



# GAAP / Non-GAAP Reconciliations

May 9, 2024



# Non-GAAP Financial Measures and Other Information

## Key References

**New product sales, new product launches or new product revenues:** Refers to revenue from new products launched in 2024 and the carryover impact of new products, including business development, launched within the last 12 months.

**Operational change:** Refers to constant currency percentage changes and is derived by translating amounts for the current period at prior year comparative period exchange rates, and in doing so shows the percentage change from 2024 constant currency net sales, revenues and adjusted EBITDA to the corresponding amount in the prior year.

**Divestiture-adjusted operational change:** Refers to operational changes, further adjusted for the impact of the proportionate results from the divestitures that closed in 2023 and 2024, from the 2023 period by excluding such net sales from those divested businesses from comparable prior periods. Also, for adjusted EBITDA and adjusted EPS, refers to operational changes, adjusted as outlined in the previous sentence and further adjusted for the mark up for the TSA services provided to Biocon Biologics from the 2023 period.

**Closed divestitures or divestitures closed in 2023 and 2024:** Refers to the divestiture of the Company's rights to two women's healthcare products in certain countries (other than the U.K., which remains subject to regulatory approval) that closed in December 2023, the divestitures of the commercialization rights in certain of the Upjohn Distributor markets that closed in 2023, and the divestiture of the women's healthcare business that closed in March 2024.

**Remaining divestitures or pending announced divestitures:** Refers to the remaining announced divestitures that have not been consummated to date, including the divestiture of substantially all of our over-the-counter ("OTC") business and the remaining commercialization rights in the Upjohn Distributor Markets.

## Non-GAAP Financial Measures

This presentation includes the presentation and discussion of certain financial information that differs from what is reported under accounting principles generally accepted in the United States ("U.S. GAAP"). These non-GAAP financial measures, including, but not limited to, adjusted EBITDA, free cash flow, free cash flow excluding transaction costs, adjusted EPS, adjusted gross margin, adjusted gross profit, 2023 adjusted total revenues excluding divestitures, 2023 adjusted net sales excluding divestitures, 2023 adjusted EBITDA excluding divestitures, adjusted SG&A and as a percentage of total revenues, adjusted R&D and as a percentage of total revenues, adjusted IPR&D and as a percentage of total revenues, constant currency adjusted EBITDA, adjusted EBITDA margin, adjusted net earnings, adjusted effective tax rate, adjusted earnings from operations, adjusted interest expense, adjusted other (income) expense, net, constant currency total revenues, constant currency net sales, constant currency adjusted EBITDA, divestiture-adjusted change, divestiture-adjusted operational change, notional debt, gross leverage ratio and long-term gross leverage ratio, are presented in order to supplement investors' and other readers' understanding and assessment of the financial performance of Viatris Inc. ("Viatris" or the "Company"). Free cash flow refers to U.S. GAAP net cash provided by operating activities, less capital expenditures. Adjusted EBITDA margins refers to adjusted EBITDA divided by total revenues. Adjusted EPS refers to adjusted net earnings divided by the weighted average number of diluted shares of common stock outstanding. Viatris has provided reconciliations of such non-GAAP financial measures to the most directly comparable U.S. GAAP financial measures. Investors and other readers are encouraged to review the related U.S. GAAP financial measures and the reconciliations of the non-GAAP measures to their most directly comparable U.S. GAAP measures set forth in this presentation on our website at <https://investor.viatris.com/financial-information/non-gaap-reconciliations>, and investors and other readers should consider non-GAAP measures only as supplements to, not as substitutes for or as superior measures to, the measures of financial performance prepared in accordance with U.S. GAAP.

## SG&A and R&D TSA Reimbursement

Expenses related to TSA services provided for divested businesses are recorded in their respective functional line item; however, reimbursement of those expenses plus the mark-up is included in other income, net. For comparability purposes, amounts related to the cost reimbursement are reclassified to adjusted SG&A and adjusted R&D. This reclassification has no impact on adjusted net earnings, adjusted EBITDA or adjusted EPS.

## 2024 Guidance

The Company is not providing forward-looking guidance for U.S. GAAP net earnings or U.S. GAAP diluted earnings per share (EPS) or a quantitative reconciliation of its 2024 adjusted EBITDA or adjusted EPS guidance to the most directly comparable U.S. GAAP measures, U.S. GAAP net earnings or U.S. GAAP diluted EPS, respectively, because it is unable to predict with reasonable certainty the ultimate outcome of certain significant items, including integration, acquisition and divestiture-related expenses, restructuring expenses, asset impairments, litigation settlements, and other contingencies, such as changes to contingent consideration, acquired IPR&D and certain other gains or losses, including for the fair value accounting for non-marketable equity investments, as well as related income tax accounting, because certain of these items have not occurred, are out of the Company's control and/or cannot be reasonably predicted without unreasonable effort. These items are uncertain, depend on various factors, and could have a material impact on U.S. GAAP reported results for the guidance period.

Note: Certain amounts in this presentation may not add up due to rounding. All percentages have been calculated using unrounded amounts.



## Full-Year 2024 Guidance Items as of May 9, 2024<sup>(1)</sup>

	GAAP	Non-GAAP
Total Revenues	\$14,980 - \$15,480	N/A
Adjusted EBITDA	N/A	\$4,710 - \$5,010
Net Cash provided by Operating Activities	\$2,710 - \$3,010	N/A
Free Cash Flow	N/A	\$2,260 - \$2,660
Adjusted EPS	N/A	\$2.66 - \$2.81

For key references and non-GAAP measures, see slide 2

(1) Includes the full-year expected performance for the pending announced divestiture of substantially all of our OTC business, and excludes any potential related costs, such as taxes and transaction costs. Also excludes any acquired IPR&D to be incurred in any future period as it cannot be reasonably forecasted.

# Reconciliation of Estimated 2024 U.S. GAAP Net Cash Provided by Operating Activities to Free Cash Flow as of May 9, 2024<sup>(1)</sup>

Estimated U.S. GAAP Net Cash provided by Operating Activities	\$2,710 - \$3,010
Less: Capital Expenditures	<u>(\$350) - (\$450)</u>
Free Cash Flow	\$2,260 - \$2,660

For key references and non-GAAP measures, see slide 2

(1) Includes the full-year expected performance for the pending announced divestiture of substantially all of our OTC business, and excludes any potential related costs, such as taxes and transaction costs. Also excludes any acquired IPR&D to be incurred in any future period as it cannot be reasonably forecasted.

## Full-Year 2024 Guidance Items as of February 28, 2024 <sup>(1)</sup>

	GAAP	Non-GAAP
Total Revenues	\$15,250 - \$15,750	N/A
Adjusted EBITDA	N/A	\$4,800 - \$5,100
Net Cash provided by Operating Activities	\$2,750 - \$3,050	N/A
Free Cash Flow	N/A	\$2,300 - \$2,700
Adjusted EPS	N/A	\$2.70 - \$2.85

For key references and non-GAAP measures, see slide 2

(1) Included the full-year expected performance for the then-pending announced divestitures of substantially all of our OTC business, API business in India, and women's healthcare business, and excluded any potential related costs, such as taxes and transaction costs. Also excluded any acquired IPR&D to be incurred in any future period as it could not be reasonably forecasted.

# Reconciliation of Estimated 2024 U.S. GAAP Net Cash Provided by Operating Activities to Free Cash Flow as of February 28, 2024 <sup>(1)</sup>

Estimated U.S. GAAP Net Cash provided by Operating Activities	\$2,750 - \$3,050
Less: Capital Expenditures	<u>(\$350) - (\$450)</u>
Free Cash Flow	\$2,300 - \$2,700

For key references and non-GAAP measures, see slide 2

(1) Included the full-year expected performance for the then-pending announced divestitures of substantially all of our OTC business, API business in India, and women's healthcare business, and excluded any potential related costs, such as taxes and transaction costs. Also excluded any acquired IPR&D to be incurred in any future period as it could not be reasonably forecasted.

# Net Earnings to Adjusted Net Earnings and U.S. GAAP EPS to Adjusted EPS

	Three Months Ended March 31,			
	2024		2023	
U.S. GAAP net earnings and U.S. GAAP diluted EPS.....	\$ 113.9	\$ 0.09	\$ 224.7	\$ 0.19
Purchase accounting amortization (primarily included in cost of sales) .....	611.7		653.3	
Litigation settlements and other contingencies, net.....	76.8		0.6	
Interest expense (primarily amortization of premiums and discounts on long term debt).....	(11.2)		(10.3)	
Gain on divestitures of businesses (included in other income, net) (a).....	(70.4)		-	
Acquisition and divestiture-related costs (primarily included in SG&A) (b).....	87.5		58.1	
Restructuring-related costs (c).....	19.6		9.7	
Share-based compensation expense.....	46.7		42.6	
Other special items included in:				
Cost of sales (d).....	28.2		38.8	
Research and development expense.....	2.4		2.0	
Selling, general and administrative expense.....	16.1		14.9	
Other income, net.....	(44.5)		(21.8)	
Tax effect of the above items and other income tax related items (e).....	(64.1)		(79.7)	
Adjusted net earnings and adjusted EPS.....	<u>\$ 812.7</u>	<u>\$ 0.67</u>	<u>\$ 932.9</u>	<u>\$ 0.77</u>
Weighted average diluted shares outstanding.....	<u>1,209.5</u>		<u>1,205.6</u>	

Significant items include the following:

- (a) For the three months ended March 31, 2024, includes a pre-tax gain on the divestiture of the women's healthcare business of approximately \$80.8 million for the difference between the consideration received and the carrying value of the assets transferred (including an allocation of goodwill). Also includes a pre-tax charge related to the planned divestiture of the API business of approximately \$10.4 million to write down the disposal group to fair value, less cost to sell.
- (b) Acquisition and divestiture-related costs consist primarily of transaction costs including legal and consulting fees and integration activities.
- (c) For the three months ended March 31, 2024, charges include approximately \$4.0 million in cost of sales and approximately \$15.6 million in SG&A.
- (d) For the three months ended March 31, 2024, charges include incremental manufacturing variances at plants in the 2020 restructuring program of approximately \$12.6 million.
- (e) Adjusted for changes for uncertain tax positions.



# Net Earnings to Adjusted EBITDA

	Three Months Ended	
	March 31,	
	2024	2023
U.S. GAAP net earnings.....	\$ 113.9	\$ 224.7
Add adjustments:		
Income tax provision.....	90.7	98.0
Interest expense (a).....	138.4	147.0
Depreciation and amortization (b).....	691.0	730.0
EBITDA.....	\$ 1,034.0	\$ 1,199.7
Add / (deduct) adjustments:		
Share-based compensation expense.....	46.7	42.6
Litigation settlements and other contingencies, net.....	76.8	0.6
Gain on divestitures of businesses.....	(70.4)	-
Restructuring, acquisition and divestiture-related and other special items (c).....	106.3	98.0
Adjusted EBITDA.....	\$ 1,193.4	\$ 1,340.9

(a) Includes amortization of premiums and discounts on long-term debt.

(b) Includes purchase accounting related amortization.

(c) See items detailed in the Reconciliation of U.S. GAAP Net Earnings to Adjusted Net Earnings.



# Summary of Total Revenues by Segment – Q1 2024

	Three Months Ended March 31,										
	2024	2023	% Change	2024 Currency Impact <sup>(1)</sup>	2024 Constant Currency Revenues	Constant Currency % Change <sup>(2)</sup>	Closed Divestitures <sup>(3)</sup>	2023 Adjusted Ex Divestitures <sup>(4)</sup>	Divestiture Adjusted Operational Change <sup>(5)</sup>		
Net sales											
Developed Markets.....	\$ 2,165.4	\$ 2,170.4	- %	\$ (14.1)	\$ 2,151.3	(1)%	\$ 15.0	\$ 2,155.4	- %		
Greater China.....	543.9	564.6	(4)%	21.5	565.4	- %	-	564.6	- %		
JANZ.....	317.8	342.2	(7)%	30.8	348.6	2 %	0.1	342.1	2 %		
Emerging Markets.....	626.4	641.9	(2)%	38.9	665.3	4 %	30.6	611.3	9 %		
Total net sales.....	\$ 3,653.5	\$ 3,719.1	(2)%	\$ 77.1	\$ 3,730.6	- %	\$ 45.7	\$ 3,673.4	2 %		
Other revenues (6).....	9.9	10.0	NM	0.1	10.0	NM					
Consolidated total revenues (7).....	\$ 3,663.4	\$ 3,729.1	(2)%	\$ 77.2	\$ 3,740.6	- %					

(1) Currency impact is shown as unfavorable (favorable).

(2) The constant currency percentage change is derived by translating net sales or revenues for the current period at prior year comparative period exchange rates, and in doing so shows the percentage change from 2024 constant currency net sales or revenues to the corresponding amount in the prior year.

(3) Represents net sales relating to divestitures that have closed during 2023 and 2024 in the relevant period.

(4) Represents U.S. GAAP net sales minus net sales relating to divestitures that have closed during 2023 and 2024 for the relevant period.

(5) See key references on slide 2.

(6) For the three months ended March 31, 2024, other revenues in Developed Markets, JANZ, and Emerging Markets were approximately \$7.2 million, \$0.3 million, and \$2.4 million, respectively.

(7) Amounts exclude intersegment revenue which eliminates on a consolidated basis.

# Cost of Sales

	<b>Three Months Ended</b>	
	<b>March 31,</b>	
	<b>2024</b>	<b>2023</b>
U.S. GAAP cost of sales.....	\$ 2,159.4	\$ 2,186.9
Deduct:		
Purchase accounting amortization and other related items.....	(611.5)	(653.4)
Acquisition and divestiture-related costs.....	(6.3)	(5.0)
Restructuring related costs.....	(4.0)	(10.9)
Share-based compensation expense.....	(0.8)	(0.6)
Other special items.....	(28.2)	(38.8)
Adjusted cost of sales.....	<u>\$ 1,508.6</u>	<u>\$ 1,478.2</u>
Adjusted gross profit (a).....	<u>\$ 2,154.8</u>	<u>\$ 2,250.9</u>
Adjusted gross margin (a).....	<u>59 %</u>	<u>60 %</u>

(a) U.S. GAAP gross profit is calculated as total revenues less U.S. GAAP cost of sales. U.S. GAAP gross margin is calculated as U.S. GAAP gross profit divided by total revenues. Adjusted gross profit is calculated as total revenues less adjusted cost of sales. Adjusted gross margin is calculated as adjusted gross profit divided by total revenues.

# SG&A

	Three Months Ended	
	March 31,	
	2024	2023
U.S. GAAP SG&A.....	\$ 1,017.5	\$ 958.9
Add / (Deduct):		
Acquisition and divestiture-related costs.....	(76.5)	(51.1)
Restructuring and related costs.....	(15.6)	1.2
Purchase accounting amortization and other related items.....	(0.1)	-
Share-based compensation expense.....	(43.9)	(40.3)
SG&A and R&D TSA reimbursement (a).....	(5.7)	(24.4)
Other special items and reclassifications.....	(16.1)	(14.9)
Adjusted SG&A.....	<u>\$ 859.6</u>	<u>\$ 829.4</u>
Adjusted SG&A as % of total revenues.....	<u>23 %</u>	<u>22 %</u>

(a) See SG&A and R&D TSA Reimbursement on slide 2.

# R&D

	<b>Three Months Ended</b>	
	<b>March 31,</b>	
	<b>2024</b>	<b>2023</b>
U.S. GAAP R&D.....	\$ 199.7	\$ 182.9
Deduct:		
Acquisition and divestiture-related costs.....	(4.6)	(2.0)
Share-based compensation expense.....	(1.9)	(1.6)
SG&A and R&D TSA reimbursement (a).....	(1.7)	(10.3)
Other special items.....	(2.4)	(2.0)
Adjusted R&D.....	<u>\$ 189.1</u>	<u>\$ 167.0</u>
Adjusted R&D as % of total revenues.....	<u>5 %</u>	<u>4 %</u>

(a) See SG&A and R&D TSA Reimbursement on slide 2.

# Total Operating Expenses

	<b>Three Months Ended</b>	
	<b>March 31,</b>	
	<b>2024</b>	<b>2023</b>
U.S. GAAP total operating expenses.....	\$ 1,300.1	\$ 1,142.4
Deduct:		
Litigation settlements and other contingencies, net.....	(76.8)	(0.6)
R&D adjustments.....	(10.6)	(15.9)
SG&A adjustments.....	(157.9)	(129.5)
Adjusted total operating expenses.....	<u>\$ 1,054.8</u>	<u>\$ 996.4</u>
Adjusted earnings from operations (a).....	<u>\$ 1,100.0</u>	<u>\$ 1,254.5</u>

(a) U.S. GAAP earnings from operations is calculated as U.S. GAAP gross profit less U.S. GAAP total operating expenses. Adjusted earnings from operations is calculated as adjusted gross profit less adjusted total operating expenses.

# Interest Expense

	<b>Three Months Ended</b>	
	<b>March 31,</b>	
	<b>2024</b>	<b>2023</b>
U.S. GAAP interest expense.....	\$ 138.4	\$ 147.0
Add / (Deduct):		
Accretion of contingent consideration liability.....	(1.7)	(2.2)
Amortization of premiums and discounts on long-term debt.....	13.8	13.5
Other special items.....	(0.9)	(1.0)
Adjusted interest expense.....	<u>\$ 149.6</u>	<u>\$ 157.3</u>

## Other Income, Net

	<b>Three Months Ended</b>	
	<b>March 31,</b>	
	<b>2024</b>	<b>2023</b>
U.S. GAAP other income, net.....	\$ (139.1)	\$ (69.9)
Add / (Deduct):		
Fair value adjustments on non-marketable equity investments.....	46.9	18.9
SG&A and R&D TSA reimbursement (a).....	7.4	34.7
Gain on divestitures of businesses.....	70.4	-
Other items.....	(2.6)	2.9
Adjusted other income, net.....	<u>\$ (17.0)</u>	<u>\$ (13.4)</u>

(a) See SG&A and R&D TSA Reimbursement on slide 2.



# Earnings Before Income Taxes and Income Tax Provision

	<b>Three Months Ended</b>	
	<b>March 31,</b>	
	<b>2024</b>	<b>2023</b>
U.S. GAAP earnings before income taxes.....	\$ 204.6	\$ 322.7
Total pre-tax non-GAAP adjustments.....	762.9	787.9
Adjusted earnings before income taxes.....	<u>\$ 967.5</u>	<u>\$ 1,110.6</u>
U.S. GAAP income tax provision.....	\$ 90.7	\$ 98.0
Adjusted tax expense.....	64.1	79.7
Adjusted income tax provision.....	<u>\$ 154.8</u>	<u>\$ 177.7</u>
Adjusted effective tax rate.....	<u>16.0 %</u>	<u>16.0 %</u>

# Free Cash Flow Since Beginning of 2021

	Year Ended			Three Months Ended March 31, 2024	Free Cash Flow Since Beginning of 2021
	December 31, 2021	December 31, 2022	December 31, 2023		
U.S. GAAP net cash provided by operating activities.....	\$ 3,016.9	\$ 2,952.6	\$ 2,799.6	\$ 614.6	\$ 9,383.7
Capital expenditures.....	(457.2)	(406.0)	(377.0)	(49.8)	(1,290.0)
Free cash flow.....	<u>\$ 2,559.7</u>	<u>\$ 2,546.6</u>	<u>\$ 2,422.6</u>	<u>\$ 564.8</u>	<u>\$ 8,093.7</u>
Add: Acquisition and divestiture-related transaction costs.....	-	254.3	219.3	83.5	557.1
Free cash flow excluding transaction costs.....	<u>\$ 2,559.7</u>	<u>\$ 2,800.9</u>	<u>\$ 2,641.9</u>	<u>\$ 648.3</u>	<u>\$ 8,650.8</u>

# Gross Leverage - Debt to Adjusted EBITDA

Gross Leverage Ratio is the ratio of Viatis' total debt at notional amounts at March 31, 2024 to the sum of Viatis' adjusted EBITDA for the quarters ended June 30, 2023, September 30, 2023, December 31, 2023 and March 31, 2024.

	Three Months Ended				Twelve Months Ended
	June 30, 2023	September 30, 2023	December 31, 2023	March 31, 2024	March 31, 2024
Adjusted EBITDA.....	\$ 1,305.7	\$ 1,360.1	\$ 1,117.4	\$ 1,193.4	\$ 4,976.6
Reported debt balances:					
Long-term debt, including current portion.....					17,962.2
Short-term borrowings and other current obligations.....					-
Total.....					17,962.2
Add / (deduct):					
Net premiums on various debt issuances.....					(521.0)
Deferred financing fees.....					28.9
Total debt at notional amounts.....					\$ 17,470.1
Gross debt to adjusted EBITDA.....					3.5 x

## Long-term Gross Leverage Target

The stated forward-looking non-GAAP financial measure of long-term gross leverage target of 3.0x, with a range of 2.8x – 3.2x, is based on the ratio of (i) targeted notional gross debt and (ii) targeted Adjusted EBITDA. However, the Company has not quantified future amounts to develop this target but has stated its goal to manage notional gross debt and adjusted EBITDA over time in order to generally maintain or reach the target. This target does not reflect Company guidance.

# Net Earnings (Loss) to Adjusted EBITDA – Last Twelve Months

	Three Months Ended			
	June 30, 2023	September 30, 2023	December 31, 2023	March 31, 2024
U.S. GAAP net earnings (loss).....	\$ 264.0	\$ 331.6	\$ (765.6)	\$ 113.9
Add / (deduct) adjustments:				
Income tax provision (benefit).....	69.0	70.6	(89.4)	90.7
Interest expense (a).....	143.7	141.5	140.9	138.4
Depreciation and amortization (b).....	686.7	679.4	644.4	691.0
EBITDA.....	\$ 1,163.4	\$ 1,223.1	\$ (69.7)	\$ 1,034.0
Add / (deduct) adjustments:				
Share-based compensation expense.....	39.2	43.1	55.8	46.7
Litigation settlements and other contingencies, net.....	(11.0)	(26.1)	148.1	76.8
Loss (gain) on divestitures of businesses.....	-	-	239.9	(70.4)
Impairment of goodwill related to assets held for sale.....	-	-	580.1	-
Restructuring, acquisition and divestiture-related and other special items.....	114.1	120.0	163.2	106.3
Adjusted EBITDA.....	\$ 1,305.7	\$ 1,360.1	\$ 1,117.4	\$ 1,193.4

(a) Includes amortization of premiums and discounts on long-term debt.

(b) Includes purchase accounting related amortization.

## Gross Leverage – Debt to Adjusted EBITDA – Q4 2023

	<b>Year Ended</b>
	<b>December 31, 2023</b>
Adjusted EBITDA.....	\$ 5,124.1
Reported debt balances:	
Long-term debt, including current portion.....	18,122.8
Short-term borrowings and other current obligations.....	-
Total.....	18,122.8
Add / (deduct):	
Net premiums on various debt issuances.....	(536.9)
Deferred financing fees.....	30.2
Total debt at notional amounts.....	<u>\$ 17,616.1</u>
Gross debt to adjusted EBITDA.....	3.4 x

(a) See Q4 2023 reconciliation from U.S. GAAP Net Earnings to Adjusted EBITDA in the subsequent table.

# Net Earnings to Adjusted EBITDA – Q4 2023

	<b>Year ended</b>
	<b>December 31, 2023</b>
U.S. GAAP net earnings.....	\$ 54.7
Add adjustments:	
Income tax provision.....	148.2
Interest expense (a).....	573.1
Depreciation and amortization (b).....	2,740.5
EBITDA.....	3,516.5
Add adjustments:	
Share-based compensation expense.....	180.7
Litigation settlements and other contingencies, net.....	111.6
Loss on divestitures of businesses.....	239.9
Impairment of goodwill related to assets held for sale.....	580.1
Restructuring, acquisition and divestiture-related and other special items.....	495.3
Adjusted EBITDA.....	<u>\$ 5,124.1</u>

(a) Includes amortization of premiums and discounts on long-term debt.

(b) Includes purchase accounting related amortization.

## Gross Leverage – Debt to Adjusted EBITDA – Q4 2022

	<b>Year Ended</b>
	<b>December 31, 2022</b>
Adjusted EBITDA (a)	\$ 5,776.8
Reported debt balances:	
Long-term debt, including current portion.....	19,265.7
Short-term borrowings and other current obligations.....	-
Total.....	19,265.7
Add / (deduct):	
Net premiums on various debt issuances.....	(583.8)
Deferred financing fees.....	35.7
Fair value adjustment for hedged debt.....	(0.6)
Total debt at notional amounts.....	<u>\$ 18,717.0</u>
Gross debt to adjusted EBITDA.....	3.2 x

(a) See Q4 2022 reconciliation from U.S. GAAP Net Earnings to Adjusted EBITDA in the subsequent table.



# Net Earnings to Adjusted EBITDA – Q4 2022

	<b>Year ended</b>
	<b>December 31, 2022</b>
U.S. GAAP net earnings.....	\$ 2,078.6
Add adjustments:	
Income tax provision.....	734.6
Interest expense (a).....	592.4
Depreciation and amortization (b).....	3,027.6
EBITDA.....	6,433.2
Add / (deduct) adjustments:	
Share-based compensation expense.....	116.4
Litigation settlements and other contingencies, net.....	4.4
Biocon Biologics gain on divestiture.....	(1,754.1)
Impairment of goodwill related to assets held for sale.....	117.0
Restructuring, acquisition and divestiture-related and other special items.....	859.9
Adjusted EBITDA.....	<u>\$ 5,776.8</u>

(a) Includes amortization of premiums and discounts on long-term debt.

(b) Includes purchase accounting related amortization.

# Gross Leverage – Debt to Adjusted EBITDA – Q4 2021

	<b>Year Ended</b>
	<b>December 31, 2021</b>
Adjusted EBITDA (a)	\$ 6,426.1
Reported debt balances:	
Long-term debt, including current portion.....	21,577.4
Short-term borrowings and other current obligations.....	<u>1,493.0</u>
Total.....	23,070.4
Add / (deduct):	
Net premiums on various debt issuances.....	(651.6)
Deferred financing fees.....	42.4
Fair value adjustment for hedged debt.....	<u>(16.3)</u>
Total debt at notional amounts.....	<u>\$ 22,444.9</u>
Gross debt to adjusted EBITDA.....	3.5 x

(a) See Q4 2021 reconciliation from U.S. GAAP Net Loss to Adjusted EBITDA in the subsequent table. Beginning in 2022, the Company no longer excludes upfront and milestone related R&D expenses from adjusted EBITDA. For purposes of calculating the gross leverage ratio, adjusted EBITDA for prior periods has not been revised as the impact of this change was immaterial to the report gross leverage ratio for those periods.

# Net Loss to Adjusted EBITDA – Q4 2021

	<b>Year ended</b>
	<b>December 31, 2021</b>
U.S. GAAP net loss.....	\$ (1,269.1)
Add / (deduct) adjustments:	
Net contribution attributable to equity method investments.....	61.9
Income tax provision.....	604.7
Interest expense (a).....	636.2
Depreciation and amortization (b).....	<u>4,506.5</u>
EBITDA.....	4,540.2
Add adjustments:	
Share-based compensation expense.....	111.2
Litigation settlements and other contingencies, net.....	329.2
Restructuring, acquisition-related and other special items.....	<u>1,445.5</u>
Adjusted EBITDA.....	<u><u>\$ 6,426.1</u></u>

(a) Includes amortization of premiums and discounts on long-term debt.

(b) Includes purchase accounting related amortization.

# Gross Leverage – Debt to Combined Adjusted EBITDA – Q4 2020

	<b>Year Ended</b>
	<b>December 31, 2020</b>
Combined Adjusted EBITDA (a)	\$ 6,807.2
Reported debt balances:	
Long-term debt, including current portion.....	24,685.5
Short-term borrowings and other current obligations.....	<u>1,100.9</u>
Total.....	25,786.4
Add / (deduct):	
Net premiums on various debt issuances.....	(731.4)
Deferred financing fees.....	49.2
Fair value adjustment for hedged debt.....	<u>(31.6)</u>
Total debt at notional amounts.....	<u>\$ 25,072.6</u>
Gross debt to adjusted EBITDA.....	3.7 x

(a) See Q4 2020 reconciliation from U.S. GAAP Net Loss to Adjusted EBITDA in the subsequent table. Beginning in 2022, the Company no longer excludes upfront and milestone related R&D expenses from adjusted EBITDA. For purposes of calculating the gross leverage ratio, adjusted EBITDA for prior periods has not been revised as the impact of this change was immaterial to the report gross leverage ratio for those periods.

# Net Loss to Combined Adjusted EBITDA – Q4 2020

	<b>Year ended</b>
	<b>December 31, 2020</b>
U.S. GAAP net loss.....	\$ (669.9)
Add / (deduct) adjustments:	
Net contribution attributable to equity method investments.....	48.4
Income tax benefit .....	(51.3)
Interest expense (a).....	497.8
Depreciation and amortization (b).....	2,216.1
EBITDA.....	2,041.1
Add adjustments:	
Share-based compensation expense.....	79.2
Litigation settlements and other contingencies, net.....	107.8
Restructuring, acquisition-related and other special items.....	1,426.0
Viatrix Adjusted EBITDA.....	3,654.1
Upjohn Adjusted EBITDA for nine months ended September 30, 2020.....	2,806.0
	6,460.1
Upjohn estimated Adjusted EBITDA (c) .....	347.1
Combined Adjusted EBITDA.....	<u>\$ 6,807.2</u>

(a) Includes amortization of premiums and discounts on long-term debt.

(b) Includes purchase accounting related amortization.

(c) Amount represents an estimate of Upjohn's Adjusted EBITDA for the period from October 1, 2020, through the closing of the Combination, including estimated adjustments.