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

Form 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended June 30, 2019

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 001-38485

Amneal Pharmaceuticals, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**32-0546926**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
Amneal Pharmaceuticals, Inc. 400 Crossing Boulevard, Bridgewater, NJ	**08807**
(Address of principal executive offices)	(Zip Code)

(908) 947-3120

(Registrant's telephone number, including area code)

Not applicable

(Former name, former address and former fiscal year, if changed since last report)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock, par value $0.01 per share	AMRX	New York Stock Exchange

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 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 ☒

As of July 23, 2019, there were 128,150,558 shares of Class A common stock outstanding and 170,940,707 shares of Class B common stock outstanding, both with a par value of $0.01.

Amneal Pharmaceuticals, Inc.
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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements (Unaudited)

Amneal Pharmaceuticals, Inc.
Consolidated Statements of Operations
(unaudited; in thousands, except per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Net revenue	$ 404,642	$ 413,787	$ 850,762	$ 688,976
Cost of goods sold	296,381	235,492	606,124	366,086
Cost of goods sold impairment charges	3,012	—	56,309	—
Gross profit	105,249	178,295	188,329	322,890
Selling, general and administrative	67,281	56,003	151,717	81,124
Research and development	48,016	50,335	101,874	94,544
In-process research and development impairment charges	—	—	22,787	—
Intellectual property legal development expenses	2,511	4,047	6,677	8,623
Legal settlement gains	—	(3,000)	—	(3,000)
Acquisition, transaction-related and integration expenses	3,519	207,507	9,551	214,642
Restructuring and other charges	2,835	44,465	8,996	44,465
Operating loss	(18,913)	(181,062)	(113,273)	(117,508)
Other (expense) income:				
Interest expense, net	(43,886)	(36,622)	(87,167)	(57,673)
Foreign exchange gain (loss), net	8,311	(25,946)	2,847	(17,381)
Loss on extinguishment of debt	—	(19,667)	—	(19,667)
(Loss) gain on sale of international businesses, net	(1,888)	—	6,930	—
Other income, net	149	791	1,256	1,739
Total other expense, net	(37,314)	(81,444)	(76,134)	(92,982)
Loss before income taxes	(56,227)	(262,506)	(189,407)	(210,490)
Benefit from income taxes	(5,701)	(12,416)	(14,129)	(12,052)
Net loss	(50,526)	(250,090)	(175,278)	(198,438)
Less: Net loss attributable to Amneal Pharmaceuticals LLC pre-Combination	—	200,341	—	148,806
Less: Net loss attributable to non-controlling interests	33,624	31,885	110,495	31,768
Net loss attributable to Amneal Pharmaceuticals, Inc. before accretion of redeemable non-controlling interest	(16,902)	(17,864)	(64,783)	(17,864)
Accretion of redeemable non-controlling interest	—	(1,240)	—	(1,240)
Net loss attributable to Amneal Pharmaceuticals, Inc.	$ (16,902)	$ (19,104)	$ (64,783)	$ (19,104)
Net loss per share attributable to Amneal Pharmaceuticals, Inc.'s common stockholders:				
Class A and Class B-1 basic and diluted	$ (0.13)	$ (0.15)	$ (0.51)	$ (0.15)
Weighted-average common shares outstanding:				
Class A and Class B-1 basic and diluted	128,016	127,112	127,852	127,112

The accompanying notes are an integral part of these consolidated financial statements.

Amneal Pharmaceuticals, Inc.
Consolidated Statements of Comprehensive Loss
(unaudited; in thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	**2018**	**2019**	**2018**
Net loss	$ (50,526)	$ (250,090)	$ (175,278)	$ (198,438)
Less: Net loss attributable to Amneal Pharmaceuticals LLC pre-Combination	—	200,341	—	148,806
Less: Net loss attributable to non-controlling interests	33,624	31,885	110,495	31,768
Net loss attributable to Amneal Pharmaceuticals, Inc. before accretion of redeemable non-controlling interest	(16,902)	(17,864)	(64,783)	(17,864)
Accretion of redeemable non-controlling interest	—	(1,240)	—	(1,240)
Net loss attributable to Amneal Pharmaceuticals, Inc.	(16,902)	(19,104)	(64,783)	(19,104)
Other comprehensive income (loss):				
Foreign currency translation adjustments				
Foreign currency translation adjustments arising during the period	(6,219)	8,932	(983)	(1,025)
Less: Reclassification of foreign currency translation adjustment included in net loss	40	—	3,413	—
Foreign currency translation adjustments, net	(6,179)	8,932	2,430	(1,025)
Less: Other comprehensive income attributable to Amneal Pharmaceuticals LLC pre-Combination	—	(11,678)	—	(1,721)
Less: Other comprehensive loss (income) attributable to non-controlling interests	3,533	1,576	(1,394)	1,576
Other comprehensive (loss) income attributable to Amneal Pharmaceuticals, Inc.	(2,646)	(1,170)	1,036	(1,170)
Comprehensive loss attributable to Amneal Pharmaceuticals, Inc.	$ (19,548)	$ (20,274)	$ (63,747)	$ (20,274)

The accompanying notes are an integral part of these consolidated financial statements.

Amneal Pharmaceuticals, Inc.
Consolidated Balance Sheets
(unaudited; in thousands)

	June 30, 2019	December 31, 2018
Assets		
Current assets:		
Cash and cash equivalents	$ 54,893	$ 213,394
Restricted cash	2,129	5,385
Trade accounts receivable, net	634,666	481,495
Inventories	414,627	457,219
Prepaid expenses and other current assets	77,062	128,321
Related party receivables	2,470	830
Total current assets	1,185,847	1,286,644
Property, plant and equipment, net	508,086	544,146
Goodwill	420,017	426,226
Intangible assets, net	1,553,330	1,654,969
Deferred tax asset, net	391,881	373,159
Operating lease right-of-use assets	59,900	—
Operating lease right-of-use assets - related party	17,031	—
Financing lease right-of-use assets - related party	62,588	—
Other assets	63,459	67,592
Total assets	$ 4,262,139	$ 4,352,736
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable and accrued expenses	$ 505,143	$ 514,440
Current portion of long-term debt, net	21,445	21,449
Current portion of operating lease liabilities	13,313	—
Current portion of operating and financing lease liabilities - related party	3,293	—
Related party payables	2,965	17,695
Current portion of financing obligation - related party	—	266
Total current liabilities	546,159	553,850
Long-term debt, net	2,619,788	2,630,598
Deferred income taxes	—	1,178
Liabilities under tax receivable agreement	193,499	192,884
Operating lease liabilities	47,836	—
Operating lease liabilities - related party	14,862	—
Financing lease liabilities - related party	61,990	—
Financing obligation - related party	—	39,083
Other liabilities	28,653	38,780
Total long-term liabilities	2,966,628	2,902,523
Commitments and contingencies (Notes 5, 11 and 13)		
Stockholders' Equity		
Preferred stock, $0.01 par value, 2,000 shares authorized; none issued at both June 30, 2019 and December 31, 2018	—	—
Class A common stock, $0.01 par value, 900,000 shares authorized at both June 30, 2019 and December 31, 2018; 128,151 and 115,047 shares issued at June 30, 2019 and December 31, 2018, respectively	1,281	1,151
Class B common stock, $0.01 par value, 300,000 shares authorized at both June 30, 2019 and December 31, 2018; 170,941 and 171,261 shares issued at June 30, 2019 and December 31, 2018 respectively	1,710	1,713
Class B-1 common stock, $0.01 par value, 18,000 shares authorized at both June 30, 2019 and December 31, 2018; none and 12,329 shares issued at June 30, 2019 and December 31, 2018, respectively	—	123
Additional paid-in capital	544,161	530,438
Stockholders' accumulated deficit	(80,746)	(20,920)
Accumulated other comprehensive loss	(6,750)	(7,755)
Total Amneal Pharmaceuticals, Inc. stockholders' equity	459,656	504,750
Non-controlling interests	289,696	391,613
Total stockholders' equity	749,352	896,363
Total liabilities and stockholders' equity	$ 4,262,139	$ 4,352,736

The accompanying notes are an integral part of these consolidated financial statements.

Amneal Pharmaceuticals, Inc.
Consolidated Statements of Cash Flows
(unaudited; in thousands)

	Six Months Ended June 30,	
	2019	**2018**
Cash flows from operating activities:		
Net loss	$ (175,278)	$ (198,438)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	99,574	46,897
Amortization of Levothyroxine Transition Agreement asset	36,393	—
Unrealized foreign currency (gain) loss	(3,695)	17,032
Amortization of debt issuance costs	3,218	2,577
Loss on extinguishment of debt	—	19,667
Gain on sale of international businesses, net	(6,930)	—
Gain on termination of lease	—	(3,524)
Intangible asset impairment charges	79,096	—
Non-cash restructuring and asset-related charges	1,314	—
Deferred tax benefit	(18,209)	(14,993)
Stock-based compensation and PPU expense	10,571	160,401
Inventory provision	50,410	17,426
Other operating charges and credits, net	3,155	927
Changes in assets and liabilities:		
Trade accounts receivable, net	(162,954)	(60,051)
Inventories	(19,658)	(71,655)
Prepaid expenses, other current assets and other assets	28,614	(5,107)
Related party receivables	(1,624)	11,017
Accounts payable, accrued expenses and other liabilities	(13,538)	19,630
Related party payables	2,225	(13,356)
Net cash used in operating activities	(87,316)	(71,550)
Cash flows from investing activities:		
Purchases of property, plant and equipment	(29,629)	(36,600)
Acquisition of product rights and licenses	(50,000)	(3,000)
Acquisitions, net of cash acquired	—	(321,324)
Proceeds from sale of international businesses, net of cash sold	34,834	—
Net cash used in investing activities	(44,795)	(360,924)
Cash flows from financing activities:		
Payments of deferred financing costs and debt extinguishment costs	—	(54,955)
Proceeds from issuance of debt	—	1,325,383
Payments of principal on debt and capital leases	(13,500)	(603,551)
Payments on revolving credit line	—	(75,000)
Proceeds from exercise of stock options	1,385	1,977
Employee payroll tax withholding on restricted stock unit vesting	(921)	—
Equity contributions	—	27,742
Capital contribution from non-controlling interest	—	360
Acquisition of non-controlling interest	(3,543)	—
Tax distribution to non-controlling interest	(13,494)	—
Distributions to members	—	(182,998)
Payments of principal on financing lease - related party	(866)	—
Payments of financing obligation - related party	—	(121)
Repayment of related party note	—	(14,842)
Net cash (used in) provided by financing activities	(30,939)	423,995
Effect of foreign exchange rate on cash	1,293	(853)
Net decrease in cash, cash equivalents, and restricted cash	(161,757)	(9,332)
Cash, cash equivalents, and restricted cash - beginning of period	218,779	77,922
Cash, cash equivalents, and restricted cash - end of period	$ 57,022	$ 68,590

Cash and cash equivalents - end of period	$ 54,893	$ 61,521
Restricted cash - end of period	2,129	7,069
Cash, cash equivalents, and restricted cash - end of period	$ 57,022	$ 68,590
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ 81,103	$ 50,391
Cash received for income taxes	$ 8,533	$ —
Supplemental disclosure of non-cash investing and financing activity:		
Distribution to members	$ —	$ 8,562
Payable for acquisition of product rights and licenses	$ —	$ 10,000

The accompanying notes are an integral part of these consolidated financial statements.

Amneal Pharmaceuticals, Inc.
Consolidated Statement of Stockholders' Equity / Members' Deficit
(unaudited; in thousands)

	Class A Common Stock		Class B Common Stock		Class B-1 Common Stock		Additional Paid-in Capital	Stockholders' Accumulated Deficit	Accumulated Other Comprehensive (Loss) Income	Non-Controlling Interests	Total Equity
	Shares	Amount	Shares	Amount	Shares	Amount					
Balance at April 1, 2019	115,564	$ 1,156	170,941	$ 1,710	12,329	$ 123	$ 537,159	$ (63,844)	$ (4,099)	$ 327,576	$799,781
Net loss	—	—	—	—	—	—	—	(16,902)	—	(33,624)	(50,526)
Foreign currency translation adjustment	—	—	—	—	—	—	—	—	(2,663)	(3,556)	(6,219)
Stock-based compensation	—	—	—	—	—	—	6,224	—	—	—	6,224
Exercise of stock options	8	—	—	—	—	—	174	—	—	201	375
Restricted stock unit vesting, net of shares withheld to cover payroll taxes	250	2	—	—	—	—	6	—	(5)	(924)	(921)
Conversion of Class B-1 Common Stock	12,329	123	—	—	(12,329)	(123)	—	—	—	—	—
Reclassification of foreign currency translation adjustment included in net loss	—	—	—	—	—	—	—	—	17	23	40
Other	—	—	—	—	—	—	598	—	—	—	598
Balance at June 30, 2019	128,151	$ 1,281	170,941	$ 1,710	—	$ —	$ 544,161	$ (80,746)	$ (6,750)	$ 289,696	$749,352

The accompanying notes are an integral part of these consolidated financial statements.

Amneal Pharmaceuticals, Inc.
Consolidated Statement of Stockholders' Equity / Members' Deficit
(unaudited; in thousands)

	Class A Common Stock		Class B Common Stock		Class B-1 Common Stock		Additional Paid-in Capital	Stockholders' Accumulated Deficit	Accumulated Other Comprehensive (Loss) Income	Non-Controlling Interests	Total Equity
	Shares	Amount	Shares	Amount	Shares	Amount					
Balance at January 1, 2019	115,047	$ 1,151	171,261	$ 1,713	12,329	$ 123	$ 530,438	$ (20,920)	$ (7,755)	$ 391,613	$896,363
Net loss	—	—	—	—	—	—	—	(64,783)	—	(110,495)	(175,278)
Cumulative-effective adjustment from adoption of Topic 842	—	—	—	—	—	—	—	4,957	—	8,604	13,561
Foreign currency translation adjustment	—	—	—	—	—	—	—	—	(425)	(558)	(983)
Stock-based compensation	—	—	—	—	—	—	10,571	—	—	—	10,571
Exercise of stock options	205	2	—	—	—	—	922	—	(7)	468	1,385
Restricted stock unit vesting, net of shares withheld to cover payroll taxes	250	2	—	—	—	—	6	—	(5)	(924)	(921)
Redemption of Class B Common Stock	320	3	(320)	(3)	—	—	1,124	—	(19)	(882)	223
Conversion of Class B-1 Common Stock	12,329	123	—	—	(12,329)	(123)	—	—	—	—	—
Tax distribution	—	—	—	—	—	—	—	—	—	(82)	(82)
Reclassification of foreign currency translation adjustment included in net loss	—	—	—	—	—	—	—	—	1,461	1,952	3,413
Other	—	—	—	—	—	—	1,100	—	—	—	1,100
Balance at June 30, 2019	128,151	$ 1,281	170,941	$ 1,710	—	$ —	$ 544,161	$ (80,746)	$ (6,750)	$ 289,696	$749,352

The accompanying notes are an integral part of these consolidated financial statements.

Amneal Pharmaceuticals, Inc.
Consolidated Statement of Stockholders' Equity / Members' Deficit
(unaudited; in thousands)

	Members' Equity	Members' Accumulated Deficit	Class A Common Stock		Class B Common Stock		Class B-1 Common Stock		Additional Paid-in Capital	Stockholders' Accumulated Deficit	Accumulated Other Comprehensive (Loss) Income	Non-Controlling Interests	Total Equity	Redeemable Non-Controlling Interest
			Shares	Amount	Shares	Amount	Shares	Amount						
Balance at April 1, 2018	$ 2,716	$ (357,980)	—	$ —	—	$ —	—	$ —	$ —	$ —	$ (24,189)	$ 10,634	$ (368,819)	$ —
Period Prior to the Combination														
Net loss	—	(200,341)	—	—	—	—	—	—	—	—	—	(20)	(200,361)	—
Cumulative-effective adjustment from adoption of ASU 2014-09 (Topic 606)	—	1,707	—	—	—	—	—	—	—	—	—	—	1,707	—
Distributions to members	—	(152,998)	—	—	—	—	—	—	—	—	—	—	(152,998)	—
PPU expense	158,757	—	—	—	—	—	—	—	—	—	—	—	158,757	—
Foreign currency translation adjustment	—	—	—	—	—	—	—	—	—	—	11,678	—	11,678	—
Capital contribution by Amneal Holdings for employee bonuses	27,742	—	—	—	—	—	—	—	—	—	—	—	27,742	—
Period Subsequent to the Combination														
Effect of the Combination	(189,215)	709,612	73,289	733	224,996	2,250	—	—	325,918	—	9,437	626,737	1,485,472	—
Redemption of Class B Common Stock for PIPE	—	—	34,520	345	(46,849)	(468)	12,329	123	165,180	—	(1,965)	(130,501)	32,714	—
Redemption of Class B Common Stock for distribution to PPU Holders	—	—	6,886	69	(6,886)	(69)	—	—	24,293	—	(289)	(19,181)	4,823	—
Net loss	—	—	—	—	—	—	—	—	—	(17,864)	—	(31,865)	(49,729)	—
Foreign currency translation adjustment	—	—	—	—	—	—	—	—	—	—	(1,170)	(1,576)	(2,746)	—
Stock-based compensation	—	—	—	—	—	—	—	—	1,644	—	—	—	1,644	—
Exercise of stock options	—	—	164	2	—	—	—	—	2,241	—	(4)	(262)	1,977	—
Reclassification of redeemable non-controlling interest	—	—	—	—	—	—	—	—	—	(1,240)	—	(10,618)	(11,858)	11,858
Non-controlling interests from acquisition of Gemini	—	—	—	—	—	—	—	—	—	—	—	3,049	3,049	—
Other	—	—	—	—	—	—	—	—	(2,154)	—	—	(1,412)	(3,566)	—
Balance at June 30, 2018	$ —	$ —	114,859	$ 1,149	171,261	$ 1,713	12,329	$ 123	$ 517,122	$ (19,104)	$ (6,502)	$ 444,985	$ 939,486	$ 11,858

The accompanying notes are an integral part of these consolidated financial statements.

Amneal Pharmaceuticals, Inc.
Consolidated Statement of Stockholders' Equity / Members' Deficit
(unaudited; in thousands)

	Members' Equity	Members' Accumulated Deficit	Class A Common Stock		Class B Common Stock		Class B-1 Common Stock		Additional Paid-in Capital	Stockholders' Accumulated Deficit	Accumulated Other Comprehensive (Loss) Income	Non-Controlling Interests	Total Equity	Redeemable Non-Controlling Interest
			Shares	Amount	Shares	Amount	Shares	Amount						
Balance at January 1, 2018	$ 2,716	$ (382,785)	—	$ —	—	$ —	—	$ —	$ 8,562	$ —	$ (14,232)	$ 10,157	$ (375,582)	$ —
Period Prior to the Combination														
Net (loss) income	—	(148,806)	—	—	—	—	—	—	—	—	—	97	(148,709)	—
Cumulative-effective adjustment from adoption of ASU 2014-09 (Topic 606)	—	4,977	—	—	—	—	—	—	—	—	—	—	4,977	—
Capital contribution from non-controlling interest	—	—	—	—	—	—	—	—	—	—	—	360	360	—
Distributions to members	—	(182,998)	—	—	—	—	—	—	(8,562)	—	—	—	(191,560)	—
PPU expense	158,757	—	—	—	—	—	—	—	—	—	—	—	158,757	—
Foreign currency translation adjustment	—	—	—	—	—	—	—	—	—	—	1,721	—	1,721	—
Capital contribution by Amneal Holdings for employee bonuses	27,742	—	—	—	—	—	—	—	—	—	—	—	27,742	—
Period Subsequent to the Combination														
Effect of the Combination	(189,215)	709,612	73,289	733	224,996	2,250	—	—	325,918	—	9,437	626,737	1,485,472	—
Redemption of Class B Common Stock for PIPE	—	—	34,520	345	(46,849)	(468)	12,329	123	165,180	—	(1,965)	(130,501)	32,714	—
Redemption of Class B Common Stock for distribution to PPU Holders	—	—	6,886	69	(6,886)	(69)	—	—	24,293	—	(289)	(19,181)	4,823	—
Net loss	—	—	—	—	—	—	—	—	—	(17,864)	—	(31,865)	(49,729)	—
Foreign currency translation adjustment	—	—	—	—	—	—	—	—	—	—	(1,170)	(1,576)	(2,746)	—
Stock-based compensation	—	—	—	—	—	—	—	—	1,644	—	—	—	1,644	—
Exercise of stock options	—	—	164	2	—	—	—	—	2,241	—	(4)	(262)	1,977	—
Reclassification of redeemable non-controlling interest	—	—	—	—	—	—	—	—	—	(1,240)	—	(10,618)	(11,858)	11,858
Non-controlling interests from acquisition of Gemini	—	—	—	—	—	—	—	—	—	—	—	3,049	3,049	—
Other	—	—	—	—	—	—	—	—	(2,154)	—	—	(1,412)	(3,566)	—
Balance at June 30, 2018	$ —	$ —	114,859	$ 1,149	171,261	$ 1,713	12,329	$ 123	$ 517,122	$ (19,104)	$ (6,502)	$ 444,985	$ 939,486	$ 11,858

The accompanying notes are an integral part of these consolidated financial statements.

1. Nature of Operations

Amneal Pharmaceuticals, Inc., formerly known as Atlas Holdings, Inc. (the "Company"), was formed along with its wholly owned subsidiary, K2 Merger Sub Corporation, a Delaware corporation ("Merger Sub"), on October 4, 2017, for the purpose of facilitating the combination of Impax Laboratories, Inc. (now Impax Laboratories, LLC), a Delaware corporation then listed on the Nasdaq Stock Market ("Impax") and Amneal Pharmaceuticals LLC, a Delaware limited liability company ("Amneal"). The Company is a holding company, whose principal assets are Amneal Common Units.

Amneal was formed in 2002 and operates through various subsidiaries. Amneal is a vertically integrated developer, manufacturer, and seller of generic pharmaceutical products. Amneal's pharmaceutical research includes analytical and formulation development and stability. Amneal operates principally in the United States, Switzerland, India, and Ireland. Amneal divested its operations in the United Kingdom on March 30, 2019 and Germany on May 3, 2019 . For additional information, refer to *Note 3. Acquisitions and Divestitures* . Amneal sells to wholesalers, distributors, hospitals, chain pharmacies and individual pharmacies, either directly or indirectly.

On October 17, 2017, Amneal, Impax, the Company and Merger Sub entered into the Business Combination Agreement, as amended on November 21, 2017 and December 16, 2017 (the "BCA").

On May 4, 2018, pursuant to the BCA, Impax and Amneal combined the generics and specialty pharmaceutical business of Impax with the generic drug development and manufacturing business of Amneal to create the Company as a new generics and specialty pharmaceutical company, through the following transactions (together, the "Combination", and the closing of the Combination, the "Closing"): (i) Merger Sub merged with and into Impax, with Impax surviving as a wholly owned subsidiary of the Company, (ii) each share of Impax's common stock, par value $0.01 per share ("Impax Common Stock"), issued and outstanding immediately prior to the Closing, other than Impax Common Stock held by Impax in treasury, by the Company or by any of their respective subsidiaries, was converted into the right to receive one fully paid and non-assessable share of Class A common stock of the Company, par value $0.01 per share ("Class A Common Stock"), (iii) Impax converted to a Delaware limited liability company, (iv) the Company contributed to Amneal all of the Company's equity interests in Impax, in exchange for Amneal common units ("Amneal Common Units"), (v) the Company issued an aggregate number of shares of Class B common stock of the Company, par value $0.01 per share ("Class B Common Stock", and collectively, with the Class A Common Stock and Class B-1 common stock of the Company, par value $0.01 , ("Class B-1 Common Stock"), the "Company Common Stock") to APHC Holdings, LLC, (formerly Amneal Holdings, LLC), the parent entity of Amneal as of the Closing ("Holdings"), and (vi) the Company became the managing member of Amneal.

Immediately upon the Closing, holders of Impax Common Stock prior to the Closing collectively held approximately 25% of the Company and Holdings held a majority interest in the Company with an effective voting interest of approximately 75% on a fully diluted and as converted basis through its ownership of Class B Common Stock. Holdings also held a corresponding number of Amneal Common Units, which entitled it to approximately 75% of the economic interests in the combined businesses of Impax and Amneal. The Company held an interest in Amneal of approximately 25% .

In connection with the Combination, on May 4, 2018, Holdings entered into definitive purchase agreements which provided for a private placement of certain shares of Class A Common Stock and Class B-1 Common Stock (the "PIPE Investment") with select institutional investors (the "PIPE Investors"). Pursuant to the terms of the purchase agreements, upon the Closing, Holdings exercised its right to cause the Company to redeem approximately 15% of its ownership interests in the Company in exchange for 34.5 million shares of Class A Common Stock and 12.3 million unregistered shares of Class B-1 Common Stock (the "Redemption"). The shares of Class A Common Stock and Class B-1 Common Stock received in the Redemption were sold immediately following the Closing by Holdings to the PIPE Investors at a per share purchase price of $18.25 for gross proceeds of $855 million . Following the PIPE Investment, the PIPE Investors owned collectively approximately 15% of the Company Common Stock on a fully diluted and as converted basis.

On May 4, 2018, Holdings also caused Amneal to redeem (the "Closing Date Redemption") 6.9 million of Amneal Common Units held by Holdings for a like number of shares of Class A Common Stock, for future distribution to certain direct and indirect members of Holdings who were or are employees of the Company and to whom were previously issued (prior to the Closing) profit participation units ("PPUs") in Amneal. As a result of the PIPE Investment and Closing Date Redemption, the voting and economic interest of approximately 75% held by Holdings immediately upon Closing was reduced by approximately 18% . The overall interest percentage held by non-controlling interest holders (the "Amneal Group") upon the consummation of the Combination, PIPE Investment and Closing Date Redemption was approximately 57% . As of both December 31, 2018 and June 30, 2019 , the overall interest percentage held by non-controlling interest holders was approximately 57% .

O n July 5, 2018, Holdings distributed to its members all Amneal Common Units and shares of Class B Common Stock held by Holdings. As a result, as of June 30, 2019 , Holdings did no t hold any equity interest in Amneal or the Company.

During the second quarter of 2019, pursuant to the Company's certificate of incorporation, the Company converted all (12.3 million) of its issued and outstanding shares of Class B-1 Common Stock to Class A Common Stock and such shares of Class B-1 Common Stock have been retired and may not be reissued by the Company. The rights of Class A Common Stock and Class B-1 Common Stock are identical, except that the Class B-1 Common Stock had certain director appointment rights and the Class B-1 Common Stock had no voting rights (other than with respect to its director appointment right and as otherwise required by law).

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying unaudited consolidated financial statements, which are prepared in accordance with generally accepted accounting principles in the United States of America, should be read in conjunction with Amneal's annual audited financial statements for the year ended December 31, 2018 included in the Company's 2018 Annual Report on Form 10-K. Certain information and footnote disclosures normally included in annual financial statements have been omitted from the accompanying unaudited consolidated financial statements. In the opinion of management, the accompanying unaudited consolidated financial statements contain all adjustments, consisting of only normal recurring adjustments, necessary for a fair statement of the Company's financial position as of June 30, 2019 , cash flows for the six months ended June 30, 2019 and 2018 and the results of its operations, its comprehensive loss and changes in stockholders' equity for the three and six months ended June 30, 2019 and 2018 . The consolidated balance sheet data at December 31, 2018 was derived from the Company's audited annual financial statements, but does not include all disclosures required by accounting principles generally accepted in the United States of America.

The accounting policies of the Company are set forth in *Note 2. Summary of Significant Accounting Policies* contained in the Company's 2018 Annual Report on Form 10-K, except for the impact of the adoption of new accounting standards discussed under *Recently Adopted Accounting Pronouncements* .

Use of Estimates

The preparation of financial statements requires the Company's management to make estimates and assumptions that affect the reported financial position at the date of the financial statements and the reported results of operations during the reporting period. Such estimates and assumptions affect the reported amounts of assets, liabilities, revenues and expenses, and disclosure of contingent assets and liabilities in the consolidated financial statements and accompanying notes. The following are some, but not all, of such estimates: the determination of chargebacks, sales returns, rebates, billbacks, allowances for accounts receivable, accrued liabilities, stock-based compensation, valuation of inventory balances, the determination of useful lives for product rights, allowances for deferred tax assets and the assessment of expected cash flows used in evaluating goodwill and other long-lived assets for impairment. Actual results could differ from those estimates.

Reclassifications

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

Recently Adopted Accounting Pronouncements

Leases

In February 2016, the Financial Accounting Standards Board ("FASB") issued ASU 2016-02, *Leases,* which was subsequently supplemented by clarifying guidance (collectively, "Topic 842") to improve financial reporting of leasing transactions. Topic 842 requires a lessee to recognize most leases, including those classified as operating, on its balance sheets as right of use ("ROU") assets and lease liabilities and requires disclose of additional key information about leases.

The Company elected to apply the modified retrospective transition provisions of Topic 842 on January 1, 2019, the date of adoption. In addition, the Company elected the package of practical expedients permitted under the transition guidance within the new standard. This allowed the Company to carry forward historical lease classifications. Adoption of this standard resulted in the recording of operating lease ROU assets and operating lease liabilities of $85 million and $86 million , respectively.

The transition guidance of Topic 842 also required the Company to de-recognize the build to suit accounting associated with a related party lease for integrated manufacturing and office space and recognize that transaction as a financing lease as of January 1, 2019. The resulting de-recognition reduced leasehold improvements and a financing obligation by $24 million and $39 million , respectively, and increased non-controlling interests and stockholders' accumulated deficit, net of income taxes, by $9 million and $5 million , respectively. The arrangement was then recognized as a financing lease with an ROU asset and lease liability of $64 million on January 1, 2019. Leases with related parties, the details of which are described in *Note 15. Related Party Transactions,* are presented separately in the Company's balance sheets.

The adoption of Topic 842 did not have a material impact on the Company's consolidated statements of operations. ROU assets and lease liabilities for reporting periods beginning on or after January 1, 2019 are presented under the new guidance, while prior periods amounts were not adjusted and continue to be reported in accordance with previous guidance.

All significant lease arrangements after January 1, 2019 are recognized as ROU assets and lease liabilities at lease commencement. ROU assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent its obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the commencement date based on the present value of the future lease payments using the Company's incremental borrowing rate, which is assessed quarterly.

Operating lease expense is recognized on a straight-line basis over the lease term. At each balance sheet date, operating and financing lease liabilities continue to represent the present value of the future payments. Financing lease ROU assets are expensed using the straight-line method, unless another basis is more representative of the pattern of economic benefit, to lease expense. Interest on financing lease liabilities is recognized in interest expense.

Leases with an initial term of 12 months or less (short-term leases) are not recognized in the balance sheet and the related lease payments are recognized as incurred over the lease term. The Company separates lease and non-lease components. A portion of the Company's real estate leases are subject to periodic changes in the Consumer Price Index ("CPI"). The changes to the CPI are treated as variable lease payments and recognized in the period in which the obligation for those payments was incurred.

For further details regarding the Company's leases, refer to *Note 11. Leases* .

Financial Instruments

In January 2016, the FASB issued ASU 2016-01, *Financial Instruments—Overall (Subtopic 825-10), Recognition and Measurement of Financial Assets and Financial Liabilities* , which addresses certain aspects of recognition, measurement, presentation, and disclosure of financial instruments. The Company adopted ASU 2016-01 as of January 1, 2019 and it did not have a material impact on the Company's consolidated financial statements.

Goodwill

In January 2017, the FASB issued ASU 2017-04, *Intangibles—Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment* that eliminates the requirement to calculate the implied fair value of goodwill (i.e., Step 2 of today’s goodwill impairment test) to measure a goodwill impairment charge. The Company adopted ASU 2017-04 as of April 1, 2019 on a prospective basis and it did not have a material impact on the Company's consolidated financial statements.

Recently Issued Accounting Pronouncements

In August 2018, the FASB issued ASU 2018-13, *Fair Value Measurement (Topic 82): Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement,* which modifies the disclosure requirements on fair value measurement. The guidance is effective for annual periods beginning after December 15, 2019 and interim periods within those annual periods, and early adoption is permitted. The Company is evaluating the impact of this new guidance on its consolidated financial statements.

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* , guidance that changes the impairment model for most financial assets including trade receivables and certain other instruments that are not measured at fair value through net income. The standard will replace today's "incurred loss" approach with an "expected loss" model for instruments measured at amortized cost and require entities to record allowances for available-for-sale debt securities rather than reduce the carrying amount, as they do today under the other-than-temporary impairment model. It also simplifies the accounting model for purchased credit-impaired debt securities and loans. Entities will apply the standard's provisions as a cumulative effect adjustment to retained earnings as of the beginning of the first reporting period in which the guidance is effective. The guidance is effective for the Company for the annual period beginning after December 15, 2019. The Company is evaluating the impact of this new guidance on its consolidated financial statements.

3. Acquisitions and Divestitures

Acquisitions

Impax Acquisition

On May 4, 2018, the Company completed the Combination, as described in *Note 1. Nature of Operations* . For the three and six months ended June 30, 2018 , transaction costs associated with the Impax acquisition of $16 million and $23 million , respectively, were recorded in acquisition, transaction-related and integration expenses (no ne for the three and six months ended June 30, 2019).

The Impax acquisition was accounted for under the acquisition method of accounting, with Amneal as the accounting acquirer of Impax. Amneal was identified as the accounting acquirer because: (i) Amneal exchanged Amneal Common Units with the Company for the Company's interest in Impax, (ii) Holdings held a majority interest in the Company with an effective voting interest of approximately 75% on a fully diluted and as converted basis through their ownership of Class B Common Stock, and (iii) a majority of the directors on the Company's current board of directors were designated by Holdings. As such, the cost to acquire Impax was allocated to the respective assets acquired and liabilities assumed based on their estimated fair values as of the closing date of the Combination.

The measurement of the consideration transferred by Amneal for its interest in Impax is based on the fair value of the equity interest that Amneal would have had to issue to give the Impax shareholders the same percentage equity interest in the Company, which is equal to approximately 25% of Amneal, on May 4, 2018. However, the fair value of Impax's common stock was used to calculate the consideration for the Combination because Impax's common stock had a quoted market price and the Combination involved only the exchange of equity.

The purchase price, net of cash acquired, is calculated as follows (in thousands, except share amount and price per share):

Fully diluted Impax share number [1]		73,288,792
Closing quoted market price of an Impax common share on May 4, 2018	$	18.30
Equity consideration - subtotal	$	1,341,185
Add: Fair value of Impax stock options as of May 4, 2018 [2]		22,610
Total equity consideration		1,363,795
Add: Extinguishment of certain Impax obligations, including accrued and unpaid interest		320,290
Less: Cash acquired		(37,907)
Purchase price, net of cash acquired	$	1,646,178

[1] Represents shares of Impax Common Stock issued and outstanding immediately prior to the Combination.

[2] Represents the fair value of 3.0 million fully vested Impax stock options valued using the Black-Scholes options pricing model.

The following is a summary of the purchase price allocation for the Impax acquisition (in thousands):

	Final Fair Values As of June 30, 2019
Trade accounts receivable, net	$ 210,820
Inventories	183,088
Prepaid expenses and other current assets	91,430
Property, plant and equipment	87,472
Goodwill	398,733
Intangible assets	1,574,929
Other	55,790
Total assets acquired	2,602,262
Accounts payable	47,912
Accrued expenses and other current liabilities	274,979
Long-term debt	599,400
Other long-term liabilities	33,793
Total liabilities assumed	956,084
Net assets acquired	$ 1,646,178

Intangible Assets

The acquired intangible assets are being amortized over their estimated useful lives as follows (in thousands):

	Final Fair Values	Weighted-Average Useful Life (Years)
Marketed product rights	$ 1,045,617	12.9

In addition to the amortizable intangible assets noted above, $529 million was allocated to in-process research and development ("IPR&D"), which is currently not subject to amortization.

The estimated fair value of the IPR&D and identifiable intangible assets was determined using the "income approach," which is a valuation technique that provides an estimate of the fair value of an asset based on market participant expectations of the cash flows an asset would generate over its remaining useful life. The assumptions, including the expected projected cash flows, utilized in the purchase price allocation and in determining the purchase price were based on management's best estimates as of the closing date of the Combination on May 4, 2018.

Some of the more significant assumptions inherent in the development of those asset valuations include the estimated net cash flows for each year for each asset or product (including net revenues, cost of sales, research and development costs, selling and marketing costs and working capital / contributory asset charges), the appropriate discount rate to select in order to measure the risk inherent in each future cash flow stream, the assessment of each asset’s life cycle, the potential regulatory and commercial success risks, competitive trends impacting the asset and each cash flow stream, as well as other factors. No assurances can be given that the underlying assumptions used to prepare the discounted cash flow analysis will not change. For these and other reasons, actual results may vary significantly from estimated results.

Goodwill

Of the total goodwill acquired in connection with the Impax acquisition, approximately $360 million has been allocated to the Company's Specialty segment and approximately $39 million has been allocated to the Generics segment. Goodwill is calculated as the excess of the consideration transferred over the net assets recognized and represents the expected revenue and cost synergies of the combined company. Factors that contributed to the Company's recognition of goodwill include the Company's intent to expand its generic and specialty product portfolios and to acquire certain benefits from the Impax product pipelines, in addition to the anticipated synergies that the Company expects to generate from the acquisition.

The Company made an initial allocation of the purchase price at the date of acquisition based upon its understanding of the fair value of the acquired assets and assumed liabilities. The Company obtained this information during due diligence and through other sources. In the months after closing, as the Company obtained additional information about these assets and liabilities and learned more about the newly acquired business, it was able to refine the estimates of fair value and more accurately allocate the purchase price. Only items identified as of the acquisition date are considered for subsequent adjustment.

Unaudited Pro Forma Information

The unaudited pro forma combined results of operations for the three and six months ended June 30, 2018 (assuming the closing of the Combination occurred on January 1, 2017) are as follows (in thousands):

	Three Months Ended June 30, 2018	Six Months Ended June 30, 2018
Net revenue	$ 447,524	$ 865,068
Net loss	$ (86,621)	$ (161,050)
Net loss attributable to Amneal Pharmaceuticals, Inc.	$ (19,759)	$ (28,454)

The pro forma results have been prepared for comparative purposes only and are not necessarily indicative of the actual results of operations had the closing of the Combination taken place on January 1, 2017. Furthermore, the pro forma results do not purport to project the future results of operations of the Company.

The unaudited pro forma information reflects primarily the following non-recurring adjustments (all of which were adjusted for the applicable tax impact):

- Adjustments to costs of goods sold related to the inventory acquired; and
- Adjustments to selling, general and administrative expense related to transaction costs directly attributable to the transactions.

UK Divestiture

On March 30, 2019, the Company sold 100% of the stock of its Creo Pharma Holding Limited subsidiary, which comprised substantially all of the Company's operations in the United Kingdom, to AI Sirona (Luxembourg) Acquisition S.a.r.l ("AI Sirona") for net cash consideration of approximately $32 million which was received in April 2019. The carrying value of the net assets sold was $22 million , including intangible assets of $7 million and goodwill of $5 million . As a result of the sale, the Company recognized a pre-tax gain of $9 million , inclusive of transaction costs and the recognition of accumulated foreign currency translation adjustment losses of $3 million , within (loss) gain on sale of international business for the six months ended June 30, 2019 . As part of the disposition, the Company entered into a supply and license agreement with AI Sirona to supply certain products for a period of up to two years .

Germany Divestiture

On May 3, 2019, the Company sold 100% of the stock of its Amneal Deutschland GmbH subsidiary ("ADG"), which comprised substantially all of the Company's operations in Germany, to EVER Pharma Holding Ges.m.b.H. ("EVER") for net cash consideration of approximately $3 million which was received in May 2019. The carrying value of the net assets sold was $7 million , including goodwill of $0.5 million . As a result of the sale, the Company recognized a pre-tax loss of $2 million , inclusive of transaction costs and the recognition of accumulated foreign currency translation adjustment losses, within (loss) gain on sale of international business for the three and six months ended June 30, 2019 . As part of the disposition, the Company also entered into a license and supply agreement with EVER to supply certain products for an 18 month period.

4. Revenue Recognition

Performance Obligations

The Company's performance obligation is the supply of finished pharmaceutical products to its customers. The Company's customers consist primarily of major wholesalers, retail pharmacies, managed care organizations, purchasing co-ops, hospitals, government agencies and pharmaceutical companies. The Company's customer contracts generally consist of both a master agreement, which is signed by the Company and its customer, and a customer submitted purchase order, which is governed by the terms and conditions of the master agreement. Customers purchase product by direct channel sales from the Company or by indirect channel sales through various distribution channels.

Revenue is recognized when the Company transfers control of its products to the customer, which typically occurs at a point-in-time, upon delivery. Substantially all of the Company's net revenues relate to products which are transferred to the customer at a point-in-time.

The Company offers standard payment terms to its customers and has elected the practical expedient to not adjust the promised amount of consideration for the effects of a significant financing, since the period between when the Company transfers the product to the customer and when the customer pays for that product is one year or less. Taxes collected from customers relating to product sales and remitted to governmental authorities are excluded from revenues. The consideration amounts due from customers as a result of product sales are subject to variable consideration, as described further below.

The Company offers standard product warranties which provide assurance that the product will function as expected and in accordance with specifications. Customers cannot purchase warranties separately and these warranties do not give rise to a separate performance obligation.

The Company permits the return of product under certain circumstances, mainly upon product expiration, instances of shipping errors or where product is damaged in transit. The Company accrues for the customer's right to return as part of its variable consideration. See below for further details.

Variable Consideration

The Company includes an estimate of variable consideration in its transaction price at the time of sale, when control of the product transfers to the customer. Variable consideration includes but is not limited to: chargebacks, rebates, group purchasing organization ("GPO") fees, prompt payment (cash) discounts, consideration payable to the customer, billbacks, Medicaid and other government pricing programs, price protection and shelf stock adjustments, sales returns, and profit shares.

The Company assesses whether or not an estimate of its variable consideration is constrained and has determined that the constraint does not apply, since it is probable that a significant reversal in the amount of cumulative revenue will not occur in the future when the uncertainty associated with the variable consideration is subsequently resolved. The Company's estimates for variable consideration are adjusted as required at each reporting period for specific known developments that may result in a change in the amount of total consideration it expects to receive.

Chargebacks

In the case an indirect customer purchases product from their preferred wholesaler instead of directly from the Company, and the contract price charged to the indirect customer is lower than the wholesaler pricing, the Company pays the direct customer (wholesaler) a chargeback for the price differential. The Company estimates its chargeback accrual based on its estimates of the level of inventory of its products in the distribution channel that remain subject to chargebacks and historical chargeback rates. The estimate of the level of products in the distribution channel is based primarily on data provided by key customers.

Rebates

The Company pays fixed or volume-based rebates to its customers based on a fixed amount, fixed percentage of product sales or based on the achievement of a specified level of purchases. The Company's rebate accruals are based on actual net sales, contractual rebate rates negotiated with customers, and expected purchase volumes / corresponding tiers based on actual sales to date and forecasted amounts.

Group Purchasing Organization Fees

The Company pays fees to GPOs for administrative services that the GPOs perform in connection with the purchases of product by the GPO participants who are the Company's customers. The Company's GPO fee accruals are based on actual net sales, contractual fee rates negotiated with GPOs and the mix of the products in the distribution channel that remain subject to GPO fees.

Prompt Payment (Cash) Discounts

The Company provides customers with prompt payment discounts which may result in adjustments to the price that is invoiced for the product transferred, in the case that payments are made within a defined period. The Company's prompt payment discount accruals are based on actual net sales and contractual discount rates.

Consideration Payable to the Customer

The Company pays administrative and service fees to its customers based on a fixed percentage of the product price. These fees are not in exchange for a distinct good or service and therefore are recognized as a reduction of the transaction price. The Company accrues for these fees based on actual net sales, contractual fee rates negotiated with the customer and the mix of the products in the distribution channel that remain subject to fees.

Billbacks

In the case an indirect customer purchases product from their preferred wholesaler instead of directly from the Company, and the contract price charged to the indirect customer is higher than contractual pricing, the Company pays the indirect customer a billback for the price differential. The Company estimates its billback accrual based on its estimates of the level of inventory of its products in the distribution channel that remain subject to billbacks and historical billback rates. The estimate of the level of products in the distribution channel is based primarily on data provided by key customers.

Medicaid and Other Government Pricing Programs

The Company complies with required rebates mandated by law under Medicaid and other government pricing programs. The Company estimates its government pricing accruals based on monthly sales, historical experience of claims submitted by the various states and jurisdictions, historical rates and estimated lag time of the rebate invoices.

Price Protection and Shelf Stock Adjustments

The Company provides customers with price protection and shelf stock adjustments which may result in an adjustment to the price charged for the product transferred, based on differences between old and new prices which may be applied to the customer's on-hand inventory at the time of the price change. The Company accrues for these adjustments when its expected value of an adjustment is greater than zero, based on contractual pricing, actual net sales, accrual rates based on historical average rates, and estimates of the level of inventory of its products in the distribution channel that remain subject to these adjustments. The estimate of the level of products in the distribution channel is based primarily on data provided by key customers.

Sales Returns

The Company permits the return of product under certain circumstances, mainly upon product expiration, instances of shipping errors or where product is damaged in transit, and occurrences of product recalls. The Company's product returns accrual is primarily based on estimates of future product returns based generally on actual net sales, estimates of the level of inventory of its products in the distribution channel that remain subject to returns, estimated lag time of returns and historical return rates. The estimate of the level of products in the distribution channel is based primarily on data provided by key customers.

Profit Shares

For certain product sale arrangements, the Company earns a profit share upon the customer's sell-through of the product purchased from the Company. The Company estimates its profit shares based on actual net sales, estimates of the level of inventory of its products in the distribution channel that remain subject to profit shares, and historical rates of profit shares earned. The estimate of the level of products in the distribution channel is based primarily on data provided by key customers.

Concentration of Revenue

The Company's three largest customers accounted for approximately 81% and 80% of total gross sales of products for the three and six months ended June 30, 2019 , respectively. The Company's three largest customers account for approximately 82% and 80% of total gross sales of products for the and three and six months ended June 30, 2018 , respectively.

Significant Products

The Company generally consolidates net revenue by "product family," meaning that it consolidates net revenue from products containing the same active ingredient(s) irrespective of dosage strength, delivery method or packaging size. The Company's significant product families, as determined based on net revenue, and their percentage of the Company's consolidated net revenue for each of the three and six months ended June 30, 2019 and 2018 are set forth below (in thousands, except for percentages):

Segment	Product Family	Three Months Ended June 30, 2019	
		$	%
Generics	Levothyroxine Sodium	$ 46,459	11%
Specialty	Rytary®	33,000	8%
Generics	Diclofenac Sodium Gel	25,010	6%
Generics	Epinephrine Auto-Injector (generic Adrenaclick®)	15,959	4%
Generics	Yuvafem-Estradiol	$ 14,022	3%

Segment	Product Family	Three Months Ended June 30, 2018	
		$	%
Generics	Diclofenac Sodium Gel	$ 31,820	8%
Generics	Yuvafem-Estradiol	30,827	7%
Generics	Aspirin; Dipyridamole ER Capsule	27,919	7%
Specialty	Rytary®	20,520	5%
Generics	Epinephrine Auto-Injector (generic Adrenaclick®)	$ 19,166	5%

Segment	Product Family	Six Months Ended June 30, 2019	
		$	%
Generics	Levothyroxine Sodium	$ 95,453	11%
Specialty	Rytary®	61,828	7%
Generics	Diclofenac Sodium Gel	48,477	6%
Generics	Yuvafem-Estradiol	32,761	4%
Generics	Epinephrine Auto-Injector (generic Adrenaclick®)	$ 31,154	4%

Segment	Product Family	Six Months Ended June 30, 2018	
		$	%
Generics	Diclofenac Sodium Gel	$ 52,096	8%
Generics	Yuvafem-Estradiol	50,094	7%
Generics	Aspirin; Dipyridamole ER Capsule	44,941	7%
Generics	Oseltamivir	39,634	6%
Specialty	Rytary®	$ 20,520	3%

A rollforward of the major categories of sales-related deductions for the six months ended June 30, 2019 is as follows (in thousands):

	Contract Charge-backs and Sales Volume Allowances	Cash Discount Allowances	Accrued Returns Allowance	Accrued Medicaid and Commercial Rebates
Balance at December 31, 2018	$ 829,596	$ 36,157	$ 154,503	$ 74,202
Provision related to sales recorded in the period	2,294,169	68,883	41,682	82,981
Credits/payments issued during the period	(2,333,025)	(78,111)	(55,500)	(65,524)
Balance at June 30, 2019	$ 790,740	$ 26,929	$ 140,685	$ 91,659

5. Alliance and Collaboration

The Company has entered into several alliance, collaboration, license, distribution and similar agreements with respect to certain of its products and services with third-party pharmaceutical companies. The consolidated statements of operations include revenue recognized under agreements the Company has entered into to develop marketing and/or distribution relationships with its partners to fully leverage the technology platform and revenue recognized under development agreements which generally obligate the Company to provide research and development services over multiple periods. The Company's significant arrangements are discussed below.

Levothyroxine License and Supply Agreement; Transition Agreement

On August 16, 2018 , the Company entered into a license and supply agreement with Jerome Stevens Pharmaceuticals, Inc. ("JSP") for levothyroxine sodium tablets ("Levothyroxine"). This agreement designated the Company as JSP's exclusive commercial partner for Levothyroxine in the U.S. market for a 10 -year term commencing on March 22, 2019. Under this license and supply agreement with JSP, the Company accrued the up-front license payment of $50 million on March 22, 2019 , which was paid in April 2019. The agreement also provides for the Company to pay a profit share to JSP based on net profits of the Company's sales of Levothyroxine, after considering product costs.

On November 9, 201 8, the Company entered into a transition agreement ("Transition Agreement") with Lannett Company (“Lannett”) and JSP. Under the terms of the Transition Agreement, the Company assumed the distribution and marketing of Levothyroxine from Lannett beginning December 1, 2018 through March 22, 2019, ahead of the commencement date of the license and supply agreement with JSP described above.

In accordance with the terms of the Transition Agreement, the Company made $47 million of non-refundable payments to Lannett. For the six months ended June 30, 2019 and the year ended December 31, 2018 , $37 million and $ 10 million , respectively, were expensed to cost of goods sold, as the Company sold Levothyroxine (none in the three months ended June 30, 2019). As of December 31, 2018 , the Company had a $4 million transition contract liability, which was fully settled in February 2019.

Biosimilar Licensing and Supply Agreement

On May 7, 2018, the Company entered into a licensing and supply agreement, with Mabxience S.L., for its biosimilar candidate for Avastin® (bevacizumab). The Company will be the exclusive partner in the U.S. market. The Company will pay development and regulatory milestone payments as well as commercial milestone payments on reaching pre-agreed sales targets in the market to Mabxience, up to $72 million . For the three and six months ended June 30, 2019 , the Company expensed a milestone payment of nil and $1 million , respectively, to research and development. For both the three and six months ended June 30, 2018 , the Company expensed a milestone payment of $0.5 million in research and development.

Distribution, License, Development and Supply Agreement with AstraZeneca UK Limited

In January 2012, Impax entered into an agreement with AstraZeneca UK Limited ("AstraZeneca") to distribute branded products under the terms of a distribution, license, development and supply Agreement (the "AZ Agreement"). The parties subsequently entered into a First Amendment to the AZ Agreement dated May 31, 2016 (as amended, the "AZ Amendment"). Under the terms of the AZ Agreement, AstraZeneca granted to Impax an exclusive license to commercialize the tablet, orally disintegrating tablet and nasal spray formulations of Zomig® (zolmitriptan) products for the treatment of migraine headaches in the United States and in certain U.S. territories, except during an initial transition period when AstraZeneca fulfilled all orders of Zomig® products on Impax's behalf and AstraZeneca paid to Impax the gross profit on such Zomig® products. Pursuant to the AZ Amendment, under certain conditions, and depending on the nature and terms of the study agreed to with the FDA, Impax agreed to conduct, at its own expense, the juvenile toxicity study and pediatric study required by the FDA under the Pediatric Research Equity Act ("PREA") for approval of the nasal formulation of Zomig ® for the acute treatment of migraine in pediatric patients ages six through eleven years old, as further described in the study protocol mutually agreed to by the parties (the "PREA Study"). In consideration for Impax conducting the PREA Study at its own expense, the AZ Amendment provides for the total royalty payments payable by Impax to AstraZeneca on net sales of Zomig ® products under the AZ Agreement to be reduced by an aggregate amount of $30 million to be received in quarterly amounts specified in the AZ Amendment beginning from the quarter ended June 30, 2016 and through the quarter ended December 31, 2020 . In the event the royalty reduction amounts exceed the royalty payments payable by Impax to AstraZeneca pursuant to the AZ Agreement in any given quarter, AstraZeneca will be required to pay Impax an amount equal to the difference between the royalty reduction amount and the royalty payment payable by Impax to AstraZeneca. Impax's commitment to perform the PREA Study may be terminated, without penalty, under certain circumstances as set forth in the AZ Amendment. The Company recognizes the amounts received from AstraZeneca for the PREA Study as a reduction to research and development expense.

In May 2013, Impax's exclusivity period for branded Zomig® tablets and orally disintegrating tablets expired and Impax launched authorized generic versions of those products in the United States. As discussed above, pursuant to the AZ Amendment, the total royalty payments payable by Impax to AstraZeneca on net sales of Zomig ® products under the AZ Agreement is reduced by certain specified amounts beginning from the quarter ended June 30, 2016 and through the quarter ended December 31, 2020 , with such reduced royalty amounts totaling an aggregate amount of $30 million . The Company recorded cost of sales for royalties under this agreement of $5 million and $9 million for the three and six months ended June 30, 2019 , respectively, and $1 million for both the three and six months ended June 30, 2018 .

Adello License and Commercialization Agreement

On October 1, 2017, Amneal and Adello Biologics, LLC ("Adello"), a related party, entered into a license and commercialization agreement. Adello granted Amneal an exclusive license, under its New Drug Application, to distribute and sell two bio-similar products in the U.S. Adello is responsible for development, regulatory filings, obtaining FDA approval, and manufacturing, and Amneal is responsible for marketing, selling and pricing activities. The term of the agreement is 10 -years from the respective product's launch date. In connection with the agreement, Amneal paid an upfront amount of $2 million in October 2017 for execution of the agreement which was expensed in research and development. The agreement also provides for potential future milestone payments to Adello of (i) up to $21 million relating to regulatory approval, (ii) up to $43 million for successful delivery of commercial launch inventory, (iii) between $20 million and $50 million relating to number of competitors at launch for one product, and (iv) between $15 million and $68 million for the achievement of cumulative net sales for both products. The milestones are subject to certain performance conditions which may or may not be achieved, including FDA filing, FDA approval, launch activities and commercial sales volume objectives. In addition, the agreement provides for Amneal to pay a profit share equal to 50% of net profits, after considering manufacturing and marketing costs. The research and development expenses for payments made to Adello during the years ended December 31, 2018 and 2017 were immaterial.

6. Restructuring and Other Charges

During the second quarter of 2018, in connection with the Combination, the Company committed to a restructuring plan to achieve cost savings. The Company expects to integrate its operations and reduce its combined cost structure through workforce reductions that eliminate duplicative positions and the consolidation of certain administrative, manufacturing and research and development facilities. In connection with this plan, the Company announced on May 10, 2018 that it intended to close its Hayward, California based operations (collectively these actions comprise the "Plan").

The following table sets forth the components of the Company's restructuring and other charges (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Employee restructuring separation charges [1]	$ 516	$ 44,465	$ 2,420	$ 44,465
Asset-related charges [2]	900	—	1,314	—
Total employee and asset-related restructuring charges	1,416	44,465	3,734	44,465
Other employee severance charges	1,419	—	5,262	—
Total restructuring and other charges	$ 2,835	$ 44,465	$ 8,996	$ 44,465

[1] Employee restructuring separation charges include the cost of benefits provided pursuant to the Company's severance programs for employees impacted by the Plan at the Company's Hayward, CA and other facilities.
[2] Asset-related charges are primarily associated with the write-off of property, plant and equipment in connection with the closing of the Company's Hayward, CA facilities.

The charges related to restructuring impacted segment earnings as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Generics	$ 1,317	$ 24,797	$ 2,313	$ 24,797
Specialty	—	2,421	178	2,421
Corporate	99	17,247	1,243	17,247
Total employee and asset-related restructuring charges	$ 1,416	$ 44,465	$ 3,734	$ 44,465

The following table shows the change in the employee separation-related liability associated with the Company's restructuring programs, which is included in accounts payable and accrued expenses (in thousands):

	Employee Restructuring
Balance at December 31, 2018	$ 22,112
Charges to income	2,420
Payments	(22,075)
Balance at June 30, 2019	$ 2,457

See *Note 18. Subsequent Events* for a discussion of a restructuring plan announced July 10, 2019.

7. Loss per Share

Basic loss per share of Class A Common Stock and Class B-1 Common Stock is computed by dividing net loss attributable to Amneal Pharmaceuticals, Inc. by the weighted-average number of shares of Class A Common Stock and Class B-1 Common Stock outstanding during the period. Diluted loss per share of Class A Common Stock and Class B-1 Common Stock is computed by dividing net loss attributable to Amneal Pharmaceuticals, Inc. by the weighted-average number of shares of Class A Common Stock and Class B-1 Common Stock outstanding, adjusted to give effect to potentially dilutive securities.

The following table sets forth reconciliations of the numerators and denominators used to compute basic and diluted loss per share of Class A Common Stock and Class B-1 Common Stock (in thousands, except per share amounts):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Numerator:				
Net loss attributable to Amneal Pharmaceuticals, Inc.	$ (16,902)	$ (19,104)	$ (64,783)	$ (19,104)
Denominator:				
Weighted-average shares of Class A Common Stock and Class B-1 Common Stock outstanding - basic and diluted	128,016	127,112	127,852	127,112
Net loss per share attributable to Amneal Pharmaceuticals, Inc.'s common stockholders:				
Class A and Class B-1 basic and diluted	$ (0.13)	$ (0.15)	$ (0.51)	$ (0.15)

The allocation of net loss to the holders of shares of Class A Common Stock and Class B-1 Common Stock began following the closing of the Combination on May 4, 2018. Therefore, loss per share is the same for the three and six months ended June 30, 2018.

Shares of the Company's Class B Common Stock do not share in the earnings or losses of the Company and, therefore, are not participating securities. As such, separate presentation of basic and diluted earnings per share of Class B Common Stock under the two-class method has not been presented.

The following table presents potentially dilutive securities excluded from the computations of diluted earnings per share of Class A Common Stock and Class B-1 Common Stock (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Stock options [1]	8,407	6,028	8,407	6,028
Restricted stock units [1]	2,894	1,320	2,894	1,320
Performance stock units [1]	465	—	465	—
Shares of Class B Common Stock [2]	170,941	171,261	170,941	171,261

[1] Excluded from the computation of diluted loss per share of Class A Common Stock and Class B-1 Common Stock because the effect of their inclusion would have been anti-dilutive since there was a net loss attributable to the Company for the three and six months ended June 30, 2019 and 2018.

[2] Shares of Class B Common Stock are considered potentially dilutive shares of Class A Common Stock and Class B-1 Common Stock. Shares of Class B Common Stock have been excluded from the computations of diluted earnings per share of Class A Common Stock and Class B-1 Common Stock because the effect of their inclusion would have been anti-dilutive under the if-converted method.

8. Income taxes

As a result of the Combination (refer to *Note 1. Nature of Operations*), the Company became the sole managing member of Amneal, with Amneal being the accounting predecessor for accounting purposes. Amneal is a limited liability company that is treated as a partnership for U.S. federal and most applicable state and local income tax purposes. As a partnership, Amneal is not subject to U.S. federal and certain state and local income taxes. Any taxable income or loss generated by Amneal is passed through to and included in the taxable income or loss of its members, including the Company, on a pro rata basis subject to applicable tax regulations. The Company is subject to U.S. federal income taxes, in addition to state and local income taxes with respect to its allocable share of any taxable income or loss of Amneal, as well as any stand-alone income or loss generated by the Company. Amneal provides for income taxes in the various foreign jurisdictions in which it operates.

The Company records its valuation allowances against its deferred tax assets when it is more likely than not that all or a portion of a deferred tax asset will not be realized. The Company routinely evaluates the realizability of its deferred tax assets by assessing the likelihood that its deferred tax assets will be recovered based on all available positive and negative evidence, including scheduled reversals of deferred tax liabilities, estimates of future taxable income, tax planning strategies and results of operations. Estimating future taxable income is inherently uncertain and requires judgment. In projecting future taxable income, the Company considers its historical results and incorporates certain assumptions, including projected new product launches, revenue growth, and operating margins, among others.

As of June 30, 2019, the Company had approximately $392 million in net deferred tax assets ("DTAs"), which included a U.S. net DTA of $386 million and foreign net DTAs of $6 million . These DTAs include U.S. deferred taxes on the Company's investment in Amneal totaling $240 million that can be used to offset taxable income in future periods and reduce the Company's income taxes payable in those future periods. These DTAs also include net operating loss ("NOL") carryforwards which have no expiration. At this time, the Company considers it more likely than not that it will have sufficient taxable income in the future that will allow it to realize these DTAs. As such, no additional valuation allowance was recognized as of June 30, 2019 . However, if the Company is unable to generate sufficient taxable income from its future operations, a substantial valuation allowance to reduce the Company's DTAs may be required, which could materially increase the Company's income tax expense in the period the valuation allowance is recognized and have a material adverse effect on its results of operations and financial condition.

In connection with the Combination, the Company entered into a tax receivable agreement (“TRA”) for which it is generally required to pay the other holders of Amneal Common Units 85% of the applicable tax savings, if any, in U.S. federal and state income tax that it is deemed to realize as a result of certain tax attributes of their Amneal Common Units sold to the Company (or exchanged in a taxable sale) and that are created as a result of (i) the sales of their Amneal Common Units for shares of Class A Common Stock and (ii) tax benefits attributable to payments made under the TRA (including imputed interest). The Company did not record an additional TRA liability during the three months ended June 30, 2019 as there were no exchanges during that period . The Company's TRA liability payable was $193 million as of both June 30, 2019 and December 31, 2018 . Such amounts will be paid when such deferred tax assets are realized as a reduction to income taxes due or payable.

For the three months ended June 30, 2019 and 2018, the Company's benefit from income taxes and effective tax rates were $6 million and 10.1% and $12 million and 4.7% , respectively. The Company’s benefit from income taxes and effective tax rate were $14 million and 7.5% and $12 million and 5.7% , for the six months ended June 30, 2019 and 2018, respectively.

The change in income taxes is primarily due to the change in the Company's legal structure subsequent to the Combination. Prior to the Combination, as a limited liability company, income taxes were only provided for the international subsidiaries as all domestic taxes flowed to the members. Subsequent to May 4, 2018, domestic income taxes were also provided for the Company's allocable share of income or losses from Amneal at the prevailing U.S. federal, state, and local corporate income tax rates.

The change in income tax benefit for the three and six months ended June 30, 2019 is also impacted by the year-over-year decline in pre-tax loss. For the three and six months ended June 30, 2019, the decline in pre-tax loss was primarily attributable to a $204 million and $205 million , respectively, decline in acquisition, transaction-related and integration expenses as well as a $41 million and $35 million , respectively, decline in restructuring and other charges associated with severance benefits.

The Company and its subsidiaries file income tax returns in the U.S. federal, and various state, local and foreign jurisdictions. The Company is not currently under income tax audit in any jurisdiction, and it will file its first income tax returns for the period ended December 31, 2018. Impax's federal tax filings for the 2015, 2016 and 2017 tax years are currently under audit and these are the only tax years open under the IRS statue of limitations for Impax. If there were adjustments to the attributes of Impax, they could impact the carryforward losses at the Company, which is the successor in interest to Impax. The Amneal partnership was audited for the tax year ended December 31, 2015 without any adjustments to taxable income. Income tax returns are generally subject to examination for a period of 3 years in the U.S. The statute of limitations for the 2016 and 2017 tax years will, therefore, expire no earlier than 2020. However, any adjustments to the 2016 or 2017 tax years would be pre-transaction when the Company had no ownership interest in Amneal. Under the partnership income tax regulations and audit guidelines, the Company is not responsible for any hypothetical pre-transaction income tax liabilities which pass through to the owners as of the year of any potential income tax adjustment. Neither the Company nor any of its other affiliates is currently under audit for state income tax.

9. Trade Accounts Receivable, Net

Trade accounts receivable, net is comprised of the following (in thousands):

	June 30, 2019	December 31, 2018
Gross accounts receivable	$ 1,454,294	$ 1,349,588
Allowance for doubtful accounts	(1,959)	(2,340)
Contract charge-backs and sales volume allowances	(790,740)	(829,596)
Cash discount allowances	(26,929)	(36,157)
Subtotal	(819,628)	(868,093)
Trade accounts receivable, net	$ 634,666	$ 481,495

Receivables from customers representing 10% or more of the Company's gross trade accounts receivable reflected three customers at June 30, 2019 , equal to 32% , 29% , and 22% , respectively. Receivables from customers representing 10% or more of the Company's gross trade accounts receivable reflected three customers at December 31, 2018 , equal to 30% , 28% , and 24% , respectively.

10. Inventories

Inventories, net of reserves, are comprised of the following (in thousands):

	June 30, 2019	December 31, 2018
Raw materials	$ 180,188	$ 181,654
Work in process	38,376	54,152
Finished goods	196,063	221,413
Total inventories	$ 414,627	$ 457,219

11. Leases

The majority of the Company's operating and financing lease portfolio consists of corporate offices, manufacturing sites, warehouse space, research and development facilities and manufacturing equipment. The Company's leases have remaining lease terms of 1 year to 25 years . Rent expense for the three and six months ended June 30, 2019 was $6 million and $12 million , respectively. Rent expense for the three and six months ended June 30, 2018 was $4 million and $5 million , respectively.

The components of total lease costs were as follows (in thousands):

	Three Months Ended June 30, 2019	Six Months Ended June 30, 2019
Operating lease cost [1]	$ 4,950	$ 10,890
Finance lease cost:		
Amortization of right-of-use assets	652	1,304
Interest on lease liabilities	1,119	2,243
Total finance lease cost	1,771	3,547
Total lease cost	$ 6,721	$ 14,437

[1] Includes variable and short-term lease costs.

Supplemental balance sheet information related to the Company's leases was as follows (in thousands):

Operating leases	June 30, 2019
Operating lease right-of-use assets	$ 59,900
Operating lease right-of-use assets - related party	17,031
Total operating lease right-of-use assets	$ 76,931
Operating lease liabilities	$ 47,836
Operating lease liabilities - related party	14,862
Current portion of operating lease liabilities	13,313
Current portion of operating and financing lease liabilities - related party	2,258
Total operating lease liabilities	$ 78,269
Financing leases	
Financing lease right of use assets - related party	$ 62,588
Financing lease liabilities - related party	$ 61,990
Current portion of operating and financing lease liabilities - related party	1,035
Total financing lease liabilities	$ 63,025

Supplemental cash flow information related to leases was as follows (in thousands):

	Three Months Ended June 30, 2019	Six Months Ended June 30, 2019
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from finance leases	$ 1,120	$ 1,870
Operating cash flows from operating leases	5,107	10,004
Financing cash flows from finance leases	247	866
Non-cash activity:		
Right-of-use assets obtained in exchange for new operating lease liabilities	$ —	$ 360

The table below reflects the weighted average remaining lease term and weighted average discount rate for the Company's operating and finance leases as of June 30, 2019 .

	June 30, 2019
Weighted average remaining lease term - operating leases	6 years
Weighted average remaining lease term - finance leases	23 years
Weighted average discount rate - operating leases	6.1%
Weighted average discount rate - finance leases	7.0%

Maturities of lease liabilities as of June 30, 2019 were as follows (in thousands):

	Operating Leases	Financing Leases
2019 [1]	$ 9,990	$ 2,736
2020	19,826	5,474
2021	16,187	5,474
2022	12,342	5,474
2023	10,054	5,474
Thereafter	26,947	106,740
Total lease payments	95,346	131,372
Less: Imputed interest	(17,077)	(68,347)
Total	$ 78,269	$ 63,025

[1] Excludes the six months ended June 30, 2019.

As disclosed in the Company's 2018 Annual Report on Form 10-K, under the previous lease accounting standard, the table below reflects the future minimum lease payments, including reasonably assured renewals, due under non-cancelable leases and a financing obligation as of December 31, 2018 (in thousands):

	Operating Leases	Financing Obligation
2019	$ 25,885	$ 5,474
2020	12,071	5,474
2021	11,105	5,474
2022	10,329	5,474
2023	10,043	5,474
Thereafter	28,128	107,196
Total lease payments	97,561	134,566
Less: Imputed interest	—	(95,217)
Total	$ 97,561	$ 39,349

For additional information regarding lease transactions between related parties, refer to *Note 15. Related Party Transactions.*

12. Fair Value Measurements of Financial Instruments

Fair value is the exit price that would be received to sell an asset or paid to transfer a liability. Fair value is a market-based measurement that should be determined using assumptions that market participants would use in pricing an asset or liability. Valuation techniques used to measure fair value should maximize the use of observable inputs and minimize the use of unobservable inputs. To measure fair value, the Company uses the following fair value hierarchy based on three levels of inputs, of which the first two are considered observable and the last unobservable:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Inputs other than Level 1 that are observable for the asset or liability, either directly or indirectly, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data by correlation or other means.

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. Value is determined using pricing models, discounted cash flow methodologies, or similar techniques and also includes instruments for which the determination of fair value requires significant judgment or estimation.

Assets and Liabilities Measured at Fair Value on a Recurring Basis

The Company evaluates its financial assets and liabilities subject to fair value measurements on a recurring basis to determine the appropriate level of classification for each reporting period. The following table sets forth the Company's financial assets and liabilities that were measured at fair value on a recurring basis as of June 30, 2019 and December 31, 2018 (in thousands):

		Fair Value Measurement Based on		
June 30, 2019	Total	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Deferred Compensation Plan asset [1]	$ 43,004	$ —	$ 43,004	$ —
Liabilities				
Deferred Compensation Plan liabilities [1]	$ 24,133	$ —	$ 24,133	$ —
December 31, 2018				
Assets				
Deferred Compensation Plan asset [1]	$ 40,101	$ —	$ 40,101	$ —
Liabilities				
Deferred Compensation Plan liabilities [1]	$ 27,978	$ —	$ 27,978	$ —

[1] As of June 30, 2019, deferred compensation plan liabilities of $8 million and $16 million were recorded in current and non-current liabilities, respectively. As of December 31, 2018, deferred compensation plan liabilities were recorded in non-current liabilities. They are recorded at the value of the amount owed to the plan participants, with changes in value recognized as compensation expense. The calculation of the deferred compensation plan obligation is derived from observable market data by reference to hypothetical investments selected by the participants and is included in other long-term liabilities. The Company invests participant contributions in corporate-owned life insurance policies, for which the cash surrender value is included in other non-current assets. In July 2019, the Company surrendered corporate-owned life insurance for approximately $43 million in cash proceeds.

There were no transfers between levels in the fair value hierarchy during the six months ended June 30, 2019 .

Assets and Liabilities Not Measured at Fair Value on a Recurring Basis

The carrying amounts of cash, accounts receivable and accounts payable approximate their fair values due to the short-term maturity of these instruments.

The $2.7 billion term loan under the Company's senior credit agreement entered into on May 4, 2018 (the "Term Loan") falls into the Level 2 category within the fair value level hierarchy. The fair value was determined using market data for valuation. The fair value of the Term Loan at June 30, 2019 and December 31, 2018 was approximately $2.7 billion and $2.5 billion , respectively.

Assets and Liabilities Measured at Fair Value on a Non-Recurring Basis

There were no non-recurring fair value measurements during the six months ended June 30, 2019 and 2018 .

13. Commitments and Contingencies

Commitments

Commercial Manufacturing, Collaboration, License, and Distribution Agreements

The Company continues to seek to enhance its product line and develop a balanced portfolio of differentiated products through product acquisitions and in-licensing. Accordingly, the Company, in certain instances, may be contractually obligated to make potential future development, regulatory, and commercial milestone, royalty and/or profit sharing payments in conjunction with collaborative agreements or acquisitions that the Company has entered into with third parties. The Company has also licensed certain technologies or intellectual property from various third parties. The Company is generally required to make upfront payments as well as other payments upon successful completion of regulatory or sales milestones. The agreements generally permit the Company to terminate the agreement with no significant continuing obligation. The Company could be required to make significant payments pursuant to these arrangements. These payments are contingent upon the occurrence of certain future events and, given the nature of these events, it is unclear when, if ever, the Company may be required to pay such amounts. Further, the timing of any future payment is not reasonably estimable.

Contingencies

Legal Proceedings

The Company's legal proceedings are complex, constantly evolving and subject to uncertainty. As such, the Company cannot predict the outcome or impact of the legal proceedings set forth below. And the Company is subject to legal proceedings that are not set forth below. While the Company believes it has valid claims and/or defenses to the matters described below, the nature of litigation is unpredictable, and the outcome of the following proceedings could include damages, fines, penalties and injunctive or administrative remedies. For any proceedings where losses are probable and reasonably capable of estimation, the Company accrues for a potential loss. While these accruals have been deemed reasonable by the Company’s management, the assessment process relies heavily on estimates and assumptions that may ultimately prove inaccurate or incomplete. Additionally, unforeseen circumstances or events may lead the Company to subsequently change its estimates and assumptions. Unless otherwise indicated below, the Company is at this time unable to estimate the possible loss, if any, associated with such litigation.

The Company currently intends to vigorously prosecute and/or defend these proceedings as appropriate. From time to time, however, the Company may settle or otherwise resolve these matters on terms and conditions that it believes to be in its best interest. Resolution of any or all claims, legal proceedings or investigations could have a material adverse effect on the Company's results of operations and/or cash flow in any given accounting period, or on the Company's overall financial condition.

Additionally, the Company manufactures and derives a portion of its revenue from the sale of pharmaceutical products in the opioid class of drugs, and may therefore face claims arising from the regulation and/or consumption of such products.

Although the outcome and costs of the asserted and unasserted claims is difficult to predict, based on the information presently known to management, the Company does not currently expect the ultimate liability, if any, for such matters to have a material adverse effect on its business, financial condition, results of operations, or cash flows.

Medicaid Reimbursement Accrual

The Company is required to provide pricing information to state agencies that administer federal Medicaid programs. Certain state agencies have alleged that manufacturers have reported improper pricing information, which allegedly caused them to overpay reimbursement costs. Reserves are periodically established by the Company for any potential claims or settlements of overpayment. Although the Company intends to vigorously defend against any such claims, it had a reserve of $15 million at both June 30, 2019 and December 31, 2018 . The ultimate settlement of any potential liability for such claims may be higher or lower than estimated.

Patent Litigation

There is substantial litigation in the pharmaceutical, biological, and biotechnology industries with respect to the manufacture, use, and sale of new products which are the subject of conflicting patent and intellectual property claims. One or more patents often cover the brand name products for which the Company is developing generic versions and the Company typically has patent rights covering the Company’s branded products.

Under federal law, when a drug developer files an Abbreviated New Drug Application ("ANDA") for a generic drug seeking approval before expiration of a patent which has been listed with the FDA as covering the brand name product, the developer must certify its product will not infringe the listed patent(s) and/or the listed patent is invalid or unenforceable (commonly referred to as a "Paragraph IV" certification). Notices of such certification must be provided to the patent holder, who may file a suit for patent infringement within 45 days of the patent holder's receipt of such notice. If the patent holder files suit within the 45-day period, the FDA can review and tentatively approve the ANDA, but generally is prevented from granting final marketing approval of the product until a final judgment in the action has been rendered in favor of the generic drug developer, or 30 months from the date the notice was received, whichever is sooner. The Company's Generic segment is typically subject to patent infringement litigation brought by branded pharmaceutical manufacturers in connection with the Company's Paragraph IV certifications seeking an order delaying the approval of the Company's ANDA until expiration of the patent(s) at issue in the litigation. Likewise, the Company's Specialty segment is currently involved in patent infringement litigation against generic drug manufacturers that have filed Paragraph IV certifications to market their generic drugs prior to expiration of the Company's patents at issue in the litigation.

The uncertainties inherent in patent litigation make the outcome of such litigation difficult to predict. For the Company's Generics segment, the potential consequences in the event of an unfavorable outcome in such litigation include delaying launch of its generic products until patent expiration. If the Company were to launch its generic product prior to successful resolution of a patent litigation, the Company could be liable for potential damages measured by the profits lost by the branded product manufacturer rather than the profits earned by the Company if it is found to infringe a valid, enforceable patent, or enhanced treble damages in cases of willful infringement. For the Company's Specialty segment, an unfavorable outcome may significantly accelerate generic competition ahead of expiration of the patents covering the Company's branded products. All such litigation typically involves significant expense.

The Company is generally responsible for all of the patent litigation fees and costs associated with current and future products not covered by its alliance and collaboration agreements. The Company has agreed to share legal expenses with respect to third-party and Company products under the terms of certain of the alliance and collaboration agreements. The Company records the costs of patent litigation as expense in the period when incurred for products it has developed, as well as for products which are the subject of an alliance or collaboration agreement with a third-party.

Patent Defense Matters

Otsuka Pharmaceutical Co. Ltd. v. Amneal Pharmaceuticals LLC, et. al. (Aripiprazole)

In March 2015, Otsuka Pharmaceutical Co. Ltd. ("Otsuka") filed suit against Amneal in the U.S. District Court for the District of New Jersey alleging patent infringement based on the filing of Amneal's ANDA for a generic alternative to Otsuka's Abilify® tablet product. In 2016, the District Court granted Amneal's motion to dismiss several of the patents in suit. The Court of Appeals for the Federal Circuit affirmed the dismissal with respect to one such patent and Otsuka did not appeal the District Court's decision with respect to the other patents. On July 12, 2019, Otsuka voluntarily dismissed without prejudice all of its claims against Amneal. The District Court entered an Order of Dismissal, and closed the case, on July 15, 2019.

Patent Infringement Matters

Impax Laboratories, LLC. v. Zydus Pharmaceuticals USA, Inc. and Cadila Healthcare Ltd. (Rytary ®)

On December 21, 2017, Impax filed suit against Zydus Pharmaceuticals USA, Inc. and Cadila Healthcare Ltd. (collectively, "Zydus") in the United States District Court for the District of New Jersey, alleging infringement of U.S. Patent No. 9,089,608, based on the filing of Zydus's ANDA relating to carbidopa and levodopa extended release capsules, generic to Rytary ® . Zydus answered the complaint on April 27, 2018, asserting counterclaims of non-infringement and invalidity of U.S. Pat. Nos. 7,094,427; 8,377,474; 8,454,998; 8,557,283; and 9,089,607. Impax answered Zydus's counterclaims on June 1, 2018. Zydus filed a motion for judgment on the pleadings regarding its counterclaims. On November 29, 2018, the Court granted Zydus's motion for judgment as to its counterclaims. A case schedule has been set with trial anticipated in February 2020.

Other Litigation Related to the Company's Business

Opana ER® FTC Antitrust Litigation

On February 25, 2014, Impax received a Civil Investigative Demand ("CID") from the Federal Trade Commission ("FTC") concerning its investigation into the drug Opana® ER and its generic equivalents. On March 30, 2016, the FTC filed a complaint against Impax, Endo Pharmaceuticals Inc. ("Endo"), and others in the United States District Court for the Eastern District of Pennsylvania, alleging that Impax and Endo violated antitrust laws when they entered into a June 2010 co-promotion and

development agreement and a June 2010 settlement agreement that resolved patent litigation in connection with the submission of Impax's ANDA for generic original Opana® ER. In July 2016, the defendants filed a motion to dismiss the complaint, and a motion to sever the claims regarding Opana® ER from claims with respect to a separate settlement agreement that was challenged by the FTC. On October 20, 2016, the Court granted the motion to sever, formally terminating the suit against Impax, with an order that the FTC re-file no later than November 3, 2016 and dismissed the motion to dismiss as moot. On October 25, 2016, the FTC filed a notice of voluntary dismissal. On January 19, 2017, the FTC filed a Part 3 Administrative complaint against Impax with similar allegations regarding Impax's June 2010 settlement agreement with Endo that resolved patent litigation in connection with the submission of Impax's ANDA for generic original Opana® ER. Impax filed its answer to the Administrative Complaint on February 7, 2017. Trial concluded on November 15, 2017. On May 11, 2018, the Administrative Law Judge ruled in favor of Impax and dismissed the case in its entirety. The government appealed this ruling to the FTC. On March 28, 2019, the FTC issued an Opinion & Order reversing the Administrative Law Judge's initial dismissal decision. The FTC found that Impax had violated Section 5 of the FTC Act by engaging in an unfair method of competition, and accordingly entered an order enjoining Impax from entering into anticompetitive reverse patent settlements (or agreements with other generic original Opana® ER manufacturers) and requiring Impax to maintain an antitrust compliance program. On June 6, 2019, the Company filed a Petition for Review of the FTC's Opinion & Order with the United States Court of Appeals for the Fifth Circuit.

On July 12, 2019, the Company received a CID from the FTC concerning an August 2017 settlement agreement between Impax and Endo, which resolved a dispute between the parties regarding, and amended, the above-referenced June 2010 settlement agreement related to Opana® ER. The Company intends to cooperate with the FTC regarding the CID. However, no assurance can be given as to the timing or outcome of the FTC's underlying investigation.

Opana ER® Antitrust Litigation

From June 2014 to April 2015, 14 complaints styled as class actions on behalf of direct purchasers and indirect purchasers (also known as end-payors) and several separate individual complaints on behalf of certain direct purchasers (the "opt-out plaintiffs") were filed against the manufacturer of the brand drug Opana ER® and Impax.

The direct purchaser plaintiffs comprise Value Drug Company and Meijer Inc. The end-payor plaintiffs comprise the Fraternal Order of Police, Miami Lodge 20, Insurance Trust Fund; Wisconsin Masons' Health Care Fund; Massachusetts Bricklayers; Pennsylvania Employees Benefit Trust Fund; International Union of Operating Engineers, Local 138 Welfare Fund; Louisiana Health Service & Indemnity Company d/b/a Blue Cross and Blue Shield of Louisiana; Kim Mahaffay; and Plumbers & Pipefitters Local 178 Health & Welfare Trust Fund. The opt-out plaintiffs comprise Walgreen Co.; The Kroger Co.; Safeway, Inc.; HEB Grocery Company L.P.; Albertson's LLC; Rite Aid Corporation; Rite Aid Hdqtrs. Corp.; and CVS Pharmacy, Inc.

On December 12, 2014, the United States Judicial Panel on Multidistrict Litigation (the "JPML") ordered the pending class actions transferred to the United States District Court for the Northern District of Illinois ("N.D. Ill.") for coordinated pretrial proceedings, as In Re: Opana ER Antitrust Litigation (MDL No. 2580). (Actions subsequently filed in other jurisdictions also were transferred by the JPML to the N.D. Ill. to be coordinated or consolidated with the coordinated proceedings, and the District Court likewise has consolidated the opt-out plaintiffs' actions with the direct purchaser class actions for pretrial purposes.)

In each case, the complaints allege that Endo engaged in an anticompetitive scheme by, among other things, entering into an anticompetitive settlement agreement with Impax to delay generic competition of Opana ER® and in violation of state and federal antitrust laws. Plaintiffs seek, among other things, unspecified monetary damages and equitable relief, including disgorgement and restitution. Discovery, including expert discovery, is ongoing. On March 25, 2019, plaintiffs filed motions for class certification and opening expert reports. Defendants' oppositions to class certification and rebuttal expert reports are due to be filed in August 2019. No trial date has been scheduled.

The Company believes it has substantial meritorious defenses to the claims asserted with respect to the litigation. However, any adverse outcome could negatively affect the Company and could have a material adverse effect on the Company's results of operations, cash flows and/or overall financial condition.

Sergeants Benevolent Association Health & Welfare Fund v. Actavis, PLC, et. al.

In August 2015, a complaint styled as a class action was filed against Forest Laboratories (a subsidiary of Actavis plc) and numerous generic drug manufacturers, including Amneal, in the United States District Court for the Southern District of New York involving patent litigation settlement agreements between Forest Laboratories and the generic drug manufacturers concerning generic versions of Forest's Namenda IR product. The complaint (as amended on February 12, 2016) asserts federal and state antitrust claims on behalf of indirect purchasers, who allege in relevant part that during the class period they indirectly purchased Namenda® IR or its generic equivalents in various states at higher prices than they would have absent the defendants' allegedly

unlawful anticompetitive conduct. Plaintiffs seek, among other things, unspecified monetary damages and equitable relief, including disgorgement and restitution. On September 13, 2016, the Court stayed the indirect purchaser plaintiffs' claims pending factual development or resolution of claims brought in a separate, related complaint by direct purchasers (in which the Company is not a defendant). On September 10, 2018, the Court lifted the stay, referred the case to the assigned Magistrate Judge for supervision of supplemental, non-duplicative discovery in advance of mediation to be scheduled in 2019. The parties thereafter participated in supplemental discovery, as well as supplemental motion-to-dismiss briefing. On December 26, 2018, the Court granted in part and denied in part motions to dismiss the indirect purchaser plaintiffs' claims. On January 7, 2019, Amneal, its relevant co-defendants, and the indirect purchaser plaintiffs informed the Magistrate Judge that they had agreed to mediation, which occurred in April 2019. In June 2019, the Company reached a settlement with plaintiffs, subject to Court approval. The amount of the settlement is not material to the Company's consolidated financial statements.

Attorney General of the State of Connecticut Interrogatories and Subpoena Duces Tecum

On July 14, 2014, Impax received a subpoena and interrogatories (the "Subpoena") from the State of Connecticut Attorney General ("Connecticut AG") concerning its investigation into sales of Impax's generic product, digoxin. According to the Connecticut AG, the investigation is to determine whether anyone engaged in a contract, combination or conspiracy in restraint of trade or commerce which has the effect of (i) fixing, controlling or maintaining prices or (ii) allocating or dividing customers or territories relating to the sale of digoxin in violation of Connecticut state antitrust law. The Company has produced documents and information in response to the Subpoena. However, no assurance can be given as to the timing or outcome of this investigation.

United States Department of Justice Investigations

On November 6, 2014, Impax disclosed that one of its sales representatives received a grand jury subpoena from the Antitrust Division of the United States Department of Justice (the "DOJ"). In connection with this same investigation, on March 13, 2015, Impax received a grand jury subpoena from the DOJ requesting the production of information and documents regarding the sales, marketing, and pricing of certain generic prescription medications. In particular, the DOJ's investigation currently focuses on four generic medications: digoxin tablets, terbutaline sulfate tablets, prilocaine/lidocaine cream, and calcipotriene topical solution. The Company has been cooperating and intends to continue cooperating with the investigation. However, no assurance can be given as to the timing or outcome of the investigation.

On April 30, 2018, Impax received a CID from the Civil Division of the DOJ (the "Civil Division"). The CID requests the production of information and documents regarding the pricing and sale of Impax's pharmaceuticals and Impax's interactions with other generic pharmaceutical manufacturers. According to the CID, the investigation concerns allegations that generic pharmaceutical manufacturers, including Impax, engaged in market allocation and price-fixing agreements, paid illegal remuneration, and caused false claims to be submitted to the Federal government. The Company has been cooperating and intends to continue cooperating with the Civil Division's investigation. However, no assurance can be given as to the timing or outcome of the investigation.

Texas State Attorney General Civil Investigative Demand

On May 27, 2014, a CID was served on Amneal by the Office of the Attorney General for the state of Texas (the "Texas AG") relating to products distributed by Amneal under a specific Amneal labeler code. Shortly thereafter, Amneal received a second CID with respect to the same products sold by Interpharm Holding, Inc. ("Interpharm"), the assets of which had been acquired by Amneal in June 2008. Amneal completed its production of the direct and indirect sales transaction data in connection with the products at issue and provided this information to the Texas AG in November 2015. In May 2016, the Texas AG delivered two settlement demands to Amneal in connection with alleged overpayments made by the State of Texas for such products under its Medicaid programs. For the Amneal and Interpharm products at issue, the Texas AG's initial demand was for an aggregate total of $36 million based on $16 million in alleged overpayments. After analyzing the Texas AG's demand, Amneal raised certain questions regarding the methodology used in the Texas AG's overpayment calculations, including the fact that the calculations treated all pharmacy claims after 2012 for the products at issue as claims for over-the-counter ("OTC") drugs, even though the products were prescription pharmaceuticals. This had the effect of increasing the alleged overpayment because the dispensing fee for OTC drugs was lower than that for prescription drugs. Therefore, the Texas AG's calculations were derived by subtracting a lower (and incorrect) OTC dispensing fee from the higher (and correct) prescription dispensing fee. The Texas AG later acknowledged this discrepancy. In March 2019, the Texas AG provided Amneal with a re-calculation of the alleged overpayment, and Amneal is in discussions with the Texas AG.

In Re Generic Pharmaceuticals Pricing Antitrust Litigation

Between March 2016 and January 2019, numerous complaints styled as antitrust class actions on behalf of direct purchasers and indirect purchasers (or end-payors) and several separate individual complaints on behalf of certain direct and indirect purchasers (the "opt-out plaintiffs") have been filed against manufacturers of generic digoxin, lidocaine/prilocaine, glyburide-metformin, and metronidazole, including Impax.

The end-payor plaintiffs comprise Plaintiff International Union of Operating Engineers Local 30 Benefits Fund; Tulsa Firefighters Health and Welfare Trust; NECA-IBEW Welfare Trust Fund; Pipe Trade Services MN; Edward Carpinelli; Fraternal Order of Police, Miami Lodge 20, Insurance Trust Fund; Nina Diamond; UFCW Local 1500 Welfare Fund; Minnesota Laborers Health and Welfare Fund; The City of Providence, Rhode Island; Philadelphia Federation of Teachers Health and Welfare Fund; United Food & Commercial Workers and Employers Arizona Health and Welfare Trust; Ottis McCrary; Plumbers & Pipefitters Local 33 Health and Welfare Fund; Plumbers & Pipefitters Local 178 Health and Welfare Trust Fund; Unite Here Health; Valerie Velardi; and Louisiana Health Service Indemnity Company. The direct purchaser plaintiffs comprise KPH Healthcare Services, Inc. a/k/a Kinney Drugs, Inc.; Rochester Drug Co-Operative, Inc.; César Castillo, Inc.; Ahold USA, Inc.; and FWK Holdings, L.L.C. The opt-out plaintiffs comprise The Kroger Co.; Albertsons Companies, LLC; H.E. Butt Grocery Company L.P.; Humana Inc.; and United Healthcare Services, Inc.

On April 6, 2017, the JPML ordered the consolidation of all civil actions involving allegations of antitrust conspiracies in the generic pharmaceutical industry regarding 18 generic drugs in the United States District Court for the Eastern District of Pennsylvania ("E.D. Pa."), as In Re: Generic Pharmaceuticals Pricing Antitrust Litigation (MDL No. 2724). Consolidated class action complaints were filed on August 15, 2017 for each of the 18 drugs; Impax is named as a defendant in the 2 complaints respecting digoxin and lidocaine-prilocaine. Impax also is a defendant in the class action complaint filed with the MDL court on June 22, 2018 by certain direct purchasers of glyburide-metformin and metronidazole.

Each of the various complaints alleges a conspiracy to fix, maintain, stabilize, and/or raise prices, rig bids, and allocate markets or customers for the particular drug products at issue. Plaintiffs seek, among other things, unspecified monetary damages and equitable relief, including disgorgement and restitution. On October 16, 2018, the Court denied Impax and its co-defendants' motion to dismiss the digoxin complaint. On February 15, 2019, the Court granted in part and denied in part defendants' motions to dismiss various state antitrust, consumer protection, and unjust enrichment claims brought by two classes of indirect purchasers in the digoxin action. The Court dismissed seven state law claims in the end-payor plaintiffs' complaint and six state law claims in the indirect reseller plaintiffs' complaint. Motions to dismiss the glyburide-metformin and metronidazole complaint, as well as 2 of the complaints filed by certain opt-out plaintiffs, were filed February 21, 2019. On March 11, 2019, the Court issued an order approving a stipulation withdrawing the direct purchaser plaintiffs' glyburide-metformin claims against Impax. Document discovery otherwise is proceeding.

On May 10, 2019, the Company was named in a civil lawsuit filed by the Attorneys General of 43 States and the Commonwealth of Puerto Rico in the United States District Court for the District of Connecticut against numerous generic pharmaceutical manufacturers, as well as certain of their current or former sales and marketing executives, regarding an alleged conspiracy to fix prices and allocate or divide customers or markets for various products, including, with respect to the Company, bethanechol chloride tablets, norethindrone acetate, and ranitidine HCL tablets, in violation of federal and state antitrust and consumer protection laws. Plaintiff States seek, among other things, unspecified monetary damages (including treble damages and civil penalties), as well as equitable relief, including disgorgement and restitution. On June 4, 2019, the JPML transferred the lawsuit to the E.D. Pa. for coordination and consolidation with MDL No. 2724.

On July 31, 2019, the Company and Impax were served with a Praecipe to Issue Writ of Summons and Writ of Summons filed in the Philadelphia County Court of Common Pleas by 87 health insurance companies and managed health care providers, naming as defendants in the putative action the same generic pharmaceutical manufacturers and individuals named in the above-referenced State Attorneys General lawsuit (America's 1st Choice Of South Carolina, Inc., et al., v. Actavis Elizabeth, LLC, et al., No. 190702094). However, to date, no complaint has been filed or served in this action.

The Company believes it has substantial meritorious defenses to the claims asserted with respect to the litigation. However, any adverse outcome could negatively affect the Company and could have a material adverse effect on the Company's results of operations, cash flows and/or overall financial condition.

Prescription Opioid Litigation

The Company and certain of its affiliates have been named as defendants in various matters relating to the promotion and sale of prescription opioid pain relievers. The Company is aware that other individuals and states and political subdivisions are filing comparable actions against, among others, manufacturers and parties that have promoted and sold prescription opioid pain relievers, and additional suits may be filed.

The complaints, asserting claims under provisions of different state and Federal law, generally contend that the defendants allegedly engaged in improper marketing of opioids, and seek a variety of remedies, including restitution, civil penalties, disgorgement of profits, treble damages, attorneys' fees and injunctive relief. None of the complaints specifies the exact amount of damages at issue. The Company and its affiliates that are defendants in the various lawsuits deny all allegations asserted in these complaints and have filed or intend to file motions to dismiss where possible. Each of the opioid-related matters described below is in its early stages. The Company intends to continue to vigorously defend these cases. In light of the inherent uncertainties of civil litigation, the Company is not in a position to predict the likelihood of an unfavorable outcome or provide an estimate of the amount or range of potential loss in the event of an unfavorable outcome in any of these matters.

On August 17, 2017, plaintiff Linda Hughes, as the mother of Nathan Hughes, decedent, filed a complaint in Missouri state court naming Amneal Pharmaceuticals of New York LLC, Impax, five other pharmaceutical company defendants, and three healthcare provider defendants. Plaintiff alleges that use of defendants' opioid medications caused the death of her son, Nathan Hughes. The complaint alleges causes of action against Amneal and Impax for strict product liability, negligent product liability, violation of Missouri Merchandising Practices Act and fraudulent misrepresentation. The case was removed to federal court on September 18, 2017. It was transferred to the United States District Court for the Northern District of Ohio on February 2, 2018 and is part of the multidistrict litigation pending as In Re National Prescription Opiate Litigation, MDL No. 2804 (the "MDL"). Plaintiff has filed a motion to remand the case to Missouri state court. That motion remains pending before the MDL court. All activity in the case is stayed by order of the MDL court.

On March 15, 2018, plaintiff Scott Ellington, purporting to represent the State of Arkansas, more than sixty counties and a dozen cities, filed a complaint in Arkansas state court naming Gemini Laboratories, LLC and fifty-one other pharmaceutical companies as defendants. Plaintiffs allege that Gemini and the other pharmaceutical company defendants improperly marketed, sold, and distributed opioid medications and failed to adequately warn about the risks of those medications. Plaintiffs allege causes of actions against Gemini and the other pharmaceutical company defendants for negligence and nuisance and alleged violations of multiple Arkansas statutes. Plaintiffs request past damages and restitution for monies allegedly spent by the State of Arkansas and the county and city plaintiffs for "extraordinary and additional services" for responding to what plaintiffs term the "Arkansas Opioid Epidemic." Plaintiffs also seek prospective damages to allow them to "comprehensively intervene in the Arkansas Opioid Epidemic," punitive and treble damages as provided by law, and their costs and fees. The complaint does not include any specific damage amounts. Gemini filed a general denial and, on June 28, 2018, it joined the other pharmaceutical company defendants in moving to dismiss plaintiffs' complaint. On January 29, 2019, the Court granted without prejudice Gemini's motion to dismiss and dismissed Gemini from the litigation on March 22, 2019.

On March 27, 2018, plaintiff American Resources Insurance Company, Inc. filed a complaint in the United States District Court for the Southern District of Alabama against Amneal, Amneal Pharmaceuticals of New York, LLC, Impax, and thirty-five other pharmaceutical company defendants. Plaintiff seeks certification of a class of insurers that since January 1, 2010, allegedly have been wrongfully required to: (i) reimburse for prescription opioids that allegedly were promoted, sold, and distributed illegally and improperly by the pharmaceutical company defendants; and (ii) incur costs for treatment of overdoses of opioid medications, misuse of those medications, or addiction to them. The complaint seeks compensatory and punitive damages, but plaintiff's complaint does not include any allegation of specific damage amounts. On or about May 2, 2018, the case was transferred to the MDL. All activity in the case is stayed by order of the MDL court.

On May 30, 2018, plaintiff William J. Comstock filed a complaint in Washington state court against Amneal Pharmaceuticals of New York, LLC, and four other pharmaceutical company defendants. Plaintiff alleges he became addicted to opioid medications manufactured and sold by the pharmaceutical company defendants, which plaintiff contends caused him to experience opioid-induced psychosis, prolonged hospitalizations, pain, and suffering. Plaintiff asserts causes of action against Amneal and the other pharmaceutical company defendants for negligence, fraudulent misrepresentation, and violations of the Washington Consumer Protection Act. On July 12, 2018, Amneal and other defendants removed the case to the United States District Court for the Eastern District of Washington. On August 17, 2018, the case was transferred to the MDL. All activity in the case is stayed by order of the MDL court.

On June 18, 2018, a Subpoena and CID issued by the Office of the Attorney General of Kentucky, Office of Consumer Protection was served on Amneal. The CID contains eleven requests for production of documents pertaining to opioid medications

manufactured and/or sold by Amneal, or for which Amneal holds an Abbreviated New Drug Application. The Company is evaluating the CID and has been in communication with the Office of the Attorney General about the scope of the CID, the response to the CID, and the timing of the response. It is unknown if the Office of the Attorney General will pursue any claim or file a lawsuit against Amneal.

On July 9, 2018, the Muscogee (Creek) Nation filed a First Amended Complaint in its case pending in the MDL against the Company and 55 other defendants consisting of pharmaceutical companies, wholesalers, distributors, and pharmacies. Plaintiff alleges it has been damaged by the Company and the other pharmaceutical company defendants as a result of alleged improper marketing, including off-label marketing, failure to adequately warn of the risks of opioid medications, and failure to properly monitor and control diversion of opioid medications within the Nation. The case has been designated as a bellwether motion to dismiss case for the MDL, meaning it is a test case for arguments directed at the complaints filed by Indian tribes in the MDL cases. On August 31, 2018, the Company moved to dismiss the First Amended Complaint, and also joined in separate motions to dismiss filed by different defense subgroups. Plaintiff opposed these motions. Additionally, on September 28, 2018, plaintiff filed a motion to add Amneal and Amneal Pharmaceuticals of New York, LLC, and to dismiss the Company from the complaint. The Company opposed that motion, and plaintiff filed a reply on October 19, 2018. On April 1, 2019, the MDL court's designated magistrate judge issued a Report and Recommendation as to the Company's motion to dismiss, recommending dismissal of plaintiff's Lanham Act claims and state-law claims based on an alleged duty to correct alleged misrepresentations of brand-name manufacturers, but recommending denial of relief as to all other claims. On April 12, 2019, the magistrate judge overruled the Company's objection to adding Amneal and Amneal Pharmaceuticals of New York, LLC, but dismissed the Company. Amneal and Amneal Pharmaceuticals of New York, LLC, filed an objection to the magistrate's Report and Recommendation as to the Company's motion to dismiss on April 29, 2019. On June 13, 2019, the MDL court denied the objections and subsequently ordered the defendants to file Answers to the First Amended Complaint. On July 26, 2019, Amneal and Amneal Pharmaceuticals, LLC filed their respective answers.

On July 18, 2018, the County of Webb, Texas requested waivers of service from Amneal and Amneal Pharmaceuticals of New York, LLC, in its case pending in the MDL. Plaintiff's Amended Complaint, filed against Amneal and forty-one other defendants consisting of pharmaceutical companies, wholesalers, distributors, and pharmacy benefit managers, alleges damages as a result of Amneal's and the pharmaceutical company defendants' improper marketing, failure to adequately warn of the risks of opioid medications, and failure to properly monitor and control diversion of opioid medications in or affecting Webb County. Amneal and Amneal Pharmaceuticals of New York, LLC have returned the requested waivers. All activity in the case is stayed by order of the MDL court.

On August 24, 2018, the Tucson Medical Center filed a complaint against the Company and 18 other defendants consisting of pharmaceutical companies, distributors, and unidentified John Doe defendants, in the Superior Court of the State of Arizona, Pima County. Plaintiff alleges damages as a result of Amneal's and the pharmaceutical company defendants' improper marketing, failure to adequately warn of the risks of opioid medications, and failure to properly monitor and control diversion of opioid medications. Plaintiff seeks economic damages related to its purchase of opioid medications and for the costs of unreimbursed healthcare it has provided as a result of the opioid epidemic over and above ordinary healthcare services. In addition, plaintiff seeks compensatory damages, treble damages, punitive damages, awards of attorney's fees, and abatement of the alleged public nuisance, as provided by law. On September 24, 2018, the distributor defendants removed the case to the United States District Court for the District of Arizona. Plaintiff filed a motion to remand on September 25, 2018, which the distributor defendants opposed. The Company filed a motion to dismiss on October 1, 2018. On October 8, 2018, following the Court's denial of its remand motion, plaintiff voluntarily dismissed its Complaint without prejudice. Plaintiff re-filed its Complaint on October 9, 2018, in the Superior Court of the State of Arizona, Pima County, along with a motion to designate the case as "complex." The distributor defendants filed a notice of removal on October 29, 2018. Plaintiff filed an Emergency Motion to Remand on October 30, 2018. On December 19, 2018, the Court granted plaintiff's motion and remanded the case to the Superior Court of Pima County, Arizona. On February 13, 2019, the Company again filed a motion to dismiss the complaint. The defendants (including the Company) also moved for a discovery stay pending resolution of their motions to dismiss. The Court entered an order on April 8, 2019 staying discovery until the earlier of June 25, 2019 or when the Court rules on the defendants' separate motions to dismiss. On June 12, 13, and 14, 2019, the Court held hearings on all pending motions to dismiss. Immediately prior to the hearing on Amneal's Motion to Dismiss, plaintiff agreed to a voluntary dismissal without prejudice of Amneal, which the parties then entered on the record. The co-defendants are attempting to re-remove the case to federal court; plaintiff is attempting to amend its complaint.

On October 4, 2018, the City of Martinsville, Virginia, filed a complaint in Virginia state court, naming the Company, Amneal, Amneal Pharmaceuticals of New York, LLC, Impax, and 45 other pharmaceutical companies and other entities as defendants. Plaintiff alleges that the defendants are liable for the economic and non-economic injuries allegedly suffered by resident doctors, health care payors, and opioid-addicted individuals, as well as for the costs incurred in addressing the opioid epidemic. Plaintiff requests an unspecified amount of damages against the defendants. The case was removed to federal court on December 13, 2018

and was conditionally transferred to the MDL on December 27, 2018. Plaintiff opposed the transfer to the MDL and moved to remand the case to Virginia state court. On February 14, 2019, the Western District of Virginia, Roanoke Division, remanded the case to the Martinsville Circuit Court in Martinsville, Virginia. Nine other Virginia municipalities have filed identical complaints naming the same defendants, but none have been served on the Company or its affiliates. The unserved Virginia cases have been removed and are in federal court, though plaintiffs have filed motions to remand and are opposing transfer of those cases to the MDL court. On April 24, 2019, the Court in Martinsville, Virginia, stayed this case until it is determined whether the other Virginia cases that were removed to federal court will be remanded, or until the parties or the court may determine whether consolidation of this case with others is possible in Virginia state court.

In October and November 2018, the SouthEast Alaska Regional Health Consortium, the Kodiak Area Native Association, and the Norton Sound Health Corporation requested that the Company execute waivers of service in their cases pending in the MDL. Plaintiffs' complaints name the Company and 37 other entities as defendants. Plaintiffs allege damages and seek injunctive relief, compensatory and statutory damages, "as well as the means to abate the epidemic" that they allege was "created by Defendants' wrongful and/or unlawful conduct." All activity in these cases is stayed by order of the MDL court.

On December 3, 2018, Appalachian Regional Healthcare, Inc., filed a complaint in Kentucky state court, naming Amneal and 32 other pharmaceutical companies and other entities as defendants. Plaintiff alleges that the defendants are liable for the economic and non-economic injuries allegedly suffered by Kentucky's hospitals and others. Plaintiff requested an unspecified amount of damages against the defendants. The case has now been removed to federal court, and responsive pleading deadlines are suspended pending remand or transfer to the MDL.

On January 23, 2019, Indian Health Council, Inc., requested that the Company execute a waiver of service in its case pending in the MDL. Plaintiff's complaint names the Company and 18 other pharmaceutical companies and other entities as defendants. Plaintiff, an intertribal health organization which provides healthcare services to its consortium's member tribes, alleges that the defendants are liable for the economic injuries it allegedly suffered as a result of its role in responding to an alleged opioid epidemic. Plaintiff requests an unspecified amount of damages against the defendants. The case has been transferred to the MDL. All activity in the case is stayed by order of the MDL court.

On February 7, 2019, Kentucky River District Health Department requested that the Company execute a waiver of service in its case pending in the MDL. Plaintiff's putative class action complaint names Amneal and 20 other pharmaceutical companies and other entities as defendants. Plaintiff alleges that the defendants are liable for the economic injuries it suffered, on behalf of itself and similarly situated Kentucky health departments, as a result of their role in responding to an alleged opioid epidemic. Plaintiff requests an unspecified amount of damages against the defendants. All activity in the case is stayed by order of the MDL court.

In February and March 2019, the Aleutian Pribilof Islands Association and Alaska Native Tribal Health Consortium requested that the Company execute waivers of service in their cases pending in the MDL. Plaintiffs' complaints name the Company and 37 other entities as defendants. Plaintiffs allege damages and seek injunctive relief, compensatory and statutory damages, "as well as the means to abate the epidemic" that they allege was "created by Defendants' wrongful and/or unlawful conduct." All activity in these cases is stayed by order of the MDL court.

In March 2019, Glynn County, Georgia, requested waivers of service from the Company and Amneal in its case pending in the MDL. Plaintiff's second amended short-form complaint, filed against Amneal and 39 other defendants consisting of pharmaceutical companies, wholesalers, retailers, and distributors, alleges damages as a result of defendants' alleged improper marketing, fraud, including RICO violations, failure to adequately warn of the risks of opioid medications, failure to properly monitor and control diversion of opioid medications in or affecting Glynn County, negligence, public nuisance, and unjust enrichment. All activity in the case is stayed by order of the MDL court.

On March 14, 2019, the City of Concord, New Hampshire, filed a short-form amendment to its Second Amended Complaint in the MDL court adding the Company, Amneal, and Impax, to 31 other defendants, including pharmaceutical companies, corporate officers of certain brand manufacturer pharmaceutical companies, and distributors. As to the Company, Amneal, and Impax, plaintiff asserts claims for violation of the New Hampshire Consumer Protection Act, public nuisance, unjust enrichment, and violation of RICO. Plaintiff alleges that defendants are liable for economic injuries experienced by plaintiff, including unspecified restitution, civil penalties, disgorgement of unjust enrichment and attorneys' fees, as well as for injunctive relief as to defendants' further false or misleading statements as to opioids, and for exemplary damages. Amneal was served on April 25, 2019. All activity in the case is stayed by order of the MDL court.

On March 15, 2019, the International Union of Painters and Allied Trades, District Council No. 21 Welfare Fund, and, separately, the International Brotherhood of Electrical Workers Local 98 Health & Welfare Fund, and International Brotherhood of Electrical Workers Local 98 Sound and Communications Health and Welfare Fund, filed complaints in the Philadelphia County Common

Pleas Court, naming Amneal, Impax, Amneal Pharmaceuticals of New York, LLC, and 29 other pharmaceutical companies as defendants. In each, plaintiffs allege that the defendants are liable for economic injuries allegedly suffered by the respective funds to the extent those funds paid for long term treatment of their benefit members with opioids, and for the costs incurred in addressing the opioid epidemic. Plaintiffs request an unspecified amount of damages against the defendants. On April 17, 2019, Amneal and Amneal Pharmaceuticals of New York, LLC were served with both complaints. On May 30, 2019, the Court stayed the cases pending transfer to Delaware County, Pennsylvania, where numerous other opioid cases currently are pending. The transfer is not yet complete and, until the transfer is complete, all matters are stayed.

In March 2019, the State of New Mexico filed a Second Amended Complaint in its case pending against numerous generic drug manufacturers and distributors in the First District Court of Santa Fe County, naming as defendants Amneal and Amneal Pharmaceuticals of New York, LLC. Plaintiff seeks unspecified damages, and in junctive relief, "to eliminate the hazard to public health and safety caused by the opioid epidemic, to abate the nuisance in [the state], and to recoup State monies that have been spent" on account of defendants' alleged "false, deceptive and unfair marketing and/or unlawful diversion of prescription opioids." On July 17, 2019, the Amneal entities moved to dismiss for lack of personal jurisdiction and failure to state a claim upon which relief can be granted. The motions to dismiss remain pending.

In April 2019, several Virginia municipalities (the County Board of Arlington, Dinwiddie County, and Mecklenburg County) filed Complaints in their respective local circuit courts against the Company, Amneal, Amneal Pharmaceuticals of New York, LLC, and Impax along with numerous additional generic drug manufacturers, distributors, and pharmacies. In each Complaint, plaintiffs seek unspecified damages and equitable relief, alleging that defendants were negligent and/or grossly negligent in flooding the relevant municipalities with prescription opioid medications and engaged in civil conspiracies to do so. Each case had been removed to the United States District Court for the Eastern District of Virginia, but all three since have been remanded back to Virginia state court. Responsive pleadings are not yet due.

On June 10, 2019, in their cases currently pending in the MDL, West Virginia municipal-entity plaintiffs Cabell County Commission and the City of Huntington were granted leave to file, then filed, a Joint and Third Amended Complaint naming approximately 20 additional defendants, including the Company, Amneal, Amneal Pharmaceuticals of New York, LLC, and Impax. The plaintiff municipalities, seek unspecified actual, treble, and punitive damages and disgorgement "to eliminate the hazard to public health and safety, to abate the public nuisance caused by the opioid epidemic in the City and County and to compensate both for abatement measures undertaken or underway and damages sustained as a result of the opioid epidemic" they allege the defendants "proximately caused." These actions have been designated "Track Two" bellwether cases by the MDL court (intended to be adjudicated following the "Track One" cases for which bellwether trials are scheduled for October 2019). On December 31, 2018, the MDL court entered an Order directing the then-parties in these Track Two actions to work with one of the MDL court's appointed Special Masters to prepare case management deadlines. On May 12, 2019, the Special Master entered an Order acknowledging that the press of issues surrounding ongoing litigation of the Track One cases had prevented both the parties and the MDL court from acting on the directives of the prior Track Two Order, and setting deadlines of June 10, 2019 for plaintiffs to amend their complaints, and June 14, 2019 for the submission of proposals for case management by the then-parties to the cases (the Amneal entities were not served with plaintiffs' Third Amended Complaints until June 25, 2019). However, to date, none of the existing parties to the cases have filed or submitted any case management proposals to the Special Master. Accordingly, the case management aspect of these Track Two cases remains pending.

In addition to the above-referenced cases, in connection with the further extended MDL pleading amendment deadline of March 16, 2019, the Company and certain of its affiliates recently have been named in approximately 600 additional complaints filed in the MDL court and in various state and territorial courts, including by:

- Political subdivision / municipal entity plaintiffs from the states of Alabama, Arkansas, Arizona, California, Colorado, Florida, Georgia, Illinois, Indiana, Kansas, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, Ohio, Oklahoma, Pennsylvania, Puerto Rico, South Carolina, Tennessee, Texas, Utah, Washington, West Virginia, and Wisconsin;
- Third-party payor plaintiffs;
- Indian tribe plaintiffs; and
- Hospital / healthcare provider plaintiffs.

All activity in these cases is stayed by order of the MDL court. Requests for waivers for service of process have been transmitted by plaintiffs' counsel to defense counsel in relation to the Company and certain of its affiliates in certain of these cases. Neither the Company nor any of its affiliates has been served in these cases.

Securities Class Action

On April 17, 2017, Lead Plaintiff New York Hotel Trades Council & Hotel Association of New York City, Inc. Pension Fund filed an amended class action complaint in the United States District Court for the Northern District of California on behalf of itself and others similarly situated against Impax and four current or former Impax officers alleging violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 and Rule 10b-5. Plaintiff asserts claims regarding alleged misrepresentations about three generic drugs. Its principal claim alleges that Impax concealed that it colluded with competitor Lannett Corp. to fix the price of generic drug digoxin, and that its digoxin profits stemmed from this collusive pricing. Plaintiff also alleges that Impax concealed from the market anticipated erosion in the price of generic drug diclofenac and that Impax overstated the value of budesonide, a generic drug that it acquired from Teva. On June 1, 2017, Impax filed its motion to dismiss the amended complaint. On September 7, 2018, the Court granted Impax's motion, dismissing plaintiffs' claims without prejudice and with leave to amend their complaint. Plaintiff filed a second amended complaint October 26, 2018. Impax filed a motion to dismiss the second amended complaint on December 6, 2018; plaintiffs' opposition thereto was filed on January 17, 2019; and Impax's reply in support of its motion to dismiss was filed on February 7, 2019. A hearing before the Court on the motion to dismiss took place on May 2, 2019.

Shareholder Derivative Action

On February 22, 2017, plaintiff Ed Lippman filed a shareholder derivative complaint in the Superior Court for the State of California in the County of Alameda on behalf of Impax against former executives, a current executive, and certain current members of the board of directors alleging breach of fiduciary duty, unjust enrichment, abuse of control, gross mismanagement, and corporate waste. This matter had been stayed pending the securities class action referenced above. On May 14, 2019, plaintiff stipulated to the voluntarily dismissal of his claims, and on May 17, 2019, the Court entered an Order dismissing without prejudice the entire action.

Teva v. Impax Laboratories, LLC.

On February 15, 2017, plaintiffs Teva Pharmaceuticals USA, Inc. and Teva Pharmaceuticals Curacao N.V. ("Teva") filed a Praecipe to Issue Writ of Summons and Writ of Summons in the Philadelphia County Court of Common Pleas against Impax alleging that Impax breached the Strategic Alliance Agreement between the parties by not indemnifying Teva in its two litigations with GlaxoSmithKline LLC regarding Wellbutrin ® XL (and therefore that Impax is liable to Teva for the amounts it paid to settle those litigations). Impax filed a Motion to Disqualify Teva's counsel related to the matter, and on August 23, 2017, the trial court denied Impax's motion. Following the trial court's order, Teva filed its complaint. On September 6, 2017, Impax appealed the trial court's decision to the Pennsylvania Superior Court. On September 20, 2017, the Superior Court stayed the trial court action pending the outcome of Impax's appeal. On November 2, 2018, the Superior Court affirmed the trial court's decision. On November 16, 2018, Impax filed an application for reargument with the Superior Court, which was denied on December 28, 2018. On February 13, 2019, the Superior Court remitted the record to the trial court. On February 15, 2019, Impax filed its answer with new matter to Teva's complaint. On February 19, 2019, the trial court issued a revised case management order providing that, absent any extensions or amendments thereto, discovery was to have closed on July 1, 2019 and the case is expected to be ready for trial by February 3, 2020. On or about March 4, 2019, Teva filed a motion for judgment on the pleadings. Impax filed its answer and brief in opposition to Teva's motion for judgment on the pleadings on March 25, 2019. On April 4, 2019, the trial court denied Teva's motion. On April 16, 2019, Impax filed a motion to stay the proceedings and compel Teva to arbitrate the dispute pursuant to an Indemnification Release Agreement negotiated and executed by the parties in 2012. Teva's opposition to the motion was filed on May 7, 2019. On June 11, 2019, the trial court denied Impax's motion. On June 24, 2019, Impax noticed its intent to appeal to the Superior Court the trial court's denial of the motion to compel arbitration, and moved both to stay the trial court proceedings pending that appeal and for an extension of case management deadlines. On July 12, 2019, the trial court denied both motions.

California Wage and Hour Class Action

On August 3, 2017, plaintiff Emielou Williams filed a class action complaint in the Superior Court for the State of California in the County of Alameda on behalf of herself and others similarly situated against Impax alleging violation of California Business and Professions Code section 17200 by violating various California wage and hour laws, and seeking, among other things, declaratory judgment, restitution of allegedly unpaid wages, and disgorgement. On October 10, 2017, Impax filed a Demurrer and Motion to Strike Class Allegations. On December 12, 2017, the Court overruled Impax's Demurrer to Plaintiff's individual claims. However, it struck all of plaintiff's class allegations. On March 13, 2018, plaintiff filed her First Amended Complaint once again including the same class allegations. The Company filed a Demurrer and Motion to Strike Class Allegations on April 12, 2018. On September 20, 2018, the Court again struck plaintiff's class allegations; plaintiff has appealed this most recent order to the California State Court of Appeal. Plaintiff filed her opening appellate brief on February 22, 2019; Impax's brief in response

was filed on April 18, 2019; plaintiff filed her reply brief on May 7, 2019; and Impax filed a surreply on May 22, 2019. The appeal has now been fully submitted on the briefs.

United States Department of Justice / Drug Enforcement Administration Subpoenas

On July 7, 2017, Amneal Pharmaceuticals of New York, LLC received an administrative subpoena issued by the Long Island, NY District Office of the Drug Enforcement Administration (the "DEA") requesting information related to compliance with certain recordkeeping and reporting requirements pursuant to regulations promulgated by the DEA. The Company is cooperating with this request for information and has provided relevant information responsive to the request. The Company and the U.S. Attorney for the Eastern District of New York ("E.D.N.Y.") have entered into a tolling agreement with respect to the investigation. The material provisions of the tolling agreement provide that the investigation is ongoing, that the U.S. Attorney will not file a claim against the Company on or before December 19, 2019, and requests that the Company agree that the applicable statute(s) of limitations be tolled during the period from January 19, 2018 through December 20, 2019. The Company cannot predict at this time whether the U.S. Attorney will file a lawsuit or other claims against the Company with respect to the investigation.

On March 14, 2019, Amneal received a subpoena (the "Subpoena") from an Assistant U.S. Attorney ("AUSA") for the Southern District of Florida. The Subpoena requests information and documents generally related to the marketing, sale, and distribution of oxymorphone. The Company intends to cooperate with the AUSA regarding the Subpoena. However, no assurance can be given as to the timing or outcome of its underlying investigation.

On May 28, 2019, Amneal received a subpoena (the "Subpoena") from an AUSA for the E.D.N.Y. requesting information and documents generally related to the Company's compliance with Controlled Substances Act regulations. The Company intends to cooperate with the AUSA regarding the Subpoena. The Company and the U.S. Attorney for the E.D.N.Y. have entered into a tolling agreement with respect to the investigation. The material provisions of the tolling agreement provide that the E.D.N.Y. has made no decision as yet as to the appropriate resolution of its pending investigation, that the Company's time to present evidence and arguments to the E.D.N.Y. concerning the investigation is extended to November 12, 2019, and that the Company agrees that the applicable statute(s) of limitations are tolled during the period from April 12, 2019 through November 12, 2019. The Company cannot predict at this time whether the U.S. Attorney will file a lawsuit or other claims against the Company with respect to the investigation.

14. Segment Information

The Company has two reportable segments, Generics and Specialty. Generics develops, manufactures and commercializes complex oral solids, injectables, ophthalmics, liquids, topicals, softgels, inhalation products and transdermals across a broad range of therapeutic categories. The Company's retail and institutional portfolio contains approximately 200 product families, many of which represent difficult-to-manufacture products or products that have a high barrier-to-entry, such as oncologics, anti-infectives and supportive care products for healthcare providers.

Specialty delivers proprietary medicines to the U.S. market. The Company offers a growing portfolio in core therapeutic categories including central nervous system disorders, endocrinology, parasitic infections and other therapeutic areas. The Company's specialty products are marketed through skilled specialty sales and marketing teams, who call on neurologists, movement disorder specialists, endocrinologists and primary care physicians in key markets throughout the U.S.

Specialty also has a number of product candidates that are in varying stages of development.

The Company's chief operating decision maker evaluates the financial performance of the Company's segments based upon segment operating income (loss). Items below income (loss) from operations are not reported by segment, since they are excluded from the measure of segment profitability reviewed by the Company's chief operating decision maker. Additionally, general and administrative expenses, certain selling expenses, certain litigation settlements, and non-operating income and expenses are included in "Corporate and Other." The Company does not report balance sheet information by segment since it is not reviewed by the Company's chief operating decision maker.

The tables below present segment information reconciled to total Company financial results, with segment operating income or loss including gross profit less direct selling expenses, research and development expenses, and other operating expenses to the extent specifically identified by segment (in thousands):

Three Months Ended June 30, 2019	Generics	Specialty	Corporate and Other	Total Company
Net revenue	$ 335,064	$ 69,578	$ —	$ 404,642
Cost of goods sold	263,423	32,958	—	296,381
Cost of goods sold impairment charges	3,012	—	—	3,012
Gross profit	68,629	36,620	—	105,249
Selling, general and administrative	14,379	16,150	36,752	67,281
Research and development	45,448	2,568	—	48,016
Intellectual property legal development expenses	2,511	—	—	2,511
Acquisition, transaction-related and integration expenses	987	1,366	1,166	3,519
Restructuring and other charges	418	—	2,417	2,835
Operating income (loss)	$ 4,886	$ 16,536	$ (40,335)	$ (18,913)

Six Months Ended June 30, 2019	Generics	Specialty	Corporate and Other	Total Company
Net revenue	$ 717,541	$ 133,221	$ —	$ 850,762
Cost of goods sold	542,301	63,823	—	606,124
Cost of goods sold impairment charges	56,309	—	—	56,309
Gross profit	118,931	69,398	—	188,329
Selling, general and administrative	38,527	37,477	75,713	151,717
Research and development	95,599	6,275	—	101,874
In-process research and development impairment charges	22,787	—	—	22,787
Intellectual property legal development expenses	5,632	1,045	—	6,677
Acquisition, transaction-related and integration expenses	3,584	3,250	2,717	9,551
Restructuring and other charges	2,499	178	6,319	8,996
Operating (loss) income	$ (49,697)	$ 21,173	$ (84,749)	$ (113,273)

Three Months Ended June 30, 2018	Generics	Specialty	Corporate and Other	Total Company
Net revenue	$ 361,770	$ 52,017	$ —	$ 413,787
Cost of goods sold	211,534	23,958	—	235,492
Gross profit	150,236	28,059	—	178,295
Selling, general and administrative	19,621	13,549	22,833	56,003
Research and development	47,206	3,129	—	50,335
Intellectual property legal development expenses	4,004	43	—	4,047
Acquisition, transaction-related and integration expenses	114,622	—	92,885	207,507
Restructuring and other charges	24,797	2,421	17,247	44,465
Legal settlement gains	(3,000)	—	—	(3,000)
Operating (loss) income	$ (57,014)	$ 8,917	$ (132,965)	$ (181,062)

Six Months Ended June 30, 2018	Generics	Specialty	Corporate and Other	Total Company
Net revenue	$ 636,959	$ 52,017	$ —	$ 688,976
Cost of goods sold	342,128	23,958	—	366,086
Gross profit	294,831	28,059	—	322,890
Selling, general and administrative	30,824	13,549	36,751	81,124
Research and development	91,415	3,129	—	94,544
Intellectual property legal development expenses	8,580	43	—	8,623
Acquisition, transaction-related and integration expenses	114,622	—	100,020	214,642
Restructuring and other charges	24,797	2,421	17,247	44,465
Legal settlement gains	(3,000)	—	—	(3,000)
Operating income (loss)	$ 27,593	$ 8,917	$ (154,018)	$ (117,508)

15. Related Party Transactions

The Company has various business agreements with certain third-party companies in which there is some common ownership and/or management between those entities, on the one hand, and the Company, on the other hand. The Company has no direct ownership or management in any of such related party companies. The related party relationships that generated income and/ or expense in the respective reporting periods are described below.

Financing Lease/Financing Obligation - Related Party

The Company has a financing lease for two buildings located in Long Island, New York, that are used as an integrated manufacturing and office facility. For annual payments required under the terms of the non-cancelable lease agreement over the next five years and thereafter, refer to *Note 11. Leases* .

Kanan, LLC

Kanan, LLC ("Kanan") is an independent real estate company which owns Amneal's manufacturing facilities located at 65 Readington Road, Branchburg, New Jersey, 131 Chambers Brook Road, Branchburg, New Jersey and 1 New England Avenue, Piscataway, New Jersey. Amneal leases these facilities from Kanan under two separate triple-net lease agreements that expire in 2027 and 2031, respectively, at an annual rental cost of approximately $2 million combined, subject to CPI rent escalation adjustments as provided in the lease agreements. Rent expense paid to the related party for both of the three months ended June 30, 2019 and 2018 was $0.5 million . Rent expense paid to the related party for both of the six months ended June 30, 2019 and 2018 was $1 million .

Asana Biosciences, LLC

Asana Biosciences, LLC (“Asana”) is an early stage drug discovery and research and development company focusing on several therapeutic areas, including oncology, pain and inflammation. Amneal provided research and development services to Asana under a development and manufacturing agreement. The total amount of income earned from this arrangement for the three and six months ended June 30, 2019 was $1 million and $1.4 million , respectively (no ne in 2018). At June 30, 2019, receivables of approximately $1 million were due from the related party for research and development related services.

Industrial Real Estate Holdings NY, LLC

Industrial Real Estate Holdings NY, LLC ("IRE") is an independent real estate management entity which, among other activities, is the landlord of Amneal’s leased manufacturing facility located at 75 Adams Avenue, Hauppauge, New York. The lease expires in March 2021. Rent expense paid to the related party for the three months ended June 30, 2019 and 2018 was $0.3 million and $0.2 million , respectively. Rent expense paid for the related party for the six months ended June 30, 2019 and 2018 was $0.6 million and $0.5 million , respectively.

Kashiv BioSciences LLC

Kashiv BioSciences, LLC ("Kashiv") is an independent contract development organization focused primarily on the development of 505(b) (2) NDA products. Amneal has various business agreements with Kashiv.

In May 2013, Amneal entered into a sublease agreement with Kashiv for a portion of one of its research and development facilities. The sublease automatically renews annually if not terminated and has an annual base rent of $2 million . On January 15, 2018, Amneal and Kashiv entered into an Assignment and Assumption of Lease Agreement. The lease was assigned to Kashiv, and Amneal was relieved of all obligations. Rental income from the related party sublease for the three months ended June 30, 2019 was less than $0.1 million (no ne in 2018). Rental income from the related party sublease for the six months ending June 30, 2019 and 2018 was less than $0.1 million and $0.4 million , respectively.

Amneal has also entered into various development and commercialization arrangements with Kashiv to collaborate on the development and commercialization of certain generic pharmaceutical products. The total reimbursable expenses associated with these arrangements for the three and six month period ended June 30, 2019 was $2 million and $3 million , respectively (no ne in 2018). Kashiv receives a percentage of net profits with respect to Amneal’s sales of these products. The total profit share paid to Kashiv for the three months ended June 30, 2019 and 2018 was $0.7 million and $2 million , respectively. The total profit share paid to Kashiv for the six months ended June 30, 2019 and 2018 was $1 million and $2 million , respectively. At June 30, 2019 and December 31, 2018 payables of approximately $3 million and $0.8 million , respectively, were due to the related party for royalty-related transactions.

In June 2017, Amneal and Kashiv entered a product acquisition and royalty stream purchase agreement. The aggregate purchase price was $25 million on the closing, which has been paid, plus two potential future $5 million earn outs related to the Estradiol Product. The contingent earn outs were to be recorded in the period in which they are earned. The first and second $5 million earn outs were recognized in March 2018 and June 2018, respectively, as an increase to the cost of the Estradiol product intangible asset and amortized on a straight-line basis over the remaining life of the Estradiol intangible asset. The first earn out was paid in July 2018 and the second earn out was paid in September 2018.

Pursuant to a product development agreement, Amneal and Kashiv agreed to collaborate on the development and commercialization of Oxycodone HCI ER Oral Tablets. Under the agreement, this product is owned by Kashiv, with Amneal acting as the exclusive marketing partner and as Kashiv’s agent for filing the product ANDA. Under the agreement, Amneal was also responsible for assuming control of and managing all aspects of the patent litigation arising from the filing of the ANDA, including selecting counsel and settling such proceeding (subject to Kashiv’s consent). In December 2017, Amneal and Kashiv terminated the product development agreement and pursuant to the termination and settlement of the agreement, Kashiv agreed to pay Amneal $8 million , an amount equal to the legal costs incurred by Amneal related to the defense of the ANDA. The cash payment was received in February 2018.

Pursuant to a product development agreement, Amneal and Kashiv agreed to collaborate on the development and commercialization of Levothyroxine Sodium. Under the agreement, the IP and ANDA for this product is owned by Amneal and Kashiv is to receive a profit share for all sales of the product made by Amneal. Amneal is precluded from selling the product made by Kashiv during the term of the license and supply agreement with JSP. Under the terms of the amended agreement with Kashiv, Amneal paid $2 million in July 2019 and may be required to pay up to an additional $18 million upon certain regulatory

milestones being met. At June 30, 2019, the Company recorded a $2 million payable to the related party and the cost was recognized as R&D expense to compensate Kashiv for costs incurred to develop the product.

Adello Biologics, LLC

Adello is an independent clinical stage company engaged in the development of biosimilar pharmaceutical products. Amneal and Adello are parties to a master services agreement pursuant to which, from time to time, Amneal provides human resources and product quality assurance services on behalf of Adello. The parties are also party to a license agreement for parking spaces in Piscataway, NJ. The total amount of income received from Adello from these agreements was less than $0.1 million for both the three and six months ended June 30, 2019 . The total amount of net expense paid to Adello from these agreements for both the three months and six ended and June 30, 2018 was less than $0.1 million .

In March 2017, Amneal entered into a product development agreement with Adello. The collaboration extended the remaining development process to Adello for a complex generic product, while Amneal retained its commercial rights upon approval. Pursuant to the agreement, Adello paid Amneal $10 million for reimbursement of past development costs, which Amneal deferred as a liability and will pay royalties upon commercialization.

In October 2017, Amneal and Adello terminated their product development agreement pursuant to which Amneal and Adello had been collaborating to develop and commercialize Glatiramer Acetate products. Pursuant to the termination agreement, Amneal owed Adello $11 million for the up-front payment plus interest. This amount was paid in January 2018.

On October 1, 2017, Amneal and Adello entered into a license and commercialization agreement pursuant to which the parties have agreed to cooperate with respect to certain development activities in connection with two biologic pharmaceutical products. In addition, under the agreement, Adello has appointed Amneal as its exclusive marketing partner for such products in the United States. In connection with the agreement, Amneal paid an upfront amount of $2 million in October 2017 which was recorded within research and development expenses. The agreement also provides for potential future milestone payments to Adello.

In October 2017, Amneal purchased a building from Adello in Ireland to further support its inhalation dosage form. Amneal issued a promissory note for 13 million euros ($15 million based on exchange rate as of December 31, 2017) which accrues interest at a rate of 2% per annum, due on or before July 1, 2019. The promissory note was paid in full in the second quarter of 2018. Refer to *Note 5. Alliance and Collaboration* for further information on collaboration agreements with Adello.

PharmaSophia, LLC

PharmaSophia, LLC ("PharmaSophia") is a joint venture formed by Nava Pharma, LLC ("Nava") and Oakwood Laboratories, LLC for the purpose of developing certain products. Currently PharmaSophia is actively developing two injectable products. PharmaSophia and Nava are parties to a research and development agreement pursuant to which Nava provides research and development services to PharmaSophia. Nava subcontracted this obligation to Amneal, entering into a subcontract research and development services agreement pursuant to which Amneal provides research and development services to Nava in connection with the products being developed by PharmaSophia. The total amount of income earned from these agreements for the three months ended June 30, 2019 and 2018 was $0.3 million and $0.1 million , respectively. The total amount of income earned from these agreements for the six months ended June 30, 2019 and 2018 was $0.6 million and $0.2 million , respectively. At June 30, 2019 and December 31, 2018 receivables of $0.7 million and $0.1 million , respectively, were due from the related party.

Gemini Laboratories, LLC

Prior to the Company's acquisition of Gemini in May 2018, Amneal and Gemini were parties to various agreements. Total gross profit earned from the sale of inventory to Gemini for the three and six months ended June 30, 2018 was nil and $0.1 million . The total profit share paid by Gemini for the three and six months ended June 30, 2018 was $0.8 million and $5 million , respectively.

Fosun International Limited

Fosun International Limited (“Fosun”) is a Chinese international conglomerate and investment company that is a shareholder of the Company. On June 6, 2019, the Company entered into a license and supply agreement with a subsidiary of Fosun, which is a Chinese pharmaceutical company. Under the terms of the agreement, the Company will hold the imported drug license required for pharmaceutical products manufactured outside of China and will supply Fosun with finished, packaged products for Fosun to then sell in the China market. Fosun will be responsible for obtaining regulatory approval in China and for shipping the product from Amneal’s facility to Fosun’s customers in China. In consideration for access to the Company's U.S. regulatory filings to support its China regulatory filings and for the supply of product, Fosun paid the Company a $1 million non-refundable

fee, net of tax, in July 2019 and will be required to pay the Company $0.3 million for each of 8 products upon the first commercial sale of each in China in addition to a supply price and a profit share. For the three and six months ended June 30, 2019 , the Company has no t recognized any revenue from this agreement.

Tax Distributions

Under the terms of the Limited Liability Company Agreement, Amneal is obligated to make tax distributions to its members, which are also holders of non-controlling interests in the Company. For further details, refer to *Note 19. Stockholders' Equity/ Members' Deficit* contained in the Company's 2018 Annual Report on Form 10-K.

Non-Controlling Interests

During December 2018, the Company acquired the non-controlling interests in one of Amneal's non-public subsidiaries for approximately $3 million . As of December 31, 2018 , the Company recorded a $3 million related party payable for this transaction which was paid in full as of June 30, 2019 .

16. Goodwill and Intangible Assets

The changes in goodwill for the six months ended June 30, 2019 and for the year ended December 31, 2018 were as follows (in thousands):

	June 30, 2019	December 31, 2018
Balance, beginning of period	$ 426,226	$ 26,444
Impax acquisition adjustment	(1,255)	—
Goodwill acquired during the period	—	401,488
Goodwill divested during the period	(5,175)	—
Currency translation	221	(1,706)
Balance, end of period	$ 420,017	$ 426,226

As of June 30, 2019 , $361 million and $59 million of goodwill was allocated to the Specialty and Generics segment, respectively. As of December 31, 2018 , $360 million and $66 million of goodwill was allocated to the Specialty and Generics segment, respectively. For the six months ended June 30, 2019 , goodwill divested was associated with the sale of the Company's operations in the United Kingdom and Germany. For the year ended December 31, 2018 , goodwill acquired was associated with the Impax and Gemini acquisitions. Refer to *Note 3. Acquisitions and Divestitures* for additional information about the acquisition of Impax and the divestiture of the Company's operations in the United Kingdom and Germany.

Intangible assets at June 30, 2019 and December 31, 2018 are comprised of the following (in thousands):

		June 30, 2019			December 31, 2018		
	Weighted-Average Amortization Period (in years)	Cost	Accumulated Amortization	Net	Cost	Accumulated Amortization	Net
Amortizing intangible assets:							
Product rights	11.0	$ 1,265,150	$ (142,704)	$ 1,122,446	$ 1,282,011	$ (88,081)	$ 1,193,930
Customer relationships		—	—	—	7,005	(1,955)	5,050
Other intangible assets	10.5	3,000	(900)	2,100	5,620	(1,561)	4,059
Total		$ 1,268,150	$ (143,604)	$ 1,124,546	$ 1,294,636	$ (91,597)	$ 1,203,039
In-process research and development		428,784	—	428,784	451,930	—	451,930
Total intangible assets		$ 1,696,934	$ (143,604)	$ 1,553,330	$ 1,746,566	$ (91,597)	$ 1,654,969

The Company evaluated assets for potential impairment by comparing estimated future undiscounted net cash flows to the carrying amount of the asset. For the three months ended June 30, 2019 , the Company recognized a total of $3 million of intangible asset impairment charges, which was recognized in cost of goods sold. For the six months ended June 30, 2019 , the Company recognized a total of $79 million of intangible asset impairment charges, of which $56 million was recognized in cost of goods sold and $23 million was recognized in research and development expense. The impairment charges primarily related to four products, two of which are currently marketed products and two of which are IPR&D products, all acquired as part of the Combination. For the currently marketed products, the impairment charges were the result of significant price erosion during the first quarter of 2019, without an offsetting increase in customer demand, resulting in significantly lower than expected future cash flows. For one IPR&D product, the impairment charge was the result of increased competition at launch resulting in significantly lower than expected future cash flows. For the other IPR&D product, the impairment charge was the result of a strategic decision to no longer pursue approval of the product.

During the six months ended June 30, 2019 , the Company recognized a $50 million product rights intangible asset for the exclusive rights to sell Levothyroxine in the U.S. market under a license and supply agreement with JSP. Refer to *Note 5. Alliance and Collaboration* for additional information.

For the six months ended June 30, 2019 , included in the Company's divested United Kingdom operations were a net customer relationship intangible asset and a net trade name intangible asset of $5 million and $2 million , respectively. Refer to *Note 3. Acquisitions and Divestitures* for additional information.

Amortization expense related to intangible assets recognized is as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Amortization	$ 34,796	$ 16,694	$ 65,759	$ 18,454

The following table presents future amortization expense for the next five years and thereafter, excluding $429 million of IPR&D intangible assets (in thousands):

	Future Amortization
Remainder of 2019	$ 76,018
2020	143,075
2021	142,600
2022	132,283
2023	129,564
2024	127,844
Thereafter	373,162
Total	$ 1,124,546

17. Acquisition, Transaction-Related and Integration Expenses

The following table sets forth the components of the Company’s acquisition, transaction-related and integration expenses for the three and six months ended June 30, 2019 and 2018 (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Acquisition, transaction-related and integration expenses [1]	$ 3,519	$ 21,008	$ 9,551	$ 28,143
Profit participation units [2]	—	158,757	—	158,757
Transaction-related bonus [3]	—	27,742	—	27,742
Total	$ 3,519	$ 207,507	$ 9,551	$ 214,642

(1) Acquisition, transaction-related and integration expenses include professional service fees (e.g. legal, investment banking and accounting), information technology systems conversions, and contract termination/renegotiation costs. These costs for the three and six months ended June 30, 2019 consists of integration costs.

(2) Profit participation units expense relates to the accelerated vesting of certain of Amneal's profit participation units that occurred prior to the Closing of the Combination for current and former employees of Amneal for service prior to the Combination (see additional information in the paragraph below and *Note 19. Stockholders' Equity/ Members' Deficit in the Company's 2018 Annual Report on Form 10-K*).

(3) Transaction-related bonus is a cash bonus that was funded by Holdings for employees of Amneal for service prior to the closing of the Combination (see additional information in *Note 19. Stockholders' Equity/ Members' Deficit in the Company's 2018 Annual Report on Form 10-K*).

Accelerated Vesting of Profit Participation Units

Amneal's historical capital structure included several classifications of membership and profit participation units. During the second quarter of 2018, the board of managers of Amneal Pharmaceuticals LLC approved a discretionary modification to certain profit participation units concurrent with the Combination that immediately caused the vesting of all profit participation units that were previously issued to certain current or former employees for service prior to the Combination. The modification entitled the holders to 6,886,140 shares of Class A Common Stock with a fair value of $126 million on the date of the Combination and $33 million of cash. The cash and shares were distributed by Holdings with no additional shares issued by the Company. As a result of this transaction, the Company recorded a charge in acquisition, transaction-related and integration expenses and a corresponding capital contribution of $159 million for the three and six months ended June 30, 2018.

18. Subsequent Events

Restructuring Plan

On July 10, 2019, the Company announced a plan to restructure its operations that is intended to reduce costs and optimize its organizational and manufacturing infrastructure. Pursuant to the restructuring plan, the Company expects to reduce its headcount by approximately 550 , primarily by closing its manufacturing facility located in Hauppauge, NY and its packaging facility located East Hanover, New Jersey. As a result of the restructuring plan, the Company estimates that it will incur a pre-tax restructuring charge of approximately $10 to $12 million of cash expenditures related to severance benefits. Other cash expenditures associated with this restructuring plan, including decommissioning and dismantling the sites and other third party costs cannot be estimated at this time.

Departure of Officers and Directors

On August 5, 2019, the Company announced that President and Chief Executive Officer Robert A. Stewart was leaving the Company and resigning as a director, effective immediately, and would be replaced by Amneal's co-founders Chirag Patel, who will serve as President and Co-Chief Executive Officer, and Chintu Patel, who will serve as Co-Chief Executive Officer. Each of Chirag Patel and Chintu Patel is a member of the Amneal Group. In connection with this transition, among other changes to the Company's board of directors, Executive Chairman Paul M. Bisaro also resigned from the Company and the board and was replaced on the board by Paul Meister, who will serve as non-executive Chairman of the Board.

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

Amneal Pharmaceuticals, Inc. (the "Company," "we," "us," or "our") is a pharmaceutical company specializing in developing, manufacturing, marketing and distributing high-value generic pharmaceutical products across a broad array of dosage forms and therapeutic areas, as well as branded products. We were formed on October 4, 2017, under the name Atlas Holdings, Inc. for the purpose of facilitating the combination (the "Combination") of Impax Laboratories, Inc. ("Impax") and Amneal Pharmaceuticals LLC ("Amneal"), which closed on May 4, 2018.

The following discussion and analysis for the three and six months ended June 30, 2019 should be read in conjunction with the consolidated financial statements and related notes of thereto included elsewhere in this Quarterly Report on Form 10-Q and with our audited consolidated financial statements for the year ended December 31, 2018 included in our 2018 Annual Report on Form 10-K.

Our Specialty segment is engaged in the development, promotion, sale and distribution of proprietary branded pharmaceutical products, with a focus on products addressing central nervous system ("CNS") disorders, including migraine and Parkinson's disease. Our portfolio of products includes Rytary®, an extended release oral capsule formulation of carbidopa-levodopa for the treatment of Parkinson's disease, post-encephalitic parkinsonism, and parkinsonism that may follow carbon monoxide intoxication or manganese intoxication. In addition to Rytary®, our promoted Specialty portfolio includes Zomig® (zolmitriptan) products, for the treatment of migraine headaches, which is sold under a license agreement with AstraZeneca UK Limited, Emverm® (mebendazole) 100 mg chewable tablets, for the treatment of pinworm, whipworm, common roundworm, common hookworm and American hookworm in single or mixed infections, and Unithroid® (levothyroxine sodium), for the treatment of hypothyroidism, which is sold under a license and distribution agreement with JSP.

For Specialty products, the majority of the product's commercial value is usually realized during the period in which the product has market exclusivity. In the U.S. and some other countries, when market exclusivity expires and generic versions of a product are approved and marketed, there can often be very substantial and rapid declines in the branded product's sales.

The Company's Generics segment includes over 200 product families covering an extensive range of dosage forms and delivery systems, including both immediate and extended release oral solids, powders, liquids, sterile injectables, nasal sprays, inhalation and respiratory products, ophthalmics (which are sterile pharmaceutical preparations administered for ocular conditions), films, transdermal patches and topicals (which are creams or gels designed to administer pharmaceuticals locally through the skin). We focus on developing products with substantial barriers-to-entry resulting from complex drug formulations or manufacturing, or legal or regulatory challenges. Generic products, particularly in the U.S., generally contribute most significantly to revenues and gross margins at the time of their launch, and even more so in periods of market exclusivity, or in periods of limited generic competition. As such, the timing of new product introductions can have a significant impact on the Company's financial results. The entrance into the market of additional competition generally has a negative impact on the volume and pricing of the affected products. Additionally, pricing is often affected by factors outside of the Company's control.

The pharmaceutical industry is highly competitive and highly regulated. As a result, we face a number of industry-specific factors and challenges, which can significantly impact our results. For a more detailed explanation of our business and its risks, refer to our *2018 Annual Report on Form 10-K.*

As of the end of the second quarter 2019, our Generics segment experienced both industry-wide and company-specific challenges that resulted in our financial performance falling short of our expectations since the beginning of the year. Such challenges include increased competition on certain key generic products, the uncertainty of supply of epinephrine auto-injector (generic Adrenaclick®) from our third-party supplier, and delays in key product approvals and launches, including generic NuvaRing®. We expect these challenges and others to persist at least for the remainder of 2019.

To address these challenges, we have, among other things, conducted an in depth, company wide review of our organizational structures, operational budgets, current and future capital projects and existing capability and infrastructure alignments, resulting in the comprehensive restructuring plan we announced in July 2019. The restructuring plan is designed to reduce costs, optimize our organizational and manufacturing infrastructure, which we expect to reduce costs by approximately $50 million per year once the plan has been executed. For additional information, refer to *Note 18, Subsequent Events* , to the unaudited financial statements in Part I, Item 1 of this report.

Our current year results continue to be impacted by our Combination with Impax as a result of our continued actions to adjust our operations and cost structure. The historical financial results of the Company for the periods prior the May 4, 2018 closing of the Combination are the historical financial results of Amneal, and thus the current period results, and balances, may not be comparable to prior years as the current year includes the results of Impax from May 4, 2018.

Results of Operations

The following table sets forth our summarized, consolidated results of operations for the three and six months ended June 30, 2019 and 2018 (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Net revenue	$ 404,642	$ 413,787	$ 850,762	$ 688,976
Cost of goods sold	296,381	235,492	606,124	366,086
Cost of goods sold impairment charges	3,012	—	56,309	—
Gross profit	105,249	178,295	188,329	322,890
Selling, general and administrative	67,281	56,003	151,717	81,124
Research and development	48,016	50,335	101,874	94,544
In-process research and development impairment charges	—	—	22,787	—
Intellectual property legal development expenses	2,511	4,047	6,677	8,623
Acquisition, transaction-related and integration expenses	3,519	207,507	9,551	214,642
Legal settlement gains	—	(3,000)	—	(3,000)
Restructuring and other charges	2,835	44,465	8,996	44,465
Operating loss	(18,913)	(181,062)	(113,273)	(117,508)
Total other expense, net	(37,314)	(81,444)	(76,134)	(92,982)
Loss before income taxes	(56,227)	(262,506)	(189,407)	(210,490)
Benefit from income taxes	(5,701)	(12,416)	(14,129)	(12,052)
Net loss	$ (50,526)	$ (250,090)	$ (175,278)	$ (198,438)

Net Revenue

Net revenue for the three months ended June 30, 2019 decreased by 2% , or $9 million , to $405 million compared to $414 million for the three months ended June 30, 2018 . The decrease is primarily attributable to price and volume erosion of $114 million mainly in our Generics segment, $11 million in divestitures of our international businesses and the loss of exclusivity on Albenza in our Specialty segment which were partially offset by $58 million from the timing of the Combination and the acquisition of Gemini Laboratories, LLC ("Gemini"), a $46 million contribution from Levothyroxine sodium tablets ("Levothyroxine") which launched in Q4 2018, and $12 million from new product launches in our Generics segment.

Net revenue for the six months ended June 30, 2019 increased by 23% , or $162 million , to $851 million compared to $689 million for the six months ended June 30, 2018 . The increase over the prior year period is primarily attributable to a $211 million timing impact from the Combination and the acquisition of Gemini, a $95 million contribution from Levothyroxine, and $17 million from new product launches in our Generics segment which were partially offset by price and volume erosion of $147 million mainly in our Generics segment, the loss of exclusivity on Albenza in our Specialty segment and $15 million from the divestitures of our international businesses in the UK and Germany.

Cost of Goods Sold and Gross Profit

Cost of goods sold, including impairment charges, increased 27%, or $64 million , to $299 million for the three months ended June 30, 2019 as compared to $235 million for the three months ended June 30, 2018 . The increase in cost of goods sold was primarily attributable to the timing of the Combination and Gemini acquisition and $20 million in inventory charges in our Generics segment. Cost of goods sold also increased over the prior year period due to incremental expenses related to the Combination, including amortization of intangible assets of $18 million, site closure costs of $7 million and royalties of $3 million.

Accordingly, gross profit for the three months ended June 30, 2019 was $105 million (26% of total revenues) as compared to gross profit of $178 million (43% of total revenues) for the three months ended June 30, 2018 . Our gross profit as a percentage of sales declined compared to the prior year period primarily as a result of the price and volume erosion in the Generics segment and our inventory charges.

Cost of goods sold, including impairment charges, increased 81% , or $296 million , to $662 million for the six months ended June 30, 2019 as compared to $366 million for the six months ended June 30, 2018 . The increase in cost of goods sold was primarily attributable to higher product sales due to the Combination and Gemini acquisition, $56 million in intangible impairment in our Generics segment, $36 million of expenses related to the Levothyroxine transition agreement with Lannett Company ("Lannett"), $33 million of inventory charges in our Generics segment and incremental expenses related to the Combination and the acquisition of Gemini, including amortization of intangible assets of $48 million and royalties of $19 million.

Accordingly, gross profit for the six months ended June 30, 2019 was $188 million (22% of total revenues) as compared to gross profit of $323 million (47% of total revenues) for the six months ended June 30, 2018 . Our gross profit as a percentage of sales declined compared to the prior year period primarily as a result of the impairment charges, increased inventory related charges, and price erosion in our Generics segment as well as other factors described above.

Selling, General, and Administrative

Selling, general, and administrative ("SG&A") expenses for the three months ended June 30, 2019 were $67 million , as compared to $56 million for the three months ended June 30, 2018 . The $11 million increase from the prior period was primarily due to the timing of the Combination and Gemini acquisition, including selling expenses associated with our Specialty segment, stock-based compensation and higher Corporate functions spend including public company costs that did not exist prior to the Combination. These increases were partially offset by post-merger operating synergies.

SG&A expenses for the six months ended June 30, 2019 were $152 million , as compared to $81 million for the six months ended June 30, 2018 . The $71 million increase from the prior year was primarily due to the timing of the Combination and Gemini acquisition, including selling expenses associated with our Specialty segment, stock-based compensation and higher Corporate functions spend including public company costs that did not exist prior to the Combination. These increases were partially offset by post-merger operating synergies.

Research and Development

Research and development expenses remained relatively consistent for the three months ended June 30, 2019 and 2018 at $48 million and $50 million , respectively.

Research and development expenses for the six months ended June 30, 2019 were $102 million , as compared to $95 million for the six months ended June 30, 2018 . The $7 million increase compared to the prior year is primarily attributable to the timing of the Combination and increased milestone payments in our Generics segment.

In-Process Research and Development Impairment Charges

There were no in-process research and development ("IPR&D") impairment charges for the three months ended June 30, 2019 and 2018.

We recognized IPR&D impairment charges of $23 million for the six months ended June 30, 2019 . The charges are primarily associated with two products in our Generics segment that were acquired as part of the Combination. There were no IPR&D impairment charges for the six months ended June 30, 2018 .

Intellectual Property Legal Development Expense

Intellectual property legal development expenses for the three months ended June 30, 2019 was $3 million as compared to $4 million for the three months ended June 30, 2018 . Intellectual property legal development expenses for the six months ended June 30, 2019 was $7 million as compared to $9 million for the six months ended June 30, 2018 . These costs include, but are not limited to, formulation assessments, patent challenge opinions and strategy, and litigation expenses to defend the intellectual property.

Legal Settlement Gains

There were no legal settlement gains for the three and six months ended June 30, 2019.

Legal settlement gains of $3 million for the three and six months ended June 30, 2018 were primarily related to settlements with several innovators of branded pharmaceutical products.

Acquisition, Transaction-Related and Integration Expenses

We recognized approximately $4 million of acquisition, transaction-related and integration expenses for the three months ended June 30, 2019 as compared to $208 million for the three months ended June 30, 2018 . We recognized approximately $10 million of acquisition, transaction-related and integration expenses for the six months ended June 30, 2019 as compared to $215 million for the six months ended June 30, 2018 .

Expenses for the three and six months ended June 30, 2019 were related to the ongoing integration and site closure expenses associated with Impax and Gemini. During the prior year period, expenses were primarily for transaction-related costs associated with pre-Combination activities.

Restructuring and Other Charges

We recorded $3 million of restructuring and other charges for the three months ended June 30, 2019 , which consisted of employee restructuring separation charges of approximately $1 million for severance provided pursuant to our severance programs for employees at our Hayward, California facility and other facilities and approximately $2 million of other employee severance charges. The restructuring and other charges for the three months ended June 30, 2018 were $44 million , which was primarily associated with a reduction in workforce resulting from the Combination.

We recorded $9 million of restructuring and other charges for the six months ended June 30, 2019 , which consisted of employee restructuring separation charges of approximately $4 million for severance provided pursuant to our severance programs for employees at our Hayward, California facility and other facilities and $5 million of other employee severance charges. The restructuring and other charges for the six months ended June 30, 2018 were $44 million , which were primarily associated with a reduction in workforce resulting from the Combination.

Total Other Expense, Net

Total other expense, net was $37 million for the quarter ended June 30, 2019 , as compared to $81 million for the quarter ended June 30, 2018 . The decrease of $44 million was primarily attributable to a $34 million benefit from the change in foreign exchange rates, primarily as a result of the impact of fluctuations in the Swiss Franc, Indian Rupee and Euro on intercompany loans and a $20 million decline in loss from extinguishment of debt, partially offset by $7 million of additional interest expense associated with an increase in long-term debt related to the Combination and the acquisition of Gemini and a $2 million loss recognized on sale of our operations in the Germany.

Total other expense, net was $76 million for the six months ended June 30, 2019 , as compared to $93 million for the six months ended June 30, 2018 . The decrease of $17 million was primarily attributable to a $20 million benefit from the change in foreign exchange rates, primarily as a result of the impact of fluctuations in the Swiss Franc, Indian Rupee and Euro on intercompany loans and a $20 million decline in loss from extinguishment of debt, and a net $7 million gain recognized from the sale of our operations in the UK and Germany partially offset by $30 million of additional interest expense associated with an increase in long-term debt related to the Combination and the acquisition of Gemini.

Benefit From Income Taxes

The benefit from income taxes was $6 million for the three months ended June 30, 2019 as compared to the benefit from income taxes of $12 million for the period ended June 30, 2018 . The benefit from income taxes was $14 million for the six months ended June 30, 2019 , as compared to the benefit from income taxes of $12 million for the six months ended June 30, 2018 . Prior to the Combination, as a limited liability company, income taxes were only provided for the international subsidiaries as all domestic taxes flowed to the members. Subsequent to May 4, 2018, domestic income taxes were also provided for our allocable share of income or losses from Amneal at the prevailing U.S. federal, state, and local corporate income tax rates. The decrease in income tax benefit is also associated with the year-over-year decline in pre-tax loss.

The change in income tax benefit for the three and six months ended June 30, 2019 is also impacted by the year-over-year decline in pre-tax loss. For the three and six months ended June 30, 2019, the decline in pre-tax loss was primarily attributable to a $204 million and $205 million, respectively, decline in acquisition, transaction-related and integration expenses as well as $41 million and $35 million, respectively, decline in restructuring and other charges associated with severance benefits.

Net Loss

We recognized a net loss for the three months ended June 30, 2019 of $51 million as compared to net loss of $250 million for the three months ended June 30, 2018 . The year over year decrease of $199 million is primarily attributable to a $204 million decline in acquisition, transaction related and integration expenses associated with the Combination and Gemini acquisition, a $41 million decline in restructuring and other charges, a $34 million benefit from the change in foreign exchange rates, primarily as a result of the impact of fluctuations in the Swiss Franc, Indian Rupee and Euro on intercompany loans and a $20 million decline in loss from extinguishment of debt. These decreases were partially offset by incremental cost of goods sold and selling, general and administrative expenses primarily related to the Combination and acquisition of Gemini.

We recognized a net loss for the six months ended June 30, 2019 of $175 million as compared to net loss of $198 million for the six months ended June 30, 2018 . The year over year decrease of $23 million is primarily attributable to a $205 million decline in acquisition, transaction related and integration expenses associated with the Combination and Gemini acquisition, a $36 million decline in restructuring and other charges, a $20 million benefit from the change in foreign exchange rates, primarily as a result of the impact of fluctuations in the Swiss Franc, Indian Rupee and Euro on intercompany loans and a $20 million decline in loss on extinguishment of debt. These decreases were partially offset by $79 million of intangible asset impairment charges and incremental expenses related to the Combination and acquisition of Gemini.

Generics

The following table sets forth results of operations for our Generics segment for the three and six months ended June 30, 2019 and 2018 (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	**2018**	**2019**	**2018**
Net revenue	$ 335,064	$ 361,770	$ 717,541	$ 636,959
Cost of goods sold	263,423	211,534	542,301	342,128
Cost of goods sold impairment charges	3,012	—	56,309	—
Gross profit	68,629	150,236	118,931	294,831
Selling, general and administrative	14,379	19,621	38,527	30,824
Research and development	45,448	47,206	95,599	91,415
In-process research and development impairment charges	—	—	22,787	—
Intellectual property legal development expenses	2,511	4,004	5,632	8,580
Legal settlement gains	—	(3,000)	—	(3,000)
Other operating expenses	1,405	139,419	6,083	139,419
Operating income (loss)	$ 4,886	$ (57,014)	$ (49,697)	$ 27,593

Net Revenue

Generics net revenue was $335 million for the three months ended June 30, 2019 , a decrease of $27 million or 7% when compared with the same period in 2018 . Volume and pricing erosion of $105 million in our existing business as well as a $11 million decline in international revenues from divestitures were partially offset by $46 million in sales of Levothyroxine which launched in Q4 2018, a $32 million impact from the timing of the Combination and $12 million from new product launches. Favorable volume growth increased sales in Levothyroxine, Abiraterone Acetate, Chlorpromazine HCI, Guanfacine and Hydroxyprogesterone Caproate Injection, which were partially offset by price and volume declines in sales of Yuvafem, Diclofenac Gel and Aspirin Dipyridamole ER Capsules.

Generics net revenue was $718 million for the six months ended June 30, 2019 , an increase of $81 million or 13% when compared with the same period in 2018 . The year over year increase was primarily driven by a $113 million impact from the timing of the Combination, $95 million in sales of Levothyroxine, and $17 million from new product launches partially offset by price and volume declines of $129 million in our existing business primarily in Oseltamavir, Yuvafem, Diclofenac Gel (price only) and Aspirin Dipyridamole ER Capsules and a $15 million decline in international revenues from divestitures.

Cost of Goods Sold and Gross Profit

Generics cost of goods sold, including impairment charges, for the three months ended June 30, 2019 was $266 million , an increase of 26% or $55 million compared to the three months ended June 30, 2018 . The year over year increase is primarily associated with sales of Impax products added to portfolio with the Combination and $20 million in inventory charges. Cost of goods sold also increased over the prior year period due to $3 million of impairment charges as well as incremental expenses related to the Combination, including amortization of intangible assets of $9 million and site closure costs of $7 million.

Generics gross profit for the three months ended June 30, 2019 was $69 million (20% of total revenues) as compared to gross profit of $150 million (42% of total revenues) for the three months ended June 30, 2018 . Our Generics gross profit as a percentage of sales declined compared to the prior year period primarily as a result of a price erosion and inventory related charges in addition to the other factors noted above.

Generics cost of goods sold, including impairment charges, for the six months ended June 30, 2019 was $599 million , an increase of 75% or $256 million compared to the six months ended June 30, 2018 . The year over year increase is primarily associated with sales of Impax products added to portfolio with the Combination, $56 million in impairment charges primarily associated with two marketed products acquired as part of the Combination and $33 million in inventory charges. The impairment charge was the result of significant price erosion during the first quarter of 2019, due to new competition entering the market, resulting in significantly lower expected future cash flows from these products. Cost of goods sold was also unfavorably impacted by $36 million of expenses related to the Levothyroxine transition agreement with Lannett and incremental expenses related to the Combination, including amortization of intangible assets of $18 million, site closure costs of $16 million, and royalties of $12 million.

Generics gross profit for the six months ended June 30, 2019 was $119 million (17% of total revenue) as compared to gross profit of $295 million (46% of total revenue) for the six months ended June 30, 2018 . Our Generics gross profit as a percentage of sales declined compared to the prior year period primarily as a result of the $56 million impairment charge, price erosion and other factors described above.

Selling, General, and Administrative

Generics SG&A expenses for the three months ended June 30, 2019 were $14 million , as compared to $20 million for the three months ended June 30, 2018 . The $6 million decrease from the prior period was primarily due to post Combination operating synergies and the divesting our UK and Germany businesses.

Generics SG&A expense for the six months ended June 30, 2019 were $39 million , as compared to $31 million for the six months ended June 30, 2018 . The $8 million increase from the prior year period was primarily due to the timing of the Combination partially offset by post Combination operating synergies and the divesting of our UK and Germany businesses.

Research and Development

Generics research and development expenses remained relatively consistent for the three months ended June 30, 2019 and 2018 were $45 million and $47 million, respectively.

Generics research and development expenses for the six months ended June 30, 2019 were $96 million , as compared to $91 million for the six months ended June 30, 2018 . The $5 million increase is primarily attributable to the timing of the Combination.

In-Process Research and Development Impairment Charges

There were no IPR&D impairment charges for the three months ended June 30, 2019.

For the six months ended June 30, 2019 , we recognized IPR&D impairment charges of $23 million associated with two IPR&D products in the Generics segment. For one IPR&D product, the impairment charge was the result of increased competition at launch resulting in significantly lower expected future cash flows from this product. For the other IPR&D product, the impairment charge was the result of a strategic decision to no longer pursue approval of the product.

There were no IPR&D charges for the three and six months ended June 30, 2018 .

Intellectual Property Legal Development Expenses

Generics intellectual property legal development expenses for the three months ended June 30, 2019 were $3 million as compared to $4 million for the prior year period. Generics intellectual property legal development expenses for the six months ended June 30, 2019 were $6 million as compared to $9 million for the prior year period. For both the three and six month periods, these costs include, but are not limited to, formulation assessments, patent challenge opinions and strategy, and litigation expenses to defend the intellectual property.

Legal Settlement Gains

There were no legal settlement gains for the three and six months ended June 30, 2019.

Legal settlement gains of $3 million for the three and six months ended June 30, 2018 were primarily related to settlements with several innovators of branded pharmaceutical products.

Other Expenses

For the three and six months ended June 30, 2019, we recorded other expenses of $1 million and $7 million, respectively. For both the three and six months ended June 30, 2018, we recorded other expenses of $139 million . For the three and six month periods, these charges were primarily attributable to integration, site closure, and restructuring expenses associated with the Combination.

Specialty

The following table sets forth results of operations for our Specialty segment for the three and six months ended June 30, 2019 and 2018 (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	**2018**	**2019**	**2018**
Net revenue	$ 69,578	$ 52,017	$ 133,221	$ 52,017
Cost of goods sold	32,958	23,958	63,823	23,958
Gross profit	36,620	28,059	69,398	28,059
Selling, general and administrative	16,150	13,549	37,477	13,549
Research and development	2,568	3,129	6,275	3,129
Intellectual property legal development expenses	—	43	1,045	43
Other operating expenses	1,366	2,421	3,428	2,421
Operating income	$ 16,536	$ 8,917	$ 21,173	$ 8,917

Our Specialty segment is comprised of the Impax Specialty business acquired on May 4, 2018 and the Gemini business acquired on May 7, 2018. Prior to these two transactions, we did not have a Specialty segment. Refer to *Note 3. Acquisitions and Divestitures* in our 2018 Annual Report on Form 10-K and in this Quarterly Report on Form 10-Q for further information related to these two transactions.

Net Revenue

Specialty net revenue for the three months ended June 30, 2019 was $70 million , an increase of 34% or $18 million compared to the three months ended June 30, 2018. The increase from the prior year period was primarily due to a $26 million timing impact from the Combination and Gemini acquisition, which was partially offset by a $8 million decline in our existing business primarily associated with the loss of exclusivity on Albenza.

Specialty net revenue for the six months ended June 30, 2019 was $133 million, an increase of 156% or $81 million compared to the six months ended June 30, 2018. The increase from the prior year period was primarily due to a $99 million timing impact from the Combination and Gemini acquisition, which was partially offset by a $18 million decline in our existing business primarily associated with the loss of exclusivity on Albenza.

Cost of Goods Sold and Gross Profit

Specialty cost of goods sold for the three months ended June 30, 2019 was $33 million , an increase of 38% or $9 million compared to the three months ended June 30, 2018 . The increase from the prior year period was primarily due to increased volume associated with the timing of the Combination and Gemini acquisition, partially offset by the loss of exclusivity on Albenza.

Accordingly, Specialty gross profit for the three months ended June 30, 2019 was $37 million (53% of total revenues) as compared to gross profit of $28 million (54% of total revenues) for the three months ended June 30, 2018 .

Specialty cost of goods sold for the six months ended June 30, 2019 was $64 million , an increase of 166% or $40 million compared to the six months ended June 30, 2018 . The increase from the prior year period was primarily due to increased volume associated with the timing of the Combination and Gemini acquisition, partially offset by the loss of exclusivity on Albenza.

Accordingly, Specialty gross profit for the six months ended June 30, 2019 was $69 million (52% of total revenue) as compared to gross profit of $28 million (54% of total revenue) for the six months ended June 30, 2018 .

Selling, General, and Administrative

Specialty SG&A expenses for the three months ended June 30, 2019 were $16 million , as compared to $14 million for the three months ended June 30, 2018 . The $2 million increase from the prior period was primarily due to the timing of the Combination and Gemini acquisition, partially offset by operating post-Combination operating synergies.

Specialty SG&A expense for the six months ended June 30, 2019 were $37 million , as compared to $14 million for the six months ended June 30, 2018 . The $23 million increase from the prior period was primarily due to the timing of the Combination partially offset by operating post-Combination operating synergies.

Research and Development

Specialty research and development expenses remained consistent for the three month period ended June 30, 2019 at $3 million when compared to the prior year period.

Specialty research and development expenses for the six months ended June 30, 2019 were $6 million , as compared to $3 million for the six months ended June 30, 2018 . The $3 million increase from the prior year period was primarily due to clinical costs associated with our bio studies.

Other Expenses

For the three months ended June 30, 2019 , we recognized other operating expenses of $1 million in the Specialty segment compared to $2 million for the three months ended June 30, 2018 . For the six months ended June 30, 2019 , we recognized other operating expenses of $3 million in the Specialty segment compared to $2 million for the six months ended June 30, 2018 . For the three and six month periods, these expenses were primarily attributable to acquisition, site closure and integration expenses associated with the Combination.

Liquidity and Capital Resources

Our primary source of liquidity is cash generated from operations, available cash and borrowings under debt financing arrangements, including $489 million of available additional capacity on our asset backed revolving credit facility ("ABL"). We believe these sources are sufficient to fund our planned operations, meet our interest and contractual obligations and provide sufficient liquidity over the next 12 months. However, our ability to satisfy our working capital requirements and debt obligations will depend upon economic conditions and demand for our products, which are factors that may be out of our control.

Our primary uses of capital resources are to fund operating activities, including research and development expenses associated with new product filings, and pharmaceutical product manufacturing expenses, license payments, and spending on production facility expansions and capital equipment items.

Over the next 12 months, we will make substantial payments for monthly interest and quarterly principal amounts due on our term loan under our senior secured credit facility (the "Term Loan"), any future borrowings under the ABL, severance, and capital expenditures. We made a $50 million payment to JSP on April 22, 2019 pursuant to the terms of a license and supply agreement, as described in *Note 5. Alliance and Collaboration* . Given the magnitude of projected expenditures, we may require additional funds from our ABL to meet these increased cash needs in the next year.

We are party to a tax receivable agreement that requires us to make cash payments to APHC Holdings LLC (formerly known as Amneal Holdings LLC) ("Holdings") in respect of certain tax benefits that we may realize or may be deemed to realize as a result of redemptions or exchanges of Amneal common units by Holdings. The tax receivable agreement also requires that we make an accelerated payment to Holdings equal to the present value of all future payments due under the agreement upon certain change of control and similar transactions. The timing of any payments under the tax receivable agreement will vary depending upon a number of factors, but we expect that the payments could be substantial, and could be in excess of the tax savings that we ultimately realize. Because of the foregoing, our obligations under the tax receivable agreement could have a substantial negative impact on our liquidity. For further details, see *Item 1A. Risk Factors* and *Note 8. Income Taxes* in our 2018 Annual Report on Form 10-K.

In addition, pursuant to the limited liability operating agreement of Amneal, in connection with any tax period, Amneal will be required to make distributions to its members, on a pro rata basis in proportion to the number of Amneal Common Units held by each member, of cash until each member (other than the Company) has received an amount at least equal to its assumed tax liability and the Company has received an amount sufficient to enable it to timely satisfy all of its U.S. federal, state and local and non-U.S. tax liabilities, and meet its obligations pursuant to the tax receivable agreement. For the three and six months ended June 30, 2019 , Amneal made an aggregate of nil and $13 million, respectively, in tax distributions to Holdings. The amount due to Holdings as of June 30, 2019 is immaterial.

At June 30, 2019 , our cash and cash equivalents consist of cash on deposit and highly liquid investments. A portion of our cash flows are derived outside the United States. As a result, we are subject to market risk associated with changes in foreign exchange rates. We maintain cash balances at both U.S. based and foreign country based commercial banks. At various times during the year, our cash balances held in the United States may exceed amounts that are insured by the Federal Deposit Insurance Corporation (FDIC). We make our investments in accordance with our investment policy. The primary objectives of our investment policy are liquidity and safety of principal.

Cash Flows

	Six Months Ended June 30,	
	2019	**2018**
Cash (used in) provided by:		
Operating activities	$ (87,316)	$ (71,550)
Investing activities	(44,795)	(360,924)
Financing activities	(30,939)	423,995
Effect of exchange rate changes on cash	1,293	(853)
Net decrease in cash, cash equivalents, and restricted cash	$ (161,757)	$ (9,332)

Cash Flows from Operating Activities

Net cash used in operating activities was $87 million for the six months ended June 30, 2019 compared to net cash used in operating activities of $72 million for the six months ended June 30, 2018 . The change was primarily attributed to unfavorable timing of collections of trade accounts receivable, increased interest due to additional debt of the combined company, an unfavorable impact from accounts payable and accrued expenses as a result of the timing of cash disbursements and an increase in payments primarily associated with severance charges partially offset by decreased transaction and integration costs.

Cash Flows from Investing Activities

The decrease in cash used in investing activities of $316 million for the six months ended June 30, 2019 compared to the six months ended June 30, 2018 , was primarily related to a decrease in cash paid for acquisitions and an increase in the proceeds received on the sale of international businesses.

Cash Flows from Financing Activities

The decrease in cash (used in) provided by financing activities of $455 million for the six months ended June 30, 2019 compared to the six months ended June 30, 2018 was primarily attributable to a decrease in net proceeds from our Term Loan and an increase in tax distributions to non-controlling interests partially offset by a decrease in distributions to members.

UK Divestiture

On March 30, 2019, Amneal sold 100% of the stock of its Creo Pharma Holding Limited subsidiary, which comprised substantially all of the Company's operations in the United Kingdom, to AI Sirona (Luxembourg) Acquisition S.a.r.l ("AI Sirona") for net cash consideration of approximately $32 million which was received in April 2019.

Germany Divestiture

On May 3, 2019, the Company sold 100% of the stock of its Amneal Deutschland GmbH subsidiary ("ADG"), which compromised substantially all of the Company's operations in Germany, to EVER Pharma Holding Ges.m.b.H. (“EVER”) for net cash consideration of approximately $3 million which was received in May 2019.

Commitments and Contractual Obligations

The contractual obligations of the Company are set forth in *Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations* contained in the Company’s 2018 Annual Report on Form 10-K. We include herein certain updates to those obligations. The $50 million Levothyroxine license and supply contract liability outstanding at March 31, 2019 was paid in April 2019.

Levothyroxine License and Supply Agreement; Transition Agreement

On August 16, 2018 , the Company entered into a license and supply agreement with Jerome Stevens Pharmaceuticals, Inc. ("JSP") for Levothyroxine. This agreement designated the Company as JSP's exclusive commercial partner for Levothyroxine in the U.S. market for a 10-year term commencing on March 22, 2019. Under this license and supply agreement with JSP, the Company accrued the up-front license payment of $50 million on March 22, 2019 , which was paid in April 2019. The agreement also provides for the Company to pay a profit share to JSP based on net profits of the Company's sales of Levothyroxine, after considering product costs.

On November 9, 201 8, the Company entered into a transition agreement ("Transition Agreement") with Lannett and JSP. Under the terms of the Transition Agreement, the Company assumed the distribution and marketing of Levothyroxine from Lannett beginning December 1, 2018 through March 22, 2019, ahead of the commencement date of the license and supply agreement with JSP described above.

In accordance with the terms of the Transition Agreement, the Company made $47 million of non-refundable payments to Lannett. For the three months ended June 30, 2019 and the year ended December 31, 2018 , $37 million and $ 10 million , respectively, were expensed to cost of goods sold, as the Company sold Levothyroxine. As of December 31, 2018 , the Company had a $4 million transition contract liability, which was fully settled in February 2019.

Outstanding Debt Obligations

Term Loan and Revolving Credit Agreements

On May 4, 2018 we entered into a senior credit agreement that provided the Term Loan with a principal amount of $2.7 billion and the ABL under which loans and letters of credit up to a principal amount of $500 million are available (principal amount of up to $25 million is available for letters of credit) (collectively, the "Senior Secured Credit Facilities"). The Term Loan is repayable in equal quarterly installments at a rate of 1.00% or the original principal amount annually, with the balance payable at maturity on May 4, 2025. The Term Loan bears a variable annual interest rate, which is one-month LIBOR plus 3.5% at June 30, 2019 . The ABL bears an annual interest rate of one-month LIBOR plus 1.5% at June 30, 2019 and matures on May 4, 2023. As of June 30, 2019 , the annual interest rate for the ABL may be reduced or increased by 0.25% based on step-downs and step-ups determined by the average historical excess availability. At June 30, 2019 , we had no outstanding borrowings under the ABL.

The proceeds of any loans made under the Senior Secured Credit Facility can be used for capital expenditures, acquisitions, working capital needs and other general purposes, subject to covenants as described below. We pay a commitment fee based on the average daily unused amount of the ABL at a rate based on average historical excess availability, between 0.25% and 0.375% per annum. At June 30, 2019 , the ABL commitment fee rate is 0.375% per annum.

The Senior Secured Credit Facilities contain a number of covenants that, among other things, create liens on Amneal's and its subsidiaries' assets. The Senior Secured Credit Facilities contain certain negative covenants that, among other things and subject to certain exceptions, restrict Amneal’s and its subsidiaries' ability to incur additional debt or guarantees, grant liens, make loans, acquisitions or other investments, dispose of assets, merge, dissolve, liquidate or consolidate, pay dividends or other payments on capital stock, make optional payments or modify certain debt instruments, modify certain organizational documents, enter into arrangements that restrict the ability to pay dividends or grant liens, or enter into or consummate transactions with affiliates. The ABL also includes a financial covenant whereby Amneal must maintain a minimum fixed charge coverage ratio if certain borrowing conditions are met. The Senior Secured Credit Facilities contain customary events of default, subject to certain exceptions. Upon the occurrence of certain events of default, the obligations under the Senior Secured Credit Facilities may be accelerated and the commitments may be terminated. At June 30, 2019 , Amneal was in compliance with all covenants under the Senior Secured Credit Facilities.

Off-Balance Sheet Arrangements

We did not have any off-balance sheet arrangements as of June 30, 2019 .

Critical Accounting Policies

For a discussion of the Company’s critical accounting policies, see *Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations* in our 2018 Annual Report on Form 10-K. Other than as set forth below, there have been no material changes to the disclosure presented in our 2018 Annual Report on Form 10-K.

Impairment of Goodwill

In January 2017, the Financial Accounting Standards Board issued ASU 2017-04, *Intangibles—Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment* that eliminates the requirement to calculate the implied fair value of goodwill (i.e., Step 2 of today’s goodwill impairment test) to measure a goodwill impairment charge. We adopted ASU 2017-04 as of April 1, 2019 on a prospective basis and have updated our critical accounting policy accordingly.

Goodwill, which represents the excess of purchase price over the fair value of net assets acquired, is carried at cost. Goodwill is not amortized; rather, it is subject to a periodic assessment for impairment by applying a fair value based test. We review goodwill for possible impairment annually during the fourth quarter, or whenever events or circumstances indicate that the carrying amount may not be recoverable. We performed our most recent annual impairment test on October 1, 2018.

In order to test goodwill for impairment, an entity is permitted to first assess qualitative factors to determine whether a quantitative assessment of goodwill is necessary. The qualitative factors considered by us may include, but are not limited to, general economic conditions, our outlook, market performance of our industry and recent and forecasted financial performance. Further testing is only required if the entity determines, based on the qualitative assessment, that it is more likely than not that a reporting unit’s fair value is less than its carrying amount. Otherwise, no further impairment testing is required. If a quantitative assessment is required, we determine the fair value of the reporting unit using a discounted cash flow analysis. If the net book value of the reporting unit exceeds its fair value, we recognize a goodwill impairment charge for the reporting unit equal to the lesser of (i)

the total goodwill allocated to that reporting unit and (ii) the amount by which that reporting unit's carrying amount exceeds its fair value.

Goodwill is allocated and evaluated for impairment at the reporting unit level, which is defined as an operating segment or one level below an operating segment. We have two reportable segments, Generics and Specialty, which are the same as the respective operating segments and reporting units. As of June 30, 2019, $361 million and $59 million of goodwill was allocated to our Specialty and Generics segments, respectively.

Significant judgment is employed in determining the assumptions utilized as of the acquisition date and for each subsequent measurement period. Accordingly, changes in assumptions described above, could have a material impact on our consolidated results of operations.

For each of our reporting units, there are a number of future events and factors that may impact future results and the outcome of subsequent goodwill impairment testing. For a list of these factors, see *Item 1A. Risk Factors.*

Recently Issued Accounting Standards

Recently issued accounting standards are discussed in *Note 2. Summary of Significant Accounting Policies.*

Item 3. Quantitative and Qualitative Disclosures About Market Risk

For a discussion of the Company's quantitative and qualitative disclosures about market risks, see *Item 7A. Quantitative and Qualitative Disclosures About Market Risk* , in our 2018 Annual Report on Form 10-K.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

We maintain disclosure controls and procedures (as defined in Rule 13a-15(e) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) that are designed to ensure information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this Quarterly Report on Form 10-Q. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures, as defined in Rule 13a-15(e) of the Exchange Act, were effective as of June 30, 2019 at the reasonable assurance level.

Changes in Internal Control over Financial Reporting

During the quarter ended June 30, 2019 , there were no changes in the Company's internal control over financial reporting (as defined in Rule 13a-15(f) of the Exchange Act) which materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Limitations on the Effectiveness of Controls

Systems of disclosure controls and internal controls over financial reporting and their associated policies and procedures, no matter how well conceived and operated, are designed to provide a reasonable, but not an absolute, level of assurance that the objectives of the system of control are achieved. Further, the design of a control system must be balanced against resource constraints, and therefore the benefits of controls must be considered relative to their costs. Given the inherent limitations in all systems of controls, no evaluation of controls can provide absolute assurance all control issues and instances of fraud, if any, within a company have been detected. These inherent limitations include the realities that judgments in decision making can be faulty, and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by management override of the controls. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, controls may become inadequate because of changes in conditions, or the degree of compliance with policies or procedures may deteriorate. Accordingly, given the inherent limitations in a cost-effective system of internal control, financial statement misstatements due to error or fraud may occur and may not be detected. Our disclosure controls and procedures are designed to provide a reasonable assurance of achieving their objectives. We conduct periodic evaluations of our systems of controls to enhance, where necessary, our control policies and procedures.

Part II - Other Information

ITEM 1. Legal Proceedings

Information pertaining to legal proceedings can be found in *Note 13. Commitments and Contingencies* and is incorporated by reference herein.

Item 1A. Risk Factors

Other than as set forth below, there have been no material changes to the disclosure presented in our 2018 Annual Report on Form 10-K under *Item 1A. Risk Factors.*

We are controlled by the Amneal Group. The interests of the Amneal Group may differ from the interests of our other stockholders.

As of June 30, 2019, the group of shareholders who owned Amneal prior to the Combination (the "Amneal Group") controlled approximately 57% of the voting power of all of our outstanding shares of common stock.

Through its control of a majority of our voting power and the provisions set forth in our charter, bylaws and the Second Amended and Restated Stockholders Agreement dated December 16, 2017 (the "Stockholders Agreement"), the Amneal Group has the ability to designate and elect and has designated and elected a majority of our board of directors. The Amneal Group has control over all matters submitted to our stockholders for approval, including changes in capital structure, transactions requiring stockholder approval under Delaware law and corporate governance, subject to the terms of the Stockholders Agreement relating to the Amneal Group's agreement to vote in favor of directors not designated by the Amneal Group and such other matters that are set forth in the Stockholders Agreement. The Amneal Group may have different interests than our other stockholders and may make decisions adverse such interests.

Among other things, the Amneal Group's control could delay, defer, or prevent a sale of the Company that the Company’s other stockholders support, or, conversely, this control could result in the consummation of such a transaction that our other stockholders do not support. This concentrated control could discourage a potential investor from seeking to acquire Class A Common Stock and, as a result, might harm the market price of that Class A Common Stock.

The Amneal Group could transfer control of us to a third party by transferring its shares. In addition, the Company believes members of the Amneal Group have pledged Amneal Common Units and the corresponding shares of Class B Common Stock to secure borrowings, and other members of the Amneal Group could enter into similar arrangements. In connection with these arrangements, the Company has entered into agreements with certain Amneal Group members and the lending institutions to whom their securities may be pledged. Because of the recent drop in our stock price, the value of pledged Amneal securities has decreased, which could increase the likelihood of a margin call on a pledge of Amneal securities. The voluntary or forced sale of some or all these units or shares pursuant to a margin call or otherwise could cause our stock price to decline and negatively impact our business. Similarly, a voluntary or forced sale could cause the Company to lose its “controlled company” status under the New York Stock Exchange listing requirements, which would require us to comply over a transition period with certain

corporate governance requirements from which we are currently exempt, including having a fully independent compensation committee. If all of the Amneal Common Units and corresponding shares of Class B stock were pledged to secure borrowings, a complete foreclosure could result in a change of control.

Our future success depends on our ability to attract and retain talented employees and consultants.

Our future success depends, to a substantial degree, upon the continued service of the members of our management team. The loss of the services of members of our management team, or their inability to perform services on our behalf, could have a material adverse effect on our business, condition (financial and otherwise), prospects and results of operations. On August 5, 2019, we announced that President and Chief Executive Officer Robert A. Stewart was leaving the Company and resigning as a director, effective immediately, and would be replaced by Amneal's co-founders Chirag Patel, who will serve as President and Co-Chief Executive Officer, and Chintu Patel, who will serve as Co-Chief Executive Officer. Each of Chirag Patel and Chintu Patel is a member of the Amneal Group. In connection with this transition, among other changes to the Company's board of directors, Executive Chairman Paul M. Bisaro also resigned from the Company and the board and was replaced on the board by Paul Meister, who will serve as non-executive Chairman of the Board. Any change in senior management involves significant inherent risk, and any failure to effect a smooth transition process could hinder our strategic planning, execution and future performance. While we endeavor to minimize any negative impact associated with changes such as these, there may be uncertainty among investors, employees and others regarding our future direction and performance. Any disruption in our operations, uncertainty regarding our future or negative public perception regarding the change could have a material adverse effect on our business, financial condition, operating results and cash flows.

Our success also depends, to a large extent, upon the contributions of our sales, marketing, scientific and quality assurance staff. We compete with brand and generic pharmaceutical manufacturers for qualified personnel, and our competitors may offer more favorable employment opportunities than we do. If we are not able to attract and retain the necessary personnel to accomplish our business objectives we could experience constraints that would adversely affect our ability to sell and market our products effectively, to meet the demands of our strategic partners in a timely fashion, and to support our research and development programs. In particular, our sales and marketing efforts depend on the ability to attract and retain skilled and experienced sales, marketing and quality assurance representatives. Although we believe that we have been successful in attracting and retaining skilled personnel in all areas of our business, we cannot provide assurance that we can continue to attract, train and retain such personnel. Any failure in this regard could limit the rates at which we generate sales and develop or acquire new products.

If we determine that our goodwill has become impaired, we may record significant impairment charges, which would adversely affect our financial condition and results of operations.

Goodwill represents a significant portion of our assets. Goodwill is the excess of cost over the fair market value of net assets acquired in business combinations. In the future, goodwill may increase as a result of future acquisitions. We review our goodwill and indefinite lived intangible assets at least annually for impairment. Impairment may result from, among other things, deterioration in the performance of acquired businesses, adverse market conditions and adverse changes in applicable laws or regulations, including changes that restrict the activities of an acquired business.

Generic pharmaceuticals have faced regular and increasing price erosion each year, placing even greater importance on our ability to continually introduce new products. If these trends continue or worsen, or if we experience further difficulty in this market or the Specialty market, this may continue to adversely affect our revenues and profits in our Generics and Specialty segments. Furthermore, during the first two quarters of 2019, the Company's market capitalization decreased significantly. Additional decline in our market capitalization, even if due to macroeconomic or industry-wide factors, could put pressure on the carrying value of our goodwill in both our Generics and Specialty segments and cause the Company to conduct an interim impairment test. A determination that all or a portion of our goodwill is impaired, although a non-cash charge against earnings, could have a material adverse affect on our results of operations and financial condition.

If we determine in the future that we will not be able to fully utilize all or part of our deferred tax assets, we would record a valuation allowance through earnings in the period the determination was made, which could have an adverse effect on our results of operations and earnings in future periods.

We record valuation allowances against our deferred tax assets when it is more likely than not that all or a portion of a deferred tax asset will not be realized. We routinely evaluate the realizability of our deferred tax assets by assessing the likelihood that our deferred tax assets will be recovered based on all available positive and negative evidence, including scheduled reversals of deferred tax liabilities, estimates of future taxable income, tax planning strategies and results of operations. Estimating future taxable income is inherently uncertain and requires judgment. In projecting future taxable income, we consider our historical

results and incorporate certain assumptions, including projected new product launches, revenue growth, and operating margins, among others.

As of June 30, 2019, we had approximately $392 million in net deferred tax assets ("DTAs"), which included a U.S. net DTA of $386 million and foreign net DTAs of $6 million. These DTAs include U.S. deferred taxes on our investment in Amneal totaling approximately $240 million that can be used to offset taxable income in future periods and reduce our income taxes payable in those future periods. These DTAs also include NOL carryforwards which have no expiration. At this time, we consider it more likely than not that we will have sufficient taxable income in the future that will allow us to realize these DTAs. However, Generic pharmaceuticals have faced regular and increasing price erosion each year, placing even greater importance on our ability to continually introduce new products. If these trends continue or worsen, or if we experience further difficulty in this market, this may continue to adversely affect our revenues and profits. If we are unable to generate sufficient taxable income from our future operations, a substantial valuation allowance to reduce our DTAs may be required, which could materially increase our income tax expense in the period the valuation allowance is recognized and have a material adverse effect on our results of operations and financial condition.

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

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

Exhibit No.	Description of Document
10.1	Amneal Pharmaceuticals LLC 2019 Severance Plan (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, filed May 9, 2019). †
10.2	Form of Tripartite Letter Agreement Credit Suisse*
10.3	Form of Tripartite Acknowledgment and Agreement Morgan Stanley*
10.4	Separation Agreement between Robert Stewart, Amneal Pharmaceuticals, Inc. and Amneal Pharmaceuticals LLC, dated as of August 2, 2019 * †
10.5	Amendment No. 1, dated as of August 2, 2019, to Second Amended and Restated Stockholders Agreement, by and among Amneal Pharmaceuticals Holding Company, LLC, a Delaware limited liability company, AP Class D Member, LLC, a Delaware limited liability company, AP Class E Member, LLC, a Delaware limited liability company, AH PPU Management, LLC, a Delaware limited liability company, and Amneal Pharmaceuticals, Inc. †
31.1	Certification of the Co - Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.*
31.2	Certification of the Co - Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.*
31.3	Certification of the Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.*
32.1	Certification of the Co - Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.* **
32.2	Certification of the Co - Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.* **
32.3	Certification of the Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.* **
101	The following materials from the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2019 formatted in XBRL (eXtensible Business Reporting Language): (i) Consolidated Statements of Operations for each of the three and six months ended June 30, 2019 and 2018, (ii) Consolidated Statements of Comprehensive Loss for each of the three and six months ended June 30, 2019 and 2018, (iii) Consolidated Balance Sheets as of June 30, 2019 and December 31, 2018, (iv) Consolidated Statements of Cash Flows for each of the six months ended June 30, 2019 and 2018, (v) Consolidated Statements of Stockholders' Equity/ Members' Deficit for each the three and six months ended June 30, 2019 and 2018 and (vi) Notes to Consolidated Financial Statements. *

* Filed herewith

**This certificate is being furnished solely to accompany the report pursuant to 18 U.S.C. 1350 and is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

† Denotes management compensatory plan or arrangement.

SIGNATURES

Pursuant to the requirements 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.

Date: August 5, 2019

Amneal Pharmaceuticals, Inc.
(Registrant)

By: /s/ Chirag Patel
Chirag Patel
President and Co-Chief Executive Officer
(Co-Principal Executive Officer)

By: /s/ Chintu Patel
Chintu Patel
Co-Chief Executive Officer
(Co-Principal Executive Officer)

By: /s/ Todd P. Branning
Todd P. Branning
Senior Vice President and Chief Financial Officer
(Principal Financial and Accounting Officer)

Amneal Pharmaceuticals, Inc.
400 Crossing Boulevard
Bridgewater, NJ 08807

Amneal Pharmaceuticals LLC
400 Crossing Boulevard
Bridgewater, NJ 08807

[_____]

_____

Re: Promissory Note and Collateral Agreement to be entered into by _____, to be secured, initially by a pledge of Common Units of Amneal Pharmaceuticals LLC and Class B Common Stock of Amneal Pharmaceuticals, Inc.

Ladies and Gentlemen:

This letter agreement (this " **Letter Agreement** ") is to confirm the mutual understanding among Credit Suisse AG, acting through its New York Branch (the " **Lender** "), Amneal Pharmaceuticals LLC (the " **Company** "), Amneal Pharmaceuticals, Inc. (" **Amneal** ") and _____ (the " **Borrower** ") with respect to the pledge (the " **Pledge** ") by the Borrower to the Lender (itself or through one of its affiliates, any such affiliate being treated as the Lender for purposes of this Letter Agreement) of, initially, _____ Units of the Company (the " **Units** ") and an equal number of shares of Class B Common Stock of Amneal (the " **Class B Shares** "), in each case pursuant to a Promissory Note and Collateral Agreement dated as of _____ between the Borrower and the Lender (as amended, supplemented or modified from time to time, the " **Loan Agreement** ") and certain transactions related thereto. The Pledge will be made in favor of the Lender (the Units and Class B Shares that are so pledged at any time, the " **Pledged Shares** " and, collectively with any Class A Common Stock of Amneal (the " **Class A Shares** ") received in connection with a redemption thereof, the " **Collateral** ") in order to secure the Borrower's obligations to the Lender under the Loan Agreement and the transactions represented thereby (the " **Loan Transactions** "). The Pledge and the Loan Transactions are herein referred to collectively as the " **Transactions** ". Defined terms used but not defined in this Letter Agreement shall have the meaning ascribed to them in the Third Amended and Restated Limited Liability Company Agreement of the Company, dated as of May 4, 2018, as amended by Amendment No. 1 to the Third Amended and Restated Liability Agreement of the Company, dated as of February 14, 2019 (as may hereafter be amended, the " **LLC Agreement** ") or the Second Amended and Restated Stockholders Agreement, dated as of December 16, 2017, by and among Amneal Group (as defined therein) and Atlas Holdings, Inc. (as may hereafter be amended, the " **Stockholders Agreement** "), as applicable.

Representations, Warranties and Agreements of the Company and Amneal

Each of the Company and Amneal represents, warrants and agrees with the Lender as follows (and the Borrower hereby acknowledges and agrees to the following insofar as its rights or obligations are affected):

1. until the foreclosure on the Collateral in accordance with the terms of the Transactions of the Pledged Shares by the Lender, the Pledge shall not constitute a "Transfer" (as defined in the LLC Agreement) pursuant to the proviso under such definition, and the "Redemption" or "Direct Exchange" (each as defined in the LLC Agreement) by or on behalf of the Borrower upon any such foreclosure, as described below, is a "Permitted Transfer" under Section 10.02(iii) of the LLC Agreement (it being understood and acknowledged by the Lender that, if the Lender elects to exercise its remedies under the Loan Agreement and foreclose on the Pledged Shares, the Lender shall not be considered a "Member" under the LLC Agreement pending such redemption);

2. while the Transactions are outstanding, the Lender, for and on behalf of the Borrower (but not the Borrower), shall be entitled to exercise the "Redemption Right" (as defined in the LLC Agreement) of the Borrower with respect to the Pledged Shares by sending a written notice to the Company (the " **Foreclosure Redemption Notice** "), which shall constitute a "Redemption Notice" (as defined in the LLC Agreement, specifying (i) the number of Units that the Lender (for and on behalf of the Borrower) intends to have the Company redeem on behalf of the Borrower (the " **Foreclosure Redeemed Units** "), (ii) whether the condition described under the second proviso under the fourth sentence of Section 11.01(a) of the LLC Agreement should apply and (iii) the settlement instructions for the Share Settlement or the Cash Settlement (each as defined in the LLC Agreement), in each case to be delivered or paid by the Company or Amneal to the Lender;

3. upon delivery of such Foreclosure Redemption Notice, the Redemption (as defined in the LLC Agreement) shall be completed pursuant to Article XI of the LLC Agreement and, (i) to the extent the Company (or Amneal, in the case of a "Direct Exchange" pursuant to Section 11.03 of the LLC Agreement) elects a Share Settlement in connection with such Redemption (for the avoidance of doubt, the foreclosure sales by the Lender with respect to the Class A Shares received by it hereunder will be sold in reliance on Rule 144 under the Securities Act), unless (x) the Lender is an "affiliate" of Amneal, within the meaning of Rule 144 under the Securities Act of 1933, as amended (the " **Securities Act** ") or (y) the relevant Redemption Date is on or prior to May 7, 2019 and the conditions of Rule 144(c)(1) under the Securities Act are not satisfied with respect to Amneal at such time, the Company (or Amneal, in the case of a "Direct Exchange" pursuant to Section 11.03 of the LLC Agreement) shall deliver Class A Shares to the Lender, to be settled through the facilities of The Depository Trust Company without a restricted CUSIP, restrictive legend, "stop transfer order" or similar restrictions on transfer, absent a change in applicable securities law following the date hereof that prevents such settlement, and (ii) to the extent the Company (or Amneal, in the case of a "Direct Exchange" pursuant to Section 11.03 of the LLC Agreement) elects Cash Settlement in connection with such Redemption, the Company (or Amneal, in the case of a "Direct Exchange" pursuant to Section 11.03 of the LLC Agreement) shall pay such Cash Settlement to the Lender, in each case pursuant to settlement instructions provided

by the Lender in the Foreclosure Redemption Notice and consistent with the settlement timeframes contemplated by the LLC Agreement;

4. If the Lender becomes aware of a change in applicable securities law that might prevent the settlement in Paragraph 3(i) above, the Lender may notify the other parties to this Letter Agreement, in which case the parties shall negotiate in good faith to amend this Letter Agreement to account for such change in applicable securities law;

5. for the avoidance of doubt, the phrase "free and clear of all liens and encumbrances" under clause (i) of the fifth sentence of Section 11.01(a) of the LLC Agreement shall be deemed to exclude the liens and encumbrances created by the Pledge;

6. solely for purposes of Article XI of the LLC Agreement, upon delivery of any Foreclosure Redemption Notice, the Lender, for and on behalf of the Borrower (but not the Borrower), shall be deemed to be the "Redeemed Member" (as defined in the LLC Agreement) with respect to the Foreclosure Redeemed Units, thereby entitled to take any action, give any instruction, consent, notice or otherwise pursuant to Article XI of the LLC Agreement as such "Redeemed Member" (as defined in the LLC Agreement), including without limitation, the right to send a "Retraction Notice" (as defined in the LLC Agreement) under Section 11.01(c) of the LLC Agreement;

7. following the delivery of any Foreclosure Redemption Notice by the Lender, to the extent that the Borrower is entitled to take any action, give any instruction, consent, notice or otherwise under the LLC Agreement or the Stockholders Agreement with respect to the Pledged Shares, each of the Company and Amneal will accept and comply with all such action, consent, notice or instructions relating to the Pledged Shares that the Borrower would otherwise be entitled to take, give or otherwise provide under the LLC Agreement or the Stockholders Agreement solely from Lender without the consent of the Borrower or, except as required by applicable law, any other party and notwithstanding any contrary or conflicting instructions from the Borrower or, except as required by applicable law, any other party;

8. until the foreclosure on the Class A Shares constituting Collateral by the Lender, the Pledge shall not constitute a "Transfer" (as defined in the Stockholders Agreement) pursuant to the second parenthetical of such definition, and the foreclosure sales by the Lender with respect to any part or whole of such Class A Shares is a "Transfer" (as defined in the Stockholders Agreement) permitted pursuant to Section 4.1(b)(ii)(D) of the Stockholders Agreement and not subject to Section 4.1(b)(iii) of the Stockholders Agreement (in each case as a "Transfer" (as defined in the Stockholders Agreement) permitted under Section 4.1(b)(i)(D) of the Stockholders Agreement) (for the avoidance of doubt, the Lockup Period has expired for the purposes of the final sentence of Section 4.1(b)(i));

9. Section 5.6(c)(ii) of the Stockholders Agreement shall not apply to the foreclosure in accordance with this Letter Agreement and related sales by the Lender with respect to any part or whole of the Class A Shares constituting Collateral, if sold in reliance of Rule 144 of the Securities Act of 1933, as amended, and the Lender shall not be deemed to be an "Amneal Group Member" for purposes of Section 5.6(c)(ii) of the Stockholders

Agreement as a result of the Pledge or the foreclosure and related sales by the Lender with respect to the such Collateral;

10. any and all dividends or distributions on the Pledged Shares will be paid or delivered, including the consideration to be paid or delivered pursuant to Section 11.01(e) of the LLC Agreement, as the case may be, directly to Lender to the following account (the " **Collateral Account** "), unless otherwise agreed with Lender:

    [_____]

11. each of the Company and Amneal agrees that (i) it will not comply, without the consent of the Lender, with any instruction originated by or on behalf of the Borrower to transfer or otherwise encumber the Pledged Shares while the Transactions are outstanding and (ii) it will not take any action intended to hinder or delay the Pledge and any exercise of any remedies with respect to the Transactions.

Representations, Warranties and Agreements of Amneal

Amneal represents, warrants and agrees with Lender that:

1. the Class B Shares delivered to the Lender are in certificated form, duly authorized, validly issued, fully-paid and non-assessable, and are not subject to any pre-emptive or similar rights under the Delaware General Corporation Law or Amneal's certificate of incorporation; and to Amneal's knowledge as of the date hereof, such Class B Shares are not subject to any liens, pledges or other encumbrances (other than the Pledge); and

2. the Class A Shares, upon issuance on exchange of the Pledged Shares in accordance with the LLC Agreement and as described above, will have been duly authorized, validly issued, fully-paid and non-assessable, and will not be subject to any pre-emptive or similar rights under the Delaware General Corporation Law or Amneal's certificate of incorporation; and Amneal has no knowledge as of the date hereof of any liens, pledges, debts or other encumbrances (other than the Pledge) that would be applicable to such Class A Shares.

Representations, Warranties and Agreements of the Company

The Company represents, warrants and agrees with Lender that:

1. as provided in Section 3.06(a) of the LLC Agreement, if the Company makes the election for the Units to be treated as "securities" within the meaning of Article 8 of the Uniform Commercial Code of any jurisdiction, the Company shall promptly deliver to the Lender the certificates representing the Units constituting the Pledged Shares.

Representations and Warranties of the Borrower

The Borrower represents and warrants to Amneal, the Company and the Lender that: (i) the Borrower is entitled to effect the instructions given in this Letter Agreement, and that the entry into this Letter Agreement and the performance thereunder of the parties hereto does and will not breach or violate any of the terms or provisions of the LLC Agreement or the Stockholders Agreement;

(ii) the Borrower is not an affiliate of the Lender; (iii) the Loan Agreement constitutes a bona fide extension of credit to the Borrower by the Lender and such extension of credit is with recourse to the Borrower; (iv) pursuant to the Loan Agreement and other any other agreement with respect to the Transactions, the Borrower retains voting rights with respect to the Pledged Shares prior to any foreclosure upon the Pledged Shares after a default in accordance with the terms of the Transactions.

Mutual representations, warranties and agreements

Each of the parties hereto hereby represent and warrant to each other that:

1. each party has the full legal capacity and authority to enter into this Letter Agreement;

2. this Letter Agreement has been duly and validly executed and delivered by each party and constitutes its legal, valid and binding obligation, enforceable in accordance with its terms; and

3. the parties hereto agree that the Lender shall not be deemed to be a "Member" under the LLC Agreement as a result of the Pledge.

The parties hereto agree that the Lender shall not, by reason of this Letter Agreement, the creation of the Lender's rights, remedies and powers provided for herein, the exercise of any rights, remedies or powers as provided hereunder or for any other reason, be responsible or liable in any manner or to any extent for the obligations and liabilities of the Borrower relating to the LLC Agreement, the Stockholders Agreement or any other agreement by or among such parties, whether now existing or hereafter incurred, and all such obligations and liabilities shall at all times and in all events be the responsibilities and liabilities of the Borrower. Except to the extent Class A Shares constituting Collateral have been sold by the Lender upon foreclosure in accordance with the terms of the Transactions, the Borrower shall remain liable to observe and perform all the conditions and obligations to be observed and performed by it under the LLC Agreement, the Stockholders Agreement or any other agreement, document or other instrument relating to the rights, remedies and powers granted hereunder, all in accordance with the terms and conditions thereof.

Notices

All notices and other communications provided for herein (including, for the avoidance of doubt, any Notice of Foreclosure) shall be in writing and shall be delivered (i) by hand or overnight courier service, mailed by certified or registered mail as follows, or (ii) by electronic mail to the applicable e-mail address, as set forth below.

For purposes of this Letter Agreement, all notices to Lender will be sent to:

Credit Suisse AG, New York Branch
Eleven Madison Avenue
New York, NY 10010
Attention: UHNW Lending and Deposits
Email: list.uhnwlending@credit-suisse.com

For purposes of this Letter Agreement, all notices to the Borrower will be sent to:

[_____]

with a copy to:

[_____]

For purposes of this Letter Agreement, all notices to the Company and Amneal will be sent to:

David A. Buchen
Senior Vice President, Chief Legal Officer And Corporate Secretary
Amneal Pharmaceuticals, Inc.
400 Crossing Boulevard
Bridgewater, New Jersey 08807
David.Buchen@amneal.com

with a copy to:

Brian P. Spitser
Senior Corporate Counsel, Securities & Assistant Secretary
Amneal Pharmaceuticals, Inc.
400 Crossing Boulevard
Bridgewater, New Jersey 08807
D: (908) 409-6754
M: (917) 414-3423
brian.spitser@amneal.com

Notices and other communications sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices and other communications sent by electronic mail shall be deemed to have been given when received (except that, if not received by 5:00 p.m. (New York City time) on any New York business day, shall be deemed to have been received at the opening of business on the next New York business day).

Additional Borrower Agreements and Acknowledgments

The Borrower agrees to pay all reasonable costs of Amneal and the Company in (i) reviewing, negotiating and executing this Letter Agreement, including costs of outside counsel in an amount of up to $_____, and (ii) complying with and performing its obligations under this Letter Agreement. In addition, in order to induce Amneal and the Company to enter into this Letter Agreement, and in consideration thereof, the Borrower hereby agrees to indemnify, defend and hold Amneal, the Company and their respective managers, officers, directors, and employees (each an " **Indemnified Party** ") harmless from and against any and all claims, losses, damages, liabilities, costs and expenses, including, without limitation, reasonable legal fees and disbursements (collectively, " **Claims** "), which any Indemnified Party may incur as a result of this Letter Agreement, the Pledge, the action or inaction of Amneal or the Company in connection with the Collateral or the Pledge, the action or inaction of the Borrower in connection with the Pledge, or the action or

inaction of Lender, except, in each case, for any claims arising from the gross negligence or willful misconduct by any Indemnified Party. In no event shall Amneal or the Company be liable to Pledgor for any payment made to or for the benefit of Lender (including, without limitation, any payment of Class A Shares or the Cash Amount in connection with the exercise of the Redemption Rights with respect to the Units) in the good faith belief that the payment was being made in accordance with the provisions of this Letter Agreement.

The Borrower hereby releases Amneal and the Company and their respective managers, officers, directors and employees from any claim by the Borrower or any person claiming through the Borrower, whether sounding in tort, contract or otherwise, for any and all losses, liabilities, claims, damages and expenses whatsoever (including but not limited to income tax liabilities, attorneys' fees and any and all expenses whatsoever incurred in investigating, preparing or defending against any litigation, commenced or threatened, or any claim whatsoever, and any and all amounts paid in settlement of any claim or litigation), to which the Borrower may become subject, insofar as such losses, liabilities, claims, damages or expenses (or actions in respect thereof) arise out of or are based upon any Released Claim, as defined in the following sentence. As used herein, "Released Claim" means any claim based on any act or omission to act by Amneal or the Company undertaken at the request or demand of Lender in connection with this Letter Agreement, the Pledge or the Pledged Collateral, except for those acts or omissions arising from the gross negligence of willful misconduct of Amneal or the Company. The Borrower specifically acknowledges the risk that Lender may request a redemption of the Units, and that compliance by Amneal and the Company with such request may result in the Borrower incurring significant income tax liabilities, and that claims by the Borrower on account of such action by Amneal and the Company and resulting tax liabilities of the Borrower are explicitly included within the definition of Released Claims (to the extent that such action by the LLC and/or the Company fall within the definition of Released Claims). The Borrower acknowledges that the Released Claims will arise, if at all, only in the future, and thus by their nature will include claims, rights, demands, causes of action, liabilities or suits that are not known or suspected to exist as of the date of this Letter Agreement. Without limiting the generality of the foregoing, but limited to only the Released Claims, the Borrower waives the rights afforded by any applicable law which may provide that a general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

Miscellaneous

This Letter Agreement shall embody the entire agreement and understanding of the parties hereto and supersedes any and all prior agreements, arrangements and understanding relating to the matters provided for herein. In the event of any inconsistency or contradiction of any provision of this Letter Agreement with any of the LLC Agreement or the Stockholders Agreement, this Letter Agreement shall prevail.

Except as set forth above, no alteration, waiver, amendment, change or supplement hereto shall be binding or effective unless it is set forth in writing and signed by a duly authorized representative of each party. If it is found in a final judgment by a court of competent jurisdiction (not subject to further appeal) that any term or provision hereof is invalid or unenforceable, the remaining terms and provisions hereof shall be unimpaired and shall remain in full force and effect.

This Letter Agreement shall not create or be construed as creating rights enforceable by any person or entity not a party hereto. No party to this Letter Agreement is or shall be construed to be a fiduciary of any other party hereto. Except as set forth herein, each party shall have no duties or liabilities to the other party, its affiliates or any other person by virtue of this Letter Agreement.

This Letter Agreement shall be governed by and construed in accordance with the laws of the State of New York, without giving effect to the conflicts of law principles thereof that would defer to or result in the application of laws of another jurisdiction.

Each party hereto hereby irrevocably and unconditionally (a) submits, for itself and its property, to the exclusive jurisdiction of any New York State court or Federal court of the United States of America sitting in the Borough of Manhattan, the City of New York, and any appellate court from any thereof, in any suit, action or proceeding arising out of or relating to this Letter Agreement, or the transactions contemplated hereby, and agrees that all claims in respect of any such suit, action or proceeding may be heard and determined only in such New York State court or, to the extent permitted by law, in such Federal court, (b) waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Letter Agreement or the transactions contemplated hereby or thereby in any New York State court or in any such Federal court, (c) waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such suit, action or proceeding in any such court, and (d) agrees that a final judgment in any such suit, action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Service of any process, summons, notice or document by registered mail addressed to the address of such party set forth above shall be effective service of process against such party for any suit, action or proceeding brought in any such court.

The parties to this Letter Agreement hereby knowingly, voluntarily and irrevocably waive any right they may have to a trial by jury in respect of any claim based upon, arising out of or in connection with this Letter Agreement.

This Letter Agreement is a binding agreement between the parties to this Letter Agreement in accordance with its terms, and has been executed for and on behalf of the undersigned on the day and year first written above. This Letter Agreement may be executed in several counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. No provision of this Letter Agreement may be amended or waived unless such amendment or waiver is in writing and signed, in the case of an amendment, by the parties hereto, or, in the case of a waiver, by the party against whom the waiver is to be effective.

The provisions, acknowledgments and undertakings of this Letter Agreement shall inure to the benefit of Lender and its successors and assigns permitted under the Transactions.

Yours very truly,

CREDIT SUISSE AG, NEW YORK BRANCH

By:_____
Name:
Title:

By:_____
Name:
Title:

[Signature Page to Issuer Agreement]

Accepted and agreed as of the date of this Letter Agreement:

AMNEAL PHARMACEUTICALS, INC.

By:_____
Name:
Title:

AMNEAL PHARMACEUTICALS LLC

By:_____
Name:
Title:

[_____]

By:_____
Name:
Title:

[Signature Page to Issuer Agreement]

FORM OF

ACKNOWLEDGMENT AND AGREEMENT

This Acknowledgment and Agreement (this " **Agreement** ") is made as of _____, by and among _____ (" **Pledgor** "), AMNEAL PHARMACEUTICALS LLC, a Delaware limited liability corporation (the " **LLC** "), AMNEAL PHARMACEUTICALS, INC., a Delaware corporation (the " **Company** "), and MORGAN STANLEY PRIVATE BANK, NATIONAL ASSOCIATION (" **Lender** ").

RECITALS

A. Lender has agreed to make certain loan(s) to Pledgor pursuant to a Line of Credit Agreement dated of even date herewith (the " **Credit Agreement** "). Pursuant to the terms of a Financial Assets Security Agreement dated as of even date herewith (the " **Security Agreement** " and together with any and all other documents and agreements entered into in connection with the Credit Agreement and the Security Agreement, each, as they may be amended, restated, supplemented, or otherwise modified from time to time, collectively, the " **Loan Documents** "), as security for Borrower's obligations to Lender under the Credit Agreement, Pledgor has agreed to pledge and to grant to Lender a first priority security interest (the " **Pledge** ") in (i) Pledgor's _____ units of limited liability company interests in the LLC plus any additional units of the LLC acquired by Pledgor after the date hereof (the " **Pledged Units** ") and (ii) Pledgor's _____ shares of Class B common stock of the Company plus any additional Class B shares of the Company acquired by Pledgor after the date hereof (the " **Pledged B Pubco Shares** " and together with the Pledged Units, the " **Pledged Collateral** ").

B. The LLC is in existence pursuant to the Third Amended and Restated Agreement Limited Liability Company Agreement of the LLC dated May 4, 2018 (as amended and supplemented through the date of this Agreement, the " **LLC Agreement** "). The Company is the sole Manager of the LLC and Pledgor is a Member of the LLC.

C. Pledgor and the Company, among others, are party to that certain Second Amended and Restated Stockholders Agreement dated December 16, 2017, as amended from time to time (the " **Stockholders Agreement** " and together with the LLC Agreement, the " **LLC Unit Documents** ").

D. Pledgor has requested that the Company and the LLC acknowledge the Pledge and enter into the agreements set forth herein for purposes of facilitating the Pledge.

E. Capitalized terms used but not defined herein shall have the meaning set forth in the LLC Agreement.

NOW, THEREFORE, for and in consideration of the foregoing, and other consideration the receipt and sufficiency of which are hereby acknowledged, the parties, intending to be legally bound, hereby agree as follows:

1. Acknowledgment of Pledge . The LLC hereby acknowledges that the Pledge is permitted in accordance with the provisions of Article X of the LLC Agreement and acknowledges the Pledge and Lender's security interest in the Pledged Collateral and its rights with respect thereto described in the Loan Documents. Lender acknowledges that, in the event of a foreclosure not involving an immediate redemption of any Pledged Units foreclosed upon, Pledgor and Lender will need to comply with such provisions and Article XII of the LLC Agreement in order for Lender to acquire and hold Pledged Units and Pledged B Pubco Shares and become a Substituted Member or Additional Member under the LLC Agreement.

2. Confirmation of Pledgor as Member . Each of the LLC and the Company confirms that the books and records of the LLC and the Company indicate, respectively, that Pledgor is the sole record owner of the Pledged Units and the Pledged B Pubco Shares. The LLC hereby confirms that the Pledged Units are uncertificated. The Company confirms that the Pledged B Pubco Shares are currently uncertificated and Pledgor agrees to deliver any certificate for such shares directly to Lender promptly upon receipt thereof. The LLC and the Company confirm that the Pledged Units are currently redeemable by Pledgor for Pubco Shares (as defined below) on a one (1) for one (1) basis or for cash, with the type of consideration payable on redemption determinable by the LLC and the Company at their election.

3. No Other Liens and Encumbrances . The Company and the LLC confirm that, as of the date hereof, they have not received notice of any lien, pledge, security interest, encumbrance or other claim to the Pledged Collateral from any person other than Lender and have not registered any such lien, pledge, security interest or encumbrance on their books and records, and the Company and the LLC agree that they shall not consent to or register on its books and records any transfer, assignment, conveyance, lien, pledge, security interest or encumbrance on the Pledged Collateral without the prior written consent of Lender, except as may be required by law, and Pledgor agrees that it shall not request the Company or the LLC to make any such registration. In the event the Company or the LLC is so legally compelled, the Company or the LLC shall provide prompt written notice to Lender to enable it to take appropriate legal action to enjoin such action.

4. Instructions . Pledgor hereby irrevocably directs the Company and the LLC, and the Company and the LLC hereby acknowledge and agree, to accept instructions with respect to the any transfer, sale, assignment, distribution or other conveyance of the Pledged Collateral or any exercise of Redemption Rights with respect to the Pledged Units only from Lender (or from Pledgor only if accompanied by written acknowledgment from Lender) until such time as Lender provides written notice to the Company that Lender has released the Pledge.

The Company and the LLC further agree, notwithstanding any applicable provision to the contrary in the LLC Unit Documents, and/or any provision of the certificate of incorporation or bylaws of the Company, as the same may be amended, restated and/or supplemented from time to time, that until such time as Lender provides written notice to the Company that Lender has released the Pledge they shall not request an opinion from counsel in connection with (i) the pledge of and grant of the security interest in the Pledged Collateral by Pledgor to Lender, (ii) any exercise of the Redemption Rights by Pledgor under the LLC Agreement or (iii) the transfer of the Pubco Shares

(as defined below) to Lender or by Lender in connection with any sale of the Pubco Shares pursuant to an effective registration statement.

5. Redemption Rights and Pledged Units . Without limiting the generality of Section 4 of this Agreement, the Company agrees that it will accept the exercise of Pledgor's Redemption Rights set forth in Section 11.01 of the LLC Agreement at any time and from time to time by the delivery of one or more executed Exercise Notices in the form attached as Exhibit A hereto (each, an " **Exercise Notice** "), which Exercise Notice, when delivered to the LLC, together with any certificates representing the Pledged Units being redeemed in connection therewith, shall constitute complete compliance with the requirements of the LLC Unit Documents for the delivery of information, certificates, affidavits, written representations and warranties, investment letters, instruments, notices or other required undertakings in connection with the exercise of Pledgor's Redemption Rights with respect to any Pledged Units. The Company further acknowledges and agrees that (a) such Exercise Notice shall be executed by Pledgor (it being acknowledged that Pledgor has duly executed one or more Exercise Notices, which have been delivered to Lender on or prior to the date of this Agreement), and (b) no other action or consent of any other person is required in order for Lender to cause Pledgor to effect the Redemption Rights with respect to the Pledged Units other than Lender delivering on behalf of Pledgor an executed Exercise Notice to the Company. For the avoidance of doubt, the Exercise Notice constitutes the Redemption Notice, as such term is used and defined in the LLC Agreement. The Lender shall be entitled, following delivery of an executed Exercise Notice, to cause Pledgor to exercise the right to retract any Redemption in accordance with the provisions of Section 11.01(b) and 11.01(c) of the LLC Agreement by delivering a Retraction Notice in the form attached as Exhibit B hereto executed by Pledgor (it being acknowledged that Pledgor has duly executed one or more Retraction Notices, which have been delivered to Lender on or prior to the date of this Agreement).

6. Distributions and Redemption Proceeds . Pledgor hereby irrevocably directs, and the Company hereby acknowledges and agrees, that all distributions from the LLC with respect to the Pledged Units, including, without limitation, extraordinary, liquidating or other capital distributions payable by the LLC to Pledgor, shall be delivered directly to and deposited into Pledgor's account with the Lender, account number _____ (together with any successor account(s) that replace or are established to supplement the aforesaid numbered account(s)the " **Pledged Account** "). In addition, and without limiting the generality of the foregoing and notwithstanding the provisions of Section 11 of the LLC Agreement, the Company and the LLC agree that upon receipt of an Exercise Notice, (a) if the Company or the LLC elects to assume and satisfy Lender's Redemption Rights by payment of cash (the "Cash Amount"), the payment of such Cash Amount shall be remitted to the Pledged Account within ten (10) business days after the date of such Exercise Notice, and (b) if the Company or the LLC elects to satisfy Lender's Redemption Rights by the issuance of shares of the Company's common stock (" **Pubco Shares** "), Lender may direct that the Pubco Shares shall be issued in the name of Lender or Pledgor and certificate(s) evidencing the Pubco Shares shall be delivered to Lender or its designee, as provided in the Exercise Notice within three (3) business days after the date of such Exercise Notice and free of any set-off or deduction for any amount or obligation that may be owed or owing by Pledgor to the LLC or the Company or, if such Exercise Notice is accompanied by confirmation of the imminent sale of such Pubco Shares pursuant to the Registration Statement (as defined below), free of (a) legends restricting

transfer and (b) stop transfer orders on the books of the transfer agent or stock registrar of the Company. Upon issuance the Pubco Shares will be duly authorized, validly issued, fully-paid and non-assessable and will not be subject to any pre-emptive or similar rights under the laws of the Company's incorporation or is charter documents. Upon issuance to Lender of the Cash Amount or Pubco Shares, as applicable, Pledged B Pubco Shares in a number corresponding to the number of Pledged Units redeemed shall be delivered to the Company for cancellation in accordance with the terms of the LLC Agreement.

7. Registration of Pubco Shares . The Company confirms that the Pubco Shares have been registered for resale by the Pledgor and any of its pledgees pursuant to the prospectus (the " **Prospectus** ") dated May 9, 2018 included in the registration statement on Form S-1 (File No. 333-224702) (as such registration statement may hereafter be amended, supplemented or replaced, the " **Registration Statement** ") filed with the Securities and Exchange Commission under the Securities Act of 1933, as amended (the " **Securities Act** ") and agrees to deliver to the Company's transfer agent instructions to permit the transfer of such Pubco Shares upon sale by the Lender pursuant to the Registration Statement free of restrictive legend. The Company acknowledges and confirms that the Registration Statement is effective as of the date hereof and further agrees to use commercially reasonable efforts to maintain the effectiveness of the Registration Statement, except as otherwise required by law and subject to "Blackout Periods" as contemplated in Section 5.2 of the Stockholders Agreement, until such time as Pledgor's obligations under the Credit Agreement have been satisfied in full or all of the Pubco Shares issuable upon redemption of the Pledged Units may, in the opinion of counsel to the Company and counsel to Lender, be sold by Lender without limitation pursuant to Rule 144(b) of the Securities Act.

The Company acknowledges and agrees that in the event the Registration Statement ceases to be effective and the Lender is not eligible to sell the Pubco Shares issuable upon redemption of the Pledged Units pursuant to Rule 144(b) of the Securities Act, then the Company agrees that Lender shall be entitled to the registration rights and related remedies, and Lender agrees that it shall be subject to the obligations, of an "Amneal Group Member" under Sections 5.1 through 5.10 of the Stockholders Agreement as if such sections were incorporated into a standalone registration rights agreement pursuant to the second sentence of Section 5.12 of the Stockholders Agreement.

Lender agrees that it will comply with all laws applicable to it in connection with any sale or other disposition by it of Pubco Shares or other securities acquired by it upon foreclosure of the Pledged Collateral.

8. Lender Not Member or Affiliate . The LLC acknowledges and agrees that Lender is not a Member, a Substituted Member or Additional Member under the LLC Agreement as a result of the Pledge and has not as a result of the Pledge assumed any obligations of Pledgor under the LLC Agreement or to make any contribution or any other payment to the LLC, or to deposit any amounts on account of any increased tax liability of the LLC, including any deficiency or assessments for additional taxes attributable to Pledgor. Lender agrees that it shall deliver written notice to the Company and the LLC in the event of a default by Pledgor under the Credit Agreement, and that, prior to the Lender foreclosing on the Pledged Collateral and taking legal title to the Pledged Collateral, Lender shall enter into any Joinder and such Other Agreements requested by the Company

and the LLC pursuant to Section 10.04 of the LLC Agreement; provided, however, the Company and the LLC agree that in lieu of Lender taking legal title to the Pledged Collateral and becoming a Substituted Member or Additional Member of the LLC, in the event that concurrently with any such foreclosure an Exercise Notice is delivered to the LLC for the redemption of the Pledged Units being foreclosed upon, the Pledged Collateral shall immediately be deemed held by Pledgor for the sole benefit of Lender pending redemption of the Pledged Units. The Company acknowledges and confirms that Lender shall not be deemed an "affiliate" of the Company solely by virtue of its foreclosure upon the Pledged Units or the subsequent redemption of the Pledged Units for Pubco Shares. The Company and the LLC shall have no duty to inquire or determine whether Lender is entitled under the Credit Agreement or otherwise to provide such notice to the Company or the LLC.

9. Copies of Documents and Replacement Certificates . The LLC shall promptly provide Lender with a copy of each statement and other notice regarding the Pledged Collateral generated with respect to the LLC that is provided generally to the Members of the LLC and a copy of any and all other documentation regarding the Pledged Collateral that the LLC forwards to Pledgor (including, without limitation, with respect to any modification, amendment or termination of the LLC Agreement) or, upon such request, that Pledgor is entitled to request pursuant to the LLC Agreement or the Stockholders Agreement with respect to the Pledged Units or any Pubco Shares for which the Pledge Units are redeemable (and Pledgor hereby acknowledges and agrees that the Company may provide any and all such information to Lender). Lender agrees to comply with the confidentiality obligations applicable to Members and the "Amneal Group" pursuant to the LLC Unit Documents, including, without limitation, Section 16.02 of the LLC Agreement and Section 7.02 of the Stockholders Agreement.

The Company and the LLC each agrees that any new or replacement certificates evidencing or relating to any Pledged Units or any Pubco Shares for which the Pledged Units are redeemable shall, if issued, be delivered directly to Lender at the address specified in the signature area below.

10. Pledgor Representations and Warranties . Pledgor hereby represents and warrants to the LLC, the Company and Lender that: (i) Pledgor is entitled to effect the instructions given in this Agreement, and that the entry into this Agreement and the performance thereunder of the parties hereto does and will not breach or violate any of the terms or provisions of the LLC Unit Documents; (ii) Pledgor is not an affiliate of Lender; (iii) the Credit Agreement constitutes a bona fide extension of credit to Pledgor by Lender and such extension of credit is with recourse to Pledgor; and (iv) pursuant to the terms of the Credit Agreement and the Security Agreement and any other agreement with respect to the Pledge, Pledgor retains voting rights with respect to the Pledged Collateral prior to any foreclosure upon the Pledged Collateral after a default in accordance with the terms of the Pledge.

11. Lender Confirmation . Lender, by its execution hereof hereby confirms to the Company and the LLC that the Credit Agreement constitutes a bona fide extension of credit to Pledgor by Lender and that such extension of credit is with recourse to Pledgor.

12. Costs, Expenses and Indemnity . Pledgor agrees to pay all reasonable costs of the Company and the LLC in (i) reviewing, negotiating and executing this Agreement, including costs

of outside counsel in an amount of up to $_____, and (ii) complying with and performing its obligations under this Agreement. In addition, in order to induce the Company and the LLC to enter into this Agreement, and in consideration thereof, Pledgor hereby agrees to indemnify, defend and hold the LLC, the Company and their respective managers, officers, directors, and employees (each an " **Indemnified Party** ") harmless from and against any and all claims, losses, damages, liabilities, costs and expenses, including, without limitation, reasonable legal fees and disbursements (collectively, " **Claims** "), which any Indemnified Party may incur as a result of this Agreement, the Pledge, the action or inaction of the Company and/or the LLC in connection with the Pledged Units or Pledge, the action or inaction of Pledgor in connection with the Pledge, or the action or inaction of Lender, except, in each case, for any claims arising from the gross negligence or willful misconduct by any Indemnified Party. In no event shall the Company or the LLC be liable to Pledgor for any payment made to or for the benefit of Lender (including, without limitation, any payment of Pubco Shares or the Cash Amount in connection with the exercise of the Redemption Rights with respect to the Pledged Units) in the good faith belief that the payment was being made in accordance with the provisions of this Agreement.

13. Release . Pledgor hereby releases the LLC and the Company and their respective managers, officers, directors and employees from any claim by Pledgor or any person claiming through Pledgor, whether sounding in tort, contract or otherwise, for any and all losses, liabilities, claims, damages and expenses whatsoever (including but not limited to income tax liabilities, attorneys' fees and any and all expenses whatsoever incurred in investigating, preparing or defending against any litigation, commenced or threatened, or any claim whatsoever, and any and all amounts paid in settlement of any claim or litigation), to which Pledgor may become subject, insofar as such losses, liabilities, claims, damages or expenses (or actions in respect thereof) arise out of or are based upon any Released Claim, as defined in the following sentence. As used herein, "Released Claim" means any claim based on any act or omission to act by the LLC and the Company undertaken at the request or demand of Lender to the LLC and/or the Company in connection with this Agreement, the Pledge or the Pledged Collateral, except for those acts or omissions arising from the gross negligence or willful misconduct of the Company or the LLC. Pledgor specifically acknowledges the risk that Lender may request a redemption of the Pledged Units, and that compliance by the LLC and the Company with such request may result in Pledgor incurring significant income tax liabilities, and that claims by Pledgor on account of such action by the LLC and/or the Company and resulting tax liabilities of Pledgor are explicitly included within the definition of Released Claims (to the extent that such action by the LLC and/or the Company fall within the definition of Released Claims). Pledgor acknowledges that the Released Claims will arise, if at all, only in the future, and thus by their nature will include claims, rights, demands, causes of action, liabilities or suits that are not known or suspected to exist as of the date of this Agreement. Without limiting the generality of the foregoing, but limited to only the Released Claims, Pledgor waives the rights afforded by any applicable law which may provide that a general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

14. Notices . Any notice or other communication that any party hereto is required, or desires, to deliver to any other party hereto shall be in writing and shall be personally delivered (by

hand, by messenger or by courier), or mailed (first-class, postage prepaid), addressed to such other party at its address for notices set forth below its name on the signature pages hereto or at such other address as such party may give notice of in accordance with the provisions of this Section. Any such notice shall be deemed delivered (i) in the case of personal delivery, when so delivered, (ii) in the case of mail, three (3) Business Days after being deposited in the United States mail, postage prepaid.

15. Successors, Assigns . This Agreement shall be binding on and inure to the benefit of the legal representatives, successors and assigns of the LLC, the Company, Pledgor and Lender. This Agreement may not be assigned by the Pledgor or Lender without the prior written consent of the LLC and the Company, which consent may not be unreasonably withheld or delayed, except that Lender may assign to one or more of its U.S. affiliates, or to any Federal Reserve Bank, all or a portion of its rights under this Agreement.

16. Severability . If any provision of this Agreement shall be held to be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or any remaining provisions of this Agreement.

17. Terms of this Agreement Controlling . Unless otherwise expressly provided herein, in the event of any inconsistency between the terms of this Agreement and the terms of the LLC Agreement (including, without limitation, any amendment thereto) with respect to the rights of the LLC, the Company, Lender or Pledgor relating to the Pledged Collateral, the terms of this Agreement shall control as among the parties hereto.

18. Counterparts . This Agreement may be executed in any number of counterparts, all of which taken together shall constitute a single instrument.

19. Choice of Law and Venue; Jury Trial Waiver . This Agreement shall be governed by, and construed in accordance with, the internal laws of the State of New York, without regard to principles of conflicts of law. THE COMPANY, THE LLC, PLEDGOR AND LENDER EACH HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREIN, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW OR STATUTORY CLAIMS. EACH PARTY RECOGNIZES AND AGREES THAT THE FOREGOING WAIVER CONSTITUTES A MATERIAL INDUCEMENT FOR IT TO ENTER INTO THIS AGREEMENT. EACH PARTY REPRESENTS AND WARRANTS THAT IT HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL AND THAT IT KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL.

[Signatures on following pages]

IN WITNESS WHEREOF , the parties hereto have executed this Agreement as of the day and year first written above.

THE COMPANY: AMNEAL PHARMACEUTICALS, INC.

By: _____
Name:
Title:

Address for Notices:

__
__

Attn: __

THE LLC: AMNEAL PHARMACEUTICALS LLC

By: Amneal Pharmaceuticals, Inc., Manager

By: _____

Name:
Title:

Address for Notices:

__
__

Attn: __

PLEDGOR:

By:

By: _____
Name:
Title:

Address for Notices:

_____
_____

Attn: _____

LENDER: MORGAN STANLEY PRIVATE BANK, NATIONAL ASSOCIATION

By: _____
Name:
Title:

Addresses for Notices:
c/o Morgan Stanley Smith Barney LLC
2000 Westchester Avenue, Floor 2NE
Purchase, New York 10577
Attention: Tailored Lending

EXHIBIT A

FORM OF REDEMPTION EXERCISE NOTICE

The undersigned hereby (i) exercises its right to redeem _____ Units in Amneal Pharmaceuticals LLC in accordance with the terms of (a) the Third Amended and Restated Agreement Limited Liability Company Agreement of Amneal Pharmaceuticals LLC dated May 4, 2018 (as amended to date, the "LLC Agreement") and (b) the Acknowledgment and Agreement dated _____ (the "Acknowledgment"), and the Redemption Right referred to in the LLC Agreement and the Acknowledgment, (ii) surrenders or has authorized Morgan Stanley Private Bank (the "Bank") to surrender such Units and all right, title and interest therein and (iii) directs that the Cash Amount or Pubco Shares Amount (as determined by Amneal Pharmaceuticals, Inc. in accordance with the LLC Agreement) deliverable upon exercise of the Redemption Right be delivered to the address specified below, and if Pubco Shares are to be delivered, such Pubco Shares be registered or placed in the name(s) and the address(es) specified below. The undersigned hereby represents, warrants, and certifies that the undersigned (a) has delivered this Exercise Notice to the Bank in connection with the pledge of such Units to enable the Bank to exercise the undersigned's Redemption Rights with respect to such Units as provided for in the Acknowledgment and (b) has obtained the consent or approval of all persons or entities, if any, having the right to consult or approve such redemption and surrender.

Dated: _____

By:

By:_____
Name:
Title:

Delivery Instructions:

EXHIBIT B

FORM OF RETRACTION NOTICE

The undersigned hereby (i) elects to retract the Redemption Exercise Notice dated _____, 201_ for _____ Units in Amneal Pharmaceuticals LLC in accordance with the terms of Section 11.01(b) and 11.01(c) of the Third Amended and Restated Agreement Limited Liability Company Agreement of the Amneal Pharmaceuticals LLC dated May 4, 2018 and Section 6 of the Acknowledgment and Agreement dated _____, (ii) requests the return of the previously surrendered Units and (iii) directs that such Units be delivered to the address specified below

Dated: _____

By:

By:_____
Name:
Title:

Delivery Instructions:

SEPARATION AGREEMENT

This Separation Agreement ("Separation Agreement") is entered into between **Robert Stewart** ("Executive") and **Amneal Pharmaceuticals LLC and Amneal Pharmaceuticals, Inc. (f/k/a Atlas Holdings, Inc.)** (collectively "Amneal" or the "Company") as of August 2, 2019 (the "Effective Date"). Capitalized terms not otherwise defined herein shall have the meanings set forth in that certain Employment Agreement between Executive and the Company entered into as of December 16, 2017 ("Employment Agreement") as amended from time to time.

In consideration of the mutual covenants and agreements hereinafter set forth, and intending to be legally bound, the parties agree as follows:

1. Termination of Employment. Executive and Company hereby acknowledge and agree to the termination of Executive's employment without Cause, effective as of the close of business on **November 2, 2019** (the "Termination Date"). Executive will not be required to, and will not, render any services on behalf of the Company after the Termination Date. Notwithstanding the foregoing, in the event Executive desires to accept employment with an unaffiliated third party on or after October 1, 2019 (but subject to Section 6.4 of the Employment Agreement), the Executive shall have the right, upon notice to the Company (a "New Employment Notice"), to terminate his employment with the Company effective upon the date immediately prior to the day he commences employment with such third party. Upon receipt of a New Employment Notice the Company shall pay to Executive in a lump sum any portion of Base Salary that would have otherwise been due during the remainder of the Transition Period, and all other rights, benefits and obligations of the Company and Executive pursuant to the Employment Agreement and this Separation Agreement shall otherwise remain in full force and effect as if Executive had remained an employee of the Company until the Termination Date.

2. Severance Pay, Benefits and Additional Consideration. Subject to Executive's execution on or within forty-five (45) days following the Termination Date and Executive's non-revocation thereof of the Release set forth in Attachment A (the "Release"), commencing on the Termination Date Executive shall receive (i) the severance pay and benefits as set forth in Section 4.4.2 or, as applicable, Section 4.4.3 of the Employment Agreement, and (ii) the Additional Consideration (as defined below). In consideration for Executive (i) providing transition services to Company from the Effective Date until the Termination Date (the "Transition Period"); (ii) extending the non-competition provisions of Section 6.4 of the Employment Agreement from 9 months after the Termination Date until fifteen months after the Termination Date (i.e., until February 2, 2021); and (iii) extending the non-solicitation provisions of Section 6.5(ii) from 12 months after the Termination Date until twenty-one months after the Termination Date (i.e., until August 2, 2021), Executive shall receive one million dollars ($1,000,000.00) (less applicable withholding of taxes) (the "Additional Consideration"), payable in equal installments through the Company's regular payroll systems during the twenty-four month period following the Termination Date. For the avoidance of doubt, Executive and Company agree that for purposes of Section 6.4 of the Employment Agreement, a business shall be deemed to compete directly with the Company only if it is engaged primarily in the business of either (i) the marketing and promotion to healthcare professionals of a prescription drug product containing carbidopa and levodopa with a primary indication to treat the signs and symptoms of Parkinson's Disease; or (ii) the manufacture and sale of generic prescription drug products primarily in the U.S. to national wholesalers and/or national chain drugstores. If Executive's employment is terminated prior to the Termination Date

by reason of Executive's death or Disability, Executive shall be entitled to the severance benefits and Additional Consideration as set forth in this Separation Agreement. Executive shall be entitled to the support of his administrative assistant and driver during the Transition Period at the Company's expense.

3. Resignation from Directorships and Company Positions. Effective as of the Effective Date, Executive agrees to and hereby does resign from any and all offices and directorships with the Company and all of its direct and indirect subsidiaries and affiliates, including but not limited to his position of President and Chief Executive Officer and member of the Board of Directors of the Company (the "Appointments"). Executive acknowledges that his resignation from the Board of Directors of Amneal and as President and Chief Executive Officer is not because of a disagreement with the Company on any matter related to the Company's operations, policies or practices. Executive agrees to execute all documents reasonably requested by the Company to effectuate such resignations. During the Transition Period Executive shall remain employed by the Company as a Special Advisor to the Chief Executive Officer(s) or such other position as reasonably agreed between Company and Executive.

4. Governing Law; Dispute Arising out of this Separation Agreement. Except to the extent governed by federal law, this Separation Agreement and the Employment Agreement shall be governed by and construed under the laws of the State of Florida, without reference to Florida's choice of law principles. Any dispute or controversy arising out of or related to this Separation Agreement shall be resolved exclusively by final and binding arbitration to be conducted pursuant to Section 8.8 of the Employment Agreement, provided that any references in Section 8.8 to "New Jersey" shall be replaced with "Florida." Except as specifically amended by this Separation Agreement, all of the terms and conditions of the Employment Agreement, as applicable, remain in full force and effect in accordance with the terms of the Employment Agreement.

5. Modifications. This Separation Agreement may not be released, discharged, abandoned, supplemented, changed or modified in any manner, orally or otherwise, except by an instrument in writing of concurrent or subsequent date signed by Executive and a duly authorized officer of Amneal. Executive's or the Company's failure to insist upon strict compliance with any provision of this Separation Agreement or the failure to assert any right that Executive or the Company may have under this Separation Agreement shall not be deemed a waiver of such provision or right or any other provision or right under this Separation Agreement. This Separation Agreement and the Employment Agreement contain and constitute the entire understanding and agreement of the parties with respect to the subject matter hereof.

6. Construction of Separation Agreement. The parties agree that there shall be no presumption that any ambiguity in this Separation Agreement is to be construed against the drafter.

ROBERT STEWART

AMNEAL PHARMACEUTICALS, INC.
AMNEAL PHARMACEUTICALS LLC

By: /s/ Robert Stewart

By: /s/ David Buchen

Print Name: Robert Stewart

Print Name: David Buchen, SVP, CLO

Date: August 2, 2019

Date: August 2, 2019

ATTACHMENT A

RELEASE AGREEMENT

In exchange for the receipt of (i) the severance payments and benefits set forth in Sections 4.4.2 and 4.4.3 of the Employment Agreement, dated December 16, 2017 (as amended, the " **Employment Agreement** ") between Robert Stewart ("Executive" or "I"), on the one hand, and Amneal Pharmaceuticals LLC (the " **Company** ") and Amneal Pharmaceuticals, Inc. (f/k/a Atlas Holdings, Inc.) (" **Parent** "), on the other hand, and the (ii) Additional Consideration (as defined in the Separation Agreement dated August 2, 2019 among Executive, Company and Parent), and for other valuable consideration, the receipt and adequacy of which are hereby acknowledged, I, on behalf of myself and my heirs, estate, successors and assigns, do hereby release and forever discharge the " **Releasees** " hereunder, consisting of the Company and Parent, and each of their subsidiaries and affiliates, and, in their capacity as such, each of their predecessors, successors, partners, directors, officers, employees, attorneys and agents, of and from any and all manner of action or actions, cause or causes of action, in law or in equity, suits, debts, liens, contracts, agreements, promises, liability, claims, demands, damages, losses, costs, attorneys' fees or expenses, of any nature whatsoever, known or unknown, fixed or contingent, in connection with or arising under Executive's employment with the Company and Parent (hereinafter called " **Claims** "), which I now have or have ever had against the Releasees, or any of them, by reason of any matter, cause, or thing whatsoever from the beginning of time to the date I sign this Release Agreement. The Claims released herein include, but are not limited to: (1) all claims arising out of or in any way related to Executive's service or employment relationship with any of the Releasees or the termination of that relationship; (2) all claims related to Executive's compensation or benefits from the any of the Releasees, including salary, bonuses, commissions, Paid Time Off, expense reimbursements, severance pay, fringe benefits, stock, stock options, or any other ownership interests in Parent, the Company or any of their respective subsidiaries and affiliates (collectively, the " **Group Entities** "); (3) all claims for breach of contract, wrongful termination, and breach of the implied covenant of good faith and fair dealing; (4) all tort claims, including claims for fraud, defamation, emotional distress, and discharge in violation of public policy; and (5) all federal, state, and local statutory claims, including (without limitation) claims for discrimination, harassment, retaliation, attorneys' fees, and other claims arising under the Age Discrimination in Employment Act, as amended (the " **ADEA** "); Title VII of the Civil Rights Act of 1964, as amended; the Equal Pay Act; the Civil Rights Act of 1866; the Family and Medical Leave Act of 1993, as amended; the Americans with Disabilities Act of 1990, as amended; the False Claims Act, as amended; the Employee Retirement Income Security Act, as amended; the Fair Labor Standards Act, as amended; the Sarbanes-Oxley Act of 2002; the Worker Adjustment Notification and Retraining Act; the New Jersey Law Against Discrimination; the New Jersey Conscientious Employee Protection Act; the New Jersey Family Leave Act; the New Jersey Wage Payment Law; the New Jersey Wage and Hour Law; the New Jersey Equal Pay Act; and retaliation claims under the New Jersey Workers' Compensation Law; the Florida Civil Rights Act; the Florida Whistleblower Protection Act; the Florida Workers' Compensation Retaliation provision; and the Florida Minimum Wage Act.

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Notwithstanding the foregoing, this Release Agreement shall not be construed in any way to release any Claim (i) to payments and benefits under Section 4.4.2 and 4.4.3 of the Employment

Agreement, the Separation Agreement or this Release Agreement, (ii) to accrued or vested benefits I may have, if any, as of the date hereof under any applicable plan, policy, practice, program, contract or agreement with any Group Entity, (iii) for indemnification and/or advancement of expenses, arising under any indemnification agreement between Executive and any Group Entity (including the Employment Agreement) or under the bylaws, certificate of incorporation or other similar governing document of any Group Entity or to coverage under applicable directors' and officers' or other third party liability insurance policy(ies) maintained by the Company or any of its affiliates, (iv) to any rights or benefits that may not be waived pursuant to applicable law, including, without limitation, any right to unemployment insurance benefits, (v) that arises after the date I execute this Release Agreement, or (vi) to Executive's right to communicate directly with, cooperate with, or provide information to, any federal, state or local government regulator.

For the avoidance of doubt, nothing in this Release will be construed to prohibit Executive from filing a charge with, reporting possible violations to, or participating or cooperating with any governmental agency or entity, including but not limited to the EEOC, the Department of Justice, the Securities and Exchange Commission, the National Labor Relations Board, Congress, or any agency Inspector General, or making other disclosures that are protected under the whistleblower, anti-discrimination, or anti-retaliation provisions of federal, state or local law or regulation; *provided, however* , that I may not disclose information of the Releasees that is protected by the attorney-client privilege, except as otherwise required by law. I do not need the prior authorization of the applicable Releasee to make any such reports or disclosures, and I am not required to notify the applicable Releasee that I have made such reports or disclosures.

I acknowledge that I am knowingly and voluntarily waiving and releasing any rights I may have under the ADEA, and that the consideration given under the Employment Agreement for the waiver and release I am providing herein is in addition to anything of value to which I was already entitled. I further acknowledge that I have been advised by this writing, as required by the ADEA, that: (a) Executive's waiver and release do not apply to any rights or claims that may arise after the date I sign this Release Agreement; (b) I should consult with an attorney prior to signing this Release Agreement (although I may choose voluntarily not to do so); (c) I have 45 days to consider this Release Agreement (although I may choose voluntarily to sign this Release Agreement before the end of the 45-day period) and to return the signed Release Agreement to the Company; (d) I have seven days following the date I sign this Release Agreement (the " **Revocation Period** ") to revoke the Release Agreement as described below; and (e) this Release Agreement shall not be effective until the date upon which the Revocation Period has expired, which shall be the eighth day after I sign this Release Agreement (the " **Effective Date** "). I understand and agree that if I choose to revoke this Release Agreement, I must deliver notice of such revocation in writing, by personal delivery, email or mail, to Nikita Shah, Chief Human Resources Officer (NShah@Amneal.com) at the Company, 400 Crossing Blvd, Bridgewater, NJ, 08807, no later than 5:00 p.m. Eastern Time on the last day of the Revocation Period. If mailed, the revocation must be properly addressed and postmarked no later than the last day of the Revocation Period.

I represent that I have no lawsuits, claims or actions pending in Executive's name, or on behalf of Executive or any other person or entity, against any of the Releasees. I agree that I will not voluntarily provide assistance, information or advice, directly or indirectly (including through agents or attorneys), to any person or entity in connection with any actual or potential claim or cause of action of any kind against the Releasees and I shall not induce or encourage any person or entity to do so, unless compelled or authorized to do so by law. Notwithstanding the foregoing, I retain

the right to file a charge with the Equal Employment Opportunity Commission and equivalent federal, state and local agencies, and to cooperate with investigations by any such agencies.

I acknowledge and represent that I have not suffered any discrimination or harassment by any of the Releasees on account of race, gender, national origin, religion, marital or registered domestic partner status, sexual orientation, age, disability, veteran status, medical condition or any other characteristic protected by applicable law. I acknowledge and represent that I have not been denied any leave, benefits or rights to which I may have been entitled under the FMLA or any other federal or state law, and that I have not suffered any job-related wrongs or injuries for which I might be entitled to compensation or relief. I further acknowledge and represent that, other than the benefits that will be provided to Executive pursuant to Sections 4.4.2 and 4.4.3 of the Employment Agreement, the Separation Agreement and this Release Agreement, I have been paid all wages, bonuses, compensation, benefits and other amounts that any of the Releasees has ever owed to Executive, and I am not entitled to any additional compensation, severance or benefits after the date on which Executive's employment with the Group Entities terminated, with the sole exception of any benefit the right to which has vested under the express terms of a Group Entity benefit plan document.

In addition, I hereby acknowledge Executive's continuing obligations under the Employee Confidentiality, Non-Solicitation and Ownership of Inventions Agreement with the Company and under Section 6 of the Employment Agreement (as amended by the Separation Agreement), including (without limitation) Executive's obligations not to use or disclose any proprietary or confidential information of the Group Entities. Notwithstanding anything herein or in the Employee Confidentiality, Non-Solicitation and Ownership of Inventions Agreement with the Company, I acknowledge and I agree that, pursuant to 18 USC Section 1833(b), I will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made: (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, and solely for the purpose of reporting or investigating a suspected violation of law; or (ii) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

I agree that if I commence any suit arising out of, based upon, or relating to any of the Claims released under this Release Agreement, then I will pay to the Releasees, and each of them, in addition to any other damages caused to the Releasees thereby, all attorneys' fees incurred by the Releasees in defending or otherwise responding to such suit; provided, that, this paragraph shall not apply with respect to any compulsory counterclaims within the meaning of Rule 13(a) of the Federal Rules of Civil Procedure, asserted by Executive against the Releasees bringing claims against Executive.

I agree that if any provision of this Release Agreement is determined to be invalid or unenforceable, in whole or in part, this determination will not affect any other provision of this Release Agreement and the provision in question shall be modified so as to be rendered enforceable in a manner consistent with the intent of the Parties insofar as possible under applicable law. I understand that this Release Agreement, together with the Employment Agreement, constitutes the complete, final and exclusive embodiment of the entire agreement between Parent, the Company and Executive with regard to the subject matter hereof. I am not relying on any promise or representation by Parent or the Company that is not expressly stated therein.

I acknowledge that in order for this Release Agreement to become effective, I must sign this Release Agreement and return it by email or mail to Nikita Shah, Chief Human Resources Officer

(NShah@Amneal.com) at the Company, 400 Crossing Blvd, Bridgewater, NJ, 08807, on or within 45 days after the date on which Executive's employment terminated, and I must not exercise any right to revoke the Release Agreement as described above.

I have carefully read and fully understand this Release Agreement, and agree to be bound by its terms.

By: _____
Name: Robert Stewart
Date:_____

Amendment No. 1 to the Second Amended and Restated Stockholders Agreement

This Amendment No. 1 (this " Amendment ") to the Second Amended and Restated Stockholders Agreement dated as of December 16, 2017 (the " Agreement "), by and among Amneal Pharmaceuticals Holding Company, LLC, a Delaware limited liability company, AP Class D Member, LLC, a Delaware limited liability company, AP Class E Member, LLC, a Delaware limited liability company, AH PPU Management, LLC, a Delaware limited liability company, and Amneal Pharmaceuticals, Inc. (which was previously known as Atlas Holdings, Inc.), a Delaware corporation, is entered into as of this 2 nd day of August, 2019. Capitalized terms used in this Amendment and not otherwise defined shall have the meanings ascribed to them in the Agreement.

WHEREAS , all the Parties to the Agreement besides the Company have been dissolved;

WHEREAS , Padmesh Patel is the current, duly authorized Amneal Group Representative;

WHEREAS , the Amneal Group Representative has been assigned all of the rights of each Amneal Group Member under the Agreement that are being exercised by this Amendment;

WHEREAS , the parties hereto desire to amend the Agreement pursuant to Section 7.9 thereof; and

WHEREAS , the Conflicts Committee has provided prior written consent to the Amendment.

NOW, THEREFORE , in consideration of the mutual agreements hereinafter set forth, the parties hereto hereby agree as follows:

1. The first sentence of Section 3.1(b) the Agreement is hereby amended and restated in its entirety as follows:

> Immediately following the Closing, and for so long as Amneal Group has beneficial ownership of more than fifty percent (50%) of the outstanding shares of the Company Common Stock, (i) the Non-Amneal Directors shall have the right to designate the lead Independent Director of the Company Board, and (ii) the Amneal Directors shall have the right to designate the Chairman or Co-Chairmen of the Company Board.

2. Section 3.3(d) the Agreement is hereby amended and restated in its entirety as follows:

> Integration Committee . For a minimum of one (1) year following the Closing, the Company Board shall have an Integration Committee comprised of Chirag Patel, Chintu Patel and Paul M. Bisaro, which shall serve as an advisory committee to management to provide input in connection with the post-Closing integration of Impax and Amneal and shall not be entitled to take any other action on behalf of the Company Board.

3. The definition of "Amneal Group Representative" in Section 1.1 of the Agreement is hereby amended and restated in its entirety as follows:

> " Amneal Group Representative " means Amneal Holdings, LLC, a Delaware limited liability company, or such other designee selected by Amneal Group Members holding a majority of the shares of Company Common Stock beneficially owned by Amneal Group; provided , however , that the Amneal Group Representative shall not be an employee of the Company Group or a Person controlled, directly or indirectly, by employees of the Company Group.

4. Padmesh Patel represents and warrants that (i) he is the current, duly authorized Amneal Group Representative, (ii) he, in his capacity as the Amneal Group Representative, has the authority to enter into this Amendment on behalf of each of the Amneal Group Members and, if executed by the Company, this Amendment will be binding on the Amneal Group Members and (iii) the Amneal Group collectively continues to beneficially own at least ten percent (10%) of the outstanding shares of the Company Common Stock.

5. This Amendment constitutes the entire agreement among the parties hereto with respect to the subject matter hereof. Except as specifically amended in this Amendment, the Agreement remains unchanged and in full force and effect.

6. This Amendment shall be governed by, and interpreted in accordance with, the laws of the State of Delaware, all rights and remedies being governed by such laws without regard to principles of conflicts of laws.

7. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, and delivered by means of electronic mail transmission or otherwise, each of which when so executed and delivered shall be deemed to be an original and all of which when taken together shall constitute one and the same agreement.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment on the date first above written.

THE AMNEAL GROUP REPRESENTATIVE

By: /s/ Padmesh Patel, by Edward Coss, his duly authorized agent
Name: Padmesh Patel
Title: Amneal Group Representative

AMNEAL PHARMACEUTICALS, INC.

By: /s/ David Buchen
Name: David Buchen
Title: Senior Vice President, Chief Legal Officer and Corporate Secretary

Exhibit 31.1

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

I, Chirag Patel, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2019 of Amneal Pharmaceuticals, Inc.;

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 the 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.

August 5, 2019

By: /s/ Chirag Patel
Chirag Patel
President and Co-Chief Executive Officer
(Co-Principal Executive Officer)

Exhibit 31.2

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

I, Chintu Patel, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2019 of Amneal Pharmaceuticals, Inc.;

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 the 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.

August 5, 2019

By: /s/ Chintu Patel
Chintu Patel
Co-Chief Executive Officer
(Co-Principal Executive Officer)

Exhibit 31.3

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

I, Todd P. Branning, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2019 of Amneal Pharmaceuticals, Inc.;

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 the 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.

August 5, 2019

By: /s/ Todd P. Branning
Todd P. Branning
Senior Vice President and Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350

AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Amneal Pharmaceuticals, Inc. (the "Company") for the fiscal quarter ended June 30, 2019 (the "Report"), Chirag Patel, President and Co-Chief Executive Officer of the Company, hereby certifies, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

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

August 5, 2019

By: /s/ Chirag Patel
Chirag Patel
President and Co-Chief Executive Officer
(Co-Principal Executive Officer)

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

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350

AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Amneal Pharmaceuticals, Inc. (the "Company") for the fiscal quarter ended June 30, 2019 (the "Report"), Chintu Patel, Co-Chief Executive Officer of the Company, hereby certifies, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

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

August 5, 2019

By: /s/ Chintu Patel
Chintu Patel
Co-Chief Executive Officer
(Co-Principal Executive Officer)

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

Exhibit 32.3

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350

AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Amneal Pharmaceuticals, Inc. (the "Company") for the fiscal quarter ended June 30, 2019 (the "Report"), Todd P. Branning, Senior Vice President and Chief Financial Officer of the Company, hereby certifies, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

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

August 5, 2019

By: /s/ Todd P. Branning
Todd P. Branning
Senior Vice President and Chief Financial Officer
(Principal Financial and Accounting Officer)

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