Tarsus Corporate Presentation

January 2021

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Legal Disclaimer

This presentation contains forward-looking statements that involve risks and uncertainties. Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based on our current expectations and projections about future events and financial trends that we believe may affect our financial condition, results of operations, business strategy, and financial needs. All statements other than statements of historical facts contained in this presentation, including any statements regarding our expectations of the potential market opportunity and patient populations for our product candidates, including TP-03,TP-04, and TP-05 if approved for commercial use, including comparisons between the market for treating blepharitis and the market for treating dry eye disease; the inability to grow the market in a similar way to the dry eye market may occur due to differences in the underlying diseases, different eye care professionals or patient attitudes towards the diseases, symptoms or treatment, regulatory approval, market dynamics, differences in company strategy, marketing or operations and differences in key assumptions which we have not taken into account in our analysis; the ability of our clinical trials to demonstrate acceptable safety and efficacy of our product candidates, and other positive results; the timing, progress and results of clinical trials for our product candidates, including statements regarding the timing of initiation and completion of studies or trials and related preparatory work, the period during which the results of the trials will become available, and our research and development programs; the timing, scope and likelihood of regulatory filings, NDA submissions and approvals; our ability to obtain marketing approvals of our product candidates and to meet existing or future regulatory standards or comply with post-approval requirements; our expectations regarding the potential advantages of our product candidates over existing therapies; the impact of COVID-19 on our business, clinical development programs and operations; our potential to enter into new collaborations; our expectations with regard to our ability to develop additional product candidates or product candidates for other indications; our ability to identify additional products, product candidates or technologies with significant commercial potential that are consistent with our commercial objectives; our ability to develop, acquire and advance additional product candidates into, and successfully complete, clinical trials; the initiation, timing, progress and results of our preclinical studies and clinical trials, and our research and development programs; the commercialization and market acceptance of our product candidates; our marketing and manufacturing capabilities; the pricing of and reimbursement for our product candidates; the implementation of our business model and strategic plans for our business and product candidates; regulatory development in the United States, Europe and other jurisdictions; our ability to effectively manage our anticipated growth; our financial performance and projections relating to our competitors and our industry, including competing therapies are forward-looking statements. The words “may,” “will,” “expect,” “anticipate,” “aim,” “estimate,” “intend,” “plan,” “believe,” “is/are likely to,” “potential,” “continue” and other similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. Forward-looking statements may involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from those expressed or implied by the forward-looking statements. Accordingly, readers are cautioned not to place undue reliance on these forward-looking statements. Except as required by applicable law, we do not plan to publicly update or revise any forward-looking statements contained herein, whether as a result of any new information, future events, changed circumstances or otherwise. No representations or warranties (expressed or implied) are made about the accuracy of any such forward-looking statements. Important factors that could cause our actual results to differ materially are detailed from time to time in the reports we file with the Securities and Exchange Commission, copies of which are posted on our website and are available from us without charge. However, new risk factors and uncertainties may emerge from time to time, and it is not possible to predict all risk factors and uncertainties.

Corporate Highlights

Potential for first-ever FDA-approved therapeutic for Demodex blepharitis. Significant market opportunity with no approved therapies

Pivotal clinical trials in 2021: Saturn-1 Phase 2b/3 top line data, Saturn-2 Phase 3 initiation

Completed five clinical trials, including two Phase 2b randomized control trials. **Consistently met safety and efficacy endpoints**

Pipeline with novel API advancing to Phase 2a proof of concept in MGD[2], and Phase 1/2 trials in rosacea[3], Lyme disease and malaria[4]

1 – The market for Demodex blepharitis may not be similar based on differences in the underlying disease, different ECP and patient attitudes, and treatment and/or key assumptions we have not taken into our analysis.
2 – We intend to rely on preclinical studies for Demodex blepharitis and clinical safety assessments from the Demodex blepharitis program in order to advance to Phase 2a for MGD. We have not conducted and we do not intend to conduct any preclinical studies with TP-03 for the treatment of MGD.
3 – We intend to leverage systemic preclinical data from our TP-03 program and augment with additional dermal preclinical studies to select formulation in order to advance to Phase 1/2. We have not conducted any preclinical studies in rosacea with TP-04 to date. See slide [24] (including the footnotes thereto) for more information.
4 –In relation to Lyme disease and malaria, we intend to leverage oral systemic preclinical data from our TP-03 program as well as third-party oral systemic preclinical studies for Lyme disease or community malaria reduction, respectively (and will not conduct our own preclinical studies for Lyme disease and malaria). See slide [24] (including the footnotes thereto for more information.

Tarsus Executive Leadership Team

Bobby Azamian, M.D., Ph.D., CEO, Co-Founder
- Former CEO/CMO Metavention
- Extensive investment/entrepreneurial experience with Versant and Third Rock Ventures
- Medicine at Brigham, M.D., Harvard, Ph.D. Chemistry, Oxford

Metavention · VERSANT ventures · THIRD ROCK VENTURES

Michael Ackerman, Ph.D., Chairman, Co-Founder
- CEO Presidio Medical
- Former Chairman, Oyster Point Pharma
- Former CEO Oculeve, VP Neurostimulation Allergan

PRESIDIO MEDICAL · OYSTER POINT · OCULEVE · Allergan

Sesha Neervannan, Ph.D., Chief Operating Officer
- Former SVP Global Pharmaceutical Development, Allergan
- 25+ years drug development experience, with deep expertise in ophthalmic and dermatology products
- Prior drug development experience at Amgen and BMS

Allergan · AMGEN · Bristol Myers Squibb

Aziz Mottiwala, Chief Commercial Officer
- Former CCO Opiant, and Head of Commercial at Avanir
- Former VP, Marketing Allergan Eye Care,(Restasis®, Lumigan®)
- 20+ years of Commercial experience, with 10+ years in eye care

opiant · AVANIR PHARMACEUTICALS · Allergan

Leo Greenstein, Chief Financial Officer
- Former SVP, Finance & Corporate Controller of Spectrum Pharmaceuticals, Inc.
- 20+ years of finance leadership within publicly-traded companies
- Certified Public Accountant and Member of State Bar of California

SPECTRUM PHARMACEUTICALS · Endologix · CLARIENT

Elizabeth Yeu, M.D., Chief Medical Advisor
- Nationally recognized leader in Ophthalmology
- Cornea, Cataract, Refractive and Ocular surface specialist
- Future President American Society of Cataract and Refractive Surgeons (ASCRS)

VIRGINIAeye consultants · ASCRS

Dianne Whitfield, MSW, Chief Human Resources Officer
- Former VP, Head of HR Evolus
- 20+ years HR leadership including multiple roles at Allergan
- Extensive experience supporting both commercial and R&D organizations

evolus · Allergan

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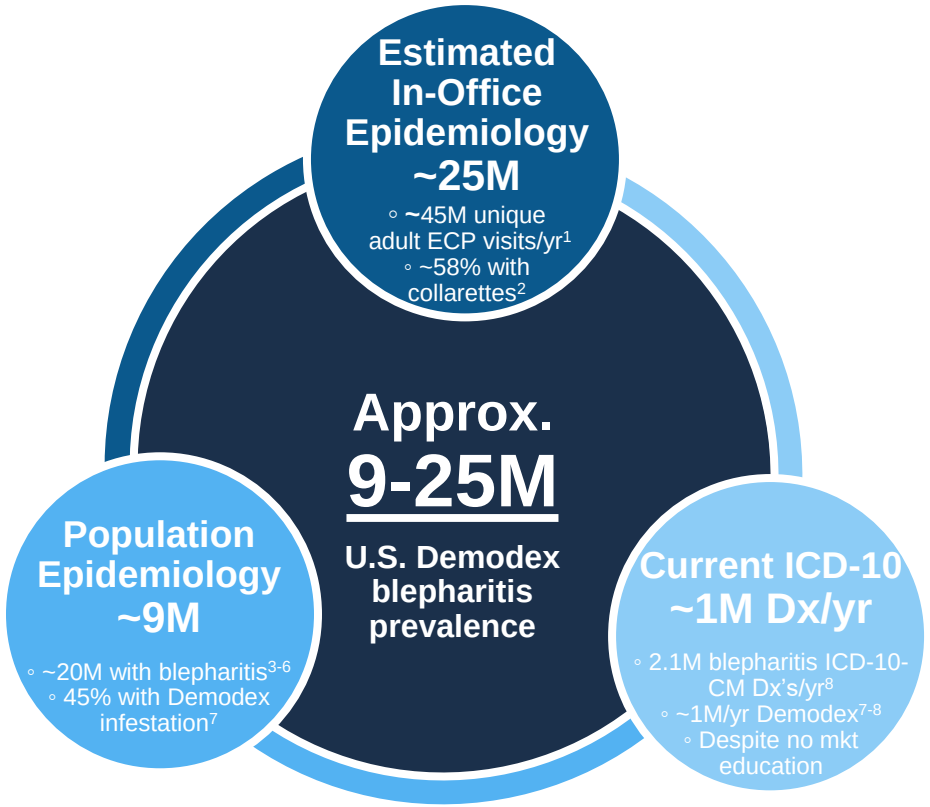
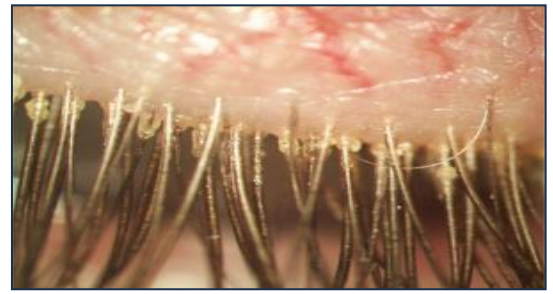
Our Mission

To discover and deliver breakthrough treatments to transform the lives of patients with common and poorly treated diseases, starting with the eye

Blepharitis is a Large and Underserved Market in Eye Care

Epidemiology of Demodex Blepharitis





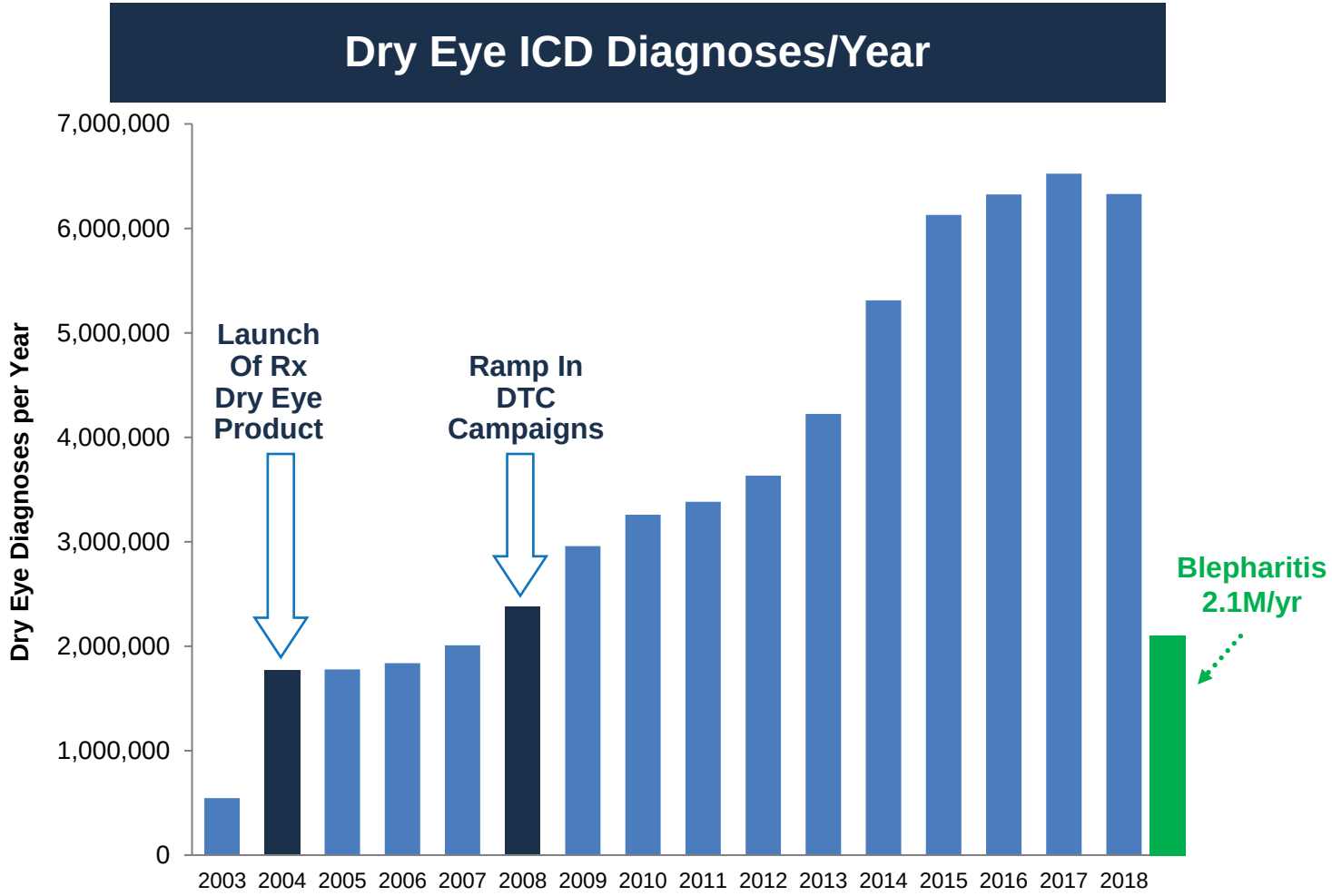
Largely Underdiagnosed, Education Needed	~ 58% of <u>all patients</u> in the eye clinic have collarettes[2] but current impression of only 10-15% of blepharitis cases
Significant head start on Diagnosis	2.1M ICD-10 **Blepharitis** Dx's/yr[8]
Blepharitis Routinely Causes	Eyelids to become red, irritated and itchy, with debris on the eyelashes.[9]
Blepharitis Can Lead To	Blurring of vision, missing or misdirected eyelashes, and inflammation of other eye tissue, particularly the cornea[4]
Concomitant Dry Eye	Significant overlap in **Dry Eye** patients. Demodex prevalent in ~69% of DE patients[5]
Blepharitis and Surgery	Important factor for maximizing surgical outcomes: 67% of **Cataract Patients** have Demodex blepharitis[6]
Contact Lens Drop-out	Studies have shown a direct correlation between Demodex blepharitis and **Contact Lens** intolerance[10]
Prescription Treatment	None

1. Wilson J Ophthalmology 2015, 435606, 2014; 2. Tarsus collarette prevalence study; 3. MGD Report IOVS, Special Issue 2011, Vol. 52, N. 4; 4. American Optometric Association; 5.Cheng Cornea Sept 2020; 6. IOVS June 2020; 7. Zhao - Ophthalmic Epidemiology, 19(2), 95–102, 2012; 8. Symphony Claims Data Analysis; 9. Harmon, Market Scope Dry Eye Analyst Report, 2014 10. Tarkowski W, Moneta-Wielgoś J, Młocicki D. Demodex sp. as a Potential Cause of the Abandonment of Soft Contact Lenses by Their Existing Users. Biomed Res Int. 2015;2015:259109

Blepharitis has Potential Similarities to Dry Eye Market 15 Years Ago

Potential Large Latent Demand for a New Therapy

- Dry eye is a similar ocular surface disease to Blepharitis, that is likewise treated by ECPs*
- Large untapped patient population that was activated through education of ECPs and patients
- In 2003, no approved dry eye therapeutics
  - With approval of a prescription therapeutic and concurrent ECP and patient education, diagnosis rate increased 12 times
- Blepharitis already has 2.1 million diagnoses per year, despite no approved therapies
- Collarette prevalence study suggests Demodex blepharitis prevalence > 2 times dry eye prescriptions across MD and OD clinics



**The market for Demodex blepharitis may not be similar based on differences in the underlying disease, different ECP and patient attitudes, and treatment and/or key assumptions we have not taken into our analysis.*

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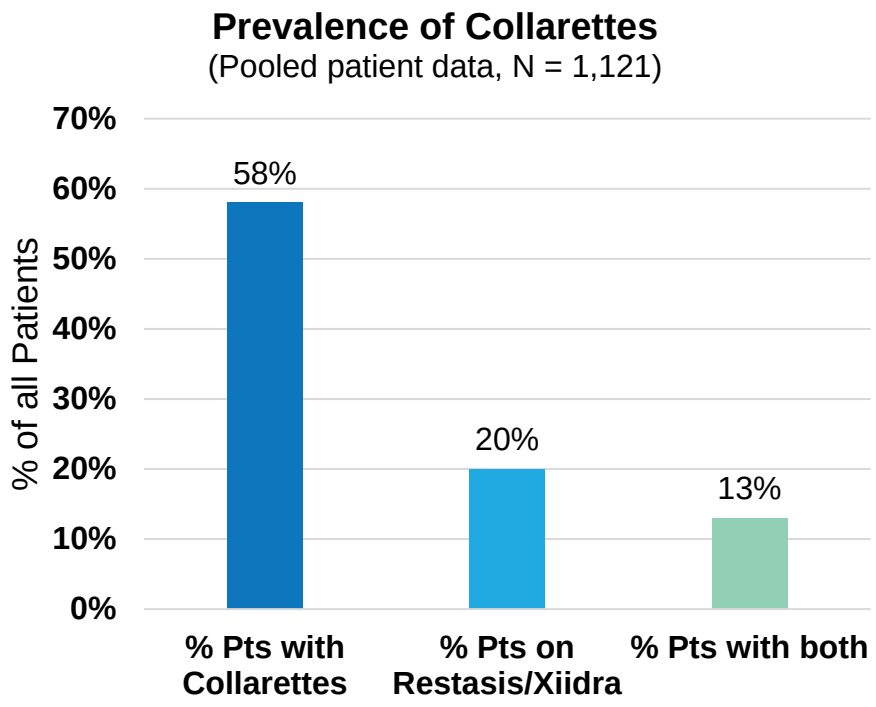
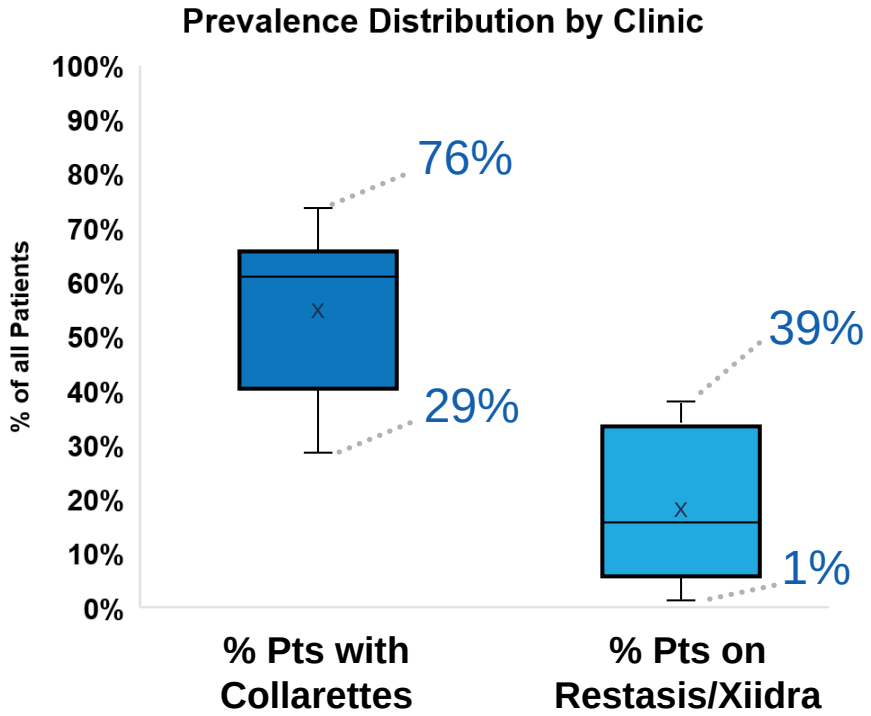
Half of All Patients Entering Clinic have Collarettes

- Since Demodex is newly appreciated as a cause of blepharitis, Tarsus performed the first-ever Demodex blepharitis in-clinic prevalence study
- Methods: every consecutive patient seen by the clinic is evaluated for
  1. Presence of collarettes (the pathognomonic sign and key diagnostic for Demodex blepharitis)
  2. Whether they have an active Rx for dry eye (Restasis® or Xiidra®)
- N = 1,121 consecutive patients, 8 clinics (MDs and ODs, geographically diverse)



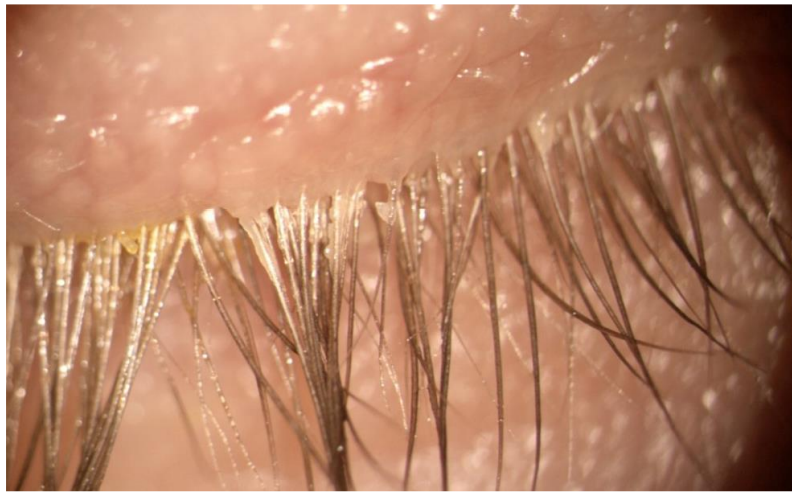


Note: Data from Tarsus Collarette Prevalence Study

Collarettes Are Pathognomonic Sign of Demodex Infestation

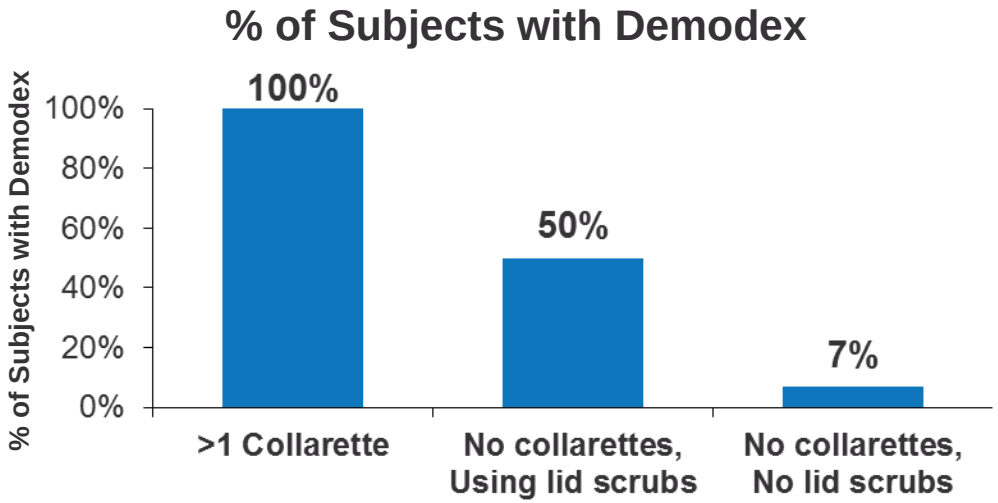
Collarettes Are Composed of Mite Waste Products and Eggs[1]

- Regurgitated undigested material combined with epithelial cells, keratin, and mite eggs
- Contain digestive enzymes, which cause irritation



Easily and Rapidly Diagnosed with Standard Eye Exam

- Demodex mites found on 100% of lashes with collarettes[2]
- Collarettes found in ~ 58% eye care patients[3]



1. Fromstein 2018
2. Gao et al., Invst Ophth and Vis Sci, September 2005, Vol. 46, No. 3089-3094
3. Tarsus Collarette Prevalence Study

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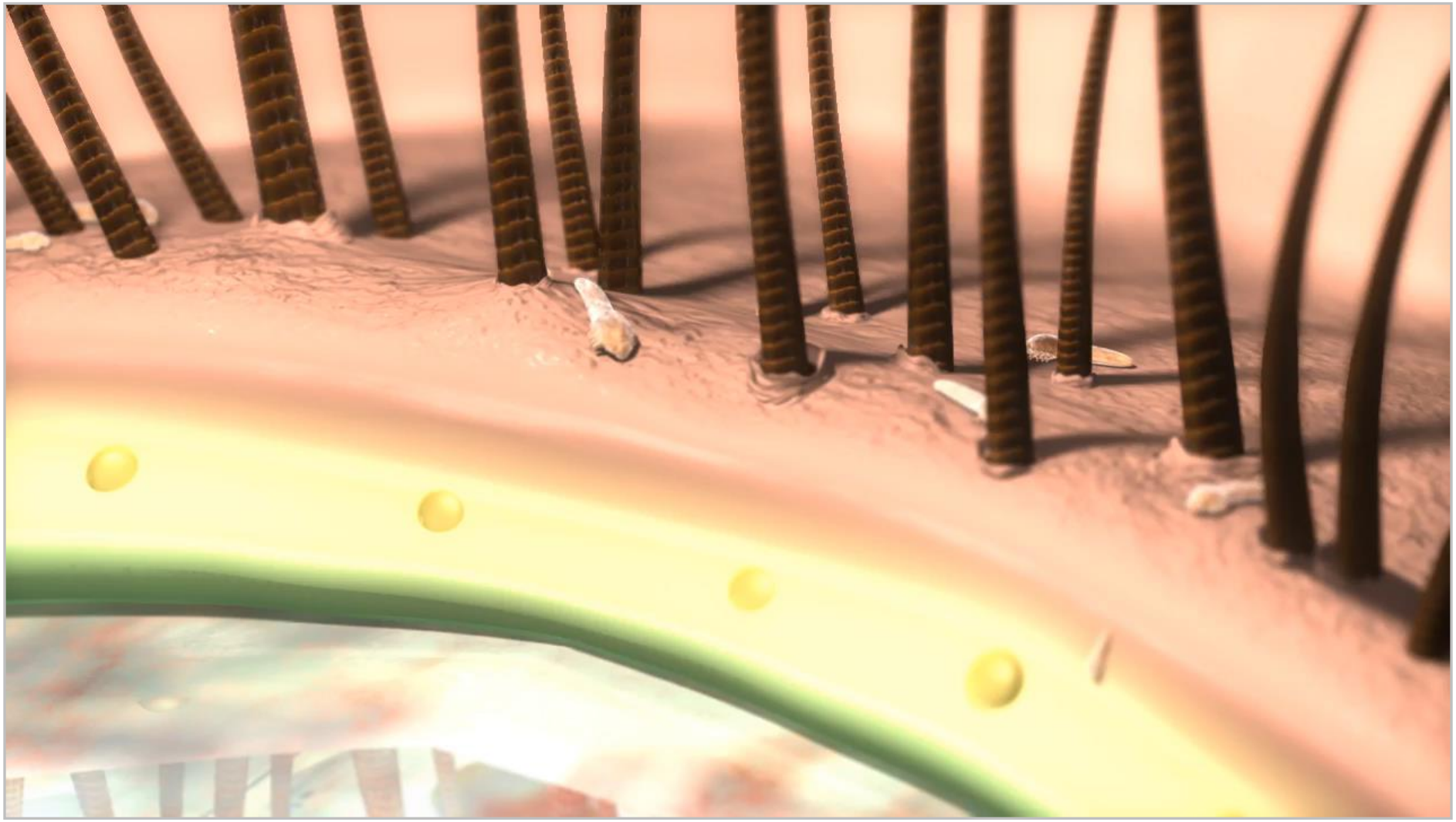
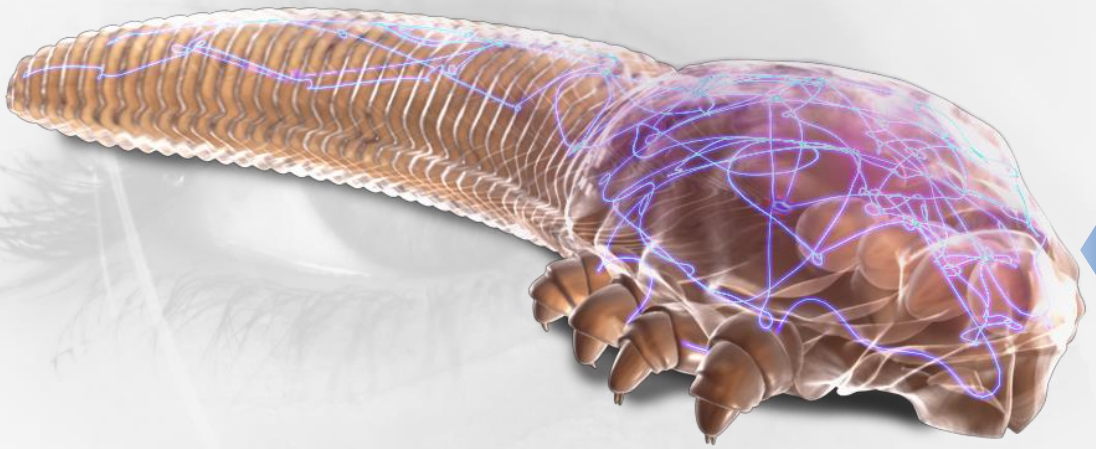
TP-03 is Designed to Eradicate Demodex Mites and Treat Demodex Blepharitis

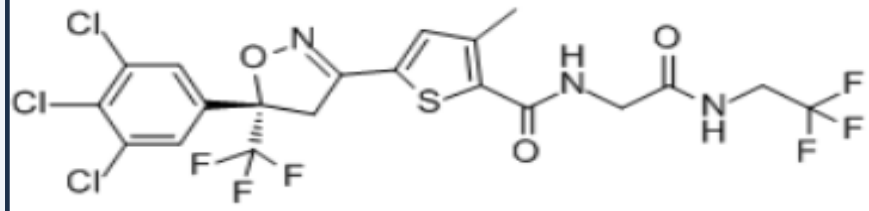


TP-03 is a Novel Therapeutic Designed to Eradicate Demodex Mites and Treat Demodex Blepharitis

TP-03 is designed to paralyze the mite nervous system through parasite-specific GABA inhibition



Lotilaner



- Potent non-competitive antagonist of insect and arachnid GABA-Cl channels
- Highly lipophilic molecule, which may promote its uptake in the oily sebum of the hair follicle, where the mites reside
- **Tarsus has licensed worldwide rights to lotilaner for all human uses**

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TP-03 is a Novel Drug Designed to Treat Demodex Blepharitis by Eradicating Mites and Collarettes[1]

Product Form	Multi-dose eye drop solution bottle, preserved
Targeted Use	Treatment of Demodex blepharitis
MOA	Paralysis and death of Demodex mites
Diagnosis	Collarettes identified in standard eye examination
Dosing	BID* for 6 weeks
Efficacy Goal	1º collarette cure rate, 2º mite eradication, 2º redness + collarette cure rate
Safety Goal	Well-tolerated safety profile

*BID means twice per day

1. TP-03 Product profile based on Saturn-1 Trial Design

Extensive Clinical Trial Program for TP-03

Trial / Study	Design	Endpoints	Results Achieved		Status
PoC: Mercury	Ex-vivo mite testing on 80 mites	Ex-vivo mite death count	**100%** mites dead within 24 hours ($p < 0.001$)		✓
Clinical Trials			**Collarette Cure Rate****	**Mite Eradication Rate**	
P2a: Mars *	28-day BID dosing, single arm (n=15) Pilot formulation	Collarette grade Mite density Safety	**86%** at 28 days ($p < 0.05$)	**57%** at 28 days ($p < 0.05$)	✓
P2b: Jupiter *	28-day BID dosing, randomized 1:1 (n=60) Pilot formulation	1º – Mite density Safety 2º – Collarette grade	**88%** at 28 days ($p < 0.001$)	**67%** at 28 days ($p < 0.005$)	✓
P2a: Io **	42-day BID dosing, single arm (n=18) Current formulation	1º – Collarette cure rate 2º - Mite eradication Safety	**72%** at 42 days ($p < 0.05$)	**78%** at 42 days ($p < 0.05$)	✓
P2b: Europa **	42-day BID dosing, randomized 1:1 (n=54) Current formulation	1º – Collarette cure rate 2º – Mite eradication 2º – Redness Composite Safety	**80%** at 42 days ($p < 0.001$)	**73%** at 42 days ($p = 0.003$)	✓
P2b/3: Saturn-1 ** †	42-day BID dosing, randomized 1:1 (n≥350) Current formulation	1º – Collarette cure rate 2º – Mite eradication 2º – Redness Composite Safety	Trial initiated in September 2020		
P3: Saturn-2 ** ††	42-day BID dosing, randomized 1:1 (n=350) Current formulation	1º – Collarette cure rate 2º – Mite eradication 2º – Redness Composite Safety	Initiate trial in 2021		

Two Pivotal Trials

* The Mars and Jupiter trials used collarette grade as an endpoint, which has been translated into a collarette cure (defined as <10 collarettes). This is different from the collarette cure (defined as ≤2 collarettes) endpoint used in Io, Europa, Saturn-1 and the planned Saturn-2 trials. The Mars and Jupiter trials also used mite density as an endpoint, which is different from mite eradication. Mite density is translated into mite eradication, which is defined as zero mites per lash consistently throughout trials.
** Primary endpoint in Io, Europa, Saturn-1 and intended in Saturn-2 is collarette cure based on collarette grade.
† In connection with our IND application, a "no-objection" letter was received from the FDA regarding the trial design of the Saturn-1 trial.
††Saturn-2 design is highly comparable to that of Saturn-1 with respect to which the FDA raised no-objection and we expect to update the IND protocol prior to commencing Saturn-2.

Represents pivotal trial

Same formulation of TP-03 as expected in the Saturn trials

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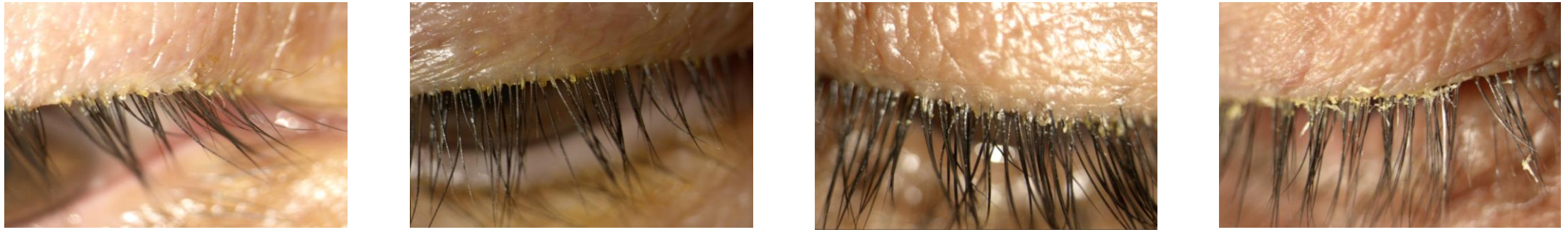
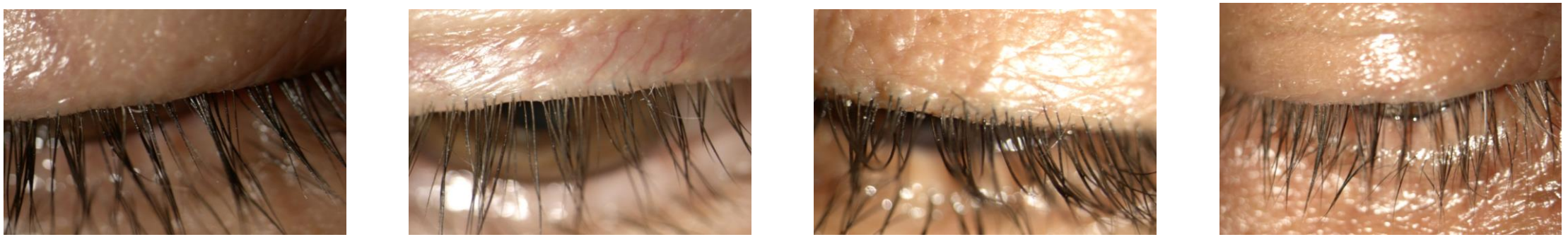
Cure of Collarettes with BID Use of TP-03

Baseline



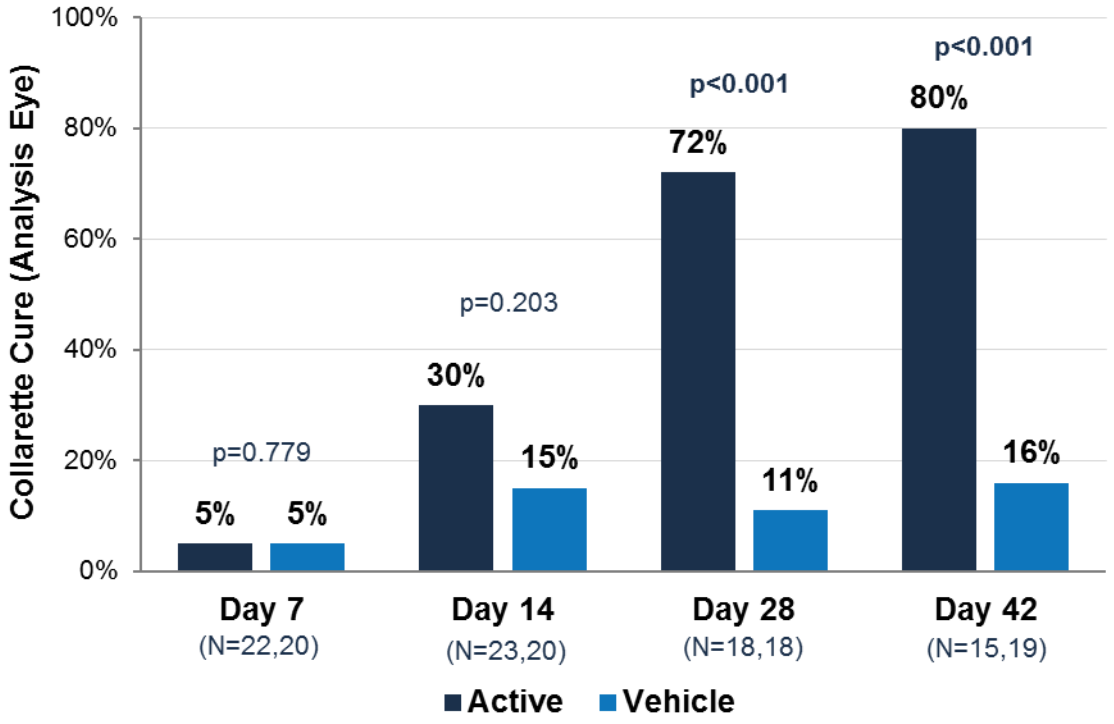
Post Treatment



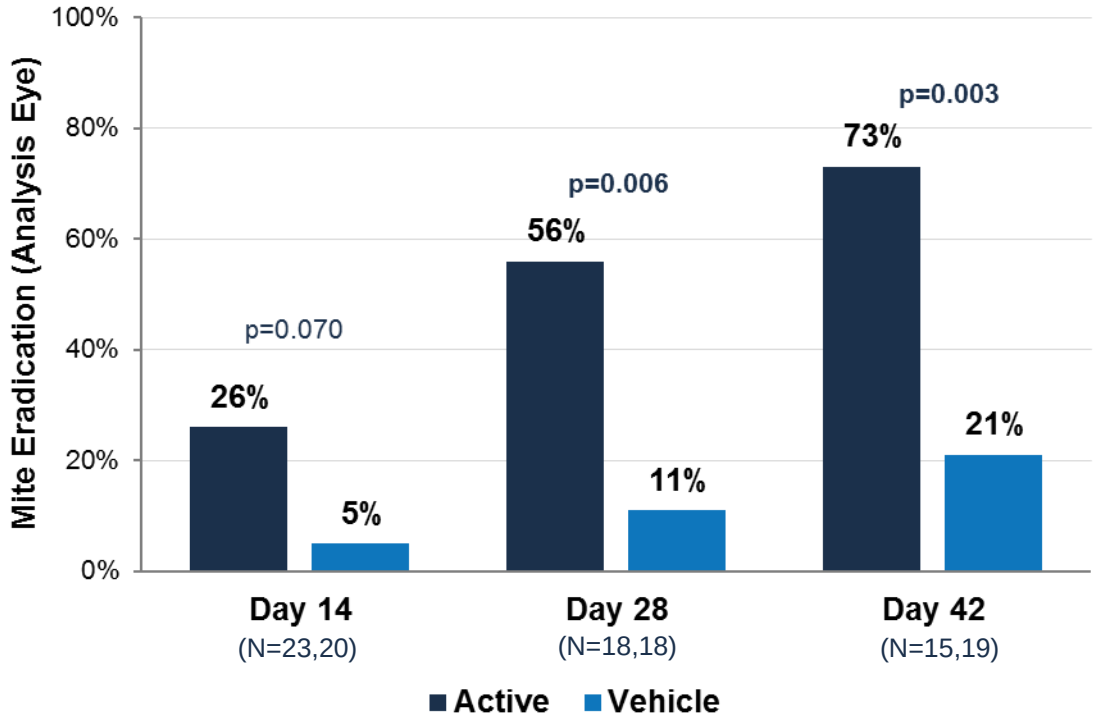
Europa Phase 2b: Results Consistent with Jupiter Trial

Primary and secondary efficacy endpoints same as Saturn-1 trial

Collarette Cure (0-2 collarettes)*



Mite Eradication (0 mites)



* The primary efficacy endpoint was the proportion of patients experiencing a cure based on collarette grade of two or fewer collarettes on the eyelid, or collarette cure, as compared to the vehicle control, at day 42.

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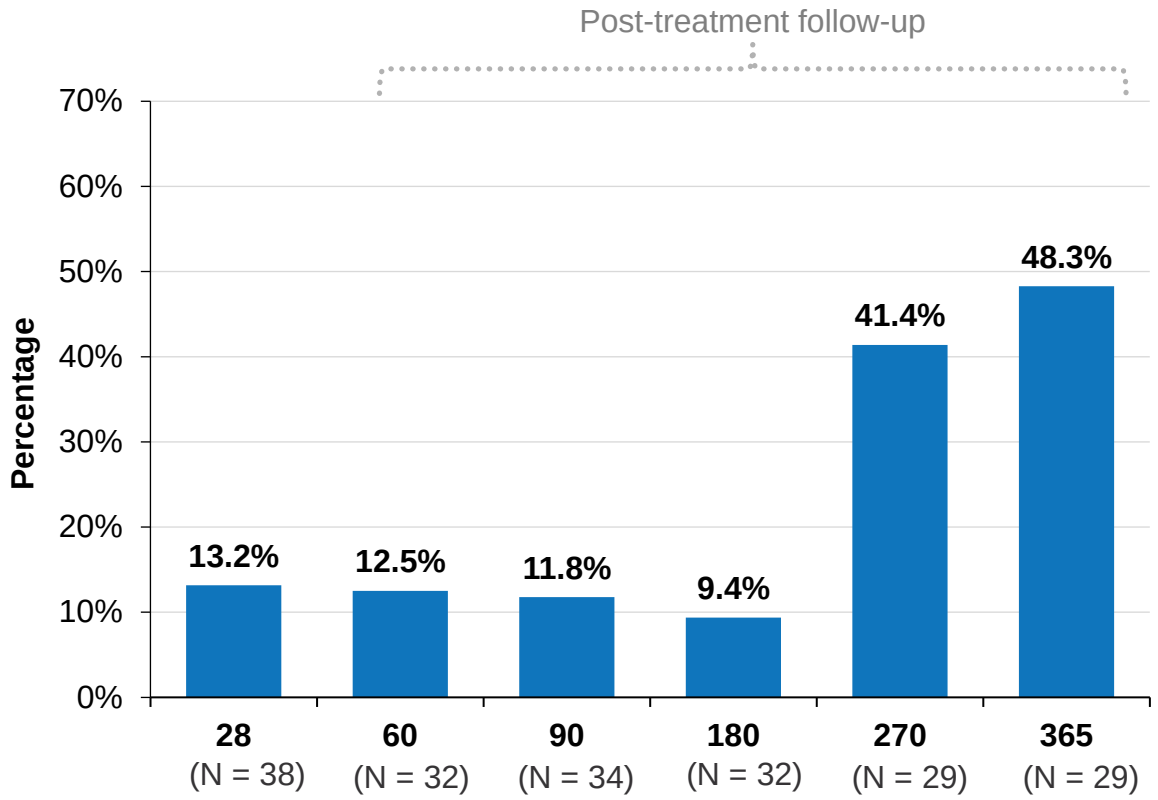
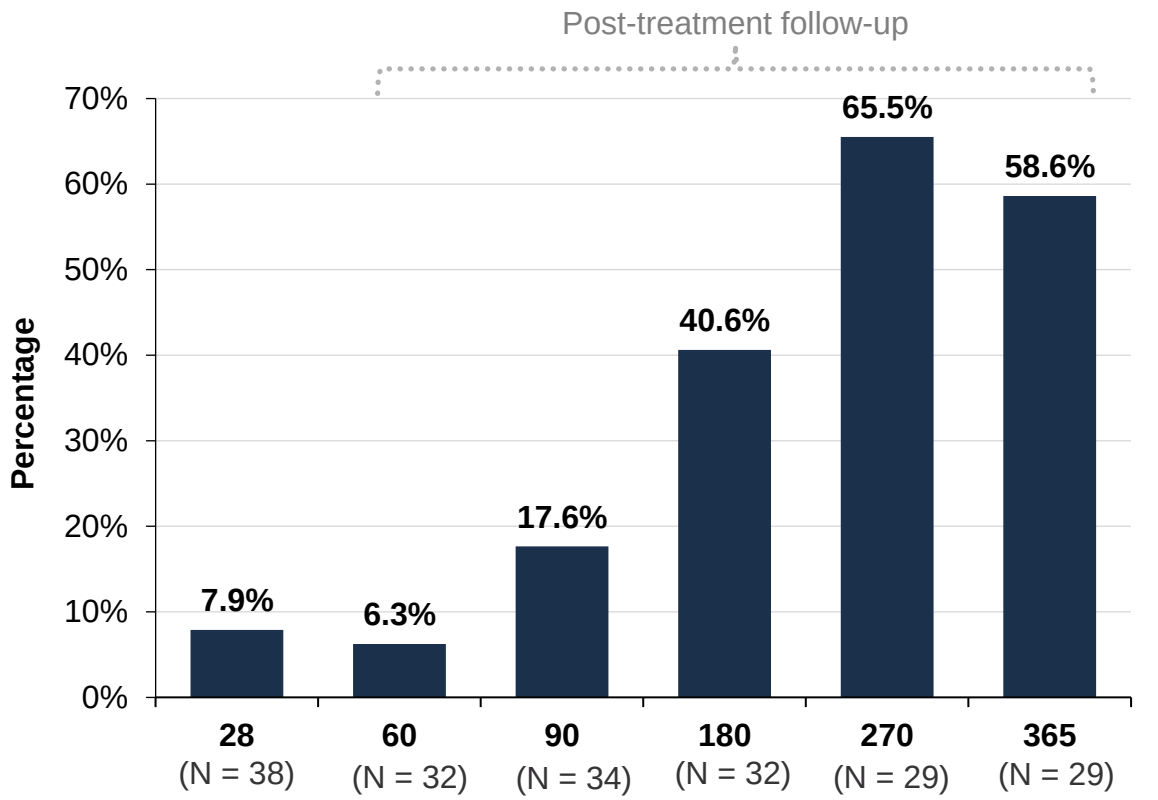
TP-03 Phase 2 Clinical Data Show Recurrence Rate of Clinical-Grade Demodex Blepharitis Post-Treatment

Post treatment data from Mars & Jupiter trials show recurrence of both collarettes & mite density

>10 Collarettes on Lid



Mite Density of 1.0 or More



Data account for presence of collarettes or mites on either eye, (upper eyelid for collarette score)

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TP-03 has Significant Market Potential in Demodex Blepharitis

Opportunity comparable to established ophthalmic therapeutics

Large addressable patient population

- High prevalence of an estimated 25 million patients and untapped educational opportunity similar to Dry Eye*
- 2.1 million current ICD-10 blepharitis diagnoses per year in U.S. (estimated 45% of these with Demodex infestation)
- Besides blepharitis, patients commonly present at ECPs with other conditions such as dry eye, cataracts, and contact lens discomfort

ECPs are generally believed to be comfortable treating ocular surface disease and respond to marketing education

- 25k active prescribers
- We have observed a significant willingness to prescribe by ECPs
- Physicians can identify patients during routine exams without any new diagnostics or significant impact on chair time

Potential for favorable reimbursement

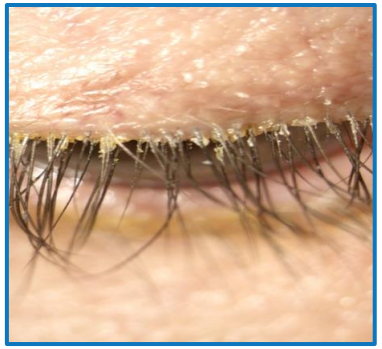
- Potential to be the first approved prescription treatment for Demodex blepharitis, strong and predictable outcomes drive value for payers
- We believe a novel treatment will drive compelling pricing and modest discounts
- With no current standard of care, we believe minimal barriers or restrictions are likely for broad patient access

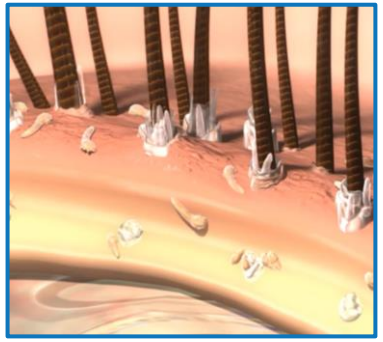
*The market for Demodex blepharitis may not be similar based on differences in the underlying disease, different ECP and patient attitudes, and treatment and/or key assumptions we have not taken into our analysis

Key Strategies For Potential Commercial Success

Education on prevalence of Demodex blepharitis

- Focus on impact of disease and simplicity of diagnosing via collarettes
- Clear patient profiles based on patients that are already in the practice (untreated blepharitis, dry eye, cataracts, contact lens discomfort)
- Timely deployment of specialty sales force calling on key ECPs





Position TP-03 for broad market access

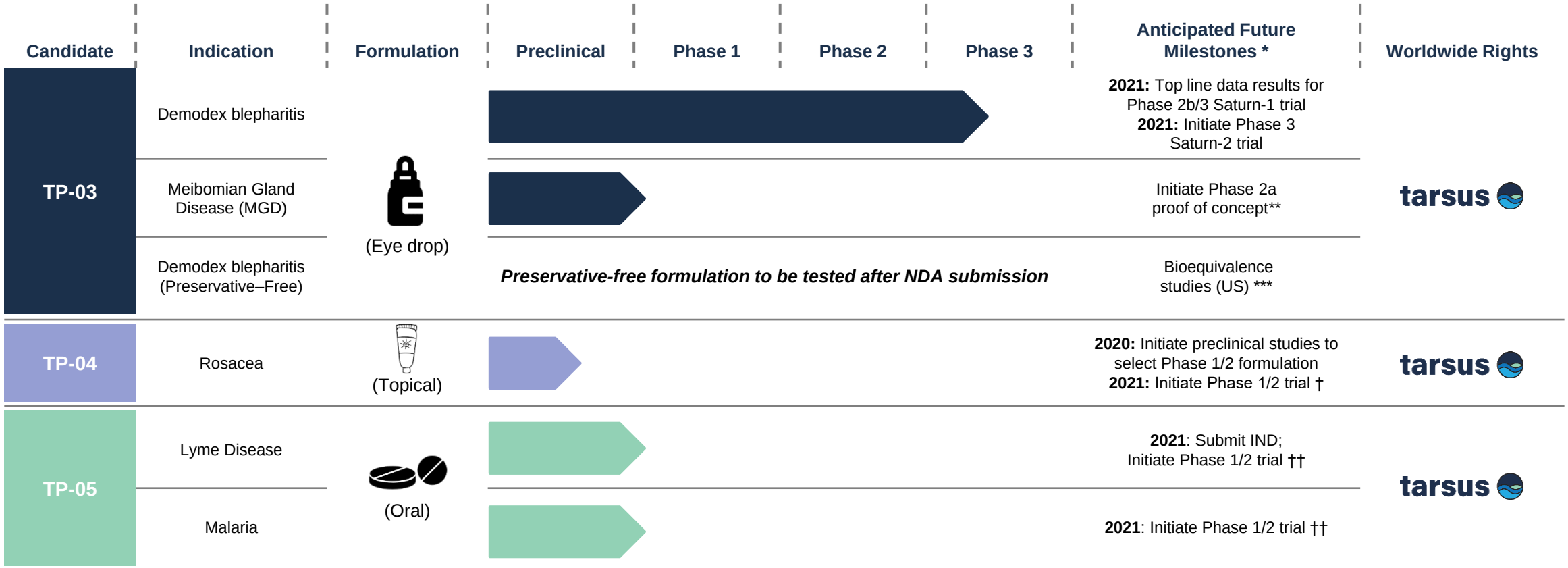
- Strategic contracting and patient discounting to support access and patient affordability
- Physician and patient programs centered on frictionless prescription fulfillment

Innovative consumer engagement

- Leverage social media, and other DTC channels to share motivating, visual disease story
- Emerging use of telemedicine may offer potential to quickly diagnose patients
- Growing Optometric prescribing allows for early patient identification

Pipeline with Different Formulations of Novel API

Anticipated clinical trial events in our programs in 2021



* Anticipated milestones are subject to the impact of the ongoing COVID-19 pandemic on our business and those of our partners.

** We intend to rely on preclinical studies and clinical safety assessments from the Demodex blepharitis program. We have not conducted and do not intend to conduct any preclinical studies with TP-03 for the treatment of MGD in order to advance to Phase 2a.

*** We intend to leverage all preclinical, Phase 2 and Phase 3 data from the TP-03 Demodex blepharitis program. We intend to conduct *in vitro* or *in vivo* bioequivalence studies with our preservative-free formulation to compare it to the current preserved formulation of TP-03 in Demodex blepharitis after NDA submission and file a supplement.

† We intend to leverage systemic preclinical data from our TP-03 program and augment with additional dermal preclinical studies to select formulation in order to advance to Phase 1/2, which we intend to conduct outside the United States. We may need to address this approach with the FDA if we were to conduct a clinical trial in the United States. We have not conducted any preclinical studies in rosacea with TP-04 to date.

†† In relation to Lyme disease and malaria, we intend to leverage oral systemic preclinical data from our TP-03 program as well as third-party oral systemic preclinical studies for Lyme disease or community malaria reduction, respectively (and will not conduct our own preclinical studies for Lyme disease and malaria). The formulations used in preclinical studies use the common approach of a gavage that is scaled as appropriate for use in animals. However, human administration, while continuing to be oral, will take the form of a tablet or capsule. Subject to FDA feedback from our planned pre-IND meeting, we intend to conduct Phase 1/2 trials in these indications based on these preclinical studies. In relation to malaria, we may conduct our Phase 1/2 trial outside the United States. While we plan to discuss this approach for Lyme disease in a planned pre-IND meeting with the FDA, the FDA may reject our use of data from these preclinical studies and require us to conduct additional preclinical studies before advancing to clinical trials, which may delay our expected timelines for approval and increase costs.

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Tarsus Summary

- TP-03 is a novel therapeutic with potential to be the first FDA-approved therapeutic and the standard of care for the treatment of Demodex blepharitis
- Clinical efficacy and safety endpoints consistently achieved across multiple Phase 2 studies
- Phase 2b/3 Saturn-1 **currently enrolling and treating patients, topline expected in 2021**, followed by initiation of Phase 3 Saturn-2 trial in 2021[1]
- Clinical stage pipeline with potential applications to other indications in MGD, rosacea, Lyme disease, and malaria
- Multiple clinical events anticipated in 2021
- Current cash position is expected to be sufficient to complete Phase 3 trials and NDA submission for TP-03, while advancing our pipeline and corporate/operations growth **into the fourth quarter of 2022.**

1. Both subject to the impact of the ongoing COVID-19 pandemic