

# A Strategy for Innovation: Significant Strides in the Field of I-O

In the last 10 years, the immuno-oncology revolution has generated significant evidence showing the power of the immune system to treat cancer. Agenus was founded on this conviction 27 years ago, and, ever since, has been innovating using its deep knowledge of the biology of the immune system and its structural chemistry capabilities to create therapies to optimally target cancer.

Not too many years ago, only a few cancers were deemed immunologically responsive. However, in the past 5 years we have seen significant clinical evidence to know that this is not the case. With our AGEN1181, we are seeing a substantial number of cancers respond in the clinic to immunotherapy, including cancers that have never responded to immunotherapy, as well as cancer patients with “cold” tumors which don’t generally trigger a strong immune response. So how did we get here? By sticking to our principles that the immune system can cure cancer - we just needed to do it right. The I-O field is now seeing the value in the principles Agenus has pioneered for decades.

**Core to Agenus’ strategy are 4 key categories that drive our success: significant value creators, cash generators, supportive programs, and key operational capabilities.** Each of these areas are critical to advancing our innovation. In a coming series of newsletters, we will be highlighting each of these targets in our efforts to explain the core of the Agenus strategy.

## Significant Value Creators: Blockbuster Opportunities

**Significant value creators** are programs and opportunities we expect will generate great value for us as a company in the next 1-5 years.

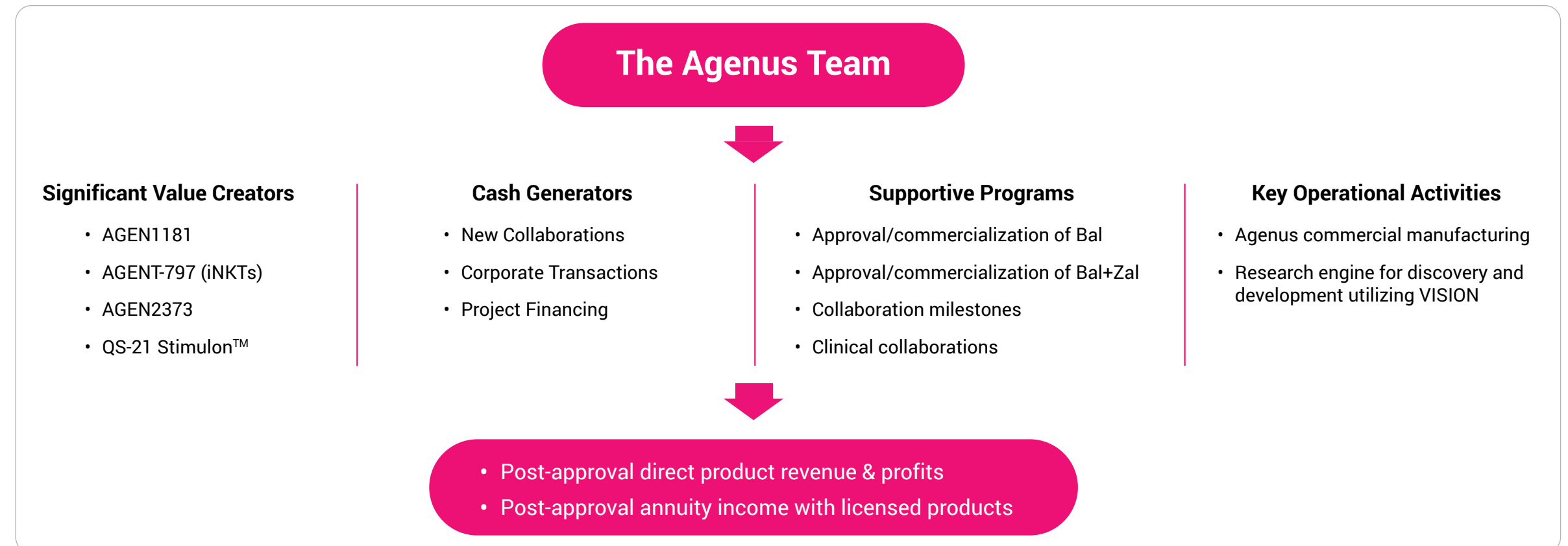


Figure 1. The Agenus Business Model/Strategy

These include AGEN1181, our iNKT cell therapy, AGEN2373, and QS-21 Stimulon®. These programs are on the list of our value drivers because their encouraging data and differentiated properties substantiate their significant potential.

**AGEN1181** is at the top of our significant value creators. We believe AGEN1181 could be a breakthrough in achieving immune responses in cancers that have been traditionally unresponsive to immunotherapy. AGEN1181 is showing exciting activity and we see it as a potential blockbuster opportunity for Agenus. iNKTs are the body’s natural “intelligent” cells and our **allogeneic iNKT cell therapy** has the potential to be another blockbuster value driver for us. These cells harness both the innate and adaptive immune system to direct and elicit cancer killing, in addition to their ability to target virally infected cells. Although in a slightly earlier stage, **AGEN2373** is another important value driver for us. CD-137, which is the target of AGEN2373, is a key

receptor in directing the proper immune response against cancer; we are seeing promising early results with this molecule, even as a single agent. And lastly, **QS-21 Stimulon®** is a critically important agent to boost immune responses in a highly targeted way that could be used in a host of vaccines, including vaccines which are being used to prevent COVID-19. This is a significant opportunity for us because we have created cell lines that QS-21 Stimulon® can be manufactured from, in a renewable manner, without dependence on the natural raw material which limits its supply presently.

These four categories represent significant value drivers which we will be focusing on. Our innovation engine enables a robust pipeline which will continue to provide us with value generating programs; we will balance between keeping some for our ownership, and licensing other candidates as part of our strategy to generate cash to fund our operations with moderate dilution to our shareholders.

**Forward-Looking Statements:** This newsletter contains forward-looking statements that are made pursuant to the safe harbor provisions of the federal securities laws, including statements regarding the potential therapeutic and clinical benefit of AGEN1181, AGENT-797, AGEN2373 and QS-21 Stimulon and our other immunotherapies together with our potential receipt of future royalties and milestones in respect to partnered programs and our ability to consummate future project financing and corporate transactions. These forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially. These risks and uncertainties include, among others, the factors described under the Risk Factors section of our most recent Quarterly Report on Form 10-Q or Annual Report on Form 10-K filed with the Securities and Exchange Commission. Agenus cautions investors not to place considerable reliance on the forward-looking statements contained in this release. These statements speak only as of the date of this press release, and Agenus undertakes no obligation to update or revise the statements, other than to the extent required by law. All forward-looking statements are expressly qualified in their entirety by this cautionary statement.

## Cash Generators: Support Progress

The “**Cash Generators**” category represents the various ways that we bring cash into the company. These are critically important to fund our operations until we can generate significant cash flow from our wholly owned portfolio of products. Avenues where we can generate cash include new collaborations, yet to be disclosed corporate transactions, and project financing. Each is an important opportunity for us to bring in significant cash to help fund our operations.

**New collaborations** are partnerships similar to the ones we have already transacted; included in this list are Gilead, Merck, Incyte, and GSK. Benefits of such collaborations include substantial cash infusion as well as swift advancement of assets in our pipeline. A recent example is our collaboration with Bristol Myers Squibb. Other transaction types include **project financing** which, depending on our circumstances, may be a less expensive financing than equity offering. We are also actively pursuing other yet to be disclosed **corporate transactions**, which differ from collaborations, and can result in significant cash infusion.

How does Agenesis determine which of these opportunities are the best for us? We continue to pursue ongoing discussions while constantly analyzing our current position, to decide both what and when is optimal for us.

## Supportive Programs: Foundational for Success

“**Supportive Programs**” are the backbone to all that Agenesis does. We call these programs “supportive” because they may not be blockbuster

opportunities on their own, but they are critical to driving the success of our key programs and building the company’s flexibility and independence.

Some examples of our supportive programs include the opportunity for approval and **commercialization of bal and bal/zal**. Having our own PD-1 is a critical support for us, for many reasons. First, it is complementary with many of our key programs, such as AGEN1181. Second, it allows us the flexibility to easily combine with any of our assets or those of others. Third, it provides us the potential to have approved PD-1 combinations, which may represent significant revenue opportunities when our agents are combined with our PD-1. In such cases, having our own PD-1 would result in realizing the entire revenue stream from a combination regimen.

Another important supportive program is our existing and future **collaboration milestones**. These can bring in significant revenues as our partners hit key inflection points. Among our other strategies are strict **clinical collaborations**, as they provide additional ways for us to test our agents and, potentially, represent expanded revenue streams for us.

## Key Operational Capabilities: Enabling Innovation with Speed

Having our own **operational capabilities** is a critical component of our business strategy. These capabilities help efficiently drive the advancement of our pipeline and programs, with high speed and quality. They allow us to function without relying on external resources, which can be more expensive, less reliable, and much slower.

**Agenesis commercial manufacturing** is one capability that is key to our success. With our own self-manufacturing, we can control the entirety of the manufacturing process and run with efficiency and speed. These capabilities give us greater independence from external manufacturers who we can’t control. In addition, they remove many delays in having to wait for a vendor to make room for our supply needs. If we had to launch a commercial product rapidly, like AGEN1181, it would be almost impossible to do so without our own manufacturing capabilities with expeditious timelines.

Another operational capability driving our business strategy is our **research engine for discovery and development**. A key component of this is our proprietary VISION platform, which enables us to discover new I-O targets, identify optimal treatment combinations, and help predict which patients will respond to available therapies.

The overarching goal of our strategy is to create and advance novel therapies for the delivery of curative outcomes for cancer patients. As we advance our priority programs, we plan to achieve direct product revenues and profits which will generate and drive Agenesis’ value. None of this would be possible without our talent dense team. We will be sharing more details concerning the projects and goals our team is advancing, in the lab, in the clinic, and beyond.