

## **Remarks Regarding Chapter 11 Settlement in Principle**

On March 3, 2023, a representative of Skadden, Arps, Slate, Meagher & Flom, counsel to Endo International plc and certain of its subsidiaries in connection with the chapter 11 cases pending in the United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”), delivered remarks at a status conference hearing before the Bankruptcy Court, summarized below:

- The 1L Ad Hoc Group (and its Purchaser) has reached resolutions in principle with the Official Committee of Opioid Creditors (the “OCC”), the Official Committee of Unsecured Creditors (the “UCC”), the Crossholder Group and the Non-RSA 1Ls, all of which are supported by the Debtor and subject to definitive documentation.
- First, the UCC deal:
  - \$60 million of cash
  - 4.25% of equity in the Purchaser
    - Premised on \$2.5B of net funded debt.
  - Litigation Trust, which will include certain claims (being bought by Purchaser pursuant to PSA) against (i) non-continuing directors and former officers (as against insurance), (ii) certain third party advisors, and (iii) certain additional third parties, including parties to certain prepetition transactions with the Debtors.
    - Litigation trust will also receive all of the rights to the Debtors’ hundreds of millions of dollars in face amount of products liability insurance policies providing coverage for opioid, mesh, and ranitidine claims (among others), pre-2019 D&O insurance policies, and commercial general liability policies.
    - Trust to be structured in a manner that facilitate Trust’s ability to maximize value of litigation claims and insurance.
  - Investment Right for \$160 million of common equity at a total enterprise value of \$5.125 billion (and \$2.5B net funded debt) open to non-opioid unsecured creditors who subscribe no later than 14 days ahead of the sale hearing.
    - Cross-Holder Group and Non-RSA minority 1L group both support this deal – as part of the deal, any 1L holder that executes the RSA prior to the Bid Procedures hearing will be treated the same as those 1Ls that signed prepetition.
  - Subject to a fee cap of \$15 million for UCC professionals.
    - Work done prior to April 1 not subject to fee cap.
    - Any unused fees below the cap added to litigation trust expense funding.

- Applies to present, non-opioid unsecured creditors (including second lien holders).
- UCC, Crossholder group and Non-RSA 1Ls each to support sale.
- Professional fees for the Crossover Group and the Non-RSA 1Ls will be brought current upon execution of an amended RSA supporting the sale. Go forward fees for either group shall be subject to an agreed upon cap set forth in the amended RSA.
- Subject to UCC fiduciary out but will not solicit alternative proposals.
- Second, the OCC deal:
  - \$119.2m of gross cash consideration payable to Private Present Opioid Claimants, payable in 3 installments within two years of closing – the first payment is \$29.7m at closing, the next payment is \$29.7 million on the first anniversary of closing, and the last payment is \$59.7 million on the second anniversary of closing.
  - This payment stream is subject to a prepayment option whereby the Purchaser may pay the whole amount by paying \$89.2m at closing, \$95.3m at 6 months or \$102.9m at the 1-year mark.
  - If the Purchaser elects to prepay the voluntary public opioid trust amount, then it will also prepay the voluntary private opioid trust amount.
  - Subject to claimant documentation to be agreed, which will contemplate consensual voluntary releases by the claimant of the Debtors and its D&O but not such claimants' direct claims against certain categories of third parties involved in the production, distribution, marketing, promotion, or sale of opioid products.
  - Subject to a fee cap of \$8.5m for OCC hourly professionals.
    - Does not include certain categories of tasks such as the work to document and implement the resolution in principle and certain unforeseen services and services driven by inbound discovery and cooperation requests with respect to other case resolutions.
    - OCC professionals removed from the wind-down budget amount so long as they are not required to provide services during the wind-down.
    - OCC, working with Private Claimants, to determine allocation among Private Opioid Claimants with no input from other parties. OCC may select a mediator for allocation, subject to the OCC hourly professional fee cap described herein and timing constraints of the case.
  - OCC due process rights with respect to standing motion for estate causes of action to be preserved in the contingent event whereby the Purchaser no longer is purchasing estate causes of action.
  - OCC to support sale.
  - Subject to OCC fiduciary out but will not solicit alternative proposals.

- In addition to the above, the 1L Ad Hoc Group has agreed with the Debtors on certain modifications to the Wind Down Budget.
- We note that other mediation parties have certain unresolved issues, and we hope discussions can continue with those parties.

*Cautionary Information Regarding Trading in the Company's Securities.*

The Company continues to face certain risks and uncertainties that have been affecting its business and operations, and these risks and uncertainties may affect the Company's ability to enter into a sale transaction and could impact the outcome of the Company's voluntary petitions for relief under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Southern District of New York (collectively, the "Chapter 11 Filings"). Holders of the Company's equity securities will likely be entitled to little or no recovery on their investment following the Chapter 11 Filings, and recoveries to other stakeholders cannot be determined at this time. The Company cautions that trading in the Company's securities given the pendency of the Chapter 11 Filings is highly speculative and poses substantial risks. Trading prices for the Company's securities may bear little or no relationship to the actual value realized, if any, by holders of the Company's securities in the Chapter 11 Filings. Accordingly, the Company urges extreme caution with respect to existing and future investments in its securities.

*Cautionary Note Regarding Forward-Looking Statements*

Certain information in this release may be considered "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 and any applicable Canadian securities legislation, including, but not limited to, statements with respect to the Non-Debtor Report or any similar reports or other documents that have been or in the future are filed with the Bankruptcy Court, the chapter 11 proceedings, and any other statements that refer to the Company's expected, estimated or anticipated future results or that do not relate solely to historical facts. Statements including words or phrases such as "believe," "expect," "anticipate," "intend," "estimate," "plan," "will," "may," "look forward," "intend," "guidance," "future," "potential" or similar expressions are forward-looking statements. All forward-looking statements in this communication reflect the Company's current views as of the date of this communication about its plans, intentions, expectations, strategies and prospects, which are based on the information currently available to it and on assumptions it has made. Actual results may differ materially and adversely from current expectations based on a number of factors, including, among other things, the following: the outcome of the Company's contingency planning and restructuring activities; the timing, impact or results of any pending or future litigation, investigations, proceedings or claims, including opioid, tax and antitrust related matters; actual or contingent liabilities; settlement discussions or negotiations; the Company's liquidity, financial performance, cash position and operations; the Company's strategy; risks and uncertainties associated with chapter 11 proceedings; the negative impacts on the Company's businesses as a result of filing for and operating under chapter 11 protection; the time, terms and ability to confirm a sale of the Company's businesses under Section 363 of the U.S. Bankruptcy Code; the adequacy of the capital resources of the Company's businesses and the difficulty in forecasting the liquidity requirements of the operations of the Company's businesses; the

unpredictability of the Company's financial results while in chapter 11 proceedings; the Company's ability to discharge claims in chapter 11 proceedings; negotiations with the holders of the Company's indebtedness and its trade creditors and other significant creditors; risks and uncertainties with performing under the terms of the restructuring support agreement and any other arrangement with lenders or creditors while in chapter 11 proceedings; the Company's ability to conduct business as usual; the Company's ability to continue to serve customers, suppliers and other business partners at the high level of service and performance they have come to expect from the Company; the Company's ability to continue to pay employees, suppliers and vendors; the ability to control costs during chapter 11 proceedings; adverse litigation; the risk that the Chapter 11 Cases may be converted to cases under chapter 7 of the Bankruptcy Code; the Company's ability to secure operating capital; the Company's ability to take advantage of opportunities to acquire assets with upside potential; the Company's ability to execute on its strategic plan to pursue, evaluate and close an asset sale of the Company's businesses pursuant to Section 363 of the Bankruptcy Code; the impact of competition, including the loss of exclusivity and generic competition; our ability to satisfy judgments or settlements or pursue appeals including bonding requirements; our ability to adjust to changing market conditions; our ability to attract and retain key personnel; our inability to maintain compliance with financial covenants and operating obligations which would expose us to potential events of default under our outstanding indebtedness; our ability to incur additional debt or equity financing for working capital, capital expenditures, business development, debt service requirements, acquisitions or general corporate or other purposes; our ability to refinance our indebtedness; a significant reduction in our short-term or long-term revenues which could cause us to be unable to fund our operations and liquidity needs or repay indebtedness; supply chain interruptions or difficulties; changes in competitive or market conditions; changes in legislation or regulatory developments; our ability to obtain and maintain adequate protection for our intellectual property rights; the timing and uncertainty of the results of both the research and development and regulatory processes, including regulatory decisions, product recalls, withdrawals and other unusual items; domestic and foreign health care and cost containment reforms, including government pricing, tax and reimbursement policies; technological advances and patents obtained by competitors; the performance, including the approval, introduction, and consumer and physician acceptance of new products and the continuing acceptance of currently marketed products; our ability to integrate any newly acquired products into our portfolio and achieve any financial or commercial expectations; the impact that known and unknown side effects may have on market perception and consumer preference for our products; the effectiveness of advertising and other promotional campaigns; the timely and successful implementation of any strategic initiatives; unfavorable publicity regarding the misuse of opioids; the uncertainty associated with the identification of and successful consummation and execution of external corporate development initiatives and strategic partnering transactions; our ability to advance our strategic priorities, develop our product pipeline and continue to develop the market for products; and our ability to obtain and successfully manufacture, maintain and distribute a sufficient supply of products to meet market demand in a timely manner. In addition, U.S. and international economic conditions, including consumer confidence and debt levels, taxation, changes in interest and currency exchange rates, international relations, capital and credit availability, the status of financial markets and institutions, the impact of and response to the ongoing COVID-19 pandemic and the impact of continued economic volatility, can materially affect our results. Therefore, the reader is cautioned not to rely on these forward-

looking statements. The Company expressly disclaims any intent or obligation to update these forward-looking statements, except as required to do so by law.

Additional information concerning risk factors, including those referenced above, can be found in press releases issued by the Company, as well as the Company's public periodic filings with the U.S. Securities and Exchange Commission and with securities regulators in Canada, including the discussion under the heading "Risk Factors" in the Company's most recent Annual Report on Form 10-K and any subsequent Quarterly Reports on Form 10-Q or other filings with the U.S. Securities and Exchange Commission. Copies of the Company's press releases and additional information about the Company are available at [www.endo.com](http://www.endo.com) or you can contact the Company's Investor Relations Department at [relations.investor@endo.com](mailto:relations.investor@endo.com).