Compass Therapeutics Reports Fourth Quarter and Full Year 2021 Financial Results and Provides Corporate Update

March 21, 2022

- Ended 2021 with $144.5 million in cash and cash equivalents
- CTX-009 (DLL4 X VEGF-A bispecific antibody) Global Phase 2 study in patients with advanced biliary tract cancers (BTC) is progressing well; the response criteria required to advance the study to its second stage have been met (ORR = 29% for the first 17 evaluable patients)
- The Company plans to update the results from the first stage of the BTC study in Q2 of 2022
- The FDA cleared the CTX-009 IND in January; US sites are expected to start opening in Q2 of 2022 and to begin dosing patients in Q3 of 2022
- CTX-471 (CD137 agonist): three partial responses were seen in the monotherapy study of patients with solid tumors who have previously progressed on PD-1 or PD-L1 therapy

BOSTON, March 21, 2022 (GLOBE NEWSWIRE) -- Compass Therapeutics, Inc. (Nasdaq: CMPX), a clinical-stage, oncology-focused biopharmaceutical company developing proprietary antibody-based therapeutics to treat multiple human diseases, today reported fourth quarter and full year 2021 financial results and provided a corporate update.

“In 2021 we strengthened our pipeline of innovative antibody-based therapeutics with the addition of CTX-009, a novel bispecific antibody targeting DLL4 and VEGF-A, two important signaling molecules in the angiogenesis pathways. We are excited to see the activity of CTX-009 across multiple solid tumors and happy to report that the criteria to advance our Global Phase 2 study to its second stage have already been met,” said Thomas J. Schuetz, MD, PhD, Co-Founder and Chief Executive Officer.

“Following our $136 million public offering in the fourth quarter of 2021, we are well-positioned to execute on our plan of advancing CTX-009 in patients with biliary tract cancers, colorectal cancer and in other solid tumors with the goal of filing a BLA in 2024. In addition, we look forward to initiating a combination study for CTX-471 in the second half of this year and advancing CTX-8371, our next generation dual checkpoint blocker, to the clinic next year,” said Vered Bisker-Leib, PhD, MBA, President and Chief Operating Officer of Compass.

Development Pipeline Update and Highlights:

CTX-009 a novel DLL4 x VEGF-A bispecific antibody:

- Completed a Phase 1a dose escalation and dose expansion study in 45 patients. CTX-009 demonstrated single agent activity in heavily pre-treated patients with solid tumors who progressed after prior anti-VEGF therapies. The maximum tolerated dose was not reached and CTX-009 was found to be generally well-tolerated.
- Completed a Phase 1b study of CTX-009 in combination with chemotherapy. This study demonstrated compelling activity of CTX-009 with chemotherapy in patients with biliary tract cancers and prompted the initiation of the first CTX-009 Phase 2 study.
- Enrolled and dosed 24 patients in the first stage of the CTX-009 Phase 2 study in biliary tract cancers. There were five confirmed partial responses among the first 17 evaluable patients, and all patients have reached stable disease or better, resulting in a 100% clinical benefit rate. The criteria to advance the study to its second stage have been met.
- Filed an IND in the US and received clearance from the FDA to initiate a global Phase 2 study in the US and in South Korea. Importantly, all patients currently enrolled in the South Korea sites are included in this global study.

CTX-471, a monoclonal antibody agonist of CD137, a key co-stimulatory receptor on immune cells:

- Advanced a Phase 1b dose expansion study and enrolled 49 patients in the study as of February 25, 2022.
- Of the 38 evaluable patients, three patients had a partial response and 19 patients have reached stable disease.

CTX-8371 a bispecific antibody that simultaneously targets both PD-1 and PD-L1:

- Commenced GMP manufacturing campaign.
- Initiated preparation of IND submission materials with IND submission targeted for the first quarter of 2023.

Financial Highlights:

- Completed $136 million in gross proceeds ($128 million net of expenses) follow-on public offering with top-tier life sciences focused investors.
- Uplisted and initiated trading on the Nasdaq Capital Market under the symbol “CMPX”.
- Ended the year with $144.5 million in cash and cash equivalents.

Other Business Updates:

- Acquired TRIGR Therapeutics for $50.3 million in a stock-for-stock transaction and added CTX-009 to the pipeline.
- Presented data from the Phase 1 study of CTX-009 at an oral plenary session at the AACR-NCI-EORTC International Conference on Molecular Targets and Cancer Therapeutics (Abstract Number: 4749; Session title: Plenary Session 2: New Drugs on the Horizon I).

Financial Results for Fourth Quarter and Full Year Ended December 31, 2021

Net loss for the year ended December 31, 2021, was $82.2 million or $1.31 per common share, compared to $29.5 million or $0.96 per common share for the same period in 2020. The net loss for 2021 includes $50.6 million non-recurrent in-process R&D expense related to the acquisition of TRIGR Therapeutics which was completed in June 2021. The net loss excluding this item was $31.6 million, or an additional loss of $2.1 million compared to the same period in 2020. Net loss for the fourth quarter of 2021 was $13.0 million or $0.15 per common share, compared to $8.4 million or $0.16 per common share for the same period in 2020.

Research and development (R&D) Expenses

R&D expenses were $20.3 million for the year ended December 31, 2021, as compared to $14.9 million for the same period in 2020, an increase of $5.4 million or 36%. R&D expenses were $9.6 million during the fourth quarter of 2021, as compared to $4.4 million for the same period in 2020, an increase of $5.2 million or 118%. The increase for the quarter and year was primarily attributable to a $6.0 million milestone payment due to ABL Bio related to the completion of the CTX-009 Phase 1 clinical trial.

General and Administrative (G&A) Expenses

G&A expenses were $10.9 million for the year ended December 31, 2021, as compared to $12.9 million for the same period in 2020, a decrease of $2.0 million or 15%. The decrease was primarily attributable to lower legal fees of $0.9 million and lower facility costs of $0.9 million. G&A expenses were $3.4 million during the fourth quarter of 2021, as compared to $3.5 million for the same period in 2020, a decrease of $0.1 million or 3%.

Cash Position

As of December 31, 2021, cash and cash equivalents were $144.5 million as compared to $47.1 million as of December 31, 2020, providing the Company with an anticipated cash runway into the second half of 2024. During 2021, the Company increased its cash position by $118.6 million from financing activities that generated net proceeds of $128.0 million partially offset by $9.4 million in payments under the 2018 Credit Facility. The Credit Facility was terminated in the fourth quarter of 2021. The Company used $19.7 million of cash to fund operations.

About Compass Therapeutics

Compass Therapeutics, Inc. is a clinical-stage oncology-focused biopharmaceutical company developing proprietary antibody-based therapeutics to treat multiple human diseases. Compass’s scientific focus is on the relationship between angiogenesis, the immune system, and tumor growth. The company pipeline of novel product candidates is designed to target multiple critical biological pathways required for an effective anti-tumor response. These include modulation of the microvasculature via angiogenesis-targeted agents, induction of a potent immune response via activators on effector cells in the tumor microenvironment, and alleviation of immunosuppressive mechanisms used by tumors to evade immune surveillance. Compass plans to advance its product candidates through clinical development as both standalone therapies and in combination with proprietary pipeline antibodies based on supportive clinical and nonclinical data. The company was founded in 2014 and is headquartered in Boston, Massachusetts. For more information, visit the Compass Therapeutics website at https://www.compasstherapeutics.com

Forward-Looking Statements

This press release contains forward-looking statements. Statements in this press release that are not purely historical are forward-looking statements. Such forward-looking statements include, among other things, references to the Company’s financial position to continue advancing its product candidates, expectations about the Company’s cash runway, business and development plans, and statements regarding the Company’s product candidates, their development, regulatory plans with respect thereto and therapeutic potential thereof, planned interactions with regulatory authorities, and planned clinical development. Actual results could differ from those projected in any forward-looking statements due to numerous factors. Such factors include, among others, the Company’s ability to raise the additional funding it will need to continue to pursue its business and product development plans, the inherent uncertainties associated with developing product candidates and operating as a development stage company, the

Company's ability to identify additional product candidates for development, the Company's ability to develop, complete clinical trials for, obtain approvals for and commercialize any of our product candidates, competition in the industry in which the Company operates and market conditions. These forward-looking statements are made as of the date of this press release, and the Company assumes no obligation to update the forward-looking statements, or to update the reasons why actual results could differ from those projected in the forward-looking statements, except as required by law. Investors should consult all of the information set forth herein and should also refer to the risk factor disclosure set forth in the reports and other documents we file with the SEC available at www.sec.gov, including without limitation our Form 10-K for the year ended December 31, 2021, and our subsequent filings with the SEC.

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Compass Therapeutics, Inc. and Subsidiaries
Consolidated Statements of Operations
(In thousands, except per share data)

	Three Months Ended December 31,		Year Ended December 31,	
	2021	2020	2021	2020
Operating expenses:				
Research and development	$ 9,574	$ 4,406	$ 20,337	$ 14,904
General and administrative	3,426	3,544	10,927	12,908
In-process R&D	—	—	50,618	—
Total operating expenses	13,000	7,950	81,882	27,812
Loss from operations	(13,000)	(7,950)	(81,882)	(27,812)
Other expense	7	(441)	(299)	(1,656)
Loss before income tax expense	(12,993)	(8,391)	(82,181)	(29,468)
Income tax expense	13	—	—	(32)
Net loss	$ (12,980)	$ (8,391)	$ (82,181)	$ (29,500)
Net loss per share - basic and diluted	$ (0.15)	$ (0.16)	$ (1.31)	$ (0.96)
Basic and diluted weighted average shares outstanding	88,255	51,052	62,870	30,776

Compass Therapeutics, Inc. and Subsidiaries
Consolidated Balance Sheets
(In thousands, except per share data)

	December 31,	
	2021	2020
Assets		
Current assets:		
Cash and cash equivalents	$ 144,514	$ 47,076
Prepaid expenses and other current assets	2,591	3,126
Total current assets	147,105	50,202
Property and equipment, net	2,243	1,126
Restricted cash	—	263
Operating lease, right-of-use ("ROU") asset	4,089	—
Other assets	320	320
Total assets	$ 153,757	$ 51,911
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 867	$ 1,061
Accrued expenses	8,775	1,571
Operating lease obligations, current portion	989	—
Long-term debt, current portion	—	7,467
Total current liabilities	10,631	10,099
Long-term debt, net of current portion	—	1,867

Operating lease obligations, net of long-term portion	3,048	—
Total liabilities	13,679	11,966
Commitments and Contingencies		
Stockholders' equity:		
Preferred stock, $0.0001 par value: 10,000 shares authorized; no shares issued and outstanding as of December 31, 2021 and 2020.	—	—
Common stock, $0.0001 par value: 300,000 shares authorized; 101,303 and 52,117 shares issued at December 31, 2021 and 2020, respectively; 100,832 and 51,221 shares outstanding at December 31, 2021 and 2020, respectively.	10	5
Additional paid-in-capital	373,657	191,348
Accumulated deficit	(233,589)	(151,408)
Total stockholders' equity	140,078	39,945
Total liabilities and stockholders' equity	$ 153,757	$ 51,911