A COMMERCIAL BIOTECHNOLOGY COMPANY

Leerink Healthcare Conference

February 28, 2019

Forward looking statements

This presentation contains forward-looking statements. Investors are cautioned not to place undue reliance on these forward-looking statements, including statements about expectations and timing regarding Ironwood's ability to achieve profitability; the development, launch, commercial availability and commercial potential of our products, product candidates and the other products that we promote and the drivers, timing, impact and results thereof; the commercial potential and growth in, and potential demand for, our products and product candidates; the potential indications for, and benefits of, our products and product candidates; the anticipated timing of preclinical, clinical and regulatory developments; the strength of the intellectual property protection for our products and product candidates; and our financial performance and results, and guidance and expectations related thereto, including expectations related to revenue growth, the allocation of capital, ex-U.S. revenues, operating and profit margins and SG&A, R&D, LINZESS marketing & sales, net interest, restructuring and separation expenses.

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 risk that we may experience difficulties in implementing or negative effects from the reduction in workforce, such as claims arising out of the reduction; risks related to the difficulty of predicting the financial impact or timing of our reduction in workforce; 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 our products and product candidates; decisions by regulatory and judicial authorities; the risk that we may never get sufficient patent protection for our products and 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, our products or 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, 2018, 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 slide 11 of this presentation.

Ironwood®

New Ironwood and Cyclerion: pivotal moment to grow two industry-leading companies and unlock shareholder value

Ironwood Today

GI

- **LINZESS / CONSTELLA**
- **IW-3718**
- **MD-7246**

sGC

- **Olinciguat**
- **Praliciguat**
- **IW-6463**
- **Late-stage pre-clinical development**

Ironwood®

expected to:

- ✓ Build a leading GI franchise
- ✓ Accelerate growth of LINZESS® and advance GI development programs
- ✓ Deliver profits beginning in 2019
- ✓ Capitalize on GI expertise and seasoned executive leadership

cyclerion

expected to:

- ✓ Develop treatments for serious and orphan diseases
- ✓ Advance 5 novel tissue targeted sGC stimulators
- ✓ Use strategic partnerships to capture full value
- ✓ Harness our sGC stimulator and cGMP pathway leadership

Separation: on track to launch early April 2019

Right leadership, right time

- Mark Mallon to be Ironwood CEO
- Peter Hecht to be Cyclerion CEO

] effective upon separation

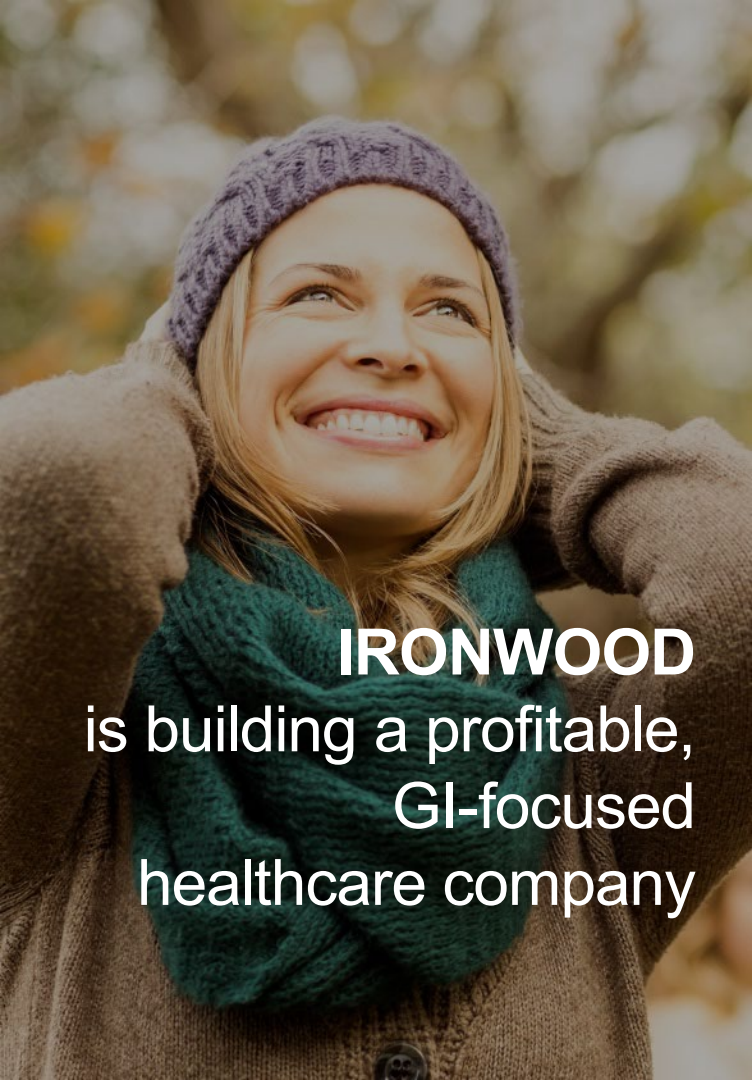
- Experienced leadership teams complemented with new skills
- Two diverse, experienced and non-overlapping boards (Julie McHugh expected Chair of Ironwood and Marsha Fanucci expected Chair of Cyclerion)

Well-structured

- Secured commitments of up to $175M in Cyclerion private placement (expected to provide ~2 years of funding)
- Expected tax-free distribution of Cyclerion common stock to IRWD shareholders
- No expected ongoing funding between the two companies

READY TO OPERATE

Ironwood®



IRONWOOD
is building a profitable, GI-focused healthcare company

WE AIM TO:

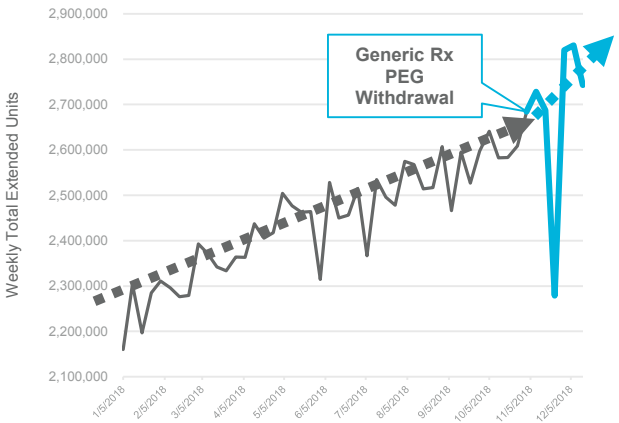
- **Grow LINZESS®** (linaclotide) and **accelerate U.S. GI development** portfolio
- **Capitalize on our GI expertise** to bring innovative therapies to patients
- **Deliver profits** beginning in 2019[1] (following planned separation)

1. Profitability on a non-GAAP basis from continuing operations

Ironwood®

Capitalizing on our expertise in GI to bring innovative therapies to patients

Accelerate LINZESS growth and profitability[1]



Advance late-stage development programs

Linaclotide abdominal symptom claims (bloating, discomfort, pain)

- Phase IIIb data expected mid-2019
- If positive, expect to begin promotion ASAP

IW-3718 for persistent GERD

- Pivotal Phase III trials ongoing
- Phase III data expected 2H 2020

MD-7246 for abdominal pain in IBS

- Phase II trial initiation expected 2Q 2019
- Initially evaluating in IBS-D to assess profile in new patient population

Invest in growth & value creation

Ironwood is seeking to:

- Drive **revenue growth** and expanding **operating margins**
- Generate **profitability[2] and cash generation** beginning in 2019 (following planned separation)
- **Strengthen balance sheet** and **lower cost of capital**

1. IQVIA NPA, Dec 2018 2. Profitability on a non-GAAP basis from continuing operations

Ironwood®

2019 Financial Guidance

Ironwood expects

Total revenue	$370 – 390 million
Net interest expense	~$35 million
Separation expenses[1]	$30 – 40 million
Restructuring expenses	$3 – 4 million

Ironwood expects to provide guidance on 2019 non-GAAP profitability from continuing operations at an investor update following the completion of the separation.

1) To be included within SG&A expenses

Cyclerion: Creating breakthrough treatments for patients with serious & orphan diseases by harnessing the power of sGC

5 Differentiated programs

4 Clinical studies ongoing

3 Phase 2 readouts expected

2 New tissue-tailored development candidates[1]

1 Great company launch

1. *Expect to nominate 2 candidates in 2019*

4 clinical data readouts in 2019 on differentiated compounds

Product*	Discovery	IND Enabling	Phase 1	Phase 2	Phase 3	Status and Anticipated Next Milestones
Vascular sGC Stimulator						
 **Olinciguat**	Sickle Cell Disease					- **Top line data expected in 2H2019** - Granted Orphan Drug Designation by the US FDA - Worldwide rights
Systemic sGC Stimulator						
 **Praliciguat**	Diabetic Nephropathy (DN)					- **DN: Top line data expected in 2H2019** - **HFpEF: Top line data expected in 2H2019** - Pursue out-licensing after completion of Phase 2 studies - Granted Fast Track Designation for HFpEF by the US FDA - Worldwide rights
	Heart Failure w/ Preserved Ejection Fraction					
Central Nervous System sGC Stimulator						
 **IW-6463**	Serious + Orphan CNS Diseases					- Phase 1 initiated in 1Q 2019 - **Top line data expected in 2H2019** - Worldwide rights
Liver-Targeted sGC Stimulator						
 **Liver**		Serious + Orphan liver diseases				- Development candidate nomination expected in 1H2019
Lung-Targeted sGC Stimulator						
 **Lung**		Serious + Orphan pulmonary diseases				- Development candidate nomination expected in 1H2019

** Represents ongoing phase of development and does not correspond to the completion of a particular phase.*

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4Q and Full Year 2018 Financial Summary

LINZESS U.S. Brand Collaboration

Ironwood Revenue/Expense Calculation

Commercial Pool[1]

	Three Months Ended December 31, 2018 (000s)	Year Ended December 31, 2018 (000s) 2018 excluding net sales adjustment	Net Sales Adjustment[2]	2018
LINZESS U.S. net product sales	$ 205,239	$ 761,214	$ (59,832)	$ 701,382
Commercial costs and expenses	59,353	257,767	-	257,767
Commercial profit on sales of LINZESS	$ 145,886	$ 503,447	$ (59,832)	$ 443,615
Commercial Margin	*71%*	*66%*		*63%*
Ironwood's share of net profit	72,943			221,808
Ironwood's selling & marketing	8,879			42,435
Net sales adjustment[3]	(254)			
Ironwood's collaboration revenue	$ 81,568			$ 264,243

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

	Three Months Ended December 31, 2018 (000s)	Year Ended December 31, 2018 (000s)
LINZESS U.S. net product sales (excluding net sales adjustment)	$ 205,239	$ 761,214
Commercial costs and expenses	59,353	257,767
R&D expenses	16,887	58,599
Net profit on sales of LINZESS	$ 128,999	$ 444,848

R&D Pool[4]

LINZESS R&D expenses	$ 16,887	$ 58,599
Ironwood's 50% Share	8,443	29,299

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. During the twelve months ended December 31, 2018, Allergan reported to Ironwood an approximately $59.8 million negative adjustment to LINZESS net sales. Such adjustment relates to the cumulative difference between certain previously estimated LINZESS gross-to-net sales reserves and allowances made by Allergan during the years ended December 31, 2015, 2016 and 2017, and actual subsequent payments made. This adjustment is primarily associated with estimated governmental and contractual rebates, as reported by Allergan. Upon receiving the information from Allergan, Ironwood recorded a $29.9 million reduction to collaborative arrangement revenue and accounts receivable in its 2018 financial statements related to its share of the adjustment.3. During the three months ended December 31, 2018, Allergan reported to Ironwood a true-up of approximately $0.2 million related to the previously reported adjustment for the cumulative difference between certain previously estimated LINZESS gross-to-net sales reserves and allowances made by Allergan during the years ended December 31, 2015, 2016 and 2017, and actual subsequent payments made.4. 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.