Q1'18 Supplementary Earnings Slides

May 8, 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.

Such factors include, but are not limited to, risks regarding: INSYS' ability to commercialize products successfully; INSYS' ability to successfully manage its commercial relationships and sales infrastructure; INSYS' ability to obtain anticipated governmental or regulatory approvals; INSYS' failure to comply with post-approval regulatory and governmental requirements; the actual sales potential and opportunity of identified markets; INSYS' ability to manage and resolve, under acceptable terms and conditions, its ongoing legal proceedings, including governmental investigations and third-party litigation; and INSYS' ability to realize the expectations of its pipeline and product candidate plans and timelines. For a further description of these and other risks facing INSYS, please see the risk factors described in the company's filings with the United States Securities and Exchange Commission, including those factors discussed under the caption "Risk Factors" in those filings.

All the information included herein is dated information concerning the company. The company disclaims and does not undertake any obligation to update or revise any forward-looking statements or historical information contained herein.

Year-to-Date Operational Highlights

- Continued execution against strategy to transform INSYS into a leader in pharmaceutical cannabinoids and spray technology
- Further advanced pipeline:
  - Commenced enrollment in Phase 2 clinical trial of CBD oral solution as potential treatment for childhood *absence* epilepsy
  - Initiated Phase 2 clinical trial of CBD oral solution as potential treatment for Prader-Willi syndrome
  - Initiated Phase 3 clinical trial of CBD oral solution as potential treatment for infantile spasms
  - Announced collaboration with UC San Diego's Center for Medicinal Cannabis Research (CMCR) to study CBD oral solution as potential treatment for severe symptoms of autism in pediatric patients (starting in 2019)
  - Announced plans to study dronabinol inhalation with novel, proprietary breath-actuated device for a variety of potential indications (starting in 2H'18)
  - Completed enrollment in proof-of-concept study for epinephrine nasal spray as potential treatment for anaphylaxis (severe allergic reaction)
- Continued to build and strengthen management and governance, with appointments of:
  - Dr. Ahmed Elkashef as Vice President of Clinical Development
  - Carol Summersgill as Vice President of Human Resources
  - Vaseem Mahboob and Dr. Trudy Vanhove as new members of Board of Directors
- Continued efforts to stabilize SUBSYS with salesforce optimization (territory realignment, talent upgrade), utilization of managed care access and patient education programs
- Modest traction in SYNDROS® prescriptions in second half of first quarter; with continued opportunity to improve trajectory

Commercial Strategies Overview

Executing SUBSYS® Stabilization Initiatives

- Completed realignment of team
- Upgraded commercial talent
- Early positive signs from managed care wins
- Home Health Educator (HHE) Program building confidence in doctors by ensuring appropriate patients will be educated on proper usage

SYNDROS® Brand Awareness Programs Expanded

- Expanding HCP education programs
- Pursuing additional managed care wins as 2018 progresses

Performance Drivers Update

- Pipeline Progress Across Multiple Indications
- Business Development Opportunities & Partnerships
- Strong Operating Expense Management
- Government Investigations and Outstanding Legal Proceedings
- Gross-To-Net (Sales Returns) and Stabilization of SUBSYS

Q1'18 Financial Highlights

	Q1'18	Q4'17	Q1'17
Gross Revenue	$38.5M	$46.1M	$51.8M
Net Revenue	$23.9M	$31.5M	$36.0M
Gross Margin	90.8%	85.4%	87.1%
Sales & Marketing	$9.1M	$7.1M	$15.7M
Research & Development	$12.3M	$16.4M	$12.9M
General & Administrative	$19.9M	$19.7M	$15.0M
Income Tax Expense (Benefit)	$0.2M	$26.8M	($5.3M)
Adjusted EBITDA*	($14.9M)	($11.5M)	($6.5M)
Liquidity (Cash & Investments)	$146.1M	$163.9M	$218.5M

**Please see a reconciliation of our GAAP to Non-GAAP financials in our quarterly press release and 10-Q*

Q1'18 Financial Highlights

	Q1'17	Q1'18	Increase / (Decrease)	Percentage %
Sales & Mktg	$15.7M	$9.1M	(6.6)	-41.9%
R&D	$12.9M	$12.3M	(0.6)	-4.7%
G&A	$9.9M	$9.6M	(0.3)	-3.0%
Sub-Total Before Legal	**$38.5M**	**$31.0M**	**(7.5)**	**-19.5%**
Legal Costs	$5.1M	$10.2M	5.1	100.0%
Settlements	-	0.7M	0.7	N/A
Total Operating Expense	$43.6M	$41.9M	(1.7)	-3.8%

**Please see a reconciliation of our GAAP to Non-GAAP financials in our quarterly press release and 10-Q*

Strategic Roadmap & Key Priorities

Our Vision…

Improve the quality of patient care by building a specialty pharmaceutical company focused on *cannabinoids* and *novel drug delivery systems* that address unmet patient needs.

Our Priorities…

1 Resolve Government Investigations & Rebuild Reputation

2 Strengthen the Foundation & Enhance Execution

3 Stabilize and Grow Marketed Portfolio

4 Advance and Develop Diverse Pipeline to Drive Future Growth

Strong Culture of Compliance

Deep Pipeline to Drive Long-Term Growth

	Drug Candidate	Disease State	Pre-Clinical	Phase 1	Phase 2	Phase 3	Submit	Approval
CANNABINOIDS	Cannabidiol Oral Solution (CBD)	(i) Childhood Absence Epilepsy	Phase 2 Enrolling					
		(ii) Infantile Spasms	Phase 3 Initiated					
		(iii) Prader Willi Syndrome	Phase 2 Initiated		Fast Track Designation Granted Dec 2017			
	Dronabinol Inhalation	(i) Anorexia in Cancer Patients	In Dev					
		(ii) Agitation in Alzheimer's Disease	In Dev					
SPRAYS	Buprenorphine Sublingual Spray	Moderate to Severe Pain	Phase 3 Completed				NDA Accepted Dec 2017	
	Naloxone Nasal Spray	Opioid Overdose	PK Study Completed			End of Phase 2 FDA Meeting Feb 2018		
	Epinephrine Nasal Spray	Anaphylaxis Reaction	POC Enrolled					
	Buprenorphine / Naloxone Sublingual Spray	Opioid Dependence	In Dev					
	Rizatriptan Nasal Spray	Migraine	In Dev					

2018 Major Clinical Milestones

First Half 2018 Major Clinical Milestones

- ✓ Commenced enrollment in Phase 2 clinical trial of CBD oral solution as potential treatment for childhood *absence* epilepsy
- ✓ Initiated Phase 2 clinical trial of CBD oral solution as potential treatment for Prader-Willi syndrome
- ✓ Initiated Phase 3 clinical trial of CBD oral solution as potential treatment for infantile spasms
- ✓ Submitted additional safety data to FDA for previously accepted NDA for buprenorphine sublingual spray as potential treatment for moderate-to-severe acute pain
- ✓ Completed end-of-Phase 2 meeting with FDA regarding previously accepted IND for naloxone nasal spray as potential treatment for opioid overdose
- ✓ Completed enrollment in proof-of-concept study of epinephrine nasal spray as potential treatment for anaphylaxis (severe allergic reaction)
- Expecting data read for epinephrine nasal spray's proof-of-concept study

Second Half 2018 Major Clinical Milestones

- PDUFA date for buprenorphine sublingual spray (July 28, 2018)
- Initiate proof-of-concept study for dronabinol inhalation
- Readout for Phase 2 clinical trial of CBD oral solution for childhood *absence* epilepsy
- Submit NDA for naloxone nasal spray

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