

# Tarsus

## Creating the Next Potential Blockbuster Category in Eye Care

June 15, 2023



# Webcast Logistics and Information

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- This webcast is being recorded and a replay will be available for at least 90 days on the Investors and News page of the Tarsus website later today
- There will be one Q&A session at the end of today's program
- To ask a question, please submit questions in the "Questions & Answers" chat box and then click "Send"
- Today's slides may be downloaded from the Investors and News section of our website or directly from the webcast
- For technical assistance, click on the "Help" icon located at the upper right of the page

# Legal Disclaimer

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# Today's Presenters



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

Chief Executive Officer  
and Chairman



**Selina McGee, O.D.,  
FAAO**

Founder, Chief  
Optometrist & Executive,  
BeSpoke Vision  
VP, Intrepid Eye Society



**Marjan Farid, M.D.**

Director of Cornea,  
Cataract and Refractive  
Surgery, Gavin Herbert  
Eye Institute, UC-Irvine



**Aziz Mottiwala**

Chief Commercial Officer



**Neera Clase**

VP, Market Access

# Agenda

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## Topic

## Presenter

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Welcome

David Nakasone

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Transforming Into a Leading Eye Care Company

Bobby Azamian, M.D., Ph.D

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Physician Perspective on Prevalence, Impact and Diagnosis of *Demodex* Blepharitis

Selina McGee, O.D., FAAO

Marjan Farid, M.D.

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Launching the Next Frontier in Eye Care

Aziz Mottiwala

Neera Clase

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Concluding Remarks

Bobby Azamian, M.D., Ph.D

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Questions and Answers

Tarsus Executives

# Transforming Into a Leading Eye Care Company

Bobak Azamian



**TARSUS**

# Creating the Next Frontier in Eye Care

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## TP-03 – Unlike any other eye care launch upon expected FDA approval



### **Commercial platform focused on unique and damaging eyelid disease**

- Disease education producing results and activating sales force



### **High touch access for a large underserved population**

- Expecting broad payer coverage with tailored pharmacy network



### **Pricing reflects innovative and category creating product profile**

- TP-03 poised to deliver value, with expected high payer receptivity



### **Accelerating commercial traction**

- Upon approval: Demonstrate demand, realize product value and achieve blockbuster growth



# Building the Next Potential Multi-Billion Dollar Market and Transforming Into a Leading Eye Care Company



Category creation in *Demodex* blepharitis with definitive standard of care potential



World-class leadership team with decades of biotech, eye care and product launch experience

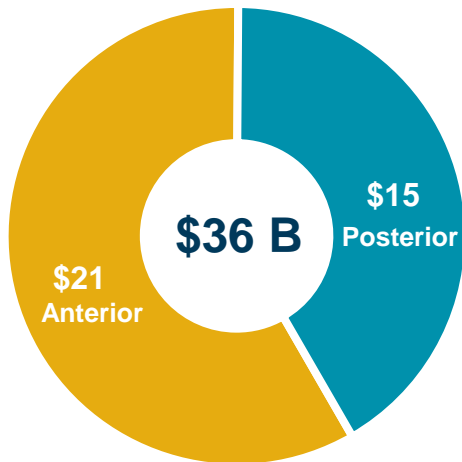


Advancing clinical pipeline of three assets that target root cause of disease



# Eye Care Market Presents Significant Growth Opportunities

## Expected Ophthalmic Market 2028



Source: EvaluatePharma ophthalmic revenues



## Eye care is large, durable and growing

- Vision is our most valued sense
- Near double digit growth expected from anterior segment (existing categories)



## Category creation has led to eye care blockbusters

- Prostaglandins in Glaucoma, Dry Eye Disease, Thyroid Eye Disease, GA & Anti-VEGF
- Many poorly served diseases remain



## Eyelid diseases are the next frontier in eye care and represent one of the largest untapped opportunities

- *Demodex* blepharitis (DB) impacts 25M in the U.S., largest eyelid disease<sup>1,2</sup>
- Meibomian Gland Disease (MGD) impacts ~2/3 of the 34M Dry Eye patients in the U.S.<sup>3</sup>

1. Wilson J Ophthalmology 2015, 435606, 2014; 2. Titan collarette prevalence study; 3. Marques, A.R., et al, Emerg Infect Dis., Aug 2021, Vol 27(8), 2017-2024; Corsica Life Sciences Market Assessment 2020

# Strong Foundation to Launch the Next Eye Care Potential Blockbuster



## Commercial Infrastructure

Seasoned leadership in place across all key functions



## ECP Engagement

Reached all 15K target Eye Care Providers (ECPs) with disease education efforts



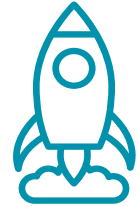
## Broad Reimbursement Expected

Active engagement with all top commercial and Medicare accounts



## Tailored Sales Force

Deploying at launch, covering >80% of all prescriptions<sup>1</sup>



## Anticipated Approval

Aug. 2023:  
TP-03 PDUFA

4Q 2023:  
First full quarter of prescriptions

TP-03: *Definitive standard of care potential*

# *Demodex* Blepharitis is a Large and Underserved Eyelid Disease

Bobak Azamian



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# Demodex Blepharitis: Pervasive and Damaging Eyelid Disease

- Affects 25M patients in the U.S.<sup>1,2</sup>:  
1.5M diagnosed and seeking a solution<sup>3</sup>
- Caused by an infestation of *Demodex* mites
- Patients can suffer inflammation, redness, irritation and a negative impact on daily life
- Easily diagnosed during a routine eye exam through the identification of collarettes
- No FDA-approved therapeutic

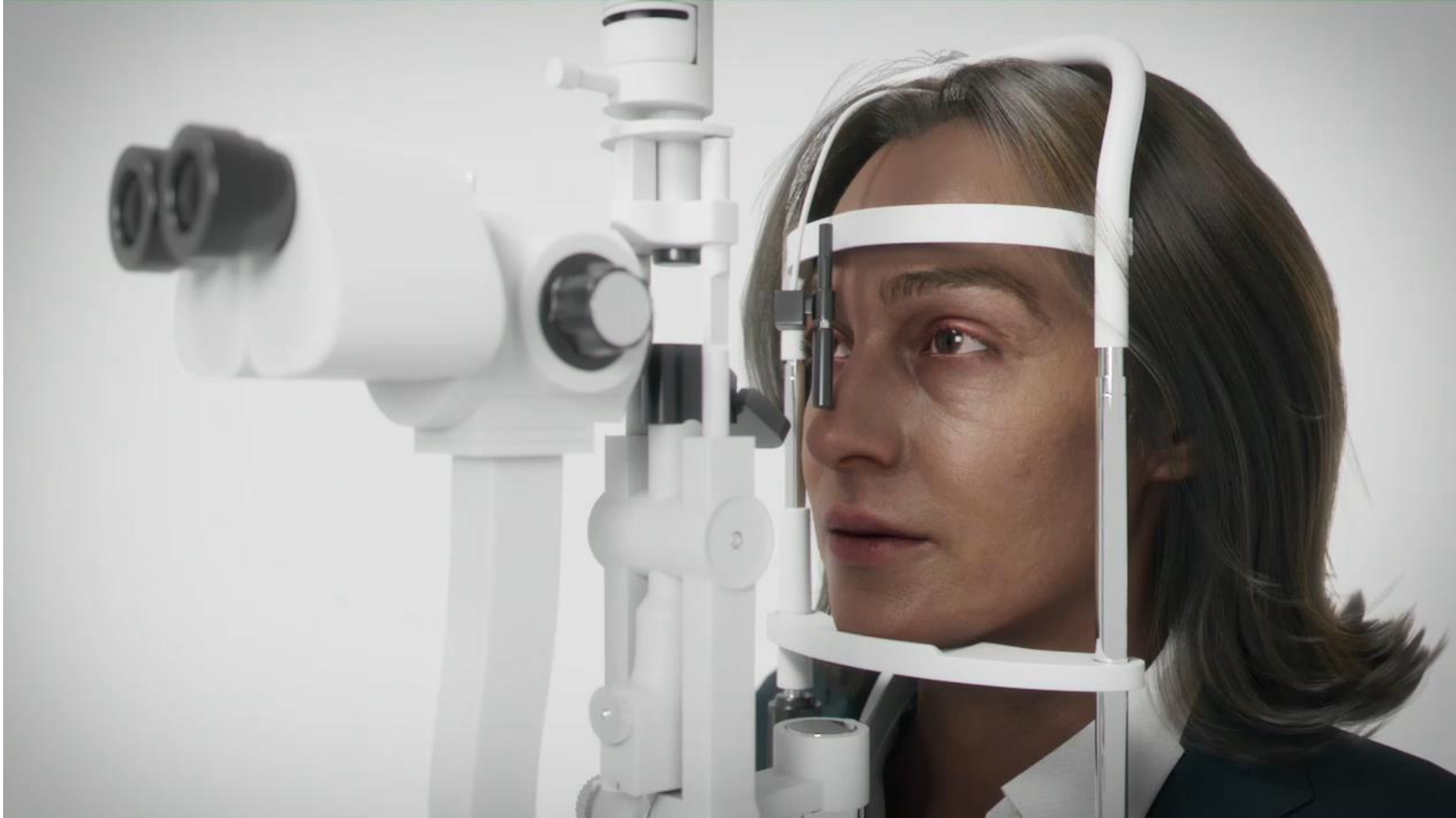


Eyelash with multiple mites

*Collarettes are the pathognomonic sign of DB – waxy, cylindrical plaque composed of dead mites, mite eggs & waste*

# *Demodex* Blepharitis Can Be Diagnosed Through the Presence of Collarettes

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# Immediate Opportunity to Address Large and Underserved Patient Population

Clear segments identified for initial ramp and future growth

## >7M Initial Target Patient Population

Patients proactively seeking treatment for complementary eye conditions / diseases

1.5M	Blepharitis patients with <i>Demodex</i> blepharitis (DB) <i>Already diagnosed &amp; seeking treatment</i> <sup>3</sup>
1.2M	Dry Eye Rx patients with DB <sup>2,4,7</sup>
2.2M	Cataract patients with DB <sup>2,5</sup>
2.3M	Contact lens patients with DB <sup>2,6</sup>

**\$1B+ Peak net sales potential**



# TP-03: First Potential Therapeutic for Millions of Patients

Unique ability to resolve disease enables opportunity to unlock one of the largest underserved eye care markets



**Curative and durable therapeutic potential with no competition**  
*Definitive standard of care potential demonstrated in two pivotal trials*



**Compelling value proposition for patients, ECPs and payers**  
*Broad reimbursement potential*  
*ECP opportunity to expand and/or optimize practice potential*



**Eye drop formulation of best-in-class lotilaner**  
*Patent protection through 2038*



**Defined path to FDA approval and potential launch**  
*Anticipated PDUFA: August 25, 2023*  
*Product availability for Fall 2023 launch*



# Physician Perspective on Prevalence, Impact and Diagnosis of *Demodex* Blepharitis

Selina McGee, O.D., FAAO and Marjan Farid, M.D.



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# Selina McGee, OD, FAAO



- Visionary founder of BeSpoke Vision specializing in dry eye disease, specialty contact lenses, and aesthetics. She is also the co-founder of Precision Vision of Midwest City, an MD-OD practice specializing in premium IOL and cataract surgery and Vice President of Intrepid Eye Society, an emerging group of OD thought leaders committed to advancing innovation and promoting growth and excellence in optometry.
- Dr. McGee earned her OD degree from Northeastern State University College of Optometry, graduating Summa Cum Laude.
- She is a member of the Oklahoma Association of Optometric Physicians (OAOP) and the American Optometric Association. Currently she serves as the Immediate Past-President the OAOP.
- She was named Young Optometrist of the year in 2012 by the OAOP and Optometrist of the Year in 2023
- She currently serves as The Intrepid Eye Society President

# Practice Dynamics: Private / Specialty Clinic

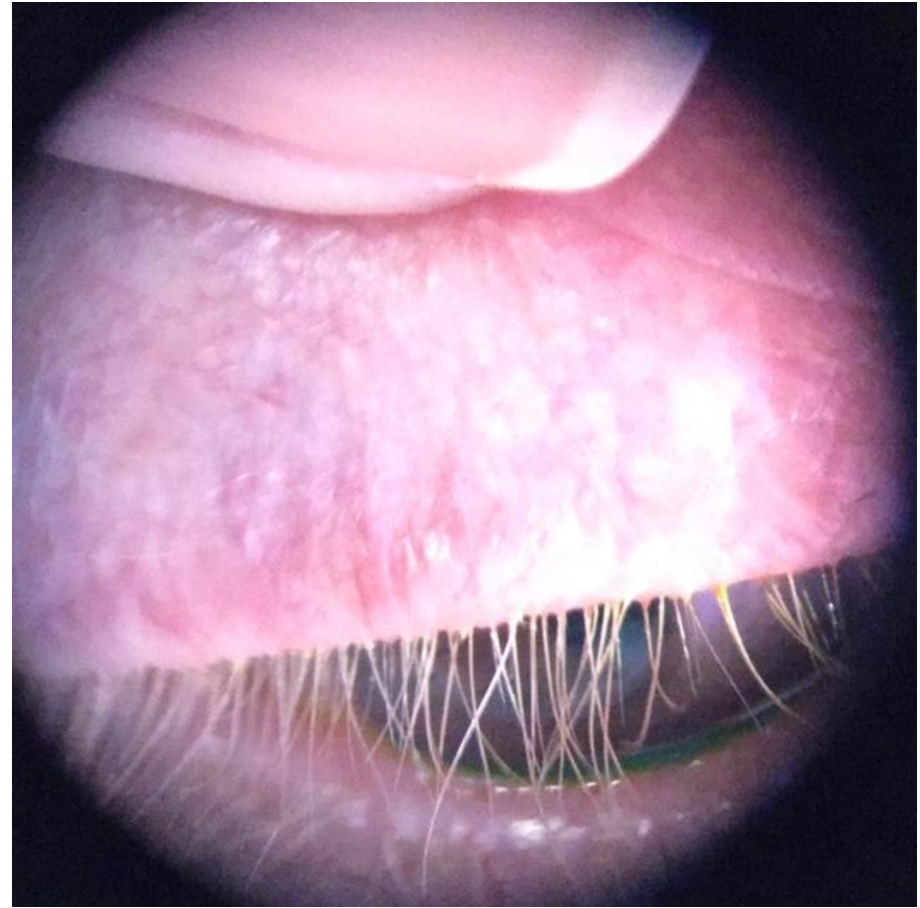
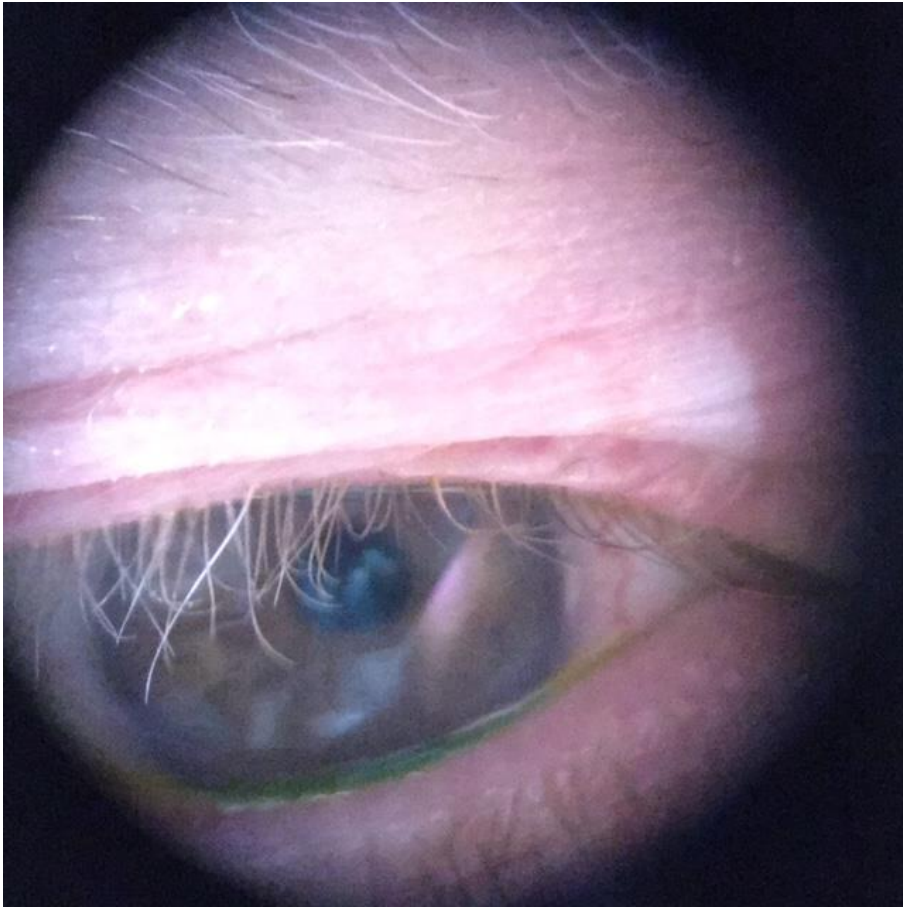
## Areas of Focus:

- Medical optometry
- Dry eye and ocular surface conditions
- Corneal diseases requiring custom and specialty contact lenses
- Eye rejuvenation services



# Lid Disease is Easily Missed

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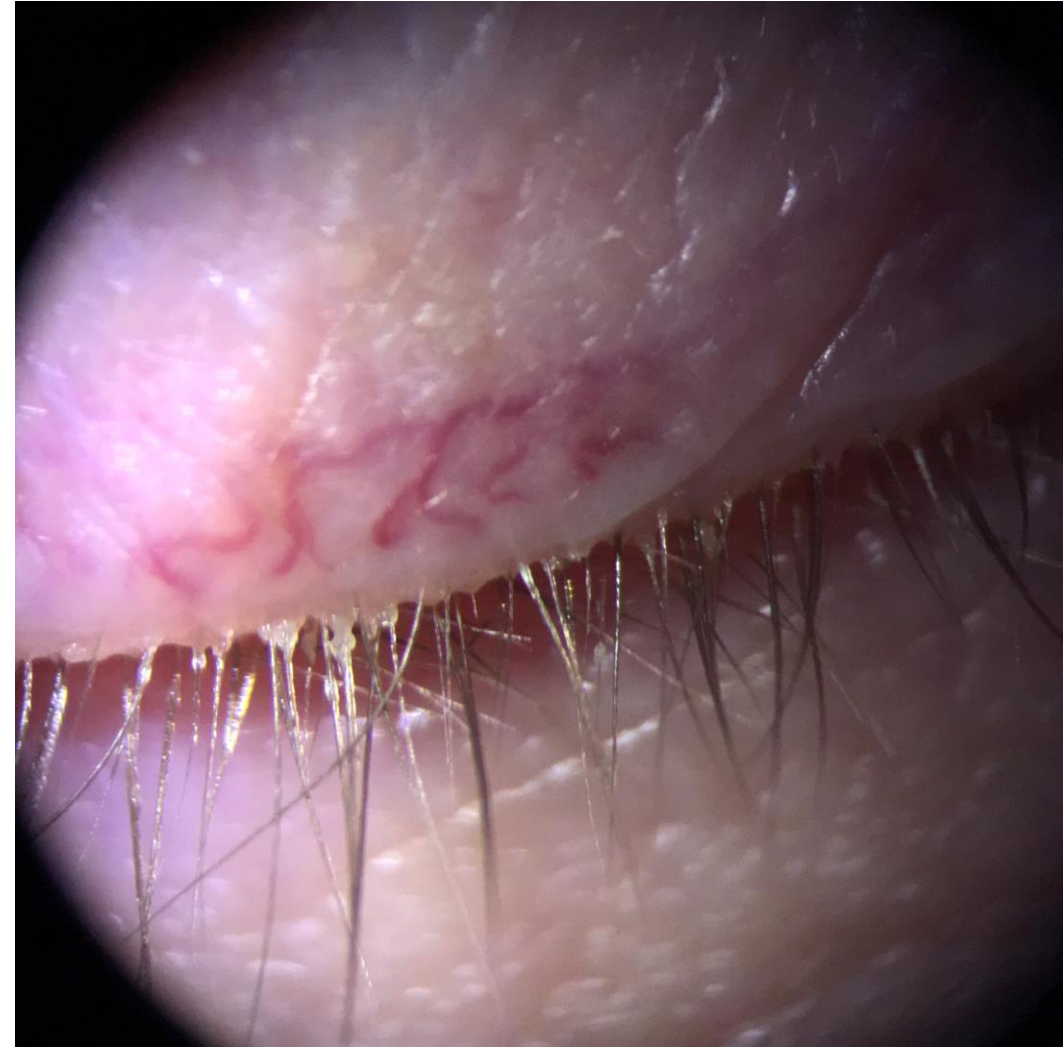




# Case 1: Overview

## Patient:

- 42-year-old female
- Difficulty wearing contact lenses (CTL)
- Frustrated with redness, itching, burning and misdirected lashes; unhappy with appearance of eyes



# Treatment and Follow Up

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## Treatment Initiated:

- In office lid exfoliation treatment and Intense Pulsed Light (IPL)
- Lid hygiene (at home cleanser, eye makeup removal)
- Changed makeup (mascara) for comfort

## Follow up:

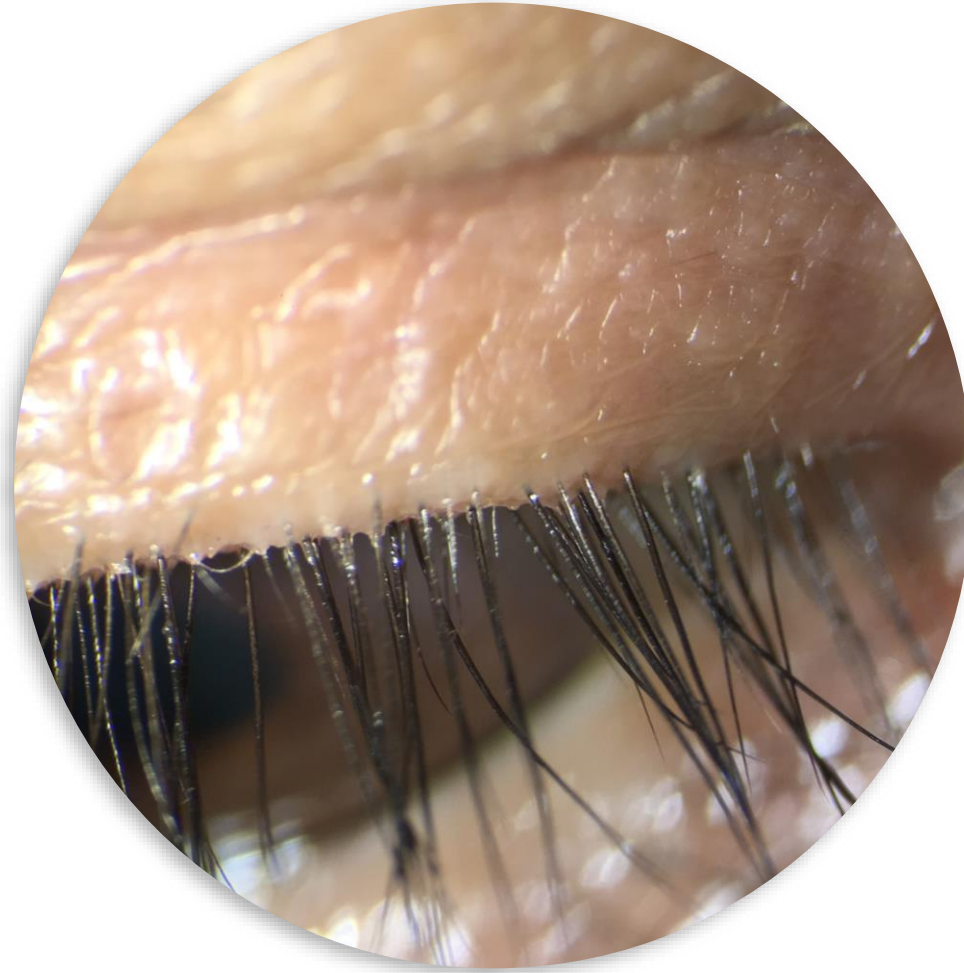
- 4 week follow up with IPL treatments, then 8, 12 and 6 months
- Saw some improvements in redness, but CTL wear was still limited

## Case 2: Overview

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### Patient:

- 60-year-old male
- Symptoms: burning, itching, watering, diagnosed with Dry Eye Disease (DED); referred for DED analysis
- Misdirected and missing lashes
- Undiagnosed *Demodex* blepharitis





# Treatment and Follow Up

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## Examination & Treatment Initiated:

- Performed testing for tear film osmolarity and inflammation (MMP-9) – all normal
- Prescribed at-home lid hygiene (lid cleanser) 2x day

## Follow up:

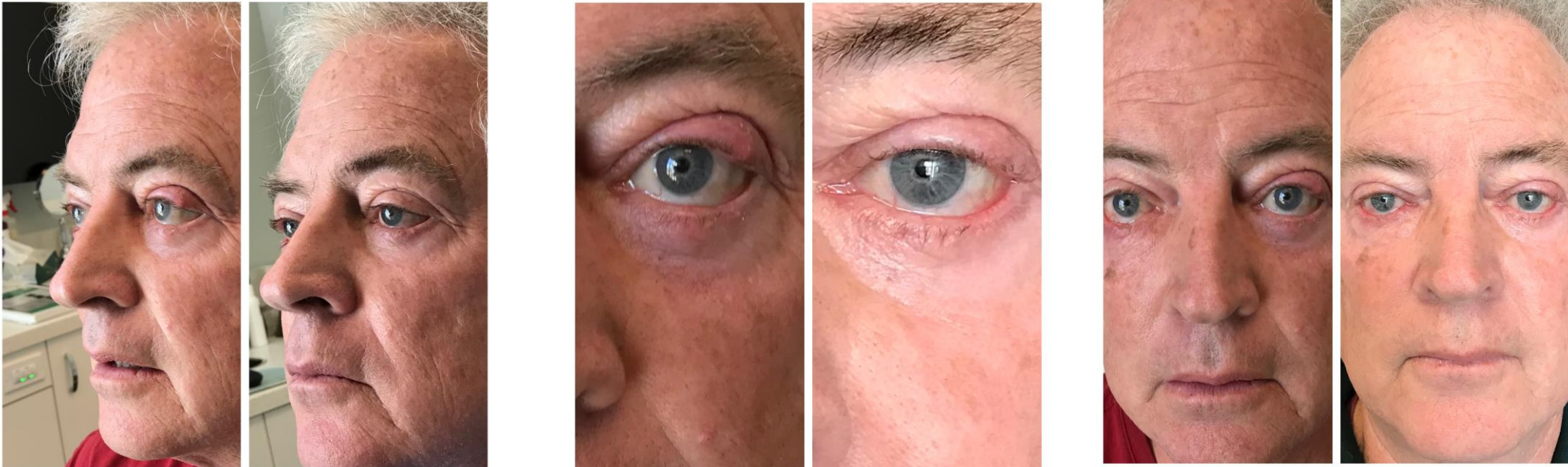
- 4 week follow up
- Patient was non-compliant with lid hygiene
- Still complaining of itching, burning, watering
- Patient attributes symptoms with allergies

## Case 3: Overview

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### Patient Summary:

- 72-year-old male; redness, swollen lids, painful, self-described as “miserable”
- Chronic chalazia (~18 months, 2-3 per lid) that needed multiple IPL treatments to stabilize his condition



# Marjan Farid, MD



- Professor of Clinical Ophthalmology, Director of Cornea, Refractive & Cataract Surgery, at the Gavin Herbert Eye Institute, University of California Irvine.
- She graduated from UCLA with a degree in Biology and earned her medical degree at UC San Diego.
- Her clinical practice is divided between patient care, teaching and research, which is focused on corneal surgery, specifically the use of the femtosecond laser for corneal transplantation.
- She is also the founder of the Severe Ocular Surface Disease Center at UCI. She performs Limbal Stem Cell transplants as well as artificial corneal transplantation for the treatment of patients with severe ocular surface disease.
- Dr. Farid serves as the Chair of the Cornea Clinical Committee of ASCRS.

# Practice Dynamics: University / Academic Tertiary Care

Cornea	Cataract/Refractive	Severe Ocular Surface Disease	Dry eye / clinical ocular surface care
<ul style="list-style-type: none"> <li>• Corneal transplant</li> <li>• Artificial corneas</li> <li>• Ocular surface cancers</li> <li>• Pterygia</li> <li>• Clinical cornea disease</li> </ul>	<ul style="list-style-type: none"> <li>• Cataract</li> <li>• LASIK</li> <li>• Complex IOL management</li> </ul>	<ul style="list-style-type: none"> <li>• Ocular surface reconstruction</li> <li>• Limbal stem cell transplants</li> </ul>	<ul style="list-style-type: none"> <li>• Dry eye disease</li> <li>• Lid margin disease</li> <li>• Dry eye masqueraders</li> </ul>



# Case 1: Overview

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## Patient:

- 24-year-old woman – software engineer
- Recurrent chalazia and inability to use her soft contact lenses (CTL) anymore
- Seen optometrist multiple times and tried switching her CTL brand several times

## Symptoms:

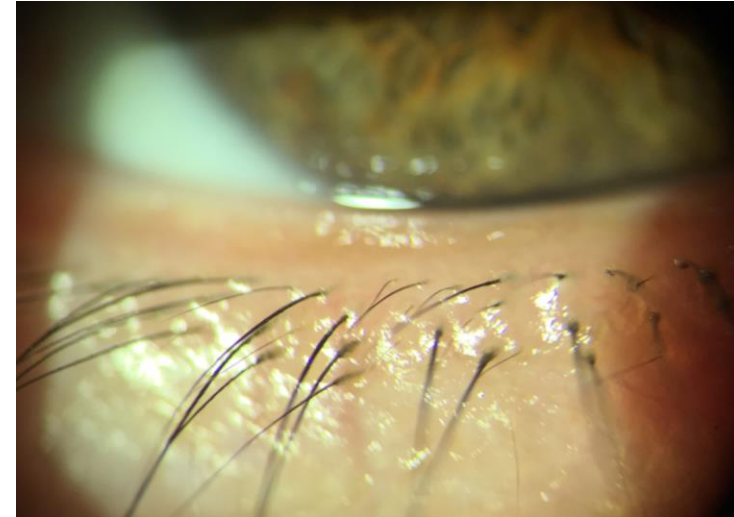
- Rapid redness and irritation with CTL wear
- Difficulty working at the computer
- Always feels irritated and gritty OU (both eyes)
- Lid redness and chronic/recurrent “stye” formation OU





# Case 1: Examination

- **BSCVA:** 20/20 OU
- **Exam Findings:**
  - Small LUL chalazion
  - Diffuse collarettes along upper and lower lash base
  - Slow secretion of thickened meibum from meibomian glands



# Case 1: Treatment Initiated

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- Lid exfoliation treatment performed on all 4 eyelids in the office
- Started on Tea tree oil lid scrubs
- Started on regular hot compresses
- Started on preservative-free artificial tears (AT)





# Case 1: Follow Up

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- Finds some relief in symptoms with recommended management and treatment but unable to keep up with lid hygiene and has recurrent and chronic symptoms.
- Still unable to wear her CTL for more than a couple of hours.
- She comes in every 3-4 months for exfoliation treatment.
- Started on antibiotic and prescription dry eye medication with minimal improvement in symptoms.
- She is frustrated; work and quality of life are significantly impacted.

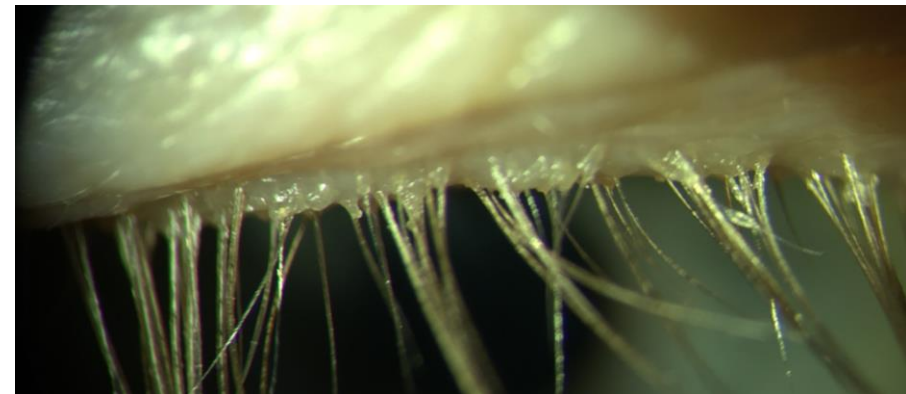
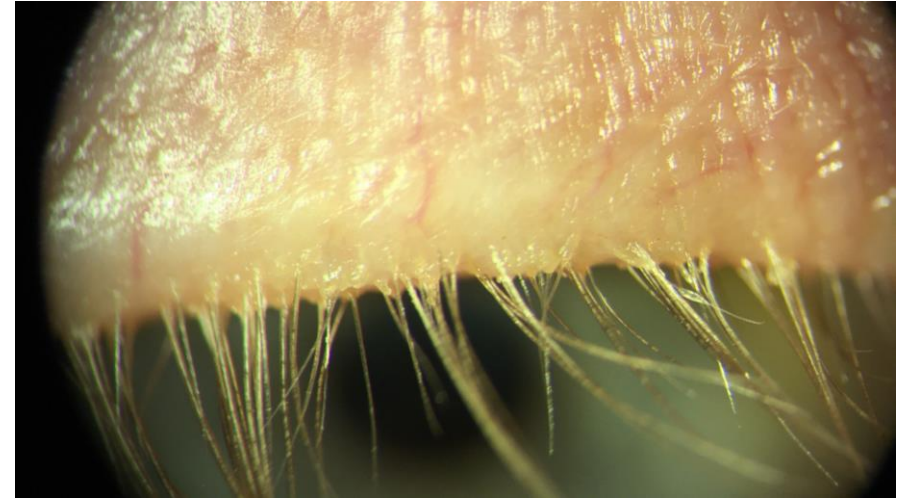
# Case 2: Summary

## Patient:

- 72-year-old man
- Complains of red, itchy eyes. Vision gets worse at the end of the day especially after reading or watching TV
- “Doctor, I want cataract surgery and I want to get rid of my glasses!”
- BSCVA: 20/40 OD and 20/50 OS

## Exam Findings:

- 1+ MGD
- Significant collarettes along lash base
- 2+ central punctate keratitis with staining
- Tear breakup time: 2-3 seconds OU
- 2+ NS cataract OU



## Case 2: Treatment & Follow Up

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### Treatment:

- Declined lid exfoliation treatment as he “felt fine” and didn’t feel that anything was wrong.
- After discussion and education, agreed to initiate blepharitis treatment and he was told that surgery would be a risk for infection and complications. Cataract surgery postponed.
- Started on Tea tree oil lid scrubs, regular hot compresses and preservative free AT.

### Follow Up:

- After 12 weeks of aggressive lid scrub with lid wipes, was able to proceed with cataract surgery.
- Post op – has developed more significant ocular surface disease symptoms, including morning lid stickiness, redness and foreign body sensation OU.
- Instructed to continue regular lid hygiene and OSD treatments.
- Patient very non-compliant with lid hygiene instructions.
- Feels that cataract surgery has made him worse, and he feels more irritated than ever. Very unhappy.

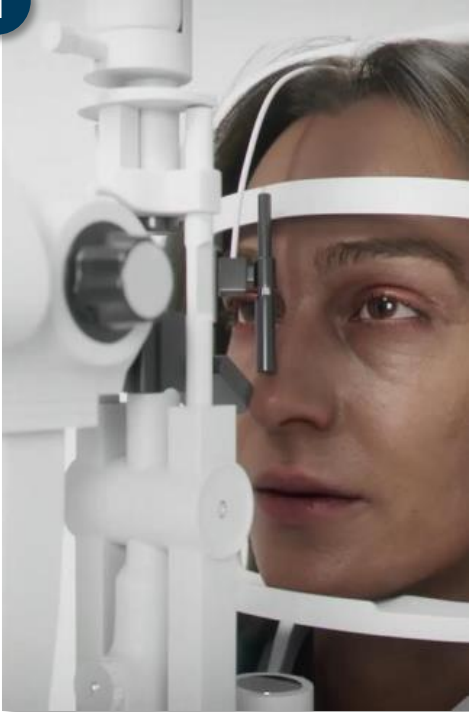
# Launching the Next Frontier in Eye Care

Aziz Mottiwala and Neera Clase



# Category Creating Key Launch Elements

1



**Commercial platform tailored to unique and underserved disease**

2



**Pricing reflects TP-03 standard of care potential**

3




**High touch access for a large underserved population**

4



**Accelerating commercial traction**

# Driving Awareness Through Action-Oriented Physician and Patient Education Campaigns



**LOOK at the LIDS**

JEANETTE, real DB patient

**Help patients with Demodex blepharitis (DB) get the correct diagnosis**

Did you know that 100% of patients with collarettes are found to have DB<sup>1</sup> — or the extent of damage that Demodex mites may cause in your patients' eyelids?<sup>2</sup>

**Demodex mites may damage the eyelids in 3 main ways**

- Mechanical:** Abrasions from Demodex claws can lead to ocular surface irritation, keratitis, and eyelash distention/loss<sup>3,4</sup>
- Chemical:** Production of cytokines, chemokines, and other inflammatory biomarkers may alter meibum composition and cause ocular surface and lid margin inflammation<sup>5</sup>
- Bacterial:** Transportation of bacteria on the mite's surface and in the gut, which may trigger an immune response in the eyelid<sup>2,7</sup>

## Look at the Lids Campaign Metrics

**2.3M**

digital/media impressions to-date<sup>1</sup>

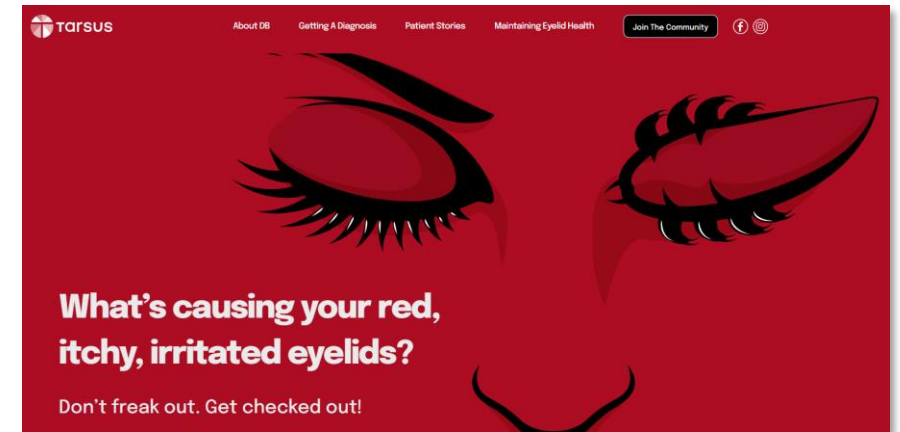
**+15% 1Q23 vs. 4Q22**

**200K**

unique website visits to-date<sup>1</sup>

**+60% 1Q23 vs. 4Q22**

**Launched**  
**“Don’t Freak Out. Get Checked Out!”**  
**Patient Disease Education in 2Q23**



**TARSUS**

About DB Getting A Diagnosis Patient Stories Maintaining Eyelid Health Join The Community

**What's causing your red, itchy, irritated eyelids?**

Don't freak out. Get checked out!

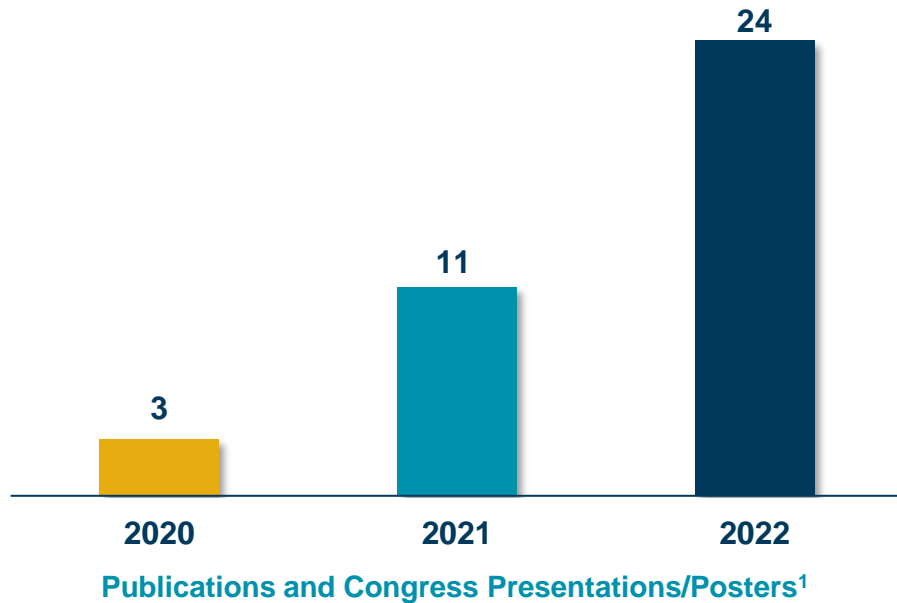
**Strong and growing interest in and understanding of Demodex blepharitis**



# High Impact Disease Education Has Reached All 15K Target ECPs

Robust scientific platform supported by all optometrist medical field force

*Significant Presence Since 2020:*



# 35K

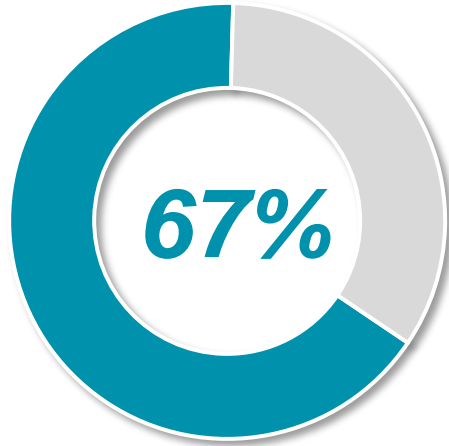
Continued Medical Education Learners Since 2022<sup>1</sup>

*We've built the market and momentum* for best-in-class launch



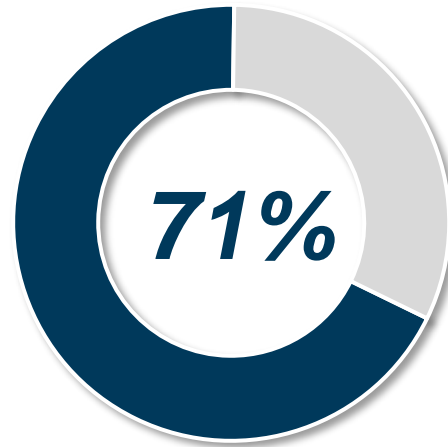
# Ophthalmologists & Optometrists See It, Believe it, Intend to Treat it

## Key Awareness, Trial, Usage (ATU) Market Research Results



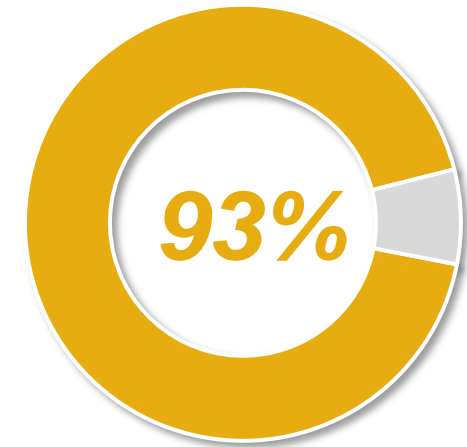
Recognize the importance of screening patients for the presence of collarettes during eye exams<sup>1</sup>

+5% 2Q23 vs. 4Q22



Believe collarettes are pathognomonic to *Demodex* blepharitis<sup>1</sup>

+7% 2Q23 vs. 4Q22



Indicated they would prescribe an FDA-approved therapeutic for *Demodex* blepharitis<sup>1</sup>

ATU demonstrates *ECPs* willingness to prescribe an FDA-approved therapeutic

# Activating Best-in-Class, Data-Driven Sales Force at Launch

## Sales Force Leadership

*Extensive launch and front-line leadership experience*

**100+**

*Combined Years  
of  
Eye Care*

**15**  
Sales  
Leaders

**85**  
Territory Leaders  
Expected at Launch

## Leveraging Analytics to Maximize Launch Velocity



- Current diagnosed *Demodex* blepharitis patients
- Pioneers and early adopters
- High volume prescribing ECPs

**Right-sized sales force** will reach 15K target ECPs, representing >80% of prescriptions<sup>1</sup>

# Category Creating Key Launch Elements

1



Commercial platform tailored to unique and underserved disease

2



Pricing reflects TP-03 standard of care potential

3



High touch access for a large underserved population

4



Accelerating commercial traction

# Accessibility, Affordability and Simplicity Delivering on the Patient and Physician Experience

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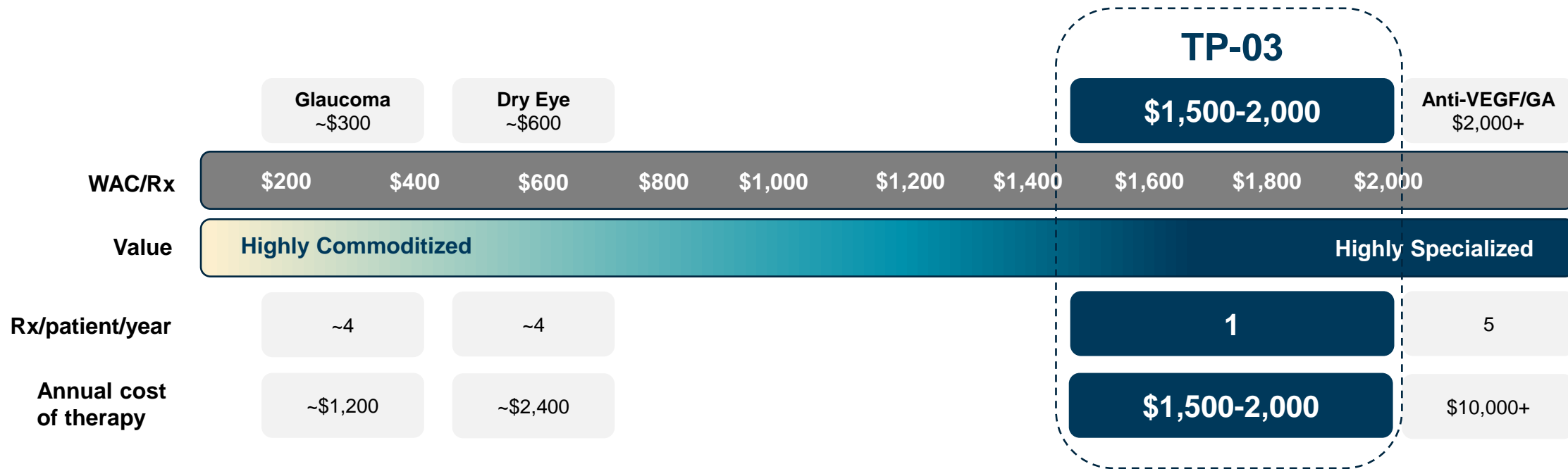


## Building potential broad reimbursement with high touch patient & physician support

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- 1 Category creation allows for innovative patient services
- 2 Novel science & robust clinical profile drive payer interest
- 3 Disciplined approach focused on long-term profitability

# TP-03 Expected WAC Pricing of \$1,500-2,000 Reflects Category Creating Product Profile and Pharmacoeconomic Value

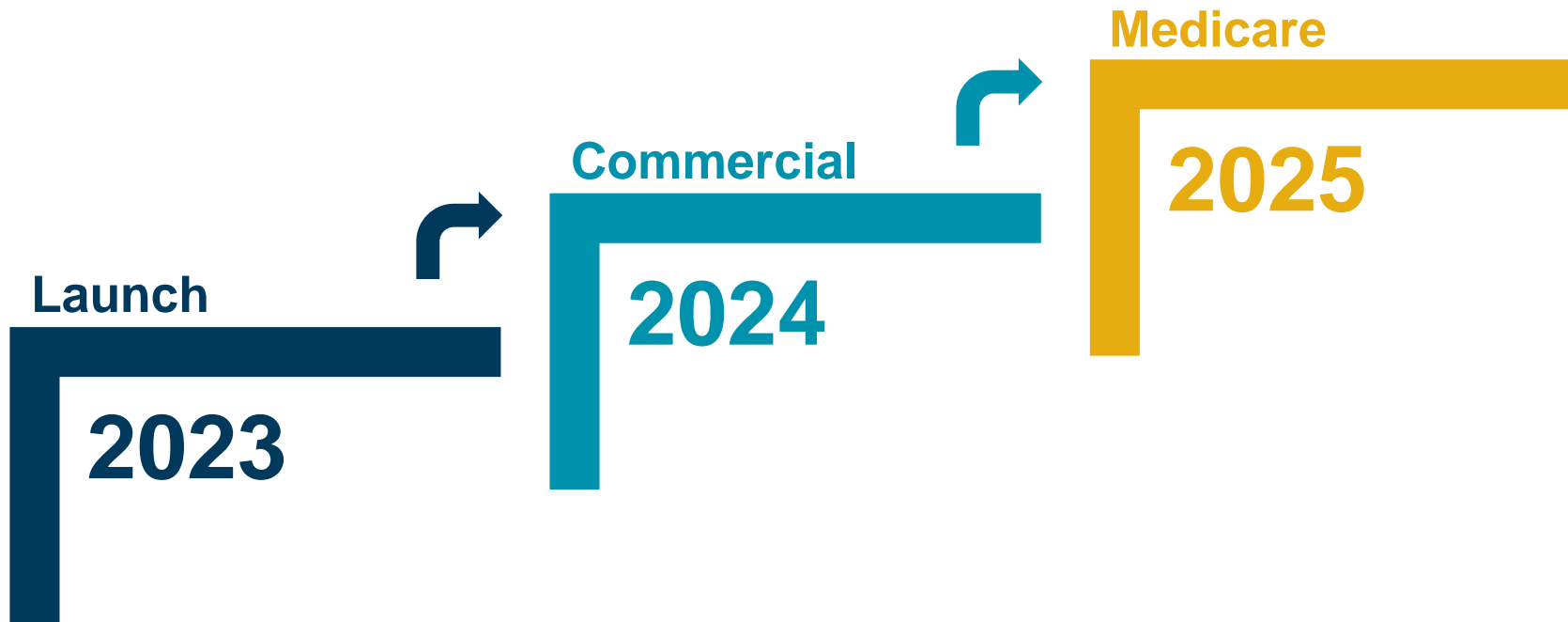


**Pricing reflects standard of care potential**

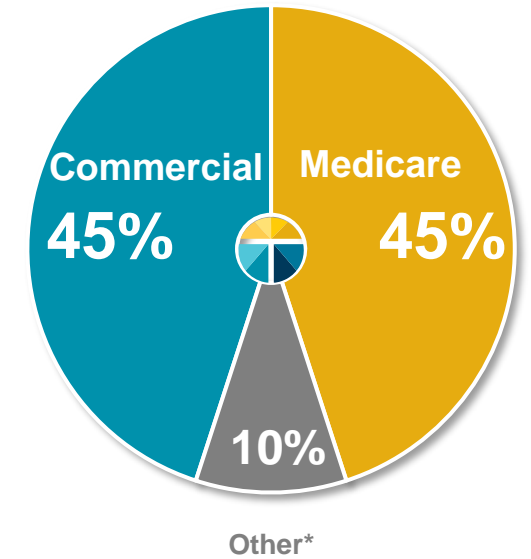
**Pharmacoeconomic value for payers**

**Expect retreatments to begin in 2025**

# Expected Broad Payer Coverage to Build Over Next Two Years



Expected Future Payer Mix





# Payers Recognize the High Unmet Need and Demonstrate a Willingness to Potentially Reimburse

## Engaged with commercial and Medicare payers driving 95% of total prescriptions

*“The ideal message is for you to have an outpatient eyedrop that’s used twice a day for a limited period of time that eradicates the mites.*

***So, it’s a cure. We love cures.”***

*- Traditional Health Insurer, Regional*

*“...there’s a potential to reduce prescription costs. And not cheap prescription costs.”*

*- Pharmacy Benefit Manager, National*

## Payers indicate strong and differentiated value proposition

- 1. First and only, with no other FDA approved options**
- 2. Robust duration of response**
- 3. Potential cost offsets**

**100% of payers surveyed likely to cover<sup>1,2</sup>**



# Planned Distribution Model Leveraging High Touch Retail and Digital Pharmacies

Optimizes patient and physician access

**Broad  
Footprint**

**18K+**

*Pharmacies in network,  
including leading  
national chains*

**Patient  
Centric**

**2x**

*Fill rate  
vs.  
traditional approach*



Predictable point-of-sale experience



Simplified prescriber & patient experience



Enabling broad adoption

**Robust services to  
support our patients**

Strategic approach *optimizes GTN and coverage opportunities*

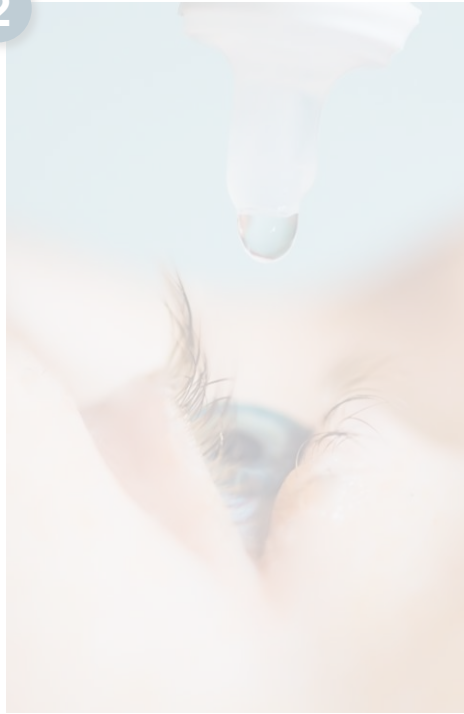
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1



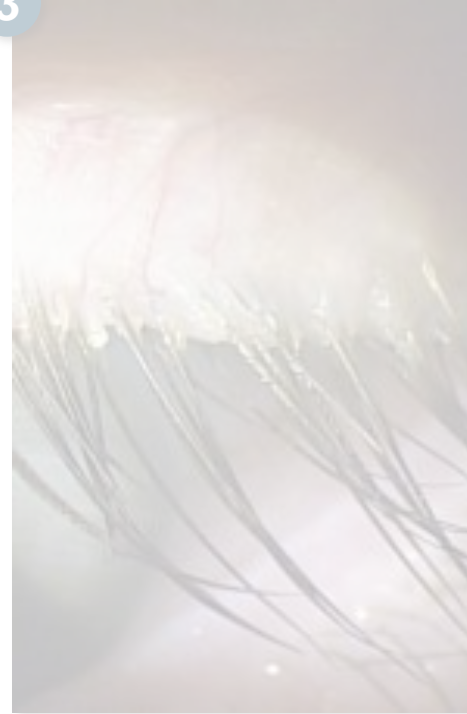
Commercial platform tailored to unique and underserved disease

2



Pricing reflects TP-03 standard of care potential

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High touch access for a large underserved population

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Accelerating commercial traction

# TP-03 Launch: Clear Pathway to Blockbuster Potential

2023

## Demand Through Early Adoption

- Driving physician adoption and patient outcomes
- Ensuring access through patient bridge programs

2024

## Reimbursement & Revenue Ramp

- Gaining expected broad commercial coverage
- Generating net revenue
- Breadth and depth of prescribing

2025+

## Growth

- Gaining expected broad Medicare coverage
- Accelerating net revenue
- Optimizing Gross-To-Net

\$1B+  
Peak Net  
Sales



# Initial Addressable *Demodex* Blepharitis Market is a Multi-Billion Dollar Opportunity

\$1B+ peak net sales potential with clear segments identified for initial ramp and future growth

**>7M Proactively seeking treatment for complementary eye conditions / diseases**

**1.5M** Blepharitis patients with *Demodex* blepharitis (DB)  
*Already diagnosed & seeking treatment*<sup>3</sup>

**1.2M** Dry Eye Rx patients with DB<sup>2,4,7</sup>

**2.2M** Cataract patients with DB<sup>2,5</sup>

**2.3M** Contact lens patients with DB<sup>2,6</sup>

$$\begin{aligned} &\times \$1,500-2,000 \times \sim 50\% \\ &\text{WAC/Rx} \quad \text{GTN Yield} \quad = \\ &4-6\text{-year ramp to peak net sales} \end{aligned}$$

**\$1B+**  
peak net sales  
potential

*within multi-  
billion-dollar  
market*

# Transforming Into a Leading Eye Care Company

Bobak Azamian



TARSUS



# Tarsus: Positioned for Immediate and Long-Term Value Creation

## Key takeaways from today



**\$1B+ peak net sales potential in multi-billion-dollar new category**



**TP-03 expected WAC of \$1,500-2,000**



**Broad expected payer coverage with high touch patient support**



**Early measures of success: patient experience, prescription volume, ECP adoption and payer wins**



**Advancing clinical pipeline: key Phase 2 data readouts from Lyme, MGD and Rosacea expected in 2H2023**

# Q&A

Tarsus Executives



**TARSUS**