surface

PHARMACEUTICALS INC.

CORPORATE PRESENTATION

August 2020

SURFACE PHARMACEUTICALS

Working toward a Clear Difference with a Bold and Efficient Approach, and a Focus on Patient Experience

We are striving to solve key patient needs in eye care through leveraging deep expertise, a bold approach, an eye toward efficiency and clear, differentiated clinical advantages.

3 **INDs Filed (in 2 years)**

1 **Program Already in Phase II Clinic**

39+ Million **Potential Patients**

$2B+ Billion **Potential Total Opportunity**

SURFACE PHARMACEUTICALS

What Sets Us Apart

- Focus on PATIENT EXPERIENCE to strive for IMPROVED PATIENT SATISFACTION , ADHERENCE and OUTCOMES
- Therapies built on the ESTABLISHED AND PROVEN KLARITY® delivery solution designed specifically to protect and rehabilitate the ocular surface
- NON-PRESERVED SOLUTION to enhance patient comfort and protect ocular surface
- Led by an EXPRERIENCED AND PROVEN management team and Board of Directors which allowed for EFFICIENT and SWIFT clinical progress
- Segmented focus within the UNDERSERVED MULTI-BILLION DOLLAR dry eye disease market and the $400M+ post-ocular surgery market

REVIEW OF SURFACE DRUG CANDIDATES

3 INDs Already Filed, 1 Already in Phase II Clinic

	SURF-100: MYCOPHENOLIC ACID + LOW CONCENTRATION BETAMETHASONE + KLARITY	SURF-200: LOW CONCENTRATION BETAMETHASONE + KLARITY	SURF-201: HIGH CONCENTRATION BETAMETHASONE + KLARITY
Patient Profiles	Chronic dry eye	Episodic flares of dry eye; pain and inflammation	Pain and inflammation post-ocular surgery
Incumbents	Restasis/Xiidra	Off-label use of mild steroids e.g. Lotemax, Kala (Phase III)	INVELTYS, Lotemax, Durezol
Est. Market potential	$1.5 Billion+	$750 Million+	$400 Million+
Key Characteristics	Immunosuppressive drug; potential for both responders and non-responders to incumbent drugs; compounded version presented without stinging	Betamethasone use well characterized O.U.S.; no current steroid has a label with indication for dry eye; if approved would be the only steroid with DED label	Betamethasone use well characterized O.U.S.;
IP	Klarity patent and new patent-pending (exp. 2037)	Klarity patent and new patent-pending (exp. 2037)	Klarity patent and new patent-pending (exp. 2037)

OUR LEADERSHIP TEAM

Leadership team with a proven track record in in developing and commercializing products in the eye care space

BOARD OF DIRECTORS

- Richard Lindstrom, MD (Chairman)
- Andy Corley (Director)
- Louis Drapeau (Director)
- Mark Baum (Director)
- Adrienne Graves, PhD (Director)
- Perry Sternberg (Director)
- Jeff Weinhuff (Board Observer)
- Kamran Hosseini, MD, PhD (CEO)

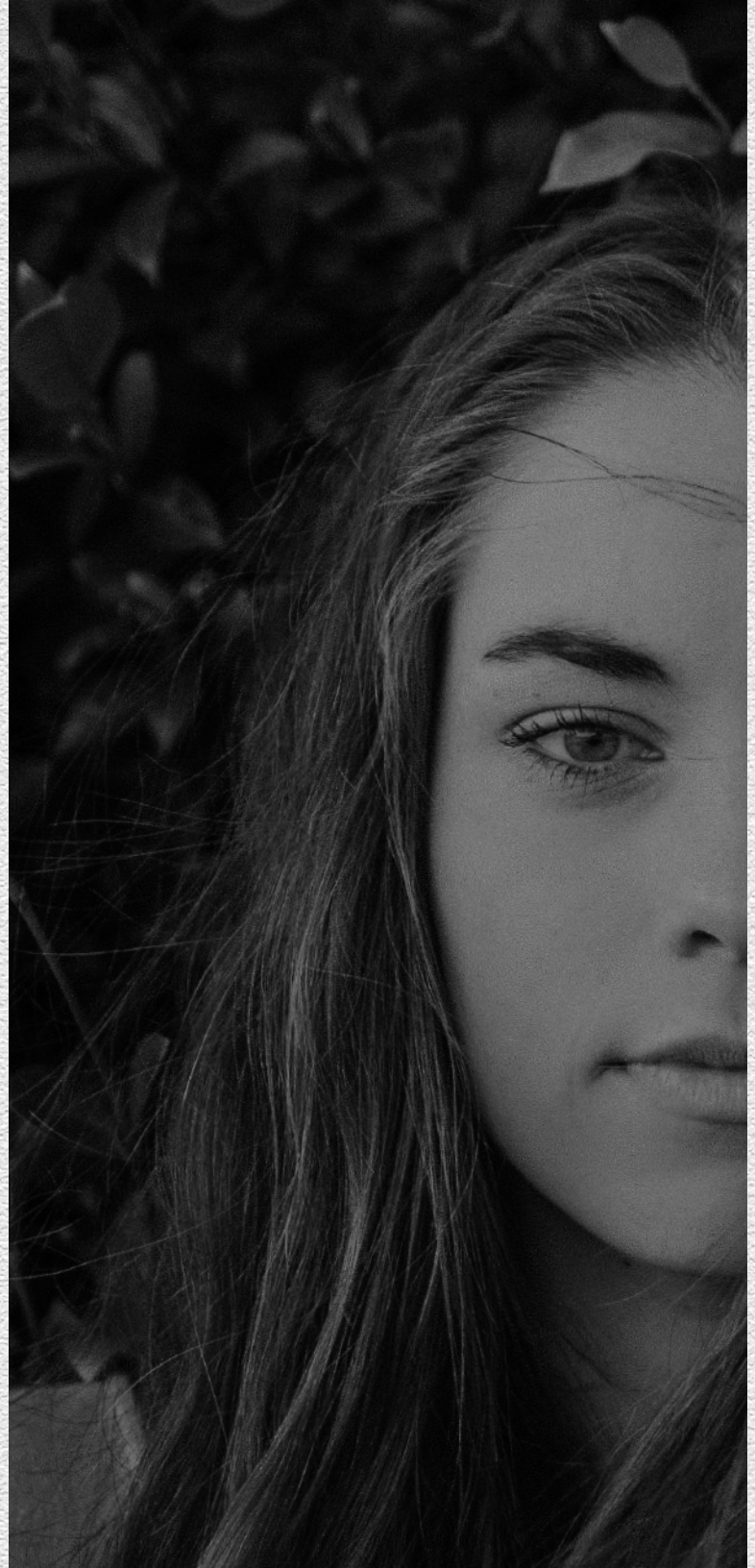
MEDICAL ADVISORY BOARD

- Richard Lindstrom, MD (Chairman)
- Preeya Gupta, MD
- Edward Holland, MD
- Terry Kim, MD
- Elizbeth Yeu, MD
- Paul Karpecki, OD
- Adrienne Graves, PhD
- Kamran Hosseini, MD, PhD

PATENTED KLARITY DELIVERY VEHICLE

Klarity is formulated to reduce corneal edema in post-op patients better than leading artificial tears.

- Developed by Richard L. Lindstrom, MD, inventor of Optisol GS (an advanced corneal preservation solution)
- Patented Klarity delivery vehicle is designed to protect and rehabilitate the ocular surface pathology for patients with moderate to severe dry eye disease
- Precedent clinical experience with Optisol-GS, Viscoat and DisCoVisc confirms the safety and efficacy of the key ingredient, chondroitin sulfate



DRY EYE DISEASE

SURF-100 and SURF-200

PROBLEM

A high percentage of patients suffering from dry eye disease do not respond to current therapies

Surface Pharmaceuticals' drug candidates are intended to address targeted segments of the multi-billion dollar Dry Eye Disease (DED) market.

Our drug candidates are designed to target the large portion of DED patients that do not respond to the current approved therapies.

Our topical formulations utilize the patented Klarity delivery vehicle, designed to protect and rehabilitate the ocular surface.

We are led by an experienced and proven management team and board of directors with over 80 years of ophthalmology related professional experience.

DRY EYE DISEASE MARKET DYNAMICS

DED is a multifactorial disorder of the tears and ocular surface characterized by symptoms of dryness and irritation

DED affects patients differently and requires specific treatments depending on symptomatology

Although the pathogenesis of DED is not fully understood, it is recognized that inflammation has a prominent role in the development of this condition

Current approved therapies are used by only approximately 1-2 million of the patients suffering from DED in the United States, leaving a significant unmet need and market opportunity

35+ MILLION

patients in the US are estimated to suffer from DED, with just 16 million diagnosed and only ~1-2 million currently on treatment

DRY EYE DISEASE MARKET SEGMENTS

DED is categorized and treated based on a change in physiology and pathology:

DRY EYE DISEASE CATEGORY	EST. PATIENT POPULATION	PATIENT PROFILES	TREATMENT OPTIONS
Chronic	35M	Mild-moderate chronic dry eye symptoms	Artificial tears; Restasis/Xiidra
Acute/episodic flares	17.5M	Flare ups of high degrees of discomfort	Off-label use of steroids and NSAIDs

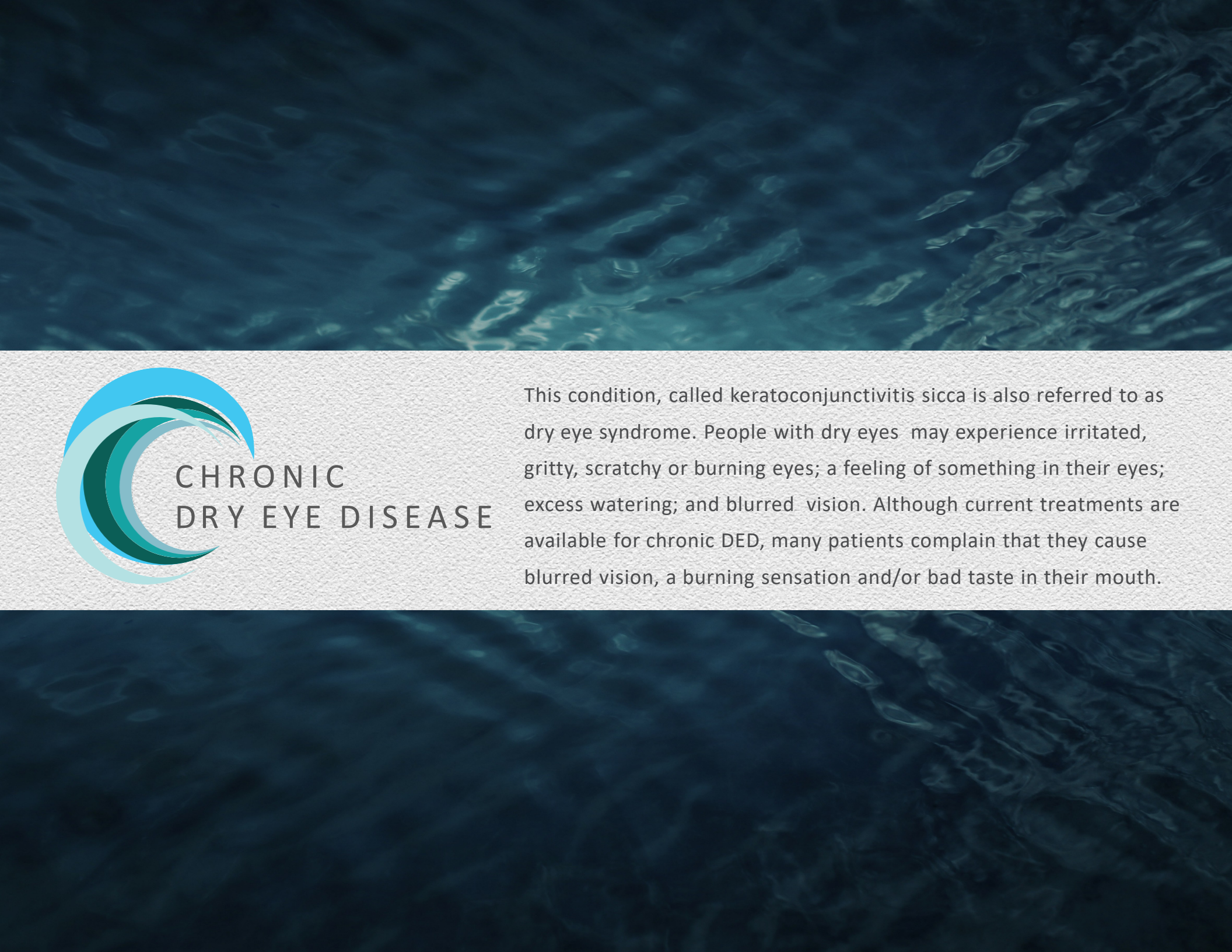
Surface's drug candidates have been positioned to target patients who do not respond to current therapies

Non-responders are the largest group of DED patients for each category

SURF-100

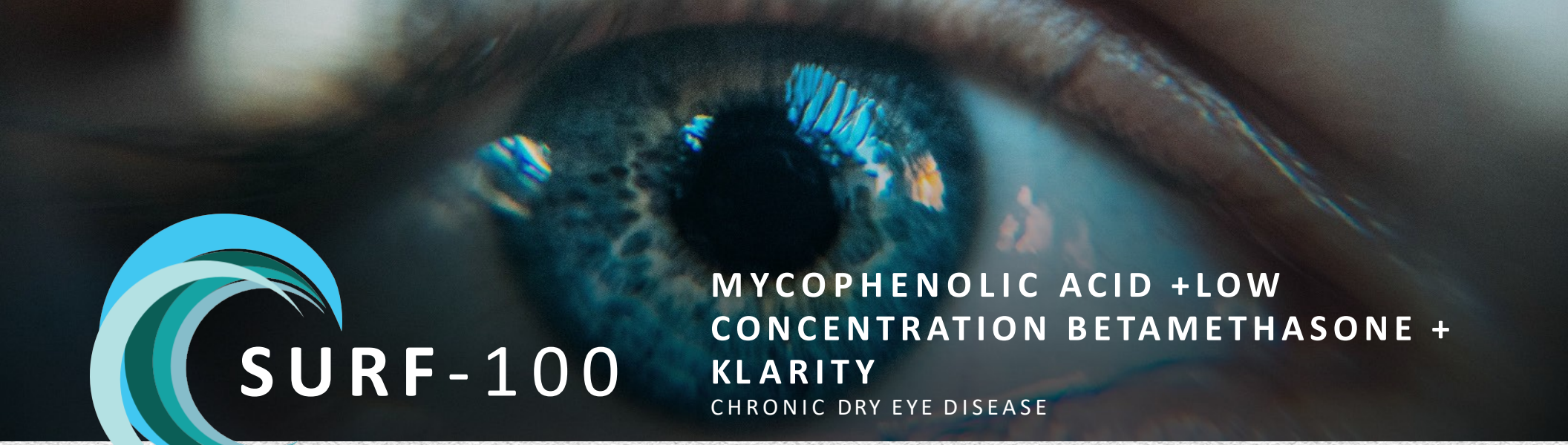
MYCOPHENOLIC ACID + LOW CONCENTRATION BETAMETHASONE + KLARITY

CHRONIC DRY EYE DISEASE



CHRONIC DRY EYE DISEASE

This condition, called keratoconjunctivitis sicca is also referred to as dry eye syndrome. People with dry eyes may experience irritated, gritty, scratchy or burning eyes; a feeling of something in their eyes; excess watering; and blurred vision. Although current treatments are available for chronic DED, many patients complain that they cause blurred vision, a burning sensation and/or bad taste in their mouth.



SURF-100

MYCOPHENOLIC ACID +LOW CONCENTRATION BETAMETHASONE + KLARITY

CHRONIC DRY EYE DISEASE

- Patent-pending formulation with mycophenolic acid, low concentration betamethasone in Klarity® diluent
- Klarity enables administration comfort, absence of blur, enhances contact time and drug delivery
- Mycophenolic Acid (MPA) is an immunosuppressive drug, oral form used in organ transplants
- Common side effects reported with existing approved treatments were ocular burning and instillation site irritation, respectively
- A small study showed oral treatment of MPA resulted in subjective improvement of ocular dryness and reduced demand for artificial tear supplementations

Clinical Program Entering Phase II

- IND filed in April 2020
- First patient enrollment planned for 2H 2020
- Topline results expected in 2H 2021

SURF-200

LOW CONCENTRATION BETAMETHASONE + KLARITY

EPISODIC DRY EYE DISEASE

EPISODIC DRY EYE DISEASE

No approved product in US for indication. Over an estimated 17.5M patients in the US are affected by episodic dry eye disease, which encompasses flares of moderate to severe signs and symptoms that typically disable the patients in their daily activities.

SURF-200

LOW CONCENTRATION BETAMETHASONE + KLARITY

EPISODIC DRY EYE DISEASE (17.5M+ PATIENTS US)

- No steroid has a label with indication for dry eye
- We believe SURF-200 may be a more potent, safe and therapeutically elegant option for patients compared to loteprednol, prednisolone and other steroids
- Potency: Betamethasone has greater than six times the glucocorticoid potency than prednisone, and longer duration of action – which may allow for a lower concentration solution and may minimize side effects associated with other steroid eye drops
- Safety: Betamethasone listed as one of the most effective and safest medicines in the world, there is no betamethasone based ophthalmic solution in US
- Patent-pending formulation, low concentration of betamethasone

Clinical Program Entering Phase II

- IND Filed in 2H 2019
- First patient enrollment planned for January 2021
- Topline results expected in 2H 2021

SURF-201

HIGH CONCENTRATION BETAMETHASONE + KLARITY

PREVENTION OF PAIN AND TREATMENT OF INFLAMMATION POST-OCULAR SURGERY

SURF-201

HIGH CONCENTRATION BETAMETHASONE + KLARITY

PREVENTION OF PAIN AND TREATMENT OF INFLAMMATION POST-OCULAR SURGERY

- 7.7 million ocular surgeries including nearly 4 million cataract surgeries annual in US
- Following ocular surgeries, patients typically prescribed a topical ocular corticosteroid, as well as an antibiotic and non-steroidal anti-inflammatory (NSAID)
- SURF-201 would be the first betamethasone-based offering for ophthalmic use in the US market
- Extremely potent concentration of betamethasone (0.2%) and first unit dose, preservative-free corticosteroid
- Target dosing is twice a day

Clinical Program through Phase II:

- IND filed in 2H 2019
- Patient enrollment already underway and >50% complete
- Topline results expected by Q4 2020

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PHARMACEUTICALS INC

THANK YOU