# UNITED STATES
# SECURITIES AND EXCHANGE COMMISSION
**Washington, D.C. 20549**

# FORM 10-Q

**(Mark One)**

**☒QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
**FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2020**

**or**

**☐TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
**FOR THE TRANSITION PERIOD FROM TO**

**Commission File Number: 001-36326**

# Endo International plc

**(Exact name of registrant as specified in its charter)**

| **Ireland** | **68-0683755** |
|---|---|
| (State or other jurisdiction of incorporation or organization) | (I.R.S. Employer Identification No.) |
| **First Floor, Minerva House, Simmonscourt Road**<br>**Ballsbridge, Dublin 4, Ireland** | **Not Applicable** |
| (Address of Principal Executive Offices) | (Zip Code) |

**011-353-1-268-2000**
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

| | | | |
|---|---|---|---|
| Large accelerated filer | ☒ | Accelerated filer | ☐ |
| Non-accelerated filer | ☐ | Smaller reporting company | ☐ |
| | | Emerging growth company | ☐ |

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Securities registered pursuant to Section 12(b) of the Exchange Act:

| **Title of each class** | **Trading symbol(s)** | **Name of each exchange on which registered** |
|---|---|---|
| Ordinary shares, nominal value $0.0001 per share | ENDP | The Nasdaq Global Select Market |

The number of Ordinary shares, nominal value $0.0001 per share outstanding as of April 30, 2020 was 229,704,840.

**ENDO INTERNATIONAL PLC**

**INDEX**

## FORWARD-LOOKING STATEMENTS

Statements contained or incorporated by reference in this document contain information that includes or is based on "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended (Securities Act) and Section 21E of the Securities Exchange Act of 1934, as amended (Exchange Act). Forward-looking statements include, without limitation, estimated future results of operations, estimates of future revenues, future expenses, future net income and future net income per share, as well as statements regarding future financing activities, the impact of the novel strain of coronavirus referred to as COVID-19 on the health and welfare of our employees and on our business, including any response to COVID-19 such as anticipated return to historical purchasing decisions by customers, the economic impact of COVID-19, changes in consumer spending, decisions to engage in certain medical procedures, future governmental orders that could impact our operations and the ability of our manufacturing facilities and suppliers to fulfill their obligations to us, and any other statements that refer to Endo's expected, estimated or anticipated future results. We have tried, whenever possible, to identify such statements by words such as "believe," "expect," "anticipate," "intend," "estimate," "plan," "project," "forecast," "will," "may" or similar expressions. We have based these forward-looking statements on our current expectations, assumptions and projections about the growth of our business, our financial performance and the development of our industry. Because these statements reflect our current views concerning future events, these forward-looking statements involve risks and uncertainties including, without limitation, the risks related to the impact of COVID-19 (such as, without limitation, the scope and duration of the pandemic and the resulting economic crisis and levels of unemployment, governmental actions and restrictive measures implemented in response, material delays and cancellations of certain medical procedures, potential manufacturing and supply chain disruptions and other potential impacts to the business as a result of COVID-19) and the other risks and uncertainties more fully described under the caption "Risk Factors" in Part II, Item 1A of this document and in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2019 filed with the Securities and Exchange Commission (SEC) on February 26, 2020 (the Annual Report). These risks and uncertainties, many of which are outside of our control, and any other risks and uncertainties that we are not currently able to predict or identify, individually or in the aggregate, could have a material adverse effect on our business, financial condition, results of operations and cash flows and could cause our actual results to differ materially and adversely from those expressed in forward-looking statements contained or incorporated by reference in this document. Additionally, the prolonged impact of COVID-19 could heighten the impact of one or more of such risk factors.

We do not undertake any obligation to update our forward-looking statements after the date of this document for any reason, even if new information becomes available or other events occur in the future, except as may be required under applicable securities laws. You are advised to consult any further disclosures we make on related subjects in our reports filed with the SEC and with securities regulators in Canada on the System for Electronic Document Analysis and Retrieval. Also note that, in Part II, Item 1A of this document and in Part I, Item 1A of the Annual Report, and as otherwise enumerated herein, we provide a cautionary discussion of the risks, uncertainties and possibly inaccurate assumptions relevant to our business. These are factors that, individually or in the aggregate, we think could cause our actual results to differ materially from expected and historical results. We note these factors for investors as permitted by Section 27A of the Securities Act and Section 21E of the Exchange Act. You should understand that it is not possible to predict or identify all such factors. Consequently, you should not consider this to be a complete discussion of all potential risks or uncertainties.

## PART I. FINANCIAL INFORMATION

**Item 1. Financial Statements**

### ENDO INTERNATIONAL PLC
### CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)
**(Dollars in thousands, except share and per share data)**

| | March 31, 2020 | December 31, 2019 |
|---|---|---|
| **ASSETS** | | |
| CURRENT ASSETS: | | |
| Cash and cash equivalents | $ 1,531,538 | $ 1,454,531 |
| Restricted cash and cash equivalents | 200,666 | 247,457 |
| Accounts receivable, net | 536,903 | 467,953 |
| Inventories, net | 324,962 | 327,865 |
| Prepaid expenses and other current assets | 46,537 | 40,845 |
| Income taxes receivable | 94,729 | 47,567 |
| Total current assets | $ 2,735,335 | $ 2,586,218 |
| PROPERTY, PLANT AND EQUIPMENT, NET | 492,346 | 504,865 |
| OPERATING LEASE ASSETS | 49,349 | 51,700 |
| GOODWILL | 3,560,011 | 3,595,184 |
| OTHER INTANGIBLES, NET | 2,382,374 | 2,571,267 |
| DEFERRED INCOME TAXES | 114 | 2,192 |
| OTHER ASSETS | 86,351 | 78,101 |
| TOTAL ASSETS | $ 9,305,880 | $ 9,389,527 |
| **LIABILITIES AND SHAREHOLDERS' DEFICIT** | | |
| CURRENT LIABILITIES: | | |
| Accounts payable and accrued expenses | $ 854,958 | $ 899,949 |
| Current portion of legal settlement accrual | 442,233 | 513,005 |
| Current portion of operating lease liabilities | 11,512 | 10,763 |
| Current portion of long-term debt | 34,150 | 34,150 |
| Income taxes payable | 4,138 | 2,422 |
| Total current liabilities | $ 1,346,991 | $ 1,460,289 |
| DEFERRED INCOME TAXES | 27,024 | 31,703 |
| LONG-TERM DEBT, LESS CURRENT PORTION, NET | 8,354,920 | 8,359,899 |
| OPERATING LEASE LIABILITIES, LESS CURRENT PORTION | 45,057 | 48,299 |
| OTHER LIABILITIES | 269,705 | 355,881 |
| COMMITMENTS AND CONTINGENCIES (NOTE 12) | | |
| SHAREHOLDERS' DEFICIT: | | |
| Euro deferred shares, $0.01 par value; 4,000,000 shares authorized and issued at both March 31, 2020 and December 31, 2019 | 44 | 45 |
| Ordinary shares, $0.0001 par value; 1,000,000,000 shares authorized; 228,442,736 and 226,802,609 shares issued and outstanding at March 31, 2020 and December 31, 2019, respectively | 23 | 23 |
| Additional paid-in capital | 8,917,927 | 8,904,692 |
| Accumulated deficit | (9,422,284) | (9,552,214) |
| Accumulated other comprehensive loss | (233,527) | (219,090) |
| Total shareholders' deficit | $ (737,817) | $ (866,544) |
| TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIT | $ 9,305,880 | $ 9,389,527 |

See accompanying Notes to Condensed Consolidated Financial Statements.

**ENDO INTERNATIONAL PLC**
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)**
**(Dollars and shares in thousands, except per share data)**

| | Three Months Ended March 31, | |
|---|---|---|
| | 2020 | 2019 |
| TOTAL REVENUES, NET | $ 820,405 | $ 720,411 |
| COSTS AND EXPENSES: | | |
| Cost of revenues | 388,799 | 391,909 |
| Selling, general and administrative | 166,768 | 151,123 |
| Research and development | 31,615 | 33,486 |
| Litigation-related and other contingencies, net | (17,176) | 6 |
| Asset impairment charges | 97,785 | 165,448 |
| Acquisition-related and integration items, net | 12,462 | (37,501) |
| Interest expense, net | 132,877 | 132,675 |
| Gain on extinguishment of debt | — | (119,828) |
| Other (income) expense, net | (13,974) | 4,802 |
| INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAX | $ 21,249 | $ (1,709) |
| INCOME TAX (BENEFIT) EXPENSE | (136,332) | 10,903 |
| INCOME (LOSS) FROM CONTINUING OPERATIONS | $ 157,581 | $ (12,612) |
| DISCONTINUED OPERATIONS, NET OF TAX (NOTE 3) | (27,651) | (5,961) |
| NET INCOME (LOSS) | $ 129,930 | $ (18,573) |
| NET INCOME (LOSS) PER SHARE—BASIC: | | |
| Continuing operations | $ 0.69 | $ (0.06) |
| Discontinued operations | (0.12) | (0.02) |
| Basic | $ 0.57 | $ (0.08) |
| NET INCOME (LOSS) PER SHARE—DILUTED: | | |
| Continuing operations | $ 0.68 | $ (0.06) |
| Discontinued operations | (0.12) | (0.02) |
| Diluted | $ 0.56 | $ (0.08) |
| WEIGHTED AVERAGE SHARES: | | |
| Basic | 227,198 | 224,594 |
| Diluted | 233,014 | 224,594 |

See accompanying Notes to Condensed Consolidated Financial Statements.

**ENDO INTERNATIONAL PLC**
**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (UNAUDITED)**
**(Dollars in thousands)**

| | Three Months Ended March 31, | |
|---|---|---|
| | 2020 | 2019 |
| NET INCOME (LOSS) | $ 129,930 | $ (18,573) |
| OTHER COMPREHENSIVE (LOSS) INCOME: | | |
| Net unrealized (loss) gain on foreign currency | $ (14,437) | $ 4,730 |
| Total other comprehensive (loss) income | $ (14,437) | $ 4,730 |
| COMPREHENSIVE INCOME (LOSS) | $ 115,493 | $ (13,843) |

See accompanying Notes to Condensed Consolidated Financial Statements.

**ENDO INTERNATIONAL PLC**
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)**
**(Dollars in thousands)**

| | Three Months Ended March 31, | |
|---|---|---|
| | **2020** | **2019** |
| OPERATING ACTIVITIES: | | |
| Net income (loss) | $ 129,930 | $ (18,573) |
| Adjustments to reconcile Net income (loss) to Net cash provided by (used in) operating activities: | | |
| Depreciation and amortization | 141,588 | 162,733 |
| Share-based compensation | 17,645 | 24,733 |
| Amortization of debt issuance costs and discount | 4,339 | 5,586 |
| Deferred income taxes | (911) | (785) |
| Change in fair value of contingent consideration | 12,462 | (37,501) |
| Gain on extinguishment of debt | — | (119,828) |
| Asset impairment charges | 97,785 | 165,448 |
| (Gain) loss on sale of business and other assets | (8,192) | 1,294 |
| Changes in assets and liabilities which (used) provided cash: | | |
| Accounts receivable | (72,833) | (14,389) |
| Inventories | (324) | (11,928) |
| Prepaid and other assets | (3,581) | 5,059 |
| Accounts payable, accrued expenses and other liabilities | (112,625) | (258,202) |
| Income taxes payable/receivable, net | (142,727) | 5,770 |
| Net cash provided by (used in) operating activities | $ 62,556 | $ (90,583) |
| INVESTING ACTIVITIES: | | |
| Purchases of property, plant and equipment, excluding capitalized interest | (19,638) | (15,386) |
| Capitalized interest payments | (492) | (1,094) |
| Proceeds from sale of business and other assets, net | 4,167 | 103 |
| Net cash used in investing activities | $ (15,963) | $ (16,377) |
| FINANCING ACTIVITIES: | | |
| Proceeds from issuance of notes, net | — | 1,483,125 |
| Repayments of notes | — | (1,499,998) |
| Repayments of term loans | (8,537) | (8,538) |
| Repayments of other indebtedness | (1,184) | (1,174) |
| Payments for debt issuance and extinguishment costs | — | (211) |
| Payments for contingent consideration | (364) | (4,565) |
| Payments of tax withholding for restricted shares | (4,398) | (2,414) |
| Proceeds from exercise of options | — | 4 |
| Net cash used in financing activities | $ (14,483) | $ (33,771) |
| Effect of foreign exchange rate | (1,894) | 537 |
| NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS, RESTRICTED CASH AND RESTRICTED CASH EQUIVALENTS | $ 30,216 | $ (140,194) |
| CASH, CASH EQUIVALENTS, RESTRICTED CASH AND RESTRICTED CASH EQUIVALENTS, BEGINNING OF PERIOD | 1,720,388 | 1,476,837 |
| CASH, CASH EQUIVALENTS, RESTRICTED CASH AND RESTRICTED CASH EQUIVALENTS, END OF PERIOD | $ 1,750,604 | $ 1,336,643 |
| SUPPLEMENTAL INFORMATION: | | |
| Cash paid into Qualified Settlement Funds for mesh legal settlements | $ — | $ 81,582 |
| Cash paid out of Qualified Settlement Funds for mesh legal settlements | $ 47,801 | $ 54,984 |
| Other cash distributions for mesh legal settlements | $ 17,819 | $ 10,239 |

See accompanying Notes to Condensed Consolidated Financial Statements.

**ENDO INTERNATIONAL PLC**
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)**
**FOR THE THREE MONTHS ENDED MARCH 31, 2020**

## NOTE 1. BASIS OF PRESENTATION

Endo International plc is an Ireland-domiciled specialty branded and generics pharmaceutical company that conducts business through its operating subsidiaries. Unless otherwise indicated or required by the context, references throughout to "Endo," the "Company," "we," "our" or "us" refer to Endo International plc and its subsidiaries.

The accompanying unaudited Condensed Consolidated Financial Statements of Endo International plc and its subsidiaries have been prepared in accordance with United States (U.S.) generally accepted accounting principles (U.S. GAAP) for interim financial information and the instructions to Form 10-Q and Article 10 of Regulation S-X of the SEC for interim financial information. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete financial statements. In the opinion of management, the accompanying Condensed Consolidated Financial Statements of Endo International plc and its subsidiaries, which are unaudited, include all normal and recurring adjustments necessary for a fair statement of the Company's financial position as of March 31, 2020 and the results of its operations and its cash flows for the periods presented. Operating results for the three months ended March 31, 2020 are not necessarily indicative of the results that may be expected for the year ending December 31, 2020. The year-end Condensed Consolidated Balance Sheet data as of December 31, 2019 was derived from audited financial statements but does not include all disclosures required by U.S. GAAP.

The information included in this Quarterly Report on Form 10-Q should be read in conjunction with our Consolidated Financial Statements and accompanying notes included in the Annual Report.

Certain prior period amounts have been reclassified to conform to the current period presentation.

## NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Use of Estimates

The preparation of our Condensed Consolidated Financial Statements in conformity with U.S. GAAP requires us to make estimates that affect the amounts and disclosures in the Condensed Consolidated Financial Statements, including the notes thereto, and elsewhere in this report. Uncertainties related to the magnitude and duration of COVID-19, the extent to which it will impact our estimated future financial results, worldwide macroeconomic conditions including interest rates, employment rates, consumer spending and health insurance coverage, the speed of the anticipated recovery and governmental and business reactions to the pandemic have increased the complexity of developing these estimates, including the allowance for expected credit losses and the carrying amounts of long-lived assets, goodwill and other intangible assets. Actual results may differ significantly from our estimates, including as a result of COVID-19.

### Significant Accounting Policies Added or Updated since December 31, 2019

Significant changes to our significant accounting policies since December 31, 2019 are detailed below. For additional discussion of the Company's significant accounting policies, see Note 2. Summary of Significant Accounting Policies in the Consolidated Financial Statements, included in Part IV, Item 15 of the Annual Report.

***Accounts Receivable.*** The Company adopted *Accounting Standards Codification (ASC) Topic 326, Financial Instruments-Credit Losses* (ASC 326) on January 1, 2020. For further discussion of the adoption, refer to the "Recent Accounting Pronouncements Adopted or Otherwise Effective as of March 31, 2020" section below. Subsequent to the adoption of ASC 326, our accounts receivable balance is stated at amortized cost less an allowance for expected credit losses. In addition, our accounts receivable balance is reduced by certain sales deduction reserves where we have the right of offset with the customer. We generally do not require collateral.

***Concentrations of Credit Risk and Credit Losses.*** Financial instruments that potentially subject us to significant concentrations of credit risk consist primarily of cash equivalents, restricted cash equivalents and accounts receivable. From time to time, we invest our excess cash in high-quality, liquid money market instruments maintained by major banks and financial institutions. We have not experienced any losses on our cash equivalents.

With respect to our accounts receivable, we have no history of significant losses. Approximately 89% and 88% of our gross trade accounts receivable balances represent amounts due from three customers (Cardinal Health, Inc., McKesson Corporation and AmerisourceBergen Corporation) at March 31, 2020 and December 31, 2019, respectively. We perform ongoing credit evaluations of these and our other customers based on information available to us. We consider these and other factors, including changes in the composition and aging of our accounts receivable, in developing our allowance for expected credit losses. The estimated allowance was not material to the Company's Condensed Consolidated Financial Statements at March 31, 2020 or December 31, 2019, nor were the changes to the allowance during any of the periods presented.

We do not currently expect our current or future exposures to credit losses to have a significant impact on us. However, our customers' ability to pay us on a timely basis, or at all, could be affected by factors specific to their respective businesses and/or by economic conditions, including those related to the COVID-19 pandemic, the extent of which cannot be fully predicted.

**Recent Accounting Pronouncements Adopted or Otherwise Effective as of March 31, 2020**

In June 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-13, *Measurement of Credit Losses on Financial Instruments* (ASU 2016-13). ASU 2016-13, together with a series of subsequently-issued related ASUs, has been codified in ASC 326. ASC 326 establishes new requirements for companies to estimate expected credit losses when measuring certain financial assets, including accounts receivables. The Company adopted ASC 326 using a modified retrospective approach with an effective date of January 1, 2020. The adoption of ASC 326 did not have a material impact on the Company's Condensed Consolidated Financial Statements.

## NOTE 3. DISCONTINUED OPERATIONS

***Astora***

The operating results of the Company's Astora business, which the Company's board of directors (the Board) resolved to wind-down in 2016, are reported as Discontinued operations, net of tax in the Condensed Consolidated Statements of Operations for all periods presented. The following table provides the operating results of Astora Discontinued operations, net of tax, for the three months ended March 31, 2020 and 2019 (in thousands):

| | Three Months Ended March 31, | |
|---|---|---|
| | 2020 | 2019 |
| Litigation-related and other contingencies, net | $ 30,454 | $ — |
| Loss from discontinued operations before income taxes | $ (33,517) | $ (5,961) |
| Income tax benefit | $ (5,866) | $ — |
| Discontinued operations, net of tax | $ (27,651) | $ (5,961) |

Loss from discontinued operations before income taxes includes Litigation-related and other contingencies, net, mesh-related legal defense costs and certain other items.

The cash flows from discontinued operating activities related to Astora included the impact of net losses of $27.7 million and $6.0 million for the three months ended March 31, 2020 and 2019, respectively, and the impact of cash activity related to vaginal mesh cases. There were no material net cash flows related to Astora discontinued investing activities during the three months ended March 31, 2020 and 2019. There was no depreciation or amortization during the three months ended March 31, 2020 and 2019 related to Astora.

## NOTE 4. SEGMENT RESULTS

The Company's four reportable business segments are Branded Pharmaceuticals, Sterile Injectables, Generic Pharmaceuticals and International Pharmaceuticals. These segments reflect the level at which the chief operating decision maker (CODM) regularly reviews financial information to assess performance and to make decisions about resources to be allocated. Each segment derives revenue from the sales or licensing of its respective products and is discussed in more detail below.

We evaluate segment performance based on segment adjusted income from continuing operations before income tax, which we define as Income (loss) from continuing operations before income tax and before certain upfront and milestone payments to partners; acquisition-related and integration items, including transaction costs and changes in the fair value of contingent consideration; cost reduction and integration-related initiatives such as separation benefits, continuity payments, other exit costs and certain costs associated with integrating an acquired company's operations; asset impairment charges; amortization of intangible assets; inventory step-up recorded as part of our acquisitions; litigation-related and other contingent matters; certain legal costs; gains or losses from early termination of debt; gains or losses from the sales of businesses and other assets; foreign currency gains or losses on intercompany financing arrangements; and certain other items. Effective January 1, 2020, the Company revised its definition of segment adjusted income from continuing operations before income tax to exclude certain legal costs in order to reflect changes in how the CODM reviews segment performance. The Company believes that such costs are not indicative of business performance and that excluding them more accurately reflects each segment's results and better enables management to compare financial results between periods. Prior period results have been adjusted to reflect this change. Specifically, for the three months ended March 31, 2019, certain legal costs of $16.3 million and $0.4 million have been excluded from our Branded Pharmaceuticals and Generic Pharmaceuticals segments, respectively, resulting in increases to the segment adjusted income from continuing operations before income tax for these segments. This change had no impact on our Total consolidated income (loss) from continuing operations before income tax.

Certain of the corporate expenses incurred by the Company are not directly attributable to any specific segment. Accordingly, these costs are not allocated to any of the Company's segments and are included in the results below as "Corporate unallocated costs." Interest income and expense are also considered corporate items and not allocated to any of the Company's segments. The Company's total segment adjusted income from continuing operations before income tax is equal to the combined results of each of its segments.

***Branded Pharmaceuticals***

Our Branded Pharmaceuticals segment includes a variety of branded prescription products to treat and manage conditions in urology, urologic oncology, endocrinology, pain and orthopedics. The products in this segment include XIAFLEX®, SUPPRELIN® LA, NASCOBAL® Nasal Spray, AVEED®, PERCOCET®, EDEX®, LIDODERM® and TESTOPEL®, among others.

***Sterile Injectables***

Our Sterile Injectables segment consists primarily of branded sterile injectable products such as VASOSTRICT®, ADRENALIN® and APLISOL®, among others, and certain generic sterile injectable products, including ertapenem for injection, the authorized generic of Merck Sharp & Dohme Corp.'s (Merck) Invanz®, and ephedrine sulfate injection, among others.

***Generic Pharmaceuticals***

Our Generic Pharmaceuticals segment consists of a differentiated product portfolio including solid oral extended-release, solid oral immediate-release, liquids, semi-solids, patches, powders, ophthalmics and sprays and includes products in the pain management, urology, central nervous system disorders, immunosuppression, oncology, women's health and cardiovascular disease markets, among others.

***International Pharmaceuticals***

Our International Pharmaceuticals segment includes a variety of specialty pharmaceutical products sold outside the U.S., primarily in Canada through our operating company Paladin Labs Inc. (Paladin). The key products of this segment serve various therapeutic areas, including attention deficit hyperactivity disorder, pain, women's health and oncology.

The following represents selected information for the Company's reportable segments for the three months ended March 31, 2020 and 2019 (in thousands):

| | Three Months Ended March 31, | |
|---|---|---|
| | **2020** | **2019** |
| Net revenues from external customers: | | |
| Branded Pharmaceuticals | $ 204,073 | $ 203,525 |
| Sterile Injectables | 336,390 | 270,048 |
| Generic Pharmaceuticals | 251,283 | 218,526 |
| International Pharmaceuticals (1) | 28,659 | 28,312 |
| Total net revenues from external customers | $ 820,405 | $ 720,411 |
| Segment adjusted income from continuing operations before income tax: | | |
| Branded Pharmaceuticals | $ 98,422 | $ 95,283 |
| Sterile Injectables | 263,896 | 196,183 |
| Generic Pharmaceuticals | 57,327 | 50,411 |
| International Pharmaceuticals | 14,197 | 12,095 |
| Total segment adjusted income from continuing operations before income tax | $ 433,842 | $ 353,972 |

(1) Revenues generated by our International Pharmaceuticals segment are primarily attributable to external customers located in Canada.

There were no material revenues from external customers attributed to an individual country outside of the U.S. during any of the periods presented.

The table below provides reconciliations of our Total consolidated income (loss) from continuing operations before income tax, which is determined in accordance with U.S. GAAP, to our total segment adjusted income from continuing operations before income tax for the three months ended March 31, 2020 and 2019 (in thousands):

| | Three Months Ended March 31, | |
|---|---|---|
| | 2020 | 2019 |
| Total consolidated income (loss) from continuing operations before income tax | $ 21,249 | $ (1,709) |
| Interest expense, net | 132,877 | 132,675 |
| Corporate unallocated costs (1) | 43,322 | 48,095 |
| Amortization of intangible assets | 117,237 | 145,599 |
| Upfront and milestone payments to partners | 1,750 | 939 |
| Continuity and separation benefits and other cost reduction initiatives (2) | 23,220 | 2,025 |
| Certain litigation-related and other contingencies, net (3) | (17,176) | 6 |
| Certain legal costs (4) | 15,536 | 16,689 |
| Asset impairment charges (5) | 97,785 | 165,448 |
| Acquisition-related and integration items, net (6) | 12,462 | (37,501) |
| Gain on extinguishment of debt | — | (119,828) |
| Foreign currency impact related to the remeasurement of intercompany debt instruments | (7,094) | 1,534 |
| Other, net (7) | (7,326) | — |
| Total segment adjusted income from continuing operations before income tax | $ 433,842 | $ 353,972 |

(1) Amounts include certain corporate overhead costs, such as headcount, facility and corporate litigation expenses and certain other income and expenses.
(2) Amounts for the three months ended March 31, 2020 include $13.7 million of costs associated with certain continuity and transitional compensation arrangements for certain senior management of the Company. Other amounts in 2020 related primarily to certain cost reduction initiatives. Such amounts included accelerated depreciation of $6.6 million, employee separation costs of $0.1 million and other charges of $2.8 million. Amounts for the three months ended March 31, 2019 primarily relate to employee separation costs of $1.8 million and other charges of $0.2 million.
(3) Amounts include adjustments to our accruals for litigation-related settlement charges and certain settlement proceeds related to suits filed by our subsidiaries. Our material legal proceedings and other contingent matters are described in more detail in Note 12. Commitments and Contingencies.
(4) Amounts relate to opioid-related legal expenses.
(5) Amounts primarily relate to charges to impair goodwill and intangible assets as further described in Note 8. Goodwill and Other Intangibles.
(6) Amounts primarily relate to changes in the fair value of contingent consideration.
(7) Amounts primarily relate to gains on sales of businesses and other assets, as further described in Note 15. Other (Income) Expense, Net.

Asset information is not reviewed or included within our internal management reporting. Therefore, the Company has not disclosed asset information for each reportable segment.

During the three months ended March 31, 2020 and 2019, the Company disaggregated its revenue from contracts with customers into the categories included in the table below (in thousands). The Company believes these categories depict how the nature, timing and uncertainty of revenue and cash flows are affected by economic factors.

| | Three Months Ended March 31, | |
|---|---|---|
| | 2020 | 2019 |
| *Branded Pharmaceuticals:* | | |
| *Specialty Products:* | | |
| XIAFLEX® | $ 89,072 | $ 68,507 |
| SUPPRELIN® LA | 19,720 | 22,056 |
| Other Specialty (1) | 25,505 | 24,403 |
| Total Specialty Products | $ 134,297 | $ 114,966 |
| *Established Products:* | | |
| PERCOCET® | $ 27,703 | $ 30,760 |
| EDEX® | 8,568 | 5,971 |
| Other Established (2) | 33,505 | 51,828 |
| Total Established Products | $ 69,776 | $ 88,559 |
| Total Branded Pharmaceuticals (3) | $ 204,073 | $ 203,525 |
| *Sterile Injectables:* | | |
| VASOSTRICT® | $ 202,904 | $ 139,137 |
| ADRENALIN® | 56,512 | 47,322 |
| Ertapenem for injection | 17,874 | 32,219 |
| APLISOL® | 9,867 | 12,381 |
| Other Sterile Injectables (4) | 49,233 | 38,989 |
| Total Sterile Injectables (3) | $ 336,390 | $ 270,048 |
| Total Generic Pharmaceuticals (5) | $ 251,283 | $ 218,526 |
| Total International Pharmaceuticals (6) | $ 28,659 | $ 28,312 |
| Total revenues, net | $ 820,405 | $ 720,411 |

(1) Products included within Other Specialty are NASCOBAL® Nasal Spray and AVEED®.
(2) Products included within Other Established include, but are not limited to, LIDODERM® and TESTOPEL®.
(3) Individual products presented above represent the top two performing products in each product category for the three months ended March 31, 2020 and/or any product having revenues in excess of $25 million during any quarterly period in 2020 or 2019.
(4) Products included within Other Sterile Injectables include ephedrine sulfate injection and others.
(5) The Generic Pharmaceuticals segment is comprised of a portfolio of products that are generic versions of branded products, are distributed primarily through the same wholesalers, generally have no intellectual property protection and are sold within the U.S. During the three months ended March 31, 2019, colchicine tablets, the authorized generic of Takeda Pharmaceuticals U.S.A., Inc.'s (Takeda) Colcrys®, which launched in July 2018, made up 6% of consolidated total revenue. No other individual product within this segment has exceeded 5% of consolidated total revenues for the periods presented.
(6) The International Pharmaceuticals segment, which accounted for 3% and 4% of consolidated total revenues during the three months ended March 31, 2020 and 2019, respectively, includes a variety of specialty pharmaceutical products sold outside the U.S., primarily in Canada through our operating company Paladin.

## NOTE 5. FAIR VALUE MEASUREMENTS

### Financial Instruments

The financial instruments recorded in our Condensed Consolidated Balance Sheets include cash and cash equivalents (including money market funds), restricted cash and cash equivalents, accounts receivable, equity method investments, accounts payable and accrued expenses, acquisition-related contingent consideration and debt obligations. Included in cash and cash equivalents and restricted cash and cash equivalents are money market funds representing a type of mutual fund required by law to invest in low-risk securities (for example, U.S. government bonds, U.S. Treasury Bills and commercial paper). Money market funds pay dividends that generally reflect short-term interest rates. Due to their short-term maturity, the carrying amounts of non-restricted and restricted cash and cash equivalents (including money market funds), accounts receivable, accounts payable and accrued expenses approximate their fair values.

The following table presents current and noncurrent restricted cash and cash equivalent balances at March 31, 2020 and December 31, 2019 (in thousands):

| | March 31, 2020 | December 31, 2019 |
|---|---|---|
| Restricted cash and cash equivalents—current portion (1) | $ 200,666 | $ 247,457 |
| Restricted cash and cash equivalents—noncurrent portion (2) | 18,400 | 18,400 |
| Restricted cash and cash equivalents—total (3) | $ 219,066 | $ 265,857 |

(1) These amounts are reported in our Condensed Consolidated Balance Sheets as Restricted cash and cash equivalents.
(2) These amounts are reported in our Condensed Consolidated Balance Sheets as Other assets.
(3) Approximately $195.7 million and $242.8 million of our restricted cash and cash equivalents are held in Qualified Settlement Funds (QSFs) for mesh-related matters at March 31, 2020 and December 31, 2019, respectively. The remaining restricted cash and cash equivalents primarily relates to other litigation-related matters. See Note 12. Commitments and Contingencies for further information.

Fair value guidance establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers include:

- Level 1—Quoted prices in active markets for identical assets or liabilities.
- Level 2—Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3—Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

***Acquisition-Related Contingent Consideration***

The fair value of contingent consideration liabilities is determined using unobservable inputs; hence, these instruments represent Level 3 measurements within the above-defined fair value hierarchy. These inputs include the estimated amount and timing of projected cash flows, the probability of success (achievement of the contingent event) and the risk-adjusted discount rate used to present value the probability-weighted cash flows. Subsequent to the acquisition date, at each reporting period, the contingent consideration liability is remeasured at current fair value with changes recorded in earnings. The estimates of fair value are uncertain and changes in any of the estimated inputs used as of the date of this report could have resulted in significant adjustments to fair value. See the “Recurring Fair Value Measurements” section below for additional information on acquisition-related contingent consideration.

**Recurring Fair Value Measurements**

The Company’s financial assets and liabilities measured at fair value on a recurring basis at March 31, 2020 and December 31, 2019 were as follows (in thousands):

| | Fair Value Measurements at March 31, 2020 using: | | | |
|---|---|---|---|---|
| | Level 1 Inputs | Level 2 Inputs | Level 3 Inputs | Total |
| *Assets:* | | | | |
| Money market funds | $ 635,365 | $ — | $ — | $ 635,365 |
| *Liabilities:* | | | | |
| Acquisition-related contingent consideration—current | $ — | $ — | $ 8,459 | $ 8,459 |
| Acquisition-related contingent consideration—noncurrent | $ — | $ — | $ 30,480 | $ 30,480 |

| | Fair Value Measurements at December 31, 2019 using: | | | |
|---|---|---|---|---|
| | Level 1 Inputs | Level 2 Inputs | Level 3 Inputs | Total |
| *Assets:* | | | | |
| Money market funds | $ 427,033 | $ — | $ — | $ 427,033 |
| *Liabilities:* | | | | |
| Acquisition-related contingent consideration—current | $ — | $ — | $ 6,534 | $ 6,534 |
| Acquisition-related contingent consideration—noncurrent | $ — | $ — | $ 23,123 | $ 23,123 |

At March 31, 2020 and December 31, 2019, money market funds include $37.4 million and $70.2 million, respectively, in QSFs to be disbursed to mesh-related or other product liability claimants. Amounts in QSFs are considered restricted cash equivalents. See Note 12. Commitments and Contingencies for further discussion of our product liability cases. At March 31, 2020 and December 31, 2019, the differences between the amortized cost and the fair value of our money market funds were not material, individually or in the aggregate.

***Fair Value Measurements Using Significant Unobservable Inputs***

The following table presents changes to the Company's liability for acquisition-related contingent consideration, which is measured at fair value on a recurring basis using significant unobservable inputs (Level 3), for the three months ended March 31, 2020 and 2019 (in thousands):

| | Three Months Ended March 31, | |
|---|---|---|
| | 2020 | 2019 |
| Beginning of period | $ 29,657 | $ 116,703 |
| Amounts settled | (2,461) | (11,591) |
| Changes in fair value recorded in earnings | 12,462 | (37,501) |
| Effect of currency translation | (719) | 231 |
| End of period | $ 38,939 | $ 67,842 |

At March 31, 2020, the fair value measurements of the contingent consideration obligations were determined using risk-adjusted discount rates ranging from approximately 10.0% to 15.0% (weighted average rate of approximately 12.3%, weighted based on relative fair value). Changes in fair value recorded in earnings related to acquisition-related contingent consideration are included in our Condensed Consolidated Statements of Operations as Acquisition-related and integration items, net. Amounts recorded for the current and noncurrent portions of acquisition-related contingent consideration are included in Accounts payable and accrued expenses and Other liabilities, respectively, in our Condensed Consolidated Balance Sheets.

The following table presents changes to the Company's liability for acquisition-related contingent consideration during the three months ended March 31, 2020 by acquisition (in thousands):

| | Balance as of December 31, 2019 | Changes in Fair Value Recorded in Earnings | Amounts Settled and Other | Balance as of March 31, 2020 |
|---|---|---|---|---|
| Auxilium acquisition | $ 13,207 | $ (54) | $ — | $ 13,153 |
| Lehigh Valley Technologies, Inc. acquisitions | 6,800 | 12,897 | (2,097) | 17,600 |
| Other | 9,650 | (381) | (1,083) | 8,186 |
| Total | $ 29,657 | $ 12,462 | $ (3,180) | $ 38,939 |

**Nonrecurring Fair Value Measurements**

The Company's financial assets and liabilities measured at fair value on a nonrecurring basis during the three months ended March 31, 2020 were as follows (in thousands):

| | Fair Value Measurements during the Three Months Ended March 31, 2020 (1) using: | | | Total Expense for the Three Months Ended March 31, 2020 |
|---|---|---|---|---|
| | Level 1 Inputs | Level 2 Inputs | Level 3 Inputs | |
| Intangible assets, excluding goodwill (2) | $ — | $ — | $ 24,377 | $ (63,751) |
| Certain property, plant and equipment | — | — | — | (1,248) |
| Total | $ — | $ — | $ 24,377 | $ (64,999) |

(1) The fair value amounts are presented as of the date of the fair value measurement as these assets are not measured at fair value on a recurring basis. Such measurements generally occur in connection with our quarter-end financial reporting close procedures.

(2) These fair value measurements were determined using risk-adjusted discount rates ranging from approximately 10.0% to 12.0% (weighted average rate of approximately 11.1%, weighted based on relative fair value). The Company also performed fair value measurements in connection with its goodwill impairment tests. Refer to Note 8. Goodwill and Other Intangibles for additional information on goodwill and other intangible asset impairment tests, including information about the valuation methodologies utilized.

## NOTE 6. INVENTORIES

Inventories consist of the following at March 31, 2020 and December 31, 2019 (in thousands):

| | March 31, 2020 | December 31, 2019 |
|---|---|---|
| Raw materials (1) | $ 115,436 | $ 124,171 |
| Work-in-process (1) | 67,983 | 65,392 |
| Finished goods (1) | 141,543 | 138,302 |
| Total | $ 324,962 | $ 327,865 |

(1) The components of inventory shown in the table above are net of allowance for obsolescence.

Inventory that is in excess of the amount expected to be sold within one year is classified as noncurrent inventory and is not included in the table above. At March 31, 2020 and December 31, 2019, $31.1 million and $29.0 million, respectively, of noncurrent inventory was included in Other assets in the Condensed Consolidated Balance Sheets. As of March 31, 2020 and December 31, 2019, the Company's Condensed Consolidated Balance Sheets included approximately $23.3 million and $17.6 million, respectively, of capitalized pre-launch inventories related to products that were not yet available to be sold.

## NOTE 7. LEASES

The following table presents information about the Company's right-of-use (ROU) assets and lease liabilities at March 31, 2020 and December 31, 2019 (in thousands):

| | Condensed Consolidated Balance Sheets Line Items | March 31, 2020 | December 31, 2019 |
|---|---|---|---|
| ROU assets: | | | |
| Operating lease ROU assets | Operating lease assets | $ 49,349 | $ 51,700 |
| Finance lease ROU assets | Property, plant and equipment, net | 54,482 | 56,793 |
| Total ROU assets | | $ 103,831 | $ 108,493 |
| Operating lease liabilities: | | | |
| Current operating lease liabilities | Current portion of operating lease liabilities | $ 11,512 | $ 10,763 |
| Noncurrent operating lease liabilities | Operating lease liabilities, less current portion | 45,057 | 48,299 |
| Total operating lease liabilities | | $ 56,569 | $ 59,062 |
| Finance lease liabilities: | | | |
| Current finance lease liabilities | Accounts payable and accrued expenses | $ 5,799 | $ 5,672 |
| Noncurrent finance lease liabilities | Other liabilities | 29,706 | 31,312 |
| Total finance lease liabilities | | $ 35,505 | $ 36,984 |

The following table presents information about lease costs and expenses and sublease income for the three months ended March 31, 2020 and 2019 (in thousands):

| | Condensed Consolidated Statements of Operations Line Items | Three Months Ended March 31, 2020 | 2019 |
|---|---|---|---|
| Operating lease cost | Various (1) | $ 3,992 | $ 3,499 |
| Finance lease cost: | | | |
| Amortization of ROU assets | Various (1) | $ 2,311 | $ 2,296 |
| Interest on lease liabilities | Interest expense, net | $ 466 | $ 500 |
| Other lease costs and income: | | | |
| Variable lease costs (2) | Various (1) | $ 2,658 | $ 2,089 |
| Sublease income | Various (1) | $ (861) | $ (964) |

(1) Amounts are included in the Condensed Consolidated Statements of Operations based on the function that the underlying leased asset supports. The following table presents the components of such aggregate amounts for the three months ended March 31, 2020 and 2019 (in thousands):

| | Three Months Ended March 31, 2020 | 2019 |
|---|---|---|
| Cost of revenues | $ 3,328 | $ 2,700 |
| Selling, general and administrative | $ 4,721 | $ 4,169 |
| Research and development | $ 51 | $ 51 |

(2) Amounts represent variable lease costs incurred that were not included in the initial measurement of the lease liability such as common area maintenance and utilities costs associated with leased real estate and certain costs associated with our automobile leases.

The following table provides certain cash flow and supplemental noncash information related to our lease liabilities for the three months ended March 31, 2020 and 2019 (in thousands):

| | Three Months Ended March 31, 2020 | 2019 |
|---|---|---|
| Cash paid for amounts included in the measurement of lease liabilities: | | |
| Operating cash payments for operating leases | $ 2,981 | $ 3,692 |
| Operating cash payments for finance leases | $ 648 | $ 473 |
| Financing cash payments for finance leases | $ 1,184 | $ 1,174 |

## NOTE 8. GOODWILL AND OTHER INTANGIBLES

### *Goodwill*

Changes in the carrying amount of our goodwill for the three months ended March 31, 2020 were as follows (in thousands):

| | Branded Pharmaceuticals | Sterile Injectables | Generic Pharmaceuticals | International Pharmaceuticals | Total |
|---|---|---|---|---|---|
| Goodwill as of December 31, 2019 | $ 828,818 | $ 2,731,193 | $ — | $ 35,173 | $ 3,595,184 |
| Effect of currency translation | — | — | — | (2,387) | (2,387) |
| Goodwill impairment charges | — | — | — | (32,786) | (32,786) |
| Goodwill as of March 31, 2020 | $ 828,818 | $ 2,731,193 | $ — | $ — | $ 3,560,011 |

The carrying amounts of goodwill at March 31, 2020 and December 31, 2019 are net of the following accumulated impairments (in thousands):

| | Branded Pharmaceuticals | Sterile Injectables | Generic Pharmaceuticals | International Pharmaceuticals | Total |
|---|---|---|---|---|---|
| Accumulated impairment losses as of December 31, 2019 | $ 855,810 | $ — | $ 3,142,657 | $ 500,417 | $ 4,498,884 |
| Accumulated impairment losses as of March 31, 2020 | $ 855,810 | $ — | $ 3,142,657 | $ 494,499 | $ 4,492,966 |

***Other Intangible Assets***

Changes in the amount of other intangible assets for the three months ended March 31, 2020 were as follows (in thousands):

| **Cost basis:** | **Balance as of December 31, 2019** | **Acquisitions** | **Impairments** | **Effect of Currency Translation** | **Balance as of March 31, 2020** |
|---|---|---|---|---|---|
| Indefinite-lived intangibles: | | | | | |
| In-process research and development | $ 93,900 | $ — | $ — | $ — | $ 93,900 |
| Total indefinite-lived intangibles | $ 93,900 | $ — | $ — | $ — | $ 93,900 |
| Finite-lived intangibles: | | | | | |
| Licenses (weighted average life of 14 years) | $ 457,402 | $ — | $ (8,700) | $ — | $ 448,702 |
| Tradenames | 6,409 | — | — | — | 6,409 |
| Developed technology (weighted average life of 11 years) | 5,844,439 | — | (55,051) | (19,839) | 5,769,549 |
| Total finite-lived intangibles (weighted average life of 11 years) | $ 6,308,250 | $ — | $ (63,751) | $ (19,839) | $ 6,224,660 |
| Total other intangibles | $ 6,402,150 | $ — | $ (63,751) | $ (19,839) | $ 6,318,560 |

| **Accumulated amortization:** | **Balance as of December 31, 2019** | **Amortization** | **Impairments** | **Effect of Currency Translation** | **Balance as of March 31, 2020** |
|---|---|---|---|---|---|
| Finite-lived intangibles: | | | | | |
| Licenses | $ (410,336) | $ (2,429) | $ — | $ — | $ (412,765) |
| Tradenames | (6,409) | — | — | — | (6,409) |
| Developed technology | (3,414,138) | (114,808) | — | 11,934 | (3,517,012) |
| Total other intangibles | $ (3,830,883) | $ (117,237) | $ — | $ 11,934 | $ (3,936,186) |
| Net other intangibles | $ 2,571,267 | | | | $ 2,382,374 |

Amortization expense for the three months ended March 31, 2020 and 2019 totaled $117.2 million and $145.6 million, respectively. Amortization expense is included in Cost of revenues in the Condensed Consolidated Statements of Operations. Estimated amortization of intangibles for the five fiscal years subsequent to December 31, 2019 is as follows (in thousands):

| | |
|---|---|
| 2020 | $ 427,824 |
| 2021 | $ 389,418 |
| 2022 | $ 373,293 |
| 2023 | $ 331,379 |
| 2024 | $ 292,903 |

***Impairments***

Goodwill and indefinite-lived intangible assets are tested for impairment annually and when events or changes in circumstances indicate that the asset might be impaired. Our annual assessment is performed as of October 1.

As part of our goodwill and intangible asset impairment assessments, we estimate the fair values of our reporting units and our intangible assets using an income approach that utilizes a discounted cash flow model or, where appropriate, a market approach.

The discounted cash flow models are dependent upon our estimates of future cash flows and other factors including estimates of (i) future operating performance, including future sales, long-term growth rates, operating margins, discount rates, variations in the amount and timing of cash flows and the probability of achieving the estimated cash flows and (ii) future economic conditions. These assumptions are based on significant inputs not observable in the market and thus represent Level 3 measurements within the fair value hierarchy. The discount rates applied to the estimated cash flows are based on the overall risk associated with the particular assets and other market factors. We believe the discount rates and other inputs and assumptions are consistent with those that a market participant would use. Any impairment charges resulting from annual or interim goodwill and intangible asset impairment assessments are recorded to Asset impairment charges in our Condensed Consolidated Statements of Operations.

During the three months ended March 31, 2020 and 2019, the Company incurred the following goodwill and other intangible asset impairment charges (in thousands):

| | Three Months Ended March 31, | |
|---|---|---|
| | 2020 | 2019 |
| Goodwill impairment charges | $ 32,786 | $ 86,000 |
| Other intangible asset impairment charges | $ 63,751 | $ 78,700 |

Except as described below, pre-tax non-cash asset impairment charges related primarily to certain in-process research and development and/or developed technology intangible assets that were tested for impairment following changes in market conditions and certain other factors impacting recoverability.

As a result of certain business decisions that occurred during the first quarter of 2020, we tested the goodwill of our Paladin reporting unit for impairment as of March 31, 2020. The fair value of the reporting unit was estimated using an income approach that utilized a discounted cash flow model. The discount rate utilized in this test was 9.5%. This goodwill impairment test resulted in a pre-tax non-cash goodwill impairment charge of $32.8 million during the three months ended March 31, 2020, representing the remaining carrying amount. This impairment was primarily attributable to portfolio decisions and updated market expectations during the quarter.

As a result of certain competitive events that occurred during the first quarter of 2019, we tested the goodwill of our Generic Pharmaceuticals reporting unit for impairment as of March 31, 2019. The fair value of the reporting unit was estimated using an income approach that utilized a discounted cash flow model. The discount rate utilized in this test was 10.5%. This goodwill impairment test resulted in a pre-tax non-cash goodwill impairment charge of $86.0 million during the three months ended March 31, 2019, representing the excess of this reporting unit's carrying amount over its estimated fair value. This Generic Pharmaceuticals impairment can be primarily attributed to the impact of the competitive events referenced above and an increase in the discount rate used in the determination of fair value.

We are closely monitoring the impact of COVID-19 on our business. It is possible that COVID-19 could result in reductions to the estimated fair values of our goodwill and other intangible assets, which could ultimately result in asset impairment charges that may be material.

## NOTE 9. CONTRACT ASSETS AND LIABILITIES

Our revenue consists almost entirely of sales of our pharmaceutical products to customers, whereby we ship products to a customer pursuant to a purchase order. Revenue contracts such as these do not generally give rise to contract assets or contract liabilities because: (i) the underlying contracts generally have only a single performance obligation and (ii) we do not generally receive consideration until the performance obligation is fully satisfied. At March 31, 2020, the unfulfilled performance obligations for these types of contracts relate to ordered but undelivered products. We generally expect to fulfill the performance obligations and recognize revenue within one week of entering into the underlying contract. Based on the short-term initial contract duration, additional disclosure about the remaining performance obligations is not required.

Certain of our other revenue-generating contracts, including license and collaboration agreements, may result in contract assets and/or contract liabilities. For example, we may recognize contract liabilities upon receipt of certain upfront and milestone payments from customers when there are remaining performance obligations.

The following table shows the opening and closing balances of contract assets and contract liabilities from contracts with customers (dollars in thousands):

| | March 31, 2020 | December 31, 2019 | $ Change | % Change |
|---|---|---|---|---|
| Contract assets, net (1) | $ 7,325 | $ — | $ 7,325 | NM |
| Contract liabilities, net (2) | $ 6,451 | $ 6,592 | $ (141) | (2)% |

_____

NM indicates that the percentage change is not meaningful or is greater than 100%

(1) At March 31, 2020, the entire contract asset amount is classified as a noncurrent asset and is included in Other assets. The net increase in contract assets during the three months ended March 31, 2020 was primarily due to the Company's estimated consideration for the sale of certain intellectual property rights.

(2) At both March 31, 2020 and December 31, 2019, approximately $1.4 million of these contract liability amounts are classified as current liabilities and are included in Accounts payable and accrued expenses in the Company's Condensed Consolidated Balance Sheets. The remaining amounts are classified as noncurrent and are included in Other liabilities. The decrease to contract liabilities was due to approximately $0.1 million in revenue recognized during the period.

During the three months ended March 31, 2020, we recognized revenue of $3.9 million relating to performance obligations satisfied, or partially satisfied, in prior periods. Such revenue generally relates to changes in estimates with respect to our variable consideration.

## NOTE 10. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses include the following at March 31, 2020 and December 31, 2019 (in thousands):

| | March 31, 2020 | December 31, 2019 |
|---|---|---|
| Trade accounts payable | $ 88,211 | $ 101,532 |
| Returns and allowances | 213,756 | 206,248 |
| Rebates | 115,763 | 129,056 |
| Chargebacks | 1,630 | 1,594 |
| Accrued interest | 100,249 | 112,860 |
| Accrued payroll and related benefits | 59,777 | 79,869 |
| Accrued royalties and other distribution partner payables | 116,702 | 115,816 |
| Acquisition-related contingent consideration—current | 8,459 | 6,534 |
| Other | 150,411 | 146,440 |
| Total | $ 854,958 | $ 899,949 |

## NOTE 11. DEBT

The following table presents information about the Company's total indebtedness at March 31, 2020 and December 31, 2019 (dollars in thousands):

| | March 31, 2020 | | | December 31, 2019 | | |
|---|---|---|---|---|---|---|
| | Effective Interest Rate | Principal Amount | Carrying Amount | Effective Interest Rate | Principal Amount | Carrying Amount |
| 7.25% Senior Notes due 2022 | 7.25% | $ 8,294 | $ 8,294 | 7.25% | $ 8,294 | $ 8,294 |
| 5.75% Senior Notes due 2022 | 5.75% | 182,479 | 182,479 | 5.75% | 182,479 | 182,479 |
| 5.375% Senior Notes due 2023 | 5.62% | 210,440 | 209,126 | 5.62% | 210,440 | 209,018 |
| 6.00% Senior Notes due 2023 | 6.28% | 1,439,840 | 1,427,814 | 6.28% | 1,439,840 | 1,426,998 |
| 5.875% Senior Secured Notes due 2024 | 6.14% | 300,000 | 296,798 | 6.14% | 300,000 | 296,647 |
| 6.00% Senior Notes due 2025 | 6.27% | 1,200,000 | 1,186,326 | 6.27% | 1,200,000 | 1,185,726 |
| 7.50% Senior Secured Notes due 2027 | 7.71% | 1,500,000 | 1,482,675 | 7.71% | 1,500,000 | 1,482,212 |
| Term Loan Facility | 6.09% | 3,321,088 | 3,295,558 | 6.21% | 3,329,625 | 3,302,675 |
| Revolving Credit Facility | 4.13% | 300,000 | 300,000 | 4.25% | 300,000 | 300,000 |
| Total long-term debt, net | | $ 8,462,141 | $ 8,389,070 | | $ 8,470,678 | $ 8,394,049 |
| Less current portion, net | | 34,150 | 34,150 | | 34,150 | 34,150 |
| Total long-term debt, less current portion, net | | $ 8,427,991 | $ 8,354,920 | | $ 8,436,528 | $ 8,359,899 |

The Company and its subsidiaries, with certain customary exceptions, guarantee or serve as issuers or borrowers of the debt instruments representing substantially all of the Company's indebtedness at March 31, 2020. The obligations under (i) all of the senior secured notes and (ii) the Credit Agreement (as defined below) and related loan documents are secured on a *pari passu* basis by a perfected first priority (subject to certain permitted liens) lien on the collateral securing such instruments, which collateral represents substantially all of the assets of the issuers or borrowers and the guarantors party thereto (subject to customary exceptions). Our senior unsecured notes are unsecured and effectively subordinated in right of priority to the Credit Agreement and our senior secured notes, in each case to the extent of the value of the collateral securing such instruments.

The aggregate estimated fair value of the Company's long-term debt, which was estimated using inputs based on quoted market prices for the same or similar debt issuances, was $7.2 billion and $7.4 billion at March 31, 2020 and December 31, 2019, respectively. Based on this valuation methodology, we determined these debt instruments represent Level 2 measurements within the fair value hierarchy.

***Credit Facilities***

The Company and certain of its subsidiaries are party to a credit agreement (the Credit Agreement), which provides for (i) a $1,000.0 million senior secured revolving credit facility (the Revolving Credit Facility) and (ii) a senior secured term loan facility in an initial principal amount of $3,415.0 million (the Term Loan Facility and, together with the Revolving Credit Facility, the Credit Facilities). Current amounts outstanding under the Credit Facilities are set forth in the table above. After giving effect to borrowings under the Revolving Credit Facility and previously issued and outstanding letters of credit, approximately $696.8 million of remaining credit is available under the Revolving Credit Facility as of March 31, 2020. The Company's outstanding debt agreements contain a number of restrictive covenants, including certain limitations on the Company's ability to incur additional indebtedness.

At March 31, 2020 and December 31, 2019, we were in compliance with all covenants contained in the Credit Agreement.

***Senior Notes and Senior Secured Notes***

At March 31, 2020 and December 31, 2019, we were in compliance with all covenants contained in the indentures governing our various senior notes and senior secured notes.

***Debt Financing Transactions***

Set forth below are certain disclosures relating to debt financing transactions that occurred during the three months ended March 31, 2020 or the year ended December 31, 2019.

*March 2019 Refinancing*

In March 2019, the Company executed certain transactions (the March 2019 Refinancing Transactions) that included:

- entry into an amendment (the Revolving Credit Facility Amendment) to the Company's existing credit agreement, which was originally dated April 27, 2017 (the amended credit agreement is described above under the heading "Credit Facilities");
- issuance of $1,500.0 million of 7.50% Senior Secured Notes due 2027 (the 2027 Notes);
- repurchase of $1,642.2 million aggregate principal amount ($1,624.0 million aggregate carrying amount) of certain of the Company's senior unsecured notes for $1,500.0 million in cash, excluding accrued interest (the Notes Repurchases); and
- solicitation of consents from the holders of the existing 7.25% Senior Notes due 2022 and 5.75% Senior Notes due 2022 to certain amendments to the indentures governing such notes, which eliminated substantially all of the restrictive covenants, certain events of default and other provisions contained in each such indenture.

The difference between the cash paid and the carrying amount of notes repurchased in the Notes Repurchases resulted in a $124.0 million gain. In connection with the March 2019 Refinancing Transactions, we also incurred costs and fees totaling $26.2 million, of which $4.2 million related to the Notes Repurchases, $19.1 million related to the 2027 Notes issuance and $2.9 million related to the Revolving Credit Facility Amendment. The costs incurred in connection with the Notes Repurchases were charged to expense in the first quarter of 2019 and recorded as a partial offset to the gain. The costs incurred in connection with the 2027 Notes issuance and the Revolving Credit Facility Amendment, together with previously deferred debt issuance costs associated with the Revolving Credit Facility, have been deferred to be amortized as interest expense over the terms of the respective instruments. The net gain resulting from the March 2019 Refinancing Transactions was included in the Gain on extinguishment of debt line item in the Condensed Consolidated Statements of Operations.

*June 2019 Revolving Credit Facility Borrowing*

In June 2019, the Company borrowed $300.0 million under the Revolving Credit Facility to be used for purposes consistent with the Company's capital allocation priorities, including for general corporate purposes.

***Maturities***

The following table presents, as of March 31, 2020, the maturities on our long-term debt for each of the five fiscal years subsequent to December 31, 2019 (in thousands):

| | Maturities (1) |
|---|---|
| 2020 | $ 34,150 |
| 2021 | $ 34,150 |
| 2022 (2) | $ 247,723 |
| 2023 | $ 1,684,430 |
| 2024 (2) | $ 3,770,225 |

(1) Certain amounts borrowed pursuant to the Credit Facilities will immediately mature if certain of our senior notes are not refinanced or repaid in full prior to the date that is 91 days prior to the respective stated maturity dates thereof. Accordingly, we may seek to repay or refinance certain senior notes prior to their stated maturity dates. The amounts in this maturities table do not reflect any such early repayment or refinancing; rather, they reflect stated maturity dates.

(2) Based on the Company's borrowings under the Revolving Credit Facility that were outstanding at March 31, 2020, $22.8 million will mature in 2022, with the remainder maturing in 2024.

## NOTE 12. COMMITMENTS AND CONTINGENCIES

### *Legal Proceedings and Investigations*

We and certain of our subsidiaries are involved in various claims, legal proceedings and internal and governmental investigations (collectively, proceedings) that arise from time to time, including, among others, those relating to product liability, intellectual property, regulatory compliance, consumer protection, tax and commercial matters. While we cannot predict the outcome of these proceedings and we intend to vigorously prosecute or defend our position as appropriate, there can be no assurance that we will be successful or obtain any requested relief. An adverse outcome in any of these proceedings could have a material adverse effect on our business, financial condition, results of operations and cash flows. Matters that are not being disclosed herein are, in the opinion of our management, immaterial both individually and in the aggregate with respect to our financial position, results of operations and cash flows. If and when such matters, in the opinion of our management, become material, either individually or in the aggregate, we will disclose them.

We believe that certain settlements and judgments, as well as legal defense costs, relating to certain product liability or other matters are or may be covered in whole or in part under our insurance policies with a number of insurance carriers. In certain circumstances, insurance carriers reserve their rights to contest or deny coverage. We intend to contest vigorously any disputes with our insurance carriers and to enforce our rights under the terms of our insurance policies. Accordingly, we will record receivables with respect to amounts due under these policies only when the realization of the potential claim for recovery is considered probable. Amounts recovered under our insurance policies could be materially less than stated coverage limits and may not be adequate to cover damages, other relief and/or costs relating to claims. In addition, there is no guarantee that insurers will pay claims or that coverage will otherwise be available. See the risk factor "We may not have and may be unable to obtain or maintain insurance adequate to cover potential liabilities" in the Annual Report for more information.

As of March 31, 2020, our accrual for loss contingencies totaled $442.2 million, the most significant components of which relate to product liability and related matters associated with transvaginal surgical mesh products, which we have not sold since March 2016. Although we believe there is a reasonable possibility that a loss in excess of the amount recognized exists, we are unable to estimate the possible loss or range of loss in excess of the amount recognized at this time. While the timing of the resolution of certain of the matters accrued for as loss contingencies remains uncertain and could extend beyond 12 months, as of March 31, 2020, the entire liability accrual amount is classified in the Current portion of legal settlement accrual in the Condensed Consolidated Balance Sheets.

*Product Liability and Related Matters*

We and certain of our subsidiaries have been named as defendants in numerous lawsuits in various U.S. federal and state courts, and in Canada, Australia and other countries, alleging personal injury resulting from the use of certain products of our subsidiaries, including the product liability and other related matters described below in more detail.

***Vaginal Mesh.*** Since 2008, we and certain of our subsidiaries, including American Medical Systems Holdings, Inc. (AMS) (subsequently converted to Astora Women's Health Holding LLC and merged into Astora Women's Health LLC and referred to herein as AMS and/or Astora), have been named as defendants in multiple lawsuits in various state and federal courts in the U.S. (including a federal multidistrict litigation (MDL) in the U.S. District Court for the Southern District of West Virginia), and in Canada, Australia and other countries, alleging personal injury resulting from the use of transvaginal surgical mesh products designed to treat pelvic organ prolapse (POP) and stress urinary incontinence (SUI). Our subsidiaries have not sold such products since March 2016. Plaintiffs claim a variety of personal injuries, including chronic pain, incontinence, inability to control bowel function and permanent deformities, and seek compensatory and punitive damages, where available.

Various Master Settlement Agreements (MSAs) and other agreements have resolved up to approximately 71,000 filed and unfiled U.S. mesh claims. These MSAs and other agreements were entered into at various times between June 2013 and the present, were solely by way of compromise and settlement and were not in any way an admission of liability or fault by us or any of our subsidiaries. All MSAs are subject to a process that includes guidelines and procedures for administering the settlements and the release of funds. In certain cases, the MSAs provide for the creation of QSFs into which the settlement funds will be deposited, establish participation requirements and allow for a reduction of the total settlement payment in the event participation thresholds are not met. Funds deposited in QSFs are considered restricted cash and/or restricted cash equivalents. Distribution of funds to any individual claimant is conditioned upon the receipt of documentation substantiating product use, the dismissal of any lawsuit and the release of the claim as to us and all affiliates. Prior to receiving funds, an individual claimant must represent and warrant that liens, assignment rights or other claims identified in the claims administration process have been or will be satisfied by the individual claimant. Confidentiality provisions apply to the settlement funds, amounts allocated to individual claimants and other terms of the agreement.

In October 2019, the Ontario Superior Court of Justice approved a class action settlement covering unresolved claims by Canadian women implanted with an AMS vaginal mesh device. Astora funded the settlement in February 2020.

The following table presents the changes in the QSFs and mesh liability accrual balances during the three months ended March 31, 2020 (in thousands):

| | Qualified Settlement Funds | Mesh Liability Accrual |
|---|---|---|
| Balance as of December 31, 2019 | $ 242,842 | $ 454,031 |
| Additional charges | — | 30,454 |
| Cash distributions to settle disputes from Qualified Settlement Funds | (47,801) | (47,801) |
| Cash distributions to settle disputes | — | (17,819) |
| Other (1) | 694 | (2,180) |
| Balance as of March 31, 2020 | $ 195,735 | $ 416,685 |

(1) Amounts deposited in the QSFs may earn interest, which is generally used to pay administrative costs of the fund and is reflected in the table above as an increase to the QSF and Mesh Liability Accrual balances. Any interest remaining after all claims have been paid will generally be distributed to the claimants who participated in that settlement. Also included within this line are foreign currency adjustments for settlements not denominated in U.S. dollars.

Charges related to vaginal mesh liability and associated legal fees and other expenses for all periods presented are reported in Discontinued operations, net of tax in our Condensed Consolidated Statements of Operations.

As of March 31, 2020, the Company has made total cumulative mesh liability payments of approximately $3.6 billion, $195.7 million of which remains in the QSFs as of March 31, 2020. We currently expect to fund the remaining payments under all previously executed settlement agreements into the QSFs during 2020. As the funds are disbursed out of the QSFs from time to time, the liability accrual will be reduced accordingly with a corresponding reduction to restricted cash and cash equivalents. In addition, we may pay cash distributions to settle disputes separate from the QSFs, which will also decrease the liability accrual and decrease cash and cash equivalents.

We were contacted in October 2012 regarding a civil investigation initiated by various U.S. state attorneys general into mesh products, including transvaginal surgical mesh products designed to treat POP and SUI. In November 2013, we received a subpoena relating to this investigation from the state of California, and we have subsequently received additional subpoenas from California and other states. We are cooperating with the investigations.

The MDL court has been remanding MDL cases to their districts of origin for further proceedings. Other cases are proceeding in various state and federal courts. The earliest trial is currently scheduled for August 2020; however, trials may occur earlier or later as timing remains uncertain due to the impact of COVID-19 and other factors. We will continue to vigorously defend any unresolved claims and to explore other options as appropriate in our best interests. Similar matters may be brought by others or the foregoing matters may be expanded. We are unable to predict the outcome of these matters or to estimate the possible range of any additional losses that could be incurred.

Although the Company believes it has appropriately estimated the probable total amount of loss associated with all mesh-related matters as of the date of this report, litigation is ongoing in certain cases that have not settled, and it is reasonably possible that further claims may be filed or asserted and that adjustments to our overall liability accrual may be required. This could have a material adverse effect on our business, financial condition, results of operations and cash flows.

*Opioid-Related Matters*

Since 2014, multiple U.S. states as well as other governmental persons or entities and private plaintiffs in the U.S. and Canada have filed suit against us and/or certain of our subsidiaries, including Endo Health Solutions Inc. (EHSI), Endo Pharmaceuticals Inc. (EPI), Par Pharmaceutical, Inc. (PPI), Par Pharmaceutical Companies, Inc. (PPCI), Endo Generics Holdings, Inc. (EGHI), Vintage Pharmaceuticals, LLC, Generics Bidco I, LLC and DAVA Pharmaceuticals, LLC, and in Canada, Paladin, as well as various other manufacturers, distributors, pharmacies and/or others, asserting claims relating to defendants' alleged sales, marketing and/or distribution practices with respect to prescription opioid medications, including certain of our products. As of April 30, 2020, filed cases in the U.S. of which we were aware include, but are not limited to, approximately 20 cases filed by or on behalf of states; approximately 2,780 cases filed by counties, cities, Native American tribes and/or other government-related persons or entities; approximately 280 cases filed by hospitals, health systems, unions, health and welfare funds or other third-party payers and approximately 160 cases filed by individuals. Certain of the cases have been filed as putative class actions. The Canadian cases include an action filed by British Columbia on behalf of a proposed class of all federal, provincial and territorial governments and agencies in Canada that paid healthcare, pharmaceutical and treatment costs related to opioids, as well as three additional putative class actions, filed in Ontario, Quebec and British Columbia, seeking relief on behalf of Canadian residents who were prescribed and/or consumed opioid medications.

Many of the U.S. cases have been coordinated in a federal MDL pending in the U.S. District Court for the Northern District of Ohio. Other cases are pending in various federal or state courts. The cases are at various stages. The first MDL trial, relating to the claims of two Ohio counties (Track One plaintiffs), was set for October 2019 but did not go forward after most defendants settled. EPI, EHSI, PPI and PPCI executed a settlement agreement with the Track One plaintiffs in September 2019 which provided for payments totaling $10 million and up to $1 million of VASOSTRICT® and/or ADRENALIN®. Under the settlement agreement, the Track One plaintiffs may be entitled to additional payments in the event of a comprehensive resolution of government-related opioid claims. The settlement agreement was solely by way of compromise and settlement and was not in any way an admission of liability or fault by us or any of our subsidiaries. The earliest trial is currently scheduled for August 2020; however, trials may occur earlier or later as timing remains uncertain due to the impact of COVID-19 and other factors. Most cases remain at the pleading and/or discovery stage.

The complaints in the cases assert a variety of claims, including but not limited to statutory claims asserting violations of public nuisance, consumer protection, unfair trade practices, racketeering, Medicaid fraud and/or drug dealer liability laws and/or common law claims for public nuisance, fraud/misrepresentation, strict liability, negligence and/or unjust enrichment. The claims are generally based on alleged misrepresentations and/or omissions in connection with the sale and marketing of prescription opioid medications and/or alleged failures to take adequate steps to identify and report suspicious orders and to prevent abuse and diversion. Plaintiffs have generally sought various remedies including, without limitation, declaratory and/or injunctive relief; compensatory, punitive and/or treble damages; restitution, disgorgement, civil penalties, abatement, attorneys' fees, costs and/or other relief.

We will continue to vigorously defend the foregoing matters and to explore other options as appropriate in our best interests. Similar matters may be brought by others or the foregoing matters may be expanded. We are unable to predict the outcome of these matters or to estimate the possible range of any losses that could be incurred. Adjustments to our overall liability accrual may be required in the future, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

In addition to the lawsuits described above, the Company and/or its subsidiaries have received certain subpoenas, civil investigative demands (CIDs) and informal requests for information concerning the sale, marketing and/or distribution of prescription opioid medications, including the following:

Various state attorneys general have served subpoenas and/or CIDs on EHSI and/or EPI. We are cooperating with the investigations.

In January 2018, EPI received a federal grand jury subpoena from the U.S. District Court for the Southern District of Florida seeking documents and information related to OPANA® ER, other oxymorphone products and marketing of opioid medications. We are cooperating with the investigation.

In September 2019, EPI, EHSI, PPI and PPCI received subpoenas from the New York State Department of Financial Services seeking documents and information regarding the marketing, sale and distribution of opioid medications in New York. We are providing information responsive to these subpoenas.

Similar investigations may be brought by others or the foregoing matters may be expanded or result in litigation. We are unable to predict the outcome of these matters or to estimate the possible range of any losses that could be incurred. Adjustments to our overall liability accrual may be required in the future, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

In January 2020, EPI and PPI executed a settlement agreement with the state of Oklahoma providing for a payment of approximately $8.75 million in resolution of potential opioid-related claims. The settlement agreement was solely by way of compromise and settlement and was not in any way an admission of liability or fault by us or any of our subsidiaries.

*Generic Drug Pricing Matters*

Since March 2016, various private plaintiffs and state attorneys general have filed cases against our subsidiary PPI and/or, in some instances, the Company, Generics Bidco I, LLC, DAVA Pharmaceuticals, LLC, EPI, EHSI and/or PPCI, as well as other pharmaceutical manufacturers and, in some instances, other corporate and/or individual defendants, alleging price-fixing and other anticompetitive conduct with respect to generic pharmaceutical products. These cases, which include proposed class actions filed on behalf of direct purchasers, end-payers and indirect purchaser resellers, as well as non-class action suits, have generally been consolidated and/or coordinated for pretrial proceedings in a federal MDL pending in the U.S. District Court for the Eastern District of Pennsylvania.

The various complaints and amended complaints generally assert claims under federal and/or state antitrust law, state consumer protection statutes and/or state common law, and seek damages, treble damages, civil penalties, disgorgement, declaratory and injunctive relief, costs and attorneys' fees. Some claims are based on alleged product-specific conspiracies and other claims allege broader, multiple-product conspiracies. Under these overarching conspiracy theories, plaintiffs seek to hold all alleged participants in a particular conspiracy jointly and severally liable for all harms caused by the alleged conspiracy, not just harms related to the products manufactured and/or sold by a particular defendant.

The MDL court has issued various case management and substantive orders, including orders denying certain motions to dismiss, and discovery is ongoing.

We will continue to vigorously defend the foregoing matters and to explore other options as appropriate in our best interests. Similar matters may be brought by others or the foregoing matters may be expanded. We are unable to predict the outcome of these matters or to estimate the possible range of any losses that could be incurred. Adjustments to our overall liability accrual may be required in the future, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

In December 2014, our subsidiary PPI received from the Antitrust Division of the U.S. Department of Justice (DOJ) a federal grand jury subpoena issued by the U.S. District Court for the Eastern District of Pennsylvania addressed to "Par Pharmaceuticals." The subpoena requested documents and information focused primarily on product and pricing information relating to the authorized generic version of Lanoxin (digoxin) oral tablets and generic doxycycline products, and on communications with competitors and others regarding those products. We are cooperating with the investigation.

In May 2018, we and our subsidiary PPCI each received a CID from the DOJ in relation to a False Claims Act investigation concerning whether generic pharmaceutical manufacturers engaged in price-fixing and market allocation agreements, paid illegal remuneration and caused the submission of false claims. We are cooperating with the investigation.

Similar investigations may be brought by others or the foregoing matters may be expanded or result in litigation. We are unable to predict the outcome of these matters or to estimate the possible range of any losses that could be incurred. Adjustments to our overall liability accrual may be required in the future, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

*Other Antitrust Matters*

Beginning in November 2013, multiple alleged purchasers of LIDODERM® sued our subsidiary EPI and other pharmaceutical companies alleging violations of antitrust law arising out of their settlement of certain patent infringement litigation. The various complaints asserted claims under Sections 1 and 2 of the Sherman Act, state antitrust and consumer protection statutes and/or state common law and sought damages, treble damages, disgorgement of profits, restitution, injunctive relief and attorneys' fees. These cases were consolidated and/or coordinated in a federal MDL in the U.S. District Court for the Northern District of California. The last cases remaining in the MDL were dismissed with prejudice in September 2018, when the court approved EPI's settlements with direct and indirect purchaser classes. Those settlement agreements provided for aggregate payments of approximately $100 million. Of this total, EPI paid approximately $60 million in 2018, $30 million in the first quarter of 2019 and $10 million in the first quarter of 2020. In September 2019, Blue Cross Blue Shield of Michigan and Blue Care Network of Michigan filed a complaint against EPI and other pharmaceutical companies in the Third Judicial Circuit Court, Wayne County, Michigan, asserting claims substantially similar to those asserted in the MDL. In October 2019, certain defendants removed the case to federal court; in April 2020, the case was remanded back to state court.

Beginning in June 2014, multiple alleged purchasers of OPANA® ER sued our subsidiaries EHSI and EPI and other pharmaceutical companies including Impax Laboratories, LLC (formerly Impax Laboratories, Inc. and referred to herein as Impax) and Penwest Pharmaceuticals Co., which our subsidiary EPI had acquired, alleging violations of antitrust law arising out of an agreement reached by EPI and Impax to settle certain patent infringement litigation and EPI's introduction of reformulated OPANA® ER. Some cases were filed on behalf of putative classes of direct and indirect purchasers, while others were filed on behalf of individual retailers or health care benefit plans. The cases have been consolidated and/or coordinated for pretrial proceedings in a federal MDL pending in the U.S. District Court for the Northern District of Illinois. The various complaints assert claims under Sections 1 and 2 of the Sherman Act, state antitrust and consumer protection statutes and/or state common law. Plaintiffs generally seek damages, treble damages, disgorgement of profits, restitution, injunctive relief and attorneys' fees. In March 2019, direct and indirect purchaser plaintiffs filed motions for class certification, which remain pending. In April 2020, defendants filed motions for summary judgment.

Beginning in February 2009, the Federal Trade Commission (FTC) and certain private plaintiffs sued our subsidiaries PPCI (since June 2016, EGHI) and/or PPI as well as other pharmaceutical companies alleging violations of antitrust law arising out of the settlement of certain patent litigation concerning the generic version of AndroGel® and seeking damages, treble damages, equitable relief and attorneys' fees and costs. The cases were consolidated and/or coordinated for pretrial proceedings in a federal MDL pending in the U.S. District Court for the Northern District of Georgia. In May 2016, plaintiffs representing a putative class of indirect purchasers voluntarily dismissed their claims with prejudice. In February 2017, the FTC voluntarily dismissed its claims against EGHI with prejudice. In June 2018, the MDL court granted in part and denied in part various summary judgment and evidentiary motions filed by defendants. In particular, among other things, the court rejected two of the remaining plaintiffs' causation theories and rejected damages claims related to AndroGel® 1.62%. In July 2018, the court denied certain plaintiffs' motion for certification of a direct purchaser class. In November 2019, PPI and PPCI entered into settlement agreements with all but one of the remaining plaintiffs in the MDL. The settlement agreements were solely by way of compromise and settlement and were not in any way an admission of liability or fault. Separately, in August 2019, several alleged direct purchasers filed suit in the U.S. District Court for the Eastern District of Pennsylvania asserting claims substantially similar to those asserted in the MDL, as well as additional claims against other defendants relating to other alleged conduct. In January 2020, the U.S. District Court for the Eastern District of Pennsylvania denied defendants' motion to transfer venue to the Northern District of Georgia.

Beginning in February 2018, several alleged indirect purchasers filed proposed class actions against our subsidiary PPI and other pharmaceutical companies alleging violations of antitrust law arising out of the settlement of certain patent litigation concerning the generic version of Zetia® (ezetimibe). The various complaints asserted claims under Sections 1 and 2 of the Sherman Act, state antitrust and consumer protection statutes and/or state common law and sought injunctive relief, damages, treble damages, attorneys' fees and costs. In June 2018, these and other related cases, including proposed direct purchaser class actions in which PPI was not named as a defendant, were consolidated and/or coordinated for pretrial proceedings in a federal MDL in the U.S. District Court for the Eastern District of Virginia. In September 2018, the indirect purchaser plaintiffs dismissed their claims against PPI without prejudice. In June and July 2019, the MDL court granted the direct purchaser plaintiffs and certain retailer plaintiffs leave to file amended complaints adding PPI as a defendant. In July 2019, PPI entered into settlement agreements with both the direct purchaser plaintiffs and the retailer plaintiffs. The direct purchaser settlement was subject to court approval, which was granted in March 2020. The settlement agreements were solely by way of compromise and settlement, were not in any way an admission of liability or fault and involved no monetary payment.

Beginning in May 2018, multiple complaints were filed in the U.S. District Court for the Southern District of New York against PPI, EPI and/or us, as well as other pharmaceutical companies, alleging violations of antitrust law arising out of the settlement of certain patent litigation concerning the generic version of Exforge® (amlodipine/valsartan). Some cases were filed on behalf of putative classes of direct and indirect purchasers; others are non-class action suits. The various complaints assert claims under Sections 1 and 2 of the Sherman Act, state antitrust and consumer protection statutes and/or state common law. Plaintiffs generally seek damages, treble damages, equitable relief and attorneys' fees and costs. In September 2018, the putative class plaintiffs stipulated to the dismissal without prejudice of their claims against EPI and us, and the retailer plaintiffs later did the same. PPI filed a partial motion to dismiss certain claims in September 2018, which was granted in August 2019. The cases are currently in discovery.

Beginning in August 2019, multiple complaints were filed in the U.S. District Court for the Southern District of New York against PPI and other pharmaceutical companies alleging violations of antitrust law arising out the settlement of certain patent litigation concerning generic versions of Seroquel XR® (extended release quetiapine fumarate). The claims against PPI are based on allegations that PPI entered into an exclusive acquisition and license agreement with Handa Pharmaceuticals, LLC (Handa) in 2012 pursuant to which Handa assigned to PPI certain rights under a prior settlement agreement between Handa and AstraZeneca resolving certain patent litigation. Some cases were filed on behalf of putative classes of direct and indirect purchasers; others are non-class action suits. The various complaints assert claims under Sections 1 and 2 of the Sherman Act, state antitrust and consumer protection statutes and/or state common law. Plaintiffs generally seek damages, treble damages, equitable relief and attorneys' fees and costs. In October 2019, the defendants filed various motions to dismiss and, in the alternative, moved to transfer the litigation to the U.S. District Court for the District of Delaware.

To the extent unresolved, we will continue to vigorously defend the foregoing matters and to explore other options as appropriate in our best interests. Similar matters may be brought by others or the foregoing matters may be expanded. We are unable to predict the outcome of these matters or to estimate the possible range of any losses that could be incurred. Adjustments to our overall liability accrual may be required in the future, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

In February 2015, EGHI and affiliates received a CID from the Office of the Attorney General for the state of Alaska seeking documents and information regarding EGHI's settlement of AndroGel® patent litigation as well as documents produced in the aforementioned litigation filed by the FTC. Also in February 2015, EHSI received a CID from Alaska's Office of the Attorney General seeking production of certain documents and information concerning agreements with Actavis and Impax settling OPANA® ER patent litigation. We are cooperating with the investigations.

In July 2019, EPI received a CID from the FTC seeking documents and information regarding oxymorphone ER and EPI's settlement of a contract dispute with Impax (now Amneal) in August 2017. We are cooperating with the investigation.

Similar investigations may be brought by others or the foregoing matters may be expanded or result in litigation. We are unable to predict the outcome of these matters or to estimate the possible range of any additional losses that could be incurred. Adjustments to our overall liability accrual may be required in the future, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

*Securities Litigation*

In February 2017, a putative class action entitled *Public Employees' Retirement System of Mississippi v. Endo International plc* was filed in the Court of Common Pleas of Chester County, Pennsylvania by an institutional purchaser of shares in our June 2, 2015 public offering. The complaint alleged violations of Sections 11, 12(a)(2) and 15 of the Securities Act of 1933 against us, certain of our current and former directors and officers, and the underwriters who participated in the offering, based on certain disclosures about Endo's generics business. In June 2019, the parties entered into a settlement providing for, among other things, a $50 million payment to the investor class in exchange for a release of their claims. In December 2019, the court denied a petition to intervene filed by the lead plaintiff in the *Pelletier* litigation described below, and granted final approval of the settlement. In December 2019, the putative intervenor appealed the denial of its petition to intervene and the final approval order to Pennsylvania Superior Court. That appeal remains pending. As a result of the settlement, during the first quarter of 2019, the Company recorded an increase of approximately $50 million to its accrual for loss contingencies. As the Company's insurers agreed to fund the settlement, the Company also recorded a corresponding insurance receivable of approximately $50 million during the first quarter of 2019, which was recorded as Prepaid expenses and other current assets in the Condensed Consolidated Balance Sheets. The Company's insurers funded the settlement during the third quarter of 2019, resulting in corresponding decreases to the Company's accrual for loss contingencies and insurance receivable.

In April 2017, a putative class action entitled *Phaedra A. Makris v. Endo International plc, Rajiv Kanishka Liyanaarchchie de Silva and Suketu P. Upadhyay* was filed in the Superior Court of Justice in Ontario, Canada by an individual shareholder on behalf of herself and similarly-situated Canadian-based investors who purchased Endo's securities between January 11 and May 5, 2016. The statement of claim sought class certification, declaratory relief, damages, interest and costs based on alleged violations of the Ontario Securities Act arising out of alleged negligent misrepresentations concerning the Company's revenues, profit margins and earnings per share; its receipt of a subpoena from the state of Connecticut regarding doxycycline hyclate, amitriptyline hydrochloride, doxazosin mesylate, methotrexate sodium and oxybutynin chloride; and the erosion of the Company's U.S. generic pharmaceuticals business. In January 2019, plaintiff amended her statement of claim to add a claim on behalf of herself and similarly-situated Canadian investors who purchased Endo's securities between January 11, 2016 and June 8, 2017, based on our decision to voluntarily remove reformulated OPANA® ER from the market. In April 2020, the parties reached a settlement in principle, which will be subject to court approval. The amount of the settlement is not material to the Company and is expected to be funded by the Company's insurers.

In November 2017, a putative class action entitled *Pelletier v. Endo International plc, Rajiv Kanishka Liyanaarchchie De Silva, Suketu P. Upadhyay and Paul V. Campanelli* was filed in the U.S. District Court for the Eastern District of Pennsylvania by an individual shareholder on behalf of himself and all similarly situated shareholders. The lawsuit alleges violations of Section 10(b) and 20(a) of the Exchange Act relating to the pricing of various generic pharmaceutical products. In June 2018, the court appointed Park Employees' and Retirement Board Employees' Annuity Benefit Fund of Chicago lead plaintiff in the action. In September 2018, the defendants filed a motion to dismiss, which the court granted in part and denied in part in February 2020. In particular, the court granted the motion and dismissed the claims with prejudice insofar as they were based on an alleged price-fixing conspiracy; the court otherwise denied the motion to dismiss, allowing other aspects of lead plaintiff's claims to proceed.

To the extent unresolved, we will continue to vigorously defend the foregoing matters and to explore other options as appropriate in our best interests. Similar matters may be brought by others or the foregoing matters may be expanded. We are unable to predict the outcome of these matters or to estimate the possible range of any losses that could be incurred. Adjustments to our overall liability accrual may be required in the future, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

*VASOSTRICT® Related Matters*

In July 2016, Fresenius Kabi USA, LLC (Fresenius) sued our subsidiaries PPCI and Par Sterile Products, LLC (PSP LLC) in the U.S. District Court for the District of New Jersey alleging an anticompetitive scheme to exclude competition for PPCI's VASOSTRICT®, a vasopressin-based cardiopulmonary drug. In particular, Fresenius alleged violations of Sections 1 and 2 of the Sherman Antitrust Act, as well as state antitrust and common law, based on assertions that our subsidiaries entered into exclusive supply agreements with one or more active pharmaceutical ingredient (API) manufacturers and that, as a result, Fresenius could not obtain vasopressin API in order to file an Abbreviated New Drug Application (ANDA) to obtain U.S. Food and Drug Administration (FDA) approval for its own vasopressin product. Fresenius sought actual, treble and punitive damages, attorneys' fees and costs and injunctive relief. In February 2020, the court granted our subsidiaries' motion for summary judgment on all claims and denied Fresenius's cross-motion for partial summary judgment. In March 2020, Fresenius filed a notice of appeal to the U.S. Court of Appeals for the Third Circuit.

In August 2017, our subsidiaries PPI and PSP LLC filed a complaint for actual, exemplary and punitive damages, injunctive relief and other relief against QuVa Pharma, Inc. (QuVa), Stuart Hinchen, Peter Jenkins and Mike Rutkowski in the U.S. District Court for the District of New Jersey. The complaint alleges misappropriation in violation of the federal Defend Trade Secrets Act, New Jersey's Trade Secrets Act and New Jersey common law, as well as unfair competition, breach of contract, breach of fiduciary duty, breach of the duty of loyalty, tortious interference with contractual relations and breach of the duty of confidence in connection with VASOSTRICT®. In November 2017, we filed a motion for preliminary injunction seeking various forms of relief. In March 2018, the court granted in part our motion for preliminary injunction and enjoined QuVa from marketing and releasing its planned vasopressin product through the conclusion of trial. We subsequently deposited a bond to the court's interest-bearing account to secure the preliminary injunction. In May 2018, defendants filed a notice of appeal to the Third Circuit Court of Appeals indicating intent to appeal the court's preliminary injunction. In February 2019, the defendants filed counterclaims for defamation, tortious interference with contract, tortious interference with prospective business relations and witness interference. The counterclaims seek actual, exemplary and punitive damages and other relief. In March 2019, we filed a motion to dismiss all of the defendants' counterclaims. In April 2019, the Third Circuit Court of Appeals affirmed the court's preliminary injunction but remanded for additional fact-finding concerning the duration of the preliminary injunction and, if needed, consideration of the additional trade secrets raised in our motion for preliminary injunction but not addressed by the preliminary injunction order. In September 2019, following the decision in *Athenex Inc. v. Azar*, No. 19-cv-00603, 2019 WL 3501811 (D.D.C. Aug. 1, 2019), which upheld the FDA's determination that there is no clinical need for outsourcing facilities to compound drugs using bulk vasopressin, the parties submitted a proposed consent order to the district court agreeing to a lifting of the preliminary injunction against QuVa but reserving PPI and PSP LLC's right to seek return or reduction of the bond. In January 2020, the court granted our motion to dismiss the defendants' counterclaims and ordered the preliminary injunction lifted while the bond remains in place pending an adjudication on the merits. In March 2020, we filed a motion for partial summary judgment on the merits of PPI and PSP LLC's breach of contract claims.

Beginning in April 2018, PSP LLC and PPI received notice letters from Eagle Pharmaceuticals, Inc., Sandoz, Inc., Amphastar Pharmaceuticals, Inc., Amneal Pharmaceuticals LLC, American Regent, Fresenius, Dr. Reddy's Laboratories, Inc. and Aurobindo Pharma Limited advising of the filing by such companies of ANDAs/New Drug Applications (NDAs) for generic versions of VASOSTRICT® (vasopressin IV solution (infusion)) 20 units/ml and/or 200 units/10 ml. Beginning in May 2018, PSP LLC, PPI and Endo Par Innovation Company, LLC filed lawsuits against Eagle Pharmaceuticals, Inc., Sandoz, Inc., Amphastar Pharmaceuticals, Inc., Amneal Pharmaceuticals LLC, American Regent and Fresenius in the U.S. District Court for the District of Delaware or New Jersey within the 45-day deadline to invoke a 30-month stay of FDA approval pursuant to the Hatch-Waxman legislative scheme. The earliest trial is presently scheduled for January 2021; however, a trial may occur earlier or later as timing remains uncertain due to the impact of COVID-19 and other factors.

We will continue to vigorously defend or prosecute the foregoing matters as appropriate, to protect our intellectual property rights, to pursue all available legal and regulatory avenues and to explore other options as appropriate in our best interests. Similar matters may be brought by others or the foregoing matters may be expanded. We are unable to predict the outcome of these matters or to estimate the possible range of any additional losses that could be incurred. Adjustments to our overall liability accrual may be required in the future, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

*Other Proceedings and Investigations*

Proceedings similar to those described above may also be brought in the future. Additionally, we are involved in, or have been involved in, arbitrations or various other proceedings that arise from the normal course of our business. We cannot predict the timing or outcome of these other proceedings. Currently, neither we nor our subsidiaries are involved in any other proceedings that we expect to have a material effect on our business, financial condition, results of operations and cash flows.

## NOTE 13. OTHER COMPREHENSIVE (LOSS) INCOME

During the three months ended March 31, 2020 and 2019, there were no tax effects allocated to any component of Other comprehensive (loss) income and there were no reclassifications out of Accumulated other comprehensive loss. Substantially all of the Company's Accumulated other comprehensive loss balances at March 31, 2020 and December 31, 2019 consist of Foreign currency translation loss.

## NOTE 14. SHAREHOLDERS' DEFICIT

The following table presents a reconciliation of the beginning and ending balances in Total shareholders' deficit for the three months ended March 31, 2020 (in thousands):

| | Euro Deferred Shares | Ordinary Shares | Additional Paid-in Capital | Accumulated Deficit | Accumulated Other Comprehensive Loss | Total Shareholders' Deficit |
|---|---|---|---|---|---|---|
| BALANCE, DECEMBER 31, 2019 | $ 45 | $ 23 | $ 8,904,692 | $ (9,552,214) | $ (219,090) | $ (866,544) |
| Net income | — | — | — | 129,930 | — | 129,930 |
| Other comprehensive loss | — | — | — | — | (14,437) | (14,437) |
| Compensation related to share-based awards | — | — | 17,645 | — | — | 17,645 |
| Tax withholding for restricted shares | — | — | (4,398) | — | — | (4,398) |
| Other | (1) | — | (12) | — | — | (13) |
| BALANCE, MARCH 31, 2020 | $ 44 | $ 23 | $ 8,917,927 | $ (9,422,284) | $ (233,527) | $ (737,817) |

The following table presents a reconciliation of the beginning and ending balances in Total shareholders' deficit for the three months ended March 31, 2019 (in thousands):

| | Euro Deferred Shares | Ordinary Shares | Additional Paid-in Capital | Accumulated Deficit | Accumulated Other Comprehensive Loss | Total Shareholders' Deficit |
|---|---|---|---|---|---|---|
| BALANCE, DECEMBER 31, 2018, PRIOR TO THE ADOPTION OF ASC 842, LEASES | $ 46 | $ 22 | $ 8,855,810 | $ (9,124,932) | $ (229,229) | $ (498,283) |
| Effect of adopting ASC 842, Leases | — | — | — | (4,646) | — | (4,646) |
| BALANCE, JANUARY 1, 2019 | $ 46 | $ 22 | $ 8,855,810 | $ (9,129,578) | $ (229,229) | $ (502,929) |
| Net loss | — | — | — | (18,573) | — | (18,573) |
| Other comprehensive income | — | — | — | — | 4,730 | 4,730 |
| Compensation related to share-based awards | — | — | 24,733 | — | — | 24,733 |
| Exercise of options | — | — | 4 | — | — | 4 |
| Tax withholding for restricted shares | — | — | (2,414) | — | — | (2,414) |
| Other | (1) | — | — | — | — | (1) |
| BALANCE, MARCH 31, 2019 | $ 45 | $ 22 | $ 8,878,133 | $ (9,148,151) | $ (224,499) | $ (494,450) |

***Share-Based Compensation***

The Company recognized share-based compensation expense of $17.6 million and $24.7 million during the three months ended March 31, 2020 and 2019, respectively. As of March 31, 2020, the total remaining unrecognized compensation cost related to non-vested share-based compensation awards amounted to $49.3 million.

As of March 31, 2020, the weighted average remaining requisite service period for non-vested stock options was 0.6 years and for non-vested restricted stock units was 1.8 years.

## NOTE 15. OTHER (INCOME) EXPENSE, NET

The components of Other (income) expense, net for the three months ended March 31, 2020 and 2019 are as follows (in thousands):

| | Three Months Ended March 31, | |
|---|---|---|
| | 2020 | 2019 |
| Net (gain) loss on sale of business and other assets (1) | $ (8,192) | $ 1,294 |
| Foreign currency (gain) loss, net (2) | (5,639) | 1,716 |
| Net loss from our investments in the equity of other companies (3) | 249 | 2,086 |
| Other miscellaneous, net | (392) | (294) |
| Other (income) expense, net | $ (13,974) | $ 4,802 |

(1) Amounts primarily relate to the sales of various ANDAs.
(2) Amounts relate to the remeasurement of the Company's foreign currency denominated assets and liabilities.
(3) Amounts relate to the income statement impacts of our investments in the equity of other companies, including investments accounted for under the equity method.

## NOTE 16. INCOME TAXES

The following table displays our Income (loss) from continuing operations before income tax, Income tax (benefit) expense and Effective tax rate for the three months ended March 31, 2020 and 2019 (dollars in thousands):

| | Three Months Ended March 31, | |
|---|---|---|
| | 2020 | 2019 |
| Income (loss) from continuing operations before income tax | $ 21,249 | $ (1,709) |
| Income tax (benefit) expense | $ (136,332) | $ 10,903 |
| *Effective tax rate* | *(641.6)%* | *(638.0)%* |

The income tax benefit for the three months ended March 31, 2020 primarily relates to the discrete tax benefit arising from the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), as discussed below. As of March 31, 2020, we had valuation allowances established against our deferred tax assets in most jurisdictions in which we operate, with the exception of Canada and India. The income tax expense for the comparable 2019 period primarily relates to a taxable gain arising from the extinguishment of debt in the March 2019 Refinancing Transactions.

On March 27, 2020, the CARES Act was enacted by the U.S. government in response to the COVID-19 pandemic. The CARES Act, among other things, permits net operating loss (NOL) carryovers and carrybacks to offset 100% of taxable income for taxable years beginning before 2021. In addition, the CARES Act allows NOLs incurred in 2018, 2019 and 2020 to be carried back to each of the five preceding taxable years to generate a refund of previously paid income taxes. In the first quarter of 2020, the Company has recorded a discrete tax benefit in continuing operations of $137.3 million as a result of the change in the NOL carryback period.

## NOTE 17. NET INCOME (LOSS) PER SHARE

The following is a reconciliation of the numerator and denominator of basic and diluted net income (loss) per share for the three months ended March 31, 2020 and 2019 (in thousands):

| | Three Months Ended March 31, | |
|---|---|---|
| | 2020 | 2019 |
| Numerator: | | |
| Income (loss) from continuing operations | $ 157,581 | $ (12,612) |
| Loss from discontinued operations, net of tax | (27,651) | (5,961) |
| Net income (loss) | $ 129,930 | $ (18,573) |
| Denominator: | | |
| For basic per share data—weighted average shares | 227,198 | 224,594 |
| Dilutive effect of ordinary share equivalents | 5,816 | — |
| For diluted per share data—weighted average shares | 233,014 | 224,594 |

Basic net income (loss) per share amounts are computed based on the weighted average number of ordinary shares outstanding during the period. Diluted net income (loss) per share amounts are computed based on the weighted average number of ordinary shares outstanding and, if there is net income from continuing operations during the period, the dilutive effect of ordinary share equivalents outstanding during the period.

The dilutive effect of ordinary share equivalents is measured using the treasury stock method. Stock options and awards that have been issued but for which a grant date has not yet been established are not considered in the calculation of basic or diluted weighted average shares.

For the three months ended March 31, 2020, aggregate stock options and stock awards of 7.2 million and 3.3 million, respectively, were excluded from the diluted share calculation because their effect would have been anti-dilutive. All potentially dilutive items were excluded from the diluted share calculation for the three months ended March 31, 2019 because their effect would have been anti-dilutive as the Company was in a loss position.

## Item 2. *Management's Discussion and Analysis of Financial Condition and Results of Operations*

The following Management's Discussion and Analysis of Financial Condition and Results of Operations describes the principal factors affecting the results of operations, liquidity and capital resources and critical accounting estimates of Endo International plc. This discussion should be read in conjunction with the accompanying quarterly unaudited Condensed Consolidated Financial Statements and related notes thereto and the Annual Report. The Annual Report includes additional information about our significant accounting policies, practices and the transactions that underlie our financial results, as well as a detailed discussion of the most significant risks and uncertainties associated with our financial and operating results. Except for the historical information contained in this report, including the following discussion, this report contains forward-looking statements that involve risks and uncertainties. See "Forward-Looking Statements" beginning on page i of this report.

Unless otherwise indicated or required by the context, references throughout to "Endo," the "Company," "we," "our" or "us" refer to Endo International plc and its subsidiaries.

## RESULTS OF OPERATIONS

Our quarterly results have fluctuated in the past and may continue to fluctuate. These fluctuations are primarily due to (1) the timing of new product launches, (2) purchasing patterns of our customers, (3) market acceptance of our products, (4) the impact of competitive products and products we recently acquired, (5) pricing of our products, (6) the timing of mergers, acquisitions, divestitures and other related activity and (7) other actions taken by the Company which may impact the availability of our products. These fluctuations are also attributable to charges incurred for compensation related to share-based payments, amortization of intangible assets, asset impairment charges, litigation-related charges, restructuring charges and certain upfront, milestone and other payments made or accrued pursuant to acquisition or licensing agreements.

Additionally, as further described below, the impact on our results of COVID-19 and related changes in economic conditions, including changes to consumer spending resulting from the rapid rise in local and national unemployment rates, are highly uncertain and, in many instances, outside of our control. The duration and severity of the direct and indirect effects of COVID-19 are evolving rapidly and in ways that are difficult to anticipate. There are numerous uncertainties related to the COVID-19 pandemic that have impacted our ability to forecast our future operations. The extent to which COVID-19 will affect our business, financial position and operating results cannot be predicted with certainty; however, any such impact could be material. In addition, because COVID-19 did not begin to affect our financial results until late in the first quarter of 2020, its impact on our consolidated results and the results of our business segments in the first quarter of 2020 may not be directly comparable to any historical period and are not necessarily indicative of its impact on our results for the remainder of 2020 or any subsequent periods. COVID-19 could also increase the degree to which our quarterly results, including the results of our business segments, fluctuate in the future. Refer to "Risk Factors" in Part II, Item 1A of this report for further details.

**COVID-19 Update and Other Key Trends**

In December 2019, COVID-19 was reported to have surfaced in Wuhan, China. In March 2020, the World Health Organization declared the COVID-19 outbreak a global pandemic. Many countries and localities have announced aggressive actions to reduce the spread of the disease, including limiting non-essential gatherings of people, suspending all non-essential travel, ordering certain businesses and government agencies to cease non-essential operations at physical locations and issuing shelter-in-place orders (subject to limited exceptions). We are closely monitoring the impact of COVID-19 on all aspects of our business, the pharmaceutical industry and the economy as a whole, including how it has and will continue to impact our workforce, our customers and the patients they serve, our manufacturing and supply chain operations, our research and development (R&D) programs and regulatory approval processes and our liquidity and access to capital. In addition to our existing business continuity plans, we have established a team, led by our President and Chief Executive Officer and our executive leadership team, which has developed and implemented a range of proactive measures to address the risks, uncertainties and operational challenges associated with COVID-19. This team is closely monitoring the rapidly evolving situation and is implementing plans intended to limit the impact of COVID-19 on our business so that we can continue to produce the critical care medicines that hospitals and healthcare providers need to treat patients, including those with COVID-19. Actions we have taken to date and expected key trends are further described below.

***Workforce.*** We have taken, and will continue to take, proactive measures to provide for the well-being of our workforce around the globe while continuing to safely produce products upon which patients and their healthcare providers rely. In addition to employing and paying full wages to our workforce, we are providing additional compensation to certain of our on-site operations employees for the hours worked during the COVID-19 pandemic. We have implemented alternative working practices and mandatory work-from-home requirements for appropriate employees, inclusive of our executive leadership team. We have suspended international and domestic travel, increased our already-thorough cleaning protocols throughout our facilities and prohibited non-essential visitors from our sites. We have also implemented various social distancing, modified schedules, shift rotation and other similar policies at our manufacturing facilities. Certain of these measures have resulted in increased and unexpected costs and, as further described below, resulted in the prioritization of certain products in our production plans.

***Customers and the Patients They Serve.*** We have experienced, and expect to continue to experience, changes in customer demand as the COVID-19 pandemic evolves. Beginning late in the first quarter of 2020, we experienced a significant increase in sales volumes for certain of our critical care products administered to patients infected with COVID-19, such as VASOSTRICT®, ADRENALIN® and albuterol sulfate HFA inhaler, the authorized generic of Merck's Proventil®. These higher volumes resulted from increased utilization and channel inventory stocking of these products, primarily to treat patients infected with COVID-19. Other products not used to treat COVID-19, such as everolimus tablets, a generic version of Novartis Pharmaceuticals Corporation's Afinitor®, have also experienced increased demand due to accelerated prescription fulfillment that we believe is a result of concerns of healthcare providers and consumers regarding their ability to access medications because of shelter-in-place and similar measures taken by governments. At the same time, certain products that are physician administered, including XIAFLEX® and SUPPRELIN® LA, began experiencing decreased demand during the last two weeks of the first quarter of 2020 due to a reduction in physician activity and a slowing of patient office visits resulting from shelter-in-place orders. Additionally, as a result of our work-from-home requirements, we have transitioned to a "virtual" engagement model to continue supporting healthcare professionals, patient care and access to medicines.

***Manufacturing and Supply Chain Operations.*** As of the date of this report, our business has not experienced any material supply issues related to COVID-19 and our manufacturing and quality assurance facilities across the globe have continued to operate. We have taken, and plan to continue to take, commercially practical measures to keep these facilities open as they are critical to our ability to reliably supply required critical care and medically necessary products. These measures, including the implementation of social distancing, modified schedules, shift rotation and other similar policies at our manufacturing facilities, as well as changes in our workforce availability have impacted our manufacturing and supply chain productivity at certain of our facilities and resulted in the prioritization of certain products, such as VASOSTRICT®, in our production plans to provide for their continued availability during and after the pandemic. We believe that our diversified manufacturing footprint, which includes a combination of Endo owned and leased facilities located in the U.S. and India, supply agreements and strong business relationships with numerous contract manufacturing organizations throughout the world, including in the U.S., Canada, Europe and India, and our proven ability to be a preferred partner of choice to large pharmaceutical companies seeking authorized generic distributors for their branded products, is a critical factor to mitigate significant risks related to manufacturing and supply chain disruption. This footprint, overseen by our global quality and supply chain teams in Ireland, combined with a skilled management team with significant experience in manufacturing and supply chain operations, has enabled us to respond quickly and effectively to the evolving COVID-19 pandemic to date.

***Clinical and Development Programs.*** We have a number of ongoing clinical trials. We are committed to the safety of our patients, employees and others involved in these trials. We are monitoring COVID-19 closely and continue to partner with the FDA on our ongoing clinical trials, regulatory applications and other R&D activities. Based on an assessment of our R&D programs, including our clinical trials, we have developed a plan and timeline for each study in order to enhance communication with patients, sites and vendors. However, we may experience delays in some of our clinical trials and product development and commercialization programs, including obtaining adequate patient enrollment, receiving regulatory approvals and successfully bringing product candidates to market. For example, as a result of COVID-19 and its impact on medical aesthetics physician office closures and consumer spending, we are planning on changing the anticipated product launch of collagenase clostridium histolyticum (CCH) for the treatment of cellulite in the buttocks, if approved, to 2021.

***Key Trends.*** Although we did not experience significant disruptions to our business during the three months ended March 31, 2020 from COVID-19, we have since experienced and expect that we, and our industry as a whole, will continue to experience a greater impact going forward. The most significant trends we face as a result of the COVID-19 pandemic include: (i) decreases in demand for certain of our physician administered products due to physician office closures and a decline in patients electing to be treated, (ii) potential temporary decreases to the supply of certain of our products due to modified production schedules to safely maintain operations in response to COVID-19 and other factors including, without limitation, workforce availability, (iii) potential idle capacity charges based on implementation of social distancing, modified schedules, shift rotation and other similar policies at our manufacturing facilities and (iv) potential delays in our ability to launch some new products due to production prioritization and economic conditions and other factors outside of our control. For further information regarding the impact of COVID-19 on the Company, please refer to “Risk Factors” in Part II, Item 1A.

Our estimated revenue trends for the full year 2020 compared to the full year 2019 are set forth below. These estimated revenue trends reflect the current expectations of our management team based on information currently available to them. Our estimates are subject to significant risks and uncertainties that could cause our actual results to differ materially from those indicated below, including our assumptions about the duration and severity of COVID-19 and the impact of any related governmental, business or other actions, any of which could cause the impact of COVID-19 to be more significant than our current expectations.

- For the full year 2020, we expect increased revenues from our Sterile Injectables segment as compared to 2019, primarily driven by increased sales of VASOSTRICT®. Beginning late in the first quarter of 2020, we experienced a significant increase in sales volumes for VASOSTRICT® compared to pre-COVID-19 levels resulting from increased utilization and channel inventory stocking of this product, primarily to treat patients infected with COVID-19. We expect that there will be an increase in revenues in the second quarter of 2020 compared to the first quarter, primarily due to higher utilization and channel inventory stocking. During the second half of 2020, we anticipate a period of destocking with a subsequent return toward pre-COVID-19 purchasing levels. Additionally, we expect the increase in VASOSTRICT® in 2020 to be partially offset by decreases in certain other Sterile Injectables, primarily due to assumed competitive pressures not related to COVID-19.
- For the full year 2020, we expect a decline in revenues from the Specialty Products portfolio of our Branded Pharmaceuticals segment as compared to 2019. During the last two weeks of the first quarter of 2020, we began to experience decreased demand as compared to pre-COVID-19 levels for physician administered products, including XIAFLEX®, SUPPRELIN® LA and AVEED®, due to physician office closures and a decline in patients electing to be treated. We expect to see a continuation of the decline in demand for these products during the second quarter of 2020, followed by a gradual increase in volumes beginning in the second half of the year to the extent that physician and patient activities return toward pre-COVID-19 levels.
- For the full year 2020, we expect a decline in revenues from our Generic Pharmaceuticals segment as compared to 2019, driven by modified production schedules to safely maintain operations in response to COVID-19, which could result in potential temporary supply decreases and potential launch delays for certain medications in this segment, as well as continued competitive pressures on certain commoditized generic products not related to COVID-19. We expect this decline to be partially offset by sales resulting from certain 2019 product launches, as further described below, and increased demand compared to pre-COVID-19 levels resulting from the utilization of certain of our generic products used to treat patients infected with COVID-19.
- For the full year 2020, we expect declines in revenues from the Established Products portfolio of our Branded Pharmaceuticals segment and the International Pharmaceuticals segment as compared to 2019, primarily driven by competitive pressures impacting these product portfolios.

**Consolidated Results Review**

The following table displays our revenue, gross margin, gross margin percentage and other pre-tax expense or income for the three months ended March 31, 2020 and 2019 (dollars in thousands):

| | Three Months Ended March 31, | | % Change |
|---|---|---|---|
| | 2020 | 2019 | 2020 vs. 2019 |
| Total revenues, net | $ 820,405 | $ 720,411 | 14 % |
| Cost of revenues | 388,799 | 391,909 | (1)% |
| Gross margin | $ 431,606 | $ 328,502 | 31 % |
| *Gross margin percentage* | *52.6%* | *45.6%* | |
| Selling, general and administrative | $ 166,768 | $ 151,123 | 10 % |
| Research and development | 31,615 | 33,486 | (6)% |
| Litigation-related and other contingencies, net | (17,176) | 6 | NM |
| Asset impairment charges | 97,785 | 165,448 | (41)% |
| Acquisition-related and integration items, net | 12,462 | (37,501) | NM |
| Interest expense, net | 132,877 | 132,675 | — % |
| Gain on extinguishment of debt | — | (119,828) | (100)% |
| Other (income) expense, net | (13,974) | 4,802 | NM |
| Income (loss) from continuing operations before income tax | $ 21,249 | $ (1,709) | NM |

NM indicates that the percentage change is not meaningful or is greater than 100%.

***Total revenues, net.*** The increase in revenue for the three months ended March 31, 2020 was primarily due to increases from our Sterile Injectables segment, including VASOSTRICT® and ADRENALIN®, our Branded Pharmaceuticals segment's Specialty Products portfolio, led by XIAFLEX®, and recent product launches in our Generic Pharmaceuticals segment as further discussed below. Revenue also increased as a result of higher patient demand and increased customer inventory purchasing for certain of our products due to the COVID-19 pandemic. These increases were partially offset by the impact of competitive pressures on our Branded Pharmaceuticals segment's Established Products portfolio. Our revenues are further disaggregated and described below under the heading "Business Segment Results Review."

***Cost of revenues and gross margin percentage.*** During the three months ended March 31, 2020 and 2019, we incurred certain charges that impact the comparability of total Cost of revenues, including those related to amortization expense and continuity and separation benefits and other cost reduction initiatives. The following table summarizes such amounts (in thousands):

| | Three Months Ended March 31, | |
|---|---|---|
| | 2020 | 2019 |
| Amortization of intangible assets (1) | $ 117,237 | $ 145,599 |
| Continuity and separation benefits and other cost reduction initiatives (2) | $ 6,238 | $ — |

(1) Amortization expense fluctuates based on changes in the total amount of amortizable intangible assets and the rate of amortization in effect for each intangible asset, both of which can vary based on factors such as the amount and timing of acquisitions, dispositions, asset impairment charges, transfers between indefinite- and finite-lived intangibles assets, changes in foreign currency rates and changes in the composition of our intangible assets impacting the weighted average useful lives and amortization methodologies being utilized. The decrease during the three months ended March 31, 2020 was primarily driven by asset impairment charges and decreases in the rate of amortization expense for certain assets.

(2) Amounts primarily relate to certain accelerated depreciation charges and employee continuity and separation benefits.

The decrease in amortization expense during the three months ended March 31, 2020 resulted in decreased Cost of revenues and increased gross margin percentage. The decrease in Cost of revenues was partially offset by increased revenues as described above and increased expenses related to continuity and separation benefits and other cost reduction initiatives. In addition, favorable changes in product mix resulting primarily from increased revenues of VASOSTRICT® and ADRENALIN® contributed to the overall increase in gross margin percentage.

***Selling, general and administrative expenses.*** The increase for the three months ended March 31, 2020 was primarily due to a higher branded prescription drug fee, increased long-term incentive compensation costs and increased costs associated with continuity bonuses for certain senior management of the Company. Additionally, we incurred increased costs associated with preparing for our planned commercial launch of CCH for the treatment of cellulite in the buttocks, if approved, and expect such costs to continue to increase in 2020 as compared to 2019.

***R&D expenses.*** The amount of R&D expense we record in any period varies depending on the nature and stage of development of our R&D programs and can also vary in periods in which we incur significant upfront or milestone charges related to agreements with third parties.

In recent years, our R&D efforts have focused primarily on developing a balanced, diversified portfolio of innovative and clinically differentiated product candidates. We have been progressing and expect to continue to progress our cellulite treatment development program. In early 2020, we announced that we had initiated our XIAFLEX® development programs for the treatment of plantar fibromatosis and adhesive capsulitis. We also expect to continue to focus investments in our Sterile Injectables segment, potentially including license and commercialization agreements such as our Nevakar, Inc. agreement. In addition, we are conducting an open-label Phase 1 pharmacokinetic (PK) study of VASOSTRICT® in healthy volunteers, studying plasma clearance with TT genotype versus AA/AT genotype.

The decrease in R&D expense for the three months ended March 31, 2020 was driven by decreased costs associated with certain post-marketing R&D commitments, offset in part by increased costs associated with our Sterile Injectables segment.

***Litigation-related and other contingencies, net.*** Included within Litigation-related and other contingencies, net are changes to our accruals for litigation-related settlement charges and certain settlement proceeds related to suits filed by our subsidiaries. Our material legal proceedings and other contingent matters are described in more detail in Note 12. Commitments and Contingencies of the Condensed Consolidated Financial Statements included in Part I, Item 1. As further described therein, adjustments to the corresponding liability accruals may be required in the future. This could have a material adverse effect on our business, financial condition, results of operations and cash flows.

***Asset impairment charges.*** The following table presents the components of our total Asset impairment charges for the three months ended March 31, 2020 and 2019 (in thousands):

| | Three Months Ended March 31, | |
|---|---|---|
| | 2020 | 2019 |
| Goodwill impairment charges | $ 32,786 | $ 86,000 |
| Other intangible asset impairment charges | 63,751 | 78,700 |
| Property, plant and equipment impairment charges | 1,248 | 748 |
| Total asset impairment charges | $ 97,785 | $ 165,448 |

The factors leading to our material goodwill and intangible asset impairment tests, as well as the results of these tests, are further described in Note 8. Goodwill and Other Intangibles of the Condensed Consolidated Financial Statements included in Part I, Item 1. A discussion of critical accounting estimates made in connection with certain of our impairment tests is included below under the caption “CRITICAL ACCOUNTING ESTIMATES.”

***Acquisition-related and integration items, net.*** Acquisition-related and integration items, net for the three months ended March 31, 2020 and 2019 primarily consist of the net expense (benefit) from changes in the fair value of acquisition-related contingent consideration liabilities resulting from changes to our estimates regarding the timing and amount of the future revenues of the underlying products and changes in other assumptions impacting the probability of incurring, and extent to which we could incur, related contingent obligations. See Note 5. Fair Value Measurements of the Condensed Consolidated Financial Statements included in Part I, Item 1 for further discussion of our acquisition-related contingent consideration.

***Interest expense, net.*** The components of Interest expense, net for the three months ended March 31, 2020 and 2019 are as follows (in thousands):

| | Three Months Ended March 31, | |
|---|---|---|
| | 2020 | 2019 |
| Interest expense | $ 136,373 | $ 137,106 |
| Interest income | (3,496) | (4,431) |
| Interest expense, net | $ 132,877 | $ 132,675 |

The decrease in interest expense for the three months ended March 31, 2020 was primarily attributable to decreases to the London Interbank Offered Rate (LIBOR) that impacted our variable-rate debt and reductions to the amount of our indebtedness associated with the March 2019 Refinancing Transactions, partially offset by increases to the weighted average interest rate applicable to our senior notes and senior secured notes following the March 2019 Refinancing Transactions and interest expense associated with our June 2019 Revolving Credit Facility draw of $300.0 million. Refer to Note 11. Debt of the Condensed Consolidated Financial Statements included in Part I, Item 1 for further discussion of these transactions.

Changes in interest rates could increase our interest expense in the future, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Interest income varies primarily based on the amounts of our interest-bearing investments, such as money market funds, as well as changes in the corresponding interest rates.

***Gain on extinguishment of debt.*** The gain on extinguishment of debt recognized during the three months ended March 31, 2019 relates to the March 2019 Refinancing Transactions. Refer to Note 11. Debt of the Condensed Consolidated Financial Statements included in Part I, Item 1 for further discussion.

***Other (income) expense, net.*** The components of Other (income) expense, net for the three months ended March 31, 2020 and 2019 are as follows (in thousands):

| | Three Months Ended March 31, | |
|---|---|---|
| | 2020 | 2019 |
| Net (gain) loss on sale of business and other assets | $ (8,192) | $ 1,294 |
| Foreign currency (gain) loss, net | (5,639) | 1,716 |
| Net loss from our investments in the equity of other companies | 249 | 2,086 |
| Other miscellaneous, net | (392) | (294) |
| Other (income) expense, net | $ (13,974) | $ 4,802 |

For additional information on the components of Other (income) expense, net, refer to Note 15. Other (Income) Expense, Net of the Condensed Consolidated Financial Statements included in Part I, Item 1 of this report.

***Income tax (benefit) expense***. The following table displays our Income (loss) from continuing operations before income tax, Income tax (benefit) expense and Effective tax rate for the three months ended March 31, 2020 and 2019 (dollars in thousands):

| | Three Months Ended March 31, | |
|---|---|---|
| | 2020 | 2019 |
| Income (loss) from continuing operations before income tax | $ 21,249 | $ (1,709) |
| Income tax (benefit) expense | $ (136,332) | $ 10,903 |
| *Effective tax rate* | *(641.6)%* | *(638.0)%* |

Our tax rate is affected by recurring items, such as tax rates in non-U.S. jurisdictions as compared to the notional U.S. federal statutory tax rate, and the relative amount of income or loss in those various jurisdictions. It is also impacted by certain items that may occur in any given period, but are not consistent from period to period.

The income tax benefit for the three months ended March 31, 2020 primarily relates to the discrete tax benefit arising from the CARES Act. The income tax expense for the comparable 2019 period primarily relates to a taxable gain arising from the extinguishment of debt in the March 2019 Refinancing Transactions.

We have valuation allowances established against our deferred tax assets in most jurisdictions in which we operate, with the exception of Canada and India. Accordingly, it would be unlikely for future pre-tax losses to create a tax benefit that would be more likely than not to be realized. Although the Company has valuation allowances established against deferred tax assets in most major jurisdictions as of March 31, 2020, it is possible that there could be material reversals, particularly if certain proposed law changes were to be enacted.

The Internal Revenue Service (IRS) presently is examining certain of our subsidiaries' U.S. income tax returns for fiscal years ended between December 31, 2011 and December 31, 2015 and, in connection with those examinations, is reviewing our tax positions related to, among other things, certain intercompany arrangements, including the level of profit earned by our U.S. subsidiaries pursuant to such arrangements, and a worthless stock deduction directly attributable to product liability losses. The IRS may examine our tax returns for other fiscal years and/or for other tax positions. Similarly, other tax authorities, including the Canada Revenue Agency, are currently examining our non-U.S. tax returns. Additionally, other jurisdictions where we are not currently under audit remain subject to potential future examinations. Such examinations may lead to proposed or actual adjustments to our taxes that may be material, individually or in the aggregate. An adverse outcome of these tax examinations could have a material adverse effect on our business, financial condition, results of operations and cash flows.

For additional information on our income taxes, including information about the impact of the CARES Act, see Note 16. Income Taxes of the Condensed Consolidated Financial Statements included in Part I, Item 1.

***Discontinued operations, net of tax.*** The operating results of the Company's Astora business, which the Board resolved to wind-down in 2016, are reported as Discontinued operations, net of tax in the Condensed Consolidated Statements of Operations for all periods presented. The results of our discontinued operations, net of tax, were losses of $27.7 million and $6.0 million during the three months ended March 31, 2020 and 2019, respectively. During the three months ended March 31, 2020, we recorded a $30.5 million charge for mesh-related litigation. The remaining amounts during the three months ended March 31, 2020 and 2019 were primarily related to mesh-related legal defense costs and certain other items. Additionally, we recorded an income tax benefit of $5.9 million related to discontinued operations during the three months ended March 31, 2020. For additional discussion of mesh-related matters, refer to Note 12. Commitments and Contingencies of the Condensed Consolidated Financial Statements included in Part I, Item 1.

**Business Segment Results Review**

Refer to Note 4. Segment Results of the Condensed Consolidated Financial Statements included in Part I, Item 1 of this report for further details regarding our reportable segments and segment adjusted income from continuing operations before income tax (the measure we use to evaluate segment performance), as well as reconciliations of Total consolidated income (loss) from continuing operations before income tax, which is determined in accordance with U.S. GAAP, to our total segment adjusted income from continuing operations before income tax.

We refer to segment adjusted income from continuing operations before income tax, a financial measure not defined by U.S. GAAP, in making operating decisions because we believe it provides meaningful supplemental information regarding our operational performance. For instance, we believe that this measure facilitates internal comparisons to our historical operating results and comparisons to competitors' results. We believe this measure is useful to investors in allowing for greater transparency related to supplemental information used in our financial and operational decision-making. Further, we believe that segment adjusted income from continuing operations before income tax may be useful to investors as we are aware that certain of our significant shareholders utilize segment adjusted income from continuing operations before income tax to evaluate our financial performance. Finally, segment adjusted income from continuing operations before income tax is utilized in the calculation of other financial measures not determined in accordance with U.S. GAAP that are used by the Compensation Committee of the Company's Board in assessing the performance and compensation of substantially all of our employees, including our executive officers. Effective January 1, 2020, the Company revised its definition of segment adjusted income from continuing operations before income tax to exclude certain legal costs in order to reflect changes in how the CODM reviews segment performance. Refer to Note 4. Segment Results of the Condensed Consolidated Financial Statements included in Part I, Item 1 of this report for further details regarding this revision.

There are limitations to using financial measures such as segment adjusted income from continuing operations before income tax. Other companies in our industry may define segment adjusted income from continuing operations before income tax differently than we do. As a result, it may be difficult to use segment adjusted income from continuing operations before income tax or similarly named adjusted financial measures that other companies may use to compare the performance of those companies to our performance. Because of these limitations, segment adjusted income from continuing operations before income tax is not intended to represent cash flow from operations as defined by U.S. GAAP and should not be used as an indicator of operating performance, a measure of liquidity or as alternative to net income, cash flows or any other financial measure determined in accordance with U.S. GAAP. We compensate for these limitations by providing, in Note 4. Segment Results of the Condensed Consolidated Financial Statements included in Part I, Item 1 of this report, reconciliations of Total consolidated income (loss) from continuing operations before income tax, which is determined in accordance with U.S. GAAP, to our total segment adjusted income from continuing operations before income tax.

***Revenues, net.*** The following table displays our revenue by reportable segment for the three months ended March 31, 2020 and 2019 (dollars in thousands):

| | Three Months Ended March 31, | | % Change |
|---|---|---|---|
| | 2020 | 2019 | 2020 vs. 2019 |
| Branded Pharmaceuticals | $ 204,073 | $ 203,525 | —% |
| Sterile Injectables | 336,390 | 270,048 | 25% |
| Generic Pharmaceuticals | 251,283 | 218,526 | 15% |
| International Pharmaceuticals (1) | 28,659 | 28,312 | 1% |
| Total net revenues from external customers | $ 820,405 | $ 720,411 | 14% |

(1) Revenues generated by our International Pharmaceuticals segment are primarily attributable to external customers located in Canada.

*Branded Pharmaceuticals*. The following table displays the significant components of our Branded Pharmaceuticals revenues from external customers for the three months ended March 31, 2020 and 2019 (dollars in thousands):

| | Three Months Ended March 31, | | % Change |
|---|---|---|---|
| | 2020 | 2019 | 2020 vs. 2019 |
| *Specialty Products:* | | | |
| XIAFLEX® | $ 89,072 | $ 68,507 | 30 % |
| SUPPRELIN® LA | 19,720 | 22,056 | (11)% |
| Other Specialty (1) | 25,505 | 24,403 | 5 % |
| Total Specialty Products | $ 134,297 | $ 114,966 | 17 % |
| *Established Products:* | | | |
| PERCOCET® | $ 27,703 | $ 30,760 | (10)% |
| EDEX® | 8,568 | 5,971 | 43 % |
| Other Established (2) | 33,505 | 51,828 | (35)% |
| Total Established Products | $ 69,776 | $ 88,559 | (21)% |
| Total Branded Pharmaceuticals (3) | $ 204,073 | $ 203,525 | — % |

(1) Products included within Other Specialty are NASCOBAL® Nasal Spray and AVEED®.
(2) Products included within Other Established include, but are not limited to, LIDODERM® and TESTOPEL®.
(3) Individual products presented above represent the top two performing products in each product category for the three months ended March 31, 2020 and/or any product having revenues in excess of $25 million during any quarterly period in 2020 or 2019.

*Specialty Products*

The increase in XIAFLEX® for the three months ended March 31, 2020 was primarily attributable to demand growth driven by the continued investment and promotional efforts behind XIAFLEX® and increases in inventory stocking due to future access concerns during the COVID-19 pandemic, as well as price.

The decrease in SUPPRELIN® LA, a physician administered product, for the three months ended March 31, 2020 was primarily due to a reduction in physician activity and a slowing of patient office visits resulting from shelter-in-place orders, which led to decreased demand for SUPPRELIN® LA.

The increase in Other Specialty Products for the three months ended March 31, 2020 was primarily attributable to increased sales of AVEED® as a result of price and volume increases.

XIAFLEX®, SUPPRELIN® LA and certain of our Other Specialty Products are physician administered products. During the last two weeks of the first quarter of 2020, these products began to experience decreased demand due to a reduction in physician activity and a slowing of patient office visits resulting from shelter-in-place orders. We expect to see a continuation of the decline in demand for these products during the second quarter of 2020, followed by a gradual increase in volumes beginning in the second half of the year to the extent that physician and patient activities return toward pre-COVID-19 levels.

*Established Products*

The decrease in PERCOCET® for the three months ended March 31, 2020 was primarily attributable to volume decreases, partially offset by price increases.

The increase in EDEX® for the three months ended March 31, 2020 was primarily attributable to volume increases.

The decrease in Other Established Products for the three months ended March 31, 2020 was primarily attributable to volume decreases as a result of ongoing competitive pressures.

*Sterile Injectables.* The following table displays the significant components of our Sterile Injectables revenues from external customers for the three months ended March 31, 2020 and 2019 (dollars in thousands):

| | Three Months Ended March 31, | | % Change |
|---|---|---|---|
| | 2020 | 2019 | 2020 vs. 2019 |
| VASOSTRICT® | $ 202,904 | $ 139,137 | 46 % |
| ADRENALIN® | 56,512 | 47,322 | 19 % |
| Ertapenem for injection | 17,874 | 32,219 | (45)% |
| APLISOL® | 9,867 | 12,381 | (20)% |
| Other Sterile Injectables (1) | 49,233 | 38,989 | 26 % |
| Total Sterile Injectables (2) | $ 336,390 | $ 270,048 | 25 % |

(1) Products included within Other Sterile Injectables include ephedrine sulfate injection and others.
(2) Individual products presented above represent the top two performing products within the Sterile Injectables segment for the three months ended March 31, 2020 and/or any product having revenues in excess of $25 million during any quarterly period in 2020 or 2019.

The increase in VASOSTRICT® for the three months ended March 31, 2020 was primarily attributable to increases in both volume and price. Beginning late in the first quarter of 2020, we experienced a significant increase in sales volumes for VASOSTRICT® resulting from increased utilization and channel inventory stocking of this product, primarily to treat patients infected with COVID-19. We expect that there will be an increase in revenues in the second quarter of 2020 compared to the first quarter, primarily due to higher utilization and channel inventory stocking. During the second half of 2020, we anticipate a period of destocking with a subsequent return toward pre-COVID-19 purchasing levels.

As of March 31, 2020, we have six patents for VASOSTRICT® listed in the Orange Book and additional patents pending with the U.S. Patent and Trademark Office. The FDA requires any applicant seeking FDA approval for vasopressin prior to patent expiry and relying on VASOSTRICT® as the reference-listed drug to notify us of its filing before the FDA will issue an approval. As further discussed in Note 12. Commitments and Contingencies of the Condensed Consolidated Financial Statements included in Part I, Item 1 under the heading “VASOSTRICT® Related Matters,” we have received notice letters from certain other pharmaceutical companies advising of the filing by such companies of ANDAs for generic versions of VASOSTRICT®. We have taken and plan to continue to take actions in our best interest to protect our rights with respect to VASOSTRICT®. The introduction of any competing versions of VASOSTRICT® could result in reductions to our market share, revenues, profitability and cash flows.

The increase in ADRENALIN® for the three months ended March 31, 2020 was primarily attributable to increases in both volume and price. Beginning late in the first quarter of 2020, we experienced a significant increase in sales volumes for ADRENALIN® resulting from increased utilization and channel inventory stocking of this product, primarily to treat patients infected with COVID-19.

The decrease in Ertapenem for injection, the authorized generic of Merck’s Invanz®, was primarily attributable to decreased volume and price as a result of increased competition.

The decrease in APLISOL® for the three months ended March 31, 2020 was primarily driven by destocking as wholesalers continued to normalize inventory levels following increased purchasing in the third quarter of 2019 subsequent to a temporary supply shortage.

The increase in Other Sterile Injectables for the three months ended March 31, 2020 was primarily driven by increased volume across multiple products within the product portfolio.

*Generic Pharmaceuticals.* Revenue for the Generic Pharmaceuticals segment increased during the three months ended March 31, 2020, primarily due to certain recent product launches including, among others, the fourth-quarter 2019 launch of everolimus tablets, a generic version of Novartis Pharmaceuticals Corporation’s Afinitor®, the second-quarter 2019 launch of albuterol sulfate HFA inhaler, the authorized generic of Merck’s Proventil®, and the third-quarter 2019 launch of posaconazole tablets, the authorized generic of Merck’s Noxafil®. Additionally, certain of these and other products in our Generic Pharmaceuticals segment experienced increased demand during the three months ended March 31, 2020, resulting from their utilization to treat patients infected with COVID-19 and from the impact of accelerated prescription fulfillment that we believe is a result of concerns of healthcare providers and consumers regarding their ability to access medications because of shelter-in-place and similar measures taken by governments. Partially offsetting the increase were the impacts of continued competitive pressures on certain commoditized generic products.

In the second quarter of 2020, we expect to see a decline in revenue for this segment compared to the first quarter driven by lower prescription trends following accelerated first-quarter prescription fulfillment, modified production schedules to safely maintain operations in response to COVID-19, which could result in potential temporary supply decreases and potential launch delays for certain medications in this segment, and continued competitive pressures on certain commoditized generic products.

*International Pharmaceuticals*. Revenue for the International Pharmaceuticals segment for the three months ended March 31, 2020 was in line with prior year.

***Segment adjusted income from continuing operations before income tax.*** The following table displays our segment adjusted income from continuing operations before income tax by reportable segment for the three months ended March 31, 2020 and 2019 (dollars in thousands):

| | Three Months Ended March 31, | | % Change |
|---|---|---|---|
| | 2020 | 2019 | 2020 vs. 2019 |
| Branded Pharmaceuticals | $ 98,422 | $ 95,283 | 3% |
| Sterile Injectables | $ 263,896 | $ 196,183 | 35% |
| Generic Pharmaceuticals | $ 57,327 | $ 50,411 | 14% |
| International Pharmaceuticals | $ 14,197 | $ 12,095 | 17% |

*Branded Pharmaceuticals.* The increase for the three months ended March 31, 2020 was primarily attributable to increased gross margins resulting from changes in product mix and lower R&D expense resulting from lower costs associated with certain post-marketing R&D commitments. This was partially offset by increased costs associated with our planned commercial launch of CCH for the treatment of cellulite in the buttocks, if approved by the FDA.

*Sterile Injectables*. The increase for the three months ended March 31, 2020 was primarily driven by increased revenues and gross margins resulting from strong performance across several products in this segment, including increases in revenues related to COVID-19, as further described above.

*Generic Pharmaceuticals.* The increase for the three months ended March 31, 2020 was primarily attributable to increased revenues as described above and the resulting increases to gross margin. This increase was partially offset by negative impacts to gross margin due to changes in product mix resulting from increased sales of certain lower margin authorized generic products.

*International Pharmaceuticals.* The increase for the three months ended March 31, 2020 was primarily attributable to increased gross margin as a result of favorable changes in product mix.

## LIQUIDITY AND CAPITAL RESOURCES

Our principal source of liquidity is cash generated from operations. Our principal liquidity requirements are primarily for working capital for operations, licenses, milestone payments, capital expenditures, acquisitions, contingent liabilities, debt service payments and litigation-related matters, including vaginal mesh liability payments. The Company's working capital was $1,388.3 million at March 31, 2020 compared to working capital of $1,125.9 million at December 31, 2019. The amounts at March 31, 2020 and December 31, 2019 include restricted cash and cash equivalents of $195.7 million and $242.8 million, respectively, held in QSFs for mesh-related matters. Although these amounts in QSFs are included in working capital, they are required to be used for mesh product liability settlement agreements.

Cash and cash equivalents, which primarily consisted of bank deposits and money market accounts, totaled $1,531.5 million at March 31, 2020 compared to $1,454.5 million at December 31, 2019. While we currently expect our operating cash flows, together with our cash, cash equivalents, restricted cash and restricted cash equivalents, to be sufficient to cover our principal liquidity requirements over the next year, the extent to which COVID-19 could impact our business, financial condition, results of operations and cash flows in the short- and medium-term cannot be predicted with certainty, but such impact could be material. Although we did not experience significant disruptions to our business during the three months ended March 31, 2020 from COVID-19, we have since experienced and expect that we, and our industry as a whole, will continue to experience a greater impact going forward. To the extent COVID-19 has resulted in any increase to our Cash and cash equivalents, including as a result of any increase in revenues as described above, such increase could be temporary. Additionally, on a longer term basis, we may not be able to accurately predict the effect of certain developments on our sales and gross margins, such as the degree of market acceptance, patent protection and exclusivity of our products, pricing pressures (including those due to the impact of competition), the effectiveness of our sales and marketing efforts and the outcome of our current efforts to develop, receive approval for and successfully launch our product candidates. We may also face unexpected costs in connection with our business operations, our ongoing and future legal proceedings, governmental investigations and other contingent liabilities, including potential costs related to settlements and judgments, as well as legal defense costs, and the implementation of our COVID-19 related policies and procedures. Furthermore, we may not be successful in implementing, or may face unexpected changes or expenses in connection with our strategic direction, including the potential for opportunistic corporate development transactions. Any of the above could have a material adverse effect on our business, financial condition, results of operations and cash flows and require us to seek additional sources of liquidity and capital resources as described below. For information regarding the impact of COVID-19 on the Company, including on our liquidity and capital resources, please refer to "Risk Factors" in Part II, Item 1A.

To the extent our operating cash flows, together with our cash, cash equivalents, restricted cash and restricted cash equivalents, become insufficient to cover our liquidity and capital requirements, including funds for any future acquisitions and other corporate transactions, we may be required to seek third-party financing, including additional draws on our Revolving Credit Facility or additional credit facilities, and/or engage in one or more capital markets transactions. The COVID-19 pandemic has resulted in significant disruptions to and volatility in the local, national and global financial markets and there can be no assurance that we would be able to obtain any required financing on a timely basis or at all. Further, lenders and other financial institutions could require us to agree to more restrictive covenants, grant liens on our assets as collateral (resulting in an increase in our total outstanding secured indebtedness) and/or accept other terms that are not commercially beneficial to us in order to obtain financing, as a result of the actual or perceived impact that financial institutions believe the pandemic will have on our business. Such terms could further restrict our operations and exacerbate any impact on our results of operations and liquidity that may result from COVID-19.

We may also, from time to time, seek to enter into certain transactions to reduce our leverage and/or interest expense and/or to extend the maturities of our outstanding indebtedness. Such transactions could include, for example, transactions to exchange existing indebtedness for our ordinary shares or other debt (including exchanges of unsecured debt for secured debt), to issue equity (including convertible securities) or to repurchase, redeem, exchange or refinance our existing indebtedness (including the Credit Agreement) as well as our outstanding senior notes. Any of these transactions could impact our liquidity or results of operations. Our ability to obtain any third-party financing needed for such transactions is subject to the same uncertainties relating to the disruptions to and volatility in the financial markets described above. Further, the terms of any such transactions, including the amount of any exchange consideration and terms of any refinanced debt, could also be less favorable than we have been able to obtain in the past, including a requirement that we grant liens on our assets as collateral (resulting in an increase in our total outstanding secured indebtedness), as a result of changing market conditions and investment interest from the pandemic and its impact on our business and the financial markets.

***Indebtedness.*** The Company and/or certain of its subsidiaries are party to the Credit Agreement governing the Credit Facilities and the indentures governing our various senior secured and senior unsecured notes. As of March 31, 2020, approximately $3.3 billion was outstanding under the Term Loan Facility, approximately $0.3 billion was outstanding under the Revolving Credit Facility and approximately $4.8 billion was outstanding under the senior secured and senior unsecured notes.

After giving effect to previous borrowings and issued and outstanding letters of credit, approximately $0.7 billion of remaining credit was available under the Revolving Credit Facility at March 31, 2020. The Company's outstanding debt agreements contain a number of restrictive covenants, including certain limitations on the Company's ability to incur additional indebtedness.

The Credit Agreement and the indentures governing our various notes contains certain covenants. As of March 31, 2020 and December 31, 2019, the Company was in compliance with all such covenants.

Refer to Note 11. Debt of the Condensed Consolidated Financial Statements included in Part I, Item 1 of this report and Note 14. Debt in the Consolidated Financial Statements included in Part IV, Item 15 of the Annual Report for additional information about our indebtedness, including information about covenants, maturities, interest rates, security and priority.

***Credit ratings.*** The Company's corporate credit ratings assigned by Moody's Investors Service and Standard & Poor's are B3 with a stable outlook and B with a negative outlook, respectively. No report of any rating agency is being incorporated by reference herein.

***Working capital.*** The components of our working capital and our liquidity at March 31, 2020 and December 31, 2019 are below (dollars in thousands):

| | March 31, 2020 | December 31, 2019 |
|---|---|---|
| Total current assets | $ 2,735,335 | $ 2,586,218 |
| Less: total current liabilities | 1,346,991 | 1,460,289 |
| Working capital | $ 1,388,344 | $ 1,125,929 |
| Current ratio (total current assets divided by total current liabilities) | 2.0:1 | 1.8:1 |

Net working capital increased by $262.4 million from December 31, 2019 to March 31, 2020. This increase primarily reflects the favorable impact to net current assets resulting from operations during the three months ended March 31, 2020. This activity was partially offset by purchases of property, plant and equipment, excluding capitalized interest, of $19.6 million during three months ended March 31, 2020.

The following table summarizes our Condensed Consolidated Statements of Cash Flows for the three months ended March 31, 2020 and 2019 (in thousands):

| | Three Months Ended March 31, | |
|---|---|---|
| | 2020 | 2019 |
| Net cash flow provided by (used in): | | |
| Operating activities | $ 62,556 | $ (90,583) |
| Investing activities | (15,963) | (16,377) |
| Financing activities | (14,483) | (33,771) |
| Effect of foreign exchange rate | (1,894) | 537 |
| Net increase (decrease) in cash, cash equivalents, restricted cash and restricted cash equivalents | $ 30,216 | $ (140,194) |

***Operating activities.*** Net cash provided by (used in) operating activities represents the cash receipts and cash disbursements from all of our activities other than investing activities and financing activities. Changes in cash from operating activities reflect, among other things, the timing of cash collections from customers, payments to suppliers, managed care organizations, government agencies, collaborative partners and employees, as well as tax payments and refunds in the ordinary course of business.

The $153.1 million change in Net cash provided by (used in) operating activities during the three months ended March 31, 2020 compared to the prior year period was primarily due to our results of operations as described above and the timing of cash collections and cash payments related to our operations. Additionally, cash paid for interest decreased by approximately $72.4 million during the three months ended March 31, 2020 as a result of the timing and amounts of interest payments related to our indebtedness.

***Investing activities.*** Net cash used in investing activities during the three months ended March 31, 2020 was in line with the prior year period.

***Financing activities.*** During the three months ended March 31, 2020, Net cash used in financing activities related primarily to Repayments of term loans of $8.5 million and Payments of tax withholding for restricted shares of $4.4 million.

During the three months ended March 31, 2019, Net cash used in financing activities related primarily to Repayments of term loans of $8.5 million, Payments for contingent consideration of $4.6 million and the net effect of the March 2019 Refinancing Transactions, which resulted in Repayments of notes totaling $1,500.0 million and Payments for debt issuance and extinguishment costs of $0.2 million, partially offset by Proceeds from issuance of notes, net of $1,483.1 million.

***Contractual Obligations.*** As of March 31, 2020, there were no material changes in our contractual obligations from those disclosed in the Annual Report.

***Fluctuations.*** Our quarterly results have fluctuated in the past and may continue to fluctuate. These fluctuations may be due to the timing of new product launches, purchasing patterns of our customers, market acceptance of our products, the impact of competitive products and pricing, certain actions taken by us which may impact the availability of our products, asset impairment charges, litigation-related charges, restructuring costs including separation benefits, business combination transaction costs, the impact of financing transactions, upfront, milestone and certain other payments made or accrued pursuant to licensing agreements and changes in the fair value of financial instruments and contingent assets and liabilities recorded as part of business combinations. Further, a substantial portion of our total revenues are through three wholesale drug distributors who in turn supply our products to pharmacies, hospitals and physicians. Accordingly, we are potentially subject to a concentration of credit risk with respect to our trade receivables. The impact of COVID-19 may heighten these fluctuations in our operating results.

Additionally, the current economic crisis and rising unemployment rates resulting from COVID-19 have significantly reduced individual disposable income and depressed consumer confidence, which could limit the ability of some consumers to purchase certain pharmaceutical products and reduce consumer spend on certain medical procedures in both the short- and medium-term. Additionally, as part of the measures to address COVID-19, certain healthcare providers are not currently performing various medical procedures.

***Inflation.*** We do not believe that inflation had a material adverse effect on our financial statements for the periods presented.

***Off-balance sheet arrangements.*** We have no off-balance sheet arrangements as defined in Item 303(a)(4) of Regulation S-K.

## CRITICAL ACCOUNTING ESTIMATES

Significant changes to our critical accounting estimates since December 31, 2019 are detailed below. For additional discussion of the Company's critical accounting estimates, see "Critical Accounting Estimates" in Item 7 of the Annual Report.

### *Goodwill and indefinite-lived intangible assets*

As further described in Note 8. Goodwill and Other Intangibles of the Condensed Consolidated Financial Statements included in Part I, Item 1, we recorded a pre-tax, non-cash goodwill impairment charge relating to our Paladin reporting unit of $32.8 million during the first quarter of 2020. Following this impairment, there was no remaining goodwill associated with this reporting unit.

We have not made any substantial changes to our methodology used in our impairment tests since our previous assessment. Determination of the fair value of a reporting unit is a matter of judgment and involves the use of estimates and assumptions, which are based on management's best estimates at the time. The use of different assumptions would increase or decrease our estimated discounted future cash flows and the resulting estimated fair value of our reporting units, which could result in the fair value of a reporting unit being less than its carrying amount in an impairment test.

We are closely monitoring the impact of COVID-19 on our business. It is possible that COVID-19 could result in reductions to the estimated fair values of our goodwill and other intangible assets, which could ultimately result in asset impairment charges that may be material. For further information regarding the impact of COVID-19 on the Company, please refer to "Risk Factors" in Part II, Item 1A.

**RECENT ACCOUNTING PRONOUNCEMENTS**

For a discussion of recent accounting pronouncements, refer to Note 2. Summary of Significant Accounting Policies of the Condensed Consolidated Financial Statements included in Part I, Item 1.

**Item 3.** ***Quantitative and Qualitative Disclosures About Market Risk***

Market risk is the potential loss arising from adverse changes in the financial markets, including interest rates and foreign currency exchange rates.

*Interest Rate Risk*

Our exposure to interest rate risk relates primarily to our variable-rate indebtedness associated with our Credit Facilities. At March 31, 2020 and December 31, 2019, the aggregate principal amounts of such variable-rate indebtedness were $3,621.1 million and $3,629.6 million, respectively. Borrowings under the Credit Facilities may from time to time bear interest at variable rates, as further described in Note 11. Debt of the Condensed Consolidated Financial Statements included in Part I, Item 1, in certain cases subject to a floor. At March 31, 2020 and December 31, 2019, a hypothetical 1% increase in the applicable rate over the floor would have resulted in $36.2 million and $36.3 million, respectively, of incremental interest expense (representing the annual rate of expense) related to our variable-rate debt borrowings.

To the extent that we utilize additional amounts under the Revolving Credit Facility or otherwise increase the amount of our variable-rate indebtedness, we will be exposed to additional interest rate risk.

As of March 31, 2020 and December 31, 2019, we had no other assets or liabilities with significant interest rate sensitivity.

*Foreign Currency Exchange Rate Risk*

We operate and transact business in various foreign countries and are therefore subject to risks associated with foreign currency exchange rate fluctuations. The Company manages this foreign currency risk, in part, through operational means including managing foreign currency revenues in relation to same-currency costs and foreign currency assets in relation to same-currency liabilities. The Company is also exposed to potential earnings effects from intercompany foreign currency assets and liabilities that arise from normal trade receivables and payables and other intercompany loans. Additionally, certain of the Company's subsidiaries maintain their books of record in currencies other than their respective functional currencies. These subsidiaries' financial statements are remeasured into their respective functional currencies. Such remeasurement adjustments could have a material adverse effect on our business, financial condition, results of operations and cash flows.

All assets and liabilities of our international subsidiaries, which maintain their financial statements in local currency, are translated to U.S. dollars at period-end exchange rates. Translation adjustments arising from the use of differing exchange rates are included in Accumulated other comprehensive loss. Gains and losses on foreign currency transactions and short-term intercompany receivables from foreign subsidiaries are included in Other (income) expense, net in the Condensed Consolidated Statements of Operations. Refer to Note 15. Other (Income) Expense, Net of the Condensed Consolidated Financial Statements included in Part I, Item 1 for the amount of Foreign currency (gain) loss, net.

Based on the Company's significant foreign currency denominated intercompany loans, we separately considered the hypothetical impact of a 10% change in the underlying currencies of our foreign currency denominated intercompany loans, relative to the U.S. dollar, at March 31, 2020 and December 31, 2019. A 10% change at March 31, 2020 would have resulted in approximately $9 million in incremental foreign currency losses on such date. A 10% change at December 31, 2019 would have resulted in approximately $11 million in incremental foreign currency losses on such date.

## Item 4. Controls and Procedures

***Evaluation of Disclosure Controls and Procedures***

The Company's management, with the participation of the Company's Chief Executive Officer and Principal Financial Officer, has evaluated the effectiveness of the Company's disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as of March 31, 2020. Based on that evaluation, the Company's Chief Executive Officer and Principal Financial Officer concluded that the Company's disclosure controls and procedures were effective as of March 31, 2020.

***Changes in Internal Control over Financial Reporting***

There have been no changes in the Company's internal control over financial reporting during the fiscal quarter ended March 31, 2020 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

## PART II. OTHER INFORMATION

### Item 1. Legal Proceedings

The disclosures under Note 12. Commitments and Contingencies of the Condensed Consolidated Financial Statements included in Part I, Item 1 are incorporated into this Part II, Item 1 by reference.

### Item 1A. Risk Factors

For a discussion of our risk factors, see the information in Part I, Item 1A. “Risk Factors” in the Annual Report. There have been no material changes to our risk factors from those described in the Annual Report except as set forth below.

**Widespread health problems, including the recent global coronavirus, could materially and adversely affect our business.**

Public health outbreaks, epidemics or pandemics, such as the coronavirus, could materially and adversely impact our business. For example, in December 2019, COVID-19 was reported to have surfaced in Wuhan, China. In March 2020, the World Health Organization declared the COVID-19 outbreak a global pandemic. COVID-19 has resulted in global business and economic disruption and extreme volatility in the financial markets as many jurisdictions have placed restrictions on travel and non-essential business operations and implemented social distancing, shelter-in-place, quarantine and other similar measures for their residents to contain the spread of the virus. In response to these public health directives and orders, we have implemented alternative working practices and mandatory work-from-home requirements for appropriate employees, as well as social distancing, modified schedules, shift rotation and other similar policies at our manufacturing facilities, and have transitioned to a “virtual” engagement model to continue supporting healthcare professionals, patient care and access to medicines. We have also suspended international and domestic travel. The effects of COVID-19, including these public health directives and orders and our policies, have had an impact on our business and may in the future materially disrupt our business, including our manufacturing and supply chain operations by significantly reducing our output, negatively impact our productivity and delay our product development programs.

The global pandemic may have significant impacts on third-party arrangements, including those with our manufacturing, supply chain and distribution partners, information technology and other vendors and other service providers and business partners. For example, there may be significant disruptions in the ability of any or all of these third-party providers to meet their obligations to us on a timely basis, or at all, which may be caused by their own financial or operational difficulties, including any closures of their facilities pursuant to a governmental order or otherwise. As a result of these disruptions and other factors, including changes in our workforce availability and increased demand for certain of our critical care products during this pandemic, our ability to meet our obligations to third-party distribution partners may be negatively impacted. As a result, we have recently delivered, and in the future we or our third-party providers may deliver, notices of the occurrence of a *force majeure* or similar event under certain of our third-party contracts, which could result in prolonged commercial disputes and ultimately legal proceedings to enforce contractual performance and/or recover losses. Any such occurrences could result in significant management distraction and use of resources and, in the event of an adverse judgment, could result in significant cash payments. Further, the publicity of any such dispute could harm our reputation and make the negotiation of any replacement contracts more difficult and costly, thereby prolonging the effects of any resulting disruption in our operations. Such disruptions could be acute with respect to certain of our raw material suppliers where we may not have readily accessible alternatives or alternatives may take longer to source than usual. While we attempt, when possible, to mitigate our raw material supply risks through stock management and alternative sourcing strategies, some raw materials are only available from one source. Any of these disruptions could harm our ability to meet consumer demand, including any increase in demand for any of our products, including our critical care products used during a pandemic.

We have experienced, and may continue to experience, changes in customer demand as the COVID-19 pandemic evolves. The current economic crisis and rising unemployment rates resulting from COVID-19 have the potential to significantly reduce individual disposable income and depress consumer confidence, which could limit the ability of some consumers to purchase certain pharmaceutical products and reduce consumer spend on certain medical procedures in both the short- and medium-term. Additionally, as part of the measures to address COVID-19, certain healthcare providers are not currently performing various medical procedures, including those that use certain of our products. For example, during the last two weeks of the first quarter of 2020, we experienced decreased demand for certain products that are physician administered, including XIAFLEX® and SUPPRELIN® LA. Furthermore, we are unable to predict the impact that COVID-19 may have going forward on the business, results of operations or financial position of any of our major customers, which could impact each customer to varying degrees and at different times and could ultimately impact our own financial performance. Certain of our competitors may also be better equipped to weather the impact of COVID-19 both domestically and abroad and better able to address changes in customer demand.

Additionally, our product development programs may be adversely affected by the global pandemic and the prioritization of production during this pandemic. The public health directives in response to COVID-19 requiring social distancing and restricting non-essential business operations have in certain cases caused and may continue to cause delays, increased costs and additional challenges in our product development programs, including obtaining adequate patient enrollment and successfully bringing product candidates to market. In addition, we may face additional challenges receiving regulatory approvals as previously scheduled dates or anticipated deadlines for action by the FDA on our applications and products in development, including dates scheduled for 2020, could be subject to delays beyond our control as regulators such as the FDA focus on COVID-19. For example, as a result of COVID-19 and its impact on medical aesthetics physician office closures and consumer spending, we are planning on changing the anticipated product launch of CCH for the treatment of cellulite in the buttocks, if approved, to 2021. In addition, we have assessed and expect to continue to assess the timeline for commercialization of other products.

To the extent our operating cash flows, together with our cash, cash equivalents, restricted cash and restricted cash equivalents, become insufficient to cover our liquidity and capital requirements, including funds for any future acquisitions and other corporate transactions, we may be required to seek third-party financing, including additional draws on our Revolving Credit Facility or additional credit facilities, and/or engage in one or more capital markets transactions. The COVID-19 pandemic has resulted in significant disruptions to and volatility in the local, national and global financial markets and there can be no assurance that we would be able to obtain any required financing on a timely basis or at all. Further, lenders and other financial institutions could require us to agree to more restrictive covenants, grant liens on our assets as collateral (resulting in an increase in our total outstanding secured indebtedness) and/or accept other terms that are not commercially beneficial to us in order to obtain financing, as a result of the actual or perceived impact that financial institutions believe the pandemic will have on our business. Such terms could further restrict our operations and exacerbate any impact on our results of operations and liquidity that may result from COVID-19. In addition, a recession or market correction resulting from the spread of COVID-19 could materially affect our business and the value of our ordinary shares.

Additionally, COVID-19 could increase the magnitude of many of the other risks described herein and in the Annual Report and have other adverse effects on our operations that we are not currently able to predict. For example, the global economic disruptions and volatility in the financial markets could further depress our ability to obtain or renew insurance on satisfactory terms or at all. Additionally, we may also be required to delay or limit our internal strategies in the short- and medium-term by, for example, redirecting significant resources and management attention away from implementing our strategic priorities or executing opportunistic corporate development transactions.

The magnitude of the effect of COVID-19 on our business will depend, in part, on the length and severity of the restrictions (including the effects of recently announced “re-opening” plans following a recent slowdown of the virus infection rate in certain countries and localities) and other limitations on our ability to conduct our business in the ordinary course. The longer the pandemic continues or resurges, the more severe the impacts described above will be on both our domestic and international business. The extent, length and consequences of the pandemic are uncertain and impossible to predict, but could be material. COVID-19 and other similar outbreaks, epidemics or pandemics could have a material adverse effect on our business, financial condition, results of operations and cash flows and could cause significant volatility in the trading prices of our securities.

**We have been and expect to continue to be the subject of lawsuits, product liability claims, other significant legal proceedings, governmental investigations or product recalls, any of which could have a material adverse effect on our company.**

Our business exposes us to significant potential risks from lawsuits, product liability claims, other significant legal proceedings, governmental investigations and/or product recalls, including, but not limited to, matters associated with the testing, manufacturing, marketing, sale and use of our products. Some plaintiffs have received substantial damage awards against or entered into significant settlements with healthcare companies based upon various legal theories, including without limitation, claims for injuries allegedly caused by the use of their products. We have been, and expect to continue to be subject to various lawsuits, product liability claims, other significant legal proceedings and governmental investigations or product recalls, any of which could have a material adverse effect on our company or cause us to take significant corporate transactions and remedial measures.

For example, we, along with other manufacturers of prescription opioid medications, as well as distributors and other sellers of such medications, are the subject of lawsuits and have received subpoenas and other requests for information from various federal, state and local government agencies regarding the sale, marketing and/or distribution of prescription opioid medications. Numerous claims against opioid manufacturers, including us, have been and may continue to be filed by or on behalf of various plaintiffs, including states, counties, cities, Native American tribes, other government-related persons or entities, hospitals, health systems, unions, health and welfare funds, other third-party payers and/or individuals. See Note 12. Commitments and Contingencies of the Condensed Consolidated Financial Statements included in Part I, Item 1 for more information. In these cases, plaintiffs have sought various remedies, including without limitation, declaratory and/or injunctive relief; compensatory, punitive and/or treble damages; restitution, disgorgement, civil penalties, abatement, attorneys' fees, costs and/or other relief. In these cases, settlement demands and discussions often seek significant monetary and other remedies, and we have received some settlement offers that are on terms that we do not consider reasonable under the circumstances or indicative of the merits or potential outcome of any court proceeding with respect to the underlying claims. Additionally, while we have made the decision to settle some claims, there can be no assurance that settlement opportunities will continue to be available generally, or be consistent with our historic experience. We may not be able to settle all of our opioid claims successfully, and as a result, we may go to trial in certain of these cases. Awards against and settlements by us or our competitors could also incentivize parties to bring additional claims against us. In addition to the risks of direct expenditures for defense costs, settlements and/or judgments in connection with these claims, proceedings and investigations, there is a possibility of loss of revenues, injunctions and disruption of business. Additionally, we have, and may continue to receive, claims or requests for indemnification from certain of our customers. Furthermore, we and other manufacturers of prescription opioid medications have been, and will likely continue to be, subject to negative publicity and press, which could harm our brand and the demand for our products. Certain other manufacturers of prescription opioid medications have publicly commenced, or announced their intention to commence, cases to seek the protections under Chapter 11 of the Bankruptcy Code to address the claims being asserted against such manufacturers in these opioid lawsuits.

Our current and former products may cause or appear to cause serious adverse side effects or potentially dangerous drug interactions if misused or improperly prescribed or as a result of faulty surgical technique. For example, we and certain other manufacturers have been named as defendants in multiple lawsuits in various federal and state courts alleging personal injury resulting from use of transvaginal surgical mesh products designed to treat POP and SUI. The FDA held a public advisory committee meeting in February 2019 during which the members of the Obstetrics and Gynecology Devices Panel of the Medical Devices Advisory Committee discussed and made recommendations regarding the safety and effectiveness of surgical mesh to treat POP. In April 2019, following the meeting, the FDA ordered that the manufacturers of all remaining surgical mesh products indicated for the transvaginal repair of POP cease selling and distributing their products in the U.S. effective immediately. Although we have not sold transvaginal surgical mesh products since March 2016, it is possible that the FDA's order and any additional FDA actions based on the outcome of the advisory committee meeting could result in additional litigation against the Company. See Note 12. Commitments and Contingencies of the Condensed Consolidated Financial Statements included in Part I, Item 1 for more information.

Any failure to effectively identify, analyze, report and protect adverse event data and/or to fully comply with relevant laws, rules and regulations around adverse event reporting could expose the Company to legal proceedings, penalties, fines and/or reputational damage.

In addition, in the age of social media, plaintiffs' attorneys have a wide variety of tools to advertise their services and solicit new clients for litigation, including using judgments and settlements obtained in litigation against us or other pharmaceutical companies as an advertising tool. For these or other reasons, any product liability or other litigation in which we are a defendant could have a larger number of plaintiffs than such actions have seen historically and we could also see an increase in the number of cases filed against us because of the increasing use of widespread and media-varied advertising. Furthermore, a ruling against other pharmaceutical companies in product liability or other litigation in which we are not a defendant could have a negative impact on pending litigation where we are a defendant.

In addition, in certain circumstances, such as in the case of products that do not meet approved specifications or which subsequent data demonstrate may be unsafe, ineffective or misused, it may be necessary for us to initiate voluntary or mandatory recalls or withdraw such products from the market. Any such recall or withdrawal could result in adverse publicity, costs connected to the recall and loss of revenue. Adverse publicity could also result in an increased number of additional product liability claims, whether or not these claims have a basis in scientific fact. See the risk factor "Public concern around the abuse of opioids or other products, including without limitation law enforcement concerns over diversion or marketing practices, regulatory efforts to combat abuse, and litigation could result in costs to our business" in the Annual Report for more information.

If we are found liable in any lawsuits, including product liability claims or actions related to our sales, marketing or pricing practices or the sale, marketing and/or distribution of prescription opioid medications, or if we are subject to governmental investigations or product recalls, it could result in the imposition of material damages, including punitive damages, fines, reputational harm, civil lawsuits, criminal penalties, interruptions of business, modification of business practices, equitable remedies and other sanctions against us or our personnel as well as significant legal and other costs. We may also voluntarily settle cases even if we believe that we have meritorious defenses because of the significant legal and other costs that may be required to defend such actions. Any judgments, claims, settlements and related costs could be well in excess of any applicable insurance. As a result, we may experience significant negative impacts on our operations or financial position. To satisfy judgments or settlements, we also may need to seek financing or bonding, which may not be available on terms acceptable to us, or at all, when required, particularly given the extreme volatility in the capital markets. Judgments also could cause defaults under our debt agreements and/or restrictions on product use or business practices and we could incur losses as a result. Any of the risks above could have a material adverse effect on our business, financial condition, results of operations and cash flows and could be further exacerbated by the impact of COVID-19.

The occurrence or possibility of any such result may cause us to engage in a strategic review that ultimately results in us pursuing one or more significant corporate transactions or remedial measures. Any such actions or measures could include reorganization or restructuring activities, asset sales or other divestitures, cost-saving initiatives or other corporate realignments, seeking strategic partnerships and exiting certain product or geographic markets. See the risk factor “Our ability to fund our operations, maintain adequate liquidity and meet our financing obligations is reliant on our operations, which are subject to significant risks and uncertainties” for more information. Any of such actions may be complex, could entail significant costs and charges or could otherwise negatively impact shareholder value and there can be no assurance that we will be able to accomplish any of these alternatives on terms acceptable to us, or at all, or that they will result in their intended benefits.

See Note 12. Commitments and Contingencies of the Condensed Consolidated Financial Statements included in Part I, Item 1 for further discussion of the foregoing and other material legal proceedings.

**Our ability to fund our operations, maintain adequate liquidity and meet our financing obligations is reliant on our operations, which are subject to significant risks and uncertainties.**

We rely on cash from operations as well as access to the financial markets to fund our operations, maintain liquidity and meet our financial obligations. Our operations are subject to many significant risks and uncertainties described in this “Risk Factors” section and in Part I, Item 1A. “Risk Factors” in the Annual Report, including those related to generic competition and legal challenges that could impact our key products, including VASOSTRICT®, outstanding and future legal proceedings and governmental investigations, including those related to our sale, marketing and/or distribution of prescription opioid medications, and others. Any negative development or outcome in connection with any or all of these risks and uncertainties could result in significant consequences, including one or more of the following:

- causing a substantial portion of our cash flows from operations to be dedicated to the payment of legal or related expenses and therefore unavailable for other purposes, including the payment of principal and interest on our indebtedness, our operations, capital expenditures and future business opportunities;
- limiting our ability to adjust to changing market conditions, causing us to be more vulnerable to periods of negative or slow growth in the general economy or in our business, causing us to be unable to carry out capital spending that is important to our growth and placing us at a competitive disadvantage;
- limiting our ability to attract and retain key personnel;
- causing us to be unable to maintain compliance with or making it more difficult for us to satisfy our financial obligations under certain of our outstanding debt obligations, causing a downgrade of our debt and long-term corporate ratings (which could increase our cost of capital) and exposing us to potential events of default (if not cured or waived) under financial and operating covenants contained in our or our subsidiaries’ outstanding indebtedness;
- limiting our ability to incur additional borrowings under the covenants in our then-existing facilities or to obtain additional debt or equity financing for working capital, capital expenditures, business development, debt service requirements, acquisitions or general corporate or other purposes, or to refinance our indebtedness; and/or
- otherwise causing us to be unable to fund our operations and liquidity needs, such as future capital expenditures and payment of our indebtedness.

The occurrence or possibility of any such result may cause us to engage in a strategic review that ultimately results in us pursuing one or more significant corporate transactions or remedial measures. Any such actions or measures could include reorganization or restructuring activities, asset sales or other divestitures, cost-saving initiatives or other corporate realignments, seeking strategic partnerships and exiting certain product or geographic markets. Additionally, we may need to refinance all or part of our then-existing indebtedness, reduce or delay capital expenditures or seek to raise additional capital. Any refinancing of our substantial indebtedness could be at significantly higher interest rates, which will depend on the conditions of the markets (particularly given the disruptions to and extreme volatility in the capital markets from COVID-19) and our financial condition at such time, and may require us to comply with more onerous covenants, which could further restrict our business operations. Any refinancing may also increase the amount of our secured indebtedness. In addition, the terms of existing or future debt agreements may restrict us from consummating any of these alternatives. Likewise, any reorganizations or restructuring activities, corporate realignments, asset sales or divestitures, strategic partnerships or other actions that we take may be complex, could entail significant costs and charges or could otherwise negatively impact shareholder value and there can be no assurance that we will be able to accomplish any of these alternatives on terms acceptable to us, or at all, or that they will result in their intended benefits. COVID-19 has had a significant impact on the financial markets, which could make it more difficult to consummate any refinancing or result in in more onerous or expensive terms.

**Decreases in the degree to which individuals are covered by healthcare insurance could result in decreased use of our products.**

Employers may seek to reduce costs by reducing or eliminating employer group healthcare plans or transferring a greater portion of healthcare costs to their employees. Job losses or other economic hardships may also result in reduced levels of coverage for some individuals, potentially resulting in lower levels of healthcare coverage for themselves or their families. Further, in addition to the fact that the Tax Cuts and Jobs Act of 2017 eliminated the Patient Protection and Affordable Care Act (PPACA)'s requirement that individuals maintain insurance or face a penalty, additional steps by the Trump Administration or other parties to limit or end cost-sharing subsidies to lower-income Americans may increase instability in the insurance marketplace and the number of uninsured Americans. These economic conditions may affect patients' ability to afford healthcare as a result of increased co-pay or deductible obligations, greater cost sensitivity to existing co-pay or deductible obligations and lost healthcare insurance coverage or for other reasons. We believe such conditions could lead to changes in patient behavior and spending patterns that negatively affect usage of certain of our products, including some patients delaying treatment, rationing prescription medications, leaving prescriptions unfilled, reducing the frequency of visits to healthcare facilities, utilizing alternative therapies or foregoing healthcare insurance coverage. Such changes may result in reduced demand for our products, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

In December 2018, the U.S. District Court for the Northern District of Texas held in *Texas v. Azar* that, because the provisions of the PPACA requiring certain individuals to either obtain health insurance or pay a shared responsibility payment (known as the individual mandate) are no longer permissible under the U.S. Congress' taxing power, the entire PPACA is no longer constitutional. The decision was appealed to the U.S. Court of Appeals for the Fifth Circuit. In December 2019, the Fifth Circuit issued an opinion holding that, while the individual mandate was no longer constitutional, the case must be remanded to the district court to further evaluate whether the mandate can be severed from the PPACA or the entire PPACA must be stricken down. In January 2020, petitions for certiorari were filed requesting that the U.S. Supreme Court review the Fifth Circuit's decision and ultimately decide the constitutionality of the PPACA. In March 2020, the U.S. Supreme Court granted certiorari in the consolidated cases of *Texas v. California* and *California v. Texas*, both of which address the Fifth Circuit's decision to strike down the individual mandate, while sending back to the district court the question of the overall law's constitutionality. Changes in law resulting from this ongoing lawsuit or other court challenges to the PPACA could have a material adverse effect on our business, financial condition, results of operations and cash flows.

**We have a substantial amount of indebtedness which could adversely affect our financial position and prevent us from fulfilling our obligations under such indebtedness, which may require us to refinance all or part of our then-outstanding indebtedness. Any refinancing of this substantial indebtedness could be at significantly higher interest rates. Additionally, we have a significant amount of floating rate indebtedness and an increase in interest rates would increase the cost of servicing our indebtedness. Despite our current level of indebtedness, we may still be able to incur substantially more indebtedness. This could increase the risks associated with our substantial indebtedness.**

We currently have a substantial amount of indebtedness. As of March 31, 2020, we have total debt of approximately $8.46 billion in aggregate principal amount. Our substantial indebtedness may:

- make it difficult for us to satisfy our financial obligations, including making scheduled principal and interest payments on our indebtedness;
- limit our ability to borrow additional funds for working capital, capital expenditures, acquisitions or other general business purposes;
- limit our ability to use our cash flow or obtain additional financing for future working capital, capital expenditures, acquisitions or other general business purposes;
- expose us to the risk of rising interest rates with respect to the borrowings under our variable rate indebtedness;
- require us to use a substantial portion of our cash on hand and/or from future operations to make debt service payments;

- limit our flexibility to plan for, or react to, changes in our business and industry;
- place us at a competitive disadvantage compared to our less leveraged competitors; and
- increase our vulnerability to the impact of adverse economic and industry conditions, such as those resulting from the COVID-19 pandemic, which may further limit our ability to satisfy our financial obligations.

If we are unable to pay amounts due under our outstanding indebtedness or to fund other liquidity needs, such as future capital expenditures or contingent liabilities as a result of adverse business developments, including expenses related to our ongoing and future legal proceedings and governmental investigations, decreased revenues or increased costs and expenses related to the impact of COVID-19 on our business, as well as increased pricing pressures or otherwise, we may be required to refinance all or part of our then-existing indebtedness, sell assets, reduce or delay capital expenditures or seek to raise additional capital, any of which could have a material adverse effect on our business, financial condition, results of operations and cash flows. There can be no assurance that we will be able to accomplish any of these alternatives on terms acceptable to us, or at all. Any refinancing of this substantial indebtedness could be at significantly higher interest rates, which will depend on the conditions of the markets (particularly given the extreme volatility in the capital markets) and our financial condition at such time. In addition, we may be able to incur substantial additional indebtedness in the future, including secured indebtedness. If new indebtedness is added to our current debt levels, the related risks that we and our subsidiaries now face could intensify. At any time and from time to time, we may also be pursuing activities to extend our debt maturities, lower principal balances, reduce interest expense or obtain covenant flexibility. Activities could include, without limitation, one or more tender offers, exchange offers, debt-for-equity exchanges or consent solicitations. The terms of any such transactions, including the amount of any exchange consideration and terms of any refinanced debt, could potentially be negatively impacted by a downgrade of our debt ratings and could also be less favorable than we have been able to obtain in the past, including a requirement that we grant liens on our assets as collateral (resulting in an increase in our total outstanding secured indebtedness), as a result of changing market conditions and investment interest from the pandemic and its impact on our business and the financial markets, including requiring us to incur additional secured indebtedness. We cannot predict if or when we would conduct any such activity, whether any such activities will achieve their intended results or whether any such activity could impact our financial results or be dilutive.

While interest rates have been at record low levels in recent years (most recently as a result of economic conditions resulting from the COVID-19 pandemic), this low interest rate environment likely will not continue indefinitely. At March 31, 2020, approximately $3.3 billion and $0.3 billion of principal amounts outstanding under the Term Loan Facility and the Revolving Credit Facility (each as defined in Note 11. Debt of the Condensed Consolidated Financial Statements included in Part I, Item 1), respectively, bear interest at variable rates. Any future borrowings by the Company could also have variable interest rates. As a result, to the extent we have not hedged against rising interest rates, an increase in the applicable benchmark interest rates would increase our cost of servicing our indebtedness and could have a material adverse effect on our business, financial condition, results of operations and cash flows.

**Item 2. Unregistered Sales of Equity Securities and Use of Proceeds**

There were no purchases or sales of equity securities by the Company during the three months ended March 31, 2020.

**Item 3. Defaults Upon Senior Securities**

None.

**Item 4. Mine Safety Disclosures**

Not applicable.

**Item 5. Other Information**

None.

## Item 6. Exhibits

| Number | Description | Incorporated by Reference from: File Number | Filing Type | Filing Date |
|---|---|---|---|---|
| 10.1 | Form of Performance Award Agreement under the Endo International plc Amended and Restated 2015 Stock Incentive Plan | Not applicable; filed herewith | | |
| 10.2 | Form of Long-Term Cash Award Agreement under the Endo International plc Amended and Restated 2015 Stock Incentive Plan | Not applicable; filed herewith | | |
| 10.3 | Executive Employment Agreement between Endo Health Solutions Inc. and Patrick Barry, effective April 26, 2020 | Not applicable; filed herewith | | |
| 10.4 | Cash Contribution Bonus Agreement between Endo and Patrick Barry, dated August 1, 2019 | Not applicable; filed herewith | | |
| 31.1 | Certification of the President and Chief Executive Officer of Endo pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 | Not applicable; filed herewith | | |
| 31.2 | Certification of the Chief Financial Officer of Endo pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 | Not applicable; filed herewith | | |
| 32.1 | Certification of the President and Chief Executive Officer of Endo pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 | Not applicable; furnished herewith | | |
| 32.2 | Certification of the Chief Financial Officer of Endo pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 | Not applicable; furnished herewith | | |
| 101.INS | iXBRL Instance Document - the instance document does not appear in the interactive data file because its XBRL tags are embedded within the inline XBRL document. | Not applicable; submitted herewith | | |
| 101.SCH | iXBRL Taxonomy Extension Schema Document | Not applicable; submitted herewith | | |
| 101.CAL | iXBRL Taxonomy Extension Calculation Linkbase Document | Not applicable; submitted herewith | | |
| 101.DEF | iXBRL Taxonomy Extension Definition Linkbase Document | Not applicable; submitted herewith | | |
| 101.LAB | iXBRL Taxonomy Extension Label Linkbase Document | Not applicable; submitted herewith | | |
| 101.PRE | iXBRL Taxonomy Extension Presentation Linkbase Document | Not applicable; submitted herewith | | |
| 104 | Cover Page Interactive Data File, formatted in iXBRL and contained in Exhibit 101 | Not applicable; submitted herewith | | |

## SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ENDO INTERNATIONAL PLC

**(Registrant)**

/S/ BLAISE COLEMAN

Name: **Blaise Coleman**

Title: **President and Chief Executive Officer**
**(Principal Executive Officer)**

/S/ MARK T. BRADLEY

Name: **Mark T. Bradley**

Title: **Executive Vice President, Chief Financial Officer**
**(Principal Financial Officer)**

Date: May 7, 2020

**ENDO INTERNATIONAL PLC**
**PERFORMANCE AWARD AGREEMENT**
**UNDER THE AMENDED AND RESTATED 2015 STOCK INCENTIVE PLAN**

This Performance Award Agreement, which shall include the TSR Performance Award Grant Notice, the FCF Performance Award Grant Notice and the Terms and Conditions (collectively, the "Award Agreement") is made and entered into as of [ ] by and between Endo International plc, an Irish public limited company (the "Company"), and the participant named below (the "Participant"). The Performance Award granted pursuant to this Award Agreement shall consist of [ ] restricted stock units subject to the TSR Performance Award and [ ] restricted stock units subject to the FCF Performance Award (each at target levels of performance and each as defined in the Terms and Conditions). Capitalized terms not defined herein shall have the meanings ascribed to them in the Company's Amended and Restated 2015 Stock Incentive Plan (the "Plan"). Where the context permits, references to the Company shall include any successor to the Company.

**ENDO INTERNATIONAL PLC**
**PERFORMANCE AWARD AGREEMENT**
**UNDER THE AMENDED AND RESTATED 2015 STOCK INCENTIVE PLAN**

**TSR Performance Award Grant Notice**

| | |
|---|---|
| Name of Participant: | |
| Total Target TSR Performance Award (Total Number of Restricted Stock Units Underlying the Target TSR Performance Award): | |
| Date of Grant: | |
| Performance Period for the TSR Performance Award: | The period beginning on the Date of Grant and ending on the third anniversary of the Date of Grant. |

**ENDO INTERNATIONAL PLC**
**PERFORMANCE AWARD AGREEMENT**
**UNDER THE AMENDED AND RESTATED 2015 STOCK INCENTIVE PLAN**

**FCF Performance Award Grant Notice**

| | |
|---|---|
| Name of Participant: | |
| Total Target FCF Performance Award (Total Number of Restricted Stock Units Underlying the Target FCF Performance Award): | |
| Date of Grant: | |
| Performance Period for the FCF Performance Award: | The period beginning on January 1, 2020 and ending on December 31, 2022. |

**ENDO INTERNATIONAL PLC**
**PERFORMANCE AWARD AGREEMENT**
**UNDER THE AMENDED AND RESTATED 2015 STOCK INCENTIVE PLAN**

**TERMS AND CONDITIONS**

1. Grant of Performance Awards. The Company hereby grants to the Participant the total number of restricted stock units set forth in the TSR Performance Award Grant Notice and the FCF Performance Award Grant Notice, fifty percent (50%) of which shall be subject to Total Shareholder Return performance targets (the "TSR Performance Award") and the other fifty percent (50%) of which shall be subject to Adjusted Free Cash Flow performance targets (the "FCF Performance Award," and together with the TSR Performance Award, the "Performance Award"). The Performance Award shall be subject to all of the terms and conditions of this Award Agreement and the Plan.

2. Form of Payment and Vesting.

(a) The TSR Performance Award shall vest on the last day of the TSR Performance Period (the "TSR Vesting Date") in a number of shares of Company Stock equal to the multiple of the TSR Performance Award achieved, as determined by the Committee (or its designee) in accordance with the performance conditions set forth in Exhibit A hereto ("Exhibit A"), provided that the Participant is providing service to the Company or one of its Subsidiaries on the TSR Vesting Date (other than as is provided by Paragraph 4 of this Award Agreement). Any shares of Company Stock earned in accordance with the prior sentence shall be delivered to the Participant as soon as practicable following the TSR Vesting Date, but no later than the later to occur of (i) the end of the calendar year in which the TSR Vesting Date occurs and (ii) the fifteenth day of the third calendar month following the TSR Vesting Date. Any portion of the TSR Performance Award that could have been earned in accordance with the provisions of Exhibit A that is not earned as of the TSR Vesting Date, as determined by the Committee (or its designee), shall be immediately forfeited.

(b) The FCF Performance Award shall vest on the third anniversary of the Date of Grant of the FCF Performance Award (the "FCF Vesting Date") in a number of shares of Company Stock equal to the sum of the number of shares of Company Stock so earned for the FCF Performance Period, as determined by the Committee (or its designee) in accordance with the performance conditions set forth in Exhibit B hereto ("Exhibit B"), provided that the Participant is providing service to the Company or one of its Subsidiaries on the FCF Vesting Date (other than as is provided by Paragraph 4 of this Award Agreement). Any shares of Company Stock earned and vested in accordance with the foregoing shall be delivered to the Participant as soon as practicable following the FCF Vesting Date, but no later than the later to occur of (i) the end of the calendar year in which the FCF Vesting Date occurs and (ii) the fifteenth day of the third calendar month following the FCF Vesting Date. Any portion of the FCF Performance Award that could have been earned in accordance with the provisions of Exhibit B that is not earned as of the last day of the FCF Performance Period, as determined by the Committee (or its designee), shall be immediately forfeited.

3. Restrictions. The Performance Award granted hereunder may not be sold, assigned, transferred, pledged, hypothecated or otherwise disposed of or encumbered, and shall be subject to a risk of forfeiture until any requirements or restrictions contained in this Award Agreement or in the Plan have been otherwise satisfied, terminated or expressly waived by the Company in writing.

4. Termination of Service; Disability.

(a) Termination of Service for Cause. Upon the Participant's termination of service with the Company and its Subsidiaries for Cause prior to the TSR Vesting Date or the FCF Vesting Date, the unvested portion, if any, of the Participant's Performance Award shall be forfeited as of the date of such termination of service.

(b) Termination of Service on Account of Death. Upon termination of the Participant's service with the Company and its Subsidiaries on account of death prior to the TSR Vesting Date or the FCF Vesting Date, the unvested portion, if any, of the Participant's Performance Award shall vest as of the date of such termination of service at target levels (as set forth on Exhibit A and Exhibit B, as applicable). The vested Performance Award (determined in accordance with the foregoing) shall be settled in shares of Company Stock for the benefit of the Participant's estate no later than the later to occur of (i) the end of the calendar year in which the Participant's death occurs or (ii) the fifteenth day of the third calendar month following the Participant's death.

(c) Termination of Service on Account of Voluntary Retirement with Consent of Company. If the Participant voluntarily Retires with the consent of the Company prior to the TSR Vesting Date or the FCF Vesting Date, the Participant's Performance Award shall continue to be eligible to vest in accordance with the performance-based vesting conditions set forth on Exhibit A and Exhibit B, as applicable, regardless of such termination of service.

(d) Disability. If the Participant incurs a Disability that also constitutes a "disability" within the meaning of Section 409A of the Code prior to the TSR Vesting Date or the FCF Vesting Date, the Participant's Performance Award shall continue to be eligible to vest in accordance with the performance-based vesting conditions set forth on Exhibit A and Exhibit B, as applicable, regardless of any subsequent termination of service.

(e) Termination of Service by the Company without Cause or by the Participant for Good Reason.

(i) Upon termination of the Participant's service with the Company and its Subsidiaries by the Company or its Subsidiaries without Cause prior to the TSR Vesting Date, a portion of the Participant's TSR Performance Award shall vest based upon achievement of the TSR Performance Criteria (as defined in Exhibit A) measured as of the date of the Participant's termination of service, multiplied by a fraction, the numerator of which is the number of full months of the Participant's service during the TSR Performance Period and the denominator of which is the total number of months in the TSR Performance Period. The vested portion of the TSR Performance Award shall be settled in shares of Company Stock as soon as

practicable following the Participant's termination of service, but no later than the later to occur of (A) the end of the calendar year in which such termination occurs or (B) the fifteenth day of the third calendar month following such termination. Notwithstanding the foregoing, the Committee (or such individual or individuals authorized by the Committee) may exercise discretion to determine payout achievement. Any portion of the TSR Performance Award that could have been earned in accordance with the provisions of this Section 4(e)(i) that is not earned as of the date of the Participant's termination of service shall be immediately forfeited on the date of the Participant's termination of service.

(ii) Upon termination of the Participant's service with the Company and its Subsidiaries by the Company or its Subsidiaries without Cause prior to the FCF Vesting Date, a portion of the Participant's FCF Performance Award shall vest based on achievement of the FCF Performance Criteria (as defined in Exhibit B) measured as of the date of the Participant's termination of service, multiplied by a fraction, the numerator of which is the number of full months of Participant's service during the FCF Performance Period and the denominator of which is total number of months in the FCF Performance Period. The vested portion of the FCF Performance Award shall be settled in shares of Company Stock as soon as practicable following the Participant's termination of service, but no later than the later to occur of (A) the end of the calendar year in which such termination occurs or (B) the fifteenth day of the third calendar month following such termination. Notwithstanding the foregoing the Committee (or such individual or individuals authorized by the Committee) may exercise discretion to determine payout achievement. Any portion of the FCF Performance Award that could have been earned in accordance with the provisions of this Section 4(e)(ii) that is not earned as of the date of the Participant's termination of service shall be immediately forfeited on the date of the Participant's termination of service.

(iii) If a Participant is a party to an employment agreement with the Company or a Subsidiary and such employment agreement provides for benefits on a termination of employment for "Good Reason," (x) a termination of the Participant's employment for Good Reason shall constitute a termination without Cause for purposes of Sections 4 and 5 and (y) Good Reason will also include the Participant's termination of employment within ninety (90) days following the expiration of the employment term of the Participant's employment agreement under circumstances that would have constituted Good Reason had such termination occurred during the employment term.

(f) Termination of Service for any Other Reason. Unless otherwise provided in an individual agreement with the Participant, if the Participant has a termination of service with the Company and its Subsidiaries prior to the TSR Vesting Date or the FCF Vesting Date for any reason other than the reasons enumerated in Subparagraphs (a) through (e) above, the Participant's Performance Award as of the date of termination of service shall be forfeited.

5. Change in Control. Notwithstanding anything to the contrary in the Plan, in the event of a Change in Control prior to the TSR Vesting Date or the FCF Vesting Date, as applicable, the provisions of this Section 5 shall apply.

(a) if the entire Performance Award is assumed or substituted (within the meaning of the Plan) in connection with such Change in Control, and the Participant incurs a termination of service from the Company and its Subsidiaries by the Company or its Subsidiary without Cause during the 24-month period following such Change in Control, then the restrictions, deferral limitations, payment conditions, and forfeiture conditions applicable to any portion of the Performance Award shall lapse and:

(i) the TSR Performance Award shall be settled in shares of Company Stock as soon as practicable following the Participant's termination of service, but no later than the later to occur of the end of the calendar year in which such termination occurs or the fifteenth day of the third calendar month following such termination, based on the greater of (y) actual achievement of TSR Performance Criteria or (z) target achievement of the TSR Performance Criteria, in either case measured as of the date of such termination, and

(ii) the FCF Performance Award shall be settled as soon as practicable following the Participant's termination of service, but no later than the later to occur of the end of the calendar year in which such termination occurs or the fifteenth day of the third calendar month following such termination, with the number of shares equal to the number of shares of Company Stock subject to the FCF Performance Award multiplied by one (1) or, if greater, a multiple determined based upon achievement of the most recently approved estimate of Adjusted Free Cash Flow.

(b) if any portion of the Performance Award is not assumed or substituted in connection with such Change in Control, then the restrictions, deferral limitations, payment conditions, and forfeiture conditions applicable to any portion of the Performance Award shall lapse and:

(i) the TSR Performance Award shall be settled in shares of Company Stock immediately prior to the Change in Control based on the greater of (1) actual achievement of TSR Performance Criteria or (2) target achievement of the TSR Performance Criteria, in either case measured as of the date of the Change in Control, and

(ii) the FCF Performance Award shall be settled immediately prior to the Change in Control, with the number of shares equal to the number of shares of Company Stock subject to the FCF Performance Award multiplied by one (1) or, if greater, a multiple determined based upon achievement of the most recently approved estimate of Adjusted Free Cash Flow.

(c) Any portion of the Performance Award that could have been earned in accordance with Section 5(a) or Section 5(b) that is not earned shall be immediately forfeited on the date of termination of service or the date the Change in Control occurs, as applicable.

6. Change in Control Definition. Notwithstanding anything to the contrary in the Plan, for purposes of this Award Agreement, "Change in Control" means and shall be deemed to have occurred upon the first of the following events to occur:

(a) Any “Person” (as defined below) is or becomes the “beneficial owner” (“Beneficial Owner”) within the meaning set forth in Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), directly or indirectly, of securities of the Company (not including in the securities beneficially owned by such Person any securities acquired directly from the Company or its “Affiliates” (as defined in Rule 12b-2 promulgated under Section 12 of the Exchange Act)) representing 30% or more of the combined voting power of the Company’s then outstanding securities, excluding any Person who becomes such a Beneficial Owner in connection with a transaction described in clause (A) of Subparagraph (c) below; or

(b) The following individuals cease for any reason to constitute a majority of the number of directors then serving: individuals who, on the date hereof, constitute the Board of Directors and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of the Company) whose appointment or election by the Board of Directors or nomination for election by the Company’s shareholders was approved or recommended by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors on the date hereof or whose appointment, election or nomination for election was previously so approved or recommended; or

(c) There is consummated a merger or consolidation of the Company or any direct or indirect subsidiary of the Company with any other corporation or other entity, other than (A) a merger or consolidation which results in (i) the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof), in combination with the ownership of any trustee or other fiduciary holding securities under an employee benefit plan of the Company or any subsidiary of the Company, at least 60% of the combined voting power of the securities of the Company or such surviving entity or any parent thereof outstanding immediately after such merger or consolidation and (ii) the individuals who comprise the Board of Directors immediately prior thereto constituting immediately thereafter at least a majority of the board of directors of the Company, the entity surviving such merger or consolidation or, if the Company or the entity surviving such merger is then a subsidiary, the ultimate parent thereof, or (B) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities Beneficially Owned by such Person any securities acquired directly from the Company or its Affiliates) representing 30% or more of the combined voting power of the Company’s then outstanding securities; or

(d) The shareholders of the Company approve a plan of complete liquidation or dissolution of the Company or there is consummated an agreement for the sale or disposition by the Company of all or substantially all of the Company’s assets (it being conclusively presumed that any sale or disposition is a sale or disposition by the Company of all or substantially all of its assets if the consummation of the sale or disposition is contingent upon approval by the Company’s shareholders unless the Board of Directors expressly determines in

writing that such approval is required solely by reason of any relationship between the Company and any other Person or an Affiliate of the Company and any other Person), other than a sale or disposition by the Company of all or substantially all of the Company's assets to an entity (A) at least 60% of the combined voting power of the voting securities of which are owned by shareholders of the Company in substantially the same proportions as their ownership of the Company immediately prior to such sale or disposition and (B) the majority of whose board of directors immediately following such sale or disposition consists of individuals who comprise the Board of Directors immediately prior thereto.

For purposes hereof, "Person" shall have the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 15(d) thereof, except that such term shall not include (i) the Company or any of its Subsidiaries, (ii) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its Affiliates, (iii) an underwriter temporarily holding securities pursuant to an offering of such securities, or (iv) a corporation owned, directly or indirectly, by the shareholders of the Company in substantially the same proportions as their ownership of stock of the Company.

Notwithstanding the foregoing, (i) a "Change in Control" shall not be deemed to have occurred by virtue of the consummation of any transaction or series of integrated transactions immediately following which the record holders of Company Stock immediately prior to such transaction or series of transactions continue to have substantially the same proportionate ownership in an entity which owns all or substantially all of the assets of the Company immediately following such transaction or series of transactions and (ii) to the extent required to avoid the imposition of taxes or penalties under Section 409A of the Code with respect to any Award that constitutes a deferral of compensation subject to Section 409A of the Code, no such Award shall become payable as a result of the occurrence of a Change in Control unless such Change in Control also constitutes a change in the ownership or effective control of the Company or a change in ownership of a substantial portion of the assets of the Company under Section 409A of the Code.

For the avoidance of doubt, any one or more of the events described in subparagraphs (a) through (d) may be effected pursuant to (A) a takeover under Irish takeover rules; (B) a compromise or arrangement under Chapter 1 of Part 9 of the Companies Act 2014 of the Republic of Ireland or (C) Chapter 2 of Part 9 of the Companies Act 2014 of the Republic of Ireland.

7. No Shareholder Rights Prior to Delivery. The Participant shall not have any rights of a shareholder (including the right to distributions or dividends) with respect to the Performance Award until shares of Company Stock are issued pursuant to the terms of this Award Agreement.

8. Performance Award Agreement Subject to Plan. This Award Agreement is made pursuant to all of the provisions of the Plan, which is incorporated herein by reference, and is intended, and shall be interpreted, in a manner to comply therewith. In the event of any conflict between the provisions of this Award Agreement and the provisions of the Plan, the provisions of

the Plan shall govern, except as expressly provided by Sections 5 and 6 of this Award Agreement.

9. No Rights to Continuation of Service. Nothing in the Plan or this Award Agreement shall confer upon the Participant any right to continue in the employ of the Company or any Subsidiary thereof or shall interfere with or restrict the right of the Company or its shareholders (or of a Subsidiary or its shareholders, as the case may be) to terminate the Participant's service at any time for any reason whatsoever, with or without Cause.

10. Tax Withholding. The Company shall be entitled to require a cash payment by or on behalf of the Participant and/or to deduct from the Performance Award granted hereunder or other compensation payable to the Participant any sums required by federal, state or local tax law to be withheld or to satisfy any applicable payroll deductions with respect to the vesting of, lapse of restrictions on, or payment of the Performance Award, up to the maximum statutory tax rates. A Participant who is an officer or director subject to the provisions of Section 16 of the Exchange Act as of the date of the withholding requirement may satisfy the foregoing requirement by electing to have the Company withhold from delivery shares of Company Stock in accordance with Section 12(b) of the Plan.

11. Section 409A Compliance. The Performance Award is intended to comply with Code Section 409A to the extent subject thereto and shall be interpreted in accordance with Code Section 409A and Department of Treasury regulations and other interpretive guidance issued thereunder, including without limitation any such regulations or other guidance that may be issued after the Date of Grant. Notwithstanding any provision in the Plan or Award Agreement to the contrary, no payment or distribution under this Award Agreement that constitutes an item of deferred compensation under Code Section 409A and becomes payable by reason of the Participant's termination of service with the Company and its Subsidiaries will be made to the Participant until the Participant's termination of service constitutes a "separation from service" (as defined in Code Section 409A). For purposes of this Award Agreement, each amount to be paid or benefit to be provided shall be construed as a separate identified payment for purposes of Code Section 409A. If a participant is a "specified employee" (as defined in Code Section 409A), then to the extent necessary to avoid the imposition of taxes under Code Section 409A, such Participant shall not be entitled to any payments upon a termination of his or her service until the earlier of: (i) the expiration of the six (6)-month period measured from the date of such Participant's "separation from service" and (ii) the date of such Participant's death. Upon the expiration of the applicable waiting period set forth in the preceding sentence, all payments and benefits deferred pursuant to this Paragraph 11 (whether they would have otherwise been payable in a single lump sum or in installments in the absence of such deferral) shall be paid to such Participant in a lump sum as soon as practicable, but in no event later than sixty (60) calendar days, following such expired period, and any remaining payments due under this Award Agreement will be paid in accordance with the normal payment dates specified for them herein.

12. Governing Law. This Award Agreement shall be governed by, interpreted under, and construed and enforced in accordance with the internal laws, and not the laws pertaining to

conflicts or choice of laws, of the State of Delaware applicable to agreements made and to be performed wholly within the State of Delaware.

13. Binding on Successors. The terms of this Award Agreement shall be binding upon the Participant and upon the Participant's heirs, executors, administrators, personal representatives, transferees, assignees and successors in interest, and upon the Company and its successors and assignees, subject to the terms of the Plan.

14. No Assignment. Notwithstanding anything to the contrary in this Award Agreement, neither this Award Agreement nor any rights granted herein shall be assignable by the Participant.

15. Necessary Acts. The Participant hereby agrees to perform all acts, and to execute and deliver any documents that may be reasonably necessary to carry out the provisions of this Award Agreement, including but not limited to all acts and documents related to compliance with federal and/or state securities and/or tax laws and applicable Irish law.

16. Entire Performance Award Agreement. This Award Agreement (including Exhibits A and B and Annex A) and the Plan contain the entire agreement and understanding among the parties as to the subject matter hereof.

17. Headings. Headings are used solely for the convenience of the parties and shall not be deemed to be a limitation upon or descriptive of the contents of any such Paragraph.

18. Counterparts. This Award Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument.

19. Notices. All notices and other communications under this Award Agreement shall be in writing and shall be given by first class mail, certified or registered with return receipt requested, and shall be deemed to have been duly given three days after mailing to the respective parties named below:

If to Company:

Endo International plc
c/o Endo Health Solutions Inc.
1400 Atwater Drive
Malvern, PA 19355
Attention: Treasurer

If to the Participant:

At the address on file with the Company.

Either party hereto may change such party's address for notices by notice duly given pursuant hereto.

20. Amendment. No amendment or modification hereof shall be valid unless it shall be in writing and signed by all parties hereto.

21. Acceptance. The Participant hereby acknowledges receipt of a copy of the Plan and this Award Agreement. The Participant has read and understands the terms and provisions thereof, and accepts the Performance Award subject to all the terms and conditions of the Plan and this Award Agreement.

22. No Compensation for Loss of Rights. The Participant hereby acknowledges that under no circumstances will s/he, on ceasing to be an employee or director of the Company and its Subsidiaries, be entitled to any compensation for any loss of any right or benefit or prospective right or benefit under the Plan that s/he might otherwise have enjoyed whether such compensation is claimed by way of damages for wrongful dismissal or other breach of contract or by way of compensation for loss of office or otherwise howsoever.

23. Severability. All the terms and provisions of this Award Agreement are distinct and severable, and if any term or provision is held unenforceable, illegal or void in whole or in part by any court, regulatory authority or other competent authority it shall to that extent be deemed not to form part of this Award Agreement, and the enforceability, legality and validity of the remainder of this Award Agreement will not be affected; if any invalid, unenforceable or illegal provision would be valid, enforceable or legal if some part of it were deleted, the provision shall apply with whatever modification is necessary to make it valid, enforceable and legal.

24. Data Protection. The Participant hereby acknowledges and consents to the Company and any Subsidiary sharing and exchanging his/her information held in order to administer and operate the Plan (including personal details, data relating to participation, salary, taxation and employment and sensitive personal data, e.g. data relating to physical or mental health, criminal conviction or the alleged commission of offences) (the “Information”) and providing the Company and/or the Subsidiary’s agents and/or third parties with the Information for the administration and operation of the Plan and the Participant further accepts that this may involve the Information being sent to a country outside the country in which the Participant provides service including to a country which may not have the same level of data protection laws as his/her home country. The Participant acknowledges that s/he has the right to request a list of the names and addresses of any potential recipients of the Information and to review and correct the Information by contacting his/her local human resources representative. The Participant acknowledges that the collection, processing and transfer of the Information is important to Plan administration and that failure to consent to same may prohibit participation in the Plan.

25. Additional Matters. This Award Agreement is intended to comply with the applicable laws of any country or jurisdiction where the Performance Award is granted under the Plan, and all provisions hereof shall be construed in a manner to so comply. The following provisions apply to Participants providing service in the country noted:

**Canada:**

Section 4 above shall be amended to add the following language at the end thereof as a new sub-section (g):

> (g) The Participant's date of termination of service shall be the Participant's last day of active service with the Company and its Subsidiaries and shall not include any period of statutory, contractual or common law reasonable notice or any period of deemed employment or salary continuance.

Section 10 above shall be deleted in its entirety and replaced with the following language:

> The Company shall be entitled to receive either a cash payment by or on behalf of the Participant or a sufficient amount of the proceeds from the sale of Company Stock to be acquired pursuant to this Award Agreement by the Participant's delivery to the Company of an assignment of such proceeds and an authorization to the broker or selling agent to pay that amount to the Company and to effect such sale at the time of exercise or other delivery of shares of Company Stock for any sums required by federal, state or local tax law to be withheld or to satisfy any applicable payroll deductions with respect to the vesting of, lapse of restrictions on, or payment of any Performance Award.

**India:**

As used herein, "Participant" shall have the meaning set forth in the Plan, except the term shall not include consultants of any Subsidiary in India.

Section 4(b) shall be deleted in its entirety and replaced with the following language:

> Termination of Service on Account of Death. Upon termination of the Participant's service on account of death prior to the either the TSR Vesting Date or the FCF Vesting Date, the Participant's Performance Award shall immediately vest in his legal heirs or nominees, subject to fulfilment of the performance conditions specified in Exhibits A and B and shall be settled in shares of Company Stock for the benefit of the Participant's estate no later than the later of the end of the calendar year in which the Participant's death occurs or the fifteenth day of the third calendar month following the Participant's death.

Section 4(c) shall be deleted in its entirety and replaced with the following language:

> Termination of Service on Account of Voluntary Retirement with Consent of Company. If the Participant voluntarily Retires with the consent of the Company, the unvested portion, if any, of the Participant's Performance Award as of the date of termination shall stand vested on the date of termination of service, subject to the fulfilment of the performance conditions specified in Exhibits A and B.

Section 4(d) shall be deleted in its entirety and replaced with the following language:

Disability. If the Participant incurs a Disability that also constitutes a "disability" within the meaning of Section 409A, the unvested portion, if any, of the Participant's Performance Award as of the date of such Disability shall continue to be eligible to vest in accordance with the performance-based vesting conditions set forth on Exhibits A and B regardless of any subsequent termination of service, provided such Disability does not result in termination of service. In the event of termination of service, the unvested portion, if any, of the Performance Award shall vest in him on the date of termination.

Section 10 shall be deleted in its entirety and replaced with the following language:

Tax Withholding. The Subsidiary under whose payroll the Participant is registered shall have the right to deduct or withhold from the Performance Award or payroll of the Participant an amount sufficient to satisfy income taxes required by law to be withheld with respect to the vesting of, lapse of restrictions on, or payment of the Performance Award or to satisfy any applicable payroll deductions. The obligations of the Company under this Award Agreement will be conditioned on such arrangement and the Company or such Subsidiary will, to the extent permitted by law, have the right to deduct any such taxes from any payment of any kind otherwise due to the Participant. A Participant who is an officer or director subject to the provisions of Section 16 of the Exchange Act as of the date of the withholding requirement may satisfy the foregoing requirement by electing to have the Subsidiary under whose payroll the Participant is registered withhold from delivery shares of Company Stock in accordance with Section 12(b) of the Plan.

Section 13 shall be amended to delete the term "transferees".

Section 14 shall be deleted in its entirety and replaced with the following language:

No Assignment. Notwithstanding anything to the contrary in this Award Agreement, but subject to the assignment of the Performance Award upon death of the Participant, neither this Award Agreement nor any rights granted herein shall be assignable by the Participant.

Section 15 shall be deleted in its entirety and replaced with the following language:

Necessary Acts. The Participant hereby agrees to perform all acts, and to execute and deliver any documents that may be reasonably necessary to carry out the provisions of this Award Agreement, including but not limited to all acts and documents related to compliance with federal and/or state securities and/or tax laws and applicable Indian law. The rights and interests of the Participant under the Award Agreement shall be subject to compliance under the Foreign Exchange Management Act, 1999 and the related rules thereto.

**Ireland:**

Section 4(c) above shall be deleted and be of no force and effect.

Section 13 above shall be amended to delete the words “transferees, assignees” therefrom.

Section 14 above shall be deleted in its entirety and replaced with the following language:

> No Assignment or Transfer. Notwithstanding anything to the contrary in this Award Agreement, neither this Award Agreement nor any rights granted herein shall be assignable by the Participant. Neither this Award Agreement nor any rights granted herein shall be transferable by the Participant in any circumstances, except on the death of the Participant.

**Luxembourg**:

Section 4(c) above shall be deleted in its entirety and replaced with the following language:

> Termination of Service on Account of Retirement. If the Participant voluntarily retires according to Luxembourg employment law prior to the TSR Vesting Date or the FCF Vesting Date, any unvested portion of the Participant’s Performance Award as of the Participant’s termination date shall vest on that date and be eligible to be settled subject to the satisfaction of the performance conditions specified in Exhibits A and B, determined at a time and manner as is determined for employees generally, disregarding such termination of service.

Section 4(d) above shall be amended to (i) delete the phrase “that also constitutes a ‘disability’ within the meaning of Section 409A of the Code” therefrom and (ii) add the following language at the end thereof:

> As used herein, “Disability” shall mean either (i) the Participant’s inability to, solely because of injury or physical or mental illness, perform the material duties of his or her regular occupation in a situation where the Participant receives paid sickness, incapacity or invalidity benefits from any of the Luxembourg competent authorities for a period that lasts or can reasonably be expected to last for a continuous period of 6 months, or (ii) the Participant’s *reclassement* by the competent commission following an irrevocable decision from said commission.

Section 4(e)(iii) above shall be deleted in its entirety and be of no force and effect.

Section 4 above shall be amended to add the following language at the end thereof as a new sub-section (g):

> It is understood that the Participant’s termination of service for any reason shall take place in accordance with applicable Luxembourg employment law rules.

Section 10 above shall be amended to add the following language at the end thereof:

For Participants subject to Luxembourg employment law, the Company shall comply with Circular L.I.R. n°104/2 dated 29 November 2017 and issued by the Luxembourg Tax Administration to the extent subject thereto and shall be interpreted in accordance with its provisions and other interpretive guidance issued thereunder, including without limitation any such regulations or other guidance that may be issued after the Date of Grant.

Section 13 above shall be amended to delete the word “transferees” therefrom.

Section 14 above shall be deleted in its entirety and replaced with the following language:

No Assignment or Transfer. Notwithstanding anything to the contrary in this Award Agreement, neither this Award Agreement nor any rights granted herein shall be assignable by the Participant. Neither this Award Agreement nor any rights granted herein shall be transferable by the Participant in any circumstances, except on the death of the Participant.

Section 24 above shall be amended to add the following language at the end thereof:

, it being understood that for the purposes hereunder any Information on the Participant shall be processed in accordance with the Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, as well as any applicable local laws.

**United Kingdom:**

As used herein, “Cause” shall have the meaning set forth in the Plan and, with respect to any Participant who is a party to an employment agreement with the Company, the definition of “Cause” shall include any circumstances in which the Company may terminate the Participant’s employment agreement without notice in accordance with its terms.

As used herein, “Disability” shall mean the Participant’s inability to, solely because of injury or physical or mental illness: (i) perform the material duties of his or her regular occupation and (ii) earn 80% or more of his or her base salary or wages in respect of his or her regular occupation, for a period that lasts or can reasonably be expected to last for a continuous period of 12 months.

Section 4(c) above shall be deleted and be of no force and effect.

Section 10 above shall be deleted in its entirety and replaced with the following:

Tax Liabilities. The Participant irrevocably agrees (A) to pay, or enter into arrangements to the satisfaction of the Company to pay, to the Company, the Participant’s employer or former employer (as appropriate) the amount of any Tax Liability, (B) that the Company, the Participant’s employer or former employer (as appropriate) may, if it so elects by written notice to the Participant, recover the whole or any part of any Employer NICs from the Participant, (C) that the

Participant shall, promptly upon being requested to do so by the Company, the Participant's employer or former employer (as appropriate), elect (using a form approved by HM Revenue & Customs) that the whole or any part of the liability for Employer NICs shall be transferred to the Participant; (D) to enter into a joint election, under section 431(1) or 431(2) of the Income Tax (Earnings & Pensions) Act 2003 ("ITEPA"), in respect of the Company Stock delivered pursuant to a Performance Award, if required to do so by the Company, the Participant's employer or former employer, before, on or within 14 days after any date of delivery of such Company Stock. For the purposes of this section the following capitalized terms shall have the meanings set out below:

"Employer NICs": any secondary class 1 (employer) national insurance contributions that the Company or any employer (or former employer) of the Participant is liable to pay as a result of any Taxable Event (or which that person would be liable to pay in the absence of an election of the type referred to in (C) above) and that may be lawfully recovered from the Participant.

"Taxable Event": any event or circumstance that gives rise to a liability for the Participant to pay income tax and national insurance contributions or either of them in respect of: (a) the Performance Award, including its assignment or surrender for consideration, or the receipt of any benefit in connection with it; (b) any shares (or other securities or assets): (i) earmarked or held to satisfy the Performance Award; (ii) acquired pursuant to the Performance Award; or (iv) acquired in consideration of the assignment or surrender of the Performance Award; (c) any securities (or other assets) acquired or earmarked as a result of holding shares (or other securities or assets) mentioned in (b); or (d) any amount due in respect of assets within (a) to (c) above and not made good by the Participant within the time limit specified in section 222 ITEPA.

"Tax Liability": the total of (a) any income tax and primary class 1 (employee) national insurance contributions that any employer (or former employer) of the Participant is liable to account for (or reasonably believes it is liable to account for) as a result of any Taxable Event; and (b) any Employer NICs that any employer (or former employer) of the Participant is liable to pay (or reasonably believes it is liable to pay) as a result of any Taxable Event and that can be recovered lawfully from the Participant.

Section 22 shall be replaced by the following provision:

Nothing contained in the Plan or this Performance Award shall form part of the Participant's contract of employment. The Participant hereby acknowledges that under no circumstances will s/he, on ceasing to be an employee or director of or otherwise engaged by the Company or any of its Subsidiaries for any reason (including as a result of a repudiatory breach of contract by the Company or any of its Subsidiaries), be entitled to any compensation for any loss of any right or benefit or prospective right or benefit under the Plan that s/he might otherwise

have enjoyed whether such compensation is claimed by way of damages for wrongful dismissal or other breach of contract or by way of compensation for loss of office or otherwise howsoever. By signing this Performance Award the Participant shall be deemed irrevocably to have waived any such entitlement.

IN WITNESS WHEREOF, the parties hereto have executed this Award Agreement as of the date set forth above.

**ENDO INTERNATIONAL PLC**

By: _____

Name: Blaise Coleman
Title: President & Chief Executive Officer

PARTICIPANT

Signature: _____
Print Name: _____

**EXHIBIT A**

(I) **TSR Performance Criteria.**

The Participant will be entitled to receive a number of shares of Company Stock as of the TSR Vesting Date, equal to a multiple of the TSR Target Performance Award achieved based on achievement of targets relating to Relative TSR (the "TSR Performance Criteria") as described below for the TSR Performance Period:

| **Relative TSR** | **Multiple Applicable to TSR Target Performance Award** |
|---|---|
| Equal to or above 90th percentile | 2 |
| Equal to or above 80th percentile but below 90th percentile | 1.61 - 1.80 |
| Equal to or above 70th percentile but below 80th percentile | 1.41 - 1.60 |
| Equal to or above 60th percentile but below 70th percentile | 1.21 - 1.40 |
| Equal to or above 50th percentile but below 60th percentile | 1.00 - 1.20 |
| Equal to or above 40th percentile but below 50th percentile | 0.5 |
| Below 40th percentile | 0 |

In the event that Relative TSR over the TSR Performance Period is negative, the multiple applicable to the TSR Target Performance Award shall not exceed 1.

If Relative TSR is equal to or above the 50th percentile but below the 90th percentile, the Participant will vest in a number of shares of Company Stock that is the mathematical linear interpolation between the number of shares of Company Stock that would vest at the defined ends of the applicable spectrum. No such interpolation shall occur in the event that Relative TSR is below the 50th percentile or equal to or above the 90th percentile.

The determination of Relative TSR will be made in the sole discretion of the Committee, after the end of the TSR Performance Period once the applicable year-end audit is available. The Committee has discretion to accelerate the vesting of all or a portion of the Participant's TSR Performance Award based upon the overall performance of the Company and/or the Participant or based upon any change in business conditions.

(II) **Definitions.**

For purposes of this Exhibit A, the following terms have the meanings set forth below:

"Comparator Group" shall mean the companies listed on Annex A, attached hereto. Each such company shall be included in the Comparator Group only if the company is publicly-traded at both the beginning and end of the TSR Performance Period.

"Per Share Price" shall mean the average of the closing prices of common shares for the applicable company during the thirty (30) consecutive trading days ending on the day immediately preceding the applicable measurement date.

“Relative TSR” shall mean the percentile ranking of the Company’s Total Shareholder Return as compared to the Total Shareholder Return of each company in the Comparator Group.

“Total Shareholder Return” shall mean the appreciation of the Per Share Price during the TSR Performance Period, plus any dividends paid on the applicable company’s common stock during such TSR Performance Period.

## Comparator Group

1. AbbVie Inc. (ABBV)
2. Abbott Laboratories (ABT)
3. Akorn, Inc. (AKRX)
4. Alexion Pharmaceuticals Inc. (ALXN)
5. Alkermes plc (ALKS)
6. Allergan plc (AGN)
7. Amgen Inc. (AMGN)
8. Amneal Pharmaceuticals Inc. (AMRX)
9. AstraZeneca plc (AZN)
10. Biogen Inc. (BIIB)
11. BioMarin Pharmaceutical Inc. (BMRN)
12. Bristol-Myers Squibb Company (BMY)
13. Dr. Reddy’s Laboratories Ltd. (RDY)
14. Eli Lilly and Company (LLY)
15. Gilead Sciences Inc. (GILD)
16. GlaxoSmithKline plc (GSK)
17. Horizon Pharma Public Limited Company (HZNP)
18. Incyte Corporation (INCY)
19. Jazz Pharmaceuticals Public Limited Company (JAZZ)
20. Johnson & Johnson (JNJ)
21. Lannett Company (LCI)
22. Mallinckrodt Public Limited Company (MNK)
23. Merck & Co. Inc. (MRK)
24. Mylan N.V. (MYL)
25. Novartis AG (NVS)
26. Novo Nordisk A/S (NVO)
27. Perrigo Company Public Limited Company (PRGO)
28. Pfizer Inc. (PFE)
29. Qiagen NV (QGEN)
30. Regeneron Pharmaceuticals Inc. (REGN)
31. Roche Holding AG (RHHBY)
32. Sanofi (SNY)
33. Taro Pharmaceutical Industries Ltd. (TARO)
34. Teva Pharmaceutical Industries Limited (TEVA)
35. United Therapeutics Corporation (UTHR)
36. Valeant Pharmaceuticals International, Inc. (VRX)
37. Vertex Pharmaceuticals Inc. (VRTX)
38. Zoetis Inc. (ZTS)

**EXHIBIT B**

**The following exhibit contains the FCF Performance Criteria in respect of 2020 through 2022, which is the FCF Performance Period for the 2020 FCF Performance Award.**

(I) **FCF Performance Criteria.**

The Participant will be eligible to earn a number of shares of Company Stock equal to the number of restricted stock units underlying the target FCF Performance Award multiplied by the multiple applicable to the FCF Performance Award for the FCF Performance Period, which will be based on achievement of a Target relating to Adjusted Free Cash Flow (the "FCF Performance Criteria") and determined in accordance with the below:

| **Adjusted Free Cash Flow*** | **Multiple Applicable to FCF Performance Award for the FCF Performance Period** |
|---|---|
| Equal to or greater than 110% of Target | 2 |
| Equal to or greater than 107.5% of Target but less than 110% of Target | 1.75 |
| Equal to or greater than 105% of Target but less than 107.5% of Target | 1.5 |
| Equal to or greater than 102.5% of Target but less than 105% of Target | 1.25 |
| Equal to or greater than 100% of Target but less than 102.5% of Target | 1 |
| Equal to or greater than 95% of Target but less than 100% of Target | 0.75 |
| Equal to or greater than 90% of Target but less than 95% of Target | 0.5 |
| Less than 90% of Target | 0 |

If Adjusted Free Cash Flow is equal to or greater than 90% of Target but below 110% of Target, the Participant will earn a number of shares of Company Stock that is the mathematical linear interpolation between the number of shares of Company Stock that would be earned at the defined ends of the applicable spectrum. No such interpolation shall occur in the event that Adjusted Free Cash Flow is less than 90% of Target or equal to or greater than 110% of Target.

The determination of Adjusted Free Cash Flow will be made in the sole discretion of the Committee, after the end of the FCF Performance Period once the 2022 year-end audit is available. The Committee may adjust the FCF Performance Award in a manner approved by the Committee at the time of the grant of the FCF Performance Award. The Committee has discretion to increase the portion of the Participant's FCF Performance Award earned based upon the overall performance of the Company and/or the Participant or based upon any change in business conditions.

(II) **Definitions.**

For purposes of this Exhibit B, the following terms have the meanings set forth below:

"Adjusted EBITDA" shall have the meaning set forth in the most recent Form 8-K filed by the Company with the Securities and Exchange Commission (SEC) immediately preceding the date on which the Committee approves the Target, for which the purpose of such 8-K was to furnish

to the SEC the Company's earnings press release (a copy of such Form 8-K filing is available on the Company's website)

"Capital Expenditures" shall mean the Company's purchases of property, plant and equipment (including capitalized software costs).

"Changes in Net Working Capital" shall mean changes in accounts receivable adjusted for non-cash items, plus changes in inventory adjusted for long-term and non-cash items, less changes in accounts payable adjusted for royalties and rebates.

"Adjusted Free Cash Flow" shall mean the metric that is calculated according to the following formula:

| | |
|---|---|
| | Adjusted EBITDA |
| +/- | Changes in Net Working Capital |
| - | Capital Expenditures |
| +/- | In the case of any one or more acquisitions that occur after the formal Committee approval of the Target, the free cash flow arising from the acquiree's operations subsequent to the date on which such acquiree is first consolidated by the Company (the direction of this adjustment shall be to neutralize the impact of any such acquisitions) |
| +/- | In the case of any one or more divestitures that occur after the formal Committee approval of the Target, the free cash flows of the divestee's operations that were forgone (at Target levels) subsequent to the date on which such divestee is first deconsolidated by the Company (the direction of this adjustment shall be to neutralize the impact of any such divestitures) |
| +/- | In the case of any one or more acquisitions or divestitures that occur after the formal Committee approval of the Target, any other income, expenses, gains or losses not otherwise adjusted for in this formula that are directly related to such acquisitions or divestitures (the direction of this adjustment shall be to neutralize the impact of any such acquisitions or divestitures) |
| +/- | In the case of any one or more changes to our methodology for calculating Adjusted EBITDA, Changes in Net Working Capital or Capital Expenditures that occur after the formal Committee approval of the Target, any residual impacts to Adjusted Free Cash Flow not otherwise adjusted for in this formula that are directly related to such changes (the direction of this adjustment shall be to neutralize the impact of any such changes) |

"Target" shall mean [ ] USD ($[ ]).

Grant No.

**ENDO INTERNATIONAL PLC**
**LONG-TERM CASH AWARD AGREEMENT**
**UNDER THE AMENDED AND RESTATED 2015 STOCK INCENTIVE PLAN**

This Award Agreement (this "Award Agreement"), is made and entered into as of the date of grant set forth below (the "Date of Grant") by and between Endo International plc, an Irish public limited company (the "Company"), and the participant named below (the "Participant"). Capitalized terms not defined herein shall have the meanings ascribed to them in the Company's Amended and Restated 2015 Stock Incentive Plan (the "Plan"). Where the context permits, references to the Company shall include any successor to the Company.

| | |
|---|---|
| Name of Participant: | |
| Total Amount of Restricted Cash Subject to the Award: | |
| Date of Grant: | |
| Vesting Dates: | Award vests ratably in 6 tranches with the first tranche vesting six months following the Date of Grant and each additional tranche vesting six months following the prior vesting date such that the entire Award is vested on the third anniversary of the Date of Grant. |

1. Grant of Award. The Company hereby grants to the Participant the restricted cash award set forth above (the "Award"), subject to all of the terms and conditions of this Award Agreement and the Plan.

2. Form of Payment and Vesting. The Award granted hereunder shall vest on the vesting dates set forth above, provided that the Participant is employed by the Company or one of its Subsidiaries on the applicable vesting date (except as set forth in Paragraph 4 of this Award Agreement). The Participant shall be entitled to receive an amount in cash equal to one-sixth (1/6) of the total amount of restricted cash subject to the Award as soon as practicable following the applicable vesting date, but no later than the later to occur of (a) the end of the calendar year in which the applicable vesting date occurs and (b) the fifteenth day of the third calendar month following the applicable vesting date.

3. Restrictions. The Award granted hereunder may not be sold, assigned, transferred, pledged, hypothecated or otherwise disposed of or encumbered, and shall be subject to a risk of forfeiture until any requirements or restrictions contained in this Award Agreement or in the Plan have been otherwise satisfied, terminated or expressly waived by the Company in writing.

4. Termination of Service; Disability.

(a) Termination of Service for Cause. Upon the Participant's termination of service with the Company and its Subsidiaries for Cause, the unvested portion of the Participant's Award shall be forfeited as of such date.

(b) Termination of Service on Account of Death. Upon termination of the Participant's service with the Company and its Subsidiaries on account of death, the unvested portion of the Participant's Award shall immediately vest.

(c) Termination of Service on Account of Voluntary Retirement with Consent of Company. If the Participant voluntarily Retires with the consent of the Company, the unvested portion of the Participant's Award as of the date of termination shall continue to vest in accordance with the original vesting schedule set forth in Paragraph 2 of this Award Agreement.

(d) Disability. If the Participant incurs a Disability that also constitutes a "disability" within the meaning of Section 409A, the unvested portion of the Participant's Award as of the date of such Disability shall continue to vest in accordance with the original vesting schedule set forth in Paragraph 2 of this Award Agreement regardless of any subsequent termination of service.

(e) Termination of Service by the Company without Cause or by the Participant for Good Reason. Upon termination of the Participant's service with the Company and its Subsidiaries by the Company or its Subsidiaries without Cause, any portion of the Award that is unvested as of date of termination shall be forfeited. If a Participant is a party to an employment agreement with the Company or a Subsidiary and such employment agreement provides for benefits on a termination of employment for "Good Reason," (x) a termination of the Participant's employment for Good Reason shall constitute a termination without Cause for purposes of Paragraphs 4 and 5 of this Award Agreement and (y) Good Reason will also include the Participant's termination of employment within ninety (90) days following the expiration of the employment term of the Participant's employment agreement under circumstances that would have constituted Good Reason had such termination occurred during the employment term.

(f) Termination of Service for any Other Reason. Unless otherwise provided in an individual agreement with the Participant, if the Participant has a termination of service for any reason other than the reasons enumerated in Subparagraphs (a) through (e) above, any portion of the Award that is unvested as of date of termination of services shall be forfeited.

5. Change in Control. In the event of a Change in Control:

(a) if the Award is assumed or substituted (within the meaning of the Plan) in connection with such Change in Control, and the Participant incurs a termination of service with the Company and its Subsidiaries by the Company or its Subsidiary without Cause during the 24-month period following such Change in Control, then the Award shall vest on the date of such termination of services.

(b) if the Award is not assumed or substituted in connection with such Change in Control, then the Award shall immediately vest and become payable in accordance with Paragraph 2 upon the occurrence of the Change in Control.

6. Change in Control Definition. Notwithstanding anything to the contrary in the Plan, for purposes of this Award Agreement, "Change in Control" means and shall be deemed to have occurred upon the first of the following events to occur:

(a) Any "Person" (as defined below) is or becomes the "beneficial owner" ("Beneficial Owner") within the meaning set forth in Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), directly or indirectly, of securities of the Company (not including in the securities beneficially owned by such Person any securities acquired directly from the Company or its "Affiliates" (as defined in Rule 12b-2 promulgated under Section 12 of the Exchange Act)) representing 30% or more of the combined voting power of the Company's then outstanding securities, excluding any Person who becomes such a Beneficial Owner in connection with a transaction described in clause (A) of Subparagraph (c) below; or

(b) The following individuals cease for any reason to constitute a majority of the number of directors then serving: individuals who, on the date hereof, constitute the Board of Directors and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of the Company) whose appointment or election by the Board of Directors or nomination for election by the Company's shareholders was approved or recommended by a vote of at least two-thirds (2/3) of the directors

then still in office who either were directors on the date hereof or whose appointment, election or nomination for election was previously so approved or recommended; or

(c) There is consummated a merger or consolidation of the Company or any direct or indirect subsidiary of the Company with any other corporation or other entity, other than (A) a merger or consolidation which results in (i) the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof), in combination with the ownership of any trustee or other fiduciary holding securities under an employee benefit plan of the Company or any subsidiary of the Company, at least 60% of the combined voting power of the securities of the Company or such surviving entity or any parent thereof outstanding immediately after such merger or consolidation and (ii) the individuals who comprise the Board of Directors immediately prior thereto constituting immediately thereafter at least a majority of the board of directors of the Company, the entity surviving such merger or consolidation or, if the Company or the entity surviving such merger is then a subsidiary, the ultimate parent thereof, or (B) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities Beneficially Owned by such Person any securities acquired directly from the Company or its Affiliates) representing 30% or more of the combined voting power of the Company's then outstanding securities; or

(d) The shareholders of the Company approve a plan of complete liquidation or dissolution of the Company or there is consummated an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets (it being conclusively presumed that any sale or disposition is a sale or disposition by the Company of all or substantially all of its assets if the consummation of the sale or disposition is contingent upon approval by the Company's shareholders unless the Board of Directors expressly determines in writing that such approval is required solely by reason of any relationship between the Company and any other Person or an Affiliate of the Company and any other Person), other than a sale or disposition by the Company of all or substantially all of the Company's assets to an entity (A) at least 60% of the combined voting power of the voting securities of which are owned by shareholders of the Company in substantially the same proportions as their ownership of the Company immediately prior to such sale or disposition and (B) the majority of whose board of directors immediately

following such sale or disposition consists of individuals who comprise the Board of Directors immediately prior thereto.

For purposes hereof, "Person" shall have the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 15(d) thereof, except that such term shall not include (i) the Company or any of its Subsidiaries, (ii) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its Affiliates, (iii) an underwriter temporarily holding securities pursuant to an offering of such securities, or (iv) a corporation owned, directly or indirectly, by the shareholders of the Company in substantially the same proportions as their ownership of stock of the Company.

Notwithstanding the foregoing, (i) a "Change in Control" shall not be deemed to have occurred by virtue of the consummation of any transaction or series of integrated transactions immediately following which the record holders of Company Stock immediately prior to such transaction or series of transactions continue to have substantially the same proportionate ownership in an entity which owns all or substantially all of the assets of the Company immediately following such transaction or series of transactions and (ii) to the extent required to avoid the imposition of taxes or penalties under Section 409A of the Code with respect to any Award that constitutes a deferral of compensation subject to Section 409A of the Code, no such Award shall become payable as a result of the occurrence of a Change in Control unless such Change in Control also constitutes a change in the ownership or effective control of the Company or a change in ownership of a substantial portion of the assets of the Company under Section 409A of the Code.

For the avoidance of doubt, any one or more of the events described in subparagraphs (a) through (d) may be effected pursuant to (A) a takeover under Irish takeover rules; (B) a compromise or arrangement under Chapter 1 of Part 9 of the Companies Act 2014 of the Republic of Ireland or (C) Chapter 2 of Part 9 of the Companies Act 2014 of the Republic of Ireland.

7. Award Agreement Subject to Plan. This Award Agreement is made pursuant to all of the provisions of the Plan, which is incorporated herein by reference, and is intended, and shall be interpreted in a manner, to comply therewith. In the event of any conflict between the provisions of this Award Agreement and the provisions of the Plan, the provisions of the Plan shall govern, except as expressly provided by Paragraph 6 of this Award Agreement.

8. No Rights to Continuation of Service. Nothing in the Plan or this Award Agreement shall confer upon the Participant any right to continue in the employ of the Company or any Subsidiary thereof or shall interfere with or restrict the right of the Company or its

shareholders (or of a Subsidiary or its shareholders, as the case may be) to terminate the Participant's service any time for any reason whatsoever, with or without Cause.

9. Tax Withholding. The Company and its Subsidiaries shall be entitled to deduct from any Award granted hereunder or other compensation payable to the Participant any sums required by federal, state or local tax law to be withheld or to satisfy any applicable payroll deductions with respect to the vesting of, lapse of restrictions on, or payment of any Award, up to the maximum statutory tax rates.

10. Section 409A Compliance. The Award is intended to comply with Code Section 409A to the extent subject thereto and shall be interpreted in accordance with Code Section 409A and Department of Treasury regulations and other interpretive guidance issued thereunder, including without limitation any such regulations or other guidance that may be issued after the Date of Grant. Notwithstanding any provision in the Plan or Award Agreement to the contrary, no payment or distribution under this Award Agreement that constitutes an item of deferred compensation under Code Section 409A and becomes payable by reason of the Participant's termination of service with the Company and its Subsidiaries will be made to the Participant until the Participant's termination of service constitutes a "separation from service" (as defined in Code Section 409A). For purposes of this Award Agreement, each amount to be paid or benefit to be provided shall be construed as a separate identified payment for purposes of Code Section 409A. If a participant is a "specified employee" (as defined in Code Section 409A), then to the extent necessary to avoid the imposition of taxes under Code Section 409A, such Participant shall not be entitled to any payments upon a termination of his or her service until the earlier of: (i) the expiration of the six (6)-month period measured from the date of such Participant's "separation from service" and (ii) the date of such Participant's death. Upon the expiration of the applicable waiting period set forth in the preceding sentence, all payments and benefits deferred pursuant to this Paragraph 10 (whether they would have otherwise been payable in a single lump sum or in installments in the absence of such deferral) shall be paid to such Participant in a lump sum as soon as practicable, but in no event later than sixty (60) calendar days, following such expired period, and any remaining payments due under this Award Agreement will be paid in accordance with the normal payment dates specified for them herein.

11. Governing Law. This Award Agreement shall be governed by, interpreted under, and construed and enforced in accordance with the internal laws, and not the laws pertaining to conflicts or choices of laws, of the State of Delaware applicable to agreements made and to be performed wholly within the State of Delaware.

12. Binding on Successors. The terms of this Award Agreement shall be binding upon the Participant and upon the Participant's heirs, executors, administrators, personal

representatives, transferees, assignees and successors in interest, and upon the Company and its successors and assignees, subject to the terms of the Plan.

13. No Assignment. Notwithstanding anything to the contrary in this Award Agreement, neither this Award Agreement nor any rights granted herein shall be assignable by the Participant.

14. Necessary Acts. The Participant hereby agrees to perform all acts, and to execute and deliver any documents that may be reasonably necessary to carry out the provisions of this Award Agreement, including but not limited to all acts and documents related to compliance with federal and/or state securities and/or tax laws and applicable Irish law.

15. Entire Award Agreement. This Award Agreement and the Plan contain the entire agreement and understanding among the parties as to the subject matter hereof.

16. Headings. Headings are used solely for the convenience of the parties and shall not be deemed to be a limitation upon or descriptive of the contents of any such Paragraph.

17. Counterparts. This Award Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument.

18. Notices. All notices and other communications under this Award Agreement shall be in writing and shall be given by first class mail, certified or registered with return receipt requested, and shall be deemed to have been duly given three days after mailing to the respective parties named below:

If to Company:

Endo International plc
c/o Endo Health Solutions Inc.
1400 Atwater Drive
Malvern, PA 19355
Attention: Treasurer

If to the Participant:

At the address on file with the Company.

Either party hereto may change such party’s address for notices by notice duly given pursuant hereto.

19. Amendment. No amendment or modification hereof shall be valid unless it shall be in writing and signed by all parties hereto.

20. Acceptance. The Participant hereby acknowledges receipt of a copy of the Plan and this Award Agreement. The Participant has read and understands the terms and provisions thereof, and accepts the Award subject to all the terms and conditions of the Plan and this Award Agreement.

21. No Compensation for Loss of Rights. The Participant hereby acknowledges that under no circumstances will s/he, on ceasing to be an employee or director of the Company and its Subsidiaries, be entitled to any compensation for any loss of any right or benefit or prospective right or benefit under the Plan that s/he might otherwise have enjoyed whether such compensation is claimed by way of damages for wrongful dismissal or other breach of contract or by way of compensation for loss of office or otherwise howsoever.

22. Severability. All the terms and provisions of this Award Agreement are distinct and severable, and if any term or provision is held unenforceable, illegal or void in whole or in part by any court, regulatory authority or other competent authority it shall to that extent be deemed not to form part of this Award Agreement, and the enforceability, legality and validity of the remainder of this Award Agreement will not be affected; if any invalid, unenforceable or illegal provision would be valid, enforceable or legal if some part of it were deleted, the provision shall apply with whatever modification is necessary to make it valid, enforceable and legal.

23. Data Protection. The Participant hereby acknowledges and consents to the Company and any Subsidiary sharing and exchanging his/her information held in order to administer and operate the Plan (including personal details, data relating to participation, salary, taxation and employment and sensitive personal data, e.g. data relating to physical or mental health, criminal conviction or the alleged commission of offences) (the “Information”) and providing the Company and/or the Subsidiary’s agents and/or third parties with the Information for the administration and operation of the Plan and the Participant further accepts that this may involve the Information being sent to a country outside the country in which the Participant provides services including to a country which may not have the same level of data protection laws as his/her home country. The Participant acknowledges that s/he has the right to request a list of the names and addresses of any potential recipients of the Information and to review and correct the Information by contacting his/her local human resources representative. The Participant acknowledges that the collection, processing and transfer of the Information is important to Plan administration and that failure to consent to same may prohibit participation in the Plan.

24. Additional Matters. This Award Agreement is intended to comply with the applicable laws of any country or jurisdiction where the Awards are granted under the Plan, and all provisions hereof shall be construed in a manner to so comply. The following provisions apply to Participants providing services in the country noted:

**Canada:**

The "Vesting Dates" for the Award shall be deleted in its entirety and replaced with the following language:

> Award vests ratably in 6 tranches with the first tranche vesting six months following the Date of Grant and each additional tranche vesting six months following the prior vesting date, except that the final tranche vests on November 30th, 2022.

Section 2 above shall be deleted in its entirety and replaced with the following language:

> Form of Payment and Vesting. The Award granted hereunder shall vest on the vesting dates set forth above, provided that the Participant is employed by the Company or one of its Subsidiaries on the applicable vesting date (except as set forth in Paragraph 4 of this Award Agreement). The Participant shall be entitled to receive an amount in cash equal to one-sixth (1/6) of the total amount of restricted cash subject to the Award as soon as practicable following the applicable vesting date, but no later than the later to occur of (a) the end of the calendar year in which the applicable vesting date occurs and (b) the fifteenth day of the third calendar month following the applicable vesting date, except that the final tranche shall be paid no later than December 31, 2022.

Section 4 above shall be amended to add the following language at the end thereof as a new subsection (g):

> (g) The Participant's date of termination of service shall be the Participant's last day of active service with the Company and its Subsidiaries and shall not include any period of statutory, contractual or common law reasonable notice or any period of deemed employment or salary continuance.

Section 9 above shall be deleted in its entirety and replaced with the following language:

> 9. Tax Withholding. The Company shall be entitled to deduct from any Award granted hereunder or other compensation payable to the Participant any sums required by federal, provincial or local tax law to be withheld or to satisfy any applicable payroll deductions with respect to the vesting of, lapse of restrictions on, or payment of any Award.

**India:**

As used herein, "Participant" shall not include consultants of any Subsidiary in India.

Section 4(b) shall deleted in its entirety and replaced with the following language:

Termination of Service on Account of Death. Upon termination of the Participant's service on account of death, all of the Participant's unvested Awards shall immediately vest in his legal heirs or nominees.

Section 4(c) shall be deleted in its entirety and replaced with the following language:

Termination of Service on Account of Voluntary Retirement with Consent of Company. If the Participant voluntarily Retires with the consent of the Company, all of the Participant's unvested Awards shall vest on the date of termination of service.

Section 4(d) shall be deleted in its entirety and replaced with the following language:

Disability. If the Participant incurs a Disability that also constitutes a "disability" within the meaning of Section 409A, all of the Participant's unvested Awards as of the date of such Disability shall continue to vest in accordance with the original vesting schedule set forth in Paragraph 2 of this Award Agreement regardless of any subsequent termination of service, provided such Disability does not result in termination of service. In the event of termination of service, the unvested Award shall vest in him on the date of termination.

Section 9 shall be deleted in its entirety and replaced with the following language:

Tax Withholding. The Subsidiary under whose payroll the Participant is registered shall have the right to deduct or withhold from the Award or payroll of the Participant an amount sufficient to satisfy income taxes required by law to be withheld with respect to the vesting of, lapse of restrictions on, or payment of any Award or to satisfy any applicable payroll deductions. The obligations of the Company under this Award Agreement will be conditioned on such arrangement and the Company or such Subsidiary will, to the extent permitted by law, have the right to deduct any such taxes from any payment of any kind otherwise due to the Participant.

Section 12 shall be amended to delete the term "transferees".

Section 13 shall be deleted in its entirety and replaced with the following language:

No Assignment. Notwithstanding anything to the contrary in this Award Agreement, but subject to the assignment of the Award upon death of the Participant, neither this Award Agreement nor any rights granted herein shall be assignable by the Participant.

Section 14 shall be deleted in its entirety and replaced with the following language:

Necessary Acts. The Participant hereby agrees to perform all acts, and to execute and deliver any documents that may be reasonably necessary to carry out the provisions of this Award Agreement, including but not limited to all acts and documents related to compliance with federal and/or state securities and/or tax laws and applicable Indian law. The rights and interests of the Participant under the Award Agreement shall be subject to

compliance under the Foreign Exchange Management Act, 1999 and the related rules thereto.

**Ireland:**

Section 4(c) above shall be deleted and be of no force and effect.

Section 8 above shall be deleted in its entirety and replaced with the following language:

No Rights to Continuation of Service. Nothing in the Plan or this Award Agreement shall confer upon the Participant any right to continue in the employ of the Company or any Subsidiary thereof or shall interfere with or restrict any right the Company or its shareholders (or of a Subsidiary or its shareholders, as the case may be) may have to terminate the Participant's service any time for any reason whatsoever, with or without Cause, subject to applicable law.

Section 21 shall be deleted in its entirety and replaced by the following provision:

Nothing contained in the Plan or this Award shall form part of the Participant's contract of employment. The Participant hereby acknowledges that under no circumstances will s/he, on ceasing to be an employee or director of or otherwise engaged by the Company or any of its Subsidiaries for any reason (including as a result of a repudiatory breach of contract by the Company or any of its Subsidiaries), be entitled to any compensation for any loss of any right or benefit or prospective right or benefit under the Plan that s/he might otherwise have enjoyed whether such compensation is claimed by way of damages for wrongful dismissal or other breach of contract or by way of compensation for loss of office or otherwise howsoever. By signing this Award the Participant shall be deemed irrevocably to have waived any such entitlement.

Section 23 shall be amended by the addition of the following sentence at the end of the clause:

For the purposes of operating the Plan, the Company will collect and process information relating to the Participant in accordance with the privacy notice that is available from the human resources department of the Company on request.

**Luxembourg**:

Section 4(c) above shall be deleted in its entirety and replaced with the following language:

Termination of Service on Account of Retirement. If the Participant voluntarily retires according to Luxembourg employment law, all of the Participant's then unvested Awards shall vest on the Participant's termination date.

Section 4(d) above shall be amended to (i) delete the phrase "that also constitutes a 'disability' within the meaning of Section 409A of the Code" therefrom and (ii) add the following language at the end thereof:

As used herein, “Disability” shall mean either (i) the Participant’s inability to, solely because of injury or physical or mental illness, perform the material duties of his or her regular occupation in a situation where the Participant receives paid sickness, incapacity or invalidity benefits from any of the Luxembourg competent authorities for a period that lasts or can reasonably be expected to last for a continuous period of 6 months, or (ii) the Participant’s *reclassement* by the competent commission following an irrevocable decision from said commission.

Section 4 above shall be amended to add the following language at the end thereof as a new sub-section (g):

(g) It is understood that the Participant’s termination of service for any reason shall take place in accordance with applicable Luxembourg employment law rules.

Section 9 above shall be amended to add the following language at the end thereof:

For Participants subject to Luxembourg employment law, the Company shall comply with Circular L.I.R. n°104/2 dated 29 November 2017 and issued by the Luxembourg Tax Administration to the extent subject thereto and shall be interpreted in accordance with its provisions and other interpretive guidance issued thereunder, including without limitation any such regulations or other guidance that may be issued after the Date of Grant.

Section 12 above shall be amended to delete the word “transferees” therefrom.

Section 13 above shall be deleted in its entirety and replaced with the following language:

No Assignment or Transfer. Notwithstanding anything to the contrary in this Award Agreement, neither this Award Agreement nor any rights granted herein shall be assignable by the Participant. Neither this Award Agreement nor any rights granted herein shall be transferable by the Participant in any circumstances, except on the death of the Participant.

Section 23 above shall be amended to add the following language at the end thereof:

, it being understood that for the purposes hereunder any Information on the Participant shall be processed in accordance with the Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, as well as any applicable local laws.

**United Kingdom:**

As used herein, “Cause” shall have the meaning set forth in the Plan and, with respect to any Participant who is a party to an employment agreement with the Company, the definition of

"Cause" shall include any circumstances in which the Company may terminate the Participant's employment agreement without notice in accordance with its terms.

Section 4(c) above shall be deleted and be of no force and effect.

As used herein, "Disability" shall mean the Participant's inability to, solely because of injury or physical or mental illness: (i) perform the material duties of his or her regular occupation and (ii) earn 80% or more of his or her base salary or wages in respect of his or her regular occupation, for a period that lasts or can reasonably be expected to last for a continuous period of 12 months.

Section 9 above shall be amended to add the following language at the end thereof:

Tax Liabilities. The Participant irrevocably agrees to pay, or enter into arrangements to the satisfaction of the Company to pay, to the Company, the Participant's employer or former employer (as appropriate) the amount of any Tax Liability. For the purposes of this section the following capitalized terms shall have the meanings set out below:

"Taxable Event": any event or circumstance that gives rise to a liability for the Participant to pay income tax and national insurance contributions or either of them in respect of: (a) the Award, including its assignment or surrender for consideration, or the receipt of any benefit in connection with it; (b) any amounts or assets: (i) earmarked or held to satisfy the Award; (ii) acquired pursuant to the Award; or (iii) acquired in consideration of the assignment or surrender of the Award; or (c) any amount due in respect of assets within (a) above and not made good by the Participant within the time limit specified in section 222 ITEPA.

"Tax Liability": any income tax and primary class 1 (employee) national insurance contributions that any employer (or former employer) of the Participant is liable to account for (or reasonably believes it is liable to account for) as a result of any Taxable Event.

Section 21 shall be replaced by the following provision:

Nothing contained in the Plan or this Award shall form part of the Participant's contract of employment. The Participant hereby acknowledges that under no circumstances will s/he, on ceasing to be an employee or director of or otherwise engaged by the Company or any of its Subsidiaries for any reason (including as a result of a repudiatory breach of contract by the Company or any of its Subsidiaries), be entitled to any compensation for any loss of any right or benefit or prospective right or benefit under the Plan that s/he might otherwise have enjoyed whether such compensation is claimed by way of damages for wrongful dismissal or other breach of contract or by way of compensation for loss of

office or otherwise howsoever. By signing this Award the Participant shall be deemed irrevocably to have waived any such entitlement. This exclusion applies equally (and without limitation) to any loss arising from the way in which discretion is (or is not) exercised under any Section of the Plan even if the exercise (or non-exercise) of such discretion is, or appears to be, irrational or perverse or breaches, or is claimed to breach, any implied term of the Plan or any other contract between the Participant and the Participant's employer.

Section 23 shall be replaced with the following:

By participating in the Plan, the Participant acknowledges that the Company and its Subsidiaries may hold and process data relating to him or her (including personal data) in relation to and as a consequence of the Award. The Company, its Subsidiaries and the Participant's employer hold certain personal information, including the Participant's name, home address and telephone number, date of birth, identification number, salary, nationality, job title, any Awards awarded, forfeited, vested, unvested or outstanding in the Participant's favour, for the purpose of managing and administering the Plan ("Data"). The Company and its Subsidiaries will transfer Data to any third parties assisting the Company in the implementation, administration and management of the Plan. These recipients may be located outside of the European Economic Area including in the UK or the United States.

IN WITNESS WHEREOF, the parties hereto have executed this Award Agreement as of the date set forth above.

**ENDO INTERNATIONAL PLC**

By: _____

Name: Blaise Coleman
Title: President & Chief Executive Officer

**PARTICIPANT**

Signature: _____
Print Name: _____

ENDO HEALTH SOLUTIONS INC.

EXECUTIVE EMPLOYMENT AGREEMENT

THIS AGREEMENT (this "Agreement") is hereby entered into as of April 28, 2020, effective as of April 26, 2020 (the "Effective Date"), by and between Endo Health Solutions Inc. (the "Company"), a wholly-owned subsidiary of Endo International plc ("Endo"), and Patrick Barry ("Executive") (hereinafter collectively referred to as "the parties").

In consideration of the respective agreements of the parties contained herein, it is agreed as follows:

1. Term. The term of this Agreement shall be for the period commencing on the Effective Date and ending, subject to earlier termination as set forth in Section 6, on the third anniversary thereof (the "Employment Term").

2. Employment. During the Employment Term:

(a) Executive shall serve as EVP and President, Global Commercial Operations and shall be assigned with the customary duties and responsibilities of such position. If Executive serves as a director of Endo or as a director or officer of any of Endo's affiliates, then Executive will fulfill Executive's duties as such director or officer without additional compensation.

(b) Executive shall report directly to Endo's Chief Executive Officer. Executive shall perform the duties, undertake the responsibilities and exercise the authority customarily performed, undertaken and exercised by persons situated in a similar executive capacity.

(c) Executive shall devote substantially full-time attention to the business and affairs of the Company and its affiliates. Executive may (i) serve on corporate, civic, charitable or non-profit boards or committees, subject in all cases to the prior approval of the board of directors of Endo (the "Board") and other applicable written policies of the Company and its affiliates as in effect from time to time, and (ii) manage personal and family investments, participate in industry organizations and deliver lectures at educational institutions or events, so long as no such service or activity unreasonably interferes, individually or in the aggregate, with the performance of Executive's responsibilities hereunder.

(d) Executive shall be subject to and shall abide by each of the personnel and compliance policies of the Company and its affiliates applicable and communicated in writing to senior executives.

(e) Executive shall primarily provide services at the Company's office in Malvern, Pennsylvania, and will travel to additional locations to the extent reasonably necessary and appropriate to fulfill Executive's duties.

3. Annual Compensation.

(a) Base Salary. The Company agrees to pay or cause to be paid to Executive during the Employment Term a base salary at the rate of $550,000 per annum or such increased amount in accordance with this Section 3(a) (hereinafter referred to as the "Base Salary"). Such Base Salary shall be payable in accordance with the Company's customary practices applicable to its executives. Such Base Salary shall be reviewed at least annually by the Compensation Committee of the Board (the "Committee"), with the first such planned review to occur in February 2021, and may be increased in the sole discretion of the Committee, but not decreased.

(b) Annual Incentive Compensation. For each fiscal year of the Company ending during the Employment Term, effective as of the 2020 fiscal year, Executive shall be eligible to receive a target annual cash bonus of 60% of Executive's Base Salary (such target bonus, as may hereafter be increased, the "Target Bonus") with the opportunity to receive a maximum annual cash bonus in accordance with the terms of the applicable annual cash bonus plan as in effect from time to time, subject to the achievement of performance targets set by the Committee. Such annual cash bonus ("Incentive Compensation") shall be paid in no event later than the 15th day of the third month following the end of the taxable year (of the Company or Executive, whichever is later) in which the performance targets have been achieved. If the parties (following good faith negotiation) fail to enter into a new employment agreement following expiration of the Employment Term and Executive terminates Executive's employment within ninety (90) days following expiration of the Employment Term under circumstances that would have constituted Good Reason had such termination occurred during the Employment Term or if, during such 90-day period, the Company terminates Executive's employment under circumstances that would not have constituted Cause had such termination occurred during the Employment Term, then the Company shall pay Executive a Pro-Rata Bonus (as defined in Section 8(b)(ii) below) in a lump sum at the time bonuses are payable to other senior executives of the Company.

4. Long-Term Incentive Compensation.

(a) During the Employment Term, Executive shall be eligible to receive long-term incentive compensation, which may be subject to the achievement of certain performance targets set by the Committee. Beginning with grants made in 2021, Executive shall be eligible to receive long-term incentive compensation awards with a targeted grant date fair market value (as determined in the sole discretion of the Committee) equal to 250% of Executive's Base Salary. Notwithstanding the foregoing, to the extent the shares available under the Company's shareholder approved incentive plans are insufficient to make such grant (after taking into account the totality of grants to be made by the Company in a given year), in the Committee's sole discretion, all or a portion of the long-term incentive compensation may be issued in the form of a cash-based award on terms determined by the Committee. All such equity-based or cash-based awards shall be subject to the terms and conditions set forth in the applicable plan and award agreements, and in all cases shall be as determined by the Committee; provided, that, such terms and conditions shall be no less favorable than those provided for other senior executives of the Company. If the parties (following good faith negotiation) fail to enter into a new employment agreement following expiration of the Employment Term and Executive terminates Executive's employment within ninety (90) days following expiration of the Employment Term under circumstances that would have constituted Good Reason had such termination occurred during the Employment Term or if, during such 90-day period, the Company terminates Executive's employment under circumstances that would not have constituted Cause had such termination occurred during the Employment Term, then such termination of employment shall be treated as a termination of employment for "Good Reason" or without Cause, as applicable, for purposes of the performance-based restricted stock units held by Executive as of the date of such termination of employment (and such awards shall be treated in accordance with the terms of the applicable award agreements).

5. Other Benefits.

(a) Employee Benefits. During the Employment Term, Executive shall be entitled to participate in all employee benefit plans, practices and programs maintained by the Company or its affiliates and made available to similarly situated employees generally, including all pension, retirement, profit sharing, savings, medical, hospitalization, disability, dental, life or travel accident insurance benefit plans, to the extent Executive is eligible under the terms of such plans. Executive's participation in such plans, practices and programs shall be on the same basis and

terms as are applicable to employees of the Company generally. During the Employment Term, Executive shall also be entitled to participate in all executive benefit plans and entitled to all fringe benefits and perquisites generally made available by the Company or its affiliates to its senior executives in accordance with current Company policy now maintained or hereafter established by the Company or its affiliates for the purpose of providing executive benefits or perquisites to comparable executive employees of the Company including, but not limited to, the Company's supplemental retirement, deferred compensation, supplemental medical or life insurance plans. Unless otherwise provided herein, Executive's participation in such plans and programs shall be on the same basis and terms as other senior executives of the Company. No additional compensation provided under any of such plans shall be deemed to modify or otherwise affect the terms of this Agreement or any of Executive's entitlements hereunder. Executive is responsible for any taxes (other than taxes that are the Company's responsibility) that may be due based upon the value of the benefits or perquisites provided pursuant to this Agreement, whether provided during or following the Employment Term. For the avoidance of doubt, Executive shall not be entitled to any excise tax gross-up under Section 280G or Section 4999 of the Internal Revenue Code of 1986, as amended (the "Code") (or any successor provision), or any other tax gross-up.

(b) Business Expenses. Upon submission of proper invoices in accordance with the Company's normal procedures, Executive shall be entitled to receive prompt reimbursement of all reasonable out-of-pocket business, entertainment and travel expenses incurred by Executive in connection with the performance of Executive's duties hereunder. Such reimbursement shall be made in no event later than the end of the calendar year following the calendar year in which the expenses were incurred.

(c) Office and Facilities. During the Employment Term, Executive shall be provided with an appropriate office, with such secretarial and other support facilities as are commensurate with Executive's status with the Company and its affiliates, which facilities shall be adequate for the performance of Executive's duties hereunder.

(d) Vacation and Sick Leave. Executive shall be entitled, without loss of pay, to absent himself or herself voluntarily from the performance of Executive's employment under this Agreement, pursuant to the following:

(i) Executive shall be entitled to annual vacation in accordance with the vacation policies of the Company as in effect from time to time, which shall in no event be less than four weeks per year; and

(ii) Executive shall be entitled to sick leave (without loss of pay) in accordance with the Company's policies as in effect from time to time.

6. Termination. The Employment Term and Executive's employment hereunder may be terminated under the circumstances set forth below; provided, however, that notwithstanding anything contained herein to the contrary, Executive shall not be considered to have terminated employment with the Company for purposes of this Agreement unless Executive would be considered to have incurred a "separation from service" from the Company within the meaning of Section 409A of the Code.

(a) Disability. The Company may terminate Executive's employment, on written notice to Executive after having reasonably established Executive's Disability. For purposes of this Agreement, Executive will be deemed to have a "Disability" if, as a result of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, Executive is unable to perform the core functions of Executive's position (with or without reasonable accommodation) or is receiving income replacement benefits for a period of six (6) months or more under the Company's long-term disability plan. Executive shall be entitled to the compensation and benefits provided for under this Agreement for any period prior to Executive's termination by reason of Disability during which Executive is unable to work due to a physical or mental infirmity in accordance with the Company's policies for senior executives.

(b) Death. Executive's employment shall be terminated as of the date of Executive's death.

(c) Cause. The Company may terminate Executive's employment for Cause (as defined below), effective as of the date of the Notice of Termination (as defined in Section 7 below) that notifies Executive of Executive's termination for Cause. "Cause" shall mean, for purposes of this Agreement: (i) the continued failure by Executive to substantially perform Executive's duties under this Agreement (other than any such failure resulting from Disability or other allowable leave of absence); (ii) the criminal felony indictment (or non-U.S. equivalent) of Executive by a court of competent jurisdiction; (iii) the engagement by Executive in misconduct that has caused, or, is reasonably likely to cause, material harm

(financial or otherwise) to the Company, including (A) the unauthorized disclosure of material secret or Confidential Information (as defined in Section 10(d) below) of the Company, (B) the debarment of the Company by the U.S. Food and Drug Administration or any successor agency (the "FDA") or any non-U.S. equivalent, or (C) the registration of the Company with the U.S. Drug Enforcement Administration of any successor agency (the "DEA") being revoked; (iv) the debarment of Executive by the FDA; (v) the continued material breach by Executive of this Agreement; (vi) any material breach by Executive of a Company policy; (vii) any breach by Executive of a Company policy related to sexual or other types of harassment or abusive conduct; or (viii) Executive making, or being found to have made, a certification relating to the Company's financial statements and public filings that is known to Executive to be false. Notwithstanding the foregoing, prior to having Cause for Executive's termination (other than as described in clauses (ii), (iv) and (vii) above), the Company must deliver a written demand to Executive which specifically identifies the conduct that may provide grounds for Cause within ninety (90) calendar days of the Company's actual knowledge of such conduct, events or circumstances, and Executive must have failed to cure such conduct (if curable) within thirty (30) days after such demand. References to the Company in subsections (i) through (viii) of this paragraph shall also include affiliates of the Company.

(d) Without Cause. The Company may terminate Executive's employment without Cause. The Company shall deliver to Executive a Notice of Termination (as defined in Section 7 below) not less than thirty (30) days prior to the termination of Executive's employment without Cause and the Company shall have the option of terminating Executive's duties and responsibilities prior to the expiration of such thirty-day notice period, provided the Company pays Base Salary through the end of such notice period.

(e) Good Reason. Executive may terminate employment with the Company for Good Reason (as defined below) by delivering to the Company a Notice of Termination not less than thirty (30) days prior to the termination of Executive's employment for Good Reason. The Company shall have the option of terminating Executive's duties and responsibilities prior to the expiration of such thirty-day notice period provided the Company pays Base Salary through the end of such notice period. For purposes of this Agreement, "Good Reason" means any of the following without Executive's written consent: (i) a diminution in Executive's Base Salary, a material diminution in Target Bonus (provided that failure to earn a bonus equal to or in excess of the Target Bonus by reason of failure to achieve applicable performance goals shall not be deemed Good Reason) or material diminution in

benefits; (ii) a material diminution of Executive's position, responsibilities, duties or authorities from those in effect as of the Effective Date; (iii) any change in reporting structure such that Executive is required to report to someone other than Endo's Chief Executive Officer; (iv) any material breach by the Company of its obligations under this Agreement; or (v) the Company requiring Executive to be based at any office or location that increases the length of Executive's commute by more than fifty (50) miles. Executive shall provide notice of the existence of the Good Reason condition within ninety (90) days of the date Executive learns of the condition, and the Company shall have a period of thirty (30) days during which it may remedy the condition, and in case of full remedy such condition shall not be deemed to constitute Good Reason hereunder.

(f) Without Good Reason. Executive may voluntarily terminate Executive's employment without Good Reason by delivering to the Company a Notice of Termination not less than thirty (30) days prior to the termination of Executive's employment and the Company shall have the option of terminating Executive's duties and responsibilities prior to the expiration of such thirty-day notice period provided the Company shall not be obligated to pay any amount through the end of such notice period.

7. Notice of Termination. Any purported termination by the Company or by Executive shall be communicated by written Notice of Termination to the other party hereto. For purposes of this Agreement, a "Notice of Termination" shall mean a notice that indicates a termination date, the specific termination provision in this Agreement relied upon and sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of Executive's employment under the provision so indicated. For purposes of this Agreement, no such purported termination of Executive's employment hereunder shall be effective without such Notice of Termination (unless waived by the party entitled to receive such notice).

8. Compensation Upon Termination. Upon termination of Executive's employment during the Employment Term, Executive shall be entitled to the following benefits:

(a) Termination by the Company for Cause or by Executive Without Good Reason. If Executive's employment is terminated by the Company for Cause or by Executive without Good Reason, the Company shall pay Executive:

(i) any accrued and unpaid Base Salary, payable on the next payroll date;

(ii) any Incentive Compensation earned but unpaid in respect of any completed fiscal year preceding the termination date, payable at the time annual incentive compensation is paid to other senior executives;

(iii) reimbursement for any and all monies advanced or expenses incurred in connection with Executive's employment for reasonable and necessary expenses incurred by Executive on behalf of the Company for the period ending on the termination date, which amount shall be reimbursed within thirty (30) days of the Company's receipt of proper documentation from Executive;

(iv) any accrued and unpaid vacation pay, payable on the next payroll date;

(v) any previous compensation that Executive has previously deferred (including any interest earned or credited thereon), in accordance with the terms and conditions of the applicable deferred compensation plans or arrangements then in effect, to the extent vested as of Executive's termination date, paid pursuant to the terms of such plans or arrangements; and

(vi) any amount or benefit as provided under any benefit plan or program in accordance with the terms thereof (the foregoing items in Sections 8(a)(i) through 8(a)(vi) being collectively referred to as the "Accrued Compensation").

(b) Termination by the Company for Disability. If Executive's employment is terminated by the Company for Disability, the Company shall pay Executive:

(i) the Accrued Compensation;

(ii) an amount equal to the Incentive Compensation that Executive would have been entitled to receive in respect of the fiscal year in which Executive's termination date occurs, had Executive continued in employment until the end of such fiscal year, which amount, determined based on actual performance for such year relative to the performance goals applicable to Executive (but without any exercise of negative discretion with respect to Executive in excess of that applied to either senior executives of the Company generally or in accordance with the Company's historical past practice), shall be multiplied by a fraction (A) the numerator of which is the number of days in such fiscal year through the termination date and (B) the denominator of which is 365 (the "Pro-Rata Bonus") and shall be

payable in a lump sum payment at the time such bonus or annual incentive awards are payable to other participants. Further, upon Executive's Disability (irrespective of any termination of employment related thereto), the Company shall pay Executive for twenty-four (24) consecutive months thereafter regular payments in the amount by which Executive's monthly Base Salary exceeds Executive's monthly Disability insurance benefit; and

(iii) continued coverage for Executive and Executive's dependents under any health, medical, dental, vision and basic life insurance (but not supplemental life insurance) program or policy in which Executive was eligible to participate as of the time of Executive's employment termination (as may be amended by the Company from time to time in the ordinary course), for twenty-four (24) months following such termination on the same basis as active employees, which such twenty-four month period shall run concurrently with the COBRA period; provided, however, that (x) the Company may instead, in its discretion, provide substantially similar benefits or payment outside of the Company's benefit plans if the Company reasonably determines that providing such alternative benefits or payment is appropriate to minimize potential adverse tax consequences and penalties; and (y) the coverage provided hereunder shall become secondary to any coverage provided to Executive by a subsequent employer and to any Medicare coverage for which Executive becomes eligible, and it shall be the obligation of Executive to inform the Company if Executive becomes eligible for such subsequent coverage (the "Benefits Continuation").

(c) Termination By Reason of Death. If Executive's employment is terminated by reason of Executive's death, the Company shall pay Executive's beneficiaries:

(i) the Accrued Compensation;

(ii) the Pro-Rata Bonus; and

(iii) continued coverage for Executive's dependents under any health, medical, dental, vision and basic life insurance (but not supplemental life insurance) program or policy in which Executive was eligible to participate as of the time of Executive's employment termination (as may be amended or replaced by the Company from time to time in the ordinary course), for twenty-four (24) months following such termination on the

same basis as the dependents of active employees, which such twenty-four month period shall run concurrently with the COBRA period.

(d) Termination by the Company Without Cause or by Executive for Good Reason. If Executive's employment is terminated by the Company without Cause (other than on account of Executive's Disability or death) or by Executive for Good Reason, then, subject to Section 14(e), the Company shall pay Executive:

(i) the Accrued Compensation;

(ii) the Pro-Rata Bonus;

(iii) in lieu of any further Base Salary or other compensation and benefits for periods subsequent to the termination date, an amount in cash, which amount shall be payable in a lump sum payment within sixty (60) days following such termination (subject to Section 9(c)), equal to two (2) times the sum of (A) Executive's Base Salary and (B) the Target Bonus; and

(iv) the Benefits Continuation.

(e) No Mitigation. Executive shall not be required to mitigate the amount of any payment provided for under this Section 8 by seeking other employment or otherwise and, except as provided in Section 8(b)(iii) and 8(d)(iv) above, no such payment shall be offset or reduced by the amount of any compensation or benefits provided to Executive in any subsequent employment. Further, the Company's obligations to make any payments hereunder shall not be subject to or affected by any set-off, counterclaim or defense which the Company may have against Executive.

9. Certain Tax Treatment.

(a) Golden Parachute Tax. To the extent that the payments and benefits provided under this Agreement and benefits provided to, or for the benefit of, Executive under any other plan or agreement of the Company or any of its affiliates (such payments or benefits are collectively referred to as the "Payments") would be subject to the excise tax (the "Excise Tax") imposed under Section 4999 of the Code or any successor provision thereto, or any similar tax imposed by state or local law, then Executive may, in Executive's sole discretion (except as provided herein below) waive the right to receive any payments or distributions (or a portion thereof) by the Company in the nature of compensation to or for Executive's benefit if and to the extent necessary so that no Payment to be made

or benefit to be provided to Executive shall be subject to the Excise Tax (such reduced amount is hereinafter referred to as the "Limited Payment Amount"), but only if such reduction results in a higher after-tax payment to Executive after taking into account the Excise Tax and any additional taxes (including federal, state and local income taxes, employment, social security and Medicare taxes and all other applicable taxes) Executive would pay if such Payments were not reduced. If so waived, the Company shall reduce or eliminate the Payments to effect the provisions of this Section 9 based upon Section 9(b) below. The determination of the amount of Payments that would be required to be reduced to the Limited Payment Amount pursuant to this Agreement and the amount of such Limited Payment Amount shall be made, at the Company's expense, by a reputable accounting firm selected by Executive and reasonably acceptable to the Company (the "Accounting Firm"). The Accounting Firm shall provide its determination (the "Determination"), together with detailed supporting calculations and documentation to the Company and Executive within ten (10) days of the date of termination, if applicable, or such other time as specified by mutual agreement of the Company and Executive, and if the Accounting Firm determines that no Excise Tax is payable by Executive with respect to the Payments, it shall furnish Executive with an opinion reasonably acceptable to Executive that no Excise Tax will be imposed with respect to any such Payments. The Determination shall be binding, final and conclusive upon the Company and Executive, absent manifest error. For purposes of making the calculations required by this Section 9(a), the Accounting Firm may make reasonable assumptions and approximations concerning applicable taxes and rates, and rely on reasonable, good faith interpretations concerning the application of the Code, and other applicable legal authority. In furtherance of the above, to the extent requested by Executive, the Company shall cooperate in good faith in valuing, and the Accounting Firm shall value, services to be provided by Executive (including Executive refraining from performing services pursuant to any covenant not to compete) before, on or after the date of the transaction which causes the application of Section 4999 of the Code, such that payments in respect of such services may be considered to be "reasonable compensation" within the meaning of the regulations under Section 4999 of the Code.

(b) Ordering of Reduction. In the case of a reduction in the Payments pursuant to Section 9(a), the Payments will be reduced in the following order: (i) payments that are payable in cash that are valued at full value under Treasury Regulation Section 1.280G-1, Q&A 24(a) will be reduced (if necessary, to zero), with amounts that are payable last reduced first; (ii) payments and benefits due in

respect of any equity valued at full value under Treasury Regulation Section 1.280G-1, Q&A 24(a), with the highest values reduced first (as such values are determined under Treasury Regulation Section 1.280G-1, Q&A 24) will next be reduced; (iii) payments that are payable in cash that are valued at less than full value under Treasury Regulation Section 1.280G-1, Q&A 24, with amounts that are payable last reduced first, will next be reduced; (iv) payments and benefits due in respect of any equity valued at less than full value under Treasury Regulation Section 1.280G-1, Q&A 24, with the highest values reduced first (as such values are determined under Treasury Regulation Section 1.280G-1, Q&A 24) will next be reduced; and (v) all other non-cash benefits not otherwise described in clauses (ii) or (iv) will be next reduced pro-rata.

(c) Section 409A. The parties intend for the payments and benefits under this Agreement to be exempt from Section 409A of the Code or, if not so exempt, to be paid or provided in a manner which complies with the requirements of such section, and intend that this Agreement shall be construed and administered in accordance with such intention. In the event the Company determines that a payment or benefit under this Agreement may not be in compliance with Section 409A of the Code, subject to Section 5(a) herein, the Company shall reasonably confer with Executive in order to modify or amend this Agreement to comply with Section 409A of the Code and to do so in a manner to best preserve the economic benefit of this Agreement. Notwithstanding anything contained herein to the contrary, to the extent required in order to avoid accelerated taxation and/or tax penalties under Section 409A of the Code, (i) no amounts shall be paid to Executive under Section 8 of this Agreement until Executive would be considered to have incurred a “separation from service” from the Company within the meaning of Section 409A of the Code; (ii) amounts that would otherwise be payable and benefits that would otherwise be provided pursuant to this Agreement during the six-month period immediately following Executive’s separation from service shall instead be paid on the first business day after the date that is six (6) months following Executive’s separation from service (or death, if earlier), with interest for any cash payments so delayed, from the date such cash amounts would otherwise have been paid at the short-term applicable federal rate, compounded semi-annually, as determined under Section 1274 of the Code for the month in which the payment would have been made but for the delay in payment required to avoid the imposition of an additional rate of tax on Executive; (iii) each amount to be paid or benefit to be provided under this Agreement shall be construed as a separately identified payment for purposes of Section 409A of the Code; (iv) any payments that are due within the “short term deferral period” as defined in

Section 409A of the Code shall not be treated as deferred compensation unless applicable law requires otherwise; and (v) amounts reimbursable to Executive under this Agreement shall be paid to Executive on or before the last day of the year following the year in which the expense was incurred and the amount of expenses eligible for reimbursement (and in-kind benefits provided to Executive) during any one (1) year may not affect amounts reimbursable or provided in any subsequent year.

10. Records and Confidential Data.

(a) Executive acknowledges that in connection with the performance of Executive's duties during the Employment Term, the Company and its affiliates will make available to Executive, or Executive will develop and have access to, certain Confidential Information (as defined below) of the Company and its affiliates. Executive acknowledges and agrees that any and all Confidential Information learned or obtained by Executive during the course of Executive's employment by the Company or otherwise, whether developed by Executive alone or in conjunction with others or otherwise, shall be and is the property of the Company and its affiliates.

(b) During the Employment Term and thereafter, Confidential Information will be kept confidential by Executive, will not be used in any manner that is detrimental to the Company or its affiliates, will not be used other than in connection with Executive's discharge of Executive's duties hereunder, and will be safeguarded by Executive from unauthorized disclosure; provided, however, that Confidential Information may be disclosed by Executive (i) to the Company and its affiliates, or to any authorized agent or representative of any of them, (ii) in connection with performing Executive's duties hereunder, (iii) without limiting Section 10(g) of this Agreement, when required to do so by law or requested by a court, governmental agency, legislative body, arbitrator or other person with apparent jurisdiction to order Executive to divulge, disclose or make accessible such information, provided that Executive, to the extent legally permitted, notifies the Company prior to such disclosure, (iv) in the course of any proceeding under Section 11 or 12 of this Agreement or Section 6 of the Release, subject to the prior entry of a confidentiality order, or (v) in confidence to an attorney or other professional advisor for the purpose of securing professional advice, so long as such attorney or advisor is subject to confidentiality restrictions no less restrictive than those applicable to Executive hereunder.

(c) On Executive's last day of employment with the Company, or at such earlier date as requested by the Company, (i) Executive will return to the Company all written Confidential Information that has been provided to, or prepared by, Executive; (ii) at the election of the Company, Executive will return to the Company or destroy all copies of any analyses, compilations, studies or other documents prepared by Executive or for Executive's use containing or reflecting any Confidential Information; and (iii) Executive will return all Company property. Executive shall deliver to the Company a document certifying Executive's compliance with this Section 10(c).

(d) For the purposes of this Agreement, "Confidential Information" shall mean all confidential and proprietary information of the Company and its affiliates, including:

(i) trade secrets concerning the business and affairs of the Company and its affiliates, product specifications, data, know-how, formulae, compositions, processes, non-public patent applications, designs, sketches, photographs, graphs, drawings, samples, inventions and ideas, past, current, and planned research and development, current and planned manufacturing or distribution methods and processes, customer lists, current and anticipated customer requirements, price lists, market studies, business plans, computer software and programs (including object code and source code), computer software and database technologies, systems, structures, and architectures (and related formulae, compositions, processes, improvements, devices, know-how, inventions, discoveries, concepts, ideas, designs, methods and information);

(ii) information concerning the business and affairs of the Company and its affiliates (which includes unpublished financial statements, financial projections and budgets, unpublished and projected sales, capital spending budgets and plans, the names and backgrounds of key personnel, to the extent not publicly known, personnel training and techniques and materials) however documented; and

(iii) notes, analysis, compilations, studies, summaries, and other material prepared by or for the Company or its affiliates containing or based, in whole or in part, on any information included in the foregoing. For purposes of this Agreement, Confidential Information shall not include and Executive's obligations shall not extend to (A) information that is generally available to the public, (B) information obtained by Executive

other than pursuant to or in connection with this employment, (C) information that is required to be disclosed by law or legal process, and (D) Executive's rolodex and similar address books, including electronic address books, containing contact information.

(e) Nothing herein or elsewhere shall preclude Executive from retaining and using (i) Executive's personal papers and other materials of a personal nature, including photographs, contacts, correspondence, personal diaries, and personal files (so long as no such materials are covered by any Company hold order), (ii) documents relating to Executive's personal entitlements and obligations, and (iii) information that is necessary for Executive's personal tax purposes.

(f) Pursuant to 18 U.S.C. § 1833(b), Executive understands that Executive will not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret of the Company or its affiliates that (i) is made (A) in confidence to a Federal, State, or local government official, either directly or indirectly, or to Executive's attorney and (B) solely for the purpose of reporting or investigating a suspected violation of law; or (ii) is made in a complaint or other document that is filed under seal in a lawsuit or other proceeding. Executive understands that if Executive files a lawsuit for retaliation by the Company for reporting a suspected violation of law, Executive may disclose the trade secret to Executive's attorney and use the trade secret information in the court proceeding if Executive (x) files any document containing the trade secret under seal, and (y) does not disclose the trade secret, except pursuant to court order. Nothing in this Agreement, or any other agreement that Executive has with the Company or its affiliates, is intended to conflict with 18 U.S.C. § 1833(b) or create liability for disclosures of trade secrets that are expressly allowed by such section.

(g) Notwithstanding anything set forth in this Agreement or any other agreement that Executive has with the Company or its affiliates to the contrary, Executive shall not be prohibited from reporting possible violations of federal or state law or regulation to any governmental agency or entity, legislative body, or any self-regulatory organization, or making other disclosures that are protected under the whistleblower provisions of federal or state law or regulation, nor is Executive required to notify the Company regarding any such reporting, disclosure or cooperation with the government.

11. Covenant Not to Solicit, Not to Compete, Not to Disparage, to Cooperate in Litigation and Not to Cooperate with Non-Governmental Third Parties.

(a) Covenant Not to Solicit. To protect the Confidential Information and other trade secrets of the Company and its affiliates as well as the goodwill and competitive business of the Company and its affiliates, Executive agrees, during the Employment Term and for a period of eighteen (18) months after Executive's cessation of employment with the Company, not to solicit or participate in or assist in any way in the solicitation of any (i) customers or clients of the Company or its affiliates whom Executive first met or about whom learned Confidential Information through Executive's employment with the Company and (ii) suppliers, employees or agents of the Company or its affiliates. For purposes of this covenant, "solicit" or "solicitation" means directly or indirectly influencing or attempting to influence any customers, clients, suppliers, employees or agents of the Company or its affiliates to cease doing business with, or to reduce the level of business with, the Company and its affiliates or, with respect to employees or exclusive agents, to become employed or engaged by any other person, partnership, firm, corporation or other entity. Executive agrees that the covenants contained in this Section 11(a) are reasonable and desirable to protect the Confidential Information of the Company and its affiliates; provided, that solicitation through general advertising not targeted at the Company's or its affiliates' employees or the provision of references shall not constitute a breach of such obligations.

(b) Covenant Not to Compete.

(i) The Company and its affiliates are currently engaged in the business of branded and generic pharmaceuticals, with a focus on product development, clinical development, manufacturing, distribution and sales & marketing. To protect the Confidential Information and other trade secrets of the Company and its affiliates as well as the goodwill and competitive business of the Company and its affiliates, Executive agrees, during the Employment Term and for a period of twelve (12) months after Executive's cessation of employment with the Company, that Executive will not, unless otherwise agreed to by the Chief Executive Officer of Endo (following approval by the Chairman of the Committee), anywhere in the world where, at the time of Executive's termination of employment, the Company develops, manufactures, distributes, markets or sells its products, except in the course of Executive's employment hereunder, directly or indirectly manage, operate, control, or participate in the management, operation, or control of, be employed by, associated with, or in any manner connected with, lend Executive's name to, or render services or advice to, any third party or any business whose products or

services compete in whole or in part with the products or services (both on the market and in development) material to the Company or any business unit on the termination date that constitutes more than 5% of the Company's revenue on the termination date (a "Competing Business"); provided, however, that Executive may in any event (x) own up to a 5% passive ownership interest in any public or private entity and (y) serve on the board of any Competing Business that competes with the business of the Company and its affiliates as an immaterial part of its overall business, provided that Executive recuses himself or herself fully and completely from all matters relating to such business.

(ii) For purposes of this Section 11(b), any third party or any business whose products compete includes any entity with which the Company or its affiliates has had a product(s) licensing agreement during the Employment Term and any entity with which the Company or any of its affiliates is at the time of termination actively negotiating, and eventually concludes within twelve (12) months of the Employment Term, a commercial agreement.

(iii) Notwithstanding the foregoing, it shall not be a violation of this Section 11(b), for Executive to provide services to (or engage in activities involving): (A) a subsidiary, division or affiliate of a Competing Business where such subsidiary, division or affiliate is not engaged in a Competing Business and Executive does not provide services to, or have any responsibilities regarding, the Competing Business; (B) any entity that is, or is a general partner in, or manages or participates in managing, a private or public fund (including a hedge fund) or other investment vehicle, which is engaged in venture capital investments, leveraged buy-outs, investments in public or private companies, other forms of private or alternative equity transactions, or in public equity transactions, and that might make an investment which Executive could not make directly, provided that in connection therewith, Executive does not provide services to, engage in activities involved with, or have any responsibilities regarding a Competing Business; and (C) an affiliate of a Competing Business if Executive does not provide services, directly or indirectly, to such Competing Business and the basis of the affiliation is solely due to common ownership by a private equity or similar investment fund; provided, that, in each case, Executive shall remain bound by all other post-employment obligations under this Agreement including Executive's obligations under Sections 10, 11(a), (c) and (d) herein; provided, further,

that Executive's provision of services to (or engagement in activities involving) any entity described in clauses (A) or (B) of this Section 11(b)(iii) shall be subject to the prior approval of the Board.

(c) Nondisparagement. Executive covenants that during and following the Employment Term, Executive will not disparage or encourage or induce others to disparage the Company or its affiliates, together with all of their respective past and present directors and officers, as well as their respective past and present managers, officers, shareholders, partners, employees, agents, attorneys, servants and customers and each of their predecessors, successors and assigns (collectively, the "Company Entities and Persons"); provided, that such limitation shall extend to past and present managers, officers, shareholders, partners, employees, agents, attorneys, servants and customers only in their capacities as such or in respect of their relationship with the Company and its affiliates. The Company shall instruct its officers and directors not to, during and following the Employment Term, make or issue any statement that disparages Executive to any third parties or otherwise encourage or induce others to disparage Executive. The term "disparage" includes, without limitation, comments or statements adversely affecting in any manner (i) the conduct of the business of the Company Entities and Persons or Executive, or (ii) the business reputation of the Company Entities and Persons or Executive. Nothing in this Agreement is intended to or shall prevent either party from providing, or limiting testimony in any judicial, administrative or legal process or otherwise as required by law, prevent either party from engaging in truthful testimony pursuant to any proceeding under this Section 11 or Section 12 below or Section 6 of the Release or prevent Executive from making statements in the course of doing Executive's normal duties for the Company.

(d) Cooperation in Any Investigations and Litigation; No Cooperation with Non-Governmental Third Parties. During the Employment Term and thereafter, Executive shall provide truthful information and otherwise assist and cooperate with the Company and its affiliates, and its counsel, (i) in connection with any investigation, inquiry, administrative, regulatory or judicial proceedings, or in connection with any dispute or claim of any kind that may be made against, by, or with respect to the Company, as reasonably requested by the Company (including Executive being available to the Company upon reasonable notice for interviews and factual investigations, appearing at the Company's request to give testimony without requiring service of a subpoena or other legal process, volunteering to the Company all pertinent information and turning over to the Company all relevant documents which are in or may come into Executive's possession), and (ii) in all

matters concerning requests for information about the services or advice Executive provides or provided to the Company during Executive's employment with Endo, its affiliates and their predecessors. Such cooperation shall be subject to Executive's business and personal commitments and shall not require Executive to cooperate against Executive's own legal interests or the legal interests of any future employer of Executive. Executive shall use the Company's counsel for all matters in connection with this Section 11(d); provided, however, that if there exists an actual conflict of interest between Executive and the Company's counsel, Executive may retain separate counsel reasonably acceptable to the Company. The existence of an actual conflict of interest, and whether such conflict may be waived, shall be determined pursuant to the rules of attorney professional conduct and applicable law. The Company agrees to promptly reimburse Executive for reasonable expenses reasonably incurred by Executive, in connection with Executive's cooperation pursuant to this Section 11(d) (including travel expenses at the level of travel permitted by this Agreement and reasonable attorney fees in the event separate legal counsel for Executive is required due to a conflict of interest). Such reimbursements shall be made as soon as practicable, and in no event later than the calendar year following the year in which the expenses are incurred. Executive also shall not support (financially or otherwise), counsel or assist any attorneys or their clients or any other non-governmental person in the presentation or prosecution of, encourage any non-governmental person to raise, or suggest or recommend to any non-governmental person that such person could or should raise, in each case, any disputes, differences, grievances, claims, charges, or complaints against the Company and/or its affiliates that (x) arises out of, or relates to, any period of time on or prior to Executive's last day of employment with the Company or (y) involves any information Executive learned during Executive's employment with the Company; provided, that, following the second anniversary of Executive's termination of employment with the Company, such prohibition shall not extend to any such actions taken by Executive on behalf of (A) Executive's then current employer, (B) any entity with respect to which Executive is then a member of the board of directors or managers (as applicable), or (C) any non-publicly traded entity with respect to which Executive is a 5% or more equity owner (or any affiliate of any such entities referenced in clauses (A), (B) or (C)). Executive agrees that, in the event Executive is subpoenaed by any person or entity (including any government agency) to give testimony (in a deposition, court proceeding or otherwise) which in any way relates to Executive's employment by the Company, Executive will, to the extent not legally prohibited from doing so, give prompt notice of such request to the Chief Legal Officer of the Company so

that the Company may contest the right of the requesting person or entity to such disclosure before making such disclosure. Nothing in this provision shall require Executive to violate Executive's obligation to comply with valid legal process.

(e) Blue Pencil. It is the intent and desire of Executive and the Company that the provisions of this Section 11 be enforced to the fullest extent permissible under the laws and public policies as applied in each jurisdiction in which enforcement is sought. If any particular provision of this Section 11 shall be determined to be invalid or unenforceable, such covenant shall be amended, without any action on the part of either party hereto, to delete therefrom the portion so determined to be invalid or unenforceable, such deletion to apply only with respect to the operation of such covenant in the particular jurisdiction in which such adjudication is made.

12. Remedies for Breach of Obligations under Sections 10 or 11 hereof. Executive acknowledges that the Company and its affiliates will suffer irreparable injury, not readily susceptible of valuation in monetary damages, if Executive breaches Executive's obligations under Sections 10 or 11 hereof. Accordingly, Executive agrees that the Company and its affiliates will be entitled, in addition to any other available remedies, to obtain injunctive relief against any breach or prospective breach by Executive of Executive's obligations under Sections 10 or 11 hereof in any Federal or state court sitting in the State of Delaware or, at the Company's election, in any other state in which Executive maintains Executive's principal residence or Executive's principal place of business**.** Executive hereby submits to the non-exclusive jurisdiction of all those courts for the purposes of any actions or proceedings instituted by the Company or its affiliates to obtain that injunctive relief, and Executive agrees that process in any or all of those actions or proceedings may be served by registered mail, addressed to the last address provided by Executive to the Company, or in any other manner authorized by law.

13. Representations and Warranties.

(a) The Company represents and warrants that (i) it is fully authorized by action of the Board (and of any other person or body whose action is required) to enter into this Agreement and to perform its obligations under it, (ii) the execution, delivery and performance of this Agreement by it does not violate any applicable law, regulation, order, judgment or decree or any agreement, arrangement, plan or corporate governance document (x) to which it is a party or (y) by which it is bound, and (iii) upon the execution and delivery of this Agreement by the parties, this Agreement shall be its valid and binding obligation, enforceable against it in accordance with its terms, except to the extent that enforceability may be limited

by applicable bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally.

(b) Executive represents and warrants to the Company that the execution and delivery by Executive of this Agreement do not, and the performance by Executive of Executive's obligations hereunder will not, with or without the giving of notice or the passage of time, or both: (a) violate any judgment, writ, injunction, or order of any court, arbitrator, or governmental agency applicable to Executive; or (b) conflict with, result in the breach of any provisions of or the termination of, or constitute a default under, any agreement to which Executive is a party or by which Executive is or may be bound.

14. Miscellaneous.

(a) Successors and Assigns.

(i) This Agreement shall be binding upon and shall inure to the benefit of the Company, its successors and permitted assigns and the Company shall require any successor or permitted assign to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession or assignment had taken place. The Company may not assign or delegate any rights or obligations hereunder except to any of its affiliates, or to a successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company. The term the "Company" as used herein shall include a corporation or other entity acquiring all or substantially all the assets and business of the Company (including this Agreement) whether by operation of law or otherwise.

(ii) Neither this Agreement nor any right or interest hereunder shall be assignable or transferable by Executive, his or her beneficiaries or legal representatives, except by will or by the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by Executive's legal personal representatives.

(b) Notice. For the purposes of this Agreement, notices and all other communications provided for in the Agreement (including the Notice of Termination) shall be in writing and shall be deemed to have been duly given when personally delivered or sent by Certified mail, return receipt requested, postage prepaid, addressed to the respective addresses last given by each party to the other; provided, that all

notices to the Company shall be directed to the attention of the Chief Legal Officer of the Company. All notices and communications shall be deemed to have been received on the date of delivery thereof or on the third business day after the mailing thereof, except that notice of change of address shall be effective only upon receipt.

(c) Indemnification. Executive shall be indemnified by the Company as, and to the extent, to the maximum extent permitted by applicable law as provided in the memorandum and articles of association of Endo. In addition, the Company agrees to continue and maintain, at the Company's sole expense, a directors' and officers' liability insurance policy covering Executive both during and the Employment Term and while the potential liability exists (but in no event longer than six (6) years, if such limitation applies to all other individuals covered by such policy) after the Employment Term, that is no less favorable than the policy covering Board members and other executive officers of the Company from time to time. The obligations under this paragraph shall survive any termination of the Employment Term.

(d) Withholding. The Company shall be entitled to withhold the amount, if any, of all taxes of any applicable jurisdiction required to be withheld by an employer with respect to any amount paid to Executive hereunder. The Company, in its sole and absolute discretion, shall make all determinations as to whether it is obligated to withhold any taxes hereunder and the amount thereof.

(e) Release of Claims. The termination benefits described in Section 8(d)(ii) – (iv) of this Agreement shall be conditioned on Executive delivering to the Company, a signed release of claims in the form of Exhibit A hereto within forty-five (45) days or twenty-one (21) days, as may be applicable under the Age Discrimination in Employment Act of 1967, as amended by the Older Workers Benefit Protection Act, following Executive's termination date, and not revoking Executive's consent to such release of claims within seven (7) days of such execution; provided, however, that Executive shall not be required to release any rights Executive may have to be indemnified by, or be covered under any directors' and officers' liability insurance of, the Company under Section 14(c) of this Agreement.

(f) Resignation as Officer or Director. Upon a termination of employment for any reason, Executive shall, resign each position (if any) that Executive then holds as an officer or director of the Company and any of its affiliates. Executive's execution of this Agreement shall be deemed the grant by Executive to the

officers of the Company of a limited power of attorney to sign in Executive's name and on Executive's behalf any such documentation as may be required to be executed solely for the limited purposes of effectuating such resignations.

(g) Executive Acknowledgement. Executive acknowledges the Common Stock Ownership Guidelines for Non-Employee Directors and Executive Management of Endo International plc, as may be amended from time to time, and Endo's compensation recoupment policy, as may be amended from time to time.

(h) Modification. No provision of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing and signed by Executive and the Company. No waiver by either party hereto at any time of any breach by the other party hereto of, or compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No agreement or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party which are not expressly set forth in this Agreement.

(i) Effect of Other Law. Anything herein to the contrary notwithstanding, the terms of this Agreement shall be modified to the extent required to meet the provisions of the Sarbanes-Oxley Act of 2002, Section 409A of the Code, or other federal law applicable to the employment arrangements between Executive and the Company. Any delay in providing benefits or payments, any failure to provide a benefit or payment, or any repayment of compensation that is required under the preceding sentence shall not in and of itself constitute a breach of this Agreement; provided, however, that the Company shall provide economically equivalent payments or benefits to Executive to the extent permitted by law.

(j) Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Delaware applicable to contracts executed in and to be performed entirely within such State, without giving effect to the conflict of law principles thereof. Any dispute hereunder may be adjudicated in any Federal or state court sitting in the State of Delaware or, at the Company's election, in any other state in which Executive maintains Executive's principal residence or Executive's principal place of business.

(k) No Conflicts. (A) Executive represents and warrants to the Company that Executive is not a party to or otherwise bound by any agreement or arrangement (including any license, covenant, or commitment of any nature), or subject to any

judgment, decree, or order of any court or administrative agency, that would conflict with or will be in conflict with or in any way preclude, limit or inhibit Executive's ability to execute this Agreement or to carry out Executive's duties and responsibilities hereunder. (B) The Company represents and warrants to Executive that the Company is not a party to or otherwise bound by any agreement or arrangement (including any license, covenant, or commitment of any nature), or subject to any judgment, decree, or order of any court or administrative agency, that would conflict with or will be in conflict with or in any way preclude, limit or inhibit the Company's ability to execute this Agreement or to carry out the Company's duties and responsibilities hereunder.

(l) Severability. The provisions of this Agreement shall be deemed severable and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions hereof.

(m) Inconsistencies. In the event of any inconsistency between any provision of this Agreement and any provision of any employee handbook, personnel manual, program, policy, or arrangement of the Company or its affiliates (including any provisions relating to notice requirements and post-employment restrictions), the provisions of this Agreement shall control, unless Executive otherwise agrees in a writing that expressly refers to the provision of this Agreement whose control Executive is waiving.

(n) Beneficiaries/References. In the event of Executive's death or a judicial determination of Executive's incompetence, references in this Agreement to Executive shall be deemed, where appropriate, to refer to Executive's beneficiary, estate or other legal representative.

(o) Survival. Except as otherwise set forth in this Agreement, the respective rights and obligations of the parties hereunder shall survive the Employment Term and any termination of Executive's employment. Without limiting the generality of the forgoing, the provisions of Section 8, 10, 11, and 12 shall survive the termination of the Employment Term.

(p) Entire Agreement. This Agreement constitutes the entire agreement between the parties hereto and, as of the Effective Date, supersedes all prior agreements, understandings and arrangements, oral or written, between the parties hereto with respect to the subject matter hereof, other than the contribution retention bonus arrangement dated August 1, 2019 (the "Letter Agreement"), which shall remain in effect in accordance with its terms.

(q) Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement.

15. Certain Rules of Construction.

(a) The headings and subheadings set forth in this Agreement are inserted for the convenience of reference only and are to be ignored in any construction of the terms set forth herein.

(b) Wherever applicable, the neuter, feminine or masculine pronoun as used herein shall also include the masculine or feminine, as the case may be.

(c) The term “including” is not limiting and means “including without limitation.”

(d) References in this Agreement to any statute or statutory provisions include a reference to such statute or statutory provisions as from time to time amended, modified, reenacted, extended, consolidated or replaced (whether before or after the date of this Agreement) and to any subordinate legislation made from time to time under such statute or statutory provision.

(e) References to “writing” or “written” include any non-transient means of representing or copying words legibly, including by facsimile or electronic mail.

(f) References to “$” are to United States Dollars.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by its duly authorized officer and Executive has executed this Agreement as of the day and year first above written.

**ENDO HEALTH SOLUTIONS INC.**

By: /S/ BLAISE COLEMAN
Name: Blaise Coleman
Title: President and Chief Executive

**ENDO HEALTH SOLUTIONS INC.**

By: /S/ PATRICK BARRY
Name: Patrick Barry
Title: EVP and President, Global Commercial Operations

**EXHIBIT A**

**FORM OF RELEASE AGREEMENT**

THIS RELEASE AGREEMENT (the "Release") is made by and between Patrick Barry ("Executive") and Endo Health Solutions, Inc. (the "Company").

1. FOR AND IN CONSIDERATION of the payments and benefits provided in Section 8(d) (excluding clause (i)) of the Employment Agreement between Executive and the Company dated as of April 26, 2020, (the "Employment Agreement"), Executive, for Executive, his or her successors and assigns, executors and administrators, now and forever hereby releases and discharges the Company, together with all of its past and present parents, subsidiaries, and affiliates, together with each of their officers, directors, stockholders, partners, employees, agents, representatives and attorneys, and each of their subsidiaries, affiliates, estates, predecessors, successors, and assigns (hereinafter collectively referred to as the "Releasees") from any and all rights, claims, charges, actions, causes of action, complaints, sums of money, suits, debts, covenants, contracts, agreements, promises, obligations, damages, demands or liabilities of every kind whatsoever, in law or in equity, whether known or unknown, suspected or unsuspected, which Executive or Executive's executors, administrators, successors or assigns ever had, now has or may hereafter claim to have by reason of any matter, cause or thing whatsoever; arising from the beginning of time up to the date Executive executes the Release: (i) relating in any way to Executive's employment relationship with the Company or any of the Releasees, or the termination of Executive's employment relationship with the Company or any of the Releasees; (ii) arising under or relating to the Employment Agreement; (iii) arising under any federal, local or state statute or regulation, including, without limitation, the Age Discrimination in Employment Act of 1967, as amended by the Older Workers Benefit Protection Act, Title VII of the Civil Rights Act of 1964, the Americans with Disabilities Act of 1990, the Employee Retirement Income Security Act of 1974, the Equal Pay Act, Sections 1981 through 1988 of Title 42 of the United States Code, the Immigration Reform and Control Act, the Workers Adjustment and Retraining Notification Act, the Occupational Safety and Health Act, the Family and Medical Leave Act, the Fair Labor Standards Act of 1938, Executive Order 11246, the Pennsylvania Human Relations Act, the Pennsylvania Whistleblower Law, the New York State Human Rights Law, the New York Labor Law and the New York Civil Rights Law and/or the applicable state or local law or ordinance against discrimination, each as amended; (iv) relating to wrongful employment termination or breach of contract; or (v) arising under or relating to any policy, agreement, understanding or promise, written or oral, formal or informal, between the Company and any of the Releasees and Executive; provided, however, that notwithstanding the foregoing, nothing contained in the Release shall in any way diminish or impair: (a) any rights Executive may have, from and after the date the Release is executed; (b) any rights to indemnification that may exist from time to time under the Company's certificate of

incorporation or bylaws, or state law or any other indemnification agreement entered into between Executive and the Company; (c) any rights Executive may have under any applicable general liability and/or directors and officers insurance policy maintained by the Company; (d) any rights Executive may have to payments and benefits under Sections 8(a)(i) and (iii) of the Employment Agreement; (e) the right to receive the following payments and benefits: [SPECIFIC LIST OF COMPENSATION AND BENEFITS PAYABLE UNDER SECTIONS 8(a)(ii), (iv), (v) AND (vi) OF THE EMPLOYMENT AGREEMENT TO BE INCLUDED]; (f) Executive's ability to bring appropriate proceedings to enforce the Release; and (g) any rights or claims Executive may have that cannot be waived under applicable law (collectively, the "Excluded Claims"). Executive further acknowledges and agrees that, except with respect to Excluded Claims, the Company and the Releasees have fully satisfied any and all obligations whatsoever owed to Executive arising out of Executive's employment with the Company or any of the Releasees, and that no further payments or benefits are owed to Executive by the Company or any of the Releasees.

2. Executive acknowledges and agrees that Executive has been advised to consult with an attorney of Executive's choosing prior to signing the Release. Executive understands and agrees that Executive has the right and has been given the opportunity to review the Release with an attorney of Executive's choice should Executive so desire. Executive also agrees that Executive has entered into the Release freely and voluntarily. Executive further acknowledges and agrees that Executive has had at least [twenty-one (21)][forty-five (45)] calendar days to consider the Release, although Executive may sign it sooner if Executive wishes, but in any case, not prior to the termination date. In addition, once Executive has signed the Release, Executive shall have seven (7) additional days from the date of execution to revoke Executive's consent and may do so by writing to: _____. The Release shall not be effective, and no payments shall be due hereunder, earlier than the eighth (8th) day after Executive shall have executed the Release and returned it to the Company, assuming that Executive had not revoked Executive's consent to the Release prior to such date.

3. It is understood and agreed by Executive that any payment made to Executive is not to be construed as an admission of any liability whatsoever on the part of the Company or any of the other Releasees, by whom liability is expressly denied.
4. The Release is executed by Executive voluntarily and is not based upon any representations or statements of any kind made by the Company or any of the other Releasees as to the merits, legal liabilities or value of Executive's claims. Executive further acknowledges that Executive has had a full and reasonable opportunity to consider the Release and that Executive has not been pressured or in any way coerced into executing the Release.
5. The exclusive venue for any disputes arising hereunder shall be the state or federal courts located in the State of Delaware or, at the Company's election, in any other state in which Executive maintains Executive's principal residence or Executive's principal place of

business, and each of the parties hereto irrevocably waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of the venue of any such proceeding brought in such a court and any claim that any such proceeding brought in such a court has been brought in an inconvenient forum. Each of the parties hereto also agrees that any final and unappealable judgment against a party hereto in connection with any action, suit or other proceeding may be enforced in any court of competent jurisdiction, either within or outside of the United States. A certified or exemplified copy of such award or judgment shall be conclusive evidence of the fact and amount of such award or judgment.

6. The Release and the rights and obligations of the parties hereto shall be governed and construed in accordance with the laws of the State of Delaware. If any provision hereof is unenforceable or is held to be unenforceable, such provision shall be fully severable, and this document and its terms shall be construed and enforced as if such unenforceable provision had never comprised a part hereof, the remaining provisions hereof shall remain in full force and effect, and the court construing the provisions shall add as a part hereof a provision as similar in terms and effect to such unenforceable provision as may be enforceable, in lieu of the unenforceable provision.
7. The Release shall inure to the benefit of and be binding upon the Company and its successors and assigns.

IN WITNESS WHEREOF, Executive and the Company have executed the Release as of the date and year provided below.

**IMPORTANT NOTICE: BY SIGNING BELOW YOU RELEASE AND GIVE UP ANY AND ALL LEGAL CLAIMS, KNOWN AND UNKNOWN, THAT YOU MAY HAVE AGAINST THE COMPANY AND RELATED PARTIES.**

| | |
|---|---|
| ENDO HEALTH SOLUTIONS INC. | Patrick Barry |
| Dated: _____ | Dated: _____ |

**Exhibit 10.4**

*Endo*
*1400 Atwater Drive*
*Malvern, PA 19355*
*484.216.0000*
*endo.com*

August 1, 2019

Patrick Barry
1400 Atwater Drive
Malvern, Pennsylvania, 19355

Dear Pat,

As we continue to execute on our corporate strategy, your leadership and expertise is essential to the Company. With the progress made to date, we are positioning ourselves for continued growth in Branded Pharmaceuticals and U.S. Branded Sterile Injectables, while continuing to stabilize our Retail Generics segment. Our capabilities in these core growth areas will be further enhanced by the expected emergence of the Company's Aesthetics segment as we transition to the crucial next phase of our multi-year turnaround plan.

Based upon the impact of your leadership across the enterprise and the criticality of your ongoing contributions to the planning and execution of Endo's ("Endo" or the "Company") transformation and turnaround plan, I am pleased to offer you a special compensation arrangement that demonstrates your importance to our Company. Specifically, you are eligible for the contribution retention bonus arrangement described in this Letter Agreement ("Letter Agreement").

Your total Contribution Retention Bonus amount is 1,250,000 USD (the "Contribution Bonus"), subject to applicable tax withholdings. This Contribution Bonus will be paid in installments within thirty (30) days following the end of the first, second, third and fourth Retention Period (each a "Retention Period" as defined below), provided you are employed on such dates by the Company or one of its affiliates. The Retention Periods and the associated installment amounts are as follows: (1) 312,500 USD following September 30, 2019; (2) 312,500 USD following December 31, 2019; (3) 312,500 USD following June 30, 2020; and (4) 312,500 USD following December 31, 2020. To qualify for the Contribution Bonus payments, you must maintain strong work performance and remain actively employed with Endo or one of its affiliates through the applicable Retention Periods.

Payment of the Contribution Bonus will be accelerated if your employment is terminated by Endo without cause (no misconduct or rule violation; *i.e.*, restructuring, reorganization or RIF) before the end of any applicable Retention Period and will be paid within 30 days of your termination date. Any unpaid Contribution Bonus amounts will be forfeited if you are terminated for cause (*i.e.*, misconduct, violation of rule or policy, etc.) or if you resign before the end of a Retention Period.

The Contribution Bonus will not become part of your remuneration, salary, or compensation (other than for tax purposes) for purposes of the calculation of any severance, notice or redundancy pay, or any other amount that you may be or become entitled to in relation to your employment or the termination of your employment. Nor is the Contribution Bonus an acquired right, since it is part of a global employee retention program implemented by the Company. This Contribution Bonus is a one-time retention award and will not create any legal claim for you in respect to its cause or amount, either for the past or for the future.

This Letter Agreement does not change the at-will employment relationship between you and Endo or alter any other terms and conditions of your employment. You or Endo may terminate your employment at any time, for any reason, with or without Cause. To the extent permitted by applicable law, any controversy or claim arising out of or relating to this Letter Agreement, or a breach thereof, including, but not limited to, any claims arising out of federal, state, or local laws, rules, or regulations, shall be exclusively settled by an arbitration proceeding conducted through Judicial Arbitration & Mediation Services ("JAMS"). This means that the Company and you are waiving your right to a have jury or judge adjudicate such claims or controversies, and that such claims or controversies will be exclusively decided by a single arbitrator. The arbitration will be conducted in accordance with the then-current JAMS Employment Arbitration Rules & Procedures (and no other JAMS rules). The decision of the arbitrator shall be final and binding. Judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction. You and the Company shall each bear your and its own legal expenses, except where otherwise required by law. The arbitration shall take place in Chester County, Pennsylvania, and no dispute under this Letter Agreement shall be adjudicated in any other venue or forum. This Letter Agreement shall be governed by the laws of the State of Pennsylvania, and it may not be modified in the absence of a written document signed by the parties.

Thank you for your ongoing contributions and commitment to our Company as we execute our strategic vision and operating plans at the highest performance level in support of our customers and patients. Please indicate your acceptance by signing and returning one copy of this Letter Agreement to Vito Romano by August 9, 2019.

Sincerely,

/S/ PAUL V. CAMPANELLI

Paul V. Campanelli
President & Chief Executive Officer

Signed and agreed by:

| /S/ PATRICK BARRY | August 1, 2019 |
|---|---|
| Patrick Barry | Date |

**Exhibit 31.1**

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002

I, Blaise Coleman, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Endo International plc;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's Board of Directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/S/ BLAISE COLEMAN

Blaise Coleman

President and Chief Executive Officer
(Principal Executive Officer)

Date: May 7, 2020

**Exhibit 31.2**

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002

I, Mark T. Bradley, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Endo International plc;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's Board of Directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/S/ MARK T. BRADLEY

Mark T. Bradley

Executive Vice President, Chief Financial Officer
(Principal Financial Officer)

Date: May 7, 2020

**Exhibit 32.1**

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Blaise Coleman, as President and Chief Executive Officer of Endo International plc (the Company), hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Quarterly Report on Form 10-Q of the Company for the quarterly period ended March 31, 2020 (the Report) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m); and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/S/ BLAISE COLEMAN

Name: Blaise Coleman

Title: President and Chief Executive Officer
(Principal Executive Officer)

Date: May 7, 2020

A signed original of this written statement required by Section 906 has been provided to, and will be retained by, Endo International plc and furnished to the Securities and Exchange Commission or its staff upon request.

**Exhibit 32.2**

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Mark T. Bradley, as Chief Financial Officer of Endo International plc (the Company), hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Quarterly Report on Form 10-Q of the Company for the quarterly period ended March 31, 2020 (the Report) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m); and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/S/ MARK T. BRADLEY

Name: Mark T. Bradley

Title: Executive Vice President, Chief Financial Officer
(Principal Financial Officer)

Date: May 7, 2020

A signed original of this written statement required by Section 906 has been provided to, and will be retained by, Endo International plc and furnished to the Securities and Exchange Commission or its staff upon request.