



October 12, 2020

Dear Valued Customer,

I hope this message finds you, your families and your colleagues safe and healthy. Today we announced important actions we are taking to strengthen our company's financial position and resolve a range of legal liabilities, enabling us to focus on achieving our long-term strategic plans.

We have entered into several key agreements, including:

- A **restructuring support agreement** with key creditors and litigation parties outlining the terms of a financial restructuring designed to strengthen our balance sheet, significantly reduce our debt and improve our financial position, allowing us to continue driving our strategic priorities and investing in our business to develop and commercialize therapies to improve health outcomes for patients;
- An agreement in principle on an **amended proposed opioid settlement** that would resolve opioid-related claims against Mallinckrodt and its subsidiaries; and
- An agreement in principle with certain governmental parties to **resolve various Acthar® Gel-related matters**, including the CMS Medicaid rebate dispute.

To implement these agreements in a fair, orderly, efficient and legally binding manner, we have voluntarily initiated Chapter 11 reorganization proceedings under the U.S. Bankruptcy Code. The entities that are part of this court-supervised process include our parent company, Mallinckrodt plc, substantially all of our U.S. subsidiaries, including our Specialty Generics and Specialty Brands entities, and certain of our international subsidiaries.

We have worked diligently over the last several months to achieve a comprehensive resolution to the uncertainties facing our business. We are now on a clear path to eliminating legal uncertainties, maximizing value, strengthening our balance sheet and moving ahead with our long-term goal to become a leader in generic pharmaceuticals and active pharmaceutical ingredients.

Here are the most important things to keep in mind as we move forward:

- There is **no change to how we work with you. All of our businesses, including Specialty Generics, are expected to continue operating normally.** We intend to continue supporting you and providing products and services as we do today, and we do not anticipate any changes to how we manufacture or deliver products or fulfill orders.
- **We remain committed to ensuring that patients have uninterrupted access to all our medicines.** We have significant cash on hand and our businesses continue to generate strong cash flows so we can continue executing on our business strategy and meet our go-forward business obligations.
- By continuing to build on our relationship with you, we can achieve our mutual goal of **improving the lives of patients by manufacturing and delivering high-quality generics medications and active pharmaceutical ingredients with outstanding service and integrity.**

Looking ahead, separating the Specialty Generics and Specialty Brands businesses remains a goal. We will continue to evaluate strategic options for the Specialty Generics business at an appropriate time and when market conditions are favorable.

Keeping You Informed

We intend to move through this restructuring process as quickly as possible and will continue to keep you informed as we make progress. Importantly, we are entering this process with broad support from key creditors and litigation parties, which we expect will enable us to proceed in an organized, efficient and orderly manner.



You can find additional information, including a fact sheet and FAQs to help answer any questions you may have, on our restructuring website at www.advancingmnk.com. If you have questions, please reach out to your normal company contact.

As always, we value our relationship with you and your organization and we look forward to continuing our partnership well into the future. Thank you for your continued support.

Sincerely,

Spiro Gavaris
President, Mallinckrodt Specialty Generics