Assertio Therapeutics

Fourth-Quarter and Full Year 2019 Financial Update

March 9, 2020

About This Presentation

The statements that are not historical facts contained in this presentation are forward-looking statements including, but not limited to, statements relating to the commercialization of Gralise®, CAMBIA®, and Zipsor®; our loan agreements, and expectations regarding financial results and potential business and investment opportunities; litigation and other legal proceedings; and other statements that are not historical facts. Words such as "anticipates," "estimates," "expects," "projects," "forecasts," "intends," "plans," "will," "believes" and words and terms of similar substance used in connection with any discussion identify forward-looking statements. Total prescription data is based on Symphony prescriber level data. This includes estimates, which could cause minor fluctuations in historical comparisons. Although this data is not reflective of product revenues, management utilizes this metric to evaluate commercial strategy. These forward-looking statements involve significant risks and uncertainties, including risks detailed in the Company's Securities and Exchange Commission filings, including the Company's most recent Annual Report on Form 10-K and most recent Quarterly Report on Form 10-Q. The inclusion of forward-looking statements should not be regarded as a representation that any of the Company's plans or objectives will be achieved. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. Assertio undertakes no duty or obligation to update any forward-looking statements contained in this presentation as a result of new information, future events or changes in its expectations except as may be required by law.

This presentation contains non-GAAP financial measures. Please refer to the appendix to this presentation for an explanation of these non-GAAP financial measures and for tables that reconcile the non-GAAP figures to their GAAP equivalent.

This presentation shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of these securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.

A Transformative Three Years

Has the Company Lean and Well Positioned for Growth

$820 Million	**$502 Million**	**$410 Million**
Reduction of Total Debt(1)	***Asset Sales***	***Operational EBITDA(2)***

Significant Milestones		
Re-Shaped and Re-Energized the Company	*Exited Opioid Market (Marketed NUCYNTA® for Only 33 Months)*	*Completed Major Debt Refinancing, Repayment of Senior Secured Debt and Repurchase of Approximately $188 Million of Convertible Notes*
New Name, New Headquarters, and New Entrepreneurial Culture	*Stabilized Neurology Franchise*	*Settlement with Purdue Pharma*
Reduced SG&A by Over $100 Million	*Launched New Commercial Initiatives Across Neurology Portfolio*	*Assets Sales of NUCYNTA® and Gralise®*

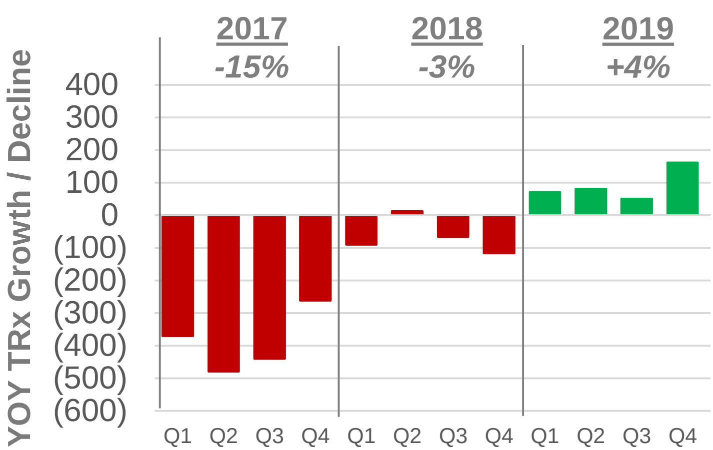
(1) Upon planned repurchase of $42.5 million of the 2.50% Convertible Notes due 2021 and $34.5 million of the 5.00% Convertible Notes due 2024 that remain outstanding.
(2) Operational EBITDA refers to non-GAAP adjusted EBITDA from business operations.

We Have Returned Our Brands to Rx Growth

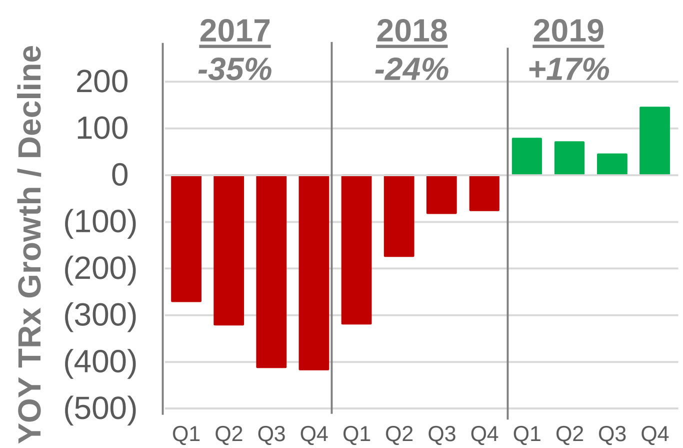
Significant Improvement Shown Across our Portfolio

Return to Growth for CAMBIA and Zipsor in 2019

CAMBIA YoY TRx Trends
(Average Weekly)



ZIPSOR YoY TRx Trends
(Average Weekly)



Note: Total prescription data is based on Symphony prescriber level data. This includes estimates, which could cause minor fluctuations in historical comparisons. Although this data is not reflective of product revenues, management utilizes this metric to evaluate commercial strategy.

Q4 2019 and Full Year Earnings In Review

Delivered Strong Operational Performance

- **Exceeded Q4 and Previously Raised Full-Year 2019 Adjusted EBITDA[1] Expectations**
  - Delivered $31.0 million non-GAAP adjusted EBITDA in Q4 2019
  - Delivered $138.4 million non-GAAP adjusted EBITDA in Full-Year 2019, exceeding previously raised 2019 guidance of $124 to $129 million
  - Beat non-GAAP adjusted EBITDA expectations in six out of the last seven quarters

- **Exceeded Q4 and Previous Full-Year 2019 Neurology Franchise Net Sales Expectations**
  - Delivered $29.3 million Neurology Franchise Net Sales in Q4 2019
  - Delivered $108.1 million Neurology Franchise Net Sales in Full-Year 2019, exceeding previous 2019 guidance of $102 million to $105 million

(1) All non-GAAP measures included in this presentation are reconciled to the corresponding GAAP measures in the schedules attached.

Strengthened Focus on Growth Brands and Accelerated De-Levering of Balance Sheet

- **NUCYNTA® Sale Agreement Terms**
  - Collegium paid Assertio $375.0 million, less royalties paid to Assertio in 2020
  - Collegium paid Assertio for certain inventories relating to the products

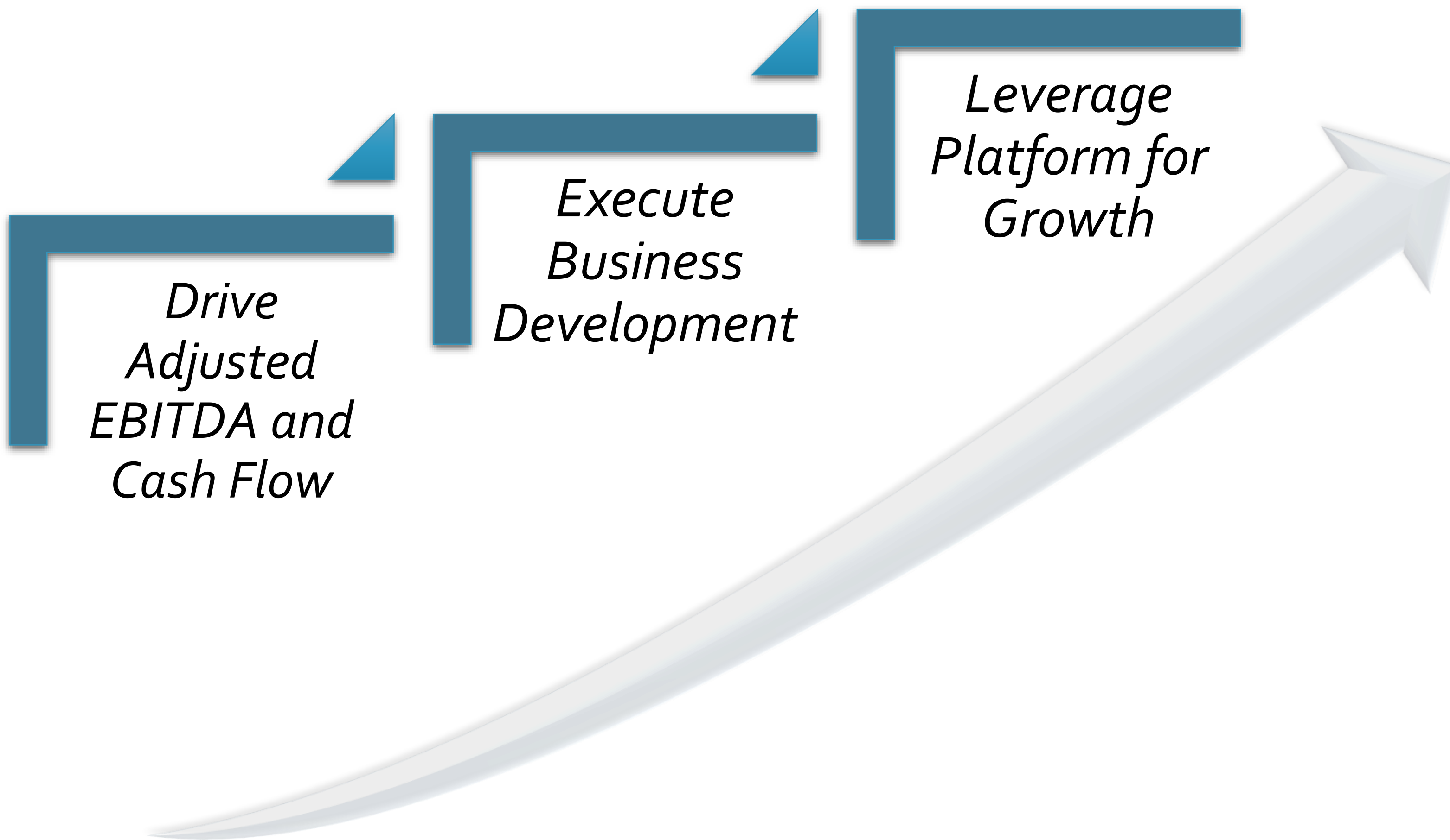
- **Gralise® Sale Agreement Terms**
  - Alvogen's purchase price was $127.5 million, plus cost of certain inventories on close
  - This included $75 million in cash on close and the balance payable in the form of a royalty on the first $70 million in Gralise net sales

- **Strategic Focus on Non-Opioid Pain**
  - Shift focus to continued growth in Cambia® and Zipsor® prescriptions
  - Scalable platform with targeted 75-person Neurology / Pain field sales force

- **Financial Flexibility**
  - Unlevered balance sheet
  - Increased flexibility for acquisitions and strategic combinations

We Look to Continue to Build on Our Successful Strategy

Financial Discipline, Operational Efficiency, and Flawless Execution



Supplemental Information

Note Regarding Use of GAAP and Non-GAAP Measures

Non-GAAP Financial Measures

To supplement the Company's financial results presented on a U.S. generally accepted accounting principles (GAAP) basis, the Company has included information about non-GAAP adjusted EBITDA, non-GAAP adjusted earnings and non-GAAP adjusted earnings per share as useful operating metrics. The Company believes that the presentation of these non-GAAP financial measures, when viewed with results under GAAP and the accompanying reconciliation, provides supplementary information to analysts, investors, lenders, and the Company's management in assessing the Company's performance and results from period to period. The Company uses these non-GAAP measures internally to understand, manage and evaluate the Company's performance, and in part, in the determination of bonuses for executive officers and employees. These non-GAAP financial measures should be considered in addition to, and not a substitute for, or superior to, net income or other financial measures calculated in accordance with GAAP. Non-GAAP financial measures used by us may be calculated differently from, and therefore may not be comparable to, non-GAAP measures used by other companies.

Specified Items

Non-GAAP measures presented within this release exclude specified items. The Company considers specified items to be significant income/expense items not indicative of current operations, including the related tax effect. Specified items include non-cash adjustment to Collegium agreement revenue and cost of sales, release of NUCYNTA and Lazanda sales reserves for products the Company is no longer selling, interest income, interest expense, amortization, acquired in-process research and development and non-cash adjustments related to product acquisitions, stock-based compensation expense, non-cash interest expense related to debt, depreciation, taxes, transaction costs, CEO transition, restructuring costs, adjustments to net sales related to reserves recorded prior to the Company's exit of opioid commercialization activities, legal costs and expenses incurred in connection with opioid-related litigation, investigations and regulations pertaining to the company's historical commercialization of opioid products, certain types of legal settlements, disputes, fees and costs, gains or losses resulting from debt refinancing transactions and disposal or impairment of long-lived assets, and adjustments for the tax effect related to each of the non-GAAP adjustments.

Non-GAAP Reconciliation

(in thousands, except per share amounts) (unaudited)

RECONCILIATION OF GAAP NET (LOSS) INCOME TO NON-GAAP ADJUSTED EBITDA AND EARNINGS[1]
(in thousands, except per share amounts)
(unaudited)

	Three Months Ended December 31, 2019	Three Months Ended December 31, 2018	Twelve Months Ended December 31, 2019	Twelve Months Ended December 31, 2018	Financial Statement Classification
Net (loss) income (GAAP)	**$ (192,626)**	**$ (24,138)**	**$ (217,201)**	**$ 36,908**	
Interest expense	13,121	16,613	58,389	68,881	Interest expense
Income tax (benefit) expense	(4,919)	(5,333)	(5,283)	1,067	Income tax benefit (expense)
Depreciation expense	278	254	1,172	1,931	Selling, general and administrative expenses
Amortization of intangible assets	25,443	25,443	101,774	101,774	Amortization of intangible assets
EBITDA (Non-GAAP)	**$ (158,703)**	**$ 12,839**	**$ (61,149)**	**$ 210,561**	
Adjustments:					
NUCYNTA and Lazanda revenue reserves [2]	421	(1,024)	(731)	(12,273)	Product sales, net
Commercialization agreement revenues [3]	(4,071)	21,262	3,596	(25,164)	Commercialization agreement, net
Commercialization agreement cost of sales [4]	—	—	—	6,200	Cost of sales (excluding amortization of intangible assets)
Expenses for opioid-related litigation, investigations and regulations [5]	2,112	3,537	9,136	7,897	Selling, general and administrative expenses
Gralise divestiture-related costs [6]	2,227	—	2,227	—	Selling, general and administrative expenses
Loss on disposal of equipment [7]	—	—	10,076	—	Selling, general and administrative expenses
Change in fair value of contingent consideration	(841)	143	(983)	(515)	Selling, general and administrative expenses
Stock-based compensation	2,256	2,549	10,596	10,439	Multiple [8]
Other [9]	(327)	(224)	(1,242)	(1,074)	Multiple [9]
Gain on debt extinguishment, net [10]	—	—	(25,968)	—	Multiple [10]
Loss on intangible impairment [11]	189,790	—	189,790	—	Loss on impairment of intangible asset
Restructuring and related costs [12]	3,891	1,881	3,891	21,264	Restructuring charges
Purdue litigation settlement	—	—	—	(62,000)	Litigation settlement
Change in fair value of warrants	(5,745)	—	(845)	—	Other income, net
Adjusted EBITDA (Non-GAAP)	**$ 31,010**	**$ 40,963**	**$ 138,394**	**$ 155,335**	
Adjusted EBITDA (Non-GAAP)	**31,010**	**40,963**	**138,394**	**155,335**	
Depreciation expense	(278)	(254)	(1,172)	(1,931)	
Cash portion of Senior Notes interest expense [13]	(5,015)	(8,859)	(25,559)	(38,242)	
Income taxes expense (benefit), as adjusted [14]	(41,960)	(7,219)	(64,865)	(15,932)	
Adjusted earnings (Non-GAAP) [15]	**$ (16,243)**	**$ 24,631**	**$ 46,798**	**$ 99,230**	
Shares used in calculation [16]	119,197	81,935	99,506	82,139	
Adjusted earnings per share (Non-GAAP)	$ (0.14)	$ 0.30	$ 0.47	$ 1.21	

Refer to the next page for table footnotes

 Note: For additional information referencing the schedules adjusting items, refer to the 2019 results announcement Form-8K on file with the Securities and Exchange Commission on the date of this presentation.

Non-GAAP Reconciliation (continued)

(unaudited)

(1) Effective as of the year ended December 31, 2019, the Company combined the reconciliation of GAAP net (loss) income to non-GAAP adjusted EBITDA and to non-GAAP adjusted earnings into a singular, consolidated schedule for all periods presented. References to the respective financial statement classification in the Company's consolidated statement of comprehensive income are also included within this reconciliation table. Previously, these reconciliations were presented separately as supplemental tables.
(2) Removal of the impact of revenue adjustment estimates related to products that we are no longer commercializing. The twelve months ended December 31, 2018 included a $12.5 million benefit related to the release of sales reserves for which the Company is no longer financially responsible, net of $1.8 million in royalties payable to a third party recognized in the first quarter of 2018.
(3) For the period from January 8, 2018 through November 8, 2018, the adjustment relates to the non-cash value assigned to inventory transferred to Collegium. As of the date of the Commercialization Amendment, on November 8, 2018, the Company ceased recognition of fixed revenues and began the recognition of variable revenues when they become due beginning in January 2019. The adjustment for the three and twelve months ended December 31, 2019 relates to non-cash expense for third-party royalties, which have no net impact for the full year period, as well as the amortization of the contract asset.
(4) Represents the cash received for inventory transferred to Collegium at the commencement of the Commercialization Agreement.
(5) Legal costs/expenses related to opioid-related litigation, investigations and regulations pertaining to the Company's historical commercialization of opioid products.
(6) On December 11, 2019 the Company entered into an Asset Purchase Agreement for the sale of Gralise to Alvogen. In connection, the Company recognized a loss on certain prepaid assets of $1.7 million and incurred transaction-related costs of $0.4 million during the twelve months ended December 31, 2019. The transaction subsequently closed on January 10, 2020.
(7) Recognition of $10.1 million loss on the September 2019 disposal of equipment residing at a manufacturing supplier that will no longer be used in future production.
(8) Stock based compensation for the three months ended December 31, 2019 and 2018, included $0.2 million and $0.1 million in Research and development expense, respectively, and $2.0 million and $2.4 million in Selling, general and administrative expenses, respectively. Stock based compensation for the twelve months ended December 31, 2019 and 2018 included $0.1 million related to Cost of sales (excluding amortization of intangible assets), $0.7 million and $0.4 million related to Research and development expense, respectively, and $9.8 million and $9.9 million related Selling, general and administrative expenses, respectively.
(9) Represents adjustments for certain income and expenses related to non-recurring items not reflective of ongoing operations. For the three and twelve months ended December 31, 2019, other income of $0.3 million and $1.2 million were recognized in Other income, net, respectively. For the three and twelve months ended December 31, 2018, other income of $0.2 million and $1.2 million were recognized in Other income, net, respectively. For the year ended December 31, 2018, $0.1 million of other costs were recognized in Selling, general and administrative expenses.
(10) In connection with the August 2019 debt refinancing of the convertible notes the Company recognized a net gain of $26.0 million, comprised of a $26.4 million gain on debt extinguishment offset by approximately $0.4 million of nonrecurring related expenses, reflected in Gain on debt extinguishment and Selling, general, and administrative expenses, respectively.
(11) At December 31, 2019 the Company recognized impairment charge of $189.8 million on its NUCYNTA intangible.
(12) Restructuring and other costs represents non-recurring costs associated with the Company's 2019 cost-saving initiative and 2017 restructuring, including reincorporation, headquarters relocation and CEO transition.
(13) Represents the contractual annual basis interest expense for the Senior Notes. The amount excludes convertible debts interest expense because the Company computes non-GAAP adjusted earnings using the if-converted method assuming the convertible debt is converted to equity at the beginning of each period presented.
(14) Represents the Company's income tax (benefit) expense adjusted for the tax effect of pre-tax non-GAAP adjustments excluded from adjusted earnings. The tax effect of pre-tax non-GAAP adjustments excluded from non-GAAP adjusted earnings is computed at the statutory rate of 21%.
(15) Effective as of the year ended December 31, 2019, the Company updated their definition of non-GAAP adjusted earnings to exclude income and expenses related to non-recurring items as these items are not reflective of ongoing operations. Comparative periods have been adjusted to conform with current period presentation, which resulted in a decrease of non-GAAP adjusted earnings of $0.2 million and $0.8 million for the three and twelve months ended December 31, 2018, respectively.
(16) The Company uses the if-converted method to compute adjusted diluted earnings per share with respect to its convertible debt.

Note: For additional information referencing the schedules adjusting items, refer to the 2019 results announcement Form-8K on file with the Securities and Exchange Commission on the date of this presentation.

Non-GAAP Reconciliation

(unaudited)

RECONCILIATION OF GAAP NET (LOSS) INCOME PER SHARE TO [1]
NON-GAAP ADJUSTED EARNINGS PER SHARE
(unaudited)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2019	2018	2019	2018
Diluted net (loss) income per share (GAAP)	$ (2.65)	$ (0.38)	$ (3.07)	$ 0.57
Conversion to adjusted diluted shares [2]	1.03	0.09	0.89	(0.13)
Adjustments:				
NUCYNTA and Lazanda revenue reserves	—	(0.01)	(0.01)	(0.15)
Commercialization agreement revenues	(0.03)	0.26	0.04	(0.30)
Commercialization agreement cost of sales	—	—	—	0.08
Expenses for opioid-related litigation, investigations and regulations	0.02	0.04	0.09	0.10
Gralise divestiture-related costs	0.02		0.02	
Intangible amortization related to product acquisitions	0.21	0.31	1.02	1.24
Loss on disposal of equipment	—	—	0.10	—
Change in fair value of contingent consideration	(0.01)	—	(0.01)	(0.01)
Stock based compensation	0.02	0.03	0.11	0.13
Other	—		(0.01)	
Gain on debt extinguishment,net	—	—	(0.26)	—
Loss in intangible impairment	1.59	—	1.91	—
Restructuring and related costs	0.03	0.02	0.04	0.26
Purdue litigation settlement	—	—	—	(0.75)
Change in fair value of warrants	(0.05)	—	(0.01)	—
Non-cash interest expense on debt [3]	0.07	0.09	0.33	0.37
Income tax effect of non-GAAP adjustments [4]	(0.39)	(0.15)	(0.71)	(0.19)
Adjusted earnings per share (Non-GAAP)	$ (0.14)	$ 0.30	$ 0.47	$ 1.21

(1) Represents per share calculations of adjustments reflective in the Company's reconciliation of GAAP net (loss) income to non-GAAP adjusted earnings and therefore should be read in conjunction with that reconciliation and respective footnotes.

(2) The Company uses the if-converted method to compute adjusted diluted earnings per share with respect to its convertible debt.

(3) Represents per share adjustment for interest expense, net of cash portion of Senior Notes interest expense.

(4) Represents the Company's income tax (benefit) expense adjusted for the tax effect of pre-tax non-GAAP adjustments excluded from adjusted earnings. The tax effect of pre-tax non-GAAP adjustments excluded from non-GAAP adjusted earnings is computed at the statutory rate of 21%.

Note: For additional information referencing the schedules adjusting items, refer to the 2019 results announcement Form-8K on file with the Securities and Exchange Commission on the date of this presentation.

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