



J.P. Morgan Healthcare Conference

January 11, 2022

BAUSCH Health

Forward-Looking Statements



This presentation contains forward-looking information and statements, within the meaning of applicable securities laws (collectively, "forward-looking statements"), including, but not limited to, statements related to expected 2022 catalysts (including debt paydown and future innovation), and statements relating to the Company's plan to spin off or separate its eye health business from the remainder of Bausch Health, including the timing of the initial public offering ("IPO") and spinoff, (including the Company's expectation regarding the timing of an IPO, which is subject to market conditions and regulatory, stock exchange and other necessary approvals, and that the Bausch + Lomb spinoff will occur following the expiry of customary lock-ups and the achievement of our target net leverage ratios, subject to receipt of shareholder and necessary approvals), the expected tax rates of the Bausch + Lomb and Bausch Pharma entities following the spinoff, and the targeted net leverage of the Bausch + Lomb and Bausch Pharma entities; the Company's plan to pursue an IPO of its Solta Medical business, including the timing of the completion of such IPO (including the Company's expectation that the Solta Medical IPO will launch once market conditions improve, subject to such market conditions and regulatory, stock exchange and other necessary approvals), the expected tax rate of the Solta Medical entity, the exchange on which the Solta Medical entity is intended to be listed and the announcement of the identity of the Chief Financial Officer of Solta and the anticipated steps in the path to deleveraging. Forward-looking statements may generally be identified by the use of the words "anticipates," "expects," "predicts," "goals," "intends," "plans," "should," "could," "would," "may," "will," "believes," "estimates," "potential," "target," "commit," "forecast," "tracking," or "continue" and 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 are based upon the current expectations and beliefs of management and are provided for the purpose of providing additional information about such expectations and beliefs and readers are cautioned that these statements may not be appropriate for other purposes. These forward-looking statements are subject to certain risks and uncertainties that could cause actual results and events to differ materially from those described in these forward-looking statements. These risks and uncertainties include, but are not limited to, the 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 Securities and Exchange Commission and the Canadian Securities Administrators, which risks and uncertainties are incorporated herein by reference. They also include, but are not limited to, risks and uncertainties caused by or relating to the evolving COVID-19 pandemic, the fear of that pandemic, the availability and effectiveness of vaccines for COVID-19 (including with respect to current or future variants), COVID-19 vaccine immunization rates, new lockdowns in certain countries, the emergence of variant strains of COVID-19 and the potential effects of that pandemic, the severity, duration and future impact of which are highly uncertain and cannot be predicted, and which may have a material adverse impact on the Company, including but not limited to its supply chain, third-party suppliers, project development timelines, employee base, liquidity, stock price, financial condition and costs (which may increase) and revenue and margins (both of which may decrease). They also include, but are not limited to, risks and uncertainties relating to the Company's proposed plan to spin off or otherwise separate its eye health business from the remainder of Bausch Health, including the expected benefits and costs of such transaction, the expected timing of completion of such transaction and its terms, the Company's ability to complete such transaction considering the various conditions to the completion of such transaction (some of which are outside the Company's control, including conditions related to regulatory matters and a possible shareholder vote, if applicable), that market or other conditions are no longer favorable to completing the transaction, the Company's ability to properly finance the entity on appropriate terms, that any shareholder, stock exchange, regulatory or other approval (if required) is not obtained on the terms or timelines anticipated or at all, business disruption during the pendency of or following such transaction, diversion of management time on transaction-related issues, retention of existing management team members, the reaction of customers and other parties to such transaction, the qualification of such transaction as a tax-free transaction for Canadian and/or U.S. federal income tax purposes (including whether or not an advance ruling from either or both of the Canada Revenue Agency and the Internal Revenue Service will be sought or obtained), potential dissynergy costs between the spun off or separated entity and the remainder of Bausch Health, the impact of such transaction on relationships with customers, suppliers, employees and other business counterparties, general economic conditions, conditions in the markets Bausch Health is engaged in, behavior of customers, suppliers and competitors, technological developments and legal and regulatory rules affecting Bausch Health's business. In particular, the Company can offer no assurance that any spinoff or other separation transaction will occur at all, or that any such transaction will occur on the terms and timelines anticipated by the Company. They also include, but are not limited to, risks and uncertainties relating to the Company's proposed plan to pursue an IPO of its Solta Medical business, including the expected timing of completion of such transaction and the Company's ability to complete such transaction, that market or other conditions are no longer favorable to completing the transaction on a timely basis or at all, the receipt of (or failure to receive) any shareholder, stock exchange, regulatory and other approvals required in connection with the transaction and the timing of receipt of such approvals, business disruption during the pendency of or following such transaction, diversion of management time on transaction-related issues, retention of Solta Medical management team members, the reaction of customers and other parties to such transaction, the impact of such transaction on relationships with customers, suppliers, employees and other business counterparties and other events that could adversely impact the completion of such transaction, including industry or economic conditions outside of Bausch Health's control. In particular, the Company can offer no assurance that any IPO will occur at all, or that any such transaction will occur on the timelines anticipated by the Company. In addition, certain material factors and assumptions have been applied in making these forward-looking statements, including assumptions that the risks and uncertainties outlined above will not cause actual results or events to differ materially from those described in these forward-looking statements. Additional information regarding certain of these material factors and assumptions may also be found in the Company's filings described above. If any of these assumptions are incorrect, the Company's actual results could differ materially from those described in these forward-looking statements. 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. The Company 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 including (i) Adjusted EBITDA, (ii) Organic Revenue and Organic Change, (iii) Constant Currency, (iv) Bausch Pharma Revenues and (v) Cash Flow Conversion. Management uses some of these non-GAAP measures as key metrics in the evaluation of Company 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 are useful to investors in their assessment of our operating performance and the valuation of the Company. In addition, these non-GAAP measures 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 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 that are calculated differently from the way we calculate such measures. Accordingly, our non-GAAP financial measures may not be comparable to such similarly titled non-GAAP measures. 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. Non-GAAP financial measures 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.

The reconciliations of these historic non-GAAP financial measures to the most directly comparable financial measures calculated and presented in accordance with GAAP are shown in the appendix hereto.

Strategic Alternatives Update

Accelerating Strategic Alternatives to Unlock Shareholder Value¹

- ☒ Complete financial segmentation of Bausch + Lomb and Solta Medical
- ☒ Appoint leadership of Bausch Pharma², Bausch + Lomb and Solta Medical
- ☒ Significant debt paydown of ~\$1.84B since announcement of strategic alternatives process³
- ☒ Substantially complete in our preparations and planning for the Bausch + Lomb IPO⁴
- ☒ Substantially complete in our preparations and planning for the Solta Medical IPO⁴
- ☐ Announce public filing of S-1s relating to the proposed IPO of Bausch + Lomb and Solta Medical⁴
- ☐ Launch Bausch + Lomb IPO⁴
- ☐ Launch Solta Medical IPO⁴
- ☐ Bausch + Lomb spinoff following the expiry of customary lock-ups and achievement of our target net leverage ratios⁵

1. See Slide 2 for further information on forward-looking statements.

2. The remainder of Bausch Health is referred to as "Bausch Pharma" and will assume a new name upon the separation of the Company's eye health business, Bausch + Lomb.

3. Net of \$285M revolver draw down as of 1/11/2022.

4. Subject to market conditions, other factors and regulatory, stock exchange and other approvals.

5. Subject to receipt of applicable shareholder and other necessary approvals and factors.

Focused on Leverage Improvement and Delivering Shareholder Value¹

Bausch + Lomb Net Leverage
Targeting less than

2.5x

at time of spin

Bausch Pharma² Net
Leverage Targeting

~6.5x-6.7x

at time of spin

Cash generated from Amoun divestiture

IPO of Bausch + Lomb³

Bausch + Lomb debt raise³

IPO of Solta Medical³

Remaining value of Solta Medical available to de-lever

Utilize cash generated from operations (EBITDA)
and improve working capital efficiency

Creating Three Strong Independent Companies

Bausch Pharma¹ At-A-Glance

Key Leadership Appointments



Thomas J. Appio
Chief Executive Officer

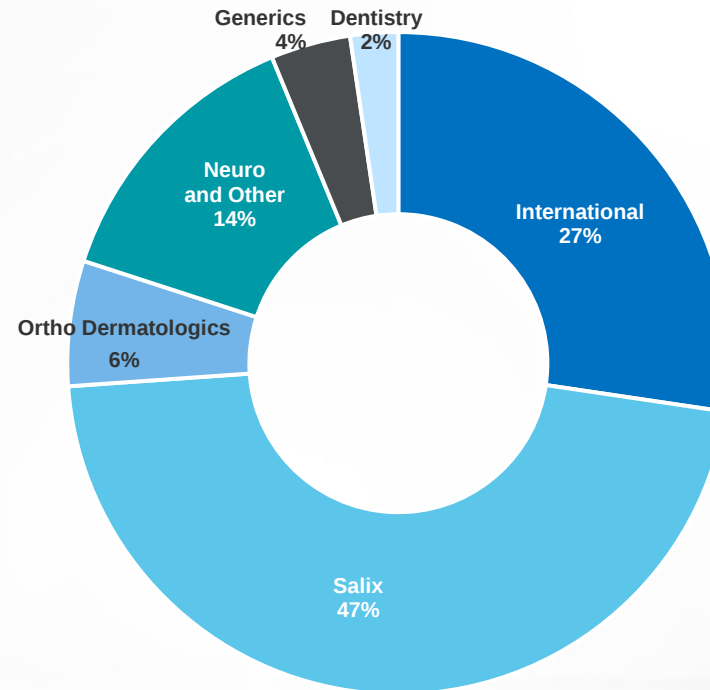


Tom Vadaketh
Chief Financial Officer



Seana Carson
General Counsel

Bausch Pharma Revenue Portfolio^{2,3} (Excluding Global Solta Revenue)



Post Separation Profile

- Expected Tax Rate: ~10-12%
- Domiciled: Canada; U.S. corporate offices will continue to be in Bridgewater, NJ
- Remain listed on: NYSE and TSX

Xifaxan
rifaximin 550 mg tablets

Wellbutrin XL
bupropion HCl
EXTENDED-RELEASE TABLETS

JUBLIA
(efinaconazole)
Topical Solution 10%

RELISTOR
methylnaltrexone bromide

Trulance
(plecanatide)

Aplenzin
bupropion HBr
extended-release tablets

Bedoyecta

1. The remainder of Bausch Health is referred to as "Bausch Pharma" and will assume a new name upon separation from the Company's eye health business, Bausch + Lomb.
2. Bausch Pharma revenues, a non-GAAP metric, are determined by subtracting Bausch + Lomb segment revenues for the applicable period from total Bausch Health revenues for the applicable period. See slide 3 and the Appendix for further non-GAAP information. For the purposes of this slide, Bausch Pharma Revenue has been further adjusted to subtract Global Solta revenue for the applicable period.
3. YTD Revenue as of 9/30/21.

Bausch Pharma² Financial Highlights



~\$4.2B
LTM Revenue^{1,3}



~\$2.4B
LTM pro-forma adj. EBITDA
(non-GAAP)^{4,7} with
~57% margin



80%+
Cash Flow
Conversion
(non-GAAP)^{4,7}



**De-lever up to
~0.75 turns
per year^{5,8}**



~\$1B
investment expected
in R&D^{6,8}



>600
products across a
global, diversified
portfolio



~70
countries where
Bausch Pharma has
presence



~7,000
employees

1. Last twelve months as of September 30, 2021. The Amoun and Solta businesses are not included.
2. The remainder of Bausch Health is referred to as "Bausch Pharma" and will assume a new name upon separation from the Company's eye health business, Bausch + Lomb.
3. Bausch Pharma revenues, a non-GAAP metric, are determined by subtracting Bausch + Lomb segment revenues for the applicable period from total Bausch Health revenues for the applicable period. See slide 3 and the Appendix for further non-GAAP information.
4. Average unlevered free cash flow conversion (non-GAAP) since 2019.
5. Capacity to de-lever an average of 0.75 turns per year over next 5 years.
6. Expect to invest ~\$1bn in R&D over next 5 years.
7. See slide 3 and Appendix for further non-GAAP information.
8. See slide 2 for further information on forward-looking statements.

This presentation does not constitute an offer to sell or the solicitation of an offer to buy any securities.

Bausch Pharma¹ Key Highlights²

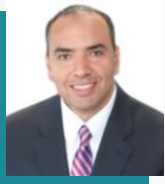
- ✓ **Differentiated product portfolio** across multiple **high-growth therapeutic areas**
- ✓ **Global organization** with presence in **~70 countries**
- ✓ **Strong cash flow** supporting **de-levering and investment in pipeline opportunities**
- ✓ Ability to **leverage global infrastructure** to pursue a **robust business development agenda**
- ✓ **Fit for purpose** operating model supporting **top-line acceleration and operating margin expansion**
- ✓ **Seasoned leadership team** with a **track record of driving profitable growth**

Bausch + Lomb At-A-Glance

Key Leadership Appointments



Joe Papa
Chief Executive Officer



Sam Eldessouky
Chief Financial Officer

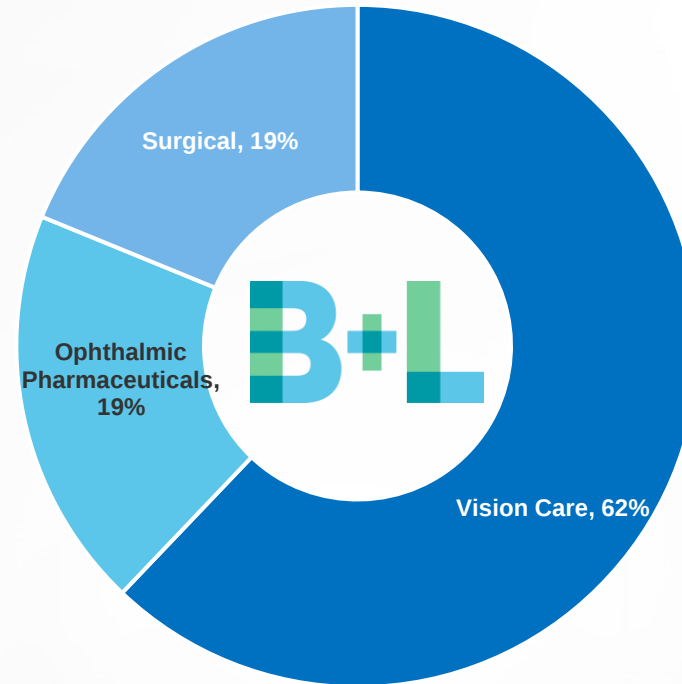


Christina Ackermann
EVP & General Counsel
and President, Ophthalmic
Pharmaceuticals



Joe Gordon
President, Global
Consumer, Surgical and
Vision Care

Bausch + Lomb Revenue Portfolio¹



Post Separation Profile

- Expected Tax Rate: A few hundred basis points higher than Bausch Pharma
- Domiciled: Canada; U.S. corporate offices will be in Bridgewater, NJ



Stellaris



Bausch + Lomb Financial Highlights



~\$3.7B
LTM Revenue¹



9
consecutive quarters
organic growth
(non-GAAP)
pre-Covid^{2,5}



~6%
organic growth
pre-Covid^{3,5} (non-GAAP)
leader in peer group⁶



~\$50B
addressable market
driven by megatrends⁴



168
years of success as a
leading eye health
brand



**Fully
integrated**
eye care company



80+%
world population has
access to B+L
products



~100
countries and
~12,500 employees

1. Last twelve months as of September 30, 2021
2. Organic growth during pre-COVID period (Q4 2017 to Q4 2019)
3. Organic revenue growth for fiscal year 2019 compared to fiscal year 2018
4. Source: Third party market research, 2019 and management estimates
5. See Slide 3 and Appendix for further non-GAAP information.
6. Peer group consists of Johnson & Johnson Vision Care and Alcon

Bausch + Lomb Key Highlights¹

- ✓ Global leader with a **fully integrated eye care portfolio** to holistically approach solving eye health problems
- ✓ **Highest brand awareness** in eye care, with 168-year history of market-leading innovation and trusted patient outcomes
- ✓ Growing share in large addressable markets with demographic and lifestyle **megatrends leading to enduring tailwinds**
- ✓ More than **90%** of our products are **not subject to branded pharmaceuticals pricing issues** in the U.S.
- ✓ Expect growth in large durable markets with **opportunity to grow**, driven by new products
- ✓ Launch new **innovations into high-growth markets** (Premium IOLs, SiHy Daily lenses, Dry Eye Disease, wet AMD)
- ✓ **Potential for margin expansion** based on new products and supply chain efficiencies with critical mass
- ✓ **Balance sheet flexibility** to bolt on **additional strategic product opportunities**
- ✓ Long-term build-out of **B+L Educational Ecosystem**

Solta Medical At-A-Glance

Key Leadership Appointments



Paul Herendeen
Chairman



Scott Hirsch
Chief Executive Officer



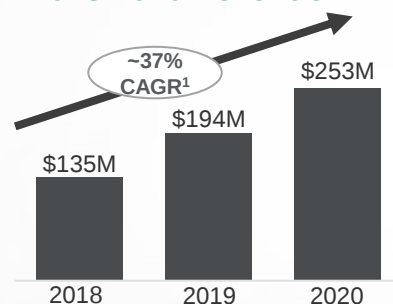
Tom Hart
Chief Operating Officer



Judah Bareli
General Counsel

To be Announced - Chief Financial Officer

2018-2020 Revenue



thermage^{FLX}
RF system



**clear+
brilliant^{touch} laser**



fraxel^{laser}



VASER^{ultrasonic system}

Solta Medical



Continued Market Penetration

Expanding market penetration with new customers in existing markets



Cross-Selling Opportunity

Meaningful opportunity to cross-sell to existing customers who are already familiar with the Solta brand

<1/3rd of customers own >1 product line



Geographic Expansion

Continued market expansion into EU5 countries and broader EMEA markets

LatAm represents a meaningful growth opportunity with expansion plans beginning in 2023



Pipeline Innovation & Inorganic Growth

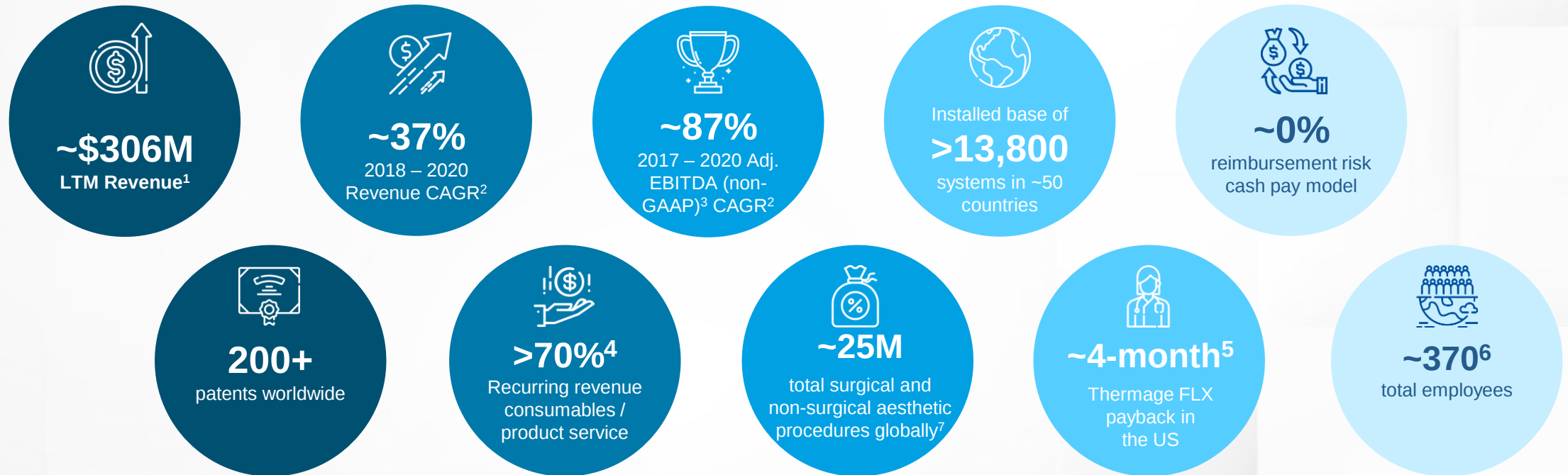
Pipeline of product enhancements and next generation launches to drive install base and recurring revenue stream

Opportunities for inorganic growth through M&A

Post Separation Profile

- Expected Tax Rate: Mid-teens %
- Domiciled: Canada; U.S. corporate offices will be in NJ
- Intend to apply for listing on: NASDAQ

Solta Medical Financial Highlights



1. Last twelve months as of September 30, 2021
 2. Compound Annual Growth Rate
 3. See Slide 2 and Appendix for further non-GAAP information.
 4. Based on 2021 recurring revenue.
 5. Actual payback period will depend on productivity of provider.
 6. Solta Medical is expected to have 450-500 total employees as a standalone company.
 7. International Society of Aesthetic Plastic Surgery

Solta Medical Key Highlights¹

- ✓ A global leader in high-growth medical aesthetics markets driven by powerful industry tailwinds
- ✓ Portfolio of enduring, premium products with a history of innovation to sustain and accelerate market penetration and geographic expansion
- ✓ Track record of durable revenue growth and margin expansion, with >70% of revenues² from reoccurring, high-margin consumables
- ✓ Pro Forma balance sheet enables Day 1 capital allocation priorities to drive product innovation and M&A for growth
- ✓ Accomplished executive leadership supported by experienced and high-performing commercial team

Bausch Health 2022 Expected Catalysts¹

Separate into three publicly traded companies

Significant debt paydown

Execution into three large distinct and addressable markets

Continued focus on innovations for the future

Appendix

Reconciliation of GAAP Net Income to Adj. EBITDA (non-GAAP)



Bausch Health Companies, Inc.

Reconciliation of GAAP Net Income to Adjusted EBITDA (non-GAAP)

For the TTM periods presented

(unaudited)

(In millions)

	BHC	B&L	Solta	Bausch Pharma
	Sep-21	Sep-21	Sep-21	Sep-21
Net loss attributable to Bausch Health Companies Inc.	\$ (1,170)	\$ (78)	\$ 104	\$ (1,196)
Interest expense, net	1,454	(1)	-	1,455
Benefit from income taxes	(278)	404	23	(705)
Depreciation and amortization	1,617	421	20	1,176
EBITDA	1,623	746	147	730
Adjustments:				
Asset impairments, including loss on assets held for sale	310	12	-	298
Goodwill impairments	469	-	-	469
Restructuring and integration costs	8	2	-	6
Acquisition-related costs and adjustments (excluding amortization of intangible assets)	30	-	-	30
Loss on extinguishment of debt	70	-	-	70
Share-based compensation	119	57	4	58
Separation costs, separation-related costs, IPO costs and IPO-related costs	138	2	-	136
Other adjustments:				
Litigation and other matters	615	4	-	611
IT infrastructure investment	22	8	1	13
Legal and other professional fees	56	-	-	56
Net gain on sale of assets	(2)	-	-	(2)
Acquired in-process research and development costs	15	12	-	3
Other	1	-	-	1
Adjusted EBITDA (non-GAAP)	\$ 3,474	\$ 843	\$ 152	\$ 2,479
Amount divestiture	(73)			(73)
Adjusted EBITDA (non-GAAP)	\$ 3,401	\$ 843	\$ 152	\$ 2,406

Unlevered Free Cash Flow Conversion



	2020	2019
Consolidated BHC		
Cash Flow from Operating Activities	1,111	1,501
Purchases of PP&E	(302)	(270)
Free Cash Flow (Non-GAAP)	809	1,231
Bausch + Lomb		
Cash Flow from Operating Activities	522	799
Purchases of PP&E	(253)	(180)
Free Cash Flow (Non-GAAP)	269	619
Solta Medical		
Cash Flow from Operating Activities	101	69
Purchases of PP&E	(5)	(3)
Free Cash Flow (Non-GAAP)	96	66
Bausch Pharma		
Cash Flow from Operating Activities	488	633
Purchases of PP&E	(44)	(87)
Free Cash Flow (Non-GAAP)	444	546
Add back cash interest payments	1,474	1,537
Unlevered FCF	1,918	2,083
Adjusted EBITDA	2,352	2,505
Unlevered FCF Conversion	82%	83%

Reconciliation of Bausch + Lomb Reported Revenue to Organic Revenue^{1,2} and Organic Revenue Growth^{1,2} (\$M)

	Calculation of Bausch + Lomb Organic Revenue							Change in Organic Revenue	
	Revenue as Reported	Changes in Exchange Rates ³	Organic Revenue (Non-GAAP) ^{1,2}	Revenue as Reported	Divestitures and Discontinuations	Organic Revenue (Non-GAAP) ^{1,2}		Amount	Pct.
Three Months Ended				Three Months Ended					
September 30, 2021	949	(10)	939	September 30, 2020	916	(4)	912	27	3%
June 30, 2021	933	(33)	900	June 30, 2020	676	(2)	674	226	34%
March 31, 2021	882	(26)	856	March 31, 2020	876	(2)	874	(18)	-2%
December 31, 2020	944	(10)	934	December 31, 2019	977	(4)	973	(39)	-4%
September 30, 2020	916	(2)	914	September 30, 2019	946	(2)	944	(30)	-3%
June 30, 2020	676	14	690	June 30, 2019	961	(4)	957	(267)	-28%
March 31, 2020	876	14	890	March 31, 2019	894	(5)	889	1	0%
December 31, 2019	977	5	982	December 31, 2018	948	(2)	946	36	4%
September 30, 2019	946	12	958	September 30, 2018	911	(5)	906	52	6%
June 30, 2019	961	30	991	June 30, 2018	955	(6)	949	42	4%
March 31, 2019	894	41	935	March 31, 2018	851	(8)	843	92	11%
December 31, 2018	948	29	977	December 31, 2017	921	(7)	914	63	7%
September 30, 2018	911	20	931	September 30, 2017	885	(38)	847	84	10%
June 30, 2018	955	(18)	937	June 30, 2017	893	(34)	859	78	9%
March 31, 2018	851	(43)	808	March 31, 2017	790	(30)	760	48	6%
December 31, 2017	921	(25)	896	December 31, 2016	854	(6)	848	48	6%

1. See Slide 2 and this Appendix for further non-GAAP information

2. Organic growth/change, a non-GAAP metric, is defined as a change on a period-over-period basis in revenues on a constant currency basis (if applicable) excluding the impact of acquisitions, divestitures and discontinuations.

3. The impact for changes in foreign currency exchange rates is determined as the difference in the current period reported revenues at their current period currency exchange rates and the current period reported revenues revalued using the monthly average currency exchange rates during the comparable prior period..

Reconciliation of Solta Medical Net Income to EBITDA (non-GAAP)¹ and Adjusted EBITDA (non-GAAP)¹ (\$M)²

	Twelve Months Ended December 31, 2020	Twelve Months Ended December 31, 2019	Twelve Months Ended December 31, 2018	Twelve Months Ended December 31, 2017
Net income attributable to Solta Medical	93	52	22	1
Provision for Income Taxes ³	20	9	4	-
Depreciation and amortization	21	21	22	19
EBITDA	134	82	48	20
Adjustments:				
Asset impairments, including loss on assets held for sale	-	4	-	-
Acquisition-related costs and adjustments (excluding amortization of intangible assets)	-	-	(1)	(1)
Share-based compensation	1	1	1	1
Adjusted EBITDA (non-GAAP)¹	\$ 135	\$ 87	\$ 48	\$ 20

Non-GAAP Appendix



Description of Non-GAAP Financial Measures

To supplement the financial measures prepared in accordance with U.S. generally accepted accounting principles (GAAP), the Company uses certain non-GAAP financial measures. These measures do not have any standardized meaning under GAAP and other companies may use similarly titled non-GAAP financial measures that are calculated differently from the way we calculate such measures. Accordingly, our non-GAAP financial measures may not be comparable to similar non-GAAP measures. 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. Non-GAAP financial measures 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.

Adjusted EBITDA (non-GAAP)

Adjusted EBITDA (non-GAAP) is GAAP 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, as further 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 Adjusted EBITDA (non-GAAP) focuses management on underlying operational results and business performance. As a result, the Company uses Adjusted EBITDA (non-GAAP) both to assess actual financial performance and to forecast future results as part of its guidance. Adjusted EBITDA (non-GAAP) is 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 EBITDA (non-GAAP) targets.

Restructuring and integration 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. 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, including loss on assets held for sale: 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.

Non-GAAP Appendix



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 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 is not consistent and is significantly impacted by the timing and size of the Company's acquisitions, as well as the nature of the agreed-upon consideration. In addition, the Company excludes 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 impacted by the timing and size of its acquisitions. There were no acquisition-related costs or fair value inventory step-up for the periods presented.

Loss on extinguishment of debt: The Company has excluded loss on extinguishment of debt as this represents a cost of refinancing our existing debt and is not a reflection of our operations for the period. Further, the amount and frequency of such charges 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.

Separation and IPO costs and separation-related and IPO-related costs: The Company has excluded certain costs incurred in connection with activities taken to: (i) separate the eye-health and the Solta aesthetic medical device businesses from the remainder of the Company and (ii) register the eye-health and the Solta aesthetic medical device businesses as independent publicly traded entities. Separation and IPO costs are incremental costs directly related to effectuating the separation of the eye-health business and the initial public offering ("IPO") of the Solta aesthetic medical device business (the "Solta IPO") and include, but are not limited to, legal, audit and advisory fees, talent acquisition costs and costs associated with establishing a new board of directors and related board committees. Separation-related and IPO-related costs are incremental costs indirectly related to the separation of the eye-health business and the Solta IPO and include, but are not limited to, IT infrastructure and software licensing costs, 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 Non-GAAP Charges: 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 on sales of assets. The Company has also excluded expenses associated with in-process research and development, as these amounts are inconsistent in amount and frequency and are significantly impacted by the timing, size and nature of acquisitions. Furthermore, as these amounts are associated with research and development acquired, the Company does not believe that they are a representation of the Company's research and development efforts during any given period. The Company has also excluded IT infrastructure investment, that are the result of other, non-comparable events to measure operating performance. These events arise outside of the ordinary course of continuing operations. 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 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.

Please also see the reconciliation tables in this appendix for further information as to how these non-GAAP measures are calculated for the periods presented.

As used in this presentation, Bausch Pharma Pro Forma Adjusted EBITDA has been calculated by subtracting Adjusted EBITDA (and the related reconciliations) for each of Bausch + Lomb and Solta from Adjusted EBITDA (and the related reconciliation) for Bausch Health Companies Inc.

Non-GAAP Appendix



Organic Revenue, Organic Growth, Organic Revenue Decline and Organic Change

Organic growth/change, a non-GAAP metric, is defined as a change on a period-over-period basis in revenues on a constant currency basis (if applicable) excluding the impact of recent acquisitions, divestitures and discontinuations (if applicable). Organic growth/change is change in GAAP Revenue (its most directly comparable GAAP financial measure) adjusted for certain items, as further described below, of businesses that have been owned for one or more years. Organic revenue is impacted by changes in product volumes and price. The price component is made up of two key drivers: (i) changes in product gross selling price and (ii) changes in sales deductions. The Company uses organic revenue and organic growth/change to assess performance of its business units and operating and reportable segments, and the Company in total, without the impact of foreign currency exchange fluctuations and recent acquisitions, divestitures and product discontinuations. The Company believes that such measures are useful to investors as they provide a supplemental period-to-period comparison.

Organic growth/organic change reflects adjustments for: (i) the impact of period-over-period changes in foreign currency exchange rates on revenues and (ii) the revenues associated with acquisitions, divestitures and discontinuations of businesses divested and/ or discontinued. These adjustments are determined as follows:

- *Foreign currency exchange rates:* Although changes in foreign currency exchange rates are part of our business, they are not within management's control. Changes in foreign currency exchange rates, however, can mask positive or negative trends in the business. The impact for changes in foreign currency exchange rates is determined as the difference in the current period reported revenues at their current period currency exchange rates and the current period reported revenues revalued using the monthly average currency exchange rates during the comparable prior period.
- *Acquisitions, divestitures and discontinuations:* In order to present period-over-period organic revenues (non-GAAP) on a comparable basis, revenues associated with acquisitions, divestitures and discontinuations are adjusted to include only revenues from those businesses and assets owned during both periods. Accordingly, organic revenue (non-GAAP) growth/change excludes from the current period, revenues attributable to each acquisition for twelve months subsequent to the day of acquisition, as there are no revenues from those businesses and assets included in the comparable prior period. Organic revenue (non-GAAP) growth/change excludes from the prior period, all revenues attributable to each divestiture and discontinuance during the twelve months prior to the day of divestiture or discontinuance, as there are no revenues from those businesses and assets included in the comparable current period.

Please also see the reconciliation in this Appendix for further information as to how this non-GAAP measure is calculated for the periods presented.

Constant Currency

Changes in the relative values of non-U.S. currencies to the U.S. dollar may affect the Company's financial results and financial position. To assist investors in evaluating the Company's performance, we have adjusted for foreign currency effects.

Constant currency impact is determined by comparing 2021 reported amounts adjusted to exclude currency impact, calculated using 2020 monthly average exchange rates, to the actual 2020 reported amounts.

Non-GAAP Appendix



Bausch Pharma Revenue

Bausch Pharma Revenue, non-GAAP metrics, are determined by subtracting Bausch + Lomb segment revenues for the applicable period from total Bausch Health revenues for the applicable period. For the purposes of this presentation, where indicated, Bausch Pharma Revenue has been further adjusted by subtracting Global Solta revenue for applicable period.

Cash Flow Conversion

Cash flow conversion is unlevered free cash flow conversion. We calculate the cash flow conversion of Bausch Pharma by first determining the free cash flow (non-GAAP) of Bausch Pharma, which is calculated by subtracting the free cash flow (non-GAAP) of each of Bausch + Lomb and Solta from the free cash flow (non-GAAP) of Bausch Health Companies Inc. Free cash flow is Cash flows from operating activities (its most directly comparable U.S. GAAP financial measure) less purchases of PP&E. The unlevered free cash flow (non-GAAP) is determined by adding back cash interest payments to the free cash flow (non-GAAP) of Bausch Pharma, net of tax. Cash flow conversion (non-GAAP) or unlevered free cash flow conversion (non-GAAP) is then calculated by dividing unlevered free cash flow of Bausch Pharma by Adjusted EBITDA of Bausch Pharma.