Forward-Looking Statements

This presentation includes “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical facts contained in this presentation such as “expects,” “contemplates,” “anticipates,” “plans,” “intends,” “believes” and variations of such words or similar expressions that predict or indicate future events or trends, or that do not relate to historical matters are forward-looking statements, including, among others: statements relating to plans and objectives of management for future operations and future results; the projected growth of the dry eye market; the anticipated shift to increased utilization of diagnostics in eye care; our belief that new and more expensive treatments will increasingly require diagnostics to gain payer support; our expectations for approvals in ROW markets; the size of our markets; our belief that the TearLab platform is well positioned to lead and capitalize on the shift in the market to personalized medicine; our anticipated use of proceeds from this offering; and our financial guidance. These statements involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Risks and uncertainties include, but are not limited to: our ability to successfully commercialize the TearLab Osmolarity System in the US; being able to generate sufficient cash flow to service our indebtedness; our financial leverage; operating successfully outside the US; raising additional capital; the ability to comply with and meet applicable laws and regulations; competition; enforcing our intellectual property; maintaining our key personnel; and successfully introducing new products. You should review the risks and uncertainties contained in our filings with the United States Securities and Exchange Commission, including risks and uncertainties described in detail under the caption “Risk Factors” in such filings. Because forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified and some of which are beyond our control, you should not rely on these forward-looking statements as predictions of future events. The events and circumstances reflected in our forward-looking statements may not be achieved or occur and actual results could differ materially from those projected in the forward-looking statements. Except as required by applicable law, we do not plan to publicly update or revise any forward-looking statements contained herein, whether as a result of any new information, future events, changed circumstances or otherwise.
• First and only objective in-vitro diagnostics platform for rapid, in-office testing of ophthalmic conditions
• Commercially available in over 40 countries, including U.S. (CLIA waiver) and specific U.S. reimbursement code
• Large high-growth market in the U.S.; first test for dry eye disease
• Over 5 million tests performed and global installed base of 5,000 devices
• Established revenue annuity base of $27M LTM in a razor/blade model
• Management team with average of 19 years experience in eye care
• May 2016 equity financing of $17M should fund the company to cash sustainability
Our Technology
Technology Highlights

• First and only nanoliter point-of-care in-vitro diagnostic platform that measures biomarkers rapidly and with high precision

<table>
<thead>
<tr>
<th>Relative Size of Testing Sample</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cholesterol</strong></td>
</tr>
<tr>
<td>20 µL</td>
</tr>
</tbody>
</table>

• Only quantitative and CLIA waived point-of-care test for dry eye disease

• Osmolarity specific CPT reimbursement code established

• Platform enables testing for additional and multiple biomarkers
Strong IP Portfolio

### Robust and Large IP Portfolio

<table>
<thead>
<tr>
<th>Area</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S.</td>
<td>11 Issued Patents</td>
</tr>
<tr>
<td>ROW</td>
<td>25 Issued Patents</td>
</tr>
<tr>
<td>Pending</td>
<td>18 Patents</td>
</tr>
</tbody>
</table>

Claims relating to:

- Tear collection technique
- Measurement process
- Manufacturing and methods
Clinical Value
Common Causes of Dry Eye Disease (DED)

- Age
- Diabetes
- Electronic device usage
- Lasik Surgery
- Contacts
- Autoimmune disease (Sjogren’s Syndrome and rheumatoid arthritis)
- Numerous prescribed and OTC medications

Growing causes of DED will lead to an increasing incidence rate
- Fluctuating/blurry vision
- Ocular pain
- Light sensitivity
- Watery eyes
- Contact lens discomfort
- Redness, burning, itching
- Feeling of sand or grit

Severe discomfort, loss of vision, and permanent ocular damage for patients if left untreated
## Driver of DED Supported by 50 Years of Research

### TearLab versus Common Diagnostics

- Ease of use and speed
- Objective and accurate
- Specific to dry eye disease
- Economic return

<table>
<thead>
<tr>
<th>Clinical Test</th>
<th>Positive Predictive Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Osmolarity(^1)</td>
<td>87%</td>
</tr>
<tr>
<td>Schirmer's (^2)</td>
<td>31%</td>
</tr>
<tr>
<td>Tear Film Breakup Time(^2)</td>
<td>25%</td>
</tr>
<tr>
<td>Staining (^2)</td>
<td>31%</td>
</tr>
<tr>
<td>Meniscus Height (^2)</td>
<td>33%</td>
</tr>
</tbody>
</table>


Importance of Quantitative Measure

Dry Eye Severity Scale

Test Result | Impact on Doctor Decision
--- | ---
Either eye greater than 308 mOsm/L | Treat

TAILOR BASED ON SEVERITY

Both eyes below 308 mOsm/L | Look for alternate diagnosis
Tipping Point For Adoption in 2016

- **Key Society Guidelines** – A consensus-based, non-sponsored, OSD [ocular surface disease] algorithm with tear osmolarity as a key first diagnostic test will be coming mid 2016

- **Shire Dry Eye Drug Approval** – Shire Pharmaceutical expecting approval of the first new Rx drug for dry eye in 13 years which will energize the space
Commercialization
# Experienced Eye Care Execution Team

<table>
<thead>
<tr>
<th>Team Member</th>
<th>Title</th>
<th>Years in Industry</th>
<th>Prior Company Experience</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seph Jensen</td>
<td>CEO</td>
<td>20</td>
<td>Alcon, Warner Lambert</td>
</tr>
<tr>
<td>Wes Brazell</td>
<td>CFO</td>
<td>22</td>
<td>Alcon, KPMG</td>
</tr>
<tr>
<td>Ben Sullivan, Ph.D.</td>
<td>CSO</td>
<td>16</td>
<td>Schepens Eye Research Institute</td>
</tr>
<tr>
<td>Michael Berg</td>
<td>VP Regulatory</td>
<td>25</td>
<td>HemoCue, Inc.</td>
</tr>
<tr>
<td>Raymond Kong</td>
<td>VP Sales</td>
<td>24</td>
<td>Alcon, Bausch &amp; Lomb</td>
</tr>
<tr>
<td>Duane Morrison</td>
<td>VP Business Development</td>
<td>22</td>
<td>TLC, Technology Source</td>
</tr>
<tr>
<td>Paul Smith</td>
<td>VP International</td>
<td>15</td>
<td>Alcon</td>
</tr>
<tr>
<td>Julie Speed</td>
<td>VP Marketing</td>
<td>15</td>
<td>Alcon</td>
</tr>
<tr>
<td>Manoj Venkiteshwar</td>
<td>VP Medical Affairs</td>
<td>17</td>
<td>Alcon, Bausch &amp; Lomb</td>
</tr>
</tbody>
</table>
Revenue Growth Post CLIA-Waiver

- Financial Sale
  - Comp on Device
  - Footprint Established

- Company Re-set
  - Comp on Utilization
  - 60% Sales Turnover

- Clinical Sale
  - Launch Flex
  - Execute

Annual guidance range from $29M to $30.2M
U.S. Device Footprint by Contract

<table>
<thead>
<tr>
<th>Quarter</th>
<th>1Q14</th>
<th>2Q14</th>
<th>3Q14</th>
<th>4Q14</th>
<th>1Q15</th>
<th>2Q15</th>
<th>3Q15</th>
<th>4Q15</th>
<th>1Q16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Use</td>
<td>802</td>
<td>774</td>
<td>810</td>
<td>715</td>
<td>613</td>
<td>510</td>
<td>438</td>
<td>391</td>
<td>357</td>
</tr>
<tr>
<td>Masters</td>
<td>1,462</td>
<td>1,718</td>
<td>1,763</td>
<td>1,768</td>
<td>1,775</td>
<td>1,764</td>
<td>1,725</td>
<td>1,708</td>
<td>1,747</td>
</tr>
<tr>
<td>Flex</td>
<td>2,264</td>
<td>2,492</td>
<td>2,573</td>
<td>2,790</td>
<td>3,016</td>
<td>1,093</td>
<td>1,346</td>
<td>1,550</td>
<td>1,705</td>
</tr>
</tbody>
</table>

% of 1Q16 Revenue:
- Use: 9%
- Masters: 29%
- Flex: 62%
$500 Million U.S. annual ophthalmology opportunity
5% penetrated from current revenue run rate of MD market (1)

Annual Revenue Opportunity

- Current Run Rate - $27 million
- Potential current customer footprint - $98 million
- Market opportunity with current U.S. infrastructure - $194 million
- Ophthalmology market for total MD's in dry eye practice excluding OD market - $500 million

(1) TearLab Q1 annualized revenue run rate $27 million
ROW Market Opportunity

Strategy:

• Significant market opportunity with large patient population
• Distributor with ophthalmic scale and similar business model
• Currently approved or expect registration within 12 months

Performance:

• New and better trained distributors in UK, Germany, Turkey, India, Colombia, Australia
• KOL support established across EU and in other key areas
• Mexico approval expected in mid-2016 and Brazil registration being prepared with approval expected in 2017
• Pilots in Canada with potential OD partnerships
Future of Diagnostics in Eye Care

• Ophthalmic biomarker use is in its infancy

• Subjective signs and symptoms currently drive decision making

• New era of electronic health records = increasingly scrutinized prescribing decisions

• Future will require evidence based medicine via in-vitro diagnostics in order to (1) reduce misdiagnoses, (2) support therapy decisions and (3) monitor compliance/treatment efficacy

The TearLab platform is optimally positioned to lead and benefit from this shift in the market to personalized medicine
TearLab Next Generation Platform

### Revolutionizing the diagnose-prescribe-manage continuum

<table>
<thead>
<tr>
<th>Category</th>
<th>Features</th>
</tr>
</thead>
</table>
| Commercial Application | • Quantitative measure  
                        | • Rapid results  
                        | • Multiplexed biomarkers  
                        | • EHR integration          |
| Clinical Application | • Customized chips across multiple diseases  
                       | • Normalization using osmolarity                            |
| Regulatory          | • CE marking end of 2016  
                        | • US FDA submission 1H 2017                                 |
Financial Guidance Summary

Summarized Guidance from 1Q16 Conference Call (May 4, 2016):

• Top line growth rate target of 15% - 20%

• Top line growth accelerators:
  – Society and professional protocols and new therapeutic entrants
  – International market development and new approvals
  – New device approval in the U.S.

• Long-term gross margin improvement target above 60% as device footprint matures

• Cash profitability target at annual revenue of $40 million
Why Now - Investment Thesis Recap

- Market leader in a large, growing, underpenetrated market
- Leading technology platform with a large annuity footprint
- Experienced management team in place to execute
- May 2016 financing funds the company to cash sustainability
- Next generation platform to accelerate commercial growth

At a tipping point toward standard of care
PIONEERING THE FUTURE OF TEAR FILM DIAGNOSTICS TO ELEVATE PATIENT CARE