



6 May 2024

c/o Mr. Alexander E. Parker
The Buxton Helmsley Group, Inc.
1185 Avenue of the Americas, Floor 3
New York, NY 10036-2600

Re: The Buxton Helmsley Group, Inc.'s ("BHG") Letter to Assertio Holdings, Inc. ("Assertio" or the "Company") dated April 22, 2024

Dear Mr. Parker,

Thank you for your letter and follow-up correspondence. Assertio's Board of Directors (the "Board") and management team value constructive engagement and appreciate the opportunity to discuss the Company's business and value creation strategy with stockholders. The Company also welcomes thoughtful feedback and ideas from stockholders that can lead to long-term value creation.

Since the summer of 2023, Assertio's Board and management team have been navigating a challenging transition period in the Company's history. Key steps in this transition have included: closing on the acquisition of Spectrum Pharmaceuticals and their lead product, Rolvedon, to diversify the Company's product portfolio; working to optimize the on-going value of Indocin in the face of a highly aggressive generic competitor; implementing cost cutting actions to align expenses to the current revenues across the Company; and managing through a change in leadership (Assertio is currently in the midst of a search for a permanent Chief Executive Officer). In addition, Assertio recently added three new independent directors who collectively bring a combination of deep industry experience and financial expertise – Dr. Jeffrey Vacirca, CEO and Chairman of the Board of New York Cancer & Blood Specialists; Sravan Emany, Chief Financial Officer of Ironwood Pharmaceuticals; and Sig Kirk, former Executive Vice President of Corporate Business Development at Allergan. Assertio can assure you that the Board and management team are acutely aware of the recent declines in the Company's share price and have continued to place long-term shareholder value, while continuing to address the needs of patients, at the top of its list of priorities.

In the interest of establishing a constructive dialogue this letter includes Assertio's responses to the questions set out in your April 22nd letter, and as noted below, a few of BHG's questions will require some clarification and can be addressed during our scheduled discussion.

Assertio's Board and management team hope to have a cordial, productive discussion, as BHG states is the goal in its May 1st correspondence. Assertio shares that goal, and notes that a commencement of a public campaign prior to an initial conversation, let alone meaningful dialogue, would not be consistent with that goal. Company representatives will relay any feedback BHG shares during the discussion back to the full Board of Directors, who will evaluate that feedback through the lens of constructiveness, value creation and the best long-term interests of stockholders. This is the Company's process for keeping the full Board updated on stockholder engagement and evaluating all suggestions regarding value creation initiatives made by stockholders.

Assertio notes your request to not receive material non-public information that would restrict you from trading Assertio securities. As such, the responses below are provided within the confines of Regulation FD.

Assertio's Responses to Questions in BHG's April 22, 2024 Letter

Several of your questions involve the Company's accounting practices, and some background information should be useful in this area. First, as you note in your letter, Assertio is highly committed to integrity in its financial statement preparation. That commitment not only includes complying with the rules and guidelines set forth by the Financial Accounting Standards Board but also engaging the expertise of an internationally recognized independent public accountant to audit its financial statements, a nationally recognized internal control advisory firm to oversee its internal audit processes over internal controls and a nationally recognized SEC Counsel to review its filings and disclosures. Importantly, Assertio's Board maintains a highly qualified Audit Committee, which actively and consistently reviews internal processes and personnel associated with Assertio's internal and external audit functions and evaluates the integrity of the Company's financial reporting processes and controls.

1. Response to BHG question 1:

- a. Assertio would first like to distinguish that your question discusses two different types of assets – (1) property and equipment and (2) intangible assets – which are treated distinctly under ASC guidelines. As disclosed in Footnote 1, Footnote 7 and Footnote 8 in Item 8 and Critical Accounting Estimate in MD&A in Item 7 of Assertio's Form 10-K, Assertio complies with ASC 360. In addition, as noted above, the Company's financial statements are audited by an independent registered public accounting firm that is ratified annually at the Company's annual meeting of stockholders.

2. Response to BHG question 2:

- a. As of December 31, 2023, Assertio does not have any indefinite-lived assets.

3. Response to BHG question 3:

- a. Assertio refers you to its discussion in Footnote 8 and the Critical Accounting Estimate in MD&A and Risk Factor on Long Lived Assets in Assertio's Form 10-K that was filed on March 11, 2024. This footnote is provided specifically to address questions such as those you are asking.

4. Response to BHG question 4a:

- a. Accounting standards specifically contemplate and require that impairment tests be done following substantial changes in market capitalization regardless of the reason. Like all public companies, Assertio's stock price is impacted by a variety of factors, including, but not limited to, company-specific news, developments with competitors, general economic events and investor sentiment. As a result, Assertio cannot opine on the precise causes for changes in its stock price.
- b. Assertio also notes that the Company has disclosed opioid-related risk factors and information about pending litigation over the past seven years.

5. Response to BHG question 4b:

- a. Please see Assertio's response to question 4a. The Company also notes that accounting standards (including ASC 360) specifically contemplate and require that impairment tests be done following substantial changes in market capitalization.

6. Response to BHG question 4c:

- a. Please see Assertio's response to question 3.

7. Response to BHG questions 4d, 4f and 4g:

- a. Assertio believes these questions are rhetorical in nature and respectfully declines to answer them in this letter.

8. Response to BHG question 4e:

- a. Assertio regularly uses its quarterly results reporting to share information about the Company's outlook and underlying assumptions. Specific to your questions:
 - i. As stated during the Company's second quarter earnings call on August 3, 2023, the FDA approved a generic competitor to Assertio's then-biggest product, Indocin, earlier that day. The Board and management team believed it was prudent to withdraw guidance in light of the uncertainty surrounding the impact of a new generic entrant competing with the Company's largest source of revenues.
 - ii. Assertio did not reinstate guidance during its third quarter earnings call on November 8, 2023, due to continuing uncertainties, but instead provided qualitative commentary on how the Company viewed the business, to give investors and analysts context.
 - iii. Assertio provided guidance for 2024 during its fourth quarter earnings call on March 11, 2024. The underlying assumptions to the Company's 2024 guidance are detailed as bullet points in the April 2024 investor deck referenced in your letter.
 - iv. Discussions regarding Assertio's guidance can be found in the materials for the aforementioned earnings disclosures on the Company's website or in its SEC filings.

9. Response to BHG question 4h:

- a. As disclosed in the [Form S-4 filed with the SEC on June 1, 2023](#), Assertio's Board unanimously voted to approve the Spectrum acquisition. Page 83 of the filing includes the factors the Assertio Board considered in unanimously supporting the transaction, including that adding Rolvedon to Assertio's product portfolio represents meaningful further asset and revenue diversification and extends the portfolio's weighted average duration of exclusivity.

10. Response to BHG question 4i:

- a. The response to this question requires disclosure of material non-public information and BHG has requested it not receive information that would restrict its trading.

11. Response to BHG question 5:

- a. The Board and management team regularly review Assertio's capital allocation strategy and priorities with a view towards the best long-term interests of stockholders. Your feedback on capital allocation has been relayed to the Board of Directors.

12. Response to BHG question 6:

- a. Assertio refers you to its response to question 4e and the Company's fourth quarter 2023 earnings disclosures for a comprehensive discussion on the Company's 2024 guidance, including additional detail provided to help investors better understand the assumptions in the outlook. These underlying assumptions are also detailed as bullet points in the April 2024 investor deck referenced in your letter.
- b. Assertio only provides guidance for the current calendar year.

13. Response to BHG question 7:

- a. Assertio has disclosed opioid-related risk factors and information about pending litigation.
- b. Please refer to the Company's disclosures on opioid-related risks and litigation contained in Assertio's 10-K and 10-Q filings since 2018.
- c. Assertio's policy is to not comment on active litigation beyond what is in the public domain. However, the Company notes that Assertio has been dismissed from approximately 40% of all

opioid cases ever filed that included Assertio with no monetary payment made to, or other relief obtained by, any plaintiff to date.

14. Response to BHG question 8:

- a. Assertio's Board believes the interests of the Board and management team are appropriately aligned with the long-term interests of the Company's stockholders. Assertio is willing to address your question further during the discussion.

15. Response to BHG question 9:

- a. Assertio periodically reviews various options for debt financing available to the Company with the assistance of financial advisors. The Board and management team determined that the transaction was in the best interests of Assertio and its stockholders.
- b. The convertible notes transaction allowed the Company to refinance its then current debt which had a 13% coupon and was due to be paid off in 2024. The re-financing transaction reduced the Company's cash interest cost and provided additional financial flexibility because of the extended due date of the debt.
- c. Please refer to the Company's August 22, 2022 [press release](#).

16. Response to BHG question 10:

- a. The retention mechanisms were developed in consultation with an independent and nationally recognized compensation advisor retained by the Compensation Committee. Assertio's Board and its Compensation Committee reviewed and approved the retention mechanisms as the Board believes they align management compensation with and are in the best long-term interests of stockholders.

17. Response to BHG question 12:

- a. Assertio's Board and management team remain focused on executing against the Company's plan to build and deliver long-term value for stockholders. The Board continually evaluates opportunities to drive stockholder value and considers all reasonable proposals that align with the Company's strategic goals.
- b. As a public company, Assertio's Board would review and evaluate any bona fide offer from a credible interested party, consistent with its fiduciary duties.

18. Response to BHG question 13:

- a. Assertio's Board and management team regularly evaluate opportunities that can strengthen the Company's balance sheet and that in their opinion are consistent with the Company's long-term objectives, as evidenced by the refinance in 2022 that is referenced in the response to BHG question 9.
- b. Assertio welcomes the opportunity to address this question further in the discussion.

We look forward to engaging in a constructive manner.

Assertio Holdings Inc.
