



Q2 2020 Earnings

August 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.

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.

OPENING REMARKS

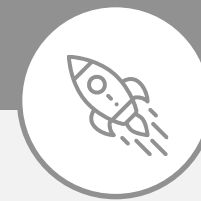
Rapid Response to COVID-19 Pandemic



Focus on the health & safety of our employees, our patients and the communities we serve



Increased Finished Goods inventory levels



Transitioned customer engagement to virtual support and launched array of new customer and patient support programs



Cross-functional COVID-19 committee focused on navigating through pandemic and prioritizing investments

Strong Performance in Q2 2020 and Positioned Well for Future Growth

BELBUCA TRx volume grew 5.2% in Q2 outperforming the the LAO market (-1.6%) and TRx market share hits an all-time high

Expanded sales force in Q1, optimizing the commercial footprint going forward to further enhance reach and frequency

Substantial progress with Medicare and regional commercial payors

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

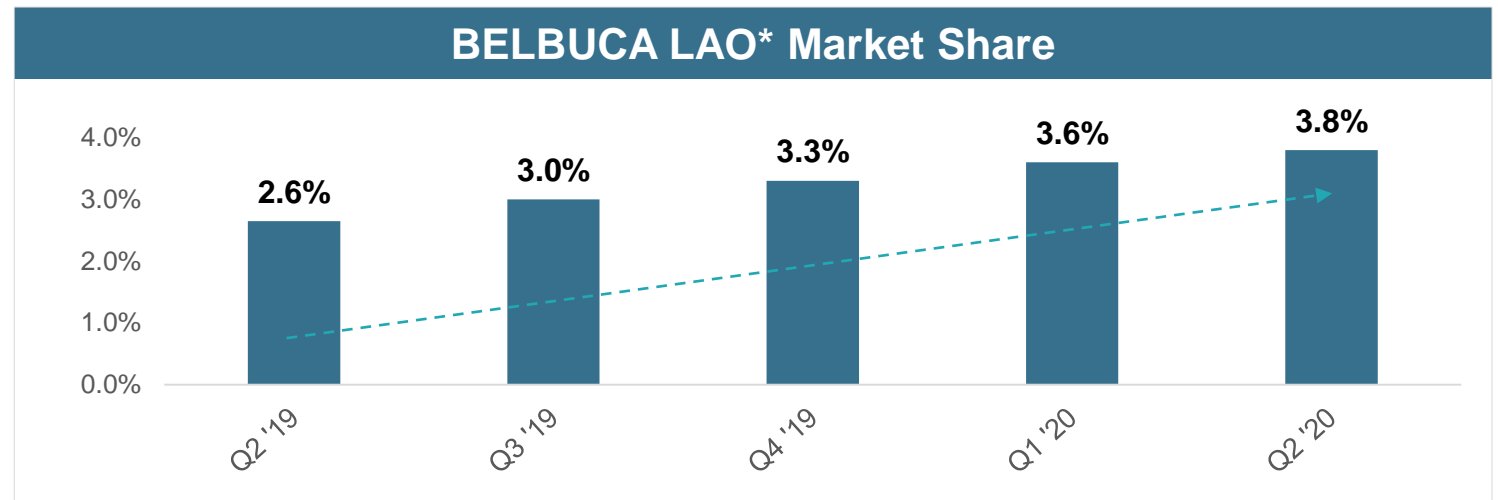
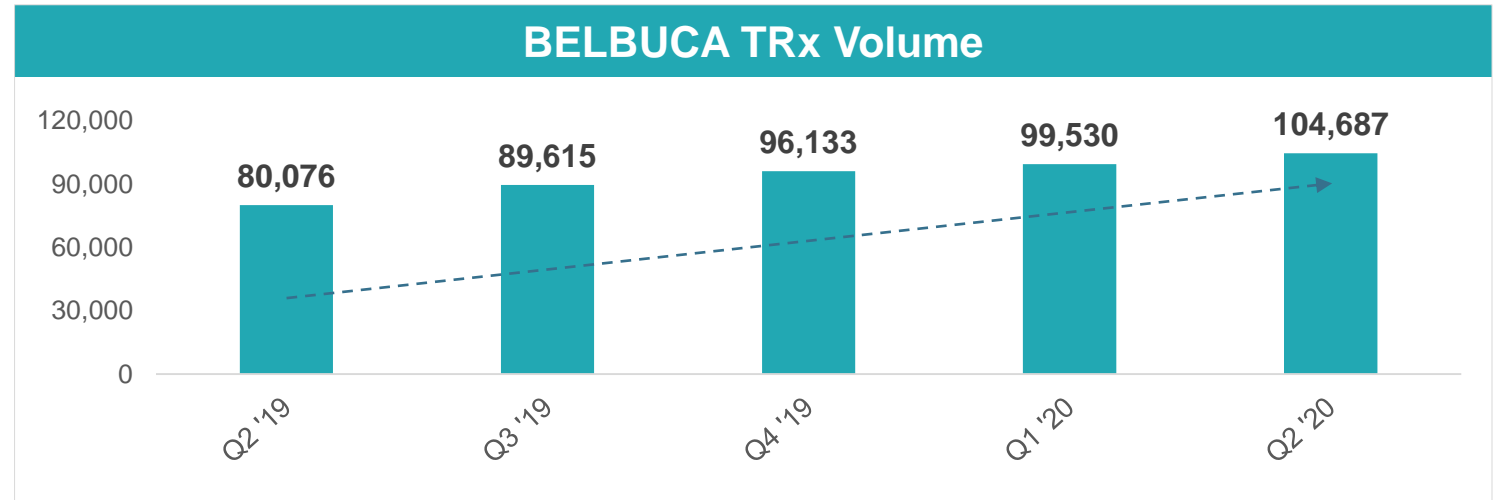
Significant Double-digit YoY Growth in BELBUCA TRx

Growth Metrics

+31% Q2 2020 vs Q2 2019

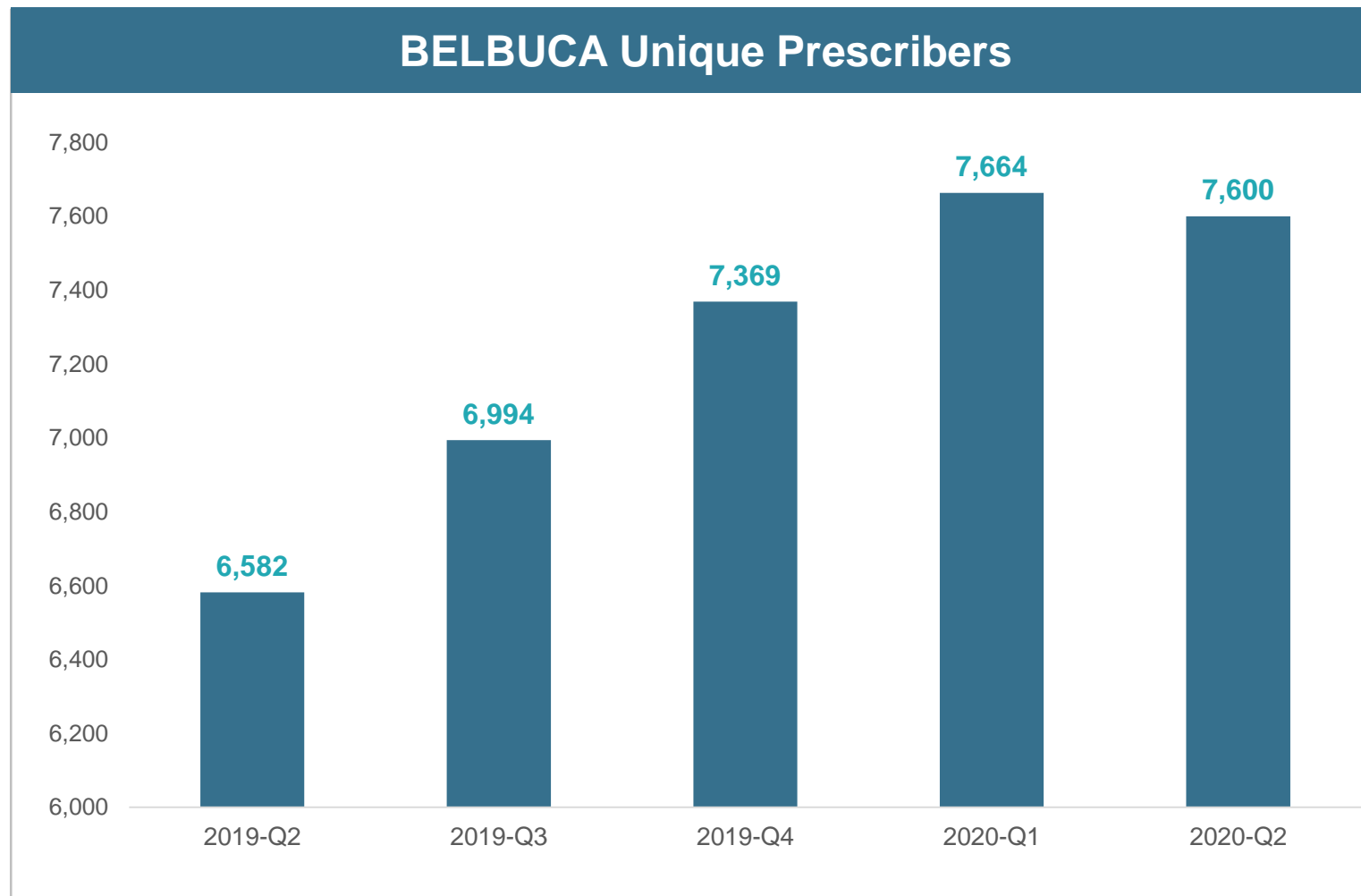
+5.2% Q2 2020 vs Q1 2020

Increasing BELBUCA's market share through effective execution and marketing

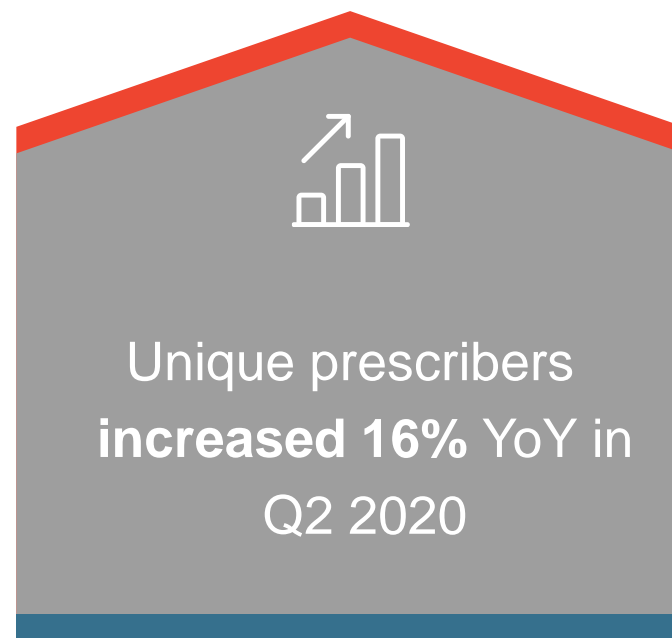


*Long-Acting Opioid

BELBUCA is Continuously Building Prescriber Base

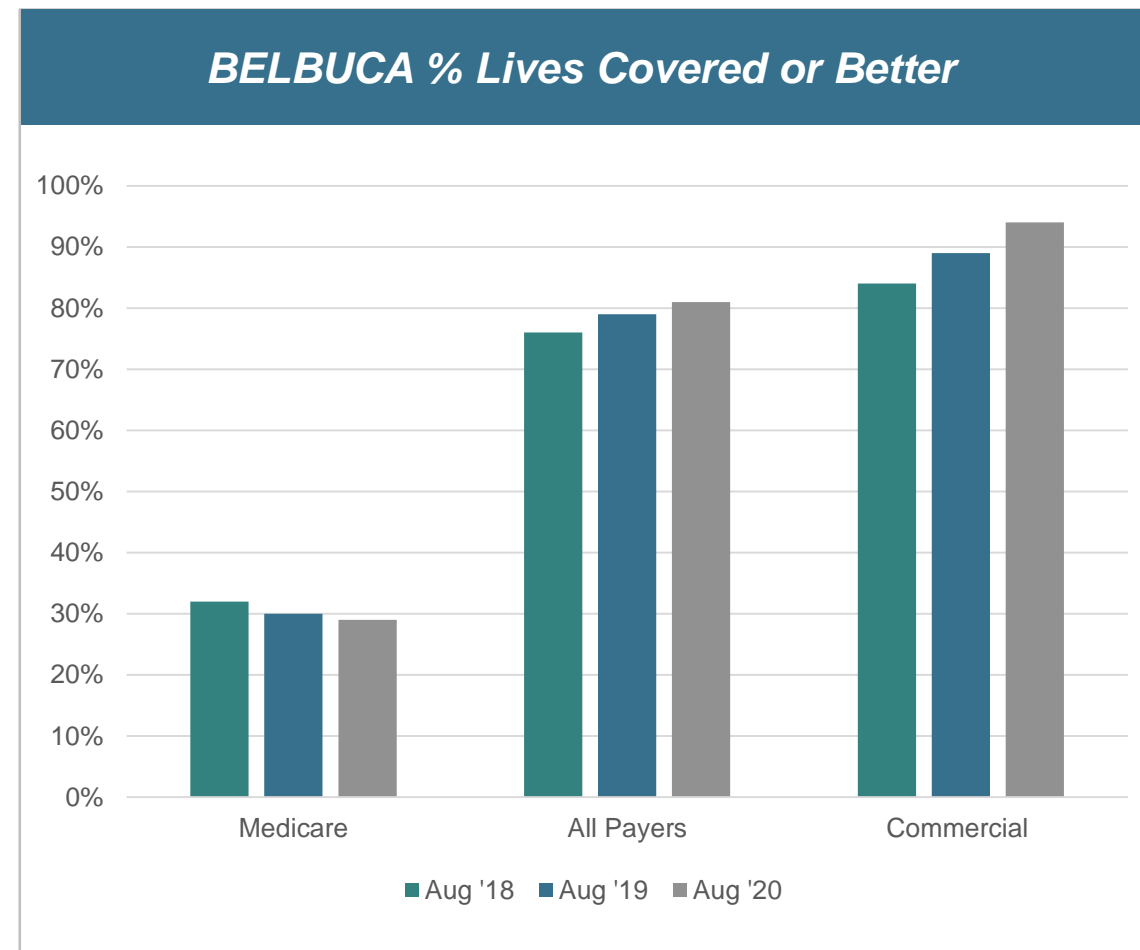
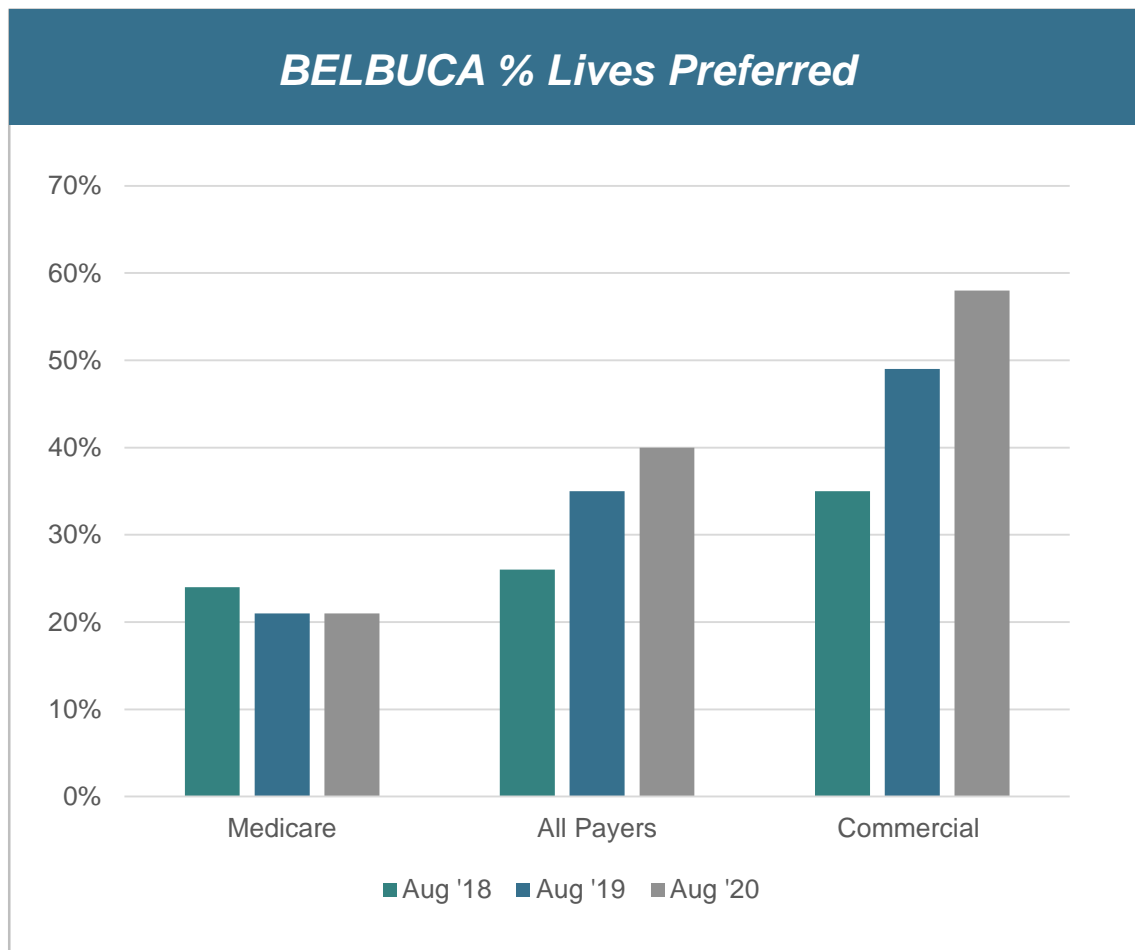


Adding 1,000+
New Prescribers for each
of the last 6 quarters

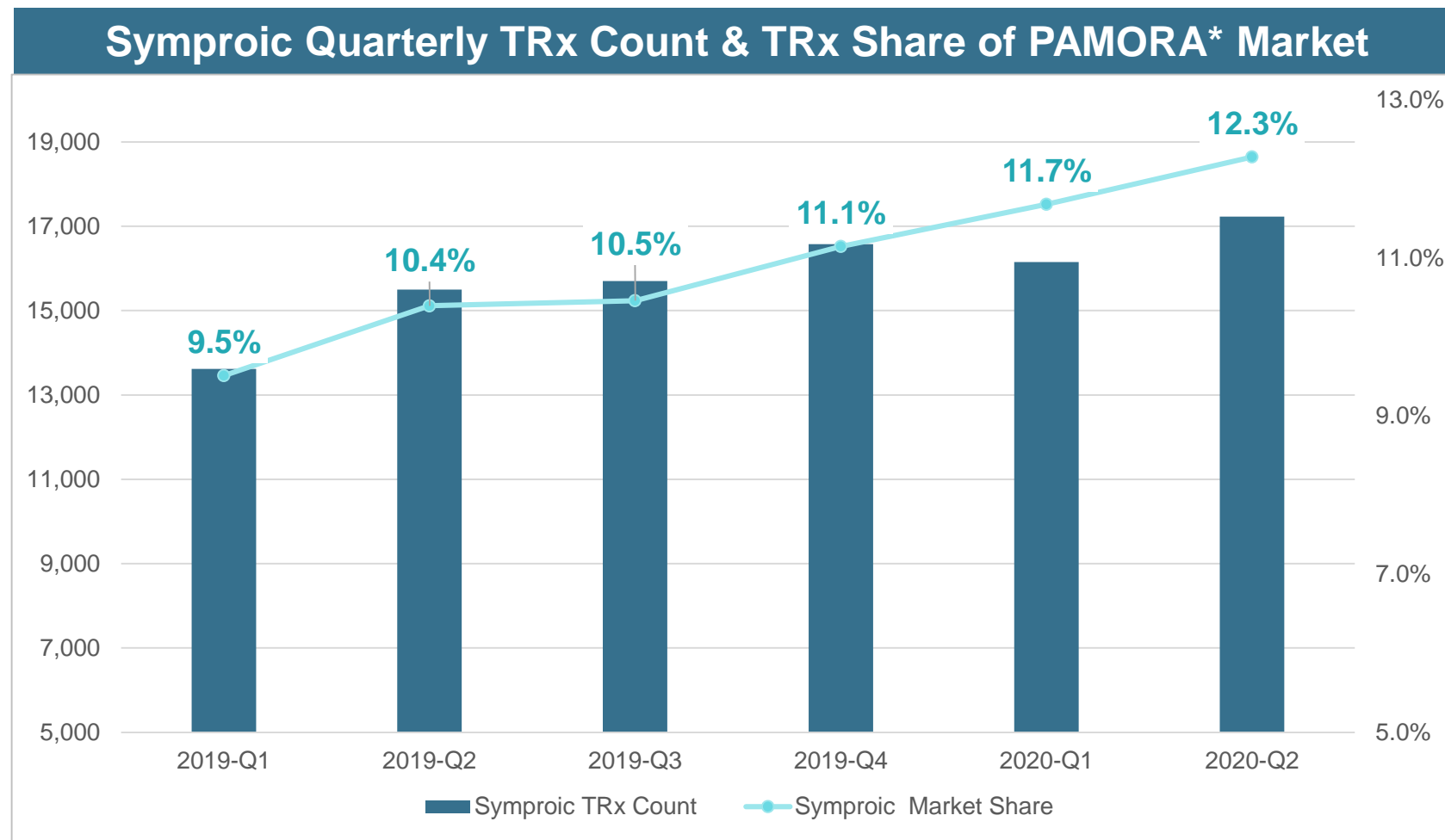


BELBUCA Formulary Coverage Rapidly Improving

Further Growth Opportunity in Regional and Medicare Plans

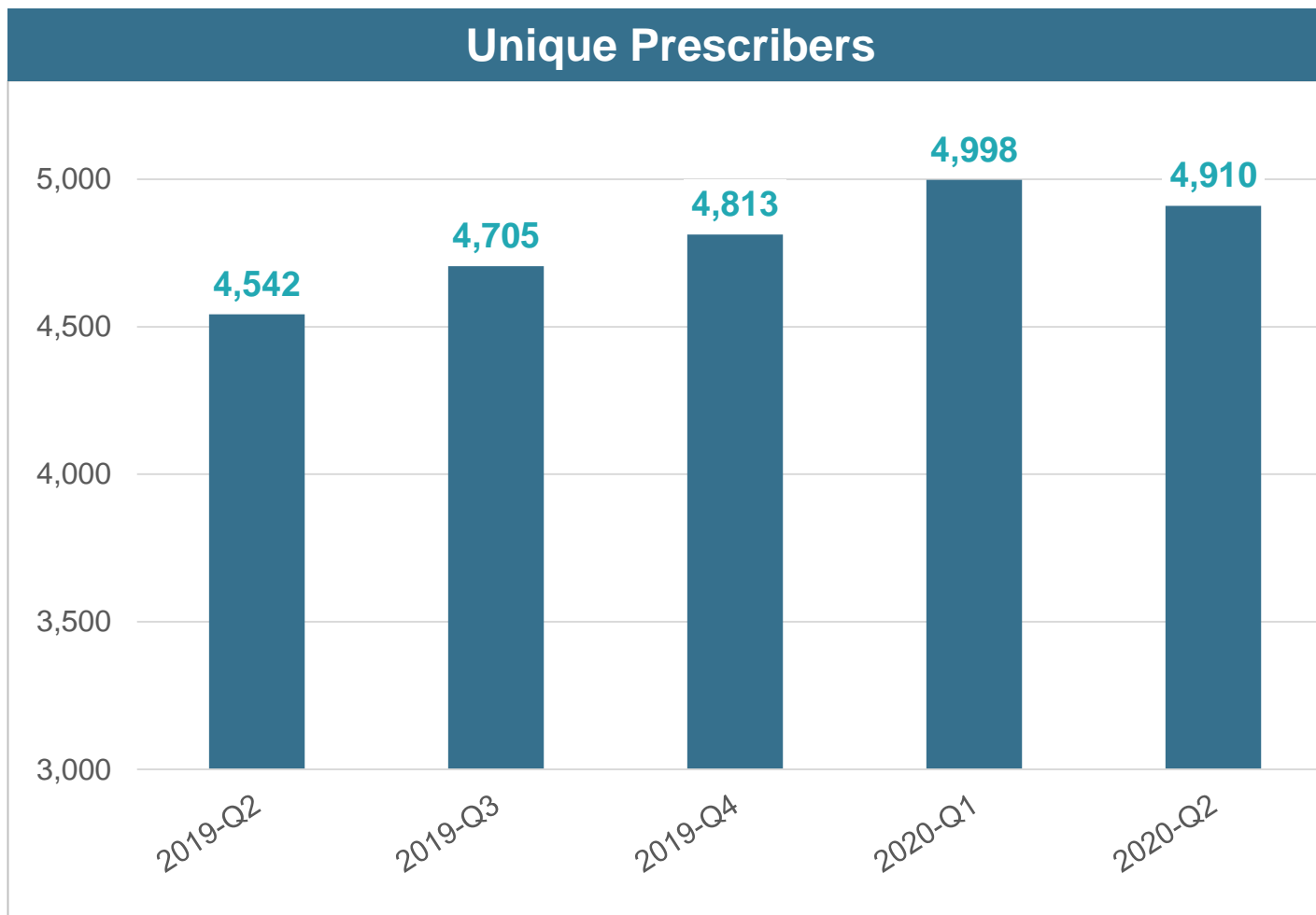


Symproic® Share of PAMORA Market Continues to Grow

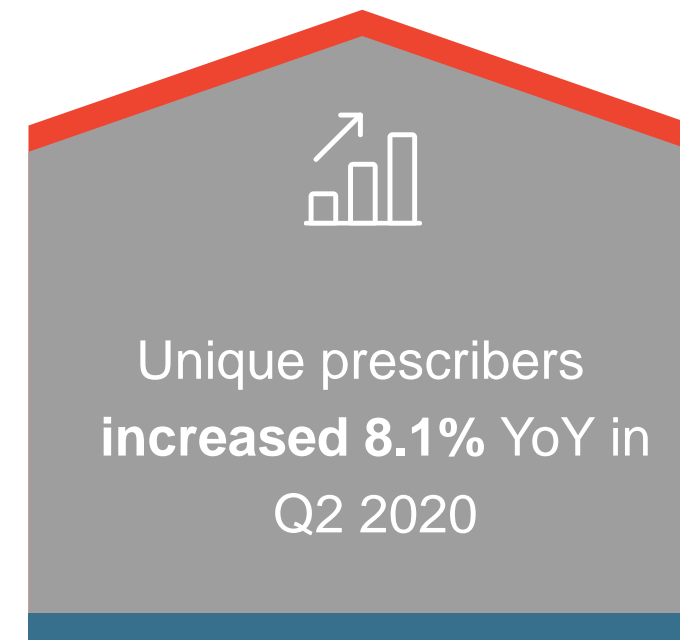


NRx Share of 13.4%
in Q2 2020 vs.
11.5% in Q2 2019

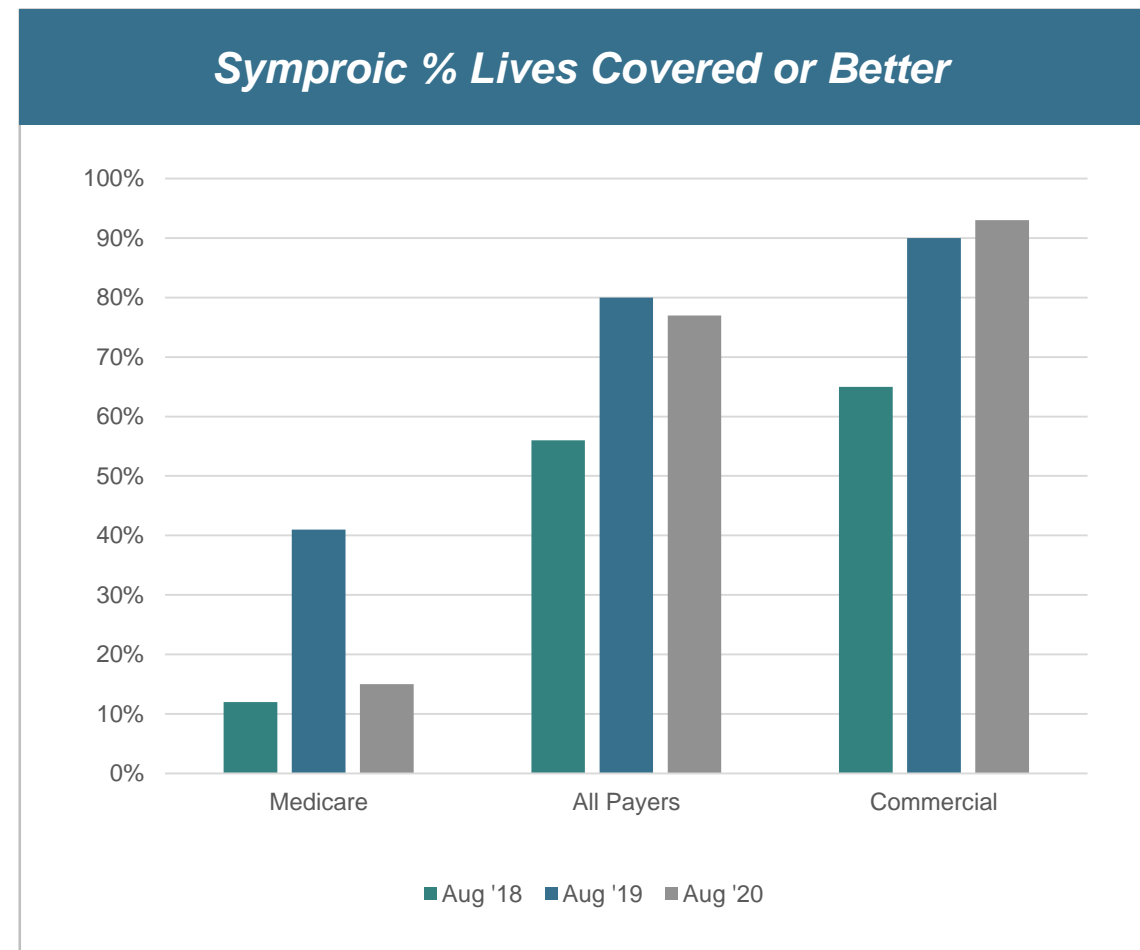
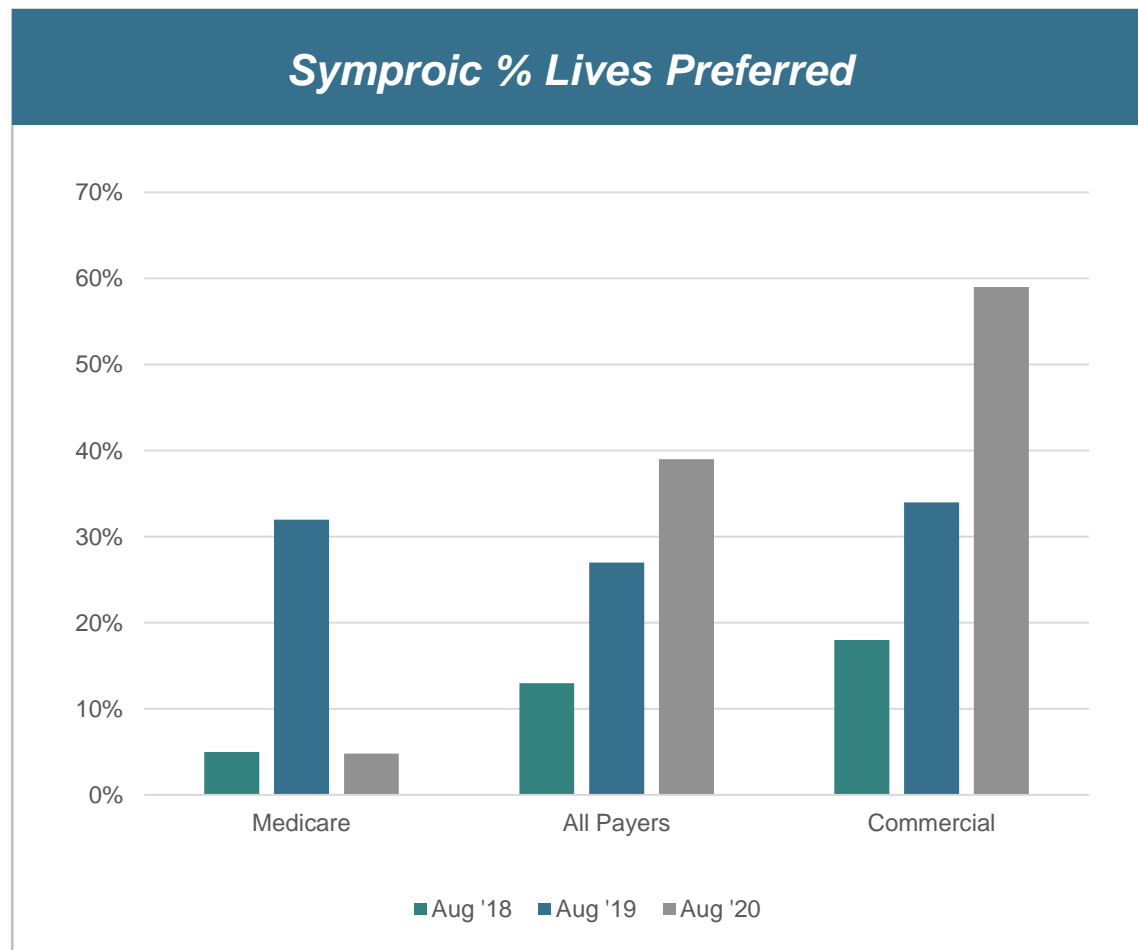
Unique Prescribers for Symproic Remain Encouraging



+ 940
New Prescribers in Q2



Symproic Commercial Access Improved for 2020



Key Marketing and Digital Initiatives Supporting HCPs and Patients

Virtual Customer Engagement

Virtual Speaker Programs

Virtual HCP Engagement Platform

Enhanced E-Mail Communication Portal

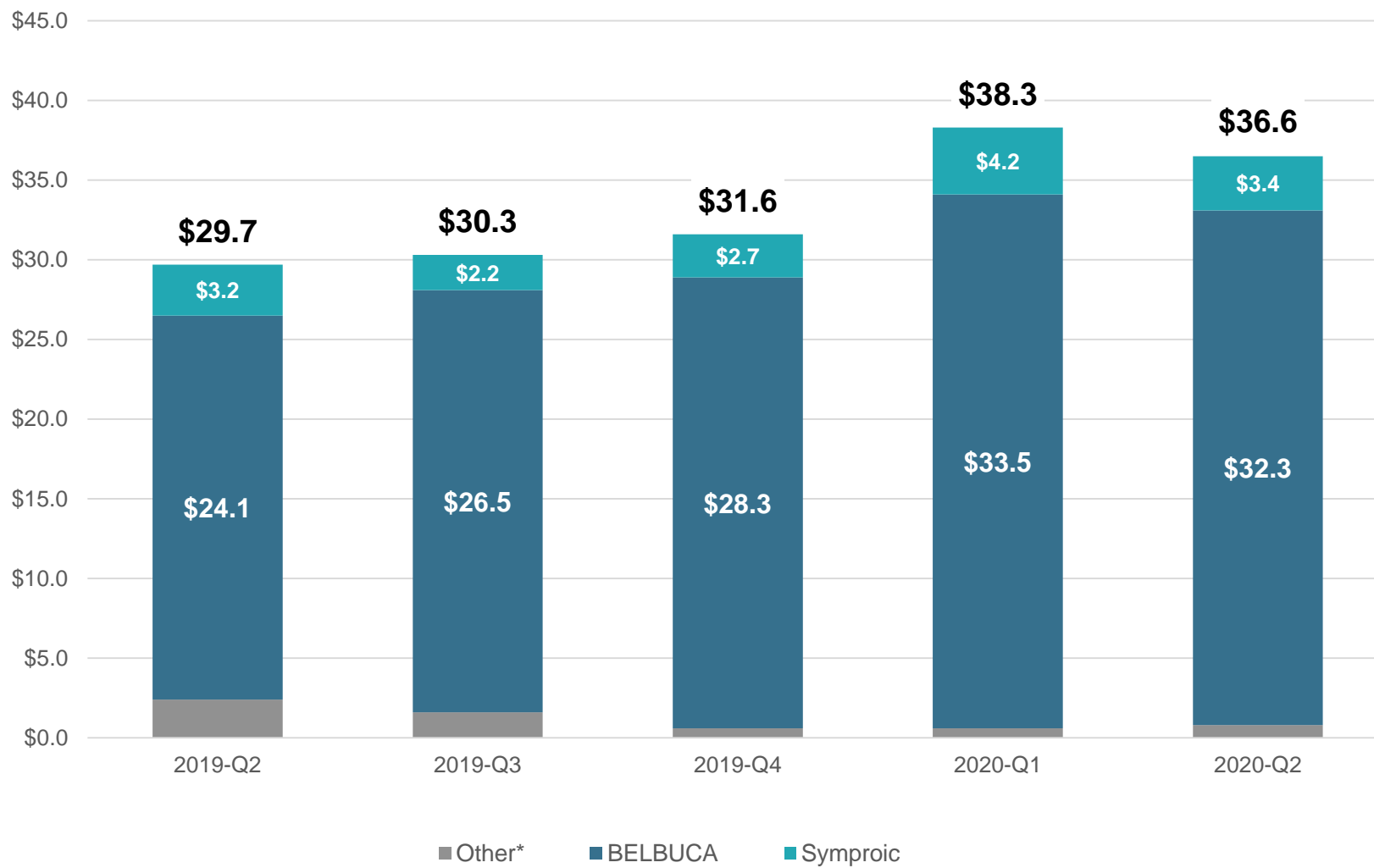
Patient Support Resources

Prior Authorization Support

Expanded Co-Pay Assistance

Increased Digital Patient Communication for Support

Robust Net Revenue Growth Trends

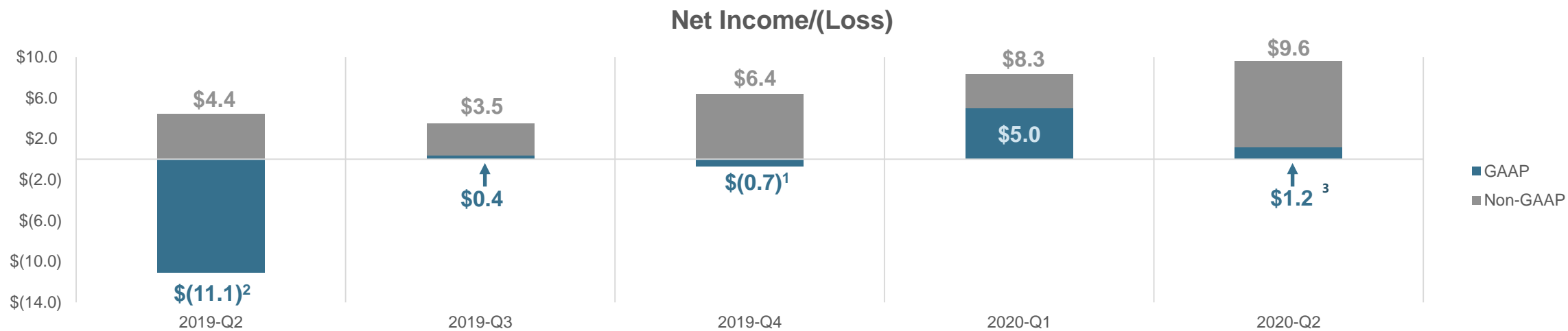
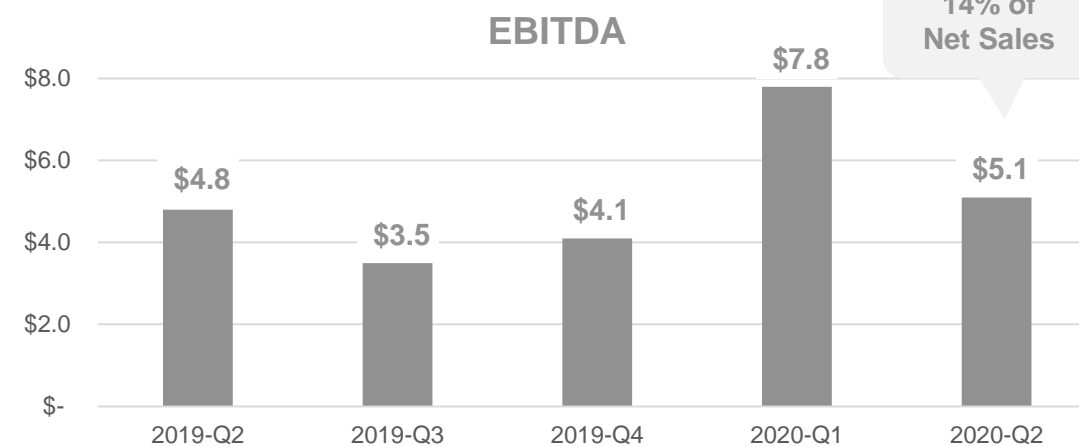
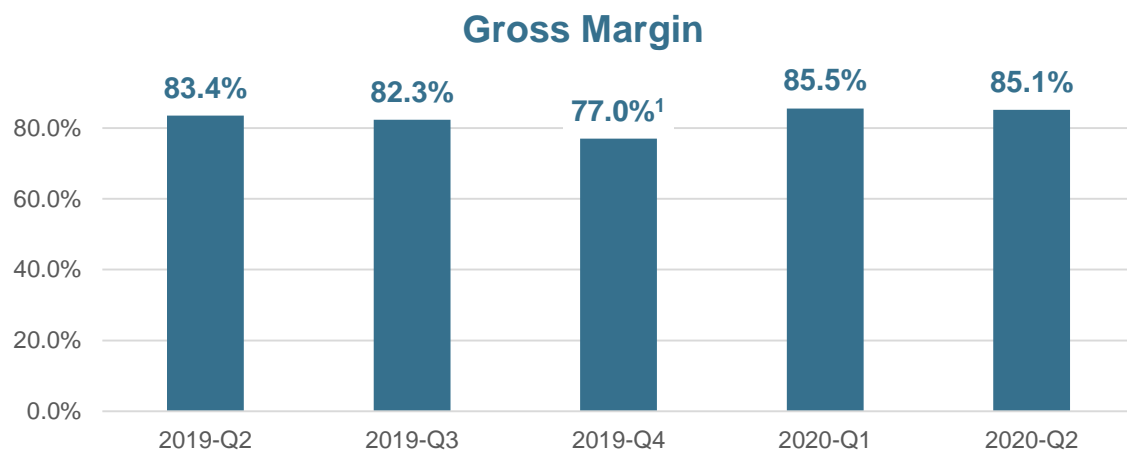


Year-to-Date Revenue Growth of **51%** over 2019

Revenues up **23%** in Q2 2020 vs. Q2 2019

1. * BUNAVAIL and royalty revenues

Strong Sales Trajectory Driving Gross Margin and Profitability

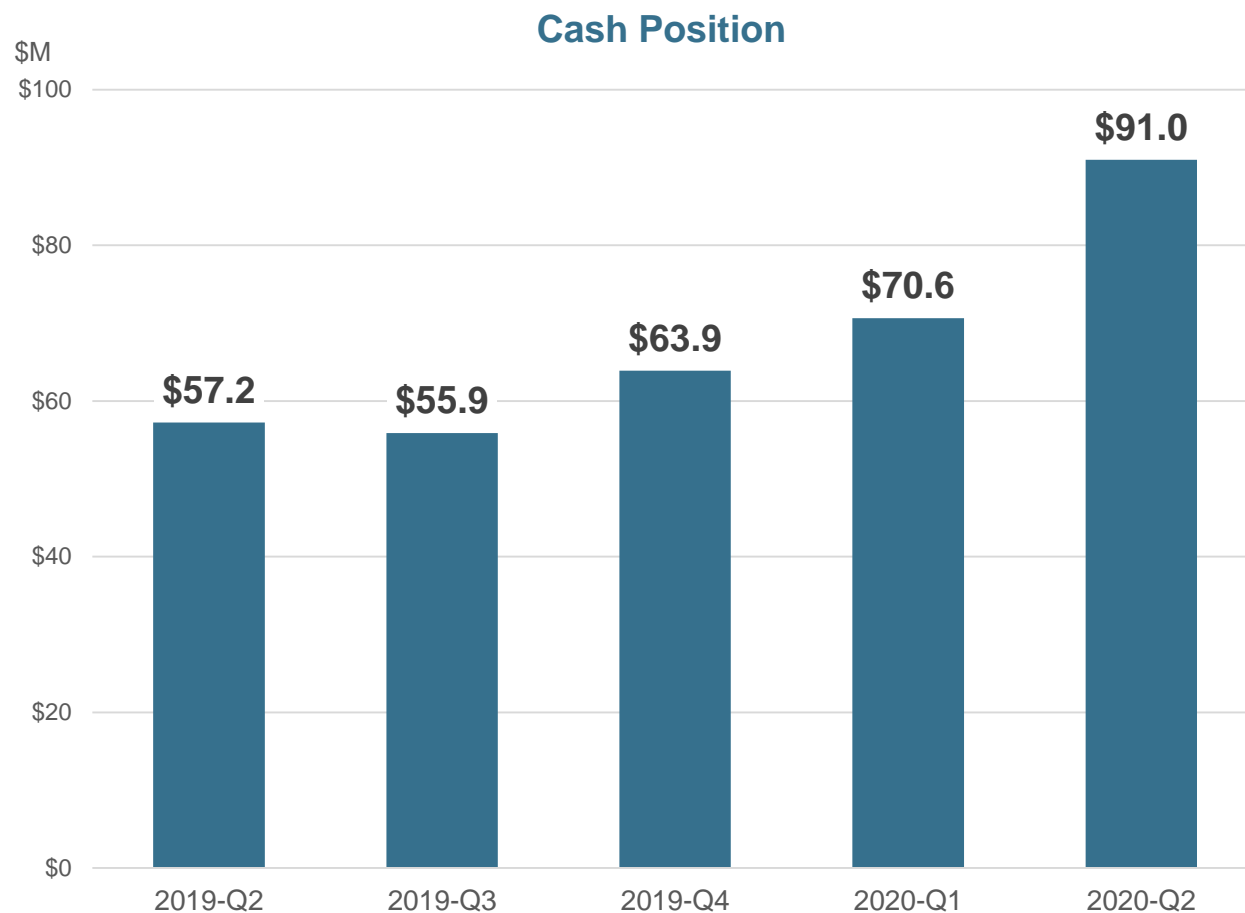


1. Q4 2019 Gross Margin and GAAP Net loss includes one-time costs associated with the discontinuation of BUNAVAIL marketing of \$3.8 M

2. Q2 2019 GAAP Net loss includes one-time debt refinancing costs of \$11.8 M

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

Strong Cash Balance Advantageously Positions BDSI for Growth



At June 30, 2020

Cash and cash equivalents: \$91M

Long-term debt: \$80M

Strong Performance in Q2 2020 and Positioned Well for Future Growth

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Substantial progress with Medicare and regional commercial payors

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

Reconciliation of Non-GAAP Metrics Q1 2019 – Q2 2020

BIODELIVERY SCIENCES INTERNATIONAL, INC. AND SUBSIDIARIES
RECONCILIATION OF NON-GAAP METRICS
(U.S. DOLLARS, IN THOUSANDS)
(Unaudited)

	QTD- Q1 3/31/2019	QTD- Q2 6/30/2019	QTD- Q3 9/30/2019	QTD- Q4 12/31/2019	QTD- Q1 3/31/2020	QTD- Q2 6/30/2020
Reconciliation of GAAP Net Income/(Loss) to EBITDA (<i>non-GAAP</i>)	2019				2020	
GAAP Net Income/(Loss)	\$ (3,833)	\$ (11,130)	\$ 354	\$ (696)	\$ 4,966	\$ 1,165
Add back/(Subtracts):						
Income tax recovery/(provision)	-	-	4	1	(278)	86
Net interest expense	2,561	13,929	1,237	1,308	1,294	1,685
Depreciation and amortization	1,375	1,981	1,904	3,491	1,802	2,159
EBITDA	\$ 103	\$ 4,780	\$ 3,499	\$ 4,104	\$ 7,784	\$ 5,095
Reconciliation of GAAP Net Income/(Loss) to Non-GAAP Net Income/(Loss)						
GAAP Net Income/(Loss)	\$ (3,833)	\$ (11,130)	\$ 354	\$ (696)	\$ 4,966	\$ 1,165
Non-GAAP adjustments:						
Stock-based compensation expense	1,142	1,569	1,267	1,438	1,520	1,364
Amortization of intangible assets	1,289	1,898	1,898	1,899	1,781	1,734
Amortization of warrant discount	269	179	-			
Non- recurring financial impact of debt refinance		11,866		3,750		
Non- recurring financial impact of BUNAVAIL discontinuation						295
Non-recurring financial impact - CEO transition						5,078
Non-GAAP Net Income/(Loss)	\$ (1,133)	\$ 4,382	\$ 3,519	\$ 6,391	\$ 8,267	\$ 9,636