

Despite Progenics' good faith effort and repeated concessions, Velan insists on seeking control



Open to Shareholders' Perspectives and Insights

Proactive Board Enhancement

Continuous Accountability

Progenics' Latest Settlement Offer as of June 27, 2019

- ✓ Agree to a 1 year standstill
- ✓ Velan chooses 2 out of 9 directors (expanding the Board by 2), who have requisite experience and no ESG issues. In other words Velan, a 9.3% shareholder, designates more than 20% of the Board
- ✓ The 2 new directors identified by Velan each get immediate appointment to a Board committee
- ✓ The Board will form a Product Commercialization committee, allowing 1 of the new directors identified by Velan to be appointed
- ✓ 1 incumbent director will not stand for re-election at the 2020 AGM
- ✓ The Board size will not exceed 8 through the 2020 AGM. In other words, Velan will still have influence over the size of the Board even after the expiration of its standstill

Commitment to Shareholders

Despite disagreement with Velan over strategy and director candidates with historically unlawful price gouging practices, **Progenics recognizes Velan's right as a significant shareholder and values its Board input**

Progenics is **proactively committed to** ensuring the successful commercialization of its products, **maximizing value for ALL shareholders**

Progenics remains accountable to shareholders 24/7 through a democratic, shareholder-friendly organizational structure and governance practices

Velan's Demands

ALL of the above PLUS additional terms seeking CONTROL

- ✗ Board observer roles for 2 Velan designees, likely with histories of unlawful business practices, such as price-gouging
- ✗ This will allow Velan to have 4 designated individuals in the boardroom with influence over the 9 person Board

Controlling Intentions

The presence of Velan's history of price gouging on the Board could **jeopardize the relationships forged over many years with patients and key stakeholders**

Board Control

ESG Concerns

The Board stands by its latest offer and asks shareholders to urge Velan to accept our offer