## UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

**CURRENT REPORT** 

Pursuant to Section 13 or 15(d)

of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): March 7, 2017

## AVADEL PHARMACEUTICALS PLC

(Exact name of registrant as specified in its charter)

Ireland (State or Other Jurisdiction of Incorporation)

**000-28508** (Commission File Number)

**98-1341933** (I.R.S. Employer Identification No.)

Block 10-1, Blanchardstown Corporate Park Ballycoolin Dublin 15, Ireland (Address of Principal Executive Offices)

Not Applicable (Zip Code)

Registrant's telephone number, including area code: +011-1-485-1200

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following
provisions:
Written communications pursuant to Pule 425 under the Securities Act (17 CEP 220 425)

Written communications pursuant to Rule 425 under the Securities Act (17 GFR 230.425)
$\square$ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
$\square$ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

#### Item 2.02. Results of Operations and Financial Condition.

On March 7, 2017, Avadel Pharmaceuticals PLC (the "Company") issued a press release announcing its earnings for the quarter ended December 31, 2016. That press release is attached as Exhibit 99.1 and is incorporated herein by reference.

The information responsive to this Item 2.02 of this Form 8-K, including Exhibit 99.1, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act") or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 (the "Securities Act") or the Exchange Act, except as may be expressly set forth by specific reference in such a filing.

#### Item 7.01 Regulation FD Disclosure.

On March 7, 2017, the Company posted to its website a set of presentation materials that it will use during its earnings call and webcast to assist participants with understanding the Company's financial results for the quarter ended December 31, 2016. A copy of this presentation is attached hereto as Exhibit 99.2.

The information responsive to this Item 7.01 of this Form 8-K, including Exhibit 99.2, shall not be deemed "filed" for purposes of Section 18 of the Exchange Act or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act or the Exchange Act, except as may be expressly set forth by specific reference in such a filing.

#### Item 8.01 Other Events.

On March 7, 2017, Avadel Pharmaceuticals plc issued a press releases announcing that the Company's Board of Directors authorized a share repurchase program of up to \$25 million of the Company's ordinary shares, represented by American Depository Shares (ADS) which are listed for trading on the NASDAQ Global Market. Repurchases may be made in open-market transactions, block transactions on or off the exchange, in privately negotiated transactions, or through other means as determined by Avadel's management and in accordance with the regulations of the Securities and Exchange Commission. A copy of this release is furnished as Exhibit 99.3 to this current report on Form 8-K and is incorporated herein by reference

#### Item 9.01 Financial Statements and Exhibits.

- (d) Exhibits
  - 99.1 Press release dated March 7, 2017, issued by Avadel Pharmaceuticals plc \*
  - 99.2 Presentation materials \*
  - 99.3 Press release dated March 7, 2017, issued by Avadel Pharmaceuticals plc
- \* This information shall be deemed to be "furnished" and not filed herewith.

#### **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 hereunto duly authorized.

### AVADEL PHARMACEUTICALS PLC

By: <u>/s/ Phillandas T. Thompson</u>

Phillandas T. Thompson

Senior Vice President, General Counsel and Corporate Secretary

Date: March 7, 2017

### **Exhibit Index**

- 99.1 Press release dated March 7, 2017, issued by Avadel Pharmaceuticals plc \*
- 99.2 Presentation materials \*
- 99.3 Press release dated March 7, 2017, issued by Avadel Pharmaceuticals plc
- \* This information shall be deemed to be "furnished" and not filed herewith.



## Avadel Pharmaceuticals Reports Fourth Quarter and Full Year 2016 Results Strong Fourth Quarter Revenues of \$43.1 Million Drive Full Year Revenues of \$150.2 Million Reaffirms 2017 Revenue Guidance of \$170 - \$200 Million and Adjusted EPS of \$0.20 - \$0.35

Dublin, Ireland - 7 March 2017 - Avadel Pharmaceuticals plc (NASDAQ: AVDL) today announced its financial results for the fourth quarter and full year 2016.

#### **Highlights Include:**

- Total revenues for fourth quarter and full year 2016 were \$43.1 million and \$150.2 million, compared to \$44.6 million and \$173.0 million in the prior year periods.
- GAAP net income for the fourth quarter was \$4.7 million, or \$0.11 per diluted share, compared to GAAP net income of \$73.5 million, or \$1.69 per diluted share, during the same period last year. GAAP net loss for the full year 2016 was \$41.3 million or \$1.00 per diluted share compared to GAAP net income of \$41.8 million or \$0.96 per diluted share during the same period last year.
- Adjusted net income for the fourth quarter was \$0.1 million, or \$0.00 per diluted share, compared to an adjusted net income of \$10.8 million, or \$0.25 per diluted share, during the same period last year. (1)
- Cash and marketable securities at December 31, 2016 were \$154.2 million, up from \$149.7 million, at September 30, 2016 and \$144.8 million at December 31, 2015.

Michael Anderson, Avadel's Chief Executive Officer, remarked, "We hit a number of milestones during 2016, including the approval and successful launch of our third hospital product, Akovaz®, and in particular during the fourth quarter, we reached an agreement with the FDA on our special protocol assessment for our REST-ON Phase III clinical trial, began enrollment and dosing of patients, and ended the year by redomiciling from France to Ireland and changing our company name in the process. Although it is still early in the enrollment process, REST-ON remains on track, and the successful completion of our trial continues to be a primary objective in 2017."

Mike Kanan, Avadel's Chief Financial Officer, said, "We are pleased to report strong fourth quarter revenues, which allowed us to finish 2016 above the top end of guidance with \$150.2 million in total revenues. A key contributing factor to our strong financial performance was the ability to maintain stable price and share across our branded hospital products, Bloxiverz® and Vazculep®, while successfully launching our third product Akovaz®. We estimate that we exited the quarter and year with approximately 27% of the 7.5 million vial per year ephedrine market, as was our goal. Despite the recent introduction of a second competitor, as we have demonstrated in the past with our other products, we expect to secure and retain our requisite share of the market."

Kanan continued, "I'm also pleased to report that our cash and marketable securities increased \$9.4 million to \$154.2 million at December 31, 2016 from \$144.8 million at December 31, 2015. We continue to focus on generating cash and have ample liquidity to execute our strategy, including completion of the REST-ON trial and investment in other growth initiatives."

### **Fourth Quarter 2016 Results**

The Company generated revenues during the fourth quarter 2016 of \$43.1 million, compared to \$44.6 million during the same period last year. On a GAAP basis, the Company recorded net income of \$4.7 million during the fourth quarter 2016, or \$0.11 per diluted share, compared to net income of \$73.5 million, or \$1.69 per diluted share, for the same period last year. Included in the net income for the fourth quarter 2016 were \$3.3 million of gains related to changes in the fair value of related party contingent consideration and related party payables compared to \$55.8 million of such gains in the same period last year. Adjusted net income for the fourth quarter was \$0.1 million, or \$0.00 per diluted share, compared to an adjusted net income of \$10.8 million, or \$0.25 per diluted share, during the same period last year. The decline in adjusted net income and adjusted diluted EPS from the previous year was primarily due to lower product sales resulting from increased competition for Bloxiverz®, our neostigmine product, higher SG&A from

<sup>1</sup>Non-GAAP financial measure. Descriptions of Avadel's non-GAAP financial measures are included under the caption Non-GAAP Disclosures and Adjustments included within this press release and reconciliations of such non-GAAP financial measures to their most closely applicable GAAP financial measures are found in the Supplemental Information section herein.



increased headcount and one-time cross border merger related expenses plus higher R&D spend on the REST-ON Phase III clinical trial. Please see the Supplemental Information section within this document for a reconciliation of adjusted net income and adjusted diluted EPS to the respective GAAP amounts.

#### 2017 Guidance

"We are reaffirming the guidance we issued in January 2017 of full year 2017 revenue in the range of \$170 to \$200 million and adjusted EPS of between \$0.20 and \$0.35 per diluted share. Although a second Akovaz® competitor has recently launched, we feel at this time it is premature to modify our full year 2017 guidance. We expect R&D spending be in the range of \$40 and \$50 million and our full year adjusted tax rate to fall in the range of 70% - 80%," commented Mike Kanan.

#### **Conference Call**

A conference call to discuss these results has been scheduled for Tuesday, March 7, 2017 at 10:00 a.m. ET. A question and answer period will follow management's prepared remarks. To access the conference call, investors are invited to dial (844) 388-0559 (U.S. and Canada) or (216) 562-0393 (International). The conference ID number is 69283135. A live audio webcast and accompanying slides can be accessed by visiting the "News & Events" page of the Company's Investors website at www.avadel.com. A replay of the webcast will be archived on Avadel's website for 90 days following the event.

#### About REST-ON Phase III Clinical Trial

REST-ON is a double-blind, randomized, placebo controlled study of 264 patients to assess the efficacy and safety of a once nightly formulation of sodium oxybate for extended-release oral suspension for the treatment of excessive daytime sleepiness and cataplexy in patients suffering from narcolepsy. For more information, please visit http://clinicaltrial.avadel.com.

#### **About Avadel Pharmaceuticals plc:**

Avadel Pharmaceuticals plc (NASDAQ: AVDL) is a specialty pharmaceutical company that seeks to develop differentiated pharmaceutical products that are safe, effective and easy to take through formulation development, by utilizing its proprietary drug delivery technology and in-licensing / acquiring new products; ultimately, helping patients adhere to their prescribed medical treatment and see better results. Avadel currently markets products in the hospital and primary care spaces. The Company is headquartered in Dublin, Ireland with operations in St. Louis, Missouri, United States and Lyon, France. For more information, please visit <a href="www.avadel.com">www.avadel.com</a>.

Safe Harbor: This release may include "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. All statements herein that are not clearly historical in nature are forward-looking, and the words "anticipate," "assume," "believe," "expect," "estimate," "plan," "will," "may," and the negative of these and similar expressions generally identify forward-looking statements. All forward-looking statements involve risks, uncertainties and contingencies, many of which are beyond Avadel's control and could cause actual results to differ materially from the results contemplated in such forward-looking statements. These risks, uncertainties and contingencies include the risks relating to: our dependence on a small number of products and customers for the majority of our revenues; the possibility that our Bloxiverz®, Vazculep® and Akovaz® products, which are not patent protected, could face substantial competition resulting in a loss of market share or forcing us to reduce the prices we charge for those products; the possibility that we could fail to successfully complete the research and development for pipeline products we are evaluating for potential application to the FDA pursuant to our "unapproved-to-approved" strategy, or that competitors could complete the development of such product and apply for FDA approval of such product before us; our dependence on the performance of third parties in partnerships or strategic alliances for the commercialization of some of our products; the possibility that our products may not reach the commercial market or gain market acceptance; our need to invest substantial sums in research and development in order to remain competitive; our dependence on certain single providers for development of several of our drug delivery platforms and products; our dependence on a limited number of suppliers to manufacture our products and to deliver certain raw materials used in our products; the possibility that our competitors may develop and market

<sup>1</sup>Non-GAAP financial measure. Descriptions of Avadel's non-GAAP financial measures are included under the caption Non-GAAP Disclosures and Adjustments included within this press release and reconciliations of such non-GAAP financial measures to their most closely applicable GAAP financial measures are found in the Supplemental Information section herein.



do; the challenges in protecting the intellectual property underlying our drug delivery platforms and other products; our dependence on key personnel to execute our business plan; the amount of additional costs we will incur to comply with U.S. securities laws as a result of our ceasing to qualify as a foreign private issuer; and the other risks, uncertainties and contingencies described in the Company's filings with the U.S. Securities and Exchange Commission, including our annual report on Form 10-K for the year ended December 31, 2015, all of which filings are also available on the Company's website. Avadel undertakes no obligation to update its forward-looking statements as a result of new information, future events or otherwise, except as required by law.

#### Non-GAAP Disclosures and Adjustments

Avadel discloses certain non-GAAP financial measures, including adjusted net income and loss and adjusted net income and loss per diluted share, as management believes that a comparison of its current and historical results would be difficult if the disclosures were limited to financial measures prepared only in accordance with generally accepted accounting principles (GAAP) in the U.S. In addition to reporting its financial results in accordance with GAAP, Avadel reports certain non-GAAP results that exclude, if any, fair value remeasurements of its contingent consideration, impairment of intangible assets, amortization of intangible assets, foreign exchange gains and losses on assets and liabilities denominated in foreign currency, but includes the operating cash flows plus any unpaid accrued amounts associated with the contingent consideration, in order to supplement investors' and other readers' understanding and assessment of the Company's financial performance. The Company's management uses these non-GAAP measures internally for forecasting, budgeting and measuring its operating performance. Investors and other readers should review the related GAAP financial measures and the reconciliation of non-GAAP measures to their most closely applicable GAAP measure set forth below and should consider non-GAAP measures only as a supplement to, not as a substitute for or as a superior measure to, measures of financial performance prepared in accordance with GAAP. The table provided within the following "Supplemental Information" section reconciles GAAP net income and loss and diluted earnings or loss per share to the corresponding adjusted amounts.

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Sr. Director, Investor Relations & Corporate Communications

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<sup>1</sup>Non-GAAP financial measure. Descriptions of Avadel's non-GAAP financial measures are included under the caption Non-GAAP Disclosures and Adjustments included within this press release and reconciliations of such non-GAAP financial measures to their most closely applicable GAAP financial measures are found in the Supplemental Information section herein.



## AVADEL PHARMACEUTICALS PLC CONSOLIDATED STATEMENTS OF INCOME (LOSS)

(In thousands, except per share data)

	Three-Mo	nths Er	ıded	Twelve-Months Ended						
	Decen	nber 31,	,	December 31,						
	 2016		2015		2016		2015			
Revenues:										
Product sales and services	\$ 42,364	\$	43,847	\$	147,222	\$	172,288			
License and research revenue	721		721		3,024		721			
Total	43,085		44,568		150,246		173,009			
Operating expenses:										
Cost of products and services sold	2,591		2,937		13,248		11,410			
Research and development	13,476		5,161		34,611		25,608			
Selling, general and administrative	10,688		6,808		44,179		21,712			
Intangible asset amortization	2,970		3,141		13,888		12,564			
Changes in fair value of related party contingent consideration	(3,704)		(51,079)		49,285		30,957			
Total	26,021		(33,032)		155,211		102,251			
Operating income (loss)	 17,064		77,600		(4,965)		70,758			
Investment and other income	555		65		1,635		1,236			
Interest expense	(261)		_		(963)		_			
Other income (expense) - changes in fair value of related party payable	(413)		4,746		(6,548)		(4,883)			
Foreign exchange gain	1,135		2,498		1,123		10,594			
Income (loss) before income taxes	 18,080		84,909		(9,718)		77,705			
Income tax provision	13,346		11,391		31,558		35,907			
Net income (loss)	\$ 4,734	\$	73,518	\$	(41,276)	\$	41,798			
Earnings (loss) per share - basic:	\$ 0.11	\$	1.79	\$	(1.00)	\$	1.03			
Earnings (loss) per share - diluted:	\$ 0.11	\$	1.69	\$	(1.00)	\$	0.96			
Weighted average number of shares outstanding - basic	41,269		41,125		41,248		40,580			
Weighted average number of shares outstanding - diluted	42,808		43,430		41,248		43,619			



## AVADEL PHARMACEUTICALS PLC CONSOLIDATED BALANCE SHEETS

(In thousands, except per share data)

	 As of Dec	cember (	<b>31</b> ,
	2016		2015
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 39,215	\$	65,064
Marketable securities	114,980		79,738
Accounts receivable	17,839		7,487
Inventories	3,258		3,666
Research and development tax credit receivable	_		2,382
Prepaid expenses and other current assets	5,894		8,064
Total current assets	181,186		166,401
Property and equipment, net	 3,320		2,616
Goodwill	18,491		18,491
Intangible assets, net	22,837		15,825
Research and development tax credit receivable	1,775		_
Income tax deferred charge	10,342		11,581
Other	7,531		167
Total assets	\$ 245,482	\$	215,081
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Current portion of long-term debt	\$ 268	\$	434
Current portion of long-term related party payable	34,177		25,204
Accounts payable	7,105		5,048
Deferred revenue	2,223		5,121
Accrued expenses	17,222		9,308
Income taxes	1,200		_
Other	226		133
Total current liabilities	62,421		45,248
Long-term debt	 547		684
Long-term related party payable	135,170		97,489
Other	5,275		2,526
Total liabilities	203,413		145,947
Shareholders' equity:			
Preferred shares, \$0.01 nominal value; 50,000 shares authorized at December 31, 2016, none authorized at December 31, 2015; none issued or outstanding at December 31, 2016 and December 31, 2015, respectively	_		_
Ordinary shares, nominal value of \$0.01 and €0.122; 500,000 and 53,178 shares authorized; 41,371 and 41,241 issued and outstanding at December 31, 2016 and 2015, respectively	414		6,331
Additional paid-in capital	385,020		363,984
Accumulated deficit	(319,800)		(278,524)
Accumulated other comprehensive loss	(23,565)		(22,657)
Total shareholders' equity	42,069		69,134
Total liabilities and shareholders' equity	\$ 245,482	\$	215,081



Income tax paid

Interest paid

## AVADEL PHARMACEUTICALS PLC CONSOLIDATED STATEMENTS OF CASH FLOWS (In thousands)

Control         Image: Control	(In thousands)							
Column from pouring activities         S         4.17.8         \$         4.7.8           Not none (note)         \$         4.17.8         \$         4.7.8           All planements to recordinate income (both pas extable provided by (used all operating activities)         1.6.8         1.5.12           Loss on schopen of progress of supported         1.6.8         2.7.7           Loss on sich opport of support of supported progress and schopen of progress of supported progress and schopen of progress and schop		Т	Twelve-Months Ende					
Nomemor (lace)         8         (1,720)         \$         1,400           Adjaanment in income (incit) on or each provided by (used in) reporting activities:         1,448         1,112           Depreciation and amortization         1,449         1,720           Loss on sail of amortization         3,650         7,700           Use on sail of amortization controlled controlled controlled (controlled)         3,600         7,000           Use on sail of amortization of controlled (controlled)         4,000         3,000           Claiss on waiter of research and development gents and other         4,000         3,000           Recessormement or frained party architerior clained (controlled) and gent controlled (controlled) and gent controlled) and gent controlled (controlled) and gent controlled) and			2016		2015			
Nomemor (less)         6         (1,127)         \$         4,100           Adjuantments in streamfor (in six nor calls provided by (used in inpracting activities)         1,144         1,124         1,124           Depreciation and amortization         1,144         1,124         1,124           Loss on sale of an disposal of property and equipment         1,045         7,00           Use an sale of an anticachies excurting         2,045         1,000           Galias on waive or freated and development gards and other         4,000         3,000           Remeasurement or frained party plancing-related contrigent consideration         3,000         3,000           Remeasurement or frained party plancing-related contrigent consideration         4,000         6,000           Change in disferent and an increase teachering duage         4,000         6,000           Stock-hand Compension response         1,000         6,000         6,000           Increase (Secretical solid         3,142         6,000         6,000           Recombined contribution         3,142         6,000         6,000           Recombined and development activities         4,142         6,000         6,000           Recombined and development activities         4,142         6,000         6,000         6,000           Recombine	Cash flows from operating activities							
Adjustments to recorde intricence (fost) to ent als provided by (used in) operating activities   Department and amoritacions		¢	(41.270)	¢	41.700			
		\$	(41,2/6)	3	41,/98			
Loss oa lee of marbenble securities         56.8         77.0           Loss oa lee of marbenble securities         36.9         9.00           Clamsilated in securities         36.9         9.00           Clamsilated in securities per control per			14 489		13 132			
Loss on sale of marketable occurities         368         7.79           Unusualized friengia currently exchange gains         6,000         6,000           Gains on waker of measch and developunger garats and other         1,000         30,000           Remeasurement of related party financing-related condingent consideration         40,000         6,000           Change in deferred ax and income tar deferred change         1,000         7,000           Stock-based compensation engense         1,000         0,000           Increase (Archivers) in cash forms         1,000         0,000           Increase (Archivers) in cash forms         1,000         0,000           Rescuss excivable         1,000         0,000           Prepaid except said other current sastes         3,000         0,000           Recorder and developments asses of their current sastes         1,000         0,000           Accounts payable for other current sastes         1,000         0,000           Accounts payable for other current sastes         1,000         0,000           Accounts payable for other current sastes         1,000         0,000           Accounts payable for extent playing in extent playing facilities         1,000         0,000           Residence for same family payable in extent of englishing facilities         1,000         0,000<					_			
Unrelized foreign curroncy exchange gain         (36)         (80)           Gains on waiver of research and development grants and other         — (80)         30)           Remeasurement of related party designation-related contingent consideration         60.68         4,883           Change in elemental stand income and other droubly agreenees         (400)         7,741           Remeasurement of related party suggested compensation requence         (400)         7,741           Recent compensation requence         (400)         7,741           Increase (februsory) in cash from         1,812         1,808           Accumus revealsh         1,811         1,808           Research and diversorman and other current asses         3,121         3,008           Research and development tax credit recervable         3,121         3,009           Accound payable coher current labilities         (30)         2,503           Accound expures the related party payable in excess of enginal fair value         3,000         3,000           Deferend execute         1,172         3,000         3,000           Remoust payable in excess of enginal fair value         3,000         3,000           Deferend execute for payable in excess of enginal fair value         3,000         3,000           Remout a payable in excess of enginal fair value					779			
Gains on waiver of research and development gaints and other         (1,00)           Remeasurement of related party acquisition-related contingent consideration         40,265         30,507           Change in deferred tax and income ax deferred change         (400)         90           Stock-based compression response         14,670         7,701           Increase (excrease) in cach from:         1,000         (6,440)           Increase (excrease) in cach from:         2,000         (6,400)           Investigation and the current aces of the control of the c								
Remeaument of related party significational conditional conditions of related party financiary claused conditions are conditionally as a conditional conditional conditions are conditionally as a conditional cond			_					
Remeasurement of related party financing-related troyally agreements         6,584         4,888           Change in defered tax and income tax deferred change         6,080         6,08           Stock-hast or Companion on express         14,079         7,74           Increase (decrease) in each frome.         4,080         7,08           Investorial         1,085         4,084         3,08           Investorial         3,12         6,08         1,08         2,08           Investorial expenses and other current assets         3,12         6,08         3,08         2,09         3,08         2,09         3,08         3,08         3,08         3,08         3,08         3,08         4,	. •		49,285					
Change in defered axa an income tax deferred change         (400)         70           Stock-based compensation expense         1,72         7.7           Increase (decrease) in cash from:         1         8.0           Inventions         1,83         3.0           Pregular sepanses and other current assets         3,81         3.0           Pregular sepanses and other current liabilities         397         2,975           Accounts payable & other current liabilities         1,43         6,83           Deferred execurrent liabilities         6,74         3,36           Account sepanses         6,74         3,37           Account expenses         6,74         3,37           Accound expenses         6,74         3,37           Account expenses         6,74         3,37           Account expenses         6,74         3,37           Account expenses         6,74         3,37           Account expenses for related party contingent consideration in excess of acquisition-date fair value         6,02         6,02           Earn-out payaments for related party contingent consideration in excess of acquisition-date fair value         1,02         1,02           College temperature for conditional payaments for related party pounting activities         1,02         1,02								
Stock-based compensation expense         14,679         7,741           Increase (decrease) in each trons:         1         (1,005)         (8,480)           Accounts revolvable         (1,005)         (8,480)         3,005           Inventories         1,831         3,005           Research and other current assets         3,871         2,695           Accounts payable & other current liabilities         (404)         6,533           Account payable & other current liabilities         (404)         3,376           Account spayable & other current liabilities         7,644         3,376           Account expense         7,644         3,376           Account expense so and liabilities         1,723         4,003           Account payable in excess of original fair value         2,629         4,003           Not coll provided by operating activities         3,53         4,003           Not coll provided by operating activities         1,003         1,003         1,003           Not coll businesses, including actal acquired and other adjustments         4,003         1,003         1,003         1,003         1,003         1,003         1,003         1,003         1,003         1,003         1,003         1,003         1,003         1,003         1,003         1,			(4,000)		69			
Accoust receivable (shorems) in cash from:   Accoust receivable (18.81) (18.86) (18.					7,741			
Accounts receivable         (10,600)         (8,400)           Invencion         1,831         3,036           Prepair expenses and other current assets         3,412         (8,600)           Research and development tax credit receivable         397         2,975           Accounds spayable & other current liabilities         (3,63)         (8,53)           Deferred evenue         (3,93)         (3,76)         3,375           Accound cappeas         6,764         3,376         4,378           Accound payments for related parry payable in excess of original fair value         (20,25)         ————————————————————————————————————								
Inventories         1,831         3,086           Pepal expenses and other current laselets         3,412         6,608           Research and development tax credit receivable         397         2,975           Accounts payable & other current labilities         (3,63)         (8,63)           Deferred evenue         (2,93)         3,815           Accrued expenses         1,778         6,764         3,70           Accrued income bases         1,778         6,764         3,70           Raysily payments for related party contingent consideration in excess of original fair value         (20,23)            Resolution payable for related party payable in excess of original fair value         (2,05)            Other long-term asses and liabilities         3,53         2,49           Net cash provided by operating activities         1,50         4,50           Resolve from treating activities         1,20         1,60           Purchases of property and equipment         1,20         1,60           Acqualistions of businesses, including anh equired and other adjustments         1,20         1,60           Purchase of from francing activities         1,20         1,60         1,60           Resolution franciting activities         2,20         1,60         1,60			(10,050)		(8,440)			
Research and development ax credit receivable         397         2,000           Accounts payable & other current liabilities         (4,94)         (8,533)           Deferred revenue         (2,923)         3,615           Accrued expenses         6,674         3,376           Accrued income taxes         (1,78)         (393)           Earnout payments for related party contingent consideration in excess of original fair value         (2,629)         ————————————————————————————————————	Inventories							
Accounts payable & other current liabilities         (434)         (8,53)           Deferred revenue         (2,93)         3,815           Accrued experses         6,764         3,376           Accrued income taxes         (1,78)         (393)           Earn-out payments for related parry contingent consideration in excess of acquisition-date fair value         (0,252)         ————————————————————————————————————	Prepaid expenses and other current assets		3,412		(684)			
Defended revenue         Capacity         3.818           Accrued expenses         6.764         3.376           Accrued income tases         1.76         6.336           Earn-out payments for related party contingent consideration in excess of acquisition-date fair value         (20.252)         ————————————————————————————————————	Research and development tax credit receivable		397		2,975			
Deferred revenue         (2,923)         3.818           Accrued expenses         6,764         3,376           Accrued income taxes         1,776         (383)           Earn-out payments for related parry contingent consideration in excess of acquisition-date fair value         (20,525)         ————————————————————————————————————	Accounts payable & other current liabilities		(434)		(8,533)			
Accrued income taxes         1,778         (39)           Earn-our payments for related party contingent consideration in excess of acquisition-date fair value         (20,25)         —           Royalty payments for related party payable in excess of original fair value         535         249           Other long-term assets and liabilities         18,901         48,702           Ket cash provided by operating activities         18,901         48,702           Clash flows from investing activities         (1,002)         (1,002)           Activations of businesses, including cash acquired and other adjustments         68         —           A process for marketable securities         19,706         48,300           Proceeds from sales of marketable securities         10,706         48,300           Purchases of marketable securities         10,706         48,300           Purchase of marketable securities         10,706         48,300           Purchase of marketable securities         10,706         48,300           Result in investing activities         10,706         31,300           Result see un investing activities         10,707         4,101           Reimbursement of loans         1,202         4,201           Reimbursement of conditional R&D grants         1,202         3,371	Deferred revenue		(2,923)					
Earn-out payments for related party contingent consideration in excess of acquisition-date fair value         (20,25)         —           Royalty payments for related party payable in excess of original fair value         (2,46)         —           Other long-term assets and liabilities         535         249           Net cash provided by operating activities         —         —           Scape of property and equipment         (1,20)         (1,529)           Acquisitions of businesses, including cash acquired and other adjustments         628         —           Proceeds from sales of marketable securities         (1,50)         (78,409)           Purchases of marketable securities         (1,50)         (78,409)           Vet cash used in investing activities         (10,700)         (78,409)           Reimbursement of loans         —         (4,911)           Reimbursement of conditional R&D grants         (27)         (4,911)           Reimbursement of conditional R&D grants         (27)         (4,72)           Earn-out payments for related party payable         (1,22)         (3,371)           Excess tax benefit from stock-based compensation         (4,91)         (3,92)           Excess tax benefit from stock-based compensation         (4,92)         (3,50)           Excess tax benefit from stock-based compensation <th< td=""><td>Accrued expenses</td><td></td><td>6,764</td><td></td><td>3,376</td></th<>	Accrued expenses		6,764		3,376			
Royalty payments for related party payable in excess of original fair value         C.4.60         ————————————————————————————————————	Accrued income taxes		1,778		(393)			
Other long-term assets and liabilities         535         249           Net cash provided by operating activities         18,901         84,203           Cash Irons from investing activities         (1,201)         (1,602)           Purchases of property and equipment         (1,201)         (1,602)           Acquisitions of businesses, including actival equipment and other adjustments         71,546         48,308           Proceeds from sales of marketable securities         (107,603)         (78,409)           Purchases of marketable securities         (107,603)         (78,409)           Net cash used in investing activities         (36,303)         (31,703)           Reimbursement of loans         —         4,911           Reimbursement of conditional R&D grants         (277)         (747)           Eam-out payments for related party contingent consideration         (5,02)         (3,371)           Excess tax benefit from stock-based compensation         (1,225)         (3,371)           Excess tax benefit from stock-based compensation         —         4,814	Earn-out payments for related party contingent consideration in excess of acquisition-date fair value		(20,252)		_			
Net cash provided by operating activities         18,901         84,293           Cash flows from investing activities         (1,201)         (1,602)           Purchases of property and equipment         (1,201)         (1,602)           Acquisitions of businesses, including cash acquired and other adjustments         628         —           Procedes from sales of marketable securities         (10,703)         (78,409)           Purchases of marketable securities         (36,60)         (37,809)           Purchases of marketable securities         (36,60)         (37,809)           Purchases of marketable securities         (36,60)         (37,809)           Net cash used in investing activities         —         (49,101)           Retail univesting activities         —         (49,101)           Reimbursement of loans         —         (49,101)           Reimbursement of conditional R&D grants         —         (49,101)           Reimbursement of conditional R&D grants         —         (49,101)           Reimbursement of related party payable         —         (49,201)           Earn-out payments for related party payable         —         4         6,904           Executed to financing activities         —         4,901         6,904           Recast ta benefit from stock-base	Royalty payments for related party payable in excess of original fair value		(2,469)		_			
Cash flows from investing activities:         Image: Cash flows from investing activities:         Image: Cash flows from investing activities:         Image: Cash flows fl	Other long-term assets and liabilities		535		249			
Purchases of property and equipment         (1,201)         (1,620)           Acquisitions of businesses, including cash acquired and other adjustments         628         —           Proceeds from sales of marketable securities         71,546         48,308           Purchases of marketable securities         (107,603)         (78,409)           Net cash used in investing activities         36,630         (31,730)           Cash flows from financing activities         —         4,911           Reimbursement of loans         —         4,911           Reimbursement of conditional R&D grants         27         4,911           Earn-out payments for related party contingent consideration         6,921         4,911           Royalty payments for related party payable         1,025         3,371           Excess tax benefit from stock-based compensation         4         6,909           Excess tax benefit from stock-based compensation         4         6,909           Cash proceeds from issuance of ordinary shares and warrants         4         6,909           Refer of exchange rate changes on cash and cash equivalents         1,025         2,371           Effect of exchange rate changes on cash and cash equivalents         2,534         3,506           Retail used in financing activities         2,534         3,506	Net cash provided by operating activities		18,901		84,293			
Acquisitions of businesses, including cash acquired and other adjustments         628         —           Proceeds from sales of marketable securities         71,546         48,308           Purchases of marketable securities         (107,603)         (78,409)           Net cash used in investing activities         36,630         31,709           Cash flows from financing activities         —         (4,911)           Reimbursement of loans         277         (49,11)           Reimbursement of conditional R&D grants         (277)         (747)           Eam-out payments for related party contingent consideration         (6,892)         (24,526)           Royalty payments for related party payable         (1,225)         (3,371)           Excess tax benefit from stock-based compensation         —         4,814           Cash proceeds from issuance of ordinary shares and warrants         40         6,990           Net cash used in financing activities         (7,954)         (3,750)           Effect of exchange rate changes on cash and cash equivalents         (166)         (3,508)           Net increase (decrease) in cash and cash equivalents         (25,849)         25,304           Cash and cash equivalents - beginning balance         5,064         39,760	Cash flows from investing activities:							
Proceeds from sales of marketable securities         71,546         48,308           Purchases of marketable securities         (107,603)         (78,409           Net cash used in investing activities         (36,603)         (31,700           Cash flows from financing activities:         —         (4,911)           Reimbursement of loans         —         (4,911)           Reimbursement of conditional R&D grants         (277)         (77           Earn-out payments for related party contingent consideration         (6,892)         (24,526)           Royalty payments for related party payable         (1,225)         (3,371)           Excess tax benefit from stock-based compensation         —         2,814           Cash proceeds from issuance of ordinary shares and warrants         440         6,990           Net cash used in financing activities         (7,954)         (23,751)           Effect of exchange rate changes on cash and cash equivalents         (166)         (3,508)           Net increase (decrease) in cash and cash equivalents         (25,849)         25,304           Cash and cash equivalents - beginning balance         5         39,215         \$         65,064         39,760	Purchases of property and equipment		(1,201)		(1,629)			
Purchases of marketable securities         (107,603)         (78,409)           Net cash used in investing activities         36,630         31,730           Cash flows from financing activities:         -         (4,911)           Reimbursement of loans         -         (4,911)           Reimbursement of conditional R&D grants         (277)         (747)           Earn-out payments for related party contingent consideration         (6,892)         (24,526)           Royally payments for related party payable         (1,225)         (3,371)           Excess tax benefit from stock-based compensation         -         2,814           Cash proceeds from issuance of ordinary shares and warrants         440         6,990           Net cash used in financing activities         (7,954)         (23,751)           Effect of exchange rate changes on cash and cash equivalents         (5,684)         35,304           Vet increase (decrease) in cash and cash equivalents         (5,064)         39,760           Cash and cash equivalents - beginning balance         \$ 39,215         \$ 65,064	Acquisitions of businesses, including cash acquired and other adjustments		628		_			
Net cash used in investing activities         (36,630)         (31,730)           Cash flows from financing activities:         -         (4,911)           Reimbursement of loans         (277)         (747)           Reimbursement of conditional R&D grants         (277)         (747)           Earn-out payments for related party contingent consideration         (6,892)         (24,526)           Royalty payments for related party payable         (1,225)         (3,371)           Excess tax benefit from stock-based compensation         -         2,814           Cash proceeds from issuance of ordinary shares and warrants         440         6,990           Net cash used in financing activities         (7,954)         (23,751)           Effect of exchange rate changes on cash and cash equivalents         (166)         (3,508)           Net increase (decrease) in cash and cash equivalents         (25,849)         25,304           Cash and cash equivalents - beginning balance         65,064         39,760           Cash and cash equivalents - ending balance         \$ 39,215         \$ 65,064	Proceeds from sales of marketable securities		71,546		48,308			
Cash flows from financing activities:       Cash flows from financing activities:         Reimbursement of loans       —       (4,911)         Reimbursement of conditional R&D grants       (277)       (747)         Earn-out payments for related party contingent consideration       (6,892)       (24,526)         Royalty payments for related party payable       (1,225)       (3,371)         Excess tax benefit from stock-based compensation       —       2,814         Cash proceeds from issuance of ordinary shares and warrants       440       6,990         Net cash used in financing activities       (7,954)       (23,751)         Effect of exchange rate changes on cash and cash equivalents       (166)       (3,508)         Net increase (decrease) in cash and cash equivalents       (25,849)       25,304         Cash and cash equivalents - beginning balance       65,064       39,760         Cash and cash equivalents - ending balance       \$ 39,215       \$ 65,064	Purchases of marketable securities		(107,603)		(78,409)			
Reimbursement of loans         —         (4,911)           Reimbursement of conditional R&D grants         (277)         (747)           Earn-out payments for related party contingent consideration         (6,892)         (24,526)           Royalty payments for related party payable         (1,225)         (3,371)           Excess tax benefit from stock-based compensation         —         2,814           Cash proceeds from issuance of ordinary shares and warrants         440         6,990           Net cash used in financing activities         (7,954)         (23,751)           Effect of exchange rate changes on cash and cash equivalents         (166)         (3,508)           Net increase (decrease) in cash and cash equivalents         (25,849)         25,304           Cash and cash equivalents - beginning balance         65,064         39,760           Cash and cash equivalents - ending balance         \$ 39,215         \$ 65,064	Net cash used in investing activities		(36,630)		(31,730)			
Reimbursement of conditional R&D grants(277)(747)Earn-out payments for related party contingent consideration(6,892)(24,526)Royalty payments for related party payable(1,225)(3,371)Excess tax benefit from stock-based compensation—2,814Cash proceeds from issuance of ordinary shares and warrants4406,990Net cash used in financing activities(7,954)(23,751)Effect of exchange rate changes on cash and cash equivalents(166)(3,508)Net increase (decrease) in cash and cash equivalents(25,849)25,304Cash and cash equivalents - beginning balance65,06439,760Cash and cash equivalents - ending balance\$ 39,215\$ 65,064	Cash flows from financing activities:							
Earn-out payments for related party contingent consideration(6,892)(24,526)Royalty payments for related party payable(1,225)(3,371)Excess tax benefit from stock-based compensation-2,814Cash proceeds from issuance of ordinary shares and warrants4406,990Net cash used in financing activities(7,954)(23,751)Effect of exchange rate changes on cash and cash equivalents(166)(3,508)Net increase (decrease) in cash and cash equivalents(25,849)25,304Cash and cash equivalents - beginning balance5,90439,760Cash and cash equivalents - ending balance\$ 39,215\$ 65,064	Reimbursement of loans		_		(4,911)			
Royalty payments for related party payable(1,225)(3,371)Excess tax benefit from stock-based compensation-2,814Cash proceeds from issuance of ordinary shares and warrants4406,990Net cash used in financing activities(7,954)(23,751)Effect of exchange rate changes on cash and cash equivalents(166)(3,508)Net increase (decrease) in cash and cash equivalents(25,849)25,304Cash and cash equivalents - beginning balance5,90439,760Cash and cash equivalents - ending balance\$ 39,215\$ 65,064	Reimbursement of conditional R&D grants		(277)		(747)			
Excess tax benefit from stock-based compensation-2,814Cash proceeds from issuance of ordinary shares and warrants4406,990Net cash used in financing activities(7,954)(23,751)Effect of exchange rate changes on cash and cash equivalents(166)(3,508)Net increase (decrease) in cash and cash equivalents(25,849)25,304Cash and cash equivalents - beginning balance65,06439,760Cash and cash equivalents - ending balance\$ 39,215\$ 65,064	Earn-out payments for related party contingent consideration		(6,892)		(24,526)			
Cash proceeds from issuance of ordinary shares and warrants4406,990Net cash used in financing activities(7,954)(23,751)Effect of exchange rate changes on cash and cash equivalents(166)(3,508)Net increase (decrease) in cash and cash equivalents(25,849)25,304Cash and cash equivalents - beginning balance65,06439,760Cash and cash equivalents - ending balance\$ 39,215\$ 65,064	Royalty payments for related party payable		(1,225)		(3,371)			
Net cash used in financing activities(7,954)(23,751)Effect of exchange rate changes on cash and cash equivalents(166)(3,508)Net increase (decrease) in cash and cash equivalents(25,849)25,304Cash and cash equivalents - beginning balance65,06439,760Cash and cash equivalents - ending balance\$ 39,215\$ 65,064	Excess tax benefit from stock-based compensation		_		2,814			
Effect of exchange rate changes on cash and cash equivalents(166)(3,508)Net increase (decrease) in cash and cash equivalents(25,849)25,304Cash and cash equivalents - beginning balance65,06439,760Cash and cash equivalents - ending balance\$ 39,215\$ 65,064	Cash proceeds from issuance of ordinary shares and warrants		440		6,990			
Net increase (decrease) in cash and cash equivalents(25,849)25,304Cash and cash equivalents - beginning balance65,06439,760Cash and cash equivalents - ending balance\$ 39,215\$ 65,064	Net cash used in financing activities		(7,954)		(23,751)			
Cash and cash equivalents - beginning balance65,06439,760Cash and cash equivalents - ending balance\$ 39,215\$ 65,064	Effect of exchange rate changes on cash and cash equivalents		(166)		(3,508)			
Cash and cash equivalents - ending balance \$ 39,215 \$ 65,064	Net increase (decrease) in cash and cash equivalents		(25,849)		25,304			
	Cash and cash equivalents - beginning balance		65,064		39,760			
Supplemental disclosures of cash flow information:	Cash and cash equivalents - ending balance	\$	39,215	\$	65,064			
	Supplemental disclosures of cash flow information:							

27,180

788

42,121 4,738



## AVADEL PHARMACEUTICALS PLC UNAUDITED SUPPLEMENTAL INFORMATION

(In thousands, except per share data)

	Thi	ree-Months E	nded De	Twelve-Months Ended December 31					
Revenues		2016		2015		2016		2015	
Bloxiverz	\$	16,938	\$	36,009	\$	82,896	\$	150,083	
Vazculep		10,629		7,394		39,796		20,151	
Akovaz		11,263		_		16,831		_	
Other		3,534		444		7,699		2,054	
Total product sales and services		42,364		43,847		147,222		172,288	
License and research revenue		721		721		3,024		721	
Total revenues	\$	43,085	\$	44,568	\$	150,246	\$	173,009	



		GAAP to Non-GAAP adjustments for the three-months ended December 31, 2016														
							Exclud	e					Include			
	 GAAP		ingible asset iortization	e	Foreign xchange gain)/loss		Cross - border merger impacts	-	Purchase accounting adjustments - FSC	Contingent related party payable fair value remeasurements		Contingent related party payable paid/accrued		Total adjustments		djusted GAAP
Revenues:																
Product sales and services	\$ 42,364	\$	_	\$	_	\$	_	\$	_	\$	_	\$	_	\$	_	\$ 42,364
License and research revenue	721		_		_		_		_		_		_		_	721
Total	43,085		_		_		_		_		_		_		_	 43,085
Operating expenses:																
Cost of products and services sold	2,591		_		_		_		1,019		_		_		1,019	3,610
Research and development	13,476		_		_		_		_		_		_		_	13,476
Selling, general and administrative	10,688		_		_		_		_		_		_		_	10,688
Intangible asset amortization	2,970		(2,970)		_		_		_		_		_		(2,970)	_
Changes in fair value of related party contingent consideration	(3,704)		_		_		_		_		3,704		7,645		11,349	7,645
Total	26,021		(2,970)				_		1,019		3,704		7,645		9,398	 35,419
Operating income (loss)	 17,064		2,970		_		_		(1,019)		(3,704)		(7,645)		(9,398)	7,666
Investment and other income	555		_		_		_		_		_		_		_	555
Interest expense	(261)		_		_		_		_		_		_		_	(261)
Other expense - changes in fair value of related party payable	(413)		_		_		_		_		413		(1,018)		(605)	(1,018)
Foreign exchange gain	1,135		_		(1,135)		_		_		_		_		(1,135)	_
Income (loss) before income taxes	18,080		2,970		(1,135)		_		(1,019)		(3,291)		(8,663)		(11,138)	6,942
Income tax provision (benefit)	13,346		1,066		_		(6,754)		(366)		82		(499)		(6,471)	6,875
Net income (loss)	\$ 4,734	\$	1,904	\$	(1,135)	\$	6,754	\$	(653)	\$	(3,373)	\$	(8,164)	\$	(4,667)	\$ 67
											_					
Net income (loss) per share - diluted $^{(1)}$	\$ 0.11	\$	0.04	\$	(0.03)	\$	0.16	\$	(0.02)	\$	(0.08)	\$	(0.19)	\$	(0.11)	\$ _
Weighted average number of shares outstanding - diluted	42,808		42,808		42,808		42,808		42,808		42,808		42,808		42,808	42,808

<sup>(1)</sup> Net income (loss) per share - diluted is calculated by dividing Net income (loss) by the Weighted average number of shares outstanding - diluted. Note, when recalculated using this method, the balances in the Total adjustment and Adjusted GAAP columns may not cross-foot as a result of rounding to full precision.



	GAAP to Non GAAP adjustments for the three-months ended December 31, 2015													
						Exclude				Include				
		GAAP		Intangible asset amortization		Foreign exchange (gain)/loss	_	Contingent related party payable fair value remeasurements		ntingent related party ayable paid/accrued	Total adjustments			djusted GAAP
Revenues:														
Product sales and services	\$	43,847	\$	_	\$	_	\$	_	\$	_	\$	_	\$	43,847
License and research revenue		721		_		_		_		_		_		721
Total		44,568		_		_		_		_		_		44,568
Operating expenses:														
Cost of products and services sold		2,937		_		_		_		_		_		2,937
Research and development		5,161		_		_		_		_		_		5,161
Selling, general and administrative		6,808		_		_		_		_		_		6,808
Intangible asset amortization		3,141		(3,141)		_		_		_		(3,141)		_
Changes in fair value of related party contingent consideration		(51,079)		_				51,079		8,158		59,237		8,158
Total		(33,032)		(3,141)		_		51,079		8,158		56,096		23,064
Operating income (loss)		77,600		3,141		_		(51,079)		(8,158)		(56,096)		21,504
Investment and other income		65		_		_		_		_		_		65
Interest expense		_		_		_		_		_		_		_
Other expense - changes in fair value of related party payable		4,746		_		_		(4,746)		(1,123)		(5,869)		(1,123)
Foreign exchange gain		2,498		_		(2,498)		_				(2,498)		
Income (loss) before income taxes		84,909		3,141		(2,498)		(55,825)		(9,281)		(64,463)		20,446
Income tax provision (benefit)		11,391		1,099		(749)		(1,661)		(393)		(1,704)		9,687
Net income (loss)	\$	73,518	\$	2,042	\$	(1,749)	\$	(54,164)	\$	(8,888)	\$	(62,759)	\$	10,759
Net (loss) income per share - diluted	\$	1.69	\$	0.05	\$	(0.04)	\$	(1.25)	\$	(0.20)	\$	(1.45)	\$	0.25
Weighted average number of shares outstanding - diluted		43,430		43,430		43,430		43,430		43,430		43,430		43,430

<sup>(1)</sup> Net income (loss) per share - diluted is calculated by dividing Net income (loss) by the Weighted average number of shares outstanding - diluted. Note, when recalculated using this method, the balances in the Total adjustment and Adjusted GAAP columns may not cross-foot as a result of rounding to full precision.



			G	AAP t	o Non-GAA	P ac	djustments	for t	he twelve-month	ıs en	ded December 31, 2016	6				
							Exclu	de					Include			
	 GAAP		angible asset nortization	Foreign exchange (gain)/loss			Cross - border merger impacts	_	Purchase accounting adjustments - FSC	Contingent related party payable fair value remeasurements		Contingent related party payable paid/accrued		Total adjustments		Adjusted GAAP
Revenues:																
Product sales and services	\$ 147,222	\$	_	\$	_	\$	_	\$	_	\$	_	\$	_	\$	_	\$ 147,222
License and research revenue	3,024		_				_		_		_				_	3,024
Total	150,246		_		_		_		_		_		_		_	150,246
Operating expenses:																
Cost of products and services sold	13,248		_		_		_		(506)		_		_		(506)	12,742
Research and development	34,611		_		_		_		_		_		_		_	34,611
Selling, general and administrative	44,179		_		_		_		_		_		_		_	44,179
Intangible asset amortization	13,888		(13,888)		_		_		_		_		_		(13,888)	_
Changes in fair value of related party contingent consideration	49,285				_						(49,285)		26,966		(22,319)	26,966
Total	155,211		(13,888)				_		(506)		(49,285)		26,966		(36,713)	118,498
Operating income (loss)	(4,965)		13,888		_		_		506		49,285		(26,966)		36,713	31,748
Investment and other income	1,635		_		_		_		_		_		_		_	1,635
Interest expense	(963)		_		_		_		_		_		_		_	(963)
Other expense - changes in fair value of related party payable	(6,548)		_		_		_		_		6,548		(3,636)		2,912	(3,636)
Foreign exchange gain	1,123		_		(1,123)		_		_						(1,123)	_
Income (loss) before income taxes	(9,718)		13,888		(1,123)		_		506		55,833		(30,602)		38,502	28,784
Income tax provision (benefit)	 31,558		4,986				(6,754)		182		3,068		(1,667)		(185)	 31,373
Net income (loss)	\$ (41,276)	\$	8,902	\$	(1,123)	\$	6,754	\$	324	\$	52,765	\$	(28,935)	\$	38,687	\$ (2,589)
Net (loss) income per share - diluted (1)	\$ (1.00)	\$	0.22	\$	(0.03)	\$	0.16	\$	0.01	\$	1.28	\$	(0.70)	\$	0.94	\$ (0.06)
Weighted average number of shares outstanding - diluted	41,248		41,248		41,248		41,248		41,248		41,248		41,248		41,248	41,248

<sup>(1)</sup> Net income (loss) per share - diluted is calculated by dividing Net income (loss) by the Weighted average number of shares outstanding - diluted. Note, when recalculated using this method, the balances in the Total adjustment and Adjusted GAAP columns may not cross-foot as a result of rounding to full precision.



		GAAP to	, 2015							
			Exclude				Include			
	 GAAP	Intangible asset amortization	Foreign exchange (gain)/loss		Contingent related party payable fair value remeasurements		Contingent related party payable paid/accrued	Total adjustments		Adjusted GAAP
Revenues:										
Product sales and services	\$ 172,288	\$ _	\$ _	\$	_	\$	_	\$	_	\$ 172,288
License and research revenue	 721	 								 721
Total	173,009	 _	_		_		_		_	 173,009
Operating expenses:										
Cost of products and services sold	11,410	_	_		_		_		_	11,410
Research and development	25,608	_	_		_		_		_	25,608
Selling, general and administrative	21,712	_	_		_		_		_	21,712
Intangible asset amortization	12,564	(12,564)	_		_		_		(12,564)	_
Changes in fair value of related party contingent consideration	30,957	_			(30,957)		32,081		1,124	 32,081
Total	 102,251	 (12,564)	 		(30,957)		32,081		(11,440)	 90,811
Operating income (loss)	70,758	12,564	_		30,957		(32,081)		11,440	82,198
Investment and other income	1,236	_	_		_		_		_	1,236
Interest expense	_	_	_		_		_		_	_
Other expense - changes in fair value of related party payable	(4,883)	_	_		4,883		(4,414)		469	(4,414)
Foreign exchange gain	10,594		(10,594)						(10,594)	
Income (loss) before income taxes	77,705	12,564	(10,594)		35,840		(36,495)		1,315	79,020
Income tax provision (benefit)	35,907	4,397	(3,178)		1,709		(1,545)		1,383	37,290
Net income (loss)	\$ 41,798	\$ 8,167	\$ (7,416)	\$	34,131	\$	(34,950)	\$	(68)	\$ 41,730
Net (loss) income per share - diluted	\$ 0.96	\$ 0.19	\$ (0.17)	\$	0.78	\$	(0.80)	\$	_	\$ 0.96
Weighted average number of shares outstanding - diluted	43,619	43,619	43,619		43,619		43,619		43,619	43,619

<sup>(1)</sup> Net income (loss) per share - diluted is calculated by dividing Net income (loss) by the Weighted average number of shares outstanding - diluted. Note, when recalculated using this method, the balances in the Total adjustment and Adjusted GAAP columns may not cross-foot as a result of rounding to full precision.





Year-End 2016 Earnings Conference Call March 7, 2017

## Safe Harbor



This presentation may include "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. All statements herein that are not clearly historical in nature are forward-looking, and the words "anticipate," "assume," "believe," "expect," "estimate," "plan," "will," "may," and the negative of these and similar expressions generally identify forward-looking statements. All forward-looking statements involve risks, uncertainties and contingencies, many of which are beyond Avadel's control and could cause actual results to differ materially from the results contemplated in such forward-looking statements. These risks, uncertainties and contingencies include the risks relating to: our dependence on a small number of products and customers for the majority of our revenues; the possibility that our Bloxiverz®, Vazculep® and Akovaz® products, which are not patent protected, could face substantial competition resulting in a loss of market share or forcing us to reduce the prices we charge for those products; the possibility that we could fail to successfully complete the research and development for the pipeline product we are evaluating for potential application to the FDA pursuant to our "unapproved-to-approved" strategy, or that competitors could complete the development of such product and apply for FDA approval of such product before us; our dependence on the performance of third parties in partnerships or strategic alliances for the commercialization of some of our products; the possibility that our products may not reach the commercial market or gain market acceptance; our need to invest substantial sums in research and development in order to remain competitive; our dependence on certain single providers for development of several of our drug delivery platforms and products; our dependence on a limited number of suppliers to manufacture our products and to deliver certain raw materials used in our products; the possibility that our competitors may develop and market technologies or products that are more effective or safer than ours, or obtain regulatory approval and market such technologies or products before we do; the challenges in protecting the intellectual property underlying our drug delivery platforms and other products; our dependence on key personnel to execute our business plan; the amount of additional costs we will incur to comply with U.S. securities laws as a result of our ceasing to qualify as a foreign private issuer; and the other risks, uncertainties and contingencies described in the Company's filings with the U.S. Securities and Exchange Commission, including our annual report on Form 10-K for the year ended December 31, 2015, all of which filings are also available on the Company's website. Avadel undertakes no obligation to update its forward-looking statements as a result of new information, future events or otherwise, except as required by law.

## Call Outline



- Share Repurchase Program
- REST-ON Trial
  - · Special Protocol Assessment
  - Timeline
  - · Patent Landscape
- · Base Business Overview
  - · Akovaz®
  - · Vazculep®
  - · Bloxiverz®
- · R&D Pipeline
- · Non-GAAP Financial Results
- · GAAP Financial Results
- Product Sales
- Cash Flow
- · 2017 Guidance

## Share Repurchase Program



## Board of Directors authorized share repurchase program of up to \$25 million

Strong cash position allows flexibility to allocate money for share repurchase

Provides opportunity to purchase shares and return cash to shareholders

Repurchases may be made in open-market transactions, block transactions on or off the exchange, in privately negotiated transactions, or through other means as determined by management





## **Progress to Date**

- Reached protocol agreement with FDA via Special Protocol Assessment in Q4
  - · Upfront agreement from FDA on powering and trial design
  - Endpoints: Excessive Daytime Sleepiness (EDS) and Cataplexy
- · Initiated patient enrollment and dosing in Q4
  - · Active enrollment in Europe and Canada
  - US site initiations ongoing
- · Enrollment completion goal of year end 2017

.

## Sodium Oxybate Patent Landscape



1<sup>st</sup> generic approved with separate REMS from Xyrem®

Generic litigation of patent surrounding concomitant use with valproate sodium slated for May 2017

- Potential settlement prior to trial
- Patent holds generics likely delayed until 2026
- Patent falls potential generic entry 2H 2017

AVDL's plans to file 5050(b)(2) NDA for FT218

- Patients taking forms of valproate sodium excluded from REST-ON study
   FDA is aware of this exclusion criteria
- NDA not subject to label requirements of ANDA filers, even though NDA will reference existing safety information of RLD
- FT218 will have a different label than competing 2x nightly products

## **Hospital Products**





- Akovaz® successfully launched in August Q3
- Exited 2016 with approximately 27% market share (~7.5 million vials / year)
- 1 competitor in 2016
- 2 competitors in 2017
- Expect to garner and retain ~ 30% of overall market



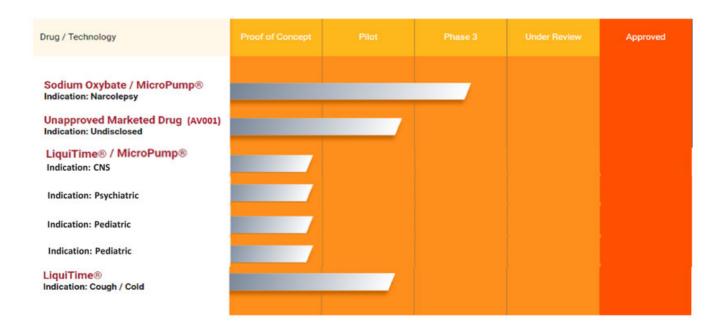
- Vazculep® had 100% share of 5mL & 10mL markets
- 40% market share across 3 vial sizes
- Expect another competitor mid-year 2017



- Bloxiverz® retained ~ 40% share during 2016 in 3 player market
- Sugammadex, neostigmine alternative, reduced the overall neostigmine market by ~20% during 2016
- Expect another competitor mid-year 2017

## Internal Development Pipeline





- · Numerous internal development opportunities under evaluation
- Expect to file 4<sup>th</sup> NDA for AV001 by year end 2017
- Evaluating more unapproved marketed drugs (UMD) for potential development beginning in 2017

## Non-GAAP Financial Results



\*Reconciliations from GAAP to Non-GAAP can be found in the appendix

(in 000s)		Thre	e Months Ende	<b>Twelve Months Ended</b>					
	1	2/31/16	09/30/16	12/31/15	1	2/31/16	12/31/15		
Sales	\$	43,085	\$ 32,087	\$ 44,568	\$	150,246	\$ 173,009		
Cost of products and services sold		3,610	2,844	2,937		12,742	11,410		
Research and development expenses		13,476	8,143	5,161		34,611	25,608		
Selling, general and admin expenses		10,688	12,740	6,808		44,179	21,712		
Intangible asset amortization		-	-			-			
Operating expenses		27,774	23,727	14,906	39	91,532	58,730		
Contingent consideration payments and accruals	_	7,645	5,884	8,158		26,966	32,081		
Operating income (loss)		7,666	2,476	21,504		31,748	82,198		
Interest and other expense (net)		294	226	65		672	1,236		
Other Expense - changes in fair value of related party payable		(1,018)	(785)	(1,123)	_	(3,636)	(4,414)		
Income (loss) before income taxes		6,942	1,917	20,446		28,784	79,020		
Income tax provision		6,875	5,416	9,687		31,373	37,290		
Net income (loss)	\$	67	\$ (3,499)	\$ 10,759	\$	(2,589)	\$ 41,730		
Diluted earnings (loss) per share	\$	-	\$ (0.08)	\$ 0.25	\$	(0.06)	\$ 0.96		

## **GAAP Financial Results**



(in 000s)	900	Thre	e Months Ende	99	Twelve Months Ended					
	12	2/31/16	09/30/16	12/31/15	_ 1	2/31/16	_12	2/31/15		
Sales	\$	43,085	\$ 32,087	\$ 44,568	\$	150,246	\$1	173,009		
Cost of products and services sold		2,591	2,844	2,937		13,248		11,410		
Research and development expenses		13,476	8,143	5,161		34,611		25,608		
Selling, general and admin expenses		10,688	12,740	6,808		44,179		21,712		
Intangible asset amortization	60	2,970	3,702	3,141	-	13,888		12,564		
Operating expenses		29,725	27,429	18,047		105,926		71,294		
Fair value adjustments of contingent consideration	30	(3,704)	20,848	(51,079)	44 <u></u>	49,285	_	30,957		
Operating income (loss)		17,064	(16,190)	77,600		(4,965)		70,758		
Interest and other expense (net)		1,429	1,475	2,563		1,795		11,830		
Other Expense - changes in fair value of related party payable	-	(413)	(1,828)	4,746	-	(6,548)	_	(4,883)		
Income (loss) before income taxes		18,080	(16,543)	84,909		(9,718)		77,705		
Income tax provision		13,346	3,451	11,391		31,558		35,907		
Net income (loss)	\$	4,734	\$ (19,994)	\$ 73,518	\$	(41,276)	\$	41,798		
Diluted earnings (loss) per share	\$	0.11	\$ (0.48)	\$ 1.69	\$	(1.00)	\$	0.96		

## **Product Sales**



in \$000's

	 2016		2 2016	 3 2016		4 2016	F	2016	Full Year 2015
Bloxiverz	\$ 24,747	\$	25,620	\$ 15,591	\$	16,938	\$	82,896	\$ 150,083
Vazculep	9,406		10,421	9,340		10,629		39,796	20,151
Akovaz	-		-	5,568		11,263		16,831	-
Other	 1,200	_	2,124	841	_	3,534		7,699	2,054
Total product sales and services	\$ 35,353	\$	38,165	\$ 31,340	\$	42,364	\$	147,222	\$ 172,288
License and research revenue	\$ 863	\$	693	\$ 747	\$	721	\$	3,024	\$ 721
Total revenues	\$ 36,216	\$	38,858	\$ 32,087	\$	43,085	\$	150,246	\$ 173,009

## Cash Flow Summary



in \$000's		Twelve Months Ended December				
			2016	.,	2015	
TOTAL Cash a	nd Marketable Securities	340				
Beginn	ing Balance	\$	144,802	\$	92,834	
	Operating Cash Flows (excl tax and earnout payments)	\$	68,801		126,414	
	Tax Payments	\$	(27,180)		(42,121)	
	Earnout/Royalty Payments	\$	(30,837)		(27,897)	
	Capital Spending	\$	(1,201)		(1,629)	
	Repayment of Debt	\$	(277)		(5,658)	
	Issuance of Ordinary Shares and Warrants	\$	440		6,990	
	FX	\$	(166)		(3,508)	
	Other	\$	(187)		(623)	
	Change in Total	\$	9,393	_	51,968	
Ending	Balance	\$	154,195	\$	144,802	

## Full Year 2017 Guidance - Reaffirmed **TAVADEL**



2017 Guidance

**Sales** \$170M - \$200M

**Diluted EPS (Adjusted)** \$0.20 - \$0.35



## **APPENDIX**

# GAAP to NON-GAAP Reconciliations



#### Three Months Ended December 31, 2016:

(in thousands - USDS)	27	100				Exclude					In	clude				
	GAAP		gible asset ortization	e		Cross-border nerger impact	a adj	Purchase accounting ljustments - FSC	relate pay fair	ingent d party rable value urements	relat pa	atingent ted party syable /accrued		Total ustments	NO	N-GAAP
Product sales and services	\$ 42,364	\$		\$	- \$		\$		\$		\$		\$		\$	42,364
License and research revenue	721				.,						_			× -		721 43.085
Total revenue	43,085															
Cost of products and services sold	2,591							1,019						1,019	1	3,610
Research and development expenses	13,476				-			-		-		•				13,476
Selling, general and administrative expenses	10,688				-									-		10,688
Intangible asset amortization Changes in fair value of related party contingent	2,970		(2,970)							*				(2,970)		
consideration	(3,704)									3,704		7,645		11,349		7,645
Total operating expenses	26,021		(2,970)		. '			1,019	8	3,704		7,645		9,398		35,419
Operating income (loss)	17,064		2,970					(1,019)		(3,704)		(7,645)		(9,398)		7,666
Investment Income	555													-		555
Interest Expense	(261)															(261)
Other Expense - changes in fair value of related party	100															
payable	(413)				-					413		(1,018)		(605)		(1,018)
Foreign exchange gain (loss)	1,135				(1,135)						-		-	(1,135)		-
Income (loss) before income taxes	18,080		2,970		(1,135)			(1,019)	1	(3,291)		(8,663)		(11,138)		6,942
Income tax provision	13,346		1,066			(6,75	4)	(366)	i .	82		(499)		(6,471)		6,875
Income Tax Rate	 74%		36%					36%		(2%)		6%		58%		99%
Net Loss	\$ 4,734	\$	1,904	\$	(1,135) \$	6,75	4 \$	(653)	\$	(3,373)	\$	(8,164)	\$	(4,667)	\$	67
Net loss per share - Diluted	\$ 0.11	\$	0.04	\$	(0.03) \$	0.1	6 \$	(0.02)	\$	(0.08)	\$	(0.19)	\$	(0.11)	\$	-
Weighted average number of shares outstanding - Diluted	42,808		42,808		42,808	42,80	8	42,808		42,808		42,808		42,808		42,808
Weighted average number of shares outstanding - Diluted	42,808		42,808		42,808	42,80	8	42,808		42,808		42,808		42,808		

# GAAP to NON-GAAP Reconciliations



### Three Months Ended September 30, 2016:

(in thousands - USD\$)			100		E	Exclude			Ir	clude				
		GAAP		zible asset ertization	e	Foreign exchange gain)/loss	relat pa fai	ntingent ted party ayable ir value asurements	rela pa	ntingent ted party ayable /accrued		Total ustments	NO	N-GAAP
Product sales and services	\$	31,340	\$		\$		\$		\$		\$		\$	31,340
License and research revenue		747	101					-	8	- 0	8			747
Total revenue		32,087	1/4											32,087
Cost of products and services sold		2,844				9		-			•	-		2,844
Research and development expenses		8,143		-				-		-		-		8,143
Selling, general and administrative expenses		12,740										-		12,740
Intangible asset amortization		3,702		(3,702)						-		(3,702)		-
Changes in fair value of related party contingent														
consideration		20,848		-				(20,848)		5,884		(14,964)		5,884
Total operating expenses		48,277		(3,702)				(20,848)		5,884		(18,666)		29,611
Operating income (loss)		(16,190)		3,702				20,848		(5,884)		18,666		2,476
Investment Income		490				27		-		-		-		490
Interest Expense		(264)				-		-		-		-		(264)
Other Expense - changes in fair value of related party														
payable		(1,828)						1,828		(785)		1,043		(785)
Foreign exchange gain (loss)	3	1,249	2			(1,249)		-	<u> </u>		8	(1,249)		
Income (loss) before income taxes		(16,543)		3,702		(1,249)		22,676		(6,669)		18,460		1,917
Income tax provision		3,451		1,329				1,022		(386)		1,965		5,416
Income Tax Rate		(21%)		36%				5%		6%		11%		283%
Net Loss	\$	(19,994)	\$	2,373	\$	(1,249)	\$	21,654	\$	(6,283)	\$	16,495	\$	(3,499)
Net loss per share - Diluted	\$	(0.48)	\$	0.06	\$	(0.03)	\$	0.53	\$	(0.15)	\$	0.40	\$	(0.08)
Weighted average number of shares outstanding - Diluted		41,241		41,241		41,241		41,241		41,241		41,241		41,241

## 



### Three Months Ended December 31, 2015:

(in thousands - USD\$)					Exclude			Ir	nclude				
	GAAP		gible asset ertization	e	Foreign xchange ain)/loss	rela p fa	ntingent ated party payable ir value asurements	rela p	ntingent ted party ayable //accrued		Total ustments	NO	N-GAAP
Product sales and services	\$ 43,847	\$	*	\$		\$		\$	-	\$	-	\$	43,847
License and research revenue	721				0.5		-			10	-		721
Total revenue	44,568		-										44,568
Cost of products and services sold	2,937		-		-					•	-	•	2,937
Research and development expenses	5,161						-				-		5,161
Selling, general and administrative expenses	6,808		-				-		-		-		6,808
Intangible asset amortization	3,141		(3,141)		-		-				(3,141)		-
Changes in fair value of related party contingent													
consideration	(51,079)	<u> </u>			15.		51,079	<u> </u>	8,158		59,237		8,158
Total operating expenses	(33,032)		(3,141)				51,079		8,158		56,096		23,064
Operating income (loss)	77,600		3,141				(51,079)		(8,158)		(56,096)		21,504
Investment Income	65						-				-		65
Interest Expense											-		-
Other Expense - changes in fair value of related party													
payable	4,746						(4,746)		(1,123)		(5,869)		(1,123)
Foreign exchange gain (loss)	2,498		- 27		(2,498)				-	8	(2,498)		-
Income (loss) before income taxes	84,909		3,141		(2,498)		(55,825)		(9,281)		(64,463)		20,446
Income tax provision	11,391		1,099		(749)		(1,661)		(393)		(1,704)		9,687
Income Tax Rate	13%		35%		30%		3%		4%		3%		47%
Net Loss	\$ 73,518	\$	2,042	\$	(1,749)	\$	(54,164)	\$	(8,888)	\$	(62,759)	\$	10,759
Net loss per share - Diluted	\$ 1.69	\$	0.05	\$	(0.04)	\$	(1.25)	\$	(0.20)	\$	(1.45)	\$	0.25
Weighted average number of shares outstanding - Diluted	43,430		43,430		43,430		43,430		43,430		43,430		43,430

# GAAP to NON-GAAP Reconciliations



#### Twelve Months Ended December 31, 2016:

(in thousands - USD\$)				Exclude			Include		
	GAAP	Intangible asset amortization	Foreign exchange (gain)/loss	Cross-border merger impacts	Purchase accounting adjustments - FSC	Contingent related party payable fair value remeasurements	Contingent related party payable paid/accrued	Total Adjustments	NON-GAAP
Product sales and services	\$ 147,222	s -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 147,222
License and research revenue	3,024		-		-			-	3,024
Total revenue	150,246							•	150,246
Cost of products and services sold	13,248				(506	) -	1	(506)	12,742
Research and development expenses	34,611	-	-					-	34,611
Selling, general and administrative expenses	44,179							-	44,179
Intangible asset amortization	13,888	(13,888)	-		-			(13,888)	(*)
Changes in fair value of related party contingent consideration	49,285					(40.205)	26,966	(22.240)	26,966
Total operating expenses	155,211	(13,888)	-		(506	(49,285) (49,285)	26,966	(22,319)	118,498
Operating income (loss)	(4,965)	13,888			506	49,285	(26,966)	36,713	31,748
Investment Income	1,635						40		1,635
Interest Expense	(963)	50	1.5				100		(963)
Other Expense - changes in fair value of related party									
payable	(6,548)	-	(4.422)			6,548	(3,636)	2,912	(3,636)
Foreign exchange gain (loss)	1,123		(1,123)	7.				(1,123)	-
Income (loss) before income taxes	(9,718)	13,888	(1,123)		506	55,833	(30,602)	38,502	28,784
Income tax provision	31,558	4,986		(6,754)	182	3,068	(1,667)	(185)	31,373
Income Tax Rate	(325%)	36%			369	5%	5%	(0%)	109%
Net Loss	\$ (41,276)	\$ 8,902	\$ (1,123)	\$ 6,754	\$ 324	\$ 52,765	\$ (28,935)	\$ 38,687	\$ (2,589)
Net loss per share - Diluted	\$ (1.00)	\$ 0.22	\$ (0.03)	\$ 0.16	\$ 0.01	\$ 1.28	\$ (0.70)	\$ 0.94	\$ (0.06)
Weighted average number of shares outstanding - Diluted	41,248	41,248	41,248	41,248	41,248	41,248	41,248	41,248	41,248

# GAAP to NON-GAAP Reconciliations



### Twelve Months Ended December 31, 2015:

(in thousands - USD\$)		100			Exclude			1	nclude				
	GAAP		gible asset ortization	e	Foreign exchange gain)/loss	rela fa	ontingent ated party payable air value asurements	rela	ntingent ited party ayable i/accrued		Total ustments	NC	ON-GAAP
Product sales and services	\$ 172,288	\$		\$		\$		\$	-	\$	-	\$	172,288
License and research revenue	721										2		721
Total revenue	173,009		-						-		-		173,009
Cost of products and services sold	11,410									•	-		11,410
Research and development expenses	25,608				-						-		25,608
Selling, general and administrative expenses	21,712						-				-		21,712
Intangible asset amortization	12,564		(12,564)		-		-		-		(12,564)		-
Changes in fair value of related party contingent													
consideration	30,957		-				(30,957)		32,081		1,124		32,081
Total operating expenses	102,251		(12,564)				(30,957)		32,081		(11,440)		90,811
Operating income (loss)	70,758		12,564				30,957		(32,081)		11,440		82,198
Investment Income	1,236										-		1,236
Interest Expense	-												-
Other Expense - changes in fair value of related party													
payable	(4,883)		-				4,883		(4,414)		469		(4,414)
Foreign exchange gain (loss)	10,594	-	-		(10,594)			122	-		(10,594)		-
Income (loss) before income taxes	77,705		12,564		(10,594)		35,840		(36,495)		1,315		79,020
Income tax provision	35,907		4,397		(3,178)		1,709		(1,545)		1,383		37,290
Income Tax Rate	46%		35%		30%		5%		4%		105%		47%
Net Loss	\$ 41,798	\$	8,167	\$	(7,416)	\$	34,131	\$	(34,950)	\$	(68)	\$	41,730
Net loss per share - Diluted	\$ 0.96	\$	0.19	\$	(0.17)	\$	0.78	\$	(0.80)	\$	-	\$	0.96
Weighted average number of shares outstanding - Diluted	43,619		43,619		43,619		43,619		43,619		43,619		43,619



## Avadel Pharmaceuticals Announces \$25 Million Share Repurchase Program

**Dublin, Ireland – 7 March 2017** – Avadel Pharmaceuticals plc (NASDAQ: AVDL), today announced that the Company's board of directors has authorized the repurchase of up to \$25 million of the Company's ordinary shares, represented by American Depository Shares (ADS) which are listed for trading on the NASDAQ Global Market. Repurchases may be made in open-market transactions, block transactions on or off the exchange, in privately negotiated transactions, or through other means as determined by Avadel's board and in accordance with the regulations of the Securities and Exchange Commission.

Michael Anderson, Avadel's Chief Executive Officer, remarked, "We ended 2016 in a strong financial position with \$154.2 million of cash and marketable securities on our balance sheet. We have ample liquidity to execute our strategy, including the completion of the REST-ON Phase III trial and investment in both internal and external growth initiatives. Given our current cash position and ability to continue generating cash, we believe the timing is right to return some capital to shareholders through a repurchase program."

The timing and actual number of ADSs repurchased will depend on a variety of factors including price, trading volume, corporate, regulatory and legal requirements and market conditions. Repurchases may also be made under a trading plan under Rule 10b5-1, which would permit ADSs to be repurchased during periods when repurchases would otherwise be prohibited due to self-imposed trading blackouts or other regulatory restrictions. The repurchase program may be suspended or discontinued at any time without notice.

#### **About Avadel Pharmaceuticals plc:**

Avadel Pharmaceuticals plc (NASDAQ: AVDL) is a specialty pharmaceutical company that seeks to develop differentiated pharmaceutical products that are safe, effective and easy to take through formulation development, by utilizing its proprietary drug delivery technology and inlicensing / acquiring new products; ultimately, helping patients adhere to their prescribed medical treatment and see better results. Avadel currently markets products in the hospital and primary care spaces. The Company is headquartered in Dublin, Ireland with operations in St. Louis, Missouri and Lyon, France. For more information, please visit <a href="https://www.avadel.com">www.avadel.com</a>.

Safe Harbor: This release may include "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. All statements herein that are not clearly historical in nature are forward-looking, and the words "anticipate," "assume," "believe," "expect," "estimate," "plan," "will," "may," and the negative of these and similar expressions generally identify forward-looking statements. All forwardlooking statements involve risks, uncertainties and contingencies, many of which are beyond Avadel's control and could cause actual results to differ materially from the results contemplated in such forward-looking statements. These risks, uncertainties and contingencies include the risks relating to: our dependence on a small number of products and customers for the majority of our revenues; the possibility that our Bloxiverz®, Vazculep® and Akovaz® products, which are not patent protected, could face substantial competition resulting in a loss of market share or forcing us to reduce the prices we charge for those products; the possibility that we could fail to successfully complete the research and development for pipeline products we are evaluating for potential application to the FDA pursuant to our "unapproved-to-approved" strategy, or that competitors could complete the development of such product and apply for FDA approval of such product before us; our dependence on the performance of third parties in partnerships or strategic alliances for the commercialization of some of our products; the possibility that our products may not reach the commercial market or gain market acceptance; our need to invest substantial sums in research and development in order to remain competitive; our dependence on certain single providers for development of several of our drug delivery platforms and products; our dependence on a limited number of suppliers to manufacture our products and to deliver certain raw materials used in our products; the possibility that our competitors may develop and market technologies or products that are more effective or safer than ours, or obtain regulatory approval and market such technologies or products before we do; the challenges in protecting the intellectual property underlying our drug delivery platforms and other products; our dependence on key personnel to execute our business plan; the amount of additional costs we will incur to comply with U.S. securities laws as a result of our ceasing to qualify as a foreign private issuer; and the other risks, uncertainties and contingencies described in the Company's filings with the U.S. Securities and Exchange Commission, including our annual report on Form 10-K for the year ended December 31, 2015, all of which filings are also available on the Company's website. Avadel undertakes no obligation to update its forward-looking statements as a result of new information, future events or otherwise, except as required by law.

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