HORIZON PHAMA PLC

RECONCILIATIONS OF GAAP REPORTED TO NON-GAAP ADJUSTED INFORMATION

November 6, 2015

EBITDA, or earnings before interest, taxes, depreciation and amortization, and adjusted EBITDA are used and provided by Horizon as non-GAAP financial measures. Horizon provides certain other financial measures such as adjusted net income, adjusted net income per share, adjusted gross profit and gross profit ratio, adjusted operating and other expenses and adjusted cash from operations, each of which include adjustments to GAAP figures. Adjustments to Horizon's GAAP figures as well as EBITDA exclude acquisition transaction related expenses, loss on debt extinguishment, as well as non-cash items such as share-based compensation, depreciation and amortization, royalty accretion, non-cash interest expense, and other non-cash adjustments. Certain other special items or substantive events may also be included in the non-GAAP adjustments periodically when their magnitude is significant within the periods incurred.

Horizon believes that these non-GAAP financial measures, when considered together with the GAAP figures, can enhance an overall understanding of Horizon's financial performance. The non-GAAP financial measures are included with the intent of providing investors with a more complete understanding of the Company’s historical and expected 2015 financial results and trends. In addition, these non-GAAP financial measures are among the indicators Horizon's management uses for planning and forecasting purposes and measuring the Company's performance.

These non-GAAP financial measures should be considered in addition to, and not as a substitute for, or superior to, financial measures calculated in accordance with GAAP. The non-GAAP financial measures used by the Company may be calculated differently from, and therefore may not be comparable to, non-GAAP financial measures used by other companies. Horizon has not provided reconciliation of an expected adjusted EBITDA outlook to an expected net income (loss) outlook because certain items that are a component of net income (loss) cannot be reasonably projected, either due to the significant impact of changes in Horizon's stock price on share-based compensation, the variability associated with acquisition-related expenses due to timing and other factors.

Horizon Pharma plc
Reconciliation of GAAP Net Income (Loss) to Non-GAAP Net Income (Unaudited)
(in thousands, except share and per share data)

	Three Months Ended Sept. 30,		Nine Months Ended Sept. 30,	
	2015	2014	2015	2014
	(Unaudited)		(Unaudited)	
Adjusted Non-GAAP Net Income:				
GAAP Net Income (Loss)	$ **3,277**	$ **2,063**	$ **15,538**	$ **(231,956)**
Non-GAAP Adjustments:				
Remeasurement of royalties for products acquired through business combinations	-	-	14,277	13,033
Acquisition related costs	14,498	31,477	64,841	45,651
Loss on derivative revaluation	-	-	-	214,995
Loss on induced conversion of debt and debt extinguishment	-	-	77,624	-
Bargain purchase gain	-	(22,171)	-	(22,171)
Amortization and accretion:				
Intangible amortization expense	41,707	6,413	91,217	16,469
Amortization of debt discount and deferred financing costs	5,480	2,421	13,328	7,087
Accretion of royalty liabilities	6,551	2,664	13,571	5,617
Amortizaton of inventory step-up adjustment	4,140	1,540	10,635	1,540
Share-based compensation	26,457	4,024	57,796	10,111
Depreciation expense	1,578	413	2,808	1,193
Royalties for products acquired through business combinations (1)	(8,854)	(6,366)	(20,890)	(12,062)
Total of pre-tax non-GAAP adjustments	91,557	20,415	325,207	281,463
Income tax adjustments (2)	22,178	(3,042)	(137,328)	(3,267)
Total of non-GAAP adjustments	113,735	17,373	187,879	278,196
Adjusted Non-GAAP Net Income	$ **117,012**	$ **19,436**	$ **203,417**	$ **46,240**
Adjusted Non-GAAP Earnings Per Share:				
Weighted average shares - Basic	**159,035,580**	**78,392,971**	**145,208,252**	**73,109,603**
Adjusted Non-GAAP Earnings Per Share - Basic:				
GAAP earnings (loss) per share - Basic	$ **0.02**	$ **0.03**	$ **0.11**	$ **(3.17)**
Non-GAAP adjustments	0.72	0.22	1.29	3.80
Adjusted Non-GAAP earnings per share - Basic	$ **0.74**	$ **0.25**	$ **1.40**	$ **0.63**
Weighted average shares - Diluted				
Weighted average shares - Basic	159,035,580	78,392,971	145,208,252	73,109,603
Ordinary share equivalents	7,795,220	35,258,496	8,797,419	35,577,854
Weighted average shares - Diluted	**166,830,800**	**113,651,467**	**154,005,671**	**108,687,457**
Adjusted Non-GAAP Net Income - Diluted				
Adjusted Non-GAAP Net Income	$ 117,012	$ 19,436	$ 203,417	$ 46,240
Add: Convertible debt interest expense, net of taxes	-	1,875	-	5,625
Adjusted Non-GAAP Net Income - Diluted	$ **117,012**	$ **21,311**	$ **203,417**	$ **51,865**
GAAP earnings (loss) per share - Diluted	$ **0.02**	$ **0.02**	$ **0.10**	$ **(3.17)**
Non-GAAP adjustments	0.68	0.20	1.22	3.81
Diluted earnings per share effect of ordinary share equivalents	-	(0.03)	-	(0.16)
Adjusted Non-GAAP earnings per share - Diluted	$ **0.70**	$ **0.19**	$ **1.32**	$ **0.48**

(1) Royalties for products acquired through business combinations relate to VIMOVO, ACTIMMUNE, RAVICTI and BUPHENYL.

(2) Adjustments to convert the income tax benefit/expense to the estimated amount of taxes that are payable in cash.

Horizon Pharma plc
Additional GAAP to Non-GAAP Reconciliations
EBITDA, Gross Profit and Operating Cash Flow (Unaudited)
(in thousands, except percentages)

	Three Months Ended Sept. 30,		Nine Months Ended Sept. 30,	
	2015	2014	2015	2014
	(Unaudited)		(Unaudited)	
EBITDA and Adjusted EBITDA:				
GAAP Net Income (Loss)	**$ 3,277**	**$ 2,063**	**$ 15,538**	**$ (231,956)**
Depreciation	1,578	413	2,808	1,193
Amortization and accretion:				
Intangible amortization expense	41,707	6,413	91,217	16,469
Accretion of royalty liabilities	6,551	2,664	13,571	5,617
Amortization of deferred revenue	(490)	(156)	(753)	(478)
Amortizaton of inventory step-up adjustment	4,140	1,540	10,635	1,540
Interest expense, net (including amortization of debt discount and deferred financing costs)	20,300	5,194	49,780	13,608
Expense (benefit) for income taxes	21,979	(3,042)	(136,788)	(3,267)
EBITDA	**$ 99,042**	**$ 15,089**	**$ 46,008**	**$ (197,274)**
Non-GAAP adjustments:				
Remeasurement of royalties for products acquired through business combinations	-	-	14,277	13,033
Acquisition related costs	14,498	31,477	64,841	45,651
Loss on derivative revaluation	-	-	-	214,995
Loss on induced conversion and debt extinguishment	-	-	77,624	-
Bargain purchase gain	-	(22,171)	-	(22,171)
Share-based compensation	26,457	4,024	57,796	10,111
Royalties for products acquired through business combinations (1)	(8,854)	(6,366)	(20,890)	(12,062)
Total of Non-GAAP adjustments	$ 32,101	$ 6,964	$ 193,648	$ 249,557
Adjusted EBITDA	**$ 131,143**	**$ 22,053**	**$ 239,656**	**$ 52,283**
Non-GAAP Gross Profit:				
GAAP net sales	$ 226,544	$ 75,126	$ 512,506	$ 193,114
GAAP cost of goods sold	61,250	13,644	151,929	46,073
GAAP gross profit	$ 165,294	$ 61,482	$ 360,577	$ 147,041
GAAP gross profit %	73.0%	81.8%	70.4%	76.1%
Non-GAAP Gross Profit:				
GAAP gross profit	**$ 165,294**	**$ 61,482**	**$ 360,577**	**$ 147,041**
Non-GAAP gross profit adjustments:				
Remeasurement of royalties for products acquired through business combinations	-	-	14,277	13,033
Intangible amortization expense (COGS only)	41,506	6,386	90,610	16,442
Accretion of royalty liabilities	6,551	2,664	13,571	5,617
Amortizaton of inventory step-up adjustment	4,140	1,540	10,635	1,540
Depreciation (COGS only)	65	90	268	264
Royalties for products acquired through business combinations (1)	(8,854)	(6,366)	(20,890)	(12,062)
Total of Non-GAAP adjustments	$ 43,408	$ 4,314	$ 108,471	$ 24,834
Non-GAAP gross profit	**$ 208,702**	**$ 65,796**	**$ 469,047**	**$ 171,875**
Non-GAAP gross profit %	**92.1%**	**87.6%**	**91.5%**	**89.0%**
Adjusted Operating Cash Flow:				
GAAP cash provided by operating activities	**$ 88,383**	**$ 1,466**	**$ 59,228**	**$ 17,470**
Cash payments of acquistion related costs	12,464	34,142	49,152	43,150
Cash payments for induced debt conversion	-	-	10,472	-
Cash payment for debt extinguishment	-	-	45,367	-
Payment of original issue discount on debt extinguishment	-	-	3,000	-
Adjusted operating cash flow	**$ 100,847**	**$ 35,608**	**$ 167,219**	**$ 60,620**

(1) Royalties for products acquired through business combinations relate to VIMOVO, ACTIMMUNE, RAVICTI and BUPHENYL.

Horizon Pharma plc
Certain Income Statement Line Items - Non-GAAP Adjusted
For the Three Months Ended September 30, 2015
(Unaudited)

	Sales	COGS	Research & Development	Sales & Marketing	General & Administrative	Interest Expense	Loss on Induced Debt Conversion & Debt Extinguishment	Other (Income) Expense	Income Tax (Benefit) Expense	Total
Non-GAAP Adjustments (in thousands):										
Acquisition related costs[1]	-	-	2,158	-	12,340	-	-	-	-	14,498
Amortization and accretion:										
Intangible amortization expense[2]	-	41,505	-	202	-	-	-	-	-	41,707
Amortization of debt discount and deferred financing costs[3]	-	-	-	-	-	5,480	-	-	-	5,480
Accretion of royalty liability[4]	-	6,551	-	-	-	-	-	-	-	6,551
Amortization of inventory step-up adjustment[5]	-	4,140	-	-	-	-	-	-	-	4,140
Stock-based compensation[6]	-	-	2,042	7,035	17,380	-	-	-	-	26,457
Depreciation expense[7]	-	65	-	-	1,513	-	-	-	-	1,578
Royalties for products acquired through business combinations[8]	-	(8,854)	-	-	-	-	-	-	-	(8,854)
Income tax adjustments[9]	-	-	-	-	-	-	-	-	22,178	22,178
Total of non-GAAP adjustments	-	43,407	4,200	7,237	31,233	5,480	-	-	22,178	113,735

Horizon Pharma plc
Certain Income Statement Line Items - Non-GAAP Adjusted
For the Three Months Ended September 30, 2014
(Unaudited)

	Sales	COGS	Research & Development	Sales & Marketing	General & Administrative	Interest Expense	Derivative Loss	Other (Income) Expense	Income Tax (Benefit) Expense	Total
Non-GAAP Adjustments (in thousands):										
Bargain purchase gain[10]	-	-	-	-	-	-	-	(22,171)	-	(22,171)
Acquisition related costs[1]	-	-	-	-	28,255	-	-	3,222	-	31,477
Amortization and accretion:										
Intangible amortization expense[2]	-	6,386	-	27	-	-	-	-	-	6,413
Amortization of debt discount and deferred financing costs[3]	-	-	-	-	-	2,421	-	-	-	2,421
Accretion of royalty liability[4]	-	2,664	-	-	-	-	-	-	-	2,664
Amortization of inventory step-up adjustment[5]	-	1,540	-	-	-	-	-	-	-	1,540
Stock-based compensation[6]	-	-	354	1,654	2,016	-	-	-	-	4,024
Depreciation expense[7]	-	90	-	-	323	-	-	-	-	413
Royalties for products acquired through business combinations[8]	-	(6,366)	-	-	-	-	-	-	-	(6,366)
Income tax adjustments[9]	-	-	-	-	-	-	-	-	(3,042)	(3,042)
Total of non-GAAP adjustments	-	4,314	354	1,681	30,594	2,421	-	(18,949)	(3,042)	17,373

Horizon Pharma plc
Certain Income Statement Line Items - Non-GAAP Adjusted
For the Nine Months Ended September 30, 2015
(Unaudited)

	Sales	COGS	Research & Development	Sales & Marketing	General & Administrative	Interest Expense	Loss on Induced Debt Conversion & Debt Extinguishment	Other (Income) Expense	Income Tax (Benefit) Expense	Total
Non-GAAP Adjustments (in thousands):										
Loss on induced conversion and debt extinguistment[11]	-	-	-	-	-	-	77,624	-	-	77,624
Acquisition related costs[1]	-	23	2,252	-	52,566	-	-	10,000	-	64,841
Amortization and accretion:										
Intangible amortization expense[2]	-	90,609	-	608	-	-	-	-	-	91,217
Amortization of debt discount and deferred financing costs[3]	-	-	-	-	-	13,328	-	-	-	13,328
Accretion of royalty liability[4]	-	13,571	-	-	-	-	-	-	-	13,571
Amortization of inventory step-up adjustment[5]	-	10,635	-	-	-	-	-	-	-	10,635
Remeasurement of royalties for products acquired through business combinations[12]	-	14,277	-	-	-	-	-	-	-	14,277
Stock-based compensation[6]	-	-	4,712	15,571	37,513	-	-	-	-	57,796
Depreciation expense[7]	-	268	-	-	2,540	-	-	-	-	2,808
Royalties for products acquired through business combinations[8]	-	(20,890)	-	-	-	-	-	-	-	(20,890)
Income tax adjustments[9]	-	-	-	-	-	-	-	-	(137,328)	(137,328)
Total of non-GAAP adjustments	-	108,493	6,964	16,179	92,619	13,328	77,624	10,000	(137,328)	187,879

Horizon Pharma plc
Certain Income Statement Line Items - Non-GAAP Adjusted
For the Nine Months Ended September 30, 2014
(Unaudited)

	Sales	COGS	Research & Development	Sales & Marketing	General & Administrative	Interest Expense	Derivative Loss	Other (Income) Expense	Income Tax (Benefit) Expense	Total
Non-GAAP Adjustments (in thousands):										
Bargain purchase gain[10]	-	-	-	-	-	-	-	(22,171)	-	(22,171)
Loss on derivative revaluation[13]	-	-	-	-	-	-	214,995	-	-	214,995
Acquisition related costs[1]	-	-	-	-	37,429	-	-	8,222	-	45,651
Amortization and accretion:										
Intangible amortization expense[2]	-	16,442	-	27	-	-	-	-	-	16,469
Amortization of debt discount and deferred financing costs[3]	-	-	-	-	-	7,087	-	-	-	7,087
Accretion of royalty liability[4]	-	5,617	-	-	-	-	-	-	-	5,617
Amortization of inventory step-up adjustment[5]	-	1,540	-	-	-	-	-	-	-	1,540
Remeasurement of royalties for products acquired through business combinations[12]	-	13,033	-	-	-	-	-	-	-	13,033
Stock-based compensation[6]	-	-	1,152	3,278	5,681	-	-	-	-	10,111
Depreciation expense[7]	-	270	-	-	923	-	-	-	-	1,193
Royalties for products acquired through business combinations[8]	-	(12,062)	-	-	-	-	-	-	-	(12,062)
Income tax adjustments[9]	-	-	-	-	-	-	-	-	(3,267)	(3,267)
Total of non-GAAP adjustments	-	24,840	1,152	3,305	44,033	7,087	214,995	(13,949)	(3,267)	278,196

NOTES FOR CERTAIN INCOME STATEMENT LINE ITEMS - NON-GAAP ADJUSTED
(in thousands)

(1) Expenses, including legal and consulting fees, incurred in connection with the Company’s acquisitions of Vidara Therapeutics International Public Limited Company (“Vidara”) and Hyperion Therapeutics, Inc. (“Hyperion”), and its proposed acquisition of Depomed Inc. (“Depomed”), have been excluded as non-recurring items.

(2) Intangible amortization expenses are associated with the Company’s intellectual property rights, developed technology and customer relationships of VIMOVO, LODOTRA, RAYOS, ACTIMMUNE, RAVICTI and BUPHENYL.

(3) Represents amortization of debt discount and deferred financing costs associated with the Company's debt.

(4) Represents accretion expense associated with the ACTIMMUNE, VIMOVO, RAVICTI and BUPHENYL royalties for the three and nine months ended September 30, 2015, and represents accretion expense associated with the ACTIMMUNE and VIMOVO royalties for the three and nine months ended September 30, 2014.

(5) In connection with the Hyperion acquisition, the RAVICTI and BUPHENYL inventory was stepped up in value to $8,682 and during the three and nine months ended September 30, 2015, the Company recognized in cost of goods sold $4,140 and $7,481, respectively, of step-up inventory costs related to RAVICTI and BUPHENYL inventory sold. In connection with the Vidara acquisition, the ACTIMMUNE inventory was stepped up in value to $14,218 and during the third quarter of 2014, the Company recognized in cost of goods sold $1,540 of step-up inventory costs related to ACTIMMUNE. During the first quarter of 2015, the Company recognized in cost of goods sold the remaining $3,154 of step-up inventory costs related to ACTIMMUNE.

(6) Represents share-based compensation expense associated with the Company's stock option, restricted stock unit, and performance stock unit grants to its employees and non-employees, its cash-settled long-term incentive program, and its employee stock purchase plan.

(7) Represents depreciation expense related to the Company’s property, equipment and leasehold improvements.

(8) Royalties of $8,854 and $20,890 were incurred during the three and nine months ended September 30, 2015, respectively, based on each period’s net sales for VIMOVO, ACTIMMUNE, RAVICTI and BUPHENYL. Royalties of $6,366 and $12,062 were incurred during the three and nine months ended September 30, 2014, respectively, based on each period’s net sales for VIMOVO and ACTIMMUNE.

(9) Represents adjustments to convert the income tax expense (benefit) to the estimated amount of taxes that are payable in cash.

(10) The bargain purchase gain of $22,171 was the result of the Vidara acquisition. Identifiable assets and liabilities of Vidara, including identifiable intangible assets, were recorded based on their estimated fair values as of the date of the closing of the acquisition. The excess of the fair value of the net assets acquired over the value of consideration was recorded as a bargain purchase gain.

(11) During the six months ended June 30, 2015, the Company recorded a loss on induced debt conversions of $77,624, which represented an early redemption payment of $45,366, the write-down of $21,581 in debt discount and deferred financing costs, $10,005 in additional exchange consideration to debt holders and $672 in expenses incurred in connection with the induced debt conversions. Following these induced debt conversions in the six months ended June 30, 2015, there were no convertible senior notes remaining outstanding.

(12) At the time of the Company's acquisition of the rights to VIMOVO, ACTIMMUNE, RAVICTI and BUPHENYL, the Company estimated the fair value of contingent royalties payable to third parties using an income approach under the discounted cash flow method, which included revenue projections and other assumptions the Company made to determine the fair value. If the Company significantly over performs or underperforms against its original revenue projections or it becomes necessary to make changes to assumptions as a result of a triggering event, the Company is required to reassess the fair value of the contingent royalties payable. Any subsequent adjustments to fair value is recorded in the period such adjustment is made as either an increase or decrease to royalties payable, with a corresponding increase or decrease in cost of goods sold, in accordance with established accounting policies.

During the second quarter of 2015, the Company recorded a charge of $14,277 to cost of goods sold to increase the amount of the contingent royalty liabilities relating to VIMOVO and ACTIMMUNE. During the second quarter of 2014, the Company recorded a charge of $13,033 to cost of goods sold to increase the amount of the contingent royalty liability relating to VIMOVO.

(13) During the six months ended June 30, 2014, the Company recorded non-cash charges of $214,995 related to the increase in the fair value of the embedded derivative associated with its convertible senior notes. The loss on the derivative revaluation was primarily due to an increase in the market value of the Company's common stock. The loss on derivative revaluation was a permanent tax difference and was not deductible for income tax reporting purposes. On June 27, 2014, the derivative liability was re-measured to a final fair value and the entire fair value of the derivative liability of $324,405 was reclassified to additional paid-in capital. As such, there was no derivative revaluation subsequent to June 2014.