



**INSPIRING
SOLUTIONS
FOR BETTER
HEALTH**

Corporate Presentation

September 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.

Rapidly Growing Commercial-Stage Specialty Pharma Company

Solid Business Fundamentals

- Focused on clinically differentiated products meeting unmet needs
- Improved payor coverage for BELBUCA and Symproic

Strong Product Momentum & Managing COVID-19 Effectively

- Strong increases in scripts and unique prescribers
- Successful transition to virtual customer programs

Well-Positioned for Future Strategy

- Generating solid revenue growth based on improved payor coverage and patient medical needs
- Seek to license/acquire products in overlapping and adjacent therapeutic areas

Leadership Team with Commercial & Strategic Experience

Exceptional team with outstanding record of execution and a strategic focus on growth



Jeff Bailey
CEO



Scott Plesha
President, CCO



Terry Coelho
CFO



Significant Unmet Need in Chronic Pain

Represents Large Potential Market



**High Prevalence
& Quality-of-Life Impact**

1 IN 5 US ADULTS

suffers from chronic pain¹

19.6 MILLION

Adults report high-impact chronic pain*¹



**Long-acting Opioids (LAO)
Remains a Large
Prescription Market****

11.7 MILLION

Prescriptions written for long-acting
opioids in 2019²



\$3.1 BILLION

Total annual LAO sales



1. *Chronic pain limiting life or work activities on most days or every day in the past 6 months.

2. **SAO use measured as opioid prescriptions of duration 3 days or fewer. LAO use measured as prescriptions for ER/LA opioid formulations.

¹CDC's analysis of 2016 National Health Interview Survey (NHIS) data.

²Symphony Vantage Dashboard – Past Weekly data.

BELBUCA

Physicians attracted by BELBUCA efficacy and safety in managing chronic pain

170K+ patients and 18K+ prescribers to date¹

BELBUCA is indicated for the management of pain severe enough to require daily, around-the-clock, long-term opioid treatment for which alternative treatment options are inadequate

- ✓ Proven efficacy
- ✓ Placebo like tolerability in clinical trials*
- ✓ Respiratory ceiling effect
- ✓ Range of 7 dose strengths



BELBUCA 
(buprenorphine) Buccal Film
75 • 150 • 300 • 450 • 600 • 750 • 900 mcg



*Package insert
1. Source: Symphony Metys

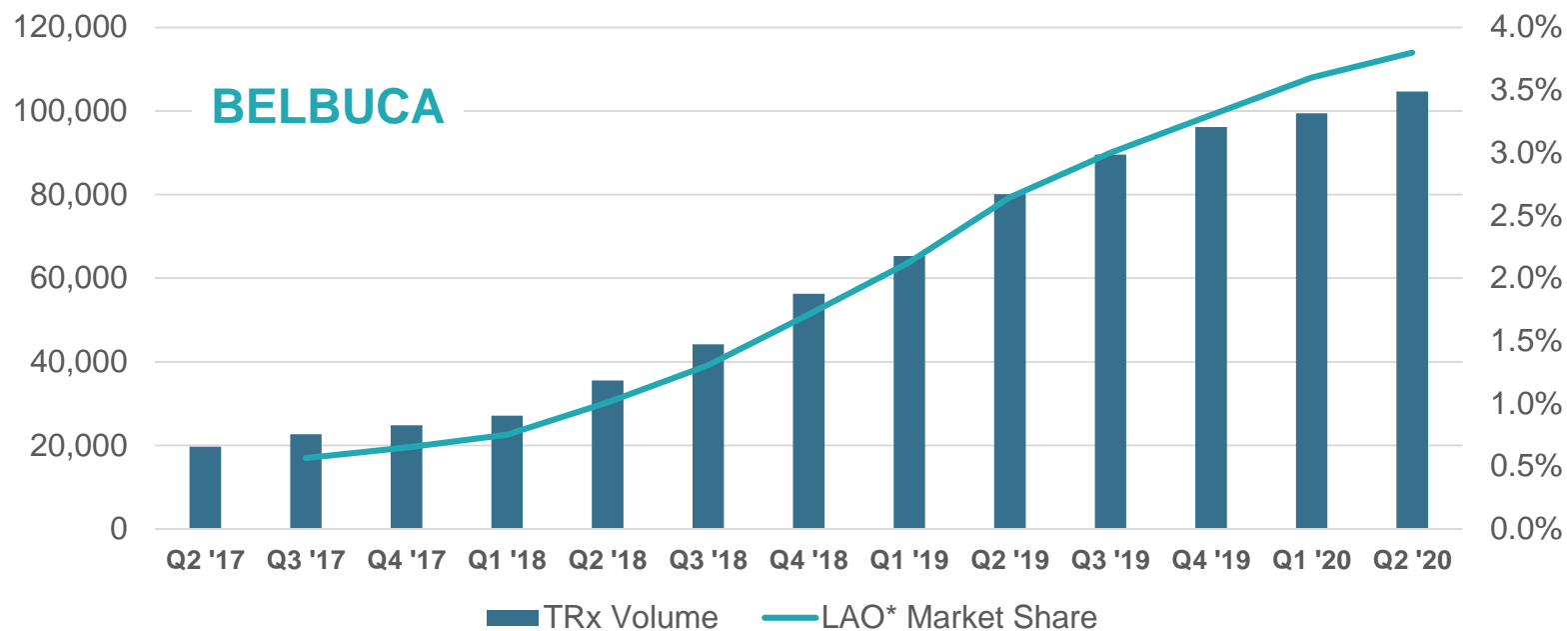
Significant Double-digit YoY Growth in BELBUCA TRx

Growth Metrics

+31% Q2 2020 vs Q2 2019

+5.2% Q2 2020 vs Q1 2020

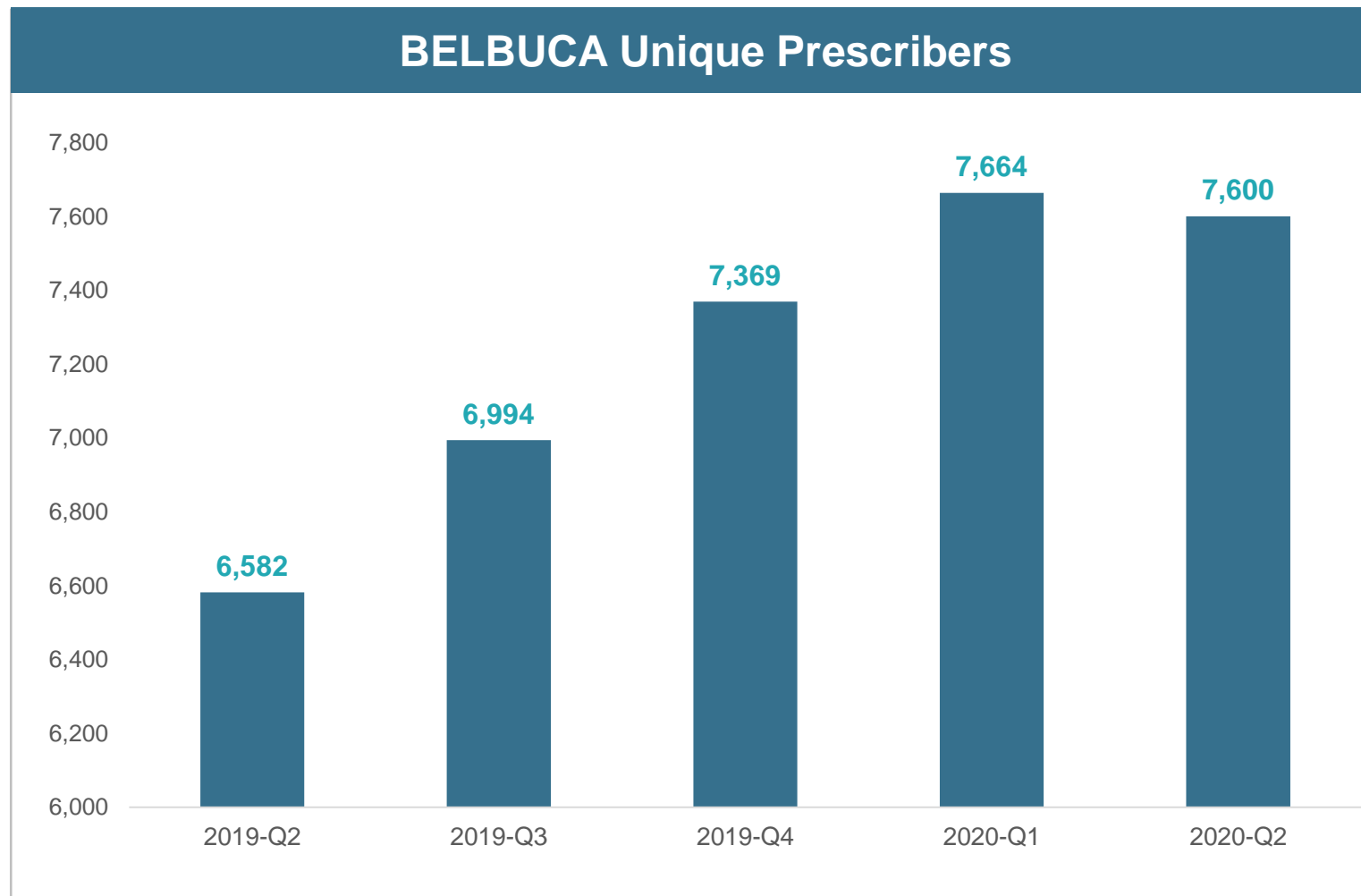
Increasing BELBUCA volume and market share through effective execution and marketing



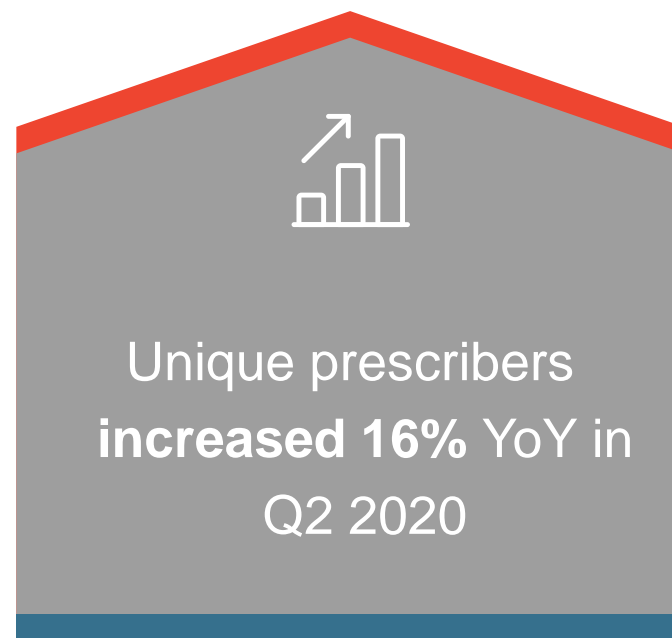
TRx share increased by 46% YoY

- Successful field and marketing execution generating higher New-to-Brand Rx share
- Total Rx share increasing due to broader adoption by Healthcare Professionals

BELBUCA is Continuously Building Prescriber Base

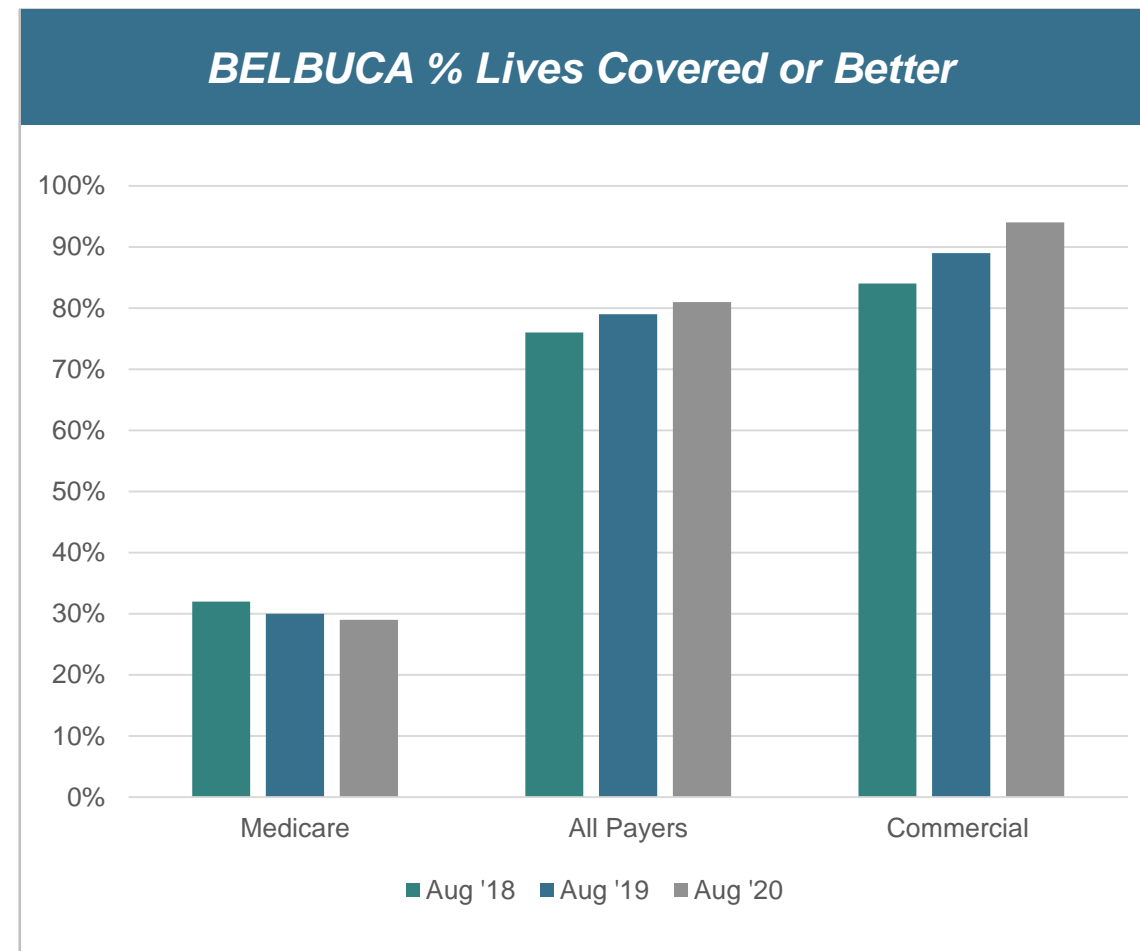
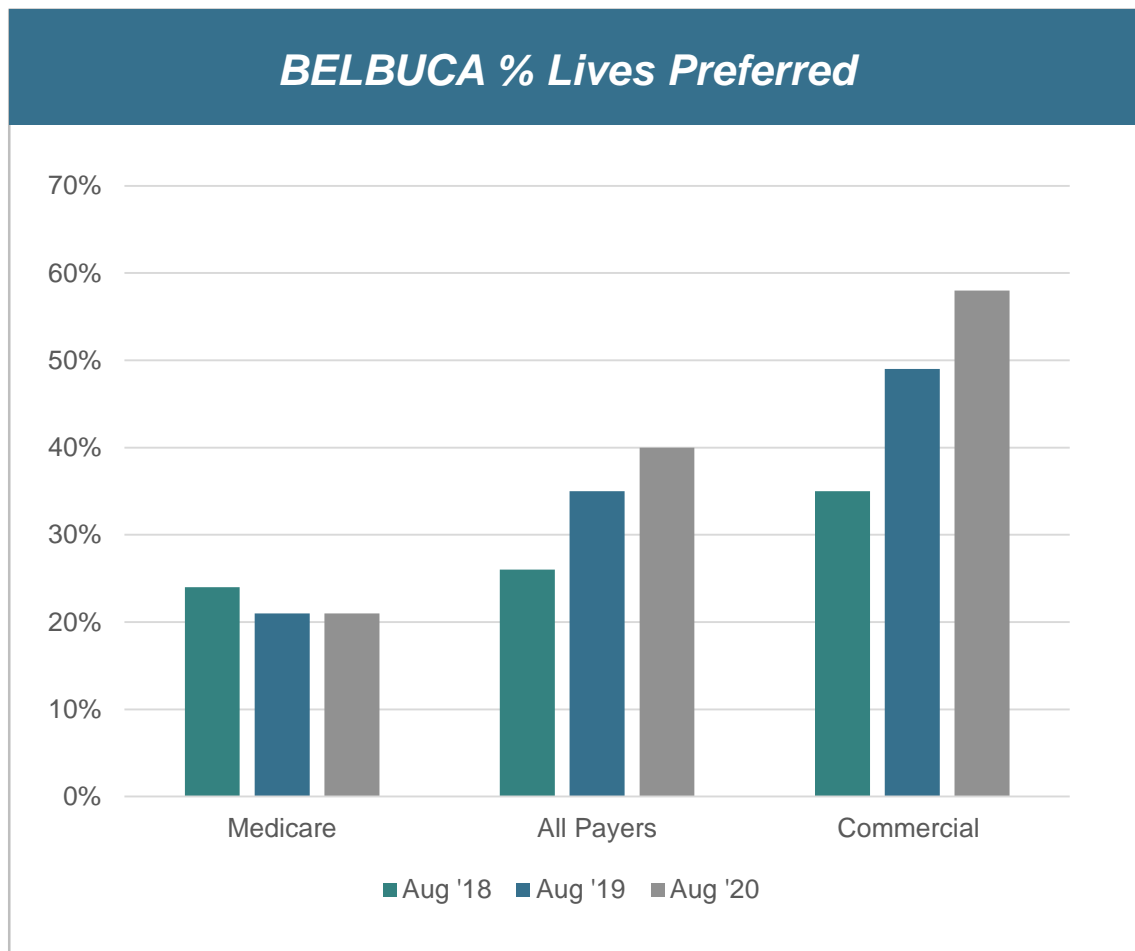


Adding 1,000+
New Prescribers for each
of the last 6 quarters



BELBUCA Formulary Coverage Rapidly Improving

Further Growth Opportunity in Regional and Medicare Plans



Growing Policy Acceptance for Buprenorphine

HHS Task Force



HHS Task Force
Report on management
of
Chronic Pain, based on
input from 30+ health /
regulatory agencies,
recommended:

Recommendation 4A:

Make buprenorphine treatment for chronic pain available for specific groups of patients and **include buprenorphine in third-party payer and hospital formularies.**²

Recommendation 4B:

Encourage CMS and private payers to **provide coverage and reimbursement for buprenorphine treatment**, both for OUD and for chronic pain. **Encourage primary use of buprenorphine** rather than use only after failure of standard mu agonist opioids such as hydrocodone or fentanyl, if clinically indicated.³

Health and Human Services (HHS) Task Force chartered by Congressional legislation and chaired by HHS includes more than 30 representatives from across federal government agencies, including: U.S. Food and Drug Administration • Centers for Disease Control and Prevention (CDC) • National Institutes of Health (NIH) • Office of National Drug Control Policy (ONDCP) Substance Abuse and Mental Health Services Administration (SAMHSA) • U.S. Department of Defense (DOD) • U.S. Department of Veterans Affairs (VA)

1 - Pain Management Best Practices Inter-agency Task Force Report Final Report May 2019

2, 3 - Pain Management Best Practices Inter-agency Task Force Report Final Report May 2019 – Page 29

OIC Affects ~50% of Patients Taking a Class II Opioid¹



Up to 84%

of patients with Opioid Induced Constipation (OIC) report negative impact on their quality of life²

Challenges with Leading Therapies

- 94% of patients who took OTC laxatives* reported an inadequate response³
- Challenges with leading prescription products
 - Must be taken with food
 - Must stop use of laxatives
 - Associated with 20% instance of abdominal pain in starting dose⁴

*Defined as using at least one laxative ≥ 4 times over the previous two weeks

1. Market Research: Segmenting OIC Patient Universe.

2. When People with Opioid-Induced Constipation Speak: A Patient Survey & Patient Preferences for Change in Symptoms Associated with Opioid-Induced Constipation, N = 513 OIC Patients.

3. Opioid-induced constipation in patients with chronic noncancer pain in the USA, Canada, Germany, and the UK; N = 198

4. Movantik Prescribing Information.

Symproic Offers Differentiated Profile in Treating OIC

Symproic blocks the opioid receptors in the gut, attacking OIC at its source while allowing the opioid to effectively target the patient's pain

The PAMORA with more flexibility¹¹

Once Daily



(Tablet is actual size)

Any time of day



With or without laxatives



With or without food



- Has strong clinical evidence
- Ideal complementary asset to BELBUCA
- Is promoted to overlapping HCP targets
- Allows for samples
- Provides a growth opportunity that complements BELBUCA
- Patent Exclusivity through 2031

SYMPROIC[®] Offers Proven Efficacy and Tolerability

with the Highest Recommendation from the AGA

SYMPROIC is indicated for the treatment of opioid-induced constipation (OIC) in adult patients with chronic non-cancer pain*

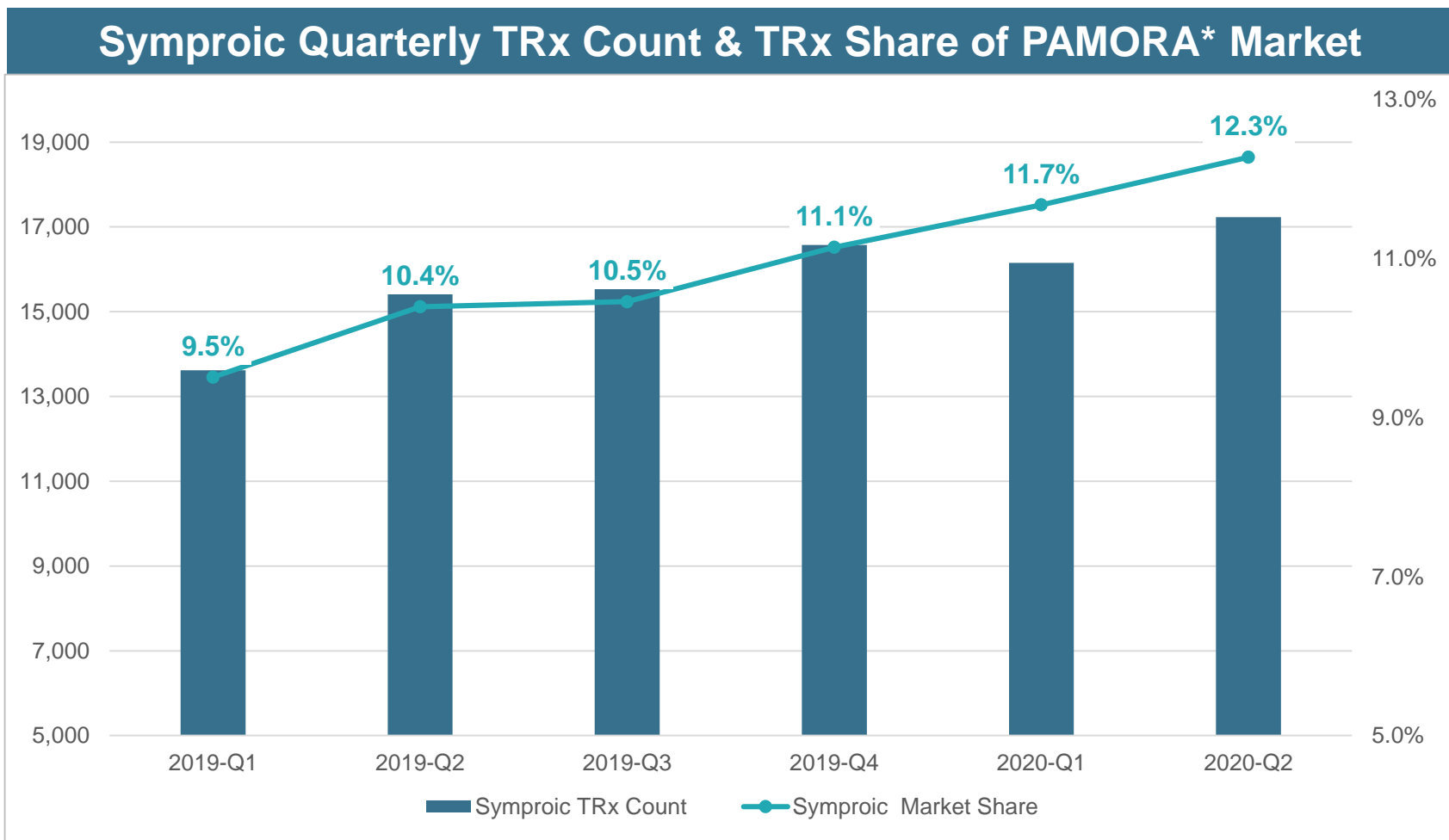
- ✓ Proven efficacy in OIC patients
- ✓ Demonstrated long-term efficacy and tolerability in clinical trials
- ✓ Low rates of abdominal pain across 3 studies
- ✓ Convenient dosing
- ✓ AGA recommendation



SYMPROIC Carries the Highest Recommendation from the American Gastroenterological Association (AGA)

Symproic® Share of PAMORA Market Continues to Grow

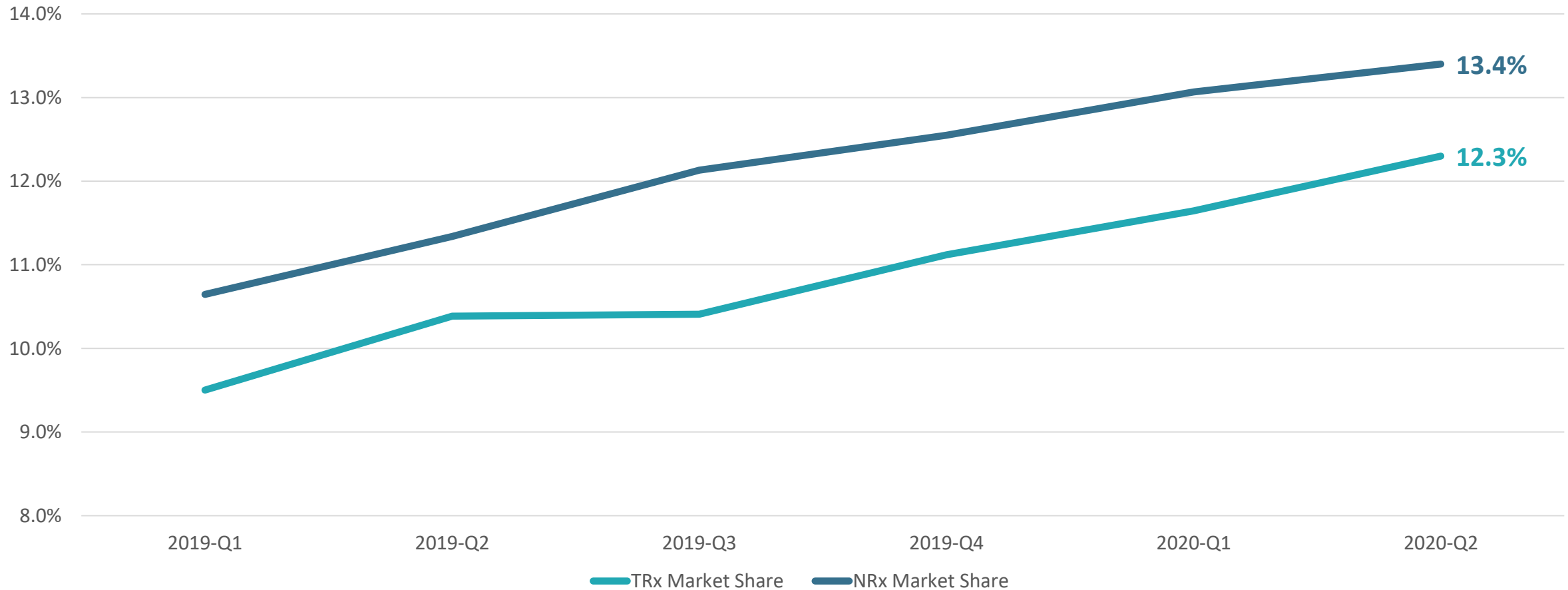
Territories where Symproic is growing the most are aligned with where BELBUCA is growing the most



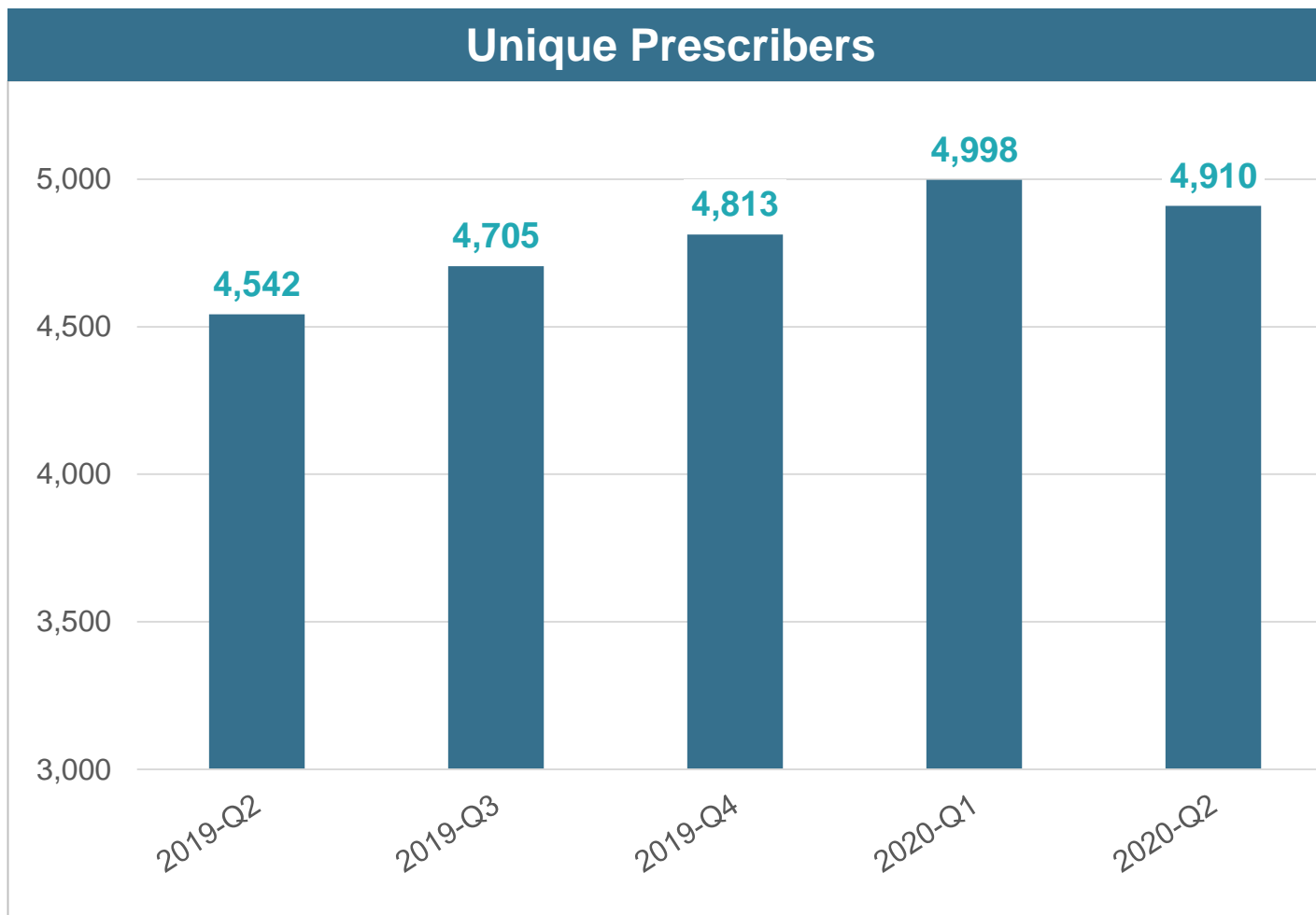
NRx Share of 13.4%
in Q2 2020 vs.
11.5% in Q2 2019

Symproic NRx Share Growing Ahead of TRx Share

Symproic Quarterly TRx & NRx Share of PAMORA Market



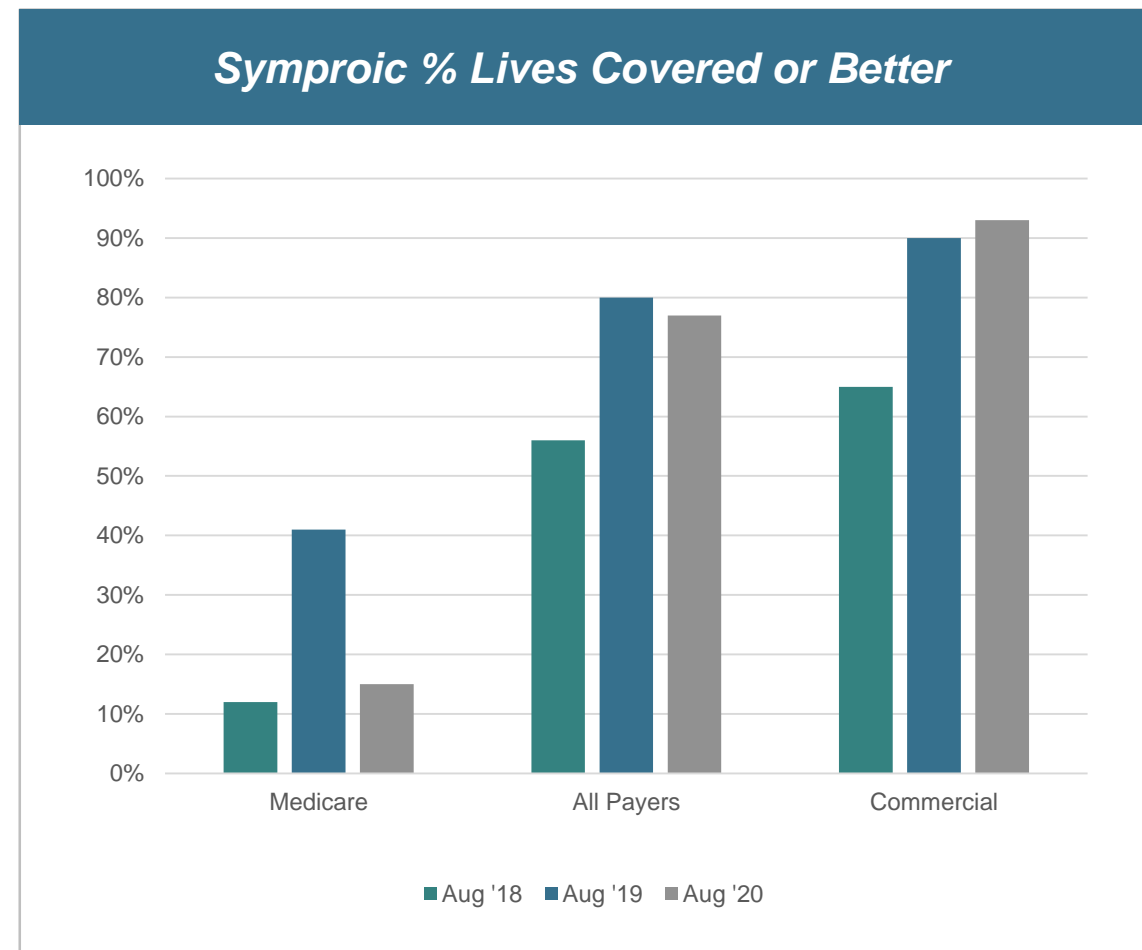
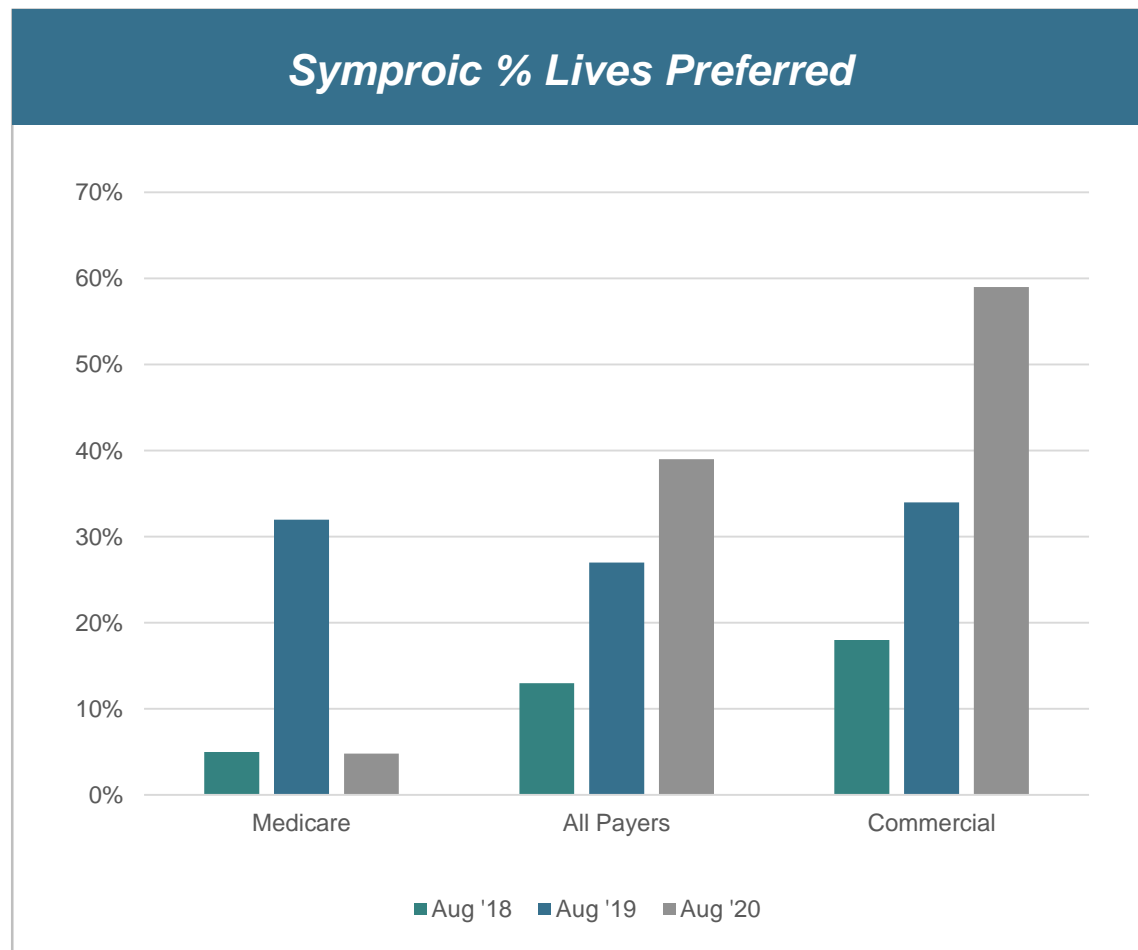
Unique Prescribers for Symproic Remain Encouraging



+ 940
New Prescribers in Q2

Unique prescribers
increased 8.1% YoY in
Q2 2020

Symproic Commercial Access Improved for 2020



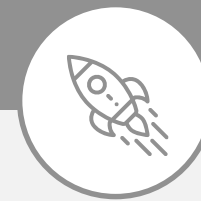
Rapid Response to COVID-19 Pandemic



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

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

Strong Performance in Q2 2020 and Positioned Well for Future Growth

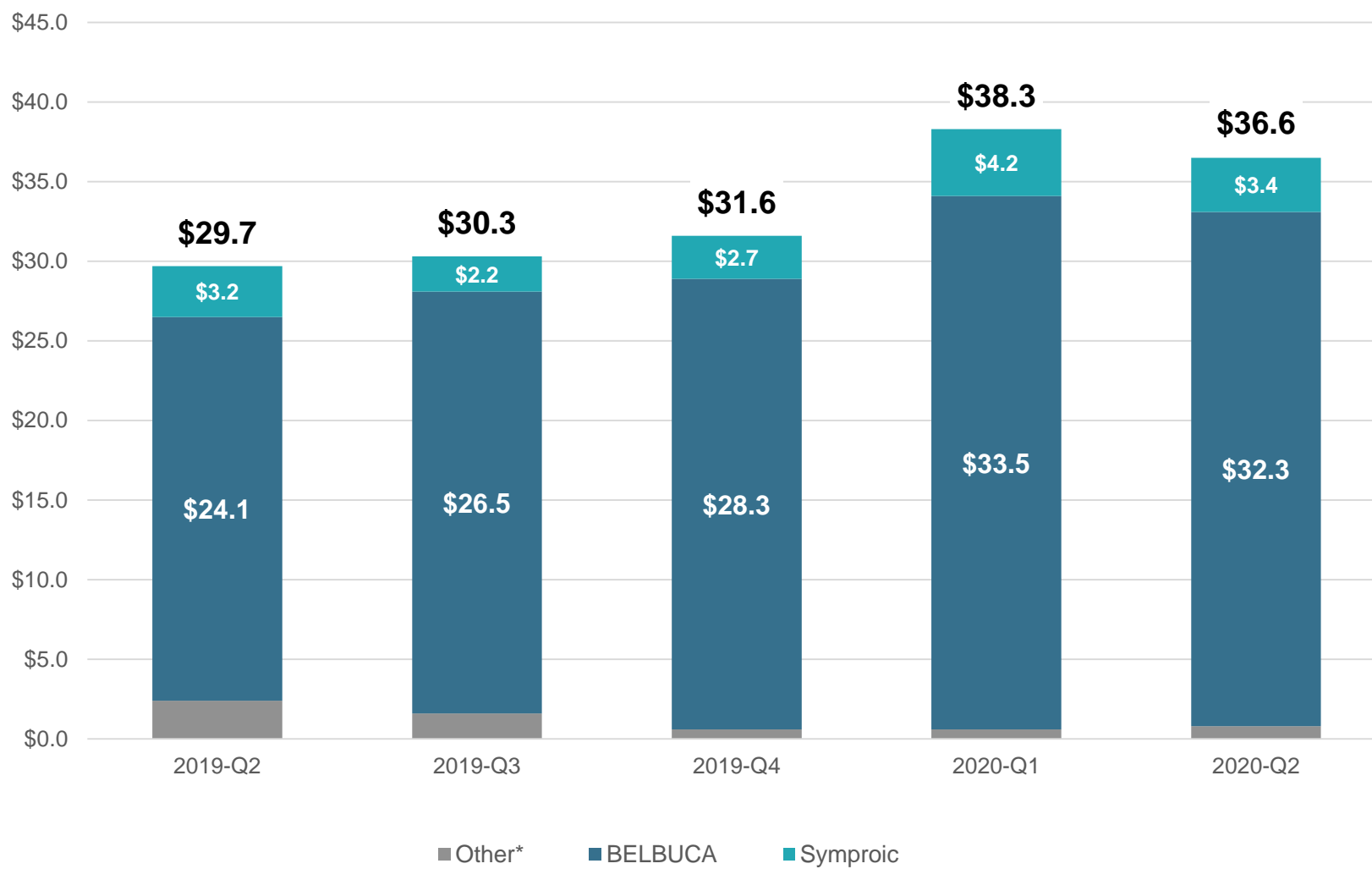
BELBUCA TRx volume grew 5.2% in Q2 outperforming the the LAO market (-1.6%) and TRx market share hits an all-time high

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

Robust Net Revenue Growth Trends

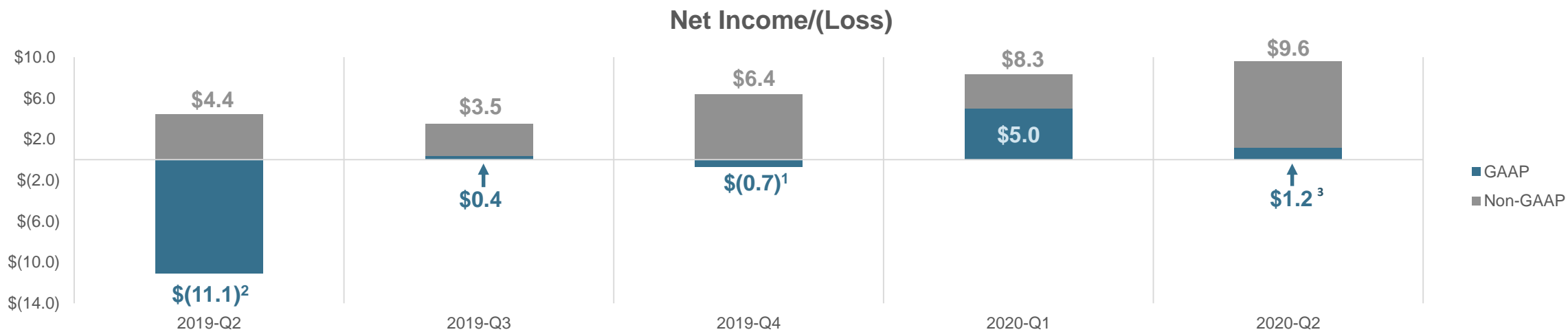
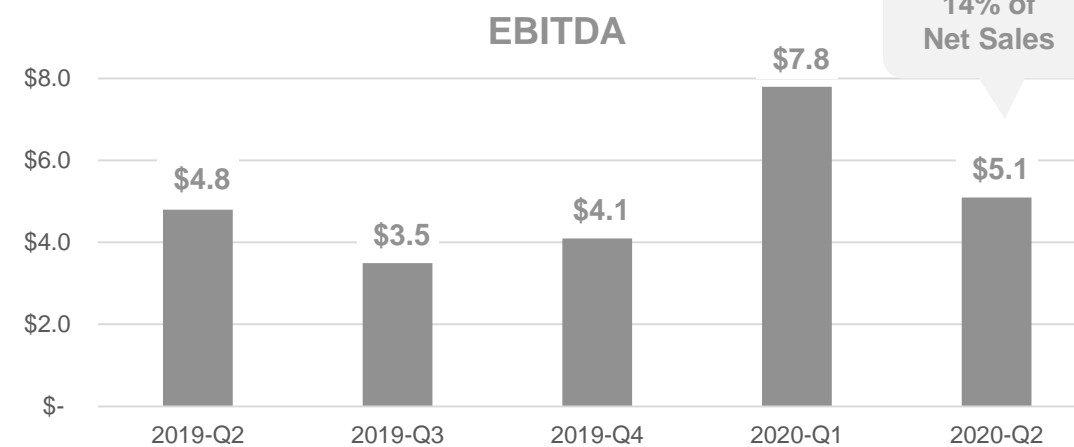
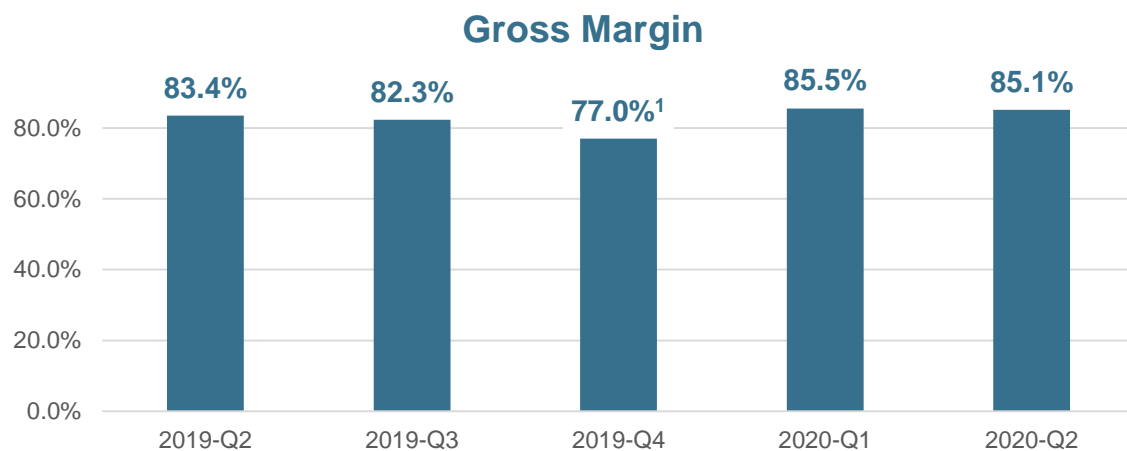


Year-to-Date Revenue Growth of **51%** over 2019

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

1. * BUNAVAIL and royalty revenues

Strong Sales Trajectory Driving Gross Margin and Profitability

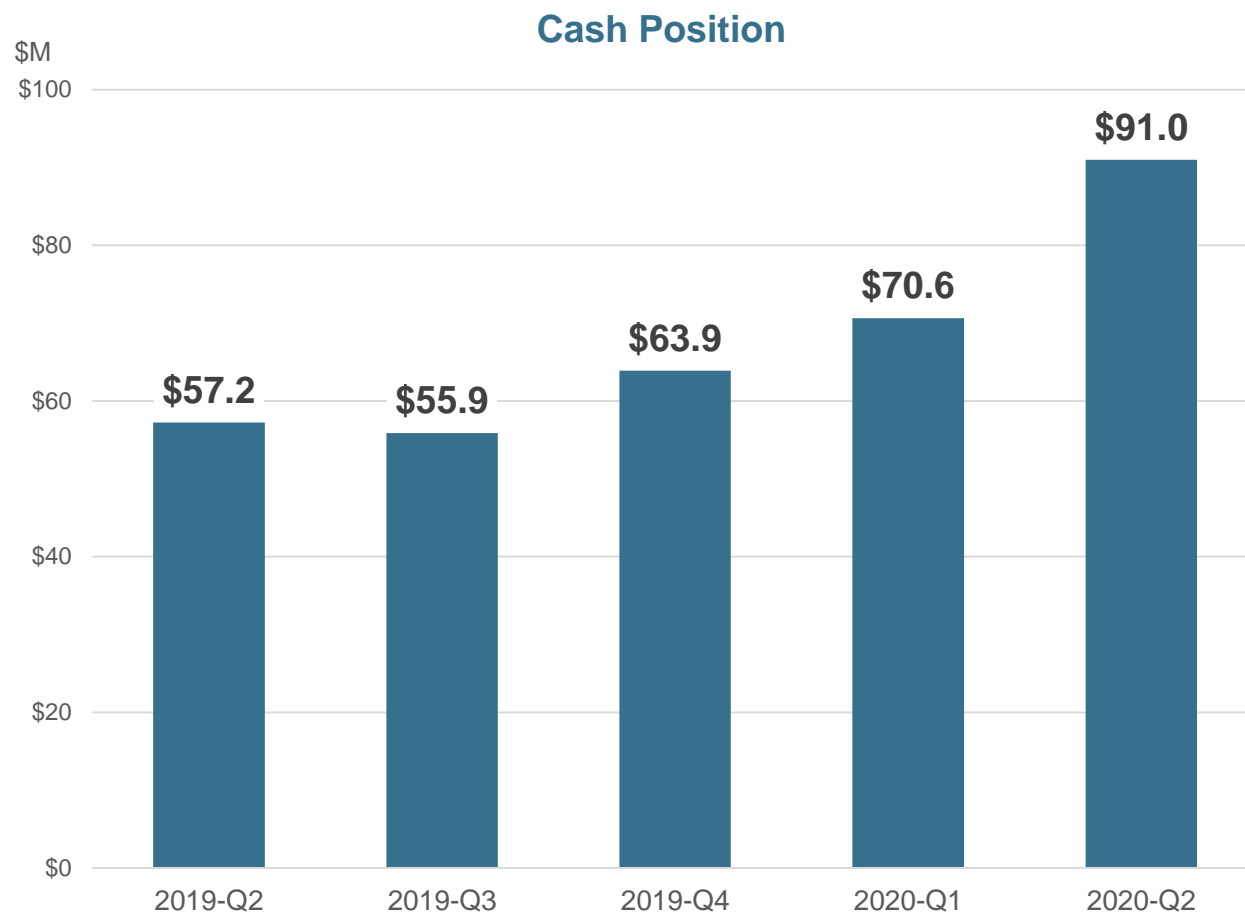


1. Q4 2019 Gross Margin and GAAP Net loss includes one-time costs associated with the discontinuation of BUNAVAIL marketing of \$3.8 M

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

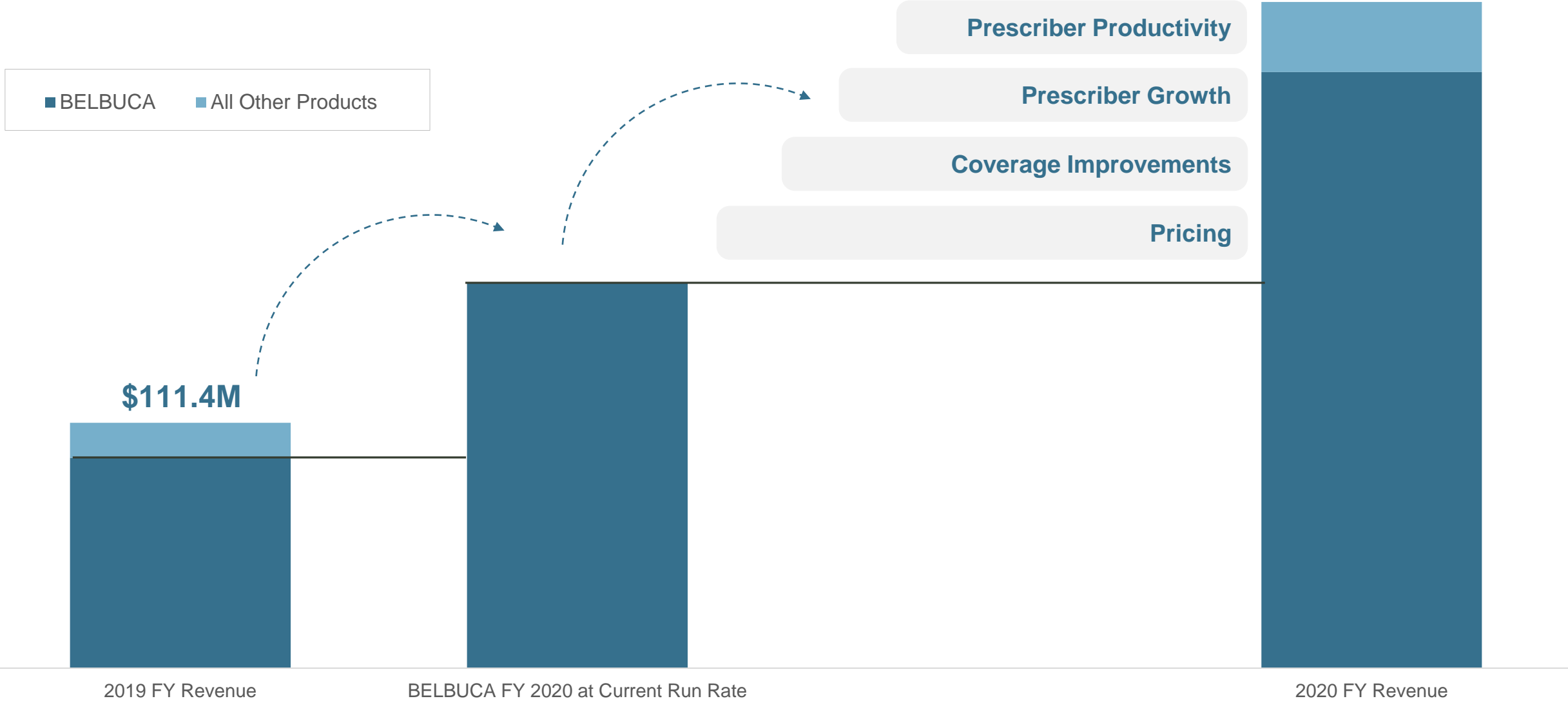


At June 30, 2020

Cash and cash equivalents: \$91M

Long-term debt: \$80M

2020 Key Growth Initiatives



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Appendix

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