
flexion
Transformative Medicine...
Where It Matters

Safe-Harbor Statement

This presentation contains forward-looking statements that are based on the current expectations and beliefs of Flexion.

Statements in this presentation regarding matters that are not historical facts, including, but not limited to, statements relating to: the future of Flexion; our business strategy and plans; our plans and expectations regarding the commercialization of, and the market potential for, ZILRETTA® and our other product candidates, such as FX201 and FX301; the ongoing development of ZILRETTA for additional indications and our other product candidates, including anticipated clinical, regulatory and other milestones (including the timing of such milestones); expected growth in the osteoarthritis market and increases in the prevalence of OA; and the potential therapeutic and other benefits of ZILRETTA and our other product candidates, are forward-looking statements. These forward-looking statements are based on management's expectations and assumptions as of the date of this presentation and are subject to numerous risks and uncertainties, which could cause actual results to differ materially from those expressed or implied by such statements.

These risks and uncertainties include, without limitation, risks associated with commercializing pharmaceutical products; risks that ZILRETTA fails to achieve adoption among physicians and patients and adequate reimbursement from payers; our reliance on third parties to manufacture ZILRETTA and our product candidates and conduct our clinical trials; risks associated with developing, obtaining and maintaining regulatory approval for ZILRETTA, including in additional indications, or any of our product candidates; risks associated with designing and conducting clinical trials, including the fact that results of past clinical trials may not be predictive of subsequent trials; the risk that we may not be able to maintain and enforce our intellectual property, including intellectual property related to ZILRETTA; competition from alternative therapies; the fact that we may require additional capital to fully commercialize ZILRETTA and develop any other product candidates, and may be unable to obtain such additional capital in sufficient amounts or on terms acceptable to us; risks related to key employees, markets, economic conditions, health care reform, prices and reimbursement rates; and other risks and uncertainties described in our filings with the Securities and Exchange Commission (SEC), including under the heading "Risk Factors" in our most recent Annual Report on Form 10-K and Quarterly Reports. The forward-looking statements in this presentation speak only as of the date of this presentation, and we undertake no obligation to update or revise any of these statements. We caution investors not to place considerable reliance on the forward-looking statements contained in this presentation.

Flexion Therapeutics Overview

Clear Vision	• An integrated biopharma company focused on discovering, developing and commercializing novel, local treatments for musculoskeletal conditions, such as osteoarthritis (OA), post-operative pain and low back pain
Commercial Execution	• ZILRETTA®, the first and only extended-release intra-articular therapy for patients confronting osteoarthritis-related knee pain, was approved by the U.S. FDA on October 6, 2017 ▪ Preliminary, unaudited full-year 2019 net sales of ~$73 million, representing YOY growth of more than 220% ▪ 2020 net sales guidance range of $120 million to $135 million
Growing Pipeline	• Active clinical trial program to support new indications for ZILRETTA (shoulder OA/adhesive capsulitis) • FX201 – a gene therapy with potential to provide prolonged pain relief and slowing of disease progression • FX301 – a novel peripheral nerve block with potential to be motor sparing and provide three to five days of meaningful pain relief
Robust Intellectual Property	• Patent terms for ZILRETTA and related technology covering composition of matter, method of use and method of manufacture extend into 2031 • FX201: USPTO issued patent number 10,301,647, covering composition of matter and method of use of FX201 in the treatment of OA into 2033 • FX301: Pending patent covering composition of matter, method of use and method of manufacture expected to provide protection into 2039
Strong Balance Sheet	• Approximately $176 million in cash, cash equivalents and marketable securities (as of September 30, 2019)

Osteoarthritis (OA) Overview

Progressive breakdown and loss of cartilage

Most common type of arthritis, also known as degenerative joint disease

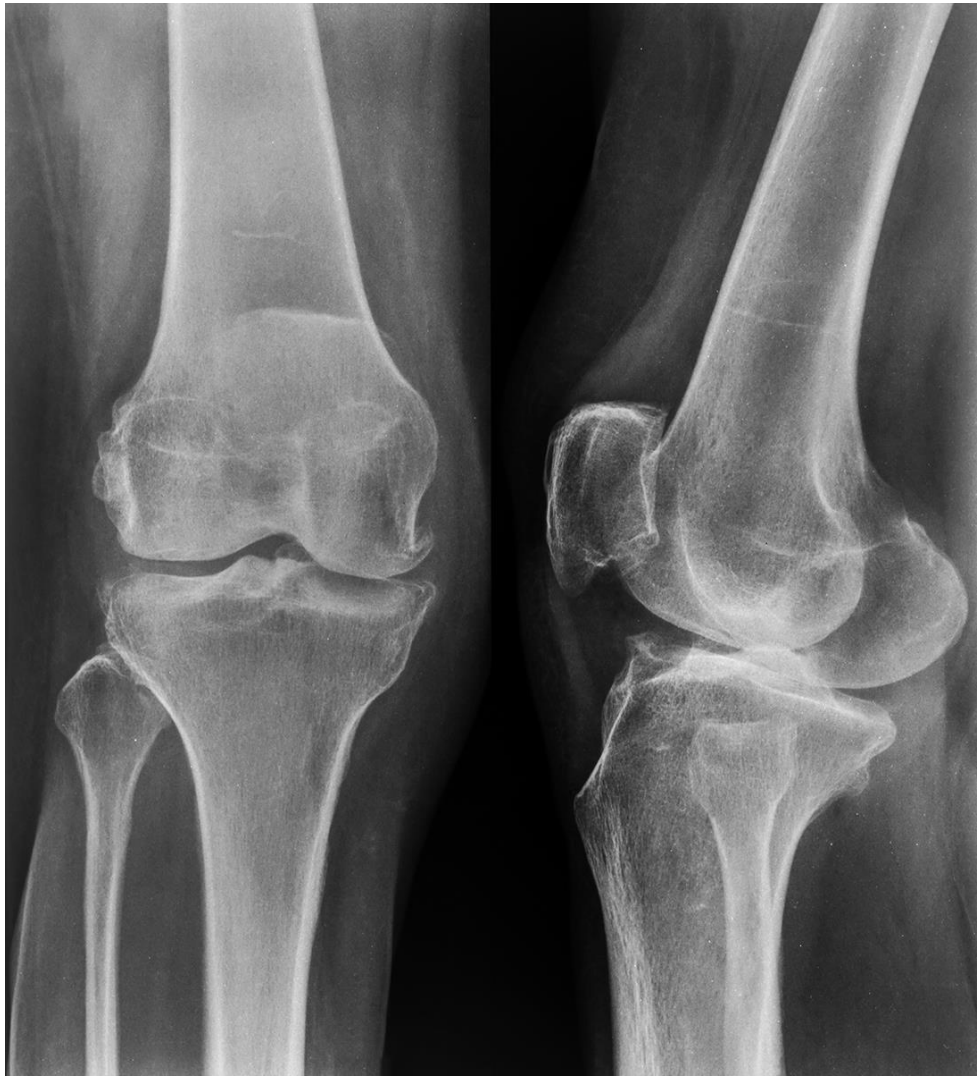
Since the 1990's the average age at diagnosis of OA has fallen from age 72 to 56

OA affects 14% of adults aged 25 and older and 34% of those aged 65 and older

Accounts for >$185B in annual U.S. healthcare expenditures

Approximately 40% of Medicare patients with OA are prescribed opioids and 2015 Part D spending for these drugs exceeded $4 billion[1,2]

Currently over 30 million adults living in the U.S. have OA and that number is expected to grow in the coming years driven by aging, obesity and increasingly sports injuries[3]



1. Wright EA, Katz JN, Abrams S, Solomon DH, Losina E. Trends in prescription of opioids from 2003-2009 in persons with knee osteoarthritis. Arthritis Care Res (Hoboken). 2014;66(10):1489-95.
2. Williams AR, Bisaga A. From AIDS to opioids – how to combat an epidemic. N Engl J Med 2016;375(9):813-815
3. Cisternas MG, Murthy L, Sacks JJ, Solomon DH, Pasta DJ, Helmick CG. Alternative Methods for Defining Osteoarthritis and the Impact on Estimating Prevalence in a US Population-Based Survey. Arthritis Care Res (Hoboken). 2016 May;68(5):574-80.

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ZILRETTA: The First and Only FDA-Approved Extended Release, Intra-articular Therapy for OA Knee Pain

ZILRETTA is a non-opioid therapy which utilizes Flexion's proprietary PLGA[1] microsphere formulation to:

Provide rapid, substantial and persistent pain relief over 12 weeks, with a safety profile similar to placebo

Deliver extended release of medicine at the source of the patient's pain

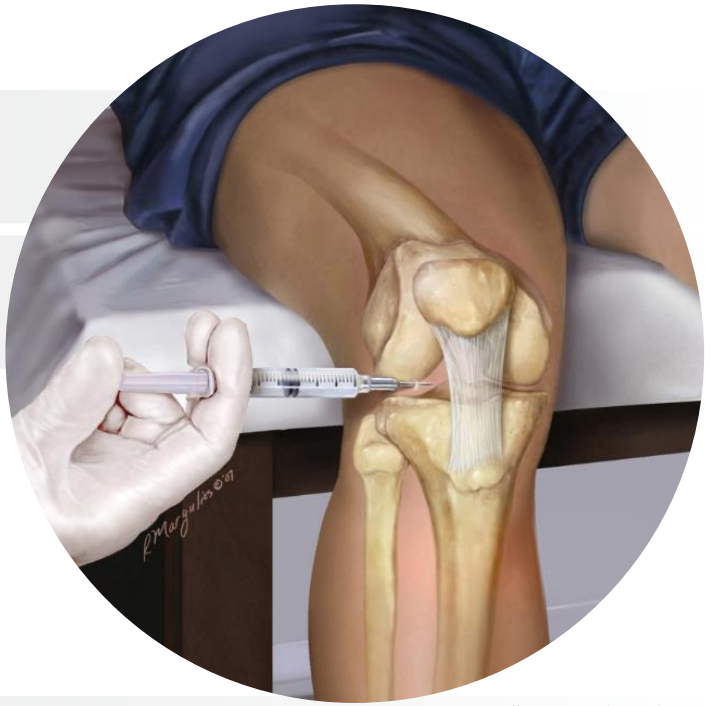
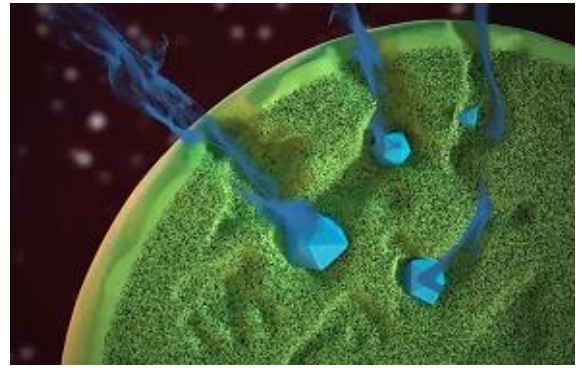
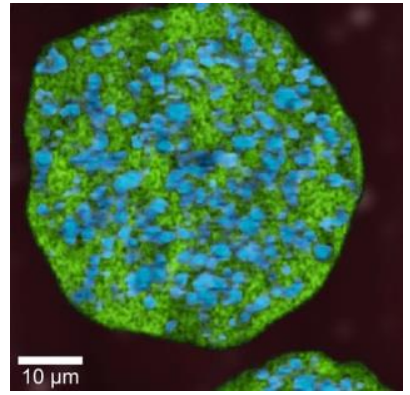


Illustration by Robert Margulies, M.S.



Controlled diffusion of TA via nano-channels



Green: PLGA matrix
Blue: TA crystals

ZILRETTA PK/PD studies showed:

Peak plasma concentrations were 11-fold lower than immediate release TA

Minimal effects on blood glucose vs immediate release TA in Type 2 diabetes patients with knee OA

[1]PLGA: poly(lactic-co-glycolic acid)

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Significant Commercial Potential for ZILRETTA in OA of the Knee

Patients treated for knee OA in 2018:
~15.2 M

Treated with intra-articular (IA) injection[1]:
~5M

Patients with steroid inj.: **~4.5M**
x
Average number of treatments per patient/year: **~1.5**

Patients with HA course: **~0.9 M**
x
Average number of treatments per patient/year: **~1.3**

IA Annual Treatments = ~7.9 M

1. *Patients may receive both HA and Steroid injections in the same year*
2. Source: IQVIA | PHARMETRICS PLUS HEALTH PLAN CLAIMS DATABASE, 2018 study year, Projected to the US Insured Population - All figures approximate.

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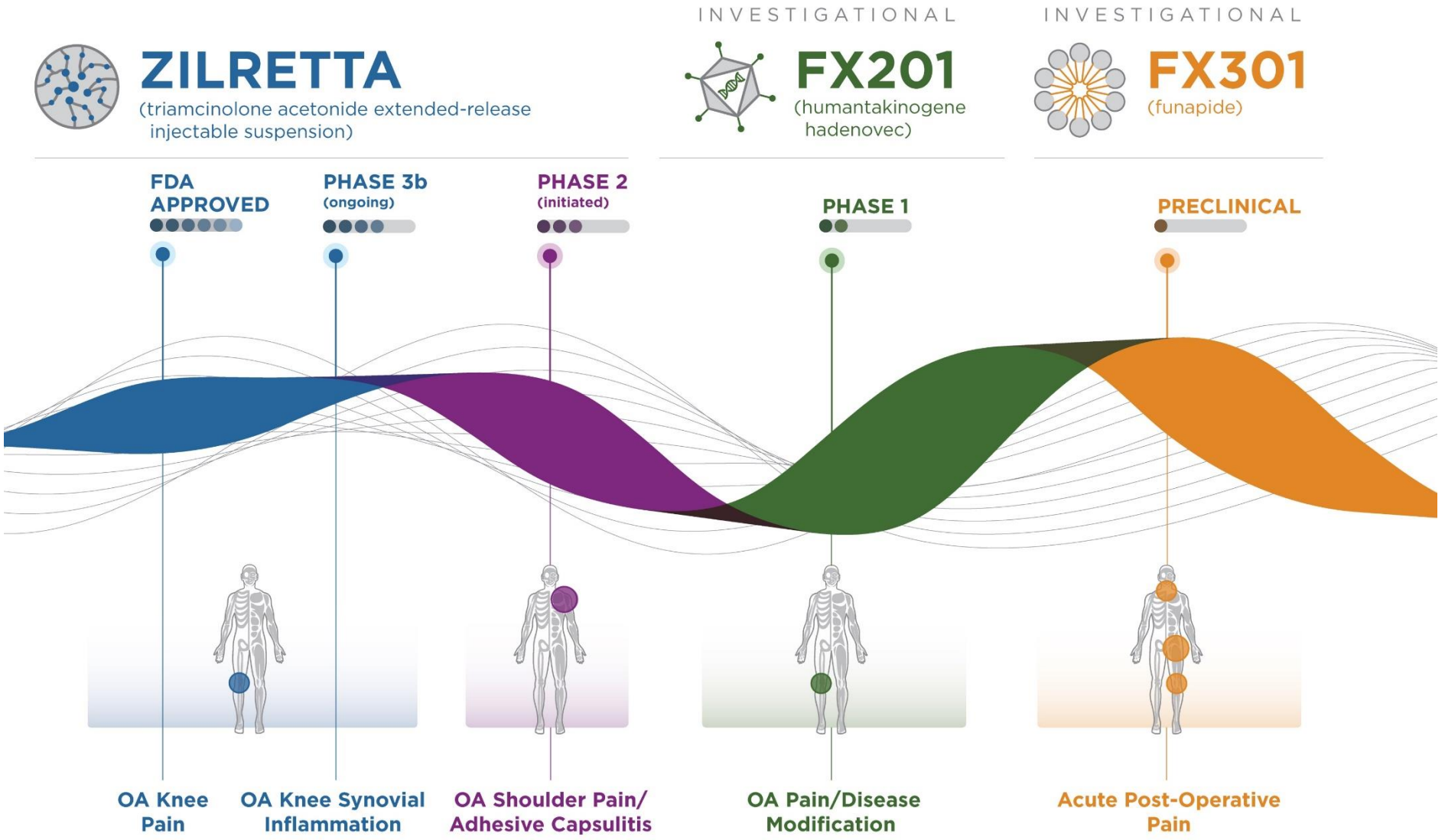
Building Flexion's Future

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