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

# FORM 8-K

## CURRENT REPORT
**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

Date of report (Date of earliest event reported): August 8, 2019

# NEKTAR THERAPEUTICS
**(Exact Name of Registrant as Specified in Charter)**

| Delaware | 0-24006 | 94-3134940 |
|---|---|---|
| (State or Other Jurisdiction of Incorporation) | (Commission File Number) | (IRS Employer Identification No.) |

**455 Mission Bay Boulevard South**
**San Francisco, California 94158**
**(Address of Principal Executive Offices and Zip Code)**

Registrant's telephone number, including area code: (415) 482-5300

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**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, $0.0001 par value | NKTR | NASDAQ Global Select Market |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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. ☐

**Item 2.02 Results of Operations and Financial Condition.**

On August 8, 2019, Nektar Therapeutics, a Delaware corporation ("Company"), issued a press release (the "Press Release") announcing its financial results for the quarter ended June 30, 2019. A copy of the Press Release is furnished herewith as Exhibit 99.1.

On July 30, 2019, the Company announced that it would hold a Webcast conference call on August 8, 2019 to review its financial results for the quarter ended June 30, 2019. This conference call is accessible through a link that is posted on the home page and Investors section of the Company's website: http://ir.www.nektar.com.

The information in this report, including the exhibit hereto, is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section or Sections 11 and 12(a)(2) of the Securities Act of 1933, as amended. The information contained herein and in the accompanying exhibit shall not be incorporated by reference into any filing with the Securities and Exchange Commission made by Nektar Therapeutics, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

**Note Regarding Forward-Looking Statements**

During the Webcast conference call (which includes a question and answer session), the Company expects to make certain forward-looking statements which can be identified by words such as: "will," "may," "potential," "expect," "plan," "intend," "designed" and similar references to future periods. Examples of forward-looking statements include, among others, statements we make regarding the therapeutic potential of bempegaldesleukin, observations of efficacy correlations with certain drug supply lots and patient populations in PIVOT-02, manufacturing plans, health authority interactions, planned trial start and completion dates, and the availability of results and outcomes from our clinical and preclinical studies. Forward-looking statements are neither historical facts nor assurances of future performance. Therefore, you should not rely on any of these forward-looking statements. Important factors that could cause our actual results to differ include, among others: (i) our statements regarding the therapeutic potential of bempegaldesleukin are based on preclinical and clinical findings and observations to date from ongoing clinical studies and therefore the data and outcomes remain subject to change; (ii) our statements regarding efficacy correlations between certain drug lots and clinical performance of certain cohorts in PIVOT-02 cannot, even when statistically significant in certain cases, be used to determine causation; (iii) the efficacy correlations in certain PIVOT-02 cohorts are subject to a number of significant limitations including, but not limited to, small sample size, analysis based solely on a limited number of efficacy attributes (including a patient's first and second scans, best overall response rate, complete response rate and in certain cases trends in the magnitude of tumor reduction), patients not being randomly assigned to receive doses from different drug lots, no pre-planned statistical analysis to test differences in drug lot performance, individual patients receiving doses from different drug lots over time, different mixes of drug supply lots in different PIVOT-02 cohorts, no pre-specified control of potential confounding factors, a short-term evaluation period in some cases, and PIVOT-02 remains an ongoing clinical trial generating additional data; (iv) there can be no assurance that future clinical study results will be positively impacted by future drug supply for the bempegaldesleukin clinical studies; (v) data discussed on the Webcast conference call from ongoing clinical trials is necessarily interim data only and the final results will change based on continuing observations from patients that currently remain enrolled in the trials, new observations from patients enrolling in the trials, as well as final data audit and verification procedures; (vi) manufacturing biologics such as bempegaldesleukin, NKTR-358, and NKTR-255 is very complex and subject to significant risks and uncertainties related to the demonstration of adequate stability, sufficient purification of the drug substance and drug product, the identification and elimination of impurities, optimizing formulations, process and analytical methods validations, control strategies for critical quality attributes, and challenges in controlling for all of these variables; and (vii) certain other important risks and uncertainties set forth in our Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on May 9, 2019. Any forward-looking statements made by the Company in the Webcast conference call are based only on information currently available to the Company and speaks only as of the date on which it is made. The Company undertakes no obligation to update any forward-looking statement, whether written or oral, that may be made from time to time, whether as a result of new information, future developments or otherwise.

**Item 9.01 Financial Statements and Exhibits.**

| Exhibit No. | Description |
|---|---|
| 99.1 | Press release titled "Nektar Therapeutics Reports Financial Results for the Second Quarter of 2019" issued by Nektar Therapeutics on August 8, 2019. |

**SIGNATURES**

Pursuant to the requirement of 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.

By: /s/ Mark A. Wilson
Mark A. Wilson
*General Counsel and Secretary*

Date: August 8, 2019

# Nektar Therapeutics Reports Financial Results for the Second Quarter of 2019

***Company to Host Conference Call with Analysts to Review Financial Results and Provide Update on the NKTR-214 (bempegaldesleukin) Program***

**SAN FRANCISCO, August 8, 2019** --- Nektar Therapeutics (Nasdaq: NKTR) today reported its financial results for the second quarter ended June 30, 2019.

Cash and investments in marketable securities at June 30, 2019 were $1.8 billion as compared to $1.9 billion at December 31, 2018.

“Nektar is making good progress advancing our multiple programs in immuno-oncology, immunology and pain,” said Howard W. Robin, President and CEO of Nektar. “With our partner Bristol-Myers Squibb, although we’ve experienced some delays, we are working to finalize the development program for bempegaldesleukin in combination with nivolumab in a number of tumor types and which are designed to support registration for this unique I-O doublet. We have a number of registrational trials already started and we recently received a breakthrough designation from FDA for bempeg and nivo in the setting of first-line untreated metastatic melanoma. Our partner Eli Lilly will be initiating several new studies later this year for NKTR-358, our T regulatory stimulator candidate. These studies will expand the program with additional indications beyond lupus. We recently filed an IND with the FDA for NKTR-255, our IL-15 agonist, and will initiate our first-in-human clinical study this quarter in patients with relapsed, refractory NHL and in patients with multiple myeloma.”

Nektar is hosting a conference call with analysts and investors today on which it will discuss quarterly results. On the call, the company will provide a specific update and discussion on its bempegaldesleukin clinical development program, including recent developments related to the manufacturing of bempegaldesleukin.

Revenue in the second quarter of 2019 was $23.3 million as compared to $1.088 billion in the second quarter of 2018. Year-to-date revenue for 2019 was $51.5 million as compared to $1.126 billion in the first half of 2018. Revenue was lower in the second quarter and first half of 2019 as compared to the same periods in 2018 primarily because of the recognition of $1.06 billion of license revenue from the Bristol-Myers Squibb collaboration agreement in the second quarter of 2018.

Total operating costs and expenses in the second quarter of 2019 were $134.3 million as compared to $114.1 million in the second quarter of 2018. Total operating costs and expenses in the first half of 2019 were $283.2 million as compared to $238.9 million in the first half of 2018. Total operating costs and expenses increased primarily as a result of increased research and development (R&D) expense.

R&D expense in the second quarter of 2019 was $106.7 million as compared to $88.3 million in the second quarter of 2018. For the first half of 2019, R&D expense was $225.1 million as compared to $187.8 million in the first half of 2018. R&D expense was higher in the second quarter and first half of 2019 as compared to the same periods in 2018 primarily because of expenses for our pipeline programs, including the continued development of bempegaldesleukin in Phase 2 and registrational studies and related manufacturing costs, costs related to Phase 1 clinical studies of NKTR-358 and IND-enabling activities for NKTR-255. These increases were partially offset by cost decreases related to the NKTR-181 New Drug Application and NKTR-181 pre-commercial manufacturing which were higher during the second quarter and first half of 2018.

General and administrative (G&A) expense was $22.6 million in the second quarter of 2019 as compared to $20.3 million in the second quarter of 2018. G&A expense in the first half of 2019 was $47.6 million as compared to $38.9 million in the first half of 2018. G&A expense was higher in the second quarter and first half of 2019 as compared to the same periods in 2018 primarily due to costs related to commercialization readiness activities for NKTR-181 and increased non-cash stock-based compensation.

Net loss in the second quarter of 2019 was $109.9 million or $0.63 basic and diluted loss per share as compared to a net income of $971.5 million or $5.33 diluted earnings per share in the second quarter of 2018. Net loss in the first half of 2019 was $228.4 million or $1.31 basic and diluted loss per share as compared to a net income of $875.7 million or $4.91 diluted earnings per share in the first half of 2018.

**Second Quarter 2019 and Recent Business Highlights**

- In August, the FDA granted Breakthrough Therapy Designation for bempegaldesleukin in combination with Opdivo (nivolumab) for the treatment of patients with previously untreated unresectable or metastatic melanoma.
- In July, for NKTR-181, Nektar received a General Advice Letter from FDA that stated that it is postponing product-specific advisory committee meetings for opioid analgesics, including the one previously scheduled for August 21, 2019 to discuss the NDA for the NKTR-181 product, while the agency continues to consider a number of scientific and policy issues relating to this class of drugs. The FDA indicated that it will continue to review the NDA for NKTR-181 according to the existing Prescription Drug User Fee Act (“PDUFA”) timeline; however, because of the postponed Advisory Committee Meeting, it is possible the agency may not be able to meet the PDUFA goal date of August 29, 2019.
- In June, Nektar presented data from a first-in-human Phase 1a study evaluating single-ascending doses of NKTR-358, supporting development of the candidate as a first-in-class T regulatory cell stimulator for the treatment of autoimmune and other chronic inflammatory conditions.
- In June, Nektar presented data for NKTR-181 at the 81$^{st}$ Annual Scientific Meeting of the College on Problems of Drug Dependence. The data presented identified low rates of withdrawal and a low risk of abuse potential, diversion or addiction associated with NKTR-181 in Phase 3 trials according to the MADDERS® system, the first standardized system for discerning abuse-related events.

- In June, Nektar presented biomarker and clinical data from the ongoing Phase 2 PIVOT-02 study for bempegaldesleukin in combination with Opdivo (nivolumab) at the 2019 ASCO Annual Meeting. Clinical data presented included 12 month follow-up for the Stage 4 first-line melanoma patient cohort and showed a deepening and durability of response over time. Registrational studies in melanoma, renal cell carcinoma and urothelial cancer are currently recruiting patients.
- In May, Nektar announced formation of Inheris Biopharma, Inc., a wholly-owned subsidiary responsible for launch preparation and commercialization for NKTR-181, a novel, first-in-class, investigational opioid molecule. NKTR-181 is currently under review with the U.S. Food and Drug Administration (FDA).

The company also announced the following upcoming presentations during the second half of 2019:

**CAR-TCR Summit, Boston, MA:**

- **Presentation:** *"Utilizing Next Generation Cytokines to Enhance Efficacy and Durability of CAR-Ts"*
  - **Presenter:** Mario Marcondes, M.D., Nektar Therapeutics
  - **Session:** Enhancing Efficacy with Combinations
  - **Date and Time:** September 11, 2019, 6:18 – 6:48 p.m. EDT

**Oxford Global 2nd Annual Advances In Immuno-Oncology USA Congress, San Diego, CA:**

- **Presentation:** *"Harnessing Potent Cytokine Agonist Pathways by Polymer Engineering to Develop Novel Immune Therapeutic Agents"*
  - **Presenter:** Loui Madakamutil, Ph.D., Nektar Therapeutics
  - **Date and Time:**October 9, 2019, 12:00 – 12:30 p.m. PDT

**American Conference on Pharmacometrics (ACoP) 2019, Orlando, FL:**

- **Poster Title:** *"NKTR-262 Released Below Quantifiable Levels of TLR 7/8 Agonist in Human Plasma in Phase 1b/2 Clinical Study as Predicted A-Priori by PK Modeling and Scaling to Humans"*, Bhasi, K., et al.
  - **Date:** October 20 – 23, 2019

**Conference Call to Discuss Second Quarter 2019 Financial Results**

Nektar management will host a conference call to review the results beginning at 5:00 p.m. Eastern Time/2:00 p.m. Pacific Time today, Thursday, August 8, 2019.

This press release and a live Webcast of the conference call can be accessed through a link that is posted on the home page and Investors section of the Nektar website: http://ir.nektar.com/. The web broadcast of the conference call will be available for replay through Monday, September 9, 2019.

To access the conference call, follow these instructions:

Dial: (877) 881-2183 (U.S.); (970) 315-0453 (international)
Passcode: 2879328 (Nektar Therapeutics is the host)

In the event that any non-GAAP financial measure is discussed on the conference call that is not described in the press release, or explained on the conference call, related information will be made available on the Investors page at the Nektar website as soon as practical after the conclusion of the conference call.

**About Nektar Therapeutics**

Nektar Therapeutics is a research-based, development stage biopharmaceutical company whose mission is to discover and develop innovative medicines to address the unmet medical needs of patients. Our R&D pipeline of new investigational medicines includes treatments for cancer, auto-immune disease and chronic pain. We leverage Nektar's proprietary and proven chemistry platform in the discovery and design of our new therapeutic candidates. Nektar is headquartered in San Francisco, California, with additional operations in Huntsville, Alabama and Hyderabad, India. Further information about the company and its drug development programs and capabilities may be found online at http://www.nektar.com.

***Cautionary Note Regarding Forward-Looking Statements***

*This press release contains uncertain or forward-looking statements which can be identified by words such as: "advance," "planned," "potential," "continue," "may," "will" and similar references to future periods. Examples of forward-looking statements include, among others, statements we make regarding the potential therapeutic benefits of and future development plans for our investigational products [including bempegaldesleukin ("bempeg," "NKTR-214" ), NKTR-181, NKTR-358, NKTR-262 and NKTR-255], the timing of a potential launch for NKTR-181, and the results of clinical trials. Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based only on our current beliefs, expectations and assumptions and are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict and many of which are outside of our control. Our actual results may differ materially from those indicated in the forward-looking statements and you should not rely on such statements. Important factors that could cause our actual results to differ materially from those indicated in the forward-looking statements include: (i) the timing of the commencement or end of clinical studies and the availability of clinical data may be delayed or unsuccessful due to regulatory delays, slower than anticipated patient enrollment, manufacturing challenges, changing standards of care, evolving regulatory requirements, clinical trial design, clinical outcomes, and enrollment competition; (ii) the timing and probability of regulatory approval, if any, for NKTR-181 is uncertain and difficult to predict; (iii) scientific discovery of new medical breakthroughs is an inherently uncertain process and the future success of applying our technology platform to drug candidates [such as bempegaldesleukin ("bempeg," "NKTR-214"), NKTR-262, NKTR-358, and NKTR-255] is therefore highly uncertain and unpredictable and one or more of these programs may fail; (iv) patents may not issue from our patent applications for our drug candidates, patents that have issued may not be enforceable, or additional intellectual property licenses from third parties may be required; and (v) certain other important risks and uncertainties set forth in Nektar's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on May 9, 2019. Any forward-looking statement made by us in this press release is based only on information currently available to us and speaks only as of the date on which it is made. We undertake no obligation to update any forward-looking statement.*

**Contacts:**

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**NEKTAR THERAPEUTICS**
**CONDENSED CONSOLIDATED BALANCE SHEETS**
(In thousands)
(Unaudited)

| | June 30, 2019 | December 31, 2018[1] |
|---|---|---|
| **ASSETS** | | |
| Current assets: | | |
| Cash and cash equivalents | $ 85,424 | $ 194,905 |
| Short-term investments | 1,429,955 | 1,140,445 |
| Accounts receivable | 37,299 | 43,213 |
| Inventory | 13,188 | 11,381 |
| Advance payments to contract manufacturers | 17,738 | 26,450 |
| Other current assets | 13,213 | 21,293 |
| Total current assets | 1,596,817 | 1,437,687 |
| Long-term investments | 276,305 | 582,889 |
| Property, plant and equipment, net | 65,453 | 48,851 |
| Operating lease right-of-use assets | 82,177 | - |
| Goodwill | 76,501 | 76,501 |
| Other assets | 2,400 | 4,244 |
| Total assets | $ 2,099,653 | $ 2,150,172 |
| **LIABILITIES AND STOCKHOLDERS' EQUITY** | | |
| Current liabilities: | | |
| Accounts payable | $ 9,346 | $ 5,854 |
| Accrued compensation | 19,710 | 9,937 |
| Accrued clinical trial expenses | 29,540 | 14,700 |
| Accrued contract manufacturing expenses | 23,159 | 23,841 |
| Other accrued expenses | 13,830 | 9,580 |
| Interest payable | 4,144 | 4,198 |
| Operating lease liabilities, current portion | 3,749 | - |
| Deferred revenue, current portion | 9,892 | 13,892 |
| Total current liabilities | 113,370 | 82,002 |
| Senior secured notes, net | 247,821 | 246,950 |
| Operating lease liabilities, less current portion | 94,822 | - |
| Liability related to the sale of future royalties, net | 77,813 | 82,911 |
| Deferred revenue, less current portion | 8,029 | 10,744 |
| Other long-term liabilities | 643 | 9,990 |
| Total liabilities | 542,498 | 432,597 |
| Commitments and contingencies | | |
| Stockholders' equity: | | |
| Preferred stock | - | - |
| Common stock | 17 | 17 |
| Capital in excess of par value | 3,210,398 | 3,147,925 |
| Accumulated other comprehensive loss | (788) | (6,316) |
| Accumulated deficit | (1,652,472) | (1,424,051) |
| Total stockholders' equity | 1,557,155 | 1,717,575 |
| Total liabilities and stockholders' equity | $ 2,099,653 | $ 2,150,172 |

(1) The consolidated balance sheet at December 31, 2018 has been derived from the audited financial statements at that date but does not include all of the information and notes required by generally accepted accounting principles in the United States for complete financial statements.

**NEKTAR THERAPEUTICS**
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**
(In thousands, except per share information)
(Unaudited)

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2019 | 2018 | 2019 | 2018 |
| Revenue: | | | | |
| Product sales | $ 4,346 | $ 5,863 | $ 8,744 | $ 12,158 |
| Royalty revenue | 7,343 | 8,563 | 18,733 | 19,639 |
| Non-cash royalty revenue related to sale of future royalties | 9,091 | 9,045 | 17,321 | 15,965 |
| License, collaboration and other revenue | 2,535 | 1,064,246 | 6,739 | 1,077,973 |
| Total revenue | 23,315 | 1,087,717 | 51,537 | 1,125,735 |
| Operating costs and expenses: | | | | |
| Cost of goods sold | 5,018 | 5,522 | 10,458 | 12,168 |
| Research and development | 106,686 | 88,334 | 225,149 | 187,758 |
| General and administrative | 22,581 | 20,261 | 47,587 | 38,948 |
| Total operating costs and expenses | 134,285 | 114,117 | 283,194 | 238,874 |
| Income (loss) from operations | (110,970) | 973,600 | (231,657) | 886,861 |
| Non-operating income (expense): | | | | |
| Interest expense | (5,231) | (5,385) | (10,457) | (10,725) |
| Non-cash interest expense on liability related to sale of future royalties | (5,975) | (4,975) | (12,040) | (9,994) |
| Interest income and other income (expense), net | 11,989 | 12,105 | 24,472 | 13,676 |
| Total non-operating income (expense), net | 783 | 1,745 | 1,975 | (7,043) |
| Income (loss) before provision for income taxes | (110,187) | 975,345 | (229,682) | 879,818 |
| Provision (benefit) for income taxes | (278) | 3,885 | (1,261) | 4,150 |
| Net income (loss) | $ (109,909) | $ 971,460 | $ (228,421) | $ 875,668 |
| Net income (loss) per share: | | | | |
| Basic | $ (0.63) | $ 5.67 | $ (1.31) | $ 5.27 |
| Diluted | $ (0.63) | $ 5.33 | $ (1.31) | $ 4.91 |
| Weighted average shares outstanding used in computing net income (loss) per share: | | | | |
| Basic | 174,549 | 171,378 | 174,206 | 166,160 |
| Diluted | 174,549 | 182,291 | 174,206 | 178,281 |

**NEKTAR THERAPEUTICS**
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**
(In thousands)
(Unaudited)

| | Six Months Ended June 30, | |
|---|---|---|
| | 2019 | 2018 |
| **Cash flows from operating activities:** | | |
| Net income (loss) | $ (228,421) | $ 875,668 |
| Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities: | | |
| Non-cash royalty revenue related to sale of future royalties | (17,321) | (15,965) |
| Non-cash interest expense on liability related to sale of future royalties | 12,040 | 9,994 |
| Stock-based compensation | 49,907 | 40,608 |
| Depreciation and amortization | 6,132 | 5,115 |
| Accretion of discounts, net and other non-cash transactions | (7,826) | (3,991) |
| Changes in operating assets and liabilities: | | |
| Accounts receivable | 5,914 | (19,557) |
| Inventory | (1,807) | (1,158) |
| Other assets | 15,818 | (14,282) |
| Accounts payable | 3,480 | 5,791 |
| Accrued compensation | 9,773 | 10,717 |
| Other accrued expenses | 15,508 | 15,417 |
| Deferred revenue | (6,715) | (6,249) |
| Other liabilities | 8,701 | 5,068 |
| Net cash provided by (used in) operating activities | (134,817) | 907,176 |
| | | |
| **Cash flows from investing activities:** | | |
| Purchases of investments | (603,702) | (989,850) |
| Maturities of investments | 634,145 | 132,779 |
| Sales of investments | - | 11,963 |
| Purchases of property, plant and equipment | (17,291) | (3,730) |
| Sales of property, plant and equipment | - | 2,633 |
| Net cash provided by (used in) investing activities | 13,152 | (846,205) |
| | | |
| **Cash flows from financing activities:** | | |
| Issuance of common stock | - | 790,231 |
| Proceeds from shares issued under equity compensation plans | 12,200 | 55,208 |
| Net cash provided by financing activities | 12,200 | 845,439 |
| | | |
| Effect of exchange rates on cash and cash equivalents | (16) | (47) |
| Net increase (decrease) in cash and cash equivalents | (109,481) | 906,363 |
| Cash and cash equivalents at beginning of period | 194,905 | 4,762 |
| Cash and cash equivalents at end of period | $ 85,424 | $ 911,125 |
| | | |
| **Supplemental disclosure of cash flow information:** | | |
| Cash paid for interest | $ 9,455 | $ 9,795 |