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First-Quarter 2018 Financial Update

May 10, 2018

Forward-Looking Statements

“Safe Harbor” Statement Under the Private Securities Litigation Reform Act of 1995

“Safe Harbor” Statement under the Private Securities Litigation Reform Act of 1995. The statements that are not historical facts contained in this release are forward-looking statements that involve risks and uncertainties including, but not limited to, the commercialization of Gralise, CAMBIA, and Zipsor, royalties associated with Collegium’s commercialization of NUCYNTA and NUCYNTA ER, regulatory approval and clinical development of Cosyntropin, Depomed's financial outlook for 2018 and expectations regarding financial results and potential business opportunities and other risks detailed in the Company's Securities and Exchange Commission filings, including the Company's most recent Annual Report on Form 10-K and most recent Quarterly Report on Form 10-Q. The inclusion of forward-looking statements should not be regarded as a representation that any of the Company's plans or objectives will be achieved. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. The Company undertakes no obligation to publicly release the result of any revisions to these forward-looking statements that may be made to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

Depomed undertakes no duty or obligation to update any forward-looking statements contained in this presentation as a result of new information, future events or changes in its expectations except as may be required by law.

This presentation contains non-GAAP financial measures, including EBITDA, Adjusted EBITDA and other financial measures labeled as “non-GAAP.” Please refer to Depomed’s May 10, 2018 earnings release on the Depomed website (Depomed.com) for an explanation of these non-GAAP financial measures and for tables that reconcile the non-GAAP figures to their GAAP equivalent.

First-Quarter 2018 Highlights

- Company confirms previous 2018 guidance for neurology franchise net sales and non-GAAP adjusted EBITDA
- Amends existing licensing agreement for CAMBIA® line extension
- Announced new co-promotion agreement for Zipsor®
- Began enrollment in new clinical trial using Cosyntropin to treat rare pediatric disorder
- Transitioning to new corporate headquarters in Lake Forest, IL

A Clear Strategy for Growth

Execution of Three-Pillar Growth Strategy Transforms Company

MAINTAIN
a Strong/Profitable NUCYNTA® Franchise

- ✓ Commercialization agreement with Collegium Pharmaceutical

GROW
Neurology Business

- ✓ Amends agreement for CAMBIA® line extension
- ✓ New co-promotion agreement for Zipsor®
- ✓ 90 Rep. Salesforce

BUILD
a New Orphan/Specialty Business

- ✓ Cosyntropin opportunity
- ✓ Began enrollment in new clinical trial to treat rare pediatric disorder

Closing of Collegium Commercialization Agreement in January

MAINTAIN

- NUCYNTA® commercialization agreement with Collegium first-quarter results
  - NUCYNTA first-quarter revenues were $18.1 million(1)
  - First-quarter commercialization agreement revenues of $83.8 million(2)
- For the first four years of the agreement, Depomed is expected to receive a minimum annual royalty of $135 million ($132 million prorated for 2018)
- Under the agreement, Collegium began paying royalties to Depomed in the first quarter of 2018
- Previous NUCYNTA® ER supply shortages, which negatively impacted revenues in the fourth quarter of 2017 and first quarter of 2018, have been resolved

Collegium and Depomed Share a Commitment to Putting the Patient First

(1) The Company licensed the commercial rights to sell NUCYNTA to Collegium on January 9, 2018. NUCYNTA product sales for the three months ended March 31, 2018 reflects the Company selling NUCYNTA between January 1st and January 8th and also includes a $12.5 million benefit related to the release of sales reserves for which the Company is no longer financially responsible.

(2) The commercialization agreement revenues for the quarter of $83.8 million is comprised of $28.1 million related to the commercialization rights and facilitation services provided to Collegium and $55.7 million related to the non-cash value assigned to the inventory transferred to Collegium.

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Growing Our Neurology Business

GROW

- Amends existing agreement for CAMBIA® line extension
- Relaunch of our 90 representative Neurology salesforce; fully operationalized in 4Q 2017
  - Expect salesforce to increase effectiveness in the second half of 2018
- Promotion of Gralise®, CAMBIA and for the first time Zipsor®
- Opportunity to examine physician base and reevaluate traditional pharmaceutical targeting
  - Hyper focused on high value physicians with great managed care access, utilizing tailored product messaging
- Our goal: make the franchise and overall business EBITDA positive in 2H 2018

Slán Transaction **Builds** A New Specialty Business

BUILD

- November 2017 Asset Transfer Agreement with Slán Establishes a New Specialty Products Business Unit
  - Diversifies portfolio with Cosyntropin (Synthetic ACTH Depot)
    - First of a portfolio of high-value, high-touch orphan / specialty products positioned to address the needs of patients, physicians and payors
- 1st Indication (Confidential) NDA filing in late 2018
  - Indication and development pathway to be disclosed prior to NDA filing
- 2nd Indication (Infantile Spasms) Investigational New Drug (IND) Trial ongoing

Headquarters Relocation

- 1Q 2018 the company began relocating corporate staff from Newark, CA to new HQ in Lake Forest, IL
- Employee migration commenced in second quarter
- Goal is to have new headquarters fully operational in the third quarter
- In addition, the company continues to recruit new talent, including experienced pharmaceutical executives from the Chicagoland area

Attracting and Hiring Experienced Pharmaceutical Talent

- **Stan Bukofzer, M.D.**, Senior Vice President, Chief Medical and Scientific Officer
- **John Thomas**, Senior Vice President of Investor Relations and Corporate Communications
- **Paul Schwichtenberg**, Vice President, Controller
- **Scott Crawford**, Vice President, Finance
- **Therese McCall**, Vice President, Medical Affairs
- **Gray Scholhamer Hulick**, Vice President, Strategy Alliance and Program Management

Milestones Driving Growth in 2018 and Beyond

First Half 2018

- **NUCYNTA® Commercialization Agreement:** Closed Agreement with Collegium Pharmaceutical
- **Synthetic Cosyntropin (Synthetic ACTH Depot):** Commenced Investigational New Drug (IND) Trial in Infantile Spasms
- **Amends existing agreement for CAMBIA line extension**
- **Announces new co-promotion agreement for Zipsor**

Second Half 2018

- **Refinancing:** Execute Refinancing of Deerfield and Pharmakon Advisors' Secured Debt
- **Synthetic Cosyntropin (Synthetic ACTH Depot):** Submission of NDA by West for First Indication
- **Business Development:** Execute 1 to 2 New Opportunities Aimed at Accelerating Growth
- **Purdue Patent Infringement Litigation:** Potential for trial date

2018: A Year of Growth and Repositioning
Setting up for a Potential Breakout 2019/2020

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Confirms Full-Year 2018 Financial Guidance

	2018 Guidance
Neurology Franchise Net Sales	$120 to $125 million
GAAP SG&A Expense	$123 to $133 million
GAAP R&D Expense	$11 to $16 million
Non-GAAP SG&A Expense	$110 to $120 million
Non-GAAP R&D Expense	$10 to $15 million
GAAP Net Loss[1]	($22) to ($33) million
Non-GAAP Adjusted EBITDA	$125 to $135 million

(1) The Company confirms previous 2018 guidance for neurology franchise net sales and non-GAAP adjusted EBITDA. Guidance for GAAP net loss improves from a range of ($72) million to ($82) million to a range of ($23) million to ($33) million as a result of the accounting for the Collegium commercial agreement revenue and the release of NUCYNTA sales reserves.

Depomed's Transformation is Well Underway

	Past	Present
MAINTAIN	• NUCYNTA and Lazanda franchises placed Depomed with a heavy opioid concentration in a volatile market • NUCYNTA field force needed to be downsized and retargeted with significant dislocation risk	• Collegium agreement removes volatility and provides Depomed at least $135M ($132M prorated for 2018) annually for first 4 years • Collegium is a strong and committed partner better positioned to address the opioid continuum of care
GROW	• Promotionally-sensitive neurology products under resourced with ~ 40 person field force	• Depomed's renewed commitment to franchise with ~90 person field force
BUILD	• No Third Pillar	• Slán asset transaction divests Lazanda and creates a Third Pillar new orphan / specialty business built around cosyntropin
RESTRUCTURE	• Pain Field Force: 300 persons • Newark, CA HQ: ~60,000 square feet with 120 people; challenging location to specialty pharmaceutical talent from Chicagoland area	• Pain Field Force eliminated • Moving to New HQ: ~30,000 square feet with ~70 persons; location facilitates recruitment of specialty pharmaceutical talent • Significant improvement in EBITDA per employee • Cebranopadol returned to Grünenthal

Appendix

Note Regarding Use of GAAP and Non-GAAP Financial Measures

To supplement our financial results presented on a U.S. generally accepted accounting principles, or GAAP, basis, we have included information about non-GAAP adjusted earnings, non-GAAP adjusted earnings per share and non-GAAP adjusted EBITDA, non-GAAP financial measures, as useful operating metrics. We believe that the presentation of these non-GAAP financial measures, when viewed with our results under GAAP and the accompanying reconciliation, provides supplementary information to analysts, investors, lenders, and our management in assessing the Company's performance and results from period to period. We use these non-GAAP measures internally to understand, manage and evaluate the Company's performance, and in part, in the determination of bonuses for executive officers and employees. These non-GAAP financial measures should be considered in addition to, and not a substitute for, or superior to, net income or other financial measures calculated in accordance with GAAP. Non-GAAP adjusted earnings and non-GAAP adjusted earnings per share are not based on any standardized methodology prescribed by GAAP and represent GAAP net income (loss) and GAAP earnings (loss) per share adjusted to exclude non-cash adjustment to Collegium agreement revenue and cost of sales, release of NUCYNTA sales reserves, amortization, and non-cash adjustments related to product acquisitions, stock-based compensation expense, non-cash interest expense related to debt, CEO transition, restructuring costs, adjustments associated with non-recurring legal settlements and disputes, and to adjust for the tax effect related to each of the non-GAAP adjustments. Non-GAAP adjusted EBITDA is not based on any standardized methodology prescribed by GAAP and represents GAAP net income (loss) adjusted to exclude non-cash adjustment to Collegium agreement revenue and cost of sales, release of NUCYNTA sales reserves, interest income, interest expense, amortization and non-cash adjustments related to product acquisitions, stock-based compensation expense, depreciation, taxes, transaction costs, restructuring costs, adjustments related to non-recurring legal settlements and disputes, and CEO transition. Non-GAAP financial measures used by us may be calculated differently from, and therefore may not be comparable to, non-GAAP measures used by other companies.

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GAAP to Non-GAAP Reconciliation

Adjusted Earnings

RECONCILIATION OF GAAP NET INCOME/(LOSS) TO NON-GAAP ADJUSTED EARNINGS

(in thousands, except per share amounts)

	Three Months Ended March 31	
	2018	**2017**
	(unaudited)	
GAAP net income/(loss)	$ 33,824	$ (26,741)
Non-cash adjustment to commercialization agreement revenues [(1)]	(52,486)	-
Non-cash adjustment to commercialization agreement cost of sales [(1)]	6,200	-
Release of NUCYNTA sales reserves [(2)]	(10,711)	-
Non-cash interest expense on debt	5,418	4,650
Managed care dispute reserve	-	4,742
Intangible amortization related to product acquisitions	25,444	25,735
Contingent consideration related to product acquisitions	(202)	(4,469)
Stock based compensation	1,976	3,556
Restructuring and other costs [(3)]	8,330	2,276
Valuation allowance on deferred tax assets	-	7,568
Income tax effect of non-GAAP adjustments [(4)]	3,616	(12,884)
Non-GAAP adjusted earnings	$ 21,408	$ 4,433
Add interest expense of convertible debt, net of tax [(5)]	1,703	-
Numerator	$ 23,111	$ 4,433
Shares used in calculation [(5)]	81,877	64,294
Non-GAAP adjusted earnings per share	$ 0.28	$ 0.07

(1) Adjustment for the non-cash value assigned to inventory transferred to Collegium.
(2) $12.5 million benefit from the release of sales reserves for which the Company is no longer financially responsible, net of $1.7 million in royalties payable to Grunenthal.
(3) Restructuring and other costs represents non-recurring costs associated with the Company's restructuring and headquarters relocation and CEO transition.

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GAAP to Non-GAAP Reconciliation

EBITDA and Adjusted EBITDA

	Three Months Ended March 31	
	2018	2017
	(unaudited)	
GAAP net income/(loss)	$ 33,824	$ (26,741)
Non-cash adjustment to commercialization agreement revenues (1)	(52,486)	-
Non-cash adjustment to commercialization agreement cost of sales (1)	6,200	-
Release of NUCYNTA sales reserves (2)	(10,711)	-
Managed care dispute reserve	-	4,742
Intangible amortization related to product acquisitions	25,444	25,735
Contingent consideration related to product acquisitions	(202)	(4,469)
Stock based compensation	1,976	3,556
Interest income	(94)	(204)
Interest expense	18,015	19,572
Depreciation	1,475	626
Provision for income taxes	(325)	202
Restructuring and other costs (3)	8,330	2,276
Transaction costs	362	-
Non-GAAP adjusted EBITDA	$ 31,807	$ 25,295

(1) Adjustment for the non-cash value assigned to inventory transferred to Collegium.
(2) $12.5 million benefit from the release of sales reserves for which the Company is no longer financially responsible, net of $1.7 million in royalties payable to Grunenthal.
(3) Restructuring and other costs represents non-recurring costs associated with the Company's restructuring, headquarters relocation and CEO transition.

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GAAP to Non-GAAP Reconciliation

Adjusted Information (Three Months Ended March 31, 2018)

RECONCILATIONS OF GAAP REPORTED TO NON-GAAP ADJUSTED INFORMATION
For the three months ended March 31, 2018
(in thousands)
(unaudited)

	Commercialization agreement revenues	Product Sales	Cost of sales	Research and development expense	Selling, general and administrative expense	Restructuring Charges	Amortization of intangible assets	Interest expense	Benefit from (provision for) income taxes
GAAP as reported	$ 83,800	$ 44,354	$ 12,044	$ 1,528	$ 29,033	$ 9,022	$ 25,444	$ (18,068)	$ 325
Non-cash adjustment to commercial agreement revenues and cost of sales[1]	(52,486)	-	(6,200)	-	-	-	-	-	-
Release of NUCYNTA sales reserves[2]	-	(12,455)	(1,744)	-	-	-	-	-	-
Non-cash interest expense on debt	-	-	-	-	-	-	-	5,418	-
Intangible amortization related to product acquisitions	-	-	-	-	-	-	(25,444)	-	-
Contingent consideration related to product acquisitions	-	-	-	-	242	-	-	40	-
Stock based compensation	-	-	(14)	(53)	(1,909)	-	-	-	-
Restructuring and other costs[3]	-	-	-	-	691	(9,022)	-	-	-
Income tax effect of non-GAAP adjustments	-	-	-	-	-	-	-	-	3,616
Non-GAAP adjusted	$ 31,315	$ 31,899	$ 4,086	$ 1,475	$ 28,057	$ -	$ -	$ (12,610)	$ 3,941

(1) Adjustment for the non-cash value assigned to inventory transferred to Collegium.
(2) $12.5 million benefit from the release of sales reserves for which the Company is no longer financially responsible, net of $1.7 million in royalties payable to Grunenthal.
(3) Restructuring and other costs represents non-recurring costs associated with the Company's restructuring, headquarters relocation and CEO transition.

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GAAP to Non-GAAP Reconciliation

Adjusted Information (Three Months Ended March 31, 2017)

RECONCILATIONS OF GAAP REPORTED TO NON-GAAP ADJUSTED INFORMATION
For the three months ended March 31, 2017
(in thousands)
(unaudited)

	Product Sales	Cost of sales	Research and development expense	Selling, general and administrative expense	Amortization of intangible assets	Interest expense	Benefit from (provision for) income taxes
GAAP as reported	$ 90,285	$ 17,774	$ 5,084	$ 48,519	$ 25,735	$ (20,124)	$ (202)
Non-cash interest expense on debt	-	-	-	-	-	4,650	-
Intangible amortization related to product acquisitions	-	-	-	-	(25,735)	-	-
Managed care dispute reserve	4,742	-	-	-	-	-	-
Contingent consideration related to product acquisitions	-	-	-	5,000	-	531	-
Stock based compensation	-	(36)	(346)	(3,174)	-	-	-
Restructuring and other costs[1]	-	-	-	(2,276)	-	-	-
Valuation allowance on deferred tax assets		-	-	-	-	-	7,568
Income tax effect of non-GAAP adjustments	-	-	-	-	-	-	(12,884)
Non-GAAP adjusted	$ 95,027	$ 17,738	$ 4,738	$ 48,069	$ -	$ (14,943)	$ (5,518)

(1) Restructuring and other costs represents non-recurring costs associated with the Company's restructuring, headquarters relocation and CEO transition.

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GAAP to Non-GAAP Reconciliation

Earnings Per Share

RECONCILIATION OF GAAP NET LOSS PER SHARE TO NON-GAAP ADJUSTED EARNINGS PER SHARE

(unaudited)

	Three Months Ended March 31	
	2018	**2017**
GAAP net income/(loss) per share	$ 0.48	$ (0.43)
Non-cash adjustment to commercialization agreement revenues [(1)]	(0.64)	-
Non-cash adjustment to commercialization agreement cost of sales [(1)]	0.07	-
Release of NUCYNTA sales reserves [(2)]	(0.13)	-
Non-cash interest expense on debt	0.07	0.07
Managed care dispute reserve	-	0.07
Intangible amortization related to product acquisitions	0.31	0.40
Contingent consideration related to product acquisitions	(0.00)	(0.07)
Stock based compensation	0.02	0.06
Restructuring and other costs [(3)]	0.10	0.04
Valuation allowance on deferred tax assets	-	0.12
Income tax effect of non-GAAP adjustments	0.04	(0.20)
Adjustment of shares used in calculation	(0.06)	0.01
Add interest expense of convertible debt, net of tax	0.02	-
Non-GAAP adjusted earnings per share	$ 0.28	$ 0.07

(1) Adjustment for the non-cash value assigned to inventory transferred to Collegium.
(2) $12.5 million benefit from the release of sales reserves for which the Company is no longer financially responsible, net of $1.7 million in royalties payable to Grunenthal.
(3) Restructuring and other costs represents non-recurring costs associated with the Company's restructuring and headquarters relocation and CEO transition.
(4) Calculated by taking the pre-tax non-GAAP adjustments and applying the statutory tax rate. Expected cash taxes were zero f for the three months ended March 31, 2018 and March 31, 2017.
(5) The Company uses the if-converted method to compute diluted earnings per share with respect to its convertible debt.

First-Quarter 2018 Financial Update

May 10, 2018