

## Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations

### INTRODUCTION

Unless the context otherwise indicates, as used in this “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” the terms “we,” “us,” “our,” “Bausch + Lomb,” the “Company,” and similar terms refer to Bausch + Lomb Corporation and its subsidiaries. This “Management’s Discussion and Analysis of Financial Condition and Results of Operations” has been updated through February 18, 2026 and should be read in conjunction with the audited Consolidated Financial Statements and the related notes thereto included elsewhere in this Annual Report on Form 10-K. The matters discussed in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” contain certain forward-looking statements within the meaning of Section 27A of The Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of The Securities Exchange Act of 1934, as amended, and that may be forward-looking information within the meaning defined under applicable Canadian securities laws (collectively, “Forward-Looking Statements”). See “Forward-Looking Statements” at the end of this discussion. Additional Company information, including this Form 10-K, is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and on the U.S. Securities and Exchange Commission (the “SEC”) website at [www.sec.gov](http://www.sec.gov). All currency amounts are expressed in U.S. dollars, unless otherwise noted.

### OVERVIEW

Bausch + Lomb is a leading global eye health company dedicated to protecting and enhancing the gift of sight for millions of people around the world—from the moment of birth through every phase of life. Our mission is simple, yet powerful: helping you see better, to live better. We develop, manufacture and market a range of products, primarily in the areas of eye health, which are marketed directly or indirectly in approximately 100 countries. As a fully integrated eye health business, Bausch + Lomb has a comprehensive portfolio of approximately 400 products, which includes an established line of contact lenses, intraocular lenses (“IOLs”) and other medical devices, surgical systems and devices, vitamin and mineral supplements, lens care products, prescription eye-medications and other consumer products that positions us to compete in all areas of the eye health market.

Bausch + Lomb is a subsidiary of Bausch Health Companies Inc. (“BHC”), with BHC holding, directly or indirectly, approximately 88% of the issued and outstanding common shares of Bausch + Lomb, as of February 11, 2026. For additional discussion regarding the separation of Bausch + Lomb from BHC, refer to Item 1. “Business”.

### Reportable Segments

Our portfolio of products falls into three operating and reportable segments: (i) Vision Care, (ii) Pharmaceuticals and (iii) Surgical.

*The Vision Care segment*—includes both our contact lens and consumer eye care businesses.

Our contact lens portfolio spans the spectrum of wearing modalities, including daily disposable and frequently replaced contact lenses, and contact lenses that are indicated for therapeutic use and that can also provide optical correction during healing, if required. In particular, our Vision Care contact lens portfolio includes our Bausch + Lomb INFUSE® (silicone hydrogel (“SiHy”)) daily disposable contact lenses, Biotrue® ONEday daily disposables, PureVision® SiHy contact lenses, SofLens® daily disposables and Bausch + Lomb ULTRA® contact lenses.

Our consumer eye care business consists of contact lens care products, over-the-counter (“OTC”) eye drops that address various conditions, including eye allergies, conjunctivitis, dry eye and redness relief, and eye vitamins and mineral supplements. Within our consumer eye care business, our lens care product portfolio includes Biotrue® and Renu® multipurpose solutions and Boston® cleaning and conditioning solutions, our eye drops include Lumify®, Soothe®, Artelac®, Alaway® and Mioclear® and our eye vitamins include PreserVision® and OcuVite®.

*The Pharmaceuticals segment*—consists of a broad line of proprietary and generic pharmaceutical products for post-operative treatments and treatments for a number of eye conditions, such as glaucoma, eye inflammation, ocular hypertension, dry eyes and retinal diseases. Key proprietary pharmaceutical brands are MIEBO®, XIIDRA®, Vyzulta®, Lotemax®, Prolensa® and Minims®.

*The Surgical segment*—consists of medical device equipment, consumables and technologies for the treatment of cataracts, corneal, vitreous and retinal eye conditions, which includes IOLs and delivery systems, phacoemulsification equipment and other surgical instruments and devices necessary for cataract surgery. Key surgical brands include Akreos®, AMVISC®, IC-8 Aphera®, Crystallens® IOLs, enVista® IOLs, Eyetelligence® Surgical Planning Software, Millennium®, Stellaris Elite® vision enhancement system, Synergetics®, ClearVisc®, StableVisc®, Storz® ophthalmic instruments, VICTUS® femtosecond laser, Teneo®, Eyefill® and Zyoptix®.

For additional discussion of our reportable segments, see the discussion in Item 1. "Business — Segment Information" and Note 21, "SEGMENT INFORMATION" to our audited Consolidated Financial Statements for further details on these reportable segments.

### Product Development

Our team of approximately 900 dedicated Research and Development ("R&D") employees is focused on advancing our pipeline and identifying new product opportunities and we believe we have a significant innovation opportunity today. We plan to develop and, where applicable, commercialize our global pipeline of over 60 projects, many of which are global projects being developed in and for multiple countries. These global and individual projects are in various stages of pre-clinical and clinical development, including new contact lenses for myopia, next-generation cataract equipment, premium IOLs, investigational treatments for dry eye, novel formulation for eye vitamins and preservative free formulation of eye drops, among others, that are designed to grow our portfolio and accelerate future growth.

Our internal R&D organization focuses on the development of products through robust bench testing that is designed to comply with international standards and through clinical trials. Certain of our key pipeline products are listed below.

#### *Vision Care*

- Lumify® Franchise – An OTC redness reliever eye drop that significantly reduces redness to help eyes look whiter and brighter, revealing eyes' natural beauty. To date, we have launched and acquired the right to launch Lumify® in various countries. A new line extension formulation, Lumify® Preservative Free was launched in the first quarter of 2025. In addition, the Company is in the process of initiating a Lumify® next generation ("Lumify Luxe") clinical study, for which a Phase 3 study met all primary and secondary endpoints and for which a NDA submission is anticipated during the first-half of 2026.
- Blink® Franchise – During June 2024, we expanded our over-the-counter dry eye portfolio with the launch of Blink® NutriTears®, a clinically proven OTC supplement that targets the key root causes of dry eyes, promotes healthy tear production and provides noticeable relief of eye dryness symptoms. In June 2025, the Company began launching Blink® Nourish and Blink® Boost lubricating eye drops in the U.S. We are in the process of a preservative-free lipid-based formulation of our Blink® Triple Care product, which is anticipated to launch in 2026.
- AREDS3 Vitamins – We have started the development of AREDS3, a next-generation eye vitamin formulation, in an effort to expand our eye vitamins portfolio, which is anticipated to launch in 2026.
- Bioactive Lens – We are developing a new bioactive contact lens incorporating bioactive hyaluronic acid hydrogel, a novel material design for daily disposable contact lens. Internal clinical studies have been ongoing, and we have completed the first external clinical study. Additional studies are planned through 2026.
- Myopia Control Contact Lens – A multi-year study has begun for a Myopia control contact lens. We expect to receive a year 1 interim report during 2026.
- DD SiHy Lens - A second daily disposable SiHy lens designed for affordable innovation being developed leveraging our existing manufacturing platform.
- FRP SiHy - A new premium planned replacement SiHy lens being developed with a focus on providing unsurpassed comfort throughout the month.

#### *Pharmaceuticals*

- Dual-Action Lifitegrast – We have begun enrolling a Phase 2 clinical study in an effort to begin developing the first dual-action therapeutic to address evaporative and inflammatory dry eye.
- Ocular Pain – We are developing a first-in-class neurosensory agent therapy for ocular surface pain. We have completed the Phase 1 study and phase 2 results are anticipated in the second half of 2026.
- Glaucoma Neuroprotection – We have begun enrolling a Phase 2 clinical study in an effort to begin developing the first glaucoma therapy to lower intraocular pressure and improve visual function. Phase 2 results are expected in the second half of 2026.

#### *Surgical*

- enVista® – We are expanding our portfolio of premium IOLs built on the enVista® platform with the following:
  - enVista Aspire® monofocal and toric IOLs with Intermediate Optimized optics were launched in the U.S. during October 2023 and in Europe and Canada in 2025.

- enVista Envy<sup>®</sup> launched in Canada in June 2024, in the U.S. in November 2024 and in Europe in October 2025, and launches in Singapore and Hong Kong are expected.
- enVista Beyond<sup>™</sup> extended depth of focus (“EDOF”) is anticipated to launch in the U.S. in 2027.
- LuxLife<sup>®</sup> – We are expanding our portfolio of premium IOLs built on the “Lux” platform with the LuxLife<sup>®</sup> Trifocal IOL with two options, non-Toric and Toric for astigmatic patients. The European launch of this product is in process.
- ELIOS<sup>®</sup> – As discussed below, we plan to expand our glaucoma treatment portfolio with ELIOS<sup>®</sup>, the first clinically validated, minimally invasive glaucoma surgery procedure using an excimer laser. The U.S. submission of this product is anticipated in the first-half of 2026.
- SeeNova<sup>™</sup> – We are developing the next generation ophthalmic microsurgical system for Anterior, Posterior and Combined segment surgeries. US and EU releases are anticipated in 2028.
- SeeLyra<sup>™</sup> – Femtosecond laser assisted cataract surgery system with integration of phaco components. CE Mark and 510k submission is anticipated in the first half of 2026 and approvals are anticipated by the end of 2026.

In addition, we have a number of other pipeline products that we are in the process of developing.

#### *Strategic Acquisitions and Licensing Agreements*

In addition to internal development, we continuously search for new product opportunities through strategic licensing agreements and acquisitions, that, if successful, will allow us to leverage our commercial footprint and supplement our existing product portfolio and address specific unmet needs in the market.

During 2025, certain strategic acquisitions that we had entered into included the following:

- Acquisition of a manufacturing facility – On December 9, 2025, we acquired certain manufacturing equipment, other assets and the assumption of a manufacturing facility lease in Mexico. The acquisition is expected to unlock manufacturing capacity and expand the Company's margins.
- Acquisition of Whitecap Biosciences – On January 3, 2025, we acquired Whitecap Biosciences LLC (“Whitecap Biosciences”). The acquisition is expected to expand the Company’s clinical-stage pipeline, as Whitecap Biosciences is currently developing two innovative therapies for potential use in glaucoma and geographic atrophy.

Prior to 2025, certain strategic acquisitions that we had entered into included the following:

- Acquisition of Elios Vision – In December 2024, we acquired Elios Vision, Inc. (“Elios Vision”). Elios Vision, a privately held company, is the developer of the ELIOS<sup>®</sup> procedure, the first clinically validated, minimally invasive glaucoma surgery procedure using an excimer laser. The U.S. submission of this product is anticipated in the first-half of 2026 and we expect this acquisition to then bolster the Company’s glaucoma treatment portfolio.
- Acquisition of Trukera Medical – In July 2024, we acquired TearLab Corporation, d/b/a Trukera Medical (“Trukera Medical”) from its private equity owner, AccelMed Partners, and other shareholders. Trukera Medical, a U.S.-based privately held ophthalmic medical diagnostic company, commercializes ScoutPro<sup>®</sup>, a point-of-care portable device for precisely measuring osmolarity, the salt content of a person’s tears. This acquisition expands the Company’s presence in the dry eye market.
- Acquisition of XIIDRA<sup>®</sup> – In September 2023, the Company acquired XIIDRA<sup>®</sup>, a non-steroid eye drop specifically approved to treat the signs and symptoms of dry eye disease focusing on inflammation associated with dry eye, and certain other ophthalmology assets from Novartis Pharma AG and Novartis Finance Corporation (together with Novartis Pharma AG, “Novartis”) (the “XIIDRA Acquisition”). The XIIDRA Acquisition complements and grew our existing dry eye franchise.
- Acquisition of Blink<sup>®</sup> Product Line – In July 2023, we acquired the Blink<sup>®</sup> OTC product line of eye and contact lens drops from Johnson & Johnson Vision, which consists of Blink<sup>®</sup> Tears Lubricating Eye Drops, Blink<sup>®</sup> Tears Preservative Free Lubricating Eye Drops, Blink GelTears<sup>®</sup> Lubricating Eye Drops, Blink<sup>®</sup> Triple Care Lubricating Eye Drops, Blink Contacts<sup>®</sup> Lubricating Eye Drops and Blink-N-Clean<sup>®</sup> Lens Drops (collectively, the “Blink<sup>®</sup> Product Line”). This acquisition has enabled us to continue to grow our global OTC business.
- Acquisition of AcuFocus – In January 2023, we acquired AcuFocus, Inc. (“AcuFocus”). AcuFocus is an ophthalmic medical device company that has delivered breakthrough small aperture intraocular technology to address diverse unmet needs in eye care. The IC-8 Aphera<sup>®</sup> IOL was approved by the U.S. Food and Drug Administration (the

“FDA”) in July 2022 as the first and only small aperture non-toric EDOF IOL for certain cataract patients who have as much as 1.5 diopters of corneal astigmatism and wish to address presbyopia at the same time. The acquisition of the IC-8 Athera® IOL has allowed us to grow our portfolio of IOL offerings.

We regularly consider further strategic licensing and acquisition opportunities, some of which could be material in size.

## **Business Trends**

In addition to the actions previously outlined, the events described below have affected and may affect our business trends. The matters discussed in this section contain Forward-Looking Statements. Please see “Forward-Looking Statements” for additional information.

### *Voluntary Recall of enVista Intraocular Lenses*

On March 27, 2025, the Company announced a voluntary recall of certain enVista IOL products. The recall was in response to an increased number of reports of toxic anterior segment syndrome (TASS), and included all lots of the following enVista IOL products: enVista Aspire, enVista Aspire Toric, enVista Envy and enVista Envy Toric, as well as enVista monofocal and enVista monofocal Toric IOL models in the U.S. On April 24, 2025, the Company announced that it, with the assistance of experts and advisors, had completed its investigation into the matter and determined that the issue stemmed from raw material used in certain lots that was delivered by a different vendor.

In response to the investigation, the Company has implemented enhanced inspection protocols for IOLs, as well as more explicit standards for how the monomers that make up its lenses are prepared by vendors. With these new processes in place, the Company has returned to full production of all enVista IOLs and during the fourth quarter of 2025, enVista IOL sales reached their pre-recall levels.

### *Russia-Ukraine War*

In February 2022, Russia invaded Ukraine. As military activity and sanctions against Russia, Belarus and specific areas of Ukraine have continued, the war has continued to affect economic and global financial markets and placed further pressure on ongoing economic challenges, including issues such as inflation and global supply-chain disruption.

The former Biden administration imposed U.S. sanctions and export controls against Russia and Belarus in response to the ongoing war. These sanctions temporarily impacted our ability to distribute our U.S. manufactured contact lenses and our U.S. surgical products to Russia and Belarus. However, in response to these sanctions, we applied for licenses with the U.S. Department of Commerce’s Bureau of Industry and Security for both Russia and Belarus and we have all licenses, or other applicable governmental authorizations, necessary to allow us to sell the applicable currently sanctioned products in each of these countries. The Trump administration has extended the sanctions imposed by the former Biden administration and has also indicated that it may impose additional sanctions against Russia and/or secondary sanctions against countries doing business with Russia, if negotiations are not progressed respecting a ceasefire or possible end to the conflict in Ukraine.

In addition, the European Union (“EU”) has also imposed several rounds of sanctions against Russia. We have obtained licenses, where required, for products and services provided to Russia from the EU and from the relevant EU member states.

To date, the challenges associated with the Russia-Ukraine War and related sanctions from the U.S., EU and elsewhere have not yet had a material impact on our operations; although, we continue to review recent and proposed sanctions imposed by the EU, U.S. and others to assess their impact on our operations.

Our revenues attributable to Russia, Ukraine and Belarus, in the aggregate, for 2025, 2024 and 2023 were approximately 3% of our total revenues in each period. In addition, we do not have any research or manufacturing facilities in Russia, Ukraine or Belarus. While we have been monitoring this conflict, and will continue to do so as this conflict continues to evolve, we are unable to predict the impact of this conflict on the Company’s business. See “Risk Factors—Risks Relating to the International Scope of our Business—As a result of the current conflict between Russia and Ukraine, the current and any future responses by the global community to such conflict and any counter responses by the Russian government or other entities or individuals, and the potential expansion of the conflict to other countries, we have experienced and may continue to experience an adverse impact on our business and operations in this region, as well as on our business and operations generally, which could have a material adverse effect on our business, financial condition, cash flows and results of operations and could cause the market value of our common shares to decline.”

### *Conflict in the Middle East*

The conflict between Israel and Hamas began during October 2023 and expanded to include other countries and militant groups, including Iran. The conflict is currently the subject of a ceasefire agreement between Israel and Hamas that was announced in October 2025. In addition, in December 2025 and January 2026, mass protests occurred across Iran. Our

revenues attributable to the impacted regions for 2025, 2024 and 2023 were less than 1% of our total revenues in each period. Sales in Iran are covered by a general OFAC license. While we have been monitoring this conflict, and will continue to do so as this conflict continues to evolve, we are unable to predict the impact of this conflict on the Company's business.

For a further discussion of these and other risks relating to our international business, see Item 1A. "Risk Factors" of this Form 10-K for additional information.

#### *Macroeconomic Conditions*

The Company is monitoring ongoing policy changes being made by the Trump administration, including those related to existing trade agreements and the actual or threatened imposition and implementation of new tariffs and the counter-duties, counter-tariffs and/or other counter-measures threatened or implemented in response by other countries. Some of these policies have targeted countries in which we do business and sectors in which we do business, including pharmaceuticals. Given the international scope of our operations, any sanctions, export controls, tariffs, trade wars and other governmental actions could have an adverse effect on our business, financial condition, cash flows and results of operations. Similarly, adverse economic and geopolitical conditions impacting our customers in these countries or uncertainty about global economic conditions or the geopolitical environment could result in purchases of our products to decline, which would adversely affect our revenues and operating results and could also cause a decline in our share price.

As of the date of this filing, the current state of recent tariffs, counter-tariffs and other trade restrictions is fluid and continuously evolving; however, the Company is monitoring the situation and believes that, building on its existing revenue stream from products manufactured in-country (which in certain key regions, such as the U.S. and EU, represent a significant portion of the overall revenue), it has certain potential actions that could be taken in response to such tariffs, counter-tariffs and other trade restrictions to help to mitigate their overall impact to the Company and its business. These actions may include strategic inventory stocking, leveraging its global footprint to shift manufacturing and optimizing existing capacity to in-source manufacturing.

See Item 1A. "Risk Factors" of this Form 10-K for additional information on the risks associated with tariffs.

#### *Global Minimum Corporate Tax Rate*

On October 8, 2021, the Organisation for Economic Co-operation and Development ("OECD")/G20 inclusive framework on Base Erosion and Profit Shifting (the "Inclusive Framework") published a statement updating and finalizing the key components of a two-pillar plan on global tax reform originally agreed on July 1, 2021, and a timetable for implementation by 2023. The timetable for implementation was extended to 2024 or, with respect to certain components of the plan, to 2025. The Inclusive Framework plan has now been agreed to by more than 140 OECD members, including several countries which did not agree to the initial plan. Under Pillar One, a portion of the residual profits of multinational businesses with global turnover above €20 billion and a profit margin above 10% will be allocated to market countries where such allocated profits would be taxed. Under Pillar Two, the Inclusive Framework has agreed on a global minimum corporate tax rate of 15% for companies with revenue above €750 million, calculated on a country-by-country basis. On October 30, 2021, the G20 formally endorsed the new global minimum corporate tax rate rules. Many members of the Inclusive Framework have either introduced or announced their intention to introduce certain components of the global minimum tax in line with the model rules for fiscal year beginning on or after December 31, 2023. For example, on December 15, 2022, the EU member states unanimously adopted the directive to implement pillar two rules. According to the directive, the member states were expected to enact pillar two rules into domestic law in 2023, with certain elements becoming effective for fiscal years beginning on or after December 31, 2023. On August 4, 2023, Canada released draft legislation to enact certain components of the pillar two proposals into Canadian law as the Global Minimum Tax Act ("GMTA"), which was enacted on June 20, 2024. The GMTA is generally aligned with the model rules proposed by the OECD and is effective for fiscal years beginning on or after December 31, 2023. The OECD has published model rules and other guidance with respect to pillar two, which are generally consistent with the agreement reached by the Inclusive Framework in October 2021. On February 1, 2023, the Inclusive Framework released a package of technical and administrative guidance on the implementation of pillar two, including the scope of companies that will be subject to the Global Anti-Base Erosion Rules ("GloBe"), transition rules, and guidance on domestic minimum taxes that countries may choose to adopt, among other topics. On December 18, 2023, the OECD announced plans to release additional guidance on model rules and to start the peer review process in 2024. On June 17, 2024, the OECD published further administrative guidance to clarify the operation of the model rules. On January 15, 2025, the OECD published additional guidance on the interpretation of the GloBe model rules, including the central record that contained two lists of jurisdictions that have (i) income inclusion rules (the "IIR") and (ii) domestic minimum top-up taxes ("QDMTT") that have transitional qualified status. Canada's GMTA is included in both lists. The central record was amended by the OECD in March and August 2025 to add new jurisdictions.

The United States did not announce plans to enact the tax measures under the two-pillar plan. On February 1, 2023, the U.S. Financial Accounting Standards Board indicated that they believe the minimum tax imposed under pillar two is an alternative minimum tax, and, accordingly, deferred tax assets and liabilities associated with the minimum tax would not be

recognized or adjusted for the estimated future effects of the minimum tax but would be recognized in the period incurred. On January 20, 2025, the Trump administration issued an executive order declaring the Inclusive Framework has no force or effect in the U.S. absent congressional action, and directing the U.S. Department of Treasury to: (i) investigate whether any non-U.S. countries are not in compliance with any U.S. tax treaty or have implemented or are likely to implement tax rules that are extraterritorial or disproportionately affect U.S. companies, which may include actions or taxes imposed under Pillar One or Pillar Two, and (ii) develop options for “protective measures” in response to any such noncompliance or tax rules. On June 28, 2025, the United States and the rest of the G7 countries announced an agreement that would, in principle, exclude U.S. parented groups from certain taxes under Pillar Two and address certain risks of base erosion and profit shifting. In January 2026, the OECD published the “side by side” arrangement package to implement this exclusion. However, we cannot predict whether the United States will adopt any other protective measures including with respect to any taxes imposed under Pillar One, or whether or how any non-U.S. countries may change their tax laws, including with respect to taxes imposed under Pillar One or Pillar Two, in response to the executive order, the “side by side” arrangement described above, or otherwise. It is possible that any changes in U.S. or non-U.S. tax law could have a material adverse effect on our future tax liabilities and our effective tax rate.

While many jurisdictions in which the Company operates have adopted the global minimum tax provision of Pillar Two effective for tax years beginning in January 2024, the Company has concluded that there is minimal impact to its 2025 tax rate due to the accounting for the tax effects of intercompany transactions. The Company expects that there is risk that the impact of the global minimum tax and other changes in tax law in jurisdictions in which it operates may eventually result in an increase to its overall effective tax rate.

#### *U.S. Legislative Changes*

On July 4, 2025, President Trump signed into law H.R. 1, the One Big Beautiful Bill Act (the “OBBBA”). The effects of this legislation for the Company include extending and modifying certain key Tax Cuts & Jobs Act provisions (both domestic and international). The corporate tax rate remains unchanged but bonus depreciation, domestic R&D expensing, and an adjustment to the interest deduction limitation were retroactive to January 2025. The OBBBA makes additional changes to international tax provisions, including substantive changes to existing GILTI, foreign-derived intangible income (FDII), and base erosion and anti-abuse tax (BEAT) provisions. These changes are effective for taxable years after 2025. The Company has evaluated the impact of the enactment of the OBBBA and concluded that it did not have a material impact to the Company’s business, financial condition or results of operations.

#### *Health Care Reform*

The U.S. federal and state governments continue to propose and pass legislation designed to regulate the health care industry. Under the former Biden administration, many of these changes focused on health care cost containment, which resulted in pricing pressures relating to the sales and reimbursements of health care products and could result in legislative and regulatory changes that may negatively impact our businesses. We are monitoring potential health care-related legislative and regulatory changes that may be proposed and passed or otherwise pursued under the Trump administration.

In addition, we continue to face various proposed health care pricing changes and regulations from governments throughout the world in locations in which we operate our business. These proposed changes may also continue to result in pricing pressures relating to sales, promotions and reimbursement of our product portfolio.

We continually review newly enacted and proposed U.S. federal and state legislation, as well as proposed rulemaking and guidance published by the U.S. Department of Health and Human Services, the FDA and applicable foreign governments in locations in which we operate; however, at this time, it is unclear the effect these matters may have on our businesses.

For more information, see Item 1. “Business”.

#### *Generic Competition and Loss of Exclusivity*

Certain of our products face the expiration of their patent or regulatory exclusivity over the next five years, following which we anticipate generic competition of these products. Following a loss of exclusivity (“LOE”) of and/or generic competition for a product, we would anticipate that product sales for such product would decrease significantly shortly following the LOE or entry of a generic competitor. Where we have the rights, we may elect to launch an authorized generic (“AG”) of such product (either ourselves or through a third party) prior to, upon or following generic entry, which may mitigate the anticipated decrease in product sales.

While we expect our risk of LOE to be limited over the next five years, this could change based on, among other things, successful challenge to our patents, settlement of existing or future patent litigation and at-risk generic launches. We believe the entry into the market of generic competition generally would have an adverse impact on the volume and/or pricing of the affected products, however we are unable to predict the magnitude or timing of this impact.

In addition, in connection with our Lumify<sup>®</sup>, Vyzulta<sup>®</sup> and Lotemax<sup>®</sup> SM products, we have commenced ongoing infringement proceedings against potential generic competitors or other potential infringers in the U.S. If we are not successful in these proceedings, we may face increased generic competition for these products. The PreserVision<sup>®</sup> U.S. formulation patent expired in March 2021 and the U.S. patent covering methods of using the formulation expired in early 2026. Our revenues from PreserVision<sup>®</sup> products for 2025 and 2024 accounted for approximately 6% of our total revenues for each period. While PreserVision<sup>®</sup> and Lumify<sup>®</sup> are (or were) the subjects of certain ongoing and past patent infringement proceedings and while the Company cannot predict the magnitude or timing of a LOE impact from PreserVision<sup>®</sup> and Lumify<sup>®</sup>, as these are OTC products, the impact is not expected to be as significant as the LOE of a branded pharmaceutical product.

See Note 19, “LEGAL PROCEEDINGS” to our audited Consolidated Financial Statements for further information.

The risks of generic competition are a fact of the eye health industry and are not specific to our operations or product portfolio. These risks are not avoidable, but we believe they are manageable. To manage these risks, our leadership team routinely evaluates the impact that generic competition may have on future profitability and operations. In addition to aggressively defending our patents and other intellectual property, our leadership team makes operational and investment decisions regarding these products and businesses at risk, including decisions regarding our pipeline. Our leadership team actively manages our pipeline in order to identify innovative and realizable projects that are expected to provide incremental and sustainable revenues and growth into the future. We believe that we have a well-established product portfolio that is diversified within our core businesses. We also believe that we have a robust pipeline that not only provides for the next generation of our existing products, but also brings new solutions into the market.

See Item 1A. “Risk Factors” of this Form 10-K for additional information on the risks associated with our intellectual property and our competition risks.

## RESULTS OF OPERATIONS

Our operating results for the years 2025, 2024 and 2023 were as follows:

<i>(in millions)</i>	Years Ended December 31,			Change	
	2025	2024	2023	2024 to 2025	2023 to 2024
<b>Revenues</b>					
Product sales	\$ 5,080	\$ 4,774	\$ 4,131	\$ 306	\$ 643
Other revenues	21	17	15	4	2
	<u>5,101</u>	<u>4,791</u>	<u>4,146</u>	<u>310</u>	<u>645</u>
<b>Expenses</b>					
Cost of goods sold (excluding amortization and impairments of intangible assets)	2,045	1,868	1,640	177	228
Cost of other revenues	5	4	2	1	2
Selling, general and administrative (Note 3)	2,234	2,082	1,736	152	346
Research and development	371	343	324	28	19
Amortization of intangible assets	258	288	240	(30)	48
Other expense, net	75	44	74	31	(30)
	<u>4,988</u>	<u>4,629</u>	<u>4,016</u>	<u>359</u>	<u>613</u>
<b>Operating income</b>	113	162	130	(49)	32
Interest income	12	15	15	(3)	—
Interest expense	(421)	(399)	(283)	(22)	(116)
Loss on extinguishment of debt	(6)	—	—	(6)	—
Foreign exchange and other	(15)	(12)	(28)	(3)	16
<b>Loss before provision for income taxes</b>	(317)	(234)	(166)	(83)	(68)
Provision for income taxes	(35)	(71)	(82)	36	11
<b>Net loss</b>	(352)	(305)	(248)	(47)	(57)
Net income attributable to noncontrolling interest	(8)	(12)	(12)	4	—
<b>Net loss attributable to Bausch + Lomb Corporation</b>	<u>\$ (360)</u>	<u>\$ (317)</u>	<u>\$ (260)</u>	<u>\$ (43)</u>	<u>\$ (57)</u>

A detailed discussion of the year-over-year changes of the Company's 2025 results compared with that of 2024 can be found below. A detailed discussion of the year-over-year changes of the Company's 2024 results compared with that of 2023 can be found under "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in our Annual Report on Form 10-K for the year ended December 31, 2024, filed with the SEC and the CSA on February 19, 2025.

## 2025 Compared to 2024

### Revenues

Our revenues are primarily generated from product sales in the therapeutic areas of eye health that consist of: (i) branded prescription eye-medications and pharmaceuticals, (ii) generic and branded generic prescription eye medications and pharmaceuticals, (iii) OTC vitamin and supplement products and (iv) medical devices (contact lenses, IOLs and ophthalmic surgical equipment). Other revenues include alliance and service revenue from the licensing and co-promotion of products and contract service revenue. Contract service revenue is derived primarily from contract manufacturing for third parties and is not material. See Note 21, “SEGMENT INFORMATION” to our audited Consolidated Financial Statements for the disaggregation of revenues which depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by the economic factors of each category of customer contracts.

Our revenues were \$5,101 million and \$4,791 million for 2025 and 2024, respectively, an increase of \$310 million, or 6%. The increase was attributable to: (i) increased volumes of \$301 million across each of our segments, (ii) the favorable impact of foreign currencies of \$58 million and (iii) incremental sales attributable to acquisitions of \$16 million, within our Surgical segment. The increases in revenue were partially offset by: (i) decreased net realized pricing of \$53 million, primarily within our Pharmaceuticals segment and (ii) the impact of divestitures and discontinuations of \$12 million, primarily relating to the discontinuation of certain products within our Vision Care segment.

The following table presents segment revenues, segment revenues as a percentage of total revenues and the period-over-period changes in segment revenues for 2025 and 2024.

<i>(in millions)</i>	2025		2024		Change	
	Amount	Pct.	Amount	Pct.	Amount	Pct.
<b>Segment Revenues</b>						
Vision Care	\$ 2,923	57 %	\$ 2,739	57 %	\$ 184	7 %
Pharmaceuticals	1,284	25 %	1,209	25 %	75	6 %
Surgical	894	18 %	843	18 %	51	6 %
Total revenues	<u>\$ 5,101</u>	<u>100 %</u>	<u>\$ 4,791</u>	<u>100 %</u>	<u>\$ 310</u>	<u>6 %</u>

#### *Constant Currency Revenues and Constant Currency Revenue Growth (non-GAAP)*

Constant Currency Revenue Growth, a non-GAAP measure, is defined as a change in Revenues (its most directly comparable GAAP financial measure) on a period-over-period basis adjusted for changes in foreign currency exchange rates (if applicable). The Company uses Constant Currency Revenues (non-GAAP) and Constant Currency Revenue Growth (non-GAAP) to assess performance of its reportable segments, and the Company in total, without the impact of foreign currency exchange fluctuations. The Company believes that such measures are useful to investors as they provide a supplemental period-to-period comparison.

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 underlying business performance. 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.

Non-GAAP financial measures and non-GAAP ratios are not prepared in accordance with GAAP nor do they have any standardized meaning under GAAP. In addition, other companies may use similarly titled non-GAAP financial measures and ratios that are calculated differently from the way we calculate such measures and ratios. Accordingly, the Company’s non-GAAP financial measures and ratios may not be comparable to such similarly titled non-GAAP financial measures and ratios used by other companies.

The following table presents a reconciliation of Revenues to constant currency revenues (non-GAAP) and the period-over-period changes in constant currency revenue (non-GAAP) for 2025 and 2024.

<i>(in millions)</i>	Year Ended December 31, 2025			Year Ended December 31, 2024		Change in Constant Currency Revenue (Non-GAAP)	
	Revenue as Reported	Changes in Exchange Rates	Constant Currency Revenue (Non-GAAP)	Revenue as Reported		Amount	Pct.
	Vision Care	\$ 2,923	\$ (33)	\$ 2,890	\$ 2,739	\$ 151	6 %
Pharmaceuticals	1,284	(8)	1,276	1,209	67	6 %	
Surgical	894	(17)	877	843	34	4 %	
Total	\$ 5,101	\$ (58)	\$ 5,043	\$ 4,791	\$ 252	5 %	

#### *Vision Care Segment Revenue*

The Vision Care segment revenue was \$2,923 million and \$2,739 million for 2025 and 2024, respectively, an increase of \$184 million, or 7%. The increase was primarily driven by sales from our dry eye portfolio, Lumify<sup>®</sup> and PreserVision<sup>®</sup> within our consumer eye care business and the performance of SiHy Daily lenses and Bausch + Lomb Ultra<sup>®</sup> within our contact lens business. This increase included: (i) an increase in volumes of \$111 million, (ii) an increase in net pricing of \$51 million and (iii) the favorable impact of foreign currencies of \$33 million, partially offset by the impact of divestitures and discontinuations of \$11 million.

#### *Pharmaceuticals Segment Revenue*

The Pharmaceuticals segment revenue was \$1,284 million and \$1,209 million for 2025 and 2024, respectively, an increase of \$75 million, or 6%. The increase was primarily driven by: (i) increased sales in our branded pharmaceuticals business, primarily from MIEBO<sup>®</sup>, driven by its continued positive momentum since launching and (ii) increased sales in our international pharmaceuticals business, partially offset by declines in the U.S. generics business and gross-to-net pricing pressures, primarily attributable to XIIDRA<sup>®</sup> and MIEBO<sup>®</sup>. The increase included: (i) an increase in volumes of \$172 million and (ii) the favorable impact of foreign currencies of \$8 million, partially offset by a decrease in net realized pricing of \$104 million.

#### *Surgical Segment Revenue*

The Surgical segment revenue was \$894 million and \$843 million for 2025 and 2024, respectively, an increase of \$51 million, or 6%. The increase was primarily driven by: (i) increased demand of consumables, (ii) increased demand of implantables, driven by our premium IOL portfolio and (iii) increased equipment sales, partially offset by the voluntary recall of certain enVista IOL products, as previously discussed. This increase included: (i) an increase in volumes of \$18 million, (ii) the favorable impact of foreign currencies of \$17 million and (iii) incremental sales from acquisitions of \$16 million.

#### **Cash Discounts and Allowances, Chargebacks and Distribution Fees**

As is customary in the health care industry, gross product sales are subject to a variety of deductions in arriving at net product sales. Provisions for these deductions are recognized concurrently with the recognition of gross product sales. These provisions include cash discounts and allowances, chargebacks and distribution fees, which are paid or credited to direct customers, as well as rebates and returns, which can be paid or credited to direct and indirect customers. Provision balances relating to amounts payable to direct customers are netted against trade receivables and balances relating to indirect customers are included in accrued liabilities.

We actively manage these offerings, focusing on the incremental costs of our patient assistance programs, the level of discounting to non-retail accounts and identifying opportunities to minimize product returns. We also concentrate on managing our relationships with our payors and wholesalers, reviewing the ranges of our offerings and being disciplined as to the amount and type of incentives we negotiate. Provisions recorded to reduce gross product sales to net product sales and revenues for 2025 and 2024 were as follows:

<i>(in millions)</i>	<b>Years Ended December 31,</b>			
	<b>2025</b>		<b>2024</b>	
	<b>Amount</b>	<b>Pct.</b>	<b>Amount</b>	<b>Pct.</b>
Gross product sales	\$ 8,393	100.0 %	\$ 7,492	100.0 %
Provisions to reduce gross product sales to net product sales				
Discounts and allowances	476	5.70 %	420	5.60 %
Returns	79	0.90 %	98	1.30 %
Rebates	2,049	24.40 %	1,487	19.90 %
Chargebacks	611	7.30 %	631	8.40 %
Distribution fees	98	1.20 %	82	1.10 %
Total provisions	3,313	39.50 %	2,718	36.30 %
Net product sales	5,080	<u>60.50 %</u>	4,774	<u>63.70 %</u>
Other revenues	21		17	
Revenues	<u>\$ 5,101</u>		<u>\$ 4,791</u>	

Cash discounts and allowances, returns, rebates, chargebacks and distribution fees as a percentage of gross product sales were 39.5% and 36.3% for 2025 and 2024, respectively, an increase of 3.2% percentage points, and is primarily attributable to the increase in rebates from our dry eye portfolio, including XIIDRA® and MIEBO®.

## **Operating Expenses**

### ***Cost of Goods Sold (exclusive of amortization and impairments of intangible assets)***

Cost of goods sold primarily includes: manufacturing and packaging; the cost of products we purchase from third parties; royalty payments we make to third parties; depreciation of manufacturing facilities and equipment; and lower of cost or market adjustments to inventories. Cost of goods sold typically vary between periods as a result of product mix, volume, royalties, changes in foreign currency and inflation. Cost of goods sold excludes the amortization and impairments of intangible assets.

Cost of goods sold was \$2,045 million and \$1,868 million for 2025 and 2024, respectively, an increase of \$177 million, or 9%. The increase was primarily driven by: (i) higher volumes, (ii) higher manufacturing variances, which includes the impact of tariffs and an inventory reserve related to the voluntary recall of certain enVista IOL products and (iii) higher royalties.

Contribution (product sales revenue less cost of goods sold, exclusive of amortization and impairments of intangible assets) increased by \$129 million, primarily driven by the increase in volumes, partially offset by: (i) higher manufacturing variances, including those related to tariffs and the voluntary recall of certain enVista IOL products and (ii) gross-to-net pricing pressures.

Cost of goods sold as a percentage of Product sales was 40.3% and 39.1% for 2025 and 2024, respectively. The unfavorable change was driven by the overall impact of the voluntary recall of certain enVista IOL products and tariffs.

### ***Selling, General and Administrative Expenses***

Selling, general and administrative ("SG&A") expenses primarily include: employee compensation associated with sales and marketing, finance, legal, information technology, human resources and other administrative functions; certain outside legal fees and consultancy costs; product promotion expenses; overhead and occupancy costs; depreciation of corporate facilities and equipment; and other general and administrative costs.

SG&A expenses were \$2,234 million and \$2,082 million for 2025 and 2024, respectively, an increase of \$152 million, or 7%. The increase was primarily attributable to: (i) higher selling costs, (ii) higher share-based compensation expense, primarily attributable to a change in the level of performance goal achievement related to certain PSUs (as defined below) and (iii) higher Business Transformation Costs (defined and discussed below).

### ***Research and Development Expenses***

Included in R&D are costs related to our product development and quality assurance programs. Expenses related to product development include: employee compensation costs; overhead and occupancy costs; depreciation of research and development facilities and equipment; clinical trial costs; clinical manufacturing and scale-up costs; and other third-party

development costs. Quality assurance are the costs incurred to meet evolving customer and regulatory standards and include: employee compensation costs; overhead and occupancy costs; amortization of software; and other third-party costs.

R&D expenses were \$371 million and \$343 million for 2025 and 2024, respectively, an increase of \$28 million, or 8%, primarily due to certain products in development, as previously discussed.

#### ***Amortization of Intangible Assets***

Intangible assets with finite lives are amortized using the straight-line method over their estimated useful lives, generally 1 to 17 years. Management continually assesses the useful lives related to our long-lived assets to reflect the most current assumptions.

Amortization of Intangible assets was \$258 million and \$288 million for 2025 and 2024, respectively, a decrease of \$30 million, or 10%, primarily due to fully amortized intangible assets no longer being amortized.

#### ***Other expense, net***

Other expense, net for 2025 and 2024 consists of the following:

<i>(in millions)</i>	<b>2025</b>	<b>2024</b>
Asset impairments	\$ —	\$ 5
Restructuring, integration and separation costs	58	26
Gain on sale of assets	(6)	(5)
Litigation and other matters	10	5
Acquired in-process research and development costs	33	18
Acquisition-related costs	7	4
Acquisition-related contingent consideration	(27)	(9)
Other expense, net	<u>\$ 75</u>	<u>\$ 44</u>

Acquired in-process research and development costs in 2025 primarily relate to the acquisition of Whitecap Biosciences, as previously discussed.

Acquisition-related contingent consideration in 2025 primarily reflects changes in: (i) the timing of regulatory approval of certain pipeline products and (ii) the estimated amount and timing of projected cash flows of certain products.

#### **Operating Income**

Operating income for 2025 and 2024 was \$113 million and \$162 million, respectively, a decrease of \$49 million, or 30%. This decrease primarily reflects the increase in SG&A, partially offset by the increase in contribution, each as previously discussed.

#### ***Segment Profit***

Segment profit is based on operating income after the elimination of intercompany transactions. Certain costs, such as Amortization of intangible assets and Other expense, net, are not included in the measure of segment profit, as management excludes these items in assessing segment financial performance. Segment profit is a measure of operating performance of our reportable segments and may not be comparable to similar measures reported by other companies. Segment profit is a performance metric utilized by the Company's Chief Executive Officer, who is the Company's Chief Operating Decision Maker, to allocate resources to and assess performance of the Company's segments. See Note 21, "SEGMENT INFORMATION" to our audited Consolidated Financial Statements for a reconciliation of segment profit to Income before provision for income taxes.

The following table presents segment profits, segment profits as a percentage of segment revenues and the period-over-period changes in segment profits for 2025 and 2024.

<i>(in millions)</i>	<b>2025</b>		<b>2024</b>		<b>Change</b>	
	<b>Amount</b>	<b>Pct.</b>	<b>Amount</b>	<b>Pct.</b>	<b>Amount</b>	<b>Pct.</b>
<b>Segment Profits / Segment Profit Margins</b>						
Vision Care	\$ 849	29 %	\$ 808	29 %	\$ 41	5 %
Pharmaceuticals	258	20 %	256	21 %	2	1 %
Surgical	18	2 %	44	5 %	(26)	(59)%

### *Vision Care Segment Profit*

The Vision Care segment profit was \$849 million and \$808 million for 2025 and 2024, respectively, an increase of \$41 million, or 5%. The increase was primarily driven by the increase in revenue, as previously discussed, partially offset by higher cost of sales, driven by higher manufacturing variances, driven by tariffs and higher selling expense.

### *Pharmaceuticals Segment Profit*

The Pharmaceuticals segment profit was \$258 million and \$256 million for 2025 and 2024, respectively, an increase of \$2 million, or 1%. The increase was primarily driven by the increase in sales volumes, as previously discussed, partially offset by: (i) gross-to-net pricing pressures, (ii) higher selling, advertising and promotional expenses and (iii) higher R&D expense.

### *Surgical Segment Profit*

The Surgical segment profit was \$18 million and \$44 million for 2025 and 2024, respectively, a decrease of \$26 million, or 59%, primarily due to: (i) the overall impact of the voluntary recall of certain enVista IOL products and (ii) higher selling expenses driven by acquisitions, partially offset by the increase in revenues.

## **Non-Operating Income and Expense**

### ***Interest Expense***

Interest expense primarily consists of interest payments due, amortization of debt discounts and deferred issuance costs on indebtedness under our credit facilities.

Interest expense was \$421 million and \$399 million for 2025 and 2024, respectively, an increase of \$22 million. The increase was primarily attributable to the write-off of financing costs associated with the June 2025 Refinancing (as defined herein). See Note 10, "FINANCING ARRANGEMENTS" to our audited Consolidated Financial Statements for further details regarding our financing arrangements.

### ***Loss on Extinguishment of Debt***

Loss on extinguishment of debt was \$6 million for 2025 and relates to our June 2025 Refinancing.

### ***Foreign Exchange and Other***

Foreign exchange and other primarily includes translation gains/losses on intercompany balances and third-party liabilities and the gain/loss due to the change in fair value of foreign currency exchange contracts. Foreign exchange and other was a net loss of \$15 million and \$12 million for 2025 and 2024, respectively.

### ***Income Taxes***

Provision for income taxes was \$35 million and \$71 million for 2025 and 2024, respectively, a favorable change of \$36 million. The change in income taxes was primarily related to: (i) a change in the jurisdictional and seasonal mix of earnings and (ii) discrete tax effects of: (a) the year to date impact of the enVista recall and (b) a benefit for previously accrued taxes that settled favorably with the Internal Revenue Service.

See Note 16, "INCOME TAXES" to our audited Consolidated Financial Statements for further details.

## **Net loss attributable to Bausch + Lomb Corporation**

Net loss attributable to Bausch + Lomb Corporation for 2025 and 2024 was \$360 million and \$317 million, respectively, a decrease in our results of \$43 million and was primarily driven by the decrease in our operating results of \$49 million and increase in interest expense of \$22 million, partially offset by the decrease in the provision for income taxes of \$36 million, each as previously discussed.

## LIQUIDITY AND CAPITAL RESOURCES

### Cash Flows

Summarized cash flow information for the years 2025, 2024 and 2023 is as follows:

<i>(in millions)</i>	Years Ended December 31,			Change	
	2025	2024	2023	2024 to 2025	2023 to 2024
Net cash provided by (used in) operating activities	\$ 283	\$ 232	\$ (17)	\$ 51	\$ 249
Net cash used in investing activities	(455)	(412)	(2,109)	(43)	1,697
Net cash provided by financing activities	225	178	2,078	47	(1,900)
Effect of exchange rate changes on cash and cash equivalents and restricted cash	28	(16)	2	44	(18)
Net increase (decrease) in cash and cash equivalents and restricted cash	81	(18)	(46)	99	28
Cash and cash equivalents and restricted cash, beginning of period	316	334	380	(18)	(46)
Cash and cash equivalents and restricted cash, end of period	<u>\$ 397</u>	<u>\$ 316</u>	<u>\$ 334</u>	<u>\$ 81</u>	<u>\$ (18)</u>

A detailed discussion of the year-over-year changes of the Company's 2025 results compared with that of 2024 can be found below. A detailed discussion of the year-over-year changes of the Company's 2024 results compared with that of 2023 can be found under "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in our Annual Report on Form 10-K for the year ended December 31, 2024, filed with the SEC and the CSA on February 19, 2025.

#### ***Operating Activities***

Net cash provided by operating activities was \$283 million and \$232 million for 2025 and 2024, respectively, an increase of \$51 million, and is primarily attributable to a favorable change in our operating assets and liabilities, driven by the timing of payments and collections, as well as a decrease in inventory. This increase was partially offset by: (i) financing fees associated with the June 2025 Refinancing and (ii) the timing of payments related to Business Transformation Costs.

#### ***Investing Activities***

Net cash used in investing activities was \$455 million and \$412 million for 2025 and 2024, respectively, an increase of \$43 million and was primarily driven by an increase in purchases of property, plant and equipment during 2025.

#### ***Financing Activities***

Net cash provided by financing activities was \$225 million and \$178 million for 2025 and 2024, respectively, an increase of \$47 million. The increase is primarily due to proceeds of \$36 million related to a sale and master lease agreement during 2025. See Note 12, "LEASES" to our audited Consolidated Financial Statements for further details.

### **Liquidity and Debt**

#### ***Future Sources of Liquidity***

Our primary sources of liquidity are expected to be our cash and cash equivalents, cash collected from customers, funds as needed from our June 2030 Revolving Credit Facility, and issuances of other long-term debt, additional equity and equity-linked securities. In addition, as part of our ongoing working capital management, on January 9, 2026, we entered into a financing arrangement, that permits us, subject to certain conditions, to sell certain receivables to a third-party financial institution, potentially accelerating access to cash and reducing our credit risk. As of the date of this filing, there were no sales of trade receivables under this arrangement.

We believe these sources will be sufficient to meet our current liquidity needs for the next twelve months, from the date of this filing, and be sufficient to support our future cash needs; however, we can provide no assurance that our liquidity and capital resources will meet future funding requirements.

The global financial markets recently have undergone and may continue to experience significant volatility and disruption. The timing and sustainability of an economic recovery is uncertain and additional macroeconomic, business and financial disruptions may arise. As markets change, there can be no assurance that the challenging economic environment or

a further economic downturn would not impact our liquidity or our ability to obtain future financing on reasonable terms or at all.

We regularly evaluate market conditions, our liquidity profile and various financing alternatives for opportunities to enhance our capital structure. If opportunities are favorable, we may from time to time enter into new financing arrangements, refinance the Senior Secured Credit Facilities (as defined below) or repurchase debt, or issue additional equity and equity-linked securities.

### ***Long-term Debt***

On May 10, 2022, Bausch + Lomb entered into a credit agreement (the “Original Credit Agreement”), providing for a term loan of \$2,500 million with a five-year term to maturity (the “May 2027 Term Facility”) and a five-year revolving credit facility of \$500 million (the “May 2027 Revolving Credit Facility”).

On September 29, 2023, Bausch + Lomb entered into an incremental term loan facility secured on a pari passu basis with the Company’s existing May 2027 Term Facility. This incremental term loan facility was entered into in the form of an incremental amendment (the “September 2023 Credit Facility Amendment”) to our credit agreement and consisted of borrowings of \$500 million in new term B loans with a five-year term to maturity (the “September 2028 Term Facility”). A portion of the proceeds from the September 2028 Term Facility and October 2028 Secured Notes (as defined below) were used to finance the \$1,750 million upfront payment related to the XIIDRA Acquisition (as discussed further in Note 4, “ACQUISITIONS AND LICENSING AGREEMENTS”) and related acquisition and financing costs.

On November 1, 2024, Bausch + Lomb entered into an additional incremental term loan facility secured on a pari passu basis with the Company’s existing May 2027 Term Facility and September 2028 Term Facility. This incremental term loan facility was entered into in the form of an incremental amendment (the “November 2024 Credit Facility Amendment”) to our credit agreement and consisted of borrowing \$400 million of new term loans with a maturity of May 2027 (the “May 2027 Incremental Term Facility”). The proceeds of the May 2027 Incremental Term Facility were used to repay revolving loans outstanding under the May 2027 Revolving Credit Facility and for general corporate purposes.

### ***June 2025 Refinancing Activity***

On June 26, 2025, the Company entered into a third amendment to its credit agreement (the “June 2025 Credit Facility Amendment”; the Original Credit Agreement, as amended by the September 2023 Credit Facility Amendment, the November 2024 Credit Facility Amendment and the June 2025 Credit Facility Amendment, the “Amended Credit Agreement”), whereby the Company entered into a new \$800 million revolving credit facility maturing June 26, 2030 (subject to customary “springing” maturity provisions) (the “June 2030 Revolving Credit Facility”) and a new \$2,325 million term B loan facility maturing January 15, 2031 (the “January 2031 Term Facility” and, together with the September 2028 Term Facility, the “Term Facilities”; the Term Facilities, together with the June 2030 Revolving Credit Facility, the “Senior Secured Credit Facilities”). In addition, subsidiaries of the Company also issued the January 2031 Secured Notes (as defined below) (together with the June 2025 Credit Facility Amendment and the January 2031 Term Facility, the “June 2025 Refinancing”). The net proceeds from the January 2031 Secured Notes offering (as defined and described below) and the January 2031 Term Facility were used by the Company to: (i) repay in full borrowings under the May 2027 Revolving Credit Facility, (ii) refinance, in full, its outstanding term loans due 2027 and (iii) pay related fees and expenses.

The Senior Secured Credit Facilities are secured by substantially all of the assets of Bausch + Lomb and its material, wholly-owned Canadian, U.S., Dutch and Irish subsidiaries, subject to certain exceptions. The Term Facilities are denominated in U.S. dollars, and borrowings under the June 2030 Revolving Credit Facility may be made available in U.S. dollars, euros, pounds sterling and Canadian dollars. As of December 31, 2025, the principal amounts outstanding under the September 2028 Term Facility and the January 2031 Term Facility were \$489 million and \$2,313 million, respectively. As of December 31, 2025, the Company had \$100 million of outstanding borrowings, \$36 million of issued and outstanding letters of credit and remaining availability, subject to certain customary conditions, of \$664 million under its June 2030 Revolving Credit Facility.

### *Description of Senior Secured Credit Facilities*

Borrowings under the June 2030 Revolving Credit Facility in: (i) U.S. dollars bear interest at a rate per annum equal to, at Bausch + Lomb's option, either: (a) a term Secured Overnight Financing Rate ("SOFR")-based rate or (b) a U.S. dollar base rate, (ii) Canadian dollars bear interest at a rate per annum equal to, at Bausch + Lomb's option, either: (a) a term Canadian Overnight Repo Rate Average ("CORRA")-based rate or (b) a Canadian dollar prime rate, (iii) euros bear interest at a rate per annum equal to EURIBOR and (iv) pounds sterling bear interest at a rate per annum equal to Sterling Overnight Index Average ("SONIA") (provided, however, that the term SOFR-based rate, term CORRA-based rate, EURIBOR and SONIA shall be no less than 0.00% per annum at any time and the U.S. dollar base rate and the Canadian dollar prime rate shall be no less than 1.00% per annum at any time), in each case, plus an applicable margin. Term SOFR-based borrowings under the June 2030 Revolving Credit Facility are not subject to any credit spread adjustment.

The applicable interest rate margins for borrowings under the June 2030 Revolving Credit Facility are between 0.75% to 1.75% with respect to U.S. dollar base rate or Canadian dollar prime rate borrowings and between 1.75% to 2.75% with respect to SOFR, CORRA, EURIBOR or SONIA borrowings based on Bausch + Lomb's total net leverage ratio. The stated rate of interest for borrowings under the Revolving Credit Facility at December 31, 2025 ranges from 6.48% to 6.58% per annum. In addition, Bausch + Lomb is required to pay commitment fees of 0.25% per annum in respect of the unutilized commitments under the June 2030 Revolving Credit Facility, payable quarterly in arrears. Bausch + Lomb is also required to pay letter of credit fees on the maximum amount available to be drawn under all outstanding letters of credit in an amount equal to the applicable margin on SOFR borrowings under the June 2030 Revolving Credit Facility on a per annum basis, payable quarterly in arrears, as well as customary fronting fees for the issuance of letters of credit and agency fees.

Borrowings under the September 2028 Term Facility bear interest at a rate per annum equal to, at our option, either: (i) a term SOFR-based rate, plus an applicable margin of 4.00%, or (ii) a U.S. dollar base rate, plus an applicable margin of 3.00% (provided, however, that the term SOFR-based rate shall be no less than 0.00% per annum at any time and the U.S. dollar base rate shall not be lower than 1.00% per annum at any time). Term SOFR-based borrowings under the September 2028 Term Facility are not subject to any credit spread adjustment. The stated rate of interest under the September 2028 Term Facility at December 31, 2025 was 7.72% per annum.

Borrowings under the January 2031 Term Facility bear interest at a rate per annum equal to, at our option, either: (i) a term SOFR-based rate, plus an applicable margin of 4.25%, or (ii) a U.S. dollar base rate, plus an applicable margin of 3.25% (provided, however, that the term SOFR-based rate shall be no less than 0.00% per annum at any time and the U.S. dollar base rate shall not be lower than 1.00% per annum at any time). Term SOFR-based borrowings under the January 2031 Term Facility are not subject to any credit spread adjustment. The stated rate of interest under the January 2031 Term Facility at December 31, 2025 was 7.97% per annum.

Subject to certain exceptions and customary baskets set forth in the Amended Credit Agreement, Bausch + Lomb is required to make mandatory prepayments of the loans under the Term Facilities under certain circumstances, including from: (i) 100% of the net cash proceeds of insurance and condemnation proceeds for property or asset losses (subject to reinvestment rights, decrease based on leverage ratios and net proceeds threshold), (ii) 100% of the net cash proceeds from the incurrence of debt (other than permitted debt as described in the Amended Credit Agreement), (iii) 50% of Excess Cash Flow (as defined in the Amended Credit Agreement) subject to decrease based on leverage ratios and subject to a threshold amount and (iv) 100% of net cash proceeds from asset sales (subject to reinvestment rights, decrease based on leverage ratios and net proceeds threshold). These mandatory prepayments may be used to satisfy future amortization.

The amortization rate for the September 2028 Term Facility is 1.00% per annum, or \$5 million, payable in quarterly installments. Bausch + Lomb may direct that prepayments be applied to such amortization payments in order of maturity. As of December 31, 2025, the remaining mandatory quarterly amortization payments for the September 2028 Term Facility were \$13 million through June 2028, with the remaining term loan balance being due in September 2028.

The amortization rate for the January 2031 Term Facility is 1.00% per annum, or \$23 million, payable in quarterly installments, with the first installment to be paid on September 30, 2025. Bausch + Lomb may direct that prepayments be applied to such amortization payments in order of maturity. As of December 31, 2025, the remaining mandatory quarterly amortization payments for the January 2031 Term Facility were \$116 million through December 2030, with the remaining term loan balance being due in January 2031.

### *Description of Senior Secured Notes*

On September 29, 2023, Bausch + Lomb issued \$1,400 million aggregate principal amount of 8.375% Senior Secured Notes due October 2028 (the "October 2028 Secured Notes"). A portion of the proceeds from the October 2028 Secured Notes, along with the proceeds of September 2028 Term Facility, were used to finance the \$1,750 million upfront payment related to the XIIDRA Acquisition (as discussed further in Note 4, "ACQUISITIONS AND LICENSING AGREEMENTS") and related acquisition-related transaction and financing costs. The October 2028 Secured Notes accrue interest at a rate of 8.375% per year, payable semi-annually in arrears on each April 1 and October 1, which commenced on April 1, 2024.

The October 2028 Secured Notes are guaranteed by each of the Company's subsidiaries that is a guarantor under the Amended Credit Agreement (the "Note Guarantors"). The October 2028 Secured Notes and the guarantees related thereto are senior obligations and are secured, subject to permitted liens and certain other exceptions, by the same first priority liens that secure the Company's obligations under the Amended Credit Agreement under the terms of the indenture governing the October 2028 Secured Notes.

The October 2028 Secured Notes and the guarantees related thereto rank equally in right of repayment with all of the Company's and Note Guarantors' respective existing and future unsubordinated indebtedness and senior to the Company's and Note Guarantors' respective future subordinated indebtedness. The October 2028 Secured Notes and the guarantees related thereto are effectively pari passu with the Company's and the Note Guarantors' respective existing and future indebtedness secured by a first priority lien on the collateral securing the October 2028 Secured Notes and effectively senior to the Company's and the Note Guarantors' respective existing and future indebtedness that is unsecured, or that is secured by junior liens, in each case to the extent of the value of the collateral. In addition, the October 2028 Secured Notes are structurally subordinated to: (i) all liabilities of any of the Company's subsidiaries that do not guarantee the October 2028 Secured Notes and (ii) any of the Company's debt that is secured by assets that are not collateral.

Upon the occurrence of a change in control (as defined in the indenture governing the October 2028 Secured Notes), unless the Company has exercised its right to redeem all of the notes of a series, holders of the October 2028 Secured Notes may require the Company to repurchase such holders' notes, in whole or in part, at a purchase price equal to 101% of the principal amount thereof plus accrued and unpaid interest, but not including, the date of purchase.

The October 2028 Secured Notes are redeemable at the option of the Company, in whole or in part, at any time on or after October 1, 2025, at the redemption prices set forth in the indenture. Prior to October 1, 2025, the Company may redeem the October 2028 Secured Notes in whole or in part at a redemption price equal to the principal amount of the Notes redeemed plus a make-whole premium. Prior to October 1, 2025, the Company may on any one or more occasions redeem up to 40% of the aggregate principal amount of the October 2028 Secured Notes at a redemption price of 108.375% of the principal amount thereof, redeemed plus accrued and unpaid interest to, but not including, the date of redemption with the proceeds of one or more equity offerings.

On June 26, 2025, Bausch + Lomb's subsidiaries, Bausch + Lomb Netherlands B.V. and Bausch & Lomb Incorporated (the "Issuers"), issued €675 million aggregate principal amount of Senior Secured Floating Rate Notes due January 2031 (the "January 2031 Secured Notes" and, together with the October 2028 Secured Notes, the "Senior Secured Notes"). The proceeds from the January 2031 Secured Notes, along with the proceeds of the January 2031 Term Facility, were used by the Company to: (i) repay in full outstanding borrowings under the May 2027 Revolving Credit Facility, (ii) refinance, in full, its outstanding term loans due 2027 and (iii) pay related fees and expenses. The January 2031 Secured Notes accrue interest at a rate per annum of: (i) three-month EURIBOR (subject to a 0% floor) plus (ii) 3.875%, reset quarterly, payable quarterly in arrears on January 15, April 15, July 15 and October 15 of each year, which commenced on January 15, 2026. At December 31, 2025, the January 2031 Secured Notes bore interest at 5.87% per annum.

The January 2031 Secured Notes are guaranteed by the Company and each of the Company's subsidiaries (other than the Issuers) that are Note Guarantors. The January 2031 Secured Notes and the guarantees related thereto are senior obligations and are secured, subject to permitted liens and certain other exceptions, by the same first priority liens that secure the borrowings under the Amended Credit Agreement and the obligations under the October 2028 Secured Notes.

The January 2031 Secured Notes and the guarantees related thereto rank pari passu in right of payment with all of the Issuers' and Note Guarantors' respective existing and future unsubordinated indebtedness and senior to the Issuers' and Note Guarantors' respective existing and future indebtedness that expressly provides for its subordination to the January 2031 Secured Notes and the applicable guarantees. The January 2031 Secured Notes and the guarantees related thereto are effectively pari passu with the Issuers' and the Note Guarantors' respective existing and future indebtedness secured by a first priority lien on the collateral securing the obligations under the Amended Credit Agreement, the October 2028 Secured Notes and the January 2031 Secured Notes and effectively senior to the Issuers' and the Note Guarantors' respective existing and future indebtedness that is unsecured, or that is secured by junior liens, in each case to the extent of the value of the collateral. In addition, the January 2031 Secured Notes are: (i) structurally subordinated to all liabilities of any of the Company's

subsidiaries (other than the Issuers) that do not guarantee the January 2031 Secured Notes to the extent of the value of such subsidiaries' assets and (ii) effectively subordinated to any of the Issuers' and Note Guarantors' debt that is secured by assets that are not collateral to the extent of the value of such assets.

Upon the occurrence of a change in control (as defined in the indenture governing the January 2031 Secured Notes), unless the Issuers have exercised their right to redeem all of the January 2031 Secured Notes, holders of the January 2031 Secured Notes may require the Issuers to repurchase such holders' January 2031 Secured Notes, in whole or in part, at a purchase price equal to 101% of the principal amount thereof plus accrued and unpaid interest, but not including, the date of purchase.

The January 2031 Secured Notes are redeemable at the option of the Issuers, in whole or in part, at any time on or after June 30, 2026, at a redemption price of 100.000% of the principal amount thereof, redeemed plus accrued and unpaid interest to, but not including, the date of redemption. Prior to June 30, 2026, the Issuers may redeem the January 2031 Secured Notes in whole or in part at a redemption price equal to the principal amount of the January 2031 Secured Notes redeemed plus a make-whole premium. Prior to June 30, 2026, the Issuers may on any one or more occasions redeem up to 40% of the aggregate principal amount of the January 2031 Secured Notes at a redemption price of 103.875% of the principal amount thereof, plus accrued and unpaid interest to, but not including, the date of redemption with the net cash proceeds of one or more equity offerings, subject to certain conditions.

*Weighted Average Stated Rate of Interest*

The weighted average stated rate of interest for the Company's outstanding debt obligations as of December 31, 2025 and December 31, 2024 was 7.70% and 7.95%, respectively.

*January 2026 Credit Facility Amendment*

On January 2, 2026, the Company entered into a refinancing transaction in order to extend its maturities and lower its interest rates. The refinancing transaction consisted of entering into a term loan facility in the form of refinancing amendment (the "January 2026 Credit Facility Amendment") to the existing credit agreement, and consisted of borrowing \$2,802 million of new term loans maturing on January 15, 2031 (the "January 2031 Refinancing Term Facility".) The proceeds from the January 2031 Refinancing Term Facility were used to refinance its September 2028 Term Facility and January 2031 Term Facility.

Borrowings under the January 2031 Refinancing Term Facility bear interest at a rate per annum equal to, at our option, either: (i) a term SOFR-based rate, plus an applicable margin of 3.75%, or (ii) a U.S. dollar base rate, plus an applicable margin of 2.75%. The amortization rate for the September 2028 Term Facility is 1.00% per annum, or \$28 million, payable in quarterly installments.

**Credit Ratings**

As of the date of this filing, February 18, 2026, the credit ratings and outlook from Moody's, S&P and Fitch for certain outstanding obligations of Bausch + Lomb were as follows:

<b>Rating Agency</b>	<b>Corporate Rating</b>	<b>Senior Secured Rating</b>	<b>Outlook</b>
Moody's		B1	Stable
Standard & Poor's	B	B	Developing
Fitch	B	BB	Rating Watch Evolving

Any downgrade in our corporate credit ratings or senior secured ratings may increase our cost of borrowing and may negatively impact our ability to raise additional debt capital.

## OFF-BALANCE SHEET ARRANGEMENTS AND CONTRACTUAL OBLIGATIONS

We have no off-balance sheet arrangements that have a material current effect or that are reasonably likely to have a material future effect on our results of operations, financial condition, capital expenditures, liquidity, or capital resources.

### *Other Future Cash Requirements*

Our other future cash requirements relate to working capital, capital expenditures, business development transactions (contingent consideration), restructuring and integration, benefit obligations and litigation settlements. In addition, we may use cash to enter into licensing arrangements and/or to make strategic acquisitions. We regularly consider further acquisition opportunities, some of which could be sizable.

In addition to our working capital requirements, as of December 31, 2025, we expect our primary cash requirements for 2026 to include:

- *Debt repayments and interest*—After giving effect to the January 2026 Credit Facility Amendment, we expect to make interest payments of approximately \$390 million and mandatory debt amortization payments of \$21 million in 2026 under our Senior Secured Credit Facilities and may elect to make additional principal payments under certain circumstances. Further, in the ordinary course of business, we may borrow and repay amounts under the June 2030 Revolving Credit Facility to meet business needs, see Item 1A. Risk Factors—Our indebtedness could adversely affect our business and our ability to meet our obligations;
- *Capital expenditures*—We expect to make payments of approximately \$285 million for property, plant and equipment in 2026;
- *Benefit obligations*—We expect to make aggregate payments under our pension and postretirement obligations of \$8 million in 2026. See Note 11, “PENSION AND POSTRETIREMENT EMPLOYEE BENEFIT PLANS” to our audited Consolidated Financial Statements for the year ended December 31, 2025, for additional information on pension and postretirement obligations included in this Form 10-K and;
- *Milestones*— Under the terms of a December 2019 license agreement with Novaliq GmbH, the Company is required to make future sales-based payments for MIEBO®, and, as a result of achieving a sales-based milestone, the Company accrued a \$35 million milestone payment as of September 30, 2025, which is anticipated to be paid during the first quarter of 2026.

### *Cost Savings Programs*

The Company has been launching certain initiatives that may result in certain changes to, and investment in, its organizational structure and operations. The Company refers to the charges related to these initiatives as "Business Transformation Costs". These costs are recorded in SG&A in the audited Consolidated Statements of Operations and include third-party advisory costs, as well as certain compensation-related costs associated with changes in the Company's executive officers, such as severance-related costs associated with the departure of the Company's former executives and the costs associated with the appointment of the Company's new executives.

Further, we continue to evaluate opportunities to improve our operating performance and may initiate cost savings programs to streamline our operations and eliminate redundant processes and expenses. These cost savings programs may include, but are not limited to: (i) reducing headcount, (ii) eliminating real estate costs associated with unused or under-utilized facilities and (iii) implementing contribution margin improvement and other cost reduction initiatives. Although a specific plan does not exist at this time, we may identify and take additional exit and cost-rationalization restructuring actions in the future, the costs of which could be material.

### *Future Litigation*

In the ordinary course of business, we are involved in litigation, claims, government inquiries, investigations, charges and proceedings. See Note 19, “LEGAL PROCEEDINGS” to our audited Consolidated Financial Statements for further details of these matters. Our ability to successfully defend the Company against pending and future litigation may impact cash flows.

### *Future Licensing Payments*

In the ordinary course of business, we may enter into select licensing and collaborative agreements for the commercialization and/or development of unique products. In connection with these agreements, the Company may pay an upfront fee to secure the agreement, and be subject to potential future milestone payments. See Note 20, “COMMITMENTS AND CONTINGENCIES” to our audited Consolidated Financial Statements for the year ended December 31, 2025, for additional information on these agreements included in this Form 10-K.

## OUTSTANDING SHARE DATA

Our common shares are listed on the TSX and the NYSE under the ticker symbol “BLCO”.

At February 11, 2026, we had 354,318,198 issued and outstanding common shares. In addition, as of February 11, 2026, we had outstanding approximately 10,000,000 stock options and 6,900,000 restricted share units that each represent the right of a holder to receive one of Bausch + Lomb’s common shares and 5,100,000 performance-based restricted share units that represent the right of a holder to receive a number of the Company’s common shares up to a specified maximum. A maximum of approximately 11,900,000 common shares could be issued upon vesting of the performance-based restricted share units outstanding.

## CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Critical accounting policies and estimates are those policies and estimates that are most important and material to the preparation of our audited Consolidated Financial Statements, and which require management’s most subjective and complex judgment due to the need to select policies from among alternatives available, and to make estimates about matters that are inherently uncertain. We base our estimates on historical experience and other factors that we believe to be reasonable under the circumstances. On an ongoing basis, we review our estimates to ensure that these estimates appropriately reflect changes in our business and new information as it becomes available. If historical experience and other factors we use to make these estimates do not reasonably reflect future activity, our results of operations and financial condition could be materially impacted.

### Revenue Recognition

The Company’s revenues are primarily generated from product sales in the therapeutic areas of eye health that consist of: (i) branded prescription eye-medications and pharmaceuticals, (ii) generic and branded generic prescription eye medications and pharmaceuticals, (iii) OTC vitamin and supplement products and (iv) medical devices (contact lenses, IOLs and ophthalmic surgical equipment). Other revenues include alliance and service revenue from the licensing and co-promotion of products and contract service revenue. Contract service revenue is derived primarily from contract manufacturing for third parties and is not material.

The Company recognizes revenue when the customer obtains control of promised goods or services and in an amount that reflects the consideration to which the Company expects to be entitled to receive in exchange for those goods or services. To achieve this core principle, the Company applies the five-step revenue model to contracts within its scope: (i) identify the contract(s) with a customer, (ii) identify the performance obligations in the contract, (iii) determine the transaction price, (iv) allocate the transaction price to the performance obligations in the contract and (v) recognize revenue when (or as) the entity satisfies a performance obligation.

The development and application of the critical accounting policies associated with the current revenue recognition guidance, including the policies associated with each of our product sales provisions and the table showing the activity and ending balances for our product sales provisions, are discussed in more detail in Note 2, “SIGNIFICANT ACCOUNTING POLICIES” to our audited Consolidated Financial Statements.

### Acquisitions

To determine if an acquisition should be accounted for as a business combination or an asset acquisition, the Company first determines whether the set of assets acquired and/or liabilities assumed constitutes a business. If substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or a group of similar assets acquired, the set is not a business. To be considered a business, the set of assets acquired and/or liabilities assumed must include the minimum inputs and substantive processes necessary to significantly contribute to the ability to produce outputs.

If the set of assets acquired and/or liabilities assumed are deemed to constitute a business, the Company accounts for the acquisition as a business combination. Under a business combination, the Company measures the identifiable assets acquired, the liabilities assumed, and any non-controlling interest in the acquiree at their acquisition-date fair values.

- The fair value of the identifiable intangible assets is determined primarily using the “income approach,” which primarily consists of the following estimates and inputs: (i) a forecast of the expected future cash flows, which includes an estimated amount and timing of projected cash flows (including revenue growth rates, cost of goods sold, and operating expenses) and (ii) the risk-adjusted discount rate used to present value the cash flows. The fair value of acquired in-process research and development (“IPR&D”) is also recognized at fair value using an income approach and consists of the following estimates and inputs: (i) each asset’s probability-adjusted future cash flows, which reflect the different stages of development of each product and the associated probability of successful completion and (ii) the risk-adjusted discount rate used to present value the cash flows.

- Acquisition-related contingent consideration, which primarily consists of potential milestone payments, is determined in accordance with the acquisition method of accounting. The fair value of the acquisition-related contingent consideration is remeasured each reporting period, with changes in fair value recorded in the Consolidated Statements of Operations. The fair value measurement of contingent consideration obligations arising from business combinations is generally determined via a probability-weighted discounted cash flow analysis, using unobservable (Level 3) inputs. These inputs may include: (i) the estimated amount and timing of projected cash flows, (ii) the probability of the achievement of the factor(s) on which the contingency is based and (iii) the risk-adjusted discount rate used to present value the probability-weighted cash flows.
- Goodwill is recorded with the acquisition and is calculated as the difference between the acquisition date fair value of the consideration transferred and the values assigned to the assets acquired and liabilities assumed.

Transaction costs and costs to restructure the acquired company are expensed as incurred and the operating results of the acquired business are reflected in the Company's audited Consolidated Financial Statements from the date of acquisition.

If the set of assets acquired and/or liabilities assumed are deemed to not constitute a business, the transaction is accounted for as an asset acquisition. Under an asset acquisition, the cost accumulation model is used to recognize the assets acquired and liabilities assumed. In this model, the cost of acquisition, including certain transaction costs, is allocated to the assets acquired on the basis of relative fair values. Goodwill is not recognized in an asset acquisition. The amount allocated to acquired IPR&D with no alternative future use is charged to Other expense at the acquisition date. Additionally, any future contingent consideration is not recorded until it becomes probable and reasonably estimable.

### **Intangible Assets**

We evaluate potential impairments of finite-lived intangible assets acquired through asset acquisitions or business combinations whenever events or changes in circumstances indicate that the carrying amounts of an asset group may not be recoverable. Our evaluation is based on an assessment of potential indicators of impairment, such as:

- an adverse change in legal factors or in the business climate that could affect the value of an asset. For example, a successful challenge of our patent rights resulting in earlier than expected generic competition;
- an adverse change in the extent or manner in which an asset is used or is expected to be used. For example, a decision not to pursue a product line-extension strategy to enhance an existing product due to changes in market conditions and/or technological advances; or
- current or forecasted reductions in revenue, operating income, or cash flows associated with the use of an asset. For example, the introduction of a competing product that results in a significant loss of market share.

If indicators of impairment are present, the asset group is tested for recoverability by comparing the carrying value of the asset group to the related estimated undiscounted future cash flows expected to be derived from the asset group. Impairment exists when the carrying value of the asset group exceeds the related estimated undiscounted future cash flows expected to be derived from the asset group, which include the amount and timing of the projected future cash flows. If impairment exists, the carrying value of the asset group is adjusted to its fair value. A discounted cash flow analysis is typically used to determine an asset group's fair value, using estimates and assumptions that market participants would apply. Some of the estimates and assumptions inherent in a discounted cash flow model include the amount and timing of the projected future cash flows, and the discount rate used to reflect the risks inherent in the future cash flows. A change in any of these estimates and assumptions could produce a different fair value, which could have a material impact on our results of operations. In addition, an intangible asset's expected useful life can increase estimation risk, as longer-lived assets necessarily require longer-term cash flow forecasts, which for some of our intangible assets can be up to approximately 20 years. In connection with an impairment evaluation, we also reassess the remaining useful life of the intangible asset group and modify it, as appropriate.

Management continually assesses the useful lives of the Company's long-lived assets.

Indefinite-lived intangible assets, including acquired in-process research and development and the B&L corporate trademark, are tested for impairment annually, or more frequently if events or changes in circumstances between annual tests indicate that the asset may be impaired. Impairment losses on indefinite-lived intangible assets are recognized based solely on a comparison of their fair value to carrying value, without consideration of any recoverability test. In particular, we will continue to monitor closely the progression of our R&D programs as their likelihood of success is contingent upon the achievement of future milestones.

## Goodwill

Goodwill is recorded with the acquisition of a business and is calculated as the difference between the acquisition date fair value of the consideration transferred and the values assigned to the assets acquired and liabilities assumed. A substantial portion of goodwill allocated to the Company is specific to the 2013 acquisition of the Company by BHC and has been allocated based on BHC's historical cost. Other goodwill amounts relate to other acquisitions by the Company. If a historical BHC acquisition contributed to both the Company and other BHC businesses, goodwill from the acquisition, based on BHC's historical cost, was allocated to the Company based on a relative fair value basis. Goodwill is not amortized but is tested for impairment at least annually as of October 1st at the reporting unit level. Goodwill impairment is measured as the amount by which a reporting unit's carrying value exceeds its fair value. A reporting unit is the same as, or one level below, an operating segment. An entity is permitted to first assess qualitatively whether it is necessary to perform a quantitative impairment test for any of its reporting units. The quantitative impairment test is required if the Company concludes that it is more likely than not that a reporting unit's fair value is less than its carrying amount. In evaluating whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount, the Company considers the totality of all relevant events or circumstances that affect the fair value or carrying amount of a reporting unit.

The fair value of a reporting unit refers to the price that would be received to sell the unit as a whole in an orderly transaction between market participants. The Company estimates the fair values of a reporting unit using a discounted cash flow model which utilizes Level 3 unobservable inputs. The discounted cash flow model relies on assumptions regarding revenue growth rates, gross profit, projected working capital needs, selling, general and administrative expenses, research and development expenses, capital expenditures, income tax rates, discount rates and terminal growth rates. To estimate fair value, the Company discounts the forecasted cash flows of each reporting unit. The discount rate the Company uses represents the estimated weighted average cost of capital, which reflects the overall level of inherent risk involved in its reporting unit operations and the rate of return a market participant would expect to earn. The quantitative fair value test is performed utilizing long-term growth rates and discount rates applied to the estimated cash flows in estimation of fair value. To estimate cash flows beyond the final year of its model, the Company estimates a terminal value by applying an in-perpetuity growth assumption and discount factor to determine the reporting unit's terminal value.

The Company forecasted cash flows for each of its reporting units and took into consideration economic conditions and trends, estimated future operating results, management's and a market participant's view of growth rates and product lives, and anticipated future economic conditions. Revenue growth rates inherent in these forecasts were based on input from internal and external market research that compare factors such as growth in global economies, recent industry trends and product life-cycles. Macroeconomic factors such as changes in economies, changes in the competitive landscape including the unexpected loss of exclusivity to the Company's product portfolio, changes in government legislation, product life-cycles, industry consolidations and other changes beyond the Company's control could have a positive or negative impact on achieving its targets. Accordingly, if market conditions deteriorate, or if the Company is unable to execute its strategies, it may be necessary to record impairment charges in the future.

### *2023 Annual Goodwill Impairment Test*

The Company conducted its annual goodwill impairment test as of October 1, 2023 by performing a quantitative assessment for each of its reporting units. The quantitative assessment utilized long-term growth rates of 2.0% and 3.0% and discount rates ranging from 10.25% and 11.50%, in estimation of the fair value of the reporting units. After completing the testing, the fair value of each of these reporting units exceeded its carrying value by more than 25%, and, therefore, there was no impairment to goodwill.

### *2024 Annual Goodwill Impairment Test*

The Company conducted its annual goodwill impairment test as of October 1, 2024, by first assessing qualitative factors. Based on its qualitative assessment as of October 1, 2024, management believed that, it was more likely than not that the carrying amounts of each of its reporting units were less than their respective fair values and therefore concluded that a quantitative fair value test was not required.

### *2025 Goodwill Impairment Tests*

During the three months ended June 30, 2025, the Company identified a decline in its market capitalization. This decline was primarily in response to the overall volatility within the global equity markets. However, at June 30, 2025, after considering the length and lack of recovery from this market capitalization decline, in comparison to the performance of the overall equity markets, the Company believed that the fair value of its reporting units could be less than their carrying amounts, and, therefore, a quantitative fair value test was performed.

The quantitative fair value tests utilized the Company's most recent cash flow projections for each of its reporting units which reflected current market conditions and current trends in business performance. The quantitative assessment utilized

long-term growth rates of 3.0% and discount rates ranging from 10.00% to 11.50%, in estimation of the fair value of the reporting units. After completing the testing, the fair value of each of the Company's reporting units exceeded its carrying value by more than 25%, and, therefore, there was no impairment to goodwill.

The Company conducted its annual goodwill impairment test as of October 1, 2025, by first assessing qualitative factors. Based on its qualitative assessment as of October 1, 2025, management believed that, it was more likely than not that the carrying amounts of each of its reporting units were less than their respective fair values and therefore concluded that a quantitative fair value test was not required.

No events occurred or circumstances changed during the period from October 1, 2025 (the last time goodwill was tested for all reporting units) through December 31, 2025 that would indicate that the fair value of any reporting unit might be below its carrying value.

If market conditions deteriorate, or if the Company is unable to execute its strategies, it may be necessary to record impairment charges in the future.

There were no goodwill impairment charges through December 31, 2025.

See Note 8, "INTANGIBLE ASSETS AND GOODWILL" to our audited Consolidated Financial Statements for further details.

### **Contingencies**

In the normal course of business, we are subject to loss contingencies, such as claims and assessments arising from litigation and other legal proceedings, contractual indemnities, product and environmental liabilities and tax matters. Other than loss contingencies that are assumed in business combinations for which we can reliably estimate the fair value, we are required to accrue for such loss contingencies if it is probable that the outcome will be unfavorable and if the amount of the loss can be reasonably estimated. We evaluate our exposure to loss based on the progress of each contingency, experience in similar contingencies and consultation with our legal counsel. We re-evaluate all contingencies as additional information becomes available. Given the uncertainties inherent in complex litigation and other contingencies, these evaluations can involve significant judgment about future events. The ultimate outcome of any litigation or other contingency may be material to our results of operations, financial condition and cash flows. See Note 19, "LEGAL PROCEEDINGS" to our audited Consolidated Financial Statements for further details regarding our current legal proceedings.

### **Income Taxes**

We have operations in various countries that have differing tax laws and rates. Our tax structure is supported by current domestic tax laws in the countries in which we operate and the application of tax treaties between the various countries in which we operate. Our income tax reporting is subject to audit by domestic and foreign tax authorities. Our effective tax rate may change from year to year based on changes in the mix of activities and income earned under our intercompany arrangements among the different jurisdictions in which we operate, changes in tax laws in these jurisdictions, changes in tax treaties between various countries in which we operate, changes in our eligibility for benefits under those tax treaties and changes in the estimated values of deferred tax assets and liabilities. Such changes could result in an increase in the effective tax rate on all or a portion of our income and/or any of our subsidiaries.

Our provision for income taxes is based on a number of estimates and assumptions made by management. Our consolidated income tax rate is affected by the amount of income earned in our various operating jurisdictions, the availability of benefits under tax treaties and the rates of taxes payable in respect of that income. We enter into many transactions and arrangements in the ordinary course of business in which the tax treatment is not entirely certain. We must therefore make estimates and judgments based on our knowledge and understanding of applicable tax laws and tax treaties, and the application of those tax laws and tax treaties to our business, in determining our consolidated tax provision. For example, certain countries could seek to tax a greater share of income than has been provided for by us. The final outcome of any audits by taxation authorities may differ from the estimates and assumptions we have used in determining our consolidated income tax provisions and accruals. This could result in a material effect on our consolidated income tax provision, results of operations and financial condition for the period in which such determinations are made.

Our income tax returns are subject to audit in various jurisdictions. Existing and future audits by, or other disputes with, tax authorities may not be resolved favorably for us and could have a material adverse effect on our reported effective tax rate and after-tax cash flows. We record liabilities for uncertain tax positions, which involve significant management judgment. New laws and new interpretations of laws and rulings by tax authorities may affect the liability for uncertain tax positions. Due to the subjectivity and complex nature of the underlying issues, actual payments or assessments may differ from our estimates. To the extent that our estimates differ from amounts eventually assessed and paid our income and cash flows may be materially and adversely affected.

We assess whether it is more likely than not that we will realize the tax benefits associated with our deferred tax assets and establish a valuation allowance for assets that are not expected to result in a realized tax benefit. A significant amount of judgment is used in this process, including preparation of forecasts of future taxable income and evaluation of tax planning initiatives. If we revise these forecasts or determine that certain planning events will not occur, an adjustment to the valuation allowance will be made to tax expense in the period such determination is made.

#### **NEW ACCOUNTING STANDARDS**

Information regarding the recently issued new accounting guidance (adopted and not adopted as of December 31, 2025) is contained in Note 2, "SIGNIFICANT ACCOUNTING POLICIES" to our audited Consolidated Financial Statements.

## **FORWARD-LOOKING STATEMENTS**

*Caution regarding forward-looking information and statements and “Safe-Harbor” statements under the U.S. Private Securities Litigation Reform Act of 1995 and applicable Canadian securities laws:*

*To the extent any statements made in this Form 10-K contain information that is not historical, these statements are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and may be forward-looking information within the meaning defined under applicable Canadian securities laws (collectively, “forward-looking statements”).*

*These forward-looking statements relate to, among other things: our business strategy, business plans, business prospects and forecasts and changes thereto; product pipeline, prospective products and product approvals, expected launches of new products, product development and results of current and anticipated products; anticipated results from completed acquisitions; anticipated revenues for our products; expected Research and Development (“R&D”) and marketing spend; our expected primary cash and working capital requirements for 2026 and beyond; our plans for continued improvement in operational efficiency and the anticipated impact of such plans; our beliefs about our manufacturing facilities and relationships; the expected impact of the tariffs imposed (or proposed to be imposed) by the U.S. (including on the countries in which we do business and sectors in which we do business (including pharmaceuticals)) and counter-tariffs or other retaliatory measures imposed (or that may be imposed) on the U.S. by other countries and disruptions to global supply chains and other potential results as a result of these developments and the potential actions the Company may take to help mitigate the impact of the tariffs, counter-tariffs and other trade restrictions and the success of such actions; expected risks of loss of patent or regulatory exclusivity; our liquidity and our ability to satisfy our debt maturities as they become due; our ability to comply with the covenants contained in our Amended Credit Agreement, the January 2026 Credit Facility Amendment and in the indentures governing our October 2028 Secured Notes and January 2031 Secured Notes; any proposed pricing actions; exposure to foreign currency exchange rate changes and interest rate changes; the potential effects of the new legislation commonly referred to as One Big Beautiful Bill Act, including the impact of such legislation on the Company’s tax provision for both 2026 and future years; the potential impact of changes in U.S. and non-U.S. tax laws on the Company’s future tax liabilities and effective tax rate, including as a result of the implementation of the Organisation for Economic Co-operation and Development inclusive framework on Base Erosion and Profit Shifting and the protective measures proposed by the United States in response thereto; the outcome of contingencies, such as litigation, subpoenas, investigations, reviews, audits and regulatory proceedings and any expected indemnifications therefrom; the anticipated impact of the adoption of new accounting standards; general market conditions and economic uncertainty; our expectations regarding our financial performance, including our future financial and operating performance, revenues, expenses, gross margins and income taxes; our impairment assessments, including the assumptions used therein and the results thereof; the anticipated effect of current market conditions and recessionary pressures in one or more of our markets; the anticipated effect of macroeconomic factors, including inflation and fluctuations in exchange rates and interest rates as a result of the imposition of tariff and other trade protection measures; the anticipated impact from the conflict between Russia and Ukraine, the conflict in the Middle East involving Israel, Hamas, Iran and other countries and militant groups in the region and related unrest in the region and the recent U.S. military action in Venezuela and the tensions between the U.S. and Greenland, and other members of the North Atlantic Treaty Organization; and the anticipated separation from Bausch Health Companies Inc. (“BHC”), including the structure and expected timetable for completing such separation transaction.*

*Forward-looking statements can generally be identified by the use of words such as “believe,” “anticipate,” “expect,” “intend,” “estimate,” “plan,” “schedule,” “continue,” “future,” “will,” “may,” “can,” “might,” “could,” “would,” “should,” “target,” “potential,” “opportunity,” “designed,” “create,” “predict,” “project,” “timeline,” “forecast,” “outlook,” “guidance,” “seek,” “strive,” “suggest,” “prospective,” “propose,” “strategy,” “indicative,” “ongoing,” “likely,” “evolve,” “decrease” or “increase” and positive and negative variations thereof or other similar expressions. In addition, any statements that refer to expectations, intentions, projections or other characterizations of future events or circumstances are forward-looking statements. These forward-looking statements may not be appropriate for other purposes. Although we have previously indicated certain of these statements set out herein, all of the statements in this Form 10-K that contain forward-looking statements are qualified by these cautionary statements. These statements are based upon the current expectations and beliefs of management. Although we believe that the expectations reflected in such forward-looking statements are reasonable, such statements involve risks and uncertainties, and undue reliance should not be placed on such statements. Certain material factors or assumptions are applied in making such forward-looking statements, including, but not limited to, factors and assumptions regarding the items previously outlined, those factors, risks and uncertainties outlined below and the assumption that none of these factors, risks and uncertainties will cause actual results or events to differ materially from those described in such forward-looking statements. Actual results may differ materially from those expressed or implied in such statements. Important factors, risks and uncertainties that could cause actual results to differ materially from these expectations include, among other things, the following:*

- *adverse economic conditions and other macroeconomic factors, including heightened inflation and interest rates, slower growth or a potential recession, which could adversely impact our revenues, expenses and resulting margins;*
- *the effect of current market conditions and recessionary pressures in one or more of our markets;*
- *risks associated with the imposition of and adverse changes to the U.S. duty, tariff and other trading policies on the countries in which we do business and sectors in which we do business (including pharmaceuticals), and the counter-duties, counter-tariffs and/or other counter-measures implemented in response by other countries, which are expected to increase our manufacturing, distribution and other operational costs due to the higher duties and tariffs and the increased economic risks and uncertainties to the global economy as a result of such tariffs and counter-tariffs and the potential trade wars and global supply chain issues that may be triggered by the tariff changes and changes in consumer habits as a result;*
- *risks associated with the potential actions the Company may take in response to tariffs, counter-tariffs and other trade restrictions in order to help mitigate their impact on the Company and its business, results of operations and financial condition, including the risk that such potential actions may not be successful in mitigating the impact in the manner anticipated or at all and the costs and other risks that may be incurred in taking such actions. There can be no assurance that any such actions will be successful in mitigating the impact of the applicable tariffs, counter-tariffs or other trade restrictions;*
- *trade conflicts, including current and future trade disputes between the United States and other countries;*
- *the challenges the Company faces following its initial public offering (the “B+L IPO”), including the challenges and difficulties associated with managing an independent, complex business, the limited transitional services still being provided by and to BHC, and any potential, actual or perceived conflict of interest of some of our directors and officers because of their equity ownership in BHC and/or because they also serve as directors of BHC;*
- *our status as a controlled company, and the possibility that BHC’s interest may conflict with our interests and the interests of our other securityholders and other stakeholders;*
- *the risks and uncertainties associated with the proposed plan to separate Bausch + Lomb from BHC, which include, but are not limited to, the expected benefits and costs of the Separation (as defined below), the expected timing of completion of the Separation and its manner and terms (including that it may be consummated as a Distribution (as defined below), a Sale Transaction (as defined below) or another type of transaction), the expectation that if the Separation is to be effected through the Distribution, it will be completed following the achievement of targeted debt leverage ratios, subject to receipt of applicable shareholder and other necessary approvals and other factors (including those factors described in BHC’s public filings), the ability to complete the Distribution considering the various conditions to the completion of the Distribution (some of which are outside the Company’s and BHC’s control, including conditions related to regulatory matters and receipt of applicable shareholder approvals), the impact of any potential sales or dispositions of our common shares by BHC (including in connection with a foreclosure on the Bausch + Lomb common shares owned by BHC or its subsidiary that are or may be pledged as collateral for certain of BHC’s or its subsidiary’s debt), that market or other conditions are no longer favorable to completing the transaction, that applicable shareholder, stock exchange, regulatory or other approval is not obtained on the terms or timelines anticipated or at all, business disruption during the pendency of, or following, the Separation, diversion of management time on Separation-related issues, retention of existing management team members, the reaction of customers and other parties to the Separation, the structure of the Distribution and/or a Sale Transaction, the qualification of the Distribution as a tax-free transaction for Canadian and/or U.S. federal income tax purposes (including whether or not an advance ruling from the Canada Revenue Agency and/or the Internal Revenue Service will be sought or obtained), the ability of the Company and BHC to satisfy the conditions required to maintain the tax-free status of the Distribution (some of which are beyond their control), other potential tax or other liabilities that may arise as a result of the Distribution, the potential dis-synergy costs resulting from the Separation, the impact of the Separation on relationships with customers, suppliers, employees and other business counterparties, general economic conditions, conditions in the markets the Company is engaged in, behavior of customers, suppliers and competitors, technological developments, as well as legal and regulatory rules affecting the Company’s business. In particular, the Company can offer no assurance that the Separation, Distribution and/or a Sale Transaction will occur at all, or that any such transactions will occur on the timelines or in the manner anticipated by the Company and BHC;*
- *ongoing litigation and potential additional litigation, claims, challenges and/or regulatory investigations challenging or otherwise relating to the B+L IPO and the proposed Separation from BHC and the costs, expenses, use of resources, diversion of management time and efforts, liability and damages that may result therefrom;*

- *pricing decisions that we have implemented or may in the future elect to implement at the direction of our pricing committees or otherwise;*
- *legislative or policy efforts, including those that may be introduced and passed by the U.S. Congress, designed to reduce patient out-of-pocket costs for medicines and other products, which could result in new mandatory rebates and discounts or other pricing restrictions, controls or regulations (including mandatory price reductions);*
- *ongoing oversight and review of our products and facilities by regulatory and governmental agencies, including periodic audits by the U.S. Food and Drug Administration (the “FDA”) and equivalent agencies outside of the United States and the results thereof;*
- *actions by the FDA or other regulatory authorities with respect to our products or facilities;*
- *compliance with the legal and regulatory requirements of our marketed products;*
- *our ability to comply with the financial and other covenants contained in our Amended Credit Agreement, the indentures governing our October 2028 Secured Notes and January 2031 Secured Notes and other current or future debt agreements, including the limitations, restrictions and prohibitions such covenants may impose on the way we conduct our business, including prohibitions on incurring additional debt if certain financial covenants are not met, our ability to draw under the June 2030 Revolving Credit Facility under our Amended Credit Agreement and restrictions on our ability to make certain investments and other restricted payments;*
- *any downgrade by rating agencies in our or BHC’s credit ratings, which may impact, among other things, our ability to raise debt and the cost of capital for additional debt issuances;*
- *changes in the assumptions used in connection with our impairment analyses or assessments, which would lead to a change in such impairment analyses and assessments and which could result in an impairment in the goodwill associated with any of our reporting units or impairment charges related to certain of our products or other intangible assets;*
- *the risks and uncertainties relating to acquisitions and other business development transactions we may pursue, seek to complete and/or complete, including risks that pending transactions may not close, risks that we may not realize the expected benefits of such acquisitions and transactions on a timely basis or at all, risks that pipeline products acquired may not be commercialized as anticipated, and risks relating to any increased levels of debt as a result of debt incurred to finance certain of these acquisitions and transactions;*
- *the uncertainties associated with the acquisition and launch of new products, assets and businesses, including, but not limited to, our ability to provide the time, resources, expertise and funds required for the commercial launch of new products, the acceptance and demand for new products, the failure to obtain required regulatory approvals, clearances or authorizations, and the impact of competitive products and pricing, which could lead to material impairment charges;*
- *our ability or inability to extend the profitable life of our products, including through line extensions and other life-cycle programs;*
- *our ability to retain, motivate and recruit executives and other key employees;*
- *our ability to implement effective succession planning for our executives and other key employees;*
- *factors impacting our ability to achieve anticipated revenues for our products, including changes in anticipated marketing spend on such products and launch of competing products;*
- *factors impacting our ability to achieve anticipated market acceptance for our products, including the pricing of such products, effectiveness of promotional efforts, reputation of our products and launch of competing products;*
- *our ability to compete against companies that are larger and have greater financial, technical and human resources than we do, as well as other competitive factors, such as technological advances achieved, patents obtained and new products introduced by our competitors;*
- *the extent to which our products are reimbursed by government authorities, pharmacy benefit managers (“PBMs”) and other third-party payors; the impact our distribution, pricing and other practices may have on the decisions of such government authorities, PBMs and other third-party payors to reimburse our products; and the impact of obtaining or maintaining such reimbursement on the price and sales of our products;*

- *the inclusion of our products on formularies or our ability to achieve favorable formulary status, as well as the impact on the price and sales of our products in connection therewith;*
- *the consolidation of wholesalers, retail drug chains and other customer groups and the impact of such industry consolidation on our business;*
- *our ability to maintain strong relationships with physicians and other health care professionals;*
- *our eligibility for benefits under tax treaties and the continued availability of low effective tax rates for the business profits of certain of our subsidiaries;*
- *the implementation of the Organisation for Economic Co-operation and Development inclusive framework on Base Erosion and Profit Shifting, including the global minimum corporate tax rate, by the countries in which we operate, and the potential impact of protective measures proposed by the United States in response to the inclusive framework, including the Trump administration's executive order and the agreement in principle among the United States and the other G7 countries, and any changes in tax laws by non-U.S. countries in response thereto;*
- *the impacts of the new legislation commonly referred to as One Big Beautiful Bill Act, including the effects on the Company's tax provision for both 2026 and future years;*
- *the actions of our third-party partners or service providers of research, development, manufacturing, marketing, distribution or other services, including their compliance with applicable laws and contracts, which actions may be beyond our control or influence, and the impact of such actions on us;*
- *the risks associated with the international scope of our operations, including our presence in emerging markets and the challenges we face when entering and operating in new and different geographic markets (including the challenges created by new and different regulatory regimes in such countries and the need to comply with applicable anti-bribery and economic sanctions, laws and regulations);*
- *adverse global economic conditions and credit markets and foreign currency exchange uncertainty and volatility in certain of the countries in which we do business;*
- *political and economic instability and other ongoing uncertainties as a result of unrest, instability or changes in geopolitical conditions, including military or political conflicts, in or impacting the countries in which we do business, such as a result of the recent U.S. military action in Venezuela and the tensions between the U.S. and Greenland, and other members of the North Atlantic Treaty Organization;*
- *risks associated with the ongoing conflict between Russia and Ukraine and the export controls, sanctions and other restrictive actions that have been or may be imposed by the United States, Canada, the EU and other countries against governmental and other entities and individuals in or associated with Russia, Belarus and parts of Ukraine, including its potential escalation and the potential impact on sales, earnings, market conditions and the ability of the Company to manage resources and historical investment in Russia;*
- *risks associated with the conflict in the Middle East involving Israel, Hamas, Iran and other countries and militant groups in the region, including the success of the current ceasefire, the conflict's potential continued escalation and expansion, related unrest in the region (including in Iran) and the potential impact on our operations, sale of products and revenues in this region;*
- *our ability to obtain, maintain and license sufficient intellectual property rights over our products and enforce and defend against challenges to such intellectual property;*
- *the introduction of generic, biosimilar or other competitors of our branded products and other products, including the introduction of products that compete against our products that do not have patent or data exclusivity rights;*
- *the expense, timing and outcome of pending or future legal and governmental proceedings, arbitrations, investigations, subpoenas, tax and other regulatory audits, examinations, reviews and regulatory proceedings against us or relating to us and settlements thereof;*
- *our ability to obtain components, raw materials or finished products supplied by third parties (some of which may be single-sourced) and other manufacturing and related supply difficulties, interruptions and delays;*
- *the disruption of delivery of our products and the routine flow of manufactured goods;*
- *potential work stoppages, slowdowns or other labor problems at our facilities and the resulting impact on our manufacturing, distribution and other operations;*

- *economic factors over which we have no control, including inflationary pressures as a result of heightened domestic and global inflation and otherwise, heightened interest rates, foreign currency rates, and the potential effect of such factors on revenues, expenses and resulting margins;*
- *interest rate risks associated with our floating rate debt borrowings;*
- *our ability to effectively distribute our products and the effectiveness and success of our distribution arrangements;*
- *our ability to effectively promote our own products and those of our co-promotion partners;*
- *our ability to secure and maintain third-party research, development, manufacturing, licensing, marketing or distribution arrangements;*
- *the risk that our products could cause, or be alleged to cause, personal injury and adverse effects, leading to potential lawsuits, product liability claims and damages and/or recalls or withdrawals of products from the market;*
- *the mandatory or voluntary recall or withdrawal of our products from the market and the costs associated therewith;*
- *the availability of, and our ability to obtain and maintain, adequate insurance coverage and/or our ability to cover or insure against the total amount of the claims and liabilities we face, whether through third-party insurance or self-insurance;*
- *our indemnity agreements, which may result in an obligation to indemnify or reimburse the relevant counterparty, which amounts may be material;*
- *the difficulty in predicting the expense, timing and outcome within our legal and regulatory environment, including with respect to approvals by the FDA, Health Canada, the European Medicines Agency (“EMA”) and similar agencies in other jurisdictions, legal and regulatory proceedings and settlements thereof, the protection afforded by our patents and other intellectual and proprietary property, successful generic challenges to our products and infringement or alleged infringement of the intellectual property of others;*
- *the results of continuing safety and efficacy studies by industry and government agencies;*
- *the success of preclinical and clinical trials for our drug development pipeline or delays in clinical trials that adversely impact the timely commercialization of our pipeline products, as well as other factors impacting the commercial success of our products, which could lead to material impairment charges;*
- *uncertainties around the successful improvement and modification of our existing products and development of new products, which may require significant expenditures and efforts;*
- *the results of management reviews of our research and development portfolio (including following the receipt of clinical results or feedback from the FDA or other regulatory authorities), which could result in terminations of specific projects which, in turn, could lead to material impairment charges;*
- *the seasonality of sales of certain of our products;*
- *declines in the pricing and sales volume of certain of our products that are distributed or marketed by third parties, over which we have no or limited control;*
- *compliance by us or our third-party partners and service providers (over whom we may have limited influence), or the failure by us or these third parties to comply, with health care “fraud and abuse” laws and other extensive regulation of our marketing, promotional and business practices (including with respect to pricing), worldwide anti-bribery laws (including the U.S. Foreign Corrupt Practices Act and the Canadian Corruption of Foreign Public Officials Act), worldwide economic sanctions and/or export laws, worldwide environmental laws and regulation and privacy and security regulations;*
- *the impacts of the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act of 2010 (the “Health Care Reform Act”) and any potential amendment thereof and other legislative and regulatory health care reforms in the countries in which we operate, including with respect to recent government inquiries on pricing;*
- *the impact of any changes in or reforms to the legislation, laws, rules, regulation and guidance that apply to us and our businesses and products or the enactment of any new or proposed legislation, laws, rules, regulations or guidance that will impact or apply to us or our businesses or products;*

- *the impact of changes in federal laws and policy that have been and may be undertaken under the Trump administration;*
- *illegal distribution or sale of counterfeit versions of our products;*
- *our ability to adopt and integrate artificial intelligence solutions into various aspects of our business and operations responsibly and in compliance with applicable legislation, laws, rules, regulation and guidance;*
- *interruptions, breakdowns or breaches in our information technology systems; and*
- *risks in Item 1A. "Risk Factors" in this Form 10-K.*

*Additional information about these factors and about the material factors or assumptions underlying such forward-looking statements may be found elsewhere in this Form 10-K, including under Item 1A. "Risk Factors", and in the Company's other filings with the U.S. Securities and Exchange Commission (the "SEC") and the Canadian Securities Administrators (the "CSA"). When relying on our forward-looking statements to make decisions with respect to the Company, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. These forward-looking statements speak only as of the date made. We undertake no obligation to update or revise any of these forward-looking statements to reflect events or circumstances after the date of this Form 10-K or to reflect actual outcomes, except as required by law. We caution that, as it is not possible to predict or identify all relevant factors that may impact forward-looking statements, the foregoing list of important factors that may affect future results is not exhaustive and should not be considered a complete statement of all potential risks and uncertainties.*