



**INSPIRING  
SOLUTIONS  
FOR BETTER  
HEALTH**

## **Q3 2020 Earnings**

**November 5, 2020**  
Nasdaq: BDSI

# Forward Looking Statement

## CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

This presentation and any statements of employees, representatives, and partners of BioDelivery Sciences International, Inc. (“BDSI”) related thereto contain, or may contain, among other things, certain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve significant risks and uncertainties. Such statements may include, without limitation, statements with respect to BDSI’s plans, objectives, projections, expectations and intentions and other statements identified by words such as “projects,” “may,” “will,” “could,” “would,” “should,” “believes,” “expects,” “anticipates,” “estimates,” “intends,” “plans,” “potential” or similar expressions. These statements are based upon the current beliefs and expectations of BDSI’s management and are subject to significant risks and uncertainties, including those detailed in BDSI’s filings with the Securities and Exchange Commission. Actual results (including, without limitation, the continued growth in BELBUCA net sales and total company net revenue in 2020) may differ materially from those set forth or implied in the forward-looking statements. These forward-looking statements involve certain risks and uncertainties that are subject to change based on various factors (many of which are beyond BDSI’s control) including the risk that the current coronavirus pandemic impacts on our supply chain, commercial partners, patients and their physicians and the healthcare facilities in which they work, and our personnel are greater than we anticipate, as well as those set forth in our 2019 annual report on Form 10-K filed with the US Securities and Exchange Commission and subsequent filings. BDSI undertakes no obligation to publicly update any forward-looking statements, whether as a result of new information, future presentations or otherwise, except as required by applicable law.

## Non-GAAP Financial Measures

This presentation includes information about certain financial measures that are not prepared in accordance with generally accepted accounting principles in the United States, or GAAP, including non-GAAP net income and EBITDA. These non-GAAP measures are not based on any standardized methodology prescribed by GAAP and are not necessarily comparable to similar measures presented by other companies.

Non-GAAP net income adjusts for one-time and non-cash charges by excluding the following from GAAP net income: stock-based compensation expense, amortization of intangible assets, amortization of certain warrant discount costs in Q2 2019, and the financial impact of certain one-time items that are non-recurring, including the financial impact of the debt refinancing in Q2 2019, the discontinuation of marketing of BUNAVAIL, and costs associated with the CEO transition in Q2 2020.

EBITDA excludes net interest, including both interest expenses and interest income, provision for (benefit from) income taxes and depreciation and amortization.

The Company’s management and board of directors utilize these non-GAAP financial measures to evaluate the Company’s performance. The Company provides these non-GAAP measures of the Company’s performance to investors because management believes that these non-GAAP financial measures, when viewed with the Company’s results under GAAP and the accompanying reconciliations, are useful in identifying underlying trends in ongoing operations. However, non-GAAP net income and EBITDA are not measures of financial performance under GAAP and, accordingly, should not be considered as alternatives to GAAP measures as indicators of operating performance. Further, non-GAAP net income and EBITDA should not be considered measures of our liquidity.

A reconciliation of certain GAAP to non-GAAP financial measures has been provided in the tables included in the appendix of this presentation.

# Q3 2020 Key Takeaways



Strong Q3 Performance  
with growth in:

- TRxs and NBRxs
- All-time high market share for BELBUCA & Symproic
- Profitability



Jeff Bailey appointed  
CEO



Corporate Strategy  
alignment with solid  
execution to date

Strong Balance  
Sheet positions BDSI  
well to pursue growth  
opportunities

# Strong Performance in Q3 2020 and Positioned Well for Future Growth

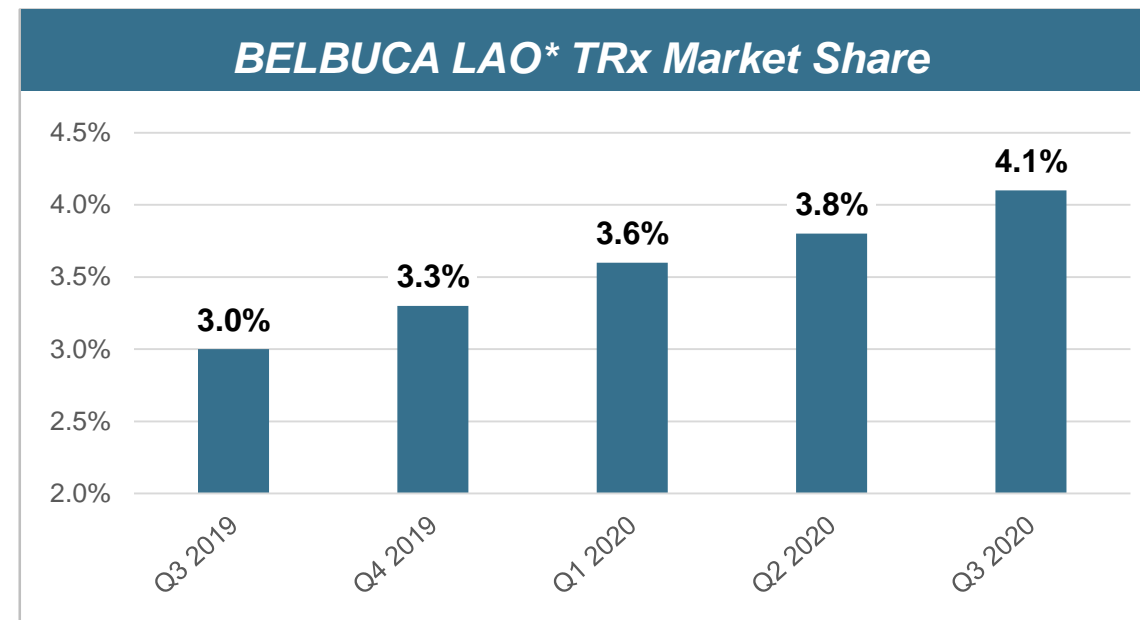
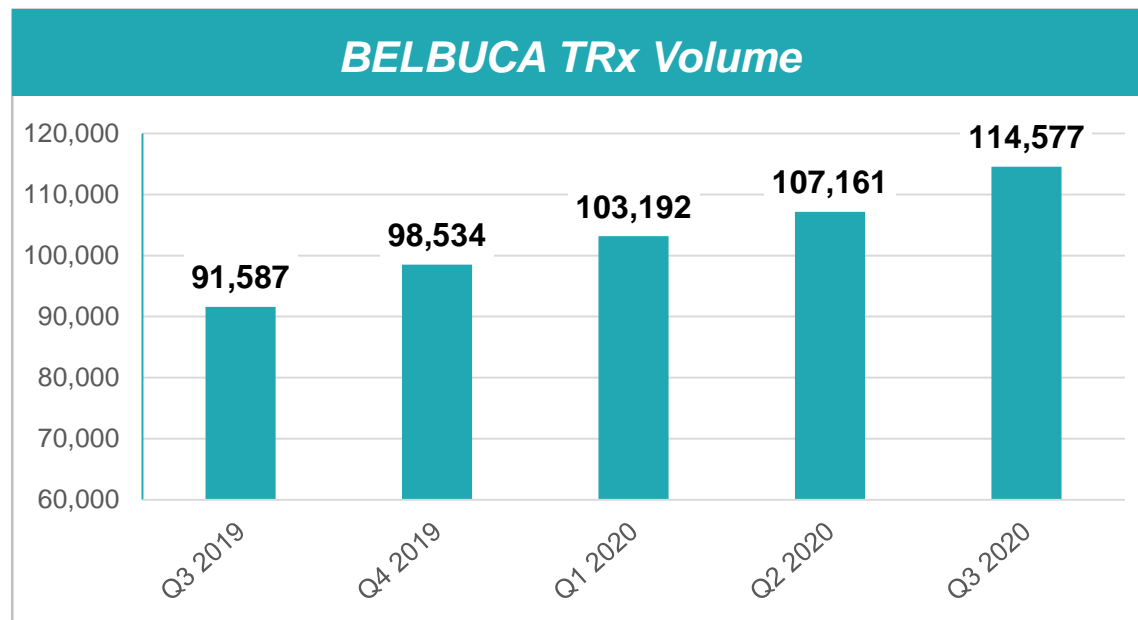
BELBUCA TRx volume grew 6.9% in Q3 sequentially and 25% YoY, outperforming the LAO market (-8% YoY) and TRx market share and count hit all-time highs

Symproic TRx volume and Market Share achieve all-time highs in the PAMORA class

Strong balance sheet supports BDSI's continued growth through investment in organic and business development opportunities

# Significant Double-digit YoY Growth in BELBUCA TRx

BELBUCA Reached All-Times Highs for TRx Count & TRx Market Share



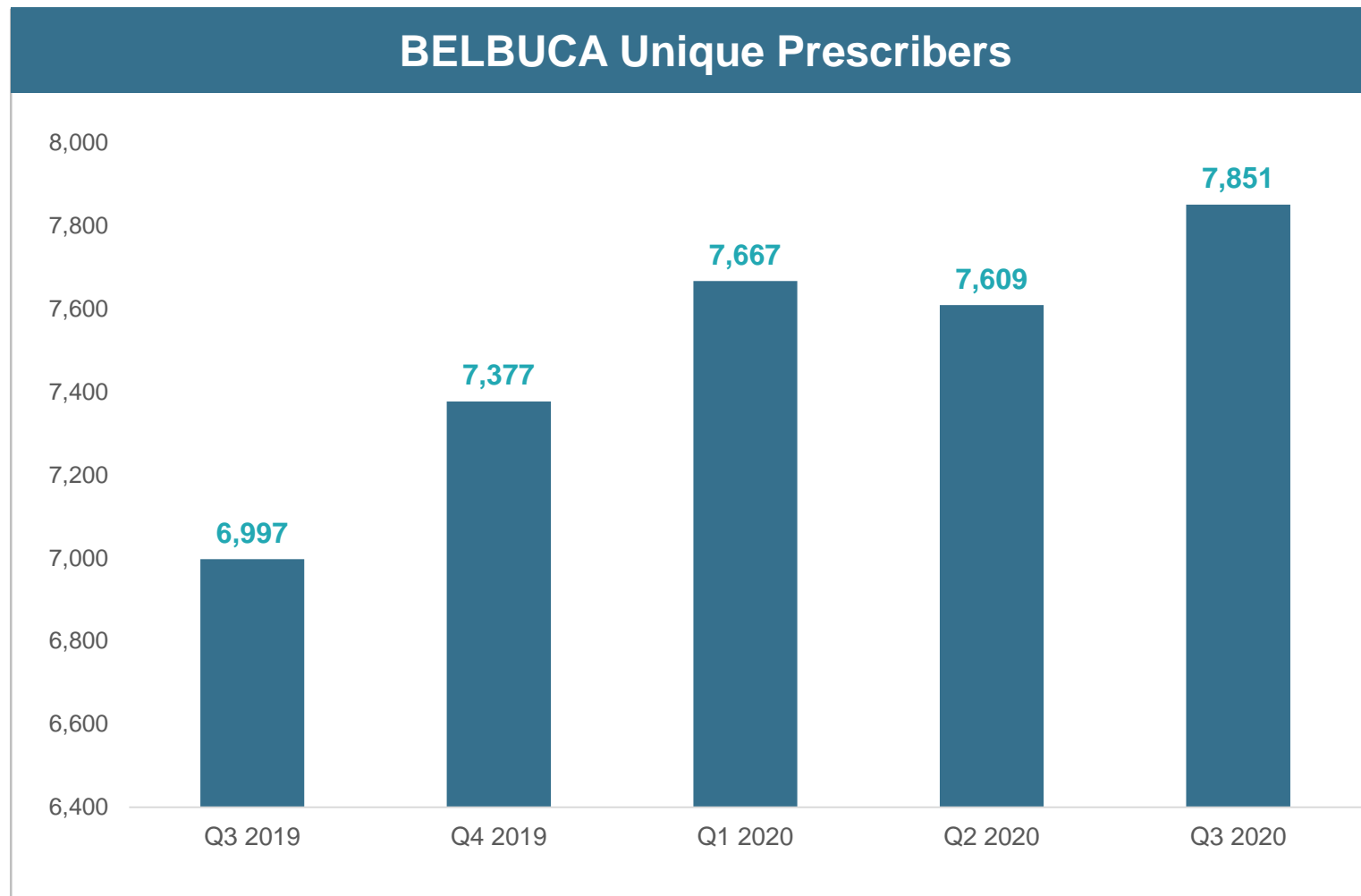
## Growth Metrics

**+25%** Q3 2020 vs Q3 2019

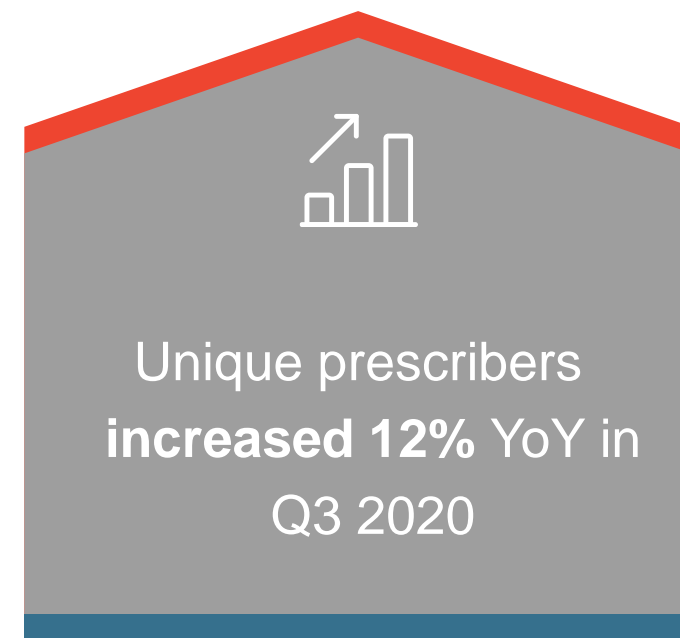
**+6.9%** Q3 2020 vs Q2 2020

Increasing BELBUCA's TRX Market Share through effective commercial execution

# BELBUCA is Continuously Building Prescriber Base

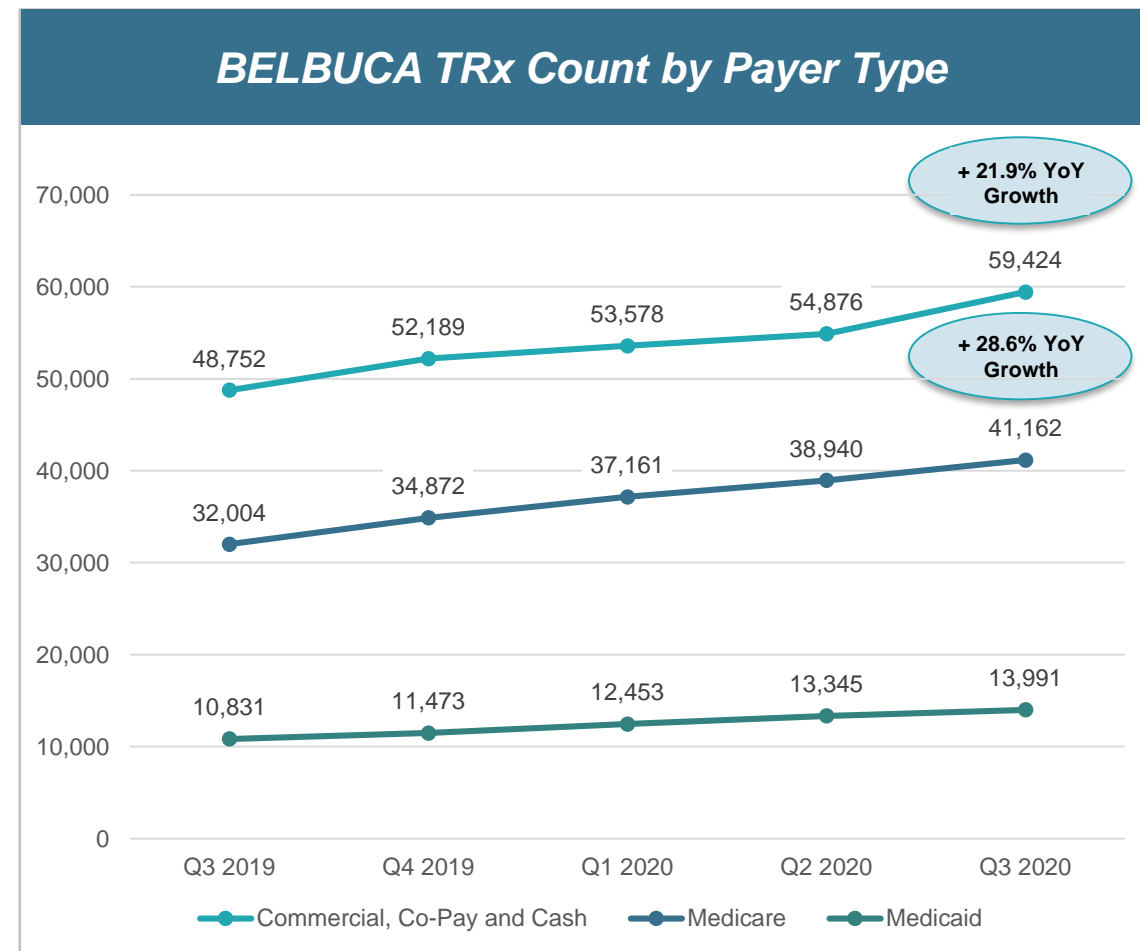
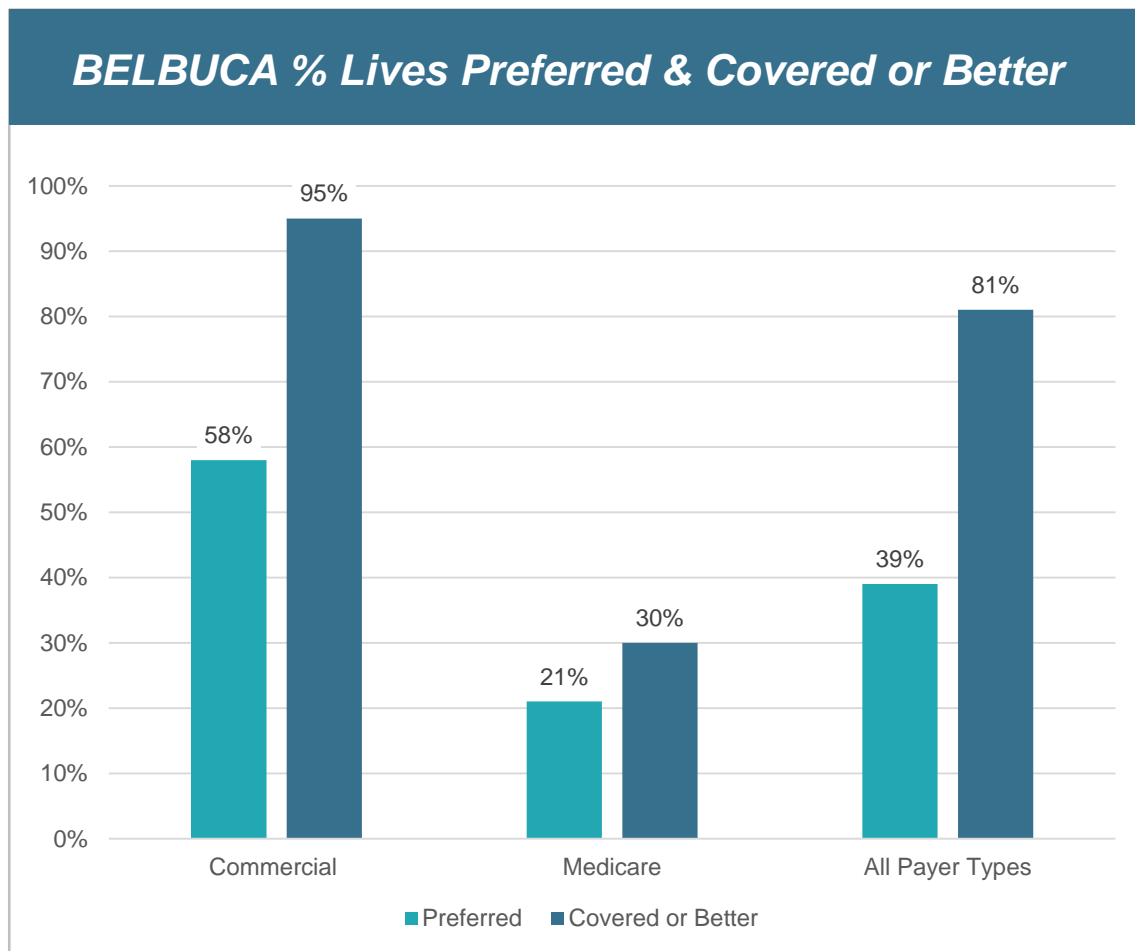


**Adding 1,000+**  
**New Prescribers for each**  
**of the last 7 quarters**

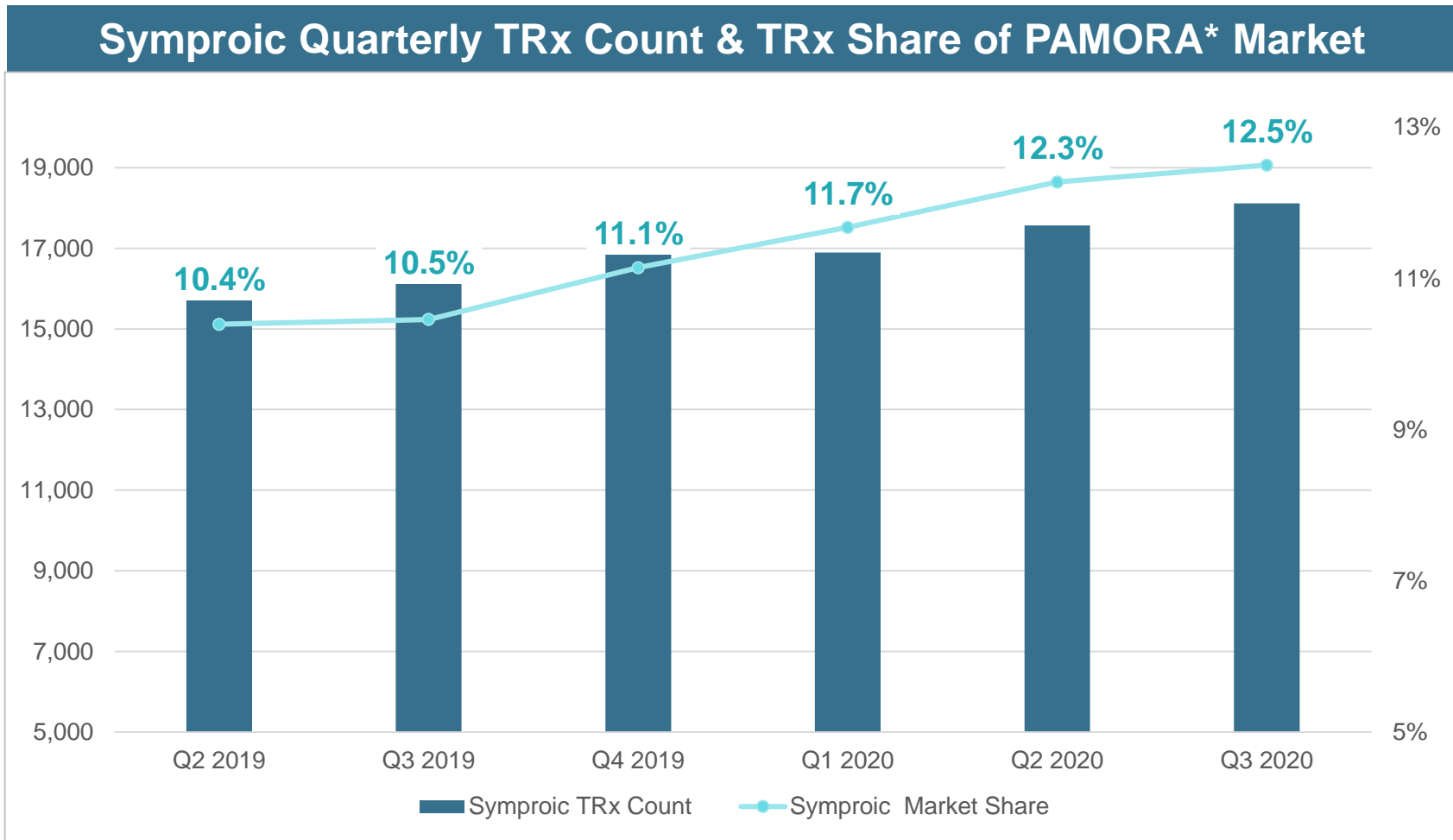


# BELBUCA Enjoys Strong Formulary Coverage

History of Consistent Growth Across all Payer Types



# Symproic® TRx Count & Share Reach New Highs

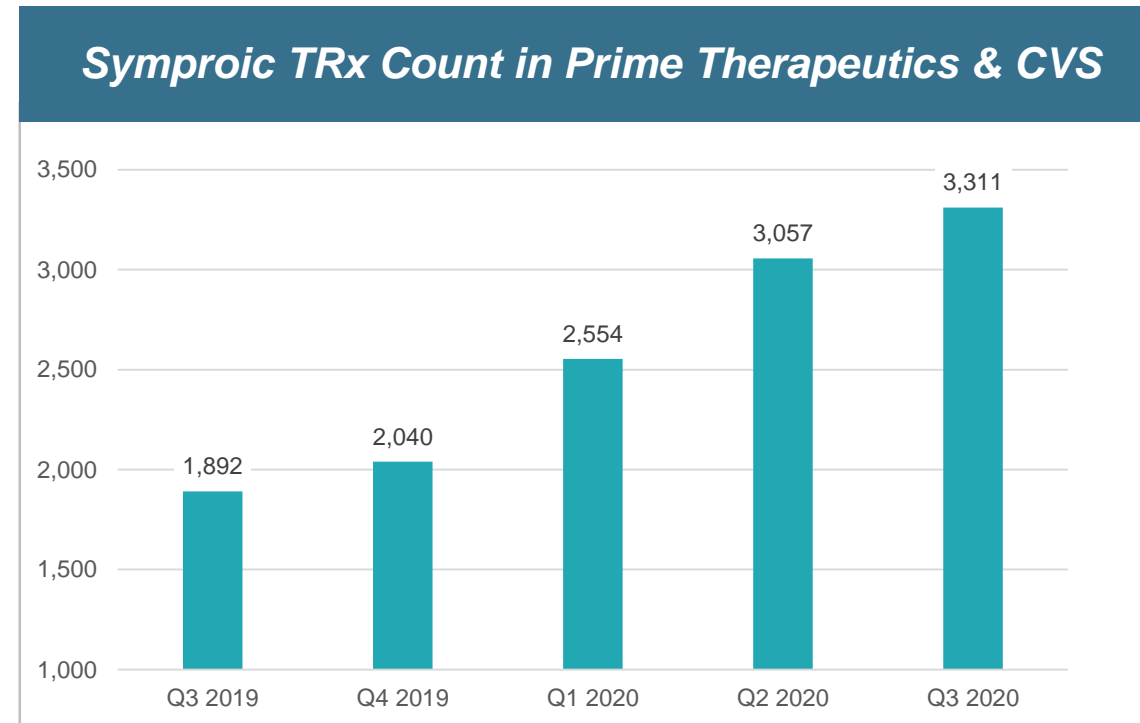
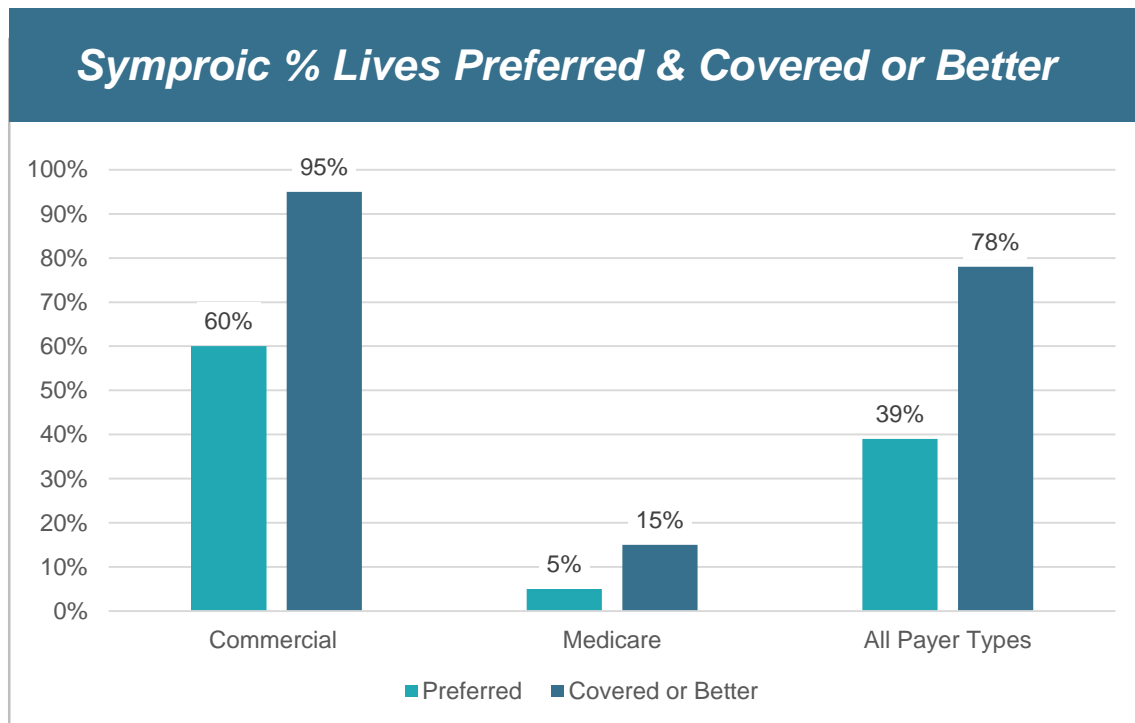


**NRx Share of 13.2%**  
in Q3 2020 vs.  
12.1% in Q3 2019



# Symproic Enjoys Favorable Formulary Coverage

## Strong Growth Within Recent Wins



Prime Therapeutics & CVS Commercial formulary wins fully implemented in Q1 2020

**75%** TRx increase from Q3 2019 to Q3 2020 within Prime Therapeutics & CVS

# Key Marketing and Digital Initiatives Supporting HCPs and Patients

## Virtual Customer Engagement

Virtual Speaker Programs

Virtual HCP Engagement Platform

Enhanced E-Mail Communication Portal

## Patient Support Resources

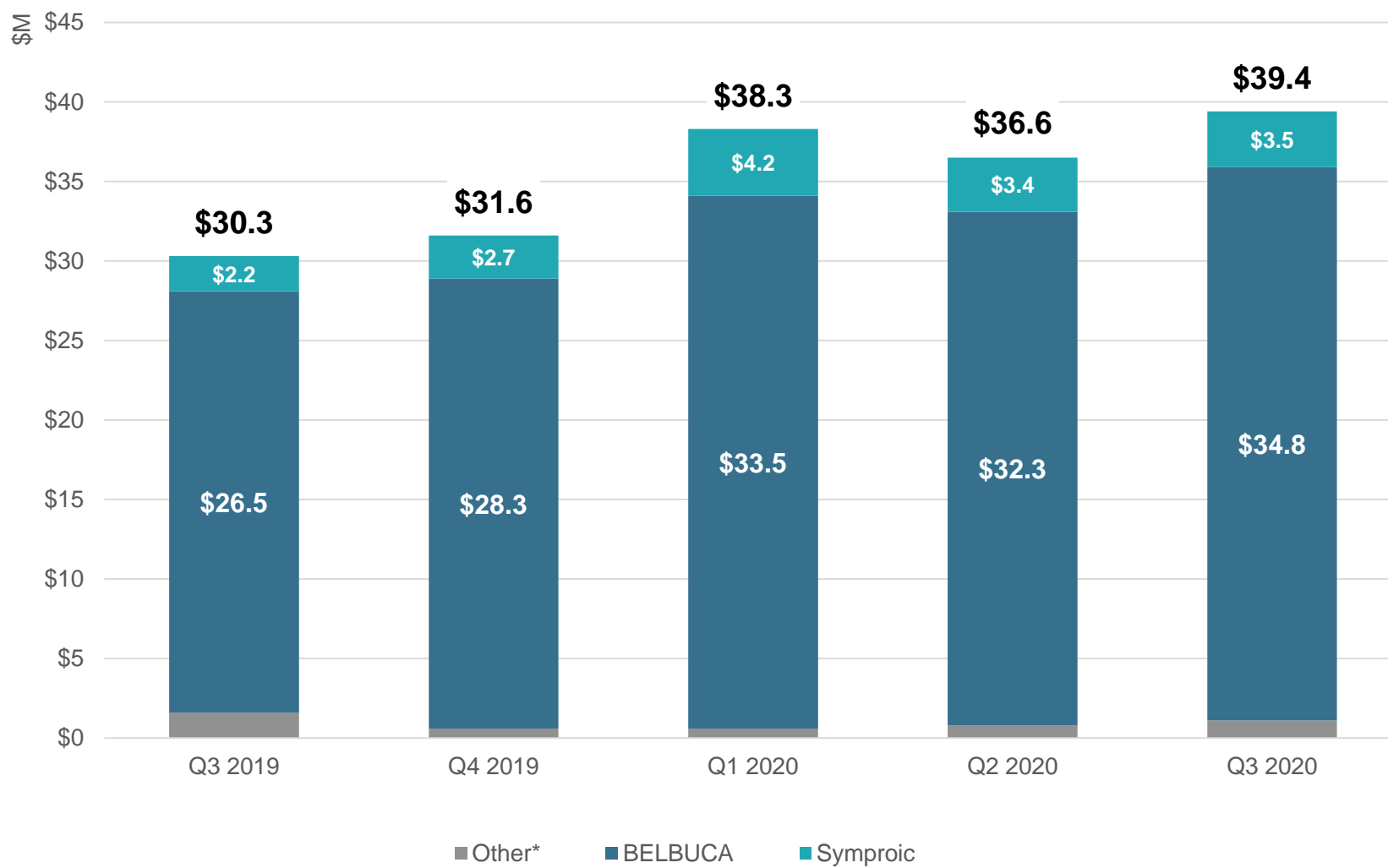
Prior Authorization Support

Expanded Co-Pay Assistance

Increased Digital Patient Communication for Support

First Start NBRx Program Launched

# Robust Net Revenue Growth Trends

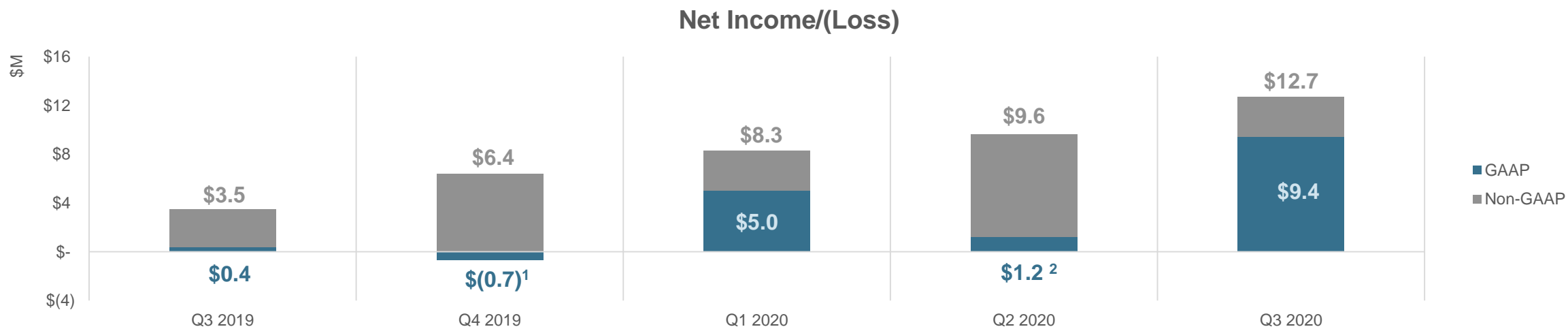
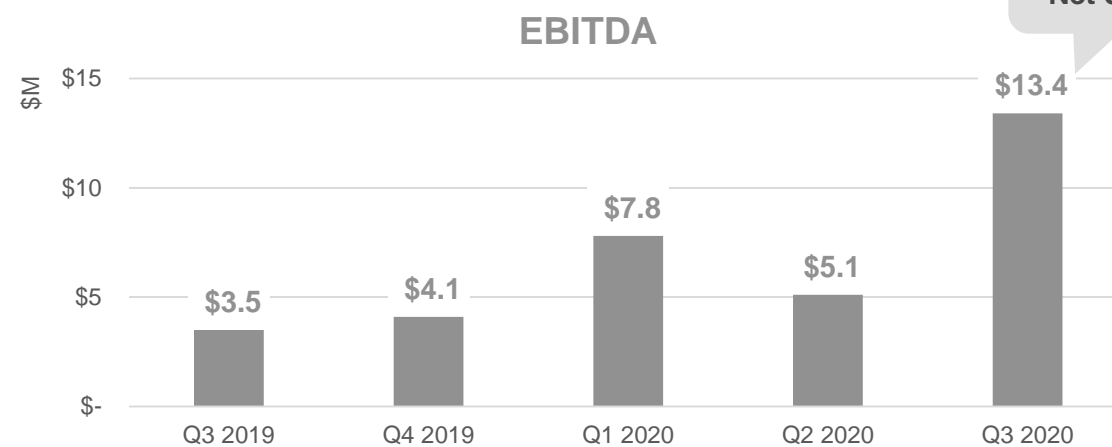
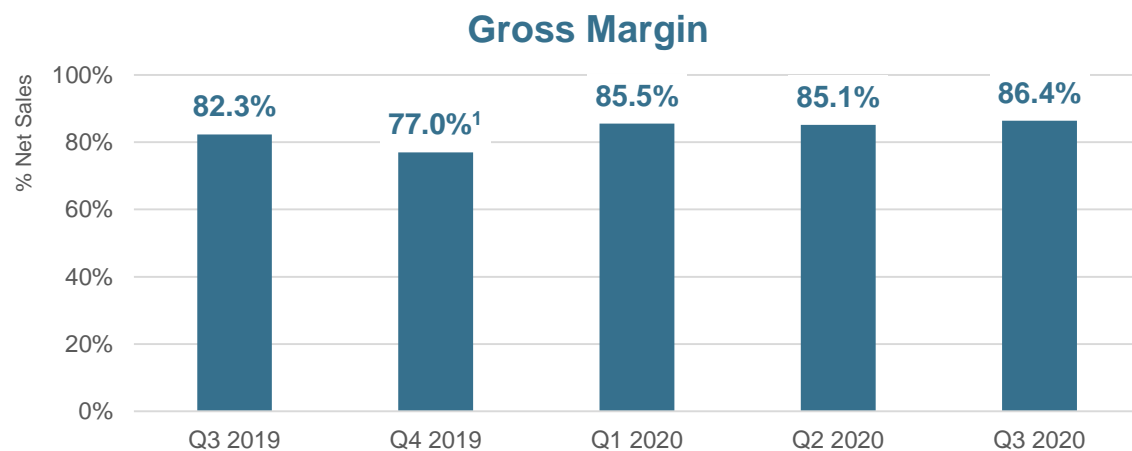


Year-to-Date Revenue Growth of **43%** over 2019

Revenues up **30%** in Q3 2020 vs. Q3 2019

1. \* BUNAVAIL and royalty revenues

# Sales Trajectory Driving Impressive Gross Margin and Profitability

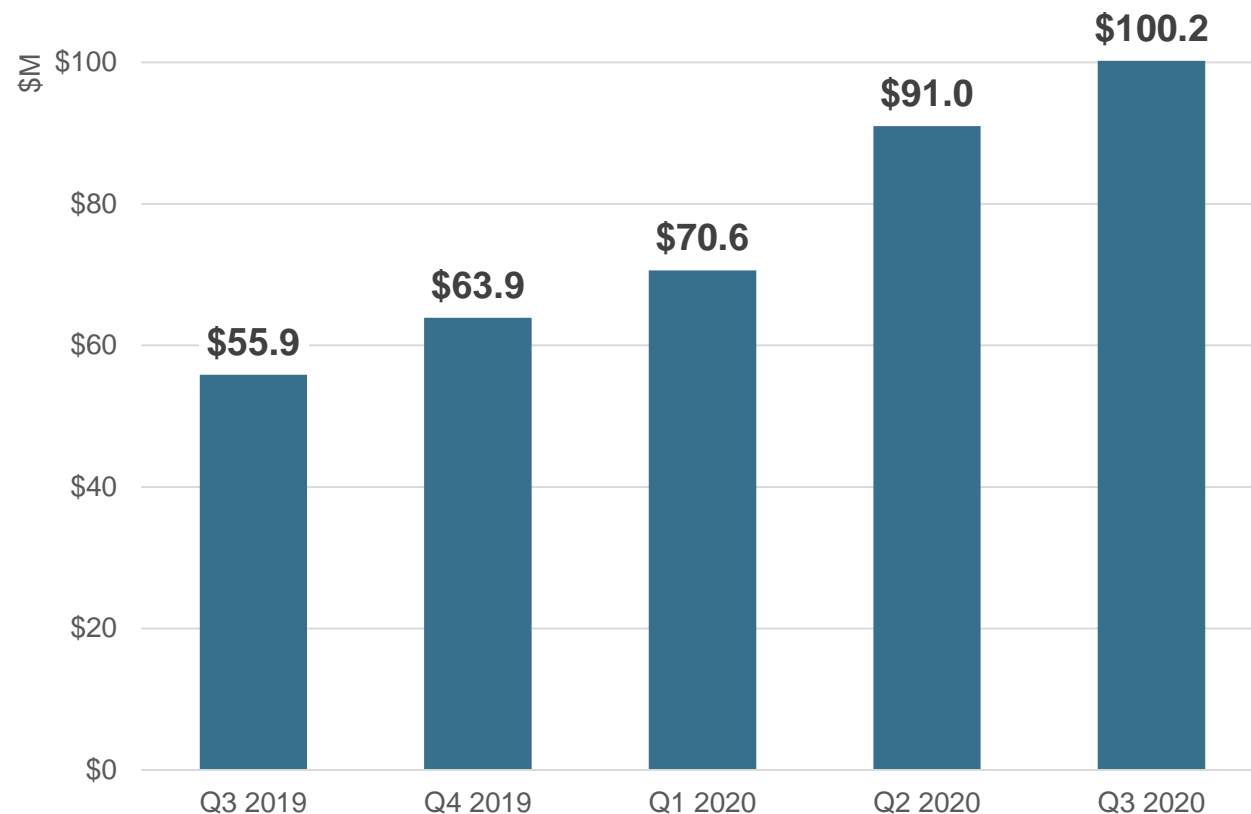


1. Q4 2019 Gross Margin and GAAP Net loss includes one-time costs associated with the discontinuation of BUNAVAIL marketing of \$3.8M

2. Q2 2020 GAAP Net Income includes non-recurring costs associated with CEO transition of \$5.1M

# Strong Cash Balance Advantageously Positions BDSI for Growth

## Cash Position



As of September 30, 2020:

Cash and cash equivalents: \$100M

Long-term debt: \$80M

Share repurchase program  
authorized November 2020:  
Up to \$25 million

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# Reconciliation of Non-GAAP Metrics Q1 2019 – Q3 2020

## BIODELIVERY SCIENCES INTERNATIONAL, INC. AND SUBSIDIARIES

### RECONCILIATION OF NON-GAAP METRICS

(U.S. DOLLARS, IN THOUSANDS)

(Unaudited)

| Reconciliation of GAAP Net Income/(Loss) to EBITDA ( <i>non-GAAP</i> )        | QTD- Q1           | QTD- Q2         | QTD- Q3         | QTD- Q4         | QTD- Q1         | QTD- Q2         | QTD- Q3          |
|---|-------------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|
|   | 3/31/2019         | 6/30/2019       | 9/30/2019       | 12/31/2019      | 3/31/2020       | 6/30/2020       | 9/30/2020        |
|   | 2019              |                 |                 |                 | 2020            |                 |                  |
| <b>GAAP Net Income/(Loss)</b>   | \$ (3,833)        | \$ (11,130)     | \$ 354          | \$ (696)        | \$ 4,966        | \$ 1,165        | \$ 9,383         |
| Add back/(subtracts):   |                   |                 |                 |                 |                 |                 |                  |
| Income tax recovery/(provision)   | -                 | -               | 4               | 1               | (278)           | 86              | 211              |
| Net interest expense  | 2,561             | 13,929          | 1,237           | 1,308           | 1,294           | 1,685           | 2,012            |
| Depreciation and amortization   | 1,375             | 1,981           | 1,904           | 3,491           | 1,802           | 2,159           | 1,754            |
| <b>EBITDA</b>   | <b>\$ 103</b>     | <b>\$ 4,780</b> | <b>\$ 3,499</b> | <b>\$ 4,104</b> | <b>\$ 7,784</b> | <b>\$ 5,095</b> | <b>\$ 13,360</b> |
| <b>Reconciliation of GAAP Net Income/(Loss) to Non-GAAP Net Income/(Loss)</b> |                   |                 |                 |                 |                 |                 |                  |
| <b>GAAP Net Income/(Loss)</b>   | \$ (3,833)        | \$ (11,130)     | \$ 354          | \$ (696)        | \$ 4,966        | \$ 1,165        | \$ 9,383         |
| Non-GAAP adjustments:   |                   |                 |                 |                 |                 |                 |                  |
| Stock-based compensation expense  | 1,142             | 1,570           | 1,267           | 1,438           | 1,520           | 1,364           | 1,473            |
| Amortization of intangible assets   | 1,289             | 1,898           | 1,898           | 1,899           | 1,781           | 1,734           | 1,734            |
| Amortization of warrant discount  | 269               | 179             | -               | -               | -               | -               | -                |
| Non- recurring financial impact- Debt Refinance 2019                          | -                 | 11,866          | -               | -               | -               | -               | -                |
| Non-recurring financial impact- CEO transition                                | -                 | -               | -               | -               | -               | 5,078           | 67               |
| Non- recurring financial impact- BUNAVAIL Discontinuation                     | -                 | -               | -               | 3,750           | -               | 295             | -                |
| <b>Non-GAAP Net Income/(Loss)</b>   | <b>\$ (1,133)</b> | <b>\$ 4,383</b> | <b>\$ 3,519</b> | <b>\$ 6,391</b> | <b>\$ 8,267</b> | <b>\$ 9,636</b> | <b>\$ 12,657</b> |