Insys Therapeutics, Inc.
Form DEFA14A
May 01, 2018

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

Filed by the Registrant

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Check the appropriate box:

Preliminary Proxy Statement
CONFIDENTIAL, FOR USE OF THE COMMISSION ONLY (AS PERMITTED BY RULE 14a-6(e)(2))
Definitive Proxy Statement
Definitive Additional Materials
Soliciting Material Pursuant to Section 240.14a-12

Insys Therapeutics, Inc.
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)
Payment of Filing Fee (check the appropriate box):

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(1)

Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

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Fee paid previously with preliminary materials.

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

On May 1, 2018, management of Insys Therapeutics, Inc. presented the following materials to representatives of the Voting Committee associated with Insys Voting Trust, for which Bessemer Trust Company is acting as trustee.

Nasdaq: INSY Presentation to Insys Voting Trust May 2018 ATTORNEY WORK PRODUCT – FOR SETTLEMENT PURPOSES ONLY – SUBJECT TO FRE 408 AND 410 FOIA EXEMPT BUSINESS CONFIDENTIAL/CONFIDENTIAL COMMERCIAL AND FINANCIAL INFORMATION/ TRADE SECRETS insys therapeutics, inc

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Schedule Agenda Item Presenter 9:00am – 9:30am Introductions All 9:30am – 11:00am An Overview of Insys Background, New Vision & Strategic Plan Board Reconstitution Business Update Stabilizing Subsys Advancing Pipeline S. Motahari 11:00am – 11:30am Compliance Update S. Emmanuel11:30am – 12:00pmCorporate Governance Overview Legal Proceedings Update Board and Committees SEC Reporting Obligations Overview of Corporate Matters Recently Adopted Clawback Diligent Repository Website F. Del Fosse1 2:00pm – 12:30pm Working Lunch and Q&A All 12:30pm-1:00pmVoting Committee Deliberation Voting Committee Members

Saeed Motahari - President & CEO 26-year veteran of the life sciences industry Over 16 years at Abbott/Abbvie and Bristol-Myers Squibb Abbott/Abbvie: -10 years Led U.S. Specialty Brands – New Launches P&L responsibility for Specialty Franchises in the Renal, Oncology, Endocrinology, Acute Care, Virology and Neuroscience therapeutics areas Bristol-Myers Squibb: - 6 years Led various commercial organizations in managed care, commercial operations, global analytics Other professional experience PSL Consulting Group (Montreal Canada) - 4 years Purdue Pharma: Commercial – 3 years Hoffmann-La Roche: New Product Planning – 2 years BS in Biology and holds a Master's of Business degree from Concordia University, Montreal, Canada ATTORNEY WORK PRODUCT – FOR SETTLEMENT PURPOSES ONLY – SUBJECT TO FRE 408 AND 410FOIA EXEMPT BUSINESS CONFIDENTIAL/CONFIDENTIAL COMMERCIAL AND FINANCIAL INFORMATION/ TRADE SECRETS

INSYS Background Specialty pharmaceutical company based in Arizona Founded in 2002 Two FDA-approved products available in U.S.:SUBSYS® (fentanyl sublingual spray) launched in 2012SYNDROS® (dronabinol) oral solution launched in 2017R&D in AZ; state of art manufacturing in TX~$250M invested over last 6 years in R&D~$14M invested over the last 2 years in manufacturing Over 320 employees: One-third (120) focused on R&D and related manufacturing30% of R&D employees have Ph.D. or M.D.157 employees across the commercial organizational Deep and well differentiated pipeline across 2 platforms ATTORNEY WORK PRODUCT – FOR SETTLEMENT PURPOSES ONLY – SUBJECT TO FRE 408 AND 410FOIA EXEMPT BUSINESS CONFIDENTIAL/CONFIDENTIAL COMMERCIAL AND FINANCIAL INFORMATION/ TRADE SECRETS

Strategic Roadmap & Key Priorities Our Vision… Improve the quality of patient care by building a specialty pharmaceutical company focused on cannabinoids and novel drug delivery systems that address unmet patient needs. Our Priorities… Resolve Government Investigations & Rebuild Reputation Strengthen the Foundation & Enhance Execution Stabilize the Current Business Advance and Develop Diverse Pipeline to Drive Future Growth Strong Culture of Compliance ATTORNEY WORK PRODUCT – FOR SETTLEMENT PURPOSES ONLY – SUBJECT TO FRE 408 AND 410 FOIA EXEMPT BUSINESS CONFIDENTIAL/CONFIDENTIAL COMMERCIAL AND FINANCIAL INFORMATION/ TRADE SECRETS

New Vision--Shifted Organizational Focus from Opioids to Cannabinoids 2016 Pipeline- project disease state pre-clinic phase 1 phase 2 phase 3 submit approval Opioid Focused sublingual sprays subsys label expansion opioid naïve and cancer indications dose ranging studies ongoing buprenorphine sublingual spray acute pain initiate phase 31H2016 buprenorphine sublingual spray chronic pain initiate phase 32H2016 buprenorphine / naloxone sublingual spray opioid dependence bioavailability study ongoing naloxone sublingual spray opioid antagonist bioavailability study ongoing odansetron sublingual spray nausea and vomiting in cancer chemotherapy in development cannabinoids syndros (i) CINV & (ii) appetite stimulation in AIDS patients' indication cannabidiol (i) Dravet Syndrome (ii) Lennox-Gastuat syndrome and (iii) infantile spasms pk study in refractory epilepsy ongoing liposomal liposomal encapsulated paclitaxel (lep) (i) gastric cancer and (ii) cervical cancer initiate ph2 studies 2h2016 drug candidate disease state pre-clinical phase 1 phase 2 phase 3 submit approval cannabinoids sprays cannabidiol oral solution (cbd) (i) childhood absence epilepsy poc initiated (ii) infantile spasms (iii) prader willi syndrome in development fast track designation granted dec 2017 dronabinol inhalation (i) anorexia in cancer patients in dev (ii) agitation in alzheimer's disease in dev buprenorphine sublingual spray moderate to severe pain phase 3 completed nda accepted dec 2017 naloxone nasal spray opioid overdose pk study completed end of phase ii fda meeting feb 2018 epinephrine nasal spray anaphylaxis reaction poc initiated buprenorphine / naloxone sublingual spray opioid dependence in dev rizatriptan nasal spray migraine in dev ATTORNEY WORK PRODUCT – FOR SETTLEMENT PURPOSES ONLY – SUBJECT TO FRE 408 AND 410FOIA EXEMPT BUSINESS CONFIDENTIAL/CONFIDENTIAL COMMERCIAL AND FINANCIAL INFORMATION/ TRADE SECRETS

1. Our priorities resolve government investigations and rebuild reputation 2. strengthen the foundation & enhance execution 3. stabilize the current business 4. advance and develop diverse pipeline to drive future growth strong culture of compliance Focusing on 2 Key elements: People- position people with the right character, integrity and strong competencies in key roles Capabilities and Processes- adequate protocols and systematic processes in place ATTORNEY WORK PRODUCT – FOR SETTLEMENT PURPOSES ONLY – SUBJECT TO FRE 408 AND 410FOIA EXEMPT BUSINESS CONFIDENTIAL/CONFIDENTIAL COMMERCIAL AND FINANCIAL INFORMATION/ TRADE SECRETS

Building A Strong Foundation (cont.) Finance Replaced Chief Financial Officer, Controller and other key finance positionsAddressed material weaknesses and significant deficiencies (sales allowances and inventory management)Established an Sales and Operations Planning (S&OP) process attended by CEO, CFO and all leaders in commercial, manufacturing, and compliance Compliance Performed Initial due diligence before startingFollowed-up with multi-discipline gap assessmentEnsuring proper resources devoted to Compliance and LegalIndependent external audit of clinical processesExpecting senior executives to set the proper tone within their functionsEnsure regular communication with CEO and Board ATTORNEY WORK PRODUCT – FOR SETTLEMENT PURPOSES ONLY – SUBJECT TO FRE 408 AND 410FOIA EXEMPT BUSINESS CONFIDENTIAL/CONFIDENTIAL COMMERCIAL AND FINANCIAL INFORMATION/ TRADE SECRETS Andy LongChief Financial Officer Andrece Housley Sr. Director, Controller Summer Howard, CPASr. Manager of SEC Reporting& SOX Summer Howard, CPASr. Manager of SEC Reporting& SOX Sr. Manager, Tax Brian Durand Sr. Director, Strategic Sourcing

Building A Strong Foundation (cont.) Commercial Hired new leaders for every function in commercial Developed processes for gross to net calculation, inventory management, trade contracts, new training protocols, and consolidated commercial operations under one leader Enhanced promotional material review process Changed compensation for the sales force to be consistent with industry norms and capped the percentage of the bonus for SUBSYS Overhauled speaker programs Independent Consulting firm has pressure tested speaker program protocols and SOPs Updated Fair Market Value – Established lower capped amount for each speaker No sales representative involvement in the selection process For the Syndros launch Insys took a conservative approach to physician targeting and promotional activities Insys employees no longer interact with insurance companies in connections with prior authorization (handled by accredited third party)Ariyapadi Krishnaraj VP, CommercialEric KiziorSr. Director, Commercial Operations & Business Support Joseph Perri Director, Pricing & Contracting (Managed Care)Scott Harward Director Training & Development Bill Langlois Director - Distribution Channel Mgmt. Ernest Fredericksen Managed Care - Director, National Accounts (East)Joel Moerer Managed Care - Director ,National Accounts (Central)Slater Sparks Managed Care - Director, National Accounts (West)John Hofmann Director ofMarketing

Recap of Significant Changes in Management and Employee Base Roughly 40% of total Insys employees have less tenure than CEO Key New Hires Replaced Chief Financial Officer and Corporate Controller 4 Vice Presidents: Sales, Marketing/ Managed Markets, Clinical Development and Human Resources 3 Sr. Directors: Medical Affairs, Commercial Operations and Corporate Communications11 Directors: Distribution, Operations, Training & Development, Government Pricing, Managed Care (3), Environmental Health Sciences, Biostatistics, Analytical Development, Validation General Manager of Manufacturing for our in Round Rock, Texas 56 out of 113 current employees in sales have been hired in 2017 & 2018 ATTORNEY WORK PRODUCT – FOR SETTLEMENT PURPOSES ONLY – SUBJECT TO FRE 408 AND 410FOIA EXEMPT BUSINESS CONFIDENTIAL/CONFIDENTIAL COMMERCIAL AND FINANCIAL INFORMATION/ TRADE SECRETS

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In January 2017, Steve Meyer became Chairman of the Board Top two priorities were to oversee the following mission critical initiatives: Appoint new independent board members in order to reconstitute the board with new contributors and perspectives Hire an experienced pharma veteran as CEO who would diversify the commercial organization and implement a vision to take INSYS into the future In the spring of 2017, Insys hired Saeed Motahari as CEO (and as a member of our board) and also appointed our first new independent director in six years Currently the majority of directors have been on the Board a year or less Re-constitution of Board ATTORNEY WORK PRODUCT – FOR SETTLEMENT PURPOSES ONLY – SUBJECT TO FRE 408 AND 410 FOIA EXEMPT BUSINESS CONFIDENTIAL/CONFIDENTIAL COMMERCIAL AND FINANCIAL INFORMATION/ TRADE SECRETS

Re-constitution of Board (cont.) Board Members Status Steve Meyer Chairman – Board of Directors (Continuing Director) Saeed Motahari – President & CEO New Board Member (April 2017) Rohit Vishnoi New Board Member (May 2017) Vaseem Mahboob New Board Member (February 2018) Trudy Vanhove New Board Member (April 2018) Pierre Lapalme Continuing Director Brian Tambi Continuing Director ATTORNEY WORK PRODUCT – FOR SETTLEMENT PURPOSES ONLY – SUBJECT TO FRE 408 AND 410 FOIA EXEMPT BUSINESS CONFIDENTIAL/CONFIDENTIAL COMMERCIAL AND FINANCIAL INFORMATION/ TRADE SECRETS

Today’s Objectives Schedule Agenda Item Presenter 9:00am – 9:30am Introductions All 9:30am – 11:00am An Overview of Insys Background, New Vision & Strategic Plan Board Reconstitution Business Update Stabilizing Subsys Advancing Pipeline S. Motahari 11:00am – 11:30am Compliance Update S. Emmanuel 11:30am – 12:00pm Corporate Governance Overview Legal Proceedings Update Board and Committees SEC Reporting Obligations Overview of Corporate Matters Recently Adopted Clawback Diligent Repository Website F. Del Fosse 12:00pm – 12:30pm Working Lunch and Q&A All 12:30pm-1:00pm Voting Committee Deliberation Voting Committee Members ATTORNEY WORK PRODUCT – FOR SETTLEMENT PURPOSES ONLY – SUBJECT TO FRE 408 AND 410 FOIA EXEMPT BUSINESS CONFIDENTIAL/CONFIDENTIAL COMMERCIAL AND FINANCIAL INFORMATION/ TRADE SECRETS

Resolve Government Investigations & Rebuild Reputation 1 Strengthen the Foundation & Enhance Execution 2 Stabilize the Current Business 3 Advance and Develop Diverse Pipeline to Drive Future Growth 4 Subsys and TIRF Performance 2014 – 2017 Source: IMS ATTORNEY WORK PRODUCT – FOR SETTLEMENT PURPOSES ONLY – SUBJECT TO FRE 408 AND 410 FOIA EXEMPT BUSINESS CONFIDENTIAL/CONFIDENTIAL COMMERCIAL AND FINANCIAL INFORMATION/ TRADE SECRETS 2014 2015 2016 2017 Subsys Prescriptions 33443 43404 31400 15189 TIRF Prescriptions94701 93859 72323 44709 annual change subsys +30% -28% -52% TIRF -1% -23% -38%

Subsys Market Share 2014 – 2017 Source: IMS Despite share loss, Subsys remains brand leader ATTORNEY WORK PRODUCT – FOR SETTLEMENT PURPOSES ONLY – SUBJECT TO FRE 408 AND 410 FOIA EXEMPT BUSINESS CONFIDENTIAL/CONFIDENTIAL COMMERCIAL AND FINANCIAL INFORMATION/ TRADE SECRETS 2014 2015 2016 2017 Prescription share 35.3% 46.2% 43.4% 34.0% Unit share 35.6% 49.5% 48.9% 38.5%

Negative News Events Continue to Create Challenging Environment Q3 ’17 Q4 ’17 Q1 ’18 April Aug 31 2017 Arizona sues INSYS Oct 25, 2017 Founder Indicted – National News Oct 26, 2017 Rhode Isl., Dr. Rosenburg pleads guilty linked to INSYS Dec 21, 2017 North Carolina sues INSYS Feb 26, 2018 Michigan Dr. Auerbuch pleads guilty, 32 months in prison Mar 8, 2018 American Greed - National News Mar 18, 2018 New York – 5 HCPs Indicted -National News Mar 19, 2018 South Carolina Dr. Aathi Thiyaga indicted, linked to INSYS April 4, 2018 Florida INSYS Expose, 5 Articles Palm Beach FL July 12, 2017 New Hampshire, Chris Clough pleads guilty, ex-rep named. Oct 19, 2017 New Jersey, Dr. Sun Indicted linked to INSYS Feb 2, 2018 New York sues INSYS ATTORNEY WORK PRODUCT – FOR SETTLEMENT PURPOSES ONLY – SUBJECT TO FRE 408 AND 410 FOIA EXEMPT BUSINESS CONFIDENTIAL/CONFIDENTIAL COMMERCIAL AND FINANCIAL INFORMATION/ TRADE SECRETS

SUBSYS® and TIRF Market Average Weekly TRxs and SUBSYS® share trend Average TRxs/Week 222 Source: TIRF REMS Source: IMS Average Weekly TRxs Average Weekly Subsys® Market Share Average TRxs/Week 169 Average TRxs/Week 588 Source: IMS Average Weekly TIRF Market TRxs Source: TIRF REMS ATTORNEY WORK PRODUCT – FOR SETTLEMENT PURPOSES ONLY – SUBJECT TO FRE 408 AND 410 FOIA EXEMPT BUSINESS CONFIDENTIAL/CONFIDENTIAL COMMERCIAL AND FINANCIAL INFORMATION/ TRADE SECRETS 18/01/05 116 18/01/12 155 18/01/19 166 18/01/26 169 18/02/02 165 18/02/09 169 18/02/16 172 18/02/23 169 18/03/02 167 18/03/09 168 18/03/16 171 18/03/23 169 18/03/30 169 17/10/06 209 17/10/13 232 17/10/20 251 17/10/27 245 17/11/03 238 17/11/10 232 17/11/17 235 17/11/24 230 17/12/01 226 17/12/08 224 17/12/15 227 17/12/22 227 17/12/29 222 18/01/05 543 18/01/12 537 54318/01/19 568 53018/01/26 588 63218/02/02 583 64818/02/09 586 56018/02/16 590 60218/02/23 596 61818/03/02 587 63118/03/09 589 51618/03/16 589 60918/03/23 594 585 18/01/05 23.5% 18/01/12 26.0% 18/01/19 26.6% 18/01/26 28.0% 18/02/02 27.4% 18/02/09 27.3% 18/02/16 27.8% 18/02/23 27.7% 18/03/02 27.4% 18/03/09 27.3% 18/03/16 27.5%

Insys 2017 Revenue by Quarter (millions) Key managed care contracts in effect (Jan 18) Sales Force realignment went in effect (Jan 18) Significant Talent upgrade at SSP and DM levels Providing Patient Services Strategy to Stabilize Subsys® and Grow Syndros® ATTORNEY WORK PRODUCT – FOR SETTLEMENT PURPOSES ONLY – SUBJECT TO FRE 408 AND 410 FOIA EXEMPT BUSINESS CONFIDENTIAL/CONFIDENTIAL COMMERCIAL AND FINANCIAL INFORMATION/ TRADE SECRETS Q1 Q2 Q3 Q4 Subsys 36.0 42.6 30.0 30.7 Syndros 0.0 0.0 0.7 0.8Total 36.0 42.6 30.7 31.5

INSYS Financial Snapshot Revenue (millions) Adjusted EBITDA (millions) Cash position at end of Q4 2017: $163.9M with no debt Gross margins of 85.3% Optimizing operating expenses while continuing to fund R&D ATTORNEY WORK PRODUCT – FOR SETTLEMENT PURPOSES ONLY – SUBJECT TO FRE 408 AND 410 FOIA EXEMPT BUSINESS CONFIDENTIAL/CONFIDENTIAL COMMERCIAL AND FINANCIAL INFORMATION/ TRADE SECRETS Net product sales Series 2 Series 32012 15.476 4.4 22013 99.289 1.8 32014 219.092 2.8 52015 330.323 2016 242.275 2017 140.7 Adjusted EBITDA2012 -17.2712013 40.6322014 78.7812015 128.2812016 39.1232017 -36

Q4’17 & Full Year 2017 Financial Highlights Q4’17 Q4’16 2017 2016 Gross Revenue $46.1M $93.9M $205.1M $407.2M Net Revenue $31.5M $54.9M $140.7M $242.3M Gross Margin 85.4% 82.1% 85.3% 89.5% Sales & Marketing $7.1M $13.5M $48.9M $69.7M Research & Development $16.4M $15.5M $63.0M $73.9M General & Administrative $19.7M $15.8M $67.6M $62.1M Income Tax Expense (Benefit) $26.8M $0.3M $10.8M $0.8M Adjusted EBITDA* ($11.5M) $6.1M ($36.0M) $39.1M Liquidity (Cash & Investments) - - $163.9M $236.7M *Please see a reconciliation of our GAAP to Non-GAAP financials in our earnings release and 10-K ATTORNEY WORK PRODUCT – FOR SETTLEMENT PURPOSES ONLY – SUBJECT TO FRE 408 AND 410 FOIA EXEMPT BUSINESS CONFIDENTIAL/CONFIDENTIAL COMMERCIAL AND FINANCIAL INFORMATION/ TRADE SECRETS

SUBSYS® - Use in Context of Overall Opioid Use Year Annual Number of Subsys Patients 1 Estimated Annual Number of Opioid Patients 2 Subsys Patients as % of all Patients on Opioids 2014 9,119 56,356,000 0.016% 2015 9,177 51,923,000 0.018% 2016 5,591 48,706,000 0.011% 2017 2,483 43,742,000 0.006% SOURCES: 1 – Subsys patient count as reported by TIRF REMS 2 – 2015 patient count based on data in HHS 2015 National Survey on Drug Use and Health (table 1.141A, page 458). Estimates for other years derived from 2015 data and national opioid Rxs as reported by Symphony Health. Even during the period of peak use, Subsys® share was extremely low Break through cancer pain is under treated in US. In Europe, while the use of Opioids is significantly lower than US, the Transmucosal Immediate Release Fentanyl (TIRF) utilization for cancer patients is ~12x times higher than US ATTORNEY WORK PRODUCT – FOR SETTLEMENT PURPOSES ONLY – SUBJECT TO FRE 408 AND 410 FOIA EXEMPT BUSINESS CONFIDENTIAL/CONFIDENTIAL COMMERCIAL AND FINANCIAL INFORMATION/ TRADE SECRETS

SUBSYS® - Patient Count By State in Peak Year of Sales (2015) Nationwide total Subsys patient count of 9,177 which represents an estimate of less than 0.02% of total opioid patients Source: TIRF REMS ATTORNEY WORK PRODUCT – FOR SETTLEMENT PURPOSES ONLY – SUBJECT TO FRE 408 AND 410 FOIA EXEMPT BUSINESS CONFIDENTIAL/CONFIDENTIAL COMMERCIAL AND FINANCIAL INFORMATION/ TRADE SECRETS STATE PATIENTS STATE PATIENTS STATE PATIENTS ALABAMA 353 KENTUCKY 52 NORTH DAKOTA 0 ALASKA 7 LOUISIANA 146 OHIO 432 ARIZONA 354 MAINE 1 OKLAHOMA 66 ARKANSAS 117 MARYLAND 101 OREGON 12 CALIFORNIA 1,291 MASSACHUSETTS 16 PENNSYLVANIA 280 COLORADO 225 MICHIGAN 169 RHODE ISLAND 8 CONNECTICUT 99 MINNESOTA 44 SOUTH CAROLINA 99 DELAWARE 159 MISSISSIPPI 115 SOUTH DAKOTA 1 DIST OF COLUMBIA 0 MISSOURI 102 TENNESSEE 230 FLORIDA 1,346 MONTANA 1 TEXAS 683 GEORGIA 265 NEBRASKA 2 UTAH 99 HAWAII 28 NEVADA 208 VERMONT 0 IDAHO 30 NEW HAMPSHIRE 23 VIRGINIA 126 ILLINOIS 186 NEW JERSEY 500 WASHINGTON 177 INDIANA 264 NEW MEXICO 2 WEST VIRGINIA 0 IOWA 1 NEW YORK 680 WISCONSIN 33 KANSAS 55 NORTH CAROLINA 117 WYOMING 1

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Continued Commitment to R&D & Improving Patient Lives R&D Expense (millions) ~$250 million invested over the past 6 years in R&D pipeline to drive future growth 8 clinical trials completed in 2017 5 ongoing trials as of May 2018 (Epinephrine, Naloxone, CBD for Childhood Absence Epilepsy, Infantile Spasms, Prader-Willi Syndrome) 4a ATTORNEY WORK PRODUCT – FOR SETTLEMENT PURPOSES ONLY – SUBJECT TO FRE 408 AND 410 FOIA EXEMPT BUSINESS CONFIDENTIAL/CONFIDENTIAL COMMERCIAL AND FINANCIAL INFORMATION/ TRADE SECRETS 2012 2013 2014 2015 2016 2017Total 6.3 8.5 33.1 56.8 73.9 63.0

Deep and Well Differentiated Pipeline (CBD) POC Initiated Phase 3 Initiated POC Initiated PK Study Completed In Dev In Dev In Dev In Dev Phase 3 Completed NDA Accepted Dec 2017 POC Initiated Fast Track Designation Granted Dec 2017 End of Phase II FDA meeting Feb 2018 Disease State ATTORNEY WORK PRODUCT – FOR SETTLEMENT PURPOSES ONLY – SUBJECT TO FRE 408 AND 410 FOIA EXEMPT BUSINESS CONFIDENTIAL/CONFIDENTIAL COMMERCIAL AND FINANCIAL INFORMATION/ TRADE SECRETS drug candidate disease state pre-clinical phase 1 phase 2 phase 3 submit approval cannabinoids sprays cannabidiol oral solution (cbd) (i) childhood absence epilepsy poc initiated (ii) infantile spasms phase 3 initiated (iii) prader willi syndrome poc initiated fast track designation granted dec 2017 dronabinol inhalation (i) anorexia in cancer patients in dev (ii) agitation in alzheimer’s disease in dev buprenorphine sublingual spray moderate to severe pain phase 3 completed nda accepted dec 2017 naloxone nasal spray opioid overdose pk study completed end of phase ii fda meeting feb 2018 epinephrine nasal spray anaphylaxis reaction poc initiated buprenorphine / naloxone sublingual spray opioid dependence in dev rizatriptan nasal spray migraine in dev

CBD: Infantile Spasms Orphan drug status granted: July 2015 Onset age: 1-24 months EEG shows hypsarrhythmia Cost of Trial: $7.8M in 2018 Phase 3 Actively Enrolling 40+ Sites (US and ex-US) ATTORNEY WORK PRODUCT – FOR SETTLEMENT PURPOSES ONLY – SUBJECT TO FRE 408 AND 410 FOIA EXEMPT BUSINESS CONFIDENTIAL/CONFIDENTIAL COMMERCIAL AND FINANCIAL INFORMATION/ TRADE SECRETS

Seizures are usually staring spells during which the child is not aware or responsive Each seizure lasts about 10 to 20 seconds and ends abruptly These types of seizures account for 2% to 8% of people with epilepsy Primarily a genetic disorder 2 out of 3 children with childhood absence seizures respond to treatment. The seizures usually disappear by mid-adolescence Cost of Trial: $4.6M in 2018 Phase 2 Study Actively Enrolling CBD: Childhood Absence Epilepsy ATTORNEY WORK PRODUCT – FOR SETTLEMENT PURPOSES ONLY – SUBJECT TO FRE 408 AND 410 FOIA EXEMPT BUSINESS CONFIDENTIAL/CONFIDENTIAL COMMERCIAL AND FINANCIAL INFORMATION/ TRADE SECRETS

CBD: Prader-Willi Syndrome Mutation in 15q11-13 (paternal) 25% mortality by age 18 Insatiable appetite Cost of Trial: $5.7 in 2018 Phase 2 Study Currently Enrolling ATTORNEY WORK PRODUCT – FOR SETTLEMENT PURPOSES ONLY – SUBJECT TO FRE 408 AND 410 FOIA EXEMPT BUSINESS CONFIDENTIAL/CONFIDENTIAL COMMERCIAL AND FINANCIAL INFORMATION/ TRADE SECRETS

Epinephrine Nasal Spray Anaphylaxis is an acute, life-threatening systemic allergic reaction1 Occurs in about one in 50 pediatric & adult Americans1 Epinephrine is the most important medicine to give during a life-threatening anaphylaxis2 Current epinephrine products are all invasive auto-injectors / injectables Meaningful clinical opportunity for a potential nasal spray Cost of Trial: $1.1M in 2018 Source: (1) Asthma & Allergy Foundation of America (2) Symphony Health Solutions Proof of Concept Study Currently Enrolling 30 ATTORNEY WORK PRODUCT – FOR SETTLEMENT PURPOSES ONLY – SUBJECT TO FRE 408 AND 410 FOIA EXEMPT BUSINESS CONFIDENTIAL/CONFIDENTIAL COMMERCIAL AND FINANCIAL INFORMATION/ TRADE SECRETS

Ongoing Insys Clinical Trials Compound Indication # of Patients 2018 Total Spend Total Cost of Project* CBD Infantile Spasms 190 $8.0M $15.8M CBD Childhood Absence Epilepsy 30 $4.6M $6.6M CBD Prader Willi 66 $5.7M $8.0M CBD Food Effect 24 $600k $600k CBD Refractory Epilepsy Expanded Access 23 Provide Drug Only Provide Drug Only Epinephrine Anaphylaxis Reaction 60 $900k $1.1M Naloxone Opioid Overdose 24 $600k $600k Syndros Inhalation Proof of Concept 24 $500k $500k Over 440 patients including adults and children are currently enrolling in active clinical trials *Excludes fixed costs, supplies and manufacturing ATTORNEY WORK PRODUCT – FOR SETTLEMENT PURPOSES ONLY – SUBJECT TO FRE 408 AND 410 FOIA EXEMPT BUSINESS CONFIDENTIAL/CONFIDENTIAL COMMERCIAL AND FINANCIAL INFORMATION/ TRADE SECRETS

2017 Was An Exceptional Year for R&D Completed FDA filing of NDA for buprenorphine sublingual spray as investigational treatment for moderate-to-severe acute pain Initiated one Phase 2 and one Phase 3 clinical trial of CBD oral solution as investigational treatment for childhood absence epilepsy and infantile spasms, respectively Received “Fast Track” designation from FDA and initiated Phase 2 trial for CBD oral solution as investigational treatment for Prader-Willi syndrome Began patient enrollment in proof-of-concept study of epinephrine nasal spray as investigational treatment for anaphylaxis Completed PK study of naloxone nasal spray as investigational treatment for opioid overdose Conducted over 10 comprehensive medical/clinical development meetings with external Key Opinion Leaders to advance the pipeline ATTORNEY WORK PRODUCT – FOR SETTLEMENT PURPOSES ONLY – SUBJECT TO FRE 408 AND 410 FOIA EXEMPT BUSINESS CONFIDENTIAL/CONFIDENTIAL COMMERCIAL AND FINANCIAL INFORMATION/ TRADE SECRETS

04/27/18 INSYS Therapeutics Initiates Phase 2 Clinical Trial of Cannabidiol (CBD) for Treatment of Prader-Willi Syndrome 04/26/18 INSYS Therapeutics and University of California (UC) San Diego Center for Medicinal Cannabis Research to Collaborate on Clinical Trial for Autism 04/18/18 INSYS Therapeutics to Advance Clinical Research of Dronabinol Inhalation Using Novel Breath-Actuated Device 03/02/18 INSYS Therapeutics Initiates Phase 3 Clinical Trial of Cannabidiol (CBD) Oral Solution for Treatment of Infantile Spasms Insys Pipeline Could Potentially Serve Many Patients with Significant Unmet Medical Needs 12/26/17 FDA Grants INSYS Therapeutics 'Fast Track' Designation for Cannabidiol (CBD) Oral Solution as Investigational Treatment for Prader-Willi Syndrome 12/19/17 INSYS Therapeutics Initiates Phase 2 Clinical Trial of Cannabidiol (CBD) Oral Solution for Treatment of Refractory Childhood Absence Epilepsy in Pediatric Patients 12/07/17 INSYS Therapeutics Starts Proof-of-Concept Study of Epinephrine Nasal Spray for Anaphylaxis 12/06/17 FDA Accepts New Drug Application (NDA) for Buprenorphine Sublingual Spray from INSYS Therapeutics 10/09/17 INSYS Therapeutics Extends 'Compassionate Use' Studies of Cannabidiol (CBD) for Refractory Pediatric Epilepsy 10/03/17 INSYS Therapeutics Completes Pharmacokinetics (PK) Study of Intranasal Naloxone for Opioid Overdose 09/29/17 INSYS Therapeutics Files New Drug Application (NDA) for Buprenorphine Sublingual Spray with FDA 2018 YTD (January–April) 2017 Q2–Q4 (April–December) Recent R&D Related External Announcements ATTORNEY WORK PRODUCT – FOR SETTLEMENT PURPOSES ONLY – SUBJECT TO FRE 408 AND 410 FOIA EXEMPT BUSINESS CONFIDENTIAL/CONFIDENTIAL COMMERCIAL AND FINANCIAL INFORMATION/ TRADE SECRETS

Upcoming Data from Clinical Trials Could Bring Relief to Many Pediatric & Adult Patients Drug Candidate Indication Dispensing Method Most Recent Project Upcoming Milestone Epinephrine Anaphylaxis Nasal Spray Initiated proof-of-concept study Expected data read end of Q2 2018 Naloxone Opioid Overdose Nasal Spray Completed PK study NDA Filling - Dec Dronabinol Inhalation Anorexia in Cancer Patients Agitation in Alzheimer's Inhalation Device Filed IND (March 2018) Initiating Proof of Concept PK study (healthy subjects) Study initiation Q3 2018 with expected data read in Q4 2018 Cannabidiol Oral Solution (CBD) Childhood Absence Epilepsy Oral Solution Initiated Phase 2 study Expected data read in Q4 2018 Cannabidiol Oral Solution (CBD) Infantile Spasms Oral Solution Initiated Phase 3 study Study initiation March 2018 with expected data read in Q2 2019 Cannabidiol Oral Solution (CBD) Prader-Willi Syndrome Oral Solution Initiated Phase 2 study Received fast track designation (Dec 2017) Study initiation April 2018 with expected data read in Q4 2019 Buprenorphine Acute Pain Sublingual Spray Filed NDA (Dec 2017) Submitted safety data (Jan 2018) PDUFA date in Q3 2018 ATTORNEY WORK PRODUCT – FOR SETTLEMENT PURPOSES ONLY – SUBJECT TO FRE 408 AND 410 FOIA EXEMPT BUSINESS CONFIDENTIAL/CONFIDENTIAL COMMERCIAL AND FINANCIAL INFORMATION/ TRADE SECRETS

Cannabidiol Clinical Trial Collaborations 35 ATTORNEY WORK PRODUCT – FOR SETTLEMENT PURPOSES ONLY – SUBJECT TO FRE 408 AND 410 FOIA EXEMPT BUSINESS CONFIDENTIAL/CONFIDENTIAL COMMERCIAL AND FINANCIAL INFORMATION/ TRADE SECRETS Childhood Schizophrenia/Early Psychosis Orphan Drug Designation Meeting with National Institute of Mental Heath (NIMH) for possible collaboration and co-funding Addiction Meeting with National Institute on Drug Abuse (NIDA) and National Institute on Alcohol Abuse and Alcoholism (NIAAA) for possible collaboration and co-funding Post Traumatic Stress Disorder (PTSD) Letter sent to DOD for collaboration on a study within the VA system Autism Collaborating with the Center for Medicinal Cannabis Research (CMCR) University of California San Diego School of Medicine Center

Pipeline Priorities & Valuation CBD Epinephrine THC Inhalation Buprenorphine/Naloxone Buprenorphine Naloxone Rizatriptan Epinephrine* THC Inhalation* CBD* Bup Naloxone* Bup Naloxone Rizatriptan Investment2 High Low Early Late Pipeline Project Assessment1 Development Stage3 Notes: (1) Pipeline assets have been prioritized after an assessment of investment, project progress and market attractiveness (represented by bubble size) (2) Investment refers to projected remainder development costs (3) Project status as of December 2017 Market Potential Ranking Medium to high market opportunity* Low to medium market opportunity ATTORNEY WORK PRODUCT – FOR SETTLEMENT PURPOSES ONLY – SUBJECT TO FRE 408 AND 410 FOIA EXEMPT BUSINESS CONFIDENTIAL/CONFIDENTIAL COMMERCIAL AND FINANCIAL INFORMATION/ TRADE SECRETS

Current Clinical Development Priorities 37 Current Focus Cannabidiol Infantile Spasms Childhood Absence Epilepsy Prader-Willi Syndrome SYNDROS Inhalation Proof of Concept Sprays Naloxone Buprenorphine Acute Epinephrine Additional Focus Cannabidiol Addiction Post Traumatic Stress Disorder (PTSD) SYNDROS Anorexia in Cancer Agitation in Alzheimer's Sprays Buprenorphine/Naloxone Rizatriptan ATTORNEY WORK PRODUCT – FOR SETTLEMENT PURPOSES ONLY – SUBJECT TO FRE 408 AND 410 FOIA EXEMPT BUSINESS CONFIDENTIAL/CONFIDENTIAL COMMERCIAL AND FINANCIAL INFORMATION/ TRADE SECRETS

State of the Art Manufacturing Facilities in Texas Facilities Paloma Plant – 8,000 square feet for cannabinoid API1 Oakmont Plant – 83,000 square feet for cannabinoid API and finished drug product Spent $14M expanding manufacturing facility in 2017 CBD manufacturing process optimized to improve cost and yield Equipment Process technology developed and IP is owned by INSYS On-site research group improving capacity, yield and purity of the CBD synthesis Two commercial scale equipment chains located in Paloma and Oakmont Plants People Strong leadership team with solid experience in pharmaceutical API production leading about 50 fully trained employees (1) Active Pharmaceutical Ingredient ATTORNEY WORK PRODUCT – FOR SETTLEMENT PURPOSES ONLY – SUBJECT TO FRE 408 AND 410 FOIA EXEMPT BUSINESS CONFIDENTIAL/CONFIDENTIAL COMMERCIAL AND FINANCIAL INFORMATION/ TRADE SECRETS

Summary The new Vision & Strategy have been operationalized Clarity & alignment around priorities Talent and capabilities have been upgraded across functional areas Structures optimized (Sales Force, Commercial Operations, Finance) A plan is in place to continue to optimize spending 2018 Operational priorities: DOJ settlement Advancing priority programs in R&D on schedule Stabilizing SUBSYS and growing SYNDROS in 1H Continue to optimize operating expenses Preparation for CIA implementation ATTORNEY WORK PRODUCT – FOR SETTLEMENT PURPOSES ONLY – SUBJECT TO FRE 408 AND 410 FOIA EXEMPT BUSINESS CONFIDENTIAL/CONFIDENTIAL COMMERCIAL AND FINANCIAL INFORMATION/ TRADE SECRETS

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Ethical Behavior and Compliance Underpins Our Company Culture 1 2 3 ATTORNEY WORK PRODUCT – FOR SETTLEMENT PURPOSES ONLY – SUBJECT TO FRE 408 AND 410 FOIA EXEMPT BUSINESS CONFIDENTIAL/CONFIDENTIAL COMMERCIAL AND FINANCIAL INFORMATION/ TRADE SECRETS Set a New Tone and Expectations Reviewed Compliance Practices Revised Corporate Goals Speaker Program Promotional Materials SOPs and Monitoring Process Governance Training Incentive Program Compliance was the underpinning of 2017/18 goals Communicated and endorsed by the board Emphasis on values and compliance

Alignment with OIG's 7 Elements Guidance of an Effective Compliance Program Compliance Program Structure Written Policies Designating a Compliance Officer & Committee Conducting Effective Training & Education Developing Effective Lines of Communication Conducting Internal Monitoring & Auditing Enforcing Standards Through Well Publicized Disciplinary Guidelines Responding Promptly to Detected Problems & Undertaking Corrective Actions Continual Risk Assessment: Call List Review & Certification Third Party Validation of INSYS Compliance Program Controls ATTORNEY WORK PRODUCT – FOR SETTLEMENT PURPOSES ONLY – SUBJECT TO FRE 408 AND 410 FOIA EXEMPT BUSINESS CONFIDENTIAL/CONFIDENTIAL COMMERCIAL AND FINANCIAL INFORMATION/ TRADE SECRETS

Written Policies and Procedures INSYS COMPLIANCE-OWNED POLICIES AND PROCEDURES INSYS Code of Conduct Off-Label Information SOP INSYS Speaker Bureau SOP Displays, Exhibits & Medical Booths SOP Investigations SOP Anticorruption & Anti-bribery SOP Discipline & Enforcement SOP Conflict of Interest Policy Non-Retaliation SOP Health Insurance Portability & Accountability Act (HIPAA) SOP Fair Market Value Methodology SOP HCP Background & Ongoing Compliance Checks SOP Interactions with Healthcare Professionals SOP Retention & Destruction of Marketing Materials SOP Grants & Contributions SOP Patient Services Phone Monitoring SOP HCP Vetting SOP Specialty Pharmacy Interactions SOP Medical Science Liasion SOP Subsys Call Plan Creation & Maintenance SOP Adverse Events SOP INSYS Corporate Compliance Training SOP HCP Cap Analysis SOP Interactions with Patient Advocacy Groups SOP ATTORNEY WORK PRODUCT – FOR SETTLEMENT PURPOSES ONLY – SUBJECT TO FRE 408 AND 410 FOIA EXEMPT BUSINESS CONFIDENTIAL/CONFIDENTIAL COMMERCIAL AND FINANCIAL INFORMATION/ TRADE SECRETS

INSYS Field Personnel New Hire Training Compliance Training Home Study Modules Live Training at Corporate Office Product Label & Certification INSYS Code of Conduct Proper Interactions with HCPs Extensive Products Label Training HIPAA PhRMA Code Standards & Guidelines Proper use of Marketing Materials Anti-kickback & Anti-bribery Review Speaker Program Planning & Execution Proper use of Medical Information Request Form Conducting Business with Ethics & Values Speaker Bureau Recruitment Process Written Assessment Requiring at least 80% Passing Grade On-label Promotion Ethics Reporting Role-play Assessment Component Responsible Communication Patient Assistance Programs Final Certification performed with Compliance personnel present Sunshine Act Responsibilities Product Support Services Ethics Reporting Anti-kickback & Anti-bribery Review Helpline & Non-Retaliation Adherence to the Sunshine Act Adverse Event Reporting & Drug Safety On-Label Promotion Expense Reporting Meal Caps ATTORNEY WORK PRODUCT – FOR SETTLEMENT PURPOSES ONLY – SUBJECT TO FRE 408 AND 410 FOIA EXEMPT BUSINESS CONFIDENTIAL/CONFIDENTIAL COMMERCIAL AND FINANCIAL INFORMATION/ TRADE SECRETS

17 Quarterly Training Programs Offered in 2016-17 Quarter Training Date Assigned Audience 1 2016 On-Label Promotion 1-Mar-16 Sales, Marketing 1 2016 Whistleblowing: Raising Concerns 15-Mar-16 INSYS All 2 2016 HIPAA Privacy & Security for Sales Representatives 1-Jun-16 Sales 2 2016 INSYS Code of Conduct: Annual Certification 28-Jun-16 INSYS All 3 2016 Helplines & Non Retaliation: Making the Call 27-Sep-16 INSYS All 3 2016 Demonstrating Corporate Integrity – Kickbacks: The Push for Market Share 27-Sep-16 INSYS All 4 2016 Conflicts of Interests in Clinical Trials 8-Dec-16 Medical Affairs, Clinical 4 2016 On-Label Promotion 8-Dec-16 Sales, Marketing 4 2016 Anti-Bribery Incentives & Benefits 8-Dec-16 INSYS All 4 2016 HIPAA: Protecting Patients' Health Information 8-Dec-16 PSC Employees 1 2017 Annual HIPAA 1-Mar-17 All Corporate Employees 1 2017 INSYS Code of Conduct: Annual Certification 1-Mar-17 INSYS All 2 2017 On-Label Promotion 1-May-17 Sales, Marketing 2 2017 Conducting Business with Ethics & Values 1-May-17 INSYS All 2 2017 Adverse Events Reporting & Drug Safety 1-May-17 INSYS All 3 2017 Responsible Communication 12-Jul-17 INSYS All 3 2017 Complying with the Physician Payment Sunshine Act 12-Jul-17 INSYS All ATTORNEY WORK PRODUCT – FOR SETTLEMENT PURPOSES ONLY – SUBJECT TO FRE 408 AND 410 FOIA EXEMPT BUSINESS CONFIDENTIAL/CONFIDENTIAL COMMERCIAL AND FINANCIAL INFORMATION/ TRADE SECRETS

Conducting Effective Training & Education Mandatory Companywide Annual Compliance Training: Code of Conduct: Best Practices HIPAA Privacy & Security Helpline and Non-Retaliation: Making the Call On-Label Promotion Anti-bribery & Anti-corruption Adverse Event Reporting and Drug Safety Responsible Communication Complying with The Physician Payment Sunshine Act Ethics Reporting ATTORNEY WORK PRODUCT – FOR SETTLEMENT PURPOSES ONLY – SUBJECT TO FRE 408 AND 410 FOIA EXEMPT BUSINESS CONFIDENTIAL/CONFIDENTIAL COMMERCIAL AND FINANCIAL INFORMATION/ TRADE SECRETS

Developing Effective Lines of Communication Ethics reporting hotline and web portal available Option to report anonymously Open door policy that is well publicized to the entire company Compliance is involved in every all Salesforce conference calls and periodically attends sales management calls Compliance participates in weekly commercial meetings with upper and executive management teams The Chief Compliance Officer and members of the Compliance department regularly work in the field with the salesforce to ensure presence and open lines of communication ATTORNEY WORK PRODUCT – FOR SETTLEMENT PURPOSES ONLY – SUBJECT TO FRE 408 AND 410 FOIA EXEMPT BUSINESS CONFIDENTIAL/CONFIDENTIAL COMMERCIAL AND FINANCIAL INFORMATION/ TRADE SECRETS

Conducting Internal Monitoring & Auditing: Promotional Practices Promotional Speaker Programs & Field Ride-alongs ~20% monitored by INSYS Compliance Department Personnel and/or independent third party vendor. Expense Reporting Audits Accuracy with Sunshine Act Reporting (~20%) Call List Review Performed annually or as deemed necessary and in accordance with some State's Assurances of Voluntary Compliance Agreements HCP Consultant Background Checks Clinical Compliance Engaged independent third party to perform regular reviews of clinical trial practices and protocols ATTORNEY WORK PRODUCT – FOR SETTLEMENT PURPOSES ONLY – SUBJECT TO FRE 408 AND 410 FOIA EXEMPT BUSINESS CONFIDENTIAL/CONFIDENTIAL COMMERCIAL AND FINANCIAL INFORMATION/ TRADE SECRETS

Enforcing Standards Through Well Publicized Disciplinary Guidelines Company personnel are familiar with expectations of them in their day-to-day business responsibilities The compliance department sends regular reminders regarding specific controls to specific audience for reinforcement purposes Any reported potential compliance violation is thoroughly investigated Consistent and progressive disciplinary action is taken as necessary Disciplinary progression matrix is published, as necessary and where applicable, to ensure awareness by employees ATTORNEY WORK PRODUCT – FOR SETTLEMENT PURPOSES ONLY – SUBJECT TO FRE 408 AND 410 FOIA EXEMPT BUSINESS CONFIDENTIAL/CONFIDENTIAL COMMERCIAL AND FINANCIAL INFORMATION/ TRADE SECRETS

Responding Promptly to Detected Problems and Undertaking Corrective Action Potential compliance violations are investigated based on the SOP which governs such issues The protocol is to commence an investigation within 24 hours All identified relevant parties are thoroughly investigated Human Resources and the Legal department are notified and/or included in the investigation as necessary Corrective action is imposed as necessary In some instances, the detected problem results in change of business processes and re-training of specific personnel population or termination ATTORNEY WORK PRODUCT – FOR SETTLEMENT PURPOSES ONLY – SUBJECT TO FRE 408 AND 410 FOIA EXEMPT BUSINESS CONFIDENTIAL/CONFIDENTIAL COMMERCIAL AND FINANCIAL INFORMATION/ TRADE SECRETS

Continual Risk Assessment: Call List Review Performed annually or as deemed necessary and in accordance with some State's Assurances of Voluntary Compliance Agreements Ensures the company is calling on the right specialties Only call on HCPs already treating appropriate patients for the product(s) indication(s) Has similar protocol for adding a HCP onto the Call Lists Compliance reviews before a HCP is added to a Call List Sales Force trained on detecting red flags for HCPs who may need to be removed from the Call List Compliance investigates and makes a determination Removes HCPs in an ongoing basis who are deemed inappropriate to call on ATTORNEY WORK PRODUCT – FOR SETTLEMENT PURPOSES ONLY – SUBJECT TO FRE 408 AND 410 FOIA EXEMPT BUSINESS CONFIDENTIAL/CONFIDENTIAL COMMERCIAL AND FINANCIAL INFORMATION/ TRADE SECRETS

Third Party Compliance Program Validation Engaged independent third party to pressure-test compliance controls focusing on: Healthcare professionals (HCP) interactions HCP engagement procedures and protocols INSYS Speaker programs administration and monitoring protocols Protocols governing Fair Market Value payments to HCPs Patient support programs protocols Marketing materials and protocols for reviewing them Protocols in place to ensure compliant promotion of INSYS products Training program ATTORNEY WORK PRODUCT – FOR SETTLEMENT PURPOSES ONLY – SUBJECT TO FRE 408 AND 410 FOIA EXEMPT BUSINESS CONFIDENTIAL/CONFIDENTIAL COMMERCIAL AND FINANCIAL INFORMATION/ TRADE SECRETS

Compliance Program Validation The Process and Outcome: Provided policies, SOPs and supporting documentations for review Visited INSYS to interview live specific individuals from various departments Pressure-tested controls and protocols Process was in two stages Received a final report indicating that we have optimal controls and protocols from a compliance perspective ATTORNEY WORK PRODUCT – FOR SETTLEMENT PURPOSES ONLY – SUBJECT TO FRE 408 AND 410 FOIA EXEMPT BUSINESS CONFIDENTIAL/CONFIDENTIAL COMMERCIAL AND FINANCIAL INFORMATION/ TRADE SECRETS

Compliance Summary INSYS has incorporated the OIG recommended 7 elements into its corporate compliance program The components provide a strong foundation for the compliance program The compliance program governs all facets of INSYS business activities, from promotional, to non-promotional, to clinical trial activities Strong mechanisms and protocols have been implemented to ensure that the commercialization of currently approved products adhere to a best-in-class compliance standards Similar mechanisms and protocols will be applied to the launch and commercialization of all future products ATTORNEY WORK PRODUCT – FOR SETTLEMENT PURPOSES ONLY – SUBJECT TO FRE 408 AND 410 FOIA EXEMPT BUSINESS CONFIDENTIAL/CONFIDENTIAL COMMERCIAL AND FINANCIAL INFORMATION/ TRADE SECRETS

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Legal Proceedings Update Our litigation challenges fall into 6 basic categories*: DOJ/OIG Investigation Two Securities Class Actions and One Derivative Case State AG Investigations 20 total 4 resolved 5 ongoing lawsuits Prescription Opioid Litigation with States, Counties and Cities Over 150 prescription opioid lawsuits Payor/Insurance Company Litigation 2 pending lawsuits with one resolved Patient Litigation 14 patient lawsuits *This is not a full summary of our legal proceedings. Please see the Legal Proceedings section of our Annual Report on Form 10-K filed with the Securities and Exchange Commission ATTORNEY WORK PRODUCT – FOR SETTLEMENT PURPOSES ONLY – SUBJECT TO FRE 408 AND 410 FOIA EXEMPT BUSINESS CONFIDENTIAL/CONFIDENTIAL COMMERCIAL AND FINANCIAL INFORMATION/ TRADE SECRETS

Board of Directors and Committees Board of Directors Staggered Board with seven current members Divided into 3 classes Chairman (Meyer) and CEO (Motahari) roles are separate for good corporate governance Board Committees Five Standing Committees Audit: Meyer (Chair), Mahboob, Tambi and Vishnoi Compensation: Vishnoi (Chair), Lapalme and Meyer Compliance: Lapalme (Chair), Meyer Nominating & Corporate Governance: Lapalme (Chair) and Vishnoi Science & R&D: Tambi (Chair), Motahari, Vanhove and Vishnoi Each Committee (other than Science and R&D Committee) has a charter posted on the company's website that governs its operations and authority
ATTORNEY WORK PRODUCT – FOR SETTLEMENT PURPOSES ONLY – SUBJECT TO FRE 408 AND 410 FOIA EXEMPT BUSINESS CONFIDENTIAL/CONFIDENTIAL COMMERCIAL AND FINANCIAL INFORMATION/ TRADE SECRETS

SEC Reporting Obligations Insys IPO in May 2013 Common stock (Company’s only voting stock) publicly traded on the Nasdaq Stock Exchange (INSY) As a publicly traded company, we have reporting requirements to keep stockholders and the markets informed Reports filed with the Securities and Exchange Commission can be viewed by the public on the SEC EDGAR website or our company’s website The required reports include an Annual Report on Form 10-K (filed on March 12, 2018), Quarterly Reports on Form 10Q and Current Periodic Reports on Form 8-K ATTORNEY WORK PRODUCT – FOR SETTLEMENT PURPOSES ONLY – SUBJECT TO FRE 408 AND 410 FOIA EXEMPT BUSINESS CONFIDENTIAL/CONFIDENTIAL COMMERCIAL AND FINANCIAL INFORMATION/ TRADE SECRETS

Overview of Corporate Matters Insys Basic Corporate Structure: Incorporated under the laws of the State of Delaware Currently has four subsidiaries, with the company currently reviewing its corporate structure: Insys Pharma Inc.: Sales and Distribution and Marketing Insys Development Company, Inc.: IP, R&D, Clinical and Regulatory Insys Manufacturing LLC: Manufacturing IPSC, LLC: Operational ATTORNEY WORK PRODUCT – FOR SETTLEMENT PURPOSES ONLY – SUBJECT TO FRE 408 AND 410 FOIA EXEMPT BUSINESS CONFIDENTIAL/CONFIDENTIAL COMMERCIAL AND FINANCIAL INFORMATION/ TRADE SECRETS

Overview of Corporate Matters (cont.) Organizational Documents Certificate of Incorporation: Directors' liability for monetary damages eliminated to the fullest extent under applicable law. Provides for the Company to issue is 110,000,000 shares: 100,000,000 of Common Stock, par value of $0.01 (As of April 12, 2018, 73,808,793 shares of common stock outstanding) 10,000,000 of Preferred Stock, par value of $0.001 (no issued or outstanding) Bylaws: Contains exclusive Delaware forum provision for litigation Provides for indemnification of directors and officers to the extent not prohibited by Delaware law or any other applicable law and allows for indemnification contracts Board may act by unanimous written consent (without meeting) but stockholders must hold a special meeting ATTORNEY WORK PRODUCT – FOR SETTLEMENT PURPOSES ONLY – SUBJECT TO FRE 408 AND 410 FOIA EXEMPT BUSINESS CONFIDENTIAL/CONFIDENTIAL COMMERCIAL AND FINANCIAL INFORMATION/ TRADE SECRETS

Recent Adoption of Clawback In April 2018, our Compensation Committee adopted a comprehensive compensation clawback policy for all employees. Under policy, the Company will review and determine whether to seek recoupment of bonus awards (and other incentive compensation if applicable and appropriate) paid, granted or awarded to employees if, in the Company's judgment: (i) the employee commits fraud or other intentional misconduct resulting in a material violation of law or Company policy that causes significant financial or criminal harm to the Company, or (ii) in the case of a supervisory role, the employee commits fraud or is negligent in failing in his or her responsibility to manage or monitor conduct or risks which resulted in the misconduct set forth in clause (i). In the instance of a recoupment decision, the Company will use reasonable efforts to seek to recover any bonus awards (or other incentive compensation if applicable and appropriate) paid to the applicable employee in excess of the amount that would have been paid had the material violation, fraud or intentional misconduct not occurred. The Company will disclose the circumstances of any recoupment of compensation from any "executive officer" (as such term may defined under the Exchange Act or Regulation S-K) under the amended policy to the extent that: (i) it is required by law or regulation, or (ii) the Board determines that disclosure would be in the best interest of the Company and its shareholders. ATTORNEY WORK PRODUCT – FOR SETTLEMENT PURPOSES ONLY – SUBJECT TO FRE 408 AND 410 FOIA EXEMPT BUSINESS CONFIDENTIAL/CONFIDENTIAL COMMERCIAL AND FINANCIAL INFORMATION/ TRADE SECRETS

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Q&A ATTORNEY WORK PRODUCT – FOR SETTLEMENT PURPOSES ONLY – SUBJECT TO FRE 408 AND 410 FOIA EXEMPT BUSINESS CONFIDENTIAL/CONFIDENTIAL COMMERCIAL AND FINANCIAL INFORMATION/ TRADE SECRETS

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