TRACON PHARMACEUTICALS
Investor Presentation
June 2020

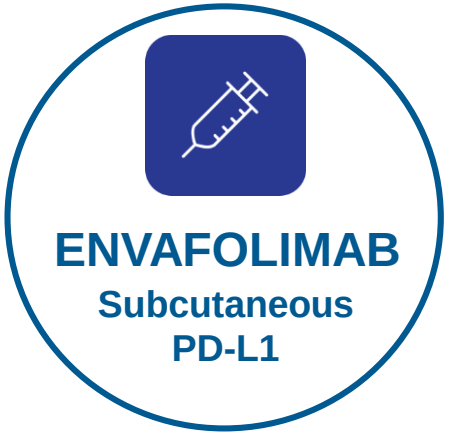
NASDAQ: TCON

Forward-Looking Statements

This presentation contains statements that are, or may be deemed to be, "forward-looking statements." In some cases these forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes,” “estimates,” “anticipates,” "expects,” “plans,” "intends,” “may,” “could,” “might,” “will,” “should,” “approximately,” “potential,” or, in each case, their negatives or other variations thereon or comparable terminology, although not all forward-looking statements contain these words. These statements relate to future events or our future financial performance or condition, business strategy, current and prospective product candidates, planned clinical trials and preclinical activities, potential events and activities under existing collaboration agreements, estimated market opportunities for product candidates, product approvals, research and development costs, current and prospective collaborations, timing and likelihood of success of development activities and business strategies, plans and objectives of management for future operations, and future results of anticipated product development efforts, including potential benefits derived therefrom. These statements involve substantial known and unknown risks, uncertainties and other important factors that may cause our actual results, levels of activity, performance or achievements to differ materially from those expressed or implied by these forward-looking statements. These risks, uncertainties and other factors include, but are not limited to, risks associated with conducting clinical trials, whether any of our product candidates will be shown to be safe and effective, our ability to finance continued operations, our reliance on third parties for various aspects of our business, the potential early termination of collaboration agreements, competition in our target markets, our ability to protect our intellectual property, our ability to execute our business development strategy and in-license rights to additional pipeline assets, and other risks and uncertainties described in our filings with the Securities and Exchange Commission, including under the heading “Risk Factors”. In light of the significant uncertainties in our forward-looking statements, you should not place undue reliance on these statements or regard these statements as a representation or warranty by us or any other person that we will achieve our objectives and plans in any specified time frame, or at all. The forward-looking statements contained in this presentation represent our estimates and assumptions only as of the date of this presentation and, except as required by law, we undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise after the date of this presentation.

This presentation also contains estimates, projections and other information concerning our industry, our business, and the markets for our drug candidates, as well as data regarding market research, estimates and forecasts prepared by our management. Information that is based on estimates, forecasts, projections, market research or similar methodologies is inherently subject to uncertainties and actual events or circumstances may differ materially from events and circumstances reflected in this information.

Investment Highlight #1: Envafolimab



Potential for Near-term U.S. Commercialization of the 1st Subcutaneous Checkpoint Inhibitor

Rapid Execution:
ENVASARC pivotal study expected to begin in sarcoma in 2H 2020 following successful FDA meeting

Orphan Indication:
Peak U.S. annual revenue estimated at $200M using parity pricing to approved PD-(L)1 products[2]

Fast to Market Strategy:
ENVASARC pivotal data expected in 2022
U.S. commercialization potentially in 2023[1]

Financial Upside:
ENVASARC pivotal trial cost estimated at ~$15M
Low royalty burden of teens to mid double-digits

1: Assuming successful pivotal study and BLA approval
2: TRACON internal estimate

Investment Highlight #2: Pipeline of Four Clinical Stage Assets

Envafolimab Is Lead Product With Expected ENVASARC Pivotal Trial Data in 2021 & 2022

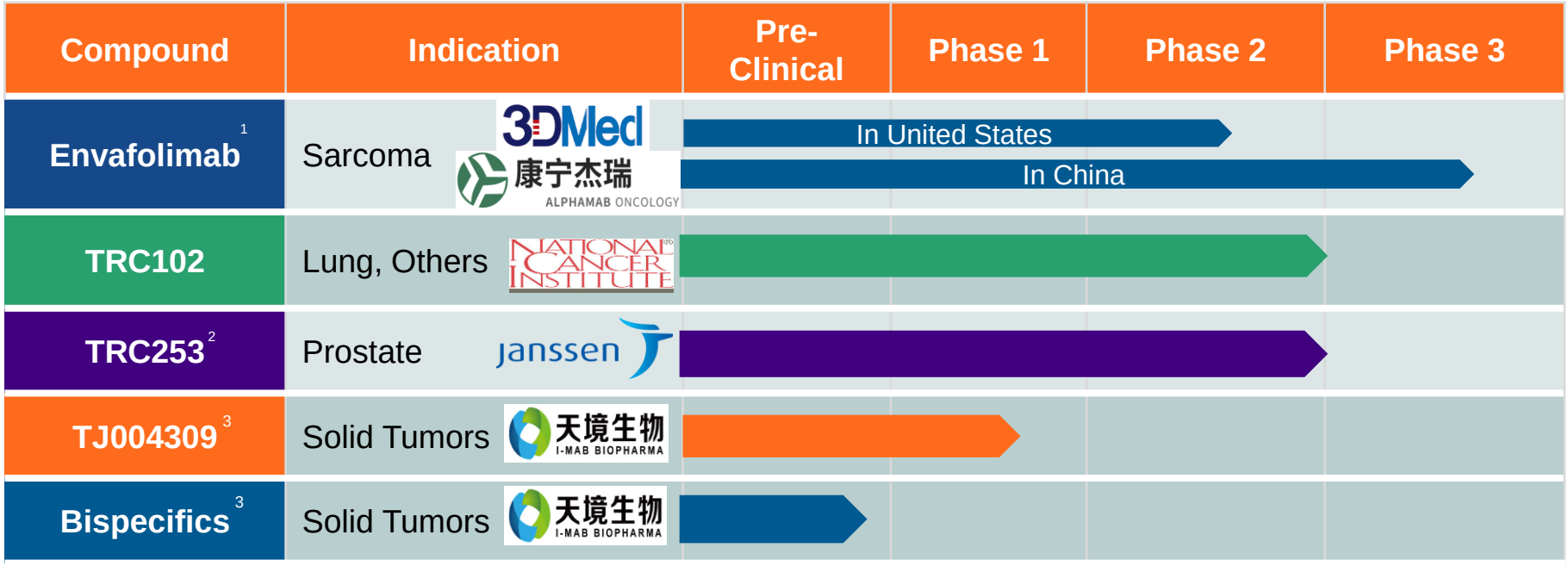
Sarcoma Pivotal	Subcutaneously administered PD-L1 checkpoint inhibitor envafolimab expected to start pivotal study in 2H 2020 following successful FDA meeting in May 2020
Mesothelioma Phase 2	DNA repair inhibitor TRC102, funded through **NCI** with global rights owned by TRACON
Prostate Cancer Phase 3 ready	Androgen Receptor inhibitor TRC253 licensed from **J&J (Janssen)**. TRACON has global development and commercialization rights
Immuno Oncology Phase 1	CD73 antibody TJ4309 in combination with Tecentriq® through collaboration with **I-Mab**, TRACON leading US development

Investment Highlight #3: Partnering Platform

Product Development Platform of CRO-Independent Clinical Research and U.S. Commercialization Experience

- Built to deliver clinical results rapidly in U.S./E.U. and provide opportunities for U.S. commercialization
- Allows for a risk and cost sharing drug development solution
- Proven ability to leverage platform via business development sourced pipeline without up-front payment
    - Subcutaneous PD-L1 antibody envafolimab from **3D Medicines** and **Alphamab Oncology**
    - Prostate cancer asset from **Johnson & Johnson (Janssen)**
    - CD73 antibody from **I-Mab**
    - Bispecific antibody collaboration with **I-Mab**
- Platform available for any therapeutic area
- Capacity for additional clinical stage asset development

Four Clinical Stage Assets with Multiple Expected Readouts in 2020

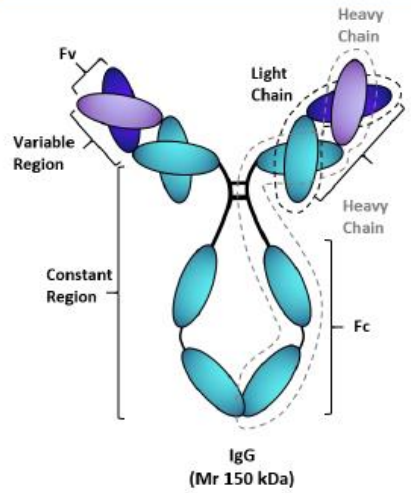


[1] Partnered with 3D Medicines (Beijing) Co., Ltd. (3D Medicines) and Jiangsu Alphamab Biopharmaceuticals Co., Ltd. (Alphamab). TRACON does not have rights to Envafolimab outside of North America or for indications other than sarcoma.
[2] Janssen Pharmaceutica N.V. (Janssen) is due success based milestone(s) and single digit royalty on net sales
[3] Part of a broad co-development and co-commercialization immune oncology partnership with I-Mab BioPharma Co. Ltd. (Shanghai). TRACON has certain royalty and non-royalty rights with respect to TJ004309; TRACON is responsible for development and commercialization of up to 5 bispecific antibodies in North America and shares profits and losses with I-Mab.

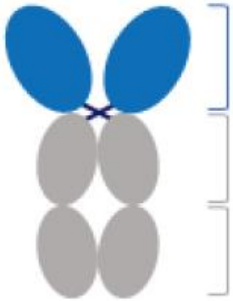
Background on Envafolimab

- Single Domain Antibody—structure of approved product Cablivi (Ablynx/Sanofi), which is also given subcutaneously

Traditional Ab



Envafolimab

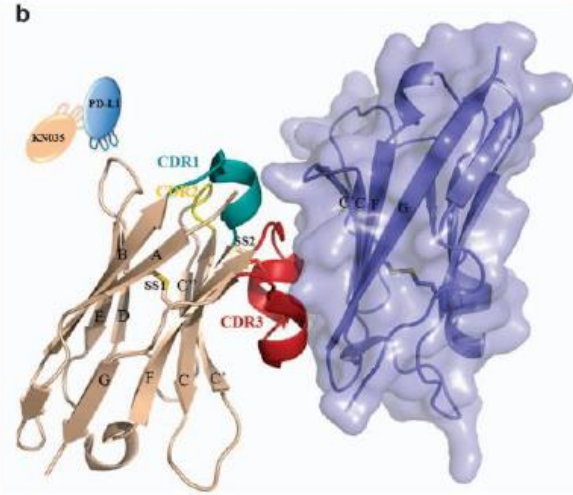


Humanized single-domain antibody (dAb/nanobody)

Mutant human Fc
- Longer half-life
- Eliminate ADCC/CDC

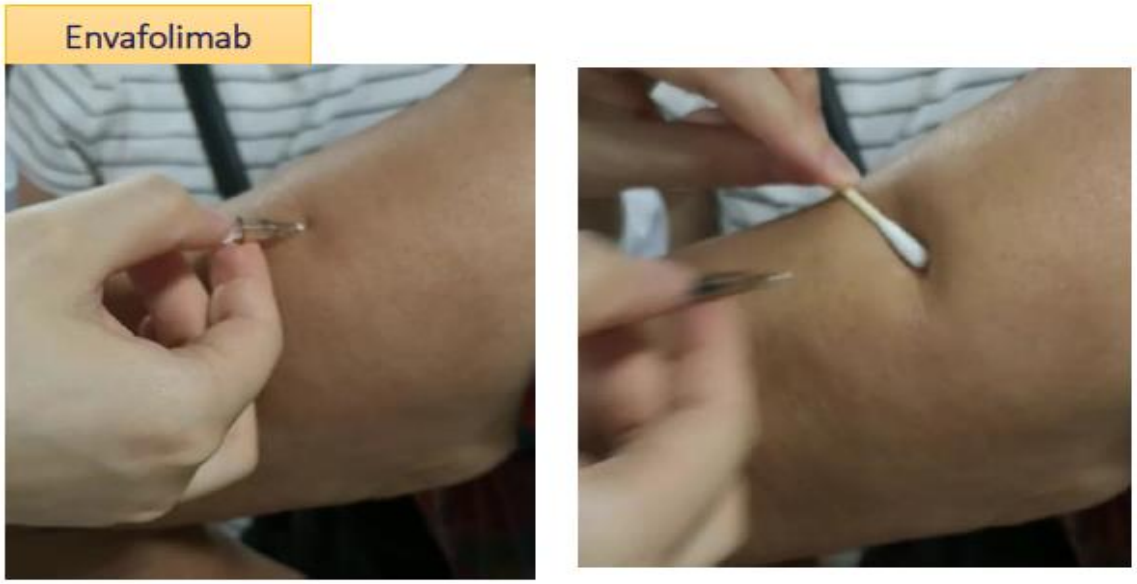
Molecular Weight: c. 80 kDa
(Keytruda-149 kDa)

Crystal Structural of envafolimab/PDL1



- Stable at room temperature for six months allows subcutaneous injection without an adjuvant
- High yield (> 7 g/L) and low cost of production by Alphamab (HKSE: Alphamab Oncology)

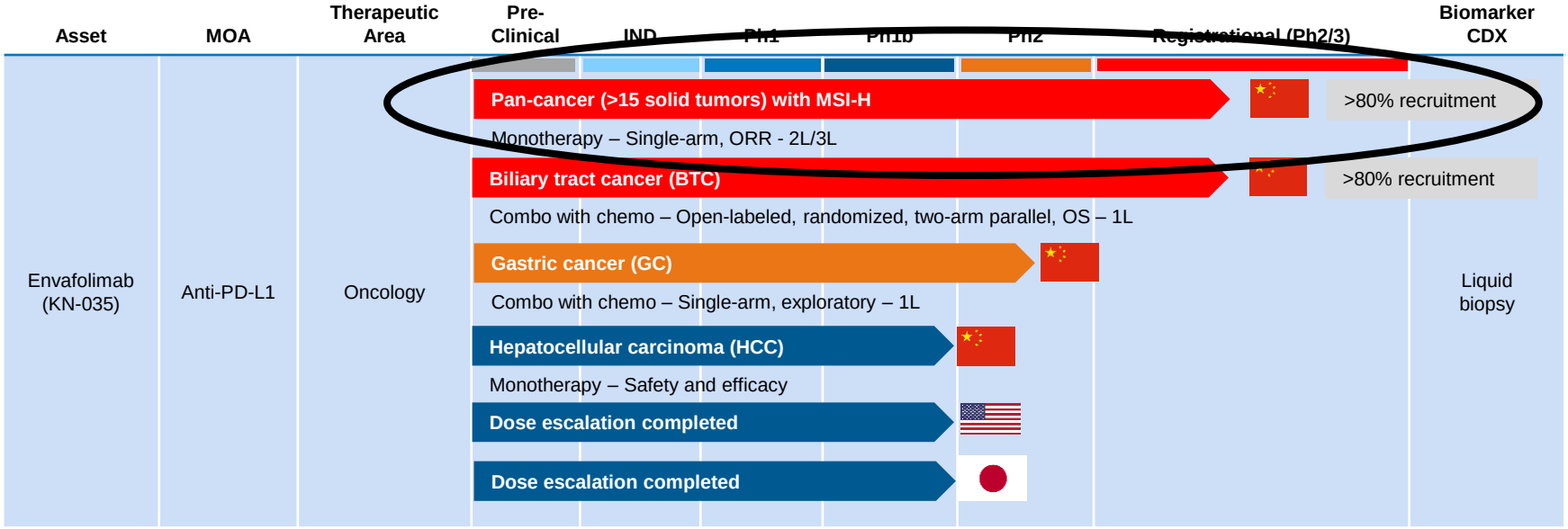
Envafolimab Subcutaneous Administration Does Not Require an Adjuvant: Potential Best-in-Class Profile



- Envafolimab, a much improved subcutaneous formulation:
  - Small injection volume: ≤ 2 mL
  - Infrequent injection site reactions in clinical trials to date
  - Fast injection: in seconds
  - Stable at room temperature for months
  - Potential for development as a combination therapy

Envafolimab has been Dosed to > 650 Patients and is being Studied in Two Pivotal Trials in China

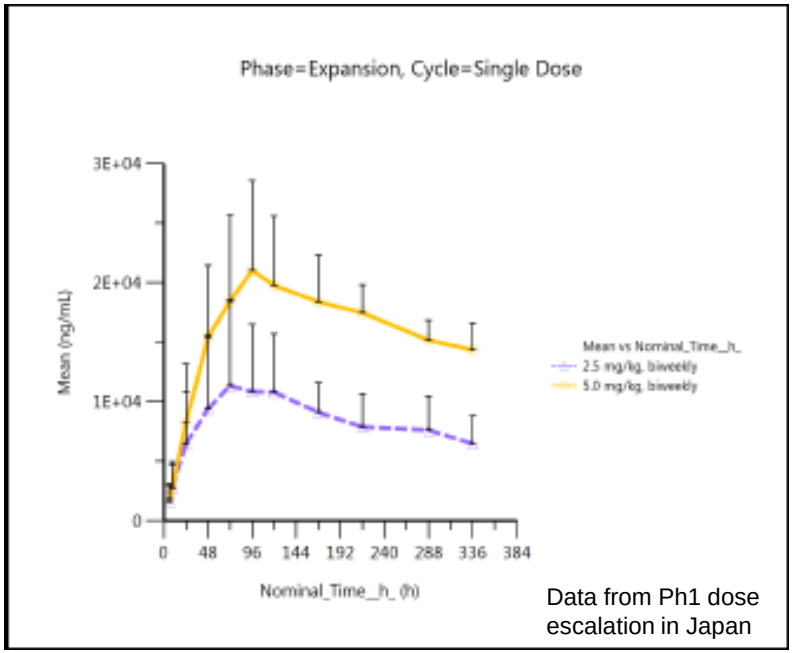
3D Medicines retains global rights
other than in the field of sarcoma in North America



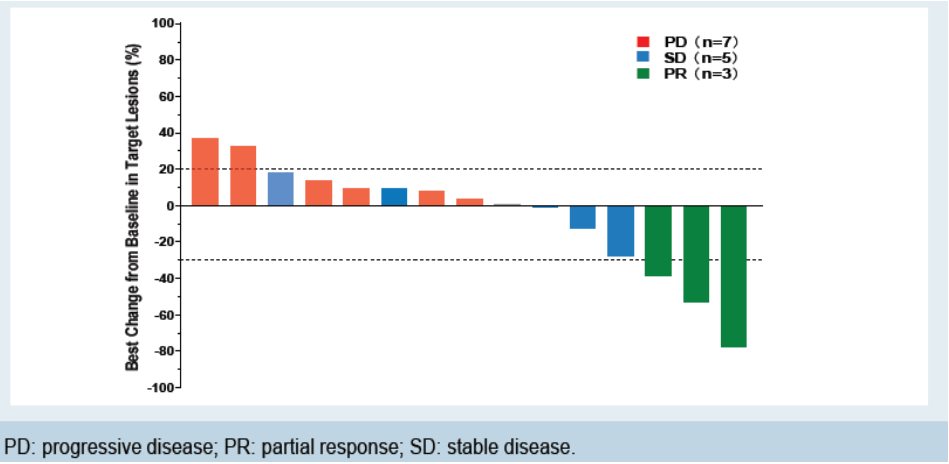
Filing for approval in China in MSI-H cancer is expected in mid 2020

Envafolimab Safety and Efficacy in Phase 1

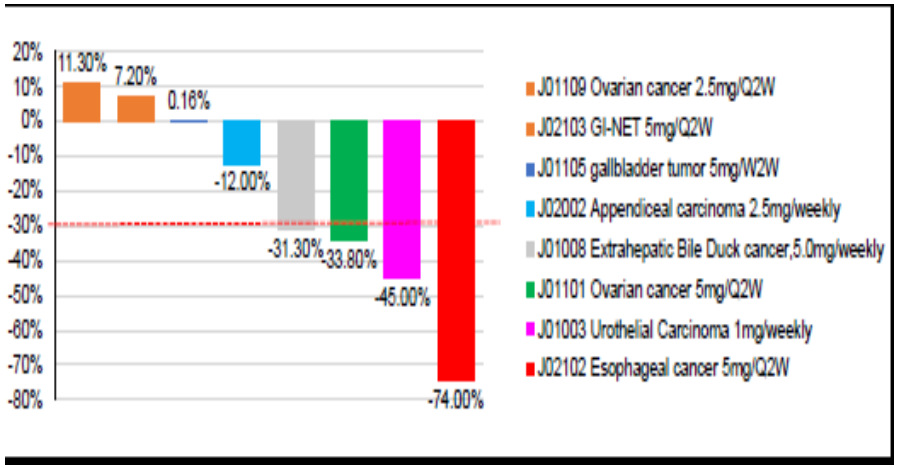
- Safety profile in clinical studies to date similar to approved PD-(L)1 therapies, with elevated transaminases (mainly grade 1 or grade 2) being the most common adverse events
- Dosed every 2 weeks—*every 4 week dosing is being explored in ongoing Phase 1 trials in the US and Japan*
- RECIST objective response rates (ORR) in Phase 1 trials >15% across all dose levels and solid tumors



Data from Ph1 dose escalation in Japan



PD: progressive disease; PR: partial response; SD: stable disease.



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ASCO 2019 presentations: Xu J et al; Shimizu T et al
Data from Ph1 dose escalation in China

ESMO 2018 presentation: Papadopoulos et al
Data from Ph1 dose escalation in U.S.

Envafolimab Efficacy in Pivotal Trial in MSI-H/dMMR Cancer Patients Similar to Opdivo and Keytruda[1]

- ***Confirmed ORR in MSI-H/dMMR colorectal patients who failed a fluoropyrimidine, oxaliplatin and irinotecan is nearly identical to ORR reported for Opdivo and Keytruda in separate trials in that patient population***

	Envafolimab	Opdivo (CHECKMATE-142)	Keytruda (KEYNOTE-164)
Indication	MSI-H/dMMR colorectal cancer that progressed following treatment with fluoropyrimidine, oxaliplatin and irinotecan		
Sample Size	39	53	61
ORR by independent radiographic review	28.2%	28%	27.9%

- Six month duration of response (DOR) of 72%
- Safety profile was similar to other PD-(L)1 antibodies but without infusion reactions; no cases of colitis or pneumonitis were reported

DOI: 10.1200/JCO.2020.38.15_suppl.3021 Journal of Clinical Oncology 38, no. 15_suppl (May 20, 2020) 3021-3021; Diaz L, et al. Annals of Oncology. 2017; 28(S5): 128-129; Opdivo package insert

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1: Data from separate clinical trials may not be directly comparable due to differences in trial protocols, conditions and patient populations.

PD-(L)1 Accelerated Approval in Refractory Solid Tumors has been Based on ~15% Objective Response Rates

- FDA has been supportive of therapeutics that address unmet needs, with the bar for accelerated approval being ~ 15% response rate in those indications
  - Keytruda was approved in refractory gastric cancer with response rate of 13%
  - Tecentriq was approved in refractory urothelial cancer with response rate of 15%
  - Opdivo was approved in refractory small cell lung cancer with response rate of 12%

	PD-L1+ Gastric (Keytruda)	Urothelial (Tecentriq)	Small Cell Lung (Opdivo)
ORR	**13%**	**15%**	**12%**
CDX in label	Yes	No	No

Keytruda package insert 2019; Tecentriq package insert 2019; Opdivo package insert 2019

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Tazemetostat Approved in Epithelioid Sarcoma in January 2020 Following Objective Response Rates of 11% & 15%

- ODAC voted 11-0 on December 18, 2019 that the drug's benefits outweighed the risks, despite low risk of patients potentially developing secondary cancers (T cell lymphoma, MDS and AML), following clinical trials in epithelioid sarcoma demonstrating an objective response rate of 11-15%; FDA approved Tazemetostat on January 23, 2020.

Table 21: Summary of Objective Response Rate, Best Overall Response, and Duration of Response per Blinded Radiology Review in Study 202 (Cohort 5)

Response Measure Category/Statistic	Primary ES Population (N = 62)
Objective Response Rate (CR + PR, Confirmed)	
n (%)	9 (15)
95% CI (%)	(6.9, 25.8)
Best Overall Response, n (%)	
Complete Response (CR)	1 (2)
Partial Response (PR)	8 (13)
Stable Disease (SD)	30 (48)
Progressive Disease (PD)	19 (31)
Not Estimable (NE)	0 (0)
Missing/Unknown	4 (6)

Abbreviations: CI = confidence interval; ES = epithelioid sarcoma
ORR per investigator assessment provided in Appendix 10.3.

Table 25: Summary of Efficacy Results from Study 202 (Cohort 6)

Best Overall Response at Any Time	Study 202 (Cohort 6) N = 44
ORR (95% CI)[1]	11% (3.8, 24.6)
DOR, Weeks (Range)[1]	NE (15.3, 79.1+)
$DCR_{32Weeks}$ (95% CI)[1]	14% (5.2, 27.4)
OS, Median Weeks (95% CI)	71.9 (41.1, NE)

Abbreviations: CI = confidence interval; DCR_{32} = disease control rate through 32 weeks; DOR = duration of response; NE = not estimated; ORR = objective response rate; OS = overall survival
[1] Data based on blinded radiology review.

Tazemetostat ODAC briefing document, 2019

Unmet Need in Undifferentiated Pleomorphic Sarcoma (UPS) and High-grade Myxofibrosarcoma (MFS)

- Common soft tissue sarcomas (formerly contained within the category of malignant fibrous histiocytoma or MFH)
  - ~3,000 cases of UPS in the US annually (Western world incidence: 0.8-1.0/100,000)
  - Myxofibrosarcoma (MFS) half as common as UPS with ~1,500 cases annually in US
- First line chemotherapy with doxorubicin is typical with objective response rate of ~15 - 20%
- ***Only approved second line agent, Votrient, has 4% objective response rate***
- Advanced or metastatic UPS/MFS has 5 year overall survival of < 5%

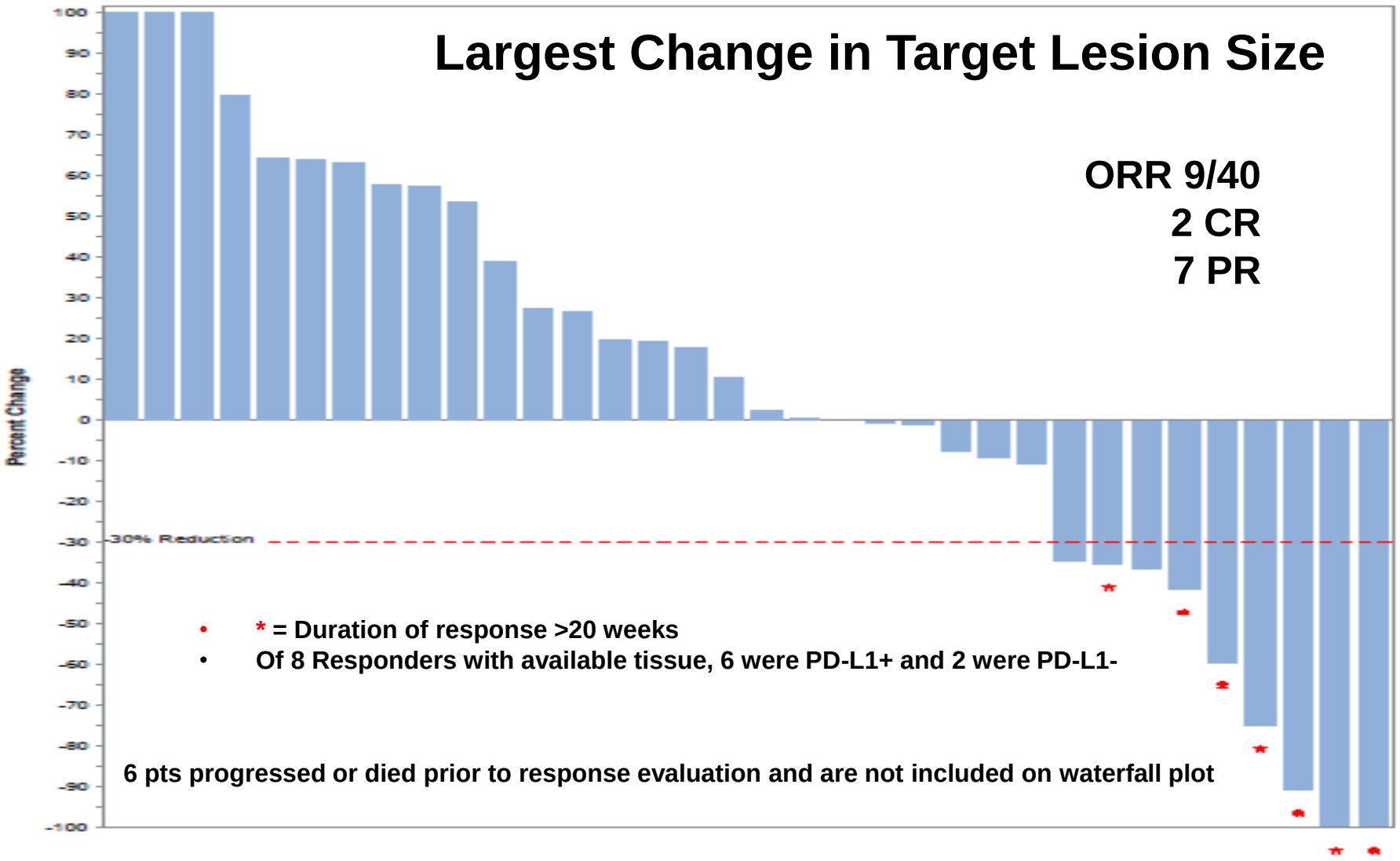
Orpha.net; Widemann and Italiano, 2018; Pazopanib package insert 2019; Savina et al 2017; Tap et al, 2017

PD-(L)1 Overview in Sarcoma

- Refractory sarcoma of any subtype represents a very high unmet need population
- ***Data were presented at ASCO 2019 that Keytruda, a PD-1 inhibitor, demonstrated a 23% objective response rate in UPS/MFS***
- ***The combination of Opdivo, a PD-1 inhibitor, and Yervoy, a CTLA-4 inhibitor, tripled the objective response rate compared to Opdivo alone, in sarcoma, including in UPS***
- PD-(L)1 antibodies have demonstrated > 40% response rates in cutaneous angiosarcoma and alveolar soft part sarcoma
- To our knowledge, no company is currently running a pivotal trial in sarcoma with a PD-(L)1
- An approved subcutaneous PD-(L)1 would have the advantage of physician preference and market access/reimbursement in sarcoma

Tawbi et al, 2019; Florou et al, 2019; Chen et al, 2019; Wilky et al, 2019; Chen et al, 2020

Keytruda Trial in UPS: 23% ORR in UPS

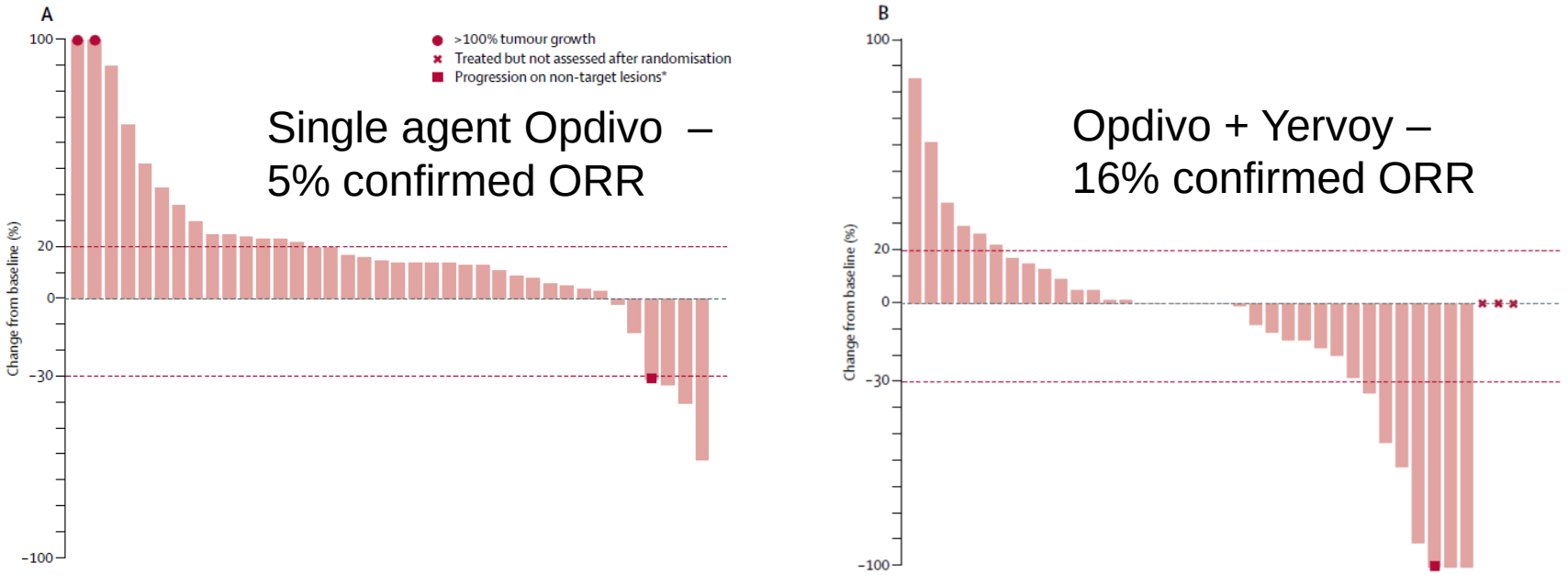


Tawbi et al, 2019

ASCO 2019 presentation

Alliance Trial in Sarcoma (not just UPS): Benefit of Dual Checkpoint Inhibition with Opdivo + Yervoy

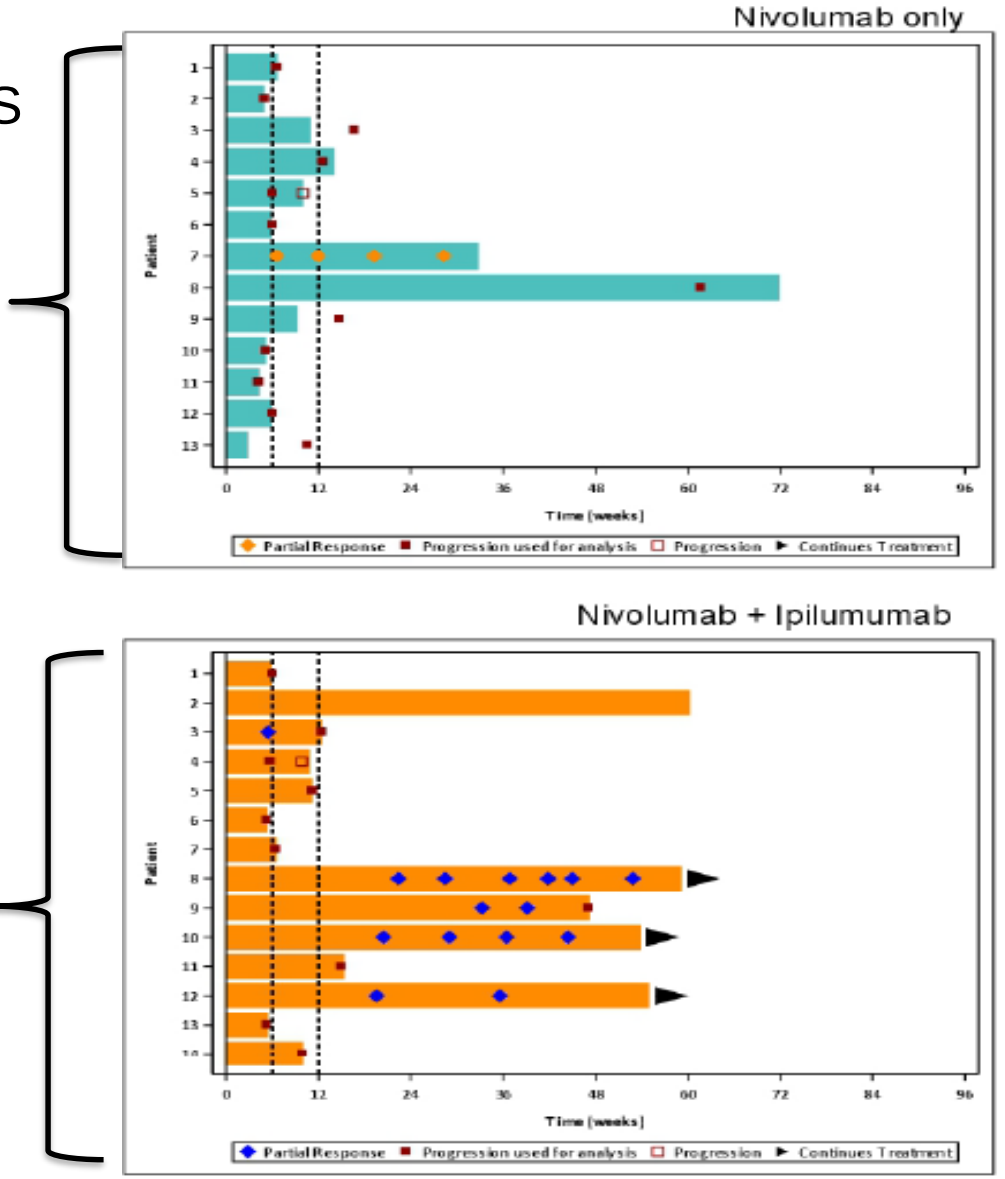
- Randomized trial of multiple soft tissue sarcoma subtypes
- Parallel, open label, non-comparative cohorts
  - Single agent Opdivo (PD-1 antibody)
  - Opdivo in combination with Yervoy (CTLA-4 antibody) tripled the ORR



D'Angelo et al, 2018

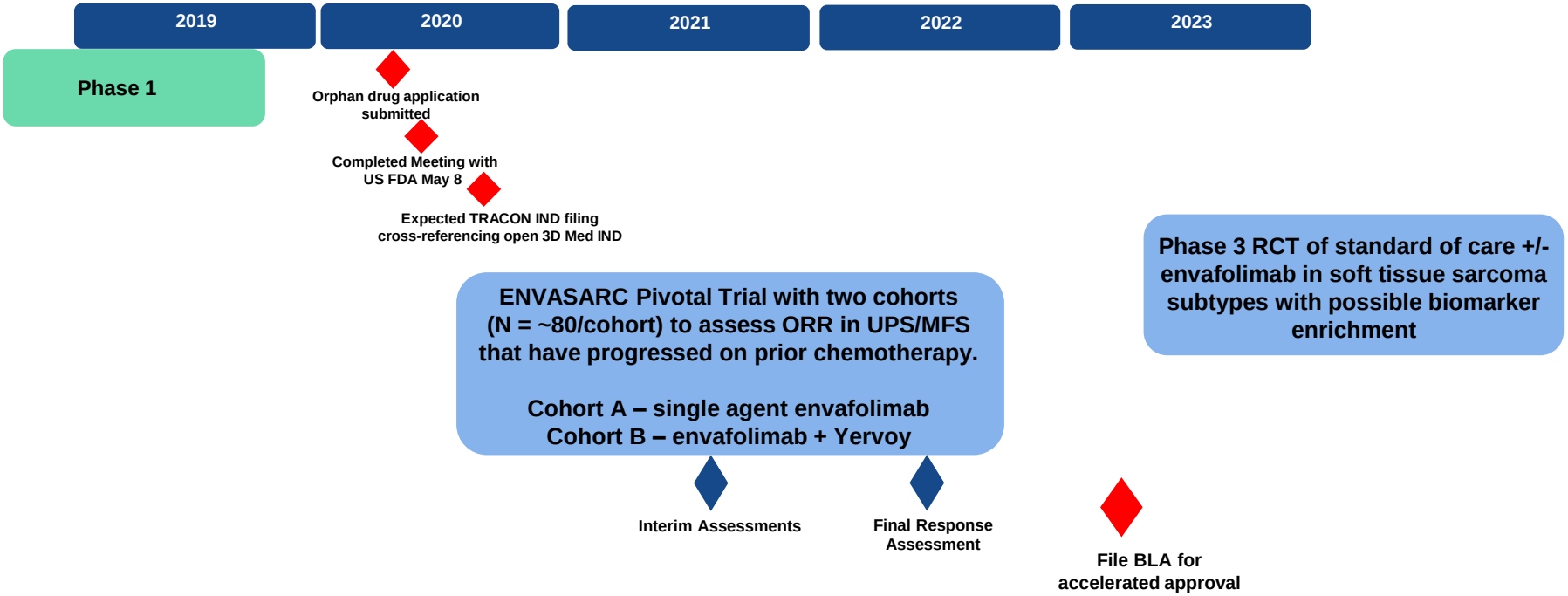
Alliance Trial in Sarcoma (Expanded Cohorts in UPS): Benefit of Dual Checkpoint Inhibition with Opdivo + Yervoy

- Opdivo in combination with Yervoy tripled the ORR in UPS
  - ORR of 8% (1/13) with single agent Opdivo
  - ***ORR of 29% (4/14) with Opdivo in combination with Yervoy***



Chen et al, 2020 ASCO presentation

Envafolimab Development Plan in Sarcoma Following Successful Type B Meeting with US FDA



Two cohort non-comparative pivotal trial in refractory UPS and MFS, with **each cohort targeting ORR of 15% as the primary endpoint** for accelerated approval based on high unmet need. Our goal is a dual approval of envafolimab as a single agent and in combination with Yervoy in UPS/MFS. Note Opdivo is approved as a single agent and in combination with Yervoy in MSI-H cancer.

Envafolimab Target Product Profile:

Dual approval based on single agent ORR of ~15% and combination agent ORR of ~30% in refractory UPS/MFS with majority of patients having duration of response > 6 months, with a superior safety profile compared to other approved PD-(L)1 therapies

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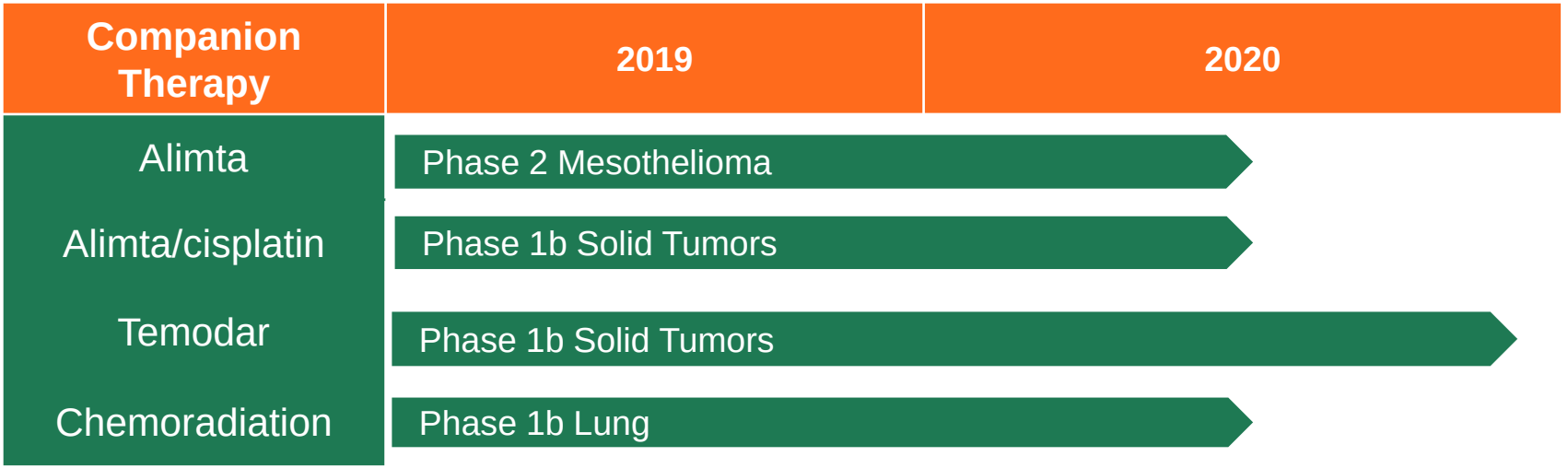
Envafolimab License Terms

- License for indication of Sarcoma in North America
- TRACON to conduct and bear costs of clinical trials in Sarcoma
- 3D Medicines and Alphamab to manufacture Envafolimab and sell to TRACON at pre-negotiated prices
- TRACON to commercialize Envafolimab in Sarcoma in North America
  - TRACON will lead commercialization if first launch in U.S. is in Sarcoma
  - TRACON has option to co-market if first launch is by 3D Medicines or approval occurs in a non-orphan indication after approval in Sarcoma
- If TRACON is leading commercialization in Sarcoma, will owe double digit royalties to 3D Medicines and Alphamab ranging from teens to mid-double digits.
- If 3D Medicines and Alphamab are leading commercialization they will owe TRACON double digit royalties ranging from teens to mid-double digits if TRACON does not co-market, and a 50% royalty on Sarcoma sales if TRACON does co-market
- 3D Medicines and Alphamab are able to reacquire Envafolimab if the product is sold to a third party, provided the sale will not occur prior to the completion of the pivotal trial in Sarcoma without TRACON's written consent, and the parties will negotiate fair compensation

TRC102: Expected Value Inflection Points



- Small molecule designed to reverse resistance to chemotherapy and complement PARP inhibitors
- Inhibits base excision repair, a dominant pathway of DNA repair that allows for resistance to alkylating chemotherapy (e.g., Temodar®) and antimetabolite chemotherapy (e.g., Alimta®)
- Current clinical development funded by National Cancer Institute
- ***Updated clinical data presented at ASCO 2020***

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TRC102: Reversing Resistance to Chemotherapy

Combination	Well Tolerated	Signs of Activity in Phase 1b/2
TRC102 + Alimta (Published in *Investigational New Drugs*, 2012)	√	Stable disease in patients with squamous cell lung cancer, a tumor type where Alimta is inactive
TRC102 + Fludara (Published in *Oncotarget*, 2017)	√	Partial response and stable disease in patients previously treated with Fludara
TRC102 + Temodar (Presented at ASCO 2017 and AACR 2019)	√	Partial responses in patients with lung, KRAS+ colorectal and ovarian cancer;
TRC102 + Temodar in GBM (Presented at SNO 2018)	√	PFS of 11+ months in 2/19 patients with recurrent GBM was associated with glycosylase expression
TRC102 + Chemoradiation in Advanced Lung Cancer (presented at ASCO 2020)	√	**Of 15 evaluable patients, 3 had CR (20%) and 12 had PR (80%). 2-year PFS rate was 49%.**
TRC102 + Alimta in Alimta refractory mesothelioma (presented at ASCO 2020)	√	**Of 14 patients, 2 had PR (both epithelioid cancer) meeting the pre-specified criteria for continued interest (>0/14). Median PFS = 4.3 mos.**
TRC102 + Alimta and cisplatin (presented at ASCO 2020)	√	**Of 9 evaluable patients, 3 had 3 PR (all parotid salivary gland tumors). Median PFS = 7.1 mos.**

Efforts are focused on identifying a biomarker (e.g., glycosylase expression) or gene expression profile that will correlate with response to treatment with chemotherapy + TRC102

TRC253: Phase 3 Ready Asset

- TRC253 is an antagonist of Androgen Receptor as well as Androgen Receptor mutations that are resistance mechanisms for Xtandi® and Erleada®

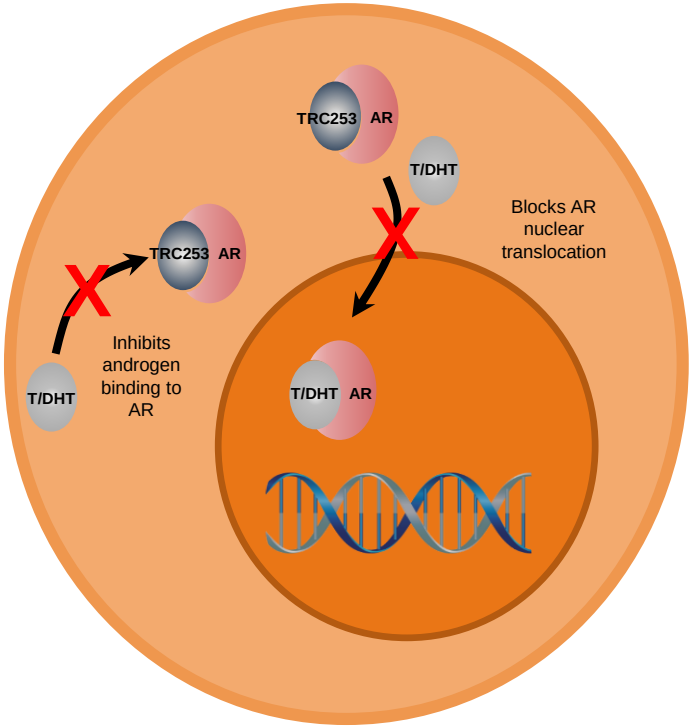
- JJDC made $5M equity investment in TRACON to complete Phase 1/2 trial using the TRACON Product Development Platform

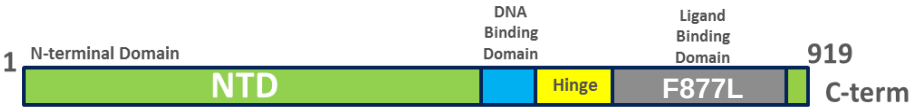
- Following Phase 1/2 data review by Janssen, TRACON acquired global rights to TRC253
  - *TRACON is seeking a licensing partner to develop and commercialize TRC253 in China*
  - Development strategy of treating **Xtandi naïve patients** supported by TRC253 being as active in prostate cancer cell lines and patient derived xenograft (PDX) models as Xtandi
  - TRACON owes success-based milestone(s) of up to $45M and a low single digit royalty to Janssen

TRC253:
Novel Androgen Receptor (AR) Mutant Inhibitor

- Designed to address Xtandi resistance on the basis of the AR F877L mutation, *which was found to be very rare*
- Active against wild-type AR
- Phase 1/2 trial completed enrollment in 3 cohorts of Xtandi or Erleada resistant prostate cancer:
  - F877L mutated AR
  - Undisclosed AR point mutation
  - Another basis for acquired resistance to Xtandi or Erleada
- Target PK exposures were achieved consistently with 280 mg oral daily dosing, which was declared the Phase 2 dose based on safety and PK data
- Well tolerated, with grade 1 QTc prolongation the most common adverse event; no seizures (unlike Xtandi)
- Lower than expected response rate in Xtandi resistant patients with F877L AR mutation identified through circulating tumor DNA

Multiple Mechanisms of Action





Rathkopf D, et al, ASCO Proceedings 2019

I-Mab Corporate Collaboration #1: TJ004309 a CD73 antibody

- CD73 Antibody
  - CD73 is a receptor expressed on tumors which generates adenosine which suppresses the immune response to tumors
  - TRACON conducts clinical development in U.S. and E.U. and TRACON and I-Mab share clinical development expenses starting with Phase 2
  - TRACON is entitled to portions of royalty and non-royalty consideration received by I-Mab for territories outside China, ranging from a high-single digit to mid-teen % of non-royalty consideration as well as double digit % of royalty consideration
  - In the event that I-Mab commercializes TJ004309, TRACON is entitled to a royalty percentage on net sales by I-Mab in North America ranging from the mid-single digits to low double digits, and in the E.U. and Japan in the mid-single digits
  - U.S. IND filed by TRACON in Dec 2018, cleared in Jan 2019, and dosing commenced in July 2019
  - ***Phase 1 top-line data expected by year end 2020***
  - Dispute notice issued to I-Mab in April 2020 regarding TJ4309 strategic partnership with KG Bio announced in March 2020 that TRACON believes triggers milestone payment to TRACON

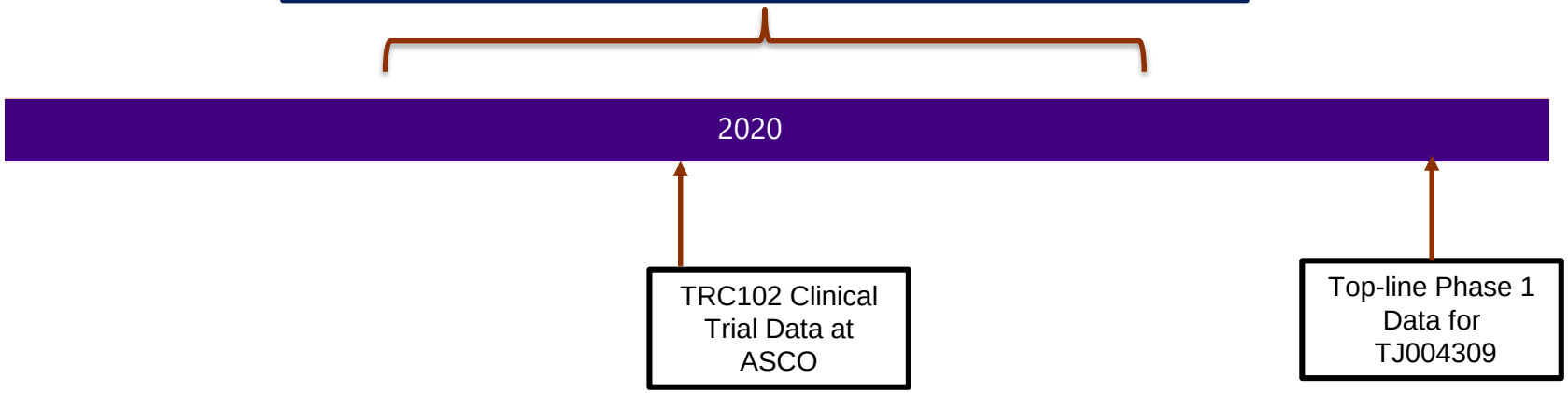
I-Mab Corporate Collaboration #2: Bispecific Antibodies

- TRACON to develop and commercialize up to 5 of I-Mab's bispecific antibodies in the U.S.
- TRACON and I-Mab share clinical development expenses starting with the pivotal trial
- Parties will share commercial profits and losses equally
- TRACON is entitled to tiered low single digit royalties in the E.U. and Japan
- Prior to pivotal trial read-out, TRACON can opt-in to acquire global commercial rights outside of Korea and China for payments that escalate based on phase of development
  - For example, if Opt-In is triggered prior to IND enabling activities, TRACON owes $10M upfront, up to $90M development & regulatory milestones, up to $250M sales milestones, and mid-single digit royalty per bispecific antibody
- Actual number of bispecifics, if any, that are subject to the collaboration and the development timing for each is subject to I-Mab nomination and subsequent development efforts and therefore we are unable to provide a timeline as to when or if we will file an IND for any candidates under the Bispecific Antibody agreement

Timing of Expected Key Milestones

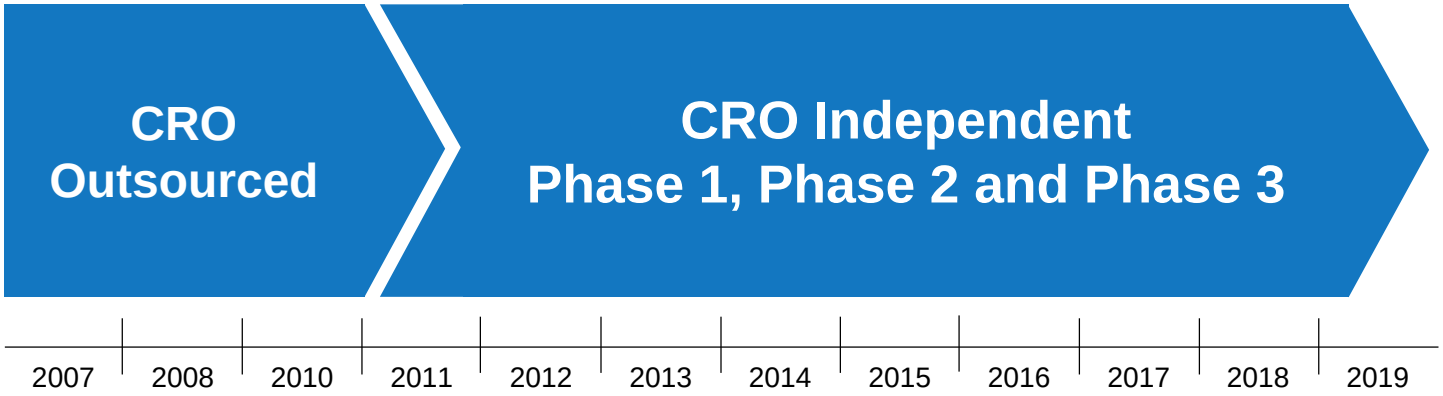
Envafolimab Milestones Over 6 Months:

- Meeting with US FDA on ENVASARC (Done)
- Updated clinical data at ASCO by our partners (Done)
- File IND for ENVASARC Pivotal Trial
- Orphan drug designation in STS
- NDA submission in China by our partners
- Enroll first patient in ENVASARC Pivotal Trial



Business Development goal is to license additional asset or expand partnership in 2020

TRACON is a Clinical CRO-Independent Company



Expected benefits of CRO-Independence:

- Reduced cost
- Decreased timelines
- Control over development
- Improved quality

Aligned Product Development Solution

- Cost, risk and profit share of partnered assets produces goal alignment
  - Platform can be applied to develop first-in-class, best-in-class or fast-follower oncology and other physician specialist prescribed products.
- U.S. NDA/BLA may be leveraged for regulatory filings in all major territories
- Opportunity to add U.S. sites to a regional trial to generate representative populations that could facilitate global approval
- Industry recognition for clinical trial design (Clinical Research Excellence Award)
- Proven ability to leverage platform to expand pipeline and build value
  - Subcutaneous PD-L1 antibody envafolimab from 3D Medicines and Alphamab Oncology (HKSE: ALPHAMAB ONCOLOGY)
  - Prostate cancer asset from Johnson & Johnson, included equity investment
  - CD73 antibody from I-Mab (NASDAQ: IMAB)
  - Bispecific antibody collaboration with I-Mab (NASDAQ: IMAB)

Financial Overview (as of March 31, 2020)

Ticker	TCON (NASDAQ)
Cash, Cash Equivalents and Short-term Investments	$14.1 million
Debt – Outstanding Principal	$4.9 million
Common Shares O/S	5.5 million
Covering Analysts	Jim Birchenough (Wells Fargo) Bert Hazlett (BTIG) Maury Raycroft (Jefferies) Ed White (H.C. Wainwright)

TRACON Summary: Pipeline of Four Clinical Stage Assets

Envafolimab Is Lead Product With Expected ENVASARC Pivotal Trial Data in 2021 & 2022

Sarcoma Pivotal	Subcutaneously administered PD-L1 checkpoint inhibitor envafolimab expected to start pivotal study in 2H 2020 following successful FDA meeting in May 2020
Mesothelioma Phase 2	DNA repair inhibitor TRC102, funded through **NCI** with global rights owned by TRACON
Prostate Cancer Phase 3 ready	Androgen Receptor inhibitor TRC253 licensed from **J&J (Janssen)**. TRACON has global development and commercialization rights
Immuno Oncology Phase 1	CD73 antibody TJ4309 in combination with Tecentriq® through collaboration with **I-Mab**, TRACON leading US development