Horizon Pharma plc

2014 Irish Statutory Accounts

Horizon Pharma Public Limited Company

CONTENTS

Horizon Pharma Public Limited Company

DIRECTORS AND OTHER INFORMATION

Board of Directors at December 31, 2014

Timothy P. Walbert
Michael Grey
William F. Daniel
Jeff Himawan, Ph.D.
Virinder Nohria, M.D., Ph.D.
Ronald Pauli
Gino Santini
H. Thomas Watkins

Secretary and Registered Office

David G. Kelly
Connaught House
1st Floor
1 Burlington Road
Dublin 4
Ireland

Registered Number: 507678

Auditors

PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
One Spencer Dock
North Wall Quay
Dublin 1
Ireland

Horizon Pharma Public Limited Company

DIRECTORS' REPORT

The directors present their report and the audited financial statements of the Company (as defined below) for the year ended December 31, 2014.

Basis of Presentation

The accompanying consolidated financial statements reflect the consolidated operations of Horizon Pharma Public Limited Company ("Horizon Pharma plc") and its subsidiaries.

On September 19, 2014, the businesses of Horizon Pharma, Inc. ("HPI") and Vidara Therapeutics International Public Limited Company ("Vidara") were combined in a merger transaction (the "Merger"), accounted for as a reverse acquisition under the acquisition method of accounting for business combinations, with HPI treated as the acquiring company in the Merger for accounting purposes. As part of the Merger, a wholly-owned subsidiary of Vidara merged with and into HPI, with HPI surviving the Merger as a wholly-owned subsidiary of Vidara and Vidara changed its name to Horizon Pharma plc ("New Horizon" or the "Company").

Unless otherwise indicated or the context otherwise requires, references to the "Company", the "Group", "New Horizon", "we", "us" and "our" refer to Horizon Pharma plc and its consolidated subsidiaries, including its predecessor, HPI. All references to "Vidara" are references to Horizon Pharma plc (formerly known as Vidara Therapeutics International Public Limited Company) and its consolidated subsidiaries prior to the effective time of the Merger on September 19, 2014. The disclosures in this report relating to the pre-Merger business of Horizon Pharma plc, unless noted as being the business of Vidara prior to the Merger, pertain to the business of HPI prior to the Merger.

Upon the consummation of the Merger, the historical financial statements of HPI became the Group's historical financial statements. Accordingly, the historical financial statements of HPI are included in the comparative prior periods in the consolidated financial statements.

The directors have elected to prepare the consolidated financial statements in accordance with section 1 of the Companies (Miscellaneous Provisions) Act, 2009, which provides that a true and fair view of the state of affairs and profit or loss may be given by preparing the financial statements in accordance with accounting principles generally accepted in the United States of America ("US GAAP"), as defined in Section 1 (1) of the Companies (Miscellaneous Provisions) Act, 2009, to the extent that the use of those principles in the preparation of the financial statements does not contravene any provision of the Irish Companies Acts (collectively, the "Companies Act") or of any regulations made thereunder.

Reorganization

On March 18, 2014, the Company, Vidara Therapeutics Holdings LLC, a Delaware limited liability company ("Vidara Holdings"), Vidara, Hamilton Holdings (USA), Inc., a Delaware corporation and an indirect wholly-owned subsidiary of Vidara ("U.S. HoldCo"), and Hamilton Merger Sub, Inc., a Delaware corporation and a wholly-owned subsidiary of U.S. HoldCo ("Merger Sub"), entered into a Transaction Agreement and Plan of Merger (the "Merger Agreement"). The Merger Agreement provided for the merger of Merger Sub with and into HPI, with HPI continuing as the surviving corporation and as a wholly-owned, indirect subsidiary of Vidara, with Vidara converting to a public limited company and changing its name to Horizon Pharma plc.

At the effective time of the Merger on September 19, 2014 (the "Effective Time"), (i) each share of HPI's common stock issued and outstanding was converted into one ordinary share of New Horizon; (ii) each equity plan of HPI was assumed by New Horizon and each outstanding option under HPI's equity plans was converted into an option to acquire the number of ordinary shares of New Horizon equal to the number of common stock underlying such option immediately prior to the Effective Time at the same exercise price per share as such option of HPI, and each other stock award that was outstanding under HPI's equity plans was converted into a right to receive, on substantially the same terms and conditions as were applicable to such equity award before the Effective Time, the number of ordinary shares of New Horizon equal to the number of shares of HPI's common stock subject to such stock award immediately prior to the Effective Time; (iii) each warrant to acquire HPI's common stock outstanding immediately prior to the Effective Time and not terminated as of the Effective Time was converted into a warrant to acquire, on substantially the same terms and conditions as were applicable under such warrant before the Effective Time, the number of ordinary shares of New Horizon equal to the number of shares of HPI's common stock underlying such warrant immediately prior to the Effective Time; and (iv) the Convertible Senior Notes of HPI remained outstanding and, pursuant to a supplemental indenture entered into effective as of the Effective Time, have become convertible into the same number of ordinary shares of New Horizon at the same conversion rate in effect immediately prior to the Effective Time. Vidara Holdings retained ownership of 31,350,000 ordinary shares of New Horizon at the Effective Time. Upon consummation of the Merger (the "Closing"), the security holders of HPI (excluding the holders of HPI's Convertible Senior Notes) owned approximately 74% of New Horizon and Vidara Holdings owned approximately 26% of New

Horizon. At the Closing, New Horizon made a cash payment of $210.9 million to Vidara Holdings and $2.7 million to Citibank N.A. as escrow agent under an escrow agreement associated with the Merger.

Principal Activities

Horizon Pharma plc is the ultimate parent company of a specialty biopharmaceutical group that is focused on improving patients' lives by identifying, developing, acquiring or in-licensing and commercializing differentiated products that address unmet medical needs. We market a portfolio of products in arthritis, inflammation and orphan diseases. Our U.S. marketed products are ACTIMMUNE ® (interferon gamma-1b), DUEXIS ® (ibuprofen/famotidine), PENNSAID® (diclofenac sodium topical solution) 2% w/w ("PENNSAID 2%"), RAYOS® (prednisone) delayed-release tablets and VIMOVO® (naproxen/esomeprazole magnesium). We developed DUEXIS and RAYOS/LODOTRA®, acquired the U.S. rights to VIMOVO from AstraZeneca AB ("AstraZeneca") in November 2013, acquired the U.S. rights to ACTIMMUNE as a result of the Merger, and acquired the U.S. rights to PENNSAID 2% from Nuvo Research Inc. ("Nuvo") in October 2014. We market our products in the United States through a combined field sales force of approximately 375 representatives consisting of approximately 325 primary care sales representatives and 50 sales representatives in our specialty and orphan diseases business areas.

Business Results and Review

2014 and 2013 Strategic Transactions

During 2014, we announced the following strategic transactions that impacted our results of operations and will continue to have an impact on our future operations.

Merger with Vidara/ACTIMMUNE

On September 19, 2014, as a result of the Merger, we began marketing ACTIMMUNE, a bioengineered form of interferon gamma-1b, a protein that acts as a biologic response modifier. In the United States ACTIMMUNE is approved by the U.S. Food and Drug Administration ("FDA") for use in children and adults with chronic granulomatous disease ("CGD") and severe, malignant osteopetrosis ("SMO"). ACTIMMUNE is indicated for reducing the frequency and severity of serious infections associated with CGD and for delaying time to disease progression in patients with SMO. We also plan to study ACTIMMUNE for potential additional indications, and the FDA has agreed to the primary endpoint for a Phase 3 study that will evaluate ACTIMMUNE in the treatment of Friedreich's Ataxia ("FA"). In February 2015, we submitted an Investigational New Drug ("IND") application and anticipate the Phase 3 clinical study related to FA will begin enrolling patients in the second quarter of 2015.

Acquisition of PENNSAID 2%

On October 17, 2014, we acquired the U.S. rights to PENNSAID 2% from Nuvo for $45.0 million in cash. PENNSAID 2% is approved in the United States for the treatment of the pain of osteoarthritis ("OA") of the knee(s). As part of the acquisition, we entered into an exclusive eight-year supply agreement with Nuvo under which Nuvo will supply us product. We began marketing PENNSAID 2% in January 2015. In connection with our PENNSAID 2% acquisition, we expanded our primary care sales force by 75 additional representatives. Our primary care representatives are now marketing DUEXIS, PENNSAID 2% and VIMOVO.

Acquisition of VIMOVO

On November 18, 2013, we entered into agreements with AstraZeneca pursuant to which we acquired from AstraZeneca and its affiliates certain intellectual property and other assets, and assumed from AstraZeneca and its affiliates certain liabilities, each with respect to VIMOVO, and obtained rights to develop other pharmaceutical products that contain gastroprotective agents in a single fixed combination oral solid dosage form with nonsteroidal anti-inflammatory drugs ("NSAIDs") in the United States. VIMOVO is a proprietary, fixed-dose, multi-layer, delayed-release tablet combining an enteric-coated naproxen, an NSAID, core and an immediate-release esomeprazole, a proton pump inhibitor ("PPI") layer surrounding the core. VIMOVO was originally developed by Pozen Inc., ("Pozen"), together with AstraZeneca pursuant to an exclusive global collaboration and license agreement. On April 30, 2010, the FDA approved VIMOVO for the relief of the signs and symptoms of OA, rheumatoid arthritis ("RA") and ankylosing spondylitis ("AS") and to decrease the risk of developing gastric ulcers in patients at risk of developing NSAID associated gastric ulcers.

We announced the availability of Horizon-labeled VIMOVO on January 2, 2014, at which time we also began marketing VIMOVO with our primary care sales force.

DOCKET ALARM

Explore Litigation Insights

Docket Alarm provides insights to develop a more informed litigation strategy and the peace of mind of knowing you're on top of things.

Real-Time Litigation Alerts

Keep your litigation team up-to-date with **real-time alerts** and advanced team management tools built for the enterprise, all while greatly reducing PACER spend.

Our comprehensive service means we can handle Federal, State, and Administrative courts across the country.

Advanced Docket Research

With over 230 million records, Docket Alarm's cloud-native docket research platform finds what other services can't. Coverage includes Federal, State, plus PTAB, TTAB, ITC and NLRB decisions, all in one place.

Identify arguments that have been successful in the past with full text, pinpoint searching. Link to case law cited within any court document via Fastcase.

Analytics At Your Fingertips

Learn what happened the last time a particular judge, opposing counsel or company faced cases similar to yours.

Advanced out-of-the-box PTAB and TTAB analytics are always at your fingertips.

API

Docket Alarm offers a powerful API (application programming interface) to developers that want to integrate case filings into their apps.

LAW FIRMS
Build custom dashboards for your attorneys and clients with live data direct from the court.

Automate many repetitive legal tasks like conflict checks, document management, and marketing.

FINANCIAL INSTITUTIONS
Litigation and bankruptcy checks for companies and debtors.

E-DISCOVERY AND LEGAL VENDORS
Sync your system to PACER to automate legal marketing.