

Part II Organizational Action *(continued)*

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ [See attached statement](#)

Blank lines for listing Internal Revenue Code sections.

18 Can any resulting loss be recognized? ▶ [See attached statement](#)

Blank lines for providing information on loss recognition.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ [See attached statement](#)

Blank lines for providing other necessary information.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here Signature ▶ *Matthew T. Peters* Date ▶ 10/5/2023

Print your name ▶ **Matthew T. Peters** Title ▶ **SVP, Chief Tax Officer & Treasurer**

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶				Firm's EIN ▶
	Firm's address ▶				Phone no.

Mallinckrodt International Finance S.A.
 EIN: 98-1094609
 Attachment to Form 8937

Disclaimer: The information contained herein is being provided pursuant to the requirements of Section 6045B of the Internal Revenue Code of 1986, as amended (the “Code”), and includes a general summary regarding the application of certain U.S. federal income tax laws and regulations relating to the effects of payments made to certain debt holders on August 23, 2023 on the tax basis of securities. The information contained herein does not constitute tax advice and does not purport to be complete or to describe the tax consequences that may apply to particular persons or categories of persons. You are urged to consult your own tax advisors regarding U.S. tax consequences of the transactions described herein and the impact to tax basis resulting from those transactions.

Form 8937 Lines 9 & 10:

Line 9	Line 10
Classification and Description	CUSIP Numbers
Secured term loans due September 2027 (“2017 Replacement Term Loans”)	L6232UAN7
Secured term loans due September 2027 (“2018 Replacement Term Loans”)	L6232UAP2
10.00% first lien senior secured notes due April 2025 (“2025 1L Notes”)	L6233LAF3 & 561233AG2
11.50% first lien senior secured notes due December 2028 (“2028 1L Notes”)	L6233LAJ5 & 561233AM9
10.00% second lien secured notes due April 2025 (“2025 2L Notes”)	L6233LAG1 & 561233AH0
10.00% second lien secured notes due June 2029 (“2029 2L Notes”)	L6233LAH9 & 561233AK3

Form 8937 Line 14:

Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action

On August 23, 2023, Mallinckrodt plc (“Mallinckrodt” or the “Company”) and certain of its subsidiaries (together with the Company, the “Debtors”) entered into a Restructuring Support Agreement (the “RSA”) with creditors holding approximately 72% of the aggregate principal amount of the Debtors’ first lien funded debt and approximately 71% of the aggregate principal amount of the Debtors’ second lien funded debt and the Opioid Master Disbursement Trust II (collectively, the “Supporting Parties”). The RSA reflects an agreement by the Supporting Parties to support a comprehensive, prepackaged reorganization of the Company and the other Debtors through voluntary chapter 11 cases under Chapter 11 of Title 11 of the United States Code with a prepackaged chapter 11 plan according to various terms and exhibits attached to the RSA.¹

As detailed in the RSA, the Debtors agreed to pay cash to various groups of certain holders of the Debtors’ first lien funded debt and second lien funded debt (the “Forbearance and Settlement Payment”). The Forbearance and Settlement Payment was paid to the recipients on August 23, 2023. Amounts paid were as follows:

- 6.0% of the aggregate principal amount of the First Lien Claims (claims arising under the 2017 Replacement Term Loans, 2018 Replacement Term Loans, 2025 1L Notes or 2028 1L Notes, together the “First Lien Debt”) held by the members of the Ad Hoc First Lien Group Steering Committee party to the RSA,²
- 5.25% of the aggregate principal amount of the Second Lien Claims (claims arising under the 2025 2L Notes or 2029 2L Notes, together the “Second Lien Debt”) held by the members of the Ad Hoc Crossover Group Steering Committee party to the RSA, and

¹ Such chapter 11 bankruptcy cases were voluntarily filed on August 28, 2023 in the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Filing”). Documents related to this filing can be found at the following link: <https://restructuring.ra.kroll.com/mallinckrodt2023/>

² Unless otherwise noted, capitalized terms herein have the same meaning as used in the RSA. The RSA was attached to the Disclosure Statement filed by the Debtors in the Bankruptcy Filing as Exhibit B.

- 2.5% of the aggregate principal amount of the 2025 First Lien Notes Claims (claims arising under the 2025 1L Notes) held by the Ad Hoc 2025 Noteholder Group and the members of the Ad Hoc Crossover Group Steering Committee party to the RSA.

All First Lien Debt and Second Lien Debt (together “Debt”) was previously issued by Mallinckrodt International Finance S.A. (“MIFSA”) and Mallinckrodt CB LLC, each of which is a subsidiary of Mallinckrodt. The Debtors were all jointly and severally liable on the Debt. However, for U.S. federal income tax purposes, 61.024% of the 2017 Replacement Term Loans were characterized as obligations of MEH, Inc., a U.S. subsidiary of Mallinckrodt, with the remainder of the Debt characterized as obligations of MIFSA, a non-U.S. subsidiary of Mallinckrodt.

Form 8937 Line 15:

Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U. S. taxpayer as an adjustment per share or as a percentage of old basis

The following summary of certain U.S. federal income tax consequences is for informational purposes only and is not a substitute for careful tax planning and advice based upon your individual circumstances. You are urged to consult your own tax advisor for the U.S. federal, state, local and other tax consequences applicable to these transactions.

As agreed to in the RSA, the Forbearance and Settlement Payment will be treated for U.S. federal income tax purposes as a payment on the instrument in respect of the First Lien Claims and the Second Lien Claims (as applicable) and in respect of the forbearance of respective rights and remedies (including any litigations or appeals relating to any premiums or make-whole amounts) under the applicable documents governing the First Lien Claims and the Second Lien Claims, in each case, held by the Ad Hoc First Lien Group Steering Committee, the Ad Hoc Crossover Group Steering Committee and the Ad Hoc 2025 Noteholder Group (as applicable). The following summary is based on the foregoing U.S. federal income tax treatment being respected by the IRS and the courts.

For U.S. federal income tax purposes, a payment on a debt instrument may constitute a “significant modification” of the debt instrument under applicable Treasury Regulations if, based on all the facts and circumstances and taking into account all modifications of the debt instrument collectively, the legal rights or obligations that are altered and the degree to which they are altered is “economically significant.” As set forth in Treasury Regulations Section 1.1001-3(e)(2), a “change in the yield” of a debt instrument is a “significant modification” if the annual yield of the modified debt instrument differs from the annual yield of the unmodified debt instrument by more than the greater of (1) 0.25% or (2) 5% of the annual yield of the unmodified debt instrument. Based on these Treasury Regulations, the Debtors intend to take the position that the Forbearance and Settlement Payment results in a “significant modification” of the related Debt under the “change in yield” test and thus a holder who received a Forbearance and Settlement Payment would be deemed to exchange the existing Debt on which the Forbearance and Settlement Payment was made for new Debt for U.S. federal income tax purposes (the “Deemed Debt Exchange”).

Treatment of the Deemed Debt Exchange will depend, in part, on whether the Debt constitutes “securities” for purposes of the provisions of the Code relating to tax-free transactions. The test of whether a debt obligation is a security involves an overall evaluation of the nature of the obligation, with the term of the obligation usually regarded as one of the most significant factors. Debt obligations with a term of five years or less generally have not qualified as securities, whereas debt obligations with a term of ten years or more generally have qualified as securities. Another important factor in determining whether a debt obligation is a security is the extent to which the obligation is senior to or subordinated to other liabilities of the issuer. Generally, the more senior the debt obligation, the less likely it is to be a security. Other than the 2025 2L Notes, it is unclear whether the various tranches of Debt constitute securities for U.S. federal income tax purposes because each tranche had an original term of between five and seven years. Although the matter is not free from doubt, it appears that the 2025 2L Notes may qualify as securities because the issuance of the 2025 2L Notes may not have given rise to a “significant modification” of the debt exchanged therefor in the 2020-2022 Plan (as defined in the Disclosure Statement filed with the Bankruptcy Filing).

If a tranche of Debt is a security, from a U.S. Holder's³ perspective, the Deemed Debt Exchange with respect to that tranche of Debt should be a non-taxable exchange for U.S. federal income tax purposes. However, if a tranche of Debt is not a security, from a U.S. Holder's perspective, the Deemed Debt Exchange with respect to that tranche of Debt should be a taxable exchange for U.S. federal income tax purposes.

If the Deemed Exchange with respect to the relevant Debt is considered to be a non-taxable exchange for U.S. federal income tax purposes, a U.S. Holder should not recognize income, gain or loss except to the extent a) cash received in the non-taxable exchange is allocable to accrued but unpaid interest and b) gain (but not loss) is recognized in an amount equal to the lesser of the remaining cash received in the non-taxable exchange and the amount of gain, if any, realized in the non-taxable exchange. A U.S. Holder's tax basis in such Debt should equal the adjusted tax basis the U.S. Holder had in such Debt prior to the Deemed Debt Exchange, increased by any gain recognized in the non-taxable exchange and decreased by the cash received that is not allocable to accrued but unpaid interest. A U.S. Holder's holding period for such Debt should continue to be the same as their holding period in such Debt prior to the Deemed Debt Exchange.

If, however, the Deemed Debt Exchange with respect to the relevant Debt is considered to be a taxable exchange for U.S. federal income tax purposes, a U.S. Holder should recognize gain or loss equal to the difference between (i) the sum of the "issue price" of such Debt at the time of the Deemed Debt Exchange and any cash received in the taxable exchange (other than the amount of cash allocable to accrued but unpaid interest) and (ii) the U.S. Holder's adjusted tax basis in such Debt at the time of the taxable exchange. A U.S. Holder's tax basis in such Debt after the Deemed Debt Exchange should equal the "issue price" of such Debt at the time of the taxable exchange. A U.S. Holder's holding period for such Debt should begin on the day following the Deemed Debt Exchange.

As required by Treasury Regulations Section 1.1273-2(f)(9), the Debtors have determined that the various tranches of Debt are publicly traded. As such, for U.S. federal income tax purposes, the "issue price" of the Debt will be the fair market value of the Debt as of the date of the Deemed Debt Exchange. Based on pricing obtained from the Bloomberg Terminal BVAL function⁴, the Debtors have determined that the fair market value of each tranche of Debt as of the date of the Deemed Debt Exchange (as a percentage of outstanding principal amount) is:

- 2017 Replacement Term Loans – 76.1%
- 2018 Replacement Term Loans – 75.8%
- 2025 1L Notes – 80.5%
- 2028 1L Notes – 90.6%
- 2025 2L Notes – 12.1%
- 2029 2L Notes – 12.7%

Form 8937 Line 16:

Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates

See Line 15.

Form 8937 Line 17:

List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based

Sections 354, 356, 358, 368, 1001, 1012 and 1273.

³ A "U.S. Holder" is a beneficial owner of the Debt that, for U.S. federal income tax purposes, is or is treated as a) an individual who is a citizen or resident of the United States, b) a corporation created or organized under the laws of the United States, any state thereof, or the District of Columbia, c) an estate, the income of which is subject to U.S. federal income tax regardless of its source, or d) a trust that (i) is subject to the primary supervision of a U.S. court and the control of one or more "United States persons" (within the meaning of Section 7701(a)(30) of the Tax Code), or (ii) has a valid election in effect to be treated as a United States person for U.S. federal income tax purposes.

⁴ Bloomberg BVAL pricing is derived using actual trades and indicative market quotes and/or observations of comparable securities at the same issuer and capital structure rank.

Form 8937 Line 18:

Can any resulting loss be recognized?

See Line 15. In addition, due to the inherently factual nature of determining whether a loss is allowable for U.S. federal income tax purposes, U.S. Holders are urged to consult their own tax advisors regarding such determination.

Form 8937 Line 19:

Provide any other information necessary to implement the adjustment, such as the reportable tax year

Any income, gain or loss or adjustments to basis would be taken into account in the tax year of the U.S. Holder during which August 23, 2023 occurred.