

Collegium Pharmaceutical, Inc. Q3 2021 Earnings Report

November 4, 2021



Forward-Looking Statements and use of Non-GAAP Financial Measures

This presentation contains forward-looking statements within the meaning of The Private Securities Litigation Reform Act of 1995. We may, in some cases, use terms such as "predicts," "forecasts," "believes," "potential," "proposed," "continue," "estimates," "anticipates," "expects," "plans," "intends," "may," "could," "might," "should" or other words that convey uncertainty of future events or outcomes to identify these forward-looking statements. Examples of forward-looking statements contained in this presentation include, among others, statements regarding financial guidance for Xtampza ER and Nucynta Franchise revenues, Adjusted EBITDA, total operating expenses, current and future market opportunities for our products and our assumptions related thereto. Such statements are subject to numerous important factors, risks and uncertainties that may cause actual events or results, performance, or achievements to differ materially from the company's current expectations. Management's expectations and, therefore, any forward-looking statements in this presentation could also be affected by risks and uncertainties relating to a number of other factors, including the impact of the COVID-19 pandemic on our ability to conduct our business, reach our customers, and supply the market with our products; our ability to commercialize and grow sales of our products; our ability to manage our relationships with licensors; the success of competing products that are or become available; our ability to obtain and maintain regulatory approval of our products and any product candidates, and any related restrictions, limitations, and/or warnings in the label of an approved product; the size of the markets for our products and product candidates, and our ability to service those markets; our ability to obtain reimbursement and third-party payor contracts for our products; the rate and degree of market acceptance of our products and product candidates; the costs of commercialization activities, including marketing, sales and distribution; changing market conditions for our products; the outcome of any patent infringement, opioid-related or other litigation that may be brought by or against us, including litigation with Purdue Pharma, L.P.; the outcome of any governmental investigation related to our business; our ability to secure adequate supplies of active pharmaceutical ingredient for each of our products and manufacture adequate supplies of commercially saleable inventory; our ability to obtain funding for our operations and business development; regulatory developments in the U.S.; our expectations regarding our ability to obtain and maintain sufficient intellectual property protection for our products; our ability to comply with stringent U.S. and foreign government regulation in the manufacture of pharmaceutical products, including U.S. Drug Enforcement Agency, or DEA, compliance; our customer concentration; and the accuracy of our estimates regarding expenses, revenue, capital requirements and need for additional financing. These and other risks are described under the heading "Risk Factors" in our Quarterly Report on Form 10-Q and other filings with the SEC. Any forward-looking statements that we make in this presentation speak only as of the date of this presentation. We assume no obligation to update our forward-looking statements whether as a result of new information, future events or otherwise, after the date of this presentation.

To supplement our financial results presented on a GAAP basis, we have included information about certain non-GAAP financial measures such as adjusted EBITDA and operating expenses, excluding stock-based compensation. We use these non-GAAP financial measures to understand, manage and evaluate our business as we believe they provide additional information on the performance of our business. We believe that the presentation of these non-GAAP financial measures, taken in conjunction with our results under GAAP, provide analysts, investors, lenders and other third parties insight into our view and assessment of our ongoing operating performance. In addition, we believe that the presentation of these non-GAAP financial measures, when viewed with our results under GAAP and the accompanying reconciliations, provide supplementary information that may be useful to analysts, investors, lenders, and other third parties in assessing our performance and results from period to period. We report these non-GAAP financial measures to portray the results of our operations prior to considering certain income statement elements. These non-GAAP financial measures should be considered in addition to, and not as a substitute for, or superior to, net income or other financial measures calculated in accordance with GAAP.

Adjusted EBITDA is a non-GAAP financial measure that represents GAAP net income adjusted to exclude interest expense, interest income, the benefit from or provision for income taxes, depreciation, amortization, and stock-based compensation. Adjusted EBITDA, as used by us, may be calculated differently from, and therefore may not be comparable to, similarly titled measures used by other companies.

There are several limitations related to the use of adjusted EBITDA rather than net income, which is the nearest GAAP equivalent, such as:

- adjusted EBITDA excludes depreciation and amortization, and, although these are non-cash expenses, the assets being depreciated or amortized may have to be replaced in the future, the cash requirements for which are not reflected in adjusted EBITDA;
- we exclude stock-based compensation expense from adjusted EBITDA although (a) it has been, and will continue to be for the foreseeable future, a significant recurring expense for our business and an important part of our compensation strategy and (b) if we did not pay out a portion of our compensation in the form of stock-based compensation, the cash salary expense included in operating expenses would be higher, which would affect our cash position;
- adjusted EBITDA does not reflect changes in, or cash requirements for, working capital needs;
- adjusted EBITDA does not reflect the benefit from or provision for income taxes or the cash requirements to pay taxes; and
- adjusted EBITDA does not reflect historical cash expenditures or future requirements for capital expenditures or contractual commitments.

The Company has not provided a reconciliation of its full-year 2021 guidance for non-GAAP adjusted EBITDA to the most directly comparable forward-looking GAAP measure because it is unable to predict, without unreasonable efforts, the timing and number of items that would be included in such a reconciliation, including, but not limited to, stock-based compensation expense. These items are uncertain and depend on various factors that could have a material impact on GAAP net income for the guidance period.

Operating expenses, excluding stock-based compensation is a non-GAAP financial measure that represents GAAP operating expenses adjusted to exclude stock-based compensation expense.



Business Highlights

Joe Ciaffoni, President & Chief Executive Officer

Our Strategy

Deliver on our mission | Create value for shareholders



**Maximize the value of
our differentiated
portfolio of pain
products**



**Achieve our near-term
operational and
financial goals**



**Deploy balance sheet
& invest in our long-
term growth**

First Nine Months 2021 Key Business Highlights



- **Posted record revenue, net income, and adjusted EBITDA**



- **Strengthened financial position and executed share repurchase program**



- **Grew Xtampza® ER market share to 32.5%^{1,2}**
- **Achieved Nucynta® Franchise revenue of >\$150M YTD³**



- **Demonstrated commitment to leading with science through publications**



- **Leveraged cost structure**



- **Supported communities through charitable contributions**

Sources:

1. IQVIA Monthly NPA through Sept 2021

2. Quarter-Ending Share

3. This financial data was provided by Collegium Pharmaceutical, Inc. in its Quarterly Report on Form 10-Q filed with the SEC on November 4, 2021.

Focus for Remainder of 2021



**Maximize value of
differentiated pain portfolio**



**Achieve our operational
and financial goals**



**Leverage cost structure,
generate cash flows**



**Execute on share
repurchase program**



**Actively pursue business
development opportunities**

Business Development is the #1 Priority for Capital Deployment

Business Development Strategy Anchored to **Diversification in Three Areas:**

Commercial Stage High-Synergy

Differentiated
commercial-stage pain assets
Accretive within 24 months

Commercial Stage Lower-Synergy

Commercial-stage therapeutic
assets
Potential to serve as strategic
beachhead

Non-Opioid Pain

Novel non-opioid pain assets
Phase 2 or later assets
Potential revenue generation
between 2025-2027
Peak sales potential of
\$150 million or greater

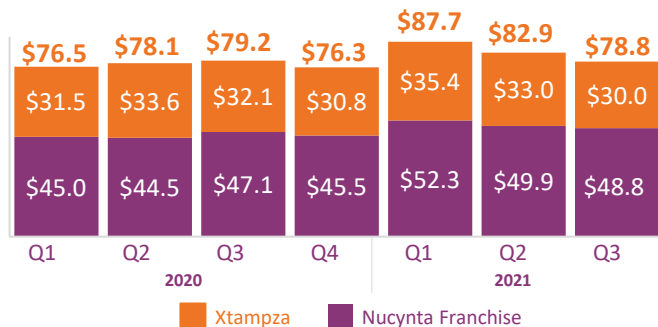


Financial Update

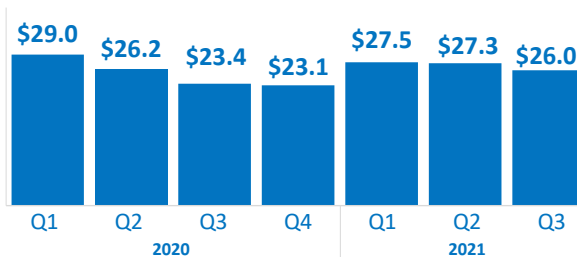
Colleen Tupper, Executive Vice President & Chief Financial Officer

Q3 2021 Financial Highlights¹

Net Revenue (\$M)



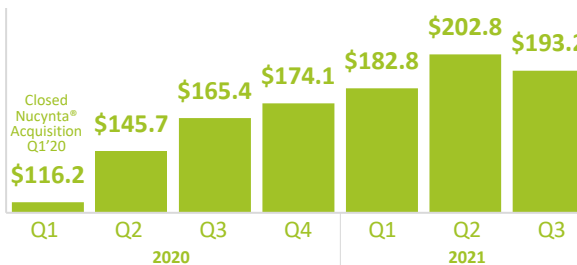
OPEX Excluding Stock-Based Comp. (\$M)



Non-GAAP Adjusted EBITDA (\$M)²



Cash Balance (\$M)



1. This financial data was provided by Collegium Pharmaceutical, Inc. in its Quarterly Report on Form 10-Q filed with the SEC on November 4, 2021.
 2. Non-GAAP Adjusted EBITDA excludes interest expense, interest income, the benefit from or provision for income taxes, depreciation, amortization, and stock-based compensation.

Returning Capital to Shareholders

\$100 Million

share repurchase program
authorized in August 2021

\$22.4 Million

deployed for share repurchase
through November 4th, 2021

\$25 Million

Board authorized accelerated
share repurchase

2021 Financial Guidance¹

	Prior Guidance	Updated Guidance
Xtampza ER Revenues	\$140.0 to \$150.0 million	\$130.0 to \$135.0 million
Nucynta Franchise Revenues	\$195.0 to \$205.0 million	\$200.0 to \$205.0 million
Total Operating Expenses (Including Stock-Based Compensation)	\$125.0 to \$135.0 million	\$125.0 to \$130.0 million
Adjusted EBITDA² (Excluding Stock-Based Compensation)	\$170.0 to \$180.0 million	\$165.0 to \$170.0 million

1. This financial data was provided by Collegium Pharmaceutical, Inc. in its Press Release filed with the SEC on November 4, 2021.

2. Non-GAAP Adjusted EBITDA excludes interest expense, interest income, the benefit from or provision for income taxes, depreciation, amortization, and stock-based compensation. Collegium is not providing forward-looking guidance for its full-year 2021 U.S. GAAP net income (loss) or a quantitative reconciliation of forward-looking adjusted EBITDA. Please see "Non-GAAP Financial Measures" later in the presentation for additional information.



Commercial Update

Scott Dreyer, Executive Vice President & Chief Commercial Officer

Challenging Market Dynamics

Weekly Pain Patient Visits Remain Down
~30% vs. Pre-COVID¹

Weekly Patient Visits



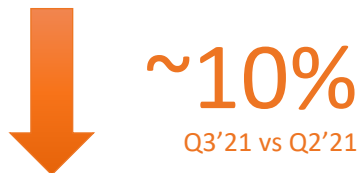
OER NBRx Market has Not Rebounded From COVID-19 Impact²

OER NBRx Market



OER NBRx Market Down Additional 10% in Q3'21²

OER NBRx Market



Sources:

1. IQVIA BrandImpact through Sep 2021
2. IQVIA Xponent Prescribing Dynamics through Oct 15, 2021

Xtampza ER Expanded Market Position in Q3 2021

Xtampza ER Total Prescriptions¹

+1% to ~174,600
Q3'21 vs. Q2'21

Xtampza Oxycodone Extended-Release Market Share^{1,3}

+1
percentage point to ~32.5%
Q3'21 vs. Q2'21

Xtampza ER Unique Prescribers²

+2% to ~19,200
Q3'21 vs. Q2'21

Sources:

1. IQVIA Monthly NPA through Sept 2021
2. IQVIA Monthly Xponent through Sept 2021
3. Quarter-Ending Share

Nucynta Franchise Achieved Stability in Q3 2021

Nucynta ER Branded ER Market Share^{1,2}

5.8%

Stable
Market Share
Q2'21 – Q3'21

Nucynta ER Prescriber Base³

~11,500

Stable
Prescriber Base
Q2'21 – Q3'21

Successful Execution of Nucynta Payer Strategy

7

percentage point

Reduction in Nucynta
Gross-to-Net
FY 2020 – Q3'21

Sources:

1. IQVIA Monthly NPA through Sept 2021
2. Quarter-Ending Share
3. IQVIA Monthly Xponent through Sep 2021

2022 Payer Update



3 Million New Exclusive Lives

96 million total exclusive lives under contract¹

40 million total parity lives under contract¹



Renegotiated Exclusive Contract

Reduced rebate and maintained exclusivity

Payer Strategy Moving Forward

1 New Exclusive & Parity Wins

Selectively securing new exclusive and parity wins at desirable rates

2 Optimizing Exclusive Contracts¹

~50% of Xtampza ER TRxs in 2022

~30% of Xtampza ER TRxs in 2023

Will Manage Xtampza ER Gross-to-Net to <65% Beginning in 2023



Q&A

Executing on our Strategy

Delivering on our mission | Creating value for shareholders





Non-GAAP Reconciliations

Non-GAAP Reconciliations

Collegium Pharmaceutical, Inc.
Reconciliation of GAAP Net Income to Adjusted EBITDA
(in thousands)
(unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
GAAP net income	\$ 8,046	\$ 11,286	\$ 96,551	\$ 19,794
Adjustments:				
Interest expense	5,115	8,063	16,257	21,145
Interest income	(3)	(3)	(9)	(229)
Provision for (benefit from) income taxes	991	280	(61,049)	526
Depreciation	448	195	1,312	589
Amortization	16,796	16,795	50,386	43,885
Stock-based compensation expense	5,948	5,165	19,343	15,700
Total adjustments	\$ 29,295	\$ 30,495	\$ 26,240	\$ 81,616
Adjusted EBITDA	\$ 37,341	\$ 41,781	\$ 122,791	\$ 101,410

Non-GAAP Reconciliations

Collegium Pharmaceutical, Inc.
Reconciliation of GAAP Operating Expenses to Operating Expenses, Excluding Stock-Based Compensation
(in thousands)
(unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
GAAP Operating expenses	\$ 31,964	28,567	100,200	94,308
Stock-based compensation	5,948	5,165	19,343	15,700
Operating expenses, excluding stock-based compensation	\$ 26,016	\$ 23,402	\$ 80,857	\$ 78,608