October 12, 2020

Dear Valued Business Partner,

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:

- All of our businesses, including Specialty Generics, are operating as normal. Our primary focus remains providing patient access to quality medicine in complex markets and improving the lives of patients with high-quality generics medications and active pharmaceutical ingredients.
- We are continuing to work with you as we have been and expect to pay you in full under agreed terms for goods received and services rendered on or after the filing date.
- We expect to have access to more than $650 million in cash on hand and our businesses are continuing to generate strong cash flows. This is expected to provide ample liquidity for us to continue executing on our business strategy and to meet our go-forward business obligations as we move through this process.
- We appreciate your cooperation so we can achieve our mutual goal of delivering better health outcomes for patients.

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. Alternatively, please call the Company toll-free in the U.S. at +1-833-954-2209 or +1-314-654-3008 for international calls, or email the Company at Supplier.Inquiry@mnk.com.

Court filings and other information related to the court-supervised process are available on a separate website administered by our claims agent, Prime Clerk, at http://restructuring.primeclerk.com/Mallinckrodt; by calling Prime Clerk representatives toll-free in the U.S. and Canada at 877-467-1570 or 347-817-4093 for international calls; or by emailing Prime Clerk at MallinckrodtInfo@primeclerk.com.

We value our relationship with you and look forward to continuing our partnership well into the future. Thank you for your continued support.

Sincerely,

Spiro Gavasis
President, Mallinckrodt Specialty Generics