

Endo GUC Trust

**Financial Statements
as of and for the Year Ended December 31, 2024
(Unaudited)**

Endo GUC Trust

Unaudited Statement of Net Assets in Liquidation as of Inception (April 11, 2024) and December 31, 2024		
(Thousands)		
Assets	April 11, 2024	December 31, 2024
Cash and cash equivalents	\$0	\$4,832
Total assets	\$0	\$4,832
Liabilities	\$0	\$0
Net assets in liquidation	\$0	\$4,832

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Unaudited Statement of Changes in Net Assets in Liquidation For the Period April 11, 2024 to December 31, 2024	
(Thousands)	
Receipts	
Chapter 11 plan funding	\$61,868
Interest received	\$743
Total receipts	\$62,611
Operating Expenses	
Trustee, Trust Oversight and Trust Professional fees and expenses	\$8,236
Other operating expenses	\$205
Total operating expenses	\$8,441
Distributions	
Distributions to Sub-Trusts	\$24,700
Distributions to Class A-1, A-2 and A-3 Beneficial Interest Holders	\$23,141
Distributions to and for benefit of Indenture Trustees	\$1,498
Total distributions	\$49,338
Total increase (decrease) in net assets in liquidation	\$4,832

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NOTES TO FINANCIAL STATEMENTS (Unaudited)

1. Description of the Trust

On August 16, 2022, Endo International plc and on August 16, 2022 or certain later dates, certain of Endo International plc's affiliates (collectively, the "Debtors") commenced proceedings under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court"). On March 22, 2024, the Bankruptcy Court confirmed the Debtors' *Fourth Amended Joint Chapter 11 Plan of Reorganization* (the "Plan") and on April 23, 2024, the Plan became effective (the "Effective Date").

The Endo GUC Trust (the "Trust") was established pursuant to the Plan on April 11, 2024 as a Delaware statutory trust, of which Matthew Dundon serves as trustee (solely in his capacity as the trustee of the Trust and not in any individual capacity, the "Trustee"). The Trust is presently governed by the Endo GUC Trust Agreement, dated April 23, 2024 (the "GUC Trust Agreement"). The GUC Trust Agreement provides for rights, obligations and means of governance of the Trust as contemplated by the Plan. The GUC Trust Agreement defines certain terms used in these Notes to Financial Statements.

The Trust issued Class A Units to former holders of claims arising under second lien and unsecured notes issued by the Debtors ("Notes"), and Class B Units (together with the Class A Units, the "Units") to former holders of Other General Unsecured Claims against the Debtors. In accordance with the terms of the GUC Trust Agreement, the holders of Units are entitled to receive certain cash distributions from the Trust, the initial distributions of which cash were made in the year ended December 31, 2024 and which are further-described below. The Trust also made in the year ended December 31, 2024 cash distributions to certain sub-trusts created for the benefit of former holders of Mesh Claims, Ranitidine Claims, Generic Price Fixing Claims and Reverse Payment Claims (each as defined in the Plan) against the Debtors (collectively, the "Sub-Trusts") and under certain circumstances will be required to, and shall, make additional distributions to the Mesh Claims Sub-Trust in the future. (The Plan and GUC Trust Agreement contemplated possible additional payments to the Ranitidine Claims Sub-Trust, but as of December 31, 2024, the Trustee has determined that the conditions for making such payments will not arise; *see* Note 9 below.)

On the Effective Date and pursuant to the Plan, the Debtors transferred certain causes of action and insurance rights (collectively, the "Causes of Action"), cash and certain other assets to the Trust.

Additional information and documentation concerning the Trust can be found on the Trust's website at www.EndoGUCTrust.com.

2. Certain Interim Accounting Policies

The unaudited Financial Statements (the "Statements") reflect the accounts of the Trust. The Trustee continues to consider certain definitive accounting policies and expects to adopt definitive accounting policies on or after April 1, 2025. (Reports made after such adoption will make use of such policies, including restatement of prior period activities and balances if and as required.) The

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Statements have not been prepared in accordance with generally accepted accounting principles; rather they have been prepared using a liquidation basis of accounting, which the Trust considers an appropriate basis of accounting at this time.

The Statements were prepared using certain interim accounting policies, most importantly:

(a) no asset or liability value will be assigned to Causes of Action until and unless a judgment of damages is entered or a settlement definitively agreed, in which case the gross amount of the judgment or settlement will be accrued as an asset and the aggregate amount of contingent legal fees and litigation finance payment obligations, if any, arising from such settlement or judgment if and when funded will be accrued as liabilities;

(b) the Trustee will not disclose the existence or progress of any mediation (except and solely to the extent the existence or progress of any mediation has become public information), the existence or status of any settlement negotiations, nor its litigation or other strategy concerning the Causes of Action, nor (except and to the extent already disclosed or required by the applicable court or arbitrator) its funding arrangements for the Causes of Action including contingency fee terms and the terms of the Litigation Financing (see notes 7 and 11);

(c) unpaid invoices and unbilled works in progress of Trust professionals will not be accrued as an expense nor realized as liability – note that the exclusion of unpaid invoices from liabilities is a change in interim accounting policies made on the advice of the Trust's external accounting firm;

(d) amounts payable or possibly payable to beneficiaries of the Trust will not be realized as liabilities;

(e) disclosures on a per-Unit basis will be made upon the adoption of definitive accounting policies; and

(f) the Trustee will not consolidate or report on the finances of the Sub-Trusts.

Each of these interim policies is subject to change.

3. Receipts

During the year ended December 31, 2024, the Trust's receipts consisted of \$61.9 million in initial distributions from the Debtors and \$0.7 million in interest paid on the Trust's cash balances.

All the Trust's cash received during the year ended December 31, 2024 was and remained as of December 31, 2024 deposited in insured or collateralized interest-bearing bank accounts, and interest paid upon such deposits is set forth above in the Trust's Unaudited Statement of Changes in Net Assets in Liquidation. Subject to the requirements of the GUC Trust Agreement, the Trustee

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may change the deposit / investments of the Trust's liquid assets from time to time.

4. Trustee, Trust Oversight and Trust Professional Fees and Expenses

On April 23, 2024, a five-member Oversight Board was appointed by the Official Committee of Unsecured Creditors of the Debtors. The Oversight Board's members were upon each of the Effective Date and December 31, 2024: (i) Morton Branzburg (designated in the interests of the Debtors' general unsecured non-funded debt creditors), Ephraim Diamond (designated as the Independent Board Member (as defined in the GUC Trust Agreement), and Daniel Golden, Dennis Prieto, and Himanshu Sheth (each designated in the interests of the Debtors' unsecured and second lien bondholders).

During the year ended December 31, 2024, the Trust accrued \$8.2 million in Trustee, Trust Oversight and Trust Professional Fees and Expenses. Legal services in relation to Causes of Action and Litigation Financing (as below defined) accounted for the substantial majority of this expenditure. This figure includes fixed monthly costs of \$65,500 for the monthly compensation of the Trustee and certain members of the Trust Oversight Board. Dundon Advisers LLC, financial adviser to the Trustee, provides the Trust with office facilities and ministerial services at no charge. The Trust incurs recurring but non-fixed costs consisting principally of the fees and disbursements of legal and financial advisers.

5. Other Expenses

The Trust's other expenses of \$0.2 million in the year ended December 31, 2024 consisted of bank fees, the cost to obtain CUSIPs for the Class A-1 and Class A-2 beneficial interests, and the initial premium due on the Trust's director and officer insurance coverage.

6. Distributions and Payments Required by the Plan

During the year ended December 31, 2024, the Trust made \$26.2 million in payments required under the Plan, consisting of \$24.7 million to Heather Barlow, not in any personal capacity but solely in her capacity as trustee for the Sub-Trusts, and \$1.5 million in payments to or for the benefit of the indenture trustees of certain of the Debtors' bonds.

Commencing October 30, 2024, the Trust distributed approximately \$23.1 million in cash and distributed or recorded (as the case may be) Class A-1, A-2 and A-3 Beneficial Interests to former holders of the Notes who had complied with the tender and registration requirements described above. The Trust issued a press release on October 30, 2024, which more fully described the distribution and recordation of such Beneficial Interests.

7. Litigation Financing

During the year ended December 31, 2024, the Trust agreed in principle, subject to approval of the Bankruptcy Court and execution of definitive documentation, to a forward sale to certain of the Debtors' former unsecured and second lien noteholders of a portion of the possible return upon Causes of Action, the proceeds of which sales, being not less than \$10 million, would be used, in addition to other assets of the Trust, to fund the pursuit of Causes of Action (the "Litigation

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Financing”).

On July 16, 2024 and July 19, 2024, the Trustee disclosed to the Bankruptcy Court terms of the Litigation Financing and sought Bankruptcy Court approval of the Litigation Financing without further court proceedings in the absence of any objections. No objections were filed and the Bankruptcy Court entered an order approving the Litigation Financing on July 29, 2024.

8. Tender and Registration Activities

On July 24, 2024, the Trustee extended the deadline from August 5, 2024 to September 5, 2024 for former holders of Notes and certain other non-opioid general unsecured claims against the Debtors to take actions, execute and submit certain forms and/or to provide certain materials and information required under the Plan in order to receive, or remain eligible to be considered to receive, distributions from the Trust and the Sub-Trusts. On and preceding September 5, 2024, former holders of substantially all Notes, and holders of a substantial number of non-opioid general unsecured claims took the requisite actions.

9. Causes of Action Litigation

Directors and Officers Litigation (*De Silva, et al.*)

On July 26, 2024, the Trustee filed a complaint in the Bankruptcy Court asserting Causes of Action against certain of the former Debtors’ directors and officers captioned *Matthew Dundon, Trustee of the Endo GUC Trust, Plaintiff, v. Rajiv De Silva, Douglas S. Ingram, Arthur J. Higgins, Nancy J. Hutson, Roger H. Kimmel, William P. Montague, Todd B. Sisitsky, Jill D. Smith, William F. Spengler, Paul V. Campanelli, Suketu P. Upadhyay, Karen A. Wallace, Brian Lortie, Antonio R. Pera, Joseph Barbarite, and John Does 1-10* (24-AP-07022).

On September 30, 2024, the defendants commenced an action in United States District Court for the Southern District of New York (“SDNY District Court”) to remove the action from the Bankruptcy Court (24-CV-7464). On November 12, 2024, the Trust filed an opposition to such removal in SDNY District Court.

On December 6, 2024, the action was reassigned from Bankruptcy Court Judge James L. Garrity, Jr. to Bankruptcy Court Judge David S. Jones.

McKinsey Litigation (*McKinsey, et al.*)

On August 15, 2024, the Trustee filed a complaint in the Bankruptcy Court asserting Causes of Action against former strategy consultants to the former Debtors captioned *Matthew Dundon, Trustee of the Endo GUC Trust, Plaintiff v. McKinsey & Company, Inc. and McKinsey & Company, Inc. United States* (24-AP- 07027). On November 21, 2024, the defendants timely moved to dismiss the action. On December 6, 2024, the action was reassigned from Bankruptcy Court Judge James L. Garrity, Jr. to Bankruptcy Court Judge David S. Jones.

Product Liability Insurance Coverage Litigation (*ACE Property and Casualty Insurance Company, et al.*)

On August 15, 2024, the Trustee filed a complaint in the United States District Court for the Eastern District of Pennsylvania (the “Pennsylvania District Court”) asserting Causes of Action against

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certain product liability insurers of the former Debtors captioned *Matthew Dundon, as the Trustee of the Endo General Unsecured Creditors' Trust, Plaintiff, v. ACE Property and Casualty Insurance Company, et al.* (24-CV-04221).

On October 18, 2024, the Trustee filed an amended complaint in the Pennsylvania District Court.

On November 15, 2024, the Trustee filed a motion in Pennsylvania District Court to stay litigation against certain defendants while the Trustee and relevant defendants arbitrated their disputes, which was motion was granted on November 25, 2024.

On November 26, 2024, certain defendants individually and in groups (a) filed various responsive motions in the Pennsylvania District Court, including answers, a motion to dismiss and/or sever the Trustee's insurance coverage claims relating to ranitidine (the "Ranitidine Dismissal Motion"), and a motion to stay to compel arbitration (the "Arbitration Stay Motion"), (b) filed an action against the Trust in the Superior Court for the State of Delaware ("Delaware State Court") seeking to have the Delaware State Court, as opposed to the Pennsylvania District Court, resolve certain insurance coverage questions, and (c) filed a motion before the Bankruptcy Court seeking leave for the action in Delaware State Court to proceed.

On November 27, 2026, the Arbitration Stay Motion was granted in part and denied in part.

On December 11, 2024, the Trustee moved to dismiss without prejudice the Trustee's action against one of the defendants, which motion was granted on December 31, 2024.

On December 17, 2024, the Trustee, with the consent of the Trustee for the Ranitidine Sub-Trust (the "Ranitidine Sub-Trustee") filed a response consenting to the grant of the Ranitidine Dismissal Motion, and on December 18, 2024, the Pennsylvania District Court dismissed the counts/defendants that were the subject of the Ranitidine Dismissal Motion. Commencing December 17, 2024, the Trustee and the Ranitidine Sub-Trustee commenced to discontinue the balance of collection efforts in relation to ranitidine insurance coverage and to wind-down the Ranitidine Sub-Trust, which the Trustee and Ranitidine Sub-Trustee expect to result in no administration of, or payment on, claims relating to alleged defects in the ranitidine products manufactured and/or distributed by the Debtors.

Sponsor Litigation (*TPG Capital, L.P., et al.*)

On August 16, 2024, the Trustee filed a complaint in the Bankruptcy Court asserting Causes of Action against certain former shareholders of one of the former Debtors captioned *Matthew Dundon, Trustee of the Endo GUC Trust, Plaintiff, v. TPG Capital, L.P., et al.* (24-AP-07030). On November 25, 2024, the defendants filed a motion to dismiss the action. On December 6, 2024, the action was reassigned from Bankruptcy Court Judge James L. Garrity, Jr. to Bankruptcy Court Judge David S. Jones.

10. Subsequent Developments

The following developments occurred between January 1, 2025 and March 29, 2025, inclusive. This discussion excludes litigation developments which are non-disclosable pursuant to the policies noted above and developments which the Trustee judges to be both immaterial and not

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making any prior disclosure inaccurate. No developments on or after March 30, 2025 were evaluated for inclusion or are included below.

Directors and Officers Litigation

On January 6, 2025, the defendants filed with the Bankruptcy Court a motion to dismiss the case. On March 17, 2025, the Trustee filed with the Bankruptcy Court its opposition to dismissal. The defendants' response to the opposition is due to be filed on or before April 16, 2025.

McKinsey Litigation

On January 10, 2025, the Trustee filed with the Bankruptcy Court its opposition to dismissal. The motion to dismiss was argued on March 6, 2025 in the Bankruptcy Court.

Product Liability Insurance Coverage Litigation

On January 22, 2025, the Bankruptcy Court denied the leave which certain *Ace Property & Casualty et al.* defendants had sought to proceed against the Trust in Delaware State Court.

Sponsor Litigation

On January 31, 2025, the Trustee filed an amended complaint, and filed a corrected version of the amended complaint on February 3, 2025. The defendants' response to the amended complaint is due to be filed on or before April 1, 2025.

Litigation Financing

On March 3, 2025, the definitive agreement and other documentation of the Litigation Financing were executed and came into force, and on March 10, 2025, in respect of the first prepaid sale under the Litigation Financing in the gross amount of \$10.0 million, the Trust received funding, after certain transaction costs deducted at the point of payment, of \$9.2 million. Significant additional transaction costs are reflected in the Trust's reported expense and cash balances for the year ended December 31, 2024, or (to the extent paid in 2025) will be reflected in the Trust's expense and cash balance reporting for the period in which paid.

Recurring Expense

With effect February 1, 2025, the Trust, by action of the Trustee and the Oversight Board, commenced to pay a monthly Board fee to a Board member who had previously been ineligible to receive such fee, by which action the recurring expenses of the Trust increased by \$12,000 per month from their previous level.