

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ See Attachment

Blank lines for listing applicable Internal Revenue Code sections.

18 Can any resulting loss be recognized? ▶ See Attachment

Blank lines for providing information regarding resulting loss recognition.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ _____

The adjustment to basis would be taken into account in the tax year of a holder during which the Assertio Reorganization and Merger occurred. Note, the Transaction Date for which the Assertio Reorganization occurred was May 19, 2020 and the Merger occurred on May 20, 2020.

Blank lines for providing other information necessary to implement the adjustment.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here
Signature ▶  Date ▶ 06/26/2020

Print your name ▶ DAN PEISERT Title ▶ CFO

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶	Firm's EIN ▶			
	Firm's address ▶	Phone no.			

Assertio Holdings, Inc. (85-0598378)
(as acquiror of Assertio Therapeutics, Inc. and Zyla Life Sciences)

Attachment to Form 8937

Part II

Line 14 – Describe the organizational action and, if applicable, the date of the action or the date against which shareholders’ ownership is measured for the action.

On March 16, 2020, Assertio Therapeutics, Inc., a Delaware corporation (“Assertio”), and Assertio Holdings, Inc., a Delaware corporation (“Parent”), entered into an Agreement and Plan of Merger with Zyla Life Sciences, a Delaware corporation (“Zyla”) (the “Merger Agreement”).

Pursuant to the Merger Agreement, Alligator Merger Sub, Inc. (“Alligator”), a wholly owned subsidiary of Parent, merged with and into Assertio on May 19th, 2020. As a result, Assertio became a wholly-owned subsidiary of Parent and each share of Assertio’s common stock, par value \$0.0001 per share, was converted into the right to receive one share of common stock, par value \$0.0001 per share, of Parent’s common stock (“Parent Common Stock”) (the “Assertio Reorganization”).

Also pursuant to the Merger Agreement, Zebra Merger Sub, Inc. (“Zebra”), a wholly owned subsidiary of Parent, merged with and into Zyla on May 20th, 2020. As a result, Zyla became a wholly-owned subsidiary of Parent and each share of Zyla’s common stock, par value \$0.001 per share, was converted into the right to receive 2.5 shares of Parent Common Stock (the “Merger”). Any fractional shares of Zyla were cancelled in exchange for cash.

Line 15 – Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis.

The Assertio Reorganization and the Merger are expected to qualify as reorganizations within the meaning of Section 368(a) of Internal Revenue Code (“IRC”), which generally allows former stockholders of Assertio (“Former Assertio Shareholders”) and former stockholders of Zyla (“Former Zyla Shareholders”, and together with Former Assertio Shareholders, the “Former Holders”) to defer the recognition of any gain or loss from the receipt of shares as consideration in exchange for their existing shares. Accordingly, Former Holders will generally have an adjusted tax basis in the Parent Common Stock received (including any fractional shares) equal to the adjusted tax basis the Former Holders had in the share(s) surrendered in exchange therefor.

Former Zyla Shareholders that receive cash in lieu of fractional shares of Parent Common Stock will be treated as having received the fractional share pursuant to the Merger and then as having exchanged such fractional share for cash. Accordingly, Former Zyla Shareholders will be considered to have a basis in the fractional share determined as if such fractional share was received in the Merger. Such Former Zyla Shareholders will generally recognize gain or loss on any cash received in lieu of a fractional share equal to the difference between the amount of cash received and the tax basis allocated to such fractional share.

Line 16 – Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates.

It is expected that the Assertio Reorganization and Merger will qualify as a reorganizations for U.S. federal income tax purposes and that the per share tax basis of Parent Common Stock received will equal

the adjusted tax basis of the share(s) exchanged therefor. Former Zyla Shareholders who acquired common of Zyla at different times or for different prices should allocate the tax basis in such common stock to the Parent Common Stock received, in a manner that reflects, to the greatest extent possible, blocks of Zyla common stock that were acquired on the same date and at the same price.

For example, assume a Former Zyla Shareholder owned 8 shares of Zyla common stock, four of which were acquired on Date 1 and had an aggregate tax basis of \$4 (\$1 per share), and the other four shares were acquired on Date 2 and had an aggregate tax basis of \$8 (\$2 per share). Assume further that, pursuant to the Merger, such shareholder received 20 total shares of Parent Common Stock: (i) 10 shares of Parent Common Stock for 4 shares of Zyla common stock acquired on Date 1, and (ii) 10 shares of Parent Common Stock for the other 4 shares of Zyla common stock acquired on Date 2. Consequently, the Former Zyla Shareholder would have 10 shares of Parent Common Stock with an aggregate tax basis of \$4 that is treated as having been acquired on Date 1 (per share basis of \$0.40), and 10 shares of Assertio common stock with an aggregate tax basis of \$8 that is treated as having been acquired on Date 2 (per share basis of \$0.80).

Line 17 – List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based

IRC sections 354(a), 358(a), 358(b) and 368(a); IRC section 1001 (Former Zyla Shareholder who receive cash in lieu of fractional shares).

Line 18 – Can any resulting loss be recognized?

Former Holders should not recognize any loss upon receipt of Parent Common Stock. Former Zyla Shareholders will generally recognize gain or loss on any cash received in lieu of a fractional share of Parent Common Stock equal to the difference between the amount of cash received and the tax basis allocated to such fractional share.