SYNERGY PHARMACEUTICALS

Q4 AND FULL YEAR 2017 UPDATE

March 1, 2018

SAFE HARBOR STATEMENT

This presentation and any statements made for and during any presentation or meeting contain forward-looking statements related to Synergy Pharmaceuticals Inc. under the safe harbor provisions of Section 21E of the Private Securities Litigation Reform Act of 1995 and are subject to risks and uncertainties that could cause actual results to differ materially from those projected. These statements may be identified by the use of forward-looking words such as "anticipate," "planned," "believe," "forecast," "estimated," "expected," and "intend," among others. There are a number of factors that could cause actual events to differ materially from those indicated by such forward-looking statements. These factors include, but are not limited to, the development, launch, introduction and commercial potential of TRULANCE™; growth and opportunity, including peak sales and the potential demand for TRULANCE, as well as its potential impact on applicable markets; market size; substantial competition; our ability to continue as a going concern; our need for additional financing; uncertainties of patent protection and litigation; uncertainties of government or third party payer reimbursement; dependence upon third parties; our financial performance and results, including the risk that we are unable to manage our operating expenses or cash use for operations, or are unable to commercialize our products, within the guided ranges or otherwise as expected; and risks related to failure to obtain FDA clearances or approvals and noncompliance with FDA regulations. As with any pharmaceutical under development, there are significant risks in the development, regulatory approval and commercialization of new products. There are no guarantees that future clinical trials discussed in this presentation will be completed or successful or that any product will receive regulatory approval for any indication or prove to be commercially successful.

Investors should read the risk factors set forth in our most recent periodic reports filed with the Securities and Exchange Commission, including our Form 10-K for the year ended December 31, 2017. While the list of factors presented here is considered representative, no such list should be considered to be a complete statement of all potential risks and uncertainties. Unlisted factors may present significant additional obstacles to the realization of forward-looking statements. Forward-looking statements included herein are made as of the date hereof, and we do not undertake any obligation to update publicly such statements to reflect subsequent events or circumstances except as required by law. The information in this presentation is not targeted at the residents of any particular country or jurisdiction and is not intended for distribution to, or use by, any person in any jurisdiction or country where such distribution or use would be contrary to local law or regulation.

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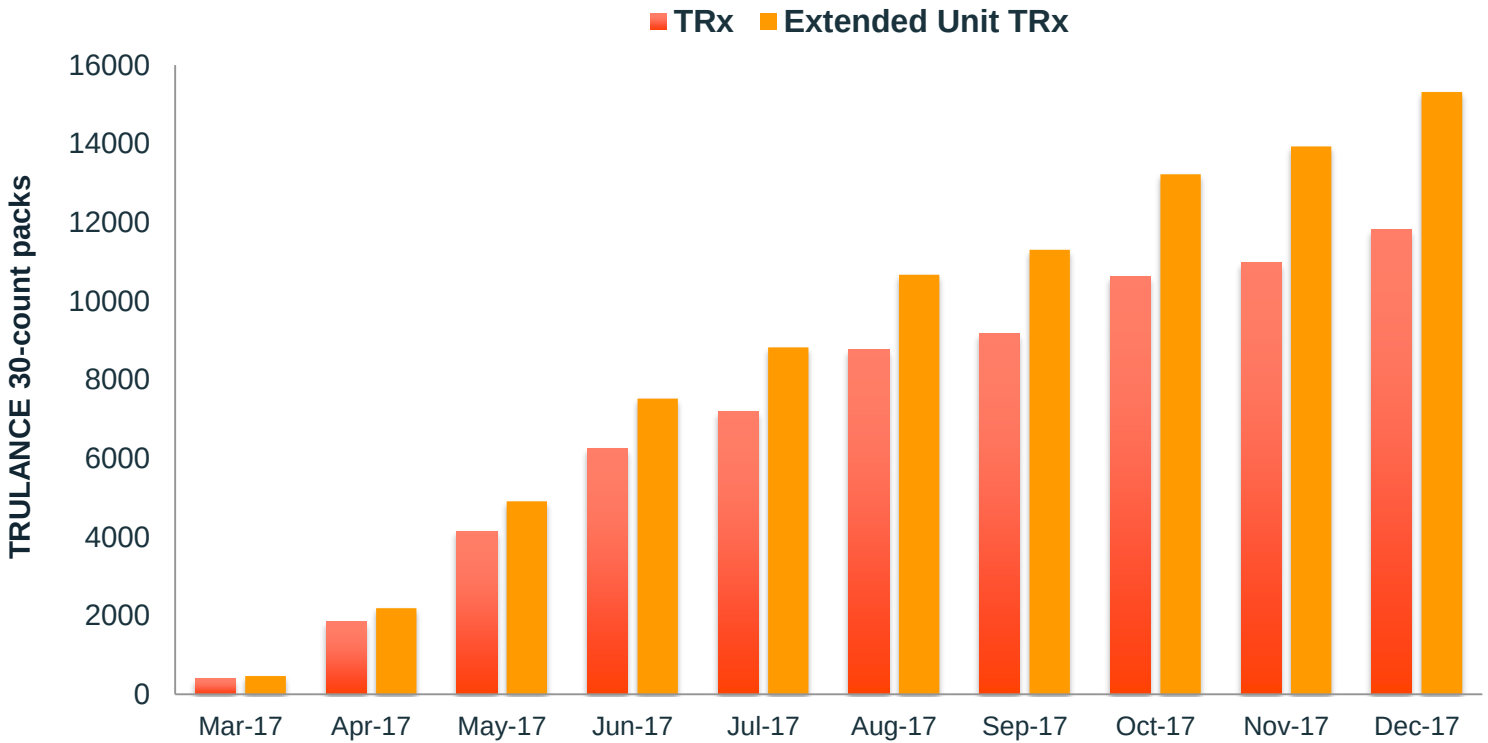
INTRODUCTION

Troy Hamilton
Chief Executive Officer

2017 MARKED BY SOLID EXECUTION – LAYING THE FOUNDATION FOR FUTURE SUCCESS

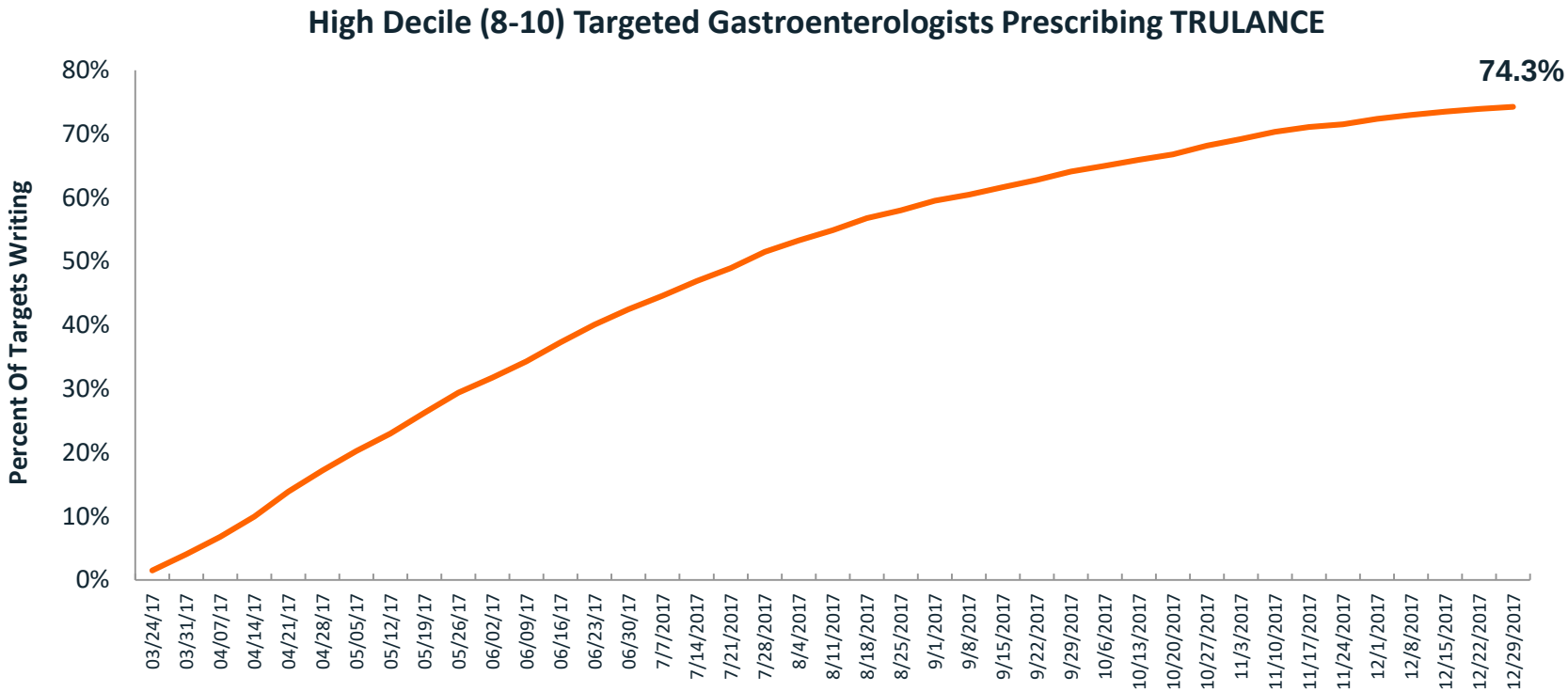
- Gained FDA approval and launched first product – TRULANCE®
- Drove strong customer demand with TRx volume up 70% on average month-over-month
- Established strong base with top gastroenterologists key for fueling future growth
- Activated the Rx-ready patient with almost half of prescriptions coming from patients new to branded Rx treatment
- Achieved over 85% commercial coverage, more than doubling since launch
- Grew Q4 net revenues to $9.4M totaling $16.8M for FY17
- Managed expenses and delivered solid Q4 operating results
- Submitted TRULANCE sNDA and achieved second FDA approval in IBS-C in January 2018

TRULANCE PRESCRIPTION VOLUME GROWING CONSISTENTLY SINCE LAUNCH



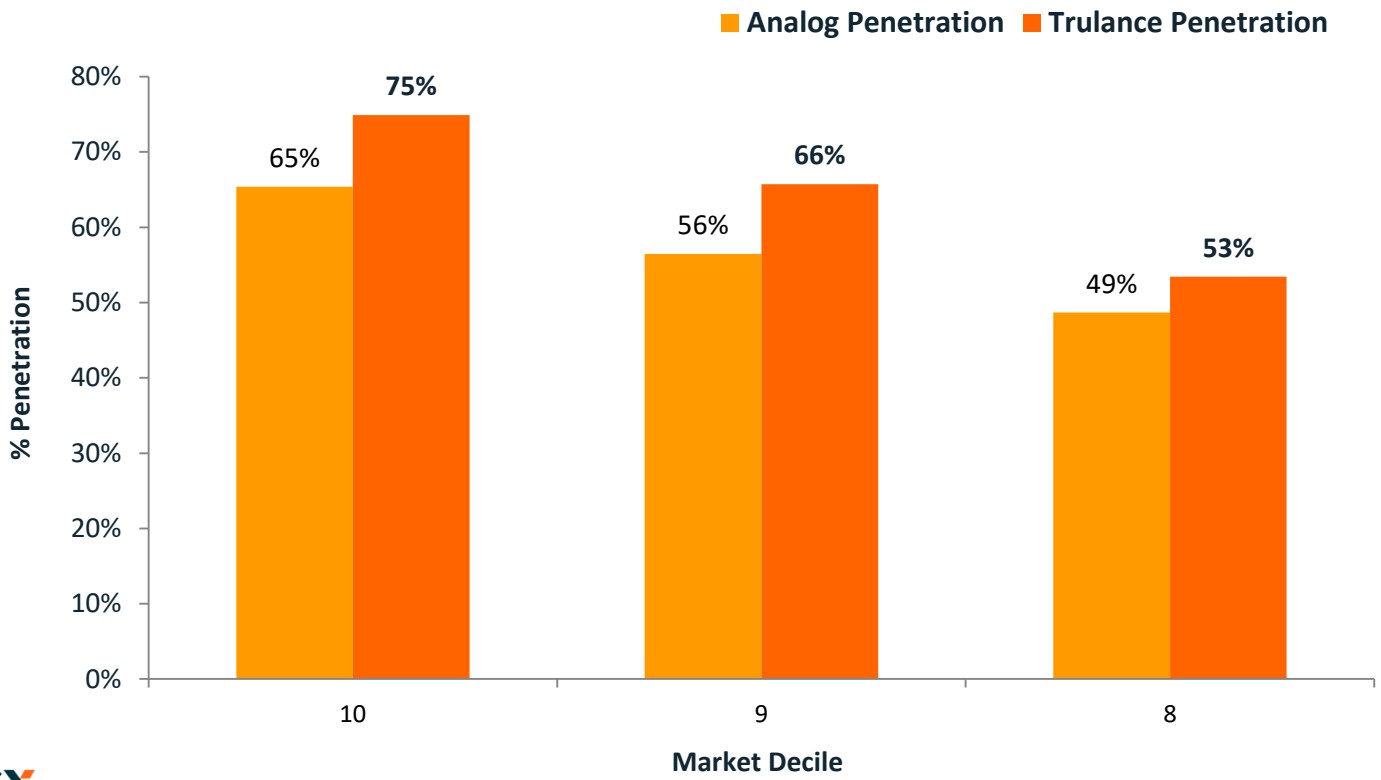
Source: IQVIA, Mar – Dec 2017

TRULANCE PENETRATION OF KEY TARGETED HIGH DECILE WRITERS IS OVER 70%



Source: QI XPT, launch through w/e 12/29/17; n=2704

TRULANCE OUTPERFORMING LAUNCH PENETRATION OF HIGH DECILE WRITERS VS. SIMILAR LAUNCH ANALOGS



Source: IQVIA, Mar – Dec 2017

2018 KEY BUSINESS PRIORITIES

- **OPTIMIZING THE VALUE OF TRULANCE**
  - Continuing to grow market share in CIC
  - Accelerating TRULANCE uptake with new IBS-C indication and newly integrated field force
  - Pulling-through market access wins and expanding coverage
- **ENSURING STRONG FINANCIAL FOUNDATION**
  - Achieving cost efficiencies and maintaining disciplined expense management
  - Prioritizing key commercial investments in high-return top-line growth drivers
  - Ensuring continued access to capital and financial flexibility
- **EXPLORING ALL STRATEGIC AND BUSINESS DEVELOPMENT OPPORTUNITIES**
  - Evaluating all options to maximize TRULANCE and dolcanatide
  - Leveraging commercial infrastructure and GI expertise

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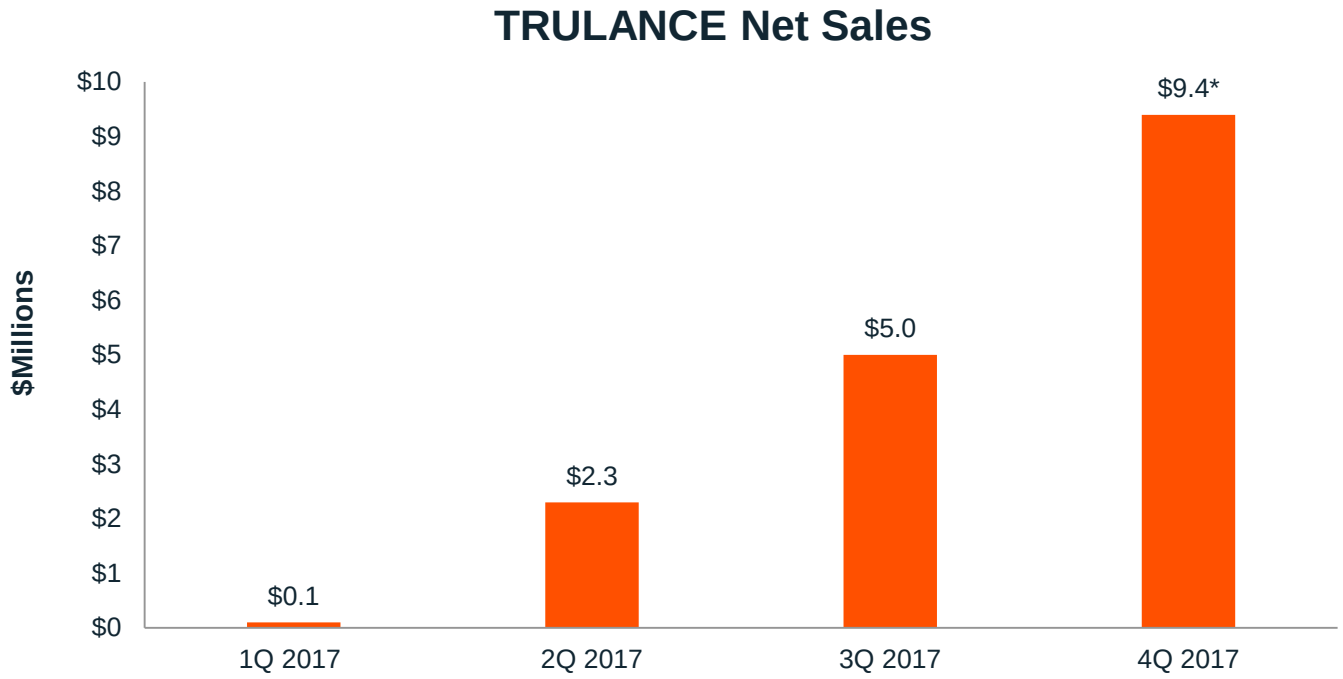
FINANCIAL UPDATE

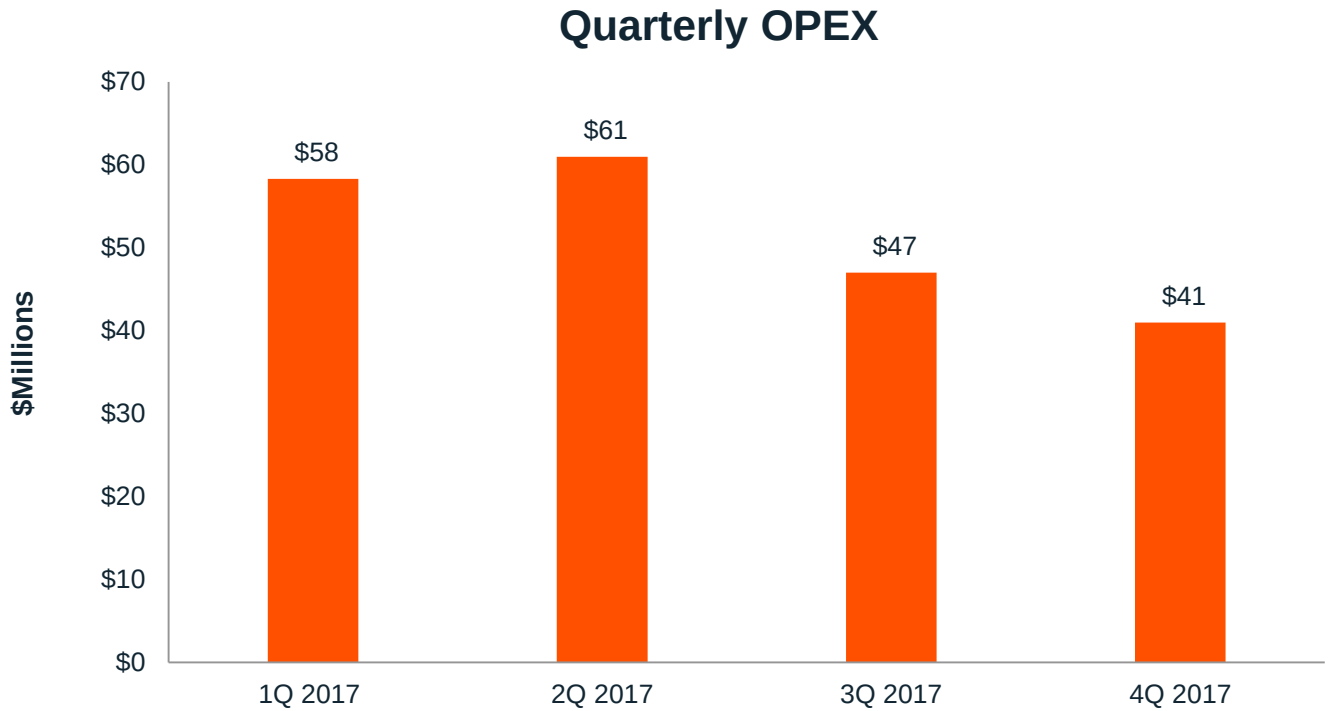
Gary Gemignani
Chief Financial Officer

TRULANCE DEMAND DRIVING SOLID REVENUE GROWTH



*** Includes $1.9 of sales previously recorded as deferred revenue**
Source: Company data
Note: Trulance Launched March 20, 2017

PRIORITIZING INVESTMENTS AND MAINTAINING DISCIPLINED EXPENSE MANAGEMENT



Source: Company data
Notes: Quarterly OPEX excludes stock based compensation; Trulance Launched March 20, 2017

2018 FINANCIAL PRIORITIES

- Ensuring continued access to capital and financial flexibility
  - Modified second tranche of $100 million CRG debt into three sub-tranches in 2018
- Achieving cost efficiencies and maintaining disciplined expense management
  - Reduced Q4 2017 OPEX by 13% from Q3 2017
  - Projecting total OPEX in range of $175-185 million for 2018, a reduction of 10-15% from 2017
- Prioritizing key commercial investments in high-return top-line growth drivers
  - Successfully integrated field force to coincide with IBS-C approval and launch

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Note: OPEX excludes stock based compensation

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Q&A

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EXHIBIT

RECONCILIATION OF GAAP TO NON GAAP MEASURES

$000's	Q1 2017	Q2 2017	Q3 2017	Q4 2017	FY 2017
R&D	$ 18,411	$ 22,069	$ 5,876	$ 1,990	$ 48,346
Less: SBC	$ (1,873)	$ 80	$ (477)	$ (516)	$ (2,786)
R&D, net of SBC	$ 16,538	$ 22,149	$ 5,399	$ 1,474	$ 45,560
SG&A	$ 42,788	$ 52,185	$ 45,110	$ 41,779	$ 181,862
Less: SBC	$ (1,024)	$ (13,378)	$ (3,411)	$ (2,116)	$ (19,929)
SG&A, net of SBC	$ 41,764	$ 38,807	$ 41,699	$ 39,663	$ 161,933
OPEX, net of SBC	$ 58,302	$ 60,956	$ 47,098	$ 41,137	$ 207,493

DISCLOSURE REGARDING NON-GAAP FINANCIAL MEASURES

Synergy excludes stock-based compensation expense from its research & development expenses, selling, general & administrative expenses and total operating expenses. We believe that the non-GAAP measure, when viewed in addition to and not in lieu of our reported GAAP results, assists investors in understanding our results of operations.

Management excludes stock-based compensation expense when evaluating its performance from period to period because such expenses do not require cash settlement and because such expenses are not used by management to assess the performance of the Company's business.

Management believes this non-GAAP information is useful for investors, taken in conjunction with Synergy's GAAP financial statements, because it provides greater transparency and period-over-period comparability with respect to Synergy's operating performance. These measures are also used by management to assess the performance of the business. Investors should consider these non-GAAP measures only as a supplement to, not as a substitute for or as superior to, measures of financial performance prepared in accordance with GAAP. In addition, these non-GAAP financial measures are unlikely to be comparable with non-GAAP information provided by other companies.