Ironwood 3Q 2017 Investor Update

November 2, 2017

Introduction

Meredith Kaya

Senior Director, Investor Relations and Corporate Communications

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Safe Harbor Statement

This presentation contains forward-looking statements. Investors are cautioned not to place undue reliance on these forward-looking statements, including statements about the development, launch, commercial availability and commercial potential of linaclotide, lesinurad, our product candidates and the other products that we promote and the drivers, timing, impact and results thereof; market size, prevalence, growth and opportunity, including peak sales (and drivers thereof) and the growth in and potential demand for linaclotide, lesinurad and our product candidates, as well as their potential impact on applicable markets; the potential indications for, and benefits of, linaclotide, lesinurad and our product candidates; the anticipated timing of preclinical, clinical and regulatory developments (including strengthening the clinical profile and expanding the clinical utility of linaclotide) and the design, timing and results of clinical and preclinical studies; the potential for, and timing of, regulatory submissions and approvals for linaclotide, lesinurad and our product candidates; expected periods of patent exclusivity and life of the respective patent portfolios for linaclotide, lesinurad and our product candidates; commercial strategy; the strength of the intellectual property protection for linaclotide, lesinurad and our product candidates and our intentions and efforts to protect such intellectual property; and our financial performance and results, and guidance and expectations related thereto (including the drivers and timing thereof), including expectations related to Ironwood revenue CAGR and revenue growth, positive cash flow, LINZESS U.S. net sales, commercial margin, ex-U.S. revenue, allocation of capital, R&D, SG&A and marketing and sales expenses, net interest expense and cash used for operations. 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; the risk that findings from our completed nonclinical and clinical studies may not be replicated in later studies; efficacy, safety and tolerability of linaclotide, lesinurad and our product candidates; decisions by regulatory authorities; the risk that we are unable to successfully integrate lesinurad into our existing business, commercialize lesinurad or realize the anticipated benefits of the lesinurad transaction; the risk that we may never get sufficient patent protection for linaclotide, lesinurad and our product candidates or that we are not able to successfully protect such patents; the outcomes in legal proceedings to protect or enforce the patents relating to our products and product candidates, including ANDA litigation; 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, linaclotide, lesinurad or our product candidates; the risk that we are unable to manage our operating expenses or cash use for operations, or are unable to commercialize our products, within the guided ranges or otherwise as expected; and the risks listed under the heading "Risk Factors" and elsewhere in Ironwood's Quarterly Report on Form 10-Q for the quarter ended June 30, 2017, and in our subsequent SEC filings. These forward-looking statements (except as otherwise noted) speak only as of the date of this presentation, and Ironwood undertakes no obligation to update these forward-looking statements. Further, Ironwood considers the net profit for the U.S. LINZESS brand collaboration with Allergan in assessing the product's performance and calculates it based on inputs from both Ironwood and Allergan. This figure should not be considered a substitute for Ironwood's GAAP financial results. An explanation of our calculation of this figure is provided on page 15 of this presentation.

3Q 2017 Overview

Peter Hecht

Chief Executive Officer

Strong 3Q 2017 Performance

- Ironwood revenue **grew 31% to $87M** year-over-year
- Current commercial products **on track to generate >25% top-line CAGR 2016-2020**[1] driven by strong LINZESS demand growth, recent DUZALLO launch, and growing OUS revenue contribution
- Strong top-line growth, expanding commercial contribution, and prudent allocation of capital expected to help **propel Ironwood to positive cash flow during 2018**
- String of R&D successes enabling more focused investments on **highly innovative, risk-reduced programs targeting some of medicine's greatest unmet needs**

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1) The >25% Ironwood revenue CAGR calculation excludes any current or future revenue recognized in the period related to milestone payments to Ironwood, including approximately $39 million recognized in 2016.

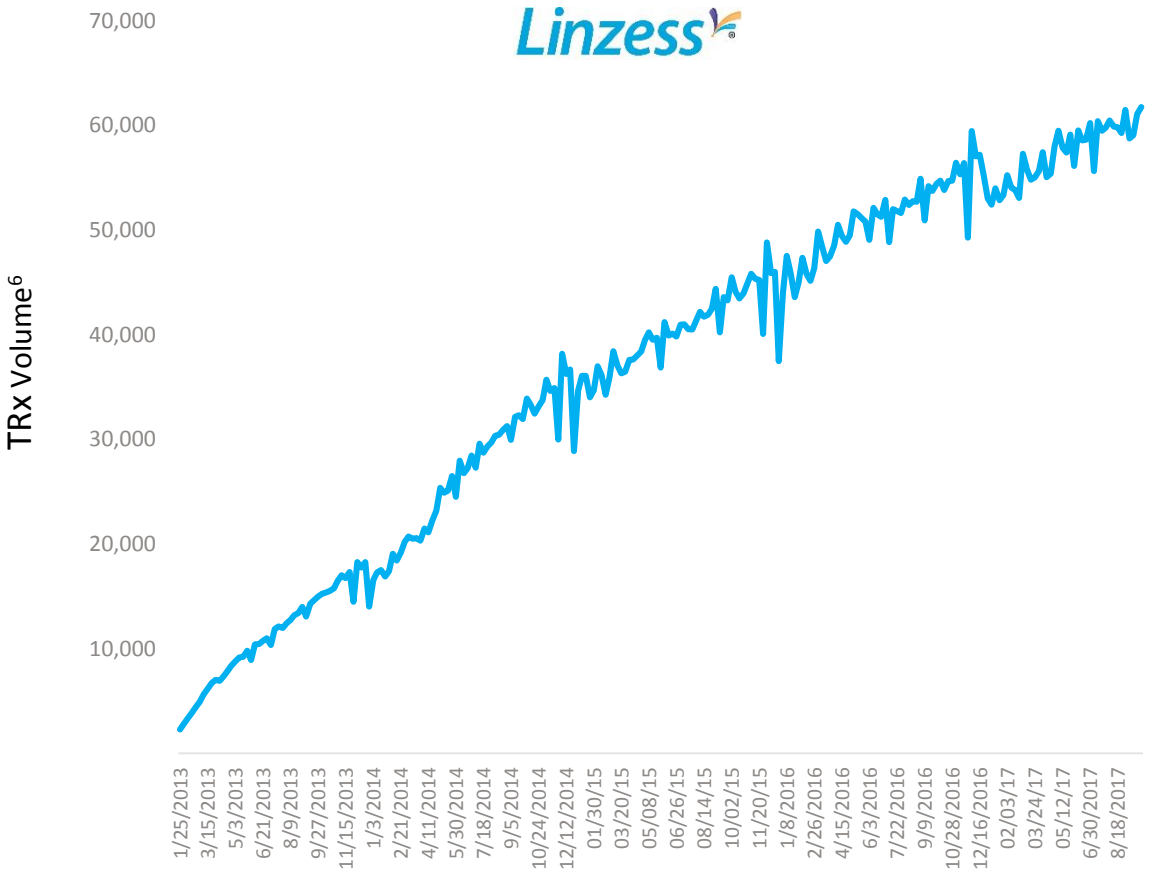
3Q 2017
Commercial Update

Tom McCourt

Chief Commercial Officer

LINZESS® on Track to Exceed $1 Billion in U.S. Net Sales by 2020; Opportunity for Continued Growth

#1 Prescribed brand[1]	2 Indications	3 Dosage strengths	4 Years on the market



- **Large unmet need:** >1.5M patients treated[1]; ~40M U.S. adult IBS-C/CIC patients[2]
- **Strong HCP awareness:** >200K HCPs have Rx LINZESS[3]
- **Broad access:** ~80% of patients have unrestricted payer access[4]
- **Opportunity to grow category:** ~2/3 of new LINZESS Rxs come from OTC[5]

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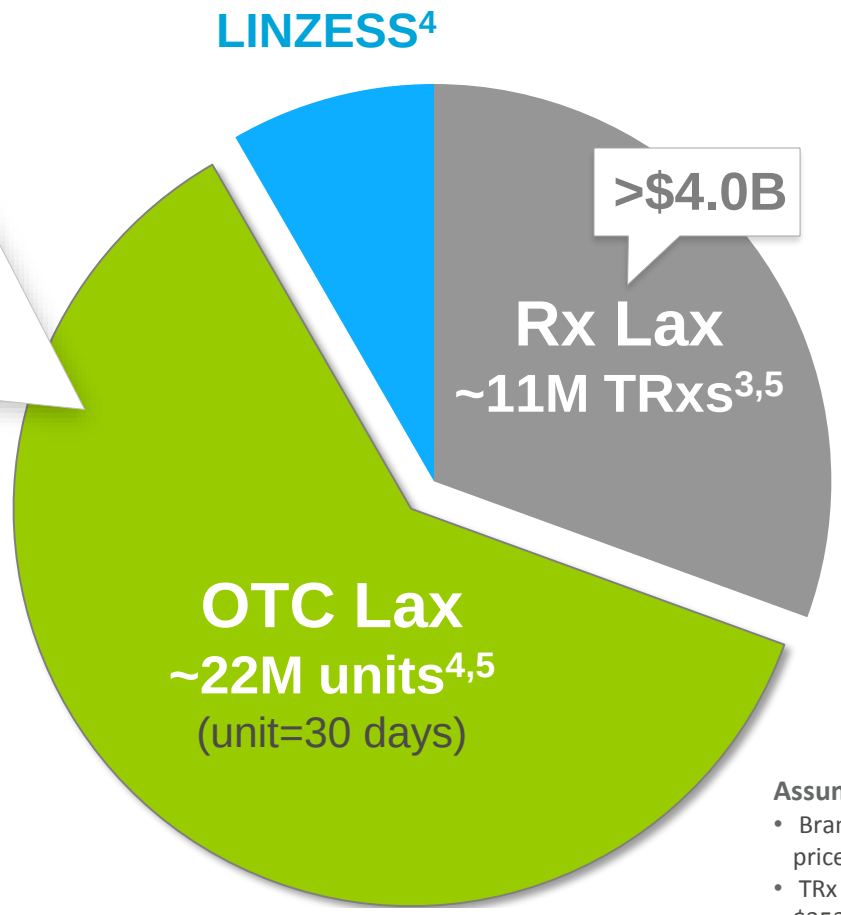
1) QuintilesIMS Total Patient Tracker, Sept-2017; 2) Lieberman GI Patient Landscape survey, 2010; 3) QuintilesIMS Xponent Sept-2017; 4) Fingertip Formulary Aug-2017; 5) QuintilesIMS Custom Source of Business Sept 2017; 6) QuintilesIMS Weekly NPA 9-29-17.

Converting OTC Treated Patients Expected to Fuel Continued Growth of LINZESS

$7.5B+
OTC Lax Market

~70% patients dissatisfied
with OTC treatment[1]

~2/3 of new LINZESS Rxs
come from OTC[2]



Assumptions
- Branded medication priced $11.78/day
- TRx (30 day) priced $353/TRx

Sources: 1) Lieberman "GI Patient Landscape Survey" 2010; 2) QuintilesIMS Custom Source of Business Sept-2017; 3) QuintilesIMS NPA Sept-2017; 4) QuintilesIMS/IRI Dec 2016; 5) Chey, W. et al "Frequency and Bothersomeness of Symptoms, Health Care Seeking Behavior and Satisfaction with Therapy in IBS-C Patients Meeting ROME II Criteria: Results of a Population Based Survey"; Hoch, R, et al "Title: Symptom Frequency, Health Care Seeking Behavior, and Satisfaction with Therapy among Chronic Constipation Patients with Both Constipation and Abdominal Symptoms: Results of a Population-Based Survey".

ZURAMPIC® and DUZALLO®: Opportunity to Get More Uncontrolled Gout Patients to Goal

Estimated 2M Americans not reaching targeted sUA levels of <6mg/dL[1]

>$300M Estimated U.S. peak sales opportunity for uncontrolled gout franchise

1) 2010 NHANES study estimate, grown at 3% AGR; Juraschek SP et al, Arthritis Care, 2015; Zhu Y et al, Arthritis Rheumatol, 2012; Wood R et al, J Rheumatol, 2016; Khanna P et al, Postgrad Med, 2016; Meyer M et al, Am. J Pharmacy Ben 2015; Primatesta P et al, BMC Musculoskeletal Dis. 2010; Singh JA et al, Arthritis Res & Ther, 2015; AZN/Decision Resource Market Research

3Q 2017
R&D Update

Chris Wright
Chief Development Officer

Linaclotide life cycle strategy
IW-3718 update

Mark Currie
Chief Scientific Officer

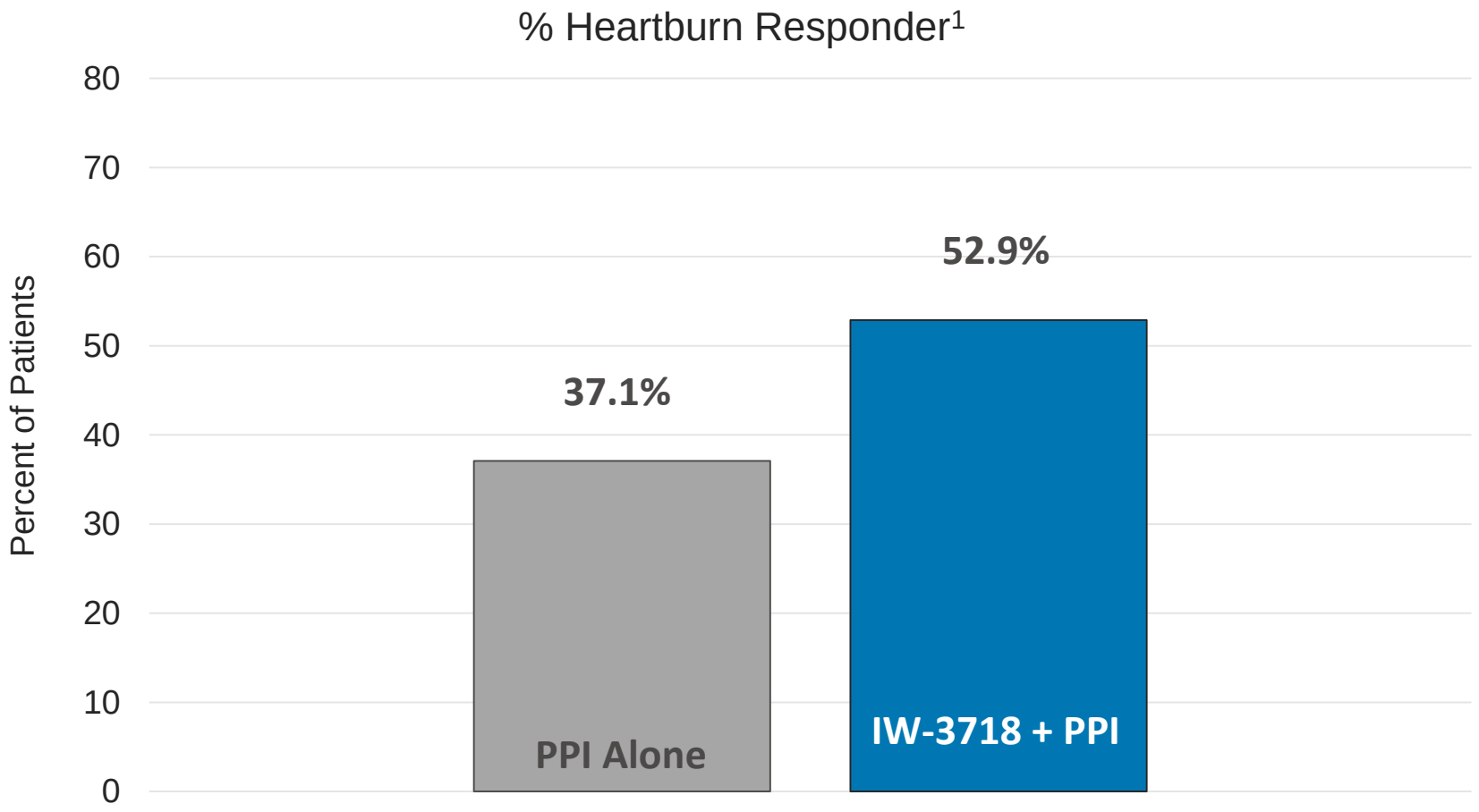
IW-1973 and IW-1701 clinical updates

Optimized Linaclotide Life Cycle Strategy to More Efficiently Support Achievement of Two Key Objectives

1. **Strengthen clinical profile of linaclotide by obtaining additional abdominal symptom claims (bloating, discomfort)**
   - Identified a shortened development path intended to obtain additional abdominal symptom claims via single LINZESS Phase III trial expected to initiate in 2018
2. **Expand clinical utility of linaclotide by demonstrating pain-relieving effect of a delayed-release formulation in all IBS subtypes**
   - Plan to advance DR2 as a visceral, non-opioid, pain-relieving agent for patients suffering from IBS-C, IBS-M and IBS-D

IW-3718 Phase IIb Results Confirmed Bile Acid Hypothesis

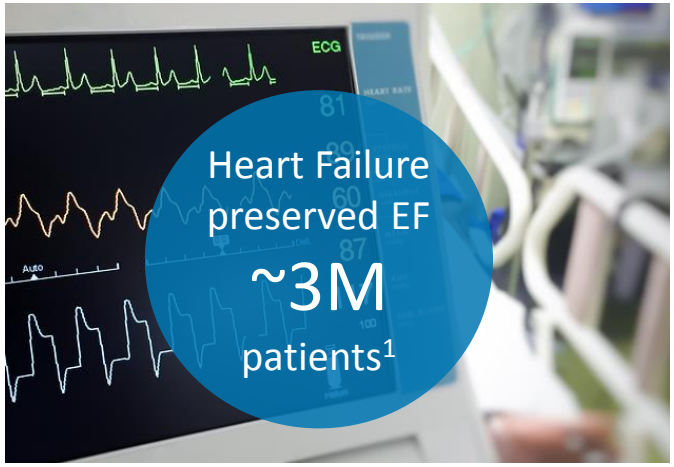
Data from Phase IIb trial support advancement into Phase III; strong progress towards expected Phase III program initiation in 2H18



1) A Heartburn Responder was defined as a patient who experienced at least a 45% reduction from baseline in heartburn severity for at least four out of eight weeks, including at least one of the last two weeks.

IW-1973 has Potential to Help Millions of Patients with Diabetic Nephropathy and HFpEF

Initiated 2 Phase II Clinical Trials



Heart Failure (preserved ejection fraction)

KEY ENDPOINT:
exercise tolerance (cardiopulmonary exercise test and 6 minute walk test)

Diabetic Nephropathy

KEY ENDPOINT:
urinary albumin

Sources: 1) Heart Failure with Preserved Ejection Fraction: Persistent Diagnosis, Therapeutic Enigma, Curr Cardiovasc Risk Rep. 2011 October ; 5(5): 440–449. doi:10.1007/s12170-011-0184-2 2) Epidemiology of Diabetic Nephropathy, E.V. Lerma and V. Batuman (eds.), Diabetes and Kidney Disease, 9 DOI 10.1007/978-1-4939-0793-9_2.

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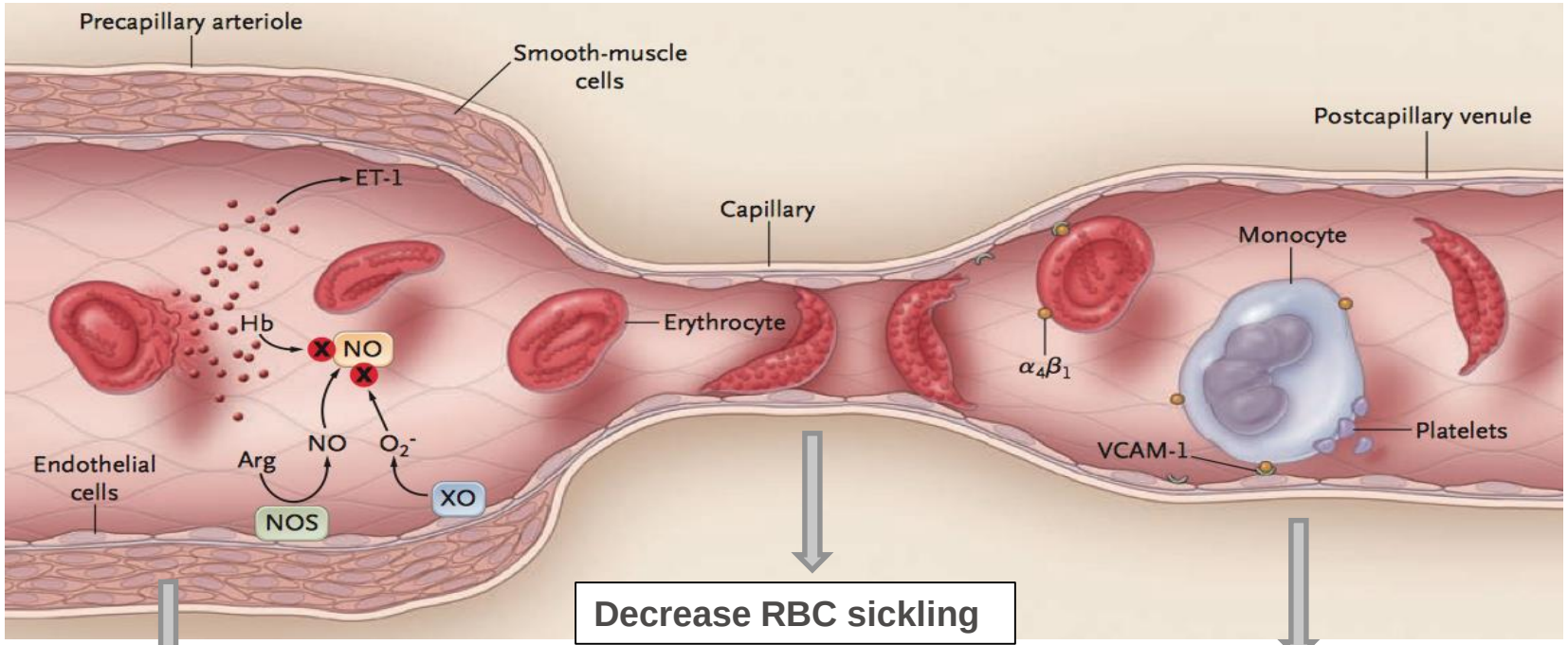
IW-1701 has Potential to Treat Multiple Aspects of Sickle Cell Disease Pathophysiology



Decrease RBC sickling

Reduce ischemia

Diminish vascular inflammation

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3Q 2017
Financial Summary

Gina Consylman

Interim Chief Financial Officer

3Q 2017 LINZESS Financial Summary

LINZESS U.S. Brand Collaboration

Ironwood Revenue/Expense Calculation

Commercial Pool

	Three Months Ended September 30, 2017 (000s)
LINZESS U.S. net product sales	$ 190,932
Commercial costs and expenses	64,034
Commercial profit on sales of LINZESS	$ 126,898
Commercial Margin	*66%*
Ironwood's share of net profit	$ 63,449
Ironwood's selling & marketing	10,456
Profit share adjustment	1,677
Ironwood's collaboration revenue	$ 75,582

R&D Pool

LINZESS R&D expenses	$ 15,851
Ironwood's 50% Share	$ 7,926

Ironwood & Allergan Combined U.S. LINZESS P&L

	Three Months Ended September 30, 2017 (000s)
LINZESS U.S. net product sales	$ 190,932
Commercial costs and expenses	64,034
R&D expenses	15,851
Net profit on sales of LINZESS	$ 111,047

The purpose of the Commercial Pool table is to present the calculation of Ironwood's share of net profits or losses generated from sales of LINZESS in the U.S. and Ironwood's collaboration revenue or expense; the R&D Pool table presents the research and development expenses related to LINZESS in the U.S. that are shared equally between Ironwood and Allergan under the collaboration agreement.

3Q 2017 Ironwood Financial Summary

Condensed Consolidated Statement of Operations (unaudited)

	Three Months Ended September 30, 2017 (000s, except per share amounts)
Total revenues	$ 86,825
Cost and expenses:	
Cost of revenues, excluding amortization of acquired intangible assets	6,080
Write-down of lesinurad commercial supply to net realizable value	71
Research and development	37,065
Selling, general and administrative	61,774
Amortization of acquired intangible assets	1,897
Gain on fair value remeasurement of contingent consideration	(628)
Total cost and expenses	106,259
Loss from operations	(19,434)
Other expense, net	(12,863)
GAAP net loss	$ (32,297)
GAAP net loss per share – basic and diluted	$ (0.22)

3Q 2017 Ironwood Financial Summary

Reconciliation of GAAP Results to Non-GAAP Financial Measures[1]

	Three Months Ended September 30, 2017 (000s, except per share amounts)
GAAP net loss	$ (32,297)
Adjustments:	
Mark-to-market adjustments on the derivatives related to convertible notes, net	4,329
Amortization of acquired intangible assets	1,897
Fair value remeasurement of contingent consideration	(628)
Non-GAAP net loss	$ (26,699)
GAAP net loss per share (basic and diluted)	$ (0.22)
Adjustments to GAAP net loss (detailed above)[2]	0.04
Non-GAAP net loss per share (basic and diluted)	$ (0.18)

1) The company presents non-GAAP net loss and non-GAAP net loss per share to exclude the impact of net gains and losses on the derivatives related to our convertible notes that are required to be marked-to-market, the amortization of acquired intangible assets, and the fair value remeasurement of contingent consideration. 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. 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 2, 2017. 2) Numbers may not add due to rounding.

2017 Financial Guidance

Ironwood now expects:

R&D expenses	$145 - $160 million (low- to mid-range)
SG&A expenses	$235 - $250 million (low- to mid-range)
Total LINZESS marketing & sales expenses (IRWD + AGN)	$250 - $280 million (mid-range)
Cash used for operations	<$110 million (up from $100 million)
Net interest expense	~$40 million (no change)

Ironwood: A Successful Commercial Biotech

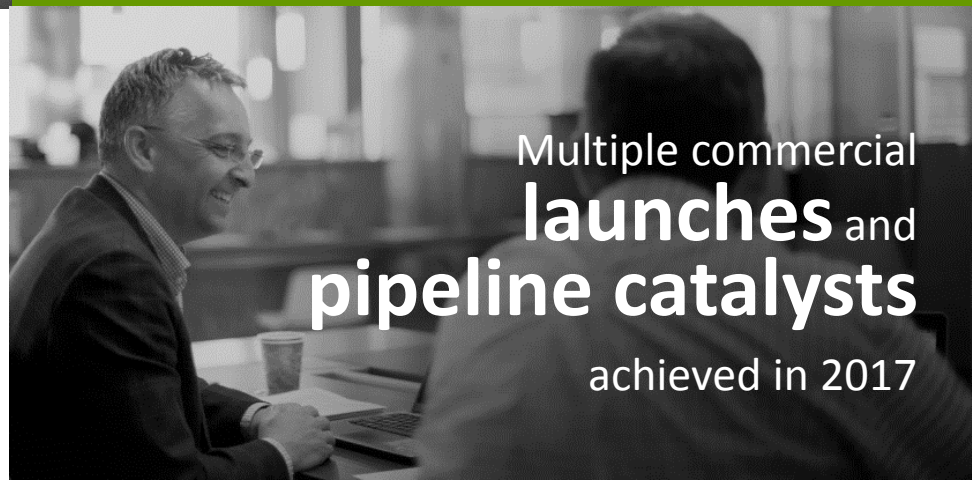
Creating outstanding value for patients and our fellow shareholders

Rapid growth

Expect >25% Ironwood revenue CAGR (2016-2020)[1]

Three innovative,
marketed products

Linzess® ZURAMPIC® DUZALLO®



1) The >25% Ironwood revenue CAGR calculation excludes any current or future revenue recognized in the period related to milestone payments to Ironwood, including approximately $39 million recognized in 2016.

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