

B U X T O N H E L M S L E Y

New York Headquarters
1185 Avenue of the Americas, Floor 3
New York, N.Y. 10036

Mr. Alexander E. Parker
Senior Managing Director
E. alexander.parker@buxtonhelmsley.com
T. +1 (212) 951-1530
F. +1 (212) 641-4349

VIA U.S. REGISTERED POSTAL MAIL & ELECTRONIC MAIL

corporate.secretary@mnk.com; board.directors@mnk.com; paul.bisaro@mnk.com;
daniel.celentano@mnk.com; riad.el-dada@mnk.com; neal.goldman@mnk.com; karen.ling@mnk.com;
woodrow.myers@mnk.com; susan.silbermann@mnk.com; james.sulat@mnk.com;
sigurdur.olafsson@mallinckrodt.com;

May 12, 2023

Board of Directors – All Members
Mallinckrodt Plc.
College Business & Technology Park, Cruiserath Road
Blanchardstown, Dublin 15, Ireland

Mr. Daniel Speciale
Chief Investor Relations Officer
Mallinckrodt Plc.
675 McDonnell Blvd.
St. Louis, MO 63042

Re: Continued Evidentially False Financial Statements – Mallinckrodt Plc. (the “**Company**”)

Ladies and Gentlemen of the Board (the “**Board**”):

The Buxton Helmsley Group, Inc. (“**BHG**” or “**we**”) addresses this letter to the Company, after this leadership having now signed off on a round of statements of financials which yet again fail to disclose billions of dollars in “strong[ly] evidence[d]” asset value depreciation expenses (by this Company’s own prior-professed standard of proving those losses exist in reality), even after being *publicly noticed* by BHG as to these serious apparent misstatements¹; that is, within the Company’s Form 10-Q filing with the U.S. Securities and Exchange Commission (the “**Commission**”), filed just days ago on May 9, 2023. Clearly, public investors are aware of something awry, with this Company’s stock cratering 27% in the single trading session after that filing (the trading session in New York on May 9, 2023).

We must first, as part of this letter, give recognition that this Board and Chief Financial Officer Bryan Reasons *finally* cured their inaccurate representation (on the Company’s website) with regard to Mr. Reasons – in fact – *not* being currently certified to practice public accounting (having let his license to practice public accounting lapse years ago, yet

¹ BHG’s March 17, 2023, and April 28, 2023, open letters to the Company may be found at:
<https://www.buxtonhelmsley.com/mnk/>

allowing himself to still be represented as authorized to practice public accounting). Just as importantly, however, we must also recognize that the correction of Mr. Reasons' inaccurate licensing/credentials representation only occurred after BHG was forced to go so far as to *publicly* notify the Pennsylvania State Board of Accountancy (as part of BHG's April 28, 2023, public letter), given Mr. Reasons' (and this Board's) apparent refusal to voluntarily correct that inaccurate statement, even after this Company and Mr. Reasons were initially publicly notified by BHG (as part of BHG's March 17, 2023, public letter). Why did BHG have to turn this Company and Mr. Reasons over to the licensing board for this Company (and this Board) to begin representing the truth to its investors? You initially turned a blind eye to the issue pertaining to Mr. Reasons' inaccurate licensing/credential representations, until you could not any longer; that is not becoming of this Board.

Unfortunately, while this Board and Mr. Reasons cured this Company's website's inaccurate statement regarding Mr. Reasons' licensing/credentials, this Company's leadership just signed off on *another* set of financial statements (filed with the Commission, on May 9, 2023) that fail to disclose billions of dollars in expenses "strong[ly] evidence[d]" by the Company's own prior-professed evidentiary standard for determining the fair value of assets securing capital structure interests; that is, this Company is choosing to continue the concealment of billions of dollars in "strong[ly] evidence[d]" (again, this Company's own prior evidentiary standard of proving that those expenses exist in reality) expenses from investors, even after also being notified as to this Company's apparent financial disclosure violations (in better terms, its apparent accounting and securities fraud scheme) within BHG's March 17, 2023, public letter. While this Board finally cured the inaccurate representation with relation to Mr. Reasons' licensing/credentials (again, only after BHG had to go so far as to publicly involve the Pennsylvania State Board of Accountancy), yet finds it permissible to allow for the filing of financial statements which entirely fail to heed to the "strong evidence" of materially misstated asset values (again, this Company's own prior-professed standard of evidence, which the same CFO (Mr. Reasons) also previously stood behind), leaving this Company's financial statements evidenced to continue falsely overstating asset values by billions of dollars (as a result of not disclosing these "strong[ly] evidence[d]" losses/expenses)? This Board should terminate Mr. Reasons for very apparently refusing to correct his curriculum vitae until BHG was forced to publicly notify the Pennsylvania licensing board, and this Board needs to order the restatement of the Company's May 9, 2023, Form 10-Q filing that fails to disclose the "strong[ly] evidence[d]" truth of equity value to this Company's public investors (which is also another reason for this Board to terminate Mr. Reasons). **Under the circumstances, BHG cannot understand how Deloitte (also copied on this letter) can continue to attest as to the integrity of this Company's financial disclosures to investors. BHG is, as part of this letter, copying multiple senior leaders of Deloitte, in addition to its general counsel, for proof (especially, to regulators) that Deloitte is aware this Company's financial disclosures are "strong[ly] evidence[d]" to be false and either continues to stand by in silence or appropriately resigns.**

At the time of BHG's March 17, 2023, public letter to this Company and Board, this Company was already "strong[ly] evidence[d]" to be net asset insolvent based on its own prior-professed standard; this Company's stock shares were already trading at a lesser percentage of book value than when it was compelled to file for bankruptcy before, on October 12, 2020 (not to mention, this Company's post-reorganization debt issues are trading for an aggregate discount to par value somewhere not far south of a billion dollars). Since that March 17, 2023, open letter (really, an exposé) published by BHG, this Company's public investors have demonstrated an evident belief that BHG's conclusion as to this Company's ("strong[ly] evidence[d]") apparent scheme of evidenced accounting and securities fraud is spot on,

with this Company's stock now having plummeted approximately 62% since that March 17, 2023, open letter. This Board has not helped the situation, and has merely reinforced why the Company's public investors should believe BHG was spot-on in its analysis of the Company, given that this Board has remained entirely silent (*not a single word*) in response to BHG's March 17, 2023, exposé explicitly alleging how this Company is "strong[ly] evidence[d]" to have long been committing an apparent scheme of accounting and securities fraud (its post-reorganization scheme being a mere resumption of its pre-reorganization scheme). Shockingly, this Board did not even minimally deny BHG's findings (that was the *least* you could have done, though such denial would arguably appear guilty without a full, substantive defense to each and every part of BHG's March 17, 2023, open letter/report – not a cherry-picked defense). Such an extensive evidence-supported report of apparent accounting and securities fraud is an inappropriate time to say nothing and do nothing. The bottom line is that this Company's issued securities have careened sizably since BHG's March 17, 2023, open letter, which merely reinforces the "strong evidence" that this Board is arguably in breach of its fiduciary duty to creditors (under Irish law), which starts at entirely restating the evidentially false statements of financials ("strong[ly] evidence[d]" to be concealing billions of dollars in expenses, by this Company's own evidentiary standard) and also includes this Board's failure to accordingly comply with Ireland's Companies Act of 2014, § 1111 (given this Company's Irish domicile). You have "strong evidence" (by this Company's own prior-professed standard) that you have far less than zero net asset value, as you say nothing and do nothing, and that is while you have an obligation to call an extraordinary general meeting to "deal with the situation" immediately (pursuant to the Companies Act of 2014, § 1111); this Board has a fiduciary duty to the Company's creditors (under Irish law) and investors (under U.S. law) to correct the evidentially false financial statements being filed with the Commission, then also cease the quarterly asset value dissipation and recapitalize to the appropriate extent, or turn the keys over to the creditors that are continuing to bear this Company's continued quarterly losses (given, the "strong evidence" of no net asset value). This Board also has a duty to the opioid trust (as a creditor) to maximumly preserve the Company's ability to make good on its long-term obligation there, amid such "strong[ly] evidence[d]" to be rapidly dissipating asset valuations (since reorganization plan approval and leading up to BHG's March 17, 2023, public letter/report), when this Company's asset values serve as the foundation for this Company's ability to entirely fulfill that agreed-to creditor obligation; it is arguable (under the present circumstances of the Company's "strong[ly] evidence[d]" apparent undercapitalization, and to such a degree) that such strategic alternatives need to be explored, such as a sale of assets (through a court overseen process, if required) which conditionally pairs the acquisition of substantially all the Company's assets (by a better-capitalized acquiring entity) with that acquiring entity's assumption of the opioid-related (and Acthar-related) settlement obligation (along with assurance that all Mallinckrodt employees will be given substantially similar employment offers, given this Board's additional duty to have regard to the interests of the Company's employees, under Irish law – allowing asset value to dissipate to the point of an unavoidable liquidation would also be very hard to deny as in breach of that duty to employees and creditors). It is hard to deny it not being an apparent violation of your fiduciary duties (under Irish law) to continue gambling on the dime of this Company's creditors (especially, in the midst of consistent operating losses), for the merely possible benefit of shareholders already "strong[ly] evidence[d]" (again, by this Company's own prior-professed standard) to be so far out-of-the-money, as this Company's financial performance just continues to disappoint (Mr. Olafsson used that exact word on the May 9, 2023, investor conference call). This Board did not declare a dividend as BHG demanded within its March 17, 2023, public letter (if you wished to put your money where your mouth is, to match your filed financial statements), making it abundantly clear that you all apparently recognize the Company has no positive net asset value to be dealt to

shareholders. You are also apparently fully aware that a dividend or share repurchase program would be an utterly fraudulent conveyance in the face of such “strong[ly] evidence[d]” net asset insolvency. Yet, this Board apparently chooses to allow for the continuance of false certifications of positive net asset value within Commission filings. Once again, false certification/overstatement of asset value (“strong[ly] evidence[d]” not to exist in reality, and by the Company’s own prior-professed standard of determining the reality of asset value securing capital structure interests) within a company’s Commission filings is accounting and securities fraud in violation of GAAP ASC 350/360 and Regulation S-X. BHG also has reviewed the Company’s financial statements filed with the Republic of Ireland, which appear to continue to fail in their obligation to take into account billions of dollars in contingent liabilities related to the parent company’s guarantee of subsidiary-issued debt (given, the Company’s net asset deficit); this is arguably a stark violation of FRS 102, Section 27 (the accounting standards, similar to GAAP, for which the parent company reports under).

BHG listened to the Company’s May 9, 2023, investor conference call. We were surprised, to begin with, that this Company’s legal counsel would actually allow leadership to so freely speak about financials amid being so apparently tongue-tied after the “strong evidence” of a multibillion-dollar apparent accounting and securities fraud scheme was publicly outlaid by BHG over the course of 35 pages on March 17, 2023. Even after this Company was already required to include massive write-downs of asset values (given the “strong evidence” that the fair values of assets were billions of dollars lower than what this Company has been certifying within Commission filings), you yet again – on the May 9, 2023, investor call – entirely affirmed the validity of BHG’s allegations of such apparent accounting and securities fraud, and reinforced why BHG’s demanded write-downs were required, despite this Company’s leadership entirely failing to accrue any one-time asset value impairment charges (yet again, no impairment charges accrued beyond the pre-scheduled amortization, within the Company’s May 9, 2023, Form 10-Q filing). On the Company’s earnings call, Chief Executive Sigurdur Olafsson stated the Company was “disappointed with [Acthar Gel] net sales performance”. When your Company’s Chief Executive Officer says he is disappointed with the product sales (not to mention, your largest asset), that means the product performance did not go as planned. If the product performance *did* go as planned, you would not be “disappointed”, would you? May I also remind you that your amortization schedule for assets are based on your expected performance of assets? So, this means that this Company – yet again – stated it was disappointed with product sales, when a pattern of missing asset performance expectations is one of the very “triggering event” scenarios that requires asset value impairment assessment under GAAP ASC 350/360, and that was while this Company was already aware of “strong evidence” that asset valuations were apparently being overstated by billions of dollars on the balance sheet, yet you took no impairment charge (look at your income statement)? Do you realize – with what was just said on the May 9, 2023, earnings call – that this Company’s leadership simply further built the case for the already “strong[ly] evidence[d]” apparent accounting and securities fraud occurring at this Company? This leadership should really quit the attempted “business as usual” (especially, with regard to live earnings calls), when you cannot even formulate a shred of a written defense in response to (did not even deny) the “strong[ly] evidence[d]” accounting and securities fraud scheme occurring at this Company.

We will begin to close by stating that we have seen this Company’s press releases that are a clearly desperate attempt to bury the countless class-action investigation notices (not to mention, BHG’s press releases related to the Company) and distract the public from realizing the apparent accounting and securities fraud scheme “strong[ly] evidence[d]” to be occurring at this Company, which BHG has been bringing to light. It is unconscionable I must say this to you all, but

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this Company's investors do not care in this critical moment to know about some petty industry recognition of this Company; your public investors (to which you have a fiduciary duty) care to see a very substantive defense (again, in response to each and every part, and not a cherry-picked effort) to the 35 pages of "strong evidence" (openly published by BHG on March 17, 2023) that this Company has long been engaged in (and is actively engaged in, all over again) an apparent multibillion-dollar accounting and securities fraud scheme, in violation of GAAP ASC 350/360 and Regulation S-X. This Company's stock has plummeted approximately 62% since BHG's exposure of this Company's apparent accounting and securities fraud, this Board has been without a single word to defend against those extensively supported allegations (by the Company's own prior-professed "strong eviden[tiary]" standard), and your idea of appropriate corporate governance is to concoct some underwhelming industry recognition for a press release, rather than a substantive response to the matters that are causing your investors to entirely capitulate and drop your securities like hot potatoes? This Company's leadership needs to get its priorities straight.

To make the required actions of this Board clear, you need to immediately: 1) order the restatement of the financials filed with the Commission on May 9, 2023 (which arguably leave off billions of dollars in "strong[ly] evidence[d]" expenses by this Company's own prior-professed evidentiary standard); 2) restate any and all other previous materially false statements of financials which BHG thoroughly made clear to be the case within its March 17, 2023, public letter to the Company; 3) perhaps, terminate the Chief Financial Officer that only cured his inaccurate licensing/credential representations after a whistleblower had to go so far as to publicly notify the state board of accountancy; and 4) immediately call the extraordinary general meeting required by the Companies Act of 2014, § 1111, given the "strong evidence" of this Company's net asset insolvency (and this Board having not a shred of evidence to counter that "strong evidence" by this Company's own prior-professed "strong eviden[tiary]" standard).

These issues are not going away. This Board is going to continue to damage its reputation if it continues on its intemperate path and current course of calculated denial. Whatever members of this Board continue are clearly refusing to correct these glaring issues, they should resign (and immediately); you owe that to your public investors (and employees) to whom you have a fiduciary duty.

Very Truly Yours,

A handwritten signature in black ink, appearing to read "A. E. Parker", with a long, sweeping horizontal line extending to the right.

Alexander E. Parker
Senior Managing Director
The Buxton Helmsley Group, Inc.

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CC (by e-mail and post): U.S. Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549

The Honorable Gary Gensler, Chairman
Ms. Hester M. Peirce, Commissioner
Mr. Mark T. Uyeda, Commissioner
Mr. Jaime Lizárraga, Commissioner
Ms. Caroline A. Crenshaw, Commissioner

Mr. Gurbir S. Grewal
Director, Division of Enforcement
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549

Mr. Paul Munter
Chief Accountant
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549

Attn: Office of the Whistleblower
ENF-CPU (U.S. Securities and Exchange Commission)
14420 Albemarle Point Place, Suite 102
Chantilly, VA 20151-1750

Mr. Samuel McCoubrey
Assistant Director, Division of Enforcement and Investigations
Public Company Accounting Oversight Board (PCAOB)
1251 Avenue of the Americas
New York, N.Y. 10020

The Honorable Elizabeth Warren
Hart Senate Office Building
United States Senate
Washington, D.C. 20510

The Honorable Sheldon Whitehouse
Hart Senate Office Building
United States Senate
Washington, D.C. 20510

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Deloitte LLP
Attn: Office of General Counsel
30 Rockefeller Plaza, 41st Floor
New York, N.Y. 10112-0015

Ms. Sharon Thorne
Global Chair of the Board
Deloitte LLP
30 Rockefeller Plaza, 41st Floor
New York, N.Y. 10112-0015

Ms. Janet Foutty
Executive Chair of the Board, United States
Deloitte LLP
30 Rockefeller Plaza, 41st Floor
New York, N.Y. 10112-0015

Mr. Joseph B. Ucuzoglu
Global Chief Executive Officer
Deloitte LLP
30 Rockefeller Plaza, 41st Floor
New York, N.Y. 10112-0015

Mr. Pete Shimer
Chief Executive Officer, United States
Deloitte LLP
30 Rockefeller Plaza, 41st Floor
New York, N.Y. 10112-0015

Pennsylvania Department of State
Attn: Professional Licensing Division
P.O. Box 69522
2601 N. Third Street
Harrisburg, PA 17106-9522

Ms. Miranda Murphy
Executive Director
Pennsylvania State Board of Accountancy
P.O. Box 2649
Harrisburg, PA 17105

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