INSYS THERAPEUTICS, INC.

(Nasdaq: INSY)

Q3’18 Earnings
Supplemental Slides

November 5, 2018

Safe-Harbor Statement

This presentation contains both historical information and forward-looking statements. Forward-looking statements are based on management's current expectations and assumptions as of the date of this presentation, and actual results may differ materially from those in these forward-looking statements as a result of various factors, including many which are beyond INSYS' control.

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Recent Progress on Strategic Priorities

Continued execution of strategy to transform the company into a leader in pharmaceutical cannabinoids and spray technology

1 Resolve Government Investigations and Rebuild Reputation

- Announced **DOJ** settlement agreement in principle, consistent with previous public statements/disclosures
- Continued working with state **attorneys general** to resolve outstanding claims
- Confirmed **SEC** has concluded investigation and does not intend enforcement action

2 Strengthen the Foundation and Enhance Execution

- Appointed Elizabeth Bohlen to **Board** of Directors
- Added Mark Nance to **management** team as Chief Legal Officer and General Counsel
- Optimized Commercial organization to control **op-ex** in line with lower revenue

3 Advance and Develop Diverse Pipeline to Drive Future Growth

- Received 'Fast Track' designation from FDA for **epinephrine** nasal spray
- Continued enrolling company-sponsored **CBD** studies:
  - childhood *absence* epilepsy
  - Prader-Willi syndrome
  - infantile spasms
- Expanded **CMCR** collaboration with two additional studies:
  - early psychosis
  - anxiety in anorexia nervosa
- Completed PK study of **dronabinol** inhalation

4 Stabilize and Grow Marketed Portfolio

- Commenced review of **strategic alternatives** for opioid-related assets
- Signed **licensing agreement** with Lunatus to commercialize SUBSYS® in the Middle East
- Received **FDA approval** of sNDA for SYNDROS® to expand label, enabling delivery of drug through feeding tube

Supported by strong culture of compliance

Branded Leader in Challenging Market

- **TIRF market continues to be under pressure**
  - Efforts by various constituents to reduce opioid use
  - Concern among cancer patients regarding fentanyl
- **SUBSYS® remains branded TIRF leader**
  - 27.2% TRx share
  - 31.6% unit share
- **Over 50% of new patients prescribed TIRF product receive Rx for SUBSYS®**

Q3’18 Financial Highlights

	Q3’18	Q2’18	Q3’17 As Revised
Net Revenue	$18.3M	$23.5M	$30.7M
Gross Margin	87.0%	84.7%	75.6%
Sales & Marketing	$7.4M	$9.1M	$12.8M
Research & Development	$14.5M	$16.5M	$19.6M
General & Administrative	$8.9M	$10.9M	$11.3M
Legal	$16.0M	$11.1M	$4.4M
Income Tax Expense (Benefit)	$0.2M	$0.1M	($9.0M)
Adjusted EBITDA	($26.0M)	($22.5M)	($18.4M)
Liquidity (Cash & Investments)	$113.0M	$123.5M	$177.2M

** Please see a reconciliation of our GAAP to Non-GAAP financials in our quarterly press release*

Q3’18 Financial Highlights

	Q3’18	Q3’17 As Revised	Increase / (Decrease)
Sales & Mktg	$7.4M	$12.8M	-42.2%
R&D	$14.5M	$19.6M	-26.0%
G&A	$8.9M	$11.3M	-21.2%
Sub-Total Before Legal	**$30.8M**	**$43.7M**	**-29.5%**
Legal Costs	$16.0M	$4.4M	263.6%
Settlements	$0.0M	$150.9M	-100.0%
Total Operating Expense	**$46.8M**	**$199.0M**	**-76.5%**

** Please see a reconciliation of our GAAP to Non-GAAP financials in our quarterly press release*

Deep Pipeline to Drive Long-Term Growth

	Drug Candidate	Disease State	Non-Clinical	Phase 1	Phase 2	Phase 3	Submit	Approval
CANNABINOIDS	**Cannabidiol (CBD)** Oral Solution	(i) Childhood *Absence* Epilepsy	Ph 2 Enrolling (n=30)					
		(ii) Infantile Spasms	Ph 3 Initiated (n=190)					Orphan Drug Designation Granted Aug 2015
		(iii) Prader-Willi Syndrome	Ph 2 Enrolling (n=66)					Fast Track Designation Granted Dec 2017
	Dronabinol Inhalation	Anorexia in Cancer	In Dev					PK Study Completed Sept 2018
SPRAYS	**Naloxone*** Nasal Spray	Opioid Overdose	PK Completed					NDA Filing 1Q 2019**
	Epinephrine* Nasal Spray	Anaphylaxis	PK Completed					Fast Track Designation Granted Aug 2018
	Buprenorphine/Naloxone Sublingual Spray	Opioid Dependence	In Dev					
	Buprenorphine Sublingual Spray	Moderate-to-Severe Acute Pain	NDA Filed					CRL Rec'd July 2018

** Pursuing 505(b)2 bioequivalence approach for potential approval*

*** FDA requires additional juvenile nonclinical toxicity studies as part of the pediatric plan*

Collaborative CBD Trials Under Consideration

✓ **Autism** ✓ **Early Psychosis** ✓ **Anxiety in Anorexia Nervosa**	Collaborating with University of California (UC) San Diego School of Medicine's Center for Medicinal Cannabis Research (CMCR)
▪ **Childhood Schizophrenia/ Early Psychosis**	Orphan Drug Designation Possible collaboration
▪ **Opioid Use Disorder**	Possible collaboration
✓ **Cocaine Addiction**	Ongoing Collaboration with University of Montreal and Canadian Institutes of Health Research
▪ **Post-Traumatic Stress Disorder**	Possible collaboration

Key Clinical & Regulatory Milestones

Year-to-Date 2018

- ✓ Began enrolling three clinical studies of CBD:
  1) childhood *absence* epilepsy (Phase 2)
  2) Prader-Willi syndrome (Phase 2)
  3) infantile spasms (Phase 3)
- ✓ Conducted proof-of-concept study for dronabinol inhalation, targeting anorexia in cancer as potential indication, and reported results
- ✓ Advanced epinephrine program:
  1) Received Fast Track designation
  2) Completed End-of-Phase 2 meeting
  3) Reported results from proof-of-concept study
- ✓ For naloxone program, initiated FDA-required nonclinical juvenile toxicity studies
- ✓ Received FDA approval of supplemental NDA for SYNDROS® to expand label, enabling use of product with feeding tubes for patients with cancer and AIDS

Upcoming

- Present results from long-term safety study of CBD in refractory pediatric epilepsy at AES meeting in early December
- Report results of Phase 2 clinical trial of CBD in childhood *absence* epilepsy
- File NDA for naloxone nasal spray as potential treatment for opioid overdose

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