
















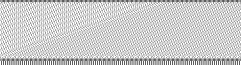











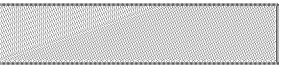



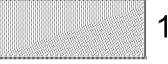



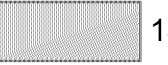












Based on our criteria¹, we are evaluating a number of attractive assets (1 of 2)

 Full discussion follows
 Detailed further
  Pain  CNS  High
 ADHD  OTC  Low



BD evaluation list ²	Short-term revenue		Actionable	Value creation potential	
	Sales, 2015 (\$M)	CAGR, 2015-17 (%)		Relative synergy	Platform prospects
 Insys*	 268	20	1,800		
 Supernus	 141	38	500		
 Iroko	 269	TBD	1,000		
 CB Fleet	 190	TBD	600		
 Acorda	 378	14	1,475		
 Sagent	 303	9	1,200		
 Depomed	 161	21	925		
 Flamel	 158	28	725		
 Orexo	 131	51	825		
 BDSI	 84	85	1,050		



¹ Evaluation criteria weighted as follows: Short-term revenue > actionable (valuation) > value creation potential. ² Total present number of assets in pipeline is 30. ³ For public companies, enterprise value with 40% premium. Estimated when EV deemed inaccurate. When NPV was missing, used 2x gross sales for legacy products, used 2.5x gross sales for growth products (estimated when deemed inaccurate). When NPV was available, use NPV + 40% premium. * Deemed higher than provided budget so slides will be provided in Appendix.







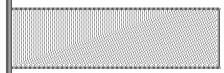


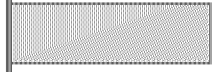


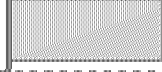


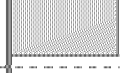














Source: EvaluatePharma, CapIQ, company websites



Based on our criteria¹, we are evaluating a number of attractive assets (2 of 2)

 Full discussion follows
 Detailed further

P Pain **C** CNS  High
A ADHD **O** OTC  Low

BD evaluation list ²	Short-term revenue		Actionable	Value creation potential	
	Sales, 2015 (\$M)	CAGR, 2015-17 (%)		Relative synergy	Platform prospects
P Euflexxa (Ferring)	 234	10	575		
P Flector (Pfizer)	 141	-2	275		
P Kenalog (BMS)	 139	1	275		
C Pernix	 134	5	525		
A Quillivant (Pfizer)	 101	21	500		
A Daytrana (Noven)	 72	5	325		
A Neos	 39	TBD	TBD		
P Xenoport	 36	44	375		
P Cumberland	 27	9	50		
 Perosphere	0	0	TBD		

¹ Evaluation criteria weighted as follows: Short-term revenue > actionable (valuation) > synergy/strategic vision

² Total present number of assets in pipeline is 30

³ For public companies, enterprise value with 40% premium. Estimated when EV deemed inaccurate. When NPV was missing, used 2x gross sales for legacy products, used 2.5x gross sales for growth products (estimated when deemed inaccurate). When NPV was available, use NPV + 40% premium.

Source: EvaluatePharma, CapIQ, company websites



Next steps



- Confirm strategic direction
- Confirm purchasing power
- Continue to pursue attractive asset opportunities
 - Super Sesame
 - Ivory





General Information

Company Description: A specialty pharmaceutical company focused on developing and commercializing products for the treatment of central nervous system (CNS) disorders using approved, off patent molecules in new delivery systems and / or new indications. Company spun out of Shire. They use the same once-a-day technology as Adderall XR.

Stock Exchange: NASDAQ: SUPN

Headquarters: Rockville, MD

Number of Employees: 275

Products

Marketed:

- **Trokendi XR:** Once-a-day topiramate indicated for seizure control as monotherapy and adjunct therapy
- **Oxtellar XR:** Once-a-day oxcarbazepine indicated for seizure control as adjunct therapy

Pipeline:

- **SPN-810:** Once-a-day molindone for ADHD. Entering Ph3 in 2015.
- **SPN-812:** Non-stimulant SNRI molecule for ADHD. Completed Ph2a.

Management Team/BOD

Management:

- Jack Khattar – President and CEO
- [REDACTED] –S. V.P of IP & Chief Scientific Officer
- [REDACTED] CMO & EVP of R&D
- [REDACTED] – VP, BD
- [REDACTED] – VP Regulatory
- [REDACTED] – SVP of Sales
- Gregory Patrick – CFO

Board of Directors:

[REDACTED]

Oct 17, 2014 Market Cap \$334M

Supernus Pharmaceuticals, Inc.
■ SUPN



P&L	2013A	2014E	2015E
Net Revenues (\$M)	12	80	155
Gross Margin (\$M)	11	76	146
R&D (\$M)	17	24	30
SG&A (\$M)	56	76	85
EBITDA(\$M)	(62)	(25)	31

Shareholder activist, Orchard Hill, sent a letter to the Supernus Management on Sept 9, 2014 stating the that the company is undervalued by 50% and should be sold.

Product Information

Marketed Products

ONCE-A-DAY
Trokendi XR
Topiramate extended-release capsules
25 mg 50 mg 100 mg 200 mg



Trokendi XR is the first and only once-daily extended-release formulation of topiramate utilizing Microspheres® technology.

Trokendi XR® (topiramate)

- Once daily form of topiramate
- Approved Aug 16, 2013

- Indication for monotherapy and adjunct therapy for seizures and for Lennox-Gastout Syndrome seizures.
- Three US patents with expiration 2027 / 2029
- Molecule originally launched by JNJ under the brand name Topamax. BID delivery.
- Topamax indication includes the above plus patients as young as 2 and prophylactic migraine treatment.

Oxtellar XR
(oxcarbazepine) extended-release tablets

Once daily.
Swallow whole. Do not cut, crush, or chew.

ATTENTION PHARMACIST:
Dispense the Accompanying
Medication Guide to
Each Patient



Oxtellar XR (oxcarbazepine):

- Oral, once-daily, ER formulation of oxcarbazepine
- Approved Oct 19, 2012 / Launched Feb, 2013
- Indication for adjunct therapy in partial seizures in adults and children 6-17 years old
- Four US patents with expiration in 2027 listed in the Orange Book
- Molecule originally launched by GSK under the brand name Trileptal. BID delivery.
- Trileptal indication includes the above plus monotherapy

Pipeline

Product

SPN-810

SPN-812

SPN-809

Indication

Impulse Aggression in ADHD

ADHD

Depression

Status

Ph3 to initiate 1H2015

Completed Ph2a

IND Filed

SPN-810 (molindone)

- Previously marketed by Endo as Moban to treat schizophrenia. Approved in 1974.
- Removed from the US market in 2010 but not for safety or efficacy reasons
- SPN-810 is a low dose molindone relative to Moban and believed to have a more favorable AE profile
- Molindone is not available as a brand or generic in the US.
- Completed Phase 2b in 2012
- Entering phase 3 in 2015
- Four US non-provisional patents through 2033

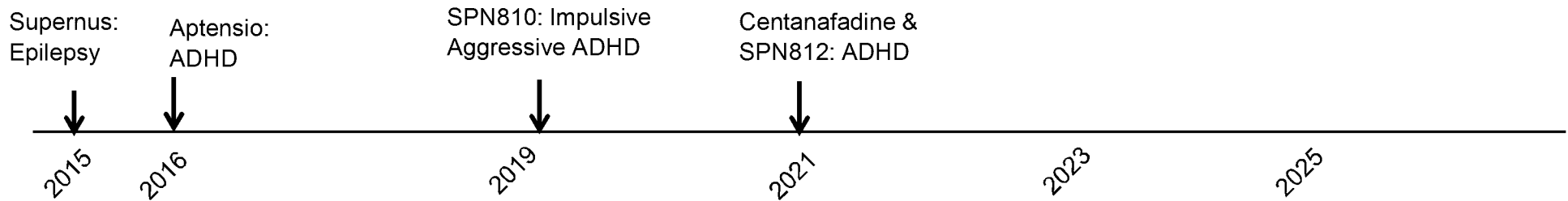
SPN-812 (undeclared sNRI)

- Once-a-day therapy.
- API was marketed in EU as an antidepressant with a good safety record
- Completed phase 2a with positive data in 2011 (demonstrated efficacy versus placebo)
- Planning Ph2b mid-2015
- Supernus has 3 non-provisional US patents through 2029 to 2033

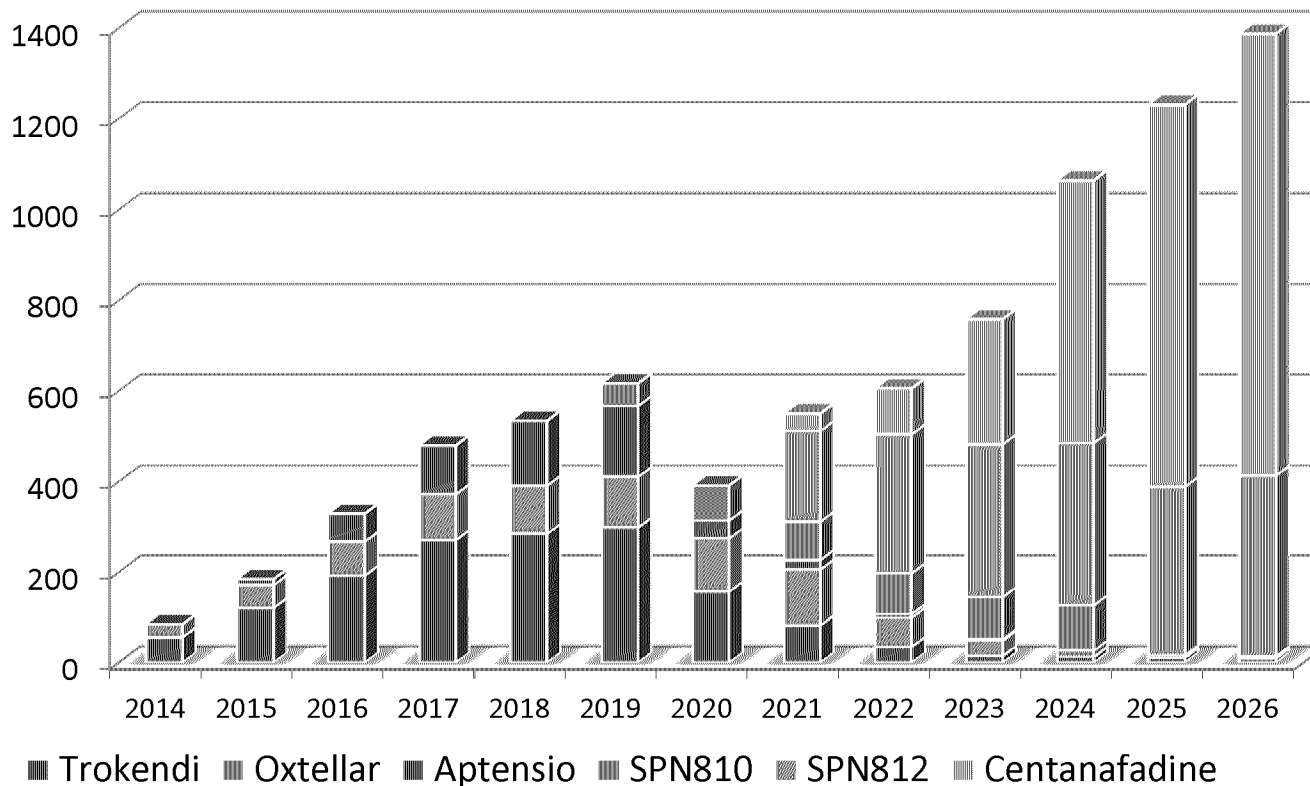
SPN-809 (undeclared sNRI)

- Based on the same active ingredient as SPN-812

Strategic Fit for Purdue: A CNS Franchise



Gross Sales in Millions of USD



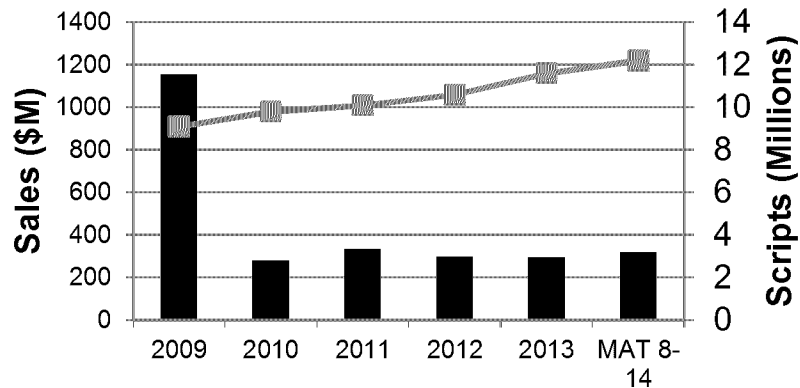
Supernus would serve as the cornerstone for a CNS franchise

- 2 marketed products for near term revenue
- 2 pipeline products for expansion
- Other deals to follow in the CNS space
- Pipeline products would serve as the larger profit generators.



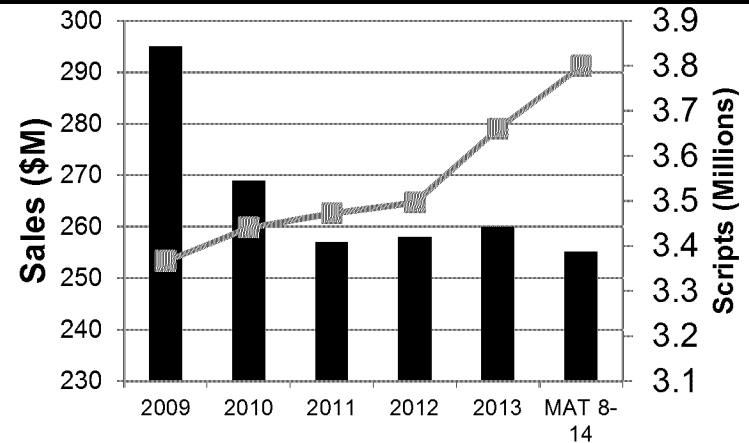
Market Factors

Topiramate Sales & Scripts



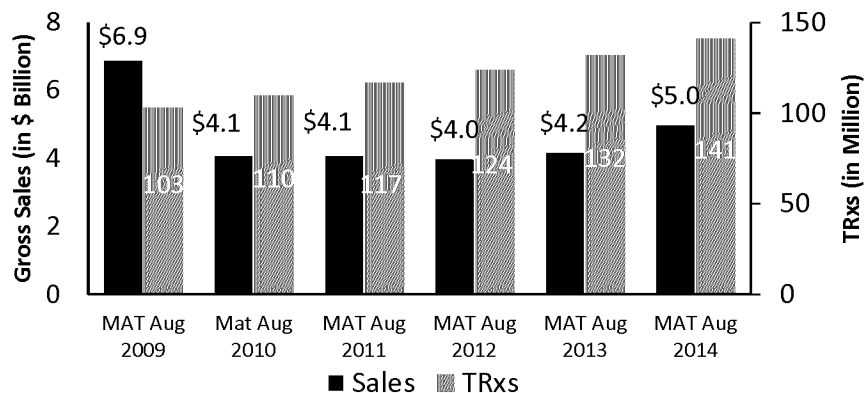
Sales 8-14 MAT: Topamax: \$223M / Generics: \$58M / Trokendi XR: \$37M

Oxcarbazepine Sales (\$M)



Sales 8-14 MAT: Trileptal \$110M / Generics: \$122M / Oxtellar XR: \$23M

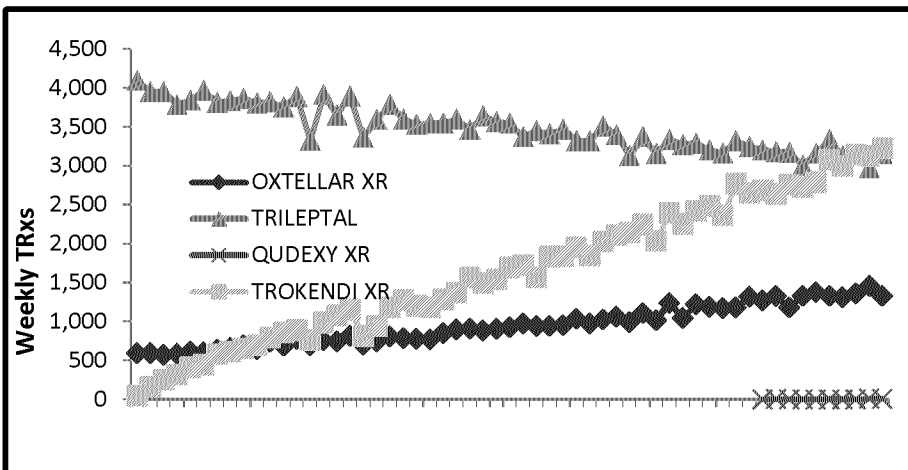
Market Landscape (US)



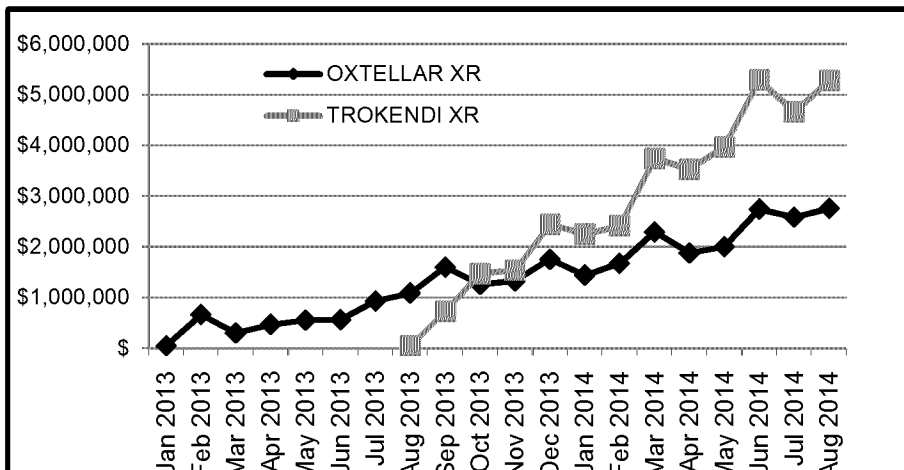
Value Proposition

- Once-a-day dosing improves patient compliance with the dosing regimen.
- A missed dose could lead to a seizure.
- Seizures are problematic for patients and lead to higher medical costs for the healthcare system.

Weekly TRxs for Trokendi XR and Oxcarbazepine (Branded, Branded Generics, and Generics)



Sales of Oxtellar XR and Trokendi XR® Since Launch



Company Reported Revenue

\$MM	2Q2013	3Q2013	4Q2013	1Q2014	2Q2014
Oxtellar XR	0.2	1.1	10.3	4.9	5.0
Trokendi XR	-	-	-	4.1	22.6*

* Supernus changed its accounting policy regarding sales recognition resulting in a one time game for 2Q2014.

Considerations

- Sales force expanded 2Q2014 to 150 reps
- Supernus has secured broad tier 3 coverage. 160M lives covered for Oxtellar XR / 145M lives for Trokendi XR.
- Competition: Upsher Smith received approval in June 2014 for Qudexy, a once-a-day topiramate product with the same indications as Trokendi XR.

Next Steps

Purdue team to conduct deeper due diligence using publicly available information to create a valuation and approach the company regarding an acquisition.





IROKO[®]
PHARMACEUTICALS INC.



Company Information

General Information

Company Description: A specialty pharmaceutical company focused on developing and commercializing low dose NSAIDs with the goal of equal efficacy with an improved safety profile relative to traditional NSAIDs.

Private / Public: Private Company.

Established: 2007

Headquarters: Philadelphia, PA

Technology: Key technology licensed from iCeutica

Management Team/BOD

Management:

- [REDACTED] – Executive Chairman (Prior IP attorney with Endo)
- John Vavricka – President and CEO
- [REDACTED] – SVP, Marketing & Managed Markets
- [REDACTED] – SVP, Chief Medical Officer
- [REDACTED] – SVP & Chief Financial Officer

Board of Directors:

[REDACTED]

P&L

	2014E
Net Revenues (\$M)	46
Gross Margin (\$M)	20
R&D (\$M)	(10)
Sales & Marketing	(102)
G&A (\$M)	(43)
EBITDA(\$M)	(136)

Products

Marketed	Approved	Pipeline
Zorvolex: Low dose TID diclofenac	Tivorbex: Low dose TID indomethacin	Meloxicam low dose: Ph3
		Naproxen low dose: Ph2

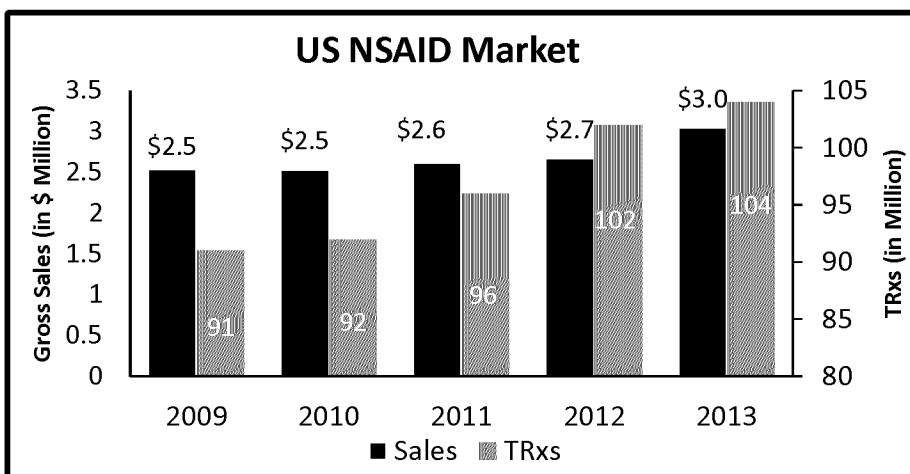
Product Profile

- Low Dose NSAIDs offering efficacy at the lowest dose to minimize AE's:
 - Diclofenac – marketed
 - Indomethacin – approved
 - Meloxicam – PH3
 - Naproxen – Ph2

How to win / Strategic Rationale

- Brand Expansion** – Adding NSAID's to address the low – moderate spectrum as a complement to Purdue's moderate – severe pain products on the WHO pain ladder. Enables Purdue to cover the entire spectrum.
- Pain Plus:** Remaining leaders in pain by bringing a lower dose NSAID (implied safety).
- Near Term Revenue:** 2 approved products and potentially 1 additional product by 2016.
- Sales and Marketing Expertise in Pain:** Can be leveraged.
- Technology Platform:** Solumatrix technology could be applied to other molecules.

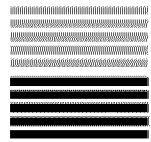
Market Landscape (US)



Key Considerations

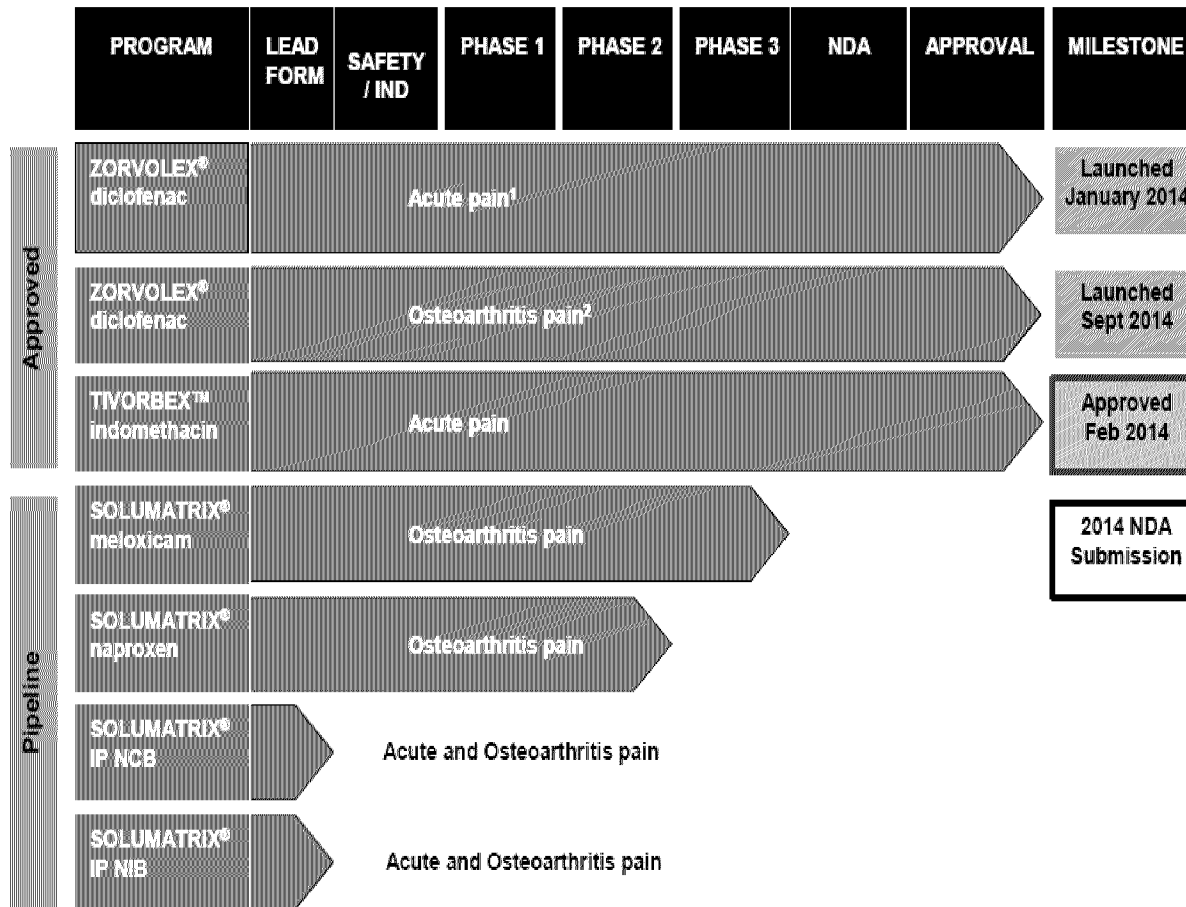
- Iroko does not have head-to-head data demonstrating an improved AE profile
- Iroko promotes Zorvolex based on the FDA guidance: "Use lowest effective dosage for shortest duration consistent with individual patient treatment goals"
- NSAID market is highly genericized. Sales potential may be limited.
- Future molecules may cannibalize sales of prior molecules, offering limited upside growth.

Iroko Products and Pipeline



IROKO'S FRANCHISE OF SOLUMATRIX® NSAIDs

6 products with 7 programs



1. ZORVOLEX® approved by FDA for the treatment of mild to moderate acute pain on October 18, 2013
 2. ZORVOLEX® approved by FDA for the management of osteoarthritis pain on August 22, 2014

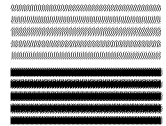
Strategic Fit for Purdue:

- **Brand Expansion** – Adding NSAID's to address the low – moderate spectrum as a complement to Purdue's moderate – severe pain products on the WHO pain ladder. Enables Purdue to cover the entire spectrum.
- **Pain Plus:** Remaining leaders in pain by bringing a lower dose NSAID (implied safety)
- **Sales and Marketing Expertise in Pain:** Can be leveraged
- **Near Term Revenue:** 2 approved products and potentially 1 additional product by 2016.

Confidential and Privileged. For Discussion Purposes Only.



Iroko's Value Proposition is to provide a Lower Dose NSAID for an Improved AE Profile

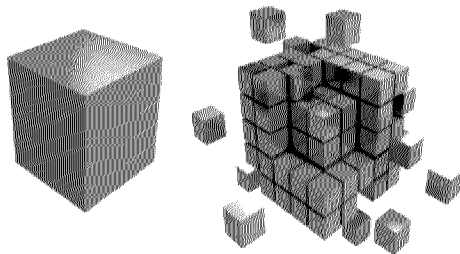


IROKO'S SOLUMATRIX TECHNOLOGY

Delivers effective low-dose NSAIDs

SoluMatrix Fine Particle Technology™

Particle size reduced to 200-800 nanometers,
20 times smaller than before, increases
surface area and speeds up dissolution



The dose can be lowered without
delaying the rate of drug absorption

Delivers low-dose NSAIDs that maintain efficacy



- Lower systemic exposure (AUC)
- Rapid T_{max}
- Efficacy at low doses

Unmet Need Lower Doses May Improve:

- GI Events
- CardioVascular Events
- Renal Events

Messaging:

- Iroko does not have head-to-head data demonstrating an improved AE profile
- Iroko promotes based on the FDA guidance: "Use lowest effective dosage for shortest duration consistent with individual patient treatment goals"

Target Product Profile: Plasma concentrations that can achieve 80% COX-2 inhibition (correlates with pain efficacy) while significantly reducing COX-1 inhibition (associated with adverse events)

- Technology licensed from iCeutica with a 5% royalty to iCeutica

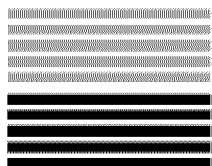
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Zorvolex Labeling

Claim	Information in the Label
Indication (Acute and Chronic)	<ul style="list-style-type: none"> Indicated for the treatment of mild to moderate acute pain and osteoarthritis pain
Doses	<ul style="list-style-type: none"> 18mg and 35mg tid for treatment of mild to moderate acute pain 35mg tid for osteoarthritis pain
Recommendation for Lowest Effective Dose	<ul style="list-style-type: none"> 10+ mentions of recommendations to use the lowest effective dose To minimize the risk of serious (CV, GI, hepatic) adverse events, use the lowest effective doses for the shortest duration
Not interchangeable with other diclofenac products	<ul style="list-style-type: none"> “ZORVOLEX capsules are not interchangeable with other formulations of oral diclofenac even if the milligram strength is the same.”
ZORVOLEX clinical trial safety data	<ul style="list-style-type: none"> Post surgical pain (216 patients) OA Pain 12 week study (202 patients) 52 week follow up (601 patients)
Unique PK	<ul style="list-style-type: none"> 23% lower AUC (lower systemic absorption) Lower Cmax Similar Tmax
Efficacy in acute pain	<ul style="list-style-type: none"> Primary endpoint (VASSPID) Secondary endpoint (SPID)
Efficacy in OA pain	<ul style="list-style-type: none"> Primary endpoint (WOMAC) Secondary endpoint (Distribution of patients with pain intensity reductions)





ZORVOLEX® MESSAGING

Extensive research-driven simple and effective message

▪ Rationale for ZORVOLEX®

- NSAID AEs are Dose Related
- To Minimize AEs, the use of lower doses are recommended

▪ What is Different About ZORVOLEX® - How does it work?

- Diclofenac at Lower Doses 18mg and 35mg (20% lower than diclofenac potassium 50 mg)
- Diclofenac without potassium or sodium salt
- Contains Diclofenac as submicron particles (200 to 800 nanometers)
- Created using SoluMatrix Fine Particle Technology™
- Distinct pharmacokinetics – Lower total drug plasma levels, similar time to peak plasma levels compared to higher doses

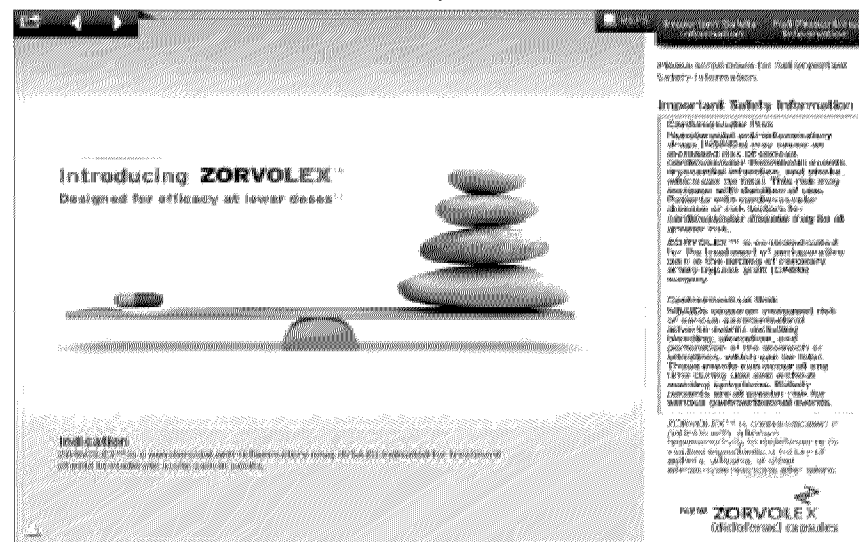
▪ Clinical Trial Data

- Efficacy at the lower doses of 18mg and 35mg
- Well defined safety profile

▪ Will patients have access?

- Managed care
- Pharmacy availability
- Co-pay offset programs
- Other Patient support programs

The order of the messages and the subtleties are critical



300 fully dedicated inVentiv reps promoting Zorvolex

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CONFIDENTIAL TREATMENT REQUESTED
NOT FOR CIRCULATION/COMMITTEE MEMBERS AND STAFF ONLY

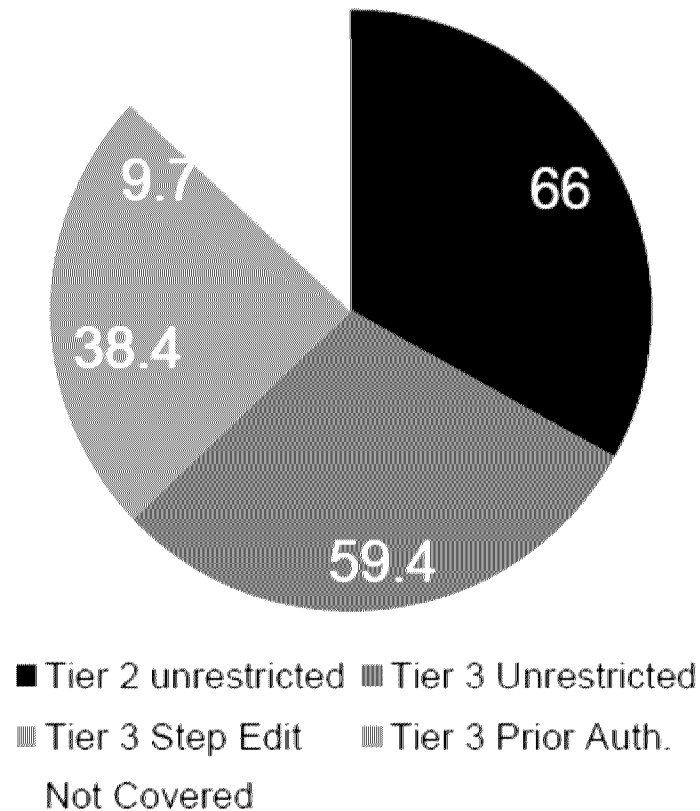


IROKO™

PURDUE-COR-00018111

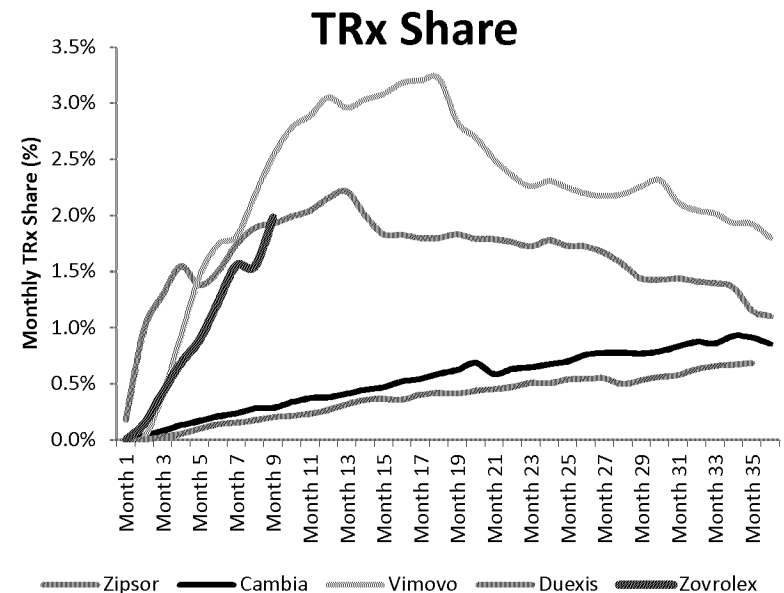
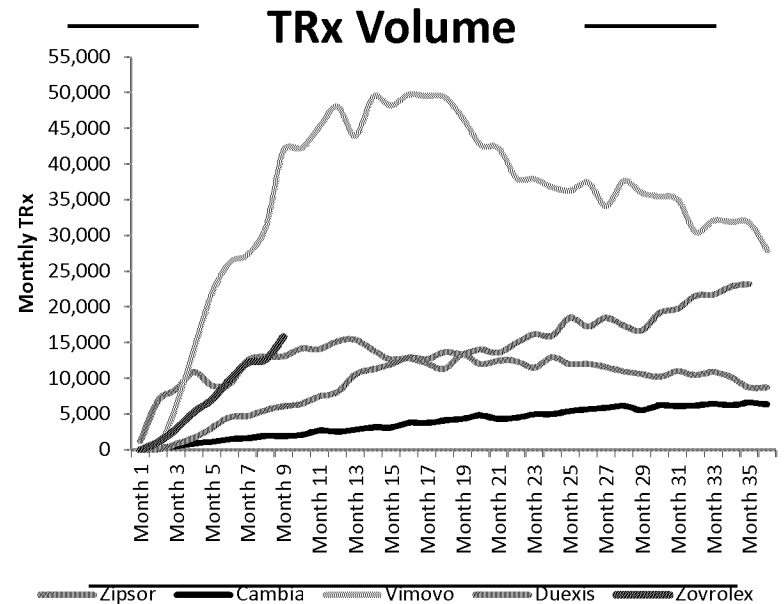
Zorvolex uptake in volume and market share is behaving similarly to recent launches of NSAIDs

Iroko has 174 MM covered lives out of total 199MM available



■ Tier 2 unrestricted ■ Tier 3 Unrestricted
 ■ Tier 3 Step Edit ■ Tier 3 Prior Auth.
 Not Covered

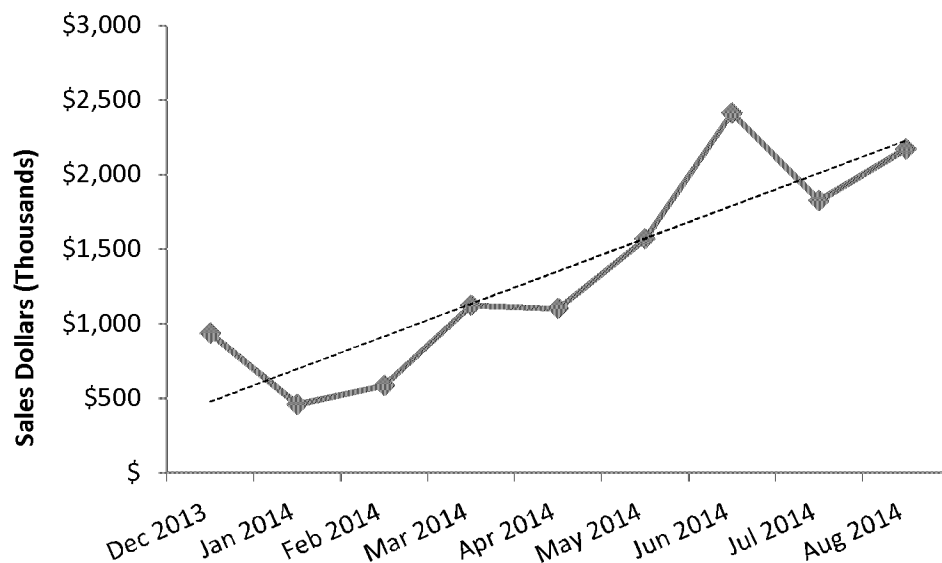
Source: SynopiaRx



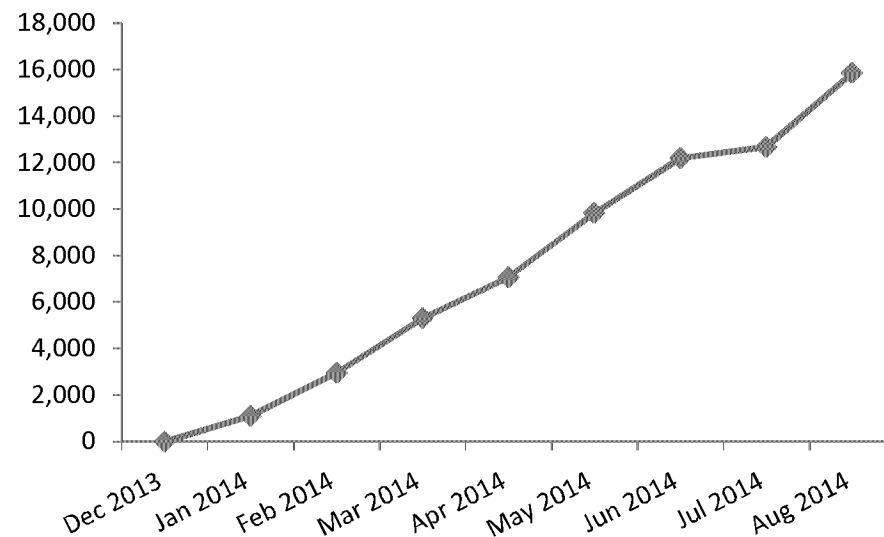
Source: IMS Health, Iroko Confidential Presentation

In August, 2014, Zorvolex had a run rate of \$25M per year

Monthly Sales of Zorvolex



Monthly TRxs for Zorvolex



Managed Care Zorvolex Value Proposition

- Increasing concerns around use of opioids and acetaminophen
- Dose related AEs of NSAIDs
- Guidelines advocate use of lowest effective dose of NSAIDs
- Zorvolex clinical data offers efficacy at low doses
- **Currently has 73% of Commercial lives T3 or greater**
- **Currently has 1.8% of Medicare lives T3 or greater (93% not covered)**



Source: IMS Health, NSP

Next Steps

- Iroko has hired JP Morgan to run a process for acquisition.
- Several parties have been engaged.
- Data room will open soon.
- Iroko is looking for bids late this year.
- Purdue team is engaged in due diligence for a complete assessment and possible acquisition.



Appendix



Insys Therapeutics



INSYS Therapeutics provides near term revenue, profit growth potential, and potentially significant synergy value

Company Description

- Insys is a commercial-stage, specialty pharma company

Key Products	MoA	Total Revenues (2013)	Drug Type
Subsys (Cancer Pain (BTCP) in opioid-tolerant patients)	Sublingual fentanyl spray	\$95.8MM	Proprietary
Dronabinol (CINV, AIDS related anorexia)	Generic equivalent of Marinol	\$3.6	Generic

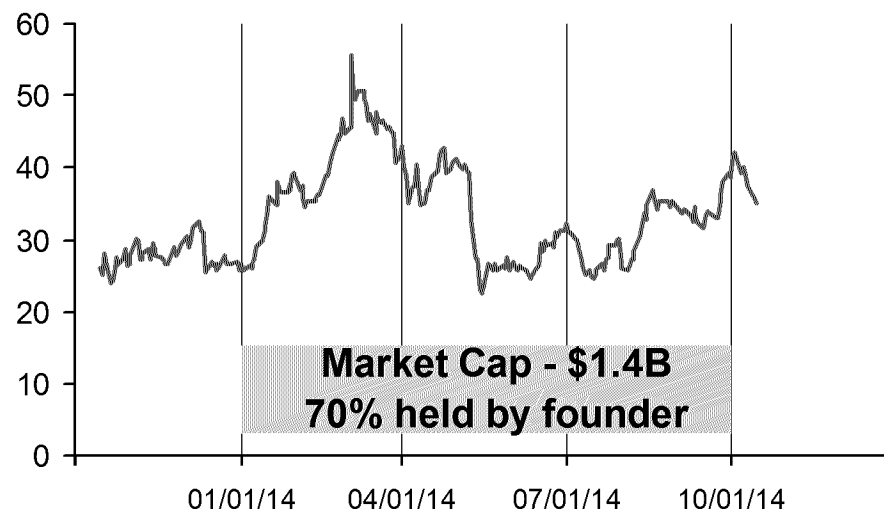
Company Pipeline

- Insys has a strong pipeline leveraging its sublingual spray platform' which is currently being tested with 6 molecules.

Product name	MoA	Projected Revenues	Drug Type
Proprietary sublingual spray technology	CINV & Opioid Dependence	\$2.7BN market size ondansetron/buprenorphine in 2013	Proprietary
Dronabinol Oral Solution	Cannabinoid	Marinol market size of \$150MM	Generic

- 32 molecules have been identified this year which could leverage the current platform and could generate \$200M+ by 2023

2014 Share Price



Strategic rationale and drivers of value

- Builds on Purdue core capabilities
- Synergies with Purdue's existing infrastructure
- Subsys brings near term revenue and profitable growth
- Pipeline leverages a platform to move Purdue into adjacent areas (addiction, epilepsy, urology, orphan CNS indications)

Source: Annual Report, Wells Fargo Analyst Report, Yahoo Finance, Marktwire Report



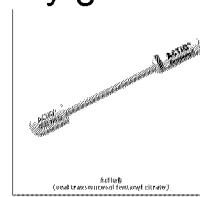
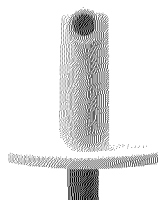
What is Cancer Breakthrough pain? How is it currently treated?

i What is cancer breakthrough pain?

- Short-lasting episodes of severe discomfort known as breakthrough pain (breaks through the background, controlled pain.)

ii How is it currently treated? Who are the main market players?

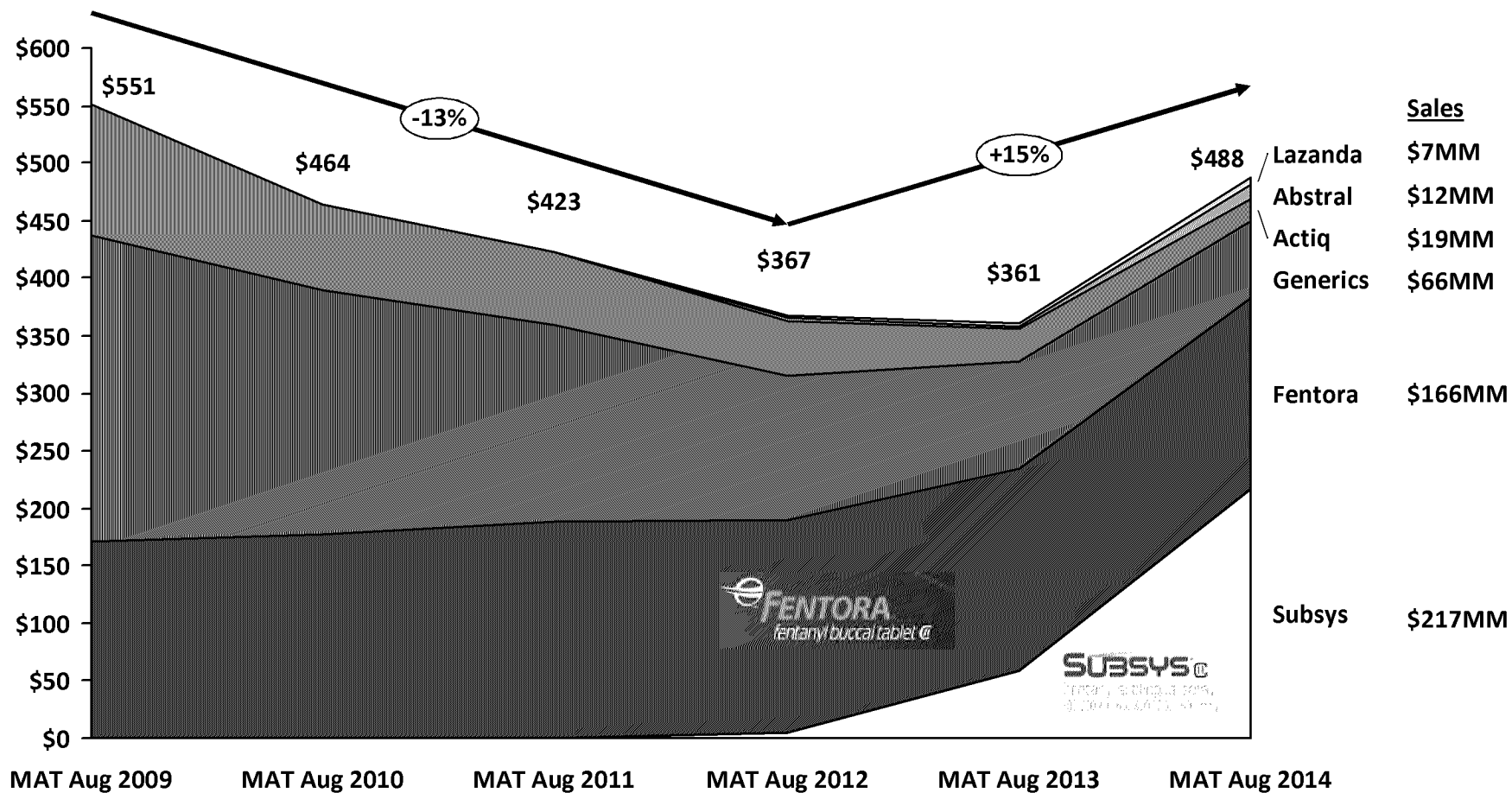
- Breakthrough cancer pain is treated with fentanyl based products
- The market is comprised of 5 branded products and 1 key generic



	(Insys) Subsys	(Teva) Actiq	(Teva) Fentora
Time to Relief	5 minutes	15 minutes	15 minutes
Bioavailability	76%	50%	65%
Administration	<1 min	Up to 15 min	14-25 min
Dose Form	Sublingual Spray	Sublingual Lozenge	Buccal Tablet
Dose Range	100-1,600mcg	200-1,600mcg	100-800mcg
Sugar content	None	Yes	None



The transmucosal fentanyl market for Breakthrough Cancer Pain is valued at \$500MM



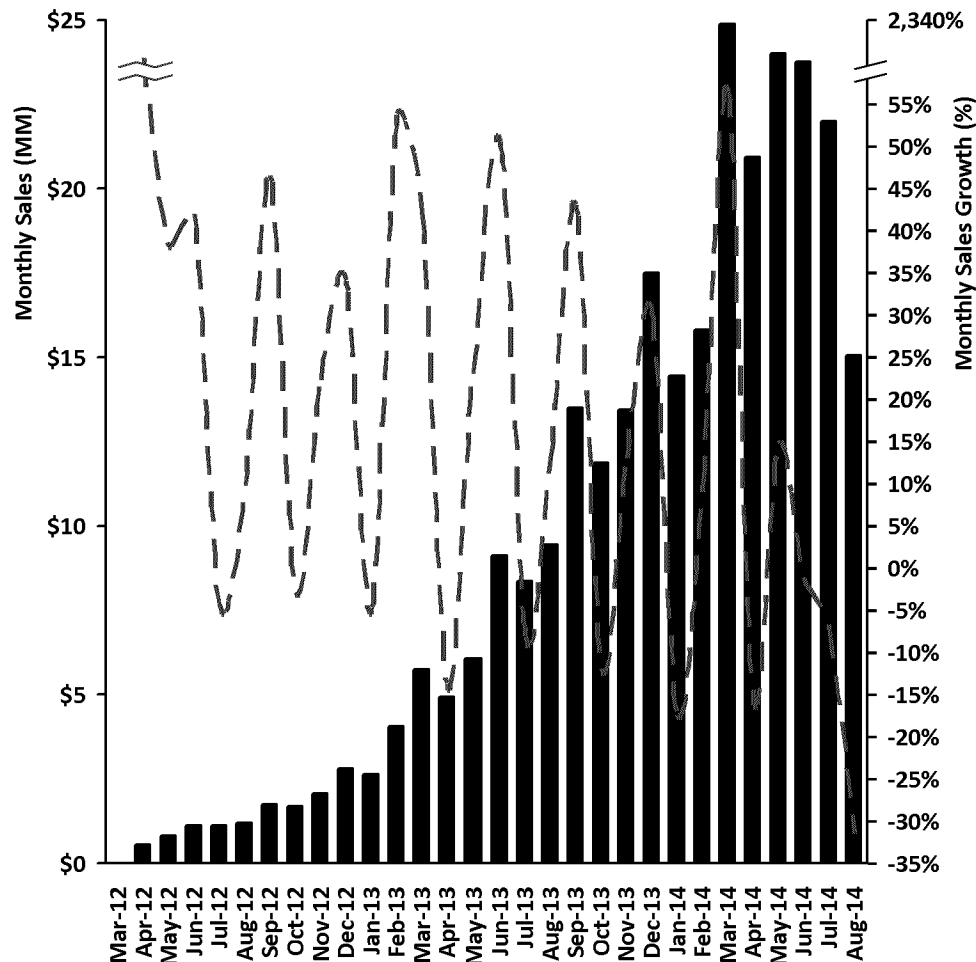
Source: IMS

Subsys has seen recent declines in sales; Analyst still have expectations of future growth.

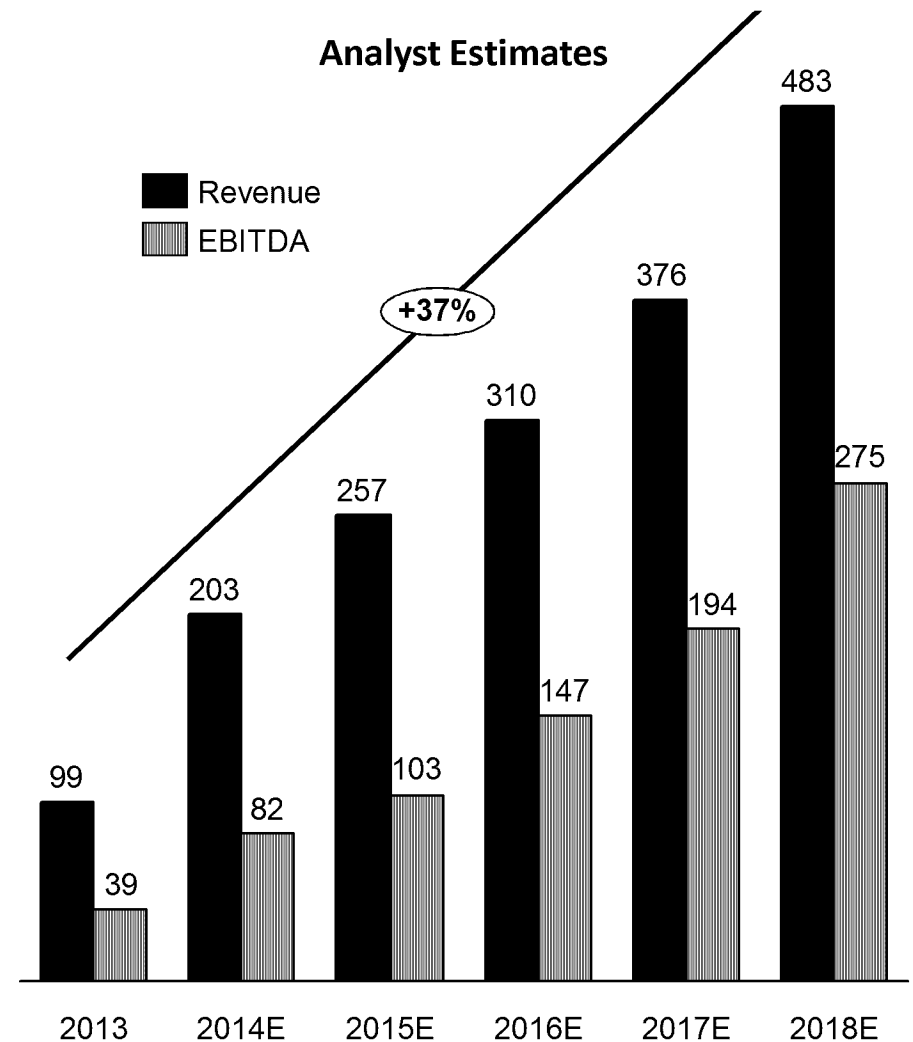
Current Issues for 1st gate of due diligence

- Decrease in recent month over month growth
- Payor pushback?
- OIG subpoena from HHS in 12/13 – S&P tactics
- Investor lawsuits; NY Times fraud article

Monthly Sales and Growth



Analyst Estimates



Source: IMS, Evaluate Pharma

If we purchased Insys we not only buy Subsys, but also a spray platform that can be leveraged into multiple areas/channels

- Dozens of potential molecules evaluated as sublingual spray product candidates
- Prioritized towards areas where rapid onset and patient convenience are crucial

