



# Q4 and Full Year 2022 Non-GAAP Reconciliations

February 27, 2023

# Non-GAAP Financial Measures and Other Information

## 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, adjusted gross margin, adjusted gross profit, adjusted total revenues excluding biosimilars and adjusted net sales excluding biosimilars, adjusted SG&A and as a percentage of total revenues, adjusted R&D and as a percentage of total revenues, adjusted EBITDA margin, adjusted net earnings, and 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, 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. 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 to Biocon Biologics are recorded in their respective functional line item; however, reimbursement of those expenses plus the mark-up is included in other (income) expense, 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 or adjusted EBITDA.

## Prior Period Presentation for Acquired IPR&D Impact

Beginning in 2022, upfront and milestone-related R&D expenses related to collaboration and licensing arrangements made prior to regulatory approval of a development product were reclassified from R&D expenses to Acquired IPR&D expenses in the consolidated statements of operations, and are no longer excluded from adjusted net earnings and adjusted EBITDA. For purposes of comparability, the prior years' U.S. GAAP and non-GAAP financial measures for the three months and year ended December 31, 2021 have been updated to reflect this change, resulting in: (i) a decrease in U.S. GAAP R&D expense and an increase in U.S. GAAP acquired IPR&D expense of \$72.1 million and \$70.1 million, respectively; (ii) a decrease in adjusted earnings from operations and adjusted earnings before income tax and an increase in adjusted total operating expenses of \$72.1 million and \$70.1 million, respectively; (iii) a decrease in adjusted tax expense and adjusted income tax provision of \$12.6 million and \$12.3 million, respectively; and (iv) a decrease in adjusted net earnings of \$59.5 million and \$57.8 million, respectively.

# Full-Year 2023 Guidance Items

(Unaudited; in millions)

	GAAP	Non-GAAP
Total Revenues	\$15,500 - \$16,000	N/A
Adjusted EBITDA	N/A	\$5,000 - \$5,400
Net Cash provided by Operating Activities	\$2,800 - \$3,100	N/A
Free Cash Flow	N/A	\$2,300 - \$2,700

Note: For non-GAAP measures, see slide 2

(1) 2023 Financial Guidance includes the full-year expected performance for the Planned Divestitures and excludes any potential related costs, such as taxes and transaction costs. Also excludes any acquired IPR&D for unsigned deals.

# Reconciliation of Estimated 2023 U.S. GAAP Net Cash Provided by Operating Activities to Free Cash Flow

(Unaudited; in millions)

Estimated U.S. GAAP Net Cash provided by Operating Activities	\$2,800 - \$3,100
Less: Capital Expenditures	<u>(\$400) - (\$500)</u>
Free Cash Flow	\$2,300 - \$2,700

Note: For non-GAAP measures, see slide 2

(1) 2023 Financial Guidance includes the full-year expected performance for the Planned Divestitures and excludes any potential related costs, such as taxes and transaction costs. Also excludes any acquired IPR&D for unsigned deals.

## Adjusted Net Earnings

	Three Months Ended December 31,		Year Ended December 31,	
	2022	2021	2022	2021
U.S. GAAP net earnings (loss) .....	\$ 1,011.2	\$ (263.8)	\$ 2,078.6	\$ (1,269.1)
Purchase accounting related amortization (primarily included in cost of sales) (a).....	790.8	695.0	2,721.3	4,039.7
Impairment of goodwill related to assets held for sale (a).....	117.0	-	117.0	-
Litigation settlements and other contingencies, net.....	(8.8)	273.9	4.4	329.2
Interest expense (primarily amortization of premiums and discounts on long term debt).....	(11.9)	(13.5)	(48.7)	(53.8)
Clean energy investments pre-tax loss.....	-	9.7	-	61.9
Acquisition and divestiture related costs (primarily included in SG&A) (b).....	169.4	84.9	475.7	234.6
Biocon Biologics gain on divestiture (included in other (income) expense, net).....	(1,754.1)	-	(1,754.1)	-
Restructuring related costs (c).....	44.9	157.8	86.9	899.4
Share-based compensation expense	29.7	22.5	116.5	111.2
Other special items included in:				
Cost of sales (d).....	104.8	75.9	255.2	333.0
Research and development expense (e).....	0.1	(1.0)	1.0	13.1
Selling, general and administrative expense (f).....	24.5	10.1	68.8	49.5
Other expense (income), net.....	4.4	(5.7)	(3.8)	(8.0)
Tax effect of the above items and other income tax related items (g).....	301.0	(133.6)	(41.7)	(330.7)
Adjusted net earnings.....	<u>\$ 823.0</u>	<u>\$ 912.2</u>	<u>\$ 4,077.1</u>	<u>\$ 4,410.0</u>

Significant items include the following:

- For the three months and year ended December 31, 2022, charges include an intangible asset charge of approximately \$172.9 million to write down the disposal group to fair value, less cost to sell, and a related goodwill impairment charge of \$117.0 million for the potential divestiture of the Upjohn Distributor Markets.
- Acquisition and divestiture related costs consist primarily of transaction costs including legal and consulting fees and integration activities.
- For the three months ended December 31, 2022, charges include approximately \$28.4 million in cost of sales, approximately \$1.4 million in R&D, and approximately \$15.1 million in SG&A. For the year ended December 31, 2022, charges include approximately \$56.8 million in cost of sales, approximately \$1.4 million in R&D, and approximately \$28.7 million in SG&A.
- For the three months and year ended December 31, 2022, charges include incremental manufacturing variances at plants in the 2020 restructuring program of approximately \$28.3 million and \$118.4 million, respectively. Charges also include inventory reserves related to the potential divestiture of the Upjohn Distributor Markets of approximately \$44.8 million for the three months and year ended December 31, 2022.
- See Prior Period Presentation for Acquired IPR&D Impact on slide 2.
- For the three months and year ended December 31, 2022, charges include costs related to the potential divestiture of the Upjohn Distributor Markets of \$16.2 million and \$39.5 million, respectively.
- Adjusted for changes for uncertain tax positions and for certain impacts of the Combination.

## Net Earnings (Loss) to Adjusted EBITDA

	Three Months Ended		Year Ended	
	December 31,		December 31,	
	2022	2021	2022	2021
U.S. GAAP net earnings (loss).....	\$ 1,011.2	\$ (263.8)	\$ 2,078.6	\$ (1,269.1)
Add adjustments:				
Net contribution attributable to equity method investments.....	-	9.7	-	61.9
Income tax provision.....	457.7	59.9	734.6	604.7
Interest expense (a).....	147.1	148.2	592.4	636.2
Depreciation and amortization (b).....	869.8	749.8	3,027.6	4,506.5
EBITDA.....	\$ 2,485.8	\$ 703.8	\$ 6,433.2	\$ 4,540.2
Add / (deduct) adjustments:				
Share-based compensation expense	29.6	22.5	116.4	111.2
Litigation settlements and other contingencies, net.....	(8.8)	273.9	4.4	329.2
Biocon Biologics gain on divestiture	(1,754.1)	-	(1,754.1)	-
Impairment of goodwill related to assets held for sale.....	117.0	-	117.0	-
Restructuring, acquisition and divestiture related and other special items (c).....	341.1	343.5	859.9	1,375.4
Adjusted EBITDA.....	\$ 1,210.6	\$ 1,343.7	\$ 5,776.8	\$ 6,356.0

(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 the U.S. GAAP Net Earnings (Loss) to Adjusted Net Earnings. See Prior Period Presentation for Acquired IPR&D Impact on slide 2.

## Summary of Total Revenues by Segment

	Three Months Ended						Year Ended					
	December 31,						December 31,					
	2022	2021	% Change	2022 Currency Impact <sup>(1)</sup>	2022 Constant Currency Revenues	Constant Currency % Change <sup>(2)</sup>	2022	2021	% Change	2022 Currency Impact <sup>(1)</sup>	2022 Constant Currency Revenues	Constant Currency % Change <sup>(2)</sup>
Net sales												
Developed Markets.....	\$ 2,382.2	\$ 2,560.8	(7)%	\$ 169.9	\$ 2,552.1	- %	\$ 9,768.9	\$ 10,428.7	(6)%	\$ 666.6	\$ 10,435.5	- %
Greater China.....	505.8	503.8	- %	49.2	555.0	10 %	2,201.2	2,212.8	(1)%	73.8	2,275.1	3 %
JANZ.....	398.5	539.2	(26)%	66.3	464.8	(14)%	1,632.4	2,027.4	(19)%	230.8	1,863.2	(8)%
Emerging Markets.....	580.6	727.5	(20)%	78.2	658.8	(9)%	2,615.6	3,144.7	(17)%	264.7	2,880.2	(8)%
Total net sales.....	\$ 3,867.1	\$ 4,331.3	(11)%	\$ 363.6	\$ 4,230.7	(2)%	\$ 16,218.1	\$ 17,813.6	(9)%	\$ 1,235.9	\$ 17,454.0	(2)%
Other revenues (3).....	8.9	10.3	(14)%	0.7	9.6	(7)%	44.6	72.7	(39)%	2.9	47.5	(35)%
Consolidated total revenues (4).....	\$ 3,876.0	\$ 4,341.6	(11)%	\$ 364.3	\$ 4,240.3	(2)%	\$ 16,262.7	\$ 17,886.3	(9)%	\$ 1,238.8	\$ 17,501.5	(2)%

(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 2022 constant currency net sales or revenues to the corresponding amount in the prior year.

(3) For the three months ended December 31, 2022, other revenues in Developed Markets, JANZ, and Emerging Markets were approximately \$5.9 million, \$0.2 million, and \$2.8 million, respectively. For the year ended December 31, 2022, other revenues in Developed Markets, JANZ, and Emerging Markets were approximately \$21.8 million, \$1.4 million, and \$21.4 million, respectively.

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

## Cost of Sales

	Three Months Ended		Year Ended	
	December 31,		December 31,	
	2022	2021	2022	2021
U.S. GAAP cost of sales.....	\$ 2,601.9	\$ 2,795.2	\$ 9,765.7	\$ 12,310.8
Deduct:				
Purchase accounting amortization and other related items....	(790.8)	(695.0)	(2,721.2)	(4,039.7)
Acquisition and divestiture related costs.....	(8.9)	(5.9)	(50.0)	(13.9)
Restructuring and related costs.....	(28.4)	(135.2)	(56.8)	(534.7)
Share-based compensation expense.....	(0.3)	(0.3)	(1.5)	(2.3)
Other special items.....	(104.8)	(75.9)	(255.2)	(333.0)
Adjusted cost of sales.....	<u>\$ 1,668.7</u>	<u>\$ 1,882.9</u>	<u>\$ 6,681.0</u>	<u>\$ 7,387.2</u>
Adjusted gross profit (a).....	<u>\$ 2,207.3</u>	<u>\$ 2,458.7</u>	<u>\$ 9,581.7</u>	<u>\$ 10,499.1</u>
Adjusted gross margin (a).....	<u>57 %</u>	<u>57 %</u>	<u>59 %</u>	<u>59 %</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.



## R&D

	Three Months Ended		Year Ended	
	December 31,		December 31,	
	2022	2021	2022	2021
U.S. GAAP R&D (a).....	\$ 182.4	\$ 195.1	\$ 662.2	\$ 681.0
Deduct:				
Acquisition and divestiture related costs.....	(5.6)	(11.5)	(11.9)	(12.6)
Restructuring and related costs.....	(1.4)	(1.4)	(1.4)	(13.3)
Share-based compensation expense.....	(1.5)	(1.0)	(5.6)	(4.4)
SG&A and R&D TSA reimbursement (b).....	(4.3)	-	(4.3)	-
Other special items (a).....	(0.1)	1.0	(1.0)	(13.1)
Adjusted R&D.....	<u>\$ 169.5</u>	<u>\$ 182.2</u>	<u>\$ 638.0</u>	<u>\$ 637.6</u>
Adjusted R&D as % of total revenues.....	<u>4 %</u>	<u>4 %</u>	<u>4 %</u>	<u>4 %</u>

(a) See Prior Period Presentation for Acquired IPR&D Impact on slide 2.

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

## SG&A

	Three Months Ended		Year Ended	
	December 31,		December 31,	
	2022	2021	2022	2021
U.S. GAAP SG&A.....	\$ 1,265.4	\$ 1,082.9	\$ 4,179.1	\$ 4,529.2
Deduct:				
Acquisition and divestiture related costs.....	(154.5)	(67.5)	(413.4)	(208.1)
Restructuring and related costs.....	(15.1)	(21.4)	(28.7)	(351.5)
Purchase accounting amortization and other related items.....	-	-	(0.1)	-
Share-based compensation expense.....	(27.9)	(21.2)	(109.4)	(104.4)
Impairment of goodwill related to held for sale assets.....	(117.0)	-	(117.0)	-
SG&A and R&D TSA reimbursement (a).....	(9.7)	-	(9.7)	-
Other special items and reclassifications.....	(24.5)	(10.1)	(68.8)	(49.5)
Adjusted SG&A.....	<u>\$ 916.7</u>	<u>\$ 962.7</u>	<u>\$ 3,432.0</u>	<u>\$ 3,815.7</u>
Adjusted SG&A as % of total revenues.....	<u>24 %</u>	<u>22 %</u>	<u>21 %</u>	<u>21 %</u>

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

## Total Operating Expenses

	Three Months Ended		Year Ended	
	December 31,		December 31,	
	2022	2021	2022	2021
U.S. GAAP total operating expenses.....	\$ 1,475.4	\$ 1,624.0	\$ 4,882.1	\$ 5,609.5
Add / (Deduct):.....				
Litigation settlements and other contingencies, net.....	8.8	(273.9)	(4.4)	(329.2)
R&D adjustments (a).....	(12.9)	(12.9)	(24.2)	(43.4)
SG&A adjustments.....	(348.7)	(120.2)	(747.1)	(713.5)
Adjusted total operating expenses (a).....	<u>\$ 1,122.6</u>	<u>\$ 1,217.0</u>	<u>\$ 4,106.4</u>	<u>\$ 4,523.4</u>
Adjusted earnings from operations (a) (b).....	<u>\$ 1,084.7</u>	<u>\$ 1,241.7</u>	<u>\$ 5,475.3</u>	<u>\$ 5,975.7</u>

(a) See Prior Period Presentation for Acquired IPR&D Impact on slide 2.

(b) 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

	Three Months Ended		Year Ended	
	December 31,		December 31,	
	2022	2021	2022	2021
U.S. GAAP interest expense.....	\$ 147.1	\$ 148.2	\$ 592.4	\$ 636.2
Add / (Deduct):				
Interest expense related to clean energy investments.....	-	(0.1)	-	(0.5)
Accretion of contingent consideration liability.....	(1.7)	(2.2)	(7.3)	(9.5)
Amortization of premiums and discounts on long-term debt.....	14.7	16.9	60.4	68.5
Other special items.....	(1.1)	(1.1)	(4.4)	(4.7)
Adjusted interest expense.....	\$ 159.0	\$ 161.7	\$ 641.1	\$ 690.0

## Other Income, Net

	Three Months Ended		Year Ended	
	December 31,		December 31,	
	2022	2021	2022	2021
U.S. GAAP other income, net.....	\$ (1,817.3)	\$ (21.9)	\$ (1,790.7)	\$ (5.8)
Add / (Deduct):				
Biocon Biologics gain on divestiture.....	1,754.1	-	1,754.1	-
Clean energy investments pre-tax loss (a).....	-	(9.7)	-	(61.9)
Acquisition and divestiture related costs.....	(0.4)	-	(0.4)	-
SG&A and R&D TSA reimbursement (b).....	14.0	-	14.0	-
Other items.....	(4.4)	5.7	3.8	8.0
Adjusted other income, net.....	<u>\$ (54.0)</u>	<u>\$ (25.9)</u>	<u>\$ (19.2)</u>	<u>\$ (59.7)</u>

- (a) Adjustment represents exclusion of activity related to Viatis' clean energy investments, the activities of which qualify for income tax credits under section 45 of the U.S. Internal Revenue Code of 1986, as amended.  
(b) See SG&A and R&D TSA Reimbursement on slide 2.

## Earnings (Loss) Before Income Taxes and Income Tax Provision

	Three Months Ended		Year Ended	
	December 31,		December 31,	
	2022	2021	2022	2021
U.S. GAAP earnings (loss) before income taxes.....	\$ 1,468.9	\$ (203.9)	\$ 2,813.2	\$ (664.4)
Total pre-tax non-GAAP adjustments (a).....	(489.1)	1,309.7	2,040.2	6,009.8
Adjusted earnings before income taxes (a).....	<u>\$ 979.8</u>	<u>\$ 1,105.8</u>	<u>\$ 4,853.4</u>	<u>\$ 5,345.4</u>
U.S. GAAP income tax provision.....	\$ 457.7	\$ 59.9	\$ 734.6	\$ 604.7
Adjusted tax (benefit) expense (a).....	(301.0)	133.6	41.7	330.7
Adjusted income tax provision (a).....	<u>\$ 156.7</u>	<u>\$ 193.5</u>	<u>\$ 776.3</u>	<u>\$ 935.4</u>
Adjusted effective tax rate.....	<u>16.0 %</u>	<u>17.5 %</u>	<u>16.0 %</u>	<u>17.5 %</u>

(a) See Prior Period Presentation for Acquired IPR&D Impact on slide 2.

## Free Cash Flow over the Last 8 Quarters

	Year Ended		Free Cash Flow over the last 8 quarters
	December 31, 2021	December 31, 2022	
U.S. GAAP net cash provided by operating activities	\$3,017	\$2,953	\$5,970
Less: Capital expenditures	(457)	(406)	(863)
Free cash flow	<u>\$2,560</u>	<u>\$2,547</u>	<u>\$5,107</u>

## Gross Leverage - Debt to Adjusted EBITDA

	<b>Year Ended</b>	
	<b>December 31, 2022</b>	
Adjusted EBITDA.....	\$	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.....	\$	18,717.0
 Gross debt to adjusted EBITDA.....		 3.2 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 earnings and adjusted EBITDA over time in order to generally maintain or reach the target. This target does not reflect Company guidance.



## Gross Leverage - Debt to Adjusted EBITDA - Q3 2022

Gross Leverage Ratio is the ratio of Viatis' total debt at notional amounts at September 30, 2022 to the sum of Viatis' adjusted EBITDA for the quarters ended December 31, 2021, March 31, 2022, June 30, 2022, and September 30, 2022.

	Three Months Ended				Twelve Months Ended
	December 31, 2021	March 31, 2022	June 30, 2022	September 30, 2022	September 30, 2022
Adjusted EBITDA (a).....	\$ 1,415.8	\$ 1,586.3	\$ 1,482.1	\$ 1,497.8	\$ 5,982.0
Reported debt balances:					
Long-term debt, including current portion.....					19,479.5
Short-term borrowings and other current obligations.....					500.4
Total.....					19,979.9
Add / (deduct):					
Net premiums on various debt issuances.....					(584.6)
Deferred financing fees.....					37.4
Fair value adjustment for hedged debt.....					(4.5)
Total debt at notional amounts.....					\$ 19,428.2
Gross debt to adjusted EBITDA.....					3.2 x

(a) See prior quarter reconciliations from U.S. GAAP Net Earnings (Loss) to Adjusted EBITDA in the subsequent table.

## Net (Loss) Earnings to Adjusted EBITDA - Q3 2022

	Three Months Ended			
	December 31, 2021	March 31, 2022	June 30, 2022	September 30, 2022
U.S. GAAP net (loss) earnings.....	\$ (263.8)	\$ 399.2	\$ 313.9	\$ 354.3
Add / (deduct) adjustments:				
Net contribution attributable to equity method investments.....	9.7	(0.1)	0.1	-
Income tax provision.....	59.9	128.3	75.4	73.2
Interest expense.....	148.2	146.2	145.9	153.2
Depreciation and amortization.....	749.8	736.0	722.3	699.5
EBITDA.....	\$ 703.8	\$ 1,409.6	\$ 1,257.6	\$ 1,280.2
Add / (deduct) adjustments:				
Share-based compensation expense	22.5	28.3	29.4	29.1
Litigation settlements and other contingencies, net.....	273.9	6.2	10.9	(3.9)
Restructuring, acquisition related and other special items.....	415.6	142.2	184.2	192.4
Adjusted EBITDA.....	\$ 1,415.8	\$ 1,586.3	\$ 1,482.1	\$ 1,497.8

## Gross Leverage - Debt to Adjusted EBITDA - Q2 2022

Gross Leverage Ratio is the ratio of Viatis' total debt at notional amounts at June 30, 2022 to the sum of Viatis' adjusted EBITDA for the quarters ended September 30, 2021, December 31, 2021, March 31, 2022, and June 30, 2022.

	Three Months Ended				Twelve Months Ended
	September 30, 2021	December 31, 2021	March 31, 2022	June 30, 2022	June 30, 2022
Adjusted EBITDA (a).....	\$ 1,698.3	\$ 1,415.8	\$ 1,586.3	\$ 1,482.1	\$ 6,182.5
Reported debt balances:					
Long-term debt, including current portion.....					19,965.0
Short-term borrowings and other current obligations.....					1,019.7
Total.....					20,984.7
Add / (deduct):					
Net premiums on various debt issuances.....					(606.8)
Deferred financing fees.....					39.0
Fair value adjustment for hedged debt.....					(8.3)
Total debt at notional amounts.....					\$ 20,408.6
Gross debt to adjusted EBITDA.....					3.3 x

(a) See prior quarter reconciliations from U.S. GAAP Net Earnings (Loss) to Adjusted EBITDA in the subsequent table.

## Net Earnings (Loss) to Adjusted EBITDA - Q2 2022

	Three Months Ended			
	September 30, 2021	December 31, 2021	March 31, 2022	June 30, 2022
U.S. GAAP net earnings (loss).....	\$ 311.5	\$ (263.8)	\$ 399.2	\$ 313.9
Add / (deduct) adjustments:				
Net contribution attributable to equity method investments.....	17.6	9.7	(0.1)	0.1
Income tax provision.....	(111.6)	59.9	128.3	75.4
Interest expense.....	151.9	148.2	146.2	145.9
Depreciation and amortization.....	1,017.1	749.8	736.0	722.3
EBITDA.....	\$ 1,386.5	\$ 703.8	\$ 1,409.6	\$ 1,257.6
Add adjustments:				
Share-based compensation expense	25.0	22.5	28.3	29.4
Litigation settlements and other contingencies, net.....	9.4	273.9	6.2	10.9
Restructuring, acquisition related and other special items.....	277.4	415.6	142.2	184.2
Adjusted EBITDA.....	\$ 1,698.3	\$ 1,415.8	\$ 1,586.3	\$ 1,482.1

## Gross Leverage - Debt to Adjusted EBITDA - Q1 2022

Gross Leverage Ratio is the ratio of Viатris' total debt at notional amounts at March 31, 2022 to the sum of Viатris' adjusted EBITDA for the quarters ended June 30, 2021, September 30, 2021, December 31, 2021 and March 31, 2022.

	Three Months Ended				Twelve Months Ended
	June 30, 2021	September 30, 2021	December 31, 2021	March 31, 2022	March 31, 2022
Adjusted EBITDA (a).....	\$ 1,675.4	\$ 1,698.3	\$ 1,415.8	\$ 1,586.3	\$ 6,375.8
Reported debt balances:					
Long-term debt, including current portion.....					21,357.9
Short-term borrowings and other current obligations.....					655.4
Total.....					22,013.3
Add / (deduct):					
Net premiums on various debt issuances.....					(627.8)
Deferred financing fees.....					40.8
Fair value adjustment for hedged debt.....					(12.2)
Total debt at notional amounts.....					\$ 21,414.1
Gross debt to adjusted EBITDA.....					3.36 x

(a) See prior quarter reconciliations from U.S. GAAP Net Earnings (Loss) to Adjusted EBITDA in the subsequent table.

## Net Earnings (Loss) to Adjusted EBITDA - Q1 2022

	Three Months Ended			
	June 30, 2021	September 30, 2021	December 31, 2021	March 31, 2022
U.S. GAAP net earnings (loss).....	\$ (279.2)	\$ 311.5	\$ (263.8)	\$ 399.2
Add / (deduct) adjustments:				
Net contribution attributable to equity method investments.....	16.7	17.6	9.7	(0.1)
Income tax provision.....	60.1	(111.6)	59.9	128.3
Interest expense.....	167.1	151.9	148.2	146.2
Depreciation and amortization.....	1,317.1	1,017.1	749.8	736.0
EBITDA.....	\$ 1,281.8	\$ 1,386.5	\$ 703.8	\$ 1,409.6
Add adjustments:				
Share-based compensation expense	31.0	25.0	22.5	28.3
Litigation settlements and other contingencies, net.....	23.0	9.4	273.9	6.2
Restructuring, acquisition related and other special items.....	339.6	277.4	415.6	142.2
Adjusted EBITDA.....	\$ 1,675.4	\$ 1,698.3	\$ 1,415.8	\$ 1,586.3

## 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.....	1,493.0
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.....	(16.3)
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).....	4,506.5
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.....	1,445.5
Adjusted EBITDA.....	<u>\$ 6,426.1</u>

(a) Includes clean energy investment financing and accretion of contingent consideration.

(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.....	1,100.9
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.....	(31.6)
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
Viатris 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 clean energy investment financing and accretion of contingent consideration.

(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.