

DEPOMED INC  
Form 425  
September 25, 2015

Filed pursuant to Rule 425  
of the Securities Act of 1933, as amended,  
and deemed filed pursuant to Rule 14a-12  
of the Securities Exchange Act of 1934, as amended  
Filing by: Horizon Pharma Public Limited Company

Subject Company: Depomed, Inc.

SEC File No. of Depomed, Inc.: 001-13111

This Rule 425 filing consists of an amended investor presentation which contains information regarding the proposed acquisition of Depomed, Inc. ( Depomed ) by Horizon Pharma plc ( Horizon Pharma ).

Horizon Pharma first released the investor presentation on September 17, 2015 and first released the following amended investor presentation on September 25, 2015.

Horizon Pharma plc  
Acquisition of Depomed, Inc. Benefits and Considerations  
September 2015  
For Important Information About the Proposed Depomed Acquisition  
Please visit [www.horizonanddepomed.com](http://www.horizonanddepomed.com)  
Non-Confidential Information Horizon Pharma plc

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This presentation contains forward-looking statements, including, but not limited to, statements related to Horizon's offer to exchange its ordinary shares for all issued and outstanding shares of Depomed's stock and the potential strategic and financial benefits of the future financial performance and prospects of each of Horizon and Depomed, Horizon's business strategy and plans and other statements that are not historical facts.

These forward-looking statements are based on Horizon's current expectations and inherently involve significant risks and uncertainties. Actual results and the timing of events could differ materially from those anticipated in such forward-looking statements.

as a result of these risks and uncertainties, which include, without limitation, risks that the conditions to the exchange offer will not be satisfied, Horizon will ultimately not pursue a transaction with Depomed or Depomed will reject engaging in any transaction with Horizon; if the conditions of the exchange offer are satisfied and/or a transaction is negotiated between Horizon and Depomed, risks related to Horizon's ability to complete the acquisition on the proposed terms; the possibility that competing offers will be made; risks associated with business combination transactions, such as the risk that the businesses will not be integrated successfully, that integration may be more difficult, time-consuming or costly than expected or that the expected benefits of the acquisition will not be realized; risks related to future opportunities and plans for the combined company, including uncertainty of the expected financial performance and results of the combined company following completion of the proposed acquisition; disruption from the proposed acquisition, making it more difficult to conduct business as usual or maintain relationships with customers, employees or suppliers; and the possibility that if the combined company does not achieve the perceived benefits of the proposed acquisition as rapidly as the extent anticipated by financial analysts or investors, the market price of Horizon's shares could decline, as well as other risks related to the Horizon and Depomed's businesses, including the ability to grow sales and revenues from existing products; competition, including potential generic competition; the ability to protect intellectual property and defend patents; regulatory obligations and oversight; and those risks detailed from time-to-time under the caption "Risk Factors" and elsewhere in Horizon and Depomed's respective filings and reports with the U.S. Securities and Exchange Commission. Horizon Pharma undertakes no obligation to update any forward-looking statements contained in this presentation as a result of new information except as required by applicable law or regulation.

For full prescribing information refer to product websites.

Forward-Looking Statements

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Non-Confidential Information Horizon Pharma plc

Horizon Pharma provides certain financial measures such as adjusted EBITDA, or earnings before interest, taxes, depreciation and amortization, pro forma net sales adjusted for sales of certain products pre-acquisition and adjusted net income that include adjustments to GAAP figures. Adjustments to 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. In the c

pro forma net sales, the figures exclude net sales of orphan and oncology products and include net sales attributed to other companies that marketed certain products prior to their acquisition by Horizon Pharma or Depomed, as applicable. Horizon Pharma believes that these non-GAAP financial measures, when considered together with the GAAP figures, can enhance an overall understanding of Horizon Pharma's and Depomed'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 operational results, and expectations, including in relation to Depomed. In addition, these non-GAAP financial measures are among the indicators Horizon Pharma'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 and therefore may not be comparable to, non-GAAP financial measures used by other companies. The Company has not provided a reconciliation of adjusted EBITDA or adjusted net income outlook for future periods to a net income (loss) outlook because certain items that are a component of net income (loss) but not part of adjusted EBITDA and/or adjusted net income, such as the gain (loss) on derivative revaluation associated with convertible senior notes, stock compensation, acquisition related expenses and certain purchase accounting items such as intangibles and step-up inventory, cannot be reasonably projected, either due to the significant impact of changes in Horizon Pharma's or Depomed's stock price on share-based compensation, the variability associated with acquisition related expenses due to timing and other factors.

Note Regarding Use of Non-GAAP Financial Measures

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60% Premium offer

(1)

Pro forma ownership above Depomed    s relevant contribution

Horizon    s commercial model has potential to increase net sales

Sizable expected operating cost and tax synergies

Enhanced scale and financial flexibility expected

Major diversification of net sales

Horizon's longer life products and development programs

Substantial reduction in key risks expected

Published analyst reports and investors we have spoken with are overwhelmingly supportive

Significant and Immediate Adjusted EPS Accretion Expected for Both Horizon and Depomed Shareholders

(1)

Premium based on 15-day VWAP of Horizon's stock as of August 12, 2015 and based on Depomed's unaffected close price

Horizon's Offer to Acquire Depomed Is In Our View Compelling

For Both Depomed and Horizon Shareholders

Depomed continues to work against the best interests of shareholders



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60%  
Premium  
Offer  
(1)  
Horizon Pharma Has Delivered A Compelling Offer  
5  
Implied Premiums to Initial and Current Proposal

Implied Premiums to Initial and Current Proposal

Reference

Price

Revised

Proposal

(7/21)

\$33.00

Exchange

Ratio

Proposal

(2)

(8/13)

\$27.74

Implied

Premium

to

Pre-Announce

(July

6

th

)

Pre-Announce

\$20.64

42%

60%

34%

30-Day VWAP

(3)

\$21.41

37%

54%

30%

VWAP of Trades

> \$20.00

(4)

\$22.87

28%

44%

21%

Premium to Pre-Announce

+ Index Performance Post Announce

NBI Index

\$19.79

(5)

48%

67%

40%

S&P 500

\$19.74

(6)

48%

67%

41%

Initial Public

Proposal

(7/7)

\$29.25

Notes: Unless otherwise noted, all premium figures based on \$34.74 HZNP stock price and an exchange ratio of 0.95x.

(1)

Premium based on 15-day VWAP of Horizon's stock as of August 12, 2015 and based on Depomed's unaffected close price of the Horizon Pharma proposal.

(2)

Based on current Horizon share price of \$29.20 as of 9/15/2015 and exchange ratio of 0.95x. Exchange ratio was set based on 15-day

(2)

volume weighted average price (VWAP) of Horizon stock as of August 12th of \$34.74, which implies a 60% premium.

(3)

VWAP based on trading days.

(4)

Based on daily closing price.

(5)

Depomed pre-announce price (\$20.64) + NBI Index price performance since 7/6 through 9/15 (-4.1%).

(6)

Depomed pre-announce price (\$20.64) + S&P 500 price performance since 7/6 through 9/15 (-4.4%).

Fair and Compelling Offer

Offer delivers a compelling premium

on a number of Depomed trading

metrics

Depomed's pre-offer, public market

price is a reflection of the market

perception of its inherent value

Adjusting Depomed's pre-offer,

public market price for subsequent

trading performance of the NBI and

S&P 500 indices implies a 40% and

41% premium, respectively

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Pro Forma Ownership Above Depomed's Relevant  
Contribution

32%

37%

25%

27%

27%

0%  
10%  
20%  
30%  
40%

August 13 Proposal  
August 13 Proposal  
w/Debt Payoff

2016E  
2017E  
2018E

Pro Forma Depomed Ownership

(1)

6

(2)

(1)

Pro

Forma

Adjusted

Net

Income

Contribution

(3)

(approximates after-tax cash flow contribution)

(1)

With respect to Horizon ownership, based on 173mm shares as of August 15, 2015, including outstanding restricted stock units then-current achievement of performance vesting metrics, settlement of outstanding options and warrants using the treasury stock exchangeable notes (based on Horizon expectation to settle notes using future sources of cash upon maturity or earlier conversion). Horizon estimate from public filings of 85mm shares, including outstanding restricted stock units at full value, settlement of options issued upon settlement of convertible notes (assuming note holders convert upon make-whole fundamental change and Depomed).

(2)

For illustrative purposes only, based on 21mm shares issued to settle \$575mm term loan and related make whole at \$33.00 per share agreed to repayment in equity.

(3)

Depomed 2016E-2018E Adjusted Net Income of \$105mm, \$145mm, and \$174mm; Horizon 2016E-2018E Adjusted Net Income median estimates from Bloomberg and Wall Street research reports available to Horizon published since each company release (Depomed).

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VIMOVO

NUCYNTA ER

NUCYNTA IR

PENNSAID 2%

% Change

150%

250%  
350%  
+18%  
+15%  
+3%  
+306%

-  
5%  
5%  
15%  
25%  
35%

0  
1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12

Week from Launch / Re-Launch

TRx % Change vs. Re-Launch Week

At Week 12 Post Re-Launch, PENNSAID 2% TRx

Were up 306% and VIMOVO TRx

Were up

18%, While NUCYNTA IR and ER are up Only 3% and 15%, respectively

Shouldn't the Dedicated Efforts of 275 Sales Reps Generate Better Prescription Growth?

Horizon's Commercial Model Has Potential to Increase Net Sales

NUCYNTA Re-Launch Results To Date Are In Our View Uninspiring

Source: IMS NPA Weekly.

Note: Re-launch dates as follows: VIMOVO 1/3/2014; PENNSAID 2% 1/2/2015; NUCYNTA IR/ER 6/12/2015 per Depomed (on April 2, 2015).

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8

6/12/15

6/19/15

6/26/15

7/3/15

7/10/15

7/17/15



7/24/15

7/31/15

8/7/15

8/14/15

8/21/15

8/28/15

9/4/15

DUEXIS

PENNSAID 2%

VIMOVO

NUCYNTA IR

NUCYNTA ER

Total

Prescriptions

for

PENNSIAD

2%

Increased

454%,

DUEXIS

121%,

VIMOVO

42%

but

NUCYNTA

ER

Only

8%

and

NUCYNTA

IR

Decreased

5%

% Change

400%

450%

500%

550%

-50%

0%

50%

100%

150%

Year-Over-Year Weekly TRx % Increase Since NUCYNTA Re-Launch Date

Horizon's Commercial Model Has Potential to Increase Net Sales

NUCYNTA Re-Launch Results To Date Are In Our View Uninspiring

Source: IMS NPA Weekly.

Note: Re-launch for NUCYNTA IR/ER 6/12/2015 per Depomed Corporate Presentation dated September 15, 2015 (transaction

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HZNP +42% vs DEPO -4%

TRx Growth: 1H 2015 vs. 2H 2014

(1)(2)

Source: IMS NPA Monthly; Horizon Pharma and Depomed quarterly and annual filings.

(1)

Excludes NUCYNTA, and the Orphan and Oncology businesses (LAZANDA, ACTIMMUNE, BUPHENYL, and RAVICITI)

(2)

PENNSAID 2% was marketed by Mallinckrodt during 2014.

(3)

Net sales estimate based on Nuvo Research reported royalties paid to Mallinckrodt noted in their annual and quarterly reports.

HZNP +35% vs DEPO +5%

Net Sales Growth:

1H 2015 vs. 2H 2014

(1)(2)

Prescriptions

Net Sales

9

?

VIMOVO

PENNSAID 2%

(3)

DUEXIS

RAYOS

CAMBIA

ZIPSOR

GRALISE

352,361

501,327

243,389

234,515

HZNP

2H 2014

HZNP

1H 2015

DEPO

2H 2014

DEPO

1H 2015

\$157

\$211

\$60

\$62

HZNP

2H 2014

HZNP

1H 2015

DEPO

2H 2014

DEPO

1H 2015

Horizon's Commercial Model Has Potential to Increase Net Sales

Case Study: Horizon vs. Depomed Growth Excluding NUCYNTA

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HZNP +42% vs DEPO -4%

TRx Growth: 1H 2015 vs. 2H 2014

(1)(2)

HZNP +35% vs DEPO +13%

Net Sales Growth:

1H 2015 vs. 2H 2014

(1)(2)

Prescriptions

Net Sales

10

?

VIMOVO

NUCYNTA IR / ER

(4)

PENNSAID 2%

(3)

DUEXIS

RAYOS

CAMBIA

ZIPSOR

GRALISE

656,857

630,493

HZNP

2H 2014

HZNP

1H 2015

DEPO

2H 2014

DEPO

1H 2015

\$157

\$211

\$146

\$164

HZNP

2H 2014

HZNP

1H 2015

DEPO

2H 2014

DEPO

1H 2015

Horizon's Commercial Model Has Potential to Increase Net Sales

Case Study: Horizon vs. Depomed Growth Including NUCYNTA

352,361

501,327

(1)

Excludes the Orphan and Oncology businesses (LAZANDA, ACTIMMUNE, RAVICITI and BUPHENYL).

(2)

PENNSAID 2% was marketed by Mallinckrodt during 2014; NUCYNTA was marketed by Janssen during 2014 and Q1 2015

(3)

Net sales estimate based on Nuvo Research reported royalties paid to Mallinckrodt noted in their annual and quarterly reports.

(4)

FY2014 actual net sales (DEPO 4/2/2015 8-K) is pro rated among the 2014 quarters based on TRx IMS volume. Q1 2015 actual

Source: IMS NPA Monthly; Horizon Pharma and Depomed quarterly and annual filings.

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Horizon's Commercial Model Has Potential to Increase Net Sales  
PENNSAID 2% Demonstrates the Power of Horizon's Model

(1)

Estimated based on Nuvo Research reported royalties from Mallinckrodt.

(2)

Includes allowed patents announced on 8/27/15 and 9/2/2015 that are not yet listed.

(1)

Example of Horizon Growing Acquired Medicines Quickly

Net Sales

Transaction Highlights

Acquired in October 2014 from  
Nuvo Research for \$45mm

Immediate and rapid growth in  
PENNSAID 2% prescriptions  
and sales

Maximizing value through  
price and lower patient co-pay

\$48mm in net sales in 1H 2015

Added 6 new Orange Book  
listed patents since the  
acquisition, extending patent  
life

to

2030

(2)

11

?

\$13.5

\$18.2

\$29.4

\$-

\$5.0

\$10.0

\$15.0

\$20.0

\$25.0

\$30.0

\$35.0

2014

1Q:15

2Q:15

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(1)

AstraZeneca 2013 Annual Report.

(2)

Includes

allowed

patent



announced

on

8/20/15

that

is

not

yet

listed.

Example of Horizon Growing Acquired Medicines Quickly

Net Sales

Transaction Highlights

Acquired in November 2013

from AstraZeneca for \$35mm

Immediate and rapid growth in

VIMOVO prescriptions and net

sales

Maximizing value through

price and lower patient co-pay

\$163mm in net sales in 2014

Added 4 new Orange Book

listed patents since

acquisition, extending patent

life to 2031

(2)

12

Horizon's Commercial Model Has Potential to Increase Net Sales

VIMOVO Demonstrates the Power of Horizon's Model

(1)

\$20.0

\$34.0

\$42.4

\$-

\$5.0

\$10.0

\$15.0

\$20.0

\$25.0

\$30.0

\$35.0

\$40.0

\$45.0

\$50.0

2013

1Q:14

2Q:14

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% of TRx Filled via PME  
(4 Week Average)  
DUEXIS -  
% PME Penetration  
Activating PME Throughout U.S. is Optimizing Operations  
and Ensuring High Level of Customer Service  
13

DUEXIS -  
IMS TRx  
IMS TRxs  
(4 Week Average)  
Exclusion Lists  
Effective Date  
VIMOVO -  
% PME Penetration  
VIMOVO -  
IMS TRx  
PENNSAID 2% -  
% PME Penetration  
PENNSAID 2% -  
IMS TRx  
% of TRx Filled via PME  
(4 Week Average)  
IMS TRxs  
(4 Week Average)  
% of TRx Filled via PME  
(4 Week Average)  
IMS TRxs  
(4 Week Average)

Source: IMS NPA, PSKW Data, PME Pharmacy Data.  
Exclusion list effective date.

Horizon's Commercial Model Has Potential to Increase Net Sales  
PME has been Successful in Driving Script Growth

0  
2000  
4000  
6000  
8000  
10000  
12000  
14000  
0%  
10%  
20%  
30%  
40%  
50%  
60%  
70%  
80%  
0  
1000  
2000  
3000  
4000  
5000  
6000

7000  
8000  
9000  
10000  
0%  
10%  
20%  
30%  
40%  
50%  
60%  
70%  
0  
1,000  
2,000  
3,000  
4,000  
5,000  
6,000  
7,000  
8,000  
9,000  
0%  
10%  
20%  
30%  
40%  
50%  
60%  
70%  
80%  
90%  
Exclusion Lists  
Effective Date

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275 Sales Reps

24 Sales Reps

(1)

Source: Depomed Corporate Presentation dated September 15, 2015.

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Horizon's Commercial Model Has Potential to Increase Net Sales

Current Depomed Commercial Structure

(1)  
Pain / Neurology  
Oncology

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14 Clinical Science  
Associates  
Orphan Diseases  
325 Sales Reps  
Primary Care  
290 Sales Reps

Pain / Neurology

Specialty

24 Sales Reps

Neurology

40 Sales Reps

40 Sales Reps

Oncology

Rheumatology

55 Additional Sales Reps to Market NUCYNTA, GRALISE and CAMBIA

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Horizon's Commercial Model Has Potential to Increase Net Sales

Planned Structure Provides a Larger, More Focused Sales Force



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Operational Synergies

(1)

Tax Synergies

Horizon expects combined company tax rate  
to be in the mid-single digits, increasing to  
the low-teens over the next five years

We believe that the costs of operating

Depomed's existing business could be significantly reduced through the elimination of certain general and administrative costs, including consolidation of locations, reductions in headcount and elimination of duplicate external costs, including public company expenses

DEPO should have a long term tax rate in the high 30's.

Piper Jaffray, July 7, 2015, Depomed

DEPO pays a corporate tax rate of 37% and HZNP of course has a tax-advantaged corporate structure in place.

Piper Jaffray, July 7, 2015, Depomed

Given the broader platform, larger anticipated rep base and re-price potential we think HZNP could drive upside.

NUCYNTA is the biggest value driver with each 500 bps of annual TRx growth through 2022E driving +\$3 in NPV (and opportunity in other products).

Other synergy

opportunities are to refinance the 10.75% debt, cut G&A and lower the full DEPO tax rate.

RBC, July 8, 2015, Depomed

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Note: Permission to use quoted material was neither sought nor obtained.

(1)

Based on Horizon's internal estimates and plans.

Sizable Expected Operating Cost and Tax Synergies

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Enhanced Scale & Financial Flexibility Expected  
Standalone  
Horizon  
Standalone  
Depomed  
Pro Forma

Company

2015E Net Sales

(1)  
\$660 -  
\$680mm  
\$320 -  
\$340mm  
\$980 -  
\$1,020mm

2015E Adj. EBITDA

(1)  
\$265 -  
\$280mm  
\$95 -  
\$110mm  
\$360 -  
\$390mm

Sales Reps

(1)  
~385  
~300  
700+

Market

Cap

(2)  
\$4.6bn  
\$1.7bn  
~\$6.3bn

Total Debt / 2015E Adj.

EBITDA

(1) (3)  
~4.7x  
~9.0x  
~3.9x

Average

Borrowing

Interest Rate

(4)  
5.65%  
10.75%  
~5.50% -  
5.75%

17  
We believe the combined business will be larger, more diversified and better positioned to accelerate growth

(1)  
Standalone amounts based on Horizon management guidance in the Q2 2015 Earnings Press Release dated August 7, 2015 and Corporate Presentation dated September 15, 2015. Pro forma amounts are the sum of such standalone amounts.

(2)  
Market data as of 9/15/2015 assuming Horizon 159.2mm basic shares outstanding and stock price of \$29.20 and Depomed 60.

(3)

Represents total debt / 2015 estimated Adjusted EBITDA. Based on current Depomed debt of \$920mm and Adjusted EBITDA debt of \$1,275mm and adjusted EBITDA of \$272.5mm (midpoint of Horizon guidance). Pro forma assumes retirement of Dep convertible debt and \$175mm in incremental senior term loan. By this presentation, Horizon is not confirming or updating price (4)

Based on latest pure debt financings excluding convertible debt. Includes HZNP \$400mm term loan at 4.5% and \$475mm high Horizon expects the combination would provide additional financial flexibility and increased free cash flow, enhanced access to the capital markets and considerably lower borrowing costs

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NUCYNTA  
ZIPSOR  
CAMBIA  
GRALISE  
LAZANDA  
RAYOS

PENNSAID 2%  
VIMOVO  
DUEXIS  
ACTIMMUNE  
RAVICTI  
BUPHENYL

(1)

Source: Horizon Pharma and Depomed Q2 2015 10-Q, as applicable.

DEPO % of Net Sales By Medicine

(1)

Pro Forma Combined % of Net Sales  
By Medicine

(1)

Major Diversification of Net Sales

Reduced Reliance on NUCYNTA

18

60%

22%

7%

4%

21%

8%

4%

3%

2%

1%

1%

7%

7%

10%

11%

15%

17%

Currently  
NUCYNTA  
accounts

for

60%

of

Depomed's

net

sales

(1)

Pro

forma,

no

single

medicine

would

comprise

more  
than  
21%  
of  
net  
sales  
(1)



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Year 2022 2023 2024 2025 2026 2027 2028 2029 2030 2031  
50% of Horizon's 2Q 2015 Net Sales Were From Medicines  
With Patent Terms Beyond 2025  
19  
Horizon's Longer Life Products and Development Programs  
Horizon

Patent  
Terms  
Extend  
Well  
Beyond  
2025  
Cliff  
for  
Depomed  
Products  
2032

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Initial IP Position  
IP Today

No Orange Book (OB)  
listed patents at  
approval

6 OB listed patents

Settled Par litigation by granting a right to market beginning January 1, 2023

1 allowed and 6 OB listed patents at acquisition in 4Q 2014

4 allowed and 9 OB listed patents with protection to 2030

Settled Paddock (Perrigo) litigation by granting a right to market beginning January 10, 2029

2 OB listable patents at acquisition in 2Q 2010

1 allowed and 6 OB listed patents with protection to at least 2024

2 OB listed patents (excluding esomeprazole patents)

1 allowed, 5 listed OB patents (excluding esomeprazole patents) and 1 process patent with protection to at least 2031

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Horizon's Longer Life Products and Development Programs  
Horizon Aggressively Augments Acquired IP with Additional Filings

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Horizon's Longer Life Products and Development Programs  
while Strengthening IP for Orphan Medicines

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Initial IP Position

IP Today

2 U.S. patents

extending to 2022;  
perpetual Genentech  
know-how license

2 U.S. patents extending to 2022; perpetual  
Genentech know-how license

Orphan Drug Designation in October 2014  
for FA

1 allowed and 3 OB listed patents with  
protection to 2032

3 OB listed patents  
with protection to  
2032

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Friedreich's Ataxia (FA), a debilitating,  
life-shortening, ultra-orphan disorder  
with no FDA approved treatment

Prevalence  
of

~3,700  
U.S.  
Patients  
(2)

2,400 patients in Friedreich's Ataxia  
Research Alliance (FARA) registry  
(1,400  
in  
the  
U.S.)  
(2)

No FDA approved treatment

Started  
pivotal  
Phase  
3  
study  
on  
June 5, 2015

(1)

Based on patient population estimates from the Friedreich's Ataxia Research Alliance (FARA) and ACTIMMUNE sales price

(2)

FARA as of September 2015.

Co-therapy with PD-1/PD-L1 inhibitors

Autosomal Dominant Osteopetrosis  
(ADO) and intermediate forms: ~ 600 to  
1,600 patients in the U.S.

ACTIMMUNE in FA

Potential

\$500

to

\$1B

Opportunity

(1)

ACTIMMUNE

Additional Potential Indications

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Horizon's Longer Life Products and Development Programs

Depomed In Our View Would Benefit from Horizon's Development Programs



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Note: Permission to use quoted material was neither sought nor obtained.

Milestone & royalty agreement related to  
IW-3718 with Ironwood

Milestone & single digit royalty agreement  
related to Xartemis XR and MNK-155 with

Mallinckrodt

Both medicines have been  
abandoned by Mallinckrodt  
DEPOMED R&D Opportunity?

We had been evaluating the performance  
of XARTEMIS XR.

And certainly, as the  
company has changed its focus to  
autoimmune rare diseases in the hospital  
sector, our emphasis on the office space  
pain activities has certainly been less  
strategic.

And so in light of that change in  
strategic direction, coupled with the  
performance of XARTEMIS XR, as of June,  
we have discontinued promotion of  
XARTEMIS XR, and we're considering a  
number of different strategic alternatives for  
that product.

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called MNK-155, and it's a combination  
product of hydrocodone and acetaminophen with  
similar technology to that of XARTEMIS XR. And  
again, it would be focused on the office space  
pain marketplace, which, as I mentioned, is not  
really a strategic focus for us going forward.

Horizon's Longer Life Products and Development Programs

Depomed In Our View Would Benefit from Horizon's Development Programs

-

Mark Trudeau

-

Mark Trudeau

CEO Mallinckrodt, August 4, 2015

CEO Mallinckrodt, August 4, 2015

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(1)

Represents total debt / 2015 estimated adjusted EBITDA. Based on current Depomed debt of \$920mm and estimated 2015 adjusted debt of \$1,275mm and estimated 2015 adjusted EBITDA of \$272.5mm (midpoint of Horizon guidance). By this presentation,

(2)

Based on patient population estimates from the Friedreich's Ataxia Research Alliance (FARA) and current ACTIMMUNE sales. Substantial Reduction in Key Risks Expected

Depomed's Business is Less Diversified and Highly Leveraged

\$

in millions

Diversified Product

Portfolio

Patent Terms on

Marketed Products

Patent terms beyond 2025!

Patent terms beyond 2025?

Orphan

Platform

Pipeline

Potential \$500M to \$1B for  
ACTIMMUNE in FA Alone

(2)

????

M&A Capacity

(1)

Significant capacity:

Reduced due to high debt levels:

4.6x leverage

9.0x leverage

Pain

Specialty

Primary Care

Orphan

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Source: Wall Street Research.

Note:

Permission to use quoted material was neither sought nor obtained.

(1)

Factset and NASDAQ.

Perception that this deal may  
not generate an adequate

amount of synergies to be attractive does not make sense to us.

If we looked through Horizon's past deal transaction history, none was built on cost cutting

-

rather all were based

on generating revenue upside from increased promotion and better pharmacy pull through. We see the Depomed deal as being no different.

Leerink, Depomed

Per our earlier note, we believe the asset is worth more in the hands of Horizon given the greater S&M resources Horizon could provide, cost savings opportunity, ability to refinance the 10.75% debt and expected reduction of the tax burden.

Viewing the proposed Depomed transaction within that broader context of Horizon's evolution, we believe this transaction makes exceedingly good strategic sense, is nicely value creating and provides enhanced and durable diversification.

Cowen, Horizon

The debate whether Depomed overpaid for Nucynta is yet to be determined, but we believe this is a growth product and the numbers work better within Horizon with the significant tax advantages.

We continue to view a HZNP-DEPO combination as attractive, and believe HZNP has made a strong case to DEPO shareholders.

Stifel, Horizon

25

As  
of  
6/30/2015,  
Horizon  
Shareholders  
Owned  
66%  
(1)  
of  
Depomed s  
Outstanding  
Shares  
RBC, Depomed  
Guggenheim, Horizon  
Published Analyst Reports and Investors That We Have  
Spoken With Are Overwhelmingly Supportive

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Source: Bloomberg.

(1)

Based on Depomed's unaffected stock price of \$20.64 as of July 6, 2015, the day prior to the announcement of the Horizon PH

168%

113%

333%



28%  
45%  
269%  
0%  
50%  
100%  
150%  
200%  
250%  
300%  
350%

YTD

1 -Year

3-Year

HZNP

DEPO

Total Shareholder Return as of July 6, 2015

(1)

Published Analyst Reports and Investors That We Have  
Spoken With Are Overwhelmingly Supportive

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Horizon  
attempted  
to  
engage  
Depomed  
numerous

times  
and  
through  
intermediaries

Each  
attempt  
has  
been  
rebuffed  
without  
meaningful  
engagement

Depomed's  
Management  
continues  
to  
reject  
a  
60%+  
premium  
(1)

Depomed  
has  
yet  
to  
explain  
and  
quantify  
how  
it  
plans  
to  
increase  
shareholder  
value  
to  
the  
level  
of  
Horizon's  
offer

Depomed's  
Management  
credited  
themselves  
with

a  
200%  
2014  
bonus  
multiplier  
related  
to  
NUCYNTA  
when  
the  
transaction  
closed  
in  
April  
2015

The  
amounts  
were  
considered  
by  
the  
compensation  
committee  
on  
January  
15  
th  
and  
final  
executive  
compensation  
determinations  
were  
made  
on  
February  
4  
th  
(2)

The  
transaction  
was  
not  
announced  
until  
January  
15,  
2015

and  
the  
deal  
didn't  
close  
until  
April  
2,  
2015  
27

(1)

Premium based on 15-day VWAP of Horizon's stock as of August 12, 2015 and based on Depomed's unaffected close price

(2)

Depomed 14a filed on April 6, 2015.

Depomed Continues to Work Against the Best Interests of  
Shareholders

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Depomed

Continues to Work Against the Best Interests

of Shareholders

Horizon Pharma believes that Depomed will do whatever it can to delay

Depomed's shareholders from expressing their views on Horizon Pharma's

proposals

On July 12

, Depomed's board adopted the Poison Pill

That same day, Depomed's board amended the Depomed bylaws to allow the Depomed board to delay any special meeting of Depomed shareholders to vote on any Horizon Pharma proposals for almost five months

On August 21

, Depomed informed Horizon Pharma that it was not allowing

Horizon Pharma to hold a single special meeting to hear all of its proposals without incurring further delays

On August 31

, Depomed informed Horizon Pharma that it had set the record

date for determining shareholders eligible to call the first special meeting as October 29, 2015, 87 days after the initial request and the SECOND TO LAST possible day that it could under the Depomed bylaws

On September 15

, Depomed informed Horizon Pharma that it had set the

record date for determining shareholders eligible to call the second special meeting as November 13, 2015, 86 days after the initial request and the THIRD TO LAST possible day it could under the Depomed bylaws

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Depomed Continues to Work Against the Best Interests of  
Shareholders

Absent the Poison Pill and the most recent Depomed bylaw amendments, any  
Depomed  
shareholder(s) owning 10% or more of the shares could have called a



special meeting to hear Horizon Pharma's proposals without incurring associated delays

Special meeting request could have happened July 9

and the special meeting

would have already been called

th

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Actions to Date in Furtherance of Our Efforts to  
Acquire Depomed

30

(1)

Depomed ignored Horizon's request to set the same Request Record Date for both Meeting one and Meeting two to ensure that and that Horizon is able to call the Special Meetings as of dates that are close in time, if not the same day, under the Company Meeting one.

On September 8

, commenced an exchange offer to acquire all of Depomed s  
common shares

On September 8 , filed definitive Solicitation Materials to call for two Special  
Meetings of Depomed shareholders as follows

Meeting One: Removal of Depomed s directors and recession of the most recent  
Depomed bylaw changes

Request Record Date set by Depomed as October 29  
th

Meeting Two: Election of the new slate of directors

Request Record Date set by Depomed as November 13  
th

Solicitation commenced on September 8

Horizon Pharma purchased 2.25 million shares of Depomed common stock  
representing approximately 3.73% of such shares outstanding

On August 3

, Horizon Pharma filed a lawsuit challenging legality of the Poison Pill  
and most recent Depomed bylaw changes

The Court has set a hearing date of November 5, 2015

th

th

th

rd

(1)

:



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Special Meetings

#1 Removal and Bylaw

Amendments

#2 Election of Directors

Exchange

Offer

Nov 5

th

Hearing on legality of Poison Pill

Sept 8

th

Exchange offer made

and Proxy Solicitation

commenced

Oct 29

th

Special Meeting Request

Record Date Meeting #1

Special

Meeting #1

Request

Litigation

TBD

Special Meeting #2

Special Meeting Notes

From the applicable Request

Record Date, Horizon has up to 30

days to solicit proxies

The Meeting Date must be set 35 to

60 days from the applicable Special

Meeting Request Date

Nov 13

th

Special Meeting Request

Record Date Meeting #2

Special

Meeting #2

Request

Nov 6

th

Exchange offer

expires

(1)

(1)

Unless extended by Horizon.

Visibility of shares tendered into the Exchange

Offer

Sept 14

th

DEPO 14D-9

Response filed

TBD

Special Meeting #1

September

October

November

December

January

Events Expected to Occur in the Next Several Months

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(1)

Please review the full solicitation materials and additional information at [www.horizonanddepomed.com](http://www.horizonanddepomed.com). Neither the calling of

necessarily

would

result

in

a

Depomed  
acquisition.

What We are Asking You to Do Now

(1)

Meeting One: Removal of Depomed's directors and rescission of the most recent  
bylaw changes (White Proxy Card)

Meeting Two: Election of the new slate of directors (Blue Proxy Card)

Tender White and Blue Proxy Cards to call for the two Special Meetings of  
shareholders

Tender your Depomed shares into the offer in exchange for 0.95x Horizon  
Pharma shares for every Depomed share



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Key Transaction Events to Date

THIRD OFFER (PUBLIC)

FOURTH OFFER (PUBLIC)

After 6

months of attempts at initiating discussions and multiple increased offers,

Depomed has continued to refuse to have any meaningful discussions about a transaction

May 27th

Horizon offers Depomed  
\$29.25 / share all-stock  
transaction

March 11th

Horizon contacts Depomed  
to discuss potential  
transaction

FIRST OFFER (PRIVATE)

June 12

th

Horizon sends Depomed  
follow-up letter reiterating  
merits of offer

June 25

th

Depomed rejects offer

July 7

th

Horizon publicly announces  
proposal of \$29.25 / share  
all-stock transaction

July 13

th

Depomed announces adoption of poison-pill /  
amendment of bylaws to extend time to call a  
special shareholder meeting

FIRST OFFER (PUBLIC)

Weekend of July 10

th

Based on the suggestion of  
Depomed's financial advisor,  
Horizon's financial advisors  
communicate willingness to  
increase offer to \$32.25  
contingent upon Depomed  
engaging. No response from  
Depomed

SECOND OFFER (PRIVATE)

July 21

st

Horizon publicly  
increases its offer price  
from \$29.25 to \$33.00 /  
share

August 3

rd

Horizon publicly announces intention to seek a special  
shareholder meeting and files lawsuit challenging  
legality of Poison Pill and the most recent changes to  
the Depomed bylaws

Depomed files lawsuit stating Horizon's bid was predicated upon use of confidential NUCYNTA information

August 13

th

Horizon publicly fixes exchange ratio, offering 0.95x HZNP shares for each DEPO share in an all stock offer, equal to \$33.00 per share based on 15-day VWAP as of August 12,

2015

July 29

th

Depomed rejects third offer

August 19

th

Depomed rejects fourth offer (and possible amendment to include cash election)

33

March

May

June

July

August

Sept.

August 31

st

Depomed sets request for Meeting One record date for October 29

th

September 8

th

Horizon files exchange offer and definitive solicitation materials to call for special shareholders meeting with the SEC and files HSR

September 15

th

Depomed sets request for Meeting Two record date for November 13

th

September 14

th

Depomed files revocation  
statement and 14D-9

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Summary of Key Exchange Offer Terms  
Offer and  
Consideration  
Implied  
Premium &  
Ownership  
(1)

VWAPs based on trading days.

(2)

August 12, 2015 was the day before Horizon Pharma confirmed the exchange ratio for the proposal

(3)

With respect to Horizon ownership, based on 173mm shares as of August 15, 2015, including outstanding restricted stock units of performance vesting metrics, settlement of outstanding options and warrants using the treasury stock method, and no shares settle notes using future sources of cash upon maturity or earlier conversion).

With respect to Depomed ownership, based on Horizon estimate from public filings of 85mm shares, including outstanding restricted stock units at full value, settlement of options using treasury stock method, and 19.2mm shares issued upon settlement of fundamental change and Depomed settles exclusively in shares).

(4)

For illustrative purposes only, based on 21mm shares issued to settle \$575mm term loan and related make whole at an assumed equity.

(5)

Premium based on 15-day VWAP of Horizon s stock as of August 12, 2015.

(6)

July 6, 2015 was the day prior to the public announcement of the Horizon Pharma proposal.

34

0.95x exchange ratio of Horizon Pharma shares for every Depomed share  
Exchange ratio was set based on \$33.00 per share offer price for Depomed stock and 15-day volume weighted average price (VWAP) of Horizon stock as of August 12

of \$34.74

Offer expires on November 6, 2015 unless extended by Horizon

54% premium

to \$21.41, Depomed's 30-day

VWAP prior to July 6, 2015

60% premium

to \$20.64, Depomed's unaffected close on July 6, 2015

Depomed shareholders would have a pro forma ownership of 32.2% of combined company on an outstanding share basis, a pro forma ownership of 31.7% on a fully diluted basis

and a pro forma ownership of 36.7%

on a

fully diluted basis if the \$575mm Depomed Term Loan were settled in shares

(1)

th

(2)

(6)

(1)

(5)

(5)

(4)

(3)

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Summary of Key Exchange Offer Terms  
Exchange  
Offer  
Conditions  
35  
Rescission of Poison Pill



Hearing on the legality of the Poison Pill to be held on November 5th

Due diligence

Horizon shareholder approval

Filed a preliminary proxy for a Special Meeting of Horizon Shareholders on September 11th

Competition law approvals

Filed for Hart-Scot-Rodino (HSR) approval on September 8th

Minimum tender of Depomed shares

Registration and listing of newly issued Horizon Pharma shares

No restraints and no material adverse event

Other customary conditions

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60% Premium offer

Pro forma ownership above Depomed's relevant contribution

Horizon's commercial model has potential to increase net sales

Sizable expected operating cost and tax synergies

Enhanced scale and financial flexibility expected

Major diversification of net sales

Horizon's longer life products and development programs

Substantial reduction in key risks expected

Significant and Immediate Adjusted EPS Accretion Expected  
for Both Horizon and Depomed Shareholders

(1)

Premium based on 15-day VWAP of Horizon's stock as of August 12, 2015 and based on Depomed's unaffected close price

(1)

Published analyst reports and investors we have spoken with are  
overwhelmingly supportive

Horizon's Offer to Acquire Depomed Is In Our View Compelling

For Both Depomed and Horizon Shareholders

Depomed continues to work against the best interests of shareholders

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Additional Information

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This communication does not constitute an offer to buy or solicitation of any offer to sell or vote securities and is for information only. It is intended to provide information to Depomed shareholders regarding the proposed exchange of Depomed common stock for Horizon ordinary shares. For more information, please refer to the Exchange Offer Statement on Schedule TO or the Prospectus/Offer to Exchange included in the Registration Statement on Form S-4 (including amendments, if any, to the Exchange Offer Documents) that Horizon Pharma has filed with the SEC. This communication is intended to provide information to Depomed's shareholders to call two special shareholders meetings to consider the principal proposals described in the Special

September 8 2015, Horizon Pharma filed a definitive solicitation statement and accompanying WHITE and BLUE proxy cards call two related special meetings of shareholders (including any amendments and supplements, the Special Meetings Solicitation Statement and accompanying WHITE and BLUE proxy cards and any amendments and supplements to the Special Meetings Solicitation Statement and additional solicitation statement documents with the SEC in connection with such special shareholders meetings, and Horizon Pharma (and, if a negotiated transaction involving Horizon Pharma and Depomed. This communication is not a substitute for any solicitation statement, prospectus, proxy statement, Exchange Offer Document or other documents with the SEC in connection with such special shareholders meetings or any registration statement, prospectus, proxy statement, Exchange Offer Document and/or Depomed may file with the SEC in connection with the offer or any other proposed transaction involving Horizon Pharma and Depomed. INVESTORS AND SECURITY HOLDERS OF HORIZON PHARMA AND DEPOMED ARE URGED TO READ CAREFULLY ANY AMENDMENTS AND SUPPLEMENTS), THE ACCOMPANYING WHITE AND BLUE PROXY CARDS AND OTHER DOCUMENTS FILED WITH THE SEC IN CONNECTION WITH THE SPECIAL SHAREHOLDERS MEETINGS AND THE OFFER OR ANY OTHER PROPOSED TRANSACTION INVOLVING HORIZON PHARMA AND DEPOMED WHEN THE INFORMATION ABOUT HORIZON PHARMA, DEPOMED, THE SPECIAL SHAREHOLDERS MEETINGS, THE OFFER OR ANY OTHER PROPOSED TRANSACTION INVOLVING HORIZON PHARMA AND DEPOMED, AS APPLICABLE.

If your shares are held by a bank, broker or other nominee, you are considered the beneficial owner of shares held in "street name" and the holder of record of your shares, may submit (i) a WHITE proxy card to join us in calling a special meeting to consider and vote on the Depomed board of directors and for amending the Depomed bylaws and/or (ii) a BLUE proxy card to join us in calling a second special meeting of the Depomed board of directors contingent on the current directors being removed, and your bank, broker or other nominee may do so. YOUR BANK, BROKER OR OTHER NOMINEE HAS PROVIDED YOU WITH A SINGLE VOTING INSTRUCTION FOR BOTH THE WHITE PROXY CARD AND THE BLUE PROXY CARD. PLEASE READ AND FOLLOW SUCH SINGLE VOTING INSTRUCTION WHEN CALLING ONE OR BOTH OF THE SPECIAL MEETINGS. PLEASE NOTE THAT THE SINGLE VOTING INSTRUCTION WILL RESULT IN YOUR SHARES NOT BEING COUNTED TOWARDS OUR OBTAINING THE REQUISITE PERCENTAGE FOR A SPECIAL MEETING.

Investors and security holders may obtain free copies of the Special Meetings Solicitation Statement, the Exchange Offer Document and the Exchange Offer Document (all of which are available) filed with the SEC at the SEC's web site at [www.sec.gov](http://www.sec.gov) or by directing a request to Horizon Pharma's Investor Relations, Attention: Investor Relations, 520 Lake Cook Road, Suite 520, Deerfield, IL 60015 or to Horizon Pharma's Investor Relations at [investor-relations@horizonpharma.com](mailto:investor-relations@horizonpharma.com). Investors and security holders may obtain free copies of the documents filed with the SEC at [www.horizonpharma.com](http://www.horizonpharma.com) under the heading "Investors" and then under the heading "SEC Filings."

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Horizon Pharma and/or Depomed and their respective directors, executive officers and certain other employees and the Horizon nominees may be deemed participants in a solicitation of proxies in connection with the requests to call the special shareholder meeting. You can find information about Horizon Pharma's directors, executive officers and such certain other employees and any individuals Horizon Pharma is seeking to nominate for election to the Depomed board of directors, as described in the Special Meetings Solicitation in Horizon Pharma's Annual Report on Form 10-K for the year ended December 31, 2014, which was filed with the SEC on February 10, 2015, Horizon Pharma's definitive proxy statement filed with the SEC on May 6, 2015, Horizon Pharma's Current Report on Form 8-K filed with the SEC on May 11, 2015, and Horizon Pharma's Current Report on Form 8-K filed with the SEC on May 11, 2015.

filed with the SEC on July 27, 2015 and the Special Meetings Solicitation Statement and in such other solicitation statements, proxy statements or other documents that would be filed with the SEC in connection with the special shareholders meetings. You can find information about Depomed's directors, executive officers and its employees who are participants in such solicitation in Depomed's proxy statement filed with the SEC on April 16, 2015 and the Special Meetings Solicitation Statement and in such other solicitation statements, proxy statements or other documents that would be filed with the SEC in connection with the special shareholders meetings. These documents are available free of charge at the SEC's web site at [www.sec.gov](http://www.sec.gov) and, with respect to Horizon Pharma, from Horizon Pharma's Investor Relations at Horizon Pharma as described above. Additional information regarding the interests of such potential participants in the Special Meetings Solicitation Statement and will be included in one or more registration statements, proxy statements or other documents filed with the SEC if and when they become available.

Certain Information Regarding Participants

Horizon Pharma plc  
Acquisition  
of  
Depomed,  
Inc.  
Benefits  
and



Considerations

September

2015

For Important Information About the Proposed Depomed Acquisition

Please visit [www.horizonanddepomed.com](http://www.horizonanddepomed.com)

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Information

Horizon

Pharma

plc