2025 Annual Report

BAUSCH Health

Ambition & Purpose

Ambition

Our **ambition** is to be a globally integrated and innovative healthcare company, trusted and valued by patients, HCPs, employees and investors.

Purpose

Our **purpose** is enriching lives through our relentless drive to deliver better health outcomes.

Everyone deserves better health.

Values

Our **values** guide us to deliver on our commitments.

Principled-leaders

We are trustworthy, respectful and do the right thing.

Problem-solvers

We are perceptive, adaptive and action-oriented.

Creative-thinkers

We are imaginative, proactive and have an eye for possibilities.

Result-seekers

We are disciplined, focused and take responsibility.

BAUSCH Health

BAUSCH Health

Message From the Chief Executive Officer

Dear Shareholder,

2025 was defined by strategic rigor, and we have carried that momentum into this year. By delivering significant progress across our global businesses and ending the year with our 11th straight quarter of year-over-year growth for Bausch Health, we continue to demonstrate our ability to execute consistently and deliver growth.

Bausch Health took decisive action in 2025 to fortify our long-term financial foundation and R&D pipeline. By successfully refinancing $9.6 billion in debt, we optimized our balance sheet and significantly extended our financial flexibility. This strengthened position enabled two strategic acquisitions: DURECT Corporation, which adds a promising late-stage asset to our hepatology portfolio, and Shibo Zhenmei's full-service aesthetics distribution business in China, which brings distribution, sales, and marketing capabilities fully in-house, enhancing our reach and deepening provider and consumer engagement in this large and high-growth region.

Our progress in 2025 strengthened our foundation and positions us to continue to build our pipeline, expand our business development and R&D efforts, sharpen commercial performance, and bring more products and therapies to the patients and physicians who depend on them.

On behalf of the leadership team and the Board of Directors, thank you for your continued support and confidence in Bausch Health. The vision is clear: by uniting operational excellence with relentless innovation, we are transforming our company and delivering better health outcomes for patients worldwide.

Sincerely,

Thomas J. Appio,
Chief Executive Officer

This letter contains forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995 and applicable Canadian securities laws. See the discussion under "Forward-Looking Statements" in our Annual Report on Form 10-K for the year ended December 31, 2025, for matters to be considered in this regard.

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

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

For the Fiscal Year Ended December 31, 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

Securities registered pursuant to Section 12(b) of the Act:

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**

Securities registered pursuant to section 12(g) of the Act:

None

(Title of class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or Section 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, a 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 ☐ (Do not check if a smaller reporting company) 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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Securities Act Section 12(b), indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

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

The aggregate market value of the common shares held by non-affiliates of the registrant as of the last business day of the registrant's most recently completed second fiscal quarter was $2,004,729,038 based on the last reported sale price on the New York Stock Exchange on June 30, 2025.

The number of outstanding shares of the registrant's common stock as of February 13, 2026 was 370,562,428.

DOCUMENTS INCORPORATED BY REFERENCE

Part III incorporates certain information by reference from the registrant's proxy statement for the 2026 Annual Meeting of Shareholders. Such proxy statement will be filed no later than 120 days after the close of the registrant's fiscal year ended December 31, 2025.

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GENERAL INFORMATION

Basis of Presentation

General

Except where the context otherwise requires, all references in this Annual Report on Form 10-K ("Form 10-K") 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-K, references to "$" or "USD" are to United States 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-K are presented as of December 31, 2025.

Trademarks

This Form 10-K contains trademarks, trade names and service marks that are the property of the Company, as well as, for informational purposes, trademarks, trade names, and service marks that are the property of other organizations. Solely for convenience, certain trademarks, trade names, and service marks referred to in this report appear without the ®, ™ and SM symbols, but those references are not intended to indicate that we or the applicable owner, as the case may be, will not assert, to the fullest extent under applicable law, our or their rights to such trademarks, trade names, and service marks.

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:

This Form 10-K 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 (the "Exchange Act"), and forward-looking information within the meaning of applicable Canadian securities laws (collectively, "forward-looking statements"). 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 statements are based upon the current expectations and beliefs of management. Readers are cautioned that actual results may vary from those in the forward-looking statements. 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 relating to: (i) our ability to execute our business strategy, business plans and operational efficiency initiatives; (ii) demand for, competitive positioning of and pricing for our current and anticipated products and our ability to achieve expected revenues, margins and expense levels; (iii) the successful development, regulatory approval, manufacture and timing of launches and commercialization of pipeline and other products; (iv) the completion, timing, integration and expected benefits of acquisitions and other strategic transactions (including the acquisition of DURECT Corporation ("DURECT")) and the planned separation of our eye health business consisting of our Bausch + Lomb global Vision Care, Surgical and Pharmaceuticals businesses on anticipated terms, timing and costs; (v) the scope, duration and financial and operational impact of product quality matters; (vi) the continued availability and performance of key third-party distribution, fulfillment and other arrangements and the stability of global supply chains; (vii) the continuation of patent protection and regulatory exclusivity for key products; (viii) the expected impacts of the Inflation Reduction Act ("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 the outcome thereof, and other healthcare reform measures and our ability to mitigate the impact thereof; (ix) our ability to generate cash flows and access liquidity to meet working capital needs, satisfy debt maturities as they become due, reduce debt levels and comply with financial and other covenants under our financing arrangements; (x) the expected scope and impact of tariffs, counter-tariffs and other trade restrictions and the effectiveness of mitigation actions; (xi) macroeconomic and geopolitical conditions (including inflation, recessionary pressures, foreign currency exchange rates and

interest rates), changes in tax laws and related guidance (including legislation referred to as the One Big Beautiful Bill Act (the "OBBBA") and Organisation for Economic Co-operation and Development ("OECD") related measures); (xii) the expected outcomes of litigation and other contingencies; and (xiii) the factors described under Item 1A. "Risk Factors" in this Form 10-K and in the Company's other filings with the U.S. Securities and Exchange Commission (the "SEC") and the Canadian Securities Administrators (the "CSA").

We caution that, as it is not possible to predict or identify all relevant factors that may impact forward-looking statements, the factors referred to in this Form 10-K are not exhaustive and should not be considered a complete statement of all potential risks and uncertainties. When relying on our forward-looking statements to make decisions with respect to the Company, investors and others should carefully consider the aforementioned factors and other uncertainties and potential events. These forward-looking statements speak only as of the date made. We undertake no obligation to update or revise any of these forward-looking statements to reflect events or circumstances after the date of this Form 10-K or to reflect actual outcomes, except as required by law.

PART I

Item 1. Business

Introduction

Bausch Health Companies Inc. ("we", "us", "our", 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 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. The Company's 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. 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 the discussion in Item 1. "Business — Segment Information" and Note 23, "SEGMENT INFORMATION" to our audited 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"). On May 5, 2022, the registration statement related to the initial public offering of Bausch + Lomb (the "B+L IPO") was declared effective, and Bausch + Lomb's common stock began trading on the New York Stock Exchange and the Toronto Stock Exchange, in each case under the ticker symbol "BLCO" on May 6, 2022. Prior to the effectiveness of the registration statement, Bausch + Lomb was an indirect wholly-owned subsidiary of Bausch Health. On May 10, 2022, a wholly owned subsidiary of Bausch Health sold 35,000,000 common shares of Bausch + Lomb pursuant to the B+L IPO. Upon the closing of the B+L IPO and after giving effect to the subsequent partial exercise of the over-allotment option by the underwriters, 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 February 11, 2026.

We continue to believe that the B+L Separation, which may include the monetization of all or a portion of our ownership interest in Bausch + Lomb, the transfer of all or a portion of our remaining direct or indirect equity interest in Bausch + Lomb to our shareholders, 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 21, "LEGAL PROCEEDINGS" to our audited 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 gastroenterology, 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.

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 audited Consolidated Financial Statements and Item 1A. "Risk Factors — Risks Relating to the B+L Separation" of this Form 10-K.

Business Strategy

Our strategy is to focus our business on core therapeutic classes and geographies that offer attractive growth opportunities. Within our chosen therapeutic classes, we prioritize durable products which we believe have the potential for strong operating margins and evidence of growth opportunities. We have found and continue to believe there is significant opportunity in each of our businesses and we believe our existing portfolio, commercial footprint and pipeline of product development projects position us to successfully compete in these markets and provide us with the greatest opportunity to build value for our shareholders.

We believe we have a well-established diversified product portfolio across all our businesses that provides a sustainable revenue stream to fund our operations. Our continued success is dependent upon our ability to refresh our pipeline on an ongoing basis and bring new product solutions to the market that meet changing demands and replace other products that have lost momentum. We have a pipeline that we believe not only provides for the next generation of our existing products but is also poised to bring new and innovative solutions to market.

We have focused our research and development ("R&D") to advance development programs that we believe will drive growth in our core businesses, while creating efficiencies in our R&D efforts and expenses. Although we primarily rely on our R&D organization to build-out and refresh our product portfolio, to supplement those efforts, we continually seek out opportunities, such as co-promotions, licensing agreements and strategic acquisitions, to leverage our commercial footprint, particularly our sales force, by strategically aligning ourselves with other innovative product solutions that, when coupled with our existing product portfolio, address specific needs in the market. See Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations — Overview — Focus on Value and Core Businesses" of this Form 10-K.

Segment Information

Our revenues for 2025, 2024 and 2023 were $10,266 million, $9,625 million and $8,757 million, respectively. Currently, we have approximately 1,000 products in our portfolio of products, which fall into five reportable segments:

Salix

Our Salix segment consists of sales in the U.S. of GI products and includes our Xifaxan® product. We have implemented initiatives, including increasing our marketing investment in Xifaxan®, to seek to further capitalize on the value of the infrastructure we have built around these products to extend our market share. Our principal products include:

- Xifaxan® which includes: (i) tablets indicated for the treatment of irritable bowel syndrome with diarrhea ("IBS-D") in adults and for the reduction in risk of overt hepatic encephalopathy ("OHE") recurrence in adults and (ii) tablets indicated for the treatment of travelers' diarrhea caused by noninvasive strains of Escherichia coli in patients 12 years of age and older. Our Xifaxan® product accounted for revenues of $2,212 million, $1,993 million and $1,810 million for 2025, 2024 and 2023, respectively.
- Relistor® (methylnaltrexone) is given to adults who use narcotic medicine to treat severe chronic pain that is not caused by cancer to prevent constipation without reducing the pain-relieving effects of the narcotic.
- Trulance® (plecanatide) is a once-daily tablet for adults with chronic idiopathic constipation, or CIC, and irritable bowel syndrome with constipation.

We have continued our investment in Xifaxan® direct-to-consumer ("DTC") advertising and new sales force capabilities.

Our ongoing commitment to pipeline investment was exemplified in September 2025, when we completed the acquisition of DURECT Corporation ("DURECT") a biopharmaceutical firm specializing in the development of epigenetic therapies that address abnormal deoxyribonucleic acid methylation, aiming to revolutionize the management of severe and life-threatening illnesses such as acute organ injury. DURECT's primary drug candidate, Larsucosterol, is a unique therapeutic agent that has shown encouraging outcomes in Phase 2 clinical studies for alcohol-associated hepatitis ("AH"). Notably, Larsucosterol has received Breakthrough Therapy designation from the U.S. Food and Drug Administration ("FDA").

The Company has filed lawsuits against third-party generic manufacturers that have sent the Company Notices of Paragraph IV Certification for Trulance® and Xifaxan®. See "Intellectual Property Litigation" of Note 21, "LEGAL PROCEEDINGS" to our audited Consolidated Financial Statements for details of these litigation matters.

International

Our International business includes, with the exception of our Bausch + Lomb and Solta Medical products, sales in Canada, Europe, Asia, Latin America, Africa and the Middle East of branded pharmaceutical products, branded generic pharmaceutical products and OTC products. Our principal products include:

- Bedoyecta® is a multivitamin line with Complex B vitamin that is used to obtain sufficient energy and have optimal performance during the day, by avoiding deficiencies of the nutrients that the body requires to function properly, indicated as adjuvant for diabetic patients.
- Jublia® (efinaconazole 10% topical solution) is a topical azole approved for the treatment of onychomycosis of the toenails (toenail fungus) and is commercialized in Canada.
- Bisocard® (bisoprolol fumarate) is an orally administered tablet dosed once daily for patients with hypertension, angina pectoris or heart failure and is a leading brand in Poland.
- Diclofenac is a nonsteroidal anti-inflammatory drug used to treat mild-to-moderate pain and helps to relieve symptoms of arthritis. This product is sold in Central and Eastern European countries.
- Contrave® / Mysimba® is a fixed-dose combination prolonged-release tablet for the treatment of obesity. Used alongside diet and exercise, it is designed to help manage weight in adults who are overweight or obese. The formulation is designed to initiate weight loss and sustain it over a longer period of time by working in the areas of the brain regulating food intake to reduce hunger and cravings. Contrave® / Mysimba® is commercialized in Canada, Poland and other Central and Eastern European countries.
- Ryaltris® (olopatadine hydrochloride and mometasone furoate nasal spray) is indicated for the symptomatic treatment of moderate to severe seasonal allergic rhinitis and associated ocular symptoms in adults, adolescents and children aged 6 years and older.

- Espaven® (Dimethicone tablets, drops, suspension) is a complete line of gastrointestinal treatments for diverse digestive indications such as: flatulence, dyspepsia, absolute or relative enzyme deficiency, steatorrhea, irritable colon syndrome, pancreatic insufficiency and poor fat digestion. Espaven® is commercialized primarily in Mexico and Central America.

Solta Medical

Our Solta Medical business is a global leader in the medical aesthetic market focused on innovative aesthetic medical treatment technologies. Solta Medical's revenue is primarily attributable to the skin tightening market, which is driven by our Thermage® product line. The latest generation, Thermage® FLX, has been launched in our key markets and expansion is expected to continue into other countries, paced by country-specific regulatory registrations. Our principal products include:

- The Thermage® system is a non-invasive radiofrequency treatment that can smooth, tighten and contour skin for an overall younger-looking appearance.
- The Clear + Brilliant® system is a laser treatment that can help address the visible signs of aging and the overall dulling effects that time and the environment can have on skin.
- The Fraxel® system is a laser treatment used to address fine lines, wrinkles, acne scars and surgical scars as well as improve tone, texture and radiance of aging and sun damaged skin.
- The VASERlipo® system is a minimally invasive aesthetic body contouring system that yields dramatic results with less pain and downtime than traditional liposuction.

We continue to invest in expanding access to Solta Medical technologies for medical aesthetic providers and consumers in our key markets, including broadening the reach of Thermage® FLX and strengthening our sales force in North America, Europe and Asia.

Diversified

Our Diversified segment consists of sales in the U.S. of: (i) pharmaceutical products in the areas of neurology (neuroscience) and certain other therapeutic classes, (ii) dermatology products, (iii) generic pharmaceutical products and (iv) dentistry products. Our principal products include:

Neuroscience (formerly Neurology)

- Wellbutrin® XL (bupropion hydrochloride) is an extended release formulation of bupropion indicated for the treatment of major depressive disorder in adults.
- Aplenzin® (bupropion hydrobromide) is an extended release tablet formulation indicated for the treatment of major depressive disorder, and for the prevention of seasonal major depressive episodes in patients with a diagnosis of seasonal affective disorder.
- Ativan® (lorazepam) is indicated for the management of anxiety disorders or for the short-term relief of the symptoms of anxiety or anxiety associated with depressive symptoms.
- Mysoline® (primidone) is an anticonvulsant drug used to control seizures.
- Xenazine® (tetrabenazine) is indicated for the treatment of chorea associated with Huntington's disease. In the U.S., Xenazine® is distributed for us by Lundbeck LLC under an exclusive marketing, distribution and supply agreement.

Dermatology

- Jublia® (efinaconazole) 10% topical solution is a topical azole approved for the treatment of onychomycosis of the toenails (toenail fungus).
- CABTREO® (clindamycin phosphate, adapalene and benzoyl peroxide) topical gel is 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 and was launched in Canada in October 2024.
- Siliq® (brodalumab) injection is an IL-17 receptor blocker monoclonal antibody for patients with moderate-to-severe plaque psoriasis.

- Arazlo® (tazarotene) lotion, 0.045% is an acne product containing a lower concentration of tazarotene in a lotion form to help reduce irritation while maintaining efficacy.
- Targretin® (bexarotene) capsules and gel are prescription medicines used to treat the skin problems arising from the disease cutaneous T-cell lymphoma, or CTCL, in patients who have not responded well to other treatments.

Generics

The Company utilizes the Generics business to extend the long-term cash flows from a number of assets that are expected to decline over time due to their loss of exclusivity, by launching and selling generic versions of certain branded assets including authorized generics ("AG").

Dentistry

- Arestin® (minocycline hydrochloride) is the only FDA approved subgingival sustained-release antibiotic on the market. Arestin® is indicated as an adjunct to scaling and root planing ("SRP") procedures for reduction of pocket depth in patients with adult periodontitis. Arestin® may be used as part of a periodontal maintenance program, which includes good oral hygiene and SRP and represents approximately 95% of Dentistry revenues.

Bausch + Lomb

Our Bausch + Lomb segment includes our global Bausch + Lomb eye health business. Our global Bausch + Lomb eye health business includes our Vision Care, Surgical and Pharmaceuticals products.

Our Bausch + Lomb business is a fully integrated eye health business with a portfolio of established lines of contact lenses, intraocular lenses ("IOL") and other medical devices, surgical systems and devices, vitamin and mineral supplements, lens care products, prescription eye-medications and other consumer products. Bausch + Lomb takes a holistic approach to solving eye health problems, including by investing in physician training, patient and customer education, disease prevention and other initiatives through both traditional and digital platforms to continue to advance eye health.

Our principal products include:

- XIIDRA® (lifitegrast ophthalmic solution) 5%, is a non-steroid eye drop specifically approved to treat the signs and symptoms of dry eye disease ("DED") focusing on inflammation associated with dry eye.
- PreserVision® AREDS 2 is a patented eye vitamin and mineral supplement that contains the exact nutrient formula recommended by the National Eye Institute for people with moderate to advanced age-related macular degeneration following the landmark AREDS 2 clinical study. PreserVision® AREDS 3, a next generation eye vitamin formulation, is anticipated to launch in 2026.
- Ocuvite® is a family of nutritional supplements that contain antioxidant vitamins and minerals and other nutrients beneficial for eye health, including lutein and zeaxanthin (antioxidant carotenoids), nutrients that support macular health by helping filter harmful blue light.
- Lumify® (brimonidine tartrate ophthalmic solution, 0.025%) is an OTC redness reliever eye drop that significantly reduces redness to help eyes look whiter and brighter, revealing eyes' natural beauty. To date, Bausch + Lomb has launched and acquired the right to launch Lumify® in various countries. A new line extension formulation, Lumify® Preservative Free was launched in the U.S. in 2025. In addition, Bausch + Lomb is in the process of submitting a New Drug Application ("NDA") for Lumify® next generation in the first half of 2026.
- MIEBO® (perfluorohexyloctane ophthalmic solution) (formerly known as NOV03) — In 2019, Bausch + Lomb acquired an exclusive license from Novaliq GmbH for the commercialization and development in the U.S. and Canada of MIEBO® for the treatment of the signs and symptoms of DED. MIEBO® is the first and only FDA approved treatment for DED that directly targets tear evaporation.
- Bausch + Lomb Renu® Advanced Formula multi-purpose solution is a novel soft and silicone hydrogel contact lens solution that makes use of three disinfectants and two moisture agents.

- Biotrue® and Biotrue® Hydration Plus multi-purpose solutions help prevent certain tear proteins from denaturing and fights germs for healthy contact lens wear. Biotrue® multi-purpose solution contains hyaluronic acid (sodium hyaluronate), a lubricant naturally found in eyes and is pH balanced to match healthy tears.
- Biotrue® ONEday daily disposable contact lenses for patients with myopia or hyperopia, which are made of a unique material inspired by the natural biology of the eye and feature Surface Active Technology™, a patented dehydration barrier. The lens contains 78% water, more moisture than any other soft contact lens and the same water content as the cornea, and maintains nearly 100% of its moisture for up to 16 hours.
- Bausch + Lomb ULTRA®, a silicone hydrogel frequent replacement contact lens for patients with myopia or hyperopia that uses the proprietary MoistureSeal® technology, which allows the contact lens to retain 95% of moisture after 16 hours of wear, limiting lens dryness and resulting symptoms.
- SiHy Daily, a silicone hydrogel daily disposable contact lens designed to provide outstanding comfort and clear vision throughout the day. To date, SiHy Daily has been launched in over 60 countries, under the brand names INFUSE®, BAUSCH + LOMB ULTRA® ONE DAY and AQUALOX® ONE DAY and Bausch + Lomb is continuing its global roll out. In addition, Bausch + Lomb launched its first silicone hydrogel daily disposable multifocal contact lens in May 2023, and launched a toric lens in the U.S. in June 2024.
- Stellaris Elite®, a vision enhancement system configured for cataract procedures is the latest generation phacoemulsification cataract platform, Stellaris Elite® is the first phacoemulsification platform on the market to offer Adaptive Fluidics™, which combines aspiration control with predictive infusion management to create a responsive and controlled surgical environment for efficient cataract lens removal.

Research and Development

Our R&D organization focuses on the development of products through clinical trials. As of December 31, 2025, we had approximately 80 R&D projects in our pipeline and approximately 1,400 dedicated R&D and quality assurance employees in 25 R&D facilities were involved in our R&D efforts.

See Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations — Overview — Focus on Value and Core Businesses" of this Form 10-K for additional information.

Trademarks and Patent Exclusivity

We rely on a combination of contractual provisions, confidentiality policies and procedures and patent, trademark, copyright and trade secrecy laws to protect the proprietary aspects of our technology and business. Our policy is to vigorously protect, enforce and defend our rights to our intellectual property and proprietary rights, as appropriate. See Item 1A. "Risk Factors" of this Form 10-K for additional information on the risks associated with our intellectual property and proprietary rights.

Trademarks

We believe that trademarks, including brand names, logos, and trade dress, are an important part of establishing product and brand recognition. We register or license a number of trademarks around the world in support of our operations. Trademark registrations are generally for fixed terms which vary by country, subject to use and renewal requirements. Trademark protections may remain in place indefinitely in many countries as long as they remain in use.

Patent Exclusivity

For certain of our products, we rely on a combination of regulatory and patent rights to protect the value of our investment in the development of these products.

A patent is the grant of a property right which allows its holder to exclude others from, among other things, selling the subject invention in, or importing such invention into, the jurisdiction that granted the patent. In the U.S., Canada and the European Union ("EU"), generally patents expire 20 years from the date of application. We have obtained, acquired or in-licensed a number of patents and patent applications covering key aspects of certain of our principal products. In the aggregate, our patents are of material importance to our business taken as a whole.

Government Regulations

Government authorities in the U.S., at the federal, state and local level, in Canada, in the EU and in all other countries extensively regulate, among other things, the research, development, testing, approval, manufacturing, labeling, post-approval monitoring and reporting, packaging, advertising and promotion, storage, distribution, marketing and export and import of pharmaceutical products and medical devices. As such, our products and product candidates are subject to extensive regulation both before and after approval. The process of obtaining regulatory approvals and the subsequent compliance with applicable federal, state, local and foreign statutes and regulations require the expenditure of substantial time and financial resources. Failure to comply with these regulations could result in, among other things, warning letters, civil penalties, delays in approving or refusal to approve a product candidate, product recall, product seizure, interruption of production, operating restrictions, suspension or withdrawal of product approval, injunctions or criminal prosecution.

Prior to human use, the FDA approval or marketing clearance must be obtained in the U.S., approval by Health Canada must be obtained in Canada, European Medicines Agency (the "EMA") approval (drugs) or a Conformité Européenne (European Conformity) ("CE") mark (devices) and/or registration under the European Commission's Medical Device Regulation ("MDR"), must be obtained for countries that are part of the EU and approval must be obtained from comparable agencies in other countries prior to manufacturing or marketing new pharmaceutical products or medical devices. Generally, preclinical studies and clinical trials of the products must first be conducted and the results submitted to the applicable regulatory agency (such as the FDA) for approval.

Regulation by other federal agencies, such as the Drug Enforcement Administration, and state and local authorities in the U.S., and by comparable agencies in certain foreign countries, is also required. In the U.S., the Federal Trade Commission (the "FTC"), FDA and state and local authorities regulate the advertising of medical devices, prescription drugs, OTC drugs and cosmetics. The Federal Food, Drug and Cosmetic Act, as amended and the regulations promulgated thereunder, and other federal and state statutes and regulations, govern, among other things, the testing, manufacture, safety, effectiveness, labeling, storage, record keeping, approval, sale, distribution, advertising and promotion of our products. The FDA requires a Boxed Warning (sometimes referred to as a "Black Box" Warning) for products that have shown a significant risk of severe or life-threatening adverse events and similar warnings are also required to be displayed on such products in certain other jurisdictions.

In addition, medical device products marketed in the EU are subject to the MDR. While EU law is applicable in Northern Ireland, the United Kingdom ("UK") Medical Devices Regulations 2002/68 also needs to be complied with in Great Britain. Effective July 1, 2023, devices destined for Great Britain are required to follow the UK regulatory regime and to be labeled with the UK Conformity Assessed ("UKCA") mark. Northern Ireland will, however, continue to accept CE marked devices. There are some additional requirements for manufacturers who are based outside the UK, such as the requirement to appoint a UK Responsible Person to take on certain regulatory responsibilities with respect to the Medicines and Healthcare products Regulatory Agency and users or customers in the UK. Further, pursuant to the Swiss Medical Device Ordinance, we are required to appoint an authorized representative in Switzerland in order to export our CE-marked medical devices to Switzerland. Additionally, the name and address of the Swiss authorized representative must be placed on the packaging.

Manufacturers of pharmaceutical products and medical devices are required to comply with manufacturing regulations, including current good manufacturing practices and quality system management requirements, enforced by the FDA and Health Canada, in the U.S. and Canada, respectively, and similar regulations enforced by regulatory agencies in other countries and we face periodic audits of our facilities and

plants and those of our contract manufacturers by the FDA and such other regulatory agencies. In addition, we are subject to price control restrictions on our pharmaceutical products in many countries in which we operate.

We are also subject to extensive U.S. federal and state health care marketing and fraud and abuse regulations, such as the federal False Claims Act, federal and provincial marketing regulations in Canada and similar regulations in foreign countries in which we may conduct our business. The federal False Claims Act imposes civil and criminal liability on individuals or entities who submit (or cause the submission of) false or fraudulent claims for payment to the government. The U.S. federal Anti-Kickback Statute prohibits persons or entities from knowingly and willfully soliciting, receiving, offering or providing remuneration, directly or indirectly, to induce either the referral of an individual, or the furnishing, recommending, or arranging for a good or service, for which payment may be made under a federal or state health care program such as the Medicare and Medicaid programs. Some state anti-kickback laws also prohibit such conduct where commercial insurance, rather than federal or state, programs are involved. Due to legislative changes, violations of the U.S. federal Anti-Kickback Statute also carry potential federal False Claims Act liability. In addition, in the U.S., Canada and various other countries, companies may not promote drugs or medical devices for "off-label" uses — that is, uses that are not described in the product's labeling and that differ from those that were approved or cleared by the FDA, Health Canada or applicable regulatory agency in such other countries and "off-label promotion" in the U.S. has also formed the predicate for False Claims Act liability resulting in significant financial settlements. These and other laws and regulations, rules and policies may significantly impact the manner in which we are permitted to market our products. If our operations are found to be in violation of any of these laws, regulations, rules or policies or any other law or governmental regulation, or if interpretations of the foregoing change, we may be subject to civil and criminal penalties, damages, fines, exclusion from the Medicare and Medicaid programs, the curtailment or restructuring of our operations or other sanctions, including consent orders or corporate integrity agreements.

In addition, the U.S. Department of Health and Human Services ("HHS") Office of Inspector General recommends, and increasingly states require pharmaceutical companies to have comprehensive compliance programs. Moreover, the Physician Payment Sunshine Act imposes reporting and disclosure requirements on device and drug manufacturers for any "transfer of value" made or distributed to prescribers and other health care providers. Failure to submit this required information may result in significant civil monetary penalties.

We are also subject to the U.S. Foreign Corrupt Practices Act ("FCPA"), the Canadian Corruption of Foreign Public Officials Act ("CFPOA") and similar worldwide anti-bribery laws, which generally prohibit companies and their intermediaries from making improper payments to officials for the purpose of obtaining or retaining business. Violations of these laws could result in criminal or civil penalties or remedial measures.

We are also subject to various state, federal and international laws and regulations governing the collection, transmission, dissemination, use, privacy, confidentiality, security, retention, availability, integrity and other processing of health-related and other sensitive and personal information, including, but not limited to, the Health Insurance Portability and Accountability Act of 1996, as amended by the Health Information Technology for Economic and Clinical Health Act of 2009 (collectively, "HIPAA"). HIPAA mandates, among other things, the adoption of uniform standards for the electronic exchange of information in common health care transactions (e.g., health care claims information and plan eligibility, referral certification and authorization, claims status, plan enrollment, coordination of benefits and related information), as well as standards relating to the privacy and security of individually identifiable health information. These standards require the adoption of administrative, physical and technical safeguards to protect such information. Many states in which we operate have laws that protect the privacy and security of sensitive and personal information, including health-related information. Certain state laws may be more stringent or broader in scope, or offer greater individual rights, with respect to sensitive and personal information than federal, international or other state laws, and such laws may differ from each other, which may complicate compliance efforts. For example, the California Consumer Privacy Act (the "CCPA") and the California Privacy Rights Act (the "CPRA") impose stringent data privacy and security requirements and obligations with respect to the personal information of California residents, including, among other things, new disclosures to California consumers and providing such consumers new data protection and privacy rights, including the ability to opt out of certain sales of personal information. The CCPA and CPRA provide for civil penalties for violations, as well as a private right of action for certain data breaches that result in the loss of personal data that may increase

the likelihood of, and risks associated with, data breach litigation. The CPRA also creates a new state agency that will be vested with authority to implement and enforce the CCPA and the CPRA. It remains unclear how various provisions of the CCPA and CPRA will be interpreted and enforced, and multiple states have enacted or are expected to enact similar laws. The effects on our business of the CCPA, CPRA and other similar state laws are potentially significant, and may require us to modify our data processing practices and policies and to incur substantial costs and expenses in an effort to comply. State laws are changing rapidly and there is discussion in Congress of a new federal data protection and privacy law to which we may be subject.

Additionally, some statutory requirements, both in the U.S. and abroad, include obligations for companies to notify individuals of security breaches involving particular personal information, which could result from breaches experienced by us or our service providers. For example, laws in all 50 U.S. states require businesses to provide notice to customers whose personal data has been disclosed as a result of a data breach. The laws are not consistent, and compliance in the event of a widespread data breach is difficult and may be costly. Moreover, states have been frequently amending existing laws, requiring attention to changing regulatory requirements.

Internationally, laws and regulations in many jurisdictions apply broadly to the collection, transmission, dissemination, use, privacy, confidentiality, security, retention, availability, integrity and other processing of health-related and other sensitive and personal information. For example, in the European Economic Area (the "EEA"), the collection and use of personal data, including clinical trial data, is governed by the provisions of the General Data Protection Regulation (the "GDPR"). The GDPR, together with national legislation, regulations and guidelines of the EU member states and the United Kingdom governing the processing of personal data, impose strict obligations and restrictions on the ability to collect, analyze, store, transfer and otherwise process personal data, including health data from clinical trials and adverse event reporting. In particular, the GDPR includes obligations and restrictions concerning the consent and rights of the individuals to whom the personal data relates, the transfer of personal data out of the EEA, security breach notifications and the security and confidentiality of personal data. In July 2020, the Court of Justice of the European Union issued a decision that struck down the EU-U.S. Privacy Shield framework, which provided companies with a mechanism to comply with data protection requirements when transferring personal data from the EU to the United States. The United States subsequently implemented a Data Privacy Framework ("DPF") program, overseen by the Department of Commerce's International Trade Administration, which is intended to replace the Privacy Shield framework and has been recognized with an adequacy decision by the European Commission. Bausch Health has self-certified and is a participant in the DPF program. However, the DPF program is the subject of threatened litigation. These developments may result in European data protection regulators applying differing standards for, and requiring ad hoc verification of, transfers of personal data from EU member states to the United States. The GDPR authorizes fines for certain violations of up to 4% of global annual revenue or €20 million, whichever is greater. European data protection authorities may interpret the GDPR and national laws differently and impose additional requirements, which contributes to the complexity of processing personal data in or from the EEA or UK. Guidance on implementation and compliance practices is often updated or otherwise revised.

Further, following the UK's withdrawal from the EU and the EEA, and the expiry of the transition period, companies have to comply with both the GDPR and the GDPR as incorporated into the UK national law, the Data Protection Act of 2018, the latter regime having the ability to separately fine up to the greater of £17.5 million or 4% of global turnover. We may incur liabilities, expenses, costs and other operational losses under the GDPR and privacy laws of the applicable EU and EEA Member States and the UK in connection with any measures we take to comply with them.

We are also subject to Canada's federal *Personal Information Protection and Electronic Documents Act* and substantially similar equivalents at the provincial level with respect to the collection, use and disclosure of personal information in Canada. Such federal and provincial legislation impose data privacy and security obligations on our processing of personal information of Canadian residents. The federal, Quebec and Alberta legislation include mandatory data breach notification requirements. Canada's Anti-Spam Legislation ("CASL") also applies to the extent that we send commercial electronic messages to electronic addresses in Canada. CASL contains prescriptive consent, form, content and unsubscribe mechanism requirements. Penalties for non-compliance with CASL are up to CAD 10 million per violation. These laws and regulations may be interpreted and applied differently over time and from jurisdiction to jurisdiction, and it is possible

they will be interpreted and applied in ways that will materially and adversely affect our business. The regulatory framework for data privacy, data security and data transfers worldwide is rapidly evolving and is likely to remain uncertain for the foreseeable future. Complying with all of these laws and regulations involves costs to our business, and failure to comply with these laws and regulations can result in the imposition of significant civil and criminal penalties, as well as litigation.

In addition, in China, the Personal Information Protection Law (the "PIPL") came into effect in November 2021. The PIPL is the first national-level law comprehensively regulating issues in relation to personal information protection. The PIPL provides for very specific administrative requirements and security controls when transferring personal data outside the Peoples Republic of China. These transfer requirements came into effect on March 1, 2023.

Successful commercialization of our products may depend, in part, on the availability of governmental and third-party payor reimbursement for the cost of our products. Third-party payors may include government health administration authorities, private health insurers and other organizations. In the U.S., the E.U. and other significant or potentially significant markets for our products and product candidates, government authorities and third-party payors are increasingly attempting to limit or regulate the price of medical products and services, which has resulted in lower average realized prices. In the U.S., these pressures can arise from rules and practices of managed care groups, judicial decisions and governmental laws and regulations related to Medicare, Medicaid and health care reform, pharmaceutical reimbursement policies and pricing in general. In particular, sales of our products may be subject to discounts from list price and rebate obligations, as well as formulary coverage decisions impacting or limiting the types of patients for whom coverage will be provided. Various U.S. health care and other laws regulate our interactions with government agencies, private insurance companies and other third-party payors regarding coverage and reimbursement for our products. Failure to comply with these laws could subject us to civil, criminal and administrative sanctions. In countries outside the U.S., the success of our products may depend, at least in part, on obtaining and maintaining government reimbursement because, in many countries, patients are unlikely to use prescription drugs that are not reimbursed by their governments. In addition, negotiating prices with certain governmental authorities for newly developed products can delay commercialization. In Canada and many international markets, governments control the prices of prescription pharmaceuticals, including through the implementation of reference pricing, price cuts, rebates, revenue-related taxes, tenders and profit control, and they expect prices of prescription pharmaceuticals to decline over the life of the product or as volumes increase.

In the U.S. and certain foreign jurisdictions, there have been a number of legislative and regulatory proposals to change the health care system in ways that could impact our ability to sell our products profitably. The Patient Protection and Affordable Care Act (the "PPACA") as amended by the Health Care Reform Act, may affect the operational results of companies in the pharmaceutical and medical device industries, including the Company and other health care related industries, by imposing on them additional costs. Effective January 1, 2010, the Health Care Reform Act increased the minimum Medicaid drug rebates for pharmaceutical companies, expanded the 340B drug discount program, and made changes to affect the Medicare Part D coverage gap, or "donut hole." The law also revised the definition of "average manufacturer price" for reporting purposes, which may affect the amount of our Medicaid drug rebates to states. Beginning in 2011, the law imposed a significant annual fee on companies that manufacture or import branded prescription drug products. The Bipartisan Budget Act of 2018 amended the PPACA, effective January 1, 2019, to close the donut hole in most Medicare drug plans. In addition, in April 2018, the CMS published a final rule that gives states greater flexibility in setting benchmarks for insurers in the individual and small group marketplaces, which may have the effect of relaxing the essential health benefits required under the PPACA for plans sold through such marketplaces.

The IRA 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. We continue to evaluate the impact of the IRA and other legislation on our results of operations and it is possible that these changes may result in a material impact on our business and results of operations.

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 established a $2,000 cap for out-of-pocket limits costs for Medicare beneficiaries beginning in 2025, which has increased to $2,100 for 2026, with manufacturers being responsible for 10% of costs up to the $2,100 cap and 20% after that cap is reached. In January 2025, the CMS selected Xifaxan® 550 mg tablets as one of the medicines for the second round of negotiation of the 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 published the negotiated maximum fair prices on November 25, 2025. The negotiated price for Xifaxan® will become effective on January 1, 2027 and is expected to negatively impact revenues and operating results for Xifaxan® 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.

There have been prior efforts in Congress to amend or replace the IRA and it is possible that there could be new efforts to make changes to this legislation. Additionally, policy efforts designed specifically to reduce patient out-of-pocket costs for medicines could result in new mandatory rebates and discounts or other pricing restrictions. Legislative efforts relating to drug pricing, the cost of prescription drugs under Medicare, the relationship between pricing and manufacturer patient programs, and government program reimbursement methodologies for drugs have been proposed and considered at the U.S. federal and state level. The previous Congress and presidential administration have each indicated an intent to continue to seek new legislative or administrative measures to control drug costs. The legislative priorities of the current Congress and presidential administration remain uncertain and difficult to predict. At the state level, legislatures have increasingly passed legislation and implemented regulations designed to control pharmaceutical product pricing, including price or patient reimbursement constraints, discounts, restrictions on certain product access and marketing cost disclosure and transparency measures, and, in some cases, designed to encourage importation from other countries and bulk purchasing. We also anticipate that Congress, state legislatures, and third-party payors may continue to review and assess alternative health care delivery and payment systems and may in the future propose and adopt legislation or policy changes or implementations effecting additional fundamental changes in the health care delivery system.

See Item 1A. "Risk Factors" of this Form 10-K for additional information on the risks associated with these regulations and related matters.

Environmental and Other Regulation

Our facilities and operations are subject to a broad range of federal, state and local environmental and occupational health and safety laws and regulations in both the U.S. and countries outside the U.S. (including Canada), including those governing the discharge of substances into the air, water and land, the handling, treatment, storage and disposal of hazardous substances and wastes, wastewater and solid waste, the cleanup of contaminated properties and other environmental matters. Certain of our development and manufacturing activities involve the use of hazardous substances. If we fail to comply with these environmental, health and safety laws and regulations, including failing to obtain any necessary permits, we could incur substantial civil or criminal fines or penalties or enforcement actions, including regulatory or judicial orders enjoining or curtailing our operations or requiring us to conduct or fund remedial or corrective measures, install pollution control equipment, reformulate or cease the marketing of our products or perform other actions. Under certain laws, we may be subject to joint and several liability for environmental investigations and cleanups, including at properties that we currently or previously owned or operated, or at sites at which waste we generated was disposed, even if the contamination was not caused by us or was legal at the time it occurred. We are also subject to extensive and evolving regulations regarding the manufacturing, processing, distribution, importing, exporting and labeling of our products and their raw materials. In the EU, we are subject to the Regulation on the Registration, Evaluation, Authorisation and Restriction of Chemicals ("REACH"). Registered chemicals then can be subject to further evaluation and potential restrictions. Since the promulgation of REACH, other countries have enacted or are in the process of implementing similar comprehensive chemical regulations. These laws and regulations may materially affect our operations by subjecting our products or raw materials to testing or reporting requirements or restrictions, moratoria, phase

outs or other limitations on their sale or use. In particular, some of our products might be characterized as nanomaterials and then be subject to evolving, new nanomaterial regulations.

In light of the rapid and ongoing global regulations and expectations relating to environmental, social and governance ("ESG") matters, we are making appropriate investments in our ESG program to position us for timely reporting for the EU's Corporate Sustainability Reporting Directive, California's Climate Corporate Data Accountability Act (SB 253) and Climate-Related Financial Risk Report (SB 261) regulations, and other pending requirements, if and when they come into force.

We believe we are in compliance in all material respects with applicable environmental and occupational health and safety laws and regulations. We are not aware of any pending environmental or occupational health and safety litigation or significant liabilities that are likely to have a material adverse effect on our financial position. We cannot assure, however, that environmental liabilities relating to us or facilities owned, leased or operated by us will not develop in the future, and we cannot predict whether any such liabilities, if they were to develop, would require significant expenditures on our part. In addition, we are unable to predict what environmental or occupational health and safety legislation or regulations may be adopted or enacted in the future. See Item 1A. "Risk Factors" of this Form 10-K for additional information.

Customers and Marketing

In 2025, the U.S. accounted for approximately 60% and China accounted for approximately 5% of our total revenues, respectively. No other country accounted for more than 5%. See Note 23, "SEGMENT INFORMATION" to our audited Consolidated Financial Statements for revenues by geographic area.

Customers that accounted for 10% or more of our total revenue for 2025, 2024 and 2023 are as follows:

	2025	2024	2023
Cencora Inc.	18%	19%	19%
McKesson Corporation	16%	15%	15%
Cardinal Health, Inc.	14%	14%	13%

We currently promote our pharmaceutical products to physicians, hospitals, pharmacies and wholesalers through our own sales force and sell through wholesalers. In some markets, we additionally sell directly to physicians, hospitals and large drug store chains and we sell through distributors in countries where we do not have our own sales staff. As part of our marketing program for pharmaceuticals, we use DTC advertising, direct mailings, advertise in trade, social media and medical periodicals, exhibit products at medical conventions and sponsor medical education symposia.

Competition

Competitive Landscape for Products and Products in Development

The pharmaceutical and medical device industries are highly competitive. Our competitors include specialty and other large pharmaceutical companies, medical device companies, biotechnology companies, OTC companies and generic manufacturers, in the U.S., Canada, Europe, Asia, Latin America, Middle East, Africa and in other countries in which we market our products. With respect to the GI market, generic entrants continue to capture significant share for treatment of many GI conditions. In the area of irritable bowel syndrome and opioid induced constipation, competitors have launched new competing products, which should increase the size of these markets and intensify competition. The dermatology competitive landscape is highly fragmented, with a large number of mid-size and smaller companies competing in both the prescription sector and the OTC and cosmeceutical sectors. The market for Bausch + Lomb products is very competitive, both across product categories and geographies. In addition to larger diversified pharmaceutical and medical device companies, we face competition in the eye health market from mid-size and smaller, regional and entrepreneurial companies with fewer products in niche areas or regions.

Our competitors are pursuing the development and/or acquisition of pharmaceuticals, medical devices and OTC products that target the same diseases and conditions that we are targeting in GI, neurology, dermatology, eye health and other therapeutic areas. Academic and other research and development

institutions may also develop products or technologies that compete with our products, which technologies and products may be acquired or licensed by our competitors. These competitors may have greater financial, R&D or marketing resources than we do. If competitors introduce new products, delivery systems or processes with therapeutic or cost advantages, our products can be subject to progressive price reductions or decreased volume of sales, or both. Most new products that we introduce must compete with other products already on the market or products that are later developed by competitors.

We sell a broad range of products, and competitive factors vary by product line and geographic area in which the products are sold. The principal methods of competition for our products include quality, efficacy, market acceptance, price and marketing and promotional efforts.

Generic Competition and Loss of Exclusivity

We face increased competition from manufacturers of generic pharmaceutical products when patents covering certain of our currently marketed products expire or are successfully challenged or when the regulatory exclusivity for our products expires or is otherwise lost. Generic versions are generally significantly less expensive than branded versions, and, where available, may be required to be utilized before or in preference to the branded version under third-party reimbursement programs, or substituted by pharmacies. Accordingly, when a branded product loses its market exclusivity, it normally faces intense price competition from generic forms of the product. To successfully compete for business with managed care and pharmacy benefits management organizations, we must often demonstrate that our products offer not only medical benefits, but also cost advantages as compared with other forms of care.

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, is critical to our business and financial results. A substantial amount of our revenue is derived from the Xifaxan® product line, and we may be materially impacted by the entry of a generic rifaximin product earlier than January 2028, including a competitor launching a generic rifaximin at risk prior to a final, unappealable decision.

For further details regarding products that are facing generic competition, products that could potentially face generic competition, the corresponding potential revenue impact and infringement proceedings we initiated against potential generic competition, see Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations — Business Trends — Generic Competition and Loss of Exclusivity" of this Form 10-K. See Note 21, "LEGAL PROCEEDINGS" to our audited Consolidated Financial Statements for further details regarding certain infringement proceedings. See Item 1A. "Risk Factors" of this Form 10-K for additional information on our competition risks.

Manufacturing

We currently operate approximately 37 manufacturing sites worldwide, of which 25 are Bausch + Lomb facilities. We continue to make capital investments in these facilities as discussed in Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations — Overview — Focus on Value and Core Businesses" of this Form 10-K.

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, we believe that 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 in all material respects standing with all relevant notified bodies and global health authorities.

We also subcontract the manufacturing of certain of our products, including products manufactured under the rights acquired from other pharmaceutical companies. Products representing approximately 28% of our product sales for 2025 are produced in total, or in part, by third-party manufacturers under manufacturing arrangements.

In some cases, the principal raw materials, including active pharmaceutical ingredients, used by us (or our third-party manufacturers) for our various products are purchased in the open market or are otherwise available from several sources. However, some of the active pharmaceutical ingredients and other raw materials used in our products and some of the finished products themselves are currently only available from a single source; or others may in the future become available from only one source. For example, with respect to some of our largest or most significant products, the supply of the finished product for each of our Lumify®, Vyzulta®, SofLens®, MIEBO®, XIIDRA®, Wellbutrin XL®, Relistor® injection, Trulance®, Jublia®, Aplenzin®, Arestin®, Bedoyecta®, Siliq® and PureVision® products are only available from a single source (either one of our internal manufacturing sites or third party manufacturers) and the supply of active pharmaceutical ingredients for each of our Lumify®, Vyzulta®, MIEBO®, PreserVision®, Relistor® Oral and injection, Trulance®, Aplenzin®, Arestin®, Bedoyecta® and Siliq® products are also only available from a single source. Any disruption in the supply of any such single-sourced active pharmaceutical ingredient, other raw material or finished product or an increase in the cost of such materials or products could adversely impact our ability to manufacture or sell such products, the ability of our third-party manufacturers to supply us with such products, or our profitability. We attempt to manage the risks associated with reliance on single sources of active pharmaceutical ingredients, other raw materials or finished products by carrying additional inventories or, where possible, developing second sources of supply. See Item 1A. "Risk Factors" for additional information on the risks associated with our manufacturing arrangements.

Human Capital Resources

In order to achieve our vision of being a trusted health care partner, we strive to ensure our employees around the world feel proud to be a part of Bausch Health Companies Inc. and champion our purpose to enrich lives through our relentless drive to improve healthcare outcomes for our patients and customers.

As of December 31, 2025, we had approximately 20,300 employees, of which approximately 13,000 were Bausch + Lomb employees. We had approximately 10,300 employees in production, 6,800 in sales and marketing, 1,800 in general and administrative positions and 1,400 in R&D. These employees are located around the world, with approximately 7,700 in the United States and Canada, 7,100 in Europe, 2,550 in Asia-Pacific, 2,200 in Latin America, 450 in Russia, 200 in the Middle East and Africa and 100 in Commonwealth of Independent State countries (other than Russia).

Some of our employees may be subject to collective bargaining, trade union or works council agreements or arrangements. We consider our employee relations to be good and currently do not expect any significant difficulties in renewing these agreements. We have not experienced any strikes or work stoppages in the past three years.

During 2025, neither Bausch Health nor Bausch + Lomb experienced any significant disruption because of turnover.

Health, Safety and Wellness

Our employees' health, safety, and wellness are important to us. On an ongoing basis, Bausch Health (excluding Bausch + Lomb) measures how well we foster the health and safety of our employees by measuring Lost Time Incident Rates, which reflect the number of incidents that result in lost time. For 2025, our Lost Time Incident Rate was 0.8 recorded cases per 100 employees, which was slightly higher than the industry average of 0.5 recorded per 100 employees.

Bausch + Lomb measures Days Away Rate ("DAR"), which measures the number of days employees are away from work due to injury or illness. In 2025, B+L's DAR was 5.5, which met its goal of not exceeding 6 on an annual basis and is significantly lower than similar industry standard DAR of 22.

Equity and Inclusion

We are dedicated to cultivating a workplace where every individual feels appreciated, respected and empowered to thrive. Our aim is to build an environment that nurtures growth, encourages collaboration and fosters a deep sense of belonging.

Talent Development

We are committed to the development of our employees and believe that our success coincides with our employees' achievements of personal and professional goals.

Through our Employee Development Framework, we endeavor to support our employees' interests to grow to their full potential, achieve career goals, and contribute to the success of our Company. We empower employees to explore roles that are of interest and gain insight into their strengths and development needs. We provide a variety of development programs to support our employees at every stage of their career and incorporate individual development plans that aim to help our employees reach their career goals.

We also have a global succession planning process that allows us to define talent needs based on business strategy, identify talent and drive their development and growth, strengthen the pipeline for critical leadership positions, and optimize talent deployment across the business. The Talent and Compensation Committee of the Board of Directors along with the Board has oversight of our Company's talent management and succession planning process. The Talent and Compensation Committee of the Board of Directors reviews succession planning progress and specifically, the plans for members of the Executive Leadership team consisting of the Chief Executive Officer and his direct reports. To support this process, members of the Board interact with senior leaders throughout the organization during the year to get to know these leaders and their work.

Total Rewards

Our total rewards philosophy is designed to attract, retain, motivate and engage our employees. We provide comprehensive and market competitive compensation and benefit programs across our geographies, aligning these programs with the interests of our shareholders and balancing appropriate risk taking. Collectively, these programs comprise our Total Rewards package.

Our compensation program includes base pay, short- and long-term incentives. We provide the opportunity for our employees to earn more when we deliver against objectives — both as a total company and individually. We also provide competitive benefit programs based on local practice in the countries where our employees work. Our programs include medical coverage, retirement benefits, paid time off, and life and other insurances.

Corporate Social Responsibility

We are proud to support the communities in which we live and work with their charitable initiatives. Bausch Health provides monetary and product donations to not-for-profit organizations for use in indigent care, public education, advocacy efforts, disaster relief or other charitable efforts. Bausch Health also provides grants to organizations that deliver independent, professional education initiatives for healthcare providers, including continuing medical education, as well as requests to provide funding or free product for investigator initiated studies.

We understand that some patients may face financial obstacles that can keep them from obtaining the prescription products they need. Bausch Health is committed to improving access to medications through our patient assistance program. The purpose of the Bausch Health Patient Assistance Program is to provide eligible patients in the U.S. with certain of our prescription products where their financial circumstances or insurance status would otherwise interfere with their ability to access such products. If approved, and with a valid prescription, patients receive our prescription product(s) at no cost and can reapply to the program annually to confirm they continue to meet eligibility requirements.

See Item 7. "Management's Discussion and Analysis — Overview — Focus on Value and Core Businesses — Improve Patient Access" for additional discussion regarding Company programs to address the affordability and availability of our products.

Product Liability Insurance

Since March 31, 2014, we have self-insured substantially all of our product liability risk for claims arising after that date. In the future, we will continue to re-evaluate our decision to self-insure and may purchase

additional product liability insurance to cover product liability risk. See Item 1A. "Risk Factors" of this Form 10-K for additional information.

Seasonality of Business

Historically, revenues from our business tend to be weighted toward the second half of the year. Sales in the first quarter tend to be lower as patient co-pays and deductibles reset at the beginning of each year. Sales in the fourth quarter tend to be higher based on consumer and customer purchasing patterns associated with health care reimbursement programs. However, there are no assurances that these historical trends will continue in the future.

Geographic Areas

A significant portion of our revenues is generated from operations or otherwise earned outside the U.S. and Canada. All of our foreign operations are subject to risks inherent in conducting business abroad, including price and currency exchange controls, fluctuations in the relative values of currencies, political and economic instability and restrictive governmental actions including possible nationalization or expropriation. Changes in the relative values of currencies may materially affect our results of operations. For a discussion of these risks, see Item 1A. "Risk Factors" of this Form 10-K.

See Note 23, "SEGMENT INFORMATION" to our audited Consolidated Financial Statements for revenues and long-lived assets by geographic area.

A portion of our revenue and income was earned in Canada and Ireland, which have low effective tax rates. See Item 1A. "Risk Factors" of this Form 10-K relating to tax rates for more information.

Available Information

Our Internet address is *www.bauschhealth.com*. We post links on our website to the following filings as soon as reasonably practicable after they are electronically filed or furnished to the SEC: annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and any amendment to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act. All such filings are available through our website free of charge. The information on our Internet website is not incorporated by reference into this Form 10-K or our other securities filings and is not a part of such filings. The SEC also maintains an Internet website at *www.sec.gov* that contains reports, proxy and information statements, and other information regarding issuers, including us, that file electronically with the SEC.

We are also required to file reports and other information with the securities commissions in all provinces in Canada. You are invited to read and copy any reports, statements or other information, other than confidential filings, that we file with the provincial securities commissions. These filings are also electronically available from the Canadian System for Electronic Data Analysis and Retrieval ("SEDAR+") at *www.sedarplus.ca*, the Canadian equivalent of the SEC's electronic document gathering and retrieval system.

Item 1A. Risk Factors

Our business, financial condition, cash flows and results of operations are subject to various risks and uncertainties. You should carefully consider the risks and uncertainties described below, together with all of the other information in this Form 10-K, including those risks set forth under the heading entitled "Forward-Looking Statements" and in other documents that we file with the SEC and the CSA, before making any investment decision with respect to our common shares or debt securities. If any of the risks or uncertainties actually occur or develop, our business, financial condition, cash flows, results of operations and/or future growth prospects could change, and such change could be materially adverse. Under these circumstances, the market value of our common shares and/or debt securities could decline, and you could lose all or part of your investment in our common shares and/or debt securities.

Summary of Risk Factors

The following is a summary of the risk factors our business faces. The list below is not exhaustive, and investors should read this "Risk Factors" section in full. Some of the risks we face include:

- the impact of the current market and macroeconomic conditions in one or more of our markets on our business;
- the impact on our business relating to the B+L IPO and the B+L Separation, including the uncertainties with respect to the expected timing of completion of the B+L Separation;
- the impact of ongoing and potential legal proceedings, investigations and inquiries;
- the impact of changes to our pricing practices, whether imposed, legislated or voluntary;
- our dependence on third parties to meet their contractual, legal, regulatory, and other obligations;
- our ability to comply with extensive regulation concerning marketing, promotional and business practices;
- our ability to comply with restrictive covenants in our debt agreements;
- our ability to generate cash in order to service our debt;
- the impact on our business of restrictions imposed by our significant indebtedness;
- our ability to manage the transition of key management positions and to recruit and retain executives and key personnel;
- the potential increase of our effective tax rates, including as a result of proposed changes to applicable tax laws;
- our ability to compete with generic competitors in products that represent a significant amount of our revenue;
- our ability to obtain, maintain, enforce or defend the intellectual property rights required to conduct our business;
- our ability to develop or acquire more competitive pharmaceutical or OTC products or medical devices than our competitors;
- the effect of our commitment to the cessation of or limitation on pricing increases for certain of our products;
- the impact of potential divestitures and acquisitions of assets, products and businesses;
- our ability to maintain and provide appropriate training in our products to our health care providers;
- our ability to successfully commercialize our pipeline products;
- our ability to comply with ongoing regulatory review of our marketed drugs, including our dietary products;
- the impact on our revenues and profits from generic products as a result of changes to regulatory policy;

- the impact on our business of interruptions in our manufacturing processes;
- our dependence on a limited number of sources for certain of our finished products and raw materials;
- our ability to achieve or maintain expected levels of market acceptance for our new products;
- our dependence on reimbursements from governmental and other third-party payors;
- the impact of potential exclusion from formularies developed by managed care organizations and third-party payors;
- the impact of pricing controls, social or governmental pressure to lower the cost of drugs, and consolidation across the supply chain, such as IRA-related legislation and CMS's selection of Xifaxan® for the second round of drug price negotiations for initial applicability in 2027, and the outcome thereof;
- the impact of catastrophic events that may disrupt our business;
- the illegal distribution and sale of counterfeit versions of our products;
- the reduction of profits due to imports from countries where our products are available at lower prices;
- the reduction of revenues in future fiscal periods due to our policies regarding returns, allowances, and chargebacks;
- the decline in sales volumes or prices of our products as the result of the concentration of sales to wholesalers;
- the effect of fluctuations in inventory levels or buying patterns by our large distributor and retail customers;
- the decline in pricing and/or volume of our products under our distribution agreements with other companies;
- risks associated with the international scope of our operations;
- the impact of the imposition of and adverse changes to duties, tariffs and other trade protection measures (including any retaliations to such measures);
- foreign currency exposure on the translation into U.S. dollars of the financial results of our international operations;
- risks associated with the ongoing international conflicts, including between Russia and Ukraine, and in the Middle East involving Israel, Hamas and other countries and militant groups in the region;
- risks associated with the shifting geopolitical tensions between the U.S. and other members of the North Atlantic Treaty Organization ("NATO");
- risks associated with the breakdown, interruption, breach or other compromise of our information technology systems;
- our ability to adopt and integrate artificial intelligence solutions into various aspects of our business and operations responsibly and in compliance with applicable legislation, laws, rules, regulations and guidance;
- our ability to comply with applicable laws and regulations and prevail in any litigation related to noncompliance;
- the impact that reforms of the health care system may have on our ability to sell our products profitably;
- our ability to comply with environmental laws and regulations and environmental remediation obligations;
- 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;

- the impact on our profitability from the potential impairment of goodwill and other intangible assets;
- our ability to effectively monitor and respond to expectations regarding environmental, social and governance matters;
- our potential obligations under our indemnity agreements and arrangements; and
- the fluctuation of our operating results and financial condition from quarter to quarter.

Risks Relating to Market and Macroeconomic Conditions

Current market and macroeconomic conditions in one or more of our markets could impact our business, liquidity, financial condition, cash flows and results of operations.

Over the last several years in the U.S. and globally, market and macroeconomic conditions have been challenging, particularly in light of public health pandemics and, more recently, as a result of uncertainty concerning government shutdowns, debt ceilings, government funding and trade wars. Any negative impact on economic conditions in one or more of our core markets, including volatility or deterioration in the debt and equity capital markets, heightened inflation, deflation or other adverse economic conditions may adversely affect our business. Ongoing uncertain economic and financial market conditions may also adversely affect the financial condition of our customers, suppliers and other business partners. When our customers' financial conditions are adversely affected, it could materially and adversely affect our sales and financial results, which could have a material adverse effect on our business. Our global business may be negatively affected by local economic conditions, including heightened inflation, increasing labor costs, potential recession, the imposition of or adverse amendments to duties, tariffs and other trade restrictions (including any retaliation to such measures) and currency exchange rate fluctuations, which could adversely affect our cost to manufacture and provide our products and services and revenues generated through sales of such products and services. There is no guarantee that we will be able to fully absorb any such additional costs or declines in the prices for our products and services, which may adversely impact our financial condition, cash flows and results of operations. Changes in economic conditions, including supply chain constraints, logistics challenges, labor shortages, imposition of or adverse amendments to new or existing duties, tariffs and other trade protection measures (including new or continued retaliation to such measures) and steps taken by governments and central banks, including stimulus and spending programs, have, in the past, led to (and could, in the future, lead to) heightened inflation, resulting in an increase in costs and changes in fiscal and monetary policy, including increased interest rates. In a heightened inflationary environment, we may be unable to raise the prices of our products and services sufficiently to keep up with the rate of inflation. Moreover, negative macroeconomic conditions could adversely impact our ability to obtain financing in the future on terms acceptable to us, or at all. In addition, geopolitical instability (such as the imposition of and adverse changes to U.S. duty, tariff and other trade protection measures and countermeasures against the United States being taken in retaliation for the same, the ongoing conflict between Russia and Ukraine, the ongoing conflicts and unrest in the Middle East, and tensions between the U.S. and other members of NATO and related sanctions and other measures could continue to have significant ramifications on global financial markets, including volatility in the U.S. and global financial markets.

Risks Relating to the B+L Separation

The B+L Separation has been subject to challenge and could be subject to further challenges in the future, any of which could delay or prevent the consummation of such transactions or cause them to occur on terms that are different or less favorable than we originally anticipated.

The B+L Separation, which may include a distribution of all or a portion of our remaining equity interest in Bausch + Lomb to our shareholders, could be subject to further challenge, which could delay or prevent the consummation of such transactions or cause them to occur on worse terms than we currently expect. In addition, the Company could, in the future, face additional legal proceedings and investigations and inquiries by governmental agencies relating to these or similar matters. For more information regarding legal proceedings, see Note 21, "LEGAL PROCEEDINGS" to our audited Consolidated Financial Statements elsewhere in this Form 10-K.

We are unable to predict the outcome of any such proceedings, investigations and inquiries, but we may incur significant costs and diversion of management attention as a result of these matters, regardless of the

outcome. Some or all of these proceedings, investigations and inquiries may lead to damages, settlement payments, fines, penalties, consent orders or other administrative sanctions against us. Furthermore, publicity surrounding these proceedings, investigations and inquiries or any enforcement action as a result thereof, even if ultimately resolved favorably for us could result in additional investigations and legal proceedings. As a result, these proceedings, investigations and inquiries could have a material adverse effect on our reputation and business.

The B+L Separation is subject to uncertainties, which could delay or prevent the completion of the B+L Separation, cause the B+L Separation to occur on terms or conditions that are different or less favorable than originally anticipated or affect our ability to realize some or all of the anticipated benefits of the B+L Separation.

Unanticipated developments and other challenges could delay or prevent the completion of the B+L Separation (including the Distribution, as defined below), result in changes to the anticipated structure of the B+L Separation (whether by way of "butterfly reorganization" rules in Section 55 of the Canadian Tax Act, return of capital or another form of sale or transfer of the Company's ownership interest in Bausch + Lomb), cause the B+L Separation to occur on terms or conditions that are different or less favorable than originally anticipated or affect our ability to realize some or all of the anticipated benefits of the B+L Separation. Such developments and other challenges may include possible delays in obtaining any necessary shareholder, stock exchange, regulatory or other approval or the failure to obtain any such approvals, possible delays in obtaining any required tax opinions or rulings or the failure to obtain any such tax opinions or rulings, failure to satisfy conditions, complications arising from the portion of Bausch Health's ownership of Bausch + Lomb that is pledged as collateral under certain of the Company's indebtedness, including the 2025 Credit Agreement and the 2032 Senior Secured Notes (each as defined in Note 10, "FINANCING ARRANGEMENTS" to our audited Consolidated Financial Statements), negotiating challenges, the uncertainty of the financial markets, disruptions to business and commerce induced by changes in global markets, financial and economic conditions (such as international conflicts) and changes in the law.

The Company continues to evaluate the structure of the B+L Separation and other related details, and, subject to the terms of the Company's agreements with Bausch + Lomb, the Company may consider undertaking the B+L Separation through one or more distributions effected as a dividend or a tax-free reduction of capital, one or more distributions in exchange for Bausch Health shares or other securities, any combination thereof or another form of sale or transfer of the Company's ownership interest in Bausch + Lomb. Prior to the completion of any B+L Separation, the Company may also sell a portion of its remaining direct or indirect equity interest in Bausch + Lomb through an offering to third parties.

Further, our Board of Directors could decide, either because of a failure to satisfy conditions or because of market or other factors, to delay, abandon or alter the structure or manner and terms of the B+L Separation. Additionally, Bausch + Lomb may terminate the existing arrangement agreement between the Company and Bausch + Lomb in accordance with its terms. No assurance can be given as to whether and when the full B+L Separation will occur, on what terms or structure the B+L Separation will occur or whether the B+L Separation will achieve the benefits originally anticipated. As a result, there can be no assurance as to the timing of the completion of the B+L Separation or its structure or terms.

Even if the B+L Separation is completed, we may not realize all of the benefits that we originally anticipated.

Even if the B+L Separation is completed, we may not be able to achieve the full strategic and financial benefits originally anticipated to result from the B+L Separation. The B+L Separation is intended to unlock value by creating an independent business and distinct investment identity with enhanced strategic and management focus that allows more efficient allocation of resources and capital. In addition, though the proceeds from the B+L IPO facilitated further reductions in the aggregate amount of our outstanding indebtedness, we may not achieve these and other anticipated benefits for a variety of reasons, including, among others: (i) Bausch + Lomb may prove to be less valuable on an independent basis than we anticipate, including because it is more susceptible to economic downturns and other adverse events than if it were still a part of the Company and because its business will be less diversified than the Company's business prior to the B+L Separation and (ii) other actions required to separate the respective businesses could disrupt our operations.

We have and will continue to expend significant resources in pursuing the B+L Separation, which could have a material adverse effect on our business.

The B+L Separation has and will continue to require significant resources, time and attention from our senior management and employees, which could cause distractions and divert attention and resources away from other projects and the day-to-day operation of our business. We may also experience increased difficulties in attracting, retaining, and motivating management and employees in connection with the B+L Separation. For more information on these and other related risks, see Item 1A. "Risk Factors — Employment-related Risks" of this Form 10-K. The B+L Separation, whether or not completed, may also have an adverse impact on our relationships with our customers, suppliers and other business counterparties. The price of our common shares could also fluctuate significantly in response to developments or market speculation related to the B+L Separation. The B+L Separation, if completed, may also have the effect of exacerbating other risk factors disclosed in this Item 1A. "Risk Factors."

We have incurred significant expenses in connection with the B+L Separation, and currently expect that the B+L Separation process will continue to be time-consuming and involve significant additional resources and expenses, which may not yield a discernible benefit if the B+L Separation is not completed on the timeline and terms currently anticipated or at all. In addition, if the B+L Separation is not completed or if it is delayed or restructured, we will still be required to pay certain costs and expenses incurred in connection therewith, such as legal, accounting, and other professional and advisory fees. Furthermore, the B+L Separation, if completed, is expected to result in dyssynergy costs, which may be greater than we anticipate and/or may be significant. In addition, we could be subject to legal proceedings or other claims challenging the B+L Separation, which could result in substantial costs and liability and also divert management's attention and resources, any of which could harm our business.

Any of the above factors could cause the B+L Separation process (or the failure to consummate the B+L Separation) to have a material adverse effect on our business.

If any B+L Separation proceeds in the form of a distribution of the shares in Bausch + Lomb (the "Distribution") pursuant to the existing arrangement agreement between the Company and Bausch + Lomb, to preserve the tax-free treatment of certain transactions related to the Distribution, we may not be able to engage in certain transactions. In such case, we could incur significant tax liabilities, or be liable to Bausch + Lomb, if certain transactions occur which result in these transactions or the Distribution being subject to tax.

Our initial intent was to effectuate any potential Distribution pursuant to the public company "butterfly reorganization" rules in Section 55 of the Income Tax Act (Canada) (the "Canadian Tax Act"). We continue to evaluate the structure of any potential Distribution and its other related details, and we have determined that any B+L Separation could also be implemented through a tax-free reduction of capital, which could provide us and Bausch + Lomb additional flexibility with respect to strategic alternatives following the completion of a Distribution. If any potential Distribution is effected pursuant to the public company "butterfly reorganization" rules in Section 55 of the Canadian Tax Act, we and Bausch + Lomb would recognize a taxable gain on the Distribution if, within prescribed periods following the completion of the Distribution, certain transactions specified under the Canadian Tax Act (including an acquisition of control of the Company or Bausch + Lomb that is part of the "series of transactions" that includes the Distribution) are undertaken by us or Bausch + Lomb or a "specified shareholder" as defined for purposes of the "butterfly reorganization" rules in Section 55 of the Canadian Tax Act. If such transactions, certain of which are outside the control of the Company and Bausch + Lomb, were to occur and to cause the Distribution to be taxable to us and/or to Bausch + Lomb, then we or Bausch + Lomb, as applicable, and, in some cases, both us and Bausch + Lomb, would be liable for a substantial amount of tax.

Given these potentially significant tax consequences, if the "butterfly reorganization" structure is pursued, it is anticipated that we will agree with Bausch + Lomb to certain tax-related covenants, which may restrict us from taking certain actions that we might otherwise choose to take, some of which could be material. Furthermore, if we breach any of these tax-related covenants, we may be required to indemnify Bausch + Lomb against any taxes or other losses suffered or incurred from or in connection with such breach.

In connection with any B+L Separation, some of our directors and officers may have actual or potential conflicts of interest because of their equity ownership in Bausch + Lomb, and/or because they also serve as officers or directors of Bausch + Lomb, which could impact our ability to grow our business or cause reputational or other harm.

Because of their positions with Bausch + Lomb, in connection with any B+L Separation, some of our directors and executive officers may own common shares of Bausch + Lomb or have options to acquire shares of Bausch + Lomb, and the individual holdings may be significant for some of these individuals compared to their total assets. In addition, certain of our current or former officers and directors also serve as officers or directors of Bausch + Lomb. A director who has a material interest in a matter before our Board of Directors or any committee on which he or she serves is required to disclose such interest as soon as the director becomes aware of it in accordance with applicable law. In situations where a director has a material interest in a matter to be considered by our Board of Directors or any committee on which he or she serves, such director may be required to excuse himself or herself from the meeting while discussions and voting with respect to the matter are taking place. Although all transactions with related parties will be approved by independent members of our Board of Directors that may meet in the absence of senior executive officers or non-independent directors, the ownership of Bausch + Lomb equity or service to Bausch + Lomb may create the appearance of conflicts of interest when the Bausch + Lomb-affiliated directors and officers are faced with decisions that could have different implications for Bausch + Lomb or us. For example, potential conflicts of interest could arise in connection with the resolution of any dispute that may arise between Bausch + Lomb and us regarding the terms of any B+L Separation. Potential conflicts of interest could also arise if we enter into commercial arrangements with Bausch + Lomb in the future. As a result of these actual or apparent conflicts, we may be precluded from pursuing certain growth initiatives. While the Board of Directors believes that, given its size and structure, such actual or potential conflicts of interest can be managed adequately, including that the independent members of our Board of Directors may meet in the absence of senior executive officers or non-independent directors in respect of the relevant matter, the actual or perceived conflicts of interest that may arise could cause reputational or other harm.

In connection with any B+L Separation and the various separation-related agreements entered into by us and Bausch + Lomb, we have agreed to indemnify Bausch + Lomb for certain liabilities, and Bausch + Lomb has agreed to indemnify us for certain liabilities. However, there can be no assurance that Bausch + Lomb's indemnity will be sufficient to insure us against the full amount of such liabilities, or that Bausch + Lomb's ability to satisfy its indemnification obligation will not be impaired in the future.

In connection with the various separation-related agreements entered into between Bausch + Lomb and us in connection with any B+L Separation, Bausch + Lomb agreed to indemnify us for certain liabilities. However, there can be no assurance that the indemnity from Bausch + Lomb will be sufficient to protect us against the full amount of such liabilities, or that Bausch + Lomb will be able to fully satisfy its indemnification obligations in the future. Even if we ultimately succeed in recovering from Bausch + Lomb any amounts for which we are held liable, we may be temporarily required to bear these losses. Furthermore, any indemnification claim against us by Bausch + Lomb, including for a breach of the tax-related covenants described above, could be substantial, may not be able to be satisfied and may have a material adverse effect on us. Each of these risks could also negatively affect our business, financial condition, results of operations and cash flows.

Legal and Reputational Risks

We are the subject of and may become subject to additional legal and governmental proceedings, which have had and could continue to have a material adverse effect on our reputation and business, and could result in additional claims and material liabilities.

While we have successfully settled or otherwise resolved a number of legacy legal proceedings, investigations and inquiries relating to, among other things, our disclosure and accounting practices and our former relationship with Philidor Rx Services LLC ("Philidor"), including the securities class action litigation matters in both the U.S. and Canada, the investigation by the SEC, the investigation order from the Autorité des marches financiers (our principal securities regulator in Canada) and certain derivative lawsuits, we are currently still the subject of a number of other ongoing legal proceedings, including, but not limited to, a

number of pending securities litigations, the allegations of which relate to, among other things, allegedly false and misleading statements by the Company and/or failures to disclose information about our business and prospects. In addition, we could, in the future, face additional legal and governmental proceedings relating to these or similar matters. For more information regarding legal proceedings, see Note 21, "LEGAL PROCEEDINGS" to our audited Consolidated Financial Statements.

We are unable to predict how long such proceedings will continue, but we anticipate that we will continue to incur significant costs in connection with some or all of these matters and that some or all of these proceedings will result in a substantial distraction of management's time, regardless of the outcome. Some or all of these proceedings will likely result in damages, settlement payments, fines, penalties, consent orders or other administrative sanctions (including exclusion from federal programs) against the Company and/or certain of our directors and officers, any of which could be material, or in changes to our business practices, which, in turn, may result in or may contribute to an inability by us to meet the financial covenants applicable to the 2030 Revolving Credit Facility contained in our 2025 Credit Agreement (as such terms are defined in Note 10, "FINANCING ARRANGEMENTS" to our audited Consolidated Financial Statements). Furthermore, publicity surrounding these proceedings or any enforcement action as a result thereof, even if ultimately resolved favorably for us could result in additional investigations and legal proceedings. As a result, these proceedings, investigations and inquiries could have a material adverse effect on our reputation and business.

We may be involved in additional litigation in the future. For example, the pharmaceutical and medical device industries historically have generated substantial litigation concerning the manufacture, use and sale of products and we expect this litigation activity to continue. As a result, we expect that patents related to our products will be routinely challenged, and we may initiate litigation against third parties to protect or enforce our patent rights. If we are not successful in defending an attack on our patents and maintaining exclusive rights to market one or more of our products still under patent protection, we could lose a significant portion of sales in a very short period. Even in cases where we prevail in an infringement claim, legal remedies available for harm caused to us may not be sufficient to make us whole. We may also become subject to, or threatened with, legal proceedings and infringement claims by third parties and may have to defend against charges that we infringed, misappropriated or otherwise violated patents or the intellectual property or proprietary rights of third parties. If we are found to infringe, misappropriate or otherwise violate the intellectual property rights of others, we could lose our right to develop, manufacture or sell products, including our generic products, or could be required to pay monetary damages or royalties to license proprietary rights from third parties, which could be substantial and may include treble damages and attorneys' fees. Third parties may also request a preliminary or permanent injunction from a court of law to prevent us from marketing a product. Even if resolved in our favor, litigation or other legal proceedings relating to intellectual property claims may cause us to incur significant expenses and could distract our technical and management personnel from their normal responsibilities. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential information could be compromised by disclosure during this type of litigation. In addition, there could be public announcements of the results of hearings, motions or other interim proceedings or developments and if securities analysts or investors perceive these results to be negative, it could have a substantial adverse effect on the value of our common shares. Such litigation or proceedings could substantially increase our operating losses and reduce the resources available for development activities or any future sales, marketing or distribution activities. We may not have sufficient financial or other resources to conduct such litigation or proceedings adequately. Some of our competitors or other third parties may be able to sustain the costs of such litigation or proceedings more effectively than we can because of their greater financial resources. Uncertainties resulting from the initiation and continuation of patent litigation or other proceedings could compromise our ability to compete in the marketplace, including compromising our ability to raise the funds necessary to continue our clinical trials, continue our research programs, license necessary technology from third parties or enter into development collaborations that would help us commercialize our product candidates, if approved. Any of the foregoing events would harm our business, financial condition, results of operations and prospects.

In addition, in the U.S., it has become increasingly common for patent infringement actions to prompt claims that antitrust laws have been violated during the prosecution of the patent or during litigation involving the defense of that patent. Such claims by direct and indirect purchasers and other payers are typically filed as class actions. The relief sought may include treble damages and restitution claims. Similarly, antitrust claims

may be brought by government entities or private parties following settlement of patent litigation, alleging that such settlements are anti-competitive and in violation of antitrust laws. In the U.S. and Europe, regulatory authorities have continued to challenge as anti-competitive so-called "reverse payment" settlements between branded and generic drug manufacturers. We may also be subject to other antitrust litigation involving competition claims unrelated to patent infringement and prosecution. For more information regarding legal proceedings, see Note 21, "LEGAL PROCEEDINGS" to our audited Consolidated Financial Statements. A successful antitrust claim by a private party or government entity against us could have a material adverse effect on our business.

Furthermore, our products may cause, or may appear to cause, adverse side effects (including death) or potentially dangerous drug interactions that we may not learn about or understand fully until the drug has been administered to patients for some time. If our products cause, or are alleged to cause, serious or widespread personal injury, we have to withdraw those products from the market and/or incur significant costs, including payment of substantial sums in damages, and we may be subject to exposure relating to product liability claims. Since March 31, 2014, we have self-insured substantially all of our product liability risk for claims arising after that date. We periodically evaluate and adjust our claims reserves to reflect trends in our own experience, as well as industry trends. However, historical loss trends may not be adequate to cover future losses, as historical trends may not be indicative of future losses. If ultimate results exceed our estimates, this would result in losses in excess of our reserved amounts. If we were required to pay a significant amount on account of these liabilities for which we self-insure, this could have a material adverse effect on our business and could cause the market value of our securities to decline.

Our historical business practices, including with respect to past pricing practices, have been under scrutiny, and pricing of pharmaceutical products continues to be subject to regulation in the markets in which we operate. Any changes to our practices relating to pricing or the current prices of products, whether imposed, legislated or voluntary, could have a material adverse effect on our business, financial performance, cash flows and results of operations.

We have been under scrutiny with respect to our historical business practices (including with respect to past pricing practices), including various securities litigations and other lawsuits. We are unable to predict how such proceedings, investigations and inquiries will impact our current business practices, including with respect to pricing, or the prices of our products, including whether we will be required to impose pricing freezes or controls, pricing reductions (including on a retroactive basis) or other price regulation for some or all of our products.

In addition, in recent years, in the U.S., state and federal governments have announced or implemented legislation that would control or regulate the prices of drugs. Other countries have announced or implemented measures on pricing, including suspensions on price increases, prospective and possibly retroactive price reductions and other recoupments. These measures and proposed measures vary by country. The Company has also taken actions in response to certain of these measures, including our decision to cease participation in the Medicaid Drug Rebate Program ("MDRP") and 340B Drug Pricing Program ("340B"). These measures and legislation, and any actions taken by the Company in response, could lead to impairment of certain of our intangible assets which could be significant, and/or could have a material adverse effect on our business, results of operations and cash flows.

We depend on third parties to meet their contractual, legal, regulatory, and other obligations, and actions by these third parties could have a material adverse effect on our business.

We rely on distributors, suppliers, contract research organizations, vendors, service providers, business partners and other third parties to research, develop, manufacture, distribute, market and sell many of our products, as well as perform other services relating to our business. We rely on these third parties to meet their contractual, legal, regulatory and other obligations. A failure to maintain these relationships or poor performance by these third parties could negatively impact our business. In addition, we cannot guarantee that the contractual terms and protections and compliance controls, policies and procedures we have put in place will be sufficient to ensure that such third parties will meet their legal, contractual and regulatory obligations or that these terms, controls, policies, procedures and other protections will protect us from acts committed by our agents, contractors, distributors, suppliers, service providers or business partners that violate

contractual obligations or the laws or regulations of the jurisdictions in which we operate, including matters respecting anti-corruption, fraud, bribery and kickbacks and false claims, pricing, sales and marketing practices, privacy laws and other legal obligations. Any failure of such third parties to meet these legal, contractual and regulatory obligations or any improper actions by such third parties or even allegations of such non-compliance or actions could damage our reputation, adversely impact our ability to conduct business in certain markets and subject us to civil or criminal legal proceedings and regulatory investigations, monetary and non-monetary damages and penalties and could cause us to incur significant legal and investigatory fees and, as a result, could have a material adverse effect on our business. For example, the allegations about the activities of Philidor and our former relationship with Philidor have resulted in a number of investigations, inquiries and legal proceedings against us, which have damaged and may further damage our reputation and result in damages, fines, penalties or administrative sanctions against the Company and/or certain of our officers. For more information regarding legal proceedings, see Note 21, "LEGAL PROCEEDINGS" to our audited Consolidated Financial Statements.

Our marketing, promotional and business practices, as well as the manner in which sales forces interact with purchasers, prescribers and patients, are subject to extensive regulation and any material failure to comply could result in significant sanctions against us.

The marketing, promotional and business practices of pharmaceutical and medical device companies, as well as the manner in which companies' in-house or third-party sales forces interact with purchasers, prescribers, and patients, are subject to extensive regulation, enforcement of which may result in the imposition of civil, regulatory and/or criminal penalties, injunctions, and/or limitations on marketing practice for some of our products and/or pricing restrictions or mandated price reductions for some of our products. Many companies, including us, have been the subject of claims related to these practices asserted by federal authorities. These claims have resulted in fines and other consequences, such as entering into corporate integrity agreements with the U.S. government. Companies may not promote drugs or devices for "off-label" uses-that is, uses that are not described in the product's labeling and that differ from those approved by the FDA, Health Canada, EMA or other applicable regulatory agencies. A company that is found to have improperly promoted off-label uses may be subject to significant liability, including civil and administrative remedies (such as entering into corporate integrity agreements with the U.S. government), as well as criminal sanctions. In addition, management's attention could be diverted from our business operations and our reputation could be damaged. For more information regarding legal proceedings, see Note 21, "LEGAL PROCEEDINGS" to our audited Consolidated Financial Statements.

Debt-related Risks

The 2025 Credit Agreement and the indentures governing our senior notes including those issued in April 2025 and December 2025 by our subsidiary, 1261229 B.C. Ltd., impose restrictive covenants on us. Our failure to comply with these covenants could trigger events, which could result in the acceleration of the related debt, a cross-default or cross-acceleration to other debt, foreclosure upon any collateral securing the debt and termination of any commitments to lend, each of which would have a material adverse effect on our business, results of operations and cash flows, and could lead to bankruptcy or liquidation.

The 2025 Credit Agreement and the various indentures governing our senior notes, including those issued in April 2025 and December 2025 by our subsidiary, 1261229 B.C. Ltd., contain covenants that restrict the way we conduct business and require us to satisfy certain financial tests in order to incur debt or take other actions. For example, the 2030 Revolving Credit Facility, which is part of the 2025 Credit Agreement, contains financial maintenance covenants that require us to maintain a certain financial ratio at each fiscal quarter end and to maintain minimum amount of liquidity at each fiscal quarter end following the occurrence of a specified triggering event.

We can make no assurance that we will be able to comply with the restrictive covenants contained in the 2025 Credit Agreement and indentures in the future. Based on our current forecast for the next twelve months from the date of issuance of this Form 10-K, we expect to remain in compliance with the financial maintenance covenants and meet our debt obligations over that same period. In the event that we perform below our forecasted levels, we may also implement certain additional cost-efficiency initiatives, such as rationalization of SG&A expenses and R&D spend, in order to allow us to continue to comply with the financial maintenance

covenants. 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 common shares of Bausch + Lomb, as deemed appropriate, to provide additional coverage in complying with the financial maintenance covenants and meeting its debt service obligations, or may negotiate with the applicable lenders for an amendment or modification to such covenants, as deemed appropriate. However, we cannot guarantee that any of the above-noted actions would be effective in enabling us to maintain compliance with our financial maintenance covenants. If we perform below our forecasted levels and the actions referenced above are not effective, we may fail to comply with our financial maintenance covenants. In that instance, we would be in default, and our lenders would be permitted to accelerate our debt unless we could obtain an amendment or waiver. If our debt was accelerated, we would not have sufficient funds to repay our debt absent a refinancing, and we cannot provide assurance that we would be able to obtain a refinancing.

Our inability to comply with the covenants in our debt instruments could lead to a default or an event of default under the terms thereof, 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 and holders of our senior notes may impose additional operating and financial restrictions on us as a condition to granting any such waiver. If an event of default is not cured or is not otherwise waived, a majority of lenders in principal amount under our 2025 Credit Agreement or the trustee or holders of at least 25% in principal amount of a series of our senior notes may accelerate the maturity of the related debt under these agreements, foreclose upon any collateral securing the debt and terminate any commitments to lend, any of which could have a material adverse effect on our business and financial condition. Furthermore, under these circumstances, we may not have sufficient funds or other resources to satisfy all of our obligations and we may be unable to obtain alternative financing on terms acceptable to us or at all. In such circumstances, we could be forced into bankruptcy or liquidation and, as a result, investors could lose all or a portion of their investment in our securities.

To service our debt, we will be required to generate a significant amount of cash. Our ability to generate cash depends on a number of factors, some of which are beyond our control, and any failure to meet our debt obligations could have a material adverse effect on our business, financial condition, results of operations and cash flows.

We have a significant amount of indebtedness. For details regarding our debt and the maturity dates thereof, see Note 10, "FINANCING ARRANGEMENTS" to our audited Consolidated Financial Statements. As of December 31, 2025, maturities and mandatory payments of our principal balances of debt obligations were as follows:

(in millions)	2026	2027	2028	2029	2030	Thereafter	Total
Total debt obligations	$58	$701	$4,240	$1,662	$4,118	$9,453	$20,232

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. As a result, prevailing economic conditions and financial, business and other factors, many of which are beyond our control, may affect our ability to make payments on our debt. If we do not generate sufficient cash flow to satisfy our debt obligations, we may undertake alternative financing plans, such as refinancing or restructuring our consolidated indebtedness, issuing new debt instruments, divesting of assets or businesses, issuing equity or equity-linked securities, and the monetization of a portion of our holdings of common shares of Bausch + Lomb, reducing or delaying capital investments or seeking to raise additional capital. Alternatively, as we have done in the past, we may also elect to refinance certain of our debt, for example, to extend maturities. Our ability to restructure or refinance our debt will depend on the capital markets and our financial condition at such time. If we are unable to access the capital markets, whether because of the condition of those capital markets or our own financial condition or reputation within such capital markets, we may be unable to refinance our debt. In addition, any refinancing of our debt could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business operations. Further, given our capital structure, any refinancing of our senior unsecured debt may be with secured debt, thereby increasing our first lien and/or secured leverage ratios. Our inability to generate sufficient cash flow to satisfy our debt obligations or

to refinance our obligations on commercially reasonable terms, or at all, could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Repayment of our indebtedness is dependent on the generation of cash flow by our subsidiaries and their ability to make such cash available to us, by dividend, debt repayment or otherwise. Our subsidiaries may not be able to, or may not be permitted to, make distributions to enable us to make payments in respect of our indebtedness. Each subsidiary is a distinct legal entity and, under certain circumstances, legal and contractual restrictions may limit our ability to obtain cash from our subsidiaries. Certain subsidiaries include non-U.S. subsidiaries that may be prohibited by law or other regulations from distributing funds to us and/or we may be subject to payment of taxes and withholdings on such distributions. In the event that we do not receive distributions from our subsidiaries or receive cash via services rendered, loans and intellectual property licensed, we may be unable to make required principal and interest payments on our indebtedness.

Our ability to continue to reduce our indebtedness will depend upon factors including our future operating performance, our ability to access the capital markets to refinance existing debt and prevailing economic conditions and financial, business and other factors, many of which are beyond our control. We can provide no assurance of the amount by which we will reduce our debt, if at all. In addition, servicing our debt will result in a reduction in the amount of our cash flow available for other purposes, including operating costs and capital expenditures that could improve our competitive position and results of operations.

We have incurred significant indebtedness, which restricts the manner in which we conduct business.

We have incurred significant indebtedness, including in connection with our prior acquisitions. We may incur additional long-term debt and working capital lines of credit to meet future financing needs, subject to certain restrictions and prohibitions under the agreements governing our indebtedness, which would increase our total debt. This additional debt may be substantial and some of this indebtedness may be secured.

The agreements governing our indebtedness contain restrictive covenants which impose certain limitations on the way we conduct our business, including limitations on the amount of additional debt we are able to incur, prohibitions on incurring additional debt if certain financial covenants are not met and restrictions on our ability to make certain investments and other restricted payments. Any additional debt, to the extent we are able to incur it, may further restrict the manner in which we conduct business. Such restrictions, prohibitions and limitations could impact our ability to implement elements of our strategy, including in the following ways:

- our flexibility to plan for, or react to, competitive challenges in our business and the pharmaceutical and medical device industries may be compromised;
    - we may be put at a competitive disadvantage relative to competitors that do not have as much debt as we have, and competitors that may be in a more favorable position to access additional capital resources;
    - our ability to make acquisitions and execute business development activities through acquisitions will be limited and may, in future years, continue to be limited; and
    - our ability to resolve regulatory and litigation matters may be limited.

In the past, our credit ratings have been downgraded. Any further downgrade in our corporate or Bausch + Lomb's credit ratings or other credit ratings may, among other things, increase our cost of borrowing and may negatively impact our ability to raise additional debt capital.

We are exposed to risks related to interest rates, which could have an adverse effect on our business.

Our senior secured credit facilities bear interest based on a term Secured Overnight Financing Rate ("SOFR") or U.S. Prime Rate, or Federal Funds Effective Rate (for U.S. dollar loans), Canadian Prime Rate or Canadian Overnight Repo Rate Average ("Term CORRA") (for Canadian dollar loans) and Euro Interbank Offered Rate (for euro loans). Thus, a change in the short-term interest rate environment (especially a material change) could have an adverse effect on our business (which adverse effect could be material). As of December 31, 2025, we did not have any outstanding interest rate swap contracts.

Employment-related Risks

Since the B+L IPO, we have experienced transition in key management positions, and the failure to successfully manage such transitions or attract and retain executives and other key employees could have a material adverse effect on our business.

In connection with the B+L IPO, we appointed a new chief executive officer ("CEO"), chief financial officer ("CFO"), general counsel and other executives and key employees. In addition, in September 2023, we announced the resignation of our CFO and the appointment of an interim CFO who served in this role until August 2024, when a new CFO was appointed. Additionally, in July 2024, we hired a new Executive Vice President, US Pharma. These and any similar transitions may be difficult to manage and we cannot guarantee that new leadership personnel will efficiently transition into their new roles or ultimately be successful in such roles. Further, the departure of key leadership personnel often results in the loss of significant knowledge and experience, and the ability of our new management to quickly expand their knowledge of our business will be critical to their ability to make informed decisions about our strategy and operations. In addition, changes in senior management may create uncertainty among investors, employees, business partners and others concerning the Company's future direction and performance.

Our ability to retain or recruit executive and other key employees to strengthen our management team and workforce may be hindered or delayed by, among other things, competition from other employers who may be able to offer more attractive compensation packages, the reputational challenges the Company has faced as a result of historical issues and may in the future continue to face and the perceived or actual uncertainty created by the B+L Separation. A failure by us to retain, motivate and recruit executives and other key employees or the unanticipated loss of the services of any of these executives or key employees for any reason, whether temporary or permanent, could create disruptions in our business, could cause concerns and instability for management and employees, current and potential customers, credit rating agencies and other third parties with whom we do business and our shareholders and debt holders and could cause concern regarding our ability to execute our business strategy or to manage operations in the manner previously conducted. Furthermore, as a result of any failure to retain, or loss of, any executives or key employees, we may experience increased costs in order to identify and recruit a suitable replacement in a timely manner (and, even if we are able to hire a qualified successor, the search process and transition period may be difficult to manage and result in additional periods of uncertainty). Finally, as a result of changes in our executives and key employees, there may be changes in the way we conduct our business, as well as changes to our business strategy. We cannot predict what these changes may involve or the timing of any such changes and how they will impact our product sales, revenue, business, financial condition, cash flows or results of operations. Any of these factors could have a material adverse effect on our business.

Tax-related Risks

Our effective tax rates may increase, which could adversely affect our financial condition and results of operations.

We have operations in various countries that have differing tax laws and rates. Our tax reporting is supported by current domestic tax laws in the countries in which we operate and the application of tax treaties between the various countries in which we operate. Our income tax reporting is subject to audit by domestic and foreign authorities. Our effective tax rate may change from year-to-year based on changes in the mix of activities and income earned among the different jurisdictions in which we operate; changes in tax laws in these jurisdictions; changes in the tax treaties between various countries in which we operate; changes in our eligibility for benefits under those tax treaties; and changes in the estimated values of deferred tax assets and liabilities. Tax laws, regulations, and administrative practices in various jurisdictions may be subject to significant change, with or without notice, due to economic, political, and other conditions, and significant judgment is required in evaluating and estimating our provision and accruals for these taxes. Such changes could result in a substantial increase in the effective tax rate on all or a portion of our income.

On October 8, 2021, the 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, agreed by the OECD/G20 inclusive framework on Base Erosion and Profit Shifting (the "Inclusive Framework"), which includes 145 member jurisdictions. Under pillar one, a portion of the residual profits of multinational enterprise ("MNE") groups with global turnover above €20 billion and a profit margin above 10% would be allocated to

(and taxed in) market jurisdictions. Under pillar two, a global minimum corporate tax rate of 15% would apply to undertaxed profits of MNE groups with consolidated revenue of at least €750 million. 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. In January 2026, the OECD published the so-called "side by side" arrangement package to implement this exclusion. However, we cannot predict whether the United States will adopt any other protective measures including with respect to any taxes imposed under pillar one, or whether or how any non-U.S. countries may change their tax laws, including with respect to taxes imposed under pillar one or pillar two, in response to the executive order, the "side by side" arrangement described above, or otherwise. It is possible that any changes in U.S. or non-U.S. tax law could have a material adverse effect on our future tax liabilities and our effective tax rate.

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.

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

Our deferred tax liabilities, deferred tax assets and any related valuation allowances are affected by events and transactions arising in the ordinary course of business, acquisitions of assets and businesses, and non-recurring items. The assessment of the appropriate amount of a valuation allowance against the deferred tax assets is dependent upon several factors, including estimates of the realization of deferred income tax assets, which realization will be primarily based on future taxable income, including the reversal of existing taxable temporary differences. Significant judgment is applied to determine the appropriate amount of valuation allowance to record. Changes in the amount of any valuation allowance required could materially increase or decrease our provision for income taxes in a given period.

Risks Relating to Intellectual Property and Exclusivity

The expiration or loss of patent protection or regulatory exclusivity rights for our key products, including Xifaxan® could adversely impact our business. In addition, we have faced generic competition in the past and expect to face additional generic competition in the future. Competitors (including generic and biosimilar competitors) of our products could have a material adverse effect on our business, financial condition, results of operations and cash flows.

The development of new and innovative products, as well as protecting the underlying intellectual property of our product portfolio, is important to our success in all areas of our business. A significant number of the products we sell either: (i) have no meaningful exclusivity protection via patent or marketing or data exclusivity rights or (ii) are protected by patents or regulatory exclusivity periods that will be expiring in the near future. These products represent a significant amount of our revenues (See Item 7. "Management's

Discussion and Analysis of Financial Condition and Results of Operations — Business Trends — Generic Competition and Loss of Exclusivity" in this Form 10-K for a list of some of these products). The expiration or loss of patent protection or regulatory exclusivity rights for our key products could adversely impact our business. For example, a substantial amount of our revenue is derived from the Xifaxan® product line, and we may be materially impacted by the entry of a generic rifaximin product earlier than January 2028, including a competitor launching a generic rifaximin at-risk prior to a final, unappealable decision. Our ability to obtain, maintain, license, enforce and defend our intellectual property rights over our products, including in connection with the Xifaxan® Generics Litigation, is critical to our business and financial results and could also impact the B+L Separation. In addition, even for our products that have patent protection or exclusivity rights, we face competition from similar products in the markets in which we participate. As a result, we face significant competition with respect to a substantial majority of our products.

Without exclusivity protection, competitors and other third parties (including generics and biosimilars) face fewer barriers in introducing competing products. Upon the expiration or loss of patent exclusivity or regulatory exclusivity for our products or otherwise upon the introduction of generic, biosimilar or other competitors (which may be sold at significantly lower prices than our products), we could lose a significant portion of sales and market share of the applicable products in a very short period and, as a result, our revenues could be lower. Given that a substantial amount of our revenue is derived from the Xifaxan® product line, the entry of a generic rifaximin product earlier than January 2028, including through an at-risk launch prior to a final unappealable decision in the Xifaxan® Generics Litigation, could have a significant adverse impact on our business, financial condition, results of operations and cash flows. In addition, the introduction of generic and biosimilar competitors may have a significant downward pressure on the pricing of our branded products which compete with such generics and biosimilars. Where we have the rights, we may elect to launch an authorized generic of such product (either ourselves or through a third party) prior to, upon or following generic entry, which may mitigate a portion of the anticipated decrease in product sales; however, even with the launch of an authorized generic, 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. The introduction of competing products (including generic products and biosimilars) could have a material adverse effect on our business, financial condition, results of operations and cash flows.

We may fail to obtain, maintain, license, enforce or defend the intellectual property and proprietary rights required to conduct our business, or third parties may allege that we are infringing, misappropriating or otherwise violating their intellectual property rights, which could have a material adverse effect on our business.

We strive to acquire, maintain, enforce and defend patent, trademark and other intellectual property and proprietary protections over our products and the processes used to manufacture these products. However, we may not be successful in obtaining such protections, or the patent, trademark and other intellectual property and proprietary rights we do obtain may not be sufficient in breadth and scope to fully protect our products or prevent competing products, or such rights may be susceptible to third-party challenges, which could result in the loss of such intellectual property rights or the narrowing of scope of protection afforded by such rights. Our intellectual property and proprietary rights may also be circumvented by third parties. The failure to obtain, maintain, enforce or defend such intellectual property and proprietary rights, for any reason, could allow third parties to manufacture and sell products that compete with our products or may impact our ability to develop, manufacture and market our own products, which could have a material adverse effect on our business.

Further, the pharmaceutical and medical device industries historically have generated substantial litigation concerning the manufacture, use and sale of products and we expect this litigation activity to continue. As a result, we expect that patents related to our products will be routinely challenged, and we may initiate litigation against third parties to protect our patent rights. See "Risk Factors — Legal and Reputational Risks" under Item 1A. of this Form 10-K.

For certain of our products and manufacturing processes, we rely on trade secrets and other proprietary information, which we seek to protect, in part, through information technology systems discussed in more detail in the following section, and, in part, by confidentiality and nondisclosure agreements with our employees, consultants, advisors and partners. Trade secrets and proprietary information are difficult to protect. We also attempt to enter into agreements whereby such employees, consultants, advisors and partners

assign to us the rights in any intellectual property they develop in the course of their engagement with us. These agreements may be breached, and we may not have adequate remedies for any breach. There can be no assurance that these agreements will be self-executing or otherwise provide meaningful protection for our trade secrets or other intellectual property or proprietary information. These agreements may not effectively prevent disclosure or misappropriation of such information and disputes may still arise with respect to the ownership of intellectual property. In addition, third parties may independently develop the same or similar proprietary information or otherwise gain access to our trade secrets or disclose our technology. Further, we have employed and expect to employ individuals who were previously employed at universities or other companies, including our competitors or potential competitors. Although we try to ensure that our employees, consultants, advisors and partners do not use the proprietary information or know-how of others in their work for us, we may be subject to claims that we or such persons have inadvertently or otherwise used or disclosed intellectual property, including trade secrets or other proprietary information of their former employers or other third parties, or to claims that we have improperly used or obtained such trade secrets. Litigation may be necessary to defend against these claims. If we fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights and face increased competition to our business. The unauthorized access to or disclosure of our proprietary information or the loss of such intellectual property rights may impact our ability to develop, manufacture and market our own products or may assist competitors in the development, manufacture and sale of competing products, which could have a material adverse effect on our revenues, financial condition, results of operations and cash flows.

For a number of our commercialized products and pipeline products, we rely on licenses to patents and other technologies, know-how and intellectual property and proprietary rights held by third parties. Any loss, expiration, termination or suspension of our rights to such licensed intellectual property would result in our inability to continue to develop, manufacture and market the applicable products or product candidates and, as a result, could have a material adverse effect on our business. If these licenses are terminated, or if the underlying patents fail to provide the intended exclusivity, third parties, including our competitors, could have the freedom to seek regulatory approval of, and to market, products identical or similar to ours, and we may be required to cease our development and commercialization of certain of our products. Under some license agreements, we may not control the preparation, filing, prosecution or maintenance of the licensed intellectual property, or may not have the first right to enforce the intellectual property. In those cases, we may not be able to adequately influence patent prosecution or enforcement, or prevent inadvertent lapses of coverage due to failure to pay maintenance fees and we cannot be certain that these patents and patent applications will be prepared, filed, prosecuted, maintained, enforced and defended in a manner consistent with the best interests of our business and that does not compromise the patent rights. In the future, we may also need to obtain such licenses from third parties to develop, manufacture, market or continue to develop, manufacture or market our products. If we are unable to timely obtain these licenses on commercially reasonable terms or at all, our ability to develop, manufacture and market our products may be inhibited or prevented, which could have a material adverse effect on our business.

Competitive Risks

We operate in extremely competitive industries. If competitors develop or acquire more effective or less costly pharmaceutical or OTC products or medical devices for our target indications, it could have a material adverse effect on our business.

The pharmaceutical, OTC and medical device industries are extremely competitive. Our success and future growth depend, in part, on our ability to develop, license or acquire products that are more effective than those of our competitors or that incorporate the latest technologies and our ability to effectively manufacture and market those products. New market entrants and existing competitors are also challenging distribution models with innovation in non-traditional, disruptive models such as direct-to-consumer, Internet and other e-commerce sales opportunities. Many of our competitors, particularly larger pharmaceutical, OTC and medical device companies, have substantially greater financial, technical and human resources than we do.

Many of our competitors spend significantly more on research and development related activities than we do. Others may succeed in developing or acquiring products and technologies that are more effective, more advanced or less costly than those currently marketed or proposed for development by us. In addition, academic institutions, government agencies and other public and private organizations conducting research

may seek patent protection with respect to potentially competitive products and may also establish exclusive collaborative or licensing relationships with our competitors. These competitors and the introduction of competing products (that may be more effective or less costly than our products) could make our products less competitive or obsolete, which could have a material adverse effect on our business.

We cannot predict the timing or impact of the introduction of competitive products, including new market entries, "generic" versions of our approved products, or private label products that treat the same conditions as those of our products. In addition, the introduction of alternatives in medical devices and medical prescriptions could also alter the market and impede our sales growth. Our ability to respond to these competitive pressures will depend on our ability to decrease our costs and maintain gross margins and operating results and to introduce new products successfully and on a timely basis, and to achieve manufacturing efficiencies and sufficient manufacturing capacity and capabilities for such products.

Risks Relating to Our Business Strategy

We have previously made commitments and public statements with respect to limitations on pricing increases for certain of our products. These pricing decisions, or decisions to increase prices, could have a material adverse effect on our business.

We have formed a 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.

At this time, we cannot predict what specific pricing changes the Patient Access and Pricing Team will make for the remainder of 2026 or beyond nor can we predict what other changes in our business practices we may implement with respect to pricing (such as imposing limits or prohibitions on the amount of pricing increases we may take on certain of our products or taking retroactive or future price reductions). We also cannot predict the impact such pricing decisions or changes will or would have on our business. However, any such changes could have a material adverse effect on our business.

For example, any pricing changes and programs could affect the average realized prices for our products and may have a significant impact on our revenue trends. In addition, limiting or eliminating price increases on certain of our products will result in fewer or lower price appreciation credits from certain of our wholesalers. 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 currently on hand at the wholesalers. In wholesaler contracts, such credits, which can be significant, are offset against the total distribution service fees we pay on all of our products to each wholesaler. As a result, to the extent we decide to cease or limit price increases, we will have fewer or lower price appreciation credits to use to offset against our distribution fees owing to these wholesalers. In addition, under certain of our agreements with our wholesaler customers, we have price protection or price depreciation provisions, pursuant to which we have agreed to adjust the value of any on-hand or in-transit inventory with such customers in the event we reduce the price of any of our products. As a result, to the extent we reduce the WAC price for any of our products, we may owe a payment to such customers (or such customers may earn a credit to be offset against any amounts owing to us) equal to the amount of such inventory multiplied by the difference between the price at which they acquired the product inventory and the new reduced price.

We have undertaken a number of divestitures of certain of our assets and businesses. We may, in the future, seek to divest additional assets and/or businesses, some of which may be material and/or transformative, which could adversely affect our business, prospects and opportunities for growth and could cause the market value of our securities to decline.

We have completed a number of divestitures of our assets, products or businesses that were not considered core to our ongoing operations or the needs of our primary-customer base. We may, in the future, seek to complete additional divestitures.

Each of these divestitures has been time-consuming and has diverted management's attention. As a result of these divestitures (and others we may complete in the future), we may experience lower revenue and lower

cash flows from operations. In addition, as was the case with our sale of our Sprout Pharmaceuticals subsidiary, we may recognize a loss on sale in connection with such divestitures. We may also suffer adverse tax consequences as a result of such divestitures, including capital gains tax or the accelerated use of net operating losses ("NOLs") or other attributes. Furthermore, divesting certain of our businesses or assets may require us to incur restructuring charges, and we may not be able to achieve the cost savings that we expect from any such restructuring efforts or divestitures. Any such divestiture could reduce the size or scope of our business, our market share in particular markets, our opportunities with respect to certain markets, products or therapeutic categories or our ability to compete in certain markets and therapeutic categories. Furthermore, we will be required to use the net proceeds (or substantial portions thereof) from certain asset sales to repay the term loans under the 2025 Credit Agreement, subject to certain reinvestment rights.

In addition, should we seek to divest other of our assets and business, we may be unable to dispose of such businesses and assets on satisfactory or commercially reasonable terms within our anticipated timeline. In addition, our ability to identify, enter into and/or consummate divestitures may be limited by competition we face from other companies in pursuing similar transactions in the pharmaceutical industry. Any divestiture or other disposition we pursue, whether we are able to complete it or not, may be complex, time consuming and expensive, may divert the management's attention, have a negative impact on our customer relationships, cause us to incur costs associated with maintaining the business of the targeted divestiture during the disposition process and also to incur costs of closing and disposing the affected business or transferring the operations of the business to other facilities. The divestiture process may also further expose us to operational inefficiencies. In addition, if such transactions are not completed for any reason, the market price of our common shares may reflect a market assumption that such transactions will occur, and a failure to complete such transactions could result in a negative perception by the market of us generally and a decline in the market price of our common shares.

As a result of these factors, any divestiture (whether or not completed) could have a material adverse effect on our business.

As part of our business strategy, we seek to identify and acquire certain assets, products and businesses, which may result in substantial costs and diversion of management time. In addition, we may not be able to consummate proposed acquisitions, and may not realize the benefits we anticipate from any completed acquisitions.

Part of our business strategy includes acquiring and integrating complementary businesses, products, technologies or other assets, including by way of acquisitions or in-license arrangements, including the recent acquisitions of DURECT and Wuhan Shibo Zhenmei Technology Co., Ltd., consisting of the aesthetics distribution business of our full-service distributor in China, the Shibo Group. Acquisitions or similar arrangements may be complex, time consuming and expensive. We may not consummate some negotiations for acquisitions or other arrangements, which could result in significant diversion of management and other employee time, as well as substantial out-of-pocket costs. In addition, there are a number of risks and uncertainties relating to the consummation of potential transactions. If such transactions are not completed for any reason, we will be subject to several risks, including the following: (i) the market price of our common shares may reflect a market assumption that such transactions will occur, and a failure to complete such transactions could result in a negative perception by the market of us generally and a decline in the market price of our common shares and (ii) many costs relating to such transactions may be payable by us whether or not such transactions are completed.

If an acquisition is consummated, the integration of the acquired business, product or other assets into our Company may also be complex and time-consuming and, if such businesses, products and assets are not successfully integrated, we may not achieve the anticipated benefits, cost-savings or growth opportunities. Potential difficulties that may be encountered in the integration process include the following: integrating personnel, operations and systems, while maintaining focus on selling and promoting existing and newly-acquired products; coordinating geographically dispersed organizations; distracting management and employees from operations; retaining existing customers and attracting new customers; maintaining the business relationships the acquired company has established, including with health care providers; and managing inefficiencies associated with integrating the operations of the Company and the acquired business, product or other assets.

Furthermore, we may incur restructuring and integration costs and a number of non-recurring transaction costs associated with these acquisitions, combining the operations of the Company and the acquired company and achieving desired synergies. Non-recurring transaction costs include, but are not limited to, fees paid to legal, financial and accounting advisors, filing fees and printing costs. Additional unanticipated costs may be incurred in the integration of the businesses of the Company and the acquired company. These fees and costs may be substantial. There can be no assurance that the elimination of certain duplicative costs, as well as the realization of other efficiencies related to the integration of the acquired business, will offset the incremental transaction-related costs over time. Therefore, any net benefit may not be achieved in the near term, the long term or at all.

Finally, these acquisitions and other arrangements, even if successfully integrated, may fail to further our business strategy as anticipated or to achieve anticipated benefits and success, expose us to increased competition or challenges with respect to our products or geographic markets, and expose us to additional liabilities associated with an acquired business, product, technology or other asset or arrangement. Any one of these challenges or risks could impair our ability to realize any benefit from an acquisition or arrangement after we have expended resources on them.

Bausch + Lomb has completed a number of acquisitions and in-licensing transactions and may, in the future, seek to identify and acquire certain other assets, products and businesses. Bausch + Lomb may experience difficulties in integrating any acquired assets, products and businesses and Bausch + Lomb may fail to realize the anticipated benefits of any such acquisitions.

Over the last several years, Bausch + Lomb has completed a number of acquisitions and in-licensing transactions. Bausch + Lomb may in the future seek to identify and acquire complementary businesses, products, technologies or other assets to augment its pipeline. Such transactions may be complex, time consuming and expensive. There can be no guarantee that Bausch + Lomb will be able to successfully consummate acquisitions or other arrangements, which could result in significant diversion of management and other employee time, as well as substantial out-of-pocket costs. If such transactions are not completed for any reason, Bausch + Lomb may incur significant costs and the market price of its common shares may decline.

In addition, even if an acquisition is consummated, the integration of the acquired business, product or other assets into Bausch + Lomb may be complex and time-consuming, and Bausch + Lomb may not achieve the anticipated benefits, cost-savings or growth opportunities it expects. Potential difficulties that may be encountered in the integration process include the following: integrating personnel, operations and systems, while maintaining focus on selling and promoting existing and newly-acquired products; coordinating geographically dispersed organizations; distracting management and employees from operations; retaining existing customers and attracting new customers; maintaining the business relationships the acquired company has established, including with health care providers; and managing inefficiencies associated with integrating the operations of Bausch + Lomb and the acquired business, product or other assets. Bausch + Lomb may also not be able to successfully bring pipeline assets acquired to market. In addition, delays encountered in the integration process could result in a failure to realize the anticipated benefits on the anticipated timeline, or at all.

Finally, these acquisitions and other arrangements, even if successfully integrated, may fail to further Bausch + Lomb's business strategy as anticipated or to achieve anticipated benefits and success, expose Bausch + Lomb to increased competition or challenges with respect to its products or geographic markets, and expose Bausch + Lomb to additional liabilities associated with an acquired business, product, technology or other asset or arrangement. Any one of these challenges or risks could impair Bausch + Lomb's ability to realize any benefit from our acquisition or arrangement after it has expended resources on them.

In addition to the integration challenges Bausch + Lomb faces, the anticipated benefits Bausch + Lomb expects from these acquisitions are subject to numerous assumptions, including assumptions derived from its diligence efforts concerning the status of and prospects for the acquired business, product or other assets. Bausch + Lomb cannot provide any assurances with respect to the accuracy of its assumptions, including its assumptions with respect to future revenues of the XIIDRA products or assumptions regarding its ability to successfully develop and obtain regulatory approval for the acquired pipeline assets. There are a variety of

risks and uncertainties, some of which are outside of Bausch + Lomb's control, which could cause actual results to differ materially from these anticipated benefits.

In addition, as described above, Bausch + Lomb may expend significant expenses in connection with the consummation of these transactions and the integration of the acquired business with the Bausch + Lomb business. These expenses may include, but are not limited to, fees paid to legal, financial and accounting advisors, filing fees and fees associated with any debt financing required in connection with the funding for such transactions. Many of these expenses must be paid regardless of whether the transaction is consummated. Additional unanticipated costs may be incurred in the integration of the acquired business with the Bausch + Lomb business. In addition, Bausch + Lomb may also incur additional indebtedness to finance the transaction, which indebtedness may be material and may limit its operating or financial flexibility relative to its then current position.

If we fail to maintain our relationships with, and provide appropriate training in our products to, health care providers, including physicians, eyecare professionals, hospitals, large drug store chains, wholesale distributors, pharmacies, government entities and group purchasing organizations, customers may not buy certain of our products and our sales and profitability may decline.

We market our pharmaceutical products to physicians, hospitals, pharmacies and wholesalers through our own sales force and sell through wholesalers. In some markets, we additionally sell directly to physicians, hospitals and large drug store chains and we sell through distributors in countries where we do not have our own sales staff. We have developed and strive to maintain strong relationships with members of each of these groups who assist in product research and development and advise us on how to satisfy the full range of consumer needs. We rely on these groups to educate their patients and other members of their organizations regarding our products. Consumers in the pharmaceutical industry, particularly the contact lens and lens care customers in the eye health industry, have a tendency not to switch products regularly and are repeat consumers.

We have historically benefitted from our strong relationships with these physicians, hospitals, pharmacies and wholesalers. Our ability to maintain strong relationships is essential to our future performance; however, we may not be able to maintain these relationships in the future. The success of certain of our products is impacted by a physician's initial recommendation of such products and a consumer's initial choice to use such products. As a result, the failure of certain of our products to retain the support of pharmaceutical professionals, hospitals or group purchasing organizations and to retain the support of the end-users and the distributors and retailers to whom we sell such products, could have a material adverse effect on our sales and profitability.

Development and Regulatory Risks

The successful development of our pipeline products is highly uncertain and requires significant expenditures and time. In addition, obtaining necessary government approvals is time-consuming and not assured. The failure to commercialize certain of our pipeline products could have a material adverse effect on our business, financial condition, results of operations and cash flows.

We currently have a number of pipeline products in development. We and our development partners, as applicable, conduct extensive preclinical studies and clinical trials to demonstrate the safety and efficacy in humans of our pipeline products in order to obtain regulatory approval for the sale of our pipeline products. Preclinical studies and clinical trials are expensive, complex, can take many years and have uncertain outcomes. None of, or only a small number of, our research and development programs may actually result in the commercialization of a product. We will not be able to commercialize our pipeline products if preclinical studies do not produce successful results or if clinical trials do not demonstrate safety and efficacy in humans. In addition, 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) has in the past resulted, and could again in the future result in, terminations of specific projects which, in turn, could lead to material impairment charges. For example, in January 2026, we received the results for the double-blind Phase 3 clinical trials for our two global programs evaluating amorphous-rifaximin soluble solid dispersion ("SSD") for the primary prevention of hepatic encephalopathy in adults with liver cirrhosis ("RED-C"). While the treatment was safe and well-tolerated, the clinical trials did not meet their primary endpoints. As a result of these clinical

trial outcomes, we performed preliminary quantitative goodwill analysis as of January 22, 2026 for the Salix reporting unit using revised forecasts, an updated discount rate, and a new long-term growth rate that reflect the Phase 3 clinical trial results. We anticipate recognizing an impairment charge of approximately $1,400 million for the Salix reporting unit in the first quarter of 2026. Furthermore, success in preclinical studies or early-stage clinical trials does not ensure that later stage clinical trials will be successful nor does it ensure that regulatory approval for the product candidate will be obtained. In addition, the process for the completion of pre-clinical and clinical trials is lengthy and may be subject to a number of delays for various reasons, which would delay the commercialization of any successful product. If our development projects are not successful or are significantly delayed, we may not recover our substantial investments in the pipeline product and our failure to bring these pipeline products to market on a timely basis, or at all, could have a material adverse effect on our business, financial condition, results of operations and cash flows.

In addition, FDA and Health Canada approval must be obtained in the U.S. and Canada, respectively, EMA approval (drugs) and CE Marking (devices) and/or registration under the European Commission's MDR 2017/745 must be obtained in countries in the EU and similar approvals must be obtained from comparable agencies in other countries, prior to marketing or manufacturing new pharmaceutical and medical device products for use by humans. Obtaining such regulatory approvals for new products and devices and manufacturing processes can take a number of years and involves the expenditure of substantial resources. We may face additional challenges with respect to EMA approval and CE Marking in the EU as a result of additional requirements for approval in the EU that may be more burdensome than those required by the FDA and Health Canada.

Even if such products appear promising in development stages, regulatory approval may not be achieved and no assurance can be given that we will obtain approval in those countries where we wish to commercialize such products. Nor can any assurance be given that if such approval is secured, the approved labeling will not have significant labeling limitations, including limitations on the indications for which we can market a product, or require onerous risk management programs. Furthermore, from time to time, changes to the applicable legislation, regulations or policies may be introduced that change these review and approval processes for our products, which changes may make it more difficult and costly to obtain or maintain regulatory approvals.

We are developing larsucosterol for the treatment of AH and potentially other conditions. The successful development of larsucosterol is subject to significant risks and uncertainties, including risks relating to the results and timing of clinical trials, the likelihood of future clinical trial results being positive with statistical significance and/or similar to results from previous trials, potential regulatory filings and approvals, and the potential benefits of Breakthrough Therapy Designation and Fast Track Designation. There can be no assurance that larsucosterol will receive regulatory approval or achieve commercial success, and any failure to successfully develop and commercialize larsucosterol could have a material adverse effect on our business.

Our marketed products will be subject to ongoing regulatory review, the results of which could have a material adverse effect on our business and could cause the market value of our securities to decline.

Following initial regulatory approval of any products, we or our partners may develop or acquire, we will be subject to continuing regulatory review by various government authorities in those countries where our products are marketed or intended to be marketed, including the review of adverse drug events and clinical results that are reported after product candidates become commercially available. In addition, we are subject to ongoing audits and investigations of our facilities and products by the FDA, as well as other regulatory agencies in and outside the U.S.

If we fail to comply with the regulatory requirements in those countries where our products are sold, we could lose our marketing approvals or be subject to fines or other sanctions. Also, as a condition to granting marketing approval of a product, the applicable regulatory agencies may require a company to conduct additional clinical trials or remediate Current Good Manufacturing Practice ("CGMP") issues, the results of which could result in the subsequent loss of marketing approval, changes in product labeling or new or increased concerns about side effects or efficacy of a product.

In April 2017, the European Union adopted the MDR, which repealed and replaced the Medical Device Directive ("MDD") and Active Implantable Medical Devices Directive ("AIMDD") 90/385/EEC. The MDR,

for most parts, became applicable on May 26, 2021. Under the MDR, several transitional measures apply to medical devices that are certified under the MDD or AIMDD prior to May 26, 2021 or, for class I devices, for which a declaration of conformity was drawn up prior to May 26, 2021, allowing these devices to be placed on the market after May 26, 2021 under certain conditions for a transitional period. However, if we make any significant changes in the design or intended purpose of our devices, they will no longer benefit from such transitional periods. Generally, the MDR imposes stricter requirements on manufacturers, importers and distributors of medical devices. Moreover, the requirements to provide clinical data for medical devices has become stricter and as a result we may need to conduct new time consuming and costly clinical investigations with our existing medical devices to meet the new requirements, including to obtain CE certificates under the MDR. We may, or may not, be able to provide this data in time to obtain MDR certifications in a timely fashion when our existing certificates expire. These new regulations impact all of our existing and pipeline medical device products being sold in the EEA for which we are legal manufacturer, importer and/or distributor, including contact lens, lens care, eye health, aesthetic and surgical areas, as well as certain of our products outside the EEA, which rely on the EEA registration to support registration in those other countries. These products, in the aggregate, account for a meaningful portion of our net revenue in this region. While we are working to ensure compliance with these new regulations for all impacted products, we may not be able to achieve compliance for all products within the applicable transition period. If we fail to achieve compliance, we will not be able to market and sell the non-compliant products in the EEA, nor will we be able to rely on the non-compliant registration for such products in regions outside of the EEA, which could have a material adverse effect on our business in the EEA and, possibly, on a consolidated basis, could cause the market value of our securities to decline.

While EU law is applicable in Northern Ireland, the UK Medical Devices Regulations 2002/68 also need to be complied with in Great Britain. Effective July 1, 2023, devices destined for Great Britain are required to follow the UK regulatory regime and to be labeled with the UKCA mark. Northern Ireland will, however, continue to accept CE marked devices. There are some additional requirements for manufacturers who are based outside the UK such as the requirement to appoint a UK Responsible Person to take on certain regulatory responsibilities with respect to the Medicines and Healthcare products Regulatory Agency and users or customers in the UK.

Further, pursuant to the Swiss Medical Device Ordinance we are required to appoint an authorized representative in Switzerland in order to export our CE-marked medical devices to Switzerland. Additionally, the name and address of the Swiss authorized representative must be placed on the packaging. This has created added expenses and challenges.

In addition, incidents of adverse drug reactions, unintended side effects or misuse relating to our products could result in additional regulatory controls or restrictions, or even lead to the regulatory authority requiring us to recall or withdraw the product from the market. Further, if faced with these incidents of adverse drug reactions, unintended side effects or misuse relating to our products or for other reasons, we may elect to voluntarily implement a recall or market withdrawal of our product. For example, on March 27, 2025, Bausch + Lomb announced a voluntary recall of certain enVista IOL products in response to reports of toxic anterior segment syndrome (TASS), which stemmed from raw material used in certain lots that was delivered by a different vendor. This issue has now been resolved. A recall or market withdrawal, whether voluntary or required by a regulatory authority, may involve significant costs to us, potential disruptions in the supply of our products to our customers and reputational harm to our products and business, all of which could harm our ability to market our products and could have a material adverse effect on our business.

Complying with existing government regulation of dietary supplements, including our eye vitamins and mineral supplements, in the U.S., Canada and elsewhere could increase our costs significantly and adversely affect our financial results.

The manufacturing, formulation, packaging, labeling and advertising of the Company's dietary supplement products are also subject to regulation by certain federal, state and foreign agencies, including the FDA, the FTC, and the Consumer Product Safety Commission, in the U.S., and by Health Canada in Canada. The FDA has authority in the U.S. over the adulteration or misbranding of dietary supplements. There are requirements relating to ingredient safety, new dietary ingredient notifications, labeling, claims notifications, and adverse event reporting among other requirements. While we believe our products comply with those

requirements, the FDA may challenge positions we have taken with respect to the formulation or labeling of a dietary supplement product. We are also subject to risks relating to evolving regulations of dietary supplement products, including our eye vitamins and mineral supplements, as the FDA and other applicable agencies have in the past and may in the future consider additional or more stringent regulations of dietary supplements and other products. Such developments could require reformulation of certain of our products to meet new standards, additional record-keeping obligations, increased documentation of the properties of certain products, additional or different labeling, additional scientific substantiation, adverse event reporting or similar obligations, or could result in recalls or the discontinuance of certain of our products that are not able to be reformulated. Any such developments could increase our costs significantly. In addition, the FDA also has comprehensive regulations for CGMP for those who manufacture, package or hold dietary supplement products. These regulations focus on practices that ensure the identity, purity, quality, strength and composition of dietary supplements that are manufactured. We or our contract manufacturers may not be able to comply with such regulations without incurring additional expenses, which could be significant.

Our revenues and profits from generic products may decline as a result of changes in regulatory policy.

In addition, the U.S. Congress and various state legislatures in the U.S. have passed, or have proposed passing, legislation that could have an adverse impact on pharmaceutical manufacturers' ability to: (i) settle litigation initiated pursuant to the Hatch-Waxman Act and Biologics Price Competition and Innovation Act ("BPCIA"), (ii) secure the full benefit of first-to-file regulatory approval status secured under the Hatch-Waxman Act and (iii) change the value of the brand products prior to the launch of generic versions. The Hatch-Waxman Act and BPCIA create various pathways for generic drug manufacturers to secure accelerated approvals of their abbreviated new drug applications and abbreviated biologics license applications. The new laws and proposals from the federal and state governments could serve to change, directly and indirectly, the Hatch-Waxman Act and BPCIA, including the incentives to develop generic and biosimilar products, as well as the ability of generic manufacturers to accelerate the launch of their new generic and biosimilar products. They also could impact the ability of brand manufacturers to protect their investments in the intellectual property associated with their branded specialty and innovative biologic products. Any of these changes could cause our revenues and profits from generic products to decline.

Manufacturing and Supply Risks

If we or our third-party manufacturers are unable to manufacture our products or the manufacturing process is interrupted due to failure to comply with regulations or for other reasons, the interruption of the manufacture of our products could adversely affect our business. Other manufacturing and supply difficulties or delays may also have a material adverse effect on our business, financial condition, results of operations and cash flows.

Our manufacturing facilities and those of our contract manufacturers must be inspected and found to be in full compliance with CGMP, quality system management requirements or similar standards before approval for marketing. Compliance with CGMP regulations requires the dedication of substantial resources and requires significant expenditures. In addition, while we attempt to build in certain contractual obligations on our third-party manufacturers, we may not be able to ensure that such third-parties comply with these obligations. Our failure or that of our contract manufacturers to comply with CGMP regulations, quality system management requirements or similar regulations outside of the U.S. could result in enforcement action by the FDA or its foreign counterparts, including, but not limited to, warning letters, fines, injunctions, civil or criminal penalties, recall or seizure of products, total or partial suspension of production or importation, suspension or withdrawal of regulatory approval for approved or in-market products, refusal of the government to renew marketing applications or approve pending applications or supplements, refusal of certificates for export to foreign jurisdictions, suspension of ongoing clinical trials, imposition of new manufacturing requirements, closure of facilities and criminal prosecution. These enforcement actions could lead to a delay or suspension in production, which could have a material adverse effect on our competitive position and business.

In addition, our manufacturing and other processes use complicated and sophisticated equipment, which sometimes requires a significant amount of time to obtain and install. Manufacturing complexity, testing requirements and safety and security processes combine to increase the overall difficulty of manufacturing these products and resolving manufacturing problems that we may encounter. Although we endeavor to

properly maintain our equipment (and require our contract manufacturers to properly maintain their equipment), including through on-site quality control and experienced manufacturing supervision, and have key spare parts on hand, our business could suffer if certain manufacturing or other equipment, or all or a portion of our or their facilities, were to become inoperable for a period of time. We could experience substantial production delays or inventory shortages in the event of any such occurrence until we or they repair such equipment or facility or we or they build or locate replacement equipment or a replacement facility, as applicable, and seek to obtain necessary regulatory approvals for such replacement. Any interruption in our manufacture of products could adversely affect the sales of our current products or introduction of new products and could have a material adverse effect on our business.

The supply of our products to our customers (or, in some cases, supply from our contract manufacturers to us) is subject to and dependent upon the use of transportation services. Disruption of transportation services (including as a result of weather conditions) could have a material adverse effect on our business and could cause the market value of our securities to decline. In addition, any prolonged disruption in the operations of our existing distribution facilities, whether due to technical, labor or other difficulties, weather conditions, equipment malfunction, contamination, failure to follow specific protocols and procedures, destruction of or damage to any facility or other reasons, could have a material adverse effect on our business.

For some of our finished products and raw materials, we obtain supply from one or a limited number of sources. If we are unable to obtain components or raw materials, or products supplied by third parties, our ability to manufacture and deliver our products to the market would be impeded, which could have a material adverse effect on our business.

Some components and raw materials used in our manufactured products, and some finished products sold by us, are currently available only from one or a limited number of domestic or foreign suppliers. For example, with respect to some of our largest or most significant products, the supply of the finished product is only available from a single source (either one of our internal manufacturing sites or third party manufacturers) and the supply of active pharmaceutical ingredients for certain products are also only available from a single source. In the event an existing supplier fails to supply product on a timely basis and/or in the requested amount, supplies product that fails to meet regulatory requirements, becomes unavailable through business interruption or financial insolvency or loses its regulatory status as an approved source or we are unable to renew current supply agreements when such agreements expire and we do not have a second supplier, we may be unable to obtain the required components, raw materials or products on a timely basis or at commercially reasonable prices. We attempt to mitigate these risks by maintaining safety stock of these products, but such safety stock may not be sufficient. In addition, in some cases, only a single source of active pharmaceutical ingredient is identified in filings with regulatory agencies, including the FDA, and cannot be changed without prior regulatory approval, which would involve time and expense to us. A prolonged interruption in the supply of a single-sourced raw material, including the active pharmaceutical ingredient, or single-sourced finished product could have a material adverse effect on our business. In addition, these third-party manufacturers may have the ability to increase the supply price payable by us for the manufacture and supply of our products, in some cases without our consent.

As a result, our dependence upon others to manufacture and supply our products may adversely affect our profit margins and our ability to obtain approval for and produce our products on a timely and competitive basis, which could have a material adverse effect on our business.

Changes in inventory levels or fluctuations in buying patterns by our large distributor and retail customers may adversely affect our sales and earnings and add to sales variability from quarter to quarter, which could have a material adverse effect on our business.

We balance the need to maintain inventory levels that are sufficient to ensure competitive lead times against the risk of inventory obsolescence because of changing customer requirements, fluctuating commodity prices, changes to our products, product transfers or the life-cycle of our products. In order to successfully manage our inventories, we must estimate demand from our customers and produce products that substantially correspond to that demand. If we fail to adequately forecast demand for any new or existing product or fail to determine the appropriate product mix for production purposes, we may face production capacity issues in

manufacturing sufficient quantities of a given product. In addition, failures in our information technology systems or human error could also lead to inadequate forecasting of our overall demand or product mix.

We have a significant number of unique products, and we anticipate that number will continue to grow over time. As a result, the demand forecasting precision required for us to avoid production capacity issues will also increase, which could increase the risk of product unavailability and lost sales. Additionally, an increasing number of unique products could increase global inventory requirements, negatively impacting our working capital performance and leading to write-offs due to obsolescence and expired products.

Due to the lead times necessary to obtain and install new equipment and ramp up production of product lines, if we fail to adequately forecast the need for additional manufacturing capacity, whether for new or existing products, we may be unable to scale production in a timely manner to meet demand for our products. In addition, the technically complex manufacturing processes required to manufacture many of our products increase the risk of production failures and can increase the cost of producing our goods. As a result, because the production process for many of our products is complex and sensitive, the cost of production and the chance of production failures and lengthy supply interruptions is increased, which can have a substantial impact on our inventory levels.

Finally, a significant portion of our products are sold to major health care distributors and major retail chains in Canada, the United States and abroad. Consequently, our sales and quarterly growth comparisons, as well as our estimates for required inventory levels, may be affected by fluctuations in the buying patterns of major distributors, retail chains and other trade buyers. These fluctuations may result from seasonality, pricing, large retailers' and distributors' buying decisions or other factors. If we overestimate demand and produce too much of a particular product, we face a risk of inventory obsolescence, leaving us with inventory that we cannot sell profitably or at all. In addition, we may have to write down such inventory if we are unable to sell it for its recorded value. Conversely, if we underestimate demand and produce insufficient quantities of a product, we could be forced to produce that product at a higher price and forego profitability in order to meet customer demand. For example, if a competitor initiates a recall and there is an unexpected increase in the demand for our products, we may not be able to meet such increased demand. Insufficient inventory levels may lead to shortages that result in loss of sales opportunities altogether as potential end-customers turn to competitors' products that are readily available. If any of these situations occur frequently or in large volumes or if we are unable to effectively manage our inventory and that of our distribution partners, this could have a material adverse effect on our business.

Commercialization Risks

Our approved products may not achieve or maintain expected levels of market acceptance, which could have a material adverse effect on our business.

Even if we are able to obtain and maintain regulatory approvals for our pharmaceutical and medical device products, generic or branded, the success of these products is dependent upon achieving and maintaining market acceptance. Launching and commercializing products is time consuming, expensive and unpredictable. The commercial launch of a product takes significant time, resources, personnel and expertise, which we may not have in sufficient levels to achieve success, and is subject to various market conditions, some of which may be beyond our control. There can be no assurance that we will be able to, either by ourselves or in collaboration with our partners or through our licensees or distributors, successfully launch and commercialize new products or gain market acceptance for such products. New product candidates that appear promising in development may fail to reach the market or may have only limited or no commercial success. While we have been successful in launching some of our products, we may not achieve the same level of success with respect to all of our new products. Our inability to successfully launch our new products may negatively impact the commercial success of such product, which could have a material adverse effect on our business. Our inability to successfully launch our new products could also lead to material impairment charges.

Levels of market acceptance for our new products could be impacted by several factors, some of which are not within our control, including but not limited to the following:

- safety, efficacy, convenience and cost-effectiveness of our products compared to products of our competitors;

- scope of approved uses and marketing approval;
- availability of patent or regulatory exclusivity;
- timing of market approvals and market entry;
- ongoing regulatory obligations following approval, such as the requirement to conduct Risk Evaluation and Mitigation Strategy programs;
- any restrictions or "black box" warnings required on the labeling of such products;
- availability of alternative products from our competitors;
- acceptance of the price of our products;
- effectiveness of our sales forces and promotional efforts;
- the level of reimbursement of our products;
- acceptance of our products on government and private formularies;
- ability to market our products effectively at the retail level or in the appropriate setting of care; and
- the reputation of our products.

Further, the market perception and reputation of our products and their safety and efficacy are important to our business and the continued acceptance of our products. Any negative publicity about our products, such as the discovery of safety issues with our products, adverse events involving our products, or even public rumors about such events, could have a material adverse effect on our business, financial condition, cash flows or results of operations. In addition, the discovery of significant problems with a product similar to one of our products that implicate (or are perceived to implicate) an entire class of products or the withdrawal or recall of such similar products could have a material adverse effect on sales of our products. Accordingly, new data about our products, or products similar to our products, could cause us reputational harm and could negatively impact demand for our products due to real or perceived side effects or uncertainty regarding safety or efficacy and, in some cases, could result in product withdrawal.

If our products fail to gain, or lose, market acceptance, our revenues would be adversely impacted and we may be required to take material impairment charges, all of which could have a material adverse effect on our business.

For certain of our products, we depend on reimbursement from governmental and other third-party payors and a reduction in reimbursement could reduce our product sales and/or revenue. In addition, failure to be included in formularies developed by managed care organizations and coverage by other organizations may negatively impact the utilization of our products, which could harm our market share and could have a material adverse effect on our business.

Sales of certain of our products are dependent, in part, on the availability and extent of reimbursement from government health administration authorities, private health insurers, pharmacy benefit managers and other organizations of the costs of our products and the continued reimbursement and coverage of our products in such programs. Changes in government regulations or private third-party payors' reimbursement policies may reduce reimbursement for our products. In addition, such third-party payors may otherwise make the decision to reduce reimbursement of some or all our products or fail to cover some or all our products in such programs or assert that reimbursements were not in accordance with applicable requirements. For example, these decisions may be based on the price of our products or our current or former pricing practices and decisions. Any reduction or elimination of such reimbursement or coverage could result in a negative impact on the utilization of our products and, as a result, could have a material adverse effect on our business.

Managed care organizations and other third-party payors try to negotiate the pricing of medical services and products to control their costs. Managed care organizations and pharmacy benefit managers typically develop formularies to reduce their cost for medications. Formularies can be based on the prices and therapeutic benefits of the available products. Due to their lower costs, generic products are often favored. The breadth of the products covered by formularies varies considerably from one managed care organization to

another, and many formularies include alternative and competitive products for treatment of particular medical conditions. Failure to be included in such formularies or to achieve favorable formulary status may negatively impact the utilization and market share of our products. If our products are not included within an adequate number of formularies or adequate reimbursement levels are not provided, or if those policies increasingly favor generic products, this could have a material adverse effect on our business and results of operations or result in additional pricing pressure on our products.

We have and may continue to experience pressure on the pricing of certain of our products due to pricing controls, social or government pressure to lower the cost of drugs, and consolidation across the supply chain, which may adversely affect our financial results.

We face numerous cost-containment measures by governments and other payors, including certain government-imposed industry-wide price reductions, mandatory rebates or pricing, international reference pricing (i.e., the practice of a country linking its regulated medicine prices to those of other countries), volume-based procurement, tender systems, shifting of the payment burden to patients through higher co-payments and requirements for increased transparency on pricing, all of which may have an adverse impact on the pricing of our products and our financial results.

Many markets in which we operate have implemented or may implement tender systems for generic and biosimilar pharmaceuticals in an effort to lower prices. Under such tender systems, manufacturers submit bids which establish prices for generic pharmaceutical products. Upon winning the tender, the winning company will receive a preferential reimbursement for a period of time. If our bids do not win, we may not be able to participate in the given market or may lose out on market share. While criteria other than price can be included in tenders, tender systems often select the lowest bid, which often results in companies underbidding one another by proposing low pricing in order to win the tender. Other markets may also consider the implementation of a tender system and even if a tender system or other price controls are ultimately not implemented, the anticipation of such could result in price reductions.

In the EU, UK and some other international markets, the government provides healthcare at low cost to consumers and regulates pharmaceutical prices, patient eligibility and/or reimbursement levels to control costs for the government-sponsored healthcare system. These systems of price regulations may lead to inconsistent and lower prices. Within the EU and in other countries, the availability of our products in some markets at lower prices undermines our sales in other markets with higher prices. Additionally, certain countries set prices by reference to the prices in other countries where our products are marketed. Thus, our inability to secure adequate prices in a particular country may also impair our ability to obtain acceptable prices in existing and potential new markets and may create the opportunity for third party cross-border trade. In addition to the impacts of these government-sponsored healthcare systems, in the EU, UK and other international markets, certain governmental agencies have or are considering enacting further measures to decrease the costs of providing healthcare, including government mandated price reductions and/or other forms of price controls, including retrospective "clawback" price reductions as a result of the changing healthcare landscape in those markets.

There has also been increasing U.S. federal and state legislative and enforcement interest with respect to drug pricing, as well as from international organizations like the United Nations, World Health Organization and Organization for Economic Cooperation and Development, in addition to intense publicity and scrutiny regarding such matters, including publicity and pressure resulting from prices charged by competitors and peer companies for new products as well as price increases by competitors and peer companies on older products that some have deemed excessive.

In addition, there have been executive orders, legislation, and legislative and regulatory proposals, including in connection with government programs such as Medicare, concerning drug prices and related issues. These include legislation promulgated by the IRA that enables the U.S. government to impose penalties if drug prices are increased at a rate faster than inflation, redesigns Medicare Part D benefits to shift a greater portion of the costs to manufacturers and allows for the U.S. government to set prices for certain drugs in Medicare. In January 2025, the CMS selected Xifaxan® 550 mg tablets as one of the medicines for the second round of negotiation of the drug price negotiation program as part of the IRA with an initial price applicability in 2027. On November 25, 2025, CMS published the negotiated price for Xifaxan® 550 mg tablets, which will become effective on January 1, 2027 and is expected to negatively impact revenues and operating

results for Xifaxan® primarily in 2027 due to anticipated generic competition beginning in 2028. It is possible that other of our products could be selected in future years. The effect of reducing prices and reimbursement for certain of our products could significantly impact our business and consolidated results of operations.

Although we expect to see continued focus in regulating pricing, we cannot predict what, if any, additional legislative or regulatory developments may transpire at the state or country level, or what the ultimate impact may be.

Catastrophic events may disrupt our business.

We have operations and facilities which sell and distribute our products in many parts of the world. Natural events (such as a hurricane or major earthquake), terrorist attacks, pandemics, epidemics, outbreaks of an infectious disease or other catastrophic events, including adverse weather events associated with global climate change which have increased in severity and frequency in recent years, could cause delays in developing, manufacturing or selling our products. Such events that occur in major markets where we sell our products could reduce the demand for our products in those areas and, as a result, impact our sales into those markets. In either case, any such disruption could have a material adverse effect on our business, financial condition and results of operations.

The illegal distribution and sale of counterfeit versions of our products may reduce demand for our products or have a negative impact on the reputation of our products, which could have a material adverse effect on our business.

Third parties may illegally distribute and sell counterfeit versions of our products, which do not meet or adhere to the rigorous quality, safety, manufacturing, storage and handling standards and regulations that apply to our products. The prevalence of counterfeit products is a growing industry-wide issue due to the widespread use of the Internet, which has greatly facilitated the ease by which counterfeit products can be advertised, purchased and delivered. The discovery of safety or efficacy issues, adverse events or even death or personal injury associated with or caused by counterfeit products may be attributed to our products and may cause reputational harm to our products or the Company. We may not be able to detect or, if detected, prevent or prohibit the sale of such counterfeit products. As a result, the illegal sale or distribution of counterfeit products may negatively impact the demand for and sales of our products, which could have a material adverse effect on our business.

Our revenues and profits could be reduced by imports from countries where our products are available at lower prices.

Prices for our products are based on local market economics and competition and differ from country to country. Our sales in countries with relatively higher prices may be reduced if products can be imported into those or other countries from lower price markets. If this happens with our products, our revenues and profits may be adversely affected, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Our policies regarding returns, allowances and chargebacks, and marketing programs adopted by wholesalers, may reduce our revenues in future fiscal periods.

We provide certain rebates, allowances, chargebacks and other credits to our customers with respect to certain of our products. For example, we make payments or give credits to certain wholesalers for the difference between the invoice price paid to us by our wholesaler customer for a particular product and the negotiated price that such wholesaler sells such products to its hospitals, group purchasing organizations, pharmacies or other retail customers. We also give certain of our customers credits on our products that such customers hold in inventory after we have decreased the WAC prices of such products, such credit being for the difference between the old and new price. In addition, we also implement and maintain returns policies, pursuant to which our customers may return product to us in certain circumstances in return for a credit. Although we establish reserves based on our prior experience, wholesaler data, then-current on-hand inventory, our best estimates of the impact that these policies may have in subsequent periods and certain other considerations, we cannot ensure that our reserves are adequate or that actual product returns, rebates, allowances and

chargebacks will not exceed our estimates, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

We may experience declines in sales volumes or prices of certain of our products as the result of the concentration of sales to wholesalers and the continuing trend towards consolidation of such wholesalers and other customer groups and this could have a material adverse effect on our business.

For certain of our products, a significant portion of our sales are to a relatively small number of customers. If our relationship with one or more of such customers is disrupted or changes adversely or if one or more of such customers experience financial difficulty or other material adverse changes in their businesses, it could materially and adversely affect our sales and financial results, which could have a material adverse effect on our business.

In addition, wholesalers and retail drug chains have undergone, and are continuing to undergo, significant consolidation. This consolidation may result in these groups gaining additional purchasing leverage and consequently increasing the product pricing pressures facing our business. The result of these developments could have a material adverse effect on our business.

We have entered into distribution agreements and fulfillment arrangements with other companies to distribute certain of our products at supply prices based on net sales. Declines in the pricing and/or volume, over which we have no or limited control, of such products, and therefore the amounts paid to us, could have a material adverse effect on our business.

Certain of our products are the subject of third-party distribution or sublicense agreements, pursuant to which we may manufacture and sell products to other companies, which distribute such products in return for a royalty or a supply price, in both cases which are often based on net sales. Our ability to control pricing and volume of these products may be limited and, in some cases, these companies make all distribution and pricing decisions independently of us. If the pricing or volume of such products declines, our revenues would be adversely impacted which could have a material adverse effect on our business.

In addition, the success of our fulfillment arrangements with Walgreen Co. and our dermatology cash-pay prescription program is subject to various risks, including market acceptance of, or market reaction to, such arrangements (including by customers, doctors, patients, pharmacy benefit managers, third-party payors and governmental agencies), and the continued compliance of such arrangements with applicable laws. Any failure of these arrangements to achieve market acceptance or any non-compliance with applicable laws could have a material adverse effect on our business.

Risks Relating to the International Scope of our Business

Our business is subject to risks arising from the international scope of our operations, any of which could have a material adverse effect on our business.

We conduct a significant portion of our business outside the U.S. and Canada and may, in the future, expand our operations into new countries, including emerging markets. We sell our pharmaceutical and medical device products in many countries around the world. All of our foreign operations are subject to risks inherent in conducting business abroad, including, among other things:

- difficulties in coordinating and managing foreign operations, including ensuring that foreign operations comply with foreign laws as well as Canadian and U.S. laws applicable to Canadian companies with U.S. and foreign operations, such as export and sanctions laws and the FCPA, the CFPOA, and other applicable worldwide anti-bribery laws;
- price and currency exchange controls;
- restrictions on the repatriation of funds;
- scarcity of hard currency, including the U.S. dollar, which may require a transfer or loan of funds to the operations in such countries, which they may not be able to repay on a timely basis;
- political and economic instability;

- ongoing uncertainties as a result of unrest, instability or changes in geopolitical conditions including military or political conflicts, such as those caused by the ongoing conflict between Russia and Ukraine, and the conflict in the Middle East involving Israel, Hamas and other countries and militant groups and related unrest in the region (the potential escalation or geographic expansion of which could heighten other risks identified elsewhere in this "Risk Factors" section);
- compliance with multiple regulatory regimes;
- compliance with economic sanctions laws and other laws that apply to our activities in the countries where we operate;
- less established legal and regulatory regimes in certain jurisdictions, including as relates to enforcement of anti-bribery and anti-corruption laws and the reliability of the judicial systems;
- differing degrees of protection for intellectual property;
- unexpected changes in foreign regulatory requirements, including quality standards and other certification requirements;
- new export license requirements;
- tariffs imposed (or proposed to be imposed) by the U.S. (including in respect of the countries 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, disruptions to global supply chains and the potential results of these developments;
- differing labor regulations;
- potentially negative consequences from changes in or interpretations of tax laws;
- restrictive governmental actions;
- possible nationalization or expropriation;
- credit market uncertainty;
- restrictions on business activities and other challenges associated with pandemics, epidemics, outbreaks of an infectious disease or similar events;
- differing local practices, customs and cultures, some of which may not align or comply with our Company practices and policies or U.S. or Canadian laws and regulations;
- difficulties with licensees, contract counterparties, or other commercial partners; and
- differing local product preferences and product requirements.

During 2025, the Trump administration imposed increased and new tariffs on various countries. Additional tariffs and other protective measures are being investigated and may also be imposed. Counter-tariffs and other retaliatory measures have been threatened and imposed on the United States by various countries. The United States has negotiated trade agreements with some countries on tariff matters and negotiations with others are ongoing. These tariffs and counter-tariffs have had and may continue to have an impact on some of the countries in and with which we do business and some of the sectors in which we are engaged. While we believe we will be able to mitigate some of the impact of these tariffs, counter-tariffs and other trade restrictions through the use of certain levers and other actions, these measures may not be successful in mitigating all of the impacts of these tariffs and other trade matters.

In addition, continued support for protectionism and rapidly escalating anti-globalization sentiment in the United States and other countries may slow global growth. In particular, a protracted and wide-ranging trade conflict between the United States and its trading partners, or the imposition of tariffs or other trade protection measures by any such partner in any other context, could adversely affect global economic growth. Concerns also remain around the social, political and economic impacts of the changing political landscape in Europe and other regions. Broader geopolitical tensions remain high amongst the United States, Russia, Ukraine, China, Venezuela and other parts of South America and across the Middle East as well as between the U.S. and other members of NATO.

Given the international scope of our operations, any of the above factors, including sanctions, export controls, tariffs, and/or retaliatory tariffs, trade wars and other governmental actions, could have a material adverse effect on our business.

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. In addition, accelerating rates of inflation may continue in the near future and have resulted, and may continue to result, in increased costs of labor, raw materials, other supplies and freight and distribution costs, among others. For the pharmaceutical industry and the healthcare systems in the markets in which we participate, the pricing dynamics of our products generally does not provide the opportunity to pass on such costs to customers. Inflation may also result in higher interest rates and increased costs of capital. Moreover, our projected revenues and operating results are based on assumptions concerning certain levels of customer spending. Any failure to attain our projected revenues and operating results as a result of adverse economic or market conditions could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Due to the large portion of our business conducted in currency other than U.S. dollars, we have significant foreign currency risk.

We face foreign currency exposure on the translation into U.S. dollars of the financial results of our operations in Europe, Canada, Latin America, Asia, Africa and the Middle East and other regions. Where possible, we manage foreign currency risk by managing same currency revenue in relation to same currency expenses. We may also use derivative financial instruments from time to time to mitigate our foreign currency risk and not for trading or speculative purposes. We face foreign currency exposure in those countries where we have revenue denominated in the local foreign currency and expenses denominated in other currencies. Both favorable and unfavorable foreign currency impacts to our foreign currency-denominated operating expenses are mitigated to a certain extent by the natural, opposite impact on our foreign currency-denominated revenue. In addition, the repurchase of our U.S. dollar denominated debt may result in foreign exchange gains or losses for Canadian income tax purposes. One half of any foreign exchange gains or losses will be included in our Canadian taxable income. Any foreign exchange gain will result in a corresponding reduction in our available Canadian tax attributes. Further strengthening of the U.S. dollar and/or the devaluation of other countries' currencies could have a negative impact on our reported international revenue.

As a result of the ongoing conflict between Russia and Ukraine, the current and any future responses by the global community to such conflict and any counter responses by the Russian government or other entities or individuals, and the potential expansion of the conflict to other countries, we may continue to experience an adverse impact on our business.

The ongoing military conflict between Ukraine and Russia has provoked strong reactions from the United States, the UK, the EU, Canada and various other countries around the world, including the imposition of export controls and broad financial and economic sanctions against Russia, Belarus and specific areas of Ukraine. Additional sanctions or other measures may be imposed by the global community, and counteractive measures may be taken by the Russian government, other entities in Russia or governments or other entities outside of Russia.

Our revenues attributable to Russia, Ukraine and Belarus for 2025, 2024 and 2023 were approximately 2% of our total revenues each year. The conflict between Ukraine and Russia has impacted our business in the region, and we are continuously monitoring developments to assess any potential future impact that may arise. Given the nature of our products, we do not believe that the current sanctions and other measures imposed by the United States and other countries preclude us from conducting business in the region. However, we anticipate that the ongoing conflict in this region and the sanctions and other actions by the global community in response may continue to hinder our ability to conduct business with customers and vendors in this region, including disruption and delays in the supply of our products to our customers, decreased demand for our products, and difficulties in collecting receivables from such customers in Russia, Ukraine and Belarus as a result of the conflict and invasion. Furthermore, if the sanctions and other retaliatory measures imposed by the global community change, we may be required to cease or suspend our operations in the region or, should the conflict worsen, we may voluntarily elect to do so. For example, the

former Biden administration imposed U.S. sanctions and export controls against Russia in response to the ongoing war. These sanctions have impacted our ability to distribute our Solta medical device products to Russia. The Trump administration has extended the sanctions imposed by the former Biden administration and has also indicated that it may impose additional sanctions against Russia and/or secondary sanctions against countries doing business with Russia if negotiations are not progressed respecting a ceasefire or possible end to the conflict in Ukraine. In addition, the European Union ("EU") has also imposed several rounds of sanctions against Russia. We have obtained licenses where required, for services provided to Russia from the EU and from the relevant EU member states. We cannot guarantee that we will be able to obtain licenses or other governmental authorizations for any future sanctions or export controls that may be imposed.

We cannot provide assurance that current sanctions or potential future changes in these sanctions or other measures will not have a material impact on our operations in Russia, Ukraine and Belarus. The disruption to, or suspension of, our business and operations in Russia, Ukraine and Belarus would adversely impact our business, financial condition, cash flows and results of operations in this region which may, in turn, materially adversely impact our overall business, financial condition, cash flows and results of operations, which impact could be material, and could cause the market value of our securities to decline. Finally, we are also subject to risks if exchange controls were to be imposed that would limit the repatriation of profits from our operations in Russia. While we do not rely on profits or dividends from our Russian operations to fund our debt repayment or other business activities generally, as our operations from Russia primarily involve the sale of products purchased from our affiliates located outside of Russia, any exchange controls that would limit the purchase of or payment for products or goods from outside of Russia may have an adverse impact on our operations in Russia or the way we conduct business in Russia.

While the precise effects of the ongoing military conflict and sanctions on the Russian and global economies remain uncertain, they have already resulted in significant volatility in financial markets and depreciation of the Russian ruble and the Ukrainian hryvnia against the U.S. dollar, as well as in an increase in energy and commodity prices globally. Other economic and security consequences include, but are not limited to, supply shortages of different kinds, further increases in prices of commodities, reduced consumer purchasing power, significant disruptions in logistics infrastructure, telecommunications services, and risks relating to the unavailability of information technology systems and infrastructure.

In addition, as a result of the ongoing conflict between Russia and Ukraine, we may experience other risks, difficulties and challenges in the way we conduct our business and operations generally, including cybersecurity attacks perpetrated by Russia or others at its direction in response to economic sanctions and other actions taken against Russia as a result of its invasion of Ukraine. We have taken action to consolidate network traffic from Russia and Belarus through a single point, which is designed to allow us to more closely inspect that traffic and quickly and efficiently disconnect the region from our corporate network if required. At this time, to the best of our knowledge, we do not believe we have experienced any cyberattacks that are related to the conflict between Russia and Ukraine. Although we have taken steps to enhance our protections against such attacks, there can be no assurance that we will promptly detect and address any such disruption or security breach, if at all. In addition, as a result of the risk of collectability of receivables from our customers in Russia, Belarus and Ukraine, we may be required to adjust our accounting practices relating to revenue recognition in this region, with the result that we may not be able to recognize revenue from these customers until collected. We may also suffer reputational harm as a result of our continued operations in Russia. Finally, we have one global clinical trial involving Russia, Ukraine and Belarus with patients enrolled. We continue to support the existing patients, but have no plans to enroll new patients at this time. Plans for any additional trials involving Russia, Ukraine and Belarus have been postponed.

The continuation of the conflict between Russia and Ukraine, any escalation of that conflict, and the financial and economic sanctions and import and/or export controls imposed on Russia by the U.S., the UK, the EU, Canada and others, and the above-mentioned adverse effect on our operations (both in this region and generally) and on the wider global economy and market conditions could, in turn, have a material adverse impact on our business.

Our business could be adversely affected by disruptions in the global economy caused by the ongoing conflict in the Middle East between Israel, Hamas and other countries and militant groups in the region.

The global economy has been negatively impacted by the military conflict in the Middle East between Israel, Hamas and other countries and militant groups in the region. With uncertainty surrounding the success

of the recent ceasefire, there could be an expansion of the countries involved, which could lead to significant detrimental effects to the global economy. Although we do not have significant customers or suppliers in the Middle East region, we do have customers and suppliers in surrounding regions which may be affected. Further escalation of the conflict in the Middle East and geopolitical tensions related to such military conflict, including increased trade barriers or restrictions on global trade, could result in, among other things, cyber-attacks, supply disruptions, lower consumer demand, and changes to foreign exchange rates and financial markets, any of which may adversely affect our business. The effects of the ongoing conflict could heighten many of our known risks described in these "Risk Factors."

Risks Relating to Information Technology

We have become increasingly dependent on information technology systems and infrastructure and any breakdown, interruption, breach or other compromise of our or our third-party service providers' information technology systems could compromise sensitive information related to our business or prevent us from accessing critical information and subject us to liability or interrupt the operation of our business, which could have a material adverse effect on our business.

We are increasingly dependent upon our information technology systems and infrastructure, as well as those of third parties with whom we interact, and internal and public internet sites, data hosting and processing facilities, cloud-based services and hardware, social media sites and mobile technology, in connection with the conduct of our business.

We must constantly update our information technology systems and infrastructure and undertake investments in new information technology systems and infrastructure. However, we cannot provide assurance that the information technology systems and infrastructure on which we depend, including those of third parties, will continue to meet our current and future business needs or adequately safeguard our operations. Furthermore, modification, upgrade or replacement of such systems and infrastructure may be costly or out of our control.

Any failure to so modify, upgrade or replace such systems and infrastructure, any disruptions that occur during the process of such modification, upgrade or replacement and/or any breakdown, interruption or corruption of the information technology systems and infrastructure on which we rely could create system disruptions, shutdowns, delays in generating or the corruption of data and information or other disruptions that could result in negative financial, operational, business or reputational consequences for us.

The size and complexity of the information technology systems and infrastructure on which we rely makes such systems and infrastructure potentially vulnerable to internal or external inadvertent or intentional security breaches, including as a result of private or state-sponsored cybercrimes, terrorism, war, malware, ransomware, human error, system malfunction, telecommunication and electrical failures, natural disaster, fire, misplaced or lost data, socially engineered breaches or other similar events.

In addition, during the normal course of our business operations, including through the use of information technology systems and infrastructure, we are involved in the collection, transmission, use, retention and other processing of sensitive, confidential, non-public or personal data and information in Canada, the United States and abroad.

Cyber-attacks are increasing in frequency, sophistication and intensity and are made by groups and individuals with a wide range of motives and expertise. Cyber-attacks could include the deployment of harmful malware, ransomware, denial-of-service attacks, worms, social engineering, improper modification of information, fraudulent "phishing" e-mails and other means to affect service reliability or threaten data confidentiality, integrity or availability. Techniques used in these attacks are often highly sophisticated, change frequently and may be difficult to detect for long periods of time.

We have established (i) physical, electronic and organizational measures intended to safeguard and secure our systems to prevent a compromise and (ii) policies and procedures designed to provide for the timely investigation of cybersecurity incidents and the timely disclosure of cybersecurity incidents consistent with our legal and contractual obligations. We also rely on commercially available systems, software, tools and monitoring to provide security for the processing, transmission and storage of digital information.

We and our suppliers, partners, customers and vendors have experienced, and may continue to experience cybersecurity incidents. For example, although to date we have not experienced any event that we determined to be a material incident or interruption, we have been subject to system breaches and account compromises in the past within our information technology systems and within those of third-party platforms and providers that we utilize. While we attempt to take appropriate security and cybersecurity measures to protect our information technology systems and infrastructure (including any trade secrets, confidential or other sensitive information) and to prevent and detect breakdowns, unauthorized breaches and cyber-attacks, we cannot guarantee that such measures will be successful and that breakdowns and breaches of, or attacks on, our systems and data, or those of third parties upon which we rely, will be prevented. Such breakdowns and breaches of, or attacks on, our systems and infrastructure, or the public perception that we or any third party upon which we rely have suffered a cybersecurity incident or breakdown, may cause business interruption and could have a material adverse effect on our business, damage our reputation with customers, employees and third parties with whom we do business and cause the market value of our securities to decline, and we may suffer financial damage or other loss, including fines or criminal penalties or may be subject to litigation, including potentially class action lawsuits because of lost or misappropriated information.

Although we maintain insurance to mitigate a portion of any potential financial impact associated with certain of these risks, this insurance may not be sufficient to cover the financial, legal, business or reputational losses that may result from a breakdown, breach, cyber-attack or other compromise of or interruption to our information technology systems and infrastructure or confidential and other sensitive information.

In addition, we provide confidential and other sensitive information to third parties when necessary to pursue our business objectives. While we obtain assurances that these third parties will protect this information and, where appropriate, monitor the protections employed by these third parties, there is a risk that the confidentiality of information held by third parties, including trade secrets and sensitive personal information, may be compromised, including as a result of cybersecurity breaches, breakdowns or other incidents. If personal information of our customers or employees is misappropriated, our reputation with our customers and employees may be injured, resulting in loss of business and/or morale. Any such incidents could require us to incur costs to remediate possible injury to our customers and employees, to further improve our protective measures or to pay fines or take other action with respect to litigation, judicial or regulatory actions arising out of such incidents, which may be significant. We also cannot ensure that any limitation of liability or indemnity provisions in our contracts, including with vendors and service providers, for a security lapse or breach or other security incident would be enforceable or adequate or would otherwise protect us from any liabilities or damages with respect to any particular claim.

Any of the foregoing could have a material adverse effect on our business.

We utilize artificial intelligence, which could expose us to liability or could have a material adverse effect on our business and financial condition.

We utilize proprietary and third party artificial intelligence ("AI") in various aspects of our business and operations, and may continue to do so in the future. There may be significant risks involved in utilizing AI and no assurance can be provided that our use will enhance our business and operations or produce the intended results. For example, AI algorithms may be flawed, insufficient, of poor quality, reflect unwanted forms of bias, or contain other errors or inadequacies, any of which may not be easily detectable. If the AI solutions that we create or obtain from third parties are deficient, inaccurate or controversial, we could incur operational inefficiencies, competitive harm, legal liability, brand or reputational harm, or other adverse impacts on our business and financial results. In addition, regulation of AI is rapidly evolving worldwide and AI and its uses are subject to a variety of laws and regulations, including intellectual property, privacy, data protection and information security, consumer protection, competition, and equal opportunity laws, and are expected to be subject to increased regulation and new laws or new applications of existing laws and regulations. For example, several laws have been enacted at the U.S. state level that regulate the development and deployment of AI platforms and systems. Although there are no U.S. federal laws specifically governing AI development and use, federal agencies in the United States are applying existing laws to address AI-related risks. An Executive Order issued in December 2025 seeks to establish uniform federal standards and challenge state laws that regulate AI. In addition, regulators in the United States, the United Kingdom, Canada, and other jurisdictions are developing new guidance or binding rules applicable to AI systems, including algorithmic accountability,

explainability, dataset quality, and restrictions on certain high-risk uses of AI. We have internal governance processes designed to monitor such developments and to promote compliance with applicable AI-related legal and regulatory requirements. In the EU, we are also subject to the European Union Artificial Intelligence Act (the "EU AI Act"), regulating development and deployment of AI systems. The EU AI Act applies to both public and private actors inside and outside of the EU as long as the AI system is placed on the EU market, or its use has an impact on people located in the EU.

We may not be able to anticipate how to respond to these rapidly evolving laws and regulations, and we may need to expend resources to adjust our use of AI in certain jurisdictions if the legal and regulatory frameworks are inconsistent across jurisdictions. In addition, these laws and regulations could have significant effects on our Company and require us to change our AI practices and incur substantial costs and expenses in order to comply. In addition, the use of AI may subject us to new or heightened ethical or other challenges. Conversely, if we are unable or unwilling to adopt AI technologies in our business and operations, we may face competitive risks from our peers, who are utilizing these technologies, which in turn could adversely impact our business, financial condition, cash flows and results of operations.

Risks Relating to Specific Legislation and Regulations

We are subject to various laws and regulations, including "fraud and abuse" laws, anti-bribery laws, environmental laws and privacy and security laws, and a failure to comply with such laws and related regulations or prevail in any litigation related to noncompliance could have a material adverse effect on our business.

Pharmaceutical and medical device companies have faced lawsuits and investigations pertaining to violations of health care "fraud and abuse" laws, such as the federal False Claims Act, the federal Anti-Kickback Statute and other state and federal laws and regulations. Pharmaceutical and medical device companies have been prosecuted or faced civil liability under these laws for a variety of alleged promotional and marketing activities, including engaging in off-label promotion that caused claims to be submitted for non-covered off-label uses. See Item 1. "Business — Government Regulations" of this Form 10-K. If we are in violation of any of these requirements or any such actions are instituted against us, and we are not successful in defending ourselves or asserting our rights, this could have a significant impact on our business, including the imposition of significant criminal and civil fines and penalties, exclusion from federal health care programs or other sanctions, including consent orders or corporate integrity agreements.

While we have developed corporate compliance programs based on what we believe to be current best practices, we cannot provide assurance that we or our employees or agents are or will be in compliance with all applicable federal, state or foreign regulations and laws. If we are in violation of any of these requirements or any such actions are instituted against us, and we are not successful in defending ourselves or asserting our rights, those actions could have a significant impact on our business, including the imposition of significant criminal and civil fines and penalties, exclusion from federal health care programs or other sanctions, including consent orders or corporate integrity agreements.

Our policies mandate compliance with anti-bribery laws. We operate in many parts of the world that have experienced governmental corruption and in certain circumstances, strict compliance with anti-bribery laws may conflict with local customs and practices or may require us to interact with doctors and hospitals, some of which may be state controlled, in a manner that is different than in the U.S. and Canada. We cannot provide assurance that our internal control policies and procedures will protect us from reckless or criminal acts committed by our employees, consultants, distributors, third party contractors or agents. Violations of these laws, or allegations of such violations, could disrupt our business and result in criminal or civil penalties or remedial measures, any of which could have a material adverse effect on our business.

We are also subject to various state, federal and international laws and regulations governing the collection, transmission, dissemination, use, privacy, confidentiality, security, retention, availability, integrity and other processing of health-related and other sensitive and personal information, including HIPAA and CCPA. State laws are changing rapidly and there is discussion in Congress of a new federal data protection and privacy law to which we may be subject. For instance, the California Privacy Rights Act ("CPRA") which was passed in November 2020 and took effect on January 1, 2023, maintains the core framework of the CCPA, while also making a number of substantive changes. We are also subject to various state and federal rules and laws governing cybersecurity risks and incidents, including an SEC rule relating to disclosure of

material cybersecurity incidents and risks and state laws regarding notification of data breaches. Since these data security regimes are evolving, uncertain and complex, especially for a global business such as ours, we will need to update or enhance our compliance measures from time to time and these updates or enhancements will require further implementation costs. Any failure, or perceived failure, by us to comply with current and future regulatory or customer-driven privacy, data protection, and information security requirements, or to prevent or mitigate security breaches, cyberattacks, or improper access to, use of, or disclosure of data, or any security issues or cyber-attacks affecting our business, could result in significant liability, costs (including the costs of mitigation and recovery), a material loss of revenue resulting from the adverse impact on its reputation and brand, loss of proprietary information and data, disruption to its business and relationships, and diminished ability to retain or attract customers and business partners. Such events may result in governmental enforcement actions and prosecutions, private litigation, fines and penalties or adverse publicity, and could cause customers and business partners to lose trust in us, which could have an adverse effect on our reputation and business.

Internationally, laws and regulations in many jurisdictions apply broadly to health-related and other sensitive and personal information, including the EU's GDPR, and the UK's General Data Protection Regulation ("UK GDPR"), which, together with national legislation, regulations and guidelines of the EU member states and the UK governing the processing of personal data, impose strict obligations and restrictions on the ability to collect, analyze, store, transfer and otherwise process personal data, including health data from clinical trials and adverse event reporting. These laws and regulations could limit our ability to collect, use and share data, and could cause our compliance costs to increase, and ultimately could have an adverse impact on our business and financial condition.

In the EU, we are also subject to the new European Union Artificial Intelligence Act (the "EU AI Act"), regulating development and deployment of AI systems. In the context of the European Strategy for Data, we may also be subject to the European Union's Data Act. In addition, in China, the Personal Information Protection Law (the "PIPL") provides for very specific administrative requirements and security controls when transferring personal data outside the Peoples Republic of China. We are also subject to Canada's federal *Personal Information Protection and Electronic Documents Act* and substantially similar equivalents at the provincial level with respect to the collection, use and disclosure of personal information in Canada.

The regulatory framework for data privacy, data security and data transfers worldwide is rapidly evolving and is likely to remain uncertain for the foreseeable future. Complying with all of these laws and regulations involves costs to our business, and failure to comply with these laws and regulations can result in the imposition of significant civil and criminal penalties, as well as litigation, all of which could have a material adverse effect on our business. For more information regarding applicable data privacy and security laws and regulations, see Item 1. "Business — Government Regulations" of this Form 10-K.

We are also subject to U.S. federal laws regarding reporting and payment obligations with respect to our participation in federal health care programs, including Medicare and Medicaid. Because our processes for calculating applicable government prices and the judgments involved in making these calculations involve subjective decisions and complex methodologies, these calculations are subject to risk of errors and differing interpretations. In addition, they are subject to review and challenge by the applicable governmental agencies, and it is possible that such reviews could result in changes that could have material adverse legal, regulatory, or economic consequences.

The Trump administration has signed many executive orders on a range of issues, including with respect to diversity, equity, inclusion and accessibility programs, policies and related issues, tariffs and other trade protection measures, environmental and energy-related matters, regulation of artificial intelligence and review of existing legislation and regulations (such as the FCPA and IRA). Additional executive orders are anticipated. In addition, these executive orders may inform future legislative reform. We are in the process of monitoring and assessing these executive orders and what, if any, impact they will have on our business and operations, but such impact could have a material adverse effect on our business.

Legislative or regulatory reform of the health care system may affect our ability to sell our products profitably and could have a material adverse effect on our business.

In the U.S. and certain foreign jurisdictions, there have been a number of legislative and regulatory proposals to change the health care system in ways that could impact our ability to sell our products profitably, including the OBBBA and the IRA.

Legislation promulgated by the IRA enables the U.S. government to impose penalties if drug prices are increased at a rate faster than inflation, redesigns Medicare Part D benefits to shift a greater portion of the costs to manufacturers and allows for the U.S. government to set prices for certain drugs in Medicare. In January 2025, the CMS selected Xifaxan® 550 mg tablets as one of the medicines for the second round of negotiation of the drug price negotiation program as part of the IRA with an initial price applicability in 2027. The Company's negotiations with CMS have concluded, and CMS published the negotiated maximum fair prices on November 25, 2025. The negotiated price for Xifaxan® will become effective on January 1, 2027. It is possible that other of our products could be selected in future years. These negotiations could, among other things, accelerate revenue erosion prior to the expiration of intellectual property protections. The effect of reducing prices and reimbursement for certain of our products could significantly impact our business and consolidated results of operations.

There have been prior efforts in Congress to amend or replace the IRA and it is possible that there could be new efforts to make changes to this legislation. We cannot predict what those changes will be or when they will take effect, and we could face additional risks arising from such changes. Because of this continued uncertainty, including the potential for further legal challenges or repeal of that legislation, we cannot quantify or predict with any certainty the likely impact of this legislation or its repeal on our business model, prospects, financial condition or results of operations, in particular on the pricing, coverage or reimbursement of any of our product candidates that may receive marketing approval. Additionally, policy efforts designed specifically to reduce patient out-of-pocket costs for medicines could result in new mandatory rebates and discounts or other pricing restrictions. At the state level, legislatures have increasingly passed legislation and implemented regulations designed to control pharmaceutical product pricing. We also anticipate that Congress, state legislatures, and third-party payors may continue to review and assess alternative health care delivery and payment systems and may in the future propose and adopt legislation or policy changes or implementations effecting additional fundamental changes in the health care delivery system. We cannot provide assurance as to the ultimate content, timing, or effect of changes, nor is it possible at this time to estimate the impact of any such potential legislation.

In 2019, the HHS announced a preliminary plan to allow for the importation of certain lower-cost drugs, excluding insulin, biological drugs, controlled substances and intravenous drugs, from Canada. The preliminary plan relies on individual states to develop proposals for safe importation of those drugs from Canada and submit those proposals to the federal government for approval. In 2020, HHS issued a final rule allowing states to submit importation proposals to the FDA, which was reinforced in 2021 by an executive order from the Biden Administration directing the FDA to work with the states to import prescription drugs from Canada. After a three-year effort by the state of Florida to gain approval to implement an importation plan, on January 5, 2024, the FDA authorized the state of Florida to import certain prescription drugs from Canada. Even with this FDA approval, Florida must meet additional requirements before the plan can be implemented, including the filing of a pre-import request for each drug they seek to import and quality testing. There may be additional barriers to implementation, such that the benefits may not be realized for some time and, even if they are, the reach and impact of Florida's plan may be limited. It is unclear whether other states will follow Florida's lead or what the impact of the FDA's novel decision to allow a state to import prescription drugs from another country will be. Studies to evaluate the related costs and benefits, the reasonableness of the logistics, and measure the public reaction of such a plan have not been performed. We cannot provide assurance as to the ultimate content, timing, effect or impact of such a plan.

In 2019, the Government of Canada (Health Canada) published in the Canada Gazette the new pricing regulation for patented drugs. These regulations became effective on July 1, 2022. The new regulations, among other things, change the mechanics of establishing the pricing for products submitted for approval after August 21, 2019 and the number and composition of reference countries used to determine if a drug's price is excessive. While we do not believe this will have a significant impact on our future cash flows, as additional facts materialize, we cannot provide assurance as to the ultimate content, timing, effect or impact of such regulations.

The Health Care Reform Act and further changes to health care laws or regulatory framework that reduce our revenues or increase our costs could also have a material adverse effect on our business.

We are subject to a broad range of environmental laws and regulations and may be subject to environmental remediation obligations under such safety and related laws and regulations. The impact of these obligations and the Company's ability to respond effectively to them may have a material adverse effect on our business.

We are subject to a broad range of federal, state, provincial and local environmental laws and regulations concerning the environment, safety matters, regulation of chemicals and product safety in the countries where we manufacture and sell our products or otherwise operate our business. These requirements include, among other matters, regulation of the handling, manufacture, transportation, storage, use and disposal of materials, including the discharge of pollutants, hazardous substances and waste into the environment. Compliance with environmental, health and safety laws and regulations could require us to incur significant operating or capital expenditures or result in significant restrictions on our operations. If we fail to comply with these environmental, health and safety laws and regulations, including failing to obtain or comply with any necessary permits, we could incur substantial civil or criminal fines or penalties or enforcement actions, including regulatory or judicial orders enjoining or curtailing our operations or requiring us to conduct or fund remedial or corrective measures, install pollution control equipment, reformulate or cease the marketing of our products or perform other actions. In the normal course of our business, regulated substances and waste may be released into the environment, which could cause environmental or property damage or personal injuries, and which could subject us to remediation obligations regarding contaminated soil and groundwater, potential liability for damage claims or to social or reputational harm and other similar adverse impacts. Under certain laws, we may be subject to joint and several liability for environmental investigations and cleanups, including at properties that we currently or previously owned or operated, or at sites at which waste we generated was disposed, even if the contamination was not caused by us or was legal at the time it occurred.

We are subject to extensive and evolving regulations regarding the manufacturing, processing, distribution, importing, exporting and labeling of our products and their raw materials. In the EU, the REACH regulations came into effect in 2007, with implementation rolling out over time. Registered chemicals then can be subject to further evaluation and potential restrictions. Since the promulgation of REACH, other countries have enacted or are in the process of implementing similar comprehensive chemical regulations. These laws and regulations may materially affect our operations by subjecting our products or raw materials to testing or reporting requirements or restrictions, moratoria, phase outs or other limitations on their sale or use. In particular, some of our products might be characterized as nanomaterials and then be subject to evolving, new nanomaterial regulations.

In recent years, legislation and regulation related to environmental protection have become increasingly stringent. Such legislation and regulations are complex and constantly changing. There is a growing focus on environmental impact of self-care products, their ingredients, components, packaging, manufacturing and disposal. This focus could lead to new requirements and restrictions in the coming years across all product categories. In particular, legislation and regulation relating to climate change, sustainability and product stewardship including greenhouse gas emissions, are at various stages of consideration and implementation. As noted above, given the Trump administration's executive orders, additional proposed changes to such legislation and regulations are also anticipated. Future events, such as changes in existing laws or regulations or the enforcement thereof or the discovery of contamination at our facilities may, among other things, require us to install additional controls for certain of our emission sources, undertake changes in our manufacturing processes, remediate soil or groundwater contamination at facilities where such cleanup is not currently required, take action to address social expectations or concerns arising from or relating to such changes and our response to such changes or adversely impact our suppliers. These impacts may be significant and could have a material adverse effect on our business.

The consequences of climate change, such as extreme weather and water scarcity, could pose risks to our facilities and disruption of our activities.

Natural disasters and extreme weather events resulting from climate change, such as floods, heatwaves, blizzards, hurricanes, wildfires, the rise of sea level and water stress, could impact our business activities and our ability to deliver our products to customers. We evaluate these risks in our supply planning, loss prevention and business continuity planning. The implementation of an Environmental, Health and Safety Management System across our facilities has resulted in the development of processes to prepare and respond to a range of natural emergencies that may occur, including extreme weather events. We have been placing increased

attention on water management, implementing a scarcity-focused approach to water conservation to align with community needs and advance toward sustainable operations. If our planning and risk management regarding natural disasters and extreme weather events fail, our facilities could be impacted and our activities could be significantly disrupted.

Other Risks

If we fail to maintain adequate internal controls, our business, financial condition, results of operations, cash flows and/or the market value of our securities may be adversely affected.

Effective internal controls are necessary for us to provide reasonable assurance with respect to our financial reports. We spend a substantial amount of management and other employee time and resources to comply with laws, regulations and standards relating to corporate governance and public disclosure. In the U.S., such regulations include the Sarbanes-Oxley Act of 2002, SEC regulations and the NYSE listing standards, and in Canada, applicable securities laws. In particular, Section 404 of the Sarbanes-Oxley Act of 2002 requires management's annual review and evaluation of our internal control over financial reporting and attestation as to the effectiveness of these controls by our independent registered public accounting firm. If we fail to maintain the adequacy of our internal controls, we may not be able to ensure that we can conclude on an ongoing basis that we have effective internal control over financial reporting. Additionally, internal control over financial reporting may not prevent or detect misstatements because of its inherent limitations, including the possibility of human error, the circumvention or overriding of controls, or fraud. Therefore, even effective internal controls can provide only reasonable assurance with respect to the preparation and fair presentation of financial statements. In addition, projections of any evaluation of effectiveness of internal control over financial reporting to future periods are subject to the risk that the control may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. If we fail to maintain the adequacy of our internal controls, including any failure to implement required new or improved controls, this could have a material adverse effect on our business, financial condition, results of operations, cash flows and/or stock price.

Our business and operations could be negatively affected by shareholder activism, which could cause us to incur significant expenses, hinder execution of our business strategy and impact the market value of our securities.

In recent years, shareholder activism involving corporate governance, fiduciary duties of directors and officers, strategic direction and operations has become increasingly prevalent.

The Company has experienced shareholder activism in the recent past and may become subject to it again in the future, which may create a significant distraction for our management and employees. This could negatively impact our ability to execute our business plans (including the full B+L Separation) and may require our management to expend significant time, resources and costs, including legal fees and other expenses incurred in connection with any proxy contest that may result from any such shareholder activism. Furthermore, when individuals are elected to our Board with a specific agenda, it may adversely affect our ability to effectively implement our business strategy and create additional value for our shareholders and could lead us to adopt other plans that we cannot predict and which could focus on short-term benefits with longer-term costs or that may not be in the best interests of the Company. Such shareholder activism may also create uncertainties with respect to our financial position and operations, may adversely affect our ability to attract and retain key employees and may result in loss of potential business opportunities with our current and potential customers and business partners, any of which could have a material adverse effect on our business. In addition, such shareholder activism may cause significant fluctuations in the market value of our securities based on temporary or speculative market perceptions, uncertainties or other factors that do not necessarily reflect the underlying fundamentals and prospects of our business. While we will remain responsive to shareholder demands, there is no assurance that we will achieve their objectives, or that doing so will decrease the likelihood of activist shareholder engagement in the future.

We have significant goodwill and other intangible assets and potential impairment of goodwill and other intangibles may have a significant adverse impact on our financial condition and results of operations.

Goodwill and intangible assets represent a significant portion of our total assets. Finite-lived intangible assets are subject to an impairment analysis whenever events or changes in circumstances indicate the carrying

amount of the asset may not be recoverable. Goodwill and indefinite-lived intangible assets are tested for impairment annually, or more frequently if events or changes in circumstances indicate that the asset may be impaired. If impairment exists, we would be required to take an impairment charge with respect to the impaired asset.

For example, for 2025, 2024 and 2023, we recognized impairments to finite-lived intangible assets of $8 million, $29 million and $54 million, respectively. These asset impairments were primarily attributable to revisions in sales forecasts associated with discontinuances, generic competition and other market forces. In addition to impairments to finite-lived intangible assets, for 2024 there was no impairment to goodwill. For 2025 and 2023, we recognized $145 million and $493 million in impairments to goodwill, respectively. These impairments to goodwill were primarily the result of revisions to our long-term forecasts as well as increases in market interest rates which resulted in higher discount rates used in the impairment analysis for the reporting units due to changing business dynamics and market conditions. 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. For example, in January 2026, we received the results for the double-blind Phase 3 clinical trials for two global RED-C clinical programs evaluating amorphous-rifaximin SSD for the primary prevention of hepatic encephalopathy in adults with liver cirrhosis. While the treatment was safe and well-tolerated, the clinical trials did not meet their primary endpoints. As a result of these clinical trial outcomes, we performed a preliminary quantitative goodwill analysis as of January 22, 2026 for the Salix reporting unit using revised forecasts, an updated discount rate, and a new long-term growth rate that reflect the Phase 3 clinical trial results. We anticipate recognizing an impairment charge of approximately $1,400 million for the Salix reporting unit in the first quarter of 2026.

See Note 8, "INTANGIBLE ASSETS AND GOODWILL" to our audited Consolidated Financial Statements included elsewhere in this Form 10-K for further information on these impairment charges.

Events giving rise to impairment are difficult to predict, including the uncertainties associated with the launch of new products, and are an inherent risk in the pharmaceutical and medical device industries. As a result of the significance of goodwill and intangible assets, our financial condition and results of operations in a future period could be negatively impacted should such an impairment of goodwill or intangible assets occur. We may be required to take additional impairment charges in the future and such impairment charges may be material.

The Company's ability to effectively monitor and respond to the rapid, diverging and ongoing developments and expectations relating to ESG matters, including related social and regulatory expectations and concerns, have imposed (and may continue to impose) unexpected costs on the Company and/or may result in legal, operational, reputational or other harm to the Company that could have a material adverse effect on our business.

There are rapid, diverging and ongoing developments and regulations and changing expectations relating to ESG matters and factors such as the impact of our operations on climate change, water and waste management, our practices relating to corporate diversity initiatives, sustainability and product stewardship, product safety, access to health care and affordable drugs, management of business ethics and human capital development, which may result in increased regulatory, social, investor or other scrutiny on us. Several regimes impose significant disclosure, governance, due diligence and other requirements, accompanied by potentially significant monetary penalties for non-compliance. In addition, we face increasingly diverging expectations and demands from our stakeholders, including investors, lenders, employees and regulators on these topics, and jurisdictions in which we operate have adopted or proposed differing or conflicting laws, regulations or policies on these topics. If we are not able to adequately recognize and respond to such developments and stakeholder expectations, including with respect to ESG matters, we may become subject to additional legal or regulatory risk, face increased social, investor or other scrutiny, incur unexpected costs or experience damage to the reputation of the Company or its various brands with governments, customers, employees, investors, third parties and the communities in which we operate, in each case that could have a material adverse effect on our business and could cause the market value of our securities to decline.

We have various indemnity agreements and indemnity arrangements in place, which may result in an obligation to indemnify or reimburse the relevant counterparty, which amounts may be material.

All directors and/or officers of the Company, and each of its various subsidiary entities, are indemnified by the Company in respect of their service as directors and/or officers, subject to certain restrictions. We have

also purchased directors' and officers' liability insurance to mitigate the cost of any potential future lawsuits or actions. The maximum amount of any potential future payment cannot be reasonably estimated but could have a material adverse effect on the Company.

In the normal course of business, we have entered or may enter into agreements that include indemnities in favor of third parties, such as purchase and sale agreements, license agreements, engagement letters with advisors and consultants and various product and service agreements. These indemnification arrangements may require us to compensate counterparties for losses incurred by the counterparties as a result of breaches in representations, covenants and warranties provided by us or as a result of litigation or other third-party claims or statutory sanctions that may be suffered by the counterparties as a consequence of the relevant transaction. In some instances, the terms of these indemnities are not explicitly defined. We, whenever possible, try to limit this potential liability within the particular agreement or contract, but due to the unpredictability of future events the maximum amount of any potential reimbursement cannot be reasonably estimated, but could have a material adverse effect on the Company.

General Risk Factors

Our operating results and financial condition may fluctuate.

Our operating results and financial condition may fluctuate from quarter to quarter for a number of reasons. In addition, our stock price can be volatile. The following events or occurrences, among others, could cause fluctuations in our financial performance and/or stock price from period to period:

- development and launch of new competitive products;
- the timing and receipt of FDA and other regulatory approvals or lack of approvals;
- costs related to business development transactions;
- changes in the amount we spend to promote our products;
- delays between our expenditures to acquire new products, technologies or businesses and the generation of revenues from those acquired products, technologies or businesses;
- changes in treatment practices of physicians that currently prescribe certain of our products;
- increases in the cost of raw materials used to manufacture our products;
- actions by the FDA or other regulatory agencies relating to our manufacturers or suppliers;
- manufacturing and supply interruptions;
- our responses to price competition;
- new legislation or other developments that would control or regulate the prices of drugs;
- protracted and wide-ranging trade conflicts, including between the United States, China, Canada, Mexico, the EU and others;
- expenditures as a result of legal actions (and settlements thereof), including the defense of our patents and other intellectual property;
- market acceptance of our products;
- the timing of wholesaler and distributor purchases and success of our wholesaler and distributor arrangements;
- general economic and industry conditions, including potential fluctuations in interest rates;
- geo-political conditions, including armed conflicts and wars;
- changes in seasonality of demand for certain of our products;
- foreign currency exchange rate fluctuations;
- the timing, structure and terms of the B+L Separation;

- changes to, or the confidence in, our business strategy;
- changes to, or the confidence in, our management; and
- expectations for future growth.

As a result, quarter-to-quarter comparisons of results from operations, or any other similar period-to-period comparisons, may not be reliable indicators of our future performance. In any quarterly period, our results may be below the expectations of market analysts and investors, which could cause the market value of our securities to decline.

Item 1B. Unresolved Staff Comments

None.

Item 1C. Cybersecurity

Risk Management and Strategy

We have established a formal set of policies and procedures to identify, assess, manage and report on material risks derived from cybersecurity threats and vulnerabilities, codified in the Bausch Health Cybersecurity Program (the "Program"). The purpose of the Program is to deploy a comprehensive framework designed to reasonably protect our information assets, systems, and networks from potential threats, and to enable a prompt response to cybersecurity events and, if necessary, recovery from cyber-attacks using a combination of risk management and cybersecurity frameworks.

The Program is based on the National Institute of Standards and Technology Cybersecurity Framework ("CSF") version 2.0. The CSF offers a framework for cybersecurity management, including program governance, asset and risk identification, systems protection, threat detection, and incident response and recovery. In particular, our cybersecurity strategy, as set forth in the Program, uses the CSF to address security safeguards across six dimensions of information security (Govern, Identification, Protection, Detection, Response, and Recovery). The Program guides the execution of our cybersecurity responsibilities for our digital infrastructure, including network security, endpoint security, data protection, incident response, awareness and training, compliance, and risk management.

The policies and procedures established pursuant to the Program include:

- Govern — Identify cybersecurity priorities and related outcomes as a component of the Company's strategic planning processes.
- Identification — Identify and manage cybersecurity risk to systems, assets, data, people, and capabilities using measures such as asset management and assessment of suppliers and third-party partners, including using audits and testing.
- Protection — Implementation of safeguards designed to ensure delivery of critical infrastructure services, including identity management and access control, security training, and use of protective technologies.
- Detection — Detection of the occurrence of anomalies and cybersecurity events through logging, monitoring and communicating to appropriate personnel.
- Response — Establishing appropriate responses when cybersecurity events are detected, including response planning and leveraging communications channels.
- Recovery — Restore any capabilities or services that were impaired as a result of a cybersecurity incident, by executing documented recovery plans.

Pursuant to the Program, the Bausch Health Information Technology Security Department develops specific cybersecurity policies, procedures and guidelines. Key cybersecurity risk drivers, mitigation strategies, and key updates are incorporated as part of our ongoing Enterprise Risk Management processes. Our executive management team is responsible and accountable for the Program, cybersecurity risks generally, and ensuring that appropriate resources are allocated to addressing such risks, with Board-level oversight from the

Audit and Risk Committee of the Board of Directors. We review and seek to improve the Program through assessments from external, independent third parties, who review documentation, conduct interviews with key stakeholders, assess security roadmap progression and maturity against industry benchmarks, report on our internal incident response preparedness and help identify areas for continued focus. We also have insurance coverage for potential losses arising from a cybersecurity incident and to provide professional services that mitigate potential business impacts during cybersecurity incidents.

Impact of cybersecurity risks on business strategy, results of operations or financial condition

While as of the date of this Form 10-K, there have been no cybersecurity incidents that have materially affected, or are likely to materially affect the Company's business strategy, results of operations or financial condition, we have experienced cybersecurity incidents from time to time, and any future incidents have the potential to have a material adverse effect on our business strategy, results of operations and/or financial condition. Please refer to "Risk Factors — Risks Relating to Information Technology — We have become increasingly dependent on information technology systems and infrastructure and any breakdown, interruption, breach or other compromise of our or our third-party service providers' information technology systems could compromise sensitive information related to our business or prevent us from accessing critical information and subject us to liability or interrupt the operation of our business, which could have a material adverse effect on our business, financial condition, cash flows and results of operations." under Item 1A. of this Form 10-K for additional description of cybersecurity risks and potential related impacts on our Company.

Governance

The Audit and Risk Committee of the Board, comprised fully of independent directors, is responsible for assisting the Board in oversight of risk, including cybersecurity risks. As part of that responsibility, the Audit and Risk Committee regularly reviews our enterprise risk assessment results, including the results of any cybersecurity risk assessments or audits, reports of investigations into any significant cybersecurity risks, and assessments of our insurance coverage for significant operational risks, including cybersecurity.

In addition, we have established a Global Cybersecurity Disclosure Committee, a senior-level, cross-functional governance committee comprised of representatives from our Information Technology, Compliance, Finance, and Legal departments, which is engaged during certain cybersecurity incidents to determine further response, escalation and reporting needs. The Global Cybersecurity Disclosure Committee meets quarterly to review information technology risk metrics and as needed in the event of a potentially material security incident, including at the discretion of Vice President of Information Security. The Global Cybersecurity Disclosure Committee is responsible for oversight of the implementation of appropriate remediation for security incidents where required, as well as determining whether to discuss any information security incidents with the Audit and Risk Committee of the Board of Directors and if external reporting is required under relevant laws, regulations or SEC rules. Members of our Global Cybersecurity Disclosure Committee have work experience managing cybersecurity and information security risks, an understanding of the cybersecurity threat landscape and/or knowledge of emerging cybersecurity and data privacy risks.

Item 2. Properties

We own and lease a number of properties. Our headquarters and one of our manufacturing facilities are located in Laval, Quebec with an administrative office shared with Bausch + Lomb in Bridgewater, New Jersey. We own several manufacturing facilities throughout the U.S. We also own or have an interest in manufacturing plants or other properties outside the U.S., including in Canada, Mexico, and certain countries in Europe, Asia and South America.

Our facilities in aggregate are approximately 10 million square feet. We consider our facilities to be in satisfactory condition, suitable for their intended use and sufficient to conduct our operations. Our administrative, marketing, research/laboratory, distribution and warehousing facilities are located in various parts of the world. We co-locate our R&D activities with our manufacturing at the plant level in a number of facilities. Our scientists, engineers, quality assurance/quality control professionals and manufacturing technicians work side-by-side in designing and manufacturing products that fit the needs and requirements of our customers, regulators and business units.

Item 3. Legal Proceedings

See Note 21, "LEGAL PROCEEDINGS" to our audited Consolidated Financial Statements for details on legal proceedings.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Information

Our common shares are traded on the New York Stock Exchange ("NYSE") and on the Toronto Stock Exchange ("TSX") under the symbol "BHC".

Market Price Volatility of Common Shares

Market prices for the securities of pharmaceutical, medical devices and biotechnology companies, including our securities, have historically been highly volatile, and the market has experienced significant price and volume fluctuations that are unrelated to the operating performance of particular companies. Factors such as fluctuations in our operating results, the aftermath of public announcements by us or by others about us, changes in our executive management, changes in our business strategy, concern as to the safety of drugs and medical devices, the commencement or outcome of legal or governmental proceedings, changes in our ability to access credit markets, changes in the cost of capital, investigations or inquiries, and general market conditions can have an adverse effect on the market price of our common shares and other securities. See Item 1A. "Risk Factors" of this Form 10-K for additional information.

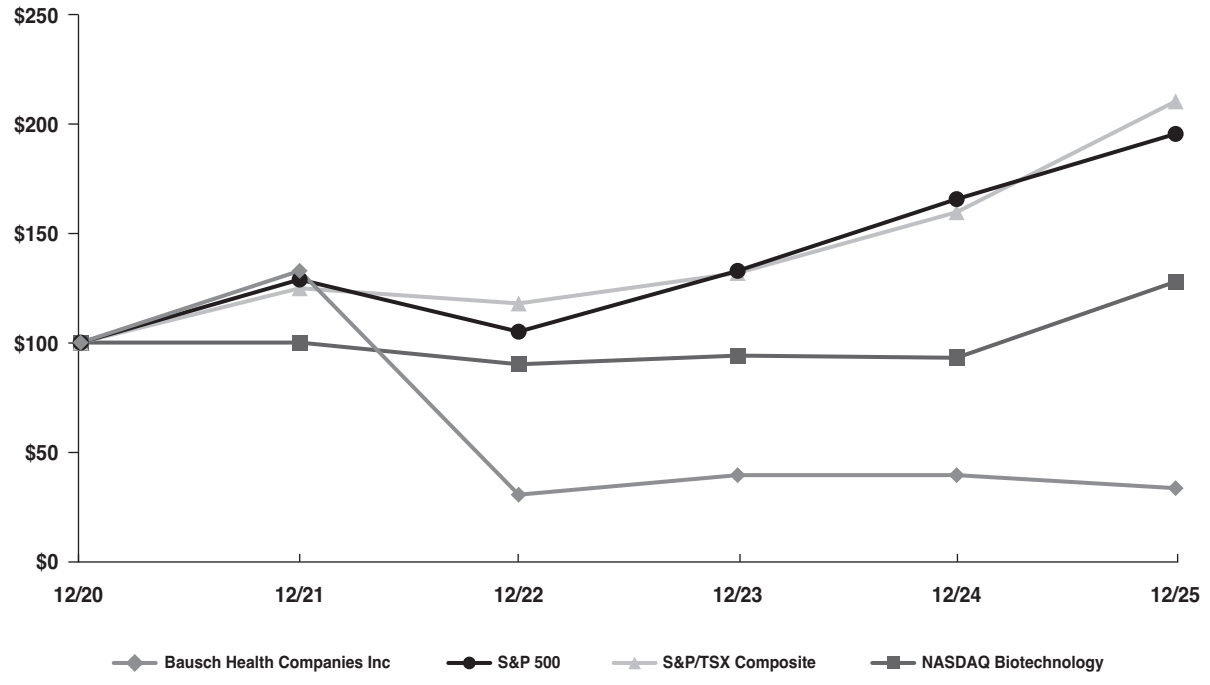
Holders

The approximate number of holders of record of our common shares as of February 13, 2026 was 1,737.

Performance Graph

The following performance graph compares the cumulative total return on a $100 investment on December 31, 2020, assuming reinvestment of all dividends, in: (i) our common shares, (ii) the S&P 500 Index, (iii) the S&P/TSX Composite Index and (iv) the NASDAQ Biotechnology Index.

Five Year Performance — Cumulative total return on a $100 investment on December 31, 2020



	As of December 31,					
	2020	2021	2022	2023	2024	2025
Bausch Health Companies Inc.	$100	$133	$ 30	$ 39	$ 39	$ 33
S&P 500	$100	$129	$105	$133	$166	$196
S&P/TSX Composite	$100	$125	$118	$132	$160	$211
NASDAQ Biotechnology	$100	$100	$ 90	$ 94	$ 93	$128

Dividends

No dividends were declared or paid in 2025, 2024 or 2023. While our Board of Directors will review our dividend policy periodically, we currently do not intend to pay any cash dividends in the foreseeable future. In addition, our 2025 Credit Agreement and indentures include restrictions on the payment of dividends. See Note 10, "FINANCING ARRANGEMENTS" to our audited Consolidated Financial Statements for further details regarding these restrictions.

Restrictions on Share Ownership by Non-Canadians

There are no limitations under the laws of Canada or in our organizational documents on the right of foreigners to hold or vote securities of our Company, except that the *Investment Canada Act (Canada)* (the "Investment Canada Act") may require review and approval by the Minister of Innovation, Science and Industry (Canada) (the "Minister") of an acquisition of "control" of our Company by a "non-Canadian" as those terms are defined under the Investment Canada Act.

Investment Canada Act

An acquisition of control of a Canadian business by a non-Canadian is either reviewable (a "Reviewable Transaction"), in which case it is subject to both a reporting obligation and an approval process, or notifiable, in which case it is subject to only a reporting obligation. In the case of a Reviewable Transaction, the non-Canadian acquirer must submit an application for review with the prescribed information. The Minister is then required to determine whether the Reviewable Transaction is likely to be of net benefit to Canada, taking into account the assessment factors specified in the Investment Canada Act and any written undertakings that may have been given by the non-Canadian acquirer.

The Investment Canada Act also provides that any investment by a non-Canadian in a Canadian business, even where control has not been acquired, can be reviewed on grounds of whether it may be injurious to national security. Where an investment is determined to be injurious to national security, the federal cabinet of the Canadian government ("Cabinet") can prohibit closing or, if closed, can order the investor to divest control. Short of a prohibition or divestment order, Cabinet can impose terms or conditions on the investment or can require the investor to provide binding undertakings to remove the national security concern.

Competition Act

Part IX of the *Competition Act* (Canada) (the "Competition Act") requires that a pre-merger notification filing be submitted to the Commissioner of Competition (the "Commissioner") in respect of certain classes of merger transactions that exceed certain prescribed share ownership and financial thresholds. If a proposed transaction exceeds such thresholds, subject to certain exceptions, the notification filing must be submitted to the Commissioner and the statutory waiting period must expire or be terminated early or waived by the Commissioner before the transaction can be completed.

All mergers, regardless of whether they are subject to Part IX of the Competition Act, are subject to the substantive merger review provisions under Section 92 of the Competition Act. In particular, the Commissioner may challenge a transaction before the Competition Tribunal where the transaction prevents or lessens, or is likely to prevent or lessen, competition substantially in a market. The Commissioner may not make an application to the Competition Tribunal under Section 92 of the Competition Act more than one year after the merger has been substantially completed.

Exchange Controls

Canada has no system of exchange controls. There are no Canadian exchange restrictions on the repatriation of capital or earnings of a Canadian public company to non-resident investors. There are no Canadian exchange restrictions affecting the remittance of dividends, profits, interest, royalties and other payments to non-resident holders of our securities.

Taxation

Canadian Federal Income Taxation

The following discussion is a summary of the principal Canadian federal income tax considerations generally applicable to a holder of our common shares who, at all relevant times, for purposes of the Income Tax Act (Canada) and the Income Tax Regulations (collectively, the "Canadian Tax Act") deals at arm's-length with, and is not affiliated with, our Company, beneficially owns its common shares as capital property, does not use or hold and is not deemed to use or hold such common shares in carrying on a business in Canada and who, at all relevant times, for purposes of the application of the Canadian Tax Act and the Canada-U.S. Income Tax Convention (1980, as amended) (the "U.S. Treaty"), is resident in the U.S., is not, and is not deemed to be, resident in Canada and is eligible for all of the benefits under the U.S. Treaty (a "U.S. Holder"). Special rules, which are not discussed in the summary, may apply to a non-resident holder that is an insurer that carries on an insurance business in Canada and elsewhere or that is an "authorized foreign bank" as defined in the Canadian Tax Act.

The U.S. Treaty includes limitation on benefits rules that restrict the ability of certain persons who are resident in the U.S. to claim any or all benefits under the U.S. Treaty. Furthermore, limited liability companies ("LLCs") that are not taxed as corporations pursuant to the provisions of the U.S. Internal Revenue Code of 1986, as amended do not generally qualify as resident in the U.S. for purposes of the U.S. Treaty. Under the U.S. Treaty, a resident of the U.S. who is a member of such an LLC and is otherwise eligible for benefits under the U.S. Treaty may generally be entitled to claim benefits under the U.S. Treaty in respect of income, profits or gains derived through the LLC. Residents of the U.S. should consult their own tax advisors with respect to their eligibility for benefits under the U.S. Treaty, having regard to these rules.

This summary is based upon the current provisions of the U.S. Treaty and the Canadian Tax Act and our understanding of the current administrative policies and assessing practices of the Canada Revenue Agency published in writing prior to the date hereof. This summary takes into account all specific proposals to amend the U.S. Treaty and the Canadian Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof. This summary does not otherwise take into account or anticipate changes in law or administrative policies and assessing practices, whether by judicial, regulatory, administrative or legislative decision or action, nor does it take into account provincial, territorial or foreign tax legislation or considerations, which may differ from those discussed herein.

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice generally or to any particular holder. Holders should consult their own tax advisors with respect to their own particular circumstances.

Gains on Disposition of Common Shares

In general, a U.S. Holder will not be subject to tax under the Canadian Tax Act on capital gains arising on the disposition of such holder's common shares unless the common shares are "taxable Canadian property" to the U.S. Holder and are not "treaty-protected property".

As long as the common shares are then listed on a "designated stock exchange", which currently includes the NYSE and TSX, the common shares generally will not constitute taxable Canadian property of a U.S. Holder, unless, at any time during the 60-month period preceding the disposition: (a) 25% or more of the issued shares of any class or series of the capital stock of the Company were owned by one or any combination of: (i) the U.S. Holder, (ii) persons not dealing at arm's length with such U.S. Holder or (iii) partnerships in which the U.S. Holder or a person described in (ii) holds a membership interest directly or indirectly through one or more partnerships and (b) more than 50% of the fair market value of the common shares was derived directly or indirectly, from one or any combination of: (i) real or immovable property situated in Canada,

(ii) "Canadian resource property" (as such term is defined in the Canadian Tax Act), (iii) "timber resource property" (as such term is defined in the Canadian Tax Act) or (iv) options in respect of, or interests in, or for civil law rights in, any such properties whether or not the property exists. A U.S. Holder's common shares can also be deemed to be taxable Canadian property in certain circumstances set out in the Tax Act.

Common shares will be treaty-protected property where the U.S. Holder is exempt from income tax under the Canadian Tax Act on the disposition of common shares because of the U.S. Treaty. Common shares owned by a U.S. Holder will generally be treaty-protected property where the value of the common shares is not derived principally from real property situated in Canada, as defined in the U.S. Treaty.

Dividends on Common Shares

Dividends paid or credited on the common shares or deemed to be paid or credited on the common shares to a U.S. Holder that is the beneficial owner of such dividends will generally be subject to non-resident withholding tax under the Canadian Tax Act and the U.S. Treaty at the rate of: (a) 5% of the amounts paid or credited if the U.S. Holder is a company that owns (or is deemed to own) at least 10% of our voting stock or (b) 15% of the amounts paid or credited in all other cases. The rate of withholding under the Canadian Tax Act in respect of dividends paid to non-residents of Canada is 25% where no tax treaty applies.

Securities Authorized for Issuance under Equity Compensation Plans

Information required under this Item will be included in our definitive proxy statement for the 2026 Annual Meeting of Shareholders expected to be filed with the SEC no later than 120 days after the end of the fiscal year covered by this Form 10-K (the "2026 Proxy Statement"), and such required information is incorporated herein by reference.

Purchases of Equity Securities by the Company and Affiliated Purchases

There were no purchases of equity securities by the Company during the fourth quarter of the year ended December 31, 2025.

Item 6. Reserved

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

INTRODUCTION

This "Management's Discussion and Analysis of Financial Condition and Results of Operations" has been updated through February 18, 2026 and should be read in conjunction with the audited Consolidated Financial Statements and the related notes thereto included elsewhere in this Form 10-K. The following section generally discusses 2025 and 2024 items and comparisons between 2025 and 2024. Discussions of 2023 items and comparisons between 2024 and 2023 that are not included in this Form 10-K can be found in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II, Item 7 of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2024, filed on February 19, 2025. All currency amounts are expressed in U.S. dollars, unless otherwise noted.

This Management's Discussion and Analysis of Financial Condition and Results of Operations 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 (the "Exchange Act"), and forward-looking information within the meaning of applicable Canadian securities laws (collectively, "forward-looking statements"). 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 statements are based upon the current expectations and beliefs of management. Readers are cautioned that actual results may vary from those in the forward-looking statements. 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 relating to: (i) our ability to execute our business strategy, business plans and operational efficiency initiatives; (ii) demand for, competitive positioning of and pricing for our current and anticipated products and our ability to achieve expected revenues, margins and expense levels; (iii) the successful development, regulatory approval, manufacture and timing of launches and commercialization of pipeline and other products; (iv) the completion, timing, integration and expected benefits of acquisitions and other strategic transactions (including the acquisition of DURECT Corporation ("DURECT")) and the planned separation of our eye health business consisting of our Bausch + Lomb global Vision Care, Surgical and Pharmaceuticals businesses on anticipated terms, timing and costs; (v) the scope, duration and financial and operational impact of product quality matters; (vi) the continued availability and performance of key third-party distribution, fulfillment and other arrangements and the stability of global supply chains; (vii) the continuation of patent protection and regulatory exclusivity for key products; (viii) the expected impacts of the Inflation Reduction Act ("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 the results thereof, and other healthcare reform measures and our ability to mitigate the impact thereof; (ix) our ability to generate cash flows and access liquidity to meet working capital needs, satisfy debt maturities as they become due, reduce debt levels and comply with financial and other covenants under our financing arrangements; (x) the expected scope and impact of tariffs, counter-tariffs and other trade restrictions and the effectiveness of mitigation actions; (xi) macroeconomic and geopolitical conditions (including inflation, recessionary pressures, foreign currency exchange rates and interest rates), changes in tax laws and related guidance (including legislation referred to as the One Big Beautiful Bill Act (the "OBBBA") and Organisation for Economic Co-operation and Development ("OECD") related measures); (xii) the expected outcomes of litigation and other contingencies; and (xiii) the factors described under Item 1A. "Risk Factors" in this Form 10-K and in the Company's other filings with the U.S. Securities and Exchange Commission (the "SEC") and the Canadian Securities Administrators (the "CSA").

We caution that, as it is not possible to predict or identify all relevant factors that may impact forward-looking statements, the factors referred to in this Management's Discussion and Analysis of Financial Condition and Results of Operations are not exhaustive and should not be considered a complete statement of all potential risks and uncertainties. When relying on our forward-looking statements to make decisions with respect to the Company, investors and others should carefully consider the aforementioned 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 Management's Discussion and Analysis of Financial Condition and Results of Operations or to reflect actual outcomes, except as required by law.

OVERVIEW

Bausch Health Companies Inc. ("we", "us", "our", 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 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. The Company's products are marketed directly or indirectly in approximately 90 countries.

We generated revenues for 2025, 2024 and 2023, of $10,266 million, $9,625 million and $8,757 million, respectively. Our portfolio of products falls into five reportable segments: (i) Salix, (ii) International, (iii) Solta Medical, (iv) Diversified and (v) Bausch + Lomb.

For additional discussion of our reportable segments, see the discussion in Item 1. "Business — Segment Information" and Note 23, "SEGMENT INFORMATION" to our audited 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 (the "B+L Separation"). On May 10, 2022, a wholly owned subsidiary of Bausch Health sold 35,000,000 common shares of Bausch + Lomb in the initial public offering of Bausch + Lomb. 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 February 11, 2026. See Item 1. "Business — Separation of the Bausch + Lomb Eye Health Business" of this Form 10-K for more information on the B+L Separation.

We continue to believe that the B+L Separation, which may include the monetization of all or a portion of our ownership interest in Bausch + Lomb, the transfer of all or a portion of our remaining direct or indirect equity interest in Bausch + Lomb to our shareholders, 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 21, "LEGAL PROCEEDINGS" to our audited 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 gastroenterology, 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, 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 — Risks Relating to the B+L Separation" of this Form 10-K for additional risks relating to the B+L Separation.

Focus on Value and Core Businesses

We continue to execute on actions intended to bring out value in our Company. 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. 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 audited Consolidated Financial Statements.

Maturities and mandatory payments of our principal balances of debt obligations as of December 31, 2025 were as follows:

(in millions)	2026	2027	2028	2029	2030	Thereafter	Total
Total debt obligations	$58	$701	$4,240	$1,662	$4,118	$9,453	$20,232

See Note 10, "FINANCING ARRANGEMENTS" to our audited 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."

Managing Our Capital Structure in 2025

April 2025 Refinancing Transactions

On April 8, 2025, the Company and its indirect wholly-owned subsidiary, 1261229 B.C. Ltd., a company incorporated under the laws of British Columbia, Canada ("126NumberCo"), closed a series of transactions (the "April 2025 Refinancing Transactions") whereby it: (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").

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 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.

August 2025 Repurchase Activity

In August 2025, we repurchased and retired our outstanding 9.25% Senior Unsecured Notes due April 2026 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").

December 2025 Exchange

On December 26, 2025, the Company and 126NumberCo, completed offers to exchange (the "December 2025 Exchange") $797 million aggregate principal amount of 4.875% Senior Secured Notes due in 2028 (the "June 2028 Senior Secured Notes") and $886 million aggregate principal amount of 11.00% First Lien Secured Notes due in 2028 (the "11.00% First Lien Secured Notes"), for $1,600 million in aggregate principal amount of new 10.00% Senior Secured Notes due April 2032, which form a single series with the 2032 Senior Secured Notes issued in April 2025 which reduced the outstanding principal value of our debt by $83 million. In connection with the December 2025 Exchange, 26,495,472 common shares of Bausch + Lomb were transferred to 126NumberCo, which owns, in the aggregate, 211,963,893 common shares of Bausch + Lomb following such transfer.

The December 2025 Exchange reduced our short-term cash requirements for debt service by extending approximately $1,600 million in aggregate debt maturities from the year 2028 to the year 2032.

Accounts Receivable Credit Facility Termination

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 provided for a maximum amount of up to $600 million, subject to certain borrowing base tests. On October 27, 2025, the outstanding amount of $300 million was repaid using cash on hand and the AR Credit Facility was terminated.

Defined terms used above but not defined in this "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" are defined and discussed in Note 10, "FINANCING ARRANGEMENTS" to our audited Consolidated Financial Statements.

Bausch + Lomb June 2025 Refinancing Activity

On June 26, 2025, Bausch + Lomb entered into a third amendment to its credit agreement (the "B+L 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 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 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.

The B+L 2025 Refinancing Activity reduced our short-term cash requirements for debt service by extending approximately $2,800 million in aggregate debt maturities from the year 2027 to the year 2031.

Bausch + Lomb January 2026 Credit Facility Amendment

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

The April 2025 Refinancing Transactions, August 2025 Repurchase Activity, December 2025 Exchange, repayment of the AR Credit Facility, B+L 2025 Refinancing Activity and B+L January 2031 Refinancing Term Facility provide us more flexibility to operate and allow us to more effectively allocate capital to initiatives that will strengthen our products and brands.

Managing Our Capital Structure in 2024

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.

Managing Our Capital Structure in 2023

On September 29, 2023, Bausch + Lomb entered into a new term loan facility ("B+L September 2028 Term Loan B Facility") of $500 million and issued new Senior Secured Notes ("B+L October 2028 Senior Secured Notes") of $1,400 million to finance the $1,750 million upfront payment related to the acquisition of XIIDRA® and certain other ophthalmology assets from Novartis and associated acquisition-related transaction and financing costs (as discussed in "—Strategic Acquisitions" below).

We continue 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 audited Consolidated Financial Statements and Item "— Liquidity and Capital Resources — Liquidity and Debt — Long-term Debt" for further details and additional discussion regarding these matters. Cash requirements for future debt repayments including interest can be found in this Item "— 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) R&D investment, (ii) strategic licensing agreements and (iii) strategic acquisitions. 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, 2025, approximately 1,400 dedicated R&D and quality assurance employees in 25 R&D facilities were involved in our R&D efforts internally.

As of December 31, 2025, we had approximately 80 R&D projects in our 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

- Larsucosterol — In September 2025, we completed the acquisition of DURECT. Larsucosterol, DURECT's lead drug candidate, has the potential to be the first FDA approved therapeutic option for 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.
- Rifaximin — In January 2026, we received the results for the double-blind Phase 3 clinical trials for two global clinical programs evaluating our rifaximin soluble solid dispersion ("SSD") formulation of rifaximin, known as rifaximin SSD-40IR, as part of our RED-C clinical trial program ("RED-C"). These trials were aimed to assess the drug's ability to delay the first occurrence of overt hepatic encephalopathy ("OHE") in patients with early decompensated liver cirrhosis. While safe and well-tolerated, both clinical trials failed to achieve their primary endpoint.
- 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 FDA for an end of Phase 2 meeting. We also met with the EU's European Medicines Agency and Japan's Pharmaceuticals and Medical Devices Agency. All regulatory feedback is currently under review.

Solta Medical

- Clear + Brilliant® Touch — The latest generation Clear + Brilliant® laser is designed to deliver a customized and more comprehensive skin resurfacing treatment protocol by providing patients of all ages and skin types the benefits of two wavelengths in one treatment. Approval has been received in major markets such as China and the U.S., as well as additional markets globally, supporting the ongoing globalization of Clear + Brilliant® Touch.
- Fraxel FTX® — The next generation Fraxel® is a fractionated laser device for skin resurfacing launched in the U.S. in April 2025 and received approval in Australia in December 2025.
- Thermage® FLX — A non-invasive, FDA-cleared skin tightening 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, was launched in the first quarter of 2025. In addition, 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 and for which an NDA submission is anticipated during the first half of 2026.
- 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. In June 2025, Bausch + Lomb began launching Blink® Nourish and Blink® Boost lubricating eye drops in the U.S. Bausch + Lomb is in the process of a preservative free lipid-based formulation for its Blink® Triple Care product, which is anticipated to launch in 2026.
- LuxLife® — Bausch + Lomb is expanding its portfolio of premium IOLs 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 and Canada in 2025, enVista Envy® launched in Canada in June 2024, in the U.S. in November 2024 and in Europe in October 2025, and launches in Singapore and Hong Kong are expected and enVista Beyond™ extended depth of focus is anticipated to launch in the U.S. in 2027.

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. We sometimes refer to these opportunities as "bolt on" acquisitions. 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 December 2025, we completed the acquisition of Wuhan Shibo Zhenmei Technology Co., Ltd. ("Shibo Zhenmei"), consisting of the aesthetics distribution business of our full-service distributor in China, the Shibo Group. Through this transaction, we assumed full responsibility for the distribution of Solta Medical's entire product portfolio, including Thermage® FLX as well as other aesthetic devices, within the Chinese market.

In December 2025, Bausch + Lomb acquired certain manufacturing equipment, other assets and the assumption of a manufacturing facility lease in Mexico. The acquisition is expected to unlock manufacturing capacity and expand Bausch + Lomb's margins.

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. The U.S. submission of this product is anticipated in the first-half of 2026. 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.

In September 2023, Bausch + Lomb acquired XIIDRA®, the first and only non-steroid eye drop specifically approved to treat the signs and symptoms of dry eye disease focusing on inflammation associated with dry eye, and certain other ophthalmology assets from Novartis Pharma AG and Novartis Finance Corporation (together with Novartis Pharma AG, "Novartis") (the "XIIDRA Acquisition"). The XIIDRA Acquisition complements and has enabled the expansion of Bausch + Lomb's dry eye franchise.

In July 2023, Bausch + Lomb acquired the Blink® OTC product line of eye and contact lens drops from Johnson & Johnson Vision, which consists of Blink® Tears Lubricating Eye Drops, Blink® Tears Preservative Free Lubricating Eye Drops, Blink GelTears® Lubricating Eye Drops, Blink® Triple Care Lubricating Eye Drops, Blink Contacts® Lubricating Eye Drops, and Blink-N-Clean® Lens Drops (collectively, the "Blink® Product Line"). This acquisition has enabled Bausch + Lomb to continue to grow its global OTC business.

In January 2023, Bausch + Lomb acquired AcuFocus, Inc., an ophthalmic medical device company that has delivered breakthrough small aperture intraocular technology to address the diverse unmet needs in eye care. The IC-8 Apthera® IOL, was approved by the FDA in 2022 as the first and only small aperture non-toric EDOF IOL for certain cataract patients who have as much as 1.5 diopters of corneal astigmatism and wish to address presbyopia at the same time. This acquisition has enabled Bausch + Lomb to grow its portfolio of IOL offerings.

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.

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 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® DTC advertising and new sales force capabilities. In January 2026, we received the results for the double-blind Phase 3 clinical trials for two global RED-C clinical programs evaluating our rifaximin SSD formulation, designed to prevent overt hepatic encephalopathy and related complications in patients with early-stage liver cirrhosis. While safe and well-tolerated, both clinical trials did not meet the primary endpoint. 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 our recently launched product, CABTREO® Topical Gel, a triple-combination topical treatment for acne. Our current focus is on expanding towards general practitioners ("GPs") and strengthening awareness and education for both GPs and patients.

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, such as the recent acquisition of our distributor partner in China, Shibo Zhenmei as

discussed above. We are also 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 granted medical device license clearance by Health Canada in April 2025, and the strengthening of our sales force in North America, Asia 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. In the first quarter of 2024, we launched CABTREO® Topical Gel in the U.S. adding to our established acne product portfolio.

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 "INTRODUCTION" above 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 returned to full production of all enVista IOLs and during the fourth quarter of 2025, enVista IOL sales reached their pre-recall levels.

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 actual or threatened imposition of new tariffs and non-tariff barriers, and amendments to existing tariffs, and the counter-duties, counter-tariffs and/or other counter-measures threatened or implemented in response by other countries, and the tensions between the U.S. and other members of NATO. 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 this Form 10-K 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. To date, the challenges associated with the Russia-Ukraine war and ongoing sanctions have not had a material impact on our operations; although, we continue to review EU sanctions and are still assessing their impact on our operations.

Our revenues attributable to Russia, Ukraine and Belarus for 2025, 2024 and 2023 were approximately 2% of our total revenues each year. 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.

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

Global Minimum Corporate Tax

On October 8, 2021, the 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, agreed by the OECD/G20 inclusive framework on Base Erosion and Profit Shifting (the "Inclusive Framework"), which includes 145 member jurisdictions. Under pillar one, a portion of the residual profits of multinational enterprise ("MNE") groups with global turnover above €20 billion and a profit margin above 10% would be allocated to (and taxed in) market jurisdictions. Under pillar two, a global minimum corporate tax rate of 15% would apply to undertaxed profits of MNE groups with consolidated revenue of at least €750 million. 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. In January 2026, the OECD published the "side by side" arrangement package to implement this exclusion. See Item 1A "Risk Factors" of this Form 10-K for more information.

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 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 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 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 replaced the current Part D Coverage Gap Discount Program and established a $2,000 cap for out-of-pocket limits costs for Medicare beneficiaries beginning in 2025, which has increased to $2,100 for 2026, with manufacturers being responsible for 10% of costs up to the $2,100 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 CMS selected Xifaxan® for its drug price negotiation program as part of the IRA. There remains a possibility that additional products from our portfolio may be selected in subsequent years. After the Company completed negotiations with the CMS, the finalized maximum fair prices were announced publicly on November 25, 2025. The agreed price for Xifaxan® will take effect on January 1, 2027, and is projected to reduce revenue and operating results for Xifaxan® primarily in that year. As generic versions of Xifaxan® are expected to enter the market in 2028, the impact on our revenues and operating results is anticipated to be concentrated in 2027, and is not expected to have a substantial influence on our long-term business strategies or overall cash flow.

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 our most recent assessment.

In addition, 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 re-evaluate participation in optional Federal programs.

In 2025, Bausch Health US, LLC ("BHUS") ceased 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 long-term outcome, including any impact on our business and consolidated results of operations, of discontinuing our participation in the MDRP and 340B is still being assessed, it did not negatively impact our results in 2025.

Generic Competition and Loss of Exclusivity

Certain of our products face the expiration of their patent or regulatory exclusivity in 2026 or in later years, following which we anticipate generic competition of these products. In addition, in certain cases, as a result of negotiated settlements of some of our patent infringement proceedings against generic competitors, we have granted licenses to such generic companies, which will 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 a loss of exclusivity ("LOE") of and/or generic competition for a product, we would anticipate that product sales for such product would decrease significantly shortly following the LOE or entry of a generic competitor. Where we have the rights, we may elect to launch an 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. 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 Xifaxan® 550 mg, Trulance®, Cabtreo® 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 21, "LEGAL PROCEEDINGS" to our audited Consolidated Financial Statements 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 pipeline that not only provides for the next generation of our existing products, but also brings new solutions into the market.

See Item 1A. "Risk Factors" of this Form 10-K for additional information on our competition risks.

FINANCIAL PERFORMANCE HIGHLIGHTS

The following table provides financial performance highlights for the last two years:

	Years Ended December 31,		Change
(in millions, except per share data)	2025	2024	2024 to 2025
Revenues	$10,266	$9,625	$ 641
Operating income	$ 1,813	$1,546	$ 267
Income before income taxes	$ 367	$ 167	$ 200
Net income (loss)	$ 120	$ (72)	$ 192
Net income (loss) attributable to Bausch Health Companies Inc.	$ 157	$ (46)	$ 203
Earnings (loss) per share attributable to Bausch Health Companies Inc.			
Basic	$ 0.42	$ (0.13)	$0.55
Diluted	$ 0.42	$ (0.13)	$0.55

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

Financial Performance

Summary of 2025 Compared with 2024

Revenues for 2025 and 2024 were $10,266 million and $9,625 million, respectively, an increase of $641 million, or 7%. The increase is attributable to growth in our Bausch + Lomb, Salix, Solta Medical and International segments driven by: (i) improved net realized pricing, (ii) higher volumes, (iii) the favorable impact of foreign currencies, (iv) the impact of divestitures and discontinuations and (v) incremental sales attributable to acquisitions.

Operating income was $1,813 million and $1,546 million for 2025 and 2024, respectively, and included non-cash charges for Depreciation and amortization of intangible assets of $1,208 million and $1,267 million, Asset impairments of $8 million and $29 million, Goodwill impairments of $145 million and $0 and Share-based compensation of $216 million and $150 million, respectively. The increase in our operating results of $267 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 $418 million, primarily driven by the increase in revenues as previously discussed;
- an increase in Selling, general and administrative expenses of $142 million, primarily attributable to higher selling expenses and compensation costs, partially offset by a lower annual industry assessment fee;
- an increase in Goodwill impairments of $145 million, due to impairments to goodwill in our Generics reporting unit;
- a decrease in Asset impairments of $21 million; and
- a decrease in Other expense, net of $105 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 in-process research and development ("IPR&D") costs primarily related to the acquisition of DURECT.

Income before income taxes for 2025 and 2024 was $367 million and $167 million, respectively, an increase in our results of $200 million. The change is primarily attributable to the increase in our operating results of $267 million, as previously discussed, and an increase in Gain on extinguishment of debt of $139 million, partially offset by an increase in interest expense of $216 million.

Net income attributable to Bausch Health for 2025 was $157 million as compared to Net loss attributable to Bausch Health for 2024 of $46 million, an increase in our results of $203 million, and is primarily attributable to a favorable change in our income before income taxes of $200 million, as previously discussed, and an unfavorable change in income taxes of $8 million.

RESULTS OF OPERATIONS

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

(in millions)	Years Ended December 31, 2025	2024	Change 2024 to 2025
Revenues			
Product sales	$10,156	$ 9,518	$ 638
Other revenues	110	107	3
	10,266	9,625	641
Expenses			
Cost of goods sold (excluding amortization and impairments of intangible assets)	2,949	2,729	220
Cost of other revenues	64	53	11
Selling, general and administrative	3,438	3,296	142
Research and development	629	616	13
Amortization of intangible assets	1,001	1,077	(76)
Goodwill impairments	145	—	145
Asset impairments	8	29	(21)
Restructuring, integration and separation costs	77	32	45
Other expense, net	142	247	(105)
	8,453	8,079	374
Operating income	1,813	1,546	267
Interest income	48	33	15
Interest expense	(1,604)	(1,388)	(216)
Gain on extinguishment of debt	162	23	139
Foreign exchange and other	(52)	(47)	(5)
Income before income taxes	367	167	200
Provision for income taxes	(247)	(239)	(8)
Net income (loss)	120	(72)	192
Net loss attributable to noncontrolling interest	37	26	11
Net income (loss) attributable to Bausch Health Companies Inc.	$ 157	$ (46)	$ 203

2025 Compared with 2024

Revenues

The Company's revenues are primarily generated from product sales, principally in the therapeutic areas of GI, 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 primarily in the areas of dermatology and topical medication. Contract service revenue is derived primarily from contract manufacturing for third parties and is not material. See Note 23, "SEGMENT INFORMATION" to our audited Consolidated Financial Statements for the disaggregation of revenue which depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by the economic factors of each category of customer contracts.

Our revenues were $10,266 million and $9,625 million for 2025 and 2024, respectively, an increase of $641 million, or 7%. The increase was primarily due to: (i) an increase in net realized pricing of $303 million, attributable to our Salix, Diversified, International and Solta Medical segments, (ii) an increase in volumes of $220 million, primarily attributable to our Bausch + Lomb, Solta Medical and Salix segments, (iii) the favorable impact of foreign currencies of $72 million, primarily related to our Bausch + Lomb and International segments, (iv) the impact of divestitures and discontinuations of $30 million, attributable to our Salix and Diversified segments and (v) incremental sales attributable to B+L acquisitions of $16 million.

The changes in our segment revenues and segment profits are discussed in further detail in the respective subsequent section "— 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 2, "SIGNIFICANT ACCOUNTING POLICIES" to our audited 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 2025 and 2024 were as follows:

	Years Ended December 31,			
	2025		2024	
(in millions)	Amount	Pct.	Amount	Pct.
Gross product sales	$17,334	100.0%	$16,325	100.0%
Provisions to reduce gross product sales to net product sales				
Discounts and allowances	730	4.2%	675	4.1%
Returns	125	0.7%	160	1.0%
Rebates	4,364	25.2%	3,744	22.9%
Chargebacks	1,644	9.5%	1,935	11.9%
Distribution service fees	315	1.8%	293	1.8%
	7,178	41.4%	6,807	41.7%
Net product sales	$10,156	58.6%	$ 9,518	58.3%

Cash discounts and allowances, returns, rebates, chargebacks and distribution service fees as a percentage of gross product sales were 41.4% and 41.7% in 2025 and 2024, respectively, and includes:

- 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® and Xifaxan®, partially offset by lower gross product sales for Glumetza® SLX and Arazlo® and (iii) lower rebates for Trulance® partially offset by;

- chargebacks as a percentage of gross product sales which were lower primarily due to: (i) lower gross product sales of certain branded products such as Glumetza® SLX, Cardizem® CD and Ativan® and certain generic products such Uceris® AG, Cardizem® AG, Migranal® AG and Diltizem® CD AG and (ii) lower chargeback rates for Wellbutrin®. These decreases were partially offset by increased gross product sales for Xifaxan®.

Operating 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 $2,949 million and $2,729 million for 2025 and 2024, respectively, an increase of $220 million, or 8%. The increase was primarily driven by: (i) the increase in volumes, (ii) the unfavorable impact of foreign currencies and (iii) higher manufacturing variances, including that related to the voluntary recall of certain enVista IOL products.

Cost of goods sold as a percentage of Product sales revenue was 29.0% and 28.7% for 2025 and 2024, respectively, an increase of 0.3 percentage points.

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 $3,438 million and $3,296 million for 2025 and 2024, respectively, an increase of $142 million, or 4%. The increase was primarily attributable to higher selling expenses and compensation costs, partially offset by a lower annual industry assessment fee.

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 $629 million and $616 million for 2025 and 2024, respectively, an increase of $13 million, or 2%. R&D expenses as a percentage of Product sales were approximately 6% for each of the years 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 1 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 $1,001 million and $1,077 million for 2025 and 2024, respectively, a decrease of $76 million, or 7%, primarily attributable to fully amortized intangible assets no longer being amortized in 2025.

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

Goodwill Impairments

Goodwill is not amortized but is tested for impairment at least annually at the reporting unit level. An interim goodwill impairment test in advance of the annual impairment assessment may be required if events occur that indicate an impairment might be present. A reporting unit is the same as, or one level below, an operating segment. We test reporting units for impairment by comparing the estimated fair value of each reporting unit with its carrying amount. If the carrying amount of a reporting unit exceeds its estimated fair value, we record an impairment based on the difference between fair value and carrying amount of the reporting unit as a reduction to goodwill. The fair value of a reporting unit refers to the price that would be received to sell the reporting unit in an orderly transaction between market participants. We estimate the fair values of our reporting units using a discounted cash flow model, which utilizes Level 3 unobservable inputs.

Goodwill impairments were $145 million during 2025 related to our Generics reporting unit. There were no impairments to goodwill in 2024.

In January 2026, the Company received the results for the double-blind Phase 3 clinical trials for two global RED-C clinical programs evaluating amorphous-rifaximin SSD for the primary prevention of hepatic encephalopathy in adults with liver cirrhosis. While the treatment was safe and well-tolerated, the clinical trials did not meet their primary endpoints. As a result of these clinical trial outcomes, the Company performed a preliminary quantitative analysis as of January 22, 2026 for the Salix reporting unit using revised forecasts, an updated discount rate, and a new long-term growth rate that reflect the impact of the Phase 3 clinical trial results. We anticipate recognizing an impairment charge of approximately $1,400 million for the Salix reporting unit in the first quarter of 2026.

See Note 8, "INTANGIBLE ASSETS AND GOODWILL" to our audited Consolidated Financial Statements and "CRITICAL ACCOUNTING ESTIMATES — Goodwill" below for further details related to our goodwill.

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 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.

Asset impairments for 2025 and 2024 were $8 million and $29 million, respectively, and were primarily related to lower forecasted sales, the discontinuance of certain product brands and certain fixed assets.

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

Restructuring, integration and separation costs

Restructuring, integration and separation costs were $77 million and $32 million for 2025 and 2024, respectively, an increase of $45 million.

The Company evaluates opportunities to improve its operating results and implements 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 and integration costs were $77 million and $29 million for 2025 and 2024, respectively, an increase of $48 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. Separation costs for 2025 and 2024 were not material.

See Note 4, "RESTRUCTURING, INTEGRATION AND SEPARATION COSTS" to our audited Consolidated Financial Statements for further details regarding these actions.

Other expense, net

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

(in millions)	2025	2024
Acquired IPR&D costs	$114	$ 18
Litigation and other matters, net of insurance recoveries and restitutions	61	220
Acquisition-related transaction costs	9	4
Net gain on sale of assets	(6)	(10)
Acquisition-related contingent consideration	(36)	15
Other expense, net	$142	$247

Acquired IPR&D costs in 2025 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 2025, also includes restitution received in connection with a certain legal matter.

Acquisition-related contingent consideration for 2025 and 2024 reflects adjustments for changes in estimates in the timing and amounts of the expected future royalty and milestone payments and in 2024, also 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 as well as the amortization of amounts excluded from the assessment of hedge effectiveness over the term of the Company's cross-currency swaps.

Interest expense was $1,604 million and $1,388 million and included non-cash amortization and write-offs of debt discounts, premiums and debt issuance costs of $94 million and $55 million for 2025 and 2024, respectively. Interest expense increased $216 million, or 16%, in 2025. 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, the B+L 2025 Refinancing Activity and the December 2025 Exchange and (ii) higher effective interest rates on the debt as refinanced in 2025.

The weighted average stated rate of interest as of December 31, 2025 and 2024 was 8.54% and 7.72%, respectively. Due to the accounting treatment for the 2022 Secured Notes (as defined in Note 10, "FINANCING ARRANGEMENTS" to our audited Consolidated Financial Statements), 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 $162 million and $23 million in 2025 and 2024, respectively, an increase of $139 million.

In connection with the April 2025 Refinancing Transactions, the August 2025 Repurchase Activity, the AR Credit Facility termination and the B+L 2025 Refinancing Activity, the Company recognized a net gain on extinguishment of debt of $162 million in 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 audited Consolidated Financial Statements for further details.

Foreign Exchange and Other

Foreign exchange and other was a loss of $52 million and $47 million for 2025 and 2024, respectively, an unfavorable net change of $5 million.

Income Taxes

Income taxes are accounted for under the liability method. Deferred tax assets and liabilities are recognized for the temporary differences between the financial statement and income tax bases of assets and liabilities, and for operating losses and tax credit carryforwards. Deferred tax assets for outside basis differences in investments in subsidiaries are only recognized if the difference will be realized in the foreseeable future. Provision for income taxes was $247 million and $239 million for 2025 and 2024, respectively, an unfavorable change of $8 million, primarily attributable to changes in our jurisdictional mix of earnings. In 2025, the Company's valuation allowance increased $292 million primarily due to increase for losses in Canada and a change in the expected realizability of net deferred tax assets in the United States.

Our consolidated foreign rate differential reflects the net total tax cost or benefit on income earned or losses incurred in jurisdictions outside of Canada as compared to the net total tax cost or benefit of such income (on a jurisdictional basis) at the Canadian statutory rate of 25%. Tax costs below the Canadian statutory rate generate a beneficial foreign rate differential as do tax benefits generated in jurisdictions where the statutory tax rate exceeds the Canadian statutory tax rate. The net total foreign rate differentials generated in each jurisdiction in which we operate is not expected to bear a direct relationship to the net total amount of foreign income (or loss) earned outside of Canada.

In 2025, our effective tax rate 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 recorded, (ii) the tax provision generated from our mix of earnings by jurisdiction, (iii) changes in the realizability of net deferred tax assets, (iv) changes in uncertain tax positions and (v) changes in tax attributes.

In 2024, our effective tax rate 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 recorded, (ii) changes in uncertain tax positions, (iii) the tax provision generated from our mix of earnings by jurisdiction, (iv) changes in the valuation allowance related to foreign tax credits and net operating losses and (v) changes in tax attributes.

We record a valuation allowance against our deferred tax assets to reduce their net carrying value to an amount that we believe is more likely than not to be realized. In determining our deferred tax asset valuation allowance, we estimate our ability to utilize future sources of income to realize the benefits of our temporary income tax differences including: (i) net operating loss carryforwards in each jurisdiction, primarily in Canada, the U.S. and Ireland, (ii) research and development tax credit carryforwards, (iii) scientific research and experimental development pool carryforwards and (iv) investment tax credit carryforwards. When we establish/increase or reduce/decrease the valuation allowance, the provision for income taxes will increase or decrease, respectively, in the period such determination is made. Our valuation allowance against deferred tax assets as of December 31, 2025 and 2024 was $2,576 million and $2,284 million, respectively, an increase of $292 million, as discussed above.

See Note 17, "INCOME TAXES" to our audited Consolidated Financial Statements for further details.

Reportable Segment Revenues and Profits

Our portfolio of products falls into five reportable segments: (i) Salix, (ii) International, (iii) Solta Medical, (iv) Diversified and (v) Bausch + Lomb.

Segment profit is based on operating income after the elimination of intercompany transactions. Certain costs, such as Amortization of intangible assets, Goodwill impairments, Asset impairments, Restructuring, integration and 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 23, "SEGMENT INFORMATION" to our audited Consolidated Financial Statements for additional discussion of our reportable segments and 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 year over year changes in segment revenues for 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 2025 and 2024.

	Years Ended December 31,				Change	
	2025		2024		2024 to 2025	
(in millions)	Amount	Pct.	Amount	Pct.	Amount	Pct.
Segment Revenue						
Salix	$ 2,578	25%	$2,333	24%	$245	11%
International	1,132	11%	1,111	12%	21	2%
Solta Medical	518	5%	440	5%	78	18%
Diversified	937	9%	950	9%	(13)	(1)%
Bausch + Lomb	5,101	50%	4,791	50%	310	6%
Total revenues	$10,266	100%	$9,625	100%	$641	7%
Segment Profits / Segment Profit Margins						
Salix	$ 1,925	75%	$1,602	69%	$323	20%
International	334	30%	376	34%	(42)	(11)%
Solta Medical	232	45%	213	48%	19	9%
Diversified	627	67%	626	66%	1	—%
Bausch + Lomb	1,125	22%	1,108	23%	17	2%
Total	$ 4,243	41%	$3,925	41%	$318	8%

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 year over year changes in organic revenue (Non-GAAP) for 2025 and 2024 by segment.

	Year ended December 31, 2025				Year ended December 31, 2024			Change in Organic Revenue (Non-GAAP)	
(in millions)	Revenue as Reported	Changes in Exchange Rates	Acquisitions	Organic Revenue (Non-GAAP)	Revenue as Reported	Divestitures and Discontinuations	Organic Revenue (Non-GAAP)	Amount	Pct.
Salix	$ 2,578	$ —	$ —	$ 2,578	$2,333	$ 33	$2,366	$212	9%
International	1,132	(19)	—	1,113	1,111	(8)	1,103	10	1%
Solta Medical	518	5	—	523	440	—	440	83	19%
Diversified	937	—	—	937	950	17	967	(30)	(3)%
Bausch + Lomb	5,101	(58)	(16)	5,027	4,791	(12)	4,779	248	5%
Total	$10,266	$(72)	$(16)	$10,178	$9,625	$ 30	$9,655	$523	5%

Salix Segment:

Salix Segment Revenue

The Salix segment includes the Xifaxan® product line, which accounted for approximately 85% of the Salix segment revenues and over 20% of the Company's revenues for each of the years 2025 and 2024. No other single product group represents 10% or more of the Salix segment revenues. The Salix segment revenue was $2,578 million and $2,333 million for 2025 and 2024, respectively, an increase of $245 million, or 11%. The increase was primarily attributable to: (i) an increase in net realized pricing of $192 million, (ii) the $33 million impact from the discontinuation of certain non-promoted products which negatively impacted our revenues in 2024 and (iii) an increase in volumes of $20 million.

Salix Segment Profit

The Salix segment profit was $1,925 million and $1,602 million for 2025 and 2024, respectively, an increase of $323 million, or 20%. The increase was primarily driven by higher contribution attributable to: (i) the increase in revenues as previously discussed, (ii) lower SG&A expenses and (iii) lower R&D expenses, partially offset by an increase in advertising and promotion 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 $1,132 million and $1,111 million for 2025 and 2024, respectively, an increase of $21 million, or 2%. The increase was primarily attributable to: (i) an increase in net realized pricing of $73 million and (ii) the favorable impact of foreign currencies of $19 million, partially offset by: (i) a decrease in volumes of $63 million and (ii) the impact of divestitures and discontinuations of $8 million.

International Segment Profit

The International segment profit for 2025 and 2024 was $334 million and $376 million, respectively, a decrease of $42 million, or 11%. The 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 lines, which accounted for over 85% of the Solta Medical segment revenues for each of the years 2025 and 2024. No other single product group represents 10% or more of the Solta Medical segment revenues. The Solta Medical segment revenue was $518 million and $440 million for 2025 and 2024, respectively, an increase of $78 million, or 18%. The increase was primarily attributable to: (i) an increase in volumes of $74 million, primarily attributable to the Asia-Pacific region and (ii) an increase in net realized pricing of $9 million, partially offset by the unfavorable impact of foreign currencies of $5 million.

Solta Medical Segment Profit

The Solta Medical segment profit was $232 million and $213 million for 2025 and 2024, respectively, an increase of $19 million, or 9%. 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 was $937 million and $950 million for 2025 and 2024, respectively, a decrease of $13 million, or 1%. The decrease was primarily driven by a decrease in volumes of $112 million, primarily in our Neuroscience and Dermatology businesses, partially offset by: (i) an increase in net realized pricing of $82 million, primarily in our Neuroscience business and (ii) the $17 million impact from the discontinuation of certain non-promoted products which negatively impacted our revenues in 2024, primarily in our Dermatology and Generics businesses.

Diversified Segment Profit

The Diversified segment profit was $627 million and $626 million for 2025 and 2024, respectively, an increase of $1 million, and was primarily attributable to lower advertising and promotion expenses, partially offset by the decrease in revenues, as previously discussed.

Bausch + Lomb Segment:

Bausch + Lomb Segment Revenue

The Bausch + Lomb segment has a diversified product line with no single product group representing 10% or more of its segment revenues. The Bausch + Lomb segment revenue was $5,101 million and $4,791 million for 2025 and 2024, respectively, an increase of $310 million, or 6%. The increase was primarily due to: (i) an increase in volumes of $301 million across all the Bausch + Lomb businesses, (ii) the favorable impact of foreign currencies of $58 million and (iii) incremental sales attributable to acquisitions of $16 million, primarily within the Surgical business, partially offset by: (i) a decrease in net realized pricing of $53 million and (ii) the impact of divestitures and discontinuations of $12 million, primarily within the Vision Care business.

Bausch + Lomb Segment Profit

The Bausch + Lomb segment profit was $1,125 million and $1,108 million for 2025 and 2024, respectively, an increase of $17 million, or 2%. The increase was primarily driven by higher contribution attributable to the increase in revenues, as previously discussed, partially offset by higher: (i) selling, advertising and promotion expenses and (ii) R&D expenses.

LIQUIDITY AND CAPITAL RESOURCES

Cash Flows

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

(in millions)	Years Ended December 31, 2025	2024	Change 2024 to 2025
Net income (loss)	$ 120	$ (72)	$ 192
Adjustments to reconcile Net income (loss) to net cash provided by operating activities	1,499	1,662	(163)
Cash provided by operating activities before changes in operating assets and liabilities	1,619	1,590	29
Changes in operating assets and liabilities	(219)	7	(226)
Net cash provided by operating activities	1,400	1,597	(197)
Net cash used in investing activities	(595)	(454)	(141)
Net cash used in financing activities	(742)	(868)	126
Effect of exchange rate changes on cash and cash equivalents	61	(36)	97
Net increase in cash, cash equivalents and restricted cash	124	239	(115)
Cash, cash equivalents and restricted cash, beginning of year	1,201	962	239
Cash, cash equivalents and restricted cash, end of year	$1,325	$1,201	$ 124

A detailed discussion of the Company's 2023 cash flow information can be found under "Management's Discussion and Analysis of Liquidity and Capital Resources" in our Annual Report on Form 10-K for the year ended December 31, 2024 filed on February 19, 2025.

Operating Activities

Net cash provided by operating activities was $1,400 million and $1,597 million for 2025 and 2024, respectively, a decrease of $197 million and includes reductions for interest payments of $1,534 million and $1,379 million and payments (net of refunds received) for income taxes of $163 million and $61 million for 2025 and 2024, respectively.

Cash provided by operating activities before changes in operating assets and liabilities was $1,619 million and $1,590 million for 2025 and 2024, respectively, an increase of $29 million and is primarily attributable to improved cash flows from operating performance in 2025 as compared to 2024, partially offset by higher payments in 2025 as compared to 2024 for: (i) interest of $155 million, (ii) income taxes of $102 million and (iii) Acquired IPR&D of $91 million, primarily related to the DURECT acquisition. Higher payments of interest were primarily the result of our refinancing activities in 2025 and higher interest rates.

Changes in operating assets and liabilities resulted in a net decrease in cash of $219 million in 2025 and an increase of $7 million in 2024, an unfavorable change of $226 million. During 2025, Changes in operating assets and liabilities were impacted by: (i) timing of collection of trade receivables of $134 million, (ii) an increase in inventories of $12 million and (iii) unfavorable timing of certain payments in the ordinary course of business of $73 million. During 2024, Changes in operating assets and liabilities were favorably impacted by timing of other payments in the ordinary course of business of $490 million, partially offset by: (i) an increase in inventories of $267 million and (ii) timing of collection of trade receivables of $216 million.

Investing Activities

Net cash used in investing activities was $595 million in 2025 and was primarily driven by Purchases of property, plant and equipment, the acquisition of Shibo Zhenmei and B+L acquisitions and other investments.

Net cash used in investing activities was $454 million in 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 during 2025 was $742 million and was primarily driven by the Issuance of long-term debt, net of discounts, of $10,554 million which included net proceeds from the April 2025 Refinancing Transactions and the B+L 2025 Refinancing Activity (each as defined in Note 10, "FINANCING ARRANGEMENTS" to our audited Consolidated Financial Statements). Issuance of long-term debt was offset by Repayments of long-term debt of $11,191 million and payments of financing costs of $45 million. Repayments of long-term debt included: (i) repayments of debt with the proceeds of the April 2025 Refinancing Transactions, the B+L 2025 Refinancing Activity, the August 2025 Repurchase Activity (as defined in Note 10, "FINANCING ARRANGEMENTS" to our audited Consolidated Financial Statements) and repayment of the AR Credit Facility, (ii) $276 million of contractual interest payments on the 2022 Secured Notes allocated to the reduction of the recorded premiums and (iii) $54 million of amortization payments related to our term loan facilities. Payments of financing costs primarily relate to the April 2025 Refinancing Transactions, the B+L 2025 Refinancing Activity and repayment of the AR Credit Facility.

Net cash used in financing activities during 2024 was $868 million and was primarily driven by the Repayments of long-term debt of $1,460 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) $400 million of repayments under the B+L Revolving Credit Facility, (iii) $295 million of contractual interest payments on the 2022 Secured Notes allocated to the reduction of the recorded premiums, (iv) $155 million of amortization on the Term Loan B Facilities 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 $661 million, representing $396 million from the B+L May 2027 Incremental Term Loan B Facility, borrowings of $235 million under the B+L Revolving Credit Facility and $30 million under the 2027 Revolving Credit Facility.

See Note 10, "FINANCING ARRANGEMENTS" to our audited Consolidated Financial Statements for further details regarding the financing activities previously described, including the definitions of certain defined terms used above but not defined in this "*Management's Discussion and Analysis of Financial Condition and Results of Operations*".

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 Consolidated Balance Sheet includes 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 December 31, 2025 and 2024, cash, cash equivalents and restricted cash was as follows:

(in millions)	2025	2024
Bausch Health	$ 928	$ 885
Bausch + Lomb	397	316
Total Cash, cash equivalents and restricted cash	$1,325	$1,201

As of December 31, 2025, we had aggregate maturities and mandatory payments of our principal balances of debt obligations as follows:

(in millions)	2026	2027	2028	2029	2030	Thereafter	Total
Bausch Health debt obligations	$30	$673	$2,326	$1,639	$3,995	$6,463	$15,126
Bausch + Lomb debt obligations	28	28	1,914	23	123	2,990	5,106
Total debt obligations	$58	$701	$4,240	$1,662	$4,118	$9,453	$20,232

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 this Form 10-K.

Long-term Debt

Long-term debt, net of unamortized premiums, discounts and issuance costs was $20,817 million and $21,616 million as of December 31, 2025 and 2024, respectively. Aggregate contractual principal amounts due under our debt obligations were $20,232 million and $20,480 million as of December 31, 2025 and 2024, respectively, a decrease of $248 million.

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 Consolidated Balance Sheet.

The original premium recorded on the 2022 Secured Notes was $1,835 million, which has been 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 2025 and 2024, the Company made contractual interest payments of $312 million and $334 million, respectively, related to the 2022 Secured Notes, of which $276 million and $295 million, respectively, was recorded as a reduction of the premium.

In connection with the April 2025 Refinancing Transactions, we redeemed all of the 9.00% Intermediate Holdco Secured Notes issued in connection with the 2022 Exchange. The April 2025 Refinancing Transactions was accounted for as an extinguishment of debt and the unamortized premium associated with the 9.00% Intermediate Holdco Secured Notes was included in the gain on extinguishment of debt. In connection with the December 2025 Exchange, we exchanged $886 million in aggregate principal amount of 11.00% First Lien Secured Notes with unamortized premiums of $263 million for $903 million of aggregate principal amount of 2032 Senior Secured Notes. This exchange was accounted for as a modification of debt, and accordingly the unamortized premium associated with the exchanged 11.00% First Lien Secured Notes will now be amortized over the remaining term of the newly issued 2032 Senior Secured Notes.

The following table presents the future scheduled contractual interest payments of our remaining 11.00% First Lien Secured Notes due 2028, 14.00% Second Lien Secured Notes due 2030 and 10.00% Senior Secured Notes due 2032 (together, the "Remaining Secured Notes"). Contractual interest payments of the Remaining Secured Notes will be allocated to the reduction of the recorded premium and interest expense as presented

below. The amount of interest which reduces the recorded premium will be reported as a financing activity in the Consolidated Statements of Cash Flows.

(in millions)	2026	2027	2028	2029	2030	2031 to 2032	Total
Interest payments:							
11.00% First Lien Secured Notes due 2028	$ 98	$ 98	$ 97	$ —	$ —	$ —	$ 293
14.00% Second Lien Secured Notes due 2030	49	49	49	49	50	—	246
10.00% Senior Secured Notes due 2032	600	600	600	600	600	900	3,900
	$747	$747	$746	$649	$650	$900	$4,439
Interest payments recorded as:							
Interest expense	$573	$568	$562	$549	$545	$801	$3,598
Reduction of recorded premium	174	179	184	100	105	99	841
	$747	$747	$746	$649	$650	$900	$4,439

See Note 10, "FINANCING ARRANGEMENTS" to our audited Consolidated Financial Statements for further details on the accounting for the 2022 Exchange.

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 2025 Credit Agreement, other than 126NumberCo and 1530065 B.C. Ltd. ("153NumberCo"). 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 2025 Credit Agreement, other than 126NumberCo and 153NumberCo. Future subsidiaries of the Company and BHA, if any, may be required to guarantee the Senior Unsecured Notes. The Senior Unsecured Notes and Secured Notes are guaranteed by a portion of the Company's subsidiaries. On a non-consolidated basis, the non-guarantor subsidiaries with respect to the Senior Unsecured Notes and Secured Notes (other than the 2032 Senior Secured Notes) had total assets of $26,030 million and $16,252 million and total liabilities of $17,438 million and $8,982 million as of December 31, 2025 and 2024, respectively, revenues of $5,914 million and $5,509 million for 2025 and 2024, respectively, operating loss of $26 million for 2025 and operating income of $110 million for 2024. On a non-consolidated basis, the non-guarantor subsidiaries with respect to the 2032 Senior Secured Notes had total assets of $16,595 million and total liabilities of $8,171 million as of December 31, 2025 and revenues and operating loss of $5,914 million and $26 million for 2025, respectively.

See Note 10, "FINANCING ARRANGEMENTS" to our audited Consolidated Financial Statements for additional information regarding long-term debt.

Availability Under Revolving Credit Facilities

As of February 18, 2026, there were no outstanding borrowings, $32 million of issued and outstanding letters of credit and approximately $468 million of remaining availability under the 2030 Revolving Credit Facility.

As of February 18, 2026, there were $100 million of outstanding borrowings, $36 million of issued and outstanding letters of credit and $664 million of remaining availability under the B+L 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 Revolving Credit Facility are not available to fund the operations, investing and financing activities of any other subsidiaries of Bausch Health.

Weighted Average Interest Rate

The accounting for the 2022 Exchange results in the Remaining Secured Notes being carried at a premium relative to their principal amount and will result in reduced interest expense to be recorded in our financial

statements for a significant portion of the Remaining Secured Notes as depicted in the table above. Therefore, interest expense recorded in our consolidated financial statements will differ significantly from the contractual interest rates of our debt. As of December 31, 2025, the weighted average interest rate of our debt as reported in our financial statements was 7.87% and the weighted average stated rate of interest was 8.54%.

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 Ratings

As of February 18, 2026, the credit ratings and outlook from Moody's, Standard & Poor's and Fitch for certain outstanding obligations of the Company were as follows:

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

Bausch Health Companies Inc. — There were no changes to the corporate credit ratings or other credit ratings of the Company during the fourth quarter of 2025.

Bausch + Lomb Corporation — There were no changes to the corporate credit ratings or other credit ratings of Bausch + Lomb during the fourth 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 future effect on our results of operations, financial condition, capital expenditures, liquidity, or capital resources.

Our other future cash requirements relate to working capital, capital expenditures, business development transactions (contingent consideration), restructuring, integration and 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 December 31, 2025, we expect our primary cash requirements for 2026 to include:

- *Debt repayments and interest payments* — Based on our debt portfolio, we expect to make mandatory maturities and amortization payments of approximately $58 million and interest payments of approximately $1,720 million during 2026. We have and, in the future, may also elect to make additional principal payments under certain circumstances. 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;

- *Capital expenditures* — We expect to make payments of approximately $345 million for property, plant and equipment during 2026;
- *Contingent consideration and milestone payments* — We expect to make contingent consideration and milestone payments of approximately $175 million during 2026; and
- *Benefit obligations* — We expect to make aggregate payments under our pension and postretirement obligations of $10 million during 2026. See Note 11, "PENSION AND POSTRETIREMENT EMPLOYEE BENEFIT PLANS" to our audited Consolidated Financial Statements for further details of our benefit obligations.

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 December 31, 2025, the Company's Consolidated Balance Sheet includes accrued loss contingencies of $178 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 21, "LEGAL PROCEEDINGS" to our audited 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 3, "LICENSING AGREEMENTS AND ACQUISITIONS" to our audited 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.

OUTSTANDING SHARE DATA

Our common shares are listed on the TSX and the NYSE under the ticker symbol "BHC".

At February 13, 2026, we had 370,562,428 issued and outstanding common shares. In addition, as of February 13, 2026, we had 5,214,156 stock options and 10,304,614 time-based restricted share units ("RSUs") that each represent the right of a holder to receive one of the Company's common shares and 3,745,852 performance-based RSUs 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 6,609,618 common shares could be issued upon vesting of the performance-based RSUs outstanding.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our business and financial results are affected by fluctuations in world financial markets, including the impacts of foreign currency exchange rate and interest rate movements. We evaluate our exposure to such risks on an ongoing basis and seek ways to manage these risks to an acceptable level, based on management's judgment of the appropriate trade-off between risk, opportunity and cost. We may use derivative financial instruments from time to time as a risk management tool and not for trading or speculative purposes.

Inflation; Seasonality

We are subject to price control restrictions on our pharmaceutical products in a number of countries in which we now operate. As a result, our ability to raise prices in a timely fashion in anticipation of inflation may be limited in some markets. Historically, revenues from our business tend to be weighted toward the second half of the year. For information relating to the seasonality of our business, see Item 1. "Business — Seasonality of Business".

Foreign Currency Risk

In 2025, a majority of our revenue and expense activities and capital expenditures were denominated in U.S. dollars. We have exposure to multiple foreign currencies, including, among others, the Euro, Chinese yuan, Polish zloty, Canadian dollar and Mexican peso. Our operations are subject to risks inherent in conducting business abroad, including price and currency exchange controls and fluctuations in the relative values of currencies. In addition, to the extent that we require, as a source of debt repayment, earnings and cash flows from some of our operations located in foreign countries, we are subject to risk of changes in the value of the U.S. dollar, relative to all other currencies in which we operate, which may materially affect our results of operations. Where possible, we manage foreign currency risk by managing same currency revenues in relation to same currency expenses. Further strengthening of the U.S. dollar and/or further devaluation of foreign currencies will have a negative impact on our reported revenue and reported results. As of December 31, 2025, a 1% change in foreign currency exchange rates would have impacted our shareholders' deficit by approximately $43 million.

As of December 31, 2025, the unrealized foreign exchange gain on the translation of the remaining principal amount of U.S. denominated credit facility, senior secured and unsecured notes was $147 million, for Canadian income tax purposes. Additionally, as of December 31, 2025, the unrealized foreign exchange gain on certain intercompany balances was equal to $554 million. One-half of any realized foreign exchange gain or loss will be included in our Canadian taxable income. Any resulting gain will result in a corresponding reduction in our available Canadian Losses, Scientific Research and Experimental Development Pool, and/or Investment Tax Credit carryforward balances. However, the repayment of the credit facility, senior notes and the intercompany loans denominated in U.S. dollars does not result in a foreign exchange gain or loss being recognized in our Consolidated Financial Statements, as these statements are prepared in U.S. dollars.

Interest Rate Risk

We currently do not hold financial instruments for speculative purposes. Our financial assets are not subject to significant interest rate risk due to their short duration. The primary objective of our policy for the

investment of temporary cash surpluses is the protection of principal, and accordingly, we generally invest in high quality, money market investments and time deposits with varying maturities, but typically less than three months. As it is our intent and policy to hold these investments until maturity, we do not have a material exposure to interest rate risk.

As of December 31, 2025, we had $13,553 million and $6,679 million principal amount of issued fixed rate debt and variable rate debt, respectively. The estimated fair value of our issued fixed rate debt as of December 31, 2025 was $12,984 million. If interest rates were to increase by 100 basis-points, the fair value of our issued fixed rate debt would decrease by approximately $350 million. If interest rates were to decrease by 100 basis-points, the fair value of our issued fixed rate debt would increase by approximately $347 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-points increase in interest rates, would have an annualized pre-tax effect of approximately $67 million in our Consolidated Statements of Operations and Consolidated Statements of 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.

CRITICAL ACCOUNTING ESTIMATES

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

Revenue Recognition

The Company's revenues are primarily generated from product sales, primarily in the therapeutic areas of eye health, GI and dermatology 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 aesthetics devices). Other revenues include alliance and service revenue from the licensing and co-promotion of products and contract service revenue primarily in the areas of dermatology and topical medication.

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

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 the 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.

The development and application of the critical accounting policies associated with the revenue recognition guidance, including the policies associated with each of our product sales provisions and the table

showing the activity and ending balances for our product sales provisions, are discussed in more detail in Note 2, "SIGNIFICANT ACCOUNTING POLICIES" to our audited Consolidated Financial Statements.

Acquisition-Related Contingent Consideration

Some of the business combinations that we have consummated include contingent consideration to be potentially paid based upon the occurrence of future events, such as sales performance and the achievement of certain future development, regulatory and sales milestones. Acquisition-related contingent consideration associated with a business combination is initially recognized at fair value and remeasured each reporting period, with changes in fair value recorded in the Consolidated Statements of Operations. The estimates of fair value involve the use of acceptable valuation methods, such as probability-weighted discounted cash flow analysis and Monte Carlo Simulation (when appropriate), and contain uncertainties as they require assumptions about the likelihood of achieving specified milestone criteria, projections of future financial performance and assumed discount rates. Changes in the fair value of the acquisition-related contingent consideration result from several factors including changes in the timing and amount of revenue estimates, changes in probability assumptions with respect to the likelihood of achieving specified milestone criteria and changes in discount rates. A change in any of these assumptions could produce a different fair value, which could have a material impact on our results of operations. At December 31, 2025, the fair value measurements of acquisition-related contingent consideration were determined using risk-adjusted discount rates ranging from 6% to 16%.

Acquisitions

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

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

- The fair value of the identifiable intangible assets is determined primarily using the "income approach," which primarily consists of the following estimates and inputs: (i) a forecast of the expected future cash flows, which includes an estimated amount and timing of projected cash flows (including revenue growth rates, cost of goods sold, and operating expenses) and (ii) the risk-adjusted discount rate used to present value the cash flows. The fair value of acquired IPR&D is also recognized at fair value using an income approach and consists of the following estimates and inputs: (i) each asset's probability-adjusted future cash flows, which reflect the different stages of development of each product and the associated probability of successful completion and (ii) the risk-adjusted discount rate used to present value the cash flows.
- Acquisition-related contingent consideration, which primarily consists of potential milestone payments, is determined in accordance with the acquisition method of accounting. The fair value of the acquisition-related contingent consideration is remeasured each reporting period, with changes in fair value recorded in the Consolidated Statements of Operations. The fair value measurement of contingent consideration obligations arising from business combinations is generally determined via a probability-weighted discounted cash flow analysis, using unobservable (Level 3) inputs. These inputs may include: (i) the estimated amount and timing of projected cash flows, (ii) the probability of the achievement of the factor(s) on which the contingency is based and (iii) the risk-adjusted discount rate used to present value the probability-weighted cash flows.
- Goodwill is recorded with the acquisition and is calculated as the difference between the acquisition date fair value of the consideration transferred and the values assigned to the assets acquired and liabilities assumed.

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

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

Intangible Assets

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

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

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

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

Indefinite-lived intangible assets, including Acquired IPR&D and the B&L corporate trademark, are tested for impairment annually, or more frequently if events or changes in circumstances between annual tests indicate that the asset may be impaired. Impairment losses on indefinite-lived intangible assets are recognized based solely on a comparison of their fair value to carrying value, without consideration of any recoverability test. In particular, we will continue to monitor closely the progression of our R&D programs as their likelihood of success is contingent upon the achievement of future milestones. See Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations — Overview — Focus on Value and Core Businesses" for additional information regarding our R&D programs.

Goodwill

Goodwill impairments were $145 million during 2025 and related to our Generics reporting unit. There were no goodwill impairments during 2024. During 2023, we recorded goodwill impairment charges of $493 million. As of December 31, 2025, we maintain 10 reporting units, nine of which comprise our goodwill balance.

We test our reporting units for impairment annually as of October 1, or more frequently if events or circumstances indicate it is more likely than not that the fair value of a reporting unit is less than its carrying amount. Such events and circumstances could include increased competition and unexpected loss of market share, increased input costs relative to our projections (for example due to regulatory or industry changes), disposals of significant products or components of our business, unexpected business disruptions (for example due to a natural disaster, pandemic, unexpected changes in the regulatory environment, unexpected loss of exclusivity to a significant product, loss of a supplier, or other significant business relationship), unexpected significant declines in operating results, significant adverse changes in the markets in which we operate, or changes in management strategy. During our assessment, we consider each of the above potential events and circumstances, as well as the existence of any positive and/or mitigating events and circumstances, including the difference between a reporting unit's fair value and carrying amount if determined in a recent fair value calculation ("headroom"), giving more weight to those events and circumstances that impact most significantly a reporting unit's fair value or carrying amount.

We test reporting units for impairment by comparing the estimated fair value of each reporting unit with its carrying amount. If the carrying amount of a reporting unit exceeds its estimated fair value, we record an impairment based on the difference between the fair value and carrying amount of the reporting units as a reduction to goodwill. Fair value determinations require considerable judgment and are sensitive to changes in underlying assumptions, estimates, and market factors. Estimating the fair value of individual reporting units requires us to make assumptions and estimates regarding our business strategies, as well as industry, economic, and regulatory conditions. These assumptions and estimates include estimated future annual net cash flows, income tax considerations, discount rates, growth rates and other market factors.

2025 Annual Goodwill Impairment Test

Our annual goodwill impairment test as of October 1, 2025, included performing separate quantitative fair value tests for our Salix, Neuroscience and Generics segments. For our remaining reporting units, we conducted our annual goodwill impairment test as of October 1, 2025, by first assessing qualitative factors. Based on our qualitative assessment as of October 1, 2025, we believed that it was more likely than not that the carrying amounts of the remaining reporting units were less than their respective fair values and therefore concluded that a quantitative fair value test for those reporting units was not required.

2024 Annual Goodwill Impairment Test

Our annual goodwill impairment test as of October 1, 2024, included performing separate quantitative fair value tests for our Generics and Dermatology reporting units within the Diversified segment. For our remaining reporting units, we conducted our annual goodwill impairment test as of October 1, 2024, by first assessing qualitative factors. Based on our qualitative assessment as of October 1, 2024, we believed that it was more likely than not that the carrying amounts of the remaining reporting units were less than their respective fair values and therefore concluded that a quantitative fair value test for those reporting units was not required.

Dermatology

Through the nine months ended September 30, 2023, the Dermatology reporting unit performed largely in line with the forecast used in its last quantitative fair value test (September 30, 2022). During the third quarter of 2023, as a result of lower realized pricing attributable to shifts in the coverage mix for certain products, discontinuation of certain products as a result of the impact of recent legislation, and revised expectations of future selling, advertising, and promotion costs required to mitigate further revenue erosion, the Company's assessment of future business performance indicated that the reporting unit's future financial results were below the assumptions used in the last quantitative fair value test. After considering the limited headroom as a result of the impairment to goodwill of the Dermatology reporting unit when last tested (September 30, 2022), the Company determined that these changes in facts and circumstances, as well as increases in market interest rates during the three months ended September 30, 2023, the Dermatology reporting unit was impaired. The quantitative assessment utilized a long-term growth rate of 0.0% and a discount rate of 10.75% in the estimation of the reporting unit's fair value. Based on the quantitative fair value testing, a goodwill impairment of $151 million was recognized.

During 2024, we continued to monitor business performance of the Dermatology reporting unit. Given the market conditions that the reporting unit operates in and the impairment to this reporting unit as of September 30, 2023 left no headroom, the Company performed a separate quantitative fair value test as part of its annual goodwill impairment test as of October 1, 2024. The quantitative fair value test for the Dermatology reporting unit utilized the most recent cash flow projections for the reporting unit as revised in the fourth quarter of 2024 to reflect current market conditions and current trends in business performance. The quantitative assessment utilized a long-term growth rate of 0% and a discount rate of 9.50% in the estimation of the reporting unit's fair value. After completing the testing, the fair value of Dermatology reporting unit exceeded its carrying value by more than 50%, and, therefore, there was no impairment to goodwill.

Neuroscience

Through the nine months ended September 30, 2023, the Neuroscience reporting unit performed largely in line with the forecast used in its previous quantitative fair value test (October 1, 2022). During the third quarter of 2023, as a result of actions taken by management in response to changing market dynamics driven by recent legislation, changes to the future expected commercial insurance coverage for certain key products, and a projected shift in the channels of business, the Company's assessment of future business performance indicated that the reporting unit's future financial results were below the assumptions used in the last quantitative fair value test. After considering the limited headroom as a result of the impairment to goodwill of the Neuroscience reporting unit when previously tested (October 1, 2022), the Company determined that these changes in facts and circumstances, as well as increases in market interest rates during the three months ended September 30, 2023, the Neuroscience reporting unit was impaired. The quantitative assessment utilized a long-term growth rate of -2.5% and a discount rate of 10.50% in the estimation of the reporting unit's fair value. Based on the quantitative fair value testing, a goodwill impairment of $251 million was recognized.

During 2024, no facts or circumstances were identified which would indicate that additional fair value quantitative testing was necessary.

During 2025, we continued to monitor the business performance of the Neuroscience reporting unit. Given the continuation of the market conditions and trends in business performance in 2025, a separate quantitative fair value test was performed as of October 1, 2025. The quantitative fair value test for the Neuroscience reporting unit utilized the most recent cash flow projections as revised in the fourth quarter of 2025 to reflect current market conditions and current trends in business performance. The quantitative assessment utilized a long-term growth rate of -2.50% and a discount rate of 9.75% in the estimation of the reporting unit's fair value. After completing the testing, the fair value of the Neuroscience reporting unit exceeded its carrying value by approximately 100%, and therefore, there was no impairment to goodwill. As of December 31, 2025, the Neuroscience reporting unit had remaining goodwill of $1,170 million.

*Generic*s

The Generics reporting unit operates in the United States, where shifting market dynamics have led to increased competition with respect to generic pharmaceuticals which impacts both pricing and potential market share.

The quantitative fair value test for the Generics reporting unit utilized the most recent cash flow projections for the reporting unit as revised in the fourth quarter of 2023 to reflect current market conditions and current trends in business performance. The quantitative assessment utilized a long-term growth rate of 1.0% and a discount rate of 10.25% in the estimation of the reporting unit's fair value. As a result of the revisions to its long-term expectations for these and other factors, and based on the quantitative fair value test, goodwill for the Generics reporting unit was impaired reflecting the Company's best estimate at that time of the outlook and risks of this business. The carrying value of the Generics reporting unit exceeded its fair value as of October 1, 2023, and the Company recognized a goodwill impairment of $91 million. As of December 31, 2023, the Generics reporting unit had remaining goodwill of $227 million.

During 2024, we continued to monitor the business performance of the Generics reporting unit. Given the continuation of the market conditions and trends in business performance in 2024 for this reporting unit, a separate quantitative fair value test was performed as of October 1, 2024. The quantitative fair value test for

the Generics reporting unit utilized the most recent cash flow projections for the reporting unit as revised in the fourth quarter of 2024 to reflect current market conditions and current trends in business performance. The quantitative assessment utilized a long-term growth rate of 1.0% and a discount rate of 8.50% in the estimation of the reporting unit's fair value. After completing the testing, the fair value of Generics reporting unit exceeded its carrying value and therefore, there was no impairment to goodwill.

During 2025, we continued to monitor the business performance of the Generics reporting unit. Shifting market dynamics have led to increased competition within the generic pharmaceuticals market, affecting both pricing and potential market share. The Company expects these dynamics to intensify in the future and has therefore revised its long-term forecasts, including for the sale of Company branded products upon loss of exclusivity, to reflect these developments. A separate quantitative fair value test was performed for the Generics reporting unit which utilized the most recent cash flow projections as revised in the fourth quarter of 2025. The quantitative assessment utilized a discount rate of 8.75% in the estimation of the reporting unit's fair value. Based on the quantitative fair value test, the carrying value of the Generics reporting unit exceeded its fair value as of October 1, 2025, and the Company recognized a goodwill impairment of $145 million. As of December 31, 2025, the Generics reporting unit had remaining goodwill of $82 million.

International

The International reporting unit was last quantitative fair value tested as of October 1, 2023, utilizing the most recent cash flow projections for the reporting unit as revised in the fourth quarter of 2023 which reflected current market conditions and current trends in business performance. The quantitative assessment utilized a long-term growth rate of 3.0% and discount rate of 12.50%, in the estimation of the fair value of the reporting unit. After completing the testing, the fair value of the reporting unit exceeded its carrying value by more than 45%, and, therefore, there was no impairment to goodwill.

Salix

During 2025, we continued to monitor the business performance of the Salix reporting unit. Given the continuation of the market conditions and trends in business performance in 2025 for this reporting unit, a separate quantitative fair value test was performed.

The quantitative fair value test for the Salix reporting unit utilized the most recent cash flow projections for the reporting unit as revised in the fourth quarter of 2025 to reflect current market conditions and current trends in business performance. The quantitative assessment utilized a long-term growth rate of 2.50% and a discount rate of 9.75% in the estimation of the reporting unit's fair value. After completing the testing, the fair value of the Salix reporting unit exceeded its carrying value and therefore, there was no impairment to goodwill. As of December 31, 2025, the Salix reporting unit had remaining goodwill of $3,159 million.

In January 2026, we received the results for the double-blind Phase 3 clinical trials for two global RED-C clinical programs evaluating our rifaximin soluble solid dispersion formulation, designed to prevent overt hepatic encephalopathy and related complications in patients with early-stage liver cirrhosis. While safe and well-tolerated, both clinical trials failed to achieve their primary endpoints. The Company's forecasts as of October 1, 2025 used in the quantitative fair value testing discussed above, included probability weighted cash flows associated with the RED-C product. We performed a preliminary quantitative goodwill analysis as of January 22, 2026 for the Salix reporting unit using revised forecasts, an updated discount rate, and a new long-term growth rate that reflect the Phase 3 clinical trial results. We anticipate recognizing an impairment charge of approximately $1,400 million for the Salix reporting unit in the first quarter of 2026.

Bausch + Lomb Reporting Units

The quantitative fair value test for the Vision Care, Surgical and Pharmaceuticals reporting units of the Bausch + Lomb segment as of October 1, 2023 utilized the most recent cash flow projections for each of the reporting units as revised in the fourth quarter of 2023 which reflected current market conditions and current trends in business performance. After completing the testing, the fair value of each of these reporting units had headroom in excess of 25% in 2023, and therefore, there was no impairment to goodwill.

Bausch + Lomb conducted its annual goodwill impairment test as of October 1, 2024, by first assessing qualitative factors. Based on its qualitative assessment as of October 1, 2024, management believed that, it

was more likely than not that the carrying amounts of each of its reporting units were less than their respective fair values and therefore concluded that a quantitative fair value test was not required.

During the period from October 1, 2024 (the last time goodwill was tested for all Bausch + Lomb) through June 30, 2025, Bausch + Lomb identified a decline in its market capitalization. This decline was primarily in response to the overall volatility within the global equity markets. However, at June 30, 2025, after considering the length and lack of recovery from this market capitalization decline, in comparison to the performance of the overall equity markets, Bausch + Lomb believed that the fair value of its reporting units could be less than their carrying amounts, and, therefore, a quantitative fair value test was performed.

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

During the period October 1, 2025 through December 31, 2025, we continued to monitor the market conditions and trends in business performance for all our reporting units, including the Salix, Neuroscience, and Generics reporting units, as discussed above. We determined that, no events occurred, or circumstances changed that would indicate that the fair value of any reporting unit might be below its carrying value as of December 31, 2025.

Our reporting units that were impaired were written down to their respective fair values resulting in zero headroom as of the applicable impairment test dates. Accordingly, these assessments are reliant upon assumptions of future performance, discount rates and long-term growth rates, and changes in those assumptions could result in impairment, particularly for those reporting units that have limited or no headroom. Any such impairment could be material to our results of operations in the period in which it was to occur.

Market factors outside of our control, which could result in future impairment to goodwill and other assets, include but are not limited to: additional government-mandated pricing actions, higher than expected inflation, continued interest rate pressures, changes in medical reimbursements by third-party payors, additional unforeseen market entrants, unforeseen loss or exclusivity to significant products, changes in foreign currency exchange rates, unforeseen challenges to our patents including the ultimate outcome to the Xifaxan® Generics Litigation, geopolitical factors, changes in tax legislation and other significant adverse changes in the markets in which we operate. Additionally, factors such as our inability to successfully execute our business strategies, failure to attain our assumed growth rates and margins or should we decide to divest certain non-strategic assets could lead to the impairment of one or more of our reporting units in the future.

As outlined above, our quantitative fair value testing procedures performed as of October 1, 2025 represented in the aggregate, approximately $4,556 million, or 40% of our $11,271 million goodwill balance as of December 31, 2025. Our quantitative fair value testing procedures performed as of October 1, 2024 represented in the aggregate, approximately $556 million, or 5% of our $11,087 million goodwill balance as of December 31, 2024. Our quantitative fair value testing procedures performed during the three months ended September 30, 2023 and as of October 1, 2023 represented in the aggregate, approximately $7,820 million, or 70% of our $11,183 million goodwill balance as of December 31, 2023.

See Note 8, "INTANGIBLE ASSETS AND GOODWILL" to our audited Consolidated Financial Statements for further details on the goodwill impairments recognized in 2025, 2024 and 2023.

Contingencies

In the normal course of business, we are subject to loss contingencies, such as claims and assessments arising from litigation and other legal proceedings, contractual indemnities, product and environmental liabilities and tax matters. Other than loss contingencies that are assumed in business combinations for which we can reliably estimate the fair value, we are required to accrue for such loss contingencies if it is probable that the outcome will be unfavorable and if the amount of the loss can be reasonably estimated. We evaluate our exposure to loss based on the progress of each contingency, experience in similar contingencies and

consultation with our legal counsel. We re-evaluate all contingencies as additional information becomes available. Given the uncertainties inherent in complex litigation and other contingencies, these evaluations can involve significant judgment about future events. The ultimate outcome of any litigation or other contingency may be material to our results of operations, financial condition and cash flows. See Note 21, "LEGAL PROCEEDINGS" to our audited Consolidated Financial Statements for further details regarding our current legal proceedings. If no accrual is made for a loss contingency because the amount of loss cannot be reasonably estimated, the Company will disclose contingent liabilities when there is at least a reasonable possibility that a loss or an additional loss may have been incurred.

Income Taxes

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

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

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

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

NEW ACCOUNTING STANDARDS

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

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Information relating to quantitative and qualitative disclosures about market risk is detailed in Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations — Quantitative and Qualitative Disclosures About Market Risk" and is incorporated herein by reference.

Item 8. Financial Statements and Supplementary Data

The information required by this Item is contained in the financial statements set forth in Item 15. "Exhibits and Financial Statement Schedules" as part of this Form 10-K and is incorporated herein by reference.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

Not applicable.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

The Company's management, with the participation of the Company's Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of December 31, 2025. Based on that evaluation, the Company's Chief Executive Officer and the Company's Chief Financial Officer have concluded that as of December 31, 2025, the Company's disclosure controls and procedures were effective to provide reasonable assurance that the information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to management as appropriate to allow timely decisions regarding required disclosure.

Management's Annual Report on Internal Control Over Financial Reporting

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. The Company's internal control over financial reporting is a process designed 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.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Under the supervision and with the participation of management, including the Company's Chief Executive Officer and the Company's Chief Financial Officer, the Company conducted an evaluation of the effectiveness of its internal control over financial reporting as of December 31, 2025 based on the framework described in Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on that evaluation, management has concluded that the Company maintained effective internal control over financial reporting as of December 31, 2025.

The effectiveness of the Company's internal control over financial reporting as of December 31, 2025 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report which appears herein.

Changes in Internal Control over Financial Reporting

There have not been any changes in the Company's 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 last fiscal quarter of 2025 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Item 9B. Other Information

During the three months ended December 31, 2025, no director or officer of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "Non-Rule 10b5-1 trading arrangement" as each term is defined in Item 408 of Regulation S-K.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

Information required under this Item is incorporated herein by reference from information included in the 2026 Proxy Statement.

Code of Ethics

The Board of Directors has adopted a code of ethics (the "Code of Conduct") that applies to our employees, including the Chief Executive Officer, Chief Financial Officer, the principal accounting officer, controller, and all vice presidents and above in the finance department of the Company worldwide. A copy of the Code of Conduct can be found on our website at: *www.bauschhealth.com*. We intend to satisfy the SEC disclosure requirements regarding amendments to, or waivers from, any provisions of our Code of Conduct on our website.

Insider Trading Policies

We have adopted an Insider Trading Policy and a Blackout Policy that govern the purchase, sale and/or other dispositions of our securities by us and by our directors, officers and employees, as well as their immediate family members and entities owned or controlled by them, and that we believe are reasonably designed to promote compliance with insider trading laws, rules and regulations and applicable exchange listing standards. Copies of our Blackout Policy and our Insider Trading Policy are filed as Exhibits 19.1 and 19.2, respectively, to this Form 10-K.

Item 11. Executive Compensation

Information required under this Item relating to executive compensation is incorporated herein by reference from information included in the 2026 Proxy Statement.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Information required under this Item relating to securities authorized for issuance under equity compensation plans and to security ownership of certain beneficial owners and management is incorporated herein by reference from information included in the 2026 Proxy Statement.

Item 13. Certain Relationships and Related Transactions, and Director Independence

Information required under this Item relating to certain relationships and transactions with related parties and about director independence is incorporated herein by reference from information included in the 2026 Proxy Statement.

Item 14. Principal Accounting Fees and Services

Information required under this Item relating to the fees for professional services rendered by our independent auditors in 2025 and 2024 is incorporated herein by reference from information included in the 2026 Proxy Statement.

PART IV

Item 15. Exhibits and Financial Statement Schedules

(a) Documents filed as a part of the report:

(1) The consolidated financial statements required to be filed in the Annual Report on Form 10-K are listed on page F-1 hereof.

(2) Exhibits

All schedules are omitted because they are not applicable, or the required information is included in the financial statements or notes.

Item 16. Form 10-K Summary

None.

INDEX TO EXHIBITS

Exhibit Number	Exhibit Description
2.1	Stock and Asset Purchase Agreement by and among Bausch + Lomb Ireland Limited, Novartis Pharma AG and Novartis Finance Corporation and, for the limited purposes set forth therein, Bausch + Lomb Corporation, dated as June 30, 2023, originally filed as Exhibit 2.1 to the Company's Current Report on Form 8-K filed on July 7, 2023, which is incorporated by reference herein.††
3.1	Certificate of Continuation, dated August 9, 2013, originally filed as Exhibit 3.1 to the Company's Current Report on Form 8-K filed on August 13, 2013, which is incorporated by reference herein.
3.2	Notice of Articles of Valeant Pharmaceuticals International, Inc., dated August 9, 2013, originally filed as Exhibit 3.2 to the Company's Current Report on Form 8-K filed on August 13, 2013, which is incorporated by reference herein.
3.3	Articles of Valeant Pharmaceuticals International, Inc., dated August 8, 2013, originally filed as Exhibit 3.3 to the Company's Current Report on Form 8-K filed on August 13, 2013, which is incorporated by reference herein.
3.4	Notice of Articles of Bausch Health Companies Inc., as of July 16, 2018, originally filed as Exhibit 3.1 to the Company's Current Report on Form 8-K filed on July 16, 2018, which is incorporated by reference herein.
3.5	Articles of Bausch Health Companies Inc., as of July 13, 2018, originally filed as Exhibit 3.2 to the Company's Current Report on Form 8-K filed on July 16, 2018, which is incorporated by reference herein.
4.1	Indenture, dated as of June 1, 2018, by and among Valeant Pharmaceuticals International, Valeant Pharmaceuticals international, Inc., the other guarantors party thereto and The Bank of New York Mellon, as trustee, governing the 8.500% Senior Notes due 2027, originally filed as Exhibit 4.1 to the Company's Current Report on Form 8-K filed on June 1, 2018, which is incorporated by reference herein.
4.2	Indenture, dated as of May 23, 2019, by and among Bausch Health Companies Inc., the guarantors named therein and The Bank of New York Mellon Trust Company, N.A., as trustee, governing the 7.000% Senior Notes due 2028 and the 7.250% Senior Notes due 2029, originally filed as Exhibit 4.1 to the Company's Current Report on Form 8-K filed on May 24, 2019, which is incorporated by reference herein.
4.3	Indenture, dated as of December 30, 2019, by and among Bausch Health Companies Inc., the guarantors named therein and The Bank of New York Mellon Trust Company, N.A., as trustee, governing the 5.000% Senior Notes due 2028 and the 5.250% Senior Notes due 2030, originally filed as Exhibit 4.1 to the Company's Current Report on Form 8-K filed on December 30, 2019, which is incorporated by reference herein.
4.4	Indenture, dated as of May 26, 2020, by and among Bausch Health Companies Inc., the guarantors named therein and The Bank of New York Mellon Trust Company, N.A., as trustee, governing the 6.250% Senior Notes due 2029, originally filed as Exhibit 4.1 to the Company's Current Report on Form 8-K filed on May 26, 2020, which is incorporated by reference herein.
4.5	Indenture, dated as of December 3, 2020, by and among Bausch Health Companies Inc., the guarantors named therein and The Bank of New York Mellon, N.A., as trustee, governing the 5.000% Senior Notes due 2029 and the 5.250% Senior Notes due 2031, originally filed as Exhibit 4.1 to the Company's Current Report on Form 8-K filed on December 3, 2020, which is incorporated by reference herein.

Exhibit Number	Exhibit Description
4.6	Indenture, dated as of June 8, 2021, by and among Bausch Health Companies Inc., the guarantors named therein and The Bank of New York Mellon, N.A., as trustee, governing the 4.875% Senior Notes due 2028, originally filed as Exhibit 4.1 to the Company's Current Report on Form 8-K filed on June 8, 2021, which is incorporated by reference herein.
4.7	Indenture, dated as of September 30, 2022, by and among Bausch Health Companies Inc., the guarantors party thereto, The Bank of New York Mellon, as trustee, and the notes collateral agents party thereto, governing the 11.00% Senior Secured Notes due 2028, originally filed as Exhibit 4.1 to the Company's Current Report on Form 8-K filed on October 4, 2022, which is incorporated by reference herein.
4.8	Indenture, dated as of September 30, 2022, by and among Bausch Health Companies Inc., the guarantors party thereto, The Bank of New York Mellon, as trustee, and the notes collateral agents party thereto, governing the 14.00% Second Lien Secured Notes due 2030, originally filed as Exhibit 4.2 to the Company's Current Report on Form 8-K filed on October 4, 2022, which is incorporated by reference herein.
4.9	Indenture, dated as of April 8, 2025, by and among 1261229 B.C. Ltd., Bausch Health Companies Inc., the other guarantors party thereto, The Bank of New York Mellon, as trustee and the notes collateral agents party thereto, governing the 10.00% Senior Secured Notes due 2032, originally filed as Exhibit 4.1 to the Company's Current Report on Form 8-K filed on April 9, 2025, which is incorporated by reference herein.
4.10	Indenture, dated as of June 26, 2025, by and among Bausch & Lomb Incorporated, Bausch+Lomb Netherlands B.V., the guarantors party thereto, Citibank, N.A., acting as trustee and as notes collateral agent and Citibank, N.A. London Branch, acting as paying agent, registrar, transfer agent and calculation agent, originally filed as Exhibit 4.1 to the Company's Current Report on Form 8-K filed on June 27, 2025, which is incorporated by reference herein.
4.11	Form of Note (Included in Exhibit 4.19), originally filed as Exhibit 4.2 to the Company's Current Report on Form 8-K filed on April 8, 2025, which is incorporated by reference herein.
4.12	Shareholder Rights Plan Agreement, dated as of April 14, 2025, by and between Bausch Health Companies Inc. and TSX Trust Company, as rights agent (which includes the Form of Rights Certificate as Schedule A thereto) originally filed as Exhibit 4.1 to the Company's Registration Statement on Form 8-A, filed on April 15, 2025 (File No. 001-14956), which is incorporated by reference herein.
4.13	Form of Common Share Certificate of Bausch Health Companies Inc., originally filed as Exhibit 4.1 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on July 16, 2018, which is incorporated by reference herein.
4.14	Description of Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934, As Amended, originally filed as Exhibit 4.12 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2019, filed on February 19, 2020, which is incorporated by reference herein.
4.15	Sixteenth Supplemental Indenture, dated as of September 14, 2022, by and among Bausch Health Americas, Inc. and the Bank of New York Mellon, as trustee, amending that certain Indenture dated as of March 26, 2018 relating to the BHA's 9.250% Senior Notes due 2026, originally filed as Exhibit 10.4 to the Company's Current Report on Form 10-Q filed on November 3, 2022, which is incorporated by reference herein.
4.16	Sixteenth Supplemental Indenture, dated as of September 14, 2022, by and among Bausch Health Americas, Inc. ("BHA") and the Bank of New York Mellon, as trustee, amending that certain Indenture dated as of June 1, 2018 relating to the BHA's 8.500% Senior Notes due 2027, originally filed as 10.5 to the Company's Current Report on Form 10-Q filed on November 3, 2022, which is incorporated by reference herein.

Exhibit Number	Exhibit Description
4.17	Fourteenth Supplemental Indenture, dated as of September 14, 2022, by and among Bausch Health Companies Inc. and the Bank of New York Mellon, as trustee, amending that certain Indenture dated as of May 23, 2019 relating to the Company's 7.000% Senior Notes due 2028, originally filed as 10.6 to the Company's Current Report on Form 10-Q filed on November 3, 2022, which is incorporated by reference herein.
4.18	Fourteenth Supplemental Indenture, dated as of September 14, 2022, by and among Bausch Health Companies Inc. and the Bank of New York Mellon, as trustee, amending that certain Indenture dated as of December 30, 2019 relating to the Company's 5.000% Senior Notes due 2028, originally filed as 10.7 to the Company's Current Report on Form 10-Q filed on November 3, 2022, which is incorporated by reference herein.
4.19	Fifteenth Supplemental Indenture, dated as of September 28, 2022, by and among Bausch Health Companies Inc. and the Bank of New York Mellon, as trustee, amending that certain Indenture dated as of May 23, 2019 relating to the Company's 7.250% Senior Notes due 2029, originally filed as 10.8 to the Company's Current Report on Form 10-Q filed on November 3, 2022, which is incorporated by reference herein.
4.20	Second Supplemental Indenture, dated as of December 26, 2025, by and among 1261229 B.C. Ltd., Bausch Health Companies Inc., the other guarantors party thereto, The Bank of New York Mellon, as trustee and the notes collateral agents party thereto, amending that certain Indenture dated as of April 8, 2025 relating to the Company's 10.00% Senior Secured Notes due 2032, originally filed as Exhibit 4.2 to the Company's Current Report on Form 8-K filed on December 29, 2025, which is incorporated by reference herein.
4.21	Indenture, dated as of September 29, 2023, by and among Bausch + Lomb Corporation, the guarantors party thereto and Citibank, N.A., acting through its agency and trust division, as trustee, and as notes collateral agent thereto, governing the 8.375% Senior Secured Notes due 2028, originally filed as Exhibit 4.1 to the Company's Current Report on Form 8-K filed on September 29, 2023 and incorporated by reference herein.
10.1	Bausch Health Companies Inc. Further Amended and Restated 2014 Omnibus Incentive Plan, effective as of April 28, 2020 (the "Amended and Restated 2014 Omnibus Incentive Plan"), originally filed as Exhibit 10.1 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2020 filed on February 24, 2021, which is incorporated by reference herein.†
10.2	Bausch Health Companies Inc. Further Amended and Restated 2014 Omnibus Incentive Plan, effective as of June 21, 2022, originally filed as Exhibit B to the Company's definitive proxy statement (File No. 001-14956) filed on May 2, 2022, which is incorporated by reference herein.††
10.3	Bausch Health Companies Inc. 2014 Omnibus Incentive Plan (As Amended and Restated, Effective as of May 16, 2023), originally filed as Exhibit B to the Company's definitive proxy statement (File No. 001-14956) filed on April 6, 2023, which is incorporated by reference herein.†
10.4	Bausch Health Companies Inc. 2014 Omnibus Incentive Plan (as Amended and Restated, Effective as of May 14, 2024), originally filed as Exhibit B to the Company's definitive proxy statement (File No. 001-14956) filed on April 4, 2024, which is incorporated by reference herein.†
10.5	Form of Matching Restricted Stock Unit Agreement (Matching Units) under the Amended and Restated 2014 Omnibus Incentive Plan, originally filed as Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2018 filed on August 7, 2018, which is incorporated by reference herein.†

Exhibit Number	Exhibit Description
10.6	Form of 2016 Stock Option Grant Agreement under the Amended and Restated 2014 Omnibus Incentive Plan, originally filed as Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2019 filed on May 6, 2019, which is incorporated by reference herein.†
10.7	Form of Stock Option Grant Agreement (Nonstatutory Stock Options), under the Amended and Restated 2014 Omnibus Incentive Plan, originally filed as Exhibit 10.3 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2017 filed on February 28, 2018, which is incorporated by reference herein.†
10.8	Form of Director Restricted Share Units Award Agreement (Annual Grants), under the Amended and Restated 2014 Omnibus Incentive Plan, originally filed as Exhibit 10.6 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2017 filed on February 28, 2018, which is incorporated by reference herein.†
10.9	Form of Stock Option Grant Agreement (Nonstatutory Stock Options), under the Amended and Restated 2014 Omnibus Incentive Plan, originally filed as Exhibit 10.17 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2016 filed on March 1, 2017, which is incorporated by reference herein.†
10.10	Form of RSU Grant Agreement, originally filed as Exhibit 10.13 to the Company's Current Report on Form 10-Q filed on May 10, 2022, which is incorporated by reference herein.††
10.11	Form of 2018 Restricted Stock Unit Agreement, under the Amended and Restated 2014 Omnibus Incentive Plan, originally filed as Exhibit 10.12 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2017 filed on February 28, 2018, which is incorporated by reference herein.†
10.12	Form of Option Grant Agreement, originally filed as Exhibit 10.14 to the Company's Current Report on Form 10-Q filed on May 10, 2022, which is incorporated by reference herein.††
10.13	Form of 2018 Stock Option Grant Agreement (Nonstatutory Stock Options), under the Amended and Restated 2014 Omnibus Incentive Plan, originally filed as Exhibit 10.13 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2017 filed on February 28, 2018, which is incorporated by reference herein.†
10.14	Form of PSU Award Agreement, originally filed as Exhibit 10.1 to the Company's Current Report on Form 10-Q filed on May 4, 2023, which is incorporated by reference herein.†
10.15	Valeant Pharmaceuticals International, Inc. 2011 Omnibus Incentive Plan (the "2011 Omnibus Incentive Plan"), effective as of April 6, 2011, as amended on and approved by the shareholders on May 16, 2011, originally filed as Annex A to the Company's Management Proxy Circular and Proxy Statement on Schedule 14A filed on April 14, 2011, as amended by the Supplement dated May 10, 2011 to the Company's Management Proxy Circular and Proxy Statement filed on May 10, 2011, which is incorporated by reference herein.†
10.16	Form of Stock Option Grant Agreement under the 2011 Omnibus Incentive Plan, originally filed as Exhibit 10.2 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2011 filed on February 28, 2012, which is incorporated by reference herein.†
10.17	Form of Spinoff Bonus Program Letter Agreement dated November 2, 2020, originally filed as Exhibit 10.14 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2020 filed on February 24, 2021, which is incorporated by reference herein.†
10.18	Valeant Pharmaceuticals International, Inc. Directors Share Unit Plan, effective May 16, 2011, originally filed as Exhibit 10.6 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2011 filed on August 8, 2011, which is incorporated by reference herein.†

Exhibit Number	Exhibit Description
10.19	Bausch Health Companies Inc. 2025 Employee Stock Purchase Plan (effective as of May 13, 2025), originally filed as Exhibit B to the Company's definitive proxy statement (File No. 001-14956) filed on April 2, 2025, which is incorporated by reference herein.
10.20	Employment Agreement, dated as of April 25, 2016, between Valeant Pharmaceuticals International, Inc. and Joseph C. Papa, originally filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed on April 27, 2016, which is incorporated by reference herein.†
10.21	Employment Agreement, dated July 8, 2016, between Valeant Pharmaceuticals International, Inc. and Christina Ackermann, originally filed as Exhibit 10.23 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2016 filed on March 1, 2017, which is incorporated by reference herein.†
10.22	Amended and Restated Employment Agreement, dated February 18, 2022, between Bausch Health Companies Inc. and Thomas Appio, originally filed as Exhibit 10.20 on the Company's Annual Report on Form 10-K filed on February 23, 2022, which is incorporated by reference herein.†
10.23	Employment Agreement, dated August 2, 2018, between Bausch Health Companies Inc. and Joseph F. Gordon, originally filed as Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2019 filed on May 6, 2019, which is incorporated by reference herein.†
10.24	Employment Agreement, dated as of December 3, 2021, by and between Bausch Health Companies Inc. and Seana Carson, originally filed as 10.8 to the Company's Current Report on Form 10-Q filed on August 9, 2022, which is incorporated by reference herein.††
10.25	Employment Agreement, dated as of June 1, 2021, between Bausch Health Companies Inc. and Sam Eldessouky, originally filed as Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2021 filed on August 3, 2021, which is incorporated by reference herein.†
10.26	Offer Letter regarding Appointment of John Barresi as Interim Chief Financial Officer, dated as of September 26, 2023, originally filed as Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2024 filed on May 2, 2024, which is incorporated by reference herein.†
10.27	Letter dated as of July 18, 2024, amending the offer letter to John Barresi, dated as of September 30, 2023, originally filed as Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2024 filed on October 30, 2024, which is incorporated by reference herein.†
10.28	Employment Agreement, dated as of July 15, 2024 between Bausch health Companies Inc. and Jean-Jacques Charhon, originally filed as Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2024 filed on October 30, 2024, which is incorporated by reference herein.†
10.29	Employment Agreement dated as of June 17, 2024 between Bausch Health Companies Inc. and Aimee Lenar, originally filed as Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2025, which is incorporated by reference herein.†
10.30	Letter Agreement by and among Bausch Health Companies Inc., Carl C. Icahn and the persons and entities listed therein, dated May 20, 2025, originally filed as Exhibit 10.2 to the Company's Current Report on Form 8-K filed on May 21, 2025, which is incorporated by reference herein.
10.31	Letter Agreement by and among Bausch Health Companies Inc. and John Paulson, dated May 20, 2025, originally filed as Exhibit 10.3 to the Company's Current Report on Form 8-K filed on May 21, 2025, which is incorporated by reference herein.

Exhibit Number	Exhibit Description
10.32	Letter Agreement by and among Bausch Health Companies Inc. and Sarah Kavanagh, dated May 20, 2025, originally filed as Exhibit 10.4 to the Company's Current Report on Form 8-K filed on May 21, 2025, which is incorporated by reference herein.
10.33	Credit Agreement, dated as of April 8, 2025, by and among 1261229 B.C. Ltd., 1530065 B.C. Ltd., Bausch Health Companies Inc., the subsidiary guarantors party thereto, JPMorgan Chase Bank, N.A., as administrative agent, and other certain financial institutions, as agents and/or lenders, originally filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed on April 8, 2025, which is incorporated by reference herein.
10.34	Credit Agreement, dated as of May 10, 2022, among Bausch + Lomb Corporation, certain subsidiaries of the Company as subsidiary guarantors, each of the financial institutions named therein as lenders and issuing banks, Citibank, N.A., as Revolving Facility Administrative Agent and Goldman Sachs Bank USA, as Term Facility Administrative Agent, originally filed as Exhibit 10.2 to the Company's Current Report on Form 8-K filed on May 10, 2022, which is incorporated by reference herein.
10.35	Amended and Restated Supply Agreement dated October 25, 2018 among Salix Pharmaceuticals, Inc., Valeant Pharmaceuticals Ireland Limited, Valeant Pharmaceuticals Luxembourg s.à r.l. and Alfasigma S.p.A., originally filed as Exhibit 10.25 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2018 filed on February 20, 2019, which is incorporated by reference herein.
10.36	Amended and Restated License Agreement dated August 6, 2012 by and between Alfa Wassermann S.p.A. and Salix Pharmaceuticals, Inc., originally filed as Exhibit 10.95 to Salix Pharmaceutical Inc.'s Quarterly Report on Form 10-Q for the quarter ended September 30, 2012 filed on November 8, 2012, which is incorporated by reference herein.
10.37	Letter Amendment dated September 5, 2012 by and between Alfa Wassermann S.p.A. and Salix Pharmaceuticals, Inc., originally filed as Exhibit 10.100 to Salix Pharmaceutical Inc.'s Quarterly Report on Form 10-Q for the quarter ended September 30, 2012 filed on November 8, 2012, which is incorporated by reference herein.
10.38	Amendment No. 2 to the Amended and Restated License Agreement dated October 25, 2018 among Salix Pharmaceuticals, Inc., Valeant Pharmaceuticals Ireland Limited, Valeant Pharmaceuticals Luxembourg s.à r.l. and Alfasigma S.p.A., originally filed as Exhibit 10.28 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2018 filed on February 20, 2019, which is incorporated by reference herein.
10.39	Trademark License Agreement (Alfa to Salix) dated August 6, 2012 by and between Alfa Wassermann Hungary Kft. and Salix Pharmaceuticals, Inc., originally filed as Exhibit 10.98 to Salix Pharmaceutical Inc.'s Quarterly Report on Form 10-Q for the quarter ended September 30, 2012 filed on November 8, 2012, which is incorporated by reference herein.
10.40	Amended and Restated Asset Purchase Agreement dated January 4, 2019 among Bausch Health Companies Inc., Bausch Health Ireland Limited, Synergy Pharmaceuticals Inc. and Synergy Advanced Pharmaceuticals, Inc., originally filed as Exhibit 10.32 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2018 filed on February 20, 2019, which is incorporated by reference herein.††
10.41	Stipulation of Settlement dated December 15, 2019 in the U.S. Securities Litigation, originally filed as Exhibit 10.30 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2019 filed on February 19, 2020, which is incorporated by reference herein.††
10.42	Director Nomination and Appointment Agreement, dated February 23, 2021, by and among Bausch Health Companies Inc., Carl C. Icahn and the persons and entities listed therein, originally filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed on February 24, 2021, which is incorporated by reference herein.††

Exhibit Number	Exhibit Description
10.43	Arrangement Agreement by and between Bausch Health Companies Inc. and Bausch + Lomb Corporation and the other parties thereto, dated as of April 28, 2022, originally filed as Exhibit 99.1 to the Company's Current Report on Form 8-K filed on April 28, 2022, which is incorporated by reference herein.†#
10.44	Master Separation Agreement by and between Bausch Health Companies Inc. and Bausch + Lomb Corporation, dated as of March 30, 2022, originally filed as Exhibit 99.1 to the Company's Current Report on Form 8-K filed on March 30, 2022, which is incorporated by reference herein.†#
10.45	Amendment to Master Separation Agreement by and between Bausch Health Companies Inc. and Bausch + Lomb Corporation, dated as of April 28, 2022, originally filed as Exhibit 99.2 to the Company's Current Report on Form 8-K filed on April 28, 2022, which is incorporated by reference herein.
10.46	Transition Services Agreement by and between Bausch Health Companies Inc. and Bausch + Lomb Corporation, dated as of March 30, 2022, originally filed as Exhibit 99.2 to the Company's Current Report on Form 8-K filed on March 30, 2022, which is incorporated by reference herein†#
10.47	Tax Matters Agreement by and between Bausch Health Companies Inc. and Bausch + Lomb Corporation, dated as of March 30, 2022, originally filed as Exhibit 99.3 to the Company's Current Report on Form 8-K filed on March 30, 2022, which is incorporated by reference herein†#
10.48	Amendment to Tax Matters Agreement by and between Bausch Health Companies Inc. and Bausch + Lomb Corporation, dated as of April 28, 2022, originally filed as Exhibit 99.3 to the Company's Current Report on Form 8-K filed on April 28, 2022, which is incorporated by reference herein.
10.49	Employee Matters Agreement by and between Bausch Health Companies Inc. and Bausch + Lomb Corporation, dated as of March 30, 2022, originally filed as Exhibit 99.4 to the Company's Current Report on Form 8-K filed on March 30, 2022, which is incorporated by reference herein†#
10.50	Amended and Restated Employee Matters Agreement dated as of July 31, 2024, by and between Bausch Health Companies Inc. and Bausch + Lomb Corporation, originally filed as Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2024 filed on August 1, 2024, which is incorporated by reference herein.†#
10.51	Intellectual Property Matters Agreement by and between Bausch Health Companies Inc. and Bausch + Lomb Corporation, dated as of March 30, 2022, originally filed as Exhibit 99.5 to the Company's Current Report on Form 8-K filed on March 30, 2022, which is incorporated by reference herein†#
10.52	Real Estate Matters Agreement by and between Bausch Health Companies Inc. and Bausch + Lomb Corporation, dated as of March 30, 2022, originally filed as Exhibit 99.6 to the Company's Current Report on Form 8-K filed on March 30, 2022, which is incorporated by reference herein†#
10.53	Registration Rights Agreement by and between Bausch Health Companies Inc. and Bausch + Lomb Corporation, dated as of March 30, 2022, originally filed as Exhibit 99.7 to the Company's Current Report on Form 8-K filed on March 30, 2022, which is incorporated by reference herein#
10.54	Loan Agreement by and between Bausch Health Companies Inc. and Bausch + Lomb Corporation, dated as of January 1, 2022, originally filed as Exhibit 10.10 to Bausch + Lomb Corporation's Registration Statement on Form S-1 filed on April 28, 2022, which is incorporated by reference herein.

Exhibit Number	Exhibit Description
10.55	Assignment, Assumption and Amendment Agreement between Bausch Health Companies Inc., Bausch + Lomb Corporation and Joseph Papa dated as of January 3, 2022, originally filed as Exhibit 10.18 to Bausch + Lomb Corporation's Registration Statement on Form S-1 filed on April 28, 2022, which is incorporated by reference herein.††
10.56	Assignment, Assumption and Amendment Agreement between Bausch Health Companies Inc., Bausch + Lomb Corporation and Sam A. Eldessouky dated as of January 3, 2022, originally filed as Exhibit 10.19 to Bausch + Lomb Corporation's Registration Statement on Form S-1 filed on April 28, 2022, which is incorporated by reference herein.††
10.57	Assignment, Assumption and Amendment Agreement between Bausch Health Companies Inc., Bausch + Lomb Corporation and Christina M. Ackermann dated as of January 3, 2022, originally filed as Exhibit 10.20 to Bausch + Lomb Corporation's Registration on Statement Form S-1 filed on April 28, 2022, which is incorporated by reference herein.††
10.58	Assignment, Assumption and Amendment Agreement between Bausch Health Companies Inc., Bausch + Lomb Corporation and Joseph F. Gordon dated as of January 3, 2022, originally filed as Exhibit 10.21 to Bausch + Lomb Corporation's Registration Statement on Form S-1 filed on April 28, 2022, which is incorporated by reference herein.††
10.59	Form of PSU Award Agreement, originally filed as Exhibit 10.1 to the Company's Current Report on Form 10-Q filed on May 4, 2023, which is incorporated by reference herein.†
10.60	Credit Agreement, dated as of May 10, 2022, as amended by the First Incremental Amendment, dated as of September 29, 2023, by and among Bausch + Lomb Corporation, certain subsidiaries of Bausch + Lomb Corporation as subsidiary guarantors, the lenders party thereto, Citibank, N.A., as collateral agent thereto, Goldman Sachs Bank USA, as term facility administrative agent thereto and JPMorgan Chase Bank, N.A., as first incremental term facility administrative agent thereto, originally filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed on September 29, 2023, which is incorporated by reference herein.
10.61	Third Amendment to Credit and Guaranty Agreement by and among Bausch + Lomb Corporation, certain subsidiaries of Bausch + Lomb Corporation as subsidiary guarantors, the lenders party thereto and other persons party thereto, JPMorgan Chase Bank, N.A. and Citibank, N.A., dated as of June 26, 2025, originally filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed on June 27, 2025, which is incorporated by reference herein.
10.62	Credit Agreement, dated as of May 10, 2022, as amended by the Second Incremental Amendment, dated as of November 1, 2022, by and among Bausch + Lomb Corporation, certain subsidiaries of Bausch + Lomb Corporation as subsidiary guarantors, the lenders party thereto and JPMorgan Chase Bank, N.A., as second incremental term facility administrative agent, originally filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed on November 1, 2024, which is incorporated by reference herein.
10.63	Fourth Amendment to Credit and Guaranty Agreement by and among Bausch + Lomb Corporation, certain subsidiaries of Bausch + Lomb Corporation as subsidiary guarantors, the lenders party thereto and other persons party thereto, JPMorgan Chase Bank, N.A. and Citibank, N.A., dated as of January 2, 2026, originally filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed on January 2, 2026, which is incorporated by reference herein.
19.1	Bausch Health Companies Inc. Blackout Policy originally filed as Exhibit 19.1 to the Company's Current Annual Report on Form 10-K for the year ended December 31, 2024, filed on February 20, 2025, which is incorporated by reference herein.
19.2*	Bausch Health Companies Inc. Insider Trading Policy.
21.1*	Subsidiaries of Bausch Health Companies Inc.
23.1*	Consent of PricewaterhouseCoopers LLP.

Exhibit Number	Exhibit Description
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.
97	Bausch Health Companies Inc. Compensation Recoupment Policy dated as of July 20, 2023, originally filed as Exhibit 97 to the Company's Annual Report on Form 10-K for the year ended December 31, 2023 filed with the SEC on February 22, 2024, which is incorporated by reference herein.†
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.

† Management contract or compensatory plan or arrangement.

Portions of this exhibit have been omitted because they are both (i) not material and (ii) would likely cause competitive harm to Bausch Health Companies Inc. if publicly disclosed.

†† One or more exhibits or schedules to this exhibit have been omitted pursuant to Item 601(a)(5) or Item 601(b)(2) of Regulation S-K. We undertake to furnish supplementally a copy of any omitted exhibit or schedule to the SEC upon request.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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: February 18, 2026

By: /s/ Thomas J. Appio
Thomas J. Appio
Chief Executive Officer
(Principal Executive Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Thomas J. Appio Thomas J. Appio	Chief Executive Officer and Director	February 18, 2026
/s/ Jean-Jacques Charhon Jean-Jacques Charhon	Executive Vice President, Chief Financial Officer (Principal Financial Officer)	February 18, 2026
/s/ Steven H. Lee Steven H. Lee	Senior Vice President, Controller and Chief Accounting Officer (Principal Accounting Officer)	February 18, 2026
/s/ John A. Paulson John A. Paulson	Chairperson of the Board, Director	February 18, 2026
/s/ Christian A. Garcia Christian A. Garcia	Director	February 18, 2026
/s/ Michael Goettler Michael Goettler	Director	February 18, 2026
/s/ Sarah B. Kavanagh Sarah B. Kavanagh	Director	February 18, 2026
/s/ Frank D. Lee Frank D. Lee	Director	February 18, 2026
/s/ Sandra Leung Sandra Leung	Director	February 18, 2026
/s/ Richard C. Mulligan Richard C. Mulligan	Director	February 18, 2026
/s/ Robert N. Power Robert N. Power	Director	February 18, 2026
/s/ Amy B. Wechsler Amy B. Wechsler	Director	February 18, 2026

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BAUSCH HEALTH COMPANIES INC.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of Bausch Health Companies Inc.

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Bausch Health Companies Inc. and its subsidiaries (the "Company") as of December 31, 2025 and 2024, and the related consolidated statements of operations, of comprehensive income (loss), of shareholders' equity (deficit) and of cash flows for each of the three years in the period ended December 31, 2025, including the related notes (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2025, based on criteria established in Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2025 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2025, based on criteria established in Internal Control — Integrated Framework (2013) issued by the COSO.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Annual Report on Internal Control Over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and

directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that (i) relate to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Medicaid Rebates and Sales Returns Allowances

As described in Note 2 to the consolidated financial statements, 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 these deductions are recorded concurrently with the recognition of gross product sales revenue as a reduction in revenue. The variable consideration provisions, either recognized within accrued and other current liabilities or as a reduction of trade receivables, included $348 million related to returns allowances and $1,352 million related to rebates, including Medicaid rebates, as of December 31, 2025. For certain rebate programs, such as Medicaid, provisions recognized by management are based on the terms of state government-managed programs and estimates of outstanding and future claims for end-customer sales and the sales mix. For sales returns, management estimates provisions utilizing existing return policies with customers, historical return and exchange levels, external data with respect to inventory levels in the distribution channel, external data with respect to prescription demand for products, remaining shelf lives of products at the date of sale, and estimated returns liability to be processed by year of sale based on an analysis of lot information related to actual historical returns.

The principal considerations for our determination that performing procedures relating to Medicaid rebates and sales returns allowances is a critical audit matter are (i) the significant judgment by management when developing the estimate of Medicaid rebates and sales returns allowances; (ii) a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating the terms of state government-managed Medicaid programs and existing return policies with customers and in evaluating management's significant assumptions related to estimates of outstanding and future claims for end-customer sales; and (iii) the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management's estimation of provisions for Medicaid rebates and sales returns allowances, including controls over the assumptions used to estimate these rebates and sales returns allowances. These procedures also included, among others (i) developing an independent estimate of Medicaid rebates by utilizing third-party information on inventory levels in the distribution channel, as applicable, the terms of the specific Medicaid rebate programs and the historical trends of actual Medicaid rebate claims paid, adjusted for price and projected market conditions; (ii) comparing the independent estimate for these Medicaid rebates to management's estimates to evaluate the reasonableness of management's estimate; (iii) testing management's process for developing the estimate of sales returns allowances; (iv) evaluating the appropriateness of the method used by management for estimating the sales returns allowances; (v) testing the completeness and accuracy of underlying data used in the estimate of sales returns allowances; (vi) evaluating the reasonableness of the significant assumptions used by management in developing the estimate of sales returns allowances related to estimates of outstanding and future claims for end-customer sales by considering current and historical return

trends and whether the assumptions were consistent with evidence obtained in other areas of the audit; and (vii) testing, on a sample basis, Medicaid rebates and sales returns claims processed by the Company, including evaluating those claims for consistency with the contractual terms of the Company's arrangements and policies. Professionals with specialized skill and knowledge were used to assist in evaluating whether the Company's Medicaid rebate program policies and methodology for estimating Medicaid rebates are compliant with the Center for Medicare and Medicaid Services (CMS) and federal regulations.

Goodwill Impairment Assessments — Salix and Generics Reporting Units

As described in Notes 2 and 8 to the consolidated financial statements, the Company's goodwill balance was $11,271 million as of December 31, 2025, and the goodwill associated with the Salix and Generics reporting units was $3,159 million and $82 million, respectively. Goodwill is not amortized but is tested for impairment at least annually as of October 1 at the reporting unit level. Management 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. Goodwill impairment is measured as the amount by which a reporting unit's carrying value exceeds its fair value. Fair value of each reporting unit is estimated by management using a discounted cash flow model. During the annual goodwill impairment test as of October 1, 2025, management performed separate quantitative fair value tests for the Salix and Generics reporting units. After completing the testing, the fair value of the Salix reporting unit exceeded its carrying value and therefore, there was no impairment to goodwill. As a result of increased competition within the generic pharmaceuticals market, the carrying value of the Generics reporting unit exceeded its fair value and the Company recognized a goodwill impairment of $145 million for the Generics reporting unit. Management's discounted cash flow model relies on assumptions regarding revenue growth rates, gross profit, projected working capital needs, selling, general and administrative expenses, research and development expenses, capital expenditures, income tax rates, discount rates, and terminal growth rates. As disclosed by management, in January 2026, management received the results for the double-blinded Phase 3 clinical trials for two clinical programs and both clinical trials failed to achieve their primary endpoints. As a result, management has revised its forecasts by updating assumptions and anticipates recognizing an impairment charge of approximately $1,400 million for the Salix reporting unit in the first quarter of 2026.

The principal considerations for our determination that performing procedures relating to the goodwill impairment assessments of the Salix and Generics reporting units is a critical audit matter are (i) the significant judgment by management when developing the fair value estimate of the Salix and Generics reporting units; (ii) a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating management's significant assumption related to revenue growth rates; and (iii) the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management's goodwill impairment assessments, including controls over the valuation of the Salix and Generics reporting units. These procedures also included, among others (i) testing management's process for developing the fair value estimate of the Salix and Generics reporting units; (ii) evaluating the appropriateness of the discounted cash flow model used by management; (iii) testing the completeness and accuracy of underlying data used in the discounted cash flow model; (iv) evaluating the reasonableness of the significant assumption used by management related to revenue growth rates; and (v) evaluating the sufficiency of the Company's disclosures in the consolidated financial statements. Evaluating management's assumption related to revenue growth rates involved evaluating whether the assumption used by management was reasonable considering (i) the current and past performance of the Salix and Generics reporting units; (ii) the consistency with external market and industry data; and (iii) whether the assumption was consistent with evidence obtained in other areas of the audit. Professionals with specialized skill and knowledge were used to assist in evaluating the appropriateness of the discounted cash flow model.

/s/ PricewaterhouseCoopers LLP
Florham Park, New Jersey
February 18, 2026

We have served as the Company's auditor since 2012.

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

	December 31, 2025	December 31, 2024
Assets		
Current assets:		
Cash and cash equivalents	$ 1,309	$ 1,181
Restricted cash	16	20
Trade receivables, net	2,351	2,140
Inventories, net	1,629	1,595
Prepaid expenses and other current assets	852	838
Total current assets	6,157	5,774
Property, plant and equipment, net	2,074	1,780
Intangible assets, net	4,643	5,551
Goodwill	11,271	11,087
Deferred tax assets, net	1,843	1,968
Other non-current assets	378	363
Total assets	$26,366	$26,523
Liabilities		
Current liabilities:		
Accounts payable	$ 600	$ 589
Accrued and other current liabilities	3,344	3,489
Financial leases	11	—
Current portion of long-term debt	225	2,674
Total current liabilities	4,180	6,752
Acquisition-related contingent consideration	254	310
Non-current portion of financial leases	23	—
Non-current portion of long-term debt	20,592	18,942
Deferred tax liabilities, net	147	128
Other non-current liabilities	793	713
Total liabilities	25,989	26,845
Commitments and contingencies (Notes 21 and 22)		
Equity (Deficit)		
Common shares, no par value, unlimited shares authorized, 370,531,987 and 367,843,058 issued and outstanding at December 31, 2025 and 2024, respectively	10,516	10,490
Additional paid-in capital	357	234
Accumulated deficit	(9,667)	(9,824)
Accumulated other comprehensive loss	(1,760)	(2,179)
Total Bausch Health Companies Inc. shareholders' deficit	(554)	(1,279)
Noncontrolling interest	931	957
Total equity (deficit)	377	(322)
Total liabilities and equity (deficit)	$26,366	$26,523

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

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

	Years Ended December 31,		
	2025	**2024**	**2023**
Revenues			
Product sales	$10,156	$ 9,518	$ 8,663
Other revenues	110	107	94
	10,266	9,625	8,757
Expenses			
Cost of goods sold (excluding amortization and impairments of intangible assets)	2,949	2,729	2,519
Cost of other revenues	64	53	40
Selling, general and administrative	3,438	3,296	2,917
Research and development	629	616	604
Amortization of intangible assets	1,001	1,077	1,077
Goodwill impairments	145	—	493
Asset impairments	8	29	54
Restructuring, integration and separation costs	77	32	62
Other expense, net	142	247	28
	8,453	8,079	7,794
Operating income	1,813	1,546	963
Interest income	48	33	26
Interest expense	(1,604)	(1,388)	(1,328)
Gain on extinguishment of debt	162	23	1
Foreign exchange and other	(52)	(47)	(52)
Income (loss) before income taxes	367	167	(390)
Provision for income taxes	(247)	(239)	(221)
Net income (loss)	120	(72)	(611)
Net loss attributable to noncontrolling interest	37	26	19
Net income (loss) attributable to Bausch Health Companies Inc.	$ 157	$ (46)	$ (592)
Earnings (loss) per share attributable to Bausch Health Companies Inc.			
Basic	$ 0.42	$ (0.13)	$ (1.62)
Diluted	$ 0.42	$ (0.13)	$ (1.62)
Weighted-average common shares			
Basic	370.9	368.0	364.9
Diluted	375.0	368.0	364.9

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

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

	Years Ended December 31,		
	2025	**2024**	**2023**
Net income (loss)	$120	$ (72)	$(611)
Other comprehensive income (loss)			
Pension and postretirement benefit plan adjustments:			
Net actuarial gain arising during the year	7	2	2
Amortization of prior service credit	(1)	(3)	(3)
Amortization or settlement recognition of net loss	—	2	3
Income tax expense	(1)	—	(1)
Foreign currency impact	1	—	(1)
Net pension and postretirement benefit plan adjustments	6	1	—
Foreign currency translation adjustment	390	(283)	170
Other comprehensive income (loss)	396	(282)	170
Comprehensive income (loss)	516	(354)	(441)
Comprehensive loss attributable to noncontrolling interest	60	10	24
Comprehensive income (loss) attributable to Bausch Health Companies Inc.	$576	$(344)	$(417)

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

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

	Bausch Health Companies Inc. Shareholders' Equity (Deficit)							
	Common Shares		Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Bausch Health Companies Inc. Shareholders' Equity (Deficit)	Noncontrolling Interest	Total Equity (Deficit)
	Shares	Amount						
Balance, January 1, 2023	**361.9**	**$10,391**	**$159**	**$(9,186)**	**$(2,056)**	**$ (692)**	**$952**	**$ 260**
Common shares issued under share-based compensation plans	3.3	32	(32)	—	—	—	—	—
Share-based compensation	—	—	132	—	—	132	—	132
Employee withholding taxes related to share-based awards	—	—	(24)	—	—	(24)	—	(24)
Vesting of B+L equity compensation	—	—	(21)	—	—	(21)	21	—
Noncontrolling interest distributions	—	—	—	—	—	—	(9)	(9)
Net loss	—	—	—	(592)	—	(592)	(19)	(611)
Other comprehensive income (loss)	—	—	—	—	175	175	(5)	170
Balance, December 31, 2023	**365.2**	**10,423**	**214**	**(9,778)**	**(1,881)**	**(1,022)**	**940**	**(82)**
Common shares issued under share-based compensation plans	2.6	67	(67)	—	—	—	—	—
Share-based compensation	—	—	150	—	—	150	—	150
Employee withholding taxes related to share-based awards	—	—	(26)	—	—	(26)	—	(26)
Vesting of B+L equity compensation	—	—	(37)	—	—	(37)	37	—
Noncontrolling interest distributions	—	—	—	—	—	—	(10)	(10)
Net loss	—	—	—	(46)	—	(46)	(26)	(72)
Other comprehensive (loss) income	—	—	—	—	(298)	(298)	16	(282)
Balance, December 31, 2024	**367.8**	**10,490**	**234**	**(9,824)**	**(2,179)**	**(1,279)**	**957**	**(322)**
Common shares issued under share-based compensation plans	2.7	26	(26)	—	—	—	—	—
Share-based compensation	—	—	216	—	—	216	—	216
Employee withholding taxes related to share-based awards	—	—	(24)	—	—	(24)	—	(24)
Vesting of B+L equity compensation	—	—	(43)	—	—	(43)	43	—
Noncontrolling interest distributions	—	—	—	—	—	—	(9)	(9)
Net income (loss)	—	—	—	157	—	157	(37)	120
Other comprehensive income (loss)	—	—	—	—	419	419	(23)	396
Balance, December 31, 2025	**370.5**	**$10,516**	**$357**	**$(9,667)**	**$(1,760)**	**$ (554)**	**$931**	**$ 377**

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

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

	Years Ended December 31,		
	2025	2024	2023
Cash Flows From Operating Activities			
Net income (loss)	$ 120	$ (72)	$ (611)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Depreciation and amortization of intangible assets	1,208	1,267	1,264
Amortization and write-off of debt discounts and debt issuance costs	94	55	65
Asset impairments	8	29	54
Goodwill impairment	145	—	493
Acquisition-related contingent consideration	(36)	14	59
Allowances for losses on trade receivables and inventories	71	62	56
Deferred income taxes	80	66	51
Net gain on sale of assets	(6)	(10)	(3)
Additions to accrued legal settlements	61	220	26
Payments of accrued legal settlements	(215)	(230)	(10)
Share-based compensation	216	150	132
Gain excluded from hedge effectiveness	(10)	(13)	(13)
Gain on extinguishment of debt	(162)	(23)	(1)
Third party fees paid in connection with the 2022 Exchange	—	—	(2)
Payments of contingent consideration adjustments, including accretion	(8)	(10)	(10)
Amortization of inventory step-up resulting from acquisitions	64	82	23
Foreign exchange and other	(11)	3	41
Changes in operating assets and liabilities:			
Trade receivables	(134)	(216)	(195)
Inventories	(12)	(267)	(322)
Prepaid expenses and other current assets	3	133	(223)
Accounts payable, accrued and other liabilities	(76)	357	158
Net cash provided by operating activities	1,400	1,597	1,032
Cash Flows From Investing Activities			
Acquisitions and other investments	(204)	(136)	(1,890)
Purchases of property, plant and equipment	(397)	(337)	(215)
Acquisition of intangible assets and other assets	(10)	(3)	(57)
Purchases of marketable securities	(11)	(12)	(27)
Proceeds from sale of marketable securities	8	14	26
Proceeds from sale of assets and businesses, net of costs to sell	7	7	5
Interest settlements from cross-currency swaps	12	13	13
Net cash used in investing activities	(595)	(454)	(2,145)
Cash Flows From Financing Activities			
Issuance of long-term debt, net of discounts	10,554	661	3,291
Repayments of long-term debt	(11,191)	(1,460)	(1,710)
Payment of employee withholding taxes related to share-based awards	(24)	(26)	(24)
Payments of acquisition-related contingent consideration	(26)	(27)	(35)
Payments of financing costs	(45)	(5)	(36)
Other	(10)	(11)	(11)
Net cash (used in) provided by financing activities	(742)	(868)	1,475
Effect of exchange rate changes on cash and cash equivalents	61	(36)	9
Net increase in cash, cash equivalents and restricted cash	124	239	371
Cash, cash equivalents and restricted cash, beginning of year	1,201	962	591
Cash, cash equivalents and restricted cash, end of year	$ 1,325	$ 1,201	$ 962
Cash and cash equivalents, end of year	$ 1,309	$ 1,181	$ 947
Restricted cash, end of year	16	20	15
Cash, cash equivalents and restricted cash, end of year	$ 1,325	$ 1,201	$ 962

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

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. Effective August 9, 2013, the Company continued from the federal jurisdiction of Canada to the Province of British Columbia, meaning that the Company became a company registered under the laws of the Province of British Columbia as if it had been incorporated under the laws of the Province of British Columbia. As a result of this continuance, the legal domicile of the Company became the Province of British Columbia, the Canada Business Corporations Act ceased to apply to the Company and the Company became subject to the British Columbia Business Corporations Act.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Use of Estimates

The Consolidated Financial Statements have been prepared by the Company in United States ("U.S.") dollars and in accordance with U.S. generally accepted accounting principles ("U.S. GAAP"), applied on a consistent basis. The 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.

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 Bausch + Lomb's outstanding common shares as of December 31, 2025.

The completion of the full B+L Separation, which may be accomplished by the monetization of all or a portion of the Company's ownership interest in Bausch + Lomb, the transfer of all or a portion of the Company's remaining direct or indirect equity interest in Bausch + Lomb to its shareholders, 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 21, "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 audited Consolidated Financial Statements do not include any adjustments to give effect to the B+L Separation.

Use of Estimates

In preparing the Company's Consolidated Financial Statements, management is required to make estimates and assumptions. This includes estimates and assumptions regarding the nature, timing and

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

extent of certain global macroeconomic conditions, including, but not limited to, those related to inflation and supply chain, will have on the Company's operations and cash flows. 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 financial statements and the reported amounts of revenues and expenses during the reporting periods. Significant estimates made by management include: provisions for product returns, rebates, chargebacks, discounts and allowances and distribution fees paid to certain wholesalers; useful lives of amortizable intangible assets and property, plant and equipment; expected future cash flows used in evaluating intangible assets for impairment, assessing compliance with debt covenants and making going concern assessments; reporting unit fair values for testing goodwill for impairment; acquisition-related contingent consideration liabilities; provisions for loss contingencies; provisions for income taxes, uncertain tax positions and realizability of deferred tax assets; fair value of cross-currency swaps; fair value of foreign currency exchange contracts; and the recognition of the fair value of assets and liabilities acquired in a business combination or asset acquisition. Under certain product manufacturing and supply agreements, management uses information from the Company's commercialization counterparties to arrive at estimates for future returns, rebates and chargebacks.

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 Consolidated Financial Statements could be materially impacted.

Reclassifications

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

Acquisitions

Acquired businesses are accounted for using the acquisition method of accounting, which requires that assets acquired and liabilities assumed be recorded at fair value, with limited exceptions. Transaction costs and costs to restructure the acquired company are expensed as incurred. The operating results of the acquired business are reflected in the Consolidated Financial Statements after the date of acquisition. Acquired in-process research and development ("IPR&D") is recognized at fair value and initially characterized as an indefinite-lived intangible asset, irrespective of whether the acquired IPR&D has an alternative future use. If the acquired net assets do not constitute a business, the transaction is accounted for as an asset acquisition and no goodwill is recognized. In an asset acquisition, the amount allocated to acquired IPR&D is charged to Other expense, net at the acquisition date and any contingent consideration is not recorded until it becomes probable and reasonably estimable.

Fair Value of Financial Instruments

The estimated fair values of cash and cash equivalents, trade receivables, accounts payable and accrued liabilities approximate their carrying values due to their short maturity periods. The fair value of acquisition-related contingent consideration is based on estimated discounted future cash flows or Monte Carlo Simulation (when appropriate) analyses and assessment of the probability of occurrence of potential future events.

Fair Value of Derivative Instruments

The accounting for changes in the fair value of a derivative instrument depends on whether the instrument has been designated and qualifies as part of a hedging relationship and on the type of hedging relationship. For derivative instruments designated and qualifying as hedging instruments, the hedging instrument must be designated, based upon the exposure being hedged, as a fair value hedge, cash flow

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

hedge, or a hedge of the foreign currency exposure of a net investment in a foreign operation. For derivative instruments not designated as hedging instruments, the gain or loss is recognized in the Consolidated Statements of Operations during the current period.

Bausch + Lomb's cross-currency swaps qualify for and have been designated as an accounting 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 fair value is determined via a mark-to-market analysis, using observable (Level 2) inputs. These inputs included: (i) the foreign currency exchange spot rate between the euro and U.S. dollar, (ii) the interest rate yield curves in the euro and U.S. dollar and (iii) the credit risk rating for each applicable counterparty. The net change in fair value of cross-currency swaps is reported as a gain or loss in the Consolidated Statements of Comprehensive Income (Loss) as part of Foreign currency translation adjustment to the extent they are effective, and remain in Accumulated other comprehensive income (loss) until either the sale or complete, or substantially complete liquidation of the subsidiary. No portion of the cross-currency swaps was ineffective. Bausch + Lomb uses the spot method of assessing hedge effectiveness. Bausch + Lomb has elected to amortize amounts excluded from the assessment of effectiveness over the term of its cross-currency swaps as a reduction of Interest expense in the Consolidated Statements of Operations.

The Company uses foreign currency exchange contracts to economically hedge the foreign exchange exposure on certain of the Company's intercompany and third party balances. 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. These contracts have not been designated as an accounting hedge, and therefore the net change in their fair value is reported as a gain or loss in the Consolidated Statements of Operations as part of Foreign exchange and other. Settlements of the Company's foreign currency exchange contracts are reported as a gain or loss in the Consolidated Statements of Operations as part of Foreign exchange and other and reported as operating activities in the Consolidated Statements of Cash Flows.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash in bank accounts and highly liquid investments with maturities of three months or less when purchased.

Concentrations of Credit Risk

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist primarily of cash and cash equivalents, marketable securities, trade receivables, cross-currency swaps and foreign currency exchange contracts.

The Company invests its excess cash in high-quality, money market instruments and term deposits with varying maturities, but typically less than three months. Cash deposited at banks may exceed the amount of insurance provided on such deposits. Generally, these cash deposits may be redeemed upon demand and are maintained with financial institutions with reputable credit and therefore bear minimal credit risk. The Company seeks to mitigate such risks by spreading its risk across multiple counterparties and monitoring the risk profiles of these counterparties.

The Company's trade receivables primarily represent amounts due from wholesale distributors, retail pharmacies, government entities and group purchasing organizations. Outside of the U.S., concentrations of credit risk with respect to trade receivables, which are typically unsecured, are limited due to the number of customers using the Company's products, as well as their dispersion across many different geographic regions. The Company performs periodic credit evaluations of customers and does not require collateral. The Company monitors economic conditions, including volatility associated with international economies, and related impacts on the relevant financial markets and its business, especially in light of

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

sovereign credit issues. The credit and economic conditions within Algeria, Argentina, Belarus, Brazil, Greece, Iran, Russia, Senegal, Serbia, South Africa, Turkey, Ukraine and Venezuela have been weak in recent years. These conditions have increased, and may continue to increase the average length of time that it takes to collect on the Company's trade receivables outstanding in these countries.

As of December 31, 2025, the Company's three largest U.S. wholesaler customers accounted for approximately 43% of net trade receivables. In addition, as of December 31, 2025 and 2024, the Company's net trade receivable balance from Algeria, Argentina, Belarus, Brazil, Greece, Iran, Russia, Senegal, Serbia, South Africa, Turkey, Ukraine and Venezuela amounted to approximately $197 million and $144 million, respectively, the majority of which is current or less than 90 days past due. The portion of the net trade receivable from these countries that is past due more than 90 days amounted to less than $1 million as of December 31, 2025, a portion of which is comprised of public hospitals. Based on an analysis of credit risk, including an analysis of bad debt experience and assessment of historical payment patterns for such customers, the Company has established a reserve covering more than half of the balance past due more than 90 days for such countries. Over the three-year period ended December 31, 2025, the Company has not experienced any material losses from uncollectible accounts in excess of the established reserves.

The Company does not enter into financial instruments for trading or speculative purposes. Further, the Company has a policy of only entering into contracts with parties that have at least an investment grade credit rating. The Company enters into cross-currency swaps and foreign currency exchange contracts with high credit quality financial institutions. The counter-parties to the Company's cross-currency swaps and foreign currency exchange contracts are major financial institutions, and there is no significant concentration of exposure with any one counter-party. To date, no counterparty has failed to meet its obligations to the Company and management believes the risk of loss associated with these contracts is remote. See Note 5, "FAIR VALUE MEASUREMENTS" for additional details regarding the Company's cross-currency swaps and foreign currency exchange contracts.

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 collaterals (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 receivable 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. Allowance for credit losses were $31 million, $30 million and $34 million as of December 31, 2025, 2024 and 2023, respectively. The activity in the allowance for credit losses for trade receivables was as follows:

(in millions)	2025	2024	2023
Balance, beginning of year	$30	$34	$33
Provision for expected credit losses	10	4	5
Write-offs charged against the allowance	(7)	(4)	(5)
Recoveries of amounts previously written off	(1)	3	3
Foreign exchange and other	(1)	(7)	(2)
Balance, end of year	$31	$30	$34

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inventories

Inventories comprise raw materials, work in process and finished goods, which are valued at the lower of cost or net realizable value, on a first-in, first-out basis. The cost value for work in process and finished goods inventories includes materials, direct labor and an allocation of overheads.

The Company evaluates the carrying value of inventories on a regular basis, taking into account such factors as historical and anticipated future sales compared with quantities on hand, the price the Company expects to obtain for products in their respective markets compared with historical cost and the remaining shelf life of goods on hand.

Property, Plant and Equipment

Property, plant and equipment are reported at cost, less accumulated depreciation. Costs incurred on assets under construction are capitalized as construction in progress. Depreciation is calculated using the straight-line method, commencing when the assets become available for productive use, based on the following estimated useful lives:

Land improvements	15 – 30 years
Buildings and improvements	Up to 40 years
Machinery and equipment	Up to 20 years
Other equipment	3 – 10 years
Equipment on operating lease	Up to 5 years
Leasehold improvements	Lesser of term of lease or 10 years

Intangible Assets

Intangible assets are reported at cost, less accumulated amortization and impairments. Intangible assets with finite lives are amortized over their estimated useful lives. Amortization is calculated primarily using the straight-line method based on the following estimated useful lives:

Product brands	5 – 20 years
Corporate brands	1 – 20 years
Product rights/patents	3 – 15 years
Partner relationships, technology and other	1 – 9 years

Acquired In-Process Research and Development

The fair value of IPR&D acquired through a business combination is capitalized as an indefinite-lived intangible asset until the completion or abandonment of the related research and development activities. When the related research and development is completed, the asset will be assigned a useful life and amortized. Acquired IPR&D assets are tested for impairment at least annually or when triggering events are identified.

The fair value of an acquired IPR&D intangible asset is typically determined using an income approach. This approach starts with a forecast of the net cash flows expected to be generated by the asset over its estimated useful life. The net cash flows reflect the asset's stage of completion, the probability of technical success, the projected costs to complete, expected market competition and an assessment of the asset's life-cycle. The net cash flows are then adjusted to present value by applying an appropriate discount rate that reflects the risk factors associated with the expected cash flow streams. IPR&D acquired through an asset acquisition is expensed.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of Long-Lived Assets

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. If indicators of impairment are present, the asset is tested for recoverability by comparing the carrying value of the asset to the related estimated undiscounted future cash flows expected to be derived from the asset, which include the amount and timing of the projected future cash flows. If the expected undiscounted cash flows are less than the carrying value of the asset, then the asset is considered to be impaired and its carrying value is written down to fair value, based on the related estimated discounted future cash flows.

Indefinite-lived intangible assets, which includes acquired IPR&D and the corporate trademark acquired in the acquisition of Bausch & Lomb Holdings Incorporated (the "B&L Trademark"), are tested for impairment annually or more frequently if events or changes in circumstances between annual tests indicate that the asset may be impaired. Impairment losses on indefinite-lived intangible assets are recognized based on a comparison of the fair value of the asset to its carrying value.

Goodwill

Goodwill is recorded with the acquisition of a business and is calculated as the difference between the acquisition date fair value of the consideration transferred and the values assigned to the assets acquired and liabilities assumed. Goodwill is not amortized but is tested for impairment at least annually as of October 1st at the reporting unit level. Goodwill impairment is measured as the amount by which a reporting unit's carrying value exceeds its fair value. A reporting unit is the same as, or one level below, an operating segment. An entity is permitted to first assess qualitatively whether it is necessary to perform a quantitative impairment test for any of its reporting units. The quantitative impairment test is required only when the Company concludes that it is more likely than not that a reporting unit's fair value is less than its carrying amount. In evaluating whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount, the Company considers the totality of all relevant events or circumstances that affect the fair value or carrying amount of a reporting unit.

An interim goodwill impairment test may be required if events occur that indicate an impairment might be present. For example, a substantial decline in the Company's market capitalization, changes in reportable segments, unexpected adverse business conditions, economic factors, including rising interest rates and unanticipated competitive activities may signal that an interim impairment test is needed. Accordingly, among other factors, the Company monitors changes in its share price between annual impairment tests. The Company considers a decline in its share price that corresponds to an overall deterioration in stock market conditions to be less of an indicator of goodwill impairment than a unilateral decline in its share price reflecting adverse changes in its underlying operating performance, cash flows, financial condition and/or liquidity. In the event that the Company's market capitalization does decline below its book value, the Company would consider the length and severity of the decline and the reason for the decline when assessing whether potential goodwill impairment exists. The Company believes that short-term fluctuations in share prices may not necessarily reflect underlying values.

Debt Discounts and Premiums, Issuance Costs and Deferred Financing Costs

Debt discounts, premiums and issuance costs are presented in the Consolidated Balance Sheets as a direct deduction from or addition to the carrying amount of the related debt and are amortized or accreted, using the effective interest method, as interest expense over the contractual lives of the related credit facilities or notes. Deferred financing costs associated with revolving credit facility arrangements are included in the balances of Prepaid expenses and other current assets and Other non-current assets in the Consolidated Balance Sheets and are amortized as interest expense over the contractual life of the related revolving credit facility.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Company accounts for exchanges of debt in accordance with Accounting Standards Codifications ("ASC") 470-60 which has resulted in certain debt being carried at a premium relative to its principal amount as well as a portion of contractual interest cost being recorded as a reduction of that premium rather than as interest expense when paid.

Foreign Currency Translation

The assets and liabilities of the Company's foreign operations having a functional currency other than the U.S. dollar are translated into U.S. dollars at the exchange rate prevailing at the balance sheet date, and at the average exchange rate for the reporting period for revenue and expense accounts. The cumulative foreign currency translation adjustment is recorded as a component of Accumulated other comprehensive loss in the Consolidated Balance Sheets.

Foreign currency exchange gains and losses on transactions occurring in a currency other than an operation's functional currency are recognized as a component of Foreign exchange and other in the Consolidated Statements of Operations.

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 23, "SEGMENT INFORMATION" for the disaggregation of revenue which depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by the economic factors of each category of customer contracts.

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

Product Sales

A contract with the Company's customers exists for each product sale. Where a contract with a customer contains more than one performance obligation, the Company allocates the transaction price to each distinct performance obligation based on its relative standalone selling price. The transaction price is adjusted for variable consideration which is discussed below. The Company generally recognizes revenue for product sales at a point in time when the customer obtains control of the products.

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

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. These judgments include the potential impact of macroeconomic factors on, among other things, unemployment and related changes in customer health insurance levels and government stimulus bills that focus on ensuring availability and access to lifesaving drugs during a public health crisis. 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 describes the major sources of variable consideration in the Company's customer arrangements and the methodology, estimates and judgments applied to estimate each type of variable consideration.

The following table presents the activity and ending balances of the Company's variable consideration provisions for 2025 and 2024.

(in millions)	Discounts and Allowances	Returns	Rebates	Chargebacks	Distribution Fees	Total
Reserve balance, January 1, 2024	$ 191	$ 380	$ 1,108	$ 216	$ 44	$ 1,939
Current period provision	675	160	3,744	1,935	293	6,807
Payments and credits	(696)	(168)	(3,431)	(1,962)	(252)	(6,509)
Reserve balance, December 31, 2024	170	372	1,421	189	85	2,237
Current period provision	730	125	4,364	1,644	315	7,178
Payments and credits	(727)	(149)	(4,433)	(1,708)	(336)	(7,353)
Reserve balance, December 31, 2025	$ 173	$ 348	$ 1,352	$ 125	$ 64	$ 2,062

Included in rebates in the table above are cooperative advertising credits due to customers of approximately $31 million and $36 million as of December 31, 2025 and 2024, respectively, which are reflected as a reduction of Trade receivables, net in the Consolidated Balance Sheets.

Cash Discounts and Allowances

Cash discounts are offered for prompt payment and allowances for volume purchases. Provisions for cash discounts and allowances are estimated at the time of sale and recorded as direct reductions to trade receivables and revenue. Management estimates the provisions for cash discounts and allowances based on contractual sales terms with customers, an analysis of unpaid invoices and historical payment

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

experience. Estimated cash discounts and allowances have historically been predictable and less subjective, due to the limited number of assumptions involved, the consistency of historical experience and the fact that these amounts are generally settled within one month of incurring the liability.

Returns

Consistent with industry practice, customers are generally allowed to return a product within a specified period of time before and after its expiration date, excluding European businesses which generally do not provide a right of return. The returns provision is estimated utilizing historical sales and return rates over the period during which customers have a right of return, taking into account available information on competitive products and contract changes. The information utilized to estimate the returns provision includes: (i) historical return and exchange levels, (ii) external data with respect to inventory levels in the distribution channel, (iii) external data with respect to prescription demand for products, (iv) remaining shelf lives of products at the date of sale and (v) estimated returns liability to be processed by year of sale based on an analysis of lot information related to actual historical returns.

In determining the estimate for returns, management is required to make certain assumptions regarding the timing of the introduction of new products and the potential of these products to capture market share. In addition, certain assumptions with respect to the extent and pattern of decline associated with generic competition are necessary. These assumptions are formulated using market data for similar products, past experience and other available information. These assumptions are continually reassessed, and changes to the estimates and assumptions are made as new information becomes available.

The estimate for returns may be impacted by a number of factors, but the principal factor relates to the inventory levels in the distribution channel. When management becomes aware of an increase in such inventory levels, it considers whether the increase may be temporary or other-than-temporary. Temporary increases in wholesaler inventory levels will not warrant revision to the provision for returns. Other-than-temporary increases in wholesaler inventory levels, however, may be an indication that future product returns could be higher than originally anticipated, and, as a result, estimates for returns may need to be adjusted. Factors that suggest increases in wholesaler inventory levels are temporary include: (i) recently implemented or announced price increases for certain products, (ii) new product launches or expanded indications for existing products and (iii) timing of purchases by wholesale customers. Conversely, factors that suggest increases in wholesaler inventory levels are other-than-temporary include: (i) declining sales trends based on prescription demand, (ii) introduction of new products or generic competition, (iii) increasing price competition from generic competitors and (iv) changes to the U.S. National Drug Codes ("NDC") of products. Changes in the NDC of products could result in a period of higher returns related to products with the old NDC, as U.S. customers generally permit only one NDC per product for identification and tracking within their inventory systems.

Over the last several years, the Company increased its focus on maximizing operational efficiencies and continues to take actions to reduce product returns, including but not limited to: (i) monitoring and reducing customer inventory levels, (ii) instituting disciplined pricing policies and (iii) improving contracting. These actions have had the effect of improving sales return experience, primarily related to branded and generic products. Sales return provisions for 2025 and 2024 were $125 million and $160 million, respectively.

Rebates and Chargebacks

Product sales made under governmental and managed-care pricing programs in the U.S. are subject to rebates. Bausch + Lomb participates in state government-managed Medicaid programs, as well as certain other qualifying federal and state government programs whereby rebates are provided to participating government entities. Medicaid rebates are generally billed 45 days to 270 days after the quarter in which the product is dispensed to the Medicaid participant. As a result, the Medicaid rebate reserve includes an

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

estimate of outstanding claims for end-customer sales that occurred, but for which the related claim has not been billed and/or paid, and an estimate for future claims that will be made when inventory in the distribution channel is sold through to plan participants. The calculation of the Medicaid rebate reserve also requires other estimates, such as estimates of sales mix, to determine which sales are subject to rebates and the amount of such rebates. Quarterly, the Medicaid rebate reserve is adjusted based on actual claims paid. Due to the delay in billing, adjustments to actual claims paid may incorporate revisions of that reserve for several periods.

Managed Care rebates relate to contractual agreements to sell products to managed care organizations and pharmacy benefit managers at contractual rebate percentages in exchange for volume and/or market share.

Chargebacks relate to contractual agreements to sell products to government agencies, group purchasing organizations and other indirect customers at contractual prices that are lower than the list prices the Company charges wholesalers. When these group purchasing organizations or other indirect customers purchase products through wholesalers at these reduced prices, the wholesaler charges the Company for the difference between the prices they paid the Company and the prices at which they sold the products to the indirect customers.

In estimating provisions for rebates and chargebacks, management considers relevant statutes with respect to governmental pricing programs and contractual sales terms with managed-care providers and group purchasing organizations. Management estimates the amount of product sales subject to these programs based on historical utilization levels. Changes in the level of utilization of products through private or public benefit plans and group purchasing organizations will affect the amount of rebates and chargebacks that the Company is obligated to pay. Management continually updates these factors based on new contractual or statutory requirements, and any significant changes in sales trends that may impact the percentage of products subject to rebates or chargebacks.

The amount of Managed Care, Medicaid and other rebates and chargebacks has become more significant as a result of a combination of deeper discounts implemented in each of the last three years, changes in the Company's product mix and increased Medicaid utilization due to expansion of government funding for these programs. Management's estimate for chargebacks may be impacted by a number of factors, but the principal factor relates to the level of inventory in the distribution channel. In 2025, Bausch Health US, LLC ("BHUS") ceased participation in two optional Federal drug pricing programs — the Medicaid Drug Rebate Program and the 340B Drug Pricing Program ("340B"). BHUS provided notice to the Centers for Medicare & Medicaid Services and the Health Resources and Services Administration of the end of its participation in these programs effective September 30, 2025.

Rebate provisions are based on factors such as timing and terms of plans under contract, time to process rebates, product pricing, sales volumes, amount of inventory in the distribution channel and prescription trends. Adjustments to actual for the years 2025 and 2024 were not material to the Company's revenues or earnings.

Patient Co-Pay Assistance programs, Consumer Rebates and Loyalty Programs are rebates offered on many of the Company's products. Patient Co-Pay Assistance Programs are patient discount programs offered in the form of coupon cards or point of sale discounts, with which patients receive certain discounts off their prescription at participating pharmacies, as defined by the specific product program. An accrual for these programs is established, equal to management's estimate of the discount, rebate and loyalty incentives attributable to a sale. That estimate is based on historical experience and other relevant factors. The accrual is adjusted throughout each quarter based on actual experience and changes in other factors, if any.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Distribution Fees

The Company sells products primarily to wholesalers, and in some instances to large pharmacy chains such as CVS and Walmart. The Company has Distribution Services Agreements ("DSAs") with several large wholesale customers such as McKesson Corporation, Cencora Inc., Cardinal Health, Inc. and McKesson Specialty. Under the DSAs, the wholesalers agree to provide services, and the Company pays the contracted DSA distribution service fees for these services based on product volumes. Additionally, price appreciation credits are generated when the Company increases a product's wholesaler acquisition cost ("WAC") under contracts with certain wholesalers. Under such contracts, the Company is entitled to credits from such wholesalers for the impact of that WAC increase on inventory currently on hand at the wholesalers. Such credits are offset against the total distribution service fees paid to each such wholesaler. The variable consideration associated with price appreciation credits is reflected in the transaction price of products sold when it is determined to be probable that a significant reversal will not occur. Included as a reduction of current period provisions for Distribution Fees in the table above are price appreciation credits of $18 million for each of the years 2025 and 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.

Sales Commissions

Sales commissions are generally attributed to periods shorter than one year and therefore are expensed when incurred. Sales commissions are included in selling, general and administrative expenses.

Financing Component

The Company has elected not to adjust consideration for the effects of a significant financing component when the period between the transfer of a promised good or service to the customer and when the customer pays for that good or service will be one year or less. The Company's global payment terms are generally between thirty to ninety days.

Leases

The Company leases certain facilities, vehicles and equipment principally under multi-year agreements generally having a lease term of one to twenty years, some of which include termination options and options to extend the lease term. The Company includes options that are reasonably certain to be exercised as part of the lease term. The Company may negotiate termination clauses in anticipation of changes in market conditions but generally, these termination options are not exercised. Certain lease agreements also include variable payments that are dependent on usage or may vary month-to-month such as insurance, taxes and maintenance costs. None of the Company's lease agreements contain material residual value guarantees or material restrictive covenants.

The Company is required to record a right-of-use asset and corresponding lease liability, equal to the present value of the lease payments at the commencement date of each lease. For all asset classes, in determining future lease payments, the Company has elected to aggregate lease components, such as payments for rent, taxes and insurance costs with non-lease components such as maintenance costs, and account for these payments as a single lease component. In limited circumstances, when the information necessary to determine the rate implicit in a lease is available, the present value of the lease payments is determined using the rate implicit in that lease. If the information necessary to determine the rate implicit in a lease is not available, the Company uses its incremental borrowing rate at the commencement of the

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

lease, which represents the rate of interest that the Company would incur to borrow on a collateralized basis over a similar term.

All leases must be classified as either an operating lease or finance lease. The classification is determined based on whether substantive control has been transferred to the lessee. The classification governs the pattern of lease expense recognition. For leases classified as operating leases, total lease expense over the term of the lease is equal to the undiscounted payments due in accordance with the lease arrangement. Fixed lease expense is recognized periodically on a straight-line basis over the term of each lease and includes: (i) imputed interest during the period on the lease liability determined using the effective interest rate method plus (ii) amortization of the right-of-use asset for that period. Amortization of the right-of-use asset during the period is calculated as the difference between the straight-line expense and the imputed interest on the lease liability for that period. Variable lease expense is recognized when the achievement of the specific target is considered probable.

Research and Development Expenses

Costs related to internal research and development programs, including costs associated with the development of acquired IPR&D, are expensed as goods are delivered or services are performed. Under certain research and development arrangements with third parties, the Company may be required to make payments that are contingent on the achievement of specific developmental, regulatory and/or commercial milestones. Milestone payments made to third parties before a product receives regulatory approval, but after the milestone is determined to be probable, are expensed and included in Research and development expenses**.** Milestone payments made to third parties after regulatory approval is received are capitalized and amortized over the estimated useful life of the approved product.

Amounts due from third parties as reimbursement of development activities conducted under certain research and development arrangements are recognized as a reduction of Research and development expenses.

Legal Costs

Legal fees and other costs related to litigation and other legal proceedings or services are expensed as incurred and are included in Selling, general and administrative expenses. Certain legal costs associated with acquisitions are included in Acquisition-related costs and certain legal costs associated with divestitures, legal settlements and other business development activities are included in Litigation and other matters or Net gain on sale of assets within Other expense, net, in the Consolidated Statements of Operations as appropriate. Legal costs expensed are reported net of expected insurance recoveries. A claim for insurance recovery is recognized when realization becomes probable.

Advertising Costs

Advertising costs comprise product samples, print media, promotional materials and television advertising and are expensed on the first use of the advertisement. Included in Selling, general and administrative expenses are advertising costs of $766 million, $786 million and $625 million, for 2025, 2024 and 2023, respectively.

Share-Based Compensation

The Company recognizes all share-based payments to employees, including grants of employee stock options and restricted share units ("RSUs"), at estimated fair value. The Company amortizes the fair value of stock option or RSU grants on a straight-line basis over the requisite service period of the individual stock option or RSU grant, which generally equals the vesting period. Stock option and RSU forfeitures are estimated at the time of grant and revised, if necessary, in subsequent periods if actual

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

forfeitures differ from those estimates. Share-based compensation is recorded in Research and development expenses and Selling, general and administrative expenses, as appropriate.

Acquisition-Related Contingent Consideration

Acquisition-related contingent consideration, which primarily consists of potential milestone payments and royalty obligations, is recorded in the Consolidated Balance Sheets at its acquisition date estimated fair value, in accordance with the acquisition method of accounting. The fair value of the acquisition-related contingent consideration is remeasured each reporting period, with changes in fair value recorded in the Consolidated Statements of Operations. The fair value measurement is based on significant inputs not observable in the market and thus represents a Level 3 measurement as defined in fair value measurement accounting.

Interest Expense

Interest expense includes standby fees, the amortization of debt discounts and deferred financing costs, accretion of debt premiums and the amortization of amounts excluded from the assessment of effectiveness related to the Company's cross-currency swaps. Interest expense is generally expensed as incurred. The Company accounts for exchanges of debt in accordance with ASC 470 which has resulted in certain debt being carried at a premium relative to its principal amount as well as a portion of contractual interest cost being recorded as a reduction of that premium rather than as interest expense. Therefore, interest expense recorded in the Company's consolidated financial statements differs significantly from the contractual interest rates of the debt subject to this accounting treatment. To the extent interest is related to construction in progress, interest is capitalized. Capitalized interest related to construction in progress as of December 31, 2025 and 2024 was $115 million and $91 million, respectively, and is included in Property, plant and equipment, net.

Income Taxes

Income taxes are accounted for under the liability method. Deferred tax assets and liabilities are recognized for the temporary differences between the financial statement and income tax bases of assets and liabilities, and for operating losses and tax credit carryforwards. A valuation allowance is provided for the portion of deferred tax assets that is more likely than not to remain unrealized. Deferred tax assets and liabilities are measured using enacted tax rates and laws. Deferred tax assets for outside basis differences in investments in subsidiaries are only recognized if the difference will be realized in the foreseeable future.

The tax benefit from an uncertain tax position is recognized only if it is more likely than not that the tax position will be sustained upon examination by the appropriate taxing authority, based on the technical merits of the position. The tax benefits recognized from such position are measured based on the amount for which there is a greater than 50% likelihood of being realized upon settlement. Liabilities associated with uncertain tax positions are classified as long-term unless expected to be paid within one year. Interest and penalties related to uncertain tax positions, if any, are recorded in the provision for income taxes and classified with the related liability on the consolidated balance sheets.

Earnings (loss) per share attributable to Bausch Health Companies Inc.

Basic earnings (loss) per share attributable to Bausch Health Companies Inc. is calculated by dividing Net income (loss) attributable to Bausch Health Companies Inc. by the weighted-average number of common shares outstanding during the reporting period. Diluted income (loss) per share attributable to Bausch Health Companies Inc. is calculated by dividing Net income (loss) attributable to Bausch Health Companies Inc. by the weighted-average number of common shares outstanding during the reporting

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

period after giving effect to dilutive potential common shares for stock options and RSUs, determined using the treasury stock method.

Comprehensive income (loss)

Comprehensive income (loss) comprises Net income (loss) and Other comprehensive income (loss). Other comprehensive income (loss) includes items such as foreign currency translation adjustments, unrealized holding gains and losses on available-for-sale and other investments and certain pension and other postretirement benefit plan adjustments. Accumulated other comprehensive loss is recorded as a component of shareholders' equity.

Contingencies

In the normal course of business, the Company is subject to loss contingencies, such as claims and assessments arising from litigation and other legal proceedings, contractual indemnities, product and environmental liabilities and tax matters. Accruals for loss contingencies are recorded when the Company determines that it is both probable that a liability has been incurred and the amount of loss can be reasonably estimated. If the estimate of the amount of the loss is a range and some amount within the range appears to be a better estimate than any other amount within the range, that amount is accrued as a liability. If no amount within the range is a better estimate than any other amount, the minimum amount of the range is accrued as a liability. These accruals are adjusted periodically as assessments change or additional information becomes available.

If no accrual is made for a loss contingency because the amount of loss cannot be reasonably estimated, the Company will disclose contingent liabilities when there is at least a reasonable possibility that a loss or an additional loss may have been incurred.

Employee Benefit Plans

The Company sponsors various retirement and pension plans, including defined benefit pension plans, defined contribution plans and a participatory defined benefit postretirement plan. The determination of defined benefit pension and postretirement plan obligations and their associated expenses requires the use of actuarial valuations to estimate the benefits employees earn while working, as well as the present value of those benefits. Net actuarial gains and losses that exceed 10 percent of the greater of the plan's projected benefit obligations or the market-related value of assets are amortized to earnings over the shorter of the estimated average future service period of the plan participants (or the estimated average future lifetime of the plan participants if the majority of plan participants are inactive) or the period until any anticipated final plan settlements.

Recently Issued Accounting Standards, Adopted as of December 31, 2025

In December 2023, the Financial Accounting Standards Board (the "FASB") issued Accounting Standards Update ("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. ASU 2023-09 is effective beginning with the 2025 annual report for fiscal year ended December 31, 2025 and the Company has adopted ASU 2023-09 on a prospective basis. See Note 17, "INCOME TAXES" for application of this standard.

Recently Issued Accounting Standards, Not Adopted as of December 31, 2025

In September 2025, the FASB issued ASU 2025-06, Intangibles — Goodwill and Other — Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

("ASU 2025-06"). ASU 2025-06 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 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 guidance is effective January 1, 2026. The Company has elected the practical expedient and the application of the ASU 2025-05 will not have a material effect 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.

3. 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.

2025 Acquisitions

Acquisition of Wuhan Shibo Zhenmei Technology Co., Ltd.

During December 2025, the Company, completed the acquisition of Wuhan Shibo Zhenmei Technology Co., Ltd. ("Shibo Zhenmei"), consisting of the aesthetics distribution business of its full-service distributor in China, the Shibo Group (the "Shibo Zhenmei Acquisition"). Through this transaction, the Company assumed full responsibility for the distribution of Solta Medical's entire product portfolio, including Thermage® FLX as well as other aesthetic devices, within the Chinese market.

3. LICENSING AGREEMENTS AND ACQUISITIONS (Continued)

The Shibo Zhenmei Acquisition was accounted for as a business combination under the acquisition method of accounting. The total estimated aggregate acquisition consideration of approximately $87 million is calculated as follows:

(in millions)	
Cash consideration paid	$84
Estimated fair value of contingent consideration	3
Aggregate purchase consideration	$87

The acquisition includes potential future payments to the sellers contingent upon the achievement of specified post-acquisition performance conditions and the continued employment of designated key personnel. These contingent payments may total up to approximately $17 million in the aggregate. Performance-based milestone payments are linked to the acquired business's future net sales levels over defined periods, with amounts payable on either an all-or-partial achievement basis. Retention-based payments are tied to the continued employment of certain key employees through agreed-upon dates and are recognized as compensation expense over the applicable service period. The fair value of the contingent consideration associated with the performance-based milestone which was recognized as of the acquisition date was $3 million, which was recorded as a non-current liability. This valuation was determined using Level 3 inputs, including probability-weighted assessments of expected outcomes and a risk-adjusted discount rate (see Note 5, "FAIR VALUE MEASUREMENTS").

The preliminary allocation of purchase price based on estimated fair values is as follows:

(in millions)	
Trade receivables	$ 3
Other current assets	1
Intangible assets	43
Inventories	34
Other liabilities	(16)
Total identifiable net assets	65
Goodwill	22
Total fair value of consideration transferred	$ 87

The assets acquired and liabilities assumed are included within the Solta Medical Segment. Goodwill associated with this acquisition is not deductible for income tax purposes. In connection with the acquisition of Shibo Zhenmei, the Company acquired inventory which it had previously sold to Shibo Zhenmei and expects to sell this reacquired inventory in the first half of 2026.

The fair value of the identifiable intangible assets is determined primarily using the "income approach," which requires a forecast of the expected future cash flows (including revenue growth rates, cost of goods sold, operating expenses and discount rates). Customer relationships and other intangible assets related to the Shibo Zhenmei Acquisition have an estimated useful life of 15 months.

The valuation of the assets acquired and liabilities assumed, as part of this acquisition, has not been finalized as of December 31, 2025. The areas that could be subject to change primarily relate to the valuation of certain identifiable assets. The Company will finalize these amounts no later than one year from the acquisition date.

The results of operations of Shibo Zhenmei for the period December 1, 2025 through December 31, 2025 were not material to the Company's Consolidated Financial Statements. Pro forma financial information has not been presented as the impact is not material to any of the periods presented.

3. LICENSING AGREEMENTS AND ACQUISITIONS (Continued)

Acquisition of DURECT Corporation

During 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 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 U.S. 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 Consolidated Statements of Operations.

Acquisition of Manufacturing Equipment

During December 2025, Bausch + Lomb, through its affiliates, completed a transaction to acquire certain manufacturing equipment, other assets and the assumption of a manufacturing facility lease in Mexico for an upfront cash payment of approximately $75 million and potential future milestone payments of up to $35 million.

This acquisition has been accounted for as a business combination under the acquisition method of accounting. The following table summarizes the estimated fair values of the assets acquired and liabilities assumed, as of the acquisition date:

(in millions)	
Property, plant and equipment	$ 7
Intangible assets	1
Total identifiable assets	8
Goodwill	67
Total fair value of consideration transferred	$75

The assets acquired and liabilities assumed are included within Bausch + Lomb's Surgical business. Goodwill associated with this acquisition is deductible for income tax purposes.

The valuation of the assets acquired and liabilities assumed, as part of this acquisition, has not been finalized as of December 31, 2025. Bausch + Lomb will finalize these amounts no later than one year from the acquisition date.

Revenues and operating results associated with this acquisition during the period from December 9, 2025 through December 31, 2025 were not material. Pro forma revenues and operating results for the years 2025 and 2024 were not material.

Acquisition of Whitecap Biosciences, LLC

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

3. LICENSING AGREEMENTS AND ACQUISITIONS (Continued)

and during 2025, expensed the upfront payment of approximately $28 million as acquired IPR&D costs, as included within Other expense, net on the Consolidated Statements of Operations.

Other Bausch + Lomb Acquisitions

During November 2025, Bausch + Lomb completed two acquisitions. These acquisitions have been accounted for as business combinations under the acquisition method of accounting. The aggregate cash consideration of approximately $33 million was allocated to the assets acquired and liabilities assumed and included $30 million of goodwill, in the aggregate.

2024 Acquisitions

Acquisition of Elios Vision, Inc.

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 as discussed below (the "Elios Vision Acquisition"). Elios Vision, a privately held company, 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 Elios Vision Acquisition has been accounted for as a business combination under the acquisition method of accounting. The total aggregate acquisition consideration of approximately $188 million is calculated as follows:

(in millions)	
Cash consideration paid	$ 99
Estimated fair value of contingent consideration	89
Aggregate purchase consideration	$188

Contingent consideration included as part of the aggregate purchase consideration relates to potential future milestone obligations, including (i) regulatory approval milestones, ranging from $50 million and up to an aggregate of $145 million, depending on the timing of regulatory approval and (ii) sales-based milestones ranging from $75 million and up to an aggregate of $375 million, related to the achievement of annual net sales targets. The estimated fair value of the contingent consideration recognized on the acquisition date related to the above noted potential future milestone obligations was $89 million, of which $11 million was recorded as a current liability. The estimated fair value of the contingent consideration was estimated by using the inputs disclosed in Note 5, "FAIR VALUE MEASUREMENTS". Bausch + Lomb reassesses its acquisition-related contingent consideration liabilities each quarter for changes in fair value.

3. LICENSING AGREEMENTS AND ACQUISITIONS (Continued)

The following table summarizes the estimated fair values of the assets acquired and liabilities assumed related to the Elios Vision Acquisition, as of the acquisition date:

(in millions)	
Intangible assets	$177
Trade receivables	2
Inventories	4
Property, plant and equipment	7
Other non-current assets	1
Accrued and other current liabilities	(7)
Other non-current liabilities	(23)
Total identifiable net assets	161
Goodwill	27
Total fair value of consideration transferred	$188

Intangible assets acquired in the Elios Vision Acquisition consist of the following:

(in millions)	Fair Value	Estimated Useful Life (In Years)
Acquired IPR&D intangible asset	$ 95	N/A
Product brands	63	13
Corporate brands	17	10
Other	2	9
Total Intangible assets	$177	

The assets acquired and liabilities assumed are included within Bausch + Lomb's Surgical business. Goodwill associated with the Elios Vision acquisition represents deferred taxes as well as an acquired workforce and potential future synergies. Goodwill associated with the Elios Vision acquisition is not deductible for income tax purposes.

Revenues and operating results associated with Elios Vision during the period from December 10, 2024 through December 31, 2024 were not material. Pro forma revenues and operating results for the years 2024 and 2023 were not material.

Acquisition of Trukera Medical

In July 2024, Bausch + Lomb, through an affiliate, acquired TearLab Corporation, d/b/a Trukera Medical from its private equity owner, AccelMed Partners, and other shareholders. Trukera Medical, a U.S.-based privately held ophthalmic medical diagnostic company, commercializes ScoutPro®, a point-of-care portable device for precisely measuring osmolarity, the salt content of a person's tears. This acquisition is expected to expand Bausch + Lomb's presence in the dry eye market. The acquisition of Trukera Medical was accounted for as a business combination under the acquisition method of accounting. As of the acquisition date (July 19, 2024), Bausch + Lomb allocated the aggregate purchase consideration of approximately $24 million based on estimated fair values, which included recording $16 million of identifiable intangible assets, $6 million of other net assets and $2 million of goodwill.

3. LICENSING AGREEMENTS AND ACQUISITIONS (Continued)

The intangible assets acquired related to the acquisition of Trukera Medical, as well as their fair values and estimated useful life consist of the following:

(in millions)	Fair Value	Estimated Useful Life (In Years)
Product Brand	$14	10
Customer Relationships	2	7
Total Intangible assets	$16	

The assets acquired and liabilities assumed are included within Bausch + Lomb's Surgical business. Revenues and operating results associated with Trukera Medical during the period from July 19, 2024 through December 31, 2024 were not material. Pro-forma revenues and operating results for 2024 and 2023 were not material.

2023 Acquisitions

Acquisition of XIIDRA®

On June 30, 2023, a wholly owned subsidiary of Bausch + Lomb, Bausch + Lomb Ireland Limited, entered into a Stock and Asset Purchase Agreement (the "Acquisition Agreement") with Novartis Pharma AG and Novartis Finance Corporation (together with Novartis Pharma AG, "Novartis") and, solely for purposes of guaranteeing certain obligations of the acquiring entity under the Acquisition Agreement, Bausch + Lomb, to acquire XIIDRA® (lifitegrast ophthalmic solution) and certain other ophthalmology assets (the "XIIDRA Acquisition").

On September 29, 2023, under the terms of the Acquisition Agreement, Bausch + Lomb, through its affiliate, consummated the XIIDRA Acquisition for: (i) an upfront cash payment of $1,750 million, (ii) the assumption of certain pre-existing milestone payments and (iii) potential future milestone obligations of up to $750 million, as discussed below. The strategic XIIDRA Acquisition is expected to complement Bausch + Lomb's existing dry eye franchise that includes eye and contact lens drops from Bausch + Lomb's consumer brand franchises and novel treatments within its pharmaceutical business such as MIEBO® (perfluorohexyloctane ophthalmic solution). The assets acquired and liabilities assumed are included within Bausch + Lomb's Pharmaceuticals business.

The XIIDRA Acquisition was accounted for as a business combination under the acquisition method of accounting. The estimated aggregate acquisition consideration of approximately $1,753 million is calculated as follows:

(in millions)	
Cash consideration paid to Novartis at closing, per the Acquisition Agreement	$1,750
Estimated fair value of contingent consideration	3
Aggregate purchase consideration	$1,753

The upfront cash payment of $1,750 million was paid in September 2023, using the proceeds received from the issuance of the B+L October 2028 Senior Secured Notes and the establishment of the B+L September 2028 Term Loan B Facility, each as defined and further discussed in Note 10, "FINANCING ARRANGEMENTS".

Contingent consideration included as part of the consideration relates to potential future milestone obligations of up to $750 million, including: (i) up to $475 million in cash payable upon the achievement of specified commercialization and sales milestones for certain pipeline products and (ii) up to

3. LICENSING AGREEMENTS AND ACQUISITIONS (Continued)

$275 million in cash payable upon the achievement of specified sales milestones for XIIDRA®. The fair value of the contingent consideration recognized on the acquisition date of $3 million was estimated by using the inputs disclosed in Note 5, "FAIR VALUE MEASUREMENTS".

Assets Acquired and Liabilities Assumed

The following table summarizes the estimated fair values of the assets acquired and liabilities assumed related to the XIIDRA Acquisition as of the acquisition date, inclusive of measurement period adjustments:

(in millions)	
Intangible assets	$1,600
Prepaid expenses and other current assets	162
Accrued and other current liabilities	(1)
Other non-current liabilities	(31)
Total identifiable net assets	1,730
Goodwill	23
Total fair value of consideration transferred	$1,753

Since the date of acquisition, adjustments made during the measurement period have included an increase of $5 million to Intangible assets, net with an offset to Prepaid expenses and other current assets, which is reflected in the table above.

The fair value of the identifiable intangible assets is determined primarily using the "income approach," which requires a forecast of the expected future cash flows (including revenue growth rates, cost of goods sold, operating expenses and discount rate). The intangible assets acquired, as well as their fair values and estimated useful life consist of the following:

(in millions)	Fair Value	Estimated Useful Life (In Years)
Product brand	$1,595	8.75
Acquired IPR&D intangible asset	5	N/A
Total Intangible assets, net	$1,600	

Prepaid expenses and other current assets associated with the XIIDRA Acquisition represent the terms of an interim contract to purchase inventory, as embedded within the agreements associated with the XIIDRA Acquisition. The terms of the interim contract allowed Bausch + Lomb to acquire the remaining XIIDRA® inventory from Novartis at the end of the contractual term. The remaining inventory was acquired during December 2023 and the prepaid expenses and other current assets recognized were reclassified into Inventories, net, as of December 31, 2023. The balance of this interim contract will be released to Cost of goods sold (excluding amortization and impairments of intangible assets) as Bausch + Lomb sells the acquired inventory over an assumed inventory turnover cycle of approximately two years. Cost of goods sold for 2024 and 2023 includes approximately $81 million and $20 million, respectively, related to the release of this interim contract.

Other non-current liabilities associated with the XIIDRA Acquisition represent the fair value of the contingent consideration liability assumed from Novartis by Bausch + Lomb as a part of the acquisition. The fair value of the assumed contingent consideration recognized on the acquisition date was $31 million and was estimated by using a discount rate of 11%.

3. LICENSING AGREEMENTS AND ACQUISITIONS (Continued)

Goodwill associated with the XIIDRA Acquisition represents the workforce acquired as well as future operating efficiencies and cost savings. Substantially all of the goodwill associated with the XIIDRA Acquisition is deductible for income tax purposes.

Revenue and Operating Results

Net revenues and earnings attributable to the XIIDRA Acquisition from the date of acquisition through December 31, 2023 were $106 million and $17 million, respectively.

Pro Forma Financial Information

The following table presents the unaudited pro forma combined results of the Company and the acquired assets for the year ended December 31, 2023, as if the XIIDRA Acquisition, and the related financing, had occurred on January 1, 2022:

(in millions)	2023
Revenues	$9,006
Net loss	$ (822)
Net loss attributable to Bausch Health Companies Inc.	$ (762)

The unaudited pro forma combined financial information was prepared using the acquisition method of accounting and was based on the historical financial information of the Company and the acquired assets. In order to reflect the occurrence of the acquisition on January 1, 2022 as required, the unaudited pro forma financial information includes adjustments to reflect incremental amortization expense incurred based on (i) the fair values of the identifiable intangible assets acquired, (ii) the incremental cost of products sold related to the release of an interim contract to purchase inventory, as embedded within the agreements associated with the XIIDRA Acquisition, (iii) the elimination of historical impairments and accretion expenses related to historical contingent considerations recorded by Novartis, (iv) the recording of new/assumed contingent consideration accretion expense, (v) the additional interest expense associated with the issuance of debt to finance the acquisition and (vi) the tax impact of each of the aforementioned adjustments.

Included in the Consolidated Statements of Operations for 2023 are: (i) acquisition-related transaction costs, included within Other expense, net, of $20 million, which are directly related to the XIIDRA Acquisition, and include expenditures for representation and warranty insurance premiums, legal, valuation, accounting and other similar professional services and (ii) acquisition-related financing costs, included within Interest expense, of $16 million, which are directly related to the XIIDRA Acquisition, and include expenditures for certain upfront financing commitment costs related to debt financing commitments in place prior to the XIIDRA Acquisition, the issuance of the B+L October 2028 Senior Secured Notes and the establishment of the B+L September 2028 Term Loan B Facility, each as defined and further discussed in Note 10, "FINANCING ARRANGEMENTS".

The unaudited pro forma financial information is not necessarily indicative of what the consolidated results of operations would have been, had the XIIDRA Acquisition been completed on January 1, 2022. In addition, the unaudited pro forma financial information is not a projection of future results of operations of the combined company nor does it reflect the expected realization of any synergies or cost savings associated with the acquisition.

Acquisition of Blink® Product Line

During July 2023, Bausch + Lomb announced that it had consummated a transaction with Johnson & Johnson Vision, pursuant to which Bausch + Lomb, through an affiliate, acquired the Blink® product line of eye and contact lens drops, which consists of Blink® Tears Lubricating Eye Drops, Blink® Tears

3. LICENSING AGREEMENTS AND ACQUISITIONS (Continued)

Preservative Free Lubricating Eye Drops, Blink GelTears® Lubricating Eye Drops, Blink® Triple Care Lubricating Eye Drops, Blink Contacts® Lubricating Eye Drops and Blink-N-Clean® Lens Drops. This acquisition was made by Bausch + Lomb to continue to grow its global OTC business. Under the terms of the purchase agreement, Bausch + Lomb, through an affiliate, acquired the Blink® product line of eye and contact lens drops for an upfront cash payment of $107 million, which was paid on the closing of the transaction. Bausch + Lomb accounted for the transaction as an asset acquisition. The acquired assets are included within Bausch + Lomb's Vision Care business. The acquired assets consist of inventory and intangible assets. The intangible assets acquired and estimated useful lives consist of the following:

(in millions)	Fair Value	Estimated Useful Life (In Years)
Corporate brands	$73	12
Product brands	12	10
Technology and other	6	9
Total Intangible assets	$91	

Acquisition of AcuFocus, Inc.

During January 2023, Bausch + Lomb acquired AcuFocus, Inc., an ophthalmic medical device company, for an upfront payment of $35 million, $31 million of which was paid in January 2023, with the remaining purchase price paid during the 18 months following the date of the transaction. The acquisition of AcuFocus, Inc. was made to acquire certain small aperture intraocular technology for the treatment of certain cataract conditions. Additional contingent payments may be payable upon achievement of future sales milestones. Bausch + Lomb recorded an initial acquisition-related contingent consideration liability of approximately $5 million.

As a result of this transaction, recorded within the Consolidated Balance Sheets are Intangible assets of $28 million, Goodwill of $2 million, other assets of $11 million and liabilities of $2 million.

4. RESTRUCTURING, INTEGRATION AND SEPARATION COSTS

Restructuring and integration costs

The Company evaluates opportunities to improve its operating results and implements 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 $77 million, $29 million and $58 million of restructuring and integration-related costs during 2025, 2024 and 2023, 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 2025, 2024 and 2023 are not material.

4. RESTRUCTURING, INTEGRATION AND SEPARATION COSTS (Continued)

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 for 2025, 2024 and 2023 are Separation-related costs of $7 million, $20 million and $22 million, respectively.

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

5. 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 as of:

	December 31, 2025				December 31, 2024			
(in millions)	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
Assets:								
Cash equivalents	$587	$574	$ 13	$ —	$567	$557	$ 10	$ —
Restricted cash	$ 16	$ 16	$ —	$ —	$ 20	$ 20	$ —	$ —
Cross-currency swaps	$ 5	$ —	$ 5	$ —	$ 6	$ —	$ 6	$ —
Foreign currency exchange contracts	$ 1	$ —	$ 1	$ —	$ 10	$ —	$ 10	$ —
Liabilities:								
Acquisition-related contingent consideration	$292	$ —	$ —	$292	$359	$ —	$ —	$359
Cross-currency swaps	$158	$ —	$158	$ —	$ 40	$ —	$ 40	$ —
Foreign currency exchange contracts	$ 5	$ —	$ 5	$ —	$ 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 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 Consolidated Balance Sheet as of December 31, 2025 includes $397 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 operations, investing and financing activities of Bausch +

5. FAIR VALUE MEASUREMENTS (Continued)

Lomb, is expected to be retained by Bausch + Lomb entities and are 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 during 2025 and 2024.

Cross-currency Swaps

Bausch + Lomb enters into cross-currency swaps to mitigate fluctuation in the value of a portion of its euro-denominated net investment in its consolidated financial statements from fluctuation in exchange rates. The euro-denominated net investment being hedged is Bausch + Lomb's investment in certain Bausch + Lomb euro-denominated subsidiaries. As of December 31, 2025, these swaps had an aggregate notional value of $1,000 million.

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

(in millions)	2025	2024
Other non-current liabilities	$(158)	$(40)
Prepaid expenses and other current assets	$ 5	$ 6
Net fair value	$(153)	$(34)

The following table presents the effect of hedging instruments on the Consolidated Statements of Operations and Consolidated Statements of Comprehensive Income (Loss) for 2025 and 2024:

(in millions)	2025	2024
(Loss) gain recognized in Other comprehensive income (loss)	$(118)	$50
Gain excluded from assessment of hedge effectiveness	$ 10	$13
Location of gain of excluded component	Interest Expense	

No portion of the cross-currency swaps were ineffective for 2025 and 2024. For 2025 and 2024, the Company received $12 million and $13 million, respectively, in interest settlements, which are reported as Investing activities in the Consolidated Statements of Cash Flows.

Foreign Currency Exchange Contracts

During 2025 and 2024, the Company entered into foreign currency exchange contracts. As of December 31, 2025, these contracts had an aggregate outstanding notional amount of $648 million.

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

(in millions)	2025	2024
Accrued and other current liabilities	$(5)	$ (5)
Prepaid expenses and other current assets	$ 1	$10
Net fair value	$(4)	$ 5

5. FAIR VALUE MEASUREMENTS (Continued)

The following table presents the effect of the Company's foreign exchange contracts on the Consolidated Statements of Operations and the Consolidated Statements of Cash Flows for 2025 and 2024:

(in millions)	2025	2024
(Loss) gain related to changes in fair value	$ (9)	$8
(Loss) gain related to settlements	$(12)	$2

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 December 31, 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 December 31, 2025.

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

(in millions)	2025	2024
Beginning balance, January 1,	$359	$292
Adjustments to Acquisition-related contingent consideration:		
Accretion for the time value of money	$ 26	$20
Fair value adjustments due to changes in estimates of other future payments	(62)	(5)
Acquisition-related contingent consideration	(36)	15
Additions (Note 3)	3	89
Payments / Settlements	(34)	(37)
Ending balance, December 31,	292	359
Current portion	38	49
Non-current portion	$254	$310

Fair Value of Long-term Debt

The fair value of long-term debt as of December 31, 2025 and 2024 was $19,626 million and $18,243 million, respectively, and was estimated using the quoted market prices for the same or similar debt issuances (Level 2).

6. INVENTORIES

Inventories, net, as of December 31, 2025 and 2024 consist of:

(in millions)	2025	2024
Raw materials	$ 564	$ 540
Work in process	102	108
Finished goods	963	947
	$1,629	$1,595

7. PROPERTY, PLANT AND EQUIPMENT

The major components of property, plant and equipment as of December 31, 2025 and 2024 consist of:

(in millions)	2025	2024
Land	$ 73	$ 69
Buildings and improvements	962	817
Machinery and equipment	2,386	2,071
Other equipment and leasehold improvements	396	362
Equipment on operating lease	112	97
Construction in progress	569	508
	4,498	3,924
Accumulated depreciation	(2,424)	(2,144)
	$ 2,074	$ 1,780

Depreciation expense was $207 million, $190 million and $187 million for 2025, 2024 and 2023, respectively.

8. INTANGIBLE ASSETS AND GOODWILL

Intangible Assets

The major components of intangible assets as of December 31, 2025 and 2024 consist of:

(in millions)	Weighted-Average Remaining Useful Lives (Years)	2025 Gross Carrying Amount	2025 Accumulated Amortization and Impairments	2025 Net Carrying Amount	2024 Gross Carrying Amount	2024 Accumulated Amortization and Impairments	2024 Net Carrying Amount
Finite-lived intangible assets:							
Product brands	2	$22,534	$(19,981)	$2,553	$22,446	$(19,026)	$3,420
Corporate brands	5	1,003	(789)	214	988	(701)	287
Product rights/patents	5	3,271	(3,253)	18	3,255	(3,224)	31
Partner relationships, technology and other	6	445	(385)	60	370	(355)	15
Total finite-lived intangible assets		27,253	(24,408)	2,845	27,059	(23,306)	3,753
Acquired IPR&D	NA	100	—	100	100	—	100
B&L Trademark	NA	1,698	—	1,698	1,698	—	1,698
		$29,051	$(24,408)	$4,643	$28,857	$(23,306)	$5,551

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 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.

8. INTANGIBLE ASSETS AND GOODWILL (Continued)

Asset impairments in 2025 and 2024 were $5 million and $24 million, respectively, and primarily related to lower forecasted sales and the discontinuance of certain product brands. Asset impairments in 2023 were $54 million, and primarily related to: (i) $37 million related to the Company's Uceris® Foam product, as discussed below, (ii) $8 million, in aggregate, attributable to certain trade names no longer in use and (iii) $9 million related to the discontinuance of certain product lines.

In the second quarter of 2023, the FDA approved an Abbreviated New Drug Application ("ANDA") submitted by a competitor for a budesonide (a steroid (cortisone-like) medicine) foam to help treat mild to moderate active ulcerative colitis. This product, which began to be sold by the competitor in the second quarter of 2023, is a generic version of the Company's Uceris® Foam product. During the second quarter of 2023, the Company revised its long-term outlook for the Uceris® Foam product to reflect the entrant of this, and potentially other, generic competitors. As a result, the Company recognized an impairment of $37 million to reduce the carrying value of the Uceris® Foam product related intangible assets to their estimated fair value. The Uceris® Foam product related intangible assets had no remaining carrying value as of December 31, 2023.

Xifaxan® intangible assets had a carrying value of $1,077 million and an estimated remaining useful life of 24 months as of December 31, 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 21, "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.

The other impairments and adjustments to finite-lived intangible assets are measured as the difference of the historical carrying value of these finite-lived assets as compared to the estimated fair value as determined using a discounted cash flow analysis using Level 3 unobservable inputs.

Periodically, the Company's products face the expiration of their patent or regulatory exclusivity. The Company anticipates that product sales for such products would decrease shortly following a loss of exclusivity ("LOE"), due to the possible entry of a generic competitor. Where the Company has the rights, it may elect to launch an authorized generic of such product (either as the Company's own branded generic or through a third-party). This may occur prior to, upon or following generic entry, which may mitigate the anticipated decrease in product sales; however, even with launch of an authorized generic, the decline in product sales of such product could still be significant, and the effect on future revenues could be material.

Management continually assesses the useful lives related to the Company's long-lived assets to reflect the most current assumptions.

Estimated amortization expense of finite-lived intangible assets for the five years ending December 31 and thereafter are as follows:

(in millions)	2026	2027	2028	2029	2030	Thereafter	Total
Amortization	$913	$847	$245	$229	$224	$387	$2,845

8. INTANGIBLE ASSETS AND GOODWILL (Continued)

Goodwill

The changes in the carrying amounts of goodwill during the years ended December 31, 2025 and 2024 were as follows:

(in millions)	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
Additions	—	—	22	—	97	119
Impairment				(145)		(145)
Goodwill reclassified to assets held for sale	—	(4)	—	—	—	(4)
Foreign exchange and other	—	109	—	(33)	138	214
Balance, December 31, 2025	$3,159	$897	$137	$1,581	$5,497	$11,271

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).

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

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

8. INTANGIBLE ASSETS AND GOODWILL (Continued)

2023 Interim Assessment

Dermatology

Through the nine months ended September 30, 2023, the Dermatology reporting unit performed largely in line with the forecast used in its last quantitative fair value test (September 30, 2022). During the third quarter of 2023, as a result of lower realized pricing attributable to shifts in the coverage mix for certain products, discontinuation of certain products as a result of the impact of recent legislation, and revised expectations of future selling, advertising, and promotion costs required to mitigate further revenue erosion, the Company's preliminary assessment of future business performance indicated that the reporting unit's future financial results were expected to be below the assumptions used in the last quantitative fair value test. After considering the limited headroom as a result of the impairment to goodwill of the Dermatology reporting unit when last tested (September 30, 2022), the Company determined that these changes in facts and circumstances, as well as increases in market interest rates during the three months ended September 30, 2023, suggested that the fair value of the Dermatology reporting unit could be less than its carrying amount, and therefore a quantitative fair value test was performed for the reporting unit.

The quantitative fair value test utilized the Company's most recent cash flow projections for the Dermatology reporting unit as revised in the third quarter of 2023 which reflected current market conditions and current trends in business performance. The quantitative fair value test utilized a long-term growth rate of 0.0% and a discount rate of 10.75%. Based on the quantitative fair value test, the carrying value of the Dermatology reporting unit exceeded its fair value at September 30, 2023, and the Company recognized a goodwill impairment of $151 million for the three months ended September 30, 2023. As of September 30, 2023, the Dermatology reporting unit had remaining goodwill of $329 million.

Neuroscience

Through the nine months ended September 30, 2023, the Neuroscience (formerly Neurology) reporting unit performed largely in line with the forecast used in its last quantitative fair value test (October 1, 2022). During the third quarter of 2023, as a result of actions taken by management in response to changing market dynamics driven by recent legislation, changes to the future expected commercial insurance coverage for certain key products, and a projected shift in the channels of business, the Company's preliminary assessment of future business performance indicated that the reporting unit's future financial results were expected to be below the assumptions used in the last quantitative fair value test. After considering the limited headroom as a result of the impairment to goodwill of the Neuroscience reporting unit when last tested (October 1, 2022), the Company determined that these changes in facts and circumstances, as well as increases in market interest rates during the three months ended September 30, 2023, suggested that the fair value of the Neuroscience reporting unit could be less than its carrying amount, and therefore a quantitative fair value test was performed for the reporting unit.

The quantitative fair value test for the Neuroscience reporting unit utilized the most recent cash flow projections for the Neuroscience reporting unit as revised in the third quarter of 2023 to reflect current market conditions and current trends in business performance. The quantitative assessment utilized a long-term growth rate of -2.5% and a discount rate of 10.50%. Based on the quantitative fair value test, the carrying value of the Neuroscience reporting unit exceeded its fair value at September 30, 2023, and the Company recognized a goodwill impairment of $251 million for the three months ended September 30, 2023. As of September 30, 2023, the Neuroscience reporting unit had remaining goodwill of $1,192 million. During 2024, no facts or circumstances were identified which would indicate that additional fair value quantitative testing was necessary.

2023 Annual Impairment Test

The Company's annual goodwill impairment test as of October 1, 2023, included performing separate quantitative fair value tests for the International reporting unit, the Generics reporting unit of the

8. INTANGIBLE ASSETS AND GOODWILL (Continued)

Diversified segment and the Vision Care, Surgical and Pharmaceuticals reporting units of the Bausch + Lomb segment. For its remaining reporting units, the Company conducted its annual goodwill impairment test as of October 1, 2023, by first assessing qualitative factors. Based on its qualitative assessment as of October 1, 2023, 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 those reporting units was not required.

Generics

The Generics reporting unit operates in the United States, where shifting market dynamics have led to increased competition with respect to generic pharmaceuticals which impacts both pricing and potential market share. The Company expected these dynamics to intensify in the future, and as such revised its long-term forecasts, including for the sale of Company branded products when they reach loss of exclusivity in the future to reflect these developments.

The quantitative fair value test for the Generics reporting unit utilized the most recent cash flow projections for the reporting unit as revised in the fourth quarter of 2023 to reflect current market conditions and current trends in business performance. The quantitative assessment utilized a long-term growth rate of 1.0% and a discount rate of 10.25% in the estimation of the reporting unit's fair value. Based on the quantitative fair value test, the carrying value of the Generics reporting unit exceeded its fair value as of October 1, 2023, and the Company recognized a goodwill impairment of $91 million. As of December 31, 2023, the Generics reporting unit had remaining goodwill of $227 million.

International

The quantitative fair value test for the International reporting unit utilized the most recent cash flow projections for the reporting unit as revised in the fourth quarter of 2023 which reflected current market conditions and current trends in business performance. The quantitative assessment utilized a long-term growth rate of 3.0% and discount rate of 12.75%, in the estimation of the fair value of the reporting unit. After completing the testing, the fair value of the reporting unit exceeded its carrying value by more than 75%, and, therefore, there was no impairment to goodwill.

Bausch + Lomb Reporting Units

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

2024 Interim Impairment Testing

During the period January 1, 2024 through September 30, 2024, the Company continued to monitor the market conditions and trends in business performance for all its reporting units and determined that no events occurred, or circumstances changed that would indicate that the fair value of any reporting unit might be below its carrying value.

2024 Annual Impairment Test

The Company performed its annual goodwill impairment test as of October 1, 2024. Given the 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

8. INTANGIBLE ASSETS AND GOODWILL (Continued)

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.

Generics

The quantitative fair value test for the Generics reporting unit utilized the most recent cash flow projections for the reporting unit as revised in the fourth quarter of 2024 to reflect existing market conditions and trends in business performance. The quantitative assessment utilized a long-term growth rate of 1.0% and a discount rate of 8.50% in the estimation of the reporting unit's fair value. After completing the testing, the fair value of the Generics reporting unit exceeded its carrying value by approximately 50%, and therefore, there was no impairment to goodwill. As of December 31, 2024, the Generics reporting unit had remaining goodwill of $227 million.

Dermatology

The quantitative fair value test for the Dermatology reporting unit utilized the most recent cash flow projections for the reporting unit as revised in the fourth quarter of 2024 to reflect existing market conditions and trends in business performance. The quantitative assessment utilized a long-term growth rate of 0% and a discount rate of 9.50% in the estimation of the reporting unit's fair value. After completing the testing, the fair value of the Dermatology reporting unit exceeded its carrying value by more than 50%, and, therefore, there was no impairment to goodwill. As of December 31, 2024, the Dermatology reporting unit had remaining goodwill of $329 million.

December 31, 2024

During the period October 1, 2024 through December 31, 2024, the Company continued to monitor the market conditions and trends in business performance for all its reporting units and determined that no events occurred, or circumstances changed that would indicate that the fair value of any reporting unit might be below its carrying value.

June 30, 2025 Interim Assessment

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 through June 30, 2025. This decline was primarily in response to the overall volatility within the global equity markets. However, at June 30, 2025, after considering the length and lack of recovery from this 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 a 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.

2025 Interim Impairment Testing

Except for the Bausch + Lomb reporting unit as noted above, during the period January 1, 2025 through September 30, 2025, the Company continued to monitor the market conditions and trends in business

8. INTANGIBLE ASSETS AND GOODWILL (Continued)

performance for all its remaining reporting units and determined that no events occurred, or circumstances changed that would indicate that the fair value of any reporting unit might be below its carrying value.

2025 Annual Impairment Test

The Company performed its annual goodwill impairment test as of October 1, 2025. Given the current market conditions and trends in business performance of the Salix, Neuroscience and Generics reporting units and there being limited or no headroom resulting from the previous quantitative assessments for these reporting units, the Company elected to perform separate quantitative fair value tests for each of these reporting units. For the Company's remaining reporting units, the Company conducted its annual goodwill impairment test as of October 1, 2025, by first assessing qualitative factors. Based on its qualitative assessment as of October 1, 2025, management believed that it was more likely than not that the carrying amounts of 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.

Salix

The quantitative fair value test for the Salix reporting unit utilized the most recent cash flow projections for the reporting unit as revised in the fourth quarter of 2025 to reflect current market conditions and current trends in business performance. The quantitative assessment utilized a long-term growth rate of 2.50% and a discount rate of 9.75% in the estimation of the reporting unit's fair value. After completing the testing, the fair value of the Salix reporting unit exceeded its carrying value and therefore, there was no impairment to goodwill. As of December 31, 2025, the Salix reporting unit had remaining goodwill of $3,159 million.

In January 2026, the Company received the results for the double-blind Phase 3 clinical trials for two global clinical programs evaluating its rifaximin soluble solid dispersion formulation, designed to prevent overt hepatic encephalopathy and related complications in patients with early-stage liver cirrhosis ("RED-C"). While safe and well-tolerated, both clinical trials failed to achieve their primary endpoints. The Company's forecasts as of October 1, 2025 used in the quantitative fair value testing discussed above, included probability weighted cash flows associated with the RED-C product. The Company performed a preliminary quantitative goodwill analysis as of January 22, 2026 using revised forecasts, an updated discount rate, and a new long-term growth rate that reflect the impact of the Phase 3 clinical trial results. The Company anticipates recognizing an impairment charge to the goodwill of the Salix reporting unit of approximately $1,400 million in the first quarter of 2026.

Neuroscience

The quantitative fair value test for the Neuroscience reporting unit utilized the most recent cash flow projections for the reporting unit as revised in the fourth quarter of 2025 to reflect current market conditions and current trends in business performance. The quantitative assessment utilized a long-term growth rate of -2.50% and a discount rate of 9.75% in the estimation of the reporting unit's fair value. After completing the testing, the fair value of the Neuroscience reporting unit exceeded its carrying value by approximately 100%, and therefore, there was no impairment to goodwill. As of December 31, 2025, the Neuroscience reporting unit had remaining goodwill of $1,170 million.

Generics

The quantitative fair value test for the Generics reporting unit utilized the most recent cash flow projections for the reporting unit as revised in the fourth quarter of 2025 to reflect shifting market dynamics which have led to increased competition within the generic pharmaceuticals market, affecting both pricing and potential market share. The Company expects these dynamics to intensify in the future

8. INTANGIBLE ASSETS AND GOODWILL (Continued)

and has therefore revised its long-term forecasts, including for the sale of Company branded products upon loss of exclusivity, to reflect these developments. The quantitative assessment utilized a discount rate of 8.75% in the estimation of the reporting unit's fair value. Based on the quantitative fair value test, the carrying value of the Generics reporting unit exceeded its fair value as of October 1, 2025, and the Company recognized a goodwill impairment of $145 million. As of December 31, 2025, the Generics reporting unit had remaining goodwill of $82 million.

December 31, 2025

During the period October 1, 2025 through December 31, 2025, the Company continued to monitor the market conditions and trends in business performance for all its reporting units and determined that no events occurred, or circumstances changed 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 those charges could be material.

Accumulated goodwill impairment charges through December 31, 2025 were $5,642 million.

9. ACCRUED AND OTHER CURRENT LIABILITIES

Accrued and other current liabilities as of December 31, 2025 and 2024 consist of:

(in millions)	2025	2024
Product rebates	$1,321	$1,385
Employee compensation and benefit costs	385	348
Product returns	348	372
Interest	253	217
Legal matters and related fees	178	332
Income taxes payable	38	63
Other	821	772
	$3,344	$3,489

10. FINANCING ARRANGEMENTS

Principal amounts of debt obligations and principal amounts of debt obligations net of premiums, discounts and issuance costs as of December 31, 2025 and 2024 consists of the following:

(in millions)	Maturity	2025 Principal Amount	2025 Net of Premiums, Discounts and Issuance Costs	2024 Principal Amount	2024 Net of Premiums, Discounts and Issuance Costs
Senior Secured Credit Facilities:					
2022 Amended Credit Agreement					
2027 Revolving Credit Facility	February 2027	$ —	$ —	$ —	$ —
February 2027 Term Loan B Facility	February 2027	—	—	2,187	2,166
2025 Credit Agreement					
2030 Revolving Credit Facility	April 2030	—	—	—	—
2030 Term Loan B Facility	October 2030	2,985	2,869	—	—
AR Credit Facility	January 2028	—	—	300	300
B+L Credit Facilities					
B+L 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	489	483	494	486
B+L 2030 Revolving Credit Facility	June 2030	100	100	—	—
B+L January 2031 Term Loan B Facility	January 2031	2,313	2,286	—	—
Senior Secured Notes:					
5.500% Secured Notes	November 2025	—	—	1,680	1,678
6.125% Secured Notes	February 2027	—	—	1,000	993
5.750% Secured Notes	August 2027	—	—	500	498
4.875% Secured Notes	June 2028	803	799	1,600	1,589
11.00% First Lien Secured Notes	September 2028	888	1,155	1,774	2,481
14.00% Second Lien Secured Notes	October 2030	352	578	352	622
10.00% Secured Notes	April 2032	6,000	6,284	—	—
B+L Senior Secured Notes:					
B+L 8.375% Secured Notes	October 2028	1,400	1,387	1,400	1,382
B+L January 2031 Senior Secured Notes	January 2031	792	781	—	—
9.00% Intermediate Holdco Secured Notes	January 2028	—	—	999	1,279
Senior Unsecured Notes:					
9.000%	December 2025	—	—	535	533
9.250%	April 2026	—	—	602	601
8.500%	January 2027	643	643	643	643
7.000%	January 2028	171	171	171	171
5.000%	January 2028	433	432	433	431
6.250%	February 2029	821	817	821	816
5.000%	February 2029	452	450	452	449
7.250%	May 2029	336	335	336	335
5.250%	January 2030	779	775	779	774
5.250%	February 2031	463	460	463	459
Other	Various	12	12	12	12
Total long-term debt and other		$20,232	20,817	$20,480	21,616
Less: Current portion of long-term debt and other			225		2,674
Non-current portion of long-term debt			$20,592		$18,942

10. FINANCING ARRANGEMENTS (Continued)

Covenant Compliance

The 2025 Senior Secured Credit Facilities (as defined below), the B+L Senior Secured Credit Facilities (as defined below), 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 the Senior Unsecured Notes (as defined below) 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 December 31, 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 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") (the "April 2025 Refinancing Transactions").

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 of the Company's senior notes issued prior to 2025 (the "Existing Senior Notes") and all 9.00% Intermediate Holdco Secured Notes (as defined below) listed in the table below (collectively, the "Redeemed Notes"), (iii) to pay related fees, premiums and expenses and (iv) for general corporate purposes.

10. FINANCING ARRANGEMENTS (Continued)

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:

(in millions)	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

December 2025 Exchange

On December 26, 2025, the Company and 126NumberCo completed offers to exchange (the "December 2025 Exchange") $797 million aggregate principal amount of 4.875% Senior Secured Notes due in 2028 (the "June 2028 Senior Secured Notes") and $886 million aggregate principal amount of 11.00% First Lien Secured Notes due in 2028 (the "11.00% First Lien Secured Notes") (collectively, the "Exchanged December 2025 Notes"), for $1,600 million in aggregate principal amount of new 10.00% Senior Secured Notes due April 2032, which form a single series with the 2032 Senior Secured Notes issued in April 2025. In connection with the December 2025 Exchange, 26,495,472 common shares of Bausch + Lomb were transferred to 126NumberCo, which owns, in the aggregate, 211,963,893 common shares of Bausch + Lomb following such transfer. 126Number Co 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 performed an assessment of the December 2025 Exchange and determined that it did not meet the criteria to be accounted for as a troubled debt restructuring under ASC 470-60. The December 2025 Exchange was accounted for as a modification of debt, and accordingly the unamortized premium associated with the exchanged 11.00% First Lien Secured Notes will now be amortized over the remaining term of the newly issued 2032 Senior Secured Notes.

Accounts Receivable Credit Facility Termination

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 provided for a maximum amount of up to $600 million, subject to certain borrowing base tests. On October 27, 2025, the outstanding amount of $300 million was repaid using cash on hand and the AR Credit Facility was terminated.

Bridge Facility Commitment Termination

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 Commitment"). In connection with the April 2025 Refinancing Transactions, on April 8, 2025, 126NumberCo terminated the Bridge Facility Commitment.

10. FINANCING ARRANGEMENTS (Continued)

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 211,963,893 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), subject to customary limitations, by a first-priority lien that ranks pari passu with the liens securing 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 $143 million through October 2030.

Borrowings under the 2030 Term Loan B Facility bear interest, with respect to U.S. dollar borrowings, based on 126NumberCo's election of either (1) an alternate base rate equal to the highest of: (i) the prime

10. FINANCING ARRANGEMENTS (Continued)

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, plus 1.000%, subject to a 1.000% floor, plus the Applicable Rate (as defined in the 2025 Credit Agreement) or (2) the Adjusted 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 Adjusted 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 December 31, 2025, the Company had no outstanding borrowings and had $32 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 126NumberCo'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 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 126NumberCo'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 with respect to the 2030 Revolving Credit Facility 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, Adjusted EURIBOR Rate and Adjusted Term CORRA Rate (each 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, 126NumberCo 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. 126NumberCo 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

10. FINANCING ARRANGEMENTS (Continued)

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 2025 Credit Agreement provided for an accordion feature that allowed 126NumberCo, prior to December 31, 2025, to incur incremental equivalent debt in an aggregate amount not to exceed $1,600 million. The incurrence of such incremental term loan facilities or incremental equivalent debt was 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. Pursuant to the December 2025 Exchange described above, 126NumberCo issued $1,600 million of such incremental equivalent debt in the form of new 2032 Senior Secured Notes. In addition, the Company, 126NumberCo and the guarantors are permitted 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.

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

10. FINANCING ARRANGEMENTS (Continued)

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.

Bausch + Lomb 2025 Refinancing Activity

On June 26, 2025, Bausch + Lomb entered into a third amendment to its credit agreement (the "B+L 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 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 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 December 31, 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 $489 million and $2,313 million, respectively. As of December 31, 2025, Bausch + Lomb had $100 million of outstanding borrowings, $36 million of issued and outstanding letters of credit and remaining availability, subject to certain customary conditions, of $664 million under its 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 Secured Overnight Financing Rate ("SOFR")-based rate or (b) a U.S. dollar base rate, (ii) Canadian dollars bear interest at a rate per annum equal to, at Bausch + Lomb's option, either: (a) a term Canadian Overnight Repo Rate Average ("CORRA")-based rate or (b) a Canadian dollar prime rate, (iii) euros bear interest at a rate per annum equal to 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

10. FINANCING ARRANGEMENTS (Continued)

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 as of December 31, 2025 was 7.72% 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 as of December 31, 2025 was 7.97% 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 December 31, 2025, the remaining mandatory quarterly amortization payments for the B+L September 2028 Term Loan B Facility were $13 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 December 31, 2025, the remaining mandatory quarterly amortization payments for the B+L January 2031 Term Loan B Facility are $116 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 have a stated interest rate of 10.00%, payable semi-annually in arrears on each of April 15 and October 15. The 2032 Senior Secured Notes are: (i) secured, subject to customary

10. FINANCING ARRANGEMENTS (Continued)

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 (as defined below) 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), 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 notes, in whole or in part, at a purchase price equal to 101% of the principal amount.

Existing Senior Secured Notes

The June 2028 Senior Secured Notes and 11.00% First Lien Secured Notes (collectively, 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 of 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.

10. FINANCING ARRANGEMENTS (Continued)

In connection with the issuance of the 2032 Senior Secured Notes, the Company capitalized $64 million of payments made to third parties. These capitalized costs are being amortized as interest expense over the remaining term of the 2032 Senior Secured Notes.

5.500% Senior Secured Notes due 2025

On October 17, 2017, the Company issued $1,000 million, and, on November 21, 2017, the Company issued $750 million, aggregate principal amount of 5.500% Senior Secured Notes due November 2025 (the "November 2025 Secured Notes"), in a private placement. In connection with the April 2025 Refinancing Transactions, the Company repaid in full and terminated the November 2025 Secured Notes.

6.125% Senior Secured Notes due 2027

On February 10, 2022, the Company issued $1,000 million aggregate principal amount of 6.125% Senior Secured Notes due February 2027 (the "February 2027 Secured Notes"). The proceeds from the February 2027 Secured Notes, along with proceeds from the B+L IPO, the 2027 term loan B facilities and related debt financing of B+L in connection with the B+L Revolving Credit Facility (the "B+L Debt Financing") and cash on hand, were used to redeem the April 2025 Unsecured Notes and refinance certain other debt in connection with the 2022 Amended Credit Agreement (the "Credit Agreement Refinancing"). In connection with the April 2025 Refinancing Transactions, the Company repaid in full and terminated the February 2027 Secured Notes.

5.750% Senior Secured Notes due 2027

On March 8, 2019, the Company issued $500 million aggregate principal amount of 5.750% Senior Secured Notes due August 2027 (the "August 2027 Secured Notes") in a private placement. In connection with the April 2025 Refinancing Transactions, the Company repaid in full and terminated the August 2027 Secured Notes.

4.875% Senior Secured Notes due 2028

On June 8, 2021, the Company issued $1,600 million aggregate principal amount of the June 2028 Senior Secured Notes in a private placement. The proceeds and cash on hand were used to: (i) repurchase a portion and redeem the remainder of $1,600 million of the 7.000% Senior Secured Notes due March 15, 2024 (the "March 2024 Secured Notes"), representing the remaining outstanding principal balance of the March 2024 Secured Notes and (ii) pay all fees and expenses associated with these transactions.

The June 2028 Senior Secured Notes are redeemable at the option of the Company, in whole or in part, at the redemption prices set forth in the June 2028 Senior Secured Notes indenture, plus accrued and unpaid interest to, but not including, the date of the redemption.

On December 26, 2025, $797 million in aggregate principal balance of the June 2028 Senior Secured Notes, were validly tendered and accepted by the Company in connection with the December 2025 Exchange. The remaining outstanding principal amount of the June 2028 Senior Secured Notes following the December 2025 Exchange is $803 million.

2022 Exchange Notes

On September 30, 2022, the Company issued $1,774 million aggregate principal amount of 11.00% First Lien Secured Notes, with a stated interest of 11.00% per year that is payable semi-annually in arrears on each March 30 and September 30. The 11.00% First Lien Secured Notes are redeemable, in whole or in part, at any time 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 as described in the 11.00% First Lien Secured Notes indenture.

10. FINANCING ARRANGEMENTS (Continued)

On December 26, 2025, $886 million in aggregate principal balance of 11.00% First Lien Secured Notes, were validly tendered and accepted by the Company in connection with the December 2025 Exchange. The remaining outstanding principal amount of 11.00% First Lien Secured Notes following the December 2025 Exchange is $888 million.

On September 30, 2022, the Company issued $500 million aggregate principal amount of 14.00% Second Lien Secured Notes due October 15, 2030 (the "14.00% Second Lien Secured Notes"), and have stated interest of 14.00% per year that is payable semi-annually in arrears on each April 15 and October 15. The 14.00% Second Lien Secured Notes are redeemable, in whole or in part, at the applicable redemption prices set forth in the 14.00% Second Lien Secured Notes indenture.

9.00% Intermediate Holdco Senior Secured Notes

In September 2022, 13575209 B.C. Ltd., an indirect subsidiary of the Company, issued $999 million aggregate principal amount of 9.00% Intermediate Holdco Secured Notes due January 30, 2028 (the "9.00% Intermediate Holdco Secured Notes").

On April 8, 2025 in connection with the April 2025 Refinancing Transactions, the Company repaid in full and terminated the 9.00% Intermediate Holdco 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).

Bausch + Lomb 8.375% Senior Secured Notes due 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"). A portion of the proceeds from the B+L October 2028 Senior Secured Notes, along with the proceeds of the B+L September 2028 Term Loan B Facility, were used to finance the $1,750 million upfront payment related to the acquisition of XIIDRA® and certain other ophthalmology assets from Novartis (as discussed in Note 3, "LICENSING AGREEMENTS AND ACQUISITIONS") and related acquisition and financing costs. The B+L October 2028 Senior Secured Notes accrue interest at a rate of 8.375% per year, payable semi-annually in arrears on each April 1 and October 1, commencing on April 1, 2024.

The B+L October 2028 Senior Secured Notes 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 governing 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.

10. FINANCING ARRANGEMENTS (Continued)

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.

Bausch + Lomb 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, which commenced on January 15, 2026. At December 31, 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

10. FINANCING ARRANGEMENTS (Continued)

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.

On November 29, 2022, the Company designated 126NumberCo as an unrestricted subsidiary of the Company in accordance with the terms of the Company's debt documents. In connection therewith, all of the subsidiaries of 126NumberCo, including Bausch + Lomb and its subsidiaries, became unrestricted subsidiaries of the Company and, as a result, are not subject to the covenants under the Bausch Health debt documents, and the earnings and net debt of Bausch + Lomb, as defined in the relevant debt documents, are also not included in the calculation of the Company's financial maintenance covenant. In March 2025, in connection with the April 2025 Refinancing Transactions, 126NumberCo was re-designated as a restricted subsidiary of the Company, however, Bausch + Lomb and its subsidiaries continue to be unrestricted subsidiaries of the Company. As of December 31, 2025, 126NumberCo, directly or indirectly, held approximately 88% of the issued and outstanding shares of Bausch + Lomb.

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").

Redemption of April 2025 Unsecured Notes

On January 18, 2022, the Company issued conditional notices of redemption to redeem: (i) all of the April 2025 Unsecured Notes conditioned upon the completion of the Credit Agreement Refinancing and (ii) $370 million in aggregate principal amount of the Company's outstanding 9.00% Senior Unsecured Notes due 2025 (the "December 2025 Unsecured Notes") conditioned upon the receipt of aggregate proceeds of at least $7,000 million from: (a) the B+L IPO, (b) the B+L Debt Financing, (c) the Credit Agreement Refinancing and (d) the issuance of the February 2027 Secured Notes.

In connection with the closing of the B+L IPO, the conditions of the redemption of its April 2025 Unsecured Notes were satisfied and the Company discharged the April 2025 Unsecured Notes Indenture using: (i) the net proceeds from the issuance of the February 2027 Secured Notes, (ii) the net proceeds

10. FINANCING ARRANGEMENTS (Continued)

from the B+L IPO, (iii) the net proceeds from the borrowings under the B+L Debt Financing and (iv) cash on hand. On May 10, 2022, the Company caused sufficient funds for the redemption in full of its April 2025 Unsecured Notes at a redemption price of 101.021% of the principal amount then outstanding to be irrevocably deposited with the Bank of New York Mellon, N.A., as trustee under the April 2025 Unsecured Notes Indenture, and the April 2025 Unsecured Notes Indenture was discharged. The April 2025 Unsecured Notes were redeemed on May 16, 2022. The redemption was accounted for as an extinguishment of debt.

On May 10, 2022, the Company notified the Trustee and holders of its outstanding December 2025 Unsecured Notes that the conditions to its previously announced redemption would not be satisfied, and the conditional redemption was cancelled.

In connection with the closing of the B+L IPO, the discharge of the April 2025 Unsecured Notes Indenture and the related release in respect of the predecessor agreement to the 2022 Amended Credit Agreement (the "2018 Restated 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.

9.000% Senior Unsecured Notes due 2025

On December 18, 2017, the Company issued $1,500 million aggregate principal amount of 9.000% Senior Unsecured Notes due 2025 (the "December 2025 Unsecured Notes") in a private placement. The related fees and expenses were paid using cash on hand.

On September 30, 2022, $541 million in aggregate principal balance of the December 2025 Unsecured Notes were validly tendered and accepted by the Company in connection with the 2022 Exchange described below. In December 2023, $4 million in aggregate principal balance of the December 2025 Unsecured Notes were purchased in the open market and retired. In January 2024 and May 2024, $420 million in aggregate principal balance were purchased in the open market and in a privately negotiated transaction and retired. During April 2025, in connection with the April 2025 Refinancing Transactions, the Company repaid in full and terminated the December 2025 Unsecured Notes.

9.250% Senior Unsecured Notes due 2026

On March 26, 2018, BHA issued $1,500 million in aggregate principal amount of 9.250% Senior Unsecured Notes due 2026 (the "April 2026 Unsecured Notes") in a private placement, the net proceeds of which, and cash on hand, were used to repurchase $1,500 million in aggregate principal amount of unsecured notes. All fees and expenses associated with these transactions were paid with cash on hand.

On September 30, 2022, $752 million in aggregate principal balance of the April 2026 Unsecured Notes were validly tendered and accepted by the Company in connection with the 2022 Exchange described below. In December 2023, $4 million in aggregate principal balance of the April 2026 Unsecured Notes were purchased in the open market and retired. In January 2024, $135 million in aggregate principal balance were purchased in the open market and retired. During August 2025, the Company repurchased and retired the remaining outstanding April 2026 Unsecured Notes.

8.500% Senior Unsecured Notes due 2027

In June 2018, BHA issued $750 million in aggregate principal amount of January 2027 Unsecured Notes in a private placement. The January 2027 Unsecured Notes accrue interest at the rate of 8.500% per year, payable semi-annually in arrears on each of January 31 and July 31.

In March 2019, BHA issued $1,000 million aggregate principal amount of 8.500% Senior Unsecured Notes due January 2027. These are additional notes and form part of the same series as BHA's existing January 2027 Unsecured Notes.

10. FINANCING ARRANGEMENTS (Continued)

BHA may redeem all or a portion of the January 2027 Unsecured Notes at the applicable redemption prices set forth in the January 2027 Unsecured Notes indenture, plus accrued and unpaid interest to the date of redemption. On September 30, 2022, $1,099 million in aggregate principal balance of the 8.500% January 2027 Unsecured Notes were validly tendered and accepted by the Company in connection with the 2022 Exchange described below.

7.000% Senior Unsecured Notes due 2028 and 7.250% Senior Unsecured Notes due 2029

On May 23, 2019, the Company issued: (i) $750 million aggregate principal amount of 7.000% Senior Unsecured Notes due January 2028 (the "7.000% January 2028 Unsecured Notes") and (ii) $750 million aggregate principal amount of 7.250% Senior Unsecured Notes due May 2029 (the "May 2029 Unsecured Notes"), respectively, in a private placement. The proceeds and cash on hand was used to repurchase certain unsecured notes. Interest on the May 2029 Unsecured Notes is payable semi-annually in arrears on each May 30 and November 30.

The 7.000% January 2028 Unsecured Notes and the May 2029 Unsecured Notes are redeemable at the option of the Company, in whole or in part, at any time, at the redemption prices set forth in the respective indentures, plus accrued and unpaid interest to, but not including, the date of the redemption.

On September 30, 2022, $540 million and $373 million in aggregate principal balance of the 7.000% January 2028 Unsecured Notes and 7.250% May 2029 Unsecured Notes, respectively, were validly tendered and accepted by the Company in connection with the 2022 Exchange described below.

5.000% Senior Unsecured Notes due 2028 and 5.250% Senior Unsecured Notes due 2030

On December 30, 2019, the Company issued: (i) $1,250 million aggregate principal amount of 5.000% Senior Unsecured Notes due January 2028 (the "5.000% January 2028 Unsecured Notes") and (ii) $1,250 million aggregate principal amount of 5.250% Senior Unsecured Notes due January 2030 (the "January 2030 Unsecured Notes") in a private placement. The proceeds and cash on hand was used to repurchase certain unsecured notes.

Interest on the 5.000% January 2028 Unsecured Notes is payable semi-annually in arrears on each January 30 and July 30. Interest on the January 2030 Unsecured Notes is payable semi-annually in arrears on each January 30 and July 30. The 5.000% January 2028 Unsecured Notes and the January 2030 Unsecured Notes are redeemable at the option of the Company, in whole or in part, at any time, at the redemption prices set forth in the respective indentures, plus accrued and unpaid interest to, but not including, the date of the redemption.

On September 30, 2022, $710 million and $332 million in aggregate principal balance of the 5.000% January 2028 Unsecured Notes and the January 2030 Unsecured Notes, respectively, were validly tendered and accepted by the Company in connection with the 2022 Exchange described below.

6.250% Senior Unsecured Notes due 2029

On May 26, 2020, the Company issued $1,500 million aggregate principal amount of 6.250% Senior Unsecured Notes due February 2029 (the "6.250% February 2029 Unsecured Notes") in a private placement. The proceeds and cash on hand were used to: (i) repurchase $1,250 million aggregate principal amount of the outstanding March 2022 Secured Notes, (ii) prepay $303 million of mandatory amortization scheduled for payment in 2022 under the Company's June 2025 and November 2025 Term Loan B Facility and (iii) pay all fees and expenses associated with these transactions, The 6.250% February 2029 Unsecured Notes accrue interest at the rate of 6.250% per year, payable semi-annually in arrears on each of February 15 and August 15.

10. FINANCING ARRANGEMENTS (Continued)

The Company may redeem all or a portion of the 6.250% February 2029 Unsecured Notes at the applicable redemption prices set forth in the 6.250% February 2029 Unsecured Notes indenture, plus accrued and unpaid interest to, but not including, the date of redemption.

On September 30, 2022, $540 million in aggregate principal balance of the 6.250% February 2029 Unsecured Notes were validly tendered and accepted by the Company in connection with the 2022 Exchange described below.

5.000% Senior Unsecured Notes due 2029 and 5.250% Senior Unsecured Notes due 2031

On December 3, 2020, the Company issued $1,000 million aggregate principal amount of 5.000% Senior Unsecured Notes due February 2029 (the "5.000% February 2029 Unsecured Notes") and $1,000 million aggregate principal amount of 5.250% Senior Unsecured Notes due February 2031 (the "February 2031 Unsecured Notes") in a private placement. The 5.000% February 2029 Unsecured Notes accrue interest at the rate of 5.000% per year, payable semi-annually in arrears on each of February 15 and August 15. The February 2031 Unsecured Notes accrue interest at the rate of 5.250% per year, payable semi-annually in arrears on each of February 15 and August 15.

The Company may redeem all or a portion of the 5.000% February 2029 Unsecured Notes at the applicable redemption prices set forth in the 5.000% February 2029 Unsecured Notes indenture, plus accrued and unpaid interest to, but not including, the date of redemption.

The Company may redeem all or a portion of the February 2031 Unsecured Notes at the applicable redemption prices set forth in the February 2031 Unsecured Notes indenture, plus accrued and unpaid interest to, but not including, the date of redemption.

On September 30, 2022, $371 million and $336 million in aggregate principal balance of the 5.000% February 2029 Unsecured Notes and 5.250% February 2031 Unsecured Notes, respectively, were validly tendered and accepted by the Company in connection with the 2022 Exchange described below.

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 in aggregate principal balance of newly issued secured notes, a reduction of outstanding principal of $2,469 million.

The secured notes issued in the 2022 Exchange consisted of: (i) $1,774 million in aggregate principal amount of the 11.00% First Lien Secured Notes issued by the Company, (ii) $352 million in aggregate principal amount of new 14.00% Second Lien Secured Notes (the 14.00% Second Lien Secured Notes and, together with the 11.00% First Lien Secured Notes, the "2022 Exchange Notes") issued by the Company and (iii) $999 million in aggregate principal amount of new 9.00% Intermediate Holdco Secured Notes, together with the 2022 Exchange Notes, the "2022 Secured Notes") issued by 1375209 B.C. Ltd, an existing indirect wholly-owned unrestricted subsidiary of the Company.

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 December 31, 2025, the remaining premium on the 2022 Secured Notes was $493 million, which is being reduced as contractual interest payments are made on the 2022 Secured Notes. During 2025 and

10. FINANCING ARRANGEMENTS (Continued)

2024, the Company made contractual interest payments of $312 million and $334 million, respectively, related to the 2022 Secured Notes, of which $276 million and $295 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 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).

In connection with the December 2025 Exchange (as detailed above), the Company exchanged $886 million in aggregate principal amount of 11.00% First Lien Secured Notes with unamortized premiums of $263 million for $903 million of aggregate principal amount of 2032 Senior Secured Notes. This exchange was accounted for as a modification of debt, and accordingly the unamortized premium associated with the exchanged 11.00% First Lien Secured Notes will now be amortized over the remaining term of the newly issued 2032 Senior Secured Notes.

Weighted Average Stated Rate of Interest

The weighted average stated rate of interest for the Company's outstanding debt obligations as of December 31, 2025 and 2024 was 8.54% and 7.72%, respectively. Due to the accounting treatment for the 2022 Secured Notes, interest expense in the Company's financial statements for 2025 and 2024, and in future periods 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.

In connection with the April 2025 Refinancing Transactions, the August 2025 Repurchase Activity, the AR Credit Facility termination and the B+L 2025 Refinancing Activity, the Company recognized a net gain on extinguishment of debt of $162 million in 2025.

In January 2024 and May 2024, the Company repurchased and retired a portion of the December 2025 Unsecured Notes and the April 2026 Unsecured Notes 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 which represents the difference between the amounts paid to settle the extinguished debt and its carrying value.

In December 2023, the Company, through a series of transactions repurchased and retired outstanding senior unsecured notes with an aggregate par value of $8 million in the open market, for an aggregate cost of $7 million and recognized a net gain of approximately $1 million.

10. FINANCING ARRANGEMENTS (Continued)

Maturities and Mandatory Payments

Maturities and mandatory payments of debt obligations for the five succeeding years ending December 31 and thereafter are as follows:

(in millions)	
2026	$ 58
2027	701
2028	4,240
2029	1,662
2030	4,118
Thereafter	9,453
Total debt obligations	20,232
Unamortized premiums, discounts and issuance costs	585
Total long-term debt and other	$20,817

Bausch + Lomb January 2026 Refinancing Activity

In January 2026, Bausch + Lomb entered into a refinancing transaction to extend its maturities and lower its interest rates. The refinancing transaction consisted of entering into a term loan facility in the form of a refinancing amendment (the "B+L January 2026 Credit Facility Amendment") to the existing B+L credit agreement, and consisted of $2,802 million of new term loans maturing on January 15, 2031 (the "B+L January 2031 Refinancing Term Facility"). The proceeds from the B+L January 2031 Refinancing Term Facility were used to refinance the B+L September 2028 Term Loan B Facility and the B+L January 2031 Term Loan B Facility. The maturity table above excludes the impact of the B+L January 2026 Credit Facility Amendment.

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

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.

11. PENSION AND POSTRETIREMENT EMPLOYEE BENEFIT PLANS

The Company has defined benefit plans and a participatory defined benefit postretirement medical and life insurance plan, which covers a closed grandfathered group of legacy Bausch & Lomb Holdings Incorporated ("B&L") U.S. employees and employees in certain other countries. The U.S. defined benefit accruals were frozen as of December 31, 2004 and benefits that were earned up to December 31, 2004 were preserved. Participants continue to earn interest credits on their cash balance at an interest crediting rate that is equal to the greater of: (i) the average annual yield on 10-year treasury bonds in effect for the November preceding the plan year or (ii) 4.50%. The most significant non-U.S. plans are two defined benefit plans in Ireland. In 2011, both Ireland defined benefit plans were closed to future service benefit

11. PENSION AND POSTRETIREMENT EMPLOYEE BENEFIT PLANS (Continued)

accruals; however, additional accruals related to annual salary increases continued. In December 2014, one of the Ireland defined benefit plans was amended effective August 2014 to eliminate future benefit accruals related to salary increases. All of the pension benefits accrued through the plan amendment date were preserved. As a result of the plan amendment, there are no active plan participants accruing benefits under the amended Ireland defined benefit plan. The U.S. postretirement benefit plan was amended effective January 1, 2005 to eliminate employer contributions after age 65 for participants who did not meet the minimum requirements of age and service on that date. The employer contributions for medical and prescription drug benefits for participants retiring after March 1, 1989 were frozen effective January 1, 2010. Effective January 1, 2014, the Company no longer offers medical and life insurance coverage to new retirees.

In addition to the B&L benefit plans, outside of the U.S., a limited group of the Company's employees are covered by defined benefit pension plans.

The Company uses December 31 as the year-end measurement date for all of its defined benefit pension plans and the postretirement benefit plan.

Accounting for Pension Benefit Plans and Postretirement Benefit Plan

The Company recognizes in its Consolidated Balance Sheets an asset or liability equal to the over- or under-funded benefit obligation of each defined benefit pension plan and postretirement benefit plan. Actuarial gains or losses and prior service costs or credits that arise during the period but are not recognized as components of net periodic cost (benefit) are recognized, net of tax, as a component of Other comprehensive income (loss).

The amounts included in Accumulated other comprehensive loss as of December 31, 2025 and 2024 were as follows:

	Pension Benefit Plans				U.S. Postretirement Benefit Plan	
	U.S. Plan		Non-U.S. Plans			
(in millions)	2025	2024	2025	2024	2025	2024
Unrecognized actuarial (losses) gains	$(26)	$(29)	$(18)	$(20)	$ 5	$4
Unrecognized prior service credits	$ —	$ —	$ 23	$ 21	$ —	$1

Net Periodic Cost (Benefit)

The table below provides the components of net periodic cost (benefit) for the Company's defined benefit pension plans and postretirement benefit plan in 2025, 2024 and 2023:

	Pension Benefit Plans						U.S. Postretirement Benefit Plan		
	U.S. Plan			Non-U.S. Plans					
(in millions)	2025	2024	2023	2025	2024	2023	2025	2024	2023
Service cost	$ 1	$ 1	$ 2	$ 3	$ 3	$ 3	$ —	$ —	$ —
Interest cost	8	8	9	5	5	5	1	1	1
Expected return on plan assets	(8)	(9)	(9)	(4)	(4)	(4)	—	—	—
Amortization of net loss	1	1	1	—	—	—	—	—	—
Amortization of prior service credit	—	—	—	—	(1)	(1)	(1)	(2)	(2)
Settlement loss recognized	—	—	—	—	1	2	—	—	—
Net periodic cost (benefit)	$ 2	$ 1	$ 3	$ 4	$ 4	$ 5	$ —	$ (1)	$ (1)

11. PENSION AND POSTRETIREMENT EMPLOYEE BENEFIT PLANS (Continued)

Benefit Obligation, Change in Plan Assets and Funded Status

The table below presents components of the change in projected benefit obligation, change in plan assets and funded status for 2025 and 2024:

	Pension Benefit Plans				U.S. Postretirement Benefit Plan	
	U.S. Plan		Non-U.S. Plans			
(in millions)	2025	2024	2025	2024	2025	2024
Change in Projected Benefit Obligation						
Projected benefit obligation, beginning of year	$161	$170	$114	$123	$ 23	$ 25
Service cost	1	1	3	3	—	—
Interest cost	8	8	5	5	1	1
Settlements	—	—	(1)	(3)	—	—
Benefits paid	(16)	(15)	(5)	(5)	(2)	(2)
Actuarial loss (gain)	4	(3)	(12)	1	—	(1)
Currency translation adjustments	—	—	14	(10)	—	—
Projected benefit obligation, end of year	158	161	118	114	22	23
Change in Plan Assets						
Fair value of plan assets, beginning of year	155	162	95	100	—	—
Actual return on plan assets	16	6	(4)	6	—	—
Company contributions	—	2	2	3	2	2
Settlements	—	—	(1)	(3)	—	—
Benefits paid	(16)	(15)	(5)	(5)	(2)	(2)
Currency translation adjustments	—	—	12	(6)	—	—
Fair value of plan assets, end of year	155	155	99	95	—	—
Funded status, end of year	$ (3)	$ (6)	$ (19)	$ (19)	$(22)	$(23)
Recognized as:						
Other non-current assets	$ —	$ —	$ 27	$ 22	$ —	$ —
Accrued and other current liabilities	$ —	$ —	$ 3	$ 2	$ 3	$ 3
Other non-current liabilities	$ 3	$ 6	$ 43	$ 39	$ 19	$ 20

Included in Settlement loss recognized and Settlements in the tables above are the costs and payments associated with the conversion of a portion of the Company's defined benefit plan in Ireland to a defined contribution plan.

A number of the Company's pension benefit plans were underfunded as of December 31, 2025 and 2024, having accumulated benefit obligations exceeding the fair value of plan assets. Information for the underfunded pension benefit plans is as follows:

	U.S. Plan		Non-U.S. Plans	
(in millions)	2025	2024	2025	2024
Projected benefit obligation	$158	$161	$50	$46
Accumulated benefit obligation	158	161	42	39
Fair value of plan assets	155	155	4	4

11. PENSION AND POSTRETIREMENT EMPLOYEE BENEFIT PLANS (Continued)

The Company's policy for funding its pension benefit plans is to make contributions that meet or exceed the minimum statutory funding requirements. These contributions are determined based upon recommendations made by the actuary under accepted actuarial principles. In 2026, the Company expects to contribute $3 million, $4 million and $3 million to the U.S. pension benefit plan, the non-U.S. pension benefit plans and the U.S. postretirement benefit plan, respectively. The Company plans to use postretirement benefit plan assets and cash on hand, as necessary, to fund the U.S. postretirement benefit plan benefit payments in 2026.

Estimated Future Benefit Payments

Future benefit payments over the next 10 years for the pension benefit plans and the postretirement benefit plan, which reflect expected future service, as appropriate, are expected to be paid as follows:

(in millions)	Pension Benefit Plans		U.S. Postretirement Benefit Plan
	U.S. Plan	Non-U.S. Plans	
2026	$14	$ 6	$3
2027	19	6	3
2028	17	7	3
2029	16	7	2
2030	15	7	2
2031 – 2035	62	44	8

Assumptions

The weighted-average assumptions used to determine net periodic benefit costs and benefit obligations for 2025, 2024 and 2023 were as follows:

	Pension Benefit Plans			U.S. Postretirement Benefit Plan		
	2025	2024	2023	2025	2024	2023
For Determining Net Periodic Cost (Benefit)						
U.S. Plans:						
Discount rate	5.53%	5.11%	5.41%	5.44%	5.08%	5.39%
Expected rate of return on plan assets	5.50%	6.00%	6.00%	—	—	—
Rate of compensation increase	—	—	—	—	—	—
Interest crediting rate	4.75%	4.75%	4.75%			
Non-U.S. Plans:						
Discount rate	6.69%	6.59%	6.67%			
Expected rate of return on plan assets	7.32%	7.06%	6.80%			
Rate of compensation increase	3.74%	3.71%	3.71%			

11. PENSION AND POSTRETIREMENT EMPLOYEE BENEFIT PLANS (Continued)

	Pension Benefit Plans		U.S. Postretirement Benefit Plan	
	2025	2024	2025	2024
For Determining Benefit Obligation				
U.S. Plans:				
Discount rate	5.19%	5.53%	5.01%	5.44%
Rate of compensation increase	—	—	—	—
Interest crediting rate	4.75%	4.75%		
Non-U.S. Plans:				
Discount rate	6.61%	6.69%		
Rate of compensation increase	3.72%	3.74%		

The expected long-term rate of return on plan assets was developed based on a capital markets model that uses expected asset class returns, variance and correlation assumptions. The expected asset class returns were developed starting with current Treasury (for the U.S. pension plan) or Eurozone (for the Ireland pension plans) government yields and then adding corporate bond spreads and equity risk premiums to develop the return expectations for each asset class. The expected asset class returns are forward-looking. The variance and correlation assumptions are also forward-looking. They take into account historical relationships, but are adjusted to reflect expected capital market trends.

The discount rate used to determine benefit obligations represents the current rate at which the benefit plan liabilities could be effectively settled considering the timing of expected payments for plan participants.

The 2026 expected rate of return for the U.S. pension benefit plan will be 5.50%. The 2026 expected rate of return for the Ireland pension benefit plans will be 4.50%.

Pension Benefit Plan Assets

Pension benefit plan assets are invested in several asset categories. The following presents the actual asset allocation as of December 31, 2025 and 2024:

	2025	2024
U.S. Plan		
Cash and cash equivalents	1%	1%
Equity securities	30%	29%
Fixed income securities	69%	70%
Non-U.S. Plans		
Cash and cash equivalents	24%	12%
Equity securities	20%	26%
Fixed income securities	15%	14%
Other	41%	48%

The investment strategy underlying pension plan asset allocation is to manage the assets of the plan to provide for the non-current liabilities while maintaining sufficient liquidity to pay current benefits. Pension plan assets are diversified to protect against large investment losses and to reduce the probability of excessive performance volatility. Diversification of assets is achieved by allocating funds to various asset classes and investment styles within asset classes, and retaining investment management firm(s) with complementary investment philosophies, styles and approaches.

11. PENSION AND POSTRETIREMENT EMPLOYEE BENEFIT PLANS (Continued)

The Company's pension plan assets are managed by outside investment managers using a total return investment approach, whereby a mix of equity and debt securities investments are used to maximize the long-term rate of return on plan assets. A significant portion of the assets of the U.S. and Ireland pension plans have been invested in equity securities, as equity portfolios have historically provided higher returns than debt and other asset classes over extended time horizons. Correspondingly, equity investments also entail greater risks than other investments. Equity risks are balanced by investing a significant portion of plan assets in broadly diversified fixed income securities.

Fair Value of Plan Assets

The Company measured the fair value of plan assets based on the prices that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 5, "FAIR VALUE MEASUREMENTS" for details on the Company's fair value measurements based on a three-tier hierarchy.

The table below presents total plan assets by investment category as of December 31, 2025 and 2024 and the classification of each investment category within the fair value hierarchy with respect to the inputs used to measure fair value. There were no transfers between Level 1, Level 2 or Level 3 during 2025 and 2024.

	Pension Benefit Plans — U.S. Plans							
	December 31, 2025				December 31, 2024			
(in millions)	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 2	$ —	$ —	$ 2	$ 1	$ —	$ —	$ 1
Commingled funds:								
Equity securities:								
U.S. broad market	—	25	—	25	—	24	—	24
Emerging markets	—	5	—	5	—	5	—	5
Worldwide developed markets	—	11	—	11	—	11	—	11
Other assets	—	6	—	6	—	6	—	6
Fixed income securities:								
Investment grade	—	106	—	106	—	108	—	108
	$ 2	$153	$ —	$155	$ 1	$154	$ —	$155

11. PENSION AND POSTRETIREMENT EMPLOYEE BENEFIT PLANS (Continued)

	Pension Benefit Plans — Non-U.S. Plans							
	December 31, 2025				December 31, 2024			
(in millions)	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Cash equivalents	$ —	$23	$ —	$23	$ —	$11	$ —	$11
Commingled funds:								
Equity securities:								
Emerging markets	—	1	—	1	—	1	—	1
Worldwide developed markets	—	19	—	19	—	23	—	23
Fixed income securities:								
Investment grade	—	1	—	1	—	1	—	1
Government bond funds	1	13	—	14	1	11	—	12
Other assets	—	31	9	40	—	32	13	45
	$ 1	$88	$ 9	$98	$ 1	$79	$ 13	$93

Cash equivalents consisted primarily of term deposits and money market instruments. The fair value of the term deposits approximates their carrying amounts due to their short-term maturities. The money market instruments also have short maturities and are valued using a market approach based on the quoted market prices of identical instruments.

Commingled funds are not publicly traded. The underlying assets in these funds are publicly traded on the exchanges and have readily available price quotes. The Ireland pension plans held approximately 89% and 90% of the non-U.S. commingled funds in 2025 and 2024, respectively. The commingled funds held by the U.S. and Ireland pension plans are primarily invested in index funds.

The underlying assets in the fixed income funds are generally valued using the net asset value per fund share, which is derived using a market approach with inputs that include broker quotes, benchmark yields, base spreads and reported trades.

Defined Contribution Plans

The Company sponsors defined contribution plans in the U.S., Ireland and certain other countries. Under these plans, employees are allowed to contribute a portion of their salaries to the plans and the Company matches a portion of the employee contributions. The Company contributed $54 million, $51 million and $49 million to these plans during the years ended December 31, 2025, 2024 and 2023, respectively.

12. LEASES

As disclosed in detail in Note 2, "SIGNIFICANT ACCOUNTING POLICIES", the Company leases certain facilities, vehicles and equipment principally under multi-year agreements. In 2025, Bausch + Lomb entered into a sale and master lease agreement with a third party. Under this agreement, in October 2025, Bausch + Lomb sold various fixed asset equipment, for a sale price of $36 million, and then leased the equipment back through a three-year leaseback transaction. This transaction did not qualify as a sale under the applicable accounting guidance, and, as such, the associated equipment remained included within Property, plant and equipment, net. The Company refers to these failed sale-leasebacks as "financial leases" and recorded the related obligations in Financial leases and Non-current portion of Financial leases in the Consolidated Balance Sheets.

12. LEASES (Continued)

Right-of-use assets and lease liabilities associated with the Company's operating leases and fixed asset equipment and financial lease associated with Bausch + Lomb's lease back transaction are included in the Consolidated Balance Sheets as of December 31, 2025 and 2024 as follows:

(in millions)	2025	2024
Right-of-use assets included in:		
Other non-current assets	$215	$211
Fixed asset equipment included in:		
Property, plant and equipment, net	$ 36	$ —
Lease liabilities included in:		
Accrued and other current liabilities	$ 61	$ 58
Other non-current liabilities	167	165
Financial leases	11	—
Non-current portion of financial leases	23	—
Total lease liabilities	$262	$223

As of December 31, 2025, 2024 and 2023 the Company's finance leases were not material and for the years 2025, 2024 and 2023, sub-lease income and short-term lease expense were not material. In December 2023, the Company exercised an option to early terminate the lease period for an office building in Bridgewater, New Jersey. As a result, the Company recognized a net charge of $12 million, representing adjustment to the lease liability to reduce it to the amount related to the remaining lease term, write-off of the right-of-use asset and a charge for a required termination payment.

Lease expense for the years 2025, 2024 and 2023 include:

(in millions)	2025	2024	2023
Operating lease costs	$83	$ 74	$ 65
Variable operating lease costs	$21	$ 21	$ 16
Interest on financial leases	$ 1	$ —	$ —

Other information related to operating leases and other financial liabilities for 2025, 2024 and 2023 is as follows:

(in millions)	2025	2024	2023
Cash paid from operating cash flows for amounts included in the measurement of lease liabilities	$86	$85	$73
Cash paid from operating cash flows for financial leases	$1	$ —	$ —
Cash paid from financing cash flows for financial leases	$2	$ —	$ —
Cash received from financing cash flows for financial leases	$36	$ —	$ —
Right-of-use assets obtained in exchange for new operating lease liabilities	$60	$86	$27
Weighted-average remaining lease term – operating leases	6.1 years	6.2 years	5.5 years
Weighted-average remaining lease term – financial leases	2.8 years	—	—
Weighted-average discount rate – operating leases	8.1%	7.9%	7.1%
Weighted-average discount rate – financial leases	7.5%	—	—

12. LEASES (Continued)

As of December 31, 2025, future payments under noncancelable operating leases, and under the leaseback agreement that did not qualify as a sale, for each of the five succeeding years ending December 31 and thereafter are as follows:

(in millions)	Operating Leases	Financial Leases
2026	$ 77	$13
2027	63	13
2028	44	12
2029	22	—
2030	14	—
Thereafter	72	—
Total	292	38
Less: Imputed interest	64	4
Present value of remaining lease payments	228	34
Less: Current portion	61	11
Non-current portion	$167	$23

13. SHARE-BASED COMPENSATION

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").

Approximately 25,890,000 common shares were available for future grants as of December 31, 2025. The Company uses reserved and unissued common shares to satisfy its obligations under its share-based compensation plans.

Bausch Health's Long-Term Incentive Plan

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.

13. SHARE-BASED COMPENSATION (Continued)

The following table summarizes the components and classification of the Company's share-based compensation expense related to stock options and RSUs for the years 2025, 2024 and 2023:

(in millions)	2025	2024	2023
Stock options	$ 15	$ 13	$ 17
RSUs	201	137	115
Share-based compensation expense	$216	$150	$132
Research and development expenses	$ 13	$ 11	$ 11
Selling, general and administrative expenses	203	139	121
Share-based compensation expense	$216	$150	$132

Stock Options

Stock options granted under the 2011 Plan and the Amended and Restated 2014 Plan generally expire on tenth anniversary of the grant date. The exercise price of any stock option granted under the 2011 Plan and the Amended and Restated 2014 Plan will not be less than the closing price per common share on the date of grant. Stock options generally vest 33% each year over a three-year period, on the anniversary of the date of grant.

There were no stock options granted in 2025 and 2024. The fair values of all stock options granted in 2023 were estimated as of the date of grant using the Black-Scholes option-pricing model with the following weighted-average assumptions:

	2023
Expected stock option life (years)	3.0
Expected volatility	76.1%
Risk-free interest rate	4.8%
Expected dividend yield	—%

The expected stock option life was determined based on historical exercise and forfeiture patterns. The expected volatility was determined based on implied volatility in the market traded options of the Company's common stock. The risk-free interest rate was determined based on the rate at the time of grant for zero-coupon U.S. government bonds with maturity dates equal to the expected life of the stock option. The expected dividend yield was determined based on the stock option's exercise price and expected annual dividend rate at the time of grant.

The Black-Scholes option-pricing model used by the Company to calculate stock option values was developed to estimate the fair value of freely tradeable, fully transferable stock options without vesting restrictions, which significantly differ from the Company's stock option awards. This model also requires highly subjective assumptions, including future stock price volatility and expected time until exercise, which greatly affect the calculated values.

13. SHARE-BASED COMPENSATION (Continued)

The following table summarizes stock option activity during 2025:

(in millions, except per share amounts)	Options	Weighted-Average Exercise Price Per Share	Weighted-Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value
Outstanding, January 1, 2025	8.1	$22.96		
Expired or forfeited	(2.7)	$24.89		
Outstanding, December 31, 2025	5.4	$21.96	4.3	$ —
Vested and expected to vest, December 31, 2025	5.3	$22.03	4.2	$ —
Vested and exercisable, December 31, 2025	5.1	$22.43	4.2	$ —

The weighted-average fair values of all stock options granted in 2023 were $4.87. No stock options were exercised in 2025, 2024 and 2023.

As of December 31, 2025, the total remaining unrecognized compensation expense related to non-vested stock options amount to less than $1 million, which will be amortized over the weighted-average remaining requisite service period of approximately 0.2 years.

RSUs

RSUs generally vest 33% a year over a three-year period. Annual RSUs granted to non-management directors vest immediately prior to the next Annual Meeting of Shareholders. Pursuant to the applicable RSU agreement, certain RSUs may be subject to the attainment of any applicable performance goals specified by the Board of Directors. If the vesting of the RSUs is conditional upon the attainment of performance goals, any RSUs that do not vest as a result of a determination that the prescribed performance goals failed to be attained will be forfeited immediately upon such determination. RSUs are credited with dividend equivalents, in the form of additional RSUs, when dividends are paid on the Company's common shares. Such additional RSUs will have the same vesting dates and will vest under the same terms as the RSUs in respect of which such additional RSUs are credited.

To the extent provided for in a RSU agreement, the Company may, in lieu of all or a portion of the common shares which would otherwise be provided to a holder, elect to pay a cash amount equivalent to the market price of the Company's common shares on the vesting date for each vested RSU. The amount of cash payment will be determined based on the average market price of the Company's common shares on the vesting date. The Company's current intent is to settle vested RSUs through the issuance of common shares.

Time-Based RSUs

Each vested time-based RSU represents the right of a holder to receive one of the Company's common shares. The fair value of each RSU granted is estimated based on the trading price of the Company's common shares on the date of grant.

13. SHARE-BASED COMPENSATION (Continued)

The following table summarizes non-vested time-based RSU activity during 2025:

(in millions, except per share amounts)	Time-Based RSUs	Weighted-Average Grant-Date Fair Value Per Share
Non-vested, January 1, 2025	8.1	$9.34
Granted	6.3	$7.40
Vested	(4.2)	$9.59
Forfeited	(1.0)	$7.79
Non-vested, December 31, 2025	9.2	$8.05

As of December 31, 2025, the total remaining unrecognized compensation expense related to non-vested time-based RSUs amounted to $33 million, which will be amortized over the weighted-average remaining requisite service period of approximately 1.6 years. The total fair value of time-based RSUs vested in 2025, 2024 and 2023 were $40 million, $55 million and $74 million, respectively.

Performance-Based RSUs

Each vested performance-based RSU represents the right of a holder to receive a number of the Company's common shares up to a specified maximum. Performance-based RSUs vest upon the attainment of certain performance targets and the achievement of certain share price appreciation conditions. If the Company's performance is below a specified performance level, no common shares will be paid.

The fair value of each Adjusted Operating Cash Flow performance-based RSU granted during 2025, 2024 and 2023 respectively, was estimated using a Monte Carlo Simulation model, which utilizes multiple input variables to estimate the probability that the performance condition will be achieved. Expense recognized for the performance-based RSUs in each reporting period reflects the Company's latest estimate of the number of performance-based RSUs that are expected to vest. If the performance-based RSUs do not ultimately vest due to the targets not being met, no compensation expense is recognized and any previously recognized compensation expense is reversed.

The fair values of performance-based RSUs granted during 2025, 2024 and 2023 were estimated with the following assumptions:

	2025	2024	2023
Contractual term (years)	2.2	3.0	3.0
Expected Company share volatility	64%	64%	76%
Risk-free interest rate	4%	4%	5%

The expected company share volatility was determined based on implied volatility in the market traded options of the Company's common stock. The risk-free interest rate was determined based on the rate at the time of grant for zero-coupon U.S. government bonds with maturity dates equal to the contractual term of the performance-based RSUs.

13. SHARE-BASED COMPENSATION (Continued)

The following table summarizes non-vested performance-based RSU activity during 2025:

(in millions, except per share amounts)	Performance-based RSUs	Weighted-Average Grant-Date Fair Value Per Share
Non-vested, January 1, 2025	1.9	$9.87
Granted	2.0	$7.36
Vested	—	$ —
Forfeited	(0.1)	$8.46
Non-vested, December 31, 2025	3.8	$8.51

As of December 31, 2025, the total remaining unrecognized compensation expense related to non-vested performance-based RSUs amounted to $24 million, which will be amortized over the weighted-average remaining requisite service period of approximately 1.4 years. A maximum of approximately 6,606,000 common shares could be issued upon vesting of the performance-based RSUs outstanding as of December 31, 2025.

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 the purchase date.

The first offering period to purchase common shares under the ESPP is December 1, 2025 through May 31, 2026. The fair value of all ESPP awards expected to be granted for the period December 1, 2025 through May 31, 2026 was less than $1 million and was estimated as of the date of grant using the Black-Scholes option-pricing model with the following weighted-average assumptions:

Expected term (years)	0.5
Expected volatility	54.7%
Risk-free interest rate	3.7%
Expected dividend yield	—%

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

13. SHARE-BASED COMPENSATION (Continued)

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 13,800,000 Bausch + Lomb common shares were available for future grants as of December 31, 2025 under the B+L Plan. 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 (the "B+L CEO") and Chair of the Board of Directors of Bausch + Lomb, 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 the B+L 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).

Stock Options

Stock options granted under the B+L Plan generally expire on the tenth anniversary of the grant date. The exercise price of any stock option granted under the B+L Plan will not be less than the closing price per common share on the date of grant. Stock options generally vest 33% each year over a three-year period, on the anniversary of the date of grant.

The fair values of all stock options granted under the Bausch + Lomb Plan for the years 2025, 2024 and 2023 were estimated as of the date of grant using the Black-Scholes option-pricing model with the following weighted-average assumptions:

	2025	2024	2023
Expected stock option life (years)	3.0	3.0	3.0
Expected volatility	36.8%	35.1%	35.3%
Risk-free interest rate	3.8%	4.5%	4.6%
Expected dividend yield	—%	—%	—%

The expected stock option life was determined based on historical exercise and forfeiture patterns associated with historical stock options granted to Bausch + Lomb employees under the Company's

13. SHARE-BASED COMPENSATION (Continued)

long-term incentive plan. The expected volatility was determined based on implied and historical volatility of Bausch + Lomb's selected peer companies. Bausch + Lomb will continue to leverage the Company's historical stock option experience and peer company data until it has sufficient experience with its own equity awards and market data. The risk-free interest rate was determined based on the rate at the time of grant for zero-coupon U.S. government bonds with maturity dates equal to the expected life of the stock option. The expected dividend yield was determined based on the stock option's exercise price and expected Bausch + Lomb annual dividend rate at the time of grant.

The Black-Scholes option-pricing model used by the Company to calculate stock option values was developed to estimate the fair value of freely tradable, fully transferable stock options without vesting restrictions, which significantly differ from Bausch + Lomb's stock option awards. This model also requires highly subjective assumptions, including future stock price volatility and expected time until exercise, which greatly affect the calculated values.

The following table summarizes stock option activity under Bausch + Lomb's Plan during 2025:

(in millions, except per share amounts)	Options	Weighted-Average Exercise Price Per Share	Weighted-Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value
Outstanding, January 1, 2025	9.0	$17.90		
Granted	1.4	$15.86		
Expired or forfeited	(0.4)	$18.00		
Outstanding, December 31, 2025	10.0	$17.62	6.3	$2.0
Vested and expected to vest, December 31, 2025	9.6	$17.62	6.2	$1.9
Vested and exercisable, December 31, 2025	4.2	$17.97	4.7	$0.1

The weighted-average fair values of stock options granted to Bausch + Lomb employees in 2025, 2024 and 2023 were $4.66, $4.94 and $5.33, respectively. There were no stock options exercised in 2025 and 2023. The stock options exercised in 2024 were not material.

As of December 31, 2025, the total remaining unrecognized compensation expense related to non-vested stock options amounted to $8 million, which will be amortized over the weighted-average remaining requisite service period of approximately 1.1 years.

Time-Based RSUs

RSUs under the Bausch + Lomb Corporation Plan generally vest 33% a year over a three-year period with the exception of the RSUs granted pursuant to the IPO Founder Grants and the RSUs granted to B+L's Chief Executive Officer in connection with his appointment, which vest in two equal installments, such that 50% vest on the second anniversary and 50% vest on the third anniversary of the grant date. RSUs are credited with dividend equivalents, in the form of additional RSUs, when dividends are paid on Bausch + Lomb's common shares. Such additional RSUs will have the same vesting dates and will vest under the same terms as the RSUs in respect of which such additional RSUs are credited.

To the extent provided for in a RSU agreement, Bausch + Lomb may, in lieu of all or a portion of the common shares which would otherwise be provided to a holder, elect to pay a cash amount equivalent to the market price of Bausch + Lomb's common shares on the vesting date for each vested RSU. The amount of cash payment will be determined based on the average market price of Bausch + Lomb's common shares on the vesting date. Bausch + Lomb's current intent is to settle vested RSUs through the issuance of common shares.

13. SHARE-BASED COMPENSATION (Continued)

Each vested RSU represents the right of a holder to receive one of Bausch + Lomb's common shares. The fair value of each RSU granted is estimated based on the trading price of Bausch + Lomb's common shares on the date of grant.

The following table summarizes non-vested RSU activity under Bausch + Lomb's Plan during 2025:

(in millions, except per share amounts)	RSUs	Weighted-Average Grant-Date Fair Value Per Share
Non-vested, January 1, 2025	6.2	$16.89
Granted	4.0	$15.47
Vested	(2.7)	$17.04
Forfeited	(0.7)	$15.98
Non-vested, December 31, 2025	6.8	$16.08

As of December 31, 2025, the total remaining unrecognized compensation expense related to non-vested RSUs amounted to $48 million, which will be amortized over the weighted-average remaining requisite service period of approximately 1.4 years. The total fair value of RSUs vested in 2025, 2024 and 2023 was $47 million, $41 million and $27 million, respectively.

Performance-Based RSUs

Each vested PSU represents the right of a holder to receive a number of Bausch + Lomb's common shares up to a specified maximum. The performance-based PSUs are comprised of awards that vest upon: (i) achievement of certain share price appreciation conditions, including absolute and relative total shareholder return, (ii) attainment of certain performance targets that are based on Bausch + Lomb's Organic Revenue Growth and (iii) level of achievement of: (a) a revenue metric and (b) a relative TSR metric (if applicable). If Bausch + Lomb's performance is below a specified performance level, no common shares will be paid. The maximum level of achievement of the performance goals is 200% – 300% of the target.

The fair value of the TSR PSUs granted during 2025, 2024 and 2023 and the OPG PSUs granted during 2025 and 2024 were estimated using a Monte Carlo Simulation model, which utilizes multiple input variables to estimate the probability that the performance condition will be achieved. The fair value of the Organic Revenue Growth PSUs is estimated based on the trading price of Bausch + Lomb's common shares on the date of grant. Expense recognized for the Organic Revenue Growth PSUs in each reporting period reflects Bausch + Lomb's latest estimate of Organic Revenue Growth in determining the number of PSUs that are expected to vest. Expense recognized for the OPG PSUs in each reporting period reflects the latest probability of Bausch + Lomb's achieving certain revenue targets in determining the number of PSUs that are expected to vest. If the Organic Revenue Growth PSUs do not ultimately vest due to the Organic Revenue Growth not being met and/or the OPG PSUs do not ultimately vest due to certain revenue targets not being met, no compensation expense is recognized and any previously recognized compensation expense is reversed.

The fair values of TSR PSUs and OPG PSUs granted during 2025, 2024 and 2023 were estimated with the following assumptions:

	2025	2024	2023
Contractual term (years)	3.0	3.0	3.6
Expected volatility	36.7%	35.1%	35.4%
Risk-free interest rate	3.8%	4.5%	4.5%

13. SHARE-BASED COMPENSATION (Continued)

The expected volatility was determined based on implied and historical volatility of Bausch + Lomb's selected peer companies. The risk-free interest rate was determined based on the rate at the time of grant for zero-coupon U.S. government bonds with maturity dates equal to the contractual terms of the TSR PSU and OPG PSU.

The following table summarizes the performance-based PSU activity during 2025:

(in millions, except per share amounts)	Performance-based RSUs	Weighted-Average Grant-Date Fair Value Per Share
Non-vested, January 1, 2025	4.1	$20.61
Granted	1.2	$15.90
Forfeited	(0.2)	$16.59
Non-vested, December 31, 2025	5.1	$19.67

During 2025, Bausch + Lomb granted approximately 1,166,000 performance-based RSUs, consisting of: (i) approximately 753,000 Organic Revenue Growth PSUs with a weighted-average grant date fair value of $15.98 per RSU, (ii) approximately 388,000 TSR PSUs with an average grant date fair value of $15.86 per RSU and (iii) approximately 25,000 OPG PSUs with a weighted-average grant date fair value of $14.06 per RSU.

As of December 31, 2025, the total remaining unrecognized compensation expense related to non-vested performance-based RSUs amounted to $79 million, which will be amortized over the weighted-average remaining requisite service period of approximately 1.8 years. A maximum of approximately 11,900,000 common shares could be issued upon vesting of the performance-based RSUs outstanding as of December 31, 2025. There were no performance-based RSUs that vested during 2025, 2024 and 2023.

14. ACCUMULATED OTHER COMPREHENSIVE LOSS

Accumulated other comprehensive loss as of December 31, 2025 and 2024 consists of:

(in millions)	2025	2024
Foreign currency translation adjustment	$(1,749)	$(2,162)
Pension adjustment, net of tax	(11)	(17)
Accumulated other comprehensive loss	$(1,760)	$(2,179)

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.

15. 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 for the years 2025, 2024 and 2023 consists of:

(in millions)	2025	2024	2023
Product related research and development	$612	$598	$573
Quality assurance	17	18	31
Research and development	$629	$616	$604

16. OTHER EXPENSE, NET

Other expense, net for the years 2025, 2024 and 2023 consists of:

(in millions)	2025	2024	2023
Acquired IPR&D costs	$114	$ 18	$ —
Litigation and other matters, net of insurance recoveries and restitutions	61	220	(53)
Acquisition-related transaction costs	9	4	24
Net gain on sale of assets	(6)	(10)	(3)
Acquisition-related contingent consideration	(36)	15	59
Other, net	—	—	1
Other expense, net	$142	$247	$ 28

Acquired IPR&D costs in 2025 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 2025, also includes restitution received in connection with a certain legal matter. For 2023, Litigation and other matters, net of insurance recoveries and restitutions is primarily related to insurance recoveries regarding certain litigation matters.

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

17. INCOME TAXES

The components of Income (loss) before income taxes for 2025, 2024 and 2023 consist of:

(in millions)	2025	2024	2023
Domestic	$ (743)	$(596)	$(382)
Foreign	1,110	763	(8)
	$ 367	$ 167	$(390)

The components of Provision for income taxes for 2025, 2024 and 2023 consist of:

(in millions)	2025	2024	2023
Current:			
Domestic	$ 25	$ (9)	$ (21)
Foreign	(140)	(161)	(194)
	(115)	(170)	(215)
Deferred:			
Domestic	(3)	(4)	(21)
Foreign	(129)	(65)	15
	(132)	(69)	(6)
	$(247)	$(239)	$(221)

17. INCOME TAXES (Continued)

Provision for income taxes differs from the expected amount calculated by applying the Company's Canadian statutory federal rate of 25% to Income (loss) before income taxes for 2025. The provincial impacts in the reconciliation below reflect the impact of a full valuation allowance on the net deferred tax assets in Canada. A reconciliation of the differences is as follows:

(in millions)		2025	Percent
Income before income taxes		$ 367	
Expected provision for income taxes at Canadian statutory rate		$ (92)	25%
Provincial and local income tax, net of federal (national) income tax effect		—	—%
Foreign Tax Effects			
Germany	Foreign tax rate differences	8	(2)%
	Other	(2)	(1)%
Ireland	Foreign tax rate differences	157	(43)%
	Changes in valuation allowances	(11)	3%
	Nondeductible expense	(17)	5%
	Other	(22)	6%
Netherlands	Loss carryforwards	10	(3)%
	Changes in valuation allowances	(16)	4%
	Other	(6)	2%
Poland	Unremitted Earnings – Withholding tax	5	(1)%
	Nondeductible interest	(8)	2%
	Other	15	(4)%
United States	Foreign tax rate differences	(17)	5%
	Loss carryforwards	72	(20)%
	Research and development tax credits	12	(3)%
	Changes in valuation allowances	(87)	24%
	State and local tax provision net of valuation allowances	(41)	11%
	Contingent consideration fair value adjustments	6	(2)%
	Non-deductible impairment	(47)	13%
	Other	(10)	3%
Colombia	Other	(6)	2%
Other countries	Other	(13)	4%
Effect of cross-border tax laws – Foreign accrual property income		(7)	2%
Changes in valuation allowances		(61)	17%
Nontaxable or nondeductible items			
Share based compensation		(23)	6%
Nondeductible interest		(24)	7%
Other			
Original issue discount and debt financing costs		119	(32)%
Foreign exchange gain		(175)	48%
Other		(13)	4%
Changes in unrecognized tax benefits		47	(13)%
Provision for income taxes		$(247)	(67)%

17. INCOME TAXES (Continued)

As a Canadian domiciled company, the Company's applicable tax rate prior to 2025 was the Canadian combined tax rate for its federal and provincial filings. The Provision for income taxes differs from the expected amount calculated by applying the Company's Canadian statutory federal plus provincial rate of 26.9% to Income (loss) before income taxes for 2024 and 2023 as follows:

(in millions)	2024	2023
Income (loss) before income taxes	$ 167	$(390)
Provision for income taxes		
Expected (provision for) benefit from income taxes at Canadian statutory rate	$ (45)	$ 105
Non-deductible amount of share-based compensation	(19)	(19)
Adjustments to tax attributes	(4)	32
Change in valuation allowance related to foreign tax credits and NOLs	(21)	(6)
Change in valuation allowance on Canadian deferred tax assets and tax rate changes	(82)	(158)
Change in uncertain tax positions	(62)	(28)
Foreign tax rate differences	(4)	(42)
Non-deductible portion of Goodwill impairments	—	(104)
Other	(2)	(1)
	$(239)	$(221)

Other consists of adjustments affecting the tax provision such as those related to the filing of tax returns which are not material.

Deferred tax assets and liabilities as of December 31, 2025 and 2024 consist of:

(in millions)	2025	2024
Deferred tax assets:		
Tax loss carryforwards	$ 3,346	$ 3,243
Provisions	515	633
Debt discounts and deferred financing costs	197	282
Restricted interest and financing expenses	363	148
Research and development tax credits	70	69
Scientific Research and Experimental Development pool	41	40
Tax credit carryforwards	13	12
Deferred revenue	2	5
Prepaid expenses	56	56
Share-based compensation	30	23
Other	18	9
Total deferred tax assets	4,651	4,520
Less valuation allowance	(2,576)	(2,284)
Deferred tax assets net of valuation allowance	2,075	2,236
Deferred tax liabilities:		
Intangible assets	171	201
Plant, equipment and technology	63	62
Outside basis differences	145	133
Total deferred tax liabilities	379	396
Net deferred tax asset	$ 1,696	$ 1,840

17. INCOME TAXES (Continued)

The following table presents a reconciliation of the deferred tax asset valuation allowance:

(in millions)	2025	2024	2023
Balance, beginning of year	$2,284	$2,254	$2,023
Charged to Benefit from income taxes	201	103	164
Charged to other accounts	91	(73)	67
Balance, end of year	$2,576	$2,284	$2,254

The Company has provided for income taxes in accordance with guidance issued by accounting regulatory bodies, the U.S. Internal Revenue Service and state and local governments through the date of the issuance of these Consolidated Financial Statements. Additional guidance and interpretations can be expected and such guidance, if any, could impact future results. While management continues to monitor these matters, the ultimate impact, if any, as a result of the application of any guidance issued in the future cannot be determined at this time.

The realization of deferred tax assets is dependent on the Company generating sufficient domestic and foreign taxable income in the years that the temporary differences become deductible. A valuation allowance has been provided for the portion of the deferred tax assets that the Company determined is more likely than not to remain unrealized based on estimated future taxable income and tax planning strategies. In 2025, the valuation allowance increased $292 million primarily due to losses in Canada and a change in the expected realizability of net deferred tax assets in the United States. In 2024, the valuation allowance increased $30 million primarily due to an increase for state tax losses expected to be unusable in the United States.

The Company's U.S. interest expense is subject to limitation rules which limit U.S. interest expense to 30% of adjusted taxable income, defined similar to EBITA. Disallowed interest can be carried forward indefinitely and any unused interest deduction is assessed for recoverability. In 2025, a valuation allowance was established against this carryforward.

As of December 31, 2025 and 2024, the Company had accumulated taxable losses available to offset future years' federal and provincial taxable income in Canada of approximately $6,607 million and $6,341 million, respectively. As of December 31, 2025 and 2024, unclaimed input tax credits available to offset future federal taxes in Canada were approximately $15 million and $19 million, respectively, which expire in the years 2026 through 2043. In addition, as of December 31, 2025 and 2024, pooled scientific research and experimental development expenditures available to offset against future taxable income in Canada were approximately $157 million and $150 million, respectively, which may be carried forward indefinitely. As of December 31, 2025 and 2024, a full valuation allowance against the net Canadian federal and provincial deferred tax assets on the parent company (BHCI) and the Bausch + Lomb parent company (B+L Corporate Canada) has been provided of $2,182 million and $2,045 million, respectively.

As of December 31, 2025 and 2024, the Company had accumulated taxable losses available to offset future years' federal taxable income in the U.S. of approximately $539 million and $427 million, respectively, including acquired losses that expire in the years 2026 through 2033. As of December 31, 2025, the remaining taxable losses are subject to multiple annual loss limitations as a result of previous ownership changes, and the Company believes that the recoverability of the deferred tax assets associated with these taxable losses is not more likely than not to be realized. As of December 31, 2025 and 2024, U.S. research and development credits available to offset future years' federal income taxes in the U.S. were approximately $15 million and $10 million, respectively, which include acquired research and development credits and which expire in the years 2026 through 2045.

As of December 31, 2025 and 2024, the Company had accumulated taxable losses available to offset future years' taxable income in Ireland of approximately $12,101 million and $12,437 million, respectively.

17. INCOME TAXES (Continued)

The Company provides for income taxes on the unremitted earnings of its direct foreign affiliates except for its investment in the Bausch Health Americas group. The Company continues to assert that the unremitted earnings of its Bausch Health Americas group will be permanently reinvested and not repatriated. As of December 31, 2025, the Company estimates that there will be no tax liability attributable to unremitted earnings of its BHC U.S. subsidiaries. However, future distributions could be subject to U.S. withholding tax. Income Taxes are accrued on the Solta U.S. subsidiaries in accordance with the US-Canada tax treaty.

As of December 31, 2025 and 2024, unrecognized tax benefits (including interest and penalties) were $914 million and $924 million, of which $368 million and $405 million would affect the effective income tax rate, respectively. In 2025 and 2024, the remaining unrecognized tax benefits would not impact the effective tax rate as the tax positions are offset against existing tax attributes or are timing in nature.

The Company provides for interest and penalties related to unrecognized tax benefits in the provision for income taxes. As of December 31, 2025 and 2024, accrued interest and penalties related to unrecognized tax benefits were approximately $68 million for both years. In 2025, the amount of interest and penalties recognized by the Company was not material. In 2024, the Company recognized a net increase of $17 million of interest and penalties.

The Company and one or more of its subsidiaries file federal income tax returns in Canada, the U.S. and other foreign jurisdictions, as well as various provinces and states in Canada and the U.S. The Company and its subsidiaries have open tax years, primarily from 2012 to 2025, with significant taxing jurisdictions, respectively, including Canada and the U.S. These open years contain certain matters that could be subject to differing interpretations of applicable tax laws and regulations and tax treaties, as they relate to the amount, timing, or inclusion of revenues and expenses, or the sustainability of income tax positions of the Company and its subsidiaries. Certain of these tax years are expected to remain open indefinitely.

Jurisdiction:	Open Years
United States – Federal	2017 – 2025
Canada	2012 – 2025
Germany	2017 – 2025
France	2013 – 2015, 2022 – 2025
Ireland	2018 – 2025
Luxembourg	2018 – 2021

In June 2025, the Company and the Internal Revenue Service (the "IRS") concluded the tax audit of its short period 2017 tax years closing all federal tax periods through the short period 2017. As a result of the settlement, the Company recorded a tax benefit of approximately $64 million. The IRS has begun the next audit cycle starting with the stub period ending December 31, 2017.

The Company is currently under examination by the Canada Revenue Agency ("CRA") for seven separate cycles ranging from years 2012 through 2024. During 2025, the Company received various assessments by the CRA to which the Company has responded.

During the fourth quarter of 2025, the Company and the CRA settled certain transfer pricing matters related to the Canadian distribution business for 2019, resulting in a tax payment of CAD 5.5 million. A reserve had previously been established for this.

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

17. INCOME TAXES (Continued)

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 the accrual of an immaterial tax cost that will close out the 2014 to 2016 audit period.

On November 8, 2022, the Company's affiliate in 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.

On January 9, 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.

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

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

The following table presents a reconciliation of the unrecognized tax benefits not including interest and penalties:

(in millions)	2025	2024	2023
Balance, beginning of year	$856	$867	$849
Additions based on tax positions related to the current year	6	60	5
Additions for tax positions of prior years	40	—	29
Reductions for tax positions of prior years	(53)	(53)	(14)
Lapse of statute of limitations	(2)	(18)	(2)
Balance, end of year	$847	$856	$867

Additions for tax positions of prior years includes a currency translation adjustment for tax positions that are denominated in a currency other than U.S. dollars.

17. INCOME TAXES (Continued)

Income taxes paid (net of refunds) exceeding 5 percent of total income taxes paid (net of refunds) in the following jurisdictions for 2025 were as follows:

(in millions)	2025
Federal	$ 9
Provincial	3
Foreign	
Mexico	29
Ireland	28
Germany	27
France	16
United States	15
China	10
Other	26
	$163

18. EARNINGS (LOSS) PER SHARE

Earnings (loss) per share attributable to Bausch Health Companies Inc. for 2025, 2024 and 2023 was calculated as follows:

(in millions, except per share amounts)	2025	2024	2023
Net income (loss) attributable to Bausch Health Companies Inc.	$ 157	$ (46)	$ (592)
Basic weighted-average common shares outstanding	370.9	368.0	364.9
Diluted effect of stock options and RSUs	4.1	—	—
Diluted weighted-average common shares outstanding	$375.0	$368.0	$364.9
Earnings (loss) per share attributable to Bausch Health Companies Inc.			
Basic	$ 0.42	$ (0.13)	$ (1.62)
Diluted	$ 0.42	$ (0.13)	$ (1.62)

In 2024 and 2023, 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 3,142,000 and 2,719,000 common shares for 2024 and 2023, respectively.

During 2025, 2024 and 2023, time-based RSUs, performance-based RSUs and stock options to purchase approximately 5,607,000, 8,031,000 and 13,864,000 common shares of the Company, 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 2023, an additional 596,000 performance-based RSUs respectively, were not included in the computation of diluted earnings per share as the required performance conditions had not been met.

19. 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.

20. SUPPLEMENTAL CASH FLOW DISCLOSURES

Supplemental cash flow disclosures for 2025, 2024 and 2023 are as follows:

(in millions)	2025	2024	2023
Other payments			
Interest paid	$1,810	$1,674	$1,533
Income taxes paid (net of refunds)	$ 163	$ 61	$ 237

Interest paid includes $276 million, $295 million and $282 million of interest which was recorded as a reduction of the premium on the 2022 Secured Notes.

21. 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 below.

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 December 31, 2025, the Company's Consolidated Balance Sheets includes accrued current loss contingencies of $178 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 Litigation and Related Matters

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

21. LEGAL PROCEEDINGS (Continued)

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, as amended (the "Exchange Act") 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. On November 20, 2025, the District Court granted Defendant's motion to dismiss the second amended complaint with prejudice. Plaintiffs filed a notice of appeal on December 22, 2025.

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.

The Company is aware that certain other members of the Catucci class exercised their opt-out rights prior to a 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

21. LEGAL PROCEEDINGS (Continued)

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. 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 application of CalSTRS for leave to pursue its respective action 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 and below.

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.

Antitrust Litigation

Generic Pricing Antitrust Litigation

The Company and its subsidiaries, Oceanside Pharmaceuticals, Inc., Bausch Health US, LLC (formerly Valeant Pharmaceuticals North America LLC) ("BHUS") and Bausch Health Americas, Inc. (formerly Valeant Pharmaceuticals International) ("BHA") (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

21. LEGAL PROCEEDINGS (Continued)

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 BHUS and BHA are defendants, was remanded to the U.S. District Court for the District of Connecticut. BHUS and BHA have reached an agreement in principle to settle the Connecticut case which remains subject to court approval. 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 (Canada) 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. At the certification hearing in late October 2025, before the Federal Court, class counsel advised that they intend to seek approval to have the action dismissed as against the Company. The Company is awaiting a formal dismissal order.

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 December 2025, five antitrust complaints were filed in the U.S. District Court for the District of Rhode Island against the Company among other defendants. 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.

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 January 28, 2026, the plaintiff voluntarily dismissed lawsuit without prejudice.

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

21. LEGAL PROCEEDINGS (Continued)

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.

On December 23, 2025, CVS Pharmacy, 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.

The Company and its affiliates named in these cases dispute the asserted claims and intend to vigorously defend these matters.

Intellectual Property Litigation

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 foregoing lawsuits and related litigation are referred to collectively as the "Xifaxan® Generics Litigation". The lawsuits 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"), Cipla USA, Inc. and Ajanta Pharma Limited ("Ajanta") are 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

21. LEGAL PROCEEDINGS (Continued)

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 held oral arguments on 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. While no trial date has been set, we anticipate a potential motion for summary judgment by the second quarter of 2026 and an estimated trial date summer of 2026.

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").

21. LEGAL PROCEEDINGS (Continued)

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 held oral arguments on December 11, 2025. On December 12, 2025, the Court issued an order requesting supplemental briefing from the parties. After supplemental briefing concluded in the DC Circuit, the Company filed a motion for leave and a cross-claim against the FDA on February 6, 2026 in the DC District Court.

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. While no trial date has been set, we anticipate a potential motion for summary judgment by the second quarter of 2026 and an estimated trial date summer of 2026.

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. Beginning November 10, 2025, the Court held a 3-day bench trial. Post-trial briefing is ongoing.

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,

21. LEGAL PROCEEDINGS (Continued)

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 & Granules

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.

21. LEGAL PROCEEDINGS (Continued)

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. A stipulation and order of dismissal was filed on January 8, 2026.

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. A stipulation and order of dismissal was entered by the court on December 23, 2025.

On November 6, 2025, B&L Inc. and Bausch + Lomb Ireland Limited received a Notice of Paragraph IV Certification from Granules India Ltd. ("Granules"), in which Granules 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 Granules' generic drops, for which an ANDA has been filed by Granules. On December 9, 2025, B&L Inc., Bausch + Lomb Ireland Limited and Eye Therapies filed suit against Granules pursuant to the Hatch-Waxman Act, alleging infringement by

21. LEGAL PROCEEDINGS (Continued)

Granules of one or more claims of such Lumify patents, thereby triggering a 30-month stay of the approval of the Granules ANDA. This matter is ongoing and Granules is expected to be served with the summons and complaint during the first quarter of 2026.

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., certain of which are ongoing. 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 case was dismissed without prejudice on January 5, 2026; another matter was recently filed in the U.S. District Court for the District of New Jersey and is ongoing.

Inter Partes Review Proceedings at the U.S. Patent and Trademark Office

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 8, 2023 decision and remanded the matter back to the PTAB for additional fact-finding. On remand, the PTAB issued a decision on January 27, 2026, finding that MSN had not shown that the '786 Patent is unpatentable.

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

Product Liability Litigation

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 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,

21. LEGAL PROCEEDINGS (Continued)

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

21. LEGAL PROCEEDINGS (Continued)

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 Litigation

Doctors Allergy Formula Lawsuit

In April 2018, Doctors Allergy Formula, LLC ("Doctors Allergy"), filed a lawsuit against BHA 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 BHA. Doctors Allergy claims its damages are not less than $23 million. BHA has asserted counterclaims against Doctors Allergy. BHA filed a motion seeking an order granting BHA's motion for summary judgment on its counterclaims against Doctors Allergy and dismissing Doctors Allergy's claims against BHA. 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, BHA filed a Notice of Appeal as to the Decision and Order. On March 13, 2024, BHA filed its appellate brief with the Appellate Division of the New York Supreme Court, First Department, appealing the trial court's denial of BHA's motion for summary judgment. Doctors Allergy filed its answering brief on July 26, 2024, and BHA 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 BHA's appeal as to Doctors Allergy's second cause of action (breach of contract) and BHA's 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. BHA 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

21. LEGAL PROCEEDINGS (Continued)

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 December 31, 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.

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 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 January 2026, the Company has settled all 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.

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

21. LEGAL PROCEEDINGS (Continued)

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. On January 21, 2026, the Court entered a consent order dismissing the claims with prejudice.

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 now settled.

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.

21. LEGAL PROCEEDINGS (Continued)

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 court dismissed the lawsuit on October 21, 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 filed a lawsuit against Ajanta on November 20, 2025, pursuant to the Hatch-Waxman Act, alleging infringement by Ajanta of one or more claims of the Xifaxan® patents, thereby triggering a 30-month stay of approval of Ajanta's ANDA for rifaximin tablets, 550 mg. The Company and Ajanta executed a confidential settlement agreement on January 9, 2026. On January 13, 2026, the Court dismissed the lawsuit.

22. COMMITMENTS AND CONTINGENCIES

The Company has commitments related to capital expenditures of approximately $129 million as of December 31, 2025.

Under certain agreements, the Company may be required to make payments contingent upon the achievement of specific developmental, regulatory, or commercial milestones. As of December 31, 2025, the Company believes it is reasonably possible that it may potentially make milestone and license fee payments, including sales-based milestone payments, of approximately $300 million over time, in the aggregate, to third parties for products currently under development or being marketed, primarily consisting of the following:

- Under the terms of a June 2013 distribution and supply agreement with Mylan Pharmaceuticals Inc. (as assignee of Spear Pharmaceuticals, Inc and Spear Dermatology Products Inc.), the Company may be required to make sales-based milestone payments. The Company believes it is reasonably possible that these payments over time may approximate $35 million, in the aggregate.
- Under the terms of a December 2019 agreement with Novaliq GmbH, Bausch + Lomb has acquired an exclusive license for the commercialization and development in the U.S. and Canada of MIEBO® (perfluorohexyloctane), formerly known as NOV03, for the treatment of the signs and symptoms of dry eye disease and may be required to make sales-based milestone payments. The Company believes it is reasonably possible that these payments over time may approximate $88 million, in the aggregate.
- Under the terms of a January 2025 agreement with Whitecap Biosciences, as disclosed in Note 3, "LICENSING AGREEMENTS AND ACQUISITIONS", Bausch + Lomb may be required to make certain development and sales-based milestones and believes it is reasonably possible that these payments over time may approximate $64 million, in the aggregate.
- Under the terms of a December 2025 manufacturing acquisition agreement, as disclosed in Note 3, "LICENSING AGREEMENTS AND ACQUISITIONS", Bausch + Lomb may be required to make

22. COMMITMENTS AND CONTINGENCIES (Continued)

certain milestone payments and believes it is reasonably possible that these payments over time may approximate $35 million, in the aggregate.

Due to the nature of these arrangements, the future potential payments related to the attainment of the specified milestones over a period of several years are inherently uncertain. As of December 31, 2025, the Company has accrued $37 million related to future milestones, with the remaining milestones related to the aforementioned agreements, being not yet probable of being achieved.

Indemnification Provisions

In the normal course of business, the Company enters into agreements that include indemnification provisions for product liability and other matters. These provisions are generally subject to maximum amounts, specified claim periods and other conditions and limits. In addition, the Company is obligated to indemnify its officers and directors in respect of any legal claims or actions initiated against them in their capacity as officers and directors of the Company in accordance with applicable law. Pursuant to such indemnities, the Company is indemnifying certain former officers and directors in respect of certain litigation and regulatory matters. As of December 31, 2025 and 2024, no material amounts were accrued for the Company's obligations under these indemnification provisions.

23. SEGMENT INFORMATION

Reportable Segments

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. 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 Chief Executive Officer, whom the Company has determined to be the Company's Chief Operating Decision Maker (the "CODM"). The 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, Goodwill impairments, Asset impairments, Restructuring, integration and 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.

23. SEGMENT INFORMATION (Continued)

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.

Revenues by Segment and Product Category and Segment Profits

Segment revenues by product category and segment profits for the years 2025, 2024 and 2023 were as follows:

	For the year ended December 31, 2025					
(in millions)	**Salix**	**International**	**Solta Medical**	**Diversified**	**Bausch + Lomb**	**Total**
Revenues:						
Pharmaceuticals	$2,578	$ 249	$ —	$839	$1,081	$ 4,747
Devices	—	—	517	—	1,922	2,439
OTC	—	168	—	6	1,834	2,008
Branded and Other generics	—	642	—	77	243	962
Other revenues	—	73	1	15	21	110
Total revenues	2,578	1,132	518	937	5,101	$10,266
Less:						
Cost of goods sold[(a)]	172	476	129	127	2,045	
Costs of other revenues	—	59	—	—	5	
Selling, general and administrative	402	236	131	169	1,782	
Research and development	79	27	26	14	144	
Segment profit	$1,925	$ 334	$232	$627	$1,125	$ 4,243
Corporate						(1,057)
Amortization of intangible assets						(1,001)
Goodwill impairments						(145)
Asset impairments						(8)
Restructuring, integration and separation costs						(77)
Other expense, net						(142)
Operating income						1,813
Interest income						48
Interest expense						(1,604)
Gain on extinguishment of debt						162
Foreign exchange and other						(52)
Income before income taxes						$ 367

23. SEGMENT INFORMATION (Continued)

	For the year ended December 31, 2024					
(in millions)	**Salix**	**International**	**Solta Medical**	**Diversified**	**Bausch + Lomb**	**Total**
Revenues:						
Pharmaceuticals	$2,330	$ 248	$ —	$849	$ 969	$ 4,396
Devices	—	—	440	—	1,800	2,240
OTC	—	173	—	6	1,724	1,903
Branded and Other generics	—	624	—	74	281	979
Other revenues	3	66	—	21	17	107
Total revenues	2,333	1,111	440	950	4,791	$ 9,625
Less:						
Cost of goods sold[(a)]	174	449	98	140	1,868	
Costs of other revenues	—	48	1	—	4	
Selling, general and administrative	458	214	110	169	1,690	
Research and development	99	24	18	15	121	
Segment profit	$1,602	$ 376	$213	$626	$1,108	$ 3,925
Corporate						(994)
Amortization of intangible assets						(1,077)
Asset impairments						(29)
Restructuring, integration and separation costs						(32)
Other expense, net						(247)
Operating income						1,546
Interest income						33
Interest expense						(1,388)
Gain on extinguishment of debt						23
Foreign exchange and other						(47)
Income before income taxes						$ 167

23. SEGMENT INFORMATION (Continued)

	For the year ended December 31, 2023					
(in millions)	**Salix**	**International**	**Solta Medical**	**Diversified**	**Bausch + Lomb**	**Total**
Revenues:						
Pharmaceuticals	$2,251	$ 250	$ —	$790	$ 618	$ 3,909
Devices	—	—	347	—	1,650	1,997
OTC	—	179	—	7	1,611	1,797
Branded and Other generics	—	588	—	120	252	960
Other revenues	(1)	54	—	26	15	94
Total revenues	2,250	1,071	347	943	4,146	$ 8,757
Less:						
Cost of goods sold[(a)]	182	470	78	149	1,640	
Costs of other revenues	—	38	—	—	2	
Selling, general and administrative	416	205	88	190	1,402	
Research and development	104	23	20	18	122	
Segment profit	$1,548	$ 335	$161	$586	$ 980	$ 3,610
Corporate						(933)
Amortization of intangible assets						(1,077)
Goodwill impairments						(493)
Asset impairments						(54)
Restructuring, integration and separation costs						(62)
Other expense, net						(28)
Operating income						963
Interest income						26
Interest expense						(1,328)
Gain on extinguishment of debt						1
Foreign exchange and other						(52)
Loss before income taxes						$ (390)

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

Revenues for the Company's top ten products for the years 2025, 2024 and 2023 represented 51%, 50% and 48% of total product sales, respectively.

23. SEGMENT INFORMATION (Continued)

Geographic Information

Revenues are attributed to a geographic region based on the location of the customer and for the years 2025, 2024 and 2023, were as follows:

(in millions)	2025	2024	2023
U.S.	$ 6,138	$5,767	$5,194
China	493	496	441
Canada	417	402	366
Poland	382	350	319
Mexico	278	315	322
France	249	230	214
South Korea	234	146	93
Russia	198	161	148
Japan	192	188	194
Germany	176	159	152
United Kingdom	141	135	125
Spain	109	99	92
Italy	106	94	86
Other	1,153	1,083	1,011
	$10,266	$9,625	$8,757

Long-lived assets consisting of property, plant and equipment, net of accumulated depreciation, are attributed to geographic regions based on their physical location and as of December 31, 2025 and 2024 were as follows:

(in millions)	2025	2024
U.S.	$ 898	$ 876
Ireland	544	425
Germany	162	104
Other	470	375
	$2,074	$1,780

Major Customers

Customers that accounted for 10% or more of total revenues were as follows:

	2025	2024	2023
Cencora Inc.	18%	19%	19%
McKesson Corporation	16%	15%	15%
Cardinal Health, Inc.	14%	14%	13%

24. SUBSEQUENT EVENT

Salix Goodwill

In January 2026, the Company received the results for the double-blind Phase 3 clinical trials for two global RED-C clinical programs evaluating its rifaximin soluble solid dispersion formulation, designed to prevent overt hepatic encephalopathy and related complications in patients with early-stage liver cirrhosis. While safe and well-tolerated, both clinical trials failed to achieve their primary endpoints. The Company performed a preliminary quantitative goodwill analysis as of January 22, 2026 for the Salix reporting unit using revised forecasts, an updated discount rate, and a new long-term growth rate that reflect the impact of the Phase 3 clinical trial results. The Company anticipates recognizing an impairment charge to the goodwill of the Salix reporting unit of approximately $1,400 million in the first quarter of 2026.

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