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): November 5, 2019

Mallinckrodt plc

(Exact name of registrant as specified in its charter)

Ireland	**001-35803**	**98-1088325**
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

3 Lotus Park, The Causeway, Staines-Upon-Thames
Surrey TW18 3AG, United Kingdom
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: **+44 017 8463 6700**

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:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Ordinary shares, par value $0.20 per share	MNK	New York Stock Exchange

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. ☐

Introductory Note

On November 5, 2019, Mallinckrodt International Finance S.A. and Mallinckrodt CB LLC (the "Issuers"), two wholly-owned subsidiaries of Mallinckrodt plc (the "Company" or "Mallinckrodt"), commenced (a) private offers to exchange (i) any and all of the 4.875% Senior Notes due 2020 (the "Existing 4.875% 2020 Notes") issued by the Issuers for new 10.000% Second Lien Senior Secured Notes due 2025 to be issued by the Issuers (the "New Notes") and (ii) the 5.750% Senior Notes due 2022, 4.750% Senior Notes due 2023, 5.625% Senior Notes due 2023 and 5.500% Senior Notes due 2025 (collectively, the "Existing Non-2020 Notes", and together with the Existing 4.875% 2020 Notes, the "Existing Notes") issued by the Issuers for up to $355 million of New Notes and (b) solicitations of consents from the holders of each series of Existing Notes (other than the 4.750% Senior Notes due 2023) to amend the indentures governing such series of Existing Notes to eliminate certain of the covenants, restrictive provisions, events of default and related provisions therein (the "Consent Solicitations"), in each case, upon the terms of an offering memorandum and consent solicitation statement to be distributed to certain holders of the Existing Notes (the "Offering Memorandum").

Item 1.01. Entry into a Material Definitive Agreement.

On November 5, 2019, Deerfield Partners, L.P., Deerfield Special Situations Fund, L.P. and Deerfield Private Design Fund IV, L.P. (the "Exchanging Holders") entered into an exchange agreement (the "Exchange Agreement") with the Issuers pursuant to which such Exchanging Holders agreed to exchange with the Issuers on the settlement date of the Exchange Offers, separate from such Exchange Offers, their holdings of Existing Notes (comprised of approximately $67.6 million aggregate principal amount of Existing 4.875% 2020 Notes, approximately $258.7 million aggregate principal amount of the Existing 4.750% 2023 Notes, approximately $98.5 million aggregate principal amount of the Existing 5.625% 2023 Notes and approximately $75.2 million aggregate principal amount of Existing 5.500% 2025 Notes) for approximately $227.0 million aggregate principal amount of New Notes.

Among other things, the Exchange Agreement provides that the exchange by the Exchanging Holders of Existing Notes on the settlement date of the Exchange Offers pursuant to the Exchange Agreement will not be subject to proration. The Exchanging Holders have also agreed to consent to the Proposed Amendments with respect to all of such Exchanging Holders' Existing Notes that are the subject of the Consent Solicitations. In addition, under the Exchange Agreement, the Issuers have granted an option to the Exchanging Holders, exercisable up to five times for 60 days after the date the Exchange Offers are consummated, to exchange any Existing Notes they may acquire after the execution of the Exchange Agreement for up to $100 million aggregate principal amount of additional New Notes (provided that any such subsequently acquired Existing Non-2020 Notes may only be exchanged for up to $75 million aggregate principal amount of additional New Notes and that the aggregate principal amount of New Notes to be issued upon the exercise of each such option may not be less than the lesser of (x) $10 million and (y) the entire remaining amount available with respect to such options). Pursuant to the Exchange Agreement, the Exchanging Holders are entitled to receive in exchange for their Existing Notes exchanged in connection with the exercise of such option the same amount of New Notes that eligible holders participating in the Exchange Offers are entitled to receive in the applicable Exchange Offers for each $1,000 principal amount of Existing Notes exchanged.

The foregoing summary of the Exchange Agreement is not complete and is qualified in its entirety by reference to the Exchange Agreement, which is filed as Exhibit 10.1 to this Current Report on Form 8-K and incorporated herein by reference.

Item 7.01. Regulation FD Disclosure.

On November 5, 2019, the Company issued a press release announcing the commencement of the Exchange Offers and Consent Solicitations. The Company is furnishing the press release as Exhibit 99.1 to this Current Report on Form 8-K, and certain excerpts from the Offering Memorandum as Exhibit 99.2 to this Current Report on Form 8-K, and each such exhibit is incorporated herein by reference.

The information contained in this Item 7.01, including Exhibits 99.1 and 99.2, 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. The furnishing of the information in this report is not intended to, and does not, constitute a determination or admission by the Company that the information in this report is material or complete, or that investors should consider this information before making an investment decision with respect to any security of the Company.

Cautionary Statements Related to Forward-Looking Statements

Statements in this Current Report on Form 8-K that are not strictly historical, including statements regarding the terms of the proposed settlement, statements regarding the ongoing lawsuits against Mallinckrodt plc and its subsidiaries, and any other statements regarding events or developments that 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: general economic conditions and conditions affecting the industries in which Mallinckrodt operates; the commercial success of Mallinckrodt's products; Mallinckrodt's ability to realize anticipated growth, synergies and cost savings from acquisitions; conditions that could necessitate an evaluation of Mallinckrodt's goodwill and/or intangible assets for possible impairment; changes in laws and regulations; Mallinckrodt's ability to successfully integrate acquisitions of operations, technology, products and businesses generally and to realize anticipated growth, synergies and cost savings; Mallinckrodt's and Mallinckrodt's licensers' ability to successfully develop or commercialize new products; Mallinckrodt's and Mallinckrodt's licensers' ability to protect intellectual property rights; Mallinckrodt's ability to receive procurement and production quotas granted by the U.S. Drug Enforcement Administration; customer concentration; Mallinckrodt's reliance on certain individual products that are material to its financial performance; cost containment efforts of customers, purchasing groups, third-party payers and governmental organizations; the reimbursement practices of a small number of public or private insurers; 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; limited clinical trial data for Acthar Gel; complex reporting and payment obligations under healthcare rebate programs; Mallinckrodt's ability to navigate price fluctuations; future changes to U.S. and foreign tax laws; Mallinckrodt's ability to achieve expected benefits from restructuring activities; complex manufacturing processes; competition; product liability losses and other litigation liability; ongoing governmental investigations; material health, safety and environmental liabilities; retention of key personnel; conducting business internationally; the effectiveness of information technology infrastructure; cybersecurity and data leakage risks; Mallinckrodt's substantial indebtedness and its ability to generate sufficient cash to reduce its indebtedness; any future actions taken with respect to the Specialty Generics business; and Mallinckrodt plc's ability to complete the Exchange Offers, the Consent Solicitations and the transactions contemplated by the Exchange Agreement, including the expected timing of completion of the Exchange Offers and receipt of requisite consents in the Consent Solicitations.

These and other factors are identified and described in more detail in the "Risk Factors" section of Mallinckrodt's Annual Report on Form 10-K for the fiscal year ended December 28, 2018. 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

Exhibit No.	Exhibit
10.1	Exchange Agreement, dated as November 5, 2019 by and among Mallinckrodt International Finance S.A., Mallinckrodt CB LLC and the Exchanging Holders.
99.1	Press release of Mallinckrodt plc dated November 5, 2019.
99.2	Excerpts from the Offering Memorandum dated November 5, 2019.
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)

Date: November 5, 2019

By: /s/ Mark J. Casey
Mark J. Casey
Executive Vice President and Chief Legal Officer

Exhibit 10.1

EXCHANGE AGREEMENT

This Exchange Agreement (this "Agreement"), dated as of November 5, 2019, is by and among (x) Mallinckrodt International Finance S.A., a société anonyme existing under the laws of Luxembourg ("MIFSA"), Mallinckrodt CB LLC, a Delaware limited liability company ("U.S. Co-Issuer" and, together with MIFSA, the "Issuers"), and, for purposes of Sections 3(e)-(h) and 4(g) only, Mallinckrodt plc, a public limited company incorporated in Ireland and the ultimate parent entity of the Issuers ("Mallinckrodt Parent") and (y) each undersigned holder (each, a "Noteholder Party", and collectively, the "Noteholder Parties") of certain 4.875% Senior Notes due 2020 (the "Existing 4.875% 2020 Notes"), 4.750% Senior Notes due 2023 (the "Existing 4.750% 2023 Notes"), 5.625% Senior Notes due 2023 (the "Existing 5.625% 2023 Notes") and 5.500% Senior Notes due 2025 (the "Existing 5.500% 2025 Notes" and, together with the 5.750% Senior Notes due 2022, Existing 4.750% 2023 Notes and Existing 5.625% 2023 Notes, the "Existing Non-2020 Notes" and, together with the Existing 4.875% 2020 Notes, the "Existing Notes"), in each case issued by MIFSA and, other than the Existing 4.750% 2023 Notes, U.S. Co-Issuer, under those certain indentures governing the Existing Notes (collectively, the "Indentures"). The Issuers and the Noteholder Parties are referred to herein collectively as the "Parties."

RECITALS

WHEREAS, the Issuers have agreed to commence (a) offers to exchange (collectively, the "Exchange Offers") the outstanding notes of each series of Existing Notes for certain newly issued notes of the Issuers and (b) solicitations of consents (the "Consents") from holders of Existing Notes to the Proposed Amendments (as defined in the Offering Memorandum) to the Indentures (collectively, the "Consent Solicitations"), in each case pursuant to and subject to the terms and conditions set forth in an Offering Memorandum and Consent Solicitation Statement substantially in the form of Exhibit A hereto (as it may be amended in accordance with this Agreement, the "Offering Memorandum"); and

WHEREAS, subject to and concurrently with the consummation of the Exchange Offers, all of the Existing Notes beneficially owned by each Noteholder Party (or for which such Noteholder Party acts as discretionary investment manager, advisor or sub-advisor with authority to bind a beneficial owner of Existing Notes), including Existing Notes held through a custodial account beneficially owned by such Noteholder Party, will be exchanged for the applicable Total Offer Consideration (as defined in the Offering Memorandum) pursuant to a transaction separate from the Exchange Offers (the "Exchange"), it being understood that the Exchange shall not be subject to the proration that is applicable to the Exchange Offers for the Existing Non-2020 Notes set forth in the Offering Memorandum.

AGREEMENT

NOW, THEREFORE, in consideration of the premises and mutual covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each of the Parties hereby agrees as follows:

Section 1. *Definitions*. Unless otherwise indicated, capitalized terms not defined herein shall have the meanings ascribed to such terms in the Offering Memorandum.

Section 2. *Representations and Warranties of the Noteholder Parties*. Each Noteholder Party hereby represents and warrants, severally and not jointly, to Mallinckrodt Parent and the Issuers that the following statements are true and correct as of the date hereof (and, in the case of the last sentence of Section 2(d), as of each Additional Exchange Closing Date (if any)):

(a) Such Noteholder Party has all necessary corporate or similar power and authority to execute and deliver this Agreement and to perform its obligations hereunder. The execution and delivery of this Agreement by such Noteholder Party and the performance of its obligations hereunder have been duly authorized by all necessary corporate or similar action on the part of such Noteholder Party.

(b) This Agreement has been duly and validly executed and delivered by such Noteholder Party. This Agreement constitutes the valid and binding obligation of such Noteholder Party, enforceable against such Noteholder Party in accordance with its terms, except as may be limited by (i) the effects of bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or other similar laws relating to or affecting the rights and remedies of creditors generally or (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(c) The execution, delivery and performance of this Agreement by such Noteholder Party, and such Noteholder Party's compliance with the provisions hereof, will not (with or without notice or lapse of time, or both): (i) violate any provision of such Noteholder Party's organizational or governing documents; (ii) violate any law or order applicable to such Noteholder Party; or (iii) require any consent or approval under, violate, result in any breach of, or constitute a default under, or result in termination or give to others any right of termination, amendment, acceleration or cancellation of any contract, agreement, arrangement or understanding that is binding on such Noteholder Party, except, in the case of clause (ii) and (iii) above, where not material to such Noteholder Party or its ability to perform its obligations under this Agreement or the transactions contemplated hereby.

(d) The principal amount of Existing Notes beneficially owned by such Noteholder Party (or for which such Noteholder Party acts as discretionary investment manager, advisor or sub-advisor with authority to bind a beneficial owner of the Subject Notes), including Existing Notes held through a custodial account beneficially owned by such Noteholder Party, as of the date hereof is set forth, together with its Depository Trust Corporation participant information with respect to such Subject Notes, on Schedule I hereto (the "Subject Notes"). Such Noteholder Party beneficially owns (within the meaning of Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) (or is acting in its capacity as discretionary investment manager, advisor or sub-advisor with authority to bind the beneficial owner of) the Subject Notes, or beneficially owns the custodial account through which such Subject Notes are held, free and clear of any liens, charges, claims, encumbrances, participations, security interests and similar restrictions and any other restrictions that could adversely affect the ability of such Noteholder Party to perform its obligations hereunder. As of each Additional Exchange Closing Date (if any), such Noteholder Party beneficially owns (or is acting in its capacity as discretionary investment manager, advisor or sub-advisor with authority to bind the beneficial owner of) the Additional Notes, or beneficially owns the custodial account through which such Subject Notes are held, free and clear of any liens, charges, claims, encumbrances, participations, security interests and similar restrictions and any other restrictions that could adversely affect the ability of such Noteholder Party to perform its obligations hereunder.

(e) Such Noteholder Party is a "qualified institutional buyer" as defined in Rule 144A under the Securities Act of 1933, as amended (the "Securities Act")

(f) Such Noteholder Party will acquire the New Notes for its own account or for the account of another for which it acts as discretionary investment manager, advisor or sub-advisor, for investment and not with a view to the distribution thereof or any interest therein in violation of the Securities Act or applicable state securities laws.

(g) Such Noteholder Party acknowledges for the benefit of the Mallinckrodt Group (including for the benefit of any person acting on behalf of any member of the Mallinckrodt Group, including, without limitation, any financial or other advisor of any of the foregoing acting for any member of the Mallinckrodt Group in connection with this Agreement and the transactions set forth herein) that it has the requisite knowledge and experience in financial and business matters so that it is capable of evaluating the merits and risks of the acquisition of the New Notes contemplated hereby and has had such opportunity as it has deemed adequate to obtain such information as is necessary to permit such Noteholder Party to evaluate the merits and risks of the acquisition of the New Notes contemplated hereby.

(h) Such Noteholder Party acknowledges that none of the Issuers, Mallinckrodt Parent, nor the other subsidiaries of Mallinckrodt Parent (all of the foregoing, the "Mallinckrodt Group") intends to register the New Notes, any offer or sale thereof, the Exchange, the Additional Exchanges or the Exchange Offers under the Securities Act or the Exchange Act or any state securities laws.

(i) Such Noteholder Party acknowledges for the benefit of the Mallinckrodt Group (including for the benefit of any person acting on behalf of any member of the Mallinckrodt Group, including, without limitation, any financial or other advisor of any of the foregoing acting for any member of the Mallinckrodt Group in connection with this Agreement and the transactions set forth herein) that (i) the Mallinckrodt Group may be in possession of information about the Mallinckrodt Group (including material non-public information) that may impact the value of the Existing Notes and/or the New Notes, and may not be included in the information available to such Noteholder Party, (ii) notwithstanding any such informational disparity, such Noteholder Party has independently evaluated the risks and merits regarding the transactions contemplated by this Agreement, including with respect to the Exchange and the New Notes, and wishes to enter into this Agreement and consummate the transactions contemplated hereby in accordance with its terms, (iii) no member of the Mallinckrodt Group or any other person acting on behalf of any member of the Mallinckrodt Group, including, without limitation, any financial advisor of any of the foregoing, has made or is making any representation or warranty to such Noteholder Party or any other person, whether express or implied, of any kind or character (including, without limitation, as to accuracy or completeness of any information or as to the creditworthiness of the Issuers or the New Notes or as to the transactions contemplated by this Agreement), and (iv) such Noteholder Party is not relying upon, and has not relied upon,

any representation or warranty made by any person regarding the transactions contemplated by this Agreement or otherwise, except, in the case of clauses (iii) and (iv), for the representations and warranties of the Issuers contained in this Agreement.

(j) Such Noteholder Party acknowledges for the benefit of the Mallinckrodt Group (including for the benefit of any person acting on behalf of any member of the Mallinckrodt Group, including, without limitation, any financial or other advisor of any of the foregoing acting for any member of the Mallinckrodt Group in connection with this Agreement and the transactions set forth herein) that it has made its own independent assessment, to its satisfaction, concerning any and all legal, regulatory, tax, credit, business and financial considerations with respect to the Mallinckrodt Group, the Existing Notes and the New Notes in connection with its acquisition of the New Notes contemplated hereby.

(k) Such Noteholder Party acknowledges that the New Notes to be issued in each Additional Exchange may not be part of the "same issue" as the New Notes issued in the Exchange for purposes of Treasury Regulations Section 1.1275-1(f) and/or Treasury Regulations Section 1.1275-2(k).

Section 3. *Representations and Warranties of the Issuers*. Each Issuer (and, solely with respect to Sections 3(e)-(h), Mallinckrodt Parent) hereby represents and warrants, severally and not jointly, to the Noteholder Parties that the following statements are true and correct as of the date hereof:

(a) Such Issuer has all necessary corporate or similar power and authority to execute and deliver this Agreement and to perform its obligations hereunder. The execution and delivery of this Agreement by such Issuer and the performance of its obligations hereunder have been duly authorized by all necessary corporate or similar action on the part of such Issuer. No other votes, written consents, actions or proceedings by or on behalf of such Issuer are necessary to authorize this Agreement or the performance of its obligations hereunder.

(b) This Agreement has been duly and validly executed and delivered by such Issuer. This Agreement constitutes the valid and binding obligation of such Issuer, enforceable against such Issuer in accordance with its terms, except as may be limited by (i) the effects of bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or other similar laws relating to or affecting the rights and remedies of creditors generally or (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(c) The execution, delivery or performance of this Agreement by such Issuer and such Issuer's compliance with the provisions hereof will not (with or without notice or lapse of time, or both): (i) violate any provision of the organizational or governing documents of such Issuer; (ii) violate any law or order applicable to any member of the Mallinckrodt Group; or (iii) require any consent or approval under, violate, conflict with, result in any breach of, or constitute a default under, or result in termination or give to others any right of termination, amendment, acceleration or cancellation of any contract, agreement, arrangement or understanding that is binding on any member of the Mallinckrodt Group or on any of their respective properties or assets (including, without limitation, any indentures, credit facilities or agreements under which any member of the Mallinckrodt Group has issued debt securities or has outstanding indebtedness), except, in the case of clause (ii) and (iii) above, where not reasonably likely to have a material adverse effect on the ability of the Issuers to perform their respective obligations under this Agreement or the transactions contemplated hereby.

(d) The Offering Memorandum does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that, with respect to any projected information, such Issuer represents and warrants only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time.

(e) The New Notes to be issued by the Issuers to the Noteholder Parties pursuant to those certain indentures to be entered into in connection with the Exchange and the Exchange Offers (collectively, the "New Indentures") will, upon issuance thereof, have been duly authorized for issuance and sale pursuant to this Agreement and the applicable New Indenture and, upon issuance thereof, will have been duly executed by the Issuers and, when authenticated in the manner to be provided for in the New Indenture and delivered in exchange for the Subject Notes or the Additional Notes (if any), will constitute valid and binding obligations of such Issuer, enforceable against such Issuer in accordance with their respective terms, except as may be limited by (i) the effects of bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or other similar laws relating to or affecting the rights and remedies of creditors generally, or (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law), and will be entitled to the benefits of the New Indenture.

(f) The New Indenture (including the guarantees set forth therein) and each Note Document to be entered into on the Settlement Date, will be duly authorized by such Issuer and guarantors party thereto and will constitute a valid and binding agreement of such Issuer and guarantors party thereto, enforceable against such Issuer and guarantors party thereto in accordance with its terms, except as may be limited by (i) the effects of bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or other similar laws relating to or affecting the rights and remedies of creditors generally, (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law), (iii) the need for filings and registrations necessary to perfect any security granted thereby and (iv) the effect of any requirements of law as they relate to pledges of equity interests in any subsidiaries organized outside of the United States (other than pledges made under the laws of the jurisdiction of formation of the issuer of such equity interests).

(g) The execution, delivery and performance by such Issuer and Mallinckrodt Parent of this Agreement and the consummation of the transactions contemplated hereby, including commencement and consummation of the Exchange, the Additional Exchanges (if any), the Exchange Offers and the Consent Solicitations, do not and will not require any registration or filing with, the consent or approval of, notice to, or any other action with respect to (with or without due notice, lapse of time, or both), any governmental authority, other than (i) Current Reports on Form 8-K filed or furnished by Mallinckrodt plc with respect to the Exchange, the Additional Exchanges (if any), the Exchange Offers and the Consent Solicitations, (ii) such as have been made or obtained and are in full force and effect, (iii) filings of Uniform Commercial Code financing statements and other registrations or filings in connection with the perfection of security interests granted pursuant to the Collateral Documents, (iv) filings with the United States Patent and Trademark Office and the United States Copyright Office and comparable offices in foreign jurisdiction and equivalent filings in foreign jurisdictions and (v) such registrations, filings, consents, approvals, notices or other actions that, if not obtained or made, would not reasonably be likely to have a material adverse effect on the ability of the Issuers to perform their respective obligations under this Agreement or the transactions contemplated hereby.

(h) Following the Cleansing Disclosures (as defined below), Mallinckrodt Parent shall have disclosed all material, non-public information regarding the Mallinckrodt Group (if any) provided or made available to the Noteholder Parties or their Representatives (as defined in the Confidentiality Agreement (as defined below)) by Mallinckrodt Parent or any of its Representatives in connection with the transactions contemplated by this Agreement or otherwise on or prior to the date hereof. Notwithstanding anything contained in this Agreement to the contrary and without implication that the contrary would otherwise be true, after giving effect to the Cleansing Disclosures, Mallinckrodt Parent expressly acknowledges and agrees that the Noteholder Parties and their affiliates shall not have any duty of trust or confidence with respect to, or a duty not to trade on the basis of, any information regarding the Mallinckrodt Group provided (i) on or prior to the date of such Cleansing Disclosure in connection with the transactions contemplated by this Agreement or otherwise or (ii) in violation of the last sentence of Section 4(g) below, in each case to the Noteholder Parties or their Representatives by Mallinckrodt Parent, the Issuers or any of their respective Representatives.

Section 4. *Covenants*.

(a) Each Issuer covenants and agrees that it will (i) commence the Exchange Offers and the Consent Solicitations by November 5, 2019 in accordance with the terms set forth herein and (ii) use commercially reasonable efforts to cause the conditions to the Exchange Offers and the Consent Solicitations set forth in the Offering Memorandum to be satisfied as promptly as practicable. The Noteholder Parties acknowledge and agree that nothing in this Agreement shall (x) require any Issuer to amend, modify or waive any of the terms or conditions of, or extend, the Exchange Offers or the Consent Solicitations, or (y) restrict the termination of any Exchange Offer or Consent Solicitation if any of the conditions thereto have not been satisfied notwithstanding compliance with clause (ii) of the preceding sentence.

(b) Each Issuer covenants and agrees that it will not (i) amend or modify so as to make materially more difficult to satisfy any of the conditions to the Exchange Offers or the Consent Solicitations set forth in the Offering Memorandum, or (ii) amend, modify or waive any of the terms or conditions of the Exchange Offers or the Consent Solicitations set forth in the Offering Memorandum in a manner materially adverse to the Noteholder Parties (it being understood that (x) changes in timing reasonably determined by the Issuers to be required under law or required to be made if the Noteholder Parties do not timely comply with their obligations pursuant to this Agreement, the making of additional informational disclosures regarding any member(s) of the Mallinckrodt Group and the matters set forth in Annex I will, in each of the foregoing cases, not be deemed adverse to the Noteholder Parties and (y) reduction in Total Offer Consideration or changes in the collateral package, or reduction in interest rates of or lengthening the maturity of the New Notes, in each case, shall be deemed materially adverse to the Noteholder Parties), in each case, without the prior written consent of each of the Noteholder Parties so adversely affected.

(c) Each Issuer covenants and agrees that (i) the New Notes and guarantees thereof will be issued pursuant to and in compliance with an applicable exemption or exemptions from registration under the Securities Act and (ii) the Exchange Offers will comply in all material respects with all applicable provisions of Section 14(e) of the Exchange Act and Regulation 14E thereunder.

(d) Each Noteholder Party covenants and agrees that it will not sell any of the New Notes to be received by such Noteholder Party pursuant to this Agreement unless such sale has been registered under the Securities Act and applicable state securities laws or an exemption from registration is available for such sale.

(e) If any Noteholder Party instructs the Issuers to register New Notes in the name of a person other than such Noteholder Party, such Noteholder Party will be responsible for the payment of any transfer, documentary, court, stamp or similar taxes ("Transfer Taxes") imposed with respect to the tender of the Subject Notes. In addition, if Transfer Taxes are imposed for any reason other than the transfer and tender to the Issuers, the amount of those Transfer Taxes, whether imposed on any Noteholder Party or any other person, will be payable by the applicable Noteholder Party or Parties.

(f) The Issuers shall be entitled to deduct and withhold such amounts as are required to be deducted and withheld under applicable U.S. federal, state, local and foreign tax law (including U.S. federal backup withholding) with respect to the exchange of the Subject Notes for the New Notes. To the extent such amounts are deducted and withheld and paid over to the applicable taxing authority, such amounts shall be treated for all purposes of this Agreement as having been made to the person in respect of whom such deduction and withholding was made.

(g) Mallinckrodt Parent covenants and agrees that, on or prior to opening of trading on November 5, 2019, it shall disclose in accordance with the next sentence all material terms of the transactions contemplated by this Agreement and all Confidential Information (as defined in the Confidentiality Agreement, dated as of October 23, 2019, among Mallinckrodt Parent and Deerfield Management Company, L.P. (Series C) (the "Confidentiality Agreement")), if any, in each case, that constitutes material non-public information regarding the Mallinckrodt Group (such disclosures, the "Cleansing Disclosures"). Such Confidential Information shall be disclosed on Form 10-Q or Form 8-K filed or furnished in accordance with the Exchange Act. Notwithstanding any affirmative disclosure obligations of Mallinckrodt Parent or the Issuers pursuant to the terms of this Agreement or anything else to the contrary contained herein, Mallinckrodt Parent and each Issuer shall not, and shall cause each of its respective officers, directors, employees, affiliates and agents to not, provide any Noteholder Party with any material non-public information with respect to the Mallinckrodt Group from and after the filing of the Cleansing Disclosures without the express prior written consent of such Noteholder Party, other than pursuant to customary "wall-crossing" procedures.

(h) If, prior to the Exchange Closing, any Issuer enters into an agreement with a holder of any Existing Notes other than the Noteholder Parties that entitles such holder to exchange its Existing Notes of any series for an aggregate principal amount of New Notes that is greater than the applicable Total Offer Consideration for such series of Existing Notes, or for consideration other than New Notes, the Issuers shall, upon the Noteholder Parties' request, use commercially reasonable efforts to negotiate an amendment to this Agreement providing the Noteholder Parties with the opportunity to exchange their Existing Notes of such series for the same proportionate mix of consideration (subject to the same proportionate proration and/or cap, if applicable) as agreed with such other holder for the applicable series of Existing Notes.

Section 5. *Agreement to Exchange Subject Notes and Deliver Consents; Additional Exchanges*.

(a) The Parties' obligations to consummate the closing of the Exchange (the "Exchange Closing") shall be subject only to the condition that the Settlement Date shall be occurring on the same date as the Exchange Closing (the date of the Exchange Closing, the "Exchange Closing Date"). Each Noteholder Party agrees (i) to exchange, at the Exchange Closing, all of the Subject Notes for the applicable Total Offer Consideration (including the Early Participation Premium) on the terms set forth in the Offering Memorandum (including the terms of the New Notes), it being understood that the Exchange shall not be subject to the proration that is applicable to the Exchange Offers for the Existing Non-2020 Notes set forth in the Offering Memorandum, and (ii) to deliver, at or prior to the Exchange Closing, its consents to the Proposed Amendments pursuant to the terms and conditions set forth in the Offering Memorandum.

(b) Each Noteholder Party shall have the option, from the period beginning immediately after the Exchange Closing and ending on the day that is 60 calendar days after the Exchange Closing Date (the "Additional Exchange Period"), to exchange any Existing Notes of which such Noteholder Party becomes the beneficial owner (or becomes the discretionary investment manager, advisor or sub-advisor with authority to bind the beneficial owner of such Existing Notes, including Existing Notes that become held through a custodial account beneficially owned by such Noteholder

Party) after the execution hereof (collectively, the "Additional Notes") with the Issuers for the same Total Offer Consideration that applies to the applicable series of Existing Notes in the Exchange (an "Additional Exchange"); provided, that the aggregate principal amount of New Notes to be issued in Additional Exchanges shall not exceed $100,000,000; provided, further, that the aggregate principal amount of New Notes to be issued in Additional Exchanges for Existing Non-2020 Notes shall not exceed $75,000,000. Each Noteholder Party that desires to exercise its option to effect an Additional Exchange shall deliver a written notice to the Issuers during the Additional Exchange Period irrevocably electing to effect an Additional Exchange and specifying the aggregate principal amount of each series of Existing Notes to be exchanged pursuant thereto. The closing of an Additional Exchange (the "Additional Exchange Closing") shall occur on the date that is six (6) business days after the written notice specified in the preceding sentence is received by the Issuers (the "Additional Exchange Closing Date"). There shall be no more than five Additional Exchanges*;* provided that the aggregate principal amount of New Notes to be issued in each Additional Exchange shall not be less than the lesser of (x) $10,000,000 and (y) the entire remaining amount available with respect to Additional Exchanges.

(c) On the Exchange Closing Date and each Additional Exchange Closing Date (if any), each Noteholder Party shall deliver (i) the Subject Notes and the Additional Notes (if any), as applicable, to such account or accounts as the Issuers shall specify prior to the Exchange Closing Date or Additional Exchange Closing Date, as applicable, by book-entry transfer through the facilities of The Depository Trust Company ("DTC") or otherwise as agreed by the Issuers and such Noteholder Party and (ii) a properly completed and executed IRS Form W-9 to the Issuers.

(d) On the Exchange Closing Date and each Additional Exchange Closing Date (if any), the Issuers shall deliver, or shall cause to be delivered, to each Noteholder Party, against delivery of the Subject Notes or the Additional Notes (if any), as applicable, to be exchanged therefor, one or more certificates in global form for the applicable New Notes to be received in exchange for the Subject Notes or Additional Notes (if any) hereunder, registered in the name of DTC or its nominee, and in the aggregate principal amount of the applicable New Notes equal to the applicable Total Offer Consideration for each $1,000 principal amount of Subject Notes so delivered and credited to such DTC or other account as such Noteholder Party directs.

Section 6. *Restrictions on Subject Notes*. During the term of this Agreement, each Noteholder Party agrees that it will not (a) tender any Subject Notes into any of the Exchange Offers or (b) without the prior written consent of the Issuers, other than pursuant to the terms hereof, directly or indirectly, by operation of law or otherwise, sell, transfer, pledge, deposit, hypothecate, assign or otherwise dispose of (including by gift) or encumber, or enter into any contract, agreement, arrangement or understanding with respect to the sale, transfer, conversion, pledge, deposit, hypothecation, assignment or other disposition or encumbrance of, any Subject Notes held by such party to any person or entity (each, a "Transfer"). This Agreement shall in no way be construed to preclude any Noteholder Party from acquiring additional Existing Notes after the execution of this Agreement; provided, that any such Existing Notes acquired after the execution of this Agreement shall, upon acquisition, not become Subject Notes subject to the terms of this Agreement, and no member of the Mallinckrodt Group shall have any obligation to purchase such additional Existing Notes other than pursuant to the applicable Exchange Offer (to the extent validly tendered pursuant thereto and not validly withdrawn) or any Additional Exchange (to the extent validly exercised); and provided, further, that nothing contained herein shall prevent or prohibit any Noteholder Party from tendering such additional Existing Notes in the applicable Exchange Offer. Any purported Transfer of the Subject Notes in violation of this Section 6 will be null and void *ab initio*.

Section 7. *Further Assurances*. Each of the Parties hereby further covenants and agrees to use their reasonable best efforts, as expeditiously as possible and during the term of this Agreement, to perform their respective obligations under this Agreement and take such actions as may be reasonably necessary under this Agreement to consummate the Exchange, the Exchange Offers and the Consent Solicitations.

Section 8. *Termination*.

(a) This Agreement and the obligations of the Parties hereunder will terminate:

(i) upon the earliest of (A) the mutual written consent of the Parties; (B) the later of (1) the expiration of the Additional Exchange Period and (2) if there is an Additional Exchange in respect of which the Additional Exchange Closing Date has not occurred on or prior to the expiration of the Additional Exchange Period, the Additional Exchange Closing Date with respect to such Additional Exchange; and (C) the termination of the Exchange Offers prior to the consummation thereof;

(ii) as to the Noteholder Parties at the sole discretion of the Noteholder Parties, upon written notice delivered to the Issuers (or, in the case of clause (C) below, automatically and without notice from the Noteholder Parties), if at any time: (A) any Issuer has (1) (x) breached Section 4(b) (disregarding for this purpose the references to "materially" in clauses (i) and (ii) thereof) or (y) materially breached any of its other covenants or agreements or (2) materially breached its representations or warranties (or, in the case of any representation or warranty set that is qualified by material adverse effect, breached such representation or warranty) (each, a "Terminating Company Breach"), provided, if such Terminating Company Breach is capable of being cured, that such Terminating Company Breach has not been cured within five (5) business days following written notice of such breach to the Issuers; (B) a material adverse effect on (1) the general affairs, business, consolidated financial condition or consolidated results of operations of Mallinckrodt plc and its subsidiaries taken as a whole or (2) the ability of the Issuers to perform their respective obligations under this Agreement or the transactions contemplated hereby has, in either case, occurred since the date of this Agreement (provided, that none of (x) any change in the trading prices of any securities or loans of the Mallinckrodt Group, in and of itself, or (y) the execution, delivery or performance of this Agreement or the consummation of the transactions contemplated hereby, the public announcement of any of the foregoing, or any actions expressly required by, or the failure to take any action expressly prohibited by, the terms of this Agreement, shall constitute such a material adverse effect); (C) any of Mallinckrodt Parent or another member of the Mallinckrodt Group (or members collectively) that would, individually or in the aggregate, constitute a "Significant Subsidiary" of Mallinckrodt Parent (within the meaning of Rule 1-02 under Regulation S-X promulgated by the United States Securities and Exchange Commission) (a "Significant Subsidiary") has or have commenced any voluntary case seeking relief under Title 11 of the United States Code entitled "Bankruptcy", as now or hereafter in effect, or any other similar federal or state law (a "Bankruptcy Law"), or a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that is for relief against Mallinckrodt Parent or any Significant Subsidiary (or entities that in the aggregate would constitute a Significant Subsidiary) in an involuntary case and such order or decree remains unstayed and in effect for 60 days, (D) the Exchange Closing has not occurred in accordance with the terms hereof on or prior to December 20, 2019, (E) any Issuer amends or modifies the terms or conditions of the Exchange Offers set forth in the Offering Memorandum, or enters into an agreement with a holder of any Existing Notes other than the Noteholder Parties, in either case to provide for the exchange of Existing Notes for notes other than the New Notes or (F) any Issuer enters into an agreement with a holder of any Existing Notes other than the Noteholder Parties that entitles such holder to participate in the Exchange Offers or any similar exchange on terms or conditions with respect to economics (including Total Offer Consideration) that are more favorable to such holder in any material respect than the terms and conditions applicable to the Exchange by the Noteholder Parties; and

(iii) as to the Noteholder Parties at the sole discretion of the Issuers, upon written notice delivered to the Noteholder Parties, if any Noteholder Party has (A) materially breached its covenants or agreements or (B) materially breached any of its representations or warranties (or, in the case of any representation or warranty that is qualified by "material adverse effect", "materiality" or other materiality qualifier, breached such representation or warranty) (each, a "Terminating Noteholder Party Breach"), provided, if such Terminating Noteholder Party Breach is capable of being cured, that such Terminating Noteholder Party Breach has not been cured within five (5) business days following written notice of such breach to the Noteholder Parties.

(b) Notwithstanding anything herein to the contrary, no termination of this Agreement shall relieve or otherwise limit the liability of any Party for any breach of this Agreement occurring prior to such termination. Section 12 shall survive termination of this Agreement.

Section 9. *Agreements Coupled with an Interest*. The agreements contained herein relating to tendering and delivery of consents are coupled with an interest and, except as expressly contemplated herein, may not be revoked during the term of this Agreement.

Section 10. *Waivers and Amendments*. This Agreement may be amended, modified, altered or supplemented only by a written instrument executed by all of the Parties. Any failure of a Party to comply with any obligation, covenant, agreement or condition in this Agreement may be waived by the Party or Parties entitled to the benefits thereof only by a written instrument signed by the Party or Parties granting such waiver. No delay on the part of any Party in exercising any right, power or privilege under this Agreement will operate as a waiver thereof; nor will any waiver on the part of any party to this Agreement of any right, power or privilege under this Agreement operate as a waiver of any other right, power or privilege under this Agreement, nor will any single or partial exercise of any right, power or privilege under this Agreement preclude any other or further exercise thereof or the exercise of any other right, power or privilege under this Agreement.

Section 11. *Holder Waiver*. Each Noteholder Party acknowledges and agrees that the exchange of any Existing Notes pursuant to the Exchange or any Additional Exchange shall effect a Holder Waiver with respect to such Existing Notes and the related Indenture.

Section 12. *Miscellaneous*.

(a) *Notices*. Any notices or other communications required or permitted under, or otherwise given in connection with, this Agreement will be in writing and will be deemed to have been duly given (i) when delivered or sent if delivered in Person by courier service or messenger or sent by email or (ii) on the next business day if transmitted by international overnight courier, in each case as follows:

If to any Issuer or Mallinckrodt Parent, addressed to:

Mallinckrodt International Finance S.A.
124, boulevard de la Pétrusse
L - 2330 Luxembourg
R.C.S. Luxembourg: B172865
Attention: Marie Luporsi
Email: Marie.Luporsi@mnk.com
Phone: +352 27 17 72 11

with a copy to (for informational purposes only):

Wachtell, Lipton, Rosen & Katz
51 West 52nd Street
New York, New York 10019
Attention: Eric M. Rosof and Victor Goldfeld
Email: EMRosof@wlrk.com and VGoldfeld@wlrk.com
Phone: (212) 403-1005

If to a Noteholder Party, addressed to it at the address set forth on such Noteholder Party's signature page attached hereto.

with a copy to (for informational purposes only):

Sullivan & Cromwell LLP
125 Broad Street
New York, New York 10004
Attention: Ari B. Blaut
Email: blauta@sullcrom.com
Phone: (212) 558-1656

(b) *Governing Law*. This Agreement will be governed by, and construed in accordance with, the laws of the State of New York, without regard to laws that may be applicable under conflicts of laws principles (whether of the State of New York or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of New York.

(c) *Venue*. By execution and delivery of this Agreement, each of the Parties irrevocably and unconditionally agrees that any legal action, suit, or proceeding with respect to any matter under or arising out of or in connection with this Agreement, or for recognition or enforcement of any judgment rendered in any such action, suit, or proceeding, shall be brought in a court of competent jurisdiction located in the City of New York. Each Party irrevocably waives any objection it may have to the venue of any action, suit, or proceeding brought in such court or to the convenience of the forum.

(d) *Personal Jurisdiction*. By execution and delivery of this Agreement, each of the Parties irrevocably and unconditionally submits to the personal jurisdiction of a court of competent jurisdiction located in the City of New York for purposes of any action, suit or proceeding arising out of or relating to this Agreement.

(e) *Waiver of Jury Trial*. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY THAT MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT

ISSUES, AND THEREFORE IT HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (i) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE EITHER OF SUCH WAIVERS, (ii) IT UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF SUCH WAIVERS, (iii) IT MAKES SUCH WAIVERS VOLUNTARILY, AND (iv) IT HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 12(E).

(f) *Remedies*. The Parties agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the Parties will be entitled to seek an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions hereof in any court of appropriate jurisdiction, this being in addition to any other remedy to which they are entitled at law or in equity. Except as otherwise provided in this Agreement, any and all remedies in this Agreement expressly conferred upon a Party will be deemed cumulative with and not exclusive of any other remedy conferred hereby, or by law or equity upon such Party, and the exercise by a party of any one remedy will not preclude the exercise of any other remedy.

(g) *Severability*. If any term or other provision of this Agreement is determined to be invalid, illegal or incapable of being enforced by any rule of law or public policy, all other conditions and provisions of this Agreement will nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any Party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties will negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner to the end that transactions contemplated hereby are fulfilled to the extent possible.

(h) *Assignment*. This Agreement and the rights and obligations hereunder may not be assigned or otherwise transferred by any Party by operation of law or otherwise without the prior written consent of the other Parties; *provided* that any Noteholder Party may assign its respective rights hereunder to any of the other Noteholder Parties (including any affiliate of the Noteholder Parties that agrees to become a party hereto pursuant to a customary joinder reasonably acceptable to the Parties) (it being understood that no such assignment shall relieve any Noteholder Party of its obligations hereunder). Subject to the preceding sentence, this Agreement will be binding upon, inure to the benefit of, and be enforceable by the Parties and their respective permitted successors and assigns. Any assignment in violation of the foregoing shall be null and void *ab initio*.

(i) *No Third-Party Beneficiaries*. Unless expressly stated or referred to herein, this Agreement shall be solely for the benefit of the Parties and no other person or entity shall be a third-party beneficiary of this Agreement.

(j) *Prior Agreements*. This Agreement supersedes all prior negotiations and agreements among the Parties with respect to the matters set forth herein.

(k) *Counterparts*. This Agreement may be executed in one or more counterparts (which may include counterparts delivered by any standard form of telecommunication), and by the different Parties in separate counterparts, each of which when executed will be deemed to be an original but all of which taken together will constitute one and the same agreement. Facsimile copies or "PDF" or similar electronic data format copies of signatures shall constitute original signatures for all purposes of this Agreement and any enforcement hereof.

(l) *Headings*. The headings contained in this Agreement are for reference purposes only and will not affect in any way the meaning or interpretation of this Agreement.

(m) *Acknowledgement*. This Agreement is not and shall not be deemed to be a solicitation for any Exchange Offer or any Consent Solicitation.

(n) *Interpretation*. This Agreement is the product of negotiations among the Parties, and in the enforcement or interpretation hereof, is to be interpreted in a neutral manner, and any presumption with regard to interpretation for or against any Party by reason of that Party having drafted or caused to be drafted this Agreement, or any portion hereof, shall not be effective in regard to the interpretation hereof.

IN WITNESS WHEREOF, each of the undersigned has executed this Agreement as of the date first above set forth.

MALLINCKRODT INTERNATIONAL FINANCE S.A.

By: ______________________________

Name:

Title:

MALLINCKRODT CB LLC

By: ______________________________

Name:

Title:

MALLINCKRODT PLC (for purposes of Sections 3(e)-(h) and 4(g) only)

By: ______________________________

Name:

Title:

IN WITNESS WHEREOF, the undersigned has executed this Agreement as of the date first above set forth.

NOTEHOLDER PARTIES

DEERFIELD PARTNERS, L.P.

By: ______________________________
Name:
Title:
Address:

DEERFIELD SPECIAL SITUATIONS FUND, L.P.

By: ______________________________
Name:
Title:
Address:

DEERFIELD PRIVAE DESIGN FUND IV, L.P.

By: ______________________________
Name:
Title:
Address:

Exhibit 99.1

Mallinckrodt plc Announces Exchange Offers and Consent Solicitations

STAINES-UPON-THAMES, United Kingdom, November 5, 2019 - Mallinckrodt plc (NYSE: MNK) today announced the commencement of private offers (each, an "Exchange Offer" and, collectively, the "Exchange Offers") by its wholly owned subsidiaries, Mallinckrodt International Finance S.A. and Mallinckrodt CB LLC (the "Issuers") to exchange:

- any and all of the 4.875% Senior Notes due 2020 (the "Existing 4.875% 2020 Notes") issued by the Issuers for new 10.000% Second Lien Senior Secured Notes due 2025 to be issued by the Issuers (the "New Notes"); and
- the 5.750% Senior Notes due 2022 (the "Existing 5.750% 2022 Notes"), 4.750% Senior Notes due 2023 (the "Existing 4.750% 2023 Notes"), 5.625% Senior Notes due 2023 (the "Existing 5.625% 2023 Notes") and 5.500% Senior Notes due 2025 (the "Existing 5.500% 2025 Notes") (collectively, the "Existing Non-2020 Notes", and together with the Existing 4.875% 2020 Notes, the "Existing Notes") issued by the Issuers for up to $355 million of New Notes.

In connection with the Exchange Offers, the Issuers are also soliciting consents (each, a "Consent Solicitation" and, collectively, the "Consent Solicitations" and, together with the Exchange Offers, the "Exchange Offers and Consent Solicitations") from holders of each series of the Existing Notes (other than the Existing 4.750% 2023 Notes) to amend (collectively, the "Proposed Amendments") the indentures governing such series of Existing Notes (collectively, the "Existing Indentures") to eliminate substantially all of the restrictive covenants under the Existing Indentures, modify or eliminate certain other provisions of the Existing Indentures, and waive certain defaults and events of default, if any, under the Existing Indentures, subject to the terms and conditions set forth in the Issuers' confidential offering memorandum and consent solicitation statement, dated November 5, 2019 (the "Offering Memorandum and Consent Solicitation Statement"). If the Proposed Amendments are adopted, certain terms of these series of Existing Notes and the corresponding Existing Indentures will be less restrictive and will afford reduced protection to holders of such Existing Notes compared to those terms and protections currently in such Existing Notes and such Existing Indentures or those terms and protections that will be applicable to the New Notes. The consent of the holders of a majority of the aggregate principal amount of the Existing Notes outstanding of each series that is the subject of a Consent Solicitation will be required in order to effectuate the Proposed Amendments with respect to the Existing Indenture for each such series.

The following table sets forth each series of Existing Notes subject to the Exchange Offers and Consent Solicitations and the "Exchange Offer Consideration", the "Early Participation Premium" and the "Total Offer Consideration" offered in the Exchange Offers and Consent Solicitations.

Existing Notes to be Exchanged	Exchange Offer Consideration(1)	Early Participation Premium(1)	Total Offer Consideration(1)(2)
Existing 4.875% 2020 Notes	$800	$50	$850
Existing 5.750% 2022 Notes	$425	$50	$475
Existing 4.750% 2023 Notes	$320	$50	$370
Existing 5.625% 2023 Notes	$375	$50	$425
Existing 5.500% 2025 Notes	$375	$50	$425

(1) For each $1,000 principal amount of the Existing Notes (as defined herein) accepted for exchange.
(2) Includes the Early Participation Premium (as defined herein).

The Exchange Offers and Consent Solicitations are being made only to Eligible Holders (as defined below) and will expire at the end of the day, 11:59 p.m., New York City time, on December 4, 2019 (the "Expiration Time"). The settlement date for the Exchange Offers and Consent Solicitations will occur promptly after the Expiration Time (the "Settlement Date"), subject to all conditions to the Exchange Offers and Consent Solicitations having been satisfied or waived by the Issuers. Eligible Holders must validly tender (and not validly withdraw) their Existing Notes at or prior to 5:00 p.m., New York City time, on November 19, 2019 (the "Early Delivery Time"), in order to be entitled to receive the applicable "Early Participation Premium" shown in the table above. Existing Notes tendered after the Early Delivery Time but prior to the Expiration Time will only be entitled to receive the applicable "Exchange Offer Consideration" shown in the table above. Eligible Holders of Existing Notes may deliver their consent to the Proposed Amendments to the corresponding Existing Indenture for such series pursuant to the Consent Solicitations only by tendering Existing Notes of the applicable series in the applicable Exchange Offer. Eligible Holders may not deliver a consent pursuant to the Consent Solicitations without tendering Existing Notes in the applicable Exchange Offer. If an Eligible Holder tenders Existing Notes in an Exchange Offer, such Eligible Holder will also be delivering its consent, with respect to the principal amount of such tendered Existing Notes that are accepted in such Exchange Offer, to the applicable Proposed Amendments.

Tenders may be validly withdrawn at any time on or prior to 5:00 p.m., New York City time, on November 19, 2019 (the "Withdrawal Deadline"), but not thereafter, unless required by law. A valid withdrawal of tendered Existing Notes will also constitute the revocation of the related consent to the Proposed Amendments to the corresponding Existing Indenture for that series. Consents may only be revoked by validly withdrawing the tendered Existing Notes prior to the Withdrawal Deadline. An Eligible Holder must tender all of its Existing Notes in the Exchange Offers in order to participate in any Exchange Offer. An Eligible Holder may only withdraw Existing Notes from an Exchange Offer if it also validly withdraws its tender of all Existing Notes pursuant to the Exchange Offers.

The New Notes will be secured by a second lien security interest in all collateral that currently secures Mallinckrodt plc's senior secured credit facilities (subject to certain exceptions described in the Offering Memorandum and Consent Solicitation Statement). The New Notes will be guaranteed by each entity that currently guarantees Mallinckrodt plc's senior secured credit facilities (subject to certain exceptions described in the Offering Memorandum and Consent Solicitation Statement). The New Notes will accrue interest from the date of issuance. Holders will receive a cash payment for any amounts of accrued and unpaid interest on the Existing Notes.

The maximum aggregate principal amount of New Notes issued in the Exchange Offers for the Existing Non-2020 Notes will not exceed $355 million (the "Maximum Non-2020 Exchange Amount"). In the event that the amount of New Notes issuable in respect of the Existing Non-2020 Notes would exceed the Maximum Non-2020 Exchange Amount absent such limitation, but would not exceed such Maximum Non-2020 Exchange Amount if no Existing 4.750% 2023 Notes were accepted, the Issuers will accept Existing 4.750% 2023 Notes that have been tendered, on a pro rata basis, up to an aggregate amount such that the New Notes issued in respect of the Existing Non-2020 Notes will not exceed the Maximum Non-2020 Exchange Amount. In the event that the amount of New Notes issuable in respect of the Existing Non-2020 Notes would exceed the Maximum Non-2020 Exchange Amount regardless of whether or not any Existing 4.750% 2023 Notes were accepted, the Issuers will not accept any Existing 4.750% 2023 Notes and will accept all other Existing Non-2020 Notes that have been tendered, on a pro rata basis, up to an aggregate amount such that the New Notes issued in respect of such Existing Non-2020 Notes will not exceed the Maximum Non-2020 Exchange Amount. Accordingly, if the Proposed Amendments receive the Requisite Consents, a holder who participates in an Exchange Offer for the Existing Non-2020 Notes may continue to hold Existing Non-2020 Notes following the consummation of the Exchange Offers and may no longer benefit from certain of the protections provided by the Existing Indentures governing its Existing Non-2020 Notes.

In addition, on November 5, 2019, Deerfield Partners, L.P., Deerfield Special Situations Fund, L.P. and Deerfield Private Design Fund IV, L.P. (such holders, the "Exchanging Holders"), collectively holding approximately $432.4 million aggregate principal amount of the Existing Notes (approximately 19.1% of the aggregate principal amount outstanding), entered into an exchange agreement (the "Exchange Agreement") with the Issuers. Pursuant to the Exchange Agreement, the Exchanging Holders agreed to exchange with the Issuers on the Settlement Date, separate from the Exchange Offers, their Existing Notes held as of the date of the Exchange Agreement (comprised of approximately $67.6 million aggregate principal amount of Existing 4.875% 2020 Notes, approximately $258.7 million aggregate principal amount of the Existing 4.750% 2023 Notes, approximately $98.5 million aggregate principal amount of the Existing 5.625% 2023 Notes and approximately $75.2 million aggregate principal amount of Existing 5.500% 2025 Notes) for approximately $227.0 million aggregate principal amount of New Notes. The exchange by the Exchanging Holders of Existing Notes on the Settlement Date pursuant to the Exchange Agreement will not be subject to proration. The Exchanging Holders have also agreed to consent to the Proposed Amendments with respect to all of such Exchanging Holders' Existing Notes that are the subject of the Consent Solicitations. In addition, under the Exchange Agreement, the Issuers have granted an option to the Exchanging Holders, exercisable up to five times for 60 days after the date the Exchange Offers are consummated, to exchange any Existing Notes they may acquire after the execution of the Exchange Agreement for up to $100 million aggregate principal amount of additional New Notes (provided that any such subsequently acquired Existing Non-2020 Notes may only be exchanged for up to $75 million aggregate principal amount of additional New Notes and that the aggregate principal amount of New Notes to be issued upon the exercise of each such option may not be less than the lesser of (x) $10 million and (y) the entire remaining amount available with respect to such options). Pursuant to the Exchange Agreement, the Exchanging Holders are entitled to receive in exchange for their Existing Notes exchanged in connection with the exercise of such option the same amount of New Notes that Eligible Holders are entitled to receive in the applicable Exchange Offers for each $1,000 principal amount of Existing Notes exchanged.

Each Exchange Offer and corresponding Consent Solicitation for a series of Existing Notes is being made independently of the Exchange Offers and Consent Solicitations for the other series of Existing Notes and is not conditioned upon the completion of any of the other Exchange Offers and Consent Solicitations. The Issuers reserve the right to terminate, withdraw or amend each Exchange Offer or Consent Solicitation without also terminating, withdrawing or amending any of the other Exchange Offers and Consent Solicitations. The consummation of each Exchange Offer and corresponding Consent Solicitation is subject to, and conditional upon, the satisfaction or waiver of customary conditions, as described in the Offering Memorandum and Consent Solicitation Statement. No minimum participation requirement is applicable to the Exchange Offers and Consent Solicitations.

The New Notes have not been registered under the Securities Act of 1933, as amended (the "Securities Act") or any state or foreign securities laws. The New Notes may not be offered or sold in the United States or to any U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Exchange Offers and Consent Solicitations are only being made to persons who certify that they are (a) "qualified institutional buyers" as defined in Rule 144A under the Securities Act or (ii) are not, and are not acting on behalf of, a "U.S. person" as defined in Rule 902 of Regulation S under the Securities Act (such persons, "Eligible Holders"). As such, documents relating to the Exchange Offers and Consent Solicitations will only be distributed to holders of Existing Notes who complete and return an eligibility letter ("Eligibility Letter") confirming that they are Eligible Holders of Existing Notes.

The complete terms and conditions of the Exchange Offers and Consent Solicitations are described in the Offering Memorandum and Consent Solicitation Statement, copies of which may be obtained by Eligible Holders by contacting D.F. King Co., Inc., the exchange agent and information agent in connection with the Exchange Offers and Consent Solicitations, at: (866) 356-7814 (toll free) or: (212) 269-5550 (bankers and brokers call collect) or email at mnk@dfking.com. The Eligibility Letter is available electronically at: www.dfking.com/mnk.

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, nephrology, pulmonology and ophthalmology; immunotherapy and neonatal respiratory critical care therapies; analgesics 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 the terms of the proposed settlement, statements regarding the ongoing lawsuits against Mallinckrodt plc and its subsidiaries, and any other statements regarding events or developments that 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: general economic conditions and conditions affecting the industries in which Mallinckrodt operates; the commercial success of Mallinckrodt's products; Mallinckrodt's ability to realize anticipated growth, synergies and cost savings from acquisitions; conditions that could necessitate an evaluation of Mallinckrodt's goodwill and/or intangible assets for possible impairment; changes in laws and regulations; Mallinckrodt's ability to successfully integrate acquisitions of operations, technology, products and businesses generally and to realize anticipated growth, synergies and cost savings; Mallinckrodt's and Mallinckrodt's licensers' ability to successfully develop or commercialize new products; Mallinckrodt's and Mallinckrodt's licensers' ability to protect intellectual property rights; Mallinckrodt's ability to receive procurement and production quotas granted by the U.S. Drug Enforcement Administration; customer concentration; Mallinckrodt's reliance on certain individual products that are material to its financial performance; cost containment efforts of customers, purchasing groups, third-party payers and governmental organizations; the reimbursement practices of a small number of public or private insurers; 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; limited clinical trial data for Acthar Gel; complex reporting and payment obligations under healthcare rebate programs; Mallinckrodt's ability to navigate price fluctuations; future changes to U.S. and foreign tax laws; Mallinckrodt's ability to achieve expected benefits from restructuring activities; complex manufacturing processes; competition; product liability losses and other litigation liability; ongoing governmental investigations; material health, safety and environmental liabilities; retention of key personnel; conducting business internationally; the effectiveness of information technology infrastructure; cybersecurity and data leakage risks; Mallinckrodt's substantial indebtedness and its ability to generate sufficient cash to reduce its indebtedness; any future actions taken with respect to the Specialty Generics business; and Mallinckrodt plc's ability to complete the Exchange Offers, the Consent Solicitations and the transactions contemplated by the

Exchange Agreement, including the expected timing of completion of the Exchange Offers and receipt of requisite consents in the Consent Solicitations.

These and other factors are identified and described in more detail in the "Risk Factors" section of Mallinckrodt's Annual Report on Form 10-K for the fiscal year ended December 28, 2018. 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.

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USE OF CERTAIN TERMS

As used in this Offering Memorandum (as defined below), except where otherwise specified or unless the context otherwise requires:

- the “Issuer” refers to Mallinckrodt International Finance S.A., a Luxembourg public limited liability company (société anonyme) incorporated under the laws of Luxembourg, with its registered office at 124 boulevard de la Pétrusse, L-2330 Luxembourg and being registered with the Luxembourg trade and companies register under number B.172.865 and an indirect wholly owned subsidiary of Mallinckrodt plc;
- “MCB” or the “U.S. Co-Issuer” refers to Mallinckrodt CB LLC, a Delaware limited liability company and a direct wholly owned subsidiary of the Issuer;
- the “Issuers” refers to the Issuer and the U.S. Co-Issuer, collectively;
- the “Exchange Offers” refer to the private offers by the Issuers, commenced on November 5, 2019, to exchange the Existing Notes for the New Notes, subject to the terms and conditions set forth in the Offering Memorandum;
- the “Consent Solicitations” refer to the solicitations of consents from the holders of each series of Existing Notes to amend the indentures governing such series of Existing Notes; subject to the terms and conditions set forth in the Offering Memorandum;
- the “Exchange Agreement” refers to that certain Exchange Agreement entered into by and among the Exchanging Holders and the Issuers, dated as of November 5, 2019;
- “Exchanging Holders” refers to Deerfield Partners, L.P., Deerfield Special Situations Fund, L.P. and Deerfield Private Design Fund IV, L.P.;
- the “Existing Notes” refers to the following series of notes issued by the Issuers: the 4.875% Senior Notes due 2020; 5.750% Senior Notes due 2022; 4.750% Senior Notes due 2023; 5.625% Senior Notes due 2023; and 5.500% Senior Notes due 2025.
- the “New Notes” refers to the 10.000% Second Lien Senior Secured Notes due 2025 to be issued by the Issuers in connection with the Exchange Offer and Exchange Agreement;
- the “Offering Memorandum” refers to the Issuers’ confidential offering memorandum and consent solicitation statement, dated November 5, 2019;
- “Early Delivery Time” means 5:00 p.m., New York City time, on November 19, 2019;
- “we,” “us,” and “our” refer to the Issuers and their respective direct and indirect subsidiaries, collectively;
- “Mallinckrodt plc” refers to Mallinckrodt plc, an Irish public limited company, excluding its subsidiaries;
- “Mallinckrodt,” “our company” and “the company” refer to Mallinckrodt plc, an Irish public limited company, and its subsidiaries;
- “Annual Report” refers to Mallinckrodt plc’s Annual Report on Form 10-K for the fiscal year ended December 28, 2018 filed on February 26, 2019;
- “Quarterly Reports” refer to Mallinckrodt plc’s Quarterly Reports on Form 10-Q for the quarterly periods ended March 29, 2019 and June 28, 2019, filed on May 7, 2019 and August 6, 2019, respectively;
- “GAAP” means accounting principles generally accepted in the U.S;
- “dollar” or “$” refer to the U.S. dollar; and
- “U.S.” means the United States.

Except as otherwise indicated, references in this Offering Memorandum to fiscal 2019, fiscal 2018, fiscal 2017 and fiscal 2016 are to Mallinckrodt plc’s fiscal years ending or ended December 27, 2019, December 28, 2018, December 29, 2017 and September 30, 2016. We historically reported our results based on a “52-53 week” year ending on the last Friday of September. During fiscal 2016, we changed our fiscal year-end to the last Friday in December from the last Friday in September. The change in fiscal year became effective for our 2017 fiscal year, which began on December 31, 2016 and ended on December 29, 2017. As a result of the change in fiscal year-end, the period from October 1, 2016 through December 30, 2016 is referred to herein as “the three months ended December 30, 2016”.

Recent Developments

Planned Spinoff of Specialty Generics Business and Subsequent Suspension of Spinoff Plans

In fiscal 2016, the Board of Directors of Mallinckrodt plc began to explore a range of strategic alternatives for the company's Specialty Generics business. Consistent with that strategy, on December 6, 2018, Mallinckrodt plc announced its plans to spin off to Mallinckrodt plc shareholders a new independent public company that would hold Mallinckrodt plc's Specialty Generics business. On August 6, 2019, based on market conditions and developments, including increasing uncertainties created by the opioid litigation (which is further described under the section captioned "Legal Proceedings" in Mallinckrodt plc's Quarterly Report on Form 10-Q for the fiscal quarter ended June 28, 2019), Mallinckrodt plc announced the suspension of its previously announced plans to spin off the Specialty Generics company. Mallinckrodt plc's long-standing goal remains to be an innovation-driven biopharmaceutical company focused on improving outcomes for underserved patients with severe and critical conditions. Accordingly, while the previously disclosed spinoff plan remains suspended, Mallinckrodt plc continues to actively consider a range of options intended to lead to the ultimate separation of the Specialty Generics business, consistent with its previously stated strategy.

Opioid Litigation Settlements

As further described under the section captioned "Legal Proceedings" in Mallinckrodt plc's Quarterly Report on Form 10-Q for the fiscal quarter ended June 28, 2019, multiple U.S. states, counties, other governmental persons or entities and private plaintiffs have filed lawsuits against certain Mallinckrodt entities, as well as various other manufacturers, distributors, pharmacies, pharmacy benefit managers, individual doctors and/or others, asserting claims relating to defendants' alleged sales, marketing, distribution, reimbursement, prescribing, dispensing and/or other practices with respect to prescription opioid medications, including certain of Mallinckrodt's products. Mallinckrodt has been engaged and as of the date of this Offering Memorandum is still engaged in settlement discussions in connection with certain of these lawsuits.

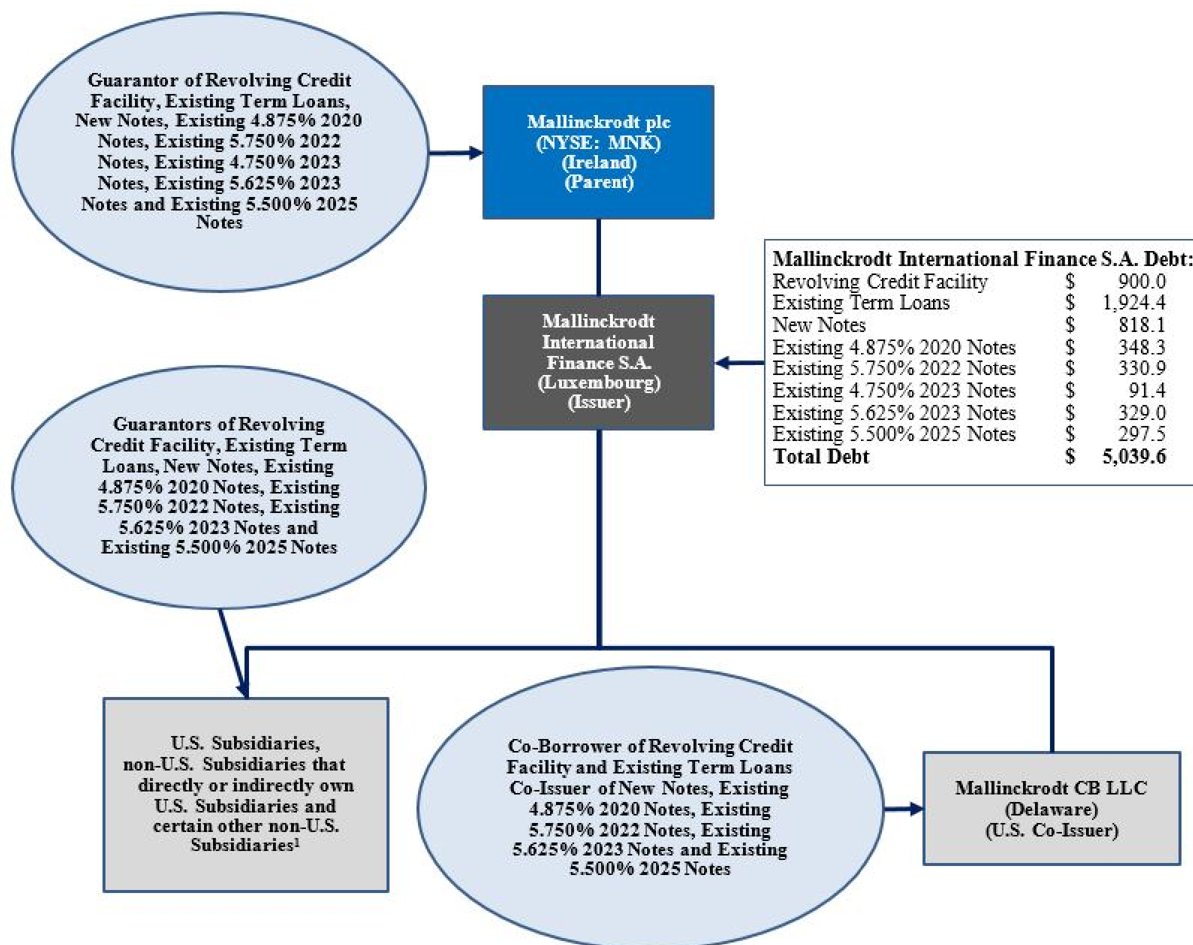
Specifically, on September 30, 2019, Mallinckrodt plc, along with its wholly owned subsidiaries Mallinckrodt LLC and SpecGx LLC, announced that it had executed a definitive settlement agreement and release (the "Settlement Agreement") with Cuyahoga and Summit Counties in Ohio in connection with lawsuits pending in multidistrict opioid litigation (MDL) in the U.S. District Court for the Northern District of Ohio: The County of Cuyahoga, et al. v. Purdue Pharma, L.P., et al., Case No. 17-OP-45004; and The County of Summit, et al. v. Purdue Pharma, L.P., et al., Case No. 18-OP-45090. As of the date of this Offering Memorandum, Mallinckrodt has been in preliminary discussions with certain plaintiffs in other pending opioid lawsuits and is likely to have further discussions and/or enter into additional discussions with other parties in connection with opioid lawsuits. Mallinckrodt may be required to pay material amounts and/or incur other material obligations as a result of any settlements that are entered into as a result of such discussions. Further, such matters or the resolution thereof, whether through judicial process or settlement or otherwise, may make it necessary or advisable for Mallinckrodt and/or one or more of its subsidiaries to seek to restructure its or their obligations in a bankruptcy proceeding. The company is exploring a wide array of such potential outcomes as part of its contingency planning, including the impact such actions could have on its business and operations. Should a bankruptcy occur, Mallinckrodt would be subject to additional risk and uncertainties that could adversely affect Mallinckrodt's business prospects and ability to continue as a going concern, as further described under "Risk Factors."

U.S. Department of Health and Human Services (HHS) and Centers for Medicare and Medicaid (CMS) Litigation

On May 21, 2019, Mallinckrodt plc announced that its subsidiary, Mallinckrodt ARD LLC, had filed suit in federal district court against the U.S. Department of Health and Human Services ("HHS") and Centers for Medicare and Medicaid Services ("CMS", and together with HHS, the "Agency") seeking to hold unlawful and set aside CMS's decision to require that Mallinckrodt plc revert to the base date average manufacturer price used to calculate Medicaid drug rebates for Acthar Gel. The court held a hearing regarding this matter on August 2, 2019 and the court took the matter under advisement. While Mallinckrodt believes that its lawsuit has strong factual and legal bases, the potential for retroactive non-recurring charges could range from zero to approximately $600.0 million. See the section captioned "Legal Proceedings" in Mallinckrodt plc's Quarterly Report on Form 10-Q for the fiscal quarter ended June 28, 2019.

ORGANIZATIONAL STRUCTURE

The following chart summarizes our corporate structure and principal amount of third-party indebtedness in millions of dollars on a pro forma basis as of the date of the Offering Memorandum after giving effect to the Exchange Offers and the Consent Solicitations and the transactions contemplated by the Exchange Agreement. The chart assumes that the holders of notes representing 50.1% of the aggregate principal amount outstanding of each series of Existing Notes validly tender such notes (and do not validly withdraw them) in each of the Exchange Offers. See "Capitalization" elsewhere in this Offering Memorandum.



(1) Certain U.S. subsidiaries are additional borrowers of the Revolving Credit Facility. A U.S. subsidiary is the issuer of approximately $10 million of 9.500% Debentures due 2022 and approximately $4 million 8.000% Debentures due 2023.

RISK FACTORS

Governmental investigations, inquiries, and regulatory actions and lawsuits brought against Mallinckrodt by government agencies and private parties with respect to the company's historical commercialization of opioids could adversely affect Mallinckrodt's business, financial condition, results of operations and cash flows.

As a result of greater public awareness of the public health issue of opioid abuse, there has been increased scrutiny of, and investigation into, the commercial practices of opioid manufacturers by state and federal agencies. Mallinckrodt, along with other opioid manufacturers, have been the subject of federal and state government investigations and enforcement actions, focused on the misuse and abuse of opioid medications in the U.S. Similar investigations may be initiated in the future.

In addition, a significant number of lawsuits have been filed against the company, other opioid manufacturers, distributors, and others in the supply chain by cities, counties, state Attorneys General and private persons seeking to hold Mallinckrodt and others accountable for opioid misuse and abuse. As of November 4, 2019, the cases we are aware of include, but are not limited to, approximately 2,313 cases filed by counties, cities, Native American tribes and/or other government-related persons or entities; approximately 205 cases filed by hospitals, health systems, unions, health and welfare funds or other third-party payers; approximately 104 cases filed by individuals and 14 cases filed by the Attorneys General for New Mexico, Kentucky, Rhode Island, Georgia, Florida, Alaska, New York, Hawaii, Nevada, South Dakota, New Hampshire, Louisiana, Illinois, and Idaho, with Idaho being the only state Attorney General to file in federal as opposed to state court. As of November 4, 2019, the Mallinckrodt defendants in these cases consist of Mallinckrodt plc and the following subsidiaries of Mallinckrodt plc: Mallinckrodt Enterprises LLC, Mallinckrodt LLC, SpecGx LLC, Mallinckrodt Brand Pharmaceuticals Inc., Mallinckrodt Inc., MNK 2011 Inc., and Mallinckrodt Enterprises Holdings, Inc. However, there can be no assurance that plaintiffs will not assert claims against additional Mallinckrodt plc subsidiaries in the future. The lawsuits assert a variety of claims, including, but not limited to, public nuisance, negligence, civil conspiracy, fraud, violations of the Racketeer Influenced and Corrupt Organizations Act ("RICO") or similar state laws, violations of state Controlled Substances Act ("CSA") or state False Claims Act, product liability, consumer fraud, unfair or deceptive trade practices, false advertising, insurance fraud, unjust enrichment and other common law and statutory claims arising from defendants' manufacturing, distribution, marketing and promotion of opioids and seek restitution, damages, injunctive and other relief and attorneys' fees and costs. The claims generally are based on alleged misrepresentations and/or omissions in connection with the sale and marketing of prescription opioid medications and/or an alleged failure to take adequate steps to prevent diversion. Other parties may file similar lawsuits against the company in the future.

As a company that first began processing opioids in the 1890s, Mallinckrodt understands the utility of these products and that they are safe and effective when taken as appropriately prescribed. The company is deeply committed to diversion control efforts, has sophisticated systems in place to identify suspicious orders, and engages in significant due diligence and ongoing monitoring of customers. While the company is vigorously defending itself in these matters, the nature and scope of these matters is unique, and current public perceptions of the public health issue of opioid abuse, together with the manner in which other defendants in those cases resolve opioid-related lawsuits and other actions, may present challenges to favorable resolution of these claims. Accordingly, it is not feasible to predict the ultimate outcome of these investigations, enforcement actions and lawsuits. The allegations against the company may negatively affect Mallinckrodt's business in various ways, including through harm to the company's reputation. Mallinckrodt will continue to incur significant legal costs in defending these matters and could in the future be required to pay significant amounts as a result of fines, penalties, settlements or judgments, potentially in excess of established accruals. The company may be unable to obtain or maintain insurance in the future on acceptable terms or with adequate coverage against potential liabilities or other losses. Any such potential liabilities or losses could also require the company to seek financing, which may not be available on terms acceptable to the company, or at all, when required. As of the date of this Offering Memorandum, Mallinckrodt has been in preliminary discussions with certain plaintiffs in pending opioid lawsuits and is likely to have further discussions and/or enter into additional discussions with other parties in connection with opioid lawsuits and/or incur other material obligations. Mallinckrodt may be required to pay material amounts and/or incur other material obligations as a result of any settlements that are entered into as a result of such discussions.

Such matters or the resolution thereof, or increase in accruals thereof, could have a material adverse effect on Mallinckrodt's business, financial condition, results of operations and cash flows. Further, such matters or the resolution thereof, whether through judicial process or settlement or otherwise, may make it necessary or advisable for Mallinckrodt and/or one or more of its subsidiaries to seek to restructure its or their obligations in a bankruptcy proceeding. The company is exploring a wide array of such potential outcomes as part of its contingency planning, including the impact such actions could have on its business and operations. Should a bankruptcy occur, the company would be subject to additional risks and uncertainties that could adversely affect Mallinckrodt's business prospects and ability to continue as a going concern, including, but not limited to by causing increased difficulty obtaining and maintaining commercial relationships on competitive terms with customers, suppliers and other counterparts; increased difficulty retaining and motivating key employees, as well as

attracting new employees; diversion of management's time and attention to dealing with bankruptcy and restructuring activities rather than focusing exclusively on business operations; incurrence of substantial costs, fees and other expenses associated with bankruptcy proceedings; and loss of ability to maintain or obtain sufficient financing sources for operations or to fund any reorganization plan and meet future obligations. Mallinckrodt would in that event also be subject to risks and uncertainties caused by the actions of creditors and other third parties who have interests that may be inconsistent with Mallinckrodt's plans.

In addition, legislative, regulatory or industry measures to address the misuse of prescription opioid medications may also affect the company's business in ways that the company is not able to predict. For example, the State of New York enacted the Opioid Stewardship Act ("OSA"), which went into effect on July 1, 2018 and established an aggregate $100 million annual assessment on sales of certain opioid medications in New York. The OSA was successfully challenged, and on December 19, 2018, the U.S. District Court for the Southern District of New York ruled that the OSA was unconstitutional and enjoined its enforcement. On January 17, 2019, the State of New York appealed this ruling. The litigation is still pending. In April 2019, the State of New York passed its 2020 budget, which amended the OSA so that if the OSA decision is reversed on appeal, the OSA would apply only to the sale or distribution of certain opioids in New York for 2017 and 2018 and, effective July 1, 2019, imposed an excise tax on certain opioids. Furthermore, other states are considering similar legislation that could require entities to pay an assessment or tax on the sale or distribution of opioid medications in those states and may vary in the assessment or tax amounts and the means of calculation from the OSA. If other state or local jurisdictions successfully enact such legislation and the company is not able to mitigate the impact on the company's business through operational changes or commercial arrangements, such legislation in the aggregate may have a material adverse effect on Mallinckrodt's business, financial condition, results of operations and cash flows. See the risk factor "Extensive laws and regulations govern the industry in which Mallinckrodt operates, and any failure to comply with such laws and regulations, including any changes to those laws and regulations may materially adversely affect the company" for more information.

Furthermore, in the current climate, stories regarding prescription drug abuse and the diversion of opioids and other controlled substances are frequently in the media. Unfavorable publicity regarding the use or misuse of opioid drugs, the limitations of abuse-deterrent formulations, the ability of drug abusers to discover previously unknown ways to abuse the company's products, public inquiries and investigations into prescription drug abuse, litigation, or regulatory activity regarding sales, marketing, distribution or storage of opioids could have a material adverse effect on Mallinckrodt's reputation and impact on the results of litigation.

Finally, various government entities, including Congress, state legislatures or other policy-making bodies have in the past and may in the future hold hearings, conduct investigations and/or issue reports calling attention to the opioid crisis, and may mention or criticize the perceived role of manufacturers, including Mallinckrodt, in the opioid crisis. Similarly, press organizations have and likely will continue to report on these issues, and such reporting may result in adverse publicity for the company, resulting in reputational harm.

Mallinckrodt previously identified a material weakness in the company's internal control over financial reporting, which has now been remediated by management. If Mallinckrodt fails to maintain an effective system of internal controls over financial reporting, Mallinckrodt may not be able to report its financial results timely and accurately, which could adversely affect the company's business or the market price of the company's ordinary shares.

As disclosed in Mallinckrodt plc's Form 10-K for the fiscal year 2018, Mallinckrodt previously identified a material weakness in the company's internal control over financial reporting related to review and approval controls over future cash flow forecasts used to develop certain management estimates, including those related to goodwill and other intangible assets. This control deficiency did not result in a material misstatement of the company's current or prior period consolidated financial statements. As described in Mallinckrodt plc's Form 10-Q for the fiscal quarter ended June 28, 2019, during the three months ended March 29, 2019, management of Mallinckrodt, under the oversight of the Mallinckrodt executive leadership team and those charged with governance, completed the remedial actions below to improve the company's internal control over financial reporting and remediated the design of the material weakness:

- Continued to emphasize the importance of, and monitor the sustained compliance with, the execution of our internal controls over financial reporting through, among other activities, numerous meetings and trainings.
- Enhanced, and will continue to enhance, the design of internal controls governing oversight and evaluation of future cash flow forecasts used to develop certain management estimates, including those related to goodwill and other intangible assets.
- Tested the design effectiveness of the enhanced internal controls by performing them to re-evaluate the appropriateness, and test the accuracy, of information used to develop future cash flow forecasts in 2018.
- Concluded the enhanced controls were designed effectively and developed a plan to implement them to support future cash flow forecasts in 2019.

Although Mallinckrodt has remediated this material weakness in its internal controls over financial reporting, any failure to maintain effective internal control over financial reporting or disclosure controls and procedures could adversely affect the company's ability to record, process and report financial information accurately, and to prepare financial statements within required time periods, which could subject Mallinckrodt to litigation or investigations requiring management resources and payment of legal and other expenses and could result in negative publicity or other negative actions that could harm investor confidence in the company's financial statements. If any or all of these events occur, it could have a material adverse effect on Mallinckrodt's business, financial condition, results of operations and cash flows or adversely affect the market price of the company's ordinary shares.

Sales of Mallinckrodt's products are affected by, and the company may be negatively impacted by any changes to, the reimbursement practices of governmental health administration authorities, private health coverage insurers and other third-party payers. In addition, reimbursement criteria or policies and the use of tender systems outside the U.S. could reduce prices for the company's products or reduce the company's market opportunities.

Sales of Mallinckrodt's products depend, in part, on the extent to which the costs of the company's products are reimbursed by governmental health administration authorities, private health coverage insurers and other third-party payers. The ability of patients to obtain appropriate reimbursement for products and services from these third-party payers affects the selection of products they purchase and the prices they are willing to pay. In the U.S., there have been, and the company expects there will continue to be, a number of state and federal proposals that limit the amount that third-party payers may pay to reimburse the cost of drugs, for example with respect to Acthar Gel. The company believes the increasing emphasis on managed care in the U.S. has and will continue to put pressure on the usage and reimbursement of Acthar Gel. Mallinckrodt's ability to commercialize the company's products depends, in part, on the extent to which reimbursement for the costs of these products is available from government healthcare programs, such as Medicaid and Medicare, private health insurers and others. The company cannot be certain that, over time, third-party reimbursements for the company's products will be adequate for Mallinckrodt to maintain price levels sufficient for realization of an appropriate return on the company's investment.

Reimbursement of highly-specialized products, such as Acthar Gel, is typically reviewed and approved or denied on a patient-by-patient, case-by-case basis, after careful review of details regarding a patient's health and treatment history that is provided to the insurance carriers through a prior authorization submission, and appeal submission, if applicable. During this case-by-case review, the reviewer may refer to coverage guidelines issued by that carrier. These coverage guidelines are subject to on-going review by insurance carriers. Because of the large number of carriers, there are a large number of guideline updates issued each year.

Furthermore, demand for new products may be limited unless Mallinckrodt obtains reimbursement approval from governmental and private third-party payers prior to introduction. Reimbursement criteria, which vary by country, are becoming increasingly stringent and require management expertise and significant attention to obtain and maintain qualification for reimbursement.

In addition, a number of markets in which Mallinckrodt operates have implemented or may implement tender systems in an effort to lower prices. Under such tender systems, manufacturers submit bids which establish prices for products. The company that wins the tender receives preferential reimbursement for a period of time. Accordingly, the tender system often results in companies underbidding one another by proposing low pricing in order to win the tender. Certain other countries may consider implementation of a tender system. Even if a tender system is ultimately not implemented, the anticipation of such could result in price reductions. Failing to win tenders, or the implementation of similar systems in other markets leading to price declines, could have a material adverse effect on Mallinckrodt's competitive position, business, financial condition, results of operations and cash flows.

Mallinckrodt is unable to predict what additional legislation or regulation or changes in third-party coverage and reimbursement policies may be enacted or issued in the future or what effect such legislation, regulation and policy changes would have on the company's business. In May 2019, CMS issued a decision requiring that Mallinckrodt revert to the base date average manufacturer price used to calculate Medicaid drug rebates for Acthar Gel. Mallinckrodt subsequently filed suit in federal district court against the Agency seeking to hold unlawful and set aside this decision. Mallinckrodt plans to vigorously defend its position. If Mallinckrodt is unsuccessful in its efforts to set aside CMS's decision, Medicaid net sales of Acthar Gel could be substantially eliminated and Mallinckrodt's efforts to continue building on its investment in non-sales and marketing activities to modernize Acthar Gel could be significantly undermined.

Mallinckrodt may be unable to protect the company's intellectual property rights, intellectual property rights may be limited or the company may be subject to claims that the company infringes on the intellectual property rights of others.

Mallinckrodt relies on a combination of patents, trademarks, trade secrets, proprietary know-how, market exclusivity gained from the regulatory approval process and other intellectual property to support the company's business strategy, most notably in relation to Acthar Gel, Ofirmev® (acetaminophen) injection ("Ofirmev"), Inomax® (nitric oxide) gas, for inhalation ("Inomax"), Therakos® photopheresis ("Therakos") and Amitiza products. However, Mallinckrodt's efforts to protect the company's intellectual property rights may not be sufficient. If Mallinckrodt does not obtain sufficient protection for the company's intellectual property, or if Mallinckrodt is unable to effectively enforce the company's intellectual property rights, or if there is a change in the way courts and regulators interpret the laws, rules and regulations applicable to the company's intellectual property, Mallinckrodt's competitiveness could be impacted, which could adversely affect the company's competitive position, business, financial condition, results of operations and cash flows.

The composition patent for Acthar Gel has expired and the company has no patent-based market exclusivity with respect to any indication or condition the company might target. Mallinckrodt relies on trade secrets and proprietary know-how to protect the commercial viability and value of Acthar Gel. The company currently obtains such protection, in part, through confidentiality and proprietary information agreements. These agreements may not provide meaningful protection or adequate remedies for proprietary technology in the event of unauthorized use or disclosure of confidential and proprietary information. The parties may not comply with or may breach these agreements. Furthermore, Mallinckrodt's trade secrets may otherwise become known to, or be independently developed by, competitors.

Certain patents related to the use of therapeutic nitric oxide for treating or preventing bronchoconstriction or reversible pulmonary vasoconstriction expired in 2013. Prior to their expiration, Mallinckrodt depended, in part, upon these patents to provide the company with exclusive marketing rights for the company's product for some period of time. Since then, the company has obtained additional patents, which expire at various dates through 2036, including patents on methods of identifying patients at risk of serious adverse events when nitric oxide is administered to patients with particular heart conditions. Such methods have been approved by the FDA for inclusion in the Warnings and Precautions sections of the Inomax label. Other patents are on inhaled nitric oxide gas delivery systems as well as methods of using such systems, and on use of nitric oxide gas sensors. The Paragraph IV patent litigation trial against Praxair Distribution, Inc. and Praxair, Inc. (collectively "Praxair") to prevent the marketing of its potential infringing nitric oxide drug product delivery system prior to the expiration of the patents covering Inomax was held in March 2017 and a decision was rendered September 5, 2017 that ruled five patents invalid and six patents not infringed. Mallinckrodt appealed the decision to the Court of Appeals for the Federal Circuit, which upheld the lower court's decision on August 27, 2019. Mallinckrodt filed a petition for en banc review at the Federal Circuit on September 26, 2019. While Praxair received FDA approval of their Abbreviated New Drug Application ("ANDA") for their Noxivent nitric oxide and clearance of their 510(k) for their NOxBOXi device on October 2, 2018, the Noxivent product received an AA-rating and the Noxivent label states that Noxivent must be delivered using the NOxBOXi device. The Court of Appeals' decision with respect to the Praxair litigation ultimately could result in the launch of a competitive nitric oxide product before the expiration of the last of the patents listed in the FDA Orange Book, which could adversely affect the company's ability to successfully maximize the value of Inomax and have an adverse effect on the company's competitive position, business, financial condition, results of operations and cash flows.

The active ingredient in Ofirmev is acetaminophen. Patent protection is not available for the acetaminophen molecule itself in the territories licensed to Mallinckrodt, which include the U.S. and Canada. As a result, competitors who obtain the requisite regulatory approval can offer products with the same active ingredient as Ofirmev so long as the competitors do not infringe any process or formulation patents that the company has in-licensed from Bristol-Myers Squibb and its licensor, New Pharmatop LLC and any method-of-use patents that the company subsequently obtained. The latest expiration date of the in-licensed patents is 2021 whereas the latest expiration date of the subsequently obtained Company-owned patents is 2032. Settlement agreements have been reached in association with certain challenges to the in-licensed patents, which allow for generic competition to Ofirmev in December 2020, or earlier under certain circumstances.

Mallinckrodt's Therakos products focus on extracorporeal photopheresis, which is an autologous immune cell therapy that is indicated in the U.S. for skin manifestations of cutaneous T-cell lymphoma ("CTCL") and is available for several additional indications in markets outside the U.S. In the extracorporeal photopheresis ("ECP") process, blood is drawn from the patient, separating white blood cells from plasma and red blood cells (which are immediately returned to the patient). The separated white blood cells are treated with an Ultraviolet-A ("UVA") light activated drug, UVADEX®, followed by UVA radiation in the photopheresis instrument, prior to being returned to the patient. Patents related to the methoxsalen composition have expired. Therakos historically manufactured two photopheresis systems, the CELLEX® Photopheresis System ("CELLEX"), which is the only FDA-approved closed ECP system, and the UVAR XTS® Photopheresis System ("UVAR XTS"). While the company no longer manufactures the UVAR XTS system, disposable, sterile kits are still supplied to customers for each of the systems. The kits are single use and discarded after a treatment. Certain key patents related to the UVAR XTS system, disposable kit and overall photopheresis method expire in 2020. Key patents related to the CELLEX system, disposable kit and overall

photopheresis method expire in 2023. The company continues to pursue additional patentable enhancements to the Therakos ECP system. Patent applications were filed in 2016 relating to improvements to the CELLEX system, disposable kit and overall photopheresis method, that, if approved, may offer patent protection through approximately 2036.

Mallinckrodt's pending patent applications may not result in the issuance of patents, or the patents issued to or licensed by the company in the past or in the future may be challenged or circumvented by competitors. Existing patents may be found to be invalid or insufficiently broad to preclude the company's competitors from using methods or making or selling products similar or identical to those covered by the company's patents and patent applications. Regulatory agencies may refuse to grant Mallinckrodt the market exclusivity that the company was anticipating, or may unexpectedly grant market exclusivity rights to other parties. In addition, the company's ability to obtain and enforce intellectual property rights is limited by the unique laws of each country. In some countries it may be particularly difficult to adequately obtain or enforce intellectual property rights, which could make it easier for competitors to capture market share in such countries by utilizing technologies and product features that are similar or identical to those developed or licensed by Mallinckrodt. Competitors also may harm the company's sales by designing products that mirror the capabilities of the company's products or technology without infringing the company's patents, including by coupling separate technologies to replicate what the company's products accomplish through a single system. Competitors may diminish the value of the company's trade secrets by reverse engineering or by independent invention. Additionally, current or former employees may improperly disclose such trade secrets to competitors or other third parties. Mallinckrodt may not become aware of any such improper disclosure, and, in the event the company does become aware, Mallinckrodt may not have an adequate remedy available to the company.

Mallinckrodt operates in an industry characterized by extensive patent litigation, and the company may from time to time be a party to such litigation.

The pursuit of or defense against patent infringement is costly and time-consuming and the company may not know the outcomes of such litigation for protracted periods of time. Mallinckrodt may be unsuccessful in the company's efforts to enforce the company's patent or other intellectual property rights. In addition, patent litigation can result in significant damage awards, including the possibility of treble damages and injunctions. Additionally, the company could be forced to stop manufacturing and selling certain products, or the company may need to enter into license agreements that require Mallinckrodt to make significant royalty or up-front payments in order to continue selling the affected products. Given the nature of the company's industry, the company is likely to face additional claims of patent infringement in the future. A successful claim of patent or other intellectual property infringement against Mallinckrodt could have a material adverse effect on the company's competitive position, business, financial condition, results of operations and cash flows.

The healthcare industry has been under increasing scrutiny from governments, legislative bodies and enforcement agencies related to sales, marketing and pricing practices, and changes to, or non-compliance with, relevant policies, laws, regulations or government guidance may result in actions that could adversely affect Mallinckrodt's business.

In the U.S. over the past several years, a significant number of pharmaceutical and biotechnology companies have been subject to inquiries and investigations by various federal and state regulatory, investigative, prosecutorial and administrative entities in connection with the promotion of products for unapproved uses and other sales, marketing and pricing practices, including the U.S. Department of Justice ("DOJ") and various other agencies including the Office of the Inspector General within the Department of Health and Human Services, the FDA, the Federal Trade Commission and various state Attorneys General offices. These investigations have alleged violations of various federal and state laws and regulations, including claims asserting antitrust violations, violations of the U.S. Federal Food, Drug and Cosmetic Act ("FFDCA"), the False Claims Act, the Prescription Drug Marketing Act, anti-kickback laws, data and patient privacy laws, export and import laws, consumer protection laws and other alleged violations in connection with the promotion of products for unapproved uses, pricing and Medicare and/or Medicaid reimbursement. The DOJ and the SEC have also increased their focus on the enforcement of the Foreign Corrupt Practices Act of 1977 ("FCPA"), particularly as it relates to the conduct of pharmaceutical companies.

Many of these investigations originate as "qui tam" actions under the False Claims Act. Under the False Claims Act, any individual can bring a claim on behalf of the government alleging that a person or entity has presented a false claim, or caused a false claim to be submitted, to the government for payment. The person bringing a "qui tam" suit is entitled to a share of any recovery or settlement. Qui tam suits, also commonly referred to as "whistleblower suits," are often brought by current or former employees. In a qui tam suit, the government must decide whether to intervene and prosecute the case. If the government declines to intervene and prosecute the case, the individual may pursue the case alone. If the FDA or any other governmental agency initiates an enforcement action against Mallinckrodt or if the company is the subject of a qui tam suit and it is determined that the company violated prohibitions relating to the promotion of products for unapproved uses in connection with past or future activities, the company could be subject to substantial civil or criminal fines or damage awards and other sanctions such as the possible exclusion from federal healthcare programs including Medicare and Medicaid, consent decrees and corporate integrity agreements pursuant to which the company's activities would be subject to ongoing scrutiny and

monitoring to ensure compliance with applicable laws and regulations. Any such fines, awards or other sanctions could have an adverse effect on Mallinckrodt's competitive position, business, financial condition, results of operations and cash flows.

Specific to Mallinckrodt's business, in September 2012, prior to the company's acquisition of Questcor Pharmaceuticals, Inc. ("Questcor") in August 2014, a subpoena was received from the U.S. Attorney's Office ("USAO") for the Eastern District of Pennsylvania, requesting documents pertaining to an investigation of its promotional practices. On or about March 8, 2019, the U.S. District Court for the Eastern District of Pennsylvania unsealed two qui tam actions involving the allegations under investigation by the USAO for the Eastern District of Pennsylvania. The DOJ intervened in both actions, which have since been consolidated. In September 2019, Mallinckrodt executed a settlement agreement to resolve the portion of the investigation and the litigation involving promotional practices for $15.4 million. If any of Mallinckrodt's current practices related to the legacy Questcor business are found to be unlawful, the company will have to change those practices, which could have a material adverse effect on the company's business, financial condition and results of operations. Further, if as a result of this investigation or litigation the company is found to have violated one or more applicable laws, the company could be subject to a variety of fines, penalties, and related administrative sanctions, and Mallinckrodt's business, financial condition, results of operations and cash flows could be materially adversely affected.

In addition, there has recently been enhanced scrutiny of company-sponsored patient assistance programs, including insurance premium and co-pay assistance programs and donations to third-party charities that provide such assistance. If the company is deemed to have failed to comply with relevant laws, regulations or government guidance in any of these areas, the company could be subject to criminal and civil sanctions, including significant fines, civil monetary penalties and exclusion from participation in government healthcare programs, including Medicare and Medicaid, actions against executives overseeing the company's business, and burdensome remediation measures. As discussed above, the USAO for the Eastern District of Pennsylvania is investigating this issue and the U.S. District Court for the Eastern District of Pennsylvania has unsealed two qui tam actions involving the allegations that are the subject of this investigation. In addition, in December 2016, the company received a subpoena from the USAO for the District of Massachusetts requesting documents related to the company's support of 501(c)(3) organizations that provide financial assistance to patients and documents concerning the company's provision of financial assistance to patients prescribed Acthar Gel. Other companies have disclosed similar inquiries. The company is cooperating with this inquiry. It is possible that any actions taken by the DOJ or one of the USAOs as a result of this inquiry or any future action taken by federal or local governments, legislative bodies and enforcement agencies on this subject could result in civil penalties or injunctive relief, negative publicity or other negative actions that could harm Mallinckrodt's reputation, and could reduce demand for the company's products and/or reduce coverage of the company's products, including by federal healthcare programs such as Medicare and Medicaid and state health care, which would negatively impact sales of the company's products. If any or all of these events occur, it could have an adverse effect on Mallinckrodt's business, financial condition, results of operations and cash flows.

The DEA regulates the availability of controlled substances, including API, drug products under development and marketed drug products. At times, the procurement and manufacturing quotas granted by the DEA may be insufficient to meet Mallinckrodt's needs.

The DEA is the U.S. federal agency responsible for domestic enforcement of the CSA. The CSA classifies drugs and other substances based on identified potential for abuse. Schedule I controlled substances, such as heroin and LSD, have a high abuse potential and have no currently accepted medical use; thus, they cannot be lawfully marketed or sold. Schedule II controlled substances include molecules such as oxycodone, oxymorphone, morphine, fentanyl, and hydrocodone. The manufacture, storage, distribution and sale of these controlled substances are permitted, but highly regulated. The DEA regulates the availability of API, products under development and marketed drug products that are in the Schedule II category by setting annual quotas. Every year, the company must apply to the DEA for manufacturing quota to manufacture API and procurement quota to manufacture finished dosage products. Given that the DEA has discretion to grant or deny the company's manufacturing and procurement quota requests, the quota the DEA grants may be insufficient to meet Mallinckrodt's needs. In 2018, manufacturing and procurement quotas granted by the DEA were sufficient to meet the company's sales and inventory requirements on most products. In November 2017, the DEA reduced the amount of almost every Schedule II opiate and opioid medication that may be manufactured in the U.S. in 2018 by 20% and could take similar actions in the future. In December 2018, the DEA reduced the amount of the six most frequently misused opioids that may be manufactured in the U.S. in calendar year 2019 by an average of 10% as compared to the 2018 amount. On September 13, 2019, the DEA proposed that benzylfentanyl and 4-anilinopiperidine be controlled as list I chemicals under the CSA. On September 17, 2019, the DEA proposed to designate norfentanyl as an immediate precursor (i.e., a substance from which another is formed) for fentanyl and to make it a Schedule II controlled substance under the CSA. The DEA could take similar actions in the future. Future delay or refusal by the DEA to grant, in whole or in part, the company's quota requests could delay or result in stopping the manufacture of the company's marketed drug products, new product launches or the conduct of bioequivalence studies and clinical trials. Such delay or refusal also could require Mallinckrodt to allocate marketed drug products among the company's customers.

These factors, along with any delay or refusal by the DEA to provide customers who purchase API from the company with sufficient quota, could have a material adverse effect on Mallinckrodt's competitive position, business, financial condition, results of operations and cash flows.

Mallinckrodt's reporting and payment obligations under the Medicare and Medicaid rebate programs, and other governmental purchasing and rebate programs, are complex. Any determination of failure to comply with these obligations or those relating to healthcare fraud and abuse laws could have a material adverse effect on the company's business.

The regulations regarding reporting and payment obligations with respect to Medicare and Medicaid reimbursement programs, and rebates and other governmental programs, are complex. Because Mallinckrodt's processes for these calculations and the judgments used in making these calculations involve subjective decisions and complex methodologies, these accruals may have a higher inherent risk for material changes in estimates. In addition, they are subject to review and challenge by the applicable governmental agencies, and it is possible that such reviews could result in material adjustments to amounts previously paid. See "Sales of Mallinckrodt's products are affected by, and the company may be negatively impacted by any changes to, the reimbursement practices of governmental health administration authorities, private health coverage insurers and other third-party payers. In addition, reimbursement criteria or policies and the use of tender systems outside the U.S. could reduce prices for the company's products or reduce the company's market opportunities."

Any governmental agencies that have commenced, or may commence, an investigation of Mallinckrodt relating to the sales, marketing, pricing, quality or manufacturing of pharmaceutical products could seek to impose, based on a claim of violation of fraud and false claims laws or otherwise, civil and/or criminal sanctions, including fines, penalties and possible exclusion from federal healthcare programs including Medicare and Medicaid. Some of the applicable laws may impose liability even in the absence of specific intent to defraud. Furthermore, should there be ambiguity with regard to how to properly calculate and report payments, and even in the absence of any such ambiguity, a governmental authority may take a position contrary to a position the company has taken, and may impose civil and/or criminal sanctions. For example, from time to time, state attorneys general have brought cases against the company that allege generally that the company and numerous other pharmaceutical companies reported false pricing information in connection with certain drugs that are reimbursable under Medicaid, resulting in overpayment by state Medicaid programs for those drugs, and generally seek monetary damages and attorneys' fees. Any such penalties or sanctions that the company might become subject to in this or other actions could have a material adverse effect on Mallinckrodt's competitive position, business, financial condition, results of operations and cash flows.

The terms of the agreements that govern Mallinckrodt's indebtedness restrict Mallinckrodt's current and future operations, particularly the company's ability to respond to changes or to pursue the company's business strategies.

The agreements that govern the terms of Mallinckrodt's indebtedness contain (and the indentures governing the New Notes will contain) a number of restrictive covenants that impose significant operating and financial restrictions on the company and may limit the company's ability to engage in acts that may be in Mallinckrodt's long-term best interest, including limitations or restrictions on the company's ability to:

- incur, assume or guarantee additional indebtedness;
- declare or pay dividends, make other distributions with respect to equity interests, or purchase or otherwise acquire or retire equity interests;
- make any principal payment on, or redeem or repurchase, subordinated debt;
- make loans, advances or other investments;
- sell or otherwise dispose of assets, including capital stock of subsidiaries;
- incur liens;
- enter into transactions with affiliates;
- enter into sale and lease-back transactions; and
- consolidate or merge with or into, or sell all or substantially all of Mallinckrodt's assets to, another person or entity.

In addition, the restrictive covenants in the Existing Senior Secured Credit Facilities require Mallinckrodt to comply with a financial maintenance covenant in certain circumstances. Mallinckrodt's ability to satisfy this financial maintenance covenant

can be affected by events beyond the company's control and the company cannot assure you that Mallinckrodt will be able to comply.

A breach of the covenants under the agreements that govern the terms of any of Mallinckrodt's indebtedness could result in an event of default under the applicable indebtedness. Such default may allow the creditors to accelerate the related debt and may result in the acceleration of any other debt to which a cross-acceleration or cross-default provision applies. In addition, an event of default under the Existing Senior Secured Credit Facilities would permit the lenders under such facilities to terminate all commitments to extend further credit thereunder. Furthermore, if Mallinckrodt is unable to repay the amounts due and payable under the Existing Senior Secured Credit Facilities or the New Notes, those lenders or investors will be able to proceed against the collateral granted to them to secure that indebtedness. If Mallinckrodt's debtholders accelerate the repayment of the company's borrowings, the company may not have sufficient assets to repay that indebtedness.

As a result of these restrictions, Mallinckrodt may be:

- limited in how Mallinckrodt conducts the company's business;
- unable to raise additional debt or equity financing to operate during general economic or business downturns; or
- unable to compete effectively, execute the company's growth strategy or take advantage of new business opportunities.

These restrictions may affect Mallinckrodt's ability to grow in accordance with the company's plans.

If the conditions to the Exchange Offers are not met, the Exchange Offers may not be completed, in which case the Issuers' liquidity may be limited and the Issuers may be unable to pay principal and interest on the Existing Notes when due.

Consummation of each Exchange Offer is subject to the satisfaction or waiver of a number of conditions. Each of the Issuers and Mallinckrodt is highly leveraged. In the event that the Exchange Offers and the transactions contemplated by the Exchange Agreement are not completed, the Issuers and Mallinckrodt will remain highly leveraged, which may result in the inability to pay principal and interest on the Existing Notes when due, which may result in you not realizing a full recovery on your investment in the Existing Notes, or an event of default under the terms of the Existing Notes, which may lead to acceleration of our other indebtedness by the holders thereof.

If the proposed amendments to the indentures governing the Existing Notes become operative, the future subsidiaries of Mallinckrodt plc will not be required to guarantee the Existing Notes and such future subsidiaries may incur significant indebtedness, and the Issuers and the existing subsidiary guarantors of the Existing Notes may make investments in or transfer assets to such non-guarantor subsidiaries.

The proposed amendments to the indentures governing the Existing Notes would eliminate the requirement that any of Mallinckrodt plc's future subsidiaries become guarantors of the Existing Notes. As a result, the Existing Notes will be structurally subordinated to any indebtedness of any such future subsidiaries of Mallinckrodt plc, including, as applicable, the New Notes. The indentures governing the Notes (as amended by the proposed amendments) will not limit the transfer of assets to, or investments in, any such non-guarantor subsidiaries. There can be no assurance that the Issuers and the subsidiary guarantors of the Existing Notes will not transfer significant amounts of assets to, or make significant investments in, such non-guarantor subsidiaries, or any other persons.

We will incur significant costs in conducting the Exchange Offers and Consent Solicitations.

The Exchange Offers and Consent Solicitations have resulted, and will continue to result, in significant costs to us, including advisory and professional fees paid in connection with evaluating our alternatives under the Existing Notes and pursuing the Exchange Offers and Consent Solicitations.

USE OF PROCEEDS

The Issuers will not receive any cash proceeds from the Exchange Offers. The Existing Notes tendered to and accepted by the Issuers in connection with the terms and conditions of the Exchange Offers will be concurrently retired and cancelled and will not be reissued.

CAPITALIZATION

The following table sets forth Mallinckrodt's debt capitalization as of the date of the Offering Memorandum (i) on an actual basis, (ii) pro forma for the consummation of the Exchange Offers (assuming 50.1% participation in each of the Exchange Offers prior to the Early Delivery Time) and the consummation of the transactions contemplated by the Exchange Agreement, and (iii) pro forma for the consummation of the Exchange Offers (assuming 100% participation in each of the Exchange Offers prior to the Early Delivery Time) and the consummation of the transactions contemplated by the Exchange Agreement. The information in this table should be read in conjunction with the consolidated financial statements and the related notes contained in the Annual Report and the Quarterly Reports, incorporated by reference in this Offering Memorandum.

	As of the date of this Offering Memorandum Actual	Pro Forma for Exchange Offers (50.1%)(1)	Pro Forma for Exchange Offers (100%)
	(in millions)	(in millions)	(in millions)
Debt (Aggregate Principal):			
Existing Senior Secured Credit Facilities			
Revolving Credit Facility	$900.0	$900.0	$900.0
Existing Term Loans	1,924.4	1,924.4	1,924.4
New Notes offered pursuant to the Exchange Offers	—	818.1	1,118.3
Existing 4.875% 2020 Notes	698.0	348.3	—
Existing 5.750% 2022 Notes	663.2	330.9	358.9
Existing 4.750% 2023 Notes	350.1	91.4	91.4
Existing 5.625% 2023 Notes	659.4	329.0	303.5
Existing 5.500% 2025 Notes	596.1	297.5	282.0
Other Mallinckrodt debt(2)	14.8	14.8	14.8
Variable-rate receivables securitization	—	—	—
Total debt	$5,806.0	$5,054.4	$4,993.3

Note: Debt amounts presented are face values and do not deduct unamortized discount or debt issuance costs.

(1) Assumes all principal of Exchanging Holders is tendered and accepted, plus additional tenders if necessary to reach 50.1% participation for each series.

(2) Includes approximately $10 million of 9.500% Debentures due 2022 and approximately $4 million 8.000% Debentures due 2023.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Statements in this Offering Memorandum that are not strictly historical, including statements regarding future financial condition and operating results, economic, business, competitive and/or regulatory factors affecting Mallinckrodt's businesses, plans for the Specialty Generics business (including the suspension of the previously announced plans to spin off that business), 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: general economic conditions and conditions affecting the industries in which Mallinckrodt operates; the commercial success of Mallinckrodt's products; conditions that could necessitate an evaluation of Mallinckrodt's intangible assets for possible impairment; changes in laws and regulations; Mallinckrodt's ability to successfully integrate acquisitions of operations, technology, products and businesses generally and to realize anticipated growth, synergies and cost savings; Mallinckrodt's and Mallinckrodt's licensers' ability to successfully develop or commercialize new products; Mallinckrodt's and Mallinckrodt's licensers' ability to protect intellectual property rights; Mallinckrodt's ability to receive procurement and production quotas granted by the U.S. Drug Enforcement Administration ("DEA"); customer concentration; Mallinckrodt's reliance on certain individual products that are material to its financial performance; cost containment efforts of customers, purchasing groups, third-party payers and governmental organizations; the reimbursement practices of a small number of public or private insurers; 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; limited clinical trial data for Acthar® Gel (repository corticotropin injection) ("Acthar Gel"); complex reporting and payment obligations under healthcare rebate programs; Mallinckrodt's ability to navigate price fluctuations; future changes to U.S. and foreign tax laws; Mallinckrodt's ability to achieve expected benefits from restructuring activities; complex manufacturing processes; competition; product liability losses and other litigation liability; ongoing governmental investigations; material health, safety and environmental liabilities; retention of key personnel; conducting business internationally; the effectiveness of information technology infrastructure; cybersecurity and data leakage risks; Mallinckrodt's substantial indebtedness and its ability to generate sufficient cash to reduce its indebtedness; actions, including any future actions, taken with respect to the Specialty Generics business; and Mallinckrodt's ability to complete the Exchange Offers, the Consent Solicitations and the transactions contemplated by the Exchange Agreement, including the expected timing of completion of the Exchange Offers and receipt of requisite consents in the Consent Solicitations.

These and other factors are identified and described in more detail in the "Risk Factors" section of this Offering Memorandum. The forward-looking statements made herein speak only as of the date hereof. Neither Mallinckrodt plc nor the Issuers 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.