



Maximizing Value for Sesen Bio Stockholders

February 2023

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under the Securities Exchange Act of 1934

Subject Company: Sesen Bio, Inc.
Commission File No.: 001-36296



Forward-Looking Statements and Additional Disclaimers

Forward-Looking Statements

Any statements in this communication about future expectations, plans and prospects for Sesen Bio, Inc. (Sesen Bio), CARISMA Therapeutics Inc. (Carisma) or the combined company, Sesen Bio's, Carisma's or the combined company's strategy or future operations, and other statements containing the words "anticipate," "believe," "contemplate," "expect," "intend," "may," "plan," "predict," "target," "potential," "possible," "will," "would," "could," "should," "continue," and similar expressions, constitute forward-looking statements within the meaning of The Private Securities Litigation Reform Act of 1995. For example, statements concerning the proposed transaction, the concurrent financing, the contingent value rights and other matters, including without limitation: statements relating to the satisfaction of the conditions to and consummation of the proposed transaction, the expected timing of the consummation of the proposed transaction and the expected ownership percentages of the combined company, Sesen Bio's and Carisma's respective businesses, the strategy of the combined company, future operations, advancement of the combined company's product candidates and product pipeline, clinical development of the combined company's product candidates, including expectations regarding timing of initiation and results of clinical trials of the combined company, the ability of Sesen Bio to remain listed on the Nasdaq Stock Market, the completion of the concurrent financing, and the receipt of any payments under the contingent value rights are forward-looking statements. Actual results may differ materially from those indicated by such forward-looking statements as a result of various important factors, including without limitation: (i) the risk that the conditions to the closing of the proposed transaction are not satisfied, including the failure to obtain stockholder approval of matters related to the proposed transaction in a timely manner or at all; (ii) uncertainties as to the timing of the consummation of the proposed transaction and the ability of each of Sesen Bio and Carisma to consummate the proposed transaction, including completing the concurrent financing; (iii) risks related to Sesen Bio's ability to correctly estimate its expected net cash at closing and Sesen Bio's and Carisma's ability to correctly estimate and manage their respective operating expenses and expenses associated with the proposed transaction; (iv) risks related to Sesen Bio's continued listing on the Nasdaq Stock Market until closing of the proposed transaction; (v) the risk that as a result of adjustments to the exchange ratio, Sesen Bio stockholders or Carisma stockholders could own less of the combined company than is currently anticipated; (vi) the risk that the conditions to payment under the contingent value rights will not be met and that the contingent value rights may otherwise never deliver any value to Sesen Bio stockholders; (vii) risks associated with the possible failure to realize certain anticipated benefits of the proposed transaction, including with respect to future financial and operating results; (viii) uncertainties regarding the impact any delay in the closing would have on the anticipated cash resources of the combined company upon closing and other events and unanticipated spending and costs that could reduce the combined company's cash resources; (ix) the effect of uncertainties related to the actions of activist stockholders, which could make it more difficult to obtain the approval of Sesen Bio stockholders with respect to the transaction related proposals and result in Sesen Bio incurring significant fees and other expenses, including for third-party advisors; (x) the occurrence of any event, change or other circumstance or condition that could give rise to the termination of the merger agreement; (xi) the effect of the announcement, pendency or completion of the merger on Sesen Bio's or Carisma's business relationships, operating results and business generally; (xii) costs related to the merger; (xiii) the outcome of any legal proceedings that may be instituted against Sesen Bio, Carisma or any of their respective directors or officers related to the merger agreement or the transactions contemplated thereby; (xiv) the ability of Sesen Bio or Carisma to protect their respective intellectual property rights; (xv) competitive responses to the proposed transaction and changes in expected or existing competition; (xvi) the success and timing of regulatory submissions and pre-clinical and clinical trials; (xvii) regulatory requirements or developments; (xviii) changes to clinical trial designs and regulatory pathways; (xix) changes in capital resource requirements; (xx) risks related to the inability of the combined company to obtain sufficient additional capital to continue to advance its product candidates and its preclinical programs; (xxi) legislative, regulatory, political and economic developments; and (xxii) other factors discussed in the "Risk Factors" section of Sesen Bio's Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and other reports filed with the Securities Exchange Commission (SEC). In addition, the forward-looking statements included in this communication represent Sesen Bio's and Carisma's views as of the date hereof. Sesen Bio and Carisma anticipate that subsequent events and developments will cause the respective company's views to change. However, while Sesen Bio may elect to update these forward-looking statements at some point in the future, Sesen Bio specifically disclaims any obligation to do so, except as required under applicable law. These forward-looking statements should not be relied upon as representing Sesen Bio's views as of any date subsequent to the date hereof.

Important Additional Information

In connection with the proposed transaction between Carisma and Sesen Bio, Sesen Bio filed with the SEC a registration statement on Form S-4 (as amended, the registration statement) that includes a proxy statement of Sesen Bio and also constitutes a prospectus of Sesen Bio with respect to shares of Sesen Bio common stock to be issued in the proposed transaction (proxy statement/prospectus). The definitive proxy statement/prospectus was first mailed to Sesen Bio stockholders on or about January 24, 2023. Sesen Bio may also file other relevant documents regarding the proposed transaction with the SEC. INVESTORS AND SECURITY HOLDERS ARE URGED TO READ THESE MATERIALS, INCLUDING THE REGISTRATION STATEMENT, THE DEFINITIVE PROXY STATEMENT/PROSPECTUS, AND ALL OTHER RELEVANT DOCUMENTS THAT ARE OR WILL BE FILED WITH THE SEC IN CONNECTION WITH THE PROPOSED TRANSACTION, INCLUDING ANY AMENDMENTS OR SUPPLEMENTS TO THESE MATERIALS, BECAUSE THEY CONTAIN OR WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION AND THE PARTIES TO THE PROPOSED TRANSACTION. Investors and security holders are able to obtain the definitive proxy statement/prospectus and other documents that are filed or will be filed by Sesen Bio with the SEC free of charge from the SEC's website at www.sec.gov or from Sesen Bio at the SEC Filings section of www.sesensbio.com.





No Offer or Solicitation

This communication shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offering of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended. Subject to certain exceptions to be approved by the relevant regulators or certain facts to be ascertained, a public offer will not be made directly or indirectly, in or into any jurisdiction where to do so would constitute a violation of the laws of such jurisdiction, or by use of the mails or by any means or instrumentality (including without limitation, facsimile transmission, telephone or internet) of interstate or foreign commerce, or any facility of a national securities exchange, of any such jurisdiction.

Participants in the Solicitation

Sesen Bio and Carisma and their respective directors, executive officers and other members of management may be deemed to be participants in the solicitation of proxies in respect of the proposed transaction. Information about Sesen Bio's directors and executive officers is available in Sesen Bio's Annual Report on Form 10-K for the fiscal year ended December 31, 2021, its definitive proxy statement dated April 28, 2022 for its 2022 Annual Meeting of Stockholders and its Current Report on Form 8-K filed with the SEC on August 31, 2022. Other information regarding the participants in the proxy solicitation and a description of their interests in the proposed transaction, by security holdings or otherwise, is included in the definitive proxy statement/prospectus and other relevant materials that are or will be filed with the SEC regarding the proposed transaction. Investors should read the definitive proxy statement/prospectus carefully before making any voting or investment decisions. You may obtain free copies of these documents from Sesen Bio or the SEC's website as indicated above.

Sesen Bio-Carisma Merger Delivers Compelling Value to Stockholders

 Substantial and Immediate Value	 Robust Strategic Alternatives Review Process	 Long-Term Opportunity Through Combined Company Ownership	 Stockholder Support
<ul style="list-style-type: none">Expected \$75M special cash dividend to be paid shortly after (and contingent upon) closingStockholders will benefit from any potential proceeds from any sale of Sesen Bio's legacy assets (including Vicineum)¹ and from the potential \$30M milestone payment under the Roche Asset Purchase Agreement²	<ul style="list-style-type: none">Proactively initiated comprehensive review of strategic options; evaluated merger, sale of assets, resumption of R&D and dissolution and liquidation of assets and wind-down of Sesen BioConducted over four months; outreach to 100+ companies, resulting in 42 bidsExtensive negotiations with Carisma to maximize valueThoroughly considered dissolution and liquidation; determined significant time, expense and uncertainty	<ul style="list-style-type: none">Sesen Bio stockholders to immediately own 24.2% stake in \$352M combined company³Significant long-term upside through Carisma's proprietary CAR-M platform, entirely novel immunotherapy approach that has the potential to change the way cancer and other serious diseases are treatedLed by Carisma Board and management team with strong investor supportMichael Torok (Investor Group⁴) to join Carisma Board upon close of the merger as only Sesen Bio representative and believes in Carisma's long-term value potential	<ul style="list-style-type: none">Several of Sesen Bio's largest stockholders, Investor Group and BML Investment Partners, pledged support for the pending mergerISS, a leading independent proxy advisory firm, recommends stockholders vote "FOR" ALL proposals related to the merger, including proposed reverse stock split

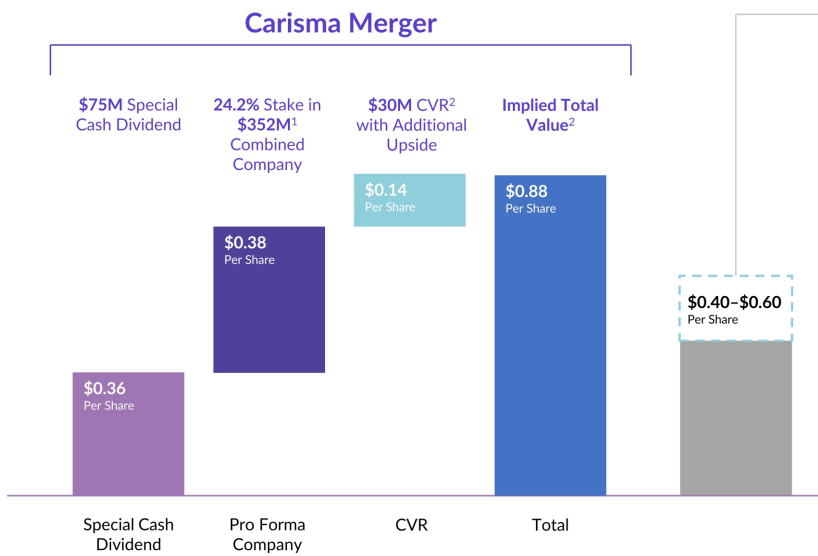
¹ Any such sales must occur prior to March 31, 2027 in order for potential proceeds to be distributed to stockholders

² Amounts reflect potential payments in the future and have not been discounted

³ Reflects pro forma company value including estimated equity value of Carisma (~\$196.0 million), implied value of Sesen Bio (~\$85.0 million assuming \$70.0 million cash available at closing), aggregate proceeds from Carisma pre-closing financing (~\$30.6 million) and fully diluted value of the Moderna convertible note (~\$40.1 million)

⁴ Bradley L. Radoff and Michael Torok, together with their respective affiliates, are referred to as the "Investor Group" and beneficially own approximately 8.5% of Sesen Bio's outstanding common stock of record as of January 17, 2023

Transaction Delivers Near-Term Value and Long-Term Upside, Meaningfully Better Than the Alternative



Dissolution and Liquidation

Additional Expense and Claims Management

- Only ~60-90%³ of cash balance estimated to be available for initial distribution to stockholders, ~\$0.40-\$0.60⁴ per share
- Remaining amount would fund wind-down of operations and reserves for current, potential future and unknown liabilities

Long Delay

- Up to **six months or more** after an additional stockholder vote to approve dissolution and liquidation
- Up to **three years** to fully settle after wind down

Significant Uncertainty

- Near-term special cash dividend without a concurrent transaction **extremely unlikely** outside the statutory dissolution process
- Amount and timing of an initial distribution in a dissolution and liquidation process is **uncertain**

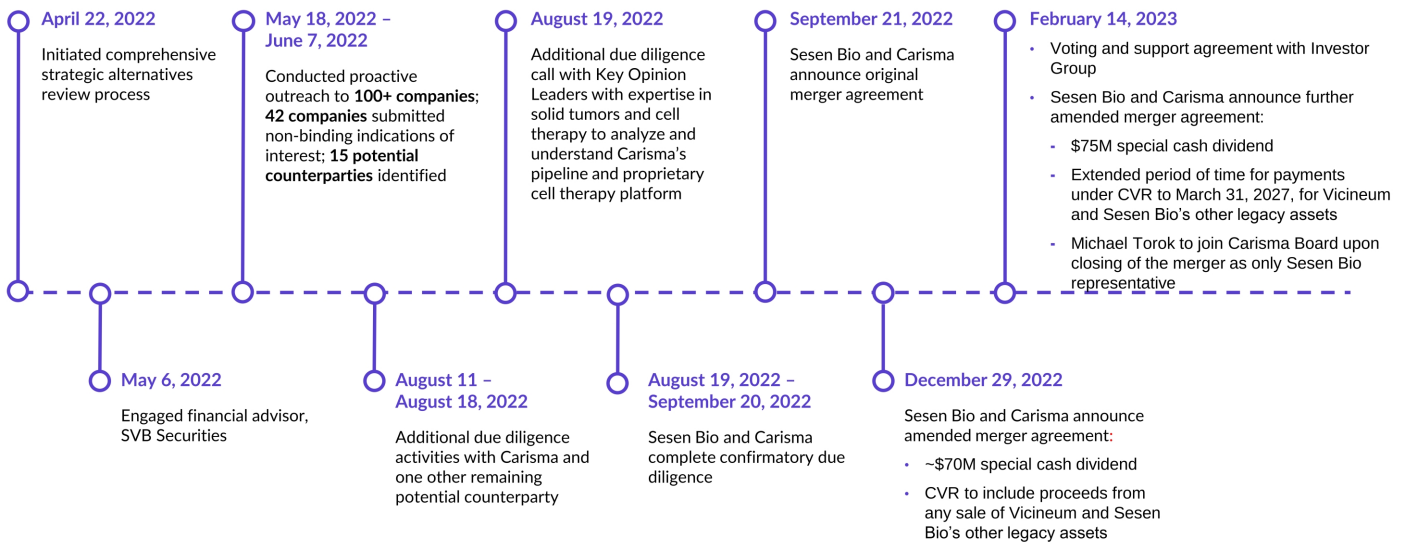
¹ Reflects pro forma company value including estimated equity value of Carisma (~\$196.0 million), implied value of Sesen Bio (~\$85.0 million assuming \$70.0 million cash available at closing), aggregate proceeds from Carisma pre-closing financing (~\$30.6 million) and fully diluted value of the Moderna convertible note (~\$40.1 million).

² Amounts reflect potential payments in the future and have not been discounted. Does not include potential proceeds from Vicineum or the Company's other legacy assets

³ Based on precedent liquidation processes and Company projections of potential liabilities and operating expenses

⁴ Assumes stockholder approval of dissolution in 2Q 2023 and a cash balance of approximately \$140 million at the estimated time of initial distribution

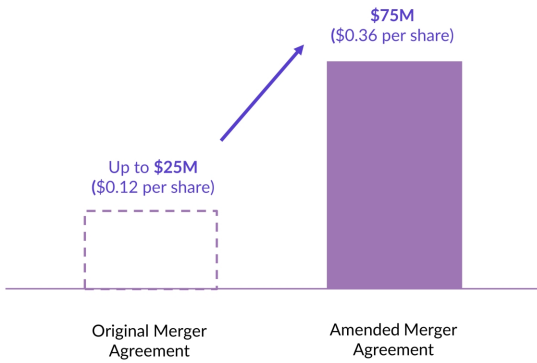
Sesen Bio Conducted Robust Four-Month Strategic Review Process



Independent and value creation focused Board with decades of experience in leadership positions within life sciences and biotech and significant transaction experience

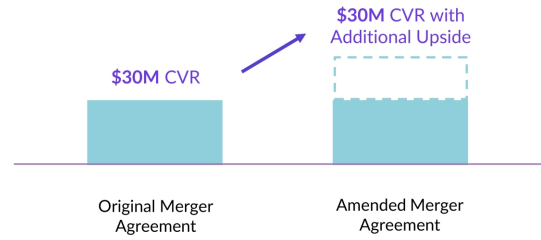
Sesen Bio Engaged Extensively with Stockholders and Delivered Enhanced Economic Terms for our Stockholders under the Amended Merger Agreement...

Enhanced Special Cash Dividend



Expanded CVR

- Original agreement included potential \$30M milestone payment under Roche Asset Purchase Agreement¹
- Expanded to include proceeds from any sale of Vicineum and Sesen Bio's other legacy assets through March 2027 + the potential \$30M milestone payment under Roche Asset Purchase Agreement (\$0.14/share)¹



Amended merger agreement delivers **even greater value** in connection with closing

¹ Amounts reflect potential payments in the future and have not been discounted. Does not include potential proceeds from the sale of Vicineum or the Company's other legacy assets

Transaction Compares Favorably to Precedent Reverse Merger Transactions

	Average*	Sesen Bio-Carisma
Ownership percentage of reverse merger company	30%	24.2%
Reverse merger company value	\$13.3M ¹	\$15M
Cash contribution from reverse merger company to pro forma company	52%	49%
Expected cash dividend issued in connection with transaction	\$0	\$75M
Number of bidders	12	42

Four-month strategic review process spanned 12 Board meetings

*Source: SEC filings of reverse merger transactions 2020-2022
¹ Average is of the 42 bids received

Sesen Bio is Engaging in Formal Sale Process For Vicineum

July 2022: Completed thorough reassessment of Vicineum program and determined to pause further development

- Analysis included evaluation of incremental development timeline and associated costs for additional Phase 3 clinical trial for treatment of non-muscle invasive bladder cancer based on FDA input from four key meetings
- Estimated additional clinical trial size of ~1,000 patients, costing at least \$200M and delay potential launch until at least 2030
- Negative return for program with dilution to existing stockholders outpacing estimated growth in company value

October 2022: With assistance of a financial advisor, initiated formal process for potential sale of Vicineum to a partner with larger infrastructure and potential synergies

- **Contacted nearly 60 companies** and engaged in follow-up discussions; continuing to assess counterparties to realize any potential value for Vicineum and other legacy assets

Today: Given ongoing discussions with potential partners, completing a sale may be challenging; amended CVR and extended period of time for payments to ensure any potential proceeds from sale of Vicineum or Sesen Bio's other legacy assets would go directly to Sesen Bio stockholders

\$0.88 implied per share value of pending merger with Carisma does not reflect any additional potential value from the sale of Vicineum or other legacy assets. **Any proceeds received from a potential sale would be additional upside for Sesen Bio stockholders.**

Carisma: Significant Opportunity to Become Breakthrough Therapeutics Company

Carisma Highlights

Carisma's Mission is to Develop Transformative Macrophage Targeted Therapies for Patients with Devastating Diseases

Cutting edge research and bioengineering:

- Proprietary platform for macrophage targeted therapies
- First-in-human study of CAR-Macrophages
- Autologous/ allogeneic/ in-vivo modalities
- Broad potential therapeutic applications, in oncology and beyond

Strong patent position covering all CAR-M therapies, with strong backing by strategic partners such as Moderna, AbbVie and Merck

Early clinical data for lead program demonstrating feasibility, tolerability, and MoA in HER2+ solid tumors

Validating partnership with Moderna to develop up to 12 in-vivo cancer therapies with \$80M upfront (\$45M cash plus \$35M equity in a convertible note), full R&D funding, and potential significant milestones and royalties

Multiple potential value inflection points expected over next 18 months and anticipated report of additional data in mid-2023, which could provide a relatively near-term catalyst for stockholders

Carisma: Valuation is Attractive and Supported by Rigorous Analysis and Strategic Rationale

Attractive Discounted Cash Flow Value

Implied equity value¹ range of ~\$225M to ~\$335M, above \$196M proposed Carisma valuation²

Leader in the CAR-M Space

Believed to be the only company to have demonstrated proof of mechanism and safety data in this therapy through human clinical trials

Strategic Attractiveness to Leading Biopharma Companies

The Company's CAR-M technology has broad applicability across multiple tumor types and has attracted strategic interest from leading biotechnology and pharmaceutical companies including Moderna, Novartis, AbbVie, and Merck

Significant Upcoming Value Inflection Points

Several upcoming value inflection points expected over next 18 months, including multiple clinical readouts, the first of which is expected in mid-2023

Source: Sesen Bio Definitive Proxy Statement (1/19/23), Company website

¹ Range of implied Carisma equity value per discounted cash flow analysis of SVB Securities as set forth in the definitive proxy statement/prospectus filed by Sesen Bio with the SEC on January 19, 2023

² Per Merger Agreement

Carisma: Strong Patent Position: Broad Coverage for Monocyte and Macrophage Targeted Therapies

Worldwide patent coverage with issued and pending applications in major markets

Multiple issued U.S. patents covering CAR-M composition of matter

Broad patent portfolio covering:

- Viral and non-viral methods for engineering monocytes and macrophages
- Methods for treatment of protein aggregate disorders
- Methods for in-vivo targeting of monocytes and macrophages

15

Patents granted worldwide

40+

Patent applications pending worldwide*

CAR-M = Chimeric Antigen Receptor Macrophage
* Total includes Carisma-owned patents and patents exclusively licensed from The University of Pennsylvania and New York University

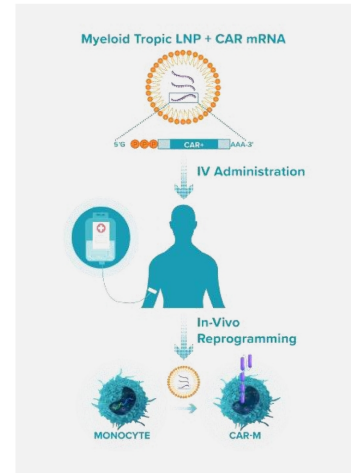
Carisma: Moderna Partnership Validates Approach and Provides Significant Potential Value Inflection Points

Broad partnership to develop mRNA based in vivo CAR-M for oncology

- Multi-year collaboration with options for up to 12 oncology targets
- Carisma receives \$45M up-front cash and \$35M equity in a convertible note
- Moderna provides full research funding, technology & expertise
- Carisma eligible for significant milestone and royalty payments

Promising data emerging with rapid execution on lead programs

- Multiple development programs initiated, with goal of adding 2-3 new programs/year
- LNP delivery demonstrating high specificity to myeloid cells and ability to re-dose
- High CAR expression, viability, and CAR-M function
- Animal studies initiated with PoC data expected in Q1 2023



Carisma: Strong Leadership Team and Advisors

Board of Directors

- Steve Kelly – President & CEO
- Sanford Zweifach – Chairperson
- Briggs Morrison – Independent Director
- Margarita Chavez – AbbVie Ventures
- Bjorn Odlander – HealthCap
- Regina Hodits – Wellington Partners
- Chidozie Ugwumba – SymBiosis

Key Advisors

- Saar Gill, MD, PhD – Penn (Co-Founder, Co-Inventor)
- Carl June, MD – Penn (Co-Inventor)
- Hyam Levitsky, MD – Century Tx
- Lisa Coussens, PhD – OHSU
- Prasad S. Adusmilli, MD FACS – MSKCC
- Nina Bhardwaj, MD, PhD – Mt Sinai
- Padmanee Sharma – MD, PhD – MD Anderson
- Reinhard Andreesen – MD, PhD
- S. Jane Flint – PhD
- Lin Guey – PhD

Carisma’s Management Team



STEVEN KELLY
President & CEO



MICHAEL KLICHINSKY, PHD
Co-Founder & CSO



DANIEL CUSHING, PHD
Chief Technology & Development Officer



RICHARD MORRIS
Chief Financial Officer



TOM WILTON
Chief Business Officer

- Combined company led by Carisma Board and management team, which has extensive cell therapy experience and a strong track record in oncology and drug development
- Steven Kelly named Ernst & Young Entrepreneur of the Year 2022 Greater Philadelphia
- Michael Klichinsky is co-founder of the technology at University of Pennsylvania
- Team has strong investor support, comprising of leaders within biotech, including AbbVie, Moderna, Wellington and TPG



Maximizing Value for Sesen Bio Stockholders

- ✓ **Board conducted robust process and no stone was left unturned.** Contacted **100+ parties**. Explored every possible scenario. Every time, the pending merger with Carisma delivered the most value for stockholders.
- ✓ **This is the best available option for stockholders:** Only remaining viable alternative is a court-managed dissolution and liquidation scenario, which would deliver less value and take longer, potentially taking years to complete.
- ✓ **Support from largest stockholders and ISS:** Several of Sesen Bio's largest stockholders, Investor Group and BML Investment Partners, pledged support and ISS, a leading independent proxy advisory firm, recommends stockholders vote "FOR" ALL proposals related to pending merger.

 Substantial and Immediate Value	 Robust Strategic Alternatives Review Process	 Long-term Opportunity Through Combined Company Ownership
<ul style="list-style-type: none"> • Expected \$75M special cash dividend to be paid shortly after (and contingent upon) closing • Stockholders will benefit from any potential proceeds from any sale of Sesen Bio's legacy assets (including Vicineum) and from the potential \$30M milestone payment¹ under the Roche Asset Purchase Agreement 	<ul style="list-style-type: none"> • Proactively initiated comprehensive review of strategic options • Conducted over four months; outreach to 100+ companies, resulting in 42 bids • Extensive negotiations with Carisma to maximize value 	<ul style="list-style-type: none"> • Sesen Bio stockholders to immediately own 24.2% stake in \$352M combined company² • Significant long-term upside through Carisma's proprietary CAR-M platform • Led by Carisma Board and management team with strong investor support • Michael Torok (Investor Group) to join Carisma Board upon close of the merger and believes in Carisma's long-term value potential

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