A COMMERCIAL BIOTECHNOLOGY COMPANY

Cowen 38th Annual Health Care Conference

March 12, 2018

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; 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 (including strengthening the clinical profile and expanding the clinical utility of linaclotide) and the design, timing and results of clinical and preclinical studies; the potential for, and timing of, regulatory submissions and approvals for linaclotide, lesinurad and our product candidates; partnering strategy; expected periods of patent exclusivity, durability and life of the respective patent portfolios for linaclotide, lesinurad and our product candidates; commercial strategy, including learnings and solutions with respect to DUZALLO; the strength of the intellectual property protection for linaclotide, lesinurad and our product candidates and our intentions and efforts to protect such intellectual property; and our financial performance and results, and guidance and expectations related thereto (including the drivers and timing thereof), including expectations related to a rapidly growing top-line, the exercise of capital discipline, maximizing long-term per-share cash flows for shareholders, Ironwood revenue CAGR and revenue growth, positive cash flow and positive cash flow from operations, LINZESS U.S. net sales, LINZESS U.S. net sales CAGR, Ironwood revenue CAGR from the LINZESS U.S. collaboration, commercial margin, ex-U.S. revenue (including API revenue), and allocation of capital. 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; 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 and judicial 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, lesinurad 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 Annual Report on Form 10-K for the year ended December 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 28 of this presentation.

What to expect in 2018

1

Rapidly growing top-line

U.S. LINZESS® (linaclotide)
Ex-U.S. LINZESS/CONSTELLA® (linaclotide)
DUZALLO® (lesinurad and allopurinol) **launch year**

>25% Ironwood revenue CAGR 2016-2020[1,2]

2

Decisively advancing late-stage candidates

2 Phase III programs initiating

≥4 Phase II trials ongoing

Active partnering discussions for IW-3718 and for praliciguat (IW-1973)

3

Exercising financial discipline

Positive cash flow in 4Q 2018

Positive cash flow from operations in FY 2019[3]

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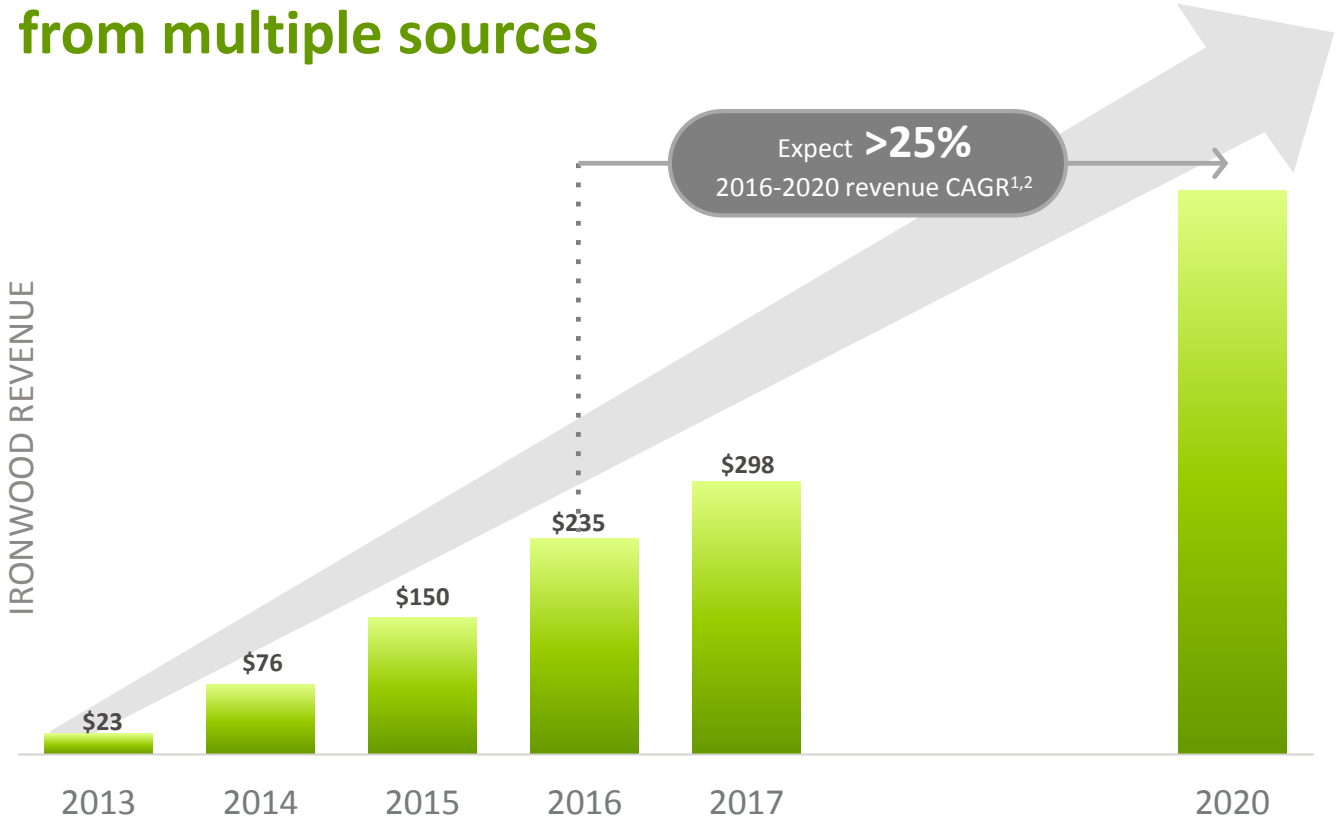
1) The >25% Ironwood revenue CAGR calculation excludes any current or future revenue recognized in the period related to milestone payments to Ironwood, including approximately $39 million recognized in 2016 2) Independent of any new potential partnerships 3) Expect quarterly fluctuations in cash flow

Generating rapid top-line growth from multiple sources



Linzess
U.S. net sales/brand profitability

+

Linzess
Ex-U.S. contribution

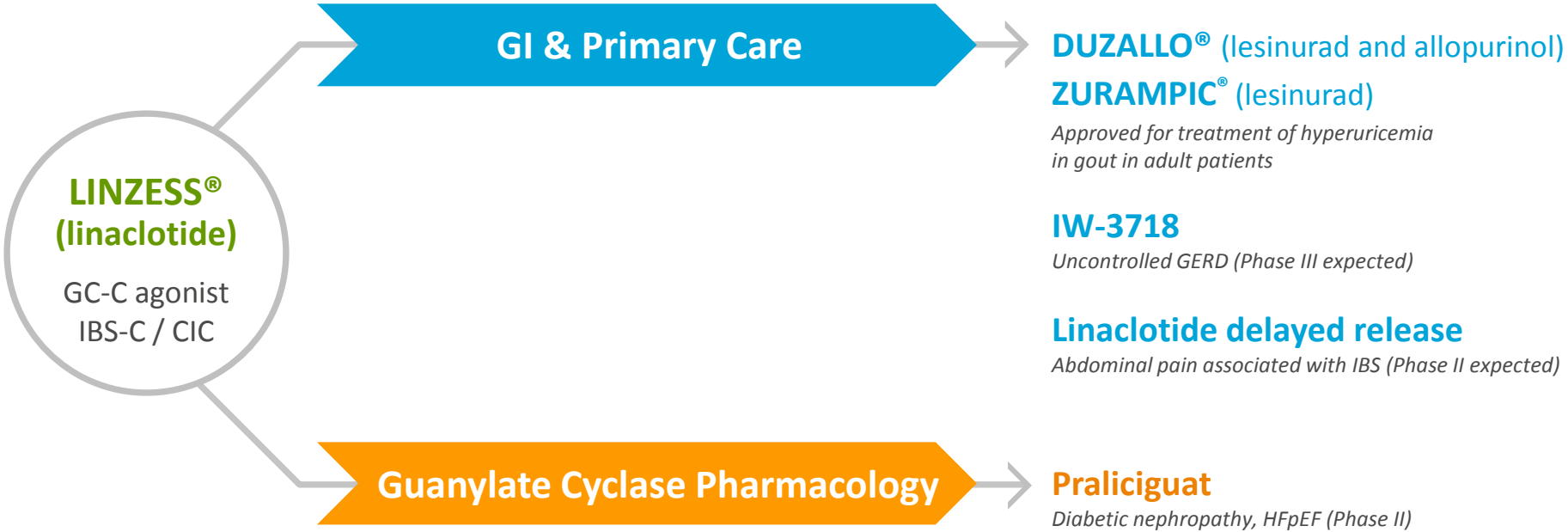
+

DUZALLO
U.S. net sales

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 2) Independent of any new potential partnerships

Innovating productively: leveraging core expertise

Building on Ironwood's pioneering work on linaclotide



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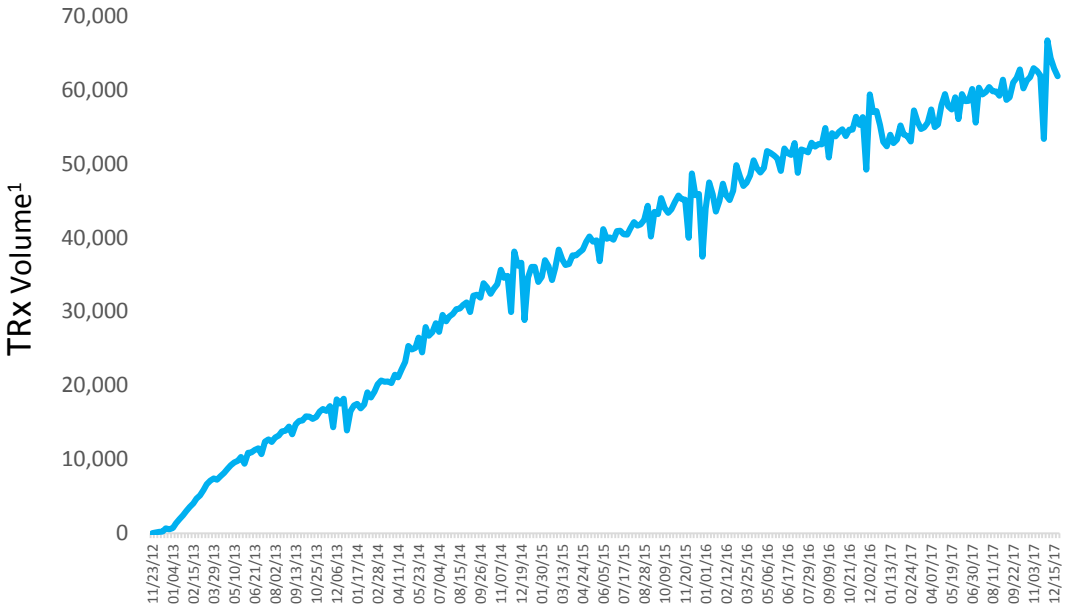
LINZESS: Transforming the IBS-C/CIC category

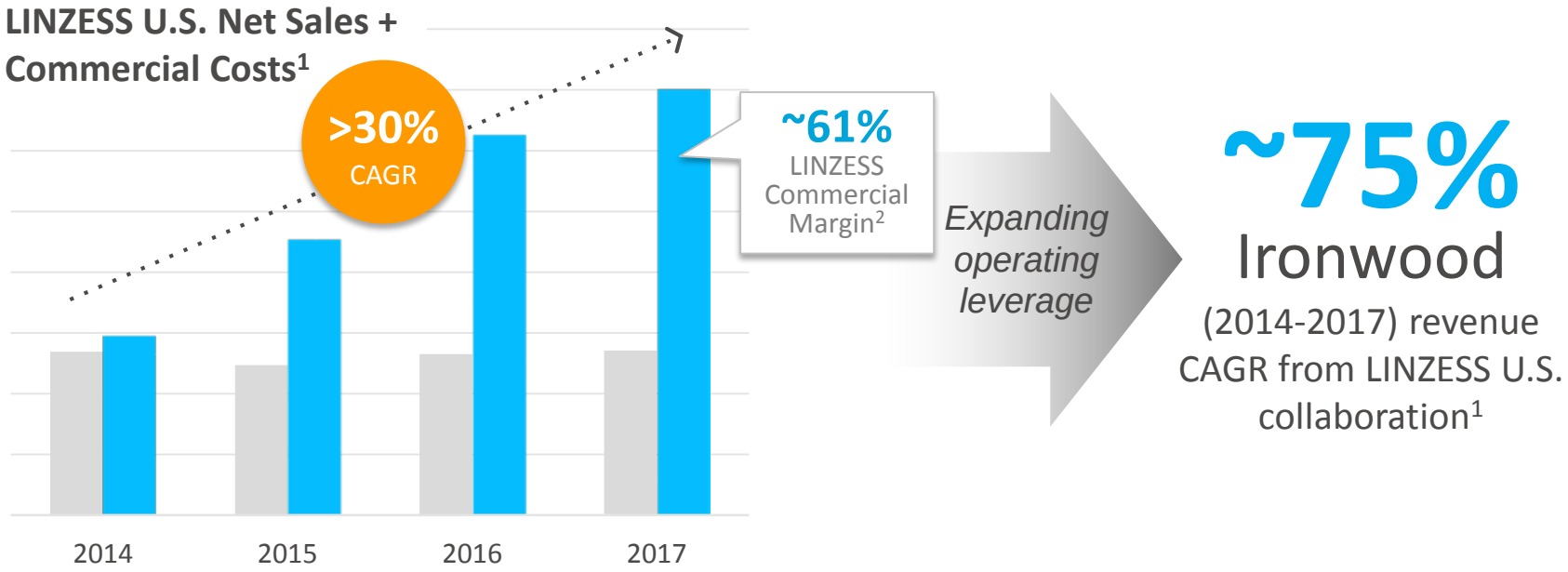


- **Market-leading growth:** ~19% 2017 volume growth yoy[1]
- **Productive prescribers:** >200K HCPs have Rx LINZESS[2]; >90% of surveyed HCPs willing to prescribe LINZESS when asked[3]
- **Motivated patients:** award-winning direct-to-consumer campaigns
- **Broad payer access:** ~80% of patients have unrestricted access[4]

1) IQVIA Weekly NPA (12/29/17) 2) IQVIA Weekly Xponent Dec-2017 3) Comscore Patient Pathway, MAT ending Q1/2017 4) Fingertip Formulary Nov-2017

Rapid LINZESS growth and expanding operating leverage propelling Ironwood revenue growth

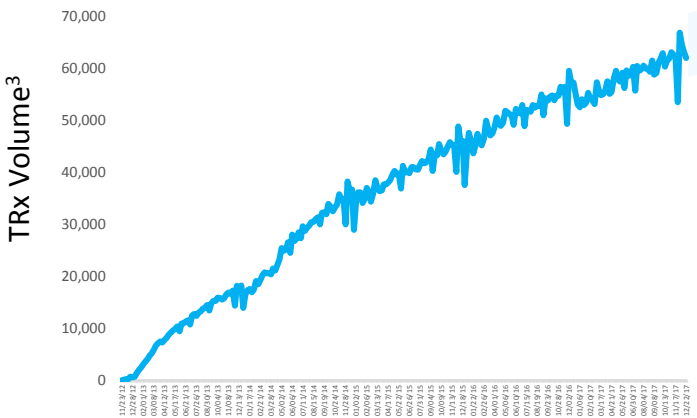
Catalyzed by successful 50-50 U.S. collaboration with Allergan



1) LINZESS U.S. net sales are reported by Allergan and LINZESS commercial costs incurred by each of us and Allergan are reported in our respective financial statements. LINZESS commercial costs include cost of goods sold incurred by Allergan and selling, general and administrative expenses incurred by Allergan and Ironwood that are attributable to the cost-sharing arrangement between the parties. 2) Commercial margin is defined as commercial profit on sales of LINZESS as a percent of total LINZESS U.S. net sales. Commercial profit on sales of LINZESS is equal to LINZESS U.S. net sales less commercial costs.

Expecting strong LINZESS growth trajectory into early 2030s

On track to >$1B in annual U.S. net sales with >70% commercial margin by 2020



- **Market-leader:** maintain & strengthen position as branded prescription market leader
- **Millions of patients still suffering:** >2M patients treated[1]; ~40M U.S. adult IBS-C/CIC sufferers[2]
- **Long durability:** IP coverage expected into early 2030s
- **Global opportunity:** significant revenue potential through ex-U.S. partnerships

1) IQVIA Total Patient Tracker Dec-2017 2) Lieberman GI Patient Landscape survey, 2010 3) IQVIA Weekly NPA (12/29/17)

Shaping brand profile by harnessing patient insights

LINZESS: multi-symptom IBS-C/CIC relief, including abdominal pain in IBS-C

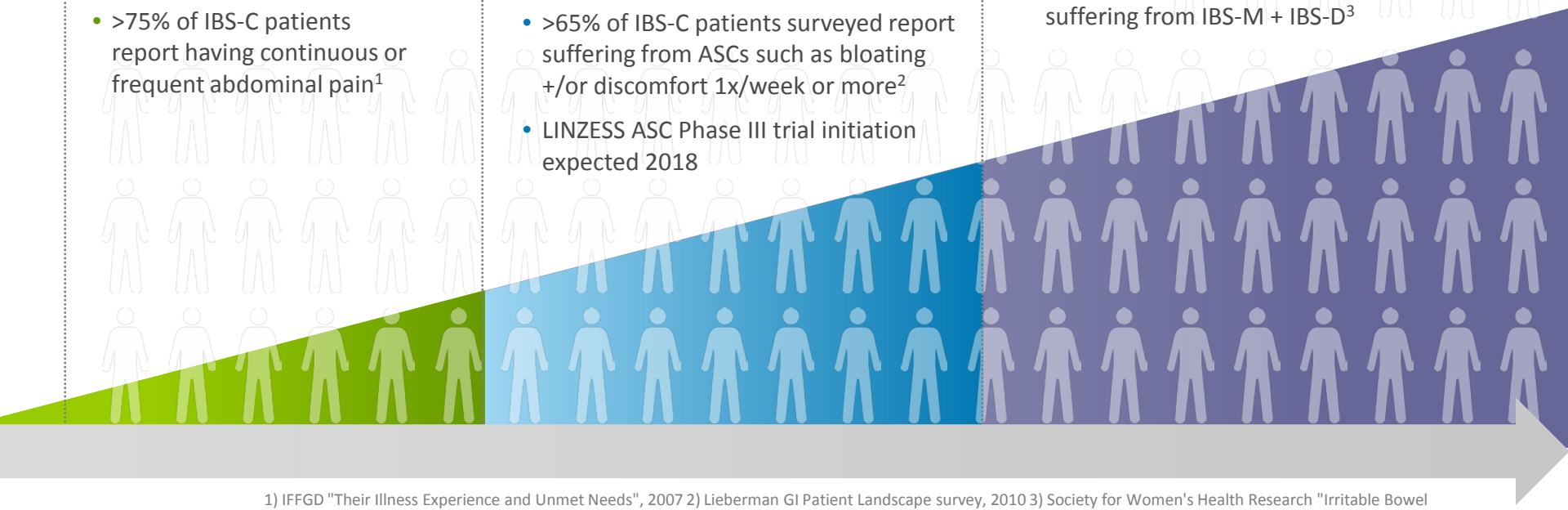
- >75% of IBS-C patients report having continuous or frequent abdominal pain[1]

LINZESS: potential for additional abdominal symptom claims (ASC) to fuel growth

- >65% of IBS-C patients surveyed report suffering from ASCs such as bloating +/or discomfort 1x/week or more[2]
- LINZESS ASC Phase III trial initiation expected 2018

Delayed release: potential to improve abdominal pain relief in all forms of IBS

- Additional 20-25M patients surveyed report suffering from IBS-M + IBS-D[3]



1) IFFGD "Their Illness Experience and Unmet Needs", 2007 2) Lieberman GI Patient Landscape survey, 2010 3) Society for Women's Health Research "Irritable Bowel Syndrome in Women: The Unmet Needs", 2002; Hungin AP, et al. Irritable bowel syndrome in the United States: prevalence, symptom patterns and impact. Aliment Pharmacol Ther. 2005;21:1365-1375; Mearin F, et al "Irritable bowel subtypes according to bowel habit: revisiting the alternating subtype". Eur J Gastroenterol Hepatol 2003: 15: 165-172; Drossman, DA et al "A prospective assessment of bowel habit in irritable bowel syndrome: defining an alternator". Gastroenterology 2005; 128: 580-589

Bringing linaclotide to patients worldwide and capturing significant value from ex-U.S. partnerships

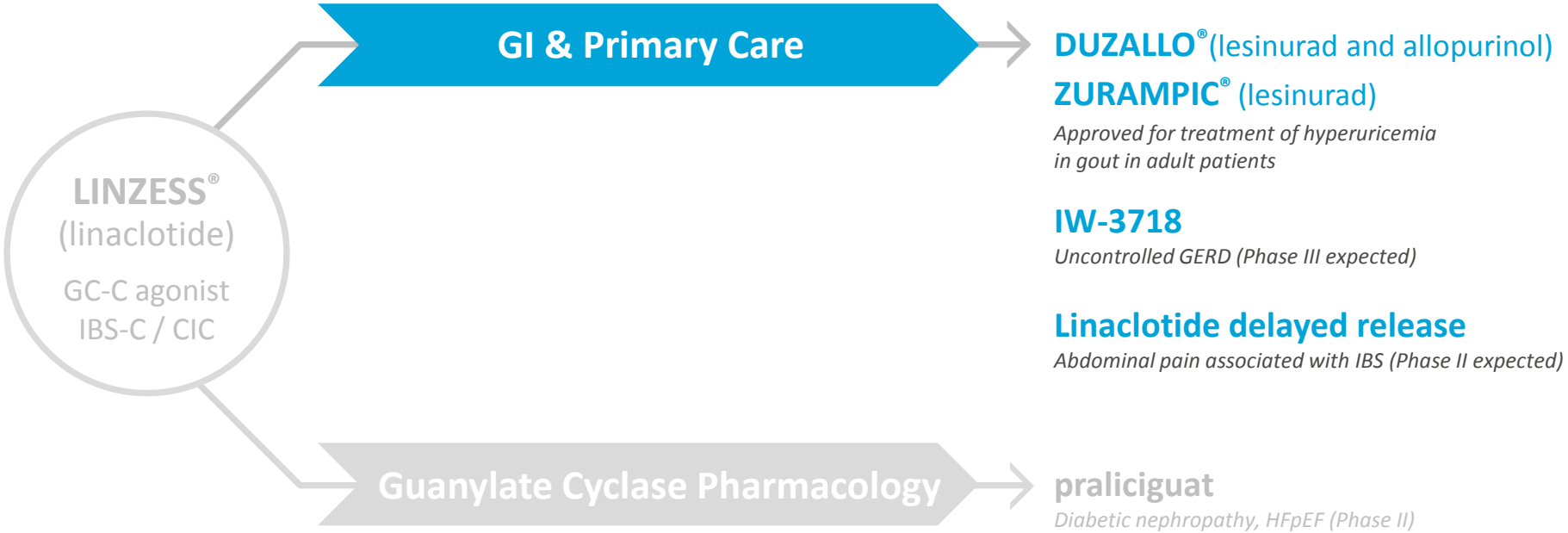
>$260M total revenue from ex-U.S. partnerships (as of 12/31/17)

Astellas-Japan

- Strong IBS-C launch; CC approval under review[2]
- Expect >$70M in 2018-2019 revenue from linaclotide API sales to Astellas

AstraZeneca-China

- Approval expected 2018


LINZESS®
(linaclotide)
GC-C agonist
IBS-C / CIC
GI & Primary Care
DUZALLO®(lesinurad and allopurinol)
ZURAMPIC® (lesinurad)
Approved for treatment of hyperuricemia in gout in adult patients
IW-3718
Uncontrolled GERD (Phase III expected)
Linaclotide delayed release
Abdominal pain associated with IBS (Phase II expected)
Guanylate Cyclase Pharmacology
praliciguat
Diabetic nephropathy, HFpEF (Phase II)
IW-1701
Sickle cell disease (Phase II)
Achalasia (Phase II)

DUZALLO: leveraging customer + market insights as payer coverage expands during launch year

Attractive Market

- ~2M uncontrolled patients[1]
- Highly symptomatic, identifiable patients
- Limited treatment options
- >$300M annual U.S. peak sales opportunity

Learnings

ZURAMPIC

- Lack of payer coverage suppressing uptake
- Monotherapy concern delaying HCP Rx
- HCP lacking urgency to act

Solution

DUZALLO™

- Nearly 2X patients reaching treatment goal[2,3]
- 2 mechanisms to treat disease
- Addresses monotherapy concern
- Simple: 2 products in 1 pill, once a day
- 1 copay for patients

Maximize impact of marketing mix

High performing test markets

High volume adopting physicians
Favorable payer market access

Test (vs paired controls)

- Increased call frequency
- Peer to peer speaker programs
- Targeted consumer advertising

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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 2) Allopurinol PI 3) Zurampic PI

IW-3718 for uncontrolled GERD (uGERD): ~10M adult patients suffering in U.S. (60M+ worldwide)[1,2]

Patients suffer frequent + bothersome symptoms despite PPI therapy

85% Of patients experience heartburn and regurgitation **6 days per week**[3]

11 **Years of suffering** since diagnosis with GERD[3]

50% Have **damage to the lining of the esophagus**, or erosive esophagitis[3]

3x

More ER visits than PPI responsive patients[4]

2x

More hospitalizations than treatment responsive patients[4]

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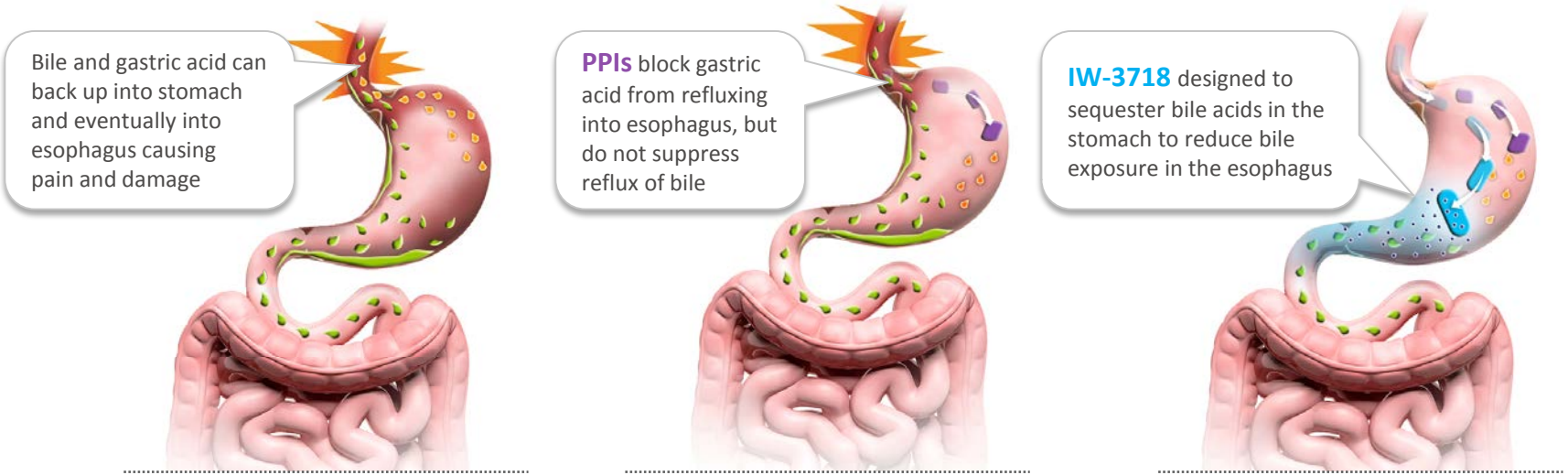
1) El-Serag, et al, Alimentary Pharmacology & Therapeutics (2010); Lieberman GI Patient Landscape survey, 2010; U.S. Census, 2015;
2) Wang, Hai-Yun "Prevalence of gastro-esophageal reflux disease and its risk factors in a community-based population in southern India";
3) Ironwood data; 4) Gerson et al., Development of a refractory gastro-oesophageal reflux score using an administrative claims database

IW-3718 presents opportunity to establish new treatment paradigm for uncontrolled GERD

Offers complementary mechanism with PPI, designed to sequester bile acids in stomach over extended period of time



Positive Phase IIb results propelling IW-3718 1500mg towards Phase III

~53%

Patients treated with IW-3718 (+ PPI) reported **clinically meaningful reduction in heartburn severity**

IW-3718 + PPI effect **more pronounced in patients with erosive esophagitis** vs PPI alone

IW-3718 + PPI demonstrated **significant reduction in regurgitation frequency**

Encouraging safety + tolerability; most common AE overall was constipation

Actively working to **accelerate program into Phase III;** trial expected to begin 2H 2018

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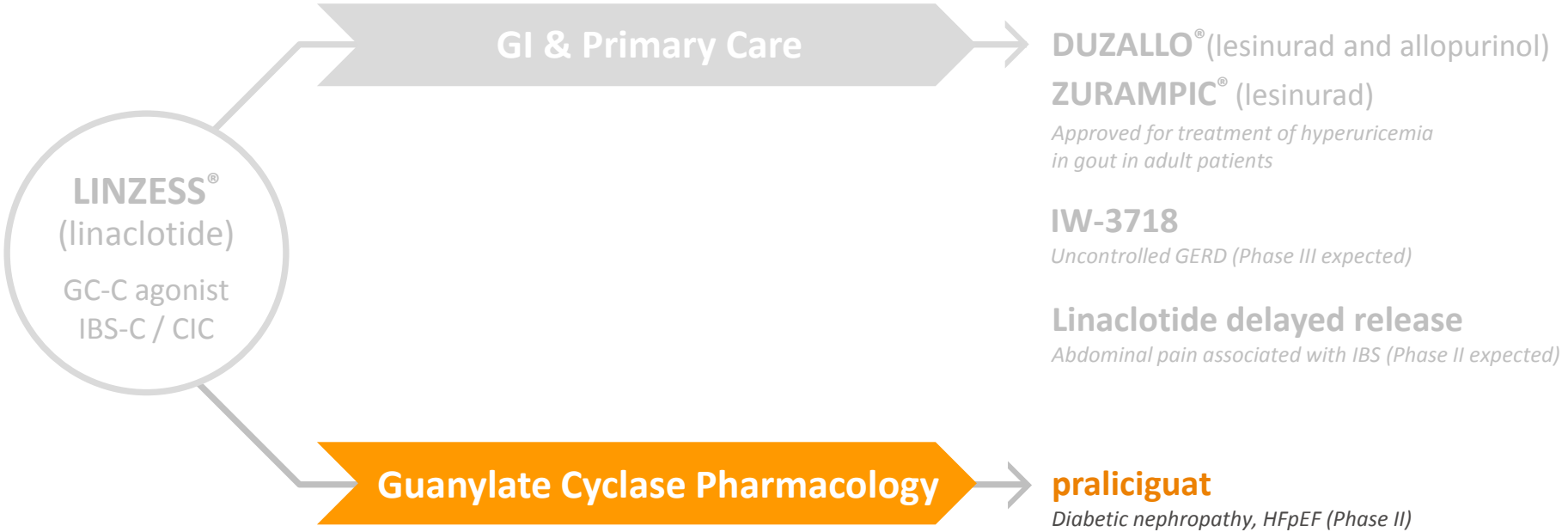
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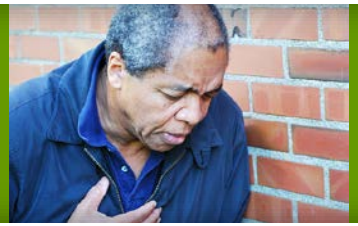
Praliciguat for heart failure with preserved ejection fraction (HFpEF) and for diabetic nephropathy

HFpEF: up to **27M** patients worldwide[1]



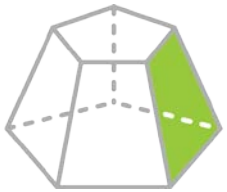
Diabetic nephropathy: up to **170M** patients worldwide[2]

- ✓ Highly prevalent form of heart failure; **~40-70% of all heart failure patients** worldwide[3]
- ✓ **Highly symptomatic**; associated with high rates of morbidity and mortality
- ✓ **Prevalence increasing** due to aging population, increasing cardiac/non-cardiac comorbidities[3]
- ✓ **No approved therapies**

- ✓ Diabetic nephropathy is found in **up to 40% of all diabetic patients** worldwide[2]
- ✓ Leading cause of **end-stage renal disease, dialysis and kidney transplants**[4,5]
- ✓ **Risk of progression to renal failure high** despite available treatment options

1) Ziaeian, et al., Epidemiology and Aetiology of Heart Failure, Nature Reviews Cardiology 2016; 2) Gheith et al., Diabetic Kidney Disease: world wide difference of prevalence and risk factors, Journal of Nephropharmacology 2016; 3) Oktay, et al., The Emerging Epidemic of Heart Failure with Preserved Ejection Fraction, Curr Heart Fail Rep 2013; 4) Ghaderian SB, et al., Diabetes and End-Stage Renal Disease; A Review Article on New Concepts, J Renal Inj Prev. 2015; 5) https://www.niddk.nih.gov/health-information/health-statistics/kidney-disease

Phase IIa praliciguat data support desirable drug profile



Multidimensional Pharmacology

Once a day dosing

Encouraging safety + tolerability profile

Broad tissue distribution

Minimal renal clearance

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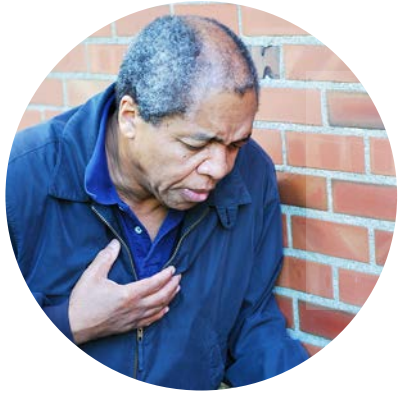
Praliciguat: Increasing blood flow + reducing inflammation, fibrosis and vascular stiffness may improve HFpEF symptoms

CAPACITY-HFpEF Phase II trial ongoing



1:1:1:1 randomization, double-blind

Placebo	praliciguat Low dose	praliciguat Med dose	praliciguat High dose

12-week treatment period

PATIENTS:

- Adult patients with HFpEF (EF ≥ 45%)
- Male and female, age ≥ 50 years
- ~332 HFpEF patients, 4-arms (~83/arm)

ENDPOINTS:

- Change in peak VO2 (CPET) – *primary*
- Safety and tolerability – *primary*
- Change in ventilatory efficiency – *secondary*
- Change in 6-minute walk test (6MWT) – *secondary*
- # of CPET responders – *secondary*

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Praliciguat: Increasing blood flow + reducing inflammation and fibrosis may protect renal function

Diabetic nephropathy Phase II trial ongoing

1:1:1 randomization, double-blind

Placebo	praliciguat Low dose	praliciguat High dose

12-week treatment period

PATIENTS:

- Adult patients with type 2 diabetes mellitus and DN
- Male and female, age 25 – 75 years
- Stable regimen of ACE or ARB
- ~150 patients, 3-arms (~50/arm)

ENDPOINTS:

- Change in urine albumin creatinine ratio (UACR) - *primary*
- Safety and tolerability - *primary*

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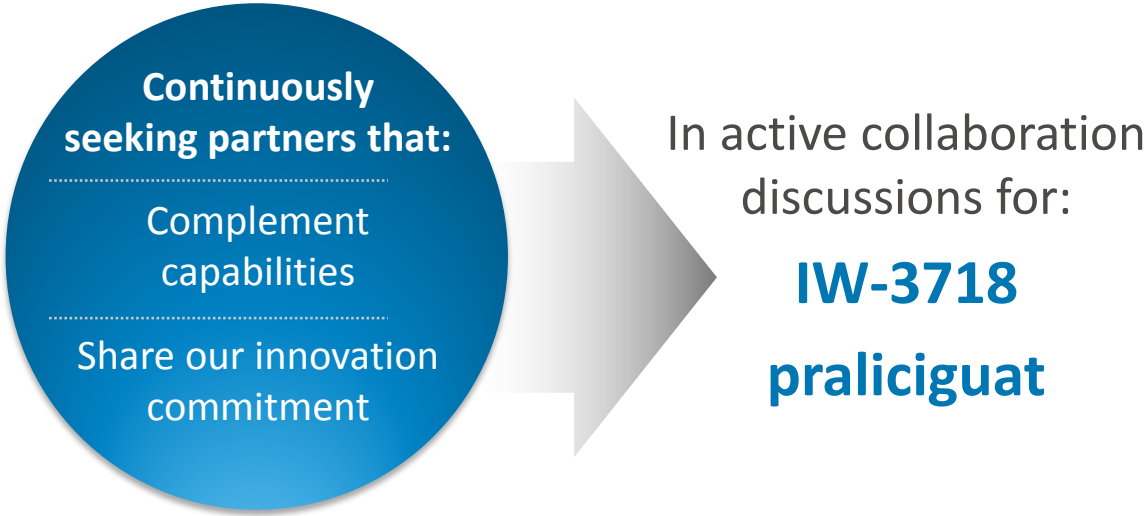
Partnering:
core capability and driver of value creation

- Productive innovation→
  - valuable medicines
  - late-stage product candidates
- Partnership capabilities→
  - deliver medicines to patients worldwide
  - maximize value



Allergan AstraZeneca astellas

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DUZALLO® (lesinurad and allopurinol) **launch year**

>25% Ironwood revenue CAGR 2016-2020[1,2]

2

Decisively advancing late-stage candidates

2 Phase III programs initiating

≥4 Phase II trials ongoing

Active partnering discussions for IW-3718 and for praliciguat (IW-1973)

3

Exercising financial discipline

Positive cash flow in 4Q 2018[1]

Positive cash flow from operations in FY 2019[3]

Ironwood®

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 2) Independent of any new potential partnerships 3) Expect quarterly fluctuations in cash flow

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Strong 2017 performance supports additional prudent investments in 2018

			Ironwood expects:
	2017 Guidance	2017 Reported	2018 Guidance[1]
R&D Expenses	$145-$160 million	~$148 million	$160 - $180 million
SG&A Expenses	$235-$250 million	~$233 million	$230-$250 million
Total LINZESS Marketing & Sales Expenses (IRWD + AGN)	$250-$280 million	~$254 million	$230-$260 million
Net Interest Expense	~$40 million	~$34 million	<$40 million
Cash Used for Operations	<$110 million	~$100 million	<$75 million

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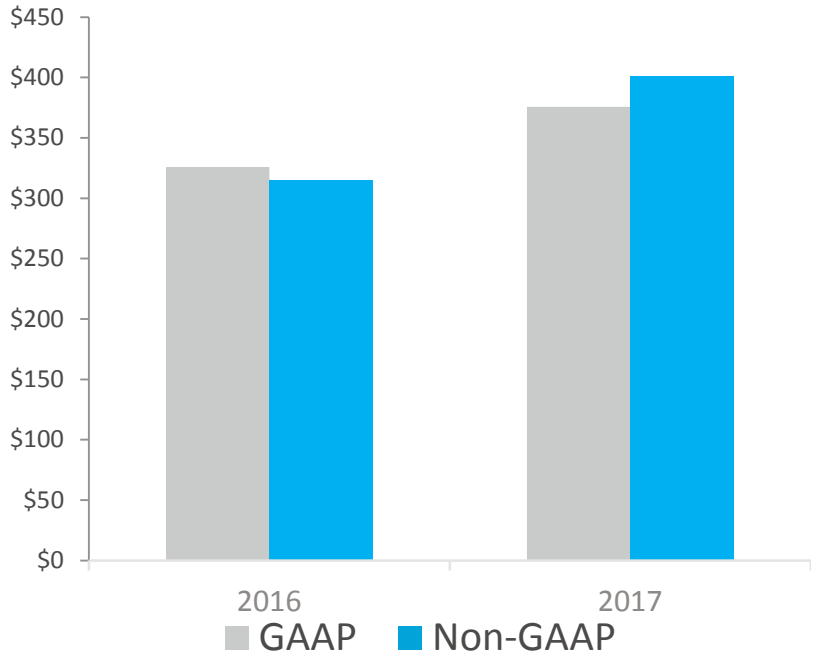
1) As of 2/15/18

Exercising financial discipline and allocating capital to highest value opportunities

Ironwood's operating expenses:



2017 Key drivers:

- **R&D: ~$148M**

  Successful advancement of key pipeline assets

- **SG&A: ~$233M**

  Commercial launches of ZURAMPIC® and DUZALLO

- **Gain on Contingent Consideration: ~$(31M)**

  Contingent consideration relates to future royalty and milestone payments based on the estimated future sales of ZURAMPIC and DUZALLO.

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Refer to the Reconciliation of GAAP Results to Non-GAAP Financial Measures appearing on page 33 of this presentation.

4Q and Full Year 2017 Financial Summary

Condensed Consolidated Statement of Operations (unaudited)

	Three Months Ended December 31, 2017	Year Ended December 31, 2017
	(000s, except per share amounts)	
Revenue	$ 94,208	$ 298,276
Cost and expenses:		
Cost of revenue	9,126	19,406
Research and development	40,117	148,228
Selling, general and administrative	57,953	233,123
Amortization of acquired intangible asset	3,476	6,214
Loss on fair value remeasurement of contingent consideration	(39,229)	(31,310)
Total cost and expenses	71,433	375,661
Income (loss) from operations	22,765	(77,385)
Other expense, net	(10,680)	(39,552)
GAAP net income (loss)	$ 12,085	$ (116,937)
GAAP net income (loss) per share – basic and diluted	$ 0.08	$ (0.78)
Non-GAAP net loss	$ (21,575)	$ (138,749)
Non-GAAP net loss per share	$ (0.14)	$ (0.93)

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Refer to the Reconciliation of GAAP Results to Non-GAAP Financial Measures appearing on page 33 of this presentation.

4Q and Full Year 2017 Financial Summary

Reconciliation of GAAP Results to Non-GAAP Financial Measures

	Three Months Ended December 31, 2017	Year Ended December 31, 2017
	(000s, except per share amounts)	
GAAP net income (loss)	$ 12,085	$ (116,937)
Adjustments:		
Mark-to-market adjustments on the derivatives related to convertible notes, net	2,093	3,284
Amortization of acquired intangible asset	3,476	6,214
Fair value remeasurement of contingent consideration	(39,229)	(31,310)
Non-GAAP net loss	$ (21,575)	$ (138,749)
GAAP net income (loss) per share (basic and diluted)	$ 0.08	$ (0.78)
Adjustments to GAAP net loss (detailed above)	(0.22)	(0.15)
Non-GAAP net loss per share (basic and diluted)	$ (0.14)	$ (0.93)

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 February 15, 2018.

4Q and Full Year 2017 Financial Summary

LINZESS U.S. Brand Collaboration

Ironwood Revenue/Expense Calculation

Commercial Pool[1]

	Three Months Ended December 31, 2017 (000s)	Year Ended December 31, 2017 (000s)
LINZESS U.S. net product sales	$ 194,790	$ 701,170
Commercial costs and expenses	56,023	271,197
Commercial profit on sales of LINZESS	$ 138,767	$ 429,973
Commercial Margin	*71%*	*61%*
Ironwood's share of net profit	69,384	214,987
Ironwood's selling & marketing	7,190	41,251
Profit share adjustment		1,677
Ironwood's collaboration revenue	$ 76,574	$ 257,915

R&D Pool[2]

LINZESS R&D expenses	$ 12,277	$ 58,202
Ironwood's 50% Share	6,139	29,101

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

	Three Months Ended December 31, 2017 (000s)	Year Ended December 31, 2017 (000s)
LINZESS U.S. net product sales	$ 194,790	$701,170
Commercial costs and expenses	56,023	271,197
R&D expenses	12,277	58,202
Net profit on sales of LINZESS	$ 126,490	371,771

	4Q 2016		4Q 2017
LINZESS sales	$173.6M	+ $21.2M	$194.8M
Commercial profit	$106.2M	+ $32.6M	$138.8M

	2016		2017
LINZESS sales	$625.6M	+ $75.6M	$701.2M
Commercial profit	$360.3M	+ $69.7M	$430.0M

1) 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; 2) 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.