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 March 31, 2021
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)

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 April 30, 2021, there were 148,720,537 shares of Class A common stock outstanding and 152,116,890 shares of Class B common stock outstanding, both with a par value of $0.01.

Amneal Pharmaceuticals, Inc.

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Cautionary Note Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q and Amneal Pharmaceuticals, Inc.'s other publicly available documents contain "forward-looking statements" within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. Management and representatives of Amneal Pharmaceuticals, Inc. and its subsidiaries (the "Company") also may from time to time make forward-looking statements. Forward-looking statements do not relate strictly to historical or current facts and reflect management's assumptions, views, plans, objectives and projections about the future. Forward-looking statements may be identified by the use of words such as "plans," "expects," "will," "anticipates," "estimates" and other words of similar meaning in conjunction with, among other things: discussions of future operations; expected operating results and financial performance; impact of planned acquisitions and dispositions; the Company's strategy for growth; product development; regulatory approvals; market position and expenditures.

Because forward-looking statements are based on current beliefs, expectations and assumptions regarding future events, they are subject to uncertainties, risks and changes that are difficult to predict and many of which are outside of the Company's control. Investors should realize that if underlying assumptions prove inaccurate, known or unknown risks or uncertainties materialize, or other factors or circumstances change, the Company's actual results and financial condition could vary materially from expectations and projections expressed or implied in its forward-looking statements. Investors are therefore cautioned not to rely on these forward-looking statements.

Summary of Material Risks

Risks and uncertainties that make an investment in the Company speculative or risky or that could cause our actual results to differ materially from the forward-looking statements contained in this Quarterly Report on Form 10-Q include, but are not limited to:

- the impact of the COVID-19 pandemic;
- the impact of global economic conditions;
- our ability to successfully develop, license, acquire and commercialize new products on a timely basis;
- our ability to obtain exclusive marketing rights for our products;
- the competition we face in the pharmaceutical industry from brand and generic drug product companies, and the impact of that competition on our ability to set prices;
- our ability to manage our growth through acquisitions and otherwise;
- our dependence on the sales of a limited number of products for a substantial portion of our total revenues;
- the risk of product liability and other claims against us by consumers and other third parties;
- risks related to changes in the regulatory environment, including U.S. federal and state laws related to healthcare fraud abuse and health information privacy and security and changes in such laws;
- changes to FDA product approval requirements;
- risks related to federal regulation of arrangements between manufacturers of branded and generic products;
- the impact of healthcare reform and changes in coverage and reimbursement levels by governmental authorities and other third-party payers;
- the continuing trend of consolidation of certain customer groups;
- our reliance on certain licenses to proprietary technologies from time to time;
- our dependence on third-party suppliers and distributors for raw materials for our products and certain finished goods;
- our dependence on third-party agreements for a portion of our product offerings;
- our ability to identify, make and integrate acquisitions or investments in complementary businesses and products on advantageous terms;
- legal, regulatory and legislative efforts by our brand competitors to deter competition from our generic alternatives;
- the significant amount of resources we expend on research and development;
- our substantial amount of indebtedness and our ability to generate sufficient cash to service our indebtedness in the future, and the impact of interest rate fluctuations on such indebtedness;
- the high concentration of ownership of our Class A Common Stock and the fact that we are controlled by the Amneal Group; and
- such other factors as may be set forth elsewhere in the Company's Annual Report on Form 10-K for the year ended December 31, 2020, particularly in the section entitled *1A. Risk Factors* and our public filings with the SEC.

Investors should carefully read our Annual Report on Form 10-K for the year ended December 31, 2020, including the section captioned *1A. Risk Factors*, for a description of certain risks that could, among other things, cause our actual results to differ materially from those expressed in our forward-looking statements. Investors should understand that it is not possible to predict or identify all such factors and should not consider the risks described herein and in our Annual Report to be a complete statement of all potential risks and uncertainties. The Company does not undertake to publicly update any forward-looking statement that may be made from time to time, whether as a result of new information or future events or developments.

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 March 31,	
	2021	**2020**
Net revenue	$ 493,105	$ 498,533
Cost of goods sold	301,543	313,578
Cost of goods sold impairment charges	—	1,456
Gross profit	191,562	183,499
Selling, general and administrative	90,726	77,976
Research and development	48,182	36,379
In-process research and development impairment charges	—	960
Intellectual property legal development expenses	3,582	1,270
Acquisition, transaction-related and integration expenses	2,802	2,575
Charges related to legal matters, net	—	4,500
Restructuring and other charges	363	2,048
Operating income	45,907	57,791
Other (expense) income:		
Interest expense, net	(33,885)	(39,899)
Foreign exchange gain (loss), net	2,088	(5,181)
Other income, net	794	633
Total other expense, net	(31,003)	(44,447)
Income before income taxes	14,904	13,344
Provision for (benefit from) income taxes	359	(108,173)
Net income	14,545	121,517
Less: Net income attributable to non-controlling interests	(7,839)	(6,450)
Net income attributable to Amneal Pharmaceuticals, Inc.	$ 6,706	$ 115,067
Net income per share attributable to Amneal Pharmaceuticals, Inc.'s class A common stockholders:		
Basic	$ 0.05	$ 0.78
Diluted	$ 0.04	$ 0.78
Weighted-average common shares outstanding:		
Basic	148,013	147,180
Diluted	151,220	147,956

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

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

	Three Months Ended March 31,	
	2021	**2020**
Net income	$ 14,545	$ 121,517
Less: Net income attributable to non-controlling interests	(7,839)	(6,450)
Net income attributable to Amneal Pharmaceuticals, Inc.	6,706	115,067
Other comprehensive income (loss):		
Foreign currency translation adjustments arising during the period	(6,366)	(5,135)
Unrealized gain (loss) on cash flow hedge, net of tax	20,772	(62,658)
Less: Other comprehensive (income) loss attributable to non-controlling interests	(7,302)	34,456
Other comprehensive income (loss) attributable to Amneal Pharmaceuticals, Inc.	7,104	(33,337)
Comprehensive income attributable to Amneal Pharmaceuticals, Inc.	$ 13,810	$ 81,730

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

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

	March 31, 2021	December 31, 2020
Assets		
Current assets:		
Cash and cash equivalents	$ 452,097	$ 341,378
Restricted cash	3,717	5,743
Trade accounts receivable, net	530,600	638,895
Inventories	497,008	490,649
Prepaid expenses and other current assets	75,137	73,467
Related party receivables	1,102	1,407
Total current assets	1,559,661	1,551,539
Property, plant and equipment, net	471,165	477,754
Goodwill	522,758	522,814
Intangible assets, net	1,262,954	1,304,626
Operating lease right-of-use assets	32,396	33,947
Operating lease right-of-use assets - related party	24,110	24,792
Financing lease right-of-use assets	67,465	9,541
Financing lease right-of-use assets - related party	—	58,676
Other assets	19,561	22,344
Total assets	$ 3,960,070	$ 4,006,033
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable and accrued expenses	$ 574,322	$ 611,867
Current portion of long-term debt, net	29,817	44,228
Current portion of operating lease liabilities	6,637	6,474
Current portion of operating and financing lease liabilities - related party	2,883	3,978
Current portion of financing lease liabilities	3,020	1,794
Current portion of note payable - related party	—	1,000
Related party payable - short term	20,100	7,561
Total current liabilities	636,779	676,902
Long-term debt, net	2,728,212	2,735,264
Note payable - related party	36,828	36,440
Operating lease liabilities	28,435	30,182
Operating lease liabilities - related party	22,308	23,049
Financing lease liabilities	61,871	2,318
Financing lease liabilities - related party	—	60,193
Related party payable - long term	2,061	1,584
Other long-term liabilities	63,789	83,365
Total long-term liabilities	2,943,504	2,972,395
Commitments and contingencies (Notes 5 and 14)		
Redeemable non-controlling interests	13,079	11,804
Stockholders' Equity		
Preferred stock, $0.01 par value, 2,000 shares authorized; none issued at both March 31, 2021 and December 31, 2020	—	—
Class A common stock, $0.01 par value, 900,000 shares authorized at both March 31, 2021 and December 31, 2020; 148,715 and 147,674 shares issued at March 31, 2021 and December 31, 2020, respectively	1,485	1,475
Class B common stock, $0.01 par value, 300,000 shares authorized at both March 31, 2021 and December 31, 2020; 152,117 shares issued at both March 31, 2021 and December 31, 2020	1,522	1,522
Additional paid-in capital	634,484	628,413
Stockholders' accumulated deficit	(280,115)	(286,821)
Accumulated other comprehensive loss	(34,361)	(41,318)
Total Amneal Pharmaceuticals, Inc. stockholders' equity	323,015	303,271
Non-controlling interests	43,693	41,661
Total stockholders' equity	366,708	344,932
Total liabilities and stockholders' equity	$ 3,960,070	$ 4,006,033

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

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

	Three Months Ended March 31,	
	2021	**2020**
Cash flows from operating activities:		
Net income	$ 14,545	$ 121,517
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	55,549	58,083
Unrealized foreign currency (gain) loss	(1,970)	5,514
Amortization of debt issuance costs and discount	2,183	2,004
Intangible asset impairment charges	—	2,416
Stock-based compensation	5,330	4,539
Inventory provision	16,021	15,200
Other operating charges and credits, net	1,431	1,266
Changes in assets and liabilities:		
Trade accounts receivable, net	108,385	(60,893)
Inventories	(20,283)	(2,778)
Income taxes receivable associated with the CARES Act	—	(110,069)
Prepaid expenses, other current assets and other assets	602	(26,383)
Related party receivables	301	76
Accounts payable, accrued expenses and other liabilities	(37,226)	34,839
Related party payables	3,260	3,695
Net cash provided by operating activities	148,128	49,026
Cash flows from investing activities:		
Purchases of property, plant and equipment	(11,776)	(7,367)
Deposits for future acquisition of property, plant, and equipment	(917)	—
Acquisition of intangible assets	—	(1,050)
Acquisitions, net of cash acquired	—	(253,625)
Net cash used in investing activities	(12,693)	(262,042)
Cash flows from financing activities:		
Proceeds from issuance of debt	—	180,000
Payments of principal on debt, financing leases and other	(23,630)	(7,158)
Net borrowings on revolving credit facility	—	300,000
Payments of deferred financing costs	—	(4,102)
Proceeds from exercise of stock options	676	5
Employee payroll tax withholding on restricted stock unit vesting	(2,102)	(503)
Payments of principal on financing lease - related party	(93)	(263)
Repayment of related party note	(1,000)	—
Net cash (used in) provided by financing activities	(26,149)	467,979
Effect of foreign exchange rate on cash	(593)	(860)
Net increase in cash, cash equivalents, and restricted cash	108,693	254,103
Cash, cash equivalents, and restricted cash - beginning of period	347,121	152,822
Cash, cash equivalents, and restricted cash - end of period	$ 455,814	$ 406,925
Cash and cash equivalents - end of period	$ 452,097	$ 405,238
Restricted cash - end of period	3,717	1,687
Cash, cash equivalents, and restricted cash - end of period	$ 455,814	$ 406,925
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ 29,917	$ 35,386
Cash paid for income taxes, net	$ 733	$ 3,430
Supplemental disclosure of non-cash investing and financing activity:		
Notes payable for acquisitions - related party	$ —	$ 36,033
Tax distribution to non-controlling interests	$ 9,757	$ —

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

Amneal Pharmaceuticals, Inc.
Consolidated Statements of Changes in Stockholders' Equity
(unaudited; in thousands)

	Class A Common Stock		Class B Common Stock							Redeemable Non-Controlling Interests
	Shares	Amount	Shares	Amount	Additional Paid-in Capital	Stockholders' Accumulated Deficit	Accumulated Other Comprehensive Loss	Non-Controlling Interests	Total Equity	
Balance at January 1, 2021	147,674	$ 1,475	152,117	$ 1,522	$ 628,413	$ (286,821)	$ (41,318)	$ 41,661	$ 344,932	$ 11,804
Net income	—	—	—	—	—	6,706	—	6,043	12,749	1,796
Foreign currency translation adjustment	—	—	—	—	—	—	(3,139)	(3,227)	(6,366)	—
Stock-based compensation	—	—	—	—	5,330	—	—	—	5,330	—
Exercise of stock options	244	2	—	—	677	—	(34)	31	676	—
Restricted stock unit vesting, net of shares withheld to cover payroll taxes	797	8	—	—	64	—	(113)	(2,108)	(2,149)	—
Unrealized gain on cash flow hedge, net of tax	—	—	—	—	—	—	10,243	10,529	20,772	—
Tax distribution	—	—	—	—	—	—	—	(9,236)	(9,236)	(521)
Balance at March 31, 2021	148,715	$ 1,485	152,117	$ 1,522	$ 634,484	$ (280,115)	$ (34,361)	$ 43,693	$ 366,708	$ 13,079

	Class A Common Stock		Class B Common Stock							Redeemable Non-Controlling Interests
	Shares	Amount	Shares	Amount	Additional Paid-in Capital	Stockholders' Accumulated Deficit	Accumulated Other Comprehensive Loss	Non-Controlling Interests	Total Equity	
Balance at January 1, 2020	147,070	$ 1,470	152,117	$ 1,522	$ 606,966	$ (377,880)	$ (68)	$ 114,778	$ 346,788	$ —
Net income	—	—	—	—	—	115,067	—	5,362	120,429	1,088
Foreign currency translation adjustment	—	—	—	—	—	—	(2,525)	(2,610)	(5,135)	—
Stock-based compensation	—	—	—	—	4,539	—	—	—	4,539	—
Exercise of stock options	1	—	—	—	5	—	—	—	5	—
Restricted stock unit vesting, net of shares withheld to cover payroll taxes	240	2	—	—	90	—	—	(602)	(510)	—
Unrealized loss on cash flow hedge, net of tax	—	—	—	—	—	—	(30,812)	(31,846)	(62,658)	—
Non-controlling interests from Rondo transaction	—	—	—	—	—	—	—	—	—	11,475
Balance at March 31, 2020	147,311	$ 1,472	152,117	$ 1,522	$ 611,600	$ (262,813)	$ (33,405)	$ 85,082	$ 403,458	$ 12,563

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

Amneal Pharmaceuticals, Inc.
Notes to Consolidated Financial Statements
(unaudited)

1. Nature of Operations

Amneal Pharmaceuticals, Inc. (the "Company") is a pharmaceutical company specializing in developing, manufacturing, marketing and distributing high-value generic and branded specialty pharmaceutical products across a broad array of dosage forms and therapeutic areas. The Company operates principally in the United States, India, and Ireland, and sells to wholesalers, distributors, hospitals, chain pharmacies and individual pharmacies, either directly or indirectly. The Company is a holding company, whose principal assets are common units ("Amneal Common Units") of Amneal Pharmaceuticals, LLC ("Amneal"). On May 4, 2018, Amneal completed the acquisition of Impax Laboratories, Inc. ("Impax"), a generic and specialty pharmaceutical company.

The group, together with their affiliates and certain assignees, who owned Amneal when it was a private company (the "Amneal Group") held 50.6% of Amneal Common Units and the Company held the remaining 49.4% as of March 31, 2021. Although the Company has a minority economic interest in Amneal, it is Amneal's sole managing member, having the sole voting power to make all of Amneal's business decisions and control its management. Therefore, the Company consolidates the financial statements of Amneal and its subsidiaries. The Company records non-controlling interests for the portion of Amneal's economic interests that it does not hold.

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, 2020 included in the Company's 2020 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 March 31, 2021, cash flows for the three months ended March 31, 2021 and 2020 and the results of its operations, its comprehensive income and its changes in stockholders' equity for the three months ended March 31, 2021 and 2020. The consolidated balance sheet data at December 31, 2020 was derived from the Company's audited annual financial statements, but does not include all disclosures required by generally accepted accounting principles 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 2020 Annual Report on Form 10-K. The following significant accounting policy has been updated to include the Company's accounting for foreign currency transactions that are of a long-term investment in nature.

Foreign Currencies

The Company has operations in the U.S., India, Ireland, and other international jurisdictions. Generally, foreign subsidiaries' functional currency is the local currency of operations and the net assets of foreign operations are translated into U.S. dollars using current exchange rates. The U.S. dollar results that arise from such translation, as well as exchange gains and losses on intercompany balances of a long-term investment nature, are included in the foreign currency translation adjustments in accumulated other comprehensive loss.

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, valuation of intangible and other assets acquired in business combinations, allowances for accounts receivable, accrued liabilities, stock-based compensation, valuation of inventory balances, the determination of useful lives for product rights 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.

Recently Issued Accounting Pronouncements

In March 2020, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting*, which provides elective amendments for entities that have contracts, hedging relationships and other transactions that reference LIBOR or another reference rate expected to be discontinued because of reference rate reform. These amendments are effective immediately and may be applied prospectively to contract modifications made and hedging relationships entered into or evaluated on or before December 31, 2022. In January 2021, the FASB issued ASU 2021-01, *Reference Rate Reform (Topic 848)*, to expand and clarify the scope of Topic 848 to include derivative instruments on discounting transactions. The amendments in this ASU are effective in the same timeframe as ASU 2020-04. The Company is currently evaluating the impact this guidance will have on its consolidated financial statements.

Reclassification

Prior period balances related to (i) financing lease right-of-use assets of $10 million formerly included in other assets, (ii) current portion of financing lease liabilities of $2 million formerly included in accounts payable and accrued expenses, and (iii) long-term lease liabilities of $2 million formerly included in other long-term liabilities as of December 31, 2020 have been reclassified to their respective balance sheet captions to conform to the current period presentation in the consolidated balance sheets.

3. Acquisitions and Divestitures

Kashiv Specialty Pharmaceuticals, LLC Acquisition

On January 11, 2021, the Company and Kashiv Biosciences, LLC (a related party, see *Note 16. Related Party Transactions*) ("Kashiv") entered into a definitive agreement for Amneal to acquire a 98% interest in Kashiv Specialty Pharmaceuticals, LLC ("KSP"), a subsidiary of Kashiv focused on the development of innovative drug delivery platforms, novel 505(b)(2) drugs and complex generics. The acquisition was funded with cash on hand and closed on April 2, 2021.

Under the terms of the transaction, which will be accounted for as a business combination, Amneal paid an upfront purchase price of $70 million with cash on hand at the closing, which is subject to certain customary purchase price adjustments, and will make a cash payment of $30 million on January 11, 2022. Kashiv is also eligible to receive up to an additional $8 million in contingent payments upon the achievement of certain regulatory milestones and potential royalty payments from high single-digits to mid double-digits, depending on the net sales amount, of aggregate annual net sales for certain future pharmaceutical products.

Due to the timing of the acquisition, the initial accounting for the acquisition, including the valuation of the intangible assets acquired, is incomplete. As such, the Company is not able to disclose certain information relating to the acquisition including the preliminary fair value of assets acquired and liabilities assumed.

AvKARE and R&S Acquisitions

On December 10, 2019, the Company, through its investment in Rondo Partners, LLC ("Rondo"), entered into an equity purchase and operating agreements to acquire approximately a 65.1% controlling financing interest in both AvKARE Inc., a Tennessee corporation, and Dixon-Shane, LLC d/b/a R&S Northeast LLC, a Kentucky limited liability company ("R&S") (collectively the "Acquisitions"). Prior to closing, AvKARE, Inc. converted to a limited liability company, AvKARE, LLC. AvKARE, LLC is one of the largest private label providers of generic pharmaceuticals in the U.S. federal agency sector, primarily focused on serving the Department of Defense and the Department of Veterans Affairs. R&S is a national pharmaceutical wholesaler focused primarily on offering 340b-qualified entities products to provide consistency in care and pricing.

On January 31, 2020, the Company completed the Acquisitions. The purchase price of $294 million, included cash of $254 million and the issuance of long-term promissory notes to the sellers with an aggregate principal amount of $44 million (estimated fair value of $35 million) (the "Sellers Notes") and a short-term promissory note (the "Short-Term Seller Note") with a principal amount of $1 million to the sellers. The cash purchase price was funded by $76 million of cash on hand and

$178 million of proceeds from a $180 million term loan. The remaining $2 million consisted of working capital costs. The Company is not party to or a guarantor of the term loan, Sellers Notes or Short-Term Sellers Note. For further detail of the purchase price, refer to the table below.

For the three months ended March 31, 2020, there were $1 million of transaction costs associated with the Acquisitions recorded in acquisition, transaction-related and integration expenses (none for the three months ended March 31, 2021).

The Acquisitions were accounted for under the acquisition method of accounting, with Amneal as the accounting acquirer of AvKARE, LLC and R&S.

The purchase price was calculated as follows (in thousands):

Cash	$	254,000
Sellers Notes [1]		35,033
Settlement of Amneal trade accounts receivable from R&S [2]		6,855
Short-Term Seller Note [3]		1,000
Working capital adjustment [4]		(2,640)
Fair value consideration transferred	$	294,248

(1) In accordance with ASC 805, *Business Combinations,* all consideration transferred was measured at its acquisition-date fair value. The Sellers Notes are stated at the fair value estimate of $35 million, which is the $44 million aggregate principal amount less a $9 million discount. The fair value of the Sellers Notes was estimated using the Monte-Carlo simulation approach under the option pricing framework.
(2) Represents trade accounts receivable from R&S that was effectively settled upon closing of the Acquisitions.
(3) Represents the principal amount due on the Short-Term Seller Note, which approximates fair value. The entire Short-Term Seller Note was repaid in February 2021.
(4) Represents a working capital adjustment pursuant to the terms of the purchase agreement. The entire amount was received in cash by the Company in September 2020.

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

		Final Fair Values as of January 31, 2020
Trade accounts receivable, net	$	46,702
Inventories		71,908
Prepaid expenses and other current assets		11,316
Related party receivables		61
Property, plant and equipment		5,278
Goodwill		103,679
Intangible assets, net		130,800
Operating lease right-of-use assets - related party		5,544
Total assets acquired		375,288
Accounts payable and accrued expenses		62,489
Related party payables		1,532
Operating lease liabilities - related party		5,544
Total liabilities assumed		69,565
Redeemable non-controlling interests		11,475
Fair value of consideration transferred	$	294,248

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

	Fair Values	Weighted-Average Useful Life
Government licenses	$ 66,700	7 years
Government contracts	22,000	4 years
National contracts	28,600	5 years
Customer relationships	13,000	10 years
Trade name	500	6 years
	$ 130,800	

The estimated fair value of the government licenses was determined using the "with-and-without method," which is a valuation technique that provides an estimate of the fair value of an intangible asset that is equal to the difference between the present value of the prospective revenues and expenses for the business with and without the subject intangible asset in place. The estimated fair values of the government contracts, national contracts, and customer relationships were determined using the "income approach," which is a valuation technique that provides an estimate of the fair value of an intangible asset based on market participant expectations of the cash flows that an intangible asset would generate over its remaining useful life. The estimated fair value of the trade name was determined using the "relief from royalty method," which is a valuation technique that provides an estimate of the fair value of an intangible asset equal to the present value of the after-tax royalty savings attributable to owning the intangible asset. 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 Acquisitions on January 31, 2020.

Some of the more significant assumptions inherent in the development of those asset valuations included the estimated net cash flows for each year for each asset (including net revenues, cost of sales, 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, competitive trends impacting the asset and each cash flow stream, as well as other factors. The underlying assumptions used to prepare the discounted cash flow analysis may change; accordingly, for these and other reasons, actual results may vary significantly from estimated results.

The Sellers Notes and redeemable non-controlling interests were estimated using the Monte-Carlo simulation approach under the option pricing framework. The non-controlling interests are redeemable at the option of either the non-controlling interest holder and Amneal. The fair value of the redeemable non-controlling interests considers these redemption rights.

Of the $104 million of goodwill acquired in connection with the Acquisitions, approximately $70 million was allocated to the Company's AvKARE segment (refer to *Note 15. Segment Information*) and approximately $34 million was allocated to the Generics segment. Goodwill was allocated to the Generics segment as net revenue of products manufactured from Amneal and distributed by the Acquisitions is reflected in Generics' segment results. Goodwill is calculated as the excess of the fair value of the consideration transferred and the fair value of the redeemable non-controlling interests over the fair value of the net assets recognized. Factors that contributed to the recognition of goodwill include Amneal's intent to diversify its business and open growth opportunities in the large, complex and growing federal healthcare market.

Unaudited Pro Forma Information

The unaudited pro forma combined results of operations for the three months ended March 31, 2020 (assuming the closing of the Acquisitions occurred on January 1, 2020) are as follows (in thousands):

Net revenue	$ 525,303
Net income	$ 122,521
Net income attributable to Amneal Pharmaceuticals, Inc.	$ 115,388

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 Acquisitions taken place on January 1, 2020. Adjustments to arrive at the unaudited pro forma information primarily related to increases in selling, general and administrative expenses for amortization of acquired intangible assets, net of the applicable tax impact.

4. Revenue Recognition

The Company recognizes revenue in accordance with ASC 606, Revenue from Contracts with Customers. Revenue is recognized when the Company transfers control of its products to the customer, which typically occurs at a point-in-time, either upon shipment or delivery. Substantially all of the Company's net revenues relate to products which are transferred to the customer at a point-in-time.

Concentration of Revenue

The Company's three largest customers accounted for approximately 82% and 81% of total gross sales of products for the three months ended March 31, 2021 and 2020, respectively.

Disaggregated Revenue

The Company's significant therapeutic classes for its Generics and Specialty segments and sales channels for its AvKARE segment, as determined based on net revenue for each of the three months ended March 31, 2021 and 2020 are set forth below (in thousands):

		Three Months Ended March 31,	
		2021	**2020**
Generics			
	Anti-Infective	$ 5,913	$ 13,253
	Hormonal	106,703	87,481
	Antiviral [(1)]	(7,941)	15,824
	Central Nervous System	96,291	101,575
	Cardiovascular System	35,311	29,679
	Gastroenterology	19,458	23,536
	Oncology	19,030	15,966
	Metabolic Disease/Endocrine	6,557	17,229
	Respiratory	8,178	10,067
	Dermatology	12,878	15,245
	Other therapeutic classes	9,731	21,746
	International and other	399	985
	Total Generics net revenue	312,508	352,586
Specialty			
	Hormonal/Metabolic	16,796	14,227
	Central Nervous System	67,711	68,311
	Other therapeutic classes	11,424	5,439
	Total Specialty net revenue	95,931	87,977
AvKARE [(2)]			
	Distribution	45,499	31,586
	Government Label	31,072	21,378
	Institutional	5,179	3,413
	Other	2,916	1,593
	Total AvKARE net revenue	84,666	57,970
	Total net revenue	$ 493,105	$ 498,533

[(1)] Antiviral revenue for the three months ended March 31, 2021 decreased from the prior year, primarily due to a $23 million decline in Oseltamivir (generic Tamiflu®) sales from lower demand and increased returns activity above historical levels due to decreased influenza activity during the COVID-19 pandemic.

[(2)] The AvKARE segment consists of the businesses acquired in the Acquisitions on January 31, 2020. Net revenue for the three months ended March 31, 2020 represent two months of activity.

A rollforward of the major categories of sales-related deductions for the three months ended March 31, 2021 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, 2020	$ 628,804	$ 22,690	$ 174,984	$ 131,088
Provision related to sales recorded in the period	727,258	25,048	24,786	28,770
Credits/payments issued during the period	(838,304)	(25,402)	(25,758)	(26,852)
Balance at March 31, 2021	$ 517,758	$ 22,336	$ 174,012	$ 133,006

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.

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, 2021. 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. The PREA Study was completed during March 2021.

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 $3 million and $4 million for the three months ended March 31, 2021 and 2020, respectively.

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 licensing agreement was subsequently amended on March 4, 2021 and the supply agreement was subsequently amended on March 2, 2021.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 $78 million. For the three months ended March 31, 2021, the Company recognized $2 million of research and development expense related to the agreement (none for the three months ended March 31, 2020).

Agreements with Kashiv Biosciences, LLC

For detail on the Company's related party agreements with Kashiv Biosciences, LLC, refer to *Note 16. Related Party Transactions*.

6. Restructuring and Other Charges

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 as revised, the Company expects to reduce its headcount over the course of this multi-year program by approximately 300 to 350 employees through December 31, 2021, primarily by closing its manufacturing facility located in Hauppauge, NY. Through March 31, 2021, the Company had reduced headcount by 280 employees under this plan.

For the three months ended March 31, 2021, there were no employee restructuring separation charges. For the three months ended March 31, 2020, employee restructuring charges were immaterial. The total employee separation-related liability as of both March 31, 2021 and December 31, 2020 was $1.6 million and included within accounts payable and accrued expenses. There were no payments made or adjustments to the liability during the three months ended March 31, 2021.

Other employee severance charges were $0.4 million and $2 million during the three months ended March 31, 2021 and 2020, respectively. Severance charges primarily consisted of the cost of benefits provided pursuant to our severance programs for former senior executives and management employees.

7. Earnings per Share

Basic earnings per share of the Company's class A common stock is computed by dividing net income attributable to Amneal Pharmaceuticals, Inc. by the weighted-average number of shares of class A common stock outstanding during the period. Diluted earnings per share of class A common stock is computed by dividing net income attributable to Amneal Pharmaceuticals, Inc. by the weighted-average number of shares of class A 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 earnings per share of class A common stock (in thousands, except per share amounts):

	Three Months Ended March 31,	
	2021	**2020**
Numerator:		
Net income attributable to Amneal Pharmaceuticals, Inc.	$ 6,706	$ 115,067
Denominator:		
Weighted-average shares outstanding - basic	148,013	147,180
Effect of dilutive securities:		
Stock options	792	230
Restricted stock units	2,415	546
Weighted-average shares outstanding - diluted	151,220	147,956
Net earnings per share attributable to Amneal Pharmaceuticals, Inc.'s class A common stockholders:		
Basic	$ 0.05	$ 0.78
Diluted	$ 0.04	$ 0.78

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 (in thousands):

	Three Months Ended March 31,	
	2021	2020
Stock options	347 (1)	683 (1)
Performance stock units	5,124 (2)	3,054 (2)
Shares of class B common stock	152,117 (3)	152,117 (3)

(1) Excluded from the computation of diluted earnings per share of class A common stock because the exercise price of the stock options exceeded the average market price of the class A common stock during the period (out-of-the-money).

(2) Excluded from the computation of diluted earnings per share of class A common stock because the performance vesting conditions were not met for the three months ended March 31, 2021 and 2020.

(3) Shares of class B common stock are considered potentially dilutive shares of class A common stock. Shares of class B common stock have been excluded from the computations of diluted earnings per common share because the effect of their inclusion would have been anti-dilutive under the if-converted method.

8. Income Taxes

For the three months ended March 31, 2021 and 2020, the Company's provision for (benefit from) income taxes and effective tax rates were $0.4 million and 2.4% and $(108) million and (810.6)%, respectively. The benefit from income taxes for the three months ended March 31, 2020 was primarily impacted by a $110 million discrete income tax benefit from the carryback of U.S. Federal Net Operating Loss ("NOL") deferred tax assets ("DTAs") under the Coronavirus Aid, Relief and Economic Security Act (the "CARES Act").

As of September 30, 2019, the Company established a valuation allowance based upon all available objective and verifiable evidence both positive and negative, including historical levels of pre-tax income (loss) both on a consolidated basis and tax reporting entity basis, legislative developments, expectations and risks associated with estimates of future pre-tax income, and prudent and feasible tax planning strategies. The Company estimated that as of September 30, 2019 it had generated a cumulative consolidated three-year pre-tax loss, which continued as of December 31, 2020. As a result of the initial September 30, 2019 and December 31, 2020 analyses, the Company determined that it remained more likely than not that it would not realize the benefits of its gross DTAs and therefore maintained its valuation allowance. As of December 31, 2020, this valuation allowance was $423 million, and it reduced the carrying value of these gross DTAs, net of the impact of the reversal of taxable temporary differences, to zero. As of March 31, 2021, based on its evaluation of available positive and negative evidence, the Company has maintained its position with respect to the valuation allowance.

On March 27, 2020, President Trump signed into law the CARES Act. The CARES Act is an emergency economic stimulus package in response to the COVID-19 pandemic which, among other things, includes provisions relating to income and non-income-based tax laws. Some of the key income tax-related provisions include net operating loss carryback periods, alternative minimum tax credit refunds, modifications to the net interest deduction limitations and technical corrections to tax depreciation methods for qualified improvement property. Some of these tax provisions are effective retroactively for years ending before the date of enactment. Other non-income-based tax provisions include deferral of the employer share of Social Security payroll taxes due from the CARES Act date of enactment through December 31, 2021, and a potential 50% credit on qualified wages against employment taxes each quarter with any excess credits eligible for refunds.

The CARES Act permits NOL carryovers and carrybacks to offset 100% of taxable income for taxable years beginning before 2021. In addition, the CARES Act allows NOLs originating in 2018, 2019, and 2020 to be carried back to each of the five preceding taxable years to generate refunds of previously paid income taxes. As a result of the CARES Act, the Company carried back approximately $345 million in NOLs generated in 2018 to prior taxable income years.

ASC 740, *Income Taxes*, requires the effect from adjusting deferred tax assets or changes to valuation allowances due to the CARES Act to be recognized as a component of income taxes expense or benefit in the interim period that includes the period in which the legislation is enacted (quarter ended March 31, 2020), and it cannot be allocated to subsequent interim periods by an adjustment of the estimated annual effective tax rate. In the three months ended March 31, 2020, the Company reclassified the 2018 NOL carryback amount for previously paid income taxes to income tax receivable and reversed the corresponding valuation allowance. In carrying back the 2018 loss to an earlier year, the Company is able to benefit the losses at a 35% tax rate rather than the current U.S. corporate tax rate of 21%. Accordingly, the Company recorded a discrete income tax benefit of $110 million, for the three months ended March 31, 2020. During July 2020, the Company received a cash refund for $106 million of the $110 million NOL carryback, plus interest of approximately $4 million. During February 2021, the Company received an additional cash refund for $2 million, plus interest, with the remainder of the NOL carryback expected to be received before December 31, 2021.

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. In conjunction with the valuation allowance recorded on the DTAs at September 30, 2019, the Company reversed the TRA liability.

The projection of future taxable income involves significant judgment. Actual taxable income may differ from the Company's estimates, which could significantly impact the timing of the recognition of the contingent liability under the TRA. As noted above, the Company has determined it is more-likely-than-not it will be unable to utilize all of its DTAs subject to the TRA; therefore, as of March 31, 2021, the Company has not recognized the contingent liability under the TRA related to the tax savings it may realize from common units sold or exchanged. If utilization of these DTAs becomes more likely than not in the future, at such time, Amneal will recognize a liability under the TRA as a result of basis adjustments under Internal Revenue Code Section 754. As of both March 31, 2021 and December 31, 2020, the contingent liability, if recognized, amounts to $206 million.

The timing and amount of any payments under the TRA may vary depending upon a number of factors, including the timing and number of Amneal common units sold or exchanged for the Company's Class A Common Stock, the price of the Company's Class A Common Stock on the date of sale or exchange, the timing and amount of the Company's taxable income, and the tax rate in effect at the time of realization of the Company's taxable income (the TRA liability is determined based on a percentage of the corporate tax savings from the use of the TRA's attributes). Further sales or exchanges occurring subsequent to March 31, 2021 could result in future Amneal tax deductions and obligations to pay 85% of such benefits to the holders of Amneal common units. These obligations could be incremental to and substantially larger than the approximate $206 million contingent liability as of March 31, 2021 described above. Under certain conditions, such as a change of control or other early termination event, the Company could be obligated to make TRA payments in advance of tax benefits being realized. Payments could also be in excess of the tax savings that we ultimately realize.

Any future recognition of these TRA liabilities will be recorded through charges in the Company's consolidated statements of operations. However, if the tax attributes are not utilized in future years, it is reasonably possible no amounts would be paid under the TRA. Should the Company determine that a DTA with a valuation allowance is realizable in a subsequent period, the related valuation allowance will be released and if a resulting TRA payment is determined to be probable, a corresponding TRA liability will be recorded.

9. Trade Accounts Receivable, Net

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

	March 31, 2021	December 31, 2020
Gross accounts receivable	$ 1,072,138	$ 1,291,785
Allowance for credit losses	(1,444)	(1,396)
Contract charge-backs and sales volume allowances	(517,758)	(628,804)
Cash discount allowances	(22,336)	(22,690)
Subtotal	(541,538)	(652,890)
Trade accounts receivable, net	$ 530,600	$ 638,895

Receivables from customers representing 10% or more of the Company's gross trade accounts receivable reflected three customers at March 31, 2021, equal to 34%, 28%, and 22%, respectively.

Receivables from customers representing 10% or more of the Company's gross trade accounts receivable reflected three customers at December 31, 2020, equal to 39%, 26%, and 20%, respectively.

10. Inventories

Inventories are comprised of the following (in thousands):

	March 31, 2021	December 31, 2020
Raw materials	$ 205,874	$ 209,180
Work in process	51,633	40,937
Finished goods	239,501	240,532
Total inventories	$ 497,008	$ 490,649

11. Fair Value Measurements

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 March 31, 2021 and December 31, 2020 (in thousands):

March 31, 2021	Total	Fair Value Measurement Based on Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Liabilities				
Interest rate swap [1]	$ 33,131	$ —	$ 33,131	$ —
Deferred compensation plan liabilities [2]	$ 14,500	$ —	$ 14,500	$ —
December 31, 2020				
Liabilities				
Interest rate swap [1]	$ 53,903	—	$ 53,903	—
Deferred compensation plan liabilities [2]	$ 14,007	—	$ 14,007	—

(1) The fair value measurement of the Company's interest rate swap classified within Level 2 of the fair value hierarchy is a model-derived valuation as of a given date in which all significant inputs are observable in active markets including certain financial information and certain assumptions regarding past, present, and future market conditions. Refer to N*ote 12. Financial Instruments* for information on the Company's interest rate swap.

(2) As of March 31, 2021, deferred compensation plan liabilities of $2 million and $13 million were recorded in current and non-current liabilities, respectively. As of December 31, 2020, deferred compensation plan liabilities of $2 million and $12 million were recorded in current and non-current liabilities, respectively. These liabilities 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.

There were no transfers between levels in the fair value hierarchy during the three months ended March 31, 2021.

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 Company's outstanding 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 as of both March 31, 2021 and December 31, 2020 was approximately $2.6 billion.

The Rondo Term Loan entered into on January 31, 2020 falls into the Level 2 category within the fair value level hierarchy. The fair value of the Rondo Term Loan at March 31, 2021 and December 31, 2020 was approximately $170 million and $172 million, respectively.

The Sellers Notes falls into the Level 2 category within the fair value level hierarchy. The carrying value of the Sellers Notes at March 31, 2021 and December 31, 2020 was $37 million and $36 million, respectively, which approximate their fair values.

Refer to *Note 17. Debt* in our 2020 Annual Report on Form 10-K for detailed information about our indebtedness, including definitions of terms.

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

There were no non-recurring fair value measurements during the three months ended March 31, 2021 and 2020.

12. Financial Instruments

The Company uses an interest rate swap to manage its exposure to market risks for changes in interest rates.

Interest Rate Risk

The Company is exposed to interest rate risk on its debt obligations. The Company's debt obligations consist of variable-rate and fixed-rate debt instruments. The Company's primary objective is to achieve the lowest overall cost of funding while managing the variability in cash outflows within an acceptable range. In order to achieve this objective, the Company has entered into an interest rate swap on the Term Loan.

Interest income earned on cash and cash equivalents may fluctuate as interest rates change; however, due to their relatively short maturities, the Company does not hedge these assets or their investment cash flows because the impact of interest rate risk is not material.

Interest Rate Derivative – Cash Flow Hedge

The interest rate swap involves the periodic exchange of payments without the exchange of underlying principal or notional amounts. In October 2019, the Company entered into an interest rate lock agreement for a total notional amount of $1.3 billion to hedge part of the Company's interest rate exposure associated with the variability in future cash flows from changes in the one-month LIBOR associated with its Term Loan.

As of March 31, 2021, the total loss, net of income taxes, related to the Company's cash flow hedge was $33 million, of which $16 million was recognized in accumulated other comprehensive loss and $17 million was recognized in non-controlling interests.

A summary of the fair values of derivative instruments in the consolidated balance sheets was as follows (in thousands):

	March 31, 2021		December 31, 2020	
Derivatives Designated as Hedging Instruments	**Balance Sheet Classification**	**Fair Value**	**Balance Sheet Classification**	**Fair Value**
Variable-to-fixed interest rate swap	Other long-term liabilities	$ 33,131	Other long-term liabilities	$ 53,903

13. Goodwill and Intangible Assets

The changes in goodwill for the three months ended March 31, 2021 and for the year ended December 31, 2020 were as follows (in thousands):

	March 31, 2021	December 31, 2020
Balance, beginning of period	$ 522,814	$ 419,504
Goodwill acquired during the period	—	103,679
Currency translation	(56)	(369)
Balance, end of period	$ 522,758	$ 522,814

As of both March 31, 2021 and December 31, 2020, $361 million, $92 million, and $70 million of goodwill was allocated to the Specialty, Generics, and AvKARE segments, respectively. Refer to *Note 3. Acquisitions and Divestitures* for additional information about the Acquisitions.

Intangible assets at March 31, 2021 and December 31, 2020 were comprised of the following (in thousands):

	March 31, 2021				December 31, 2020			
	Weighted-Average Amortization Period (in years)	Cost	Accumulated Amortization	Net	Cost	Accumulated Amortization	Net
Amortizing intangible assets:							
Product rights	8.8	$ 1,149,245	$ (360,174)	$ 789,071	$ 1,153,096	$ (328,587)	$ 824,509
Other intangible assets	5.5	133,800	(39,312)	94,488	133,800	(33,078)	100,722
Subtotal		$ 1,283,045	$ (399,486)	$ 883,559	$ 1,286,896	$ (361,665)	$ 925,231
In-process research and development		379,395	—	379,395	379,395	—	379,395
Total intangible assets		$ 1,662,440	$ (399,486)	$ 1,262,954	$ 1,666,291	$ (361,665)	$ 1,304,626

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 March 31, 2021, the Company did not recognize any intangible asset impairment charges.

The impairment charges for the three months ended March 31, 2020 were primarily related to two currently marketed products and two in-process research and development ("IPR&D") products. For the currently marketed products, two products experienced significant price erosion during 2020, without an offsetting increase in customer demand, resulting in significantly lower than expected future cash flows and negative margins. The IPR&D charges are associated with two products, one of which experienced a delay in its estimated launch date and the other of which was canceled due to the withdrawal of our development partner.

During the three months ended March 31, 2020, the Company recognized $131 million of intangible assets associated with the Acquisitions, of which all are classified in other intangible assets in the table above. These intangible assets consist of government licenses, government contracts, national contracts, customer relationships and a trade name and are amortized to selling, general, and administrative over their estimated useful lives. 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 March 31,	
	2021	2020
Amortization	$ 41,672	$ 42,576

The following table presents future amortization expense for the next five years and thereafter, excluding $379 million of IPR&D intangible assets (in thousands):

	Future Amortization
Remainder of 2021	$ 125,091
2022	155,162
2023	143,395
2024	136,910
2025	97,937
Thereafter	225,064
Total	$ 883,559

14. 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. Certain of these arrangements are with related parties (refer to *Note 16. Related Party Transactions).*

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. Additionally, 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. When the Company has a probable loss for which a reasonable estimate of the liability is a range of losses and no amount within that range is a better estimate than any other amount, the Company records the loss at the low end of the range. 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 unable at this time to estimate the possible loss or the range of loss, if any, associated with such legal proceedings and claims.

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. For the three months ended March 31, 2020, the Company recorded net charges of $5 million (none for the three months ended March 31, 2021) for commercial legal proceedings and claims. The Company had total liabilities for legal proceedings as of both March 31, 2021 and December 31, 2020 of $11 million. The ultimate resolution of any or all claims, legal proceedings or investigations could differ materially from our estimate and have a material adverse effect on the Company's results of operations and/or cash flows 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.

The Company believes it has meritorious claims and defenses in these matters and intends to vigorously prosecute and defend them. However, because the ultimate outcome and costs associated with litigation are inherently uncertain and difficult to predict, except as otherwise stated, 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, and 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.

Medicaid Reimbursement and Price Reporting Matters

The Company is required to provide pricing information to state agencies, including 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. Other agencies have alleged that manufacturers have failed to timely file required

reports concerning pricing information. Reserves are periodically established by the Company for any potential claims or settlements of overpayment. The Company intends to vigorously defend against any such claims. 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 Generics 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 Matter

Biogen International GMBH, et al. v. Amneal Pharmaceuticals LLC, et al. (Dimethyl Fumarate)

In June 2017, Biogen International GMBH ("Biogen") filed suit against Amneal and various other generic manufacturers in the United States District Court for the District of Delaware ("D. Del.") alleging patent infringement based on the filing of ANDAs by Amneal and others for generic alternatives to Biogen's Tecfidera® (dimethyl fumarate) capsules product (Biogen International GMBH, et al. v. Amneal Pharmaceuticals LLC, et al., No. 1:17-cv-00823-MN). Biogen also filed suit in June 2017 against Mylan Pharmaceuticals Inc. ("Mylan") in the United States District Court for the Northern District of West Virginia ("N.D. W. Va.") relating to Mylan's own ANDA for Tecfidera®. On June 18, 2020, the N.D. W. Va. court issued an order finding the sole Biogen patent at issue invalid. Biogen has appealed the order to the United States Court of Appeals for the Federal Circuit. On September 22, 2020, the D. Del. court entered judgment in favor of defendants (including Amneal), adopting the finding of invalidity made by the N.D. W. Va. court but ordering that claims could be reinstated based on the result of the appeal of the N.D. W. Va. court's order. Amneal, like Mylan and a number of other generic manufacturers, has now launched its generic dimethyl fumarate capsules product "at-risk," pending the outcome of Biogen's appeal of the N.D. W. Va. court's order before the Federal Circuit.

Other Litigation Related to the Company's Business

Opana ER® FTC Matters

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 settlement agreement that resolved patent litigation in connection with the submission of Impax's ANDA for generic original Opana® ER. In October 2016, the Court granted Impax's motion to sever, formally terminating the suit against Impax. In January 2017, the FTC filed a Part 3 Administrative Complaint against Impax with similar allegations regarding the 2010 settlement. Following trial, in May 2018, the Administrative Law Judge ruled in favor of Impax and dismissed the Complaint in its entirety. In March 2019, the FTC issued an Opinion & Order reversing the Administrative Law Judge's decision, and in June 2019, Impax filed a Petition for Review of the FTC's Opinion & Order with the United States Court of Appeals for the Fifth Circuit. The Opinion & Order did not contain any monetary damages but enjoined Impax from entering into similar future agreements. On April 13, 2021, the Fifth Circuit issued a decision affirming the FTC's Opinion & Order.

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 subsequent patent infringement and breach of contract dispute between the parties regarding the above-referenced June 2010 settlement agreement related to Opana® ER. The Company cooperated with the FTC regarding the CID. On January 25, 2021, the FTC filed a complaint against Endo, Impax and Amneal in the United States District Court for the District of Columbia, alleging that the 2017 settlement violated antitrust laws. Impax and Amneal believe that they have strong defenses to the FTC's allegations and intend to vigorously defend the action.

Opana ER® Antitrust Litigation

From June 2014 to April 2015, a number of complaints styled as class actions on behalf of direct purchasers and indirect purchasers (or end-payors) and several separate individual complaints on behalf of certain direct purchasers (the "opt-out plaintiffs") of Opana ER® were filed against Endo 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.

In December 2014, the United States Judicial Panel on Multidistrict Litigation (the "JPML") transferred the actions 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).

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. On March 25, 2019, plaintiffs filed motions for class certification and served expert reports. Defendants' oppositions to class certification and expert reports were filed and served on August 29, 2019. On February 5, 2020, the court entered a case schedule setting a trial date of March 15, 2021, which subsequently was re-set for November 1, 2021. On April 15, 2020, defendants filed motions for summary judgment and each side moved to exclude certain opposing experts. These various motions remain pending.

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

On July 14, 2014, Impax received a 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 concerned whether anyone engaged in a contract, combination or conspiracy in restraint of trade or commerce which had the effect of (i) fixing, controlling or maintaining prices or (ii) allocating or dividing customers or territories relating to the sale of digoxin. Impax cooperated in the investigation and produced documents and information in response to the Subpoena in 2014 and 2015. 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"). 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 four generic prescription medications. Impax has cooperated in the investigation and produced documents and information in response to the subpoenas from 2014 to 2016. 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 interactions with other generic pharmaceutical manufacturers regarding whether generic pharmaceutical manufacturers engaged in market allocation and price-fixing agreements, paid illegal remuneration, and caused false claims to be submitted to the Federal government. Impax has cooperated with the Civil Division's investigation. However, no assurance can be given as to the timing or outcome of the investigation.

In Re Generic Pharmaceuticals Pricing Antitrust Litigation

Since March 2016, multiple putative antitrust class action complaints have been filed on behalf of direct purchasers, indirect purchasers (or end-payors), and indirect resellers, as well as individual complaints on behalf of certain direct and indirect purchasers, and municipalities (the "opt-out plaintiffs") against manufacturers of generic drugs, including Impax and the Company. The complaints allege a conspiracy to fix, maintain, stabilize, and/or raise prices, rig bids, and allocate markets or customers for various generic drugs in violation of federal and state antitrust and consumer protection laws. Plaintiffs seek unspecified monetary damages and equitable relief, including disgorgement and restitution. The lawsuits have been consolidated in an MDL in the United States District Court for the Eastern District of Pennsylvania (*In re Generic Pharmaceuticals Pricing Antitrust Litigation,* No. 2724, (E.D. Pa.)).

On May 10, 2019, Attorneys General of 43 States and the Commonwealth of Puerto Rico filed a complaint in the United States District Court for the District of Connecticut against various manufacturers and individuals, including the Company, alleging a conspiracy to fix, maintain, stabilize, and/or raise prices, rig bids, and allocate markets or customers for multiple generic drugs. On November 1, 2019, the State Attorneys General filed an Amended Complaint on behalf of nine additional states and territories. On June 10, 2020, Attorneys General of 46 States, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, the Territory of Guam, the U.S. Virgin Islands, and the District of Columbia filed a new complaint against various manufacturers and individuals, including the Company, alleging a conspiracy to fix prices, rig bids, and allocate markets or customers for additional generic drugs. Plaintiff States seek unspecified monetary damages and penalties and equitable relief, including disgorgement and restitution. These lawsuits have been incorporated into MDL No. 2724.

Fact and document discovery in MDL No. 2724 are proceeding. In July 2020, the Court ordered certain plaintiffs' complaints regarding three generic drug products to proceed as bellwether cases, along with the Plaintiff States' November 2019 amended complaint. In February 2021, the Court vacated the prior order regarding bellwether cases. Revised bellwether cases are under consideration and no scheduling order has yet been issued for this matter.

Prescription Opioid Litigation

The Company and certain of its affiliates have been named as defendants in various matters filed in state and federal courts relating to the sale of prescription opioid pain relievers. Plaintiffs in these actions include state Attorneys General, county and municipal governments, hospitals, Indian tribes, pension funds, third-party payors and individuals. Plaintiffs seek unspecified monetary damages and other forms of relief based on various causes of action, including negligence, public nuisance, unjust enrichment, and civil conspiracy, as well as alleged violations of the Racketeer Influenced and Corrupt Organizations Act ("RICO"), state and federal controlled substances laws and other statutes. All cases involving the Company also name other manufacturers, distributors and retail pharmacies as defendants, and there are numerous other cases involving allegations relating to prescription opioid pain relievers against other manufacturers, distributors and retail pharmacies in which the Company and its affiliates are not named.

Nearly all cases pending in federal district courts have been consolidated for pre-trial proceedings in an MDL in the United States District Court for the Northern District of Ohio (In re: National Prescription Opiate Litigation, Case No. 17-mdl-2804). There are approximately 880 cases in the MDL in which the Company or its affiliates have been named as defendants. The Company also is named in approximately 120 state court cases pending in 11 states. The Company has filed motions to dismiss

in many of these cases. No trial dates have been set except in New Mexico (September 2022), Alabama (July 2022) and West Virginia (November 2021); it is not known at this time if the Company will be involved in the West Virginia case trial.

Securities Class Actions

On April 17, 2017, New York Hotel Trades Council & Hotel Association of New York City, Inc. Pension Fund filed an amended putative class action complaint in the United States District Court for the Northern District of California against Impax and four former Impax officers alleging violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 and Rule 10b-5 (*Fleming v. Impax Laboratories Inc*., et al., No. 4:16-cv-6557-HSG). Plaintiff alleges that Impax (1) concealed collusion with a competitor to fix the price of the generic drug digoxin; (2) concealed anticipated erosion in the price of generic drug diclofenac; and (3) overstated the value of the generic drug budesonide. In August 2019, the Court granted Impax's motion to dismiss Plaintiff's subsequent second amended complaint in its entirety. Plaintiff appealed to the United States Court of Appeals for the Ninth Circuit, and on January 11, 2021, the Ninth Circuit issued an unpublished opinion affirming in part and reversing in part the District Court's decision. Impax subsequently filed a motion for rehearing with the Ninth Circuit, and Plaintiff filed a motion to intervene seeking to add Sheet Metal Workers' Pension Fund of Southern California, Arizona and Nevada ("Sheet Metal Workers") as an additional named Plaintiff The Ninth Circuit denied the motions, and on April 1, 2021, the case was remanded to the District Court. On April 19, 2021, the Company filed a motion to dismiss the remaining claims and an opposition to Sheet Metal Workers' renewed motion to intervene.

On December 18, 2019, Cambridge Retirement System filed a putative class action complaint in the Superior Court of New Jersey, Somerset County against the Company and certain current or former officers alleging violations of Sections 11, 12(a)(2) and 15 of the Securities Act of 1933 (*Cambridge Retirement System v. Amneal Pharmaceuticals, Inc., et al.*, No. SOM-L-1701-19). Plaintiffs allege that the May 7, 2018 amended registration statement and prospectus issued in connection with the Amneal/Impax business combination was materially false and/or misleading because it failed to disclose that Amneal allegedly engaged in anticompetitive conduct to fix generic drug prices. Plaintiff filed a motion for class certification on October 30, 2020, and in response to Amneal's opposition, Plaintiffs amended their complaint to include similar allegations with regard to a November, 2017 registration statement issued by an Impax-related entity. The Court has set a briefing schedule for Amneal's motion to dismiss the Amended Complaint.

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. On or about April 12, 2019 and May 28, 2019, the Company received grand jury subpoenas from the U.S. Attorney's Office for the Eastern District of New York (the "USAO") relating to similar topics concerning the Company's suspicious order monitoring program and its compliance with the Controlled Substances Act. The Company is cooperating with the USAO in responding to the subpoenas and has entered tolling agreements with the USAO through approximately May 12, 2021. It is not possible to determine the exact outcome of these investigations at this time.

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.

Ranitidine Litigation

The Company and its affiliates have been named as defendants, along with numerous other pharmaceutical manufacturers, wholesale distributors, and retail pharmacy chains, in In re Zantac/Ranitidine NDMA Litigation (MDL No. 2924), pending in the Southern District of Florida. Plaintiffs allege that defendants failed to disclose and/or concealed the alleged inherent presence of N-Nitrosodimethylamine (or "NDMA") in brand-name Zantac® or generic ranitidine and the alleged associated risk of cancer. Consolidated groups of (a) personal injury plaintiffs, (b) economic loss/medical monitoring class action plaintiffs, and (c) third-party payor plaintiffs have each filed master complaints against brand and generic pharmaceutical manufacturers, distributors, retailers, and repackagers of ranitidine-containing products. The Company or its affiliates have been named in the three master complaints and approximately 190 personal injury short form complaints. On December 31, 2020, the Court dismissed in full the three master complaints against the generic manufacturers, including the Company and its affiliates, with leave to file amended complaints on certain claims relating to manufacturing, storage and transportation. Plaintiffs filed amended complaints on February 8 and February 22, 2021, and Defendants have filed various motions to dismiss the amended complaints. Discovery remains ongoing.

On November 12, 2020, Amneal Pharmaceuticals LLC was named in a lawsuit filed in state court in Baltimore, Maryland, on behalf of the Mayor and City Council of Baltimore, alleging claims of public nuisance, negligence, and violations of state consumer protection laws against brand and generic manufacturers and store-brand distributors of Zantac®/ranitidine. Plaintiffs seek unspecified compensatory and punitive damages, as well as civil penalties and injunctive relief. Defendants removed the case to federal court, and on January 6, 2021, a conditional transfer order to the MDL was issued. On April 2, 2021, the MDL Court remanded the case to state court. On February 5, 2021, the MDL similarly remanded a New Mexico state case that also had been removed to federal court.

Metformin Litigation

Amneal and AvKARE, Inc. were named as defendants, along with numerous other manufacturers, retail pharmacies, and wholesalers, in several putative class action lawsuits pending in the United States District Court for the District of New Jersey ("D.N.J."), consolidated as In Re Metformin Marketing and Sales Practices Litigation (No. 2:20-cv-02324-MCA-MAH). The lawsuits all allege that defendants made and sold to putative class members generic metformin products that were "adulterated" or "contaminated" with NDMA.

An economic loss complaint filed on behalf of consumers and third-party payors who purchased or paid or made reimbursements for metformin alleges that plaintiffs suffered economic losses in connection with their purchases or reimbursements due to the purported contamination. Medical monitoring class action complaints filed on behalf of consumers who consumed allegedly contaminated metformin allege "cellular damage, genetic harm, and/or are at an increased risk of developing cancer", and seek medical monitoring, including evaluation and treatment.

Xyrem® (sodium oxybate) Antitrust Litigation

Amneal has been named as a defendant, along with Jazz Pharmaceuticals, Inc. ("Jazz") and numerous other manufacturers of generic versions of Jazz's Xyrem® (sodium oxybate), in several putative class action lawsuits filed in the United States District Court for the Northern District of California and the United States District Court for the Southern District of New York, alleging that the generic manufacturers entered into anticompetitive agreements with Jazz in connection with settling patent litigation related to Xyrem®. Plaintiffs seek unspecified monetary damages and penalties as well as equitable relief, including disgorgement and restitution. On December 16, 2020, the JPML transferred the actions to the United States District Court for the Northern District of California for consolidated pretrial proceedings. On April 22, 2021, Defendants moved to dismiss Plaintiffs' claims.

15. Segment Information

The Company has three reportable segments: Generics, Specialty, and AvKARE.

Generics

Generics develops, manufactures and commercializes complex oral solids, injectables, ophthalmics, liquids, topicals, softgels, inhalation products and transdermals across a broad range of therapeutic categories. Generics' retail and institutional portfolio contains approximately 250 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

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.

AvKARE

AvKARE provides pharmaceuticals, medical and surgical products and services primarily to governmental agencies, primarily focused on serving the Department of Defense and the Department of Veterans Affairs. AvKARE is also a wholesale distributor of bottle and unit dose pharmaceuticals under the registered names of AvKARE and AvPAK, as well as medical and surgical products. AvKARE is also a packager and wholesale distributor of pharmaceuticals and vitamins to its retail and

institutional customers who are located throughout the United States focused primarily on offering 340b-qualified entities products to provide consistency in care and pricing.

The Company's chief operating decision maker evaluates the financial performance of the Company's segments based upon segment operating income (loss). Items below operating income (loss) 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 (loss) including gross profit less direct selling, general and administrative expenses, research and development expenses, and other operating expenses to the extent specifically identified by segment (in thousands):

Three Months Ended March 31, 2021	Generics [1]	Specialty	AvKARE [1]	Corporate and Other	Total Company
Net revenue	$ 312,508	$ 95,931	$ 84,666	$ —	$ 493,105
Cost of goods sold	185,298	48,198	68,047	—	301,543
Gross profit	127,210	47,733	16,619	—	191,562
Selling, general and administrative	18,762	19,881	13,704	38,379	90,726
Research and development	36,117	12,065	—	—	48,182
Intellectual property legal development expenses	3,582	—	—	—	3,582
Acquisition, transaction-related and integration expenses	—	—	931	1,871	2,802
Restructuring and other charges	80	—	—	283	363
Operating income (loss)	$ 68,669	$ 15,787	$ 1,984	$ (40,533)	$ 45,907

Three Months Ended March 31, 2020	Generics [1]	Specialty	AvKARE [1,2]	Corporate and Other	Total Company
Net revenue	$ 352,586	$ 87,977	$ 57,970	$ —	$ 498,533
Cost of goods sold	218,865	47,818	46,895	—	313,578
Cost of goods sold impairment charges	1,456	—		—	1,456
Gross profit	132,265	40,159	11,075	—	183,499
Selling, general and administrative	16,623	20,942	10,788	29,623	77,976
Research and development	29,034	7,345	—	—	36,379
In-process research and development impairment charges	960	—	—	—	960
Intellectual property legal development expenses	1,265	5	—	—	1,270
Acquisition, transaction-related and integration expenses	—	—	—	2,575	2,575
Charges related to legal matters, net	2,500	2,000	—	—	4,500
Restructuring and other charges	46	—	—	2,002	2,048
Operating income (loss)	$ 81,837	$ 9,867	$ 287	$ (34,200)	$ 57,791

(1) Operating results for the sale of Amneal products by AvKARE are included in Generics.

(2) The AvKARE segment consists of the businesses acquired in the Acquisitions on January 31, 2020. Operating results for the three months ended March 31, 2020 represent two months of activity.

16. 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 - Related Party

The Company has a financing lease for two buildings located in Long Island, New York, which are used as an integrated manufacturing and office facility. The Company leased these buildings from LAX Hotel, LLC from 2012 until January 2021. During 2020, LAX Hotel, LLC was controlled by a member of the Amneal Group, who also serves as observer on the Company's Board of Directors. As a result, this lease had been historically accounted for as a related party financing lease.

During January 2021, LAX Hotel, LLC sold its interests in the leased buildings to an unrelated third party. Therefore, this lease is no longer a related party transaction, and the corresponding financing lease right-of-use asset and liability have been reclassified in the consolidated balance sheet as of March 31, 2021 to reflect this change. For the three months ended March 31, 2021, lease costs and interest expense related to this lease were $0.2 million and $0.4 million, respectively. For the three months ended March 31, 2020, lease costs and interest expense were each approximately $1 million.

For annual payments required under the terms of the non-cancelable lease agreement over the next five years and thereafter, refer to *Note 12. Leases* in the Company’s 2020 Annual Report on Form 10-K.

Kanan, LLC

Kanan, LLC ("Kanan") is a 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. Certain executive officers of the Company beneficially own, through certain revocable trusts, equity securities of Kanan. In addition, they serve on the management team of Kanan. 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 Kanan for both the three months ended March 31, 2021 and 2020 was $0.5 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. Certain executive officers of the Company beneficially own, directly and through certain revocable or irrevocable trusts for the benefit of their immediate families, outstanding equity securities of Asana. In addition, they serve on the management team of Asana. From time to time, Amneal provides research and development services to Asana under a development and manufacturing agreement. There was no income for the three months ended March 31, 2021 or 2020. As of March 31, 2021 and December 31, 2020, there was no amount due from Asana for research and development related services.

Industrial Real Estate Holdings NY, LLC and Sutaria Family Realty, LLC

Industrial Real Estate Holdings NY, LLC ("IRE") is a real estate management entity, which was the sub-landlord of Amneal’s leased manufacturing facility located at 75 Adams Avenue, Hauppauge, New York. IRE is controlled by a member of the Amneal Group, who also serves as an observer on the Company's Board of Directors. Effective June 1, 2020, the lease was assigned to the Company with the consent of the landlord, Sutaria Family Realty, LLC, which is also a related party because a member of Company management is a beneficial owner. Concurrently with the assignment of the lease, the Company exercised a renewal option for $0.1 million to extend the lease by 5 years until March 31, 2026. Monthly rent payments are $0.1 million and increase by 3% annually. Rent paid to the related parties for both of the three months ended March 31, 2021 and 2020 was $0.3 million.

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. Certain executive officers of the Company beneficially own, directly and

through certain revocable or irrevocable trusts for the benefit of their immediate families, outstanding equity securities of Kashiv. In addition, they serve as managers of Kashiv.

On January 11, 2021, the Company and Kashiv entered into a definitive agreement for Amneal to acquire a 98% interest in Kashiv Specialty Pharmaceuticals, LLC ("KSP"), a subsidiary of Kashiv focused on the development of complex generics, innovative drug delivery platforms and novel 505(b)(2) drugs. The acquisition closed on April 2, 2021. Certain of the contracts between Amneal and Kashiv were acquired in this transaction and have become transactions among Amneal's consolidated subsidiaries subsequent to the transaction closing. Refer to *Note 3. Acquisitions and Divestitures* for further details on the KSP acquisition.

Agreements with Kashiv Not Affected by the Acquisition of KSP

The parties entered into a lease for parking spaces in Piscataway, NJ. The total amount of expense paid to Kashiv from this agreement for each of the three months ended March 31, 2021 and 2020 was less than $0.1 million.

Amneal also has various consulting arrangements with Kashiv to collaborate on the development and commercialization of certain generic pharmaceutical products. The total expenses associated with these arrangements for the three months ended March 31, 2021 was less than $0.1 million (none for the three months ended March 31, 2020).

The table below includes the terms and expenses recognized for each of the product specific contracts with Kashiv.

		Amounts in millions	
		Research and development expenses for three months ended March 31,	
Products	**Agreement Date**	**2021**	**2020**
Filgrastim and PEG-Filgrastim [(1)]	October 2017	$ —	$ —
Ganirelix Acetate and Cetrorelix acetate [(2)]	August 2020	$ 1	$ —

[(1)] Kashiv granted Amneal an exclusive license, under its New Drug Application, to distribute and sell two bio-similar products in the U.S. Kashiv 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. The agreement provides for potential future milestone payments to Kashiv 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.

[(2)] Amneal and Kashiv entered into a product development agreement for the development and commercialization of two generic peptide products, Ganirelix Acetate and Cetrorelix Acetate. Under the agreement, the intellectual property and ANDA for these products are owned by Amneal, and Kashiv is to receive a profit share for all sales of the products made by Amneal. In connection with the agreement, Amneal made an upfront payment for $1 million during August 2020. The agreement also provides for potential future milestone payments to Kashiv of (i) up to $2 million relating to development milestones, and (ii) up to $0.3 million relating to regulatory filings. The milestones are subject to certain performance conditions which may or may not be achieved, including FDA filings. In addition, Amneal is to pay $3 million of development fees to Kashiv as the development work is completed.

Agreements with Kashiv Included in the Acquisition of KSP

The following contracts previously between Amneal and Kashiv were acquired with KSP and have become transactions among Amneal's consolidated subsidiaries subsequent to the transaction closing on April 2, 2021. The disclosures below relate to the historical agreements as related party transactions through March 31, 2021.

Amneal has 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 months ended March 31, 2021 and 2020, respectively, was $0.1 million and $0.2 million. Kashiv receives a percentage of net profits with respect to Amneal's sales of these products. The total profit share paid to Kashiv for each of the three months ended March 31, 2021 and 2020 was $3 million.

On February 20, 2020, the Company and Kashiv entered into a master services agreement covering certain services that Kashiv provides the Company for commercial product support related to EluRyng and other products, including Ranitidine and Nitrofurantoin. For each of the three months ended March 31, 2021 and 2020, the Company recorded $1 million to cost of goods sold to compensate Kashiv for services performed.

The following table includes the expenses recognized for each of the product specific contracts with Kashiv prior to the acquisition of these contracts as part of the KSP transaction.

		Amounts in millions	
		Research and development expenses for three months ended March 31,	
Products	**Agreement Date**	**2021**	**2020**
Levothyroxine Sodium[(1)]	June 2019	$ —	$ —
K127 [(2)]	November 2019	$ 3	$ 2
Posaconazole [(3)]	May 2020	$ —	$ —

[(1)] Pursuant to a product development agreement, Amneal and Kashiv agreed to collaborate on the development and commercialization of Levothyroxine Sodium. Under the agreement, the intellectual property 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 Jerome Stevens Pharmaceuticals (refer to *Note 5. Alliance and Collaboration*, in the Company's 2020 Annual Report on Form 10-K for additional details). 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.

[(2)] Amneal and Kashiv have a licensing agreement for the development and commercialization of Kashiv's orphan drug K127 (Pyridostigmine) for the treatment of Myasthenia Gravis. Under the terms of the agreement, Kashiv will be responsible for all development and clinical work required to secure Food and Drug Administration approval, and Amneal will be responsible for filing the NDA and commercializing the product. The Company made an upfront payment of approximately $2 million to Kashiv in December 2019, and Kashiv is eligible to receive development and regulatory milestones totaling approximately $17 million. Kashiv is also eligible to receive tiered royalties from the low double-digits to mid-teens on net sales of K127.

[(3)] Amneal and Kashiv have a product development agreement for the development and commercialization of Posaconazole. In connection with the agreement, Amneal paid an upfront amount of $0.3 million in May 2020 for execution of the agreement. The agreement also provides for potential future milestone payments to Kashiv of (i) up to $0.8 million relating to development milestones, (ii) up to $0.3 million relating to regulatory approval, and (iii) up to $1 million for the achievement of cumulative net sales. The milestones are subject to certain performance conditions which may or may not be achieved, including FDA filing, FDA approval and commercial sales volume objectives.

At March 31, 2021 and December 31, 2020, payables of approximately $8 million and $5 million, respectively, were due to Kashiv. Additionally, as of December 31, 2020 a receivable of $0.1 million was due from Kashiv.

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. Certain executive officers of the Company beneficially own, directly and through certain revocable or irrevocable trusts for the benefit of their immediate families, outstanding equity securities of Nava. Nava beneficially owns 50% of the outstanding equity securities of PharmaSophia. In addition, these executive officers also serve on the management team of Nava. Currently PharmaSophia is actively developing one injectable product. 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 March 31, 2021 and 2020 was $0.3 million and $0.2 million, respectively. At March 31, 2021 and December 31, 2020 receivables of $1 million and $0.8 million, respectively, were due from the related party.

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 eight products upon the first commercial sale of each in China in addition to a supply price and a profit share. The Company has not recognized any revenue from this agreement.

Apace KY, LLC d/b/a Apace Packaging LLC

Apace KY, LLC d/b/a Apace Packaging LLC (“Apace”) provides packaging solutions pursuant to an exclusive packaging agreement. Apace markets its services which include bottling and blistering for the pharmaceutical industry. A member of Company management beneficially owns outstanding equity securities of Apace. The total amount of expenses from this arrangement for each of the three months ended March 31, 2021 and 2020 was $2 million. At both March 31, 2021 and December 31, 2020, payables of $1.0 million were due to the related party for packaging services. Additionally, at March 31, 2021 and December 31, 2020, receivables of $0.1 million and $0.5 million, respectively, was due from the related party for a product recall.

Tracy Properties LLC

R&S leases operating facilities, office and warehouse space from Tracy Properties LLC ("Tracy"). A member of Company management beneficially owns outstanding equity securities of Tracy. The total amount of expenses from this arrangement for both of the three months ended March 31, 2021 and 2020 was $0.1 million.

AzaTech Pharma LLC

R&S purchases inventory from AzaTech Pharma LLC ("AzaTech") for resale. A member of Company management beneficially owns outstanding equity securities of AzaTech. The total amount of purchases from this arrangement for the three months ended March 31, 2021 and 2020 was $1 million and $0.8 million, respectively. At March 31, 2021 and December 31, 2020, payables of approximately $0.7 million and $1 million, respectively, were due to AzaTech for inventory purchases.

AvPROP, LLC

AvKARE LLC leases its operating facilities from AvPROP, LLC ("AvPROP"). A member of Company management beneficially owns outstanding equity securities of AvPROP. Rent expense from this arrangement for both of the three months ended March 31, 2021 and 2020 was $0.1 million.

Tarsadia Investments, LLC

Tarsadia Investments, LLC (“Tarsadia”) is a private investment firm that provides financial services and is a significant shareholder of the Company. A member of Amneal Group, and an observer to the Board, is the Chairman and Founder of Tarsadia Investments. Another member of the Amneal Group, and a member of the Board, is a Managing Director of Tarsadia Investments. Tarsadia offers capital and strategic support for companies with substantial growth potential primarily in the healthcare, financial services, real estate, and clean technology sectors. The Company entered into an agreement in which Tarsadia will provide financial consulting services. The services are not expected to have a material impact to the Company’s financial statements.

Avtar Investments, LLC

Avtar Investments, LLC ("Avtar") is a private investment firm. Members of Company management beneficially own, directly and through certain revocable or irrevocable trusts for the benefit of their immediate families, outstanding equity securities of Avtar. During April 2020, the Company entered into an agreement in which Avtar will provide consulting services. The total amount of consulting expense incurred for the three months ended March 31, 2021 was $0.1 million (none in the three months ended March 31, 2020). As of both March 31, 2021 and December 31, 2020, less than $0.1 million was due to Avtar.

Zep Inc.

Zep Inc. ("Zep") is a producer, and distributor of maintenance and cleaning solutions for retail, food & beverage, industrial & institutional, and vehicle care customers. An executive officer of the Company serves as a director of Zep. During May 2020, AvKARE entered into an agreement to supply cleaning products to Zep. There was no revenue derived from this related party agreement for three months ended March 31, 2021 or 2020. As of December 31, 2020, $0.1 million was recorded in related party receivables (no related party receivable as of March 31, 2021).

Tax Distributions

Under the terms of its 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 17. Stockholders' Equity and Redeemable Non-Controlling Interests*.

Additionally, under the terms of the limited liability company agreement between the Company and the holders of the Rondo Class B Units, Rondo is obligated to make tax distributions to those holders, subject to certain limitations as defined in the Rondo Credit Facility. For further details, refer to *Note 17. Stockholders' Equity and Redeemable Non-Controlling Interests*.

Notes Payable – Related Party

The sellers of AvKARE, LLC and R&S hold the remaining 34.9% interest in Rondo ("Rondo Class B Units"). Certain holders of the Rondo Class B Units are also holders of the Sellers Notes and the Short-Term Sellers Note. For additional information, refer to *Note 3. Acquisitions and Divestitures*.

17. Stockholders' Equity and Redeemable Non-Controlling Interests

Non-Controlling Interests

Under the terms of Amneal's limited liability company agreement, as amended, Amneal is obligated to make tax distributions to its members. For the three months ended March 31, 2021, a tax distribution of $9 million was recorded as a reduction of non-controlling interests (none for the three months ended March 31, 2020), and included as related-party payables as of March 31, 2021, which was paid in full during April 2021.

Redeemable Non-Controlling Interests

As discussed in *Note 3*. *Acquisitions and Divestitures*, the Company acquired a 65.1% interest in Rondo on January 31, 2020. The sellers of AvKARE, LLC and R&S hold the remaining 34.9% interest as Rondo Class B Units. Beginning on January 1, 2026, the holders of the Rondo Class B Units have the right ("Put Right") to require the Company to acquire the Rondo Class B Units for a purchase price that is based on a multiple of Rondo's earnings before income taxes, depreciation, and amortization (EBITDA) if certain financial targets and other conditions are met. Additionally, beginning on January 31, 2020, the Company has the right to acquire the Rondo Class B Units based on the same value and conditions as the Put Right. The Rondo Class B Units are also redeemable by the holders upon a change in control.

Since the redemption of the Rondo Class B Units is outside of the Company's control, the units have been presented outside of stockholders' equity as redeemable non-controlling interests. Upon closing of the Acquisitions on January 31, 2020, the redeemable non-controlling interests were recorded as a component of the fair value of consideration transferred at an estimated preliminary fair value of $11 million. The fair value of the redeemable non-controlling interests was estimated using the Monte-Carlo simulation approach under the option pricing framework, which considers the redemption rights of both the Company and the holders of the Rondo Class B Units.

The Company will attribute 34.9% of the net income of Rondo to the redeemable non-controlling interests. The Company will also accrete the redeemable non-controlling interests to redemption value upon an event that makes redemption probable. For the three months ended March 31, 2021, a tax distribution of $0.5 million was recorded as a reduction of redeemable non-controlling interests (none for the three months ended March 31, 2020) and included as a related-party payable as of March 31, 2021.

Changes in Accumulated Other Comprehensive Loss by Component (in thousands):

	Foreign currency translation adjustment	Unrealized gain (loss) on cash flow hedge, net of tax	Accumulated other comprehensive loss
Balance December 31, 2019	$ (7,832)	$ 7,764	$ (68)
Other comprehensive loss before reclassification	(6,643)	(34,560)	(41,203)
Reallocation of ownership interests	(22)	(25)	(47)
Balance December 31, 2020	(14,497)	(26,821)	(41,318)
Other comprehensive loss before reclassification	(3,139)	10,243	7,104
Reallocation of ownership interests	(52)	(95)	(147)
Balance March 31, 2021	$ (17,688)	$ (16,673)	$ (34,361)

18. Subsequent Events

Kashiv Specialty Pharmaceuticals Acquisition

On January 11, 2021, the Company and Kashiv (a related party, see *Note 16. Related Party Transactions*) entered into a definitive agreement for Amneal to acquire a 98% interest in KSP, a subsidiary of Kashiv focused on the development of innovative drug delivery platforms, novel 505(b)(2) drugs, and complex generics. Refer to Note 3. *Acquisitions and Divestitures* for additional information.

Class B-1 Common Stock

On May 5, 2021, the shareholders of the Company approved an amended and restated certificate of incorporation which retired shares of class B-1 common stock.

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 operate principally in the United States, India, and Ireland, and sells to wholesalers, distributors, hospitals, chain pharmacies and individual pharmacies, either directly or indirectly.

The following discussion and analysis contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including those set forth under Item 1A. Risk Factors in our 2020 Annual Report on Form 10-K and under the heading *Cautionary Note Regarding Forward-Looking Statements* included elsewhere in this Quarterly Report on Form 10-Q.

The following discussion and analysis for the three months ended March 31, 2021 should also be read in conjunction with the consolidated financial statements and related notes thereto included elsewhere in this Quarterly Report on Form 10-Q and with our audited consolidated financial statements for the year ended December 31, 2020 included in our 2020 Annual Report on Form 10-K.

Overview

We have three reportable segments: Generics, Specialty, and AvKARE.

Generics

Our Generics segment includes approximately 250 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 / or pricing of the affected products. Additionally, pricing is often affected by factors outside of the Company's control.

Specialty

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 Unithroid® (levothyroxine sodium), for the treatment of hypothyroidism, which is sold under a license and distribution agreement with Jerome Stevens Pharmaceuticals, Inc., 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 Zomig® (zolmitriptan) products, for the treatment of migraine headaches, which is sold under a license agreement with AstraZeneca U.K. Limited. We believe that we have the research, development and formulation expertise to develop branded products that will deliver significant improvements over existing therapies.

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. 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. We expect to lose market exclusivity on Zomig® Spray on May 29, 2021 due to patent expiration.

AvKARE

Our AvKARE segment provides pharmaceuticals, medical and surgical products and services primarily to governmental agencies, primarily focused on serving the Department of Defense and the Department of Veterans Affairs. AvKARE is a wholesale distributor of bottle and unit dose pharmaceuticals under the registered names of AvKARE and AvPAK, as well as medical and surgical products. AvKARE is also a packager and wholesale distributor of pharmaceuticals and vitamins to its

retail and institutional customers who are located throughout the United States of America focused primarily on offering 340b-qualified entities products to provide consistency in care and pricing.

The Pharmaceutical Industry

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 *2020 Annual Report on Form 10-K*, as supplemented by Part II, Item 1A "Risk Factors" of our subsequent Quarterly Reports on Form 10-Q.

COVID-19 Pandemic

On March 11, 2020, the World Health Organization designated the outbreak of a novel strain of coronavirus ("COVID-19") as a global pandemic. Governments and businesses around the world have taken unprecedented actions to mitigate the spread of COVID-19, including imposing restrictions on movement and travel such as quarantines and shelter-in-place requirements, and restricting or prohibiting outright some or all commercial and business activity, including the manufacture and distribution of certain goods and the provision of non-essential services. These measures, though currently temporary in nature, may become more severe and continue indefinitely depending on the evolution of the outbreak.

We observed lost sales and some supply interruptions during the year ended December 31, 2020 in our New York, New Jersey and India manufacturing plants. Additionally, decreased influenza activity during the three months ended March 31, 2021, drove significantly lower sales volume and increased returns related to Oseltamivir as compared to the prior period.

While manufacturing has resumed to around pre-COVID-19 levels, we may again experience supply chain constraints at our New York, New Jersey, India or other facilities during subsequent waves of COVID-19 infections. These potential supply chain disruptions may significantly impact our 2021 results of operations and cash flows. Several of our key domestic manufacturing, packaging, and facilities are located in New York and New Jersey, two states with a high number of confirmed cases of COVID-19. Additionally, we have key international manufacturing and research and development facilities in India, a country with a high number of confirmed cases of COVID-19.

To the extent that the COVID-19 pandemic continues or worsens, national, state, local and international governments may impose additional restrictions or extend the restrictions already in place. The worsening of the pandemic and the related safety and business operating restrictions could result in a number of adverse impacts to our business, including, but not limited to, additional disruption to the economy and our customers, additional work restrictions, and supply chains being interrupted or slowed. Also, governments may impose other laws, regulations, or taxes that could adversely impact our business, financial condition, or results of operations. Further, depending on the extent to which our customers are affected, they could delay or reduce purchases of products we provide. The potential effects of the COVID-19 pandemic also could impact us in a number of other ways including, but not limited to, reductions to our profitability, fluctuations in foreign currency markets, the availability of future borrowings, the cost of borrowings, credit risks of our customers and counterparties, and potential impairment of the carrying amount of goodwill or other definite-lived assets.

We will continue to actively monitor the situation and may take further precautionary and preemptive actions as may be required by national, state, or local authorities or that we determine are in the best interests of our employees, customers, partners, suppliers, and shareholders. Until the ultimate extent and duration of the pandemic is known, we cannot predict the ultimate effects the pandemic may have on our business, in particular with respect to demand for our products, our strategy, and our prospects, the effects on our customers, or the impact on our financial results.

Results of Operations

Consolidated Results

The following table sets forth our summarized, consolidated results of operations for the three months ended March 31, 2021 and 2020 (in thousands):

	Three Months Ended March 31,	
	2021	2020
Net revenue	$ 493,105	$ 498,533
Cost of goods sold	301,543	313,578
Cost of goods sold impairment charges	—	1,456
Gross profit	191,562	183,499
Selling, general and administrative	90,726	77,976
Research and development	48,182	36,379
In-process research and development impairment charges	—	960
Intellectual property legal development expenses	3,582	1,270
Acquisition, transaction-related and integration expenses	2,802	2,575
Charges related to legal matters, net	—	4,500
Restructuring and other charges	363	2,048
Operating income	45,907	57,791
Total other expense, net	(31,003)	(44,447)
Income before income taxes	14,904	13,344
Provision for (benefit from) income taxes	359	(108,173)
Net income	$ 14,545	$ 121,517

Net Revenue

Net revenue for the three months ended March 31, 2021 decreased by 1%, or $5 million, to $493 million as compared to $499 million for the three months ended March 31, 2020. The decrease from the prior year was attributable to a decline in our Generics segment of $40 million, which was primarily due to a $23 million decline in Oseltamivir (generic Tamiflu®) sales from lower demand and increased returns activity above historical levels due to decreased influenza activity during the COVID-19 pandemic and an increase in customer purchases for the three months ended March 31, 2020 at the onset of the COVID-19 pandemic. New products launched in 2020 and 2021 contributed revenue growth of $36 million, which more than offset erosion in our base business. Offsetting the decline in Generic revenues was growth in AvKARE segment of $27 million, as the first quarter of 2021 included three months of sales as compared to two months in the prior year, and growth in our Specialty segment of $8 million, primarily due to growth in demand for Rytary® and Unithroid®.

Cost of Goods Sold and Gross Profit

Cost of goods sold, including impairment charges, decreased 4%, or $13 million, to $302 million for the three months ended March 31, 2021 as compared to $315 million for the three months ended March 31, 2020. The decrease in cost of goods sold was primarily attributable to a decrease in revenue as noted above, a $1.5 million decrease in intangible asset impairments, and gross margin improvement due to reduced material costs, better plant utilization as well as the impact of 2020 and 2021 new product introductions.

Gross profit for the three months ended March 31, 2021 was $192 million (39% of total net revenue) as compared to gross profit of $183 million (37% of total net revenue) for the three months ended March 31, 2020. Our gross profit as a percentage of net revenue increased compared to the prior year primarily as a result of the factors noted above.

Selling, General, and Administrative

Selling, general, and administrative ("SG&A") expenses for the three months ended March 31, 2021 were $91 million, as compared to $78 million for the three months ended March 31, 2020. The $13 million increase from the prior year was primarily due to the AvKARE segment, as the first quarter of 2021 included three months' of expenditures as compared to two months in the prior year, an increase in employee compensation, and an increase in indirect taxes. The increases were partially offset by a decrease in expenditures associated with in-person meetings and related expenses due to the COVID-19 pandemic.

Research and Development

Research and development ("R&D") expenses for the three months ended March 31, 2021 were $48 million, as compared to $36 million for the three months ended March 31, 2020. The $12 million increase compared to the prior year was primarily attributable to an increased in-licensing and upfront milestone payments of $9 million to grow our Specialty and Generics pipelines, and increased project spend for ongoing project costs associated with IPX203 and complex generic product candidates.

Intellectual Property Legal Development Expense

Intellectual property legal development expenses include, but are not limited to, costs associated with formulation assessments, patent challenge opinions and strategy, and litigation expenses to defend our intellectual property. Intellectual property legal development expenses for the three months ended March 31, 2021 were $4 million as compared to $1 million for the three months ended March 31, 2020. The increase in expenses from the prior year related to an increase in the number of individual cases and corresponding litigation.

Acquisition, Transaction-Related and Integration Expenses

Acquisition, transaction-related and integration expenses were $3 million for both the three months ended March 31, 2021 and March 31, 2020. Expenses for the three months ended March 31, 2021 were primarily related to the acquisition of Kashiv Specialty Pharmaceuticals, LLC, which closed on April 2, 2021, and integration expenses related to the businesses that comprise our AvKARE segment. For the three months ended March 31, 2020, acquisition, transaction-related and integration expenses were primarily related to the acquisition of the businesses that comprise our AvKARE segment. Refer to *Note 3. Acquisitions and Divestitures*, for additional information on these acquisitions.

Charges Related to Legal Matters, Net

There were no charges related to legal matters for the three months ended March 31, 2021. For the three months ended March 31, 2020, we recorded a net charge of $5 million, approximately $3 million of which was recorded in our Generics segment and $2 million in our Specialty segment.

Restructuring and Other Charges

On July 10, 2019, we announced a plan to restructure our operations that is intended to reduce costs and optimize our organizational and manufacturing infrastructure. Pursuant to the restructuring plan as revised, we expect to reduce our headcount by approximately 300 to 350 by December 31, 2021, primarily by closing our manufacturing facility located in Hauppauge, NY. Through March 31, 2021, the Company reduced headcount by 280 employees under this plan.

Restructuring and other charges were $0.4 million and $2 million during the three months ended March 31, 2021 and 2020, respectively. These charges primarily consisted of the cost of benefits provided pursuant to our severance programs for former senior executives and management employees.

Other Expense, Net

Other expense, net was $31 million for the three months ended March 31, 2021, as compared to $44 million for the three months ended March 31, 2020. The decrease of $13 million was primarily due to a $6 million decline in interest expense due to a reduction in interest rates, as well as a $7 million favorable period over period impact of net foreign exchange gains and losses. The favorable net foreign exchange impact was primarily associated with the weakening of the Swiss franc relative to the U.S. dollar.

Provision For (Benefit From) Income Taxes

For the three months ended March 31, 2021 and 2020, our provision (benefit) for income taxes and effective tax rates were $0.4 million and 2.4% and $(108) million and (810.6)%, respectively. The income tax benefit for the three months ended March 31, 2020 was primarily impacted by a $110 million carryback of U.S. Federal net operating losses under the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"). The CARES Act was an emergency economic stimulus package in response to the COVID-19 pandemic which, among other things, includes provisions relating to income and non-income-based tax laws. For further details, refer to *Note 8*. *Income Taxes*.

Net Income

We recognized net income for the three months ended March 31, 2021 of $15 million as compared to net income of $122 million for the three months ended March 31, 2020. The year-over-year decrease in net income of $107 million was attributable to the factors listed above, most notably the tax benefit from a $110 million carryback of U.S. Federal net operating losses under the CARES Act in the prior year.

Generics

The following table sets forth results of operations for our Generics segment for the three months ended March 31, 2021 and 2020 (in thousands):

	Three Months Ended March 31,	
	2021	**2020**
Net revenue	$ 312,508	$ 352,586
Cost of goods sold	185,298	218,865
Cost of goods sold impairment charges	—	1,456
Gross profit	127,210	132,265
Selling, general and administrative	18,762	16,623
Research and development	36,117	29,034
In-process research and development impairment charges	—	960
Intellectual property legal development expenses	3,582	1,265
Charges related to legal matters, net	—	2,500
Restructuring and other charges	80	46
Operating income	$ 68,669	$ 81,837

Net Revenue

Generics net revenue was $313 million for the three months ended March 31, 2021, a decrease of $40 million or 11% when compared with the same period in 2020. The year-over-year decrease was primarily due to a $23 million decline in Oseltamivir (generic Tamiflu®) sales from lower demand and increased returns activity above historical levels due to decreased influenza activity during the COVID-19 pandemic and an increase in customer purchases for the three months ended March 31, 2020 at the onset of the COVID-19 pandemic. Additionally, products launched in 2020 and 2021 contributed revenue growth of $36 million, which more than offset erosion in our base business.

Cost of Goods Sold and Gross Profit

Generics cost of goods sold, including impairment charges, for the three months ended March 31, 2021 was $185 million, a decrease of 16% or $35 million compared to the three months ended March 31, 2020. The decrease in cost of goods sold was primarily attributable to a decrease in sales as noted above, a $1.5 million decrease in intangible asset impairments, and gross margin improvement. The increase in gross margin was primarily related to 2020 and 2021 new product launches, the impact of reducing material cost components by $12 million versus the prior year period, and better plant utilization and product mix.

Generics gross profit for the three months ended March 31, 2021 was $127 million (41% of net revenue) as compared to gross profit of $132 million (38% of net revenue) for the three months ended March 31, 2020 as a result of the factors described above.

Selling, General, and Administrative

Generics SG&A expense for the three months ended March 31, 2021 was $19 million, as compared to $17 million for the three months ended March 31, 2020. The $2 million or 13% year-over-year increase was primarily attributed to increased employee compensation and an increase in indirect taxes. The overall increase was partially offset by a decrease in expenditures associated with in-person meetings and related expenses due to the COVID-19 pandemic.

Research and Development

Generics R&D expenses for the three months ended March 31, 2021 was $36 million, an increase of 24% or $7 million compared to the three months ended March 31, 2020. The year-over-year increase was primarily associated with increased project spend on complex generics and success-based milestone achievements on certain projects.

Intellectual Property Legal Development Expenses

Intellectual property legal development expenses include, but are not limited to, costs associated with formulation assessments, patent challenge opinions and strategy, and litigation expenses to defend our intellectual property. Intellectual property legal development expenses for the three months ended March 31, 2021 were $4 million as compared to $1 million for the three months ended March 31, 2020. The increase in expenses from the prior year relates to the number of individual cases and corresponding litigation.

Charges Related to Legal Matters, Net

There were no charges related to legal matters for the three months ended March 31, 2021. For the three months ended March 31, 2020, we recorded a net charge of $3 million for commercial legal claims.

Specialty

The following table sets forth results of operations for our Specialty segment for the three months ended March 31, 2021 and 2020 (in thousands):

	Three Months Ended March 31,	
	2021	**2020**
Net revenue	$ 95,931	$ 87,977
Cost of goods sold	48,198	47,818
Gross profit	47,733	40,159
Selling, general and administrative	19,881	20,942
Research and development	12,065	7,345
Intellectual property legal development expenses	—	5
Charges related to legal matters, net	—	2,000
Operating income	$ 15,787	$ 9,867

Net Revenue

Specialty net revenue for the three months ended March 31, 2021 was $96 million, an increase of $8 million, or 9%, compared to the three months ended March 31, 2020 due to growth in demand for Rytary® and Unithroid®.

Cost of Goods Sold and Gross Profit

Specialty cost of goods sold for of both the three months ended March 31, 2021 and 2020 was $48 million.

Specialty gross profit for the three months ended March 31, 2021 was $48 million (50% of net revenue) as compared to gross profit of $40 million (46% of net revenue) for the three months ended March 31, 2020. The increase in gross profit primarily related to the mix of revenues, including the impact of non-promoted products. The increase in gross margin was due to growth in higher margin products offsetting declines in Zomig® nasal spray, which has a higher cost structure than the overall Specialty portfolio.

Selling, General, and Administrative

Specialty SG&A expense was $20 million for the three months ended March 31, 2021, a decrease of $1 million or 5% compared to the three months ended March 31, 2020. The decrease was primarily driven by a decline associated with in-person

meetings and marketing expenses due to the COVID-19 pandemic, which was partially offset by an increase in indirect taxes and payroll-related expenses, including expenses associated with the expansion of our sales force.

Research and Development

Specialty R&D expenses for the three months ended March 31, 2021 were $12 million, as compared to $7 million for the three months ended March 31, 2020. The $5 million increase from the prior year period was primarily due to licensing and upfront milestones incurred to grow our Specialty pipeline.

Charges Related to Legal Matters, Net

There were no charges related to legal matters for the three months ended March 31, 2021. For the three months ended March 31, 2020, Specialty recorded a charge of $2 million for commercial legal proceedings.

AvKARE

The following table sets forth results of operations for our AvKARE segment for the three months ended March 31, 2021 and 2020 (in thousands):

	Three Months Ended March 31,	
	2021	**2020**
Net revenue	$ 84,666	$ 57,970
Cost of goods sold	68,047	46,895
Gross profit	16,619	11,075
Selling, general and administrative	13,704	10,788
Acquisition, transaction-related and integration expenses	931	—
Operating income	$ 1,984	$ 287

We completed the acquisitions of the businesses that comprise our AvKARE segment on on January 31, 2020. As a result, the increase in results of operations for the AvKARE segment are primarily due to three months of activity in 2021 as compared to two months of activity in 2020. Refer to *Note 3. Acquisitions and Divestitures*, for additional information on the acquisitions.

Liquidity and Capital Resources

Our primary source of liquidity is cash generated from operations, available cash and borrowings under debt financing arrangements, including $435 million of available capacity on our revolving credit facility as of March 31, 2021. Refer to *Note 17. Debt* in our 2020 Annual Report on Form 10-K for additional information. 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 from the date of filing of this Form 10-Q. However, our ability to satisfy our working capital requirements and debt obligations will depend upon economic conditions, the impact of the COVID-19 pandemic, 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, spending on production facility expansions and capital equipment items, and acquisitions. As the impact of the COVID-19 pandemic on the economy and our operations evolves, we will continue to assess our liquidity needs. A continued worldwide disruption could materially affect our future access to sources of liquidity, particularly our cash flows from operations, and financial condition. In the event of a sustained market deterioration, we may need additional liquidity, which would require us to evaluate available alternatives and take appropriate actions.

We estimate that we will invest approximately $60 million to $70 million during 2021 for capital expenditures to support and grow our existing operations, primarily related to investments in manufacturing equipment, information technology and facilities. In addition, we closed on our acquisition of 98% of KSP on April 2, 2021. Under the terms of the acquisition, we paid an upfront purchase price of $70 million with cash on hand at the closing and we expect to make a cash payment of $30 million on January 11, 2022. See *Note. 3 Acquisitions and Divestitures* for additional information.

Refer to *Note 17. Debt* in our 2020 Annual Report on Form 10-K for detailed information, including definitions, of our loans. We will make substantial payments for monthly interest and quarterly principal amounts due on our Term Loan and Rondo Term Loan. Related to our Term Loan, we were required to calculate the amount of excess cash flows based on our results for the year ended December 31, 2020. As a result, we made a payment of $14 million in March 2021 to satisfy the excess cash flow requirements, in addition to our normal principal payments. Accordingly, we expect to make $41 million in principal payments and make interest payment payments totaling $112 million during 2021 related to our Term Loan. Related to our Rondo Term Loan, we expect to make $9 million in principal payments and make interest payments totaling $6 million during 2021. Additionally, we fully repaid the Short-Term Sellers Note of $1 million during February 2021.

We are party to a tax receivable agreement ("TRA") 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 sales or exchanges of Amneal common units by Holdings. The timing and amount of any payments under the TRA will also vary, depending upon a number of factors including the timing and number of Amneal common units sold or exchanged for our class A Common Stock, the price of our class A Common Stock on the date of sale or exchange, the timing and amount of our taxable income, and the tax rate in effect at the time of realization of our taxable income. 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. Further sales or exchanges occurring subsequent to March 31, 2021 could result in future Amneal tax deductions and obligations to pay 85% of such benefits to the holders of Amneal common units. These obligations could be incremental to and substantially larger than the approximate $206 million contingent liability as of March 31, 2021 (refer to *Note 8. Income Taxes*). As a result of the foregoing, our obligations under the tax receivable agreement could have a substantial negative impact on our liquidity. For further details, refer to *Item 1A. Risk Factors* and *Note 8. Income Taxes* in our 2020 Annual Report on Form 10-K.

In addition, pursuant to the limited liability operating agreement of Amneal, as amended, in connection with any tax period, we will be required to make distributions to Amneal's 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 Amneal) has received an amount at least equal to its assumed tax liability and Amneal 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. We did not make any tax cash distributions during the three months ended March 31, 2021. During April 2021, we made a tax distribution of $9 million to Amneal's members.

At March 31, 2021, 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
(in thousands)

	Three Months Ended March 31,	
	2021	**2020**
Cash provided by (used in):		
Operating activities	$ 148,128	$ 49,026
Investing activities	(12,693)	(262,042)
Financing activities	(26,149)	467,979
Effect of exchange rate changes on cash	(593)	(860)
Net increase in cash, cash equivalents, and restricted cash	$ 108,693	$ 254,103

Cash Flows from Operating Activities

Net cash provided by operating activities was $148 million for the three months ended March 31, 2021 compared to $49 million for the three months ended March 31, 2020. The improvement over the prior year was primarily attributed to favorable cash collections on trade accounts receivable and a favorable impact from prepaid expenses and other current assets, partially offset by an unfavorable impact from payments of accounts payable and accrued expenses, and inventories.

Cash Flows from Investing Activities

Net cash used in investing activities for the three months ended March 31, 2021 was $13 million as compared to $262 million in the prior year. The change in cash used in investing activities for the three months ended March 31, 2021 compared to the three months ended March 31, 2020 was primarily related to payments made for the acquisitions of the businesses comprising our AvKARE segment in the prior year, which was partially offset by an increase in cash payments for purchases of property, plant and equipment. Refer to *Note 3. Acquisitions and Divestitures*, for additional information on the acquisitions.

Cash Flows from Financing Activities

Net cash used in financing activities was $26 million for the three months ended March 31, 2021 compared to net cash provided by financing activities of $468 million for the three months ended March 31, 2020. The change was primarily attributable to a $300 million borrowing on our Revolving Credit Facility to mitigate the uncertainty surrounding overall market liquidity due to the COVID-19 pandemic and net proceeds from a $180 million term loan associated with the acquisitions of the businesses comprising our AvKARE segment, both in the prior year, which were partially offset by an increase in principal payments related to debt and financing leases. Refer to *Note 3. Acquisitions and Divestitures*, for additional information on the acquisitions. Refer to *Note 17. Debt* in our 2020 Annual Report on Form 10-K for detailed information about our indebtedness, including definitions of terms.

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 2020 Annual Report on Form 10-K. Other than the contractual obligations noted below, there have been no material changes to the disclosure presented in our 2020 Annual Report on Form 10-K.

	Payments Due by Period				
Contractual Obligations	**Total**	**Less Than 1 Year**	**1-3 Years**	**3-5 Years**	**More Than 5 Years**
Kashiv Specialty Pharmaceuticals, LLC acquisition	$ 100,000	$ 70,000	$ 30,000	$ —	$ —

Refer to *Note 3. Acquisitions and Divestitures* for additional information.

Off-Balance Sheet Arrangements

We did not have any off-balance sheet arrangements as of March 31, 2021.

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 2020 Annual Report on Form 10-K. There have been no material changes to the disclosures presented in our 2020 Annual Report on Form 10-K.

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

There has not been any material change in our assessment of market risk as set forth in *Item 7A. Quantitative and Qualitative Disclosures About Market Risk*, in our 2020 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 Co-Chief Executive Officers and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Our management, with the participation of our Co-Chief Executive Officers 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 Co-Chief Executive Officers and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of March 31, 2021.

Changes in Internal Control over Financial Reporting

During the quarter ended March 31, 2021, there were no changes in our internal control over financial reporting which materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Limitations on the Effectiveness of Controls

Management, including our Co-Chief Executive Officers and Chief Financial Officer, does not expect that our disclosure controls and procedures or our system of internal control over financial reporting will prevent or detect all errors and all fraud. A control system, no matter how well designed or operated, can provide only reasonable, but not absolute, assurance that the objectives of the system of internal control are met. The design of our control system reflects the fact that there are resource constraints, and that the benefits of such control system must be considered relative to their costs. Further, because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control failures and instances of fraud, if any, within the 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 simple error or mistake. Additionally, controls can be circumvented by the intentional acts of individuals, by collusion of two or more people, or by management override of the controls. The design of any system of controls is also based in part on certain assumptions about the likelihood of future events, and there can be no assurance that the design of any particular control will always succeed in achieving its objective under all potential future conditions.

Part II – OTHER INFORMATION

Item 1. Legal Proceedings

Information pertaining to legal proceedings can be found in *Note 14. Commitments and Contingencies* and is incorporated by reference herein.

Item 1A. Risk Factors

There have been no material changes to the disclosures presented in our 2020 Annual Report on Form 10-K under *Item 1A. Risk Factors.*

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
3.1	Second Amended and Restated Certificate of Incorporation of Amneal Pharmaceuticals, Inc. adopted as of May 5, 2021.*
10.1	Employment Agreement by and among Amneal Pharmaceuticals, Inc. and Joseph Todisco, dated as of July 29, 2020. †*
10.2	Employment Agreement by and among Amneal Pharmaceuticals, Inc. and Nikita Shah, dated as of July 29, 2020. †*
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 March 31, 2021 formatted in inline XBRL (eXtensible Business Reporting Language): (i) Consolidated Statements of Operations for each of the three months ended March 31, 2021 and 2020, (ii) Consolidated Statements of Comprehensive Income for each of the three months ended March 31, 2021 and 2020, (iii) Consolidated Balance Sheets as of March 31, 2021 and December 31, 2020, (iv) Consolidated Statements of Cash Flows for the three months ended March 31, 2021 and 2020, (v) Consolidated Statements of Changes in Stockholders' Equity for each of the three months ended March 31, 2021 and 2020 and (vi) Notes to Consolidated Financial Statements.*
104	Cover Page Interactive Data File – The cover page from the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2021 is formatted in Inline XBRL (included as Exhibit 101).

* 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: May 7, 2021

Amneal Pharmaceuticals, Inc.
(Registrant)

By: /s/ Anastasios Konidaris
Anastasios Konidaris
Executive Vice President and Chief Financial Officer
(Principal Financial and Accounting Officer)

SECOND AMENDED AND RESTATED CERTIFICATE OF INCORPORATION
OF
AMNEAL PHARMACEUTICALS, INC.

It is hereby certified that:

1. The present name of the corporation (hereinafter called the "Corporation") is AMNEAL PHARMACEUTICALS, INC. The Certificate of Incorporation of the Corporation was originally filed under the name Atlas Holdings, Inc. with the Secretary of State of the State of Delaware on October 4, 2017. The Corporation filed a Restated Certificate of Incorporation on May 4, 2018, which amended the name of the Corporation to Amneal Pharmaceuticals, Inc.

2. This Second Amended and Restated Certificate of Incorporation, which integrates and restates and also further amends the provisions of the Corporation's Restated Certificate of Incorporation, has been duly adopted in accordance with the provisions of Sections 242 and 245 of the General Corporation Law of the State of Delaware.

3. The Certificate of Incorporation is hereby amended, integrated and restated to read in its entirety as follows:

FIRST: NAME

The name of the corporation is AMNEAL PHARMACEUTICALS, INC. (hereinafter called the "Corporation").

SECOND: REGISTERED OFFICE AND AGENT

The registered office of the Corporation is to be located at 1209 N. Orange Street, Wilmington, Delaware, County of New Castle, 19801. The name of its registered agent at that address is The Corporation Trust Company.

THIRD: PURPOSE

The purpose of the Corporation is to engage in any lawful act or activity, without limitation, for which a corporation may be organized under the General Corporation Law of the State of Delaware (the "DGCL").

FOURTH: CAPITAL STOCK

Section 1. Authorization.

(a) The total number of shares of all classes of stock which the Corporation shall have the authority to issue is One Billion Two Hundred and Two Million (1,202,000,000) shares, consisting of (i) One Billion Two Hundred Million (1,200,000,000) shares of Common Stock, $.01 par value per share (the "Common Stock"), of which Nine Hundred Million (900,000,000) are designated as Class A Common Stock ("Class A Common Stock") and Three Hundred Million (300,000,000) are

designated as Class B Common Stock ("Class B Common Stock") and (ii) Two Million (2,000,000) shares designated preferred stock, $.01 par value per share (the "Preferred Stock").

(b) The Preferred Stock may be issued in any number of series by the Board of Directors of the Corporation (the "Board") pursuant to this ARTICLE FOURTH and ARTICLE SIXTH.

FIFTH: COMMON STOCK

Section 1. Common Stock; Identical Rights. Except as expressly provided otherwise in this ARTICLE FIFTH or as required by law, all shares of Common Stock shall be identical and shall entitle the holders thereof to the same rights and privileges.

Section 2. Ranking. The voting, dividend and liquidation rights of the holders of the Common Stock are subject to and qualified by such rights of the holders of any series of Preferred Stock as may be designated by the Board upon any issuance of any series of Preferred Stock.

Section 3. Dividends. Subject to applicable law and any preferential or other rights of the holders of any outstanding shares of Preferred Stock, the Board at any time and from time to time may declare and pay dividends on the outstanding shares of Class A Common Stock, on a *pari passu* basis, out of funds legally available for the payment of dividends. When, as and if such dividends are declared by the Corporation's Board , whether payable in cash, property, or securities of the Corporation, the holders of Class A Common Stock shall be entitled to share equally therein, on a *pari passu* basis, in accordance with the number of shares of Class A Common Stock held by each such holder. Dividends shall not be declared or paid on the Class B Common Stock.

Section 4. Liquidation Rights. Upon any voluntary or involuntary liquidation, dissolution or winding-up of the affairs of the Corporation, after payment to all creditors of the Corporation of the full amounts to which they shall be entitled and subject to any preferential or other rights of the holders of any outstanding shares of Preferred Stock, the holders of Class A Common Stock shall be entitled to share equally therein, on a *pari passu* basis, in accordance with the number of shares of Class A Common Stock held by each such holder, in all remaining assets of the Corporation available for distribution among the stockholders of the Corporation, whether such assets are capital, surplus or earnings. The holders of shares of Class B Common Stock, as such, shall not be entitled to receive any assets of the Corporation in the event of any liquidation, dissolution or winding-up of the affairs of the Corporation.

For the purposes of this Section 4, neither the consolidation or merger of the Corporation with or into any other corporation or corporations, nor the sale, lease, exchange or transfer by the Corporation of all or any part of its assets, nor the reduction of the capital stock of the Corporation, shall be deemed to be a voluntary or involuntary liquidation, dissolution, or winding-up of the Corporation.

Section 5. Voting.

Class A Common Stock and Class B Common Stock. Each holder of Class A Common Stock and Class B Common Stock shall be entitled to one vote for each share of Class A Common Stock or Class B Common Stock held of record by such holder. Except as required by law or as otherwise expressly provided for in this Restated Certificate of Incorporation, the holders of Class A Common Stock and Class B Common Stock shall vote together as a single class on all matters upon which such holders are entitled to vote.

Section 6. Restrictions on Transfer and Issuances.

a) No shares of Class B Common Stock may be issued except to a holder of Common Units or its Affiliates (other than the Corporation or any subsidiary of the Corporation that is a holder of Common Units), such that after such issuance of Class B Common Stock such holder (together with its Affiliates) holds an identical number of Common Units and shares of Class B Common Stock unless otherwise provided in the LLC Agreement (as defined below).

b) No shares of Class B Common Stock may be transferred by the holder thereof except (i) for no consideration to the Corporation, upon which transfer of such shares shall, to the full extent permitted by law, automatically be retired or (ii) in accordance with the terms of the Stockholders Agreement (as defined herein) and the Third Amended and Restated Limited Liability Company Agreement of Amneal Pharmaceuticals LLC, dated as of May 4, 2018, as the same may be further amended and/or restated from time to time (the "LLC Agreement"), copies of which will be provided to any stockholder of the Corporation upon written request therefor. Any stock certificates representing shares of Class B Common Stock shall include a legend referencing the transfer restrictions set forth herein. As used in this Restated Certificate of Incorporation, "Common Units" has the meaning assigned to such term in the LLC Agreement.

Section 7. [Reserved]

SIXTH: ADDITIONAL SERIES OF PREFERRED STOCK

Section 1. Designation of Additional Series of Preferred Stock. Shares of Preferred Stock may be issued from time to time in one or more series. The Board is hereby expressly authorized, by resolution or resolutions thereof, to provide for, designate and issue, out of the 2,000,000 authorized but undesignated and unissued shares of Preferred Stock, one or more series of Preferred Stock, subject to the terms and conditions set forth herein. Before any shares of any such series are issued, the Board shall fix, and hereby is expressly empowered to fix, by resolution or resolutions and by

filing a certificate of designation pursuant to the DGCL with the Secretary of State of the State of Delaware setting forth such resolution or resolutions, the designations and the powers, preferences, privileges and rights and qualifications, limitation and restrictions of such series, including but not limited to, the following:

a) the designation of such series, the number of shares to constitute such series and the stated value thereof, if any, if different from the par value thereof;

b) whether the shares of such series shall have voting rights or powers, in addition to any voting rights required by law, and, if so, the terms of such voting rights or powers, which may be full or limited;

c) the dividends, if any, payable on such series, whether any such dividends shall be cumulative, and, if so, from what dates, the conditions and dates upon which such dividends shall be payable, and the preference or relation which such dividends shall bear to the dividends payable on any shares of stock or any other class or any other series of this class;

d) whether the shares of such series shall be subject to redemption by the Corporation and, if so, the times, prices and other conditions of such redemption;

e) the amount or amounts payable upon shares of such series upon, and the rights of the holders of such series in, the voluntary or involuntary liquidation, dissolution or winding up, or upon any distribution of the assets, of the Corporation;

f) whether the shares of such series shall be subject to the operation of a retirement or sinking fund and, if so, the extent to and manner in which any such retirement or sinking fund shall be applied to the purchase or redemption of the shares of such series for retirement or other corporate purposes and the terms and provisions relative to the operation thereof;

g) whether the shares of such series shall be convertible into, or exchangeable for, shares of capital stock of any other class or any other series of this class or any other securities and, if so, the price or prices or the rate or rates of conversion or exchange and the method, if any, of adjusting the same, and any other terms and condition or exchange;

h) the limitations and restrictions, if any, to be effective while any shares of such series are outstanding upon the payment of dividends or the making of other distributions on, and upon the purchase, redemption or other acquisition by the Corporation of, the Common Stock or shares of capital stock of any other class or any other series of this class;

i) the conditions or restrictions, if any, to be effective while any shares of such series are outstanding upon the creation of indebtedness of the Corporation upon the issue of any additional stock, including additional shares of such series or of any other series of this class or of any other class; and

j) any other powers, designations, preferences and relative, participating, optional or other special rights, and any qualifications, limitations or restrictions thereof.

The powers, designations, preferences and relative, participating, optional or other special rights of each series of Preferred Stock, and the qualifications, limitations or restrictions thereof, if any, may differ from those of any and all other series at any time outstanding.

The Board is hereby expressly authorized from time to time to increase (but not above the total number of authorized shares of Preferred Stock) or decrease (but not below the number of shares thereof then outstanding) the number of shares of capital stock of any series of Preferred
Stock designated as any one or more Series of Preferred Stock pursuant to this ARTICLE SIXTH.

Notwithstanding the foregoing, except as otherwise required by law, holders of Common Stock, as such, shall not be entitled to vote on any amendment to this Restated Certificate of Incorporation (including any certificate of designations relating to any series of Preferred Stock) that relates solely to the terms of one or more outstanding series of Preferred Stock if the holders of such affected series are entitled, either separately or together with the holders of one or more other such

series, to vote thereon pursuant to this Restated Certificate of Incorporation (including any Certificate of Designations relating to any series of Preferred Stock) or pursuant to the DGCL.

SEVENTH: ELECTION OF DIRECTORS

Section 1. [Reserved]

Section 2. Directors. Subject to any rights of holders of any series of Preferred Stock to elect directors pursuant to this Restated Certificate of Incorporation or any Certificate of Designations, the holders of Class A Common Stock and Class B Common Stock, voting together as a single class, shall be entitled to vote to elect, remove or replace all other directors to the Board.

Section 3. Written Ballots. The election of directors need not be by written ballot unless the Bylaws so provide.

EIGHTH: AMENDMENT OF CERTIFICATE OF INCORPORATION

The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Restated Certificate of Incorporation in the manner now or hereafter prescribed by law, and all rights and powers conferred herein on stockholders, directors and officers are subject to this reserved power. Subject to applicable law and to the Stockholders Agreement, and subject to the rights of the holders of any series of Preferred Stock, the affirmative vote of the holders of a majority of the voting power of the issued and outstanding shares of capital stock of the Corporation entitled to vote thereon shall be required to amend, alter, change or repeal any provision of this Restated Certificate of Incorporation, or to adopt any new provision of this Restated Certificate of Incorporation.

NINTH: AMENDMENT OF BYLAWS

Subject to the Stockholders Agreement, the Board is authorized and empowered from time to time in its discretion to make, alter, amend or repeal the Bylaws of the Corporation by the affirmative vote of not less than a majority of the Board, except as such power may be restricted or limited by the DGCL.

TENTH: FORUM

Unless the Corporation consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware (or, if such court does not have jurisdiction, the Superior Court of the State of Delaware, or, if such other court does not have jurisdiction, the United States District Court for the District of Delaware) shall, to the fullest extent permitted by law, be the sole and exclusive forum for (a) any derivative action or proceeding brought on behalf of the Corporation, (b) any action asserting a claim of breach of a fiduciary duty owed by any director, officer or stockholder of the Corporation to the Corporation or the Corporation’s stockholders, (c) any action

asserting a claim arising pursuant to any provision of the DGCL, this Restated Certificate of Incorporation (as may be amended, altered, changed or repealed) or the Bylaws or (d) any action asserting a claim governed by the internal affairs doctrine. To the fullest extent permitted by law, any person or entity purchasing or otherwise acquiring or holding any interest in shares of capital stock of the Corporation shall be deemed to have notice of and consented to the provisions of this ARTICLE TENTH.

ELEVENTH: CORPORATE OPPORTUNITIES

Section 1. General. In recognition and anticipation (a) that the Corporation will not be a wholly owned subsidiary of Amneal and that Amneal will be a significant stockholder of the Corporation, (b) that directors, officers and/or employees of Amneal may serve as directors and/or officers of the Corporation, (c) that, subject to any contractual arrangements that may otherwise from time to time be agreed to between Amneal and the Corporation (including the Stockholders Agreement), Amneal engages or may engage in the same, similar or related lines of business as those in which the Corporation, directly or indirectly, may engage and/or other business activities that overlap with or compete with those in which the Corporation, directly or indirectly, may engage, (d) that Amneal may have an interest in the same areas of corporate opportunity as the Corporation and Affiliated Companies thereof, and (e) that, as a consequence of the foregoing, it is in the best interests of the Corporation that the respective rights and duties of the Corporation and of Amneal, and the duties of any directors and/or officers of the Corporation who are also directors, officers and/or employees of Amneal, be determined and
delineated in respect of any transactions between, or opportunities that may be suitable for both, the Corporation and Affiliated Companies thereof, on the one hand, and Amneal, on the other hand. The sections of this ARTICLE ELEVENTH shall to the fullest extent permitted by law regulate and define the conduct of certain of the business and affairs of the Corporation in relation to Amneal and the conduct of certain affairs of the Corporation as they may involve Amneal and its directors, officers and/or employees, and the power, rights, duties and liabilities of the Corporation and its officers, directors and stockholders in connection therewith. To the fullest extent permitted by law, any person purchasing or otherwise acquiring or holding any shares of capital stock of the Corporation, or any interest therein, shall be deemed to have notice of and to have consented to the provisions of this ARTICLE ELEVENTH.

Section 2. Certain Agreements and Transactions Permitted. The Corporation has entered into the Stockholders Agreement with Amneal, and, subject to the Stockholders Agreement, may from time to time enter into and perform, and cause or permit any Affiliated Company of the Corporation to enter into and perform, one or more agreements (or modifications or supplements to pre-existing agreements) with Amneal pursuant to which the Corporation or an Affiliated Company thereof, on the one hand, and Amneal, on the other hand, agree to engage in transactions of any kind or nature with each other and/or agree to compete, or to refrain from competing or to limit or restrict their

competition, with each other, including to allocate and to cause their respective directors, officers and/or employees (including any who are directors, officers and/or employees of both) to allocate opportunities between or to refer opportunities to each other.

Section 3. Corporate Opportunities. Except as otherwise agreed in writing between the Corporation and Amneal, including in the Stockholders Agreement, Amneal shall to the fullest extent permitted by law have no duty to refrain from (a) engaging in the same or similar activities or lines of business as the Corporation or (b) doing business with any client, customer or vendor of the Corporation. Except as otherwise agreed in writing between the Corporation and Amneal, the Corporation to the fullest extent permitted by law renounces any interest or expectancy of the Corporation or any of its Affiliated Companies in, or in being offered an opportunity to participate in, any corporate opportunity presented to Amneal or any Dual Role Person pursuant to Section 122(17) of the DGCL and waives any claim that such business opportunity constituted a corporate opportunity that should have been presented to the Corporation or any Affiliated Company thereof, if, in the case of a corporate opportunity presented to Amneal, Amneal acts in a manner consistent with the following policy: if Amneal is presented with or acquires knowledge of a corporate opportunity, such corporate opportunity shall belong to Amneal unless such opportunity was expressly offered to Amneal in its capacity as a stockholder of the Corporation. In the case of any corporate opportunity in which the Corporation has renounced its interest and expectancy in the previous sentence, Amneal shall to the fullest extent permitted by law not be liable to the Corporation by reason of the fact that Amneal acquires or seeks such corporate opportunity for itself, directs such corporate opportunity to another person, or otherwise does not communicate information regarding such corporate opportunity to the Corporation.

Section 4. Dual Role Persons. To the fullest extent permitted by law, no Dual Role Person who is presented with or acquires knowledge of a corporate opportunity in any capacity (i) shall have any duty to communicate or offer to the Corporation or any of its Affiliated Companies any corporate opportunity, (ii) shall be prohibited from communicating or offering any corporate opportunity to Amneal or any other person or participating in such corporate opportunity and (iii) to the fullest extent permitted by law, shall have any liability to the Corporation or its stockholders for breach of any fiduciary duty as a stockholder, director or officer of the Corporation, as the case may be, related to such corporate opportunity.

Section 5. Certain Definitions. For purposes of this ARTICLE ELEVENTH, (a) "Affiliated Company" in respect of the Corporation shall mean any entity controlled by the Corporation, (b) "corporate opportunities" shall include, but not be limited to, business opportunities that the Corporation is financially able to undertake, which are, from their nature, in the line of the Corporation's business, are of practical advantage to it and are opportunities in which the Corporation, but for Section 3 of this ARTICLE ELEVENTH would have an interest or a reasonable

expectancy, and in which, by embracing the opportunities, the self-interest of Amneal or its directors, officers and/or employees will be brought into conflict with that of the Corporation, (c) "Amneal" shall mean Amneal Holdings LLC and its Affiliates (other than the Corporation and any entity that is controlled by the Corporation), and (d) "Dual Role Person" shall mean any individual who is a director, officer or employee of the Corporation and is also a director, officer or employee of Amneal.

TWELFTH: STOCKHOLDERS AGREEMENT

For so long as that certain Second Amended and Restated Stockholders Agreement, dated as of December 16, 2017, by and among the Corporation and each of the Amneal Group Members (as defined therein), as amended from time to time, a copy of which will be provided to any stockholder of the Corporation upon written request therefor (the "Stockholders Agreement"), is in effect, the provisions of the Stockholders Agreement shall be incorporated by reference into the relevant provisions hereof, and such provisions shall be interpreted and applied in a manner consistent with the terms of the Stockholders Agreement.

THIRTEENTH: INDEMNIFICATION, ADVANCEMENT OF EXPENSES AND EXCULPATION

Section 1. Right to Indemnification. The Corporation shall indemnify and hold harmless, to the fullest extent permitted by applicable law as it presently exists or may hereafter be amended, any person who was or is made or is threatened to be made a party or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "proceeding") by reason of the fact that he, or a person for whom he is the legal representative, is or was a director or officer of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust, enterprise or nonprofit entity, including service with respect to employee benefit plans, against all liability and loss suffered and expenses (including attorneys' fees) reasonably incurred by such person; provided, however, that the Corporation shall not be required to indemnify any director or officer in connection with any proceeding (or part thereof) initiated by such person or any proceeding by such person against the Corporation or its directors, officers, employees or other agents unless (i) such indemnification is expressly required to be made by applicable law, (ii) the proceeding was authorized by the Board, (iii) such indemnification is provided by the Corporation, in its sole discretion, or (iv) such indemnification is required to be made under Section 3 of this ARTICLE THIRTEENTH, pursuant to the powers vested in the Corporation under the DGCL or any other applicable law.

Section 2. Advancement of Expenses.

a) The Corporation shall advance to any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he is or was a director or officer, of the Corporation, or is or was serving at the request of the Corporation as a director or officer of another corporation, partnership, joint venture, trust or other enterprise, prior to the final disposition of the proceeding, promptly following request therefor, all expenses incurred by any director or officer in defending any such proceeding, provided, however, that if the DGCL requires, an advancement of expenses incurred by a director or officer in his or her capacity as a director or officer (and not in any other capacity in which service was or is rendered by such indemnitee, including, without limitation, service to an employee benefit plan) shall be made only upon delivery to the Corporation of an undertaking (hereinafter, an "undertaking"), by or on behalf of such indemnitee, to repay all amounts so advanced if it shall ultimately be determined by final judicial decision from which there is no further right to appeal (hereinafter a "final adjudication") that such indemnitee is not entitled to be indemnified for such expenses under this Section 2 of this ARTICLE THIRTEENTH or otherwise.

b) Notwithstanding the foregoing, unless otherwise determined pursuant to Section 2 of this ARTICLE THIRTEENTH, no advance shall be made by the Corporation to an executive officer of the Corporation (except by reason of the fact that such executive officer is or was a director of the Corporation in which event this paragraph shall not apply) in any action, suit or proceeding, whether civil, criminal, administrative or investigative, if a determination is reasonably and promptly made (i) by a majority vote of directors who were not parties to the proceeding, even if not a quorum, or (ii) by a committee of such directors designated by a majority vote of such directors, even though less than a quorum, or (iii) if there are no such directors, or such directors so direct, by independent legal counsel in a written opinion, that the facts known to the decision-making party at the time such determination is made demonstrate clearly and convincingly that such person acted in bad faith or in a manner that such person did not believe to be in or not opposed to the best interests of the Corporation.

Section 3. Enforcement. Without the necessity of entering into an express contract, all rights to indemnification and advances to directors and officers under this ARTICLE THIRTEENTH shall be deemed to be contractual rights and be effective to the same extent and as if provided for in a contract between the Corporation and the director or officer. Any right to indemnification or advances granted by this ARTICLE THIRTEENTH to a director or officer shall be enforceable by or on behalf of the person holding such right in any court of competent jurisdiction if (i) the claim for indemnification or advances is denied, in whole or in part, or (ii) no disposition of such claim is made within sixty (60) days of request therefor. The claimant in such enforcement action, if successful in whole or in part, shall be entitled to be paid also the expense of prosecuting the claim.

In connection with any claim for indemnification, the Corporation shall be entitled to raise as a defense to any such action that the claimant has not met the standards of conduct that make it permissible under the DGCL or any other applicable law for the Corporation to indemnify the claimant for the amount claimed. In connection with any claim by an executive officer of the Corporation (except in any action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that such executive officer is or was a director of the Corporation) for advances, the Corporation shall be entitled to raise a defense as to any such action clear and convincing evidence that such person acted in bad faith or in a manner that such person did not believe to be in or not opposed to the best interests of the Corporation, or with respect to any criminal action or proceeding that such person acted without reasonable cause to believe that his conduct was lawful. Neither the failure of the Corporation (including the Board, independent legal counsel or its stockholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he has met the applicable standard of conduct set forth in the DGCL or any other applicable law, nor an actual determination by the Corporation (including the Board, independent legal counsel or its stockholders) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that claimant has not met the applicable standard of conduct. In any suit brought by a director or officer to enforce a right to indemnification or to an advancement of expenses hereunder, the burden of proving that the director or officer is not entitled to be indemnified, or to such advancement of expenses, under this ARTICLE THIRTEENTH or otherwise shall be on the Corporation.

Section 4. Good Faith.

a) For purposes of any determination under this ARTICLE THIRTEENTH, a director or executive officer shall be deemed to have acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, to have had no reasonable cause to believe that his conduct was unlawful, if his action is based on information, opinions, reports and statements, including financial statements and other financial data, in each case prepared or presented by:

i. one or more officers or employees of the Corporation whom the director or executive officer believed to be reliable and competent in the matters presented;

ii. counsel, independent accountants or other persons as to matters which the director or executive officer believed to be within such person’s professional competence; and

iii. with respect to a Director, a committee of the Board upon which such director does not serve, as to matters within such Committee's designated authority, which committee the director believes to merit confidence; so long as, in each case, the director or executive officer acts without knowledge that would cause such reliance to be unwarranted.

b) The termination of any proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal proceeding, that he had reasonable cause to believe that his conduct was unlawful.

c) The provisions of this ARTICLE THIRTEENTH shall not be deemed to be exclusive or to limit in any way the circumstances in which a person may be deemed to have met the applicable standard of conduct set forth by the DGCL.

Section 5. Non-Exclusivity of Rights. The rights conferred on any person by this ARTICLE THIRTEENTH shall not be exclusive of any other rights which such person may have or hereafter acquire under any statute, provision of this Restated Certificate of Incorporation, the Bylaws, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding office. The Corporation is specifically authorized to enter into individual contracts with any or all of its directors, officers, employees or agents respecting indemnification and advances, to the fullest extent not prohibited by the DGCL, or by any other applicable law.

Section 6. Other Indemnification. The Corporation's obligation, if any, to indemnify any person who was or is serving at its request as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, enterprise or nonprofit entity shall be reduced by any amount such person may collect as indemnification from such other corporation, partnership, joint venture, trust, enterprise or nonprofit enterprise.

Section 7. Insurance. The Board may authorize the Corporation to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the

Corporation, or is or was serving at the request of the Corporation as a director, officer, member, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Corporation would have the power to indemnify him against such liability under the provisions of this ARTICLE THIRTEENTH or of the DGCL; and the Corporation may create a trust fund, grant a security interest and/or use other means (including, without limitation, letters of credit, surety bonds and/
or other similar arrangements) to the full extent authorized or permitted by the DGCL and other applicable law to ensure the payment of such amounts as may become necessary to effect the indemnification as provided in this ARTICLE THIRTEENTH or elsewhere.

Section 8. Definitions. For the purposes of this ARTICLE THIRTEENTH, the following definition shall apply:

a) The term "Corporation" shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers and employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, member, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under the provisions of this ARTICLE THIRTEENTH with respect to the resulting or surviving corporation as he would have with respect to such constituent corporation if its separate existence had continued;

b) The term "other enterprises" shall include employee benefit plans;

c) The term "fines" shall include any excise taxes assessed on a person with respect to any employee benefit plan;

d) References to "serving at the request of the Corporation" shall include any service as a director, officer, employee or agent of the Corporation which imposes duties on, or involves services by, such director, officer, employee, or agent with respect to an employee benefit plan, its participants or beneficiaries; and

e) A person who acted in good faith and in a manner he reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the Corporation" as referred to in this ARTICLE THIRTEENTH.

Section 9. Liability of Directors. No director of the Corporation shall be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director; provided, however, that this, limitation of liability shall not eliminate or limit the liabilities of the directors for any breach of the director's duty of loyalty to the Corporation or its stockholders, for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, under Section 174 of the DGCL, or for any transaction from which the director derived an improper personal benefit; provided, further, that this limitation of liability shall not eliminate or limit the liability of a director for any act or omission occurring prior to the filing of this Restated Certificate of Incorporation.

Section 10. Survival of Rights. The rights conferred on any person by this ARTICLE THIRTEENTH shall continue as to a person who has ceased to be a director, officer, officer,
employee or other agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

Section 11. Savings Clause. If this ARTICLE THIRTEENTH or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the Corporation shall nevertheless indemnify each director and officer to the full extent not prohibited by any applicable portion of this ARTICLE THIRTEENTH that shall not have been invalidated, or by any other applicable law. If this ARTICLE THIRTEENTH shall be invalid due to the application of the indemnification provisions of another jurisdiction, then the Corporation shall indemnify each director and officer to the full extent under any other applicable law.

Section 12. Amendment or Repeal. Any repeal or modification of the provisions of this ARTICLE THIRTEENTH shall only be prospective and shall not adversely affect any right or protection hereunder of any person in respect of any act or omission occurring prior to the time of such repeal or modification.

FOURTEENTH: CERTAIN DEFINITIONS

Section 1. Except as otherwise provided in this Restated Certificate of Incorporation, the following definitions shall apply to the following terms as used in this Restated Certificate of Incorporation:

a) "Affiliate" shall mean (1) in respect of Amneal, any Person that, directly or indirectly, is controlled by Amneal, controls Amneal or is under common control with Amneal and shall include any principal, member, director, partner, stockholder, officer, employee or other representative of any of the foregoing (other than the Corporation and any entity that, directly or indirectly, is controlled by the Corporation); (2) in respect of the Corporation, any Person that, directly or indirectly, is controlled by the Corporation and (3) in respect of TPG, any Person that, directly or indirectly, is controlled by TPG or by any Person that controls TPG.

b) "Amneal" shall mean Amneal Pharmaceuticals, Inc.

c) "Person" shall mean an individual, a firm, a corporation, a partnership, a limited liability company, an association, a joint venture, a joint stock company, a trust, an unincorporated organization or similar company, or any other entity.

IN WITNESS WHEREOF, the Corporation has caused this Restated Certificate of Incorporation to be executed by its undersigned officer this 5th day of May, 2021.

AMNEAL PHARMACEUTICALS, INC.

By: /s/ Stephen J. Manzano
Name: Stephen J. Manzano
Title: Corporate Secretary

EMPLOYMENT AGREEMENT

This Employment Agreement ("**Agreement**") is entered into as of July 29, 2020, by and among Amneal Pharmaceuticals, Inc. (the "**Company**") and Joseph Todisco (the "**Executive**" and, collectively with the Company, the "**Parties**").

WITNESSETH:

WHEREAS, the Executive is currently employed by the Company as Senior Vice President, Sales & Marketing;

WHEREAS, effective August 1, 2020 (the "**Effective Date**"), the Company desires to employ the Executive as Executive Vice President, Chief Commercial Officer - Specialty, and the Executive desires to be so employed by the Company subject to the terms and conditions set forth in this Agreement; and

WHEREAS, the Company and the Executive desire to enter into this Agreement as to the terms and conditions of the Executive's employment with the Company effective as of the Effective Date.

NOW, THEREFORE, in consideration of the covenants and agreements hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. EMPLOYMENT AND DUTIES

a. Term of Employment. Subject to Section 8.2 below, the Executive's initial term of employment under this Agreement shall commence on the Effective Date and shall continue until the third anniversary thereof (the "**Initial Term**"), unless further extended or earlier terminated as provided in this Agreement. This Agreement will automatically be renewed for single one-year periods unless written notice of non-renewal (a "**Non-Renewal Notice**") is provided by any party at least 90 days prior to the end of the Initial Term or the successive one-year period then in effect or unless earlier terminated as provided in this Agreement. Neither non-renewal of this Agreement for additional periods after the third anniversary of the Effective Date, nor expiration of this Agreement as a result of such non-renewal, shall, by itself, result in termination of the Executive's employment. The period of time between the Effective Date and the termination of the Executive's employment under this Agreement shall be referred to herein as the "**Term.**"

b. General.

i.Subject to the terms set forth herein, as of the Effective Date, the Executive shall serve as the Executive Vice President, Chief Commercial Officer – Specialty ("EVP CCO – Specialty) of the Company and shall perform such duties as are customarily associated with such position and such other reasonable duties consistent with such position as may from time to time

be assigned to Executive by the Company. During the Term, the Executive shall report to Chirag Patel, Co-CEO and President of the Company.

ii. The Executive shall faithfully and diligently discharge Executive's duties hereunder and use Executive's reasonable best efforts to achieve the objectives assigned to Executive from time to time by the Company. The Executive shall devote substantially all of Executive's business time, attention, knowledge and skills faithfully, diligently and to the best of Executive's ability, in furtherance of the business and activities of the Company; provided, however, that nothing in this Agreement shall preclude the Executive from devoting reasonable periods of time required for:

(1) serving as a director or member of a committee of one publicly traded corporation and one private organization or corporation, in each case, that does not, in the good faith determination of the Board of Directors of Holdings (the "**Board**"), compete with the Company or otherwise create, or could create, in the good faith determination of the Board a conflict of interest with the business of the Company, it being understood that if the Board at any times determines that any such service competes with or otherwise creates, or could create, a conflict of interest with the business of the Company, Executive shall resign from such service as soon as practicable after receiving notice to such effect;

(2) delivering lectures, fulfilling speaking engagements, and any writing or publication relating to Executive's area of expertise; provided, however, that any fees, royalties or honorariums received therefrom shall be promptly turned over to the Company;

(3) engaging in professional organization and program activities;

(4) managing Executive's personal passive investments and affairs;

(5) participating in charitable or community affairs; and

(vi) consulting with Executive's prior employers and their successors and assigns in connection with potential or pending investigations, proceedings or lawsuits for which Executive has been requested to provide relevant information or testimony;

provided that such activities do not, either individually or in the aggregate, materially interfere with the performance of Executive's duties and responsibilities under this Agreement or create a conflict of interest with the business of the Company as determined in good faith by the Board. As a condition of Executive's employment hereunder, Executive may not serve as a director or member of a committee of more than one private and one public corporation or organization, and must resign as soon as practicable from any such positions to the extent Executive holds in excess of the permitted number of such positions.

c. Location. Executive shall perform the services required by this Agreement principally at the Company's offices in Bridgewater, New Jersey, subject to required travel in connection with the performance of Executive's duties.

d. Reimbursement of Expenses. The Company shall promptly reimburse the Executive for all reasonable, documented, out-of-pocket travel and other business expenses incurred by the Executive in the performance of the Executive's duties to the Company in accordance with the Company's applicable expense reimbursement policies and procedures as are in effect from time to time. To the extent any such reimbursements (and any other reimbursements of costs and expenses provided for herein) are includable in the Executive's gross income for Federal income tax purposes, all such reimbursements shall be made no later than March 15 of the calendar year next following the calendar year in which the expenses to be reimbursed are incurred.

2. COMPENSATION

a. Base Salary. During the Term, the Executive shall be entitled to receive a base salary as follows: (i) beginning on August 1, 2020, the annual base salary for the Executive will be at the rate of $485,000; (ii) beginning on January 1, 2021, the annual base salary for the Executive will be at the rate of $525,000. At all times, the Executive's base salary will be subject to all required or authorized withholdings and/or deductions (the "**Base Salary**"). The Base Salary shall be subject to increase in the sole discretion of the Board, provided however, that any increase in Base Salary shall become the Base Salary under this Agreement. The Board or the Compensation Committee thereof may decrease the Base Salary by an amount not to exceed 10% of Base Salary only if similar reductions are put in place generally affecting senior executives of the Company on a similar percentage basis. The Base Salary shall be paid in accordance with the payroll practices of the Company, but not less than monthly.

b. Incentive Bonuses. During the Term, the Executive shall be eligible to receive an annual bonus targeted at 60% of the Executive's Base Salary under the Company's annual incentive program, as may be amended from time to time, and subject to all required or authorized withholdings and/or deductions (the "**Incentive Bonus**"). The amount of Incentive Bonus payable for any year shall be based on the achievement of reasonable performance objectives for both the Company and the Executive established by the Board, as determined in its discretion. Executive's personal performance multiplier with respect to the Incentive Bonus in any year may be between zero and 150%, based on Executive's performance and as determined by the Board in its discretion. Except as provided herein, the Executive must be employed by the Company through the date of payment any Incentive Bonus in order to remain eligible for such Incentive Bonus. The target amount of the Incentive Bonus shall be subject to increase but not decrease in the sole discretion of the Board. The Incentive Bonus will be paid to Executive at the same general time as paid to other senior executives of the Company, but no later than 75 days following the end of the applicable fiscal year for which the Incentive Bonus is payable. Any Incentive Bonus earned by Executive for the year 2020 shall not be prorated due to Executive's partial service during that year.

c. Equity Awards.

i. Future Equity Awards. Commencing in 2021 and during the Term, the Executive will be eligible to participate in the Company's Long Term Incentive Plan, and the Executive will be eligible to be granted equity incentive awards subject to the terms of the Plan based on

both the Company's and Executive's performance, and with the ultimate value of any such future grants determined by the Board or its Compensation Committee in its sole discretion.

d. Additional Compensation. During the Term, in addition to the foregoing, the Executive shall be eligible to receive such other compensation as may from time to time be awarded Executive by the Board or its Compensation Committee in their sole discretion.

3. EMPLOYEE BENEFITS

a. During the Term, the Executive shall be entitled to participate in and have the benefit of all group life, disability, hospital, surgical and major medical insurance plans and programs and other employee benefit plans and programs as generally are made available to executive personnel of the Company, as such benefit plans or programs may be amended or terminated in the sole discretion of the Board or its Compensation Committee, from time to time.

b. The Executive shall be entitled to at least 25 (or such greater number as offered generally to other senior executives of the Company) paid days off per calendar year in accordance with the Company's PTO policy in effect from time to time, *provided that* any unused paid days off in any calendar year shall be carried over to the next calendar year subject to any caps under the Company's PTO policy, and subject to applicable law.

4. TERMINATION OF EMPLOYMENT

a. General. The Executive's employment under this Agreement may be terminated without any breach of this Agreement only on the following circumstances:

i. Death. The Executive's employment under this Agreement shall terminate upon Executive's death.

ii. Disability. If the Executive suffers a Disability (as defined below), the Company may terminate the Executive's employment under this Agreement upon 30 days prior written notice; provided that the Executive has not returned to full time performance of Executive's duties during such 30-day period. For purposes of this Agreement, "**Disability**" shall mean the Executive's inability to perform Executive's duties and responsibilities hereunder, with or without reasonable accommodation, due to any physical or mental illness or incapacity, which condition either (i) has continued for a period of 180 consecutive days (including weekends and holidays) in any 365-day period, or (ii) is projected by the Company in good faith after consulting with a licensed physician mutually selected by the Company and the Executive (or, in the event of the Executive's incapacity, Executive's legal representative), that the condition is likely to continue for a period of at least six consecutive months from its commencement.

iii. Good Reason. The Executive may terminate Executive's employment under this Agreement for Good Reason (as defined below). For purposes of this Agreement, "**Good Reason**" shall mean the occurrence of any of the following events without the Executive's express written consent:

(1) any action or inaction by the Company constituting a material breach of the Agreement by the Company;

(2) a material diminution of the titles, positions, reporting line, authorities, duties, or responsibilities of the Executive set forth in Section 1.2 above (other than temporarily while the Executive is physically or mentally incapacitated and unable to properly perform such duties, as determined by the Board in good faith), or the assignment to the Executive of titles, authorities, duties, or responsibilities that are inconsistent with Executive's position of EVP, Chief Commercial Officer - Specialty of the Company;

(3) the loss of any of the titles of the Executive with the Company set forth in Section 1.2 above;

(4) a reduction by the Company in the Base Salary or in any of the percentages of the Base Salary payable as an Incentive Bonus except for across-the-board reductions, not to exceed 10%, of base salary or incentive bonus generally affecting senior executives of the Company on a similar percentage basis;

(5) the delivery by the Company to the Executive of a Non-Renewal Notice in accordance with Section 1.1;

(6) an adverse change in the reporting structure set forth in Section 1.2.1 hereof; or

(7) the relocation of the Company's current Bridgewater, New Jersey offices to a location more than 50 miles from its then-present location.

Notwithstanding the foregoing, the Executive may not terminate Executive's employment for Good Reason under this Section 4.1.3 unless (i) the Executive provides written notice to the Board of the occurrence of an event constituting Good Reason within 30 days of the Executive's knowledge of its initial occurrence and (ii) if curable, the Board shall fail to cure such event constituting Good Reason within 30 days following its receipt of such written notice. The Date of Termination shall be the date the Board receives the Executive's Notice of Termination if the event constituting Good Reason is uncurable and 30 days after the date the Board receives the Executive's Notice of Termination if the event constituting Good Reason is curable and remains uncured 30 days after the Board receives the Executive's Notice of Termination. The foregoing notwithstanding, if the event constituting Good Reason is the Company's delivery to the Executive of a Non-Renewal Notice as set forth in Section 4.l.3(v) prior to the date that is 30 days before the end of the Initial Term, then the Date of Termination shall be deemed to be the expiry of the Initial Term.

iv. Without Good Reason. The Executive may voluntarily terminate Executive's employment under this Agreement without Good Reason upon written notice by the Executive to the Board at least 60 days prior to the effective date of such termination (which termination the Board may, in its sole discretion, make effective earlier than the date set forth in the Notice of Termination (as defined below)).

v.Cause. The Company may terminate the Executive's employment under this Agreement at any time for Cause (as defined below). For purposes of this Agreement, termination for "**Cause**" shall mean any of the following as determined in good faith by the Company's Co-Chief Executive Officer and President:

(1) the failure by the Executive to substantially perform Executive's obligations under this Agreement or Executive's failure to satisfactorily perform Executive's assigned duties with appropriate diligence, effort or skill (other than any such failure resulting from the Executive's incapacity due to a Disability); provided, however, that the Company's CoChief Executive Officer and President shall have provided the Executive with a Notice of Termination specifying such failure and the Executive shall have been afforded at least 15 business days within which to cure same;

(2) the Executive's conviction of or plea of guilty or *nolo contendere* to a felony or a misdemeanor involving material dishonesty;

(3) the Executive's misconduct in the performance of Executive's duties hereunder (such as theft, fraud, embezzlement, and/or securities law violations); or

(4) the Executive's violation of the Company's Code of Business Conduct or other written policies made available to Executive or with respect to which Executive should reasonably be aware that results in material economic or reputational harm to the Company; provided, however, that the Company's Co-Chief Executive Officer and President shall have provided the Executive with a Notice of Termination specifying such violation and the Executive shall have been afforded at least 15 business days within which to cure same.

For the avoidance of doubt, no act or failure to act on the part of the Executive based upon the direction or advice of legal counsel to the Company shall be deemed to constitute Cause hereunder.

Prior to any termination for Cause, the Company shall provide the Executive with a Notice of Termination specifying the event constituting Cause.

vi.Without Cause. The Company may terminate the Executive's employment under this Agreement without Cause immediately upon written notice by the Company to the Executive, other than for death or Disability.

4.1.7 Definition of Change in Control. For purposes of this Agreement, a "**Change in Control**" shall be deemed to occur upon any of the following events that occurs after the Effective Date, provided that such an event constitutes a "change in control event" within the meaning of Section 409A of the Code (as defined below): (a) any "**person**" as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**") (other than the Company, any trustee or other fiduciary holding securities under any employee benefit plan of the Company, or any company owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of the equity securities of the Company), becoming the beneficial owner (as defined in Rule 13d-3

under the Exchange Act), directly or indirectly, of equity securities of the Company representing more than 50% of the combined voting power of the Company's then outstanding equity securities; (b) during any period of 12 consecutive months, the individuals who, at the beginning of such period, constitute the Board, and any new director whose election by the Board or nomination for election by the Company's equity holders was approved by a vote of at least two-thirds of the directors then still in office who either were directors at the beginning of the 12-month period (or the Effective Date if later than such date) or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority of the Board; (c) a merger or consolidation of the Company with any other corporation or other entity, other than a merger or consolidation that would result in the voting securities of the Company outstanding immediately prior thereto (and held by persons that are not affiliates of the acquirer) continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than 50% of the combined voting power of the voting securities of the Company or such surviving entity outstanding immediately after such merger or consolidation; provided, however, that a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no person (other than those covered by the exceptions in clause (a) of this Section 4.1.7) acquires more than 50% of the combined voting power of the Company's then outstanding securities shall not constitute a Change in Control; or (d) the consummation of a sale or other disposition by the Company of all or substantially all of the Company's assets, including a liquidation, other than the sale or other disposition of all or substantially all of the assets of the Company to a person or persons who beneficially own, directly or indirectly, more than 50% of the combined voting power of the outstanding voting securities of the Company immediately prior to the time of the sale or other disposition, except a) such sale or disposition to any Person (or group of Persons) who previously was the beneficial owner of more than 50% of the combined voting power of the Company's outstanding equity securities regaining beneficial ownership of more than 50% of the combined voting power of the Company's outstanding equity securities, or b) as resulting from any changes among the beneficial owners within the Amneal Group (as defined in the Company's Stockholders Agreement) of the voting power of the Company's outstanding equity securities.

b. Notice of Termination. Any termination of the Executive's employment by the Company or by the Executive (other than termination by reason of the Executive's death) shall be communicated by written Notice of Termination to the other party of this Agreement. For purposes of this Agreement, a "**Notice of Termination**" shall mean a written notice which shall indicate the specific termination provision in this Agreement relied upon and, other than with respect to a termination pursuant to Section 4.1.6 hereof, shall set forth in reasonable detail the facts and circumstances claimed to provide the basis for such termination.

c. Date of Termination. The "**Date of Termination**" shall mean (a) if the termination is the result of the Executive's death, the date of Executive's death, (b) if the termination is pursuant to Section 4.1.2 hereof, 30 days after the Notice of Termination is given (provided that the Executive shall not have returned to the performance of Executive's duties on a full-time basis during such 30-day period), (c) if the termination is pursuant to Section 4.1.3 or Section 4.1.5 hereof, the date specified in the Notice of Termination after the expiration of any

applicable cure period (subject to the last sentence of Section 4.1.3), (d) if the termination is pursuant to Section 4.1.4 hereof, the date specified in the Notice of Termination which shall be at least 60 days after the Notice of Termination is given, or such earlier date as the Company shall determine in its sole discretion, and (e) if the termination is pursuant to Section 4.1.6 hereof, the date on which the Notice of Termination is given.

d. Compensation Upon Termination.

i. Termination by the Company for Cause or by the Executive Without Good Reason. If the Executive's employment shall be terminated by the Company for Cause or by the Executive Without Good Reason, the Company shall pay or provide to the Executive: (a) any earned but unpaid Base Salary through the Date of Termination, paid in accordance with the Company's standard payroll practices; (b) reimbursement for any unreimbursed expenses properly incurred and paid in accordance with Section 1.4 hereof through the Date of Termination; (c) payment for any accrued but unused vacation time in accordance with the Company's policy; (d) all equity awards previously granted to the Executive that have vested in accordance with the terms of such grants; and (e) such vested accrued benefits, and other payments, if any, as to which the Executive (and Executive's eligible dependents) may be entitled under, and in accordance with the terms and conditions of, the employee benefit arrangements, plans and programs of the Company as of the Date of Termination, other than any severance pay plan (such amounts and benefits set forth in clauses (a) though (e) being referred to hereinafter as the "**Amounts and Benefits**"), and the Company shall have no further obligation with respect to this Agreement other than as provided in Sections 5, 6.6 and 7 hereof. Any equity awards previously granted to the Executive that have not vested in accordance with the terms of Executive's grants as of the Date of Termination shall be forfeited as of the Date of Termination.

ii. Termination Apart from a Change in Control. If, at any time prior to the expiration of the Term and other than during a Change in Control Period (as defined below), the Executive resigns from Executive's employment hereunder with Good Reason, or the Company terminates the Executive's employment hereunder without Cause, then the Company shall pay or provide the Executive the Amounts and Benefits and, subject to Section 4.4.5, a severance payment as follows:

(1) an amount equal to 1.5 times the Base Salary as then in effect (without taking into account any reduction therein that constitutes a basis for Good Reason), with the aggregate amount due paid in a lump sum on the first payroll date on or following the 60th day after the Date of Termination;

(2) (A) a pro-rated portion of the Incentive Bonus for the year during which the Date of Termination occurs based on the number of days the Executive serves the Company during such year and actual performance of the corporate goals for such Incentive Bonus, inclusive of any adjustments made by the Board that are applied to all other executive participants in the annual incentive program, such pro-rated Incentive Bonus to be paid in a lump sum at the same time related bonuses are paid to executives who continue to be employed by the Company and, in any event, in the calendar year following the year during which the Date of

Termination occurs and (B) the prior year's Incentive Bonus to the extent not then already paid with the amount based on the higher of target or actual performance of the relevant goals, such prior year's Incentive Bonus to be paid in a lump sum at the same time related bonuses are paid to executives who continue to be employed by the Company;

(3) during the period commencing on the Date of Termination and ending as of the 18-month anniversary of the Date of Termination, or, if earlier, the date on which the Executive becomes eligible for comparable replacement coverage under a subsequent employer's group health plan (in any case, the "**COBRA Period**"), subject to the Executive's eligibility for and valid election to continue healthcare coverage under Section 4980B of the Code and the regulations thereunder, the Company shall, in its sole discretion, either (A) continue to provide to the Executive and the Executive's dependents, at the Company's sole expense, or (B) reimburse the Executive and the Executive's dependents for coverage under its group health plan (if any) at the same levels in effect on the Date of Termination; *provided, however*, that if (1) any plan pursuant to which such benefits are provided is not, or ceases prior to the expiration of the continuation coverage period to be, exempt from the application of Section 409A under Treasury Regulation Section 1.409A-1(a)(5), (2) the Company is otherwise unable to continue to cover the Executive or the Executive's dependents under its group health plans, or (3) the Company cannot provide the benefit without violating applicable law (including, without limitation, Section 2716 of the Public Health Service Act), then, in any such case, an amount equal to each remaining subsidy shall thereafter be paid to the Executive in substantially equal monthly installments over the COBRA Period (or remaining portion thereof);

(4) outplacement services provided to the Executive by a reputable national outplacement service provider for up to 12 months following the Date of Termination; and

(5) the vesting and, if applicable, exercisability of each outstanding equity award granted to the Executive by the Company shall accelerate in respect of that number of shares of Company common stock (or other equity securities) that would have vested had the Executive's employment with the Company continued through the first anniversary of the Date of Termination and, to the extent applicable, shall remain exercisable for a period of not less than 12 months following the Date of Termination (unless doing so would not comply with Code Section 409A (as defined in Section 8.9 hereof).

iii. Termination Following Change in Control. Anything contained herein to the contrary notwithstanding, in the event the Executive resigns from Executive's employment hereunder with Good Reason, the Company terminates the Executive's employment hereunder without Cause or Executive's employment terminates by reason of death or Disability, in each case, within the period commencing three months prior to a Change in Control and ending 12 months following the Change in Control (a "**Change in Control Period**"), then, in lieu of any amount otherwise payable pursuant to Section 4.4.2, the Company shall pay or provide the Executive the Amounts and Benefits and, subject to Section 4.4.5, a severance payment as follows:

(1) the payments and benefits set forth under clauses (i) through (iv) of Section 4.4.2; and

(2) the vesting and, if applicable, exercisability of each equity award granted to the Executive by the Company shall accelerate in respect of 100% of the shares of the Company common stock subject thereto effective as of the Date of Termination (with any performance conditions determined based on actual achievement as of the employment termination date and in accordance with the applicable award agreement) and, to the extent applicable, shall remain exercisable for a period of not less than 12 months following the Date of Termination (unless doing so would not comply with Code Section 409A (as defined in Section 8.9 hereof)).

iv. No Mitigation or Offset; Nature of Payments. The Executive shall not be required to mitigate the amount of any payment provided for in this Section 4.4 by seeking other employment or otherwise, nor shall the amount of any payment provided for in this Section 4.4 be reduced by any compensation earned by the Executive as the result of employment by another employer or business or by profits earned by the Executive from any other source at any time before and after the Date of Termination. Any amounts due under this Section 4.4 are in the nature of severance payments considered to be reasonable by the Company and are not in the nature of a penalty.

v. Release. Notwithstanding any provision to the contrary in this Agreement, the Company's obligation to pay or provide the Executive with the payments and benefits under Sections 4.4.2 and 4.4.3 (other than the Amounts and Benefits), and any accelerated vesting with respect to the equity awards under Section 4.4.3, shall be conditioned on the Executive's execution and failure to revoke a waiver and general release in a form prepared by the Company at the time that is in accordance with applicable law. The Company shall provide the Release to the Executive within seven days following the applicable Date of Termination.

5. INSURABILITY; RIGHT TO INSURE

The Company shall have the right to maintain key man life insurance in its own name covering the Executive's life in an amount of up to $50,000,000.00. The Executive shall fully cooperate in the procuring of such insurance, including submitting to any required medical examination and by completing, executing and delivering such applications and other instrument in writing as may be reasonably required by any insurance company to which application for insurance may be made by the Company. The Company's ability to procure any key man life insurance covering Executive's life shall not be a condition of employment.

6. CONFIDENTIALITY; NON-COMPETITION; NON-SOLICITATION; NON- DISPARAGEMENT; COOPERATION

a. Confidential Information. The Parties acknowledge that the services to be performed by the Executive under this Agreement are unique and extraordinary and, as a result of such employment, the Executive shall be in possession of Confidential Information (as defined below) relating to the business practices of the Company and the members thereof. The

term "**Confidential Information**" shall mean any and all information (oral and written) relating to the Company, or any of their respective activities, or of the clients, customers or business practices of the Company, except (i) as such disclosure or use may be required or appropriate in connection with Executive's work as an employee of the Company, (ii) when required to do so by a court of law, by any governmental agency having supervisory authority over the business of the Company or by any administrative or legislative body (including a committee thereof) with apparent jurisdiction to order them to divulge, disclose or make accessible such information, (iii) as to such confidential information that becomes generally known to the public or trade without Executive's violation of this Section 6.1, or (iv) to the Executive's spouse, attorney and/or Executive's personal tax and financial advisors as reasonably necessary or appropriate to advance the Executive's tax, financial and other personal planning (each an "**Exempt Person**"), *provided, however*, that any disclosure or use of any trade secret or proprietary or confidential information of the Company by an Exempt Person shall be deemed to be a breach of this Section 6.1 by the Executive.

b. Confidential Information includes, but is not limited to, information that the Executive learns of during the Executive's employment with the Company creates, develops, derives, obtains, makes known, or learns about which has commercial value in the business in which the Company is involved and which is treated by the Company as confidential, such as trade secrets, ideas, processes, formulas, compounds, compositions, research and clinical data, know-how, discoveries, developments, designs, innovations, plans, strategies, pricing, costs, financial information, employee information, forecasts and current and prospective customer and supplier lists. The Executive shall not, during the Term or at any time thereafter, except as may be required in the course of the performance of Executive's duties hereunder (including pursuant to Section 6.7 below) and except with respect to any litigation or arbitration involving this Agreement (or otherwise between the Executive and the Company), including the enforcement hereof, directly or indirectly, use, communicate, disclose or disseminate to any person, firm or corporation any Confidential Information acquired by the Executive during, or as a result of, Executive's employment with the Company, without the prior written consent of the Board. Without limiting the foregoing, the Executive understands that the Executive shall be prohibited from misappropriating any trade secret of the Company or of the clients or customers of the Company acquired by the Executive during, or as a result of, Executive's employment with the Company, at any time during or after the Term. Further without limiting the foregoing, as a condition of Executive's employment with the Company, the Executive shall enter into the Company's standard Confidentiality and Ownership of Inventions Agreement (the "**Proprietary Information Agreement**"). In the event of a conflict between this Agreement and the Proprietary Information Agreement, this Agreement shall control.

Notwithstanding the foregoing, Executive shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that: (A) is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Further, in the event that Executive files an arbitration or lawsuit for retaliation by the Company for reporting a suspected violation of law, Executive may disclose

the trade secret to their attorney and use the trade secret information in the proceeding, if Executive: (A) files any document containing the trade secret under seal; and (B) does not disclose the trade secret, except pursuant to court order.

c. Return of Property. Upon the termination of the Executive's employment for any reason all property of the Company that is in the possession of the Executive, including all documents, records, drug formulations, notebooks, equipment, electronic devices, price lists, specifications, programs, customer and prospective customer lists and other materials that contain Confidential Information that are in the possession of the Executive, including all copies thereof, shall be promptly returned to the Company. Anything to the contrary herein notwithstanding, the Executive shall be entitled to retain (i) papers and other materials of a personal nature, including photographs, correspondence, personal diaries, calendars and rolodexes, personal files and phone books, (ii) information showing Executive's compensation or relating to reimbursement of expenses, (iii) information that Executive reasonably believes may be needed for tax purposes and (iv) copies of plans, programs and agreements relating to Executive's employment, or termination thereof, with the Company.

d. Non-Competition. The Executive acknowledges that the Executive has been provided with Confidential Information and, during the Term, the Company from time to time will provide Executive with access to Confidential Information. In exchange for and ancillary to the rights provided to the Executive as set forth in this Agreement, the Executive's continued employment with the Company during the Term (subject to earlier termination as provided herein), and the Company's provision of Confidential Information, and the Executive's agreements regarding the use of same, in order to protect the value of any Confidential Information, and in consideration for good and valuable consideration received by the Executive, the Parties agree to the following provisions against unfair competition, which the Executive acknowledges represents a fair balance of the Company's rights to protect its business and the Executive's right to pursue employment. The Executive hereby agrees that the Executive shall not, during the Term and, except as provided below, for a period of 9 months thereafter, within the United States, directly or indirectly, engage or have an interest in, or render any services to, any business (whether as owner, manager, operator, licensor, licensee, lender, partner, stockholder, joint venturer, employee, consultant or otherwise) (such activities hereinafter referred to collectively as "**Engaging**") that competes directly with the Company in the pharmaceutical categories in which Amneal Specialty operates (presently movement disorders and endocrinology) (hereinafter, the "**Amneal Specialty Promoted Brand Portfolio**") such that 25% or more of the competing entity's total gross sales are competitive with the Amneal Specialty Promoted Brand Portfolio or another category of Specialty pharmaceutical business in which Amneal has active plans or strategy and plans to sell products within one calendar year following the Executive's termination of employment. Notwithstanding the foregoing, nothing herein shall prevent the Executive from (i) owning securities in a publicly traded entity whose activities compete with those of the Company, provided that such securities holdings are not greater than five percent of the equity ownership in such entity or making passive investments in private equity funds, hedge funds, mutual funds or similar investment vehicles; (ii) Engaging in the business of the ownership and licensing (as licensor) of trademarks and brands if the products or services carrying such trademarks and brands do not compete with the products or services

carrying the trademarks and brands owned and licensed (as licensor) by the Company, or that the Company is actively planning to own or license (as licensor), during the Term; or (iii) Engaging in an operating company (including ownership of securities of such operating company's holding company) with annual revenues not in excess of $10,000,000.

e. Prohibition on Use of Confidential Information to Solicit Customers and Prospects. During the Executive's employment, the Executive shall not engage in any other employment or activity that might materially interfere with the interests of the Company. Furthermore, the Executive shall not, except in the furtherance of the Executive's duties hereunder, directly or indirectly, individually or on behalf of any other person, firm, corporation or other entity, (i) during the Term (except in the good faith performance of Executive's duties) and for a period of 9 months thereafter, solicit, aid or induce any employee, representative or agent of the Company to leave such employment or retention or to accept employment with or render services to or with any other person, firm, corporation or other entity unaffiliated with the Company or hire or retain any such employee, representative or agent, or take any action to materially assist or aid any other person, firm, corporation or other entity in identifying, hiring or soliciting any such employee, representative or agent, other (x) than any such employee, representative or agent whose employment has been terminated by the Company and (y) Executive's personal assistant(s), (ii) during the Term (except in the good faith performance of Executive's duties) and for a period of 9 months thereafter, solicit, aid or induce (or attempt to do any of the foregoing) directly or indirectly, any current or prospective customer of the Company with whom the Executive substantially dealt with at any time during the last two years of the Executive's employment to purchase goods or services then sold by the Company from another person, firm, corporation or other entity or assist or aid any other persons or entity in identifying or soliciting any such customer or (iii) during the Term (except in the good faith performance of Executive's duties) and for a period of 9 months thereafter, interfere in any manner with the relationship of the Company and any of its vendors with whom the Executive had dealings, directly or indirectly, at any time during the last two years of the Executive's employment. An employee, representative or agent shall be deemed covered by this Section 6.5 while so employed or retained by the Company and for six months thereafter. Anything to the contrary herein notwithstanding, the following shall not be deemed a violation of this Section 6.5: (a) the Executive's solicitation of the Company's customers and/or vendors in connection with, and directly related to, Executive's Engaging in a business that complies with Section 6.4; (b) the Executive's responding to an unsolicited request for an employment reference regarding any former employee of the Company from such former employee, or from a third party, by providing a reference setting forth Executive's personal views about such former employee; or (c) if an entity with which the Executive is associated hires or engages any employee of the Company, if the Executive was not, directly or indirectly, involved in hiring or identifying such person as a potential recruit or assisting in the recruitment of such employee. For purposes hereof, the Executive shall be deemed to have been involved "**indirectly**" in soliciting, hiring or identifying an employee only if the Executive (x) directs a third party to solicit or hire the Employee, (y) identifies an employee to a third party as a potential recruit or (z) aids, assists or participates with a third party in soliciting or hiring an employee.

f. Non-Disparagement. At no time during or within five years after the Term shall (x) the Executive, directly or indirectly, disparage the Company or any of the Company's past or present employees, directors, products or services and (y) the Company, including its subsidiaries, parents and affiliates, directly or indirectly, disparage the Executive. In addition, the Company shall instruct and shall use reasonable efforts so that each director and officer of the Company and its subsidiaries and parents not to, directly or indirectly, disparage the Executive. Notwithstanding the foregoing, nothing in this Section 6.6 shall prevent any entity or person from making any truthful statement to the extent (i) necessary to rebut any untrue public statements made about him or her or it; (ii) necessary with respect to any litigation, arbitration or mediation involving this Agreement and the enforcement thereof; (iii) required by law or by any court, arbitrator, mediator or administrative or legislative body (including any committee thereof) with jurisdiction over such person; (iv) made as good faith competitive statements in the ordinary course of business or (v) made in good faith in the performance of duties (e.g., in the course of providing performance reviews).

g. Cooperation. Upon the receipt of reasonable notice from the Company (including outside counsel), the Executive shall, while employed by the Company and thereafter, respond and provide information with regard to matters of which the Executive has knowledge as a result of the Executive's employment with the Company and will provide reasonable assistance to the Company and its representatives in defense of any claims that may be made against the Company, and will provide reasonable assistance to the Company in the prosecution of any claims that may be made by the Company, to the extent that such claims may relate to matters related to the Executive's period of employment with the Company. Any request for such cooperation shall take into account the Executive's personal and business commitments and is subject to Executive's personal and business schedule. The Executive shall promptly inform the Board (to the extent the Executive is legally permitted to do so) if the Executive is asked to assist in any investigation of the Company or their actions, regardless of whether a lawsuit or other proceeding has then been filed with respect to such investigation. If the Executive is required to provide any services pursuant to this Section 6.7 following the Term, upon presentation of appropriate documentation, the Company shall promptly reimburse the Executive for reasonable out-of-pocket travel, lodging, communication and duplication expenses incurred in connection with the performance of such services and in accordance with the Company's expense policy for its senior officers (provided that it shall be in Executive's discretion to travel via first or business class, which costs shall be reimbursable by the Company), for reasonable legal fees to the extent the Company in good faith believes that separate legal representation is reasonably required. The Executive's entitlement to reimbursement of such costs and expenses, pursuant to this Section 6.7, shall in no way affect the Executive's rights, if any, to be indemnified and/or advanced expenses in accordance with the Company's (or any of its subsidiaries') corporate or other organizational documents, any applicable insurance policy, and/or in accordance with this Agreement.

h. Remedies and Reformation. Without intending to limit the remedies available to the Company, the Executive acknowledges that a breach of any of the covenants contained in this Section 6 may result in material and irreparable injury to the Company for which there is no adequate remedy at law, that it will not be possible to measure damages for such injuries

precisely and that, in the event of such a breach or threat the Company shall be entitled to seek a temporary restraining order and/or a preliminary or permanent injunction in a court of jurisdiction restraining the Executive from engaging in activities prohibited by this Section 6 or such other relief as may be required specifically to enforce any of the covenants in this Section 6. If for any reason it is held that the restrictions under this Section 6 are not reasonable or that consideration therefor is inadequate, such restrictions shall be interpreted or modified to include as much of the duration and scope identified in this Section 6 as will render such restrictions valid and enforceable.

i. Violations. In the event of any violation of the provisions of this Section 6, the Executive acknowledges and agrees that: (a) the post-termination restrictions contained in this Section 6 shall be extended by a period of time equal to the period of such violation, it being the intention of the Parties hereto that the running of the applicable post-termination restriction period shall be tolled during any period of such violation; (b) any severance payable which remains unpaid or other benefits yet to be received under Section 4.4.2 or 4.4.3 shall be forfeited by the Executive; and (c) any vested options not exercised as of the date of any violation of the provisions of this Section 6 shall be forfeited.

7. INDEMNIFICATION; DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

During the Term and thereafter, the Company shall indemnify and hold harmless the Executive and Executive's heirs and representatives as, and to the extent, provided in the Company's organizational documents. In addition, the Executive shall be entitled to enter into a form of indemnification agreement on terms and conditions no less favorable than the indemnification agreement entered into between the Company and members of the Board. The Company agrees to continue and maintain a directors and officers' liability insurance policy covering the Executive to the extent the Company provides such coverage for its other executive officers.

8. MISCELLANEOUS

a. Notices. All notices or communications hereunder shall be in writing, addressed as follows (or to such other address as either party may have furnished to the other in writing by like notice):

To the Company: Amneal Pharmaceuticals LLC
400 Crossing Boulevard
Bridgewater, NJ 08807
Attention: Co-Chief Executive Officer and President

To the Executive: At the last address for the Executive on the books of the Company.

All such notices shall be conclusively deemed to be received and shall be effective (i) if sent by hand delivery, upon receipt, (ii) if sent by telecopy or facsimile transmission, upon confirmation of receipt by the sender of such transmission, (iii) if sent by overnight courier, one

business day after being sent by overnight courier, or (iv) if sent by registered or certified mail, postage prepaid, return receipt requested, on the fifth day after the day on which such notice is mailed.

b. Testing; Verification. As a condition of the Executive's employment with the Company, to the extent not already completed, the Executive will be required to successfully complete the Company's standard onboarding procedures, including any background check and drug testing, the cost of which shall be paid by the Company. In addition, to comply with Department of Homeland Security, the Executive will be required to provide verification of the Executive's identity and legal right to work in the United States and must complete a Form I-9 within the first three days of the Effective Date. The Company shall notify the Executive of the identity of a clinic for drug testing that is local to the Executive, and the Executive hereby agrees to schedule an appointment with such clinic within 48 hours of the date of this Agreement. In the event the Executive fails any such tests or such verification, then this Agreement shall be void *ab initio* and of no further force or effect.

c. Severability. Each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be prohibited by or invalid under applicable law, such provision will be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

d. Binding Effect; Benefits. The Executive may not delegate Executive's duties or assign Executive's rights hereunder. Except as explicitly provided in the Agreement, no rights or obligations of the Company under this Agreement may be assigned or transferred by the Company other than pursuant to a merger or consolidation in which the Company is not the continuing entity, or a sale, liquidation or other disposition of all or substantially all of the assets of the Company, provided that the assignee or transferee is the successor to all or substantially all of the assets or businesses of the Company and assumes the liabilities, obligations and duties of the Company under this Agreement, either contractually or by operation of law. The Company further agree that, in the event of any disposition of their business and assets described in the preceding sentence, they shall use their best efforts to cause such assignee or transferee expressly to assume the liabilities, obligations and duties of the Company hereunder.

e. Entire Agreement. This Agreement, collectively with the Exhibits hereto and the Proprietary Information Agreement, represent the entire agreement of the Parties with respect to the subject matter hereof and shall supersede any and all previous contracts, arrangements, proposed terms or understandings between the Parties. This Agreement (including any of the Exhibits hereto) may be amended, modified or replaced at any time by mutual written agreement of the Parties. In the case of any conflict between any term or provision of this Agreement and any term or provision contained in any agreement, policy, plan, program, arrangement, employment manual, memorandum or other written document between or relating to the Company and the Executive or any rule of general applicability of the Company, this Agreement shall control and prevail.

f. Withholding. The payment of any amount pursuant to this Agreement shall be subject to applicable withholding and payroll taxes, and such other deductions as may be required by applicable law.

g. Governing Law. This Agreement and the performance of the Parties hereunder shall be governed by the internal laws (and not the law of conflicts) of the State of New Jersey, unless superseded by federal law

h. Arbitration. Any dispute or controversy, including, but not limited to, discrimination claims and claims involving a class, arising under or in connection with this Agreement or the Executive's employment with the Company, other than injunctive relief under Section 6.8 hereof, shall be settled exclusively by arbitration, conducted before a single arbitrator in Somerset County, New Jersey (applying New Jersey law) in accordance with the Commercial Arbitration Rules and Procedures of the American Arbitration Association then in effect. The decision of the arbitrator will be final and binding upon the Parties hereto. Judgment may be entered on the arbitrator's award in any court having jurisdiction. The Parties acknowledge and agree that in connection with any such arbitration and regardless of outcome (a) each party shall pay all its own costs and expenses, including without limitation its own legal fees and expenses, and (b) joint expenses shall be borne equally among the Parties. EACH PARTY WAIVES THE RIGHT TO TRIAL BY JURY. For the avoidance of doubt, and without limitation of the foregoing, any disputes, claims, and/or controversies related, whether in whole or in part, to the violation or alleged violation of laws prohibiting discrimination, including but not limited to discrimination, retaliation, and workplace sexual harassment claims, are included within the mandatory arbitration provisions of this Section 8.8, unless prohibited by controlling law.

i. Section 409A of the Code.

i. General. It is intended that the provisions of this Agreement comply with Section 409A of the Internal Revenue Code of 1986, as amended (the "**Code**") and the regulations and guidance promulgated thereunder (collectively "**Code Section 409A**"), and all provisions of this Agreement shall be construed in a manner consistent with the requirements for avoiding taxes or penalties under Code Section 409A. If any provision of this Agreement (or of any award of compensation, including equity compensation or benefits) would cause the Executive to incur any additional tax or interest under Code Section 409A, the Company shall, upon the specific request of the Executive, use its reasonable business efforts to in good faith reform such provision to comply with Code Section 409A; provided, that to the maximum extent practicable, the original intent and economic benefit to the Parties of the applicable provision shall be maintained. The Company shall timely use its reasonable business efforts to amend any plan or program in which the Executive participates to bring it in compliance with Code Section 409A.

ii. Separation from Service; Six-Month Delay. A termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of any amounts or benefits upon or following a termination of employment unless such termination is also a "**Separation from Service**" within the meaning of Code Section 409A and, for purposes of any such provision of this Agreement, references to a "**resignation**," "**termination**," "**termination of employment**" or like terms shall mean Separation from

Service. If the Executive is deemed on the Date of Termination to be a "**specified employee**," within the meaning of that term under Section (a)(2)(B) of Code Section 409A ("**Code Section 409(a)(2)(B)**") and using the identification methodology selected by the Company, as applicable, from time to time, or if none, the default methodology, then with regard to any payment, the providing of any benefit or any distribution of equity made subject to this Section 8.9.2, to the extent required to be delayed in compliance with Code Section 409A(a)(2)(B), and any other payment, the provision of any other benefit or any other distribution of equity that is required to be delayed in compliance with Code Section 409A(a)(2)(B), such payment, benefit or distribution shall not be made or provided prior to the earlier of (i) the expiration of the six-month period measured from the date of the Executive's Separation from Service or (ii) the date of the Executive's death. On the first day of the seventh month following the date of the Executive's Separation from Service or, if earlier, on the date of Executive's death, (x) all payments delayed pursuant to this Section 8.9.2 (whether they would have otherwise been payable in a single sum or in installments in the absence of such delay) shall be paid or reimbursed to the Executive in a lump sum, and any remaining payments and benefits due under this Agreement shall be paid or provided in accordance with the normal payment dates specified for them herein and (y) all distributions of equity delayed pursuant to this Section 8.9.2 shall be made to the Executive. In addition to the foregoing, to the extent required by Code Section 409A(a)(2)(B), prior to the occurrence of both a Disability termination as provided in Section 4.1.2 hereof and the Executive's becoming "disabled" under Code Section 409A, the payment of any compensation to the Executive under this Agreement shall be suspended for a period of six months commencing at such time that the Executive shall be deemed to have had a Separation from Service because either (A) a sick leave ceases to be a bona fide sick leave of absence, or (B) the permitted time period for a sick leave of absence expires (an "**SFS Disability**"), without regard to whether such SFS Disability actually results in a Disability termination. Promptly following the expiration of such six-month period, all compensation suspended pursuant to the foregoing sentence (whether it would have otherwise been payable in a single sum or in installments in the absence of such suspension) shall be paid or reimbursed to the Executive in a lump sum. On any delayed payment date under this Section 8.9.2, there shall be paid to the Executive or, if the Executive has died, to Executive's estate, in a single cash lump sum together with the payment of such delayed payment, interest on the aggregate amount of such delayed payment at the Delayed Payment Interest Rate (as defined below) computed from the date on which such delayed payment otherwise would have been made to the Executive until the date paid. For purposes of the foregoing, the "**Delayed Payment Interest Rate**" shall mean the prime interest rate as reported in *The Wall Street Journal* as of the business day immediately preceding the payment date for the applicable delayed payment.

iii.Expense Reimbursement. With regard to any provision herein that provides for reimbursement of costs and expenses or in-kind benefits, except as permitted by Code Section 409A, (i) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit, (ii) the amount of expenses eligible for reimbursement, or in-kind benefits, provided during any taxable year shall not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other taxable year, provided that the foregoing clause (ii) shall not be violated with regard to expenses reimbursed under any arrangement covered by Section 105(b) of the Internal Revenue Code and the regulations and

guidance promulgated thereunder solely because such expenses are subject to a limit related to the period the arrangement is in effect and (iii) such payments shall be made on or before the last day of the Executive's taxable year following the taxable year in which the expense was incurred.

j. Survivorship. Except as otherwise expressly set forth in this Agreement, upon the expiration of the Term, the respective rights and obligations of the Parties shall survive such expiration to the extent necessary to carry out the intentions of the Parties as embodied in this Agreement. This Agreement shall continue in effect until there are no further rights or obligations of the Parties outstanding hereunder and shall not be terminated by either party without the express prior written consent of all Parties.

k. Counterparts. This Agreement may be executed in counterparts (including by electronic transmission) which, when taken together, shall constitute one and the same agreement of the Parties.

l. Company Representations. As of the Effective Date, the Company represents and warrants to the Executive that (i) the execution, delivery and performance of this Agreement (and the agreements referred to herein) by the Company has been fully and validly authorized by all necessary corporate action, (ii) the officer or director signing this Agreement on behalf of the Company is duly authorized to do so, (iii) the execution, delivery and performance of this Agreement does not violate any applicable law, regulation, order, judgment or decree or any agreement, plan or corporate governance document to which the Company is a party or by which it is bound and (iv) upon execution and delivery of this Agreement by the Executive and the Company, it shall be a valid and binding obligation of the Company enforceable against it in accordance with its terms, except to the extent that enforceability may be limited by applicable bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally.

[Signature Page Follows]

Amneal Pharmaceuticals, Inc. and Executive have each signed this Agreement as of the date first set forth above.

Amneal Pharmaceuticals, Inc.

By:/s/ Chirag Patel

Name: Chirag Patel
Title: Co-Chief Executive Officer & President

/s/ Joseph Todisco

Joseph Todisco

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Exhibit 10.2

EMPLOYMENT AGREEMENT

This Employment Agreement ("**Agreement**") is entered into as of July 29, 2020, by and among Amneal Pharmaceuticals, Inc. (the "**Company**") and Nikita Shah (the "**Executive**" and, collectively with the Company, the "**Parties**").

WITNESSETH:

WHEREAS, the Executive is currently employed by the Company as Senior Vice President, Chief Human Resources Officer ("CHRO");

WHEREAS, effective August 1, 2020 (the "**Effective Date**"), the Company desires to employ the Executive as Executive Vice President, Chief Human Resources Officer and Strategic Planning Officer ("SPO"), and the Executive desires to be so employed by the Company subject to the terms and conditions set forth in this Agreement; and

WHEREAS, the Company and the Executive desire to enter into this Agreement as to the terms and conditions of the Executive's employment with the Company effective as of the Effective Date.

NOW, THEREFORE, in consideration of the covenants and agreements hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. EMPLOYMENT AND DUTIES

a. Term of Employment. Subject to Section 8.2 below, the Executive's initial term of employment under this Agreement shall commence on the Effective Date and shall continue until the third anniversary thereof (the "**Initial Term**"), unless further extended or earlier terminated as provided in this Agreement. This Agreement will automatically be renewed for single one-year periods unless written notice of non-renewal (a "**Non-Renewal Notice**") is provided by any party at least 90 days prior to the end of the Initial Term or the successive one-year period then in effect or unless earlier terminated as provided in this Agreement. Neither non-renewal of this Agreement for additional periods after the third anniversary of the Effective Date, nor expiration of this Agreement as a result of such non-renewal, shall, by itself, result in termination of the Executive's employment. The period of time between the Effective Date and the termination of the Executive's employment under this Agreement shall be referred to herein as the "**Term.**"

b. General.

i.Subject to the terms set forth herein, as of the Effective Date, the Executive shall serve as the Executive Vice President ("EVP"), CHRO and SPO of the Company and shall perform such duties as are customarily associated with such position including responsibility for all aspects of Human Resources and Internal Communications, partnering with Co-CEOs on Corporate Strategy and implementation, and such other reasonable duties consistent with such

position as may from time to time be assigned to Executive by the Company. During the Term, the Executive shall report to Chirag Patel, Co-CEO and President of the Company.

ii.The Executive shall faithfully and diligently discharge Executive's duties hereunder and use Executive's reasonable best efforts to achieve the objectives assigned to Executive from time to time by the Company. The Executive shall devote substantially all of Executive's business time, attention, knowledge and skills faithfully, diligently and to the best of Executive's ability, in furtherance of the business and activities of the Company; provided, however, that nothing in this Agreement shall preclude the Executive from devoting reasonable periods of time required for:

(1) serving as a director or member of a committee of one publicly traded corporation and one private organization or corporation, in each case, that does not, in the good faith determination of the Board of Directors of Holdings (the "**Board**"), compete with the Company or otherwise create, or could create, in the good faith determination of the Board a conflict of interest with the business of the Company, it being understood that if the Board at any times determines that any such service competes with or otherwise creates, or could create, a conflict of interest with the business of the Company, Executive shall resign from such service as soon as practicable after receiving notice to such effect;

(2) delivering lectures, fulfilling speaking engagements, and any writing or publication relating to Executive's area of expertise; provided, however, that any fees, royalties or honorariums received therefrom shall be promptly turned over to the Company;

(3) engaging in professional organization and program activities;

(4) managing Executive's personal passive investments and affairs;

(5) participating in charitable or community affairs; and

(vi) consulting with Executive's prior employers and their successors and assigns in connection with potential or pending investigations, proceedings or lawsuits for which Executive has been requested to provide relevant information or testimony;

provided that such activities do not, either individually or in the aggregate, materially interfere with the performance of Executive's duties and responsibilities under this Agreement or create a conflict of interest with the business of the Company as determined in good faith by the Board. As a condition of Executive's employment hereunder, Executive may not serve as a director or member of a committee of more than one private and one public corporation or organization, and must resign as soon as practicable from any such positions to the extent Executive holds in excess of the permitted number of such positions.

c. Location. Executive shall perform the services required by this Agreement principally at the Company's offices in Bridgewater, New Jersey, subject to required travel in connection with the performance of Executive's duties.

d. Reimbursement of Expenses. The Company shall promptly reimburse the Executive for all reasonable, documented, out-of-pocket travel and other business expenses incurred by the Executive in the performance of the Executive's duties to the Company in accordance with the Company's applicable expense reimbursement policies and procedures as are in effect from time to time. To the extent any such reimbursements (and any other reimbursements of costs and expenses provided for herein) are includable in the Executive's gross income for Federal income tax purposes, all such reimbursements shall be made no later than March 15 of the calendar year next following the calendar year in which the expenses to be reimbursed are incurred.

2. COMPENSATION

a. Base Salary. During the Term, the Executive shall be entitled to receive a base salary as follows: (i) beginning on August 1, 2020, the annual base salary for the Executive will be at the rate of $450,000; (ii) beginning on January 1, 2021, the annual base salary for the Executive will be at the rate of $485,000. At all times, the Executive's base salary will be subject to all required or authorized withholdings and/or deductions (the "**Base Salary**"). The Base Salary shall be subject to increase in the sole discretion of the Board, provided however, that any increase in Base Salary shall become the Base Salary under this Agreement. The Board or the Compensation Committee thereof may decrease the Base Salary by an amount not to exceed 10% of Base Salary only if similar reductions are put in place generally affecting senior executives of the Company on a similar percentage basis. The Base Salary shall be paid in accordance with the payroll practices of the Company, but not less than monthly.

b. Incentive Bonuses. During the Term, the Executive shall be eligible to receive an annual bonus targeted at 55% of the Executive's Base Salary under the Company's annual incentive program, as may be amended from time to time, and subject to all required or authorized withholdings and/or deductions (the "**Incentive Bonus**"). The amount of Incentive Bonus payable for any year shall be based on the achievement of reasonable performance objectives for both the Company and the Executive established by the Board, as determined in its discretion. Executive's personal performance multiplier with respect to the Incentive Bonus in any year may be between zero and 150%, based on Executive's performance and as determined by the Board in its discretion. Except as provided herein, the Executive must be employed by the Company through the date of payment any Incentive Bonus in order to remain eligible for such Incentive Bonus. The target amount of the Incentive Bonus shall be subject to increase but not decrease in the sole discretion of the Board. The Incentive Bonus will be paid to Executive at the same general time as paid to other senior executives of the Company, but no later than 75 days following the end of the applicable fiscal year for which the Incentive Bonus is payable. Any Incentive Bonus earned by Executive for the year 2020 shall not be prorated due to Executive's partial service during that year.

c. Equity Awards. Executive remains eligible to participate in the Company's Long Term Incentive Plan, and may be granted additional such stock options, restricted stock units and other equity incentive grants as determined by the Company in its sole discretion, if any. For the avoidance of doubt, other than as set forth in Sections 4.4.2 (v) and 4.4.3 (ii), this Agreement

shall not extend, terminate, or modify any equity awards previously granted to Executive by the Company.

d. Additional Compensation. During the Term, in addition to the foregoing, the Executive shall be eligible to receive such other compensation as may from time to time be awarded Executive by the Board or its Compensation Committee in their sole discretion.

3. EMPLOYEE BENEFITS

a. During the Term, the Executive shall be entitled to participate in and have the benefit of all group life, disability, hospital, surgical and major medical insurance plans and programs and other employee benefit plans and programs as generally are made available to executive personnel of the Company, as such benefit plans or programs may be amended or terminated in the sole discretion of the Board or its Compensation Committee, from time to time.

b. The Executive shall be entitled to at least 25 (or such greater number as offered generally to other senior executives of the Company) paid days off per calendar year in accordance with the Company's PTO policy in effect from time to time, *provided that* any unused paid days off in any calendar year shall be carried over to the next calendar year subject to any caps under the Company's PTO policy, and subject to applicable law.

4. TERMINATION OF EMPLOYMENT

a. General. The Executive's employment under this Agreement may be terminated without any breach of this Agreement only on the following circumstances:

i. Death. The Executive's employment under this Agreement shall terminate upon Executive's death.

ii. Disability. If the Executive suffers a Disability (as defined below), the Company may terminate the Executive's employment under this Agreement upon 30 days prior written notice; provided that the Executive has not returned to full time performance of Executive's duties during such 30-day period. For purposes of this Agreement, "**Disability**" shall mean the Executive's inability to perform Executive's duties and responsibilities hereunder, with or without reasonable accommodation, due to any physical or mental illness or incapacity, which condition either (i) has continued for a period of 180 consecutive days (including weekends and holidays) in any 365-day period, or (ii) is projected by the Company in good faith after consulting with a licensed physician mutually selected by the Company and the Executive (or, in the event of the Executive's incapacity, Executive's legal representative), that the condition is likely to continue for a period of at least six consecutive months from its commencement.

iii. Good Reason. The Executive may terminate Executive's employment under this Agreement for Good Reason (as defined below). For purposes of this Agreement, "**Good Reason**" shall mean the occurrence of any of the following events without the Executive's express written consent:

(1) any action or inaction by the Company constituting a material breach of the Agreement by the Company;

(2) a material diminution of the titles, positions, reporting line, authorities, duties, or responsibilities of the Executive set forth in Section 1.2 above (other than temporarily while the Executive is physically or mentally incapacitated and unable to properly perform such duties, as determined by the Board in good faith), or the assignment to the Executive of titles, authorities, duties, or responsibilities that are inconsistent with Executive's position of EVP, CHRO and SPO of the Company;

(3) the loss of any of the titles of the Executive with the Company set forth in Section 1.2 above;

(4) a reduction by the Company in the Base Salary or in any of the percentages of the Base Salary payable as an Incentive Bonus except for across-the-board reductions, not to exceed 10%, of base salary or incentive bonus generally affecting senior executives of the Company on a similar percentage basis;

(5) the delivery by the Company to the Executive of a Non-Renewal Notice in accordance with Section 1.1;

(6) an adverse change in the reporting structure set forth in Section 1.2.1 hereof; or

(7) the relocation of the Company's current Bridgewater, New Jersey offices to a location more than 50 miles from its then-present location.

Notwithstanding the foregoing, the Executive may not terminate Executive's employment for Good Reason under this Section 4.1.3 unless (i) the Executive provides written notice to the Board of the occurrence of an event constituting Good Reason within 30 days of the Executive's knowledge of its initial occurrence and (ii) if curable, the Board shall fail to cure such event constituting Good Reason within 30 days following its receipt of such written notice. The Date of Termination shall be the date the Board receives the Executive's Notice of Termination if the event constituting Good Reason is uncurable and 30 days after the date the Board receives the Executive's Notice of Termination if the event constituting Good Reason is curable and remains uncured 30 days after the Board receives the Executive's Notice of Termination. The foregoing notwithstanding, if the event constituting Good Reason is the Company's delivery to the Executive of a Non-Renewal Notice as set forth in Section 4.l.3(v) prior to the date that is 30 days before the end of the Initial Term, then the Date of Termination shall be deemed to be the expiry of the Initial Term.

iv. Without Good Reason. The Executive may voluntarily terminate Executive's employment under this Agreement without Good Reason upon written notice by the Executive to the Board at least 60 days prior to the effective date of such termination (which termination the Board may, in its sole discretion, make effective earlier than the date set forth in the Notice of Termination (as defined below)).

v.Cause. The Company may terminate the Executive's employment under this Agreement at any time for Cause (as defined below). For purposes of this Agreement, termination for "**Cause**" shall mean any of the following as determined in good faith by the Company's Co-Chief Executive Officer and President:

(1) the failure by the Executive to substantially perform Executive's obligations under this Agreement or Executive's failure to satisfactorily perform Executive's assigned duties with appropriate diligence, effort or skill (other than any such failure resulting from the Executive's incapacity due to a Disability); provided, however, that the Company's CoChief Executive Officer and President shall have provided the Executive with a Notice of Termination specifying such failure and the Executive shall have been afforded at least 15 business days within which to cure same;

(2) the Executive's conviction of or plea of guilty or *nolo contendere* to a felony or a misdemeanor involving material dishonesty;

(3) the Executive's misconduct in the performance of Executive's duties hereunder (such as theft, fraud, embezzlement, and/or securities law violations); or

(4) the Executive's violation of the Company's Code of Business Conduct or other written policies made available to Executive or with respect to which Executive should reasonably be aware that results in material economic or reputational harm to the Company; provided, however, that the Company's Co-Chief Executive Officer and President shall have provided the Executive with a Notice of Termination specifying such violation and the Executive shall have been afforded at least 15 business days within which to cure same.

For the avoidance of doubt, no act or failure to act on the part of the Executive based upon the direction or advice of legal counsel to the Company shall be deemed to constitute Cause hereunder.

Prior to any termination for Cause, the Company shall provide the Executive with a Notice of Termination specifying the event constituting Cause.

vi.Without Cause. The Company may terminate the Executive's employment under this Agreement without Cause immediately upon written notice by the Company to the Executive, other than for death or Disability.

4.1.7 Definition of Change in Control. For purposes of this Agreement, a "**Change in Control**" shall be deemed to occur upon any of the following events that occurs after the Effective Date, provided that such an event constitutes a "change in control event" within the meaning of Section 409A of the Code (as defined below): (a) any "**person**" as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**") (other than the Company, any trustee or other fiduciary holding securities under any employee benefit plan of the Company, or any company owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of the equity securities of the Company), becoming the beneficial owner (as defined in Rule 13d-3

under the Exchange Act), directly or indirectly, of equity securities of the Company representing more than 50% of the combined voting power of the Company's then outstanding equity securities; (b) during any period of 12 consecutive months, the individuals who, at the beginning of such period, constitute the Board, and any new director whose election by the Board or nomination for election by the Company's equityholders was approved by a vote of at least two-thirds of the directors then still in office who either were directors at the beginning of the 12-month period (or the Effective Date if later than such date) or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority of the Board; (c) a merger or consolidation of the Company with any other corporation or other entity, other than a merger or consolidation that would result in the voting securities of the Company outstanding immediately prior thereto (and held by persons that are not affiliates of the acquirer) continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than 50% of the combined voting power of the voting securities of the Company or such surviving entity outstanding immediately after such merger or consolidation; provided, however, that a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no person (other than those covered by the exceptions in clause (a) of this Section 4.1.7) acquires more than 50% of the combined voting power of the Company's then outstanding securities shall not constitute a Change in Control; or (d) the consummation of a sale or other disposition by the Company of all or substantially all of the Company's assets, including a liquidation, other than the sale or other disposition of all or substantially all of the assets of the Company to a person or persons who beneficially own, directly or indirectly, more than 50% of the combined voting power of the outstanding voting securities of the Company immediately prior to the time of the sale or other disposition, except a) such sale or disposition to any Person (or group of Persons) who previously was the beneficial owner of more than 50% of the combined voting power of the Company's outstanding equity securities regaining beneficial ownership of more than 50% of the combined voting power of the Company's outstanding equity securities, or b) as resulting from any changes among the beneficial owners within the Amneal Group (as defined in the Company's Stockholders Agreement) of the voting power of the Company's outstanding equity securities.

b. Notice of Termination. Any termination of the Executive's employment by the Company or by the Executive (other than termination by reason of the Executive's death) shall be communicated by written Notice of Termination to the other party of this Agreement. For purposes of this Agreement, a "**Notice of Termination**" shall mean a written notice which shall indicate the specific termination provision in this Agreement relied upon and, other than with respect to a termination pursuant to Section 4.1.6 hereof, shall set forth in reasonable detail the facts and circumstances claimed to provide the basis for such termination.

c. Date of Termination. The "**Date of Termination**" shall mean (a) if the termination is the result of the Executive's death, the date of Executive's death, (b) if the termination is pursuant to Section 4.1.2 hereof, 30 days after the Notice of Termination is given (provided that the Executive shall not have returned to the performance of Executive's duties on a full-time basis during such 30-day period), (c) if the termination is pursuant to Section 4.1.3 or Section 4.1.5 hereof, the date specified in the Notice of Termination after the expiration of any

applicable cure period (subject to the last sentence of Section 4.1.3), (d) if the termination is pursuant to Section 4.1.4 hereof, the date specified in the Notice of Termination which shall be at least 60 days after the Notice of Termination is given, or such earlier date as the Company shall determine in its sole discretion, and (e) if the termination is pursuant to Section 4.1.6 hereof, the date on which the Notice of Termination is given.

d. Compensation Upon Termination.

i. Termination by the Company for Cause or by the Executive Without Good Reason. If the Executive's employment shall be terminated by the Company for Cause or by the Executive Without Good Reason, the Company shall pay or provide to the Executive: (a) any earned but unpaid Base Salary through the Date of Termination, paid in accordance with the Company's standard payroll practices; (b) reimbursement for any unreimbursed expenses properly incurred and paid in accordance with Section 1.4 hereof through the Date of Termination; (c) payment for any accrued but unused vacation time in accordance with the Company's policy; (d) all equity awards previously granted to the Executive that have vested in accordance with the terms of such grants; and (e) such vested accrued benefits, and other payments, if any, as to which the Executive (and Executive's eligible dependents) may be entitled under, and in accordance with the terms and conditions of, the employee benefit arrangements, plans and programs of the Company as of the Date of Termination, other than any severance pay plan (such amounts and benefits set forth in clauses (a) though (e) being referred to hereinafter as the "**Amounts and Benefits**"), and the Company shall have no further obligation with respect to this Agreement other than as provided in Sections 5, 6.6 and 7 hereof. Any equity awards previously granted to the Executive that have not vested in accordance with the terms of Executive's grants as of the Date of Termination shall be forfeited as of the Date of Termination.

ii. Termination Apart from a Change in Control. If, at any time prior to the expiration of the Term and other than during a Change in Control Period (as defined below), the Executive resigns from Executive's employment hereunder with Good Reason, or the Company terminates the Executive's employment hereunder without Cause, then the Company shall pay or provide the Executive the Amounts and Benefits and, subject to Section 4.4.5, a severance payment as follows:

(1) an amount equal to 1.5 times the Base Salary as then in effect (without taking into account any reduction therein that constitutes a basis for Good Reason), with the aggregate amount due paid in a lump sum on the first payroll date on or following the 60th day after the Date of Termination;

(2) (A) a pro-rated portion of the Incentive Bonus for the year during which the Date of Termination occurs based on the number of days the Executive serves the Company during such year and actual performance of the corporate goals for such Incentive Bonus, inclusive of any adjustments made by the Board that are applied to all other executive participants in the annual incentive program, such pro-rated Incentive Bonus to be paid in a lump

sum at the same time related bonuses are paid to executives who continue to be employed by the Company and, in any event, in the calendar year following the year during which the Date of Termination occurs and (B) the prior year's Incentive Bonus to the extent not then already paid with the amount based on the higher of target or actual performance of the relevant goals, such prior year's Incentive Bonus to be paid in a lump sum at the same time related bonuses are paid to executives who continue to be employed by the Company;

(3) during the period commencing on the Date of Termination and ending as of the 18-month anniversary of the Date of Termination, or, if earlier, the date on which the Executive becomes eligible for comparable replacement coverage under a subsequent employer's group health plan (in any case, the "**COBRA Period**"), subject to the Executive's eligibility for and valid election to continue healthcare coverage under Section 4980B of the Code and the regulations thereunder, the Company shall, in its sole discretion, either (A) continue to provide to the Executive and the Executive's dependents, at the Company's sole expense, or (B) reimburse the Executive and the Executive's dependents for coverage under its group health plan (if any) at the same levels in effect on the Date of Termination; *provided, however*, that if (1) any plan pursuant to which such benefits are provided is not, or ceases prior to the expiration of the continuation coverage period to be, exempt from the application of Section 409A under Treasury Regulation Section 1.409A-1(a)(5), (2) the Company is otherwise unable to continue to cover the Executive or the Executive's dependents under its group health plans, or (3) the Company cannot provide the benefit without violating applicable law (including, without limitation, Section 2716 of the Public Health Service Act), then, in any such case, an amount equal to each remaining subsidy shall thereafter be paid to the Executive in substantially equal monthly installments over the COBRA Period (or remaining portion thereof);

(4) outplacement services provided to the Executive by a reputable national outplacement service provider for up to 12 months following the Date of Termination; and

(5) the vesting and, if applicable, exercisability of each outstanding equity award including those granted prior to this Agreement granted to the Executive by the Company shall accelerate in respect of that number of shares of Company common stock (or other equity securities) that would have vested had the Executive's employment with the Company continued through the first anniversary of the Date of Termination and, to the extent applicable, shall remain exercisable for a period of not less than 12 months following the Date of Termination (unless doing so would not comply with Code Section 409A (as defined in Section 8.9 hereof)

iii. Termination Following Change in Control. Anything contained herein to the contrary notwithstanding, in the event the Executive resigns from Executive's employment hereunder with Good Reason, the Company terminates the Executive's employment hereunder without Cause or Executive's employment terminates by reason of death or Disability, in each case, within the period commencing three months prior to a Change in Control and ending 12 months following the Change in Control (a "**Change in Control Period**"), then, in lieu of any amount otherwise payable pursuant to Section 4.4.2, the Company shall pay or provide the

Executive the Amounts and Benefits and, subject to Section 4.4.5, a severance payment as follows:

(1) the payments and benefits set forth under clauses (i) through (iv) of Section 4.4.2; and

(2) the vesting and, if applicable, exercisability of each equity award granted to the Executive by the Company shall accelerate in respect of 100% of the shares of the Company common stock subject thereto effective as of the Date of Termination (with any performance conditions determined based on actual achievement as of the employment termination date and in accordance with the applicable award agreement) and, to the extent applicable, shall remain exercisable for a period of not less than 12 months following the Date of Termination (unless doing so would not comply with Code Section 409A (as defined in Section 8.9 hereof)).

iv. No Mitigation or Offset; Nature of Payments. The Executive shall not be required to mitigate the amount of any payment provided for in this Section 4.4 by seeking other employment or otherwise, nor shall the amount of any payment provided for in this Section 4.4 be reduced by any compensation earned by the Executive as the result of employment by another employer or business or by profits earned by the Executive from any other source at any time before and after the Date of Termination. Any amounts due under this Section 4.4 are in the nature of severance payments considered to be reasonable by the Company and are not in the nature of a penalty.

v. Release. Notwithstanding any provision to the contrary in this Agreement, the Company's obligation to pay or provide the Executive with the payments and benefits under Sections 4.4.2 and 4.4.3 (other than the Amounts and Benefits), and any accelerated vesting with respect to the equity awards under Section 4.4.3, shall be conditioned on the Executive's execution and failure to revoke a waiver and general release in a form prepared by the Company at the time that is in accordance with applicable law. The Company shall provide the Release to the Executive within seven days following the applicable Date of Termination.

5. INSURABILITY; RIGHT TO INSURE

The Company shall have the right to maintain key man life insurance in its own name covering the Executive's life in an amount of up to $50,000,000.00. The Executive shall fully cooperate in the procuring of such insurance, including submitting to any required medical examination and by completing, executing and delivering such applications and other instrument in writing as may be reasonably required by any insurance company to which application for insurance may be made by the Company. The Company's ability to procure any key man life insurance covering Executive's life shall not be a condition of employment.

6. CONFIDENTIALITY; NON-COMPETITION; NON-SOLICITATION; NON- DISPARAGEMENT; COOPERATION

a. Confidential Information. The Parties acknowledge that the services to be performed by the Executive under this Agreement are unique and extraordinary and, as a result of such employment, the Executive shall be in possession of Confidential Information (as defined below) relating to the business practices of the Company and the members thereof. The term "**Confidential Information**" shall mean any and all information (oral and written) relating to the Company, or any of their respective activities, or of the clients, customers or business practices of the Company, except (i) as such disclosure or use may be required or appropriate in connection with Executive's work as an employee of the Company, (ii) when required to do so by a court of law, by any governmental agency having supervisory authority over the business of the Company or by any administrative or legislative body (including a committee thereof) with apparent jurisdiction to order them to divulge, disclose or make accessible such information, (iii) as to such confidential information that becomes generally known to the public or trade without Executive's violation of this Section 6.1, or (iv) to the Executive's spouse, attorney and/or Executive's personal tax and financial advisors as reasonably necessary or appropriate to advance the Executive's tax, financial and other personal planning (each an "**Exempt Person**"), *provided, however*, that any disclosure or use of any trade secret or proprietary or confidential information of the Company by an Exempt Person shall be deemed to be a breach of this Section 6.1 by the Executive.

b. Confidential Information includes, but is not limited to, information that the Executive learns of during the Executive's employment with the Company creates, develops, derives, obtains, makes known, or learns about which has commercial value in the business in which the Company is involved and which is treated by the Company as confidential, such as trade secrets, ideas, processes, formulas, compounds, compositions, research and clinical data, know-how, discoveries, developments, designs, innovations, plans, strategies, pricing, costs, financial information, employee information, forecasts and current and prospective customer and supplier lists. The Executive shall not, during the Term or at any time thereafter, except as may be required in the course of the performance of Executive's duties hereunder (including pursuant to Section 6.7 below) and except with respect to any litigation or arbitration involving this Agreement (or otherwise between the Executive and the Company), including the enforcement hereof, directly or indirectly, use, communicate, disclose or disseminate to any person, firm or corporation any Confidential Information acquired by the Executive during, or as a result of, Executive's employment with the Company, without the prior written consent of the Board. Without limiting the foregoing, the Executive understands that the Executive shall be prohibited from misappropriating any trade secret of the Company or of the clients or customers of the Company acquired by the Executive during, or as a result of, Executive's employment with the Company, at any time during or after the Term. Further without limiting the foregoing, as a condition of Executive's employment with the Company, the Executive shall enter into the Company's standard Confidentiality and Ownership of Inventions Agreement (the "**Proprietary Information Agreement**"). In the event of a conflict between this Agreement and the Proprietary Information Agreement, this Agreement shall control.

Notwithstanding the foregoing, Executive shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that: (A) is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an

attorney and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Further, in the event that Executive files an arbitration or lawsuit for retaliation by the Company for reporting a suspected violation of law, Executive may disclose the trade secret to their attorney and use the trade secret information in the proceeding, if Executive: (A) files any document containing the trade secret under seal; and (B) does not disclose the trade secret, except pursuant to court order.

c. Return of Property. Upon the termination of the Executive's employment for any reason all property of the Company that is in the possession of the Executive, including all documents, records, drug formulations, notebooks, equipment, electronic devices, price lists, specifications, programs, customer and prospective customer lists and other materials that contain Confidential Information that are in the possession of the Executive, including all copies thereof, shall be promptly returned to the Company. Anything to the contrary herein notwithstanding, the Executive shall be entitled to retain (i) papers and other materials of a personal nature, including photographs, correspondence, personal diaries, calendars and rolodexes, personal files and phone books, (ii) information showing Executive's compensation or relating to reimbursement of expenses, (iii) information that Executive reasonably believes may be needed for tax purposes and (iv) copies of plans, programs and agreements relating to Executive's employment, or termination thereof, with the Company.

d. Non-Competition. The Executive acknowledges that the Executive has been provided with Confidential Information and, during the Term, the Company from time to time will provide Executive with access to Confidential Information. In exchange for and ancillary to the rights provided to the Executive as set forth in this Agreement, the Executive's continued employment with the Company during the Term (subject to earlier termination as provided herein), and the Company's provision of Confidential Information, and the Executive's agreements regarding the use of same, in order to protect the value of any Confidential Information, and in consideration for good and valuable consideration received by the Executive, the Parties agree to the following provisions against unfair competition, which the Executive acknowledges represents a fair balance of the Company's rights to protect its business and the Executive's right to pursue employment. The Executive hereby agrees that the Executive shall not, during the Term and, except as provided below, for a period of 6 months thereafter, within the United States, directly or indirectly, engage or have an interest in, or render any services to, any business (whether as owner, manager, operator, licensor, licensee, lender, partner, stockholder, joint venturer, employee, consultant or otherwise) (such activities hereinafter referred to collectively as "**Engaging**") that (i) competes directly with the Company and (ii) then constitutes one of the four top competitors of the Company by volume as determined by IQVIA. Notwithstanding the foregoing, nothing herein shall prevent the Executive from (i) owning securities in a publicly traded entity whose activities compete with those of the Company, provided that such securities holdings are not greater than five percent of the equity ownership in such entity or making passive investments in private equity funds, hedge funds, mutual funds or similar investment vehicles; (ii) Engaging in the business of the ownership and licensing (as licensor) of trademarks and brands if the products or services carrying such trademarks and brands do not compete with the products or services carrying the trademarks and brands owned

and licensed (as licensor) by the Company, or that the Company is actively planning to own or license (as licensor), during the Term; or (iii) Engaging in an operating company (including ownership of securities of such operating company's holding company) with annual revenues not in excess of $10,000,000.

e. Prohibition on Use of Confidential Information to Solicit Customers and Prospects. During the Executive's employment, the Executive shall not engage in any other employment or activity that might materially interfere with the interests of the Company. Furthermore, the Executive shall not, except in the furtherance of the Executive's duties hereunder, directly or indirectly, individually or on behalf of any other person, firm, corporation or other entity, (i) during the Term (except in the good faith performance of Executive's duties) and for a period of 6 months thereafter, solicit, aid or induce any employee, representative or agent of the Company to leave such employment or retention or to accept employment with or render services to or with any other person, firm, corporation or other entity unaffiliated with the Company or hire or retain any such employee, representative or agent, or take any action to materially assist or aid any other person, firm, corporation or other entity in identifying, hiring or soliciting any such employee, representative or agent, other (x) than any such employee, representative or agent whose employment has been terminated by the Company and (y) Executive's personal assistant(s), (ii) during the Term (except in the good faith performance of Executive's duties) and for a period of 6 months thereafter, solicit, aid or induce (or attempt to do any of the foregoing) directly or indirectly, any current or prospective customer of the Company with whom the Executive substantially dealt with at any time during the last two years of the Executive's employment to purchase goods or services then sold by the Company from another person, firm, corporation or other entity or assist or aid any other persons or entity in identifying or soliciting any such customer or (iii) during the Term (except in the good faith performance of Executive's duties) and for a period of 6 months thereafter, interfere in any manner with the relationship of the Company and any of its vendors with whom the Executive had dealings, directly or indirectly, at any time during the last two years of the Executive's employment. An employee, representative or agent shall be deemed covered by this Section 6.5 while so employed or retained by the Company and for six months thereafter. Anything to the contrary herein notwithstanding, the following shall not be deemed a violation of this Section 6.5: (a) the Executive's solicitation of the Company's customers and/or vendors in connection with, and directly related to, Executive's Engaging in a business that complies with Section 6.4; (b) the Executive's responding to an unsolicited request for an employment reference regarding any former employee of the Company from such former employee, or from a third party, by providing a reference setting forth Executive's personal views about such former employee; or (c) if an entity with which the Executive is associated hires or engages any employee of the Company, if the Executive was not, directly or indirectly, involved in hiring or identifying such person as a potential recruit or assisting in the recruitment of such employee. For purposes hereof, the Executive shall be deemed to have been involved "**indirectly**" in soliciting, hiring or identifying an employee only if the Executive (x) directs a third party to solicit or hire the Employee, (y) identifies an employee to a third party as a potential recruit or (z) aids, assists or participates with a third party in soliciting or hiring an employee.

f. Non-Disparagement. At no time during or within five years after the Term shall (x) the Executive, directly or indirectly, disparage the Company or any of the Company's past or present employees, directors, products or services and (y) the Company, including its subsidiaries, parents and affiliates, directly or indirectly, disparage the Executive. In addition, the Company shall instruct and shall use reasonable efforts so that each director and officer of the Company and its subsidiaries and parents not to, directly or indirectly, disparage the Executive. Notwithstanding the foregoing, nothing in this Section 6.6 shall prevent any entity or person from making any truthful statement to the extent (i) necessary to rebut any untrue public statements made about him or her or it; (ii) necessary with respect to any litigation, arbitration or mediation involving this Agreement and the enforcement thereof; (iii) required by law or by any court, arbitrator, mediator or administrative or legislative body (including any committee thereof) with jurisdiction over such person; (iv) made as good faith competitive statements in the ordinary course of business or (v) made in good faith in the performance of duties (e.g., in the course of providing performance reviews).

g. Cooperation. Upon the receipt of reasonable notice from the Company (including outside counsel), the Executive shall, while employed by the Company and thereafter, respond and provide information with regard to matters of which the Executive has knowledge as a result of the Executive's employment with the Company and will provide reasonable assistance to the Company and its representatives in defense of any claims that may be made against the Company, and will provide reasonable assistance to the Company in the prosecution of any claims that may be made by the Company, to the extent that such claims may relate to matters related to the Executive's period of employment with the Company. Any request for such cooperation shall take into account the Executive's personal and business commitments and is subject to Executive's personal and business schedule. The Executive shall promptly inform the Board (to the extent the Executive is legally permitted to do so) if the Executive is asked to assist in any investigation of the Company or their actions, regardless of whether a lawsuit or other proceeding has then been filed with respect to such investigation. If the Executive is required to provide any services pursuant to this Section 6.7 following the Term, upon presentation of appropriate documentation, the Company shall promptly reimburse the Executive for reasonable out-of-pocket travel, lodging, communication and duplication expenses incurred in connection with the performance of such services and in accordance with the Company's expense policy for its senior officers (provided that it shall be in Executive's discretion to travel via first or business class, which costs shall be reimbursable by the Company), for reasonable legal fees to the extent the Company in good faith believes that separate legal representation is reasonably required. The Executive's entitlement to reimbursement of such costs and expenses, pursuant to this Section 6.7, shall in no way affect the Executive's rights, if any, to be indemnified and/or advanced expenses in accordance with the Company's (or any of its subsidiaries') corporate or other organizational documents, any applicable insurance policy, and/or in accordance with this Agreement.

h. Remedies and Reformation. Without intending to limit the remedies available to the Company, the Executive acknowledges that a breach of any of the covenants contained in this Section 6 may result in material and irreparable injury to the Company for which there is no adequate remedy at law, that it will not be possible to measure damages for such injuries

precisely and that, in the event of such a breach or threat the Company shall be entitled to seek a temporary restraining order and/or a preliminary or permanent injunction in a court of jurisdiction restraining the Executive from engaging in activities prohibited by this Section 6 or such other relief as may be required specifically to enforce any of the covenants in this Section 6. If for any reason it is held that the restrictions under this Section 6 are not reasonable or that consideration therefor is inadequate, such restrictions shall be interpreted or modified to include as much of the duration and scope identified in this Section 6 as will render such restrictions valid and enforceable.

i. Violations. In the event of any violation of the provisions of this Section 6, the Executive acknowledges and agrees that: (a) the post-termination restrictions contained in this Section 6 shall be extended by a period of time equal to the period of such violation, it being the intention of the Parties hereto that the running of the applicable post-termination restriction period shall be tolled during any period of such violation; (b) any severance payable which remains unpaid or other benefits yet to be received under Section 4.4.2 or 4.4.3 shall be forfeited by the Executive; and (c) any vested options not exercised as of the date of any violation of the provisions of this Section 6 shall be forfeited.

7. INDEMNIFICATION; DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

During the Term and thereafter, the Company shall indemnify and hold harmless the Executive and Executive's heirs and representatives as, and to the extent, provided in the Company's organizational documents. In addition, the Executive shall be entitled to enter into a form of indemnification agreement on terms and conditions no less favorable than the indemnification agreement entered into between the Company and members of the Board. The Company agrees to continue and maintain a directors and officers' liability insurance policy covering the Executive to the extent the Company provides such coverage for its other executive officers.

8. MISCELLANEOUS

a. Notices. All notices or communications hereunder shall be in writing, addressed as follows (or to such other address as either party may have furnished to the other in writing by like notice):

To the Company: Amneal Pharmaceuticals LLC
400 Crossing Boulevard
Bridgewater, NJ 08807
Attention: Co-Chief Executive Officer and President

To the Executive: At the last address for the Executive on the books of the Company.

All such notices shall be conclusively deemed to be received and shall be effective (i) if sent by hand delivery, upon receipt, (ii) if sent by telecopy or facsimile transmission, upon confirmation of receipt by the sender of such transmission, (iii) if sent by overnight courier, one

business day after being sent by overnight courier, or (iv) if sent by registered or certified mail, postage prepaid, return receipt requested, on the fifth day after the day on which such notice is mailed.

b. Testing; Verification. As a condition of the Executive's employment with the Company, to the extent not already completed, the Executive will be required to successfully complete the Company's standard onboarding procedures, including any background check and drug testing, the cost of which shall be paid by the Company. In addition, to comply with Department of Homeland Security, the Executive will be required to provide verification of the Executive's identity and legal right to work in the United States and must complete a Form I-9 within the first three days of the Effective Date. The Company shall notify the Executive of the identity of a clinic for drug testing that is local to the Executive, and the Executive hereby agrees to schedule an appointment with such clinic within 48 hours of the date of this Agreement. In the event the Executive fails any such tests or such verification, then this Agreement shall be void *ab initio* and of no further force or effect.

c. Severability. Each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be prohibited by or invalid under applicable law, such provision will be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

d. Binding Effect; Benefits. The Executive may not delegate Executive's duties or assign Executive's rights hereunder. Except as explicitly provided in the Agreement, no rights or obligations of the Company under this Agreement may be assigned or transferred by the Company other than pursuant to a merger or consolidation in which the Company is not the continuing entity, or a sale, liquidation or other disposition of all or substantially all of the assets of the Company, provided that the assignee or transferee is the successor to all or substantially all of the assets or businesses of the Company and assumes the liabilities, obligations and duties of the Company under this Agreement, either contractually or by operation of law. The Company further agree that, in the event of any disposition of their business and assets described in the preceding sentence, they shall use their best efforts to cause such assignee or transferee expressly to assume the liabilities, obligations and duties of the Company hereunder.

e. Entire Agreement. This Agreement, collectively with the Exhibits hereto and the Proprietary Information Agreement, represent the entire agreement of the Parties with respect to the subject matter hereof and shall supersede any and all previous contracts, arrangements, proposed terms or understandings between the Parties. This Agreement (including any of the Exhibits hereto) may be amended, modified or replaced at any time by mutual written agreement of the Parties. In the case of any conflict between any term or provision of this Agreement and any term or provision contained in any agreement, policy, plan, program, arrangement, employment manual, memorandum or other written document between or relating to the Company and the Executive or any rule of general applicability of the Company, this Agreement shall control and prevail.

f. Withholding. The payment of any amount pursuant to this Agreement shall be subject to applicable withholding and payroll taxes, and such other deductions as may be required by applicable law.

g. Governing Law. This Agreement and the performance of the Parties hereunder shall be governed by the internal laws (and not the law of conflicts) of the State of New Jersey, unless superseded by federal law

h. Arbitration. Any dispute or controversy, including, but not limited to, discrimination claims and claims involving a class, arising under or in connection with this Agreement or the Executive's employment with the Company, other than injunctive relief under Section 6.8 hereof, shall be settled exclusively by arbitration, conducted before a single arbitrator in Somerset County, New Jersey (applying New Jersey law) in accordance with the Commercial Arbitration Rules and Procedures of the American Arbitration Association then in effect. The decision of the arbitrator will be final and binding upon the Parties hereto. Judgment may be entered on the arbitrator's award in any court having jurisdiction. The Parties acknowledge and agree that in connection with any such arbitration and regardless of outcome (a) each party shall pay all its own costs and expenses, including without limitation its own legal fees and expenses, and (b) joint expenses shall be borne equally among the Parties. EACH PARTY WAIVES THE RIGHT TO TRIAL BY JURY. For the avoidance of doubt, and without limitation of the foregoing, any disputes, claims, and/or controversies related, whether in whole or in part, to the violation or alleged violation of laws prohibiting discrimination, including but not limited to discrimination, retaliation, and workplace sexual harassment claims, are included within the mandatory arbitration provisions of this Section 8.8, unless prohibited by controlling law.

i. Section 409A of the Code.

i. General. It is intended that the provisions of this Agreement comply with Section 409A of the Internal Revenue Code of 1986, as amended (the "**Code**") and the regulations and guidance promulgated thereunder (collectively "**Code Section 409A**"), and all provisions of this Agreement shall be construed in a manner consistent with the requirements for avoiding taxes or penalties under Code Section 409A. If any provision of this Agreement (or of any award of compensation, including equity compensation or benefits) would cause the Executive to incur any additional tax or interest under Code Section 409A, the Company shall, upon the specific request of the Executive, use its reasonable business efforts to in good faith reform such provision to comply with Code Section 409A; provided, that to the maximum extent practicable, the original intent and economic benefit to the Parties of the applicable provision shall be maintained. The Company shall timely use its reasonable business efforts to amend any plan or program in which the Executive participates to bring it in compliance with Code Section 409A.

ii. Separation from Service; Six-Month Delay. A termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of any amounts or benefits upon or following a termination of employment unless such termination is also a "**Separation from Service**" within the meaning of Code Section 409A and, for purposes of any such provision of this Agreement, references to a "**resignation**," "**termination**," "**termination of employment**" or like terms shall mean Separation from

Service. If the Executive is deemed on the Date of Termination to be a "**specified employee**," within the meaning of that term under Section (a)(2)(B) of Code Section 409A ("**Code Section 409(a)(2)(B)**") and using the identification methodology selected by the Company, as applicable, from time to time, or if none, the default methodology, then with regard to any payment, the providing of any benefit or any distribution of equity made subject to this Section 8.9.2, to the extent required to be delayed in compliance with Code Section 409A(a)(2)(B), and any other payment, the provision of any other benefit or any other distribution of equity that is required to be delayed in compliance with Code Section 409A(a)(2)(B), such payment, benefit or distribution shall not be made or provided prior to the earlier of (i) the expiration of the six-month period measured from the date of the Executive's Separation from Service or (ii) the date of the Executive's death. On the first day of the seventh month following the date of the Executive's Separation from Service or, if earlier, on the date of Executive's death, (x) all payments delayed pursuant to this Section 8.9.2 (whether they would have otherwise been payable in a single sum or in installments in the absence of such delay) shall be paid or reimbursed to the Executive in a lump sum, and any remaining payments and benefits due under this Agreement shall be paid or provided in accordance with the normal payment dates specified for them herein and (y) all distributions of equity delayed pursuant to this Section 8.9.2 shall be made to the Executive. In addition to the foregoing, to the extent required by Code Section 409A(a)(2)(B), prior to the occurrence of both a Disability termination as provided in Section 4.1.2 hereof and the Executive's becoming "disabled" under Code Section 409A, the payment of any compensation to the Executive under this Agreement shall be suspended for a period of six months commencing at such time that the Executive shall be deemed to have had a Separation from Service because either (A) a sick leave ceases to be a bona fide sick leave of absence, or (B) the permitted time period for a sick leave of absence expires (an "**SFS Disability**"), without regard to whether such SFS Disability actually results in a Disability termination. Promptly following the expiration of such six-month period, all compensation suspended pursuant to the foregoing sentence (whether it would have otherwise been payable in a single sum or in installments in the absence of such suspension) shall be paid or reimbursed to the Executive in a lump sum. On any delayed payment date under this Section 8.9.2, there shall be paid to the Executive or, if the Executive has died, to Executive's estate, in a single cash lump sum together with the payment of such delayed payment, interest on the aggregate amount of such delayed payment at the Delayed Payment Interest Rate (as defined below) computed from the date on which such delayed payment otherwise would have been made to the Executive until the date paid. For purposes of the foregoing, the "**Delayed Payment Interest Rate**" shall mean the prime interest rate as reported in *The Wall Street Journal* as of the business day immediately preceding the payment date for the applicable delayed payment.

iii.Expense Reimbursement. With regard to any provision herein that provides for reimbursement of costs and expenses or in-kind benefits, except as permitted by Code Section 409A, (i) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit, (ii) the amount of expenses eligible for reimbursement, or in-kind benefits, provided during any taxable year shall not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other taxable year, provided that the foregoing clause (ii) shall not be violated with regard to expenses reimbursed under any arrangement covered by Section 105(b) of the Internal Revenue Code and the regulations and

guidance promulgated thereunder solely because such expenses are subject to a limit related to the period the arrangement is in effect and (iii) such payments shall be made on or before the last day of the Executive's taxable year following the taxable year in which the expense was incurred.

j. Survivorship. Except as otherwise expressly set forth in this Agreement, upon the expiration of the Term, the respective rights and obligations of the Parties shall survive such expiration to the extent necessary to carry out the intentions of the Parties as embodied in this Agreement. This Agreement shall continue in effect until there are no further rights or obligations of the Parties outstanding hereunder and shall not be terminated by either party without the express prior written consent of all Parties.

k. Counterparts. This Agreement may be executed in counterparts (including by electronic transmission) which, when taken together, shall constitute one and the same agreement of the Parties.

l. Company Representations. As of the Effective Date, the Company represents and warrants to the Executive that (i) the execution, delivery and performance of this Agreement (and the agreements referred to herein) by the Company has been fully and validly authorized by all necessary corporate action, (ii) the officer or director signing this Agreement on behalf of the Company is duly authorized to do so, (iii) the execution, delivery and performance of this Agreement does not violate any applicable law, regulation, order, judgment or decree or any agreement, plan or corporate governance document to which the Company is a party or by which it is bound and (iv) upon execution and delivery of this Agreement by the Executive and the Company, it shall be a valid and binding obligation of the Company enforceable against it in accordance with its terms, except to the extent that enforceability may be limited by applicable bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally.

[Signature Page Follows]

Amneal Pharmaceuticals, Inc. and Executive have each signed this Agreement as of the date first set forth above.

Amneal Pharmaceuticals, Inc.

By:/s/ Chirag Patel

Name: Chirag Patel
Title: Co-Chief Executive Officer & President

/s/ Nikita Shah

Nikita Shah

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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 March 31, 2021 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 officers 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 officers 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.

May 7, 2021

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 March 31, 2021 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 officers 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 officers 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.

May 7, 2021

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, Anastasios Konidaris, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2021 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 officers 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 officers 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.

May 7, 2021

By: /s/ Anastasios Konidaris

Anastasios Konidaris
Executive 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 March 31, 2021 (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.

May 7, 2021

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 March 31, 2021 (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.

May 7, 2021

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 March 31, 2021 (the "Report"), Anastasios Konidaris, Executive Vice President, 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.

May 7, 2021

By: /s/ Anastasios Konidaris
Anastasios Konidaris
Executive 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.