



**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](#)

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

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

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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 ▶ 7/27/2022

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

<b>Paid Preparer Use Only</b>	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 certain transactions on the tax basis of stock or securities pursuant to the emergence from Chapter 11 bankruptcy of Mallinckrodt plc and certain of its subsidiaries and affiliates (collectively, the “Debtors”) on June 16, 2022 (the “Emergence”). 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 review the bankruptcy plan documents available at the following link: <https://restructuring.ra.kroll.com/Mallinckrodt> and 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
<i>Previously Issued Debt</i>	
Secured term loans due September 2024 (2024 Term Loans)	L6232UAF4
Secured term loans due February 2025 (2025 Term Loans)	L6232UAH0
10.00% second lien secured notes due April 2025 (Existing 2L Notes)	L6233LAE6 & 561233AE7
5.75% unsecured notes due August 2022 (Guaranteed Unsecured Notes)	L6233LAA4 & 561233AA5
5.625% unsecured notes due October 2023 (Guaranteed Unsecured Notes)	L6233LAD8 & 561233AD9
5.50% unsecured notes due April 2025 (Guaranteed Unsecured Notes)	L6233LAC0 & 561233AC1
<i>Newly Issued Debt</i>	
Secured term loans due September 2027 (2017 Replacement Term Loans)	L6232UAN7
Secured term loans due September 2027 (2018 Replacement Term Loans)	L6232UAP2
10.00% second lien secured notes due April 2025 (New 2L Notes)	L6233LAG1 & 561233AH0
10.00% second lien secured notes due June 2029 (Takeback 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 October 12, 2020 (the “Petition Date”), Mallinckrodt plc, an Irish public limited company (“Mallinckrodt”), and certain of its subsidiaries, voluntarily initiated proceedings (the “Bankruptcy Filing”) under Chapter 11 of Title 11 of the United States Code in the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”). On March 2, 2022 (the “Confirmation Date”), the Bankruptcy Court entered an order approving and confirming the Fourth Amended Joint Plan of Reorganization (with Technical Modifications) of Mallinckrodt plc and Its Debtor Affiliates Under Chapter 11 of the Bankruptcy Code (as amended, supplemented or otherwise modified, the “Plan”). On June 16, 2022 (the “Effective Date” or “Emergence Date”), the Plan became effective and Mallinckrodt emerged from the Chapter 11 proceedings.<sup>1</sup>

On the Effective Date, in a series of transactions pursuant to the Plan (the “Transaction”), the Debtors distributed cash, new debt and new common stock of Mallinckrodt (the “New Mallinckrodt Ordinary Shares”) to holders of certain claims (the “Allowed Claims”) as described below, in exchange for such holders’ cancellation of such

<sup>1</sup> Unless otherwise noted, capitalized terms herein have the same meaning as used in the Plan or in the Disclosure Statement for Joint Chapter 11 Plan of Reorganization of Mallinckrodt plc and its Debtor Affiliates Under Chapter 11 of the Bankruptcy Code (together with all schedules and exhibits thereto, and as modified, amended, and supplemented, the “Disclosure Statement”).

claims. Concurrently, all of the existing common stock of Mallinckrodt (i.e., the shares of common stock of Mallinckrodt that were issued and outstanding prior to the Effective Date) and all rights attaching or relating thereto were cancelled and extinguished.

The following describes the exchange of consideration between the Debtors and the following holders of Allowed Claims in the Transaction<sup>2</sup>:

- Holders of Existing Term Loans
- Holders of Existing 2L Notes
- Holders of Guaranteed Unsecured Notes

#### **Treatment of Holders of Existing Term Loans**

On the Effective Date and pursuant to the Plan, Mallinckrodt International Finance S.A. (“MIFSA”) and Mallinckrodt CB LLC (“MCB” and together with MIFSA, the “Issuers”), each of which is a subsidiary of Mallinckrodt, entered into a senior secured term loan facility with an aggregate principal amount of approximately \$1,393 million (the “2017 Replacement Term Loans”) and a senior secured term loan facility with an aggregate principal amount of approximately \$370 million (the “2018 Replacement Term Loans” and, together with the 2017 Replacement Term Loans, the “Takeback Term Loans”).

Pursuant to the Plan, on the Effective Date, lenders holding Allowed Claims in respect of the existing senior secured term loans due September 2024 (the “2024 Term Loans”) and senior secured term loans due February 2025 (the “2025 Term Loans” and, together with the 2024 Term Loans, the “Existing Term Loans”) incurred by the Issuers received their pro rata share of the 2017 Replacement Term Loans (in the case of the 2024 Term Loans) or the 2018 Replacement Term Loans (in the case of the 2025 Term Loans) and payment in cash of an exit fee equal to 1.00% of the remaining principal amount of the Existing Term Loans in satisfaction thereof (the “Term Loan Exchange”).

#### **Treatment of Holders of Existing 2L Notes**

On the Effective Date, pursuant to the Plan, the Issuers issued 10.00% Second Lien Senior Secured Notes due 2025 (the “New 2L Notes”) in an aggregate principal amount of approximately \$323 million.

Pursuant to the Plan, on the Effective Date, lenders holding Allowed Claims in respect of the Issuers’ existing 10.00% second lien senior secured notes due 2025 (the “Existing 2L Notes”) received their pro rata share of the New 2L Notes and a payment in cash equal to the accrued but unpaid interest on the Existing 2L Notes in satisfaction thereof (the “2L Notes Exchange”).

#### **Treatment of Holders of Guaranteed Unsecured Notes**

On the Effective Date, pursuant to the Plan, the Issuers issued new 10.00% Second Lien Senior Secured Notes due 2029 (“the Takeback 2L Notes”) in an aggregate principal amount of \$375 million to the holders of the Issuers’ 5.75% Senior Notes due 2022, 5.625% Senior Notes due 2023 and 5.50% Senior Notes due 2025 (collectively, the “Guaranteed Unsecured Notes”) in partial satisfaction thereof.

Pursuant to the Plan, on the Effective Date, holders of Allowed Claims in respect of Issuers’ Guaranteed Unsecured Notes received their pro rata share of the Takeback 2L Notes and 100% of the New Mallinckrodt Ordinary Shares, subject to dilution by the Warrants and Mallinckrodt’s MIP, in exchanged for the Guaranteed Unsecured Notes.

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<sup>2</sup> Treatment of holders for other Allowed Claims are beyond the scope of this Form 8937.

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. All holders of Allowed Claims are urged to consult their tax advisor for the U.S. federal, state, local and other tax consequences applicable under the Plan. For more information regarding the Transaction, please visit the website for Mallinckrodt's Bankruptcy Filing with links to Mallinckrodt's Plan of Reorganization and Disclosure Statements filed with the Bankruptcy Court, available at <https://restructuring.ra.kroll.com/Mallinckrodt>.

#### **Effect on Basis to U.S. Holders of Existing Term Loans**

An actual exchange of debt instruments is treated as an exchange, rather than as a continuation of the old debt instrument, for U.S. federal income tax purposes if the differences between the old and new debt instrument constitute a "significant modification" of the old debt instrument under applicable Treasury Regulations. A "significant modification" occurs 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."

Based on these Treasury Regulations, the Debtors intend to take the position that the Term Loan Exchange results in a "significant modification" of the Existing Term Loans and thus an exchange for U.S. federal income tax purposes of the Existing Term Loans for the Takeback Term Loans. In addition, the Debtors were all jointly and severally liable on the Existing Term Loans as well as the Takeback Term Loans. However, for U.S. federal income tax purposes, all of the Existing Term Loans were characterized as obligations of MEH, Inc., a U.S. subsidiary of Mallinckrodt. The Takeback Term Loans are characterized for U.S. federal income tax purposes as obligations of MIFSA, a non-U.S. subsidiary of Mallinckrodt, except for \$850 million of the 2017 Replacement Term Loans which continue to be characterized as obligations of MEH, Inc.

Treatment of the Term Loan Exchange will depend, in part, on whether the Existing Term Loans and/or the Takeback Term Loans constitute "securities" for purposes of the provisions of the Code relating to tax-free transactions. Although the matter is not free from doubt, the Debtors intend to take the position that each of the Existing Term Loans and the Takeback Term Loans constitute securities for U.S. federal income tax purposes. In addition, treatment of the Term Loan Exchange will depend, in part, on whether or not a change in obligor has occurred. Although the matter is not free from doubt, the Debtors intend to take the position that, due to the joint and several nature of the debt, no change in obligor occurred. As such, from a U.S. Holder's perspective, the Term Loan Exchange would then be treated entirely as a non-taxable exchange.

However, if it was determined that a change in obligor did occur, from a U.S. Holder's perspective, the Term Loan Exchange would be expected to be treated as two separate exchanges for U.S. federal income tax purposes, (i) a taxable exchange to the extent that Existing Term Loans were exchanged for Takeback Term Loans which are treated as obligations of MIFSA (i.e. 100% of the 2018 Replacement Term Loans and 38.98% of the 2017 Replacement Term Loans), and (ii) a non-taxable exchange to the extent that Existing Term Loans were exchanged for the 2017 Replacement Term Loans which are treated as obligations of MEH, Inc. (i.e. 61.02% of the 2017 Replacement Term Loans).

In a taxable exchange, a U.S. Holder (as defined in the Disclosure Statement) should recognize gain or loss equal to the difference between (i) the sum of the fair market value of the portion of the Takeback Term Loans and any cash received in the taxable exchange (other than the amount of cash allocable to unpaid accrued interest) and (ii) the U.S. Holder's adjusted tax basis in the portion of the Existing Term Loans surrendered in the Term Loan Exchange. A U.S. Holder's tax basis in the portion of the Takeback Term Loans received in a taxable exchange should equal the fair market value of such Takeback Term Loans on the Effective Date. A U.S. Holder's holding period for the portion of the Takeback Term Loans received in a taxable exchange should begin on the day following the Effective Date.

In a non-taxable exchange, 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 untaxed 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 the portion of the Takeback Term Loans received in a non-taxable exchange should equal the adjusted tax basis the U.S. Holder had in the relevant portion of the Existing Term Loans surrendered therefor on the Effective Date increased by any gain recognized in such exchange. A U.S. Holder's holding period for the portion of the Takeback Term Loans received in a non-taxable exchange should be the same as their holding period for the portion of the Existing Term Loans exchanged therefor.

As required by Treasury Regulations Section 1.1273-2(f)(9), the Debtors have determined that the Existing Term Loans and the Takeback Term Loans are publicly traded. As such, for U.S. federal income tax purposes, the "issue price" of the Takeback Term Loans will be the fair market value of the Takeback Term Loans as of their issue date. Consistent with the value that will be used for purposes of Mallinckrodt's publicly issued financial statements, the Debtors intend to take the position that the 2017 Replacement Term Loans have an issue price of 87.84% and the 2018 Replacement Term Loans have an issue price of 88.59%.

#### **Effect on Basis to U.S. Holders of Existing 2L Notes**

Based on the applicable Treasury Regulations noted above, the Debtors intend to take the position that the 2L Notes Exchange does not result in a "significant modification" of the Existing 2L Notes. As such, the 2L Notes Exchange is not expected to be treated as a taxable exchange for U.S. federal income tax purposes and a U.S. Holder should not recognize income, gain or loss except to the extent a) cash received in the 2L Notes Exchange is allocable to accrued but untaxed interest and b) gain (but not loss) is recognized in an amount equal to the lesser of the remaining cash received in the 2L Notes Exchange and the amount of gain, if any, realized in the 2L Notes Exchange. A U.S. Holder's tax basis in the New 2L Notes should equal the adjusted tax basis the U.S. Holder had in the Existing 2L Notes on the Effective Date increased by any gain recognized in the 2L Notes Exchange. A U.S. Holder's holding period for the New 2L Notes should be the same as their holding period for the Existing 2L Notes exchanged therefor.

#### **Effect on Basis to U.S. Holders of Guaranteed Unsecured Notes**

##### Exchange of Guaranteed Unsecured Notes for Takeback 2L Notes

While not free from doubt, the Debtors intend to take the position that the exchange of Guaranteed Unsecured Notes for Takeback 2L Notes (the "Unsecured Notes Exchange") will be treated as an exchange separate from the exchange of Guaranteed Unsecured Notes for New Mallinckrodt Ordinary Shares (the "Notes/Shares Exchange"). Specifically, the Debtors intend to take the position that of each Guaranteed Unsecured Note, 45.20% was exchanged in the Unsecured Notes Exchange and 54.80% was exchanged in the Notes/Shares Exchange.

The treatment of the Unsecured Notes Exchange will depend, in part, on whether the Guaranteed Unsecured Notes and/or the Takeback 2L Notes constitute "securities" for purposes of the provisions of the Code relating to tax-free transactions. Although the matter is not free from doubt, the Debtors intend to take the position that each of the Guaranteed Unsecured Notes and the Takeback 2L Notes constitute securities for U.S. federal income tax purposes. Accordingly, the Debtors believe that the Unsecured Notes Exchange will be a nontaxable exchange for U.S. federal income tax purposes. As such, a U.S. Holder would not recognize income, gain or loss in the Unsecured Notes Exchange.

A U.S. Holder's tax basis in the Takeback 2L Notes would equal the adjusted tax basis the U.S. Holder had in the portion of Guaranteed Unsecured Notes that were deemed exchanged for the Takeback 2L Notes on the Effective Date increased by the amount of gain, if any, recognized on the Unsecured Notes Exchange. A U.S. Holder's holding period for the Takeback 2L Notes should be the same as their holding period for the Guaranteed Unsecured Notes exchanged therefor.

##### Exchange of Guaranteed Unsecured Notes for New Mallinckrodt Ordinary Shares

While not free from doubt, the Debtors intend to take the position that the Notes/Shares Exchange meets the requirements of Section 351 of the Tax Code, and therefore is subject to Section 367 of the Code in light of Mallinckrodt being a non-U.S. corporation. As such, a U.S. Holder of Guaranteed Unsecured Notes should be treated as receiving New Mallinckrodt Ordinary Shares in a transaction governed by Section 351 of the Tax Code. Section 351 of the Tax Code, when applicable, generally prevents recognition of both gains (subject to the

rules regarding accrued but untaxed interest and market discount as further discussed in the Disclosure Statement) and losses. However, because Mallinckrodt is not a U.S. corporation, Section 367 of the Tax Code will override the gain (but not the loss) deferral provisions of Section 351 of the Code with respect to the Notes/Shares Exchange (i) for all U.S. Holders, if the Guaranteed Unsecured Notes are not “securities” (discussed above and in the Disclosure Statement) or (ii) solely with respect to U.S. Holders who will own (directly, indirectly or constructively) more than five percent of the New Mallinckrodt Ordinary Shares at the time of the Notes/Shares Exchange, except to the extent such U.S. Holder enters into a “gain recognition agreement” in accordance with the Treasury Regulations under Section 367, as further described in the Disclosure Statement. U.S. Holders are strongly urged to consult their tax advisors regarding the application of Section 367 of the Code.

A U.S. Holder’s tax basis in the New Mallinckrodt Ordinary Shares should equal the adjusted tax basis the U.S. Holder had in the portion of Guaranteed Unsecured Notes that were deemed exchanged for the New Mallinckrodt Ordinary Shares on the Effective Date increased by the amount of gain, if any, recognized on the Notes/Shares Exchange. A U.S. Holder’s holding period for the New Mallinckrodt Ordinary Shares should be the same as their holding period for the Guaranteed Unsecured Notes exchanged therefor.

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 351, 356, 367, 368, 1001, 1012 and 1273.

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 the Disclosure Statement and their 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 the Effective Date (June 16, 2022) occurred.