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Terns Obesity Franchise Webinar

July 29, 2023

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Agenda

• Introduction and Overview of Terns' Pipeline	Erin Quirk M.D, President & Head of R&D
• GLP-1 Overview and Opportunity in Obesity	Erin Quirk
• Presentation of TERN-601 ADA poster	Olivia Osborn PhD, Dir. Biology & Discovery Res
• KOL Commentary	Marcus Hompesch M.D, Prosciento
• Terns' Obesity Franchise Overview	Erin Quirk
• Q&A	Erin Quirk and Sen Sundaram, CEO

Terns Pipeline: Rationale Drug Design to Improve on Validated MoAs

3 Clinically Validated Mechanisms	3 Indications with Unmet Need
1 **TERN-701: Allosteric BCR-ABL inhibitor** • U.S. Ph 1 initiation in 2H23; interim top-line readouts from initial cohorts in 2024	**Chronic Myeloid Leukemia** • Orphan indication supporting ~$5B market[1] across multiple similar active-site TKIs
2 **TERN-501: THR-β agonist** • DUET top-line data expected in 3Q23; primary endpoint of MRI-PDFF at week 12 for 501 vs. pbo	**NASH** • No approved drugs to date • Potentially differentiated CV / GI profile versus peer THR-β molecules[2]
3 **TERN-601: Oral/small-molecule GLP-1RA** • Ph 1 obesity trial initiation in 2H23, QD dosing to assess weight loss and PK; initial data in 2024	**Obesity** • ~$30B market[3] limited by supply / cost of peptides • Oral drugs expected to expand market access potential

3 Key Characteristics

- **Oral administration**
- **Small-molecule**
- **Internally-discovered**

1. Factset estimates for 2023E; 2. Based on publicly available data; comparisons were not done on a head-to-head basis and includes cross-trial and/or cross-phase comparisons; 3. EvaluatePharma 2026E consensus estimates

Terns Obesity Discovery Efforts Focused on GLP-1 and GIP

PROGRAM	MECHANISM	INDICATION	PRECLINICAL	EARLY-STAGE CLINICAL DEVELOPMENT	STATUS
Obesity					
TERN-601	Oral GLP-1RA	Obesity	IND-enabling activities		**Ph 1 Initiation: 2H23** Top-line data 2024
Next generation TERN-600 Series	Structurally distinct, oral GLP-1RA	Obesity	Discovery		**Lead identification** Potential for multiple development candidates
TERN-800 Series	Oral GIPR Modulators	Obesity	Lead optimization		**Lead optimization underway**

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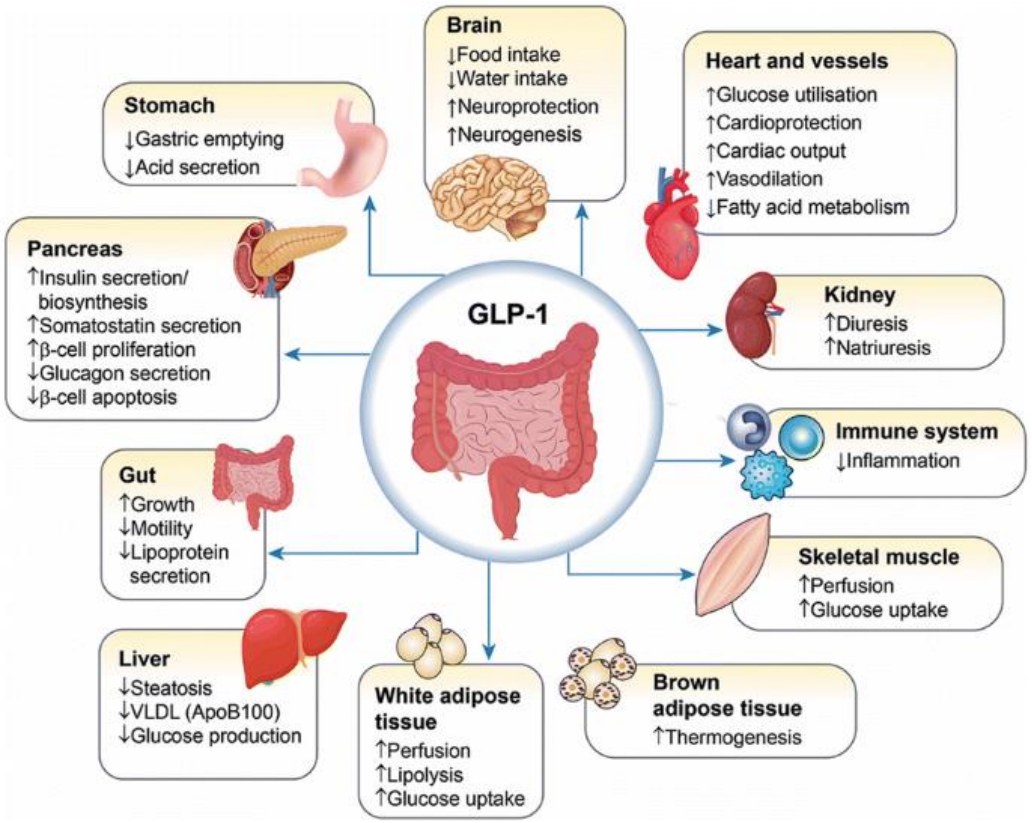
GLP-1 Overview and Opportunity in Obesity

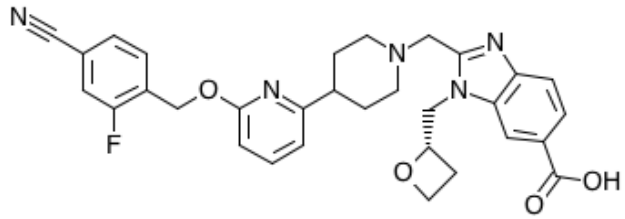
Erin Quirk, President & Head of R&D Terns

GLP-1 Background and Terns' Early Discovery Approach

GLP-1 agonism has demonstrated broad metabolic benefits, igniting development efforts



- Terns' GLP-1 discovery efforts initiated upon the publication of the *danuglipron* structure bound to the GLP-1 receptor



- Other oral GLP-1 agonists have demonstrated efficacy on weight loss, HbA1c over 28-days[1], but are limited by dosing/tolerability

- Terns' lead GLP-1 agonist program focused on:
  - Potent, safe and effective small molecule (non-peptide) with **oral once-daily dosing**
  - Suitable for **combination / co-formulation**
  - Applicability to **obesity, NASH and other indications**

Source (left): Kalra, S., Das, A.K., Sahay, R.K. et al; Reference standard source (right): Saxena 2021; PubChem
1. Nature - danuglipron Phase 1 results

Obesity Represents a Large Unmet Medical Need

Obesity Market Overview

$260bn

- Estimated aggregate U.S. national cost of obesity based on recent studies[1]

2% of adults receive medications for weight loss…

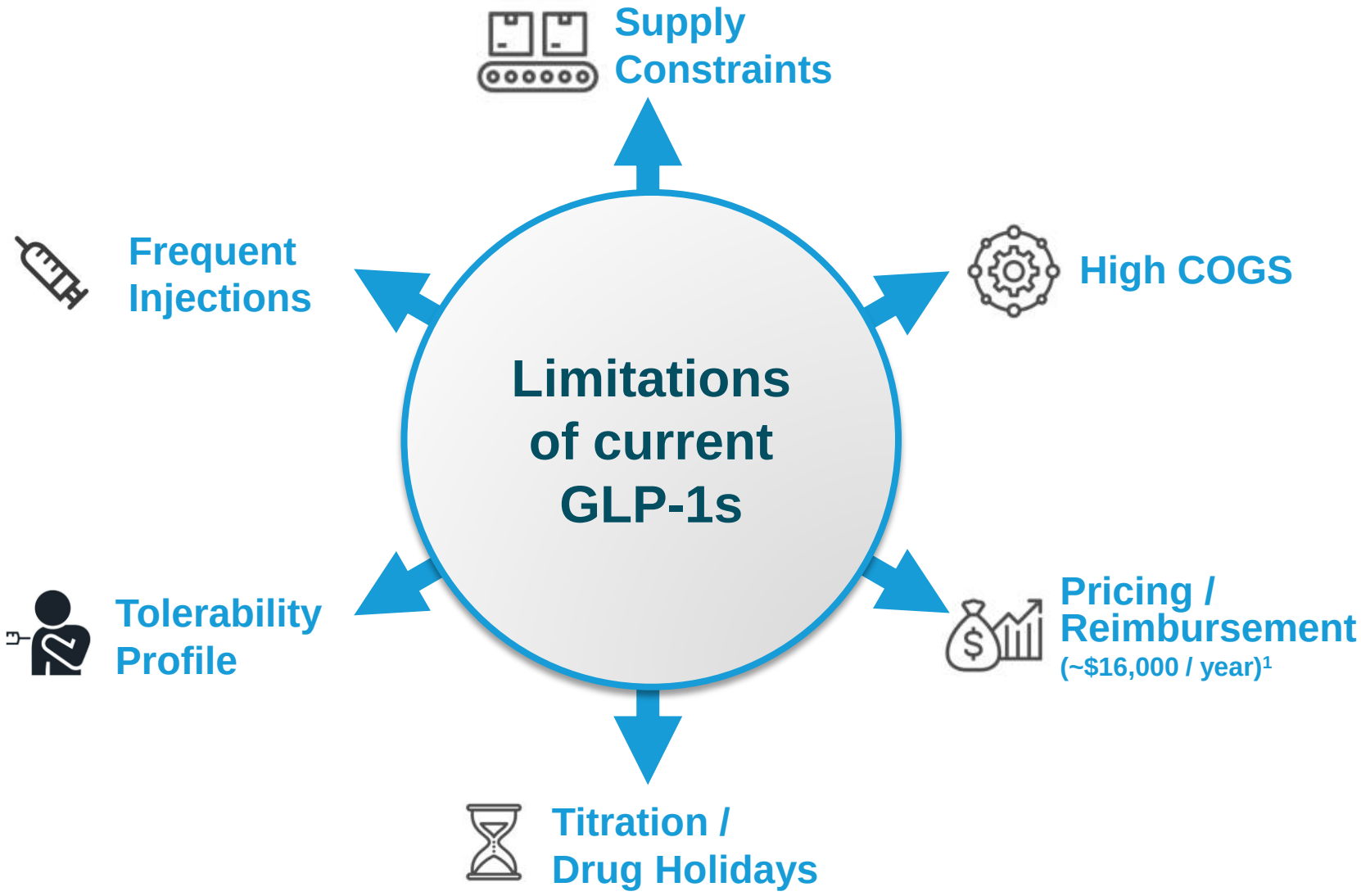
- … while ~50% of Americans meet the criteria for medical obesity pharmacotherapy[2]

75% of patients starting Wegovy are treatment-naïve to anti-obesity medication[2]

- Wegovy appears to be expanding the market for obesity treatment

1. J. Cawley et al. Direct medical costs of obesity in the United States and the most populous states
2. Novo Nordisk Capital Markets Day 2022

Oral, Small-Molecule GLP-1s May Address Limitations of Current Injectable GLP-1s



1. Novocare: Wegovy has a list price of $1,349 / package * 12 pkgs/year

American Diabetes Association
83RD SCIENTIFIC SESSIONS
SAN DIEGO, CA / HYBRID | JUNE 23–26, 2023

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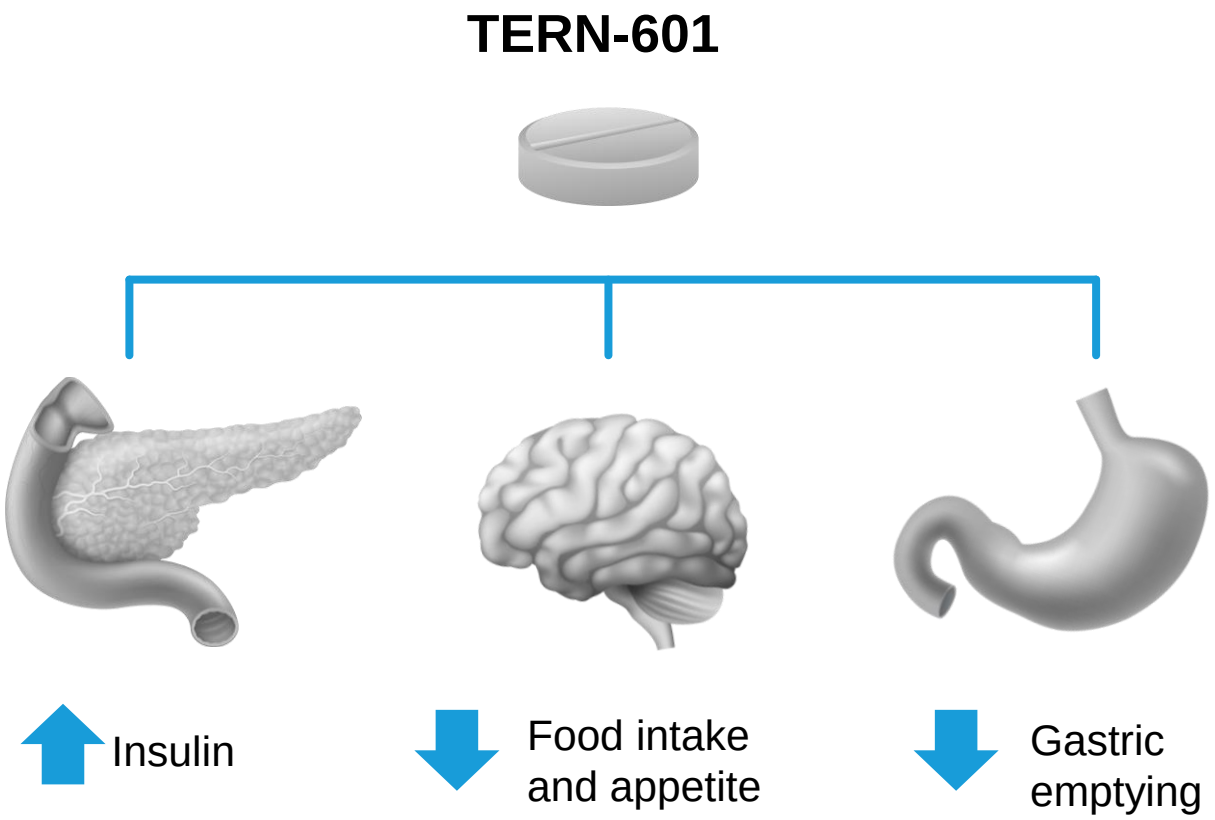
TERN-601, a Novel Oral GLP-1R Agonist, Suppresses Food Intake and Improves Glucose Tolerance in Transgenic Mice Expressing Human GLP-1 Receptor

Olivia Osborn, Director of Biology

TERN-601: Introduction

A novel, potent, oral small molecule GLP-1R agonist in preclinical development



TERN-601 Showed Nanomolar Potency in Cells Expressing Human GLP-1R

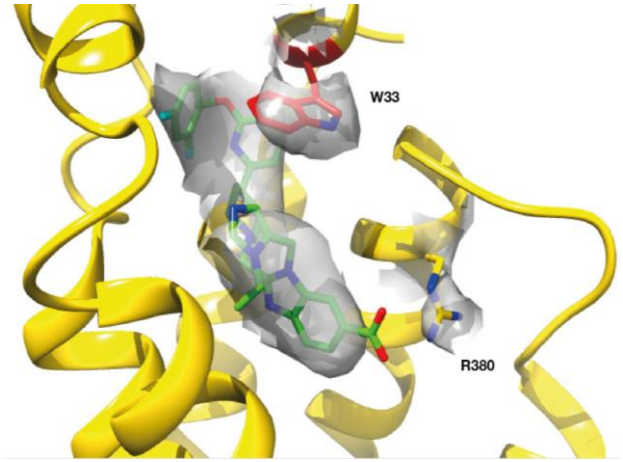
Humanized GLP-1R Mice are Required to Assess Small Molecule GLP-1 Activity

In vitro potency on GLP-1R (cAMP assay)

	TERN-601	
Species	EC_{50}, nM	E_{max}, %
Human	2.92 (0.81)	98 (2)
Mouse	>10,000	3 (3)

Intracellular cAMP accumulation was assessed in CHO-K1 cells expressing human GLP-1R and measured by TR-FRET. Activity on mouse GLP-1R was determined in a U2OS mouse GLP-1R cell line using the HitHunter cAMP assay detection kit. Data presented as mean ±SD.

Small Molecules Only Bind to the Primate GLP-1R



Griffith 2022 JMedChem

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          29        38
HUMAN:    TVSLWETVQK
MONKEY:   TVSLWETVQK
MOUSE:    TVSLSETVQK
RAT:      TVSLSETVQK
HORSE:    TVSFSETLQK
CHICK:    DGSLSGVVQK
CAT:      TVSLSETVQK
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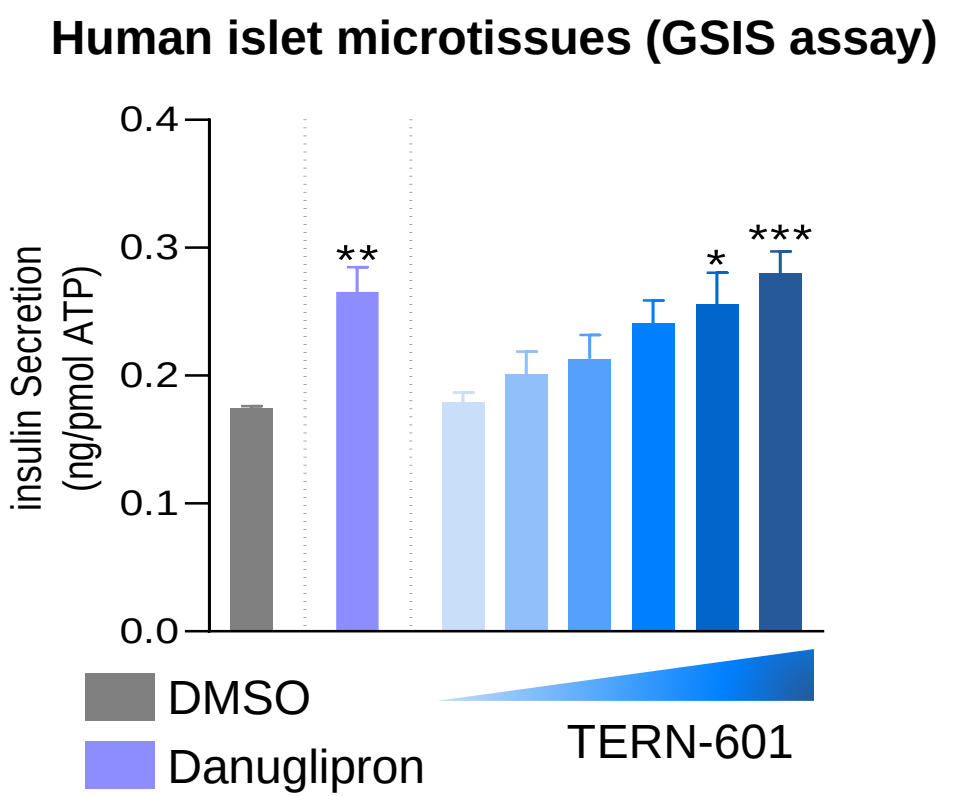
TERN-601 Enhanced Glucose Stimulated Insulin Secretion (GSIS) in Human Pancreatic Islet Microtissues

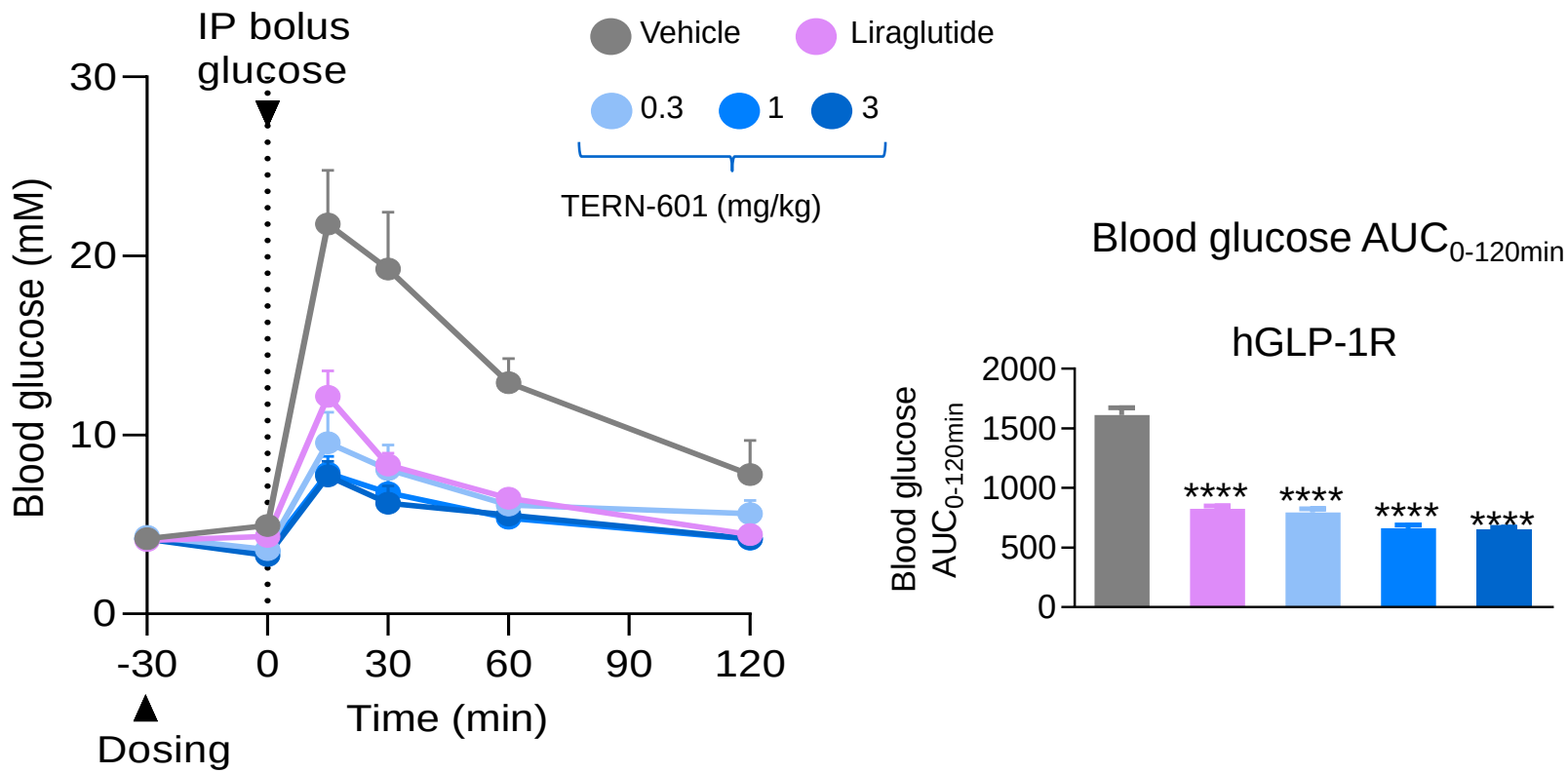


- Glucose-stimulated insulin secretion was evaluated in 3D InSight™ human Islet microtissues treated with TERN-601, danuglipron, or DMSO in the presence of 16.7 nM glucose

Data presented as mean ±SD insulin levels normalized to ATP content (9-10 replicates per condition). *p<0.05, **p<0.01, ***p<0.001 vs. DMSO control

TERN-601 Shows Similar Activity to Peptide Control on Glucose Tolerance in hGLP-1R mice

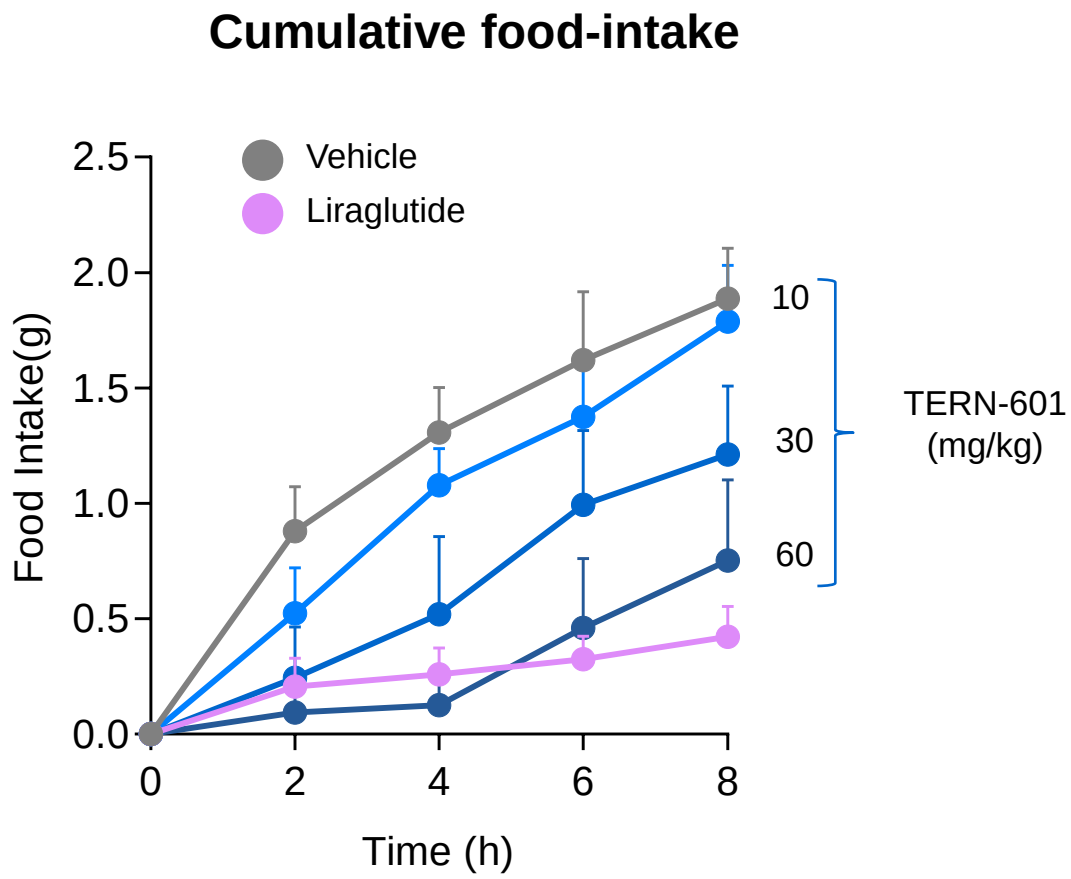
Intraperitoneal glucose tolerance test (IPGTT) in hGLP-1R mice



Fasted hGLP1R and WT mice received TERN-601 (0.3, 1, 3 mg/kg, PO) or liraglutide (0.3 mg/kg, SQ) before glucose challenge (2 g/kg IP) and blood glucose was monitored for 120 minutes. Data presented as mean ±SD (n = 5-7/group) ns= not significant; ****p<0.0001 vs. Vehicle.

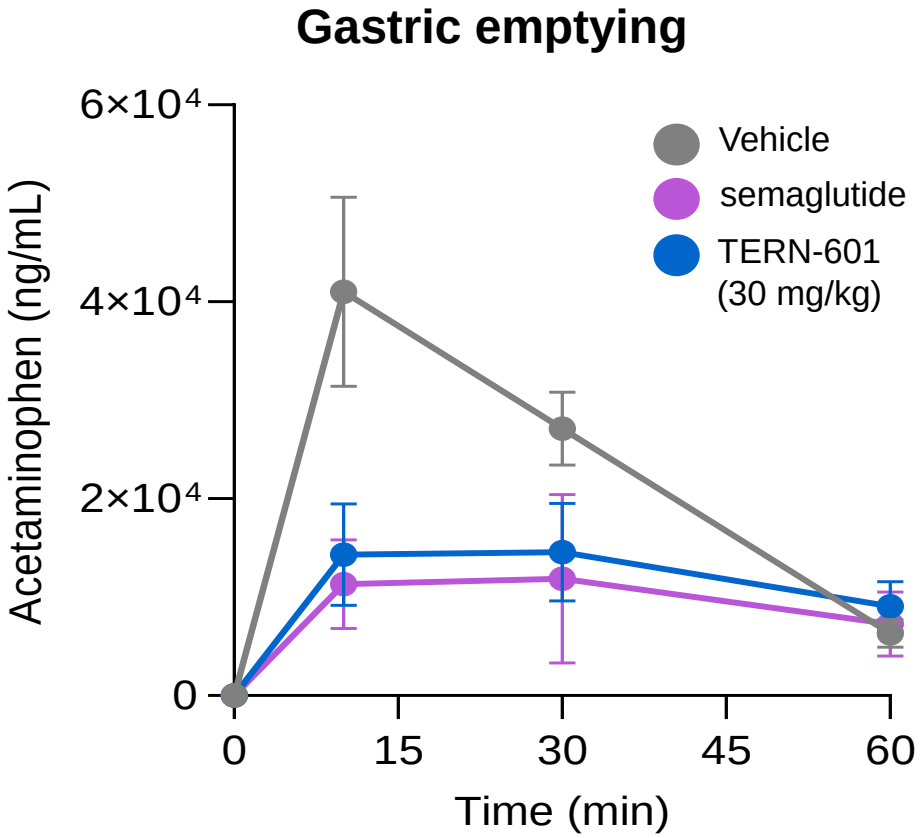
*Griffith et al., 2022. *A Small-Molecule Oral Agonist of the Human Glucagon-like Peptide-1 Receptor.* PMID 35647711

TERN-601 Reduced Food-intake in a Dose-Dependent Manner in hGLP-1R Mice



Food intake was measured in fasted mice treated with TERN-601 (10, 30, 60 mg/kg, PO) or liraglutide (0.3 mg/kg, SQ), with food available *ad libitum* 15 minutes post dose. Data presented as mean ±SD (n = 10/group).

TERN-601 Also Slows Gastric Emptying



- Acetaminophen (APAP) plasma levels were reduced in fasted hGLP-1R mice administered TERN-601 4 hours prior to oral ingestion of APAP-glucose solution, indicating slowed gastric emptying

Gastric emptying was assessed using acetaminophen pharmacokinetics as a marker in fasted mice given TERN-601 (30 mg/kg, PO) or semaglutide (10 nmole/kg, SQ), followed by acetaminophen (APAP, 100 mg/kg) and glucose (2 g/kg). Acetaminophen levels in plasma were measured at various time points by LC-MS/MS. Data presented as mean ±SD APAP plasma concentration (n = 5/group)

Conclusions

- TERN-601 is a novel, potent, oral small molecule agonist of human GLP-1R
- TERN-601 enhanced glucose-stimulated insulin secretion in human pancreatic islet microtissues
- Oral doses of TERN-601 significantly improved glucose tolerance, suppressed food-intake, and slowed gastric emptying in mice expressing human GLP-1R

➢ These results support the continued development of TERN-601 for the treatment of obesity

➢ The Phase 1 trial of TERN-601 is expected to initiate in 2H23 in participants with elevated BMI

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KOL Commentary on TERN-601 ADA Poster Presentation

Marcus Hompesch, CEO and Chairman ProSciento

Dr Marcus Hompesch

- Chief Executive Officer and Chairman of the Board of ProSciento
- Editor-in-chief of the journal Endocrinology, Diabetes & Metabolism
- 25+ years in academic and industry settings, including contributions to clinical development strategies and early phase research studies for globally-marketed metabolic drugs

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Terns' Obesity Franchise Overview

Erin Quirk, President & Head of R&D Terns

Terns Obesity Discovery Efforts Focused on GLP-1 and GIP

PROGRAM	MECHANISM	INDICATION	PRECLINICAL	EARLY-STAGE CLINICAL DEVELOPMENT	STATUS
Obesity					
TERN-601	Oral GLP-1RA	Obesity	IND-enabling activities		Ph 1 Initiation: 2H23 Top-line data 2024
Next generation TERN-600 Series	Structurally distinct, oral GLP-1RA	Obesity	Discovery		Lead identification Potential for multiple development candidates
TERN-800 Series	Oral GIPR Modulators	Obesity	Lead optimization		Lead optimization underway

TERN-601 is Poised to Enter the Clinic in 2H23

1H23

Phase 1 preparation

- TERN-601 **drug product manufacturing** completed in the first quarter of 2023
- Preclinical data from a transgenic mouse model evaluating TERN-601 presented at ADA 2023

Ongoing: Late stages of IND preparation to enable trial initiation

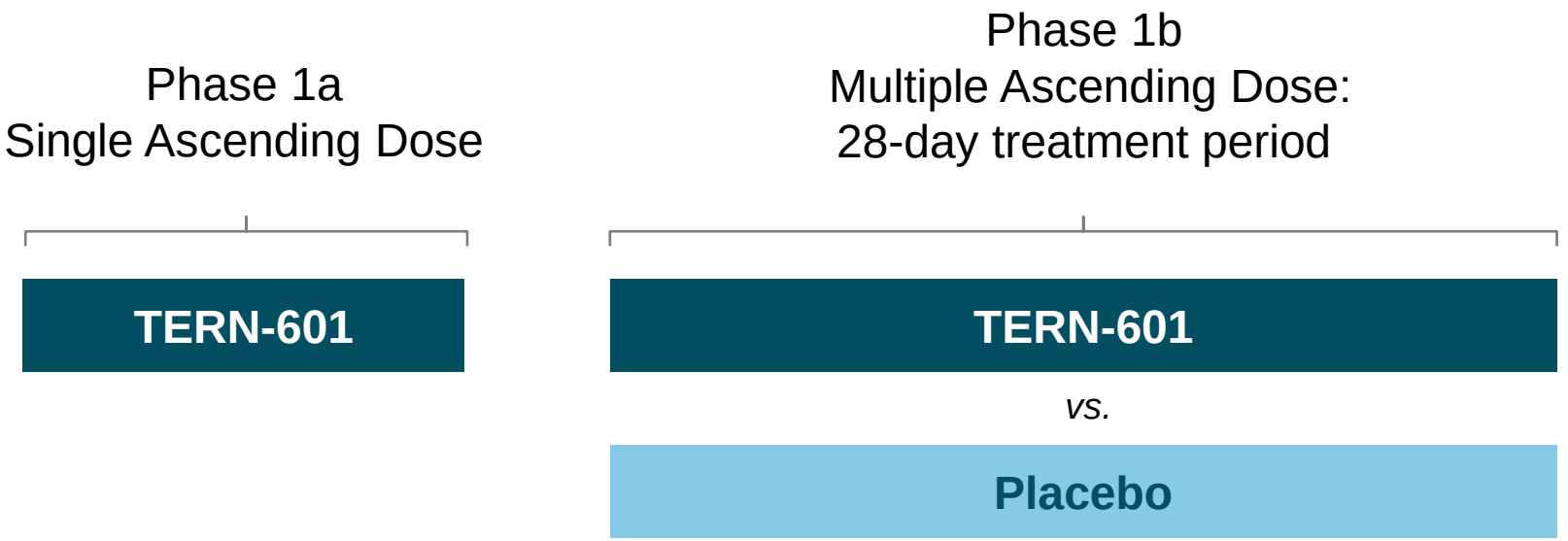
2H23

Initiate Phase 1 program

First-in-human clinical trial program expected to start in 2H23; data in 2024

Proof of Concept / Efficacy Can Be Shown in Shorter Trials as Short as One Month

Illustrative TERN-601 Phase 1 Trial Design



Potential Endpoints

Top-line expected in 2024

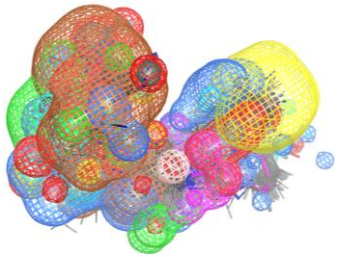
- Body weight
- Glycemic control parameters
- Safety

GLP-1 Discovery Efforts Focused on Structural Diversity and Potential Dual Agonists

Early GLP-1 Discovery

Terns' GLP-1 Target Product Profile (TPP) Foundation

- Once-daily dosing potential
- Suitable for combination
- Ease of manufacture



Terns continued medicinal chemistry efforts

1st Generation GLP-1 TPP

- Activity similar to danuglipron

TERN-601

Future

Next Generation GLP-1 TPP

- New **potent**, **structurally-distinct** scaffolds

TERN-600 Series: Next Generation GLP-1R agonists

GLP-1 May Become Foundational to Combination Therapy for Metabolic Diseases

Injectable, peptidic GLP-1 combination approaches explored today…

- GLP-1R + GIPR
- GLP-1R + GCGR
- GLP-1R + GIPR + GCGR
- GLP-1R + Amylin
- GLP-1R + FGF21

… may inform future opportunities / approaches for **oral, small-molecule** GLP-1 combos

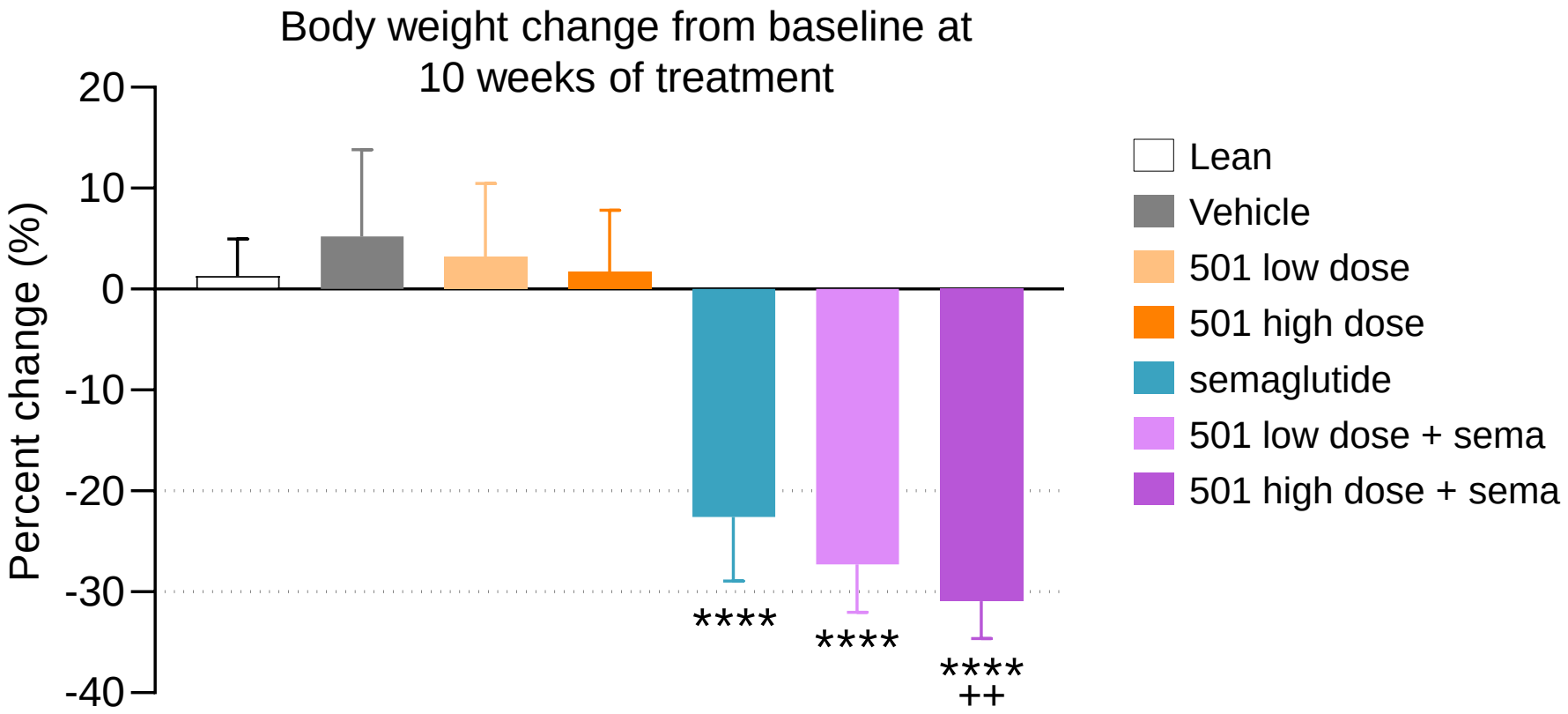
- GLP-1R + THR-β (TERN-501)
- GLP-1R + GIPR (TERN-800)

Mechanism in Terns pipeline

Non-clinical Data Suggests THR-β (TERN-501) May Augment Weight Loss Effects of GLP-1R Agonist

Preliminary data in diet-induced obese (DIO) NASH mice[1]; study remains ongoing

- Semaglutide induces significant body weight loss after 10-weeks of treatment
- TERN-501 **significantly enhances** body weight loss effects of semaglutide



****p-value <0.001 vs vehicle; $^{++}$p-value <0.01 vs. semaglutide

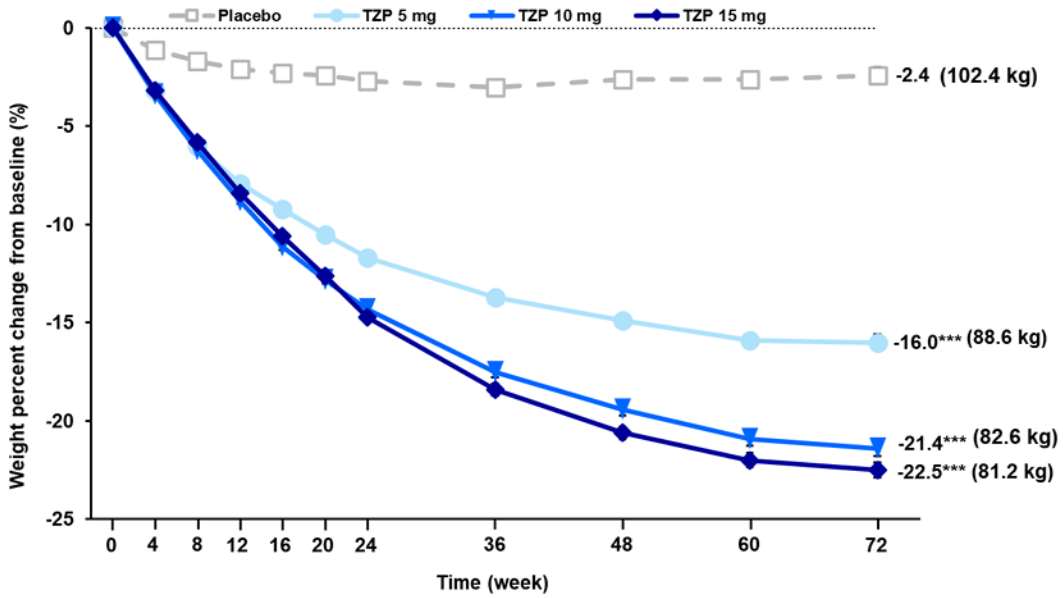
1. Body weight change after 10-weeks of treatment; mice on Gubra amylin high fat, cholesterol, and fructose diet for >35-weeks prior to study start

Note: TERN-501 dosed orally, once-daily; semaglutide dosed subcutaneously, once-daily. The same doses of TERN-501 and semaglutide monotherapy arms were used in combination arms

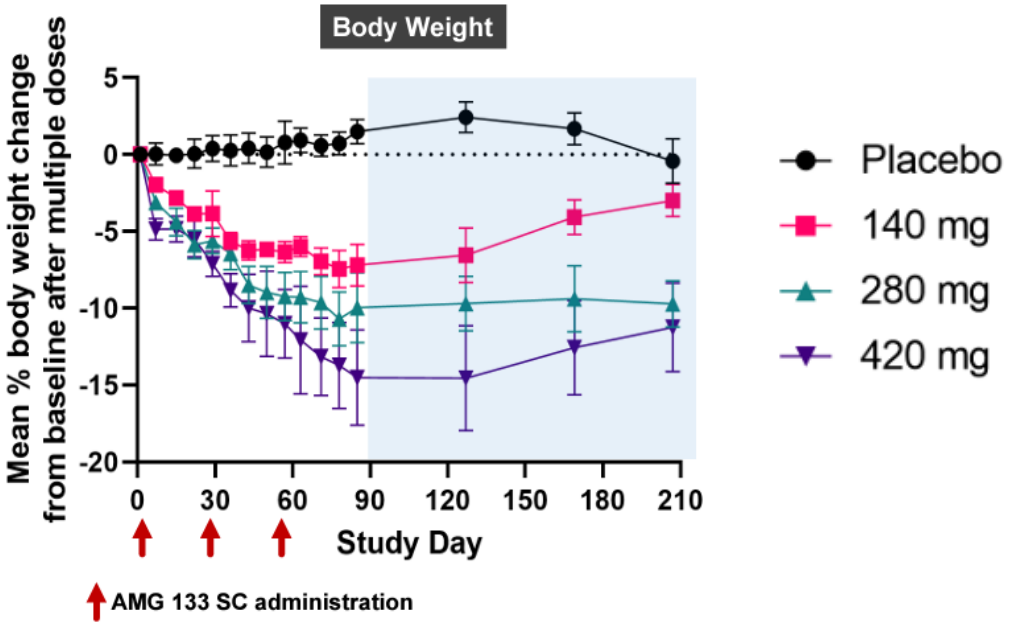
Additionally, GIPR Modulators Have Shown High Potential in Weight Loss (~15% - ~20%)

Terns discovery efforts are underway for both GIPR antagonism & agonism approaches

tirzepatide, a GLP-1 / GIPR *agonist*, showed ~20% mean weight loss over 72 weeks:



AMG-133, a GLP-1 agonist / GIPR *antagonist*, also showed significant weight loss up to 150 days:



Source: Campbell Mol Metab. 2021 Apr; 46: 101139; AMGN data disclosure; LLY data disclosure

TERN-800 Series is Underway: GIPR Leads Identified, IND-enabling Studies Expected to Start in 2024

- Combining internal chemistry expertise with external synthesis teams to develop initial set of ‘800 series compounds based on improving known scaffolds
- Supplementing efforts with computational approach to virtually screen 9 billion compounds *in silico* to identify additional GIPR modulators
- Focused on modulators that can be combined with approved GLP-1s

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Q&A

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Appendix

Large Pharma are Dependent on Collaborators for GLP-1 Small Molecules

Pharmas with Active Small Molecule GLP-1 Programs for Obesity

Pharma	*Compound*	*Partner*
Pfizer	danuglipron[1] (PF-06882961)	Sosei Heptares
Pfizer	lotiglipron[2] (PF-07081532)	Sosei Heptares
Lilly	orforglipron[3] (LY3502970)	Chugai

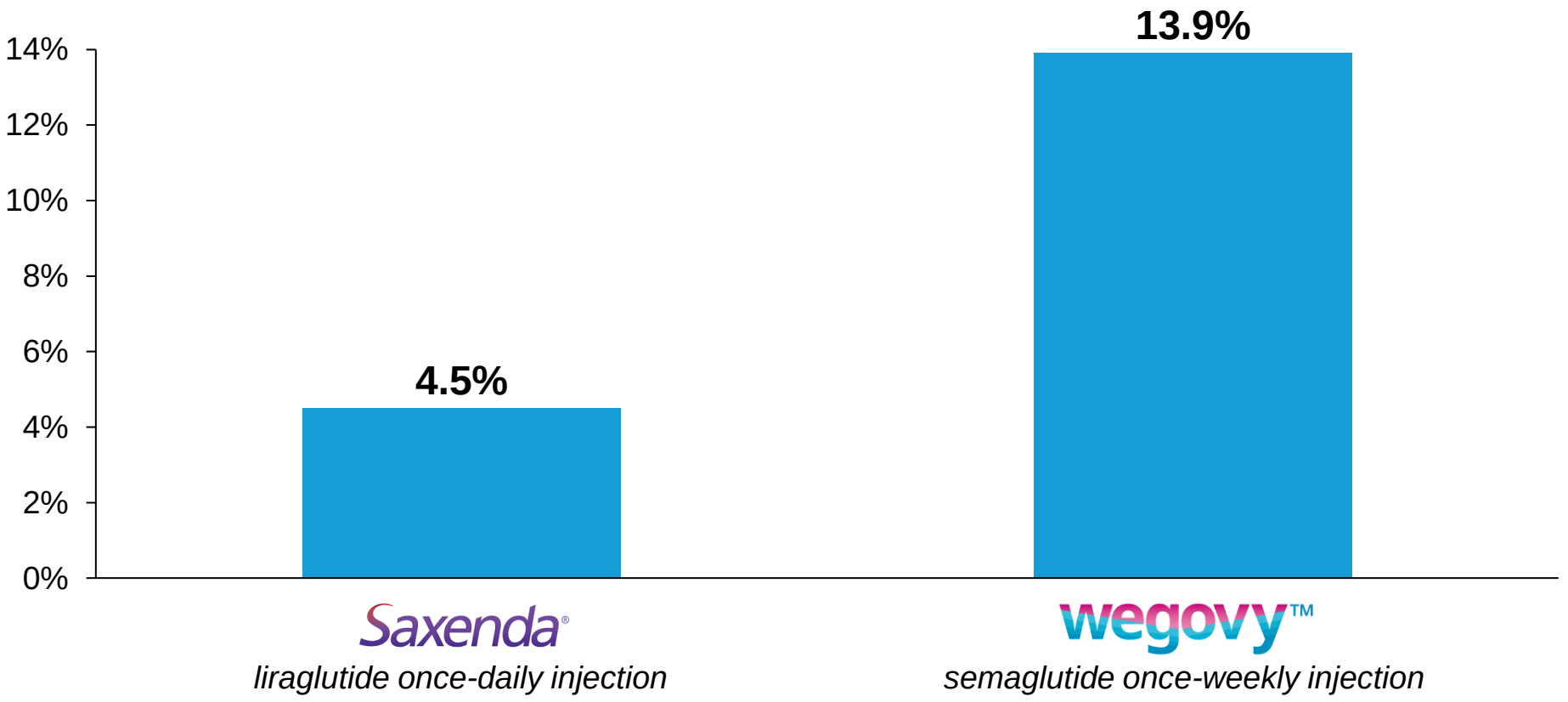
Pharmas *without* Active Small Molecule GLP-1 Programs for Obesity*

Amgen, AstraZeneca, Boehringer Ingelheim, Bristol Myers Squibb, GSK, Johnson & Johnson, Merck, Novartis, Novo Nordisk, Sanofi, Takeda

1. J. Med. Chem. 2022 Griffith et al. 2. BioSpace 3. LLY 2021 ADA Update
* Represents clinical-stage small molecule GLP-1R agonists based on publicly available information

FDA Approvals Granted for GLP-1 Receptor Agonists Based on Weight Loss Endpoint at 1-Year…

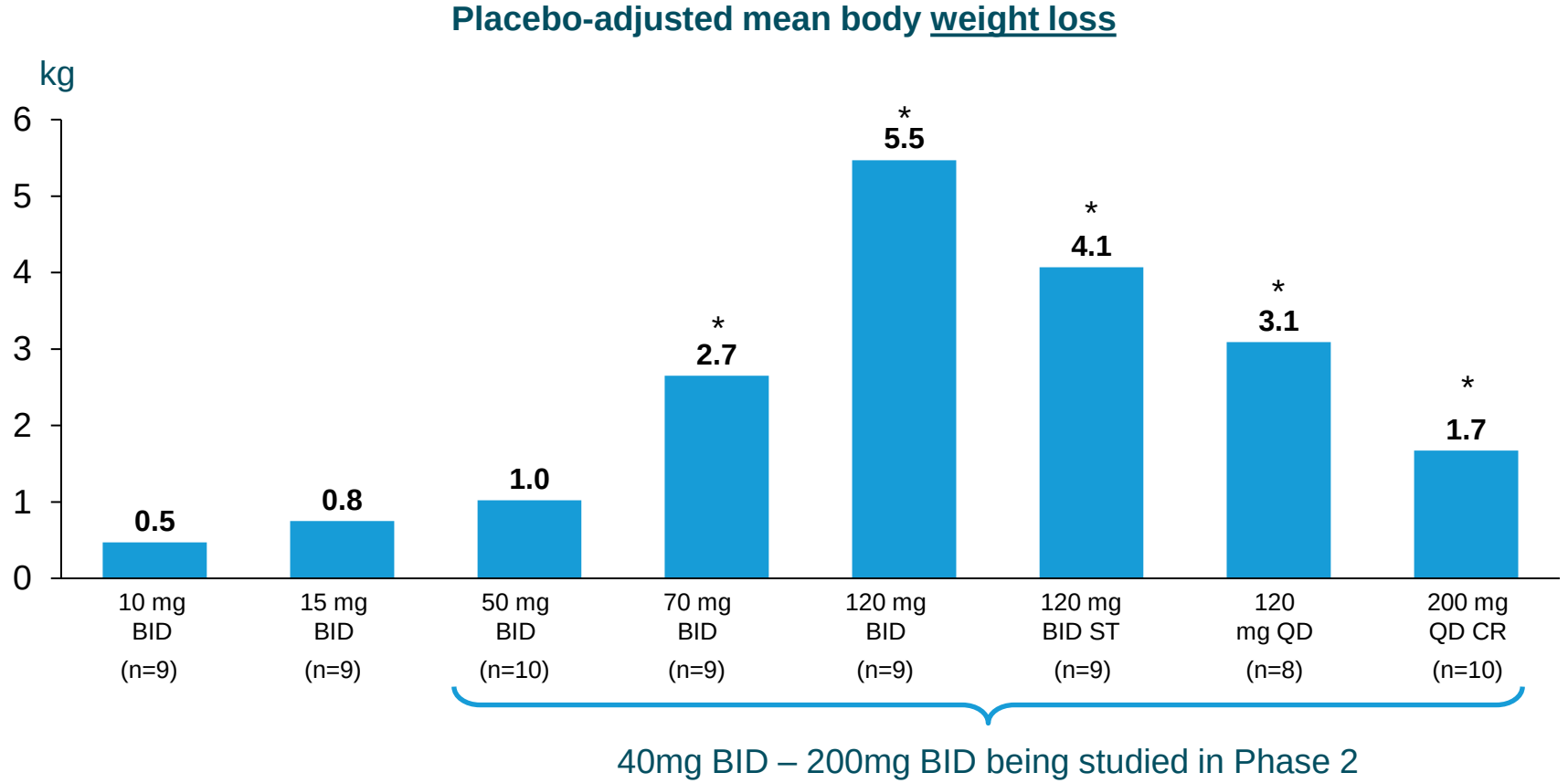
Placebo-adjusted mean body weight loss after 68-weeks



Source: STEP 8 Clinical Trial (NCT04074161): open-label 68-week Phase 3b trial of once-weekly subcutaneous 2.4mg semaglutide (16-week dose escalation + 52-weeks therapy) vs. once-daily subcutaneous 3.0mg liraglutide (4-week dose escalation)

…Though Proof Of Concept / Efficacy Can Be Shown in Shorter Trials as Short as 1 Month

danuglipron (PF-06882961) 28-day Phase 1 Results



Source: Nature
QD, once daily; BID, twice daily; ST, slow titration; CR, controlled-release; HbA1c, glycated hemoglobin
* Statistically significant vs placebo

Key Completed and Upcoming Milestones

Multiple clinical milestones expected across Terns' pipeline

	1H 2022	2H 2022	1H 2023	2H 2023	1H 2024	2H 2024
TERN-701 (BCR-ABL Inhibitor)		✓ China Phase 1 trial initiated (2Q 22)		U.S. Phase 1 trial initiation (2H 23)	**Interim top-line data from initial U.S. Phase 1 cohorts (2024)**	
TERN-501 (THR-β Agonist)		✓ DUET NASH Phase 2a combo trial dosing (Jul 2022)		DUET **NASH Phase 2a combo trial top-line data (3Q 23)**		
TERN-101 (FXR Agonist)						
TERN-601 (GLP-1 Agonist)				Phase 1 trial initiation (2H 23)	**Phase 1 top-line data (2024)**	

Note: Check mark (✓) denotes completed milestones, all other milestones are anticipated future milestones. Relative position of completed or expected milestones on illustration does not denote or imply chronological order

Mission. Vision. Core Values.

MISSION

To advance transformative medicines that address serious diseases

VISION

To pioneer significant innovations across the lifecycle of drug development

TRUST
EVOLVE
RESPECT
NURTURE
SOAR

Trust: empowered and accountable to do the right thing

Evolve: learning and growing from our successes, failures and changes in the environment

Respect: celebrating the diversity of our backgrounds, opinions and experiences

Nurture: fostering internal and external relationships

Soar: aiming high and being your best