

# Collegium Pharmaceutical, Inc. Q2 2021 Earnings Report

August 5, 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 amount 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 & CEO



We are committed to being the leader in responsible pain management

We are a mission-driven organization with an **unwavering commitment** to people living with pain and the communities we serve



## 2021 Objectives: A Focus on Growth & Value Creation

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**Drive revenue growth  
from Xtampza<sup>®</sup> ER**



**Achieve stable profit  
contributions from  
Nucynta<sup>®</sup> franchise**



**Leverage current cost  
structure, generate cash**



**Deploy balance sheet  
in disciplined manner**



**Seek opportunities to  
enhance portfolio long-term**

## First Half 2021 Key Business Highlights

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**Record Revenue, Net Income and Adjusted EBITDA**



**Xtampza ER: All-Time High Market Share and Prescription Growth**



**Nucynta Franchise: >\$100 Million in Revenue for the First Time Since 2018**



**Leveraged Cost Structure**



**Grew Cash on Hand to over \$200 Million**

# Deploying Our Balance Sheet in a Disciplined Manner

*\$202.8 Million Cash Balance as of June 30, 2021<sup>1</sup>*

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## Focused on Business Development and Leveraging the Balance Sheet to Return Shareholder Value

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

### Commercial Stage High-Synergy

Differentiated  
commercial-stage pain assets

Accretive within 24 months

### Non-Opioid Pain

Novel non-opioid pain assets  
Phase 2 assets

Potential revenue generation  
between 2025-2027

Peak sales potential of  
\$150 million or greater

### Commercial Stage Low-Synergy

Commercial-stage,  
pain-adjacent assets

Potential to serve as strategic  
beachhead

7 1. This financial data was provided by Collegium Pharmaceutical, Inc. in its Quarterly Report on Form 10-Q filed with the SEC on August 5, 2021.



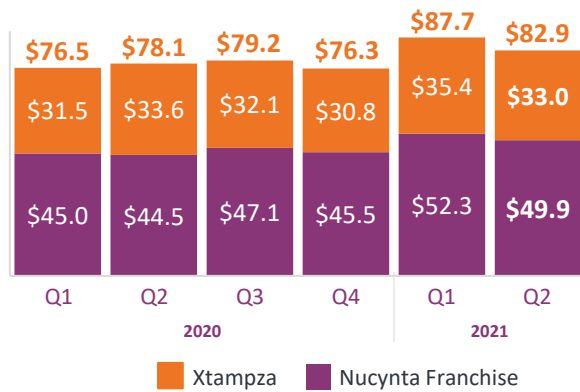
# Financial Update

Colleen Tupper, EVP & CFO

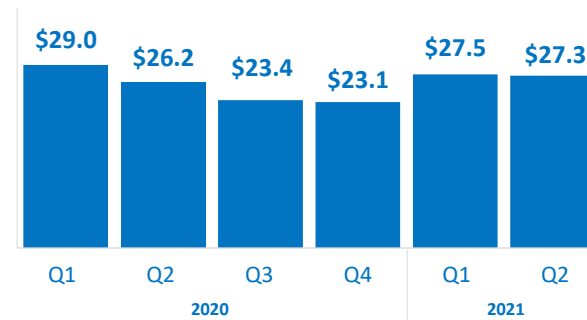


# Q2 2021 Financial Highlights

**Net Revenue (\$M)**

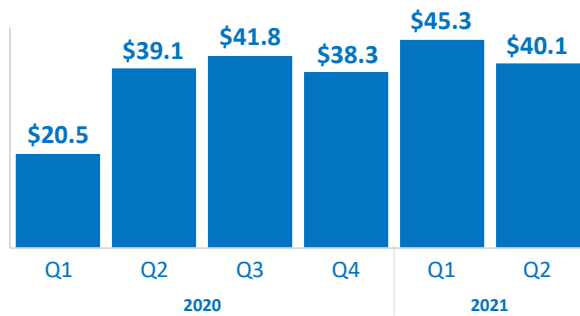


**OPEX Excluding Stock-Based Comp. (\$M)**

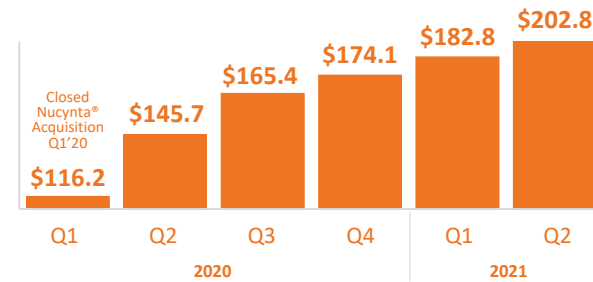


# Q2 2021 Financial Highlights

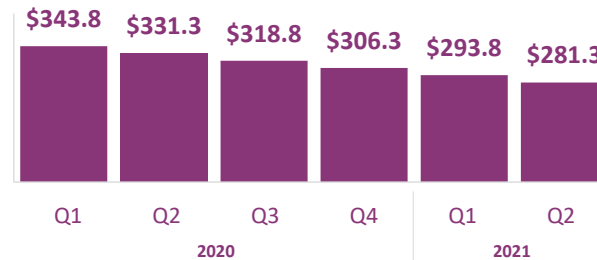
## Non-GAAP Adjusted EBITDA (\$M)<sup>1</sup>



## Cash Balance (\$M)



## Principal Debt Balance (\$M)



Notes: This financial data was provided by Collegium Pharmaceutical, Inc. in its Quarterly Report on Form 10-Q filed with the SEC on August 5, 2021.

10 1. Non-GAAP Adjusted EBITDA excludes interest expense, interest income, the benefit from or provision for income taxes, depreciation, amortization, and stock-based compensation.



## 2021 Financial Guidance<sup>1</sup>

	Prior Guidance	Updated Guidance
Xtampza ER Revenues	\$155.0 to \$165.0 million	\$140.0 to \$150.0 million
Nucynta Franchise Revenues	\$185.0 to \$195.0 million	\$195.0 to \$205.0 million
Total Operating Expenses (Including Stock-Based Compensation)	\$125.0 to \$135.0 million	Reaffirmed
Adjusted EBITDA <sup>2</sup> (Excluding Stock-Based Compensation)	\$170.0 to \$180.0 million	Reaffirmed

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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" below for additional information.



# Commercial Update

Scott Dreyer, EVP & CCO

# Xtampza ER Q2 2021 Highlights

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## Xtampza ER Total Prescriptions<sup>1</sup>

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**+7%** to ~173,000  
Q2'21 vs. Q1'21

## Xtampza Oxycodone Extended-Release Market Share<sup>1,3</sup>

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**+1%** to ~31.5%  
Q2'21 vs. Q1'21

## Xtampza ER Unique Prescribers<sup>2</sup>

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**+5%** to ~19,000  
Q2'21 vs. Q1'21

Sources:

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

# Nucynta Franchise Achieved Stability in Q2 2021

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## Nucynta Franchise Total Prescriptions<sup>1</sup>

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**+ .5%** to ~103,500  
Q2'21 vs. Q1'21

## Nucynta ER Branded ER Market Share<sup>1,2</sup>

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**5.7%** Stable  
Market Share  
Q1'21 – Q2'21

Sources:

1. IQVIA Monthly NPA through June 2021
2. Quarter-Ending Share

## 2H 2021 Landscape

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**Looking to the second half of the year, we expect to see:**

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**COVID-19  
dynamics  
persisting**

**Xtampza ER  
growth, albeit  
at a moderated  
pace vs.  
1H 2021**

**Nucynta  
Franchise Rx  
stability**



## Q&A



## 2021 Objectives: A Focus on Growth & Value Creation

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**Drive revenue growth  
from Xtampza ER**



**Achieve stable profit  
contributions from Nucynta  
franchise**



**Leverage current cost  
structure, generate cash**



**Deploy balance sheet  
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**Seek opportunities to  
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## Non-GAAP Reconciliations

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

	<b>Three months ended June 30,</b>		<b>Six months ended June 30,</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
GAAP Operating expenses	\$ 33,830	31,815	68,236	65,741
Stock-based compensation	6,516	5,584	13,395	10,535
Operating expenses, excluding stock-based compensation	<u>\$ 27,314</u>	<u>\$ 26,231</u>	<u>\$ 54,841</u>	<u>\$ 55,206</u>

	<b>First Quarter 2020</b>	<b>Second Quarter 2020</b>	<b>Third Quarter 2020</b>	<b>Fourth Quarter 2020</b>	<b>First Quarter 2021</b>	<b>Second Quarter 2021</b>
GAAP Operating expenses	\$ 33,926	\$ 31,815	\$ 28,567	\$ 29,296	\$ 34,406	\$ 33,830
Stock-based compensation	4,951	5,584	5,165	6,210	6,879	6,516
Operating expenses, excluding stock-based compensation	<u>\$ 28,975</u>	<u>\$ 26,231</u>	<u>\$ 23,402</u>	<u>\$ 23,086</u>	<u>\$ 27,527</u>	<u>\$ 27,314</u>

# Non-GAAP Reconciliations

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

	Three months ended June 30,		Six months ended June 30,	
	2021	2020	2021	2020
GAAP net income	\$ 72,843	\$ 8,058	\$ 88,505	\$ 8,508
Adjustments:				
Interest expense	5,421	8,259	11,142	13,082
Interest income	(3)	(14)	(6)	(226)
(Benefit from) provision for income taxes	(61,852)	246	(62,040)	246
Depreciation	425	196	864	394
Amortization	16,795	16,795	33,590	27,090
Stock-based compensation expense	6,516	5,584	13,395	10,535
Total adjustments	\$ (32,698)	\$ 31,066	\$ (3,055)	\$ 51,121
Adjusted EBITDA	\$ 40,145	\$ 39,124	\$ 85,450	\$ 59,629

	First Quarter 2020	Second Quarter 2020	Third Quarter 2020	Fourth Quarter 2020	First Quarter 2021	Second Quarter 2021
	GAAP net income	\$ 450	\$ 8,058	\$ 11,286	\$ 6,958	\$ 15,662
Adjustments:						
Interest expense	4,823	8,259	8,063	7,737	5,721	5,421
Interest income	(212)	(14)	(3)	(3)	(3)	(3)
Provision for (benefit from) income taxes	-	246	280	304	(188)	(61,852)
Depreciation	198	196	195	281	439	425
Amortization	10,295	16,795	16,795	16,795	16,795	16,795
Stock-based compensation expense	4,951	5,584	5,165	6,210	6,879	6,516
Total adjustments	\$ 20,055	\$ 31,066	\$ 30,495	\$ 31,324	\$ 29,643	\$ (32,698)
Adjusted EBITDA	\$ 20,505	\$ 39,124	\$ 41,781	\$ 38,282	\$ 45,305	\$ 40,145