



Careismatic Brands, LLC Takes Strategic Action to Strengthen its Financial Foundation and Position the Business for Long-Term Growth

Enters into Restructuring Support Agreement to fully deleverage balance sheet and eliminate \$833 million of prepetition debt

Files voluntary petitions for Chapter 11 protection with the strong support of key financial stakeholders

Access to \$125 million in new money DIP financing to support continued delivery of industry leading portfolio of products to customers without interruption

SANTA MONICA, Calif., January 22, 2024 — Careismatic Brands, LLC (“CBI” or “the Company”), the world’s largest medical apparel provider, today announced that it has commenced a financial restructuring process and has entered into a Restructuring Support Agreement (“RSA”) with its equity sponsor and an ad hoc group representing approximately 76% of its first lien lenders and 70% of its second lien lenders that will strengthen its balance sheet and position the business for the future. To effectuate the transactions and with the support of key financial stakeholders, CBI has filed voluntary petitions for Chapter 11 relief in the United States Bankruptcy Court for the District of New Jersey (the “Court”). Through the Chapter 11 process, CBI will reset its financial foundation by eliminating \$833 million of prepetition debt and substantially reducing the Company’s interest expense burden, enabling it to advance its ongoing transformation efforts and better serve its customers at the highest levels.

“Today’s announcement is an important step forward that will enable us to continue to execute key strategic initiatives and achieve long-term profitable growth,” said Sid Lakhani, CEO of CBI. “With a significantly stronger financial foundation, we will be better positioned to advance our leadership in the healthcare apparel industry as we serve the community of care well into the future. We remain laser-focused on leveraging our expansive portfolio of market-leading brands, unmatched scale, and global infrastructure to continue delivering best-in-class services and products to our customers.”

The RSA contemplates effectuation of this substantial deleveraging either through a full equitization of the Company’s first lien debt or an alternative value-maximizing plan. The RSA also includes certain milestones, including a 120-day milestone for the Court to enter an order confirming a Chapter 11 plan, subject to certain extensions.

In connection with this in-court process, CBI will obtain \$125 million debtor-in-possession (“DIP”) financing from the Company’s prepetition first lien lenders. Following Court approval, the Company expects this financing to provide incremental liquidity to continue operations in the ordinary course during the Chapter 11 process.

CBI has filed a number of customary “First Day Motions” with the Court to facilitate a smooth transition into Chapter 11 and support operations throughout its cases. The Company intends to operate without disruption during the process, including continuing to pay employee wages and benefits, maintaining customer programs, and honoring obligations to vendors.

The Company’s international entities are not a part of this filing and will continue to operate as usual.

Additional information is available at <https://www.donlinrecano.com/careismatic>. Stakeholders with questions can contact the Company’s Claims Agent, Donlin, Recano & Company, Inc. at cbinfo@drc.equiniti.com, (800) 416-3743, or (212) 481-1411 if calling from outside the U.S. or Canada.

Advisors

Kirkland & Ellis LLP and Cole Schotz P.C. are serving as legal counsel, PJT Partners LP is serving as investment banker, AlixPartners LLP is serving as financial advisor, and C Street Advisory Group is serving as



strategic communications advisor.

About the Company

Careismatic Brands, LLC is a trusted global leader in medical apparel, footwear, and accessories, with a distribution platform that spans 70 countries. Its extensive portfolio of trusted brands includes Cherokee Uniforms, Dickies Medical, Heartsoul Scrubs, Infinity, Scrubstar, Tooniforms, Anywear, Healing Hands, Med Couture, Medelita, Classroom Uniforms, Allheart, Silverts Adaptive Apparel, and BALA Footwear. Careismatic is proud to support several nonprofit organizations, including The DAISY Foundation, U-VOL Foundation, and Mercy Ships.

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