnibus Plan, in an amount equal to four percent (4%) of the total number of shares of Common Stock outstanding on December 31st of the preceding calendar year. The number of shares available for issuance under the 2019 Employee Stock Purchase Plan, or “ESPP”, is subject to an automatic annual increase on January 1st of each year, continuing until the expiration of the ESPP, in an amount equal to the least of (i) one percent (1%) of the total number of shares of Common Stock outstanding on December 31st of the preceding calendar year, (ii) 480,000 shares of Common Stock (subject to the capitalization adjustment provisions included in the ESPP) and (iii) a number of shares of Common Stock determined by the administrator of the ESPP. Shares registered under our registration statements on Form S-8 will be available for sale in the public market subject to vesting arrangements and exercise of options and the restrictions of Rule 144 in the case of our affiliates.

Our executive officers, directors and current beneficial owners of 5% or more of our common stock and their respective affiliates exercise significant influence over our company, which limits your ability to influence corporate matters and could delay or prevent a change in corporate control.

Our executive officers, directors and current beneficial owners of 5% or more of our common stock and their respective affiliates beneficially own, in the aggregate, approximately 34% of our outstanding common stock. As a result, these stockholders, if they act together, will be able to influence our management and affairs and the outcome of matters submitted to our stockholders for approval, including the election of directors and any sale, merger, consolidation or sale of all or substantially all of our assets. This concentration of ownership might adversely affect the market price of our common stock by:

- delaying, deferring or preventing a change of control of us;
- impeding a merger, consolidation, takeover or other business combination involving us; or
- discouraging a potential acquirer from making a tender offer or otherwise attempting to obtain control of us.

We had and may in the future be subject to securities litigation, which can be expensive and could divert management's attention.

Litigation is often expensive and can divert management's attention and resources from other business concerns, which could adversely affect our business. If we are ultimately required to pay significant defense costs, damages or settlement amounts, such payments could adversely affect our operations.

We have been and may be the target of securities litigation in the future. The market price of our common stock has experienced and may continue to experience volatility, and in the past, companies that have experienced volatility in the market price of their stock have been subject to securities litigation. Any future litigation could result in substantial costs and divert our management's attention from other business concerns, which could seriously harm our business. If we are ultimately required to pay significant defense costs, damages or settlement amounts, such payments could adversely affect our operations. While we maintain liability insurance, costs or expenses associated with litigation may exceed our insurance coverage, and we may be forced to bear some or all costs and expenses directly, which could be substantial.

Anti-takeover provisions in our charter documents and under Delaware law could make an acquisition of us, which may be beneficial to our stockholders, more difficult and may prevent attempts by our stockholders to replace or remove our current management.

Provisions in our amended and restated certificate of incorporation and amended and restated bylaws may delay or prevent an acquisition of us or a change in our management. For example, our board of directors has the authority to issue up to 10,000,000 shares of preferred stock. The board of directors can fix the price, rights, preferences, privileges and restrictions of the preferred stock without any further vote or action by our stockholders. The issuance of shares of preferred stock may delay or prevent a change of control transaction. As a result, the market price of our common stock and the voting and other rights of our stockholders may be adversely affected. An issuance of shares of preferred stock may result in the loss of voting control to other stockholders.

These provisions also include a classified board of directors, a prohibition on actions by written consent of our stockholders and the ability of our board of directors to issue preferred stock without stockholder approval. In addition, because we are incorporated in Delaware, we are governed by the provisions of Section 203 of the Delaware General Corporation Law, which limits the ability of stockholders owning in excess of 15% of our outstanding voting stock to merge or combine with us. Although we believe these provisions collectively provide for an opportunity to obtain greater value for stockholders by requiring potential acquirers to negotiate with our board of directors, they would apply even if an offer rejected by our board were considered beneficial by some stockholders. In addition, these provisions may frustrate or prevent any attempts by our stockholders to replace or remove our current management by making it more difficult for stockholders to replace members of our board of directors, which is responsible for appointing the members of our management.

If we fail to maintain proper and effective internal control over financial reporting, our ability to produce accurate and timely financial statements could be impaired, investors may lose confidence in our financial reporting and the trading price of our common stock may decline.

Effective December 31, 2024, we no longer qualify as an “emerging growth company,” meaning we can no longer rely on certain exemptions from various public company reporting requirements, including having an extended transition period to comply with new or revised accounting standards applicable to public companies. We maintained our status as a smaller reporting company; thus, our independent registered public accounting firm will not be required to provide an attestation report on the effectiveness of our internal control over financial reporting. This may increase the risk that material weaknesses or significant deficiencies in our internal control over financial reporting go undetected. Any failure to maintain internal control over financial reporting could severely inhibit our ability to accurately report our financial condition, results of operations or cash flows. If we are unable to conclude that our internal control over financial reporting is effective, investors may lose confidence in the accuracy and completeness of our financial reports, the market price of our common stock could decline, and we could be subject to sanctions or investigations by Nasdaq, the SEC or other regulatory authorities. Failure to remedy any material weakness in our internal control over financial reporting, or to implement or maintain other effective control systems required of public companies, could also restrict our future access to the capital markets.

We do not intend to pay dividends on our common stock, so any returns will be limited to the value of our stock.

We currently anticipate that we will retain future earnings for the development, operation and expansion of our business and do not anticipate declaring or paying any cash dividends for the foreseeable future. Any return to stockholders will therefore be limited to the appreciation of their stock.

We have incurred and will continue to incur significantly increased costs as a result of operating as a public company, and our management will be required to devote substantial time to new compliance initiatives.

As a public company we have incurred, and we expect to continue to incur significant legal, accounting, investor relations and other expenses that we did not incur as a private company. The Sarbanes-Oxley Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act, the listing requirements of Nasdaq and other applicable securities rules and regulations impose various requirements on public companies, including establishment and maintenance of effective disclosure and financial controls and corporate governance practices. Our management and other personnel devote a substantial amount of time to these compliance initiatives. We expect these rules and regulations to substantially increase our legal and financial compliance costs and to make some activities more time consuming and costly. For example, we expect that these rules and regulations may make it more difficult and more expensive for us to obtain director and officer liability insurance and we may be required to incur substantial costs to maintain sufficient coverage. We cannot predict or estimate the amount or timing of additional costs we may incur to respond to these requirements. The impact of these requirements could also make it more difficult for us to attract and retain qualified persons to serve on our board of directors, our board committees or as executive officers. These rules and regulations are often subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices.

Our amended and restated bylaws designate the Court of Chancery of the State of Delaware or the United States District Court for the District of Delaware as the exclusive forum for certain types of actions and proceedings that may be initiated by our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or employees.

Our Second Amended and Restated Bylaws (“Bylaws”) provide that, unless we consent in writing to an alternative forum, the Court of Chancery of the State of Delaware or, if subject matter jurisdiction over the matter that is the subject of such action is vested exclusively in the federal courts, the United States District Court for the District of Delaware will, to the fullest extent permitted by law, be the sole and exclusive forum for (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a claim of breach of a fiduciary duty owed by any of our current or former directors, officers and employees, (iii) any action asserting a claim arising pursuant to any provision of the Delaware General Corporation Law, our certificate of incorporation or our bylaws, (iv) any action or proceeding to interpret, apply, enforce or determine the validity of our certificate of incorporation or the bylaws or (v) any action asserting a claim that is governed by the internal affairs doctrine, in each case subject to the Court of Chancery or the

United States District Court for the District of Delaware, as applicable, having personal jurisdiction over the indispensable parties named as defendants therein. In addition, any person holding, owning or otherwise acquiring any interest in any of our securities shall be deemed to have notice of and to have consented to this provision of our bylaws. The choice of forum provision does not apply to any actions arising under the Securities Act or the Exchange Act. The choice of forum provision may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers or employees, which may discourage such lawsuits against us and our directors, officers and employees even though an action, if successful, might benefit our stockholders. Stockholders who do bring a claim in the Court of Chancery or the United States District Court for the District of Delaware could face additional litigation costs in pursuing any such claim, particularly if they do not reside in or near the jurisdiction. The Court of Chancery or the United States District Court for the District of Delaware may also reach different judgments or results than would other courts, including courts where a stockholder considering an action may be located or would otherwise choose to bring the action, and such judgments or results may be more favorable to us than to our stockholders. Alternatively, if a court were to find this provision of our Bylaws inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings, we may incur additional costs, which could have a material adverse effect on our business, financial condition or results of operations.

Item 1B. Unresolved Staff Comments
Not Applicable.

Item 1C. Cybersecurity

In the ordinary course of our business, we collect, maintain and transmit large amounts of confidential information in digital form, including intellectual property, proprietary business information, financial information, personal information, protected health information and data to comply with cGMP and data integrity requirements. It is critical that we do so in a secure manner to maintain data security and data integrity of such information. We have established physical, electronic and organizational measures to safeguard and secure our systems to prevent a data compromise. We have also outsourced elements of our information technology infrastructure and data security processes to a number of expert qualified third-party vendors to help us stay current with data and electronic information security best practices.

We have implemented processes designed to identify, review and manage risks from potential data breaches, unauthorized occurrences, and other information security losses on or through our information technology systems that could result in adverse effects on the confidentiality, integrity, and availability of our systems and electronic information. These processes are managed and monitored by our information technology (IT) team as managed by our Chief Operating Officer, or "COO". Our COO has experience in overseeing our cybersecurity and information technology programs. We rely heavily on information technology consultants for advice and expertise on monitoring evolving industry standards and to monitor our compliance with applicable policies. Our processes include mechanisms, controls, technologies, and systems designed to prevent or mitigate data loss, theft, misuse, or other security incidents or vulnerabilities affecting the data and maintain a stable information technology environment. With the assistance of our third-party vendors, we conduct regular penetration and vulnerability testing, security audits, and ongoing risk assessments. Our internal information technology team conducts due diligence on key technology vendors, contractors and suppliers. We also conduct periodic employee training on cyber and information security, among other topics, and conduct internal false flag and/or phishing campaigns to identify any employees that might need additional training.

Our COO, together with our internal IT team, are responsible for assessing and managing cybersecurity risks. They review at least quarterly with our expert advisors our cybersecurity measures and procedures in view of the Company's cybersecurity risks to anticipate future threats and trends, and determine whether and how to adjust our strategies and processes accordingly. During the year ended December 31, 2025, we did not identify risks from known cybersecurity threats, including as a result of any prior cybersecurity incidents, that have materially affected the Company.

However, we face certain ongoing cybersecurity risks or threats that, if realized, are reasonably likely to materially affect our business, results of operations or financial condition. Additional information on cybersecurity risks we face is discussed in Part I, Item 1A, "Risk Factors," under the heading "We depend on data and our information technology systems, and any failure of these systems could harm our business. Security breaches, loss of data, and other disruptions could compromise sensitive information related to our business or prevent us from accessing critical information and expose us to liability, which could adversely affect our business, results of operations and financial condition."

The Board of Directors, with the assistance of the Audit Committee, has oversight for the most significant risks facing us and for our processes to identify, prioritize, assess, manage, and mitigate those risks. As part of its oversight

responsibilities, the Audit Committee receives regular updates on cybersecurity and information technology matters and related risk exposures from our COO. The Board also receives updates from the Audit Committee on cybersecurity risks on at least an annual basis.

Item 2. Properties

Our corporate headquarters is located in Beltsville, Maryland and consists of approximately 28,500 square feet of office, 20,600 square feet of laboratory and manufacturing and 20,200 square feet of warehouse space. The lease terms expire in March 2030. We believe that these facilities are adequate for our current needs and that suitable additional or substitute space will be available in the future if needed.

Item 3. Legal Proceedings

The information set forth under the heading “Legal Proceedings” in Note 10, Commitments and Contingencies, in Notes to Financial Statements in Part II Item 8 of this Annual Report, is incorporated herein by reference.

Item 4. Mine Safety Disclosures

Not Applicable.

PART II

Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Information and Holders of Record

Our common stock trades on the Nasdaq Global Select Market, or “Nasdaq”, under the symbol “NXTC.” As of February 27, 2026 we had 16 holders of record of our common stock. The actual number of shareholders is greater than this number of record holders and includes shareholders who are beneficial owners but whose shares are held in street name by brokers and other nominees. This number of holders of record also does not include shareholders whose shares may be held in trust by other entities.

Dividends

We have never declared or paid cash dividends on our capital stock, and we do not anticipate paying any cash dividends in the foreseeable future. We currently intend to retain all available funds and any future earnings to support our operations and finance the growth and development of our business.

Item 6. Selected Financial Data

Not applicable

Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations

You should read the following discussion and analysis of our financial condition and results of operations together with the financial statements and the related notes appearing elsewhere in this Annual Report. This discussion contains forward-looking statements that are based on management’s current expectations, estimates, and projections about our business and operations, and involve risks and uncertainties. Our actual results could differ materially from those discussed in these forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those discussed in the sections entitled “Risk Factors” and “Special Note Regarding Forward-Looking Statements” and elsewhere in this Annual Report. The following discussion and analysis is expected to better allow investors to view the company from management’s perspective.

Overview

We are a clinical-stage biopharmaceutical company that is focused on advancing innovative medicines that treat cancer patients that do not respond to, or that have disease progression on, current therapies, through the use of targeted therapies, including antibody-drug conjugates (“ADCs”). An ADC consists of a monoclonal antibody conjugated to a cytotoxic drug via a chemical linker. We focus on advancing therapies that leverage our core strengths in understanding biological pathways and biomarkers, the interactions of cells, including in the tumor microenvironment, and the role each interaction plays in a biologic response.

Our product candidate SIM0505 is a novel ADC candidate developed by Zaiming, to which we acquired the global rights (excluding China, Hong Kong, Macau and Taiwan) to develop, manufacture, and commercialize under the License Agreement, dated June 13, 2025, between the Company and Zaiming. It is directed to CDH6 (cadherin-6 or K-cadherin), a promising anti-tumor target, using a unique binding epitope designed to have increased tumor binding compared to competing candidates. It also features Zaiming’s proprietary topoisomerase 1 inhibitor (TOPOi) payload, designed for broad anti-tumor activity while offering fast systemic clearance to enlarge the therapeutic window. Preclinical studies have demonstrated robust anti-tumor activity across multiple solid tumor models and a promising safety profile in toxicology models.

Zaiming is currently in Phase 1 dose escalation studies in China with SIM0505 for the treatment of solid tumors, including ovarian, endometrial, non-small cell lung and renal. In December 2024, Zaiming received clearance from the U.S. Food and Drug Administration for its Investigational New Drug (“IND”) for a Phase 1 clinical trial for treating multiple cancers. We received notification by the FDA in June 2025 of the assignment of the IND to NextCure. In October 2025, we announced dosing our first patient and expect to provide Phase 1 dose escalation data in the second quarter of 2026.

Our product candidate LNCB74 is designed as a state-of-the-art B7-H4 targeted ADC to kill tumors. B7-H4, a clinically validated target, is a cell surface protein expressed on multiple tumor types including breast, ovarian, and endometrial cancers. LNCB74 will be positioned with both potential improved safety and efficacy compared to other ADCs targeting B7-H4. Preclinical studies demonstrated potent tumor killing in disease models and a favorable safety profile. LNCB74 is being advanced under a November 2022 Research Collaboration and Co-Development Agreement with LigaChem.

In December 2024, we announced that the FDA accepted an IND application for initiation of a Phase 1 clinical trial to evaluate LNCB74 for treating multiple cancers known to have high B7-H4 expression, including breast, ovarian, and endometrial cancers. In January 2025, the first patient in our Phase 1 trial of LNCB74 was dosed. In November 2025, we announced that the FDA had cleared a protocol amendment giving us the ability to add higher dose escalation cohorts. In January 2026, we announced that proof of concept data, previously anticipated in the first half of 2026, had been updated to accommodate expanded dosing and enrollment including prioritizing patients with high B7-H4 expression in breast and gynecological cancers, while adding adenoid cystic carcinoma type 1 (“ACC-1”). We plan to provide a trial update in the second half of 2026.

In addition, we are seeking to partner our other clinical programs NC410 and NC525 and to pursue a partner or third-party financing to advance our preclinical non-oncology programs NC605 and NC181.

In March 2024, we announced a prioritization and restructuring of our operations to align with our focused pipeline (the “2024 Restructuring”) (see Note 14, Restructuring and Asset Impairment). We paused our internal manufacturing operations and reduced our workforce.

Financial Overview

Since commencing operations in 2015, we have devoted substantially all of our efforts and financial resources to organizing and staffing our company, identifying business development opportunities, raising capital, securing intellectual property rights related to our product candidates, building and optimizing our manufacturing capabilities and conducting discovery, research and development activities for our product candidates.

To date, we have not generated any revenue from product sales and have financed our operations primarily through proceeds from public offerings of our common stock, with private placements of our preferred stock and with upfront fees received under our former research and development collaboration agreement. Since inception through

December 31, 2025, we raised approximately \$445 million in gross proceeds from the sale of equity instruments and had received a \$25 million upfront payment from our former collaboration partner. We have never been profitable and have incurred net losses since the commencement of our operations. Our net losses for the years ended December 31, 2025 and 2024 were \$55.8 million and \$55.7 million, respectively. As of December 31, 2025, we had an accumulated deficit of \$436.0 million, primarily as a result of research and development and general and administrative expenses. We do not expect to generate product revenue unless and until we obtain marketing approval for and commercialize a product candidate, and we cannot make assurances that we will ever generate significant revenue or profits.

As of December 31, 2025 we had cash, cash equivalents and marketable securities of \$41.8 million. Our expectation to incur additional operating losses and negative operating cash flows in the future and the need for additional funding to support our planned operations raise substantial doubt regarding our ability to continue as a going concern for a period of one year after the date that these audited financial statements are issued.

We will need to raise additional capital in order to extend our runway and enable us to continue advancing our current clinical programs, SIM0505 and LNCB74, beyond the first half of 2027. While we intend to use any additional funding to continue development of both of our lead programs, if we do not raise sufficient funds in one or more financings or obtain other financial support for program development, we will need to implement additional cost cutting measures to extend our runway, which may include delaying enrollment in, or pausing, one of our clinical programs and a further reduction in workforce. See Note 2 to the Financial Statements, Summary of Significant Accounting Policies for a further assessment of liquidity.

We expect to incur substantial expenditures in the foreseeable future as we advance SIM0505 and LNCB74 through clinical development, the regulatory approval process and, if approved, commercialization. Specifically, in the near term, we expect to incur expenses relating to clinical development activities with respect to SIM0505 and LNCB74.

We will need substantial additional funding to support our continuing operations and to pursue our development strategy. Until such time as we can generate significant revenue from sales of our product candidates, if ever, we expect to finance our operations through a combination of public and private equity offerings, debt financings, marketing and distribution arrangements, other collaborations, strategic alliances and licensing arrangements. Adequate funding may not be available to us on acceptable terms, or at all. If we fail to raise capital or enter into such agreements as and when needed, we may be required to delay, limit, reduce or terminate preclinical studies, clinical trials, or other research and development activities or one or more of our development programs.

Components of Our Results of Operations

Operating Expenses

Research and Development Expenses

Research and development expenses consist primarily of costs incurred for our clinical trials, discovery efforts, research activities, and development and testing of our product candidates and include:

- the costs of acquired in-process research and development;
- expenses incurred under agreements with third parties, including agreements with third parties that conduct research, preclinical activities or clinical trials on our behalf;
- the costs of outside consultants, including their fees, stock-based compensation and related travel expenses;
- the costs of laboratory supplies and acquiring, developing and manufacturing preclinical study and clinical trial materials;
- salaries, benefits and other related costs, including stock-based compensation, for personnel engaged in research and development functions; and
- facility-related expenses, which include direct depreciation costs and allocated expenses for rent and maintenance of facilities and other operating costs.

We expense research and development costs as incurred. Our expenses related to clinical trials are based on actual costs incurred and estimates of other incurred costs. These estimated costs are based on several factors, including patient enrollment and related expenses at clinical investigator sites, contract services received, consulting agreement costs and efforts expended under contracts with research institutions and third-party contract research organizations that conduct and manage clinical trials on our behalf. We generally accrue estimated costs related to clinical trials based on contracted amounts applied to the level of patient enrollment and other activity according to the protocol. If future timelines or contracts are modified based on changes in the clinical trial protocol or scope of work to be performed, we would modify our estimates of accrued expenses accordingly on a prospective basis. Historically, any such modifications have not been material.

Research and development activities are central to our business model. We expect that our research and development expenses will increase substantially in the future as we advance our product candidates through development.

We cannot determine with certainty the duration and costs of future clinical trials of SIM0505, LNCB74 or any other product candidate we may develop or if, when or to what extent we will generate revenue from the commercialization and sale of any product candidate for which we may obtain marketing approval. We may never succeed in obtaining marketing approval for any product candidate. The duration, costs and timing of clinical trials and development of SIM0505, LNCB74 and any other product candidate we may develop will depend on a variety of factors, including:

- the scope, progress, results and costs of clinical trials of SIM0505, LNCB74 as well as of any future clinical trials of other product candidates and other research and development activities that we may conduct;
- our ability to obtain partnerships for our other programs;
- uncertainties in selection of indications, clinical trial design and patient enrollment rates;
- the probability of success for our product candidates, including safety and efficacy, early clinical data, competition, ease and ability of manufacturing and commercial viability;
- significant and changing government regulation and regulatory guidance;
- the timing and receipt of any development or marketing approvals; and
- the expense of filing, prosecuting, defending and enforcing any patent claims and other intellectual property rights.

A change in the outcome of any of these variables with respect to the development of a product candidate could lead to a significant change in the costs and timing associated with the development of that product candidate. For example, if the FDA or another regulatory authority were to require us to conduct clinical trials beyond those that we anticipate will be required for the completion of clinical development of a product candidate, or if we experience significant delays in our clinical trials due to patient enrollment or other reasons, we would be required to expend significant additional financial resources and time to complete clinical development for any such product candidate.

General and Administrative Expenses

General and administrative expenses consist primarily of personnel-related costs, including payroll and stock-based compensation, for personnel in executive, finance, human resources, business and corporate development and other administrative functions, professional fees for legal, intellectual property, consulting and accounting services, rent and other facility-related costs, depreciation and other general operating expenses not otherwise classified as research and development expenses. General and administrative expenses also include all patent-related costs incurred in connection with filing and prosecuting patent applications, which are expensed as incurred.

Restructuring and Asset Impairment Charges

Restructuring and asset impairment charges consist of severance charges associated with a reduction in force, and include salary continuation, payroll taxes and company funded benefits. Asset impairment charges reflect the write-down of long-lived assets that are considered impaired under ASC 360.

Other Income, Net

Other income, net consists primarily of interest income earned on marketable securities.

Results of Operations

Comparison of the Years Ended December 31, 2025 and 2024

The following table summarizes our results of operations for the periods indicated (in thousands):

	Year Ended December 31,		Change
	2025	2024	
Operating expenses:			
Research and development	\$ 44,923	\$ 41,488	\$ 3,435
General and administrative	12,693	15,718	(3,025)
Restructuring and asset impairment charges	—	2,542	(2,542)
Loss from operations	(57,616)	(59,748)	(2,132)
Other income, net	1,772	4,094	(2,322)
Net loss	<u>\$ (55,844)</u>	<u>\$ (55,654)</u>	<u>\$ (190)</u>

Research and Development Expenses

The following table summarizes our research and development expenses by product candidate for the periods indicated (in thousands):

(in thousands)	Year Ended December 31,		Change
	2025	2024	
External research and development expenses:			
LNCB74, net of cost sharing	3,339	5,033	(1,694)
SIM0505	20,370	—	20,370
Other programs and preclinical development	8,174	20,324	(12,150)
Total external research and development expenses	31,883	25,357	6,526
Total internal research and development expenses	13,040	16,131	(3,091)
Total research and development expenses	<u>\$ 44,923</u>	<u>\$ 41,488</u>	<u>\$ 3,435</u>

We do not allocate personnel-related costs, including stock-based compensation costs, or other indirect costs to specific programs, as they are deployed across multiple projects under development and discovery and, as such, are separately classified as internal research and development expenses in the table above.

Research and development expenses for the year ended December 31, 2025 increased by \$3.4 million, or 8%, to \$44.9 million compared to \$41.5 million for the year ended December 31, 2024 due to \$20.4 million of costs for SIM0505, including \$18.5 million of license fees and milestone payments associated with a license agreement signed in June 2025.

These higher costs were largely offset by lower costs on other programs, largely costs associated with NC410 and NC525 as the Company previously deprioritized these programs and focused on finding a partner to further develop these programs. Internal costs also decreased, largely due to lower personnel-related costs.

General and Administrative Expenses

General and administrative expenses for the year ended December 31, 2025 decreased by \$3.0 million to \$12.7 million as compared to \$15.7 million for the year ended December 31, 2024. The decrease was driven primarily by \$2.5 million lower personnel-related costs, including \$1.9 million of stock compensation, and \$0.3 million lower insurance costs.

Restructuring and Asset Impairment Charges

Restructuring and asset impairment charges were \$2.5 million for year ended December 31, 2024, consisting of \$0.7 million of severance charges as a result of a reduction in force announced on March 21, 2024 and \$1.8 million of asset impairment charges associated with the write-down of certain manufacturing equipment, right of use assets and related improvements as a result of the pause in manufacturing that we announced on March 21, 2024.

Other Income, Net

Other income, net for the year ended December 31, 2025 decreased by \$2.3 million to \$1.8 million from \$4.1 million for the year ended December 31, 2024 due to lower interest income as a result of lower investable cash and lower interest rates.

Liquidity and Capital Resources

Since inception through December 31, 2025, we raised approximately \$445 million in gross proceeds from the sale of equity instruments and had received a \$25 million upfront payment from our former collaboration partner.

On August 4, 2023, the Company entered into a sales agreement (the “Leerink ATM Agreement”) with Leerink Partners LLC (the “Agent”), pursuant to which the Company was entitled to sell, from time to time, up to an aggregate sales price of \$75 million of its common stock through the Agent in negotiated transactions that are deemed to be an “at the market offering.” The Agent was entitled to compensation equal to 3.0% of the gross proceeds from the sale of all shares of common stock sold through it as the Agent under the Leerink ATM Agreement. Actual sales depended on a variety of factors determined by the Company from time to time, including, among other things, market conditions, the trading price of the common stock, capital needs and determinations by the Company of the appropriate sources of funding for the Company. No shares of common stock were sold in the year ended December 31, 2025. In the year ended December 31, 2024, the Company sold 1,429 shares of common stock for net proceeds of approximately \$39,000. The Leerink ATM Agreement was terminated by the Company effective as of October 8, 2025.

On June 13, 2025, the Company entered into a License Agreement (the “License Agreement”) with Simcere Zaiming Pharmaceutical Co., Ltd. (formerly known as Hainan Simcere Zaiming Pharmaceutical, Ltd. or hereinafter “Zaiming”), a biopharmaceutical company based in China (see Note 3 to the Financial Statements, License Agreement). In connection with the License Agreement, the Company also entered into a Subscription Agreement (the “Subscription Agreement”) pursuant to which the Company issued and sold to Simcere Zaiming, Inc. (“Simcere Zaiming”), a Delaware corporation and an affiliate of Zaiming, in a private placement, an aggregate of 338,636 shares (the “Shares”) of the common stock of the Company, par value \$0.001 per share, at a price of approximately \$5.904 per Share for an aggregate purchase price of \$2.0 million.

On November 12, 2025, the Company entered into a securities purchase agreement (the “Purchase Agreement”) with certain institutional and accredited investors (each, a “Purchaser” and collectively, the “Purchasers”) for a private placement (the “Offering”) of an aggregate of (i) 708,428 shares (the “Shares”) of the Company’s common stock, par value \$0.001 per share (the “Common Stock”), at a purchase price of \$8.52 per share, and (ii) pre-funded warrants (the “Pre-Funded Warrants”) to purchase up to an aggregate of 1,815,049 shares of Common Stock (the “Pre-Funded Warrant Shares”) at a purchase price of \$8.519 per Pre-Funded Warrant, which represents the per share purchase price of the Shares less the \$0.001 per share exercise price for each Pre-Funded Warrant. The Pre-Funded Warrants are exercisable at any time after the date of issuance and will not expire. The Offering closed on November 14, 2025. Proceeds from the Offering, net of placement agent’s fees and other Offering expenses, were \$20.3 million. On December 15, 2025, 117,371 of the pre-funded warrants were exercised.

On December 19, 2025, the Company entered into an at the market offering agreement (the “Wainwright ATM Agreement”) with H.C. Wainwright & Co., LLC (the “Agent”), pursuant to which the Company may sell, from time to time, up to an aggregate sales price of \$14.5 million of its Common Stock, through the Agent. Actual sales will depend on a variety of factors to be determined by the Company from time to time, including, among other things, market conditions, the trading price of the Common Stock, capital needs and determinations by the Company of the appropriate sources of funding for the Company. No sales of Common Stock were made in the year ended December 31, 2025 under the Wainwright ATM Agreement. After year end and through February 27, 2026, 52,715 shares of Common Stock were sold under the Wainwright ATM Agreement for net proceeds of approximately \$0.7 million.

As of December 31, 2025 we had cash, cash equivalents and marketable securities of \$41.8 million. Our expectation to incur additional operating losses and negative operating cash flows in the future and the need for additional funding to support our planned operations raise substantial doubt regarding our ability to continue as a going concern for a period of one year after the date that these audited financial statements are issued.

We will need to raise additional capital in order to extend its runway and enable it to continue advancing its current clinical programs, SIM0505 and LNCB74, beyond the first half of 2027. While we intend to use any additional funding to continue development of both of our lead programs, if we do not raise sufficient funds in one or more financings or obtain other financial support for program development, we will need to implement additional cost cutting measures to extend our runway, which may include delaying enrollment in, or pausing, one of our clinical programs and a further reduction in workforce. See Note 2 to the Financial Statements, Summary of Significant Accounting Policies for a further assessment of liquidity.

We expect to incur substantial expenditures in the foreseeable future as we advance SIM0505 and LNCB74 through clinical development, the regulatory approval process and, if approved, commercialization. Specifically, in the near term, we expect to incur expenses relating to clinical development activities with respect to SIM0505 and LNCB74.

We will need substantial additional funding to support our continuing operations and to pursue our development strategy. Until such time as we can generate significant revenue from sales of our product candidates, if ever, we expect to finance our operations through a combination of public and private equity offerings, debt financings, marketing and distribution arrangements, other collaborations, strategic alliances and licensing arrangements. Adequate funding may not be available to us on acceptable terms, or at all. If we fail to raise capital or enter into such agreements as and when needed, we may be required to delay, limit, reduce or terminate preclinical studies, clinical trials, or other research and development activities or one or more of our development programs. Our need to raise additional capital will depend on many factors, including:

- the scope, progress, results and costs of researching and developing SIM0505, LNCB74 and our other programs, and of conducting preclinical studies and clinical trials;
- the timing of, and the costs involved in, obtaining marketing approvals for SIM0505, LNCB74 and any future product candidates we develop, if clinical trials are successful;
- the costs of manufacturing SIM0505, LNCB74 and any future product candidates we develop for preclinical studies and clinical trials in preparation for marketing approval and commercialization;
- the costs of commercialization activities, including marketing, sales and distribution costs, for SIM0505, LNCB74 and any future product candidates we develop, whether alone or with a collaborator, if any such product candidates are approved for sale, including marketing, sales and distribution costs;
- our ability to establish and maintain additional collaborations, licenses or other arrangements on favorable terms, if at all;
- the costs involved in preparing, filing, prosecuting, maintaining, expanding, defending and enforcing patent claims, including litigation costs and the outcome of any such litigation;
- our current collaboration and license agreements remaining in effect and our achievement of milestones and the timing and amount of milestone payments we are required to make, or that we may be eligible to receive, under those agreements;
- the timing, receipt and amount of sales of, or royalties on, our future products, if any; and
- the emergence of competing therapies and other developments in the oncology market.

Adequate additional financing may not be available to us on acceptable terms, or at all. If we raise additional funds by issuing equity securities, our stockholders may experience dilution. Any future debt financing into which we enter may impose upon us additional covenants that restrict our operations, including limitations on our ability to incur

liens or additional debt, pay dividends, repurchase our common stock, make certain investments and engage in certain merger, consolidation or asset sale transactions. Any debt financing or additional equity that we raise may contain terms that are not favorable to us or our stockholders. If we raise additional funds through government or private grants, collaborations, strategic alliances or marketing, distribution or licensing arrangements with third parties, we may be required to relinquish valuable rights to our future revenue streams, product candidates or research programs or to grant licenses on terms that may not be favorable to us. If we are unable to raise additional funds when needed, we may be required to delay, reduce or terminate some or all of our development programs and clinical trials. We may also be required to sell or license to others rights to our product candidates in certain territories or indications that we would prefer to retain for ourselves. See the section entitled “Risk Factors” for additional risks associated with our substantial capital requirements.

Cash Flows

The following table sets forth the primary sources and uses of cash and cash equivalents for each of the periods presented below (in thousands):

	Year Ended December 31,	
	2025	2024
Net cash (used in) provided by:		
Operating activities	\$ (49,613)	\$ (40,805)
Investing activities	25,556	55,306
Financing activities	22,312	144
Net increase (decrease) in cash and cash equivalents	<u>\$ (1,745)</u>	<u>\$ 14,645</u>

Cash Used in Operating Activities

Net cash used in operating activities was \$49.6 million for the year ended December 31, 2025, which was primarily the result of our net loss of \$55.8 million, partially offset by non-cash charges for depreciation and amortization of \$2.2 million, stock-based compensation of \$3.0 million and \$1.0 million provided by net changes in operating assets and liabilities. Net cash used in operating activities was \$40.8 million for the year ended December 31, 2024, which was primarily the result of our net loss of \$55.7 million, partially offset by non-cash charges for depreciation and amortization of \$2.9 million, stock-based compensation of \$6.3 million and impairment charges of \$1.8 million, and \$4.5 million provided by net changes in operating assets and liabilities.

Cash Provided by Investing Activities

Cash provided by investing activities for the year ended December 31, 2025 was \$25.6 million, which was entirely due to net proceeds from sales and maturities of marketable securities. Cash provided by investing activities for the year ended December 31, 2024 was \$55.3 million, which was primarily due to net proceeds from marketable securities of \$55.8 million, partially offset by purchases of property and equipment of \$0.5 million.

Cash Used in Financing Activities

Cash provided by financing activities was \$22.3 million for the year ended December 31, 2025, representing \$2.0 million sales of stock issued in connection with the Subscription Agreement, dated as of June 13, 2025, between the Company and Simcere Zaiming and \$20.3 million of proceeds from the Purchase agreement dated November 12, 2025. Cash provided by financing activities was \$0.1 million for the year ended December 31, 2024, representing the exercise of stock options, sales of stock under the Employee Stock Purchase Plan (ESPP) and the sale of 1,429 shares of common stock under the Leerink ATM Agreement.

Contractual Obligations and Commitments

We are party to several non-cancelable lease agreements for office and laboratory space that expire in March 2030. The monthly base rent for these leases totals \$111.4 thousand as of December 31, 2025 plus our prorated share of operating expenses. The monthly base rent is subject to annual 3% increases through the lease term.

We also have potential contingent payment obligations upon the achievement by us of clinical, regulatory, and commercial events, as applicable, or royalty payments that we may be required to make under license agreements we have

entered into with various entities pursuant to which we have in-licensed intellectual property, including our license agreement with Zaiming. The timing and amount (if any) of any such payments cannot be reasonably estimated at this time. See “Business—Our Collaboration Agreements” for additional information.

We enter into contracts in the normal course of business with third-party contract organizations for clinical trials, non-clinical studies and testing, manufacturing and other services and products for operating purposes. These contracts generally provide for termination following a certain period after notice, and therefore we believe that our non-cancelable obligations under these agreements are not material.

Critical Accounting Policies, Significant Judgments and Use of Estimates

Our financial statements have been prepared in accordance with U.S. generally accepted accounting principles, or “GAAP”. The preparation of our financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported expenses incurred during the reporting periods. The most significant assumptions used in the financial statements are valuing share-based compensation. Our estimates are based on our historical experience and on various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. We evaluate our estimates and assumptions on an ongoing basis. Actual results may differ from these estimates under different assumptions or conditions.

While our significant accounting policies are described in the notes to our financial statements, we believe that the following critical accounting policies are most important to understanding and evaluating our reported financial results, as these policies relate to the more significant areas involving management’s judgments and estimates.

Research and Development Expenses, Including Clinical Trial Accruals

Research costs consist of employee-related costs, contractor expenses, laboratory supplies and facility costs, for research and development of product candidates which are expensed as incurred. Development costs, including clinical trial-related expenses, incurred by third parties, such as CROs, are expensed as the contracted work is performed. Where contingent milestone payments are due to third parties under research and development arrangements, the milestone payment obligations are expensed when the milestone results are probable of being achieved. When evaluating the adequacy of the accrued liabilities, we analyze progress of the studies, including the phase or completion of events, invoices received and contracted costs. For further discussion of research and development expenses, including clinical trial accruals, see Note 2 to our audited financial statements included elsewhere in this Annual Report.

Stock-Based Compensation

We account for stock-based compensation, including stock options and restricted stock units, based on the fair value of the award as of the grant date. We utilize the Black-Scholes option-pricing model as the method for estimating the fair value of our stock option grants. The Black-Scholes option-pricing model requires the use of objective and subjective assumptions, including the options’ expected term and the price volatility of the underlying stock. The fair value of the portion of the award that is ultimately expected to vest is recognized as compensation expense over the award’s requisite service period. We recognize stock-based compensation to expense using the straight-line method and recognize forfeitures as they occur. If there are any modifications or cancellations of stock-based awards, we may be required to accelerate, increase, or decrease any remaining unrecognized stock-based compensation expense.

For further discussion of our accounting for stock-based compensation, see Note 2 to our audited financial statements included elsewhere in this Annual Report.

Off-Balance Sheet Arrangements

Since our inception, we have not engaged in any off-balance sheet arrangements, as defined in the rules and regulations of the Securities and Exchange Commission.

JOBS Act Accounting Election

Effective December 31, 2024, we are no longer an “emerging growth company,” meaning we can no longer rely on certain exemptions from various public company reporting requirements, including having an extended transition period to comply with new or revised accounting standards applicable to public companies. We maintained our status as a smaller reporting company; thus, our independent registered public accounting firm will not be required to provide an attestation report on the effectiveness of our internal control over financial reporting.

Recent Accounting Pronouncements

See Note 2 to our audited financial statements included elsewhere in this Annual Report for a discussion of recent accounting pronouncements that have impacted or may impact our financial position and results of operations.

Item 7A. Quantitative and Qualitative Disclosure About Market Risk

As a smaller reporting company, we are not required to provide the information requested by this Item.

Item 8. Financial Statements and Supplementary Data

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and the Board of Directors of NextCure, Inc.

Opinion on the Financial Statements

We have audited the accompanying balance sheets of NextCure, Inc. (the Company) as of December 31, 2025 and 2024, the related statements of operations and comprehensive loss, stockholders' equity and cash flows for each of the two years in the period ended December 31, 2025, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2025 and 2024, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2025, in conformity with U.S. generally accepted accounting principles.

The Company's Ability to Continue as a Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the financial statements, the Company has suffered recurring losses and negative cash flows from operations and has stated that substantial doubt exists about the Company's ability to continue as a going concern. Management's evaluation of the events and conditions and management's plans regarding these matters are also described in Note 2. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates

Clinical Trial Prepaid and Accrued Expenses

Description of the Matter As disclosed in Note 2 to the financial statements, the Company expenses research and development costs as incurred, which include costs relating to contracts with clinical research organizations under clinical site agreements. The Company estimates the prepaid and accrued expenses based on the services received and efforts expended in relation to amounts invoiced by and paid to clinical research organizations at the balance sheet date. The Company's clinical trial

accrued expenses at December 31, 2025 of \$0.9 million are included in accrued liabilities and other liabilities on the balance sheet, and the Company's related 2025 clinical trial expenses are included in research and development expenses of \$44.9 million on the statement of operations and comprehensive loss for the year ended December 31, 2025.

Auditing the Company's clinical trial prepaid and accrued expenses involved subjective auditor judgment due to the estimation required by management in determining the progress to completion of services that have been performed by the clinical research organizations and the associated costs that will be invoiced by the clinical research organizations subsequent to the date that the financial statements are issued.

*How We
Addressed the
Matter in Our
Audit*

To test the clinical trial prepaid and accrued expenses, our audit procedures included, among others, reviewing agreements with clinical research organizations to corroborate key financial and contractual terms, and testing the accuracy and completeness of the underlying data used in the prepaid and accrued expense computations. We also evaluated management's estimates of the progress of clinical trials by making direct inquiries of the Company's operations personnel that oversee the clinical trials and obtaining information directly from a sample of clinical research organizations. To evaluate the completeness of the prepaid and accrued expenses, we also examined subsequent invoices from the clinical research organizations and cash disbursements to the clinical research organizations, to the extent such invoices were received, or payments were made prior to the date that the financial statements were issued.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2018.

Baltimore, Maryland
March 5, 2026

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

	December 31,	
	2025	2024
Assets		
Current assets:		
Cash and cash equivalents	\$ 25,982	\$ 27,727
Marketable securities	15,836	40,894
Prepaid expenses and other current assets	1,929	3,186
Total current assets	43,747	71,807
Property and equipment, net	3,273	5,458
Right of use assets	2,617	3,263
Other assets	546	332
Total assets	\$ 50,183	\$ 80,860
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 2,011	\$ 5,353
Accrued liabilities and other liabilities	8,555	4,221
Total current liabilities	10,566	9,574
Lease liabilities, long term	4,148	5,153
Other long-term liabilities	526	661
Total liabilities	15,240	15,388
Stockholders' equity:		
Preferred stock, par value of \$0.001 per share; 10,000,000 shares authorized at December 31, 2025 and December 31, 2024; No shares issued and outstanding at December 31, 2025 and December 31, 2024	—	—
Common stock, par value of \$0.001 per share; 100,000,000 shares authorized at December 31, 2025 and December 31, 2024; 3,505,621 and 2,333,896 shares issued and outstanding at December 31, 2025 and December 31, 2024, respectively	4	2
Additional paid-in capital	470,898	445,602
Accumulated other comprehensive income	21	4
Accumulated deficit	(435,980)	(380,136)
Total stockholders' equity	34,943	65,472
Total liabilities and stockholders' equity	\$ 50,183	\$ 80,860

The accompanying notes are an integral part of these financial statements.

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

	December 31, 2025	December 31, 2024
Operating expenses:		
Research and development	\$ 44,923	\$ 41,488
General and administrative	12,693	15,718
Restructuring and asset impairment charges	—	2,542
Total operating expenses	<u>57,616</u>	<u>59,748</u>
Loss from operations	(57,616)	(59,748)
Other income, net	1,772	4,094
Net loss	<u>\$ (55,844)</u>	<u>\$ (55,654)</u>
Net loss per common share - basic and diluted	<u>\$ (19.65)</u>	<u>\$ (23.88)</u>
Weighted-average shares outstanding - basic and diluted	<u>2,842,448</u>	<u>2,330,386</u>
Comprehensive loss:		
Net loss	\$ (55,844)	\$ (55,654)
Unrealized gain on marketable securities	17	226
Total comprehensive loss	<u>\$ (55,827)</u>	<u>\$ (55,428)</u>

The accompanying notes are an integral part of these financial statements.

NEXTCURE, INC.
STATEMENTS OF STOCKHOLDERS' EQUITY
(in thousands, except share data)

	Stockholders' Equity					
	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive (Loss) Income	Accumulated Deficit	Stockholders' Equity
	Shares	Amount				
Balance as of December 31, 2023	2,325,259	\$ 2	\$ 439,123	\$ (222)	\$ (324,482)	\$ 114,421
Stock-based compensation	—	—	6,335	—	—	6,335
Exercise of stock options	1,215	—	23	—	—	23
Issuance of shares under ESPP	5,993	—	82	—	—	82
Issuance of shares from at-the-market sales, net of expenses	1,429	—	39	—	—	39
Unrealized gain on marketable securities, net of tax \$0	—	—	—	226	—	226
Net loss	—	—	—	—	(55,654)	(55,654)
Balance as of December 31, 2024	2,333,896	\$ 2	\$ 445,602	\$ 4	\$ (380,136)	\$ 65,472
Stock-based compensation	—	—	2,986	—	—	2,986
Issuance of shares under ESPP	7,332	—	36	—	—	36
Issuances of Common Stock and accompanying pre-funded warrants at Private Placement, net of issuance costs of \$1,223	1,047,064	2	22,274	—	—	22,276
Exercise of pre-funded warrants	117,371	—	—	—	—	—
Unrealized gain on marketable securities, net of tax \$0	—	—	—	17	—	17
Reverse Split (1 for 12) adjustment	(42)	—	—	—	—	—
Net loss	—	—	—	—	(55,844)	(55,844)
Balance as of December 31, 2025	3,505,621	\$ 4	\$ 470,898	\$ 21	\$ (435,980)	\$ 34,943

The accompanying notes are an integral part of these financial statements.

NEXTCURE, INC.
STATEMENTS OF CASH FLOWS
(in thousands)

	Year Ended December 31,	
	2025	2024
Cash flows from operating activities:		
Net loss	\$ (55,844)	\$ (55,654)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	2,185	2,865
Amortization of premiums and discounts on marketable securities	(481)	(1,230)
Stock-based compensation	2,986	6,335
Asset impairment	—	1,786
Noncash operating lease expense	587	561
Changes in operating assets and liabilities:		
Prepaid expenses and other assets	1,102	2,761
Accounts payable	(3,342)	3,023
Accrued liabilities and other liabilities	4,334	(332)
Lease liabilities	(1,005)	(796)
Other long-term liabilities	(135)	(124)
Net cash used in operating activities	<u>(49,613)</u>	<u>(40,805)</u>
Cash flows from investing activities:		
Sales and maturities of marketable securities	52,261	104,228
Purchases of marketable securities	(26,705)	(48,448)
Purchases of property and equipment	—	(474)
Net cash provided by investing activities	<u>25,556</u>	<u>55,306</u>
Cash flows from financing activities:		
Proceeds from issuances of common stock and accompanying pre-funded warrants, net of issuance costs of \$1,223	22,276	—
Net proceeds from at-the-market sales	—	39
Proceeds from exercise of stock options	—	23
Proceeds from shares issued under ESPP	36	82
Net cash provided by financing activities	<u>22,312</u>	<u>144</u>
Net increase (decrease) in cash and cash equivalents	(1,745)	14,645
Cash and cash equivalents – beginning of period	27,727	13,082
Cash and cash equivalents – end of period	<u>\$ 25,982</u>	<u>\$ 27,727</u>
Supplemental disclosures of cash flow information:		
Cash paid for interest	<u>\$ 62</u>	<u>\$ 72</u>

The accompanying notes are an integral part of these financial statements.

NEXTCURE, INC.
NOTES TO FINANCIAL STATEMENTS

1. Nature of the Business and Basis of Presentation

Organization

NextCure, Inc. (“NextCure” the “Company,” “we,” “us,” or “our”) was incorporated in Delaware in September 2015 and is headquartered in Beltsville, Maryland. The Company is a clinical-stage biopharmaceutical company that is focused on advancing innovative medicines that treat cancer patients that do not respond to, or that have disease progression on, current therapies, through the use of targeted therapies including antibody-drug conjugates. The Company focuses on advancing therapies that leverage our core strengths in understanding biological pathways and biomarkers, the interactions of cells, including in the tumor microenvironment, and the role each interaction plays in a biologic response. Since inception, the Company has devoted substantially all of its efforts and financial resources to discovery, research and development activities for the Company’s product candidates, identifying business development opportunities, raising capital and securing intellectual property rights related to the Company’s product candidates.

Reverse Stock Split

On July 14, 2025, the Company effectuated a one-for-twelve (1:12) reverse stock split of its outstanding shares of common stock (the “Reverse Stock Split”). In connection with the Reverse Stock Split, every twelve shares of the Company’s common stock issued and outstanding as of July 14, 2025 were automatically converted into one share of the Company’s common stock. No fractional shares were issued in connection with the Reverse Stock Split. The Company’s stockholders received the cash value equal to the fraction to which the stockholder would otherwise be entitled, multiplied by the closing price of the common stock, as reported by The Nasdaq Stock Market, LLC (“Nasdaq”), on the last trading day prior to the effective date of the Reverse Stock Split. All share and per share data for all periods presented in the accompanying financial statements and the related disclosures in this Annual Report on Form 10-K have been adjusted retrospectively to reflect the Reverse Stock Split. The number of authorized shares of common stock and the par value per share remains unchanged.

Liquidity

The Company has not generated any revenue to date from product sales and does not expect to generate any revenues from product sales in the foreseeable future. Through December 2025, the Company has funded its operations primarily with proceeds from public and private offerings of its common stock, private placements of its preferred stock and upfront fees received under the Company’s former agreement with Eli Lilly and Company. The Company expects to incur additional operating losses and negative operating cash flows for the foreseeable future.

As of December 31, 2025, the Company had cash, cash equivalents and marketable securities of \$41.8 million. The Company’s expectation to incur additional operating losses and negative operating cash flows in the future and the need for additional funding to support its planned operations raise substantial doubt regarding the Company’s ability to continue as a going concern for a period of one year after the date that these unaudited financial statements are issued. See Note 2, Summary of Significant Accounting Policies for a further assessment of liquidity.

Risks and Uncertainties

The Company is subject to risks common to early-stage companies in the biotechnology industry including, but not limited to: having a limited operating history and no products approved for commercial sale; having a history of significant losses; its need to obtain additional financing; dependence on its ability to advance its current and future product candidates through clinical trials, marketing approval and commercialization; the unproven approach to the discovery and development of product candidates; the lengthy and expensive nature and uncertain outcomes of the clinical development process; the lengthy, time-consuming and unpredictable nature of the regulatory approval process; the results of preclinical studies and early-stage clinical trials that may not be predictive of future results; dependence on its key personnel; its limited manufacturing experience as an organization and with its manufacturing facility; risks related to patent protection and the Company’s pending patent applications; dependence on third-party collaborators for the discovery, development and commercialization of current and future product candidates; and significant competition from other biotechnology and pharmaceutical companies. Pursuit of the Company’s business efforts will require significant amounts of additional capital,

adequate personnel, infrastructure and extensive compliance-reporting capabilities. Even if the Company's development efforts are successful, it is uncertain when, if ever, the Company will realize significant revenue from product sales.

Segment and Geographic Information

In December 2024, the Company adopted ASU 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures. ASU 2023-07 updates reportable segment disclosure requirements primarily through enhanced disclosures about significant segment expenses.

Operating segments are defined as components of an entity about which separate discrete information is available for evaluation by the chief operating decision maker, or decision-making group, in deciding how to allocate resources and in assessing performance. The chief operating decision maker views the operations and manages the business in a single operating segment and one reportable segment that operates exclusively in the United States. All long-lived assets of the Company reside in the United States.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements include the accounts of the Company. The Company's financial statements have been prepared in accordance with United States generally accepted accounting principles ("GAAP"). Any reference in these notes to applicable guidance is meant to refer to the authoritative GAAP as found in the Accounting Standards Codification ("ASC") and Accounting Standards Update ("ASU") of the Financial Accounting Standards Board ("FASB").

Liquidity and Going Concern

The Company has incurred net losses and negative cash flows from operations since its inception, has an accumulated deficit of \$436.0 million as of December 31, 2025 and anticipates continuing to incur net losses for the foreseeable future. Under the Company's current plan, management believes its cash and cash equivalents and marketable securities of \$41.8 million as of December 31, 2025 will not be sufficient to fund the Company's operations for a period of one year after the issuance of these audited financial statements.

As a result, the Company will be required to raise additional capital by partnering, selling equity, or other means and has implemented cost-reduction measures. There can be no assurance as to whether partnering efforts will be successful or whether additional financing will be available on terms acceptable to the Company, if at all. If sufficient funds on acceptable terms are not available when needed, it would have a negative impact on the Company's financial condition and could force the Company to delay, limit, reduce, or terminate product development or future commercialization efforts or grant rights to develop and market product candidates that the Company would otherwise plan to develop and market itself.

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business. The accompanying financial statements do not reflect any adjustments relating to the recoverability and reclassifications of assets and liabilities that might be necessary if the Company is unable to continue as a going concern.

The Company intends to raise additional capital to continue the advancement of its programs. In the near term, the Company's primary uses of cash will be to fund the completion of key milestones for clinical programs and to fund its operations, including research and development activities and employee salaries. This includes significant costs relating to clinical trials of the Company's product candidates. The Company's planned uses of cash in the long term will be similar as the Company advances its research and development activities and pays employee salaries. Most pharmaceutical products require larger clinical trials as development progresses, and the Company expects its funding requirements to grow with the advancement of its programs. The Company's long-term funding requirements will depend on many factors, which are uncertain but include its portfolio prioritization decisions and the success of its collaborations. In turn, the Company's ability to raise additional capital through equity or partnering, or other avenues, will depend on the general economic environment in which it operates and its ability to achieve key milestones.

Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses for the period presented. Although actual results could differ from those estimates, management does not believe that such differences would be material.

Cash and Cash Equivalents

The Company considers all highly liquid investments with an original maturity of three months or less at the date of purchase to be cash equivalents. The Company deposits its cash primarily in checking, sweep account and money market accounts. Cash equivalents are stated at amortized cost, plus accrued interest, which approximates fair value.

Marketable Securities

Marketable securities primarily consist of government debt securities, corporate bonds and agency bonds. These marketable securities are classified as available-for-sale, and as such, are carried at fair value as determined by prices for identical or similar securities at the balance sheet date. Marketable securities consist of Level 2 financial instruments in the fair-value hierarchy. The Company's policy is to classify all investments with contractual maturities within one year as current. At each reporting date, the Company evaluates the classification of its investments with maturities beyond one year based on the nature of the investment securities and whether the investments are considered available for use in current operations. Investment income is recognized when earned and reported net of investment expenses. Unrealized holding gains and losses are reported within accumulated other comprehensive income (loss) as a separate component of stockholders' equity. The amortized cost of debt securities is adjusted for amortization of premiums and accretion of discounts to maturity. Such amortization and interest on securities are included in other income, net, on the Company's statements of operations.

At each balance sheet date, the Company assesses available-for-sale securities in an unrealized loss position to determine whether the unrealized loss is other-than-temporary. If a decline in the fair value of a marketable security below the Company's cost basis is determined to be other-than-temporary, such marketable security is written down to its estimated fair value as a new cost basis and the amount of the write-down is included in earnings as an impairment charge. The Company considers factors including the significance of the decline in value compared to the cost basis, underlying factors contributing to a decline in the prices of securities in a single asset class, the length of time the market value of the security has been less than its cost basis, the security's relative performance versus its peers, sector or asset class, expected market volatility and the market and economy in general. The Company also evaluates whether it is more likely than not that it will be required to sell a security prior to recovery of its fair value. The cost of securities sold is based on the specific identification method.

Concentration of Credit Risk

Financial instruments that potentially expose the Company to concentrations of credit risk primarily consist of cash and cash equivalents. The Company maintains its cash and cash equivalents at two accredited financial institutions that are federally insured. While balances deposited often exceed federally insured limits, the Company does not believe that it is subject to unusual credit risk beyond the normal credit risk associated with commercial banking relationships. The Company's investment policy limits investments to certain types of debt securities issued by the U.S. government, its agencies and institutions and corporate bonds with investment-grade credit ratings and places restrictions on maturities and concentration by type and issuer. The counterparties are various corporations, financial institutions and government agencies of high credit standing.

Fair Value of Financial Instruments

ASC Topic 820, *Fair Value Measurement* ("ASC 820"), establishes a fair value hierarchy for instruments measured at fair value that distinguishes between assumptions based on market data (observable inputs) and the Company's own assumptions (unobservable inputs). Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Company. Unobservable inputs are inputs that reflect the Company's assumptions about the inputs that market participants would use in pricing the asset or liability and are developed based on the best information available in the circumstances. ASC 820 identifies fair value

as the exchange price, or exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As a basis for considering market participant assumptions in fair value measurements, ASC 820 establishes a three-tier value hierarchy that distinguishes between the following:

Level 1—Quoted market prices in active markets for identical assets or liabilities.

Level 2—Inputs other than Level 1 inputs that are either directly or indirectly observable, such as quoted market prices, interest rates and yield curves.

Level 3—Unobservable inputs developed using estimates of assumptions developed by the Company, which reflect those that a market participant would use. Use of these inputs involves significant and subjective judgments to be made by a reporting entity – e.g., determining an appropriate adjustment to a discount factor for illiquidity associated with a given security.

To the extent the valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair values requires more judgment. Accordingly, the degree of judgment exercised by the Company in determining fair value is greatest for instruments categorized as Level 3. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Property and Equipment, Net

Property and equipment are valued at cost less accumulated depreciation. Depreciation is recognized on a straight-line basis over the estimated useful lives of the related assets. Leasehold improvements are amortized on a straight-line basis over the shorter of the useful life or term of the lease. Upon retirement or disposal, the cost and related accumulated depreciation are removed from the balance sheet and the resulting gain or loss is recorded to general and administrative expenses in the accompanying statement of operations and comprehensive loss. Routine expenditures for maintenance and repairs are expensed as incurred.

Estimated useful lives for property and equipment are as follows:

	<u>Estimated Useful Life</u>
Computers and peripherals	3 years
Equipment	5 years
Furniture and fixtures	7 years
Leasehold improvements	Lesser of estimated useful life or remaining lease term

The Company reviews long-lived assets, which primarily consist of property and equipment, for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or group of assets may not be fully recoverable based on the criteria for accounting for the impairment or disposal of long-lived assets under ASC Topic 360, Property, Plant and Equipment. These events or changes in circumstances may include a significant deterioration of operating results, changes in business plans, or changes in anticipated future cash flows. If an impairment indicator is present, the Company evaluates recoverability by comparing the carrying amount of the assets group to future undiscounted net cash flows expected to be generated by the assets group. Assets are grouped at the lowest level for which there is identifiable cash flows that are largely independent of the cash flows generated by other asset groups. If the total of the expected undiscounted future cash flows is less than the carrying amount of the asset, an impairment loss is recognized for the difference between the fair value and carrying value of assets within the group. Fair value is generally determined by estimates of discounted cash flows. The discount rate used in any estimate of discounted cash flows would be the rate required for a similar investment of like risk. An impairment loss of \$1.2 million (Note 14) on certain equipment and leasehold improvements was recognized during the year ended December 31, 2024. No impairment loss was recognized during the year ended December 31, 2025.

Leases

The Company determines if an arrangement is a lease or implicitly contains a lease at inception based on the lease definition and also determines if the lease is classified as an operating lease or finance lease, each in accordance with ASU No. 2016-02, Leases (Topic 842). Operating leases are included in operating lease right-of-use (ROU) assets and operating lease liabilities in its balance sheets. ROU assets represent the Company's right to use an underlying asset for the lease

term and lease liabilities represent the Company's obligation to make lease payments arising from the lease. ROU assets and lease liabilities are recognized at the commencement date or the adoption date for existing leases based on the present value of lease payments over the lease term using an estimated discount rate. As the Company's leases do not provide an implicit rate, the Company uses an incremental borrowing rate based on the information available at commencement date or the adoption date in determining the present value of lease payments over a similar term. In determining the estimated incremental borrowing rate, the Company considered a rate obtained from its primary banker for discussion purposes of a potential collateralized loan with a term similar to the lease term and the Company's historical borrowing capability in the market. For operating leases, lease expense is recognized on a straight-line basis over the lease term. Lease and non-lease components within a contract are generally accounted for separately.

Long-Lived Asset Impairment Assessments

Long-lived assets, including operating lease assets, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The recoverability of assets to be held and used is measured by a comparison of the carrying amount of the asset group to future net cash flows estimated by the Company to be generated by such assets. If such asset group is considered to be impaired, the impairment to be recognized is the amount by which the carrying amount of the asset group exceeds the fair value of the asset group.

Pre-Funded Warrants

The Company accounts for warrants as either equity-classified or liability-classified instruments based on an assessment of the warrant's specific terms and applicable authoritative guidance in FASB ASC Topic 480, *Distinguishing Liabilities from Equity* ("ASC 480") and ASC Topic 815, *Derivatives and Hedging* ("ASC 815"). The assessment considers whether the warrants are freestanding financial instruments pursuant to ASC 480, meet the definition of a liability pursuant to ASC 480, and whether the warrants meet all of the requirements for equity classification under ASC 815, including whether the warrants are indexed to the Company's own common shares and whether the warrant holders could potentially require "net cash settlement" in a circumstance outside of the Company's control, among other conditions for equity classification. The pre-funded warrants issued in the November 2025 Offering are indexed to the Company's common stock and meet the criteria to be classified as equity. Proceeds from the issuance of pre-funded warrants are recorded within additional paid-in capital and are not subject to remeasurement. Please refer to Note 12 for further information regarding pre-funded warrants issued by the Company.

Preferred Stock

The Company did not have any outstanding preferred stock as of December 31, 2025 and 2024.

Collaboration Arrangements

The Company assesses whether collaboration agreements are subject to ASC 808, *Collaborative Arrangements* ("ASC 808"), based on whether they involve joint operating activities involving two or more parties that are active participants in the activity and are exposed to significant risks and rewards dependent on the commercial success of the activities.

A collaborative arrangement within the scope of ASC 808 may be partially (or entirely) within the scope of other guidance (including ASC 606). The Company evaluates the individual units of account (e.g., components) within a collaborative arrangement to assess the appropriate recognition and measurement. The Company accounts for components of a collaborative arrangement that are within the scope of other ASC guidance following the relevant provisions of that guidance rather than the guidance provided in ASC 808.

ASC 808 states that a collaborative arrangement should be accounted for under ASC 606 when the counterparty is a customer for a distinct good or service (i.e., a unit of account). That is, the Company is required to apply the unit-of-account guidance in ASC 606 to determine the distinct components of a collaborative arrangement. If the counterparty is a customer for that distinct good or service (or bundle of goods and/or services), it is accounted for under ASC 606. For units of account that are in the scope of ASC 606, all of the guidance in ASC 606 applies, including the guidance on recognition, measurement, presentation and disclosure.

The Company accounts for collaborative arrangements or components of collaborative arrangements that are outside the scope of other guidance by analogy to the authoritative accounting literature or, if there is no appropriate analogy, by using a reasonable, rational and consistently applied accounting policy election. When evaluating an appropriate analogy to other accounting guidance or an accounting policy for a collaborative arrangement, the Company assesses the nature of the arrangement, the nature of its business operations and the contractual terms of the arrangement.

The Company recognizes the shared costs incurred that are not within the scope of other accounting literature as a component of the related expense in the period incurred by analogy to ASC 730, Research and Development, and records reimbursements from counterparties as an offset to the related research and development costs.

Research and Development Costs, Including Clinical Trial Accruals and Acquired in Process Research and Development

Research costs consist of employee-related costs, contractor expenses, laboratory supplies and facility costs, for research and development of product candidates are expensed as incurred. Development costs, including clinical trial-related expenses, incurred by third parties, such as clinical research organizations (“CROs”), are expensed as the contracted work is performed. Acquired in-process research and development (IPRD) is expensed when there is not an alternative future use for the acquired asset in other research and development projects. Where contingent milestone payments are due to third parties under research and development arrangements, the milestone payment obligations are expensed when the milestone results are probable of being achieved. When evaluating the adequacy of the accrued liabilities, the Company analyzes progress of the studies, including the phase or completion of events, invoices received and contracted costs.

Clinical trial expenses are a significant component of research and development expenses, and the Company outsources a significant portion of these costs to third parties. Third-party clinical trial expenses include investigator fees, site and patient costs, CRO costs, and costs for central laboratory testing and data management. The accrual for site and patient costs includes inputs such as estimates of patient enrollment, patient cycles incurred, clinical site activations, and other pass-through costs. These inputs are required to be estimated due to a lag in receiving the actual clinical information from third parties. Payments for these activities are based on the terms of the individual arrangements, which may differ from the pattern of costs incurred, and are reflected on the balance sheets as a prepaid asset or accrued expenses. These third-party agreements are generally cancelable, and related costs are recorded as research and development expenses as incurred. Non-refundable advance clinical payments for goods or services that will be used or rendered for future research and development activities are recorded as a prepaid asset and recognized as expense as the related goods are delivered or the related services are performed. When evaluating the adequacy of the accrued expenses, the Company analyzes progress of the studies, including the phase or completion of events, invoices received and contracted costs. Significant judgments and estimates may be made in determining the accrued balances at the end of any reporting period. Actual results could differ from the estimates made. The historical clinical accrual estimates have not been materially different from the actual costs. As of December 31, 2025, we have recorded accrued clinical trial costs of \$0.9 million in Accrued liabilities and other liabilities in the accompanying Balance Sheet.

Restructuring Charges

The Company recognizes restructuring charges related to reorganization plans that have been implemented by management. In connection with these activities, the Company records restructuring charges at fair value for:

- contractual or other employee termination benefits provided that the obligations result from services already rendered based on rights that vested or accumulate when the payment of benefits becomes probable and the amount can be reasonably estimated;
- one-time employee termination benefits to the employees provided that management has committed to a plan of termination, the plan identifies the employees and their expected termination dates, the details of termination benefits are complete, and it is unlikely that changes to the plan will be made or the plan will be withdrawn;
- contract termination costs when the Company cancels a contract in accordance with its terms; and
- costs to be incurred over the remaining contract term without economic benefit to the Company at the cease-use date.

For one-time employee terminations benefits, the Company recognizes the liability in full on the communication date when future services are not required or amortizes the liability ratably over the service period, if required. The fair value of termination benefits reflects the Company's estimate of expected utilization of certain Company-funded post-employment benefits.

Patent Costs

All patent-related costs incurred in connection with filing and prosecuting patent applications are expensed as incurred due to the uncertainty about the recovery of the expenditure. Amounts incurred are classified as general and administrative expenses in the accompanying statement of operations and comprehensive loss.

Stock-Based Compensation

The Company accounts for its stock-based compensation in accordance with ASC Topic 718, *Compensation-Stock Compensation* ("ASC 718"). ASC 718 requires all share-based payments to employees, consultants and directors, including grants of incentive stock options, nonqualified stock options, restricted stock awards, unrestricted stock awards or restricted stock units to employees, consultants and directors of the Company, to be recognized as expense in the statement of operations and comprehensive loss based on their grant date fair values. The Company estimates the fair value of options granted using the Black-Scholes option pricing model ("Black-Scholes") for stock option grants to both employees and non-employees and the fair value of common stock to determine the fair value of restricted stock.

The Black-Scholes option pricing model requires inputs based on certain objective and subjective assumptions, including (i) the expected stock price volatility, (ii) the expected term of the award, (iii) the risk-free interest rate and (iv) expected dividends. Due to the lack of a public market for the Company's common stock and lack of company-specific historical and implied volatility data, the Company has based its computation of expected volatility on the historical volatility of a representative group of public companies with similar characteristics to the Company, including stage of product development and life science industry focus. The historical volatility is calculated based on a period of time commensurate with expected term assumption. The Company uses the simplified method as prescribed by the SEC Staff Accounting Bulletin No. 107, *Share-Based Payment*, to calculate the expected term for options granted to employees as it does not have sufficient historical exercise data to provide a reasonable basis upon which to estimate the expected term. The expected term is applied to the stock option grant group as a whole, as the Company does not expect substantially different exercise or post-vesting termination behavior among its employee population. For options granted to non-employees, the Company utilizes the simplified method also as the basis for the expected term assumption. The risk-free interest rate is based on a treasury instrument whose term is consistent with the expected term of the stock options. The expected dividend yield is assumed to be zero because the Company has never paid dividends and has no current plans to pay any dividends on its common stock. The Company recognizes forfeitures as they occur as allowed by ASU No. 2016-09, *Improvements to Employee Share-Based Payment Accounting* ("ASU 2016-09").

The Company expenses the fair value of its share-based compensation awards on a straight-line basis over the requisite service period, which is generally the vesting period.

Income Taxes

The Company uses the asset and liability method of accounting for income taxes. Deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax base. Deferred tax assets and liabilities, which relate primarily to the carrying amount of the Company's its net operating loss carryforwards, are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Deferred tax expense or benefit is the result of changes in the deferred tax assets and liabilities. Valuation allowances are established when necessary to reduce deferred tax assets where, based upon the available evidence, the Company concludes that it is more-likely-than-not that the deferred tax assets will not be realized. In evaluating its ability to recover deferred tax assets, the Company considers all available positive and negative evidence, including its operating results, ongoing tax planning and forecasts of future taxable income on a jurisdiction-by-jurisdiction basis. Because of the uncertainty of the realization of deferred tax assets, the Company has recorded a full valuation allowance against its deferred tax assets as of December 31, 2025 and 2024.

Reserves are provided for tax benefits for which realization is uncertain. Such benefits are only recognized when the underlying tax position is considered more-likely-than-not to be sustained on examination by a taxing authority, assuming they possess full knowledge of the position and facts. Interest and penalties related to uncertain tax positions are recognized in the provision of income taxes; however, the Company currently has no interest or penalties related to uncertain income tax benefits.

Comprehensive Income (Loss)

Comprehensive income (loss) is the change in equity of a business enterprise during a period from transactions and other events and circumstances from non-owner sources. Comprehensive income (loss) includes net income (loss) and the change in accumulated other comprehensive income (loss) for the period. Accumulated other comprehensive income (loss) consisted entirely of unrealized gains and losses on available-for-sale marketable securities at December 31, 2025 and 2024.

Net Loss per Share

Basic loss per common share is determined by dividing loss attributable to common stockholders by the weighted-average number of common shares outstanding during the period, without consideration of common stock equivalents. Diluted loss per share is computed by dividing the loss attributable to common stockholders by the weighted-average number of common share equivalents outstanding for the period. The treasury stock method is used to determine the dilutive effect of the Company's stock option grants and warrants.

Recently Issued Accounting Pronouncements

In December 2023, the FASB issued ASU No. 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, to improve the transparency of income tax disclosures by requiring consistent categories and greater disaggregation of information in the rate reconciliation and income taxes paid disaggregated by jurisdiction. The ASU also includes certain other amendments to improve the effectiveness of income tax disclosures. The Company adopted the ASU on a prospective basis effective January 1, 2025. See Note 17 to the Financial Statements, Income Taxes.

In November 2024, the FASB issued ASU No. 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures* (Subtopic 220-40), to improve the disclosures about a public business entity's expenses and address requests from investors for more detailed information about the types of expenses (including purchases of inventory, employee compensation, depreciation, amortization and depletion) in commonly presented expense captions (such as cost of sales, SG&A and research and development). The amendments in ASU 2024-03 are effective for fiscal years beginning after December 15, 2026, with early adoption permitted. The Company does not expect ASU No. 2024-03 to have a material impact on its financial statements.

The Company considers the applicability and impact of all ASUs issued by the FASB. All other ASUs issued subsequent to the filing of the Company's Annual Report were assessed and determined to be either inapplicable or not expected to have a material impact on the Company's financial position or results of operations.

3. License Agreement

On June 13, 2025, the Company entered into a License Agreement (the "License Agreement") with Simcere Zaiming Pharmaceutical Co., Ltd. (formerly known as Hainan Simcere Zaiming Pharmaceutical Co., Ltd. or hereinafter "Zaiming"), a biopharmaceutical company based in China. Pursuant to the License Agreement, the Company obtained (1) an exclusive, worldwide (excluding the Zaiming Territory, as identified below) license to develop, manufacture, and commercialize Zaiming's clinical-stage antibody drug conjugate ("ADC") candidate, SIM0505 (also known as SCR-9359), and related compounds (the "Zaiming Products"), and (2) a non-exclusive, worldwide (excluding the Zaiming Territory) license to use Zaiming's ADC platform technology to develop ADCs based on the Company's proprietary antibodies for an additional novel target (the "NextCure Products"). Zaiming retained exclusive rights to develop and commercialize the Zaiming Products and any NextCure Products in China, Hong Kong, Macau, and Taiwan (the "Zaiming Territory").

Under the License Agreement: (i) the Company agreed to pay \$17 million to Zaiming, which includes an upfront cash payment of \$12 million and an additional \$5 million that became payable upon the earlier of a qualifying

financing event or December 31, 2025, which became payable on December 31, 2025; (ii) upon initiation of the first Phase 1 clinical trial for SIM0505, the Company agreed to pay Zaiming \$1.5 million, which became payable in October 2025; (iii) upon initiation of the first Phase 2 clinical trial for SIM0505, the Company is obligated to issue to Zaiming \$1 million in its common stock, or under certain conditions, pay an equivalent cash amount in lieu of common stock; (iv) the Company is obligated to pay Zaiming certain development and regulatory milestone payments of up to \$166.5 million per Zaiming Product and up to \$25.5 million per NextCure Product, and certain commercial sales-based milestone payments of up to \$535 million; and (v) the Company is obligated to pay tiered royalties on annual net sales of licensed products, at rates ranging from mid-single digit to low double digit percentages for Zaiming Products; and low to mid-single digit percentages for NextCure Products, in all cases, subject to standard reductions.

The rights acquired under the License agreement are considered in-process research and development (IPRD) under ASC 730, Research and Development. Specifically, ASC 730-10-25-(c) states intangible assets used in research and development activities acquired in an asset acquisition should be expensed at the acquisition date if there is no alternative future use in other research and development projects. Since the acquired asset is the right to a specific compound, the Company does not believe there is an alternative future use and expensed both the upfront \$12 million payment and the additional \$5 million payment that became due on December 31, 2025. In addition, in October 2025, the Company achieved the first Phase 1 development milestone triggering an obligation of \$1.5 million to Zaiming. The combined total of \$18.5 million is included in research and development costs in the statement of operations and comprehensive loss. None of the other milestone payments are considered probable and reasonably estimated as of December 31, 2025, so they have not been accrued.

4. Collaboration Agreement

LigaChem Agreement

In November 2022, the Company entered into the LigaChem Agreement to develop up to three antibody drug conjugates. Under the terms of the LigaChem Agreement, both parties equally share the costs of developing the molecules and profits on commercialized products. The collaboration can consist of up to three research programs for which a research plan will be developed. With respect to a research plan, each party shall use reasonable efforts to execute and perform the activities assigned to it. Each party shall be solely responsible for costs associated with its assigned activities as outlined in the research plan. Upon successful completion of a research plan, or as otherwise agreed, the parties may designate a research product as a co-development product. Upon designation of a co-development product, cost sharing on a 50-50 basis between the Company and LigaChem would begin. The activities associated with the research plan and co-development products will be coordinated by a joint steering committee, which is comprised of an equal number of representatives from the Company and LigaChem. If and when a co-development product becomes commercialized, the Company and LigaChem would equally share in the profits. There are no implied licenses or other rights created under the LigaChem Agreement after designation of a co-development product.

Effective April 1, 2023, the parties designated LNCB74 as the first co-development product under the LigaChem Agreement. As such, cost sharing on a 50-50 basis commenced for the first co-development product under the LigaChem Agreement.

Given the involvement by both parties under the LigaChem Agreement, management assessed the criteria under ASC 808 to determine if such agreement is within the scope of ASC 808. Based on the terms of the LigaChem Agreement, the Company concluded that the LigaChem Agreement meets the requirements of a collaboration within the guidance of ASC 808. The Company and LigaChem are active participants in the activities associated with the LigaChem Agreement and are exposed to significant risks and rewards dependent on the commercial success of the activity. The LigaChem Agreement is not reflective of a vendor-customer relationship and therefore not within the scope of ASC 606. Accordingly, the net costs associated with the co-development are expensed as incurred and recognized within research and development expenses on the statement of operations.

As of December 31, 2025, LNCB74 was the lone co-development product and was in the early stages of development. During the year ended December 31, 2025, the Company incurred more costs than LigaChem under the LigaChem Agreement and recorded a corresponding reduction of \$2.5 million in research and development costs reflecting the 50-50 cost sharing terms. A \$0.4 million receivable is included in prepaid expenses and other current assets for amounts owed by LigaChem as of December 31, 2025.

5. Marketable Securities

Marketable securities consist of the following:

(in thousands)	December 31, 2025			
	Amortized Cost	Gross Unrealized Gain	Gross Unrealized Loss	Estimated Fair Value
Corporate bonds	\$ 15,818	\$ 19	\$ (1)	\$ 15,836
Total	\$ 15,818	\$ 19	\$ (1)	\$ 15,836

(in thousands)	December 31, 2024			
	Amortized Cost	Gross Unrealized Gain	Gross Unrealized Loss	Estimated Fair Value
Corporate bonds	\$ 32,515	\$ 22	\$ (20)	\$ 32,517
U.S. Treasury and Government agencies	8,375	2	—	8,377
Total	\$ 40,890	\$ 24	\$ (20)	\$ 40,894

The Company uses the specific identification method when calculating realized gains and losses. The Company did not realize any gains or losses on available-for-sale securities for the years ended December 31, 2025 and 2024.

The Company reviewed all investments which were in a loss position at the respective balance sheet dates, as well as the remainder of the portfolio. As of December 31, 2025, the Company had one investment with a total fair market value of \$2.2 million in an immaterial loss position which was not in a continuous unrealized loss position for more than twelve months. The Company analyzed the unrealized loss and determined that market conditions were the primary factor driving the change, and such unrealized loss is temporary as the Company anticipates a full recovery of the amortized cost basis of this security at maturity. After analyzing the security in an unrealized loss position, the portion of the loss that relate to changes in credit quality is insignificant. The Company does not intend to sell this security, nor is it more likely than not that the Company will be required to sell it prior to the end of its contractual term. Furthermore, the Company does not believe that this security exposes the Company to undue market risk or counterparty credit risk.

The following table summarizes maturities of the Company's investments available-for-sale as of December 31, 2025:

(in thousands)	December 31, 2025	
	Cost	Fair Value
Maturities:		
Within 1 year	\$ 14,593	\$ 14,607
Over 1 year	1,225	1,229
Total investments available-for-sale	\$ 15,818	\$ 15,836

The Company has classified all of its investments available-for-sale, including those with maturities beyond one year, as current assets on the accompanying balance sheets based on the highly liquid nature of these investment securities and because these investment securities are considered available for use in current operations.

The Company has elected to report interest receivable from its marketable securities with prepaid expenses and other current assets on its balance sheet. Interest receivable included in prepaid expenses and other current assets totaled \$0.1 million and \$0.3 million as of December 31, 2025 and 2024, respectively.

6. Fair Value Measurements

The Company has certain financial assets recorded at fair value, which have been classified as Level 1, 2 or 3 within the fair value hierarchy as described in the accounting standards for fair value measurements.

Level 1—Quoted market prices in active markets for identical assets or liabilities.

Level 2—Inputs other than Level 1 inputs that are either directly or indirectly observable, such as quoted market prices, interest rates and yield curves.

Level 3—Unobservable inputs developed using estimates of assumptions developed by the Company, which reflect those that a market participant would use.

To the extent the valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair values requires more judgment. Accordingly, the degree of judgment exercised by the Company in determining fair value is greatest for instruments categorized as Level 3. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The following tables set forth the fair value of the Company's financial assets by level within the fair value hierarchy as of December 31, 2025 and 2024:

December 31, 2025				
(in thousands)	Total	Quoted Prices in Active Markets or Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable (Level 3)
Cash equivalents:				
Money market funds	\$ 25,420	\$ 25,420	\$ —	\$ —
Marketable securities:				
Corporate bonds	15,836	—	15,836	—
Total	\$ 41,256	\$ 25,420	\$ 15,836	\$ —

December 31, 2024				
(in thousands)	Total	Quoted Prices in Active Markets or Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable (Level 3)
Cash equivalents:				
Money market funds	\$ 27,057	\$ 27,057	\$ —	\$ —
Marketable securities:				
Corporate bonds	32,517	—	32,517	—
U.S. Treasury and Government agencies	8,377	—	8,377	—
Total	\$ 67,951	\$ 27,057	\$ 40,894	\$ —

The Company did not transfer any assets measured at fair value on a recurring basis between levels during the years ended December 31, 2025 and 2024.

The carrying value of financial instruments, including trade receivables, accounts payable and accrued liabilities approximate fair value because of the short-term maturity of these items. The estimated fair values may not represent actual values of the financial instruments that could be realized as of the balance sheet date or that will be realized in the future.

7. Property and Equipment, Net

Property and equipment consist of the following:

(in thousands)	December 31, 2025	December 31, 2024
Research equipment	\$ 18,150	\$ 18,150
Leasehold improvements	9,309	9,309
Computer equipment	908	908
Furniture and fixtures	186	186
Property and equipment, gross	28,553	28,553
Less: accumulated depreciation and amortization	(25,280)	(23,095)
Property and equipment, net	<u>\$ 3,273</u>	<u>\$ 5,458</u>

An impairment of \$1.2 million on certain research equipment and leasehold improvements was recorded during the year ended December 31, 2024.

Depreciation and amortization expense was \$2.2 million and \$2.9 million for the years ended December 31, 2025 and 2024, respectively.

8. Accrued Liabilities and Other Liabilities

Accrued liabilities consist of the following:

(in thousands)	December 31, 2025	December 31, 2024
Payroll and related benefits	\$ 851	\$ 1,753
Clinical trial costs	862	371
Sponsored research	177	332
Lease liabilities, current portion	1,005	796
License payments	5,000	—
Operating expenses	525	845
Other	135	124
Total accrued liabilities	<u>\$ 8,555</u>	<u>\$ 4,221</u>

9. Leases

The Company's lease portfolio consists of office space and laboratory facilities. All of the Company's leases are classified as operating leases. The terms of the Company's lease agreements that have commenced currently extend through March 2030 and provide the Company with an option for a five-year extension. Under the terms of the leases, the Company pays base annual rent subject to fixed dollar increases each year and other normal operating expenses such as taxes, repairs, and maintenance. The Company evaluates renewal options at lease inception and on an ongoing basis and considers renewal options that the Company is reasonably certain to exercise in its expected lease terms when classifying leases and measuring lease liabilities in accordance with ASC 842, Leases. The leases do not require variable lease payments or residual value guarantees and do not contain restrictive covenants.

The leases do not provide an implicit rate, therefore the Company uses its incremental borrowing rate as the discount rate when measuring the operating lease liability. The incremental borrowing rate represents an estimate of the interest rate the Company would incur at lease commencement to borrow an amount equal to the lease payments on a collateralized basis over the term of the lease.

Operating lease expense was \$1.0 million and \$1.0 million for the years ended December 31, 2025 and 2024, respectively. Operating cash flows used for operating leases during the years ended December 31, 2025 and December 31, 2024 were \$1.2 million and \$1.1 million, respectively. As of December 31, 2025, the weighted-average remaining lease term was 4.25 years, and the weighted average discount rate was 7.47%.

As of December 31, 2025, the maturities of the Company's operating lease liabilities were as follows (in thousands), which are included in Accrued liabilities and other liabilities and Lease liabilities, long term in the accompanying balance sheet:

2026	\$	1,355
2027		1,396
2028		1,438
2029		1,481
2030		376
Total future minimum payments	\$	6,046
Less: present value discount		(893)
Present value of lease liabilities	\$	5,153

10. Commitments and Contingencies

Legal Proceedings

The Company, from time to time, is a party to litigation or legal proceedings arising in the ordinary course of business. The Company is not a party to any litigation or legal proceedings, nor is management aware of any pending or threatened litigation that, in the opinion of the Company's management, are likely to materially affect the Company's business or financial results. At each reporting date, the Company evaluates whether a potential loss amount or a potential range of loss is probable and reasonably estimable under the provisions of the authoritative guidance that addresses accounting for contingencies. The Company expenses the costs related to its legal proceedings as incurred.

11. Preferred Stock

As of December 31, 2025, the Company's certificate of incorporation, as amended and restated, authorized the Company to issue 10,000,000 shares of preferred stock, \$0.001 par value, and there were no shares of preferred stock issued or outstanding. The Company can fix the price, rights, preferences, privileges and restrictions of the preferred stock without any further vote or action by its stockholders.

12. Common Stock

As of December 31, 2025, the Company's Certificate of Incorporation, as amended and restated, authorized the Company to issue 100,000,000 shares of \$0.001 par value common stock, of which 3,505,621 were issued and outstanding.

Each share of common stock entitles the holder to one vote on all matters submitted to a vote of the Company's stockholders. Common stockholders are entitled to receive dividends, as may be declared by the board of directors, if any, subject to the preferential dividend rights of any preferred stock. No dividends have been declared or paid by the Company through December 31, 2025.

In the event of any liquidation or dissolution of the Company, the holders of common stock are entitled to the remaining assets of the Company legally available for distribution after the payment of the full liquidation preference for any preferred stock.

Securities Purchase Agreement

On November 12, 2025, the Company entered into a securities purchase agreement (the “Purchase Agreement”) with certain institutional and accredited investors (each, a “Purchaser” and collectively, the “Purchasers”) for a private placement (the “Offering”) of an aggregate of (i) 708,428 shares (the “Shares”) of the Company’s common stock, par value \$0.001 per share (the “Common Stock”), at a purchase price of \$8.52 per share, and (ii) pre-funded warrants (the “Pre-Funded Warrants”) to purchase up to an aggregate of 1,815,049 shares of Common Stock (the “Pre-Funded Warrant Shares”) at a purchase price of \$8.519 per Pre-Funded Warrant, which represents the per share purchase price of the Shares less the \$0.001 per share exercise price for each Pre-Funded Warrant. The Pre-Funded Warrants are exercisable at any time after the date of issuance and will not expire. The Offering closed on November 14, 2025. Proceeds from the Offering, net of placement agent’s fees and other Offering expenses, were \$20.3 million. On December 11, 2025, the Shares and Pre-Funded Warrants were effectively registered with the SEC.

Pre-Funded Warrants

The rights and privileges of the pre-funded warrants issued under the Offering are set forth in the warrant agreement between the Company and each of the respective warrant holders. The pre-funded warrants are exercisable at the option of the warrant holder at any time and do not expire. Pre-funded warrants do not provide any of the rights or privileges provided by the Company’s common stock, including any voting rights, until the pre-funded warrants are exercised and settled in underlying shares of common stock.

The Company evaluated the pre-funded warrants issued under the Offering and concluded the warrants are indexed to the Company’s common stock, meet the criteria to be classified as equity and are not subject to remeasurement. The proceeds received from the issuance of the pre-funded warrants were recorded as additional paid-in capital. The Company issued 117,371 shares of common stock upon the exercise of pre-funded warrants during the year ended December 31, 2025. As of December 31, 2025, 1,697,678 pre-funded warrants remained outstanding.

13. Stock-Based Compensation

Employee Equity Plans

On May 3, 2019, the Company’s stockholders approved the NextCure, Inc. 2019 Omnibus Incentive Plan (as amended, the “2019 Plan”), which became effective on May 8, 2019, the date on which the Company’s Registration Statement on Form S-1 (Reg. No. 333-230837) was declared effective (the “Effective Date”). The Company’s board of directors (the “Board”) determined not to make additional awards under the 2015 Plan following the effectiveness of the 2019 Plan. The 2019 Plan provides for the grant of awards of stock options, stock appreciation rights, restricted stock, restricted stock units, deferred stock units, unrestricted stock, dividend equivalent rights, other equity-based awards and cash bonus awards to the Company’s officers, employees, non-employee directors and other key persons (including consultants). The number of shares of common stock reserved for issuance under the 2019 Plan is 241,666 plus the number of shares of stock related to awards outstanding under the 2015 Plan that subsequently terminate by expiration or forfeiture, cancellation or otherwise without the issuance of such shares. The number of shares reserved for issuance under the 2019 Plan will automatically increase each January 1st during the term of the 2019 Plan by 4% of the number of shares of the Company’s common stock outstanding on December 31st of the preceding calendar year or such lesser number of shares determined by the Board.

As of December 31, 2025, 87,815 shares were reserved for future issuance under the 2019 Plan.

Stock options granted under the 2015 Plan and 2019 Plan (together, the “Plans”) to employees generally vest over four years and expire after 10 years.

A summary of stock option activity for awards under the Plans is presented below:

	Options Outstanding and Exercisable			
	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)	Aggregate Intrinsic Value ⁽¹⁾ (in thousands)
Outstanding as of January 1, 2024	567,995	\$ 105.96	7.3	\$ 52
Granted	248,609	\$ 19.80	—	—
Exercised	(1,214)	\$ 18.60	—	—
Forfeitures	(77,495)	\$ 41.76	—	—
Outstanding as of December 31, 2024	737,895	\$ 83.84	7.1	\$ 22
Granted	120,748	\$ 9.33	—	—
Exercised	—	\$ —	—	—
Forfeitures	(9,677)	\$ 37.74	—	—
Outstanding as of December 31, 2025	848,966	\$ 73.76	6.5	—
Exercisable as of December 31, 2025	636,486	\$ 94.11	5.8	\$ 55

- (1) The aggregate intrinsic value is calculated as the difference between the exercise price of the underlying options and the fair value of the common stock for the options that were in the money at December 31, 2025 and 2024.

The weighted average grant date fair value per share of stock options granted during the years ended December 31, 2025 and 2024 was \$7.17 and \$14.28, respectively. The aggregate intrinsic value of stock options exercised during the years ended December 31, 2025 and 2024 was \$0 and \$9,000, respectively.

The aggregate grant date fair value of stock options and restricted stock vested during the year ended December 31, 2025 and 2024 was approximately \$4.5 million and \$5.1 million, respectively.

On May 3, 2019, the Company's stockholders approved the NextCure, Inc. 2019 Employee Stock Purchase Plan (the "ESPP"), which became effective on the Effective Date. The ESPP is intended to qualify as an "employee stock purchase plan" within the meaning of Section 423(b) of the Internal Revenue Code. A total of 20,000 shares of common stock were reserved for issuance under this plan. In addition, the number of shares of common stock that may be issued under the ESPP will automatically increase each January 1st until expiration of the ESPP, in an amount equal to the lesser of (i) 1% of the number of shares of the Company's common stock outstanding on December 31st of the preceding calendar year, (ii) 40,000 shares of common stock and (iii) a number of shares of common stock determined by the administrator of the ESPP. As of December 31, 2025, 27,479 shares of common stock had been issued pursuant to the ESPP and 85,002 shares were reserved for future issuance thereunder.

Stock-Based Compensation

The Company recorded stock-based compensation expense of \$3.0 million and \$6.3 million during the years ended December 31, 2025 and 2024, respectively. As of December 31, 2025, there was \$1.6 million of unrecognized compensation cost related to unvested stock-based compensation arrangements granted under the Plans. This remaining compensation expense is expected to be recognized over a weighted-average period of 2.1 years as of December 31, 2025. Stock-based compensation expense recorded as research and development and general and administrative expenses is as follows:

(in thousands)	December 31,	
	2025	2024
Research and development	\$ 1,345	\$ 2,756
General and administrative	1,641	3,579
Total stock-based compensation expense	\$ 2,986	\$ 6,335

The assumptions used in the Black-Scholes option-pricing model for stock options granted were as follows:

	Year Ended December 31,	
	2025	2024
Expected term	6.0 years	5.8 years
Expected volatility	90.5 %	83.3 %
Risk free interest rate	4.4 %	3.6 - 4.7 %
Expected dividend yield	— %	— %

14. Restructuring and Asset Impairment

On March 19, 2024, the Board approved a restructuring plan and prioritization (the “2024 Restructuring”) of its clinical portfolio to focus on what the Company believed to be its highest-value opportunities in NC410 (ovarian and colorectal cancer) and LNCB74 (B7-H4 ADC). In addition to prioritizing these programs, the Company paused its internal manufacturing operations and reduced its workforce by approximately 37%.

Employees affected by the reduction in force under the 2024 Restructuring were entitled to receive severance payments and Company-funded medical insurance for a specified time. During the three months ended March 31, 2024, the Company recognized \$0.8 million for employees who had no requirements for future service upon approval of the 2024 Restructuring. This \$0.8 million was paid out in full during the three months ended June 30, 2024, and there is no remaining liability as of December 31, 2025.

The Company also completed an evaluation of the impact of the 2024 Restructuring on the carrying value of its long-lived assets. Our evaluation determined that indicators of impairment were present within right of use assets and property and equipment. Where impairment indicators existed, the Company evaluated the identified asset group and separately compared the estimated undiscounted cash flow for each asset group to the net book value of the related long-term asset. Based on this evaluation, the Company determined an impairment was present and then calculated the amount of the impairment by developing a fair value estimate of the asset group that was compared to the carrying value.

The Company recorded \$1.8 million of impairment charges related to a facility operating lease asset and accelerated depreciation on manufacturing equipment for the three months ended March 31, 2024. No additional impairment charges were recorded through December 31, 2025.

Assumptions used in this analysis included current real estate trends, length of time to enter into a sublease and the discount rate used to develop the present value estimate. Other assumptions included an estimate of the salvage value for manufacturing equipment that is no longer in use. These assumptions are considered nonrecurring Level 3 estimates.

15. Segment Information

We operate our business in one operating segment, which also represents one reportable segment: life sciences. The life sciences segment focuses on advancing innovative medicines that, in the case of the Company, treat cancer patients that do not respond to, or that have disease progression on, current therapies, through the use of differentiated mechanisms of actions including antibody-drug conjugates (“ADCs”), antibodies and proteins. The Company’s chief operating decision maker (“CODM”) is the chief executive officer.

The accounting policies of the life sciences segment are the same as those described in the Note 2, Summary of Significant Accounting Policies. The CODM assesses performance for the life science segment based on net loss, which is reported on the statements of operations and comprehensive net loss as net loss. The measure of segment assets is reported on the balance sheet as total assets.

To date, the Company has not generated any product revenue. The Company expects to continue to incur significant expenses and operating losses for the foreseeable future as it advances product candidates through all stages of development and clinical trials and, ultimately, seek regulatory approval.

As such, the CODM uses cash forecast models in deciding how to invest into the life sciences segment. Such cash forecast models are reviewed to assess the entity-wide operating results and performance. Net loss is used to monitor budget versus actual results. Monitoring budgeted versus actual results is used in assessing performance of the segment and in establishing management’s compensation, along with cash forecast models.

The tables below summarize the significant expense categories regularly reviewed by the CODM for the years ended December 31, 2025 and 2024:

(in thousands)	Year Ended December 31,	
	2025	2024
Research and development expenses		
Employee costs	\$ 8,974	\$ 13,252
Clinical product candidates	27,669	13,562
Nonclinical product candidates	3,758	9,182
Depreciation and amortization	2,133	2,792
Other R&D (1)	2,389	2,700
Total R&D	<u>\$ 44,923</u>	<u>\$ 41,488</u>
General and administrative expenses		
Employee costs	\$ 5,887	\$ 8,400
Professional services	4,614	4,449
Insurance	947	1,281
Other G&A (2)	1,245	1,588
Total G&A	<u>\$ 12,693</u>	<u>\$ 15,718</u>

(1) Other R&D consists of facilities related expenses and office expenses.

(2) Other G&A consists of facilities related expenses, depreciation, office expenses and taxes and fees.

16. Net Loss per Share Attributable to Common Stockholders

Basic net loss per share is calculated by dividing net loss applicable to common stockholders by the weighted-average common shares outstanding during the period, without consideration for common stock equivalents. Diluted net loss per share is calculated by adjusting the weighted-average common shares outstanding for the dilutive effect of common stock equivalents outstanding for the period, determined using the treasury-stock method. For purposes of computing both basic and diluted net loss per share, pre-funded warrants are considered outstanding shares upon issuance because the underlying shares may be issued for nominal consideration and are exercisable immediately after the original issuance date. Since the Company incurred net losses for the years ended December 31, 2025 and 2024, common stock equivalents were excluded from the calculation of diluted net loss per share for such periods as their effect would be anti-dilutive. Therefore, the weighted average number of common shares outstanding used to calculate both basic and diluted net loss per share attributable to common stockholders is the same. The Company excluded the following potential common shares, presented based on amounts outstanding at period end, from the computation of diluted net loss per share attributable to common stockholders for the period indicated because including them would have had an anti-dilutive effect:

	December 31,	
	2025	2024
Outstanding options to purchase common stock	848,966	737,895
Total	<u>848,966</u>	<u>737,895</u>

17. Income Taxes

On July 4, 2025, the One Big Beautiful Bill Act (the “Act”) was enacted into law. Given the Company’s history of operating losses and full valuation allowances against its deferred tax assets, the Act does not currently have a significant impact on the Company’s financial statements.

The Company is subject to U.S. federal and state income taxes. No federal or state income taxes were paid in the year ended December 31, 2025.

The reconciliation of federal statutory income tax rate to the Company’s effective income tax rate for the year ended December 31, 2025 is as follows:

	December 31,	
	Amount	Percent
Expected income tax benefit at the federal statutory rate	\$ (11,727)	21.0 %
State taxes, net of federal benefit	(3,649)	6.5
Research and development credit, net	(1,393)	2.5
Other	175	(0.3)
Change in valuation allowance	16,594	(29.7)
Total	<u>\$ —</u>	<u>— %</u>

The reconciliation of federal statutory income tax rate to the Company’s effective income tax rate for the year ended December 31, 2024 is as follows:

	December 31,	
	2024	
Expected income tax benefit at the federal statutory rate		21.0 %
State taxes, net of federal benefit		6.6
Research and development credit, net		4.0
Non-deductible items		(0.6)
Other		(1.6)
Change in valuation allowance		(29.4)
Total		<u>— %</u>

Deferred income taxes reflect the net effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

The principal components of the Company’s deferred tax assets consisted of the following as of December 31, 2025 and 2024:

	December 31,	
	2025	2024
<i>(in thousands)</i>		
Deferred tax assets:		
Federal and state net operating loss carryforwards	\$ 85,836	\$ 63,647
Research and development tax credits	17,829	16,436
Capitalized R&D Costs	18,271	25,826
Operating lease liabilities	1,419	1,642
Share-based compensation	8,032	7,234
Accruals and other	1,415	1,587
Gross deferred tax assets	<u>132,802</u>	<u>116,372</u>
Less: valuation allowance	(131,903)	(115,309)
Total deferred tax assets	<u>\$ 899</u>	<u>\$ 1,063</u>
Deferred tax liabilities:		
Operating lease assets	(899)	(1,063)
Gross deferred tax liabilities	<u>\$ (899)</u>	<u>\$ (1,063)</u>
Net deferred tax assets	<u>\$ —</u>	<u>\$ —</u>

Based on the Company's history of losses, the Company recorded a full valuation allowance against its deferred tax assets as of December 31, 2025. The Company increased its valuation allowance by approximately \$16.6 million for the year ended December 31, 2025. The Company intends to maintain a valuation allowance until sufficient positive evidence exists to support a reversal of the allowance.

As of December 31, 2025, the Company had federal and state net operating loss carryforwards of \$310.9 million and \$314.0 million, respectively, some of which begin to expire in the year ending December 31, 2036. Approximately \$288.2 million of the federal net operating loss carryforwards do not expire. The Company had federal and state research and development tax credit carryforwards of approximately \$17.8 million and \$0.1 million, respectively, as of December 31, 2025. The federal credits begin to expire in the year ending December 31, 2036, and the state credits begin to expire in the year ending December 31, 2026.

Under the provisions of Sections 382 and 383 of the Internal Revenue Code (the "IRC"), certain substantial changes in the Company's ownership may have limited, or may limit in the future, the amount of net operating loss and credit carryforwards that can be used to reduce future income taxes if there has been a significant change in ownership of the Company, as defined by the IRC. Future owner or equity shifts could result in limitations on net operating loss and credit carryforwards.

The Company files income tax returns in the U.S. federal jurisdiction as well as in Maryland and Florida. The tax years 2022 to 2024 remain open to examination by the major jurisdictions in which the Company is subject to tax. Fiscal years outside the normal statute of limitation remain open to audit by tax authorities due to tax attributes generated in those early years, which have been carried forward and may be audited in subsequent years when utilized.

The Company evaluates tax positions for recognition using a more-likely-than-not recognition threshold, and those tax positions eligible for recognition are measured as the largest amount of tax benefit that is greater than 50% likely of being realized upon the effective settlement with a taxing authority that has full knowledge of all relevant information. As of December 31, 2025, the Company had no unrecognized income tax benefits that would affect the Company's effective tax rate if recognized.

18. Employee Benefit Plan

The Company sponsors a 401(k) plan which stipulates that eligible employees can elect to contribute to the 401(k) plan, subject to certain limitations, up to the lesser of the statutory maximum or 100% of eligible compensation on a pre-tax basis. For the years ended December 31, 2025, and 2024, the Company made matching contributions of \$0.3 million and \$0.3 million, respectively.

19. Subsequent Event

Subsequent to year end and through February 27, 2026, the Company sold 52,715 shares of common stock under the Wainwright ATM Agreement for net proceeds of approximately \$0.7 million.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended, or the Exchange Act, as of December 31, 2025. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Based on the evaluation of our disclosure controls and procedures as of December 31,

2025, our Chief Executive Officer and Chief Financial Officer concluded that, as of such date, our disclosure controls and procedures were effective at the reasonable assurance level.

Changes in Internal Control over Financial Reporting

None.

Report of Management on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act). Under the supervision of and with the participation of our Principal Executive Officer and Principal Financial Officer, our management assessed the effectiveness of our internal control over financial reporting as of December 31, 2025 based on the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in "Internal Control-Integrated Framework" (2013). Based on this assessment, management concluded that our internal control over financial reporting was effective as of December 31, 2025.

Effective December 31, 2024, we lost our status as an "emerging growth company," meaning we can no longer rely on certain exemptions from various public company reporting requirements, including having an extended transition period to comply with new or revised accounting standards applicable to public companies. We maintained our status as a smaller reporting company; thus, our independent registered public accounting firm will not be required to provide an attestation report on the effectiveness of our internal control over financial reporting.

Item 9B. Other Information

Director and Officer Trading Plans

During the quarter ended December 31, 2025, none of the Company's directors or executive officers adopted or terminated any contract, instruction or written plan for the purchase or sale of Company securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1 or any non-Rule 10b5-1 trading arrangement.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The information required by this Item will be contained under the headings "Proposal No. 1: Election of Class III Directors," "Corporate Governance and our Board of Directors," and "Executive Officers" in our definitive proxy statement for our 2026 annual meeting of stockholders, or our "Proxy Statement," to be filed with the SEC within 120 days of December 31, 2025 and is incorporated herein by reference.

We have adopted an Insider Trading Policy governing the purchase, sale, and/or other dispositions of our securities by our directors, officers, and employees, and have implemented processes for the Company, that we believe are reasonably designed to promote compliance with insider trading laws, rules and regulations, and applicable listing standards of The Nasdaq Stock Market LLC. A copy of our Insider Trading Policy is filed with this Annual Report on Form 10-K as Exhibit 19.

Item 11. Executive Compensation

The information required by this Item will be contained in the Proxy Statement under the headings "Executive Compensation" and "Director Compensation" and is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information required by this Item will be contained in the Proxy Statement under the headings “Ownership of our Common Stock” and “Equity Compensation Plan Information” and is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information required by this Item will be contained in the Proxy Statement under the headings “Certain Relationships and Related Person Transactions” and “Board Leadership and Governance Structure” and is incorporated herein by reference.

Item 14. Principal Accountant Fees and Services

The information required by this Item will be contained in the Proxy Statement under the heading “Proposal No. 2: Ratification of Appointment of Independent Registered Public Accounting Firm” and is incorporated herein by reference.

PART IV

Item 15. Exhibits and Financial Statement Schedules

The following documents are filed as part of this report:

(1) *Financial Statements*

See Index to Financial Statements in Part II Item 8 of this Annual Report.

(2) *Financial Statement Schedules*

All schedules are omitted because they are not applicable, or the required information is shown in the financial statements or notes thereto.

(3) *Exhibits*

The documents listed in the following Exhibit Index are incorporated by reference or are filed with this report, in each case as indicated therein (numbered in accordance with Item 601 of Regulation S-K).

EXHIBIT INDEX

Exhibit No.	Exhibit Description
3.1	Third Amended and Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.1 filed with Company’s Current Report on 8-K filed with the Commission on May 13, 2019).
3.2	Second Amended and Restated Bylaws (incorporated by reference to Exhibit 3.1 to the Company’s Current Report on 8-K filed on June 26, 2023).
3.3	Certificate of Amendment to the Third Amended and Restated Certificate of Incorporation of the Company (incorporated by reference to Exhibit 3.1 filed with the Company’s Current Report on Form 8-K filed on July 14, 2025).
4.1	Form of Pre-Funded Warrant (incorporated by reference to Exhibit 4.1 filed with the Company’s Current Report on Form 8-K filed with the Commission on November 17, 2025).
4.2*	Description of Registered Securities.
4.3	Amended and Restated Investors’ Rights Agreement, dated as of November 5, 2018, by and among the Company and the investors party thereto (incorporated by reference to Exhibit 4.1 filed with the Company’s Registration Statement on Form S-1 filed with the Commission on April 12, 2019).

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- 4.4 [Registration Rights Agreement dated as of June 13, 2025, by and between the Company and Simcere Zaiming, Inc. \(incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on June 16, 2025\).](#)
- 4.5 [Registration Rights Agreement, dated as of November 12, 2025, by and between the Company and each purchaser party thereto \(incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on November 17, 2025\).](#)
- 10.1† [License Agreement, dated as of December 29, 2015, by and between the Company and Yale University \(incorporated by reference to Exhibit 10.1 filed with Company's Registration Statement on Form S-1 filed with the Commission on April 12, 2019\).](#)
- 10.2† [Corporate Sponsored Research Agreement, dated as of December 29, 2015, by and between the Company and Yale University \(incorporated by reference to Exhibit 10.2 filed with Company's Registration Statement on Form S-1 filed with the Commission on April 12, 2019\).](#)
- 10.3† [Amendment to License Agreement and SRA, dated as of April 25, 2020, by and between the Company and Yale University \(incorporated by reference to Exhibit 10.3 filed with the Company's Annual Report on Form 10-K filed with the SEC on March 4, 2021\).](#)
- 10.4+ [NextCure, Inc. 2015 Omnibus Incentive Plan, \(incorporated by reference to Exhibit 10.6 filed with Company's Registration Statement on Form S-1 filed with the Commission on April 12, 2019\).](#)
- 10.5+ [Form of Stock Option Agreement under the NextCure, Inc. 2015 Omnibus Incentive Plan \(incorporated by reference to Exhibit 10.7 filed with Company's Registration Statement on Form S-1 filed with the Commission on April 12, 2019\).](#)
- 10.6+ [NextCure, Inc. 2019 Omnibus Incentive Plan \(incorporated by reference to Exhibit 10.8 filed with Registration Statement on Form S-1/A filed with the Commission on April 29, 2019\).](#)
- 10.7+ [Forms of Incentive and Nonqualified Stock Option Agreement under the NextCure, Inc. 2019 Omnibus Incentive Plan \(incorporated by reference to Exhibit 10.9 filed with Company's Registration Statement on Form S-1/A filed with the Commission on April 29, 2019\).](#)
- 10.8+ [Form of Restricted Stock Agreement under the NextCure, Inc. 2019 Omnibus Incentive Plan \(incorporated by reference to Exhibit 10.10 filed with Company's Registration Statement on Form S-1/A filed with the Commission on April 29, 2019\).](#)
- 10.9+ [Form of Restricted Stock Unit Agreement under the NextCure, Inc. 2019 Omnibus Incentive Plan \(incorporated by reference to Exhibit 10.11 filed with Company's Registration Statement on Form S-1/A filed with the Commission on April 29, 2019\).](#)
- 10.10+ [NextCure, Inc. 2019 Employee Stock Purchase Plan \(incorporated by reference to Exhibit 10.12 filed with Company's Registration Statement on Form S-1/A filed with the Commission on April 29, 2019\).](#)
- 10.11+ [Non-Employee Director Compensation Program \(incorporated by reference to Exhibit 10.1 filed with the Company's Current Report on Form 8-K filed with the Commission on September 14, 2020\).](#)
- 10.12+ [Form of Indemnification Agreement by and between the Company and each of its directors and executive officers \(incorporated by reference to Exhibit 10.5 filed with Company's Registration Statement on Form S-1 filed with the Commission on April 12, 2019\).](#)
- 10.13+ [Employment Agreement, effective as of July 27, 2020, by and between the Company and Michael Richman \(incorporated by reference to Exhibit 10.1 filed with the Company's Current Report on Form 8-K filed with the Commission on July 31, 2020\).](#)

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- 10.14+ [Employment Agreement, effective as of July 27, 2020, by and between the Company and Steven P. Cobourn \(incorporated by reference to Exhibit 10.2 filed with the Company's Current Report on Form 8-K filed with the Commission on July 31, 2020\).](#)
- 10.15+ [Employment Agreement, effective as of July 27, 2020, by and between the Company and Solomon Langermann, Ph.D. \(incorporated by reference to Exhibit 10.3 filed with the Company's Current Report on Form 8-K filed with the Commission on July 31, 2020\).](#)
- 10.16† [Lease Agreement, dated as of January 30, 2019, by and between the Company and ARE-8000/9000/10000 Virginia Manor, LLC \(incorporated by reference to Exhibit 10.14 filed with Company's Registration Statement on Form S-1 filed with the Commission on April 12, 2019\).](#)
- 10.17† [First Amendment to Lease Agreement, dated as of August 2, 2019, by and between the Company and ARE-8000/9000/10000 Virginia Manor, LLC \(incorporated by reference to Exhibit 10.1 filed with Company's Quarterly Report on Form 10-Q filed on November 12, 2019\).](#)
- 10.18+ [Amendment to the NextCure, Inc. 2015 Omnibus Incentive Plan dated as of September 30, 2021 \(incorporated by reference to Exhibit 10.1 filed with Company's Quarterly Report on Form 10-Q filed on November 4, 2021\).](#)
- 10.19† [Amended and Restated Sublease Agreement, dated as of March 15, 2019, by and between the Company and Lupin, Inc. \(incorporated by reference to Exhibit 10.4 filed with Company's Registration Statement on Form S-1 filed with the Commission on April 12, 2019\).](#)
- 10.20† [Second Amendment to License Agreement and SRA, dated as of October 20, 2021, by and between the Company and Yale University. \(incorporated by reference to Exhibit 10.23 filed with the Company's Annual Report on Form 10-K filed with the Commission on March 3, 2022\).](#)
- 10.21† [Executive Employment Agreement, effective as of January 11, 2021, by and between the Company and Han Myint, M.D. \(incorporated by reference to Exhibit 10.24 filed with the Company's Annual Report on Form 10-K filed with the Commission on March 3, 2022\).](#)
- 10.22† [Second Amendment to Lease Agreement, dated as of February 19, 2020, by and between the Company and ARE-8000/9000/10000 Virginia Manor, LLC. \(incorporated by reference to Exhibit 10.25 filed with the Company's Annual Report on Form 10-K filed with the Commission on March 3, 2022\).](#)
- 10.23† [Third Amendment to Lease Agreement, dated as of February 4, 2022, by and between the Company and ARE-8000/9000/10000 Virginia Manor, LLC. \(incorporated by reference to Exhibit 10.26 filed with the Company's Annual Report on Form 10-K filed with the Commission on March 3, 2022\).](#)
- 10.24† [Fourth Amendment to Lease Agreement, dated as of June 10, 2022, by and between the Company and ARE-8000/9000/10000 Virginia Manor, LLC \(incorporated by reference to Exhibit 10.27 to the Company's Annual Report on Form 10-K filed on March 2, 2023\).](#)
- 10.25† [Third Amendment to SRA, dated as of September 14, 2022, by and between the Company and Yale University \(incorporated by reference to Exhibit 10.28 to the Company's Annual Report on Form 10-K filed on March 2, 2023\).](#)
- 10.26† [Fifth Amendment to Lease Agreement, dated as of November 28, 2022, by and between the Company and ARE-8000/9000/10000 Virginia Manor, LLC \(incorporated by reference to Exhibit 10.29 to the Company's Annual Report on Form 10-K filed on March 2, 2023\).](#)
- 10.27+† [Employment Agreement, effective as of February 28, 2023, by and between the Company and Kevin G. Shaw \(incorporated by reference to Exhibit 10.30 to the Company's Annual Report on Form 10-K filed on March 2, 2023\).](#)

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- 10.28 [Sales Agreement, dated as of August 4, 2023, by and between the Company and Leerink Partners LLC \(incorporated by reference to Exhibit 1.2 to the Company's Registration Statement on Form S-3 filed on August 4, 2023\).](#)
- 10.29 [Sixth Amendment to Lease Agreement, dated as of April 19, 2023, by and between the Company and ARE-8000/9000/10000 Virginia Manor, LLC \(incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed on May 4, 2023\).](#)
- 10.30† [Research Collaboration and Co-Development Agreement, dated as of November 9, 2022, by and between NextCure, Inc. and LigaChem Biosciences, Inc. \(incorporated by reference to Exhibit 10.30 to the Company's Annual Report on Form 10-K filed on March 21, 2024\).](#)
- 10.31+ [Scientific Advisory and Consulting Agreement, dated as of July 2, 2024, by and between NextCure, Inc. and Dr. Han Myint \(incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on June 18, 2024\).](#)
- 10.32+ [Employment Agreement effective as of February 1, 2025, by and between the Company and Udayan Guha, M.D., PH.D. \(incorporated by reference to Exhibit 10.32 to the Company's Annual Report on 10-K filed on March 6, 2025\).](#)
- 10.33† [License Agreement dated June 13, 2025 between the Company and Hainan Simcere Zaiming Pharmaceutical Co., Ltd. \(incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on June 16, 2025\).](#)
- 10.34† [Subscription Agreement, dated as of June 13, 2025, by and between the Company and Simcere Zaiming, Inc. \(incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on June 16, 2025\).](#)
- 10.35 [Securities Purchase Agreement, dated November 12, 2025, by and between the Company and each purchaser party thereto \(incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on November 17, 2025\).](#)
- 10.36 [At The Market Offering Agreement, dated December 19, 2025, between the Company and H.C. Wainwright & Co., LLC \(incorporated by reference to Exhibit 1.1 to the Company's Current Report on Form 8-K filed on December 19, 2025\).](#)
- 19 [NextCure, Inc. Trading Compliance Policy \(incorporated by reference to Exhibit 19 to the Company's Annual Report on 10-K filed on March 6, 2025\).](#)
- 23.1* [Consent of Ernst & Young LLP, independent registered public accounting firm.](#)
- 24.1* [Power of Attorney \(included on the signature page of this Annual Report on Form 10-K\).](#)
- 31.1* [Certification of Michael Richman pursuant to Rule 13a-14\(a\) under the Securities Exchange Act of 1934 as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.](#)
- 31.2* [Certification of Steven P. Cobourn pursuant to Rule 13a-14\(a\) under the Securities Exchange Act of 1934 as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.](#)
- 32.1* [Certification of Michael Richman and Steven P. Cobourn pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.](#)
- 97 [NextCure, Inc. Policy on Recoupment of Incentive Compensation \(incorporated by reference to Exhibit 97 to the Company's Annual Report on Form 10-K filed on March 21, 2024\).](#)

EX-101.INS Inline XBRL Instance Document

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EX-101.SCH	Inline XBRL Taxonomy Extension Schema Document
EX-101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
EX-101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
EX-101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
EX-101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document

104 Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

* Filed herewith.

+ Indicates a management contract or compensatory plan.

† Portions of this exhibit have been omitted in compliance with Item 601 of Regulation S-K.

Item 16. Form 10-K Summary

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

NEXTCURE, INC.

Date: March 5, 2026

By: /s/ Michael Richman

Name: Michael Richman

President and Chief Executive Officer

Each person whose signature appears below constitutes and appoints Michael Richman and Steven P. Cobourn and each of them, jointly and severally, his or her attorneys-in-fact, each with full power of substitution, for him or her in any and all capacities, to sign any and all amendments to this Annual Report on Form 10-K, and to file the same, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Michael Richman</u> Michael Richman	President, Chief Executive Officer and Director <i>(Principal Executive Officer)</i>	March 5, 2026
<u>/s/ Steven P. Cobourn</u> Steven P. Cobourn	Chief Financial Officer <i>(Principal Financial and Accounting Officer)</i>	March 5, 2026
<u>/s/ David Kabakoff</u> David Kabakoff, Ph.D.	Chair of the Board	March 5, 2026
<u>/s/ Anne Borgman</u> Anne Borgman, M.D.	Director	March 5, 2026
<u>/s/ Ellen G. Feigal</u> Ellen G. Feigal, M.D.	Director	March 5, 2026
<u>/s/ John G. Houston</u> John G. Houston, Ph.D.	Director	March 5, 2026
<u>/s/ Elaine V. Jones</u> Elaine V. Jones, Ph.D.	Director	March 5, 2026
<u>/s/ Stephen Webster</u> Stephen Webster	Director	March 5, 2026

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

- (1) Registration Statement (Form S-8 No. 333-231438) pertaining to the NextCure, Inc. 2019 Employee Stock Purchase Plan,
- (2) Registration Statement (Form S-8 No. 333-231436) pertaining to the NextCure, Inc. 2015 Omnibus Incentive Plan and the NextCure, Inc. 2019 Omnibus Incentive Plan,
- (3) Registration Statement (Form S-8 No. 333-260776) pertaining to the NextCure, Inc. 2019 Employee Stock Purchase Plan,
- (4) Registration Statement (Form S-8 No. 333-260779) pertaining to the NextCure, Inc. 2019 Omnibus Incentive Plan,
- (5) Registration Statement (Form S-8 No. 333-273735) pertaining to the NextCure, Inc. 2019 Omnibus Incentive Plan
- (6) Registration Statement (Form S-3 No. 333-273723) of NextCure, Inc.

of our report dated March 5, 2026, with respect to the financial statements of NextCure, Inc. included in this Annual Report (Form 10-K) of NextCure, Inc. for the year ended December 31, 2025.

/s/ Ernst & Young LLP

Baltimore, Maryland
March 5, 2026

**Certification of Principal Executive Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Michael Richman, certify that:

1. I have reviewed this annual report on Form 10-K of NextCure, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 5, 2026

/s/ Michael Richman

Name: Michael Richman

Title: President and Chief Executive Officer

**Certification of Principal Financial Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Steven P. Cobourn, certify that:

1. I have reviewed this annual report on Form 10-K of NextCure, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 5, 2026

/s/ Steven P. Cobourn

Name: Steven P. Cobourn

Title: Chief Financial Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report on Form 10-K of NextCure, Inc. (the "Company") for the year ended December 31, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned each hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of his knowledge, on the date hereof:

- (1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: March 5, 2026

/s/ Michael Richman

Name: Michael Richman

Title: President and Chief Executive Officer

Dated: March 5, 2026

/s/ Steven P. Cobourn

Name: Steven P. Cobourn

Title: Chief Financial Officer

**DESCRIPTION OF THE REGISTRANT'S SECURITIES
REGISTERED PURSUANT TO SECTION 12 OF THE
SECURITIES EXCHANGE ACT OF 1934**

As of the end of the period covered by the Annual Report on Form 10-K of which this exhibit forms a part, the only class of securities of NextCure, Inc. ("we" and "our") registered under Section 12 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), is our common stock, \$0.001 par value per share ("Common Stock"). The following summary describes our Common Stock and certain provisions of our Third Amended and Restated Certificate of Incorporation (as subsequently amended, our "Certificate of Incorporation"), our Second Amended and Restated Bylaws (our "Bylaws"), and the Delaware General Corporation Law. Because the following is only a summary, it does not contain all of the information that may be important to you. For a complete description, you should refer to our Certificate of Incorporation and our Bylaws, which are incorporated by reference as exhibits to the Annual Report on Form 10-K of which this exhibit is a part, and the applicable provisions of the Delaware General Corporation Law.

AUTHORIZED CAPITAL STOCK

Our Certificate of Incorporation authorizes 100,000,000 shares of Common Stock and 10,000,000 shares of preferred stock, \$0.001 par value per share ("Preferred Stock").

COMMON STOCK

Voting Rights

Each holder of our Common Stock is entitled to one vote for each share on all matters submitted to a vote of our stockholders, including the election of directors. Our stockholders do not have cumulative voting rights in the election of directors. Accordingly, holders of a majority of the voting shares are able to elect all of our directors. In addition, the affirmative vote of holders of 66 2/3% of the voting power of all of the then outstanding voting stock will be required to take certain actions, including amending certain provisions of our Certificate of Incorporation, such as the provisions relating to our classified board of directors (our "Board").

Dividends

Subject to preferences that may be applicable to any then outstanding Preferred Stock, holders of our Common Stock are entitled to receive dividends, if any, as may be declared from time to time by our Board out of legally available funds.

Liquidation

In the event of our liquidation, dissolution or winding up, holders of our Common Stock will be entitled to share ratably in the net assets legally available for distribution to stockholders after the payment of all of our debts and other liabilities and the satisfaction of any liquidation preference granted to the holders of any then outstanding shares of Preferred Stock.

Other Rights and Preferences

Holders of our Common Stock have no preemptive, conversion, subscription or other rights, and there are no redemption or sinking fund provisions applicable to our Common Stock. The rights, preferences and privileges of the holders of our Common Stock are subject to and may be adversely affected by the rights of the holders of shares of any series of our Preferred Stock that we may designate in the future.

Fully Paid and Nonassessable

All of our outstanding shares of Common Stock are fully paid and nonassessable.

PREFERRED STOCK

Under the terms of our Certificate of Incorporation, our Board has the authority, without further action by our stockholders, to issue up to 10,000,000 shares of Preferred Stock in one or more series and to fix the rights, preferences, privileges and restrictions thereof. These rights, preferences and privileges could include dividend rights, conversion rights, voting rights, terms of redemption, liquidation preferences, sinking fund terms and the number of shares constituting, or the designation of, such series, any or all of which may be greater than the rights of Common Stock. For example, the issuance of our Preferred Stock could adversely affect the voting power of holders of Common Stock and the likelihood that such holders will receive dividend payments and payments upon our liquidation.

WARRANTS

Pre-Funded Warrants

On November 12, 2025, we entered into a securities purchase agreement (the “Purchase Agreement”) with certain institutional and accredited investors (the “Private Placement Purchasers”) for a private placement which included pre-funded warrants to purchase up to an aggregate of 1,815,049 shares of Common Stock at a purchase price of \$8.519 per pre-funded warrant. Each pre-funded warrant has an exercise price of \$0.001 per share of Common Stock, which are exercisable at any time after the date of issuance and will not expire. As of December 31, 2025, 1,697,678 of the pre-funded warrants remained outstanding.

ANTI-TAKEOVER PROVISIONS

Generally

Certain provisions of Delaware law, our Certificate of Incorporation and our Bylaws could make the following kinds of transactions more difficult: acquisition of us by means of a tender offer; acquisition of us by means of a proxy contest or otherwise; or removal of our incumbent officers and directors. It is possible that these provisions could make it more difficult to accomplish or could deter transactions that stockholders may otherwise consider to be in their best interest or in our best interests, including transactions that might result in a premium over the market price for our shares.

These provisions, summarized below, are expected to discourage coercive takeover practices and inadequate takeover bids. These provisions are also designed to encourage persons seeking to acquire control of us to first negotiate with our Board. We believe that the benefits of increased protection of our potential ability to negotiate with the proponent of an unfriendly or unsolicited proposal to acquire or restructure us outweigh the disadvantages of discouraging these proposals because negotiation of these proposals could result in an improvement of their terms.

Delaware Anti-Takeover Statute

We are subject to Section 203 of the Delaware General Corporation Law, which prohibits persons deemed “interested stockholders” from engaging in a “business combination” with a publicly traded Delaware corporation for three years following the date these persons become interested stockholders unless the business combination is, or the transaction in which the person became an interested stockholder was, approved in a prescribed manner or another prescribed exception applies. Generally, an “interested stockholder” is a person who, together with affiliates and associates, owns, or within three years prior to the determination of interested stockholder status did own, 15% or more of a corporation’s voting stock. Generally, a “business combination” includes a merger, asset or stock sale, or other transaction resulting in a financial benefit to the interested stockholder. The existence of this provision may have an anti-takeover effect with respect to transactions not approved in advance by our Board, such as discouraging takeover attempts that might result in a premium over the market price of our Common Stock.

Undesignated Preferred Stock

The ability to authorize undesignated Preferred Stock makes it possible for our Board to issue Preferred Stock with voting or other rights or preferences that could have the effect of delaying, deferring, preventing or otherwise impeding any attempt to change control of us.

Special Stockholder Meetings

Our Certificate of Incorporation and our Bylaws provide that a special meeting of stockholders may be called only by or at the direction of our Board or by the Chair of our Board.

Requirements for Advance Notification of Stockholder Nominations and Proposals

Our Bylaws establish advance notice procedures with respect to stockholder proposals and the nomination of candidates for election as directors, other than nominations made by or at the direction of our Board or a committee thereof.

Elimination of Stockholder Action by Written Consent

Our Certificate of Incorporation and our Bylaws eliminate the right of stockholders to act by written consent without a meeting.

Classified Board; Election and Removal of Directors; Filling Vacancies; Board Size

Our Board is divided into three classes. The directors in each class serve for a three-year term, one class being elected each year by our stockholders, with staggered three-year terms. Only one class of directors are elected at each annual meeting of our stockholders, with the other classes continuing for the remainder of their respective three-year terms. Because our stockholders do not have cumulative voting rights, our stockholders holding a majority of the shares of Common Stock outstanding will be able to elect all of our directors. Our Certificate of Incorporation provides for the removal of any of our directors only for cause and requires a stockholder vote by the holders of at least a 66 2/3% of the voting power of the then outstanding voting stock. Any vacancy on our Board, however occurring, including a vacancy resulting from an increase in the size of our Board, may only be filled by a resolution of our Board. Furthermore, the authorized number of directors may be changed only by a resolution of our Board. This system of electing and removing directors, filling vacancies and fixing the size of our Board may tend to discourage a third party from making a tender offer or otherwise attempting to obtain control of us, because it generally makes it more difficult for stockholders to replace a majority of the directors.

Choice of Forum

Our Bylaws provide that unless we consent in writing to an alternative forum, the Court of Chancery of the State of Delaware or, if subject matter jurisdiction of such action is vested exclusively in the federal courts, the United States District Court for the District of Delaware will, to the fullest extent permitted by law, be the sole and exclusive forum for (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a claim of breach of a fiduciary duty owed by any of our current or former directors, officers and employees, (iii) any action asserting a claim arising pursuant to any provision of the Delaware General Corporation Law, our Certificate of Incorporation or our Bylaws, (iv) any action or proceeding to interpret, apply, enforce or determine the validity of our Certificate of Incorporation or our Bylaws or (v) any action asserting a claim that is governed by the internal affairs doctrine, in each case subject to the Court of Chancery or the United States District Court for the District of Delaware, as applicable, having personal jurisdiction over the indispensable parties named as defendants therein. In addition, any person holding, owning or otherwise acquiring any interest in any of our securities shall be deemed to have notice of and to have consented to this provision of our Bylaws. The choice of forum provision does not apply to any actions arising under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended. Although our Bylaws contain the choice of forum provision described above, it is possible that a court could find that such a provision is inapplicable for a particular claim or action or that such provision is unenforceable.

Amendment of Charter Provisions

The amendment of any of the above provisions that are in our Certificate of Incorporation, except for the provision making it possible for our Board to issue undesignated Preferred Stock, would require approval by a stockholder vote by the holders of at least a 66 2/3% of the voting power of our then outstanding voting stock.

The provisions of the Delaware General Corporation Law, our Certificate of Incorporation and our Bylaws could have the effect of discouraging others from attempting hostile takeovers and, as a consequence, they may also inhibit temporary fluctuations in the market price of our Common Stock that often result from actual or rumored hostile takeover attempts. These provisions may also have the effect of preventing changes in our management. It is possible that these provisions could make it more difficult to accomplish transactions that stockholders may otherwise deem to be in their best interests.

LISTING

Our Common Stock is listed on the Nasdaq Global Select Market under the symbol "NXTC".

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for our Common Stock is Equiniti Trust Company LLC. The transfer agent and registrar's address is 48 Wall Street, 22nd Floor, New York, NY 10005.
