
**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): May 20, 2022

Mallinckrodt plc
(Exact name of registrant as specified in its charter)

Ireland
(State or other jurisdiction
of incorporation)

001-35803
(Commission
File Number)

98-1088325
(IRS Employer
Identification No.)

College Business & Technology Park, Cruiserath, Blanchardstown, Dublin 15, Ireland
(Address of principal executive offices)

+353 1 6960000
(Registrant's telephone number, including area code)

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))

Securities registered pursuant to Section 12(b) of the Act: None

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 7.01. Regulation FD Disclosure.

As previously disclosed, on October 12, 2020, Mallinckrodt plc, an Irish public limited company in examination under Part 10 of the Companies Act 2014 of Ireland (“Mallinckrodt”), and certain of its subsidiaries voluntarily initiated proceedings under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) in the U.S. Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”). Also as previously disclosed, on February 3, 2022, the Bankruptcy Court issued an opinion (which was subsequently revised on February 8, 2022 to make minor corrections) stating its intention to confirm Mallinckrodt’s Fourth Amended Joint Plan of Reorganization of Mallinckrodt Plc and Its Debtor Affiliates Under Chapter 11 of the Bankruptcy Code. Also as previously disclosed, on March 2, 2022, the Bankruptcy Court entered an order 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”).

Also as previously disclosed, on February 14, 2022, the directors of Mallinckrodt initiated examinership proceedings before the High Court of Ireland (the “Irish High Court”), and on February 28, 2022, the Irish High Court made an order appointing Mr. Michael McAteer of Grant Thornton Ireland as examiner of Mallinckrodt (the “Examiner”). Also as previously disclosed, on April 27, 2022, the Irish High Court made an order pursuant to Section 541(3) of the Companies Act of Ireland confirming a scheme of arrangement proposed by the Examiner between Mallinckrodt, its creditors and members, which is based on and consistent in all respects with the Plan (the “Scheme”) and also made an order pursuant to Section 542(3) of the Companies Act of Ireland that the Scheme shall become effective on the same date that the Plan becomes effective. At such time, the Scheme will become binding on Mallinckrodt, its creditors and members as a matter of the laws of Ireland, the examinership proceedings will conclude, and Mallinckrodt will cease to be under the protection of the Irish High Court.

On May 20, 2022, in connection with the expected forthcoming effectiveness of the Plan (and, by extension, the Scheme), Mallinckrodt agreed to principal, non-binding terms with certain purchasers to issue \$650 million in new first lien senior secured notes, as set forth in a non-binding term sheet (such terms, the “Term Sheet”). A copy of the Term Sheet is attached hereto as Exhibit 99.1.

The information contained in this Item 7.01, including Exhibit 99.1, shall be deemed to be “furnished” and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that Section, nor shall such information be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act.

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, legal, economic, business, competitive and/or regulatory factors affecting Mallinckrodt’s businesses, and any other statements regarding events or developments the company 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 ability of Mallinckrodt and its subsidiaries to consummate the Plan, the effects of the Chapter 11 cases, including increased professional costs, on the liquidity, results of operations and businesses of Mallinckrodt and its subsidiaries; the consummation of the transactions contemplated by the restructuring support agreement and the Plan, including the settlements entered into with the OCC, the UCC, and Mallinckrodt’s second lien noteholders, the financing required to fund certain distributions under the Plan and the ability of the parties to negotiate definitive agreements with respect to the matters covered by the related term sheets, whether related to such settlements, included in the restructuring support agreement, the Plan or otherwise, the occurrence of events that may give rise to a right of any of the parties to terminate the restructuring support agreement, the Plan or any of the settlements and to satisfy the other conditions of the restructuring support agreement, the Plan and the settlements, including satisfying the milestones specified in the

restructuring support agreement; governmental investigations and inquiries, regulatory actions and lawsuits brought against Mallinckrodt by government agencies and private parties with respect to its historical commercialization of opioids, including the agreement set forth in the Plan regarding a global settlement to resolve all opioid-related claims; potential delays in Mallinckrodt's Chapter 11 process; the settlement set forth in the Plan with governmental parties to resolve certain disputes relating to Acthar Gel; the possibility that such settlement will not be consummated and the risks and uncertainties related thereto, including the time and expense of continuing to litigate this dispute and the impact of this dispute on Mallinckrodt's financial condition and expectations for performance; the ability to maintain relationships with Mallinckrodt's suppliers, customers, employees and other third parties as a result of the Chapter 11 cases; the availability of operating capital during the pendency of the Chapter 11 cases, including events that could terminate Mallinckrodt's right to continue to access the cash collateral of Mallinckrodt's lenders; the possibility that Mallinckrodt may be unable to achieve its business and strategic goals even if the Plan is successfully consummated; the possibility that Mallinckrodt's Chapter 11 cases may be converted into Chapter 7 cases under the Bankruptcy Code; the potential termination of Mallinckrodt's exclusive right to file a Chapter 11 plan; the nondischargeability of certain claims against Mallinckrodt as part of the bankruptcy process; developing, funding and executing Mallinckrodt's business plan and continuing as a going concern; Mallinckrodt's post-bankruptcy capital structure; the ability to satisfy the conditions for listing Mallinckrodt's ordinary shares on the NYSE and the timing of such satisfaction and the NYSE's approval of the listing application; 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 impact of the outbreak of the COVID-19 coronavirus; 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; 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; potential indemnification liabilities to Covidien pursuant to the separation and distribution agreement; business development activities; 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; conducting business internationally; Mallinckrodt's ability to achieve expected benefits from restructuring activities; Mallinckrodt's significant levels of intangible assets and related impairment testing; labor and employment laws and regulations; natural disasters or other catastrophic events; Mallinckrodt's substantial indebtedness and its ability to generate sufficient cash to reduce its indebtedness; Mallinckrodt's ability to generate sufficient cash to service indebtedness even after the existing indebtedness is restructured; future changes to U.S. and foreign tax laws or the impact of disputes with governmental tax authorities; and the impact of Irish laws.

These and other factors are identified and described in more detail in the "Risk Factors" section of Mallinckrodt's most recent Annual Report on Form 10-K and other filings with the U.S. Securities and Exchange Commission. The forward-looking statements made herein speak only as of the date hereof and Mallinckrodt does not assume any obligation to update or revise any forward-looking statement, whether as a result of new information, future events and developments or otherwise, except as required by law.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description of Exhibit</u>
99.1	Term Sheet, dated as of May 20, 2022.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

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.

MALLINCKRODT PLC
(registrant)

By: /s/ Bryan M. Reasons

Bryan M. Reasons

Executive Vice President &

Chief Financial Officer

(principal financial and accounting officer)

Date: May 20, 2022

Term Sheet

Set forth below is a summary of the principal terms (the “Term Sheet”) of the New Term Loan Facility (as defined in the Plan of Reorganization (as defined below)). This Term Sheet is non-binding and does not constitute a commitment by any persons to make any loans, purchase any notes or take any action of any kind. No person shall have any liability or obligation to any other person arising out of this Term Sheet unless and until definitive agreements setting forth these terms and such other terms (the “Note Documents”) as the persons who are party thereto may agree have been executed and delivered by the parties.

The “Plan of Reorganization” shall mean the *Fourth Amended Plan of Reorganization (With Technical Modifications) of Mallinckrodt plc and its Debtor Affiliates under Chapter 11 of the Bankruptcy Code* [Docket No. 6510] (as amended, supplemented or otherwise modified from time to time, including by the Confirmation Order (as defined below), and together with all exhibits and schedules thereto), as confirmed by the *Findings of Fact, Conclusions of Law, and Order Confirming Fourth Amended Joint Plan of Reorganization (With Technical Modifications) of Mallinckrodt plc and Its Debtor Affiliates Under Chapter 11 of the Bankruptcy Code* [Docket No. 6660] (the “Confirmation Order”) entered by the United States Bankruptcy Court for the District of Delaware on March 2, 2022.

Facility Structure	• First Lien Senior Secured Notes
Principal Amount	• \$650 million
Issuers	• Mallinckrodt International Finance S.A. and Mallinckrodt CB LLC (same as borrowers under the New Takeback Term Loans and the First Lien Notes) (collectively, the “ <u>Issuers</u> ”)
Guarantors	• Same as the New Takeback Term Loans and the First Lien Notes (collectively, the “ <u>Guarantors</u> ”)
Security	• Lien (equal and ratable with liens securing the New Takeback Term Loans and the First Lien Notes) on substantially all assets of the Issuers and the Guarantors, subject to exceptions consistent with those applicable to the liens securing the New Takeback Term Loans and the First Lien Notes
Use of Proceeds	• Pay fees and expenses incurred in connection with the entry into the New Term Loan Facility, repay loans under the First Lien Revolving Credit Facility, satisfy other payment obligations under the Plan of Reorganization and working capital and other general corporate purposes
Maturity	• 6.5 years from the Effective Date of the Plan of Reorganization
Coupon	• 11.5% per annum

Initial Purchase Price	<ul style="list-style-type: none">• 98.0% of the principal amount
Amortization	<ul style="list-style-type: none">• None
Change of Control Put	<ul style="list-style-type: none">• Puttable to the Issuers at a purchase price (express as a percentage of principal amount thereof) of 101% upon a change of control (defined in a fashion consistent with the Takeback Second Lien Notes)
Call Protection	<ul style="list-style-type: none">• Non-callable (absent payment of make-whole) for 5 years from the Effective Date of the Plan of Reorganization; thereafter, callable at par
Affirmative and Negative Covenants	<ul style="list-style-type: none">• Substantially similar as the covenants governing the Existing 1L Notes, subject to modifications (a) as agreed with respect to the Takeback Second Lien Notes and (b) as otherwise agreed in the Note Documents
Other Terms	<ul style="list-style-type: none">• Mandatory Prepayment / Asset Sale language to include carve-out for prepayment of Deferred Opioid Payments consistent with what has been agreed with respect to the Takeback Second Lien Notes
Intercreditor Arrangements	<ul style="list-style-type: none">• Consistent with the existing arrangements set forth in the Intercreditor Agreements