



Mallinckrodt Receives Court Approval for "First Day" Motions to Support Ongoing Operations

August 30, 2023

Continuing to Serve Customers and Deliver High-Quality Therapies to Patients Without Interruption; Vendors and Suppliers to be Paid in Full in the Ordinary Course

DUBLIN, Aug. 30, 2023 /PRNewswire/ -- Mallinckrodt plc (OTCMKTS: MNKTQ) ("Mallinckrodt" or the "Company"), a global specialty pharmaceutical company, today announced that it has received approvals from the U.S. Bankruptcy Court for the District of Delaware for its "First Day" motions related to the Company's voluntary Chapter 11 petitions filed on August 28, 2023.



As expected, the Court granted Mallinckrodt approval to access \$150 million of the \$250 million of commitments for new financing it received from certain of its creditors, as well as new borrowing availability from lenders under its asset-based loans. The approvals granted by the Court also enable the Company to continue paying employee wages, salaries and benefits without interruption and to continue paying vendors and suppliers in the ordinary course, including for any pre-petition amounts owed at the time of filing.

Siggi Olafsson, President and Chief Executive Officer of Mallinckrodt, said, "We are pleased to have received prompt approval of these First Day motions, which will enable us to continue operating normally, supporting patients with high-quality therapies, serving customers and working with our business partners. I would also like to thank our customers, vendors, suppliers and other stakeholders for their continued partnership as well as the entire Mallinckrodt team for their continued commitment."

Mr. Olafsson continued, "With the overwhelming support of our key stakeholders, we expect Mallinckrodt will emerge from this process on an expedited basis with additional financial flexibility and well-positioned to advance our business priorities and deliver high-quality therapies to our customers and patients."

As previously announced, Mallinckrodt entered into a Restructuring Support Agreement with holders of approximately 90% of each of the Company's first and second lien debt and the Opioid Master Disbursement Trust II on the terms of a comprehensive financial restructuring plan. Implementing the financial restructuring contemplated by the RSA will reduce the Company's total funded debt by approximately \$1.9 billion, increase free cash flow generation, extend maturity runway and better position the business for long-term success.

Additional Information

Additional information is available on Mallinckrodt's restructuring website at www.MNKrestructuring.com.

Important information about the Chapter 11 Cases, including court filings and other information related to the proceedings, are available on a separate website administrated by the Company's claims agent, Kroll, at <https://restructuring.ra.kroll.com/mallinckrodt2023>; by calling Kroll representatives toll-free at +1-844-245-7926, or +1-646-440-4855 for calls originating outside of the U.S. or Canada; or by emailing Kroll at mallinckrodt2023info@ra.kroll.com.

Vendors, suppliers and trade partners should direct any inquiries to the Company at +1-908-238-5650 or Supplier.Inquiry@mnk.com.

Latham & Watkins LLP, Wachtell, Lipton, Rosen & Katz, Arthur Cox LLP, Richards, Layton & Finger PA, and Hogan Lovells US LLP are serving as Mallinckrodt's counsel. Guggenheim Securities, LLC is serving as investment banker, and AlixPartners LLP is serving as restructuring advisor.

About Mallinckrodt

Mallinckrodt is a global business consisting of multiple wholly owned subsidiaries that develop, manufacture, market and distribute specialty pharmaceutical products and therapies. The Company's Specialty Brands reportable segment's areas of focus include autoimmune and rare diseases in specialty areas like neurology, rheumatology, hepatology, nephrology, pulmonology, ophthalmology and oncology; immunotherapy and neonatal respiratory critical care therapies; analgesics; cultured skin substitutes

and gastrointestinal products. Its Specialty Generics reportable segment includes specialty generic drugs and active pharmaceutical ingredients. To learn more about Mallinckrodt, visit www.mallinckrodt.com.

Mallinckrodt uses its website as a channel of distribution of important company information, such as press releases, investor presentations and other financial information. It also uses its website to expedite public access to time-critical information regarding the Company in advance of or in lieu of distributing a press release or a filing with the U.S. Securities and Exchange Commission (SEC) disclosing the same information. Therefore, investors should look to the Investor Relations page of the website for important and time-critical information. Visitors to the website can also register to receive automatic e-mail and other notifications alerting them when new information is made available on the Investor Relations page of the website.

CAUTIONARY STATEMENTS RELATED TO FORWARD-LOOKING STATEMENTS

Statements in this document that are not strictly historical, including statements regarding future financial condition and operating results, expected product launches, legal, economic, business, competitive and/or regulatory factors affecting Mallinckrodt's businesses, and any other statements regarding events or developments Mallinckrodt believes or anticipates will or may occur in the future, may be "forward-looking" statements within the meaning of the Private Securities Litigation Reform Act of 1995, and involve a number of risks and uncertainties. There are a number of important factors that could cause actual events to differ materially from those suggested or indicated by such forward-looking statements and you should not place undue reliance on any such forward-looking statements. These factors include risks and uncertainties related to, among other things: the bankruptcy process, including the possibility that certain parties, such as creditors that are not party to the Restructuring Support Agreement ("RSA") or the Company's equity holders, may object to the plan of reorganization contemplated by the RSA; changes to the Chapter 11 proceedings, whether as a result of amendments or supplements to the plan of reorganization, the disclosure statement or other documents, third-party actions, or otherwise; the ability of Mallinckrodt and its subsidiaries to obtain approval from the U.S. Bankruptcy Court for the District of Delaware (the "Court") with respect to motions or other requests made to the Court throughout the course of the Chapter 11 proceedings and to negotiate, develop, obtain Court approval of, confirm and consummate the plan of reorganization contemplated by the RSA or any other plan that may be proposed within the Company's currently expected timeline or at all; the effects of the Chapter 11 proceedings, including increased professional costs, on the liquidity, results of operations and businesses of Mallinckrodt and its subsidiaries, including the Company's ability to operate normally, support patients, serve customers, work with business partners and abide by previously agreed upon compliance and monitoring measures; the consummation of the transactions contemplated by the RSA, including the ability of the parties to negotiate definitive agreements with respect to the matters covered by the term sheets included in the RSA, the occurrence of events that may give rise to a right of any of the parties to terminate the RSA and the ability of the parties thereto to receive the required approval by the Court and to satisfy the other conditions of the RSA; the effects of Chapter 11 on the interests of various constituents; the ability to maintain relationships with Mallinckrodt's suppliers, customers, employees and other third parties as a result of, and following, any emergence upon completion of its current Chapter 11 proceedings, as well as perceptions of the Company's increased performance and credit risks associated with its constrained liquidity position and capital structure; Mallinckrodt's substantial indebtedness, its ability to generate sufficient cash to reduce its indebtedness and its potential need and ability to incur further indebtedness; Mallinckrodt's ability to generate sufficient cash to service indebtedness in light of the restructuring plan contemplated by the RSA; developing, funding and executing Mallinckrodt's business plan and ability to continue as a going concern; Mallinckrodt's capital structure upon completion of the Chapter 11 proceedings; the comparability of Mallinckrodt's post-emergence financial results to its historical results and the projections filed with the Court in the current Chapter 11 proceedings; changes in Mallinckrodt's business strategy and performance; Mallinckrodt's tax treatment by the Internal Revenue Service under Section 7874 and Section 382 of the Internal Revenue Code of 1986, as amended; governmental investigations and inquiries, regulatory actions and lawsuits, in each case related to Mallinckrodt or its officers; matters related to the historical commercialization of opioids, including compliance with and restrictions under the global settlement to resolve all opioid-related claims; matters related to Acthar® Gel, including settlement with governmental parties to resolve certain disputes and compliance with and restrictions under the corporate integrity agreement; scrutiny from governments, legislative bodies and enforcement agencies related to sales, marketing and pricing practices; pricing pressure on certain of Mallinckrodt's products due to legal changes or changes in insurers' reimbursement practices resulting from recent increased public scrutiny of healthcare and pharmaceutical costs; the reimbursement practices of governmental health administration authorities, private health coverage insurers and other third-party payers; complex reporting and payment obligations under the Medicare and Medicaid rebate programs and other governmental purchasing and rebate programs; cost containment efforts of customers, purchasing groups, third-party payers and governmental organizations; changes in or failure to comply with relevant laws and regulations; Mallinckrodt's and its partners' ability to successfully develop or commercialize new products or expand commercial opportunities; Mallinckrodt's ability to navigate price fluctuations; competition; Mallinckrodt's and its partners' ability to protect intellectual property rights, including in relation to ongoing litigation; limited clinical trial data for Acthar Gel; clinical studies and related regulatory processes; product liability losses and other litigation liability; material health, safety and environmental liabilities; business development activities; attraction and retention of key personnel; the effectiveness of information technology infrastructure including cybersecurity and data leakage risks; customer concentration; Mallinckrodt's reliance on certain individual products that are material to its financial performance; Mallinckrodt's ability to receive procurement and production quotas granted by the U.S. Drug Enforcement Administration; complex manufacturing processes; reliance on third-party manufacturers and supply chain providers; conducting business internationally; Mallinckrodt's ability to achieve expected benefits from prior restructuring activities or those contemplated by the RSA; Mallinckrodt's significant levels of intangible assets and related impairment testing; labor and employment laws and regulations; natural disasters or other catastrophic events; restrictions on Mallinckrodt's operations contained in the agreements governing Mallinckrodt's indebtedness; Mallinckrodt's variable rate indebtedness; future changes to U.S. and foreign tax laws or the impact of disputes with governmental tax authorities; and the impact of Irish laws.

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