

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2019 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2019 or fiscal plan year beginning <u>01/01/2019</u> and ending <u>12/31/2019</u>	
A This return/report is for:	☐ a multiemployer plan ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.) ☒ a single-employer plan ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report ☐ the final return/report ☒ an amended return/report ☐ a short plan year return/report (less than 12 months)
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☒ Form 5558 ☐ automatic extension ☐ the DFVC program ☐ special extension (enter description)

Part II	Basic Plan Information—enter all requested information				
1a Name of plan <u>FERRING PHARMACEUTICALS INC. 401(K) SAVINGS PLAN</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>001</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>01/01/1997</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>001</u>	1c Effective date of plan <u>01/01/1997</u>	
1b Three-digit plan number (PN) ▶	<u>001</u>				
1c Effective date of plan <u>01/01/1997</u>					
2a Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) <u>FERRING PHARMACEUTICAL INC.</u> <u>100 INTERPACE PARKWAY</u> <u>PARSIPPANY, NJ 07054</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>54-1179881</u></td> </tr> <tr> <td>2c Plan Sponsor's telephone number <u>973-796-1600</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>424210</u></td> </tr> </table>	2b Employer Identification Number (EIN) <u>54-1179881</u>	2c Plan Sponsor's telephone number <u>973-796-1600</u>	2d Business code (see instructions) <u>424210</u>	
2b Employer Identification Number (EIN) <u>54-1179881</u>					
2c Plan Sponsor's telephone number <u>973-796-1600</u>					
2d Business code (see instructions) <u>424210</u>					

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	11/29/2020	STEFAN VAUGHN
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Form 5500 (2019)
v. 190130

3a Plan administrator's name and address ☒ Same as Plan Sponsor	3b Administrator's EIN 3c Administrator's telephone number
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name	4b EIN 4d PN
5 Total number of participants at the beginning of the plan year	5 1142
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d). a(1) Total number of active participants at the beginning of the plan year a(2) Total number of active participants at the end of the plan year b Retired or separated participants receiving benefits..... c Other retired or separated participants entitled to future benefits d Subtotal. Add lines 6a(2) , 6b , and 6c e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. f Total. Add lines 6d and 6e g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	6a(1) 842 6a(2) 918 6b 3 6c 324 6d 1245 6e 1 6f 1246 6g 1211 6h 70
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:
 2E 2F 2G 2J 2K 2T 3D 3H

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:

9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
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10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

- (1)** ☒ **R** (Retirement Plan Information)
- (2)** ☐ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
- (3)** ☐ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

- (1)** ☒ **H** (Financial Information)
- (2)** ☐ **I** (Financial Information – Small Plan)
- (3)** ☐ **A** (Insurance Information)
- (4)** ☒ **C** (Service Provider Information)
- (5)** ☐ **D** (DFE/Participating Plan Information)
- (6)** ☐ **G** (Financial Transaction Schedules)

Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2019 Form M-1 annual report. If the plan was not required to file the 2019 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2019
		This Form is Open to Public Inspection.

For calendar plan year 2019 or fiscal plan year beginning 01/01/2019 and ending 12/31/2019		
A Name of plan FERRING PHARMACEUTICALS INC. 401(K) SAVINGS PLAN	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 FERRING PHARMACEUTICAL INC.	D Employer Identification Number (EIN) 54-1179881	

Part I	Service Provider Information (see instructions)
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You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☒ Yes ☐ No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL
04-2647786

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

FIDELITY INVESTMENTS INSTITUTIONAL

04-2647786

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
37 60 64 65	RECORDKEEPER	10875	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3. If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
WF GOVT SECS IS - DST ASSET MANAGE 430 W 7TH STREET STE 219432 KANSAS CITY, MO 64105	0.15%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
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(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2019 This Form is Open to Public Inspection
For calendar plan year 2019 or fiscal plan year beginning 01/01/2019 and ending 12/31/2019		
A Name of plan FERRING PHARMACEUTICALS INC. 401(K) SAVINGS PLAN	B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 FERRING PHARMACEUTICAL INC.	D Employer Identification Number (EIN) 54-1179881	

Part I Asset and Liability Statement			
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a	0	0
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions.....	1b(1)	0	0
(2) Participant contributions.....	1b(2)	0	0
(3) Other.....	1b(3)	0	0
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)	6119850	5427080
(2) U.S. Government securities	1c(2)	0	0
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)	0	0
(B) All other.....	1c(3)(B)	0	0
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)	0	0
(B) Common.....	1c(4)(B)	0	0
(5) Partnership/joint venture interests	1c(5)	0	0
(6) Real estate (other than employer real property).....	1c(6)	0	0
(7) Loans (other than to participants)	1c(7)	0	0
(8) Participant loans.....	1c(8)	1267742	1399241
(9) Value of interest in common/collective trusts	1c(9)	0	0
(10) Value of interest in pooled separate accounts	1c(10)	0	0
(11) Value of interest in master trust investment accounts	1c(11)	0	0
(12) Value of interest in 103-12 investment entities.....	1c(12)	0	0
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	103146430	136204904
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other.....	1c(15)	0	0

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)	0	0
(2) Employer real property	1d(2)	0	0
e Buildings and other property used in plan operation	1e	0	0
f Total assets (add all amounts in lines 1a through 1e)	1f	110534022	143031225

Liabilities

g Benefit claims payable	1g	0	0
h Operating payables	1h	0	0
i Acquisition indebtedness	1i	0	0
j Other liabilities	1j	0	0
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	110534022	143031225
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Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income**a Contributions:**

		(a) Amount	(b) Total
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	6038652	
(B) Participants	2a(1)(B)	9777691	
(C) Others (including rollovers)	2a(1)(C)	3472851	
(2) Noncash contributions	2a(2)	0	19289194
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		

b Earnings on investments:**(1) Interest:**

(A) Interest-bearing cash (including money market accounts and certificates of deposit)

(B) U.S. Government securities

(C) Corporate debt instruments

(D) Loans (other than to participants)

(E) Participant loans

(F) Other

(G) Total interest. Add lines **2b(1)(A)** through **(F)**

(2) Dividends: (A) Preferred stock

(B) Common stock

(C) Registered investment company shares (e.g. mutual funds)

(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**

(3) Rents**(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds**

(B) Aggregate carrying amount (see instructions)

(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result

(5) Unrealized appreciation (depreciation) of assets: (A) Real estate

(B) Other

(C) Total unrealized appreciation of assets.

Add lines **2b(5)(A)** and **(B)**

		(a) Amount	(b) Total
2b(1)(A)		110650	
2b(1)(B)		0	
2b(1)(C)		0	
2b(1)(D)		0	
2b(1)(E)		69422	
2b(1)(F)		0	
2b(1)(G)			180072
2b(2)(A)		0	6582294
2b(2)(B)		0	
2b(2)(C)		6582294	
2b(2)(D)			6582294
2b(3)			0
2b(4)(A)		0	
2b(4)(B)		0	
2b(4)(C)			0
2b(5)(A)		0	
2b(5)(B)		0	
2b(5)(C)			0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		0
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		0
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		0
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		0
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		19793515
c Other income	2c		0
d Total income. Add all income amounts in column (b) and enter total	2d		45845075

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	13333105	
(2) To insurance carriers for the provision of benefits	2e(2)	0	
(3) Other	2e(3)	0	
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		13333105
f Corrective distributions (see instructions)	2f		3892
g Certain deemed distributions of participant loans (see instructions)	2g		0
h Interest expense	2h		0
i Administrative expenses: (1) Professional fees	2i(1)	0	
(2) Contract administrator fees	2i(2)	0	
(3) Investment advisory and management fees	2i(3)	0	
(4) Other	2i(4)	10875	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		10875
j Total expenses. Add all expense amounts in column (b) and enter total	2j		13347872

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		32497203
l Transfers of assets:			
(1) To this plan	2l(1)		0
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☐ Unmodified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☒ Yes ☐ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: **RSM US, LLP**

(2) EIN: **42-0714325**

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)

b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)

	Yes	No	Amount
4a		X	
4b		X	

	Yes	No	Amount
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)			
4c		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....			
4d		X	
e Was this plan covered by a fidelity bond?	X		3000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
4f		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?.....			
4g		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?.....			
4h		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	X		
4i	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)			
4j		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?			
4k		X	
l Has the plan failed to provide any benefit when due under the plan?.....			
4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)			
4m		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			
4n		X	

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?..... ☐ Yes ☒ No
If "Yes," enter the amount of any plan assets that reverted to the employer this year _____.

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)

5c If the plan is a defined benefit plan, is it covered under the PBGC insurance program (See ERISA section 4021.)? ☐ Yes ☐ No ☐ Not determined
If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year _____. (See instructions.)

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2019 This Form is Open to Public Inspection.
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For calendar plan year 2019 or fiscal plan year beginning 01/01/2019 and ending 12/31/2019

A Name of plan <u>FERRING PHARMACEUTICALS INC. 401(K) SAVINGS PLAN</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>FERRING PHARMACEUTICAL INC.</u>	D Employer Identification Number (EIN) <u>54-1179881</u>

Part I	Distributions
---------------	----------------------

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions	1	
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>04-6568107</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year	3	

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)
----------------	---

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?	☐ Yes	☐ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)	6a		
b Enter the amount contributed by the employer to the plan for this plan year	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount)	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?	☐ Yes	☐ No	☐ N/A

Part III	Amendments
-----------------	-------------------

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box	☐ Increase	☐ Decrease	☐ Both	☐ No
---	-----------------------------------	-----------------------------------	-------------------------------	-----------------------------

Part IV	ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
----------------	---

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Schedule R (Form 5500) 2019
v. 190130

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year

b The plan year immediately preceding the current plan year

c The second preceding plan year

14a**14b****14c**

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year

b The corresponding number for the second preceding plan year

15a**15b**

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year

b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers

16a**16b**

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

- 19** If the total number of participants is 1,000 or more, complete lines (a) through (c)

- a** Enter the percentage of plan assets held as:

Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

- b** Provide the average duration of the combined investment-grade and high-yield debt:

☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

- c** What duration measure was used to calculate line 19(b)?

☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

- 20 PBGC missed contribution reporting requirements.** If this is a multiemployer plan or a single-employer plan that is not covered by PBGC, skip line 20.

- a** Is the amount of unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40 greater than zero? ☐ Yes ☐ No

- b** If line 20a is "Yes," has PBGC been notified as required by ERISA sections 4043(c)(5) and/or 303(k)(4)? Check the applicable box:

☐ Yes.

☐ No. Reporting was waived under 29 CFR 4043.25(c)(2) because contributions equal to or exceeding the unpaid minimum required contribution were made by the 30th day after the due date.

☐ No. The 30-day period referenced in 29 CFR 4043.25(c)(2) has not yet ended, and the sponsor intends to make a contribution equal to or exceeding the unpaid minimum required contribution by the 30th day after the due date.

☐ No. Other. Provide explanation _____

Ferring Pharmaceuticals Inc. 401(k) Savings Plan

Financial Report
December 31, 2019

Contents

Independent auditor's report	1-2
Financial statements	
Statements of net assets available for benefits	3
Statement of changes in net assets available for benefits	4
Notes to financial statements	5-10
Supplementary information	
Schedule H, line 4(i) - schedule of assets (held at end of year)	11

Independent Auditor's Report

Trustees and Participants
Ferring Pharmaceuticals Inc. 401(k) Savings Plan

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of the Ferring Pharmaceuticals Inc. 401(k) Savings Plan (the Plan), which comprise the statements of net assets available for benefits as of December 31, 2019 and 2018, the related statement of changes in net assets available for benefits for the year ended December 31, 2019, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan Administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified or provided by Fidelity Management Trust Company, the trustee of the Plan, except for comparing this information with the related information included in the financial statements. We have been informed by the Plan Administrator that the trustee holds the Plan's assets and executes transactions. The Plan Administrator has obtained certifications from the trustee as of December 31, 2019 and 2018, and for the year ended December 31, 2019, that the information provided to the Plan Administrator by the trustee is complete and accurate.

Disclaimer of Opinion

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

Other Matter

The supplemental schedule, Schedule H, line 4(i) – schedule of assets (held at end of year) as of December 31, 2019, is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and is presented for the purposes of additional analysis and is not a required part of the financial statements. The supplemental schedule is the responsibility of the Plan's management. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on the supplemental schedule.

Report on Form and Content in Compliance with DOL Rules and Regulations

The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified or provided by the trustee have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

RSM VS LLP

Edison, New Jersey
November 17, 2020

Ferring Pharmaceuticals Inc. 401(k) Savings Plan

**Statements of Net Assets Available for Benefits
December 31, 2019 and 2018**

	2019	2018
Assets		
Investments, at fair value:		
Registered investment companies	\$ 141,631,984	\$ 109,266,280
Total investments, at fair value	141,631,984	109,266,280
Receivables:		
Notes receivable from participants	1,399,241	1,267,742
Participant contributions	642,167	-
Employer matching contributions	531,129	270,826
Employer profit-sharing contributions	2,874,490	2,734,096
Total receivables	5,447,027	4,272,664
Net assets available for benefits	\$ 147,079,011	\$ 113,538,944

See notes to financial statements.

Ferring Pharmaceuticals Inc. 401(k) Savings Plan

Statement of Changes in Net Assets Available for Benefits Year Ended December 31, 2019

Investment income:	
Net appreciation in fair value of investments	\$ 19,793,515
Interest and dividends	6,690,665
Total investment income	<u>26,484,180</u>
Interest on notes receivable from participants	<u>69,604</u>
Contributions:	
Participants	10,419,858
Employer matching, net of forfeitures	3,582,486
Employer profit sharing, net of forfeitures	2,856,863
Rollovers	3,472,851
Total contributions	<u>20,332,058</u>
Deductions:	
Distributions to participants	13,336,997
Administrative expenses	8,778
Total deductions	<u>13,345,775</u>
Net increase in net assets available for benefits	33,540,067
Net assets available for benefits:	
Beginning of year	<u>113,538,944</u>
End of year	<u><u>\$ 147,079,011</u></u>

See notes to financial statements.

Ferring Pharmaceuticals Inc. 401(k) Savings Plan

Notes to Financial Statements

Note 1. Description of Plan

General: The Ferring Pharmaceuticals Inc. 401(k) Savings Plan (the Plan) was established in 1997 to encourage and assist employees of Ferring Pharmaceuticals Inc. (the Company or the Plan Sponsor) to save for the future on a regular basis and to help provide additional investment assets for their retirement. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

The Plan is a defined contribution plan covering all employees of the Company who are at least 18 years of age, excluding interns, leased employees, residents of Puerto Rico and non-resident aliens with no income from a United States source. There are no minimum service requirements. Newly hired employees are automatically enrolled in the Plan, deferring 3% of eligible wages. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). Earnings accumulate in the Plan with deferral of Federal and state income tax. Fidelity Management Trust Company (Fidelity or the Trustee) is the Trustee of Plan assets. The Ferring Pharmaceuticals Retirement Plan Committee is responsible for oversight of the Plan. The Ferring Pharmaceuticals Retirement Plan Committee, under the guidance of an independent investment advisor, determines the appropriateness of the Plan's investment offerings and monitors investment performance.

Participant contributions: Employee basic contributions are based on specified percentages of eligible compensation, as defined in the Plan document. The maximum percentage an employee may contribute to the Plan is 60% of annual compensation, as defined in the Plan document. Tax deferred contributions were limited to a maximum of \$19,000 for 2019. Certain participants (age 50 or older) were permitted to make an additional catch-up contributions of \$6,000 for 2019. Participants may also contribute amounts representing distributions from other qualified defined benefit or contribution plans (rollovers).

Employer contributions: The Company matches 65% of the first 6% of eligible compensation that a participant contributes to the Plan. Additionally, the Company, at its discretion, may make other contributions on behalf of its eligible employees.

Discretionary contributions: The Company may make a discretionary profit-sharing contribution to the Plan each year in an amount equal to a percentage of annual compensation for the Plan year for participants who met the eligibility requirements discussed above. The allocation of the contribution to each employee is based on when the employee was hired. Any employee hired prior to January 1, 2011 receives 6.25%, employees hired on or after January 1, 2011 receive 3% and employees of an adopting employer that adopted the Plan on or after January 1, 2011 receive 3%. Employees are eligible to receive an allocation of this, the Company contribution if they have completed one year of service as of January 1 or July 1 and were employed at year-end. The contribution is not to exceed the maximum amount per Internal Revenue Service limits. For the year ended December 31, 2019, the Company made a discretionary profit-sharing contribution of \$2,856,863.

Notes receivable from participants: Employees are allowed to borrow from their contributions and vested Company's contributions (collectively, the Accrued Benefit). Loan terms range up to five years or over a reasonable period of time for the purchase of a primary residence not to exceed 10 years, as established by the Plan Administrator at the time of the loan. Notes receivable are secured by the participant's account. The notes receivable balance outstanding cannot exceed the lesser of: (i) 50% of the employee's vested account, or (ii) a maximum of \$50,000. Interest rates range from 4.25% to 6.25% and loans mature at various dates through May 2027. Principal and interest are paid ratably through periodic payroll deductions.

Investment options: Upon enrollment in the Plan, a participant may direct all contributions to selected investments as made available and determined by the Plan Administrator. Participants may change their investment options daily.

Ferring Pharmaceuticals Inc. 401(k) Savings Plan

Notes to Financial Statements

Note 1. Description of Plan (Continued)

Vesting and payment of benefits: Participant's interests in their own contributions are fully vested at all times. Participants hired on or after January 1, 2009 do not vest in the discretionary profit-sharing contributions and matching employer contributions until completing three years of service, at which time such participants are fully vested. Participants hired prior to January 1, 2009, are fully vested in discretionary employer contributions and matching employer contributions. Participants hired by Ferring Research Institute Inc. prior to January 1, 2011 are vested in the employer match after one year of service. A year of service is defined as at least 1,000 hours worked in a consecutive 12-month period. In the event participants leave the Company for any reason, they are entitled to receive their vested account balance. Participants become fully vested in all balances upon death, permanent disability and retirement. The normal benefit under the Plan is a lump sum payment equal to the participant's vested account balance upon retirement. In-service withdrawals are also permitted for certain financial hardships or when a participant attains age 59½.

Forfeitures: If a participant terminates employment with the Company and is less than 100% vested in the Company contributions, the participant will forfeit the nonvested portion of their Company match and discretionary contributions. A forfeiture will occur in the Plan year that the participant receives a distribution of their vested account. Any amounts forfeited would be used to pay administrative expenses and reduce current Company's contributions. Forfeited nonvested accounts totaled \$59,315 and \$10,925 at December 31, 2019 and 2018, respectively. During 2019, \$496,540 was used to reduce employer's matching and discretionary contributions and no forfeitures were used to pay administrative expenses.

Participant accounts: Each participant's account is credited with the participant's contributions and the Plan Sponsor's matching contribution and allocations of any discretionary profit-sharing contribution and Plan earnings/losses, and charged with an allocation of administrative expenses. Allocations are based on participant earnings, account balances or specific participant transactions, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Note 2. Summary of Significant Accounting Policies

Basis of accounting: The financial statements of the Plan are prepared on the accrual basis of accounting.

Investment valuation and income recognition: Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Ferring Pharmaceuticals Retirement Plan Committee confirms the Plan's valuation policies utilizing information provided by the Trustee. See Note 4 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Investment securities are exposed to various risks, such as interest rate, market, and credit risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the value of investment securities will occur in the near-term and such changes could materially affect participant account balances and the amounts reported in the statements of net assets available for benefits.

Ferring Pharmaceuticals Inc. 401(k) Savings Plan

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Notes receivable from participants: Notes receivable from participants are measured at their unpaid principal balance, plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. Delinquent notes receivable from participants are reclassified as distributions based upon the terms of the Plan document. For the year ended December 31, 2019, \$129,411 of delinquent notes receivable were reclassified as deemed distributions.

Use of estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires the Plan's management to make estimates and assumptions that affect the reported amounts of net assets available for benefits and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Contributions: Contributions from Plan participants and the matching contributions from the Plan Sponsor are recorded in the year in which the participant contributions are withheld from amounts paid. Employer discretionary contributions are recognized upon authorization as the underlying compensation is recognized. All participant and employer contributions are participant-directed.

Payment of benefits: Benefits are recorded when paid.

Administrative expenses: As provided by the Plan document, administrative expenses related to Plan investments and recordkeeping are paid by the Plan and other administrative expenses are paid by the Plan Sponsor. Loan origination fees are charged to the borrower/participant.

Income taxes: GAAP requires Plan management to evaluate tax positions taken by the Plan, and recognize a tax liability (or asset) if the Plan has taken any uncertain tax positions that more-likely-than-not would not be sustained upon examination by a tax authority. Plan Management evaluated the Plan's tax positions and concluded that the Plan had maintained its tax-exempt status and had taken no uncertain tax positions that require adjustment to the financial statements. Therefore, no provision or liability for income taxes has been included in the financial statements.

Ferring Pharmaceuticals Inc. 401(k) Savings Plan

Notes to Financial Statements

Note 3. Information Certified or Provided by Fidelity Management Trust Company (Trustee)

The following is a summary of the Plan's asset information as of December 31, 2019 and 2018, and for the year ended December 31, 2019, included in the Plan's financial statements and supplemental schedule, that was prepared by or derived from information provided by the Trustee and furnished to the Plan Administrator. The Plan Administrator has obtained certifications from the Trustee that information provided to the Plan Administrator by the Trustee related to the following assets is complete and accurate. Accordingly, as permitted by 29 CFR 2520.103-8 of the Department of Labor's (DOL's) Rules and Regulations for Reporting and Disclosure under ERISA, the Plan Administrator instructed the Plan's independent auditors not to perform any auditing procedures with respect to the information which appears throughout the financial statements and supplemental schedule related to the following assets:

	2019	2018
Investments:		
Registered investment companies	\$ 141,631,984	\$ 109,266,280
Notes receivable from participants	\$ 1,399,241	\$ 1,267,742

The Trustee also certified to the completeness and accuracy of \$19,793,515 of net appreciation in fair value of investments, \$6,690,665 of interest and dividends from the aforementioned investments and \$69,604 of interest income on notes receivable from participants for the year ended December 31, 2019.

Note 4. Fair Value Measurements

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets
- Quoted prices for identical or similar assets or liabilities in inactive markets
- Inputs other than quoted prices that are observable for the asset or liability
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Ferring Pharmaceuticals Inc. 401(k) Savings Plan

Notes to Financial Statements

Note 4. Fair Value Measurements (Continued)

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2019 and 2018.

Registered investment companies (mutual funds): Valued at the daily closing price as reported by the mutual fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value could result in a different fair value measurement at the reporting date.

The following tables set forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2019 and 2018:

Assets at Fair Value as of December 31, 2019				
	Level 1	Level 2	Level 3	Total
Registered investment companies	\$ 141,631,984	\$ -	\$ -	\$ 141,631,984

Assets at Fair Value as of December 31, 2018				
	Level 1	Level 2	Level 3	Total
Registered investment companies	\$ 109,266,280	\$ -	\$ -	\$ 109,266,280

To assess the appropriate classification of investments within the fair value hierarchy, the availability of market data is monitored. Changes in economic conditions or valuation techniques may require the transfer of investments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

Note 5. Plan Termination

While the Company intends to continue the Plan, it reserves the right to change or terminate the Plan at any time, subject to the provisions of ERISA. In the event the Plan should terminate, participants will become 100% vested in their accounts and the Company will facilitate the distribution of account balances under the provisions of the Plan and Trust Agreement until all assets have been distributed by the Trustee. Upon completion of such distributions, the Trust will terminate, the Trustee will be relieved of all liability under the Trust Agreement, and no participant or other person will have claims thereunder, except as required by applicable law.

Ferring Pharmaceuticals Inc. 401(k) Savings Plan

Notes to Financial Statements

Note 6. Related Party Transactions and Parties-in-Interest

Certain Plan investments are shares of mutual funds managed by Fidelity Investments. Fidelity is the Trustee, as defined by the Plan, and therefore, these transactions qualify as party-in-interest transactions.

Note 7. Tax Status

The Plan is intended to be qualified under 401(a) of the Internal Revenue Code of 1986 (the Code) and is intended to be exempt from taxation under 501(a) of the Code. The Company adopted a non-standardized prototype plan, which received an Internal Revenue Service (IRS) opinion letter dated March 31, 2014. The Company believes the Plan is being operated in compliance with the applicable requirements of the Code.

Note 8. Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500 as of December 31:

	2019	2018
Net assets available for benefits per the financial statements	\$ 147,079,011	\$ 113,538,944
Differences in:		
Receivables - employee contributions receivable	(642,167)	-
Receivables - employer matching contributions receivable	(531,129)	(270,826)
Receivables - employer profit-sharing contributions receivable	(2,874,490)	(2,734,096)
Net assets available for benefits per the Form 5500	<u>\$ 143,031,225</u>	<u>\$ 110,534,022</u>

The following is a reconciliation of net increase in net assets available for benefits per the financial statements to the Form 5500 for the year ended December 31, 2019:

Net increase in net assets available for benefits per the financial statements	\$ 33,540,067
less change in employee and employer contributions receivable	(1,042,864)
Net income per the Form 5500	<u>\$ 32,497,203</u>

Note 9. Subsequent Events

The Plan has evaluated subsequent events through November 17, 2020, the date the financial statements were available to be issued.

On March 11, 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic. This has resulted in volatility in financial markets. The Plan Sponsor cannot reasonably estimate the length or severity of this pandemic, but we currently anticipate an impact on the financial statements in fiscal year 2020.

The Plan has implemented certain requirements by the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act) and the Setting Every Community Up for Retirement Enhancement Act of 2019 (the SECURE Act), which laws change the Plan to, among others, allow certain eligible individuals to receive coronavirus-related withdrawals, relief for loan repayment, suspend required minimum distributions and delay the commencement date for required minimum distributions. Written amendments to the Plan to reflect these operational changes will be adopted at a later date in accordance with applicable law and IRS guidance.

Ferring Pharmaceuticals Inc. 401(k) Savings Plan

Schedule H, Line 4(i) - Schedule of Assets (Held at End of Year) December 31, 2019

Employer Identification Number: 54-1179881

Plan Number: 001

	(b)	(c)		(d)	(e)
(a)	Identity of Issuer, Borrower, Lessor, or Similar Party	Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	Number of Unites/Shares	Cost	Current Value
	Registered investment companies:				
*	Fidelity Management Trust Co.	Balanced Fund Class K	308,572	**	\$ 7,590,865
*	Fidelity Management Trust Co.	Contrafund Class K	923,607	**	12,681,122
*	Fidelity Management Trust Co.	Freedom 2005 Fund Class K6	117	**	1,450
*	Fidelity Management Trust Co.	Freedom 2010 Fund Class K6	4,128	**	64,153
*	Fidelity Management Trust Co.	Freedom 2015 Fund Class K6	17,374	**	222,914
*	Fidelity Management Trust Co.	Freedom 2020 Fund Class K6	170,313	**	2,750,556
*	Fidelity Management Trust Co.	Freedom 2025 Fund Class K6	427,106	**	6,094,804
*	Fidelity Management Trust Co.	Freedom 2030 Fund Class K6	463,179	**	8,230,699
*	Fidelity Management Trust Co.	Freedom 2035 Fund Class K6	588,880	**	8,862,651
*	Fidelity Management Trust Co.	Freedom 2040 Fund Class K6	1,104,455	**	11,651,999
*	Fidelity Management Trust Co.	Freedom 2045 Fund Class K6	752,256	**	9,019,552
*	Fidelity Management Trust Co.	Freedom 2050 Fund Class K6	452,392	**	5,464,899
*	Fidelity Management Trust Co.	Freedom 2055 Fund Class K6	182,922	**	2,520,668
*	Fidelity Management Trust Co.	Freedom 2060 Fund Class K6	18,735	**	232,689
*	Fidelity Management Trust Co.	Freedom Income Class K6	8,863	**	103,614
*	Fidelity Management Trust Co.	High Income Fund	393,946	**	3,529,754
*	Fidelity Management Trust Co.	Mid Cap Stock Fund Class K	202,625	**	7,251,946
*	Fidelity Management Trust Co.	Small Cap Value Fund	70,772	**	1,084,222
*	Fidelity Management Trust Co.	Total Bond Fund	624,294	**	6,811,051
*	Fidelity Management Trust Co.	Value Fund Class K	281,756	**	3,121,854
*	Fidelity Management Trust Co.	Worldwide Fund	143,163	**	4,060,096
*	Fidelity Management Trust Co.	Small Cap Index Fund	145,824	**	3,066,679
*	Fidelity Management Trust Co.	Global ex U.S. Index Fund	303,365	**	4,062,054
	Invesco	Diversified Dividend Class R6 Fund	148,543	**	3,085,238
	Janus	Triton Fund Class N Fund	93,319	**	2,950,755
	Vanguard	500 Index Admiral	51,359	**	15,312,028
	Vanguard	Mid Cap Index Admiral	17,322	**	3,822,296
	Virtus	Duff & Phelps Real Estate Secs R6	74,691	**	1,629,767
	Wells Fargo	Emerging Markets Equity R6	18,150	**	507,668
	Wells Fargo	Government Securities C	37,521	**	416,862
	Interest-bearing cash:				
*	Fidelity Management Trust Co.	Government Money Market Fund K6	5,427,071	**	5,427,071
*	Fidelity Management Trust Co.	Government Money Market Fund	8	**	8
*	Participant loans	Interest rates from 4.25% to 6.25%, maturing through 2027			1,399,241
					\$ 143,031,225

* Designates party-in-interest.

** All investments are participant directed; therefore, cost information has not been presented.

The above information has been certified by Fidelity Management Trust Company, the Trustee, to be complete and accurate

Ferring Pharmaceuticals Inc. 401(k) Savings Plan

Financial Report
December 31, 2019

Contents

Independent auditor's report	1-2
Financial statements	
Statements of net assets available for benefits	3
Statement of changes in net assets available for benefits	4
Notes to financial statements	5-10
Supplementary information	
Schedule H, line 4(i) - schedule of assets (held at end of year)	11

Independent Auditor's Report

Trustees and Participants
Ferring Pharmaceuticals Inc. 401(k) Savings Plan

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of the Ferring Pharmaceuticals Inc. 401(k) Savings Plan (the Plan), which comprise the statements of net assets available for benefits as of December 31, 2019 and 2018, the related statement of changes in net assets available for benefits for the year ended December 31, 2019, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan Administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified or provided by Fidelity Management Trust Company, the trustee of the Plan, except for comparing this information with the related information included in the financial statements. We have been informed by the Plan Administrator that the trustee holds the Plan's assets and executes transactions. The Plan Administrator has obtained certifications from the trustee as of December 31, 2019 and 2018, and for the year ended December 31, 2019, that the information provided to the Plan Administrator by the trustee is complete and accurate.

Disclaimer of Opinion

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

Other Matter

The supplemental schedule, Schedule H, line 4(i) – schedule of assets (held at end of year) as of December 31, 2019, is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and is presented for the purposes of additional analysis and is not a required part of the financial statements. The supplemental schedule is the responsibility of the Plan's management. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on the supplemental schedule.

Report on Form and Content in Compliance with DOL Rules and Regulations

The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified or provided by the trustee have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

RSM VS LLP

Edison, New Jersey
November 17, 2020

Ferring Pharmaceuticals Inc. 401(k) Savings Plan

**Statements of Net Assets Available for Benefits
December 31, 2019 and 2018**

	2019	2018
Assets		
Investments, at fair value:		
Registered investment companies	\$ 141,631,984	\$ 109,266,280
Total investments, at fair value	141,631,984	109,266,280
Receivables:		
Notes receivable from participants	1,399,241	1,267,742
Participant contributions	642,167	-
Employer matching contributions	531,129	270,826
Employer profit-sharing contributions	2,874,490	2,734,096
Total receivables	5,447,027	4,272,664
 Net assets available for benefits	 \$ 147,079,011	 \$ 113,538,944

See notes to financial statements.

Ferring Pharmaceuticals Inc. 401(k) Savings Plan

Statement of Changes in Net Assets Available for Benefits Year Ended December 31, 2019

Investment income:	
Net appreciation in fair value of investments	\$ 19,793,515
Interest and dividends	6,690,665
Total investment income	<u>26,484,180</u>
Interest on notes receivable from participants	<u>69,604</u>
Contributions:	
Participants	10,419,858
Employer matching, net of forfeitures	3,582,486
Employer profit sharing, net of forfeitures	2,856,863
Rollovers	3,472,851
Total contributions	<u>20,332,058</u>
Deductions:	
Distributions to participants	13,336,997
Administrative expenses	8,778
Total deductions	<u>13,345,775</u>
Net increase in net assets available for benefits	33,540,067
Net assets available for benefits:	
Beginning of year	<u>113,538,944</u>
End of year	<u><u>\$ 147,079,011</u></u>

See notes to financial statements.

Ferring Pharmaceuticals Inc. 401(k) Savings Plan

Notes to Financial Statements

Note 1. Description of Plan

General: The Ferring Pharmaceuticals Inc. 401(k) Savings Plan (the Plan) was established in 1997 to encourage and assist employees of Ferring Pharmaceuticals Inc. (the Company or the Plan Sponsor) to save for the future on a regular basis and to help provide additional investment assets for their retirement. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

The Plan is a defined contribution plan covering all employees of the Company who are at least 18 years of age, excluding interns, leased employees, residents of Puerto Rico and non-resident aliens with no income from a United States source. There are no minimum service requirements. Newly hired employees are automatically enrolled in the Plan, deferring 3% of eligible wages. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). Earnings accumulate in the Plan with deferral of Federal and state income tax. Fidelity Management Trust Company (Fidelity or the Trustee) is the Trustee of Plan assets. The Ferring Pharmaceuticals Retirement Plan Committee is responsible for oversight of the Plan. The Ferring Pharmaceuticals Retirement Plan Committee, under the guidance of an independent investment advisor, determines the appropriateness of the Plan's investment offerings and monitors investment performance.

Participant contributions: Employee basic contributions are based on specified percentages of eligible compensation, as defined in the Plan document. The maximum percentage an employee may contribute to the Plan is 60% of annual compensation, as defined in the Plan document. Tax deferred contributions were limited to a maximum of \$19,000 for 2019. Certain participants (age 50 or older) were permitted to make an additional catch-up contributions of \$6,000 for 2019. Participants may also contribute amounts representing distributions from other qualified defined benefit or contribution plans (rollovers).

Employer contributions: The Company matches 65% of the first 6% of eligible compensation that a participant contributes to the Plan. Additionally, the Company, at its discretion, may make other contributions on behalf of its eligible employees.

Discretionary contributions: The Company may make a discretionary profit-sharing contribution to the Plan each year in an amount equal to a percentage of annual compensation for the Plan year for participants who met the eligibility requirements discussed above. The allocation of the contribution to each employee is based on when the employee was hired. Any employee hired prior to January 1, 2011 receives 6.25%, employees hired on or after January 1, 2011 receive 3% and employees of an adopting employer that adopted the Plan on or after January 1, 2011 receive 3%. Employees are eligible to receive an allocation of this, the Company contribution if they have completed one year of service as of January 1 or July 1 and were employed at year-end. The contribution is not to exceed the maximum amount per Internal Revenue Service limits. For the year ended December 31, 2019, the Company made a discretionary profit-sharing contribution of \$2,856,863.

Notes receivable from participants: Employees are allowed to borrow from their contributions and vested Company's contributions (collectively, the Accrued Benefit). Loan terms range up to five years or over a reasonable period of time for the purchase of a primary residence not to exceed 10 years, as established by the Plan Administrator at the time of the loan. Notes receivable are secured by the participant's account. The notes receivable balance outstanding cannot exceed the lesser of: (i) 50% of the employee's vested account, or (ii) a maximum of \$50,000. Interest rates range from 4.25% to 6.25% and loans mature at various dates through May 2027. Principal and interest are paid ratably through periodic payroll deductions.

Investment options: Upon enrollment in the Plan, a participant may direct all contributions to selected investments as made available and determined by the Plan Administrator. Participants may change their investment options daily.

Ferring Pharmaceuticals Inc. 401(k) Savings Plan

Notes to Financial Statements

Note 1. Description of Plan (Continued)

Vesting and payment of benefits: Participant's interests in their own contributions are fully vested at all times. Participants hired on or after January 1, 2009 do not vest in the discretionary profit-sharing contributions and matching employer contributions until completing three years of service, at which time such participants are fully vested. Participants hired prior to January 1, 2009, are fully vested in discretionary employer contributions and matching employer contributions. Participants hired by Ferring Research Institute Inc. prior to January 1, 2011 are vested in the employer match after one year of service. A year of service is defined as at least 1,000 hours worked in a consecutive 12-month period. In the event participants leave the Company for any reason, they are entitled to receive their vested account balance. Participants become fully vested in all balances upon death, permanent disability and retirement. The normal benefit under the Plan is a lump sum payment equal to the participant's vested account balance upon retirement. In-service withdrawals are also permitted for certain financial hardships or when a participant attains age 59½.

Forfeitures: If a participant terminates employment with the Company and is less than 100% vested in the Company contributions, the participant will forfeit the nonvested portion of their Company match and discretionary contributions. A forfeiture will occur in the Plan year that the participant receives a distribution of their vested account. Any amounts forfeited would be used to pay administrative expenses and reduce current Company's contributions. Forfeited nonvested accounts totaled \$59,315 and \$10,925 at December 31, 2019 and 2018, respectively. During 2019, \$496,540 was used to reduce employer's matching and discretionary contributions and no forfeitures were used to pay administrative expenses.

Participant accounts: Each participant's account is credited with the participant's contributions and the Plan Sponsor's matching contribution and allocations of any discretionary profit-sharing contribution and Plan earnings/losses, and charged with an allocation of administrative expenses. Allocations are based on participant earnings, account balances or specific participant transactions, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Note 2. Summary of Significant Accounting Policies

Basis of accounting: The financial statements of the Plan are prepared on the accrual basis of accounting.

Investment valuation and income recognition: Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Ferring Pharmaceuticals Retirement Plan Committee confirms the Plan's valuation policies utilizing information provided by the Trustee. See Note 4 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Investment securities are exposed to various risks, such as interest rate, market, and credit risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the value of investment securities will occur in the near-term and such changes could materially affect participant account balances and the amounts reported in the statements of net assets available for benefits.

Ferring Pharmaceuticals Inc. 401(k) Savings Plan

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Notes receivable from participants: Notes receivable from participants are measured at their unpaid principal balance, plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. Delinquent notes receivable from participants are reclassified as distributions based upon the terms of the Plan document. For the year ended December 31, 2019, \$129,411 of delinquent notes receivable were reclassified as deemed distributions.

Use of estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires the Plan's management to make estimates and assumptions that affect the reported amounts of net assets available for benefits and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Contributions: Contributions from Plan participants and the matching contributions from the Plan Sponsor are recorded in the year in which the participant contributions are withheld from amounts paid. Employer discretionary contributions are recognized upon authorization as the underlying compensation is recognized. All participant and employer contributions are participant-directed.

Payment of benefits: Benefits are recorded when paid.

Administrative expenses: As provided by the Plan document, administrative expenses related to Plan investments and recordkeeping are paid by the Plan and other administrative expenses are paid by the Plan Sponsor. Loan origination fees are charged to the borrower/participant.

Income taxes: GAAP requires Plan management to evaluate tax positions taken by the Plan, and recognize a tax liability (or asset) if the Plan has taken any uncertain tax positions that more-likely-than-not would not be sustained upon examination by a tax authority. Plan Management evaluated the Plan's tax positions and concluded that the Plan had maintained its tax-exempt status and had taken no uncertain tax positions that require adjustment to the financial statements. Therefore, no provision or liability for income taxes has been included in the financial statements.

Ferring Pharmaceuticals Inc. 401(k) Savings Plan

Notes to Financial Statements

Note 3. Information Certified or Provided by Fidelity Management Trust Company (Trustee)

The following is a summary of the Plan's asset information as of December 31, 2019 and 2018, and for the year ended December 31, 2019, included in the Plan's financial statements and supplemental schedule, that was prepared by or derived from information provided by the Trustee and furnished to the Plan Administrator. The Plan Administrator has obtained certifications from the Trustee that information provided to the Plan Administrator by the Trustee related to the following assets is complete and accurate. Accordingly, as permitted by 29 CFR 2520.103-8 of the Department of Labor's (DOL's) Rules and Regulations for Reporting and Disclosure under ERISA, the Plan Administrator instructed the Plan's independent auditors not to perform any auditing procedures with respect to the information which appears throughout the financial statements and supplemental schedule related to the following assets:

	2019	2018
Investments:		
Registered investment companies	\$ 141,631,984	\$ 109,266,280
Notes receivable from participants	\$ 1,399,241	\$ 1,267,742

The Trustee also certified to the completeness and accuracy of \$19,793,515 of net appreciation in fair value of investments, \$6,690,665 of interest and dividends from the aforementioned investments and \$69,604 of interest income on notes receivable from participants for the year ended December 31, 2019.

Note 4. Fair Value Measurements

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets
- Quoted prices for identical or similar assets or liabilities in inactive markets
- Inputs other than quoted prices that are observable for the asset or liability
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Ferring Pharmaceuticals Inc. 401(k) Savings Plan

Notes to Financial Statements

Note 4. Fair Value Measurements (Continued)

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2019 and 2018.

Registered investment companies (mutual funds): Valued at the daily closing price as reported by the mutual fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value could result in a different fair value measurement at the reporting date.

The following tables set forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2019 and 2018:

Assets at Fair Value as of December 31, 2019				
	Level 1	Level 2	Level 3	Total
Registered investment companies	\$ 141,631,984	\$ -	\$ -	\$ 141,631,984

Assets at Fair Value as of December 31, 2018				
	Level 1	Level 2	Level 3	Total
Registered investment companies	\$ 109,266,280	\$ -	\$ -	\$ 109,266,280

To assess the appropriate classification of investments within the fair value hierarchy, the availability of market data is monitored. Changes in economic conditions or valuation techniques may require the transfer of investments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

Note 5. Plan Termination

While the Company intends to continue the Plan, it reserves the right to change or terminate the Plan at any time, subject to the provisions of ERISA. In the event the Plan should terminate, participants will become 100% vested in their accounts and the Company will facilitate the distribution of account balances under the provisions of the Plan and Trust Agreement until all assets have been distributed by the Trustee. Upon completion of such distributions, the Trust will terminate, the Trustee will be relieved of all liability under the Trust Agreement, and no participant or other person will have claims thereunder, except as required by applicable law.

Ferring Pharmaceuticals Inc. 401(k) Savings Plan

Notes to Financial Statements

Note 6. Related Party Transactions and Parties-in-Interest

Certain Plan investments are shares of mutual funds managed by Fidelity Investments. Fidelity is the Trustee, as defined by the Plan, and therefore, these transactions qualify as party-in-interest transactions.

Note 7. Tax Status

The Plan is intended to be qualified under 401(a) of the Internal Revenue Code of 1986 (the Code) and is intended to be exempt from taxation under 501(a) of the Code. The Company adopted a non-standardized prototype plan, which received an Internal Revenue Service (IRS) opinion letter dated March 31, 2014. The Company believes the Plan is being operated in compliance with the applicable requirements of the Code.

Note 8. Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500 as of December 31:

	2019	2018
Net assets available for benefits per the financial statements	\$ 147,079,011	\$ 113,538,944
Differences in:		
Receivables - employee contributions receivable	(642,167)	-
Receivables - employer matching contributions receivable	(531,129)	(270,826)
Receivables - employer profit-sharing contributions receivable	(2,874,490)	(2,734,096)
Net assets available for benefits per the Form 5500	<u>\$ 143,031,225</u>	<u>\$ 110,534,022</u>

The following is a reconciliation of net increase in net assets available for benefits per the financial statements to the Form 5500 for the year ended December 31, 2019:

Net increase in net assets available for benefits per the financial statements	\$ 33,540,067
less change in employee and employer contributions receivable	(1,042,864)
Net income per the Form 5500	<u>\$ 32,497,203</u>

Note 9. Subsequent Events

The Plan has evaluated subsequent events through November 17, 2020, the date the financial statements were available to be issued.

On March 11, 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic. This has resulted in volatility in financial markets. The Plan Sponsor cannot reasonably estimate the length or severity of this pandemic, but we currently anticipate an impact on the financial statements in fiscal year 2020.

The Plan has implemented certain requirements by the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act) and the Setting Every Community Up for Retirement Enhancement Act of 2019 (the SECURE Act), which laws change the Plan to, among others, allow certain eligible individuals to receive coronavirus-related withdrawals, relief for loan repayment, suspend required minimum distributions and delay the commencement date for required minimum distributions. Written amendments to the Plan to reflect these operational changes will be adopted at a later date in accordance with applicable law and IRS guidance.

Ferring Pharmaceuticals Inc. 401(k) Savings Plan

Schedule H, Line 4(i) - Schedule of Assets (Held at End of Year) December 31, 2019

Employer Identification Number: 54-1179881

Plan Number: 001

(a)	(b) Identity of Issuer, Borrower, Lessor, or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	Number of Unites/Shares	(d) Cost	(e) Current Value
Registered investment companies:					
*	Fidelity Management Trust Co.	Balanced Fund Class K	308,572	**	\$ 7,590,865
*	Fidelity Management Trust Co.	Contrafund Class K	923,607	**	12,681,122
*	Fidelity Management Trust Co.	Freedom 2005 Fund Class K6	117	**	1,450
*	Fidelity Management Trust Co.	Freedom 2010 Fund Class K6	4,128	**	64,153
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*	Fidelity Management Trust Co.	Freedom 2050 Fund Class K6	452,392	**	5,464,899
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*	Fidelity Management Trust Co.	Small Cap Value Fund	70,772	**	1,084,222
*	Fidelity Management Trust Co.	Total Bond Fund	624,294	**	6,811,051
*	Fidelity Management Trust Co.	Value Fund Class K	281,756	**	3,121,854
*	Fidelity Management Trust Co.	Worldwide Fund	143,163	**	4,060,096
*	Fidelity Management Trust Co.	Small Cap Index Fund	145,824	**	3,066,679
*	Fidelity Management Trust Co.	Global ex U.S. Index Fund	303,365	**	4,062,054
	Invesco	Diversified Dividend Class R6 Fund	148,543	**	3,085,238
	Janus	Triton Fund Class N Fund	93,319	**	2,950,755
	Vanguard	500 Index Admiral	51,359	**	15,312,028
	Vanguard	Mid Cap Index Admiral	17,322	**	3,822,296
	Virtus	Duff & Phelps Real Estate Secs R6	74,691	**	1,629,767
	Wells Fargo	Emerging Markets Equity R6	18,150	**	507,668
	Wells Fargo	Government Securities C	37,521	**	416,862
Interest-bearing cash:					
*	Fidelity Management Trust Co.	Government Money Market Fund K6	5,427,071	**	5,427,071
*	Fidelity Management Trust Co.	Government Money Market Fund	8	**	8
*	Participant loans	Interest rates from 4.25% to 6.25%, maturing through 2027			1,399,241
					<u>\$ 143,031,225</u>

* Designates party-in-interest.

** All investments are participant directed; therefore, cost information has not been presented.

The above information has been certified by Fidelity Management Trust Company, the Trustee, to be complete and accurate