What Really Matters: The Dismal Performance of Progenics Pharmaceuticals, Inc. Under Peter Crowley and Michael Kishbauch

June 25, 2019
Disclosure & Disclaimer

THIS PRESENTATION IS FOR DISCUSSION AND GENERAL INFORMATIONAL PURPOSES ONLY. IT DOES NOT HAVE REGARD TO THE SPECIFIC INVESTMENT OBJECTIVE, FINANCIAL SITUATION, SUITABILITY, OR THE PARTICULAR NEED OF ANY SPECIFIC PERSON WHO MAY RECEIVE THIS PRESENTATION, AND SHOULD NOT BE TAKEN AS ADVICE ON THE MERITS OF ANY INVESTMENT DECISION. THIS PRESENTATION IS NOT AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY INTERESTS IN ANY FUND, ACCOUNT OR INVESTMENT VEHICLE MANAGED BY VELAN CAPITAL, L.P. (TOGETHER WITH THE OTHER PARTICIPANTS IN ITS SOLICITATION, “VELAN”) AND IS BEING PROVIDED TO YOU FOR INFORMATIONAL PURPOSES ONLY. THE VIEWS EXPRESSED HEREIN REPRESENT THE OPINIONS OF VELAN, AND ARE BASED ON PUBLICLY AVAILABLE INFORMATION WITH RESPECT TO PROGENICS PHARMACEUTICALS, INC. (“PROGENICS” OR THE “COMPANY”). CERTAIN FINANCIAL INFORMATION AND DATA USED HEREIN HAVE BEEN DERIVED OR OBTAINED FROM PUBLIC FILINGS, INCLUDING FILINGS MADE BY THE COMPANY WITH THE SECURITIES AND EXCHANGE COMMISSION (“SEC”), AND OTHER SOURCES.

VELAN HAS NOT SOUGHT OR OBTAINED CONSENT FROM ANY THIRD PARTY TO USE ANY STATEMENTS OR INFORMATION INDICATED HEREIN AS HAVING BEEN OBTAINED OR DERIVED FROM STATEMENTS MADE OR PUBLISHED BY THIRD PARTIES. ANY SUCH STATEMENTS OR INFORMATION SHOULD NOT BE VIEWED AS INDICATING THE SUPPORT OF SUCH THIRD PARTY FOR THE VIEWS EXPRESSED HEREIN. NO WARRANTY IS MADE THAT DATA OR INFORMATION, WHETHER DERIVED OR OBTAINED FROM FILINGS MADE WITH THE SEC OR FROM ANY THIRD PARTY, ARE ACCURATE. NO AGREEMENT, ARRANGEMENT, COMMITMENT OR UNDERSTANDING EXISTS OR SHALL BE DEEMED TO EXIST BETWEEN OR AMONG VELAN AND ANY THIRD PARTY OR PARTIES BY VIRTUE OF FURNISHING THIS PRESENTATION.

EXCEPT FOR THE HISTORICAL INFORMATION CONTAINED HEREIN, THE MATTERS ADDRESSED IN THIS PRESENTATION ARE FORWARD-LOOKING STATEMENTS THAT INVOLVE CERTAIN RISKS AND UNCERTAINTIES. YOU SHOULD BE AWARE THAT ACTUAL RESULTS MAY DIFFER MATERIALLY FROM THOSE CONTAINED IN THE FORWARD-LOOKING STATEMENTS.

VELAN SHALL NOT BE RESPONSIBLE OR HAVE ANY LIABILITY FOR ANY MISINFORMATION CONTAINED IN ANY THIRD PARTY SEC FILING OR THIRD PARTY REPORT RELIED UPON IN GOOD FAITH BY VELAN THAT IS INCORPORATED INTO THIS PRESENTATION. THERE IS NO ASSURANCE OR GUARANTEE WITH RESPECT TO THE PRICES AT WHICH ANY SECURITIES OF THE COMPANY WILL TRADE, AND SUCH SECURITIES MAY NOT TRADE AT PRICES THAT MAY BE IMPLIED HEREIN. THE ESTIMATES, PROJECTIONS AND PRO FORMA INFORMATION SET FORTH HEREIN ARE BASED ON ASSUMPTIONS WHICH VELAN BELIEVES TO BE REASONABLE, BUT THERE CAN BE NO ASSURANCE OR GUARANTEE THAT ACTUAL RESULTS OR PERFORMANCE OF THE COMPANY WILL NOT DIFFER, AND SUCH DIFFERENCES MAY BE MATERIAL. THIS PRESENTATION DOES NOT RECOMMEND THE PURCHASE OR SALE OF ANY SECURITY.

VELAN RESERVES THE RIGHT TO CHANGE ANY OF ITS OPINIONS EXPRESSED HEREIN AT ANY TIME AS IT DEEMS APPROPRIATE. VELAN DISCLAIMS ANY OBLIGATION TO UPDATE THE INFORMATION CONTAINED HEREIN.

ALL REGISTERED OR UNREGISTERED SERVICE MARKS, TRADEMARKS AND TRADE NAMES REFERRED TO IN THIS PRESENTATION ARE THE PROPERTY OF THEIR RESPECTIVE OWNERS, AND VELAN’S USE HEREIN DOES NOT IMPLY AN AFFILIATION WITH, OR ENDORSEMENT BY, THE OWNERS OF THESE SERVICE MARKS, TRADEMARKS AND TRADE NAMES.

UNDER NO CIRCUMSTANCES IS THIS PRESENTATION TO BE USED OR CONSIDERED AS AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY ANY SECURITY.

© Velan Capital, L.P. 2019
All Rights Reserved
Executive Summary

- Velan Capital, L.P. (“Velan Capital”), including the other participants in its call for change (“Velan”, “Velan Group”, or “we”), collectively own 9.3% of the outstanding shares of Progenics Pharmaceuticals, Inc. (“PGNX”, “Progenics”, or the “Company”)
  - Second-largest stockholder, truly aligned to maximize long-term value
- In Progenics’ recent presentations issued on June 20th and June 24th, 2019, the Company employed a series of deceptive and manipulative tactics designed to distort the truth, mislead stockholders and preserve the troubling status quo
- This campaign is not about Velan – it is about the poor performance of the Board of Directors (“Board”) and the need to hold them accountable for their failures, particularly Peter Crowley as Chairman of the Board and Michael Kishbauch as Chairman of the Nominating and Corporate Governance Committee, and together as sole members of the Compensation Committee
- Velan urges all stockholders to see through the Company’s desperate attempt to distract stockholders from the real issues facing the Company – egregious governance actions, value-destructive stockholder dilution, and persistent lackluster performance

The first step to achieve needed change is to implement overdue accountability, starting with the removal of Directors Peter Crowley and Michael Kishbauch, who have presided over an extended period of underperformance and who together own ZERO shares of common stock

(1) Share ownership excludes shares underlying exercisable options.
Hold the PGNX Board Accountable

DISMAL SHARE PRICE PERFORMANCE SPEAKS FOR ITSELF

BOARD IS PLAYING A DESPERATE “GAME OF COMPS”, FABRICATING NEW AND INAPPROPRIATE “COMPARABLE” PEER SETS TO SKEW POOR SCORECARD

DISINGENUOUS ESG LIP SERVICE, BOARD HAS NOT LOOKED IN THE MIRROR (INSINUATIONS ABOUT INVALIDATED NOMINEES ARE BESIDES THE POINT)

MISALIGNMENT – LACK OF ACTUAL STOCK OWNERSHIP COMBINED WITH PERSISTENT DILUTION WITHOUT REPRESENTATION

FINANCIAL AND OPERATIONAL SHORTCOMINGS, BEWARE OF MORE TRICKS

UNFAVORABLE PATTERN OF UNSATISFACTORY TRACK RECORDS

Stockholders need to send a message that director accountability and alignment with stockholders is desperately needed at Progenics
Inconvenient Truths For the Board

- **Operational Performance**
  - How **AZEDRA went TEN MONTHS before dosing a patient** – in our knowledge, the longest period of patient neglect for ANY pharmaceutical product
  - Why the Board, who deemed AZEDRA “commercialization ready” in 2017 and gave management 133% of its commercial corporate goal, did not complete “manufacturing readiness” until 6+ months after FDA approval
  - Progenics’ claim that the “commercialization of radiopharmaceuticals is not a cookie-cutter process” contradicted by CEO Mark Baker’s prior statement that “it’s like baking bread” and its claim that the nuclear, reimbursement and patient identification processes would take “a matter of weeks” after July 2018 approval of AZEDRA
  - Two direct comparables – XOFIGO and LUTATHERA – launched in the same quarters as their FDA approvals
  - Progenics states that AZEDRA is “clearly not comparable” with these drugs despite CEO Baker’s prior comparison: “Advanced Accelerator had the drug LUTATHERA which treats difficult-to-treat neuroendocrine disease. We have the drug AZEDRA, which treats difficult-to-treat neuroendocrine disease... And we're seeing these drugs do great things for patients and generate excellent sales. So we think there is a great read-through...”
  - Largely **ignoring and achieving minimal progress on MIP-1095 for nearly SIX YEARS**
    - Meanwhile, Endocyte, Inc., a direct competitor, generated positive clinical data and a ~17x return for stockholders in one year
    - The data the Board states “did not justify significant investment” is the data still referenced in its corporate presentation and represents patients treated between 2011 and 2013
  - Missed its own (unambitious) 2018 operating expense target, even after excluding a large impairment charge, and falsely claimed to have “managed operations within the Company’s budget”

Source: Company filings and transcripts.
Inconvenient Truths For the Board (Cont’d)

- **Lack of True Alignment with Stockholders**
  - Together, Messrs. Crowley and Kishbauch actually own ZERO shares of Progenics common stock\(^{(1)}\)
    - In 2018, Messrs. Crowley and Kishbauch earned $452,750 and $237,159, respectively
    - Meanwhile, PGNX’s stock price declined 29% during 2018
  - Regardless of total stockholder returns, the Board, under the oversight of Compensation Committee members Crowley (Chair) and Kishbauch, is still heavily compensated; heads they win, tails we lose...

- **Lack of Accountability**
  - With the Company’s stock down materially during the tenures of Messrs. Crowley and Kishbauch, PGNX Directors continue to stay in place and pay themselves (and management) despite poor performance
  - The Board’s attempt to distract stockholders by focusing on Velan rather than its own shortcomings reflects true need for accountability in the boardroom

- **Egregious Governance Actions**
  - Rather than work constructively with one of the Company’s largest stockholders, the Board, under the direction of Messrs. Crowley and Kishbauch, as Chairman of the Board and Chairman of the Nominating and Corporate Governance Committee, respectively, invalidated Velan’s nomination of director candidates on a technicality given Velan’s ownership of shares in “street” rather than “record” name, even though the Board knew Velan was a large stockholder through prior communications and correspondences
  - Why not let Progenics stockholders, the true owners of the Company, decide which candidates they believe are best suited to provide effective oversight of the Company?
  - The Board’s outright refusal to accept any constructive resolution that includes holding current directors accountable reflects desire to preserve seats and maintain the troubling status quo

Source: Company filings.

\(^{(1)}\) Share ownership excludes shares underlying exercisable options.
Board’s Sleight of Hand and Misdirection

- **Stock price performance relative to “peers”**
  - Progenics cherry-picked its “relevant peers” across various time periods to make its performance look better
    - Identified **EIGHT** different peer sets in its June 20th presentation, and ignored the comparable indices contained in its own 10-K filing (which likewise changed compared to historical comps)
  - Peer sets include several companies with failed clinical programs which are now essentially cash shells
    - The Board compared Progenics to busted companies, in a desperate attempt to justify its performance
    - Are stockholders supposed to be grateful the Board has not (thus far) taken PGNX to $0 as well?

- **CEO compensation**
  - With an appropriate peer group, we believe stockholders would clearly see that CEO Baker’s $20 million in compensation since 2005 and 100% and 91% performance scores in 2017 and 2018, respectively, are obviously excessive and not appropriate given the Company’s dismal performance
  - As sole members of the Compensation Committee, Messrs. Crowley and Kishbauch must be held responsible

- **Operating expenses**
  - Progenics’ overall operating expenses are below certain biopharma peers because it only needs to target 20-30 key centers for AZEDRA – an indication patient population drives this spend, not the Board
  - The Company states that it lowered facility costs by ~50% in 2016, but conveniently omits that those same costs just so happened to increase by ~50% or more in 2017 and remain at that higher level in 2018

- **Cash balance**
  - Comparison of cash balance as a % of market capitalization includes peers with failed clinical programs
    - Does the Board not know that failed biopharma stories trade near their cash values?
  - Yet again, the Board needed to compare against busted companies to justify its decisions and performance

Source: Company filings, FactSet and press releases.
Stock Price Performance

- The following is directly excerpted from the Company’s June 20th presentation (emphasis added):

  Note the negative TSR (total stockholder return) across the tenures of Messrs. Baker, Crowley, and Kishbauch.

  The “Industry Peers” comparison (change) is another form of deception – when the grades are bad, the PGNX Board changes the grading framework (again) ...

  Messrs. Crowley and Kishbauch must be held accountable for their poor performance and for failing to hold CEO Baker accountable for his shortcomings.

Source: Company filings.
The following is directly excerpted from the Company’s own 2018 10-K filing (emphasis added):

Comparative Stock Performance Graph

The graph below compares, for the past five years, the cumulative stockholder returns on our common stock with the cumulative stockholder returns of (i) the Nasdaq U.S. Benchmark (TR) Index and (ii) the Nasdaq Biotechnology Index, assuming an investment in each of $100 on December 31, 2013.

We changed our comparison peer group from the ICB: 4577 Pharmaceuticals (Subsector) Index to the Nasdaq Biotechnology Index. The reason for this change is that we believe the Nasdaq Biotechnology Index is more reflective of the biotechnology markets that we serve and therefore provides a meaningful comparison of our stock performance to investors. The stock performance graph below includes a comparison of our cumulative total return to both of the selected indices that will be used going forward (i) Nasdaq U.S. Benchmark (TR) Index and (ii) Nasdaq Biotechnology Index, and the discontinued index (ICB: 4577 Pharmaceuticals (Subsector) Index).

Source: Company filings.
“Game of Comps” to Mask the Real Issues

- In its June 20th presentation, the Company neglects to use the comparable benchmarks from its own 10-K filings for stock price performance. Instead, the Company manufactured EIGHT different and flawed sets of peers to distract from the Board’s DESTRUCTION of significant value.

Source: Company filings.
Exposing the Stock Price Gerrymandering

- See below for an analysis of the Company’s chosen 1-year, 3-year and 5-year “peers”
  - The minimal overlap between peer sets is troubling
  - The Company switches the comparables it uses for its stock price performance charts, which can be misleading

- Methodology for selecting comps is HIGHLY FLAWED – let’s think through the math:
  - Selecting only companies that HAD similar market caps YEARS AGO conveniently excludes all of the companies that were previously much smaller and achieved SUBSTANTIALLY POSITIVE share price performance

- Furthermore, the Board needed to compare itself to busted companies to justify its performance
  - Are stockholders supposed to be grateful the Board hasn’t taken PGNX to $0 as well?

- The company that stands out as an outperformer – Immunomedics, Inc. – had value created as a result of a contested proxy campaign

Source: Company filings and FactSet.

The devil is in the details -- don’t be fooled by these desperate and destructive distractions, diversions, and deceptions.

Source: Company filings and FactSet.

Velan Capital, L.P. – ALL RIGHTS RESERVED

11
Disingenuous “ESG” Lip Service

- **How can the Board turn a blind eye to Mr. Baker’s seemingly racially-insensitive outburst?**
  - Mr. Baker upon questioning by Julio Perez (a former Progenics employee who alleged that the Company was making materially misleading claims in a whistleblower lawsuit) during a courtroom trial, responded in anger with “We are English-speaking people. We know how to read”.
  - The judge wrote that Baker was “condescending, contemptuous, patronizing, and hostile”.
  - Mr. Perez did not speak English as his first language, represented himself pro se against Mr. Baker (a lawyer by training), and won a ~$5 million verdict against the company (due to apparently unlawful and unethical behavior).

- **The SEC issued an order against and fined Mr. Crowley**, yet despite the alleged unlawful and unethical behavior, the Board allowed Mr. Crowley to remain not only as a Director, but also as the Chairman of the Board.

- **Mr. Kishbauch has ALSO been involved in a securities fraud settlement, and has NEVER overseen a share price that has increased** through the entirety of his director tenure for ANY public company in the last ten years.

- **The Company’s June 20th presentation, slide 34, states “Board is held accountable to shareholders, who can call for change at any time” and that it “welcomes shareholder input”** – then, why has the Board repeatedly resisted Velan’s calls for accountability and change? Why didn’t the Board “welcome” Velan’s nomination?

**How are these even remotely “high ESG standards”?**
The Board pretends to be concerned with supposed ESG considerations and shortcomings, yet refuses to look in the mirror.

Velan’s Response to Distorted Allegations

- While the focus should be on the Board’s oversight of a persistently underperforming company and NOT on Velan which is not running a competing slate of candidates, we would like to address various false and misleading accusations in order to set the record straight.

- Certain of Velan Capital’s principals have previously acquired products and increased their prices in order to reflect the value delivered and the patient populations treated. This is strikingly similar to AZEDRA which is priced at ~$150,000 per dose (well above the price of the inferior alternative -- unapproved, compounded MIBG).
  - AZEDRA is priced to reflect the clinical work and the orphan patient population it treats.
  - What is the key difference in pricing strategy? AZEDRA was priced at this level at launch.

- All such pricing actions focused on protecting the sustainability of medication delivery and growing volume.
  - The case of ACTIMMUNE (two ultra rare disease indications) involved engagement with hospitals / physicians and increased patient access by over 60%.
  - ACTIMMUNE, like AZEDRA, was a life-saving product that was relatively unknown, but through a clinical message that resonated and fostered patient use, provided much needed clinical benefits.
  - What is the key difference relative to AZEDRA? ACTIMMUNE was supported by increasing patient access and physician engagement, meanwhile AZEDRA is one of the worst commercial launches in history.

- Velan believes that in today’s different environment, price increases are untenable, so we already agree on that point, which we proactively discussed with the Board’s Nominating and Corporate Governance Committee.

Velan Capital and its principals unequivocally dispute participating in ANY unlawful business practices. The Board’s specious statements are intended to distract from the failures of Messrs. Crowley and Kishbauch.
## Board Holds Itself to a Different Standard

- The Board has decided to hold Velan to a higher standard than its own directors because, in our view, the Board does not want to be held accountable for its missteps, lack of vision and destruction of stockholder value.
- Vote the GREEN proxy card to hold Messrs. Crowley and Kishbauch accountable for years of poor performance and egregious governance actions and for failing to hold CEO Baker accountable for his shortcomings.

<table>
<thead>
<tr>
<th></th>
<th>Peter Crowley (Chairman &amp; Chair of Compensation Committee)</th>
<th>Michael Kishbauch (Chair of Nominating &amp; Governance Committee &amp; Member of Compensation Committee)</th>
<th>Mark Baker (CEO &amp; Director)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Radiopharmaceutical Experience Pre-Progenics</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Pharmaceutical Operating Experience Pre-Progenics</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>SEC Issues / Settlement of Fraud Accusations / Whistleblower Lawsuit Related to Misleading Stockholders</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>PGNX Stock Ownership (Excl. Options) and Public Company Board Experience Pre-Progenics</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Successful Track Record as Director in Pharma Industry</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
</tbody>
</table>

Clarifying Settlement Interactions

- The Board notes Velan’s “demands” relative to its “enhanced offers” but:
  - The Board does not appear to care about accountability, as none of its counter-proposals contemplated the removal of ANY directors
    - Velan believes that director accountability is the hallmark of good governance
  - Each of Velan’s offers constituted material movement in proposed board composition
    - Conversely, the Board has held steadfast to the notion that the Company’s shortcomings and poor performance under the incumbent Board will be satisfied by marginal and insufficient changes
    - This is emblematic of the Board’s approach to running the Company – put a bandage on a problem without truly fixing the issue

**Velan’s strong preference has been to reach a constructive resolution with the Board that reflects real and necessary change**

In Velan’s view, director accountability and stockholder alignment are needed in order to improve the Company’s operations and stock performance.

Window dressing is NOT acceptable

Source: Company filings.
Vote the **GREEN** Proxy Card to Fight...

- Dismal stock price performance
- Entrenchment-minded governance actions designed to disenfranchise stockholders
- Unnecessary dilution without stockholder representation
- Lack of proper Board oversight, including the appointment and tolerance of an underqualified management team
- Operational blunders + minimal progress and transparency

Vote AGAINST Messrs. Crowley and Kishbauch Given the Lack of Accountability and Stockholder Alignment, and Egregious Corporate Governance Practices

Vote AGAINST the Compensation Proposal Given the Persistent Underperformance and Misalignment with Stockholders
Appendix

What the Board Does Not Want Stockholders to Focus On: Key Materials from Velan’s Prior Presentation on Progenics
# Progenics’ Board: An Ugly Report Card

<table>
<thead>
<tr>
<th>Peter Crowley</th>
<th>Michael Kishbauch</th>
<th>Mark Baker</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Chairman &amp; Chair of Compensation Committee)</td>
<td>(Chair of Nominating &amp; Governance Committee &amp; Member of Compensation Committee)</td>
<td>(CEO &amp; Director)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>10+ years</th>
<th>5+ years</th>
<th>~10 years</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Board Tenure</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Stockholder Return (TSR) During Board Tenure</strong>&lt;sup&gt;(1)&lt;/sup&gt;</td>
<td>~(45%)</td>
<td>~(30%)</td>
<td>~(25%)</td>
</tr>
<tr>
<td><strong>Lives Saved During First 10 Years of Mr. Crowley’s Tenure</strong></td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Losses Accumulated</strong></td>
<td>~($330mm) since 12/31/08</td>
<td>~($170mm) since 09/30/13</td>
<td>~($480mm) since 06/30/05</td>
</tr>
<tr>
<td><strong>PGNX Stock Ownership</strong>&lt;sup&gt;(2)&lt;/sup&gt;</td>
<td>0%</td>
<td>0%</td>
<td>0.2%</td>
</tr>
<tr>
<td><strong>Compensation Awarded During Tenure at Progenics</strong></td>
<td>~$3mm</td>
<td>~$1mm</td>
<td>~$20mm</td>
</tr>
</tbody>
</table>

Messrs. Crowley & Kishbauch have failed Progenics stockholders and patients for far too long. Board change is required to hold CEO Mark Baker accountable.

Source: FactSet, Company filings and press releases as of June 14, 2019.

---

<sup>(1)</sup> TSR from date appointed to the Board through the close of business on June 14, 2019.

<sup>(2)</sup> Excludes shares underlying exercisable options.
# Rewarding Perpetual Underperformance

<table>
<thead>
<tr>
<th>Performance Metric</th>
<th>Recent Events</th>
<th>Board’s Assessment of Performance Goals in 2017 &amp; 2018</th>
<th>Velan’s Commentary</th>
</tr>
</thead>
</table>
| **Commercial**     | ▪ AZEDRA PDUFA extended and subsequently approved in July 2018  
▪ First patient dosed in June 2019 despite being “commercialization ready” in 2017  
▪ Minimal disclosure regarding launch delay | 133% / 80% | ▪ AZEDRA is a highly valuable asset with potential to fill an unmet need for cancer patients  
▪ We cannot identify a similar launch where it took more than TEN MONTHS from approval to patient dosing  
▪ Each day before launch is a day of exclusivity lost |
| **Clinical Advancement** | ▪ 1404 Phase 3 failure  
▪ MIP-1095 clinical advancement to Phase 2 only after watching Endocyte’s success | 100% / 100% | ▪ Starting development on an asset only after another one fails is not acceptable  
▪ Board should allocate resources to proper clinical assets from the outset |
| **Business Development** | ▪ Licensed European PyL collaboration for no upfront payment | 50% / 75% | ▪ Divestitures for no upfront payment shows, in our view, a lack of commercial savvy or judgment |
| **Financing & Expenses** | ▪ Exceeded 2018 SG&A budget  
▪ Raised costly equity capital and subsequently filed shelf after share price declines | 150% / 125% | ▪ Raising capital to cover cost overruns is only good for management paychecks  
▪ Such actions, including setting a cash balance goal, are fundamentally contradictory to stockholder interests in these circumstances |

**The Board should not be assessing management based on flawed goals and metrics – their achievements to date are thoroughly unsatisfactory**

Source: Company filings and press releases.
Minimal Board Alignment & Ownership

- Collectively, the non-executive directors own approximately 0.06% of Progenics common stock\(^{(1)}\)

- Together, Messrs. Crowley and Kishbauch own ZERO shares of Progenics common stock\(^{(1)}\)
  - In 2018, Messrs. Crowley and Kishbauch earned $452,750 and $237,159, respectively
  - Meanwhile, PGNX’s stock price declined 29% during 2018

- Regardless of total stockholder returns, the Board is still heavily compensated; heads they win, tails we lose…

<table>
<thead>
<tr>
<th>Share Ownership Incl. Options</th>
<th>Share Ownership Excl. Options</th>
</tr>
</thead>
<tbody>
<tr>
<td>Peter J. Crowley</td>
<td>460,000</td>
</tr>
<tr>
<td>Michael D. Kishbauch</td>
<td>160,342</td>
</tr>
<tr>
<td>Mark R. Baker</td>
<td>1,554,930</td>
</tr>
<tr>
<td>Velan Group</td>
<td>8,062,200</td>
</tr>
</tbody>
</table>

Each $1.00 decline in stock price results in Messrs. Crowley and Kishbauch losing ZERO dollars, representing a severe misalignment of interests with Progenics stockholders

Source: Company filings.
(1) Share ownership excludes shares underlying exercisable options.
AZEDRA: Comparison to Similar Products

- Progenics received approval for AZEDRA in July 2018 and dosed its first patient in June 2019
- We could not find ONE other launch that took more than TEN MONTHS to dose a patient
- With no Orange Book patents, each day AZEDRA was delayed was a day lost of its FDA orphan drug exclusivity

<table>
<thead>
<tr>
<th>Indication</th>
<th>Xofigo</th>
<th>Lutathera</th>
<th>AZEDRA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Castration-Resistant Prostate Cancer</td>
<td>May 2013</td>
<td>January 2018</td>
<td>July 2018</td>
</tr>
<tr>
<td>Select Neuroendocrine Tumors</td>
<td>Same Quarter as Approval</td>
<td>Same Quarter as Approval</td>
<td>Ten Months Post-Approval</td>
</tr>
<tr>
<td>Net Sales in First Year</td>
<td>$55 million (aprx. six months)</td>
<td>$167 million</td>
<td>N/A; No Guidance Provided</td>
</tr>
</tbody>
</table>

How is AZEDRA’s launch “proceeding as expected” and how can Progenics management or the Board be “pleased” with its progress?

Source: Company filings, press releases, Q1 2019 earnings transcript and FDA Orange Book.
Note: Lutathera net sales reflects global performance as Novartis does not break out U.S. net sales; in 2018, Lutathera U.S. had 1,400+ new patients and 100+ centers actively prescribing.
MIP-1095: Blind But Now I See

- In the six years since acquiring MIP-1095, arguably its most valuable asset, we believe the Board has shown continual neglect and a lack of urgency

**STANDING STILL AND WATCHING THE COMPETITION PASS BY**

- It appears to have taken the foresight of Endocyte and its acquisition by Novartis for the Progenics Board to realize the intrinsic value of MIP-1095 and begin Phase 2 development efforts
- Endocyte licensed PSMA-617 and approximately one year later was acquired by Novartis for ~17x return
- Only then did Progenics finally begin a Phase 2 program for MIP-1095 while suing Endocyte for IP infringement
  - Lawsuits (even if successful) are unlikely to fully make up for value and time lost

**LACK OF CLINICAL PROGRESS & TRANSPARENCY**

- To this day, the clinical data referenced in the Company’s corporate presentation is from subjects treated between 2011 and 2013
- The Company stated an intent to begin a Phase 2 study in October 2018 (the trial initiated in Q2 2019)
  - Did not disclose what was discussed with FDA or results of Phase 1 study initiated in 2017
  - Many questions remain open, especially related to trial design (e.g., FDA feedback, monotherapy arm options)

---

Under the oversight of the Board led by Chairman Crowley, the Company has lost years worth of time – we fear that without meaningful change and accountability, these delays may continue

*Source: Company filings and press releases.*
Persistent & Unnecessary Dilution

- Since Chairman Crowley’s reign began in 2009, Progenics has completed equity financings raising more than $200 million, which currently represents over 50% of the Company’s fully-diluted equity value
  - In 2018 alone, ~$100 million of dilutive equity was raised

- Furthermore, in June 2019, the Board elected to pay its AZEDRA milestone in stock (vs. option to pay cash)
  - The Board issued 1.63 million shares of Progenics common stock at approximately $4.20 per share

- Stockholders had been waiting TEN MONTHS for an AZEDRA patient to be dosed, and when it happened, the Board harmed stockholders by choosing further dilution
  - The Board chose to issue dilutive equity rather than use its ample balance sheet cash reserves of ~$110 million

- The Board’s election to further dilute stockholders signifies two alarming issues to us:
  - The Board may not believe in the long-term potential of Progenics
  - The directors do not own a material amount of Progenics stock, so dilution is not consequential to them(1)

- Unfortunately, the Board and management have another glaringly misaligned reason to issue stock:
  - In 2018, Messrs. Crowley and Kishbauch set a year-end cash balance goal, and we suspect they did so again for 2019 corporate goals
  - Setting this goal without requiring the cash to come from operational improvement incentivizes management to achieve milestones in the form of dilutive stock issuances (and deprioritizes growth investments)

- By further diluting stockholders, the Board actually provided management with higher bonuses than would otherwise have been paid

We believe an aligned Board is urgently needed to drive stockholder value at Progenics

Source: SEC filings and FactSet as of June 14, 2019.
(1) Share ownership excludes shares underlying exercisable options.