Apexigen Reports Third Quarter 2022 Financial Results and Provides Business Update

November 15, 2022

-Ongoing Phase 2 trial in collaboration with Columbia University demonstrated that sotigalimab (sotiga) in combination with doxorubicin achieved a median progression-free survival (mPFS) of 12.45 months in patients with liposarcoma (LPS)-

-Encouraging mPFS data supports expansion of the LPS cohort to inform a potential Phase 3 registration trial-

-Presented positive Phase 2 esophageal/GEJ data at ESMO 2022 demonstrating that sotigalimab (sotiga) in combination with neoadjuvant chemoradiation led to increased pathologic complete response rates across patient subgroups and demonstrated sotiga's ability to turn "cold" tumors "hot"-

-Presented positive Phase 1/2 metastatic melanoma data at SITC 2022 demonstrating that intratumoral sotiga in combination with systemic pembrolizumab activated antigen-presenting cells and T-cells in both local and distant (non-injected) lesions and improved clinical response rate relative to the standard of care, pembrolizumab monotherapy-

-Successful completion of business combination to become a Nasdaq-listed public company, raising approximately $19 million-

SAN CARLOS, Calif., Nov. 15, 2022 (GLOBE NEWSWIRE) -- Apexigen, Inc. (Nasdaq: APGN) a clinical-stage company focused on developing innovative antibody-based therapeutics for the treatment of cancer with a focus on immuno-oncology, today reported financial results for the third quarter ended September 30, 2022 and provided a business update.

"In the third quarter of 2022, we took important steps to build our business as a publicly listed biopharmaceutical company and continued to advance our lead program, sotigalimab (sotiga): a potential first-in-class and best-in-class immune-priming antibody that activates the CD40 receptor," said Xiaodong Yang, M.D., Ph.D., President and Chief Executive Officer of Apexigen. "We are encouraged by the growing data that validate sotiga's differentiated mechanism of action and underscore the significant opportunity to provide meaningful clinical benefit across multiple solid tumor indications with a favorable safety profile."

Dr. Yang continued, "The near-term key priority will be to advance the clinical development of sotiga in combination with doxorubicin in patients with liposarcoma (LPS). In collaboration with Columbia University, we recently reported topline results for the LPS cohort in the ongoing Phase 2 trial and are encouraged by the median progression-free survival (mPFS) of 12.45 months in the 10 patients with LPS, which is meaningfully higher than the historical mPFS of less than 5 months for LPS patients treated with standard-of-care doxorubicin alone. Based on these data, we are expanding the LPS cohort to enroll 10 additional patients to supplement the growing dataset and potentially inform a Phase 3 registration study in LPS—which is the second most common soft tissue sarcoma. We look forward to presenting these data at a medical conference in 2023. In parallel, we will continue to explore opportunities for strategic partnerships to maximize the value of sotiga, which we believe has the potential to become a backbone of cancer therapy, as well as across our pipeline of immuno-oncology assets. We remain steadfast in our mission to usher in the next generation of oncology therapeutics for cancer patients."

Recent Program Highlights and Anticipated Upcoming Milestones:

Sotiga*:*

- *Sarcoma:* Apexigen is evaluating sotiga in an ongoing Phase 2 clinical trial in advanced soft tissue sarcoma (STS) in combination with doxorubicin, a chemotherapy that is currently considered standard-of-care treatment for STS.
    - Based on the mPFS of 12.45 months observed in patients with LPS in the Phase 2 trial with the combination of sotiga and doxorubicin, the LPS cohort in the Phase 2 trial will be expanded to enroll an additional 10 patients to inform a potential Phase 3 registration trial of the combination of sotiga and doxorubicin as a treatment of patients with anthracycline-naive, advanced LPS.
    - As a result of these findings, Apexigen plans to prioritize and focus its development efforts and resources through 2023 on the development of sotiga in patients with LPS.
- *Esophageal/gastro-esophageal junction cancer:* Presented updated data from a Phase 2 trial of sotiga in combination with chemoradiation as a neoadjuvant therapy in esophageal/gastro-esophageal junction (E/GEJ) cancer at the 2022 European Society for Medical Oncologists (ESMO) Congress in September 2022. Results demonstrated that increased pathologic complete response rates were observed in patients with both adenocarcinoma and squamous cell carcinoma histologic subtypes and a single dose of sotiga turned immunologically "cold" tumors "hot."
- *Melanoma*: Building on encouraging data from the company's Phase 2 trial of sotiga in combination with nivolumab to treat patients with PD-1 blockade refractory melanoma, the company received feedback and support from the FDA in connection with a Type C meeting in July 2022. The purpose of the meeting was to discuss a potential registration-enabling clinical trial of sotiga in combination with a PD-1 inhibitor to treat patients with PD-1 blockade refractory melanoma.
    - Presented updated data from the Phase 1/2 trial of sotiga in combination with pembrolizumab in patients with first-line melanoma at the Society for Immunotherapy of Cancer's (SITC) 37th Annual Meeting in November. Results showed the combination therapy activated antigen-presenting cells and T-cells in both local and distant

(non-injected) lesions, was well-tolerated in the trial and improved best overall response rate (ORR) relative to the historical controls treated with the standard of care, pembrolizumab monotherapy.

- With the Company's current focus on the study of sotiga in the LPS setting, the Company currently does not plan to independently advance the development of sotiga in E/GEJ cancer and melanoma and will instead seek to engage a collaboration partner to advance the development of sotiga in these settings.

APX601: An anti-TNFR2 antagonist antibody designed to reverse immune suppression in the tumor microenvironment and unleash immune-mediated tumor killing activity through a unique mechanism of action. In preclinical models, APX601 depletes and inactivates TNFR2-expressing Tregs, reverses myeloid-mediated T-cell suppression and directly kills TNFR2-expressing tumor cells. APX601 shows potent anti-tumor activity in tumor models.

- APX601 is IND-ready and Apexigen plans to advance APX601 into a Phase 1/2 clinical trial for the treatment of multiple tumor indications of unmet medical need when the company secures adequate financing.

APX801: A natural killer (NK) cell engager designed to specifically activate NK cells leading to effective killing of tumor cells.

- APX801 is currently at the pre-clinical stage and Apexigen plans to advance APX801 into IND-enabling studies when the company secures additional financing.

Corporate Update:
Completed a business combination with Brookline Capital Acquisition Corp. ("BCAC"), a special purpose acquisition company. Gross proceeds from this transaction totaled $19.0 million, which included funds held in BCAC's trust account and a concurrent private placement investment in public equity ("PIPE") financing.

Third Quarter 2022 Financial Results:

Apexigen reported a net loss of $8.5 million, or $0.41 per common share, for the third quarter of 2022 compared to $7.3 million, or $0.40 per common share, for the same period in 2021.

Research and development expenses were $5.7 million and $5.5 million for the three months ended September 30, 2022 and 2021, respectively. The increase was primarily due to an increase in compensation expenses.

General and administrative expenses were $3.1 million and $1.8 million for the three months ended September 30, 2022 and 2021, respectively. The increase was primarily due increases in compensation expenses, increases in business insurance expenses, and increase in amortization of deferred financing costs.

As of September 30, 2022, the Company reported cash, cash equivalents, and short-term investments totaling $20.7 million and has cash runway into the second quarter of 2023 without receiving any additional proceeds from the Company's committed equity line with Lincoln Park or any proceeds from any other potential financing or business development transactions.

About Apexigen

Apexigen is a clinical-stage biopharmaceutical company focused on discovering and developing a new generation of antibody therapeutics for oncology, with an emphasis on new immuno-oncology agents designed to harness the patient's immune system to combat and eradicate cancer. Sotigalimab and Apexigen's other programs were discovered using Apexigen's proprietary APXiMAB™ discovery platform. This platform has enabled Apexigen and its collaboration partners to discover and develop therapeutic antibodies against a variety of molecular targets, including targets that are difficult to drug with conventional antibody technologies. Multiple product candidates have been discovered using the APXiMAB platform, one of which is commercially available and the others are in clinical development, either internally by Apexigen or by its licensees. For more information, please visit www.apexigen.com.

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, including statements regarding Apexigen's ability to provide innovative oncology solutions, meet the needs of patients and provide meaningful clinical benefits; the potential attributes, uses and effectiveness of its lead candidate sotigalimab; Apexigen's pursuit of strategic partnerships; Apexigen's plans with respect to its clinical trials; Apexigen's cash runway. Any statements contained herein that are not statements of historical fact may be deemed to be forward-looking statements. In addition, any statements that refer to projections, forecasts or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking statements. The words "anticipate," "believe," "continue," "could," "estimate," "expect," "intends," "may," "might," "plan," "possible," "potential," "predict," "project," "should," "would" and similar expressions may identify forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking. The forward-looking statements contained in this press release are based on certain assumptions and analyses made by Apexigen's management in light of their respective experience and their perception of historical trends, current conditions and expected future developments and their potential effects on Apexigen, as well as other factors they believe are appropriate in the circumstances. There can be no assurance that future developments affecting Apexigen will be those that Apexigen has anticipated. These forward-looking statements involve a number of risks, uncertainties (some of which are beyond Apexigen's control) or other assumptions that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements, including Apexigen's early stages of clinical drug development, Apexigen's ability to achieve successful clinical results or commercial adoption of sotigalimab, Apexigen's competitors developing and marketing products that are more effective, safer, or less expensive than Apexigen's product candidates, delays or difficulties in the enrollment of patients in Apexigen's clinical trials, or that Apexigen will have sufficient capital to operate as anticipated. Should one or more of these risks or uncertainties materialize, or should any of our assumptions prove incorrect, actual results may vary in material respects from those projected in these forward-looking statements. Additional factors that could cause actual results to differ are discussed under the heading "Risk Factors" and in other sections of Apexigen's filings with the SEC, and in its current and periodic reports filed or furnished from time to time with the SEC. All forward-looking

statements in this press release are made as of the date hereof, based on information available to Apexigen and Apexigen assumes no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

APEXIGEN, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except share and per share amounts)

	September 30, 2022	December 31, 2021
	(Unaudited)	
Assets		
Current assets:		
Cash and cash equivalents	$ 12,708	$ 23,443
Short-term investments	7,965	12,917
Prepaid expenses and other current assets	2,544	1,681
Deferred financing costs, current	1,776	-
Total current assets	24,993	38,041
Property and equipment, net	176	245
Right-of-use assets	198	483
Deferred financing costs, non-current	1,480	-
Other assets	727	327
Total assets	$ 27,574	$ 39,096
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 3,340	$ 4,487
Accrued liabilities	7,096	8,488
Liability for common stock to be issued	1,350	-
Deferred revenue	5,137	3,610
Lease liabilities, current portion	210	369
Total current liabilities	17,133	16,954
Derivative warrant liabilities	28	-
Lease liabilities, less current portion	-	141
Total liabilities	17,161	17,095
Stockholders' equity:		
Common stock, $0.001 par value; 1,000,000,000 and 23,563,040 shares authorized as of September 30, 2022 (unaudited) and December 31, 2021, respectively; 22,065,347 and 18,051,470 shares issued and outstanding as of September 30, 2022 (unaudited) and December 31, 2021, respectively[(1)]	2	2
Additional paid-in capital	180,778	166,727
Accumulated deficit	(170,362)	(144,724)
Accumulated other comprehensive loss	(5)	(4)
Total stockholders' equity	10,413	22,001
Total liabilities and stockholders' equity	$ 27,574	$ 39,096

(1) *The condensed balance sheet as of December 31, 2021 presented above reflects the retrospective application of recapitalization as if the business combination with Brookline Capital Acquisition Corp. ("BCAC"), and the concurrent private placement investment in public equity ("PIPE") financing had occurred on January 1, 2021.*

APEXIGEN, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except share and per share amounts)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Operating expenses:				
Research and development	$ 5,683	$ 5,501	$ 18,796	$ 15,122
General and administrative	3,116	1,807	7,240	5,735

Total operating expenses	8,799	7,308	26,036	20,857
Loss from operations	(8,799)	(7,308)	(26,036)	(20,857)
Other income, net	307	7	398	34
Net loss	$ (8,492)	$ (7,301)	$ (25,638)	$ (20,823)
Net loss per share	$ (0.41)	$ (0.40)	$ (1.36)	$ (1.16)
Weighted-average common shares used to compute net loss per share, basic and diluted	20,484,136	18,040,783	18,895,417	18,028,234

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