Perrigo Company plc

Directors' Report and Consolidated Financial Statements

For the Twelve Months Ended December 31, 2023

Registered Company Number: 529592

Contents

DIRECTORS' REPORT

For the twelve months ended December 31, 2023

Amounts are in millions of dollars unless otherwise indicated.

The directors present their report and audited consolidated financial statements of Perrigo Company plc (the "Company," "we," "our," "us," and similar pronouns) for the twelve months ended December 31, 2023. The consolidated financial statements can be found from pages 55 to 127.

The directors have elected to prepare the consolidated financial statements in accordance with Section 279 of the Companies Act 2014, which provides that a true and fair view of the state of affairs and profit or loss may be given by preparing the financial statements in accordance with the accounting principles generally accepted in the United States of America (U.S. GAAP), as defined in section 279(1) of the Companies Act 2014, to the extent that the use of those principles in the preparation of the financial statements does not contravene any provision of Part 6 of the Companies Act 2014. While the financial statements of the Group are prepared in accordance with U.S. generally accepted accounting principles (U.S. GAAP), the directors have elected to prepare the Parent company financial statements in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* ("FRS 102").

BASIS OF PRESENTATION

The accompanying consolidated financial statements include the accounts of Perrigo Company plc and our majority owned subsidiaries or affiliated companies where we have the ability to control the entity through voting or similar rights.

PRINCIPAL ACTIVITIES AND FUTURE DEVELOPMENTS

Perrigo Company plc was incorporated under the laws of Ireland on June 28, 2013 and became the successor registrant of Perrigo Company, a Michigan corporation, on December 18, 2013 in connection with the acquisition of Elan Corporation, plc ("Elan"). Unless the context requires otherwise, the terms "Perrigo", the "Company", "we," "our," "us," and similar pronouns used herein refer to Perrigo Company plc, its subsidiaries, and all predecessors of Perrigo Company plc and its subsidiaries.

WHO WE ARE

Perrigo is a leading pure-play self-care company with more than a century of innovation and experience serving the health and wellness needs of consumers. As one of the originators of the over-the-counter ("OTC") self-care market, Perrigo has a powerful legacy and vast scale in producing high-quality self-care products through a proven ability to proactively shape its portfolio to meet the evolving needs of consumers and customers.

Perrigo provides access to trusted self-care products that can be procured without needing to visit a doctor for a prescription. Guided by our vision and purpose, our strategic goal is to create a sustainable and value accretive growth engine by 1) delivering consumer preferred brands and innovation, 2) driving category growth with our customers, 3) powering our business with our world-class quality and supply chain, including a focus on sustainability with meaningful goals to reduce greenhouse gas emissions, water, and waste, in addition to improving the recyclability of our packaging, and 4) evolving our ways of working to one operating model. Our unique competency is to deliver a blended-branded business model of branded, value, and store brand product offerings that provide consumers access to self-care products across the value spectrum.

Perrigo's broad offerings are well diversified across several major product categories as well as across geographies, primarily in North America and Europe with no one product representing more than 3% of total revenue. In North America, Perrigo is the leading store brand private label provider of self-care products in many categories, including upper respiratory, nutrition and women's health. In Europe, our portfolio consists primarily of brands, including *Compeed*®, *EllaOne*®, *Solpadeine*®, and *ACO*®.

Several initiatives are anticipated to advance our self-care strategy, including the implementation of our Supply Chain Reinvention Program and Project Energize, a global investment and efficiency program. In addition, we continue to invest in other initiatives, including innovation, information systems and tools, and our people to drive

consistent and sustainable results. We do not foresee any significant changes in our core self-care vision in the near future.

Strategy & Competitive Advantage

Our objective is to grow our business by responsibly leveraging our global infrastructure to deliver high quality self-care solutions to customers and consumers through our expansive product offerings, providing new innovative products, brands, and product line extensions to existing consumers and servicing new consumers through entering new adjacent products and categories, new geographies and new channels of distribution organically and inorganically.

Among other things, we believe the following factors give us a competitive advantage and provide value to our customers and consumers:

- A diverse product portfolio, leadership in first-to-market product development, and product life cycle management;
- Experienced research and development ("R&D") capabilities to develop high quality products and product formulations, differentiated product features and benefits, product reformulation, new brands and brand line extensions, and differentiated store brand products relative to national brands;
- Deep understanding of consumer needs and customer strategies;
- Expansive pan-European commercial infrastructure, brand-building capabilities, and an extensive and diverse product portfolio;
- Turn-key regulatory and promotional capabilities;
- Supply chain breadth, and utilizing economies of scale to manage supply chain complexity across multiple dosage forms, formulations, and stock-keeping units;
- Quality and cost effectiveness throughout the supply chain and operational systems across all products creating a sustainable, low-cost network across our 17 manufacturing plants and distribution networks; and
- Industry leading e-commerce support.

SEGMENTS

Our reporting and operating segments reflect the way our chief operating decision maker, who is our CEO, makes operating decisions, allocates resources and manages the growth and profitability of the Company. Our reporting and operating segments are:

- **Consumer Self-Care Americas ("CSCA")** comprises our consumer self-care business in the U.S. and Canada. CSCA previously included our Latin American businesses until they were disposed on March 9, 2022.
- **Consumer Self-Care International ("CSCI")** comprises our consumer self-care business outside of the U.S. and Canada, primarily in Europe and Australia.

We previously had an Rx segment which comprised our generic prescription pharmaceuticals business in the U.S., and other pharmaceuticals and diagnostic businesses in Israel, which have been divested. Following the divestiture, there were no substantial assets or operations left in this segment. The Rx segment was reported as Discontinued Operations in 2021, and is presented as such for all periods in this report (refer to Note 4). Financial information related to our business segments can be found in Note 21.

CONSUMER SELF-CARE AMERICAS

The CSCA segment develops, manufactures and markets our leading self-care consumer products in the U.S. and Canada. We primarily provide our customers self-care products that are sold and marketed under the customer's own brands and/or exclusive brands ("store brands"). We additionally have a select lineup of branded self-care products. Customers include major global, national, and regional retail drug, supermarket, and mass merchandise chains, e-commerce stores, and major wholesalers.

Our store brand products are comparable in quality and effectiveness to national brands. Store brand products must meet the same stringent U.S. Food and Drug Administration ("FDA") requirements as national brands within the U.S. and the requirements of comparable regulatory bodies outside the U.S. In most instances, our product packaging, marketing and advertising, and e-commerce focus are designed to invite and reinforce comparison to national brand products, while conveying a better value for consumers. The cost of store brand products to retailers is significantly lower than that of comparable nationally advertised brand name products. The retailer, therefore, can price a store brand product below the competing national brand product and realize a greater percentage and dollar profit, while consumers benefit from receiving a high-quality product at a price below the comparable national brand product. Consumer awareness and knowledge of the quality, value and efficacy of our products are achieved from marketing efforts made by us, our retailers and wholesalers.

Certain branded products are developed, manufactured and distributed within the CSCA segment. Our primary branded products sold under brand names include *Compeed®, Dr. Fresh®, Firefly®, Good Sense®, Good Start®, Mederma®, Nasonex®, Plackers®, Prevacid®24HR, REACH®, Rembrandt®, and Steripod®.* On July 13, 2023, the FDA approved *Opill®* for OTC use for all ages. *Opill®* is the first ever birth control pill available over the counter in the United States.

CONSUMER SELF-CARE INTERNATIONAL

The CSCI segment comprises our consumer self-care product categories outside the U.S. and Canada, including our branded products in Europe and Australia and our store brand products in the United Kingdom and parts of Europe and Asia. These products are developed, manufactured, marketed and distributed by us, leveraging our broad regulatory, sales and distribution infrastructure to drive market share, innovate new products and brands, in-license and expand product lines, and sell and distribute third-party brands. The CSCI segment products are sold primarily through an established pharmacy sales force to an extensive network of customers including pharmacies, wholesalers, drug and grocery store retailers, e-commerce stores, and para-pharmacies in more than 29 countries, predominantly in Europe. Products in the CSCI segment are marketed using broadcast and digital advertising as well as point-of-sale promotional spending to enhance brand equity.

While we have hundreds of brands, we primarily concentrate our resources on 'Focus Brands' and sub-brands, such as *Solpadeine®, Coldrex®, Physiomer®, NiQuitin®, ACO®, Compeed®,* and *ellaOne®*. Many of these Focus Brands have leading positions in the markets in which they compete. Additional resources, including R&D investments, are allocated to these Focus Brands to strengthen their market position in high opportunity profit categories while leveraging the same R&D efforts under smaller local brands. The new product pipeline is supported by internal R&D, new product development, acquisitions and partnerships, both in terms of brand extensions and product improvements.

PRODUCTS

We offer products in the following categories:

Product Category	Description
Upper Respiratory	Products that relieve upper respiratory symptoms, including cough suppressants, expectorants, sinus and allergy relief.
Nutrition[(1)]	Infant formulas and nutritional beverages.
Digestive Health	Products such as antacids, anti-diarrheal, and anti-heartburn that relieve symptoms associated with digestive issues.
Pain and Sleep-Aids	Products comprised of pain relievers, fever reducers and sleep-aids.
Oral Care	Products used for oral care, including toothbrushes, toothbrush replacement heads, floss, flossers, whitening products and toothbrush covers.
Healthy Lifestyle	Products that help consumers live a healthy lifestyle such as smoking cessation, and well-being products.
Skin Care	Products for the face and body such as dermatological care, scar management, lice treatment, and other products for various skin conditions.
Women's Health	Women's health products, including feminine hygiene and contraceptives.
Vitamins, Minerals, and Supplements ("VMS")	Vitamins, minerals, and supplements.
Other[(2)]	Rare diseases business and other miscellaneous self-care products.

(1) The Nutrition product category is exclusive to CSCA. During 2023 we exited the nutritional beverages product line.
(2) Rare Diseases business within the Other product category is exclusive to CSCI

In April 2022, we completed the acquisition of HRA Pharma for €1.8 billion, or approximately $1.9 billion based on exchange rates at the time of closing (refer to Note 3 for transaction details). HRA Pharma operating results are reported within both our CSCA and CSCI segments. As a result of the acquisition, the Company made the following updates to its global reporting product categories described above:

- The creation of a new "Women's Health" reporting category, comprised of the women's health portfolio of HRA Pharma, including *ellaOne*® and *Hana*®, in addition to legacy Perrigo women's health products, including feminine hygiene and contraceptive products;
- The creation of a new "Skin Care" reporting category, comprised of *Compeed*®*, Mederma*®, and all of the products in the legacy Perrigo "Skincare and Personal Hygiene" category except for legacy Perrigo women's health products; and
- The "Other" category includes the Rare Diseases business acquired with HRA Pharma exclusive to the CSCI segment.

The updates were applied retroactively to impacted product categories. Such changes had no impact on the Company's historical consolidated financial position, results of operations or cash flows.

New Products

We consider a product to be new if it (i) was reformulated into an additional unique product, (ii) was a product line extension due to changes in characteristics such as strength, flavor, or color, (iii) had a change in product status from "prescription only" ("Rx") to OTC, (iv) was a new store brand or branded launch, (v) was provided in a new dosage form or (vi) was sold to a new geographic area with different regulatory authorities, in all cases, within 12 months prior to the end of the period for which net sales are being measured. Notable new product launches in the year ended December 31, 2023 included the Acetaminophen and Ibuprofen Dual Action product, the over-the-counter use of Nicotine Coated Lozenges and Cold/Flu Honey Liquids in CSCA, and the launch of the *Compeed Stops*® products brand in CSCI. We also launched various CSCI line extensions in the *XLS*® weight management brand in the Healthy lifestyle category, and in VMS under the brands *Arterin*®*, Davitamo*n®, *Apiserum*® and *Abtei*®.

On March 1, 2023, we announced that we had received final approval from the FDA for our Abbreviated New Drug Application ("ANDA") for Acetaminophen and Ibuprofen Tablets, 250 mg/125 mg, the store brand OTC equivalent of *Advil*® Dual Action Tablets 250 mg/125 mg. On May 10, 2023, the FDA Nonprescription Drugs Advisory Committee ("NDAC") and the Obstetrics, Reproductive, and Urologic Drugs Advisory Committee voted unanimously 17 to 0, with no abstentions, that the benefits of making *Opill*®, a progestin-only daily oral contraceptive, available for OTC use outweighs the risks. The FDA approved *Opill*® for OTC use for all ages. *Opill*® is the first ever birth control pill available over the counter in the United States and Perrigo was awarded the "Innovation of the Year" in the health category by *Popular Science* in December 2023. *Opill*® is expected to launch during the first quarter of 2024. On May 16, 2023, the FDA granted final approval for Nicotine Coated Mint Lozenges, 2 mg and 4 mg OTC. This product will be marketed under retailer's store brand labels as a comparable offering to *Nicorette*® Coated Ice Mint Lozenge.

Each of our product categories and 'Focus Brands' have a three to five-year innovation master plan. We rely on both internal R&D and strategic product development agreements with outside sources to develop new products.

SIGNIFICANT CUSTOMERS

Sales to Walmart Inc. represented 11.8% and 12.5% of our consolidated net sales in 2023 and 2022, respectively. While we have other important customers, no other individual customer represents more than 10% of net sales. Our top ten customers accounted for 46% and 47% of our total consolidated net sales in 2023 and 2022, respectively. We believe we generally have good relationships with our customers.

COMPETITION

The markets for our self-care products are highly competitive and differ for each product line and geographic region. Local companies often hold leading positions in individual product lines in particular countries. The competitive landscape of the European consumer products market in the categories in which we compete is more fragmented than the North American market. Our primary competitors include manufacturers, such as Dr. Reddy's Labs, LNK International, Inc., PL Developments, Aurobindo and Sun Pharmaceuticals, and brand-name pharmaceutical and consumer product companies, such as Haleon (the consumer health business spun-off by GSK plc in 2022), Kenvue (the consumer health business unit of Johnson & Johnson), Procter & Gamble, Reckitt Benckiser, Abbott Nutrition, Bayer AG, Sanofi, Philips, Teva, Viatris, Stada, and Novartis. Each product category of our business has certain key competitors, such that a competitor generally does not compete across all product lines or across all geographic markets. However, some competitors do have larger sales volumes in certain of our categories. Competition is based on a variety of factors, including price, quality, assortment of products, customer service, marketing support and approvals for new products.

TRADEMARKS, PATENTS AND LICENSING AGREEMENTS

While we own certain trademarks and patents, neither our business as a whole, nor any of our segments, is materially dependent upon our ownership of any one trademark, or patent, or group of trademarks or patents.

PRINCIPAL RISKS AND UNCERTAINTIES

SUMMARY OF RISK FACTORS

Operational Risks

- We face competition from other pharmaceutical and consumer packaged goods companies, which may threaten the demand for and pricing of our products.
- If we do not continue to develop, manufacture, and market innovative products, introduce new line extensions, and expand into adjacent categories that meet customer demands, our net sales may be negatively impacted and we may lose market share.
- We operate in highly regulated industries, and any inability to timely meet current or future regulatory requirements could have a material adverse effect on our business and operating results.
- Limitations on reimbursement, continuing healthcare reforms, and changes to reimbursement methods in the United States and other countries may have an adverse effect on our financial condition and operating results.
- Unfavorable publicity or consumer perception of the safety, quality, and efficacy of our products could have a material adverse effect on our business.
- Lack of availability, or significant increases in the cost, of raw materials used in manufacturing our products could have a material adverse effect on our profit margins and operating results.
- The effects of public health outbreaks, including pandemics such as COVID-19 and epidemics, and related public and governmental actions could have a material adverse impact on our operations and our business and financial condition in the future.
- Disruption of our supply chain, including as a result of pandemics, global health crises, or wars or other civil unrest, including war in Ukraine, or in Gaza, could have a material adverse effect on our businesses, financial condition, results of operations and cash flows.
- A disruption at any of our main manufacturing facilities could have a material adverse effect on our business, financial position, and results of operations.
- Our business could be negatively affected by the performance of our collaboration partners and suppliers, and any such adverse impact could be material.
- Our business depends upon certain customers for a significant portion of our sales, therefore our business would be adversely affected by a disruption of our relationship with these customers or any material adverse change in these customers' businesses.
- Our businesses could be adversely affected by deteriorating economic conditions in the countries in which we operate, and our results may be volatile due to these or other circumstances beyond our control.
- A cybersecurity breach, disruption or misuse of our information systems, or our external business partners' information systems could have a material adverse effect on our business.
- Management transition creates uncertainties, and any difficulties we experience in managing such transitions may negatively impact our business.

Strategic Risks

- We may not realize the benefits of business acquisitions, divestitures, and other strategic transactions, which could have a material adverse effect on our operating results.
- We have acquired significant assets that could become impaired or subject us to losses and may result in an adverse impact on our results of operations, which could be material.
- There can be no assurance that our strategic initiatives, including restructurings, will achieve their intended effects.
- The synergies and benefits expected from acquiring HRA Pharma and Gateway may not be realized in the amounts anticipated or at all and integrating HRA Pharma and Gateway's business may be more difficult, time consuming or costly than expected.
- Failure to effectively monitor and respond to ESG matters, including our ability to set and meet reasonable goals related to climate change and sustainability efforts, may negatively affect our business and operations.

Global Risks

- Our business, financial condition, and results of operations are subject to risks arising from the international scope of our operations.
- We operate in jurisdictions that could be affected by economic and geopolitical instability, which could have a material adverse effect on our business.

- The international scope of our business exposes us to risks associated with foreign exchange rates.

Litigation and Insurance Risks

- We are or may become involved in lawsuits and may experience unfavorable outcomes of such proceedings.
- Increased scrutiny on pricing practices and competition in the pharmaceutical industry, including antitrust enforcement activity by government agencies and class action litigation, may have an adverse impact on our business and operating results, which could be material.
- Third-party patents and other intellectual property rights may limit our ability to bring new products to market and may subject us to potential legal liability, which could have a material adverse effect on our business and operating results.
- The success of certain of our products depends on the effectiveness of measures we take to protect our intellectual property rights and patents.
- Our ability to achieve operating results in line with published guidance is inherently subject to numerous risks and other factors beyond our control. Publishing earnings guidance subjects us to risks, including increased stock volatility, that could lead to potential lawsuits by investors.
- Significant increases in the cost or decreases in the availability of the insurance we maintain could adversely impact our operating results and financial condition. Disputes with insurers on the scope of existing policies may limit the coverage available under such policies.

Tax Related Risks

- The resolution of uncertain tax positions and ongoing disputes with U.S. and foreign tax authorities could be unfavorable which could have a material adverse effect on our business.
- Changes to tax laws and regulations or the interpretation thereof could have a material adverse effect on our results of operations and the ability to utilize cash in a tax efficient manner.
- Our effective tax rate or cash tax payment requirements may change in the future, which could adversely impact our future results of operations.

Capital and Liquidity Risks

- Our indebtedness could adversely affect our ability to implement our strategic initiatives.
- We cannot guarantee that we will buy back our ordinary shares pursuant to our announced share repurchase plan or that our share repurchase plan will enhance long-term shareholder value.
- Any additional shares we may issue could dilute your ownership in the Company.
- We are incorporated in Ireland; Irish law differs from the laws in effect in the United States and may afford less protection to, or otherwise adversely affect, our shareholders.
- We may be limited in our ability to pay dividends in the future.

Operational Risks

We face competition from other pharmaceutical and consumer packaged goods companies, which may threaten the demand for and pricing of our products.

Our Perrigo-branded products compete against store brand, generic, and branded health and wellness products. In addition, our products sold under labels of others (store brand) compete against other store brands, generic, and branded health and wellness products. If we or our store brand customers are unable to compete successfully, our business may lose customers or face negative pricing pressures. In particular:

- Our CSCA and CSCI segments experience direct competition from other drug companies, including brand name companies, that may try to prevent, discourage or delay the use of our products through various measures, including introduction of new products, legislative initiatives, changing dosage forms or dosing regimens, regulatory processes, filing new patents or patent extensions, lawsuits, citizens' petitions, and attempts to generate negative publicity prior to our introduction of a new competitive product. Moreover, other companies may produce the same products as us, sometimes sold at dramatically lower margins in order to gain market share. Other companies may also introduce new drugs or drug delivery techniques that make our current products less desirable.
- Our competitors may be able to adapt more quickly to changes in customer requirements or develop products comparable or superior to those offered by us at more competitive prices.

- Competition in the pharmaceutical space may also be impacted by changes in regulations and government pricing programs that may give certain competitors an advantage.

If we do not continue to develop, manufacture, and market innovative products, introduce new line extensions, and expand into adjacent categories that meet customer demands, our net sales may be negatively impacted and we may lose market share.

The growth of our business is due in large part to our ability to develop, manufacture, and market products that meet customer requirements for quality, safety, efficacy, and cost-effectiveness. Margins for existing products tend to decline over time due to aging product life cycles, changes in consumer preferences, pricing pressure from customers, and increased competition. Accordingly, our business model relies heavily on the continuous introduction of innovative products and new product categories. If we do not continue to develop, manufacture, and market new products, or if we fail to stay current with the latest manufacturing information, and packaging technology, we could lose market share, and our net sales may be negatively affected.

The development and commercialization process, particularly with respect to innovative products, is both time consuming and costly, and subject to a high degree of business risk. Products currently under development may require re-design to meet evolving regulatory standards, may not perform as expected, may not pass required bioequivalence studies, or may be the subject of intellectual property challenges. Necessary regulatory approvals may not be obtained in a timely manner, if at all. Even if we are successful in developing a product, our customers' failure to launch one of our products successfully, or delays in manufacturing developed products, could adversely affect our operating results. In addition, regulatory agencies may impose higher standards or additional requirements, as a condition to clearing new products, such as requiring more supporting data and clinical data than previously required, which could negatively impact our net sales. In our CSCA segment, we must prove that the regulated generic drug products are bioequivalent to their branded counterparts, which may require bioequivalence studies, and, in the case of topical products, even more extensive clinical endpoint trials to demonstrate their efficacy, and the failure to do so could also negatively impact our sales.

We operate in highly regulated industries, and any inability to timely meet current or future regulatory requirements could have a material adverse effect on our business and operating results.

We operate in highly regulated industries in numerous countries and are subject to the regulations of a variety of U.S. and non-U.S. agencies related to the manufacturing, processing, formulation, packaging, labeling, testing, storing, distribution, import, export, advertising, and sale (including cost, pricing and reimbursement) of our products. Changes in laws, regulations, and practices in the countries in which we operate, including changes in interpretation of existing regulations (which may have retroactive effect), may be difficult or expensive for us to comply with, could restrict or delay our ability to manufacture, distribute, sell or market our products, and may adversely affect our revenue, operating results, and financial condition or impose significant administrative burdens. Moreover, changes in the interpretation of existing regulations or practices by such regulators could result in changes in the legal requirements affecting us (including with retroactive effect). Divergence in regulatory approach from country to country, and between the EU and individual member states, adds cost and complexity to the compliance framework; and differences in requirements and/or implementation dates in different jurisdictions may provide competitive advantages to manufacturers that operate in other locations. If our products fail to meet regulatory requirements, our sales may be adversely affected, we may incur fines and penalties, and our exposure to liability relating to product-based claims may increase. Below are some examples of ways in which regulatory risk may impact us:

- On July 14, 2021, the European Commission adopted a set of proposals to ensure polices are aligned with the goal of reducing net greenhouse gas emissions by at least 55% by 2030 (the "EU Green Deal"). There is a growing focus on environmental impact of self-care products, their ingredients, components, packaging, manufacturing, and disposal. This focus could lead to new requirements and restrictions in the coming years across all product categories.
- U.S. law encourages generic competition by providing eligibility for first generic marketing exclusivity if certain conditions are met. If we are granted generic exclusivity, the exclusivity may be shared with other companies; or we may forfeit 180-day exclusivity if we fail to obtain regulatory approval and begin marketing within the statutory requirements. If we are not the first to file our ANDA, the FDA may grant 180-day exclusivity to another company, thereby effectively delaying the launch of our product and/or possibly reducing our market share.

- U.S. and global regulatory agencies regularly inspect our manufacturing facilities and the facilities of our third-party suppliers for good manufacturing practices ("GMP") and other regulatory compliance. The failure of one of these facilities to comply with applicable laws and regulations may lead to a breach of representations made to our customers, or to regulatory or government action against us related to the products made in that facility, including suspension of or delay in regulatory approvals and product seizure, injunction, recall, suspension of production or distribution of our products, a total or partial shutdown of production in one or more facilities, loss of licenses or other governmental penalties, or civil or criminal prosecution, which could result in increased cost, lost revenue, or reputational damage.
- Regulatory agencies globally, including the FDA and the European Medicines Agency, have issued guidance on assessing and controlling nitrosamine impurities in medicine products. We are continuing to undertake a review of our product portfolio in accordance with regulatory guidance to assess the risk of the presence of nitrosamine impurities. Any finding of nitrosamine impurities exceeding levels set by regulatory authorities may require us to adopt modified product sourcing and/or manufacturing processes or to initiate product withdrawal.
- Rx-to-OTC switches are part of our future growth. If regulatory agencies fail to approve Rx-to-OTC switches in new product categories or reassess the terms of existing OTC classifications, our growth prospects and product mix would be impaired. Further, regulatory agencies may reassess the terms of OTC classification if they perceive a shift in the previously assessed benefit/risk profile. Any such reassessment could lead to OTC products reverting to prescription. For example, Irish regulators are undertaking a formal review of non-prescription codeine products, which could result in the reclassification of codeine to prescription only after a brief transition period. A final opinion is expected in the first quarter of 2024. Sales of products containing codeine in Ireland were approximately $18 million in 2023. Moreover, a reclassification by Ireland could lead to reviews in other jurisdictions as well.
- Our infant formula products may be subject to barriers or sanctions imposed by countries or international organizations limiting international trade and dictating the content of such products. If governments enhance regulations on the infant formula industry through actions such as requiring additional testing or compulsory batch-by-batch inspection, or impose additional requirements on manufacturing practices, our sales and operating margins in this category could be adversely affected as it is costly to comply with such new regulations or requirements, and to develop compliant products and processes for our infant formula products. For example, in March 2023, the FDA released its "Immediate National Strategy to Increase the Resiliency of the U.S. Infant Formula Market" and issued a letter to the powdered infant formula industry to share information to assist the industry in improving the microbiologic safety of powdered infant formula and resiliency of the infant formula market. We have been experiencing increased costs and lower production volumes associated with compliance with the FDA's evolving regulatory expectations and expect higher compliance costs moving forward.
- The regulation of List I chemicals complicate our supply chain, and adverse regulatory actions may result in temporary or permanent interruption of distribution of our products, withdrawal of our products from the market, or other penalties. If we are unable to obtain necessary quotas for List I chemicals, we risk having delayed product launches or failing to meet commercial supply obligations.
- In 2023, the European Parliament voted on a proposal to extend the EU's Medical Device Regulation ("MDR") transition periods until 2027-2028, together with an extended validity of existing medical device certificates and the possibility to sell off existing medical device products until end of shelf-life. With this decision the European Parliament took into account that there is currently a shortage in the number of Notified Bodies authorized to carry out conformity assessments required under MDR.
- Increased scrutiny of product classifications by government agencies can result in investigations and prosecutions, which carry the risk of significant civil and criminal penalties, including but not limited to, debarment from government business and prohibition to continue the business.

Limitations on reimbursement, continuing healthcare reforms, and changes to reimbursement methods in the United States and other countries may have an adverse effect on our financial condition and operating results.

Increasing healthcare expenditures have received considerable public attention in many of the countries in which we operate. In the U.S., government programs such as Medicaid, as well as private insurers, have been focused on cost containment. In some markets in the EU and outside the U.S., the government provides healthcare at low direct cost to consumers and regulates pharmaceutical prices or patient reimbursement levels to control costs for the government-sponsored healthcare system. Both private and governmental entities are seeking ways to reduce or contain healthcare costs through legislative and regulatory efforts, which could place further pricing pressure on our products and could negatively impact our operating results.

Under the MDRP, a number of our products are considered non-innovator products and therefore subject to Medicaid federal upper limits ("FUL"), which restrict the amount state Medicaid programs reimburse for non-innovator covered outpatient drugs. While utilization of our products under the Medicaid program is limited, our products generally are subject to state Medicaid program payment methodologies, and may be subject to reimbursement pressures beyond our control.

Unfavorable publicity or consumer perception of the safety, quality, and efficacy of our products could have a material adverse effect on our business.

We are dependent upon consumers' perception of the safety, quality, and efficacy of our products. Negative consumer perception may arise from media reports, social media posts, product liability claims, regulatory investigations, or recalls affecting our products or our industry, any of which may reduce demand or could damage our reputation and adversely affect our business.

- Our products involve risks such as product contamination, spoilage, mislabeling, and tampering that could require us to recall one or more of our products or could result in death or injury to consumers. Serious product quality concerns could also result in governmental actions against us that, among other things, could result in the suspension of production or distribution of our products, product seizures, loss of certain licenses, delays in the issuance of governmental approvals for new products, or other governmental penalties.
- We cannot guarantee that counterfeiting, imitation or other tampering with our products will not occur or that we will be able to detect and resolve it, which could lead to death or injury of consumers and negatively impact our reputation.
- Our nutritional product category is subject to certain consumer preferences and concerns, including the number of mothers who choose to use infant formula products rather than breastfeed their babies, which could change based on factors including increased promotion of the benefits of breastfeeding over the use of infant formula by private, public and government sources and changes in the number of families that are provided with infant formula by the U.S. federal government through the Women, Infants and Children program which we do not participate in.
- With respect to our powdered infant formula products, a risk of contamination or deterioration may exist at each stage of the production cycle, including the purchase and delivery of raw materials, the processing and packaging of food products, and the use and handling by consumers, hospital personnel, and healthcare professionals. If certain of our infant formula products are found or alleged to have suffered contamination or deterioration, whether or not under our control, our reputation and our infant formula product category sales could be materially adversely affected. We have continued to work with the FDA to address additional inspection observations at our Wisconsin infant formula facility. We have implemented new procedures to address these observations, but if we are unable to address these observations to the satisfaction of the FDA, or if we are perceived to not be in compliance with the FDA's evolving regulatory framework for infant formula products, our reputation could be adversely affected.
- Our financial success is dependent on positive brand recognition, which results in part from large investments in marketing over a period of years. The success of our brands may suffer if we do not continue to invest in marketing, or if our marketing plans or product initiatives are unsuccessful. In addition, an issue with one of our products could negatively affect the reputation of other products, potentially hurting our financial results.
- Negative social media posts or comments about us, store brands or generic pharmaceuticals, or our products could damage our reputation and adversely affect our business. Negative posts or comments

about our products could result in increased pharmacovigilance reporting requirements, which may give rise to liability if we fail to fully comply with such requirements.

Lack of availability, or significant increases in the cost, of raw materials used in manufacturing our products could have a material adverse effect on our profit margins and operating results.

We rely on third parties to source many of our raw materials and to manufacture certain dosage forms that we distribute. Certain raw materials may experience rapid cost increases due to increased labor, relevant commodities, energy costs and other inflationary pressures, and this may have a material negative impact on our financial results, whether or not we are able to pass on such increases to our customers. We maintain several single-source supplier relationships, either because alternative sources are not available or because the relationship is advantageous due to regulatory, performance, quality, support, or price considerations. Unavailability or delivery delays of single-source components or products could adversely affect our ability to ship the related product in a timely manner, a particularly severe effect for higher volume or more profitable products. It can take substantial time and investment to qualify an alternative supplier or material sources and establish reliable supply.

We maintain a strict program of verification and product testing throughout the ingredient sourcing and manufacturing process to identify potential counterfeit ingredients, adulterants, and toxic substances. Nevertheless, discovery of previously unknown problems with raw materials, product manufacturing processes, or new data suggesting an unacceptable safety risk, could result in a voluntary or mandatory withdrawal of the contaminated product from the marketplace, either temporarily or permanently. Any future recall or removal would result in additional costs and lost revenue, harm our reputation, and may give rise to product liability litigation.

Changes in regulation could impact the supply of the API and certain other raw materials used in our products. For example, the EU promulgated new standards requiring all API imported into the EU be certified as complying with Good Manufacturing Practices established by the EU. The regulations placed the certification requirement on the regulatory bodies of the exporting countries, which led to an API supply shortage in Europe as certain governments were not willing or able to comply with the regulation in a timely fashion, or at all. A shortage in API or other raw ingredients could cause us to have to cease manufacture of certain products, or to incur costs and delays to qualify other suppliers to substitute for those API manufacturers who are unable to export. This could have a material adverse effect on our business, results of operations, financial condition, and cash flow.

Moreover, our infant formula products require certain key raw ingredients that are derived from raw milk, which is influenced by factors beyond our control including seasonal and environmental factors, governmental agricultural and environmental policy, and global demand. Due to these factors, we cannot guarantee that there will be sufficient supplies of these key ingredients to produce infant formula.

The effects of public health outbreaks, including pandemics such as COVID-19 and epidemics, and related public and governmental actions could have a material adverse impact on our operations and our business and financial condition in the future.

As the COVID-19 pandemic has shown, the global economy and the self-care markets in which we compete are susceptible to impacts from public health crises.

Going forward, variants of the COVID-19 disease or other public health incidents and the actions taken to slow their spread could have an adverse impact on our financial condition, our supply chains and other operations, our results of operations, consumer demand for our products and our ability to access capital. The magnitude of any such adverse impacts are not determinable, but could be material, depending on: the duration, intensity, and continued spread of the disease, including the emergence of new strains or variants of the virus, some of which may be more contagious or more severe; the imposition or reimposition of business or movement restrictions in various jurisdictions; the timing of widespread availability and acceptance of vaccines and the efficacy of current vaccines against evolving strains or variants of the virus; the severity and duration of any economic downturn resulting from the pandemic or other public health incidents; the effect of global supply chain and shipping challenges on the Company; the effectiveness of the Company's efforts at mitigation; and other factors, both known and unknown, many of which are likely to be outside our control. It is also possible that a change in the course of the pandemic or other public health incidents may affect consumer demand for products or impact our operations in future periods in ways we do not currently anticipate.

Disruption of our supply chain, including as a result of the pandemics, global health crises, or wars or other civil unrest, including the war in Ukraine, or in Gaza, could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Our ability to manufacture, deliver and sell our products is critical to our success. Damage or disruption to our collective supply or distribution capabilities resulting from pandemics (including the COVID-19 pandemic and government responsive actions), labor shortages, armed hostilities, border closures, weather conditions, freight carrier availability, any potential effects of climate change, natural disasters, strikes or other labor unrest or other reasons could impair our ability to source inputs or ship, sell or timely deliver our products. Competitors can be affected differently by any of these events depending on a number of factors, including the location of their suppliers and operations. Failure to take adequate steps to reduce the likelihood or mitigate the potential impact of any of these events, or to effectively manage such events if they occur, particularly when a commodity or raw material is sourced from or a product is manufactured at a single location, could adversely affect our business, financial condition, results of operations and cash flows and require additional resources to restore our supply chain.

Over the course of 2022 and 2023, supply chain disruptions, including volatility in both cost and availability of agricultural, oil and paper-based commodities driven by the war in Ukraine, have led to higher input costs. Additionally, we experienced employment vacancies and attrition as the labor market negatively impacted productivity and drove the need for wage rate increases and other retention benefits. We implemented a series of actions to substantially mitigate these and other inflationary cost pressures such as strategic pricing and our Supply Chain Reinvention Program. Benefits from our actions have begun to substantially offset inflationary pressures, and the global freight constraints in availability of freight containers and truck drivers are normalizing. While we believe these actions will continue to improve our ability to ship, however, there can be no assurances that we will be able to meet demand due to supply chain constraints. Moreover, if these supply chain disruptions worsen, our results of operations could be further impacted.

A disruption at any of our main manufacturing facilities could have a material adverse effect on our business, financial position, and results of operations.

Our manufacturing operations are concentrated in a few locations. A significant disruption at one or more of these facilities, whether due to fire, natural disaster, power loss, intentional acts of vandalism, climate change, war, terrorism, insufficient quality, or pandemic could materially and adversely affect our business.

Our business could be negatively affected by the performance of our collaboration partners and suppliers, and any such adverse impact could be material.

We have entered into strategic alliances with partners and suppliers to develop, manufacture, market and/or distribute certain products, or components of our products in various markets. We commit substantial effort, funds and other resources to these various collaborations. There is a risk that our investments in these collaborative arrangements will not generate the anticipated financial returns. While we believe our relationships with our partners and suppliers generally are successful, disputes, conflicting priorities or regulatory or legal intervention could be a source of delay or uncertainty as to the expected benefit of the collaboration. A failure or inability of our partners or suppliers to fulfill their collaboration obligations, or the occurrence of any of the risks above, could have an adverse effect on our business, financial condition, and results of operations.

Our business depends upon certain customers for a significant portion of our sales, therefore our business would be adversely affected by a disruption of our relationship with these customers or any material adverse change in these customers' businesses.

We have one significant customer that represented 11.8% of our consolidated net sales for the year ended December 31, 2023. While we have other important customers, no other individual customer represents more than 10% of net sales. However, the loss of one or more of our customers could be material. We believe we have good relationships with all our customers. If our relationship with any of our significant customers, including the terms of doing business with the customers, changes significantly, or if one or more such customers were to experience difficulty in paying us on a timely basis, it could have a material adverse impact on us. The risk of such impacts would be increased by continued consolidation in the sector in which our customers operate.

Additionally, if we are unable to maintain adequately high levels of customer service over time, customers may choose to assess penalties (where such penalties are contractually permitted), obtain alternate sources for products, and/or end their relationships with us.

Our businesses could be adversely affected by deteriorating economic conditions in the countries in which we operate, and our results may be volatile due to these or other circumstances beyond our control.

Our customers could be adversely impacted if economic conditions worsen in the U.S. or other countries in which we operate. In the U.S., our consumer self-care business does not advertise our store brand products like national brand companies and thus, is largely dependent on retailer promotional activities to drive sales volume and increase market share. If our customers do not have the ability to invest in store brand promotional activities, our sales may suffer. Additionally, while we actively review the credit worthiness of our customers and suppliers, we cannot fully predict to what extent they may be negatively impacted by slowing economic growth. Our stock price may decline due to any earnings release or guidance that does not meet market expectations or other circumstances, which may be beyond our control, such as the severity, length and timing of the cough/cold/flu and allergy seasons, the timing of new product approvals and introductions by us and our competitors, and the timing of retailer promotional programs.

A cybersecurity breach, disruption or misuse of our information systems, or our external business partners' information systems could have a material adverse effect on our business.

Our business operations are increasingly dependent upon information technology systems that are highly complex, interrelated with our external business partners, and may contain confidential information (including personal data, trade secrets or other intellectual property, or proprietary business information). The nature of digital systems, both internally and externally, makes them potentially vulnerable to disruption or damage from human error and/or security breaches, which include, but are not limited to, ransomware, data theft, denial of service attacks, sabotage, industrial espionage, interruptions or other system issues, unauthorized access and computer viruses. Such events may be difficult to detect, and once detected, their impact may be difficult to assess and address.

Cyber-attacks have become increasingly common. We have experienced immaterial business disruption, monetary loss and data loss as a result of phishing, business email compromise and other types of attacks. In addition, the rapid evolution and increased adoption of new technologies, such as artificial intelligence, may intensify our cybersecurity risks. While we continue to employ resources to monitor our systems and protect our infrastructure, these measures may prove insufficient, and that could subject us to significant risks, including, without limitation:

- Ransomware attacks, other cyber breaches or disruptions that impair our ability to develop products, meet regulatory approval requirements or deadlines, produce or ship products, take or fulfill orders, and/or collect or make payments on a timely basis;
- System issues, whether as a result of an intentional breach, a natural disaster or human error that damage our reputation and cause us to lose customers, experience lower sales volume, and/or incur significant liabilities;
- Significant expense to remediate the results of any attack or breach and to ensure compliance with any required disclosures mandated by the numerous global privacy and security laws and regulations; and
- Interruptions, security breaches, or loss, misappropriation, or unauthorized access, use or disclosure of confidential information,

which, individually or collectively, could result in financial, legal, business or reputational harm to us and could have a material adverse effect on our business, financial condition and results of operations.

We are also subject to numerous laws and regulations designed to protect personal data, such as the California Consumer Privacy Act in the U.S. and the European General Data Protection Regulation ("GDPR"). These data protection laws introduced more stringent data protection requirements and significant potential fines, as well as increased our responsibility and potential liability in relation to personal data that we process and possess. We have put mechanisms in place to ensure compliance with applicable data protection laws but there can be no guarantee of their effectiveness.

Management transition creates uncertainties, and any difficulties we experience in managing such transitions may negatively impact our business.

During 2023, Patrick Lockwood-Taylor was appointed President, Chief Executive Officer and Board Member. Additionally, Catherine "Triona" Schmelter joined the Company as Executive Vice President and President Consumer Self-Care Americas. Changes in executive management create uncertainty. Moreover, changes in our company as a result of management transition could have a disruptive impact on our ability to implement, or result in changes to, our strategy and could negatively impact our business, financial condition and results of operations.

Strategic Risks

We may not realize the benefits of business acquisitions, divestitures, and other strategic transactions, which could have a material adverse effect on our operating results.

In the normal course of business, we engage in discussions relating to possible acquisitions, divestitures, and other strategic transactions, some of which may be significant in size or impact. Transactions of this nature create substantial demands on management, operational resources, technology, and financial and internal control systems, and can be subject to government approvals or other closing conditions beyond the parties' control. In the case of acquisitions, including the acquisition of HRA Pharma, we may face difficulties with integrating these businesses, managing expanded operations, achieving operating or financial synergies in expected timeframes or in new products or geographic markets. In the case of divestitures, including the separation of the Rx business, we may face difficulty in effectively transferring contracts, obligations, facilities, and personnel to the purchaser, while minimizing continued exposure to risks and liabilities of the divested business.

There are inherent uncertainties involved in identifying and assessing the value, strengths, and profit potential, as well as the weaknesses, risks, and contingent and other liabilities of acquisition targets, which can be affected by risks and uncertainties relating to government regulations and oversight as well as changes in business, industry, market or general economic conditions. Moreover, the financing of any acquisition can have a material impact on our liquidity, credit ratings and financial position. Alternatively, issuing equity to pay all or a portion of acquisition purchase price would dilute our existing shareholders.

Acquisitions and divestitures also involve costs, including fees and expenses of financial advisors, lawyers, accountants, and other professionals, and can involve retention bonuses and other additional compensation of employees or increase turnover in personnel. Any of these risks or expenses could have a negative effect on our financial condition or results of operations.

We have acquired significant assets that could become impaired or subject us to losses and may result in an adverse impact on our results of operations, which could be material.

We have recorded significant goodwill and intangible assets on our balance sheet as a result of previous acquisitions, which could become impaired and lead to material charges in the future.

We perform an impairment analysis on intangible assets subject to amortization when there is an indication that the carrying amount of any individual asset may not be recoverable. Any significant change in market conditions, estimates or judgments used to determine expected future cash flows that indicates a reduction in carrying value may give rise to impairment in the period that the change becomes known. Goodwill, indefinite-lived intangible asset, and definite-lived intangible asset impairments are recorded in Impairment charges on the Consolidated Profit and Loss Account. As of December 31, 2023, the net book value of our goodwill and intangible assets were $3.5 billion and $3.0 billion, respectively. In the past three years, we have recognized a total of $263.1 million in asset impairments, across all segments and asset categories. Refer to Note 9 for additional information related to our goodwill and intangible assets.

There can be no assurance that our strategic initiatives, including restructurings, will achieve their intended effects.

We are in the process of implementing certain initiatives, including our Supply Chain Reinvention Program, designed to increase operational efficiency and improve our return on invested capital by, among other goals, reducing portfolio complexity, investing in advanced planning capabilities, diversifying sourcing, and optimizing our manufacturing assets and distribution models. We also are launching Project Energize, a global investment and

efficiency program to drive the next evolution of the Company's capabilities and organizational agility. We believe these initiatives will reduce operating costs and/or enhance our net sales, operating margins, and earnings; however, certain of these initiatives require substantial costs during implementation, and there can be no assurance any of these initiatives will produce the anticipated benefits. Any delay or failure to achieve the anticipated benefits could have a material adverse effect on our projected results.

However, if these programs are not implemented successfully, or if circumstances outside of our control affect our costs over their associated time periods, these programs may not produce the anticipated benefits and/or may cost more to achieve. In addition, implementing these changes will require a significant amount of management time and effort, which may disrupt our business or otherwise divert management’s attention from other aspects of our business, including our other strategic initiatives, possible organic or inorganic growth opportunities, and customer and vendor relationships. Any of the foregoing risks could materially adversely affect our business, results of operations, liquidity, and financial condition.

The synergies and benefits expected from acquiring HRA Pharma and Gateway may not be realized in the amounts anticipated or at all and integrating HRA Pharma and Gateway's business may be more difficult, time consuming or costly than expected.

We may experience challenges integrating the HRA Pharma and Gateway businesses and managing our expanded operations. Our ability to realize the benefits expected from the HRA Pharma and Gateway acquisitions will depend, in part, on our ability to successfully integrate the business, control costs and maintain growth. Integrations can be complex and time consuming, and the integration may result in temporarily depressed sales while integration of supply chain and distribution channels take place. Any delays, additional unexpected costs, or other difficulties encountered in the integration process could have a material adverse effect on the Company’s revenues, expenses, operating results and/or financial condition.

Even if integration occurs successfully, we may not achieve projected synergies or level of anticipated sales growth in new products, brands, or geographic markets within the anticipated timeframe, or at all. There are inherent uncertainties involved in identifying and assessing the profit potential, value, strengths, weaknesses, risks, and contingent and other liabilities of acquisitions, such as HRA Pharma and Gateway, some of which can be affected by risks and uncertainties relating to government regulations and oversight as well as changes in the business, the industry, competition, consumer trends or general economic conditions. For instance, in response to the FDA's evolving regulatory expectations on infant formula, we have shortened our production campaigns to perform more frequent major cleanings and implemented enhanced product testing and quality procedures, resulting in additional costs and lower production volumes of infant formula.

Failure to effectively monitor and respond to ESG matters, including our ability to set and meet reasonable goals related to climate change and sustainability efforts, may negatively affect our business and operations.

Regulatory developments and stakeholder expectations relating to ESG matters are rapidly changing. Concern over climate change has increased focus on the sustainability of practices and products in the markets we serve, and changes to laws and regulations regarding climate change mitigation may result in increased costs and disruption to operations. Moreover, the standards by which ESG matters are measured are developing and evolving, and certain areas are subject to assumptions that could change over time. If we are unable to recognize and respond to such developments, or if our existing practices and procedures are not adequate to meet new regulatory requirements, we may miss corporate opportunities, become subject to regulatory scrutiny or third-party claims, or incur costs to revise operations to meet new standards.

As a global organization, we have set goals to address the impact of our operations on climate change and related environmental issues. These targets include reducing carbon emissions and water usage as well as becoming fully reliant on renewable energy sources. We believe these goals are obtainable, however, any failure or perceived failure to achieve our sustainability goals or to act responsibly with respect to such matters may negatively impact our operations and/or financial condition. While we monitor a broad range of ESG issues, there can be no assurance that we will manage such issues successfully, or that we will successfully meet the expectations of our stakeholders, consumers and employees.

Global Risks

Our business, financial condition, and results of operations are subject to risks arising from the international scope of our operations.

We manufacture, source raw materials, and sell our products in a number of countries. The percentage of our business outside the U.S. has been increasing. We are subject to risks associated with international manufacturing and sales, including changes in regulatory requirements.

Additionally, we are subject to periodic reviews and audits by governmental authorities responsible for administering import and export regulations. To the extent that we are unable to successfully defend against an audit or review, we may be required to pay assessments, penalties, and increased duties.

Certain of our facilities operate in a special purpose sub-zone established by the U.S. Department of Commerce Foreign Trade Zone Board, which allows us certain tax advantages on products and raw materials shipped through these facilities. If the Foreign Trade Zone Board were to revoke the sub-zone designation or limit our use, we could be subject to increased duties.

Although we believe that we conduct our business in compliance with applicable anti-corruption, anti-bribery and economic sanctions laws, if we are found to not be in compliance with such laws or other anti-corruption laws, we could be subject to governmental investigations, legal or regulatory proceedings, substantial fines, and/or other legal or equitable penalties. This risk increases in locations outside of the U.S., particularly in locations that have not previously had to comply with the FCPA, U.K. Bribery Act 2010, Irish Criminal Justice (Corruption Offenses) Act 2018, and similar laws.

We operate in jurisdictions that could be affected by economic and geopolitical instability, which could have a material adverse effect on our business.

Our operations and supply partners could be affected by economic or political instability, embargoes, military hostilities, unstable governments and legal systems, inter-governmental disputes, travel restrictions, terrorist acts, and other armed conflicts. The global nature of our business involves the following risks, among others:

- The U.S. Department of State and other governments have at times issued advisories regarding travel to certain countries in which we do business, causing regulatory agencies to curtail or prohibit their inspectors from traveling to inspect facilities. If these inspectors are unable to inspect our facilities, the regulatory agencies could withhold approval for new products intended to be produced at those facilities.
- On June 23, 2016, the UK electorate voted in a referendum to voluntarily depart from the EU, known as "Brexit". The UK Government subsequently approved a withdrawal agreement and left the EU on January 31, 2020.

  The Trade and Cooperation Agreement ("TCA") was signed on December 30, 2020. The TCA provides for free trade in goods and limited mutual market access in services, as well as for cooperation mechanisms in a range of policy areas and UK participation in some EU programs. It is for indefinite duration but is subject to review every 5 years and may be terminated on 12 months' notice. Uncertainty relating to the Ireland/ Northern Ireland protocol remains.

  Although the TCA is in place, the full extent of any disruption on imports and exports, for example relating to increased regulatory complexities, is unknown.

  The UK now has an ability to diverge from EU regulation (the UK Government's stated aim), which could enable the UK to seek competitive regulatory advantage. However, the EU could respond by withdrawing benefits under the TCA. These complexities may impair the ability of our operations in the EU to transact business in the UK in the future, and similarly the ability of our UK operations to transact business in the future in the EU. In addition, Brexit could lead to legal uncertainty and potentially different national laws and regulations as the UK determines which EU laws to replace or replicate. Any of the above-mentioned effects of Brexit, and others we cannot anticipate, could adversely affect our business, business opportunities, operations, and financial results.

Moreover, financial volatility and geopolitical instability outside the U.S. may impact our operations or affect global markets. For example, the war in Ukraine and the resulting sanctions by U.S. and European governments, together with any additional future sanctions by them, could have a larger impact that expands into other markets where we do business, including our supply chain, business partners and customers in the broader region, which could result in lost sales, supply shortages, increase manufacturing costs and lost efficiencies. Further, the conflict may adversely impact macroeconomic conditions and increase volatility in and affect our ability to access capital markets and external financing sources on acceptable terms or at all. The Israel/Hamas conflict could impact our supply of API. Israel is a global technology research and development center that plays a critical role to the global API market, as a number of key suppliers are located within Israel. Perrigo sources some raw materials and finished goods from suppliers in Israel for certain self-care products, including Omeprazole. There is potential for some disruption as it relates to in-country logistics, including freight. As a precaution, Perrigo has engaged alternate suppliers to help minimize a potential supply disruption. Although there has not been any material impact on operations and we believe we have a strong mitigation plan in place, the conflict between Israel and Hamas remains active and fluid. Should the conflict expand or escalate, we could experience disruptions to our API supply. Given the international scope of our operations, such effects of ongoing wars and armed conflicts, and others we cannot anticipate, could adversely affect our business, business opportunities, operations, and financial results.

The international scope of our business exposes us to risks associated with foreign exchange rates.

We report our financial results in U.S. dollars. However, a significant portion of our revenues, expenses, assets, indebtedness and other liabilities are denominated in foreign currencies. These currencies include, among others, the Euro, British pound, Canadian dollar, Swedish Krona, Chinese Yuan, Danish Krone, and Polish Zloty. Fluctuations in currency exchange rates, including as a result of inflation, central bank monetary policies, currency controls or other currency exchange restrictions have had, and could continue to have, an adverse impact on our financial performance. We may seek to mitigate the risk of such impacts through hedging, but such hedging activities may be costly and may not be effective.

In addition, emerging market economies in which we operate may be particularly vulnerable to the impact of rising interest rates, inflationary pressures, weaker oil and other commodity prices, and large external deficits. Risks in one country can limit our opportunities for portfolio growth and negatively affect our operations in another country or countries. Such conditions or developments could have an adverse impact on our operations. In addition, we may be exposed to credit risks in some of those markets.

Litigation and Insurance Risks

We are or may become involved in lawsuits and may experience unfavorable outcomes of such proceedings.

We may become involved in lawsuits arising from a wide variety of commercial, manufacturing, development, marketing, sales and other business-related matters, including, but not limited to, competitive issues, pricing, contract issues, intellectual property matters, false advertising, antitrust or unfair competition, taxation matters, workers' compensation, product quality/recall, environmental remediation, securities law, disclosure, product liability and regulatory issues. Litigation is unpredictable and could result in potentially significant monetary damages, and we could incur substantial legal expenses, even if a claim against us is unsuccessful. We intend to vigorously defend against any lawsuits, however, we cannot predict how the cases will be resolved. Adverse results in, or settlements of, such cases could result in substantial monetary judgments. No assurance can be made that litigation will not have a material adverse effect on our reputation, financial position or results of operations in the future. Refer to Note 20.

The actual or alleged presence of certain hazardous substances or petroleum products on, under or in our currently or formerly owned property, or from a third-party disposal facility that we may have used, or the failure to remediate them, could have adverse effects, including, for example, substantial investigative or remedial obligations and limitations on our ability to sell or rent affected property or to borrow funds using affected property as collateral. There can be no assurance that environmental liabilities and costs will not have a material adverse effect on us.

Increased scrutiny on pricing practices and competition in the pharmaceutical industry, including antitrust enforcement activity by government agencies and class action litigation, may have an adverse impact on our business and operating results, which could be material.

There has been increased scrutiny regarding sales, marketing, and pricing practices in the pharmaceutical industry, including criminal antitrust investigations regarding drug pricing, civil False Claims Act investigations relating to drug pricing and marketing, multiple civil antitrust litigation initiated by governmental and private plaintiffs against pharmaceutical manufacturers and individuals, and related media reports.

On May 2, 2017, we disclosed that search warrants were executed at several Perrigo facilities and other locations in connection with the Antitrust Division's ongoing investigation related to drug pricing in the pharmaceutical industry. Perrigo has also been served with and responded to a civil investigative demand in connection with a related civil False Claims Act investigation by the Civil Division of the Department of Justice. Although no charges or other related civil claims have been brought to date against Perrigo or any of our current employees (or, to the best of our knowledge, former employees), by the Department of Justice, we take the investigation very seriously.

If criminal antitrust charges are filed involving Perrigo, we would incur substantial litigation and other costs, and could face substantial monetary penalties, injunctive relief, negative publicity and damage to our reputation. Regardless of the ultimate outcome, responding to those charges would divert management's time and attention and could impair our operations. While we intend to defend Perrigo's conduct at issue in these investigations vigorously, any adverse decision could have a material adverse impact on our business, results of operations and reputation.

In addition, we have been named as a co-defendant with certain other generic pharmaceutical manufacturers in a number of class action, individual plaintiff direct action, State Attorney General, and county lawsuits alleging that we engaged in anti-competitive behavior to fix or raise the prices of certain drugs starting, in some instances, as early as calendar year 2010. Refer to Note 20. While we intend to defend these lawsuits vigorously, any adverse decision could have a material adverse impact on our business, results of operations and reputation.

Third-party patents and other intellectual property rights may limit our ability to bring new products to market and may subject us to potential legal liability, which could have a material adverse effect on our business and operating results.

The manufacture, use and sale of new products that are the subject of conflicting patent rights have been the subject of substantial litigation in the pharmaceutical industry.

- As a manufacturer of generic pharmaceutical products, the ability of our CSCA and CSCI segments to bring new products to market is often limited by third-party patents or proprietary rights and regulatory exclusivity periods awarded on products. Launching new products prior to resolution of intellectual property issues may result in us incurring legal liability if the related litigation is later resolved against us. The cost and time for us to develop Rx-to-OTC switch products is significantly greater than the rest of the new products that we introduce. Any failure to bring new products to market in a timely manner could cause us to lose market share, and our operating results could suffer.
- We may have to defend against charges that we infringed patents or violated proprietary rights of third parties. This could require us to incur substantial expense and could divert significant effort of our technical and management personnel. If we are found to have infringed rights of others, we could lose our right to develop or manufacture some products or could be required to pay monetary damages or royalties to license proprietary rights from third parties. Additionally, if we choose to settle a dispute through licensing or similar arrangements, the costs associated with these arrangements may be substantial and could include ongoing royalties. An adverse determination in a judicial or administrative proceeding or failure to obtain necessary licenses could prevent us from manufacturing and selling a number of our products.
- At times, our CSCA segment may seek approval to market drug products before the expiration of a third party's patents for therapeutically equivalent products, based upon our belief that such patents are invalid, unenforceable or would not be infringed by our products. In these cases, we may face significant patent litigation. Depending upon a complex analysis of a variety of legal and commercial factors, we may, in certain circumstances, elect to market a store brand or generic pharmaceutical product while litigation is pending, before any court decision, or while an appeal of a lower court decision is pending, known as an "at risk" launch. The risk involved in an "at risk" launch can be substantial because, if a patent holder ultimately

prevails, the remedies available to the patent holder may include, among other things, damages measured by the profits lost by the holder, which are often significantly higher than the profits we make from selling the generic version of the product. By electing to proceed in this manner, we could face substantial damages if we receive an adverse final court decision. In the case where a patent holder is able to prove that our infringement was "willful" or "exceptional," under applicable law, the patent holder may be awarded up to three times the amount of its actual damages or we may be required to pay attorneys' fees.

The success of certain of our products depends on the effectiveness of measures we take to protect our intellectual property rights and patents.

If we fail to adequately protect our intellectual property, competitors may manufacture and market similar products.

- We have been issued patents covering certain of our products, and we have filed, and expect to continue to file, patent applications seeking to protect newly developed technologies and products in various countries. Any existing or future patents issued to or licensed by us may not provide us with any significant competitive advantages for our products or may even be challenged, invalidated, or circumvented by competitors. In addition, patent rights may not prevent our competitors from developing, using, or commercializing non-infringing products that are similar or functionally equivalent to our products.
- We also rely on trade secrets, unpatented proprietary know-how, and continuing technological innovation that we seek to protect, in part by confidentiality agreements with licensees, suppliers, employees, and consultants. If these agreements are breached, we may not have adequate remedies for any such breach. Disputes may arise concerning the ownership of intellectual property or the applicability of confidentiality agreements. Furthermore, trade secrets and proprietary technology may otherwise become known or be independently developed by competitors or, if patents are not issued with respect to products arising from research, we may not be able to maintain the value of such intellectual property rights.

Our ability to achieve operating results in line with published guidance is inherently subject to numerous risks and other factors beyond our control. Publishing earnings guidance subjects us to risks, including increased stock volatility, that could lead to potential lawsuits by investors.

Because we publish earnings guidance, we are subject to several risks. Earnings guidance is inherently uncertain and subject to factors beyond our control. Actual results may vary from the guidance we provide investors from time to time, such that our stock price may decline following, among other things, any earnings release or guidance that does not meet market expectations.

It has become increasingly commonplace for investors to file lawsuits against companies following a rapid decrease in market capitalization. We have been in the past, are currently, and may be in the future, named in these types of lawsuits. These types of lawsuits can be costly and divert management attention and other resources away from our business, regardless of their merits, and could result in adverse settlements or judgments. The inherent uncertainty of earnings guidance and related lawsuits could have a material impact on us.

Significant increases in the cost or decreases in the availability of the insurance we maintain could adversely impact our operating results and financial condition. Disputes with insurers on the scope of existing policies may limit the coverage available under such policies.

To protect against various potential liabilities, we maintain a variety of insurance programs, including property, general, product, and directors' and officers' liability. We may reevaluate and change the types and levels of insurance coverage that we purchase. Insurance costs, including deductible or retention amounts, may increase, or our coverage could be reduced, which could lead to an adverse effect on our financial results depending on the nature of a loss and the level of insurance coverage we maintained. Moreover, we are self-insured when insurance is not available, not offered at economically reasonable premiums or does not adequately cover claims brought against us. Our business inherently exposes us to claims, and an unanticipated payment of a large claim may have a material adverse effect on our business.

Disputes with insurers on the scope of existing policies may reduce the coverage available under such policies. In May 2021, insurers on multiple policies of D&O insurance filed an action in the High Court in Dublin against us and our current and former directors and officers seeking declaratory judgments on certain coverage issues. If successful, such claims would limit the policies available to Perrigo for certain pending securities claims, as well as claims for legal expenses relating to certain matters that were previously resolved, and could reduce substantially Perrigo's total insurance coverage for such claims.

Tax Related Risks

The resolution of uncertain tax positions, including any ongoing disputes with U.S. and foreign tax authorities, could be unfavorable, which could have a material adverse effect on our business.

Although we believe our tax estimates are reasonable and our tax filings are prepared in accordance with applicable tax laws, the final determination with respect to any tax audit or any related litigation could be materially different from our estimates or from our historical income tax provisions and accruals. The results of an audit or litigation could have a material effect on operating results or cash flows in the periods for which that determination is made and in future periods after the determination. In addition, future period earnings may be adversely impacted by litigation costs, settlements, penalties or interest assessments. See Note 19 for a description of current audits and adjustment-related disputes and related litigation.

Changes to tax laws and regulations or the interpretation thereof could have a material adverse effect on our results of operations and the ability to utilize cash in a tax efficient manner.

Although we are incorporated in Ireland, the IRS may assert that we should be treated as a U.S. corporation (and, therefore, a U.S. tax resident) for U.S. federal tax purposes pursuant to section 7874 of the U.S. Internal Revenue Code of 1986, as amended ("Code"). For U.S. federal tax purposes, a corporation generally is considered a tax resident in the jurisdiction of its organization or incorporation. Because we are an Irish incorporated entity, we would generally be classified as a foreign corporation (and, therefore, a non-U.S. tax resident) under these rules. Section 7874 of the Code provides an exception under which a foreign incorporated entity may, in certain circumstances, be treated as a U.S. corporation for U.S. federal tax purposes.

We believe that under current law, we should be treated as a foreign corporation for U.S. federal tax purposes. However, there is limited guidance regarding the section 7874 provisions. An unfavorable determination on Perrigo Company plc's treatment as a foreign corporation under section 7874 of the Code or changes to the inversion rules in section 7874 of the Code, the IRS Treasury regulations promulgated thereunder, or other IRS guidance and legislative proposals aimed at expanding the scope of U.S. corporate tax residence could adversely affect our status as a foreign corporation for U.S. federal tax purposes, which could have a material impact on our Consolidated Financial Statements in future periods.

Additionally, we are subject to tax laws in various jurisdictions globally. Any of these changes could have a prospective or retroactive application to us, our shareholders, and affiliates, and could adversely affect us by changing our effective tax rate and limiting our ability to utilize cash in a tax efficient manner.

Our effective tax rate or cash tax payment requirements may change in the future, which could adversely impact our future results of operations.

A number of factors may adversely impact our future effective tax rate or cash tax payment requirements, which may impact our future results and cash flows from operations. Refer to Note 19. These factors include, but are not limited to: changes to income tax rates, to tax laws or the interpretation of such tax laws (including additional proposals for fundamental international tax reform globally); the jurisdictions in which our profits are determined to be earned and taxed; changes in the valuation of our deferred tax assets and liabilities; adjustments to estimated taxes upon finalization of various tax returns; adjustments to our interpretation of transfer pricing standards, treatment or characterization of intercompany transactions, changes in available tax credits, grants and other incentives; changes in stock-based compensation expense; changes in U.S. generally accepted accounting principles; expiration or the inability to renew tax rulings or tax holiday incentives; and divestitures of current operations.

Capital and Liquidity Risks

Our indebtedness could adversely affect our ability to invest in our business and implement our strategic initiatives.

Our business requires continuous capital investments, and there can be no assurance that financial capital will always be available on favorable terms or at all. Additionally, our leverage and debt service obligations could adversely affect the business. At December 31, 2023, our total indebtedness outstanding was $4.1 billion.

The agreements governing our Senior Secured Credit Facilities (as defined in Note 13) impose material operating and financial restrictions that limit our operating flexibility, including the following:

- The Credit Agreement (as defined below) governing our Senior Secured Credit Facilities contain, and agreements governing our other indebtedness may contain, a number of restrictions and covenants that, among other things, limit our ability and/or our restricted subsidiaries' ability to:
    - incur or assume liens or additional debt or provide guarantees in respect of obligations of other persons;
    - pay dividends or distributions or redeem or repurchase capital stock;
    - prepay, redeem or repurchase certain debt;
    - make loans, investments, acquisitions (including certain acquisitions of exclusive licenses) and capital expenditures;
    - enter into agreements that restrict distributions from our subsidiaries;
    - enter into transactions with affiliates;
    - enter into sale and lease-back transactions;
    - sell, transfer or exclusively license certain assets, including material intellectual property, and capital stock of our subsidiaries; and
    - consolidate or merge with or into, or sell substantially all of our assets to, another person.
- The Credit Agreement governing our Senior Secured Credit Facilities also includes certain financial covenants that require us to maintain a maximum first lien secured leverage ratio and a minimum interest coverage ratio.
- As a result of these restrictions, we may be limited in how we conduct our business; unable to raise additional debt or equity financing to operate during general economic or business downturns; or unable to compete effectively, take advantage of new business opportunities or grow in accordance with our plans.
- Our failure to comply with any of the covenants could result in a default under the Credit Agreement and certain other indebtedness, which, if not cured or waived, could result in us having to repay our borrowings before their due dates. Such default may allow the lenders or other note holders to accelerate the related debt and may result in the acceleration of any other debt to which cross-acceleration or cross-default provision applies. If we are forced to refinance these borrowings on less favorable terms or if we were to experience difficulty in refinancing the debt prior to maturity, our results of operations or financial condition could be materially affected. In addition, an event of default under the Credit Agreement may permit the lenders to refuse to permit additional borrowings under the Revolver (as defined below) or to terminate all commitments to extend further credit under the Revolver. Furthermore, if we are unable to repay the amounts due and payable under the Credit Agreement or other debt instruments, the lenders and note

holders may be able to proceed against the collateral granted to them to secure that indebtedness. If our indebtedness is accelerated, there can be no assurance that we would be able to repay or refinance our debt or obtain sufficient new financing.
- Future downgrades to our credit ratings may limit our access to capital and materially increase borrowing costs on current or future financing, including via trade payables with vendors. Customers' inclination to purchase goods from us may also be affected by the publicity associated with deterioration of our credit ratings.
- There are various maturity dates associated with our Senior Secured Credit Facilities, senior notes, and other debt facilities. There is no assurance that cash, future borrowings or equity financing will be available for the payment or refinancing of our indebtedness. Further, there is no assurance that any future refinancing or renegotiation of our Senior Secured Credit Facilities, senior notes or other debt facilities, or additional agreements will not have materially different or more stringent terms.

We cannot guarantee that we will buy back our ordinary shares pursuant to our announced share repurchase plan or that our share repurchase plan will enhance long-term shareholder value.

In October 2018, our Board of Directors authorized up to $1.0 billion of share repurchases with no expiration date, subject to the Board of Directors' approval of the pricing parameters and amount that may be repurchased under each specific share repurchase program. During the year ended December 31, 2023 and December 31, 2022, we did not repurchase any shares under such authorization, and there can be no assurances that we will do so in the future. The specific timing and amount of additional buybacks under the authorization, if any, will depend upon several factors, including market and business conditions, the trading price of our ordinary shares, the nature of other investment opportunities, the availability of our distributable reserves and the tax consequences of any buybacks. In addition, our ability to repurchase shares may be limited in the future under Irish law, if at any time we do not have sufficient distributable reserves. No share repurchases are currently anticipated in the near term.

Buybacks of our ordinary shares could affect the market price of our ordinary shares, increase their volatility or diminish our cash reserves, which may impact our ability to finance future growth and to pursue possible future strategic opportunities and acquisitions. Although our share repurchase plan is intended to enhance long-term shareholder value, there is no assurance that it will do so, and short-term share price fluctuations could reduce the plan's effectiveness.

Any additional shares we may issue could dilute your ownership in the Company.

Under Irish law, our authorized share capital can be increased by an ordinary resolution of our shareholders, and the directors may issue new ordinary or preferred shares up to a maximum amount equal to the authorized but unissued share capital, without shareholder approval, once authorized to do so by the articles of association or by an ordinary resolution of our shareholders.

Subject to specified exceptions, Irish law grants statutory preemption rights to existing shareholders to subscribe for new issuances of shares for cash, but allows shareholders to authorize the waiver of the statutory preemption rights either in our articles of association or by way of a special resolution. Such disapplication of these preemption rights can either be generally applicable or be in respect of a particular allotment of shares.

We are incorporated in Ireland; Irish law differs from the laws in effect in the United States and may afford less protection to, or otherwise adversely affect, our shareholders.

As an Irish company, we are governed by the Irish Companies Act 2014 (the "Act"). The Act differs in some material respects from laws generally applicable to U.S. corporations and shareholders, including the provisions relating to interested directors, mergers, amalgamations and acquisitions, takeovers, shareholder lawsuits, and indemnification of directors.

- Under Irish law, the duties of directors and officers of a company are generally owed to the company only. As a result, shareholders of Irish companies do not have the right to bring an action against the directors or officers of a company for the breach of such duties, except in limited circumstances.
- Shareholders may be subject to different or additional tax consequences under Irish law as a result of the acquisition, ownership and/or disposition of ordinary shares, including, but not limited to, Irish stamp duty, dividend withholding tax, Irish income tax, and capital acquisitions tax.

- There is no treaty between Ireland and the U.S. providing for the reciprocal enforcement of foreign judgments. Before a foreign judgment would be deemed enforceable in Ireland, the judgment must be (i) for a definite sum, (ii) provided by a court of competent jurisdiction and (iii) final and conclusive. An Irish High Court may exercise its right to refuse to recognize and enforce a foreign judgment if the foreign judgment was obtained by fraud, if it violated Irish public policy, if it is in breach of natural justice, or if it is irreconcilable with an earlier judgment.
- An Irish High Court may stay proceedings if concurrent proceedings are being brought elsewhere. Judgments of U.S. courts of liabilities predicated upon U.S. federal securities laws may not be enforced by Irish High Courts if deemed to be contrary to public policy in Ireland.
- It could be more difficult for us to obtain shareholder approval for a merger or negotiated transaction than if we were a U.S. company because the shareholder approval requirements for certain types of transactions differ, and in some cases are greater, under Irish law.
- Additionally, under the Irish Takeover Panel Act issued in 1997 and Takeover Rules issued in 2022, the Board of Directors is not permitted to take any action that might frustrate an offer for our ordinary shares, including issuing additional ordinary shares or convertible equity, making material acquisitions or dispositions, or entering into contracts outside the ordinary course of business, once the Board of Directors has received an approach that may lead to an offer or has reason to believe that such an offer is or may be imminent, subject to certain exceptions. These provisions may give the Board of Directors less ability to control negotiations with hostile offerors and protect the interests of holders of ordinary shares than would be the case for a corporation incorporated in a jurisdiction of the United States.

We may be limited in our ability to pay dividends in the future.

A number of factors may limit our ability to pay dividends, including, among other things:

- Our ability to receive cash dividends and distributions from our subsidiaries;
- Compliance with applicable laws and debt covenants;
- Our financial condition, results of operations, capital requirements, general business conditions, and other factors that our Board of Directors may deem relevant; and
- The availability of our distributable reserves.

Under Irish law, distributable reserves are the accumulated realized profits so far as not previously utilized by distribution or capitalization, less accumulated realized losses so far as not previously written off in a reduction or a reorganization of capital duly made, subject to adjustments for any increases to, or reductions of, share premium. In addition, no distribution or dividend may be made if, at the time of the distribution or dividend, our net assets are not, or would not be, after giving effect to such distribution or dividend, be equal to, or in excess of, the aggregate of our called-up share capital plus undistributable reserves.

While we currently expect to continue paying dividends, significant changes in our business or financial condition such as asset impairments, sustained operating losses and the selling of assets, could impact the amount of distributable reserves available to us. On July 18, 2023, the Irish High Court approved the creation of $4,900 million of distributable reserves of the Company through the reduction of the Share Premium account. The court order authorizing the creation of distributable reserves was filed with the Registrar of Companies in Ireland and became effective on July 20, 2023.

Additionally, we are subject to financial covenants in our Senior Secured Credit Facilities. Our failure to comply with these covenants could trigger events, which could result in the acceleration of the related debt.

RECENT HIGHLIGHTS

Market Factors

Economic Uncertainty

Current macroeconomic conditions remain very dynamic, including impacts from rising inflation and interest rates, volatile changes in foreign currency exchange rates, political unrest, COVID-19 and legislative and regulatory changes. Any causes of market size contraction could reduce our sales or erode our operating margin and consequently reduce our net earnings and cash flows.

Our interest expense is impacted by the overall global economic and interest rate environment. We manage interest rate risk through our capital structure and the use of interest rate swaps to fix the interest rate on greater than 90% of our outstanding debt.

Inflationary Costs and Supply Chain

Over the course of 2022 and 2023, supply chain disruptions, including volatility in both cost and availability of agricultural, oil and paper based commodities driven by the war in Ukraine, have led to higher input costs. Additionally, we experienced employment vacancies and attrition as the labor market negatively impacted productivity and drove the need for wage rate increases and other retention benefits. We implemented a series of actions to substantially mitigate these and other inflationary cost pressures such as strategic pricing and our Supply Chain Reinvention Program. Benefits from our actions have begun to substantially offset inflationary pressures, and the global freight constraints in availability of freight containers and truck drivers have normalized. However, future supply chain disruptions and inflationary pressures from the continuation of the war in Ukraine and the more recent events from the war in Israel are uncertain.

Infant Formula

As part of its efforts to prevent supply interruptions and future Cronobacter spp. illnesses associated with powdered infant formula, in March 2023, the FDA released an “Immediate National Strategy to Increase the Resiliency of the U.S. Infant Formula Market” and issued a letter to the powdered infant formula industry to share information to assist the industry in improving the microbiologic safety of powdered infant formula. In response to those changes, we made considerable investments in all our infant formula manufacturing sites, including enhanced cleaning and sanitation protocols, enhancements to our environmental monitoring programs and added additional quality personnel. These changes resulted in lower manufacturing output and production yields across our infant formula network.

As previously disclosed, the Company received a warning letter from the FDA on August 30, 2023 relating to the Perrigo Wisconsin infant formula facility, which was acquired from a third party in November 2022. While the Company worked to resolve the issues raised in the August 30 letter, on November 29, 2023, the Company received notice from the FDA of additional inspection observations relating to Perrigo Wisconsin. Consistent with the Company’s commitment to quality, the Company temporarily paused all production at that facility and conducted an extended site-wide assessment and cleaning.

The Company also bolstered its internal resources and brought in additional outside expertise to help revise, enhance and strengthen comprehensive standards and processes across our infant formula network. As part of this plan, each of our infant formula manufacturing facilities are undergoing a site-specific evaluation and a plant wide reset, which may entail a pausing of production for comprehensive cleaning, infrastructure improvements and further enhancements to quality protocols and manufacturing processes. Perrigo Wisconsin has recently completed its plant-wide reset, and is now back in production. Our other two infant formula facilities are under evaluation or set to begin a reset in the first quarter of 2024.

We have incurred and expect to incur certain extraordinary non-recurring costs associated with the evolving U.S. infant formula regulatory landscape, including consulting and legal fees relating to the Company’s responses to the FDA and the development and institution of new protocols across our infant formula manufacturing sites, as well as other costs relating to the extended cleaning and sanitization and the pausing and restarting of production. We also expect higher ongoing operating costs at our infant formula manufacturing sites moving forward as we implement

our enhanced program with additional internal capabilities. Cash costs in 2024 to achieve this remediation plan are estimated at $35 to $45 million. Due to these costs and the unabsorbed overhead and depressed sales volumes resulting from these actions, infant formula results in 2024 is now expected below 2023 levels.

War in Ukraine

The invasion of Ukraine by Russia and resulting economic and political sanctions imposed by the United States, United Kingdom, European Union, and other countries on Russia, Belarus, and occupied regions in Ukraine have negatively impacted our results from operations in the region. We currently have 68 employees working in our Ukraine subsidiary. We do not have a subsidiary or employees in Russia. We have no manufacturing facilities in either Russia or Ukraine and we previously sold products into Russia entirely through distributors. In March 2022, we halted all sales to distributors in Russia and sales in Ukraine were severely depressed. Future impacts are difficult to predict due to the high level of uncertainty related to the war's duration, evolution and resolution. If the conflict spreads or materially escalates, or economic conditions deteriorate, the impact on our business and results of operations could be material.

Israel-Hamas War

We continue to closely monitor the ongoing Israel/Hamas conflict and the social, political and economic environment in Israel and in the surrounding region to evaluate the impacts on our operations and supply chain. Israel is a global technology research and development center that plays a critical role to the global API market, as a number of key suppliers are located within Israel. The Company sources some raw materials and finished goods from suppliers in Israel for certain self-care products, including Omeprazole. Despite this situation, to date, Perrigo has confirmed that our suppliers in the region have active operations and continue to manufacture materials for us, and we have not received any reports of restrictions on imports or exports in Israel. However, there is potential for some disruption as it relates to in-country logistics, including freight. As a precaution, Perrigo has engaged alternate suppliers to help minimize a potential supply disruption. If the conflict spreads or materially escalates, or if the conflict leads to further volatility and uncertainty in financial markets or economic conditions, the impact on our business and results of operations could be material.

Foreign Exchange

We have both translation and transaction exposure to the fluctuation of exchange rates. Translation exposures relate to exchange rate impacts of measuring income statements of foreign subsidiaries that do not use the U.S. dollar as their functional currency. Transaction exposures relate to 1) the impact from input costs that are denominated in a currency other than the local reporting currency and 2) the revaluation of transaction-related working capital balances denominated in currencies other than the functional currency. Significant exchange rate fluctuations, especially in the Euro or the British Pound Sterling, have had, and could continue to have, a significant impact on our net sales, net earnings and cash flows, and have significantly impacted our historical net sales, costs and net earnings and could do so in the future.

Restructuring

Supply Chain Reinvention Program

In 2022, we initiated a Supply Chain Reinvention Program to reduce structural costs, improve profitability and our service levels to our retail partners, and strengthen our resiliency by streamlining and simplifying our global supply chain. Through this initiative, we plan to reduce portfolio complexity, invest in advanced planning capabilities, diversify sourcing, and optimize our manufacturing assets and distribution models. We have identified a total annual run-rate potential savings opportunity by the end of fiscal year 2028 of between an estimated $200 million to $300 million (not including related depreciation expense on capital investments) if all facets of the Program are successfully implemented and executed. To obtain these potential benefits, we anticipate incurring costs of between $350 million to $570 million by the end of fiscal year 2028 to complete the program implementation, including capital investments, restructuring expenses, and implementation costs. A significant portion of the annual run-rate potential savings of the Program, between $150 million to $200 million (not including related depreciation expense on capital investments), are anticipated by the end of fiscal year 2025, along with associated potential spend of between $300

million and $450 million. During 2023, we achieved approximately $40 million of net savings, partially offset by approximately $28 million of restructuring expense. Refer to Note 20.

Project Energize

Perrigo has successfully transformed into a pure-play consumer self-care company and is now embarking on the next stage of its self-care journey - evolving to One Perrigo. This evolution will create sustainable, value accretive growth through a blended-branded business model that better positions the Company to win in self-care.

As part of the Company's sustainable, value accretive growth strategy, the Company is launching Project Energize - a global investment and efficiency program to drive the next evolution of capabilities and organizational agility. This three-year program is expected to produce significant benefits in the Company's long-term business performance by enabling our One Perrigo growth strategy, increasing organizational agility and mitigating impacts from stabilizing and strengthening the infant formula business.

Project Energize will be initiated in the first quarter of 2024, subject to local law and consultation requirements, and is expected to deliver an annualized pre-tax savings in the range of $140 million to $170 million by 2026. The Company expects to reinvest approximately $40 million to $60 million of these savings to drive its blended-branded business model. Restructuring and related charges associated with these actions are estimated to be in the range of $140 million to $160 million, including $20 million to $40 million in investments to enhance capabilities and are expected to be substantially incurred by the end of 2026. Restructuring activities as part of Project Energize are expected to result in the net reduction of approximately 6% of total Perrigo roles.

Impairments

During the three months ended December 31, 2023, we identified impairment indicators within our Rare Diseases reporting unit within the CSCI Segment as a result of performance and market factors that led to increased discount rates and lower comparable company multiples. We determined the reporting unit was impaired and recorded an impairment charge totaling $90.0 million related to goodwill. Refer to Note 9.

Indebtedness and Capital

In December 2023, we entered into Amendment No. 1, an Incremental Assumption Agreement to our Term Loan and Revolving Credit Agreement that provides for a fungible add on to the Term B Loans in an aggregate principal amount of $300 million. The funds were used to settle the cash tender offer by Perrigo Finance Unlimited Company ("Perrigo Finance") for $300.0 million in aggregate principal amount of 3.900% Senior Notes due 2024 ("2024 Notes"). The tender offer was settled on December 15, 2023, and Perrigo Finance accepted for purchase $300.0 million of the 2024 Notes and paid approximately $295.1 million in aggregate cash consideration (excluding accrued interest). Refer to Note 13.

Tax Updates

On January 13, 2021, the IRS issued a 30-day letter and Revenue Agent's Report with respect to its audit of our 2013 to 2015 fiscal tax years. The 30-day letter proposed, among other modifications, to reduce Perrigo U.S.'s deductible interest expense for certain intercompany debts owed in connection with the 2013 Elan merger transaction. On May 5, 2023, we finalized an agreement with IRS Appeals providing for settlement of the May 7, 2020 NOPA. In addition, based on the agreement with IRS Appeals, we will apply similar adjustments for all remaining tax years through 2018. In the second quarter of fiscal year 2023 we adjusted previously established reserves related to this and other matters in the same audit period. Refer to Note 19 for additional information. On December 20, 2023 the IRS Examination Team confirmed its application of interest rates agreed with IRS Appeals to all remaining tax years with deductible interest expense relating to such intercompany debt.

RESULTS FOR THE YEAR AND STATE OF AFFAIRS

The results for the twelve months ended December 31, 2023 are provided in the Consolidated Profit and Loss Account. Included below is a summary of the results for the twelve months ended December 31, 2023 and our state of affairs.

RESULTS OF OPERATIONS

Currency Translation

Currency translation effects described below represent estimates of the net differences between translation of foreign currency transactions into U.S. dollars for the year ended December 31, 2023 at the average exchange rates for the reporting period and average exchange rates for the year ended December 31, 2022.

CONSOLIDATED FINANCIAL RESULTS AND REVIEW OF KEY PERFORMANCE INDICATORS

	Year Ended	
(in millions, except percentages)	**December 31, 2023**	**December 31, 2022**
Net sales	$ 4,655.6	$ 4,451.6
Gross profit	$ 1,680.4	$ 1,455.4
Gross profit %	36.1 %	32.7 %
Operating income	$ 151.9	$ 78.9
Operating income %	3.3 %	1.8 %

Net sales increased $204 million, or 4.6%, primarily due to:

- $195.9 million increase from our acquisitions, comprised of ten additional months of Gateway (acquired on November 1, 2022) inclusive of an unfavorable impact of $9.2 million from a voluntary product recall and four additional months of HRA Pharma (acquired on April 29, 2022) inclusive of an unfavorable impact of $19.8 million due to distributor transitions as part of the integration strategy to capture synergies from the acquisition of HRA Pharma; and
- $73.8 million increase, or 1.7%, due primarily to approximately $209 million in strategic pricing actions and higher sales volume in the Skin Care, Healthy Lifestyle and Upper Respiratory product categories. E-commerce and new products also contributed to category growth. The increase was partially offset by lower net sales stemming from the evolving FDA regulatory expectations for infant formula manufacturing, declines in legacy nutrition in the CSCA segment due primarily to purposeful SKU prioritization actions to focus capacity on higher margin products and $9.4 million due to distributor transition in addition to the impacts noted above; partially offset by
- $49.9 million decrease from exited product lines and $19.3 million decrease from the divestitures of the Latin American businesses and *ScarAway*® brand asset in the prior year.

Operating income increased $73 million, or 92.5%, due to:

- $225.0 million increase in gross profit driven by higher net sales flow through and the benefits from our supply chain reinvention program primarily within CSCA. These were partially offset by lower infant formula productivity within U.S. nutrition stemming from the evolving FDA regulatory expectations for infant formula manufacturing and unfavorable cost of goods sold inflation primarily in Europe. Gross profit as a percentage of net sales increased 340 basis points compared to the prior year driven by strategic pricing actions, benefits from purposeful SKU prioritization actions and higher margin new products. These positive initiatives were partially offset by higher cost of goods sold inflation in the E.U. and lower manufacturing productivity in U.S. nutrition.
- $152.0 million increase in operating expenses due primarily to $90.0 million in goodwill impairment charges related to the Rare Diseases reporting unit in the CSCI segment, the acquisition of HRA Pharma and Gateway, and higher employee expenses, partially offset by decreased acquisition and integration expenses compared to the prior year period.

Unallocated Expenses

Unallocated expenses are comprised of certain corporate services not allocated to our reporting segments and are recorded above Operating income on the Consolidated Profit and Loss Account. Unallocated expenses were as follows (in millions):

Year Ended	
December 31, 2023	December 31, 2022
$ 202.5	$ 257.2

The decrease of $54.7 million in unallocated expenses during the year ended December 31, 2023 compared to the prior year period was due primarily to a decrease in acquisition and integration expenses associated with the HRA Pharma and Gateway acquisitions

Interest expense, net, Other (income) expense, net and (Gain) Loss on extinguishment of debt

	Year Ended	
(in millions)	December 31, 2023	December 31, 2022
Interest expense, net	$ 173.8	$ 156.0
Other (income) expense, net	$ (10.4)	$ 53.1
(Gain) loss on extinguishment of debt	$ (3.2)	$ 8.9

Interest Expense, net

The $17.8 million increase during the year ended December 31, 2023 compared to the prior year was due primarily to an increase in interest expense associated with an increase in outstanding borrowings under our Senior Secured Credit Facilities.

Other (Income) Expense, Net

The $63.5 million decrease in expense during the year ended December 31, 2023 compared to the prior year was due primarily to unfavorable changes in revaluation of foreign currency expense associated with the acquisition of HRA Pharma and termination expense of the forward currency options related to the acquisition of HRA Pharma in the prior year.

(Gain) Loss on extinguishment of debt

The $3.2 million gain on extinguishment of debt during the year ended December 31, 2023 is related to the debt refinancing and tender offer activity during the fourth quarter of 2023. The $8.9 million loss on extinguishment of debt during the year ended December 31, 2022 is related to the write-off of certain new and previously deferred financing fees and make whole payments due in connection with repaying outstanding borrowings prior to maturity (refer to Note 13).

Income Taxes (Consolidated)

The effective tax rates were as follows:

Year Ended	
December 31, 2023	December 31, 2022
47.2 %	5.9 %

The effective tax rate on the pre-tax loss for the year ended December 31, 2023, increased when compared to the effective tax rate on the pre-tax loss for the year ended December 31, 2022, primarily due to audit settlements in the current year and changes in the jurisdictional mix of earnings, offset by the non-deductibility of certain charges and expenses in 2023.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

Overview

We finance our operations with internally generated funds, supplemented by credit arrangements with third parties and capital market financing. We routinely monitor current and expected operational requirements and financial market conditions to evaluate other available financing sources including term and revolving bank credit and securities offerings. In determining our future capital requirements, we regularly consider, among other factors, known trends and uncertainties, such as the wars in Ukraine and Israel, inflation and interest rates, the status of material contingent liabilities, recent financial market volatility, the COVID-19 pandemic and other uncertainties. Subject to relevant restrictions under our debt agreements, our cash requirements for other purposes and other factors management deems relevant, we may from time to time use available funds to redeem, repurchase or refinance our debt in privately negotiated or open market transactions, by tender offer or otherwise, in compliance with applicable laws, rules and regulations, at prices and on terms we deem appropriate (which may be below par).

Based on the foregoing, management believes that our operations and borrowing resources are sufficient to provide for our short-term and long-term capital requirements, as described below. However, an adverse result with respect to our appeal of any material outstanding tax assessments or litigation, including securities or drug pricing matters and product liability cases, damages resulting from third-party claims, and related interest and/or penalties, could ultimately require the use of corporate assets to pay such assessments, and any such use of corporate assets would limit the assets available for other corporate purposes. As such, we continue to evaluate the impact of the above factors on liquidity and may determine that modifications to our capital structure are appropriate if market conditions deteriorate, favorable capital market opportunities become available, or any change in conditions relating to the wars in Ukraine and Israel, inflation and interest rates, the status of material contingent liabilities, financial market volatility, the COVID-19 pandemic or other uncertainties have a material impact on our capital requirements.

Cash, Cash Equivalents and Restricted Cash

	Year Ended	
(in millions)	**December 31, 2023**	**December 31, 2022**
Cash, cash equivalents and restricted cash	$ 751.3	$ 600.7
Working capital[(1)]	$ 935.9	$ 1,041.8

(1) Working capital represents current assets less current liabilities, excluding cash, cash equivalents and restricted cash, assets and liabilities held for sale, and excluding current indebtedness.

Cash, cash equivalents, restricted cash, cash flows from operations, and borrowings available under our credit facilities are expected to be sufficient to finance our liquidity and capital expenditures in both the short and long term. Although our lenders have made commitments to make funds available to us in a timely fashion under our revolving credit agreements and overdraft facilities, if economic conditions worsen or new information becomes publicly available impacting the institutions' credit rating or capital ratios, these lenders may be unable or unwilling to lend money pursuant to our existing credit facilities. Should our outlook on liquidity requirements change substantially from current projections, we may seek additional sources of liquidity in the future.

Cash Flows

The following table includes summarized cash flow activities:

	Year Ended		
(in millions)	**December 31, 2023**	**December 31, 2022**	**$ Change**
Net cash from operating activities	$ 405.5	$ 307.3	$ 98.2
Net cash (for) from investing activities	(77.5)	(1,958.6)	1,881.1
Net cash (for) from financing activities	(187.2)	421.6	(608.8)
Effect of exchange rate changes on cash and cash equivalents	9.8	(48.9)	58.7
Net increase (decrease) in cash and cash equivalents	$ 150.6	$ (1,278.6)	$ 1,429.2

Net cash from Operating Activities

The $98.2 million increase in operating cash inflow was primarily driven by an increase in cash flow from the change in net earnings after adjustments, partially offset by higher working capital needs, primarily related to timing of sales and payments received and made.

Net cash (for) from Investing Activities

The $1.9 billion increase in cash for investing cash flow was due primarily to the absence of $1.9 billion cash paid in the prior year for the acquisitions of HRA Pharma and a $16.5 million increase in proceeds from royalty rights primarily driven by higher milestone income related to legacy royalty rights in the current year.

Capital expenditures totaled approximately $101.7 million in 2023. We anticipate 2024 capital expenditures to be between $130 million and $180 million, depending on the progression of infant formula plant investments, our Supply Chain Reinvention Program, Project Energize, and project timelines related to manufacturing productivity and efficiency upgrades, software and technology initiatives, and general plant maintenance. We expect to fund these estimated capital expenditures with funds from operating cash flows.

Net cash (for) from Financing Activities

The $608.8 million decrease in financing cash flow was due primarily to a decrease in cash of $1.6 billion from the issuance of our Senior Secured Credit Facilities and related financing fees in the prior year. We refinanced a portion of the 3.900% Notes due in 2024 with a $300 million fungible add on to the existing 2022 Term B Loan in December 2023 (refer to Note 13). Long term debt payments and payments for debt issuance costs decreased $666.2 million compared to the prior year. Additionally, we increased our dividend payment by $7.3 million compared to the prior year.

Share Repurchases

In October 2018, our Board of Directors authorized up to $1.0 billion of share repurchases with no expiration date, subject to the Board of Directors' approval of the pricing parameters and amount that may be repurchased under each specific share repurchase program. We did not repurchase any shares during the year ended December 31, 2023 or December 31, 2022. The future repurchase of shares, if any, is subject to the discretion of our Board of Directors.

Dividends

In January 2003, the Board of Directors adopted a policy of paying quarterly dividends. We paid dividends as follows:

	Year Ended	
	December 31, 2023	December 31, 2022
Dividends paid (in millions)	$ 149.7	$ 142.4
Dividends paid per share	$ 1.09	$ 1.04

The declaration and payment of dividends, if any, is subject to the discretion of our Board of Directors and will depend on our earnings, financial condition, availability of distributable reserves, capital and surplus requirements, and other factors our Board of Directors may consider relevant.

Borrowings and Capital Resources

On April 20, 2022, we and our indirect wholly-owned subsidiary, Perrigo Investments, LLC (the "Borrower") entered into the senior secured credit facilities, which consisted of (i) a $1.0 billion five-year revolving credit facility (the "Revolver"), (ii) a $500.0 million five-year Term Loan A facility (the "Term Loan A Facility" and the Term A Loans thereunder, the "Term A Loans"), and (iii) a $1.1 billion seven-year Term Loan B facility (the "Term Loan B Facility" and the Term B loans thereunder borrowed on April 20, 2022 , the "2022 Term B Loans"), all pursuant to a Term Loan and Revolving Credit Agreement (the "Credit Agreement").

On December 15, 2023, we and the Borrower entered into Amendment No. 1, an Incremental Assumption Agreement (the "Amendment") to the Credit Agreement. The Amendment provides for a fungible add on to the 2022 Term B Loans in an aggregate principal amount of $300.0 million (the "Incremental Term B Loans" and together with the 2022 Term B Loans, the “Term B Loans”). The terms of the Incremental Term B Loans, including pricing and maturity, are identical to the 2022 Term B Loans. The Term B Loans will mature on April 20, 2029. The net proceeds from the Incremental Term B Loans were used to settle the cash tender offer by Perrigo Finance for $300.0 million in aggregate principal amount of 3.900% Senior Notes due 2024 ("2024 Notes"). The tender offer was settled on December 15, 2023, and Perrigo Finance accepted for purchase $300.0 million of the 2024 Notes and paid approximately $295.1 million in aggregate cash consideration (excluding accrued interest). Refer to Note 13.

Our short term debt as of December 31, 2023 of $440.6 million is comprised of (i) the remaining portion of the 3.900% Senior Notes due 2024, (ii) amortization payments for the Term A Loans and the Term B Loans and (iii) lease payments.

Term Loans and Notes

As of December 31, 2023 and December 31, 2022, we had $1,858.1 million and $1,588.3 million, respectively, outstanding under our Term Loan A Facility and Term Loan B Facility.

Loans under the Credit Agreement bear interest at a rate equal to, at the Borrower’s option and depending on the currency borrowed, either the adjusted Term SOFR Rate, EURIBOR Rate, the prime lending rate or the daily simple RFR rate (each as defined in the Credit Agreement), in each case, plus an applicable margin. Applicable margins and fees are outlined below;

	Applicable Margins		
	Term SOFR and EURIBOR Rates	Prime Lending and Daily Simple RFR Rates	Per Annum Commitment Fee[2]
Term A Loans[1]	2.000% - 1.750%	1.000% - 0.750%	—
Term B Loans[1]	2.500% - 2.250%	1.500% - 1.250%	—
Revolver[1]	2.000% - 1.375%	1.000% - 0.375%	0.250% - 0.175%

(1) Applicable margins are dependent upon our total net leverage ratio
(2) Payable on the undrawn amount

The Credit Agreement is guaranteed by us and certain of our wholly-owned subsidiaries organized in the U.S., Ireland, Belgium, England and Wales (subject to certain exceptions) (the “Guarantor Subsidiaries” and together with the Company, the “Guarantors” and together with the Borrower, the "Loan Parties"). The Loan Parties’ obligations under the Credit Agreement are secured, subject to customary permitted liens and other exceptions, by a security interest in all tangible and intangible assets of the Loan Parties, except for certain excluded assets. We may make voluntary prepayments at any time without payment of a premium or penalty, subject to certain exceptions, and are required to make certain mandatory prepayments of outstanding indebtedness under the Credit Agreement in certain circumstances. Principal repayments of the Term Loan B Facility, which are due quarterly, are equal to 1.0% per annum (adjusted, in the case of incremental loans, to enable fungibility), with any remaining balance payable on the maturity date. Principal repayments of the Term Loan A Facility, which are due quarterly, began in September 2022 and are equal to (i) for the first year anniversary of the Closing Date (as defined in the Credit Agreement), 2.5% per annum of the original principal amount of the Term Loan A Facility incurred and (ii) after the first year anniversary of the Closing Date, 5.0% per annum of the original principal amount of the Term Loan A Facility incurred, with any remaining balance payable on the maturity date. The Credit Agreement contains customary representations and warranties and customary affirmative and negative covenants applicable to the Borrower and its restricted subsidiaries, including, among other things, restrictions on indebtedness, liens, investments, mergers, dispositions, prepayment of junior indebtedness and dividends and other distributions. The

Credit Agreement contains financial covenants that require the Borrower and its restricted subsidiaries to (a) not exceed a maximum first lien secured net leverage ratio of 3.00 to 1.00 at the end of each fiscal quarter and (b) not fall below a minimum interest coverage ratio of 3.00 to 1.00 at the end of each fiscal quarter, provided that such covenants apply only to the Revolver and the Term Loan A Facility. The Credit Agreement also contains customary events of default relating to, among other things, failure to make payments, breach of covenants and breach of representations. If we consummate certain qualifying acquisitions during the term of the loan, the maximum first lien secured net leverage ratio covenant would increase to 3.25 to 1.00 for such quarter and the three following fiscal quarters thereafter.

Leases

We had $202.2 million and $238.6 million of lease liabilities and $197.3 million and $239.1 million of lease assets as of December 31, 2023 and December 31, 2022, respectively.

Available Resources

We have overdraft facilities available that we use to support our cash management operations. We report any balances outstanding in "Other Financing" in Note 13. There were no borrowings outstanding under the overdraft facilities as of December 31, 2023 and December 31, 2022.

During 2022, we terminated the 2018 Revolver and entered into the 2022 Revolver (the "Revolver"). There were no borrowings outstanding under the Revolver as of December 31, 2023 or December 31, 2022. We are subject to certain financial covenants in the Revolver and Credit Agreement. As of December 31, 2023, we were in compliance with all such covenants under our debt agreements.

Credit Ratings

On December 31, 2023, our credit rating was Ba2 (negative), BB (stable), and BB+ (negative), by Moody's Investor Services, S&P Global Ratings, and Fitch Ratings Inc., respectively. On March 15, 2023, Moody's downgraded our Corporate Family Rating to Ba2 from Ba1 and senior unsecured notes ratings to Ba3 from Ba2 and the rating outlooks remained negative. Due to the downgrade, the interest of the 3.150% Senior Notes due 2030 stepped up from 4.400% to 4.650% on payments made after June 15, 2023. Credit rating agencies review their ratings periodically and, therefore, the credit rating assigned to us by each agency may be subject to revision at any time. Accordingly, we are not able to predict whether current credit ratings will remain as disclosed above. Factors that can affect our credit ratings include changes in operating performance, the economic environment, our financial position, and changes in business strategy. If changes in our credit ratings were to occur, they could impact, among other things, future borrowing costs, access to capital markets, and vendor financing terms. A credit rating is not a recommendation to buy, sell or hold securities.

Guarantor Financial Information

The Guarantor Subsidiaries and the Borrower provide full and unconditional guarantees, jointly and severally, on a senior unsecured basis, of the 5.300% Notes due 2043 issued by the Company, and the Loan Parties provide full and unconditional guarantees, jointly and severally, on a senior unsecured basis, of the 3.900% Notes due 2024, the 4.375% Notes due 2026, the 4.650% Notes due 2030 and the 4.900% Notes due 2044 issued by Perrigo Finance.

The guarantees of the Guarantor Subsidiaries, the Company and the Borrower are subject to release in limited circumstances only upon the occurrence of certain customary conditions. The guarantees of the Guarantor Subsidiaries, the Company and the Borrower rank senior in right of payment to any future subordinated indebtedness of the Company, equal in right of payment with all of the Company’s existing and future senior indebtedness and effectively subordinated to any of the Company’s existing and future secured indebtedness, to the extent of the value of the collateral securing such indebtedness.

Basis of Presentation

The following tables include summarized financial information of the obligor groups of debt issued by Perrigo Finance and the Company. The summarized financial information of each obligor group is presented on a combined basis with balances and transactions within the obligor group eliminated. Investments in and the equity in earnings of non-guarantor subsidiaries, which would otherwise be consolidated in accordance with U.S. GAAP, are excluded from the below summarized financial information pursuant to SEC Regulation S-X Rule 13-01.

The summarized balance sheet information for the consolidated obligor group of debt issued by Perrigo Finance and the Company is presented in the table below:

	Year Ended	
(in millions)	**December 31, 2023**	**December 31, 2022**
Current Assets	$ 1,999.9	$ 1,975.7
Non-current Assets	$ 4,596.2	$ 4,819.1
Current liabilities	$ 1,888.8	$ 734.9
Non-current liabilities	$ 11,498.4	$ 11,036.2
Due to non-guarantors	$ 7,355.3	$ 6,346.4

The summarized results of operations information for the consolidated obligor group of debt issued by Perrigo Finance and the Company is presented in the table below:

	Year Ended	
(in millions)	**December 31, 2023**	**December 31, 2022**
Total Revenues	$ 3,308.8	$ 3,273.0
Gross Profit	$ 979.2	$ 858.6
Operating Income (loss)	$ 62.1	$ (36.9)
Net Income (loss)	$ (10.9)	$ (316.3)
Revenue from non-guarantors	$ 186.1	$ 274.7
Operating Expenses to non-guarantors	$ (1.1)	$ (0.7)
Other (income) expense to non-guarantors	$ (97.7)	$ 105.8

FINANCIAL RISK MANAGEMENT

Foreign Exchange Risk

We are a global company with operations primarily throughout North America, Europe, China, and Australia. We transact business in each location's local currency and in foreign currencies, thereby creating exposures to changes in exchange rates. Our largest exposure is the movement of the U.S. dollar relative to the euro.

Due to different sales and cost structures, certain segments experience a negative impact and certain segments a positive impact as a result of changes in exchange rates. We estimate the translation effect of a ten percent devaluation of the U.S. dollar relative to the other foreign currencies in which we transact business would not materially affect operating income of our non U.S. operating units for the year ended December 31, 2023. This sensitivity analysis has inherent limitations. The analysis disregards the possibility that rates of multiple foreign currencies will not always move in the same direction relative to the value of the U.S. dollar over time and does not account for foreign exchange derivatives that we utilize to mitigate fluctuations in exchange rates.

In addition, we enter into certain purchase commitments for materials that, although denominated in U.S. dollars, are linked to foreign currency valuations. These commitments generally contain a range for which the price of materials may fluctuate over time given the value of a foreign currency.

The translation of the assets and liabilities of our non-U.S. dollar denominated operations is made using local currency exchange rates as of the end of the year. Translation adjustments are not included in determining net income but are disclosed in Accumulated Other Comprehensive Income ("AOCI") within shareholders' equity on the Consolidated Balance Sheets until a sale or substantially complete liquidation of the net investment in the subsidiary takes place. In certain markets, we could recognize a significant gain or loss related to unrealized cumulative translation adjustments if we were to exit the market and liquidate our net investment. As of December 31, 2023, cumulative net currency translation adjustments decreased shareholders' equity by $4.0 million.

We monitor and strive to manage risk related to foreign currency exchange rates. Exposures that cannot be naturally offset within a local entity to an immaterial amount are often hedged with foreign exchange derivatives or netted with offsetting exposures at other entities. We cannot predict future changes in foreign currency movements and fluctuations that could materially impact earnings.

Interest Rate Risk

We are exposed to interest rate changes primarily as a result of interest income earned on our investment of cash on hand and interest expense on borrowings. We have in the past, and may in the future, enter into certain derivative financial instruments related to the management of interest rate risk, when available on a cost-effective basis. These instruments are managed on a consolidated basis to efficiently net exposures and thus take advantage of any natural offsets. Gains and losses on hedging transactions are offset by gains and losses on the underlying exposures being hedged. We do not use derivative financial instruments for speculative purposes. A 1% increase in interest rates would result in approximately $3.6 million of additional annual interest expense in 2024.

Inflation Risk

Inflationary factors such as increases in the cost of our products and overhead costs may adversely affect our operating results. A high rate of inflation in the future may have an adverse effect on our ability to maintain current levels of gross margin and selling and administration expenses if the selling prices of our products do not increase with these increased costs. We manage the impact of inflation through pricing and supply chain cost reduction and optimization initiatives. Refer to Note 11 for further information regarding our derivative instruments and hedging activities.

ACCOUNTING RECORDS

The directors are responsible for ensuring that we keep proper accounting records and appropriate accounting systems. On a periodic basis, regular reports, certifications and attestations on our financial matters, internal control and fraud are made to the Audit Committee of the Board of Directors, who in turn, briefs the full Board of Directors on these matters. These measures ensure the compliance with requirements of Section 281 to

285 of the Companies Acts 2014. The accounting records of Perrigo Company plc are maintained at our registered offices located at The Sharp Building, 10-12 Hogan Place, Dublin 2, Ireland.

SIGNIFICANT EVENTS SINCE YEAR END

Subsequent events have been evaluated through March 12, 2024, the date this report was approved by the Audit Committee of the Board of Directors and the Board of Directors. Refer to Note 25 to the Consolidated Financial Statements for any disclosures related to subsequent events.

DIRECTORS' INTEREST IN SHARES

No director, secretary or any member of their immediate families had any interest in shares or debentures of any subsidiary. Directors' remuneration is set forth in Note 23 to the Consolidated Financial Statements. The interest of the directors and our secretary, who held office at December 31, 2023 in ordinary share capital of Perrigo Company plc are as follows:

	December 31, 2023			December 31, 2022		
	Ordinary shares	Stock options	Restricted share units	Ordinary shares	Stock options	Restricted share units
Directors [6]						
Bradley A. Alford	31,453	—	8,764	27,409	—	7,778
Orlando D. Ashford	10,037	—	10,955	4,982	—	9,723
Katherine C. Doyle	10,406	—	8,764	6,362	—	7,778
Donal O'Connor[1]	22,128	—	8,764	18,084	—	7,778
Julia Brown [2]	—	—	—	—	—	—
Geoffrey Parker[3]	47,084	—	8,764	28,040	—	7,778
Jeffrey B. Kindler	18,450	—	8,764	14,406	—	7,778
Adriana Karaboutis	17,922	—	8,764	13,878	—	7,778
Erica L. Mann	12,901	—	8,764	8,857	—	7,778
Albert Manzone[4]	2,848	—	8,764	—	—	5,478
Patrick Lockwood-Taylor[5]	11,000	—	84,977	—	—	—
Secretary						
Kyle Hanson	8,766	—	15,904	—	—	17,761

(1) Shares owned by Mr. O'Connor at December 31, 2023 include 1,198 shares in an approved retirement fund.

(2) Ms. Brown joined the Board on November 1, 2023. Upon joining the Board, Ms. Brown held no shares.

(3) Shares owned by Mr. Parker at December 31, 2023 include 25,879 shares in a revocable trust, of which Mr. Parker and his spouse are the trustees, and 5,500 shares in the Geoffrey Parker Roth IRA.

(4) Mr. Manzone joined the board on July 30, 2022. Upon joining the board, Mr. Manzone held no shares.

(5) Mr. Lockwood-Taylor joined the Board on June 30, 2023. Upon joining the Board, Mr. Lockwood-Taylor held no shares.

(6) Mr.O'Connor is an Irish resident, all other directors are non resident.

(7) Mr. Theodore R. Samuels left the Board on May 4, 2023 and Mr. Murray Kessler left the Board on June 30, 2023 and therefore their interests are not presented as they were not directors as of December 31,2023.

POLITICAL DONATIONS

No political contributions that require disclosure under Irish law were made during the twelve months ended December 31, 2023.

DIVIDENDS

Dividend payments were $149.7 million during the twelve months ended December 31, 2023 and $142.4 million during the twelve months ended December 31, 2022. On February 26 2024, we declared a quarterly cash dividend of $0.276 per share to shareholders of record payable on March 26 2024. We expect that we will continue to pay dividends comparable to this amount to holders of our ordinary shares. The timing, declaration and payment of future dividends to holders of our ordinary shares, however, will depend upon many factors, including the statutory requirements of Irish law, our earnings and financial condition, the capital requirements of our business, industry practice and any other factors deemed relevant.

RESEARCH AND DEVELOPMENT

The Company is involved in research and development activities and we incurred $122.5 million and $123.1 million of research and development costs that were expensed during the twelve months ended December 31, 2023 and December 31, 2022, respectively.

SUBSIDIARY COMPANIES AND BRANCHES

Information regarding subsidiary undertakings, including information regarding branches, is provided in Note 26.

GOING CONCERN

The directors have adopted going concern basis in preparing the financial statements. In making this assessment, the directors considered available cash at bank and in hand, available credit in the form of undrawn $1.0 billion Revolver facility and the free cashflows generated from the Group's operations. Accordingly, the directors have a reasonable expectation that the Company and Group have adequate resources to continue in operational existence for a period of at least twelve months from the date of approval of the financial statements.

AUDIT COMMITTEE

Pursuant to the Company’s Articles of Association the Board had established in December 2013 an Audit Committee that in all material respects meets the requirements of Section 167 of the Companies Act 2014 (the “Audit Committee”). Pursuant to the Articles of Association on the Company’s Corporate Governance Guidelines the Audit Committee was fully constituted and active during the current and prior financial periods under review in the Financial Statements.

COMPLIANCE STATEMENT

The Directors acknowledge that they are responsible for securing compliance by the Company with its Relevant Obligations as defined in the Companies Act, 2014 (hereinafter called the Relevant Obligations).

The Directors confirm that they have drawn up and adopted a compliance policy statement setting out the Company's policies that, in the Directors' opinion, are appropriate to the Company in respect of its compliance with its Relevant Obligations.

The Directors further confirm the Company has put in place appropriate arrangements or structures that are, in the Directors' opinion, designed to secure material compliance with its Relevant Obligations and that they have reviewed the effectiveness of these arrangements or structures during the financial period to which this Report relates.

OTHER NON-FINANCIAL DISCLOSURES

These other non-financial disclosures are included for the purpose of addressing Statutory Instrument 360/2017 European Union (Disclosure of Non-Financial and Diversity Information by Certain Large Undertakings and Groups) Regulations 2017. The Company monitors and tracks non-financial key-performance indicators on an ongoing basis. The Company updates the Board of Directors regarding these metrics and the application and outcome of these policies, including that they are operating as intended and no material issues or incidents were identified during the year under review. Further details of our non financial disclosure metrics are reported in the 2023 Sustainability & ESG Report and is located on the Company's website at: www.perrigo.com.

Perrigo's business model

Perrigo's business model is presented in the 'Competitive Advantage' and 'Who we are' sections of this Directors' Report.

Key performance indicators

Perrigo has identified non-financial key performance indicators in areas which we believe are relevant to the Company. Our vision is *to make lives better by bringing Quality, Affordable Self-Care Products that consumers trust everywhere they are sold.* This vision embodies Perrigo's heritage of supporting consumer well-being, while broadening the opportunities for growing our consumer self-care branded and store brand portfolio. We define self-care as not just treating symptoms, but also maintaining and enhancing overall health and wellness.Non-financial key performance indicators have been identified in respect of environmental targets, health and safety metrics, community engagement initiatives, and employee ethics and compliance certifications as described below.

Environmental matters

Our facilities and operations are subject to various environmental laws and regulations. We undergo periodic internal audits related to environmental, health, and safety requirements in order to maintain compliance with applicable laws and regulations in each jurisdiction where we operate. We have made, and continue to make, expenditures necessary to comply with applicable environmental laws; however, we do not believe that the costs for complying with such laws and regulations have been or will be material to our business. We do not have any material remediation liabilities outstanding.

We're committed to having Net Zero carbon emissions in our operations by 2040. As part of our climate strategy, we're in the process of integrating transitional and physical climate risks into our business strategy and disclosure efforts. We recognize that climate risks may pose potential threats but also offer long term opportunities. We are dedicated to advancing the tools and methodologies for assessing climate impacts, tracking progress in reducing greenhouse gas emissions, and evaluating potential climate-driven risks to our business strategy.

Social and employee matters

Perrigo monitors the development, performance, position and impacts of its activity on social and workforce matters.

Our associates are the foundation of our business and we are firmly committed to providing a culture that not just encourages, but empowers their health and well-being, work/life balance, learning and growth, respect for each other, sense of purpose and overall engagement. Launched in 2016, Perrigo's HEALTHYyou well-being program continues to support all U.S. colleagues and their medically insured spouses as they navigate their own self-care and well-being journeys. HEALTHYyou program offerings address the six dimensions of well-being. In 2023, the program added new features, such as engagement channels to allow those with similar interests to support each other; system-generated recommendations on topics, tips, articles, webinars, and more based on an individual's activities, well-being assessment and additional content offered monthly to educate, engage, and empower all colleagues. We are pleased that for the sixth year in a row, the HEALTHYyou well-being program was awarded the Best and Brightest in Wellness™ Award, which recognizes employers for quality and excellence in driving health awareness and promoting a culture of wellness within their workplace and community.

Embracing our diverse workforce, focusing on equity, and promoting inclusion also remain core commitments. Perrigo has a clear three-year diversity, equity, and inclusion (DEI) strategy that focuses on building

inclusive mindsets, managing talent equitably and enabling leaders and embedding accountability. Our recent DEI initiatives focused on International Women's Day, Being Curious About Racial Diversity, Pride month, Belonging, and U.S. Veterans day.

Perrigo's overarching DEI theme focuses on growing belonging where all colleagues feel welcomed, valued, respected and heard in the workplace. Our core values of integrity, respect, responsibility, and curiosity, our code of conduct, and our commitment embracing DEI helps us create an environment where everyone can thrive.

From job satisfaction, to skill development, to work/life balance, understanding what engages colleagues, and keeps them engaged, is a core element of Perrigo's talent strategy. Perrigo seeks to keep colleagues engaged and satisfied through a number of different ways including: competitive and equitable compensation, a safe work environment, flexible work arrangements, world-class associate development programs, self-care and well-being programs, and creating an empowering, positive and inclusive culture. Perrigo measures colleague satisfaction through frequent global engagement surveys, which captures the anonymous input of all colleagues on a number of different topics as well as holding associate listening sessions. Perrigo is proud of our corporate culture. TOGETHER, we make lives better.

Health and Safety

Perrigo is committed to the safety, health, and well-being of its associates and it is our most important responsibility. The Perrigo corporate EHS strategy helps to drive consistency and reduce inherent risk across all our global manufacturing operations. The EHS strategy identifies and enhances compliance assurance, management systems and culture related elements to drive improvements in the operating culture. This strategy uses a management system that contains a combination of leading and lagging indicator metrics to promote and monitor continuous improvement activities. These leading indicators drive employee engagement and risk reduction activities by promoting a reporting culture, that identifies and reduces risk.

We are proactive in our approach to safety, working to eliminate hazards before causing injury or harm. We set specific safety standards to identify and manage critical risks that can lead to serious injuries and fatalities (SIF). We will continue to try to identify and eliminate these types of risks using new tools and technology to implement appropriate control measures. Perrigo has started to implement human and organizational performance(HOP) processes and tools to address these risks in our operations. We are committed to our goal to create a 100% safe work environment for our team members.

We are subject to a broad range of foreign, federal, state and local laws and regulations relating to occupational safety and health, and our safety program includes measures required to meet compliance requirements. The Company continuously evaluates opportunities to improve safety and health and evaluating compliance with all regulatory requirements in the jurisdictions that we operate in.

Community engagement

As a philanthropic leader in the community, we strive to foster a culture that makes lives better, not only through our products, but through our actions. We believe community engagement can directly benefit our associates by developing professional skills and networks, while also building morale. It can help ensure students and young adults are prepared appropriately to enter the work force and helps us find new talent. In short, knowing that we've been an engaged contributor to a vibrant community is not only good for morale, but it's just good business. Established in 2000, the Perrigo Company Charitable Foundation is a private, nonprofit organization wholly funded by Perrigo Company plc. As the philanthropic arm of the company, the Perrigo Foundation supports initiatives that promote investments in the communities where Perrigo operates, as well as donation matching, scholarship programs, disaster relief, and charitable donations to incent associates to volunteer their own time. The Perrigo Foundation's mission to make lives better in the communities we serve is an extension of our company's self-care vision. The foundation is globally aligned, and largely focused on healthcare, education and supporting the underserved. Perrigo monitors the value of donations and the number of volunteer hours as a non-financial key performance indicator.

Respect for human rights

Respecting human rights is a Perrigo core value and one that we expect our business partners to share. We have developed processes and policies, including our Code of Conduct, Supplier Ethical Standards, and Modern Slavery and Human Trafficking Statement to support our Core Values. Perrigo has a zero-tolerance stance, not just for modern slavery and human trafficking, but any form of human rights abuse. We are committed to ensuring we maintain robust programs and procedures to protect our people and prevent such abuse through our supply chain. Perrigo's Code of Conduct and Supplier Ethical Standards expressively prohibit the use of forced, imprisoned, bonded, indentured or involuntary labor including child labor. Other requirements include safe and clean working conditions, fair wages and no discrimination. To ensure our stringent standards are met, Perrigo monitors activities through on-site inspections, signed supplier agreements, certifications and third-party assessments. We provide training to employees on these key policies.

Bribery and corruption

Perrigo is committed to conducting business according to ethical and legal standards and complying with anti-bribery and anti-corruption laws and regulations of the countries in which we operate. The Perrigo Code of Conduct and Anti-Corruption policy help our employees act with integrity and safeguard our company's reputation by describing the responsibility our employees have for adherence to ethical and legal standards. Perrigo employees certify compliance with our Code of Conduct and corporate policies and complete required ethics and compliance trainings which is a non-financial key performance indicator of the Company. We also have a whistleblower hotline where employees can anonymously (where allowed by local data protection regulations) submit concerns. All personnel are encouraged to speak up safely without fear of retaliation. These key governance processes and supporting policies guide our actions accordingly.

Due diligence

Our Global Compliance & Privacy, Legal, Human Resources, Procurement, Corporate Social Responsibility Departments and our Executive Officers are monitoring the risks, policies and procedures, and compliance of the other non-financial matters described above. However, strong corporate governance at Perrigo starts with our Board of Directors, which has ultimate oversight responsibility.

Privacy

Perrigo recognizes that the Personal Data it receives is held in a position of trust. Perrigo seeks to fulfil that trust by following the Data Protection principles and applicable regulations it is subject to (GDPR, CCPR, etc.). The Privacy Notice on all Perrigo websites explains how and why Perrigo collects, stores, uses, and shares Personal Data and provides information on how individuals can exercise their privacy rights.

RELEVANT AUDIT INFORMATION

The directors hereby individually and collectively acknowledge, that so far as each director is aware, there is no Relevant Audit Information of which the Company's statutory auditors are unaware; and that he or she has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any Relevant Audit Information and to establish that the Company's statutory auditors are aware of that information.

AUDITORS

In accordance with Section 383(2) of the Companies Act 2014, the auditor, Ernst & Young, Chartered Accountants, will continue in office.

On behalf of the Directors:

/s/ Patrick Lockwood-Taylor

Patrick Lockwood-Taylor

Chief Executive Officer

/s/ Donal O'Connor

Donal O'Connor

Director, Audit Committee Chair

March 12, 2024

DIRECTORS' RESPONSIBILITIES STATEMENT

Company law in the Republic of Ireland requires the Directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Parent Company and of the Group and of the profit or loss of the Group for that period.

In preparing the financial statements of the Company and Group, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- comply with applicable U.S. generally accepted accounting principles to the extent that the use of U.S. generally accepted accounting principles does not contravene any provision of Part 6 of the Companies Act 2014, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company and Group will continue in business.

The considerations set out above for the Group are also required to be addressed by the Directors in preparing the financial statements of the Parent Company (which are set out on pages 128 to 141), in respect of which the applicable accounting standards are those which are generally accepted in the Republic of Ireland.

While the financial statements of the Group are prepared in accordance with U.S. generally accepted accounting principles (U.S. GAAP), the Directors have elected to prepare the Parent Company's financial statements in accordance with accounting standards issued by the Financial Reporting Council including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (Generally Accepted Accounting Practice in Ireland).

Under company law the directors must not approve the financial statements unless they are satisfied they give a true and fair view of the assets, liabilities and financial position, of the group and parent company as at the end of the financial period, and the profit or loss for the group for the financial period, and otherwise comply with Companies Act 2014.

The Directors are responsible for keeping accounting records which disclose with reasonable accuracy the assets, liabilities, financial position and profit and loss of the Parent Company and which enable them to ensure that the financial statements of the Group are prepared in accordance with applicable U.S. generally accepted accounting principles and comply with the provisions of the Companies Acts 2014. They are also responsible for safeguarding the assets of the Company and Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Board of Directors on March 12, 2024, and signed on its behalf by;

/s/ Patrick Lockwood-Taylor	/s/ Donal O'Connor
Patrick Lockwood-Taylor	Donal O'Connor
Chief Executive Officer	Director, Audit Committee Chair

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PERRIGO COMPANY PLC

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Perrigo Company plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2023 which comprise the Consolidated Profit and Loss Account, the Consolidated Statement of Comprehensive Income/(loss), the Consolidated Balance Sheet, the Consolidated Statement of Shareholders' Equity, the Consolidated Statement of Cash Flows, the Parent Company Statement of Comprehensive Income (loss), the Parent Company Balance Sheet, the Parent Company Statement of Shareholders' Equity, the related notes 1 to 26 in respect of the Group financial statements and the related notes 1 to 14 in respect to the Parent Company financial statements, including a summary of significant accounting policies as set out therein. The financial reporting framework that has been applied in the preparation of the Group financial statements is Irish law and United States Generally Accepted Accounting Principles (U.S. GAAP) issued in the United States of America by the Financial Accounting Standards Board, as defined in section 279 of Part 6 of the Companies Act 2014, to the extent that the use of those principles in the preparation of the financial statements does not contravene any provision of that Part of the Companies Act 2014. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable Irish law and accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* issued in the United Kingdom by the Financial Reporting Council (Irish Generally Accepted Accounting Practice).

In our opinion:

- the Group financial statements give a true and fair view of the assets, liabilities and financial position of the Group as at 31 December 2023 and of its loss for the year then ended, and have been properly prepared in accordance with U.S. Generally Accepted Accounting Principles (U.S. GAAP), as defined in section 279 of Part 6 of the Companies Act 2014, to the extent that the use of those principles in the preparation of the financial statements does not contravene any provision of that Part of the Companies Act 2014;

- the Parent Company financial statements gives a true and fair view of the assets, liabilities and financial position of the Parent Company as at 31 December 2023, and has been properly prepared in accordance with *FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and

- the Group financial statements and Parent Company financial statements have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) ('ISAs (Ireland)') and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group and the Parent Company in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority ('IAASA'), as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PERRIGO COMPANY PLC (Continued)

Conclusions relating to going concern

In auditing the financial statements, we concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the Group and Parent Company's ability to continue to adopt the going concern basis of accounting included:

- In conjunction with our walkthrough of the Group's and Parent Company's financial close process, we confirmed our understanding of management's Going Concern assessment process and ensured all key factors were considered in their assessment;
- We obtained and evaluated management's going concern assessment and the cashflow forecast for the going concern period which covers at least a period of 12 months from the date the financial statements are authorised for issue. The assessment included an analysis of the Group's cash position and historical and current year cash provided by operations;
- We considered available cash at bank and in hand, the free cashflows generated from the Group's operations and as well as the funding available under the Group's $1.0 billion revolver credit facility;
- The Parent Company has net current liabilities of $4,916.2 million of which $4,939.4 million is payable to a group undertaking which confirmed, subsequent to year end, that it will not call upon the loan for repayment for a period of at least 12 months from the date the financial statements are authorised for issue;
- The Group and the Parent Company are currently in compliance with all debt covenants and based on the current forecasts will remain in compliance for the going concern assessment period; and
- We reviewed the Group's and Parent Company's going concern disclosures included in the annual report in order to assess that the disclosures were appropriate.

Based on the above, we observed that the Group and Parent Company has the operating flexibility, cash flow, cash and cash equivalents and access to credit facility to meet future operating needs of the business.

Conclusion

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group and the Parent Company's ability to continue as a going concern.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PERRIGO COMPANY PLC (Continued)

GROUP AUDIT MATTERS

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Valuation of Goodwill for the CSCI Reporting Unit (2023 total Goodwill of $1,448.2 million, 2022 comparative $1,446.0 million) **Refer to the Summary of significant accounting policies (pages 66 to 67); and Note 9 of the Consolidated Financial Statements (page 81).** Goodwill is not amortized but rather is tested for impairment at least annually at the reporting unit level. The Group's goodwill is initially assigned to its reporting units as of the acquisition date. Auditing management's goodwill impairment test for the CSCI reporting unit was complex due to the significant measurement uncertainty in determining the fair value of the reporting unit. In particular, the fair value estimate was sensitive to significant assumptions such as revenue growth rates, projected margins, and discount rate, which are affected by expected future market or economic conditions.	We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over the Group's goodwill impairment assessment process. For example, we tested controls over the Group's forecast process as well as controls over management's review of the significant assumptions. To test the fair value of the Group's CSCI reporting unit, our audit procedures included, among others, assessing methodologies used and testing the significant assumptions as well as the completeness and accuracy of the underlying data used by the Group. For example, we compared the significant assumptions used by management to current industry and economic trends, changes in the Group's business model, customer base or product mix and other relevant factors. We performed sensitivity analyses of the significant assumptions to evaluate the change in the fair value of the reporting unit resulting from changes in the assumptions. We also reviewed the reconciliation of the fair value of the reporting units to the market capitalization of the Group and evaluated the implied control premium. We also assessed the historical accuracy of the significant assumptions used by management to determine the fair value of its reporting units. The evaluation of the Group's methodology and significant assumptions was performed with the assistance of our valuation specialists.	Our observations included the excess of carrying value at 31 December 2023 over the fair value and the resultant impairment charge of $90 million for the year ended 31 December 2023, our conclusions on the Group's internal controls over the forecast process as well as controls over management's review of the significant assumptions, our evaluation of the reasonableness of the key assumptions used in the fair value estimation process and the market capitalisation reconciliation.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PERRIGO COMPANY PLC (Continued)

GROUP AUDIT MATTERS (continued)

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Uncertain tax positions (2023 total value of $239.3 million, 2022 comparative $331.6 million) Refer to the Summary of significant accounting policies (page 67 to 68); and Note 19 of the Consolidated Financial Statements (page 104). The Group operates in multiple jurisdictions with complex tax policy and regulatory environments and establishes reserves for uncertain tax positions in accordance with the accounting guidance governing uncertainty in income taxes. Uncertainty in a tax position may arise because tax laws are subject to interpretation. The Group uses significant judgment to (1) determine whether, based on the technical merits, a tax position is more likely than not to be sustained and (2) measure the amount of tax benefit that qualifies for recognition. Auditing the measurement of the Group's uncertain tax positions is challenging because the evaluation of whether a tax position is more likely than not to be sustained and the measurement of the benefit of various tax positions can be complex, involves significant judgment, and is based on interpretations of tax laws and legal rulings.	We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over the Group's accounting process for uncertain tax positions. For example, we tested controls over management's identification of uncertain tax positions and its application of the recognition and measurement principles for uncertain tax positions. Our audit procedures included, among others, assessing the Group's correspondence with the relevant tax authorities and evaluating income tax opinions or other third-party advice obtained by the Group. To test the Group's assessment and measurement of uncertain tax positions, we involved our tax professionals to assess whether the uncertain tax positions identified by the Group are more-likely-than-not to be sustained upon audit and, if so, to assist in testing the assumptions made by the Group in measuring the amount of tax benefit that qualifies for recognition. We also used our knowledge of, and experience with, the application of domestic and international income tax laws by the relevant income tax authorities to evaluate the Group's assessments of whether the uncertain tax position is more-likely-than-not to be sustained and, if so, the potential outcomes that could occur upon an audit by a taxing authority. We tested the completeness and accuracy of the data and calculations used to determine the amount of tax benefit to recognize. We also evaluated the adequacy of the Group's disclosures to the consolidated financial statements in relation to these matters.	Our observations included our evaluation of the Group's accounting policy and reasonableness of estimates in this area, our use of tax subject matter experts, and our conclusions on the Group's internal controls over the accounting for uncertain tax positions. Our observations also included an assessment of the Group's evaluation of whether they met the measurement threshold and on the advice the Group obtained.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PERRIGO COMPANY PLC (Continued)

GROUP AUDIT MATTERS (continued)

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Revenue recognition within the Perrigo PMI entity and in consolidation through non-routine manual adjustments to gross revenue (2023 total revenue recognised of $4,655.6 million, 2022 comparative $4,451.6 million) Refer to the Summary of significant accounting policies (page 63); and Note 2 of the Consolidated Financial Statements (page 71). The Group generally recognises product revenue for contract performance obligations at a point in time, typically upon shipment or delivery of products to customers. Given the nature of revenue as a key performance indicator and driver of net income, a fraud risk exists that the Group may attempt to maximize revenue within the Perrigo PMI entity and in consolidation through non-routine manual adjustments to gross revenue.	We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over the Group's revenue recognition process. Our audit procedures included extended use of analytics to detect anomalies within the data, analysis of journal entries to specific accounts and testing below our typical threshold. Additionally, we tested shipping cutoff around interim and year-end and reviewed significant revenue contracts. We also performed substantive testing around the key allowances and accruals.	Our observations included a summary of our evaluation of the Group's revenue recognition policies, our evaluation of the Group's internal controls over the Group's revenue recognition process, and conclusion of our audit procedures over revenue recognition and manual revenue journals.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PERRIGO COMPANY PLC (Continued)

PARENT COMPANY AUDIT MATTERS

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Valuation of investments in group undertakings (2023 total value of $11,216.8 million, 2022 comparative $11,135.2 million) Refer to the Accounting policies (page 132); and Note 3 of the Parent Company's balance sheet (page 135). The Parent Company records investments in subsidiaries at cost less permanent diminution in value. The carrying value of the financial assets are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable. Where there are indicators of impairment of investments held by the Parent Company, management performs an impairment test, comparing the carrying value of the investments in subsidiaries with the higher of fair value less cost to sell or value in use. We identified a significant risk of error that the carrying value of investments in subsidiaries may be higher than the recoverable amount in light of the continued competitive environment in which the Group operates. As a result of the Parent Company's impairment review completed during the year, an impairment charge of $768.7 million was recognized.	We tested the design and implementation of key controls addressing the identified audit risks for valuation in investments in subsidiaries. We performed audit procedures to evaluate the appropriateness of management's impairment test. We reviewed the appropriateness of management's value in use calculations, which are based on a discounted cash flow model and the enterprise value for the Group. Our audit procedures included, among others, assessing the methodologies used and testing the significant assumptions and underlying data used by management to prepare the discounted cash flow model. In addition, we engaged our internal valuation specialists to perform an analysis to help us evaluate the work performed by management and their third-party specialists to test the assumptions that are most significant to the discounted cash flow valuation model. We reviewed the reconciliation of the estimated cash flows prepared by management for goodwill valuation purposes to those applied in the valuation of investments. We also reviewed the disclosures made in the financial statements.	Our observations included our evaluation of the reasonableness of key assumptions used in the value in use calculations, our use of specialists and our conclusions on management's design and implementation of internal controls over the valuation of investments in subsidiaries.

In the prior year, we also identified the Acquisition of HRA Pharma as a KAM. Given the complexity and subjectivity involved in the preliminary allocation of the purchase price for this acquisition, primarily relating to estimation uncertainty in determining the fair value of certain identifiable intangible assets, this was identified as a significant risk and was considered as KAM in the prior year. Due to the closing of the measurement period for the transaction in 2023, there are no incremental risks to the current year audit regarding the accounting for the acquisition. As a result, the Acquisition of HRA Pharma is no longer deemed a KAM for 2023 as it did not have a significant effect on the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PERRIGO COMPANY PLC (Continued)

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

Materiality is the magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Group and Parent Company to be $16.0 million (2022: $14 million), which is approximately 1% of the Group's gross profit (2022: 1%). We considered gross profit to be the most appropriate performance metric on which to base our materiality calculation as we consider it to be the most relevant measure to the stakeholders of the Group in the current year.

During the course of our audit, we reassessed initial materiality and, if deemed necessary, adjusted it to reflect any change in materiality basis and actual reported performance of the Group in the year.

Performance materiality

Performance materiality is the application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Group's overall control environment, our judgement was that performance materiality should be set at 75% (2022: 75%) of our planning materiality, being $12.0 million (2022: $10.5 million). We have set performance materiality at this percentage due to our past history of misstatements, our ability to assess the likelihood of misstatements, both corrected and uncorrected, the effectiveness of the control environment and other factors affecting the entity and its financial reporting.

Audit work at component locations for the purpose of obtaining audit coverage over significant financial statement accounts is undertaken based on a percentage of total performance materiality. The performance materiality set for each component is based on the relative scale and risk of the component to the Group as a whole and our assessment of the risk of misstatement at that component. In the current year, the range of performance materiality allocated to components was $2.4 million to $10.0 million.

Reporting threshold

Reporting threshold is the amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of $0.8 million (2022: $0.7 million), which is set at approximately 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PERRIGO COMPANY PLC (Continued)

Audit Scope

- We performed an audit of the complete financial information of 1 full-scope component and performed audit procedures on specific balances for a further 14 components.
- The components where we performed either full or specific audit procedures accounted for 8% of the Group's Revenue and 88% of the Group's total Assets.
- Components represent business units across the Group considered for audit scoping purposes.

An overview of the scope of our audit

Tailoring the scope
Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for each entity within the Group. Taken together, this enables us to form an opinion on the Consolidated Financial Statements. We take into account size, risk profile, the organisation of the Group and effectiveness of group-wide controls, changes in business environment and other factors when assessing the level of work to be performed at each entity.

In assessing the risk of material misstatement to the Group financial statements, and to ensure we had adequate quantitative coverage of significant accounts in the financial statements, of the 128 reporting components of the Group, we selected 16 components covering entities within Americas, Europe and Australia, which represent the principal business units within the Group.

Of the 16 components selected, we performed an audit of the complete financial information of 1 component ("full scope component") which was selected based on size and risk characteristics. For the remaining 15 components ("specific scope" and "specified procedures" components), we performed audit procedures on specific accounts within those components that we considered had the potential for the greatest impact on the significant accounts in the financial statements either because of the size of these accounts or their risk profile.

The reporting components where we performed audit procedures accounted for 79% (2022: 79%) of the Group's gross profit margin, 85% (2022: 86%) of the Group's revenue and 88% (2022: 89%) of the Group's total assets. For the current year, the full scope component contributed 48% (2022: 51%) of the Group's gross profit margin, 61% (2022: 63%) of the Group's revenue and 78% (2022: 81%) of the Group's total assets. The specific scope and specified procedures components contributed 31% (2022: 28%) of the Group's gross profit margin, 23% (2022: 23%) of the Group's revenue and 9% (2022: 9%) of the Group's total assets. The audit scope of these components may not have included testing of all significant accounts of the component but will have contributed to the coverage of significant accounts tested for the Group.

Of the remaining 112 components that together represent 21% (2022: 21%) of the Group's gross profit margin, there is no component which is individually greater than 5% of the Group's gross profit margin. Of the remaining 112 components, we performed other procedures, including assigning 'review scope' to 13 components representing 11% (2022: 11%) of the Group gross profit margin and performing analytical review, testing of consolidation journals and intercompany eliminations and foreign currency translation recalculations to respond to any potential risks of material misstatement to the Group financial statements.

Involvement with component teams

In establishing our overall approach to the Group audit, we determined the type of work that needed to be undertaken at each of the components by us, as the primary audit engagement team, or by component auditors from other EY global network firms operating under our instruction. For all components we determined the appropriate level of involvement to enable us to determine that sufficient audit evidence had been obtained as a basis for our opinion on the Group as a whole. The primary team interacted with the component teams where appropriate during various stages of the audit, reviewed key working papers and were responsible for the scope and direction of the audit process. This, together with the additional procedures performed at a group level, gave us appropriate evidence for our opinion on the consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PERRIGO COMPANY PLC (Continued)

Other information

The directors are responsible for the other information. The other information comprises the information included in the Directors' Report and Directors' Responsibilities Statement other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by the Companies Act 2014

In our opinion, based solely on the work undertaken in the course of the audit, we report that:

- the information given in the directors' report, other than those parts dealing with the non-financial statement pursuant to the requirements of the European Union (Disclosure of non-financial and diversity information by certain large undertakings and groups) Regulations 2017 (as amended) on which we are not required to report, for the financial year for which the statutory financial statements are prepared is consistent with the statutory financial statements in respect of the financial year concerned; and
- the directors' report, other than those parts dealing with the non-financial statement pursuant to the requirements of the European Union (Disclosure of non-financial and diversity information by certain large undertakings and groups) Regulations 2017 (as amended) on which we are not required to report, has been prepared in accordance with applicable legal requirements.

We have obtained all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

In our opinion the accounting records of the Parent Company were sufficient to permit the financial statements to be readily and properly audited and the Parent Company Balance Sheet is in agreement with the accounting records.

Matters on which we are required to report by exception

Based on our knowledge and understanding of the Group and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by sections 305 to 312 of the Act, which relate to disclosures of directors' remuneration and transactions, are not complied with by the Company. We have nothing to report in this regard.

We have nothing to report in respect of section 13 of the European Union (Disclosure of non-financial and diversity information by certain large undertakings and groups) Regulations 2017, which require us to report to you if, in our opinion, the group has not provided in the non-financial statement the information required by Section 5(2) to (7) of those Regulations, in respect of year ended December 31, 2022.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PERRIGO COMPANY PLC (Continued)

Respective responsibilities

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set on page 43, the directors are responsible for the preparation of the financial statements in accordance with the applicable financial reporting framework that give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud, that could reasonably be expected to have a material effect on the financial statements. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. In addition, the further removed any non-compliance is from the events and transactions reflected in the financial statements, the less likely it is that our procedure will identify such non-compliance. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the company and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group across the various jurisdictions globally in which the Group operates. We determined that the most significant are those that relate to the form and content of external financial and corporate governance reporting including company law, tax legislation, employment law and regulatory compliance with agencies such as the US Food and Drug Administration.

- We understood how the Group is complying with those frameworks by making enquiries of management, internal audit, those responsible for legal and compliance procedures and the General Counsel. We corroborated our enquiries through our review of the Group's Compliance Policies, board minutes, papers provided to the Audit Committee and correspondence received from regulatory bodies

- We assessed the susceptibility of the Group's financial statements to material misstatement, including how fraud might occur, by meeting with relevant management, including within various parts of the business, to understand where they considered there was susceptibility to fraud. We also considered performance targets and the potential for management to influence earnings or the perceptions of analysts. Where this risk was considered to be higher, we performed audit procedures to address the identified fraud risk. These procedures included testing manual journals and were designed to provide reasonable assurance that the financial statements were free from fraud or error

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PERRIGO COMPANY PLC (Continued)

- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures included a review of board minutes to identify any non-compliance with laws and regulations, a review of the reporting to the Audit Committee on compliance with regulations, enquiries of internal and external legal counsel and management

A further description of our responsibilities for the audit of the financial statements is located on the IAASA's website at: http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf. This description forms part of our auditor's report.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Parent Company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Breffni Maguire
For and on behalf of Ernst & Young
Chartered Accountants and Statutory Audit Firm

Dublin
13 March 2024

CONSOLIDATED PROFIT AND LOSS ACCOUNT
(in millions, except per share amounts)

	Note	Year Ended December 31, 2023	Year Ended December 31, 2022
Net sales	2	$ 4,655.6	$ 4,451.6
Cost of sales		2,975.2	2,996.2
Gross profit		1,680.4	1,455.4
Operating expenses			
Distribution		110.5	113.0
Research and development		122.5	123.1
Selling		641.8	584.8
Administration		522.3	512.3
Impairment charges	9	90.0	—
Restructuring	20	42.2	42.5
Other operating (income) expense, net		(0.8)	0.8
Total operating expenses		1,528.5	1,376.5
Operating income		151.9	78.9
Interest expense, net	13	173.8	156.0
Other (income) expense, net		(10.4)	53.1
(Gain) loss on extinguishment of debt	13	(3.2)	8.9
Income (loss) from continuing operations before income taxes		(8.3)	(139.1)
Income tax (benefit) expense	19	(3.9)	(8.2)
Income (loss) from continuing operations		(4.4)	(130.9)
Income (loss) from discontinued operations, net of tax		(8.3)	(9.7)
Net income (loss)		$ (12.7)	$ (140.6)
Earnings (loss) per share			
Basic			
Continuing operations		$ (0.03)	$ (0.97)
Discontinued operations		$ (0.06)	$ (0.07)
Basic earnings (loss) per share		$ (0.09)	$ (1.04)
Diluted			
Continuing operations		$ (0.03)	$ (0.97)
Discontinued operations		$ (0.06)	$ (0.07)
Diluted earnings (loss) per share		$ (0.09)	$ (1.04)
Weighted-average shares outstanding			
Basic		135.3	134.5
Diluted		135.3	134.5
Dividends declared per share		$ 1.09	$ 1.04

See accompanying Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (LOSS)
(in millions)

	Note	Year Ended December 31, 2023	Year Ended December 31, 2022
Net income (loss)		$ (12.7)	$ (140.6)
Other comprehensive income (loss):			
Foreign currency translation adjustments	18	54.6	(126.0)
Change in fair value of derivative financial instruments [(1)]	18	(7.4)	46.5
Change in post-retirement and pension liability	18	(9.5)	17.0
Other comprehensive income (loss), net of tax		37.7	(62.5)
Comprehensive income (loss)		$ 25.0	$ (203.1)

(1) Net of tax of $(7.2) million and $13.1 million respectively.

See accompanying Notes to Consolidated Financial Statements.

CONSOLIDATED BALANCE SHEET
(in millions)

Assets	Note	December 31, 2023	December 31, 2022
Fixed assets			
Goodwill and indefinite-lived intangible assets	9	3,534.4	$ 3,549.0
Definite-lived intangible assets, net	9	2,980.8	3,230.2
Property, plant and equipment, net	7	916.4	926.3
Investment in associates	6	60.1	63.4
Pension assets	15	27.7	32.4
Financial assets		233.7	249.9
Lease assets	8	197.3	239.1
Current assets			
Inventories	5	1,140.9	1,150.3
Debtors	12	966.4	975.9
Investment securities	6	0.1	0.1
Cash at bank and in hand		751.3	600.7
Total assets		$ 10,809.1	$ 11,017.3
Liabilities			
Shareholders' equity	16		
Called up share capital			
Ordinary shares, €0.001 par value, 10 billion shares authorized		0.2	$ 0.2
Share premium		8,565.7	8,565.7
Profit and loss account		(4,238.0)	(4,075.6)
Other reserves	18	440.0	351.8
Total shareholders' equity		4,767.9	4,842.1
Provision for liabilities			
Deferred income taxes	19	262.3	368.2
Other provisions	20	79.2	87.2
Creditors			
Debt	13	4,073.4	4,106.6
Creditors	14	1,626.3	1,613.2
Total for provisions and creditors		6,041.2	6,175.2
Total liabilities and shareholders' equity		$ 10,809.1	$ 11,017.3

See accompanying Notes to Consolidated Financial Statements.

The consolidated Financial Statements were approved by the Audit Committee of the Board of Directors and the Board of Directors on March 12, 2024, and signed on its behalf by;

/s/ Patrick Lockwood-Taylor

Patrick Lockwood-Taylor

Chief Executive Officer

/s/ Donal O'Connor

Donal O'Connor

Director, Audit Committee Chair

CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY
(in millions, except per share amounts)

	Called up share capital					
	Shares	Amount	Share Premium	Other Reserves	Profit and Loss Account	Total
Balance at December 31, 2021	**133.8**	**0.2**	**8,565.7**	**378.4**	**(3,792.6)**	**5,151.7**
Net loss	—	—	—	—	(140.6)	(140.6)
Other comprehensive loss	—	—	—	(62.5)	—	(62.5)
Issuance of common stock under:						
Restricted stock plan	1.4	—	—	—	—	—
Compensation for restricted stock	—	—	—	54.9	—	54.9
Cash dividends, $1.04 per share	—	—	—	—	(142.4)	(142.4)
Shares withheld for payment of employee's withholding tax liability	(0.5)	—	—	(19.0)	—	(19.0)
Balance at December 31, 2022	**134.7**	**$ 0.2**	**$ 8,565.7**	**$ 351.8**	**$ (4,075.6)**	**$ 4,842.1**
Net loss	—	—	—	—	(12.7)	(12.7)
Other comprehensive loss	—	—	—	37.7	—	37.7
Issuance of common stock under:						
Restricted stock plan	1.3	—	—	—	—	—
Compensation for restricted stock	—	—	—	68.8	—	68.8
Cash dividends, $1.09 per share	—	—	—	—	(149.7)	(149.7)
Shares withheld for payment of employee's withholding tax liability	(0.5)	—	—	(18.3)	—	(18.3)
Balance at December 31, 2023	**135.5**	**$ 0.2**	**$ 8,565.7**	**$ 440.0**	**$ (4,238.0)**	**$ 4,767.9**

See accompanying Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
(in millions

	Year Ended	
	December 31, 2023	December 31, 2022
Cash Flows From (For) Operating Activities		
Net income (loss)	$ (12.7)	$ (140.6)
Adjustments to derive cash flows:		
Depreciation and amortization	359.5	338.6
Impairment charges	90.0	—
Share-based compensation	68.8	54.9
Restructuring charges	41.1	42.5
Amortization of debt discount (premium)	2.3	(0.7)
Foreign currency remeasurement loss	—	39.4
Gain on sale of assets	(4.1)	—
Deferred income taxes	(106.6)	(50.5)
Other non-cash adjustments, net	25.7	3.7
Subtotal	464.0	287.3
Increase (decrease) in cash due to:		
Accounts receivable	(57.1)	0.1
Inventories	19.4	(76.7)
Prepaid expenses and other current assets	47.5	25.9
Accounts payable	(65.9)	100.3
Payroll and related taxes	(52.8)	(38.2)
Accrued customer programs	23.2	11.2
Accrued liabilities	6.6	10.1
Accrued income taxes	(12.9)	(47.9)
Other operating, net	33.5	35.2
Subtotal	(58.5)	20.0
Net cash from operating activities	405.5	307.3
Cash Flows From (For) Investing Activities		
Proceeds from royalty rights	19.8	3.3
Acquisitions of businesses, net of cash acquired	—	(2,011.4)
Asset acquisitions (sales), net	4.4	25.5
Settlement of acquisition-related foreign currency derivatives	—	61.7
Additions to property, plant and equipment	(101.7)	(96.4)
Net proceeds from sale of businesses	—	58.7
Net cash (for) from investing activities	(77.5)	(1,958.6)
Cash Flows From (For) Financing Activities		
Issuances of long-term debt	295.1	1,587.3
Payments on long-term debt	(325.3)	(970.6)
Premiums on early debt retirement	—	(12.2)
Payments for debt issuance costs	—	(20.9)
Cash dividends	(149.7)	(142.4)
Other financing, net	(7.3)	(19.6)
Net cash (for) from financing activities	(187.2)	421.6
Effect of exchange rate changes on cash and cash equivalents	9.8	(48.9)
Net increase (decrease) in cash and cash equivalents	150.6	(1,278.6)
Cash and cash equivalents of continuing operations, beginning of period	600.7	1,864.9
Cash and cash equivalents held for sale, beginning of period	—	14.4
Cash, cash equivalents and restricted cash of continuing operations, end of period	$ 751.3	$ 600.7

	Year Ended	
	December 31, 2023	December 31, 2022
Supplemental Disclosures of Cash Flow Information		
Cash paid/received during the year for:		
Interest paid	$ 276.9	$ 217.0
Interest received	$ 100.8	$ 58.2
Income taxes paid	$ 107.5	$ 100.2
Income taxes refunded	$ 10.7	$ 3.4

See accompanying Notes to Consolidated Financial Statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. General Information

The Company

Perrigo Company plc was incorporated under the laws of Ireland on June 28, 2013 and became the successor registrant of Perrigo Company, a Michigan corporation, on December 18, 2013 in connection with the acquisition of Elan Corporation, plc ("Elan"). Unless the context requires otherwise, the terms "Perrigo," the "Company," "we," "our," "us," and similar pronouns used herein refer to Perrigo Company plc, its subsidiaries, and all predecessors of Perrigo Company plc and its subsidiaries.

We are a leading provider of over-the-counter ("OTC") health and wellness solutions that are designed to enhance individual well-being and empower consumers to proactively prevent or treat conditions that can be self-managed. Our vision is *to make lives better by bringing Quality, Affordable Self-Care Products that consumers trust everywhere they are sold*. We are headquartered in Ireland and sell our products primarily in North America and Europe as well as in other markets around the world.

Basis of Presentation

Our fiscal year begins on January 1 and ends on December 31. We end our quarterly accounting periods on the Saturday closest to the end of the calendar quarter, with the fourth quarter ending on December 31 of each year.

Our consolidated financial statements have been prepared in accordance with Section 279 of the Companies Act 2014, which provides that a true and fair view of the state of affairs and profit or loss may be given by preparing the financial statements in accordance with generally accepted accounting principles in the United States (U.S. GAAP), as defined in Section 279(1) of the Companies Act 2014 to the extent that the use of those principles in the preparation of the consolidated financial statements does not contravene any provisions of the Companies Acts or of any regulations made thereunder. Certain prior period amounts have been reclassified to conform to the current period presentation.

These consolidated financial statements were prepared in accordance with Irish Company Law, to present to the shareholders of the Company and file with the Companies Registration Office in Ireland. Accordingly, these consolidated financial statements include presentation and additional disclosures required by the Republic of Ireland’s Companies Act 2014 in addition to those disclosures required under U.S. GAAP.

The directors have adopted going concern basis in preparing the financial statements. In making this assessment, the directors considered available cash at bank and in hand, available credit in the form of undrawn $1.0 billion Revolver facility and the free cashflows generated from the Group's operations. Accordingly, the directors have a reasonable expectation that the Company and Group have adequate resources to continue in operational existence for a period of at least twelve months from the date of approval of these financial statements.

Terminology typically utilized in a set of U.S. GAAP financial statements has been retained for the benefit of those users of these financial statements who also access form 10-K U.S. GAAP financial statements, rather than defaulting to the terminology set out under Irish Company Law. Accordingly, references to net sales, net interest, income tax expense, net income and inventory have the same meaning as references to turnover, other interest receivable and similar income, interest payable and similar charges, tax on profit on ordinary activities after taxation and stocks under Irish Company Law.

The consolidated financial statements include our accounts and accounts of all majority-owned subsidiaries. All intercompany transactions and balances have been eliminated in consolidation.

We have arrangements with certain companies that we determined to be variable interest entities ("VIEs"). We did not consolidate the VIEs in our financial statements as we lack the power to direct activities that most significantly impact their economic performance and thus are not considered the primary beneficiaries of these entities.

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions, which affect the reported earnings, financial position and various disclosures. These estimates are based on judgment and available information. Actual results could differ materially from the estimates.

Our functional and presentation currency is United States Dollars ("USD"). We translate our non-U.S. dollar-denominated operations' assets and liabilities into U.S. dollars at current rates of exchange as of the balance sheet date and income and expense items at the average exchange rate for the reporting period. Translation adjustments resulting from exchange rate fluctuations are recorded in the cumulative translation account, a component of Accumulated other comprehensive income (loss) ("AOCI"). Gains or losses from foreign currency transactions are included in Other (income) expense, net.

Segment Reporting

Our reporting and operating segments reflect the way our chief operating decision maker, who is our CEO, makes operating decisions, allocates resources and manages the growth and profitability of the Company. Our reporting and operating segments are:

- **Consumer Self-Care Americas ("CSCA")** comprises our consumer self-care business in the U.S. and Canada. CSCA previously included our Latin American businesses until they were disposed on March 9, 2022.
- **Consumer Self-Care International ("CSCI")** comprises our consumer self-care business outside of the U.S. and Canada, primarily in Europe and Australia.

We previously had an Rx segment which comprised our generic prescription pharmaceuticals business in the U.S., and other pharmaceuticals and diagnostic businesses in Israel, which have been divested. Following the divestiture, there were no substantial assets or operations left in this segment. The Rx segment was reported as Discontinued Operations in 2021, and is presented as such for all periods in this report (refer to Note 4). Financial information related to our business segments can be found in Note 21.

Financial information related to our business segments and geographic locations can be found in Note 2 and Note 21.

b. Reconciliation to amounts reported in Perrigo's annual report on Form 10-K filed with the United States Securities and Exchange Commission

These Consolidated Financial Statements are prepared using U.S. GAAP to the extent that the use of such principles does not contravene Irish Company Law. The Consolidated Financial Statements included in the annual report on Form 10-K as filed on February 27, 2024 with the United States Securities and Exchange Commission are prepared using U.S. GAAP. The primary differences between these statutory financial statements and the Consolidated Financial Statements included on Form 10-K are the presentation format of the income statement and balance sheet and the inclusion of certain additional disclosures.

It is noted that there are no material differences to be reconciled between the two financial statements.

c. Revenue

Product Revenue

Revenue is recognized when or as a customer obtains control of promised products. The amount of revenue recognized reflects the consideration we expect to be entitled to receive in exchange for these products. We generally recognize product revenue for our contract performance obligations at a point in time, typically upon shipment or delivery of products to customers. For point in time customers for which control transfers on delivery to the customer due to free on board destination terms ("FOB"), an adjustment is recorded to defer revenue recognition over an estimate of days until control transfers at the point of delivery. Where we recognize revenue at a point in time, the transfer of title is the primary indicator that control has transferred. In other limited instances, primarily relating to those contracts that relate to contract manufacturing performed for our customers and certain store branded products, control transfers as the product is manufactured. Control is deemed to transfer over time for these contracts as the product does not have an alternative use and we have a contractual right to payment for performance completed to date. Revenue for contract manufacturing contracts is recognized over the transfer period using an input method that measures progress towards completion of the performance obligation as costs are incurred. For store branded product revenue recognized over time, an output method is used to recognize revenue when production of a unit is completed because product customization occurs when the product is packaged as a finished good under the store brand label of the customer.

Net product sales include estimates of variable consideration for which accruals and allowances are established. Provisions for certain rebates, customer promotional programs, product returns, and discounts to customers are accounted for as variable consideration and recorded on the Consolidated Balance Sheets as Accrued customer programs. A reduction to sales for these programs is recorded in the same period as the associated sale. Actual amounts of consideration ultimately received may differ from our estimates. If actual results in the future vary from the estimates, these estimates are adjusted, which would affect revenue and earnings in the period such variances become known.

Other Revenue Policies

We receive payments from our customers based on billing schedules established in each contract. Amounts are recorded as accounts receivable when our right to consideration is unconditional. In most cases, the timing of the unconditional right to payment aligns with shipment or delivery of the product and the recognition of revenue; however, for those customers where revenue is recognized at a time prior to shipment or delivery due to over time revenue recognition, a contract asset is recorded and is reclassified to accounts receivable when it becomes unconditional under the contract upon shipment or delivery to the customer.

Our performance obligations are generally expected to be fulfilled in less than one year. Therefore, we do not provide quantitative information about remaining performance obligations.

We do not assess whether a contract has a significant financing component if the expectation at contract inception is such that the period between payment by the customer and the transfer of the promised products to the customer will be one year or less, which is the case with substantially all customers.

Taxes collected from customers relating to product sales and remitted to governmental authorities are excluded from revenue.

Shipping and handling costs billed to customers are included in Net sales. Conversely, shipping and handling expenses we incur are included in Cost of sales.

d. Cash and Cash Equivalents

Cash and cash equivalents consist primarily of demand deposits and other short-term investments with maturities of three months or less at the date of purchase.

We have $7.0 million of restricted cash as of December 31, 2023 in the Consolidated Balance Sheets. We entered into an agreement to extend a credit line to an existing customer in exchange for a cash security deposit. The agreement requires the cash to be held in a separate account and will be returned to the customer at the expiration of the agreement provided all credits have been paid as agreed.

e. Inventories

Inventories are stated at the lower of cost or net realizable value using the first-in first-out method. Inventory related to research and development ("R&D") is expensed when it is determined the materials have no alternative future use. We maintain reserves for estimated obsolete or unmarketable inventory based on the difference between the cost of the inventory and its estimated net realizable value. Factors utilized in the determination of net realizable value include excess or slow-moving inventories, product expiration dating, products on quality hold, customer demand and market conditions.

f. Investments

Equity Method Investments

The equity method of accounting is used for unconsolidated entities over which we have significant influence; generally, this represents ownership interests of at least 20% and not more than 50%. Under the equity method of accounting, we record the investments at carrying value and adjust for a proportionate share of the profits and losses of these entities each period. We evaluate our equity method investments for recoverability. If we determine that a loss in the value of an investment is other than temporary, the investment is written down to its estimated fair value. Evaluations of recoverability are based primarily on projected cash flows.

Fair Value Method Investments

Equity investments in which we own less than a 20% interest and cannot exert significant influence are recorded at fair value with unrealized gains and losses included in net income. For equity investments without readily determinable fair values, we may use the Net Asset Value ("NAV") per share as a practical expedient to measure the fair value, if eligible. If the NAV practical expedient cannot be applied, we may elect to use a measurement alternative until the investment’s fair value becomes readily determinable. Under the alternative method, the equity investments are accounted for at cost, less any impairment, plus or minus changes resulting from observable price changes in an orderly transaction for an identical or similar investment of the same issuer.

g. Derivative Instruments

We recognize the entire change in the fair value of the derivatives designated as:

- Cash flow hedges in Other Comprehensive Income ("OCI"). The amounts recorded in OCI are reclassified to earnings in the same line item on the Consolidated Profit and Loss Account as impacted by the hedged item when the hedged item affects earnings;
- Fair value hedges in the same line item on the Consolidated Profit and Loss Account that is used to present the earnings effect of the hedged item; and
- Net investment hedges in OCI classified as a currency translation adjustment. The amounts recorded in OCI are reclassified to earnings when the net investment in foreign operations is sold or substantially liquidated.

We exclude option premiums, forward points, and cross-currency basis spread from our assessment of hedge effectiveness, as allowable excluded components from certain of our cash flow and net investment hedges. We have elected to recognize the initial value of the excluded component on a straight-line basis over the life of the derivative instrument, within the same line item on the Consolidated Profit and Loss Account that is used to present the earnings effect of the hedged item.

We record derivative instruments on the balance sheet on a gross basis as either an asset or liability measured at fair value (refer to Note 11). Changes in a derivative's fair value are measured at the end of each period and are recognized in earnings unless a derivative can be designated in a qualifying hedging relationship. All realized and unrealized gains and losses are included within operating activities in the Consolidated Statements of Cash Flows.

Designated derivatives meet hedge accounting criteria, which means the fair value of the hedge is recorded in shareholders' equity as a component of OCI, net of tax. The deferred gains and losses are recognized in income in the period in which the hedged item affects earnings. All of our designated derivatives are assessed for hedge effectiveness quarterly.

We also have economic non-designated derivatives that we have not elected hedge accounting. These derivative instruments are adjusted to current market value at the end of each period through earnings. Gains or losses on these instruments are offset substantially by the remeasurement adjustment on the related hedged item.

We are exposed to credit loss in the event of nonperformance by the counterparties on derivative contracts. We manage our credit risk on these transactions by dealing only with financial institutions that have short-term credit ratings of at least A-2/P-2 and long-term credit ratings of at least A-/A3, and by distributing the contracts among several financial institutions to diversify credit concentration risk. Should a counterparty default, our maximum exposure to loss is the asset balance of the instrument. The maximum term of our forward currency exchange contracts is 60 months.

We enter into certain derivative financial instruments, when available on a cost-effective basis, to mitigate our risk associated with changes in interest rates and foreign currency exchange rates as follows:

Interest rate risk management - We are exposed to the impact of interest rate changes through our cash investments and borrowings. We utilize a variety of strategies to manage the impact of changes in interest rates including using a mix of debt maturities along with both fixed-rate and variable-rate debt. In addition, we may enter into treasury-lock agreements and interest rate swap agreements on certain investing and borrowing transactions to manage our exposure to interest rate changes and our overall cost of borrowing.

Foreign currency exchange risk management - We conduct business in several major currencies other than the U.S. dollar and are subject to risks associated with changing foreign exchange rates. Our objective is to reduce cash flow volatility associated with foreign exchange rate changes on a consolidated basis to allow management to focus its attention on business operations. Accordingly, we enter into various contracts that change in value as foreign exchange rates change to protect the value of existing foreign currency assets and liabilities, commitments, anticipated foreign currency sales and expenses, and net investments in foreign operations.

All derivative instruments are managed on a consolidated basis to efficiently net exposures and thus, take advantage of any natural offsets. Gains and losses related to the derivative instruments are expected to be offset largely by gains and losses on the original underlying asset or liability. We do not use derivative financial instruments for speculative purposes.

The impact of gains and losses on foreign exchange contracts not designated as hedging instruments related to changes in the fair value of assets and liabilities denominated in foreign currencies are generally offset by net foreign exchange gains and losses, which are also included on the Consolidated Profit and Loss Account in Other (income) expense, net for all periods presented. When we enter into foreign exchange contracts not designated as hedging instruments to mitigate the impact of exchange rate volatility in the translation of foreign earnings, gains and losses will generally be offset by fluctuations in the U.S. dollar-translated amounts of each Profit and Loss account in current and/or future periods.

For more information on our derivatives, refer to Note 11.

h. Property, Plant and Equipment, net

Property, plant and equipment, net is recorded at cost and is depreciated using the straight-line method. We capitalize certain computer software and development costs, included in machinery and equipment, when incurred in connection with developing or obtaining computer software for internal use. Maintenance and repair costs are charged to earnings, while expenditures that increase asset lives are capitalized.

i. Leases

Lease assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease. We evaluate arrangements at inception to determine if lease components are included. For new leases beginning January 1, 2019 or later, we have elected not to separate lease components from the non-lease components included in an arrangement when measuring the leased asset and leased liability for all asset classes.

Lease assets and liabilities are recognized at the lease commencement date based on the estimated present value of lease payments over the lease term. Leases with an initial term of 12 months or less are not recorded on the balance sheet. We recognize lease expense for leases on a straight-line basis over the lease term. We apply the portfolio approach to certain groups of computer equipment and vehicle leases when the term, classification, and asset type are identical. The discount rate selected is the incremental borrowing rate we would obtain for a secured financing of the lease asset over a similar term.

Many of our leases include one or more options to extend the lease term. Certain leases also include options to terminate early or purchase the leased property, all of which are executed at our sole discretion. Optional periods may be included in the lease term and measured as part of the lease asset and lease liability if we are reasonably certain to exercise our right to use the leased asset during the optional periods. We generally consider renewal options to be reasonably certain of execution and included in the lease term when significant leasehold improvements have been made by us to the leased assets. The depreciable lives of assets and leasehold improvements are limited by the expected lease term unless there is a transfer of title or purchase option reasonably certain of exercise.

Certain of our lease agreements include contingent rental payments based on per unit usage over contractual levels (e.g., miles driven or machine hours used) and others include rental payments adjusted periodically for market reviews or inflationary indexes. Our lease agreements do not contain any material residual value guarantees or material restrictive covenants. For more information on our leases, refer to Note 8.

j. Goodwill and Intangible Assets

Goodwill

Irish Company law requires that goodwill is written off over a period of time which does not exceed its useful economic life. However, we do not believe this gives a true and fair view as not all goodwill and intangible assets decline in value. In addition, since goodwill and indefinite-lived intangible assets that decline in value rarely do so on a straight-line basis, straight-line amortization of goodwill and indefinite-lived intangible assets over an arbitrary period does not reflect the economic reality. Consistent with U.S. GAAP, and in order to present a true and fair view of the economic reality, goodwill and indefinite-lived intangible assets are considered indefinite-lived assets and are not amortized. We are not able to reliably estimate the impact on the financial statements of the true and fair override on the basis that the useful economic life of goodwill and indefinite-lived intangible assets cannot be predicted with a satisfactory level of reliability nor can the pattern in which the value of these asset diminishes be known.

Goodwill represents amounts paid for an acquisition in excess of the fair value of net assets acquired. Goodwill is not amortized but rather is tested for impairment annually on the first day of our fourth quarter, or more frequently if changes in circumstances or the occurrence of events suggest an impairment exists. The test for impairment requires us to make several estimates about fair value, most of which are based on projected future cash flows and market valuation multiples. The estimates associated with the goodwill impairment tests include projected discounted future cash flows. We have three reporting units that are evaluated for impairment as of December 31, 2023.

Intangible assets are typically valued initially using the relief from royalty method or the multi-period excess earnings method ("MPEEM"). We test indefinite-lived trademarks, trade names, and brands for impairment annually, or more frequently if changes in circumstances or the occurrence of events suggest impairment exists, by comparing the carrying value of the assets to their estimated fair values. An impairment loss is recognized if the carrying amount of the asset exceeds its fair value. Definite-lived intangible assets are amortized on either a straight-line basis or proportionately to the benefits derived from those relationships or agreements. Useful lives vary by asset type and are determined based on the period over which the intangible asset is expected to contribute directly or indirectly to our future cash flows. We also review all other long-lived assets that have finite lives and that are not held for sale for impairment when indicators of impairment are evident by comparing the carrying value of the assets to their estimated future undiscounted cash flows.

In-process research and development ("IPR&D") assets are recognized at fair value and are classified as indefinite-lived assets until the successful completion or abandonment of the associated R&D efforts. If the associated R&D is completed, the IPR&D asset becomes a definite-lived intangible asset and is amortized over the asset's assigned useful life. If it is abandoned, an impairment loss is recorded.

Goodwill, indefinite-lived intangible asset, and definite-lived intangible asset impairments are recorded in Impairment charges on the Consolidated Profit and Loss Account. See Note 9 for further information on our goodwill and intangible assets.

k. Share-Based Awards

We measure and record compensation expense for all share-based awards based on estimated grant date fair values. For awards with only service conditions that are based on graded vesting schedules, we recognize the compensation expense on a straight-line basis over the entire award. Forfeitures on share-based awards are recognized in compensation expense in the period in which they occur.

We estimate the fair value of stock option awards granted based on the Black-Scholes option pricing model, which requires the use of subjective and complex assumptions. These assumptions include estimating the expected term that awards granted are expected to be outstanding, the expected volatility of our stock price for a period commensurate with the expected term of the related options, and the risk-free rate with a maturity closest to the expected term of the related awards. Restricted stock and restricted stock units, both service based and performance based restricted share units, are valued based on our stock price on the day the awards are granted. The estimated fair value of outstanding Relative Total Shareholder Return performance units (“RTSR”) is based on the grant date fair value of RTSR awards using a Monte Carlo simulation, which includes estimating the movement of stock prices and the effects of volatility, interest rates, and dividends (refer to Note 17).

l. Income taxes

We record deferred income tax assets and liabilities on the balance sheet upon the difference between the financial reporting and the tax reporting basis of assets and liabilities using the enacted tax rates. To the extent that available evidence raises doubt about the realization of a deferred income tax asset, a valuation allowance is established.

We have provided for income taxes for undistributed earnings of certain foreign subsidiaries which have not been deemed to be permanently reinvested. For those foreign subsidiaries we have deemed to be permanently reinvested, we have provided no further tax provision.

We record reserves for uncertain tax positions to the extent it is more likely than not the tax return position will be sustained on audit, based on the technical merits of the position. Periodic changes in reserves for uncertain

tax positions are reflected in the provision for income taxes. We include interest and penalties attributable to uncertain tax positions and income taxes as a component of our income tax provision (refer to Note 19).

m. Legal Contingencies

We are involved in product liability, patent, commercial, regulatory and other legal proceedings that arise in the normal course of business. We record a liability when a loss is considered probable and the amount can be reasonably estimated. If the reasonable estimate of a probable loss is a range and no amount within that range is a better estimate, the minimum amount in the range is accrued. If a loss is not probable or a probable loss cannot be reasonably estimated, no liability is recorded. We have established reserves for certain legal matters (refer to Note 20). We do not incorporate insurance recoveries into our reserves for legal contingencies. We separately record receivables for amounts due under insurance policies when we consider the realization of recoveries for claims to be probable, which may be different than the timing in which we establish the loss reserves.

n. Research and Development

All R&D costs, including payments related to products under development and research consulting agreements, are expensed as incurred. We incur costs throughout the development cycle, including costs for research, clinical trials, manufacturing validation, and other pre-commercialization approval costs that are included in R&D. We may continue to make non-refundable payments to third parties for new technologies and for R&D work that has been completed. These payments may be expensed at the time of payment depending on the nature of the payment made.

o. Advertising Costs

Advertising costs are included in Selling Operating expenses and shipping and handling costs billed to customers are included in Net sales. Costs relate primarily to print advertising, direct mail, online advertising, social media communications, and television advertising and are expensed as incurred. For the year ended December 31, 2023, 71.0% of advertising expense was attributable to our CSCI segment. Advertising costs were as follows (in millions):

Year Ended	
December 31, 2023	December 31, 2022
$ 138.5	$ 119.3

p. Earnings per Share ("EPS")

Basic EPS is calculated using the weighted-average number of ordinary shares outstanding during each period. It excludes both the dilutive effects of additional common shares that would have been outstanding if the shares issued under stock incentive plans had been exercised and the dilutive effect of restricted share units, to the extent those shares and units have not vested. Diluted EPS is calculated including the effects of shares and potential shares issued under stock incentive plans, following the treasury stock method.

q. Defined Benefit Plans

We operate a number of defined benefit plans for employees globally. The liability recognized in the balance sheet is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The defined benefit obligation is calculated periodically by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of either high quality corporate bonds or long term government bonds depending on the depth and liquidity of the high quality corporate bond market in the different geographies where we have pension liabilities. The bonds are denominated in the currency in which the benefits will be paid and have terms to maturity approximating the terms of the related pension liability. As a result, annual updates related to discount rate and the expected rate of return on plan assets are among the most important elements of expense and liability measurement.

Actuarial gains and losses are recognized on the Consolidated Profit and Loss Account using the corridor method. Under the corridor method, to the extent that any cumulative unrecognized net actuarial gain or loss exceeds 10% of the greater of the present value of the defined benefit obligation and the fair value of the plan assets, that portion is recognized over the expected average remaining working lives of the plan participants. Otherwise, the net actuarial gain or loss is recorded in OCI. We recognize the funded status of benefit plans on the Consolidated Balance Sheets. In addition, we recognize the gains or losses and prior service costs or credits that arise during the period but are not recognized as components of net periodic pension cost of the period as a component of OCI (refer to Note 15).

r. Acquisition Accounting

We account for acquired businesses using the acquisition method of accounting, which requires that assets acquired and liabilities assumed be recorded at fair value, with limited exceptions. Any excess of the purchase price over the fair value of the specifically identified assets is recorded as goodwill. If the acquired net assets do not constitute a business, or substantially all of the fair value is in a single asset or group of similar assets, the transaction is accounted for as an asset acquisition and no goodwill is recognized. In an asset acquisition, acquired IPR&D with no alternative future use is charged to expense at the acquisition date.

Significant judgment is required in estimating the fair value of intangible assets and in assigning their respective useful lives. The acquired intangible assets can include customer relationships, trademarks, trade names, brands, developed product technology and IPR&D assets. For acquisitions accounted for as business combinations, IPR&D is considered to be an indefinite-lived intangible asset until the research is completed, at which point it then becomes a definite-lived intangible asset, or is determined to have no future use and is then impaired and charged to expense. There are several methods that can be used to determine the fair value of our intangible assets. We typically use an income approach to value the specifically identifiable intangible assets which is based on forecasts of the expected future cash flows. We have historically used a relief from royalty or multi-period excess earnings methodology. The fair value estimates are based on available historical information and on future expectations and assumptions deemed reasonable by management. We typically consult with an independent advisor to assist in the valuation of these intangible assets. Significant estimates and assumptions inherent in the valuations include discount rates, revenue growth assumptions and expected profit margins. We consider marketplace participant assumptions in determining the amount and timing of future cash flows along with the length of our customer relationships, attrition, product or technology life cycles, barriers to entry and the risk associated with the cash flows in concluding upon our discount rate. While we use our best estimates and assumptions to accurately value assets acquired and liabilities assumed at the acquisition date, our estimates are inherently uncertain and subject to refinement. As a result, during the measurement period, we may record adjustments to the purchase accounting. In addition, unanticipated market or macroeconomic events and circumstances may occur that could affect the accuracy or validity of the estimates and assumptions.

Our assessment as to the useful lives of intangible assets is based on a number of factors including competitive environment, market share, trademark, brand history, underlying product life cycles, operating plans and the macroeconomic environment of the countries in which the trademarked or branded products are sold. Determining the useful life of an intangible asset requires judgement, as different assets will have different useful lives or may even have an indefinite life. Definite-lived intangible assets are amortized to expense over their estimated useful life.

Recent Accounting Standard Pronouncements

Below are recent Accounting Standard Updates ("ASU") that we are assessing to determine the effect on our Consolidated Financial Statements.

Standard	Description	Effective Date	Effect on the Financial Statements or Other Significant Matters
ASU 2021-08: Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers	This guidance amends ASC 805 to add contract assets and contract liabilities to the list of exceptions to the recognition and measurement principles that apply to business combinations and to require acquiring entities to apply Topic 606 to recognize and measure contract assets and contract liabilities in a business combination. Under current GAAP, an acquirer generally recognizes such items at fair value at acquisition date.	January 1, 2023	As of January 1, 2023 we adopted ASU 2021-8. There was no impact from applying the recognition and measurement principles of Topic 606 to contract assets or liabilities acquired as part of a business combination.
ASU 2023-09: Income Taxes Topic 740: Improvements to Income Tax Disclosures	This guidance requires entities to annually (1) disclose specific categories in the rate reconciliation and (2) provide additional information for reconciling items that meet a quantitative threshold (if the effect of those reconciling items is equal to or greater than 5 percent of the amount computed by multiplying pretax income [or loss] by the applicable statutory income tax rate).	January 1, 2025	The guidance dictates the standard to be applied on a prospective basis with the option to apply retrospectively. As of December 31, 2023 we are currently evaluating the potential disclosure impact of adopting the standard including whether to adopt retrospectively.
ASU 2023-07: Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures	This guidance improves reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. In addition, the amendments enhance interim disclosure requirements, clarify circumstances in which an entity can disclose multiple segment measures of profit or loss, provide new segment disclosure requirements for entities with a single reportable segment, and contain other disclosure requirements.	January 1, 2024 for annual periods, January 1, 2025 for interim periods	The guidance will be applied on a retrospective basis. As of December 31, 2023 we are currently evaluating the potential disclosure impact of adopting the standard.

We do not believe that any other recently issued accounting standards could have a material effect on our Consolidated Financial Statements.

Allowance for Credit Losses

Expected credit losses on trade receivables and contract assets are measured collectively by geographic location. Historical credit loss experience provides the primary basis for estimation of expected credit losses and is adjusted for current conditions and for reasonable and supportable forecasts. Receivables that do not share risk characteristics are evaluated on an individual basis and are not included in the collective evaluation. The following table presents the allowance for credit losses activity (in millions):

	Year Ended	
	December 31, 2023	December 31, 2022
Balance at beginning of period	$ 6.8	$ 7.2
Provision for credit losses, net	1.1	3.2
Receivables written-off	(0.6)	(4.0)
Recoveries collected	0.3	—
Currency translation adjustment	0.2	0.4
Balance at end of period	$ 7.8	$ 6.8

Trade receivables and contract assets are charged off against the allowance when the balance is no longer deemed collectible.

2. REVENUE RECOGNITION

We generated net sales in the following geographic locations[1] (in millions):

	Year Ended	
	December 31, 2023	December 31, 2022
U.S.	$ 2,916.8	$ 2,870.0
Europe[2]	1,622.5	1,474.3
All other countries[3]	116.3	107.3
Total net sales	$ 4,655.6	$ 4,451.6

(1) The net sales by geography is derived from the location of the entity that sells to a third party.
(2) Includes Ireland net sales of $40.8 million and $29.3 million for the years ended December 31, 2023 and December 31, 2022, respectively.
(3) Includes revenue generated primarily in Australia and Canada during the year ended December 31, 2023. During the year ended December 31, 2022 includes revenue generated primarily in Australia, Canada, and Mexico.

Product Category

As a result of the completed acquisition of *Héra SAS ("HRA Pharma")*, the Company updated its global reporting product categories. These product category updates have been adjusted retroactively to reflect the changes. Such changes have no impact on the Company's historical consolidated financial position, results of operations, or cash flows. The creation of a new "Women's Health" reporting category, comprised of the women's health portfolio of HRA Pharma, in addition to legacy Perrigo women's health products; the creation of a new "Skin Care" reporting category, comprised of all of the products in the legacy Perrigo "Skincare and Personal Hygiene" category, except for legacy Perrigo women's health products, and the skin care products of HRA Pharma; and the "Other" category in the CSCI segment includes the Rare Diseases business acquired with HRA Pharma.

The following is a summary of our net sales by category (in millions):

	Year Ended	
	December 31, 2023	December 31, 2022
CSCA[1]		
Nutrition	$ 563.2	$ 520.4
Upper Respiratory	559.2	564.6
Digestive Health	505.3	495.5
Pain and Sleep-Aids	396.4	412.2
Oral Care	313.9	312.9
Healthy Lifestyle	311.7	288.9
Skin Care	196.2	187.8
Women's Health	46.9	45.2
Vitamins, Minerals, and Supplements ("VMS")	17.5	27.9
Other CSCA[2]	52.0	70.5
Total CSCA	2,962.3	2,925.9
CSCI		
Skin Care	372.5	334.6
Upper Respiratory	299.1	268.7
Healthy Lifestyle	225.7	209.7
Pain and Sleep-Aids	222.9	200.2
VMS	185.5	183.9
Women's Health	119.7	96.1
Oral Care	101.5	94.8
Digestive Health	41.0	35.5
Other CSCI[3]	125.4	102.2
Total CSCI	1,693.3	1,525.7
Total net sales	$ 4,655.6	$ 4,451.6

(1) Includes net sales from OTC contract manufacturing products.
(2) Consists primarily of product sales and royalty income related to supply and distribution agreements and other miscellaneous or otherwise uncategorized product lines and markets, none of which is greater than 10% of the segment net sales.

(3) Consists primarily of our rare diseases business and other miscellaneous or otherwise uncategorized product lines, none of which is greater than 10% of the segment net sales.

While the majority of revenue is recognized at a point in time, certain of our product revenue is recognized on an over time basis. Predominately, over time customer contracts exist in contract manufacturing arrangements, which occur in both the CSCA and CSCI segments. Contract manufacturing revenue was $337.3 million and $350.1 million for the years ended December 31, 2023 and December 31, 2022, respectively.

We also recognize a portion of the store brand OTC product revenues in the CSCA segment on an over time basis; however, the timing difference between over time and point in time revenue recognition for store brand contracts is not significant due to the short time period between the customization of the product and shipment or delivery.

The following table provides information about contract assets from contracts with customers (in millions):

	Balance Sheet Location	December 31, 2023	December 31, 2022
Short-term contract assets	Prepaid expenses and other debtors	$ 28.5	$ 41.5

3. ACQUISITIONS AND DIVESTITURES

Acquisitions During the Year Ended December 31, 2022

HRA Pharma

On April 29, 2022, we completed the previously announced acquisition of 100% of the outstanding equity interest in HRA Pharma for total consideration of €1.8 billion, or approximately $1.9 billion. We funded the transaction with cash on hand and borrowings under our Senior Secured Credit Facilities (as defined in Note 13).

HRA Pharma is a self-care based company with consumer brands such as *Compeed*®, *ellaOne*® and *Mederma*®, as well as a trusted rare disease portfolio. The acquisition completed our transformation to a consumer self-care company. HRA Pharma's operations are reported in both our CSCA and CSCI segments.

The acquisition of HRA Pharma was accounted for as a business combination and has been reported in our Consolidated Profit and Loss Account as of the acquisition date. From April 29, 2022 through December 31, 2022, HRA Pharma generated net sales of $193.6 million and a net operating loss of $59.4 million, inclusive of $23.8 million of cost of goods sold related to the acquisition step up to fair value on inventories sold and $67.6 million of amortization related to intangible assets recognized on acquisition.

During the twelve months ended December 31, 2022, we incurred $46.9 million of transaction costs related to the acquisition (legal, banking and other professional fees). The amounts were recorded in Administration expense and were not allocated to an operating segment.

The following table summarizes the consideration paid for HRA Pharma and the provisional amounts of the assets acquired and liabilities assumed (in millions):

		HRA Pharma
Purchase Price	$	1,945.6
Assets Acquired:		
Cash and cash equivalents	$	44.2
Accounts receivable		78.1
Inventories		48.3
Prepaid expenses and other current assets		16.6
Property, plant and equipment		4.6
Operating lease assets		9.7
Goodwill		559.5
Definite-lived intangible assets:		
Trademarks and trade names		1,124.0
Developed product technology		185.1
Distribution networks		84.4
Indefinite lived intangibles		
In-process research and development		52.7
Total intangible assets		1,446.2
Deferred income taxes		12.4
Other non-current assets		0.8
Total assets		2,220.4
Liabilities assumed:		
Accounts payable	$	43.4
Payroll and related taxes		16.1
Accrued customer programs		9.0
Other accrued liabilities		8.9
Accrued income taxes		0.5
Deferred income taxes		186.2
Other non-current liabilities		10.6
Total liabilities		274.7
Non-Controlling Interest		0.1
Net Assets Acquired	$	1,945.6

We recorded the preliminary purchase price allocation in the second quarter of 2022. During the first quarter of 2023, we recorded measurement period adjustments resulting in an increase to goodwill of $80.6 million, which consisted of a $104.3 million decrease in definite-lived intangibles, $27.2 million decrease in net Deferred income tax liabilities, a net increase of $2.0 million to other non-current liabilities, and a $1.5 million decrease in Prepaid expenses and other current assets. Current year earnings adjustments of $3.5 million to Cost of sales were recorded that would have been recognized during the year-ended December 31, 2022, if the measurement period adjustments to the provisional opening balance sheet were reflected as of the acquisition date.

Goodwill of $559.5 million arising from the acquisition consists largely of the anticipated growth from new product sales, sales to new customers, HRA Pharma's assembled workforce, and the synergies expected from combining the operations of Perrigo and HRA Pharma. Goodwill of $141.7 million and $417.8 million was allocated to our CSCA and CSCI segments, respectively, none of which is deductible for income tax purposes. The definite-lived intangible assets acquired consist of trademarks and trade names, developed product technologies, and distribution networks. Trademarks and trade names were assigned useful lives of 20 years. Developed product technologies were assigned 8 to 18-year useful lives. Distribution networks were assigned useful lives ranging from 2 to 21-years reflecting the intent to integrate certain external distributors and sales forces within the CSCI segment. Trademarks and trade names, developed product technology, and IPR&D were valued using the multi-period excess earnings method. Significant judgment was applied in estimating the fair value of the intangible assets acquired, which involved the use of significant estimates and assumptions with respect to the timing and amounts of cash flow projections, including revenue growth rates, projected profit margins, and discount rates.

Nestlé's Gateway Infant Formula Plant and GoodStart® infant formula brand Acquisition

On November 1, 2022, we purchased Nestlé's Gateway infant formula plant in Eau Claire, Wisconsin, along with the U.S. and Canadian rights to the *GoodStart®* infant formula brand ("Gateway"), for $110.0 million in cash, subject to customary post-closing adjustments. The acquisition was accounted for as a business combination and operating results attributable to the products are included in our CSCA segment in the Nutrition product category. This purchase was the first major initiative in our recently announced Supply Chain Reinvention Program and is expected to strengthen and expand our U.S. infant formula manufacturing capabilities.

During the year ended December 31, 2022, we incurred $4.9 million of general transaction costs (legal, banking and other professional fees). The amounts were recorded in Administration expense within the CSCA segment.

From November 1, 2022 through December 31, 2022 the acquisition generated net sales of $42.7 million and operating income of $11.5 million, which included $7.9 million of inventory costs stepped up to acquisition date fair value.

There were no measurement period adjustments to the provisional opening balance sheet as of the acquisition date.

The following table summarizes the consideration paid and provisional amounts of the assets acquired (in millions):

		Gateway
Purchase price paid	$	110.0
Assets acquired:		
Inventories	$	29.8
Property, plant and equipment		61.5
Distribution and license agreements and supply agreements		14.0
Customer relationships and distribution networks		4.7
Total intangible assets	$	18.7
Net assets acquired	$	110.0

The definite-lived intangible assets acquired consisted of license agreements, and customer relationships which are being amortized over a weighted average useful life of 13.3 years. Customer relationships were valued using the multi-period excess earnings method and the licensing agreement was valued using the Relief from Royalty Method. Significant judgment was applied in estimating the fair value of the intangible assets acquired, which involved the use of significant estimates and assumptions with respect to the timing and amounts of cash flow projections, including revenue growth rates, projected profit margins, and discount rates.

Pro Forma Impact of Business Combinations

Pro forma information has been prepared as if the HRA Pharma and Gateway acquisitions had occurred on January 1, 2022. The following table presents the unaudited pro forma information as if the acquisitions had been combined with the results reported in our Consolidated Profit and Loss Account for all periods presented (in millions):

	Year Ended	
(Unaudited)	December 31, 2022	
Net sales	$	4,745.9
Income (loss) from continuing operations	$	(9.6)

The unaudited pro forma information is presented for information purposes only and is not indicative of the results that would have been achieved if the acquisition had taken place at such time. The unaudited pro forma information presented above includes adjustments primarily for amortization charges for acquired intangible assets, incremental financing costs, certain acquisition-related charges, and related tax effects.

Divestitures During the Year Ended December 31, 2022

Latin American businesses

On March 9, 2022, we completed the sale of our Mexico and Brazil-based OTC businesses ("Latin American businesses"), both within our CSCA segment, to Advent International for total consideration of $23.9 million, consisting of $5.4 million in cash, installment receivables due 12 and 18 months from completion totaling $11.3 million based on the Mexican peso exchange rate at the time of sale, and contingent consideration of $7.2 million based on the Brazilian real exchange rate at the time of sale. The sale resulted in a pre-tax loss of $1.4 million, net of professional fees, recorded in Other operating expense, net on the Consolidated Profit and Loss Account.

At July 3, 2021, we determined the carrying value of the net assets held for sale of this business exceeded their fair value less cost to sell, resulting in an impairment charge of $152.5 million. At December 31, 2021 and October 2, 2021, we recorded additional impairment charge of $1.0 million and $2.6 million, respectively resulting in a total impairment charge of $156.1 million. We also recorded a goodwill impairment charge of $6.1 million within our CSCA segment, resulting in a total impairment charge of $162.2 million.

ScarAway®

On March 24, 2022, we completed the sale of *ScarAway®*, a U.S. OTC scar management brand, to Alliance Pharmaceuticals Ltd. for cash consideration of $20.7 million. The sale resulted in a pre-tax gain of $3.6 million recorded in our CSCA segment in Other operating expense, net on the Consolidated Profit and Loss Account.

4. DISCONTINUED OPERATIONS

Our discontinued operations primarily consist of our former Rx segment, which held our prescription pharmaceuticals business in the U.S. and our pharmaceuticals and diagnostic businesses in Israel (collectively, the “Rx business”). The Rx business met the criteria to be classified as a discontinued operation in 2021 and, as a result, its historical financial results are reflected in our consolidated financial statements as such. There were no balance sheet amounts related to discontinued operations at either balance sheet date presented.

On July 6, 2021, we completed the sale of the Rx business to Altaris Capital Partners, LLC ("Altaris") for aggregate consideration of $1.55 billion. The consideration included a $53.3 million reimbursement related to Abbreviated New Drug Applications ("ANDAs") for a generic topical lotion which was received in 2022. The sale resulted in a pre-tax gain, net of professional fees, of $47.5 million recorded in Other (income) expense, net on the Consolidated Profit and Loss Account for discontinued operations. The transaction gain was subject to final settlements under the Agreement, which were finalized in the first quarter of 2022 with no change to the gain reported.

During the year ended December 31, 2021, we incurred $40.8 million of separation costs related to the sale of the Rx business. We incurred no such costs in 2022.

Under the terms of a transition services agreement ("TSA"), we provided transition services which were substantially completed as of the end of the third quarter of 2022. We also entered into reciprocal supply agreements pursuant to which Perrigo will supply certain products to the Rx business and the Rx business will supply certain products to Perrigo. The supply agreements have a term of four years, extendable up to seven years by the party who is the purchaser of the products under such agreement. We also extended distribution rights to the Rx business for certain OTC products owned and manufactured by Perrigo that may be fulfilled through pharmacy channels, in return for a share of the net profits.

In connection with the sale, Perrigo retained certain pre-closing liabilities arising out of antitrust (refer to Note 20 under the header "Price-Fixing Lawsuits") and opioid matters and the Company's Albuterol recall, subject to, in each case, the buyer's obligation to indemnify the Company for fifty percent of these liabilities up to an aggregate cap on the buyer's obligation of $50.0 million. We have not requested payments from the buyer related to the indemnity of these liabilities as of December 31, 2023.

(Loss) income from discontinued operations, net of tax was as follows (in millions):

	Year Ended	
	December 31, 2023	December 31, 2022
Net sales	$ —	$ —
Cost of sales	—	—
Gross profit	—	—
Operating expenses		
Administration	10.4	4.6
Other operating income, net	—	—
Total operating expenses	10.4	4.6
Operating (loss) income	(10.4)	(4.6)
Interest expense, net	—	—
Other income, net	—	—
(Loss) income from discontinued operations before tax	(10.4)	(4.6)
Gain on sale of business	—	—
(Loss) income before income taxes	(10.4)	(4.6)
Income tax (benefit) expense	(2.1)	5.1
(Loss) income from discontinued operations, net of tax	$ (8.3)	$ (9.7)

Select cash flow information related to discontinued operations was as follows (in millions):

	Year Ended[1]
	December 31, 2022
Cash flows from discontinued operations operating activities:	
Depreciation and amortization	$ —
Share-based compensation	—
Gain on sale of business	—
Cash flows from discontinued operations investing activities:	
Asset acquisitions	$ —
Additions to property, plant and equipment	—
Net proceeds from sale of business	53.3

(1) Cash flows from discontinued operations for the year ended December 31, 2023 were not significant.

Asset acquisitions related to discontinued operations consisted of two Abbreviated ANDAs purchased under a contractual arrangement. On December 31, 2020, we purchased an ANDA for a generic topical gel for $16.4 million, which was subsequently paid during the three months ended April 3, 2021 and on March 8, 2021, we purchased an ANDA for a generic topical lotion for $53.3 million which was subsequently paid during the three months ended April 2, 2022. These ANDAs were acquired by Altaris as part of the Rx business sale.

5. INVENTORY

Major components of inventory were as follows (in millions):

	Year Ended	
	December 31, 2023	December 31, 2022
Finished goods	$ 646.8	$ 620.3
Work in process	241.9	262.2
Raw materials	252.2	267.8
Total inventories	$ 1,140.9	$ 1,150.3

The replacement cost of inventory does not differ from its carrying value. The expense recognized in respect of write downs of inventory was $28.6 million and $35.3 million for the years ended December 31, 2023 and December 31, 2022 respectively.

6. INVESTMENTS

The following table summarizes the measurement category, balance sheet location, and balances of our equity securities (in millions):

		Year Ended	
Measurement Category	Balance Sheet Location	December 31, 2023	December 31, 2022
Fair value method	Investment securities	$ 0.1	$ 0.1
Fair value method[(1)]	Financial assets	$ 1.3	$ 1.7
Equity method	Investment in associates	$ 60.1	$ 63.4

(1) Measured at fair value using the Net Asset Value practical expedient.

The following table summarizes the expense (income) recognized in earnings of our equity securities (in millions):

		Year Ended	
Measurement Category	Income Statement Location	December 31, 2023	December 31, 2022
Fair value method	Other (income) expense, net	$ 0.4	$ 0.4
Equity method	Other (income) expense, net	$ 1.9	$ 1.5

7. PROPERTY, PLANT, AND EQUIPMENT

We held the following property, plant, and equipment at December 31, 2023 and December 31, 2022 (in millions):

	Land	Buildings	Machinery and equipment	Total
December 31, 2021				
Cost	$ 51.3	$ 537.6	$ 1,186.8	$ 1,775.7
Accumulated depreciation	(12.7)	(260.2)	(638.7)	(911.6)
Net book value	$ 38.6	$ 277.4	$ 548.1	$ 864.1
Additions	0.5	21.4	74.5	96.4
Acquisitions	—	44.1	22.0	66.1
Transfers - net	0.9	—	(0.9)	—
Disposals, gross asset	—	(0.2)	(3.7)	(3.9)
Disposals, accumulated depreciation	—	0.1	2.3	2.4
Depreciation expense	(1.0)	(21.3)	(58.5)	(80.8)
Currency translation	(1.2)	(9.8)	(7.0)	(18.0)
December 31, 2022				
Cost	51.5	593.1	1,271.7	1,916.3
Accumulated depreciation	(13.7)	(281.4)	(694.9)	(990.0)
Net book value	$ 37.8	$ 311.7	$ 576.8	$ 926.3
Additions	0.6	28.7	72.4	101.7
Transfers - net	1.0	—	(1.0)	—
Disposals, gross asset	(2.4)	(2.8)	(26.2)	(31.4)
Disposals, accumulated depreciation	—	1.0	10.3	11.3
Depreciation expense	(1.0)	(25.8)	(66.9)	(93.7)
Currency translation	0.4	(7.0)	8.8	2.2
December 31, 2023				
Cost	51.1	612.0	1,325.7	1,988.8
Accumulated depreciation	(14.7)	(306.2)	(751.5)	(1,072.4)
Net book value	$ 36.4	$ 305.8	$ 574.2	$ 916.4

8. LEASES

We held the following lease assets at December 31, 2023 and December 31, 2022 (in millions):

	Lease assets
Carrying value at 31 December 2021	**$ 194.8**
Assets recognised for new leases	$ 64.0
Other (expense, terminations, modifications, currency transaction and other)	$ (19.7)
Carrying value at 31 December 2022	**$ 239.1**
Assets recognised for new leases	$ 6.5
Other (expense, terminations, modifications, currency transaction and other)	$ (48.3)
Carrying value at 31 December 2023	**$ 197.3**

We lease certain assets, principally warehouse facilities and computer equipment, under agreements that expire at various dates through the year ended December 31, 2040. Certain leases contain provisions for renewal and purchase options and require us to pay various related expenses. Rent expense under all leases was $51.4 million and $49.6 million for the years ended December 31, 2023 and December 31, 2022 respectively.

The balance sheet locations of our lease assets and liabilities were as follows (in millions):

Assets	Balance Sheet Location	December 31, 2023	December 31, 2022
Operating	Lease assets	$ 183.6	$ 217.1
Finance	Lease assets	13.7	22.0
Total		$ 197.3	$ 239.1

Liabilities	Balance Sheet Location	December 31, 2023	December 31, 2022
Current			
Operating	Creditors - Accrued liabilities	$ 27.5	$ 28.4
Finance	Creditors - Accrued liabilities	1.9	3.3
Non-Current			
Operating	Creditors - Other long term liabilities	159.6	189.5
Finance	Creditors - Other long term liabilities	13.2	17.4
Total		$ 202.2	$ 238.6

The below tables show our lease assets and liabilities by reporting segment (in millions):

	Assets			
	Operating		Financing	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
CSCA	$ 79.3	$ 100.5	$ 12.8	$ 13.8
CSCI	44.7	49.5	0.3	6.6
Unallocated	59.6	67.1	0.6	1.6
Total	$ 183.6	$ 217.1	$ 13.7	$ 22.0

	Liabilities			
	Operating		Financing	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
CSCA	$ 81.6	$ 102.2	$ 14.2	$ 14.9
CSCI	47.8	51.7	0.3	4.1
Unallocated	57.7	64.0	0.6	1.7
Total	$ 187.1	$ 217.9	$ 15.1	$ 20.7

Lease expense was as follows (in millions):

	Year Ended	
	December 31, 2023	December 31, 2022
Operating leases[(1)]	$ 45.1	$ 44.2
Finance leases		
Amortization	$ 6.3	$ 5.4
Interest	0.6	0.7
Total finance leases	$ 6.9	$ 6.1

(1) Includes short-term leases and variable lease costs, which are immaterial.

The annual future maturities of our leases as of December 31, 2023 are as follows (in millions):

	Operating Leases	Finance Leases	Total
2024	$ 32.6	$ 2.3	$ 34.9
2025	29.8	1.9	31.7
2026	23.8	1.6	25.4
2027	22.3	1.6	23.9
2028	16.3	1.5	17.8
After 2028	90.7	8.9	99.6
Total lease payments	215.5	17.8	233.3
Less: Interest	28.4	2.7	31.1
Present value of lease liabilities	$ 187.1	$ 15.1	$ 202.2

Our weighted average lease terms and discount rates are as follows:

	December 31, 2023	December 31, 2022
Weighted-average remaining lease term (in years)		
Operating leases	10.65	10.97
Finance leases	9.14	9.47
Weighted-average discount rate		
Operating leases	3.17 %	2.48 %
Finance leases	3.41 %	2.92 %

Our lease cash flow classifications are as follows (in millions):

	Year Ended	
	December 31, 2023	December 31, 2022
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows for operating leases	$ 35.7	$ 39.3
Operating cash flows for finance leases	$ 0.6	$ 0.7
Financing cash flows for finance leases	$ 3.5	$ 4.9
Leased assets (used) obtained in exchange for new finance lease liabilities	$ (2.2)	$ —
Leased assets (used) obtained in exchange for new operating lease liabilities	$ (3.9)	$ 73.9

9. GOODWILL AND INTANGIBLE ASSETS

Changes in the carrying amount of goodwill, by reportable segment, were as follows (in millions):

	CSCA[1]	CSCI[2]	Total
Balance at December 31, 2021	$ 1,902.4	$ 1,097.0	$ 2,999.4
Business acquisitions	141.7	417.8	559.5
Currency translation adjustments	0.3	(68.8)	(68.5)
Balance at December 31, 2022	2,044.4	1,446.0	3,490.4
Impairments	—	(90.0)	(90.0)
Purchase accounting adjustments	35.2	45.4	80.6
Currency translation adjustments	1.3	46.8	48.1
Balance at December 31, 2023	$ 2,080.9	$ 1,448.2	$ 3,529.1

(1) We had accumulated goodwill impairments of $6.1 million as of December 31, 2023.
(2) We had accumulated goodwill impairments of $968.4 million and $878.4 million as of December 31, 2023 and December 31, 2022, respectively.

As of December 31, 2023, we have three reporting units. Our CSCA operating segment is equivalent to our CSCA reporting unit. Our CSCI operating segment includes two reporting units, CSCI and Rare Diseases.

During the three months ended December 31, 2023, we tested our Rare Diseases reporting unit for impairment in response to identified impairment indicators. Market information specific to the reporting unit became available during the fourth quarter requiring additional consideration to the valuation methods utilized. As a result, we determined goodwill related to the reporting unit was impaired by $90.0 million and recorded the charge within our CSCI segment.

Intangible Assets

Intangible assets and the related accumulated amortization consisted of the following (in millions):

	Year Ended			
	December 31, 2023		December 31, 2022	
	Gross	Accumulated Amortization	Gross	Accumulated Amortization
Indefinite-lived intangibles:[1]				
Trademarks, trade names, and brands	$ 3.4	$ —	$ 3.2	$ —
In-process research and development	1.9	—	55.4	—
Total indefinite-lived intangibles	$ 5.3	$ —	$ 58.6	$ —
Definite-lived intangibles:				
Distribution and license agreements and supply agreements	$ 90.8	$ 57.5	$ 94.9	$ 58.1
Developed product technology, formulations, and product rights	534.0	238.4	484.8	211.8
Customer relationships and distribution networks	1,868.1	1,108.9	1,825.1	965.9
Trademarks, trade names, and brands	2,502.0	609.3	2,542.2	481.0
Non-compete agreements	2.1	2.1	2.0	2.0
Total definite-lived intangibles	$ 4,997.0	$ 2,016.2	$ 4,949.0	$ 1,718.8
Total intangible assets	$ 5,002.3	$ 2,016.2	$ 5,007.6	$ 1,718.8

(1) Certain intangible assets are denominated in currencies other than U.S. dollar; therefore, their gross and net carrying values are subject to foreign currency movements.

On March 17, 2022, we announced that we received final approval from the U.S. Food and Drug Administration for the over-the-counter use of *Nasonex®24HR* Allergy (mometasone furoate monohydrate 50mcg). The approval triggered a $10.0 million milestone payment to the licensor, which was made in the second quarter of 2022 and capitalized as a definite-lived intangible asset.

On July 13, 2023, we announced that we received final approval from the U.S. Food and Drug Administration for *Opill®*, a progestin-only daily oral contraceptive, for over-the-counter (OTC) use for all ages. As a result, the *Opill®* in-process research and development ("IPR&D"), acquired through the 2022 acquisition of HRA Pharma, has been reclassified from indefinite-lived to finite-lived intangible asset in the third quarter subsequent to a fair value analysis.

We did not record any impairment charges in 2023 or 2022.

The remaining weighted-average useful life for our amortizable intangible assets by asset class at December 31, 2023 was as follows:

Amortizable Intangible Asset Category	Remaining Weighted-Average Useful Life (Years)
Distribution and license agreements and supply agreements	14
Developed product technology, formulations, and product rights	11
Customer relationships and distribution networks	14
Trademarks, trade names, and brands	16
Non-compete agreements	0

We recorded amortization expense of $265.8 million and $252.4 million during the years ended December 31, 2023 and December 31, 2022, respectively.

Our estimated future amortization expense is as follows (in millions):

Year	Amount
2024	$ 239.8
2025	233.6
2026	226.0
2027	220.3
2028	214.4
Thereafter	1,846.7

Intangible Assets

Other intangible assets and the related accumulated amortizations consisted of the following (in millions):

	Distribution and license arrangements	Developed product technology	Customer relationships	Definite-lived trade names and trademarks	Non-compete agreements	Indefinite-lived trade names and trademarks	IPR&D	Total
December 31, 2021								
Cost	73.2	300.2	1,820.7	1,482.3	2.1	3.5	1.8	3,683.8
Accumulated Amortization	(56.9)	(191.4)	(887.8)	(394.2)	(2.1)	—	—	(1,532.4)
Net book value	16.3	108.8	932.9	1,088.1	—	3.5	1.8	2,151.4
Amortization expense	(3.5)	(22.9)	(120.9)	(109.6)	—	—	—	(256.9)
Acquisitions	24.0	187.7	89.2	1,140.2	—	—	53.5	1,494.6
Divestitures		(0.1)	(5.5)	(8.4)	—	—		(14.0)
Currency translation		(0.5)	(36.5)	(49.1)	—	(0.3)	0.1	(86.3)
December 31, 2022								
Cost	94.9	484.8	1,825.1	2,542.2	2.0	3.2	55.4	5,007.6
Accumulated Amortization	(58.1)	(211.8)	(965.9)	(481.0)	(2.0)			(1,718.8)
Net book value	36.8	273.0	859.2	2,061.2	—	3.2	55.4	3,288.8
Amortization expense	(3.8)	(25.8)	(121.7)	(123.0)	—	—	—	(274.3)
Acquisitions	0.3	—	—	—	—	—	—	0.3
Divestitures	—	—	—	(7.1)	—	—	—	(7.1)
Transfers	—	55.1	—	—	—	—	(55.1)	—
Currency translation	—	(6.7)	21.7	(38.4)	—	0.2	1.6	(21.6)
December 31, 2023								
Cost	90.8	534.0	1,868.1	2,502.0	2.1	3.4	1.9	5,002.3
Accumulated Amortization	(57.5)	(238.4)	(1,108.9)	(609.3)	(2.1)	—	—	(2,016.2)
Net book value	33.3	295.6	759.2	1,892.7	—	3.4	1.9	2,986.1

10. FAIR VALUE MEASUREMENTS

Fair value is the price that would be received upon sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following fair value hierarchy is used in selecting inputs, with the highest priority given to Level 1, as these are the most transparent or reliable.

- Level 1: Quoted prices for identical instruments in active markets.
- Level 2: Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs are observable in active markets.
- Level 3: Valuations derived from techniques in which one or more significant inputs are not observable.

The table below summarizes the valuation of our financial instruments carried at fair value by the applicable pricing categories (in millions):

	Year Ended					
	December 31, 2023			December 31, 2022		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Measured at fair value on a recurring basis:						
Assets:						
Investment securities	$ 0.1	$ —	$ —	$ 0.1	$ —	$ —
Foreign currency forward contracts	—	0.6	—	—	4.2	—
Interest rate swap agreements	—	30.5	—	—	50.5	—
Total assets	$ 0.1	$ 31.1	$ —	$ 0.1	$ 54.7	$ —
Liabilities:						
Foreign currency forward contracts	$ —	$ 2.7	$ —	$ —	$ 5.2	$ —
Cross-currency swap	—	172.0	—	—	96.1	—
Interest rate swap agreements	—	11.7	—	—	—	
Total liabilities	$ —	$ 186.4	$ —	$ —	$ 101.3	$ —
Measured at fair value on a non-recurring basis:						
Assets:						
Goodwill[(1)]	$ —	$ —	$ 118.9	$ —	$ —	$ —
Total assets	$ —	$ —	$ 118.9	$ —	$ —	$ —

(1) During the year ended December 31, 2023, goodwill within our Rare Diseases reporting unit with a carrying value of $208.9 million was written down to a fair value of $118.9 million.

There were no transfers within Level 3 fair value measurements during the years ended December 31, 2023 or December 31, 2022 (refer to Note 6 for information on our investment securities and Note 11 for a discussion of derivatives).

Foreign Currency Forward Contracts

We value the foreign currency forward contracts based on notional amounts, contractual rates, and observable market inputs, such as currency exchange rates and credit risk

Cross-currency Swaps

We value the cross-currency swaps using a method which discounts the expected cash flows resulting from the derivative. We estimate the cash flows using the contractual term of the derivative, including the period to maturity and we use observable market-based inputs, including interest rate curves, and foreign exchange rate.

Foreign Currency Option Contracts

We valued the foreign currency option contract derivatives using an extension of the Black-Scholes Option Pricing Model ("BSOPM") which uses the strike price and expiry as inputs obtained from the contractual agreement. Additionally, the model uses risk-free interest rates, forward currency quotes, and option volatility assumptions obtained from the observable market.

Interest Rate Swap Agreements

We value the interest rate swaps using a method which discounts the expected cash flows resulting from the derivative. We estimate the cash flows using the contractual term of the derivative, including the period to maturity and we use observable market-based inputs, including interest rate curves, and swap pricing.

Non-recurring Fair Value Measurements

The non-recurring fair values represent only those assets whose carrying values were adjusted to fair value during the reporting period.

Goodwill, Intangible Assets, and Assets (liabilities) held for sale, net

Rare Disease Reporting Unit Goodwill

During the year ended December 31, 2023, we prepared a goodwill impairment test utilizing a combination of comparable company and discounted cash flow techniques. In our comparable company market approach, we considered observable and unobservable market information (Level 2 and 3 inputs, respectively) which resulted in selected current and forward multiples averaging 11.5x of comparable adjusted earnings. Our cash flow projections included revenue assumptions, gross margin and operating expenses based on the reporting unit's growth plans (Level 3 inputs). In our discounted cash flow analysis, we used a long-term growth rate of 2.5%. We used a discount rate of 13.5% in the analysis, which correlates with the required investment return and risk that we believe market participants would apply to the projected growth rate. Furthermore, the discount rate was influenced by other level 3 market information which was also utilized in the comparable market approach. In addition, we burdened projected free cash flows with the capital spending deemed necessary to support the cash flows and applied blended jurisdictional tax rates ranging from 14.6% to 31.7%. We weighted indications of fair value resulting from the market approach and discounted cash flow techniques, considering the reasonableness of the range of measurements and the point within the range that we determined was most representative of fair market conditions (refer to Note 9).

Fixed Rate Long-term Debt

Our fixed rate long-term debt consisted of the following (in millions):

	Year Ended			
	December 31, 2023		December 31, 2022	
	Level 1	Level 2	Level 1	Level 2
Public Bonds				
Carrying value (excluding discount)	$ 2,244.4	$ —	$ 2,544.4	$ —
Fair Value	$ 2,062.2	$ —	$ 2,225.4	$ —

The fair values of our public bonds for all periods were based on quoted market prices.

The carrying amounts of our other financial instruments, consisting of cash and cash equivalents, accounts receivable, accounts payable, short-term debt, revolving credit agreements and variable rate long-term debt, approximate their fair value.

11. DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES

Foreign Currency Option Contracts

We enter into foreign currency option contracts, both designated and non-designated, in order to manage the impact of fluctuations of foreign exchange on expected future purchases and related payables denominated in a foreign currency and to hedge the impact of fluctuations of foreign exchange on expected future sales and related receivables denominated in a foreign currency.

In September 2021, to economically hedge the foreign currency exposure associated with the planned payment of the euro-denominated purchase price for HRA Pharma, we entered into two non-designated currency option contracts with a total notional amount of $1.1 billion that were scheduled to mature in September 2022. In April 2022, due to market conditions, we unwound the two options and entered into two new undesignated options to economically hedge the purchase price for HRA Pharma for a total notional amount of $2.0 billion. All premiums associated with the HRA Pharma related currency options were settled in April 2022 for $37.1 million, and within Other (income) expense we recorded a $16.2 million and $20.9 million loss for the year ended December 31, 2022 and December 31, 2021, respectively. There was no gain or loss recorded for the year ended December 31, 2023.

Cross Currency Swaps

In a cross-currency swap, interest payments and principal in one currency are exchanged for principal and interest payments in a different currency. Interest payments are exchanged at fixed intervals during the life of the agreement. Changes in the fair value of cross-currency swaps designated as net investment hedges are recognized as a component of OCI as a foreign currency translation adjustment and are recognized in earnings only upon the sale or substantial liquidation of the hedged net investment. In assessing the effectiveness of these hedges, we use a method based on changes in spot rates to measure the impact of the foreign currency exchange rate fluctuations on both our foreign subsidiary net investment and the related swap. Under this method, changes in the fair value of the hedging instrument, other than those due to changes in the spot rate, are initially recorded in OCI as a translation adjustment. The excluded component is recognized on a systematic and rational basis by accruing the swap payments and receipts within Interest expense, net.

In April 2022, we entered into three fixed-for-fixed cross currency interest rate swaps designated as net investment hedges to hedge the EUR currency exposure of our investment in European operations.

On October 25, 2022, we cash settled the swaps for $98.8 million in proceeds. On the same day, we replaced the terminated instruments with three new fixed-for-fixed cross currency interest rate swaps at market rates and designated the instruments as net investment hedges on our investment in European operations. The following are the terms and notional amounts outstanding:

- $700 million notional amount outstanding from October 25, 2022 through December 15, 2024;
- $700 million notional amount outstanding from October 25, 2022 through March 15, 2026; and
- $100 million notional amount outstanding from October 25, 2022 through June 15, 2030.

On November 21, 2023, we entered into fixed-for-fixed cross currency interest rate swaps designated as net investment hedges to hedge the EUR currency exposure of our investment in European operations. The following are the terms and notional amount outstanding:

- $300 million notional amount outstanding from November 21, 2023 through April 20, 2027.

Interest Rate Swaps

Interest rate swap agreements are contracts to exchange floating rate for fixed rate payments (or vice versa) over the life of the agreement without the exchange of the underlying notional amounts. The notional amounts of the interest rate swap agreements are used to measure interest to be paid or received and do not represent the amount of exposure to credit loss. The differential paid or received on the interest rate swap agreements is recognized as an adjustment to interest expense.

In April 2022, to economically hedge the interest rate risk of the Senior Secured Credit Facilities (as defined in Note 13), we entered into five variable-to-fixed interest rate swap agreements. Three of the interest rate swaps were designated as cash flow hedges to fix the interest rate on a substantial portion of the Term Loan B Facility (as defined in Note 13). The interest rate swaps cover an interest period ranging from June 1, 2022, through April 1, 2029, on notional balances that decline from $1.0 billion to $812.5 million over the term. The other two interest rate swaps were designated as cash flow hedges to fix the interest rate on a substantial portion of the Term Loan A Facility (as defined in Note 13). The interest rate swaps cover an interest period ranging from June 1, 2022, through April 1, 2027, on notional balances that decline from $487.5 million to $387.5 million over the term.

In December 2023, to economically hedge the interest rate risk of the Term B Loans (as defined in Note 13), we entered into four variable-to-fixed interest rate swap agreements. The interest rate swaps were designated as cash flow hedges to fix the interest rate on a substantial portion of the Term B Loans (as defined in Note 13). The interest rate swaps cover an interest period from December 15, 2023, through April 20, 2029, on notional balances that decline from $300 million to $229 million over the term.

As a designated cash flow hedge, gains and losses will be deferred in AOCI and recognized within Interest expense, net when interest is paid on the Senior Secured Credit Facilities.

Foreign Currency Forwards

In a foreign currency forward, a contract is written to exchange currencies at a fixed exchange rate at a future settlement date. We designate foreign currency forwards primarily as cash flow hedges to protect against foreign currency fluctuations of probable forecasted purchases and sales. The settlement dates of foreign currency forwards range from 1 to 60 months.

Notional amounts of foreign currency forward contracts were as follows (in millions):

	Year Ended	
	December 31, 2023	December 31, 2022
European Euro (EUR)	$ 79.9	$ 61.7
British Pound (GBP)	72.4	224.9
Swedish Krona (SEK)	36.5	56.9
United States Dollar (USD)	22.1	51.7
Chinese Yuan (CNH)	14.1	34.4
Canadian Dollar (CAD)	7.1	24.9
Danish Krone (DKK)	5.9	51.7
Norwegian Krone (NOK)	4.4	12.4
Hungarian Forint (HUF)	3.9	10.6
Polish Zloty (PLZ)	3.8	25.2
Mexican Peso (MXN)	—	13.3
Other [1]	3.5	25.9
Total	$ 253.6	$ 593.6

(1) Number consists of various currencies notional amounts, none of which individually exceed $10.0 million in either year presented.

Effects of Derivatives on the Financial Statements

The below tables indicate the effects of all derivative instruments on the Consolidated Financial Statements. All amounts exclude income tax effects. The balance sheet location and gross fair value of our derivative instruments were as follows (in millions):

		Year Ended	
Derivatives	Balance Sheet Location	December 31, 2023	December 31, 2022
Designated derivative assets:			
Foreign currency forward contracts	Debtors - Prepaid expenses and other debtors	$ —	$ 1.1
Interest rate swap agreements	Debtors - Prepaid expenses and other debtors	—	3.0
Interest rate swap agreements	Financial assets	30.5	47.5
Foreign currency forward contracts	Financial assets	0.4	0.7
Total designated derivative assets		$ 30.9	$ 52.3
Non-designated derivative assets:			
Foreign currency forward contracts	Debtors - Prepaid expenses and other debtors	$ 0.2	$ 2.4
Total non-designated derivatives		$ 0.2	$ 2.4
Designated derivative liabilities:			
Foreign currency forward contracts	Creditors - Accrued liabilities	$ —	$ 4.2
Cross-currency swap	Creditors - Accrued liabilities	75.1	—
Cross-currency swap	Creditors - Other long term liabilities	96.9	96.1
Interest rate swap agreements	Creditors - Other long term liabilities	11.7	—
Total designated derivative liabilities		$ 183.7	$ 100.3
Non-designated derivative liabilities:			
Foreign currency forward contracts	Creditors - Accrued liabilities	$ 2.7	$ 1.0

The amounts of (income)/expense recognized in earnings related to our non-designated derivatives on the Consolidated Profit and Loss Account were as follows (in millions):

		Year Ended	
Non-Designated Derivatives:	Income Statement Location	December 31, 2023	December 31, 2022
Foreign currency forward contracts	Other (income) expense, net	$ (4.0)	$ 8.2
	Interest expense, net	(1.5)	(2.0)
		$ (5.5)	6.2
Foreign currency options	Other (income) expense, net	$ —	$ 16.2

The following tables summarize the effect of derivative instruments designated as hedging instruments in Accumulated Other Comprehensive Income ("AOCI") (in millions):

	Gain/(Loss)				
		Reclassified from AOCI into Earnings		Related to Amounts Excluded from Effectiveness Testing	
	Amount Recorded in OCI[1]	Classification	Amount	Classification	Amount Recognized in Earnings on Derivatives
Year Ended December 31, 2023					
Cash flow hedges					
Treasury locks	$ —	Interest expense, net	$ (0.1)	Interest expense, net	$ —
Interest rate swap agreements	(31.7)	Interest expense, net	23.5	Interest expense, net	—
Foreign currency forward contracts	(0.5)	Net sales	(0.1)	Net sales	0.6
		Cost of Sales	0.3	Cost of Sales	0.3
				Other (income) expense, net	(0.3)
Total Cash flow hedges	$ (32.2)		$ 23.6		$ 0.6
Net investment hedges					
Cross-currency swap	$ (75.9)			Interest expense, net	$ 26.0
Year Ended December 31, 2022					
Cash flow hedges					
Treasury locks	$ —	Interest expense, net	$ (0.1)	Interest expense, net	$ —
Interest rate swap agreements	50.5	Interest expense, net	4.6	Interest expense, net	—
Foreign currency forward contracts	4.1	Net sales	1.6	Net sales	(0.5)
		Cost of Sales	(4.8)	Cost of sales	(0.2)
				Other (income) expense, net	(1.4)
Total Cash flow hedges	$ 54.6		$ 1.3		$ (2.1)
Net investment hedges					
Cross-currency swap	$ 5.3			Interest expense, net	$ (17.2)

1) Net gain of $1.4 million is expected to be reclassified out of AOCI into earnings during 2024.

The classification and amount of gain/(loss) recognized in earnings on fair value and hedging relationships were as follows (in millions):

	Net Sales	Cost of Sales	Interest Expense, net	Other (Income) Expense, net
Year Ended December 31, 2023				
Total amounts of income and expense line items presented on the Consolidated Statement of Profit and Loss Account in which the effects of fair value or cash flow hedges are recorded	$ 4,655.6	$ 2,975.2	$ 173.8	$ (10.4)
Gain (loss) on cash flow hedging relationships				
Foreign currency forward contracts				
Amount of gain or (loss) reclassified from AOCI into earnings	$ (0.1)	$ 0.3	$ —	$ —
Amount excluded from effectiveness testing recognized using a systematic and rational amortization approach	$ 0.6	$ 0.3	$ —	$ (0.3)
Treasury locks				
Amount of gain or (loss) reclassified from AOCI into earnings	$ —	$ —	$ (0.1)	$ —
Interest rate swap agreements				
Amount of gain or (loss) reclassified from AOCI into earnings	$ —	$ —	$ 23.5	$ —
Year Ended December 31, 2022				
Total amounts of income and expense line items presented on the Consolidated Statements of Profit and Loss Account in which the effects of fair value or cash flow hedges are recorded	$ 4,451.6	$ 2,996.2	$ 156.0	$ 53.1
Gain (loss) on cash flow hedging relationships				
Foreign currency forward contracts				
Amount of gain or (loss) reclassified from AOCI into earnings	$ 1.6	$ (4.8)	$ —	$ —
Amount excluded from effectiveness testing recognized using a systematic and rational amortization approach	$ (0.5)	$ (0.2)	$ —	$ (1.4)
Treasury locks				
Amount of gain or (loss) reclassified from AOCI into earnings	$ —	$ —	$ (0.1)	$ —
Interest rate swap agreements				
Amount of gain or (loss) reclassified from AOCI into earnings	$ —	$ —	$ 4.6	$ —

Net foreign exchange losses totaled $1.0 million and $59.9 million for the years ended December 31, 2023, December 31, 2022, respectively. Therein, 2022 included $16.2 million of loss, respectively, for the change in fair value of the option contracts to hedge the foreign currency exposure of the euro-denominated purchase price for HRA Pharma.

12. DEBTORS

Debtors consisted of the following (in millions):

Debtors	Year Ended December 31, 2023	Year Ended December 31, 2022
Amounts falling due within one year		
Accounts receivable net	$ 739.6	$ 697.1
Value added tax refund receivable	41.2	46.1
Refundable income tax	15.8	18.8
Prepaid expenses and other debtors	144.0	206.8
	940.6	968.8
Amounts falling due after one year		
Deferred income taxes	25.8	7.1
	25.8	7.1
Total debtors	$ 966.4	$ 975.9

13. INDEBTEDNESS

Total borrowings are summarized as follows (in millions):

	Year Ended December 31, 2023	Year Ended December 31, 2022
Term loan		
Term A Loans due April 1, 2027 (1)	$ 471.9	$ 493.8
Term B Loans due April 1, 2029 (1)	1,386.2	1,094.5
Total term loans	$ 1,858.1	$ 1,588.3
Notes and bonds		
Coupon Due		
3.900% December 15, 2024(2)	400.0	700.0
4.375% March 15, 2026(3)	700.0	700.0
4.650% June 15, 2030(4)	750.0	750.0
5.300% November 15, 2043(5)	90.5	90.5
4.900% December 15, 2044(2)	303.9	303.9
Total notes and bonds	2,244.4	2,544.4
Other financing	14.8	20.6
Unamortized premium (discount), net	(17.8)	(15.9)
Deferred financing fees	(26.1)	(30.8)
Total borrowings outstanding	4,073.4	4,106.6
Current indebtedness	(440.6)	(36.2)
Total long-term debt less current portion	$ 3,632.8	$ 4,070.4

(1) Discussed below collectively as the "Senior Secured Credit Facilities"
(2) Discussed below collectively as the "2014 Notes"
(3) Discussed below as part of the "2016 Notes"
(4) Discussed below as part of the "2020 Notes". The coupon rate noted above increased from 4.400% to 4.650% on payments starting after June 15, 2023, following a credit rating downgrade by Moody's in the first quarter of 2023. Future interest rate adjustments are subject to a 2.0% total cap above the original 3.150% interest rate based on certain rating events as specified in the Note's Supplemental Indenture No. 3, dated as of June 19, 2020, among Perrigo Finance Unlimited Company, Perrigo Company plc, the guarantors party thereto and Wells Fargo Bank, National Association, as trustee.
(5) Discussed below collectively as the "2013 Notes"

During the year ended December 31, 2023 interest expense net, totaled $173.8million, comprised of $277.8 million of interest on our existing debt offset by $104.0 million of interest income. During the year ended December 31, 2022 interest expense net, totaled $156.0 million, comprised of $218.7 million of interest on our existing debt offset by $62.7 million of interest income

Revolving Credit Agreements

There were no borrowings outstanding under the $1.0 billion revolving credit agreement (the “Revolver”) as of December 31, 2023 or December 31, 2022.

Term Loans

Term Loan A Facility and Term Loan B Facility

On April 20, 2022, we and our indirect wholly owned subsidiary, Perrigo Investments, LLC, (the "Borrower") entered into the senior secured credit facilities, which consisted of (i) the Revolver, (ii) a $500.0 million five-year Term Loan A facility (the “Term Loan A Facility” and the Term A Loans thereunder, the "Term A Loans"), and (iii) a $1.1 billion seven-year Term Loan B facility (the “Term Loan B Facility” and the Term B loans thereunder borrowed on April 20, 2022, the "2022 Term B Loans") and, together with the Revolver and Term Loan A Facility, the “Senior Secured Credit Facilities”), all pursuant to a Term Loan and Revolving Credit Agreement (the "Credit Agreement").
On December 15, 2023, we and the Borrower, entered into Amendment No. 1, an Incremental Assumption Agreement (the "Amendment") to the Credit Agreement. The Amendment provides for a fungible add on to the 2022 Term B Loans in an aggregate principal amount of $300.0 million (the "Incremental Term B Loans" and together with the 2022 Term B Loans, the “Term B Loans”). The terms of the Incremental Term B Loans, including pricing and maturity, are identical to the 2022 Term B Loans. The Term B Loans will mature on April 20, 2029. The net proceeds from the Incremental Term B Loans were used to settle the cash tender offer by Perrigo Finance Unlimited Company ("Perrigo Finance") for $300.0 million in aggregate principal amount of 3.900% Senior Notes due 2024 ("2024 Notes"). The tender offer was settled on December 15, 2023, and Perrigo Finance accepted for purchase $300.0 million of the 2024 Notes and paid approximately $295.1 million in aggregate cash consideration (excluding accrued interest).

In relation to the Senior Secured Credit Facilities, we deferred $32.5 million of financing fees, which will be amortized to interest expense over the term of the facilities. During the year ended December 31, 2023, principal repayments of $22.0 million and $8.4 million were made on the Term Loan B Facility and Term Loan A Facility, respectively.

Guarantees and Debt Covenants

The Borrower and certain of our direct and indirect wholly-owned subsidiaries organized in the United States, Ireland, Belgium and England and Wales (subject to certain exceptions) (the "Guarantor Subsidiaries") provide full and unconditional guarantees, jointly and severally, on a senior unsecured basis, of the 5.300% Notes due 2043 issued by the Company, and the Guarantor Subsidiaries, the Company and the Borrower provide full and unconditional guarantees, jointly and severally, on a senior unsecured basis, of the 3.900% Notes due 2024, the 4.375% Notes due 2026, the 4.650% Notes due 2030 and the 4.900% Notes due 2044 issued by Perrigo Finance Unlimited Company.

The guarantees of the Guarantor Subsidiaries, the Company and the Borrower are subject to release in limited circumstances only upon the occurrence of certain customary conditions. The guarantees of the Guarantor Subsidiaries, the Company and the Borrower rank senior in right of payment to any future subordinated indebtedness of the Company, equal in right of payment with all of the Company's existing and future senior indebtedness and effectively subordinated to any of the Company's existing and future secured indebtedness, to the extent of the value of the collateral securing such indebtedness.

We are subject to financial covenants in the Senior Secured Credit Facilities. The new agreements contain financial covenants that require the Borrower and its restricted subsidiaries to (a) not exceed a maximum first lien secured net leverage ratio of 3.00 to 1.00 at the end of each fiscal quarter and (b) not fall below a minimum interest coverage ratio of 3.00 to 1.00 at the end of each fiscal quarter, provided that such covenants apply only to the Revolver and the Term Loan A Facility. If we consummate certain qualifying acquisitions during the term of the loan, the maximum first lien secured net leverage ratio covenant would increase to 3.25 to 1.00 for such quarter and the three following fiscal quarters thereafter.

Notes and Bonds

2014 Notes due December 15, 2024 & December 15, 2044

On December 2, 2014, Perrigo Finance issued $500.0 million in aggregate principal amount of 3.500% senior notes due 2021 (the "2021 Notes"), $700.0 million in aggregate principal amount of 3.900% senior notes due 2024 (the "2024 Notes"), and $400.0 million in aggregate principal amount of 4.900% senior notes due 2044 (the "2044 Notes" and, together with the 2021 Notes and the 2024 Notes, the "2014 Notes") and received net proceeds of $1.6 billion after fees and market discount. Interest on the 2014 Notes is payable semi-annually in arrears in June and December of each year, beginning in June 2015. The 2014 Notes are governed by a base indenture and a first supplemental indenture (collectively, the "2014 Indenture"). There are no restrictions under the 2014 Notes on our ability to obtain funds from our subsidiaries. Perrigo Finance may redeem the 2014 Notes in whole or in part at any time for cash at the make-whole redemption prices described in the 2014 Indenture. During the year ended December 31, 2017, we repaid $96.1 million of the 4.900% senior notes due 2044 and $190.4 million of the 3.500% senior notes due 2021. On July 6, 2020, we repaid the remaining $309.6 million of the 3.500% notes due 2021, as discussed above under the heading 2020 Notes and Notes Redemption. On December 15, 2023 Perrigo Finance accepted for purchase $300.0 million of 2024 Notes and paid approximately $295.2 million in aggregate cash consideration (excluding accrued interest) for a portion of the 2024 Notes. We recorded a total gain of $3.2 million on the extinguishment of debt on the Consolidated Profit and Loss Account.

2016 Notes due March 15, 2026

On March 7, 2016, Perrigo Finance issued $500.0 million in aggregate principal amount of 3.500% senior notes due 2021 and $700.0 million in aggregate principal amount of 4.375% senior notes due 2026 (together, the "2016 Notes") and received net proceeds of $1.2 billion after fees and market discount. Interest on the 2016 Notes is payable semi-annually in arrears in March and September of each year, beginning in September 2016. The 2016 Notes are governed by a base indenture and a second supplemental indenture (collectively, the "2016 Indenture"). During the year ended December 31, 2017, we repaid $219.6 million of the 3.500% senior notes due 2021. On July 6, 2020, we repaid the remaining $280.4 million of 3.500% senior notes due 2021.

2020 Notes due June 15, 2030

On June 19, 2020, Perrigo Finance Unlimited Company issued $750.0 million in aggregate principal amount of 3.150% Senior Notes due 2030 and received net proceeds of $737.1 million after the underwriting discount and offering expenses. Interest on the 2020 Notes is payable semi-annually in arrears on June 15 and December 15 of each year, beginning on December 15, 2020. Due to credit ratings downgrades by S&P and Moody's in the third

quarter of 2021, the first quarter of 2022 and the second quarter of 2023, respectively, the interest of the 2020 Notes stepped up from 3.150% to 3.900%, starting after December 15, 2021, from 3.900% to 4.400% starting after June 15, 2022 and from 4.400% to 4.650% starting after June 15, 2023. The 2020 Notes will mature on June 15, 2030 and are governed by a base indenture and a third supplemental indenture (collectively, the "2020 Indenture"). Perrigo Finance may redeem the 2020 Notes in whole or in part at any time for cash at the make-whole redemption prices described in the 2020 Indenture.

2013 Notes due November 15, 2043

On November 8, 2013, Perrigo Company issued $400.0 million aggregate principal amount of its 5.300% senior notes due 2043 (the "2013 Notes"). During the year ended December 31, 2017, we repaid $309.5 million of the 2013 Notes. Interest on the 2013 Notes is payable semi-annually in arrears in May and November of each year, beginning in May 2014. The 2013 Notes are governed by a base indenture and a first supplemental indenture (collectively, the "2013 Indenture"). The 2013 Notes are our unsecured and unsubordinated obligations, ranking equally in right of payment to all of our existing and future unsecured and unsubordinated indebtedness. The 2013 Notes are not entitled to mandatory redemption or sinking fund payments. We may redeem the 2013 Notes in whole or in part at any time for cash at the make-whole redemption prices described in the 2013 Indenture.

Other Financing

We have overdraft facilities available that we use to support our cash management operations. We report any balances outstanding in the above table under "Other financing". There were no borrowings outstanding under the overdraft facilities as of December 31, 2023 and December 31, 2022. We have financing leases that are reported in the above table under "Other financing" (refer to Note 8).

Future Maturities

The annual future maturities of our short-term and long-term debt, including capitalized leases and excluding deferred financing fees, are as follows (in millions):

Payment Due	Amount
2024	$ 440.9
2025	41.6
2026	741.6
2027	413.5
2028	16.6
Thereafter	2,463.0

14. CREDITORS

Creditors consisted of the following (in millions):

	Year Ended	
Creditors	**December 31, 2023**	**December 31, 2022**
Amounts falling due within one year		
Accounts payable	477.7	537.2
Accrued payroll	113.0	122.3
Accrued payroll taxes	14.0	14.0
Accrued income taxes	42.1	14.4
Accrued customer programs	163.5	139.1
Accrued value added tax	27.7	25.9
Deferred income	1.7	7.1
Accrued liabilities	226.8	130.2
	1,066.5	990.2
Amounts falling due after one year		
Accrued income taxes	231.4	262.9
Other long term liabilities	328.4	360.1
	559.8	623.0
Total creditors	1,626.3	1,613.2

All of the amounts disclosed under Amounts falling due within one year are interest free. Amounts falling due after one year include long-term contracts amounting to $11.6m with a maturity date in 2029 and $10.7m with a maturity date in 2030 with regular interest settlements throughout the life of the contracts.

15. RETIREMENT BENEFIT PLANS

Defined Contribution Plans

We have a qualified profit-sharing and investment plan under Section 401(k) of the IRS, which covers substantially all U.S. employees. Our contributions to the plan include an annual nondiscretionary contribution of 3% of an employee's eligible compensation and a discretionary contribution at the option of the Board of Directors. Additionally, we match a portion of employees' contributions.

We also have a defined contribution plan that covers our Ireland employees. We contribute up to 18% of each participating employee’s annual eligible salary on a monthly basis.

We assumed a number of defined contribution plans associated with the Omega acquisition and we pay contributions to the pension insurance plans.

Our contributions to all of the plans were as follows (in millions):

Year Ended	
December 31, 2023	**December 31, 2022**
$ 30.2	$ 29.8

Pension and Post-Retirement Healthcare Benefit Plans

We have a number of defined benefit plans for employees based in Europe. These plans are managed externally and the related pension costs and liabilities are assessed at least annually in accordance with the advice of a qualified professional actuary. We used a December 31, 2023 measurement date and all plan assets and liabilities are reported as of that date.

We provide certain healthcare benefits to eligible U.S. employees and their dependents who meet certain age and service requirements when they retire. Generally, benefits are provided to eligible retirees after age 65 and to their dependents. Increases in our contribution for benefits are limited to increases in the Consumer Price Index. Additional healthcare cost increases are paid through participant contributions. We accrue the expected costs of such benefits during a portion of the employees' years of service. The plan is not funded. Under current plan provisions, the plan is not eligible for any U.S. federal subsidy related to the Medicare Modernization Act of 2003 Part D Subsidy.

The change in the projected benefit obligation and plan assets consisted of the following (in millions):

	Pension Benefits		Other Benefits	
	Year Ended		Year Ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Projected benefit obligation at beginning of period	$ 127.5	$ 202.6	$ 2.0	$ 3.0
Net acquisitions/(disposals)	—	(1.3)	—	—
Service costs	2.9	3.3	—	—
Interest cost	5.2	2.7	0.1	0.1
Actuarial loss (gain)	14.4	(64.7)	(0.2)	(1.0)
Curtailment	(0.6)	—	—	—
Contributions paid	0.3	0.3	—	—
Benefits paid	(2.7)	(1.5)	(0.1)	(0.1)
Settlements	(0.7)	(1.7)	—	—
Foreign currency translation	4.9	(12.2)	—	—
Projected benefit obligation at end of period	$ 151.2	$ 127.5	$ 1.8	$ 2.0
Fair value of plan assets at beginning of period	134.6	181.7	—	—
Net acquisitions/(disposals)	—	(1.1)	—	—
Actual return on plan assets	11.7	(34.2)	—	—
Benefits paid	(2.7)	(1.5)	(0.1)	(0.1)
Settlements	(0.7)	(1.7)	—	—
Employer contributions	2.5	2.3	0.1	0.1
Contributions paid	0.3	0.3	—	—
Foreign currency translation	4.7	(11.2)	—	—
Fair value of plan assets at end of period	$ 150.4	$ 134.6	$ —	$ —
Funded/(unfunded) status	$ (0.8)	$ 7.1	$ (1.8)	$ (2.0)
Presented as:				
Pension assets	$ 27.7	$ 32.4	$ —	$ —
Other non-current liabilities	$ (28.5)	$ (25.3)	$ (1.8)	$ (2.0)

The total accumulated benefit obligation for the defined benefit pension plans was $145.6 million and $121.7 million at December 31, 2023 and December 31, 2022 respectively.

The following information relates to pension plans with an accumulated benefit obligation in excess of plan assets (in millions):

	Year Ended	
	December 31, 2023	December 31, 2022
Accumulated benefit obligation	$ 75.6	$ 62.4
Fair value of plan assets	$ 52.6	$ 42.9

The following information relates to pension plans with a projected benefit obligation in excess of plan assets (in millions):

	Year Ended	
	December 31, 2023	December 31, 2022
Projected benefit obligation	$ 81.1	$ 68.2
Fair value of plan assets	$ 52.6	$ 42.9

The following unrecognized actual gain for the other benefits liability was included in OCI, net of tax (in millions):

Year Ended	
December 31, 2023	December 31, 2022
$ 0.2	$ 0.9

The unamortized net actuarial loss (gain) in AOCI net of tax for defined benefit pension and other benefits was as follows (in millions):

Year Ended	
December 31, 2023	December 31, 2022
$ 2.4	$ (7.1)

The estimated amount to be recognized from AOCI into net periodic cost during the next year is $0.4 million.

At December 31, 2023, the total estimated future benefit payments to be paid by the plans for the next five years is approximately $17.3 million for pension benefits and $0.8 million for other benefits as follows (in millions):

Payment Due	Pension Benefits	Other Benefits
2024	$ 2.9	$ 0.1
2025	3.1	0.2
2026	3.0	0.1
2027	3.9	0.2
2028	4.4	0.2
Thereafter	29.3	0.7

The expected benefits to be paid are based on the same assumptions used to measure our benefit obligation at December 31, 2023, including the expected future employee service. We expect to contribute $2.1 million to the defined benefit plans within the next year.

Net periodic pension cost consisted of the following (in millions):

	Pension Benefits		Other Benefits	
	Year Ended		Year Ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Service cost	$ 2.9	$ 3.3	$ —	$ —
Interest cost	5.2	2.7	0.1	0.1
Expected return on assets	(5.8)	(4.9)	—	—
Settlement	(0.1)	0.1	—	—
Curtailment	(0.3)	—	—	—
Net actuarial loss/(gain)	(0.5)	0.1	(1.2)	(0.6)
Net periodic pension cost/ (gain)	$ 1.4	$ 1.3	$ (1.1)	$ (0.5)

The components of the net periodic pension cost, other than the service cost component, are included in the line item Other (income) expense, net in the Consolidated Profit and Loss Account.

The decrease in the discount rate from 3.92% to 3.61% has increased the liability. This decrease of 0.31% versus the discount rate used at December 31, 2022 is primarily attributable to the decrease in bond yields due to falling levels of inflation in the Euro zone.

The weighted-average assumptions used to determine net periodic pension cost and benefit obligation were:

	Pension Benefits		Other Benefits	
	Year Ended		Year Ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Discount rate	3.61 %	3.92 %	4.92 %	5.19 %
Inflation	2.27 %	2.31 %	—	—
Expected return on assets	3.38 %	2.84 %	—	—
Interest crediting rates	0.93 %	0.74 %	—	—

The discount rate is based on market yields at the valuation date and chosen with reference to the yields available on high quality corporate bonds, with regards to the duration of the plan's liabilities.

As of December 31, 2023, the expected weighted-average long-term rate of return on assets of 3.4% was calculated based on the assumptions of the following returns for each asset class:

Equities	6.2 %
Bonds	4.2 %
Absolute return fund	4.9 %
Insurance contracts	2.2 %
Other	4.5 %

The investment mix of the pension plans' assets is a blended asset allocation, with a diversified portfolio of shares listed and traded on recognized exchanges.

Certain of our plans have target asset allocation ranges. As of December 31, 2023, these ranges were as follows:

Equities	20% - 30%
Bonds	50% - 60%
Absolute return	10% - 20%

Other plans do not have target asset allocation ranges, for such plans, the strategy is to invest mainly in Insurance Contracts.

The purpose of the pension funds is to provide a flow of income for members in retirement. A flow of income delivered through fixed interest bonds provides a costly but close match to this objective. Equities are held within the portfolio as a means of reducing this cost, but holding equities creates a strategic risk because they give a very different pattern of return. Property investments are held to help diversify the portfolio. Investment risk is measured and monitored on an ongoing basis through annual liability measurements, periodic asset/liability studies, and investment portfolio reviews.

The following table sets forth the fair value of the pension plan assets (in millions):

	Year Ended							
	December 31, 2023				December 31, 2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Equities	$ —	$ 21.5	$ —	$ 21.5	$ —	$ 35.6	$ —	$ 35.6
Bonds	—	54.1	—	54.1	—	22.7	—	22.7
Insurance contracts	—	—	54.3	54.3	—	—	46.2	46.2
Absolute return fund	—	12.1	—	12.1	—	23.3	—	23.3
Other	—	8.4	—	8.4	—	6.8	—	6.8
Total	$ —	$ 96.1	$ 54.3	$ 150.4	$ —	$ 88.4	$ 46.2	$ 134.6

The following table sets forth a summary of the changes in the fair value of the Level 3 pension plan assets, which were measured at fair value on a recurring basis (in millions):

	Year Ended	
	December 31, 2023	December 31, 2022
Assets at beginning of year	$ 46.2	$ 63.3
Actual return on plan assets	6.2	(15.8)
Purchases, sales and settlements, net	0.5	1.5
Foreign exchange	1.4	(2.8)
Assets at end of year	$ 54.3	$ 46.2

The fair value of the insurance contracts is an estimate of the amount that would be received in an orderly sale to a market participant at the measurement date. The amount the plan would receive from the contract holder if the contracts were terminated is the primary input and is unobservable. The insurance contracts are therefore classified as Level 3 investments.

Deferred Compensation Plans

We have non-qualified plans related to deferred compensation and executive retention that allow certain employees and directors to defer compensation subject to specific requirements. Although the plans are not formally funded, we own insurance policies that had a cash surrender value of $37.1 million and $35.4 million at December 31, 2023 and December 31, 2022, respectively, that are intended as a long-term funding source for these plans. The assets, which are recorded in Other non-current assets, are not a committed funding source and may, under certain circumstances, be subject to claims from creditors. The deferred compensation liability of $29.9 million and $29.2 million at December 31, 2023 and December 31, 2022, respectively, was recorded in Other non-current liabilities.

16. EARNINGS/ (LOSS) PER SHARE AND SHAREHOLDER'S EQUITY

Earnings/ (Loss) per Share

A reconciliation of the numerators and denominators used in our basic and diluted loss per share ("EPS") calculation is as follows (in millions):

	Year Ended	
	December 31, 2023	December 31, 2022
Numerator:		
Income (loss) from continuing operations	$ (4.4)	$ (130.9)
Income (loss) from discontinued operations, net of tax	(8.3)	(9.7)
Net Income (loss)	$ (12.7)	$ (140.6)
Denominator:		
Weighted average shares outstanding for basic EPS	135.3	134.5
Weighted average shares outstanding for diluted EPS	135.3	134.5

*In the period of a loss from continuing operations, diluted shares equal basic shares

Shareholders' Equity

Our common stock consists of ordinary shares of Perrigo Company plc, a public limited company incorporated under the laws of Ireland.

Our common equity has traded on the New York Stock Exchange under the symbol PRGO since June 6, 2013. Prior to that, our common equity traded on the Nasdaq Global Select Market under the same symbol. Our common equity was also traded on the Tel Aviv Stock Exchange (“TASE”) under the same symbol between March 16, 2005 and February 23, 2022, when we voluntarily delisted from trading in connection with the Rx business divestiture.

Dividends

We paid dividends as follows:

	Year Ended	
	December 31, 2023	December 31, 2022
Dividends paid (in millions)	$ 149.7	$ 142.4
Dividends paid (per share)	$ 1.09	$ 1.04

The declaration and payment of dividends and the amount paid, if any, are subject to the discretion of the Board of Directors and depend on our earnings, financial condition, availability of distributable reserves, capital and surplus requirements and other factors the Board of Directors may consider relevant.

Share Repurchases

In October 2018, our Board of Directors authorized up to $1.0 billion of share repurchases with no expiration date, subject to the Board of Directors’ approval of the pricing parameters and amount that may be repurchased under each specific share repurchase program (the "2018 Authorization"). We did not purchase any shares during the years ended December 31, 2023 and December 31, 2022. During the year ended December 31, 2020, we repurchased 3.4 million ordinary shares at an average purchase price of $48.28 per share for a total of $164.2 million under the 2018 Authorization. As of December 31, 2023 the approximate value of shares available for purchase under the 2018 Authorization was $835.8 million.

17. SHARE-BASED COMPENSATION PLANS

All share-based compensation for employees and directors is granted under the 2019 Long-Term Incentive Plan, as amended (the "Plan"), which has been approved by our shareholders. The purpose of the Plan is to attract and retain individuals of exceptional talent and encourage these individuals to acquire a vested interest in our success and prosperity. The awards that may be granted under this program include non-qualified stock options, stock appreciation rights, restricted stock and restricted share units. Restricted shares are generally service-based, requiring a certain length of service before vesting occurs, while restricted share units can be either service-based or performance-based. Performance-based restricted share units also require a certain length of service until vesting, but contain an additional performance feature, which can vary the amount of shares ultimately paid out based on certain performance criteria specified in the Plan or award Performance share units that are based on relative total shareholder return are subject to a market condition. Awards granted under the Plan vest and may be exercised and/or sold from one year to ten years after the date of grant based on a vesting schedule. As of December 31, 2023, there were 5.0 million shares available to be granted.

Share-based compensation expense was as follows (in millions):

Year Ended	
December 31, 2023	December 31, 2022
$ 68.8	$ 54.9

As of December 31, 2023, unrecognized share-based compensation expense was $54.4 million, and the weighted-average period over which the expense is expected to be recognized was approximately 1.3 years. Proceeds from the exercise of stock options are credited to ordinary shares.

Stock Options

A summary of activity related to stock options is presented below (options in thousands):

	Number of Options	Weighted-Average Exercise Price Per Share	Weighted-Average Remaining Term in Years	Aggregate Intrinsic Value
Options outstanding at December 31, 2021	1,248	$ 93.80	4.4	$ —
Forfeited or expired	(117)	$ 102.86		
Options outstanding at December 31, 2022	1,131	$ 92.87	3.7	$ —
Forfeited or expired	(180)	$ 100.85		
Options outstanding December 31, 2023	951	$ 91.36	3.2	$ —
Options exercisable	951	$ 91.36	3.2	$ —
Options expected to vest	—	$ —	0.0	$ —

The aggregate intrinsic value for options exercised and the weighted-average fair value per share at the grant date for options granted was zero for the years ended December 31, 2023 and December 31, 2022

Non-Vested Service-Based Restricted Share Units

A summary of activity related to non-vested service-based restricted share units is presented below (units in thousands):

	Number of Non-vested Service-Based Share Units	Weighted-Average Grant Date Fair Value Per Share	Weighted-Average Remaining Term in Years	Aggregate Intrinsic Value
Non-vested service-based share units outstanding at December 31, 2021	1,934	$ 45.52	0.8	$ 75.2
Granted	1,305	$ 36.53		
Vested	(1,070)	$ 46.19		
Forfeited	(128)	$ 41.12		
Non-vested service-based share units outstanding at December 31, 2022	2,041	$ 39.69	0.9	$ 69.6
Granted	1,452	$ 36.44		
Vested	(1,120)	$ 40.96		
Forfeited	(132)	$ 40.40		
Non-vested service-based share units outstanding at December 31, 2023	2,241	$ 36.92	0.9	$ 72.1

The weighted-average fair value per share at the date of grant for service-based restricted share units granted was as follows:

Year Ended	
December 31, 2023	December 31, 2022
$ 36.44	$ 36.53

The total fair value of service-based restricted share units that vested was as follows (in millions):

Year Ended	
December 31, 2023	December 31, 2022
$ 45.9	$ 49.4

Non-Vested Performance-Based Restricted Share Units

A summary of activity related to non-vested performance-based restricted share units is presented below (units in thousands):

	Number of Non-vested Performance-Based Share Units	Weighted-Average Grant Date Fair Value Per Share	Weighted-Average Remaining Term in Years	Aggregate Intrinsic Value
Non-vested performance-based share units outstanding at December 31, 2021	918	$ 47.10	1.2	$ 35.7
Granted	473	$ 36.48		
Vested	(300)	$ 47.59		
Forfeited	(22)	$ 43.93		
Non-vested performance-based share units outstanding at December 31, 2022	1,069	$ 42.28	1.4	$ 36.4
Granted	487	$ 36.44		
Vested	(252)	$ 55.11		
Forfeited	(33)	$ 41.18		
Non-vested performance-based share units outstanding at December 31, 2023	1,271	$ 37.65	1.3	$ 40.9

The weighted-average fair value of performance-based restricted share units can fluctuate depending upon the success or failure of the achievement of performance criteria as set forth in the Plan. The weighted-average fair value per share at the date of grant for performance-based restricted share units granted was as follows:

Year Ended	
December 31, 2023	December 31, 2022
$ 36.44	$ 36.48

The total fair value of performance-based restricted share units that vested was as follows (in millions):

Year Ended	
December 31, 2023	December 31, 2022
$ 13.9	$ 14.3

Non-vested Relative Total Shareholder Return Performance Share Units

The fair value of the RTSR performance share units is determined using the Monte Carlo pricing model as the number of shares to be awarded is subject to a market condition. The valuation model considers a range of possible outcomes, and compensation cost is recognized regardless of whether the market condition is actually satisfied.

The assumptions used in estimating the fair value of the RTSR performance share units granted during each year were as follows:

	Year Ended	
	December 31, 2023	December 31, 2022
Dividend yield	3.0 %	2.9 %
Volatility, as a percent	32.0 %	37.3 %
Risk-free interest rate	4.6 %	1.7 %
Expected life in years	2.8	2.8

A summary of activity related to non-vested RTSR performance share units is presented below (units in thousands):

	Number of Non-vested RTSR Performance Share Units	Weighted-Average Grant Date Fair Value Per Share	Weighted-Average Remaining Term in Years*	Aggregate Intrinsic Value
Non-vested RTSR performance share units outstanding at December 31, 2021	236	$ 53.85	1.2	$ 9.2
Granted	54	$ 40.80		
Non-vested RTSR performance share units outstanding at December 31, 2022	290	$ 47.36	1.4	$ 9.2
Granted	39	$ 42.09		
Non-vested RTSR performance share units outstanding at December 31, 2023	329	$ 41.33	1.2	$ 10.6

* Midpoint used in calculation.

The weighted-average fair value per share at the date of grant for RTSR performance share units granted was as follows:

Year Ended	
December 31, 2023	December 31, 2022
$ 42.09	$ 40.80

The total fair value of RTSR performance share units that vested was as follows (in millions):

Year Ended	
December 31, 2023	December 31, 2022
$ —	$ —

18. OTHER RESERVES

Changes in our Other Reserves balances, net of tax, were as follows (in millions):

	Fair Value of Derivative Financial Instruments, net of tax	Foreign Currency Translation Adjustments[1]	Post-Employment Plan Adjustments, net of tax[1]	Other	Total Other Reserves
Balance at December 31, 2021	$ (22.0)	$ 67.4	$ (9.9)	342.9	$ 378.4
OCI before reclassifications	47.8	(82.4)	22.3	—	(12.3)
Amounts reclassified from OCI	(1.3)	(43.6)	(5.3)	—	(50.2)
Other comprehensive income (loss)	46.5	(126.0)	17.0	—	(62.5)
Other equity-based compensation	—	—	—	54.9	54.9
Shares withheld for payment of taxes	—	—	—	(19.0)	(19.0)
Balance at December 31, 2022	24.5	(58.6)	7.1	378.8	351.8
OCI before reclassifications	16.2	54.6	(1.6)	—	69.2
Amounts reclassified from OCI	(23.6)	—	(7.9)	—	(31.5)
Other comprehensive income (loss)	(7.4)	54.6	(9.5)	—	37.7
Other equity-based compensation	$ —	$ —	$ —	68.8	68.8
Shares withheld for payment of taxes	$ —	$ —	$ —	(18.3)	$ (18.3)
Balance at December 31, 2023	$ 17.1	$ (4.0)	$ (2.4)	429.3	$ 440.0

(1) Amounts reclassified from AOCI relate to the divestiture of the Latin American businesses. Refer to Note 3 for more information.

19. INCOME TAXES

Pre-tax income (loss) and the (benefit) provision for income taxes from continuing operations are summarized as follows (in millions):

	Year Ended	
	December 31, 2023	December 31, 2022
Pre-tax income (loss):		
Ireland	$ 72.3	$ (212.8)
United States	(23.8)	(38.2)
Other foreign	(56.8)	111.9
Total pre-tax income (loss)	(8.3)	(139.1)
Current provision (benefit) for income taxes:		
Ireland	2.0	2.8
United States	18.2	(7.8)
Other foreign	56.6	30.8
Subtotal	76.8	25.8
Deferred provision (benefit) for income taxes:		
Ireland	0.2	0.7
United States	(12.9)	(8.6)
Other foreign	(68.0)	(26.1)
Subtotal	(80.7)	(34.0)
Total provision for income taxes	$ (3.9)	$ (8.2)

A reconciliation of the provision based on the Irish statutory income tax rate to our effective income tax rate is as follows:

	Year Ended	
	December 31, 2023	December 31, 2022
Provision at statutory rate	12.5 %	12.5 %
Foreign rate differential	286.8	25.9
State income taxes, net of federal benefit	3.6	(0.3)
Provision to return	(67.6)	(0.5)
Tax credits	293.3	18.6
Change in tax law	(25.5)	0.7
Change in valuation allowance	(383.9)	(7.6)
Change in unrecognized taxes	654.7	4.4
Permanent differences	(723.3)	(42.3)
Legal entity restructuring	—	(4.6)
Taxes on unremitted earnings	4.7	(0.8)
Other	(8.1)	(0.1)
Effective income tax rate	47.2 %	5.9 %

Deferred income taxes arise from temporary differences between the financial reporting and the tax reporting basis of assets and liabilities and operating loss and tax credit carryforwards for tax purposes. The components of our net deferred income tax asset (liability) are presented on a total company basis as follows (in millions):

	Year Ended	
Deferred income tax asset (liability):	December 31, 2023	December 31, 2022
Depreciation and amortization	$ (475.9)	$ (511.5)
Right of use assets	(44.4)	(52.6)
Unremitted earnings	(3.1)	(3.8)
Inventory basis differences	30.8	28.7
Accrued liabilities	26.3	26.5
Lease obligations	45.3	52.3
Share-based compensation	17.9	21.4
Federal benefit of unrecognized tax positions	18.7	18.7
Loss and credit carryforwards	438.3	360.8
R&D credit carryforwards	23.8	32.2
Capitalized R&D costs	31.2	17.5
Interest carryforwards	50.8	13.5
Other, net	44.7	29.7
Subtotal	$ 204.4	$ 33.4
Valuation allowance [1]	(440.9)	(394.5)
Net deferred income tax liability	$ (236.5)	$ (361.1)

(1) The movement in the valuation allowance balance differs from the amount in the effective tax rate reconciliation due to adjustments affecting balance sheet only items and foreign currency.

The above amounts are classified on the Consolidated Balance Sheets as follows (in millions):

	Year Ended	
	December 31, 2023	December 31, 2022
Assets	$ 25.8	7.1
Liabilities	(262.3)	(368.2)
Net deferred income tax liability	$ (236.5)	(361.1)

The change in valuation allowance reducing deferred taxes was (in millions):

	Year Ended	
	December 31, 2023	December 31, 2022
Balance at beginning of period	$ 394.5	$ 450.7
Change in assessment [1]	48.3	(14.8)
Current year operations, foreign currency and other	(1.9)	(41.4)
Balance at end of period	$ 440.9	$ 394.5

(1) Includes increases in 2023 of $45 million related primarily to pre-acquisition net operating losses in our Elan US entity, reductions of $16.0 million in 2022 related primarily to projected utilization of capital losses and additions of $40.0 million in 2021 related primarily to our Latin American businesses.

We have credit carryforwards of $27.2 million and net operating loss carryforwards of $615.2 million which will expire at various times through 2043. The remaining credit carryforwards of $6.7 million, loss carryforwards of $1.4 billion, and interest carryforwards of $218.0 million have no expiration.

For the year ended December 31, 2023 we recorded a net increase in valuation allowances of $46.4 million comprised primarily of an increase of valuation allowance on certain operating losses being carried forward which are no longer realizable. For the year ended December 31, 2022 we recorded a net decrease in valuation allowances of $56.2 million, comprised primarily of a decrease in valuation allowance on deferred tax assets related to the divestiture of the Latin American businesses in 2022. Valuation allowances are determined based on management's assessment of its deferred tax assets that are more likely than not to be realized.

The ending deferred tax liability with respect to undistributed earnings of certain foreign subsidiaries is $3.1 million as of December 31, 2023.

As of December 31, 2023, the Company considered approximately $3.5 million of unremitted earnings of our foreign subsidiaries as indefinitely reinvested. The unrecognized deferred tax liability related to these earnings is estimated at approximately $0.4 million. However, this estimate could change based on the manner in which the outside basis differences associated with these earnings reverse.

The Company operates in multiple jurisdictions with complex tax policy and regulatory environments and establishes reserves for uncertain tax positions in accordance with the accounting guidance governing uncertainty in income taxes. Uncertainty in a tax position may arise because tax laws are subject to interpretation. The following table is presented on a total company basis and summarizes the activity related to the liability recorded for uncertain tax positions, excluding interest and penalties (in millions):

	Year Ended	
	December 31, 2023	December 31, 2022
Balance at beginning of period	$ 331.6	$ 347.2
Additions:		
Positions related to the current year	9.8	9.2
Positions related to prior years	57.7	13.4
Reductions:		
Settlements with taxing authorities	(50.4)	(20.2)
Lapse of statutes of limitation	(4.9)	—
Decrease in prior year positions	(104.9)	(17.1)
Cumulative translation adjustment	0.4	(0.9)
Balance at end of period	$ 239.3	$ 331.6

We recognize interest and penalties related to uncertain tax positions as a component of income tax expense. The total amount accrued for interest and penalties in the liability for uncertain tax positions was $74.9 million and $85.8 million as of December 31, 2023 and December 31, 2022 respectively.

If recognized, of the total liability for uncertain tax positions, including interest and penalties, $185.2 million and, $217.0 million as of December 31, 2023 and December 31, 2022, respectively, would impact the effective tax rate in future periods.

Our major income tax jurisdictions are Ireland, the U.S., Belgium, France, Germany and the United Kingdom. We are routinely audited by the tax authorities in our major jurisdictions. We have substantially concluded all Ireland income tax matters through the year ended December 31, 2018 and all U.S. federal income tax matters through the year ended June 28, 2008. All significant matters in our remaining major tax jurisdictions have been concluded for tax years through 2018.

Based on the final resolution of tax examinations, judicial or administrative proceedings, changes in facts or law, expirations of statute of limitations in specific jurisdictions or other resolutions of, or changes in, tax positions - one or more of which may occur within the next twelve months - it is reasonably possible that unrecognized tax benefits for certain tax positions taken on previously filed tax returns may change materially from those recorded as of December 31, 2023. However, we are not able to estimate a reasonably possible range of how these events may impact our unrecognized tax benefits in the next twelve months.

Internal Revenue Service Audits of Perrigo Company, a U.S. Subsidiary

Perrigo Company, our U.S. subsidiary ("Perrigo U.S."), is engaged in a series of tax disputes in the U.S. relating primarily to transfer pricing adjustments including income in connection with the purchase, distribution, and sale of store-brand OTC pharmaceutical products in the United States, including the heartburn medication omeprazole. On August 27, 2014, we received a statutory notice of deficiency from the IRS relating to our fiscal tax years ended June 27, 2009, and June 26, 2010 (the “2009 tax year” and “2010 tax year”, respectively). On April 20, 2017, we received a statutory notice of deficiency from the IRS for the years ended June 25, 2011 and June 30, 2012 (the “2011 tax year” and “2012 tax year”, respectively). Specifically, both statutory notices proposed adjustments related to the offshore reporting of profits on sales of omeprazole in the United States resulting from

the assignment of an omeprazole distribution contract to an Israeli affiliate. In addition to the transfer pricing adjustments, which applied to all four tax years, the statutory notice of deficiency for the 2011 and 2012 tax years included adjustments requiring the capitalization and amortization of certain legal expenses that were deducted when paid or incurred in defending against certain patent infringement lawsuits related to Abbreviated New Drug Applications ("ANDAs") filed with a Paragraph IV Certification.

We do not agree with the audit adjustments proposed by the IRS in either of the notices of deficiency. We paid the assessed amounts of tax, interest, and penalties set forth in the statutory notices and timely filed claims for refund on June 11, 2015 for the 2009 and 2010 tax years, and on June 7, 2017, for the 2011 and 2012 tax years. On August 15, 2017, following disallowance of such refund claims, we timely filed a complaint in the United States District Court for the Western District of Michigan seeking refunds of tax, interest, and penalties of $27.5 million for the 2009 tax year, $41.8 million for the 2010 tax year, $40.1 million for the 2011 tax year, and $24.7 million for the 2012 tax year, for a total of $134.1 million, plus statutory overpayment interest thereon from the dates of payment. The amounts sought in the complaint for the 2009 and 2010 tax years were recorded as deferred charges in Other non-current assets on our balance sheet during the three months ended March 28, 2015, and the amounts sought in the complaint for the 2011 and 2012 tax years were recorded as deferred charges in Financial assets on our balance sheet during the three months ended July 1, 2017.

A bench trial was held during the period May 25, 2021 to June 7, 2021 for the refund case in the United States District Court for the Western District of Michigan. The total amount of cumulative deferred charge that we are seeking to receive in this litigation is approximately $113.3 million, which reflects the impact of conceding that Perrigo U.S. should have received a 5.24% royalty on all omeprazole sales. That concession was previously paid and is the subject of the above refund claims. The issues outlined in the statutory notices of deficiency described above are continuing in nature, and the IRS will likely carry forward the adjustments set forth therein as long as the OTC medication is sold, in the case of the omeprazole issue, and for all post-2012 Paragraph IV filings that trigger patent infringement suits, in the case of the ANDA issue. Post-trial briefings were completed on September 24, 2021 and the case is now fully submitted for the court's decision. On April 30, 2021, we filed a Notice of New Authority in our refund case in the Western District of Michigan alerting the court to a United States Tax Court decision in *Mylan v. Comm'r* that ruled in favor of the taxpayer on nearly identical ANDA issues as we have before the court. On January 28, 2022, the IRS filed a Notice of Appeal with the United States Court of Appeals of the Third Circuit to appeal the United States Tax Court's decision in *Mylan v. Comm'r.* Briefing to the appellate court was completed during 2022, oral argument was held before the Third Circuit on January 12, 2023, and on July 27, 2023, the Third Circuit Court affirmed the decision of the Tax Court. On August 1, 2023, we filed a Notice of new Authority in our refund case in the Western District of Michigan alerting the court to the Third Circuit Court decision in Mylan v. Comm'r that ruled in favor of the taxpayer on nearly identical ANDA issues that we have before the court. On August 22, 2022, the parties filed a Notice of New Authority in the refund case alerting the court to a United States Court of Federal Claims decision in *Actavis Laboratories v. United States* that also ruled in favor of the taxpayer on the ANDA issues. The government appealed the Actavis Laboratories decision to the United States Court of Appeals for the Federal Circuit in December of 2022; briefing to the appellate court has been completed and the case is awaiting oral argument.

On January 13, 2021, the IRS issued a 30-day letter and Revenue Agent's Report ("RAR") with respect to its audit of our fiscal tax years ended June 29, 2013, June 28, 2014, and June 27, 2015. The 30-day letter proposed, among other modifications, transfer pricing adjustments in connection with the distribution of omeprazole in the aggregate amount of $141.6 million and ANDA-related adjustments in the aggregate amount of $21.9 million. The 30-day letter also set forth adjustments described in the next two paragraphs. We timely filed a protest to the 30-day letter for those additional adjustments but noting that due to the pending refund litigation described above, IRS Appeals would not consider the merits of the omeprazole or ANDA matters. We believe that we should prevail on the merits on both carryforward issues and have reserved for taxes and interest payable on the 5.24% deemed royalty on omeprazole through the tax year ended December 31, 2018. Beginning with the tax year ended December 31, 2019, we began reporting income commensurate with the 5.24% deemed royalty. We have not reserved for the ANDA-related issue described above. While we believe we should prevail on the merits of this case, the outcome remains uncertain. If our litigation position on the omeprazole issue is not sustained, the outcome for the 2009–2012 tax years could range from a reduction in the refund amount to denial of any refund. In addition, we expect that the outcome of the refund litigation could effectively bind future tax years. In that event, an adverse ruling on the omeprazole issue could have a material impact on subsequent periods, with additional tax liability in the range of $25.0 million to $124.0 million, not including interest and any applicable penalties.

The 30-day letter for the 2013-2015 tax years also proposed to reduce Perrigo U.S.'s deductible interest expense for the 2014 tax year and the 2015 tax year on $7.5 billion in certain intercompany debts owed by it to Perrigo Company plc. The debts were incurred in connection with the 2013 Elan merger transaction in 2013. On May 7, 2020, the IRS issued a NOPA capping the interest rate on the debts for U.S. federal tax purposes at 130.0% of the Applicable Federal Rate ("AFR") (a blended rate reduction of 4.0% per annum) on the stated ground that the loans were not negotiated on an arms-length basis. The May 7, 2020 NOPA proposed a reduction in gross interest expense of approximately $414.7 million for tax years 2014 and 2015. On January 13, 2021, we received a RAR, together with the 30-day letter, requiring our filing of a written protest to request IRS Appeals consideration. The protest was timely filed with the IRS on February 26, 2021. On January 20, 2022, the IRS responded to our protest with its rebuttal in which it revised its position on this interest rate issue by reasserting that implicit parental support considerations are necessary to determine the arm's length interest rates and proposed revised interest rates that are higher than the interest rates proposed under its 130.0% of AFR assertion. The blended interest rate proposed by the IRS rebuttal was 4.36%, an increase from the blended interest rate in the RAR of 2.57% but lower than the stated blended interest rate of the loans of 6.8%. An IRS Appeals conference for the interest rate issue was held during March 7, 2023 through March 9, 2023. On May 5, 2023, we finalized an agreement with IRS Appeals resulting in settlement of the May 7, 2020 NOPA of $153.4 million of gross interest expense reduction for the 2014-2015 tax years. This implies a blended interest rate of 5.44%. In addition, based on the above agreement with IRS Appeals, we will apply similar adjustments for all remaining tax years through 2018. On December 20, 2023, the IRS Examination Team confirmed that the interest rates agreed with IRS Appeals for the 2014-2015 tax years will be applied to the future tax years through 2018. The tax payments relating to the settlement with IRS appeals is expected to be made during 2024, after receipt of a Notice of Assessment. In the second and fourth quarters of fiscal year 2023 we adjusted our previously established reserves related to this matter to account for the agreed reduction of the interest rates.

In addition, the 30-day letter for the 2013-2015 tax years expanded on a NOPA issued on December 11, 2019 and proposed to disallow reductions to gross sales income on the sale of prescription products to wholesalers for accrued wholesale customer pipeline chargebacks where the prescription products were not re-sold by such wholesalers to covered retailers by the end of the tax year. The NOPA asserted that the reduction of gross sales income of such chargebacks is an impermissible method of accounting and proposed a change in accounting method that would defer the reduction in gross sales income until the year the prescription products were re-sold to covered retailers. The NOPA proposed an increase in sales revenue of approximately $99.5 million for the 2013-2015 tax years. We filed a protest on February 26, 2021 to request IRS Appeals consideration. On January 20, 2022, the IRS responded to our protest with its rebuttal and reiterated the NOPA's position that the accrued chargebacks are not currently deductible in the tax year accrued because all events have not occurred to establish the fact of the liability in the year deducted. On December 28, 2022, we finalized an agreement with IRS Appeals providing for settlement of the NOPA not only for the 2013-2015 tax years but all of the remaining tax years through 2021, the last tax year with chargebacks due to the sale of the RX business in July 2021. We made a settlement payment of $8.3 million which was fully covered by reserves for this issue.

On December 2, 2021, the IRS commenced an audit of our federal income tax returns for the tax years ended December 31, 2015, through December 31, 2019.

Internal Revenue Service Audit of Athena Neurosciences, LLC, a U.S. Subsidiary

On April 26, 2019, we received a revised NOPA from the IRS regarding transfer pricing positions related to the IRS audit of Athena Neurosciences, LLC ("Athena") for the years ended December 31, 2011, December 31, 2012, and December 31, 2013. The April 26, 2019, NOPA carried forward the IRS's theory from its 2017 draft NOPA that when Elan took over the future funding of Athena's in-process research and development after acquiring Athena in 1996, Elan should have paid a substantially higher royalty rate for the right to exploit Athena’s intellectual property in various developmental products, including the Multiple Sclerosis drug Tysabri, rather than rates based on transfer pricing documentation prepared by Elan's external tax advisors. The April 26, 2019, NOPA proposed a payment of $843.0 million, which represented additional tax based on imputing royalty income to Athena using a 24.7% royalty rate derived by the IRS and a 40.0% accuracy-related penalty. This amount excluded consideration of offsetting tax attributes and any potential interest that may be imposed. We strongly disagreed with the IRS' position. On December 22, 2016, we also received a NOPA for these years denying the deductibility of settlement costs incurred in 2011 by Athena's parent company Elan Pharmaceuticals, Inc. ("EPI") related to illegal marketing of Zonegran by EPI's employees in the United States raised in a Qui Tam action under the U.S. False Claims Act. We strongly disagreed with the IRS' position on this issue as well. Because we believed that any concession on these issues in

Appeals would be contrary to our evaluation of the issues and to avoid double taxation of the same income in the United States and Ireland, we pursued our remedies under the Mutual Agreement Procedure ("MAP") of the U.S. - Ireland Income Tax Treaty to alleviate double taxation. On April 21 and 23, 2020, we filed requests for Competent Authority assistance with the IRS and Irish Revenue on the Tysabri royalty issue, and those MAP applications were accepted. On October 20, 2020, we amended our requests for Competent Authority assistance to include the Zonegran issue and these supplemental requests were also accepted.

On April 24, 2023, we received a letter from the IRS informing us that the U.S. Competent Authority had agreed to fully withdraw the income and penalty adjustments related to the Tysabri royalty issue and considered that case to be closed. The April 24, 2023 letter concluded the competent authority process for the Tysabri royalty issue without the need for negotiations between the Competent Authorities and constitutes a full and final resolution of all adjustments proposed by the IRS in the April 26, 2019 NOPA. In the second quarter of fiscal year 2023 we adjusted previously established reserves related to this and other matters in the same audit period. The Zonegran deduction issue remains pending in the MAP case and is being considered by the U.S. and Irish Competent Authorities.

Recent Tax Law Changes

On December 28, 2021, the U.S. Treasury and the IRS released final foreign tax credit regulations addressing various aspects of the foreign tax credit regime. The regulations were, generally, effective on March 7, 2022. We evaluated the regulations and concluded that they do not result in any material changes to our income tax reporting for the year ended December 31, 2022 or for any prior periods. We will continue to evaluate the effects of these final foreign tax credit regulations on future accounting periods.

In the United States, the Inflation Reduction Act of 2022 ("IR Act") created the corporate alternative minimum tax ("CAMT"), which imposes the 15% minimum tax on adjusted financial statement income of large corporations with average annual financial statement income exceeding $1 billion and effective for taxable years beginning after December 31, 2022. During 2023, U.S. Department of Treasury issued Notices 2023-20, 2023-64 and 2024-10, in addition to Notice 2023-7 that was issued on December 2022, to provide additional interim guidance to assist in determining whether the CAMT applies and how to compute the tax. We evaluated the IR Act, together with the Notices, and concluded it does not result in any material changes to our income tax reporting for the year ended December 31, 2023. We will continue to evaluate the effects of the CAMT on future accounting periods.

The Organization for Economic Co-operation and Development (“OECD”), which represents a coalition of member countries, has recommended changes to numerous long-standing tax principles. In particular, the OECD's Pillar Two initiative introduces a global per-country minimum tax of 15%. Pillar Two legislation has been enacted or substantively enacted in many of the jurisdictions in which we operate. The legislation will be effective for our financial year beginning January 1, 2024. We are in scope of the enacted or substantively enacted legislation and have performed an assessment of our potential exposure to Pillar Two income taxes.

The assessment of the potential exposure to Pillar Two income taxes is based on the most recent tax filings, country-by-country reporting and financial statements for our constituent entities. Based on the assessment, the Pillar Two effective tax rates in most of the jurisdictions in which we operate are above 15%. However, there are a limited number of jurisdictions where the transitional safe harbor reliefs do not apply and the Pillar Two effective tax rate is below 15%. We do not expect a material exposure to Pillar Two income taxes in those jurisdictions.

20. OTHER PROVISIONS AND COMMITMENTS AND CONTINGENCIES

	Legal liabilities	Restructuring	Total
Balance at December 31, 2021	97.5	6.9	104.4
Provisions, net	2.1	42.5	44.6
Utilization	(32.2)	(29.6)	(61.8)
Balance at December 31, 2022	$ 67.4	$ 19.8	$ 87.2
Provisions, net	0.4	42.2	42.6
Utilization	(0.8)	(49.8)	(50.6)
Balance at December 31, 2023	67.0	12.2	79.2

Included within 'Provisions,net' expense of $42.2 million for the year ended December 31,2023 are amounts relating to Supply Chain Reinvention $28.0 million, HRA Pharma Integration$4.2 million, Project Energize $7.4 million and other projects $2.6 million.

At December 31, 2023, we had non-cancelable purchase obligations totaling $355.3 million consisting of contractual commitments to purchase materials and services to support operations. The majority of the obligations are expected to be paid within one year.

In view of the inherent difficulties of predicting the outcome of various types of legal proceedings, we cannot determine the ultimate resolution of the matters described below. We establish reserves for litigation and regulatory matters when losses associated with the claims become probable and the amounts can be reasonably estimated. The actual costs of resolving legal matters may be substantially higher or lower than the amounts reserved for those matters. For matters where the likelihood or extent of a loss is not probable or cannot be reasonably estimated as of December 31, 2023, we have not recorded a loss reserve. If certain of these matters are determined against us, there could be a material adverse effect on our financial condition, results of operations, or cash flows. We currently believe we have valid defenses to the claims in these lawsuits and intend to defend these lawsuits vigorously regardless of whether or not we have a loss reserve. Other than what is disclosed below, we do not expect the outcome of the litigation matters to which we are currently subject to, individually or in the aggregate, have a material adverse effect on our financial condition, results of operations, or cash flows.

Price-Fixing Lawsuits Related to the Company's Former Rx Business

Beginning in 2016, the Company, along with other manufacturers, was named as a defendant in lawsuits in the United States and Canada generally alleging anticompetitive conduct with respect to the sale of generic drugs by the Company’s former Rx business. The complaints – which have been filed by putative classes of direct purchasers, end payors, and indirect resellers, as well as individual direct and indirect purchasers and certain cities and counties – allege a conspiracy to fix, maintain, stabilize, and/or raise prices, rig bids, and allocate markets or customers for various generic drugs in violation of federal and state antitrust and consumer protection laws. While most of the complaints involve alleged single-drug conspiracy, the three putative classes have each filed an over-arching conspiracy complaint alleging that Perrigo and other manufacturers (and some individuals) entered into an “overarching conspiracy” that involved allocating customers, rigging bids, and raising, maintaining, and fixing prices for various products. The vast majority of the lawsuits described in this paragraph have been consolidated in the generic pricing multidistrict litigation ("MDL") MDL No. 2724 (United States District Court for Eastern District of Pennsylvania).

While the Court has ordered that the class actions alleging "single drug" conspiracies involving Clobetasol will proceed on a more expedited basis (as a bellwether) than the other cases in MDL No. 2724, the classes voluntarily dismissed their claims against Perrigo relating to “single drug” conspiracies involving Clobetasol in May 2023. The Court also ordered that the State Attorney General Complaint (described below) will proceed as a bellwether case. The bellwether cases completed discovery during October 2023 under the schedule set by the Court, and motions for summary judgment will be due in August 2024. No trial dates have been set for any of the bellwether cases, or any of the other cases in the MDL.

State Attorney General Complaint

On June 10, 2020, the Connecticut Attorney General's office filed a lawsuit on behalf of Connecticut and 50 other states and territories against Perrigo, 35 generic pharmaceutical manufacturers, and certain individuals (including two former Perrigo employees), alleging an overarching conspiracy to allocate customers and/or fix, raise, or stabilize prices of eighty products. This case is included among the "bellwether cases" designated to follow the expedited schedule described above. Like the other cases in the MDL, no trial date has been set for this case.

Canadian Class Action Complaint

In June 2020, an end payor filed a class action in Ontario, Canada against Perrigo and 29 manufacturers alleging an overarching conspiracy to allocate customers and/or fix, raise or stabilize prices of dozens of products, most of which were neither made nor sold by Perrigo's former Rx business. The product conspiracies allegedly involving Perrigo focus on the same products as those involved in other MDL complaints naming Perrigo: Clobetasol, Desonide, Econazole, and Nystatin. In December 2020, Plaintiffs amended their complaint to add additional claims based on the State Attorney General Complaint of June 2020.

Hospitals Complaint

On June 30, 2023, a group of 150 hospitals filed a complaint against Perrigo and 35 manufacturers alleging a conspiracy to fix, raise, or stabilize prices of 228 products. Perrigo's former Rx business made and sold 30 of these products. Most of the product conspiracies allegedly involving Perrigo focus on products that are the same as the products involved in other MDL complaints naming Perrigo. This case was transferred to the MDL on September 15, 2023 for all pre-trial proceedings.

At this stage, we cannot reasonably estimate the outcome of the liability if any, associated with the claims listed above. We intend to defend each of these lawsuits vigorously.

Securities Litigation

In the United States (cases related to events in 2015-2017)

Beginning in May 2016, purported class action complaints were filed against the Company and our former CEO, Joseph Papa, in the U.S. District Court for the District of New Jersey (*Roofers' Pension Fund v. Papa, et al.*) purporting to represent a class of shareholders for the period from April 21, 2015 through May 11, 2016, inclusive. The original complaint alleged violations of federal securities laws in connection with the actions taken by us and the former executive to defend against the unsolicited takeover bid by Mylan in the period from April 21, 2015 through November 13, 2015. The plaintiff also alleged that the defendants provided inadequate disclosure concerning alleged business developments during the alleged class period including integration problems related to the Omega acquisition.

The operative complaint is the first amended complaint filed on June 21, 2017, and named as defendants us and 11 current or former directors and officers of Perrigo (Mses. Judy Brown, Laurie Brlas, Jacqualyn Fouse, Ellen Hoffing, and Messrs. Joe Papa, Marc Coucke, Gary Cohen, Michael Jandernoa, Gerald Kunkle, Herman Morris, and Donal O'Connor). The amended complaint alleges violations of federal securities laws arising out of the actions taken by us and the former directors and executives to defend against the unsolicited takeover bid by Mylan in the period from April 21, 2015 through November 13, 2015 and the allegedly inadequate disclosure throughout the entire class period related to the business developments during that longer period (April 2015 to May 2017) including purported integration problems related to the Omega acquisition, alleges incorrect reporting of organic growth at the Company and at Omega, alleges price fixing activities with respect to six generic prescription pharmaceuticals, and alleges improper accounting for the *Tysabri*® royalty stream. During 2017, the defendants filed motions to dismiss, which the plaintiffs opposed. On July 27, 2018, the court issued an opinion and order granting the defendants' motions to dismiss in part and denying the motions to dismiss in part. The court dismissed without prejudice defendants Laurie Brlas, Jacqualyn Fouse, Ellen Hoffing, Gary Cohen, Michael Jandernoa, Gerald Kunkle, Herman Morris, Donal O'Connor, and Marc Coucke. The court also dismissed without prejudice claims arising from the *Tysabri*® accounting issue described above and claims alleging incorrect disclosure of organic growth described above. The defendants who were not dismissed are the Company, Joe Papa, and Judy Brown. The claims (described above) that were not dismissed relate to the integration issue regarding the Omega acquisition, the defense against the Mylan tender offer, and the alleged price fixing activities with respect to six

generic prescription pharmaceuticals. The defendants who remain in the case (us, Mr. Papa, and Ms. Brown) have filed answers denying liability.

On November 14, 2019, the court granted the lead plaintiffs' motion and certified three classes for the case: (i) all those who purchased shares between April 21, 2015 through May 2, 2017 inclusive on a U.S. exchange and were damaged thereby; (ii) all those who purchased shares between April 21, 2015 through May 2, 2017 inclusive on the Tel Aviv exchange and were damaged thereby; and (iii) all those who owned shares as of November 12, 2015 and held such stock through at least 8:00 a.m. on November 13, 2015 (whether or not a person tendered shares in response to the Mylan tender offer) (the "tender offer class"). Plaintiffs' counsels have sent notices to the alleged classes.

The parties took discovery from 2018 through 2020. After discovery ended, defendants filed motions for summary judgement and to exclude plaintiffs' experts, which were fully briefed. The case was then re-assigned to a new federal judge, who heard oral argument on the motions in April 2022. In July 2023 the court reassigned the case to another federal judge. On August 17, 2023, the court granted summary judgment to Ms. Brown on all claims and dismissed her from the case; the court granted summary judgment in part to Mr. Papa terminating the claim against him that he made false statements with respect to alleged collusive pricing at the Generic Rx business. The court did not grant summary judgment on statements made about the integration of Omega during 2015. As to the Company, the court held oral argument in mid-November 2023 and reserved ruling on the issue of possible Company liability for alleged collusive pricing; the parties and the Court also discussed aspects of defendants' challenges to the plaintiffs' experts. Thereafter, parties engaged in a court-ordered settlement conferences and the case remains ongoing against Perrigo. There can be no certainty that Perrigo will be successful in these further proceedings. We intend to defend the lawsuit vigorously.

In addition to the class action, the following opt-out cases have been filed against us, and in some cases, Mr. Papa and Ms. Brown. We intend to defend these lawsuits vigorously. These cases in the New Jersey federal court currently are stayed pending further developments in the Roofers' case (discussed above). These lawsuits, contain factual allegations and claims that are similar to some or all of the factual allegations and claims in the class actions:

Case	Date Filed
Carmignac Gestion, S.A. v. Perrigo Company plc, et al.	11/1/2017
First Manhattan Co. v. Perrigo Company plc, et al.	2/16/2018; amended 4/20/2018
Nationwide Mutual Funds, et al. v. Perrigo Company plc, et al.	10/29/2018
Schwab Capital Trust, et al. v. Perrigo Company plc, et al.	1/31/2019
Aberdeen Canada Funds -- Global Equity Fund, et al. v. Perrigo Company plc, et al.	2/22/2019
Principal Funds, Inc., et al. v. Perrigo Company plc, et al.	3/5/2020
Kuwait Investment Authority, et al. v. Perrigo Company plc, et al.	3/31/2020
Mason Capital L.P., et al. v. Perrigo Company plc, et al.	1/26/2018
Pentwater Equity Opportunities Master Fund Ltd., et al. v. Perrigo Company plc, et al.	1/26/2018
WCM Alternatives: Event-Drive Fund, et al. v. Perrigo Co., plc, et al.	11/15/2018
Hudson Bay Master Fund Ltd., et al. v. Perrigo Co., plc, et al.	11/15/2018
Discovery Global Citizens Master Fund, Ltd., et al. v. Perrigo Co. plc, et al.	12/18/2019
York Capital Management, L.P., et al. v. Perrigo Co. plc, et al.	12/20/2019
Burlington Loan Management DAC v. Perrigo Co. plc, et al.	2/12/2020
Universities Superannuation Scheme Limited v. Perrigo Co. plc, et al.	3/2/2020
Harel Insurance Company, Ltd., et al. v. Perrigo Company plc, et al.	2/13/2018
TIAA-CREF Investment Management, LLC., et al. v. Perrigo Company plc, et al.	4/20/2018
Sculptor Master Fund (f/k/a OZ Master Fund, Ltd.), et al. v. Perrigo Company plc, et al.	2/6/2019
BlackRock Global Allocation Fund, Inc., et al. v. Perrigo Co. plc, et al.	4/21/2020
Starboard Value and Opportunity C LP, et al. v. Perrigo Company plc, et al.	2/25/2021

In June 2020, three Highfields Capital entities filed a lawsuit in Massachusetts State Court with factual allegations that generally were similar to the factual allegations in the Amended Complaint in the *Roofers' Pension Fund* case described above, except that the *Highfields* plaintiffs did not include allegations about alleged collusive pricing of generic prescription drugs, and alleged Massachusetts state law claims under the Massachusetts Unfair Business Methods Law (chapter 93A) and Massachusetts common law claims of tortious interference with prospective economic advantage, common law fraud, negligent misrepresentation, and unjust enrichment. In December 2021, the Massachusetts State Court granted Defendants' motion to dismiss in part and denied it in part. Defendants' filed their answers in January 2022 denying liability. This is the only opt out case that has not been stayed during the summary judgement proceedings in the New Jersey federal court. The discovery phase in this case is underway (including discovery related to some factual allegations that were not part of the discovery in the actions in New Jersey federal court). The Court held a discovery conference and approved fact discovery deadlines into May 2023 and later deadlines to complete expert discovery. Subsequently, the Court held a further conference in March 2023 and revised the schedule with fact discovery ending in October 2023 and expert discovery in May 2024. Subsequently, on November 1, 2023, the Court issued a further revised scheduling order that ends fact discovery in March 2024, ends expert discovery in August 2024, and a post-discovery court conference in September 2024. We intend to defend the lawsuit vigorously.

In Israel (cases related to events in 2015-2017)

On June 28, 2017, a plaintiff filed a complaint in Tel Aviv District Court styled *Israel Elec. Corp. Employees' Educ. Fund v. Perrigo Company plc, et al.* The lead plaintiff seeks to represent a class of shareholders who purchased Perrigo stock on the Tel Aviv exchange during the period from April 24, 2015 through May 3, 2017 and also a claim for those that owned shares on the final day of the Mylan tender offer (November 13, 2015). The complaint names as defendants the Company, Ernst & Young LLP (the Company's auditor), and 11 current or former directors and officers of Perrigo (Mses. Judy Brown, Laurie Brlas, Jacqualyn Fouse, Ellen Hoffing, and Messrs. Joe Papa, Marc Coucke, Gary Cohen, Michael Jandernoa, Gerald Kunkle, Herman Morris, and Donal O'Connor). The complaint alleges violations under Israeli securities laws that are similar to U.S. Securities Exchange Act sections 10(b) (and Rule 10b-5) and 14(e) against all defendants and 20(a) control person liability against the 11 individuals or, in the alternative, under other Israeli securities laws. In general, the allegations in Israel are similar to the factual allegations in the *Roofers' Pension Fund* case in the U.S. as described above. The plaintiff indicates an initial, preliminary class damages estimate of 2.7 billion NIS (approximately $760.0 million at 1 NIS = 0.28 cents). After the other two cases filed in Israel were voluntarily dismissed, the plaintiff in this case agreed to stay this case pending the outcome of the *Roofers' Pension Fund* case in the U.S. (described above). The Israeli court approved the stay, and this case is now stayed. We intend to defend the lawsuit vigorously.

In Israel (case related to Irish Tax events)

On December 31, 2018, a shareholder filed an action against the Company, our former CEO Murray Kessler, and our former CFO Ronald Winowiecki in Tel Aviv District Court (*Baton v. Perrigo Company plc, et. al.*). The case is a securities class action brought in Israel making similar factual allegations for the same period as those asserted in a securities class action case (for those who purchased on a U.S. exchange) in New York federal court in which the settlement received final approval in February 2022. The Baton case alleges that persons who purchased securities through the Tel Aviv stock exchange and suffered damages can assert claims under Israeli securities law that will follow the liability principles of Sections 10(b) and 20(a) of the U.S. Securities Exchange Act. The plaintiff does not provide an estimate of class damages. Since 2019, the court granted several requests by Perrigo to stay the proceedings pending the resolution of proceedings in the New York federal court. During 2022, the case was reassigned to a newly-appointed judge. After the settlement of the U.S. case in New York federal court, Perrigo's counsel informed the Israeli Court of the final approval of the settlement of the U.S. case. The parties then sought further stays of the case while they attempted mediation, which the Court granted. In April 2023, the parties reported to the Court that the mediation had led to a preliminary agreement on settlement. The parties submitted settlement papers to the Court on November 17, 2023. The Court set a deadline of early January 2024 for objections to the proposed class settlement; various papers were filed, and the Court ordered the parties to submit further briefing in February 2024. The Court set a hearing on the motion to certify the settlement for March 21, 2024.

Other Matters

Talcum Powder

The Company has been named, together with other manufacturers, in product liability lawsuits in a variety of state courts alleging that the use of body powder products containing talcum powder causes mesothelioma and lung cancer due to the presence of asbestos. All but one of these cases involve legacy talcum powder products that have not been manufactured by the Company since 1999. One of the pending actions involves a current prescription product that contains talc as an excipient. As of December 31, 2023, the Company has been named in approximately 115 individual lawsuits seeking compensatory and punitive damages. The Company has several defenses and intends to aggressively defend these lawsuits. Trials for these lawsuits are currently scheduled throughout 2024 and 2025.

Ranitidine

After regulatory bodies announced worldwide that ranitidine may potentially contain N-nitrosodimethylamine ("NDMA"), the Company promptly began testing its externally-sourced ranitidine API and ranitidine-based products. On October 8, 2019, the Company halted shipments of the product based upon preliminary results and on October 23, 2019, the Company made the decision to conduct a voluntary retail market withdrawal.

In February 2020, the resulting actions involving *Zantac*® and other ranitidine products were transferred for coordinated pretrial proceedings to a Multi-District Litigation ("MDL") (In re *Zantac*®/Ranitidine Products Liability Litigation, MDL No. 2924) in the U.S. District Court for the Southern District of Florida. The Company successfully moved to dismiss the first set of Master Complaints in the MDL, which the Court granted without prejudice.

After the filing of Amended Complaints, on June 30, 2021, the Court then dismissed all claims against the retail and distributor defendants with prejudice and on July 8, 2021, the Court dismissed all claims against the Company with prejudice. Appeals of these dismissal orders to the U.S. Court of Appeals for the 11th Circuit have been filed, as well as several state level claims related to the theories advanced in the MDL litigation. The Company will continue to vigorously defend each of these lawsuits. In December 2022 the Court granted in full the brand defendants' *Daubert* motions, finding no scientific causation, and in turn granted summary judgment dismissing the actions with prejudice. The Court later ruled that it was appropriate to apply the same standards to the retail and distributor defendants as well as the generic defendants, and the Court thereby ruled that its *Daubert* decision applied equally to these defendants as well. Appeals of these orders have been filed to the 11th Circuit.

Excepting the MDL due to the nature of the multiple dismissals as described above, as of December 31, 2023, the Company has been named in approximately 195 personal injury lawsuits, primarily in the state courts of California and Pennsylvania. The Company is named in these lawsuits with manufacturers of the national brand *Zantac*® and other manufacturers of ranitidine products, as well as distributors, repackagers, and/or retailers. The Company believes that it has strong defenses to such claims based on a significant body of scientific evidence, and pursuant to the doctrine of federal preemption. As noted above, the Company has won multiple motions to dismiss in the MDL, most recently in Illinois where the Circuit Court granted in full the Company's motions to dismiss based on federal preemption, as well as additional state court actions in California and Maryland. The Company has also been dismissed from additional state court actions in Ohio, New York and New Jersey.

The Company, along with other manufacturers has also been named in a Complaint brought by the New Mexico Attorney General based on nuisance and negligence theories. The Company's motions to dismiss the action were denied. The Company will continue to vigorously defend this lawsuit.

Some of the Company’s retailer customers are seeking indemnity from the Company for a portion of their defense costs and liability relating to these cases.

Acetaminophen

In October 2022, the Judicial Panel on Multidistrict Litigation consolidated a number of pending actions filed in various federal courts alleging that prenatal exposure to acetaminophen is purportedly associated with the development of autism spectrum disorder (“ASD”) and attention-deficit/hyperactivity disorder (“ADHD”). The acetaminophen MDL is styled *In re: Acetaminophen – ASD/ADHD Products Liability Litigation* (MDL No. 3043) and

is pending before the U.S. District Court for the Southern District of New York. Plaintiffs in the MDL have asserted claims against Johnson & Johnson Consumer, Inc. (“JJCI”) and various retailer chains alleging that plaintiff-mothers took acetaminophen products while pregnant and that plaintiff-children developed ASD and/or ADHD as a result of prenatal exposure to these acetaminophen products. As of December 31, 2023, the Company has not been named as a defendant in any Complaints filed in the MDL. Certain of the Company’s customers have made requests regarding indemnity from the Company for a portion of their defense costs and potential liability. On December 18, 2023, the Court granted in full defendants' motions to exclude testimony of Plaintiffs’ expert witnesses, finding Plaintiff presented no credible evidence of scientific causation between acetaminophen and ASD or ADHD. The Court has ordered plaintiffs to show cause as to why summary judgment should not be granted in favor of defendants. Currently, it is not possible to assess reliably the outcome of these cases or any potential future financial impact on the Company.

Phenylephrine

In September 2023, the FDA’s Advisory Committee on Nonprescription Drugs issued an advisory opinion calling into question the efficacy of orally administered phenylephrine (PE) containing products as a nasal decongestant. While the FDA itself has thus far taken no action in response to the Advisory Committee opinion, several putative class action lawsuits have been filed asserting various economic injury claims to consumers. On December 6, 2023, a number of the pending PE actions filed in various federal courts were consolidated into a multi-district litigation ("MDL") (*In re: Oral Phenylephrine Marketing and Sales Practices Litigation,* MDL No. 3089), pending before the U.S. District Court for the Eastern District of New York. A smaller group of putative class action lawsuits alleging various PE products also were mislabeled as “Maximum Strength” were excluded from the consolidation, and are currently pending in the Northern District of Illinois. Several individual arbitrations have also been threatened or filed with the American Arbitration Association with similar efficacy allegations.

At this time, the MDL proceedings are in the early stages. Currently, it is not possible to assess reliably the outcome of these cases or any potential future financial impact on the Company. Certain of the Company’s customers have made requests regarding indemnity from the Company for a portion of their defense costs and potential liability.

Contingencies Accruals

As a result of the matters discussed in this Note, the Company has established a loss accrual for litigation contingencies where we believe a loss to be probable and for which an amount of loss can be reasonably estimated. However, we cannot determine a reasonable estimate of the maximum possible loss or range of loss for these matters given that they are at various stages of the litigation process and each case is subject to inherent uncertainties of litigation. At December 31, 2023, the loss accrual for litigation contingencies reflected on the balance sheet in Other accrued liabilities was $66.9 million. The Company also recorded an insurance recovery receivable reflected on the balance sheet in Prepaid expenses and other current assets of $28.7 million related to these litigation contingencies because it believes such amount is recoverable based on communications with its insurers to date; however, the Company may erode this insurance receivable as it incurs defense costs associated with defending the matters. The Company’s management believes these accruals for contingencies are reasonable and sufficient based upon information currently available to management; however, there can be no assurance that final costs related to these contingencies will not exceed current estimates or that all of the final costs related to these contingencies will be covered by insurance. (See "*Insurance Coverage Litigation*," below.) In addition, we have other litigation matters pending for which we have not recorded any accruals because our potential liability for those matters is not probable or cannot be reasonably estimated based on currently available information. For those matters where we have not recorded an accrual but a loss is reasonably possible, we cannot determine a reasonable estimate of the maximum possible loss or range of loss for these matters given that they are at various stages of the litigation process and each case is subject to the inherent uncertainties of litigation.

Insurance Coverage Litigation

In May 2021, insurers on multiple policies of D&O insurance filed an action in the High Court in Dublin against the Company and multiple current and former directors and officers of the Company seeking declaratory judgments on certain coverage issues. Those coverage issues include claims that policies for periods beginning in December 2015 (the "2015 Policy") and December 2016 (the "2016 Policy"), respectively, do not have to provide coverage for the securities actions described above pending in the District of New Jersey or in Massachusetts state

court concerning the events of 2015-2017. The policy for the period beginning December 2014 (the "2014 Policy") is currently providing coverage for those matters. However, if the insurers were successful, the total amount of insurance coverage available to defend such lawsuits and to satisfy any judgment or settlement costs thereunder would be limited to one policy period. The insurers' lawsuit also challenges aspects of coverage for *Krueger derivatively on behalf of nominal defendant Perrigo Company plc v. Alford et al*., a prior derivative action filed in the District of New Jersey that was dismissed in August 2020, and for the counterclaims brought in the Omega arbitration proceedings. Perrigo responded on November 1, 2021; Perrigo's defense and counterclaim included its position that the 2015 Policy and 2016 Policy also provide coverage for the underlying securities litigation matters and sought a ruling to that effect. The discovery stage of the case occurred in 2022, and a bench trial was held in mid-November 2023. In January 2024, the Court issued an opinion rejecting the insurers' position that Perrigo's insurance coverage is limited to the 2014 Policy, and finding that Perrigo is also entitled to coverage under the 2014 Policy, 2015 Policy and 2016 Policy. The insurers have 28 days after the order is finalized to seek an appeal of the Court's January 2024 decision.

Restructuring

We periodically take action to reduce redundant expenses and improve operating efficiencies. Restructuring activity includes severance, fixed assets impairments, and related consulting fees.

The charges incurred during the year ended December 31, 2023 were primarily associated with actions taken on supply chain restructuring, Project Energize and HRA integration activities. Charges related to supply chain restructuring included an asset impairment of $16.1 million. The charges incurred during the year ended December 31, 2022 were primarily associated with actions taken on supply chain restructuring and HRA integration activities.

Of the amount recorded during the year ended December 31, 2023, $21.4 million was related to our CSCI segment, due primarily to supply chain restructuring and HRA Pharma integration initiatives and $13.0 million was related to our CSCA segment, due primarily to supply chain restructuring. Of the amount recorded during the year ended December 31, 2022, $29.4 million was related to our CSCI segment, due primarily to supply chain restructuring and HRA integration initiatives, and $2.5 million was allocated to our CSCA segment, due primarily to actions taken to streamline the organization. The remaining charges for all years were reported in our Unallocated segment. There were no other material restructuring programs in any of the periods presented.

All charges are recorded in restructuring expense on the Consolidated Financial Statements. The remaining $12.2 million liability for employee severance benefits is expected to be paid mostly within the next year.

21. SEGMENT AND GEOGRAPHIC INFORMATION

Below is a summary of our results by reporting segment (in millions):

	CSCA	CSCI	Held for sale [1]	Unallocated	Total
Year Ended December 31, 2023					
Net sales	$ 2,962.3	$ 1,693.3	$ —	$ —	$ 4,655.6
Operating income (loss)	$ 389.6	$ (35.2)	$ —	$ (202.5)	$ 151.9
Operating income %	13.2 %	(2.1)%	— %	— %	3.3 %
Total assets	$ 4,952.9	$ 5,856.2	$ —	$ —	$ 10,809.1
Capital expenditures	$ 66.4	$ 35.3	$ —	$ —	$ 101.7
Property, plant and equipment, net	$ 762.8	$ 153.6	$ —	$ —	$ 916.4
Depreciation/amortization	$ 133.2	$ 226.3	$ —	$ —	$ 359.5
Year Ended December 31, 2022					
Net sales	$ 2,925.9	$ 1,525.7	$ —	$ —	$ 4,451.6
Operating income (loss)	$ 366.1	$ (30.0)	$ —	$ (257.2)	$ 78.9
Operating income %	12.5 %	(2.0)%	— %	— %	1.8 %
Total assets	$ 5,134.1	$ 5,883.2	$ —	$ —	$ 11,017.3
Capital expenditures	$ 68.1	$ 26.2	$ —	$ —	$ 94.3
Property, plant and equipment, net	$ 772.0	$ 154.3	$ —	$ —	$ 926.3
Depreciation/amortization	$ 123.3	$ 215.3	$ —	$ —	$ 338.6

The net book value of property, plant and equipment, net by location was as follows (in millions):

	Year Ended	
	December 31, 2023	December 31, 2022
U.S.	$ 720.0	$ 725.2
Europe[1]	184.9	188.4
All other countries	11.5	12.7
	$ 916.4	$ 926.3

(1) Includes Ireland property, plant and equipment, net of $0.2 million and $0.1 million, for the years ended December 31, 2023 and December 31, 2022, respectively.

Sales to Walmart as a percentage of Consolidated Net sales (reported primarily in CSCA) were as follows:

Year Ended	
December 31, 2023	December 31, 2022
11.8%	12.5%

22. EMPLOYEES

The average number of persons employed by us were located as follows:

	Year Ended	
Country	December 31, 2023	December 31, 2022
U.S.	5,422	5,030
Mexico	—	214
Europe	3,511	3,354
Rest of the world	353	266
Total	9,286	8,864

The main components of employee costs were as follows (in millions):

	Year Ended	
	December 31, 2023	December 31, 2022
Salaries and wages	741.3	680.6
Social security costs	91.7	85.2
Pension and other postretirement benefits	37.1	36.5
Other benefits[(1)]	134.7	132.2
Total employee costs	1,004.8	934.5

(1) Other benefits is primarily comprised of share based compensation costs, health insurance and other allowances.

There was $446.7 million of employee expenses capitalized to inventory during the year ended December 31, 2023 and $419.5 million capitalized during the year ended December 31, 2022.

23. DIRECTORS' REMUNERATION

Directors' remuneration is set forth in the table below (in millions):

	Year Ended	
	December 31, 2023	December 31, 2022
Aggregate emoluments in respect of qualifying services (including pension)	3.6	4.0
Aggregate amounts of the money or value of other assets under long term incentive plans	17.1	12.9
	20.7	16.9

There were no gains by directors on the exercise of options during the twelve months ended December 31, 2023 or December 31, 2022. The aggregate emoluments in respect of qualifying services above includes $0.1 million (2022: $0.1 million) relating to pension contributions made in respect of one Director (2022: one Director).

24. AUDITOR'S REMUNERATION

Fees paid to Ernst & Young for services provided follow (in millions):

	Year Ended	
	December 31, 2023	December 31, 2022
Audit fees	10.9	$ 12.1
Other assurance services	0.6	0.1
Tax fees		
Tax compliance services	1.7	1.5
Tax consulting and advisory services	0.4	1.0
Total	13.6	$ 14.7

The fees paid to Ernst & Young Ireland in respect of the audit of the group accounts were $0.6 million and $0.6 million for the twelve months ended December 31, 2023 and December 31, 2022. In addition, Ernst & Young Ireland received $0.6 million and $0.6 million for statutory audit services for the twelve months ended December 31, 2023 and December 31, 2022. Ernst & Young Ireland received fees of $0.1 million and $0.1 million for tax compliance services for the twelve months ended December 31, 2023 and December 31, 2022. Ernst & Young Ireland received no fees for other non-audit services for the twelve months ended December 31, 2023 and December 31, 2022.

25. SUBSEQUENT EVENTS

There have been no significant events since the year end, which would require the adjustment of, or disclosure in, the financial statements.

26. SUBSIDIARIES, BRANCHES AND AFFILIATED UNDERTAKINGS

The principal subsidiaries of us or our affiliated companies where we have an ownership of 20% or more are listed below:

Consolidated subsidiaries and equity accounted affiliate	Nature of Business	Registered Address	Percent ownership
Abtei Omega Pharma GmbH	General Corporate Administration	Abtei 1, 37696 Marienmunster, Germany	100%
Aco Hud Nordic AB	Operations	PO Box 622, 194 26 Upplands Vasby, Sweden	100%
Adriatic BST D.o.o. Podruznica Zagreb	Branch	Srebrnjak 61, 10000 Zagreb, Croatia	100%
Adriatic BST Trgovina in Storitve D.o.o.	Operations	Verovskova ulica 55, 1000 Ljublijana, Slovenia	100%
Adriatic Distribution doo Beograd	Operations	Ljubostinjska 2/C 5, 11000 Belgrade, Serbia	100%
Arginet Investments and Property (2003) Ltd.	Inactive	Lehi 29 Street, Bnei-Brak 51200 Israel	100%
Athena Neurosciences, LLC	General Corporate Administration	515 Eastern Avenue, Allegan, Michigan 49010	100%
Aurora Pharmaceuticals Pty Ltd	Operations	Suite 14, 13B Narabang Way, Belrose NSW 2085, Australia	100%
Biover NV	Operations	Venecoweg 26, 9810 Nazareth, Belgium	100%
Biover NV Sucursal En Espana	Branch	SL CL La Torre 6, 24002 Leon, Spain	100%
Designated Activity Company	Operations	The Sharp Building, 10-12 Hogan Place, Dublin 2, Ireland	100%
Cosmediet - Biotechnie SAS	Operations	Avenue de Lossburg 470, ZI Nord, 69480 Anse, France	100%
Despharma Kft.	General Corporate Administration	Madarasz u. 47-49, 1138 Budapest, Hungary	100%
Elan Europa Finance S.á r.l.	General Corporate Administration	412F route d'Esch, L-2086, Luxembourg	100%
Elan International Services Limited	General Corporate Administration	The Sharp Building, 10-12 Hogan Place, Dublin 2, Ireland	100%
Elan Pharmaceuticals, LLC	General Corporate Administration	515 Eastern Avenue, Allegan, Michigan 49010	100%
Galpharm Healthcare Limited	General Corporate Administration	Wrafton, Braunton, Devon, EX33 2DL	100%
Galpharm International Limited	Operations	Wrafton, Braunton, Devon, EX33 2DL	100%
Gr8ness, LLC	Operations	515 Eastern Avenue, Allegan, Michigan 49010	100%
Habsont Unlimited Company	General Corporate Administration	The Sharp Building, 10-12 Hogan Place, Dublin 2, Ireland	100%
HERA SAS	Holding Company	200 Avenue de Paris, 92320 Châtillon, France	100%
HRA NewCo	Holding Company	2, rue Thoull, 6492 Echternach, Luxembourg	100%
HRA Pharma America, Inc.	Operations	1209 Orange Street, Wilmington, DE 19801	100%
HRA Pharma APAC Ltd	Holding Company	806-807, /F One Pacific Place, 88 Queensway, Hong Kong	100%

HRA Pharma Benelux SPRL	Operations	Avenue du Bourgmestre Etienne Demunter 5 boîte 10, 1090 Jette, Belgium	100%
HRA Pharma China	Inactive	Room 601-A36, No. 49, Lane 299, Jiangchang West Road, Jing'an District, Shanghai City, China	100%
HRA Pharma Deutschland GmbH	Operations	Taunusstrasse 3 , 65183 Wiesbaden, Germany	100%
HRA Pharma Hong Kong Ltd	Operations	806-807, /F One Pacific Place, 88 Queensway, Hong Kong	100%
HRA Pharma Iberia SL	Operations	Paseo de la Castellan 143, 28046 Madrid, Spain	100%
HRA Pharma Iberia SL sucursal em Portugal	Branch	Avenida da Liberdade, nº 110, 1269 046 Lisbon, Portugal, Portugal	100%
HRA Pharma Italia SRL	Operations	Via del Giorgione 59-63, 00147 Rome, Italy	100%
HRA Pharma Rare Diseases SAS	Operations	200 Avenue de Paris, 92320 Châtillon, France	100%
HRA Pharma Switzerland SARL	Operations	Rue Juste Olivier 22, 1260 Nyon, Switzerland	100%
HRA Pharma UK & Ireland Ltd.	Operations	Haines House, 21 John Street, Bloomsbury, London WC1N, 2BF, United Kingdom, England	100%
HRA Pharma Rare Diseases America, LLC	Operations	515 Eastern Avenue, Allegan, MI 49010	100%
Jaico R.D.P. NV	Operations	Venecoweg 26, 9810 Nazareth, Belgium	100%
JLR Pharma S.A.	General Corporate Administration	Route Andre Piller 21, 1762 Givisiez, Switzerland	100%
Kazmira LLC	Operations	34501 E Quincy Ave Bldg 65, Suite C, Watkins, CO 80137	21%
L. Perrigo Company	Operations	515 Eastern Avenue, Allegan, Michigan 49010	100%
Laboratoire de la Mer SAS	Operations	ZAC de la Madeleine, Avenue du General Patton, CS 61848,35400 Saint-Malo, France	100%
Laboratoire HRA Pharma SAS	Holding Company	200 Avenue de Paris, 92320 Châtillon, France	100%
Laboratoires Perrigo France SAS	Operations	20, rue Andre Gide BP80, 92320 Chatillon Cedex, France	100%
Medgenix Benelux NV	Operations	Vliegveld 21, 8560 Wevelgem, Belgium	100%
Monksland Holdings B.V.	General Corporate Administration	Prins Bernhardplein 200, 1097 JB Amsterdam	100%
Naturwohl Pharma GmbH	Operations	Benzstrasse 25, 71083 Herrenberg, Germany	100%
Oce Bio BV	Operations	Nieuwe Weg 1, 2070 Zwijndrecht, Belgium	100%
Oce-Bio Nederland B.V.	Operations	Kralingseweg 201, 3062 CE Rotterdam, The Netherlands	100%
Omega Alpharm Cyprus Ltd.	Operations	2-4 Arch Makarios III, Avenue Capital Center, 9th floor, 1065 Nicosia, Cyprus	100%
Omega Pharma AS	Operations	Drazni 253/7, 627 00 Brno, Czech Republic	100%
Omega Pharma Australia Pty Ltd	General Corporate Administration	Suite 14, 13A Narabang Way, Belrose NSW 2085, Australia	100%

Omega Pharma Baltics SIA	Operations	K. Ulmana gatve 110, Marupes pag., 2167 Rigas raj., Latvia	100%
Omega Pharma Belgium NV	Operations	Venecoweg 26, 9810 Nazareth, Belgium	100%
Omega Pharma GmbH	General Corporate Administration	Reisnerstrasse 55-57, 1030 Vienna, Austria	100%
Omega Pharma Hellas SA Health and Beauty Products	Operations	19 km of Athens-Lamia Nat. Road, 14671 - Nea Erythraia, ASTIR building 1st Floor, Greece	100%
Omega Pharma Hungary Kft.	Operations	Madarasz u. 47-49, 1138 Budapest, Hungary	100%
Omega Pharma Innovation & Development NV	General Corporate Administration	Venecoweg 26, 9810 Nazareth, Belgium	100%
Omega Pharma International NV	General Corporate Administration	Venecoweg 26, 9810 Nazareth, Belgium	100%
Omega Pharma Limited	Operations	First Floor, 32 Vauxhall Bridge Road, SW1V2SA London, United Kingdom	100%
Omega Pharma Luxembourg SarL	Inactive	2, rue Thoull, 6492 Echternach, Luxembourg	100%
Omega Pharma Manufacturing GmbH & Co. KG	Operations	Benzstrasse 25, 71083 Herrenberg, Germany	100%
Omega Pharma Manufacturing Verwaltungs GmbH	Inactive	Benzstrasse 25, 71083 Herrenberg, Germany	100%
Omega Pharma Nederland B.V.	Operations	Kralingseweg 201, 3062 CE Rotterdam, The Netherlands	100%
Omega Pharma s.r.o.	Operations	Tomasikova 30, Bratislava 821 01, Slovakia	100%
Omega Pharma Trading NV	Operations	Venecoweg 26, 9810 Nazareth, Belgium	100%
Omega Teknika Designated Activity Company	General Corporate Administration	The Sharp Building, 10-12 Hogan Place, Dublin 2, Ireland	100%
Orion Laboratories (NZ) Ltd.	Operations	Level 20, 88 Shortland Street, Auckland 1010, New Zealand	100%
Orion Laboratories PTY Limited	Operations	25 Delawney Street, Balcatta, WA 6021	100%
PBM Canada Holdings, LLC	Operations	515 Eastern Avenue, Allegan, Michigan 49010	100%
PBM Holdings, LLC	Operations	518 Eastern Avenue, Allegan, Michigan 49010	100%
PBM International Holdings, LLC	Operations	519 Eastern Avenue, Allegan, Michigan 49010	100%
PBM Mexico Holdings, LLC	General Corporate Administration	520 Eastern Avenue, Allegan, Michigan 49010	100%
PBM Mexico Management, LLC	General Corporate Administration	515 Eastern Avenue, Allegan, MI 49010	100%
PBM Nutritionals, LLC	Operations	521 Eastern Avenue, Allegan, Michigan 49010	100%

PBM Products Mexico S de R.L. de C.V.	Inactive	Av. Homero No.205, piso9-901 y 902. Chapultepec Morales. Delegación Miguel Hidalgo. México, D.F. c.p.11570	100%
PBM Products, LLC	Operations	521 Eastern Avenue, Allegan, Michigan 49010	100%
P-Direct NL B.V.	Operations	Kralingseweg 201, 3062 CE Rotterdam, The Netherlands	100%
Perrigo Americas Holdings, Inc.	Holding Company	515 Eastern Avenue, Allegan, MI 49010	100%
Perrigo Asia Holding Company Ltd.	General Corporate Administration	33, Edith Cavell Street, Port-Louis, Maruitius	100%
Perrigo Australian Holding Company II PTY Limited	General Corporate Administration	Governor MacQuarie Tower, Level 40, 1 Farrer Place, Sydney, NSW, 2000	100%
Perrigo Bulgaria OOD	Operations	Eurotour Business Center, floor 5, office 20, 12 Mihail Tenev Str., Mladost District Sofia 1784, Bulgaria	100%
Perrigo Canada Company Inc.	Operations	2100-40 King Street West, Toronto, Canada	100%
Perrigo Capital NV	Financing	Venecoweg 26, 9810 Nazareth, Belgium	100%
Perrigo China Business Trust	Operations	515 Eastern Avenue, Allegan, Michigan 49010	100%
Perrigo China Business Trustee, LLC	General Corporate Administration	515 Eastern Avenue, Allegan, Michigan 49010	100%
Perrigo Company	General Corporate Administration	515 Eastern Avenue, Allegan, Michigan 49010	100%
Perrigo Company Charitable Foundation	General Corporate Administration	515 Eastern Avenue, Allegan, Michigan 49010	100%
Perrigo Company of Tennessee	Operations	2908 Poston Avenue, Nashville, Tennessee 37203	100%
Perrigo Corporation Designated Activity Company	General Corporate Administration	The Sharp Building, 10-12 Hogan Place, Dublin 2, Ireland	100%
Perrigo Danmark A/S	Operations	Slotsmarken 18, 2980 Horsholm, Denmark	100%
Perrigo Deutschland GmbH	Operations	Benzstrasse 25, 71083 Herrenberg, Germany	100%
Perrigo Diabetes Care, LLC	Operations	515 Eastern Avenue, Allegan, Michigan 49010	100%
Perrigo Direct, Inc.	Operations	40 Technology Pkwy South, #300, Norcross, GA 3009	100%
Perrigo España SA	Operations	Parque de Officinas San Cugat, Plaza Javier Cugat 2 - Edificio D, Planta Primera, 08174 San Cugat del Valles, Spain	100%
Perrigo Europe Invest NV	General Corporate Administration	Venecoweg 26, 9810 Nazareth, Belgium	100%
Perrigo Finance (US) LLC	General Corporate Administration	515 Eastern Avenue, Allegan, Michigan 49010	100%
Perrigo Finance Unlimited Company	Financing	The Sharp Building, 10-12 Hogan Place, Dublin 2, Ireland	100%

Perrigo Florida, Inc.	Operations	1201 Hays Street, Tallahassee, Florida 32301	100%
Perrigo France Deux	Holding Company	200 Avenue de Paris, 92320 Châtillon, France	100%
Perrigo France SAS	General Corporate Administration	20, rue Andre Gide BP80, 92320 Chatillon Cedex, France	100%
Perrigo Global Holdings, Inc.	Holding Company	515 Eastern Avenue, Allegan, Michigan 49010	100%
Perrigo Holding NV	General Corporate Administration	Venecoweg 26, 9810 Nazareth, Belgium	100%
Perrigo Holdings Unlimited Company	General Corporate Administration	The Sharp Building, 10-12 Hogan Place, Dublin 2, Ireland	100%
Perrigo International Finance Designated Activity Company	General Corporate Administration	The Sharp Building, 10-12 Hogan Place, Dublin 2, Ireland	100%
Perrigo International Holdings II, Inc.	General Corporate Administration	515 Eastern Avenue, Allegan, Michigan 49010	100%
Perrigo International Holdings, LLC	General Corporate Administration	515 Eastern Avenue, Allegan, Michigan 49010	100%
Perrigo International Insurance Limited	General Corporate Administration	H.P. House, 21 Laffan Street, Hamilton HM 09 Bermuda	100%
Perrigo International, Inc.	General Corporate Administration	515 Eastern Avenue, Allegan, Michigan 49010	100%
Perrigo Investments, LLC	General Corporate Administration	515 Eastern Avenue, Allegan, MI 49010	100%
Perrigo IoM Holdings Limited	Holding Company	Second Avenue, Onchan, IM3 4PA, Isle of Man	100%
Perrigo Ireland 1 Designated Activity Company	General Corporate Administration	The Sharp Building, 10-12 Hogan Place, Dublin 2, Ireland	100%
Perrigo Ireland 10 Unlimited Company	General Corporate Administration	The Sharp Building, 10-12 Hogan Place, Dublin 2, Ireland	100%
Perrigo Ireland 11 Designated Activity Company	General Corporate Administration	The Sharp Building, 10-12 Hogan Place, Dublin 2, Ireland	100%
Perrigo Ireland 13 Designated Activity Company	General Corporate Administration	The Sharp Building, 10-12 Hogan Place, Dublin 2, Ireland	100%
Perrigo Ireland 2 Designated Activity Company	General Corporate Administration	The Sharp Building, 10-12 Hogan Place, Dublin 2, Ireland	100%
Perrigo Ireland 3 Designated Activity Company	General Corporate Administration	The Sharp Building, 10-12 Hogan Place, Dublin 2, Ireland	100%
Perrigo Ireland 4 Designated Activity Company	General Corporate Administration	The Sharp Building, 10-12 Hogan Place, Dublin 2, Ireland	100%
Perrigo Ireland 5 Designated Activity Company	General Corporate Administration	The Sharp Building, 10-12 Hogan Place, Dublin 2, Ireland	100%
Perrigo Ireland 6 Designated Activity Company	General Corporate Administration	The Sharp Building, 10-12 Hogan Place, Dublin 2, Ireland	100%
Perrigo Ireland 8 Designated Activity Company	General Corporate Administration	The Sharp Building, 10-12 Hogan Place, Dublin 2, Ireland	100%

Perrigo Ireland 9 Unlimited Company	General Corporate Administration	The Sharp Building, 10-12 Hogan Place, Dublin 2, Ireland	100%
Perrigo Ireland Management Designated Activity Company	General Corporate Administration	The Sharp Building, 10-12 Hogan Place, Dublin 2, Ireland	100%
Perrigo Israel Opportunities II Ltd.	General Corporate Administration	Lehi 29 Street, Bnei-Brak 51200 Israel	100%
Perrigo Israel Trading Limited Partnership	General Corporate Administration	Raul Wallenberg 24, Tel Aviv 69719 Israel	100%
Perrigo Italia S.r.l	Operations	Via dell'Arte 25 , 00144 Rome, Italy	100%
Perrigo Kişisel Bakım Ürünleri Sanayi ve Ticaret Limited Şirketi	Operations	Merdivenkoy Mah. Bora Sok. No:1 A, Ofis Blok Kat:5 Goztepe, Kadikoy/ Istanbul, Turkey	100%
Perrigo Laboratories India LLP	Operations	Plot No. N 39/ N39-1, Additional MIDC, Anand Nagar, Ambernath (E), Pin-421 506, District Thane, Maharashtra, India	100%
Perrigo LLC	Operations	Kral Ingseiveg 201, 3062 CE Rotterdam	100%
Perrigo Malta - US Branch	Branch	515 Eastern Avenue, Allegan, Michigan 49010	100%
Perrigo Malta International Limited	Financing	93, Mill Street, Zone 5, Central Business District, CBD 5090, Qormi, Malta	100%
Perrigo Management Company	General Corporate Administration	515 Eastern Avenue, Allegan, Michigan 49010	100%
Perrigo Mexico Investment Holdings, LLC	General Corporate Administration	515 Eastern Avenue, Allegan, Michigan 49010	100%
Perrigo Netherlands B.V.	General Corporate Administration	Prins Bernhardplein 200, 1097 JB Amsterdam	100%
Perrigo Netherlands International Partnership C.V.	General Corporate Administration	515 Eastern Avenue, Allegan, Michigan 49010	100%
Perrigo New York, Inc.	Operations	515 Eastern Avenue, Allegan, Michigan 49010	100%
Perrigo Norge AS	Operations	Pb. 95, Okern, 0509 Oslo, Norway	100%
Perrigo Österreich GmbH	Operations	Rennweg 17, 1030 Wien, Austria	100%
Perrigo Pharma Holding Nederland BV	Operations	Kralingseweg 201, 3062 CE Rotterdam, The Netherlands	100%
Perrigo Pharma International Designated Activity Company	Operations	The Sharp Building, 10-12 Hogan Place, Dublin 2, Ireland	100%
Perrigo Pharma Limited	Operations	Wrafton, Braunton, Devon, EX33 2DL	100%
Perrigo Poland Sp.z.o.o	Operations	BTD Office Center, 4th Floor, Al. Niepodleglosci 18, 02-653 Warszawa, Poland	100%
Perrigo Portugal LDA	Holding Company	Lagoas Park, Edifício 15, 3ºpiso, 2740-262 Porto Salvo, Portugal	100%
Perrigo Research & Development Company	Operations	515 Eastern Avenue, Allegan, Michigan 49010	100%

Perrigo România S.R.L.	Operations	6A Prahova Street, 1st District, 012423 Bucharest, Romania	100%
Perrigo Sales Corporation	Operations	515 Eastern Avenue, Allegan, Michigan 49010	100%
Perrigo Schweiz AG fka Interdelta S.A.	Operations	Rennweg 38, 8001 Zürich, Switzerland	100%
Perrigo Science Eight Unlimited Company	General Corporate Administration	The Sharp Building, 10-12 Hogan Place, Dublin 2, Ireland	100%
Perrigo Science One Designated Activity Company	General Corporate Administration	The Sharp Building, 10-12 Hogan Place, Dublin 2, Ireland	100%
Perrigo Suomi Oy	Operations	Gardsbrinken 1 A, 02240 Esbo, Finland	100%
Perrigo Supply Chain International Designated Activity Company	Operations	The Sharp Building, 10-12 Hogan Place, Dublin 2, Ireland	100%
Perrigo Sverige AB	Operations	PO Box 7009, 164 07 Kista, Sweden	100%
Perrigo Trading (Shanghai) Co., Ltd.	Operations	Room 403, No. 4 Building, No. 56 Meisheng Road, Waigaoqiao Free Trade Zone, Shanghai, China	100%
Perrigo UK Acquisition Limited	General Corporate Administration	Wrafton, Braunton, Devon, EX33 2DL	100%
Perrigo Ukraine LLC	Operations	9, Boryspilska St, 02099 Kiev, Ukraine	100%
Perrigo Ventures Limited Partnership	General Corporate Administration	Wrafton, Braunton, Devon, EX33 2DL	100%
Perrigo Wisconsin LLC	Operations	515 Eastern Avenue, Allegan, Michigan 49010	100%
PMI Branded Pharmaceuticals, Inc.	Operations	515 Eastern Avenue, Allegan, Michigan 49010	100%
Ranir (Holdings) Limited	General Corporate Administration	4th Floor Charles House, 100-110 Finchley Road, London, NW3 5JJ	100%
Ranir Changshu Oral Care CO., Ltd.	Operations	Building 2, Export Processing Zone, Wangan North Road, CEDZ Changshu City, 215513, China	100%
Ranir Global Holdings, LLC	Holding Company	4th Floor Charles House, 108-110 Finchley Road, London, NW3 5JJ	100%
Ranir Limited	Operations	4th Floor Charles House, 100-110 Finchley Road, London, NW3 5JJ	100%
Ranir Shenzhen	Trading entity	2 Workshop Building, Export Processing Zone, Changshu, Jiangsu Province, China	100%
Ranir, LLC	Operations	515 Eastern Avenue, Allegan, Michigan 49010	100%
Richard Bittner AG	Operations	Ossiacher Strasse 7, 9560 Feldkirchen, Austria	100%
Rubicon Healthcare Holdings Pty Ltd	Inactive	Suite 14,13A Narabang Way, Belrose NSW 2085, Australia	100%
Samenwerkende Apothekers Nederland B.V.	Inactive	Kralingseweg 201, 3062 CE Rotterdam, The Netherlands	100%
SelfCare Holdings, LLC	Holding Company	515 Eastern Avenue, Allegan, Michigan 49010	100%

Solent Dental Company Limited	Operations	Suite 1004, 10/F, Tower 2, Harbour Centre 8 Hok Chenung Street, Hung Hom, Kowloon, Hong Kong.	100%
Solent Oral Care Limited	General Corporate Administration	4th Floor Charles House, 100-110 Finchley Road, London, NW3 5JJ	100%
Totalcare International Corp	General Corporate Administration	2nd Floor Belisarius Building, Wickhams Cay II, Road Town, Tortola VG 1110 ,British Virgin Islands	100%
Wrafton Laboratories Limited	Operations	Wrafton, Braunton, Devon, EX33 2DL	100%
Zibo Xinhua - Perrigo Pharmaceutical Company Ltd.	Operations	Chemical Area, Zibo Hi-tech Industrial Development Zone, Shandong, China	50%

COMPANY STATEMENT OF COMPREHENSIVE INCOME/(LOSS)
(in millions)

	Note	Year Ended December 31, 2023	Year Ended December 31, 2022
Net (loss)		$ (569.5)	$ (1,740.2)
Other comprehensive income:			
Unrealised dividend income		—	—
Other comprehensive income, net of tax		—	—
Comprehensive loss		$ (569.5)	$ (1,740.2)

COMPANY BALANCE SHEET
As at December 31, 2023

(in millions of U.S. dollars)	Note	December 31, 2023 USD	December 31, 2022 USD
Fixed Assets			
Financial assets - Investments in group undertakings	3	11,216.8	11,135.2
		11,216.8	11,135.2
Current Assets			
Cash at bank and in hand		73.7	17.8
Prepaid insurance and other assets	4	41.5	48.2
Debtors (amounts falling due within one year)	5	123.7	38.9
		238.9	104.9
Current Liabilities			
Provision for liabilities	7	(66.9)	(65.0)
Other Creditors (amounts falling due within one year)	6	(5,088.2)	(4,206.0)
Net Current Liabilities		(4,916.2)	(4,166.1)
Total assets less current liabilities		6,300.6	6,969.1
Creditors (amounts falling due in greater than one year)			
Senior notes and term loans	8	(89.5)	(89.3)
Net Assets		6,211.1	6,879.8
Capital and Reserves			
Called up share capital	9	0.2	0.2
Share premium	9	520.3	5,420.3
Other reserves		389.4	338.9
Profit and loss account[(1)]		5,301.2	1,120.4
Shareholders' funds		6,211.1	6,879.8

[(1)]In accordance with Section 304 of the Companies Act 2014, the Company is availing of the exemption from presenting the individual profit and loss account. The loss for the financial year amounted to USD $569.5 million and USD 1,740.2 million for the years ended December 31, 2023 and December 31, 2022, respectively.

The Company Financial Statements were approved by the Audit Committee of the Board of Directors and the Board of Directors on March 12, 2024, and signed on its behalf by;

/s/ Patrick Lockwood-Taylor
Patrick Lockwood-Taylor
Chief Executive Officer

/s/ Donal O'Connor
Donal O'Connor
Director, Audit Committee Chair

COMPANY STATEMENT OF SHAREHOLDERS' EQUITY

(in millions of U.S dollars)

	Called up share capital		Share Premium [1]	Other Reserves [2]	Profit and Loss Account [3]	Total
	Shares	Amount				
Balance at December 31, 2021	133.8	0.2	5,420.3	303.0	3,003.0	8,726.5
Issuance of common stock under:						
Restricted stock plan	1.4	—	—	—	—	—
Share based payment (see note 10)	—	—	—	54.9	—	54.9
Share withheld for payment of employee's withholding tax liability	(0.5)			(19.0)	—	(19.0)
Profit and loss for the year	—	—	—	—	(1,740.2)	(1,740.2)
Dividends	—	—	—	—	(142.4)	(142.4)
Balance at December 31, 2022	134.7	0.2	5,420.3	338.9	1,120.4	6,879.8
Issuance of common stock under:						
Restricted stock plan	1.3	—	—	—	—	—
Share based payment (see note 10)	—	—	—	68.8	—	68.8
Share withheld for payment of employee's withholding tax liability	(0.5)	—	—	(18.3)	—	(18.3)
Profit and loss for the year	—	—	—	—	(569.5)	(569.5)
Dividends	—	—	—	—	(149.7)	(149.7)
Transfer to profit and loss account (see note 9)	—	—	(4,900.0)	—	4,900.0	—
Balance at December 31, 2023	135.5	0.2	520.3	389.4	5,301.2	6,211.1

[1] Share premium account: This reserves records the amount above the nominal value received for shares issued.

[2] Other Reserves: This reserve is used to recognize the value of equity-settled share-based payments provided to employees of the group. This reserve also includes an unrealized dividend in specie received from subsidiary undertakings in 2019.

[3] Profit and loss account: Included in the profit and loss account reserve is the profit and loss for the year and dividends paid to equity holders.

NOTES TO THE COMPANY BALANCE SHEET

Amounts are in millions of USD unless otherwise indicated.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of preparation

Perrigo Company plc ("PCplc" or the "Company") is an Irish public limited company, incorporated in the Republic of Ireland (registered number 529592). The principal activity of the Company is that of an investment holding company. The registered office of the Company is located at The Sharp Building, 10-12 Hogan Place, Dublin 2.

The financial statements of the Company are prepared on the going concern basis under the historical cost convention in accordance with the Companies Act 2014. In making this assessment, the directors considered available cash at bank and in hand, an undertaking from a group company received subsequent to year end that it will not call upon the related loan for repayment during the going concern period, and the Company's ability to direct resources of the Group to ensure that Company has adequate resources available to continue in operational existence for the foreseeable future.

These financial statements of the Company are prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* ("FRS 102"), issued in the UK by the Financial Reporting Council. Under FRS 102, a "qualifying entity" may take advantage of certain disclosure exemptions. A qualifying entity is a member of a group where the parent of that group prepares publicly available consolidated financial statements which are intended to give a true and fair view (of the assets, liabilities, financial position and profit or loss) and that member is included in the consolidation. The Company falls to be classified as a qualifying entity under this guidance and has taken advantage of the following disclosure exemptions:

- The requirements of Section 7, Statement of Cash Flows, and Section 3, Financial Statement Presentation, paragraph 3.17(d).

- The requirements of Section 11 paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c) and Section 12 paragraphs 12.26 (in relation to those cross-referenced paragraphs from which a disclosure exemption is available) with regards to financial instruments, as disclosures equivalent to those required by FRS 102 are included in the consolidated financial statements of the group.

- The requirements of Section 26, Share-based Payment, paragraphs 26.18(b), 26.19 to 26.21 and 26.23, as the Company is the ultimate parent, and the share-based payment arrangement concerns its own equity instruments and its separate financial statements are presented alongside the consolidated financial statements of the group, and equivalent disclosures required by FRS 102 are included in the consolidated financial statements of the group.

- The requirement of Section 33, Related Party Disclosures, paragraph 33.7 regarding key management personnel compensation, except for directors' remuneration which is disclosed in Note 23 to the consolidated financial statements.

b. Judgments and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the period. However, the nature of estimation means that actual outcomes could differ from those estimates.

The following key source of estimation uncertainty has a significant effect on amounts recognized in the financial statements.

Impairment of investments in group undertakings

Where there are indicators of impairment of investments in group undertakings, the Group performs impairment tests based on fair value less costs to sell or a value in use calculation. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction on similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from budget and projected data for the next ten years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash flows and the growth rate used for extrapolation purposes (refer to note 3).

c. Functional currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the Company operates (the “functional currency”). The financial statements are presented in the United States dollars (“USD”), which is the Company’s functional and presentation currency.

Transactions during the period denominated in foreign currencies are translated at the rates of exchange ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated to United States dollars at the rate of exchange ruling at the balance sheet date. The resulting profits or losses are dealt with in the profit and loss account. Non-monetary assets and liabilities which are measured using historic cost are translated at the exchange rate at the date of the initial translation and are not subsequently retranslated. Non-monetary assets and liabilities which are measured using fair value are translated at the exchange rates at the date when the fair value was determined.

d. Investment in group undertakings

Financial fixed assets are stated at cost less provisions for permanent diminution in value.

The carrying value of financial fixed assets is reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable. Under FRS102, impairment is assessed by comparing the carrying value of an asset with its recoverable amount (being the higher of fair value less costs to sell and value in use). Fair value less costs to sell is defined as the amount at which an asset could be disposed of net of any direct selling costs. Value in use is defined as the present value of the future cash flows obtainable through continuing use of an asset including those anticipated to be realized on its eventual disposal.

e. Contingencies

The Company has guaranteed certain liabilities and credit arrangements of the group. The Company reviews the status of these guarantees at each reporting date and considers whether it is required to make a provision for payment on those guarantees based on the probability of the commitment being called.

f. Profit and loss account

The Company’s loss for the twelve months ended December 31, 2023 was USD 569.5 million (twelve months ended December 31, 2022 : USD 1,740.2 million).

g. Dividends in specie

Dividends received in specie are recognised at fair value. All realised dividend income is recorded in the profit and loss account and all unrealised dividend income is recorded in other reserves through other comprehensive income.

h. Non-monetary capital contributions

The cost of non-monetary capital contributions to subsidiaries is determined as the fair value of the assets

contributed.

i. Cash at bank and in hand

Cash consists primarily of demand deposits and other short-term investments with maturities of three months or less at the date of purchase. The carrying amount of cash approximates its fair value.

j. Financial assets and liabilities

Financial liabilities and equity

Financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- they include no contractual obligation upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavorable to the Company; and

- where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that included no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Finance payments associated with financial liabilities are dealt with as part of finance expenses.

Recognition of financial assets and liabilities

The Company opted section 11 of FRS 102 for the initial recognition and subsequent measurement of the financial assets and liabilities. The Company recognises financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instruments.

De-recognition of financial assets and liabilities

A financial liability is de-recognised when the obligation specified in the contract is discharged, canceled or expired.

A financial asset is de-recognised only when the contractual rights to the cash flows from the financial asset expire or are settled, or the entity transfers to another party substantially all of the risks and rewards of ownership of the financial asset.

Principal due under the notes and term loans

The principal due under the notes and term loans is initially recognised at fair value net of transaction costs directly attributable to the issue of the notes.

Amortised cost

The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest rate method of any difference between that initial amount and the maturity amount.

Effective interest rate method

The effective interest rate method is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial liability.

k. Taxation

Deferred taxation is accounted for in respect of all timing differences at tax rates enacted or

substantively enacted at the balance sheet date. Timing differences arise from the inclusion of items of income and expenditure in tax computations in periods different from those in which they are included in the financial statements. A deferred tax asset is only recognised when it is more likely than not the asset will be recoverable in the foreseeable future out of suitable taxable profits from which the underlying timing differences can be recovered.

l. Share based payments

The Company and its subsidiaries operate various share based payment plans. The Company issues Ordinary shares related to these employee equity share programs in various subsidiaries.

The share based payment expense associated with the share plans is recognised as an expense by the entity which receives services in exchange for the share based compensation. In these Company only accounts, the expense related to the options vested are recorded in other reserves and recharged to the appropriate entity that receives services.

m. Non-monetary investment acquisitions

The Company accounts for the acquisition of additional shares in subsidiaries in exchange for non – monetary assets at the fair value of the non-monetary asset transferred. Any unrealised gain, being the difference between the carrying amount of the non-monetary asset transferred and its fair value, is recognised in other comprehensive income (loss). If the non-monetary asset received is subsequently impaired or disposed of for qualifying consideration, the unrealised gain is transferred to the profit and loss account as a realised profit.

2. HISTORY AND DESCRIPTION OF THE COMPANY

Perrigo Company plc was incorporated under the laws of Ireland on June 28, 2013, and became the successor registrant of Perrigo Company on December 18, 2013 in connection with the consummation of the acquisition of Elan Corporation ("Elan") subsequently renamed Perrigo Corporation D.A.C. As of December 31, 2023, the Company is a holding company and owns 100% of the outstanding ordinary shares in Perrigo Corporation D.A.C., Perrigo Ireland Management D.A.C., Perrigo Ireland 1 D.A.C., Perrigo Ireland 3 D.A.C., Perrigo Ireland 4 D.A.C., Perrigo Ireland 8 D.A.C., Perrigo Ireland 9 Unlimited Company., Perrigo Ireland 10 Unlimited Company., Perrigo Ireland 11 D.A.C., Perrigo Ireland 13 DAC., Perrigo France Deux SAS, Perrigo Canada Company, Inc., Perrigo Americas Holdings, Inc., Perrigo IoM Holdings Ltd. and Perrigo Supply Chain International D.A.C. See Note 3.

On December 18, 2013, the Company acquired Elan. At the close of the transaction on December 18, 2013, Perrigo Company US and Elan became wholly-owned, indirect and direct subsidiaries of the Company respectively. Under the terms of the Transaction Agreement, (i) at the effective time of the Scheme (the “Effective Time”), Elan shareholders were entitled to receive USD 6.25 in cash and 0.07636 of a newly issued PCplc ordinary share in exchange for each Elan ordinary share held by such shareholders and (ii) at the effective time of the Merger, each share of Perrigo’s common stock were converted into the right to receive one PCplc ordinary share and USD 0.01 in cash.

3. FINANCIAL FIXED ASSETS

(in millions of U.S. dollars)

	December 31, 2023	December 31, 2022
Investment in subsidiary undertakings	**USD**	**USD**
Balance at beginning of the year	11,135.2	12,997.0
Capital contributions	879.9	130.6
Return of capital	(15.7)	(2,984.9)
Additions	—	4,070.9
Disposal	(13.9)	(38.4)
Impairment	(768.7)	(3,040.0)
Balance at the closing of the year	**11,216.8**	**11,135.2**

Capital contributions

During the year ended December 31, 2023, the Company made capital contributions of USD 864.5 million, USD 12.5 million, USD 2.6 million, USD 267 thousand, USD 20 thousand, USD 10 thousand and USD 10 thousand to Perrigo Corporation D.A.C., Perrigo Canada Company Inc , The Learning Pharmacy Ltd, Perrigo Supply Chain International D.A.C, Perrigo Ireland 4 Unlimited Company, Perrigo Ireland Holding Company B.V. and Perrigo Ireland 8 D.A.C respectively.

During the year ended December 31, 2022, the Company made capital contributions of USD 100.0 million, USD 29.0 million, USD 1.0 million, USD 420 thousand, USD 100 thousand, USD 20 thousand, USD 20 thousand and USD 10 thousand to Perrigo Americas Holdings Inc., Perrigo Ireland 10 Unlimited Company, Perrigo Corporation D.A.C., Perrigo Ireland 4 Unlimited Company, Habsont Unlimited Company (Habsont), Perrigo Holdings B.V., Perrigo Ireland 11 D.A.C. and Perrigo Ireland 8 D.A.C. respectively.

Return of capital

During the year ended December 31, 2023, a subsidiary of the Company, Luxembourg Investment Company 289 Sàrl (Lux Invest Co), was liquidated and a loan payable by the Company to Lux Invest Co of USD 15.7 million was eliminated.

During the year ended December 31, 2022, the Company received capital dividend income of USD 2,984.9 million from Habsont.

Additions

During the year ended December 31, 2022, the Company acquired new shareholdings in Perrigo IoM Holdings Ltd (USD 917.6 million) and Perrigo France Deux SAS (USD 846.7 million), as well as additional shares in Perrigo Corporation D.A.C. (USD 413.6 million), Perrigo Ireland 1 D.A.C (USD 295.8 million), Habsont (USD 183.8 million) and Perrigo Ireland 4 Unlimited Company (USD 26.1 million).

Also during the year ended December 31, 2022, the Company transferred its investment in Habsont with a fair value of USD 3,536.8 million to Perrigo Americas Holdings Inc and received shares in Perrigo Americas Holdings Inc. as consideration. The additional investment in Perrigo Americas Holdings Inc was recognised at the fair value of the investment in Habsont transferred resulting in an unrealised gain of USD 1,387.3 million. The unrealised gain became realised when the underlying investment in subsidiaries was subsequently written down as part of the Company's impairment review during the year ended December 31,2022.

Disposals

During the year ended December 31. 2023, the Company has liquidated its shareholdings of USD 7.0 million in Lux Invest Co and USD 0.3m in Perrigo Ireland Holding Company B.V. Also during the year ended December 31, 2023, the Company disposed of its shareholding of USD 6.6 million in The Learning Pharmacy Ltd.

During the year ended December 31, 2022, the Company disposed of its shareholding of USD 38.4 million in Perrigo Ireland 7 D.A.C.

Impairment

During the year ended December 31, 2023 and December 31, 2022, the Company recorded an impairment charge of USD 768.7 million (2022: USD 3,040.0 million), as a result of the overall decline in the enterprise value of the Group, which resulted in a reduction in the estimated recoverable value of the Company's investment in subsidiary undertakings.

In the opinion of the Directors, the total value of financial fixed assets held on December 31, 2023 and December 31, 2022 of USD 11,216.8 million and USD 11,135.2 million, respectively, is at least equal to the carrying value on the balance sheet.

4. PREPAID INSURANCE AND OTHER ASSETS

(in millions of U.S. dollars)

	Prepaid and other by Perrigo Company Plc	
	December 31, 2023	December 31, 2022
	USD	USD
Prepaid insurance and other	12.8	9.8
Insurance receivable relating to litigation contingencies	28.7	38.4
Total	**41.5**	**48.2**

At December 31, 2023, the loss accrual for litigation contingencies reflected on the balance sheet in Provision for liabilities was approximately USD 66.9 million (2022: USD 65.0 million) (refer to note 7). The Company also recorded an insurance recovery receivable reflected on the balance sheet in Prepaid insurance and other assets of approximately USD 28.7 million (2022: USD 38.4 million) related to these litigation contingencies because it believes such amount is recoverable based on communications with its insurers to date; however, the Company may erode this insurance receivable as it incurs defense costs associated with defending the matters. Refer to note 20 ("Other provisions and commitments and Contingencies") of the Consolidated Financial Statements for further detail.

5. DEBTORS (amounts falling due within one year)

(in millions of U.S. dollars)

	Balance receivable by Perrigo Company Plc	
	December 31, 2023	December 31, 2022
	USD	USD
Other debtors	0.5	—
Amounts due from subsidiary undertakings	123.2	38.9
Debtors	**123.7**	**38.9**

Amounts due from subsidiary undertakings consist of intercompany receivables and stock compensation net of management fees charged for services provided. Amounts are receivable upon demand.

6. CREDITORS (amounts falling due within one year)

(in millions of U.S. dollars)

	December 31, 2023	December 31, 2022
	USD	USD
Trade payables[1]	2.8	2.7
Accruals[1]	9.6	6.3
Amounts due to subsidiary undertakings[1]	135.8	31.0
Non-interest bearing note payable to Elan International Services	4,939.4	4,074.9
Interest bearing note payable to Perrigo Company US	—	50.3
Interest bearing note payable to Luxembourg Investment Company Sarl	—	15.2
Interest bearing note payable to Perrigo Pharma International D.A.C	—	25.0
Accrued interest	0.6	0.6
Total Creditors (amounts falling due within one year)	**5,088.2**	**4,206.0**

(1) No securities have been given by the Company in respect of any items disclosed. The amounts are interest free and due within one year.

On February 14, 2014, the Company entered into a USD 2,000.0 million loan agreement with Elan International Services Ltd. On March 15, 2017, the loan facility increased to USD 5,000.0 million. The loan does not incur interest, and is repayable on demand. The loan may not be transferred, assigned, or converted into other types of securities, and is subordinate to all other third party debts of the Company. During the year ended December 31, 2021, Elan International Services advanced an additional USD 4.8 million and USD 29.6 million, of which USD 29.5 million was repaid in 2021. On March 6, 2023 the Company made a capital contribution to its direct subsidiary Perrigo Corporation D.A.C. ('Perrigo Corp') in the form of two interest free loans payable by the Company of USD 377.1 million and USD 487.4 million. On the same date, Perrigo Corp subsequently novated the USD 377.1 million loan to Elan Insurance Services Ltd ('EIS'), in settlement of an existing loan it had payable to EIS, and novated the USD 487.4m loan to Perrigo Pharma International D.A.C. ('PPI') in exchange for a new loan receivable from PPI. Also on the same date, PPI subsequently transferred the original USD 487.4m loan receivable from PLC to EIS, in settlement of an existing loan it had payable to EIS. On the same date, the Company entered into an agreement with EIS to repay the USD 377.1 million loan, the USD 487.4 million loan and other existing loan agreements of USD 4,074.9 million and EIS facilitated this repayment by advancing one new interest free loan of USD 4,939.4 million. The loan is repayable on demand. At December 31, 2023, the loan amount outstanding was USD 4,939.4 million (December 31, 2022: USD 4,074.9 million).

On December 19, 2019, the Company entered into a USD 375.0 million loan with Luxembourg Investment Company SARL. The loan incurs interest at a fixed rate of 4.93% per month and is repayable on demand. During the year ended 31 December, 2023, Luxembourg Investment Company SARL was liquidated and the principal and accrued interest balance of USD 13.8 million was distributed up to the Company. At December 31, 2023, the loan amount outstanding was USD Nil (December 31, 2022: USD 15.2 million).

In March 2021, the Company entered into a USD 200.0 million loan agreement with Perrigo Pharma International D.A.C. Interest is payable at rate of 1.5% per annum. The Company made a drawdown on the existing loan facility in April 2022 of USD 25 million. On March 27, 2023, Perrigo Pharma International D.A.C. fully settled the principal and accrued interest balance of $25.0 million. As such, at 31 December 2023, the balance outstanding on this loan was USD Nil (2022: USD 25.0 million).

In November 2022, the Company entered into a USD 50.0 million loan agreement with Perrigo Company. The loan incurred interest at a fixed rate of 2.5% per annum and was repayable on demand. The facility matures on November 4th, 2027. On March 27, 2023, Perrigo Company fully settled the principal and accrued interest balance of USD 50.3 million. As such, at 31 December 2023, the balance outstanding on this loan was USD Nil (2022: USD 50.3 million).

On March 6, 2023, the Company entered into a EUR 50.0 million loan agreement with Laboratoire HRA-Pharma SAS, Interest is payable at a rate of 6.1% per annum and was repayable on demand. On April 6, 2023, the Company made a drawdown on the existing loan facility of EUR 50.0 million. On July 18, 2023, the company fully settled the principal and accrued interest balance of EUR 50.0 million. As such, at 31 December 2023, the balance outstanding on this loan was USD Nil.

As part of the HRA restructuring plan, the Company entered into a USD 413.6 million loan agreement with Perrigo Holdings in June 2022. The loan was subsequently repaid in June 2022.

As part of the HRA restructuring plan, the Company entered into a USD 219.9 million loan agreement with Perrigo Investments LLC in June 2022. The loan was subsequently repaid in June 2022.

Please see note 8 for further discussion of accrued interest.

7. PROVISION FOR LIABILITIES

(in millions of U.S. dollars)

	December 31, 2023	December 31, 2022
	USD	USD
Balance at beginning of the year	65.0	96.9
Provisions, net	1.9	—
Utilization	—	(31.9)
Balance at the closing of the year	**66.9**	**65.0**

Please see note 4 for further discussion of provision for liabilities.

8. SENIOR NOTES AND TERM LOANS

(in millions of U.S. dollars)	Balance (net of discount and financing fees)	Interest payable
	USD	USD
Senior Notes	89.3	0.6
Balance at December 31, 2022	**89.3**	**0.6**
Due within one year	—	0.6
Due greater than one year	89.3	—
Balance at December 31, 2022	**89.3**	**0.6**
Senior Notes	89.5	1.0
Balance at December 31, 2023	**89.5**	**1.0**
Due within one year	—	1.0
Due greater than one year	89.5	—
Balance at December 31, 2023	**89.5**	**1.0**

Senior Notes

On November 8, 2013, the Company issued USD 500.0 million aggregate principal amount of its 1.30% senior notes due 2016 (the "1.30% 2016 Notes"), USD 600.0 million aggregate principal amount of its 2.30% senior notes due 2018 (the "2018 Notes"), USD 800.0 million aggregate principal amount of its 4.00% senior notes due 2023 (the "4.00% 2023 Notes") and USD 400.0 million aggregate principal amount of its 5.30% senior notes due 2043 (the "2043 Notes" and, together with the 1.30% 2016 Notes, the 2018 Notes and the 4.00% 2023 Notes, the "2013 Notes") in a private placement with registration rights. The Company received net proceeds of USD 2.3 billion from the issuance of the 2013 Notes after fees and market discount. The 2023 Notes of USD 215.6 million were redeemed in full on May 19th, 2022.

During current and prior years, the Company reduced outstanding debt through a variety of transactions (in millions):

Date	Series	Transaction Type	Principal Repayment USD (millions)	Principal Balance at December 31, 2023 USD (millions)
29 Sept 2016	$500m 1.3% Senior notes due 2016	Early Redemption	500.0	—
8 May 2017	$600m 2.3% Senior notes due 2018	Early Redemption	600.0	—
15 June 2017	$800m 4.0% Senior notes due 2023	Tender offer	584.4	—
15 June 2017	$400m 5.3% Senior notes due 2043	Tender offer	309.5	90.5
19 May 2022	$800m 4.0% Senior notes due 2023	Early Redemption	215.6	—

Interest on the 2013 Notes is payable semiannually in arrears in May and November of each year, beginning in May 2014. The 2013 Notes are governed by a base indenture and a first supplemental indenture (collectively, the "2013 Indenture"). The 2013 Notes are unsecured and unsubordinated obligations, ranking equally in right of payment to all of our existing and future unsecured and unsubordinated indebtedness. The 2013 Notes are not entitled to mandatory redemption or sinking fund payments. The Company may redeem the 2013 Notes in whole or in part at any time for cash at the make-whole redemption prices described in the 2013 Indenture. The 2013 Notes were guaranteed on an unsubordinated, unsecured basis by the same entities that guaranteed the then-outstanding credit agreement until November 21, 2014, at which time the 2013 Indenture was amended to remove all guarantors.

On September 2, 2014, the Company offered to exchange our private placement senior notes for public bonds (the "Exchange Offer"). The Exchange Offer expired on October 1, 2014, at which time substantially all of the private placement notes had been exchanged for bonds registered with the Securities and Exchange Commission.

Tranche	Maturity	Issue price	Coupon
2043 Notes	November 15, 2043	99.582 %	5.3 %

Date	Nominal value	Discount	Issuing fees and other capitalised expenses	Total
Balance at December 31, 2021	**306.1**	**(0.5)**	**(1.3)**	**304.3**
Amortised during period	—	0.2	0.4	0.6
Repayments and write-offs during periods	(215.6)	—	—	(215.6)
Balance at December 31, 2022	**90.5**	**(0.3)**	**(0.9)**	**89.3**
Amortised during period	—	—	0.2	0.2
Repayments and write-offs during periods	—	—	—	—
Balance at December 31, 2023	**90.5**	**(0.3)**	**(0.7)**	**89.5**

9. SHARE CAPITAL

(in millions of U.S. dollars)

Authorised share capital	December 31, 2023	December 31, 2022
	USD	USD
10,000,000,000 ordinary shares of par value EUR 0.001	13.5	13.5
10,000,000 preferred shares of par value USD 0.0001	—	—
	13.5	**13.5**
Allotted, called-up and fully paid share capital		
	USD	**USD**
135,511,724 and 134,641,498 ordinary shares of par value EUR 0.001 for December 31, 2023 and December 31, 2022, respectively	**0.2**	**0.2**

EUR shares are converted at the equivalent USD rate on date of issuance.

Ordinary shares

The holders of the ordinary shares shall be entitled to receive notice, attend and vote at general meetings of the Company. Without prejudice to any special rights previously conferred on the holders of the deferred ordinary shares and preferred ordinary shares, holders of the ordinary shares shall be entitled to participate in the profits or assets of the Company by way of payment of any dividends on a winding up or otherwise.

Preferred shares

The holders of the preferred shares shall be entitled to receive cash dividends when and as they are declared by the Board of Directors at such rate per share per annum, cumulatively if so provided, and with preferences as fixed by the Directors. The holders of the preferred shares shall be entitled to be paid dividends before paid or set apart for ordinary shareholders or any other junior ranking share class. None of the preference shareholders are entitled to vote at any general meeting of the Company. On a return of assets, whether on liquidation or otherwise, the preferred shares shall entitle the holder thereof only to receive payment of the amount per share fixed in the resolution adopted by the Board of Directors providing for the issuance of the shares plus an amount equal to all dividends accrued thereon to the date of final distribution to such holders.

Authorised Shares

There were 10,000,000,000 of ordinary shares with par value of EUR 0.001 each authorised at December 31, 2023 and December 31, 2022. There were 10,000,000 of Preferred shares with a par value of USD 0.0001 each authorised at December 31, 2023 and December 31, 2022.

Share Repurchases

In October 2015, the Board of Directors approved a three year share repurchase plan of up to USD 2.0 billion (the "2015 Authorization"). Following the expiration of our 2015 share repurchase plan authorization in October 2018, our Board of Directors authorized up to USD 1.0 billion of share repurchases with no expiration date, subject to the Board of Directors' approval of the pricing parameters and amount that may be repurchased under each specific share repurchase program. We did not repurchase any shares during the year ended December 31, 2023 and December 31, 2022.

Share Capital Reduction

On July 18, 2023, the Irish High Court approved the creation of USD 4,900 million of distributable reserves of the Company through the reduction of the Share Premium account, so as to facilitate the ongoing payment of dividends to the shareholders of the Company and to permit the repurchase of shares. The court order authorizing the creation of distributable reserves was filed with the Registrar of Companies in Ireland and became effective on July 20, 2023.

10. SHARE BASED PAYMENTS

Share based payment expense of USD 68.8 million and USD 54.9 million has been primarily included within amounts due from subsidiaries for the twelve months ended December 31, 2023 and December 31, 2022, respectively. See Note 17 to the Consolidated Financial Statements for full details on share based payment arrangements. The expense related to share-based compensation awards granted are initially recorded in other reserves and Investment in Subsidiaries as no material portion has been incurred by the Company. These expenses are then recharged to the appropriate entity that receives the related services thereby increasing the amount due from subsidiaries and reducing the Investment in Subsidiaries. The share-based payment expense borne by the Company is immaterial.

11. RELATED PARTY TRANSACTIONS

The Profit and Loss account includes USD 1.4 million and USD 1.4 million of Directors' fees for the twelve months ended December 31, 2023 and December 31, 2022 , respectively.

The Company has not disclosed any other related party transactions as it has availed of the exemption available under FRS 102, which exempts disclosures of transactions entered into between two or more members of a group, provided that any subsidiary undertaking which is a party to the transaction is wholly owned by a member of that group.

12. AUDITOR'S REMUNERATION

Fees paid to Ernst & Young Ireland with respect to the audit of the Company individual accounts were as follows (in millions):

	December 31, 2023	December 31, 2022
	USD	USD
Audit fees	$ 0.1	$ 0.1
Other assurance services	0.1	0.1
Total	$ 0.2	$ 0.2

Note 24 to the Consolidated Financial Statements provides additional information regarding auditor remuneration.

13. SUBSEQUENT EVENTS

There were no other significant events since the year end, which would require the adjustment of, or disclosure in, the financial statements.

14. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue on March 12, 2024.

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