Item 2. 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," "the Company," "Bausch Health," and similar terms refer to Bausch Health Companies Inc. and its subsidiaries, taken together. This "Management's Discussion and Analysis of Financial Condition and Results of Operations" should be read in conjunction with the unaudited interim Condensed Consolidated Financial Statements and the related notes (the "Financial Statements") included elsewhere in this Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2025 (this "Form 10-Q"). 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, and Section 21E of The Securities Exchange Act of 1934, as amended, and that may be forward-looking information within the meaning of applicable Canadian securities laws (collectively "Forward-Looking Statements"). See "Forward-Looking Statements" at the end of this Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Our accompanying unaudited interim Condensed Consolidated Financial Statements as of September 30, 2025 and for the three and nine months ended September 30, 2025 and 2024 have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") and the rules and regulations of the United States Securities and Exchange Commission (the "SEC") for interim financial statements, and should be read in conjunction with our Consolidated Financial Statements for the year ended December 31, 2024, which were included in our Annual Report on Form 10-K filed with the SEC and the Canadian Securities Administrators (the "CSA") on February 19, 2025. In our opinion, the unaudited interim Condensed Consolidated Financial Statements reflect all adjustments, consisting of normal and recurring adjustments, necessary for a fair statement of the financial condition, results of operations and cash flows for the periods indicated. Additional company information is available on SEDAR+ at www.sedarplus.ca and on the SEC website at www.sec.gov. All currency amounts are expressed in U.S. dollars, unless otherwise noted. Certain defined terms used herein have the meaning ascribed to them in the Financial Statements.

OVERVIEW

We are a global, diversified specialty pharmaceutical and medical device company that develops, manufactures and markets, primarily in the therapeutic areas of gastroenterology ("GI"), hepatology, neurology and dermatology, a broad range of branded, generic and branded generic pharmaceuticals, over-the-counter ("OTC") products and aesthetic medical devices, and, through our approximately 88% ownership of Bausch + Lomb Corporation ("Bausch + Lomb" or "B+L"), branded and branded generic pharmaceuticals, OTC products and medical devices (contact lenses, intraocular lenses, ophthalmic surgical equipment) in the therapeutic areas of eye health. Our products are marketed directly or indirectly in approximately 90 countries.

Our portfolio of products falls into five reportable segments: (i) Salix, (ii) International, (iii) Solta Medical, (iv) Diversified and (v) Bausch + Lomb. The following is a brief description of the Company's segments:

- ***The Salix segment*** consists of sales in the U.S. of GI products. Sales of the Xifaxan® product line currently represent approximately 85% of the Salix segment revenues.
- ***The International segment*** consists of sales, with the exception of sales of Bausch + Lomb products and Solta Medical aesthetic medical devices, outside the U.S. and Puerto Rico of branded pharmaceutical products, branded generic pharmaceutical products and OTC products.
- ***The Solta Medical segment*** consists of global sales of Solta Medical aesthetic medical devices.
- ***The Diversified segment*** consists of sales in the U.S. of: (i) pharmaceutical products in the areas of neurology and certain other therapeutic classes, (ii) dermatology products, (iii) generic pharmaceutical products and (iv) dentistry products.
- ***The Bausch + Lomb segment*** consists of global sales of Bausch + Lomb Vision Care, Surgical and Pharmaceuticals products.

For additional discussion of our reportable segments, see Note 19, "SEGMENT INFORMATION" to our unaudited interim Condensed Consolidated Financial Statements.

Separation of the Bausch + Lomb Eye Health Business

On August 6, 2020, we announced our plan to separate our eye health business consisting of our Bausch + Lomb global Vision Care, Surgical and Pharmaceuticals businesses into an independent publicly traded entity, Bausch + Lomb, from the

remainder of Bausch Health Companies Inc. (the "B+L Separation"). As part of this plan, in May 2022, a wholly owned subsidiary of Bausch Health sold common shares of B+L pursuant to an initial public offering of Bausch + Lomb (the "B+L IPO"). Following the B+L IPO, Bausch Health indirectly holds 310,449,643 common shares of Bausch + Lomb, which represents approximately 88% of B+L's outstanding common shares as of October 22, 2025.

We continue to believe that the B+L Separation, which may include the transfer of all or a portion of the Company's remaining direct or indirect equity interest in Bausch + Lomb to its shareholders, the monetization of all or a portion of our ownership interest in Bausch + Lomb, or a combination thereof, makes strategic sense. The completion of the B+L Separation is subject to the achievement of targeted debt leverage ratios and the receipt of any applicable shareholder and other necessary approvals. We continue to evaluate all relevant factors and considerations related to the B+L Separation, including the Xifaxan® Generics Litigation (see "*Xifaxan® Paragraph IV Proceedings*" of Note 18, "LEGAL PROCEEDINGS" to our unaudited interim Condensed Consolidated Financial Statements).

The B+L Separation, if consummated, will result in two separate, independent companies:

- **Bausch Health excluding Bausch + Lomb** - a diversified pharmaceutical company with leading positions in GI, hepatology, dermatology, neurology and international pharmaceuticals, and aesthetic medical devices. The remaining pharmaceutical entity will comprise a diversified portfolio of our brands across the Salix, International, dentistry, neurology, medical dermatology and generics, and aesthetic medical devices businesses; and
- **Bausch + Lomb** - a fully integrated eye health company built on the iconic Bausch + Lomb brand and its long history of innovation.

As independent entities, management believes that each company will be better positioned to individually focus on its core businesses to drive additional growth, more effectively allocate capital and better manage its respective capital needs. Although management believes the B+L Separation will unlock value, there can be no assurance that it will be successful in doing so.

See Item 1A. "Risk Factors — Risk Relating to the B+L Separation" of 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, for additional risks relating to the B+L Separation.

For additional details on the B+L Separation, see "Separation of the Bausch + Lomb Eye Health Business" in Note 2, "SIGNIFICANT ACCOUNTING POLICIES" to our unaudited interim Condensed Consolidated Financial Statements.

Focus on Value and Core Businesses

We continue to execute on actions intended to bring out value in our Company, which includes focus on our capital structure. In line with this focus on our core businesses, we have: (i) made measurable progress in effectively managing our capital structure, including taking actions to reduce the principal balances or extend maturities of our long-term debt, (ii) directed capital allocation to drive growth within our core businesses, (iii) increased our efforts to improve patient access and (iv) continued to invest in sustainable growth drivers to position us for long-term growth.

We believe that these measures, along with our continued commitment to improving people's lives through our health products, help position us to unlock potential value across our portfolio of assets, including by separating our eye health and pharmaceutical businesses. Although management believes the B+L Separation will unlock additional value, there can be no assurance that it will be successful in doing so.

Effectively Managing Our Capital Structure

At the time of our announcement of the B+L Separation, we emphasized that it is important that the post-separation entities be appropriately capitalized, with appropriate leverage and with access to additional capital, if and when needed, to provide each entity with the ability to independently allocate capital to areas that will strengthen their own competitive positions in their respective lines of business and position each entity for sustainable growth. Therefore, we see the appropriate capitalization and leverage of these businesses post-separation as a key to maximizing value across our portfolio of assets and, as such, it is a primary objective of our plan of separation.

April 2025 Refinancing Transactions

On April 8, 2025, we closed a series of transactions (the "April 2025 Refinancing Transactions") whereby an indirect wholly-owned subsidiary of the Company, 1261229 B.C. Ltd., a company incorporated under the laws of British Columbia, Canada ("126NumberCo"): (i) entered into a credit agreement which provides for new senior secured credit facilities (the "2025 Credit Agreement") consisting of a five-year senior secured revolving credit facility in an amount of $500 million due April 8, 2030 (the "2030 Revolving Credit Facility") and a $3,000 million 5.5-year senior secured term loan B facility due

October 8, 2030 (the "2030 Term Loan B Facility" and together with the 2030 Revolving Credit Facility, the "2025 Senior Secured Credit Facilities") and (ii) issued $4,400 million aggregate principal amount of 10.00% senior secured notes due April 15, 2032 (the "2032 Senior Secured Notes"). 126NumberCo owns 185,468,421 common shares of Bausch + Lomb and is a non-guarantor restricted subsidiary under the indentures that govern the Company's Existing Senior Notes.

The proceeds from the April 2025 Refinancing Transactions were used: (i) to repay in full and terminate the Company's term loan facility (the "February 2027 Term Loan B Facility"), (ii) to redeem certain senior secured notes, certain unsecured notes and the 9.00% Senior Secured Notes due 2028 (the "9.00% Intermediate Holdco Senior Secured Notes"), (iii) to pay related fees, premiums and expenses and (iv) for general corporate purposes.

The April 2025 Refinancing Transactions reduced our short term cash requirements for debt service by extending approximately $6,870 million in aggregate debt maturities from the years 2025 through 2028 to the years 2030 through 2032. This provides us more flexibility to operate and allows us to more effectively allocate capital to initiatives that will strengthen our products and brands.

B+L June 2025 Refinancing Activity

On June 26, 2025, Bausch + Lomb entered into a third amendment to its credit agreement (the "B+L June 2025 Credit Facility Amendment"; the B+L Original Credit Agreement, as amended by the B+L September 2023 Credit Facility Amendment, the B+L November 2024 Credit Facility Amendment and the B+L June 2025 Credit Facility Amendment, the "B+L Amended Credit Agreement"), whereby Bausch + Lomb entered into an $800 million revolving credit facility maturing June 26, 2030 (subject to customary "springing" maturity provisions) (the "B+L 2030 Revolving Credit Facility") and a new $2,325 million term B loan facility maturing January 15, 2031 (the "B+L January 2031 Term Loan B Facility" and, together with the B+L September 2028 Term Loan B Facility, the "B+L Term Facilities"; the B+L Term Facilities, together with the B+L 2030 Revolving Credit Facility, the "B+L Senior Secured Credit Facilities") (these transactions together, the "B+L June 2025 Refinancing Activity").

On June 26, 2025, certain of Bausch + Lomb's subsidiaries, Bausch + Lomb Netherlands B.V. and Bausch & Lomb Incorporated (the "B+L Issuers"), issued €675 million aggregate principal amount of Senior Secured Floating Rate Notes due January 2031 (the "B+L January 2031 Senior Secured Notes"). The proceeds from the B+L January 2031 Senior Secured Notes, along with the proceeds of the B+L January 2031 Term Loan B Facility, were used by Bausch + Lomb to: (i) repay in full borrowings under the B+L May 2027 Revolving Credit Facility, (ii) refinance, in full, its outstanding term loans due 2027 and (iii) pay related fees and expenses.

See Note 10, "FINANCING ARRANGEMENTS" to our unaudited interim Condensed Consolidated Financial Statements for additional information regarding the B+L June 2025 Refinancing Activity, including the definitions of certain defined terms used above.

August 2025 Repurchase Activity

In August 2025, we repurchased and retired our outstanding 9.25% Senior Unsecured Notes (the "August 2025 Repurchase Activity") with an aggregate par value of approximately $602 million using cash on hand, for an aggregate cost of approximately $601 million.

As of September 30, 2025, we had aggregate maturities and mandatory payments of our principal balances of debt obligations as follows:

(in millions)	Remainder of 2025	2026	2027	2028	2029	2030	Thereafter	Total
Total debt obligations	$ 314	$ 58	$ 701	$ 5,923	$ 1,663	$ 4,018	$ 7,852	$ 20,529

During July 2025, we gave notice to the administrative agent under our AR Facility Agreement of our intention to repay using cash on hand, all outstanding amounts under our AR Credit Facility (as these terms are defined in Note 10, "FINANCING ARRANGEMENTS" to our unaudited interim Condensed Consolidated Financial Statements) and to terminate the AR Credit Facility. On October 27, 2025, the outstanding amount of $300 million was repaid using cash on hand and the AR Credit Facility was terminated. With the paydown of our AR Credit Facility, we have no debt maturities until 2027.

2024 Repurchases and Retirement of Senior Unsecured Notes

During January 2024 and May 2024, through a series of transactions we repurchased and retired outstanding senior unsecured notes with an aggregate par value of $555 million for approximately $530 million using cash on hand.

Continue to Manage our Capital Structure

We continue to monitor our capital structure and to evaluate other opportunities to simplify our business and improve our capital structure, giving us the ability to better focus on our core businesses. The Company regularly evaluates market conditions, its liquidity profile and various financing alternatives for opportunities to enhance its capital structure. If the Company determines that conditions are favorable, the Company may refinance or repurchase existing debt or issue additional debt, equity or equity-linked securities.

See Note 10, "FINANCING ARRANGEMENTS" to our unaudited interim Condensed Consolidated Financial Statements and "— Liquidity and Capital Resources — Liquidity and Debt — Long-term Debt" below for additional discussion of these matters. Cash requirements for future debt repayments including interest can be found in "— Liquidity and Capital Resources — Off-Balance Sheet Arrangements and Contractual Obligations."

Direct Capital Allocation to Drive Growth Within Our Core Businesses

Our capital allocation is also driven by our long-term growth strategies. We allocate resources to promote our core businesses globally through: (i) strategic acquisitions, (ii) research and development ("R&D") investment, (iii) strategic licensing agreements and (iv) strategic investments in our infrastructure. We believe that the outcome of this process allows us to better drive value in our product portfolio and generate operational efficiencies.

R&D Investment

We search for new product opportunities through internal development and strategic licensing agreements, that, if successful, will allow us to leverage our commercial footprint, particularly our sales force, and supplement our existing product portfolio and address specific unmet needs in the market.

Our internal R&D organization focuses on the development of products through clinical trials. As of December 31, 2024, approximately 1,500 dedicated R&D and quality assurance employees in 24 R&D facilities were involved in our R&D efforts internally.

As of September 30, 2025, we had approximately 75 projects in our global pipeline. Certain core internal R&D projects that have received a significant portion of our R&D investment in current and prior periods are listed below.

Gastrointestinal

- Rifaximin - We are conducting two ongoing global Phase 3 studies to evaluate a soluble solid dispersion ("SSD") formulation of rifaximin, known as rifaximin SSD-40IR, as part of our RED-C clinical trial program. These trials aim to assess the drug's ability to delay the first occurrence of overt hepatic encephalopathy ("OHE") in patients with early decompensated liver cirrhosis. Rifaximin SSD-40IR is designed to enhance gastrointestinal solubility while minimizing systemic exposure, potentially improving efficacy and safety. Top line results for each of the Phase 3 studies are expected by early 2026.

- Amiselimod (S1P modulator) - A Phase 2 study to evaluate Amiselimod (S1P modulator) for the treatment of mild to moderate ulcerative colitis was completed in 2024. In 2024, we met with the Food and Drug Administration ("FDA") for an end of Phase 2 meeting. We also met with the European Union's ("EU") European Medicines Agency and Japan's Pharmaceuticals and Medical Devices Agency. All regulatory feedback is currently under review.

- Larsucosterol - During September 2025, we completed the acquisition of DURECT Corporation ("DURECT"). Larsucosterol, DURECT's lead drug candidate, has the potential to be the first FDA-approved therapeutic option for alcohol-associated hepatitis ("AH") patients. The FDA has granted a Breakthrough Therapy designation for this drug. A registrational Phase 3 program to evaluate the safety and efficacy of Larsucosterol for the treatment of patients with severe AH is planned to start in early 2026.

Solta Medical

- Clear + Brilliant® Touch - The next generation Clear + Brilliant® laser is designed to deliver a customized and more comprehensive treatment protocol by providing patients of all ages and skin types the benefits of two wavelengths. Approval has been received in the United States, Australia, New Zealand, Philippines, Thailand, Taiwan, Malaysia, Singapore and Canada. We are reviewing the European Medicines Agency's September 2025 response to our submission. Additionally, we have completed the registration work for China and are awaiting a final response by the Chinese authority.

- Fraxel FTX™ - The next generation Fraxel® is a fractionated laser device for skin resurfacing launched in the U.S. in April 2025.

- Thermage® FLX - A non-invasive, FDA-cleared skin rejuvenation treatment designed to reduce wrinkles and rhytids, including those on the upper and lower eyelids. It uses radiofrequency energy to stimulate collagen production, resulting in tighter, more contoured skin. The device received Health Canada approval in April 2025.

Dermatology

- CABTREO® Topical Gel - The first and only FDA-approved fixed-dose, triple-combination topical treatment for acne. CABTREO® Topical Gel was launched in the U.S. in the first quarter of 2024, in Canada in October 2024 and completed submission for approval to the European Medicines Agency of the EU.

Bausch + Lomb

- Lumify® Franchise – An OTC redness reliever eye drop that significantly reduces redness to help eyes look whiter and brighter. To date, Bausch + Lomb has launched and acquired the right to launch Lumify® in various countries. A new line extension formulation, Lumify® Preservative Free, for which the New Drug Application was approved by the FDA in April 2024, began launching in the first quarter of 2025. Additionally, Bausch + Lomb is in the process of initiating a Lumify® next generation clinical study, for which a Phase 3 study met all primary and secondary endpoints.

- Blink™ Franchise – During June 2024, Bausch + Lomb expanded its OTC 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. During June 2025, Bausch + Lomb began launching Blink® Nourish and Blink® Boost lubricating eye drops in the U.S.

- LuxLife® – Bausch + Lomb is expanding its portfolio of premium intraocular lenses ("IOL") built on the "Lux" platform with the LuxLife® Trifocal IOL with two options, non-Toric and Toric for astigmatic patients. The European launch of this product is in process.

- Bausch + Lomb is expanding its portfolio of premium IOLs built on the enVista® platform with: enVista Aspire® monofocal and toric IOLs with Intermediate Optimized optics launched in the U.S. in October 2023, in Europe in January 2025 and the Canada launch is in process, enVista Envy® launched in Canada in June 2024 and the U.S., Europe, Singapore and Hong Kong launches are expected and enVista Beyond™ (extended depth of focus) is anticipated to launch in the U.S. in early 2027.

Strategic Licensing Agreements

To supplement our internal R&D initiatives and to build-out and refresh our product portfolio, we also search for opportunities to augment our pipeline through arrangements that allow us to gain access to unique products and investigational treatments, by strategically aligning ourselves with other innovative product solutions.

In the normal course of business, the Company may enter into select licensing and collaborative agreements for the commercialization and/or development of unique products primarily in the U.S. and Canada. These products are sometimes investigational treatments in early stage development that target unique conditions. The ultimate outcome, including whether the product will be: (i) fully developed, (ii) approved by the FDA or other regulators, (iii) covered by third-party payors or (iv) profitable for distribution, is highly uncertain. Under certain agreements, the Company may be required to make payments contingent upon the achievement of specific developmental, regulatory, or commercial milestones.

Strategic Acquisitions

We remain very selective when considering any acquisition and pursue only those opportunities that we believe align well with our current organization and strategic plan. In being selective, we seek to enter into only those acquisitions that provide us with significant synergies with our existing business, thereby minimizing risks to our core businesses and providing long-term growth opportunities.

In September 2025, we acquired DURECT, a biopharmaceutical company engaged in the development of epigenetic therapies that target dysregulated deoxyribonucleic acid methylation to transform the treatment of serious and life-threatening conditions, including acute organ injury. DURECT's lead drug candidate, Larsucosterol, is a novel therapeutic molecule that has demonstrated promising results in Phase 2 trials for the treatment of AH and has been granted Breakthrough Therapy designation by the FDA.

In January 2025, Bausch + Lomb acquired Whitecap Biosciences, LLC which is currently developing two innovative therapies for potential use in glaucoma and geographic atrophy.

In December 2024, Bausch + Lomb acquired Elios Vision, Inc., the developer of the ELIOS® procedure, the first clinically validated, minimally invasive glaucoma surgery procedure using an excimer laser. This acquisition is expected to bolster Bausch + Lomb's glaucoma treatment portfolio.

In July 2024, Bausch + Lomb acquired TearLab Corporation, d/b/a Trukera Medical ("Trukera Medical"), a U.S.-based privately held ophthalmic medical diagnostic company. Trukera Medical commercializes ScoutPro®, a point-of-care portable device for precisely measuring osmolarity, the salt content of a person's tears. This acquisition expands Bausch + Lomb's presence in the dry eye market.

See Note 4, "LICENSING AGREEMENTS AND ACQUISITIONS" to our unaudited interim Condensed Consolidated Financial Statements for additional information.

Divest Assets to Simplify Our Business

In order to better focus on our core businesses, we continue to evaluate opportunities to simplify our operations and improve our capital structure, including divesting non-core assets in order to narrow the Company's activities to our core businesses where we believe we have an existing and sustainable competitive edge and the ability to generate operational efficiencies. We will also consider dispositions or divestitures in core areas that we believe represent attractive opportunities for the Company.

Improve Patient Access

Improving patient access to our products, as well as making them more affordable, is a key element of our business strategy.

Patient Access and Pricing Team - We formed the Patient Access and Pricing Team which is committed to maintaining patients' ability to access our branded prescription pharmaceutical products. All future pricing actions will be subject to review by the Patient Access and Pricing Team. Future pricing changes and programs could affect the average realized pricing for our products and may have a significant impact on our revenues and profits.

Bausch Health Patient Assistance Program - We are committed to supporting patients through our Patient Assistance Program which offers free medication for patients who meet income and other eligibility criteria. If approved, patients receive their Bausch Health prescription product(s) at no cost to them. Eligible patients must reapply yearly to remain in the program and must meet all current requirements.

Cash-pay Prescription Program - The cash-pay or Point of Sale program was adopted to address the affordability and availability of certain branded dermatology products when insurers and pharmacy benefit managers are no longer offering those branded prescription pharmaceutical products under their designated pharmacy benefit offerings. This program is currently limited to a select group of our brands and offered through different fulfillment platforms which allows for patients to choose telemedicine, direct delivery to their home or to use a pharmacy of their choice. This program is designed to connect patients with dermatologists and provide patients both a predictable customer experience and a predictable cost for their dermatology health care needs.

Walgreens Fulfillment Arrangements - Under our brand fulfillment arrangement with Walgreen Co. ("Walgreens"), we make certain dermatology products available to eligible patients through patient access and co-pay assistance programs at Walgreens U.S. retail pharmacy locations, as well as participating independent retail pharmacies.

Invest in Sustainable Growth Drivers to Position us for Long-Term Growth

We are constantly challenged by the changing dynamics of our industry to innovate and bring new products to market. We have divested certain businesses where we saw limited growth opportunities, so that we can be more aggressive in redirecting our R&D spend and other corporate investments to innovate within our core businesses where we believe we can be most profitable and where we aim to be an industry leader.

We believe that we have a well-established product portfolio that is diversified within our core businesses and provides a sustainable revenue stream to fund our operations. However, our future success is also dependent upon our ability to continually refresh our pipeline, to provide a rotation of product launches that meet new and changing demands and replace other products that have lost momentum. We believe we have a robust pipeline that not only provides for the next generation of our existing products but is also poised to bring new products to market.

Salix - We believe in our GI product portfolio and we have implemented initiatives, including increasing our marketing investment in Xifaxan®, to further capitalize on the value of the infrastructure we have built around these products to extend our market share. We have continued our investment in Xifaxan® direct-to-consumer ("DTC") advertising and new sales force capabilities. Additionally, our rifaximin SSD formulation is under development for the delay of first occurrence of OHE

and other complications in patients with early decompensation in liver cirrhosis. The drug candidate is administered orally, and is a next-generation rifaximin formulation that acts by targeting the beta-subunit of bacterial DNA-dependent RNA polymerase. We have also invested in developing our investigational oral drug Amiselimod (S1P modulator) for the treatment of moderate to severe ulcerative colitis. We have met with the FDA for an end of Phase 2 meeting, as well as with the EU's European Medicines Agency and Japan's Pharmaceuticals and Medical Devices Agency for Amiselimod (S1P modulator) for the treatment of moderate to severe ulcerative colitis. All regulatory feedback is currently under review.

International - Our International product portfolio includes certain recently launched products such as Ryaltris® for moderate to severe seasonal allergic rhinitis and CABTREO® Topical Gel, a triple-combination topical treatment for acne that launched in Canada in October 2024. We continue to invest in the training and expansion of our sales and marketing teams.

Solta Medical - More than 75% of our Solta Medical business revenue has historically come from consumables, which we believe results in a durable business model. We continue to invest in expanding our presence in key markets, including broadening the reach of our DTC campaigns in the U.S., the expansion of Thermage® FLX which was approved by China's National Medical Products Administration as a medical device in January 2024 and which was granted medical device license clearance by Health Canada in April 2025, and the strengthening of our sales force in the U.S. and Europe. We received FDA approval of Fraxel FTX™ in 2024 and launched in the U.S. in April 2025 at the American Society for Laser Medicine & Surgery.

Diversified - We continue to seek ways to bring out value in our promoted and nonpromoted products within our Diversified portfolio. We increased our investments in marketing and advertising to expand our consumer awareness campaign for Jublia®. Adding to our established acne product portfolio, we launched CABTREO® Topical Gel in the U.S. in the first quarter of 2024.

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" at the end of Item 2. "Management's Discussion and Analysis of Financial Condition and Results of Operations" for additional information.

Voluntary Recall of enVista Intraocular Lenses

In March 2025, Bausch + Lomb 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, and included all lots of the 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, Bausch + Lomb 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, Bausch + Lomb 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, Bausch + Lomb has returned to full production of all enVista IOLs and has been shipping into the market to resupply inventory.

Macroeconomic Matters

The Company is monitoring ongoing policy changes being made by the Trump administration and the responses to these policy changes by foreign governments, including those related to existing trade agreements, the imposition of new tariffs and non-tariff barriers, and amendments to existing tariffs, and the counter-duties, counter-tariffs and/or other counter-measures 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 conditions impacting our customers in these countries or uncertainty about global economic conditions could cause purchases of our products to decline, which would adversely affect our revenues and operating results.

See Item 1A. "Risk Factors" of 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, for additional information on the risks associated with tariffs.

Russia-Ukraine War

In February 2022, Russia invaded Ukraine. As military activity and sanctions against Russia 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 U.S., Canada, the EU and other jurisdictions have imposed sanctions and export controls against Russia in response to the ongoing war. These impacts may include but are not limited to: (i) interruptions or stoppage of production, (ii) damage or loss of inventories, (iii) supply-chain and product distribution disruptions in Eastern Europe, (iv) volatility in commodity prices and currencies, (v) disruption in banking systems and capital markets, (vi) reductions in sales and earnings of business in affected areas, (vii) increased costs and (viii) cyberattacks.

To date, the challenges associated with the Russia-Ukraine war and ongoing sanctions have not had a material impact on our operations; although, as noted above, we continue to review EU sanctions and are still assessing their impact on our operations.

Our revenues attributable to Russia, Ukraine and Belarus for each of the nine months ended September 30, 2025 and 2024 were approximately 2% of our total revenues. 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 our business.

Conflict in the Middle East

The conflict between Israel and Hamas began during October 2023 and expanded to include other countries and militant groups in the region, including Iran. The conflict is currently the subject of a ceasefire agreement between Israel and Hamas that was announced in October 2025. Our revenues attributable to the impacted regions for each of the nine months ended September 30, 2025 and 2024 were not material. 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 our business.

For a further discussion of these and other risks relating to our international business, see Item 1A. “Risk Factors — Risks Relating to the International Scope of our Business” 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.

Global Minimum Corporate Tax

On October 8, 2021, the Organisation for Economic Co-operation and Development (“OECD”) published a statement that outlined the key components of a two-pillar plan to address the tax challenges arising from the digitalisation of the economy. The statement was agreed by the OECD/G20 inclusive framework on Base Erosion and Profit Shifting (the “Inclusive Framework”) which now includes 145 member jurisdictions. The timetable for implementation of the two-pillar plan was initially proposed for 2023, then extended to 2024 and, with respect to certain components of the plan, 2025. Under the pillar one proposals, a portion of the residual profits of multinational enterprise (“MNE”) groups with global turnover above €20 billion and a profit margin above 10% will be allocated to market jurisdictions where such allocated profits would be taxed. Under pillar two proposals, a global minimum corporate tax rate of 15% will apply to undertaxed profits of MNE groups with consolidated revenue of at least €750 million. On June 17, 2024 and January 15, 2025, the OECD published further administrative guidance to clarify the operation of the model rules. Many jurisdictions in which the Company operates have adopted the global minimum tax provision of the OECD pillar two effective for tax years beginning in January 2024. On January 20, 2025, President Trump signed an executive order stating that the Global Tax Deal, including the OECD two-pillar plan, has no force and effect in the U.S. It further provides for the U.S. Treasury Secretary to develop options for responding to foreign countries’ tax rules that are extraterritorial in nature or that could disproportionately impact U.S. companies, with findings and recommendations to be delivered to the President. On June 28, 2025, the U.S. Department of the Treasury announced that an agreement was reached between the U.S. and other members of the Group of Seven major advanced economies (the “G7”). Under the terms of this agreement, the U.S. parented MNEs will be exempt from certain elements of pillar two.

We have included the estimated impact of the Inclusive Framework, as currently adopted, in our tax provision beginning in 2024. While the estimated impact is not material, it is possible that the further implementation of the Inclusive Framework could have a material effect on our liability for corporate taxes or our consolidated tax rate in the future.

One Big Beautiful Bill Act

On July 4, 2025, President Trump signed into law the One Big Beautiful Bill Act (the “OBBBA”). The effects of this legislation for the Company include extending and modifying certain key provisions of the Tax Cuts and Jobs Act enacted in December 2017 (both domestic and international). The corporate tax rate remains unchanged but bonus, depreciation and an adjustment to the interest limitation were retroactive to January 1, 2025. The OBBBA makes additional changes to

international tax provisions, including substantive changes to existing Global Intangible Low Tax Income, foreign-derived intangible income, and base erosion and anti-abuse tax provisions. These changes are effective for taxable years after 2025. The impact of this legislation does not materially impact the current period nor do we expect it to have a material impact on our tax positions for future years.

Health Care Reform

The U.S. federal and state governments continue to propose and pass legislation designed to regulate the health care industry. 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.

In August 2022, the Inflation Reduction Act ("IRA") was signed into law, which among other matters made significant changes to how drugs are covered and paid for under the Medicare program, including imposing financial penalties if drug prices are increased at a rate faster than inflation, redesigning Medicare Part D benefits to shift a greater portion of the costs to manufacturers and allowing the U.S. government to set prices for certain drugs in Medicare. The IRA also provides for (i) the U.S. government to set or "negotiate" prices for select high-cost Medicare Part D (beginning in 2026) and Medicare Part B drugs (beginning in 2028) that are more than nine years (for small-molecule drugs) or 13 years (for biological products) from their initial FDA approval, (ii) manufacturers to pay a rebate for Medicare Part B and Part D drugs when prices increase faster than inflation beginning in 2022 for Medicare Part D and 2023 for Medicare Part B drugs and (iii) Medicare Part D redesign which replaces the current Part D Coverage Gap Discount Program and establishes a $2,000 cap for out-of-pocket limits costs for Medicare beneficiaries beginning in 2025, with manufacturers being responsible for 10% of costs up to the $2,000 cap and 20% after that cap is reached. Although we have taken certain actions which we believe may mitigate any negative pricing impact, the reduction of prices or reimbursement levels for certain of our products could materially affect our business and consolidated results of operations and may accelerate revenue erosion prior to the expiration of intellectual property protections.

In January 2025, the Centers for Medicare & Medicaid Services ("CMS") selected Xifaxan® as one of the medicines for its drug price negotiation program as part of the IRA with an initial price applicability in 2027. It is possible that other of our products could be selected in future years. The Company's negotiations with CMS have concluded, and CMS is expected to publish the negotiated maximum fair prices by November 30, 2025. The negotiated price for Xifaxan® will come into effect on January 1, 2027 and is expected to negatively impact sales revenues for Xifaxan® in 2027. The expected impact on revenues and operating results is expected to be primarily in 2027 due to anticipated generic competition beginning in 2028 and is not anticipated to materially affect the Company's long-term strategies and cash flows.

Although management continues to evaluate the potential impact of the IRA, the anticipated short-term impact is not expected to affect the recoverability or useful lives of our Xifaxan®-related intangible assets or the carrying value of Salix's goodwill based on an initial assessment.

In addition, a number of U.S. states have implemented IRA-like price controls on pharmaceutical manufacturers. Certain U.S. states have passed legislation intended to impact pricing or requiring manufacturers to report price increases to states, including certain states also allowing for drug affordability (i.e. price control) review boards. It is expected that state legislatures will continue to focus on drug pricing in 2026 and beyond and that similar bills will be passed in more states. These proposals create new authorities for state regulatory bodies to limit reimbursement for certain drugs and such efforts may expand to additional states.

Over the past several years, numerous legislative changes have caused the Company and other pharmaceutical manufacturers to reevaluate participation in optional Federal programs.

Bausch Health US, LLC ("BHUS") recently communicated its intention to cease participation in two optional Federal drug pricing programs – the Medicaid Drug Rebate Program ("MDRP") and the 340B Drug Pricing Program ("340B"). BHUS provided notice to the CMS and the Health Resources and Services Administration of the end of its participation in these programs effective September 30, 2025. Other Federal programs such as Medicare and the Federal Supply Schedule (supporting agencies such as the Department of Veterans Affairs and the Department of Defense) are not affected by this decision. We continue to evaluate the Company's participation in government channels.

The Company remains fully committed to the patients who are prescribed our products and understands the importance of its therapies to patients supported through Federal government programs. To prioritize the needs of patients first, effective October 1, 2025, the Company expanded support of Medicaid-eligible patients for most single-source pharmaceuticals through an enhanced Patient Assistance Program, where eligible patients will receive the pharmaceutical free of charge. Our goal is to maintain a straightforward process to ensure continuity of care for patients, physicians and caregivers during this transition.

While the ultimate outcome of discontinuing our participation in the MDRP and 340B is still being assessed, the Company does not expect a significant impact on its business and consolidated results of operations at this time.

Generic Competition and Loss of Exclusivity

Certain of our products face the loss of exclusivity ("LOE") in 2026 or in later years, following which we anticipate generic competition for these products. In certain cases, the LOE may be as a result of patent expiry, expiry of regulatory exclusivity, or negotiated settlements of some of our patent infringement proceedings against generic competitors. In some cases, we have granted licenses to such generic competitors, that permit them to enter the market with their generic products prior to the expiration of our applicable patent or regulatory exclusivity. Finally, for certain of our products that lost patent or regulatory exclusivity in prior years, we anticipate that generic competitors may launch in 2026 or in later years. Following 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; however, even with launch of an AG, the decline in product sales of such product would still be expected to be significant, and the effect on our future revenues could be material.

2026 through 2029 LOE Branded Products - Based on current patent expiration dates, settlement agreements and/or competitive information, we have identified branded products that we believe could begin facing potential LOE and/or generic competition in the U.S. and Canada during the years 2026 through 2029. These products and year of expected LOE include, but are not limited to, Aplenzin® (2026), Bryhali® (2026), Relistor® Subcutaneous (2028) and Xifaxan® (2028) in the U.S. and Jublia® (2028) in Canada. These dates may change based on, among other things, challenges 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, for a number of our products (including Cabtreo®, Xifaxan® 550 mg, Trulance® and Lumify® in the U.S), we have commenced (or anticipate commencing) and have (or may have) ongoing infringement proceedings against potential generic competitors in the U.S. If we are not successful in these proceedings, we may face increased generic competition for these products.

See Note 18, "LEGAL PROCEEDINGS" to our unaudited interim Condensed Consolidated Financial Statements elsewhere in this Form 10-Q, as well as Note 20, "LEGAL PROCEEDINGS" to our audited Consolidated Financial Statements contained 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, for further details regarding certain infringement proceedings.

The risks of generic competition are a fact of the health care 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 continually evaluates the impact that generic competition may have on future profitability and operations. In addition to aggressively defending the Company's patents and other intellectual property, our leadership team makes operational and investment decisions regarding these products and businesses at risk, not the least of which are decisions regarding our pipeline. Our leadership team actively manages the Company's pipeline in order to identify innovative and realizable projects aligned with our core businesses that are expected to provide incremental and sustainable revenues and growth into the future. We believe that our current pipeline is strong enough to meet these objectives and provide future sources of revenues, in our core businesses, sufficient enough to sustain our growth and corporate health as other products in our established portfolio face generic competition and lose momentum.

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 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, for additional information on our competition risks.

Regulatory Matters

In the normal course of business, our products, devices and facilities are the subject of ongoing oversight and review by regulatory and governmental agencies, including general, for cause and pre-approval inspections by the relevant competent authorities where we have business operations. Through the date of this filing, all of our global operations and facilities have the relevant operational good manufacturing practices certificates and all Company products and all operating sites are in good compliance standing with all relevant notified bodies and global health authorities.

FINANCIAL PERFORMANCE HIGHLIGHTS

The following table provides selected unaudited financial information for the three and nine months ended September 30, 2025 and 2024:

	Three Months Ended September 30,			Nine Months Ended September 30,		
(in millions, except per share data)	2025	2024	Change	2025	2024	Change
Revenues	$ 2,681	$ 2,510	$ 171	$ 7,470	$ 7,066	$ 404
Operating income	$ 619	$ 318	$ 301	$ 1,339	$ 988	$ 351
Income (loss) before income taxes	$ 218	$ (21)	$ 239	$ 311	$ (42)	$ 353
Net income (loss) attributable to Bausch Health Companies Inc.	$ 179	$ (85)	$ 264	$ 269	$ (139)	$ 408
Earnings (loss) per share attributable to Bausch Health Companies Inc.						
Basic	$ 0.48	$ (0.23)	$ 0.71	$ 0.73	$ (0.38)	$ 1.11
Diluted	$ 0.48	$ (0.23)	$ 0.71	$ 0.72	$ (0.38)	$ 1.10

Financial Performance

Summary of the Three Months Ended September 30, 2025 Compared to the Three Months Ended September 30, 2024

Revenues for the three months ended September 30, 2025 and 2024 were $2,681 million and $2,510 million, respectively, an increase of $171 million, or 7%. The increase is primarily attributable to growth in our Bausch + Lomb, Salix and Solta Medical segments driven by: (i) higher volumes, (ii) improved net realized pricing and (iii) the favorable impact of foreign currencies.

Operating income for the three months ended September 30, 2025 and 2024 was $619 million and $318 million, respectively, and included non-cash charges for Depreciation and amortization of intangible assets of $306 million and $322 million, Acquired IPR&D costs of $81 million and $15 million and Share-based compensation of $43 million and $38 million, respectively. The increase in our operating results of $301 million reflects, among other factors:

- an increase in contribution (Product sales revenue less Cost of goods sold, excluding amortization and impairments of intangible assets) of $122 million, primarily due to the increase in revenues as previously discussed;
- a decrease in selling, general and administrative ("SG&A") expenses of $55 million, primarily attributable to a lower annual industry assessment fee, partially offset by higher selling expenses attributable to MIEBO®;
- an increase in research and development ("R&D") expenses of $20 million, primarily attributable to an increase in spend on certain projects in the Bausch + Lomb and Solta Medical segments;
- a decrease in amortization of intangible assets of $21 million, primarily attributable to fully amortized intangible assets no longer being amortized in 2025; and
- a decrease in Other expense, net of $145 million, primarily attributable to: (i) lower provisions for certain legal matters during the third quarter of 2025 and (ii) lower Acquisition-related contingent consideration during the third quarter of 2025, partially offset by an increase in Acquired IPR&D costs related to the acquisition of DURECT.

Income before income taxes for the three months ended September 30, 2025 was $218 million as compared to Loss before income taxes of $21 million for the three months ended September 30, 2024, a favorable change of $239 million, primarily attributable to the increase in our operating results of $301 million, partially offset by an increase in Interest expense of $66 million.

Net income attributable to Bausch Health for the three months ended September 30, 2025 was $179 million as compared to Net loss attributable to Bausch Health of $85 million for the three months ended September 30, 2024, an increase of $264 million, which is primarily attributable to a favorable change in Income before income taxes of $239 million, as previously discussed, and the decrease in Provision for income taxes of $34 million.

Summary of the Nine Months Ended September 30, 2025 Compared to the Nine Months Ended September 30, 2024

Revenues for the nine months ended September 30, 2025 and 2024 were $7,470 million and $7,066 million, respectively, an increase of $404 million, or 6%. The increase is attributable to growth in our Salix, Bausch + Lomb and Solta

Medical segments driven by: (i) higher volumes, (ii) improved net realized pricing and (iii) incremental sales attributable to acquisitions.

Operating income for the nine months ended September 30, 2025 and 2024 was $1,339 million and $988 million, respectively, and included non-cash charges for Depreciation and amortization of intangible assets of $918 million and $960 million, Acquired IPR&D costs of $110 million and $18 million, Asset impairments of $1 million and $6 million and Share-based compensation of $132 million and $107 million, respectively. The increase in our operating results of $351 million reflects, among other factors:

- an increase in contribution of $250 million, primarily due to the increase in revenues as previously discussed;
- an increase in SG&A expenses of $80 million, primarily attributable to higher selling expenses primarily attributable to MIEBO®, partially offset by a lower annual industry assessment fee;
- an increase in R&D expenses of $15 million, primarily attributable to an increase in spend on certain projects in the Bausch + Lomb and Solta Medical segments;
- a decrease in amortization of intangible assets of $53 million, primarily attributable to fully amortized intangible assets no longer being amortized in 2025;
- a decrease in Asset impairments of $5 million, attributable to higher impairments for the nine months ended September 30, 2024; and
- a decrease in Other expense, net of $168 million, primarily attributable to: (i) lower provisions for certain legal matters during 2025 and (ii) lower Acquisition-related contingent consideration during 2025, partially offset by an increase in Acquired IPR&D costs related to the acquisition of DURECT.

Income before income taxes for the nine months ended September 30, 2025 was $311 million as compared to Loss before income taxes for the nine months ended September 30, 2024 of $42 million, an increase in our results of $353 million. The change is primarily attributable to: (i) the increase in our operating results of $351 million, as previously discussed, and (ii) an increase in Gain on extinguishment of debt of $158 million, partially offset by an increase in interest expense of $156 million.

Net income attributable to Bausch Health for the nine months ended September 30, 2025 was $269 million as compared to Net loss attributable to Bausch Health of $139 million for the nine months ended September 30, 2024, an increase in our results of $408 million, primarily due to the increase in our results of $353 million, as previously discussed, and the decrease in Provision for income taxes of $40 million.

RESULTS OF OPERATIONS

Our unaudited operating results for the three and nine months ended September 30, 2025 and 2024 were as follows:

	Three Months Ended September 30,			Nine Months Ended September 30,		
(in millions)	**2025**	**2024**	**Change**	**2025**	**2024**	**Change**
Revenues						
Product sales	$ 2,657	$ 2,482	$ 175	$ 7,388	$ 6,990	$ 398
Other revenues	24	28	(4)	82	76	6
	2,681	2,510	171	7,470	7,066	404
Expenses						
Cost of goods sold (excluding amortization and impairments of intangible assets)	735	682	53	2,166	2,018	148
Cost of other revenues	15	14	1	49	37	12
Selling, general and administrative	795	850	(55)	2,556	2,476	80
Research and development	166	146	20	468	453	15
Amortization of intangible assets	253	274	(21)	765	818	(53)
Asset impairments	1	—	1	1	6	(5)
Restructuring, integration and separation costs	17	1	16	49	25	24
Other expense, net	80	225	(145)	77	245	(168)
	2,062	2,192	(130)	6,131	6,078	53
Operating income	619	318	301	1,339	988	351
Interest income	15	7	8	39	24	15
Interest expense	(412)	(346)	(66)	(1,207)	(1,051)	(156)
Gain on extinguishment of debt	3	—	3	181	23	158
Foreign exchange and other	(7)	—	(7)	(41)	(26)	(15)
Income (loss) before income taxes	218	(21)	239	311	(42)	353
Provision for income taxes	(37)	(71)	34	(88)	(128)	40
Net income (loss)	181	(92)	273	223	(170)	393
Net (income) loss attributable to noncontrolling interest	(2)	7	(9)	46	31	15
Net income (loss) attributable to Bausch Health Companies Inc.	$ 179	$ (85)	$ 264	$ 269	$ (139)	$ 408

Three Months Ended September 30, 2025 Compared to the Three Months Ended September 30, 2024

Revenues

The Company's revenues are primarily generated from product sales, primarily in the therapeutic areas of GI, hepatology, neurology, dermatology and eye health, that consist of: (i) branded pharmaceuticals, (ii) generic and branded generic pharmaceuticals, (iii) OTC products and (iv) medical devices (contact lenses, intraocular lenses, ophthalmic surgical equipment and aesthetic medical devices). Other revenues include alliance and service revenue from the licensing and co-promotion of products and contract service revenue which is derived primarily from contract manufacturing for third parties and which is not material.

Our revenues were $2,681 million and $2,510 million for the three months ended September 30, 2025 and 2024, respectively, an increase of $171 million, or 7%. The increase was primarily due to: (i) an increase in volumes of $76 million, primarily attributable to our Bausch + Lomb, Salix and Solta Medical segments, (ii) an increase in net realized pricing of $60 million, attributable to our Salix, International and Diversified segments, (iii) the favorable impact of foreign currencies of $29 million and (iv) incremental sales attributable to acquisitions of $3 million.

The changes in our segment revenues and segment profits for the three months ended September 30, 2025 are discussed in further detail below under " — Reportable Segment Revenues and Profits."

Cash Discounts and Allowances, Chargebacks and Distribution Fees

As is customary in the pharmaceutical 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. As more fully discussed in Note 3, "REVENUE RECOGNITION" to our unaudited interim Condensed Consolidated Financial Statements, the Company continually monitors the provisions for these deductions and evaluates the estimates used as additional information becomes available. Price appreciation credits are generated when we increase a product's wholesaler acquisition cost ("WAC") under our contracts with certain wholesalers. Under such contracts, we are entitled to credits from such wholesalers for the impact of that WAC increase on inventory on hand at the wholesalers. In wholesaler contracts, such credits are offset against the total distribution service fees we pay on all of our products to each such wholesaler. In addition, some payor contracts require discounting if a price increase or series of price increases in a contract period exceeds a negotiated threshold. Returns provision balances and volume discounts to direct customers are included in Accrued and other current liabilities. All other provisions related to direct customers are included in Trade receivables, net, while provision balances related to indirect customers are included in Accrued and other current 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 the three months ended September 30, 2025 and 2024 were as follows:

	Three Months Ended September 30,			
	2025		2024	
(in millions)	Amount	Pct.	Amount	Pct.
Gross product sales	$ 4,504	100.0 %	$ 4,122	100.0 %
Provisions to reduce gross product sales to net product sales				
Discounts and allowances	186	4.1 %	175	4.2 %
Returns	12	0.3 %	26	0.6 %
Rebates	1,138	25.2 %	897	21.9 %
Chargebacks	423	9.4 %	463	11.2 %
Distribution fees	88	2.0 %	79	1.9 %
Total provisions	1,847	41.0 %	1,640	39.8 %
Net product sales	2,657	59.0 %	2,482	60.2 %
Other revenues	24		28	
Revenues	$ 2,681		$ 2,510	

Cash discounts and allowances, returns, rebates, chargebacks and distribution fees as a percentage of gross product sales were 41.0% and 39.8% for the three months ended September 30, 2025 and 2024, respectively, an increase of 1.2 percentage points. The increase was primarily due to:

- rebates as a percentage of gross product sales which was higher primarily due to higher rebates for: (i) Bausch + Lomb's XIIDRA® and MIEBO®, (ii) increased gross product sales for certain branded products such as Xifaxan®, CABTREO®, Jublia®, Aplenzin® and Trulance®, partially offset by lower gross product sales for Arazlo®, Onexton® and Plenvu® and (iii) lower rebates for Wellbutrin® partially offset by
- chargebacks as a percentage of gross product sales which was lower primarily due to lower gross branded product sales of Cardizem® CD and lower chargebacks for Wellbutrin® and lower gross product sales of certain generic products such as Uceris® AG, Elidel® AG, Diltizem® CD AG, Tiazac® AG, Onexton® AG and Migranal® AG, partially offset by increased gross product sales for Xifaxan®.

Expenses

Cost of Goods Sold (excluding 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 net realizable value 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 $735 million and $682 million for the three months ended September 30, 2025 and 2024, respectively, an increase of $53 million, or 8%. The increase was primarily driven by: (i) the unfavorable impact of foreign currencies and (ii) unfavorable manufacturing variances.

Cost of goods sold as a percentage of product sales revenue were 27.7% and 27.5% for the three months ended September 30, 2025 and 2024, respectively.

Selling, General and Administrative Expenses

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. The Company has incurred and expects to continue to incur, incremental costs with respect to the B+L Separation. These separation-related costs include, but are not limited to rebranding costs and costs associated with facility relocation and/or modification.

SG&A expenses were $795 million and $850 million for the three months ended September 30, 2025 and 2024, respectively, a decrease of $55 million, or 6%. The decrease was primarily attributable to a lower annual industry assessment fee, partially offset by higher selling expenses attributable to MIEBO®.

Research and Development Expenses

Included in Research and development 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 $166 million and $146 million for the three months ended September 30, 2025 and 2024, respectively, an increase of $20 million, or 14%. The increase is primarily attributable to an increase in spend on certain projects in the Bausch + Lomb and Solta Medical segments.

R&D expenses as a percentage of Product sales were approximately 6% for each of the three months ended September 30, 2025 and 2024.

Amortization of Intangible Assets

Intangible assets with finite lives are amortized using the straight-line method over their estimated useful lives, generally 2 to 20 years. Management continually assesses the useful lives related to the Company's long-lived assets to reflect the most current assumptions.

Amortization of intangible assets was $253 million and $274 million for the three months ended September 30, 2025 and 2024, respectively, a decrease of $21 million, or 8%, primarily attributable to fully amortized intangible assets no longer being amortized in 2025.

See Note 8, "INTANGIBLE ASSETS AND GOODWILL" to our unaudited interim Condensed Consolidated Financial Statements for further details related to our intangible assets.

Asset impairments

Long-lived assets with finite lives are tested for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. Impairment charges associated with these assets are included in Asset impairments in the Condensed Consolidated Statements of Operations. The Company continues to monitor the recoverability of its finite-lived intangible assets and tests the intangible assets for impairment if indicators of impairment are present. The Company estimates the fair values of long-lived assets with finite lives using an undiscounted cash flow model which utilizes Level 3 unobservable inputs. The undiscounted cash flow model relies on assumptions regarding revenue growth rates, gross profit, selling, general and administrative expenses and research and development expenses.

Asset impairments for each of the three months ended September 30, 2025 and 2024 were not material.

See Note 8, “INTANGIBLE ASSETS AND GOODWILL” to our unaudited interim Condensed Consolidated Financial Statements for further details related to our intangible assets.

Restructuring, integration and separation costs

Restructuring and Integration Costs

The Company evaluates opportunities to improve its operating results and implement cost savings programs to streamline its operations and eliminate redundant processes and expenses. Restructuring and integration costs are expenses associated with the implementation of these cost savings programs and include expenses associated with: (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.

Restructuring, integration and separation costs were $17 million and $1 million for the three months ended September 30, 2025 and 2024, respectively, an increase of $16 million. The Company continues to evaluate opportunities to streamline its operations and identify additional cost savings globally. Although a specific plan does not exist at this time, the Company may identify and take additional exit and cost-rationalization restructuring actions in the future, the costs of which could be material.

See Note 5, “RESTRUCTURING, INTEGRATION AND SEPARATION COSTS” to our unaudited interim Condensed Consolidated Financial Statements for further details regarding these actions.

Other Expense, Net

Other expense, net for the three months ended September 30, 2025 and 2024 consists of the following:

	Three Months Ended September 30,	
(in millions)	**2025**	**2024**
Acquired IPR&D costs	$ 81	$ 15
Acquisition-related transaction costs	2	2
Litigation and other matters, net of insurance recoveries and restitutions	35	188
Acquisition-related contingent consideration	(32)	25
Gain on sale of assets, net	(6)	(5)
	$ 80	$ 225

Acquired IPR&D costs are related to the acquisition of DURECT and certain Bausch + Lomb acquisitions.

Litigation and other matters, net of insurance recoveries and restitutions for three months ended September 30, 2024 primarily relates to adjustments to provisions for certain legal matters. Litigation and other matters, net of insurance recoveries and restitutions in 2025 also includes restitution received in connection with a certain legal matter.

Acquisition-related contingent consideration for the three months ended September 30, 2025 and 2024 reflects changes in estimates in the timing and amounts of expected future royalty and milestone payments and in 2024, includes other adjustments of $18 million related to certain branded products.

Non-Operating Income and Expense

Interest Expense

Interest expense primarily consists of interest payments due, amortization and write-off of debt discounts, premiums and debt issuance costs under our credit facilities and notes, and the amortization of amounts excluded from the assessment of hedge effectiveness over the term of the Company’s cross-currency swaps.

Interest expense was $412 million and $346 million and included non-cash amortization and write-offs of debt premiums, discounts and deferred issuance costs of $16 million and $13 million, for the three months ended September 30, 2025 and 2024, respectively. Interest expense for the three months ended September 30, 2025 increased $66 million, or 19%, as compared to the three months ended September 30, 2024. The increase is attributable to higher effective interest rates on the debt as refinanced in 2025.

The weighted average stated rate of interest as of September 30, 2025 and 2024 was 8.57% and 7.88%, respectively. As discussed in the section titled "— Liquidity and Capital Resources — Liquidity and Debt — Long-term Debt — Accounting for Exchange", due to the accounting treatment for the 2022 Secured Notes (as defined below), interest expense in the Company's financial statements will not be representative of the weighted average stated rate of interest.

See Note 10, "FINANCING ARRANGEMENTS" to our unaudited interim Condensed Consolidated Financial Statements and the section titled "— Liquidity and Capital Resources — Liquidity and Debt — Long-term Debt" for further details.

Foreign Exchange and Other

Foreign exchange and other was a loss of $7 million and $0 for the three months ended September 30, 2025 and 2024, respectively, an unfavorable change of $7 million. This change was primarily driven by: (i) transaction gains and losses on intercompany balances and third-party liabilities, (ii) gains and losses from foreign currency exchange contracts and (iii) consulting fees related to identifying additional financing and strategic capitalization alternatives.

Income Taxes

Provision for income taxes was $37 million and $71 million for the three months ended September 30, 2025 and 2024, respectively, a favorable change of $34 million.

Our effective income tax rate for the three months ended September 30, 2025 differs from the statutory Canadian income tax rate primarily due to: (i) the recording of valuation allowances on entities for which no tax benefit of losses is expected, (ii) the finalization of the settlement with the Internal Revenue Service ("IRS") for the 2017 capital loss and (iii) the discrete treatment of certain tax matters, primarily related to the filings of certain income tax returns.

Our effective income tax rate for the three months ended September 30, 2024 differs from the statutory Canadian income tax rate primarily due to: (i) the recording of valuation allowances on entities for which no tax benefit of losses is expected, (ii) the discrete treatment of certain tax matters, primarily related to changes in uncertain tax positions and (iii) the tax provision generated from our annualized mix of earnings by jurisdiction.

See Note 15, "INCOME TAXES" to our unaudited interim Condensed Consolidated Financial Statements for further details.

Reportable Segment Revenues and Profits

The following is a brief description of the Company's segments:

- ***The Salix segment*** consists of sales in the U.S. of GI products. Sales of the Xifaxan® product line currently represent approximately 85% of the Salix segment revenues.
- ***The International segment*** consists of sales, with the exception of sales of Bausch + Lomb products and Solta Medical aesthetic medical devices, outside the U.S. and Puerto Rico of branded pharmaceutical products, branded generic pharmaceutical products and OTC products.
- ***The Solta Medical segment*** consists of global sales of Solta Medical aesthetic medical devices.
- ***The Diversified segment*** consists of sales in the U.S. of: (i) pharmaceutical products in the areas of neurology and certain other therapeutic classes, (ii) dermatology products, (iii) generic pharmaceutical products and (iv) dentistry products.
- ***The Bausch + Lomb segment*** consists of global sales of Bausch + Lomb Vision Care, Surgical and Pharmaceuticals products.

Segment profit is based on operating income after the elimination of intercompany transactions. Certain costs, such as Amortization of intangible assets, Asset impairments, Restructuring, integration, separation costs, and Other expense, net, are not included in the measure of segment profit, as management excludes these items in assessing segment financial performance. See Note 19, "SEGMENT INFORMATION" to our unaudited interim Condensed Consolidated Financial Statements for a reconciliation of segment profit to Income (loss) before income taxes.

The following table presents segment revenues, segment revenues as a percentage of total revenues, and the period-over-period changes in segment revenues for the three months ended September 30, 2025 and 2024. The following table also presents segment profits, segment profits as a percentage of segment revenues and the period-over-period changes in segment profits for the three months ended September 30, 2025 and 2024.

	Three Months Ended September 30,					
	2025		2024		Change	
(in millions)	Amount	Pct.	Amount	Pct.	Amount	Pct.
Segment Revenues						
Salix	$ 716	27 %	$ 642	26 %	$ 74	12 %
International	286	11 %	291	12 %	(5)	(2)%
Solta Medical	140	5 %	112	4 %	28	25 %
Diversified	258	10 %	269	11 %	(11)	(4)%
Bausch + Lomb	1,281	47 %	1,196	47 %	85	7 %
Total revenues	$ 2,681	100 %	$ 2,510	100 %	$ 171	7 %
Segment Profits / Segment Profit Margins						
Salix	$ 570	80 %	$ 436	68 %	$ 134	31 %
International	90	31 %	105	36 %	(15)	(14)%
Solta Medical	70	50 %	53	47 %	17	32 %
Diversified	182	71 %	189	70 %	(7)	(4)%
Bausch + Lomb	301	23 %	283	24 %	18	6 %
Total segment profits	$ 1,213	45 %	$ 1,066	42 %	$ 147	14 %

Organic Revenues and Organic Growth Rates (non-GAAP)

Organic revenue and organic revenue change are non-GAAP measures. Non-GAAP measures are not standardized measures under the financial reporting framework used to prepare the Company's financial statements and might not be comparable to similar financial measures disclosed by other issuers.

Organic revenue (non-GAAP) and change in organic revenue (non-GAAP), are defined as GAAP Revenue and change in GAAP revenue (the most directly comparable GAAP financial measures), adjusted for changes in foreign currency exchange rates (if applicable) and excluding the impact of recent acquisitions, divestitures and discontinuations, as defined below. Organic revenue (non-GAAP) is impacted by changes in product volumes and price. The price component is made up of two key drivers: (i) changes in product gross selling price and (ii) changes in sales deductions. The Company uses organic revenue (non-GAAP) and change in organic revenue (non-GAAP) to assess performance of its reportable segments, and the Company in total. The Company believes that providing these measures is useful to investors as they provide a supplemental period-to-period comparison.

The adjustments to GAAP Revenue and changes in GAAP revenue to determine organic revenue (non-GAAP) and changes in organic revenue (non-GAAP) are as follows:

Foreign currency exchange rates: Although changes in foreign currency exchange rates are part of our business, they are not within management's control. Changes in foreign currency exchange rates, however, can mask positive or negative trends in the business. The impact of changes in foreign currency exchange rates is determined as the difference in the current period reported revenues at their current period currency exchange rates and the current period reported revenues revalued using the monthly average currency exchange rates during the comparable prior period.

Acquisitions, divestitures and discontinuations: In order to present period-over-period organic revenue (non-GAAP) growth/change on a comparable basis, revenues associated with acquisitions, divestitures and discontinuations are adjusted to include only revenues from those businesses and assets owned during both periods. Accordingly, organic revenue and organic growth/change exclude from the current period, revenues attributable to each acquisition for twelve months subsequent to the day of acquisition, as there are no revenues from those businesses and assets included in the comparable prior period. Organic revenue and change in organic revenue exclude from the prior period, all revenues attributable to each divestiture and discontinuance during the twelve months prior to the day of divestiture or discontinuance, as there are no revenues from those businesses and assets included in the comparable current period.

The following table presents a reconciliation of GAAP revenues to organic revenues (non-GAAP) and the period-over-period changes in organic revenue (non-GAAP) for the three months ended September 30, 2025 and 2024 by segment.

	Three Months Ended September 30, 2025				Three Months Ended September 30, 2024			Change in Organic Revenue (Non-GAAP)	
(in millions)	Revenue as Reported	Changes in Exchange Rates	Acquisitions	Organic Revenue (Non-GAAP)	Revenue as Reported	Divestitures and Discontinuations	Organic Revenue (Non-GAAP)	Amount	Pct.
Salix	$ 716	$ —	$ —	$ 716	$ 642	$ 2	$ 644	$ 72	11 %
International	286	(9)	—	277	291	(1)	290	(13)	(4)%
Solta Medical	140	(1)	—	139	112	—	112	27	24 %
Diversified	258	—	—	258	269	6	275	(17)	(6)%
Bausch + Lomb	1,281	(19)	(3)	1,259	1,196	(4)	1,192	67	6 %
Total	$ 2,681	$ (29)	$ (3)	$ 2,649	$ 2,510	$ 3	$ 2,513	$ 136	5 %

Salix Segment:

Salix Segment Revenue

The Salix segment includes our Xifaxan® product line which currently accounts for approximately 85% of the Salix segment revenues. Salix segment revenue for the three months ended September 30, 2025 and 2024 was $716 million and $642 million, respectively, an increase of $74 million, or 12% and was primarily attributable to: (i) an increase in volumes of $41 million and (ii) an increase in net realized pricing of $31 million.

Salix Segment Profit

The Salix segment profit for the three months ended September 30, 2025 and 2024 was $570 million and $436 million, respectively, an increase of $134 million, or 31%. The increase was primarily driven by: (i) higher contribution attributable to the increase in revenues as previously discussed and (ii) lower SG&A expenses.

International Segment:

International Segment Revenue

The International segment has a diversified product line with no single product group representing 10% or more of its product sales. The International segment revenue was $286 million and $291 million for the three months ended September 30, 2025 and 2024, respectively, a decrease of $5 million, or 2%. The decrease was primarily attributable to: (i) a decrease in volumes of $33 million, primarily related to Latin America and (ii) the impact of divestitures and discontinuations of $1 million, partially offset by: (i) an increase in net realized pricing of $20 million and (ii) the favorable impact of foreign currencies of $9 million.

International Segment Profit

The International segment profit for the three months ended September 30, 2025 and 2024 was $90 million and $105 million, respectively, a decrease of $15 million, or 14% and was primarily driven by: (i) lower contribution primarily attributable to the decrease in volumes and (ii) an increase in SG&A expenses, partially offset by the increase in net realized pricing.

Solta Medical Segment:

Solta Medical Segment Revenue

The Solta Medical segment includes the Thermage® product line, which accounted for over 85% of the Solta Medical segment revenues. The Solta Medical segment revenue for the three months ended September 30, 2025 and 2024 was $140 million and $112 million, respectively, an increase of $28 million, or 25%. The increase was primarily attributable to an increase in volumes of $26 million primarily in South Korea.

Solta Medical Segment Profit

The Solta Medical segment profit for the three months ended September 30, 2025 and 2024 was $70 million and $53 million, respectively, an increase of $17 million, or 32%. The increase was primarily driven by higher contribution attributable to the increase in volumes as previously discussed, partially offset by higher: (i) selling, advertising and promotion expenses and (ii) R&D expenses.

Diversified Segment:

Diversified Segment Revenue

The Diversified segment revenue for the three months ended September 30, 2025 and 2024 was $258 million and $269 million, respectively, a decrease of $11 million, or 4%. The decrease was primarily driven by a decrease in volumes of $34 million, primarily in our Neurology and Dermatology businesses, partially offset by: (i) an increase in net realized pricing of $17 million, primarily in our Neurology business and (ii) the $6 million impact from the discontinuation of certain non-promoted products which negatively impacted our revenues in 2024.

Diversified Segment Profit

The Diversified segment profit for the three months ended September 30, 2025 and 2024 was $182 million and $189 million, respectively, a decrease of $7 million, or 4%. The decrease was primarily driven by the decrease in revenues as previously discussed, partially offset by lower advertising and promotion expenses.

Bausch + Lomb Segment:

Bausch + Lomb Segment Revenue

The Bausch + Lomb segment revenue was $1,281 million and $1,196 million for the three months ended September 30, 2025 and 2024, respectively, an increase of $85 million, or 7%. The increase was primarily driven by: (i) an increase in volumes of $76 million primarily within the Pharmaceuticals and Vision Care businesses, (ii) the favorable impact of foreign currencies of $19 million and (iii) incremental sales attributable to acquisitions of $3 million, partially offset by: (i) a decrease in net realized pricing of $9 million, primarily driven by the Pharmaceuticals business and (ii) the impact of divestitures and discontinuations of $4 million.

Bausch + Lomb Segment Profit

The Bausch + Lomb segment profit for the three months ended September 30, 2025 and 2024 was $301 million and $283 million, respectively, an increase of $18 million, or 6%. The increase was primarily attributable to the increase in revenues as previously discussed, partially offset by: (i) an increase in selling expenses and (ii) an increase in R&D expenses.

Nine Months Ended September 30, 2025 Compared to the Nine Months Ended September 30, 2024

Revenues

Our revenue was $7,470 million and $7,066 million for the nine months ended September 30, 2025 and 2024, respectively, an increase of $404 million, or 6%. The increase was primarily due to: (i) an increase in volumes of $255 million attributable to our Bausch + Lomb, Solta Medical and Salix segments, (ii) an increase in net realized pricing of $108 million attributable to our Salix, International and Diversified segments, (iii) incremental sales attributable to acquisitions of $15 million, (iv) the favorable impact of foreign currencies of $13 million, primarily in Latin America and (v) the $13 million impact from the discontinuation of certain non-promoted products which negatively impacted our revenues in 2024.

The changes in our segment revenues and segment profits for the nine months ended September 30, 2025, are discussed in further detail in the respective subsequent section titled " — Reportable Segment Revenues and Profits".

Cash Discounts and Allowances, Chargebacks and Distribution Fees

Provisions recorded to reduce gross product sales to net product sales and revenues for the nine months ended September 30, 2025 and 2024 were as follows:

	Nine Months Ended September 30,			
	2025		2024	
(in millions)	Amount	Pct.	Amount	Pct.
Gross product sales	$ 12,770	100.0 %	$ 11,995	100.0 %
Provisions to reduce gross product sales to net product sales				
Discounts and allowances	534	4.2 %	500	4.2 %
Returns	80	0.6 %	115	1.0 %
Rebates	3,210	25.1 %	2,699	22.4 %
Chargebacks	1,310	10.3 %	1,465	12.2 %
Distribution fees	248	1.9 %	226	1.9 %
Total provisions	5,382	42.1 %	5,005	41.7 %
Net product sales	7,388	57.9 %	6,990	58.3 %
Other revenues	82		76	
Revenues	$ 7,470		$ 7,066	

Cash discounts and allowances, returns, rebates, chargebacks and distribution fees as a percentage of gross product sales were 42.1% and 41.7% for the nine months ended September 30, 2025 and 2024, respectively, an increase of 0.4 percentage points. The increase was primarily due to:

- rebates as a percentage of gross product sales which were higher primarily due to: (i) Bausch + Lomb's XIIDRA® and MIEBO®, (ii) increased gross product sales for certain branded products such as CABTREO®, Xifaxan® and Jublia®, partially offset by lower gross product sales for Glumetza® SLX, Arazlo®, Zegerid®, Onexton® and Plenvu® and (iii) lower rebates for Trulance® partially offset by
- chargebacks as a percentage of gross product sales which were lower primarily due to: (i) lower gross product sales of certain branded products such as Glumetza® SLX, Cardizem® CD and Ativan® and certain generic products such Uceris® AG, Cardizem® AG, Migranal® AG and Diltizem® CD AG and (ii) lower chargeback rates for Wellbutrin®. These decreases were partially offset by increased gross product sales for Xifaxan®.

Expenses

Cost of Goods Sold (excluding amortization and impairments of intangible assets)

Cost of goods sold was $2,166 million and $2,018 million for the nine months ended September 30, 2025 and 2024, respectively, an increase of $148 million, or 7%. The increase was primarily driven by: (i) higher volumes as previously discussed, (ii) the unfavorable impact of foreign currencies and (iii) an inventory reserve charge related to Bausch + Lomb's voluntary recall of certain enVista IOL products as previously discussed.

Cost of goods sold as a percentage of product sales revenue was 29.3% and 28.9% for the nine months ended September 30, 2025 and 2024, respectively, an increase of 0.4 percentage points.

Selling, General and Administrative Expenses

SG&A expenses were $2,556 million and $2,476 million for the nine months ended September 30, 2025 and 2024, respectively, an increase of $80 million, or 3%. The increase was primarily due to higher selling, advertising and promotion expenses, partially offset by a lower annual industry assessment fee.

Research and Development

R&D expenses were $468 million and $453 million for the nine months ended September 30, 2025 and 2024, respectively, an increase of $15 million. The increase is primarily attributable to an increase in spend on certain projects in the Bausch + Lomb and Solta Medical segments.

R&D expenses as a percentage of Product sales were approximately 6% for each of the nine months ended September 30, 2025 and 2024.

Amortization of Intangible Assets

Amortization of intangible assets was $765 million and $818 million for the nine months ended September 30, 2025 and 2024, respectively, a decrease of $53 million, or 6%. The decrease was primarily attributable to fully amortized intangible assets no longer being amortized in 2025.

See Note 8, "INTANGIBLE ASSETS AND GOODWILL" to our unaudited interim Condensed Consolidated Financial Statements for further details related to our intangible assets.

Asset impairments

Asset impairments for the nine months ended September 30, 2025 were not material.

Asset impairments for the nine months ended September 30, 2024 were $6 million and primarily related to the discontinuance of a certain product brand.

See Note 8, "INTANGIBLE ASSETS AND GOODWILL" to our unaudited interim Condensed Consolidated Financial Statements for further details related to our intangible assets.

Restructuring, integration and separation costs

Restructuring, integration and separation costs were $49 million and $25 million for the nine months ended September 30, 2025 and 2024, respectively, an increase of $24 million. The Company continues to evaluate opportunities to streamline its operations and identify additional cost savings globally. Although a specific plan does not exist at this time, the Company may identify and take additional exit and cost-rationalization restructuring actions in the future, the costs of which could be material.

See Note 5, "RESTRUCTURING, INTEGRATION AND SEPARATION COSTS" to our unaudited interim Condensed Consolidated Financial Statements for further details regarding these actions.

Other Expense, Net

Other expense, net for the nine months ended September 30, 2025 and 2024 consists of the following:

	Nine Months Ended September 30,	
(in millions)	**2025**	**2024**
Acquired IPR&D costs	$ 110	$ 18
Acquisition-related transaction costs	5	3
Litigation and other matters, net of insurance recoveries and restitutions	40	215
Acquisition-related contingent consideration	(72)	19
Gain on sale of assets, net	(6)	(10)
	$ 77	$ 245

Acquired IPR&D costs are related to the acquisition of DURECT and certain Bausch + Lomb acquisitions.

Litigation and other matters, net of insurance recoveries and restitutions primarily relates to adjustments to provisions for certain legal matters. Litigation and other matters, net of insurance recoveries and restitutions in 2025 also includes restitution received in connection with a certain legal matter.

Acquisition-related contingent consideration for the nine months ended September 30, 2025 and 2024 reflects changes in estimates in the timing and amounts of expected future royalty and milestone payments and in 2024, includes other adjustments of $18 million related to certain branded products.

Non-Operating Income and Expense

Interest Expense

Interest expense was $1,207 million and $1,051 million and included non-cash amortization and write-offs of debt premiums, discounts and deferred issuance costs of $72 million and $41 million for the nine months ended September 30, 2025 and 2024, respectively. Interest expense increased $156 million, or 15%. The increase is attributable to: (i) write-offs of premiums, discounts and deferred issuance costs associated with the accounting for the April 2025 Refinancing Transactions and the B+L June 2025 Refinancing Activity and (ii) higher effective interest rates on the debt as refinanced in 2025.

The weighted average stated rate of interest as of September 30, 2025 and 2024 was 8.57% and 7.88%, respectively. Due to the accounting treatment for the 2022 Secured Notes, interest expense in the Company's financial statements will not be representative of the weighted average stated rate of interest.

Gain on Extinguishment of Debt

Gain on extinguishment of debt represents the differences between the amounts paid to settle extinguished debts and the carrying value of the related extinguished debt. Gain on extinguishment of debt was $181 million and $23 million for the nine months ended September 30, 2025 and 2024, respectively.

In connection with the April 2025 Refinancing Transactions, the August 2025 Repurchase Activity and the B+L June 2025 Refinancing Activity, the Company recognized a net gain on extinguishment of debt of $181 million during the nine months ended September 30, 2025. Gain on extinguishment of debt of $23 million in 2024 is attributable to repurchases of certain outstanding senior unsecured notes, as previously discussed.

See Note 10, "FINANCING ARRANGEMENTS" to our unaudited interim Condensed Consolidated Financial Statements for further details.

Foreign Exchange and Other

Foreign exchange and other was a loss of $41 million and $26 million for the nine months ended September 30, 2025 and 2024, respectively, an unfavorable net change of $15 million.

Income Taxes

Provision for income taxes was $88 million and $128 million for the nine months ended September 30, 2025 and 2024, respectively, a favorable change of $40 million. Our effective income tax rate for the nine months ended September 30, 2025 differs from the statutory Canadian income tax rate primarily due to: (i) the recording of valuation allowances on entities for which no tax benefit of losses is expected, (ii) the discrete treatment of certain tax matters, primarily related to the finalization of the settlement with the IRS for the 2017 capital loss and (iii) the tax provision generated from our annualized mix of earnings by jurisdiction.

Our effective income tax rate for the nine months ended September 30, 2024 differs from the statutory Canadian income tax rate primarily due to: (i) the recording of valuation allowances on entities for which no tax benefit of losses is expected, (ii) the tax provision generated from our annualized mix of earnings by jurisdiction and (iii) the discrete treatment of certain tax matters, primarily related to changes in uncertain tax positions.

See Note 15, "INCOME TAXES" to our unaudited interim Condensed Consolidated Financial Statements for further details.

Reportable Segment Revenues and Profits

The following table presents segment revenues, segment revenues as a percentage of total revenues, and the year-over-year changes in segment revenues for the nine months ended September 30, 2025 and 2024. The following table also presents segment profits, segment profits as a percentage of segment revenues and the year-over-year changes in segment profits for the nine months ended September 30, 2025 and 2024.

	Nine Months Ended September 30,					
	2025		2024		Change	
(in millions)	Amount	Pct.	Amount	Pct.	Amount	Pct.
Segment Revenues						
Salix	$ 1,885	25 %	$ 1,699	24 %	$ 186	11 %
International	826	11 %	832	12 %	(6)	1 %
Solta Medical	381	5 %	302	4 %	79	26 %
Diversified	682	9 %	722	10 %	(40)	(6)%
Bausch + Lomb	3,696	50 %	3,511	50 %	185	5 %
Total revenues	$ 7,470	100 %	$ 7,066	100 %	$ 404	6 %
Segment Profits / Segment Profit Margins						
Salix	$ 1,396	74 %	$ 1,142	67 %	$ 254	22 %
International	253	31 %	278	33 %	(25)	(9)%
Solta Medical	177	46 %	140	46 %	37	26 %
Diversified	448	66 %	469	65 %	(21)	(4)%
Bausch + Lomb	729	20 %	799	23 %	(70)	(9)%
Total segment profits	$ 3,003	40 %	$ 2,828	40 %	$ 175	6 %

The following table presents organic revenue (non-GAAP) and the year-over-year changes in organic revenue (non-GAAP) for the nine months ended September 30, 2025 and 2024 by segment. Organic revenues (non-GAAP) and organic growth (non-GAAP) rates are defined in the previous section titled "—Reportable Segment Revenues and Profits".

	Nine Months Ended September 30, 2025				Nine Months Ended September 30, 2024			Change in Organic Revenue (Non-GAAP)	
(in millions)	Revenue as Reported	Changes in Exchange Rates	Acquisitions	Organic Revenue (Non-GAAP)	Revenue as Reported	Divestitures and Discontinuations	Organic Revenue (Non-GAAP)	Amount	Pct.
Salix	$ 1,885	$ —	$ —	$ 1,885	$ 1,699	$ 16	$ 1,715	$ 170	10 %
International	826	4	—	830	832	(6)	826	4	—
Solta Medical	381	4	—	385	302	—	302	83	27 %
Diversified	682	—	—	682	722	10	732	(50)	(7)%
Bausch + Lomb	3,696	(21)	(15)	3,660	3,511	(7)	3,504	156	4 %
Total	$ 7,470	$ (13)	$ (15)	$ 7,442	$ 7,066	$ 13	$ 7,079	$ 363	5 %

Salix Segment:

Salix Segment Revenue

The Salix segment includes the Xifaxan® product line. Revenues from our Xifaxan® product line accounted for approximately 85% of the Salix segment revenues. The Salix segment revenue for the nine months ended September 30, 2025 and 2024 was $1,885 million and $1,699 million, respectively, an increase of $186 million, or 11%. The increase was primarily attributable to: (i) an increase in net realized pricing of $93 million, (ii) an increase in volumes of $77 million and (iii) the $16 million impact from the discontinuation of certain non-promoted products which negatively impacted our revenues in 2024.

Salix Segment Profit

The Salix segment profit for the nine months ended September 30, 2025 and 2024 was $1,396 million and $1,142 million, respectively, an increase of $254 million, or 22%. The increase was primarily driven by: (i) higher

contribution attributable to the increase in revenues as previously discussed, (ii) lower SG&A expenses and (iii) lower R&D expenses.

International Segment:

International Segment Revenue

The International segment has a diversified product line with no single product group representing 10% or more of its product sales. The International segment revenue was $826 million and $832 million for the nine months ended September 30, 2025 and 2024, respectively, a decrease of $6 million. The decrease was primarily attributable to: (i) a decrease in volumes of $47 million, (ii) the impact of divestitures and discontinuations of $6 million and (iii) the unfavorable impact of foreign currencies of $4 million, partially offset by an increase in net realized pricing of $51 million.

International Segment Profit

The International segment profit for the nine months ended September 30, 2025 and 2024 was $253 million and $278 million, respectively, a decrease of $25 million, or 9%. This decrease was primarily driven by an unfavorable change in year over year product mix and an increase in SG&A expenses.

Solta Medical Segment:

Solta Medical Segment Revenue

The Solta Medical segment includes the Thermage® product line, which accounted for approximately 85% of the Solta Medical segment revenues. The Solta Medical segment revenue for the nine months ended September 30, 2025 and 2024 was $381 million and $302 million, respectively, an increase of $79 million, or 26%. The increase was attributable to an increase in volumes of $91 million, primarily in South Korea, partially offset by: (i) a decrease in net realized pricing of $8 million and (ii) the unfavorable impact of foreign currencies of $4 million.

Solta Medical Segment Profit

The Solta Medical segment profit for the nine months ended September 30, 2025 and 2024 was $177 million and $140 million, respectively, an increase of $37 million, or 26%. The increase was primarily driven by higher contribution attributable to the increase in revenues as previously discussed, partially offset by higher selling, advertising and promotion expenses and R&D expenses.

Diversified Segment:

Diversified Segment Revenue

The Diversified segment revenue for the nine months ended September 30, 2025 and 2024 was $682 million and $722 million, respectively, a decrease of $40 million, or 6%. The decrease was primarily driven by a decrease in volumes of $69 million, primarily in our Neurology business, partially offset by: (i) an increase in net realized pricing of $19 million and (ii) the $10 million impact from the discontinuation of certain non-promoted products which negatively impacted our revenues in 2024, primarily in our Generics and Dermatology businesses.

Diversified Segment Profit

The Diversified segment profit for the nine months ended September 30, 2025 and 2024 was $448 million and $469 million, respectively, a decrease of $21 million, or 4% and was primarily attributable to the decrease in revenues as previously discussed, partially offset by lower advertising and promotion expenses.

Bausch + Lomb Segment:

Bausch + Lomb Segment Revenue

The Bausch + Lomb segment revenue was $3,696 million and $3,511 million for the nine months ended September 30, 2025 and 2024, respectively, an increase of $185 million, or 5%. The increase was primarily due to: (i) an increase in volumes of $203 million across all the Bausch + Lomb businesses, (ii) the favorable impact of foreign currencies of $21 million and (iii) incremental sales attributable to acquisitions of $15 million, partially offset by: (i) a decrease in net realized pricing of $47 million driven by the Pharmaceuticals business and (ii) the impact of divestitures and discontinuations of $7 million.

Bausch + Lomb Segment Profit

The Bausch + Lomb segment profit for the nine months ended September 30, 2025 and 2024 was $729 million and $799 million, respectively, a decrease of $70 million, or 9%. The decrease was primarily driven by: (i) higher selling, advertising and promotional expenses primarily attributable to MIEBO® and (ii) the overall impact of the voluntary recall of certain enVista IOL products, partially offset by the increase in revenues.

LIQUIDITY AND CAPITAL RESOURCES

Cash Flows

	Nine Months Ended September 30,		
(in millions)	2025	2024	Change
Net income (loss)	$ 223	$ (170)	$ 393
Adjustments to reconcile net loss to net cash provided by operating activities	709	1,043	(334)
Cash provided by operating activities before changes in operating assets and liabilities	932	873	59
Changes in operating assets and liabilities	(27)	123	(150)
Net cash provided by operating activities	905	996	(91)
Net cash used in investing activities	(313)	(254)	(59)
Net cash used in financing activities	(507)	(953)	446
Effect of exchange rate changes on cash, cash equivalents and restricted cash	54	(1)	55
Net increase (decrease) in cash, cash equivalents and restricted cash	139	(212)	351
Cash, cash equivalents and restricted cash, beginning of period	1,201	962	239
Cash, cash equivalents and restricted cash, end of period	$ 1,340	$ 750	$ 590

Operating Activities

Net cash provided by operating activities was $905 million and $996 million for the nine months ended September 30, 2025 and 2024, respectively, a decrease of $91 million.

Cash provided by operating activities before changes in operating assets and liabilities was $932 million and $873 million for the nine months ended September 30, 2025 and 2024, respectively, an increase of $59 million and is primarily attributable to: (i) our improved operating performance as previously discussed and (ii) lower Payments of accrued legal settlements of $24 million during 2025 as compared to 2024, partially offset by higher payments of Acquired IPR&D of $85 million during 2025 as compared to 2024, primarily related to the DURECT acquisition.

Changes in operating assets and liabilities resulted in a net decrease in cash of $27 million for the nine months ended September 30, 2025 and a net increase of $123 million for the nine months ended September 30, 2024, a decrease of $150 million. During the nine months ended September 30, 2025, Changes in operating assets and liabilities were unfavorably impacted by: (i) timing in the collection of trade receivables of $199 million and (ii) an increase in inventories of $7 million, partially offset by the favorable timing of certain payments in the ordinary course of business of $179 million. During the nine months ended September 30, 2024, changes in operating assets and liabilities were favorably impacted by timing of other payments in the ordinary course of business of $453 million, partially offset by: (i) an increase in inventories of $218 million and (ii) timing of collection of trade receivables of $112 million.

Investing Activities

Net cash used in investing activities was $313 million for the nine months ended September 30, 2025 and was primarily driven by Purchases of property, plant and equipment and B+L acquisitions and other investments.

Net cash used in investing activities was $254 million for the nine months ended September 30, 2024 and was primarily driven by Purchases of property, plant and equipment and B+L acquisitions and other investments.

Financing Activities

Net cash used in financing activities was $507 million for the nine months ended September 30, 2025 and was primarily driven by Issuance of long-term debt, net of discounts, of $10,421 million which included: (i) the net proceeds from the April 2025 Refinancing Transactions and the B+L June 2025 Refinancing Activity and (ii) additional borrowings under the B+L May 2027 Revolving Credit Facility. Issuance of long-term debt was offset by Repayments of long-term debt of $10,839 million and Payments of financing costs of $38 million. Repayments of long-term debt include: (i) repayments of debt with the proceeds of the April 2025 Refinancing Transactions, the B+L June 2025 Refinancing Activity and the August 2025

Repurchase Activity, (ii) $251 million of contractual interest payments on the 2022 Secured Notes allocated to the reduction of the recorded premiums and (iii) $42 million of amortization payments related to our term loan facilities. Payments of financing costs primarily relate to the April 2025 Refinancing Transactions and the B+L June 2025 Refinancing Activity.

Net cash used in financing activities was $953 million for the nine months ended September 30, 2024 and was primarily driven by the repayment of long-term debt of $1,049 million which includes: (i) the repurchase and retirement of certain outstanding senior unsecured notes with aggregate par value of $555 million for approximately $530 million, (ii) $273 million of contractual interest payments on the 2022 Secured Notes allocated to the reduction of the recorded premiums, (iii) $116 million of amortization on the term loan B facilities, (iv) $50 million of repayments under the B+L May 2027 Revolving Credit Facility and (v) repayments of $50 million under our AR Credit Facility and $30 million under our 2027 Revolving Credit Facility, partially offset by the issuance of long-term debt of $155 million, representing borrowings of $125 million under the B+L May 2027 Revolving Credit Facility and $30 million under the 2027 Revolving Credit Facility.

See Note 10, "FINANCING ARRANGEMENTS" to our unaudited interim Condensed Consolidated Financial Statements for additional information regarding the financing activities described above, including the definitions of certain defined terms used above.

Liquidity and Debt

Future Sources of Liquidity

Our primary sources of liquidity are our cash and cash equivalents, cash collected from customers, funds as available from our revolving credit facilities, issuances of long-term debt and issuances of equity and equity-linked securities. We believe these sources will be sufficient to meet our current liquidity needs for the next twelve months.

Cash, cash equivalents and restricted cash as presented in the Condensed Consolidated Balance Sheet as of September 30, 2025 includes $332 million of cash, cash equivalents and restricted cash held by legal entities of Bausch + Lomb. Cash held by Bausch + Lomb legal entities and any future cash from the operating, investing and financing activities of Bausch + Lomb is expected to be retained by Bausch + Lomb entities and is generally not available to support the operations, investing and financing activities of other legal entities, including Bausch Health unless paid as a dividend which would be determined by the Board of Directors of Bausch + Lomb and paid pro rata to Bausch + Lomb's shareholders.

As of September 30, 2025, we had aggregate maturities and mandatory payments of our principal balances of debt obligations as follows:

(in millions)	Remainder of 2025	2026	2027	2028	2029	2030	Thereafter	Total
Total debt obligations	$ 314	$ 58	$ 701	$ 5,923	$ 1,663	$ 4,018	$ 7,852	$ 20,529

During July 2025, we gave notice of our intention to repay in full and terminate the AR Credit Facility in accordance with the terms thereof. On October 27, 2025, the outstanding amount of $300 million was repaid using cash on hand and the AR Credit Facility was terminated.

We regularly evaluate market conditions, our liquidity profile and available financing alternatives and may consider executing opportunistic financing transactions, including but not limited to, refinancing or restructuring consolidated indebtedness, issuing new debt instruments, divesting of assets or businesses and issuing equity or equity-linked securities (including secondary offerings or other monetization of a portion of our holdings of common shares of Bausch + Lomb), as deemed appropriate, to manage our debt maturities and to improve our capital structure and liquidity.

Our ability to satisfy our debt obligations will depend principally upon our future operating performance, as well as our continuing efforts to improve our balance sheet. Our ability to restructure or refinance our debt, should we elect to do so, will depend on the capital markets and our financial condition at such times. Additional information about these factors can be found in Item 1A. "Risk Factors – Debt-related Risks" of Part II of this Quarterly Report on Form 10-Q and in Item 1A. "Risk Factors – Debt-related Risks" of 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.

Long-term Debt

Long-term debt, net of unamortized premiums, discounts and issuance costs was $21,042 million and $21,616 million as of September 30, 2025 and December 31, 2024, respectively. Aggregate contractual principal amounts due under our debt obligations were $20,529 million and $20,480 million as of September 30, 2025 and December 31, 2024, respectively, an increase of $49 million.

Description of 2025 Senior Secured Credit Facilities

Borrowings under the 2030 Term Loan B Facility bear interest, with respect to U.S. dollar borrowings, based on the Company's election of either (1) an alternate base rate equal to the highest of: (i) the prime rate then in effect, (ii) the greater of the federal funds effective rate and the overnight bank funding rate (each subject to a 0% floor), plus 0.500% and (iii) the Term SOFR Rate (as defined in the 2025 Credit Agreement) for a one-month interest period, plus 1.000%, subject to a 1.000% floor, plus the Applicable Rate (as defined in the 2025 Credit Agreement) or (2) the Term SOFR Rate for the applicable interest period, subject to a 0% floor, plus the Applicable Rate. The Applicable Rate in connection with a borrowing under the 2030 Term Loan B Facility is 5.25% per annum for alternate base rate borrowings and 6.25% per annum for Term SOFR Rate borrowings.

The 2030 Revolving Credit Facility will mature on the earlier of April 8, 2030 and the date that is 91 calendar days prior to the scheduled maturity of indebtedness for borrowed money of the Company or 126NumberCo in an aggregate principal amount in excess of $1,000 million. Borrowings under the 2030 Revolving Credit Facility can be made in U.S. dollars, Canadian dollars or euros.

Borrowings under the 2030 Revolving Credit Facility bear interest, with respect to U.S. dollar borrowings, based on the Company's election of either (1) an alternate base rate equal to the highest of: (i) the prime rate then in effect, (ii) the greater of the federal funds effective rate and the overnight bank funding rate (each subject to a 0% floor), plus 0.500% and (iii) the Adjusted Term SOFR Rate (as defined in the 2025 Credit Agreement) for a one-month interest period (subject to a 0% floor), plus 1.000%, plus the Applicable Rate or (2) the Adjusted Term SOFR Rate for the applicable interest period (subject to a 0% floor), plus the Applicable Rate.

Borrowings under the 2030 Revolving Credit Facility bear interest, with respect to Canadian Dollar borrowings, based on the Company's election of either (1) the Canadian Overnight Repo Rate Average ("Term CORRA") plus 0.29547% for a one month interest period or 0.32138% for a three-month interest period (subject to a 0% floor), plus the Applicable Rate or (2) a rate equal to the highest of: (i) the Canadian prime rate then in effect and (ii) the annual rate of interest equal to the sum of the (x) Term CORRA rate plus 0.29547% and (y) 1.00% (each subject to a 1.00% floor), plus the Applicable Rate.

Borrowings under the 2030 Revolving Credit Facility bear interest, with respect to Euro borrowings, based on the Adjusted EURIBOR Screen Rate (as defined in the 2025 Credit Agreement), subject to a 0% floor, for any applicable interest period plus the Applicable Rate.

The Applicable Rate in connection with alternate base rate borrowings, Canadian prime rate loans and swingline loans is 3.25% and in connection with Adjusted Term SOFR Rate loans, Adjusted EURIBOR Rate loans and Adjusted Term CORRA Rate (as defined in the 2025 Credit Agreement) loans is 4.25%; provided that, in connection with any borrowing, the Applicable Rate is subject to two 0.250% step-downs subject to compliance with a Blended First Lien Leverage Ratio (as defined in the 2025 Credit Agreement) of equal to or less than 2.6:1.00 and equal to or less than 2.1:1.00, respectively. In addition, the Company is required to pay commitment fees of 0.50% per annum in respect of the unutilized commitments (but in the case of swingline loans, whether utilized or unutilized) under the 2030 Revolving Credit Facility, payable quarterly in arrears, subject to two 0.125% step-downs subject to compliance with a Blended First Lien Leverage Ratio of equal to or less than 2.6:1.00 and equal to or less than 2.1:1.00, respectively. The Company 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 Rate in connection with Adjusted Term SOFR Rate loans, Adjusted EURIBOR Rate loans and Adjusted Term CORRA Rate loans under the 2030 Revolving Credit Facility on a per annum basis, payable quarterly in arrears, as well as customary fronting fees (not to exceed 0.125% per annum) for the issuance of letters of credit and agency fees.

126NumberCo is permitted to voluntarily prepay outstanding loans under the 2030 Term Loan B Facility, in whole or in part, without premium or penalty subject to customary "breakage" costs. The 2030 Term Loan B Facility includes a 100% net cash proceeds sweep, on a pro rata basis with obligations under the 2032 Senior Secured Notes, in connection with (i) the receipt of net cash proceeds from the sale or disposition of Bausch + Lomb Share Collateral, (ii) the receipt of any dividends, distributions or other amounts on account of such Bausch + Lomb Share Collateral if such amounts received exceed $50 million, (iii) incurrence of indebtedness that is not otherwise permitted, (iv) certain asset sales or other dispositions of any property of the Company or its restricted subsidiaries and certain casualty or condemnation events in each case, in excess of $100 million in any fiscal year (subject to reinvestment rights and with any prepayments to be shared ratably with the 11.00% First Lien Secured Notes due September 2028, the 4.875% First Lien Secured Notes due June 2028 and the 2032 Senior Secured Notes) and (v) cash of 126NumberCo from payments under certain intercompany obligations after funding principal and interest payments (including for the subsequent six months) under the 2025 Credit Agreement and the 2032 Senior Secured Notes.

The 2030 Term Loan B Facility will mature on October 8, 2030. The amortization rate for the 2030 Term Loan B Facility is 1.00% per annum, or $30 million, payable in quarterly installments beginning on September 30, 2025.

126NumberCo may direct that prepayments be applied to such amortization payments in order of maturity. Aggregate mandatory quarterly amortization payments for the 2030 Term Loan B Facility will be $150 million through October 2030.

The 2025 Credit Agreement provides for an accordion feature that allows 126NumberCo, on one or more occasions prior to December 31, 2025, to increase the size of the 2030 Term Loan B Facility, add one or more incremental term loan facilities or incur incremental equivalent debt in an aggregate amount not to exceed $1,600 million less the amount of any Drop Down Debt (as defined in the 2025 Credit Agreement) originally incurred (whether or not such Drop Down Debt remains outstanding at the time of such incurrence of incremental term loan facilities or incremental equivalent debt), secured by the collateral on a pari passu basis with the 2025 Senior Secured Credit Facilities. The incurrence of such incremental term loan facilities or incremental equivalent debt is subject to certain conditions, including that a specified amount of Bausch + Lomb shares are added to the Bausch + Lomb Share Collateral based on the amount of such incremental term loan facilities or incremental equivalent debt incurred. In addition, the Company, 126NumberCo and the guarantors shall be able to incur junior indebtedness in an amount such that after giving effect to the incurrence of any such debt, the Company would be in compliance, on a pro forma basis after giving effect to such incurrence of such indebtedness, with either a (i) Fixed Charge Coverage Ratio (as defined in the 2025 Credit Agreement) that is no less than 2.00 to 1.00 or (ii) Total Leverage Ratio (as defined in the 2025 Credit Agreement) that is no greater than 6.50 to 1.00, provided that, in each case, the terms of such junior indebtedness are not materially more favorable than the terms of the 2025 Senior Secured Credit Facilities, the weighted average life to maturity of such junior indebtedness is not shorter than the remaining weighted average life to maturity of any term loans outstanding, and the final maturity date of such junior indebtedness is no earlier than 91 days after the Latest Maturity Date (as defined in the 2025 Credit Agreement) then in effect.

The 2030 Revolving Credit Facility contains financial maintenance covenants that require the Company to maintain (1) a Blended First Lien Leverage Ratio of not greater than (i) 4.25:1.00, prior to the Covenant Step Up Date (as defined in the 2025 Credit Agreement) and (ii) 5.75:1.00 on and after such date and (2) minimum liquidity of not less than $400 million on and after the Covenant Step Up Date.

Description of Accounts Receivable Credit Facility

On June 30, 2023, we entered into the AR Facility Agreement with certain third-party lenders, providing for a non-recourse financing facility collateralized by certain of the Company's accounts receivable. The AR Facility Agreement provides for an up to $600 million facility. During July 2025, we gave notice to the administrative agent under our AR Facility Agreement of our intention to repay using cash on hand all outstanding amounts under our AR Credit Facility. On October 27, 2025, the outstanding amount of $300 million was repaid using cash on hand and the AR Credit Facility was terminated.

See Note 10, "FINANCING ARRANGEMENTS" to our unaudited interim Condensed Consolidated Financial Statements for additional details.

Description of B+L Senior Secured Credit Facilities

Borrowings under the B+L 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 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 CORRA-based rate or (b) a Canadian dollar prime rate, (iii) euros bear interest at a rate per annum equal to the Euro Interbank Offered Rate ("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 the Applicable Rate (as defined in the B+L Amended Credit Agreement). Term SOFR-based borrowings under the B+L 2030 Revolving Credit Facility are not subject to any credit spread adjustment.

The Applicable Rate under the B+L 2030 Revolving Credit Facility is 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. In addition, Bausch + Lomb is required to pay commitment fees of 0.25% per annum in respect of the unutilized commitments under the B+L 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 B+L 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 B+L September 2028 Term Loan B Facility bear interest at a rate per annum equal to, at Bausch + Lomb's 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 B+L September 2028 Term Loan B Facility are not subject to any credit spread adjustment. The stated rate of interest under the B+L September 2028 Term Loan B Facility at September 30, 2025 was 8.16% per annum.

Borrowings under the B+L January 2031 Term Loan B Facility bear interest at a rate per annum equal to, at Bausch + Lomb's 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 B+L January 2031 Term Loan B Facility are not subject to any credit spread adjustment. The stated rate of interest under the B+L January 2031 Term Loan B Facility at September 30, 2025 was 8.41% per annum.

Subject to certain exceptions and customary baskets set forth in the B+L Amended Credit Agreement, Bausch + Lomb is required to make mandatory prepayments of the loans under the B+L 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 a net proceeds threshold), (ii) 100% of the net cash proceeds from the incurrence of debt (other than permitted debt as described in the B+L Amended Credit Agreement), (iii) 50% of Excess Cash Flow (as defined in the B+L 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 a net proceeds threshold). These mandatory prepayments may be used to satisfy future amortization.

The amortization rate for the B+L September 2028 Term Loan B 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 September 30, 2025, the remaining mandatory quarterly amortization payments for the B+L September 2028 Term Loan B Facility were $14 million through June 2028, with the remaining term loan balance being due in September 2028.

The amortization rate for the B+L January 2031 Term Loan B 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 September 30, 2025, aggregate remaining mandatory quarterly amortization payments for the B+L January 2031 Term Loan B Facility were $122 million through December 2030, with the remaining term loan balance being due in January 2031.

The B+L 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 B+L Term Facilities are denominated in U.S. dollars, and borrowings under the B+L 2030 Revolving Credit Facility can be made in U.S. dollars, euros, pounds sterling and Canadian dollars. As of September 30, 2025, the principal amounts outstanding under the B+L September 2028 Term Loan B Facility and the B+L January 2031 Term Loan B Facility were $490 million and $2,319 million, respectively.

See Note 10, "FINANCING ARRANGEMENTS" to our unaudited interim Condensed Consolidated Financial Statements for additional details.

Description of Senior Secured Notes

2032 Senior Secured Notes

The 2032 Senior Secured Notes are: (i) secured, subject to customary limitations, by a first priority lien on substantially all of the assets of 126NumberCo, including a pledge of 185,468,421 common shares of Bausch + Lomb owned by 126NumberCo and (ii) jointly and severally guaranteed by (x) the Company and subsidiaries of the Company that guarantee the Existing Senior Notes (as defined in Note 10, "FINANCING ARRANGEMENTS" to our unaudited interim Condensed Consolidated Financial Statements) (the "BHC Existing Note Guarantors"), with such guarantees secured by the assets of such guarantors, subject to customary limitations, by a first-priority lien that ranks pari passu with the liens securing the Company's Existing Senior Secured Notes (as defined below) and the 2025 Credit Agreement and (y) certain subsidiaries of the Company that do not guarantee the Company's Existing Senior Notes (the "NumberCo Note Guarantors"), with such guarantees secured by the assets of the NumberCo Note Guarantors (including the Bausch + Lomb Share Collateral) and the assets of the BHC Existing Note Guarantors, subject to customary limitations, by a first-priority lien that ranks pari passu with the liens securing the 2025 Credit Agreement.

The 2032 Senior Secured Notes are redeemable at the option of 126NumberCo, in whole or in part, at any time on or after April 15, 2028, at the redemption prices set forth in the indenture that governs the 2032 Senior Secured Notes. Prior to April 15, 2028, 126NumberCo may redeem all or a portion of the 2032 Senior Secured Notes at a price equal to 100% of the principal amount thereof, plus accrued and unpaid interest to, but not including, the date of redemption, plus a "make-whole" premium.

The 2032 Senior Secured Notes are subject to mandatory redemption upon (i) the receipt of net cash proceeds from the sale of Bausch + Lomb Share Collateral, (ii) the receipt of any dividends, distributions or other amounts on account of such Bausch + Lomb Share Collateral if such amounts received exceed $50 million or (iii) the receipt of funds from any repayment of principal on certain intercompany obligations.

Upon the occurrence of a change of control (as defined in the indenture that governs the 2032 Senior Secured Notes), holders of 2032 Senior Secured Notes may require 126NumberCo to repurchase such holder's 2032 Senior Secured Notes, in whole or in part, at a purchase price equal to 101% of the principal amount thereof plus accrued and unpaid interest to, but not including, the purchase date applicable to the 2032 Senior Secured Notes.

Description of Existing Senior Secured Notes

Senior secured notes issued prior to 2025 (the "Existing Senior Secured Notes") are guaranteed by the BHC Existing Note Guarantors. 126NumberCo and its direct parent, 1530065 B.C. Ltd. ("153NumberCo") are non-guarantor restricted subsidiaries with respect to the Existing Senior Secured Notes.

The Existing Senior Secured Notes and their related guarantees rank equally in right of payment with all existing and future unsubordinated indebtedness and rank senior to any future subordinated indebtedness of both the Company and the BHC Existing Note Guarantors. Additionally, the Existing Senior Secured Notes and their guarantees are effectively pari passu with any existing and future indebtedness of the Company and the BHC Existing Note Guarantors that is secured by a first-priority lien on the same collateral. They are effectively senior to any unsecured indebtedness, including the Company's senior unsecured notes (the "Senior Unsecured Notes"), or indebtedness secured by junior liens, in each case to the extent of the value of the collateral securing the Existing Senior Secured Notes. Furthermore, the Existing Senior Secured Notes are structurally subordinated to: (i) all liabilities of the Company's subsidiaries that do not guarantee the Existing Senior Secured Notes (including 153NumberCo and its subsidiary, 126NumberCo) and (ii) any of the Company's debt that is secured by assets not included in the collateral package (such as the Bausch + Lomb Share Collateral).

Upon the occurrence of a change in control (as defined in the indentures that govern the Existing Senior Secured Notes), holders of the Existing Senior Secured Notes may require the Company to repurchase such holder's Existing Senior Secured Notes, in whole or in part, at a purchase price equal to 101% of the principal amount thereof plus accrued and unpaid interest to, but not including, the purchase date applicable to the Existing Senior Secured Notes.

Description of B+L Senior Secured Notes

B+L 8.375% Senior Secured Notes due October 2028

On September 29, 2023, Bausch + Lomb issued $1,400 million aggregate principal amount of 8.375% Senior Secured Notes due October 2028 (the "B+L October 2028 Senior Secured Notes") which are guaranteed by each of Bausch + Lomb's subsidiaries that is a guarantor under the B+L Amended Credit Agreement (the "B+L Note Guarantors"). The B+L October 2028 Senior 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 Bausch + Lomb's obligations under the B+L Amended Credit Agreement under the terms of the indentures that govern the B+L October 2028 Senior Secured Notes.

The B+L October 2028 Senior Secured Notes and their related guarantees rank equally in right of payment with all existing and future unsubordinated indebtedness and rank senior to any future subordinated indebtedness of both Bausch + Lomb and the B+L Note Guarantors. Additionally, these notes and guarantees are effectively pari passu with any existing and future indebtedness of Bausch + Lomb and the B+L Note Guarantors that is secured by a first-priority lien on the same collateral. They are effectively senior to any unsecured indebtedness or indebtedness secured by junior liens, in each case to the extent of the value of the collateral securing the B+L October 2028 Senior Secured Notes. Furthermore, the B+L October 2028 Senior Secured Notes are structurally subordinated to: (i) all liabilities of Bausch + Lomb's subsidiaries that do not guarantee the notes and (ii) any of Bausch + Lomb's debt secured by assets that are not included in the collateral package.

Upon the occurrence of a change in control (as defined in the indentures that govern the B+L October 2028 Senior Secured Notes), unless Bausch + Lomb has exercised its right to redeem all of the notes of a series, holders of the B+L October 2028 Senior Secured Notes may require Bausch + Lomb 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 B+L October 2028 Senior Secured Notes are redeemable at the option of Bausch + Lomb, 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, Bausch + Lomb may redeem the B+L October 2028 Senior 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, Bausch + Lomb may, on any one or more occasions redeem up to 40% of the aggregate principal amount of the B+L October 2028 Senior 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.

B+L Senior Secured Notes due January 2031

On June 26, 2025, the B+L Issuers issued €675 million aggregate principal amount of Senior Secured Floating Rate Notes due January 2031 (the "B+L January 2031 Senior Secured Notes", and together with the B+L October 2028 Senior Secured Notes, the "B+L Senior Secured Notes"). The proceeds from the B+L January 2031 Senior Secured Notes, along with the proceeds of the B+L January 2031 Term Loan B Facility (as described above), were used by Bausch + Lomb to: (i) repay in full outstanding borrowings under the B+L May 2027 Revolving Credit Facility, (ii) refinance, in full, its outstanding term loans due 2027 and (iii) pay related fees and expenses. The B+L January 2031 Senior 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, commencing on January 15, 2026. At September 30, 2025, the B+L January 2031 Senior Secured Notes bore interest at 5.87% per annum.

The B+L January 2031 Senior Secured Notes are guaranteed by Bausch + Lomb and each of its subsidiaries (other than the B+L Issuers) that is a guarantor under the B+L Amended Credit Agreement (collectively the "B+L 2031 Note Guarantors"). The B+L January 2031 Senior 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 B+L Amended Credit Agreement and the obligations under the B+L October 2028 Senior Secured Notes.

The B+L January 2031 Senior Secured Notes and their related guarantees rank pari passu in right of payment with all existing and future unsubordinated indebtedness and rank senior to any existing and future indebtedness of both the B+L Issuers and the B+L 2031 Note Guarantors that is expressly subordinated to the B+L January 2031 Senior Secured Notes and the related guarantees. These notes and guarantees are effectively pari passu with the existing and future indebtedness of the B+L Issuers and the B+L 2031 Note Guarantors that is secured by a first-priority lien on the collateral securing the obligations under the B+L Senior Secured Credit Facilities and the B+L Senior Secured Notes. They are also effectively senior to any unsecured indebtedness and indebtedness secured by junior liens, in each case to the extent of the value of the shared collateral. In addition, the B+L January 2031 Senior Secured Notes are: (i) structurally subordinated to all liabilities of Bausch + Lomb's subsidiaries (other than the B+L Issuers) that do not guarantee the notes, to the extent of the value of those subsidiaries' assets and (ii) effectively subordinated to any of Bausch + Lomb's debt secured by assets that are not included in the collateral package.

Upon the occurrence of a change in control (as defined in the indenture governing the B+L January 2031 Senior Secured Notes), unless the B+L Issuers have exercised their right to redeem all of the B+L January 2031 Senior Secured Notes, holders of the B+L January 2031 Senior Secured Notes may require the B+L Issuers to repurchase such holders' B+L January 2031 Senior 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 B+L January 2031 Senior Secured Notes are redeemable at the option of the B+L 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 B+L Issuers may redeem the B+L January 2031 Senior Secured Notes in whole or in part at a redemption price equal to the principal amount of the B+L January 2031 Senior Secured Notes redeemed plus a make-whole premium. Prior to June 30, 2026, the B+L Issuers may on any one or more occasions redeem up to 40% of the aggregate principal amount of the B+L January 2031 Senior 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.

Description of Senior Unsecured Notes

The Senior Unsecured Notes issued by the Company are the Company's senior unsecured obligations and are jointly and severally guaranteed on a senior unsecured basis by each of its subsidiaries that is a guarantor under the 2022 Amended Credit Agreement (as defined in Note 10, "FINANCING ARRANGEMENTS" to our unaudited interim Condensed Consolidated Financial Statements). The Senior Unsecured Notes issued by Bausch Health Americas, Inc. ("BHA") are senior unsecured obligations of BHA and are jointly and severally guaranteed on a senior unsecured basis by the Company and each of its subsidiaries (other than BHA) that is a guarantor under the 2022 Amended Credit Agreement. Future subsidiaries of the Company and BHA, if any, may be required to guarantee the Senior Unsecured Notes. In connection with the closing of the B+L IPO, the discharge of the April 2025 Unsecured Notes Indenture and the related release under the 2022 Amended Credit Agreement, the guarantees and related security provided by Bausch + Lomb and its subsidiaries in respect of the Existing Senior Notes of the Company and BHA were released. On a non-consolidated basis, the non-guarantor subsidiaries under the indentures that govern the Company's Existing Senior Notes had total assets of $25,012 million and

total liabilities of $16,169 million as of September 30, 2025, and revenues of $4,292 million and an operating loss of $115 million for the nine months ended September 30, 2025.

Upon the occurrence of a change in control (as defined in the indentures that govern the Senior Unsecured Notes), holders of the Senior Unsecured Notes may require the Company or BHA, as applicable, to repurchase such holder's Senior Unsecured Notes, in whole or in part, at a purchase price equal to 101%.

Accounting for the 2022 Exchange

During September 2022, the Company closed a series of transactions whereby it exchanged (the "2022 Exchange") validly tendered senior unsecured notes for newly issued secured notes (the "2022 Secured Notes"). The Company performed an assessment of the 2022 Exchange and determined that it met the criteria to be accounted for as a troubled debt restructuring under Accounting Standards Codification 470-60. As a result of the application of this accounting, the difference between the principal amount of the 2022 Secured Notes and their carrying value was recorded as a premium and is included in long-term debt on the Company's Condensed Consolidated Balance Sheet.

The original premium recorded on the 2022 Secured Notes was $1,835 million, which will be reduced as contractual interest payments are made on the 2022 Secured Notes. The portion of each contractual interest payment allocated to reduce the recorded premium is determined as the difference between the payment due and the calculated interest at the effective interest rate of the underlying carry amount of the associated note. During the nine months ended September 30, 2025 and 2024, the Company made contractual interest payments of $282 million and $310 million, respectively, related to the 2022 Secured Notes, of which $251 million and $273 million, respectively, was recorded as a reduction of the premium.

In connection with the April 2025 Refinancing Transactions, we redeemed the 9.00% Intermediate Holdco Senior Secured Notes issued in connection with the 2022 Exchange. The following table presents the future scheduled contractual interest payments of our 11.00% First Lien Secured Notes due 2028 and 14.00% Second Lien Secured Notes due 2030 (together, the "2022 Remaining Secured Notes"). Contractual interest payments of the 2022 Remaining Secured Notes will be allocated to the reduction of the recorded premium and interest expense as presented below. The amount of interest which reduces the recorded premium will be reported as a financing activity in the Consolidated Statements of Cash Flows.

(in millions)	Remainder of 2025	2026	2027	2028	2029	2030	Total
Interest payments:							
11.00% First Lien Secured Notes due 2028	$ —	$ 195	$ 195	$ 195	$ —	$ —	$ 585
14.00% Second Lien Secured Notes due 2030	25	49	49	49	49	50	271
	$ 25	$ 244	$ 244	$ 244	$ 49	$ 50	$ 856
Interest payments recorded as:							
Interest expense	$ 3	$ 24	$ 22	$ 20	$ 3	$ 4	$ 76
Reduction of recorded premium	22	220	222	224	46	46	780
	$ 25	$ 244	$ 244	$ 244	$ 49	$ 50	$ 856

Availability Under Revolving Credit Facilities

As of October 29, 2025, there were no outstanding borrowings, $26 million of issued and outstanding letters of credit and approximately $474 million of remaining availability under the 2030 Revolving Credit Facility.

As of October 29, 2025, there were no outstanding borrowings, $38 million of issued and outstanding letters of credit and $762 million of remaining availability under the B+L 2030 Revolving Credit Facility. Absent the payment of a dividend, which would be determined by the Board of Directors of Bausch + Lomb and paid pro rata to Bausch + Lomb's shareholders, proceeds from the B+L 2030 Revolving Credit Facility are not available to fund the operations, investing and financing activities of any other subsidiaries of Bausch Health.

Covenant Compliance

As of September 30, 2025, the Company was in compliance with its financial maintenance covenant related to its outstanding debt. The Company, based on its current forecast, expects to remain in compliance with the financial maintenance covenant and meet its debt service obligations for at least the twelve months following the date of issuance of this Form 10-Q.

Any inability to comply with the covenants under the terms of our 2025 Credit Agreement, Senior Secured Notes indentures or Senior Unsecured Notes indentures could lead to a default or an event of default for which we may need to seek relief from our lenders and noteholders in order to waive the associated default or event of default and avoid a potential acceleration of the related indebtedness or cross-default or cross-acceleration to other debt. There can be no assurance that we

would be able to obtain such relief on commercially reasonable terms or otherwise and we may be required to incur significant additional costs. In addition, the lenders under our 2025 Credit Agreement, holders of our Senior Secured Notes and holders of our Senior Unsecured Notes may impose additional operating and financial restrictions on us as a condition to granting any such waiver.

The Company continues to take steps to seek to improve its operating results to ensure continual compliance with its financial maintenance covenant and take other actions to reduce its debt levels to align with the Company's long-term strategy. The Company may consider taking other actions, including divesting other businesses, refinancing debt, issuing equity or equity-linked securities, and the monetization of a portion of its holdings of Bausch + Lomb, as deemed appropriate, to provide additional coverage in complying with the financial maintenance covenant and meeting its debt service obligations.

As of September 30, 2025, Bausch + Lomb was in compliance with the financial and other covenants related to its debt obligations, and, based on its current forecast for the twelve months from the date of issuance of this Form 10-Q, expects to remain in compliance with its financial covenants and meet its debt service obligations over that same period.

Weighted Average Interest Rate

The accounting for the 2022 Exchange results in the 2022 Secured Notes being carried at a premium relative to their principal amount and will result in no interest expense to be recorded in our financial statements for a significant portion of the 2022 Secured Notes. Therefore, interest expense recorded in our financial statements will differ significantly from the contractual interest rates of our debt. As of September 30, 2025, the weighted average interest rate of our debt as reported in our financial statements was 7.46% and the weighted average stated rate of interest was 8.57%.

Focus on Capitalization of the Post-separation Entities

In connection with the B+L Separation, we have emphasized that it is important that the post-separation entities be appropriately capitalized, with appropriate leverage and with access to additional capital, if and when needed, to provide each entity with the ability to independently allocate capital to areas that will strengthen their own competitive positions in their respective lines of business and position each entity for sustainable growth. Therefore, we see the appropriate capitalization and leverage of these businesses post-separation as a key to bringing out additional value across our portfolio of assets and it continues to be a primary objective of our plan of separation.

Credit Rating

As of October 29, 2025, the credit ratings and outlook from Moody's, Standard & Poor's and Fitch for certain outstanding obligations of the Company were as follows:

	Bausch Health Companies Inc.				Bausch + Lomb Corporation		
Rating Agency	Corporate Rating	Senior Secured Rating	Senior Unsecured Rating	Outlook	Corporate Rating	Senior Secured Rating	Outlook
Moody's	Caa2	Caa1	Ca	Stable		B1	Stable
Standard & Poor's	B-	B-	CCC+	Negative	B	B	Developing
Fitch					B	BB	Rating Watch Evolving

Bausch Health Companies Inc. - There was no change to the corporate credit rating or other credit ratings of Bausch Health Companies Inc. during the third quarter of 2025.

Bausch + Lomb Corporation - There was no change to the corporate credit rating or other credit ratings of Bausch + Lomb during the third quarter of 2025.

Any downgrade in our corporate credit ratings or other credit 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 effect on our results of operations, financial condition, capital expenditures, liquidity or capital resources.

A substantial portion of our cash requirements for the remainder of 2025 are for debt service. Our other future cash requirements relate to working capital, capital expenditures, business development transactions (contingent consideration), restructuring, integration, separation costs, benefit obligations and litigation settlements. In addition, we may use cash to

enter into licensing arrangements and/or to make strategic acquisitions. We are considering further acquisition opportunities within our core therapeutic areas, some of which could be sizable.

In addition to our working capital requirements, as of September 30, 2025, we expect our primary cash requirements during the remainder of 2025 to include:

- *Debt repayments and interest payments*—We anticipate making mandatory maturities and amortization payments of approximately $315 million and interest payments of approximately of $500 million during the period October 1, 2025 through December 31, 2025;
- *Capital expenditures*—We expect to make payments of approximately $35 million for property, plant and equipment during the period October 1, 2025 through December 31, 2025; and
- *Contingent consideration and milestone payments*—We expect to make contingent consideration and milestone payments of approximately $13 million during the period October 1, 2025 through December 31, 2025.

Future Costs of B+L Separation

The Company has incurred costs associated with activities to complete the B+L Separation and will continue to incur costs associated with the B+L Separation. These activities include the costs of separating the Bausch + Lomb business from the remainder of the Company. Separation costs are incremental costs directly related to the B+L Separation and include, but are not limited to, legal, audit and advisory fees. The Company has also incurred, and will incur, separation-related costs which are incremental costs indirectly related to the B+L Separation. These costs include, but are not limited to: (i) rebranding costs and (ii) costs associated with facility relocation and/or modification. The extent and timing of future charges for these costs cannot be reasonably estimated at this time and could be material.

Litigation Payments

In the ordinary course of business, the Company is involved in litigation, claims, government inquiries, investigations, charges and proceedings. As of September 30, 2025, the Company's Condensed Consolidated Balance Sheet includes accrued loss contingencies of $175 million related to matters which are both probable and reasonably estimable, however, a reliable estimate of the period in which the remaining loss contingencies will be payable, if ever, cannot be made. Our ability to successfully defend the Company against pending and future litigation may impact future cash flows.

See Note 18, "LEGAL PROCEEDINGS" to our unaudited interim Condensed Consolidated Financial Statements for further details.

Future Cost Savings Programs

We continue to evaluate opportunities to improve our operating results and may initiate additional 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. The expenses associated with the implementation of these cost savings programs could be material and may impact our cash flows.

Future Licensing Payments

In the ordinary course of business, the Company may enter into select licensing and collaborative agreements for the commercialization and/or development of unique products primarily in the U.S. and Canada. In connection with these agreements, the Company may pay an upfront fee to secure the agreement. See Note 4, "LICENSING AGREEMENTS AND ACQUISITIONS" to our unaudited interim Condensed Consolidated Financial Statements. Payments associated with the upfront fee for these agreements cannot be reasonably estimated at this time and could be material.

Future Repurchases of Debt

The Company regularly evaluates market conditions, its liquidity profile, and various financing alternatives for opportunities to enhance its capital structure. If opportunities are favorable, we may, from time to time, purchase outstanding debt for cash in open market purchases or privately negotiated transactions. Such repurchases or exchanges, if any, will depend on prevailing market conditions, future liquidity requirements, contractual restrictions and other factors. Further, in the ordinary course of business, we may borrow and repay additional amounts under our credit facilities using cash on hand, cash from operations and cash provided from other financing or refinancing actions, including the sale of equity or equity-linked securities, additional debt financings, and the monetization of a portion of our holdings of Bausch + Lomb.

There have been no other material changes to the contractual obligations disclosed in Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations — Off-Balance Sheet Arrangements and Contractual

Obligations" 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.

OUTSTANDING SHARE DATA

Our common shares trade on the New York Stock Exchange and the Toronto Stock Exchange under the symbol "BHC".

At October 24, 2025, we had 370,516,926 issued and outstanding common shares. In addition, as of October 24, 2025, we had outstanding 5,557,387 stock options, 10,520,679 time-based restricted share units that each represent the right of a holder to receive one of the Company's common shares and 3,745,852 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 7,299,281 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 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. Management has reassessed the critical accounting policies and estimates as disclosed in Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations — Critical Accounting Policies and Estimates" 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, and determined that there were no significant changes in our critical accounting policies and estimates during the three months ended September 30, 2025.

NEW ACCOUNTING STANDARDS

None.

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-Q 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 and prospects and forecasts and changes thereto; product pipeline, prospective products and product approvals, expected launches of new products, product development and future performance and results of current and anticipated products; pending acquisitions and the anticipated results therefrom; anticipated revenues for our products; expected R&D and marketing spend; our expected primary cash and working capital requirements for this fiscal year and beyond; the potential impacts of the IRA and the selection by the Centers for Medicare & Medicaid Services ("CMS") of Xifaxan® for the second round of negotiation under the drug price negotiation program for initial price applicability in 2027 and our ability to mitigate the effects of pricing controls; the Company's plans for continued improvement in operational efficiency and the anticipated impact of such plans; our liquidity and our ability to satisfy our debt maturities as they become due; our ability to reduce debt levels; our ability to comply with the financial and other covenants contained in the 2025 Credit Agreement and the senior notes indentures; the ability of our subsidiary, Bausch + Lomb, to comply with the financial and other covenants contained in the B+L Senior Secured Credit Facilities and the B+L Senior Secured Notes; the recent voluntary recall of certain of Bausch + Lomb's enVista IOL products and the expected impact of such recall on the Bausch + Lomb business; 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) 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; the impact of our distribution, fulfillment and other third-party arrangements; 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 2025 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; the anticipated impact of the adoption of new accounting standards; general market conditions; our expectations regarding our financial performance, including revenues, expenses, gross margins and income taxes; our impairment assessments, including the assumptions used therein and the results thereof; the potential impacts of proposed health care reform measures; 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 fluctuation in exchange rates and interest rates as a result of imposition of tariff and other trade protection measures; the anticipated impact from the conflicts between Russia and Ukraine and between Israel, Iran, Hamas and other countries and militant groups in the region; the Company's plan to separate its eye health business, including the costs, structure and timing of completing such separation transaction and the acquisition of DURECT, including anticipated results thereof.

Forward-looking statements can generally be identified by the use of words such as "believe", "anticipate", "expect", "intend", "estimate", "plan", "continue", "will", "may", "could", "would", "should", "target", "potential", "opportunity", "designed", "create", "predict", "project", "forecast", "seek", "strive", "ongoing", "likely", "evolve", "decrease" or "increase" and variations 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. All of the statements in this Form 10-Q 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:

- the impact of 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;
- ongoing litigation and potential additional litigation, claims, challenges and/or regulatory investigations challenging or otherwise relating to the B+L IPO and the B+L Separation and the costs, expenses, use of resources, diversion of management time and efforts, liability and damages that may result therefrom;
- with respect to the B+L Separation, the risks and uncertainties include, but are not limited to, the structure of the B+L Separation, the expected benefits and costs of the B+L Separation, the expected timing of completion of the B+L Separation and its manner and terms, the Company's ability to complete the B+L Separation considering the various conditions to the completion of the B+L Separation (some of which are outside the Company's control, including conditions related to regulatory matters and applicable shareholder and stock exchange approvals), that market or other conditions are no longer favorable to completing the B+L Separation, that a portion of Bausch Health's ownership of Bausch + Lomb is pledged as collateral securing the 2025 Credit Agreement and the 2032 Senior Secured Notes, that the Xifaxan® Generics Litigation (see "Xifaxan® Paragraph IV Proceedings" of Note 18, "LEGAL PROCEEDINGS" to our unaudited interim Condensed Consolidated Financial Statements) may affect the timing of, or our ability to complete the B+L Separation, that applicable shareholder, stock exchange, regulatory or other approvals are not obtained on the terms or timelines anticipated or at all, business disruption during the pendency of, or following, the B+L Separation, diversion of management time on separation transaction-related issues, retention of existing management team members, the reaction of customers and other parties to the separation transaction, the qualification (if required based on the structure of any B+L Separation) of the separation transaction 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 (if required based on the structure of any B+L Separation) of the Company and the separated entity to satisfy the conditions required to maintain the tax-free status of the B+L Separation (some of which are beyond their control), limitations on the Company's ability to sell a portion of the Company's interest in Bausch + Lomb in order to maintain (if required based on the structure of any B+L Separation) the tax-free status of the B+L Separation (including due to dilution from B+L's issuance of share-based compensation awards), other potential tax or other liabilities that may arise as a result of the B+L Separation, the potential dissynergy costs resulting from the B+L Separation, the impact of the B+L 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 any B+L Separation will occur at all, or that any such transaction will occur on the timelines anticipated by the Company;

- the challenges the Company faces as a result of the closing of the B+L IPO, including any potential, actual or perceived conflict of interest of some of our directors and officers because of their equity ownership in Bausch + Lomb and/or because they also serve as directors or officers of Bausch + Lomb and our ability to timely consolidate the financial results of the Bausch + Lomb business;
- the expense, timing and outcome of legal and governmental proceedings, investigations and information requests relating to, among other matters, our past distribution, marketing, pricing, disclosure and accounting practices (including with respect to our former relationship with Philidor Rx Services, LLC), including a number of pending non-class securities litigations (including certain pending opt-out actions in the U.S. related to the previously settled securities class action and certain opt-out actions in Canada relating to the previously settled class action in Canada), certain pending lawsuits and other claims, investigations or proceedings that may be initiated or that may be asserted;
- the past and ongoing scrutiny of our legacy business practices, including with respect to pricing, and any pricing controls or price adjustments that may be sought or imposed on our products as a result thereof;
- ongoing or potential legal and governmental proceedings that are uncertain, costly and time-consuming and 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 and/or debt securities to decline;
- pricing decisions that we have implemented, or may in the future elect to implement, or any future pricing actions we may take following review by our Patient Access and Pricing Committee (which is responsible for the pricing of our drugs), including our decision to cease participation in the MDRP and 340B programs;
- 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, which could result in new mandatory rebates and discounts or other pricing restrictions, controls or regulations (including mandatory price reductions);
- the impact of pricing controls, future legislative changes impacting pharmaceutical pricing, and social or governmental pressure to lower the cost of drugs and any actions we may take in response thereto;
- ongoing oversight and review of our products and facilities by regulatory and governmental agencies, including periodic audits by the FDA and equivalent agencies outside of the U.S. and the results thereof;
- actions, including inspections, by the FDA or other regulatory authorities with respect to our products or facilities;
- compliance with the legal and regulatory requirements of our marketed drugs and other products, including our dietary products;
- our substantial debt (and potential additional future indebtedness) and current and future debt service obligations, our ability to reduce our outstanding debt levels and the resulting impact on our financial condition, cash flows and results of operations;
- our ability to comply with the financial and other covenants contained in our senior notes indentures, the 2025 Credit Agreement and other current or future credit and/or debt agreements or amendments thereto, including the ability of Bausch + Lomb to comply with the financial and other covenants and obligations under the B+L Senior Secured Credit Facilities and the B+L Senior Secured Notes, restrictions and prohibitions such covenants impose or may impose on the way we conduct our business, including prohibitions on incurring additional debt if certain financial covenants are not met, limitations on the amount of additional obligations we are able to incur pursuant to other covenants, our ability to draw under our 2030 Revolving Credit Facility, Bausch + Lomb's ability to draw down under the revolving credit facility under the B+L Credit Agreement and restrictions on our ability to make certain investments and other restricted payments;
- any default under the terms of our senior notes indentures or the 2025 Credit Agreement (and other current or future credit and/or debt agreements or amendments thereto) or under the terms of B+L's Senior Secured Credit Facilities and the B+L Senior Secured Notes, and our ability or Bausch + Lomb's ability, if any, to cure or obtain waivers of such default;
- any downgrade or additional downgrade by rating agencies in our or Bausch + Lomb's credit ratings, which may impact, among other things, our ability to raise debt and the cost of capital for additional debt issuances;

- our ability to generate cash in order to service our debt;
- any reductions in, or changes in the assumptions used in, our forecasts for fiscal year 2025 or beyond, including as a result of current market and economic conditions in one or more of our markets, which could lead to, among other things: (i) a failure to meet the financial and/or other covenants contained in the 2025 Credit Agreement, senior notes indentures and/or the B+L Credit Agreement (and other current or future credit and/or debt agreements) and/or (ii) impairment in the goodwill associated with certain of our reporting units or impairment charges related to certain of our products or other intangible assets, which impairments could be material;
- 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;
- risks and uncertainties relating to Bausch + Lomb's acquisitions and other business development transactions that they may pursue, seek to complete/or complete (such as the acquisition of XIIDRA® and certain other ophthalmology assets, and recent acquisitions of TearLab Corporation, d/b/a Trukera Medical, Elios Vision, Inc. and Whitecap Biosciences, LLC and the pending acquisition of certain manufacturing equipment and assets and leased manufacturing facility in Mexico), including risks that the pending transaction may not close and that Bausch + Lomb 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;
- with respect to the acquisition of DURECT, uncertainties related to the effect of the announcement of the transaction on the ability of the parties thereto to maintain relationships with customers, suppliers, and other business partners; the impact of the transaction on our business, financial position and results of operations, including with respect to expectations regarding margin expansion, accretion and deleveraging; and risks relating to potential diversion of management attention away from ongoing business operations;
- 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, and the impact of competitive products and pricing, which could lead to material impairment charges;
- factors associated with Bausch + Lomb's recent voluntary recall of certain of its enVista IOL products, including Bausch + Lomb's ability to resupply inventory to the market and the success of the enhanced inspection protocols and more explicit standards for third-party suppliers that Bausch + Lomb has implemented for IOLs;
- 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 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 acceptance of the pricing, effectiveness of promotional efforts, reputation of our products and launch of competing products;
- the challenges and difficulties associated with managing a large complex business;
- 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;
- our ability to develop or acquire more effective or less costly pharmaceutical or OTC products or medical devices than our competitors;
- our ability to effectively operate and grow our businesses in light of the challenges that the Company has faced and market conditions, including with respect to its substantial debt, pending investigations and legal proceedings, scrutiny of our past pricing and other practices, limitations on the way we conduct business imposed by the covenants contained in our 2025 Credit Agreement, the B+L Senior Secured Credit Facilities, our senior notes indentures, the senior notes indentures of Bausch + Lomb and the agreements that govern our other indebtedness;

- 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; the impact of obtaining or maintaining such reimbursement on the price and sales of our products; and the launch and implementation of any new pharma-care or dental-care program or related spending by the Canadian federal government;
- 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 healthcare professionals;
- our ability to maintain and provide appropriate training in our products to our health care providers;
- our eligibility for benefits under tax treaties and the availability of low effective tax rates for the business profits of certain of our subsidiaries;
- the implementation of the OECD's Inclusive Framework, 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 on our consolidated financial statements and related disclosures;
- the outcome of any audits by taxation authorities, which outcomes may differ from the estimates and assumptions that we may use in determining our consolidated tax provisions and accruals;
- 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 our Company;
- 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, including rates of inflation, and credit markets and foreign currency exchange uncertainty and volatility in certain of the countries in which we do business;
- the impact of the conflict in the Middle East involving Israel, Iran, Hamas and other countries and militant groups in the region, the success of the current ceasefire, the conflict's potential continued escalation and expansion and the potential impact on our operations, sale of products and revenues in this region;
- 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, and the counter-duties, counter-tariffs and/or other counter-measures implemented in response by other countries, which could 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 well;
- risks associated with the potential actions the Company may take in response to such 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;
- trade conflicts, including any current and potential future trade disputes between the U.S. and other countries, including China, Canada and the EU;
- the impact of 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 U.S., Canada, the EU and other countries against

governmental and other entities in Russia, Belarus and parts of Ukraine, including potential impact on sales, earnings, market conditions and the ability of the Company to manage its resources and operations in Russia;

- our ability to obtain, maintain and license sufficient intellectual property rights over our products and enforce and defend against challenges to such intellectual property (such as in connection with the Xifaxan® Generics Litigation) and related litigation on, among other things, our business results, financial results, and the B+L Separation;
- the fact that a substantial amount of our revenue is derived from the Xifaxan® product line, and that we may be materially impacted by the entry of a generic rifaximin product earlier than January 2028, including the risk of a competitor launching a generic rifaximin at risk prior to a final unappealable decision;
- 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 impact on our revenues and profits from generic products as a result of changes to regulatory policy;
- our ability to identify, finance, acquire, close and integrate acquisition targets successfully and on a timely basis and the difficulties, challenges, time and resources associated with the integration of acquired companies, businesses and products;
- any divestitures of our assets or businesses and our ability to successfully complete any such divestitures on commercially reasonable terms and on a timely basis, or at all, and the impact of any such divestitures on our Company, including the reduction in the size or scope of our business or market share, loss of revenue, any loss on sale, including any resultant impairments of goodwill or other assets, or any adverse tax consequences suffered as a result of any such divestitures;
- 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 negotiate the terms of or obtain court approval for the settlement of certain legal and regulatory proceedings;
- 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 effect of changes in inventory levels or fluctuations in buying patterns by our large distributor and retail customers;
- the disruption of delivery of our products and the routine flow of manufactured goods;
- economic factors over which the Company has no control, including inflationary pressures as a result of heightened domestic and global inflation, trade policies, or other factors, 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;
- the success of our fulfillment arrangements with Walgreen Co. and our dermatology cash-pay prescription program, including market acceptance of, or market reaction to, such arrangements (including by customers, doctors, patients, PBMs, third-party payors and governmental agencies), and the continued compliance of such arrangements with applicable laws;
- 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 and potential other impacts 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, EMA and similar agencies in other countries, 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 the Company or our third-party partners and service providers (over whom we may have limited influence), or the failure of our Company or these third parties to comply, with applicable laws and regulations, including 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 Corruption of Foreign Public Officials Act (Canada)), worldwide economic sanctions and/or export laws, worldwide environmental laws and regulation and privacy and security regulations, and to prevail in any litigation related to noncompliance;
- the impacts of the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act of 2010 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 the Company and its businesses and products or the enactment of any new or proposed legislation, laws, rules, regulations or guidance that will impact or apply to the Company or its businesses or products, and to the Company's ability to sell its products profitably;
- 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;
- the reduction of revenues in future fiscal periods due to our policies regarding returns, allowances, and chargebacks;
- the reduction of profits due to imports from countries where our products are available at lower prices;
- any plans for the Company's aesthetic medical business;
- interruptions, breakdowns or breaches in our information technology systems;
- the impact of catastrophic events that may disrupt our business;
- risks associated with climate change;

- our ability to maintain adequate internal controls and to provide an assertion as to the effectiveness of such controls on an annual basis;
- the potential adverse effect of shareholder activism;
- our ability to effectively monitor and respond to expectations regarding environmental, social and governance matters; potential uses and benefits of larsucosterol to treat AH, metabolic dysfunction-associated steatohepatitis, or other conditions;
- the potential benefits of Breakthrough Therapy Designation and Fast Track Designation;
- the results and timing of clinical trials, including clinical trial plans and timelines for larsucosterol;
- the likelihood of future clinical trial results of larsucosterol being positive with statistical significance and/or similar to results from previous trials, the possible commencement of future clinical trials;
- the potential benefits and uses of our products and product candidates, including larsucosterol;
- potential regulatory filings for or approval of larsucosterol; and
- risks in Item 1A. "Risk Factors" 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, risks in Item 1A. "Risk Factors" of Part II of this Form 10-Q and risks detailed from time to time in our other filings with the SEC and the CSA, as well as our ability to anticipate and manage the risks associated with the foregoing.

Additional information about these factors and about the material factors or assumptions underlying such forward-looking statements may be found in our Annual Report on Form 10-K for the year ended December 31, 2024, filed on February 19, 2025, under Item 1A. "Risk Factors", under Item 1A. "Risk Factors" of Part II of this Form 10-Q and in the Company's other filings with the SEC and 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-Q 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.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Other than as indicated below under "— Interest Rate Risk" and "— Inflation Risk", there have been no material changes to our exposures to market risks as disclosed in Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations — Quantitative and Qualitative Disclosures About Market Risks" 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.

Interest Rate Risk

As of September 30, 2025, we had $13,635 million and $6,894 million in outstanding aggregate principal amount of fixed rate debt and variable rate debt, respectively. The estimated fair value of our issued fixed rate debt as of September 30, 2025 was $12,860 million. If interest rates were to increase by 100 basis-points, the fair value of our issued fixed rate debt would decrease by approximately $382 million. If interest rates were to decrease by 100 basis-points, the fair value of our issued fixed rate debt would increase by approximately $345 million. We are subject to interest rate risk on our variable rate debt as changes in interest rates could adversely affect earnings and cash flows. A 100 basis-point increase in interest rates would have an annualized pre-tax effect of approximately $69 million in our Condensed Consolidated Statements of Operations and Cash Flows, based on current outstanding borrowings and effective interest rates on our variable rate debt. While our variable-rate debt may impact earnings and cash flows as interest rates change, it is not subject to changes in fair value.

Inflation Risk

We are subject to price control restrictions on our pharmaceutical products in a number of countries in which we operate. As a result, our ability to raise prices in a timely fashion in anticipation of inflation may be limited in some markets.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), has evaluated the effectiveness of our disclosure controls and procedures as of September 30, 2025. Based on this evaluation, our CEO and CFO concluded that our disclosure controls and procedures were effective as of September 30, 2025.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the three months ended September 30, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.