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August 16, 2023

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Mr. Daniel Speciale
Chief Investor Relations Officer
Mallinckrodt Plc.
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Re: Continued Concealment of "Strong[ly] Evidence[d]" Expenses within August 9, 2023, Form 10-Q Filing (Violation of GAAP ASC 350/360 and Regulation S-X) – 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, given the contents of its August 9, 2023, Form 10-Q filing with the U.S. Securities and Exchange Commission (the "**Commission**"). This letter is being copied to the Commission's Division of Enforcement, the Commission's Office of the Whistleblower, the Public Company Accounting Oversight Board ("**PCAOB**"), the Pennsylvania State Board of Accountancy (given, Chief Financial Officer Bryan Reasons' inactive CPA status in the state), and the Company's auditors at Deloitte & Touche ("**Deloitte**").

The Company, given its choice to cease quarterly investor calls (as of this quarter), has evidently now realized its executives have been merely providing further support for BHG's outlaid case for pre- and post-reorganization accounting and securities fraud occurring at this Company (outlined within our March 17, 2023, public letter to the

Company[1]); that is, apparent concealment of "strong[ly] evidence[d]" asset value depreciation expenses in violation of the United States' Generally Accepted Accounting Principles ("**GAAP**") codified under ASC 350/360 and Regulation S-X ("**Regulation S-X**", which is officially codified at 17 CFR § 210). While this Company's leadership intelligently ceased those quarterly earnings calls (multiple less than thought out statements during the last quarterly conference call alone, as pointed out within BHG's May 12, 2023, open letter) that stand to merely support the analysis within BHG's March 17, 2023, case for apparent accounting and securities fraud occurring at this Company (*yet again*, even post-reorganization), this Company's leadership is also appallingly continuing an apparent choice of continued evidential defrauding of public investors and regulators within the Company's Commission-filed financial disclosures.

This Company's Board and management have demonstrated an apparent realization that:

- BHG's arguments set forth on March 17, 2023, now, upon information and belief, are being used against the Company by first-lien lenders themselves (according to recent news articles), are valid (the most relevant argument, in the context of first-lien creditors, being that this Company's "strong[ly] evidence[d]"[2] net asset insolvency precludes payments to capital structure interests junior to those of first-lien creditors).
- The Company's equity interests are more likely than not worthless, given the Company's prior-professed "strong eviden[tiary]" standard of determining such a fair value of capital structure interests in reality (which, as the Company already stated prior, is more accurate than the Company's Commission filings, if those Commission filings later turn out to be materially omitting the truth of the Company's financial condition).

Why else would this Company's Board and management be negotiating a bankruptcy that is publicly disclosed to be on track to include cancellation of the Company's existing common equity shares/interests for *no recovery*, in the midst of refusing payment to second-lien creditors and the opioid trust, and in the midst of your failing/refusal to hold the shareholder meeting called by Alta Fundamental Advisers ("Alta", being one of the Company's major shareholders) on June 16, 2023, other than because you realize the Company's "strong[ly] evidence[d]" net asset insolvency? This Company's Form 8-K filings (which evidence this leadership seeing it necessary to negotiate a bankruptcy based on its apparent belief of the Company's equity interests are "strong[ly] evidence[d]" to be secured by no asset value, according to its own prior-professed evidentiary standard) run entirely counter to this Company's simultaneous financial statement/disclosures within Form 10-Q/10-K filings. In Alta's words, such sheer incongruity across this Company's disclosures "cannot be squared". Not one bit.

This Company (with the same Chief Financial Officer in place) already (long, long ago) set forth the "strong eviden[tiary]" standard it uses for determining the reality and fair value of capital structure interests, you all have begun cutting off payments to junior creditor interests because you are under siege by interested parties that are posing valid (based on what the Company has already previously deemed "strong evidence", in fact) arguments supporting why this Company's quarterly Commission-filed financial disclosures painting a picture of financial condition that is apparent fiction, and yet you all see it kosher to continue certifying (within the Company's August 9, 2023, Form 10-Q filing with

[1] BHG's March 17, 2023, open letter to the Company (and open letters to the Company since that) may be viewed at: https://www.buxtonhelmsley.com/mnk

[2] Readers should refer to BHG's March 17, 2023, open letter to the Company, for full context as to the "strong eviden[tiary]" standard BHG continually refers to throughout this letter (which was continually referred to throughout BHG's March 17, 2023, open letter).

the Commission) over $625 million in "shareholder's equity" value within financial statements? **This Company, acting as though it is not required to accrue impairment of asset value (within its financial statements) beyond what was initially forecasted at the time of establishing the Company's in-use periodic amortization schedules, could only be possible if this Company (and Mr. Reasons) supposedly forecasted facing "strong evidence" of insolvency and being on the edge of a bankruptcy filing just a year after emerging from the prior bankruptcy proceedings initiated on October 12, 2020; no one buys that story (Mr. Reasons certainly did not stand behind Company bankruptcy court that testified as to such a dire post-emergence outlook at the time of the Company's plan confirmation hearings, nor would such an assertion align with this leadership's fallacious proclamations of "financial strength" to its public investors not long ago).**

If this Company was not forecasted (primarily, by Bryan Reasons, being the Chief Financial Officer) to be "strong[ly] evidence[d]" as net asset insolvent and on the edge of a bankruptcy filing just a year after emerging from the Company's prior bankruptcy proceedings, such disclosures by the Company (and related press attention) of imminent bankruptcy possibility, and defaulting on interest payments (among other creditor obligations, such as the opioid trust payment), are unequivocal "triggering events" that required asset value impairment assessment and disclosure (pursuant to GAAP ASC 350/360 and Regulation S-X) prior to filing the Company's August 9, 2023, Form 10-Q filing, given that any prospective buyer would certainly offer incrementally less to purchase one or more of the Company's assets, with knowledge of how desperate this Company is for cash. That is mere common sense as to who has leverage in such a hypothetical transaction everyone; not rocket science.

We remind you that GAAP ASC 350/360 and Regulation S-X require the disclosure of asset value depreciation on such a "going concern" basis (the very reason that impairment charges are measured, under GAAP ASC 350/360, as the difference between the carrying value of an asset on the books of a company and the true fair value of that asset in reality). This leadership has already disclosed its opinion of "substantial doubt about the Company's ability to continue as a going concern" (within its recent August 9, 2023, Form 10-Q filing with the Commission), yet it acts as though such dire circumstances do not affect the value potential buyers would assign to its assets. If this Board and management need a repeated substantive refresher course on your financial disclosure obligations under GAAP ASC 350/360 (and why you just, yet again, evidentially violated your disclosure obligations thereunder, within the Company's August 9, 2023, Form 10-Q filing), you may return to BHG's March 17, 2023, public letter to the Company.

May we remind this Board, while we are at it, that this evidential accounting and apparent securities fraud scheme is all happening – again – after your Chief Financial Officer (Bryan Reasons) was discovered (by BHG, singlehandedly) to not even be the active Certified Public Accountant he was represented as on the Company's website, and never chose to correct that misleading of investors (as to his credentials) until BHG had to take the ultimate step of citing the very Pennsylvania legislation that could possibly subject him to disciplinary action by the Pennsylvania State Board of Accountancy (with BHG appropriately turning the matter over to that oversight body empowered to carry out such disciplinary actions, if they should see fit)? **This Board chooses not to terminate its Chief Financial Officer after such a serious misrepresentation of his credentials to investors (a misrepresentation that even brings forth possible disciplinary action by the state accountancy board), and *even further* does not discipline that Chief Financial Officer after he is certifying over $625 million in "shareholder's equity" value, in the midst of the Company negotiating a bankruptcy filing that illustrates this leadership's evidential belief that equity holders are likely (in fact, "strong[ly] evidence[d]", according to the Company's own prior-professed evidentiary standard) to have zero economic value**

securing their capital structure interests? This Board is not protecting the interests of its investors when it keeps in place executives engaging in such apparent misconduct (which even means possible disciplinary action to be brought by the Pennsylvania State Board of Accountancy themselves), and continues certifying financial disclosures that are "strong[ly] evidence[d]" to be about as useful to this Company's investors in reality as Monopoly money.

Members of this Company's Board and management now have a class-action securities fraud lawsuit, which merely regurgitates a highly watered-down version of BHG's analysis of this Company's financial position being evidenced as grossly misrepresented (as extensively outlaid within BHG's March 17, 2023, public letter to the Company). That said, we would say the class-action suit is framed incorrectly by asserting this is a gross misrepresentation of "liquidity" – this, instead, is "strong[ly] evidence[d]" to be a situation of gross understatement of asset value depreciation. By the Company's prior-professed "strong eviden[tiary]" belief/standard, the Company's equity and second-lien bonds would not be trading for pennies on the dollar if those capital structure interests were actually secured by asset value in reality. If the presently certified margin of "shareholder's equity" value *actually existed* in reality (i.e., lenders actually believed they would be paid in full, if the Company's assets were put on the bidding block), why was Barclays Bank compelled to chop the Company's accounts receivable credit facility borrowing capacity in half (the Company certainly did not propose to handicap their balance sheet themselves)? Once again, nothing in this picture "squares away".

This Company continues including disclosures (one of the few disclosure obligations upheld by this leadership) as to the securities law violation charges it has been facing (given, the January 13, 2023, Wells Notice issued by the Commission to the Company, certain of its current executives, and certain its former executives), even *before* BHG's bombshell March 17, 2023, public report, outlaying the apparent pre- and post-reorganization accounting and securities fraud scheme occurring at this Company (the evidential fraudulent concealment of asset value depreciation expenses we keep speaking of). **BHG, once again, calls on Deloitte to resign under such circumstances (where even the Pennsylvania State Board of Accountancy could possibly levy disciplinary action against this Company's top financial officer, at any moment), and for this Board to uphold its duties to investors themselves by finally terminating Chief Financial Officer Bryan Reasons (it will be this Board's further disgrace if they allow him the dignity of resigning); both events are long overdue.**

We find it hard to not see how this Company's leadership has run afoul of the securities laws of the United States, what it means to adhere to accounting standards (and financial disclosure obligations) with integrity, and what it means for a corporate board to have integrity. This Board has done the opposite of protecting its public investors and has done everything it can to attempt a continued poker face in the face of an evidentially long-running accounting and securities fraud scheme occurring under its oversight. "Shame" massively understates what you all should be feeling in this moment and because you all have refused to appropriately correct the glaringly apparent misconduct that *continues* to be waved in your face. The Pennsylvania State Board of Accountancy should not be levying disciplinary actions before this Board; that would be utterly pathetic.

One can only wonder how long it will be before the Company's first-lien lenders (or Alta) grow impatient enough to file suit against each member of this Board in Ireland, given this Board's evidential violation of the Companies Act of 2014, § 1111, which – as mentioned in BHG's March 17, 2023, open letter – is indeed statutorily considered a possible criminal violation/offense for directors of an Ireland-incorporated PLC-type entity who fail to convene an extraordinary general meeting of the Company within twenty-eight (28) days of the Company's net assets being

"known" (which does not require reference to the balance sheet, but mere "know[ledge]" of reality, as even Senior Partners at the Company's Irish law firm, Arthur Cox, have published opinions to affirm, which were cited in BHG's March 17, 2023, open letter to the Company) by "a director" to have breached below half of paid-up share capital. It is quite evident, this Board's apparent "know[ledge]" of that circumstance, when this leadership is negotiating a bankruptcy that you yourselves disclose is involving equity interests being extinguished for no recovery, and even the interests of certain more senior creditors being impaired, according to numerous news articles. That all said, if this Board upholds its obligation to call an extraordinary general meeting under the Companies Act of 2014, § 1111, Alta will probably follow through on its publicly disclosed plans to oust every member of this Board, right? We would bet Alta will never get the chance to replace this Board (a chance BHG believes they should get, as we certainly understood their reasoning for distrusting their fiduciaries who apparently choose to stick their heads in the sand over disciplining evidential misconduct occurring at the very top). We equally bet, however, that – upon a bankruptcy filing – this Board (through the Company, of course) will file an adversary suit against Alta to seek immediate injunctive relief (on an emergency basis) that will bar this Company's shareholders from "improperly wrangling control of a bankruptcy estate where they are hopelessly out-of-the-money" (one can already so easily envision that statement within court documents), even though this Company's leadership just certified in Commission filings that shareholders have an over $625 million economic interest in the Company. Good luck reconciling that mishmash.

Very Truly Yours,

Alexander E. Parker
Senior Managing Director
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