



NextCure Reports First Quarter 2020 Financial Results

May 7, 2020

BELTSVILLE, Md., May 07, 2020 (GLOBE NEWSWIRE) -- [NextCure, Inc.](#) (Nasdaq: NXTC), a clinical-stage biopharmaceutical company committed to discovering and developing novel, first-in-class immunomedicines to treat cancer and other immune-related diseases, today reported first quarter 2020 financial results and provided a business update.

"Throughout the first quarter, NextCure continued to make progress on its pipeline of novel immunomedicines, and we plan to present the initial biomarker data from our Phase 1 portion of the NC318 Phase 1/2 monotherapy clinical trial at the American Society of Clinical Oncology (ASCO) Annual Meeting this month," said Michael Richman, NextCure's president and chief executive officer. "We filed an IND for our second product candidate and received FDA clearance for clinical studies in the first quarter. In addition, we were prepared to initiate the Phase 1 portion of a Phase 1/2 clinical trial in March; however, the COVID-19 pandemic required us to temporarily delay initiating that trial and adjust some other timelines. We look forward to starting the NC410 trial when matters improve."

"We remain highly committed to our goal of bringing novel immunomedicines to patients by advancing our clinical and preclinical programs while leveraging our innovative FIND-IO platform," added Mr. Richman.

Business Highlights and Upcoming Milestones

- Filed an Investigational New Drug (IND) application for the NC410 program and received FDA clearance for clinical studies.
- Appointed veteran oncology executive Garry Nicholson to NextCure's Board of Directors.
- Will report initial biomarker data from the Phase 1 portion of the NC318 Phase 1/2 monotherapy clinical trial at the virtual ASCO Annual Meeting in late May 2020.
- The following milestones were temporarily delayed by the COVID-19 pandemic and will be updated subject to further developments:
 - Initiate enrollment in the phase 1 portion of our phase 1/2 clinical trial for our second product candidate, NC410.
 - Initiate an NC318 combination clinical trial in NSCLC with standard-of-care chemotherapies.
- Given enrollment slowdown due to the COVID-19 pandemic, initial data reporting from the Phase 2 portion of the Phase 1/2 NC318 monotherapy clinical trial is expected to be delayed.

Financial Results for Quarter Ended March 31, 2020

- Cash, cash equivalents, and marketable securities, excluding restricted cash, as of March 31, 2020 were \$322.1 million, as compared to \$334.6 million as of December 31, 2019. The decrease of \$12.5 million primarily reflects cash used to fund operations of \$10.6 million and cash used to purchase fixed assets of \$1.5 million.
- Revenue was \$22.4 million for the quarter ended March 31, 2020, as compared to \$1.4 million for the quarter ended March 31, 2019. Revenue was generated from our former research and development agreement with Eli Lilly (Lilly), which was terminated by Lilly effective March 3, 2020, resulting in the recognition of all remaining deferred revenue related to the agreement in the first quarter of 2020.
- Research and development expenses were \$10.6 million for the quarter ended March 31, 2020 as compared to \$6.5 million for the quarter ended March 31, 2019. The increases primarily reflect an increase in headcount, clinical research costs for NC318 and NC410, lab supplies and services for NC318, NC410 and our other early stage programs, and discovery activities.
- General and administrative expenses were \$3.6 million for the quarter ended March 31, 2020, as compared to \$1.7 million for the quarter ended March 31, 2019. 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.
- Net income was \$9.7 million for the quarter ended March 31, 2020, resulting from the recognition of the remaining deferred revenue under the former agreement with Lilly, as compared to a net loss of \$6.2 million for the quarter ended March 31, 2019.

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," "forward," "progress," "continue," "momentum," "well-positioned," "upcoming" and similar expressions. Examples of forward-looking statements in this press release include, among others, statements about the progress and expected timing of NextCure's ongoing clinical trial of NC318 and planned clinical trials of NC318 and NC410, the impact of the COVID-19 pandemic on the initiation, progress or expected timing of those trials and the timing of related data, NextCure's efforts to adjust trial-related activities to address the impact of the COVID-19 pandemic, NextCure's plans for further updates related to the impact of the COVID-19 pandemic, and NextCure's plans, objectives and intentions with respect to the discovery and development of immunomedicines. Forward-looking statements involve substantial risks and uncertainties that could cause actual results to differ materially from those projected in any forward-looking statement. Such risks and uncertainties include, among others: the impacts of the ongoing COVID-19 pandemic on NextCure's business, including NextCure's clinical trials, third parties on which NextCure relies and NextCure's operations; NextCure's limited operating history and no products approved for commercial sale; NextCure's need to obtain additional financing; risks related to clinical development, marketing approval and commercialization; and the unproven approach to the discovery and development of product candidates based on NextCure's FIND-IO platform. More detailed information on these and additional factors that could affect NextCure's actual results are described in NextCure's filings with the Securities and Exchange Commission (the "SEC"), including NextCure's Form 10-K filed with the SEC on March 12, 2020. You should not place undue reliance on any forward-looking statements. Forward-looking statements speak only as of the date of this press release, and NextCure assumes no obligation to update any forward-looking statements, even if expectations change.

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

	Three Months Ended	
	March 31,	
	2020	2019
Revenue:		
Revenue from research and development arrangement	\$ 22,378	\$ 1,357
Operating expenses:		
Research and development	10,578	6,513
General and administrative	3,588	1,659
Total operating expenses	14,166	8,172
Income (loss) from operations	8,212	(6,815)
Other income, net	1,521	660
Net income (loss)	\$ 9,733	\$ (6,155)
Earnings (loss) per share		
Basic	\$ 0.35	\$ (4.46)
Diluted	\$ 0.33	\$ (4.46)
Shares used in the calculation of earnings (loss) per share		
Basic	27,506,927	1,379,444
Diluted	29,348,615	1,379,444
Comprehensive income (loss):		
Net income (loss)	\$ 9,733	\$ (6,155)
Unrealized loss on marketable securities	(543)	—
Comprehensive income (loss)	\$ 9,190	\$ (6,155)

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

	March 31, 2020	December 31, 2019
Assets		
Current assets:		
Cash and cash equivalents	\$ 28,907	\$ 34,091
Marketable securities	293,191	300,514
Restricted cash	1,706	1,706
Prepaid expenses and other current assets	2,860	3,684
Total current assets	326,664	339,995
Property and equipment, net	12,784	12,090
Other assets	4,024	4,083
Total assets	\$ 343,472	\$ 356,168
Liabilities, Preferred Stock and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 2,263	\$ 1,861
Accrued liabilities	4,059	4,871
Deferred rent, current portion	163	215
Term loan, current portion	1,667	1,667
Deferred revenue, current portion	—	6,428
Total current liabilities	8,152	15,042
Deferred rent, net of current portion	507	359
Term loan, net of current portion	3,056	3,333
Deferred revenue, net of current portion	—	15,950
Total liabilities	11,715	34,684
Stockholders' equity:		
Preferred stock, par value of \$0.001 per share; 10,000,000 shares authorized at March 31, 2020 and December 31, 2019, respectively. No shares issued and outstanding at March 31, 2020 and December 31, 2019, respectively	—	—
Common stock, par value of \$0.001 per share; 100,000,000 shares authorized at March 31, 2020 and December 31, 2019, respectively, 27,516,402 and 27,499,260 shares issued and outstanding at March 31, 2020 and December 31, 2019, respectively	28	27
Additional paid-in capital	403,573	402,529
Accumulated other comprehensive loss	(543)	(38)
Accumulated deficit	(71,301)	(81,034)
Total stockholders' equity	331,757	321,484
Total liabilities, preferred stock and stockholders' equity	\$ 343,472	\$ 356,168

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Source: NextCure