Ironwood Pharmaceuticals

Q3 2025 Investor Update

November 10, 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 plan to align with FDA on confirmatory Phase 3 trial design and expectation to initiate such trial, and the timing thereof; the timing thereof; the status of the strategic alternatives review and timing to provide an update. 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 linaclotide, 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 linaclotide 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 linaclotide 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 linaclotide, apraglutide and other product candidates, that patents for linaclotide, 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 linaclotide 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; 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 9 to 11 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 5 and 12 to 13 of this presentation.

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Strong third quarter execution across our strategic priorities

Advancing Apraglutide

- **Plan to align with the FDA in Q4'25** on confirmatory Phase 3 trial design, and **pending alignment expect to initiate trial in 1H'26**

Maximizing LINZESS

- Delivered strong Q3 LINZESS U.S. net sales of **$315 million, a 40% increase year-over-year**[1]**,** driven by improved net pricing[2] and robust **12%** year-over-year EUTRx demand growth[3]
- Raised full-year **LINZESS U.S. net sales guidance of $860 - $890 million** and **total revenue guidance of $290 - $310 million**
- In November, FDA approved LINZESS as the first drug for the treatment of children 7 years and older with irritable bowel syndrome with constipation (IBS-C)

Delivering Sustained Profits and Cash Flows

- Generated **$40** million in GAAP net income and **$82** million of adjusted EBITDA in Q3 2025[4]
- Generated **$48** million in cash from operations in Q3; ended Q3 2025 with **$140** million in cash and cash equivalents
- Expect strong Q3 revenues to drive substantial cash from operations in Q4'25 to further strengthen financial position
- **Raised adjusted EBITDA[4] guidance** to **greater than $135 million**

Continuing to progress previously announced strategic alternatives review with Goldman Sachs

[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. [2]As a reminder, gross-to-net rebate reserves in 2025 are based on rebates owed for units dispensed by channel in each applicable quarter. In its first quarter 2025 results, Ironwood stated that we expect gross-to-net rebate reserves based on units dispensed to impact quarterly phasing of 2025 LINZESS U.S. net sales and this dynamic led to a favorable year-over-year net price in the third quarter of 2025. [3] IQVIA National Prescription Audit, Q3 2025. [4] Refer to the Reconciliation of Q3 2025 GAAP net income to adjusted EBITDA on slide 11 of this presentation.

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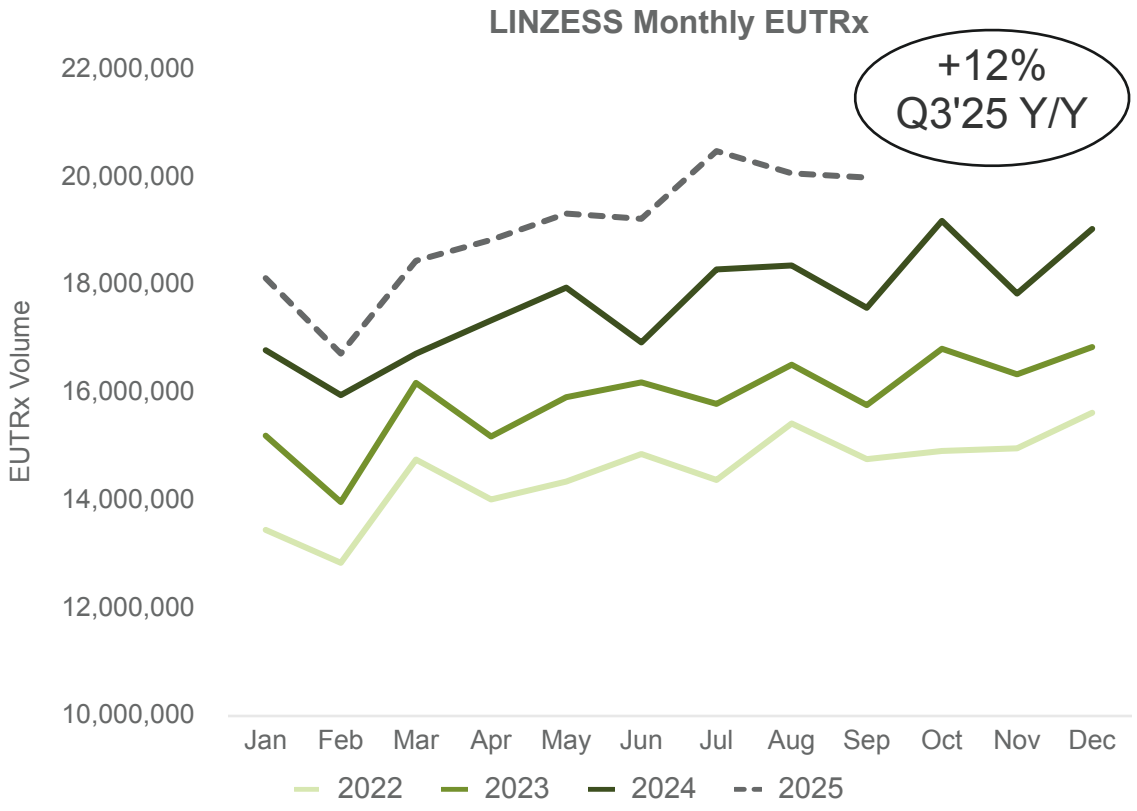
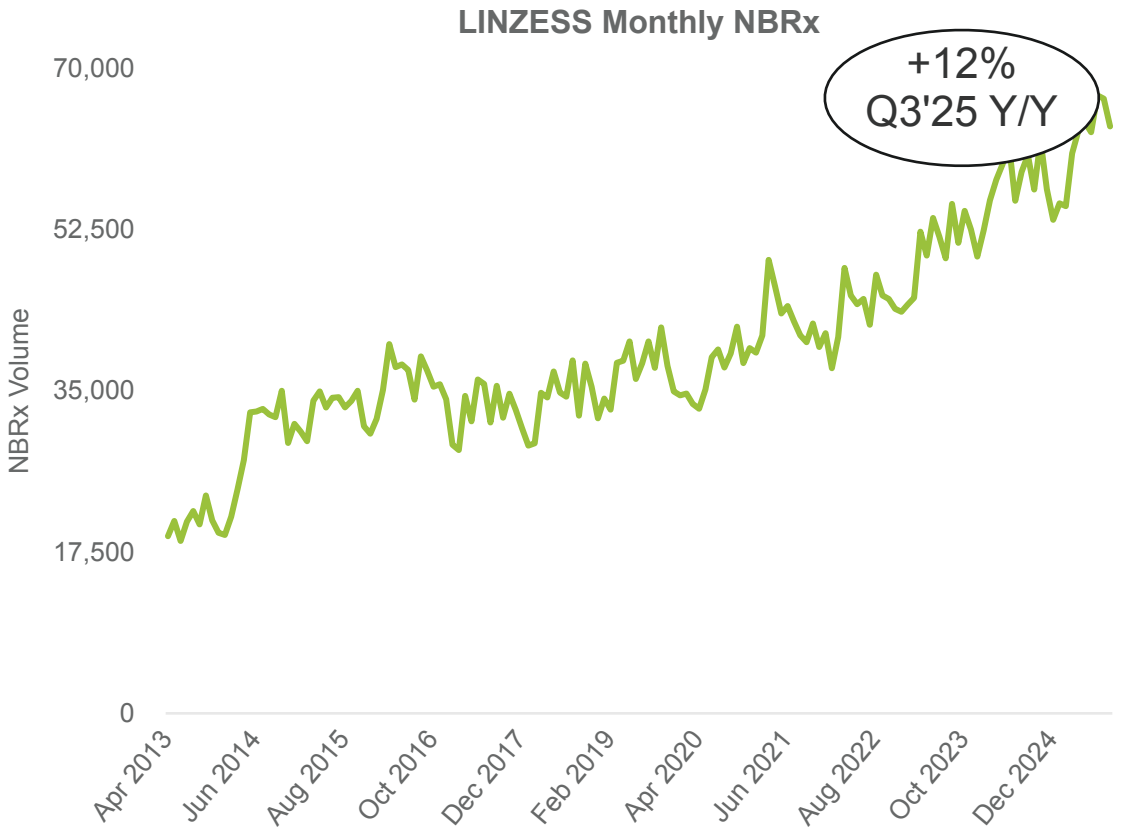
LINZESS extended unit (EUTRx) and new to brand (NBRx) prescriptions each grew 12% year-over-year in Q3 2025



Source: IQVIA Monthly National Prescription Audit



Source: IQVIA Weekly Patient Insights

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Q3 2025 financial summary

LINZESS U.S. Brand Collaboration

Commercial Profit & Collaboration Revenue[1]	Three Months Ended Sept 30, 2025 (000s)	Nine Months Ended Sept 30, 2025 (000s)
LINZESS U.S. net product sales as reported by AbbVie[2]	$ 314,856	$ 701,334
AbbVie & Ironwood commercial costs, expenses and other discounts[3]	75,826	219,618
Commercial profit on sales of LINZESS	$ 239,030	$ 481,716
Commercial Margin[4]	*76%*	*69%*
Ironwood's share of net profit	119,515	240,858
Reimbursement for Ironwood's commercial expenses	131	3,239
Ironwood's collaborative arrangements revenue	$ 119,646	$ 244,097

[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 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.

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Q3 2025 financial performance

$315M

LINZESS U.S. Net Sales[1]

Q3 2025 LINZESS net sales as reported by AbbVie were $315M, up 40% year-over-year, driven by improved net pricing[2] and strong demand growth of 12% YoY

$122M

Total Ironwood Revenues

Primarily driven by $120M in U.S. LINZESS collaboration revenue

$40M

GAAP Net Income

$0.25/share – basic
$0.23/share – diluted

$82M

Adjusted EBITDA[3,4]

Ended Q3 2025 with $140 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 12 and 13 for detailed breakdown. [2]As a reminder, gross-to-net rebate reserves in 2025 are based on rebates owed for units dispensed by channel in each applicable quarter. In its first quarter 2025 results, Ironwood stated that we expect gross-to-net rebate reserves based on units dispensed to impact quarterly phasing of 2025 LINZESS U.S. net sales and this dynamic led to a favorable year-over-year net price in the third quarter of 2025. [3] During the third quarter of 2025, the Company recorded a $7.5 million estimated litigation contingency reserve within SG&A expense. [4] Refer to the Reconciliation of GAAP net income to adjusted EBITDA on slide 12 of this presentation.

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We are raising our FY 2025 guidance based on strong prescription demand growth of LINZESS and improved net pricing year-to-date

	Previous FY 2025 Guidance (August 2025)	Revised FY 2025 Guidance (November 2025)
LINZESS U.S. net sales	**$800 – $850 million**	**$860 – $890 million**
Total revenue	**$260 – $290 million**	**$290 – $310 million**
Adjusted EBITDA[1]	**> $105 million**	**> $135 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

Q3 2025 financial summary

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

	Three Months Ended Sept 30, 2025 (000s, except per share amounts)	Nine Months Ended Sept 30, 2025 (000s, except per share amounts)
GAAP net income[1]	$ 40,080	$ 26,293
Adjustments:		
Amortization of acquired intangible assets	207	613
Restructuring expenses	2,200	20,509
Tax effect of adjustments	(554)	(5,087)
Non-GAAP income[1]	$ 41,933	$ 42,328
GAAP net income per share – basic[1]	$ 0.25	$ 0.16
Adjustments to GAAP net income per share (as detailed above)	0.01	0.10
Non-GAAP net income per share – basic[1]	$ 0.26	$ 0.26

[1] The company presents non-GAAP net income and non-GAAP net income 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 November 10, 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.

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Q3 2025 financial summary

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

	Three Months Ended Sept 30, 2025 (000s, except per share amounts)	Nine Months Ended Sept 30, 2025 (000s, except per share amounts)
GAAP net income per share – diluted[1]	$ 0.23	$ 0.16
Adjustments to GAAP net income per share (as detailed above)	0.01	0.09
Non-GAAP net income per share – diluted[1]	$ 0.24	$ 0.25

[1] The company presents non-GAAP net income and non-GAAP net income 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 November 10, 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.

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Q3 2025 financial summary

Reconciliation of GAAP net income to adjusted EBITDA

	Three Months Ended Sept 30, 2025 (000s)	Nine Months Ended Sept 30, 2025 (000s)
GAAP net income[1]	$ 40,080	$ 26,293
Adjustments:		
Stock-based compensation	3,612	13,427
Restructuring expenses	2,200	20,509
Interest expense	8,434	24,860
Interest and investment income	(930)	(2,617)
Income tax expense	27,940	43,277
Depreciation and amortization	475	1,421
Adjusted EBITDA[1]	$ 81,811	$ 127,170

[1] Ironwood presents GAAP net income and adjusted EBITDA, a non-GAAP measure. 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. 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 November 10,2025. 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.

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Q3 2025 vs. Q3 2024

LINZESS U.S. Brand Collaboration

Commercial Profit & Collaboration Revenue[1]	Three Months Ended Sept 30, 2025 (000s)	Three Months Ended Sept 30, 2024 (000s)
LINZESS U.S. net product sales as reported by AbbVie[2]	$ 314,856	$ 225,537
AbbVie & Ironwood commercial costs, expenses and other discounts[3]	75,826	78,499
Commercial profit on sales of LINZESS	$ 239,030	$ 147,038
Commercial Margin[4]	*76%*	*65%*
Ironwood's share of net profit	119,515	73,519
Reimbursement for Ironwood's commercial expenses[5]	131	9,567
Ironwood's portion of gross-to-net change in estimate[6]	-	5,800
Ironwood's collaborative arrangements revenue	$ 119,646	$ 88,886

[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. Please refer to slide 13 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] Figures presented for the three months ended September 30, 2024, include a $5.8 million increase to collaborative arrangement revenues as a result of an adjustment recorded for Ironwood's estimate of LINZESS gross-to-net reserves as of September 30, 2024.

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Q3 2025 financial summary

LINZESS U.S. Brand Collaboration

Ironwood & AbbVie Total Net Profit[1]	Three Months Ended Sept 30, 2025 (000s)	Nine Months Ended Sept 30, 2025 (000s)
LINZESS U.S. net sales as reported by AbbVie[2]	$ 314,856	$ 701,334
AbbVie & Ironwood commercial costs, expenses and other discounts[3]	75,826	219,618
AbbVie & Ironwood R&D expenses[4]	5,949	17,868
Total net profit on sales of LINZESS	$ 233,081	$ 463,848

[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.

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Thank You