

## Biotech Electronic Security Token (BEST) Innovation and Benefits

- Commercial opportunity for our PD-1 in 2L cervical cancer represents up to ~\$300M in estimated annual US sales for Agenus
- Commercial opportunity in expanded indications and/or combinations<sup>1</sup> represent up to ~\$1.5-2Bn in potential annual US sales for Agenus
- Our PD-1 (AGEN2034) is on track for a BLA filing in 2020 for treatment of 2nd line cervical cancer
- Agenus' operating plans for approval in cervical cancer are supported by our current budget; Exploiting the market beyond cervical cancer will require additional investment

Options for funding the expansion of our PD-1's commercial potential include issuing equity, or accessing capital through BEST

**The BEST financing mechanism enables us to fund the PD-1 development plan with NO DILUTION<sup>2</sup> to the rest of our pipeline, specifically:**

- **NO DILUTION** to next generation CTLA-4 combination with PD-1
- **NO DILUTION** to our pipeline of undisclosed next generation I-O antibodies, including bispecifics, and PD-1 combinations
- **NO DILUTION** to our cell therapy business with INDs planned in 2019
- **NO DILUTION** to our clinical stage vaccine business
- **NO DILUTION** to cash milestones and royalties from Agenus partnered programs

An equity offering would dilute shareholder's interest in all of the above, whereas BEST will not

## The Facts About PD-1

- All PD-1 antibodies that have entered late-stage clinical development have been approved; our PD-1 is in late stage development
- Combinations with PD-1 have shown improved benefit for patients - the field is moving to PD-1 combinations
- Agenus' deep pipeline enables optimal combinations with our PD-1, including combinations with our next generation CTLA-4
- The large and growing market for approved PD-1s is estimated at ~\$20B in 2019

## What Is BEST?

BEST is NOT a crypto currency; It is a novel mechanism designed to provide product specific financing



- BEST is a novel financial instrument for accredited investors to invest in specific products
- BEST is expected to finance expanded development of our late-stage PD-1 (AGEN2034)
- BEST will be built upon blockchain technology
- BEST is designed to decrease cost of capital for current equity holders. It will help with more aggressive development and achievement of higher revenues

Example:

- Raising \$25 Million through Token sales at expected prices would result in a ~3% dilution of the PD-1 program in the US alone<sup>3</sup> (~1.5% globally), with no effect on broader shareholder interests
- Raising the same amount through equity sales at \$3.00 would result in ~6% dilution of shareholder interest in every program in the Agenus portfolio (>4X more dilutive)

## How BEST May Revolutionize Biotech Financing

The Biotech industry has high costs and a unique risk/reward profile. Until now, innovation in biotech has been limited to the science and some extent to commercialization strategies. The time has come for innovation in the way we fund product development. With the token model, a broader audience can participate in the financing of selected, revolutionary, life-changing therapies on a case-by-case basis with securities that are expected to be tradable

BESTs are engineered to have the precision, tradability and returns investors want while minimizing dilution to a company's shareholders - preserving long term growth. This will allow investors to concentrate invested capital in opportunities with a risk/return profile that is superior to many alternatives available today

## Market Education will Improve Market Uptake

- BEST is brand new and investors are not yet familiar with this instrument. More clarity and education is needed
- Agenus, the innovator behind this mechanism, will continue to expand the education of BEST to eliminate market confusion

<sup>1</sup> Potential to expand in indications where PD-1 has been validated, such as PD-1 approved indications

<sup>2</sup> The only circumstances where there is equity dilution is if AGEN2034 is not approved in the expected timeframe, and even under those circumstances, the amount of dilution is much less than it would have been if we issued equity to raise the same amount today. E.g. Every 10 units of BEST sold will raise \$10.00 to \$16.70 depending on the applicable price per Token. If conversion conditions apply, these would be at most converted into one (1) share of common stock. By comparison, for every \$10.00 - \$16.70 raised from equity sales, we would have to issue ~3.3 - 5.6 shares at current prices. Therefore, issuing BEST is significantly less dilutive than issuing equity.

<sup>3</sup> No impact on ex-US sales