Ironwood 2Q 2017 Investor Update

August 3, 2017

Introduction

Meredith Kaya

Senior Director, Investor Relations and Corporate Communications

Ironwood®

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 (including pipeline catalysts); 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 and the design, timing and results of clinical and preclinical studies (including engaging with the FDA and defining primary and secondary endpoints); 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, including market development, the potential for broad access and reimbursement, refreshing our DTC campaign, fit within our U.S. commercial capabilities, and intentions related to commercializing IW-3718 within and outside the U.S.; comparisons related to net sales and volume; the strength of the intellectual property protection for linaclotide, lesinurad and our product candidates and our intentions and efforts to protect such intellectual property; our potential for sustainable, high-margin growth and shareholder returns; 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, LINZESS U.S. net sales, growth and net price, 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; our reliance on AstraZeneca to provide critical support services related to lesinurad; 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 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 March 31, 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.

2Q 2017 Overview

Peter Hecht

Chief Executive Officer

Ironwood: A Successful Commercial Biotech

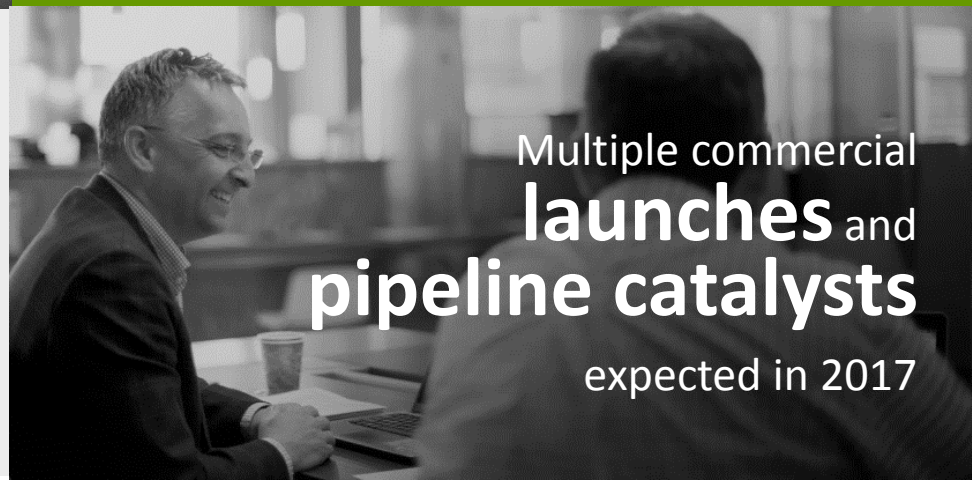
Creating outstanding value for patients and our fellow shareholders

Rapid growth

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

Two innovative,
marketed products

Linzess® ZURAMPIC®



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.

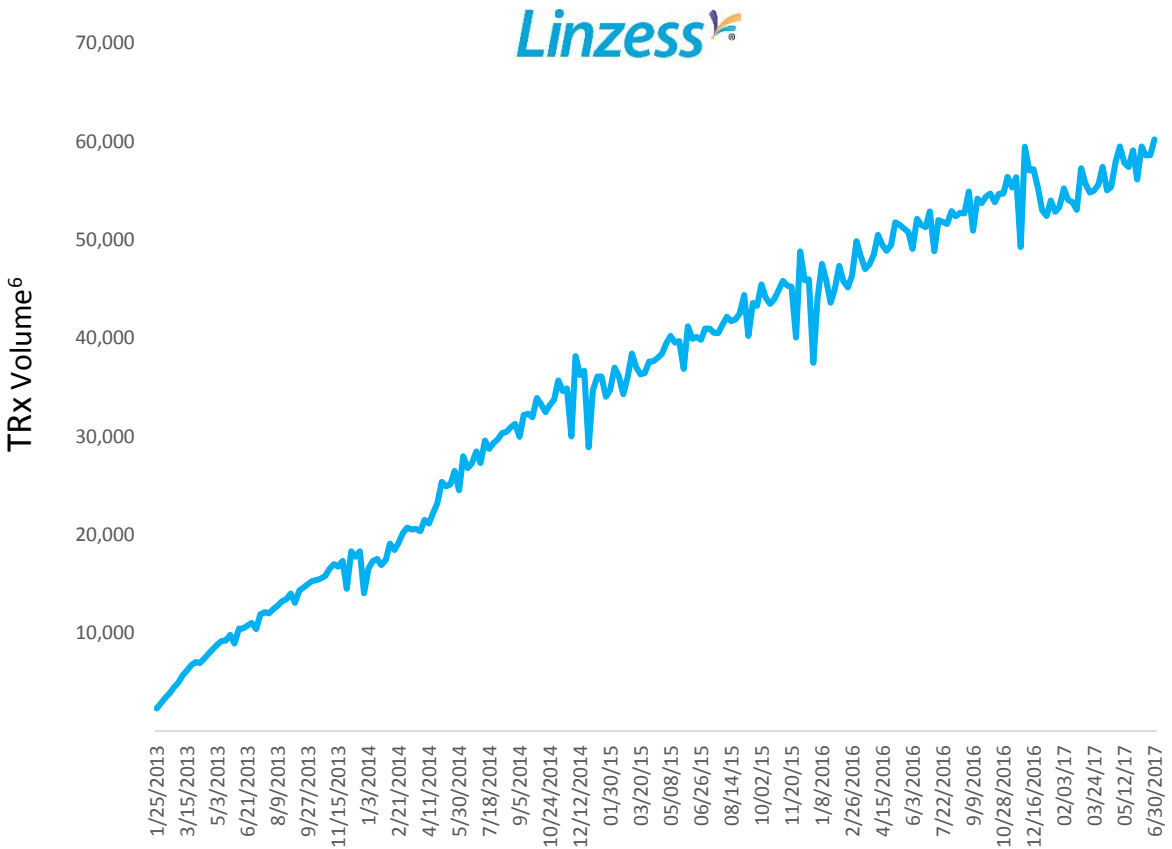
2Q 2017
Commercial Update

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



- >1.5M patients treated[1]; ~40M U.S. adult IBS-C/CIC patients[2]
- >200K HCPs have prescribed LINZESS[3]
- ~80% of patients have unrestricted payer access[4]
- ~2/3 of new LINZESS Rxs come from OTC[5]

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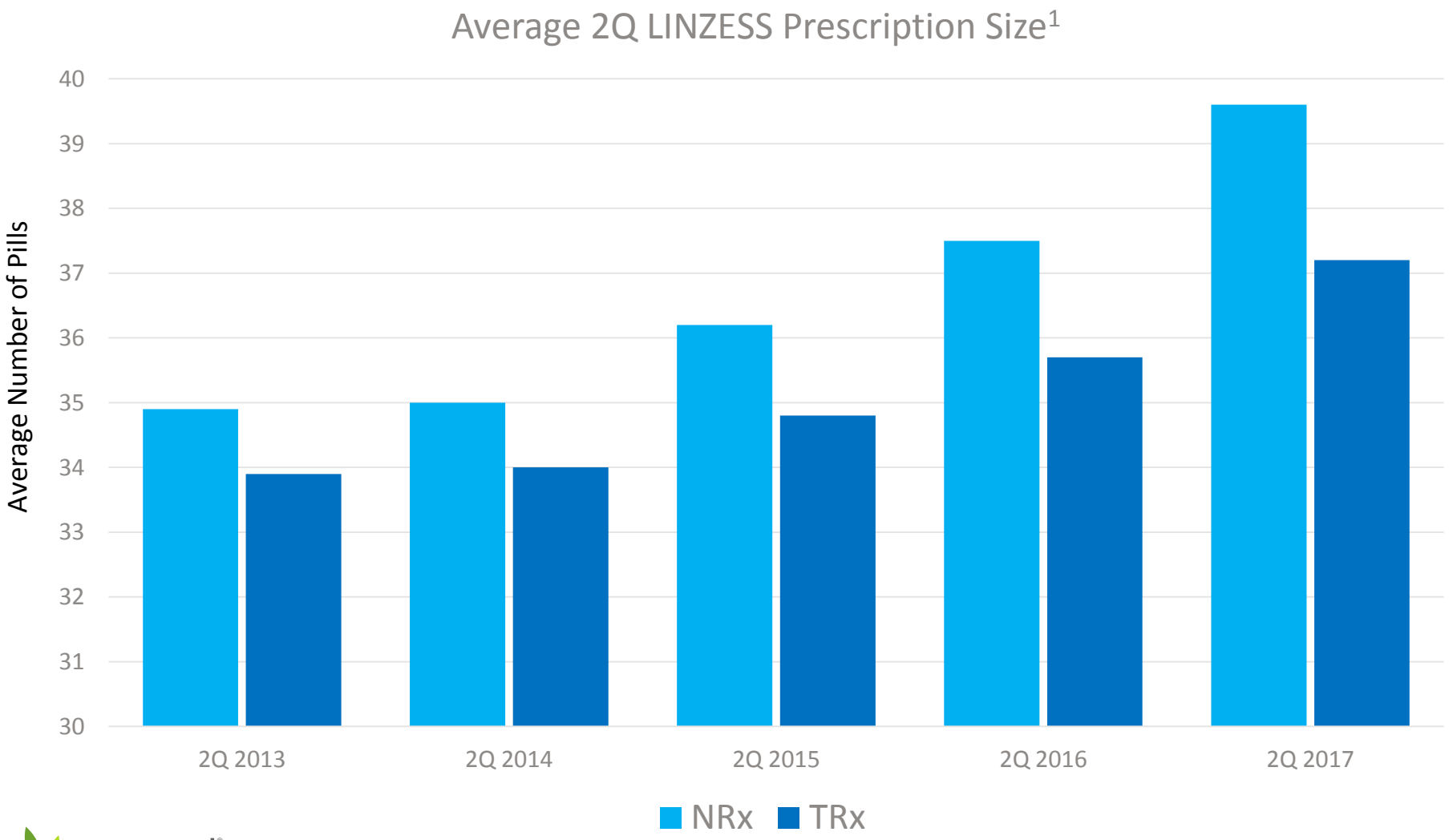
1) QuintilesIMS Total Patient Tracker, June-2017; 2) Lieberman GI Patient Landscape survey, 2010; 3) QuintilesIMS Xponent June-2017; 4) Fingertip Formulary May-2017; 5) QuintilesIMS Custom Source of Business May-2017; 6) QuintilesIMS Weekly NPA 6-30-17.

Average LINZESS® Prescription Size Continues to Grow as HCPs Prescribe More 90-day Prescriptions



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1) IMS NPA June-2017

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

Building a Gout Franchise

Stagnant	Advancement	Acceleration
XOI and Acute Treatment	ZURAMPIC + XOI	DUZALLO
30+ years	TODAY	Expected 4Q 2017 →

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

IW-3718 for Uncontrolled GERD Represents Greater than $2 Billion U.S. Annual Peak Sales Opportunity

PATIENT

- ~10M continue to suffer heartburn & regurgitation[1]
- Actively looking for relief
- High treatment adherence

PHYSICIAN

- Patients easily identified
- Recognize unmet need, no treatment options
- Willingness to adopt

PAYER

- Appreciate patient suffering
- Recognize value proposition
- Potential for broad access & reimbursement

Strong commercial fit; patent coverage expected into mid-2030s

1) ElSerag, Hashem "Update on the epidemiology of gastro-oesophageal reflux disease: a systematic review", Gut, 2014

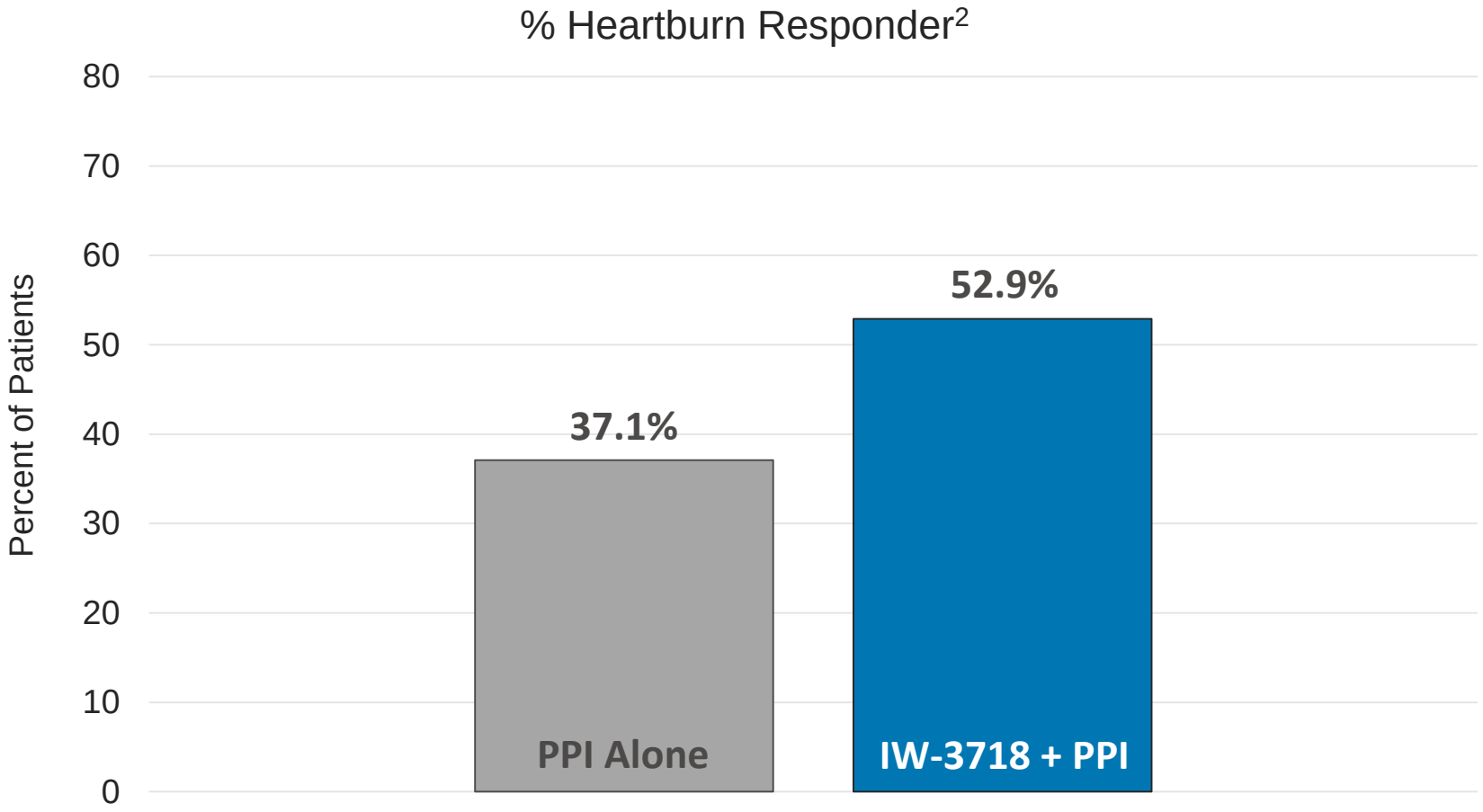
2Q 2017
R&D Update

Mark Currie

Chief Scientific Officer

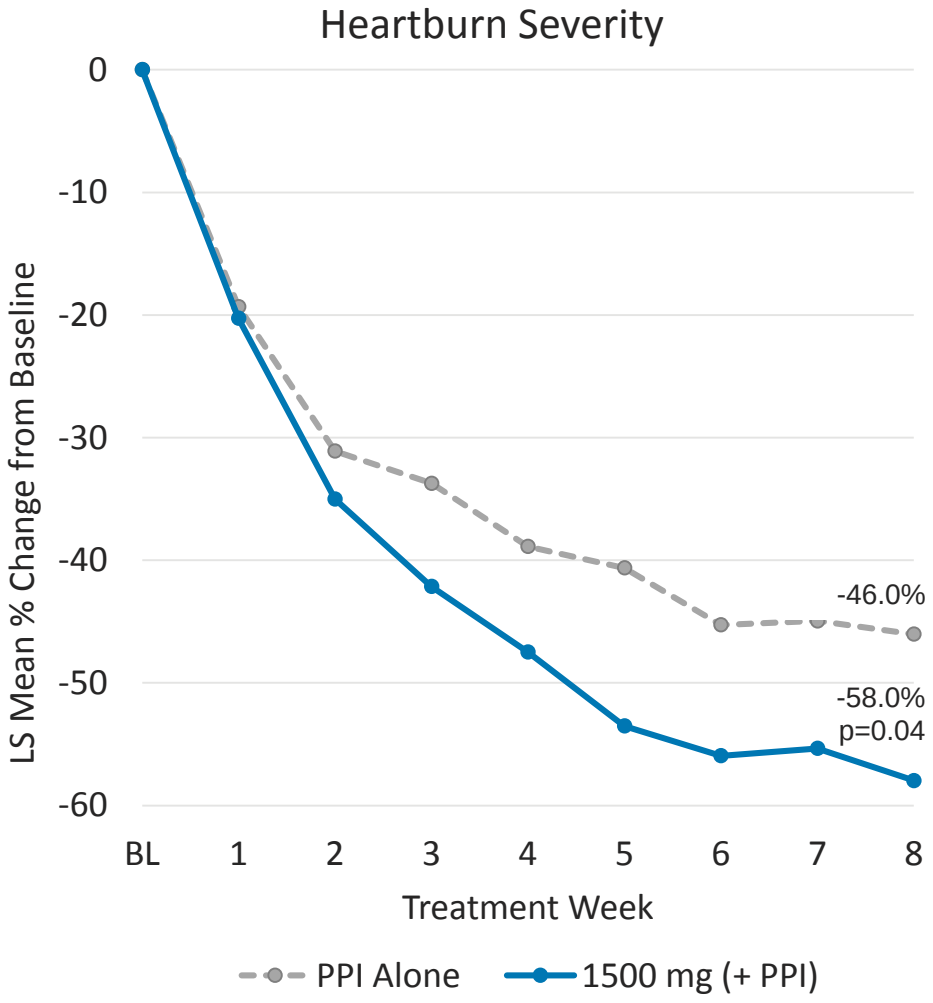
IW-3718 1500 mg + PPI: >50% of Patients Reported Clinically Meaningful Reduction in Heartburn Severity

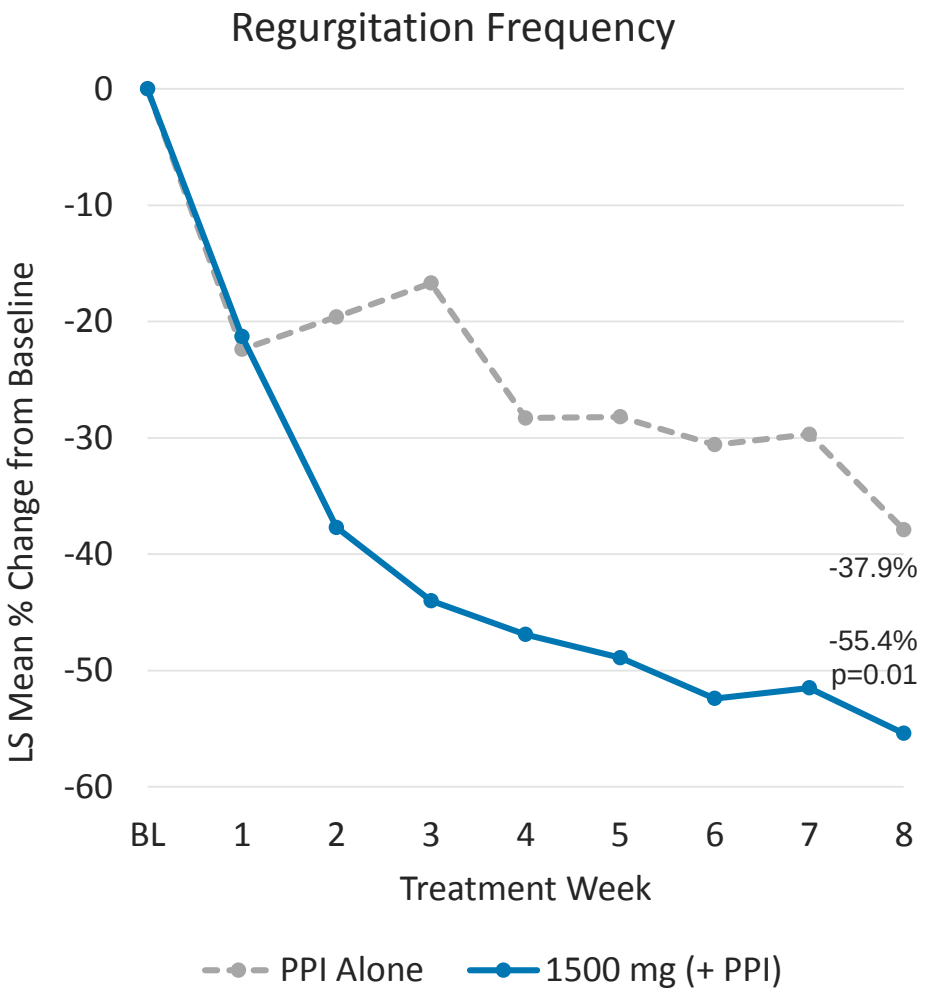
Encouraging safety and tolerability; most common AE overall was constipation[1]



1) Constipation was reported in 7.4% of patients on IW-3718 1500 mg plus a PPI (n=5) compared to 7.1% of patients on a PPI alone (n=5). All constipation AEs reported were mild or moderate in severity. Discontinuation rates due to AEs were less than 5% and similar across treatment groups. 2) 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-3718 1500 mg + PPI: Encouraging Effects on Heartburn Severity and Regurgitation Frequency vs PPI Alone





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Multiple Pipeline Catalysts Expected in 2017

- ✓ **Continued strong LINZESS growth; introduce LINZESS 72mcg dose**
- ✓ **LINZESS IBS-C launch in Japan**
- ✓ **IW-3718 Phase IIb data in uncontrolled GERD**
- • **ZURAMPIC market development; DUZALLO launch, if approved** (Q4 2017)
- • **Linaclotide DR1 Phase III initiation in IBS-C** (2H 2017)
- • **IW-1973 Phase IIa data in diabetic hypertension** (2H 2017)
- • **IW-1973 Phase II initiations in rHTN, HFpEF, DN** (2H 2017)
- • **IW-1701 Phase IIa data in achalasia** (2H 2017)

2Q 2017
Financial Summary

Tom Graney
Chief Financial Officer and SVP,
Finance and Corporate Strategy

2Q 2017 LINZESS Financial Summary

LINZESS U.S. Brand Collaboration

Ironwood Revenue/Expense Calculation

Commercial Pool

	Three Months Ended June 30, 2017 (000s)
LINZESS U.S. net product sales	$ 167,833
Commercial costs and expenses	80,211
Commercial profit on sales of LINZESS	$ 87,622
Commercial Margin	*52%*
Ironwood's share of net profit	$ 43,811
Ironwood's selling & marketing	12,496
Ironwood's collaboration revenue	$ 56,307

R&D Pool

LINZESS R&D expenses	$ 15,471
Ironwood's 50% Share	$ 7,736

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

	Three Months Ended June 30, 2017 (000s)
LINZESS U.S. net product sales	$ 167,833
Commercial costs and expenses	80,211
R&D expenses	15,471
Net profit on sales of LINZESS	$ 72,151

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.

2Q 2017 Ironwood Financial Summary

Condensed Consolidated Statement of Operations (unaudited)

	Three Months Ended June 30, 2017 (000s, except per share amounts)
Total revenues	$ 65,077
Cost and expenses:	
Cost of revenues, excluding amortization of acquired intangible asset	3,502
Write-down of lesinurad commercial supply to net realizable value	96
Research and development	37,344
Selling, general and administrative	57,792
Amortization of acquired intangible asset	421
Loss on fair value remeasurement of contingent consideration	6,933
Total cost and expenses	106,088
Loss from operations	(41,011)
Other expense, net	(3,213)
GAAP net loss	$ (44,224)
GAAP net loss per share – basic and diluted	$ (0.30)
Non-GAAP net loss	$ (42,207)*
Non-GAAP net loss per share – basic and diluted	$ (0.28)*

2Q 2017 Ironwood Financial Summary

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

	Three Months Ended June 30, 2017 (000s, except per share amounts)
GAAP net loss	$ (44,224)
Adjustments:	
Mark-to-market adjustments on the derivatives related to convertible notes, net	(5,337)
Amortization of acquired intangible asset	421
Fair value remeasurement of contingent consideration	6,933
Non-GAAP net loss	$ (42,207)
GAAP net loss per share (basic and diluted)	$ (0.30)
Adjustments to GAAP net loss (detailed above)[2]	0.01
Non-GAAP net loss per share (basic and diluted)	$ (0.28)

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 August 3, 2017. 2) Numbers may not add due to rounding.

On Track to Meet 2017 Financial Guidance

Ironwood continues to expect:

R&D Expenses	**$145 - $160 million**
SG&A Expenses	**$235 - $250 million**
Total LINZESS Marketing & Sales Expenses (IRWD + AGN)	**$250 - $280 million**
Net Interest Expense	**~$40 million**
Cash Used for Operations	**<$100 million**

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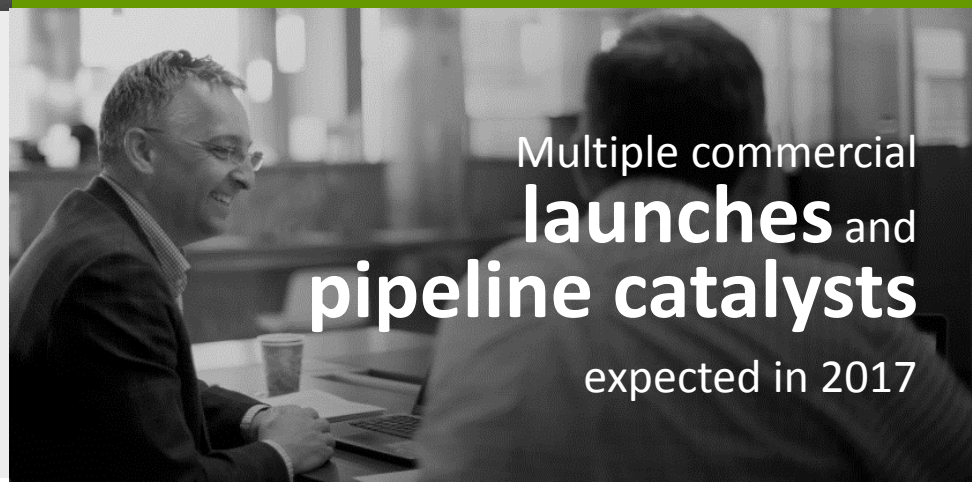

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A COMMERCIAL BIOTECHNOLOGY COMPANY