

## AGENUS 2021 Virtual Annual Meeting of Stockholders

**CORPORATE PARTICIPANTS**

**Garo Armen, PhD**, *Chief Executive Officer and Chairman*

**Adam Krauss, JD**, *Chief Legal Officer, Chief Compliance Officer and Secretary*

**Jan Medina**, *Director of Investor Relations*

**PRESENTATION****Male Speaker**

Welcome to the 2021 Virtual Annual Meeting of Stockholders. I would now like to introduce the first presenter, Dr. Garo Armen, Chairman and CEO of Agenus.

**Garo Armen**

Thank you and good afternoon, everyone. I'd like to call to order Agenus' 2021 Virtual Annual Meeting of Stockholders. I am Garo Armen, Chairman and CEO of Agenus. With me today, virtually or in person, are Dr. Jennifer Buell, our President and COO; Adam Krauss, our Chief Legal Officer, Chief Compliance Officer and Secretary, and the following members of our Board of Directors: Brian Corvese, Allison Jeynes-Ellis, Susan Hirsch, Bill Jordan, Ulf Wiinberg and Tim Wright. I'd like to thank them, and each one of you, whether participating by proxy in advance of the meeting or online today for your time and commitment to Agenus.

Now I'd like to turn things over to Adam to conduct the formal portion of our meeting. After completion of the formal portion, I will come back with a few brief remarks and answer any questions you may have. Adam?

**Adam Krauss**

Good afternoon. Thank you, Garo, and welcome to all of our Stockholders. We will now begin the formal portion of the Annual Meeting.

This meeting was called by our Board of Directors on April 28, 2021. I have received an Affidavit of Distribution from Broadridge Financial Solutions, Inc. that notice of this meeting was furnished by the Company on or about May 1, 2021 to every holder of record of Common Stock as of the close of business on April 23, 2021. The Board of Directors has appointed Christine Klaskin as the Inspector of Elections for this meeting. Ms. Klaskin has signed the Oath of Office, which will be filed with the records of this meeting, and she has prepared a report stating that the holders of a majority of the outstanding shares of Common Stock of the Company as of the close of business on April 23, 2021, are present or are represented by proxy at this meeting. Therefore, I declare that a quorum is present.

A list of stockholders as of the record date is available for inspection by our stockholders, by first clicking on the button labeled 'Materials,' and then using the link entitled "Registered Shareholders List" at the bottom righthand side of your screen.

During the meeting, stockholders may access the Q&A feature by clicking on the button labeled "Q&A" in the bottom righthand corner of the screen. Questions pertinent to meeting matters will be answered following the formal portion of the meeting subject to time constraints.

We are now ready to proceed with the business of the meeting. The matters to be voted on at today's meeting are set forth in the Company's proxy statement. The Company has not received notice from any of its stockholders of any additional matters to be considered at today's meeting and therefore, no additional matters will be voted on.

Let me briefly describe the voting procedures. You may vote your shares during the meeting through the web portal by following the instructions listed. If you have previously voted by proxy, you do not need to vote again, unless you wish to change your vote. If you have not already voted, or you wish to change your vote, please follow the instructions on the web portal for how to submit your vote. No votes, ballots or proxies, or revocation of or changes to votes, ballots or proxies, will be accepted after the polls are closed.

I now declare the polls open for each matter to be voted on at this annual meeting.

**Proposal #1.** The first item on the agenda is to elect Wadih Jordan and Allison Jeynes-Ellis as Class III directors, each for a term of three years expiring at the 2024 annual meeting. Their qualifications are described on Pages 8 and 9 of the proxy statement, and the Board of Directors unanimously recommends that stockholders vote in favor of Mr. Jordan's and Dr. Jeynes-Ellis' elections.

**Proposal #2.** The second item on the agenda is a proposal to approve an amendment to the Company's 2019 Equity Incentive Plan to increase the number of shares of common stock authorized for issuance under such plan from 11 million shares to 26 million shares. A detailed description of the proposal can be found on Pages 55 through 62 of the proxy statement, and the Board of Directors unanimously recommends that stockholders vote in favor of this proposal.

**Proposal #3.** The third item on the agenda is a proposal to approve an amendment to our 2019 Employee Stock Purchase Plan to increase the number of shares of common stock authorized for issuance under such plan from 500,000 shares to 1 million shares. A detailed description of the proposal can be found on Pages 63 through 66 of the proxy statement, and the Board of Directors unanimously recommends that stockholders vote in favor of this proposal.

**Proposal #4** and the fourth item on the agenda, is a proposal to ratify the appointment of KPMG LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2021. A detailed description of the proposal can be found on Pages 68 and 69 of the proxy statement, and the Board of Directors unanimously recommends that stockholders vote in favor of this proposal.

I will now keep the voting open for a few moments before closing the polls.

The polls are now closed. Inspector of Elections, please deliver your report on the results of the vote.

### **Christine Klaskin**

Thank you Adam, I have completed a preliminary count of the shares voted at today's annual meeting. There were sufficient votes to, first, elect Wadih Jordan and Allison Jeynes-Ellis as Class III directors of the Company; second, to amend the Company's 2019 Equity Incentive Plan to increase the number of shares of common stock authorized for issuance under such plan from 11 million shares to 26 million shares; third, to amend the Company's 2019 Employee Stock Purchase Plan to increase the number of

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shares of common stock authorized for issuance under such plan from 500,000 shares to 1 million shares; and fourth, to ratify the appointment of KPMG LLP as the Company's independent registered public accounting firm for the year ending December 31, 2021.

I, as the Inspector of Elections, will prepare and deliver a final report on the result of the voting to be included in the records of this meeting. Additionally, the final voting results will also be included in the Company's current report to be filed with the Securities and Exchange Commission following this meeting.

### **Adam Krauss**

Thank you Christine. That concludes the formal portion of the meeting. Before I turn things back over to Garo, I would like to note that the remainder of this meeting will include forward-looking statements, including statements regarding clinical development and regulatory plans and timelines. These statements are subject to risks and uncertainties, and we refer you to our SEC filings for more details on these risks.

Garo?

### **Garo Armen**

Thank you very much, Adam, and thank you for all of you present, here or virtually. I have one slide which should be visible to every one of you who has a screen. This slide is meant to make our story as simple as possible. I will speak to this slide for the next several minutes, in an attempt to really make the point of Agenus = as crystal clear as possible.

Now, what I will do is speak first about our past. I'm not going to spend too much time, but our past is absolutely critical to what we have achieved so far, and what we expect to achieve in the future. As some of you know, we were founded 27 years ago. It's been a long and wonderful journey. It's been long even by my standards of length, but it's been wonderful and rewarding. Even with the obstacles along the way.

Now, 27 years ago we founded the Company with the conviction that the immune system has the capacity to treat and cure cancer. Today, that conviction is absolutely at its highest, for our company certainly, but also for others in the industry, in academia, and even in the investment community.

Immunology today is certainly on its way to revolutionize the way cancer is being treated. We've made fantastic strides in the last 10 years, but particularly in the last six years, with an explosion of agents that have been used in the treatment of cancer such, as CTLA-4 and PD-1. Today we also know that the immune system is absolutely critical in treating other immunologically oriented diseases, such as infections, prevention treatment of infections, as well as autoimmune disease. That conviction is well placed and has accelerated in the last several years.

Now, getting back to this slide. On top of the slide is the Agenus team. By the way, the slide is meant to tell you the Agenus story, particularly the business model and the strategy of Agenus. Our team—and I must pay homage to our team of the past who are no longer with us, and our present team and future team, who are critical to our achievement of success. In this slide I depict four key categories that will drive our success. We have significant value creators, which I will speak to those in just a moment. We have cash generator strategies; I will speak to those. We have supportive programs, that are very

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important, such as Bal and even Zal, and we have key operational capabilities, and I will speak to the criticality of these capabilities.

Now, why these four pillars? For a very simple objective: to attain direct product revenues and profits in the next several years, and importantly, to achieve annuity income from our licensed products. I will give you more specifics about what the breakdown of each is.

The core to all of this is innovation and speed. Now, innovation and speed are critically important because innovation alone isn't sufficient; it has to be innovation with speed. And of course, some of my colleagues who are heading up Quality say, "what about quality?" That's the third piece. Innovation, speed, and quality. They have to go hand-in-hand.

The reason I say innovation. For those of you who can see me here in person, I am holding a BlackBerry from 1999 in my right hand. At that time, I was an absolute fan of BlackBerry. I couldn't leave anywhere without it in my pocket. But, what has happened to BlackBerry today? It is gone, pretty much. Why? Because they didn't continue with their innovation, and they were taken as a result. So, for us to succeed, not in the next year or two, but to succeed in the long term, we need to continue to innovate. That's why some of our friends and shareholders say, "how many things are you about to do, because you've got a lot going on?" Well, it's not that we are greedy with regard to our pipeline, but it is that we need to continue to innovate.

Let me start with the left box here in the slide, that talks about significant value creators. These are significant value creators that we believe, as a company, will create value for us— not in the next five to 10 years, but in the next one to two to three years. On top of that list, is our very very promising molecule, AGEN1181. I expect that you will hear more about this molecule as we enter the second half of this year and the excitement about this molecule: what it can do, what it has achieved already, and the fact that it may be the third major development in immuno-oncology, in an attempt to conquer cancers that have so far been immunologically unresponsive.

Many years ago, when we were driving the Agenus dream, the only cancers that were deemed to be immunologically responsive were melanoma—as Dr. O'Day will attest to today here—and renal cell carcinoma. People used to tell me those are the only cancers that respond to the immune system. Well, they were. But it was wrong because now there are a substantial number of cancers that respond immunologically. We hope and believe, based on the data that we've seen, our 1181 molecule may be a major breakthrough in achieving this in yet other cancers that are believed to be immunologically unresponsive.

Our second item here is AGENT-797, our very exciting iNKT cells. We call these intelligent cells. Why intelligent? We take these cells from healthy donors, we culture them, and infuse them back into somebody else—so these are allogeneic cells. And what happens is that these cells have a guidance system; they know where to go. Once they get there, they do all kinds of wonderful things. They either secrete cytokines and other chemicals to kill the target, whether it's cancer or an infectious cell, and/or they recruit other components of the immune system, like NK cells and T cells, who help them out. Now, some people say, "are iNKTs the same as NK cells?" No, they are not. iNKTs are actually T cells, they're not NK cells. But, they have this capacity to be able to both facilitate killing as well as to tone down the immune system when it's going out of whack. So, we believe these cells are very promising and you're going to hear more about our iNKT cells and our subsidiary that has been formed to advance these programs.

The third thing on the bullet here is AGEN2373. This happens to be one of my favorite compounds as well. It's a CD-137 antibody, and this antibody is particularly known to impart memory and be a very important player in orchestrating a proper immune response and maintaining the immune response. We presented some data at ASCO as a single agent. Which this agent is not meant to be a single agent, but as a single agent, it showed some very early but promising results.

The fourth item on the agenda is QS-21. This, as you know, is a very powerful adjuvant. It's an adjuvant that is a major driver of a number of vaccines in development and a number of vaccines in commercial setting, including Shingrix. This adjuvant is responsible, in our opinion, for the very high immunological activity of Shingrix. Now, there is one issue with it; we can't make enough of it right now because we can only extract it from a natural tree source. We're in the process of making cell lines expand and we've already made the cell lines. We've already verified the fact that QS-21 can be derived from these cell lines, and that this QS-21 derived from cell lines has the same characteristic as QS-21 extracted from the natural tree source. So, we expect that our activities in this area will expand quite substantially in the coming year in order to scale up the capacity to make QS-21 for 10 million, 20 million, 30 million patients and to potentially half a billion to a billion doses for prophylactic vaccines.

So, these are significant value drivers from our company. There are more, but we're not going to talk about more because we don't want to really clutter your horizons with many more things. But we do have a very robust pipeline. Some of which you know, we have announced and is listed on our website. But many others are undisclosed, for example, the undisclosed component of the molecule that we licensed recently to Bristol Myers for \$200 million upfront. That was a heartbreaker, because it was a very important molecule for us; but, we cannot do everything on our own, and our partner or collaborator Bristol-Myers is amongst the best of the best, if not the best, to take a molecule like that and rapidly develop it, for the benefit of the patients and for the benefit of the field.

So, the second category. The second pillar is cash. Now, of course, cash can be evil, but it can also be good. If it is put into good use, it will do wonderful things. For us, cash generators are critically important to fund our operations over the next year and in the coming few years, until we reach our objectives in the bottom, that I will talk about in a bit.

Cash generators will be collaborators, like, for example, Bristol-Myers, a collaborator that we announced just a few weeks ago. We have others that we're in discussions with as we speak. Secondly, corporate transactions that will bring in cash into the company. Now, I'm not at liberty to disclose what kind of corporate transactions. These are different than transactions that will lead to new collaborations. And thirdly, project financing. What project financing means is, for example, if we have a compound like 1181, and we can secure financing for 1181, that are on better terms than going into the equity markets to fund ourselves. That's project financing. At any given moment, in real time, we analyze what is a better deal for us: a project financing on the terms that are proposed to us for specific projects, or an equity offering. So, we have deemed that given our equity price right now, it is better for us to pursue project financings.

I talked about new collaborations, corporate transactions, and project financing. As we speak right now, we are active with discussions in each one of these categories. And each one of these transactions is designed to be additive to our cash position, some more substantially than others of course.

The third pillar is supportive programs. Now, why do we call these supportive? I will explain.

The first item here is our approval and commercialization of balstilimab, which we call Bal. Why is this so important? Because I often get the question that says, “we have so many PD-1s out there, why do we need another PD-1?” That’s a valid point. We do have a lot of PD-1s. But, please follow my logic here.

We have 1181 that has shown activity. That is our next generation CTLA-4. It has shown activity on its own in the clinic, but it has also shown profound activity with PD-1. Now, let’s assume that the field we’re in, treating cancer patients, that the more cancer patients we treat, the higher the bill, right? Let’s assume we have an implied ceiling per patient: let’s assume that’s \$200,000 per patient. It’s an assumption. I’m not making any statements or representations.

It’s \$200,000 whether it is a single product, two products, or three products. It doesn’t matter. So, \$200,000. Now, if my 1181 will require a PD-1, and I have to use somebody else’s PD-1, and that PD-1 is priced at \$150,000 per patient—which is approximately the right number, right? And the ceiling is at \$200,000, then all I can take home as a company from our 1181 sales would be \$50,000. Whereas, if we have our own PD-1 and 1181, we can take home that entire \$200,000. That is why we have our own PD-1. Not because we believe PD-1 on its own is going to be a multi-billion-dollar product for us, but we certainly believe that 1181 plus our PD-1 together could be a multi-billion-dollar product opportunity. That’s why we have our PD-1, Bal.

That’s why we put this in the supportive category. By itself, Bal isn’t going to shake the world. But Bal plus 1181 could be very substantial in terms of our revenue potential.

We have as a second bullet: our aspiration for the approval of Bal plus Zal. Once again, Bal plus Zal isn’t going to shake the world, but it will be a very important addition as a supportive program for us.

Thirdly, we have collaborator milestones. Now, we have right now as we speak, four active collaborator helping them achieve their milestones, and thereby benefiting ourselves, because we get cash income from those milestones: it is critically important. But, it is supportive; it’s not going to make the company a giant by itself, but, is a very important program for us.

And lastly, in that category, are clinical collaborations; one of the favorites of our Business Development department. Clinical collaborations—why is it so important? Even if it doesn’t bring in enormous amounts of cash, or no cash at all, having collaborators test our agents that could help their own products and bringing those programs forward is critically important for us, because it will help our product sales and their product sales. So, we are encouraging collaborators to test our products along with their own products. It’s a win-win for both.

Now the last pillar—and I call these pillars, each one of these are pillars. The last pillar is key operational capabilities for us. Now, why is this so important? Many years ago, we made a decision to have our own manufacturing capability—a very important step. I can tell you that while self-manufacturing capabilities may be deemed as not a very important thing because you can buy it from somebody else, well, that has proven to be wrong today. Why? Because manufacturing supply is tight right now. You have to wait on line to have your product manufactured by one of these vendors. Well, we don’t have to wait on line. And that’s one of the reasons we have been able to advance 16 programs into the clinic in the last six years, One-six, 16 programs. These are 16 different compounds, with our partners and ourselves. Actually, the number is half and half: eight of them are in our partnerships hands and eight are unencumbered.

I was talking to an analyst this morning and he said “I lost interest in Agenus a couple of years ago because you were licensing everything”. I said, “Well, we have eight programs that have been licensed, but we have eight programs that are our own. It’s a big deal for a company of our size.” Many of our competitors don’t even have two or three programs actively being pursued on their own—eight programs unencumbered.

So, our commercial manufacturing facility will be up and running in the next 18 months or less. That’s going to be “soup to nuts” commercial manufacturing. Everything in one facility under one roof. This facility will be able to produce significant quantities of products. If it hadn’t been for this facility, if 1181 becomes fast tracked, there is no way we could launch 1181 commercially in the next couple of years without our own commercial manufacturing. Very important consideration.

Lastly, we talked about innovation and speed. Having our research engine, which is humming as we speak, producing new things for the discovery and development of our programs and our partners’ programs, utilizing our VISION technology. VISION technology is a proprietary technology of Agenus that helps us to discover the right molecule, to test it quickly in our preclinical models, and then to determine which patients are likely to benefit from a product or a combination of products, and which cancers are most likely to benefit. This is key to our capability to innovate with speed. And this category is key to our capability to make these molecules and take them forward into the clinic and into a commercial setting.

Why four pillars? A very simple objective: direct product revenue and profits. We intend to have our commercial organization which we’ve been building in the last few months, so that we can be a major player in the industry. And secondly, I call it annuity income from licensed products; and somebody said, “What is annuity income?” Well, it’s the following. As I said, we have licensed eight products out to four important collaborators, including Incyte, including Gilead, including Merck, and most recently Bristol Myers. We have no burden associated with these developments. Of course, we want to help our collaborators so that they optimize their chances of success, but that doesn’t cost us really any money and it’s entirely done using their infrastructure and their own financial resources; yet, from these eight programs, upon success, we will get milestones. But very importantly, we will get royalties. This is a very important consideration because once we license it out, we don’t have any financial burden associated with them, and yet, they could be the source for significant income. Now, in some cases, we receive royalties as high as 20%. You can estimate what some of these product sales may be in the hands of giants in the industry and what the contribution to us would be annually.

With that, having promised you a little bit of time, yes, our Head of Investor Relations, “Dr.” Medina, is signaling that there are questions, I believe.

### **Jan Medina**

Yes. We have one question, asking if Agenus is looking to build a global commercial/business infrastructure.

### **Garo Armen**

The question is “do we have aspirations for a global commercial and business infrastructure”. The answer is, of course we do; but not tomorrow. We will first launch products in the U.S., which is a market we’ve got a better handle on. But our commercial professionals— “Dr.” Andy Hurley who is here to my right—

are certainly knowledgeable about launching and commercializing product in ex- U.S. markets. But the first step will be for us to concentrate on the U.S. commercialization and launch of products.

Any other questions, "Dr." Medina?

**Jan Medina**

We got one more question just now. One more.

**Jan Medina**

This one is on QS-21, if the cell line will be manufactured in house or by a CMO?

**Garro Armen**

Okay. Initially it will be through a contract manufacturing facility, but at some point, depending on the requirements of the business, we may bring some or all of that capacity in-house. But, we're not contemplating it over the next several years.

Any other questions?

Stay safe. Thank you very much for your attention and we'll see you next year, but before then, there will be many other occasions of communication. Thank you very much.

**Male Speaker**

Thank you. Agenus 2021 Virtual Annual Meeting of Stockholders has now come to an end. Thank you for attending. You may not leave the virtual meeting.