



2016 ANNUAL REPORT

POISED FOR GROWTH

We strive to improve the lives of patients throughout the world by successfully identifying, developing, and commercializing innovative specialty pharmaceutical products.

“ While we certainly acknowledge there are ongoing challenges facing the overall specialty pharmaceutical sector in which we operate and with our business, we remain committed to our growth strategy. ”



Dear Stockholders,

Last year, 2016, was a foundational year for Aralez Pharmaceuticals. We have made substantial progress toward completing our initial strategic priorities across the business and we are pleased with our execution against the expectations that we set upon the formation of Aralez in the early part of last year. First of all, let's recap some of the key achievements since our formation. In February 2016, we completed the formation of Aralez through the merger of Tribute Pharmaceuticals Canada Inc. with POZEN Inc. Together, as Aralez, we believe we have greater potential to increase shareholder value over time and are much stronger than either individual company on a standalone basis. We have completed the integration of these two companies and created a nimble, lean and performance-oriented organization that has an expanded North American footprint and a growing revenue base with therapeutic anchor positions in cardiovascular disease and pain management. The formation of Aralez has created a global specialty pharmaceutical company with a growth platform, from which we believe we can drive long-term value creation for our shareholders.

While we certainly acknowledge there are ongoing challenges facing the overall specialty pharmaceutical sector in which we operate and with our business, we remain committed to our growth strategy: to unlock the full potential of our expanded product portfolio by applying our experience in commercializing specialty products to a targeted physician base supported by our very experienced sales force with an emphasis on reimbursement, managed care access and responsible pricing that allows us to build value organically. We will continue to evaluate additional business development opportunities and consider targeted accretive investments and/or mergers and acquisitions to potentially diversify our portfolio and drive long-term growth. We will also continue to have a

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disciplined approach to capital deployment and to assess our capital structure as we seek to maximize our financial flexibility.

We also see growth opportunities in the Canadian market. Legacy Tribute had strong operations in Canada prior to the merger and the Canadian business has continued to stay strong as we moved quickly to integrate and focus its commercial operations. Our key products in the Canadian market include Cambia[®], Soriatane[®], Fiorinal[®] and Blexten[™]. In December 2016, we launched Blexten in Canada for the treatment of the symptoms of Seasonal Allergic Rhinitis (SAR) and Chronic Spontaneous Urticaria (CSU) (such as itchiness and hives). Blexten represents an additional treatment option that physicians can offer Canadian patients suffering from seasonal allergies and hives. Blexten, along with the future potential Canadian launch of Zontivity[®] and the regulatory submission to Health Canada seeking approval for Yosprala[®], should play a significant role in driving organic growth of the Canadian business through the *Disciplined Advancement of our Pipeline*. We also completed the preparations for the European submission of Yosprala that was submitted to the European Medicines Agency in January 2017.

In the United States, our primary focus is on commercial execution and to *Maximize Value of our Product Portfolio*. In April 2016, we commenced the promotional re-launch of Fibracor[®], comprised of both the brand and Authorized Generic, for the treatment of severe hypertriglyceridemia, primary hyperlipidemia or mixed dyslipidemia, with a newly hired 25-person sales force. The key objectives included developing professional relationships with cardiologists and using a targeted approach to grow market share—an approach that increased prescriptions by over 100% in our targeted territories. In September 2016, we received approval from the U.S. Food and Drug Administration for Yosprala, the only prescription fixed-dose combination of aspirin and omeprazole, a proton pump inhibitor, for patients who require aspirin for secondary prevention of cardiovascular events such as a second heart attack, and who are at risk of developing aspirin-associated gastric ulcers. We then commenced the commercial launch of Yosprala in October supported by our fully trained sales force hired and deployed to promote Yosprala to cardiologists and high prescribing primary care physicians.

More than 26 million adults in the U.S. are at risk for secondary cardiovascular events, and aspirin therapy is often a gold standard for these patients, yet many discontinue aspirin therapy because of gastrointestinal side effects. Yosprala supports both cardio- and gastro-protection for at-risk patients through the proprietary Intelli-COAT[™] system, which is formulated to sequentially deliver

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immediate-release omeprazole followed by a delayed-release aspirin. Yosprala is designed to reduce aspirin intolerance and therefore help patients at risk for gastric ulcers stay on aspirin therapy and realize its potentially life-saving benefit by reducing the likelihood of such gastrointestinal problems. Aralez maintains a responsible pricing strategy that is committed to providing patient access to Yosprala and has instituted several programs to limit cost barriers to this secondary prevention treatment.

Our commercial team is continuing its deployment of managed care and sales force strategies with the objective of generating new prescription growth to help patients in need, with a focus on expanding Yosprala's use with cardiologists and high prescribing primary care physicians. We remain focused on quality commercial execution and driving prescription volume in 2017 with a strengthening managed care position that now includes approximately 80% of commercial lives covered. We have also submitted bids to the major Medicare Part D payors and are working hard to secure coverage for these patients to further support and propel the Yosprala launch.

One of our goals as a company is to reduce cardiovascular disease and its consequences in order to help people live longer and healthier lives and enjoy more quality time with their loved ones. We would like to raise awareness of the need to recognize cardiovascular disease in men and women and the need to educate doctors and patients on the importance of maintaining adherence with their therapies to help minimize risk and maximize the benefits of prescribed therapies. Guidelines from the American College of Cardiology, American Heart Association, American Gastroenterological Association, and the U.S. Preventative Services Task Force all affirm the importance of daily aspirin therapy. We want to do what we can to support these endeavors.

We have also been working diligently to execute our strategy to *Successfully Pursue Business Development* opportunities to grow and diversify the business, completing two significant cardiovascular product transactions in 2016. These products, together with Fibracor and Yosprala, have solidified our anchor position in cardiovascular disease. With the acquisition of the U.S. and Canadian rights to Zontivity (vorapaxar sulfate) from Merck and the U.S. rights to Toprol-XL® (metoprolol succinate) and its Authorized Generic from AstraZeneca, we have leveraged our platform for growth by acquiring revenue-generating "bolt on" products in our core therapeutic area that are designed to diversify our revenue stream and product offerings.

In the U.S., Zontivity is indicated for the reduction of thrombotic cardiovascular events in patients with a history of heart attack (myocardial infarction) or in

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patients with narrowing of leg arteries, called peripheral artery disease (PAD), and should be used in combination with daily aspirin and/or clopidogrel according to their indications or standard of care. Patients should not use Zontivity if they have a history of stroke, transient ischemic attack, intracranial hemorrhage or active bleeding. In Canada, Zontivity co-administered with aspirin with or without clopidogrel, according to their standard of care, is indicated for the reduction of atherothrombotic events in adult high-risk patients with a history of myocardial infarction (MI). Zontivity represents an attractive revenue-generating asset with new chemical entity regulatory data exclusivity, and patent protection in the U.S. potentially extending to 2027. It is an excellent strategic fit with our anchor therapeutic position in cardiovascular disease targeting cardiologists alongside Yosprala and Fibracor. Although Merck continues to distribute Zontivity on our behalf in the short-term, we have commenced the commercial preparations for a re-launch of Zontivity in the United States by our sales force, which we are planning for in June 2017, with the continued focus and drive toward successful commercial execution.

Toprol-XL is a beta blocker indicated for the treatment of hypertension, angina pectoris and types of heart failure, providing 24-hour treatment with one daily dose. Patients should not stop Toprol-XL abruptly without speaking with their doctors. The acquisition of the U.S. rights to Toprol-XL and its Authorized Generic bolstered our position in the treatment of cardiovascular disease. We are pleased that the Toprol-XL franchise continues to add near-term revenue and EBITDA, although as we mentioned at the time of the transaction, we do expect revenues to decline over time due to price erosion and/or further competition. We remain focused on maximizing the value of this franchise in the face of an increasingly competitive environment.

We strive to *Deliver Strong Financial Performance*. We believe that we have sufficient liquidity to commercialize Yosprala and re-launch Zontivity in 2017 with approximately \$65 million in cash and cash equivalents as of December 31, 2016. We also have access to \$250 million of capital from Deerfield Management to pursue mutually agreeable future acquisition opportunities that can be integrated and optimized to fuel additional organic growth for the organization. We are focused on having a disciplined approach to cost management and optimizing our cost structure through sound decision making. We will make appropriate decisions in this regard at the appropriate time to ensure we are maximizing our commercial opportunities with sufficient resources.

Everything we do is inspired by our strong commitment to the Aralez mission, vision, and core values. Our journey into the future is guided by the principle

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that both “what” we do and “how” we do it differentiates our business and serves as the road map for our valued employees to achieve our corporate goals and serve our patients. In doing so, we strive to provide maximum value to patients, employees, shareholders, and the healthcare community. We believe our people are the core of our success. Our value and respect for one another fosters a vibrant and nimble culture to attract and retain high-performing people. Our hallmark is to *Invest in People for Competitive Advantage* and as such, our employees will be provided opportunities for development and are motivated to achieve their maximum potential. Aligned with our commitment to never compromise on quality and business ethics, we have designed and implemented a corporate compliance program to adhere to our highest operational and ethical standards.

Poised For Growth

Last year was a year of achievement and progress that built the foundation that leaves us *Poised for Growth* in 2017 and beyond. We believe 2017 will be a further stepping stone for Aralez. As we move forward, we will continue to carve our unique path for future growth through a focused approach and steadfast execution of our strategy and not by replicating the strategy of other companies. Notwithstanding the ongoing challenges with our business, we are confident in our ability to manage both the opportunities and these challenges. There are three areas of executional focus that will help drive our growth this year—commercial execution, especially with Yosprala and Zontivity, disciplined financial execution with cost and cash management and continued, opportunistic business development execution. First and foremost, we are focused on managing the challenges with the Toprol-XL franchise and on the successful commercial execution of the Yosprala launch and near-term Zontivity re-launch. Given the ongoing opportunistic nature of the pharmaceutical sector, we will continue to assess strategic business development and M&A opportunities that are near-term revenue generating and accretive to drive organic growth and further diversify our portfolio. We plan to build on our past successes and look forward to new opportunities, such as entering new specialty therapeutic areas, to further transform Aralez in 2017 and years to come. I want to thank our employees for their dedication and our shareholders for their continued support as we continue to help patients and pursue opportunities designed to generate shareholder value.



Adrian Adams
Chief Executive Officer

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Our Journey



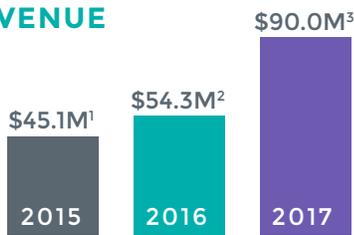
MERGER OF POZEN AND TRIBUTE COMPLETED

The combination of POZEN Inc. and Tribute Pharmaceuticals Canada Inc. represents an important strategic transformation that created Aralez, a specialty pharmaceutical company with a compelling growth platform, from which we believe we can drive significant long-term value creation.

FOCUS ON CARDIOVASCULAR AND PAIN RELIEF



REVENUE



¹ 2015 pro forma revenues include 6+ months of MFI as part of Tribute
² 2016 includes operations of Tribute from the date of the Tribute Acquisition through December 31, 2016
³ Mid-point of 2017 Guidance on March 13, 2017

ESTABLISHED AN EXPERIENCED SALES FORCE



“ I used to take an aspirin every morning to help prevent a heart attack or stroke, but I needed to add antacids 3x each day to prevent another ulcer. Now, instead, I take just one pill—Yosprala—and my stomach is protected for the whole day. ”

—Vera Miller, Yosprala Patient



NEW ACQUISITION

Zontivity is indicated for the reduction of thrombotic events in patients with a history of myocardial infarction or with peripheral arterial disease. Please [click here](#) for complete prescribing information for Zontivity, including Boxed Warning.



NEW ACQUISITION

Toprol-XL is indicated for the treatment of high blood pressure. Please [click here](#) for complete prescribing information for Toprol-XL, including Boxed Warning.



\$250M available capital for mutually agreeable transactions (led by Deerfield Management)



PRODUCT RE-LAUNCH

Increased prescriptions by 100% in targeted territories. Please [click here](#) for complete prescribing information for Fibrivor.



PRODUCT LAUNCH

Product Launched October 2016. Please [click here](#) for complete prescribing information for Yosprala.

Corporate Information

BOARD OF DIRECTORS

Adrian Adams

Chief Executive Officer

Jason M. Aryeh

Founder and Managing General Partner of JALAA Equities, LP

Neal F. Fowler

Chief Executive Officer of Liquidia Technologies, Inc.

Robert Harris

Former CEO of Tribute Pharmaceuticals

Arthur S. Kirsch—Chairman

Senior Advisor with GCA Global, LLC

Kenneth B. Lee, Jr.

General Partner of Hatteras Venture Partners

Seth A. Rudnick, M.D.

Retired Partner, Canaan Partners

Chairman of the Board of Liquidia Technologies, Inc.

F. Martin Thrasher

President of FMT Consulting

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ANNUAL MEETING

May 3, 2017 at 9:00 A.M. EST

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NASDAQ Global Market Exchange—ARLZ

Toronto Stock Exchange—ARZ

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Chief Executive Officer

Jennifer L. Armstrong

Executive Vice President, Human Resources and Administration

Scott J. Charles

Chief Financial Officer

Mark A. Glickman

Chief Commercial Officer

Andrew I. Koven

President and Chief Business Officer

Eric L. Trachtenberg

General Counsel, Chief Compliance Officer and

Corporate Secretary

James P. Tursi, M.D.

Chief Medical Officer

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This document contains certain “forward-looking statements” within the meaning of applicable securities laws. These statements are based on management’s current expectations and are subject to uncertainty and changes in circumstances. Actual results may differ materially from these expectations due to changes in economic, business, competitive, market and regulatory factors. More information about those factors is contained in Aralez’s filings with the U.S. Securities and Exchange Commission and applicable securities regulatory authorities in Canada.