
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **February 16, 2018**

AVADEL PHARMACEUTICALS PLC
(Exact name of registrant as specified in its charter)

Ireland
(State or Other Jurisdiction
of Incorporation)

001-37977
(Commission File Number)

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

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

Not Applicable
(Zip Code)

Registrant's telephone number, including area code: **+353 1 485 1200**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

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

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01 Entry into a Material Definitive Agreement.

On February 16, 2018, Avadel Pharmaceuticals plc (the “Company”), together with its subsidiaries Avadel Pharmaceuticals (USA), Inc., Avadel Pediatrics, Inc., FSC Therapeutics LLC (“FSC Therapeutics”), and Avadel US Holdings, Inc. (“Holdings”), as the “Sellers,” completed the previously announced disposition of four pediatric commercial stage assets – Karbinal™ ER, Cefaclor, Flexichamber™ and AcipHex® Sprinkle™, together with certain associated business assets – to Cerecor, Inc. (“Cerecor”), pursuant to the terms of an asset purchase agreement between the Sellers and the Buyer dated as of February 12, 2018 (the “Purchase Agreement”). Certain additional details of the Purchase Agreement and the transactions contemplated thereby (collectively, the “Transaction”) were set forth in a Current Report on Form 8-K filed by the Company with the Securities and Exchange Commission on February 12, 2018.

In connection with the closing of the Transaction, the Company or one of its subsidiaries entered into a License and Development Agreement, a Deerfield Guaranty and an Armistice Guaranty, each as hereinafter defined.

License and Development Agreement

In connection with the closing under the Purchase Agreement, on February 16, 2018 Flamel Ireland Limited, an Irish limited company operating under the trade name of Avadel Ireland (“Avadel Ireland”) and a wholly-owned subsidiary of the Company, and Cerecor entered into a license and development agreement (the “License and Development Agreement”), effective as of February 16, 2018, pursuant to which, among other things:

- Avadel Ireland will provide Cerecor with four product formulations utilizing Avadel Ireland’s LiquiTime™ technology, and will complete pilot bioequivalence studies for such product formulations within 18 months;
- Cerecor will reimburse Avadel Ireland for development costs of the four LiquiTime™ products in excess of \$1 million in the aggregate;
- Upon transfer of the four product formulations, Cerecor will assume all remaining development costs and responsibilities for the product development, clinical studies, NDA applications and associated filing fees; and
- Upon regulatory approval and commercial launch of any LiquiTime™ products, Cerecor will pay Avadel Ireland quarterly royalties based on a percentage of net sales of any such products in the mid-single digits.

The foregoing summary of the License and Development Agreement does not purport to be complete and is subject to, and qualified in its entirety by, the complete text of the License and Development Agreement. The Company intends to submit a FOIA Confidential Treatment Request with the Securities and Exchange Commission pursuant to Rule 24b-2 under the Securities Exchange Act of 1934 for certain portions of the License and Development Agreement. The License and Development Agreement, in redacted form subject to such confidential treatment request, will be filed as an exhibit to the Company’s Annual Report on Form 10-K for the year ended December 31, 2017.

Deerfield Guarantee

In connection with the closing under the Purchase Agreement, on February 16, 2018, the Company and Holdings provided their guarantee (the "Deerfield Guarantee") in favor of Deerfield CSF, LLC, Peter Steelman and James Flynn ("Deerfield"). Under the Deerfield Guarantee, the Company and Holdings guaranteed to Deerfield the payment by Cerecor of the obligations of the Company and certain of its subsidiaries (the "Assumed Obligations") under the Membership Interest Purchase Agreement between the Company and Deerfield dated February 5, 2016. The Assumed Obligations include (i) a quarterly payment of \$262,500 beginning in July 2018 and ending in October 2020, amounting to an aggregate payment obligation of \$2,625,000; (ii) a payment in January 2021 of \$15,262,500; and (iii) a quarterly royalty payment of 15% on net sales of the FSC products through February 6, 2026 ("FSC Product Royalties"), in an aggregate amount of up to approximately \$10,300,000. In addition, under the Deerfield Guarantee, the Company and Holdings guaranteed that Deerfield would receive certain minimum annual FSC Product Royalties through February 6, 2026 (the "Minimum Royalties").

The foregoing summary of the Deerfield Guarantee does not purport to be complete and is subject to, and qualified in its entirety by, the complete text of the Deerfield Guarantee, which will be filed as an exhibit to the Company's Annual Report on Form 10-K for the year ended December 31, 2017.

Armistice Guarantee

In connection with the closing under the Purchase Agreement, on February 16, 2018, Armistice Capital Master Fund, Ltd. ("Armistice"), the majority shareholder of Cerecor, guaranteed to Holdings the payment by Cerecor of the Assumed Obligations, including the Minimum Royalties.

The foregoing summary of the Armistice Guarantee does not purport to be complete and is subject to, and qualified in its entirety by, the complete text of the Armistice Guarantee, which will be filed as an exhibit to the Company's Annual Report on Form 10-K for the year ended December 31, 2017.

Item 2.01 Completion of Acquisition or Disposition of Assets.

See Item 1.01 above, which is incorporated by reference herein.

Item 9.01 Financial Statements and Exhibits.

(b) Pro Forma Financial Information

Attached as Exhibit 99.1 hereto are the following:

- Explanatory Note and Basis of Presentation with respect to Unaudited Pro Forma Condensed Combined Financial Statements.
- Unaudited pro forma condensed combined balance sheet of the Company as of September 30, 2017 (and notes thereto).
- Unaudited pro forma condensed combined balance sheet of the Company as of December 31, 2016 (and notes thereto).
- Unaudited pro forma condensed combined statement of income (loss) of the Company for the nine months ended September 30, 2017 (and notes thereto).
- Unaudited pro forma condensed combined statement of income (loss) of the Company for the twelve months ended December 31, 2016 (and notes thereto).

(d) Exhibits

<u>99.1</u>	<u>Unaudited pro forma financial information, consisting of:</u> <ul style="list-style-type: none">· Explanatory Note and Basis of Presentation with respect to Unaudited Pro Forma Condensed Combined Financial Statements.· Unaudited pro forma condensed combined balance sheet of the Company as of September 30, 2017 (and notes thereto).· Unaudited pro forma condensed combined balance sheet of the Company as of December 31, 2016 (and notes thereto).· Unaudited pro forma condensed combined statement of income (loss) of the Company for the nine months ended September 30, 2017 (and notes thereto).· Unaudited pro forma condensed combined statement of income (loss) of the Company for the twelve months ended December 31, 2016 (and notes thereto).
-----------------------------	--

Cautionary Note Regarding Forward-Looking Statements

This report contains forward-looking statements, including, but not limited to, statements related to the Company's sale of its pediatric assets to Cerecor, the Company's ability to develop four new pediatric products under its license and development agreement with Cerecor, the Company's business strategy and development plans, expected financial performance in future periods, expected timing of clinical, regulatory and commercial events, and other statements that are not historical facts. Such forward-looking statements are within the meaning of that term in Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Although we believe that the forward-looking statements contained in this report are based on reasonable assumptions within the bounds of our knowledge of our business and operations, our business is subject to significant risks and there can be no assurance that actual results will not differ materially from the expectations expressed in the forward-looking statements contained in this report. We undertake no obligation to update these forward-looking statements as a result of new information, future events or otherwise. You should not place undue reliance on these forward-looking statements. Except as required by law, we specifically disclaim any obligation to update such forward-looking statements.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

AVADEL PHARMACEUTICALS PLC

By: /s/ Michael F. Kanan
Michael F. Kanan
Senior Vice President and
Chief Financial Officer

Date: February 23, 2018

Exhibit Index

<p>99.1</p>	<p>Unaudited pro forma financial information, consisting of:</p> <ul style="list-style-type: none">· Explanatory Note and Basis of Presentation with respect to Unaudited Pro Forma Condensed Combined Financial Statements.· Unaudited pro forma condensed combined balance sheet of the Company as of September 30, 2017 (and notes thereto).· Unaudited pro forma condensed combined balance sheet of the Company as of December 31, 2016 (and notes thereto).· Unaudited pro forma condensed combined statement of income (loss) of the Company for the nine months ended September 30, 2017 (and notes thereto).· Unaudited pro forma condensed combined statement of income (loss) of the Company for the twelve months ended December 31, 2016 (and notes thereto).
-----------------------------	--

Avadel Pharmaceuticals plc
Unaudited Pro Forma Condensed Combined Financial Information

Overview

On February 16, 2018, Avadel Pharmaceuticals plc (the “Company”), together with its subsidiaries Avadel Pharmaceuticals (USA), Inc., Avadel Pediatrics, Inc., FSC Therapeutics LLC (“FSC Therapeutics”), and Avadel US Holdings, Inc. (“Holdings”), as the “Sellers,” completed the previously announced disposition of four pediatric commercial stage assets – Karbinal™ ER, Cefaclor, Flexichamber™ and AcipHex® Sprinkle™, together with certain associated business assets (the “Pediatrics Business”) – to Cerecor, Inc. (“Cerecor”), pursuant to the terms of an asset purchase agreement between the Sellers and the Buyer dated as of February 12, 2018 (the “Purchase Agreement”). Certain additional details of the Purchase Agreement and the transactions contemplated thereby (collectively, the “Transaction”) were set forth in a Current Report on Form 8-K filed by the Company with the Securities and Exchange Commission on February 12, 2018.

Pro forma Financial Information

Set forth below are the following:

- Unaudited pro forma condensed combined balance sheet of the Company as of September 30, 2017 (and notes thereto).
- Unaudited pro forma condensed combined balance sheet of the Company as of December 31, 2016 (and notes thereto).
- Unaudited pro forma condensed combined statement of income (loss) of the Company for the nine months ended September 30, 2017 (and notes thereto).
- Unaudited pro forma condensed combined statement of income (loss) of the Company for the twelve months ended December 31, 2016 (and notes thereto).

Basis of Presentation

The unaudited pro forma condensed combined financial statements reflect adjustments to the Company’s historical financial results as reported under the U.S. Generally Accepted Accounting Principles (“GAAP”) in connection with the Transaction. The unaudited pro forma condensed combined balance sheet as of December 31, 2016 and the unaudited pro forma condensed combined statement of income (loss) for the twelve months then ended give effect to the sale of the Pediatrics Business as if the Transaction occurred on February 5, 2016 (the date the Pediatrics Business was acquired). The unaudited pro forma condensed combined balance sheet as of September 30, 2017 and the unaudited pro forma condensed combined statement of income (loss) for the nine months then ended give effect to the sale of the Pediatrics Business as if the Transaction occurred on January 1, 2017.

The unaudited pro forma condensed combined financial statements included below are being provided for information purposes only and are not necessarily indicative of the results of operations or financial position that would have resulted if the Transaction had actually occurred on the date indicated and are not intended to project the Company’s results of operations or financial position for any future period. The pro forma adjustments are based on available information and assumptions that the Company believes are attributable to the sale of the Pediatrics Business, are factually supportable, and with respect to the statement of income (loss), have continuing impact on the consolidated results.

The unaudited pro forma condensed combined financial statements and the accompanying notes should be read in conjunction with the consolidated financial statements and notes thereto included in the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2016 and in the Company’s Quarterly Report on Form 10-Q for the quarter ended September 30, 2017.

Avadel Pharmaceuticals plc
Unaudited Pro Forma Condensed Combined Balance Sheet

(in thousands)	As of September 30, 2017		
	As Reported	(1) Adjustments	Pro Forma
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 37,449	\$ -	\$ 37,449
Marketable securities	78,161	-	78,161
Accounts receivable	24,080	-	24,080
Other current assets	9,243	445	8,798
Total current assets	148,933	445	148,488
Goodwill	18,491	-	18,491
Intangible assets, net	94,256	18,495	75,761
Other long-term assets	15,747	190	15,557
Total assets	\$ 277,427	\$ 19,130	\$ 258,297
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Current portion of long-term related party payable	\$ 30,986	\$ 1,902	\$ 29,084
Accounts payable and accrued expenses	56,561	-	56,561
Other current liabilities	9,761	-	9,761
Total current liabilities	97,308	1,902	95,406
Long-term related party payable, less current portion	76,131	20,793	55,338
Other long-term liabilities	7,525	-	7,525
Total liabilities	180,964	22,695	158,269
Total shareholders' equity	96,463	(3,565)	100,028
Total liabilities and shareholders' equity	\$ 277,427	\$ 19,130	\$ 258,297

Notes to Unaudited Pro Forma Condensed Combined Balance Sheet

- (1) The divestiture adjustments include the reversal of certain assets and liabilities related to the disposition of four pediatric commercial stage assets – Karbinal™ ER, Cefaclor, Flexichamber™ and AcipHex® Sprinkle™. No adjustments have been made to give effect to the Deerfield and Armistice Guarantees and the impact of Avadel's retained obligation related to a certain supply contract.

Avadel Pharmaceuticals plc
Unaudited Pro Forma Condensed Combined Balance Sheet

(in thousands)	As of December 31, 2016		
	As Reported	(1) Adjustments	Pro Forma
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 39,215	\$ -	\$ 39,215
Marketable securities	114,980	-	114,980
Accounts receivable	17,839	-	17,839
Other current assets	9,152	1,623	7,529
Total current assets	181,186	1,623	179,563
Goodwill	18,491	-	18,491
Intangible assets, net	22,837	19,577	3,260
Other long-term assets	22,968	230	22,738
Total assets	\$ 245,482	\$ 21,430	\$ 224,052
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Current portion of long-term related party payable	\$ 34,177	\$ 1,233	\$ 32,944
Accounts payable and accrued expenses	24,327	-	24,327
Other current liabilities	3,917	-	3,917
Total current liabilities	62,421	1,233	61,188
Long-term related party payable, less current portion	135,170	21,057	114,113
Other long-term liabilities	5,822	-	5,822
Total liabilities	203,413	22,290	181,123
Total shareholders' equity	42,069	(860)	42,929
Total liabilities and shareholders' equity	\$ 245,482	\$ 21,430	\$ 224,052

Notes to Unaudited Pro Forma Condensed Combined Balance Sheet

- (1) The divestiture adjustments include the reversal of certain assets and liabilities related to the disposition of four pediatric commercial stage assets – Karbinal™ ER, Cefaclor, Flexichamber™ and AcipHex® Sprinkle™. No adjustments have been made to give effect to the Deerfield and Armistice Guarantees and the impact of Avadel's retained obligation related to a certain supply contract.

Avadel Pharmaceuticals plc
Unaudited Pro Forma Condensed Combined Statement of Income (Loss)

Nine months ended September 30, 2017

<i>(in thousands)</i>	(1)		
	As Reported	Adjustments	Pro Forma
Total revenue	\$ 138,493	\$ 5,341	\$ 133,152
Operating expenses:			
Cost of products and services sold	12,253	2,194	10,059
Research and development expenses	22,093	20	22,073
Selling, general and administrative expenses	35,804	9,300	26,504
Changes in fair value of related party contingent consideration	(30,107)	1,336	(31,443)
Other costs	4,865	1,080	3,785
Total operating expenses	44,908	13,930	30,978
Operating income (loss)	93,585	(8,589)	102,174
Other nonoperating income (expense)	4,761	(766)	5,527
Income (loss) before income taxes	98,346	(9,355)	107,701
Income tax provision (benefit)	21,830	(2,806)	24,636
Net income (loss)	\$ 76,516	\$ (6,549)	\$ 83,065
Net income per share - basic	\$ 1.87		\$ 2.03
Net income per share - diluted	1.81		1.97
Weighted average number of shares outstanding - basic	40,839		40,839
Weighted average number of shares outstanding - diluted	42,194		42,194

Notes to Unaudited Pro Forma Condensed Combined Statement of Income (Loss)

- (1) The divestiture adjustments include the reversal of certain results of operations related to the disposition of four pediatric commercial stage assets – Karbinal™ ER, Cefaclor, Flexichamber™ and AcipHex® Sprinkle™. No adjustments have been made to give effect to the Deerfield and Armistice Guarantees and the impact of Avadel's retained obligation related to a certain supply contract.

Avadel Pharmaceuticals plc
Unaudited Pro Forma Condensed Combined Statement of Income (Loss)

<i>(in thousands)</i>	Twelve months ended December 31, 2016		
	As Reported	(1)(2) Adjustments	Pro Forma
Total revenue	\$ 150,246	\$ 5,985	\$ 144,261
Operating expenses:			-
Cost of products and services sold	13,248	2,929	10,319
Research and development expenses	34,611	22	34,589
Selling, general and administrative expenses	44,179	9,710	34,469
Changes in fair value of related party contingent consideration	49,285	1,076	48,209
Other costs	13,888	1,324	12,564
Total operating expenses	155,211	15,061	140,150
Operating income (loss)	(4,965)	(9,076)	4,111
Other nonoperating expenses	(4,753)	(1,099)	(3,654)
Income (loss) before income taxes	(9,718)	(10,175)	457
Income tax provision (benefit)	31,558	(3,184)	34,742
Net loss	\$ (41,276)	\$ (6,991)	\$ (34,285)
Net loss per share - basic	\$ (1.00)		\$ (0.83)
Net loss per share - diluted	(1.00)		(0.83)
Weighted average number of shares outstanding - basic	41,248		41,248
Weighted average number of shares outstanding - diluted	41,248		41,248

Notes to Unaudited Pro Forma Condensed Combined Statement of Income (Loss)

- (1) The divestiture adjustments include the reversal of certain results of operations related to the disposition of four pediatric commercial stage assets – Karbinal™ ER, Cefaclor, Flexichamber™ and AcipHex® Sprinkle™. No adjustments have been made to give effect to the Deerfield and Armistice Guarantees and the impact of Avadel's retained obligation related to a certain supply contract.
- (2) The Adjustments column includes results of the Pediatric Business from February 5, 2016 (date of acquisition) through December 31, 2016.