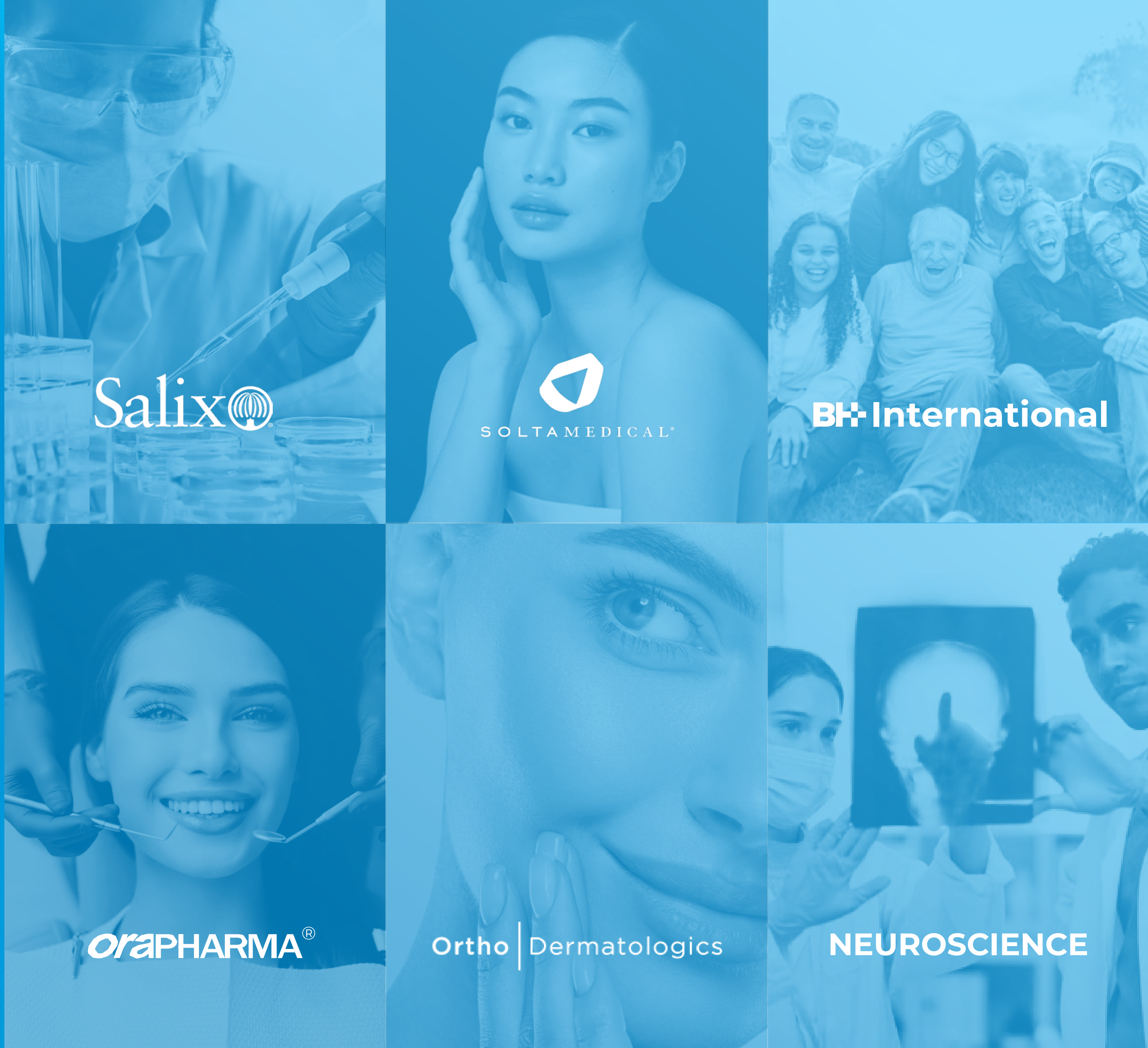
BAUSCH Health

JPMorgan Healthcare Conference

January 14, 2026



Forward-Looking Statements; Non-GAAP Information

Forward-Looking Statements

This presentation contains forward-looking information and statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995 and applicable Canadian securities laws (collectively, “forward-looking statements”), including, but not limited to, statements relating to Bausch Health Companies Inc.’s (“Bausch Health” or the “Company”) future prospects and performance, financial guidance, research and development efforts and anticipated timing or results thereof, proposed plan to separate its eye health business, including the timing thereof, ability to enforce and defend its Xifaxan® intellectual property rights, ability to execute its growth strategies and strategic priorities generally, as well as other corporate and strategic transactions, and the potential impacts of the Inflation Reduction Act (“IRA”) and the selection by the Centers for Medicare & Medicaid Services (“CMS”) of Xifaxan® for the second round of negotiation under the drug price negotiation program for initial price applicability in 2027 as well as our ability to mitigate the effects of pricing controls. Forward-looking statements may generally be identified by the use of the words “anticipates,” “hopes,” “expects,” “intends,” “plans,” “should,” “could,” “would,” “may,” “believes,” “estimates,” “potential,” “target,” or “continue” and positive and negative variations or similar expressions, and phrases or statements that certain actions, events or results may, could, should or will be achieved, received or taken, or will occur or result, and similar such expressions also identify forward-looking information. These forward-looking statements, including the full-year guidance, are based upon the current expectations and beliefs of management. The Company’s 2025 financial outlook and full-year guidance are included to provide further information about management’s expectations about the Company’s future business operations, activities and results and may not be appropriate for other purposes.

These forward-looking statements are subject to certain factors, risks and uncertainties that could cause actual results to differ materially from those described in these forward-looking statements. These factors, risks and uncertainties include, but are not limited to the following: the impact of current market and economic conditions in one or more of the Company’s markets; the impact of inflation and other macroeconomic factors on the Company’s business and operations; the impact of pricing controls, and social or governmental pressure to lower the cost of drugs, such as legislation including the IRA, drug pricing control programs and our ability to negotiate and mitigate the effects of pricing controls; the ability to complete the separation of Bausch + Lomb, including the timing and structure thereof, and to achieve the expected benefits thereof, and other risks and uncertainties relating to such separation, including actual and potential litigation related thereto; uncertainty of commercial success for new and existing products; challenges to patents; challenges to the Company’s ability to enforce and defend against challenges to its patents; the impact of patent expirations and the ability of the company to successfully execute strategic plans; compliance with legal and regulatory requirements; our substantial debt and current and future debt service obligations; the impact of potential imposition of and adverse changes to duties, tariffs and other trade protection measures (including any retaliations to such measures); risks relating to potential diversion of management attention away from ongoing business operations; and other factors, risks and uncertainties discussed in the Company’s most recent annual and quarterly reports and detailed from time to time in the Company’s other filings with the U.S. Securities and Exchange Commission and the Canadian Securities Administrators, which factors, risks and uncertainties are incorporated herein by reference.

Additional information regarding certain of these material factors and assumptions may be found in the Company’s filings described above. The Company believes that the material factors and assumptions reflected in these forward-looking statements are reasonable in the circumstances, but readers are cautioned not to place undue reliance on any of these forward-looking statements. These forward-looking statements speak only as of the date hereof. Bausch Health undertakes no obligation to update any of these forward-looking statements to reflect events or circumstances after the date of this presentation or to reflect actual outcomes, unless required by law.

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 securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

Non-GAAP Information

To supplement the financial measures prepared in accordance with U.S. generally accepted accounting principles (“GAAP”), the Company uses certain non-GAAP financial measures and non-GAAP ratios to provide supplemental information to readers. Management uses these non-GAAP measures and ratios as key metrics in the evaluation of the Company’s performance and the consolidated financial results and, in part, in the determination of cash bonuses for its executive officers. The Company believes these non-GAAP measures and ratios are useful to investors in their assessment of our operating performance. In addition, these non-GAAP measures and ratios address questions the Company routinely receives from analysts and investors and, in order to assure that all investors have access to similar data, the Company has determined that it is appropriate to make this data available to all investors.

However, these measures and ratios are not prepared in accordance with GAAP nor do they have any standardized meaning under GAAP. In addition, other companies may use similarly titled non-GAAP financial measures and ratios that are calculated differently from the way we calculate such measures and ratios. Accordingly, our non-GAAP financial measures and ratios may not be comparable to such similarly titled non-GAAP financial measures and ratios used by other companies. We caution investors not to place undue reliance on such non-GAAP measures and ratios, but instead to consider them with the most directly comparable GAAP measures and ratios. Non-GAAP financial measures and ratios have limitations as analytical tools and should not be considered in isolation. They should be considered as a supplement to, not a substitute for, or superior to, the corresponding measures calculated in accordance with GAAP.

For further information on non-GAAP financial measures and ratios, please see the Non-GAAP Appendix.

Basis of Presentation

Unless otherwise indicated, the financial information in this presentation is presented for Bausch Health Companies Inc. on a basis excluding the results of Bausch + Lomb (an “ex-B+L basis”). The Company’s consolidated financial statements prepared in accordance with GAAP include the results of Bausch + Lomb; accordingly, the financial information presented on an ex-B+L basis is not prepared in accordance with GAAP and is provided for supplemental informational purposes to assist investors in evaluating the Company’s businesses excluding Bausch + Lomb. For the Company’s consolidated results, including Bausch + Lomb, refer to the Non-GAAP Appendix in this presentation or the Company’s SEC filings available on the SEC’s website or the Company’s website.

BAUSCH Health

Salix Pharmaceuticals

Solta Medical®

Ortho Dermatologics

Neurology

ICN Pharmaceuticals, Inc.

OraPHARMA®

Humax Pharmaceutical

tecnofarma®

PharmaSwiss

GROSSMAN

$4,834m
2024 revenue

$2,553m
2024 adjusted EBITDA[1]

$1,308m
2024 adjusted cash flow from operations[1]

Source: BHC SEC filings.
1. This is a non-GAAP measure or non-GAAP ratio. See Slide 2 and Non-GAAP Appendix for further information on non-GAAP measures and ratios.

Bausch Health Companies (BHC) excluding B+L is a ~$5B diversified global pharmaceutical and devices company

PRIMARY THERAPEUTIC AREAS

- Gastroenterology
- Hepatology
- Neuroscience
- Dermatology
- Dentistry
- Aesthetics

Operations in **~50** countries

600+ products globally

~50m people impacted annually

7,000+ employees worldwide

12 manufacturing sites

Source: BHC SEC filings, BHC internal.

A robust and diversified portfolio built over more than 65 years

- **1959** — **FOUNDED** *as ICN Pharmaceuticals, Inc.*
- **2003** — **NAME CHANGED** VALEANT Pharmaceuticals International *(November 2003)*
- **2011** — **ACQUIRED** Ortho Dermatologics *(February 2011)*
- **2012** — **ACQUIRED** oraPHARMA® *(June 2012)*
- **2013** — **ACQUIRED** BAUSCH + LOMB *(May 2013)*
- **2014** — **ACQUIRED** SOLTA MEDICAL *(January 2014)*
- **2015** — **ACQUIRED** Salix PHARMACEUTICALS *(April 2015)*
- **2018** — **NAME CHANGED** BAUSCH Health *(in July 2018)*
- **2020** — **ANNOUNCED SPIN OFF OF** BAUSCH + LOMB
- **2025** — **ACQUIRED** durect *(September 2025)*
- **ACQUIRED** 视博医疗 SHIBO *(December 2025)*

Source: BHC SEC Filings.

Supporting patients & providers globally with leading therapies

Salix Pharmaceuticals

committed to the prevention and treatment of gastroenterology and hepatology

International

a diverse and market-leading portfolio of ~500 products

Solta Medical

a growing and global leader in medical aesthetics

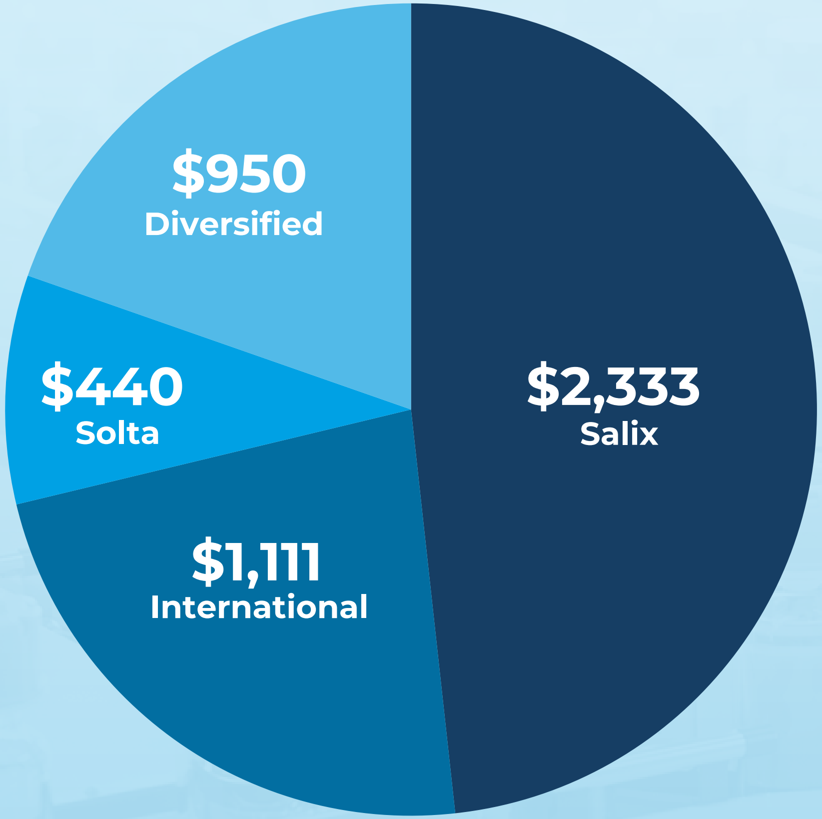
Diversified

robust portfolio of leading specialty and generic drugs

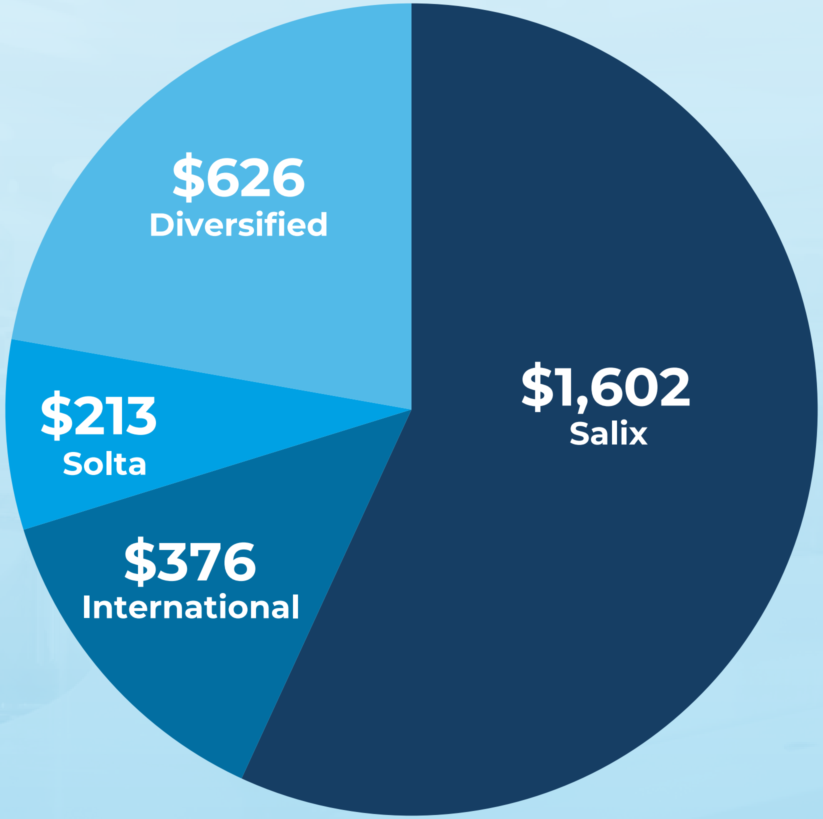
Each segment delivers meaningful value to Bausch Health (excl. B+L)

Amounts in millions

FY24 Revenue



FY24 Segment Profit[1]



Source: BHC SEC filings.

1. Segment profit is based on operating income after the elimination of intercompany transactions, including between Bausch + Lomb and other segments. Certain costs such as Amortization of intangible assets, Asset impairments, Restructuring, integration, separation costs, Other expense, net, and other corporate allocations are not included in the measure of segment profit, as management excludes these items in assessing segment financial performance.

Attractive therapeutic areas with leading franchises in GI, aesthetics, neuroscience, and international branded generics

GI / HEPATOLOGY

4.5M in US with **DIAGNOSED LIVER DISEASE**[1]

2M **TOTAL CIRRHOTIC PATIENTS** in US[2]

NEUROSCIENCE[3]

$20B **ANTI-DEPRESSANT MARKET** in US

5% **CAGR** from 2020 - 2025

AESTHETICS[4]

Body Contouring *(VASER®)* **3-5% CAGR** by 2027

Skin Resurfacing/ Rejuvenation *(Fraxel®, Clear + Brilliant®)* **7–8% CAGR** in next 5 years

Skin Tightening *(Thermage®)* **5–7% CAGR** by 2027

Global Aesthetics Market

6–7% CAGR

$20B–$23B

INTERNATIONAL BRANDED GENERICS[5]

Central Europe

- Central Europe & Russia Rx Total Market value ~$118B; ~12% market growth
- ~193M population

Mexico

- Total pharma market of +$14B
- ~5% Rx market growth from 2022–2024
- ~130M population, ~0.9% population growth in 2024

1. *Source: Centers for Disease Control and Prevention. Chronic Liver Disease and Cirrhosis. Las Reviewed January 15, 2025.*
2. *Source: Wong et al Clin Transl Gastroenterol. 2025 May 1;16(5):e00823.)*
3. *Source: IQVIA.*
4. *Source: MedTech Insights, BCG, McKinsey analysts. Global aesthetics market size excludes plastic procedures.*
5. *Source: World Bank Group. IQVIA Latin America Market - Trends & Forecast (October 2025).*

Salix is a leader in GI and hepatology

ESTABLISHED BRANDS

Top 2

LEADING PHARMACEUTICAL COMPANIES

across GI indications we address[1]

XIFAXAN®

is the **ONLY FDA-APPROVED MEDICINE** that reduces risk of overt hepatic encephalopathy ("OHE") recurrence in adults

GROWING PRESENCE

Over 40%

of current OHE patients **ARE TREATED WITH XIFAXAN®** [2]

STRONG TOTAL

XIFAXAN®

script growth

(+9% in 3Q25)[3]

DEEP EXPERTISE

AI-DRIVEN INSIGHTS and smarter, more **STRATEGIC ADVERTISING**

driving growth

in mature franchises

Applying marketing approach to

BOOST

OTHER GI FRANCHISES such as Relistor®

ACCELERATING INNOVATION

ADVANCING

2 Late-Stage Programs

in hepatology

ADVANCING

GI Innovation

through

Targeted BD opportunities

1. Source: IQVIA FIA Audit from November 2019 to October 2025 reflecting estimates of real-world activity.
2. Source: IQVIA LAAD from October 2024 to September 2025 reflecting estimates of real-world activity; All distribution channels included.
3. Source: IQVIA.

Solta is a leading medical aesthetics platform, anchored by strength in APAC

Comprehensive Offerings to Drive Growth

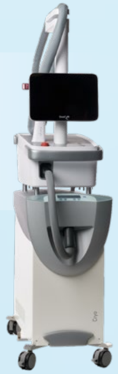
thermage FLX

Radiofrequency device, skin tightening

clear + brilliant touch laser

Laser aesthetic, skin care regimen

fraxel FTX

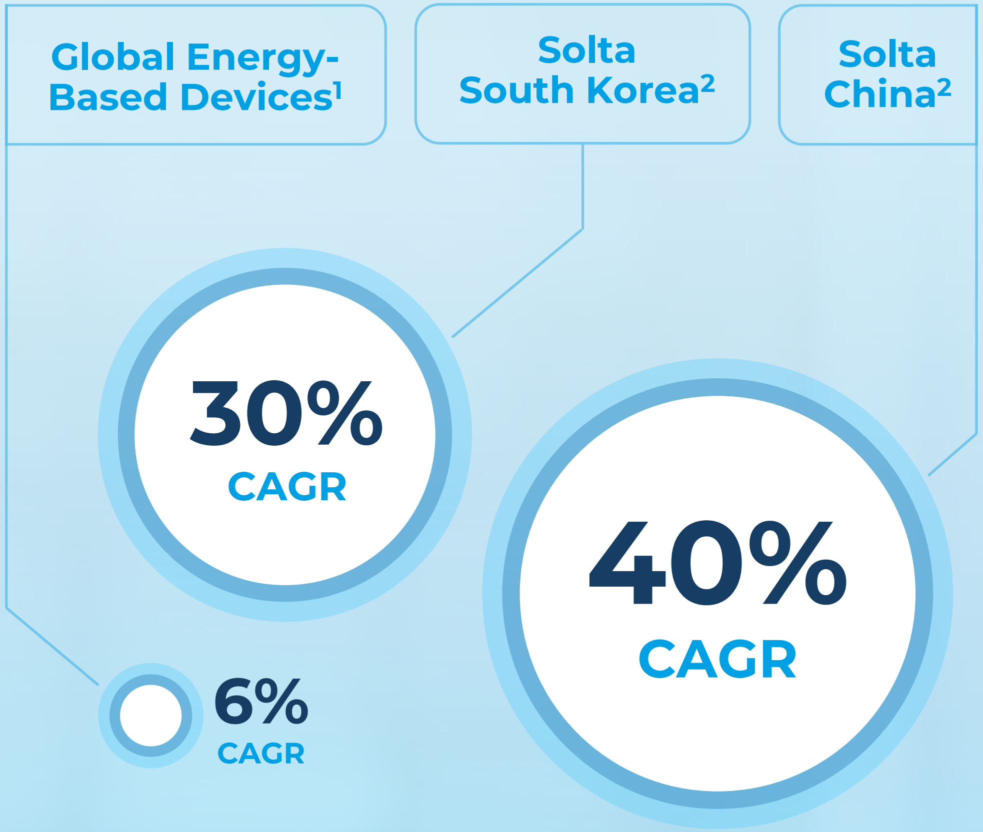


Fractional laser, skin resurfacing

VASER ultrasonic system

Energy-based liposuction, body contouring

Aesthetics Revenue Growth Rate



1. Source: BCG Asia-Pacific Aesthetic Market Study (July 2025). Expected growth rate from 2024 – 2029.
2. Source: BHC internal. Growth rate from 2017 – 2024.

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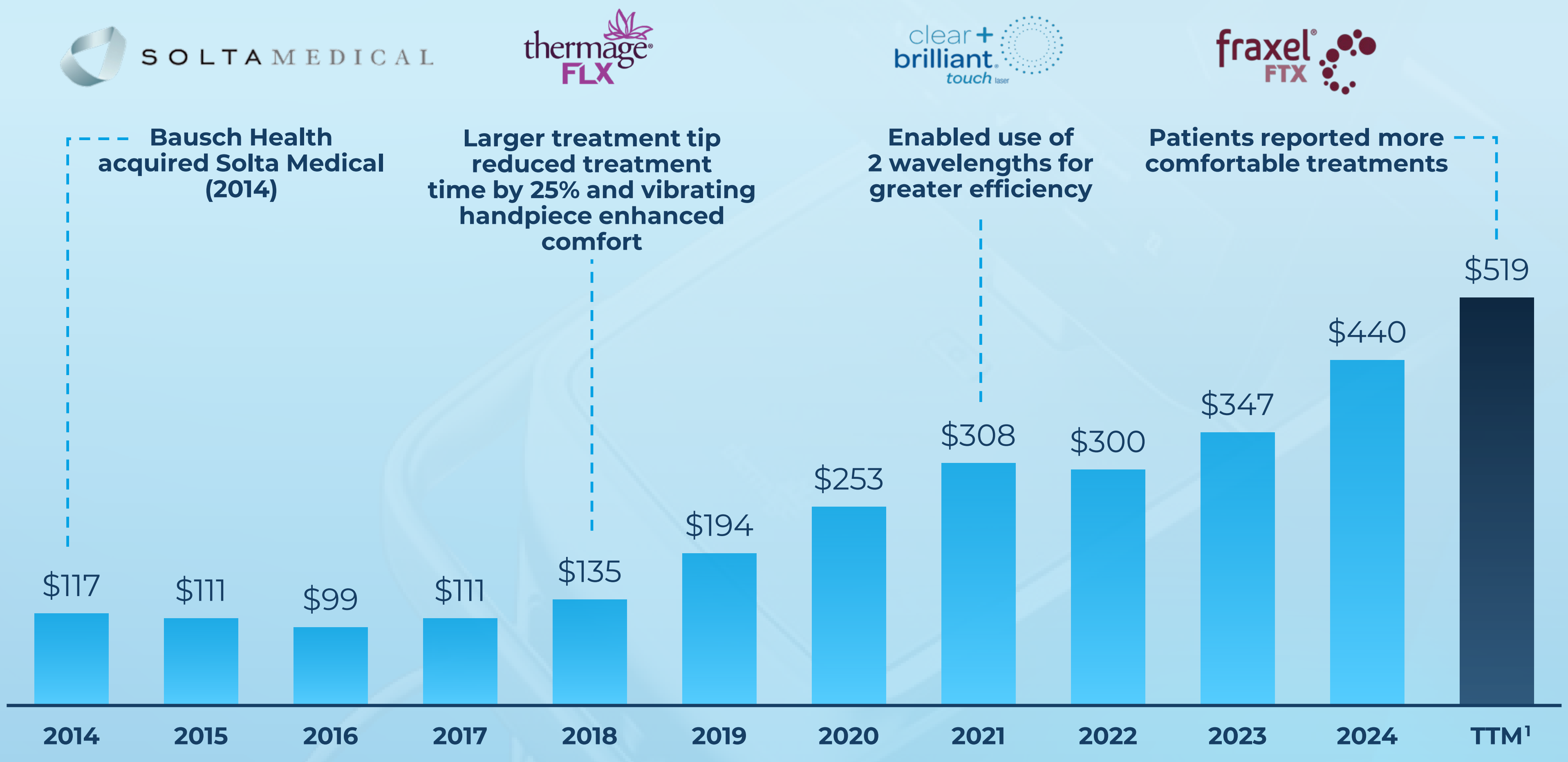
Innovation-led execution at Solta is driving trend of consistent growth

Amounts in millions



28%

TRAILING 12 MO REVENUE GROWTH[1]

Source: BHC SEC filings.
1. As of September 30, 2025.

Award-winning Solta portfolio positioned for continued growth

THERMAGE®

SURPASSED

5 MILLION TREATMENTS[1]

PERFORMED WORLDWIDE

FRAXEL FTX®

LAUNCHED

FRAXEL FTX®

IN THE

UNITED STATES IN 2025

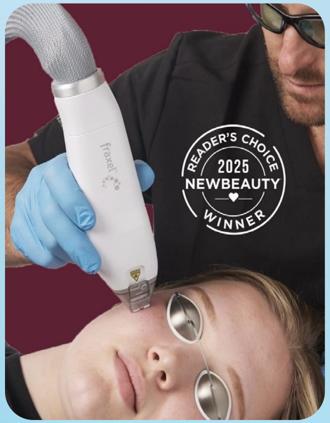
FRAXEL FTX®

AWARDED

2025 NEWBEAUTY READER'S CHOICE AWARD

FAVORITE LASER TREATMENT FOR

SUN DAMAGE



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Source: Moly.nice, NewBeauty Reader, SHAPE.

1. Based on cumulative number of Thermage® family of tips sold globally. Actual treatment numbers may vary.

Leading franchises across our International segment

EMEA

SERBIA

#1 company in Cardiology, Urology, Oncology, and Neurology[1]

POLAND

YUN NV products' launch to strengthen **#1** position and **17%** market share in Dermatology[2]

#1 in Sales Value of Hepatoprotectic Rx market[3]

Bisocard ranked **#3** in units in all Rx market[4]

LATAM

MEXICO

#2 ranked Dermatology company in Mexico[5]

Espavén Pediátrico carries **exclusive approval** for use from 2 months of age

MEXICO + COLOMBIA

BEDOYECTA® is the **#1** Complex-B brand[5]

MEXICO + CENTRAL AMERICA

Branded generics hold at least one top-three position **across all therapeutic categories**[5]

CANADA

CANADA[6]

#1 Dermatology company

JUBLIA® is the **highest selling** topical in Canadian history

1. *Source: IQVIA Data (August 2025).*
2. *Source: IQVIA Data (October 2025).*
3. *Source: IQVIA Poland National Sell-In RX/MAT/10/2025/Value A05B LIVER DIS HEP PROT&LIPOT RX/SM:RX.*
4. *Source: IQVIA Poland National Sell-In RX/MAT/10/2025 RX/SM:RX.*
5. *Source: IQVIA MFP (October 2025).*
6. *Source: CDH-IQVIA Data.*

Bausch Health has the infrastructure in place to continue building our Neuroscience franchise

SECOND LARGEST CONTRIBUTOR to **BAUSCH HEALTH'S REVENUES** in the U.S.

REACH 12,000 PSYCHIATRISTS/ PCPs in the U.S., **REPRESENTING 80%** of our **NEUROSCIENCE BUSINESS**

BUILT-OUT INFRASTRUCTURE DEMONSTRATES our **REIMBURSEMENT CAPABILITIES**

INVESTED in **COMMERCIAL LEADERSHIP** to **DRIVE FORWARD BUSINESS DEVELOPMENT OPPORTUNITIES**

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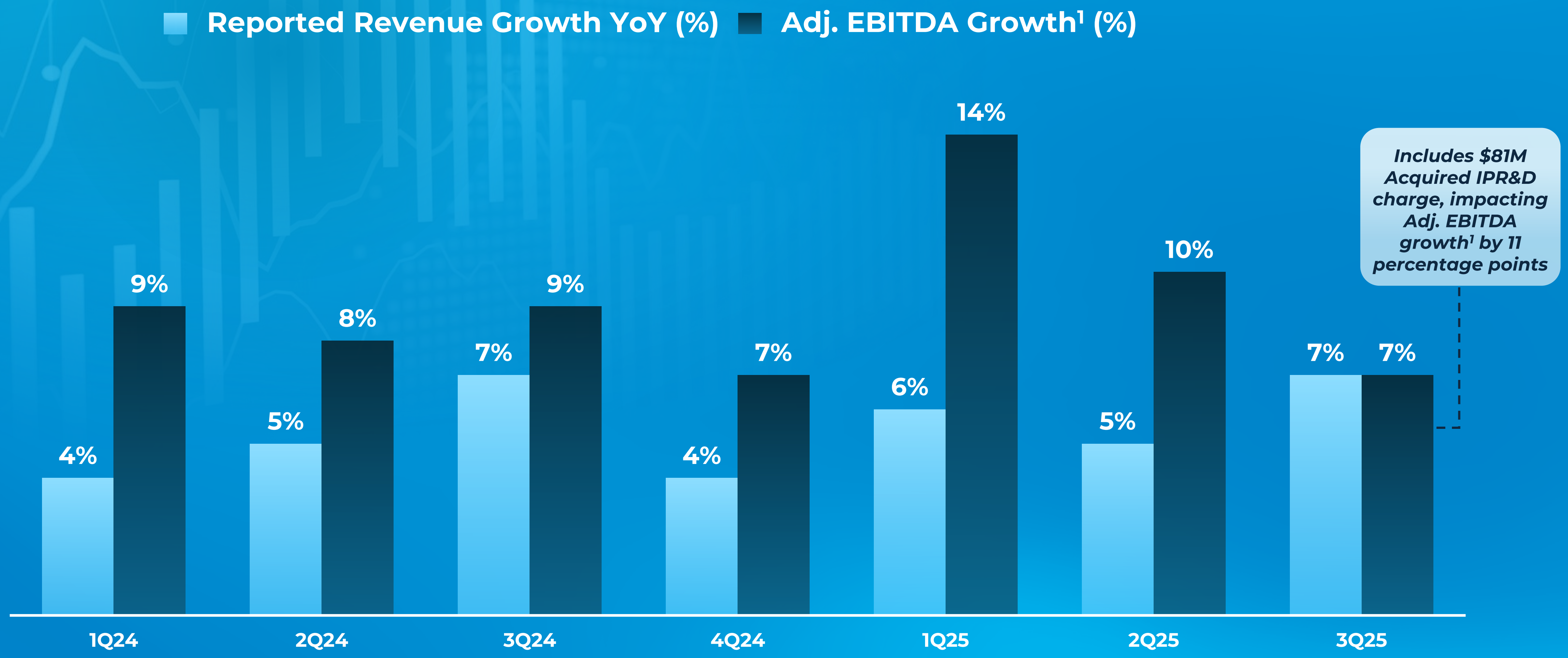
Source: BHC Internal.

Proven track record of driving consistent, profitable growth



Source: BHC SEC filings.
1. This is a non-GAAP measure or non-GAAP ratio. See Slide [2 and Non-GAAP Appendix] for further information on non-GAAP measures and ratios.

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Experienced management team with deep expertise in pharmaceuticals and medical devices

Thomas J. Appio
Chief Executive Officer

Seana Carson
EVP, General Counsel

JJ Charhon
EVP, Chief Financial Officer

Mirza Dautbegovic
EVP, Chief Operating Officer

Kathleen Fitzpatrick
EVP, Chief Human Resources & Communications Officer

Cees Heiman
SVP, Europe and Canada

Jiny Kim
SVP, Solta Medical

Aimee Lenar
EVP, US Pharma

Jonathan Sadeh, M.D., M.Sc.
EVP, Chief Medical Officer & Head of R&D

Fernando Zarate
VP, Latin America

Reiterating full year 2025 guidance[1] reflects ~4% revenue and ~7% Adj. EBITDA[1,2] growth[3] for Bausch Health (excl. B+L)

Revenue

$5.000 to **$5.100** **Billion**

Adj. EBITDA[1,2]

$2.700 to **$2.750** **Billion**

Adj. Operating Cash Flow[1]

$0.975 to **$1.025** **Billion**

1. This is a non-GAAP measure or non-GAAP ratio. See Slide 2 and Non-GAAP Appendix for further information on non-GAAP measures and ratios.
2. Adjusted EBITDA guidance excludes the impact of Acquired IPR&D.
3. Adjusted EBITDA growth calculated at the midpoint of 2025 guidance.

Potential inflection points in the future[1]

2026: Readout of two global RED-C Phase 3 trials

2027: Solta Thermage® 1X

2028: Readout of Larsucosterol Phase 3

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Source: BHC internal.
1. See Slide 2 for further information on forward-looking statements.

RED-C underscores our investment in a pipeline aligned with our GI expertise

RED-C Program

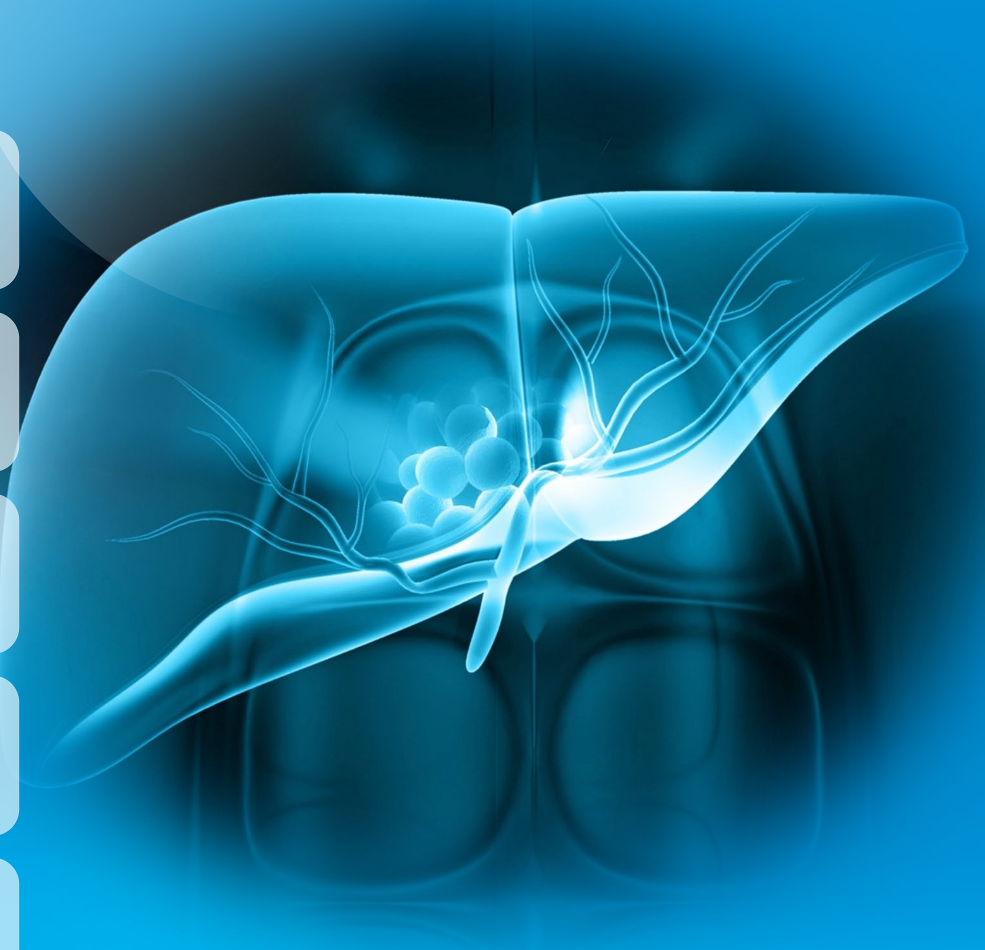
- **No approved products for the primary prevention of overt hepatic encephalopathy (OHE)**
- **Market opportunity of approximately 1.9M U.S. patients that have not experienced first OHE event**
- **Two global Phase 3 studies expected to read out in early 2026[1]**

Source: BHC internal.
1. See Slide 2 for further information on forward-looking statements.

Recently acquired Larsucosterol asset is a strategic fit on multiple fronts

Larsucosterol

- **Acquisition of DURECT Corporation completed in 3Q25**
- **Strategic fit that expands hepatology portfolio of Bausch Health**
- **Being studied for the treatment of Alcohol-Associated Hepatitis**
- **150K est. hospitalizations per year with a 90-day mortality rate of 30%[1]**
- **Initiation of Phase 3 trial expected by early 2026[2]**



Source: BHC SEC filings, BHC internal.
1. Source: US Department of Health and Human Services' Healthcare Cost and Utilization Project reports (accessed January 2022); 2 Marlowe, et. al., AASLD 2021 Poster No. 381.
2. See Slide 2 for further information on forward-looking statements.

Bausch Health has a strong foundation for long-term value[1]

ATTRACTIVE MARKET SEGMENTS

with leading franchises in GI, neuroscience, aesthetics, and branded generics

STRONG GROWTH POTENTIAL

within our International and Solta Medical businesses

SEASONED LEADERSHIP TEAM

with strong record of driving profitable growth

CLEAR FOCUS ON GROWTH

through continued excellence in execution and innovation

Source: BHC internal.
1. See Slide 2 for further information on forward-looking statements.

Appendix

BAUSCH Health

Consolidated

FY24 Reconciliation of Reported Cash Provided by Operating Activities to Adjusted Cash Flow from Operations (Non-GAAP)[1]

Amounts in millions

	Twelve Months Ended December 31, 2024		
	Bausch Health Companies Inc.	**Bausch + Lomb Corporation**	**Bausch Health** *(excl. B+L)*[3]
Cash provided by operating activities	**$1,597**	**$232**	**$1,364**
Net cash impact of legacy legal matters[2]	224	-	224
Payments of transformation costs	34	28	6
Payments of separation costs and separation-related costs	12	3	9
Interest payments charged against premium	(295)	-	(295)
Payments of Acquired IPR&D	18	18	-
Adjusted cash flow from operations (non-GAAP)[1]	**$1,590**	**$281**	**$1,308**

1. *This is a non-GAAP measure. Management considers the presentation of Adjusted cash flow from operations for Bausch Health (excl. B+L) (non-GAAP) to be meaningful information and utilizes it in decision making and for compensation purposes. Adjusted cash flow from operations for Bausch Health (excl. B+L) (non-GAAP) is not intended to be representative of GAAP operating activities and Adjusted cash flow from operating activities for B+L is not intended to be representative of discontinued operations as the criteria for that accounting hasn't been met. As such, Adjusted cash flow from operations excluding B+L (non-GAAP) as included herein may not be indicative of the results of the operations or Adjusted cash flow from operations attributable to Bausch Health (non-GAAP) in the future, or if B+L met the criteria to be treated as a discontinued operation during any of the periods presented. See Slide 2 and Non-GAAP Appendix for further information on non-GAAP measures and ratios.*
2. *Payments of legacy legal settlements, net of insurance recoveries and restitutions.*
3. *Amounts may not cross foot due to rounding.*

Consolidated

FY24 Reported Net (Loss) Income to Adjusted EBITDA excluding Bausch+Lomb)[1]

Amounts in millions

	Twelve Months Ended December 31, 2024		
	Bausch Health Companies Inc.	**Bausch + Lomb Corporation**	**Bausch Health** *(excl. B+L)*
Net (Loss) Income	**($72)**	**($305)**	**$233**
Interest expense, net	1,355	384	971
Provision for income taxes	239	71	168
Depreciation and amortization	1,267	436	831
EBITDA (non-GAAP)[1]	**2,789**	**586**	**2,203**
Adjustments:			
Asset impairments	29	5	24
Restructuring, integration and transformation costs	66	56	10
Acquisition related costs and adjustments (excluding amortization of intangible assets)	101	77	24
Gain on extinguishment of debt	(23)	-	(23)
Share-based compensation	150	92	58
Separation costs and separation-related costs	24	12	12
Other adjustments:			
Litigation and other matters, net of insurance recoveries and restitutions	220	5	215
IT infrastructure investment	35	35	-
Legal and other professional fees	25	6	19
Gain on sale of assets, net	(10)	(5)	(5)
Other	19	3	16
Adjusted EBITDA (non-GAAP)[1,2]	**$3,425**	**$872**	**$2,553**
Impact of Acquired IPR&D	$18	$18	-

1. *This is a non-GAAP measure. Management considers the presentation of Adjusted EBITDA for Bausch Health (excl. B+L) (non-GAAP) to be meaningful information and utilizes it in decision making and for compensation purposes. Adjusted EBITDA for Bausch Health Excluding B+L (non-GAAP) is not intended to be representative of GAAP continuing operations and Adjusted EBITDA for B+L is not intended to be representative of discontinued operations as the criteria for that accounting has not been met. As such, Adjusted EBITDA excluding B+L (non-GAAP) as included herein may not be indicative of the results of the operations or Adjusted EBITDA attributable to Bausch Health (non-GAAP) in the future, or if B+L met the criteria to be treated as a discontinued operation during any of the periods presented. See Non-GAAP Appendix for further information on this and other non-GAAP measures and ratios.*
2. *Adjusted EBITDA (non-GAAP) above includes Adjusted EBITDA attributable to noncontrolling interests. For Bausch Health Companies Inc., this amounted to $118 million for the twelve months ended December 31, 2024, which includes $12 million related to B+L.*

Non-GAAP Appendix

Description of Non-GAAP Financial Measures

To supplement the financial measures prepared in accordance with U.S. GAAP, the Company uses certain non-GAAP financial measures and non-GAAP ratios. These measures and ratios do not have any standardized meaning under GAAP and other companies may use similarly titled non-GAAP financial measures and ratios that are calculated differently from the way we calculate such measures and ratios. Accordingly, our non-GAAP financial measures and ratios may not be comparable to such similarly titled non-GAAP financial measures and ratios used by other companies. We caution investors not to place undue reliance on such non-GAAP measures, but instead to consider them with the most directly comparable GAAP measures and ratios. Non-GAAP financial measures and ratios have limitations as analytical tools and should not be considered in isolation. They should be considered as a supplement to, not a substitute for, or superior to, the corresponding measures calculated in accordance with GAAP.

Commencing in the third quarter of 2025, the Company now includes payments of Acquired IPR&D in the calculation of Adjusted Cash Flow from Operations (non-GAAP). Prior-period amounts presented herein have been restated to conform to the current year's presentation.

Adjusted EBITDA

Adjusted EBITDA (non-GAAP) is Net income (loss) (its most directly comparable GAAP financial measure) adjusted for interest expense, net, (Benefit from) provision for income taxes, depreciation and amortization and certain other items described below.

Management believes that Adjusted EBITDA (non-GAAP), along with the GAAP measures used by management, most appropriately reflect how the Company measures the business internally and sets operational goals and incentives. In particular, the Company believes that these metrics focus management on the Company's underlying operational results and business performance. As a result, the Company uses these metrics to assess the financial performance of the Company and to forecast future results as part of its guidance. Management believes these metrics are a useful measure to evaluate current performance. These metrics are intended to show our unleveraged, pre-tax operating results and therefore reflect our financial performance based on operational factors. In addition, cash bonuses for the Company's executive officers and other key employees are based, in part, on the achievement of certain Adjusted EBITDA (non-GAAP) targets.

Adjusted EBITDA (non-GAAP) is Net income (loss) (its most directly comparable GAAP financial measure) adjusted for interest expense, net, (Benefit from) provision for income taxes, depreciation and amortization and the following items:

- **Restructuring, integration and transformation costs:** The Company has incurred restructuring costs as it implemented certain strategies, which involved, among other things, improvements to its infrastructure and operations, internal reorganizations and impacts from the divestiture of assets and businesses. With regard to infrastructure and operational improvements which the Company has taken to improve efficiencies in the businesses and facilities, these tend to be costs intended to right size the business or organization that fluctuate significantly between periods in amount, size and timing, depending on the improvement project, reorganization or transaction. Additionally, the Company is launching certain transformation initiatives that will result in certain changes to and investment in its organizational structure and operations. These transformation initiatives arise outside of the ordinary course of continuing operations and, as is the case with the Company's restructuring efforts, costs associated with these transformation initiatives are expected to fluctuate between periods in amount, size and timing. These out-of-the-ordinary-course charges include third-party advisory costs, as well as certain severance-related costs. Investors should understand that the outcome of these transformation initiatives may result in future restructuring actions and certain of these charges could recur. The Company believes that the adjustments of these items provide supplemental information with regard to the sustainability of the Company's operating performance, allow for a comparison of the financial results to historical operations and forward-looking guidance and, as a result, provide useful supplemental information to investors.

- **Asset Impairments:** The Company has excluded the impact of impairments of finite-lived and indefinite-lived intangible assets, as well as impairments of assets held for sale, as such amounts are inconsistent in amount and frequency and are significantly impacted by the timing and/or size of acquisitions and divestitures. The Company believes that the adjustments of these items correlate with the sustainability of the Company's operating performance. Although the Company excludes impairments of intangible assets and assets held for sale from measuring the performance of the Company and the business, the Company believes that it is important for investors to understand that intangible assets contribute to revenue generation.

- **Goodwill Impairments:** The Company excludes the impact of goodwill impairments. When the Company has made acquisitions where the consideration paid was in excess of the fair value of the net assets acquired, the remaining purchase price is recorded as goodwill. For assets that we developed ourselves, no goodwill is recorded. Goodwill is not amortized but is tested for impairment. The amount of goodwill impairment is measured as the excess of a reporting unit's carrying value over its fair value. Management excludes these charges in measuring the performance of the Company and the business.

- **Share-based compensation:** The Company has excluded costs relating to share-based compensation. The Company believes that the exclusion of share-based compensation expense assists investors in the comparisons of operating results to peer companies. Share-based compensation expense can vary significantly based on the timing, size and nature of awards granted.

- **Acquisition-related costs and adjustments (excluding amortization of intangible assets):** The Company has excluded the impact of acquisition-related costs and fair value inventory step-up resulting from acquisitions as the amounts and frequency of such costs and adjustments are not consistent and are significantly impacted by the timing and size of its acquisitions. In addition, the company excludes acquisition-related contingent consideration non-cash adjustments due to the inherent uncertainty and volatility associated with such amounts based on changes in assumptions with respect to fair value estimates, and the amount and frequency of such adjustments are not consistent and are significantly impacted by the timing and size of the Company's acquisitions, as well as the nature of the agreed-upon consideration.

- **Gain (Loss) on extinguishment of debt:** The Company has excluded gain (loss) on extinguishment of debt as this represents a gain or loss from refinancing our existing debt and is not a reflection of our operations for the period. Further, the amount and frequency of such amounts are not consistent and are significantly impacted by the timing and size of debt financing transactions and other factors in the debt market out of management's control.

Non-GAAP Appendix

- **Separation costs and separation-related costs:** The Company has excluded certain costs incurred in connection with activities regarding the separation of the eye-health business. Separation costs are incremental costs directly related to effectuating the separation of the eye-health business and include, but are not limited to, legal, audit and advisory fees. Separation-related costs are incremental costs indirectly related to the separation of the eye-health business and include, but are not limited to rebranding costs and costs associated with facility relocation and/or modification. As these costs arise from events outside of the ordinary course of continuing operations, the Company believes that the adjustments of these items provide supplemental information with regard to the sustainability of the Company's operating performance, allow for a comparison of the financial results to historical operations and forward-looking guidance and, as a result, provide useful supplemental information to investors.
- **Other adjustments:** The Company has excluded certain other amounts, including legal and other professional fees incurred in connection with legal and governmental proceedings, investigations and information requests regarding certain of our legacy distribution, marketing, pricing, disclosure and accounting practices, litigation and other matters, and net (gain) loss on sale of assets or other disposition of assets. Given the unique nature of the matters relating to these costs, the Company believes these items are not normal operating expenses. For example, legal settlements and judgments vary significantly, in their nature, size and frequency, and, due to this volatility, the Company believes the costs associated with legal settlements and judgments are not normal operating expenses. In addition, as opposed to more ordinary course matters, the Company considers that each of the recent proceedings, investigations and information requests, given their nature and frequency, are outside of the ordinary course and relate to unique circumstances. The Company has also excluded IT infrastructure investments that are the result of other, non-comparable events to measure operating performance. These events arise outside of the ordinary course of continuing operations. The Company has also excluded certain other costs, including professional fees associated with contemplated, but not completed, strategic transactions. The Company excluded these costs as the consideration of such matters are outside of the ordinary course of continuing operations and are infrequent in nature. The Company believes that the exclusion of such out-of-the-ordinary-course amounts provides supplemental information to assist in the comparison of the financial results of the Company from period to period and, therefore, provides useful supplemental information to investors. However, investors should understand that many of these costs could recur and that companies in our industry often face litigation.

Adjusted Cash Flow from Operations

Adjusted cash flow from operations (non-GAAP) is Cash generated from operations (its most directly comparable GAAP financial measure) adjusted for: (i) payments of legacy legal settlements, net of insurance recoveries and restitutions, (ii) payments of transformation costs, (iii) payments for separation costs and separation-related costs, (iv) interest payments charged against premium, (v) fees paid in connection with the debt refinancing transactions and (iv) payments of acquired IPR&D.

Management believes that Adjusted cash flow from operations (non-GAAP), along with the GAAP and non-GAAP measures used by management, most appropriately reflect how the Company measures the business internally. The Company uses adjusted cash flow from operations (non-GAAP) both to assess the actual financial performance of the Company and to forecast future results as part of its guidance. Management believes adjusted cash flow from operations (non-GAAP) is a useful measure to evaluate current performance amounts.

As these payments arise from events outside of the ordinary course of continuing operations as discussed above, the Company believes that the adjustments of these items provide supplemental information with regard to the sustainability of the Company's cash from operations, allow for a comparison of the financial results to historical operations and forward-looking guidance and, as a result, provide useful supplemental information to investors.

Adjusted EBITDA excluding Bausch + Lomb (non-GAAP)

Adjusted EBITDA excluding Bausch + Lomb (non-GAAP) is Adjusted EBITDA (non-GAAP) adjusted to remove Adjusted EBITDA attributable to Bausch + Lomb (non-GAAP). Adjusted EBITDA attributable to Bausch + Lomb (non-GAAP) is Income (loss) before income taxes of our Bausch + Lomb segment (its most directly comparable GAAP financial measure) adjusted for the portion of the Company's interest expense, depreciation, amortization and other adjustments as described above, allocated or attributable to Bausch + Lomb.

Adjusted EBITDA excluding Bausch + Lomb is not intended to be, and may not be, representative of income from continuing operations (for Bausch Health excluding Bausch + Lomb) or from discontinued operations (for B+L) in accordance with GAAP, as: (i) the criteria for that accounting has not been met and (ii) certain cost allocations to BHC excluding B+L and B+L are not in accordance with the criteria for that accounting. As such, Adjusted EBITDA excluding Bausch + Lomb (non-GAAP) as included herein may not be indicative of the results of the operations or Adjusted EBITDA attributable to Bausch Health (non-GAAP) in the future, or if Bausch + Lomb met the criteria to be treated as a discontinued operation during any of the periods presented.

Adjusted Cash Flow from Operations excluding Bausch + Lomb (non-GAAP)

Adjusted Cash Flow from Operations excluding Bausch + Lomb (non-GAAP) is Adjusted Cash Flow from Operations (non-GAAP) adjusted to remove Adjusted Cash Flow from Operations attributable to Bausch + Lomb (non-GAAP). Adjusted Cash Flow from Operations attributable to Bausch + Lomb (non-GAAP) is Cash Flow from Operations of our Bausch + Lomb segment (its most directly comparable GAAP financial measure) adjusted for the portion of the Company's payment of separation costs, separation-related costs and other adjustments as described above, allocated or attributable to Bausch + Lomb.

Adjusted Cash Flow from Operations excluding Bausch + Lomb is not intended to be, and may not be, representative of Cash Flow from Operations (for Bausch Health excluding Bausch + Lomb) or from discontinued operations (for B+L) in accordance with GAAP, as: (i) the criteria for that accounting has not been met and (ii) certain cost allocations to BHC excluding B+L and B+L are not in accordance with the criteria for that accounting. As such, Adjusted Cash Flow from Operations excluding Bausch + Lomb (non-GAAP) as included herein may not be indicative of the cash flow or Adjusted Cash Flow from Operations attributable to Bausch Health (non-GAAP) in the future, or if Bausch + Lomb met the criteria to be treated as a discontinued operation during any of the periods presented.

Management believes that Adjusted Cash Flow from Operations excluding Bausch + Lomb (non-GAAP), along with the GAAP and other non-GAAP measures used by management, most appropriately reflects how the Company measures the business internally and sets operational goals and incentives. In particular, the Company believes that these metrics focus management on the Company's underlying operational results and business performance. As a result, the Company uses these metrics to assess the actual financial performance of the Company and to forecast future results as part of its guidance. Management believes these metrics are a useful measure to evaluate current performance. These metrics are intended to show our unleveraged, pre-tax operating results and therefore reflects our financial performance based on operational factors. In addition, cash bonuses for the Company's executive officers and other key employees are based, in part, on the achievement of certain Adjusted Cash Flow (non-GAAP) targets.