TERNS
PHARMACEUTICALS

Company Overview

NASDAQ: TERN

August 2023

Forward-Looking Statements and Disclaimers

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,” “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,” “due,” “estimate,” “expect,” “goal,” “intend,” “may,” “objective,” “plan,” “positioned,” “potential,” “predict,” “seek, 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 Securities and Exchange Commission ("SEC") reports, including but not limited to our Annual Report on Form 10-K for the year ended December 31, 2022. 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.

This presentation discusses product candidates that are investigational only and have not yet been approved for marketing by the U.S. Food and Drug Administration. No representation is made as to the safety or effectiveness of these product candidates for the use for which such product candidates are being studied. Certain comparisons in this presentation between our product candidates and other agents are not based on head-to-head trials and are based on publicly available data, which may include cross-trial and/or cross-phase comparisons.

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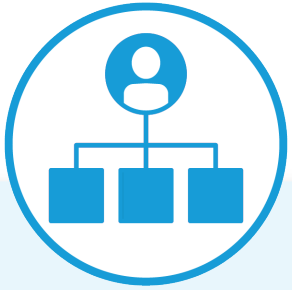
Investment Highlights

Developing small-molecule medicines with clinically validated mechanisms of action to address oncology and metabolic diseases with large unmet medical need

- Clinically validated mechanisms
- Indications w/ large unmet need
- Multiple data readouts



- Experienced leadership with deep domain experience

- Strong balance sheet: cash of $286M[1] expected to provide runway into 2026

Top Shareholders

Fidelity INVESTMENTS · FAIRMOUNT · venrock · OrbiMed Healthcare Fund Management · VIVO CAPITAL · Lilly Asia Ventures 礼来亚洲基金 · DEEP TRACK CAPITAL

1. As of June 30, 2023

Terns Pipeline: Broad Rights to Multiple Wholly-owned Opportunities Targeting Serious Diseases

PROGRAM	MECHANISM	INDICATION	PRECLINICAL	EARLY-STAGE CLINICAL DEVELOPMENT	LATE-STAGE CLINICAL DEVELOPMENT	STATUS
Oncology						
TERN-701	Allosteric BCR-ABL Inhibitor	CML	Phase 1		*Anticipated registrational trial following Ph 1 trial*	**China P1 ongoing**[1] Enrollment progress update at ASCO 2023 **U.S. P1 Initiation 2H23** Interim top-line from initial cohorts in 2024
Liver & Metabolic						
TERN-501	THR-β Agonist	NASH	Phase 2a			**Positive Top-line Data Announced August 2023**
TERN-601	Oral GLP-1R Agonist	Obesity	IND-enabling activities			**Phase 1 Initiation: 2H23** Top-line data 2024
Discovery Programs						
TERN-800 Series	GIPR Modulators	Obesity	Lead optimization			**Lead optimization underway** Candidate nomination & IND-enabling activities 2024

1. Out-licensed to Hansoh Pharma (HS 10382) 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; certain milestones are subject to the availability of additional data and future funding

TERNS PHARMACEUTICALS

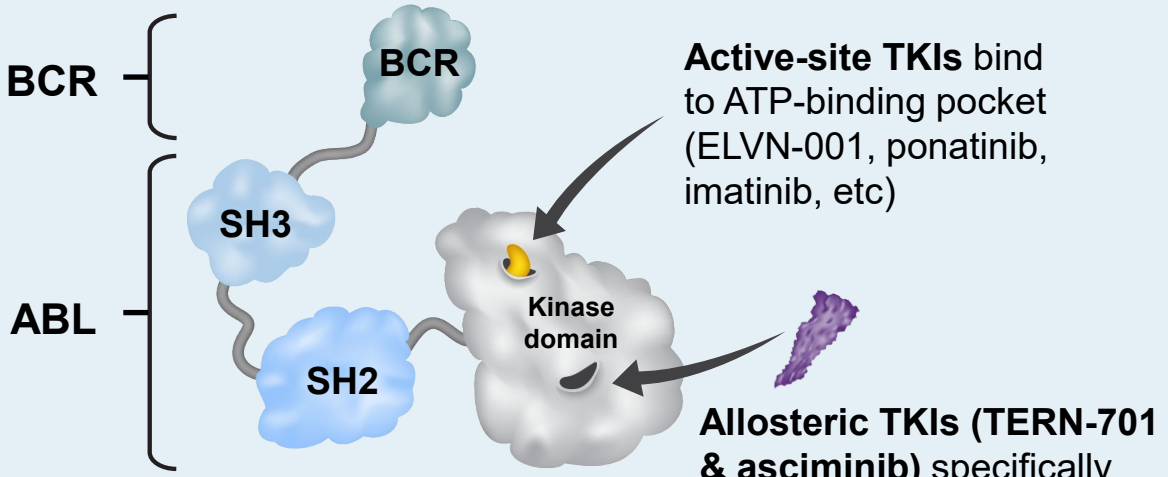
TERN-701

Allosteric BCR-ABL TKI for Chronic Myeloid Leukemia

- Allosteric TKIs have significant efficacy improvement over active-site TKIs
- CML is an orphan indication supporting a ~$5B market with need for multiple agents and with limited competition amongst allosteric TKIs
- Terns' U.S. clinical trial to begin in 2H23 (China Phase 1 ongoing)

Allosteric TKI: an Improved Approach for CML Treatment

Active BCR-ABL1 ➔ Cell proliferation / reduced apoptosis



Inactive BCR-ABL1 ➔ Cell death

- CML is an **orphan indication** with a **sizeable market (~$5B)** and a need for **multiple agents**
- **Frequent switching** occurs between TKIs, most commonly due to intolerance
- **Allosteric** BCR-ABL TKIs have significant (~2x) efficacy improvement over older standard-of-care active-site inhibitors and are better tolerated
- 1st approved allosteric TKI, asciminib, expected to be a **blockbuster in 3L CML** and is being developed for 1L
- TERN-701 is an **internally-developed allosteric** TKI with an expected profile ≥ asciminib
- Phase 1 trial in CML patients initiated by Hansoh in 2Q 2022 in China; **U.S. Phase 1 clinical trial initiation targeted in 2H 2023**

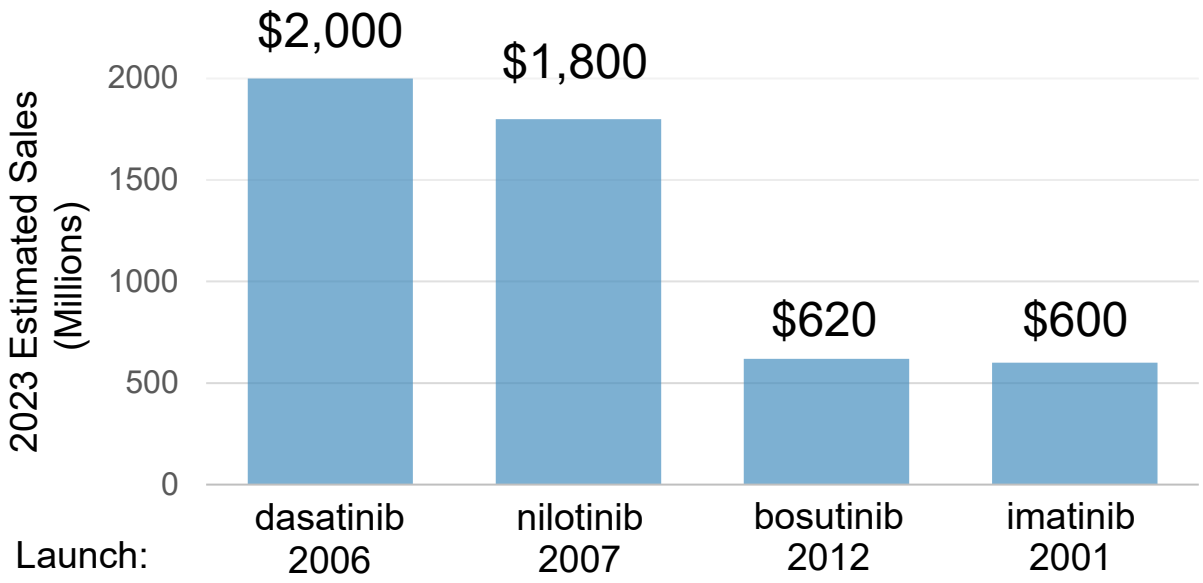
Note: 1L: 1st line; 3L: 3rd line; TKI: tyrosine kinase inhibitor
Source: Réa et al Blood 2021, NVS 2Q 2022 Earnings, Factset estimates

CML is a Sizeable Market With Need for Multiple Agents

CML is an orphan indication with:

- ~8,930 new cases being diagnosed in the U.S. in 2023[1]
- ~1,310 people expected to die in the U.S. in 2023[1]
- U.S. CML **prevalence today is ~110K and is expected to triple** by 2040, driven by improved survival[2,3]

Current Standard of Care Active-Site TKIs represent a **~$5B Market in 2023**[4]



1. Cancer.org Key Statistics for Chronic Myeloid Leukemia, 2. Huang et al Cancer 2020; 3. Jabbour, Kantarjian, AJH 2020; 4. Factset estimates (Note: 2023E ponatinib sales of ~$160M)

Frequent Switching Occurs Between TKIs, Most Commonly Due to Intolerance

- **~30% to 40%** of people started on a TKI switch to an alternative TKI[1]

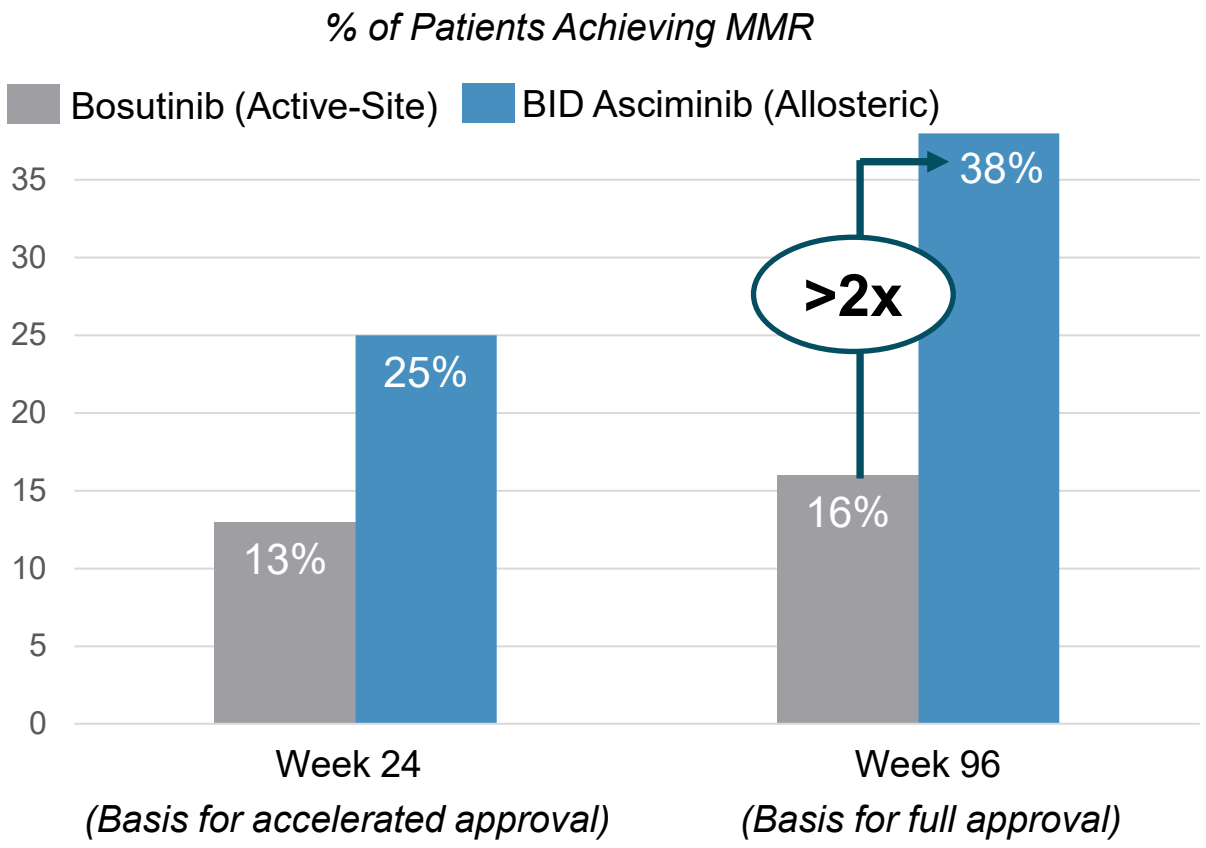
- Reasons to switch may include[2]:
  - side effects / intolerance
  - co-morbidity
  - inadequate response
  - drug-drug interaction

- Physicians are seeking additional novel therapies that are **safe**, **efficacious** and **well-tolerated**

1. Schiffer Blood 2021; 2. Hochhaus et al, Leukemia 2020

Allosteric TKIs: Major Advancement for CML Patients Over Currently Approved Active-Site TKIs

In Phase 3, **asciminib showed >2x improvement in MMR** in 3L patients over 96 weeks[1]



- Allosteric BCR-ABL TKIs are the **only class** to date to show a benefit over active-site TKIs in CML
- Allosteric BCR-ABL TKIs are also **better tolerated** than active-site TKIs[1]

  *Asciminib had a **~3x lower discontinuation rate** than bosutinib over 96 weeks of treatment[2]*

- **Full FDA approval** in October 2022 based on 96-week data[1]
- Asciminib 1L pivotal trial is fully enrolled, readout and submission in 2024[3]

Note: 3L: 3rd line; BID: twice-daily; MMR: major molecular response

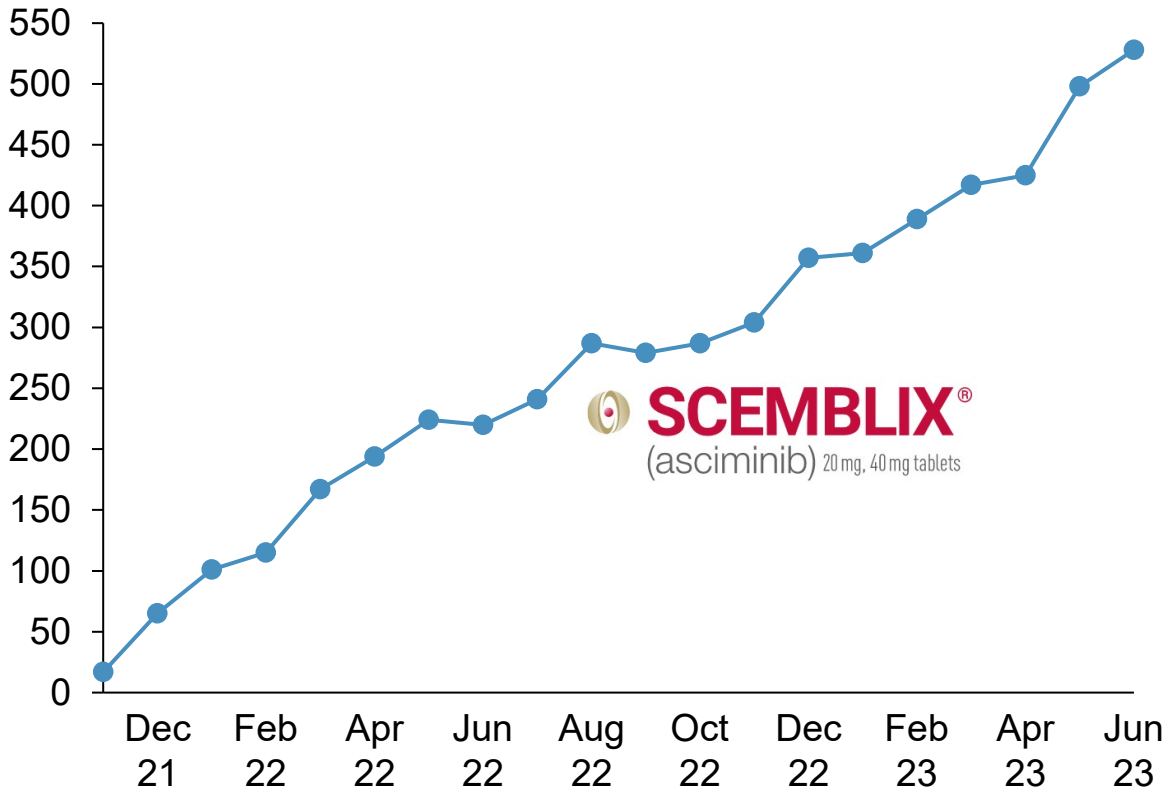
1. Scemblix Prescribing Information 2. (8% asciminib vs 26% bosutinib) 3. Novartis 1Q 2023 Earnings

Asciminib is on Track to Be Blockbuster in 3L CML

Novartis views potential multi-blockbuster opportunity in first-line setting[1]

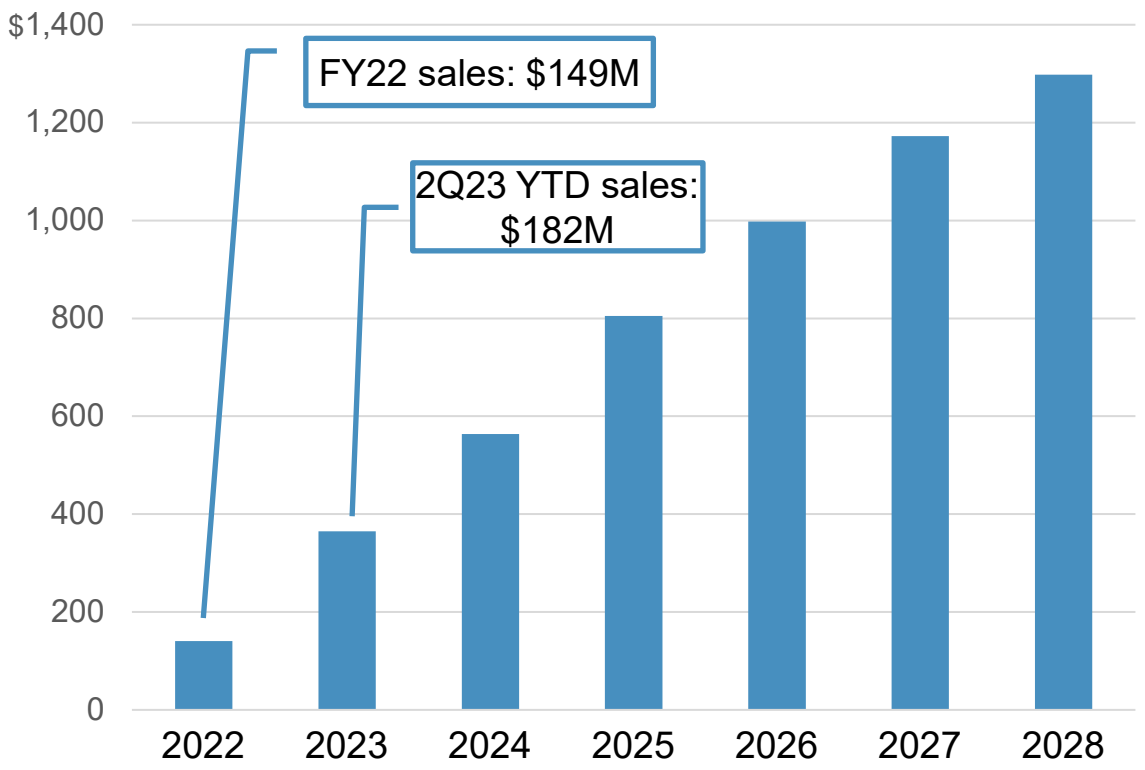
Asciminib (Scemblix) is off to a **strong U.S. launch with 35% NBRx patient share in 3L+[2]**

Monthly TRx for Scemblix[3]



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

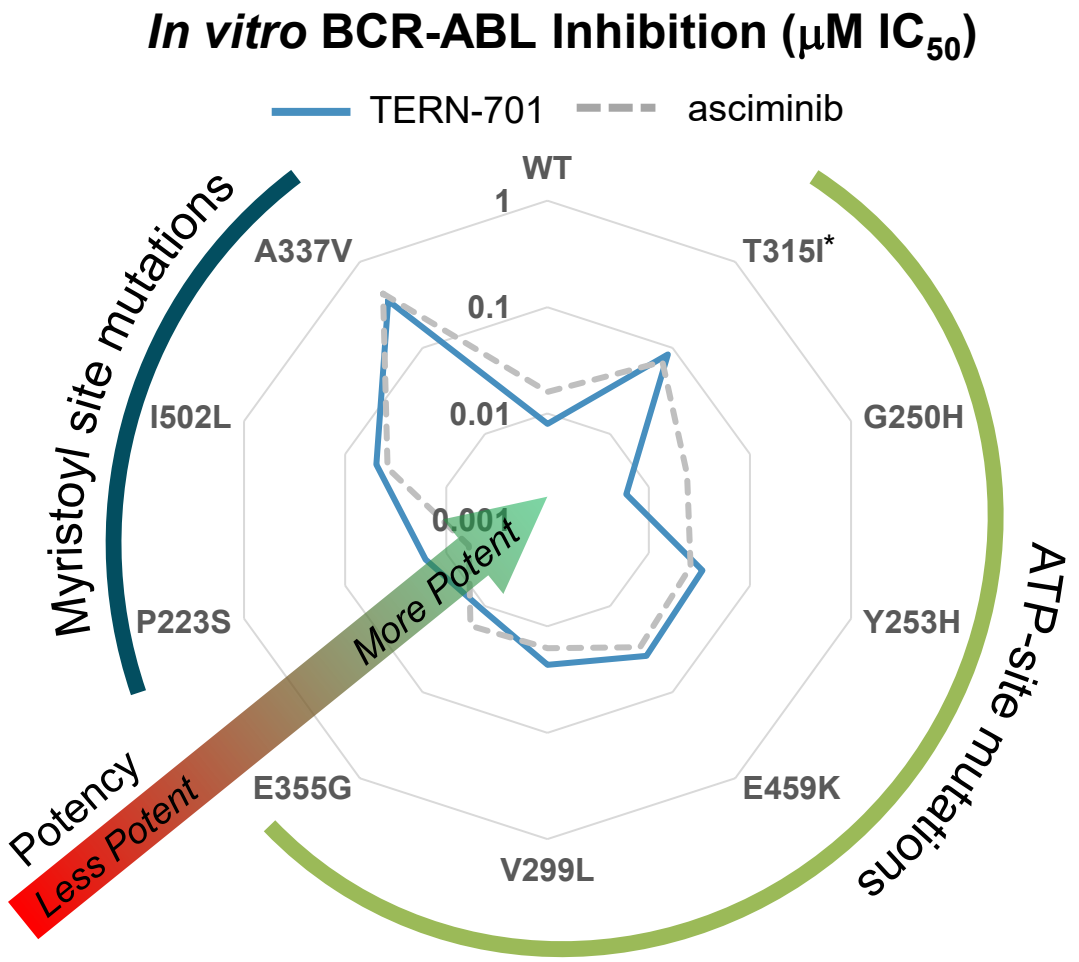
Consensus Sales ($Millions)[4]



Note: 3L: 3rd line; NBRx: new-to-brand prescriptions (rolling 3-month 3L+ new patient start share per IQVIA)

1. NVS: 3Q 2021 Earnings, 2. NVS: 2Q 2023 Earnings 3. Symphony database, 4. Estimates from Evaluatepharma; may include sales beyond 3L setting

TERN-701 Potency Suggests Anti-Tumor Activity Comparable to asciminib; With Opportunities to Differentiate



In non-clinical assays, **TERN-701 demonstrated a similar profile to asciminib** including high potency against:

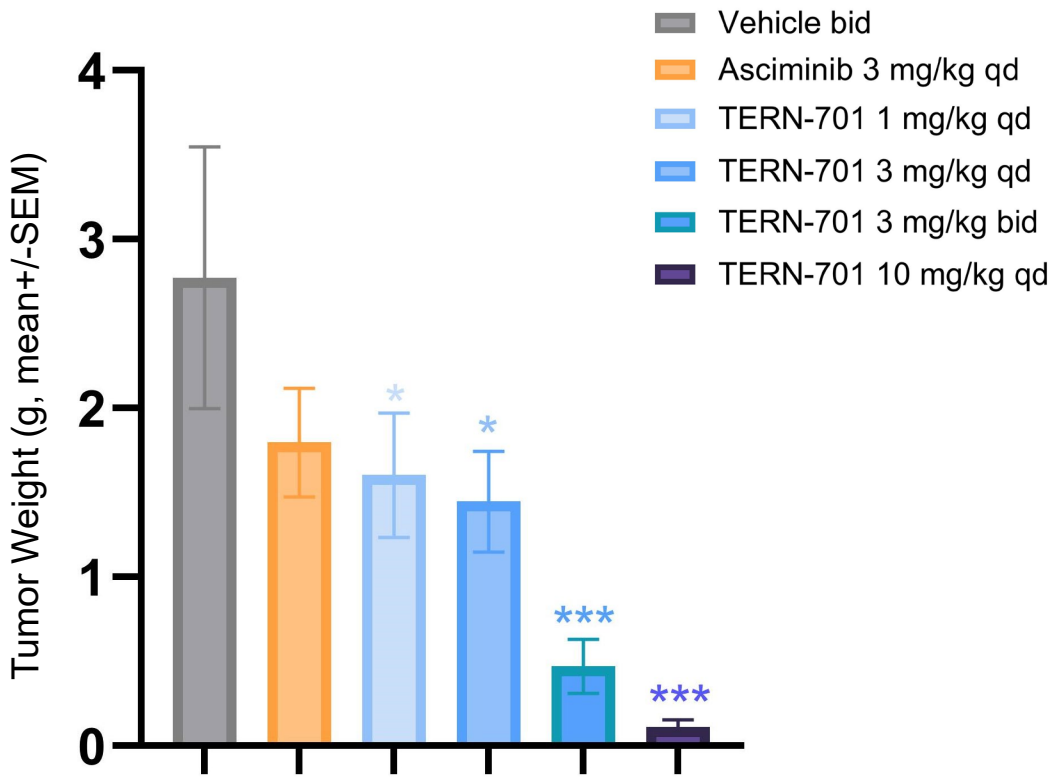
- wild type BCR-ABL, and
- most-common mutations occurring in patients treated with active-site TKIs

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

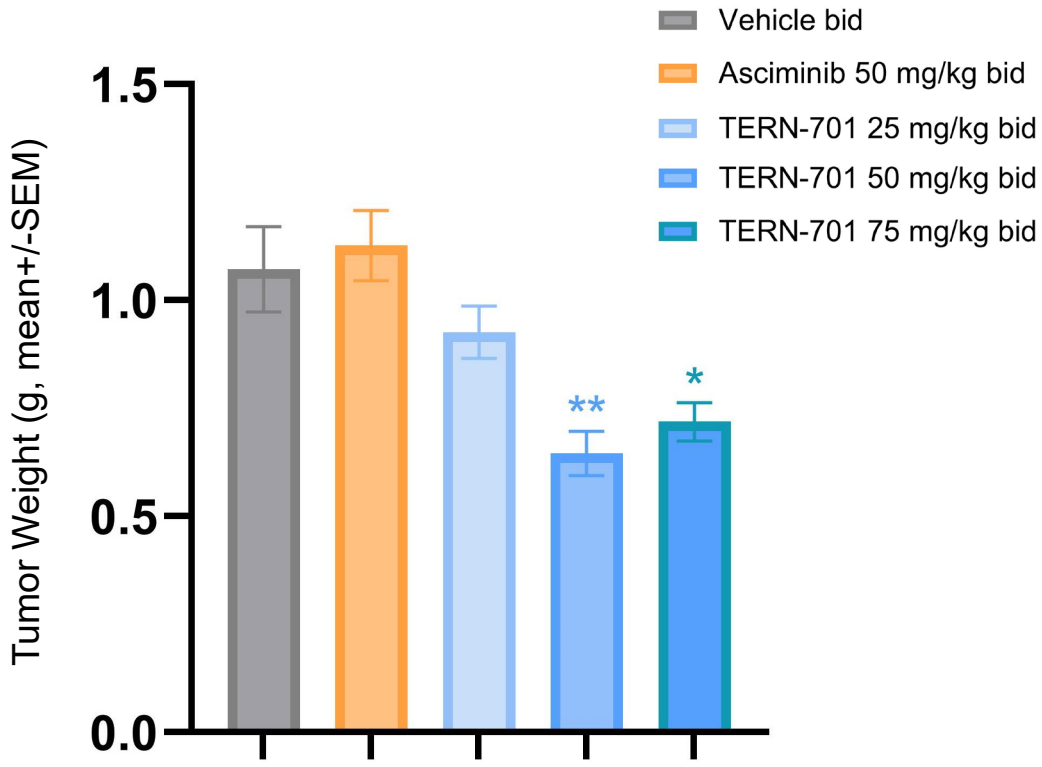
Note: WT (wild-type) and BCR-ABL mutations were evaluated in an ABL auto-phosphorylation assay
* T315i mutation was evaluated in a cell proliferation assay

TERN-701 Showed a Greater Anti-Tumor Effect vs. asciminib in Non-clinical Models of CML

K562 Xenograft
(Day 14)



Ba/F3 BCR-ABL1-T315I Xenograft
(Day 15)



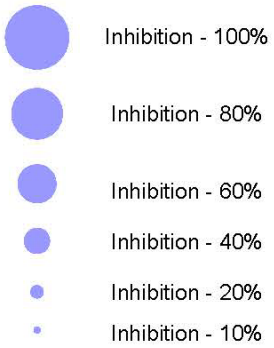
Source: ASPET TERN-701 poster
Note: NOD-SCID (K562) and BALB/c nude mice (Ba/F3T315I) were implanted with CML cells, randomized, and administered the indicated TKIs once tumor volumes reached a mean size of 110 mm. Mean tumor weights for each of the treatment groups at the conclusion of the study. All error bars represent the SEM. *p<0.05, **p<0.01, ***p<0.001.
asciminib was utilized as the free base, TERN-701 was formulated as an optimized salt form

TERN-701 Also Demonstrated High Selectivity on a Broad Kinase Panel, Suggesting Reduced Potential for Off-Target Activity

TERN-701 was assessed at 1 µM against a panel of 375 kinases

No kinase, including wild-type ABL1, was observed to be inhibited by >50% → reduced potential for TERN-701 off-target activity

Dot Size by Percent Inhibition



Source: ASPET TERN-701 poster

Hansoh Study to Evaluate Efficacy of TERN-701 in CML

*~100 patient China trial will provide efficacy data & other key insights to **help advance** Terns' development; status update across dose escalation cohorts presented at ASCO 2023*

TERN-701

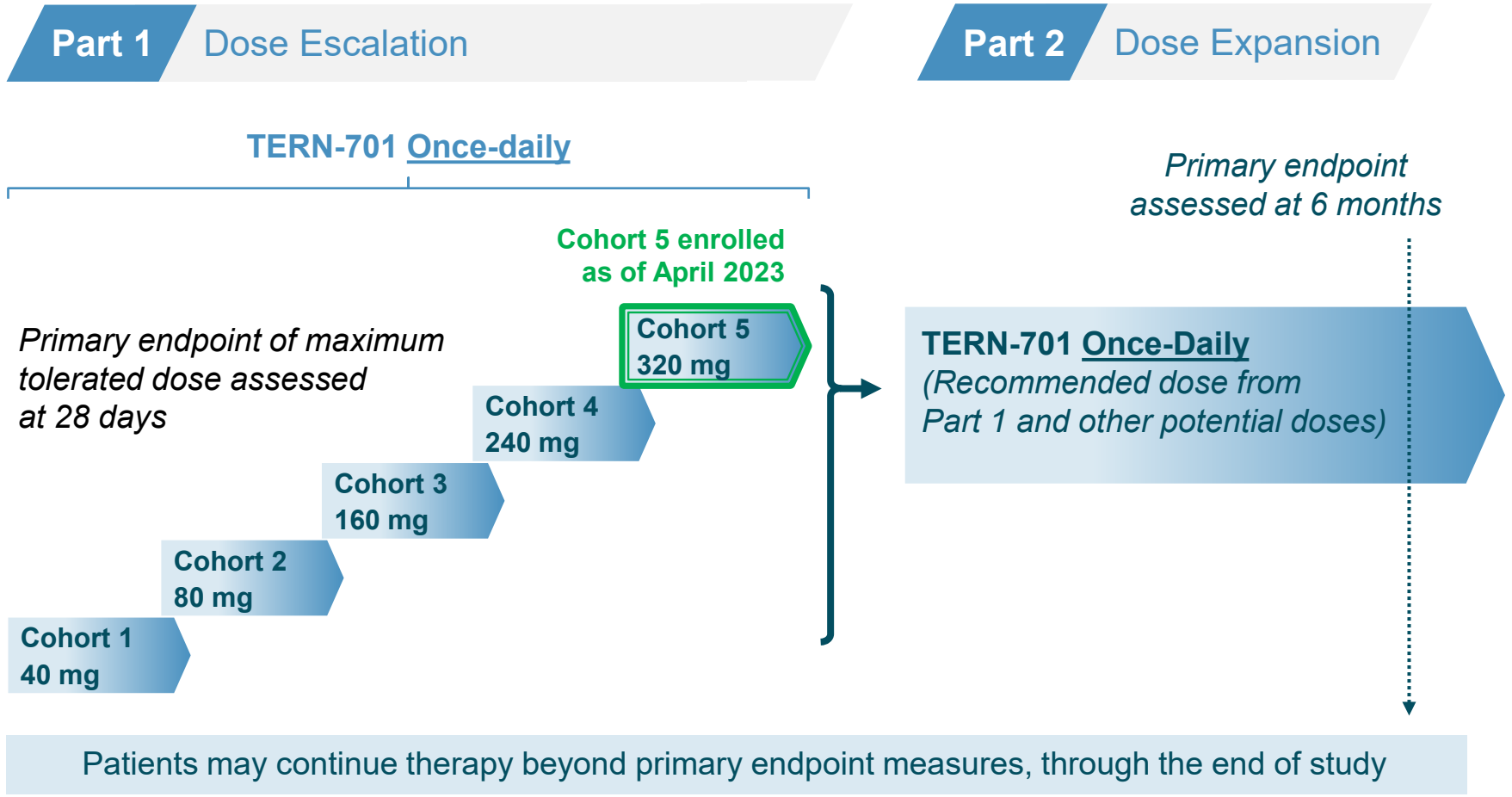
Trial Design

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

Terns' Draft Phase 1 Trial Design

Aims to leverage Hansoh Phase 1 trial data to evaluate dose ranges expected to be both safe & therapeutic

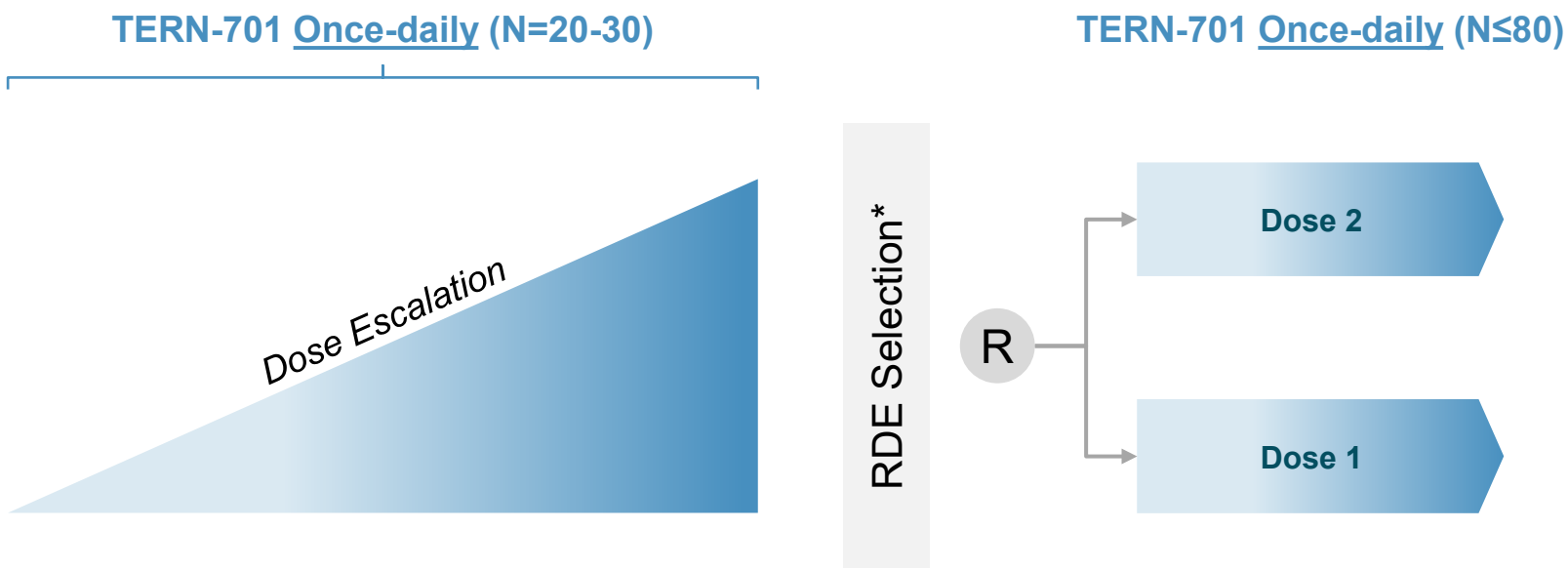
TERN-701

Study Population

- Chronic phase CML patients treated with at least one prior TKI
- Treatment failure or intolerance on current TKI

Part 1 Dose Escalation

Part 2 Dose Expansion

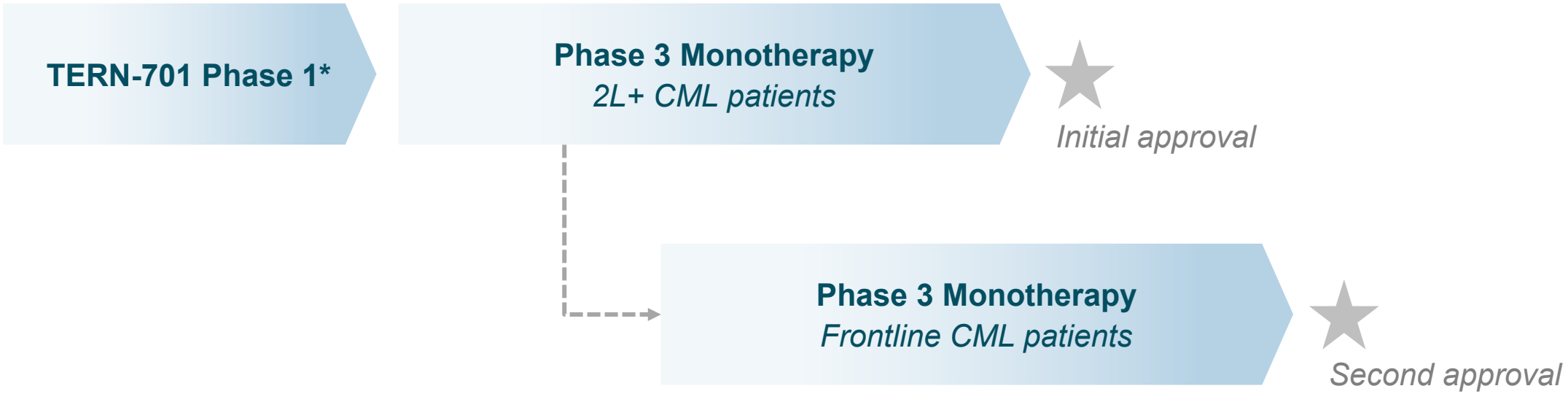


Patients may continue therapy beyond primary endpoint measures, through the end of study

*RDE = recommended doses for expansion.

Potential Option for TERN-701 Monotherapy Registration Path in Earlier Line CML Patients

- Potential for initial approval as 2L+ therapy in patients failing frontline treatment with active site TKI
- Allosteric BCR-ABL inhibitors likely to expand to frontline use; Terns evaluating multiple options for pivotal trial designs, including 2L and frontline patients



Illustrative development program
Note: 2L+; 2nd line and later.
*Dose escalation/dose expansion study

Next Steps for TERN-701 in CML: Clinical Trial Start in 2H23

1H23

CMC activities

Completed manufacturing

(Initial material to support Phase 1 trial start)

2H23

Terns Phase 1 start in U.S., E.U., other Terns territories

Phase 1 ~1-2 yrs*

U.S. Phase 1 dose escalation / expansion

(Interim top-line from initial cohorts in 2024)

Phase 3 Registrational CML 2-3 years*

Evaluating multiple options for pivotal trial(s)

- *Enrollment progress update for the ongoing China Phase 1 trial presented as part of a Trial-in-Progress poster at ASCO 2023*
- *Poster detailing non-clinical xenograft activity of TERN-701 presented at ASPET 2023*
- *Non-clinical combination studies of TERN-701 and active-site TKIs underway*

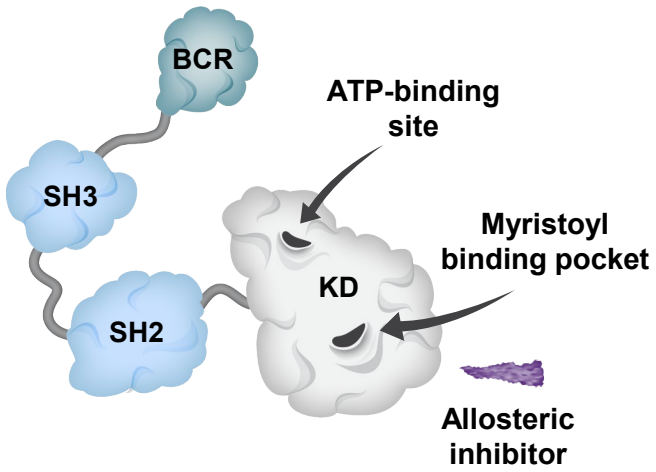
*Trial durations estimated based on enrollment projections from asciminib development program

TERN-701: *In Vitro* Data Supports *In Vivo* Evaluation of Superiority / Synergy of Combo with Active-site TKIs

Non-clinical data indicate a potential for synergy between allosteric BCR-ABL inhibitors and active-site TKIs, including ponatinib; TERN-701 combination assays are being conducted

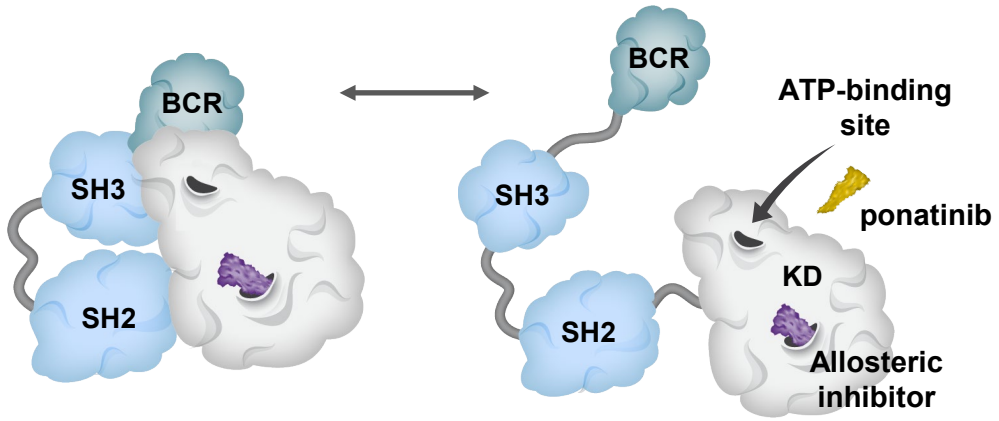
Active conformation

Pre-treatment



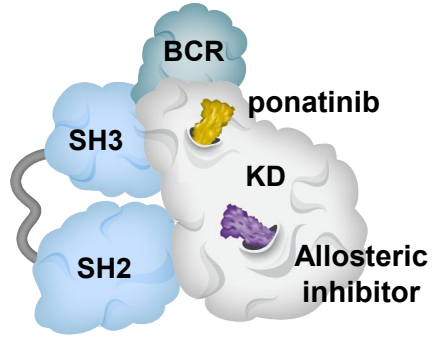
Inactive conformation

Allosteric TKI



Stable inactive conformation

Allosteric + Active-site TKIs



- Allosteric BCR-ABL inhibition induces conformational changes that may **increase the binding affinity** of ponatinib
- Ponatinib (and potentially other active-site TKIs) may **stabilize the inactive ABL conformation** induced by TERN-701

Source: Rouhimoghadam, M; 24th Annual John Goldman Conference on Chronic Myeloid Leukemia; 2022

TERNS PHARMACEUTICALS

TERN-501

Highly-Selective THR-β Agonist for NASH

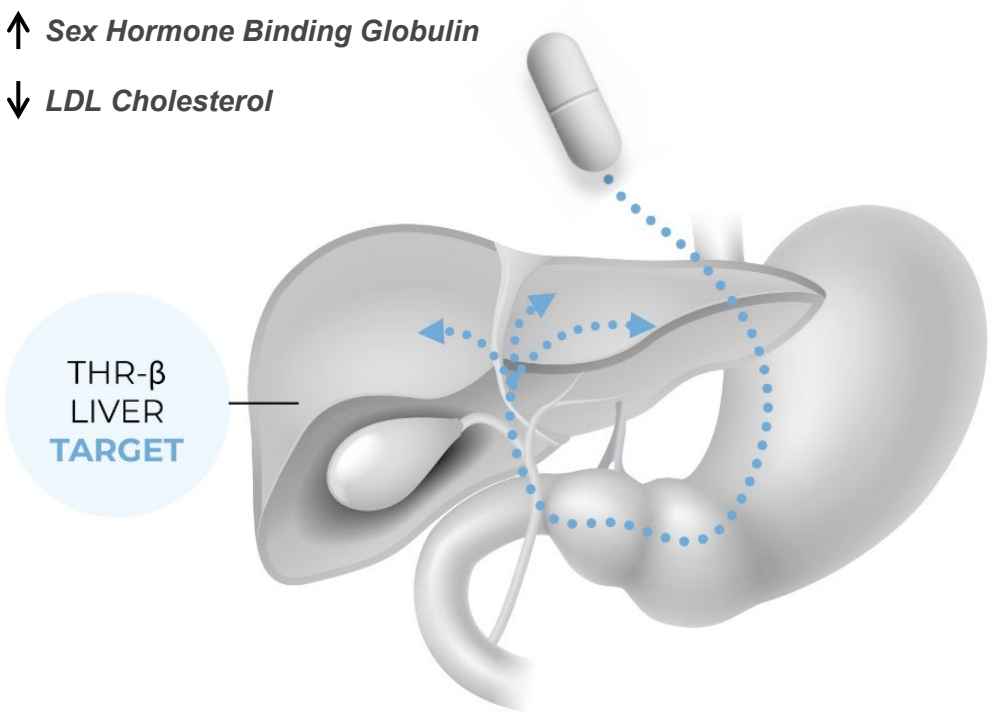
- Screened for greater selectivity and enhanced metabolic and PK stability
- Potential Best-In-Class profile vs peer THR-β agonists based on a compelling profile of efficacy, tolerability & combinability vs peers
- Phase 2a DUET trail: achieved all primary & secondary efficacy endpoints with differentiated safety profile

TERN-501: A 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)

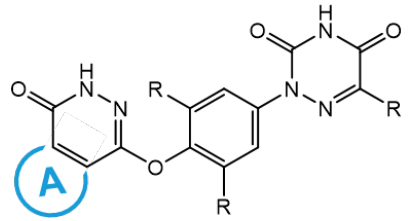
↑ *Sex Hormone Binding Globulin*

↓ *LDL Cholesterol*



Other THR-β agonists face limitations with off-target effects, unpredictable PK, or need for CYP metabolism

- TERN-501 was screened for **a differentiated, potentially best-in-class profile**:



  - High β/α selectivity → low dose, broad therapeutic window, low CV side effects and improved efficacy
  - Better gastrointestinal profile vs peer molecules → improved tolerability
  - Predictable PK, once-daily dosing with low drug-drug interaction potential → attractive partner for combinations

- **Positive top-line DUET results** announced August 2023: compelling profile of **efficacy, tolerability & combinability** vs peers

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

TERN-501 Has Best-in-Class Potential

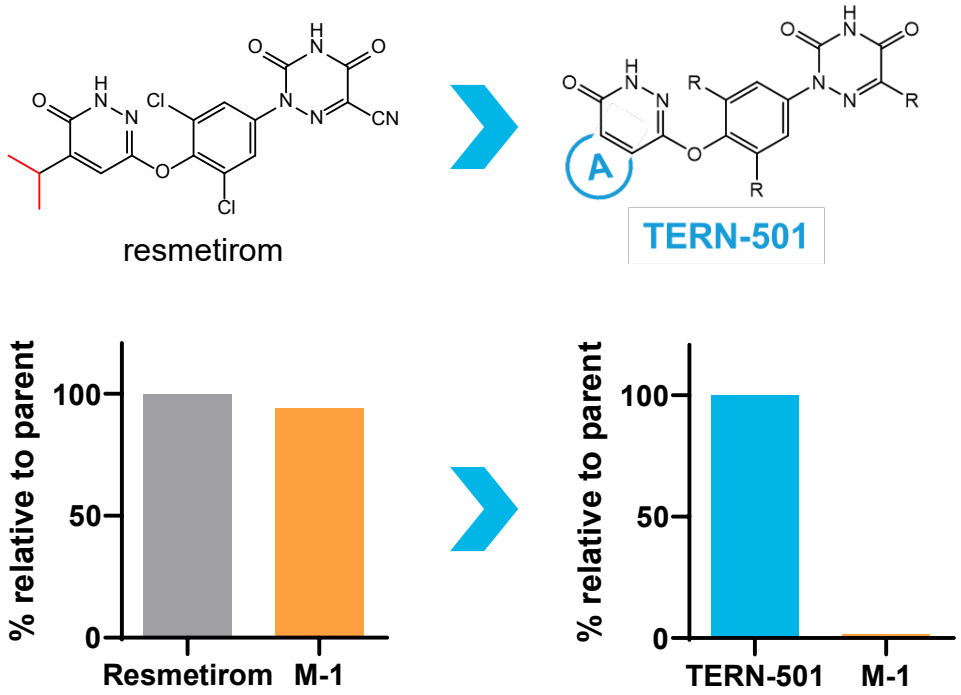
Comparison of THR-βs	TERN-501	Resmetirom	VK2089	ALG-055009	ASC41
Class Leading Liver Fat Reductions	✓	-	✓-	?	-
Once-Daily Dosing	✓	✓	?	✓	✓
Safe/Efficacious @ Low Dose	✓	-	?	-	-
High THR-β / α Selectivity	✓	✓	-	✓	-
Combinability (Linear, Non-variable PK)	✓	-	-	✓	-
Not Metabolized by CyP	✓	-	-	✓	-
Lack of Cardiovascular AEs	✓	✓	-	✓	✓
Lack of Central Thyroid Effects	✓	✓	-	-	-
Lack of GI Adverse Events	✓	-	✓	-	✓
Total Score	**9**	4	2	5	3

Scoring based on publicly available data; comparisons were not done on a head-to-head basis and includes cross-trial and/or cross-phase comparisons; AEs refer to treatment-related AEs; references available upon request.

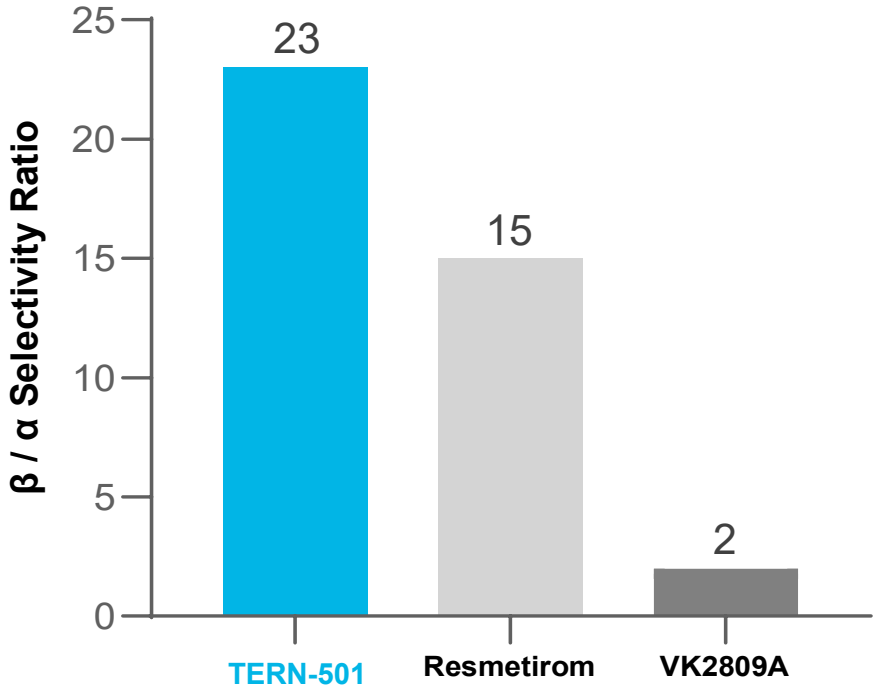
Improved PK & THR-β Selectivity

Differentiated and excellent candidate for co-formulation

TERN-501: Improved Pharmacokinetics



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

DUET Phase 2a Trial in Presumed NASH Patients

12- Week, Randomized, double-blind, placebo-controlled trial (N=162)

Trial Design

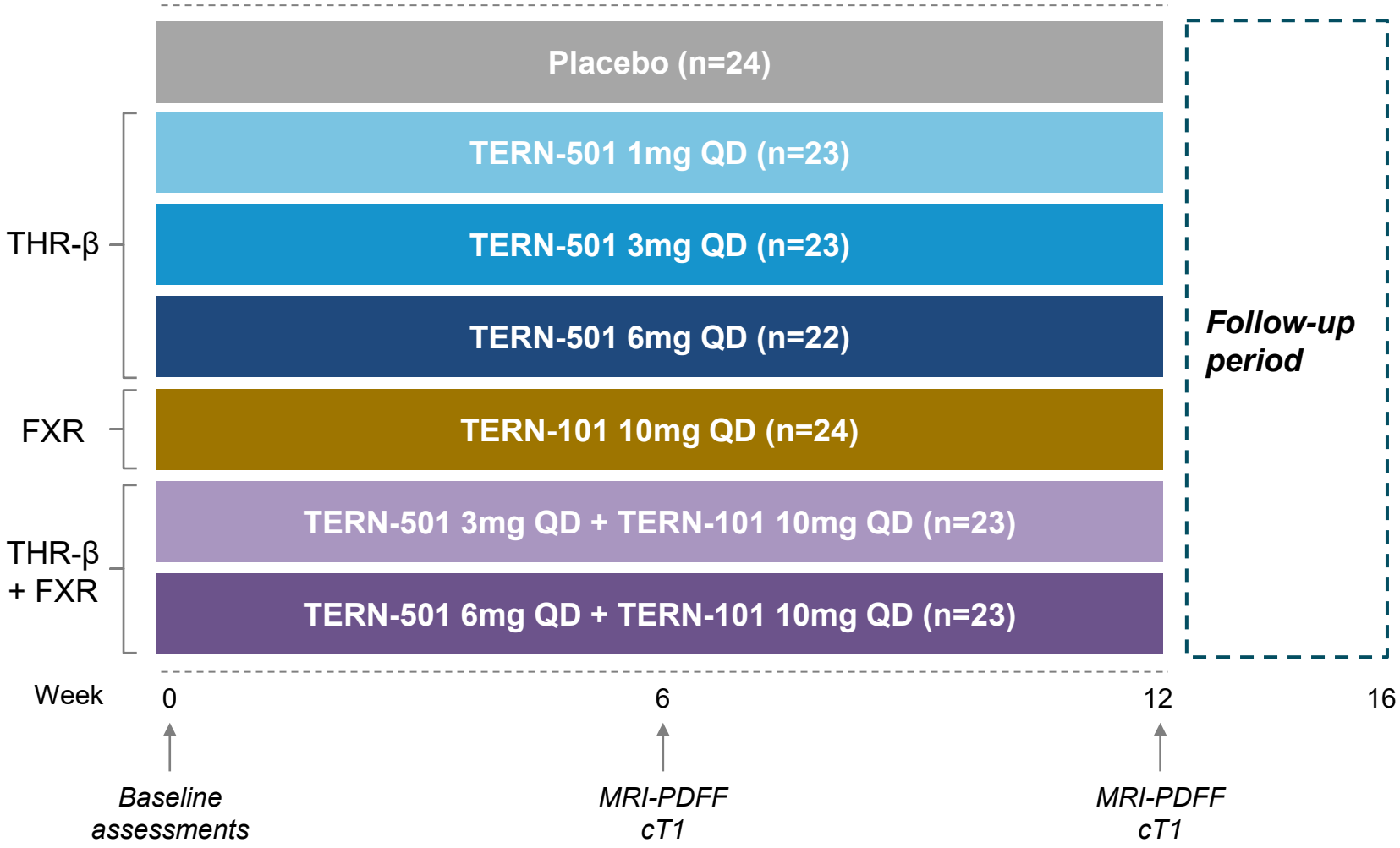
Population

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

Key Endpoints

- 1^o MRI-PDFF
- 2^o MRI cT1

Safety, tolerability



NCT05415722

BMI: body mass index; QD: once daily

DUET Results Show TERN-501 has Potential Best-In-Class Profile Amongst THR-β Agonists

- TERN-501 met **all primary and secondary efficacy endpoints,** with dose dependent and statistically significant improvements in liver fat content (MRI-PDFF) and fibro-inflammation (cT1) at Week 12

- TERN-501 showed a differentiated safety profile, with **no gastrointestinal or cardiovascular signals**
  - Well tolerated with similar incidence of AEs across treatment groups

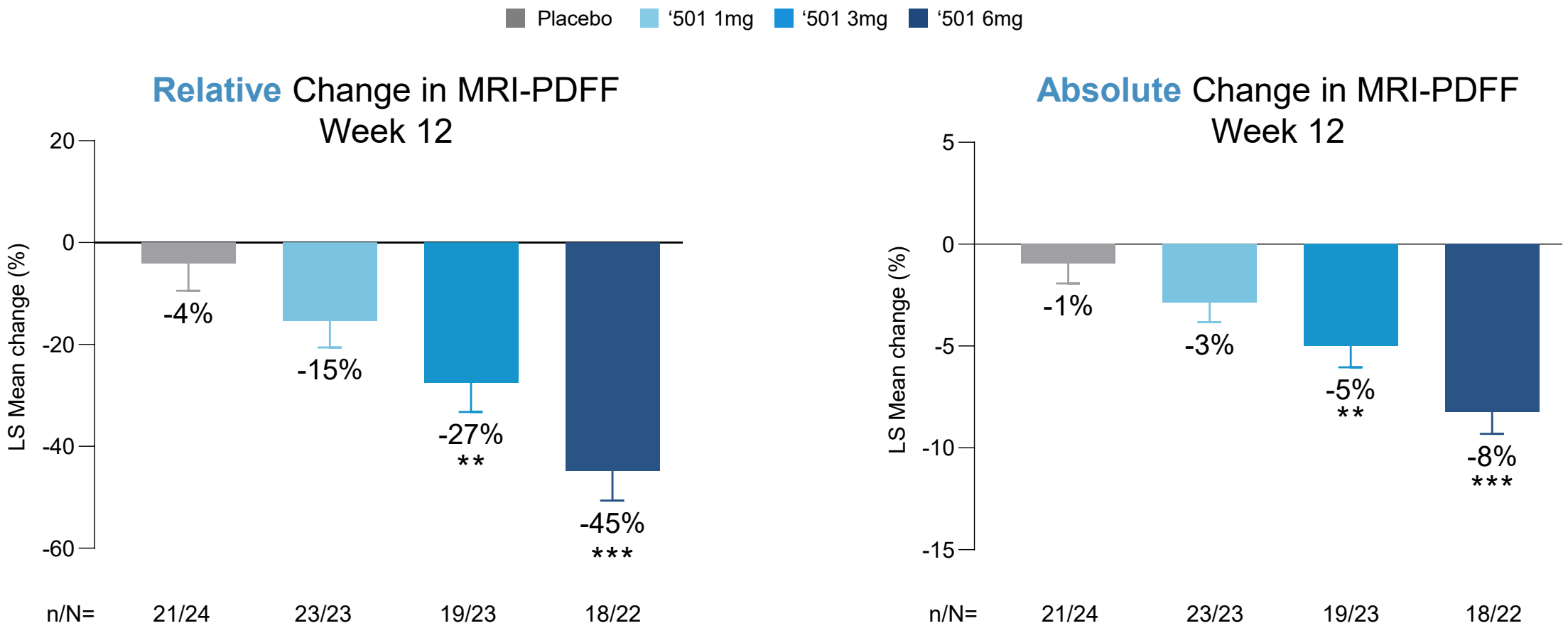
- TERN-501 is **combinable**; no dose adjustment expected and no emergent unexpected safety findings with the addition of FXR agonist, TERN-101
  - TERN-501 + TERN-101 demonstrated modest improvements on MRI-PDFF

- TERN-501 has the potential to be best-in-class amongst the THR-β class based on a compelling overall profile of **efficacy, tolerability & combinability vs peers**; potential for monotherapy & combination therapy in future studies

MRI-PDFF: magnetic resonance imaging-proton density fat fraction; cT1: corrected T1; AE=adverse event

TERN-501 Showed Significant & Dose Dependent Decreases in MRI-PDFF from Baseline

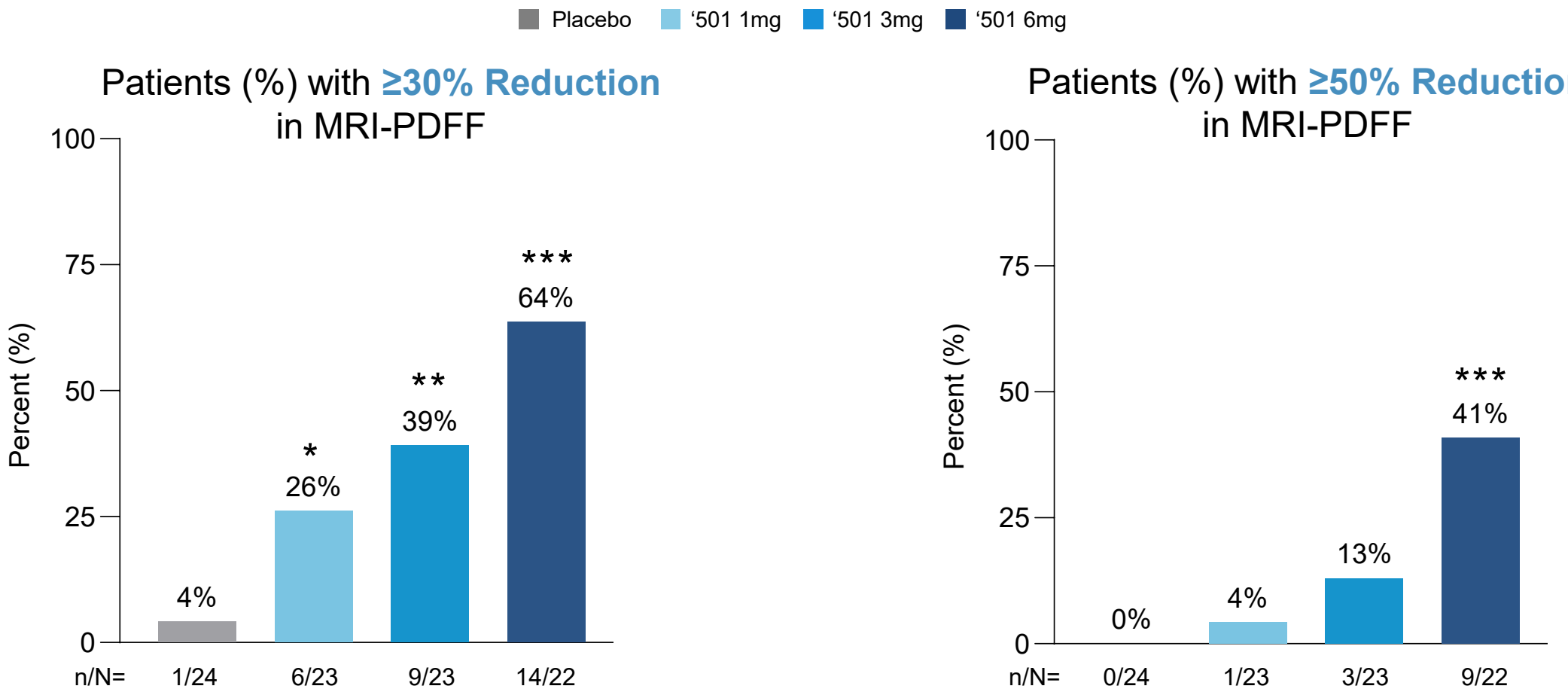
Once daily dosing led to significant decreases in MRI-PDFF



*p-value <0.05; **p-value <0.01; ***p-value <0.001 for monotherapy vs. placebo.
n=number of patients with data available; N=number of patients in analysis set
ANCOVA: analysis of covariance; LS Mean: least squares mean from ANCOVA model

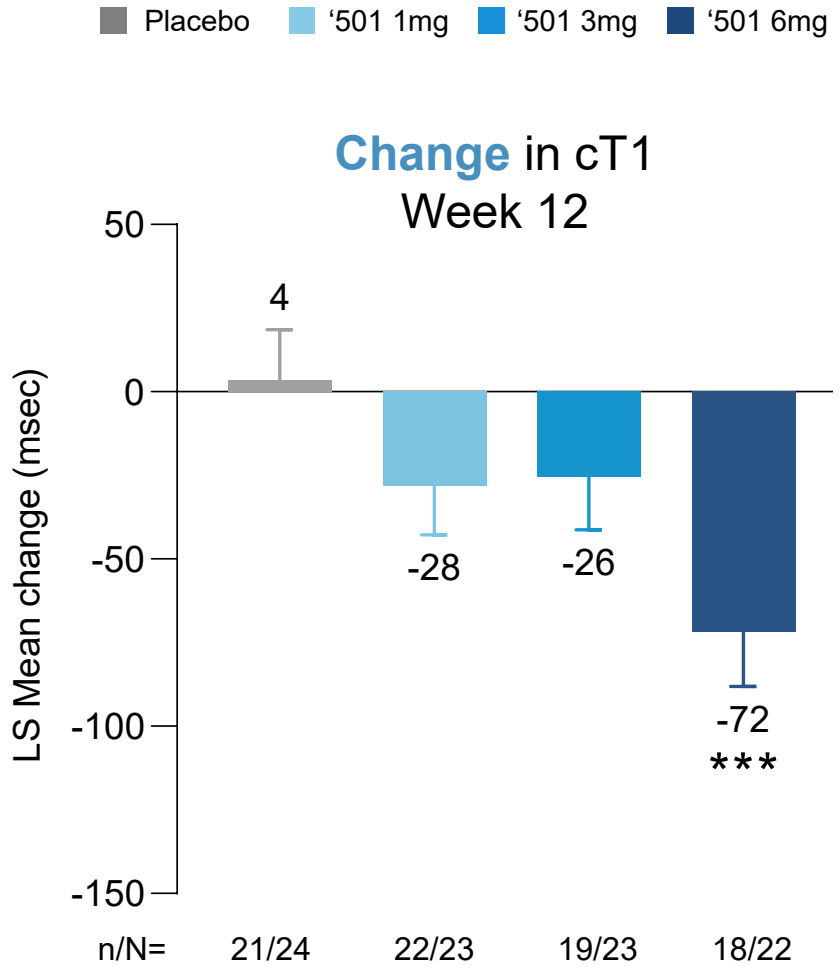
TERN-501 Showed Significant & Dose Dependent Increases in MRI-PDFF Responders at Week 12

≥30% reduction predictive of histological response[1] and 5x improved odds of NASH resolution[2]



*p-value <0.05; **p-value <0.01; ***p-value <0.001 for monotherapy vs. placebo.
n=number of responders; N=number of patients in analysis set
1: Loomba et al. Hepatology (2021); 2: AASLD Practice Guidelines (2023)

TERN-501 Showed Significant Improvements in cT1, a Marker of Liver Fibro-Inflammation



*p-value <0.05; **p-value <0.01; ***p-value <0.001 for monotherapy vs. placebo
n=number of patients with data available for change in cT1; N=number of patients in analysis set

TERN-501 Showed Potential for Best-in-Class Safety and Tolerability

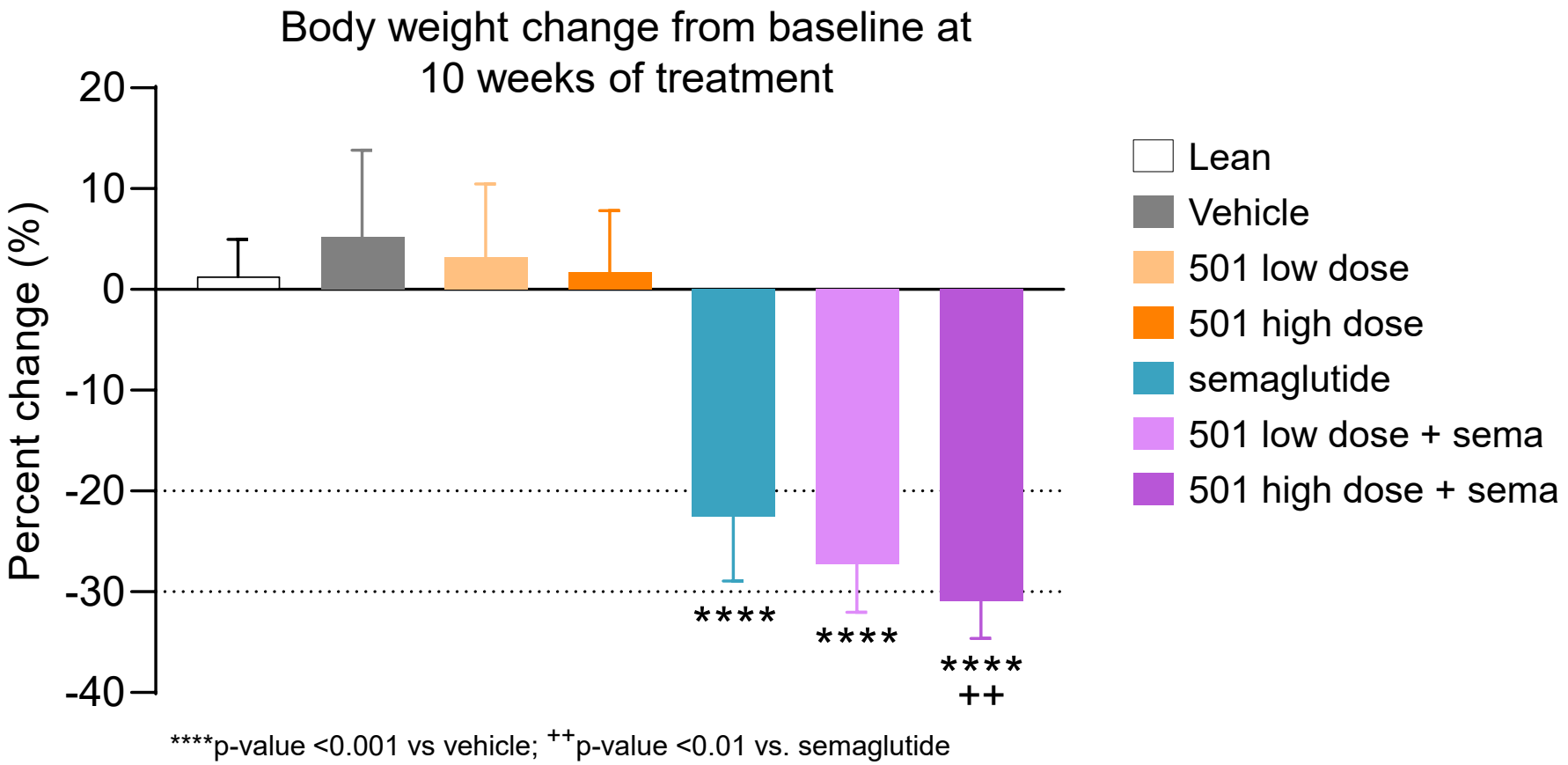
- TERN-501 was well tolerated
  - No dose related adverse events
  - Adverse events were generally mild and evenly distributed across arms, including placebo
  - No drug-related serious adverse events
- Drug-related AEs of interest for THR-β or FXR agonists were similar across arms, including placebo
  - Similar rates of GI and pruritus events
  - No drug-related cardiovascular AEs
- Mean change in thyroid axis hormones and liver enzymes at Week 12 were similar to placebo
  - Trend toward ALT decrease at Week 12 with TERN-501

Thyroid axis hormones: thyroid stimulating hormone (TSH), free triiodothyronine (fT3) and free thyroxine (fT4)
Liver enzymes: alanine transaminase (ALT), aspartate transaminase (AST), gamma-glutamyltransferase (GGT)

Non-clinical Data Suggests 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

TERNS PHARMACEUTICALS

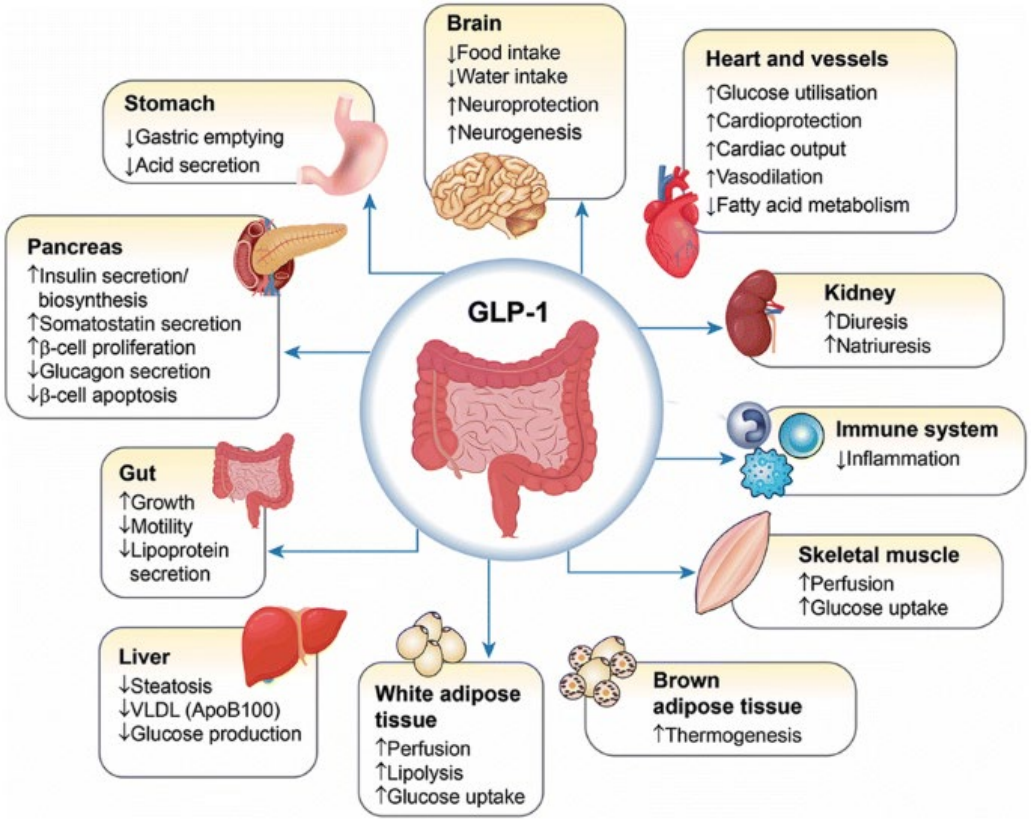
TERN-601

Oral GLP-1 Agonist with Differentiated Profile for Obesity

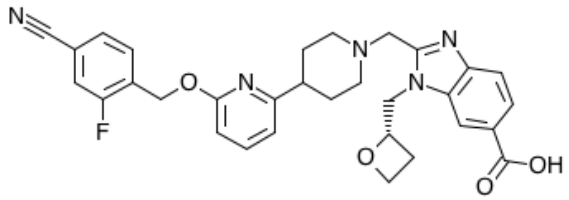
- Small molecule (non-peptide) with oral once-daily dosing
- Suitable for combination and co-formulation
- Phase 1 clinical trial initiation expected in 2H23

GLP-1 Background and Terns' Early Discovery Approach

GLP-1 has demonstrated broad metabolic benefits in obesity and Type 2 Diabetes



- 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 2H23**

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]

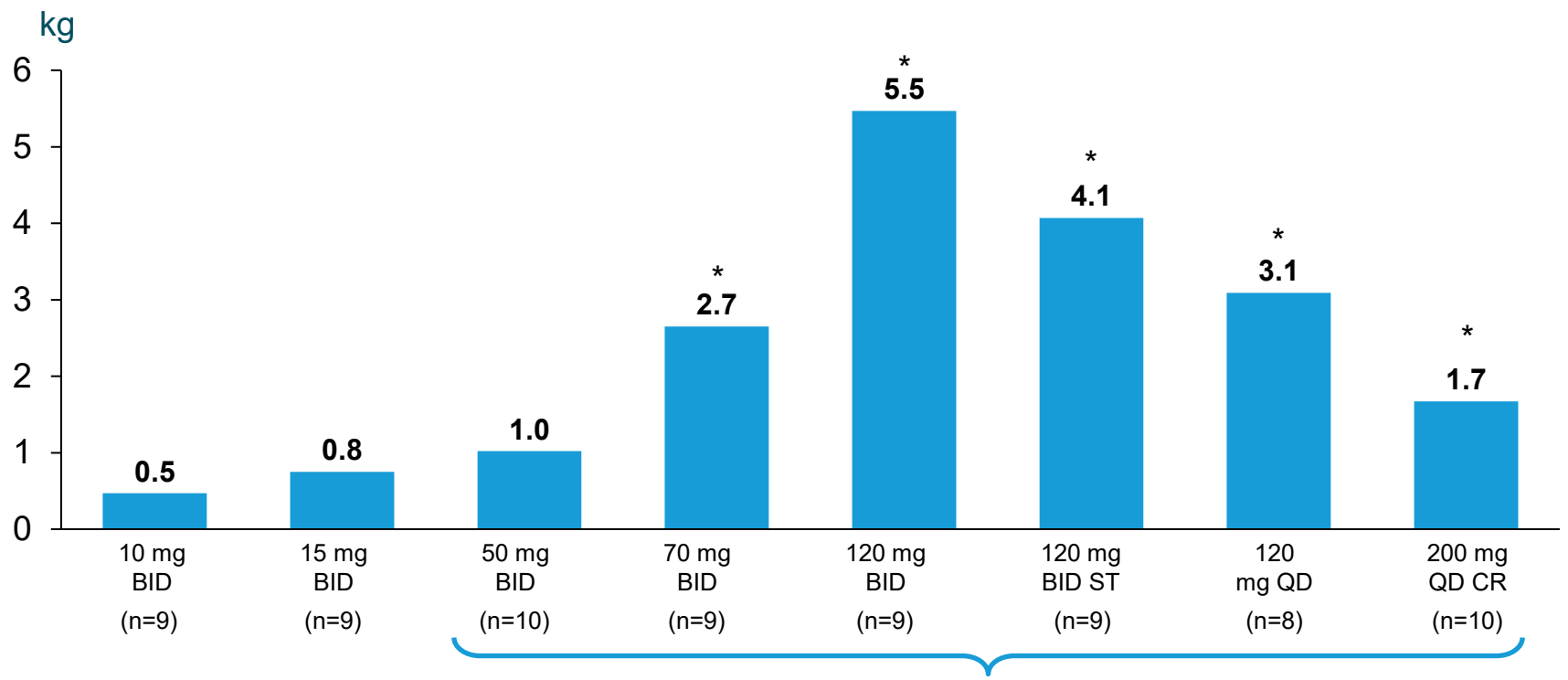
75% of patients starting Wegovy are treatment-naïve to anti-obesity medication[2]

- 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-1RAs Can Demonstrate Proof of Concept Weight Loss in Trials as Short as 1 Month

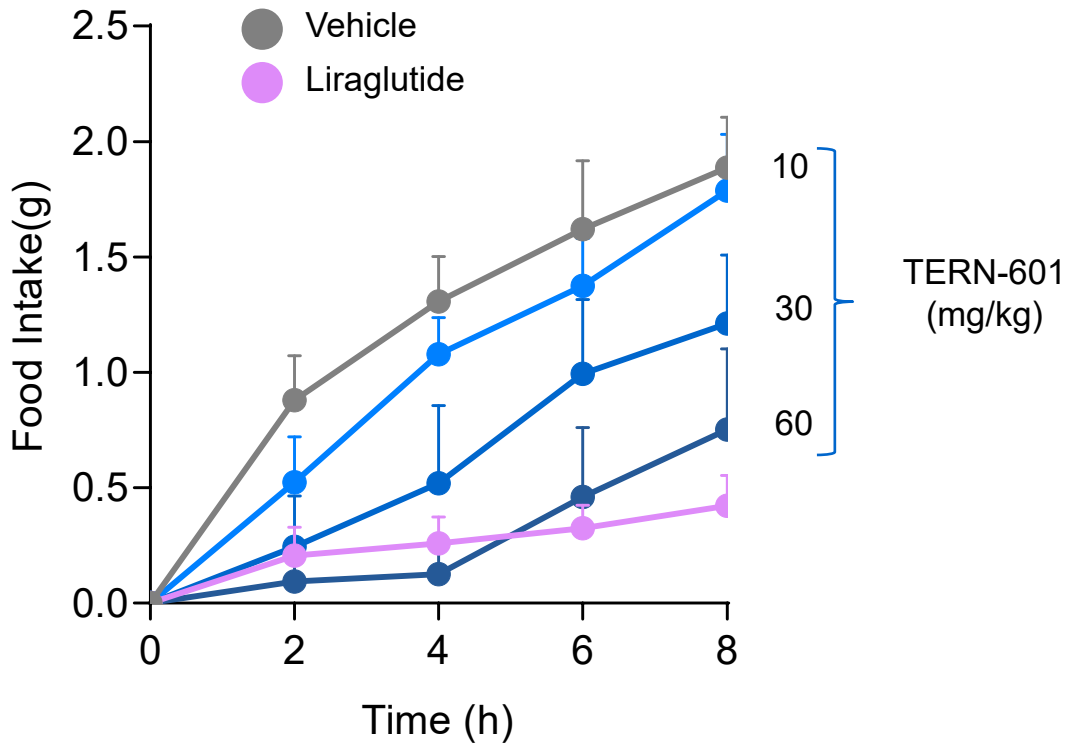
danuglipron (PF-06882961) 28-day Phase 1 Results



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

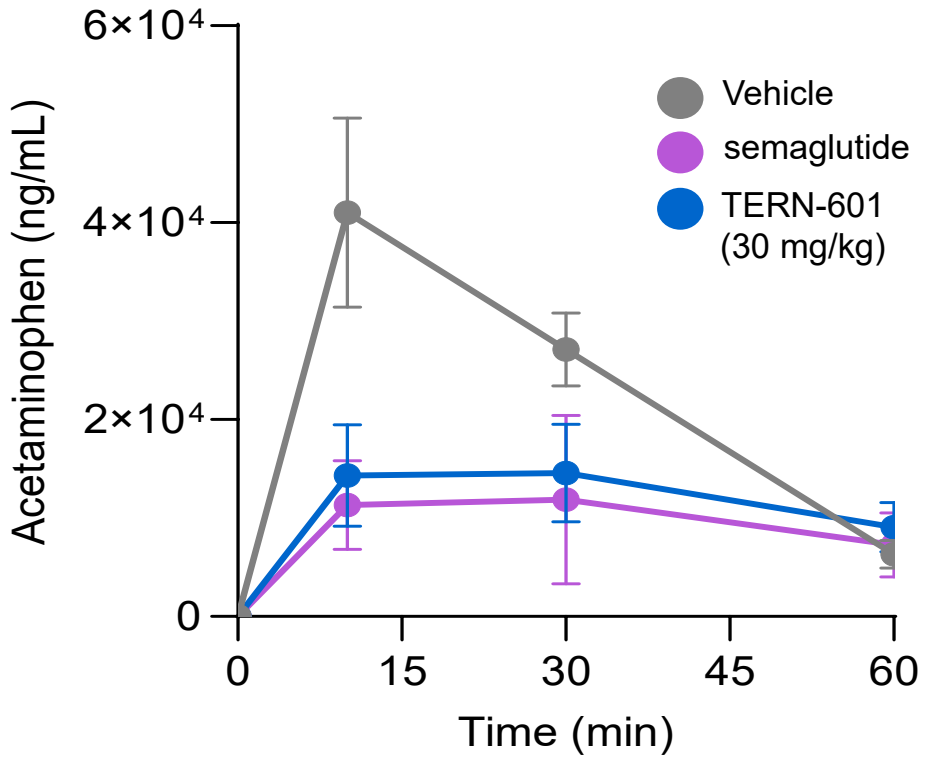
TERN-601: Reduced Food-intake & Slowed Gastric Emptying in Humanized GLP-1R Mice

Cumulative food-intake



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).

Gastric emptying

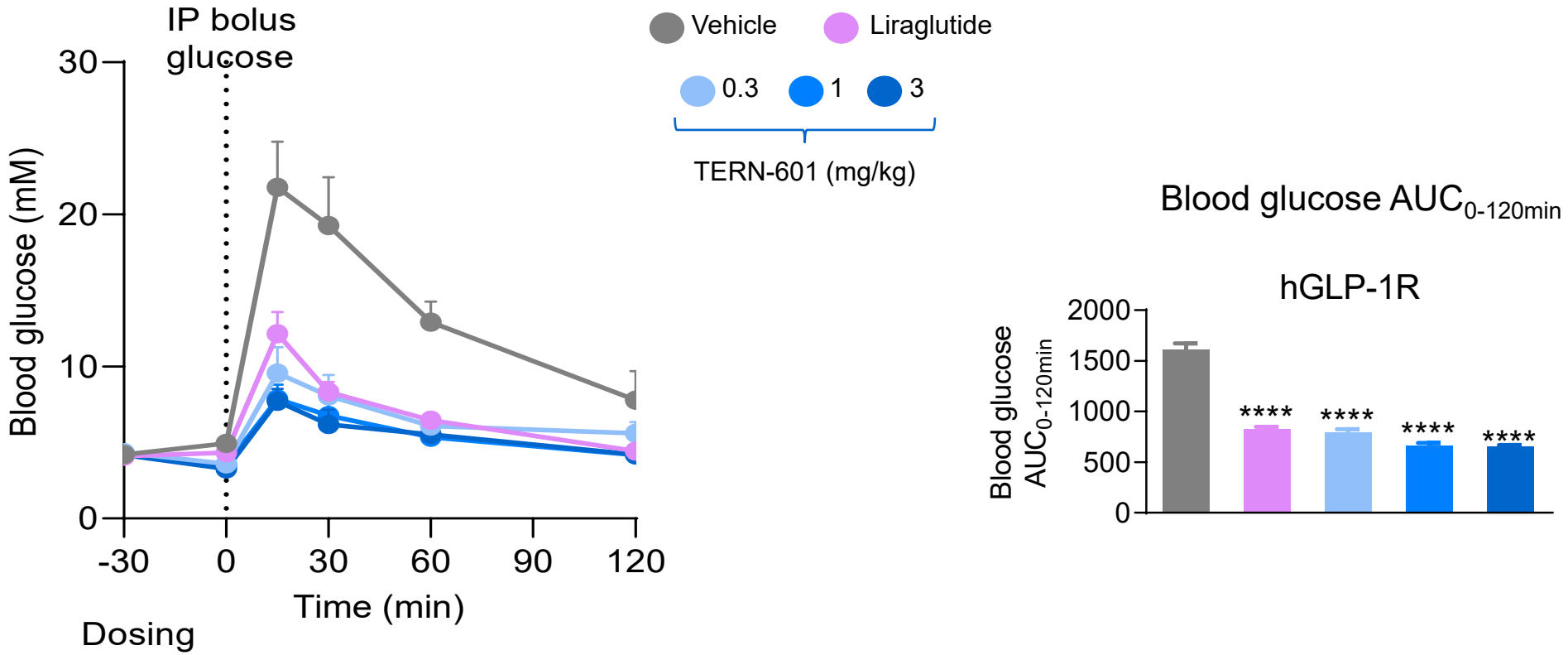


Gastric emptying was assessed using acetaminophen pharmacokinetics as a marker in fasted mice given TERN-601 (30 mg/kg, PO) or semaglutide (10 nmole/kg, SQ), followed by acetaminophen (APAP, 100 mg/kg) and glucose (2 g/kg). Acetaminophen levels in plasma were measured at various time points by LC-MS/MS.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

Source: ADA TERN-601 poster

TERN-601 Demonstrated Similar Activity to Peptide Control on Glucose Tolerance in Humanized GLP-1R mice

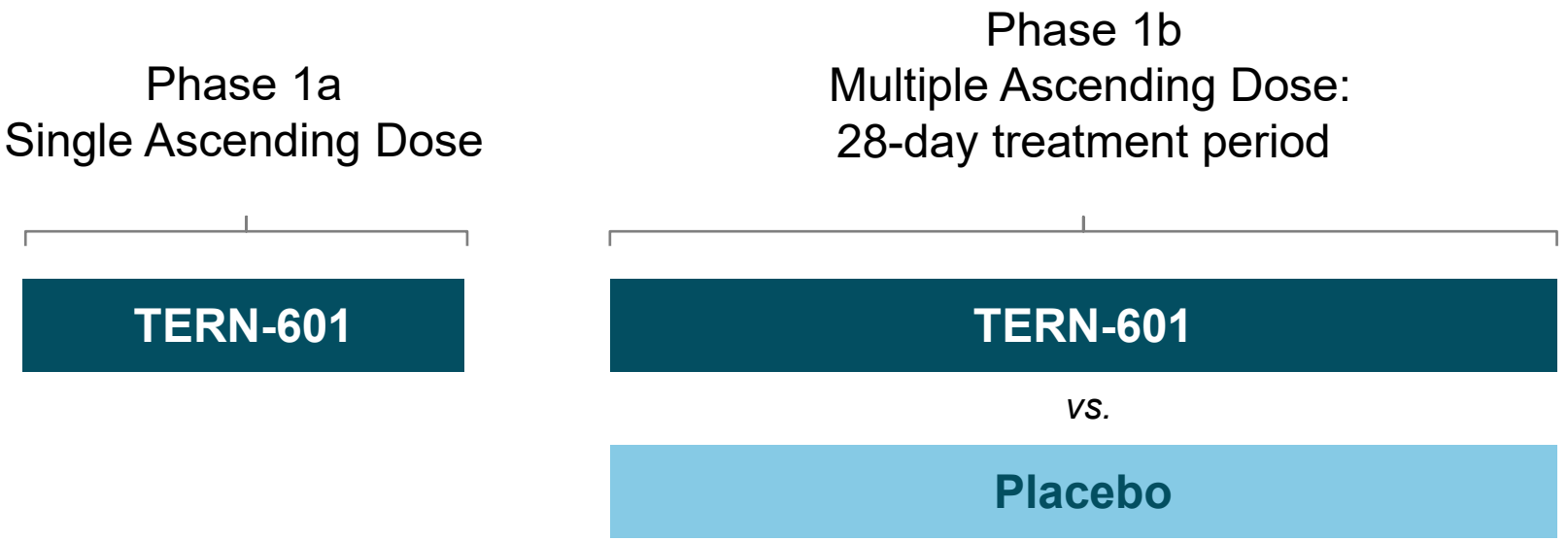
Intraperitoneal glucose tolerance test (IPGTT) in hGLP-1R mice



*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.*

Source: ADA TERN-601 poster

Illustrative Proof of Concept Program for TERN-601



Potential Endpoints

Top-line data expected in 2024

- Body weight
- Glycemic control parameters
- Safety

Next Steps for TERN-601 in Obesity: Phase 1 Start 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; top-line data in 2024

- *Single ascending dose study (Phase 1a)*
- *Multiple ascending dose proof-of-concept trial (Phase 1b)*

Potential endpoints include body weight and glycemic control parameters

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

Pharmas with Active Small Molecule GLP-1 Programs for Obesity

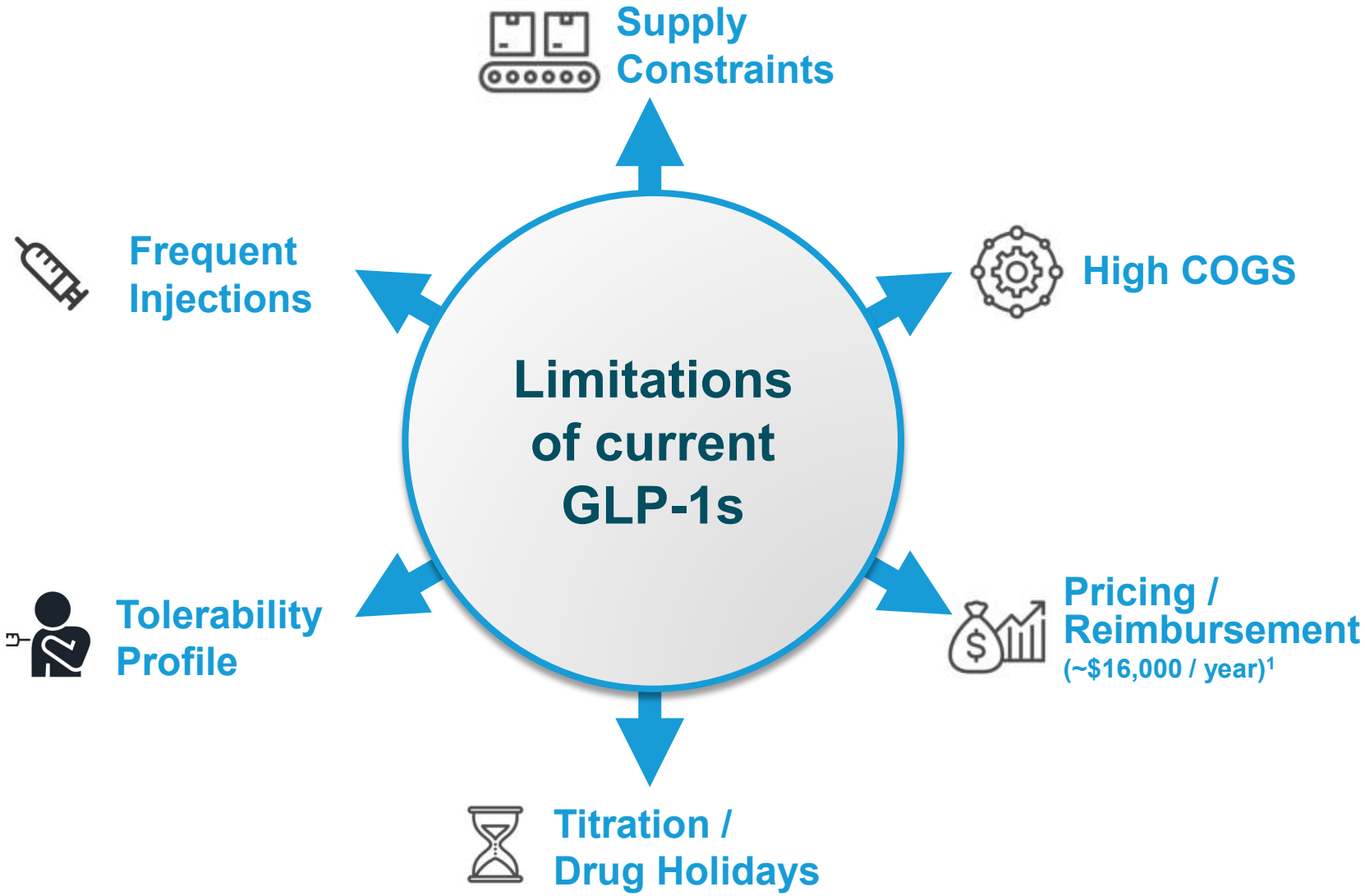
Pharma	*Compound*	*Partner*
Pfizer	danuglipron[1] (PF-06882961)	SOSEI HEPTARES
Pfizer	lotiglipron[2] (PF-07081532)	SOSEI HEPTARES
Lilly	orforglipron[3] (LY3502970)	CHUGAI

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

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

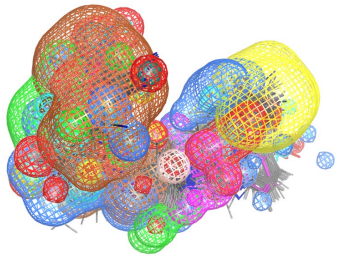
GLP-1 Discovery Efforts Focused on Structural Diversity and Potential Dual Agonists

TERN-601

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

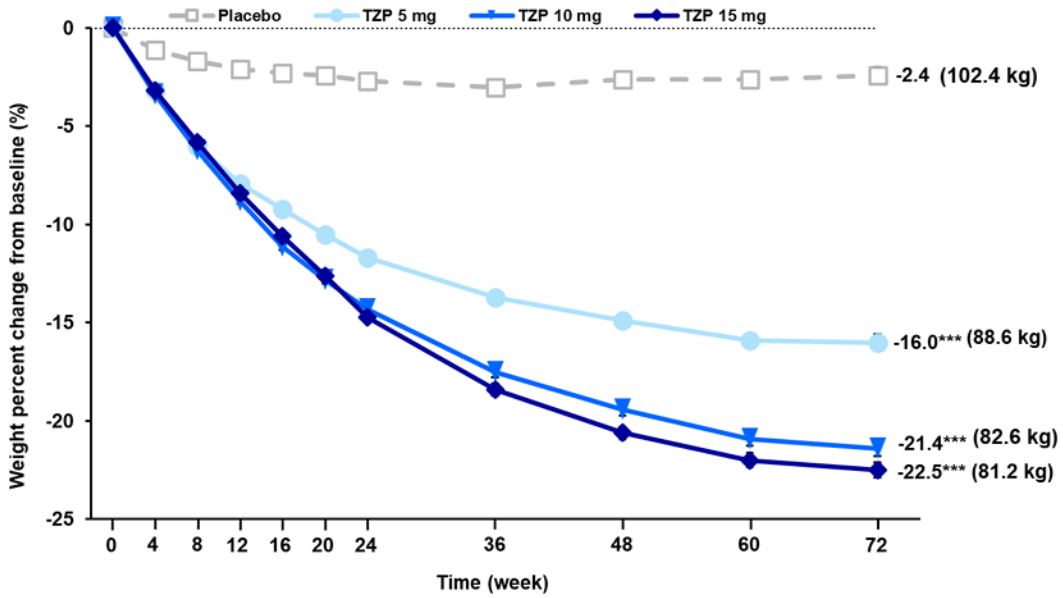
TERN-800 Series

- Lead optimization efforts underway in 2023
- Candidate nomination and IND-enabling activities in 2024
- Focused on modulators that can be combined with GLP-1s

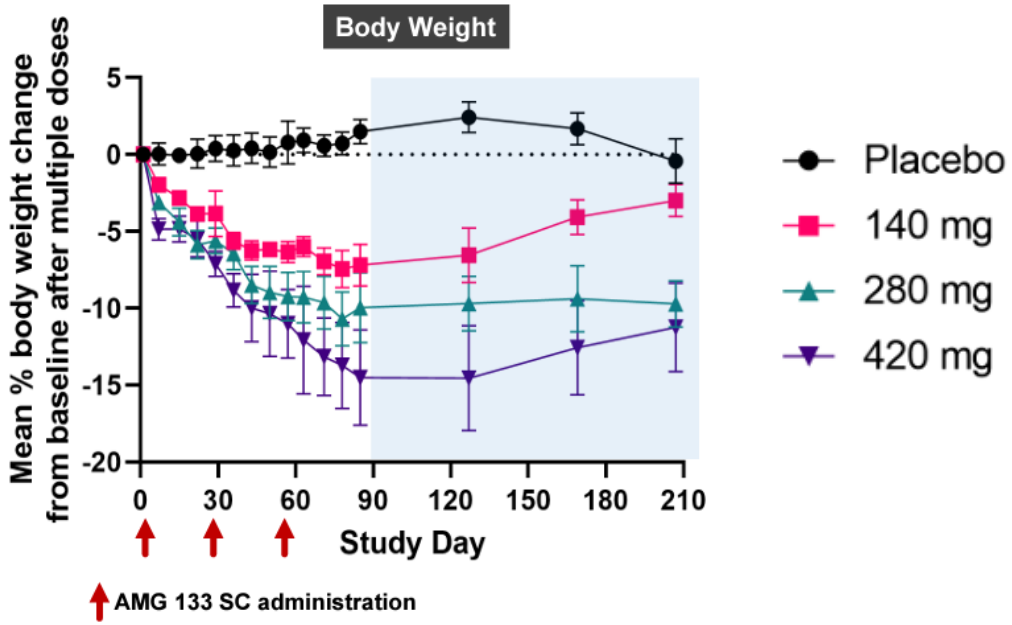
GIPR Modulators Have Shown High Potential in Weight Loss (~15% - ~20%)

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

Lead optimization efforts underway in 2023

- 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

Conclusions

- Strong Balance Sheet
- Multiple upcoming milestones

Strong Financial Position Supports Upcoming Milestones

* As of June 30, 2023; shares include common stock and prefunded warrants

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

Corporate Background

- Experienced Leadership
- Robust Intellectual Property
- Our Culture is critical to our success

Experienced Leadership Team with Deep Industry Expertise

MANAGEMENT TEAM

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

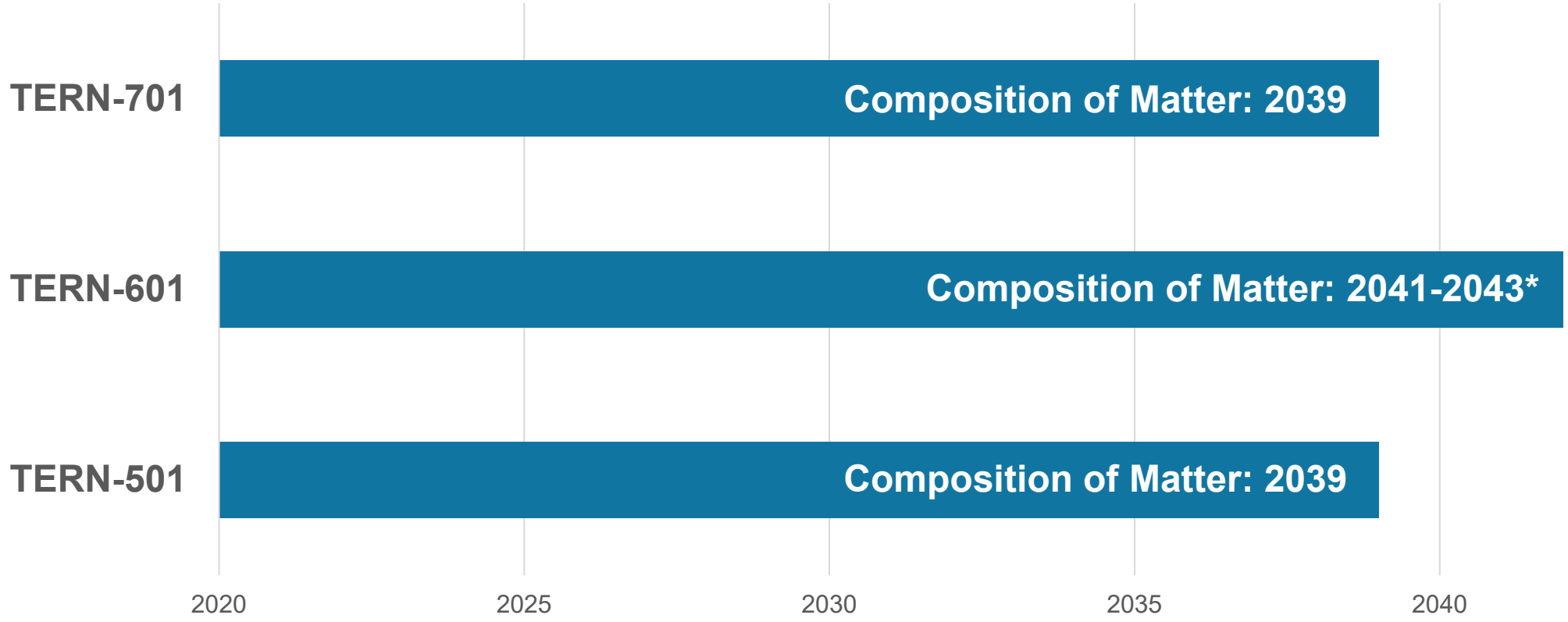
Bryan Yoon – COO & General Counsel
17+ years of legal and operational experience with pharma / biotech. *Prior: LogicBio, Nightstar, Intercept, Mintz*

Emil Kuriakose, MD, – CMO, Terns Oncology
10+ years of clinical development experience
Prior: Calithera, Novartis

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

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.

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

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 pati for signs and symptoms and initiate appropriate treatment as clinical indicated. (5.4)
- Cardiovascular Toxicity: Cardiovascular toxicity may occur. Monitc 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 effec 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 decr triglycerides increased, neutrophil count decreased, hemoglobin decrea creatine kinase increased, alanine aminotransferase increased, lipase increased, and amylase increased. (6.1)

To report SUSPECTED ADVERSE REACTIONS, contact Novarti Pharmaceuticals Corporation at 1-888-669-6682 or FDA at 1-800-F 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-cyclodextri Avoid concomitant use of SCEMBLIX at all recommended doses. (7
- Certain Substrates of CYP3A4: Closely monitor for adverse reaction during concomitant use of SCEMBLIX at 80 mg total daily dose. A 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 (2-hours before, 1-hour after)

Warnings and Precautions:

- Pancreatic toxicity
- Cardiovascular toxicity

Drug Interactions:

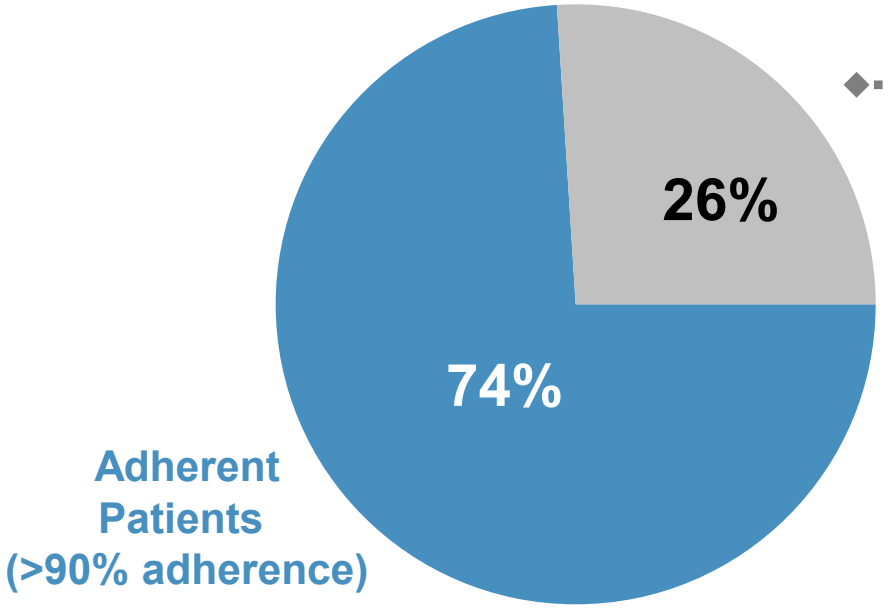
- CYP3A4 inhibitors/substrates
- CYP2C9 substrates
- P-gp substrates

See Scemblix label for full prescribing info including patient information

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

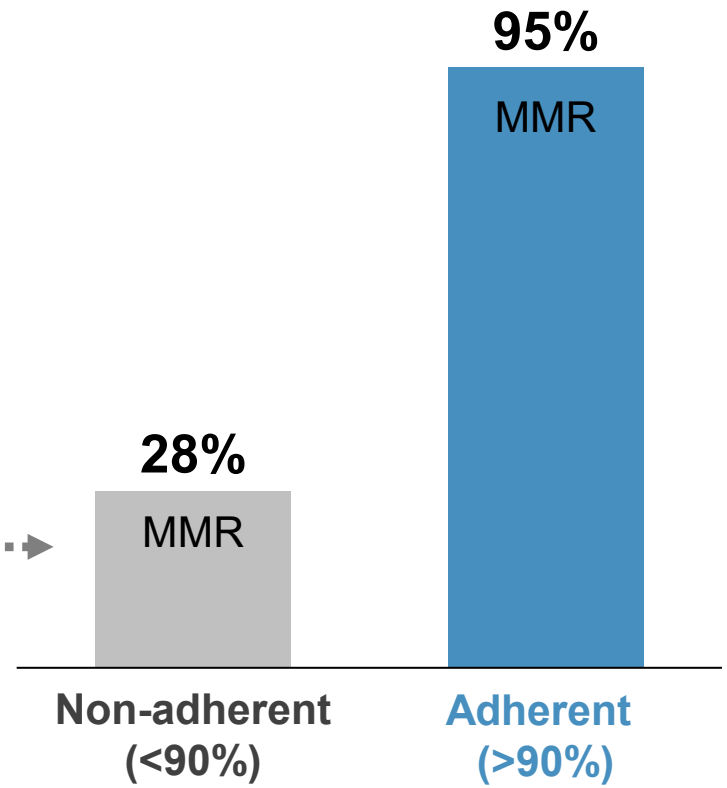
*"Adherence is the **critical factor** for achieving molecular response"*[1]

Non-adherence is still common in CML…



Non-adherent Patients (<90% adherence)

…Which leads to poor response in Non-adherent Patients

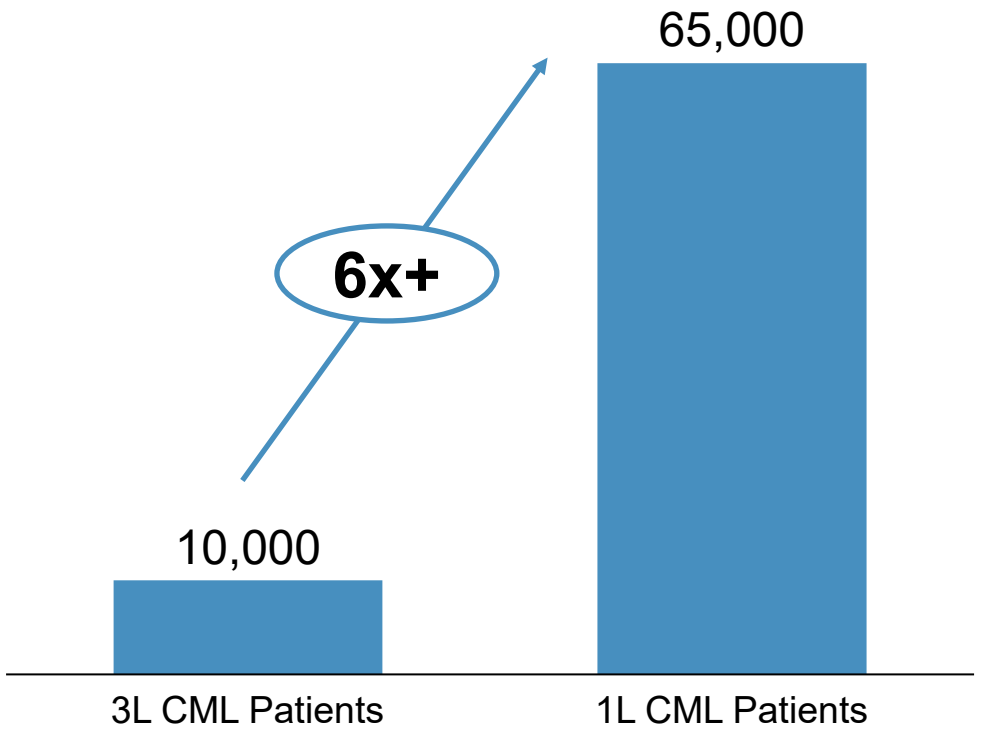


1. Marin et al J Clin. Oncol 2010 "*Adherence is the critical factor for achieving molecular responses in patients with chronic myeloid leukemia …*"
Noens et al, Blood 2009 "*Prevalence, determinants, and outcomes of nonadherence to imatinib …*"

Upside for 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

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

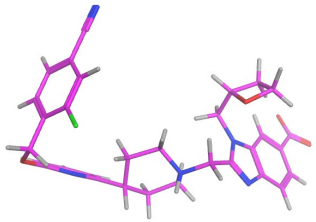
Expansion opportunity for asciminib	Phase	Completion
Front-line / newly diagnosed Ph+ CML-CP (ASC4FIRST, NCT04971226)	3	2024 (est.)
Combination with active site TKI (ASC4MORE, NCT03578367)	2	2022 (Primary endpoint analysis at week 48 presented at ASH 2022)
Front-line in combination with active site TKI (CMLXI, NCT03906292)	2	2027 (est.)

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

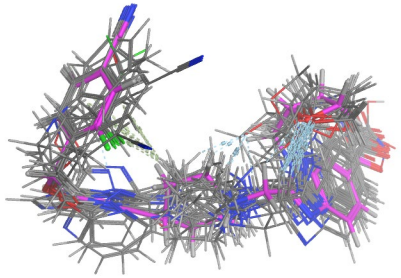
Terns' Proprietary Model Predicts New GLP-1RA Molecular Activity with Greater Accuracy than Physics-based Evaluations

Terns' Discovery Approach for GLP-1

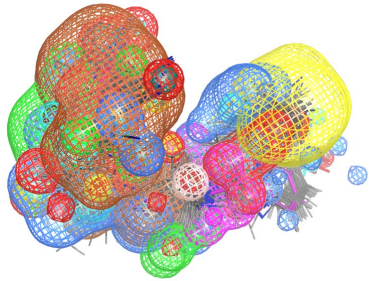
1. Begin with original reference molecule…



2. … overlay with GLP-1 molecules with known EC_{50} (half maximal effective concentration) data and active site binding properties…



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

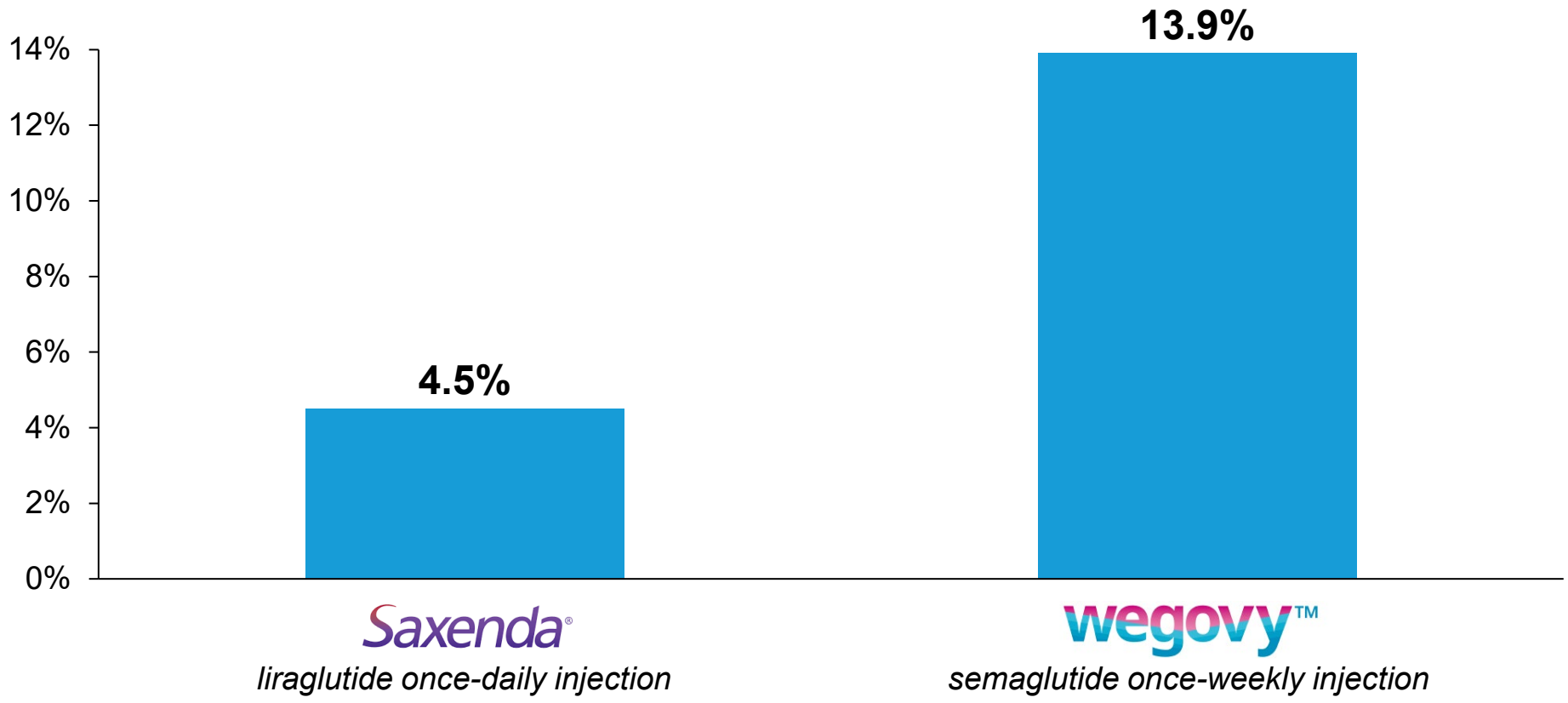


- Terns' GLP-1 scaffolds are designed using our proprietary 3D QSAR model of the GLP-1 receptor
  - Using QSAR, Terns' medicinal chemistry team can predict new GLP-1R molecular activity with **greater accuracy** than physics-based evaluations
- Screened 20,000+ molecular permutations to identify suitable small-molecule scaffolds with potentially improved properties relative to other GLP-1s
- Terns has **synthesized multiple compounds** targeting GLP-1R that exhibit varying degrees of ligand bias towards cAMP and β-arrestin
- Our lead molecule, TERN-601, is a potent GLP-1R agonist biased towards cAMP generation

QSAR: Quantitative Structure Activity Relationship

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

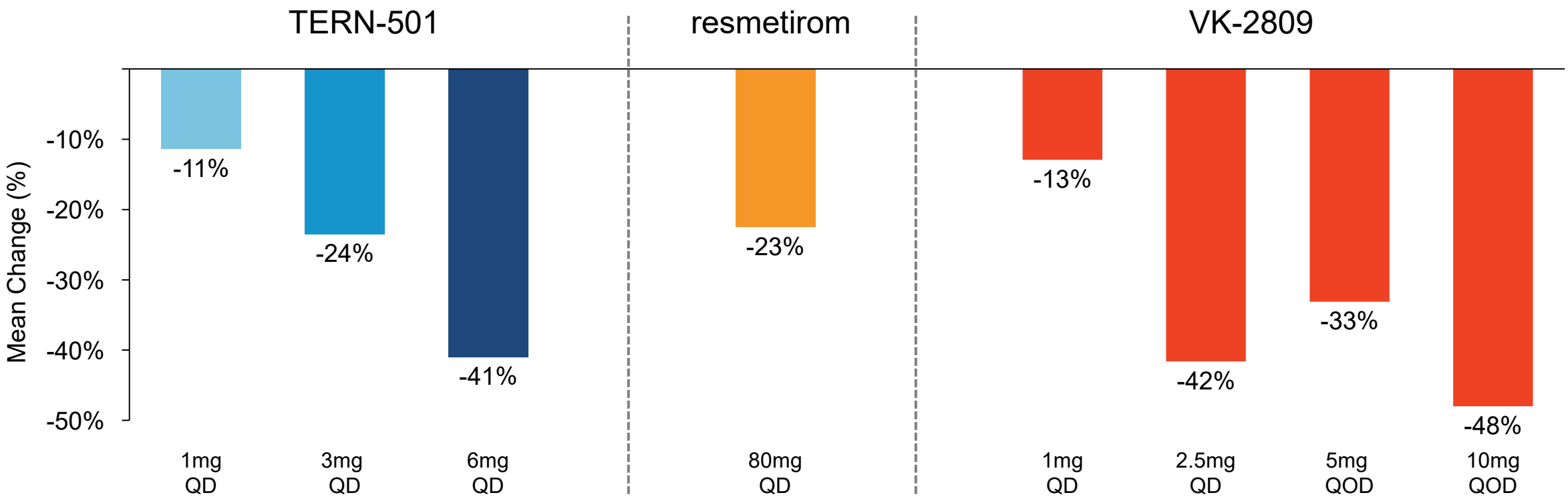
Placebo-adjusted mean body weight loss after 68-weeks



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)

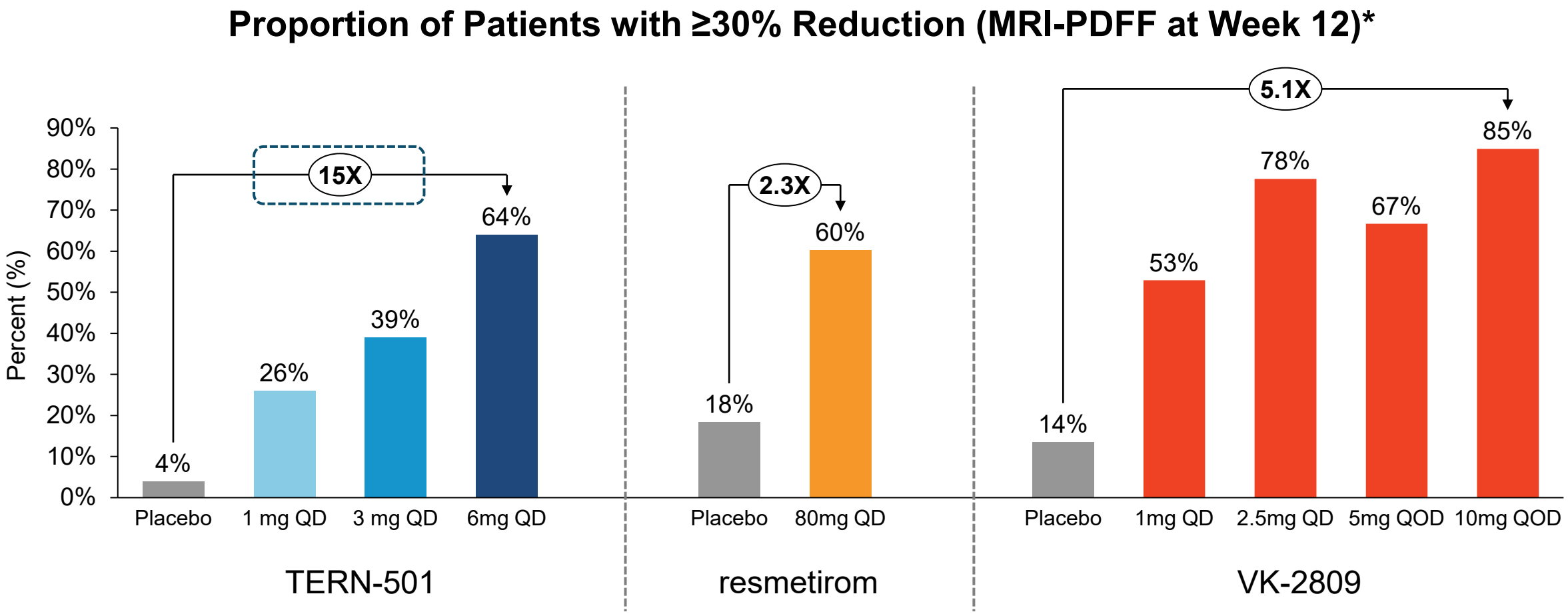
TERN-501 Demonstrated Compelling Liver Fat Reduction with Convenient Once-Daily Dose

Placebo Adjusted Mean Relative Change in Liver Fat from Baseline (MRI-PDFF at Week 12)*



*The Phase 2 clinical trials evaluating resmetirom and VK-2809 were conducted by other parties in a similar patient population with different protocols at different sites and at different times from the DUET trial. Results do not reflect a head-to-head trial and are shown for illustrative purposes only.
Source: MDGL: Harrison et al. Lancet (2019), Table 2, placebo response -10.4%; VKTX: 5/16/2023 Top-Line VOYAGE Release, placebo response -3.7%
Baseline liver fat % (n): TERN-501: 1mg QD 17% (n=23), 3mg QD 20% (n=23), 6mg QD 17% (n=22); resmetirom: 80mg QD 20% (n=84); VK-2809: 1mg QD 22% (n=17), 2.5mg QD 20% (n=58), 5mg QOD 18% (n=36), 10mg QOD 22% (n=56)

Responder Analysis Suggests Once-Daily TERN-501 Could Have Meaningful Histology Results



*The Phase 2 clinical trials evaluating resmetirom and VK-2809 were conducted by other parties in a similar patient population with different protocols at different sites and at different times from the DUET trial. Results do not reflect a head-to-head trial and are shown for illustrative purposes only.
Source: MDGL: Harrison et al. Lancet (2019), Table 3; VKTX: July 2023 Corporate Presentation, Phase 2b study, slide 20.
(n): TERN-501: 1mg QD (n=23), 3mg QD (n=23), 6mg QD (n=22); resmetirom: 80mg QD (n=84); VK-2809: 1mg QD (n=17), 2.5mg QD (n=58), 5mg QOD (n=36), 10mg QOD (n=56)

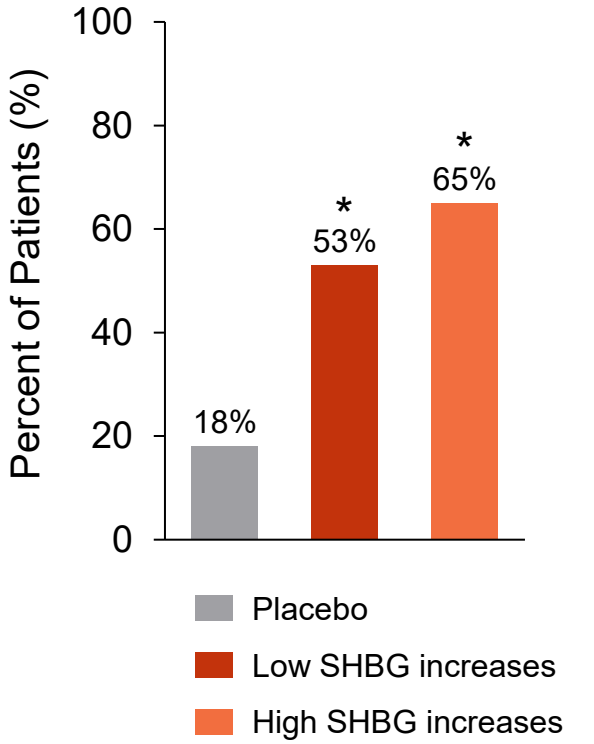
SHBG Correlates with MRI-PDFF and Histologic NAS Improvements in Ph 2; Now Validated in Phase 3

DUET

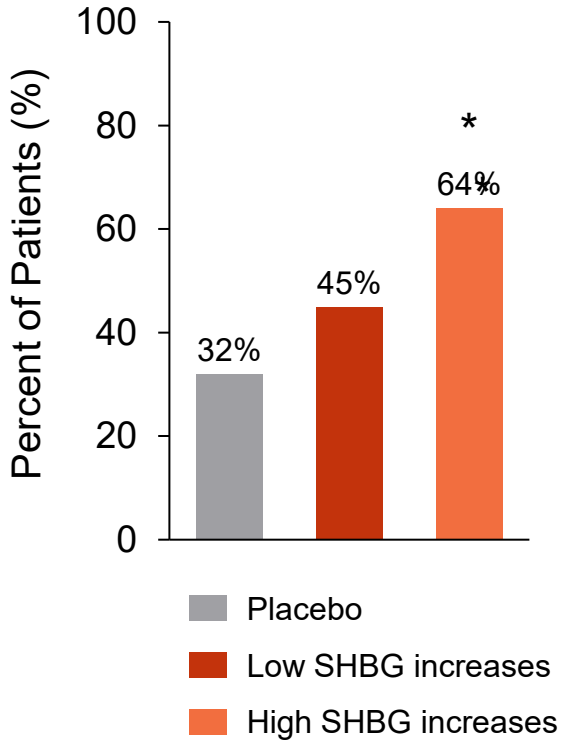
resmetirom Phase 2 NASH study

Responders stratified by low/high SHBG increases

MRI-PDFF response
(≥30% at week 12)



NAS response
(≥2-pt reduction at week 36)



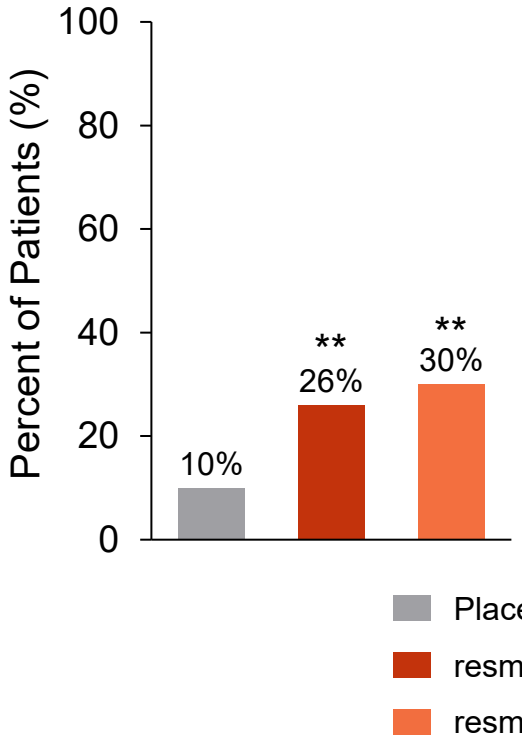
Placebo
Low SHBG increases
High SHBG increases

*p < 0.05

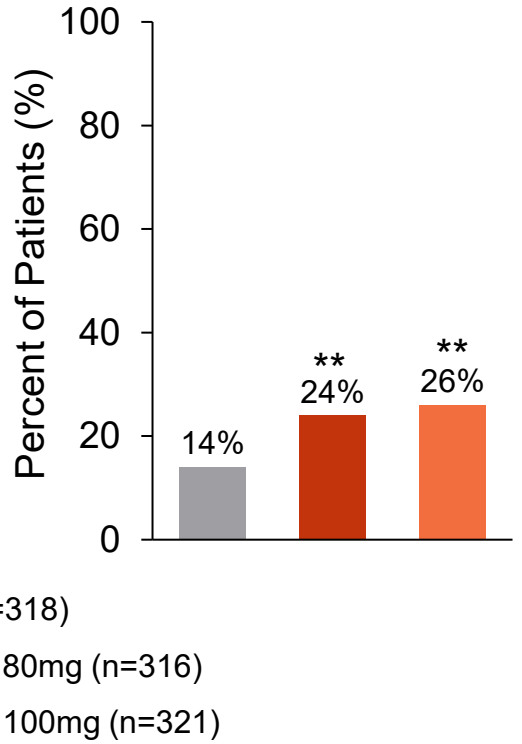
resmetirom Phase 3 NASH study

52-week data; Statistically significant impact on both primary endpoints

NASH resolution with no worsening of fibrosis
(≥2-pt reduction in NAS)



Fibrosis with no worsening of NAS
(≥1-stage fibrosis improvement)

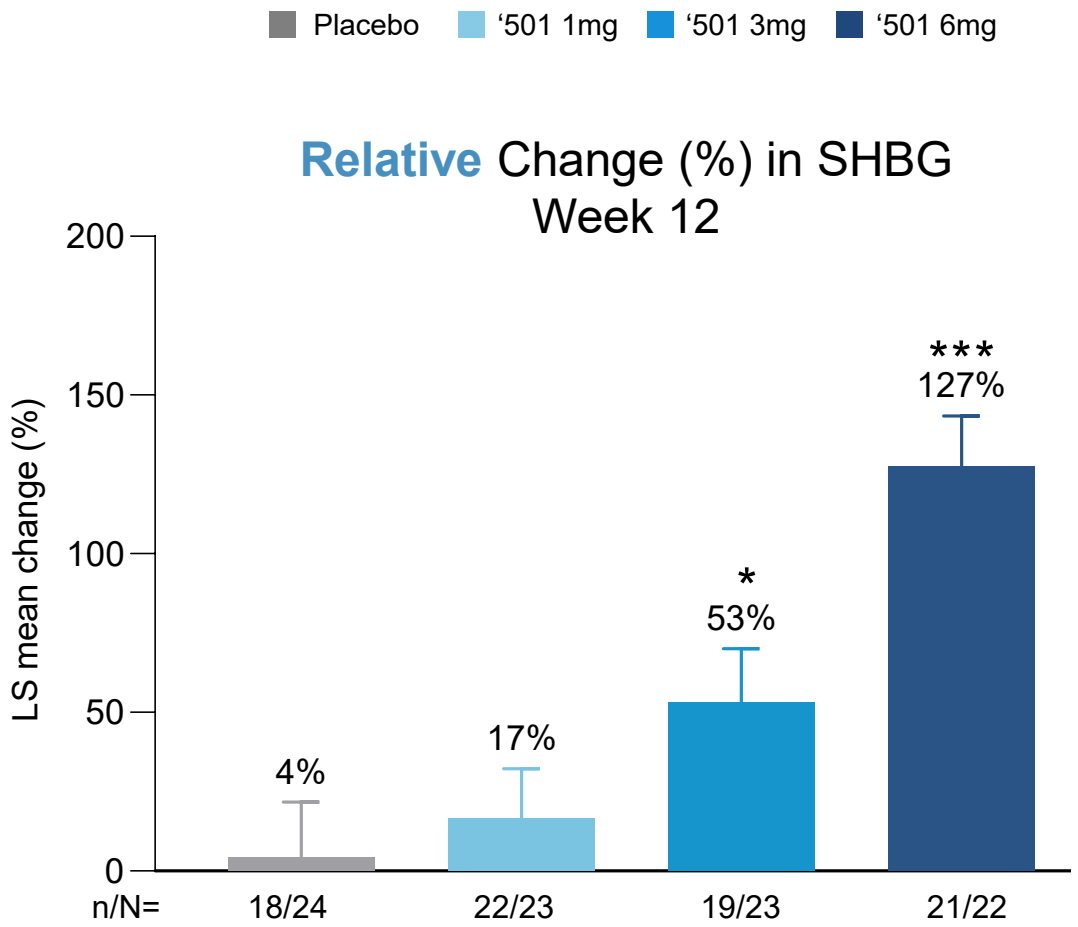


Placebo (n=318)
resmetirom 80mg (n=316)
resmetirom 100mg (n=321)

**p < 0.005

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

TERN-501 Showed Dose Dependent Increases in SHBG



- SHBG is an important marker of THR-β agonism in the liver
- Associated with histologic NASH improvement in Phase 2[1] and liver fat reduction in Phase 3[2] THR-β agonist trials

*p-value <0.05; **p-value <0.01; ***p-value <0.001 for monotherapy vs. placebo
n=number of patients with data available; N=number of patients in analysis set
SHBG: sex hormone binding globulin
1: Source: Harrison et al. Lancet (2019); 2: EASL 2022 MAESTRO-NAFLD-1 presentation

Favorable Safety Profile with No Drug-related AEs Grade 3 or Higher

		TERN-501			TERN-101	‘501 + ‘101	
Participants, n	Placebo (N=24)	1mg (N=23)	3mg (N=23)	6mg (N=22)	10mg (N=24)	3mg + 10mg (N=23)	6mg + 10mg (N=23)
Drug-related AEs Grade 3 or higher	0	0	0	0	0	0	0
Drug-related Serious Adverse Events (SAEs)	0	0	0	0	0	0	0
Any AEs Leading to Study Drug Discontinuation	1	0	1	1	0	1	1

Drug-related: deemed by study investigator as possibly or related to study drug.

Drug-related AEs of Interest for THR-β or FXR Agonists Were Balanced Among Treatment Arms

No differences seen between TERN-501 and placebo; TERN-101 safety was generally consistent with prior trial in NASH patients; no CV events observed

		TERN-501			TERN-101	'501 + '101	
Participants, n	Placebo (N=24)	1mg (N=23)	3mg (N=23)	6mg (N=22)	10mg (N=24)	3mg + 10mg (N=23)	6mg + 10mg (N=23)
Gastrointestinal disorders	**2**	**1**	**3**	**2**	**1**	**2**	**1**
Diarrhea	*1*	*1*	*2*	*1*	*1*	*1*	*0*
Nausea	*0*	*0*	*1*	*0*	*0*	*1*	*0*
Abdominal distension	*0*	*0*	*0*	*0*	*0*	*1*	*0*
Abdominal pain (upper)	*0*	*0*	*0*	*0*	*0*	*1*	*0*
Constipation	*0*	*0*	*0*	*1*	*0*	*0*	*0*
Dyspepsia	*0*	*0*	*0*	*0*	*0*	*0*	*1*
Frequent bowel movements	*1*	*0*	*0*	*0*	*0*	*0*	*0*
Vomiting	*1*	*0*	*0*	*0*	*0*	*0*	*0*
Cardiac disorders	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Pruritus	**2**	**0**	**1**	**2**	**1**	**4**	**2**

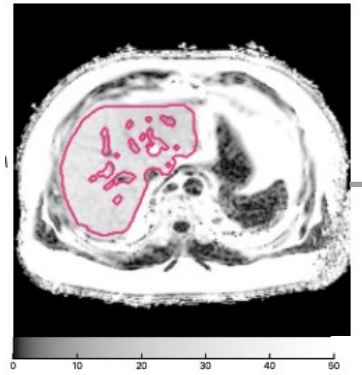
Drug-related: deemed by study investigator as possibly or related to study drug.

cT1: Multi-Parametric MRI for NASH Assessment

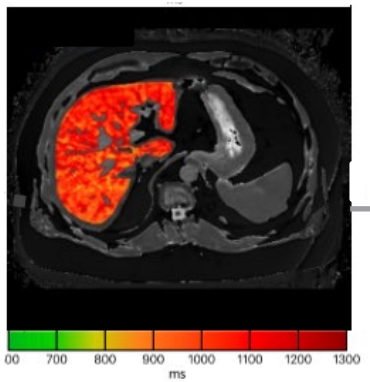
LiverMultiScan

Quantitative MRI metrics that correlate with histological markers of liver disease

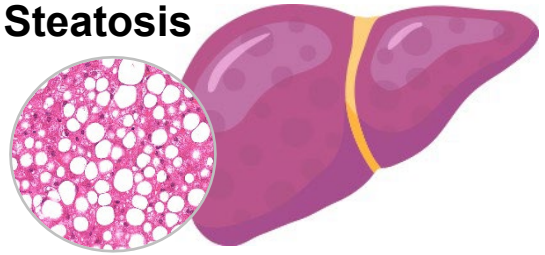
PDFF



Corrected T1

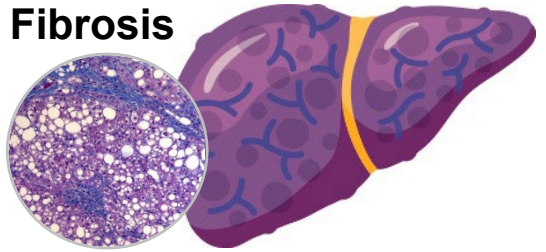


Steatosis



Inflammation

Fibrosis



MRI-PDFF

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

Corrected T1

Measures ***inflammation and fibrosis***

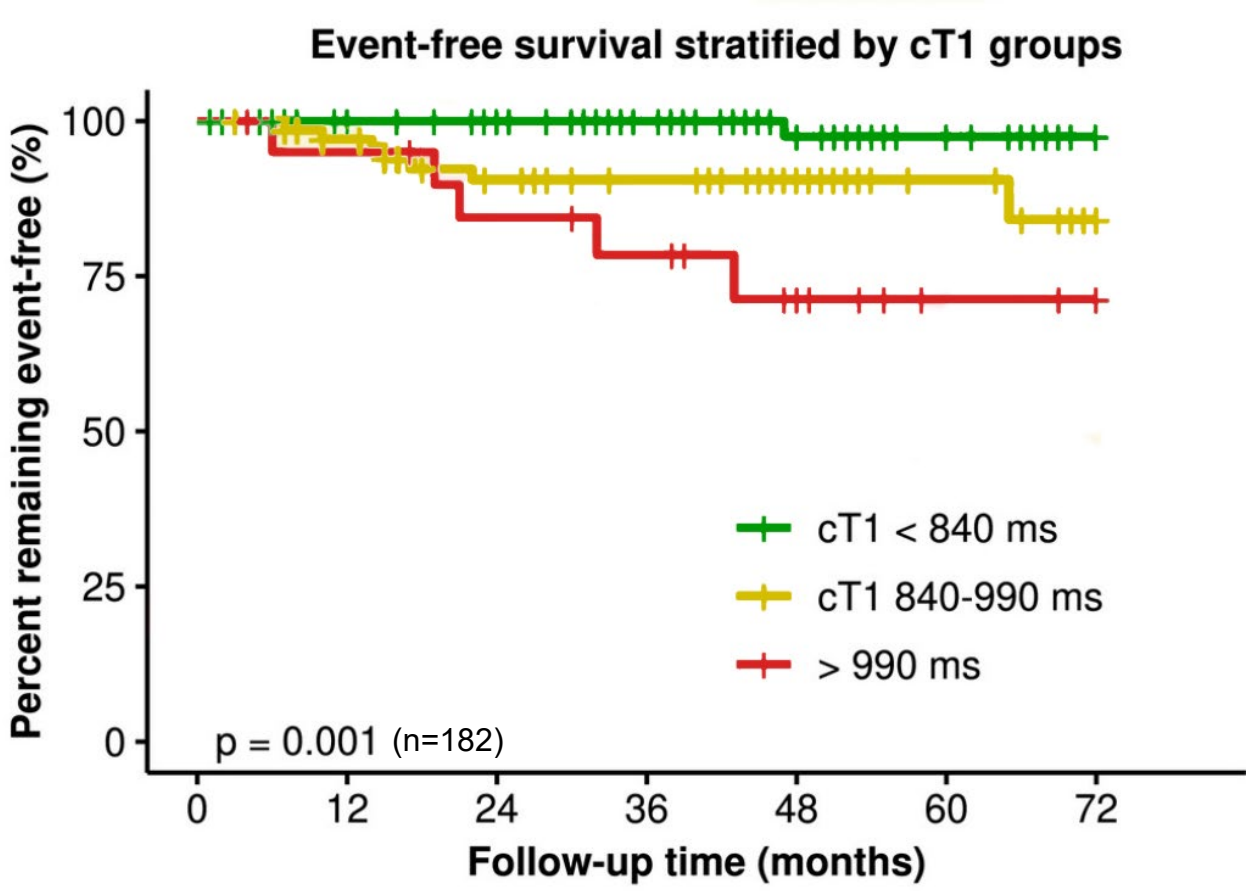
Recommended by AASLD to identify at-risk NASH[1]

88 msec △ cT1 ∝ 2 point △ NAS[2]

Source: Perspectum Diagnostics

1. AASLD Practice Guidance on the Clinical Assessment and Management of Nonalcoholic Fatty Liver Disease; 2. Dennis, et al 2021 Front. Endocrinol.

cT1 is Significantly Correlated with NASH Clinical Outcomes

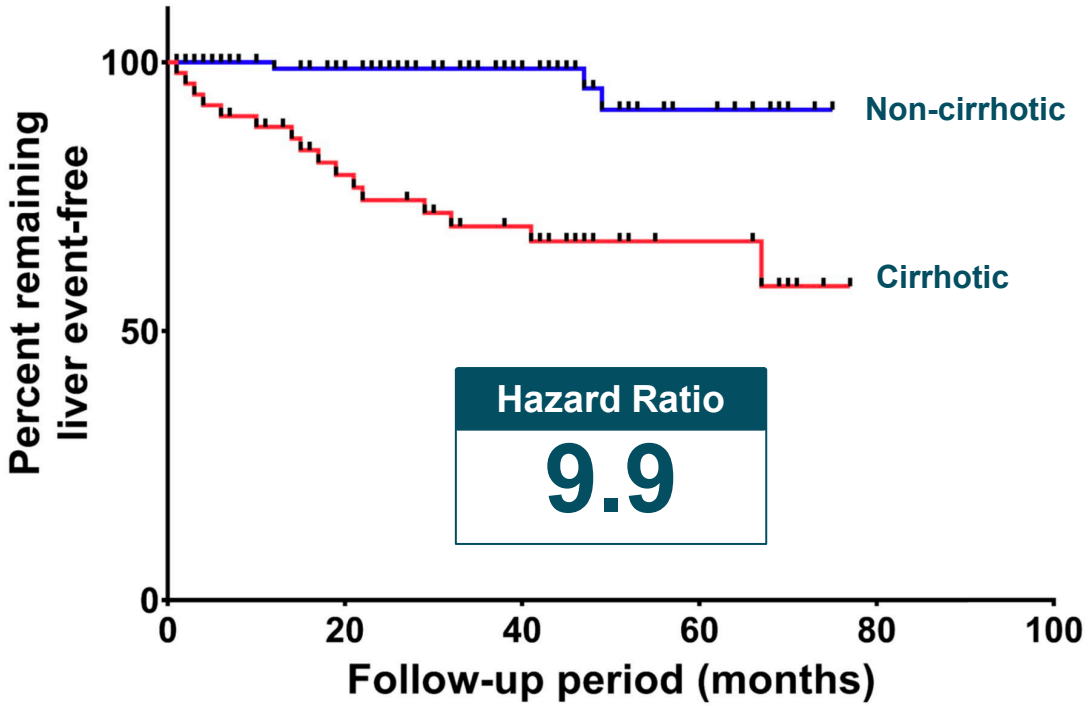


- cT1 has established correlation with clinical outcomes[1]
  - Liver cT1 (but not PDFF) is shown to strongly predict clinical outcomes in patients with chronic liver disease including NAFLD
  - Long-term outcomes being tracked in UK Biobank Imaging study of 100,000 individuals
- **AASLD 2023 guidance recommends cT1** as the only imaging endpoint to identify patients with at-risk NASH (cT1 >= 875ms)[2]

1. Based on third-party study Liver International. 2020;40:3071–3082; 2. AASLD Practice Guidance on the Clinical Assessment and Management of Nonalcoholic Fatty Liver Disease

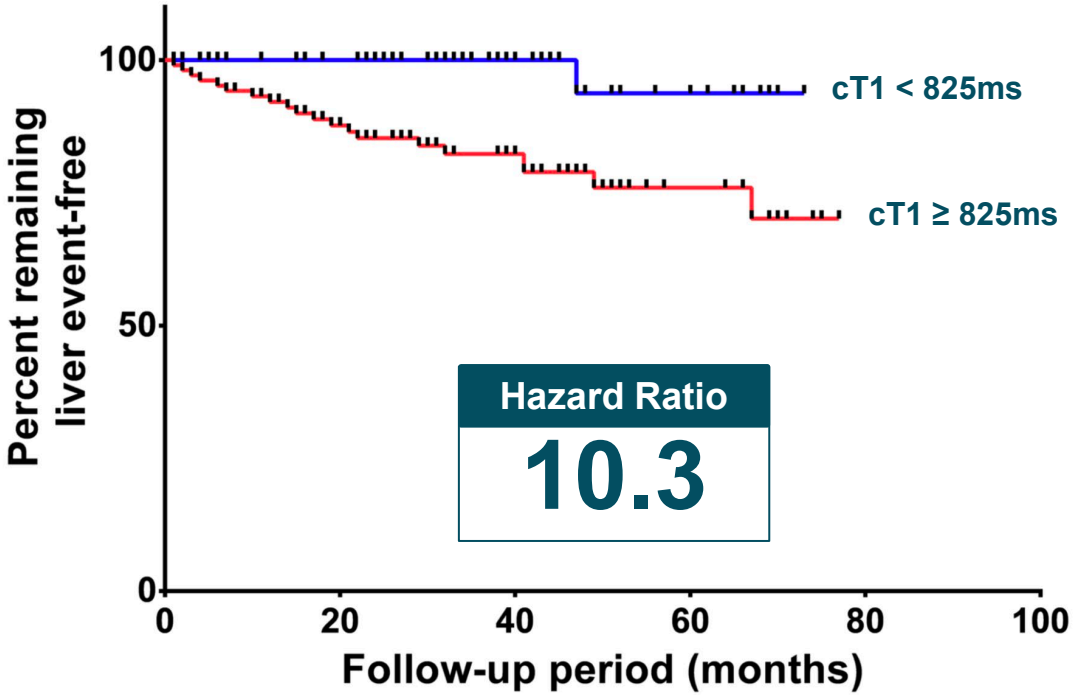
cT1 Equivalent to Biopsy in Predicting NASH Clinical Outcomes

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



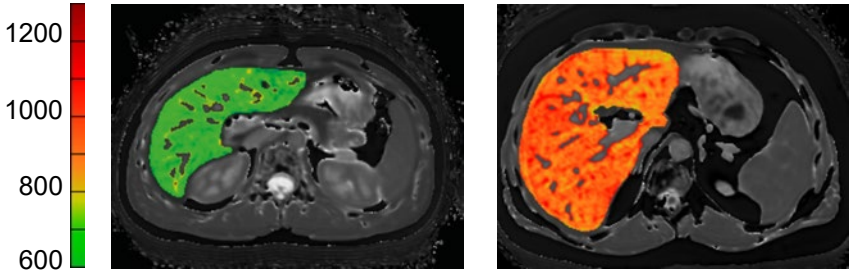
Kaplan-Meier curve for liver-related event free survival with patients stratified according to cT1
(n=166, median follow-up period: 35 months)

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

cT1 is Correlated with Liver Histology in NASH

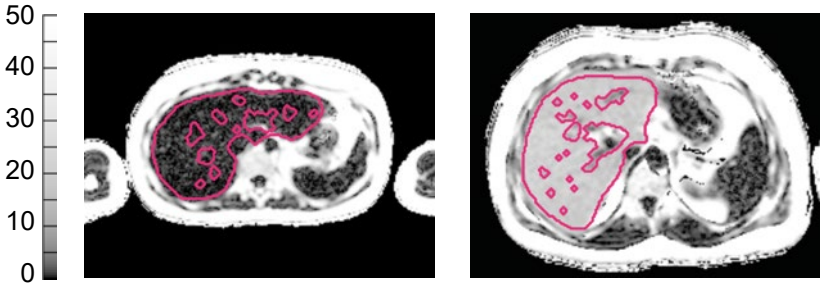
Both PDFF and cT1 correlate with NAFLD Activity Score, but only cT1 correlates with fibrosis

Example cT1 and PDFF Maps for Range of Values



cT1 = 631 ms

cT1 = 925 ms



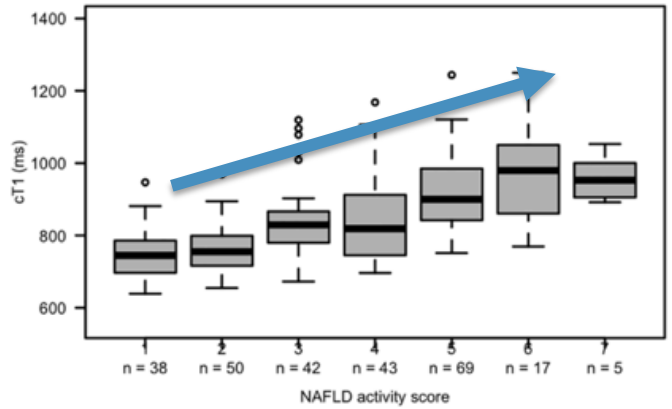
PDFF = 1 %

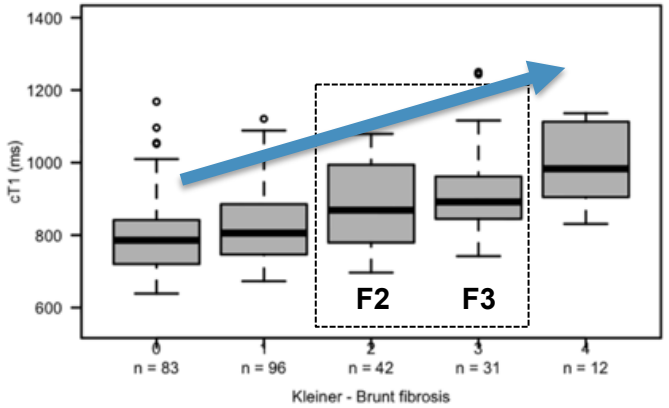
PDFF = 20 %

NAFLD Activity Score

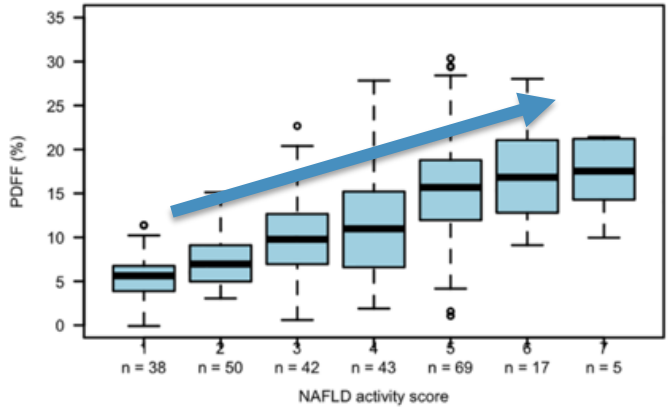
Fibrosis Score

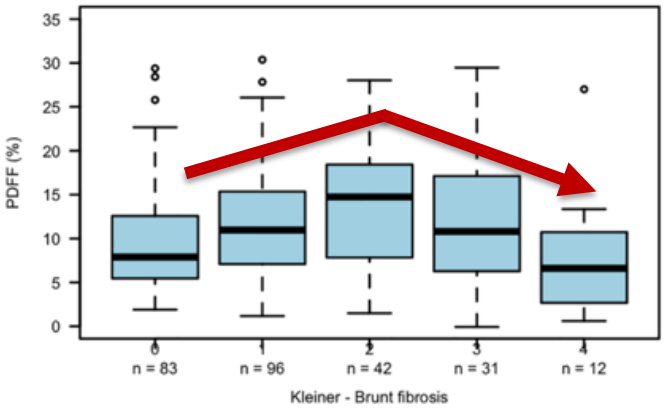
cT1





PDFF





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

Source: Dennis, et al 2021 Front. Endocrinol.