OTONOMY®

Targeted
Medicines
for the Ear

AVERTS-2 Top-line Results

November 8, 2017

Forward-Looking Statements

Safe Harbor Statement

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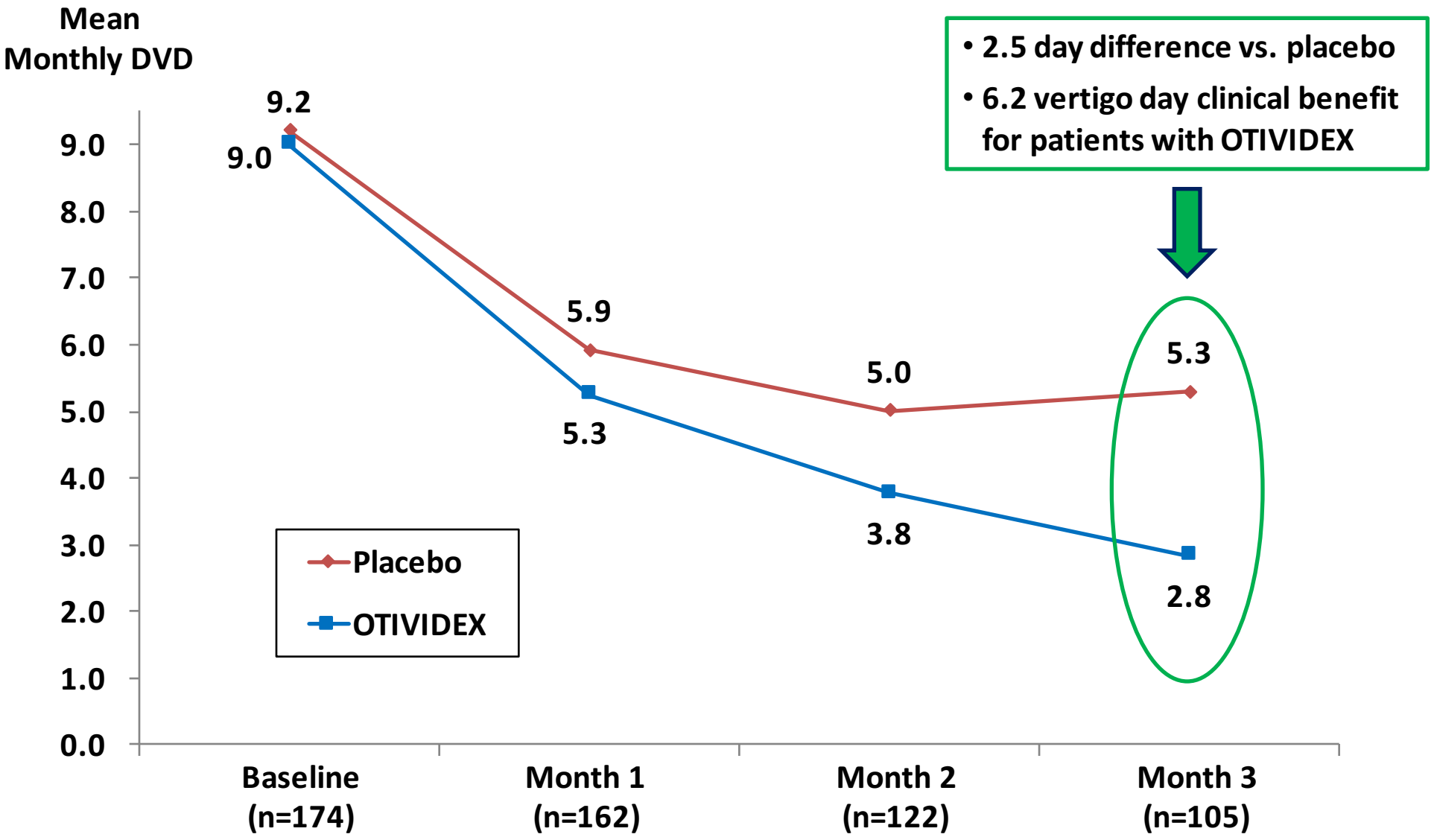
Summary of Results from AVERTS-2 Trial

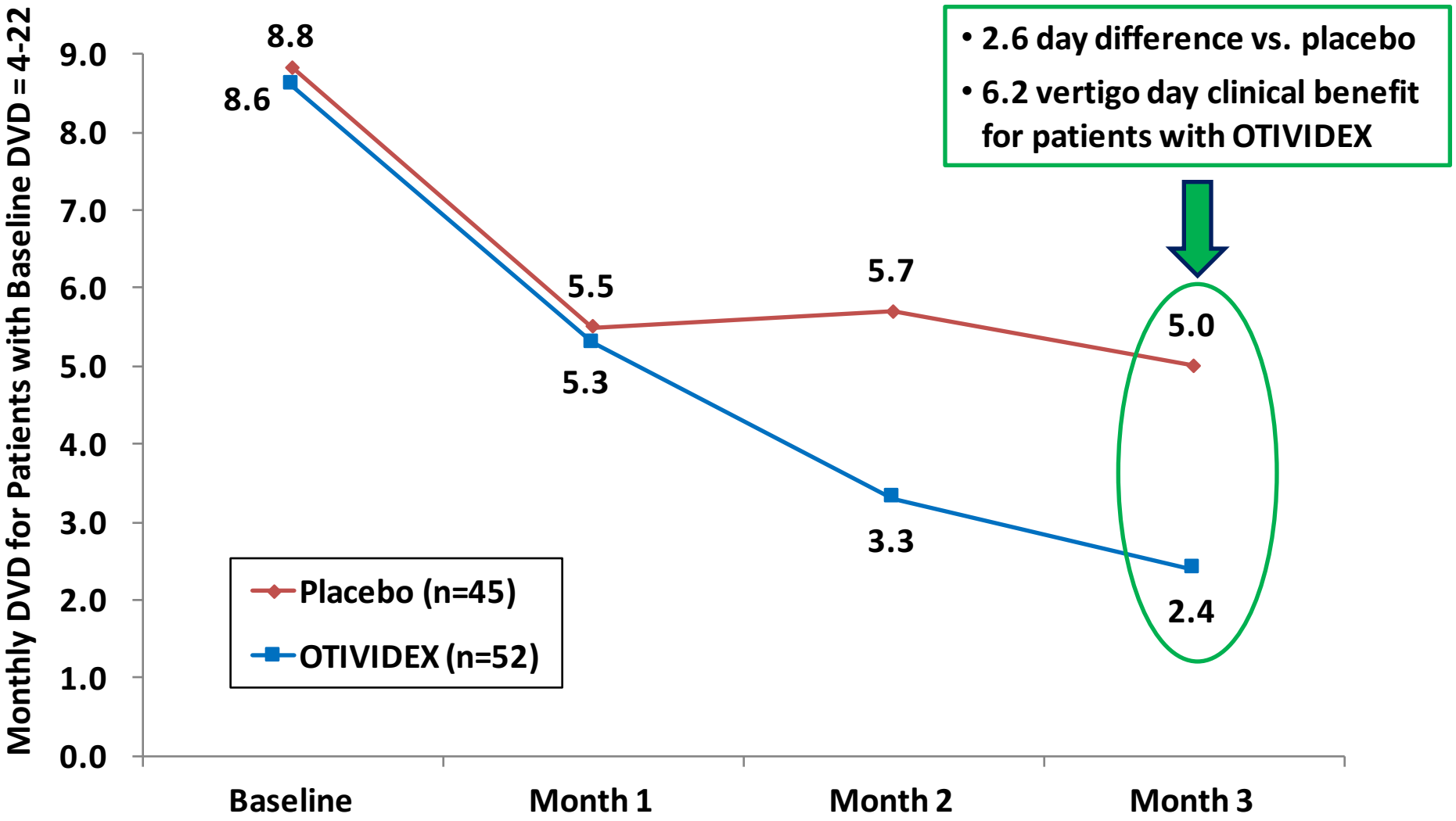
- **Successful result for primary endpoint: statistically significant reduction in count of definitive vertigo days (DVD) by Poisson Regression analysis in Month 3 shown for OTIVIDEX vs. placebo (p value = 0.029)**
- Statistical analysis based on 174 patients enrolled in trial; 105 patients completed daily diaries through Month 3 prior to study termination on August 31, 2017
- Mean monthly DVD and % reduction from baseline consistent with expectations from Phase 2b trial
- OTIVIDEX was generally well-tolerated with no drug-related serious adverse events

AVERTS-2 Results: Mean Monthly DVD

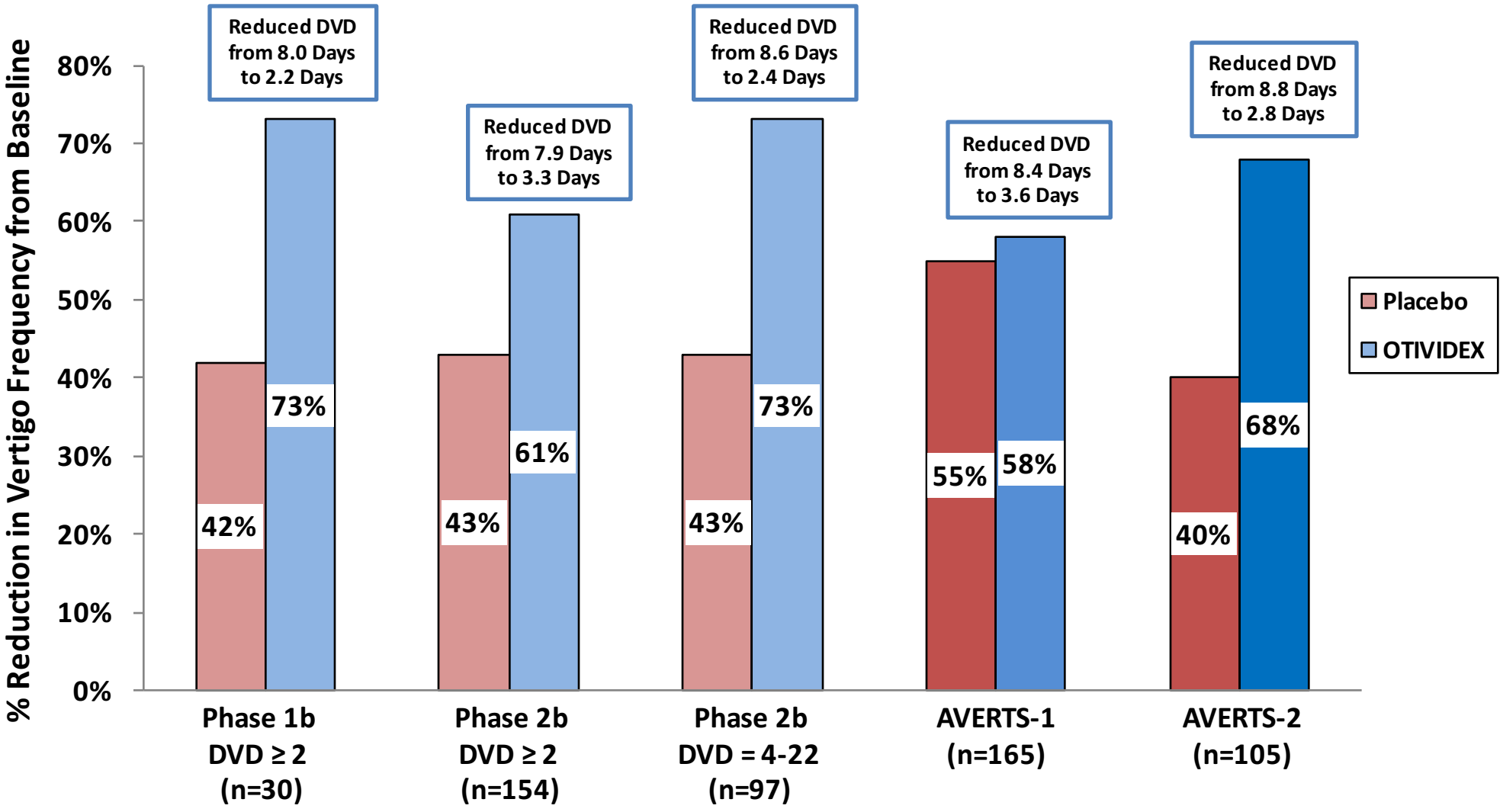


Results are Consistent with Expectations from Phase 2b

Mean Monthly DVD from Phase 2b with Phase 3 Patient Entry Criteria



% Reduction in Vertigo Frequency Across Trials



Phase 1b Baseline Values: OTIVIDEX (12 mg) = 8.0 Days; Placebo = 8.4 Days
Phase 2b with DVD ≥ 2 Baseline Values: OTIVIDEX = 7.9 Days; Placebo = 7.0 Days
Phase 2b with DVD = 4-22 Baseline Values: OTIVIDEX = 8.6 Days; Placebo = 8.8 Days
AVERTS-1 Baseline Values: OTIVIDEX = 8.4 Days; Placebo = 8.9 Days
AVERTS-2 Baseline Values: OTIVIDEX = 8.8 Days; Placebo = 8.9 Days (for 105 patients completing daily diaries through Month 3 prior to study termination)

Conclusions

- AVERTS-2 results demonstrate treatment benefit of OTIVIDEX in patients with Ménière's disease

- Results support continued development of OTIVIDEX for Ménière's disease

Next Steps

- Complete analysis of AVERTS-2
- Further assess AVERTS-1 trial and identify factors that might explain different outcomes
- Meet with FDA to discuss results and clinical requirements for registration
- Expect to provide program update in 1Q18 including plan to complete development required to file NDA