

Ironwood Pharmaceuticals

Q2 2025 Investor Update

August 7, 2025



Safe harbor statement

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Investors are cautioned not to place undue reliance on these forward-looking statements, including statements about our ability to execute on our mission; our strategy, business, financial position and operations; our ability to drive growth and profitability; the commercial potential of LINZESS; our financial performance and results, and guidance and expectations related thereto; LINZESS prescription demand growth, LINZESS U.S. net sales, total revenue and adjusted EBITDA in 2025; our engagement of Goldman Sachs to explore strategic alternatives; our plan to align with FDA on confirmatory Phase 3 trial design and expectation to initiate such trial, and the timing thereof. These forward-looking statements speak only as of the date of this press release, and Ironwood undertakes no obligation to update these forward-looking statements. Each forward-looking statement is subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied in such statement. Applicable risks and uncertainties include those related to the effectiveness of development and commercialization efforts by us and our partners; preclinical and clinical development, manufacturing and formulation development of linacotide, apraglutide and our other product candidates; the risk of uncertainty relating to pricing and reimbursement policies in the U.S., which, if not favorable for our products, could hinder or prevent our products' commercial success; the risk that clinical programs and studies, including for linacotide pediatric programs and apraglutide, may not progress or develop as anticipated, including that studies are delayed or discontinued for any reason, such as safety, tolerability, enrollment, manufacturing, economic or other reasons; the risk that findings from our completed nonclinical studies and clinical trials may not be replicated in later trials and earlier-stage clinical trials may not be predictive of the results we may obtain in later-stage clinical trials or of the likelihood of regulatory approval; the risk that apraglutide will not be approved by the FDA or other regulatory agencies; the risk of competition or that new products may emerge that provide different or better alternatives for treatment of the conditions that our products are approved to treat; the risk that we are unable to execute on our strategy to in-license externally developed products or product candidates; the risk that we are unable to successfully partner with other companies to develop and commercialize products or product candidates; the risk that healthcare reform and other governmental and private payor initiatives may have an adverse effect upon or prevent our products' or product candidates' commercial success; the efficacy, safety and tolerability of linacotide and our product candidates; the risk that the commercial and therapeutic opportunities for LINZESS, apraglutide or our other product candidates are not as we expect; decisions by regulatory and judicial authorities; the risk we may never get additional patent protection for linacotide, apraglutide and other product candidates, that patents for linacotide, apraglutide or other products may not provide adequate protection from competition, or that we are not able to successfully protect such patents; the risk that we are unable to manage our expenses or cash use, or are unable to commercialize our products as expected; the risk that the development of any of our linacotide pediatric programs and/or apraglutide is not successful or that any of our product candidates does not receive regulatory approval or is not successfully commercialized; outcomes in legal proceedings to protect or enforce the patents relating to our products and product candidates, including abbreviated new drug application litigation; the risk that financial and operating results may differ from our projections; developments in the intellectual property landscape; challenges from and rights of competitors or potential competitors; the risk that our planned investments do not have the anticipated effect on our company revenues; developments in accounting guidance or practice; Ironwood's or AbbVie's accounting practices, including reporting and settlement practices as between Ironwood and AbbVie; the risk that our indebtedness could adversely affect our financial condition or restrict our future operations; the risk that our activities to explore potential strategic alternatives may not result in any transaction or maximize shareholder value; the risk that our Class A Common Stock may be delisted from the Nasdaq Global Select Market if we fail to regain compliance with the continued listing requirements of Nasdaq, and therefore, the ability to access the capital markets could be negatively impacted; and the risks listed under the heading "Risk Factors" and elsewhere in our Annual Report on Form 10-K for the year ended December 31, 2024, and in our subsequent Securities and Exchange Commission filings.

Ironwood uses non-GAAP financial measures in this presentation, which should be considered only a supplement to, and not a substitute for or superior to, GAAP measures. Refer to the Reconciliation of Non-GAAP Financial Measures to GAAP Results table and to the Reconciliation of Adjusted EBITDA to GAAP net income table and related footnotes on pages 10 to 12 of this presentation. Further, Ironwood considers the net profit for the U.S. LINZESS brand collaboration with AbbVie in assessing the product's performance and calculates it based on inputs from both Ironwood and AbbVie. This figure should not be considered a substitute for Ironwood's GAAP financial results. An explanation of our calculation of this figure is provided in the U.S. LINZESS Brand Collaboration table and related footnotes on pages 6 and 13 to 14 of this presentation.

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Focused on delivering life changing therapies for people living with gastrointestinal and rare disease

Advancing Apraglutide

- Once-weekly GLP-2 Apraglutide **generated robust efficacy and safety** in the **largest SBS-IF trial to date (STARS Phase 3)**
- **Finalizing confirmatory Phase 3 trial design, plan to align with the FDA in Q4'25, and expect to initiate in first half 2026**
- Recent STARS Extend data analysis showed **34 apraglutide-dosed patients achieved enteral autonomy¹**, the ultimate goal of SBS-IF patients

Maximizing LINZESS

- Q2 LINZESS U.S. net sales of **\$248 million**: robust **10%** 2024 year-over-year EUTRx demand growth² and net price in-line with our expectations
- Reiterated full-year **LINZESS U.S. net sales guidance of \$800 - \$850 million** and **Ironwood revenue guidance of \$260 - \$290 million**

Delivering Sustained Profits and Cash Flows

- Generated **\$24 million** in GAAP Net Income and **\$50 million** of adjusted EBITDA in Q2 2025
- Ended Q2 2025 with **\$93 million** in cash and cash equivalents
- **Reiterated adjusted EBITDA³ guidance of greater than \$105 million**

Continuing to progress previously announced strategic alternatives review

More apraglutide-treated patients continue to achieve enteral autonomy in STARS Extend as plans for confirmatory Phase 3 trial are well underway

Apraglutide GLP-2 Analog

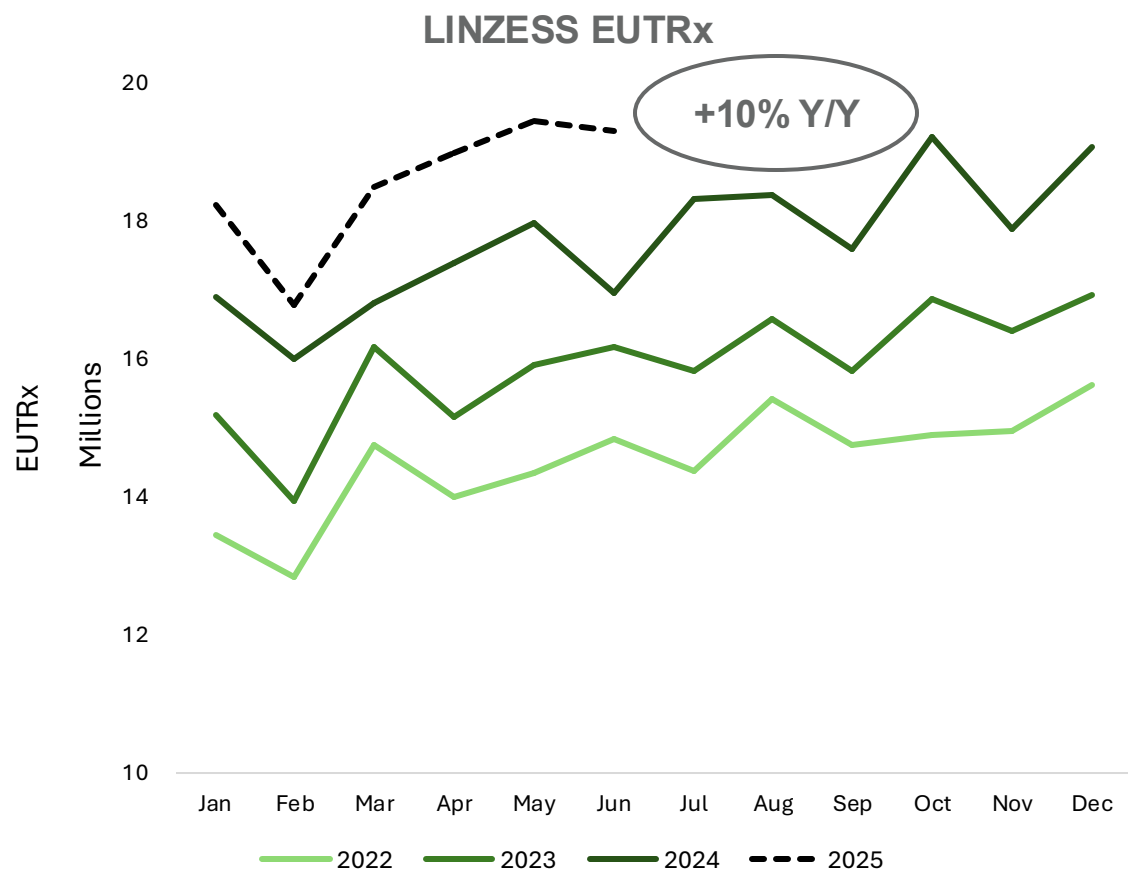
Potential Best-In Class Clinical Profile

- **Only GLP-2** to achieve a statistically significant reduction in weekly parenteral support (PS) volume with once-weekly administration
- **34** apraglutide-treated patients achieved enteral autonomy as of most recent analysis (Jan '25) demonstrating increased PS weaning with longer exposure
- Incidence of treatment-related AEs and SAEs was **comparable** between treatment arms in the apraglutide STARS Phase 3 study

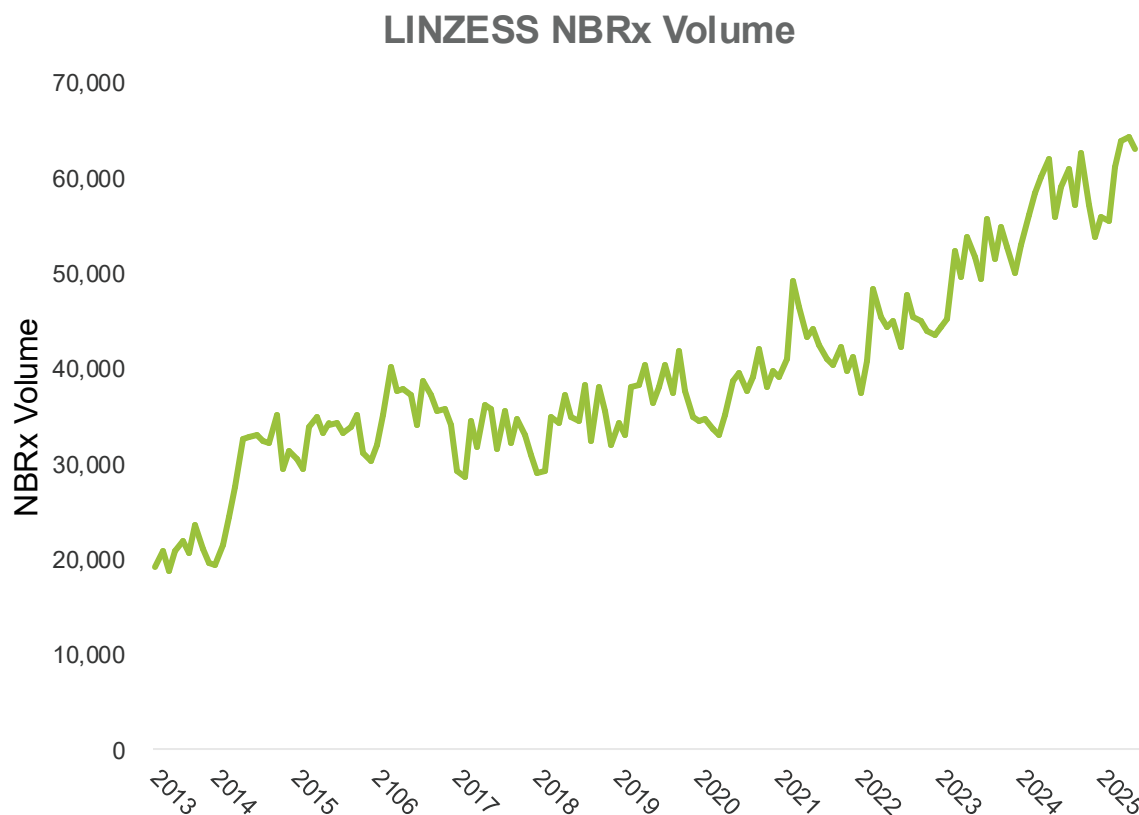
Development Program is Progressing

- Long-term extension trial, STARS Extend, is ongoing with data expected to be an **integral part** of an NDA submission package
- Currently **finalizing** confirmatory Phase 3 trial design pending alignment with FDA in Q4 2025
- Expect to **initiate** confirmatory Phase 3 trial in first half of 2026

Double digit YoY demand growth in Q2 2025 was supported by continued growth in new patient starts for LINZESS



Source: IQVIA Monthly National Prescription Audit



Source: IQVIA Weekly Patient Insights

Q2 2025 Financial Summary

LINZESS U.S. Brand Collaboration

Commercial Profit & Collaboration Revenue ¹		
	Three Months Ended June 30, 2025	Six Months Ended June 30, 2025
	(000s)	(000s)
LINZESS U.S. net product sales as reported by AbbVie²	\$ 248,001	\$ 386,478
AbbVie & Ironwood commercial costs, expenses and other discounts³	76,886	143,793
Commercial profit on sales of LINZESS	\$ 171,115	\$ 242,685
<i>Commercial Margin⁴</i>	69%	63%
Ironwood's share of net profit	85,558	121,343
Reimbursement for Ironwood's commercial expenses	125	3,108
Ironwood's collaborative arrangements revenue	\$ 85,683	\$ 124,451

¹ Ironwood collaborates with AbbVie on the development and commercialization of linaclotide in North America. Under the terms of the collaboration agreement, Ironwood receives 50% of the net profits and bears 50% of the net losses from the commercial sale of LINZESS in the U.S. The purpose of this table is to present calculations of Ironwood's share of net profit (loss) generated from the sales of LINZESS in the U.S. and Ironwood's collaboration revenue/expense; however, the table does not present the research and development expenses related to LINZESS in the U.S. that are shared equally between the parties under the collaboration agreement. ² LINZESS net sales are recognized using AbbVie's revenue recognition accounting policies and reporting conventions. As a result, certain rebates and discounts are classified as LINZESS U.S. commercial costs, expenses and other discounts within Ironwood's calculation of collaborative arrangements revenue. ³ Includes certain discounts recognized and cost of goods sold incurred by AbbVie; also includes commercial costs incurred by AbbVie and Ironwood that are attributable to the costsharing arrangement between the parties. ⁴ Commercial margin is defined as commercial profit on sales of LINZESS as a percent of total LINZESS U.S. net sales.

Q2 2025 financial performance

\$248M

LINZESS U.S. Net Sales¹

Q2 2025 LINZESS net sales as reported by AbbVie were
\$248M, up 17%² year-over-year
Strong demand growth of 10% YoY

\$85M

Total Ironwood Revenues

Primarily driven by \$86M in U.S. LINZESS
collaboration revenue, partially offset by reduction in other
revenues³

\$24M

GAAP Net Income

\$0.15/share – basic
\$0.14/share – diluted

\$50M

Adjusted EBITDA⁴

Ended Q2 2025 with \$93 million of cash and cash equivalents

¹ LINZESS U.S. net sales are reported by AbbVie and LINZESS costs incurred by each of us and AbbVie are reported in our respective financial statements. LINZESS costs include certain discounts recognized and cost of goods sold incurred by AbbVie, as well as commercial costs incurred by AbbVie and Ironwood that are attributable to the cost-sharing arrangement between the parties. See slides 13 and 14 for detailed breakdown. ² LINZESS U.S. net sales as reported by AbbVie in the second quarter of 2024 reflected the gross-to-net change in estimate related to the year ended December 31, 2023, which Ironwood previously accounted for in the first quarter of 2024 by recording a \$30.0 million reduction to collaborative arrangements revenue. ³ During the second quarter of 2025, the Company recorded a \$2.9 million reduction to cumulative collaborative arrangements revenue due to an increase in estimated development costs in connection with the confirmatory Phase III trial needed to seek U.S. FDA approval for apraglutide. ⁴ Refer to the Reconciliation of GAAP net income to adjusted EBITDA on slide 12 of this presentation.

We are maintaining our FY 2025 guidance issued on April 25th



FY 2025 Guidance (August 2025)

LINZESS U.S. net sales

\$800 – \$850 million

Ironwood revenue

\$260 – \$290 million

Adjusted EBITDA¹

> \$105 million

¹ Adjusted EBITDA is calculated by subtracting restructuring expenses, net interest expense, income taxes, depreciation and amortization and stock-based compensation, from GAAP net income. The exclusion of stock-based compensation from Adjusted EBITDA represents an update to our definition of Adjusted EBITDA, effective in the first quarter of 2025. For purposes of this guidance, we have assumed that Ironwood will not incur material expenses related to business development activities in 2025. Ironwood does not provide guidance on GAAP net income or a reconciliation of expected adjusted EBITDA to expected GAAP net income because, without unreasonable efforts, it is unable to predict with reasonable certainty the non-GAAP adjustments used to calculate adjusted EBITDA. These adjustments are uncertain, depend on various factors and could have a material impact on GAAP net income for the guidance period. Management believes this non-GAAP information is useful for investors, taken in conjunction with Ironwood's GAAP financial statements, because it provides greater transparency and period-over-period comparability with respect to Ironwood's operating performance. These measures are also used by management to assess the performance of the business. Investors should consider these non-GAAP measures only as a supplement to, not as a substitute for or as superior to, measures of financial performance prepared in accordance with GAAP. In addition, these non-GAAP financial measures are unlikely to be comparable with non-GAAP information provided by other companies.

APPENDIX

Q2 2025 Financial Summary

Reconciliation of GAAP results to non-GAAP financial measures (page 1)

	Three Months Ended June 30, 2025	Six Months Ended June 30, 2025
	(000s, except per share amounts)	(000s, except per share amounts)
GAAP net income (loss) ¹	\$ 23,599	\$ (13,787)
Adjustments:		
Amortization of acquired intangible assets	204	407
Restructuring expenses	(250)	18,309
Tax effect of adjustments	70	(4,533)
Non-GAAP income ¹	\$ 23,623	\$ 396
GAAP net income (loss) per share – basic ¹	\$ 0.15	\$ (0.09)
Adjustments to GAAP net income per share (as detailed above)	-	0.09
Non-GAAP net income per share – basic ¹	\$ 0.15	\$ -

¹ The company presents non-GAAP net income and non-GAAP net income (loss) per share to exclude amortization of acquired intangible assets, restructuring expenses, and acquisition-related costs, all net of tax effect. Investors should consider these non-GAAP measures only as a supplement to, not as a substitute for or as superior to, measures of financial performance prepared in accordance with GAAP. For a reconciliation of the company's non-GAAP financial measures to the most comparable GAAP measures, please refer to the table above. Additional information regarding the non-GAAP financial measures is included in the company's press release dated August 7, 2025. Management believes this non-GAAP information is useful for investors, taken in conjunction with Ironwood's GAAP financial statements, because it provides greater transparency and period-over-period comparability with respect to Ironwood's operating performance. These measures are also used by management to assess the performance of the business. In addition, these non-GAAP financial measures are unlikely to be comparable with non-GAAP information provided by other companies.

Q2 2025 Financial Summary

Reconciliation of GAAP results to non-GAAP financial measures (page 2)

	Three Months Ended June 30, 2025	Six Months Ended June 30, 2025
	(000s, except per share amounts)	(000s, except per share amounts)
GAAP net income (loss) per share – diluted ¹	\$ 0.14	\$ (0.09)
Adjustments to GAAP net loss per share (as detailed above)	-	0.09
Non-GAAP net income per share – diluted ¹	\$ 0.14	\$ -

¹ The company presents non-GAAP net income and non-GAAP net income (loss) per share to exclude amortization of acquired intangible assets, restructuring expenses, and acquisition-related costs, all net of tax effect. Investors should consider these non-GAAP measures only as a supplement to, not as a substitute for or as superior to, measures of financial performance prepared in accordance with GAAP. For a reconciliation of the company's non-GAAP financial measures to the most comparable GAAP measures, please refer to the table above. Additional information regarding the non-GAAP financial measures is included in the company's press release dated August 7, 2025. Management believes this non-GAAP information is useful for investors, taken in conjunction with Ironwood's GAAP financial statements, because it provides greater transparency and period-over-period comparability with respect to Ironwood's operating performance. These measures are also used by management to assess the performance of the business. In addition, these non-GAAP financial measures are unlikely to be comparable with non-GAAP information provided by other companies.

Q2 2025 Financial Summary

Reconciliation of GAAP net income (loss) to adjusted EBITDA

	Three Months Ended June 30, 2025	Six Months Ended June 30, 2025
	(000s)	(000s)
GAAP net income (loss) ¹	\$ 23,599	\$ (13,787)
Adjustments:		
Stock-based compensation	4,524	9,815
Restructuring expenses	(250)	18,309
Interest expense	8,356	16,426
Interest and investment income	(818)	(1,687)
Income tax expense	14,223	15,337
Depreciation and amortization	467	946
Adjusted EBITDA ¹	\$ 50,101	\$ 45,359

¹ The company presents non-GAAP net income and non-GAAP net income (loss) per share to exclude amortization of acquired intangible assets, restructuring expenses, and acquisition-related costs, all net of tax effect. Investors should consider these non-GAAP measures only as a supplement to, not as a substitute for or as superior to, measures of financial performance prepared in accordance with GAAP. For a reconciliation of the company's non-GAAP financial measures to the most comparable GAAP measures, please refer to the table above. Additional information regarding the non-GAAP financial measures is included in the company's press release dated August 7, 2025. Management believes this non-GAAP information is useful for investors, taken in conjunction with Ironwood's GAAP financial statements, because it provides greater transparency and period-over-period comparability with respect to Ironwood's operating performance. These measures are also used by management to assess the performance of the business. In addition, these non-GAAP financial measures are unlikely to be comparable with non-GAAP information provided by other companies. Adjusted EBITDA is calculated by subtracting restructuring expenses, net interest expense, income taxes, depreciation and amortization and stock-based compensation, from GAAP net income. The exclusion of stock-based compensation from Adjusted EBITDA represents an update to our definition of Adjusted EBITDA, effective in the first quarter of 2025.

Q2 2025 vs. Q2 2024

LINZESS U.S. Brand Collaboration

Commercial Profit & Collaboration Revenue¹

	Three Months Ended June 30, 2025 (000s)	Three Months Ended June 30, 2024 (000s)
LINZESS U.S. net product sales as reported by AbbVie²	\$ 248,001	\$ 211,183
AbbVie & Ironwood commercial costs, expenses and other discounts³	76,886	80,950
Commercial profit on sales of LINZESS	\$ 171,115	\$ 130,233
<i>Commercial Margin⁴</i>	69%	62%
Ironwood's share of net profit	85,558	65,117
Reimbursement for Ironwood's commercial expenses⁵	125	9,298
Ironwood's portion of gross-to-net change in estimate⁶	-	17,000
Ironwood's collaborative arrangements revenue	\$ 85,683	\$ 91,415

¹ Ironwood collaborates with AbbVie on the development and commercialization of linacotide in North America. Under the terms of the collaboration agreement, Ironwood receives 50% of the net profits and bears 50% of the net losses from the commercial sale of LINZESS in the U.S. The purpose of this table is to present calculations of Ironwood's share of net profit (loss) generated from the sales of LINZESS in the U.S. and Ironwood's collaboration revenue/expense; however, the table does not present the research and development expenses related to LINZESS in the U.S. that are shared equally between the parties under the collaboration agreement. Please refer to slide 14 of this presentation for net profit for the U.S. LINZESS brand collaboration with AbbVie. ² LINZESS net sales are recognized using AbbVie's revenue recognition accounting policies and reporting conventions. As a result, certain rebates and discounts are classified as LINZESS U.S. commercial costs, expenses and other discounts within Ironwood's calculation of collaborative arrangements revenue. ³ Includes certain discounts recognized and cost of goods sold incurred by AbbVie; also includes commercial costs incurred by AbbVie and Ironwood that are attributable to the cost-sharing arrangement between the parties. ⁴ Commercial margin is defined as commercial profit on sales of LINZESS as a percent of total LINZESS U.S. net sales. ⁵ Year-over-year decrease reflects impact of the reduction to Ironwood's commercial expenses and corresponding reimbursement from AbbVie due to Ironwood's strategic reorganization announced in January 2025. ⁶ Second quarter of 2024 collaboration revenue to Ironwood includes a \$17.0 million adjustment, driven by a \$30.0 million increase to collaborative arrangements revenue as a result of a gross-to-net change in estimate related to the year ended December 31, 2023, previously recorded by Ironwood in the first quarter of 2024, which was reflected in LINZESS U.S. net sales as reported by AbbVie in the second quarter of 2024. This was partially offset by a \$13.0 million reduction to collaborative arrangements revenue in the second quarter of 2024, to reflect Ironwood's estimate of LINZESS gross-to-net reserves as of June 30, 2024.

Q2 2025 Financial Summary

LINZESS U.S. Brand Collaboration

Ironwood & AbbVie Total Net Profit ¹		
	Three Months Ended June 30, 2025	Six Months Ended June 30, 2025
	(000s)	(000s)
LINZESS U.S. net sales as reported by AbbVie ²	\$ 248,001	\$ 386,478
AbbVie & Ironwood commercial costs, expenses and other discounts ³	76,886	143,793
AbbVie & Ironwood R&D expenses ⁴	6,241	11,919
Total net profit on sales of LINZESS	\$ 164,874	\$ 230,766

¹ Ironwood collaborates with AbbVie on the development and commercialization of linaclotide in North America. Under the terms of the collaboration agreement, Ironwood receives 50% of the net profits and bears 50% of the net losses from the commercial sale of LINZESS in the U.S. The purpose of this table is to present calculations of the total net profit (loss) generated from the sales of LINZESS in the U.S., including the commercial costs and expenses and the research and development expenses related to LINZESS in the U.S. that are shared equally between the parties under the collaboration agreement. ² LINZESS net sales are recognized using AbbVie's revenue recognition accounting policies and reporting conventions. As a result, certain rebates and discounts are classified as LINZESS U.S. commercial costs, expenses and other discounts within Ironwood's calculation of collaborative arrangements revenue. ³ Includes certain discounts recognized and cost of goods sold incurred by AbbVie; also includes commercial costs incurred by AbbVie and Ironwood that are attributable to the cost-sharing arrangement between the parties. ⁴ Expenses related to LINZESS in the U.S. are shared equally between Ironwood and AbbVie under the collaboration agreement.



Thank You