

News Release

NextCure Reports Second Quarter 2019 Financial Results

August 12, 2019 at 4:05 PM EDT

BELTSVILLE, Md., Aug. 12, 2019 (GLOBE NEWSWIRE) -- [NextCure, Inc.](#) (Nasdaq: NXTC), a clinical-stage biopharmaceutical company committed to discovering and developing novel, first-in-class immunomedicines to treat cancer and other immune-related diseases, today reported second quarter 2019 financial results and provided a business update.

"NextCure has made important progress this year toward realizing our long-term vision of developing novel immunomedicines for patients who do not respond to standard treatments or existing immunotherapies," said Michael Richman, president and chief executive officer. "The first half of 2019 has been productive for us. We are in a strong financial position to continue advancing our programs, and we remain on track to complete the Phase 1 portion of our clinical study with NC318 and to present topline data from the trial in the fourth quarter of 2019."

Business Highlights

- Continued enrolling a Phase 1/2 clinical trial to evaluate NC318 as a monotherapy in patients with advanced or metastatic solid tumors. The Phase 1 portion of the trial is designed to assess the safety and tolerability of NC318.
- Closed our initial public offering (IPO) on May 9, 2019, raising \$86.3 million in gross proceeds.
- Continued research activities under our collaboration agreement with Eli Lilly and Company ("Lilly").
- Remain on track to submit an investigational new drug application to the U.S. Food and Drug Administration for our second product candidate, NC410 in the first quarter of 2020. NC410 is a novel immunomedicine designed to block immune suppression mediated by an immune modulator called Leukocyte-Associated Immunoglobulin-like Receptor 1, or LAIR-1.

Financial Results for Quarter Ended June 30, 2019

- Cash and cash equivalents as of June 30, 2019 were \$192.7 million, compared to \$135.2 million as of December 31, 2018. The increase in cash reflects net proceeds from our IPO of \$77.0, partially offset by cash used to fund operations of \$18.5 million.
- Revenue was \$1.4 million and \$2.8 million for the three and six months ended June 30, 2019, respectively. We had no revenue in the calendar year 2018. Revenue to date has been generated from the Lilly agreement.
- Research and development expenses were \$7.6 million and \$14.2 million for the three and six months ended June 30, 2019, respectively, as compared to \$ 4.4 million and \$8.6 million for the three and six months ended June 30, 2018, respectively. The increase was primarily related to an increase in headcount, NC318 clinical research costs, lab supplies and services for NC318, our other early stage programs and discovery activities, and a one-time license payment in connection with our IPO.
- General and administrative expenses were \$2.7 million and \$4.4 million for the three and six months ended June 30, 2019, respectively, as compared to \$0.9 million and \$1.7 million for the three and six months ended June 30, 2018, respectively. The increase was primarily related to increases in professional fees and insurance costs in connection with becoming a publicly traded company, as well as increases in personnel-related costs and an unrestricted gift to an academic lab.
- Net loss was \$8.2 million and \$14.4 million for the three and six months ended June 30, 2019, respectively, as compared to \$5.2 million and \$10.2 million for the three and six months ended June 30, 2018, respectively.

About NC318

NC318 is a first-in-class immunomedicine against S15, a novel immunomodulatory target found on highly immunosuppressive cells called M2 macrophages in the tumor microenvironment and on certain tumor types including lung, ovarian and head and neck cancers. In preclinical research, it was observed that S15 promoted the survival and differentiation of suppressive myeloid cells and negatively regulated T cell function, allowing cancer to avoid immune destruction. In preclinical studies, NC318 blocked the negative effects of S15. NextCure believes NC318 has the potential to treat multiple cancer types.

About NC410

NC410 is a first-in-class immunomedicine designed to block immune suppression

mediated by LAIR-1, an immunomodulatory receptor expressed on T cells and dendritic cells, a type of antigen presenting cell. In preclinical research, it was observed that LAIR-1 inhibited T cell function and dendritic cell activity allowing tumor cells to grow. In preclinical studies, NC410 blocked the negative effects of LAIR-1 and promoted T cell function and dendritic cell activity. NextCure believes NC410 has the potential to treat multiple cancer types.

About NextCure, Inc.

NextCure is a clinical-stage biopharmaceutical company committed to discovering and developing novel, first-in-class immunomedicines to treat cancer and other immune-related diseases. Through our proprietary FIND-IO™ platform, we study various immune cells to discover and understand targets and structural components of immune cells and their functional impact in order to develop immunomedicines. Our initial focus is to bring hope and new treatments to patients who do not respond to current cancer therapies, patients whose cancer progresses despite treatment and patients with cancer types not adequately addressed by available therapies.

www.nextcure.com

Forward-Looking Statements

This press release contains forward-looking statements, including statements pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These statements are based on current expectations, forecasts, assumptions and other information available to NextCure as of the date hereof. Forward-looking statements include statements regarding NextCure's expectations, beliefs, intentions or strategies regarding the future and can be identified by forward-looking words such as "may," "will," "potential," "expects," "believes," "intends," "hope," "toward," "continue," "vision," "on track" and similar expressions. Examples of forward-looking statements in this press release include, among others, statements about the strength of NextCure's financial position to continue advancing its product candidates, the progress and expected timing of NextCure's ongoing clinical study of NC318 and its other research and development programs, and NextCure's plans, objectives and intentions with respect to the discovery and development of immunomedicines. Forward-looking statements involve substantial risks and uncertainties that could cause actual results to differ materially from those projected in any forward-looking statement. Such risks and uncertainties include, among others: NextCure's limited operating history and no products approved for commercial sale; NextCure's history of significant losses; NextCure's need to obtain additional financing; risks related to clinical development, marketing approval and commercialization; and the unproven approach to the discovery and development of

product candidates based on NextCure's FIND-IO platform. More detailed information on these and additional factors that could affect NextCure's actual results are described in NextCure's filings with the Securities and Exchange Commission (the "SEC"), including NextCure's Form 10-Q filed with the SEC on June 10, 2019. You should not place undue reliance on any forward-looking statements. Forward-looking statements speak only as of the date of this press release, and NextCure assumes no obligation to update any forward-looking statements, even if expectations change.

NEXTCURE, INC.
CONDENSED STATEMENTS OF OPERATIONS
(in thousands, except share and per share amounts)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Revenue:				
Revenue from research and development arrangement	\$ 1,402	\$ —	\$ 2,759	\$ —
Operating expenses:				
Research and development	7,643	4,434	14,156	8,644
General and administrative	2,714	866	4,373	1,665
Total operating expenses	10,357	5,300	18,529	10,309
Loss from operations	(8,955)	(5,300)	(15,770)	(10,309)
Other income, net	734	69	1,394	82
Net loss	(8,221)	(5,231)	(14,376)	(10,227)
Net loss per share attributable to common stockholders—basic and diluted	\$ (0.61)	\$ (3.82)	\$ (1.92)	\$ (7.47)
Weighted average common shares outstanding—basic and diluted	13,498,393	1,369,212	7,472,298	1,369,212

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

	June 30, 2019	December 31, 2018
Assets		

Current assets:			
Cash and cash equivalents	\$	192,689	\$ 135,173
Restricted cash		873	460
Prepaid expenses and other current assets		2,959	152
Total current assets		196,521	135,785
Property and equipment, net		12,329	11,407
Other assets		4,200	436
Total assets	\$	213,050	\$ 147,628
Liabilities, Preferred Stock and Stockholders' Equity (Deficit)			
Current liabilities:			
Accounts payable	\$	1,990	\$ 2,483
Accrued liabilities		2,171	2,411
Deferred rent, current portion		6	28
Term loan, current portion		833	387
Deferred revenue, current portion		6,524	4,989
Total current liabilities		11,524	10,298
Deferred rent, net of current portion		322	242
Term loan, net of current portion		4,167	73
Deferred revenue, net of current portion		18,442	21,736
Total liabilities		34,455	32,349
Commitments and contingencies (Note 6)			
Redeemable preferred stock:			
Series A Preferred Stock, par value of \$0.001 per share; 0 and 68,181,819 shares authorized, issued and outstanding at June 30, 2019 and December 31, 2018, respectively		—	71,000
Series B Preferred Stock, par value \$0.001 per share; 0 and 56,828,852 shares authorized at June 30, 2019 and December 31, 2018, respectively, 0 and 56,828,851 shares issued and outstanding at June 30, 2019 and December 31, 2018, respectively		—	91,223
Total redeemable preferred stock		—	162,223
Stockholders' equity (deficit):			
Preferred stock, par value of \$0.001 per share; 10,000,000 and 0 shares authorized at June 30, 2019 and December 31, 2018. No shares issued and outstanding at June 30, 2019 and December 31, 2018, respectively		—	—
Common stock, par value of \$0.001 per share; 100,000,000 and 158,745,671 shares authorized at June 30, 2019 and December 31, 2018, respectively, 22,714,765, and 1,374,812 shares issued and outstanding at June 30, 2019 and December 31, 2018, respectively		23	11
Additional paid-in capital		240,245	342
Accumulated deficit		(61,673)	(47,297)
Total stockholders' equity (deficit)		178,595	(46,944)
Total liabilities, preferred stock and stockholders' equity (deficit)	\$	213,050	\$ 147,628

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