Company Overview

NASDAQ: TERN

September 2022

Forward-Looking Statements

This presentation contains forward-looking statements about Terns Pharmaceuticals, Inc. (the "Company," "we," "us," or "our") and its industry that involve substantial risks and uncertainties. All statements other than statements of historical facts contained in this presentation, including statements regarding the Company's strategy, future financial condition, future operations, projected costs, prospects, plans, objectives of management and expected market growth, are forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as "aim," "anticipate," "assume," "believe," "contemplate," "continue," "could," "design," "due," "estimate," "expect," "goal," "intend," "may," "objective," "plan," "positioned," "potential," "predict," "seek," "should," "target," "will," "would" and other similar expressions that are predictions of or indicate future events and future trends, or the negative of these terms or other comparable terminology. The Company has based these forward-looking statements largely on its current expectations, estimates, forecasts and projections about future events and financial trends that it believes may affect its financial condition, results of operations, business strategy and financial needs. In light of the significant uncertainties in these forward-looking statements, you should not rely upon forward-looking statements as predictions of future events. Although the Company believes that it has a reasonable basis for each forward-looking statement contained in this presentation, it cannot guarantee that the future results, levels of activity, performance or events and circumstances reflected in the forward-looking statements will be achieved or occur at all. These risks are not exhaustive. For a detailed discussion of the risk factors that could affect our actual results, please refer to the risk factors identified in our SEC reports, including but not limited to our Annual Report on Form 10-K for the year ended December 31, 2021. New risk factors emerge from time to time and it is not possible for our management to predict all risk factors, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in, or implied by, any forward-looking statements. Except as required by law, we undertake no obligation to update publicly any forward-looking statements for any reason after the date of this presentation.

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Terns Has an Experienced Leadership Team and Strong Shareholder Base

Management Team

Sen Sundaram – CEO
20+ years of biotech strategy, BD/M&A and finance experience
Prior: Nightstar, Intercept, Lehman, Lazard

Erin Quirk, MD – President, Head of R&D
17+ years of clinical development experience, developed multiple combo drugs
Prior: Gilead, Merck

Mark Vignola, Ph.D. – CFO
10+ years of biotech IR, development and finance experience
Prior: Intercept, Needham, Applied Therapeutics

Bryan Yoon – COO & General Counsel
17+ years of legal and operational experience with pharma / biotech
Prior: LogicBio, Nightstar, Intercept, Mintz

Kerry Russell, MD, Ph.D. – CMO
9+ years of clinical development experience
Prior: Dicerna, resTORbio, Novartis

Diana Chung – SVP, CDO
20+ years of drug discovery and clinical development experience
Prior: Gilead, Theravance, Genentech

Board of Directors

David Fellows – Chairman of the Board
Board member of Jaguar Gene Therapy and Oxular; previously CEO & Board member of Nightstar, Board member of Gyroscope and VP of J&J Vision Care

Carl Gordon, PhD, CFA – Director
Board member of Adicet, Compass, Gemini, Keros, Kinnate and Theseus; founding member, managing partner and co-head of Global Private Equity at OrbiMed

Jeff Kindler, JD – Director
Board member of Perrigo, Precigen, CEO of Centrexion, operating partner of ARTIS Ventures; previously Chairman and CEO of Pfizer

Hongbo Lu, PhD, MBA – Director
Board member of Rgenta, Ribox, RareStone, Ronovo, managing partner at Vivo Capital; previously Board member of Turning Point, Avedro

Jill Quigley, JD – Director
Previously COO of Passage Bio, CEO and GC of Nutrinia, Senior Counsel of NPS Pharma

Sen Sundaram – Director
Board member Sio Gene Therapies; previously CFO of Nightstar, former Director of Social Capital Suvretta I (DNAA)

Ann Taylor, MD – Director
Board member of Unlearn.AI; previously CMO of AstraZeneca, Head of Clinical Biologics at MedImmune

Radhika Tripuraneni, MD, MPH – Director
Chief Development Officer of Prothena; previously VP Medical Affairs and Chief of Staff to CMO of MyoKardia

Top Shareholders

FAIRMOUNT · venrock · OrbiMed Healthcare Fund Management · VIVO CAPITAL · Lilly Asia Ventures 礼来亚洲基金 · SUVRETTA CAPITAL MANAGEMENT

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Why Terns? Why Now?

3 Clinically validated mechanisms	**3** Indications with large unmet need	**3** Key clinical readouts
TERN-701: Allosteric BCR-ABL inhibitor • Recent FDA approval (Novartis' Scemblix) • Superior efficacy to standard of care • Blockbuster sales potential[1]	**Chronic Myeloid Leukemia** • >$5B market[2] across multiple similar 2nd gen TKIs • CML prevalence expected to triple by 2040[3] • Many patients not adequately treated by SoC[4] • Upside opportunity to move from 3L → 1L	**Ph 1 CML dose escalation / expan. (TBA)** • Preliminary efficacy (e.g., molecular response) • First-in-human PK; tolerability / safety • Inform & accelerate U.S. development
TERN-601: Oral/small-mol. GLP-1 agonist • Recent positive Ph1 data from peers (PFE and LLY) • Recent GLP-1 FDA approval for obesity (Wegovy), prior approval of Saxenda in 2014	**Obesity** • ~$30bn market[5] limited by supply/cost of peptides • Oral drugs expected to expand market access potential	**Ph 1 Obesity (SAD/MAD) data (2024)** • Weight loss • HbA1c • PK: QD dosing
TERN-501: THR-β agonist • Recent positive Ph2 & Ph3 data from peers	**NASH** • No approved drugs to date • Demand for drugs amenable for co-administration	**Ph 2a NASH mono/combo data (2H23)** • Proton Density Fat Fraction (PDFF) – Liver fat • Corrected T1 (cT1) – Liver fibro-inflammation

Strong Balance Sheet

Cash of $200M[6] expected to provide runway into 2025

1. Novartis 3Q 2021 Earnings; 2. Factset estimates for 2022E; 3. Jabbour, Kantarjian, AJH 2020, CML: 2020 updates on the diagnosis, therapy and monitoring; 4. Cortes & Lang 2021 J Hematol. Oncol.;
5. EvaluatePharma 2026E consensus estimates 6. Pro forma cash, cash equivalents and marketable securities as of June 30, 2022. includes ~$61M in net proceeds from offering in August 2022

Note: 3L: 3rd line; 1L: 1st line

Terns Pipeline: 3 Key Milestones in 3 Indications

Broad rights to multiple wholly-owned opportunities targeting serious diseases

PROGRAM	PRECLINICAL	EARLY-STAGE CLINICAL DEVELOPMENT	LATE-STAGE CLINICAL DEVELOPMENT	MILESTONES: RECENT	MILESTONES: UPCOMING
Oncology – Chronic Myeloid Leukemia (CML)					
TERN-701 (HS-10382) (Allosteric BCR-ABL Inhibitor) HANSOH PHARMA			**** Anticipated registrational trial following Ph 1 trial***	**✓ Phase 1 Initiated[1] (2Q22)**	**Phase 1 Top-Line (TBA)**
Obesity					
TERN-601 (Oral GLP-1R Agonist)				**✓ IND-enabling Activities Initiated (1Q22)**	**Phase 1 Initiation (2023)**
Nonalcoholic steatohepatitis (NASH)					
TERN-501 (THR-β Agonist)			DUET ✓	**Phase 2a Initiated (May 2022)**	**Phase 2a Top-line Data (2H23)**
TERN-501/TERN-101 (Combo) (THR-β/FXR Combo)					

1. Out-licensed to Hansoh Pharma in the Greater China region; Ph 1 trial ongoing in China; Terns eligible for up to $67M in clinical, regulatory and sales-based milestones, mid-single digit percentage royalties on net sales
Note: TERN-201 AVIATION Trial Part 2 (20 mg) remains ongoing

Peer Landscape: Many Peer Molecules Have Limitations that are Addressed by Terns' Pipeline

Treatment Approaches	Clinical Trial Findings[1]	Observed Limitations[1]	Terns Differentiation
BCR-ABL Active-Site Tyrosine Kinase Inhibitors (CML)	▪ BCR-ABL active-site TKIs effective on molecular response and survival	▪ Greater response with allosteric TKI vs. active-site TKIs ▪ Tolerability / safety profile ▪ Resistance mutations	✓ **TERN-701**: Allosteric TKI with similar / better expected profile vs. asciminib
GLP-1 agonists (Obesity)	▪ Activation of GLP-1 has shown to be effective in driving weight loss	▪ Frequent injections limit uptake ▪ Cost / supply constraints ▪ Tolerability profile	✓ **TERN-601**: Small molecule with potential for once-daily oral administration and co-formulation with other oral therapies
THR-β agonists (NASH)	▪ Significant reductions in liver fat and atherogenic lipids	▪ THR-β selectivity ▪ Tolerability profile (cardiac, bone) ▪ Variable pharmacokinetics	✓ **TERN-501**: superior selectivity for THR-β over THR-α; enhanced metabolic and PK stability vs other molecules
FXR agonists (NASH)	▪ Improvements in liver fibrosis and markers of liver function	▪ Tolerability profile (pruritus/lipids) ▪ Limited monotherapy efficacy	✓ **TERN-101**: high liver distribution, no discontinuations due to pruritis and differentiated lipid profile[2]

1. Represents clinical trial findings or other observations from other sponsors
2. No differences from placebo in LDL-c and HDL-c percentage change from baseline to Week 12 in 5 and 10 mg groups

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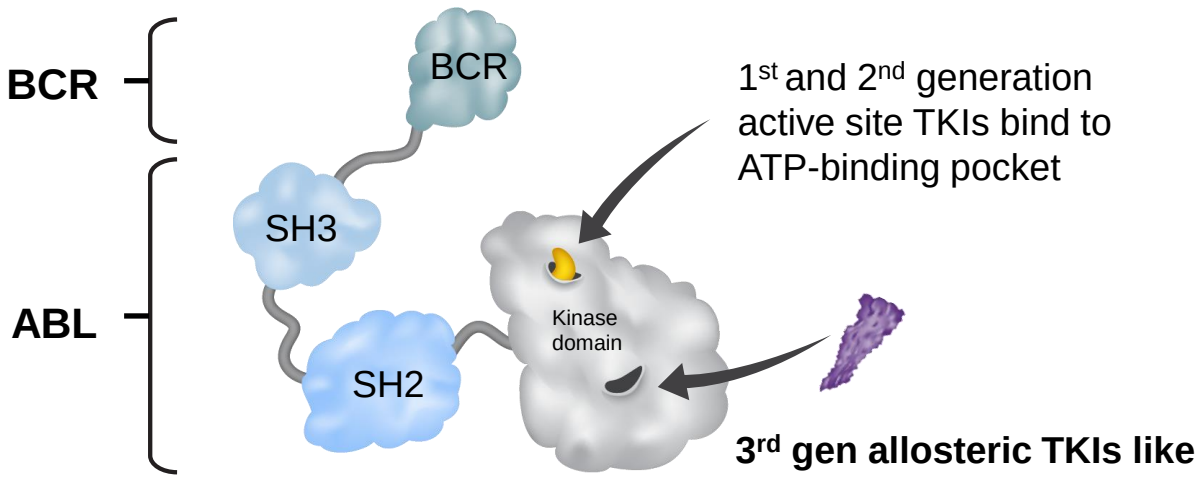
TERN-701: Allosteric BCR-ABL TKI for Chronic Myeloid Leukemia

TERN-701: 3rd Generation Allosteric TKI, Representing an Improved Approach for CML Treatment

Active BCR-ABL1 ➔ Cell proliferation / reduced apoptosis



1st and 2nd generation active site TKIs bind to ATP-binding pocket

3rd gen allosteric TKIs like TERN-701 & asciminib specifically bind to the myristoyl pocket, inhibiting BCR-ABL

Inactive BCR-ABL1 ➔ Cell death

- 3rd gen **allosteric** BCR-ABL TKIs have significant (~2x) efficacy improvement over 2nd gen standard-of-care active site inhibitors
- First approved allosteric TKI, asciminib, expected to be a blockbuster in 3L CML
- TERN-701 is an internally-developed 3rd gen **allosteric** TKI with an expected profile ≥ asciminib
  - Phase 1 trial in CML patients initiated by Hansoh in 2Q 2022; expected to accelerate U.S. development

Note: 3L: 3rd line; TKI: tyrosine kinase inhibitor
Source: Réa et al Blood 2021, NVS 2Q 2022 Earnings, Factset estimates

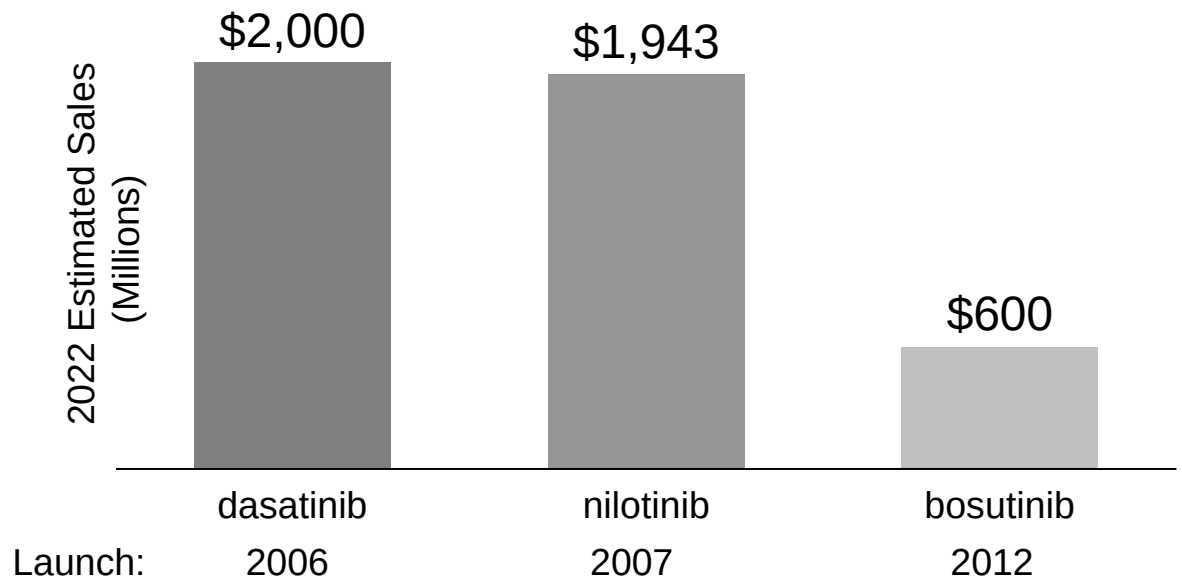
CML is a Sizeable Market With Room for Multiple Agents

~8,860 new cases will be diagnosed with CML in 2022[1]

~1,120 people expected to die 2022[1]

U.S. CML prevalence expected to triple by 2040, driven by improved survival[2]

Current Standard of Care 2nd Gen TKIs represent a **>$5B Market in 2022**[3]



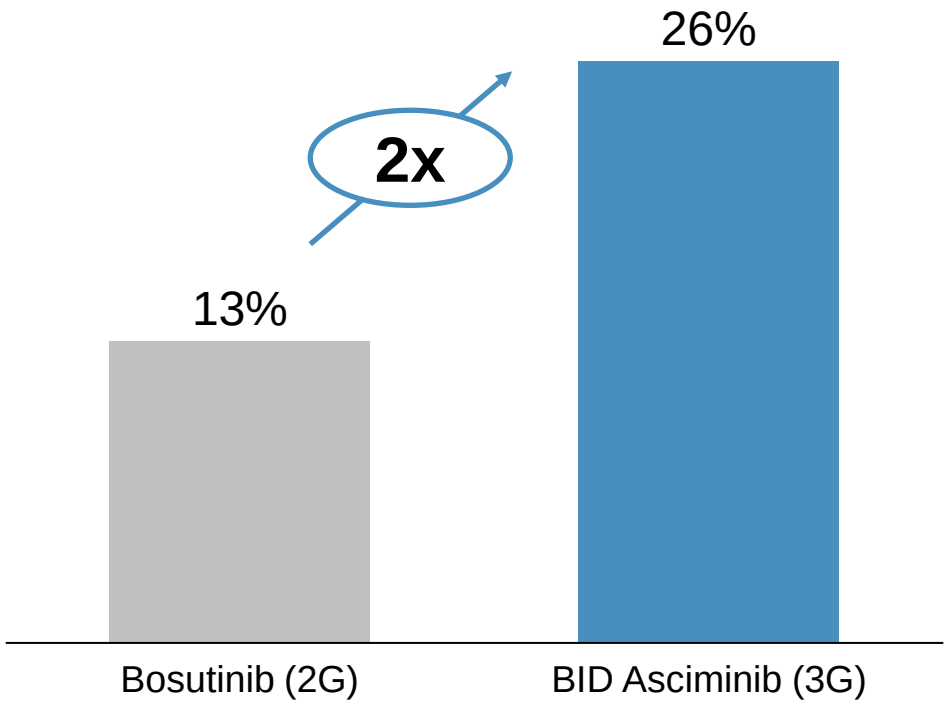
30% to 40% of patients started on a TKI **switch to another**[4]

1. Cancer.org Key Statistics for Chronic Myeloid Leukemia, 2. Jabbour, Kantarjian, AJH 2020; 3. Factset estimates, WW sales; 4. Schiffer Blood 2021

3rd Gen Allosteric TKI's Represent a Major Advancement for CML Patients Over 2nd Gen TKIs

In Phase 3, **asciminib showed ~2x improvement in MMR** in 3L patients[1]

% of Patients Achieving MMR at Week 24



- 3rd gen allosteric BCR-ABL TKIs are the **only class** to show a benefit over 2nd gen TKIs in CML
- Allosteric BCR-ABL TKIs are also **better tolerated** than 2nd gen TKIs[2]
- Asciminib had a **~3X lower discontinuation rate** than bosutinib over 48 weeks of treatment

Note: 3L: 3rd line; BID: twice-daily; MMR: major molecular response; 2G: 2nd generation; 3G: 3rd generation

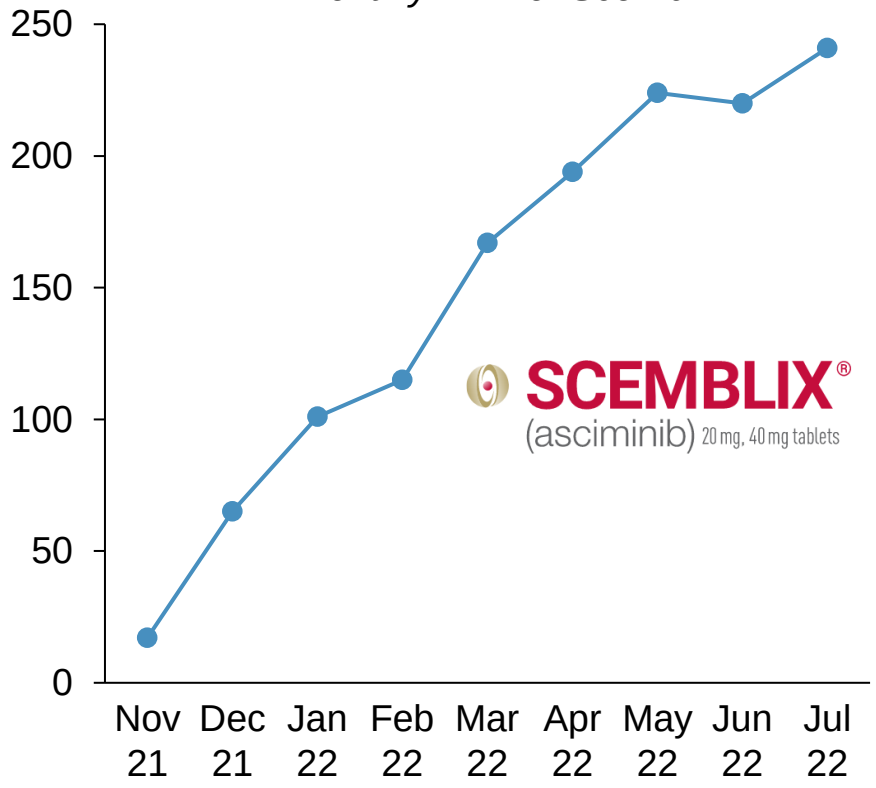
1. Réa et al Blood 2021; 2. Scemblix Prescribing Information

Asciminib On Track to Be Blockbuster in 3L CML

Novartis views 3L alone as potential blockbuster opportunity[1]

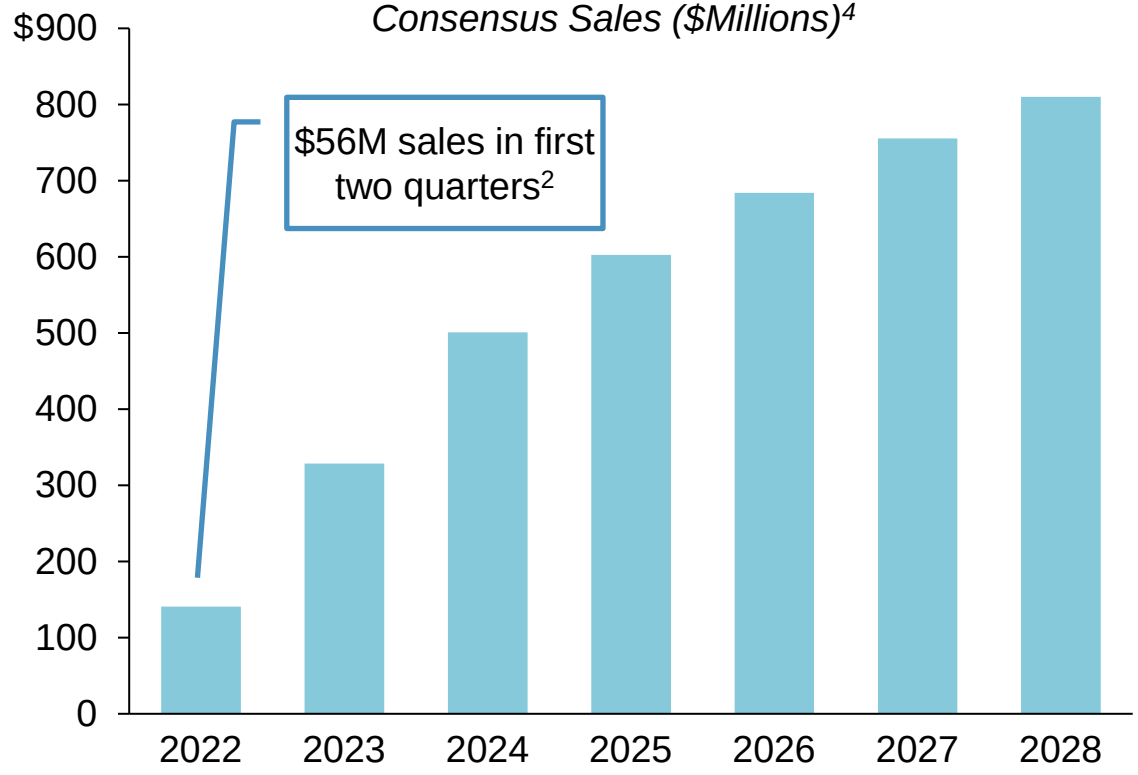
Asciminib (Scemblix) is off to a **strong launch with 44% new patient share in 3L+**[2]

Monthly TRx for Scemblix[3]



Analysts expect asciminib to rapidly approach **blockbuster sales**

Consensus Sales ($Millions)[4]



Note: 3L: 3rd line; TRx: total prescriptions

1. NVS: 3Q 2021 Earnings, 2. NVS: 2Q 2022 Earnings, 3. Symphony database, 4. Consensus estimates from Evaluatepharma; may include sales beyond 3L setting

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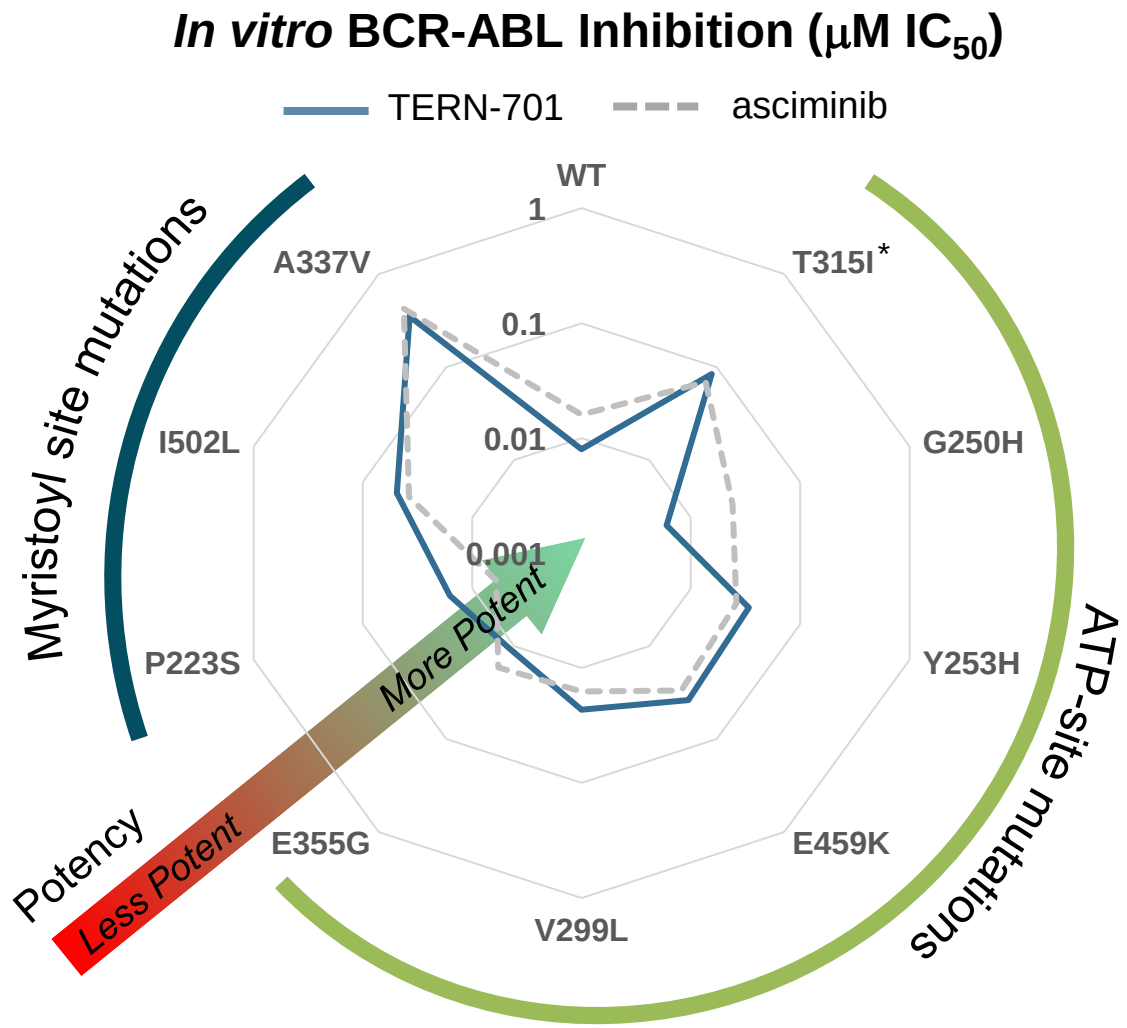
TERN-701 Expected to Perform at Least as Well as Asciminib with Similar Superior Efficacy Over 2nd Gen TKIs



In nonclinical assays, **TERN-701 has a similar profile to asciminib** and is highly potent against:

- wild type BCR-ABL, and
- most-common mutations acquired by patients treated with 2nd gen active-site TKIs

TERN-701 could have simplified dosing & fewer drug-drug interactions vs asciminib

Note: WT (wild-type) and BCR-ABL mutations were evaluated in a BCR-ABL auto-phosphorylation assay
* T315i mutation was evaluated in a cell proliferation assay

Hansoh Study to Evaluate Efficacy of TERN-701 in CML

*~100 patient trial will provide full efficacy evaluation & other key insights to **accelerate** Terns U.S. development*

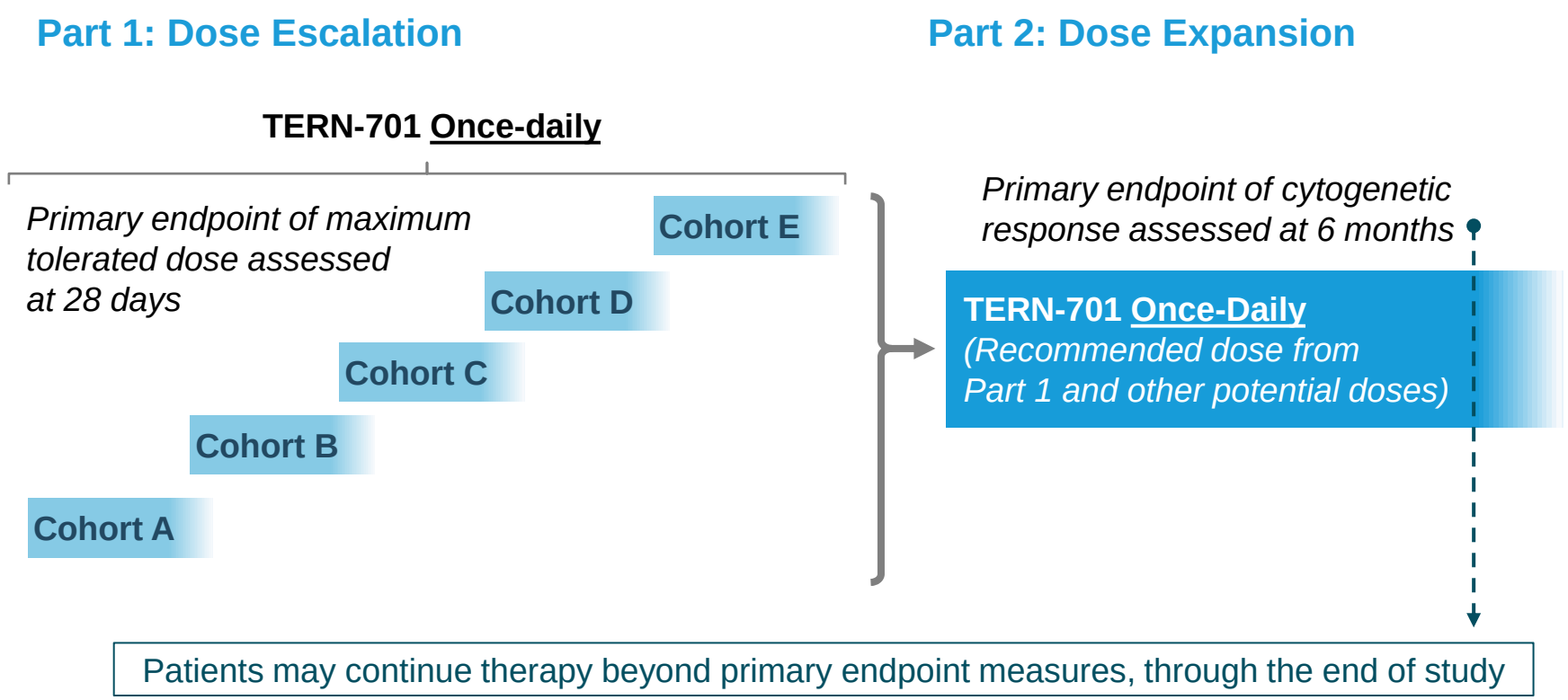
Trial Design

Population (n=~100)

- CML patients (Ph+)
- Resistant or intolerant to active-site TKIs

Endpoints For Part 2

- ✓ Cytogenetic response
- ✓ Major molecular response
- ✓ Safety, tolerability
- ✓ PK

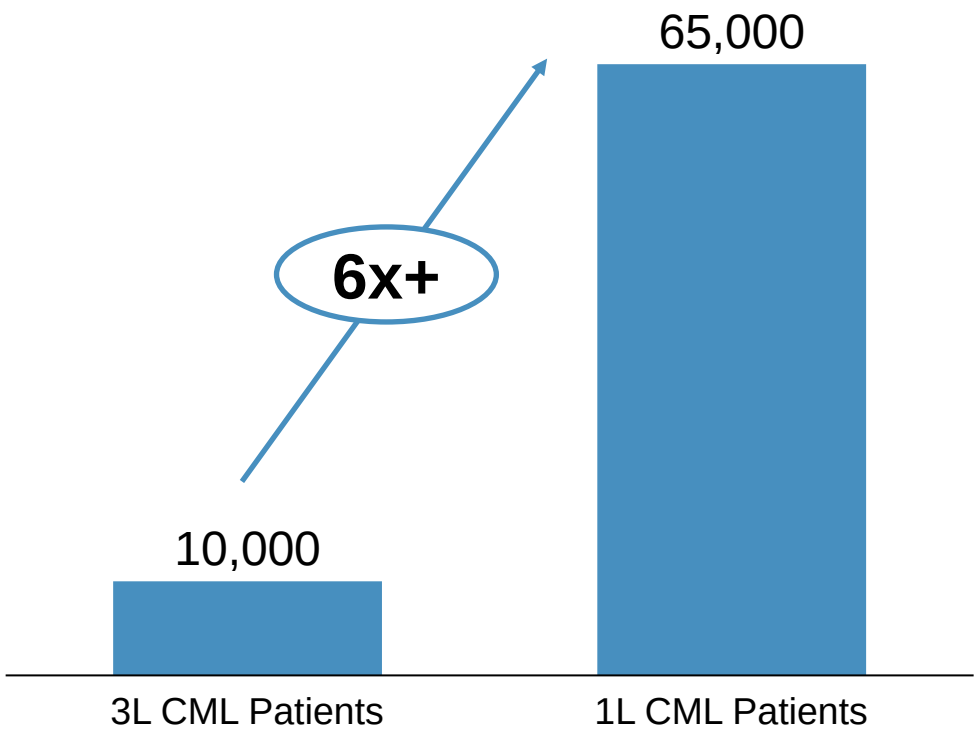


Source: clinicaltrials.gov
Note: TERN-701 is referred to by Hansoh Pharmaceuticals as HS-10382

Upside for 3rd Gen Allosteric TKIs in 1L Treatment

Significant market expansion could occur with approval in the 1L setting

Sizeable unmet need in 1L setting



- Phase 3 ASC4FIRST trial in 1L CML is underway, with **data expected in 2024**
- Novartis views the 1L setting to be an **additional blockbuster** indication for asciminib
- Terns will **leverage pending data** from asciminib to **accelerate development in 1L CML**

Note: 3L: 3rd line; 1L: 1st line
NVS: R&D Day; 2Q 2021 Earnings

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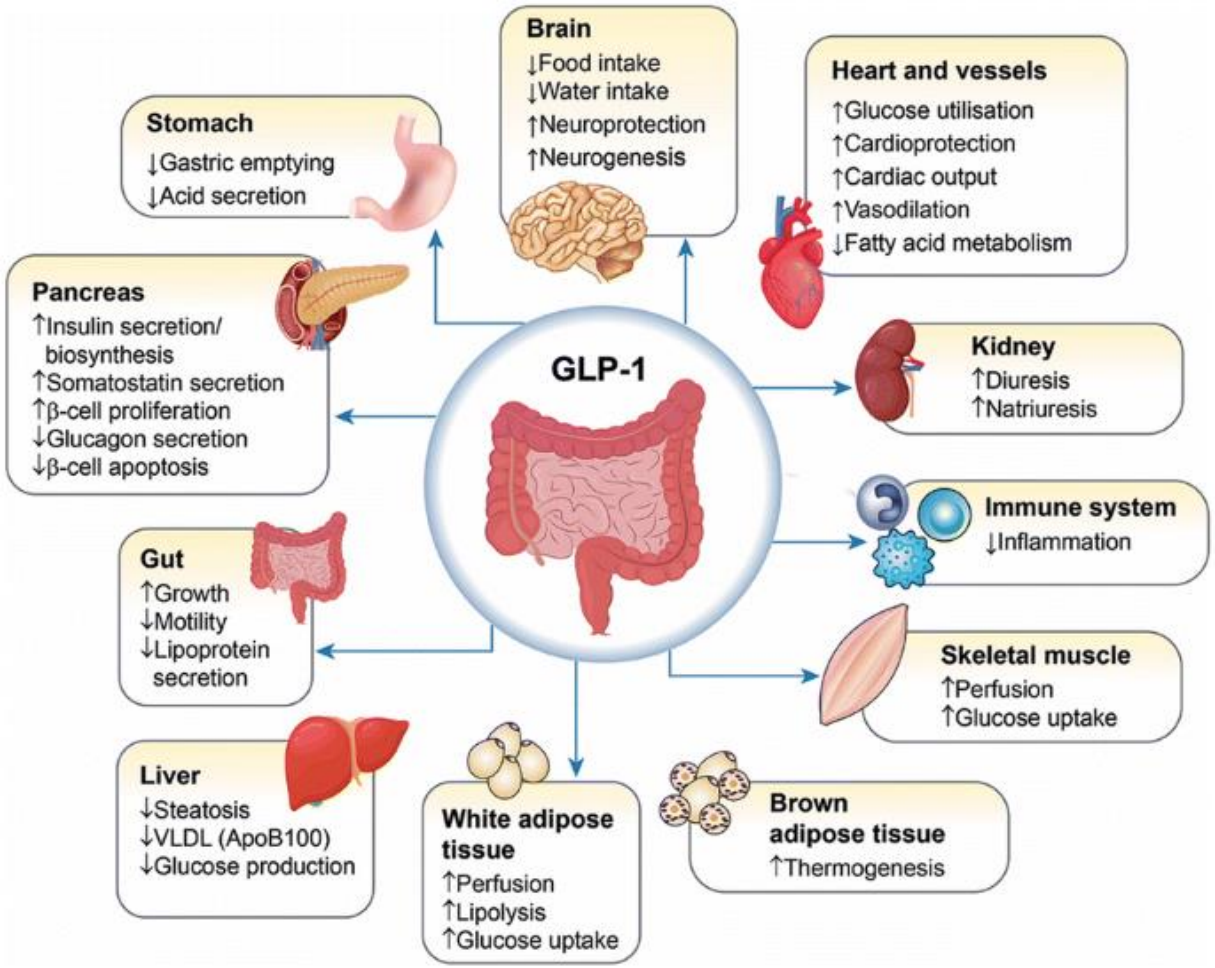
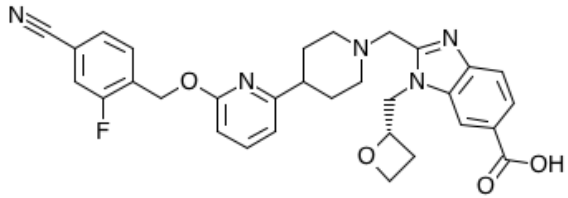
TERN-601: Oral GLP-1 Agonist with Differentiated Profile for Obesity

TERN-601: Differentiated Oral GLP-1 Agonist

GLP-1 has demonstrated broad metabolic benefits in T2DM and obesity



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



Reference standard: danuglipron

- Terns' 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**

- IND-enabling studies underway; **Phase 1 clinical trial initiation expected in 2023**

Source: Kalra, S., Das, A.K., Sahay, R.K. et al. Consensus Recommendations on GLP-1 RA Use in the Management of Type 2 Diabetes Mellitus: South Asian Task Force. Diabetes Ther 10, 1645–1717 (2019). https://doi.org/10.1007/s13300-019-0669-4 ; Reference standard source: Saxena 2021; PubChem

1. Nature - danuglipron Phase 1 results

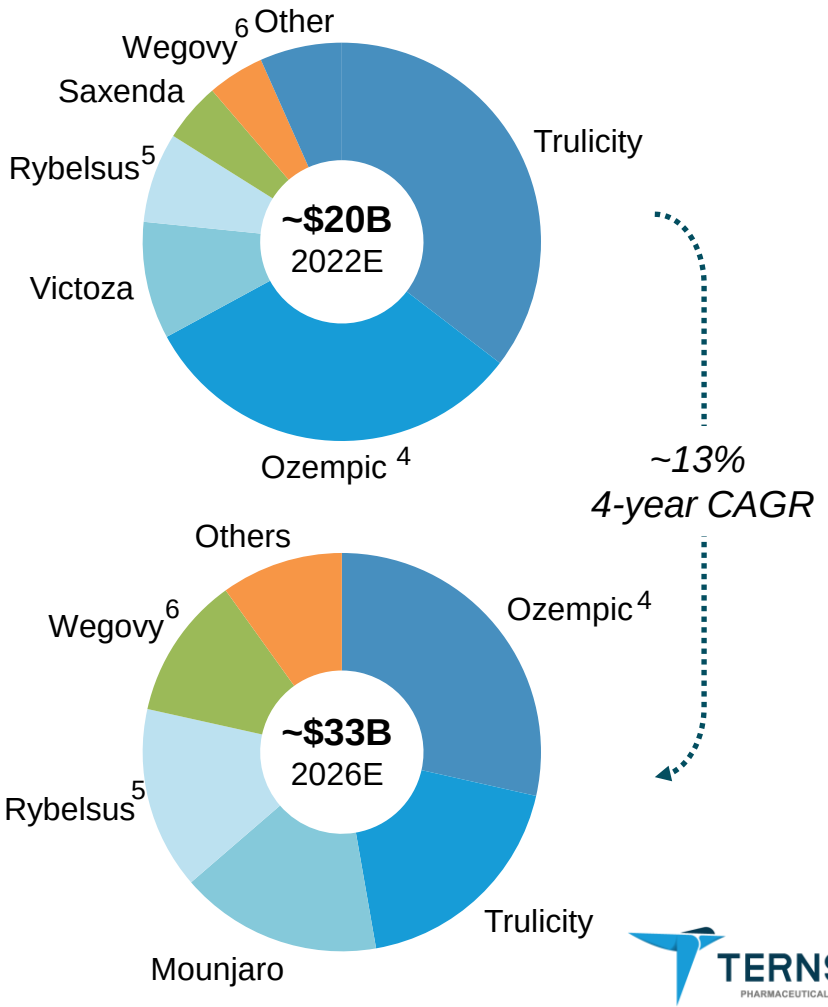
Obesity Represents a Large Unmet Medical Need…

Obesity Market Overview

- Recent studies have estimated the aggregate U.S. national cost of obesity to exceed **$260 billion**[1]
- While ~50% of Americans meet the criteria for medical obesity pharmacotherapy, **only 2% of adults** receive medications for weight loss[2]
- Recently-approved Wegovy appears to be expanding the market for obesity treatment
  - 75% of patients starting Wegovy are treatment-naïve to anti-obesity medication[2]

GLP-1 Category Sales[3]

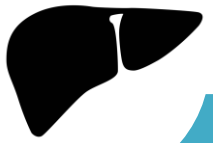
(2022E – 2026E)



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
3. Consensus estimates from EvaluatePharma as of 2022, includes GLP-1 mono and combination therapies across all indications
4. semaglutide subcutaneous admin. for diabetes; 5. semaglutide oral admin. for diabetes; 6. semaglutide subcutaneous admin. for obesity

…with Significant Overlap with NAFLD / NASH

Strong clinical associations between obesity, NAFLD and NASH



70% to 90% of obese patients have NAFLD → obesity is the **most common risk factor for NAFLD**

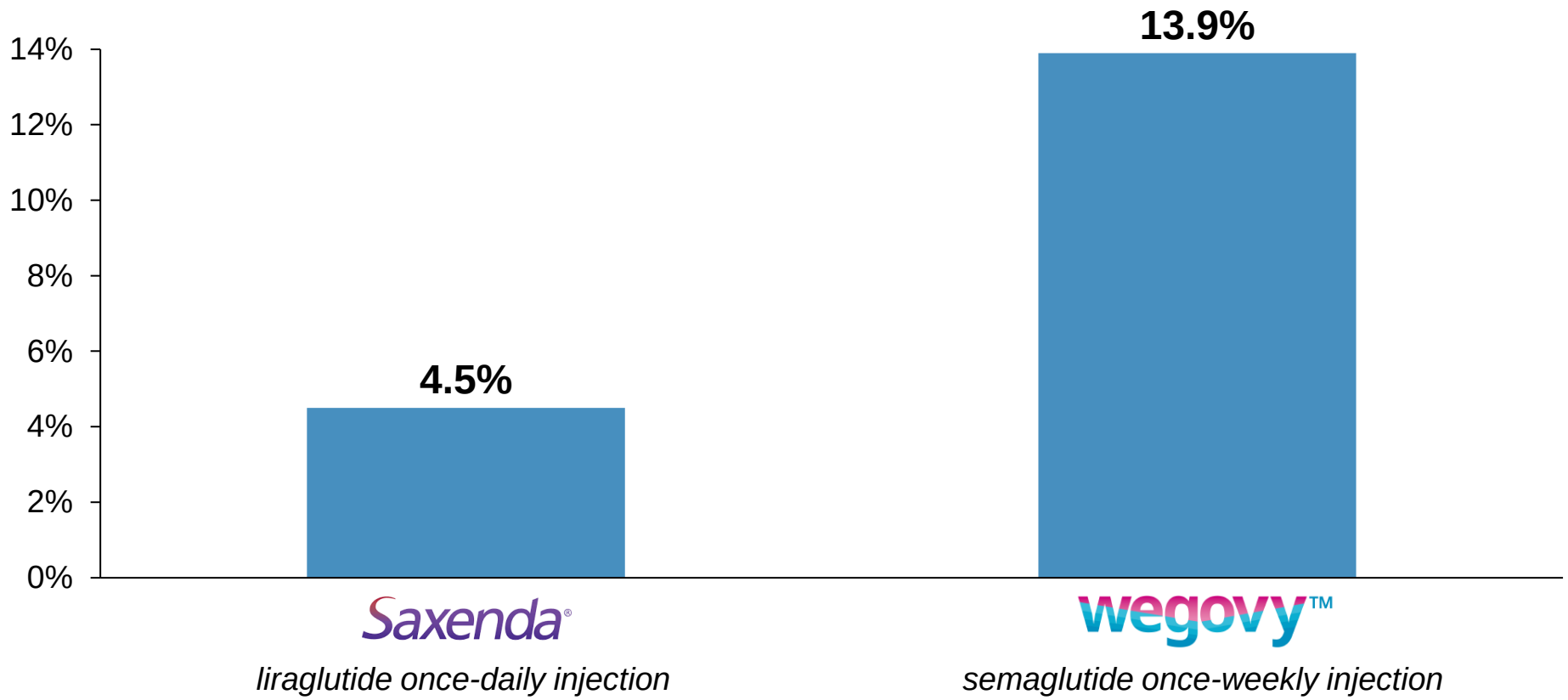
NAFLD is **4x more prevalent** in individuals with obesity

Increased BMI and waist circumference are **predictive of the presence of NASH** and advanced fibrosis

Source: L. Glass et al.

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

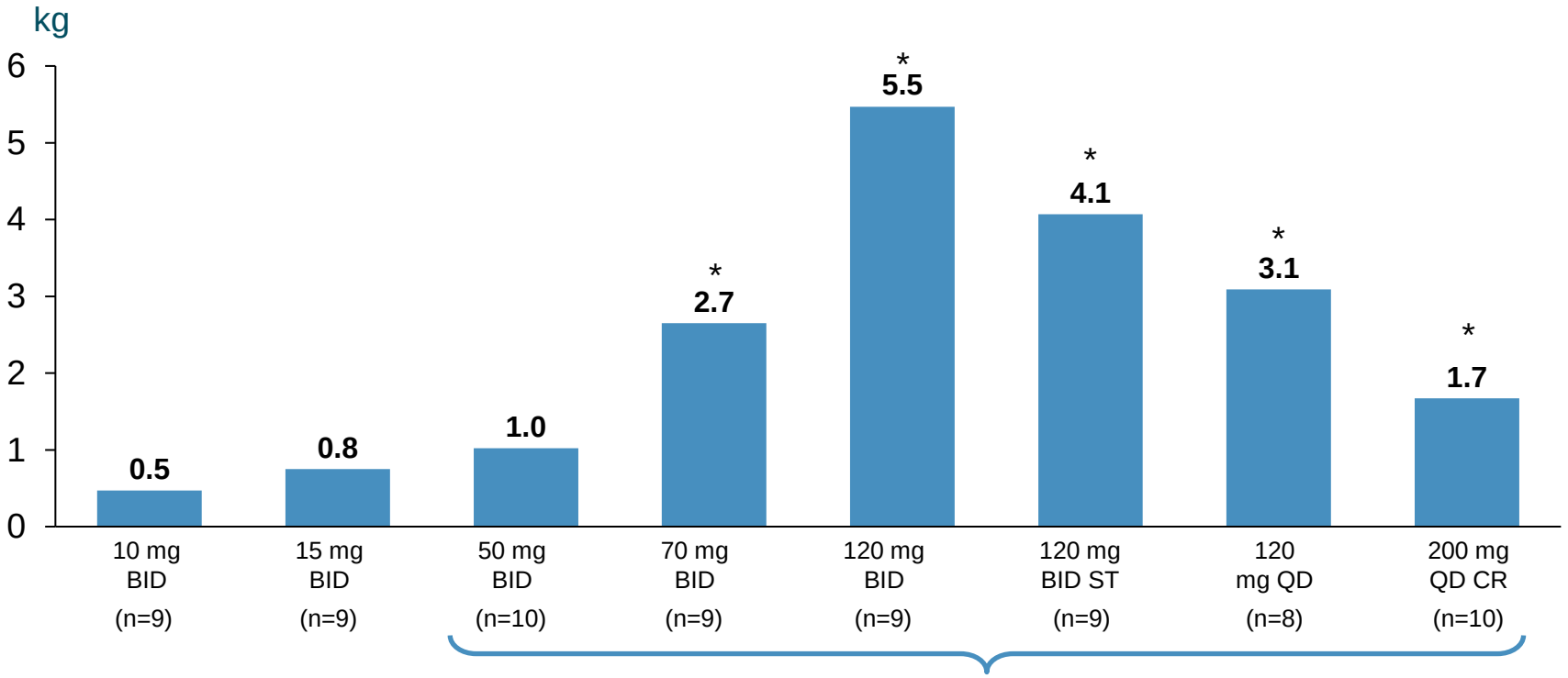


Source: STEP 8 Clinical Trial (NCT04074161): open-label 68-week Phase 3b trial of once-weekly subcutaneous 2.4mg semaglutide (16-week dose escalation + 52-weeks therapy) vs. once-daily subcutaneous 3.0mg liraglutide (4-week dose escalation)

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

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

Placebo-adjusted mean body weight loss



40mg BID – 200mg BID being studied in Phase 2

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

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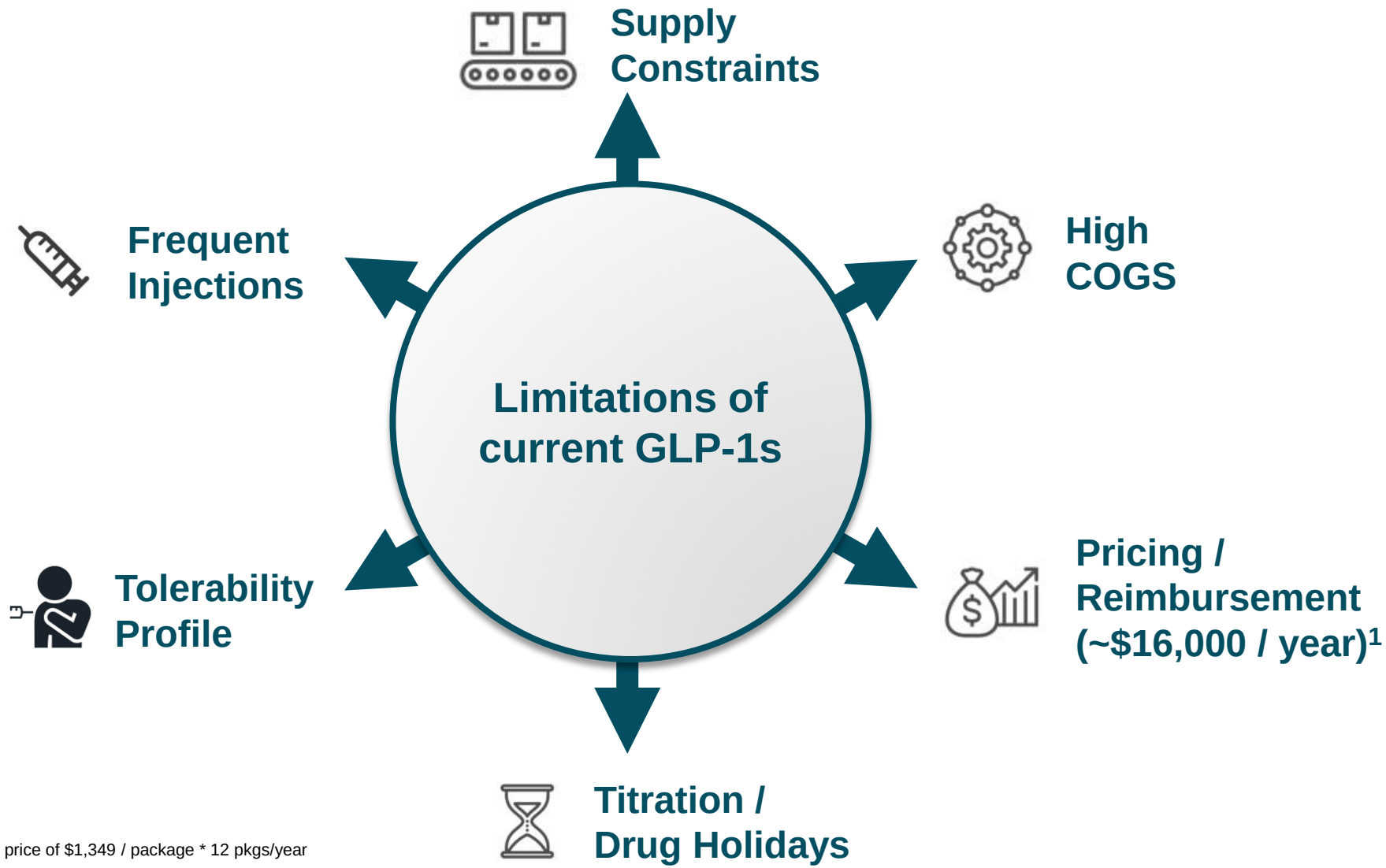
TERN-601: An Oral, Small-Molecule Compound has Potential for Improved Convenience, Tolerability & Cost

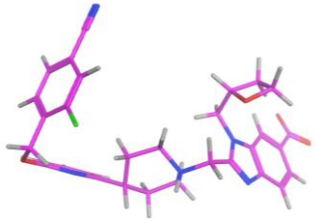


1. Novocare: Wegovy has a list price of $1,349 / package * 12 pkgs/year

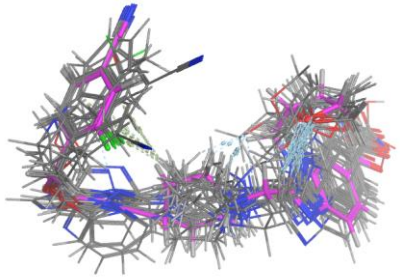
TERN-601 Discovery Process

Terns screened >20,000 structures using a combination of *in silico, in vitro*, and *in vivo* methods

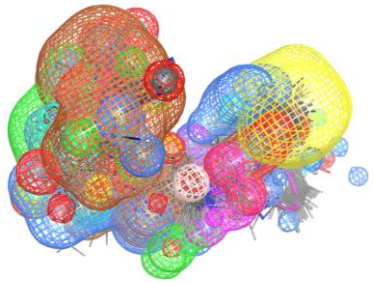
1. Begin with original reference molecule…



2. … overlay with GLP-1 molecules with known EC_{50} data and active site binding properties…



3. … to build a 3D QSAR model (proprietary screening tool)



- Terns' 3D QSAR model correlates binding site space to measured EC_{50} values and defines the type / relative contribution of each interaction (each colored bubble represents a different interaction type)
- Proprietary QSAR model predicts new GLP-1R agonist molecular activity with significantly greater accuracy than traditional physics-based evaluations
- Terns screened >20,000 molecular permutations using the model to identify optimal GLP-1 agonist candidates, focusing on in vitro activity, PK, metabolic stability, etc.
- TERN-601 was nominated as Terns' lead GLP-1 receptor agonist candidate at YE 2021

QSAR: Quantitative Structure Activity Relationship

Next Steps for TERN-601 in Obesity

2022: IND-enabling activities

- Informs dose selection and safety margins

2023: Initiate Phase 1 program

- First-in-human clinical trial program expected to start in 2023
  - Single ascending dose study (Phase 1a)
  - Multiple ascending dose proof-of-concept trial (Phase 1b)
- Potential endpoints include body weight and glycemic control parameters

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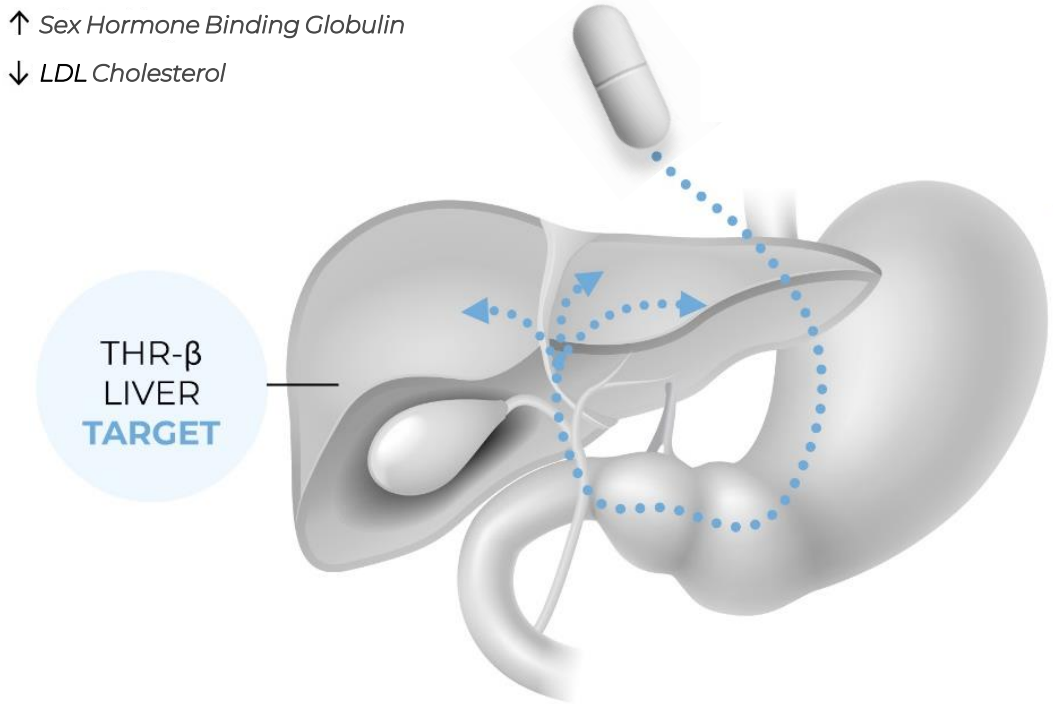
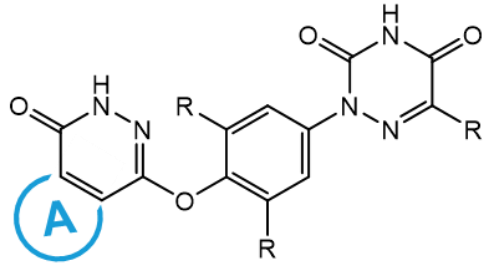
TERN-501: Highly-Selective THR-β Agonist for NASH

TERN-501: Differentiated THR-β Agonist for NASH

THR-β regulates key aspects of energy metabolism (e.g., fatty acid & lipid synthesis, liver fat removal through fatty acid oxidation)



- Other THR-β agonists have demonstrated significant benefits in NASH, but face limitations with off-target effects or unpredictable PK due to CYP metabolism



TERN-501

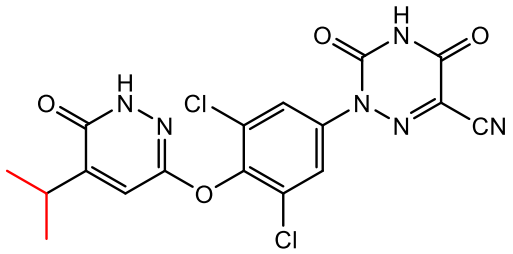
- TERN-501 was screened for **greater selectivity and enhanced metabolic and PK stability**
  - Expected low clinical dose
  - Attractive for monotherapy or combination therapy
- Positive proof-of-concept top-line data announced in November 2021

Source: Sinha et al. Thyroid 2019; TERN-501 EASL 2020 Poster

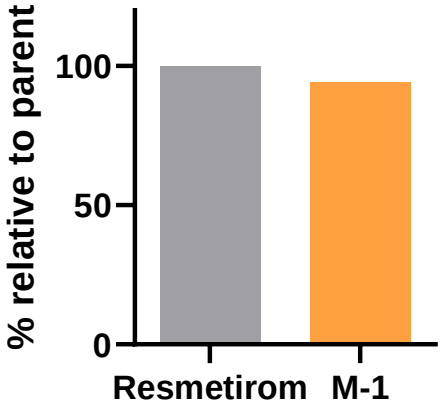
TERN-501: Improved PK & THR-β Selectivity

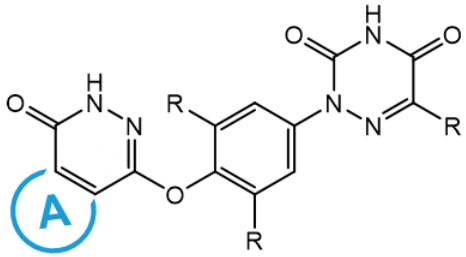
Differentiated and excellent candidate for co-formulation

TERN-501: Improved Pharmacokinetics

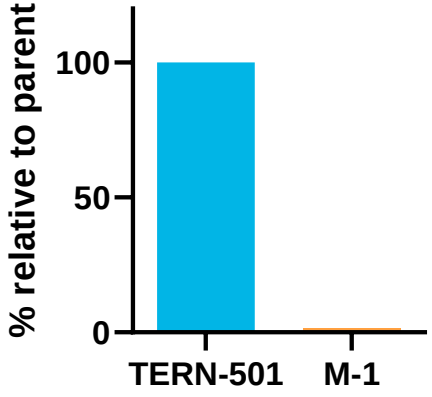


resmetirom

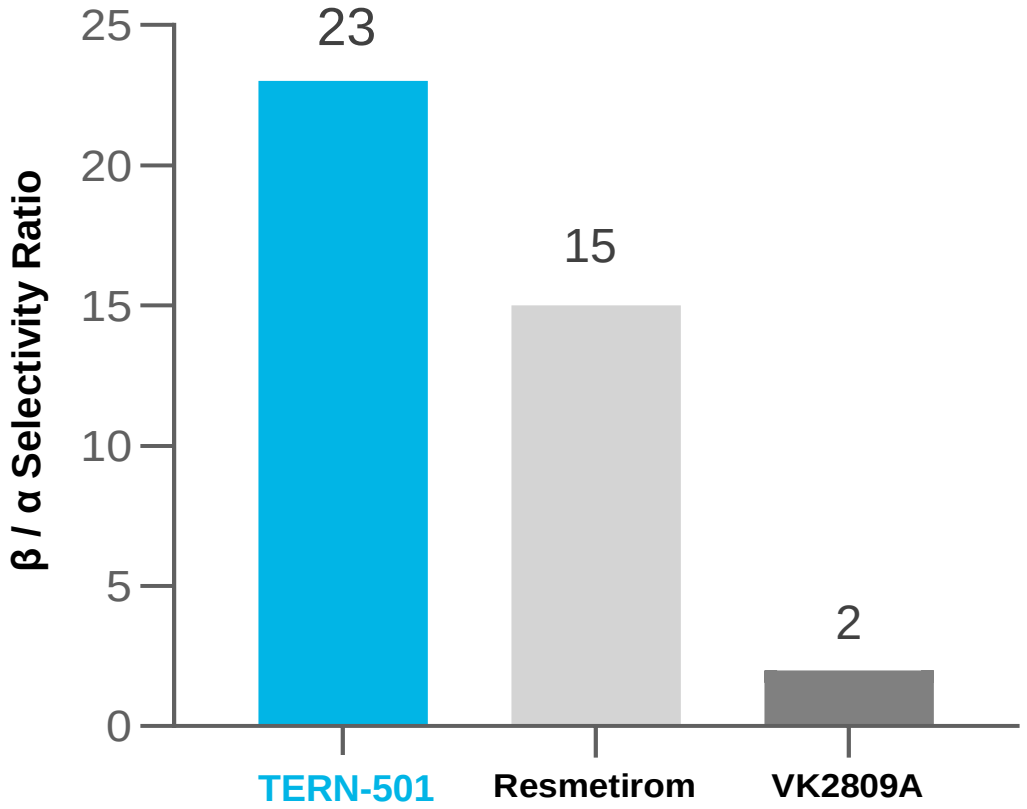




TERN-501



TERN-501: Improved THR-β ratio



Source: (Left) TERN-501 metabolite data in hepatocytes from pre-clinical Terns ADME study, resmetirom metabolite data in human (80mg/day) from US provisional 62/516,594 (Right) using methods described in J. Med. Chem. 2014, 57, 3912−3923

TERN-501 Phase 1 Study Design

Trial Design

Population

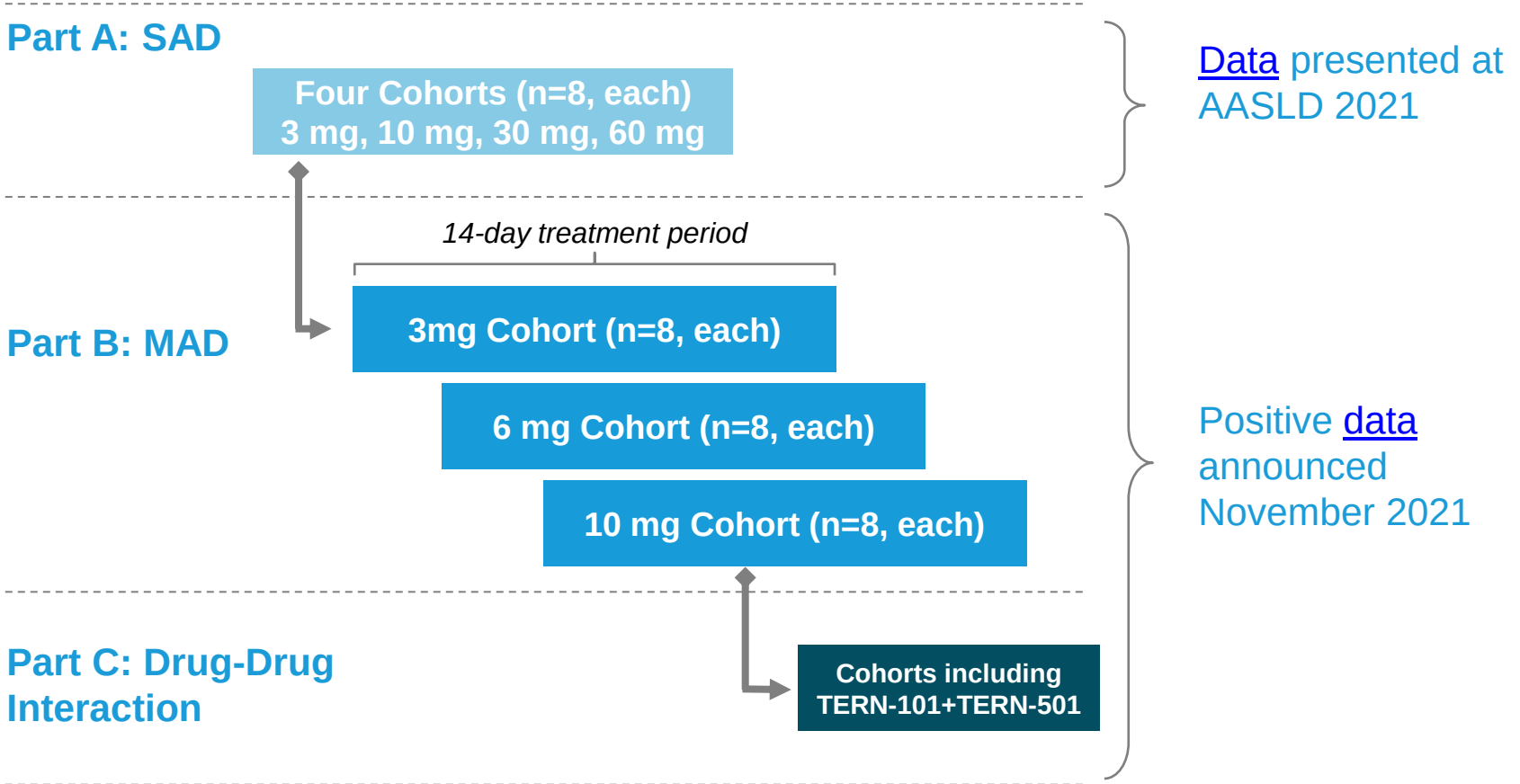
- Healthy volunteers with mildly elevated LDL[1]

Endpoints

✓ Safety, tolerability

✓ PD (LDL, SHBG)

✓ PK



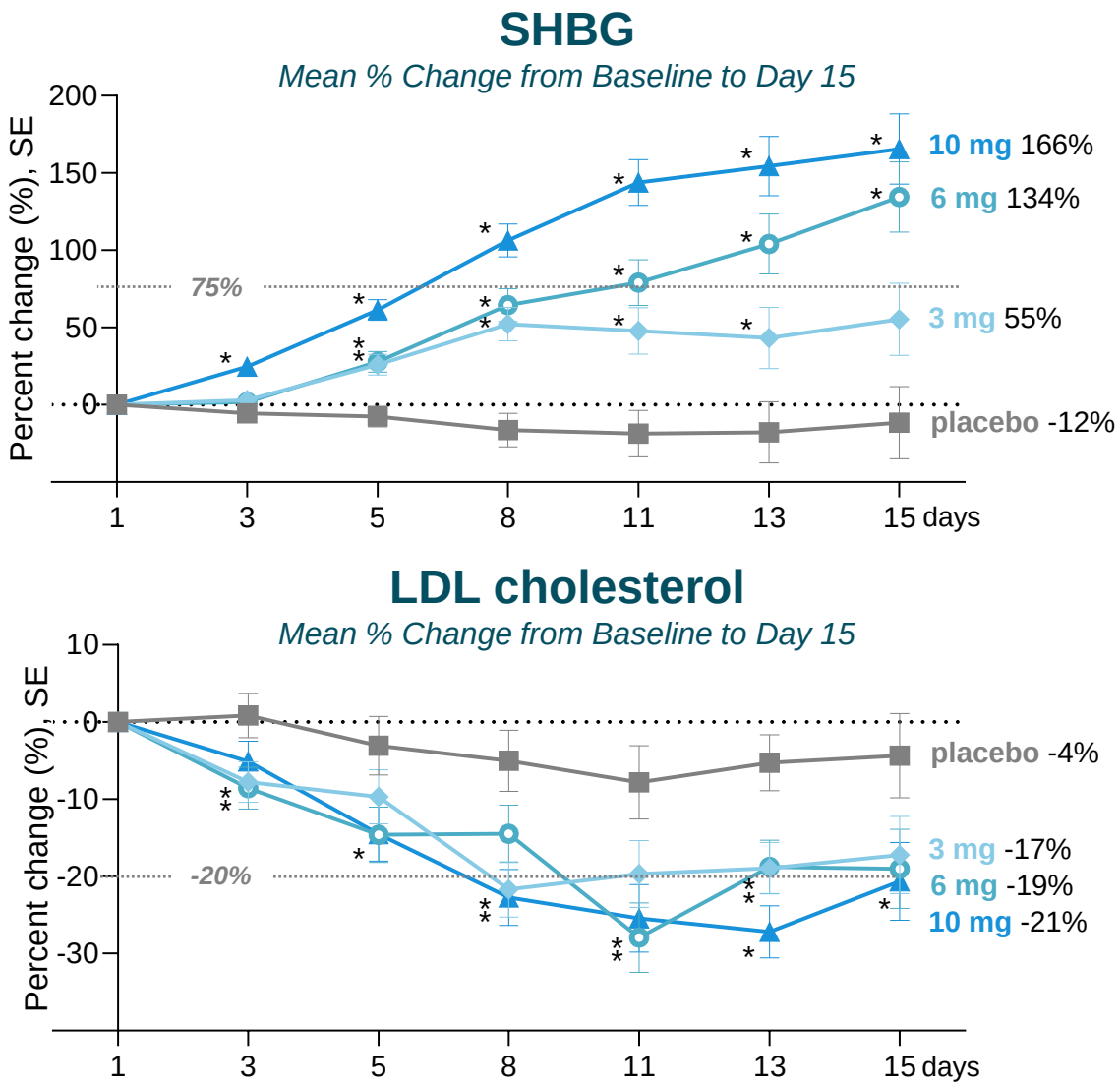
1. SAD LDL > 80 mg/dL, MAD LDL > 100 mg/dL

LDL: low-density lipoprotein, PD: pharmacodynamics, PK: pharmacokinetics, SHBG: sex hormone binding globulin, SAD: single ascending dose, MAD: multiple ascending dose

TERN-501 Phase 1 Top-line Results

Positive clinical proof-of-concept data

- Well-tolerated with **predictable PK profile** and **low variability**
- Achieved **significant dose-dependent changes in PD markers** of THR-β engagement, including SHBG and LDL-c
- SAD / MAD results provide **proof of concept** and support the first NASH trial of a THR-β agonist in combination with an FXR agonist, initiated in 1H 2022



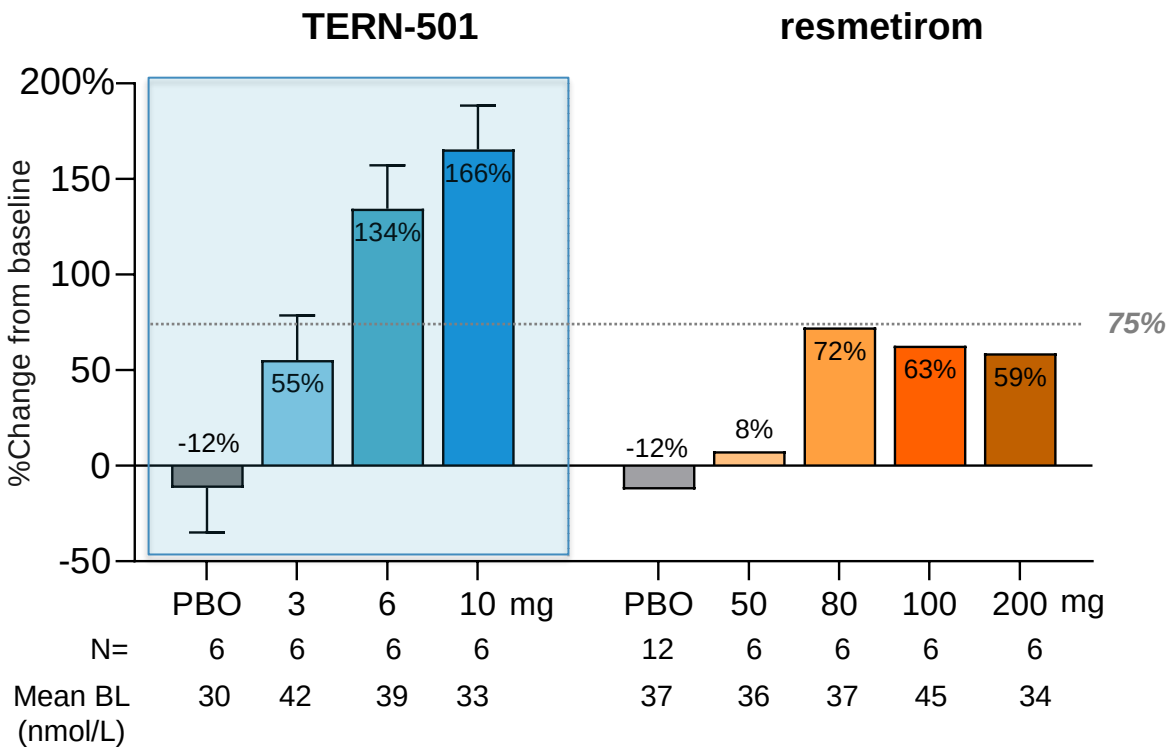
N =	Placebo	3 mg	6 mg	10 mg
	6	6	6	6

*p < 0.05

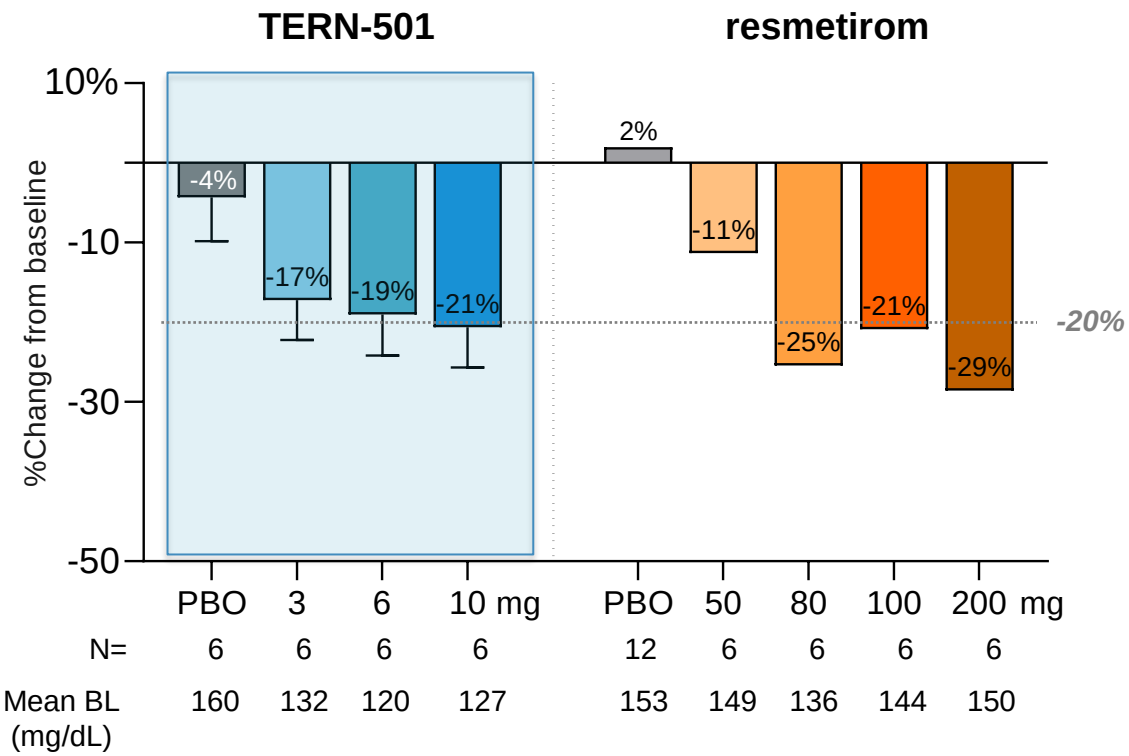
SHBG: sex hormone binding globulin, LDL-c: low-density lipoprotein cholesterol, PD: pharmacodynamics, PK: pharmacokinetics, SAD: single ascending dose, MAD: multiple ascending dose, DDI: drug-drug interaction
Note: Day 15 represents 24 hours following the last dose of TERN-501

TERN-501 Pharmacodynamic Results in Context of Precedent THR-β Agonist

SHBG (Day 15)



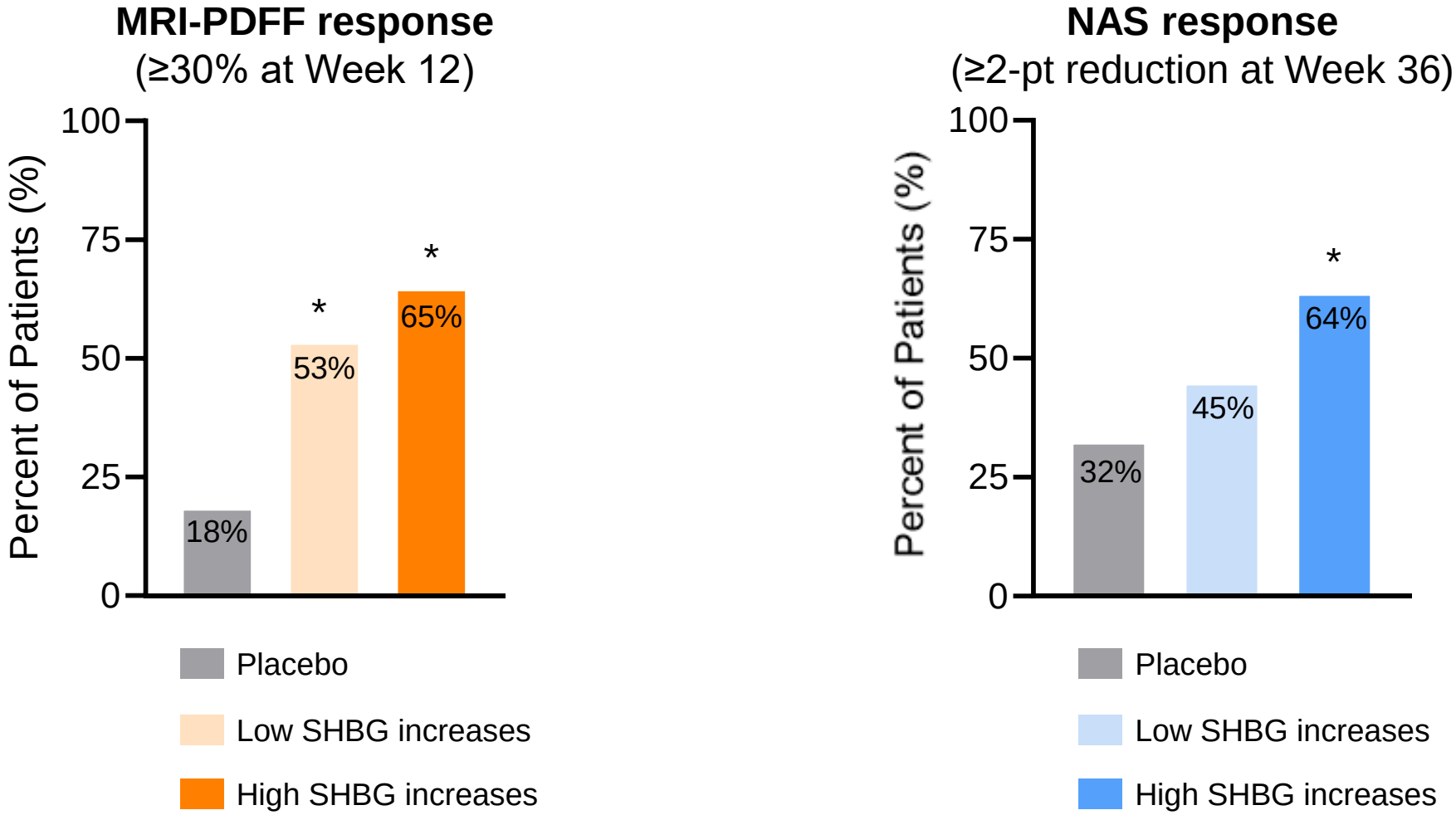
LDL-c (Day 15)



Source (resmetirom data): Taub et al 2013

SHBG Correlates with MRI-PDFF and Histologic NAFLD Activity Score in NASH Patients Treated with THR-β

Resmetirom Phase 2 NASH study



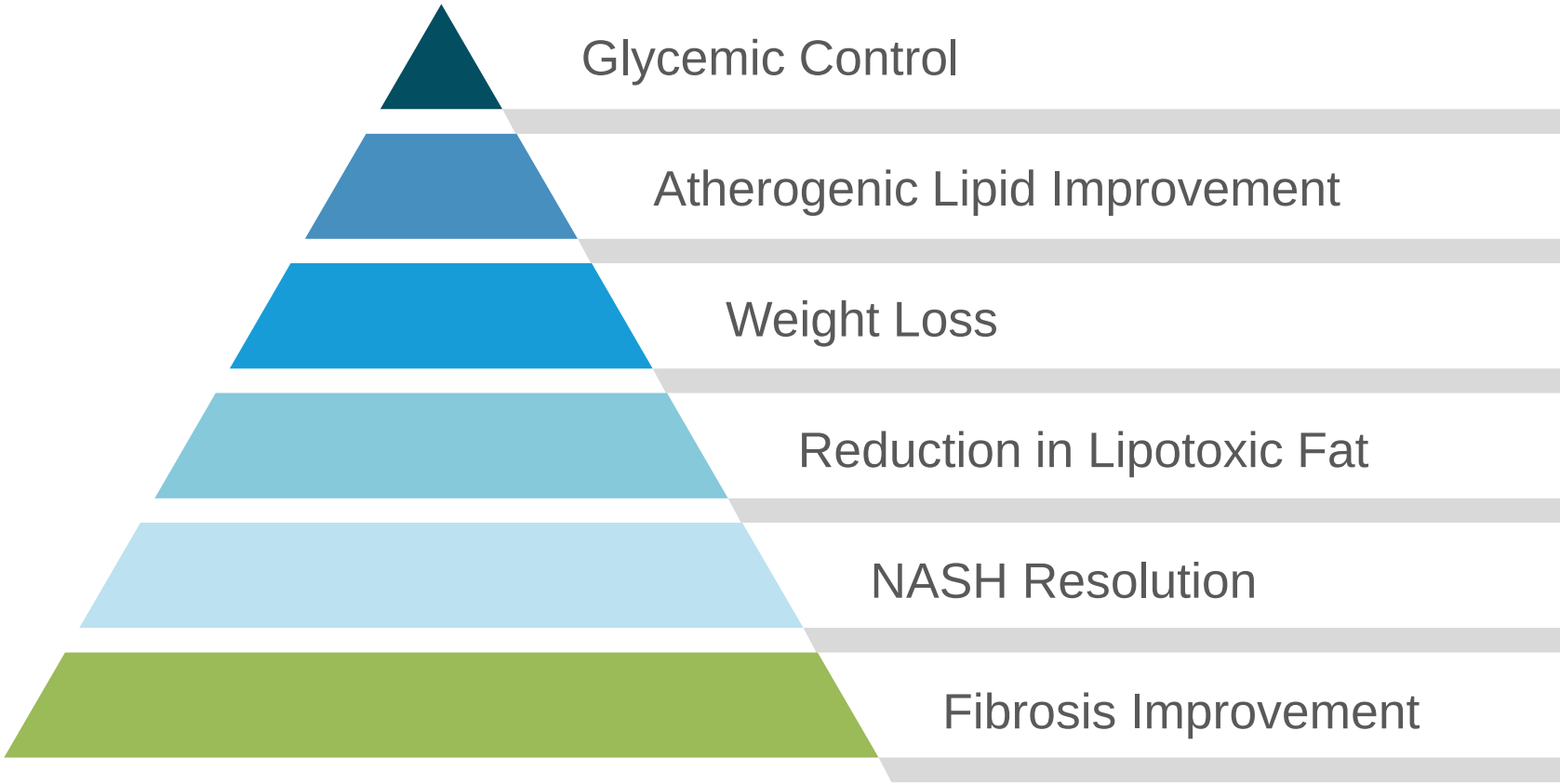
Source: Harrison et al (2019) Lancet
Note: resmetirom SHBG high and low cutoffs were predefined before data analysis at Week 12 (high SHBG defined as ≥75%) and Week 36 (high SHBG defined as ≥88%)
SHBG: sex hormone binding globulin, MRI-PDFF: magnetic resonance imaging – proton density fat fraction, NAS: NAFLD Activity Score

***p < 0.05**

Physicians Increasingly Want a NASH Therapeutic Solution that Meets a Variety of Criteria

Physicians' Ideal Combination

- Oral administration
- Well-tolerated and safe
- Synergistic
  - Improves liver health
  - Improves extrahepatic metabolic profiles
- Enhances long term outcomes

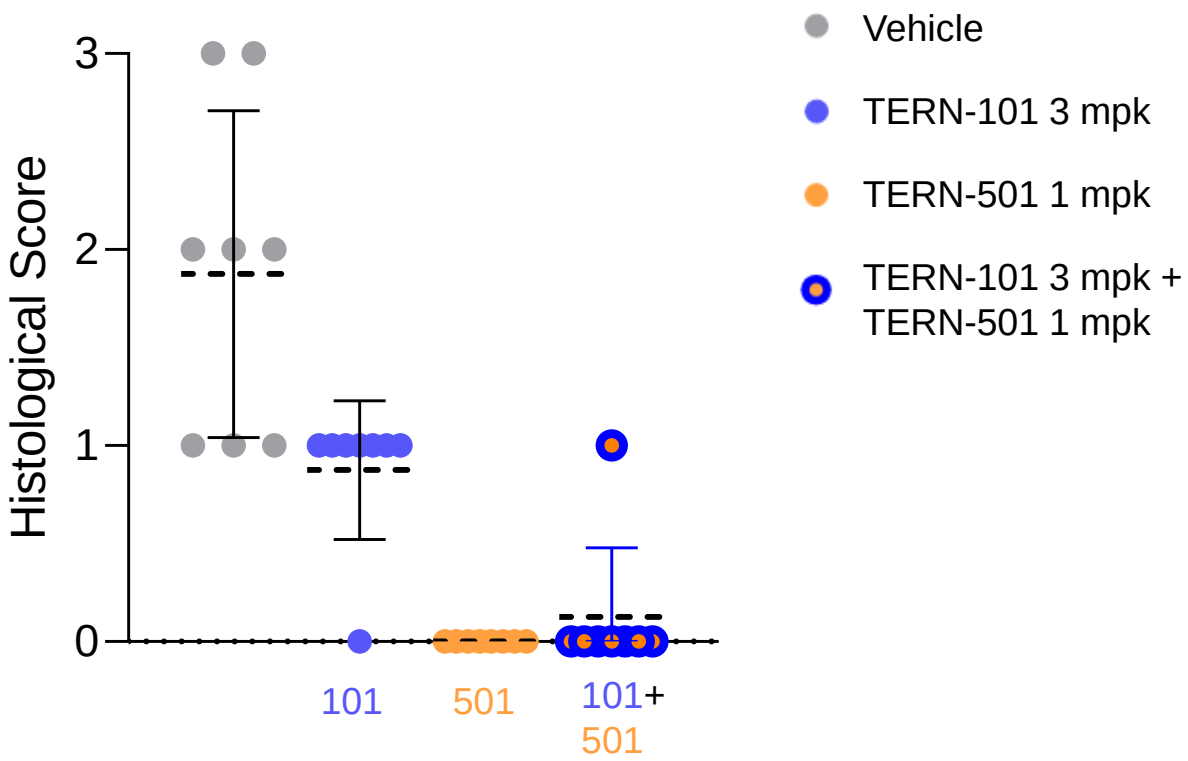


Adapted with permission from Stephen Harrison, M.D.

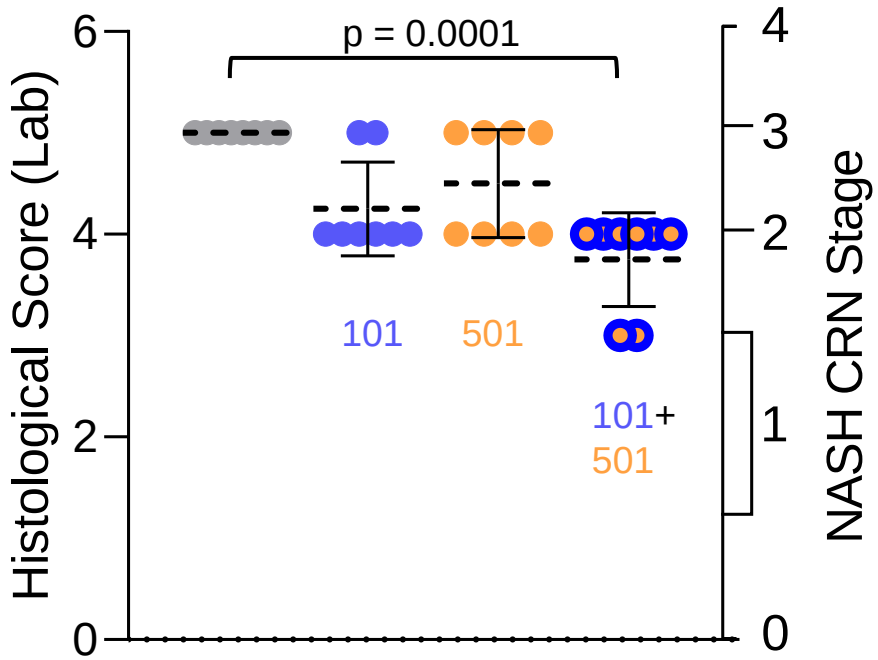
TERN-501+TERN-101 Combination NASH Model

Combination shows additional effects on steatosis and fibrosis improvement

101+501: Improvement in Steatosis



101+501: Improvement in Fibrosis



Source: TERNS 2020 AASLD Poster

DIO/CCl4 NASH mouse model: 10 weeks of high fat diet; followed by 4 weeks of high fat diet, i.p. CCl4 (2x weekly) and drug treatment; DIO: diet-induced obesity

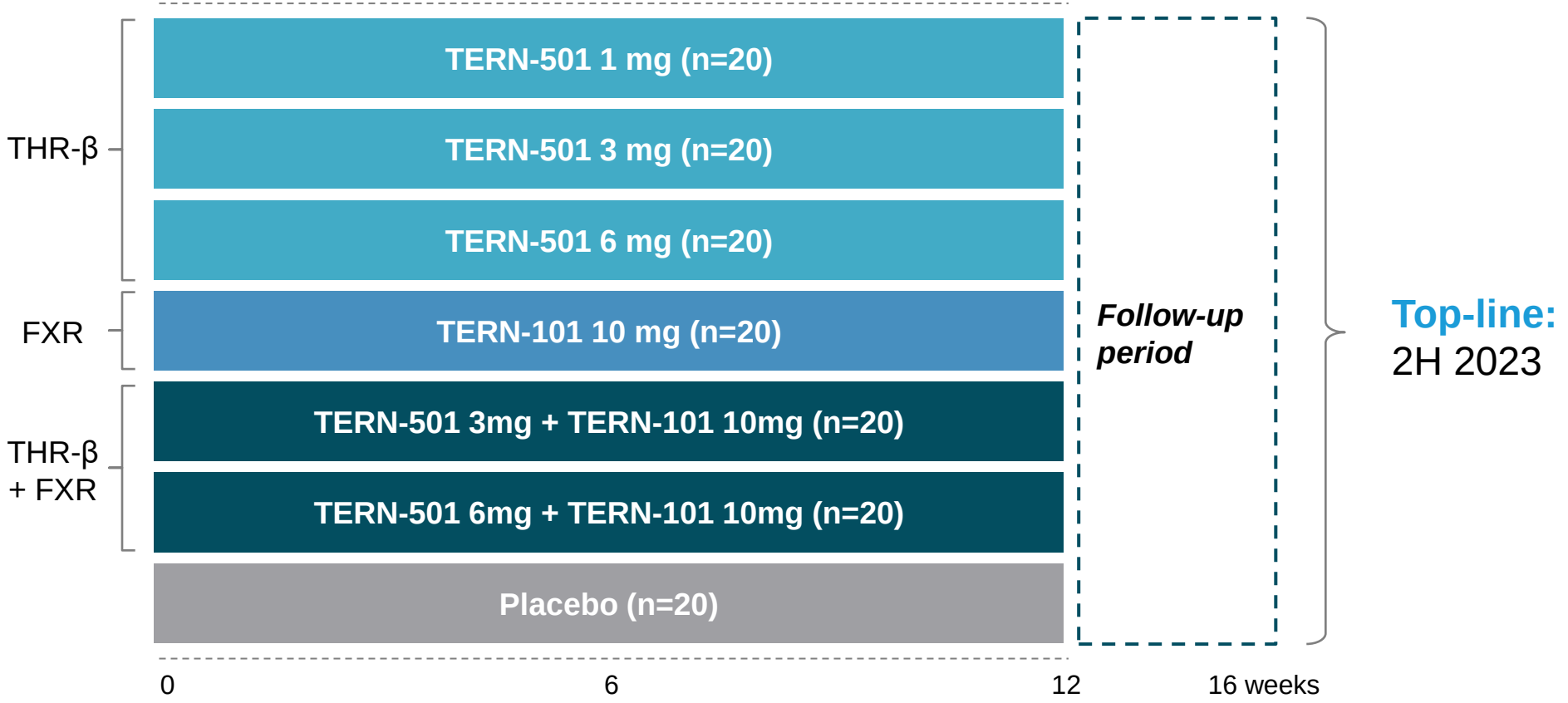
DUET Phase 2a Combo Trial of TERN-501 in NASH

IND opened; dosing started in July 2022 and top-line data expected 2H 2023

Trial Design

Population
- NASH patients (non-cirrhotic)
- BMI ≥ 25 kg/m^2
- MRI-PDFF ≥10%

Key Endpoints
- MRI-PDFF
- MRI cT1
- Safety, tolerability



Top-line: 2H 2023

BMI: body mass index; MRI-PDFF: magnetic resonance imaging-proton density fat fraction; cT1: corrected T1

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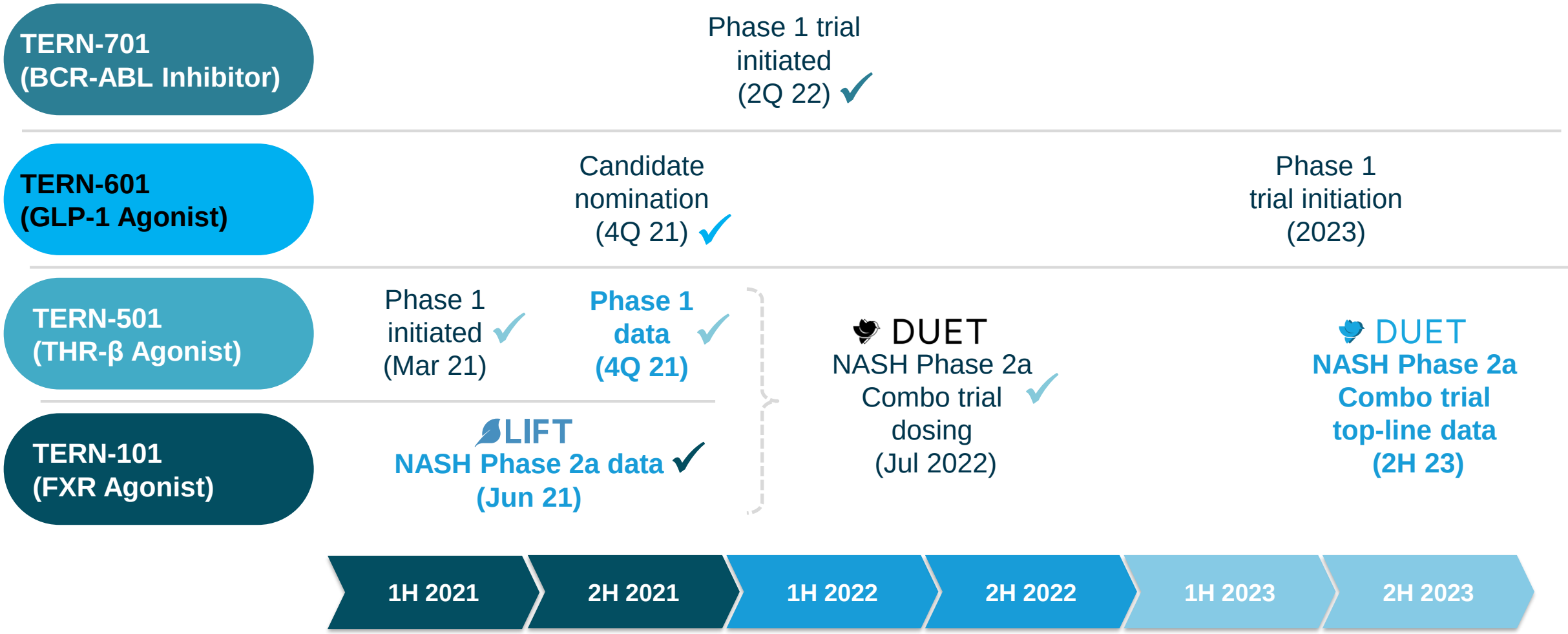
Milestones, Finance and IP

Key Completed and Upcoming Milestones

Multiple clinical milestones expected across Terns' pipeline



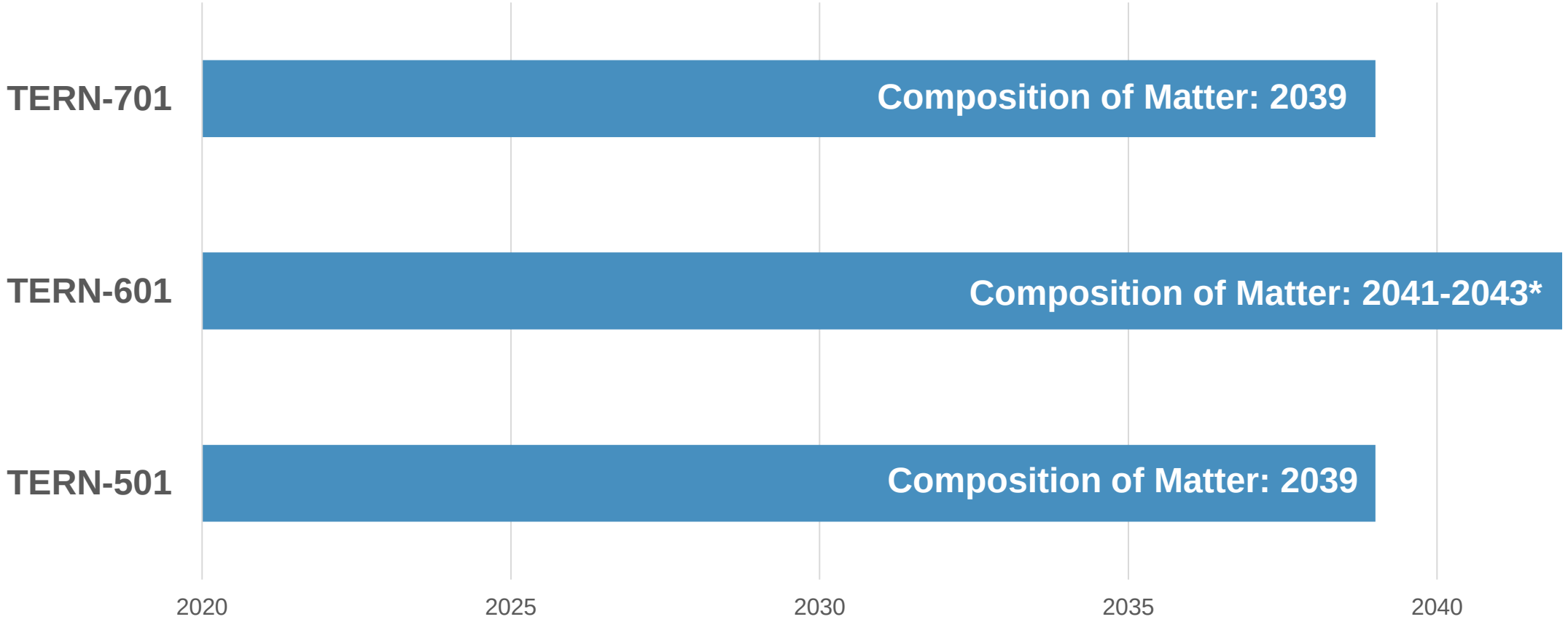
Note: Check mark (✓) denotes completed milestones, all other milestones are anticipated future milestones. Relative position of completed or expected milestones on illustration does not denote or imply chronological order

Strong Financial Position Supports Upcoming Milestones

* Pro forma cash, cash equivalents and marketable securities as of June 30, 2022. includes ~$61M in net proceeds from offering in August 2022; pro forma primary shares, including prefunded warrants as of August 12, 2022.

Terns: Robust Intellectual Property

- In addition to patents, 5-year NCE exclusivity (plus 30 month stay) expected to apply after approval
- Patent applications cover polymorphs, drug product formulation and combo approach



All figures above denote US timelines only, similar coverage periods assumed for other territories. * We own multiple composition of matter patent application families directed to our GLP-1R agonist compounds, including TERN-601, for which claims have not yet been granted. Any patents that may issue from applications in these families are generally projected to expire in 2041-2043, not including any patent term adjustments and/or patent term extensions that may be available.

Why Terns? Why Now?

3 Clinically validated mechanisms	3 Indications with large unmet need	3 Key clinical readouts
TERN-701: Allosteric BCR-ABL inhibitor • Recent FDA approval (Novartis' Scemblix) • Superior efficacy to standard of care • Blockbuster sales potential[1]	**Chronic Myeloid Leukemia** • >$5B market[2] across multiple similar 2nd gen TKIs • CML prevalence expected to triple by 2040[3] • Many patients not adequately treated by SoC[4] • Upside opportunity to move from 3L → 1L	**Ph 1 CML dose escalation / expan. (TBA)** • Preliminary efficacy (e.g., molecular response) • First-in-human PK; tolerability / safety • Inform & accelerate U.S. development
TERN-601: Oral/small-mol. GLP-1 agonist • Recent positive Ph1 data from peers (PFE and LLY) • Recent GLP-1 FDA approval for obesity (Wegovy), prior approval of Saxenda in 2014	**Obesity** • ~$30bn market[5] limited by supply/cost of peptides • Oral drugs expected to expand market access potential	**Ph 1 Obesity (SAD/MAD) data (2024)** • Weight loss • HbA1c • PK: QD dosing
TERN-501: THR-β agonist • Recent positive Ph2 & Ph3 data from peers	**NASH** • No approved drugs to date • Demand for drugs amenable for co-administration	**Ph 2a NASH mono/combo data (2H23)** • Proton Density Fat Fraction (PDFF) – Liver fat • Corrected T1 (cT1) – Liver fibro-inflammation

Strong Balance Sheet

Cash of $200M[6] expected to provide runway into 2025

1. Novartis 3Q 2021 Earnings; 2. Factset estimates for 2022E; 3. Jabbour, Kantarjian, AJH 2020, CML: 2020 updates on the diagnosis, therapy and monitoring; 4. Cortes & Lang 2021 J Hematol. Oncol.;
5. EvaluatePharma 2026E consensus estimates 6. Pro forma cash, cash equivalents and marketable securities as of June 30, 2022. includes ~$61M in net proceeds from offering in August 2022

Note: 3L: 3rd line; 1L: 1st line

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

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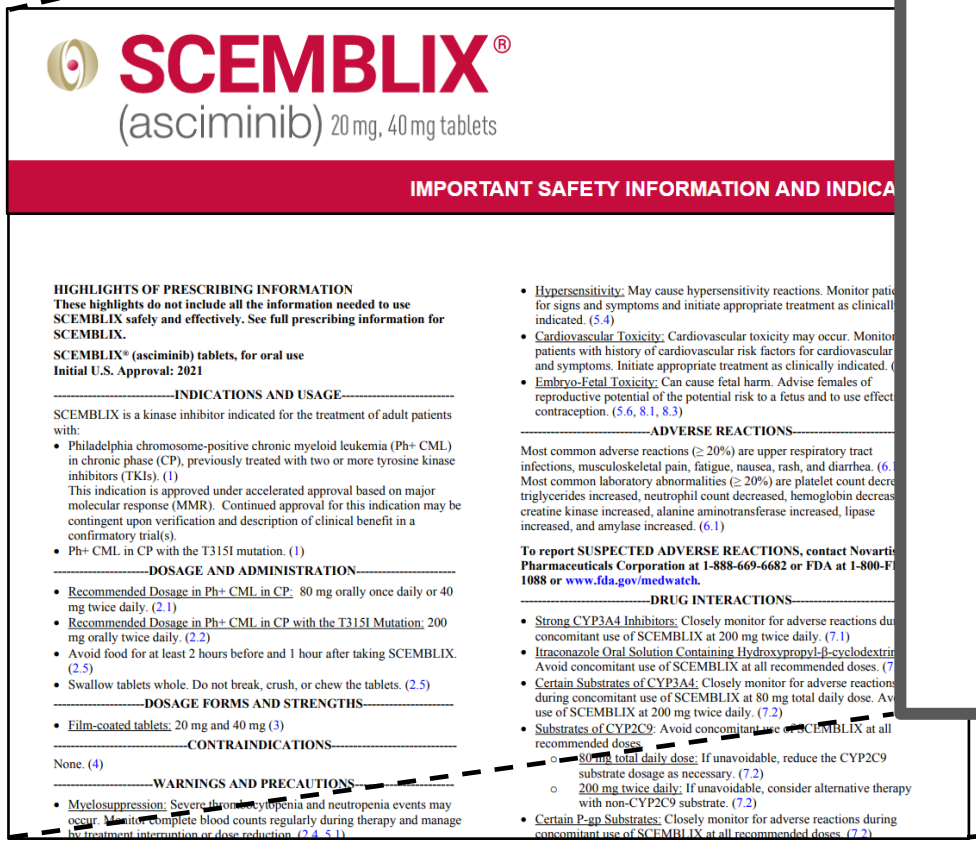
Appendix

Asciminib Has Limitations That Are Barriers to Adherence and May Limit Efficacy



SCEMBLIX®
(asciminib) 20 mg, 40 mg tablets

IMPORTANT SAFETY INFORMATION AND INDICA

HIGHLIGHTS OF PRESCRIBING INFORMATION
These highlights do not include all the information needed to use SCEMBLIX safely and effectively. See full prescribing information for SCEMBLIX.

SCEMBLIX® (asciminib) tablets, for oral use
Initial U.S. Approval: 2021

----------INDICATIONS AND USAGE----------

SCEMBLIX is a kinase inhibitor indicated for the treatment of adult patients with:

- Philadelphia chromosome-positive chronic myeloid leukemia (Ph+ CML) in chronic phase (CP), previously treated with two or more tyrosine kinase inhibitors (TKIs). (1)
  This indication is approved under accelerated approval based on major molecular response (MMR). Continued approval for this indication may be contingent upon verification and description of clinical benefit in a confirmatory trial(s).
- Ph+ CML in CP with the T315I mutation. (1)

----------DOSAGE AND ADMINISTRATION----------

- Recommended Dosage in Ph+ CML in CP: 80 mg orally once daily or 40 mg twice daily. (2.1)
- Recommended Dosage in Ph+ CML in CP with the T315I Mutation: 200 mg orally twice daily. (2.2)
- Avoid food for at least 2 hours before and 1 hour after taking SCEMBLIX. (2.5)
- Swallow tablets whole. Do not break, crush, or chew the tablets. (2.5)

----------DOSAGE FORMS AND STRENGTHS----------

- Film-coated tablets: 20 mg and 40 mg (3)

----------CONTRAINDICATIONS----------

None. (4)

----------WARNINGS AND PRECAUTIONS----------

- Myelosuppression: Severe thrombocytopenia and neutropenia events may occur. Monitor complete blood counts regularly during therapy and manage by treatment interruption or dose reduction. (2.4, 5.1)
- Hypersensitivity: May cause hypersensitivity reactions. Monitor patie for signs and symptoms and initiate appropriate treatment as clinicall indicated. (5.4)
- Cardiovascular Toxicity: Cardiovascular toxicity may occur. Monitor patients with history of cardiovascular risk factors for cardiovascular and symptoms. Initiate appropriate treatment as clinically indicated. (
- Embryo-Fetal Toxicity: Can cause fetal harm. Advise females of reproductive potential of the potential risk to a fetus and to use effect contraception. (5.6, 8.1, 8.3)

----------ADVERSE REACTIONS----------

Most common adverse reactions (≥ 20%) are upper respiratory tract infections, musculoskeletal pain, fatigue, nausea, rash, and diarrhea. (6.
Most common laboratory abnormalities (≥ 20%) are platelet count decre triglycerides increased, neutrophil count decreased, hemoglobin decreas creatine kinase increased, alanine aminotransferase increased, lipase increased, and amylase increased. (6.1)

To report SUSPECTED ADVERSE REACTIONS, contact Novartis Pharmaceuticals Corporation at 1-888-669-6682 or FDA at 1-800-FDA-1088 or www.fda.gov/medwatch.

----------DRUG INTERACTIONS----------

- Strong CYP3A4 Inhibitors: Closely monitor for adverse reactions du concomitant use of SCEMBLIX at 200 mg twice daily. (7.1)
- Itraconazole Oral Solution Containing Hydroxypropyl-β-cyclodextrin Avoid concomitant use of SCEMBLIX at all recommended doses. (7
- Certain Substrates of CYP3A4: Closely monitor for adverse reactions during concomitant use of SCEMBLIX at 80 mg total daily dose. Av use of SCEMBLIX at 200 mg twice daily. (7.2)
- Substrates of CYP2C9: Avoid concomitant use of SCEMBLIX at all recommended doses.
  - 80 mg total daily dose: If unavoidable, reduce the CYP2C9 substrate dosage as necessary. (7.2)
  - 200 mg twice daily: If unavoidable, consider alternative therapy with non-CYP2C9 substrate. (7.2)
- Certain P-gp Substrates: Closely monitor for adverse reactions during concomitant use of SCEMBLIX at all recommended doses. (7.2)

- **Dosage and Administration:**
  - Requires BID dosing in many clinical settings
  - 3-hour fasting requirement
- **Warnings and Precautions:**
  - Pancreatic toxicity
  - Cardiovascular toxicity
- **Drug Interactions:**
  - CYP3A4 inhibitors/substrates
  - CYP2C9 substrates
  - P-gp substrates

See Scemblix label for full prescribing info including patient information

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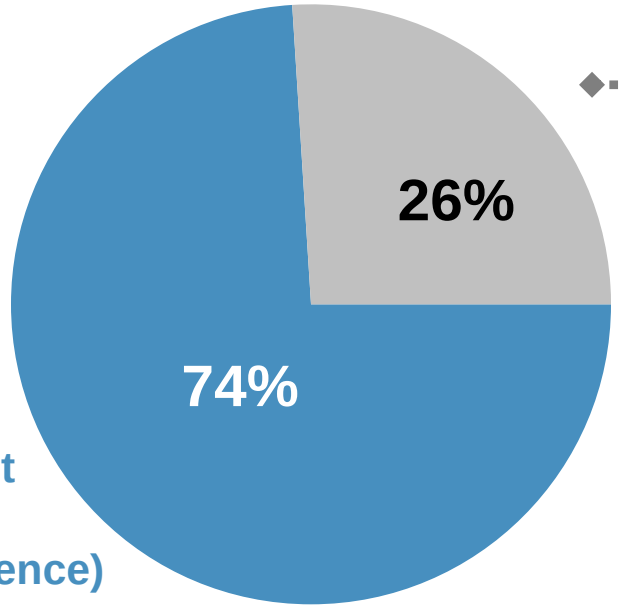
Improved Adherence Through Simplified Once-Daily Dosing & Fewer DDI is a Key Potential Advantage for TERN-701

*"Adherence is the **critical factor** for achieving molecular response"*[1]

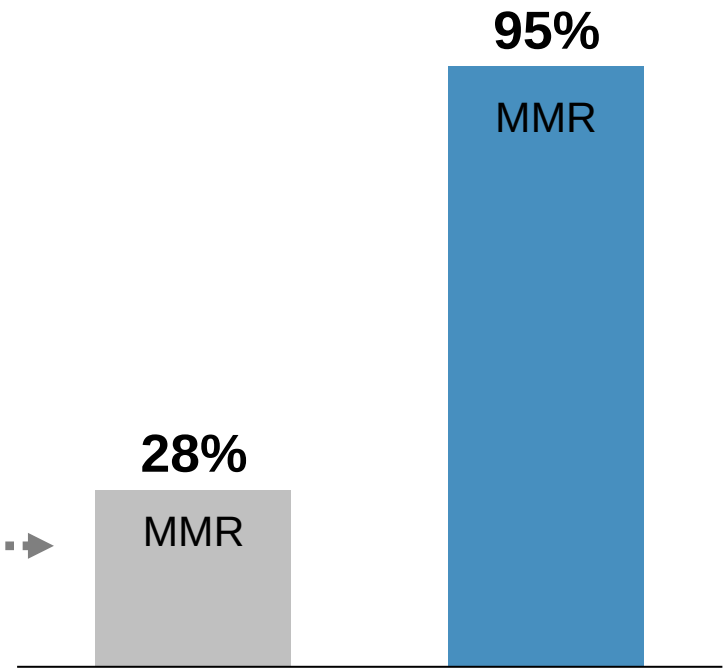
Non-adherence is still common in CML…



Adherent Patients (>90% adherence)

Non-adherent Patients (<90% adherence)

…Which leads to poor response in Non-adherent Patients



1. Marin et al J Clin. Oncol 2010 "*Adherence is the critical factor for achieving molecular responses in patients with chronic myeloid leukemia …*"
2. Noens et al, Blood 2009 "*Prevalence, determinants, and outcomes of nonadherence to imatinib …*"

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AE Profile and Comorbidities are a Key Factor in Physicians Selection of TKIs

Comorbidity	Preferred	Less Preferred
Diabetes	Imatinib, dasatinib, bosutinib	Nilotinib
Pulmonary Disease	Imatinib, bosutinib, nilotinib	Dasatinib
GI Issues	Nilotinib, dasatinib	Imatinib, bosutinib
Cardiovascular	Imatinib, bosutinib	Nilotinib, dasatinib
Peripheral artery	Imatinib, bosutinib	Nilotinib
Liver	Imatinib, dasatinib	Bosutinib
Renal	Nilotinib, dasatinib	Imatinib, bosutinib

Source: Cortes et al. Blood 2020

Significant Upside If Ongoing Clinical Trials Can Expand Allosteric TKI Use Into Earlier Line Treatment

Near-term asciminib readouts may guide or provide precedent for mid-term TERN-701 development pathways

Expansion opportunity for asciminib	Phase	Expected completion
Front-line / newly diagnosed Ph+ CML-CP	3	2024
Combination with active site TKI (ASC4MORE)	2	2022
Front-line in combination with active site TKI	2	2022

Note: Completion dates denote expectations based on publicly available information from third-parties.

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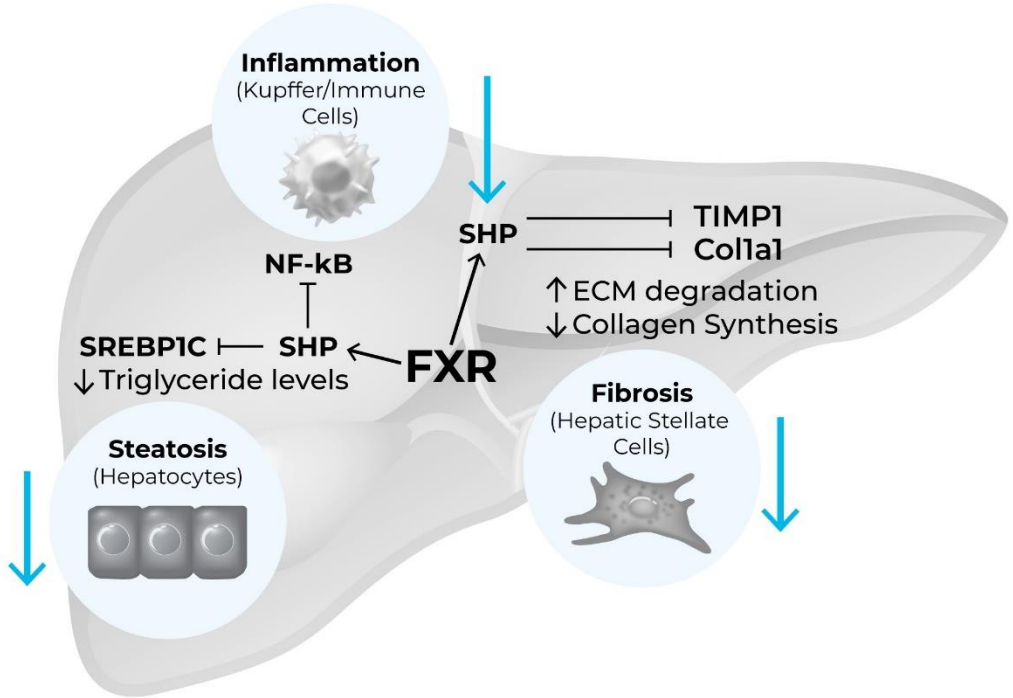
TERN-101: Liver-Distributed FXR Agonist with Differentiated Profile for NASH

TERN-101: A Differentiated FXR Agonist for NASH

A liver-distributed FXR agonist has the potential to address NASH by acting on the three key disease processes and cell types



- Liver-distributed, non-bile acid FXR agonist with **differentiated tolerability profile & improved target engagement**
- Some FXR agonists have demonstrated **significant histological NASH improvements** in clinical trials
  - But also resulted in substantial pruritus, adverse lipid changes & discontinuations
- TERN-101 demonstrated **sustained liver FXR activation & favorable tolerability profile** in Phase 1 and Phase 2 trials

Source: Armstrong and Guo, Pharmacol, 2017; TERN-101 AASLD 2020 Poster

LIFT 3 Important Firsts for NASH Treatment

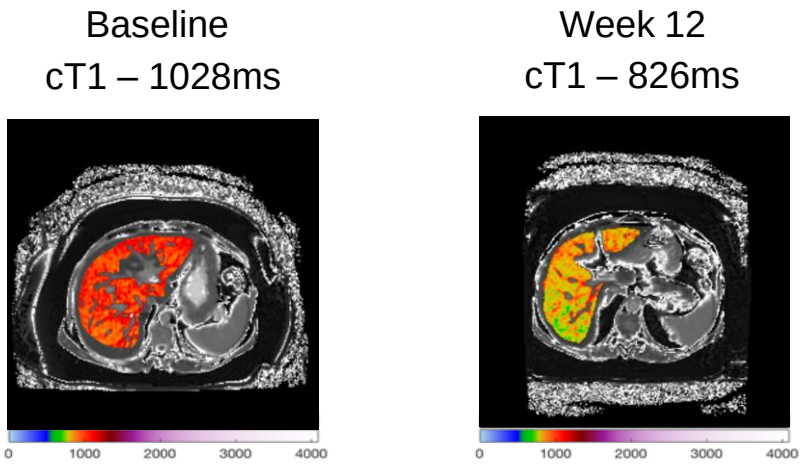
LIFT was a 12-week Phase 2 trial in NASH patients

1) First FXR agonist trial to demonstrate **no discontinuations due to AEs, including pruritus**
   - TERN-101 was generally well-tolerated with similar incidence of AEs across treatment groups
   - No treatment-related SAEs

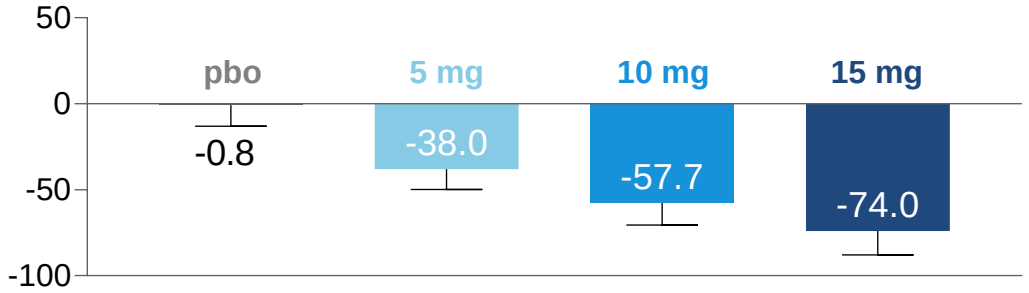
2) First 12-week controlled trial in NASH to show **significant improvements in cT1**
   - cT1 is an imaging marker of liver inflammation and fibrosis linked to clinical outcomes[1]
   - Also observed improvements in PDFF and liver enzymes

3) First FXR agonist planned to be **studied in combination with a THR-β** agonist
   - TERN-501 + TERN-101 Phase 2a initiated in 1H 22

TERN-101 10 mg – LIFT Patient Case Study



cT1 Mean Change from Baseline[2] [msec] – week 12



AE = adverse event. SAE = severe adverse event. FXR = farnesoid X receptor, THR=thyroid hormone receptor

1. Liver International. 2020;40:3071–3082 2. TERN-101 LIFT Study AASLD 2021

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cT1: Multi-Parametric MRI Background

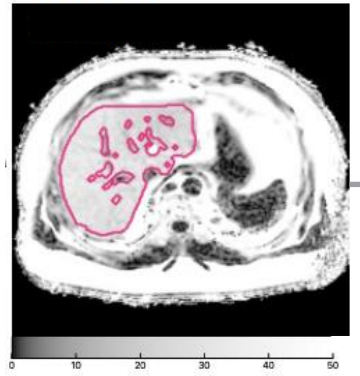
Multi-Parametric MRI for NASH Assessment

Provides information on steatosis, inflammation and fibrosis

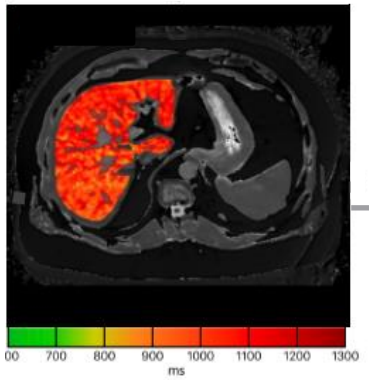
LiverMultiScan

Quantitative MRI metrics that correlate with histological markers of liver disease

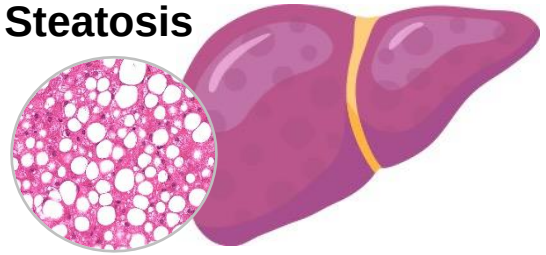
PDFF



Corrected T1

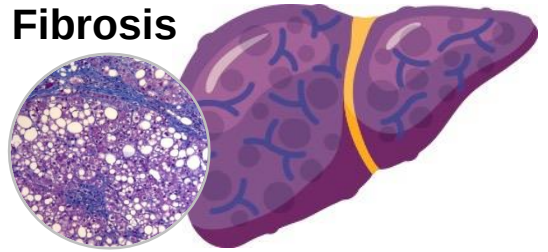


Steatosis



Inflammation

Fibrosis



MRI-PDFF

Shown to correspond to histological measures of ***steatosis***

Corrected T1

Free-water content in tissue shown to increase in ***inflammation and fibrosis***

88 msec △ cT1 ∝ 2 point △ NAS[1]

Source: Perspectum Diagnostics

1. Dennis, et al 2021 Front. Endocrinol.

Perspectum

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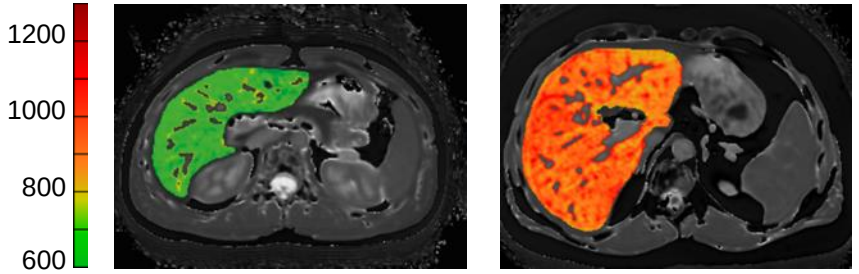
cT1 is Correlated with Liver Histology in NASH

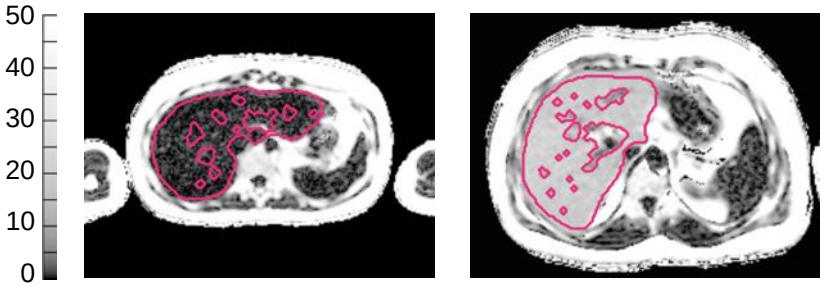
Both PDFF and cT1 correlate with NAFLD Activity Score, but only cT1 correlates with fibrosis

Example cT1 and PDFF Maps for Range of Values



cT1 = 631 ms

cT1 = 925 ms



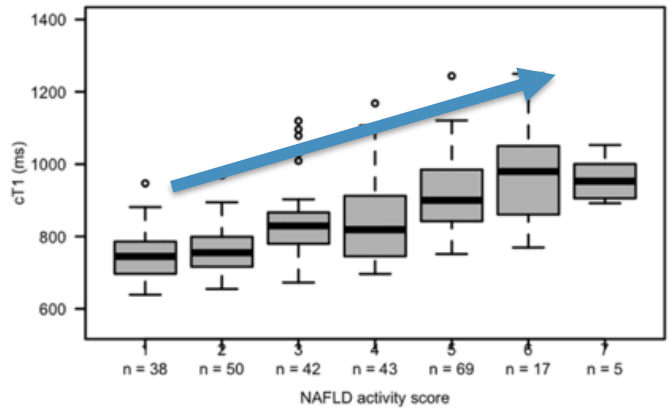
PDFF = 1 %

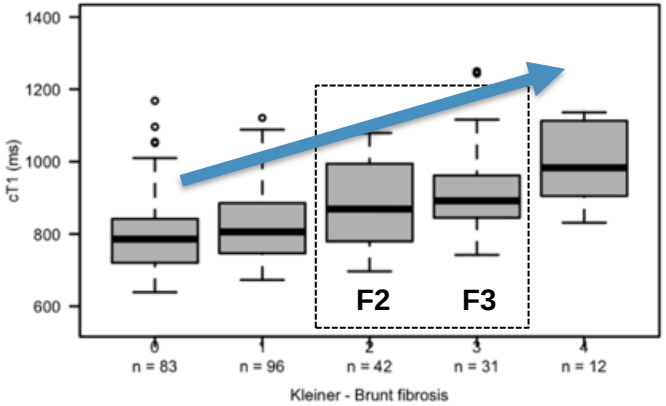
PDFF = 20 %

NAFLD Activity Score

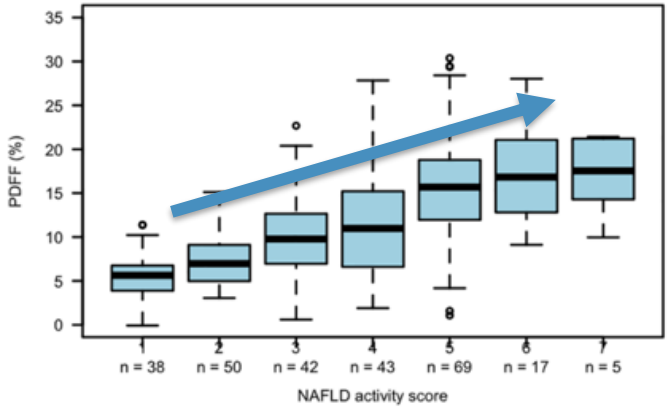
Fibrosis Score

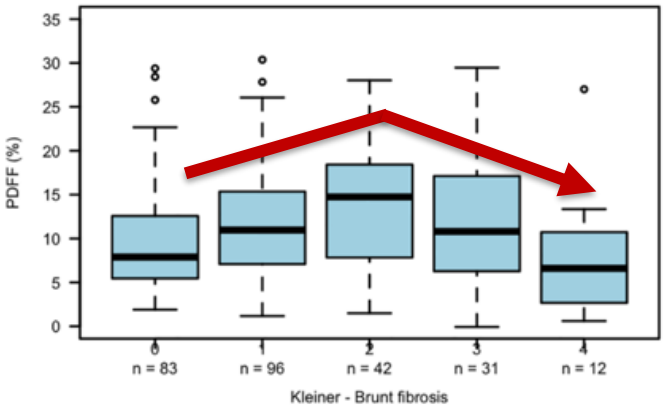
cT1





PDFF



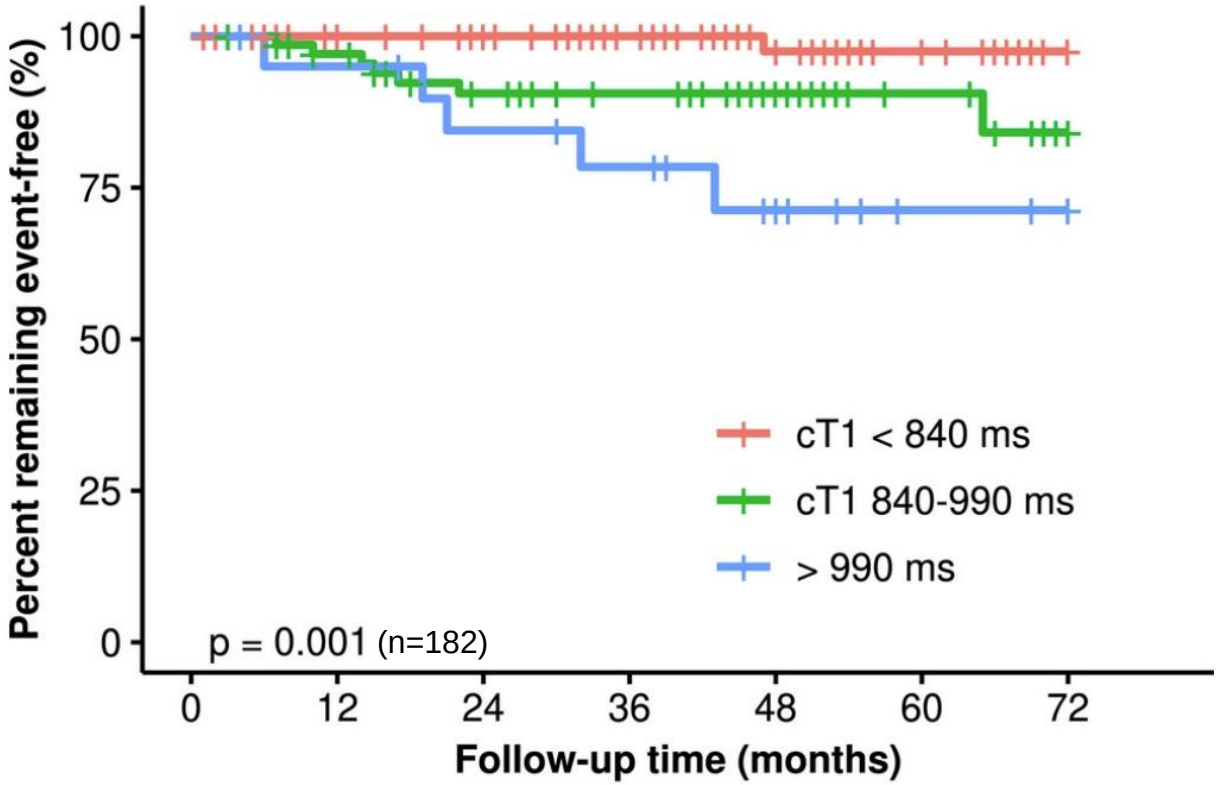


cT1 was correlated with fibrosis and was *superior to PDFF* for detection of fibrosis and inflammation

Source: Dennis, et al 2021 Front. Endocrinol.

cT1 is Significantly Correlated with NASH Clinical Outcomes

Event-free survival stratified by cT1 groups

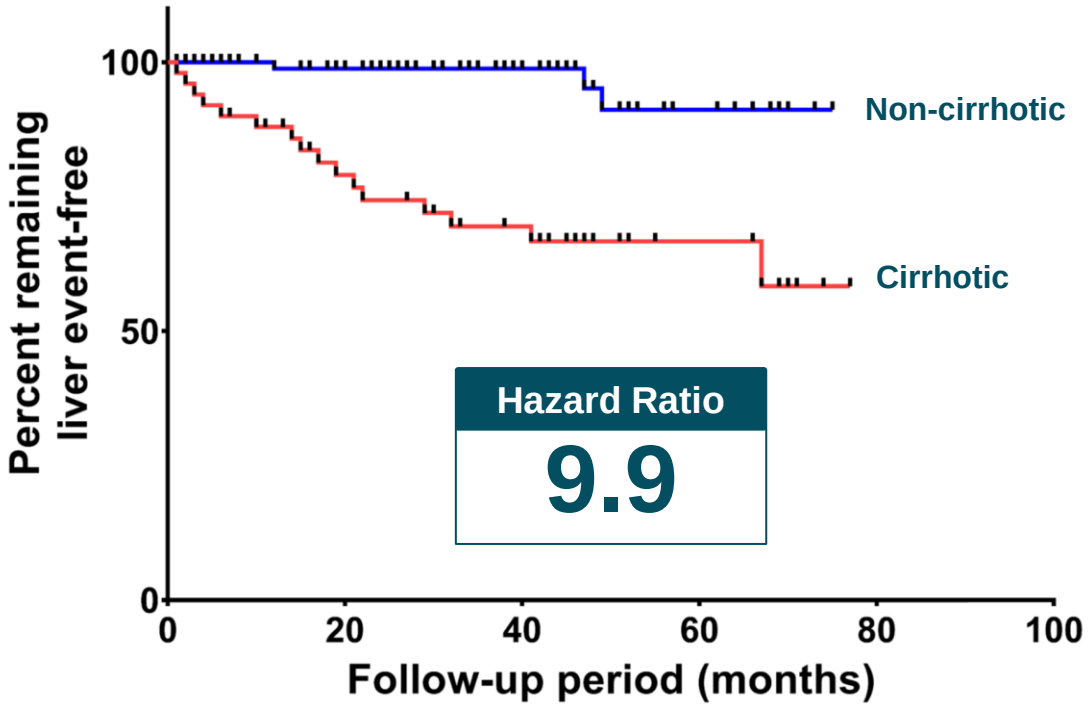


- cT1 has established correlation with clinical outcomes[1]
  - Liver cT1 (but not PDFF) is shown to strongly predict clinical outcomes in patients with chronic liver disease including NAFLD
  - Long-term outcomes being tracked in UK Biobank Imaging study of 100,000 individuals

1. Based on third-party study Liver International. 2020;40:3071–3082

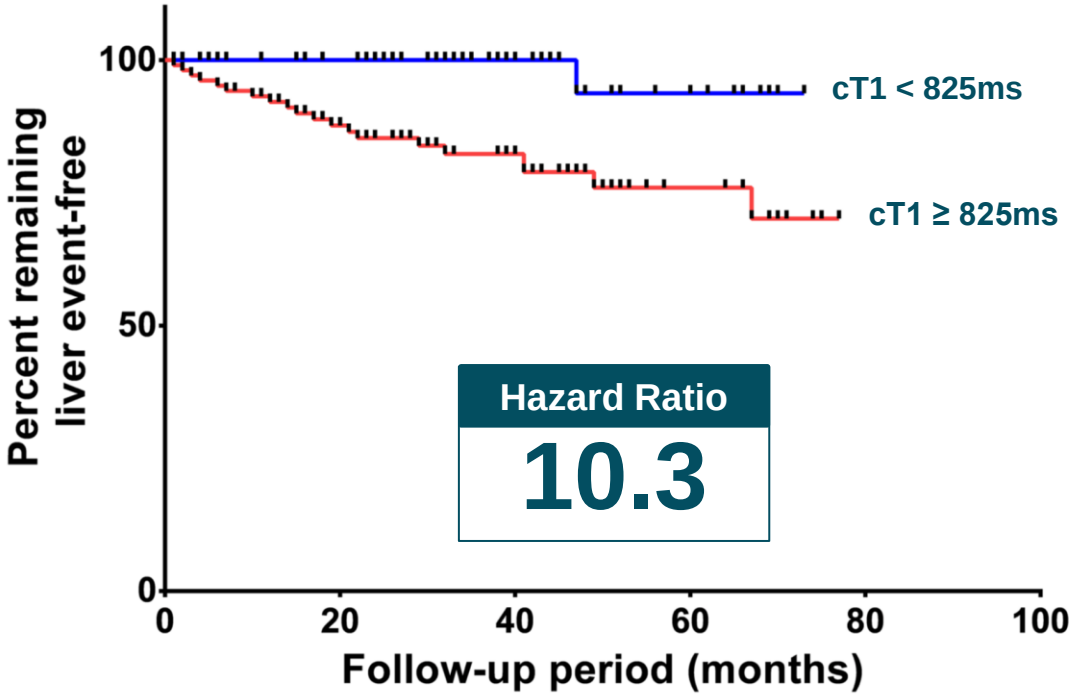
cT1 Equivalent to Biopsy in Predicting NASH Clinical Outcomes

Liver Events by Cirrhosis Status



Kaplan-Meier curve for liver-related event free survival with patients stratified according to ISHAK score*
(n=150, median follow-up period: 35 months)

Liver Events by cT1 Status



Kaplan-Meier curve for liver-related event free survival with patients stratified according to cT1
(n=166, median follow-up period: 35 months)

Source: Jayaswal et al. AASLD 2018
* Non-cirrhotic (ISHAK<F5), Cirrhotic (ISHAK F5-6)