TRACON PHARMACEUTICALS
Investor Presentation
May 2019

NASDAQ: TCON

Forward-Looking Statements

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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 Highlights: #1: Broad Pipeline

- **Significant Commercial Opportunity in wet AMD Supported by Strategic Partnership**
- **Potential For Broad Oncology Pipeline Emphasizing Bispecific Antibodies**

Ophthalmology Phase 2	AVANTE randomized wet AMD trial global rights licensed to **Santen**
Prostate Cancer Phase 2	Potential best-in-class Androgen Receptor inhibitor partnered with **J&J (Janssen)**. TRACON leading development
Immuno Oncology Phase 1	CD73 antibody in combination with Tecentriq® through collaboration with **I-Mab**, TRACON leading US development[1]
Immuno Oncology Bispecifics	Access broad Bispecific Antibody Pipeline: Risk and profit share agreement with **I-Mab**, with TRACON leading US commercialization

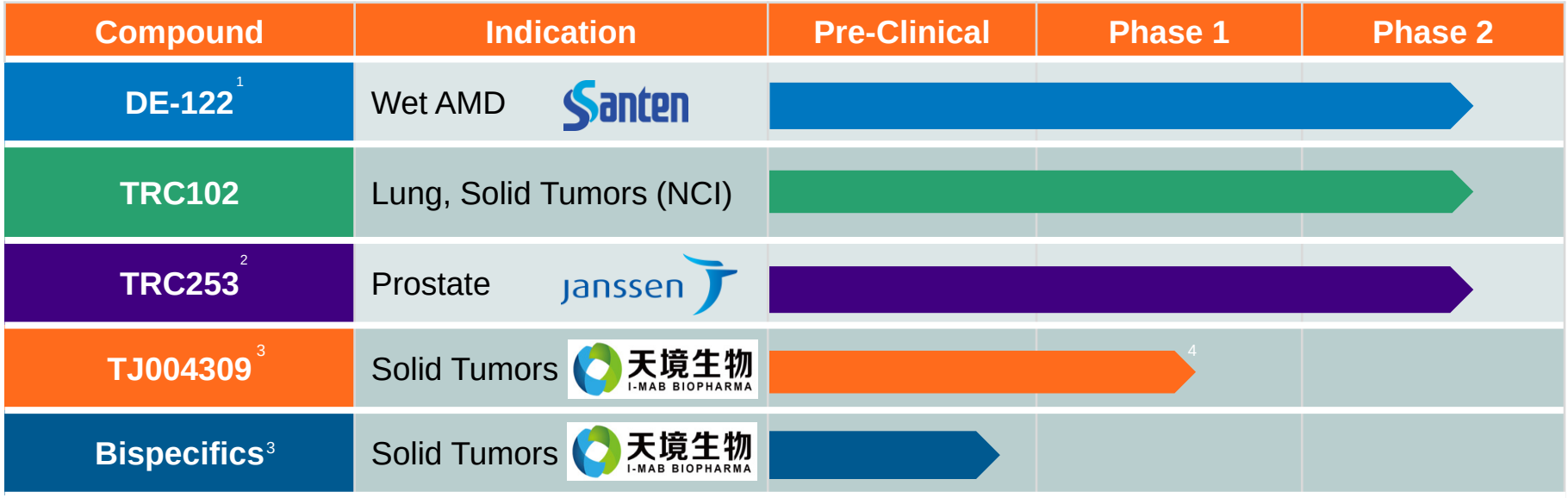
[1] TRACON expects to initiate Phase 1 dosing in mid-2019

Investment Highlights: #2: Partnering Platform

- **Product Development Platform**

- Risk and cost sharing drug development solution
- Built to deliver clinical results rapidly in US/EU and provide opportunities for US commercialization
- Leveraging to expand pipeline and build value
  - Basis for in-license of prostate cancer asset from **Johnson & Johnson (Janssen)** without license payment
  - Basis for partnership involving CD73 antibody and bispecific antibody pipeline from **I-Mab** without license payment
- Platform available for any therapeutic area
- Current capacity for multiple clinical stage assets

Four Clinical Stage Assets with Multiple Expected Readouts in 2020



[1] Partnered with Santen Pharmaceutical Co., Ltd. (Santen)
[2] Janssen Pharmaceutica N.V. (Janssen) has a buyback option
[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.
[4] TRACON expects to initiate Phase 1 dosing in mid-2019

Santen License for DE-122

Therapy	2019	2020
DE-122	Phase 2 AVANTE Trial in Wet/Neovascular AMD	

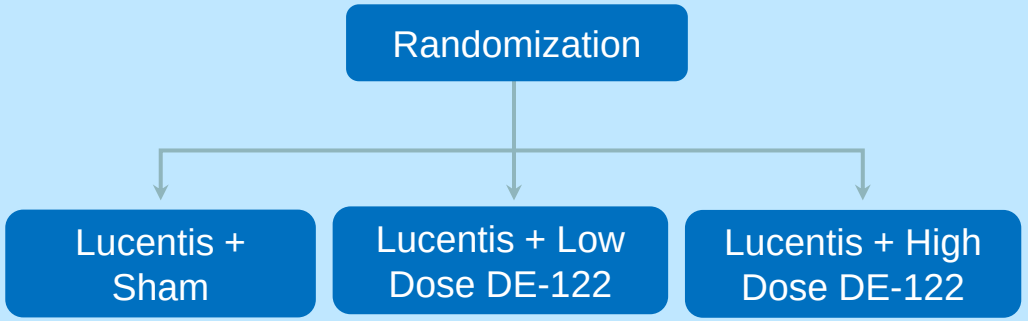
- Global ophthalmology company with $1.8 billion in annual revenue leading global development and commercialization for DE-122 (ophthalmic formulation of endoglin antibody) in wet AMD and other eye diseases
- DE-122 in lead for VEGF inhibitor companion drug due to failed Phase 2 and 3 studies from Ophthotech and Regeneron; could be VEGF companion product to Eylea® and Lucentis® products (~$9B market for wet AMD); high unmet need
- Regulatory path is well defined
- Deal terms
  - Santen pays all development and commercialization costs.
  - Up to $145M in remaining milestones; royalties in high single digits to low teens.

Santen Development of DE-122 in wet AMD

- Phase 1/2 PAVE trial results presented February 10, 2018 at the Angiogenesis, Exudation and Degeneration meeting at Bascom Palmer Eye Institute
  - 8 out of 12 subjects demonstrated bioactivity: improved macular edema or visual acuity
  - Safe with no serious adverse events

- Phase 2 AVANTE randomized trial is enrolling - data expected first half 2020

- Primary Endpoint: Best Corrected Visual Acuity following six monthly intravitreal injections
- Double masked
- N = 76



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TRC102: Expected Value Inflection Points

Companion Therapy	2019	2020
Alimta	Phase 2 Mesothelioma	
Alimta/cisplatin	Phase 1b Solid Tumors	
Temodar	Phase 1b Solid Tumors	
Chemoradiation	Phase 1b Lung	

- 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

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TRC102: Reversing Resistance to Chemotherapy

Combination	Well Tolerated	Signs of Activity in Phase 1b/2	Ongoing Development
TRC102 + Alimta (Published in Investigational New Drugs, 2012)	√	Stable disease in patients with squamous cell lung cancer, a tumor type where Alimta is inactive	Phase 2 trial with Alimta in mesothelioma
TRC102 + Fludara (Published in Oncotarget, 2017)	√	Partial response and stable disease in patients previously treated with Fludara	
TRC102 + Temodar (Presented at ASCO 2017)	√	Partial responses in patients with lung, KRAS+ colorectal and ovarian cancer; induced biomarkers of DNA damage Rad51, pNbs1, and/or γ-H2AX	Phase 2 expansion cohorts added in lung, 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	

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

TRC253:
Expected Value Inflection Point

- TRC253 is an antagonist of AR mutations that are resistance mechanisms for Xtandi® and Erleada®
  - **Phase 1 trial completed July 2018; dosing in Phase 2**
- TRACON was chosen because of our innovative product development platform
- JJDC made equity investment in TRACON

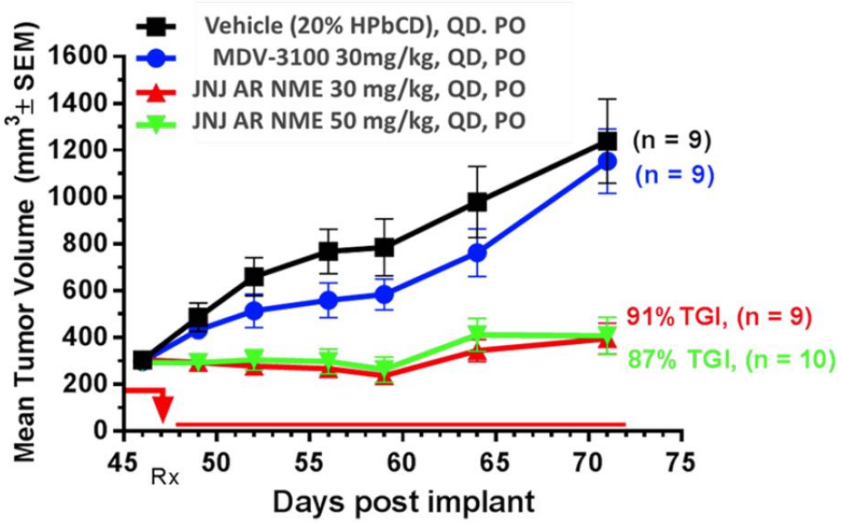
Janssen Right to Re-Acquire upon Phase 2 Data

- If Janssen opts-in: $45M opt-in payment and additional potential milestones of $137.5M and a low single digit royalty to TRACON
- If Janssen does not opt-in: TRACON retains all rights and will owe development and regulatory milestones of up to $45M and a low single digit royalty to Janssen

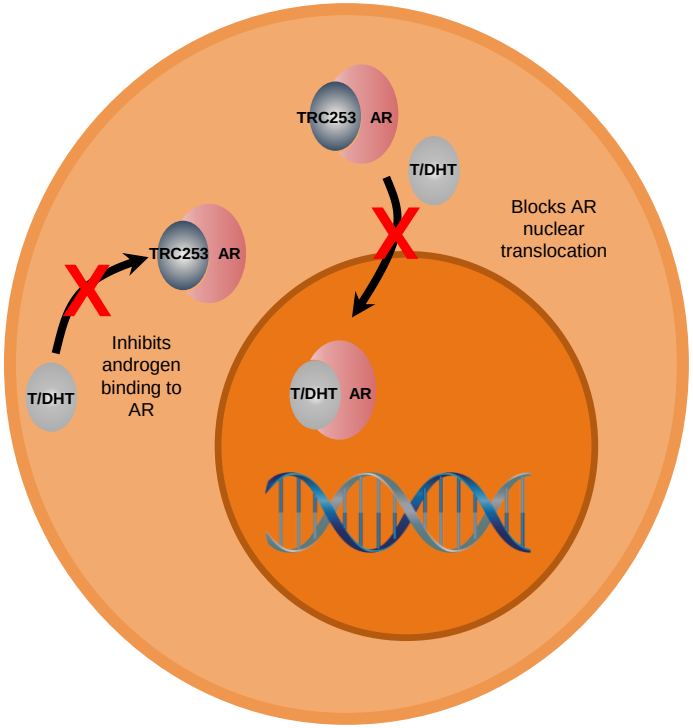
TRC253:
Novel Androgen Receptor (AR) Mutant Inhibitor

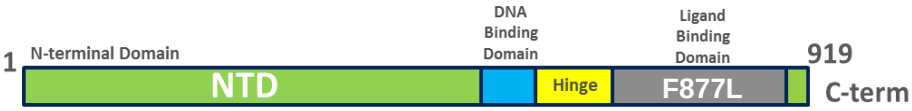
- Designed to treat AR resistant prostate cancer
  - Occurs in ~10% of mCRPC cases
- Active against wild-type AR and many clinically relevant ligand binding domain mutations
- Clear path to POC data in targeted population using a companion diagnostic
- Phase 1 trial completed and Phase 2 trial now enrolling

AR F877L-driven xenograft model



Multiple Mechanisms of Action





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Hickson, I. AACR 2016 Annual Meeting.
Joseph, JD, et al. Cancer Discovery 2013.

I-Mab Corporate Collaboration #1: TJ004309

*TRACON expects to initiate Phase 1 dosing in mid-2019

- CD73 Antibody
  - CD73 is a receptor expressed on tumors which generates adenosine which suppresses the immune response to tumors
  - TRACON conducts clinical development in US and EU 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 EU and Japan in the mid-single digits.
  - The TJ004309 IND was filed by TRACON in Dec 2018 and cleared by FDA in Jan 2019

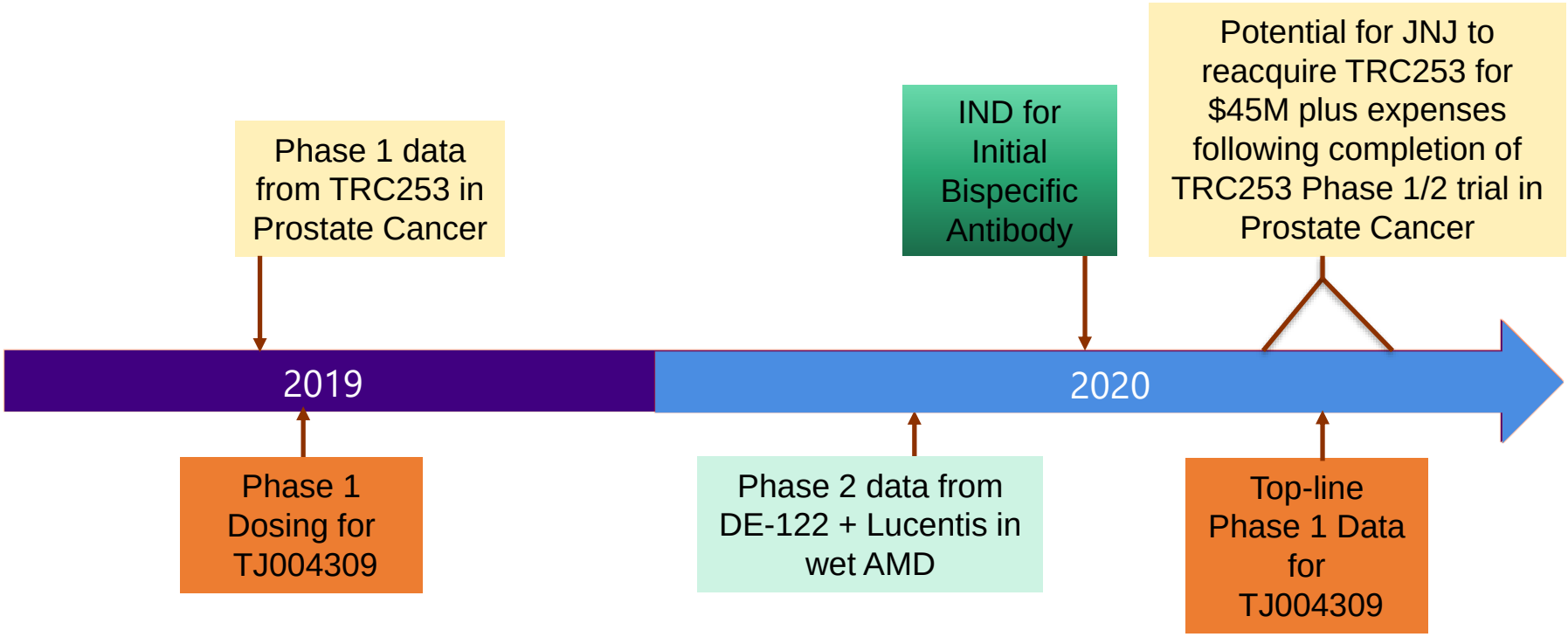
I-Mab Corporate Collaboration #2: Bispecific Antibodies

Bispecific Antibodies	2020	2021	2022
#1 of 5	IND		
#2 of 5		IND	
#3 of 5			IND

Timelines are for illustrative purposes only. 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.

- 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 EU 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

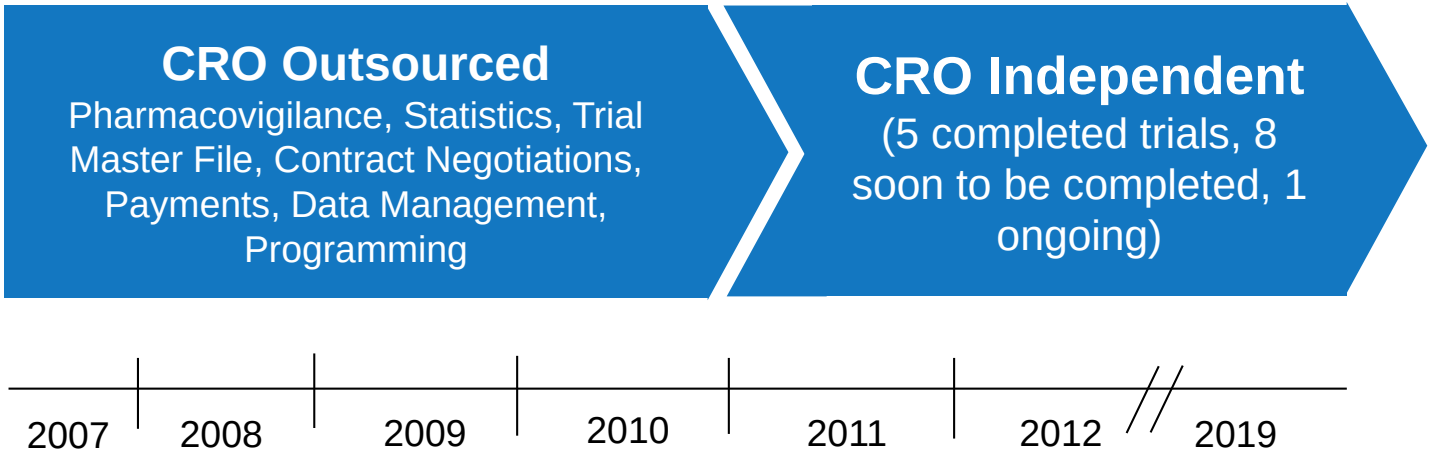
Expected Key Milestones



Business Development goal is 2 additional clinical stage assets.

TRACON Transitioned to CRO-Independent to Reduce Cost, Improve Quality, Decrease Timelines and Maintain Control

TRACON became a CRO-independent company while advancing an endoglin antibody from preclinical into a Phase 3 pivotal trial with FDA and EMA concurrence that did not achieve the efficacy endpoint



- **Clinical Development**
- **Pharmacovigilance**
- **Study Management**
- **Data Management**
- **Bioinformatics & IT**
- **Clinical Analytical**
- **Statistics (Consultant)**
- **Clinical Supplies**
- **CMC & Regulatory with FDA and EMA**
- **Monitoring (Contracted)**

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 can be leveraged for regulatory filings in all major territories
- Industry recognition for clinical trial design (Clinical Research Excellence Award)
- Collaborations with I-Mab and Janssen, including equity investment from JJDC, validated TRACON's product development platform

Resource Capacity for New Corporate Partnerships

- Original 2019 Corporate Goal was to Collaborate on the Development of 2 Additional Assets
- In April 2019, Data Monitoring Committee recommended discontinuing development of TRC105
- TRC105 was being studied in a Phase 3 trial at 27 sites in the United States and 5 countries in Europe
  - TRC105 decision leaves TRACON with greater resources for increased capacity with new corporate partners

Team of Industry Experts

Charles Theuer MD PhD, President and CEO

- 23 years of experience in drug discovery and development
- Sutent, Rituxan, Zevalin

Mark Wiggins MBA, Chief Business Officer

- 30 years of drug development experience
- Commercialization of Rituxan and Zevalin

Bonne Adams MBA, EVP Clinical Operations

- 16 years of experience in drug discovery and development
- Sutent, Rituxan, Zevalin

Suzy Benedict, SVP Regulatory Affairs

- 15 years of regulatory affairs experience
- Viracept, Macugen

Sharon Real PhD, EVP Product Development

- 23 years of experience in drug discovery and development
- Sutent, Macugen, Viracept, Targretin

Jennifer Ellis, SVP Quality Assurance

- 25 years of drug development experience
- Sivextro, Inlyta, Viracept

Financial Overview (as of March 31, 2019)

Ticker	TCON (NASDAQ)
Cash, Cash Equivalents and Short-term Investments	$32.1 million
Debt – Outstanding Principal	$7.0 million
Common Shares O/S	29.9 million
Covering Analysts	Jim Birchenough (Wells Fargo) Bert Hazlett (BTIG) Maury Raycroft (Jefferies)