Tarsus Pharmaceuticals

Third Quarter 2024
Financial Results Conference Call

November 13, 2024

Today's Speakers

Bobak Azamian, M.D., Ph.D.

Chief Executive Officer and Chairman

Aziz Mottiwala

Chief Commercial Officer

Sesha Neervannan, Ph.D.

Chief Operating Officer

Jeff Farrow

Chief Financial Officer and Chief Strategy Officer

Forward-Looking Statements

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 about future events that we believe may affect our financial condition, results of operations, business strategy, and financial needs. These statements include statements regarding the potential commercial success and growth of XDEMVY in Demodex blepharitis, including market size, acceptance, demand, prescription fill rate and adoption rate for XDEMVY; our ability to successfully implement our sales force expansion and new direct-to-consumer campaign; our ability to achieve distribution and patient access for XDEMVY and timing and breadth of payer coverage; our ability to continue to educate the market about Demodex blepharitis; anticipated regulatory and development milestones including potential Europe and Japan regulatory pathways and approval for XDEMVY; the results of our clinical studies; our ability to continue investing in our business, the potential benefits of the new executive and board member, and the quotations of Tarsus' management. The words, without limitation, "believe," "contemplate," "continue," "could," "estimate," "expect," "intend," "may," "might," "plan," "potential," "predict," "project," "should," "target," "will," or "would," or the negative of these terms or other similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these or similar identifying words. Actual results may differ materially from those indicated by such forward-looking statements as a result of various important factors. Important factors that could cause actual results to differ materially from those in the forward-looking statements include: Tarsus is heavily dependent on the successful commercialization of its lead product, XDEMVY for the treatment of Demodex blepharitis and the development and regulatory approval and commercialization of its current and future product candidates; Tarsus' ability to obtain and maintain regulatory approval for and successfully commercialize its products, including XDEMVY for the treatment of Demodex blepharitis, and its product candidates to meet existing and future regulatory standards; Tarsus has incurred significant losses and negative cash flows from operations since inception and anticipates that it will continue to incur significant expenses and losses for the foreseeable future; Tarsus' capital requirements are difficult to predict and may change; Tarsus may need to obtain additional funding to achieve its goals and a failure to obtain this necessary capital when needed on acceptable terms, or at all, could force Tarsus to delay, reduce, or eliminate its product development programs, commercialization efforts or other operations; Tarsus may not be successful in educating healthcare professionals and the market about the need for treatments specifically for Demodex blepharitis and other diseases targeted by XDEMVY or our product candidates; the development and commercialization of Tarsus products is dependent on intellectual property it licenses from Elanco Tiergesundheit AG; Tarsus expects to expand its development, regulatory, operational and sales and marketing capabilities and Tarsus may encounter difficulties in managing its growth, which could disrupt its operations; the sizes of the market opportunity for XDEMVY and Tarsus' product candidates, particularly TP-04 for the treatment of Rosacea, as well as TP-05 for the prevention of Lyme disease, have not been established with precision and may be smaller than estimated; the results of Tarsus' earlier studies and trials may not be predictive of future results; any termination or suspension of, or delays in the commencement or completion of, Tarsus' planned clinical trials could result in increased costs, delay or limit its ability to generate revenue and adversely affect its commercial prospects; if Tarsus is unable to obtain and maintain sufficient intellectual property protection for its product candidates, or if the scope of the intellectual property protection is not sufficiently broad, Tarsus' competitors could develop and commercialize products similar or identical to Tarsus' products; and if Tarsus is unable to access capital (including but not limited to cash, cash equivalents, and credit facilities) and/or loses capital, as a result of potential failure of any financial institutions that Tarsus does business with directly or indirectly. Further, there are other risks and uncertainties that could cause actual results to differ from those set forth in the forward-looking statements and they are detailed from time to time in the reports Tarsus files with the Securities and Exchange Commission, including Tarsus' Form 10-K for the year ended December 31, 2023 filed on February 27, 2024 and the most recent Form 10-Q quarterly filing filed with the SEC, which Tarsus incorporates by reference into this press release, copies of which are posted on its website and are available from Tarsus 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. Accordingly, readers are cautioned not to place undue reliance on these forward-looking statements. Any forward-looking statements contained in this earnings release are based on the current expectations of Tarsus' management team and speak only as of the date hereof, and Tarsus specifically disclaims any obligation to update any forward-looking statement, whether as a result of new information, future events or otherwise.

Tarsus: Creating One of the Largest Categories in Eye Care

xdemvy®
(lotilaner ophthalmic solution) 0.25%

The *first* and *only* FDA-approved therapy for *Demodex* blepharitis

Exceptional growth and high-value payer coverage

- $48.1M in Q3 2024 XDEMVY net product sales
- Broad commercial and Medicare coverage now extends to >80% of covered lives

Broad and increasing depth of ECP adoption

- >13,000 ECPs started patients on XDEMVY; >70% repeat prescribers[2]

Activated significant growth drivers

- Expanded sales force expected to increase depth of prescribing
- Launched “Your Mitey Problem” DTC campaign to encourage more patients to visit their ECP
- Groundbreaking data in DB patients with MGD

Continuing to deliver on our strategy

- Execution, education, ease of access and evidence generation

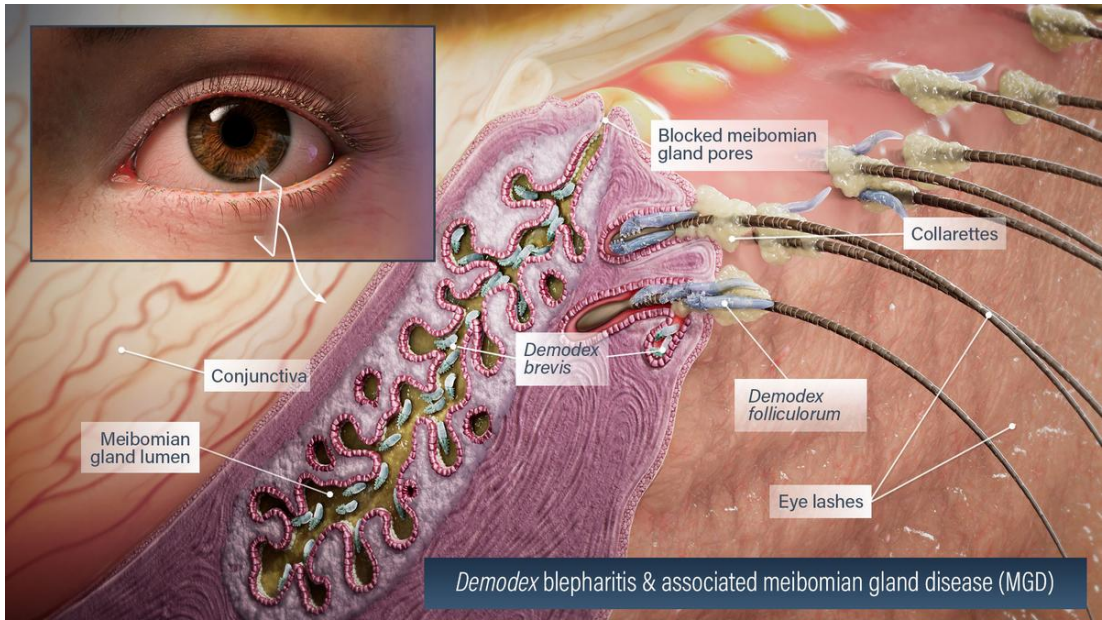
1. Individual patient outcomes may vary. 2. Launch-to-date as of November 13, 2024.

XDEMVY: First Pharmacologic Treatment to Demonstrate Groundbreaking Improvements in Objective Measures of MGD & Patient Symptoms

Combined data[1] in patients with DB and Meibomian Gland Disease demonstrated statistically significant and clinically meaningful improvements in objective measures and patient symptoms

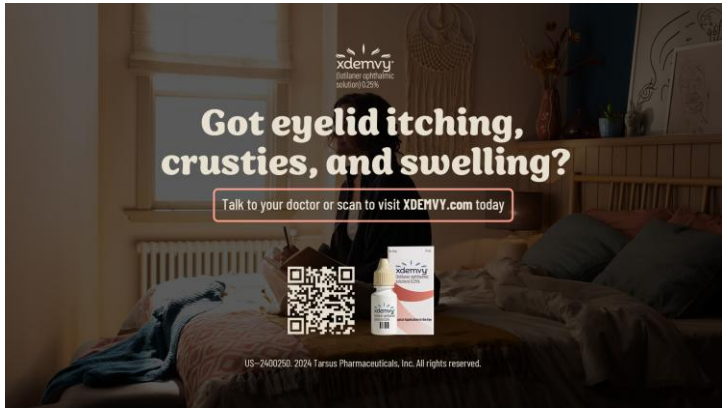
- **Improvement in objectives measures of Meibomian Gland Disease**
  - The presence and quality of liquid secretion as measured by the Meibomian Gland Secretion Score
  - The number of glands secreting normal (clear) liquid
  - The number of glands yielding any liquid

- **Improvement in patient symptoms – look, feel and see**
  - Fluctuating vision
  - Itching
  - Redness
  - Burning



1. Combined analysis of two separate pilot studies, ERSA and RHEA, after establishing between-group baseline equivalencies; Tarsus data on file; individual patient outcomes may vary.

Launched “Your Mitey Problem” Dynamic Television Campaign



- **Creative and memorable visuals to highlight damaging impact of the disease**
- **Support patients in their journey and understanding of *Demodex* blepharitis**
- **Launched on connected TV (CTV) platforms with plans to expand into network TV**

The campaign will support a surround sound approach to patient education via TV, digital, social & print

Strengthened Tarsus Leadership and Position in Eye Care

Elizabeth Yeu, M.D., Chief Medical Officer

- Distinguished ophthalmologist with more than two decades of experience
- Served as our Chief Medical Advisor and former Board member
- Leader of newly created Medical Organization

Kate Goodrich, M.D., MHS, Board Member

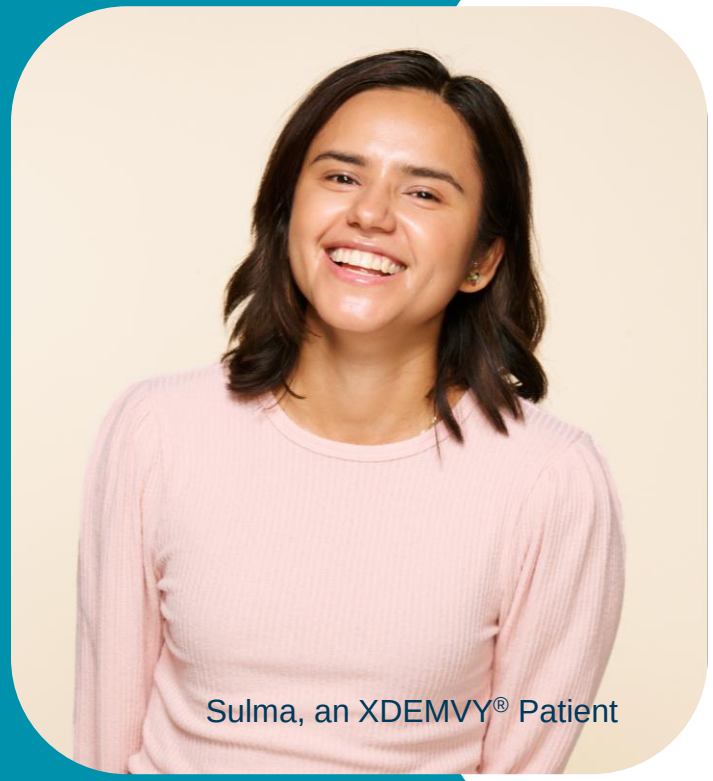
- Currently serves as the Chief Medical Officer of Humana Inc.
- Former Chief Medical Officer for Centers for Medicare and Medicaid Services (CMS)
- Will join the Audit Committee and Commercial Committee

XDEMVY®: An Eye Care Launch Unlike Any Other

$48.1 million in Q3 net product sales

~25 Million[1,2]

Americans impacted by *Demodex* blepharitis



Sulma, an XDEMVY® Patient

Driving strong demand

- Delivered more than 41,400 bottles to patients
- Accelerated ECP adoption: >13,000 prescribing with >70% prescribing to multiple patients[4]

High-value proposition

- Durable and robust patient outcomes[3]
- Broad commercial and Medicare coverage now extending to >80% of covered lives

Investing for growth

- Expanded sales force in the field and driving increased utilization
- Launched a dynamic DTC TV campaign

1. Trattler W, Karpecki P, Rapoport Y, et al. The prevalence of Demodex blepharitis in US eye care clinic patients as determined by collarettes: a pathognomonic sign. Clin Ophthalmol. 2022;16:1153-1164. 2. O'Dell L, Dierker DS, Devries DK, et al. Psychosocial impact of Demodex blepharitis. Clin Ophthalmol. 2022;16:2979-2987. 3. Individual patient outcomes may vary. 4. Launch-to-date as of November 13, 2024

Fully Deployed Sales Force is Driving Depth of Prescribing and Increased Utilization Across All DB Patient Segments

Expanded sales force from approximately 100 to 150 at the end of the third quarter

>13,000[1]
XDEMVY Prescribers

Increasing number of ECPs who prescribe XDEMVY five or more times per week

1. Launch-to-date as of November 13, 2024

XDEMVY Prescribing ECPs Surveyed Expected to Increase Utilization Significantly in Additional DB Patient Segments

Additional *Demodex* Blepharitis Segments

Dry Eye *with DB*	***Cataracts*** *with DB*	***Contact Lens*** *with DB*

~40% of ECPs

Currently Prescribing XDEMVY Across Each Additional Segment

90%+ of Respondents Expected to Increase Utilization in Next 12 Months

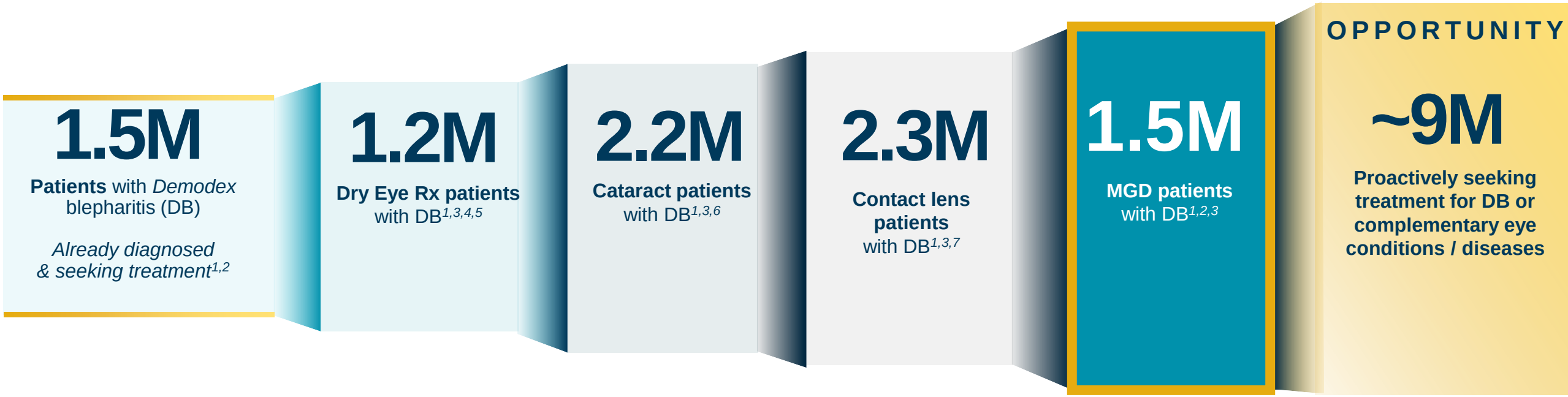
Source: Internal Tarsus Pharmaceuticals Data - ECP Survey ATU Wave 6 (Sep '24), N = 251 ECPs (n = 125 OPT, n = 126 OPH)

“Your Mitey Problem” Television Campaign

- Patients identify with the campaign because it’s educational and motivating
- Meaningful impact on sales expected in 2025 with possible expansion into network TV

View TV spot at www.xdemvy.com

Demodex Blepharitis is a Potential $1B+ Opportunity



$1B+ peak net sales potential
in initial addressable segment alone

1. Wilson J Ophthalmology 2015, 435606, 2014; 2. Symphony claims data; 3. Titan collarette prevalence study; 4.Market Scope 2020 Dry Eye Products Report: A Global Market Analysis for 2019 to 2025; 5. White et al., Clin Ophthalmology 2019: 13 2285-2292 6. AAO/ASCRS Statement on Cataract Surgery, July 2021; 7. Refractive Surgery Council August 2021

XDEMVY: First Pharmacologic Treatment to Demonstrate Groundbreaking Improvements in Objective Measures of MGD & Patient Symptoms

Combined data[1] in patients with DB and Meibomian Gland Disease demonstrated statistically significant and clinically meaningful improvements in objective measures and patient symptoms

- **Improvement in objectives measures of Meibomian Gland Disease**
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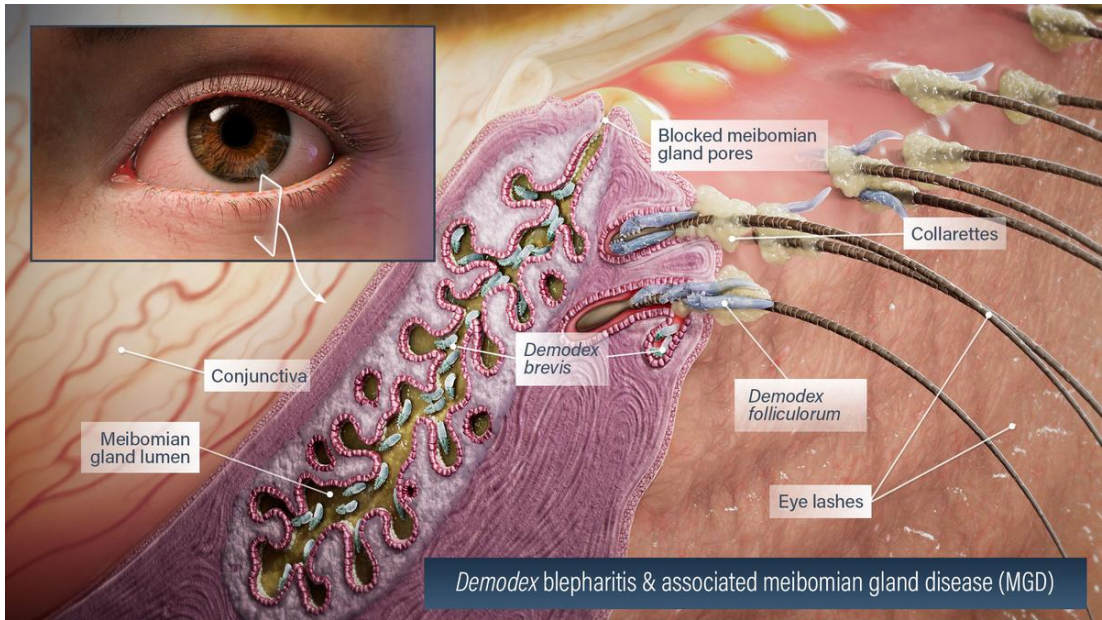
- **Improvement in patient symptoms – look, feel and see**
  - Fluctuating vision
  - Itching
  - Redness
  - Burning

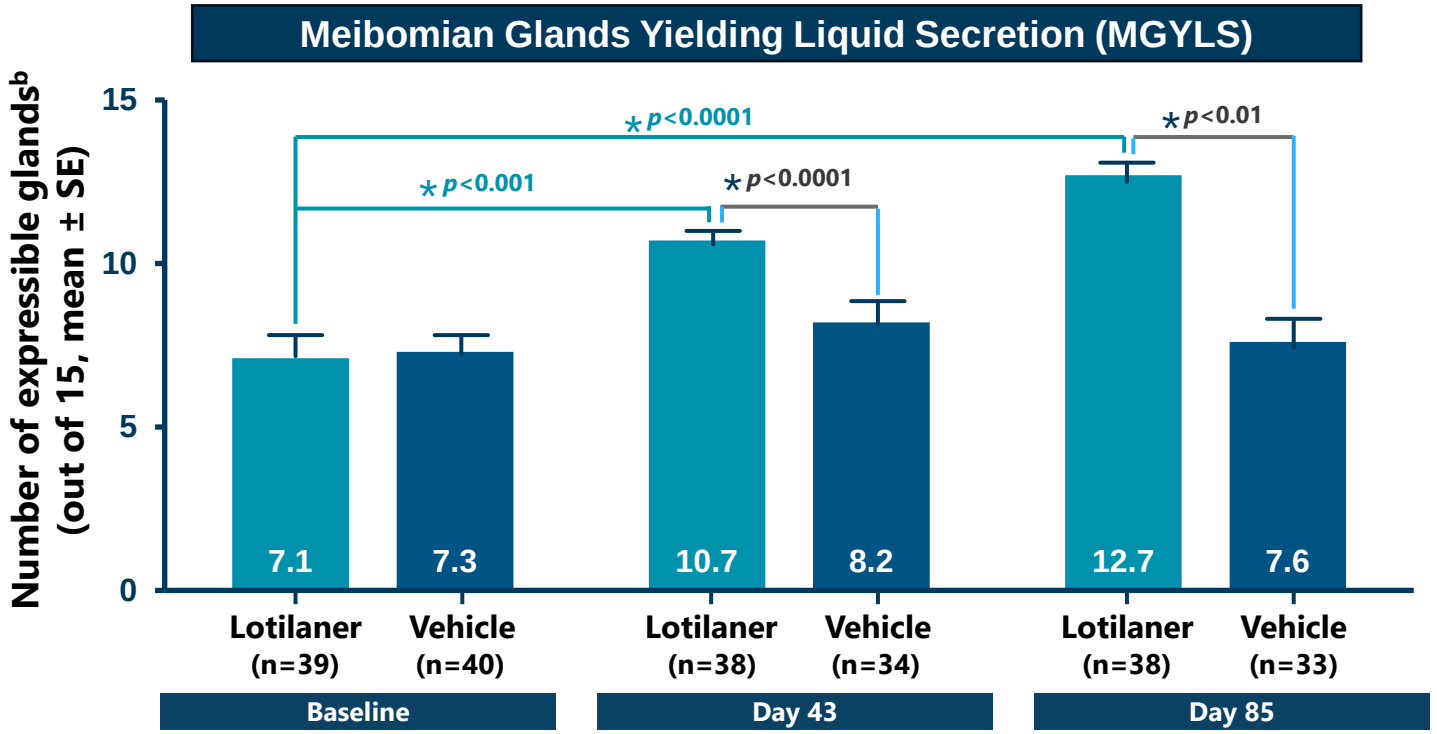


1. Combined analysis of two separate pilot studies, ERSA and RHEA, after establishing between-group baseline equivalencies; Tarsus data on file; individual patient outcomes may vary.

XDEMVY Demonstrated Statistically Significant and Clinically Meaningful Improvement in Objective Measure of Meibomian Gland Disease

Analyses of Ersa and Rhea Trials in Patients with *Demodex* blepharitis and Meibomian Gland Disease[a]

- At Day 43, Lotilaner 0.25% showed a **51% improvement** in number of **glands secreting liquid**, compared to baseline
- There were no statistically significant improvements from baseline in the vehicle group



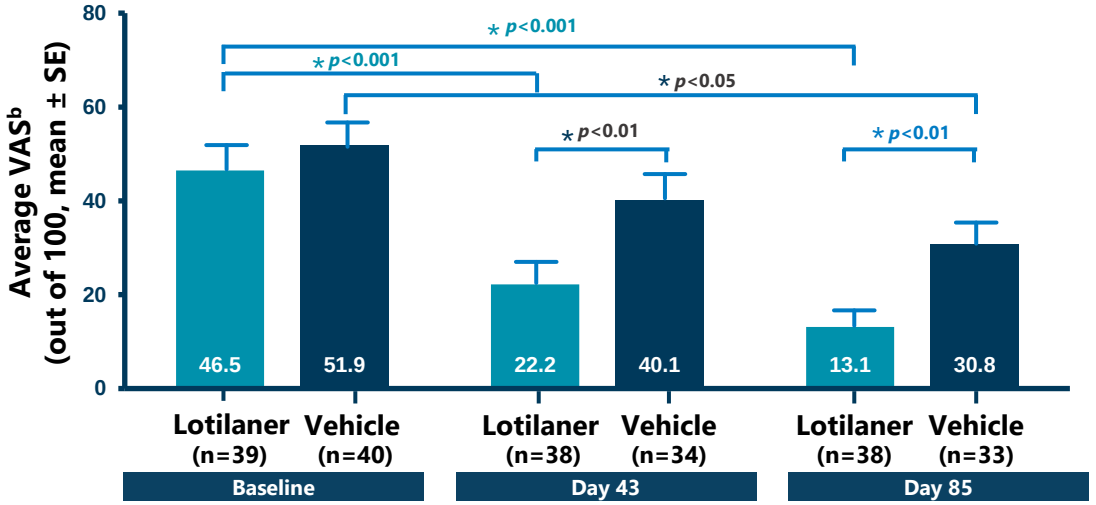
SE, standard error;
[a]Each treatment group includes patients who received study drug twice daily and three times daily.
[b]Out of 0-100.

XDEMVY Demonstrated Statistically Significant and Clinically Meaningful Improvements in Patient Symptoms – Fluctuating Vision and Itching

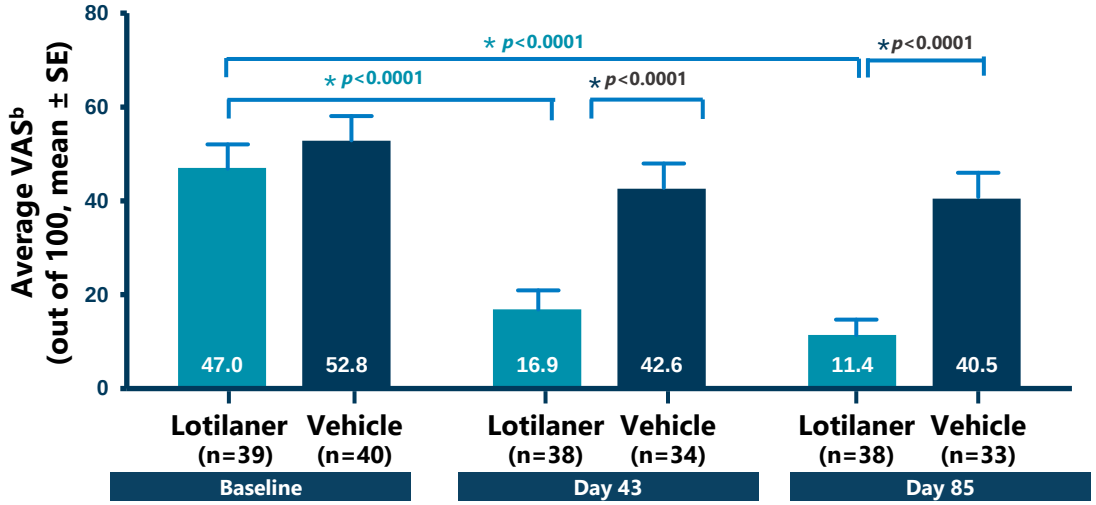
Analyses of Ersa and Rhea Trials in Patients with *Demodex* blepharitis and Meibomian Gland Disease[a]

- At Day 43, Lotilaner 0.25% showed a **52% improvement** in **Fluctuating Vision** compared to baseline
- At Day 43, Lotilaner 0.25% showed a **64% improvement** in **Itching** compared to baseline

Fluctuating Vision



Itching



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A Category-Creating Pipeline With Near-Term Catalysts

Tarsus Product Portfolio

Product Candidate	Indication	Formulation	Preclinical	Phase 1	Phase 2	Phase 3	Marketed	Upcoming Catalyst
XDEMVY	*Demodex* blepharitis (US)	Eye drop						
TP-03	*Demodex* blepharitis (EU)	Eye drop	***Evaluating preservative-free formulation***					**Potential Approval in H2 2027**
TP-03	*Demodex* blepharitis (Japan)	Eye drop	***Prevalence study ongoing***					**Results Anticipated 2025**

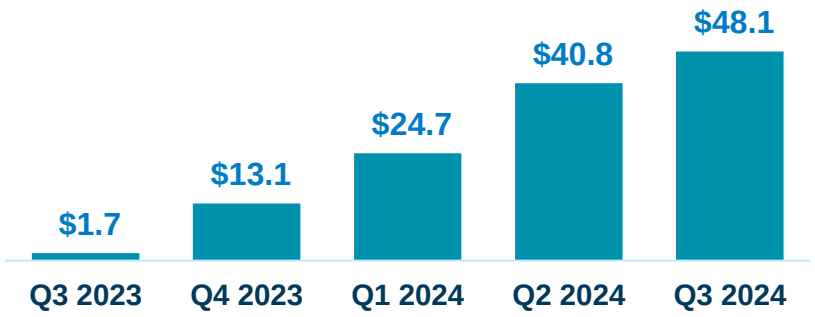
Existing and Potential Partnership Opportunities

TP-03 遠大醫藥集團	*Demodex* blepharitis and Meibomian Gland Disease (Greater China)	Eye drop	**Libra Phase 3**					
TP-03	*Demodex* blepharitis (OUS)	Eye drop	***Active partnering discussions***					
TP-04	Papulopustular Rosacea (WW)	Topical	**Galatea Phase 2**					**Update Expected Q1 2025**
TP-05	Lyme disease prevention (WW)	Oral Tablet	**Carpo Phase 2**					**Update Expected Q1 2025**

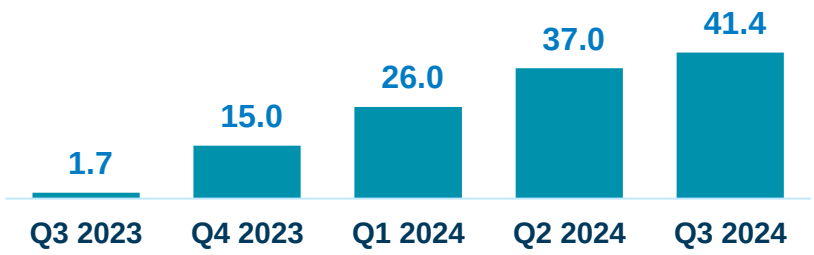
Third Quarter 2024 Financial Results

XDEMVY: On-track to potentially be one of the best launches in eye care

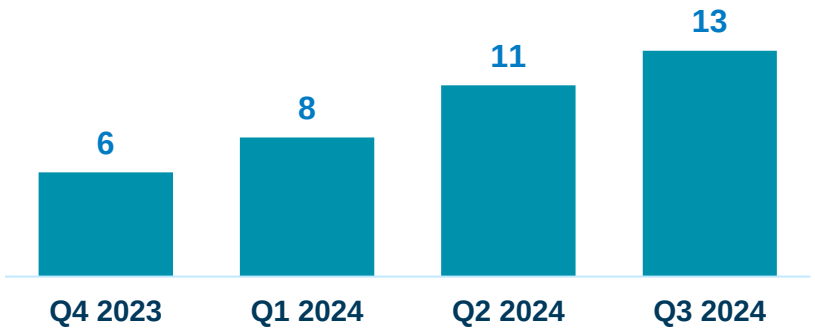
XDEMVY Net Sales
($ in millions)



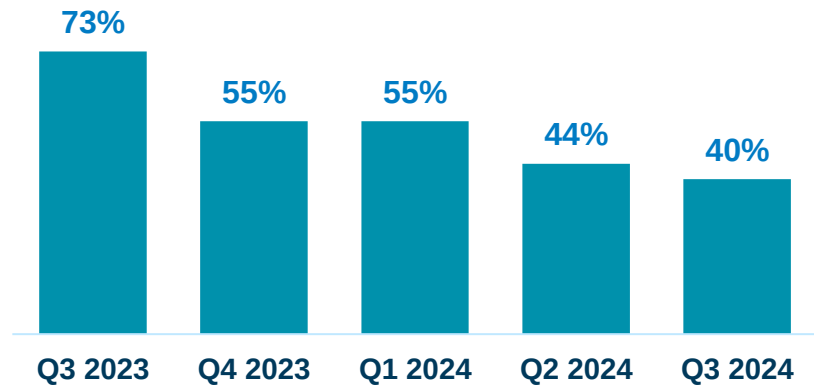
XDEMVY Bottles Delivered to Patients
(in thousands)



ECPs Prescribing XDEMVY
(in thousands)[1]



Gross to Net Discount



1. ECPs prescribing in each listed quarter are cumulative launch-to-date numbers announced at the respective quarterly earnings dates, and as of February 23, 2024 (Q4 2023); as of May 3, 2024 (Q1 2024); as of August 7, 2024 (Q2 2024); and as of November 13, 2024 (Q3 2024)

Q&A

Bobak Azamian, M.D., Ph.D.

Chief Executive Officer and Chairman

Aziz Mottiwala

Chief Commercial Officer

Sesha Neervannan, Ph.D.

Chief Operating Officer

Jeff Farrow

Chief Financial Officer and Chief Strategy Officer

Elizabeth Yeu, M.D.

Chief Medical Officer

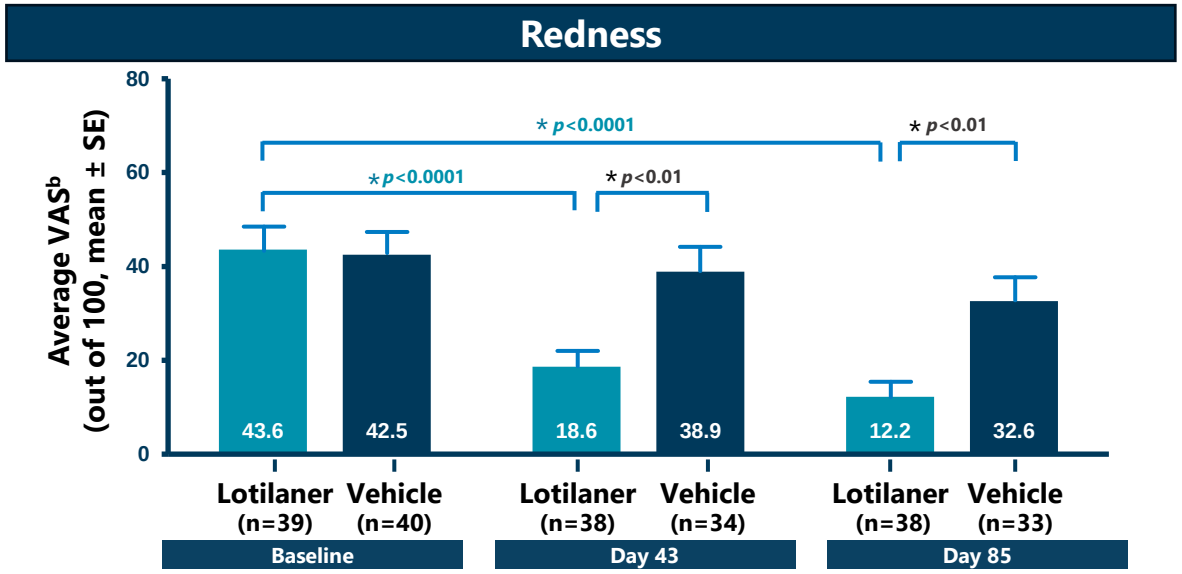
Closing Remarks

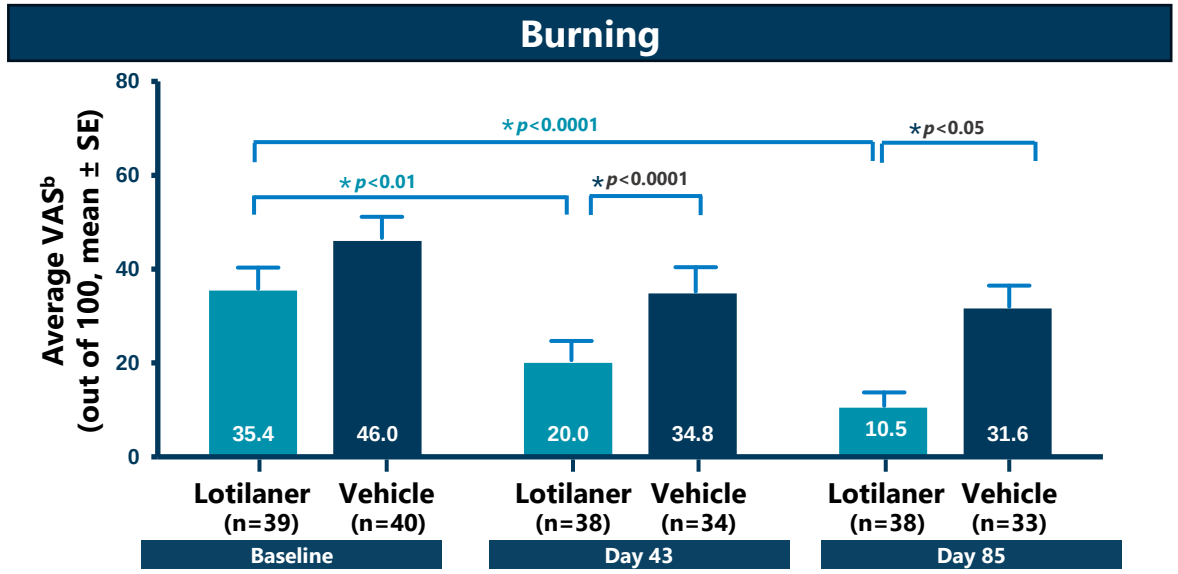
Appendix

XDEMVY Demonstrated Statistically Significant and Clinically Meaningful Improvements in Patient Symptoms – Redness and Burning

Analyses of Ersa and Rhea Trials in Patients with DB and MGD[a]

- At Day 43, Lotilaner 0.25% showed a **57% improvement** in **Redness** compared to baseline
- At Day 43, Lotilaner 0.25% showed a **45% improvement** in **Burning** compared to baseline





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