Jefferies Global Healthcare Conference
Ronald W. Barrett, Ph.D.
Chief Executive Officer
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These slides and the accompanying oral presentation by XenoPort, Inc. contain forward-looking statements that involve risks and uncertainties, including statements relating to the commercial opportunity and value proposition for HORZIANT; potential future sales and commercialization activity for HORIZANT and REGNITE; the XP23829 clinical development program, including the initiation or conduct of planned or potential future clinical trials and regulatory submissions and the timing thereof; expected patent coverage; and the therapeutic and commercial potential of XP23829. XenoPort can give no assurance with respect to these statements, and we assume no obligation to update them. For detailed information about the risks and uncertainties that could cause actual results to differ materially from those implied by, or anticipated in, these forward-looking statements, please refer to the Risk Factors section of our Quarterly Report on Form 10-Q for the quarter ended March 31, 2014 and filed with the SEC.
**Background on XenoPort**

- Founded in 1999; IPO in 2005
- 92 full-time employees at December 31, 2013
- Developed innovative biology/chemistry platform to improve drug efficacy, tolerability, compliance
- Discovered and developed 4 patented mid/late stage or marketed compounds

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<tr>
<th>Compounds</th>
<th>Stage</th>
<th>Partner</th>
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<tr>
<td>Gabapentin ENACARBIL</td>
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<td>Restless Legs Syndrome – U.S.</td>
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<td>Postherpetic Neuralgia – U.S.</td>
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<td>Restless Legs Syndrome – Japan</td>
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<td>XP23829</td>
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<td>Psoriasis</td>
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<td>Relapsing Forms of MS</td>
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<td>Arbaclofen Placarbil</td>
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<td>Alcohol Use Disorders</td>
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<td>XP21279</td>
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<td>Parkinson’s Disease</td>
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*Jefferies Healthcare Conference*
$122.5 million of cash, cash equivalents and short-term investments at 3/31/14

Operations expected to be funded through 2015

Additional $25 million in non-dilutive cash expected in 2014 associated with licensing agreement announced 5/15/14*

No debt

All financial data as of March 31, 2014.

*Subject to antitrust clearance of transaction
XenoPort’s Strategy

袒 Build significant value for HORIZANT® (gabapentin enacarbil) Extended-Release Tablets
  • Potential revenue through partnership or through achieving profitability of commercial effort
  • Provide funding source to capture the most value for XP23829

袒 Advance development of XP23829 as potential treatment for psoriasis and/or relapsing forms of multiple sclerosis

袒 Monetize other assets and create “additional shots on goal” through partnering
Monetizing/Creating Opportunity for Other Assets
Arbaclofen Placarbil Agreement with Reckitt Benckiser Pharmaceuticals

- Exclusive world-wide rights granted to Reckitt Benckiser Pharmaceuticals (RBP) announced on May 15, 2014\(^1\)
- Initial development focus: Alcohol Use Disorder
- $20 million up-front plus $5 million on technology transfer completion
- Up to $70 million in development and regulatory milestones
- Up to $50 million in commercial milestones
- Tiered double-digit royalty payments up to mid-teens on a percentage basis on potential future net sales in the U.S.
- High single-digit royalty payments on potential future sales outside the U.S.

\(^1\) Subject to antitrust clearance of transaction
RBP is the world’s largest addiction treatment business
- $1.3 billion (USD) 2013 sales

Long-standing track record with patients and physicians
- 5 million patients treated with Suboxone therapy (treats opioid addiction)
- ~ 27,500 certified prescribing physicians

Well funded for future development of arbaclofen placarbil
- ~ $720M in 2013 Operating Profit

1 Subject to clearance of transaction through HSR
HORIZANT®
(gabapentin enacarbil)
Extended-Release Tablets
HORIZANT
Background/History

- Discovered and developed by XenoPort for moderate-to-severe primary RLS in adults

- U.S. composition-of-matter patent expires 2022
  - Patent term extension requested into 2025

- FDA approved for moderate-to-severe primary RLS in adults in April 2011
  - Launched by GSK in July 2011

- FDA approved for the management of PHN in adults in June 2012
  - Never launched for the indication by GSK

- Re-acquired by XenoPort in May 2013
  - Stock-out by GSK in 2013 prior to product return

- XenoPort began promotional efforts in June 2013

 Please review the full prescribing and safety information for HORIZANT. The most common adverse reactions of HORIZANT in RLS patients: somnolence/sedation and dizziness, and in PHN patients: somnolence, dizziness and headache.
Gabapentin enacarbil is a member of the alpha-2-delta ligand class of drugs (gabapentin, pregabalin)

Gabapentin enacarbil is an actively transported prodrug of gabapentin that addresses the pharmacokinetic deficiencies of gabapentin

HORIZANT provides dose-proportional exposure to gabapentin

HORIZANT is the only extended-release alpha-2-delta product

HORIZANT is not interchangeable with other gabapentin products because of differing pharmacokinetic profiles

Please review the full prescribing and safety information for HORIZANT. The most common adverse reactions of HORIZANT in RLS patients: somnolence/sedation and dizziness, and in PHN patients: somnolence, dizziness and headache.
Over 5 million U.S. adults suffer from moderate-to-severe primary RLS

Widespread use of dopamine agonists

Growing awareness of issues related to dopamine agonist use in treatment of RLS
  - New treatment guidelines

Sources: RLS Prevelance-NINDs, NIH, Sleep Medicine, Volume 14, No. 7, 2013, Mayo Clinic Proceedings, Volume 88, No. 9, 2013, Sleep, Vol. 35, No. 8, 2012
HORIZANT Attributes for RLS

- First and only non-dopamine agonist approved for the treatment of moderate-to-severe primary RLS in adults
- Proven effective in relieving RLS symptoms (clinical trial data)
  - 73% of patients taking HORIZANT 600 mg were “much improved” or “very much improved” on CGI-I Scale at Week 12 vs. 45% of patients on placebo
  - Patients taking HORIZANT 600 mg achieved a 41% greater reduction in IRLS score at Week 12 compared to patients on placebo
  - Most common AEs were somnolence/sedation and dizziness
- Convenient once-a-day dosing
- No titration to approved dose
- Shows no evidence of augmentation, rebound or impulse control disorders
- Recognized in recently published treatment guidelines

Please review the full prescribing and safety information for HORIZANT. The most common adverse reactions of HORIZANT in RLS patients: somnolence/sedation and dizziness, and in PHN patients: somnolence, dizziness and headache.
IRLS study group (IRLSSG) task force recommends that alpha-2-delta ligands should be considered for first-line treatment for patients with RLS.

WED Foundation revised consensus statement on the management of RLS recommends alpha-2-delta ligands should be considered for initial treatment for patients with RLS.

American Academy of Sleep Medicine identified gabapentin enacarbil as the only alpha-2-delta ligand with high level of evidence of efficacy for patients with RLS.

Postherpetic Neuralgia (PHN)

- Results from damage that occurs to the peripheral nerve fibers during a shingles outbreak
- Pain associated with PHN can be very intense
- About 200,000 patients suffer from PHN in the U.S.
- Clear unmet medical need
  - ~30% of patients receive ≥50% reduction in PHN pain with gabapentin, the most widely used agent to treat PHN

Sources: Decision Resources, Inc. 2010, Neurontin Product Label
Simple dosing
- Three days at 600 mg QD
- 4th day at approved 600 mg BID dose

Effective at one week

Pharmacokinetic differentiation
- High bioavailability (75%)
- Sustained 24-hr gabapentin blood levels (Peak/Trough = 1.5)
- “Not interchangeable with other gabapentin products” (FDA label)

Pivotal trial showed 42% of PHN patients experienced ≥50% pain intensity score from baseline

24-hour pain reduction

Please review the full prescribing and safety information for HORIZANT. The most common adverse reactions of HORIZANT in RLS patients: somnolence/sedation and dizziness, and in PHN patients: somnolence, dizziness and headache.
XenoPort’s Initial Strategy – Demonstrate that HORIZANT is Promotionally Responsive

Strategy
• Measure responsiveness quickly and efficiently
• Build value in HORIZANT to provide strategic optionality (monetize or grow business)
• Closely monitor results to make sure continued investment is warranted

Tactics
• Leverage $40 million and 50 metric tons of active ingredient acquired as part of settlement
• Implement state-of-the-art promotional tools
• Personal promotion and marketing efforts focused in 40 territories

- XenoPort sales specialists call on ~10% of the potential market
- ~40 sales reps vs. former partner’s ~300
HORIZANT Prescription Growth Coming from XenoPort Promotion

Weekly HORIZANT Prescribed Tablets

Former Partner Stockout

XenoPort Commercialization Begins

XenoPort Promoted Territories

Non-Promoted Territories

Tablets per Week


63,599

13,506

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Please review the full prescribing and safety information for HORIZANT. The most common adverse reactions of HORIZANT in RLS patients: somnolence/sedation and dizziness, and in PHN patients: somnolence, dizziness and headache. Patients with renal insufficiency require a modified dose."
4-Week Rolling Average - HORIZANT Prescribed Tablets
May 31, 2013 to May 9, 2014

69,645 tablets at current WAC price = $489,125 / week

Achieved with 40 sales reps promoting to physicians that represent ~10% of the potential market
XP23829 for Potential Treatment of Psoriasis and/or Relapsing Forms of MS
FUMADERM (mixture of dimethylfumarate and monoethyl fumarate salts)
  • Approved in 1990s and widely used for the treatment of psoriasis in Germany

TECFIDERA (dimethylfumarate)
  • Approved in March 2013 in the United States and February 2014 in EU for the treatment of relapsing forms of MS
  • Q1 2014 TECFIDERA revenues were $506 million ($460 million in U.S.; $46 million in sales outside the U.S.)

XP23829 has novel chemical structure that produces the same active metabolite as TECFIDERA (dimethylfumarate)
DMF and XP23829 are Prodrugs of the Same Active Moiety MMF
Potential Advantages and Areas of Differentiation

- Lower incidence/less severe GI side effects and flushing
  - Improved compliance; fewer treatment failures

- Onset and/or magnitude of efficacy
  - Earlier onset of immunomodulation

- Dosing frequency
  - Once-a-day rather than BID (TECFIDERA) or TID (FUMADERM)

- Indication
  - TECFIDERA and FUMADERM not approved for psoriasis in the U.S.
XP23829 development progress

- **Favorable physical properties** and stability of API and formulations
- Desired metabolism *in vitro*, in preclinical species and in humans
- Preclinical safety established, including 13-week toxicology studies in 3 animal species
- Demonstrated **efficacy** in animal models of MS and psoriasis
- Completed 3 Phase 1 trials establishing human PK, metabolites and disposition
- Demonstrated lower contact sensitization and GI irritation than DMF in preclinical studies
- Identified 2 **formulations** with MMF exposure similar to TECFIDERA, including 1 with an extended-release profile
- Demonstrated **known pharmacodynamic effects** with once-a-day dosing in humans
Planned Phase 2 psoriasis study expected to be quickest and most cost effective way to assess the efficacy, tolerability, safety and dose-response of XP23829

- Sufficient clinical trial material currently in hand
- 13-week duration of current toxicology study sufficient
- Established treatment effects of FUMADERM/TECFIDERA (low placebo)
  - Effective at 12-weeks
  - 50 subjects per arm
  - Can include multiple arms (once-a-day and lower doses)
- Can be enrolled in North America

Optimal dose(s) could translate to MS, based on TECFIDERA precedent
Ability to Establish Dose Response and Onset: TECFIDERA in Psoriasis

Phase 2 Psoriasis Study

Median Percent Reductions from Baseline PASI

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<tr>
<th></th>
<th>Placebo (n=36)</th>
<th>120 mg/Day (n=36)</th>
<th>360 mg/Day (n=36)</th>
<th>720 mg/Day (n=36)</th>
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<tbody>
<tr>
<td>Week 12</td>
<td>6%</td>
<td>31%</td>
<td>52%</td>
<td>71%</td>
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Biogen Press Release 2004
Langner, J Am Acad Dermatol 2005
Similar Dose Response for TECFIDERA in Psoriasis & Relapsing Forms of MS

Phase 2 Psoriasis Study

Median Percent Reductions from Baseline PASI

- Placebo (n=36): 6%
- 120 mg/Day (n=36): 31%
- 360 mg/Day (n=36): 52%
- 720 mg/Day (n=36): 71%

Week 12

Biogen Press Release 2004
Langner, J Am Acad Dermatol 2005

Phase 2 Relapsing Forms of MS Study

Number of New GdE Lesions (week 12-24)

- Placebo (N=65): 4.5
- 120 mg/day (N=64): 3.3
- 360 mg/day (N=64): 3.1
- 720 mg/day (N=64): 1.4

Kappos, Lancet 2008
Potential Milestones

829
• Initiation of 829 Phase 2 psoriasis study by mid-year
• Top-line data expected 12-14 months after initiation

HORIZANT
• Continued growth of prescriptions and net sales
• Potential partnership to expand promotional effort

Arbaclofen Placarbil
• Initiation by RBP of a Phase 2 study for alcohol use disorder
Thank You