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Agenus 2019 Mid-Year Report: An Exciting 2nd Half Ahead

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The second half of 2019 is off to an exciting start. Our CTLA-4 and PD-1 trials are accruing faster than projected; we are on track to finish accrual this year and plan on filing our first BLA in 2020. New discoveries from our pipeline entered clinical development! They include our next-generation CTLA-4 antibody and one bispecific antibody. Both antibodies have very exciting properties and we believe have the potential to become next-generation breakthroughs in immuno-oncology (I-O).

Our next-generation CTLA-4 antibody is designed to target patients unresponsive to first-generation CTLA-4 antibodies, in addition to those who are responsive to these molecules. Hence this antibody has the potential to expand the revenue potential of our PD-1 antibody, giving us a unique advantage in an otherwise crowded PD-1 market. Combinations of our next-generation CTLA-4 antibody with our own PD-1 antibody are planned in the second half of this year. Our goals for the second half also include securing additional collaborations and continued deliverables and milestones from our existing collaborations. Overall, we are very excited about what the second half of this year will bring.

Cancer at an Inflection Point

By John Nosta

The world is changing. The days of linear, incremental growth is being replaced by exponential change driven by bold and aggressive thinking. Speed is the defining term of our techno-society. And cancer is no different. In many ways, cancer's weapon is its ability to adapt and change at speeds that stay ahead of both physiology and clinical intervention.

That's changing, fast. For many patients and caregivers, it's not fast enough. And ironically, for some of big pharma, this pace might be even disruptive to the "linear status quo" of market-driven innovation and clinical development.

Critically, this curve of innovation has been established—the immunological footprint of cancer is the template for this exponential advance. From bench to bedside, Agenus is leveraging fundamental insights to bring products to market. Speed is no longer an option, it's an imperative that is established by both the insidious nature of cancer and the profound needs of the patient.

Disruption is the process. Speed is the delivery.

Agenus is at this inflection point. Built upon a well-established heritage of forward-thinking science and confirmed by recent pivotal clinical events, change is at hand. And it could not come soon enough.

Agenus has Unique Strengths to Deliver High Impact Treatment Strategies

Our product pipeline is uniquely designed for high impact treatments. What we mean by high impact is combinations which are designed to achieve high responses in patients with cancer. For example, we expect combination with an anti-CTLA-4 antibody to double the response rate achieved by blocking PD-1 alone in certain cancers. The implications of success with such a strategy will be of significant benefit for patients and Agenus. It would mean shorter and less expensive trials and lower health care costs to the system.

Our portfolio is uniquely designed to deliver high-impact combinations for shorter, less expensive trials, expected to result in rapid product registration. Our pipeline is specifically intended to target multiple tumor pathways including resistance pathways to current agents. The objective is to deliver high and durable responses in patients. We believe we are the only company with control of all key therapeutic categories: checkpoint antibodies, vaccines, cell therapy and adjuvants. Our ability to advance the clinical development of optimal combinations with our own agents provides us with unique advantages not available to most companies. These advantages include speed of development and the selection of best I-O components without dependence on third parties and concerns regarding high pricing of novel combination agents. Since we have a broad selection of components available for combinations, our flexibility to price our combination treatments will benefit patients, the health care industry and Agenus, if approved.

Our vertically integrated capabilities from discovery to cGMP manufacturing have enabled us to advance novel compounds into the clinic with speed. For example, we can manufacture clinical grade material from research to cell bank in ~4 months, which is 3-4x faster than industry average. Leveraging these strengths, we expect to deliver on our collaborations and our own Agenus milestones in the second half of 2019.

Below is a summary of our first half 2019 accomplishments and our objectives for the second half:

Our late stage trials for clinically validated targets (CTLA-4 and PD-1) are rapidly advancing

- Our programs evaluating our proprietary CTLA-4 and PD-1 agents in second line cervical cancer are accruing faster than our earlier projections; we anticipate completing our targeted enrollment by the end of this year.
- **Interim analysis of data from these trials is expected before the end of this year**, and we are on track for a **planned filing of our first BLA in 2020** under the accelerated approval provision.
- Our CTLA-4 combination trial strategy **differentiates** us from the competitive landscape in cervical cancer. Based on the robustness of the data that we anticipate from this trial, we are also positioned to pursue potentially superior combinations with our next-generation CTLA-4 antibody in this indication.

Our potential best in class CTLA-4 antibody (AGEN1181 – Next-Generation CTLA-4) has entered the clinic – can this be the next breakthrough cancer treatment?

- We expect to expand our market potential with additional first or best in class molecules that are now in the clinic, including our second generation CTLA-4, AGEN1181. We believe this could be a **best-in-class molecule that has the potential to expand the commercial potential of our PD-1 antibody** beyond what our first generation CTLA-4 agent offers.
- **We anticipate early clinical readouts** from this study and initiation of combinations with our own PD-1 antibody **by the end of this year**.
- Further details about this asset can be found here.

We are advancing our new discoveries at record pace: 11 INDs in the past 3 years and on track to deliver 3 more in 2019

- In 2018 alone, 6 INDs were filed from our discovery engine.
- More than 9 of our discoveries are in the clinic advancing as monotherapy or as combination treatments, by us and our collaborators (Gilead, Merck and Incyte).
- **This year, we have filed 1 IND and expect to advance 2 more**, all novel Agenus discoveries, into the clinic.
- In addition, we anticipate filing our first cell therapy IND through AgenTus and will also be advancing our differentiated allogeneic cell format towards an IND.

We have delivered for our collaborators – Gilead, Merck and Incyte

- In January, we announced the **closing of our strategic collaboration with Gilead Sciences** Inc. Under the terms of the agreement, **Agenus received $150 million** which included a $120 million upfront cash payment and a $30 million equity investment at a premium. The agreement also includes approximately $1.7 billion in potential future fees and milestones.
  - Gilead received worldwide exclusive rights to AGEN1423, now known as GS-1423, a tumor microenvironment conditioning bispecific antibody.
  - Gilead also received the exclusive option to license two additional programs: AGEN1223, a bispecific designed to deplete intratumoral T-regulatory cells, and AGEN2373, a potential best in class CD137 antibody.
- We are delivering for all our collaborators.
  - **Since entering the Gilead collaboration, we earned our first milestone** and expect more to come in the second half. Earlier this year, we announced FDA acceptance of the IND for GS-1423. This trial is now active on clinicaltrials.gov.
  - Similarly, **sales of GSK's Shingrix vaccine powered with our QS-21 Stimulon™ adjuvant has exceeded over $1 billion** in revenues in its first year of launch.

Stay tuned for more exciting developments with AGENUSNEWS!

Forward-Looking Statements: This Agenus News Brief includes forward-looking statements that are made pursuant to the safe harbor provisions of the federal securities laws, including statements regarding upcoming milestones and results for the second half of 2019, as well as clinical trial and regulatory plans and timelines. These statements are subject to risks and uncertainties, including those described in our SEC filings.