SYNERGY PHARMACEUTICALS

JEFFERIES LONDON HEALTHCARE CONFERENCE

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EVP, Chief Strategy Officer
November 16, 2016

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KEY INVESTMENT HIGHLIGHTS

Attractive Market Opportunity with Large Unmet Need

- Large market opportunity with ~45M U.S. adults with CIC/IBS-C
- Value of Rx constipation market has nearly doubled in last two years
- Market expected to grow at double digit rates with increased treatment options, market education and awareness of gut health

Clinically Validated Platform

- Novel uroguanylin analog platform with clinical efficacy and safety evaluated in GI disorders and IBD
- 100% of worldwide rights controlled by Synergy
- Strong patent portfolio

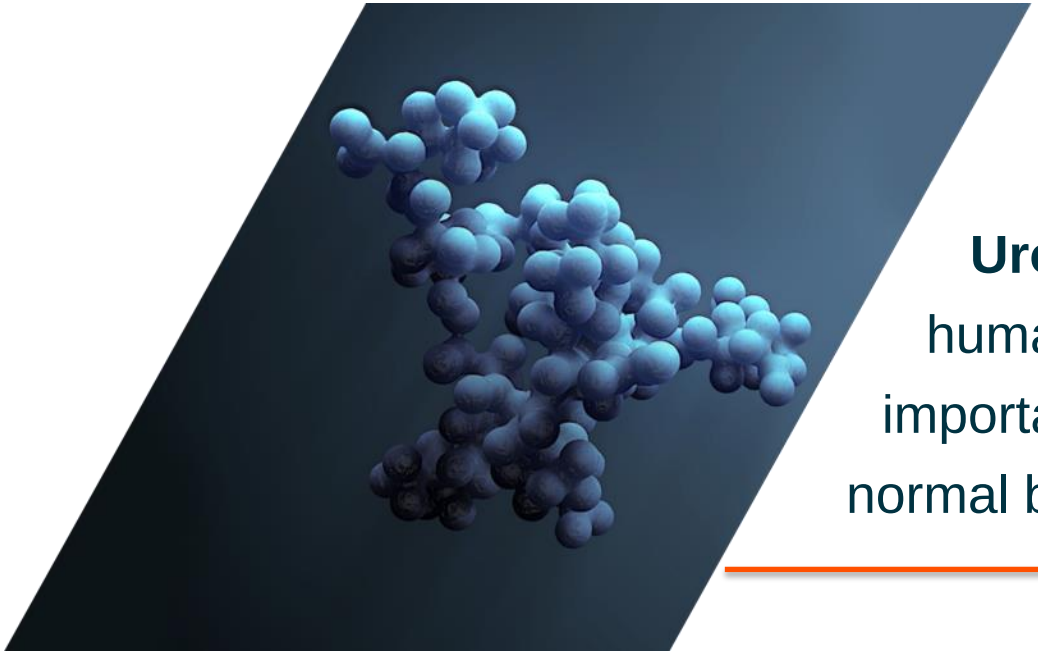
Ready to Commercialize First Product

- Plecanatide, a high value asset with an attractive target product profile
- Proven leadership team with significant GI and launch experience
- Focused and efficient sales strategy to support a successful launch of plecanatide in early 2017

LEADERSHIP TEAM WITH GI EXPERTISE & PROVEN RESULTS

Gary Jacob, PhD Chairman & CEO	• Co-inventor of plecanatide and dolcanatide for GI conditions • Over 25 years of experience in pharma/biotech across multiple disciplines; G.D. Searle/Monsanto
Kunwar Shailubhai, PhD Chief Scientific Officer	• Co-inventor of plecanatide and dolcanatide for GI indications • Over 25 years experience; G.D. Searle/Monsanto and NIH
Patrick Griffin, MD Chief Medical Officer	• Board-certified, internal medicine and gastroenterology • Over 25 years of experience; Sanofi-Aventis, Forest Laboratories, Private practice
Troy Hamilton, PharmD Chief Commercial Officer	• Over 20 years of commercial pharmaceutical experience; Shire and J&J • Led global brands in several GI-related areas: IBD, GERD, CIC, gastroparesis and EoE
Marino Garcia, MBA Chief Strategy Officer	• Over 20 years of commercial/BD leadership experience; Eli Lilly, Pfizer, Aspreva/Vifor • VP of Global BD at Aptalis prior to acquisition by Forest Labs in 2014
Bernard Denoyer, MBA/CPA SVP, Finance	• Over 20 years of finance experience; Callisto Pharmaceuticals, META Group, Inc.

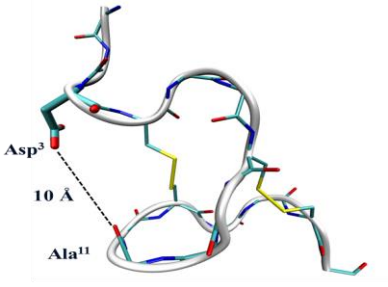
AN INNOVATIVE APPROACH BASED ON UROGUANYLIN



Uroguanylin is a naturally occurring human GI peptide that plays an important role in supporting normal bowel function.

PLECANATIDE AND DOLCANATIDE ARE TWO DISTINCT ANALOGS OF NATURAL UROGUANYLIN

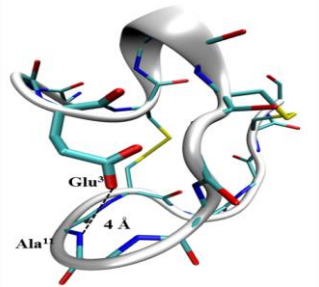
UROGUANYLIN



NDDCELCVNVACTGCL

- Naturally occurring GI peptide
- Regulates bowel function, fluid balance and stool consistency
- Activity is pH-dependent

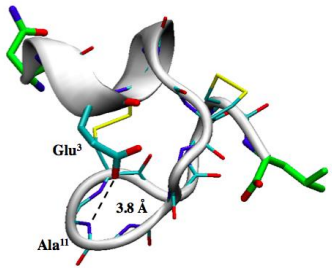
PLECANATIDE



NDECELCVNVACTGCL

- Single amino acid change provides superior stability
- Activity replicates natural uroguanylin (pH-dependent)
- Minimally absorbed

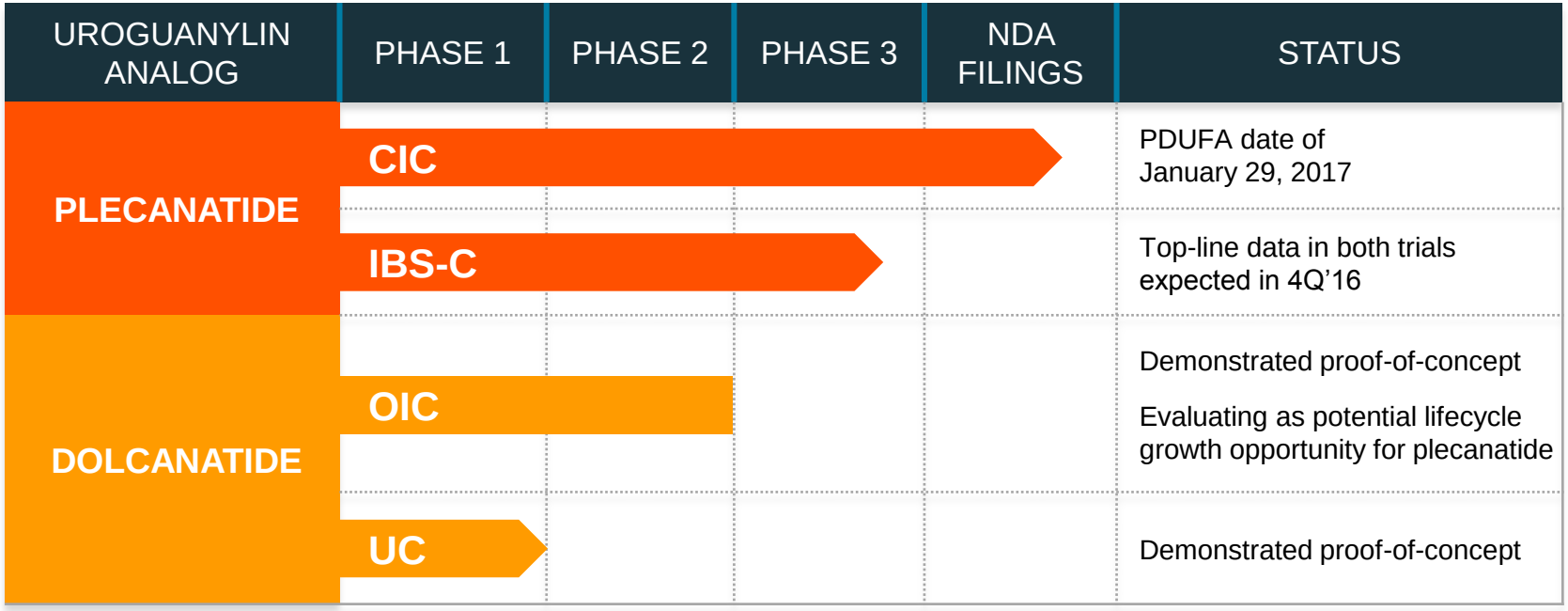
DOLCANATIDE



dNDECELCVNVACTGCdL

- Enhanced resistance to standard digestive breakdown
- Activity replicates natural uroguanylin (pH-dependent)
- Minimally absorbed

OUR GI PIPELINE IS WELL DIVERSIFIED WITH MULTIPLE GROWTH OPPORTUNITIES



PLECANATIDE
CIC CLINICAL PROGRAM

SYNERGY
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PLECANATIDE PHASE 3 CIC PROGRAM OVERVIEW

Aim:
Two randomized, 12-week, double-blind, placebo-controlled trials evaluating the efficacy and safety of plecanatide treatment in CIC patients

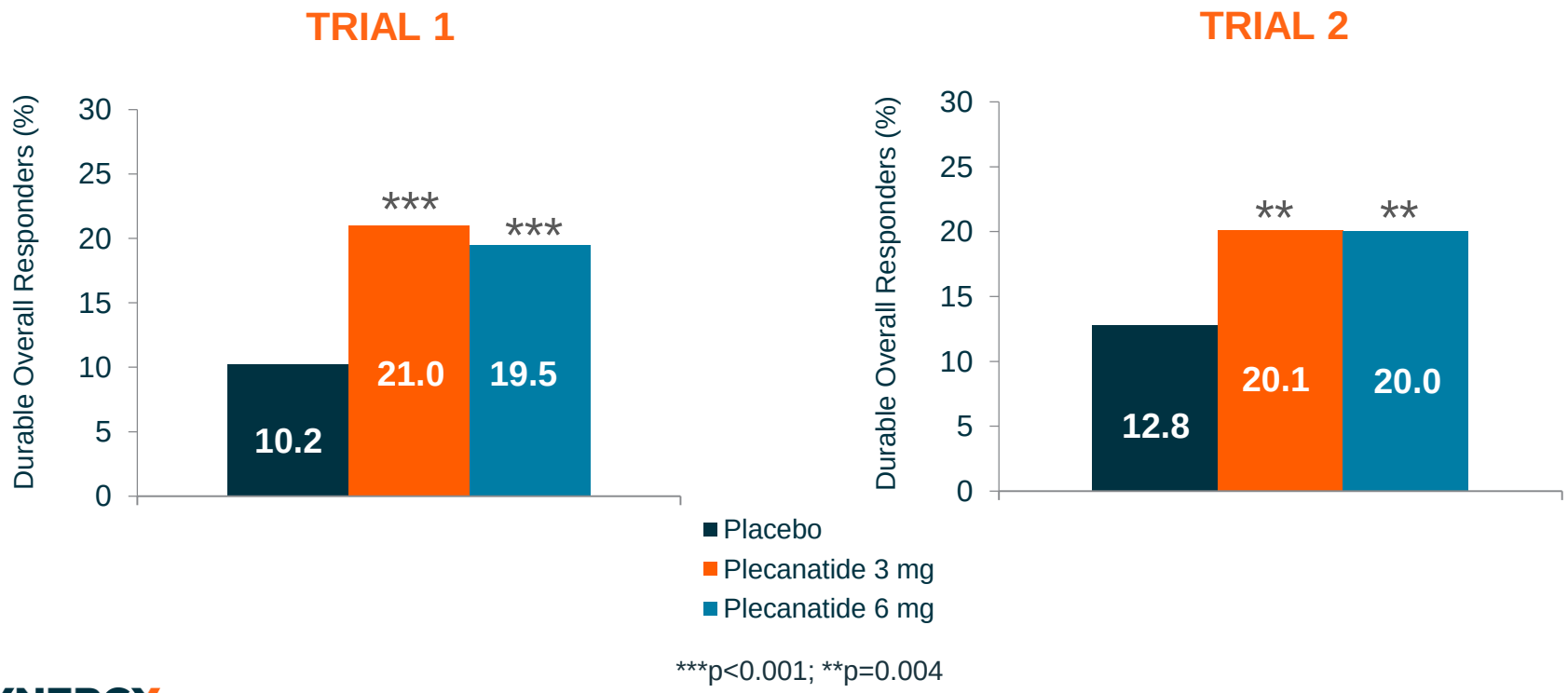
Treatment Groups:
3 mg and 6 mg plecanatide vs. placebo

Patient Population:
~1,350 patients per trial (2,683 total) - Modified Rome III Criteria for CIC

Primary Endpoint:
Proportion of Durable Overall Responders (FDA defined endpoint)

Design:

PLECANATIDE IMPROVED DURABLE OVERALL CSBM RESPONDERS (PRIMARY ENDPOINT)

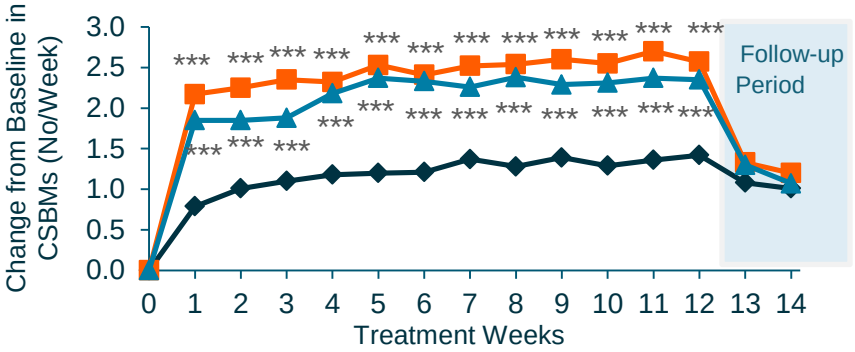


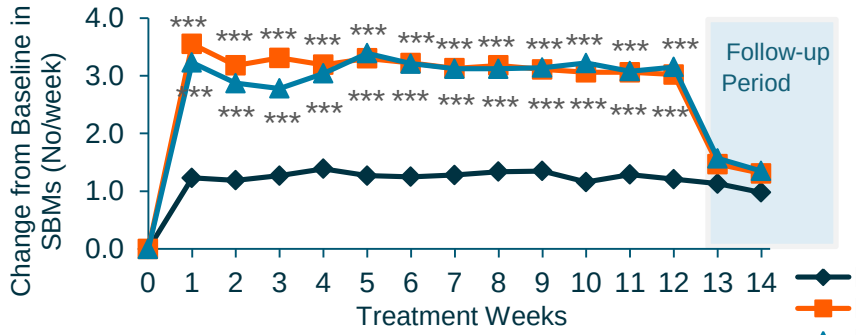
***p<0.001; **p=0.004

SYNERGY PHARMACEUTICALS

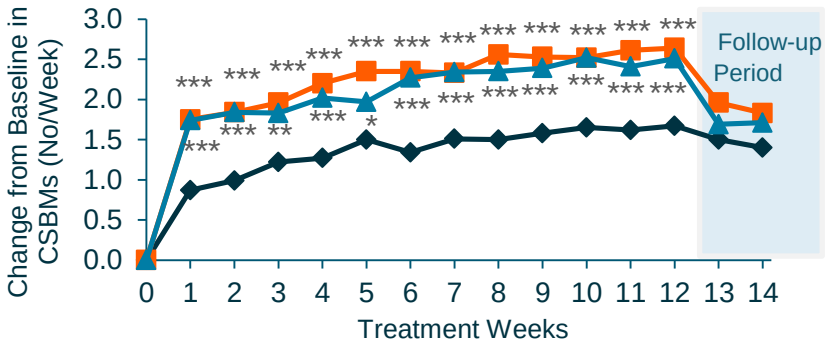
PLECANATIDE IMPROVED CSBM AND SBM FREQUENCY AT WEEK 1 AND MAINTAINED IMPROVEMENT THROUGHOUT TREATMENT

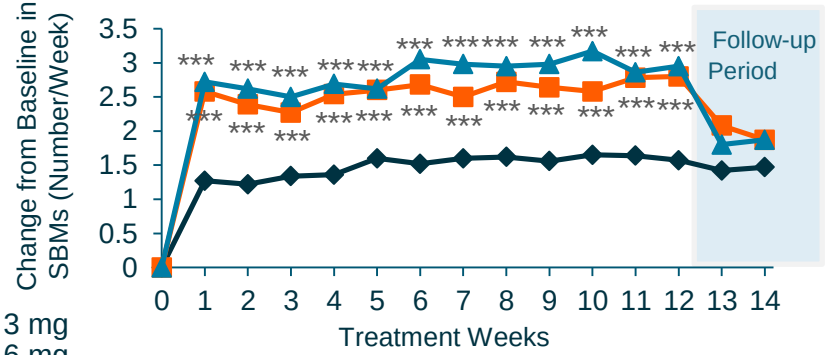
TRIAL 1





TRIAL 2





Placebo
Plecanatide 3 mg
Plecanatide 6 mg

***p<0.001; **p<0.005; *p<0.05

LOW ADVERSE EVENTS REPORTED

TRIAL 1			
	Placebo (n=452)	Plecanatide 3 mg (n=453)	Plecanatide 6 mg (n=441)
AE Withdrawal	1.3%	5.1%	5.3%
% Diarrhea	1.3%	5.9%	5.5%
Diarrhea Withdrawal	0.4%	2.7%	2.6%
Less than 1.0% of patients experienced SAEs			

TRIAL 2			
	Placebo (n=445)	Plecanatide 3 mg (n=443)	Plecanatide 6 mg (n=449)
AE Withdrawal	3.0%	3.2%	3.8%
% Diarrhea	1.3%	3.2%	4.5%
Diarrhea Withdrawal	0.4%	1.1%	1.1%
1.2% of patients experienced SAEs			

- No imbalance across treatment groups in either incidences or individual SAEs
- No clinically relevant abnormalities observed in serum chemistries, hematology, urinalysis, ECG or vital sign measurements

PLECANATIDE
IBS-C CLINICAL PROGRAM

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PLECANATIDE PHASE 3 IBS-C PROGRAM OVERVIEW

Aim:
Two randomized, 12-week, double-blind, placebo-controlled trials evaluating the efficacy and safety of plecanatide treatment in IBS-C patients

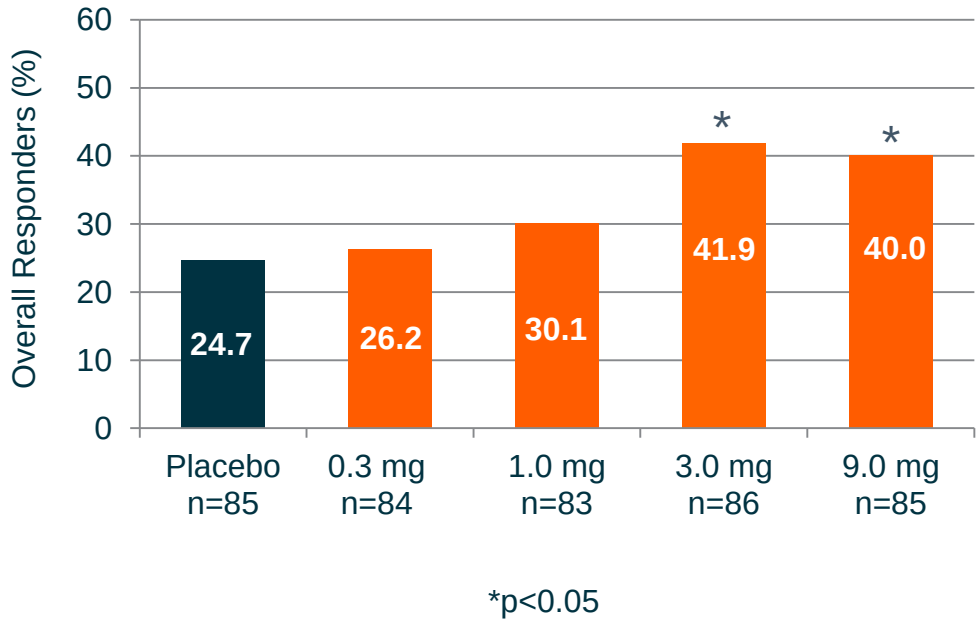
Treatment Groups:
3 mg and 6 mg plecanatide vs. placebo

Patient Population:
~1,050 patients per trial (2,100 total) - Rome III Criteria for IBS-C

Primary Endpoint:
Overall Responder Endpoint (FDA approval endpoint)

Design:

PLECANATIDE PREVIOUSLY MET OVERALL RESPONDER ENDPOINT IN PHASE 2B IBS-C TRIAL



*p<0.05

OVERALL RESPONDER=

Patient fulfills ≥ 30% reduction in worst abdominal pain and an increase of ≥ 1 CSBMs from baseline, in the same week, for at least 50% of the 12 treatment weeks

Note: % Overall Responders was evaluated as a secondary endpoint in plecanatide phase 2b IBS-C study

PLECANATIDE COMMERCIAL OPPORTUNITY

SYNERGY PHARMACEUTICALS

ESTIMATED 45 MILLION U.S. ADULTS SUFFER FROM CIC OR IBS-C

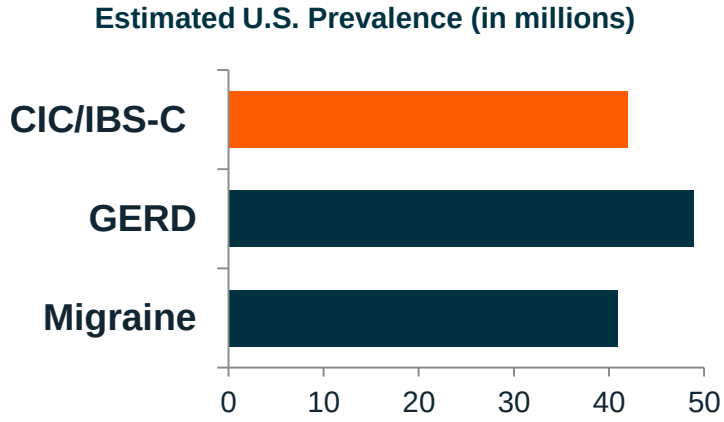
COMMON SYMPTOMS:

CIC

- Constipation (< 3 bowel movements per week for ≥ 3 months)
- Hard or lumpy stools
- Incomplete bowel movements
- Straining

IBS-C

- Abdominal pain
- Constipation
- Incomplete bowel movements



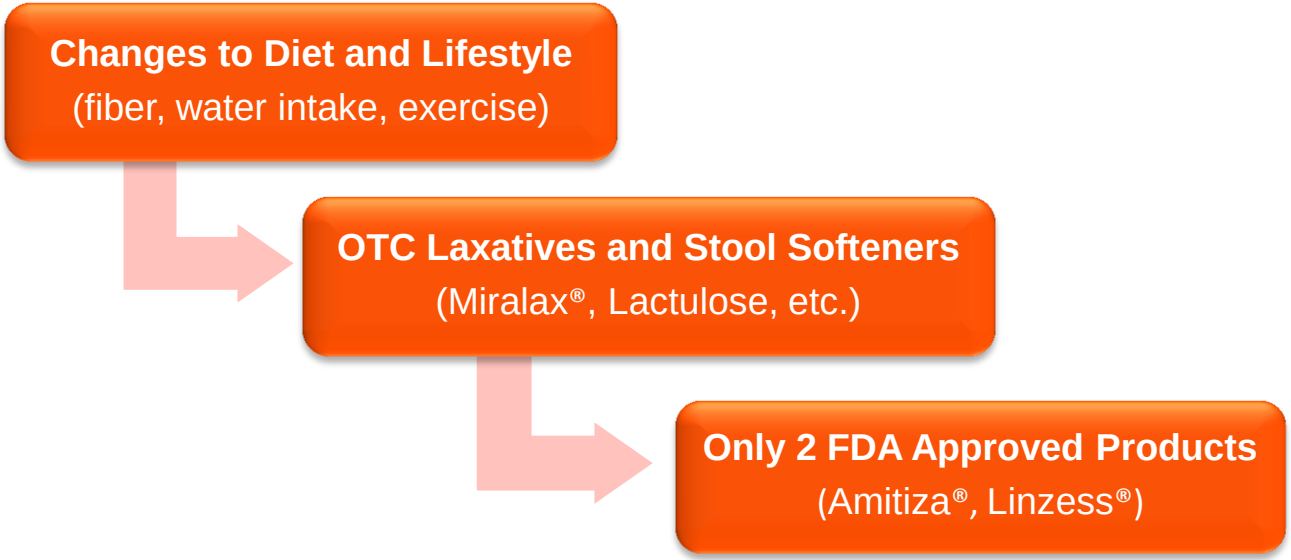
These are symptom-driven conditions that should be managed on a daily basis. There is no cure for CIC or IBS-C.

SYNERGY PHARMACEUTICALS

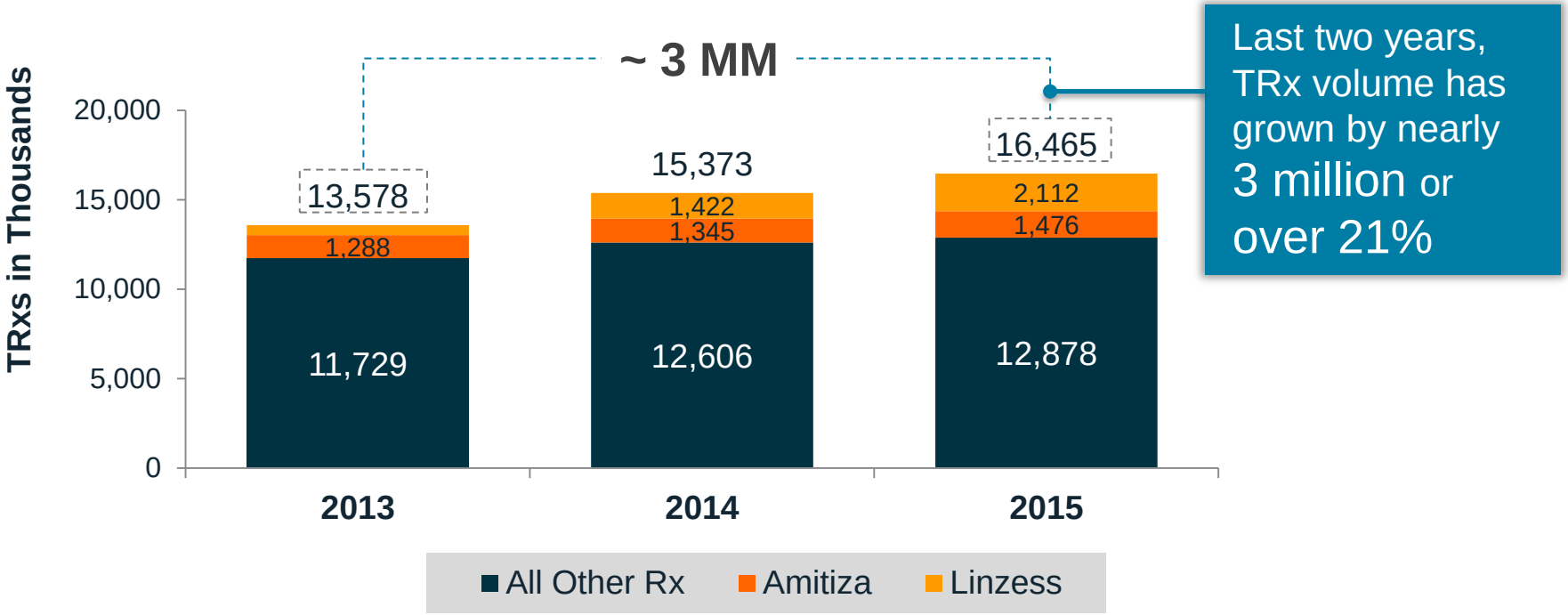
Source: Johanson 2004; Suares 2011

ONLY TWO FDA APPROVED PRESCRIPTION TREATMENT OPTIONS FOR CIC AND IBS-C AVAILABLE

TYPICAL TREATMENT PROGRESSION



NEW ENTRANTS ARE GROWING THE MARKET, NOT CANNIBALIZING EXISTING PRODUCTS

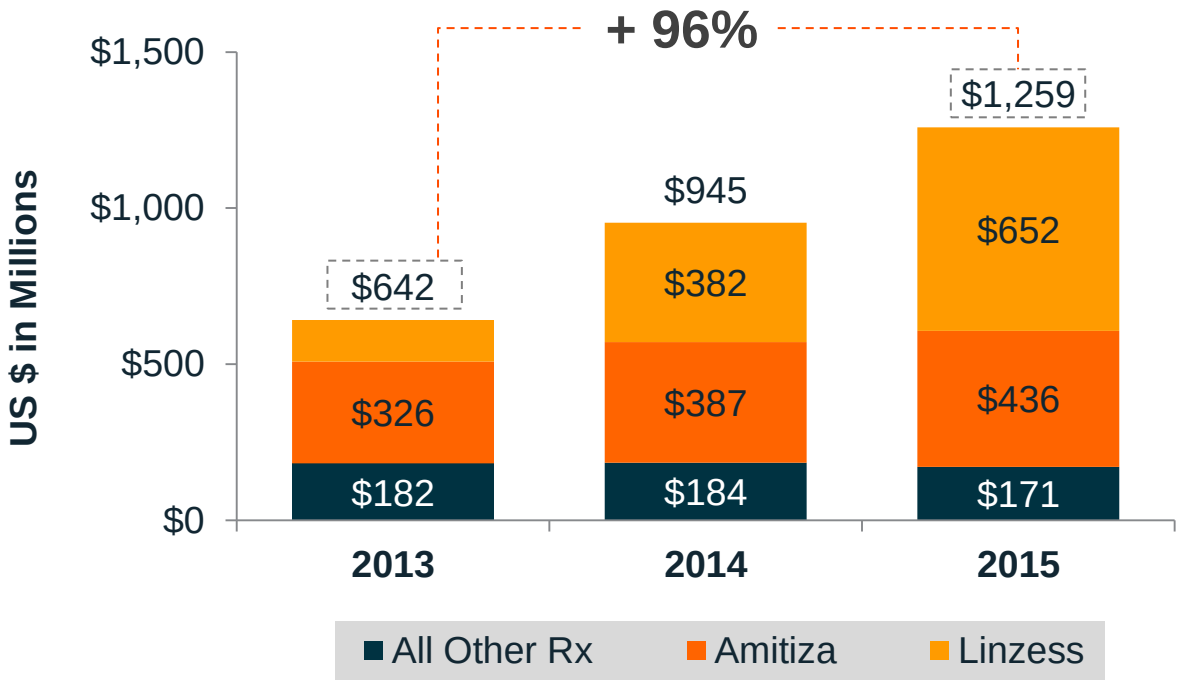


Last two years, TRx volume has grown by nearly 3 million or over 21%

All Other Rx = Rx lactulose & Rx polyethylene glycol

Source: IMS Health Incorporated, NSP

THE VALUE OF THE PRESCRIPTION CONSTIPATION MARKET HAS NEARLY DOUBLED OVER THE PAST 2 YEARS

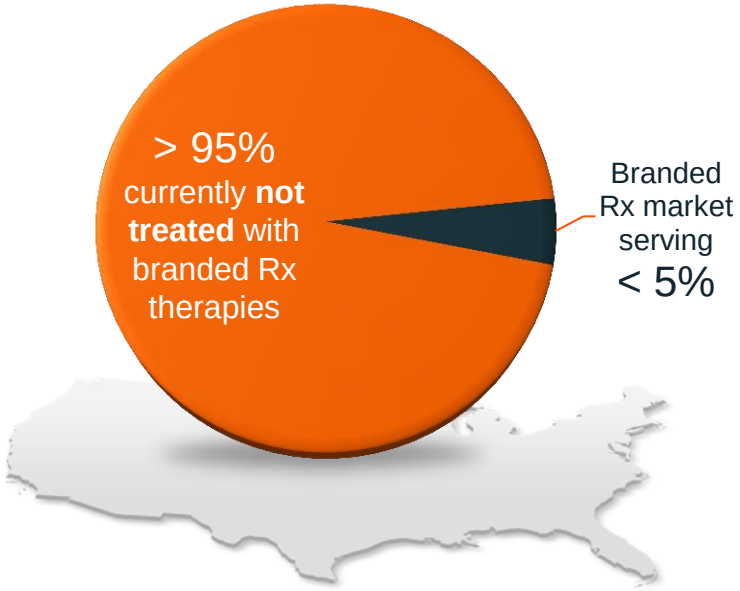


All Other Rx = Rx lactulose & Rx polyethylene glycol

Source: IMS Health Incorporated, NSP

STILL AN UNTAPPED US MARKET OPPORTUNITY

~ 45MM U.S. ADULTS WITH CIC / IBS-C



FUTURE GROWTH DRIVERS

- DTC campaigns continue to grow disease awareness
- Growth in category with new IBS-D / OIC brands
- Increasing awareness of the importance of “gut health”
- Aging population
- Plecanatide expected to launch in early 2017

Source: IMS Monthly NPA Dec. 2015

PLECANATIDE
COMMERCIAL & LAUNCH READINESS

SYNERGY
PHARMACEUTICALS

POISED FOR A SUCCESSFUL EARLY 2017 PLECANATIDE LAUNCH

Business Objectives

1. Ensure readiness for a successful early 2017 launch – highly focused and insight-driven plan in progress
2. Drive Synergy awareness across key stakeholders
3. Capitalize on the unmet medical need with plecanatide's attractive product profile

Key Strategic Imperatives

- **Product Readiness**
- **Market/Brand Readiness**
- **Organizational Readiness**

ON-TRACK TO ENSURE PRODUCT SUPPLY IS READY FOR LAUNCH IN EARLY 2017

Product Readiness

MAJOR INITIATIVES

- Established robust supply chain process and actively producing commercial product
- Continuing to build trade and sample stock
- Implemented 3PL distribution network
- Established strong Quality Management Systems

PREPARING MARKET AND PLECANATIDE BRAND FOR SUCCESSFUL LAUNCH IN EARLY 2017

Market / Brand Readiness

MAJOR INITIATIVES

- Generated substantial market research that will include >2,700 HCPs and 5,000 patients/consumers
- Conducted multiple advisory boards with national and regional GI key opinion leaders and payers.
- Conducted meetings with all key commercial and public payers, representing ~230 million covered lives in the U.S.
- Finalized plecanatide core marketing strategies and launch tactics, including a compliant, value-maximizing, cost-effective promotional mix to reach broadest universe of prescribers
- Initiated pre-launch multimedia and digital campaigns to drive company awareness and disease education, focusing on current unmet medical needs of patients with CIC

COMMERCIAL LEADERSHIP TEAM WITH SIGNIFICANT GI EXPERIENCE AND 17 PRODUCT LAUNCHES

Organizational Readiness - Commercial

Scott Brunetto
VP, Commercial Operations

- Over 25 years of experience in pharma: Shire, J&J & IMS Health
- Expertise in business analytics, market research, forecasting, call plan deployment & commercial IT infrastructure
- Significant GI/specialty and primary care experience

Pam Cebulski
VP, Marketing

- Over 25 years of healthcare experience: J&J & P&G
- Expertise in product launches, new product development, HCP & consumer marketing
- Significant GI/specialty and primary care experience

Marianne Jackson
SVP, Sales & Market Access

- Over 25 years of commercial leadership experience: Shire & AZ
- Expertise in general management, sales and marketing leadership, managed care strategy, and product launches
- Significant GI/specialty and primary care experience

EXPERIENCED, IMPRESSIVE SALES AND MARKET ACCESS LEADERSHIP TEAM

Organizational Readiness - Commercial

Regional Business Directors

- RBDs average over 11 years of management experience with over 10 years in relevant GI fields
- Hired from companies such as Salix, Shire, Allergan, AstraZeneca
- Currently profiling territories and future sales reps; will be directly involved in interviewing and hiring

Market Access Team

- National and Regional Market Access team members have been in the field introducing Synergy to payers since January 2016
- Market Access team has met with all key commercial and public payers, representing ~ 230 million lives

Hybrid Sales Model

- Implementing flexible and efficient hybrid sales force team to reach key prescribers and influencers at launch
- Partnering with CSO to hire highly experienced sales reps fully dedicated to plecanatide post approval

COMMERCIAL TEAM SUPPORTED BY INDUSTRY LEADERS IN MEDICAL AFFAIRS AND TECHNICAL OPERATIONS

Organizational Readiness - Medical Affairs & Tech Ops.

Leslie Magnus, MD
SVP, Medical Affairs

- Over 25 years of experience in pharma: Allergan, Aptalis, UCB, Parke Davis
- Expertise in strategy development and building/leading medical affairs activities for new product launches
- Significant GI, Women's Healthcare, and specialty experience

Chhaya Shah
SVP, Technical Operations

- Over 25 years of experience in pharma: Shire, Wyeth, & Abbott
- Expertise in end-to-end supply chain for commercially marketed and development products, quality assurance, CMC, and manufacturing
- Significant experience managing supply chain and launching products

PLECANATIDE AND SYNERGY ARE WELL POSITIONED FOR A SUCCESSFUL LAUNCH

Right Market	**~ 45M US Adults with CIC/IBS-C** *Significant unmet need; multiple drivers for future growth*
Right Profile	**Strong Target Product Profile** *Based on clinical data, MOA, and market research/customer insights*
Right Strategy	**Strong - Focused - Efficient** *Product Readiness, Market/Brand Readiness, Organizational Readiness*
Right Team	**Highly Experienced Team** *Shire, J&J, Pfizer, Wyeth, Salix, TAP, AZ, Allergan, AbbVie*

SUMMARY

SYNERGY
PHARMACEUTICALS

FINANCIAL AND MARKET DATA

NASDAQ: SGYP

Price per share (11/10/2016)	$5.31
Market cap	$1B
Shares outstanding	193MM *(238MM fully diluted)*
Cash (as of 9/30/2016)	$109MM
Total Debt (as of 11/15/2016)	$44MM*

*Principal balance of 7.50% Convertible Senior Notes due 2019.
Notes carry a conversion price of $3.11 per share.
Balance at issuance on November 1, 2014 was $200M.

SEVERAL POTENTIAL VALUE-ENHANCING MILESTONES EXPECTED IN THE NEXT SIX MONTHS