
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarterly Period Ended **September 30, 2025**

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: 001-14956

Bausch Health Companies Inc.

(Exact name of registrant as specified in its charter)

British Columbia , Canada

98-0448205

(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer Identification No.)

2150 St. Elzéar Blvd. West, Laval, Québec, Canada H7L 4A8

(Address of Principal Executive Offices) (Zip Code)

(514) 744-6792

(Registrant's telephone number, including area code)

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Shares, No Par Value	BHC	New York Stock Exchange , Toronto Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer", "accelerated filer", "smaller reporting company", and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Common shares, no par value — 370,516,926 shares outstanding as of October 24, 2025.

BAUSCH HEALTH COMPANIES INC.
FORM 10-Q
FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2025

INDEX

Part I. Financial Information	
Item 1. Condensed Consolidated Financial Statements (unaudited)	
Condensed Consolidated Balance Sheets as of September 30, 2025 and December 31, 2024	1
Condensed Consolidated Statements of Operations for the three and nine months ended September 30, 2025 and 2024	2
Condensed Consolidated Statements of Comprehensive Income (Loss) for the three and nine months ended September 30, 2025 and 2024	3
Condensed Consolidated Statements of Shareholders' Equity (Deficit) for the three and nine months ended September 30, 2025 and 2024	4
Condensed Consolidated Statements of Cash Flows for the nine months ended September 30, 2025 and 2024	5
Notes to the Condensed Consolidated Financial Statements	6
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	46
Item 3. Quantitative and Qualitative Disclosures About Market Risk	88
Item 4. Controls and Procedures	89
Part II. Other Information	
Item 1. Legal Proceedings	90
Item 1A Risk Factors	90
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	90
Item 3. Defaults Upon Senior Securities	90
Item 4. Mine Safety Disclosures	90
Item 5. Other Information	90
Item 6. Exhibits	90
Signatures	92

BAUSCH HEALTH COMPANIES INC.
FORM 10-Q
FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2025

Introductory Note

Except where the context otherwise requires, all references in this Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2025 (this “Form 10-Q”) to the “Company”, “we”, “us”, “our” or similar words or phrases are to Bausch Health Companies Inc. and its subsidiaries, taken together. In this Form 10-Q, references to “\$” are to United States (“U.S.”) dollars, references to “€” are to Euros and references to “CAD” are to Canadian dollars. Unless otherwise indicated, the statistical and financial data contained in this Form 10-Q are presented as of September 30, 2025.

Forward-Looking Statements

This Form 10-Q contains 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 of applicable Canadian securities laws (collectively, “forward-looking statements”), as described in more detail under the heading “Forward-Looking Statements” in Item 2 of Part I of this Form 10-Q. Additional information about these factors and about the material factors or assumptions underlying such forward-looking statements may be found (i) 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”; (ii) under Item 1A. “Risk Factors” of Part II of this Form 10-Q; and (iii) in the Company’s other filings with the U.S. Securities and Exchange Commission (the “SEC”) and the Canadian Securities Administrators (the “CSA”). When relying on our forward-looking statements to make decisions with respect to the Company, investors and others should carefully consider such 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 list of important factors, as described in more detail under the heading “Forward-Looking Statements” in Item 2 of Part I of this Form 10-Q, that may affect future results is not exhaustive and should not be considered a complete statement of all potential risks and uncertainties.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

BAUSCH HEALTH COMPANIES INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(in millions, except share amounts)
(Unaudited)

	September 30, 2025	December 31, 2024
Assets		
Current assets:		
Cash and cash equivalents	\$ 1,308	\$ 1,181
Restricted cash	32	20
Trade receivables, net	2,417	2,140
Inventories, net	1,598	1,595
Prepaid expenses and other current assets	894	838
Total current assets	6,249	5,774
Property, plant and equipment, net	2,026	1,780
Intangible assets, net	4,830	5,551
Goodwill	11,287	11,087
Deferred tax assets, net	2,050	1,968
Other non-current assets	382	363
Total assets	<u>\$ 26,824</u>	<u>\$ 26,523</u>
Liabilities		
Current liabilities:		
Accounts payable	\$ 616	\$ 589
Accrued and other current liabilities	3,598	3,489
Current portion of long-term debt	579	2,674
Total current liabilities	4,793	6,752
Acquisition-related contingent consideration	224	310
Non-current portion of long-term debt	20,463	18,942
Deferred tax liabilities, net	145	128
Other non-current liabilities	843	713
Total liabilities	<u>26,468</u>	<u>26,845</u>
Commitments and contingencies (Note 18)		
Equity (Deficit)		
Common shares, no par value, unlimited shares authorized, 370,473,221 and 367,843,058 issued and outstanding at September 30, 2025 and December 31, 2024, respectively	10,515	10,490
Additional paid-in capital	275	234
Accumulated deficit	(9,555)	(9,824)
Accumulated other comprehensive loss	(1,800)	(2,179)
Total Bausch Health Companies Inc. shareholders' deficit	(565)	(1,279)
Noncontrolling interest	921	957
Total equity (deficit)	356	(322)
Total liabilities and equity (deficit)	<u>\$ 26,824</u>	<u>\$ 26,523</u>

The accompanying notes are an integral part of these condensed consolidated financial statements.

BAUSCH HEALTH COMPANIES INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in millions, except per share amounts)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Revenues				
Product sales	\$ 2,657	\$ 2,482	\$ 7,388	\$ 6,990
Other revenues	24	28	82	76
	<u>2,681</u>	<u>2,510</u>	<u>7,470</u>	<u>7,066</u>
Expenses				
Cost of goods sold (excluding amortization and impairments of intangible assets)	735	682	2,166	2,018
Cost of other revenues	15	14	49	37
Selling, general and administrative	795	850	2,556	2,476
Research and development	166	146	468	453
Amortization of intangible assets	253	274	765	818
Asset impairments	1	—	1	6
Restructuring, integration and separation costs	17	1	49	25
Other expense, net	80	225	77	245
	<u>2,062</u>	<u>2,192</u>	<u>6,131</u>	<u>6,078</u>
Operating income	619	318	1,339	988
Interest income	15	7	39	24
Interest expense	(412)	(346)	(1,207)	(1,051)
Gain on extinguishment of debt	3	—	181	23
Foreign exchange and other	(7)	—	(41)	(26)
Income (loss) before income taxes	218	(21)	311	(42)
Provision for income taxes	(37)	(71)	(88)	(128)
Net income (loss)	181	(92)	223	(170)
Net (income) loss attributable to noncontrolling interest	(2)	7	46	31
Net income (loss) attributable to Bausch Health Companies Inc.	<u>\$ 179</u>	<u>\$ (85)</u>	<u>\$ 269</u>	<u>\$ (139)</u>
Earnings (loss) per share attributable to Bausch Health Companies Inc.				
Basic	\$ 0.48	\$ (0.23)	\$ 0.73	\$ (0.38)
Diluted	\$ 0.48	\$ (0.23)	\$ 0.72	\$ (0.38)
Weighted-average common shares				
Basic	371.3	368.4	370.6	367.7
Diluted	375.5	368.4	374.1	367.7

The accompanying notes are an integral part of these condensed consolidated financial statements.

BAUSCH HEALTH COMPANIES INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(in millions)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Net income (loss)	\$ 181	\$ (92)	\$ 223	\$ (170)
Other comprehensive (loss) income				
Foreign currency translation adjustment	(10)	54	356	(64)
Other comprehensive (loss) income	(10)	54	356	(64)
Comprehensive income (loss)	171	(38)	579	(234)
Comprehensive (income) loss attributable to noncontrolling interest	(2)	13	69	29
Comprehensive income (loss) attributable to Bausch Health Companies Inc.	\$ 169	\$ (25)	\$ 648	\$ (205)

The accompanying notes are an integral part of these condensed consolidated financial statements.

BAUSCH HEALTH COMPANIES INC.
CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY (DEFICIT)
(in millions)
(Unaudited)

Bausch Health Companies Inc. Shareholders' Equity (Deficit)										
	<u>Common Shares</u>		Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Bausch Health Companies Inc. Shareholders' Deficit	Non- controlling Interest	Total Equity (Deficit)		
	Shares	Amount								
Three Months Ended September 30, 2025										
Balances, July 1, 2025	369.7	\$ 10,510	\$ 250	\$ (9,734)	\$ (1,790)	\$ (764)	\$ 911	\$ 147		
Common shares issued under share-based compensation plans	0.8	5	(5)	—	—	—	—	—		
Share-based compensation	—	—	43	—	—	43	—	43		
Employee withholding taxes related to share-based awards	—	—	(5)	—	—	(5)	—	(5)		
Vesting of B+L equity compensation	—	—	(8)	—	—	(8)	8	—		
Noncontrolling interest distributions	—	—	—	—	—	—	—	—		
Net income	—	—	—	179	—	179	2	181		
Other comprehensive loss	—	—	—	—	(10)	(10)	—	(10)		
Balances, September 30, 2025	<u>370.5</u>	<u>\$ 10,515</u>	<u>\$ 275</u>	<u>\$ (9,555)</u>	<u>\$ (1,800)</u>	<u>\$ (565)</u>	<u>\$ 921</u>	<u>\$ 356</u>		
Three Months Ended September 30, 2024										
Balances, July 1, 2024	367.0	\$ 10,483	\$ 181	\$ (9,832)	\$ (2,007)	\$ (1,175)	\$ 948	\$ (227)		
Common shares issued under share-based compensation plans	0.7	6	(6)	—	—	—	—	—		
Share-based compensation	—	—	38	—	—	38	—	38		
Employee withholding taxes related to share-based awards	—	—	(5)	—	—	(5)	—	(5)		
Vesting of B+L equity compensation	—	—	(7)	—	—	(7)	7	—		
Noncontrolling interest distributions	—	—	—	—	—	—	(10)	(10)		
Net loss	—	—	—	(85)	—	(85)	(7)	(92)		
Other comprehensive income (loss)	—	—	—	—	60	60	(6)	54		
Balances, September 30, 2024	<u>367.7</u>	<u>\$ 10,489</u>	<u>\$ 201</u>	<u>\$ (9,917)</u>	<u>\$ (1,947)</u>	<u>\$ (1,174)</u>	<u>\$ 932</u>	<u>\$ (242)</u>		
Nine Months Ended September 30, 2025										
Balances, January 1, 2025	367.8	\$ 10,490	\$ 234	\$ (9,824)	\$ (2,179)	\$ (1,279)	\$ 957	\$ (322)		
Common shares issued under share-based compensation plans	2.7	25	(25)	—	—	—	—	—		
Share-based compensation	—	—	132	—	—	132	—	132		
Employee withholding taxes related to share-based awards	—	—	(24)	—	—	(24)	—	(24)		
Vesting of B+L equity compensation	—	—	(42)	—	—	(42)	42	—		
Noncontrolling interest distributions	—	—	—	—	—	—	(9)	(9)		
Net income (loss)	—	—	—	269	—	269	(46)	223		
Other comprehensive income (loss)	—	—	—	—	379	379	(23)	356		
Balances, September 30, 2025	<u>370.5</u>	<u>\$ 10,515</u>	<u>\$ 275</u>	<u>\$ (9,555)</u>	<u>\$ (1,800)</u>	<u>\$ (565)</u>	<u>\$ 921</u>	<u>\$ 356</u>		
Nine Months Ended September 30, 2024										
Balances, January 1, 2024	365.2	\$ 10,423	\$ 214	\$ (9,778)	\$ (1,881)	\$ (1,022)	\$ 940	\$ (82)		
Common shares issued under share-based compensation plans	2.5	66	(66)	—	—	—	—	—		
Share-based compensation	—	—	107	—	—	107	—	107		
Employee withholding taxes related to share-based awards	—	—	(23)	—	—	(23)	—	(23)		
Vesting of B+L equity compensation	—	—	(31)	—	—	(31)	31	—		
Noncontrolling interest distributions	—	—	—	—	—	—	(10)	(10)		
Net loss	—	—	—	(139)	—	(139)	(31)	(170)		
Other comprehensive (loss) income	—	—	—	—	(66)	(66)	2	(64)		
Balances, September 30, 2024	<u>367.7</u>	<u>\$ 10,489</u>	<u>\$ 201</u>	<u>\$ (9,917)</u>	<u>\$ (1,947)</u>	<u>\$ (1,174)</u>	<u>\$ 932</u>	<u>\$ (242)</u>		

The accompanying notes are an integral part of these condensed consolidated financial statements.

BAUSCH HEALTH COMPANIES INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in millions)
(Unaudited)

	Nine Months Ended September 30,	
	2025	2024
Cash Flows From Operating Activities		
Net income (loss)	\$ 223	\$ (170)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization of intangible assets	918	960
Amortization and write-off of debt premiums, discounts and issuance costs	72	41
Asset impairments	1	6
Acquisition-related contingent consideration	(72)	19
Allowances for losses on trade receivable and inventories	48	43
Deferred income taxes	(75)	(104)
Net gain on sale of assets	(6)	(10)
Adjustments to accrued legal settlements	40	215
Payments of accrued legal settlements	(198)	(222)
Share-based compensation	132	107
Gain excluded from hedge effectiveness	(8)	(10)
Gain on extinguishment of debt	(181)	(23)
Payments of contingent consideration adjustments, including accretion	(6)	(7)
Amortization of interim contract and inventory step-up resulting from acquisitions	62	61
Foreign exchange and other	(18)	(33)
Changes in operating assets and liabilities:		
Trade receivables	(199)	(112)
Inventories	(7)	(218)
Prepaid expenses and other current assets	(29)	120
Accounts payable, accrued and other liabilities	208	333
Net cash provided by operating activities	<u>905</u>	<u>996</u>
Cash Flows From Investing Activities		
Acquisitions and other investments	(17)	(45)
Purchases of property, plant and equipment	(305)	(231)
Acquisition of intangible assets and other assets	(10)	(2)
Purchases of marketable securities	(6)	(7)
Proceeds from sale of marketable securities	6	11
Proceeds from sale of assets and businesses, net of costs to sell	7	7
Interest settlements from cross-currency swaps	12	13
Net cash used in investing activities	<u>(313)</u>	<u>(254)</u>
Cash Flows From Financing Activities		
Issuance of long-term debt, net of discounts	10,421	155
Repayments of long-term debt	(10,839)	(1,049)
Payments of employee withholding taxes related to share-based awards	(24)	(23)
Payments of acquisition-related contingent consideration	(18)	(20)
Payments of financing costs	(38)	(7)
Other	(9)	(9)
Net cash used in financing activities	<u>(507)</u>	<u>(953)</u>
Effect of exchange rate changes on cash, cash equivalents and restricted cash	54	(1)
Net increase (decrease) in cash, cash equivalents and restricted cash	139	(212)
Cash, cash equivalents and restricted cash, beginning of period	1,201	962
Cash, cash equivalents and restricted cash, end of period	<u>\$ 1,340</u>	<u>\$ 750</u>
Cash and cash equivalents	\$ 1,308	\$ 719
Restricted cash	32	31
Cash, cash equivalents and restricted cash, end of period	<u>\$ 1,340</u>	<u>\$ 750</u>

The accompanying notes are an integral part of these condensed consolidated financial statements.

BAUSCH HEALTH COMPANIES INC.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. DESCRIPTION OF BUSINESS

Bausch Health Companies Inc. (the “Company” or “Bausch Health”) is 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 its 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. The Company’s products are marketed directly or indirectly in approximately 90 countries.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Use of Estimates

The accompanying unaudited Condensed Consolidated Financial Statements have been prepared by the Company in U.S. dollars and in accordance with U.S. generally accepted accounting principles (“U.S. GAAP”) for interim financial reporting, which do not conform in all respects to the requirements of U.S. GAAP for annual financial statements. Accordingly, these notes to the unaudited Condensed Consolidated Financial Statements should be read in conjunction with the audited Consolidated Financial Statements prepared in accordance with U.S. GAAP that are contained in the Company’s Annual Report on Form 10-K for the year ended December 31, 2024, filed with the U.S. Securities and Exchange Commission (the “SEC”) and the Canadian Securities Administrators (the “CSA”) on February 19, 2025. The unaudited Condensed Consolidated Financial Statements have been prepared using accounting policies that are consistent with the policies used in preparing the Company’s audited Consolidated Financial Statements for the year ended December 31, 2024. The unaudited Condensed Consolidated Financial Statements reflect all normal and recurring adjustments necessary for a fair statement of the Company’s financial position and results of operations for the interim periods. The operating results for the interim periods presented are not necessarily indicative of the results expected for the full year.

Separation of the Bausch + Lomb Eye Health Business

On August 6, 2020, the Company announced its plan to separate its eye health business, consisting of its 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 Bausch + Lomb 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 September 30, 2025.

The completion of the full B+L Separation, which may be accomplished by the transfer of all or a portion of the Company’s remaining direct or indirect equity interest in Bausch + Lomb to its shareholders (the “Distribution”), the monetization of all or a portion of the Company’s ownership interest in Bausch + Lomb, or a combination thereof, is subject to the achievement of targeted debt leverage ratios and the receipt of any applicable shareholder and other necessary approvals. The Company continues to evaluate all relevant factors and considerations related to completing the B+L Separation, including the Xifaxan® Generics Litigation (see “Xifaxan® Paragraph IV Proceedings” of Note 18, “LEGAL PROCEEDINGS”).

The B+L IPO established two separate companies that include: (i) a diversified pharmaceutical company comprised of the Salix, International, Diversified (neurology, dermatology, generic and dentistry pharmaceutical products) and Solta Medical aesthetic medical device businesses and (ii) a fully integrated eye health company which consists of the Bausch + Lomb Vision Care, Surgical and Pharmaceuticals businesses. These unaudited Condensed Consolidated Financial Statements do not include any adjustments to give effect to the B+L Separation.

Use of Estimates

In preparing the unaudited Condensed Consolidated Financial Statements, management is required to make estimates and assumptions. The estimates and assumptions used by the Company affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the unaudited Condensed Consolidated Financial Statements, and the reported amounts of revenue and expenses during the reporting periods. Actual results could differ from these estimates and the differences could be material.

On an ongoing basis, management reviews its estimates to ensure that these estimates appropriately reflect changes in the Company’s business and new information as it becomes available. If historical experience and other factors used by

management to make these estimates do not reasonably reflect future activity, the Company's results of operations and financial position could be materially impacted.

Principles of Consolidation

The unaudited Condensed Consolidated Financial Statements include the accounts of the Company and those of its subsidiaries and any variable interest entities for which the Company is the primary beneficiary. All intercompany transactions and balances have been eliminated.

Reclassifications

Certain reclassifications have been made to prior year amounts to conform to the current year presentation.

New Accounting Standards

There were no new accounting standards adopted during the nine months ended September 30, 2025.

Recently Issued Accounting Standards, Not Adopted as of September 30, 2025

In September 2025, the Financial Accounting Standards Board (the "FASB") issued Accounting Standards Update ("ASU") 2025-06, Intangibles - Goodwill and Other - Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software ("ASU 2025-06"). This ASU removes all references to software development project stages and requires entities to start capitalizing software costs when both of the following occur: (i) management has authorized and committed to funding the software project and (ii) it is probable that the project will be completed and the software will be used to perform the function intended. The amendment in ASU 2025-06 is effective for fiscal years beginning after December 15, 2027, and interim periods within those fiscal years, with early adoption permitted. The amendments can be applied prospectively, retrospectively, or via a modified prospective transition method. The Company is evaluating the impact of adoption on its consolidated financial statements and related disclosures.

In July 2025, the FASB issued ASU 2025-05, Financial Instruments - Credit Losses (Topic 326) - Measurement of Credit Losses for Accounts Receivable and Contract Assets ("ASU 2025-05"), which simplifies the estimation of credit losses on current accounts receivable and current contract assets arising from transactions accounted for under Accounting Standards Codification ("ASC") 606, Revenue from Contracts with Customers, and allows entities to elect a practical expedient to assume that the current conditions as of the balance sheet date will remain unchanged for the remaining life of the asset when developing a reasonable and supportable forecast as part of estimating expected credit losses on these assets. The amendments in ASU 2025-05 are effective for fiscal years beginning after December 15, 2025 and for interim periods within fiscal years beginning after December 15, 2025. The Company is evaluating the impact of adoption on its consolidated financial statements and related disclosures.

In November 2024, the FASB issued ASU 2024-03, Income Statement – Reporting Comprehensive Income – Expense Disaggregation (Subtopic 220-40): Disaggregation of Income Statement Expense ("ASU 2024-03"), which requires public companies to disclose, in interim and annual reporting periods, additional information about specific expenses in the financial statements. The amendments in ASU 2024-03 are effective for the Company beginning with its 2027 annual report, and its interim periods beginning in 2028. Early adoption is permitted and is effective on either a prospective basis or retrospective basis. The Company is evaluating the impact of adoption on its consolidated financial statements and related disclosures.

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures ("ASU 2023-09"), which requires disclosures of disaggregated income taxes paid, prescribes standard categories for the components of the effective tax rate reconciliation and modifies certain other income tax-related disclosures. The enhanced income tax related disclosures required by ASU 2023-09 are effective for the Company beginning with its 2025 annual report. The Company is evaluating the impact of adoption on its disclosures.

3. REVENUE RECOGNITION

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. See Note 19, "SEGMENT INFORMATION" for the disaggregation of revenue.

Product Sales Provisions

As is customary in the pharmaceutical industry, gross product sales are subject to a variety of deductions in arriving at reported net product sales. The transaction price for product sales is typically adjusted for variable consideration, which may

be in the form of cash discounts, allowances, returns, rebates, chargebacks and distribution fees paid to customers. Provisions for variable consideration are established to reflect the Company's best estimates of the amount of consideration to which it is entitled based on the terms of the contract. The amount of variable consideration included in the transaction price may be constrained, and is included in the net sales price only to the extent that it is probable that a significant reversal in the amount of the cumulative revenue recognized will not occur in a future period.

Provisions for these deductions are recorded concurrently with the recognition of gross product sales revenue and include cash discounts and allowances, chargebacks, and distribution fees, which are paid to direct customers, as well as rebates and returns, which can be paid to direct and indirect customers. 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.

The Company continually monitors its variable consideration provisions and evaluates the estimates used as additional information becomes available. Adjustments will be made to these provisions periodically to reflect new facts and circumstances that may indicate that historical experience may not be indicative of current and/or future results. The Company is required to make subjective judgments based primarily on its evaluation of current market conditions and trade inventory levels related to the Company's products. This evaluation may result in an increase or decrease in the experience rate that is applied to current and future sales, or require an adjustment related to past sales, or both. If the trend in actual amounts of variable consideration varies from the Company's prior estimates, the Company adjusts these estimates when such trend is believed to be sustainable. At that time, the Company would record the necessary adjustments which would affect net product revenue and earnings reported in the current period. The Company applies this method consistently for contracts with similar characteristics.

The following tables present the activity and ending balances of the Company's variable consideration provisions for the nine months ended September 30, 2025 and 2024.

Nine Months Ended September 30, 2025						
<i>(in millions)</i>	Discounts and Allowances	Returns	Rebates	Chargebacks	Distribution Fees	Total
Reserve balances, January 1, 2025	\$ 170	\$ 372	\$ 1,421	\$ 189	\$ 85	\$ 2,237
Current period provisions	534	80	3,210	1,310	248	5,382
Payments and credits	(539)	(113)	(3,114)	(1,377)	(252)	(5,395)
Reserve balances, September 30, 2025	<u>\$ 165</u>	<u>\$ 339</u>	<u>\$ 1,517</u>	<u>\$ 122</u>	<u>\$ 81</u>	<u>\$ 2,224</u>

Included in Rebates in the table above are cooperative advertising credits due to customers of approximately \$40 million and \$36 million as of September 30, 2025 and January 1, 2025, respectively, which are reflected as a reduction of Trade receivables, net in the Condensed Consolidated Balance Sheets. Included as a reduction of current period provisions for Distribution Fees in the table above are price appreciation credits of approximately \$3 million for the nine months ended September 30, 2025.

Nine Months Ended September 30, 2024						
<i>(in millions)</i>	Discounts and Allowances	Returns	Rebates	Chargebacks	Distribution Fees	Total
Reserve balances, January 1, 2024	\$ 191	\$ 380	\$ 1,108	\$ 216	\$ 44	\$ 1,939
Current period provisions	500	115	2,699	1,465	226	5,005
Payments and credits	(501)	(122)	(2,459)	(1,516)	(196)	(4,794)
Reserve balances, September 30, 2024	<u>\$ 190</u>	<u>\$ 373</u>	<u>\$ 1,348</u>	<u>\$ 165</u>	<u>\$ 74</u>	<u>\$ 2,150</u>

Included in Rebates in the table above are cooperative advertising credits due to customers of approximately \$43 million and \$39 million as of September 30, 2024 and January 1, 2024, respectively, which are reflected as a reduction of Trade receivables, net in the Condensed Consolidated Balance Sheets. There were no price appreciation credits during the nine months ended September 30, 2024.

Contract Assets and Contract Liabilities

There are no contract assets for any period presented. Contract liabilities consist of deferred revenue, the balance of which is not material to any period presented.

Allowance for Credit Losses

An allowance is maintained for potential credit losses. The Company estimates the current expected credit loss on its receivables based on various factors, including historical credit loss experience, customer credit worthiness, value of collateral (if any), and any relevant current and reasonably supportable future economic factors. Additionally, the Company generally estimates the expected credit loss on a pool basis when customers are deemed to have similar risk characteristics. Trade receivables balances are written off against the allowance when it is deemed probable that the trade receivable will not be collected. Trade receivables, net are stated net of certain sales provisions and the allowance for credit losses. The activity in the allowance for credit losses for trade receivables for the nine months ended September 30, 2025 and 2024 is as follows:

<i>(in millions)</i>	2025	2024
Balance, beginning of period	\$ 30	\$ 34
Provision for expected credit losses	6	2
Write-offs charged against the allowance	(6)	(3)
Foreign exchange and other	—	(3)
Balance, end of period	<u>\$ 30</u>	<u>\$ 30</u>

4. LICENSING AGREEMENTS AND ACQUISITIONS

Licensing Agreements

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. 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 regulatory agencies, (iii) covered by third-party payors or (iv) profitable for distribution, is highly uncertain. The commitment periods under these agreements vary and include customary termination provisions. Expenses arising from commitments, if any, to fund the development and testing of these products and their promotion are recognized as incurred. Royalties due are recognized when earned and milestone payments are accrued when each milestone has been achieved and payment is probable and can be reasonably estimated.

Acquisition of DURECT

In September 2025, the Company acquired DURECT Corporation (“DURECT”) for total consideration of \$84 million, including \$64 million in cash, \$11 million in assumed liabilities, and \$9 million in transaction costs. The agreement also includes potential future sales-based milestone payments of up to \$350 million, subject to certain adjustments.

The transaction was accounted for as an asset acquisition under ASC 805, Business Combinations, as substantially all of the value was attributed to a single in-process research and development (“IPR&D”) asset related to Larsucosterol, a drug candidate for alcohol-associated hepatitis. Clinical testing for Larsucosterol is ongoing and the drug candidate has not yet received regulatory approval from the Food and Drug Administration (“FDA”). Accordingly, \$81 million of consideration was allocated to Acquired IPR&D and expensed in accordance with ASC 730, Research and Development, with the remaining \$3 million of consideration allocated to other assets. The expense was recorded in Other expense, net in the Condensed Consolidated Statements of Operations.

Acquisition of Manufacturing Equipment

During September 2025, Bausch + Lomb, through its affiliates, entered into an agreement to acquire certain manufacturing equipment and assets and assume the lease of a manufacturing facility in Mexico. The acquisition is expected to close in the fourth quarter of 2025 or first quarter of 2026, subject to receipt of regulatory approval and other customary closing conditions. Consideration will include an upfront cash payment of approximately \$75 million due at closing.

Acquisition of Whitecap Biosciences

During January 2025, Bausch + Lomb, through an affiliate, acquired Whitecap Biosciences, LLC (“Whitecap Biosciences”) for an upfront payment of approximately \$28 million and potential future milestone and royalty payments. The acquisition is expected to expand Bausch + Lomb’s clinical-stage pipeline as Whitecap Biosciences is currently developing two innovative therapies for potential use in glaucoma and geographic atrophy. Bausch + Lomb accounted for the transaction as an asset acquisition and during the nine months ended September 30, 2025, Bausch + Lomb expensed the upfront payment of approximately \$28 million as acquired in-process research and development costs, as included within Other expense, net on the Condensed Consolidated Statements of Operations.

Acquisition of Elios Vision

During December 2024, Bausch + Lomb, through an affiliate, acquired Elios Vision, Inc. (“Elios Vision”) for (i) a cash payment of approximately \$99 million and (ii) potential future milestone obligations. Elios Vision, is 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. The acquisition of Elios Vision was accounted for as a business combination under the acquisition method of accounting.

As of the acquisition date, the potential future milestone obligations, included as part of the aggregate purchase consideration, were recognized as a contingent consideration liability of \$89 million, of which \$11 million was recorded as a current liability. Bausch + Lomb reassesses its acquisition-related contingent consideration liabilities each quarter for changes in fair value. See Note 6, “FAIR VALUE MEASUREMENTS” for additional information regarding the fair value assessment of the acquisition-related contingent consideration liabilities. In addition, as of the acquisition date, Bausch + Lomb allocated the aggregate purchase consideration of \$188 million based on estimated fair values, which included recording \$177 million of identifiable intangible assets, \$16 million of other net liabilities and \$27 million of goodwill. The valuation of the assets acquired and liabilities assumed as part of the acquisition of Elios Vision has not been finalized as of September 30, 2025. The areas that could be subject to change primarily relate to income tax matters. Bausch + Lomb will finalize these amounts no later than one year from the acquisition date.

Acquisition of Trukera Medical

During July 2024, Bausch + Lomb, through an affiliate, acquired TearLab Corporation, d/b/a Trukera Medical (“Trukera Medical”). 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. The acquisition of Trukera Medical has been accounted for as a business combination under the acquisition method of accounting.

See Note 3, “ACQUISITIONS AND LICENSING AGREEMENTS” to the audited Consolidated Financial Statements included in the Company’s 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 regarding the 2024 Bausch + Lomb acquisitions, including details regarding the assets acquired and liabilities assumed.

5. 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.

The Company incurred \$49 million and \$23 million of restructuring and integration costs during the nine months ended September 30, 2025 and 2024, respectively, which primarily consist of employee severance costs.

Separation Costs and Separation-related Costs

The Company has incurred, and will incur, costs associated with activities relating to the B+L Separation. These B+L Separation activities include 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. Separation costs included in Restructuring, integration and separation costs for the nine months ended September 30, 2025 and 2024 were not material.

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, advisory fees and costs associated with facility

relocation and/or modification. Included in Selling, general and administrative expenses for the nine months ended September 30, 2025 and 2024 are separation-related costs of \$5 million and \$13 million, respectively.

The extent and timing of future charges of these costs to complete the B+L Separation cannot be reasonably estimated at this time and could be material.

6. FAIR VALUE MEASUREMENTS

Fair value measurements are estimated based on valuation techniques and inputs categorized as follows:

- Level 1 — Quoted prices in active markets for identical assets or liabilities;
- Level 2 — Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; and
- Level 3 — Unobservable inputs that are supported by little or no market activity and that are financial instruments whose values are determined using discounted cash flow methodologies, pricing models, or similar techniques, as well as instruments for which the determination of fair value requires significant judgment or estimation.

If the inputs used to measure the financial assets and liabilities fall within more than one level described above, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Assets and Liabilities Measured at Fair Value on a Recurring Basis

The following fair value hierarchy table presents the components and classification of the Company's financial assets and liabilities measured at fair value on a recurring basis:

<i>(in millions)</i>	September 30, 2025				December 31, 2024			
	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
Assets:								
Cash equivalents	\$ 432	\$ 427	\$ 5	\$ —	\$ 567	\$ 557	\$ 10	\$ —
Restricted cash	\$ 32	\$ 32	\$ —	\$ —	\$ 20	\$ 20	\$ —	\$ —
Cross-currency swaps	\$ 2	\$ —	\$ 2	\$ —	\$ 6	\$ —	\$ 6	\$ —
Foreign currency exchange contracts	\$ 2	\$ —	\$ 2	\$ —	\$ 10	\$ —	\$ 10	\$ —
Liabilities:								
Acquisition-related contingent consideration	\$ 263	\$ —	\$ —	\$ 263	\$ 359	\$ —	\$ —	\$ 359
Cross-currency swaps	\$ 156	\$ —	\$ 156	\$ —	\$ 40	\$ —	\$ 40	\$ —
Foreign currency exchange contracts	\$ 2	\$ —	\$ 2	\$ —	\$ 5	\$ —	\$ 5	\$ —

Cash equivalents consist of highly liquid investments, primarily money market funds, with maturities of three months or less when purchased, and are reflected in the Condensed Consolidated Balance Sheets at carrying value, which approximates fair value due to their short-term nature. 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.

There were no transfers into or out of Level 3 assets or liabilities during the nine months ended September 30, 2025.

Cross-currency Swaps

In 2022, Bausch + Lomb entered into cross-currency swaps, with aggregate notional amounts of \$1,000 million, to mitigate fluctuation in the value of a portion of its euro-denominated net investment from fluctuation in exchange rates. The euro-denominated net investment being hedged is Bausch + Lomb's investment in certain Bausch + Lomb euro-denominated subsidiaries. Bausch + Lomb's cross-currency swaps qualify for and have been designated as a hedge of the foreign currency

exposure of a net investment in a foreign operation and are remeasured at each reporting date to reflect changes in their fair values.

The assets and liabilities associated with Bausch + Lomb's cross-currency swaps as included in the Condensed Consolidated Balance Sheets as of September 30, 2025 and December 31, 2024 are as follows:

<i>(in millions)</i>	September 30, 2025	December 31, 2024
Other non-current liabilities	\$ (156)	\$ (40)
Prepaid expenses and other current assets	\$ 2	\$ 6
Net fair value	\$ (154)	\$ (34)

The following table presents the effect of hedging instruments on the Condensed Consolidated Statements of Comprehensive Income (loss) and the Condensed Consolidated Statements of Operations for the three and nine months ended September 30, 2025 and 2024:

<i>(in millions)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Gain (loss) recognized in Other comprehensive income (loss)	\$ 12	\$ (33)	\$ (116)	\$ (7)
Gain excluded from assessment of hedge effectiveness	\$ 2	\$ 3	\$ 8	\$ 10
Location of gain of excluded component	Interest Expense		Interest Expense	

No portion of the cross-currency swaps were ineffective for the nine months ended September 30, 2025 and 2024. During the nine months ended September 30, 2025 and 2024, the Company received \$12 million and \$13 million, respectively, in interest settlements, which are reported as investing activities in the Condensed Consolidated Statements of Cash Flows.

Foreign Currency Exchange Contracts

The Company's foreign currency exchange contracts are remeasured at each reporting date to reflect changes in their fair values determined using forward rates, which are observable market inputs, multiplied by the notional amount. The Company's foreign currency exchange contracts are economically hedging the foreign exchange exposure on certain of the Company's intercompany balances. As of September 30, 2025, the Company's outstanding foreign currency exchange contracts had an aggregate notional amount of \$738 million.

The assets and liabilities associated with the Company's foreign exchange contracts as included in the Condensed Consolidated Balance Sheets as of September 30, 2025 and December 31, 2024 are as follows:

<i>(in millions)</i>	September 30, 2025	December 31, 2024
Accrued and other current liabilities	\$ (2)	\$ (5)
Prepaid expenses and other current assets	\$ 2	\$ 10
Net fair value	\$ —	\$ 5

The following table presents the effect of the Company's foreign exchange contracts on the Condensed Consolidated Statements of Operations and the Condensed Consolidated Statements of Cash Flows for the three and nine months ended September 30, 2025 and 2024:

<i>(in millions)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Gain (loss) related to changes in fair value	\$ 4	\$ (3)	\$ (5)	\$ (2)
Loss related to settlements	\$ (2)	\$ (2)	\$ (15)	\$ —

Acquisition-related Contingent Consideration Obligations

The fair value measurement of contingent consideration obligations arising from business combinations is determined via a probability-weighted discounted cash flow analysis, using unobservable (Level 3) inputs. These inputs may include: (i) the estimated amount and timing of projected cash flows, (ii) the probability of the achievement of the factor(s) on which the

contingency is based and (iii) the risk-adjusted discount rate used to present value the probability-weighted cash flows. Significant increases or decreases in any of those inputs in isolation could result in a significantly higher or lower fair value measurement. At September 30, 2025, the fair value measurements of acquisition-related contingent consideration were determined using risk-adjusted discount rates ranging from 6% to 16%, and a weighted average risk-adjusted discount rate of 8%. The weighted average risk-adjusted discount rate was calculated by weighting each contract's relative fair value at September 30, 2025.

The following table presents a reconciliation of contingent consideration obligations measured on a recurring basis using significant unobservable inputs (Level 3) for the nine months ended September 30, 2025 and 2024:

<i>(in millions)</i>	September 30,	
	2025	2024
Balance, beginning of period	\$ 359	\$ 292
Adjustments to Acquisition-related contingent consideration:		
Accretion for the time value of money	\$ 20	\$ 14
Fair value adjustments due to changes in estimates of future payments	(92)	5
Acquisition-related contingent consideration (Note 4)	(72)	19
Additions	—	1
Payments/Settlements	(24)	(27)
Balance, end of period	263	285
Current portion included in Accrued and other current liabilities	39	37
Non-current portion included in Other non-current liabilities	<u>\$ 224</u>	<u>\$ 248</u>

Fair Value of Long-term Debt

The fair value of long-term debt as of September 30, 2025 and December 31, 2024 was \$19,722 million and \$18,243 million, respectively, and was estimated using the quoted market prices for the same or similar debt issuances (Level 2).

7. INVENTORIES

Inventories, net consist of:

<i>(in millions)</i>	September 30, 2025	December 31, 2024
Raw materials	\$ 535	\$ 540
Work in process	96	108
Finished goods	967	947
	<u>\$ 1,598</u>	<u>\$ 1,595</u>

8. INTANGIBLE ASSETS AND GOODWILL

Intangible Assets

The major components of intangible assets consist of:

<i>(in millions)</i>	September 30, 2025			December 31, 2024		
	Gross Carrying Amount	Accumulated Amortization and Impairments	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization and Impairments	Net Carrying Amount
Finite-lived intangible assets:						
Product brands	\$ 22,554	\$ (19,786)	\$ 2,768	\$ 22,446	\$ (19,026)	\$ 3,420
Corporate brands	1,002	(769)	233	988	(701)	287
Product rights/patents	3,268	(3,250)	18	3,255	(3,224)	31
Partner relationships, technology and other	392	(379)	13	370	(355)	15
Total finite-lived intangible assets	27,216	(24,184)	3,032	27,059	(23,306)	3,753
Acquired in-process research and development	100	—	100	100	—	100
B&L Trademark	1,698	—	1,698	1,698	—	1,698
	<u>\$ 29,014</u>	<u>\$ (24,184)</u>	<u>\$ 4,830</u>	<u>\$ 28,857</u>	<u>\$ (23,306)</u>	<u>\$ 5,551</u>

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 the three and nine months ended September 30, 2025 were not material.

There were no asset impairments for the three months ended September 30, 2024. Asset impairments for the nine months ended September 30, 2024 were \$6 million and primarily related to the discontinuance of a certain product brand.

Xifaxan[®] intangible assets included in the unaudited Condensed Consolidated Balance Sheets had a carrying value of \$1,212 million and an estimated remaining useful life of 27 months as of September 30, 2025. The Company has filed lawsuits against third-party generic manufacturers that have sent the Company Notices of Paragraph IV Certification for Xifaxan[®]. See “Xifaxan[®] Paragraph IV Proceedings” of Note 18, “LEGAL PROCEEDINGS”.

It is possible that the Xifaxan[®] Generics Litigation and other potential future developments: (i) may adversely impact the estimated future cash flows associated with these products, which could result in an impairment of the value of these intangible assets in one or more future periods and (ii) may result in shortened useful lives of the Xifaxan[®] intangible assets, which would increase amortization expense in future periods. Any such impairment or shortening of the useful lives of Xifaxan[®] could be material to the results of operations of the Company in the period or periods in which they were to occur.

Estimated amortization expense of finite-lived intangible assets for the remainder of 2025 and each of the five succeeding years ending December 31 and thereafter is as follows:

<i>(in millions)</i>	Remainder of 2025	2026	2027	2028	2029	2030	Thereafter	Total
Amortization	\$ 234	\$ 879	\$ 841	\$ 244	\$ 228	\$ 223	\$ 383	\$ 3,032

Goodwill

The changes in the carrying amounts of goodwill during the nine months ended September 30, 2025 and the year ended December 31, 2024 were as follows:

<i>(in millions)</i>	Salix	International	Solta Medical	Diversified	Bausch + Lomb	Total
Balance, January 1, 2024	\$ 3,159	\$ 862	\$ 115	\$ 1,733	\$ 5,314	\$ 11,183
Additions	—	—	—	—	29	29
Foreign exchange and other	—	(70)	—	26	(81)	(125)
Balance, December 31, 2024	3,159	792	115	1,759	5,262	11,087
Foreign exchange and other	—	99	—	(33)	134	200
Balance, September 30, 2025	<u>\$ 3,159</u>	<u>\$ 891</u>	<u>\$ 115</u>	<u>\$ 1,726</u>	<u>\$ 5,396</u>	<u>\$ 11,287</u>

Goodwill is not amortized but is tested for impairment at least annually on October 1st at the reporting unit level. A reporting unit is the same as, or one level below, an operating segment. The Company performs its annual impairment test by first assessing qualitative factors. Where the qualitative assessment suggests that it is more likely than not that the fair value of a reporting unit is less than its carrying amount, a quantitative fair value test is performed for that reporting unit (Step 1).

2024 Annual Impairment Test

The Company performed its annual goodwill impairment test as of October 1, 2024. Given the current market conditions and trends in business performance of the Generics and Dermatology reporting units and there being no headroom resulting from the previous quantitative assessments for these reporting units, the Company elected to perform separate quantitative fair value tests. For the Company's remaining reporting units, the Company conducted its annual goodwill impairment test as of October 1, 2024, by first assessing qualitative factors. Based on its qualitative assessment as of October 1, 2024, management believed that, it was more likely than not that the carrying amounts of its remaining reporting units were less than their respective fair values and therefore concluded that a quantitative fair value test for the remaining reporting units was not required.

June 30, 2025 Interim Assessments

As part of its interim goodwill impairment assessment, the Company considered among other matters, the decline in the market capitalization of Bausch +Lomb during the period October 1, 2024 (the last time goodwill was tested for all reporting units) through June 30, 2025. The length and lack of recovery from this decline in market capitalization, in comparison to the performance of the overall equity markets was sufficient to suggest that the decline in market capitalization could be an indicator that the fair value of a reporting unit or units of its Bausch + Lomb segment could be less than their carrying amounts.

The quantitative fair value tests utilized Bausch + Lomb's most recent cash flow projections for each of its reporting units which reflected current market conditions and current trends in business performance. The quantitative assessment utilized long-term growth rate of 3.0% and discount rates ranging from 10.00% to 11.50%, in estimation of the fair value of the reporting units. After completing the testing, the fair value of each of these reporting units exceeded its carrying value by more than 25%, and, therefore, there was no impairment to goodwill.

September 30, 2025 Interim Assessments

No events occurred or circumstances changed during the three months ended September 30, 2025 that would indicate that the fair value of any reporting unit might be below its carrying value. However, if market conditions deteriorate, or if the Company is unable to execute its strategies, it may be necessary to record impairment charges in the future and any such charges could be material.

Accumulated goodwill impairment charges through September 30, 2025 were \$5,497 million.

9. ACCRUED AND OTHER CURRENT LIABILITIES

Accrued and other current liabilities consist of:

<i>(in millions)</i>	September 30, 2025	December 31, 2024
Product rebates	\$ 1,477	\$ 1,385
Interest	361	217
Employee compensation and benefit costs	345	348
Product returns	339	372
Legal matters and related fees	175	332
Income taxes payable	124	63
Other	777	772
	<u>\$ 3,598</u>	<u>\$ 3,489</u>

10. FINANCING ARRANGEMENTS

Principal amounts of debt obligations and principal amounts of debt obligations net of premiums, discounts and issuance costs consist of the following:

<i>(in millions)</i>	Maturity	September 30, 2025		December 31, 2024	
		Principal Amount	Net of Premiums, Discounts and Issuance Costs	Principal Amount	Net of Premiums, Discounts and Issuance Costs
Senior Secured Credit Facilities:					
<i>2022 Amended Credit Agreement</i>					
2027 Revolving Credit Facility	February 2027	\$ —	\$ —	\$ —	\$ —
February 2027 Term Loan B Facility	February 2027	—	—	2,187	2,166
<i>2025 Credit Agreement</i>					
2030 Revolving Credit Facility	April 2030	—	—	—	—
2030 Term Loan B Facility	October 2030	2,992	2,870	—	—
<i>AR Credit Facility</i>	January 2028	300	300	300	300
<i>B+L Credit Facilities</i>					
B+L May 2027 Revolving Credit Facility	May 2027	—	—	110	110
B+L May 2027 Term Loan B Facility	May 2027	—	—	2,437	2,412
B+L May 2027 Incremental Term Loan B Facility	May 2027	—	—	400	396
B+L September 2028 Term Loan B Facility	September 2028	490	484	494	486
B+L 2030 Revolving Credit Facility	June 2030	—	—	—	—
B+L January 2031 Term Loan B Facility	January 2031	2,319	2,291	—	—
Senior Secured Notes:					
5.50% Secured Notes	November 2025	—	—	1,680	1,678
6.125% Secured Notes	February 2027	—	—	1,000	993
5.75% Secured Notes	August 2027	—	—	500	498
4.875% Secured Notes	June 2028	1,600	1,592	1,600	1,589
11.00% First Lien Secured Notes	September 2028	1,774	2,306	1,774	2,481
14.00% Second Lien Secured Notes	October 2030	352	600	352	622
10.00% Secured Notes	April 2032	4,400	4,341	—	—
B+L Senior Secured Notes:					
B+L 8.375% Secured Notes	October 2028	1,400	1,386	1,400	1,382
B+L January 2031 Senior Secured Notes	January 2031	792	780	—	—
9.00% Intermediate Holdco Secured Notes	January 2028	—	—	999	1,279
Senior Unsecured Notes:					
9.00%	December 2025	—	—	535	533
9.25%	April 2026	—	—	602	601
8.50%	January 2027	643	643	643	643
7.00%	January 2028	171	171	171	171
5.00%	January 2028	433	431	433	431
6.25%	February 2029	821	816	821	816
5.00%	February 2029	452	450	452	449
7.25%	May 2029	336	335	336	335
5.25%	January 2030	779	774	779	774
5.25%	February 2031	463	460	463	459
Other	Various	12	12	12	12
Total long-term debt and other		<u>\$ 20,529</u>	<u>21,042</u>	<u>\$ 20,480</u>	<u>21,616</u>
Less: Current portion of long-term debt			579		2,674
Non-current portion of long-term debt and other			<u>\$ 20,463</u>		<u>\$ 18,942</u>

Covenant Compliance

The 2025 Senior Secured Credit Facilities (as defined below), the AR Credit Facility (as defined below), the B+L Senior Secured Credit Facilities (as listed above), the indentures that govern the Existing Senior Secured Notes (as defined below), the indenture that governs the 2032 Senior Secured Notes (as defined below) (collectively with the Existing Senior Secured Notes, the “Senior Secured Notes”), the indentures that govern the B+L Senior Secured Notes (as defined below), and the indentures that govern our Senior Unsecured Notes (as listed above) contain (or contained) customary affirmative and negative covenants and specified events of default. These affirmative and negative covenants include (or included), among other things, and subject to certain qualifications and exceptions, covenants that restrict the Company’s ability and the ability of certain of its subsidiaries to: incur or guarantee additional indebtedness; create or permit liens on assets; pay dividends on capital stock or redeem, repurchase or retire capital stock or indebtedness; make certain investments and other restricted payments; engage in mergers, acquisitions, consolidations and amalgamations; transfer and sell certain assets; and engage in transactions with affiliates. The 2027 Revolving Credit Facility (as defined below) also contained a financial covenant. The 2030 Revolving Credit Facility (as defined below) contains financial covenants.

As of September 30, 2025, the Company was in compliance with its covenants related to its debt obligations. The Company, based on its current forecast for the next twelve months from the date of issuance of these financial statements, expects to remain in compliance with its financial maintenance covenant and meet its debt service obligations over that same period.

April 2025 Refinancing Transactions

On April 8, 2025, the Company 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 senior notes issued prior to 2025 (the “Existing Senior Notes”). The Company and certain of its subsidiaries are guarantors under the 2025 Senior Secured Credit Facilities and the 2032 Senior Secured Notes. Bausch + Lomb and its subsidiaries are unrestricted subsidiaries under the 2025 Senior Secured Credit Facilities, the 2032 Senior Secured Notes and the Company’s senior secured notes issued prior to 2025 (the “Existing Senior Secured Notes”).

The proceeds from the April 2025 Refinancing Transactions were used: (i) to repay in full and terminate the February 2027 Term Loan B Facility (as defined below), (ii) to redeem certain Existing Senior Notes and all of the secured notes issued by 1375209 B.C. Ltd. due 2028 (the “9.00% Intermediate Holdco Senior Secured Notes”) listed in the table below (collectively, the “Redeemed Notes”), (iii) to pay related fees, premiums and expenses and (iv) for general corporate purposes.

The aggregate principal amounts of the February 2027 Term Loan B Facility repaid in full and terminated and the Redeemed Notes redeemed in connection with the April 2025 Refinancing Transactions are set forth below:

<i>(in millions)</i>	Principal Amount
February 2027 Term Loan B Facility	\$ 2,156
5.50% Senior Secured Notes due 2025	1,680
6.125% Senior Secured Notes due 2027	1,000
5.75% Senior Secured Notes due 2027	500
9.00% Intermediate Holdco Secured Notes due 2028	999
9.00% Senior Unsecured Notes due 2025	535
Total	\$ 6,870

Bridge Facility

On February 11, 2025, 126NumberCo entered into a commitment whereby a third-party lender agreed to provide a senior secured bridge loan facility in an aggregate principal amount of up to \$700 million, subject to customary conditions and limitations, including based on the value of the collateral (the “Bridge Facility”). In connection with the April 2025 Refinancing Transactions, on April 8, 2025, 126NumberCo terminated this Bridge Facility.

Credit Facilities

2022 Senior Secured Credit Facilities

On June 1, 2018, the Company and certain of its subsidiaries as guarantors entered into a Restatement Agreement to amend its then existing credit agreement pursuant to the Fourth Amended & Restated Credit and Guaranty Agreement, as further amended by the First Incremental Amendment to the Fourth Amended & Restated Credit and Guaranty Agreement, dated as of November 27, 2018.

On May 10, 2022, the Company and certain of its subsidiaries as guarantors entered into a Second Amendment to the Fourth Amended & Restated Credit and Guaranty Agreement (the “2022 Amended Credit Agreement”). The 2022 Amended Credit Agreement provided for a revolving credit facility of \$975 million (the “2027 Revolving Credit Facility”) and term loan facilities of original principal amounts of \$2,500 million (the “February 2027 Term Loan B Facility” and together with the 2027 Revolving Credit Facility, the “Existing Senior Secured Credit Facilities”).

During April 2025, the February 2027 Term Loan B Facility was repaid in full, and the Existing Senior Secured Credit Facilities were terminated, in connection with the April 2025 Refinancing Transactions as described above.

The termination of the 2022 Amended Credit Agreement was accounted for as a modification of debt, to the extent the Existing Senior Secured Credit Facilities were replaced with newly issued debt to the same creditor and the present value of the cash flows of the new debt did not exceed 10% when compared to the original debt terms, and as an extinguishment of debt if: (i) the Existing Senior Secured Credit Facilities were replaced with newly issued debt to a different creditor or in the case of newly issued debt to the same creditor and the present value of the cash flows of the new debt exceeds 10% when compared to the original debt terms or (ii) the borrowing capacity declined when issuing the 2030 Revolving Credit Facility.

2025 Senior Secured Credit Facilities

Loans under the 2025 Credit Agreement 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 (the “Bausch + Lomb Share Collateral”) and (ii) jointly and severally guaranteed by (x) the Company and subsidiaries of the Company that guaranteed the Existing Senior Secured Credit Facilities (the “BHC Existing Credit Agreement 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 Existing Senior Secured Notes and the 2032 Senior Secured Notes and (y) certain subsidiaries that are not BHC Existing Credit Agreement Guarantors, including 1530065 B.C. Ltd. (“153NumberCo”) and each subsidiary of 153NumberCo other than Bausch + Lomb and its subsidiaries (the “NumberCo Loan Guarantors” and, together with the BHC Existing Credit Agreement Guarantors, the “Loan Guarantors”), with such guarantees secured by the assets of the NumberCo Loan Guarantors (including the Bausch + Lomb Share Collateral), and the assets of the BHC Existing Credit Agreement Guarantors, subject to customary limitations, by a first-priority lien that ranks pari passu with the liens securing the 2032 Senior Secured Notes.

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. As of September 30, 2025, the Company had no outstanding borrowings and had \$31 million of issued and outstanding letters of credit on the 2030 Revolving Credit Facility.

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.

Accounts Receivable Credit Facility

On June 30, 2023, certain subsidiaries of the Company entered into a Credit and Security Agreement (as amended, the “AR Facility Agreement”) with certain third-party lenders, providing for a non-recourse financing facility collateralized by certain accounts receivable originated by a wholly-owned subsidiary of the Company (the “AR Credit Facility”). The AR Facility Agreement provides for an up to \$600 million facility, subject to certain borrowing base tests. Under the AR Credit Facility, a special purpose entity (the “Borrower”), as the borrower, purchases accounts receivable originated by a wholly-owned subsidiary of the Company, which collateralize borrowings under the AR Credit Facility. The Borrower is a bankruptcy remote entity that is unrestricted under the Company’s debt covenants, and which is consolidated by the Company. Borrowings under the AR Credit Facility are for general corporate purposes.

Borrowings under the AR Credit Facility are in U.S. dollars and bear interest at the one-month Secured Overnight Financing Rate (“SOFR”) plus 6.65%. The Company is required to pay a 0.75% commitment fee on the lesser of the unfunded portion or 50% of total lender commitments. The AR Facility Agreement includes standard representations, warranties, and covenants primarily applicable to the Borrower, restricting debt, liens, investments, mergers, distributions, and business activities.

As of September 30, 2025, there were \$300 million of outstanding borrowings under the AR Credit Facility at an all-in interest rate of 10.93%.

During July 2025, the Borrower gave notice of its 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.

Bausch + Lomb Senior Secured Credit Facilities

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

On September 29, 2023, Bausch + Lomb entered into an incremental term loan facility secured on a pari passu basis with its existing B+L May 2027 Term Loan B Facility. This incremental term loan facility was entered into in the form of an incremental amendment (the “B+L September 2023 Credit Facility Amendment”) to the B+L Original Credit Agreement and consisted of borrowings of \$500 million in new term B loans with a five-year term to maturity (the “B+L September 2028 Term Loan B Facility”).

On November 1, 2024, Bausch + Lomb entered into an additional incremental term loan facility secured on a pari passu basis with its existing B+L May 2027 Term Loan B Facility and B+L September 2028 Term Loan B Facility. This incremental term loan facility was entered into in the form of an incremental amendment (the “B+L November 2024 Credit Facility Amendment”) to the B+L Original Credit Agreement and consisted of borrowing \$400 million of new term loans with a maturity of May 2027 (the “B+L May 2027 Incremental Term Loan B Facility”).

The B+L May 2027 Revolving Credit Facility is a source of funding for Bausch + Lomb and its subsidiaries only. 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 May 2027 Revolving Credit Facility are not available to fund the operations, investing and financing activities of any other subsidiaries of Bausch Health.

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”). The net proceeds from the B+L January 2031 Senior Secured Notes offering (as described below) and 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 (these transactions together, the “B+L June 2025 Refinancing Activity”).

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. As of September 30, 2025, Bausch + Lomb had no outstanding borrowings, \$38 million of issued and outstanding letters of credit and remaining availability, subject to certain customary conditions, of \$762 million under its B+L 2030 Revolving Credit Facility.

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.

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.

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.

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 the Bausch + Lomb Share Collateral and (ii) jointly and severally guaranteed by (x) the Company and subsidiaries of the Company that guarantee the Existing Senior Notes (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 Existing Senior Secured Notes and the 2025 Credit Agreement and (y) certain subsidiaries of the Company that do not guarantee the 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.

Existing Senior Secured Notes

The Existing Senior Secured Notes are guaranteed by the BHC Existing Note Guarantors. 126NumberCo and its direct parent, 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.

In connection with the issuance of the 2032 Senior Secured Notes, the Company capitalized \$61 million of payments made to lenders and third parties. These capitalized costs are being amortized as interest expense over the remaining term of the 2032 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, 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", 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.

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 Existing Senior Secured Notes. 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 Existing Senior Secured Notes. Future subsidiaries of the Company and BHA, if any, may be required to guarantee the Senior Unsecured Notes. 126NumberCo and 153NumberCo are non-guarantor restricted subsidiaries with respect to the Senior Unsecured Notes.

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% of the principal amount thereof, plus accrued and unpaid interest to, but not including, the purchase date applicable to the Senior Unsecured Notes.

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

2022 Exchange

On September 30, 2022, the Company closed a series of transactions whereby it exchanged (the "2022 Exchange") validly tendered senior unsecured notes with an aggregate outstanding principal balance of \$5,594 million for \$3,125 million (the "2022 Secured Notes") in aggregate principal balance of newly issued secured notes, a reduction of outstanding principal of \$2,469 million.

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 ASC 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 Consolidated Balance Sheet.

As of September 30, 2025, the remaining premium on the 2022 Secured Notes was \$780 million, which is being reduced as contractual interest payments are made on the 2022 Secured Notes. 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.

On April 8, 2025 in connection with the April 2025 Refinancing Transactions, the Company repaid in full and terminated the 9.00% Intermediate Holdco Senior Secured Notes. The redemption of the 9.00% Intermediate Holdco Secured Notes was accounted for as an extinguishment of debt and the Company incurred a gain on extinguishment of debt of \$226 million representing the difference between the amount paid to settle the extinguished debt and the extinguished debt's carrying value (which represents the write-off of the unamortized premium).

Weighted Average Stated Rate of Interest

The weighted average stated rate of interest for the Company's outstanding debt obligations as of September 30, 2025 and December 31, 2024 was 8.57% and 7.72%, 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

The Company 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. A gain or loss on such repurchases or exchanges is recognized as the difference between the amounts paid to settle the extinguished debt and its carrying value.

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.

In January 2024 and May 2024, the Company repurchased and retired a portion of the 9.00% Senior Unsecured Notes due December 2025 and the 9.25% Senior Unsecured Notes due April 2026 with an aggregate par value of approximately \$555 million, for an aggregate cost of approximately \$530 million. In connection with these repurchases, the Company recognized a net gain of approximately \$23 million on extinguishment of debt during the nine months ended September 30, 2024.

Maturities

Maturities of debt obligations for the remainder of 2025, the five succeeding years ending December 31 and thereafter are as follows:

<i>(in millions)</i>	
Remainder of 2025	\$ 314
2026	58
2027	701
2028	5,923
2029	1,663
2030	4,018
Thereafter	<u>7,852</u>
Total debt obligations	20,529
Unamortized premiums, discounts and issuance costs	<u>513</u>
Total long-term debt and other	<u>\$ 21,042</u>

As previously discussed, on October 27, 2025, the remaining outstanding amount of \$300 million under the AR Credit Facility, which is included in the table above, was repaid using cash on hand.

The Company regularly evaluates market conditions, its 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 its holdings of common shares of Bausch + Lomb), as deemed appropriate, to manage its debt maturities and improve its capital structure and liquidity.

See Note 10, “FINANCING ARRANGEMENTS” to the audited Consolidated Financial Statements included in the Company’s 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.

11. SHARE-BASED COMPENSATION

Bausch Health’s Long-Term Incentive Plan

In May 2014, shareholders approved Bausch Health’s 2014 Omnibus Incentive Plan (the “2014 Plan”) which has been amended from time to time to, among other things, increase the number of common shares authorized for issuance under the 2014 Plan. Effective May 14, 2024, Bausch Health further amended and restated the 2014 Plan, as subsequently amended and restated (the “Amended and Restated 2014 Plan”). Such amendment and restatement increased the number of common shares authorized for issuance under the Amended and Restated 2014 Plan by an additional 20,000,000 common shares.

Approximately 25,224,000 common shares were available for future grants as of September 30, 2025. The Company uses reserved and unissued common shares to satisfy its obligations under its share-based compensation plans.

Bausch Health has a long-term incentive program with the objective of aligning the share-based awards granted to senior management with the Company’s focus on generating operating cash flow while maintaining focus on improving total shareholder return (“TSR”) over the long-term. The share-based awards granted under this long-term incentive program may consist of time-based stock options, time-based restricted stock units (“RSUs”) and performance-based RSUs. Performance-based RSUs are comprised of awards that vest upon the attainment of certain targets that are based on the Company’s adjusted operating cash flow (“Adjusted Operating Cash Flow”) with a TSR modifier.

Bausch + Lomb Long-Term Incentive Plan

Prior to May 5, 2022, Bausch + Lomb participated in Bausch Health’s long-term incentive program. Effective May 5, 2022, Bausch + Lomb established the Bausch + Lomb Corporation 2022 Omnibus Incentive Plan (as subsequently amended and restated, the “B+L Plan”) and a total of 28,000,000 common shares of Bausch + Lomb were originally authorized for issuance under the B+L Plan. The B+L Plan was amended and restated effective April 24, 2023, and further amended and restated on May 29, 2024, to increase the number of shares authorized for issuance thereunder, resulting in an aggregate 52,000,000 common shares of Bausch + Lomb authorized for issuance under the B+L Plan.

The B+L Plan provides for the grant of various types of awards including RSUs, restricted stock, stock appreciation rights, stock options, performance-based awards and cash awards. Under the B+L Plan, the exercise price of awards, if any, is set on the grant date and may not be less than the fair market value per share on that date. Generally, stock options have a term of ten years and a three-year vesting period, subject to limited exceptions.

Share-based awards granted to senior management align with Bausch + Lomb’s focus on enhancing its revenue growth while maintaining focus on total shareholder return over the long-term. The share-based awards granted under this long-term incentive program consist of time-based stock options, time-based RSUs and performance-based RSUs (“PSUs”). The PSUs are comprised of awards that vest upon: (i) achievement of certain share price appreciation conditions, including absolute and relative TSR (the “TSR PSUs”), (ii) attainment of certain performance targets that are based on Bausch + Lomb’s Organic Revenue Growth (the “Organic Revenue Growth PSUs”) and (iii) outperformance of performance goals, based on the level of achievement of: (a) a revenue metric (measured for fiscal year 2026) and (b) relative TSR metric (if applicable) (“OPG PSU”). If Bausch + Lomb’s performance is below a specified performance level, no common shares will be paid. Each vested PSU represents the right of a holder to receive a number of Bausch + Lomb’s common shares up to a specified maximum.

Approximately 13,700,000 Bausch + Lomb common shares were available for future grants as of September 30, 2025. Bausch + Lomb uses reserved and unissued common shares to satisfy its obligations under its share-based compensation plans.

In July 2025, the Talent and Compensation Committee of Bausch + Lomb approved certain amendments to the employment agreement by and between Brent Saunders, Chief Executive Officer (“CEO”) and Chair of the Board of Directors of the Company, and Bausch + Lomb, dated as of February 14, 2023, and the award agreement underlying certain performance stock units previously granted to Mr. Saunders in connection with his appointment as CEO (the “New Hire PSUs”). The amendments to the New Hire PSUs provided that the New Hire PSUs will now vest and payout between 120% - 330% of the target award on February 23, 2029 (the “New Performance End Date”), based on the level of achievement of (x) specified share-price hurdle goals ranging from \$26.57 per share to \$39.06 per share measured as of the New Performance End Date and (y) a new cumulative Adjusted EBITDA performance modifier goal for Bausch + Lomb’s 2025 - 2028 fiscal years measured against specified cumulative targets (which modifies the payout between a range of -40% to +40% of the payout level under the share-price hurdle performance goal, subject to Mr. Saunders’ continued employment through the New Performance End Date (subject to certain exceptions)).

The following table summarizes the components and classification of the Company’s share-based compensation expenses related to stock options and RSUs for the three and nine months ended September 30, 2025 and 2024:

<i>(in millions)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Stock options	\$ 4	\$ 4	\$ 12	\$ 10
RSUs	39	34	120	97
	<u>\$ 43</u>	<u>\$ 38</u>	<u>\$ 132</u>	<u>\$ 107</u>
Research and development expenses	\$ 3	\$ 4	\$ 10	\$ 9
Selling, general and administrative expenses	40	34	122	98
	<u>\$ 43</u>	<u>\$ 38</u>	<u>\$ 132</u>	<u>\$ 107</u>

Share-based awards granted for the nine months ended September 30, 2025 and 2024 consist of:

	Nine Months Ended September 30,	
	2025	2024
Bausch Health Share-Based Awards		
Time-based RSUs		
Granted	6,277,000	5,173,000
Weighted-average grant date fair value	\$ 7.40	\$ 8.91
Adjusted Operating Cash Flow performance-based RSUs		
Granted	2,096,000	1,332,000
Weighted-average grant date fair value	\$ 7.36	\$ 9.60
Bausch + Lomb Share-Based Awards		
Stock options		
Granted	1,374,000	1,317,000
Weighted-average exercise price	\$ 15.86	\$ 16.85
Weighted-average grant date fair value	\$ 4.66	\$ 4.92
RSUs		
Granted	3,867,000	3,652,000
Weighted-average grant date fair value	\$ 15.42	\$ 16.77
TSR PSUs		
Granted	388,000	826,000
Weighted-average grant date fair value	\$ 15.86	\$ 21.21
Organic Revenue Growth PSUs		
Granted	753,000	379,000
Weighted-average grant date fair value	\$ 15.98	\$ 16.08
OPG PSUs		
Granted	10,000	1,792,000
Weighted-average grant date fair value	\$ 11.19	\$ 17.03

As of September 30, 2025, the remaining unrecognized compensation expense related to all outstanding non-vested stock options, time-based RSUs and performance-based RSUs under the Company's 2014 Plan and the B+L Plan amounted to \$201 million, which will be amortized over a weighted-average period of 1.72 years.

As of September 30, 2025, the remaining unrecognized compensation expense related to all outstanding non-vested stock options, time-based RSUs and PSUs under the B+L Plan amounted to \$137 million, which will be amortized over a weighted-average period of 1.78 years.

Bausch Health 2025 Employee Stock Purchase Plan

On May 13, 2025, the shareholders of the Company approved the Bausch Health Companies Inc. 2025 Employee Stock Purchase Plan (the "ESPP"). The ESPP provides eligible employees with an opportunity to purchase common shares from the Company at a discount through accumulated payroll deductions. The ESPP will be implemented through a series of offering periods to eligible employees. Under the ESPP, the offering periods will have a duration of six months commencing on June 1 or December 1 and ending on November 30 or May 31, respectively. The purchase price will be specified pursuant to the offering, but cannot, under the terms of the ESPP, be less than 85% of the lower of the fair market value per common share on either the grant date or on the purchase date. As of September 30, 2025, there have not been any offering periods available to purchase common shares under the ESPP.

12. ACCUMULATED OTHER COMPREHENSIVE LOSS

Accumulated other comprehensive loss consists of:

<i>(in millions)</i>	September 30, 2025	December 31, 2024
Foreign currency translation adjustment	\$ (1,783)	\$ (2,162)
Pension adjustment, net of tax	(17)	(17)
	<u>\$ (1,800)</u>	<u>\$ (2,179)</u>

Income taxes are not provided for foreign currency translation adjustments arising on the translation of the Company's operations having a functional currency other than the U.S. dollar, except to the extent of translation adjustments related to the Company's retained earnings for foreign jurisdictions in which the Company is not considered to be permanently reinvested.

13. RESEARCH AND DEVELOPMENT

Included in Research and development are costs related to product development and quality assurance programs. Quality assurance are the costs incurred to meet evolving customer and regulatory standards. Research and development costs consist of:

<i>(in millions)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Product related research and development	\$ 162	\$ 141	\$ 455	\$ 440
Quality assurance	4	5	13	13
	<u>\$ 166</u>	<u>\$ 146</u>	<u>\$ 468</u>	<u>\$ 453</u>

14. OTHER EXPENSE, NET

Other expense, net consists of:

<i>(in millions)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Acquired IPR&D costs	\$ 81	\$ 15	\$ 110	\$ 18
Acquisition-related transaction costs	2	2	5	3
Litigation and other matters, net of insurance recoveries and restitutions	35	188	40	215
Acquisition-related contingent consideration	(32)	25	(72)	19
Gain on sale of assets, net	(6)	(5)	(6)	(10)
	<u>\$ 80</u>	<u>\$ 225</u>	<u>\$ 77</u>	<u>\$ 245</u>

Acquired IPR&D costs are primarily related to the DURECT acquisition 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 for the nine months ended September 30, 2025, also includes restitution received in connection with a certain legal matter.

Acquisition-related contingent consideration reflects changes in: (i) the estimated amount and timing of projected cash flows of certain products and (ii) the timing of regulatory approval of certain pipeline products in 2025 and in 2024 includes other adjustments of \$18 million related to certain branded products.

15. INCOME TAXES

For interim financial statement purposes, U.S. GAAP income tax expense/benefit related to ordinary income is determined by applying an estimated annual effective income tax rate against a company's ordinary income. Income tax expense/benefit related to items not characterized as ordinary income is recognized as a discrete item when incurred. The estimation of the Company's income tax provision requires the use of management forecasts and other estimates, application of statutory income tax rates and an evaluation of valuation allowances. The Company's estimated annual effective income tax rate may be revised, if necessary, in each interim period.

Provision for income taxes for the nine months ended September 30, 2025 was \$88 million and included: (i) \$138 million of income tax provision for the Company's ordinary loss for the nine months ended September 30, 2025 and (ii) \$50 million of net income tax benefit for discrete items, which includes: (a) \$36 million of net income tax benefit related to the finalization of the settlement with the Internal Revenue Service ("IRS") for the 2017 capital loss, (b) \$18 million income tax benefit for the recording of assets associated with the acquisition of DURECT, (c) \$12 million income tax benefit due to changes in uncertain tax positions, (d) \$11 million income tax benefit for the discrete treatment of restructuring costs related to B+L and (e) \$26 million income tax provision associated with the filing of certain income tax returns.

Provision for income taxes for the nine months ended September 30, 2024 was \$128 million and included: (i) \$132 million of income tax provision for the Company's ordinary loss for the nine months ended September 30, 2024, (ii) \$5 million of net income tax benefit for discrete items, which includes \$7 million of net income tax benefit related to uncertain tax positions and (iii) \$3 million of tax expense associated with stock compensation.

The Company records a valuation allowance against its deferred tax assets to reduce the net carrying value to an amount that it believes is more likely than not to be realized. When the Company establishes or reduces the valuation allowance against its deferred tax assets, the provision for income taxes will increase or decrease, respectively, in the period such determination is made. The valuation allowance against deferred tax assets was approximately \$2,366 million and \$2,284 million as of September 30, 2025 and December 31, 2024, respectively. The Company will continue to assess the need for valuation allowances on an ongoing basis.

As of September 30, 2025 and December 31, 2024, the Company had \$938 million and \$924 million, respectively, of unrecognized tax benefits, which included \$88 million and \$68 million of interest and penalties, respectively. Of the total unrecognized tax benefits as of September 30, 2025, \$406 million would reduce the Company's effective tax rate, if recognized.

The Company has included the estimated impact of the Organisation for Economic Co-operation and Development's Inclusive Framework (Pillar 2), as currently adopted, in its 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 the liability for corporate taxes or the consolidated tax rate in the future.

The Company continues to be under examination by the Canada Revenue Agency.

The IRS completed its examinations of the Company's U.S. consolidated federal income tax returns for the years 2013 and 2014. There were no material adjustments to the Company's taxable income as a result of these examinations, however the 2014 tax year remained open to the extent of the capital loss carry back from 2017. In June 2025, the IRS concluded its examination of the Company's 2015, 2016 and short period tax return for the period ended September 8, 2017, which also closed the 2014 tax year. As a result, the Company recorded a tax benefit of approximately \$64 million.

The Company's U.S. affiliates remain under examination for various state tax audits in the U.S. for years 2017 through 2024.

The Company's subsidiaries in Germany are under audit for tax years 2017 through 2019. During the three months ended September 30, 2023, the Company received a preliminary assessment from the German taxing authority for the 2014 through 2016 period that would disallow certain transfer pricing adjustments. The Company contested this alleged tax deficiency through the appropriate appeals process and reached a preliminary settlement with the German taxing authority during the year ended December 31, 2024. The settlement was then finalized with the taxing authority and resulted in an immaterial tax cost that closed out the 2014 to 2016 audit period.

In November 2022, the Company's affiliate in the Netherlands received an assessment from the Luxembourg Tax Authorities as successor in interest to its affiliate in Luxembourg for tax years 2018 – 2019 for €271.7 million. The Company is vigorously defending its position and no reserves have been recorded.

In January 2025, the Company's affiliate in Switzerland received a decision by the Tax Chamber of the Administrative Court of the Canton of Zug denying the affiliate's objection to certain transfer pricing adjustments proposed by the Swiss Tax Authorities for its 2018 tax year. The Company is preparing to pursue the resolution of this dispute through the mutual agreement procedure and is expecting the impact of the decision to be immaterial.

Certain affiliates of the Company in regions outside of Canada, the U.S., Germany, Luxembourg and Switzerland are currently under examination by relevant taxing authorities, and all necessary accruals have been recorded, including uncertain income tax benefits. At this time, the Company does not expect that proposed adjustments, if any, would be material to the Company's Condensed Consolidated Financial Statements.

16. EARNINGS (LOSS) PER SHARE

Earnings (loss) per share attributable to Bausch Health Companies Inc. is calculated as follows:

<i>(in millions, except per share amounts)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Net income (loss) attributable to Bausch Health Companies Inc.	\$ 179	\$ (85)	\$ 269	\$ (139)
Basic weighted-average common shares outstanding	371.3	368.4	370.6	367.7
Diluted effect of stock options and RSUs	4.2	—	3.5	—
Diluted weighted-average common shares outstanding	375.5	368.4	374.1	367.7
Earnings (loss) per share attributable to Bausch Health Companies Inc.				
Basic	\$ 0.48	\$ (0.23)	\$ 0.73	\$ (0.38)
Diluted	\$ 0.48	\$ (0.23)	\$ 0.72	\$ (0.38)

During the three and nine months ended September 30, 2024, all potential common shares issuable for stock options and RSUs were excluded from the calculation of diluted loss per share, as the effect of including them would have been anti-dilutive. The dilutive effect of potential common shares issuable for stock options and RSUs on the weighted-average number of common shares outstanding would have been approximately 2,245,000 and 2,656,000 common shares for the three and nine months ended September 30, 2024.

During the three and nine months ended September 30, 2025, time-based RSUs, performance-based RSUs and stock options to purchase approximately 7,180,000 and 7,234,000 common shares, respectively, were not included in the computation of diluted earnings per share because the effect would have been anti-dilutive under the treasury stock method.

During the three and nine months ended September 30, 2024, time-based RSUs, performance-based RSUs and stock options to purchase approximately 14,554,000 and 14,416,000 common shares, respectively, were not included in the computation of diluted earnings per share because the effect would have been anti-dilutive under the treasury stock method.

During the three and nine months ended September 30, 2025, an additional 2,028,000 performance-based RSUs were not included in the computation of diluted earnings per share as the required performance conditions had not been met.

17. SHAREHOLDER RIGHTS PLAN

On April 14, 2025, the Board of Directors of the Company adopted a shareholder rights plan (the “SRP”), which the Board subsequently amended and restated to remove provisions related to a director appointment and nomination agreement that terminated on August 14, 2025. The SRP is intended to ensure, to the extent possible, that all shareholders of the Company are treated fairly in connection with an offer to acquire common shares of the Company which, if acquired and beneficially owned (as defined in the SRP) by an Acquiring Person (as defined in the SRP), would result in such person owning 20% or more of the outstanding common shares of the Company. Pursuant to the SRP, one right (each, a “Right”) attached to each common share outstanding on April 14, 2025, and to each common share issued after such time and prior to the earlier of the Separation Time (as defined in the SRP) and Expiration (as defined in the SRP). Each Right entitles its holder, from and after the Separation Time, to purchase common shares of the Company, pursuant to the conditions set forth in the SRP, at a discount to the then market price of the Company’s common shares. On October 7, 2025, the Company’s shareholders approved the ordinary resolution ratifying, confirming and approving the adoption of the SRP, as amended, and the shareholders will be asked to reconfirm the SRP at every third annual meeting of the shareholders thereafter.

18. LEGAL PROCEEDINGS

From time to time, the Company becomes involved in various legal and administrative proceedings, which include product liability, intellectual property, commercial, tax, antitrust, governmental and regulatory investigations, related private litigation and ordinary course employment-related issues. From time to time, the Company also initiates actions or files counterclaims. The Company could be subject to counterclaims or other suits in response to actions it may initiate. The Company believes that the prosecution of these actions and counterclaims is important to preserve and protect the Company, its reputation and its assets. Certain of these proceedings and actions are described in Note 20, “LEGAL PROCEEDINGS,” to the Company’s Consolidated Financial Statements included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2024, filed with the SEC and the CSA on February 19, 2025.

On a quarterly basis, the Company evaluates developments in legal proceedings, potential settlements and other matters that could increase or decrease the amount of the liability accrued. As of September 30, 2025, the Company's Condensed Consolidated Balance Sheets includes accrued current loss contingencies of \$175 million related to matters which are both probable and reasonably estimable. For all other matters, unless otherwise indicated, the Company cannot reasonably predict the outcome of these legal proceedings, nor can it estimate the amount of loss, or range of loss, if any, that may result from these proceedings. An adverse outcome in certain of these proceedings could have a material adverse effect on the Company's business, financial condition and results of operations, and could cause the market value of its common shares and/or debt securities to decline.

Securities Class Actions and Related Matters

U.S. Securities Litigation - Opt-Out Litigation

Beginning October 2015, four putative securities class actions were filed in the U.S. District Court for the District of New Jersey against the Company and certain current or former officers and directors. The allegations related to, among other things, allegedly false and misleading statements and/or failures to disclose information about the Company's business and prospects, including relating to drug pricing, the Company's use of specialty pharmacies, and the Company's relationship with Philidor Rx Services LLC. The Court consolidated the matters in 2016 and they were later settled with final court approval in 2021 (the "Securities Class Action Settlement").

In addition to the consolidated putative class action, thirty-seven groups of individual investors in the Company's stock and debt securities chose to opt out of the consolidated putative class action and filed securities actions in the U.S. District Court for the District of New Jersey against the Company and certain current or former officers and directors. These actions are described and defined in the Company's Annual Report on Form 10-K for the year ended December 31, 2024, filed on February 19, 2025.

These individual shareholder actions assert claims under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Certain of these individual actions assert additional claims, including claims under Section 18 of the Exchange Act, Sections 11, 12(a)(2) and 15 of the Securities Act. These claims are based on alleged purchases of Company stock, options, and/or debt at various times between January 3, 2013 and August 10, 2016. The allegations in the complaints are similar to those made by plaintiffs in the putative class action.

As of October 2025, the Company has settled thirty-six of the thirty-seven opt-out cases. As part of the settlements, the Company and the other settling defendants admitted no liability as to the claims against them and denied all allegations of wrongdoing. Hound Partners Offshore Fund, LP is the sole remaining opt-out matter and no trial date has been set.

The Company disputes the claims against it in the remaining individual opt-out action and intends to defend itself vigorously.

U.S. Securities Litigation – Kelk Complaint

On July 26, 2023, a purported class action complaint captioned Kelk v. Bausch Health Companies Inc., et al. (No. 23-cv-03996), was filed in the U.S. District Court for the District of New Jersey against the Company and certain of its current or former officers. The action alleges claims under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder. Plaintiffs allege that defendants made various misrepresentations and omissions regarding the Company's proposed spin-off of Bausch + Lomb, and allege that those purported misrepresentations and omissions concealed that the spin-off was executed as part of a strategy to subvert the pending opt-out lawsuits and leave plaintiffs in those actions without viable means to a potential recovery. An amended complaint was filed on January 19, 2024. The amended complaint also alleges that defendants made various misrepresentations and omissions regarding the strength of the Company's patents protecting its product, Xifaxan[®], from generic competitors. Defendants moved to dismiss the amended complaint on March 20, 2024. On February 12, 2025, the District Court granted Defendants' motion to dismiss the amended complaint in full without prejudice. On March 14, 2025, Plaintiffs filed a second amended complaint. Defendants moved to dismiss the second amended complaint on April 28, 2025. The motion to dismiss remains pending.

The Company disputes the claims against it and intends to defend itself vigorously.

Derivative Lawsuit – Powers Complaint

On October 2, 2023, a derivative lawsuit captioned Powers v. Papa, et al. (Index No. 159699/2023) was filed in the Supreme Court of the State of New York, County of New York by an alleged stockholder of the Company. The action purports to assert derivative claims on behalf of the Company against the Company's Board of Directors and certain of its current or former officers and directors. The action asserts claims for, inter alia, breach of fiduciary duty and waste of corporate assets and alleges that the defendants breached their fiduciary duties of loyalty and good faith by causing the Company to issue false

and/or misleading statements regarding the Company's proposed spin-off of Bausch + Lomb. On January 23, 2024, the Court entered a stipulation and order staying this action.

Canadian Securities Litigation – Opt-Out Litigation

In 2015, several putative class actions were filed against the Company and certain current or former officers and directors in Canada in the provinces of British Columbia, Ontario and Quebec.

The actions generally alleged violations of Canadian provincial securities legislation on behalf of putative classes of persons who purchased or otherwise acquired securities of the Company for periods commencing as early as January 1, 2013 and ending as late as November 16, 2015. The alleged violations related to the same matters described in the U.S. Securities Litigation description above.

Each of these putative class actions, other than the action captioned *Catucci v. Valeant, et al.* (Court File No. 540-17-011743159, then Court File No. 500-06-000783-163) and filed in the Quebec Superior Court, was discontinued.

The *Catucci* action was settled in 2020, and the proceeding has been discontinued against the Company, its current and former directors and officers, its underwriters and its insurers. As part of the settlement, the Company and the other defendants admitted no liability as to the claims against it and denied all allegations of wrongdoing.

In addition to the class proceedings described above, on April 12, 2018, the Company was served with an application for leave filed in the Quebec Superior Court of Justice to pursue an action under the Quebec Securities Act against the Company and certain current or former officers and directors. This proceeding is captioned *BlackRock Asset Management Canada Limited et al. v. Valeant, et al.* (Court File No. 500-11-054155-185). The allegations in the proceeding are similar to those made by plaintiffs in the *Catucci* class action. On June 18, 2018, the same BlackRock entities filed an originating application (Court File No. 500-17-103749-183) against the same defendants asserting claims under the Quebec Civil Code in respect of the same alleged misrepresentations (collectively, the "Blackrock Canadian Claims"). In April 2025, the Company executed a confidential settlement agreement of the Blackrock Canadian Claims and the U.S. Blackrock action as described above in the U.S. Securities Litigation - Opt-Out Litigation. On May 7, 2025, the parties filed Notices of Settlement in the court record for the Blackrock Canadian Claims, which have now concluded.

The Company is aware that certain other members of the *Catucci* class exercised their opt-out rights prior to the June 19, 2018 deadline. On February 15, 2019, one of the entities which exercised its opt-out rights, the California State Teachers' Retirement System ("CalSTRS"), served the Company with an application in the Quebec Superior Court of Justice for leave to pursue an action under the Quebec Securities Act against the Company, certain current or former officers and directors of the Company and its auditor. That proceeding is captioned *California State Teachers' Retirement System v. Bausch Health Companies Inc. et al.* (Court File No. 500-11-055722-181). The allegations in the proceeding are similar to those made by the plaintiffs in the *Catucci* class action and in the BlackRock opt-out proceedings. On that same date, CalSTRS also served the Company with proceedings (Court File No. 500-17-106044-186) against the same defendants asserting claims under the Quebec Civil Code in respect of the same alleged misrepresentations.

On February 3, 2020, the Quebec Superior Court granted the applications of CalSTRS and BlackRock for leave to pursue their respective actions asserting claims under the Quebec Securities Act. On June 16, 2020, the Quebec Court of Appeal granted the defendants leave to appeal that decision. By judgment dated October 29, 2021, the appeals were dismissed.

On October 8 and 9, 2020, respectively, CalSTRS amended its proceedings to, among other things, include a new alleged misrepresentation concerning the accounting treatment of "price appreciation credits" in respect of Glumetza[®] during the period covered by the claims. On June 9, 2021, the Quebec Superior Court granted the Company's application to strike the new allegations from CalSTRS Quebec Securities Act claim, but permitted the amendments to its claim under the Quebec Civil Code. On December 8, 2021, CalSTRS delivered its amended pleadings.

On March 17, 2021, four additional opt-outs from the *Catucci* class issued a Statement of Claim in the Ontario Superior Court of Justice. That proceeding is captioned *The Bank of Korea et al. v. Valeant Pharmaceuticals International, Inc. et al.* (Court File No. 21-006589666-0000). In addition, these plaintiffs also served and filed a motion for leave to pursue claims under the Ontario Securities Act. The allegations in this proceeding are similar to those made by the plaintiffs in the *Catucci* class action and the plaintiffs in the opt-out actions described above.

The Company disputes the claims against it and intends to defend itself vigorously.

Canadian Securities Litigation – Ren Statement of Claim

On December 23, 2024, a putative class action Statement of Claim captioned *Ren v. Bausch Health Companies, Inc., Joseph Papa ("Papa") and Thomas Appio ("Appio")* (CV-24-00098326-CP) was filed in the Ontario Superior Court of Justice against the Company, Papa and Appio. The claim generally alleges violations of Ontario securities legislation and common

law on behalf of putative classes of persons who purchased or otherwise acquired securities of the Company between April 2, 2020 and May 2, 2024. The alleged violations relate to the Company's disclosures regarding the U.S. and Canadian Securities Opt-Out Litigation described above.

On January 17, 2025, the Company was served with a Notice of Motion seeking leave to pursue the proposed action under the relevant provisions of the Ontario Securities Act.

The Company disputes the claims against it and intends to defend itself vigorously.

Other Securities and RICO Related Matters

Hound Partners Lawsuit

In October 2018, Hound Partners Offshore Fund, LP, Hound Partners Long Master, LP and Hound Partners Concentrated Master, LP, filed a lawsuit against the Company in the Superior Court of New Jersey Law Division/Mercer County (Hound Partners Offshore Fund, LP et al. v. Valeant Pharmaceuticals International, Inc., et al. (No. MER-L-002185-18)) that asserts claims for common law fraud, negligent misrepresentation, and violations of the New Jersey Racketeer Influenced and Corrupt Organizations Act. The allegations in the complaint are similar to those made in the Hound Partners opt-out case in the U.S. District Court for the District of New Jersey. This action is currently stayed. The Company disputes the claims and intends to vigorously defend this matter.

Antitrust

Generic Pricing Antitrust Litigation

The Company and its subsidiaries, Oceanside Pharmaceuticals, Inc., Bausch Health US, LLC (formerly Valeant Pharmaceuticals North America LLC) ("Bausch Health US") and Bausch Health Americas, Inc. (formerly Valeant Pharmaceuticals International) ("Bausch Health Americas") (for the purposes of this paragraph, collectively, the "Company"), are defendants in multidistrict antitrust litigation ("MDL") entitled In re: Generic Pharmaceuticals Pricing Antitrust Litigation, pending in the U.S. District Court for the Eastern District of Pennsylvania (MDL 2724, 16- MD-2724). Bausch + Lomb Corporation had been named as a defendant in the MDL in one complaint, but this complaint has been amended to remove Bausch + Lomb Corporation and, as a result, Bausch + Lomb Corporation is no longer a party to the MDL. The lawsuits seek damages under federal and state antitrust laws, state consumer protection and unjust enrichment laws and allege that the Company's subsidiaries entered into a conspiracy to fix, stabilize, and raise prices, rig bids and engage in market and customer allocation for generic pharmaceuticals. The lawsuits, which are brought as putative class actions by direct purchasers, end payers, and indirect resellers, and as direct actions by direct purchasers, end payers, insurers, hospitals, pharmacies, and various Counties, Cities, and Towns, are consolidated into the MDL. There are also additional, separate complaints which are consolidated in the same MDL that do not name the Company or any of its subsidiaries as a defendant. State of Connecticut, et al. v. Sandoz, Inc., et al., (D. CT, C.A. No. 3:20-00802), in which Bausch Health US and Bausch Health Americas are defendants, has been remanded to and is pending in the U.S. District Court for the District of Connecticut. There are cases pending in the Court of Common Pleas of Philadelphia County and New York State Supreme Court against the Company and other defendants related to the multidistrict litigation. The Company disputes the claims against it and continues to defend itself vigorously.

Additionally, Bausch Health Companies Inc. and certain U.S. and Canadian subsidiaries (for the purposes of this paragraph, collectively the "Company") have been named as defendants in a proposed class proceeding entitled Kathryn Eaton v. Teva Canada Limited, et al. in the Federal Court in Toronto, Ontario, Canada (Court File No. T-607-20). The plaintiff seeks to certify a proposed class action on behalf of persons in Canada who purchased generic drugs in the private sector, alleging that the Company and other defendants violated the Competition Act by conspiring to allocate the market, fix prices, and maintain the supply of generic drugs, and seeking damages under federal law. The proposed class action contains similar allegations to the In re: Generic Pharmaceuticals Pricing Antitrust Litigation pending in the U.S. Court for the Eastern District of Pennsylvania. The Company disputes the claims against it and intends to defend itself vigorously.

These lawsuits cover products of both Bausch + Lomb and the Company's businesses. Bausch + Lomb and the Company will split the fees and expenses associated with defending these claims, as well as any potential damages or other liabilities awarded in or otherwise arising from these claims, in the manner set forth in the master separation agreement dated as of March 30, 2022, governing the separation between Bausch Health and Bausch + Lomb.

Xifaxan Antitrust Litigation

Between September 2025 and October 2025, four antitrust complaints were filed in the U.S. District Court for the District of Rhode Island against the Company among other defendants.

On September 22, 2025, Rhode Island Laborers Health & Welfare Fund filed an indirect purchaser class-action antitrust lawsuit against Bausch Health Companies Inc., Bausch Health Ireland Ltd., Salix Pharmaceuticals, Ltd., Salix Pharmaceuticals, Inc., Teva Pharmaceuticals USA, Inc. and Actavis Laboratories FL, Inc.

On October 7, 2025, Walgreen Co., The Kroger Co., Albertsons Companies, Inc., H-E-B, L.P. and Supervalu, Inc. filed a direct purchaser antitrust lawsuit against Bausch Health Companies Inc., Salix Pharmaceuticals, Ltd., Salix Pharmaceuticals, Inc., Teva Pharmaceutical Industries Ltd. and Teva Pharmaceuticals USA, Inc.

On October 21, 2025, KPH Healthcare Services, Inc. a/k/a Kinney Drugs, Inc. filed a direct purchaser class-action antitrust lawsuit against Bausch Health Companies Inc., Bausch Health Ireland Ltd., Salix Pharmaceuticals, Ltd., Salix Pharmaceuticals, Inc., Teva Pharmaceutical Industries Ltd., Teva Pharmaceuticals USA, Inc., and Actavis Laboratories FL, Inc.

On October 23, 2025, Value Drug Company filed a direct purchaser class-action antitrust lawsuit against Bausch Health Companies Inc., Bausch Health Ireland Ltd., Salix Pharmaceuticals, Ltd., Salix Pharmaceuticals, Inc., Teva Pharmaceutical Industries Ltd., Teva Pharmaceuticals USA, Inc., and Actavis Laboratories FL, Inc.

Among other claims, the plaintiffs allege generally that a 2018 patent settlement with Actavis Laboratories FL, Inc. regarding Xifaxan[®] 550 mg is unlawful and anticompetitive. The Company and its affiliates named in these cases dispute the asserted claims and intend to vigorously defend these matters.

Intellectual Property

Patent Litigation/Paragraph IV Matters

From time to time, the Company (and/or certain of its affiliates) is also party to certain intellectual property litigation proceedings in the United States and Canada, including as arising from claims filed against the Company or by the Company (or that the Company anticipates filing within the required time periods) related to certain products sold by or on behalf of the Company, which may be in connection with Notices of Paragraph IV Certification (in the United States) and Notices of Allegation (in Canada) received from third-party generic manufacturers, where such products include Xifaxan[®] 200 mg and 550 mg, Cabtreo[®], Lotemax[®] SM, Lumify[®], Trulance[®] and Vyzulta[®] in the United States and Zaxine[®] in Canada.

Xifaxan[®] Paragraph IV Proceedings

The Company filed lawsuits against Norwich Pharmaceuticals Inc. (“Norwich”) and Amneal Pharmaceuticals of New York LLC concerning the Company’s Xifaxan[®] (rifaximin) 550 mg tablets. The Company intends to file a lawsuit against Ajanta Pharma Limited (“Ajanta”) concerning the Company’s Xifaxan[®] (rifaximin) 550 mg tablets. The foregoing lawsuits and related litigation are referred to collectively as the “Xifaxan[®] Generics Litigation”. The litigation against Zydus Pharmaceuticals (USA) Inc. (“Zydus”), Carnegie Pharmaceuticals LLC (“Carnegie”), SABA Ilac Sanayi ve Ticaret A.S. (“SABA”), Mylan Pharmaceuticals Inc. (“Mylan”), Alkem Laboratories Ltd. (“Alkem”) and Cipla USA, Inc. is now settled, see “- Completed or Inactive Matters” below.

The Norwich I Xifaxan[®] Litigation

On February 17, 2020, the Company and Alfasigma S.p.A. (“Alfasigma”) received a Notice of Paragraph IV Certification from Norwich, in which Norwich asserted that the U.S. patents listed in the FDA’s Orange Book for the Company’s Xifaxan[®] tablets, 550 mg, are invalid, unenforceable and/or will not be infringed by the commercial manufacture, use or sale of Norwich’s generic rifaximin tablets, 550 mg, for which Norwich filed an abbreviated new drug application (an “ANDA”, and such ANDA, the “Norwich First ANDA”). The Company, through its subsidiaries Salix Pharmaceuticals, Inc. and Bausch Health Ireland Limited, holds the New Drug Application for Xifaxan[®] and owns or exclusively licenses (from Alfasigma) these patents. On March 26, 2020, certain of the Company’s subsidiaries and Alfasigma filed suit against Norwich in the U.S. District Court for the District of Delaware (Case No. 20-cv-00430) pursuant to the Hatch-Waxman Act, alleging infringement by Norwich of one or more claims of the Xifaxan[®] patents, thereby triggering a 30-month stay of the approval of the Norwich First ANDA for rifaximin tablets, 550 mg. Trial in this matter was held in March 2022. The court issued a final judgment on August 10, 2022 (the “Norwich Legal Decision”), finding that the U.S. Patents protecting the use of Xifaxan[®] (rifaximin) 550 mg tablets for the reduction in risk of HE recurrence valid and infringed and the U.S. patents protecting the composition, and use of Xifaxan[®] for treating IBS-D invalid. The Norwich Legal Decision prevents FDA approval of the Norwich First ANDA until October 2029. The Company appealed the Norwich Legal Decision to the U.S. Court of Appeals for the Federal Circuit on August 16, 2022. Following the Company’s appeal, Norwich claimed to have removed the HE indication from the Norwich First ANDA and then filed a motion in the District Court requesting modification of the Norwich Legal Decision to permit the FDA to approve the Norwich First ANDA before October 2029. The Company opposed the motion. On May 17, 2023, the District Court denied Norwich’s motion and confirmed that the FDA remained enjoined from granting final approval to the Norwich First ANDA until October 2029. Norwich filed its appeal to the U.S. Court of Appeals for the

Federal Circuit on May 19, 2023. The Company's and Norwich's appeals were consolidated (the "Norwich Appeal"). The Federal Circuit heard oral arguments on January 8, 2024 in the Norwich Appeal. On April 11, 2024, the Federal Circuit issued an opinion affirming the Norwich Legal Decision and the District Court's denial of Norwich's motion requesting modification of the Norwich Legal Decision (the "Norwich Appeal Decision"). In May 2024, both the Company and Norwich petitioned for panel and en banc rehearing of the Norwich Appeal Decision. The Federal Circuit denied the Company's and Norwich's rehearing petitions on June 13, 2024 and issued its mandate to the District Court on June 20, 2024. Under the Norwich Appeal Decision, the FDA remains enjoined from approving the Norwich First ANDA until October 2029. On September 11, 2024, the Company and Norwich filed petitions for writ of certiorari with the United States Supreme Court appealing certain aspects of the Norwich Appeal Decision. The Supreme Court denied Norwich's and the Company's petitions for writ of certiorari on November 18, 2024 and December 16, 2024, respectively.

In a letter to Norwich on June 2, 2023, the FDA granted tentative approval to the Norwich First ANDA, but confirmed that it is enjoined from granting final approval until October 2029. On June 5, 2023, Norwich brought a lawsuit against the FDA in the U.S. District Court for the District of Columbia (the "DC District Court"), alleging that the FDA acted improperly by only granting tentative approval to the Norwich First ANDA rather than final approval (the "First Norwich DC Lawsuit"). In June 2023, the Company intervened in the First Norwich DC Lawsuit. A hearing was held on October 6, 2023. On November 1, 2023, the DC District Court granted the Company's and FDA's motions for summary judgment, thereby ending the lawsuit. In December 2023, Norwich appealed the DC District Court's November 1st decision to the U.S. Court of Appeals for the District of Columbia Circuit (the "DC Circuit"). Although the DC Circuit held the appeal in abeyance on February 2, 2024, the DC circuit returned the case to the court's active docket on December 17, 2024. The Court scheduled oral argument for December 11, 2025.

The Norwich II Xifaxan® Litigation

The Company received a Notice of Paragraph IV Certification from Norwich, dated May 10, 2024, in which Norwich asserted that certain U.S. Patents listed in the FDA's Orange Book for the Company's Xifaxan® tablets, 550 mg, are invalid, unenforceable and/or will not be infringed by the manufacture, use, or sale of Norwich's generic rifaximin tablets, 550 mg, for which Norwich filed an amended ANDA (the "Norwich Second ANDA"). On June 20, 2024, the Company filed suit against Norwich in the U.S. District Court for the District of New Jersey pursuant to the Hatch-Waxman Act, alleging infringement by Norwich of one or more claims of U.S. Patent Nos. 11,564,912 and 11,779,571.

In a letter to Norwich on January 10, 2025, the FDA granted tentative approval to the Norwich Second ANDA. In the January 10 letter, the FDA confirmed that the first ANDA applicant for rifaximin 550 mg tablets is eligible for 180-day exclusivity. The 180-day exclusivity precludes the FDA from granting final approval to the Norwich Second ANDA. On January 13, 2025, Norwich brought a lawsuit against the FDA in the DC District Court, alleging that the FDA acted improperly by only granting tentative approval to the Norwich Second ANDA rather than final approval (the "Second Norwich DC Lawsuit"). In the Second Norwich DC Lawsuit, Norwich asserts (1) that the Norwich Second ANDA is not subject to a 30-month stay of approval and (2) that the first ANDA applicant for rifaximin 550 mg tablets forfeited their 180-day exclusivity. Teva Pharmaceuticals USA, Inc. ("Teva") and Salix intervened in the Second Norwich DC Lawsuit as defendants. On April 17, 2025, the DC District Court granted summary judgment in favor of the FDA, Teva, and the Company. The DC District Court confirmed that the FDA's decision to only tentatively approve the Norwich Second ANDA was not arbitrary, capricious, or contrary to law because Teva had not forfeited its 180-day exclusivity. On April 18, 2025, Norwich appealed the judgment to the DC Circuit. The Court scheduled oral argument for December 11, 2025.

The Amneal Xifaxan® Litigation

On February 28, 2024, the Company received a Notice of Paragraph IV Certification from Amneal Pharmaceuticals of New York, LLC, U.S. Agent for Amneal EU, Limited (collectively "Amneal"), in which Amneal asserted that certain U.S. Patents listed in the FDA's Orange Book for the Company's Xifaxan® tablets, 550 mg, are invalid, unenforceable and/or will not be infringed by the manufacture, use, sale, offer for sale, and/or importation of Amneal's generic rifaximin tablets, 550 mg, for which Amneal filed an ANDA. On April 5, 2024, the Company and Alfasigma filed suit against Amneal in the U.S. District Court for the District of New Jersey pursuant to the Hatch-Waxman Act, alleging infringement by Amneal of one or more claims of the Xifaxan® patents, thereby triggering a 30-month stay of the approval of Amneal's ANDA for rifaximin tablets, 550 mg. Although enjoined from granting final approval, the FDA granted tentative approval to Amneal's ANDA on January 16, 2025.

The Ajanta Xifaxan® Litigation

The Company received a Notice of Paragraph IV Certification from Ajanta, dated October 6, 2025, in which Ajanta asserted that certain U.S. Patents listed in the FDA's Orange Book for the Company's Xifaxan® tablets, 550 mg, are invalid, unenforceable and/or will not be infringed by the manufacture, use, sale, offer for sale, and/or importation of Ajanta's generic rifaximin tablets, 550 mg, for which Ajanta filed an ANDA. The Company intends to file suit against Ajanta pursuant to the

Hatch-Waxman Act within 45-days of receipt of the Notice, alleging infringement by Ajanta of one or more claims of the Xifaxan® patents.

The Company remains confident in the strength of the Xifaxan® patents and intends to vigorously defend its intellectual property.

The MSN Trulance® Paragraph IV Proceedings

In April 2021, the Company commenced litigation against MSN Laboratories Private Ltd. (“MSN”) in the U.S. District Court for the District of New Jersey alleging patent infringement by MSN’s filing of an ANDA for generic Trulance® (plecanatide) 3 mg tablets. The Company filed the lawsuit following receipt of a Notice of Paragraph IV Certification from Mylan, in which MSN asserted that the U.S. patents listed in the FDA’s Orange Book for Trulance® tablets, 3 mg, were invalid, unenforceable and/or would not be infringed by the commercial manufacture, use or sale of MSN’s generic plecanatide tablets, 3 mg. The court ordered a 3-day bench trial to begin November 10, 2025.

The Company remains confident in the strength of the Trulance® patents and intends to vigorously defend its intellectual property.

The Cabtreo® Paragraph IV Proceedings

The Company received a Notice of Paragraph IV Certification from Taro Pharmaceuticals Inc. (“Taro”), dated February 5, 2025, in which Taro asserted that U.S. Patents listed in the FDA’s Orange Book for the Company’s Cabtreo® (clindamycin phosphate, adapalene, benzoyl peroxide) gel, 1.2%/0.15%/3.1%, are invalid, unenforceable and/or will not be infringed by the manufacture, use, sale, offer for sale, and/or importation of Taro’s generic clindamycin phosphate/adapalene/benzoyl peroxide gel, 1.2%/0.15%/3.1%, for which Taro filed an ANDA. On March 20, 2025, the Company filed suit against Taro pursuant to the Hatch-Waxman Act, alleging infringement by Taro of one or more claims of the Cabtreo® patents, thereby triggering a 30-month stay of the approval of Taro’s ANDA for clindamycin phosphate/adapalene/benzoyl peroxide gel, 1.2%/0.15%/3.1%.

The Company remains confident in the strength of the Cabtreo® patents and intends to vigorously defend its intellectual property.

Xifaxan® Litigation with Curia IP Holdings, LLC

Curia IP Holdings, LLC (“Curia”) filed a lawsuit against the Company on October 25, 2021, alleging that Xifaxan® 200 mg and 550 mg tablets infringe certain patents owned by Curia (U.S. Patent Nos. 9,186,355, 10,556,915, 10,745,415 and 10,961,257 (the “Curia Patents”). Each of the Curia Patents was filed years after the Company’s launches of Xifaxan® 200 mg and 550 mg tablets. On August 17, 2022, the U.S. District Court for the District of New Jersey dismissed the complaint, without prejudice. Curia then filed an amended complaint on September 16, 2022, realleging infringement of its patents. On August 31, 2023, Curia filed a second lawsuit against the Company alleging that Xifaxan® 200 mg and 550 mg tablets infringe U.S. Patent No. 11,739,099 (the “’099 Patent”). The ‘099 Patent is related to the Curia Patents and was also filed years after the Company’s launches of Xifaxan® 200 mg and 550 mg tablets. The first and second lawsuits filed by Curia are now consolidated. On February 14, 2024, the court issued an order administratively terminating the case pending completion of mediation on or before April 14, 2024. Mediation was held on April 11, 2024, but no agreement was reached. On April 22, 2024, the court reopened the case. On May 1, 2024, the Court entered a stipulation and order of non-infringement for U.S. Patent Nos. 10,556,915, 10,745,415 and 10,961,257. On September 20, 2024, the Court entered a stipulation and order of non-infringement for the ‘099 Patent. The Company disputes Curia’s infringement claims against Xifaxan® 200 mg and 550 mg tablets and will continue to defend this matter.

Zaxine® Notice of Allegation in Canada

The Company received a Notice of Allegation in Canada, dated January 14, 2025, from Sandoz Canada Inc. (“Sandoz Canada”) concerning Zaxine® (rifaximin) 550 mg tablets, under the Patented Medicines (Notice of Compliance) Regulations. On March 5, 2025, the Company filed a Statement of Claim against Sandoz Canada asserting infringement of one or more claims of Canadian Patent No. 2,739,436.

Lumify® Paragraph IV Proceedings - DRL, Somerset & Gland

On August 16, 2021, Bausch & Lomb Incorporated (“B&L Inc.”) received a Notice of Paragraph IV Certification from Slayback Pharma LLC (“Slayback”), in which Slayback asserted that certain U.S. patents, each of which is listed in the FDA’s Orange Book for Lumify® (brimonidine tartrate solution) drops (the “Lumify Patents”), are either invalid, unenforceable and/or will not be infringed by the commercial manufacture, use or sale of Slayback’s generic drops, for which an ANDA has been filed by Slayback. B&L Inc., through its affiliate Bausch + Lomb Ireland Limited, exclusively licenses the Lumify Patents from Eye Therapies, LLC (“Eye Therapies”). On September 10, 2021, B&L Inc., Bausch + Lomb Ireland

Limited and Eye Therapies filed suit in the U.S. District Court for the District of New Jersey against Slayback pursuant to the Hatch-Waxman Act, alleging infringement by Slayback of one or more claims of the Lumify Patents (the “Slayback Lawsuit”), thereby triggering a 30-month stay of the approval of the Slayback ANDA. Since then, U.S. Patent No. 9,259,425 has been dismissed from the case.

On May 15, 2023, the United States Patent & Trademark Office’s Patent Trial and Appeal Board (“PTAB”) issued a Final Written Decision, finding all claims of U.S. Patent No. 8,293,742 unpatentable (IPR2022-00142). This decision was appealed to the United States Court of Appeals for the Federal Circuit (the “Federal Circuit”). The Federal Circuit issued its opinion on June 30, 2025, which reversed the PTAB’s claim construction of certain limitation, vacated its obviousness finding, and remanded for further proceedings.

Furthermore, two additional patents (U.S. Patent Nos. 11,596,600 and 11,833,245) have issued and been listed in the Orange Book as related to Lumify®. Lawsuits alleging infringement of these patents were filed in the U.S. District Court for the District of New Jersey against Slayback and its licensees, Dr. Reddy’s Laboratories S.A. and Dr. Reddy’s Laboratories, Inc. (collectively, “DRL”) (the “DRL Lawsuits”). The Slayback Lawsuit and DRL Lawsuits were subsequently consolidated into one district court action before the U.S. District Court for the District of New Jersey (3:21-cv-16766-RK-RLS). On December 15, 2023, B&L Inc., Bausch + Lomb Ireland Limited, and Eye Therapies filed a Motion for a Preliminary Injunction requesting the court to enjoin any infringing activities by DRL and a hearing was held in January 2024. On May 10, 2024, the Court denied Plaintiffs’ Motion, finding that Plaintiffs had not proven that they would be “irreparably harmed” absent a preliminary injunction.

Additionally, on December 18, 2023, B&L Inc., Bausch + Lomb Ireland Limited, and Eye Therapies amended its complaint in the consolidated district court action to add claims for copyright infringement, as well as claims under the Lanham Act, including trademark and trade dress infringement. DRL subsequently petitioned for inter partes review (“IPR”) of the U.S. Patent Nos. 11,596,600 and 11,833,245; the PTAB instituted both petitions (IPR2024-00467 and IPR2024-00563). Oral argument was held before the PTAB on May 13, 2025.

On July 9, 2025, settlement was reached with DRL and B&L Inc., Bausch + Lomb Ireland Limited, Eye Therapies and DRL entered into a settlement agreement effective as of July 9, 2025, providing for, among other things, a market entry date of June 30, 2027 (or earlier subject to certain acceleration clauses) for DRL’s generic drops. On July 14, 2025, the consolidated district court action (3:21-cv-16766-RK-RLS) was dismissed without prejudice and on July 22, 2025, the PTAB terminated IPR2024-00467 and IPR2024-00563. On August 13, 2025, the PTAB terminated IPR2022-00142 following remand from the Federal Circuit.

On March 28, 2025, B&L Inc. received a Notice of Paragraph IV Certification from Somerset Therapeutics, LLC (“Somerset”), in which Somerset asserted that U.S. Patent Nos. 8,293,742, 9,259,425, 11,596,600 and 11,833,245, are either invalid, unenforceable and/or will not be infringed by the commercial manufacture, use or sale of Somerset’s generic drops, for which an ANDA has been filed by Somerset (the “Somerset ANDA”). On April 28, 2025, B&L Inc., Bausch + Lomb Ireland Limited and Eye Therapies filed suit against Somerset and certain affiliates pursuant to the Hatch-Waxman Act, alleging infringement by Somerset of one or more claims of the Lumify Patents, thereby triggering a 30-month stay of the approval of the Somerset ANDA.

On April 25, 2025, B&L Inc. and Bausch + Lomb Ireland Limited received a Notice of Paragraph IV Certification from Gland Pharma Limited (“Gland”), in which Gland asserted that U.S. Patent Nos. 8,293,742, 9,259,425, 11,596,600 and 11,833,245, each of which is listed in the FDA’s Orange Book for Lumify® (brimonidine tartrate solution) drops, are either invalid, unenforceable and/or will not be infringed by the commercial manufacture, use or sale of Gland’s generic drops, for which an ANDA has been filed by Gland. On April 28, 2025, B&L Inc., Bausch + Lomb Ireland Limited and Eye Therapies filed suit against Gland pursuant to the Hatch-Waxman Act, alleging infringement by Gland of one or more claims of such Lumify patents, thereby triggering a 30-month stay of the approval of the Gland ANDA.

Bausch + Lomb remains confident in the strength of the Lumify® related patents and intends to vigorously defend its intellectual property.

In addition to the intellectual property matters described above, in connection with Vyzulta® and Lotemax® SM products, Bausch + Lomb previously commenced infringement proceedings against potential generic competitors in the U.S. In connection with Vyzulta®, two matters have been resolved and dismissed and one matter was recently filed in the U.S. District Court for the District of New Jersey and is ongoing. In connection with Lotemax® SM, one matter resulted in a four-day bench trial starting January 13, 2025, and the parties await a decision; another matter was recently filed in the U.S. District Court for the District of New Jersey and is ongoing.

In addition, patents covering the Company's branded pharmaceutical products may be challenged in proceedings other than court proceedings, including IPR at the U.S. Patent & Trademark Office. The proceedings operate under different standards from district court proceedings, and are often completed within 18 months of institution. IPR challenges have been brought against patents covering the Company's branded pharmaceutical products.

Mylan and MSN filed IPR petitions for certain U.S. patents listed in the FDA's Orange Book for Trulance® (plecanatide). On March 21, 2022, Mylan filed a petition for IPR of U.S. Patent No. 7,041,786 (the "'786 Patent"), which was then instituted on September 14, 2022. On October 12, 2022, MSN also filed a petition for IPR of the '786 Patent and the PTAB then issued a decision on December 14, 2022, instituting MSN's IPR and joining it with Mylan's IPR. On September 8, 2023, the PTAB issued a decision finding that Mylan and MSN had not shown that the '786 Patent is unpatentable. On September 28, 2023, Mylan appealed the PTAB's September 8th decision to the Federal Circuit. The Federal Circuit held oral arguments on April 7, 2025. On June 20, 2025, the Federal Circuit issued a decision vacating the PTAB's September 8th decision and remanded the matter back to the PTAB for additional fact-finding.

The Company remains confident in the strength of the patent and intends to vigorously defend its intellectual property.

Product Liability

Shower to Shower® Products Liability Litigation

Since 2016, the Company and its affiliates, including Bausch + Lomb, have been named in a number of product liability lawsuits involving the Shower to Shower® body powder product acquired in September 2012 from Johnson & Johnson; due to dismissals, twenty-three (23) of such product liability suits currently remain pending. In three (3) cases pending in the Atlantic County, New Jersey Multi-County Litigation, agreed stipulations of dismissal have been entered by the Court, thus dismissing the Company from those cases. One (1) case was also recently dismissed with prejudice in its entirety for failure of plaintiff to comply with court orders requiring plaintiff fact sheets. Two (2) cases in the federal multidistrict litigation were dismissed recently for failure to comply with orders requiring plaintiff profile forms. Potential liability (including its attorneys' fees and costs) arising out of these remaining suits is subject to full indemnification obligations of Johnson & Johnson owed to the Company and its affiliates, including Bausch + Lomb, and legal fees and costs will be paid by Johnson & Johnson. Twenty-two (22) of these lawsuits filed by individual plaintiffs allege that the use of Shower to Shower® caused the plaintiffs to develop ovarian cancer, mesothelioma or breast cancer. The allegations in these cases include failure to warn, design defect, manufacturing defect, negligence, gross negligence, breach of express and implied warranties, civil conspiracy concert in action, negligent misrepresentation, wrongful death, loss of consortium and/or punitive damages. The damages sought include compensatory damages, including medical expenses, lost wages or earning capacity, loss of consortium and/or compensation for pain and suffering, mental anguish anxiety and discomfort, physical impairment and loss of enjoyment of life. Plaintiffs also seek pre- and post-judgment interest, exemplary and punitive damages, and attorneys' fees. Additionally, two proposed class actions were filed in Canada against the Company and various Johnson & Johnson entities (one in the Supreme Court of British Columbia and one in the Superior Court of Quebec), on behalf of persons who have purchased or used Johnson & Johnson's Baby Powder or Shower to Shower®. The class actions allege the use of the product increases certain health risks (British Columbia) or negligence in failing to properly test, failing to warn of health risks, and failing to remove the products from the market in a timely manner (Quebec). The plaintiffs in these actions are seeking awards of general, special, compensatory and punitive damages. On November 17, 2020, the British Columbia court issued a judgment declining to certify a class as to the Company or Shower to Shower®, and at this time no appeal of that judgment has been filed. On December 16, 2021, the plaintiff in the British Columbia class action filed a Second Amended Notice of Civil Claim and Application for Certification, removing the Company as a defendant; as a result, the British Columbia class action is concluded as to the Company.

In October 2021, Johnson & Johnson, through one or more subsidiaries, purported to complete a Texas divisional merger with respect to any talc liabilities at Johnson & Johnson Consumer, Inc. ("JJCI"). LTL Management, LLC ("LTL"), the resulting entity of the divisional merger, assumed JJCI's talc liabilities and thereafter filed for Chapter 11 bankruptcy protection in the U.S. Bankruptcy Court for the Western District of North Carolina, which in November 2021 was transferred to the U.S. Bankruptcy Court for the District of New Jersey (the "New Jersey Bankruptcy Court"). The first bankruptcy case was dismissed on April 4, 2023, after a decision by the Third Circuit Court of Appeals, and LTL re-filed a new Chapter 11 case on the same day. Several motions to dismiss were again filed, and on August 11, 2023, the second Chapter 11 case was dismissed. LTL and certain supporting creditors and tort claimants appealed, and on July 25, 2024, the Third Circuit affirmed the dismissal order, and LTL's second bankruptcy case was closed. During the pendency of LTL's bankruptcy cases, the New Jersey Bankruptcy Court extended a preliminary injunction that had stayed substantially all cases subject to the indemnification agreement related to Johnson & Johnson's talc liability, which injunction was terminated in connection with the bankruptcy case dismissal.

In December 2023, LTL changed its name to LLT Management LLC (“LLT”). In June and July 2024, LLT solicited votes for a new “pre-packaged” Chapter 11 plan, and after the reported successful solicitation of votes to commence the planned bankruptcy, LLT and certain affiliates underwent another corporate restructuring that resulted in two entities, Red River Talc LLC (“Red River”) and Pecos River Talc LLC (“Pecos River”), assuming the talc liabilities of LLT. On September 20, 2024, Red River filed for Chapter 11 bankruptcy protection in the U.S. Bankruptcy Court for the Southern District of Texas (the “Texas Bankruptcy Court”), seeking to resolve all ovarian cancer related talc claims. On October 21, 2024, the Texas Bankruptcy Court agreed to enter a temporary restraining order and preliminary injunction staying all ovarian cancer-related talc claims at least through December 2024, which it has since extended through March 15, 2025. On December 9, 2024, Red River filed a Second Amended Chapter 11 plan incorporating the settlement with the Talc Claimants’ Committee. A hearing on confirmation of the plan and any objections thereto began on February 18, 2025. Johnson & Johnson has reported that the entity Pecos River will be responsible for resolving all non-ovarian cancer-related talc claims outside of bankruptcy. After the conclusion of the confirmation hearing, on March 31, 2025, the Texas Bankruptcy Court issued a memorandum decision denying confirmation of the plan, ordering the dismissal of Red River’s bankruptcy case and vacating the preliminary injunction. The debtor’s time to appeal has expired. Certain claimants filed motions to reconsider the dismissal of the bankruptcy case. Those motions were denied and the time to appeal has expired.

Red River, Pecos River and Johnson & Johnson continue to have indemnification obligations running to the Company and its affiliates, including Bausch + Lomb, for Shower to Shower[®] related product liability litigation. It is our expectation that Johnson & Johnson, in accordance with the applicable indemnification agreement, will continue to vigorously defend the Company and Bausch + Lomb, in each of the remaining actions, and that the Company and Bausch + Lomb will not incur any material losses with respect to indemnification claims as a result of the divisional merger or the bankruptcy.

General Civil Actions

U.S. Securities Litigation - New Jersey Declaratory Judgment Lawsuit

On March 24, 2022, the Company and Bausch + Lomb were named in a declaratory judgment action in the Superior Court of New Jersey, Somerset County, Chancery Division, brought by certain individual investors in the Company’s common shares and debt securities who are also maintaining individual securities fraud claims against the Company and certain current or former officers and directors as part of the U.S. Securities Litigation. This action seeks a declaratory judgment that alleged transfers of certain Company assets to Bausch + Lomb would constitute a voidable transfer under the New Jersey Voidable Transactions Act and that Bausch + Lomb would be liable for damages, if any, awarded against the Company in the individual opt-out actions. The declaratory judgment action also alleges that the potential future separation of Bausch + Lomb from the Company by distribution of Bausch + Lomb stock to the Company’s shareholders would leave the Company with inadequate financial resources to satisfy these plaintiffs’ alleged securities fraud damages in the underlying individual opt-out actions. None of the plaintiffs in this declaratory judgment action have obtained a judgment against the Company in the underlying individual opt-out actions and the Company disputes the claims against it in those underlying actions. The underlying individual opt-out actions assert claims under Sections 10(b) and 20(a) of the Exchange Act, and certain actions assert claims under Section 18 of the Exchange Act. The allegations in those underlying individual opt out actions are made against the Company and several of its former officers and directors only and relate to, among other things, allegedly false and misleading statements made during the 2013-2016 time period by the Company and/or failures to disclose information about the Company’s business and prospects including relating to drug pricing and the use of specialty pharmacies. On March 31, 2022, the Company and Bausch + Lomb removed the declaratory judgment action to the U.S. District Court for the District of New Jersey. On April 29, 2022, Plaintiffs filed a motion to remand. On November 29, 2022, the District Court granted Plaintiffs’ remand motion and the case was remanded to the New Jersey Superior Court Chancery Division. On December 8, 2022, Plaintiffs filed a proposed Order to Show Cause and motion for a preliminary injunction, and sought interim relief including expedited discovery. On December 13, 2022, the Court denied Plaintiffs’ proposed Order to Show Cause and stayed discovery pending the resolution of the Company and Bausch + Lomb’s forthcoming motions to dismiss, while instructing the Company to provide certain notice to Plaintiffs of the intended completion of a potential future distribution referenced above under certain circumstances. On December 22, 2022, Plaintiffs filed an amended complaint which, among other things, added claims seeking injunctive relief. On January 11, 2023, the Company and Bausch + Lomb moved to dismiss the amended complaint. Briefing was complete on February 24, 2023, and the motion to dismiss was heard on March 3, 2023. On April 3, 2023, the Court issued a decision granting in part and denying in part the motion to dismiss. In early August 2025, a settlement was reached, and, on August 29, 2025, the Court issued an order staying this action pending satisfaction of certain conditions to that settlement. The case is expected to be dismissed with prejudice in January 2026.

Doctors Allergy Formula Lawsuit

In April 2018, Doctors Allergy Formula, LLC (“Doctors Allergy”), filed a lawsuit against Bausch Health Americas in the Supreme Court of the State of New York, County of New York, asserting breach of contract and related claims under a 2015 Asset Purchase Agreement, which purports to include milestone payments that Doctors Allergy alleges should have been paid by Bausch Health Americas. Doctors Allergy claims its damages are not less than \$23 million. Bausch Health Americas has

asserted counterclaims against Doctors Allergy. Bausch Health Americas filed a motion seeking an order granting Bausch Health Americas' motion for summary judgment on its counterclaims against Doctors Allergy and dismissing Doctors Allergy's claims against Bausch Health Americas. The motion was fully briefed as of May 2021. The Court held a hearing on the motion on January 25, 2022. On May 12, 2023, the Court issued a Decision and Order denying the motion. On June 14, 2023, Bausch Health Americas filed a Notice of Appeal as to the Decision and Order. On March 13, 2024, Bausch Health Americas filed its appellate brief with the Appellate Division of the New York Supreme Court, First Department, appealing the trial court's denial of Bausch Health Americas' motion for summary judgment. Doctors Allergy filed its answering brief on July 26, 2024, and Bausch Health Americas filed its reply brief on September 13, 2024. The Appellate Division heard oral argument on November 7, 2024. On December 5, 2024, the Appellate Division denied Bausch Health Americas' appeal as to Doctors Allergy's second cause of action (breach of contract) and Bausch Health Americas' counterclaims, but it granted the appeal as to Doctors Allergy's third cause of action (breach of the implied duty of good faith and fair dealing) and dismissed that claim. On December 13, 2024, the Appellate Division remitted this action back to the trial court. Trial has been set, with jury selection beginning on April 20, 2026, and trial scheduled for April 24 to May 8, 2026. Bausch Health Americas disputes the claims against it and this lawsuit will be defended vigorously.

Apriso® Qui Tam Litigation

In 2018, a *qui tam* complaint, captioned *United States ex rel. Silbersher v. Valeant Pharmaceuticals Int'l, Inc., et al.* (No. 4:18-cv-01496), was filed in the U.S. District Court for the Northern District of California against the Company, certain of its subsidiaries (collectively, the "Company"), and a third party, claiming that their alleged misrepresentations before the U.S. Patent Office ultimately resulted in false claims for payment being made to federal and state healthcare payors for Apriso®. The complaint asserts claims seeking, *inter alia*, damages, civil penalties and attorneys' fees under the federal False Claims Act and the false claims acts of several states.

In May 2020, the District Court granted defendants' motion to dismiss, holding that Plaintiff-relator's *qui tam* action was precluded by the False Claims Act's public disclosure bar. Plaintiff-relator appealed to the U.S. Court of Appeals for the Ninth Circuit. In August 2023, the Court of Appeals reversed the District Court's order and remanded to the District Court for further proceedings. In September 2023, the Company filed a petition for rehearing or rehearing en banc with the Court of Appeals. On January 5, 2024, the Court of Appeals panel denied the petition and issued an amended opinion, still reversing the District Court's order and remanding the case to the District Court for further proceedings. On April 4, 2024, the Company filed a petition for a writ of certiorari to the Supreme Court, which was denied on October 7, 2024. Mandate issued and the case returned to the District Court. On November 27, 2024, Plaintiff-relator filed an amended complaint. The Company filed a motion to dismiss the amended complaint on February 5, 2025. On July 22, 2025, the District Court granted the motion to dismiss with leave to amend, holding that the amended complaint did not adequately differentiate between the multiple named defendants. Plaintiff-relator filed his amended complaint on August 11, 2025. The Company filed a motion to dismiss the third amended complaint on August 26, 2025. The motion remains pending. The Company disputes the claims against it and intends to defend itself vigorously.

Completed or Inactive Matters

The following matters have concluded, have settled, are the subject of an agreement to settle or have otherwise been closed during or prior to the three months ended September 30, 2025 or have been inactive from the Company's perspective for several fiscal quarters or the Company anticipates that no further material activity will take place with respect thereto. Due to the closure, settlement, inactivity or change in status of the matters referenced below, these matters will no longer appear in the Company's future public reports and disclosures, unless required or as deemed appropriate. With respect to inactive matters, to the extent material activity takes place in subsequent quarters with respect thereto, the Company will provide updates as required or as deemed appropriate.

The Carnegie Xifaxan® Litigation

The Company received a Notice of Paragraph IV Certification from Carnegie, dated October 1, 2024, in which Carnegie asserted that certain U.S. Patents listed in the FDA's Orange Book for the Company's Xifaxan® tablets, 550 mg, are invalid, unenforceable and/or will not be infringed by the manufacture, use, sale, offer for sale, and/or importation of Carnegie's generic rifaximin tablets, 550 mg, for which Carnegie filed an ANDA. On November 7, 2024, the Company filed suit against Carnegie pursuant to the Hatch-Waxman Act, alleging infringement by Carnegie of one or more claims of the Xifaxan® patents, thereby triggering a 30-month stay of the approval of Carnegie's ANDA for rifaximin tablets, 550 mg. On June 12, 2025, the parties executed a confidential settlement agreement to resolve the lawsuit. The court dismissed the lawsuit on June 23, 2025.

The Zydus Xifaxan® Litigation

The Company received a Notice of Paragraph IV Certification from Zydus, dated August 15, 2024, in which Zydus asserted that certain U.S. Patents listed in the FDA's Orange Book for the Company's Xifaxan® tablets, 550 mg, are invalid, unenforceable and/or will not be infringed by the manufacture, use, sale, offer for sale, and/or importation of Zydus's generic rifaximin tablets, 550 mg, for which Zydus filed an ANDA. On September 27, 2024, the Company and Alfasigma filed suit against Zydus in the U.S. District Court for the District of New Jersey pursuant to the Hatch-Waxman Act, alleging infringement by Zydus of one or more claims of the Xifaxan® patents, thereby triggering a 30-month stay of the approval of Zydus's ANDA for rifaximin tablets, 550 mg. Although enjoined from granting final approval, the FDA granted tentative approval to Zydus's ANDA on May 30, 2025. On August 11, 2025, the parties executed a confidential settlement agreement to resolve the lawsuit. The court dismissed the lawsuit on August 19, 2025.

The SABA Xifaxan® Litigation

The Company received a Notice of Paragraph IV Certification from SABA, dated February 20, 2025, in which SABA asserted that certain U.S. Patents listed in the FDA's Orange Book for the Company's Xifaxan® tablets, 550 mg, are invalid, unenforceable and/or will not be infringed by the manufacture, use, sale, offer for sale, and/or importation of SABA's generic rifaximin tablets, 550 mg, for which SABA filed an ANDA. On April 4, 2025, the Company filed suit against SABA pursuant to the Hatch-Waxman Act, alleging infringement by SABA of one or more claims of the Xifaxan® patents, thereby triggering a 30-month stay of the approval of SABA's ANDA for rifaximin tablets, 550 mg. On August 11, 2025, the parties executed a confidential settlement agreement to resolve the lawsuit. The court dismissed the lawsuit on September 15, 2025.

The Mylan Xifaxan® Litigation

The Company received a Notice of Paragraph IV Certification from Mylan, dated February 11, 2025, in which Mylan asserted that certain U.S. Patents listed in the FDA's Orange Book for the Company's Xifaxan® tablets, 550 mg, are invalid, unenforceable and/or will not be infringed by the manufacture, use, sale, offer for sale, and/or importation of Mylan's generic rifaximin tablets, 550 mg, for which Mylan filed an ANDA. On March 26, 2025, the Company filed suit against Mylan pursuant to the Hatch-Waxman Act, alleging infringement by Mylan of one or more claims of the Xifaxan® patents, thereby triggering a 30-month stay of the approval of Mylan's ANDA for rifaximin tablets, 550 mg. On September 30, 2025, the parties executed a confidential settlement agreement to resolve the lawsuit. The court dismissed the lawsuit on October 2, 2025.

The Cipla Xifaxan® Litigation

The Company received a Notice of Paragraph IV Certification from Cipla USA, Inc., U.S. Agent for Cipla Limited (collectively "Cipla"), dated September 18, 2024, in which Cipla asserted that certain U.S. Patents listed in the FDA's Orange Book for the Company's Xifaxan® tablets, 550 mg, are invalid, unenforceable and/or will not be infringed by the manufacture, use, sale, offer for sale, and/or importation of Cipla's generic rifaximin tablets, 550 mg, for which Cipla filed an ANDA. On November 1, 2024, the Company filed suit against Cipla pursuant to the Hatch-Waxman Act, alleging infringement by Cipla of one or more claims of the Xifaxan® patents, thereby triggering a 30-month stay of the approval of Cipla's ANDA for rifaximin tablets, 550 mg. The Company and Cipla executed a confidential settlement agreement on October 15, 2025.

The Alkem Xifaxan® Litigation

The Company received a Notice of Paragraph IV Certification from Alkem, dated April 28, 2025, in which Alkem asserted that certain U.S. Patents listed in the FDA's Orange Book for the Company's Xifaxan® tablets, 550 mg, are invalid, unenforceable and/or will not be infringed by the manufacture, use, sale, offer for sale, and/or importation of Alkem's generic rifaximin tablets, 550 mg, for which Alkem filed an ANDA. On June 10, 2025, the Company filed suit against Alkem pursuant to the Hatch-Waxman Act, alleging infringement by Alkem of one or more claims of the Xifaxan® patents, thereby triggering a 30-month stay of the approval of Alkem's ANDA for rifaximin tablets, 550 mg. On August 12, 2025, the parties executed a confidential settlement agreement to resolve the lawsuit. The court dismissed the lawsuit on August 14, 2025.

The Mylan Trulance® Paragraph IV Proceedings

In April 2021, the Company filed a patent infringement suit against Mylan in the U.S. District Court for the Northern District of West Virginia for filing an ANDA for generic Trulance® (plecanatide) 3 mg tablets. The Company filed the lawsuit following receipt of a Notice of Paragraph IV Certification from Mylan in which Mylan asserted that the U.S. patents listed in the FDA's Orange Book for Trulance® tablets, 3 mg, were invalid, unenforceable and/or would not be infringed by the commercial manufacture, use or sale of Mylan's generic plecanatide tablets, 3 mg. The Company and Mylan executed a confidential settlement agreement on May 8, 2025. On May 14, 2025, the court dismissed the Mylan lawsuit.

Rifaximin Breach of Contract Litigation

On September 8, 2022, Lupin Ltd. (“Lupin”) filed a lawsuit in the U.S. District Court for the Southern District of New York against Salix Pharmaceuticals, Inc. and the Company, asserting breach of contract claims relating to a 2009 manufacturing and supply agreement between Lupin and Salix Pharmaceuticals, Inc. concerning rifaximin. On November 18, 2022, Lupin filed an Amended Complaint, which added Bausch Health US as a defendant. On March 28, 2023, the Company was dismissed without prejudice. On October 10, 2023, Salix Pharmaceuticals, Inc. asserted counterclaims against Lupin for breach of contract. The parties executed a confidential settlement agreement to resolve the matter effective June 4, 2025, which includes no admission of wrongdoing or liability as to the claims asserted. On June 9, 2025, the case was dismissed with prejudice as to all claims and counterclaims. This matter has now concluded.

PreserVision® AREDS Patent Litigation

PreserVision® AREDS and PreserVision® AREDS 2 are OTC eye vitamin formulas for those with moderate to advanced age-related macular degeneration. The PreserVision® U.S. formulation patent expired in March 2021, but a patent covering methods of using the formulation remains in force into 2026. B&L Inc. has filed patent infringement proceedings against 20 named defendants in 17 proceedings claiming infringement of these patents and, in certain circumstances, related unfair competition and false advertising causes of action. All of these proceedings are now closed, with fifteen settling and two resulting in default. The last ongoing matter (Bausch & Lomb Inc. & PF Consumer Healthcare 1 LLC v. SBH Holdings LLC, C.A. No. 20-cv-01463-GBW-CJB (D. Del.)) was dismissed with prejudice on April 10, 2025.

New Mexico Attorney General Consumer Protection Action

The Company and Bausch Health US were named in an action brought by State of New Mexico ex rel. Hector H. Balderas, Attorney General of New Mexico, in the County of Santa Fe New Mexico First Judicial District Court (New Mexico ex rel. Balderas v. Johnson & Johnson, et al., Civil Action No. D-101-CV-2020-00013, filed on January 2, 2020), alleging consumer protection claims against Johnson & Johnson and Johnson & Johnson Consumer, Inc., the Company and Bausch Health US related to Shower to Shower® and its alleged causal link to mesothelioma and other cancers. In April 2020, Bausch Health US filed a motion to dismiss, which in September 2020, the Court granted in part as to the New Mexico Medicaid Fraud Act and New Mexico Fraud Against Taxpayers Act claims and denied as to all other claims. The State of New Mexico brought claims against all defendants under the New Mexico Unfair Practices Act and other common law and equitable causes of action, alleging defendants engaged in wrongful marketing, sale and promotion of talcum powder products. The lawsuit sought to recover the cost of the talcum powder products as well as the cost of treating asbestos-related cancers allegedly caused by those products. Bausch Health US filed its answer on November 16, 2020. On December 30, 2020, Johnson & Johnson filed a Motion for Partial Judgment on the Pleadings and on January 4, 2021, Bausch Health US filed a joinder to that motion, which was denied on March 8, 2021. Trial was scheduled to begin on May 30, 2023, until the case was stayed by an interlocutory appeal to the New Mexico Supreme Court by Johnson & Johnson. That stay was lifted on October 21, 2024 when the New Mexico Supreme Court ruled in favor of Johnson & Johnson and reversed the trial court, remanding the case back for further proceedings.

On July 14, 2022, LTL filed an adversary proceeding in the Bankruptcy Court (Case No. 21-30589, Adv. Pro. No. 22-01231) against the State of New Mexico ex rel. Hector H. Balderas, Attorney General, and obtained an injunction from the Bankruptcy Court barring the New Mexico Attorney General from continuing to prosecute the action while the bankruptcy case was pending. Because the Bankruptcy Court has ultimately dismissed both LTL’s first and second bankruptcy cases, and a stay was not revived during the newest bankruptcy case of Red River Talc LLC (successor to LTL), filed on September 20, 2024, this suit has returned to its status quo prior to LTL’s filing.

The State has negotiated a settlement of the lawsuit with Johnson & Johnson, in which the Company and its affiliates, including Bausch + Lomb, are released parties. Following completion of the settlement and payment, a consent judgment dismissing the Company and its affiliates was entered on May 5, 2025.

19. SEGMENT INFORMATION

Reportable Segments

The following is a brief description of the Company's reportable 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.

Resources are allocated and performance is assessed by the Company's CEO, whom the Company has determined to be the Company's Chief Operating Decision Maker (the "CODM"). The Company's CODM evaluates the performance of its segments and allocates resources to them based on segment profit. 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.

The CODM uses segment profit in the annual budgeting and forecasting process. The CODM considers budget-to-actual variances on a monthly basis for segment profit when making decisions about allocating capital and personnel to the segments. The CODM uses segment profit in determining the compensation of certain employees. In assessing segment performance and managing operations, the CODM does not review segment assets.

Corporate includes the finance, treasury, certain research and development programs, tax and legal operations of the Company's businesses and certain expenses, gains and losses related to the overall management of the Company, which are not allocated to the other business segments. Furthermore, a portion of share-based compensation is considered a corporate cost since the amount of such expense depends on company-wide performance rather than the operating performance of any single segment.

Segment Revenues and Profits

Segment revenues, profits and reconciliation of segment profit to consolidated Income (loss) before income taxes were as follows:

<i>(in millions)</i>	Three Months Ended September 30,											
	Salix		International		Solta Medical		Diversified		Bausch + Lomb		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Revenues	\$ 716	\$ 642	\$ 286	\$ 291	\$ 140	\$ 112	\$ 258	\$ 269	\$1,281	\$1,196	\$2,681	\$2,510
Less:												
Cost of goods sold ^(a)	46	40	118	113	30	28	32	37	509	464		
Cost of other revenues	—	—	14	14	—	—	—	—	1	—		
Selling, general and administrative	79	147	57	54	31	26	41	40	429	420		
Research and development	21	19	7	5	9	5	3	3	41	29		
Segment profit	<u>\$ 570</u>	<u>\$ 436</u>	<u>\$ 90</u>	<u>\$ 105</u>	<u>\$ 70</u>	<u>\$ 53</u>	<u>\$ 182</u>	<u>\$ 189</u>	<u>\$ 301</u>	<u>\$ 283</u>	\$1,213	\$1,066
Corporate											(243)	(248)
Amortization of intangible assets											(253)	(274)
Asset impairments											(1)	—
Restructuring, integration and separation costs											(17)	(1)
Other expense, net											(80)	(225)
Operating income											619	318
Interest income											15	7
Interest expense											(412)	(346)
Gain on extinguishment of debt											3	—
Foreign exchange and other											(7)	—
Income (loss) before income taxes											<u>\$ 218</u>	<u>\$ (21)</u>

<i>(in millions)</i>	Nine Months Ended September 30,											
	Salix		International		Solta Medical		Diversified		Bausch + Lomb		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Revenues	\$1,885	\$1,699	\$ 826	\$ 832	\$ 381	\$ 302	\$ 682	\$ 722	\$3,696	\$3,511	\$7,470	\$7,066
Less:												
Cost of goods sold ^(a)	128	130	337	338	93	73	95	108	1,513	1,369		
Cost of other revenues	—	—	45	35	—	—	—	—	4	2		
Selling, general and administrative	302	351	172	164	91	77	129	134	1,346	1,254		
Research and development	59	76	19	17	20	12	10	11	104	87		
Segment profit	<u>\$1,396</u>	<u>\$1,142</u>	<u>\$ 253</u>	<u>\$ 278</u>	<u>\$ 177</u>	<u>\$ 140</u>	<u>\$ 448</u>	<u>\$ 469</u>	<u>\$ 729</u>	<u>\$ 799</u>	\$3,003	\$2,828
Corporate											(772)	(746)
Amortization of intangible assets											(765)	(818)
Asset impairments											(1)	(6)
Restructuring, integration and separation costs											(49)	(25)
Other expense, net											(77)	(245)
Operating income											1,339	988
Interest income											39	24
Interest expense											(1,207)	(1,051)
Gain on extinguishment of debt											181	23
Foreign exchange and other											(41)	(26)
Income (loss) before income taxes											<u>\$ 311</u>	<u>\$ (42)</u>

(a) Cost of goods sold excludes amortization and impairments of intangible assets.

During the nine months ended September 30, 2025 and 2024, ten products represented 50% and 48% of total revenues, respectively.

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:

<i>(in millions)</i>	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:

<i>(in millions, except per share data)</i>	Three Months Ended September 30,			Nine Months Ended September 30,		
	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:

(in millions)	Three Months Ended September 30,			Nine Months Ended September 30,		
	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
	<u>2,681</u>	<u>2,510</u>	<u>171</u>	<u>7,470</u>	<u>7,066</u>	<u>404</u>
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)
	<u>2,062</u>	<u>2,192</u>	<u>(130)</u>	<u>6,131</u>	<u>6,078</u>	<u>53</u>
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.	<u>\$ 179</u>	<u>\$ (85)</u>	<u>\$ 264</u>	<u>\$ 269</u>	<u>\$ (139)</u>	<u>\$ 408</u>

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:

<i>(in millions)</i>	Three Months Ended September 30,			
	2025		2024	
	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:

<i>(in millions)</i>	Three Months Ended September 30,	
	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)
	<u>\$ 80</u>	<u>\$ 225</u>

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.

<i>(in millions)</i>	Three Months Ended September 30,					
	2025		2024		Change	
	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	<u>\$ 2,681</u>	<u>100 %</u>	<u>\$ 2,510</u>	<u>100 %</u>	<u>\$ 171</u>	<u>7 %</u>
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	<u>\$ 1,213</u>	<u>45 %</u>	<u>\$ 1,066</u>	<u>42 %</u>	<u>\$ 147</u>	<u>14 %</u>

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.

<i>(in millions)</i>	Three Months Ended September 30, 2025				Three Months Ended September 30, 2024			Change in Organic Revenue (Non-GAAP)	
	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:

<i>(in millions)</i>	Nine Months Ended September 30,			
	2025		2024	
	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	<u>\$ 7,470</u>		<u>\$ 7,066</u>	

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 as 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:

<i>(in millions)</i>	Nine Months Ended September 30,	
	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)
	<u>\$ 77</u>	<u>\$ 245</u>

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.

<i>(in millions)</i>	Nine Months Ended September 30,					
	2025		2024		Change	
	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	<u>\$ 7,470</u>	<u>100 %</u>	<u>\$ 7,066</u>	<u>100 %</u>	<u>\$ 404</u>	<u>6 %</u>
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	<u>\$ 3,003</u>	<u>40 %</u>	<u>\$ 2,828</u>	<u>40 %</u>	<u>\$ 175</u>	<u>6 %</u>

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”.

<i>(in millions)</i>	Nine Months Ended September 30, 2025				Nine Months Ended September 30, 2024			Change in Organic Revenue (Non-GAAP)	
	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
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	<u>\$ 7,470</u>	<u>\$ (13)</u>	<u>\$ (15)</u>	<u>\$ 7,442</u>	<u>\$ 7,066</u>	<u>\$ 13</u>	<u>\$ 7,079</u>	<u>\$ 363</u>	<u>5 %</u>

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

<i>(in millions)</i>	Nine Months Ended September 30,		
	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	<u>\$ 1,340</u>	<u>\$ 750</u>	<u>\$ 590</u>

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:

<i>(in millions)</i>	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.

<i>(in millions)</i>	<u>Remainder of 2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>	<u>Total</u>
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
	<u>\$ 25</u>	<u>\$ 244</u>	<u>\$ 244</u>	<u>\$ 244</u>	<u>\$ 49</u>	<u>\$ 50</u>	<u>\$ 856</u>
Interest payments recorded as:							
Interest expense	\$ 3	\$ 24	\$ 22	\$ 20	\$ 3	\$ 4	\$ 76
Reduction of recorded premium	22	220	222	224	46	46	780
	<u>\$ 25</u>	<u>\$ 244</u>	<u>\$ 244</u>	<u>\$ 244</u>	<u>\$ 49</u>	<u>\$ 50</u>	<u>\$ 856</u>

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:

Rating Agency	Bausch Health Companies Inc.				Bausch + Lomb Corporation		
	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 \$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.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

For information concerning legal proceedings, reference is made to Note 18, "LEGAL PROCEEDINGS" to the unaudited interim Condensed Consolidated Financial Statements included elsewhere in this Form 10-Q.

Item 1A. Risk Factors

As of the date of this Form 10-Q there are no other material changes to the risk factors as disclosed in Item 1A. "Risk Factors" 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.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

There were no sales of equity securities by the Company during the three months ended September 30, 2025.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

None.

Item 5. Other Information

None.

Item 6. Exhibits

- [31.1*](#) [Certification of the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.](#)
- [31.2*](#) [Certification of the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.](#)
- [32.1*](#) [Certificate of the Chief Executive Officer of Bausch Health Companies Inc. pursuant to 18 U.S.C. § 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.](#)
- [32.2*](#) [Certificate of the Chief Financial Officer of Bausch Health Companies Inc. pursuant to 18 U.S.C. § 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.](#)
- 101.INS* Inline XBRL Instance Document
- 101.SCH* Inline XBRL Taxonomy Extension Schema Document
- 101.CAL* Inline XBRL Taxonomy Extension Calculation Linkbase Document
- 101.LAB* Inline XBRL Taxonomy Extension Label Linkbase Document
- 101.PRE* Inline XBRL Taxonomy Extension Presentation Linkbase Document
- 101.DEF* Inline XBRL Taxonomy Extension Definition Linkbase Document
- 104* Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Filed herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Bausch Health Companies Inc.
(Registrant)

Date: October 29, 2025

/s/ THOMAS J. APPIO

Thomas J. Appio
Chief Executive Officer
(Principal Executive Officer)

Date: October 29, 2025

/s/ JEAN-JACQUES CHARHON

Jean-Jacques Charhon
Executive Vice President, Chief Financial Officer
(Principal Financial Officer)

**CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER
PURSUANT TO RULE 13a-14(a)
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Thomas J. Appio, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Bausch Health Companies Inc. (the "Company");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;
4. The Company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal quarter (the Company's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and
5. The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Date: October 29, 2025

/s/ THOMAS J. APPIO

Thomas J. Appio
Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION OF THE CHIEF FINANCIAL OFFICER
PURSUANT TO RULE 13a-14(a)
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Jean-Jacques Charhon, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Bausch Health Companies Inc. (the “Company”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;
4. The Company’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the Company’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the Company’s internal control over financial reporting that occurred during the Company’s most recent fiscal quarter (the Company’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Company’s internal control over financial reporting; and
5. The Company’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company’s auditors and the audit committee of the Company’s board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company’s ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company’s internal control over financial reporting.

Date: October 29, 2025

/s/ JEAN-JACQUES CHARHON

Jean-Jacques Charhon

Executive Vice President, Chief Financial Officer
(Principal Financial Officer)

**CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. § 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Thomas J. Appio, Chief Executive Officer of Bausch Health Companies Inc. (the “Company”), certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. The Quarterly Report on Form 10-Q of the Company for the quarter ended September 30, 2025 (the “Report”) fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: October 29, 2025

/s/ THOMAS J. APPIO

Thomas J. Appio
Chief Executive Officer
(Principal Executive Officer)

This certification accompanies the Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by such Act, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent that the Company specifically incorporates it by reference.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the U.S. Securities and Exchange Commission or its staff upon request.

**CERTIFICATION OF THE CHIEF FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. § 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Jean-Jacques Charhon, Executive Vice President, Chief Financial Officer of Bausch Health Companies Inc. (the “Company”), certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. The Quarterly Report on Form 10-Q of the Company for the quarter ended September 30, 2025 (the “Report”) fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: October 29, 2025

/s/ JEAN-JACQUES CHARHON

Jean-Jacques Charhon

Executive Vice President, Chief Financial Officer
(Principal Financial Officer)

This certification accompanies the Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by such Act, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent that the Company specifically incorporates it by reference.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the U.S. Securities and Exchange Commission or its staff upon request.