Bausch Health Announces Second-Quarter 2023 Results, other key updates from the Quarter, and raises Full-Year 2023 Revenue Outlook

August 03, 2023

- **Favorable Motion Ruling in Xifaxan® Litigation Reinforces Continuing Salix Growth Strategy**
- **Balance Sheet Initiatives Further Enhance Liquidity Profile**
- **Continued Evaluation of Optimal Implementation of Potential Bausch + Lomb Distribution**
- **Revenue of $2.17 billion, Up 10% Reported and 11% Organic[1]**
- **GAAP Net Income Attributable to Bausch Health Companies Inc. of $26 Million**
- **Adjusted EBITDA Attributable to Bausch Health Companies Inc. (non-GAAP)[1] of $727 Million, Up 4%**
- **Raises Full-Year Revenue Outlook and Reaffirms Adjusted EBITDA (non-GAAP)[1] Guidance Range**

LAVAL, QC, August 3, 2023 – Bausch Health Companies Inc. (NYSE/TSX: BHC) ("Bausch Health" or the "Company" or "we" or "our") today announced its second-quarter 2023 financial results and various other key updates from the quarter.

"We are encouraged by our strong performance in the second quarter as we continue to see the results from our focus on commercial excellence and investments in key businesses with growth opportunities, such as Salix" said Thomas J. Appio, Chief Executive Officer, Bausch Health. "We are also encouraged by various other key positive developments for our business during the quarter, including the favorable motion ruling in respect of Xifaxan® and the continued success our initiatives to proactively manage our balance sheet. We also continue to advance our R&D pipeline as we look forward to bringing new products to the patients who can benefit from them," concluded Appio.

Favorable Motion Ruling in Xifaxan® Litigation Reinforces Continuing Salix Growth Strategy

In May 2023, the U.S. District Court of Delaware denied Norwich Pharmaceuticals Inc.'s motion for reconsideration in the matter of *Salix Pharmaceuticals, LTD et al v. Norwich Pharmaceuticals, Inc.*, which therefore prevents the U.S. Food and Drug Administration ("FDA") from approving Norwich's abbreviated new drug application ("ANDA") for Xifaxan® (rifaximin) 550 mg before October 2029. Norwich has appealed the denial of its motion for reconsideration. In June 2023, the FDA granted tentative approval for the ANDA, but confirmed that it is enjoined from granting final approval until October 2029. This favorable ruling reinforces Salix's continuing growth strategy.

On June 5, 2023, Norwich sued the FDA in the United States District Court for the District of Columbia challenging the FDA's decision to follow the August 10, 2022 final judgment and withhold final approval for the Norwich ANDA until October 2029. The FDA opposed Norwich's

action and the Company intervened in the lawsuit. A decision in the District Court for the District of Columbia is expected by the end of 2023.

Norwich's appeal of the U.S. District Court of Delaware's denial of its motion for reconsideration and Bausch Health's appeal of the IBS-D and polymorph patent rulings from the August 10, 2022 final judgment have been consolidated, and are pending at the Court of Appeals for the Federal Circuit. A decision is expected on the appeals as early as Q1 2024.

The Company remains confident in the strength of the Xifaxan® patents and intends to vigorously defend its intellectual property.

Proactive Balance Sheet Initiatives, Including New Accounts Receivable Credit Facility, Further Enhance Liquidity of Bausch Health (excl. Bausch + Lomb) to Greater than $1 Billion

In June 2023, the Company entered into a non-recourse receivables financing facility for up to $600 million with KKR and its credit funds and accounts. Following the closing of the receivables facility Bausch Health (excl. Bausch + Lomb) has liquidity in excess of $1 billion, inclusive of cash and cash equivalents, availability under the Company's existing revolving credit facility and availability under the receivables facility. The strength of our current liquidity profile, coupled with our continued generation of cash flow from operations, provides the Company with flexibility to assess strategic opportunities to further improve our balance sheet and pursue key growth opportunities.

Update on Potential Bausch + Lomb Distribution

The Company continues to believe that completing a separation of Bausch + Lomb Corporation ("Bausch + Lomb") makes strategic sense and is committed to creating two strong companies following any potential distribution.

As the Company continues to evaluate all relevant factors and circumstances related to any Bausch + Lomb distribution, it is exploring options for optimizing the structure of any Bausch + Lomb distribution, if and when such a distribution is completed. The Company's initial intent was to effectuate any potential distribution by way of plan of arrangement. The Company has since determined that the optimal way to implement the distribution may instead be through a tax-free reduction of capital, which also provides additional flexibility to the Company and Bausch + Lomb with respect to strategic alternatives after any distribution has occurred. The Company continues to evaluate the structure of any distribution and its other related details. Any distribution of Bausch + Lomb continues to be subject to receipt of applicable shareholder and other required approvals.

Bausch Health (excl. B+L) R&D Update

- **RED-C**: global program for Reduction of Early Decompensation in Cirrhosis
  - Expect to complete enrollment of two global Phase 3 trials in Q1 2024
  - Received feedback on the program from the National Medical Products Administration in China and we are currently planning to meet with authorities in Japan later this year
- **Amiselimod (S1P modulator)**: treatment of mild to moderate Ulcerative Colitis
  - Phase 2 study completed enrollment in July 2023 and the study is expected to be completed in Q4 2023
- **IDP-126**: first triple combination product for the treatment of acne vulgaris
  - PDUFA date set for October 2023
  - New Drug Submission was submitted to Health Canada on May 30, 2023
- **Clear and Brilliant® Touch**: fractionated laser device for skin rejuvenation

- Regulatory submissions on-track in Europe and Canada in 2024 and Asia Pacific in 2025

- **Next Generation Fraxel®**: fractionated laser device for skin resurfacing
  - FDA submission is expected in Q4 2023

Second Quarter 2023 Revenue Performance

Total reported revenues were $2.17 billion for the second quarter of 2023, compared with $1.97 billion in the second quarter of 2022, an increase of $200 million, or 10%. Excluding the unfavorable impact of foreign exchange of $17 million and the favorable impact of acquisitions, divestitures, and discontinuations of $4 million, revenue increased by 11% organically[1] compared with the second quarter of 2022.

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