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

FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the Quarterly Period Ended September 30, 2026
OR
☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _ to _

Commission File Number: 001-14956

Bausch Health Companies Inc.
(Exact name of registrant as specified in its charter)

British Columbia , Canada	**98-0448205**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

2150 St. Elzéar Blvd. West, Laval, Québec, Canada H7L 4A8
(Address of Principal Executive Offices) (Zip Code)

(514) 744-6792
(Registrant's telephone number, including area code)

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

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

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

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

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

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

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

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

Common shares, no par value — 374,266,716 shares outstanding as of October 23, 2026.

BAUSCH HEALTH COMPANIES INC.
FORM 10-Q
FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2026

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Introductory Note

Except where the context otherwise requires, all references in this Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2026 (this "Form 10-Q") to the "Company", "we", "us", "our" or similar words or phrases are to Bausch Health Companies Inc. and its subsidiaries, taken together. In this Form 10-Q, references to "$" are to United States ("U.S.") dollars, references to "€" are to Euros and references to "CAD" are to Canadian dollars. Unless otherwise indicated, the statistical and financial data contained in this Form 10-Q are presented as of September 30, 2026.

Trademarks

This Form 10-Q 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-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (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 completed and pending acquisitions and other strategic transactions and the potential 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 and manufacturing facility compliance and certification 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 impact of the negotiated prices for Xifaxan®, expected to become effective in 2027, under certain programs of the Centers for Medicare & Medicaid Services ("CMS") 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 and the Company's ability to recover any tariffs that are eligible for refund claims; (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, subpoenas, investigations, reviews, audits, regulatory proceedings and other contingencies; (xiii) the recent changes to the composition of the Bausch + Lomb board of directors and executive leadership team including the appointment of Bausch Health's Chief Executive Officer as Chairman of the board of directors and interim Chief Executive Officer of Bausch + Lomb while concurrently serving as Bausch Health's

Chief Executive Officer; and (xiv) the factors described under Item 1A. "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2025.

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-Q 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-Q or to reflect actual outcomes, except as required by law.

Additional information about these factors and about the material factors or assumptions underlying such forward-looking statements may be found (i) in our Annual Report on Form 10-K for the year ended December 31, 2025 under Item 1A. "Risk Factors" and (ii) in the Company's other filings with the U.S. Securities and Exchange Commission (the "SEC") and the Canadian Securities Administrators (the "CSA").

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

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

	September 30, 2026	December 31, 2025
Assets		
Current assets:		
Cash and cash equivalents	$ 2,485	$ 1,309
Restricted cash	3	16
Trade receivables, net	2,533	2,351
Inventories, net	1,591	1,629
Prepaid expenses and other current assets	796	852
Total current assets	7,408	6,157
Property, plant and equipment, net	2,108	2,074
Intangible assets, net	3,972	4,643
Goodwill	9,767	11,271
Deferred tax assets, net	1,886	1,843
Other non-current assets	343	378
Total assets	$ 25,484	$ 26,366
Liabilities		
Current liabilities:		
Accounts payable	$ 517	$ 600
Accrued and other current liabilities	3,349	3,344
Financial leases	17	11
Current portion of long-term debt	866	225
Total current liabilities	4,749	4,180
Acquisition-related contingent consideration	199	254
Non-current portion of financial leases	61	23
Non-current portion of long-term debt	19,771	20,592
Deferred tax liabilities, net	340	147
Other non-current liabilities	705	793
Total liabilities	25,825	25,989
Commitments and contingencies (Note 17)		
(Deficit) Equity		
Common shares, no par value, unlimited shares authorized, 374,252,192 and 370,531,987 issued and outstanding at September 30, 2026 and December 31, 2025, respectively	10,549	10,516
Additional paid-in capital	382	357
Accumulated deficit	(10,396)	(9,667)
Accumulated other comprehensive loss	(1,863)	(1,760)
Total Bausch Health Companies Inc. shareholders' deficit	(1,328)	(554)
Noncontrolling interest	987	931
Total (deficit) equity	(341)	377
Total liabilities and equity	$ 25,484	$ 26,366

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

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	**2025**	**2026**	**2025**
Revenues				
Product sales	$ 2,912	$ 2,657	$ 8,237	$ 7,388
Other revenues	29	24	80	82
	2,941	2,681	8,317	7,470
Expenses				
Cost of goods sold (excluding amortization and impairments of intangible assets)	721	735	2,195	2,166
Cost of other revenues	14	15	50	49
Selling, general and administrative	834	795	2,602	2,556
Research and development	141	166	477	468
Amortization of intangible assets	227	253	693	765
Goodwill impairments	—	—	1,426	—
Restructuring, integration and separation costs	10	17	32	49
Other expense, net	11	81	69	78
	1,958	2,062	7,544	6,131
Operating income	983	619	773	1,339
Interest income	13	15	34	39
Interest expense	(398)	(412)	(1,196)	(1,207)
Gain (loss) on extinguishment of debt	—	3	(1)	181
Foreign exchange and other	(1)	(7)	(19)	(41)
Income (loss) before income taxes	597	218	(409)	311
Provision for income taxes	(151)	(37)	(316)	(88)
Net income (loss)	446	181	(725)	223
Net (income) loss attributable to noncontrolling interest	(10)	(2)	(4)	46
Net income (loss) attributable to Bausch Health Companies Inc.	$ 436	$ 179	$ (729)	$ 269
Earnings (loss) per share attributable to Bausch Health Companies Inc.				
Basic	$ 1.16	$ 0.48	$ (1.95)	$ 0.73
Diluted	$ 1.15	$ 0.48	$ (1.95)	$ 0.72
Weighted-average common shares				
Basic	375.5	371.3	374.5	370.6
Diluted	380.7	375.5	374.5	374.1

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

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	**2025**	**2026**	**2025**
Net income (loss)	$ 446	$ 181	$ (725)	$ 223
Other comprehensive (loss) income				
Foreign currency translation adjustment	(36)	(10)	(96)	356
Other comprehensive (loss) income	(36)	(10)	(96)	356
Comprehensive income (loss)	410	171	(821)	579
Comprehensive (income) loss attributable to noncontrolling interest	(12)	(2)	(11)	69
Comprehensive income (loss) attributable to Bausch Health Companies Inc.	$ 398	$ 169	$ (832)	$ 648

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

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

	Bausch Health Companies Inc. Shareholders' (Deficit) Equity							
	Common Shares		Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Bausch Health Companies Inc. Shareholders' Deficit	Non-controlling Interest	Total (Deficit) Equity
	Shares	Amount						
	Three Months Ended September 30, 2026							
Balances, July 1, 2026	373.9	$ 10,544	$ 342	$ (10,832)	$ (1,825)	$ (1,771)	$ 969	$ (802)
Common shares issued under share-based compensation plans	0.4	5	(5)	—	—	—	—	—
Share-based compensation	—	—	52	—	—	52	—	52
Employee withholding taxes related to share-based awards	—	—	(1)	—	—	(1)	—	(1)
Vesting of B+L equity compensation	—	—	(6)	—	—	(6)	6	—
Net income	—	—	—	436	—	436	10	446
Other comprehensive (loss) income	—	—	—	—	(38)	(38)	2	(36)
Balances, September 30, 2026	374.3	$ 10,549	$ 382	$ (10,396)	$ (1,863)	$ (1,328)	$ 987	$ (341)
	Three Months Ended September 30, 2025							
Balances, July 1, 2025	369.7	$ 10,510	$ 250	$ (9,734)	$ (1,790)	$ (764)	$ 911	$ 147
Common shares issued under share-based compensation plans	0.8	5	(5)	—	—	—	—	—
Share-based compensation	—	—	43	—	—	43	—	43
Employee withholding taxes related to share-based awards	—	—	(5)	—	—	(5)	—	(5)
Vesting of B+L equity compensation	—	—	(8)	—	—	(8)	8	—
Net income	—	—	—	179	—	179	2	181
Other comprehensive loss	—	—	—	—	(10)	(10)	—	(10)
Balances, September 30, 2025	370.5	$ 10,515	$ 275	$ (9,555)	$ (1,800)	$ (565)	$ 921	$ 356
	Nine Months Ended September 30, 2026							
Balances, January 1, 2026	370.5	$ 10,516	$ 357	$ (9,667)	$ (1,760)	$ (554)	$ 931	$ 377
Common shares issued under share-based compensation plans	3.8	33	(33)	—	—	—	—	—
Share-based compensation	—	—	158	—	—	158	—	158
Employee withholding taxes related to share-based awards	—	—	(43)	—	—	(43)	—	(43)
Vesting of B+L equity compensation	—	—	(55)	—	—	(55)	55	—
Cash settlement of share-based awards	—	—	(2)	—	—	(2)	—	(2)
Noncontrolling interest distributions	—	—	—	—	—	—	(10)	(10)
Net loss (income)	—	—	—	(729)	—	(729)	4	(725)
Other comprehensive (loss) income	—	—	—	—	(103)	(103)	7	(96)
Balances, September 30, 2026	374.3	$ 10,549	$ 382	$ (10,396)	$ (1,863)	$ (1,328)	$ 987	$ (341)
	Nine Months Ended September 30, 2025							
Balances, January 1, 2025	367.8	$ 10,490	$ 234	$ (9,824)	$ (2,179)	$ (1,279)	$ 957	$ (322)
Common shares issued under share-based compensation plans	2.7	25	(25)	—	—	—	—	—
Share-based compensation	—	—	132	—	—	132	—	132
Employee withholding taxes related to share-based awards	—	—	(24)	—	—	(24)	—	(24)
Vesting of B+L equity compensation	—	—	(42)	—	—	(42)	42	—
Noncontrolling interest distributions	—	—	—	—	—	—	(9)	(9)
Net income (loss)	—	—	—	269	—	269	(46)	223
Other comprehensive income (loss)	—	—	—	—	379	379	(23)	356
Balances, September 30, 2025	370.5	$ 10,515	$ 275	$ (9,555)	$ (1,800)	$ (565)	$ 921	$ 356

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

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

	Nine Months Ended September 30,	
	2026	**2025**
Cash Flows From Operating Activities		
Net (loss) income	$ (725)	$ 223
Adjustments to reconcile net (loss) income to net cash provided by operating activities:		
Depreciation and amortization of intangible assets	860	918
Amortization and write-off of debt premiums, discounts and issuance costs	46	72
Asset impairments	13	1
Goodwill impairments	1,426	—
Acquisition-related contingent consideration	14	(72)
Allowances for losses on trade receivables and inventories	55	48
Deferred income taxes	143	(75)
Net gain on sale of assets	(4)	(6)
Adjustments to accrued legal settlements	26	40
Payments of accrued legal settlements	(176)	(198)
Share-based compensation	158	132
Gain excluded from hedge effectiveness	(5)	(8)
Loss (gain) on extinguishment of debt	1	(181)
Payments of contingent consideration adjustments, including accretion	(6)	(6)
Amortization of inventory step-up resulting from acquisitions	3	62
Foreign exchange and other	(8)	(18)
Changes in operating assets and liabilities:		
Trade receivables	(196)	(199)
Inventories	(31)	(7)
Prepaid expenses and other current assets	(3)	(29)
Accounts payable, accrued and other liabilities	123	208
Net cash provided by operating activities	1,714	905
Cash Flows From Investing Activities		
Acquisitions and other investments	(38)	(17)
Purchases of property, plant and equipment	(252)	(305)
Acquisition of intangible assets and other assets	(38)	(10)
Purchases of marketable securities	(9)	(6)
Proceeds from sale of marketable securities	9	6
Proceeds from sale of assets and businesses, net of costs to sell	4	7
Interest settlements from cross-currency swaps	9	12
Net cash used in investing activities	(315)	(313)
Cash Flows From Financing Activities		
Issuance of long-term debt, net of discounts	2,930	10,421
Repayments of long-term debt and other financial liabilities	(3,082)	(10,839)
Payments of employee withholding taxes related to share-based awards	(43)	(24)
Payments of acquisition-related contingent consideration	(20)	(18)
Payments of financing costs	(1)	(38)
Other	(13)	(9)
Net cash used in financing activities	(229)	(507)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(7)	54
Net increase in cash, cash equivalents and restricted cash	1,163	139
Cash, cash equivalents and restricted cash, beginning of period	1,325	1,201
Cash, cash equivalents and restricted cash, end of period	$ 2,488	$ 1,340
Cash and cash equivalents	$ 2,485	$ 1,308
Restricted cash	3	32
Cash, cash equivalents and restricted cash, end of period	$ 2,488	$ 1,340

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

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, neuroscience 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 87% 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.

SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Use of Estimates

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

Separation of the Bausch + Lomb Eye Health Business

On August 6, 2020, the Company announced its plan to separate its eye health business, consisting of its Bausch + Lomb global Vision Care, Surgical and Pharmaceuticals businesses into an independent publicly traded entity, Bausch + Lomb, from the remainder of Bausch Health Companies Inc. (the "B+L Separation"). As part of this plan, in May 2022, a wholly owned subsidiary of Bausch Health sold common shares of Bausch + Lomb pursuant to an initial public offering of Bausch + Lomb (the "B+L IPO"). Following the B+L IPO, Bausch Health currently indirectly holds 310,449,643 common shares of Bausch + Lomb, which represents approximately 87% of B+L's outstanding common shares as of September 30, 2026.

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 relating to its investment in Bausch + Lomb, including the Xifaxan® Generics Litigation (see "Xifaxan® Paragraph IV Proceedings" of Note 17, "LEGAL PROCEEDINGS").

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

Use of Estimates

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

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

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

Principles of Consolidation

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

New Accounting Standards

In July 2025, the Financial Accounting Standards Board (the "FASB") issued Accounting Standards Update ("ASU") 2025-05, Financial Instruments - Credit Losses (Topic 326) - Measurement of Credit Losses for Accounts Receivable and Contract Assets ("ASU 2025-05"), which simplifies the estimation of credit losses on current accounts receivable and current contract assets arising from transactions accounted for under Accounting Standards Codification ("ASC") 606, Revenue from Contracts with Customers, and allows entities to elect a practical expedient to assume that the current conditions as of the balance sheet date will remain unchanged for the remaining life of the asset when developing a reasonable and supportable forecast as part of estimating expected credit losses on these assets. The guidance is effective January 1, 2026. The Company has elected the practical expedient and the application of this ASU did not have a material impact on its consolidated financial statements and related disclosures.

Recently Issued Accounting Standards, Not Adopted as of September 30, 2026

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

In 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 ("ASU 2025-06"). ASU 2025-06 removes the references to software development project stages and requires entities to begin 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.

REVENUE RECOGNITION

The Company's revenues are primarily generated from product sales, primarily in the therapeutic areas of GI, hepatology, neuroscience, 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 18, "SEGMENT INFORMATION" for the disaggregation of revenue.

Product Sales Provisions

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

Provisions for these deductions are recorded concurrently with the recognition of gross product sales revenue and include cash discounts and allowances, chargebacks, and distribution fees, which are paid to direct customers, as well as rebates and returns, which can be paid to direct and indirect customers. Returns provision balances and volume discounts to direct customers are included in Accrued and other current liabilities. All other provisions related to direct customers are included

in Trade receivables, net, while provision balances related to indirect customers are included in Accrued and other current liabilities.

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

The following tables present the activity and ending balances of the Company's variable consideration provisions for the nine months ended September 30, 2026 and 2025.

	Nine Months Ended September 30, 2026					
(in millions)	Discounts and Allowances	Returns	Rebates	Chargebacks	Distribution Fees	Total
Reserve balances, January 1, 2026	$ 173	$ 348	$ 1,352	$ 125	$ 64	$ 2,062
Current period provisions	527	85	2,956	1,088	205	4,861
Payments and credits	(537)	(112)	(2,888)	(1,076)	(191)	(4,804)
Reserve balances, September 30, 2026	$ 163	$ 321	$ 1,420	$ 137	$ 78	$ 2,119

Included in Rebates in the table above are cooperative advertising credits due to customers of approximately $43 million and $31 million as of September 30, 2026 and January 1, 2026, respectively, which are reflected as a reduction of Trade receivables, net in the Condensed Consolidated Balance Sheets. Included as a reduction of current period provisions for Distribution Fees in the table above are price appreciation credits of approximately $31 million for the nine months ended September 30, 2026.

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

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

Contract Assets and Contract Liabilities

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

Allowance for Credit Losses

An allowance is maintained for potential credit losses. The Company estimates the current expected credit loss on its receivables based on various factors, including historical credit loss experience, customer credit worthiness, value of collateral (if any), and current conditions existing at the balance sheet date. Additionally, the Company generally estimates the expected credit loss on a pooled 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. The activity in the allowance for credit losses for trade receivables for the nine months ended September 30, 2026 and 2025 is as follows:

(in millions)	2026	2025
Balance, beginning of period	$ 31	$ 30
Provision for expected credit losses	6	6
Write-offs charged against the allowance	(2)	(6)
Recoveries of amounts previously written off	1	—
Balance, end of period	$ 36	$ 30

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.

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

(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 6, "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 reacquired inventory that it had previously sold to Shibo Zhenmei and has subsequently sold such inventory.

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.

Acquisition of DURECT Corporation

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

The transaction was accounted for as an asset acquisition under ASC 805, Business Combinations, as substantially all of the value was attributed to a single in-process research and development ("IPR&D") asset related to Larsucosterol, a drug candidate for alcohol-associated hepatitis. Clinical testing for Larsucosterol is ongoing and the drug candidate has not yet received regulatory approval from the 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 Condensed 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, net	$	7
Intangible assets, net		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 represents potential future synergies and 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 September 30, 2026. 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 2025 were not material.

Other Bausch + Lomb Acquisitions

During November 2025, Bausch + Lomb completed two acquisitions which were 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.

Acquisition of Whitecap Biosciences

During January 2025, Bausch + Lomb, through an affiliate, acquired Whitecap Biosciences, LLC ("Whitecap Biosciences") for an upfront payment of approximately $28 million and potential future milestone and royalty payments. Bausch + Lomb accounted for the transaction as an asset acquisition and expensed the upfront payment of approximately $28 million as acquired IPR&D costs, as included within Other expense, net on the Condensed Consolidated Statements of Operations. In July 2026, Bausch + Lomb announced that the Phase 2 study regarding Whitecap Biosciences' glaucoma neuroprotective candidate did not meet its primary endpoint and, as such, Bausch + Lomb will no longer advance this program, and instead, will now focus solely on (in respect of Whitecap Biosciences) developing the first small-molecule sustained-release implant for geographic atrophy.

2026 Acquisitions

On October 8, 2026, Bausch + Lomb entered into an agreement to acquire certain ophthalmic surgical manufacturing businesses. The acquisition is expected to close during the fourth quarter of 2026 for an upfront cash payment of approximately $85 million, due at closing.

RESTRUCTURING, INTEGRATION AND SEPARATION COSTS

Restructuring and Integration Costs

The Company evaluates opportunities to improve its operating results and implement cost savings programs to streamline its operations and eliminate redundant processes and expenses. Restructuring and integration costs are expenses associated with the implementation of these cost savings programs and include expenses associated with: (i) reducing headcount, (ii) eliminating real estate costs associated with unused or under-utilized facilities and (iii) implementing contribution margin improvement and other cost reduction initiatives.

The Company incurred $32 million and $49 million of restructuring and integration costs during the nine months ended September 30, 2026 and 2025, respectively, which primarily consist of employee severance costs.

Separation Costs and Separation-related Costs

The Company has incurred, and may 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 may include, but are not limited to legal, audit and advisory fees. Separation costs included in Restructuring, integration and separation costs for the nine months ended September 30, 2026 and 2025 were not material.

The Company has incurred, and may incur, incremental costs with respect to the B+L Separation. These separation-related costs include, but are not limited to rebranding costs, advisory fees and costs associated with facility relocation and/or modification. Included in Selling, general and administrative expenses for the nine months ended September 30, 2026 and 2025 are separation-related costs of $2 million and $5 million, respectively.

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

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:

	September 30, 2026				December 31, 2025			
(in millions)	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**
Assets:								
Cash equivalents	$ 1,426	$ 1,415	$ 11	$ —	$ 587	$ 574	$ 13	$ —
Restricted cash	$ 3	$ 3	$ —	$ —	$ 16	$ 16	$ —	$ —
Cross-currency swaps	$ 2	$ —	$ 2	$ —	$ 5	$ —	$ 5	$ —
Foreign currency exchange contracts	$ 1	$ —	$ 1	$ —	$ 1	$ —	$ 1	$ —
Liabilities:								
Acquisition-related contingent consideration	$ 282	$ —	$ —	$ 282	$ 292	$ —	$ —	$ 292
Cross-currency swaps	$ 125	$ —	$ 125	$ —	$ 158	$ —	$ 158	$ —
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 Condensed Consolidated Balance Sheets at carrying value, which approximates fair value due to their short-term nature. Cash, cash equivalents and restricted cash as presented in the Condensed Consolidated Balance Sheet as of September 30, 2026 includes $515 million of cash, cash equivalents and restricted cash held by legal entities of Bausch + Lomb. Cash held by Bausch + Lomb legal entities and any future cash from the operating, investing and financing activities of Bausch + Lomb is expected to be retained by Bausch + Lomb entities and is generally not available to support the operations, investing and financing activities of other legal entities, including Bausch Health unless paid as a dividend, which would be determined by the Board of Directors of Bausch + Lomb and paid pro rata to Bausch + Lomb's shareholders.

There were no transfers into or out of Level 3 assets or liabilities during the nine months ended September 30, 2026.

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 September 30, 2026, these swaps had an aggregate notional value of $1,000 million.

The assets and liabilities associated with Bausch + Lomb's cross-currency swaps as included in the Condensed Consolidated Balance Sheets as of September 30, 2026 and December 31, 2025 are as follows:

(in millions)	**September 30, 2026**	**December 31, 2025**
Other non-current liabilities	$ (125)	$ (158)
Prepaid expenses and other current assets	$ 2	$ 5
Net fair value	$ (123)	$ (153)

The following table presents the effect of hedging instruments on the Condensed Consolidated Statements of Comprehensive income (loss) and the Condensed Consolidated Statements of Operations for the three and nine months ended September 30, 2026 and 2025:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in millions)	**2026**	**2025**	**2026**	**2025**
Gain (loss) recognized in Other comprehensive income (loss)	$ 11	$ 12	$ 33	$ (116)
Gain excluded from assessment of hedge effectiveness	$ 1	$ 2	$ 5	$ 8
Location of gain of excluded component	Interest Expense		Interest Expense	

No portion of the cross-currency swaps was ineffective for the nine months ended September 30, 2026 and 2025. During the nine months ended September 30, 2026 and 2025, the Company received $9 million and $12 million, respectively, in interest settlements, which are reported as investing activities in the Condensed Consolidated Statements of Cash Flows.

Foreign Currency Exchange Contracts

The Company's foreign currency exchange contracts are remeasured at each reporting date to reflect changes in their fair values determined using forward rates, which are observable market inputs, multiplied by the notional amount. The Company's foreign currency exchange contracts are economically hedging the foreign exchange exposure on certain of the Company's intercompany balances. As of September 30, 2026, the Company's outstanding foreign currency exchange contracts had an aggregate notional amount of $568 million.

The assets and liabilities associated with the Company's foreign exchange contracts as included in the Condensed Consolidated Balance Sheets as of September 30, 2026 and December 31, 2025 are as follows:

(in millions)	**September 30, 2026**	**December 31, 2025**
Accrued and other current liabilities	$ (5)	$ (5)
Prepaid expenses and other current assets	$ 1	$ 1
Net fair value	$ (4)	$ (4)

The following table presents the effect of the Company's foreign exchange contracts on the Condensed Consolidated Statements of Operations and the Condensed Consolidated Statements of Cash Flows for the three and nine months ended September 30, 2026 and 2025:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in millions)	**2026**	**2025**	**2026**	**2025**
(Loss) gain related to changes in fair value	$ (3)	$ 4	$ (1)	$ (5)
Loss related to settlements	$ (11)	$ (2)	$ (22)	$ (15)

Acquisition-related Contingent Consideration Obligations

The fair value measurement of contingent consideration obligations arising from business combinations is determined via a probability-weighted discounted cash flow analysis, using unobservable (Level 3) inputs. These inputs may include: (i) the estimated amount and timing of projected cash flows, (ii) the probability of the achievement of the factor(s) on which the contingency is based and (iii) the risk-adjusted discount rate used to present value the probability-weighted cash flows. Significant increases or decreases in any of those inputs in isolation could result in a significantly higher or lower fair value measurement. At September 30, 2026, the fair value measurements of acquisition-related contingent consideration were determined using risk-adjusted discount rates ranging from 6% to 27%, and a weighted average risk-adjusted discount rate of 8%. The weighted average risk-adjusted discount rate was calculated by weighting each contract's relative fair value at September 30, 2026.

The following table presents a reconciliation of contingent consideration obligations measured on a recurring basis using significant unobservable inputs (Level 3) for the nine months ended September 30, 2026 and 2025:

	September 30,	
(in millions)	**2026**	**2025**
Balance, beginning of period	$ 292	$ 359
Adjustments to Acquisition-related contingent consideration:		
Accretion for the time value of money	$ 18	$ 20
Fair value adjustments due to changes in estimates of future payments	(4)	(92)
Acquisition-related contingent consideration (Note 4)	14	(72)
Additions	2	—
Payments/Settlements	(26)	(24)
Balance, end of period	282	263
Current portion included in Accrued and other current liabilities	83	39
Non-current portion included in Other non-current liabilities	$ 199	$ 224

Fair Value of Long-term Debt

The fair value of long-term debt as of September 30, 2026 and December 31, 2025 was $19,730 million and $19,626 million, respectively, and was estimated using the quoted market prices for the same or similar debt issuances (Level 2).

INVENTORIES

Inventories, net consist of:

(in millions)	**September 30, 2026**	**December 31, 2025**
Raw materials	$ 544	$ 564
Work in process	104	102
Finished goods	943	963
	$ 1,591	$ 1,629

INTANGIBLE ASSETS AND GOODWILL

Intangible Assets

The major components of intangible assets consist of:

	September 30, 2026			**December 31, 2025**		
(in millions)	**Gross Carrying Amount**	**Accumulated Amortization and Impairments**	**Net Carrying Amount**	**Gross Carrying Amount**	**Accumulated Amortization and Impairments**	**Net Carrying Amount**
Finite-lived intangible assets:						
Product brands	$ 22,494	$ (20,519)	$ 1,975	$ 22,534	$ (19,981)	$ 2,553
Corporate brands	999	(845)	154	1,003	(789)	214
Product rights/patents	3,265	(3,252)	13	3,271	(3,253)	18
Partner relationships, technology and other	434	(402)	32	445	(385)	60
Total finite-lived intangible assets	27,192	(25,018)	2,174	27,253	(24,408)	2,845
Acquired IPR&D	100	—	100	100	—	100
B&L Trademark	1,698	—	1,698	1,698	—	1,698
	$ 28,990	$ (25,018)	$ 3,972	$ 29,051	$ (24,408)	$ 4,643

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 Other expense, net in the Condensed Consolidated Statements of Operations. The Company continues to monitor the recoverability of its finite-lived intangible assets and tests the intangible assets for impairment if indicators of impairment are present. The

Company estimates the fair values of long-lived assets with finite lives using an undiscounted cash flow model which utilizes Level 3 unobservable inputs. The undiscounted cash flow model relies on assumptions regarding revenue growth rates, gross profit, selling, general and administrative expenses and research and development expenses.

Asset impairments for the three and nine months ended September 30, 2026 were approximately $4 million and $13 million, respectively, and related to a change in the future forecasted revenues and a product discontinuation.

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

Xifaxan® intangible assets included in the unaudited Condensed Consolidated Balance Sheets had a carrying value of $673 million and an estimated remaining useful life of 15 months as of September 30, 2026. 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 17, "LEGAL PROCEEDINGS".

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

Estimated amortization expense of finite-lived intangible assets for the remainder of 2026 and each of the five succeeding years ending December 31 and thereafter is as follows:

(in millions)	Remainder of 2026	2027	2028	2029	2030	2031	Thereafter	Total
Amortization	$ 224	$ 848	$ 245	$ 231	$ 225	$ 215	$ 186	$ 2,174

Goodwill

The changes in the carrying amount of goodwill during the nine months ended September 30, 2026 and the year ended December 31, 2025 were as follows:

(in millions)	Salix	International	Solta Medical	Diversified	Bausch + Lomb	Total
Balance, January 1, 2025	$ 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
Additions	—	—	1	—	4	5
Impairment	(1,426)	—	—	—	—	(1,426)
Foreign exchange and other	—	(36)	1	—	(48)	(83)
Balance, September 30, 2026	$ 1,733	$ 861	$ 139	$ 1,581	$ 5,453	$ 9,767

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).

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 (the last time goodwill was tested for all reporting units) through June 30, 2025. The length and lack of recovery from this decline in market capitalization, in comparison to the performance of the overall equity markets was sufficient to suggest that the decline in market capitalization could be an indicator that the fair value of a reporting unit or units of its Bausch + Lomb segment could be less than their carrying amounts.

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

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 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 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.

2026 Interim Assessments

Salix

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 quantitative goodwill analysis for the Salix reporting unit using revised forecasts, an updated discount rate of 9.50%, and a new long-term growth rate that reflects the impact of the Phase 3 clinical trial results. Based on the quantitative fair value test, the carrying value of the Salix reporting unit exceeded its fair value as of January 22, 2026, and the Company recognized a goodwill impairment of $1,426 million. As of September 30, 2026, the Salix reporting unit had remaining goodwill of $1,733 million.

Generics

During the third quarter of 2026, the Generics reporting unit revised its long-term forecast assumptions. As a result, the

Company performed an interim quantitative goodwill impairment assessment of the Generics reporting unit. Based on the quantitative assessment, the estimated fair value of the reporting unit exceeded its carrying value; therefore, no goodwill impairment charge was recognized.

During the nine months ended September 30, 2026, no other events occurred, or circumstances changed that would indicate that the fair value of any of the Company's reporting units, other than the Salix and Generics reporting units, might be below its carrying value. However, if market conditions deteriorate, or if the Company is unable to execute its strategies, it may be necessary to record impairment charges in the future, and any such charges could be material.

Accumulated goodwill impairment charges through September 30, 2026 were $7,068 million.

ACCRUED AND OTHER CURRENT LIABILITIES

Accrued and other current liabilities consist of:

(in millions)	**September 30, 2026**	**December 31, 2025**
Product rebates	$ 1,377	$ 1,321
Interest	391	253
Employee compensation and benefit costs	388	385
Product returns	321	348
Income taxes payable	62	38
Legal matters and related fees	28	178
Other	782	821
	$ 3,349	$ 3,344

FINANCING ARRANGEMENTS

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

(in millions)	Maturity	September 30, 2026 Principal Amount	September 30, 2026 Net of Premiums, Discounts and Issuance Costs	December 31, 2025 Principal Amount	December 31, 2025 Net of Premiums, Discounts and Issuance Costs
Senior Secured Credit Facilities:					
2025 Credit Agreement					
2030 Revolving Credit Facility	April 2030	$ —	$ —	$ —	$ —
2030 Term Loan B Facility	October 2030	2,962	2,865	2,985	2,869
B+L Credit Facilities					
B+L September 2028 Term Loan B Facility	September 2028	—	—	489	483
B+L 2030 Revolving Credit Facility	June 2030	100	100	100	100
B+L January 2031 Term Loan B Facility	January 2031	—	—	2,313	2,286
B+L January 2031 Refinancing Term Facility	January 2031	2,788	2,761	—	—
Senior Secured Notes:					
4.875% Secured Notes	June 2028	803	800	803	799
11.00% First Lien Secured Notes	September 2028	888	1,067	888	1,155
14.00% Second Lien Secured Notes	October 2030	352	556	352	578
10.00% Secured Notes	April 2032	6,000	6,246	6,000	6,284
B+L Senior Secured Notes:					
B+L 8.375% Secured Notes	October 2028	1,400	1,390	1,400	1,387
B+L January 2031 Secured Notes	January 2031	765	756	792	781
Senior Unsecured Notes:					
8.50%	January 2027	643	643	643	643
7.00%	January 2028	171	171	171	171
5.00%	January 2028	433	432	433	432
6.25%	February 2029	821	818	821	817
5.00%	February 2029	452	450	452	450
7.25%	May 2029	336	335	336	335
5.25%	January 2030	779	775	779	775
5.25%	February 2031	463	460	463	460
Other	Various	12	12	12	12
Total long-term debt and other		$ 20,168	20,637	$ 20,232	20,817
Less: Current portion of long-term debt and other			866		225
Non-current portion of long-term debt			$ 19,771		$ 20,592

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 2030 Revolving Credit Facility (as defined below) and the B+L Term Facilities (as defined below), respectively, contain financial covenants.

As of September 30, 2026, 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 covenants 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.

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

In December 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. 126NumberCo 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.

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 $120 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 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 September 30, 2026, the Company had no outstanding borrowings and had $31 million of issued and outstanding letters of credit on the 2030 Revolving Credit Facility.

Borrowings under the 2030 Revolving Credit Facility bear interest, with respect to U.S. dollar borrowings, based on 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 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 and Notes

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 (the "B+L May 2027 Term Loan B Facility") and a 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 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"). In addition, on September 29, 2023, Bausch + Lomb also issued $1,400 million aggregate principal amount of 8.375% Senior Secured Notes due October 2028 (the "B+L October 2028 Senior Secured Notes").

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

On June 26, 2025, Bausch + Lomb entered into an incremental amendment to its credit agreement (the "B+L June 2025 Credit Facility Amendment"), which consisted of a new $800 million revolving credit facility maturing June 26, 2030 (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"). In addition, Bausch + Lomb's subsidiaries, Bausch + Lomb Netherlands B.V. and Bausch & Lomb Incorporated, issued €675 million aggregate principal amount of Senior Secured Floating Rate Notes due January 2031 (the "B+L January 2031 Secured Notes" and, together with the B+L October 2028 Senior Secured Notes, the "B+L Senior Secured Notes"). The B+L January 2031 Secured Notes accrue interest at a rate per annum of: (i) three-month EURIBOR (subject to a 0% floor) plus (ii) 3.875%, reset quarterly, payable quarterly in arrears on January 15, April 15, July 15 and October 15 of each year, commencing on January 15, 2026. At September 30, 2026, the B+L January 2031 Secured Notes bore interest at 6.31% per annum.

The proceeds from the B+L January 2031 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 (these transactions together, the "B+L June 2025 Refinancing Activity").

In January 2026, Bausch + Lomb entered into a refinancing transaction amendment (the "B+L January 2026 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, the B+L June 2025 Credit Facility Amendment and the B+L January 2026 Credit Facility Amendment, the "B+L Amended Credit Agreement") providing for a new $2,802 million term loan facility maturing on January 15, 2031 (the "B+L January 2031 Refinancing Term Facility" or 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 proceeds from the B+L January 2031 Refinancing Term Facility were used to refinance, in full, the B+L September 2028 Term Loan B Facility and the B+L January 2031 Term Loan B Facility.

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 may be made available in U.S. dollars, euros, pounds sterling and Canadian dollars. As of September 30, 2026, the principal amounts outstanding under the B+L January 2031 Refinancing Term Facility were $2,788 million.

As of September 30, 2026, Bausch + Lomb had $100 million of outstanding borrowings, $34 million of issued and outstanding letters of credit and remaining availability, subject to certain customary conditions, of $666 million under the B+L 2030 Revolving Credit Facility. The stated rate of interest for borrowings under the B+L 2030 Revolving Credit Facility as of September 30, 2026 ranges from 6.52% to 6.65% per annum.

Borrowings under the B+L 2030 Revolving Credit Facility in: (i) U.S. dollars bear interest at a rate per annum equal to, at Bausch + Lomb's option, either: (a) a term SOFR-based rate or (b) a U.S. dollar base rate, (ii) Canadian dollars bear interest at a rate per annum equal to, at Bausch + Lomb's option, either: (a) a term CORRA-based rate or (b) a Canadian dollar prime rate, (iii) euros bear interest at a rate per annum equal to EURIBOR and (iv) pounds sterling bear interest at a rate per annum equal to SONIA, in each case, plus an applicable margin. The applicable interest rate margins for borrowings under the B+L 2030 Revolving Credit Facility are between 0.75% to 1.75% with respect to U.S. dollar base rate or Canadian dollar prime rate borrowings and between 1.75% to 2.75% with respect to SOFR, CORRA, EURIBOR or SONIA borrowings based on Bausch + Lomb's total net leverage ratio. In addition, Bausch + Lomb is required to pay commitment fees of 0.25% per annum in respect of the unutilized commitments under the B+L 2030 Revolving Credit Facility, payable quarterly in arrears. Bausch + Lomb is also required to pay letter of credit fees on the maximum amount available to be drawn under all outstanding letters of credit in an amount equal to the applicable margin on SOFR borrowings under the B+L 2030 Revolving Credit Facility on a per annum basis, payable quarterly in arrears, as well as customary fronting fees for the issuance of letters of credit and agency fees.

Borrowings under the B+L January 2031 Refinancing Term Facility bear interest at a rate per annum equal to, at the option of B+L, 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 stated rate of interest under the B+L January 2031 Refinancing Term Facility at September 30, 2026 was 7.65% 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 January 2031 Refinancing Term Facility is 1.00% per annum, or $28 million, payable in quarterly installments, with the first installment paid on June 30, 2026. Bausch + Lomb may direct that prepayments be applied to such amortization payments in order of maturity. As of September 30, 2026, the remaining mandatory quarterly amortization payments for the B+L January 2031 Refinancing Term Facility were $119 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 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.

In connection with the issuance of the 2032 Senior Secured Notes, in 2025, 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.

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 September 30, 2026, 126NumberCo, directly or indirectly, held approximately 87% 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").

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 (the "2022 Secured Notes"), a reduction of outstanding principal of $2,469 million.

The Company performed an assessment of the 2022 Exchange and determined that it met the criteria to be accounted for as a troubled debt restructuring under ASC 470-60. As a result of the application of this accounting, the difference between the principal amount of the 2022 Secured Notes and their carrying value was recorded as a premium and is included in long-term debt on the Company's Consolidated Balance Sheet.

As of September 30, 2026, the remaining premium on the 2022 Secured Notes was $382 million, which is being reduced as contractual interest payments are made on the 2022 Secured Notes. During the nine months ended September 30, 2026 and

2025, the Company made contractual interest payments of $122 million and $282 million, respectively, related to the 2022 Secured Notes, of which $111 million and $251 million, respectively, were 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. As of September 30, 2026, the remaining premium on the 2032 Senior Secured Notes was $301 million, which is being reduced as contractual interest payments are made on the 2032 Senior Secured Notes. During the nine months ended September 30, 2026, the Company made contractual interest payments of $300 million related to the 2032 Senior Secured Notes, of which $47 million was recorded as a reduction of the premium.

Weighted Average Stated Rate of Interest

The weighted average stated rate of interest for the Company's outstanding debt obligations as of September 30, 2026 and December 31, 2025 was 8.55% and 8.54%, respectively. Due to the accounting treatment for the 2022 Secured Notes, interest expense in the Company's financial statements will not be representative of the weighted average stated rate of interest.

Gain on Extinguishment of Debt

The Company may, from time to time, purchase outstanding debt for cash in open market purchases or privately negotiated transactions. Such repurchases or exchanges, if any, will depend on prevailing market conditions, future liquidity requirements, contractual restrictions and other factors. A gain or loss on such repurchases or exchanges is recognized as the difference between the amounts paid to settle the extinguished debt and its carrying value.

In connection with the April 2025 Refinancing Transactions, the August 2025 Repurchase Activity and the B+L June 2025 Refinancing Activity, the Company recognized a net gain on extinguishment of debt of $181 million during the nine months ended September 30, 2025.

Maturities

Maturities of debt obligations for the remainder of 2026, the five succeeding years ending December 31 and thereafter are as follows:

(in millions)	
Remainder of 2026	$ 15
2027	701
2028	3,766
2029	1,667
2030	4,123
2031	3,896
Thereafter	6,000
Total debt obligations	20,168
Unamortized premiums, discounts and issuance costs	469
Total long-term debt and other	$ 20,637

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.

Other Financing Arrangements

In January 2026, Bausch + Lomb entered into a financing arrangement that permits it, subject to certain conditions, to sell certain receivables to a third-party financial institution, potentially accelerating access to cash and reducing credit risk. Transactions under this financing arrangement are accounted for as true sales under ASC 860, Transfers and Servicing of Financial Assets, with the sold receivables derecognized from Bausch + Lomb's Condensed Consolidated Balance Sheets. The cash received from the financial institution is reported within Operating Activities in the Condensed Consolidated Statements of Cash Flows.

During the nine months ended September 30, 2026, Bausch + Lomb received cash proceeds of $26 million from the sales of receivables under this financing arrangement. As of September 30, 2026, these receivables were collected and remitted to the financial institution. The costs related to these transactions were not material.

During the three months ended September 30, 2026, Bausch + Lomb entered into a contract to sell a warehouse and equipment for an aggregate sale price of up to €43 million, and then lease the assets back through a five-year leaseback transaction, with lease payments beginning in January 2028. As of September 30, 2026, Bausch + Lomb sold and leased back €33 million of these assets. This transaction did not qualify as a sale under the applicable accounting guidance, and, as such, the associated warehouse and equipment remained included within Property, plant and equipment, net. Bausch + Lomb refers to failed sale-leasebacks as "other financial liabilities" and recorded the related obligations in Financial leases and Non-current portion of long-term debt in the Consolidated Balance Sheets.

SHARE-BASED COMPENSATION

Bausch Health's Long-Term Incentive Plan

In May 2014, shareholders approved Bausch Health's 2014 Omnibus Incentive Plan (the "2014 Plan") which has been amended from time to time to, among other things, increase the number of common shares authorized for issuance under the 2014 Plan. Effective May 14, 2024, Bausch Health further amended and restated the 2014 Plan, as subsequently amended and restated (the "Amended and Restated 2014 Plan").

Approximately 15,700,000 common shares were available for future grants as of September 30, 2026. The Company uses reserved and unissued common shares to satisfy its obligations under its share-based compensation plans.

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

Bausch + Lomb Long-Term Incentive Plan

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

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

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"), (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 PSUs") and (iv) attainment of certain performance targets (measured for fiscal year 2028) that are based on Bausch + Lomb's adjusted earnings before interest, taxes, depreciation and amortization (the "Adjusted EBITDA PSUs"). 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 7,700,000 Bausch + Lomb common shares were available for future grants as of September 30, 2026. Bausch + Lomb uses reserved and unissued common shares to satisfy its obligations under its share-based compensation plans.

The following table summarizes the components and classification of the Company's share-based compensation expenses related to stock options and RSUs for the three and nine months ended September 30, 2026 and 2025:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in millions)	**2026**	**2025**	**2026**	**2025**
Stock options	$ 1	$ 4	$ 6	$ 12
RSUs	51	39	152	120
	$ 52	$ 43	$ 158	$ 132
Research and development expenses	$ 5	$ 3	$ 14	$ 10
Selling, general and administrative expenses	47	40	144	122
	$ 52	$ 43	$ 158	$ 132

Share-based awards granted for the nine months ended September 30, 2026 and 2025 consist of:

	Nine Months Ended September 30,	
	2026	2025
Bausch Health Share-Based Awards		
Time-based RSUs		
Granted	6,990,000	6,277,000
Weighted-average grant date fair value	$ 6.06	$ 7.40
Performance-based RSUs		
Granted	2,581,000	2,096,000
Weighted-average grant date fair value	$ 6.04	$ 7.36
Bausch + Lomb Share-Based Awards		
Stock options		
Granted	—	1,374,000
Weighted-average exercise price	$ —	$ 15.86
Weighted-average grant date fair value	$ —	$ 4.66
RSUs		
Granted	3,770,000	3,867,000
Weighted-average grant date fair value	$ 18.17	$ 15.42
TSR PSUs		
Granted	416,000	388,000
Weighted-average grant date fair value	$ 18.51	$ 15.86
Organic Revenue Growth PSUs		
Granted	892,000	753,000
Weighted-average grant date fair value	$ 17.47	$ 15.98
Adjusted EBITDA PSUs		
Granted	416,000	—
Weighted-average grant date fair value	$ 18.51	$ —
OPG PSUs		
Granted	—	10,000
Weighted-average grant date fair value	$ —	$ 11.19

As of September 30, 2026, the remaining unrecognized compensation expense related to all outstanding non-vested stock options, time-based RSUs and performance-based RSUs under the Company's 2014 Plan and the B+L Plan amounted to $197 million, which will be amortized over a weighted-average period of 1.55 years.

As of September 30, 2026, the remaining unrecognized compensation expense related to all outstanding non-vested stock options, time-based RSUs and PSUs under the B+L Plan amounted to $136 million, which will be amortized over a weighted-average period of 1.58 years.

Bausch Health 2025 Employee Stock Purchase Plan

On May 13, 2025, the shareholders of the Company approved the Bausch Health Companies Inc. 2025 Employee Stock Purchase Plan (the "ESPP"). The ESPP provides eligible employees with an opportunity to purchase common shares from the Company at a discount through accumulated payroll deductions. The ESPP will be implemented through a series of offering periods to eligible employees. Under the ESPP, the offering periods will have a duration of six months commencing on June 1 or December 1 and ending on November 30 or May 31, respectively. The purchase price will be specified pursuant to the offering, but cannot, under the terms of the ESPP, be less than 85% of the lower of the fair market value per common share on either the grant date or the purchase date. The first offering period to purchase common shares under the ESPP was December 1, 2025 through May 31, 2026.

ACCUMULATED OTHER COMPREHENSIVE LOSS

Accumulated other comprehensive loss consists of:

(in millions)	September 30, 2026	December 31, 2025
Foreign currency translation adjustment	$ (1,852)	$ (1,749)
Pension adjustment, net of tax	(11)	(11)
	$ (1,863)	$ (1,760)

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.

RESEARCH AND DEVELOPMENT

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in millions)	2026	2025	2026	2025
Product related research and development	$ 139	$ 162	$ 468	$ 455
Quality assurance	2	4	9	13
	$ 141	$ 166	$ 477	$ 468

OTHER EXPENSE, NET

Other expense, net consists of:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in millions)	2026	2025	2026	2025
Litigation and other matters, net of insurance recoveries and restitutions	$ 10	$ 35	$ 26	$ 40
Asset impairments	4	1	13	1
Acquisition-related transaction costs	3	2	4	5
Acquired IPR&D costs	—	81	16	110
Acquisition-related contingent consideration	(4)	(32)	14	(72)
Other, net	(2)	(6)	(4)	(6)
	$ 11	$ 81	$ 69	$ 78

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

Asset impairments are related to a change in the future forecasted revenues and a product discontinuation.

Acquired IPR&D costs in 2025 are primarily related to the DURECT acquisition and certain acquisitions by Bausch + Lomb.

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

INCOME TAXES

For interim financial statement purposes, U.S. GAAP income tax expense/benefit related to ordinary income is determined by applying an estimated annual effective income tax rate against a company's ordinary income. Income tax expense/benefit related to items not characterized as ordinary income is recognized as a discrete item when incurred. The estimation of the

Company's income tax provision requires the use of management forecasts and other estimates, application of statutory income tax rates and an evaluation of valuation allowances. The Company's estimated annual effective income tax rate may be revised, if necessary, in each interim period.

Provision for income taxes for the nine months ended September 30, 2026 was $316 million and included: (i) $336 million of income tax provision calculated on the Company's income after adjustments for discrete events and entities which have a full valuation allowance and (ii) $20 million of net income tax benefit for discrete items, which includes: (a) $14 million income tax benefit associated with the filing of certain income tax returns, (b) $8 million income tax benefit for deferred taxes on an IPR&D deal that was a stock acquisition for income tax purposes and (c) $2 million income tax provision due to changes in uncertain tax positions, primarily, the release of tax reserves in France, offset by interest accrual.

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

The Company records a valuation allowance against its deferred tax assets to reduce the net carrying value to an amount that it believes is more likely than not to be realized. When the Company establishes or reduces the valuation allowance against its deferred tax assets, the provision for income taxes will increase or decrease, respectively, in the period such determination is made. The valuation allowance against deferred tax assets was approximately $2,833 million and $2,576 million as of September 30, 2026 and December 31, 2025, respectively. The Company will continue to assess the need for valuation allowances on an ongoing basis.

As of September 30, 2026 and December 31, 2025, the Company had $895 million and $914 million, respectively, of unrecognized tax benefits, including $80 million and $68 million of interest and penalties, respectively. Of the total unrecognized tax benefits as of September 30, 2026, $368 million would reduce the Company's effective tax rate, if recognized.

The Company has included the estimated impact of the Organisation for Economic Co-operation and Development's Inclusive Framework (Pillar 2), as currently adopted, in its tax provision beginning in 2024. While the estimated impact is not material, it is possible that the further implementation of the Inclusive Framework could have a material effect on the liability for corporate taxes or the consolidated tax rate in the future.

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

The IRS has begun its examination of the stub period tax return for the period ended December 31, 2017 and the tax return for the year ended December 31, 2018. The inquiries to date are preliminary and the Company does not expect that proposed adjustments, if any, would be material to the Company's Condensed Consolidated Financial Statements.

The Company's U.S. affiliates remain under examination for various state tax audits in the U.S. for years 2017 through 2025.

The Company's subsidiaries in Germany are under audit for tax years 2017 through 2019. The Company received a preliminary assessment from the German taxing authority that would disallow certain trade tax and transfer pricing adjustments. The Company is contesting this proposed tax deficiency through the appropriate appeals process, and if necessary, through appropriate litigation. Based on the current information available, the Company believes any exposure would not be material to its consolidated financial statements. Accordingly, no additional income tax provision has been recorded as of September 30, 2026.

In November 2022, the Company's affiliate in the Netherlands received an assessment from the Luxembourg Tax Authorities as successor in interest to its affiliate in Luxembourg for tax years 2018 – 2019 for €271.7 million, not including interest. In March 2026, the Company received an unfavorable ruling from the Administrative Tribunal of Luxembourg. On October 15, 2026, the Administrative Court heard the Company's appeal of the 5th Chamber's decision and anticipates a judgment within 90 days of the appeal. The Company continues to conclude that no reserve is required for this matter.

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

Certain affiliates of the Company in regions outside of Canada, the U.S., Germany and Luxembourg are currently under examination by relevant taxing authorities, and all necessary accruals have been recorded, including uncertain income tax

benefits. At this time, the Company does not expect that proposed adjustments, if any, would be material to the Company's Condensed Consolidated Financial Statements.

EARNINGS (LOSS) PER SHARE

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in millions, except per share amounts)	**2026**	**2025**	**2026**	**2025**
Net income (loss) attributable to Bausch Health Companies Inc.	$ 436	$ 179	$ (729)	$ 269
Basic weighted-average common shares outstanding	375.5	371.3	374.5	370.6
Dilutive effect of stock options and RSUs	5.2	4.2	—	3.5
Diluted weighted-average common shares outstanding	380.7	375.5	374.5	374.1
Earnings (loss) per share attributable to Bausch Health Companies Inc.				
Basic	$ 1.16	$ 0.48	$ (1.95)	$ 0.73
Diluted	$ 1.15	$ 0.48	$ (1.95)	$ 0.72

During the nine months ended September 30, 2026, 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 4,791,000 common shares for the nine months ended September 30, 2026.

During the three and nine months ended September 30, 2026, time-based RSUs, performance-based RSUs and stock options to purchase approximately 8,377,000 and 8,548,000 common shares, respectively, were not included in the computation of diluted earnings per share because the effect would have been anti-dilutive under the treasury stock method.

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

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

LEGAL PROCEEDINGS

From time to time, the Company becomes involved in various legal and administrative proceedings, which include product liability, intellectual property, commercial, tax, antitrust, governmental and regulatory investigations, related private litigation and ordinary course employment-related issues. From time to time, the Company also initiates actions or files counterclaims. The Company could be subject to counterclaims or other suits in response to actions it may initiate. The Company believes that the prosecution of these actions and counterclaims is important to preserve and protect the Company, its reputation and its assets. Certain of these proceedings and actions are described in Note 21, "LEGAL PROCEEDINGS," to the Company's Consolidated Financial Statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2025.

On a quarterly basis, the Company evaluates developments in legal proceedings, potential settlements and other matters that could increase or decrease the amount of the liability accrued. As of September 30, 2026, the Company's Condensed Consolidated Balance Sheets include accrued current loss contingencies of $28 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 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 defendants' motion to dismiss the second amended complaint with prejudice. Plaintiffs appealed the dismissal in December 2025 to the U.S. Court of Appeals for the Third Circuit. Appeal briefing concluded in April 2026. On August 31, 2026, the Third Circuit notified the parties that it would decide the case on the briefs and there would be no oral argument.

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 below.

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 them 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 for leave to pursue an action under the Quebec Securities Act against the Company, certain current or former officers and directors of the Company and its auditor. That proceeding is captioned California State Teachers' Retirement System v. Bausch Health Companies Inc. et al. (Court File No. 500-11-055722-181). The allegations in the proceeding are similar to those made by the plaintiffs in the Catucci class action. 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. The matter remains pending in Quebec.

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. In June 2026, three of the four plaintiffs filed a motion record for leave to pursue their claims. 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 matter remains pending in Ontario.

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 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. The Company has settled some of these lawsuits, while others remain pending. 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 reached an agreement to settle the Connecticut case, which received final court approval, and have been dismissed from the case with prejudice. 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.

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

State and Federal antitrust complaints were filed against the Company and other defendants. Among other claims, the plaintiffs allege generally that (1) a 2018 patent settlement with Actavis Laboratories FL, Inc. regarding Xifaxan® 550 mg is unlawful and anticompetitive; and/or (2) the Company unlawfully listed patents in the FDA's Orange Book for Xifaxan® 550 mg. Regarding the Federal antitrust litigation, seven lawsuits were filed and five lawsuits are now pending in District Court.

United States District Court for the District of Rhode Island:

- 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 the 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.
- Two, now consolidated, direct purchaser class-action antitrust lawsuits were filed by KPH Healthcare Services, Inc. a/k/a Kinney Drugs, Inc. and Value Drug Company on October 21, 2025 and October 23, 2025, respectively, 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 March 25, 2026, the plaintiffs dismissed the Teva defendants without prejudice.
- 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.
- On September 22, 2026, the Mayor and City Council of Baltimore filed an end-payor plaintiff class-action antitrust lawsuit against Bausch Health Companies Inc., Salix Pharmaceuticals, Ltd., and Salix Pharmaceuticals, Inc.

On September 22, 2026, the defendants filed motions to dismiss the antitrust complaints pending in the Rhode Island District Court that were filed in 2025.

United States District Court for the District of New Jersey

- On October 12, 2026, Laura Rosenberg, individually and on behalf of all others similarly situated, filed a class action antitrust lawsuit against Bausch Health Companies Inc., Bausch Health Ireland Ltd., Salix Pharmaceuticals, Ltd., Salix Pharmaceuticals, Inc., Teva Pharmaceutical Industries Ltd., Teva Pharmaceuticals USA, Inc., and Actavis Laboratories FL, Inc. On October 19, 2026, the plaintiff voluntarily dismissed the lawsuit without prejudice.

Regarding State antitrust litigation, a lawsuit was filed on July 31, 2026, by Aetna Inc., Health Care Service Corporation and Molina Healthcare, Inc. 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. in the Court of Common Pleas of Allegheny County, Pennsylvania.

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® and Relistor® Oral tablets 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., Ajanta Pharma Limited (“Ajanta”), Hetero USA, Inc. (“Hetero”) and ScieGen Pharmaceuticals Inc. (“ScieGen”) are now settled.

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”). Post-trial, the court issued an August 10, 2022 decision, finding that the U.S. Patents protecting the use of Xifaxan® (rifaximin) 550 mg tablets for the reduction in risk of HE recurrence valid and infringed and the U.S. patents protecting the composition, and use of Xifaxan® for treating IBS-D invalid (the “Norwich Legal Decision”). The Norwich Legal Decision was upheld by the U.S. Court of Appeals for the Federal Circuit (the “Federal Circuit”) and prevents FDA approval of the Norwich First ANDA until October 2029.

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”). The Company intervened and on November 1, 2023, the DC District Court granted the Company’s and FDA’s motions for summary judgment. Norwich appealed in December 2023, and on June 26, 2026, the U.S. Court of Appeals for the District of Columbia Circuit (the “DC Circuit”) affirmed the DC District Court decision and found that FDA did not act arbitrarily, capriciously, or contrary to law when FDA confirmed that it is enjoined from granting final approval to the Norwich First ANDA until October 2029.

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. On March 10, 2026, Amneal and Norwich filed a motion for summary judgment. On October 7, 2026, the District Court held a hearing on defendants’ motions for summary judgment. No trial date has been set.

In a letter to Norwich on January 10, 2025, the FDA granted tentative approval to the Norwich Second ANDA. In the January 10 letter, the FDA confirmed that the first ANDA applicant for rifaximin 550 mg tablets is eligible for 180-day exclusivity. The 180-day exclusivity precludes the FDA from granting final approval to the Norwich Second ANDA. On January 13, 2025, Norwich brought a lawsuit against the FDA in the DC District Court, alleging that the FDA acted improperly by only granting tentative approval to the Norwich Second ANDA rather than final approval (the “Second Norwich DC Lawsuit”). In the Second Norwich DC Lawsuit, Norwich asserts (1) that the Norwich Second ANDA is not subject to a 30-month stay of approval and (2) that the first ANDA applicant for rifaximin 550 mg tablets forfeited their 180-day exclusivity. Teva Pharmaceuticals USA, Inc. (“Teva”) and Salix intervened in the Second Norwich DC Lawsuit as defendants. On April 17, 2025, the DC District Court granted summary judgment in favor of the FDA, Teva, and the Company. The DC District Court confirmed that the FDA’s decision to only tentatively approve the Norwich Second ANDA was not arbitrary, capricious, or contrary to law because Teva had not forfeited its 180-day exclusivity. On April 18, 2025, Norwich appealed the judgment to the DC Circuit. The Court 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. On March 5, 2026, the DC District Court issued an order denying the Company’s motion for lack of jurisdiction. On March 19, 2026, the FDA filed a letter to the DC Circuit advising that Actavis (Teva) received final approval for its generic rifaximin 550 mg tablets. On August 25, 2026, the DC Circuit issued an opinion affirming-in-part and reversing-in-part the DC District Court’s April 17 decision. The DC Circuit affirmed the DC District Court’s decision rejecting Norwich’s “failure to market” theory of forfeiture, but reversed the DC District Court’s decision rejecting Norwich’s “failure to obtain tentative approval” theory, and remanded the case to the FDA so that the agency may apply a “but-for” causation standard in the first instance. On October 9, 2026, Teva filed a petition for rehearing *en banc* of the DC Circuit’s opinion. On October 28, 2026, the DC Circuit denied Teva’s rehearing petition.

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. On March 10, 2026, Amneal and Norwich filed a motion for summary judgment. On October 7, 2026, the District Court held a hearing on defendants' motions for summary judgment. No trial date has been set.

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

The Cabtreo® Paragraph IV Proceedings

The Taro Cabtreo® Litigation

The Company received a Notice of Paragraph IV Certification from Taro Pharmaceuticals Inc. ("Taro"), dated February 5, 2025, in which Taro asserted that U.S. Patents listed in the FDA's Orange Book for the Company's Cabtreo® (clindamycin phosphate, adapalene, benzoyl peroxide) gel, 1.2%/0.15%/3.1%, are invalid, unenforceable and/or will not be infringed by the manufacture, use, sale, offer for sale, and/or importation of Taro's generic clindamycin phosphate/adapalene/benzoyl peroxide gel, 1.2%/0.15%/3.1%, for which Taro filed an ANDA. On March 20, 2025, the Company filed suit against Taro pursuant to the Hatch-Waxman Act, alleging infringement by Taro of one or more claims of the Cabtreo® patents, thereby triggering a 30-month stay of the approval of Taro's ANDA for clindamycin phosphate/adapalene/benzoyl peroxide gel, 1.2%/0.15%/3.1%. On October 2, 2026, the parties executed a confidential settlement agreement resolving the dispute.

The Zydus Cabtreo® Litigation

The Company received a Notice of Paragraph IV Certification from Zydus, dated February 26, 2026, in which Zydus 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 Zydus's generic clindamycin phosphate/adapalene/benzoyl peroxide gel, 1.2%/0.15%/3.1%, for which Zydus filed an ANDA. On April 10, 2026, the Company filed suit against Zydus pursuant to the Hatch-Waxman Act, alleging infringement by Zydus of one or more claims of the Cabtreo® patents, thereby triggering a 30-month stay of the approval of Zydus'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.

The Relistor® Oral Paragraph IV Proceedings

The Company received a Notice of Paragraph IV Certification from Sun Pharmaceutical Industries Ltd. ("Sun"), dated May 26, 2026, in which Sun asserted that U.S. Patents listed in the FDA's Orange Book for the Company's Relistor® (methylnaltrexone bromide) oral tablets, 150 mg, are invalid, unenforceable, and/or will not be infringed by the manufacture, use, sale, offer for sale, and/or importation of Sun's generic methylnaltrexone bromide oral tablets, 150 mg, for which Sun filed an ANDA. On July 10, 2026, the Company filed suit against Sun pursuant to the Hatch-Waxman Act, alleging infringement by Sun of one or more claims of the Relistor® tablet patents, thereby triggering a 30-month stay of the approval of Sun's ANDA for methylnaltrexone bromide tablets, 150 mg.

The Company remains confident in the strength of the Relistor® tablet 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. On May 19, 2026, the parties held a mediation, but no agreement was reached. On June 15, 2026, defendants requested leave to file a motion for summary judgment. On June 29, 2026, plaintiff opposed defendants' request for leave to file a motion for summary judgment and also requested leave to file a motion for summary judgment. The Company disputes Curia's infringement claims against Xifaxan® 200 mg and 550 mg tablets and will continue to defend this matter.

Zaxine® Notices 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. 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. Trial dates have been set for November 23 to December 2, 2026 and December 7 to 8, 2026.

The Company received a Notice of Allegation in Canada, dated April 9, 2026, from Apotex Inc. concerning Zaxine® (rifaximin) 550 mg tablets. On May 22, 2026, the Company filed a Statement of Claim against Apotex asserting infringement of one or more claims of Canadian Patent No. 2,739,436.

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 inter partes review ("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.

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-one (21) of such product liability suits currently remain pending. In three (3) cases pending in the Atlantic County, New Jersey Multi-County Litigation, agreed stipulations of dismissal have been entered by the Court, thus dismissing the Company from those cases. One (1) case was also recently dismissed with prejudice in its entirety for failure of plaintiff to comply with court orders requiring plaintiff fact sheets. Four (4) cases in the federal multidistrict litigation have been dismissed recently for failure to comply with orders requiring plaintiff profile forms and/or for failure to produce evidence of a diagnosis of gynecologic ovarian cancer. Potential liability (including its attorneys' fees and costs) arising out of these remaining suits is subject to full indemnification obligations of Johnson & Johnson owed to the Company and its affiliates, including Bausch + Lomb, and legal fees and costs will be paid by Johnson & Johnson. Twenty (20) 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 then extended through March 15, 2025. On December 9, 2024, Red River filed a Second Amended Chapter 11 plan incorporating the settlement with the Talc Claimants' Committee. A hearing on confirmation of the plan and any objections thereto began on February 18, 2025. Johnson & Johnson has reported that the entity Pecos River will be responsible for resolving all non-ovarian cancer-related talc claims outside of bankruptcy. After the conclusion of the confirmation hearing, on March 31, 2025, the Texas Bankruptcy Court issued a memorandum decision denying confirmation of the plan, ordering the dismissal of Red River's bankruptcy case and vacating the preliminary injunction. The debtor's time to appeal has expired. Certain claimants filed motions to reconsider the dismissal of the bankruptcy case. Those motions were denied and the time to appeal has expired.

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

General Civil 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 and on April 20, 2026, jury selection began. On May 8, 2026, the jury returned a split verdict on various causes of action, ultimately awarding a monetary judgment in favor of Doctors Allergy. On June 1, 2026, BHA submitted its motion for judgment notwithstanding the verdict, which is now fully briefed and remains pending. BHA continues to dispute the claims against it and this lawsuit will be defended vigorously.

Apriso® Qui Tam Litigation

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

The complaint asserts claims seeking, inter alia, damages, civil penalties and attorneys' fees under the federal False Claims Act and the false claims acts of several states.

In May 2020, the District Court granted defendants' motion to dismiss, holding that Plaintiff-relator's qui tam action was precluded by the False Claims Act's public disclosure bar. Plaintiff-relator appealed to the U.S. Court of Appeals for the Ninth Circuit. In August 2023, the Court of Appeals reversed the District Court's order and remanded to the District Court for further proceedings. In September 2023, the Company filed a petition for rehearing or rehearing en banc with the Court of Appeals. On January 5, 2024, the Court of Appeals panel denied the petition and issued an amended opinion, still reversing the District Court's order and remanding the case to the District Court for further proceedings. On April 4, 2024, the Company filed a petition for a writ of certiorari to the Supreme Court, which was denied on October 7, 2024. Mandate issued and the case returned to the District Court. On November 27, 2024, Plaintiff-relator filed an amended complaint. The Company filed a motion to dismiss the amended complaint on February 5, 2025. On July 22, 2025, the District Court granted the motion to dismiss with leave to amend, holding that the amended complaint did not adequately differentiate between the multiple named defendants. Plaintiff-relator filed his amended complaint on August 11, 2025. The Company filed a motion to dismiss the third amended complaint on August 26, 2025. On March 31, 2026, the Court denied the Company's motion to dismiss and lifted the discovery stay. In April 2026, the Company answered the plaintiff-relator's third amended complaint and the District Court set a trial date for September 20, 2027. On June 17, 2026, Defendant Dr. Falk filed a motion for partial judgment on the pleadings. The Court set an oral argument date of January 21, 2027, for Dr. Falk's motion for partial judgment on the pleadings. A mediation is scheduled for November 3, 2026.

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

Norgine Contract Dispute

The Company marketed Plenvu® powder for oral solution in the United States under a 2016 Collaboration and Licensing Agreement (the "CLA") with Norgine B.V. ("Norgine"). Plenvu® is an osmotic laxative indicated for cleansing the colon in preparation for colonoscopy in adults. In December 2025, the Company notified Norgine of its intent to discontinue sales of Plenvu® in 2026. On May 29, 2026, Norgine filed a claim in the High Court of Justice, Business and Property Courts of England and Wales, Commercial Court in London, UK alleging a breach of the CLA. On July 7, 2026, the Company filed its defense to Norgine's claim. The matter remains pending. The Company disputes Norgine's claims and intends to defend itself vigorously.

Completed or Inactive Matters

The following matters have concluded, have settled, are the subject of an agreement to settle or have otherwise been closed during or prior to the three months ended September 30, 2026 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.

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 March 31, 2026, the Company has settled and paid all opt-out cases in the U.S. 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 sought a declaratory judgment that alleged transfers of certain Company assets to Bausch + Lomb would constitute a voidable transfer under the New Jersey Voidable Transactions Act and that Bausch + Lomb would be liable for damages, if any, awarded against the Company in the individual opt-out actions. The declaratory judgment action also alleged 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.

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.

On January 15, 2026, the parties filed a consent with the Court for an Order discontinuing the action without prejudice. The Court entered discontinuance of the action on August 26, 2026, without prejudice to putative class members other than Ren.

Generic Pricing Antitrust Litigation (Resolved)

In addition to the matter described above under "Generic Pricing Antitrust Litigation", Bausch Health Companies Inc. and certain U.S. and Canadian subsidiaries (for the purposes of this paragraph, collectively the "Company") were also 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 sought to certify a proposed class action on behalf of persons in Canada who purchased generic drugs in the private sector, alleging that the Company and other defendants violated the Competition Act by conspiring to allocate the market, fix prices, and maintain the supply of generic drugs, and seeking damages under federal law. The proposed class action contained similar allegations to the In re: Generic Pharmaceuticals Pricing Antitrust Litigation pending in the U.S. Court for the Eastern District of Pennsylvania. On February, 20, 2026, the Canadian court declined to certify the action and dismissed the action against the Company. The deadline for the filing of an appeal has passed with no appeal filed.

The MSN Trulance® Paragraph IV Proceedings and Related IPR 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 MSN, 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. On April 3, 2026, the parties executed a confidential settlement agreement resolving the dispute. The Court signed an order dismissing the lawsuit on April 6, 2026.

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 United States Patent & Trademark Office's Patent Trial and Appeal Board ("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. On March 31, 2026, MSN filed a notice of appeal. On April 3, 2026, the parties executed a confidential settlement agreement resolving the dispute. The PTAB entered an order dismissing MSN's notice of appeal on April 14, 2026.

Lumify® Paragraph IV Proceedings

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 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 Federal Circuit. The Federal Circuit issued its opinion on June 30, 2025, which reversed the PTAB's claim construction of a certain limitation, vacated its obviousness finding, and remanded for further proceedings.

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

Additionally, on December 18, 2023, B&L Inc., Bausch + Lomb Ireland Limited, and Eye Therapies amended their 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 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. The case was dismissed on January 12, 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 Granules of one or more claims of such Lumify Patents, thereby triggering a 30-month stay of the approval of the Granules ANDA. A consent judgment was entered by the court on April 1, 2026, and the matter was dismissed.

There are currently no ongoing litigation proceedings with respect to Lumify® drops.

Vyzulta® and Lotemax® SM

In connection with the Vyzulta® and Lotemax® SM products, Bausch + Lomb previously commenced infringement proceedings against potential generic competitors in the U.S. In connection with Vyzulta®, three matters have been resolved and dismissed. 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 filed in the U.S. District Court for the District of New Jersey and was dismissed without prejudice on March 18, 2026.

18. SEGMENT INFORMATION

Reportable Segments

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

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

Resources are allocated and performance is assessed by the Company's CEO, whom the Company has determined to be the Company's Chief Operating Decision Maker (the "CODM"). The Company's CODM evaluates the performance of its segments and allocates resources to them based on segment profit. Segment profit is based on operating income after the elimination of intercompany transactions. Certain costs, such as Amortization of intangible assets, Goodwill impairments, Restructuring, integration and separation costs and Other expense (income), net, are not included in the measure of segment profit, as management excludes these items in assessing segment financial performance.

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

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

Segment Revenues and Profits

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

	Three Months Ended September 30,											
	Salix		International		Solta Medical		Diversified		Bausch + Lomb		Total	
(in millions)	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
Revenues	$ 831	$ 716	$ 299	$ 286	$ 165	$ 140	$ 271	$ 258	$ 1,375	$ 1,281	$ 2,941	$ 2,681
Less:												
Cost of goods sold [(a)]	42	46	118	118	43	30	33	32	485	509		
Cost of other revenues	—	—	13	14	—	—	—	—	1	1		
Selling, general and administrative	66	79	64	57	38	31	39	41	444	429		
Research and development	7	21	5	7	8	9	4	3	35	41		
Segment profit	$ 716	$ 570	$ 99	$ 90	$ 76	$ 70	$ 195	$ 182	$ 410	$ 301	$ 1,496	$ 1,213
Corporate											(265)	(243)
Amortization of intangible assets											(227)	(253)
Restructuring, integration and separation costs											(10)	(17)
Other expense, net											(11)	(81)
Operating income											983	619
Interest income											13	15
Interest expense											(398)	(412)
Gain on extinguishment of debt											—	3
Foreign exchange and other											(1)	(7)
Income before income taxes											$ 597	$ 218

	Nine Months Ended September 30,											
	Salix		International		Solta Medical		Diversified		Bausch + Lomb		Total	
(in millions)	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
Revenues	$ 2,228	$ 1,885	$ 889	$ 826	$ 512	$ 381	$ 675	$ 682	$ 4,013	$ 3,696	$ 8,317	$ 7,470
Less:												
Cost of goods sold [(a)]	129	128	350	337	132	93	90	95	1,494	1,513		
Costs of other revenues	—	—	48	45	—	—	—	—	2	4		
Selling, general and administrative	271	302	194	172	113	91	125	129	1,359	1,346		
Research and development	39	59	20	19	25	20	11	10	136	104		
Segment profit	$ 1,789	$ 1,396	$ 277	$ 253	$ 242	$ 177	$ 449	$ 448	$ 1,022	$ 729	$ 3,779	$ 3,003
Corporate											(786)	(772)
Amortization of intangible assets											(693)	(765)
Goodwill impairments											(1,426)	—
Restructuring, integration and separation costs											(32)	(49)
Other expense, net											(69)	(78)
Operating income											773	1,339
Interest income											34	39
Interest expense											(1,196)	(1,207)
(Loss) gain on extinguishment of debt											(1)	181
Foreign exchange and other											(19)	(41)
(Loss) income before income taxes											$ (409)	$ 311

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

During the nine months ended September 30, 2026 and 2025, ten products represented 53% and 50% of total revenues, respectively.

SUBSEQUENT EVENTS

Bausch + Lomb Chief Executive Officer Transition

On October 12, 2026, Thomas J. Appio was appointed Interim Chief Executive Officer of Bausch + Lomb. Mr. Appio will continue to serve as Chief Executive Officer of Bausch Health while assuming leadership of Bausch + Lomb. In connection with this appointment, Brent Saunders departed as Chief Executive Officer and as a member of the Board of Directors of Bausch + Lomb, effective October 12, 2026. Pursuant to a separation agreement, Mr. Saunders will receive a lump-sum cash payment of approximately $75 million. In addition, all of Mr. Saunders' outstanding equity and equity-based awards in Bausch + Lomb were forfeited and cancelled.

Share Repurchase Program

On October 24, 2026, the Company's Board of Directors authorized a share repurchase program pursuant to which the Company may repurchase up to $50 million of its outstanding common shares. The timing and amount of any repurchases will depend on market conditions and other factors, and the program does not obligate the Company to repurchase any particular amount of common shares and may be suspended or discontinued at any time.

Redemption of 8.500% Senior Notes Due 2027

On October 28, 2026, the Company announced that its subsidiary, BHA, will issue an irrevocable notice of redemption dated October 29, 2026 to redeem all of its outstanding 8.500% Senior Notes due 2027, representing approximately $643 million in aggregate principal amount. The redemption is scheduled for November 30, 2026 and will be funded using cash on hand. In connection with the redemption, the indenture governing these notes will be terminated.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

INTRODUCTION

Unless the context otherwise indicates, as used in this "Management's Discussion and Analysis of Financial Condition and Results of Operations," the terms "we," "us," "our," "the Company," "Bausch Health," and similar terms refer to Bausch Health Companies Inc. and its subsidiaries, taken together. This "Management's Discussion and Analysis of Financial Condition and Results of Operations" should be read in conjunction with the unaudited interim Condensed Consolidated Financial Statements and the related notes (the "Financial Statements") included elsewhere in this Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2026 (this "Form 10-Q"). The matters discussed in this "Management's Discussion and Analysis of Financial Condition and Results of Operations" contain certain forward-looking statements within the meaning of Section 27A of The Securities Act of 1933, as amended, and Section 21E of The Securities Exchange Act of 1934, as amended, and that may be forward-looking information within the meaning of applicable Canadian securities laws (collectively "forward-looking statements"). 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 completed and pending acquisitions and other strategic transactions and the potential 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 and manufacturing facility compliance and certification 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 impact of the negotiated prices for Xifaxan®, expected to become effective in 2027, under certain programs of the Centers for Medicare & Medicaid Services ("CMS") 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 and the Company's ability to recover any tariffs that are eligible for refund claims; (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, subpoenas, investigations, reviews, audits, regulatory proceedings and other contingencies; (xiii) the recent changes to the composition of the Bausch + Lomb board of directors and executive leadership team including the appointment of Bausch Health's Chief Executive Officer as Chairman of the board of directors and interim Chief Executive Officer of Bausch + Lomb while concurrently serving as Bausch Health's Chief Executive Officer; and (xiv) the factors described under Item 1A. "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2025.

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.

Our accompanying unaudited interim Condensed Consolidated Financial Statements as of September 30, 2026 and for the three and nine months ended September 30, 2026 and 2025 have been prepared in accordance with accounting principles

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

OVERVIEW

We are a global, diversified specialty pharmaceutical and medical device company that develops, manufactures and markets, primarily in the therapeutic areas of gastroenterology ("GI"), hepatology, neuroscience 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 87% ownership of Bausch + Lomb Corporation ("Bausch + Lomb" or "B+L"), branded and branded generic pharmaceuticals, OTC products and medical devices (contact lenses, intraocular lenses, ophthalmic surgical equipment) in the therapeutic areas of eye health. Our products are marketed directly or indirectly in approximately 90 countries.

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

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

For additional discussion of our reportable segments, see Note 18, "SEGMENT INFORMATION" to our unaudited interim Condensed Consolidated Financial Statements.

Separation of the Bausch + Lomb Eye Health Business

On August 6, 2020, we announced our plan to separate our eye health business consisting of our Bausch + Lomb global Vision Care, Surgical and Pharmaceuticals businesses into an independent publicly traded entity, Bausch + Lomb (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 currently indirectly holds 310,449,643 common shares of Bausch + Lomb, which represents approximately 87% of B+L's outstanding common shares as of October 21, 2026.

We continue the evaluation of all relevant factors and considerations relating to our investment in Bausch + Lomb, including the Xifaxan® Generics Litigation (see "*Xifaxan® Paragraph IV Proceedings*" of Note 17, "LEGAL PROCEEDINGS" to our unaudited interim Condensed Consolidated Financial Statements).

See Item 1A. "Risk Factors — Risks Relating to the B+L Separation" of our Annual Report on Form 10-K for the year ended December 31, 2025 for risks relating to the B+L Separation.

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

Focus on Value and Core Businesses

We continue to execute on actions intended to bring out value in our Company. 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 could 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.

April 2025 Refinancing Transactions

In April 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 (the "August 2025 Repurchase Activity") with an aggregate par value of approximately $602 million using cash on hand, for an aggregate cost of approximately $601 million.

December 2025 Exchange

In December 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.

Defined terms used above and in the following section 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 unaudited interim Condensed Consolidated Financial Statements.

Bausch + Lomb June 2025 Refinancing Activity

On June 26, 2025, Bausch + Lomb entered into an incremental amendment to its credit agreement (the "B+L June 2025 Credit Facility Amendment"), which consisted of a new $800 million revolving credit facility maturing June 26, 2030 (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"). In addition, Bausch + Lomb's subsidiaries, Bausch + Lomb Netherlands B.V. and Bausch & Lomb Incorporated, issued €675 million aggregate principal amount of Senior Secured Floating Rate Notes due January 2031 (the "B+L January 2031 Secured Notes" and, together with the B+L October 2028 Senior Secured Notes, the "B+L Senior Secured Notes"). The B+L January 2031 Secured Notes accrue interest at a rate per annum of: (i) three-month EURIBOR (subject to a 0% floor) plus (ii) 3.875%, reset quarterly, payable quarterly in arrears on January 15, April 15, July 15 and October 15 of each year, commencing on January 15, 2026.

The proceeds from the B+L January 2031 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 (these transactions together, the "B+L June 2025 Refinancing Activity").

In January 2026, Bausch + Lomb entered into a refinancing transaction amendment (the "B+L January 2026 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, the B+L June 2025 Credit Facility Amendment and the B+L January 2026 Credit Facility Amendment, the "B+L Amended Credit Agreement") providing for a new $2,802 million term loan facility maturing on January 15, 2031 (the "B+L January 2031 Refinancing Term Facility" or 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 proceeds from the B+L January 2031 Refinancing Term Facility were used to refinance, in full, 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, B+L June 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.

As of September 30, 2026, we had aggregate maturities and mandatory payments of our principal balances of debt obligations as follows:

(in millions)	Remainder of 2026	2027	2028	2029	2030	2031	Thereafter	Total
Total debt obligations	$ 15	$ 701	$ 3,766	$ 1,667	$ 4,123	$ 3,896	$ 6,000	$ 20,168

Continue to Manage our Capital Structure

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

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

Direct Capital Allocation to Drive Growth Within Our Core Businesses

Our capital allocation is also driven by our long-term growth strategies. We allocate resources to promote our core businesses globally through: (i) strategic acquisitions, (ii) research and development ("R&D") investment, (iii) strategic

licensing agreements and (iv) strategic investments in our infrastructure. We believe that the outcome of this process allows us to better drive value in our product portfolio and generate operational efficiencies.

R&D Investment

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

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

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 Corporation ("DURECT"). Larsucosterol, DURECT's lead drug candidate, has the potential to be the first U.S. Food and Drug Administration ("FDA") approved therapeutic option for alcohol-associated hepatitis ("AH") patients. The FDA has granted a Breakthrough Therapy designation for this drug. A registrational Phase 3 program to evaluate the safety and efficacy of Larsucosterol for the treatment of patients with severe AH began in January 2026.
- Amiselimod (S1P modulator) - A Phase 2 study to evaluate Amiselimod (S1P modulator) for the treatment of mild to moderate ulcerative colitis was completed in 2024. In 2024, we met with the FDA for an end of Phase 2 meeting. We also met with the European Medicines Agency of the European Union ("EU") 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. To support its ongoing global expansion, the device has been submitted for regulatory approval in multiple markets globally. Clear + Brilliant® Touch was launched in Canada in February 2026 and subsequently received EU Medical Device Regulation ("MDR") approval in September 2026, enabling the device to be marketed in the EU.
- Fraxel FTX® - The next generation Fraxel® is a fractionated laser device for skin resurfacing that has been submitted for approval in multiple markets globally. Fraxel FTX® was launched in Australia in September 2026.

Dermatology

- CABTREO® Topical Gel - The first and only FDA approved fixed-dose, triple-combination topical treatment for acne was submitted 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 has completed a Lumify® next generation development program, for which a Phase 3 study met all primary and secondary endpoints and for which the New Drug Application has been submitted and approval is anticipated during the first half of 2027.
- Blink® Franchise – During June 2024, Bausch + Lomb expanded its OTC dry eye portfolio with the launch of Blink® NutriTears®, a clinically proven OTC nutritional 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 launched Blink® Boost preservative-free lubricating eye drops in the U.S. and in March 2026, launched a preservative-free lipid-based formulation of the Blink Triple Care® product.
- LuxLife® – Bausch + Lomb is expanding its portfolio of premium intraocular lenses ("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® trifocal IOLs launched in Canada, the U.S., Europe and Hong Kong, and rollouts into additional geographies are expected and enVista Beyond™ extended depth of focus IOL is anticipated to launch in the U.S. in 2027. Bausch + Lomb recently received topline results and is conducting a comprehensive review of the data.

Strategic Licensing Agreements

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

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

Strategic Acquisitions

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

On October 8, 2026, Bausch + Lomb entered into an agreement to acquire certain ophthalmic surgical manufacturing businesses. The acquisition is expected to close during the fourth quarter of 2026 for an upfront cash payment of approximately $85 million, due at closing.

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 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 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 January 2025, Bausch + Lomb acquired Whitecap Biosciences, LLC which was developing two innovative therapies for potential use in glaucoma and geographic atrophy. However, during July 2026, Bausch + Lomb announced that the Phase 2 study regarding the glaucoma neuroprotective candidate did not meet its primary endpoint, and as such will no longer advance this program, and will now focus on developing an innovative therapy for potential use in geographic atrophy.

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

Divest Assets to Simplify Our Business

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

Improve Patient Access

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

Patient Access and Pricing Team - Our Patient Access and Pricing Team is committed to maintaining patients' ability to access our branded prescription pharmaceutical products. All pricing actions are 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 invested in Xifaxan® direct-to-consumer advertising and new sales force capabilities. We also continue to invest in the development of Larsucosterol, 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 addition, we have invested in developing our investigational oral drug Amiselimod (S1P modulator) for the treatment of moderate to severe ulcerative colitis. This program remains under evaluation.

International - Our product portfolio in Canada includes our CABTREO® Topical Gel, a triple-combination topical treatment for acne. Our current focus in Canada is on expanding towards general practitioners ("GPs") and strengthening awareness and education for both GPs and patients. In EMEA and Latin America, our portfolio remains primarily focused on branded generic products.

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 key markets, including through the acquisition of Shibo Zhenmei in China. Our Thermage® FLX, Fraxel FTX® and Clear + Brilliant® Touch platforms continue to expand, reaching more customers. Clear + Brilliant® Touch launched in Canada in February 2026 and subsequently received EU MDR approval in September 2026, enabling the device to be marketed in the EU.

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.

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, as well as the recent United States Supreme Court ruling that invalidated certain tariffs and the possible eligibility for refunds of previously paid tariffs following such ruling, and the tensions between the U.S. and other members of North Atlantic Treaty Organization. Some of these policies have targeted countries 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.

Additionally, on February 20, 2026 the U.S. Supreme Court issued a decision invalidating tariffs imposed under the International Emergency Economic Powers Act ("IEEPA"). In response to the U.S. Supreme Court's decision, new Executive Orders were announced aimed at restructuring U.S. tariff policy and exploring alternative statutory authorities under which to impose or maintain tariffs. On March 4, 2026, the U.S. Court of International Trade ("CIT") ordered the U.S. Customs and Border Protection ("CBP") to liquidate (meaning calculate and finalize) and, where applicable, reliquidate, or correct, certain import entries without regard to duties imposed under the IEEPA. The CIT order provides relief for entries affected by IEEPA tariffs. On April 20, 2026, the CBP opened the Consolidated Administration and Processing of Entries ("CAPE") portal to facilitate the submission and processing of IEEPA duty refund claims. We are evaluating the impact of these developments on our business, financial condition, cash flows and results of operations, however, as of the date of this filing, amounts related to tariff recoveries have not been material.

On April 2, 2026, the White House posted a Presidential proclamation imposing, effective September 29, 2026, a one hundred percent (100%) tariff on patented pharmaceutical products and ingredients imported into the United States following an investigation into the effects of imports of pharmaceuticals and pharmaceutical ingredients on the national security of the United States under section 232 of the Trade Expansion Act of 1962, as amended. The tariff rate is reduced to fifteen percent (15%) for products originating from the European Union, Japan, Korea or Switzerland and Liechtenstein. A zero percent (0%) tariff applies through January 20, 2029 for companies that enter Most Favored Nation pricing agreements with the Department of Health and Human Services and onshoring agreements with the Department of Commerce. We do not expect these tariffs to have a material impact on our business and consolidated results of operations.

See Item 1A. "Risk Factors" of our Annual Report on Form 10-K for the year ended December 31, 2025 for additional information on the risks associated with tariffs.

Russia-Ukraine War

In February 2022, Russia invaded Ukraine. As military activity and sanctions against Russia and specific areas of Ukraine have continued, the war has continued to affect economic and global financial markets and placed further pressure on ongoing economic challenges, including issues such as inflation and global supply-chain disruption. The U.S., Canada, the EU and other jurisdictions have imposed sanctions and export controls against Russia in response to the ongoing war. To date, the challenges associated with the Russia-Ukraine war and related sanctions from the U.S., EU and elsewhere have not had a material impact on our operations; although, we continue to review recent and proposed sanctions imposed by the EU, U.S. and others to assess their impact on our operations.

Our revenues attributable to Russia, Ukraine and Belarus for each of the nine months ended September 30, 2026 and 2025 were approximately 2% of our total revenues. In addition, we do not have any research or manufacturing facilities in Russia, Ukraine or Belarus. While we have been monitoring this conflict and will continue to do so as this conflict continues to evolve, we are unable to predict the impact of this conflict on our business.

For a further discussion of these and other risks relating to our international business, see Item 1A. "Risk Factors — Risks Relating to the International Scope of our Business" in our Annual Report on Form 10-K for the year ended December 31, 2025.

Middle East Conflict

The conflict between Israel and Hamas began in October 2023 and has since expanded to include other regional actors, including Iran, as well as military involvement by the U.S. and Israel. While certain ceasefire or de-escalation efforts have been announced, the situation remains uncertain and continues to evolve. Our revenues attributable to the impacted regions are not material and to date, the conflict has not had a measurable impact on our supply chain and business. While we have been monitoring this conflict (including the potential macroeconomic impact) 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.

Global Minimum Corporate Tax

On October 8, 2021, the Organisation for Economic Co-operation and Development ("OECD")/G20 inclusive framework on Base Erosion and Profit Shifting (the "Inclusive Framework") published a statement updating and finalizing the key components of a two-pillar plan on global tax reform. The Inclusive Framework plan has now been agreed to by more than 140 OECD members, including several countries which did not agree to the initial plan. Under Pillar One, a portion of the residual profits of multinational businesses with global turnover above €20 billion and a profit margin above 10% will be allocated to market countries where such allocated profits would be taxed. Under Pillar Two, the Inclusive Framework has agreed on a global minimum corporate tax rate of 15% for companies with revenue above €750 million, calculated on a country-by-country basis. While many countries have adopted some or all aspects of these rules, some countries have not adopted any or all of them, and many interpretive questions remain that are expected to be addressed in future guidance. On June 20, 2024, Canada enacted the Global Minimum Tax Act ("GMTA") that adopted certain components of Pillar Two. The GMTA is generally aligned with the model rules proposed by the OECD.

The United States did not announce plans to enact the tax measures under the two-pillar plan. On January 20, 2025, the Trump administration issued an executive order declaring the Inclusive Framework has no force or effect in the U.S. absent congressional action, and directing the U.S. Department of Treasury to: (i) investigate whether any non-U.S. countries are not in compliance with any U.S. tax treaty or have implemented or are likely to implement tax rules that are extraterritorial or disproportionately affect U.S. companies, which may include actions or taxes imposed under Pillar One or Pillar Two, and (ii) develop options for "protective measures" in response to any such noncompliance or tax rules. On June 28, 2025, the United States and the rest of the G7 countries announced an agreement that would, in principle, exclude U.S. parented groups from certain taxes under Pillar Two and address certain risks of base erosion and profit shifting. In January 2026, the OECD published the "side by side" arrangement package to implement this exclusion. In September 2026, the Inclusive Framework released further guidance and an updated GloBE Information Return to incorporate the simplifications included in the "side by side" arrangement package. 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 United States or non-U.S. tax law could have a material adverse effect on our future tax liabilities and our effective tax rate.

While many jurisdictions in which the Company operates have adopted the global minimum tax provision of Pillar Two effective for tax years beginning in January 2024, the Company has concluded that there is minimal impact to its 2026 tax rate due to the accounting for the tax effects of intercompany transactions. The Company expects that there is risk that the impact of the global minimum tax and other changes in tax law in jurisdictions in which it operates may eventually result in an increase to its overall effective tax rate.

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 net controlled foreign corporation tested income, foreign-derived intangible income, and base erosion and anti-abuse tax provisions. These changes are effective for taxable years after 2025. We believe the impact of this legislation will be favorable to our future tax positions.

Health Care Reform

The U.S. federal and state governments continue to propose and pass legislation designed to regulate the health care industry. Many of these changes focused on health care cost containment, which resulted in pricing pressures relating to the sales and reimbursements of health care products.

In August 2022, the Inflation Reduction Act ("IRA") was signed into law, which among other matters made significant changes to how drugs are covered and paid for under the Medicare program, including imposing financial penalties if drug

prices are increased at a rate faster than inflation, redesigning Medicare Part D benefits to shift a greater portion of the costs to manufacturers and allowing the U.S. government to set prices for certain drugs in Medicare. The IRA 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 participation in the Medicare Drug Price Negotiation Program established under the IRA. Other products in our portfolio may be selected for negotiation in future years. Following the completion of negotiations, CMS publicly announced the finalized maximum fair price for Xifaxan® on November 25, 2025. The negotiated price will become effective on January 1, 2027 and is expected to reduce revenue, operating results and cash flows associated with Xifaxan®. Since generic versions of Xifaxan® are currently expected to enter the market in 2028, the Company believes the impact of the negotiated price will be most significant during 2027.

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 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. Bausch + Lomb continues to participate 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.

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.

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.

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 authorized generic ("AG") of such product (either ourselves or through a third-party) prior to, upon or following generic entry, which

may mitigate the anticipated decrease in product sales; however, even with launch of an AG, the decline in product sales of such product would still be expected to be significant, and the effect on our future revenues could be material.

2026 through 2030 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 2030. These products and year of expected LOE include, but are not limited to, Aplenzin® (2026), Bryhali® (2026), Relistor® Subcutaneous (2028), Xifaxan® (2028) and Duobrii® (2030) 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, Cabtreo® and Relistor® Oral tablets 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 17, "LEGAL PROCEEDINGS" to our unaudited interim Condensed Consolidated Financial Statements elsewhere in this Form 10-Q, as well as Note 21, "LEGAL PROCEEDINGS" to our audited Consolidated Financial Statements contained in our Annual Report on Form 10-K for the year ended December 31, 2025 for further details regarding certain infringement proceedings.

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

We believe that we have a well-established product portfolio that is diversified within our core businesses. We also believe that we have a pipeline that not only provides for the next generation of our existing products, but also brings new solutions into the market.

See Item 1A "Risk Factors" of our Annual Report on Form 10-K for the year ended December 31, 2025 for additional information on our competition risks.

Regulatory Matters

In the normal course of business, our products, devices and facilities are the subject of ongoing oversight and review by regulatory and governmental agencies, including general, for cause and pre-approval inspections by the relevant competent authorities where we have business operations.

In June 2026, following a routine FDA inspection of Bausch + Lomb's Tampa, Florida facility, as part of its findings, the FDA issued an Official Action Indicated ("OAI") of this facility. Bausch + Lomb submitted to the FDA a response to the initial inspection and a subsequent response to the OAI, in connection with which it fully completed all comprehensive corrective and preventive actions raised. Subsequently, in September 2026, Bausch + Lomb received a warning letter from the FDA in connection with this matter. Bausch + Lomb has submitted its response to the FDA in connection with the warning letter, and is in the process of completing the corrective and preventive actions raised. Bausch + Lomb has also requested a meeting with the FDA and is awaiting a response from the FDA. The warning letter does not require the Tampa facility to cease manufacturing operations and does not require a product recall, withdrawal or other market action. The Tampa facility continues to manufacture, release and distribute products and Bausch + Lomb does not anticipate any interruption to product supply and remains confident in the quality and safety of products manufactured at the Tampa facility.

As of September 30, 2026, our remaining global operations and facilities have the relevant operational good manufacturing practices certificates and all Company products and our operating sites are in compliance in all material respects with the requirements of all relevant notified bodies and global health authorities, subject to ordinary course inspections, observations and remediations. See Item 1A "Risk Factors – Manufacturing and Supply Risks" of our Annual Report on Form 10-K for the year ended December 31, 2025 for additional information on certain risks relating to manufacturing activities.

FINANCIAL PERFORMANCE HIGHLIGHTS

The following table provides selected unaudited financial information for the three and nine months ended September 30, 2026 and 2025:

	Three Months Ended September 30,			Nine Months Ended September 30,		
(in millions, except per share data)	**2026**	**2025**	**Change**	**2026**	**2025**	**Change**
Revenues	$ 2,941	$ 2,681	$ 260	$ 8,317	$ 7,470	$ 847
Operating income	$ 983	$ 619	$ 364	$ 773	$ 1,339	$ (566)
Income (loss) before income taxes	$ 597	$ 218	$ 379	$ (409)	$ 311	$ (720)
Net income (loss) attributable to Bausch Health Companies Inc.	$ 436	$ 179	$ 257	$ (729)	$ 269	$ (998)
Earnings (loss) per share attributable to Bausch Health Companies Inc.						
Basic	$ 1.16	$ 0.48	$ 0.68	$ (1.95)	$ 0.73	$ (2.68)
Diluted	$ 1.15	$ 0.48	$ 0.67	$ (1.95)	$ 0.72	$ (2.67)

Financial Performance

Summary of the Three Months Ended September 30, 2026 Compared to the Three Months Ended September 30, 2025

Revenues for the three months ended September 30, 2026 and 2025 were $2,941 million and $2,681 million, respectively, an increase of $260 million, or 10%. The increase reflects broad-based growth across all reportable segments and was primarily driven by: (i) improved net realized pricing and (ii) incremental sales attributable to acquisitions, partially offset by lower volumes. These changes in net realized pricing and volumes were partially the result of our decision to exit certain channels, as discussed below.

Operating income for the three months ended September 30, 2026 and 2025 was $983 million and $619 million, respectively, and included non-cash charges for Depreciation and amortization of intangible assets of $284 million and $306 million, acquired in-process research and development ("IPR&D") costs of $0 and $81 million and Share-based compensation of $52 million and $43 million, respectively. The increase in our operating income of $364 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 $269 million, primarily due to the increase in revenues, as previously discussed;
- an increase in selling, general and administrative ("SG&A") expenses of $39 million, primarily attributable to higher compensation costs and selling expenses, partially offset by lower general and administrative expenses; and
- a decrease in Other expense, net of $70 million, primarily attributable to lower acquired IPR&D costs related to the 2025 acquisition of DURECT.

Income before income taxes for the three months ended September 30, 2026 and 2025 was $597 million and $218 million, respectively, a favorable change of $379 million. The change is primarily attributable to the increase in our operating income of $364 million, as previously discussed, and a decrease in Interest expenses of $14 million.

Net income attributable to Bausch Health for the three months ended September 30, 2026 and 2025 was $436 million and $179 million, respectively, a favorable change of $257 million, which is primarily attributable to a favorable change in Income before income taxes of $379 million, as previously discussed, offset by an unfavorable change in Provision for income taxes of $114 million.

Summary of the Nine Months Ended September 30, 2026 Compared to the Nine Months Ended September 30, 2025

Revenues for the nine months ended September 30, 2026 and 2025 were $8,317 million and $7,470 million, respectively, an increase of $847 million, or 11%. The increase is attributable to growth in our Salix, Bausch + Lomb, Solta Medical and International segments driven by: (i) improved net realized pricing, (ii) incremental sales attributable to acquisitions and (iii) the favorable impact of foreign currencies, partially offset by lower volumes. These changes in net realized pricing and volumes were partially the result of our decision to exit certain channels, as discussed below.

Operating income for the nine months ended September 30, 2026 and 2025 was $773 million and $1,339 million, respectively, and included non-cash charges for Depreciation and amortization of intangible assets of $860 million and $918

million, Acquired IPR&D costs of $16 million and $110 million, Goodwill impairments of $1,426 million and $0 and Share-based compensation of $158 million and $132 million, respectively. The decrease in our operating income of $566 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 $820 million, primarily due to the increase in revenues, as previously discussed;
- an increase in SG&A expenses of $46 million, primarily attributable to higher compensation costs and selling expenses, partially offset by lower general and administrative expenses;
- an increase in Goodwill impairments of $1,426 million related to our Salix reporting unit; and
- a decrease in Other expense, net of $9 million, primarily attributable to lower: (i) acquired IPR&D costs related to the 2025 acquisition of DURECT and (ii) provisions for certain legal matters, partially offset by higher Acquisition-related contingent consideration during 2026.

Loss before income taxes for the nine months ended September 30, 2026 was $409 million as compared to Income before income taxes of $311 million for the nine months ended September 30, 2025, a decrease in our results of $720 million. The change is primarily attributable to: (i) a decrease in our operating income of $566 million, as previously discussed, and (ii) a decrease in Gain on extinguishment of debt of $182 million.

Net loss attributable to Bausch Health for the nine months ended September 30, 2026 was $729 million as compared to Net income attributable to Bausch Health of $269 million for the nine months ended September 30, 2025, a decrease of $998 million, primarily due to a decrease in our results of $720 million, as previously discussed, and an unfavorable change in Provision for income taxes of $228 million.

RESULTS OF OPERATIONS

Our unaudited operating results for the three and nine months ended September 30, 2026 and 2025 were as follows:

	Three Months Ended September 30,			Nine Months Ended September 30,		
(in millions)	**2026**	**2025**	**Change**	**2026**	**2025**	**Change**
Revenues						
Product sales	$ 2,912	$ 2,657	$ 255	$ 8,237	$ 7,388	$ 849
Other revenues	29	24	5	80	82	(2)
	2,941	2,681	260	8,317	7,470	847
Expenses						
Cost of goods sold (excluding amortization and impairments of intangible assets)	721	735	(14)	2,195	2,166	29
Cost of other revenues	14	15	(1)	50	49	1
Selling, general and administrative	834	795	39	2,602	2,556	46
Research and development	141	166	(25)	477	468	9
Amortization of intangible assets	227	253	(26)	693	765	(72)
Goodwill impairments	—	—	—	1,426	—	1,426
Restructuring, integration and separation costs	10	17	(7)	32	49	(17)
Other expense, net	11	81	(70)	69	78	(9)
	1,958	2,062	(104)	7,544	6,131	1,413
Operating income	983	619	364	773	1,339	(566)
Interest income	13	15	(2)	34	39	(5)
Interest expense	(398)	(412)	14	(1,196)	(1,207)	11
Gain (loss) on extinguishment of debt	—	3	(3)	(1)	181	(182)
Foreign exchange and other	(1)	(7)	6	(19)	(41)	22
Income (loss) before income taxes	597	218	379	(409)	311	(720)
Provision for income taxes	(151)	(37)	(114)	(316)	(88)	(228)
Net income (loss)	446	181	265	(725)	223	(948)
Net (income) loss attributable to noncontrolling interest	(10)	(2)	(8)	(4)	46	(50)
Net income (loss) attributable to Bausch Health Companies Inc.	$ 436	$ 179	$ 257	$ (729)	$ 269	$ (998)

Three Months Ended September 30, 2026 Compared to the Three Months Ended September 30, 2025

Revenues

The Company's revenues are primarily generated from product sales, primarily in the therapeutic areas of GI, hepatology, neuroscience, 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.

For 2026, revenues were impacted by our decision to exit certain channels within the Salix and Diversified segments during the second half of 2025. Historically, sales through these channels were subject to high rebates and chargebacks. While this strategic decision resulted in lower volumes within the exited channels, it contributed to an improvement in net realized pricing through the change in channel mix. At the same time, we have continued to see volume growth in other channels, which has helped to offset the reduction in sales from the exited channels.

Our revenues were $2,941 million and $2,681 million for the three months ended September 30, 2026 and 2025, respectively, an increase of $260 million, or 10%. The increase was primarily due to: (i) an increase in net realized pricing, partially the result of the change in channel mix, of $244 million attributable to our Salix, Diversified, Bausch + Lomb and International segments, (ii) incremental sales attributable to acquisitions of $37 million and (iii) the impact from the discontinuation of certain non-promoted products of $11 million, partially offset by a decrease in volumes of $32 million attributable to our Salix, Diversified and Solta Medical segments, partially offset by an increase in volumes in our Bausch + Lomb segment. These changes in net realized pricing and volumes were partially the result of our decision to exit certain channels, as discussed above.

The changes in our segment revenues and segment profits for the three months ended September 30, 2026 are discussed in further detail below under " — Reportable Segment Revenues and Profits."

Cash Discounts and Allowances, Chargebacks and Distribution Fees

As is customary in the pharmaceutical industry, gross product sales are subject to a variety of deductions in arriving at net product sales. Provisions for these deductions are recognized concurrently with the recognition of gross product sales. These provisions include cash discounts and allowances, chargebacks, and distribution fees, which are paid or credited to direct customers, as well as rebates and returns, which can be paid or credited to direct and indirect customers. As more fully discussed in Note 3, "REVENUE RECOGNITION" to our unaudited interim Condensed Consolidated Financial Statements, the Company continually monitors the provisions for these deductions and evaluates the estimates used as additional information becomes available. Price appreciation credits are generated when we increase a product's wholesaler acquisition cost ("WAC") under our contracts with certain wholesalers. Under such contracts, we are entitled to credits from such wholesalers for the impact of that WAC increase on inventory on hand at the wholesalers. In wholesaler contracts, such credits are offset against the total distribution service fees we pay on all of our products to each such wholesaler. In addition, some payor contracts require discounting if a price increase or series of price increases in a contract period exceeds a negotiated threshold. Returns provision balances and volume discounts to direct customers are included in Accrued and other current liabilities. All other provisions related to direct customers are included in Trade receivables, net, while provision balances related to indirect customers are included in Accrued and other current liabilities.

We actively manage these offerings, focusing on the incremental costs of our patient assistance programs, the level of discounting to non-retail accounts and identifying opportunities to minimize product returns. We also concentrate on managing our relationships with our payors and wholesalers, reviewing the ranges of our offerings and being disciplined as to the amount and type of incentives we negotiate. Provisions recorded to reduce gross product sales to net product sales and revenues for the three months ended September 30, 2026 and 2025 were as follows:

(in millions)	Three Months Ended September 30, 2026 Amount	2026 Pct.	2025 Amount	2025 Pct.
Gross product sales	$ 4,759	100.0 %	$ 4,504	100.0 %
Provisions to reduce gross product sales to net product sales				
Discounts and allowances	184	3.9 %	186	4.1 %
Returns	3	0.1 %	12	0.3 %
Rebates	1,164	24.4 %	1,138	25.2 %
Chargebacks	417	8.7 %	423	9.4 %
Distribution fees	79	1.7 %	88	2.0 %
Total provisions	1,847	38.8 %	1,847	41.0 %
Net product sales	2,912	61.2 %	2,657	59.0 %
Other revenues	29		24	
Revenues	$ 2,941		$ 2,681	

Cash discounts and allowances, returns, rebates, chargebacks and distribution fees as a percentage of gross product sales were 38.8% and 41.0% for the three months ended September 30, 2026 and 2025, respectively, a decrease of 2.2 percentage points and includes:

- rebates as a percentage of gross product sales which were lower primarily due to lower rebates for certain branded products such as Apriso®, Jublia® and Wellbutrin® and Bausch + Lomb's XIIDRA®, partially offset by higher product sales for Xifaxan® and Trulance®;
- chargebacks as a percentage of gross product sales which were lower primarily due to lower chargebacks for Xifaxan® and lower gross product sales of certain generic products such as Elidel® AG.

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 varies 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 $721 million and $735 million for the three months ended September 30, 2026 and 2025, respectively, a decrease of $14 million. The decrease was primarily driven by: (i) favorable change in product mix, (ii) lower manufacturing variances and (iii) the impact in 2025 of the amortization of inventory step-up related to Bausch + Lomb's acquisition of XIIDRA®.

Cost of goods sold as a percentage of product sales revenue was 24.8% and 27.7% for the three months ended September 30, 2026 and 2025, respectively. The favorable change was primarily driven by: (i) increase in net realizable pricing and (ii) favorable change in product mix. Cost of goods sold as a percentage of Product sales during the three months ended September 30, 2025, was unfavorably impacted by the amortization of inventory step-up related to Bausch + Lomb's acquisition of XIIDRA®.

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

SG&A expenses were $834 million and $795 million for the three months ended September 30, 2026 and 2025, respectively, an increase of $39 million, or 5%. The increase was primarily attributable to higher compensation costs and selling expenses, partially offset by lower general and administrative expenses.

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 costs 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 $141 million and $166 million for the three months ended September 30, 2026 and 2025, respectively, a decrease of $25 million, or 15%. The decrease is primarily attributable to lower spend on certain projects in our Salix and Bausch + Lomb segments.

R&D expenses as a percentage of Product sales were approximately 5% and 6% for the three months ended September 30, 2026 and 2025, respectively.

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 $227 million and $253 million for the three months ended September 30, 2026 and 2025, respectively, a decrease of $26 million, or 10%, primarily attributable to fully amortized intangible assets no longer being amortized in 2026.

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

Restructuring, integration and separation costs

Restructuring and Integration Costs

The Company evaluates opportunities to improve its operating results and implement cost savings programs to streamline its operations and eliminate redundant processes and expenses. Restructuring and integration costs are expenses associated with the implementation of these cost savings programs and include expenses associated with: (i) reducing headcount, (ii) eliminating real estate costs associated with unused or under-utilized facilities and (iii) implementing contribution margin improvement and other cost reduction initiatives.

Restructuring, integration and separation costs were $10 million and $17 million for the three months ended September 30, 2026 and 2025, respectively, a decrease of $7 million. The Company continues to evaluate opportunities to streamline its operations and identify additional cost savings globally. Although a specific plan does not exist at this time, the Company may identify and take additional exit and cost-rationalization restructuring actions in the future, the costs of which could be material.

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

Other Expense, Net

Other expense, net for the three months ended September 30, 2026 and 2025 consists of the following:

	Three Months Ended September 30,	
(in millions)	**2026**	**2025**
Litigation and other matters, net of insurance recoveries and restitutions	$ 10	$ 35
Asset impairments	4	1
Acquisition-related transaction costs	3	2
Acquired IPR&D costs	—	81
Acquisition-related contingent consideration	(4)	(32)
Other, net	(2)	(6)
	$ 11	$ 81

Litigation and other matters, net of insurance recoveries and restitutions primarily relates to adjustments to provisions for certain legal matters.

Asset impairments are related to a change in the future forecasted revenues and a product discontinuation.

Acquired IPR&D costs in 2025 are related to the DURECT acquisition.

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

Non-Operating Income and Expense

Interest Expense

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

Interest expense was $398 million and $412 million and included non-cash amortization and write-offs of debt premiums, discounts and deferred issuance costs of $11 million and $16 million, for the three months ended September 30, 2026 and 2025, respectively. Interest expense for the three months ended September 30, 2026 decreased $14 million, or 3%, as compared to the three months ended September 30, 2025. The decrease is primarily attributable to lower interest rates on Bausch + Lomb's January 2031 Refinancing Term Facility as compared to term facilities outstanding during 2025, partially offset by higher effective interest rates on the debt as refinanced in 2025.

The weighted average stated rate of interest as of September 30, 2026 and 2025 was 8.55% and 8.57%, respectively. Due to the accounting treatment for the 2022 Secured Notes (as defined in Note 10, "FINANCING ARRANGEMENTS" to our unaudited interim Condensed Consolidated Financial Statements), interest expense in the Company's financial statements will not be representative of the weighted average stated rate of interest.

Foreign Exchange and Other

Foreign exchange and other was a loss of $1 million and $7 million for the three months ended September 30, 2026 and 2025, respectively, a favorable change of $6 million. This change was primarily driven by: (i) transaction gains and losses on intercompany balances and third-party liabilities and (ii) gains and losses from foreign currency exchange contracts.

Income Taxes

Provision for income taxes was $151 million and $37 million for the three months ended September 30, 2026 and 2025, respectively, an unfavorable change of $114 million.

Our effective income tax rate for the three months ended September 30, 2026 differs from the statutory Canadian income tax rate primarily due to: (i) the recording of valuation allowances on entities for which no tax benefit of losses is expected and (ii) tax provision generated from our annualized mix of earnings by jurisdiction.

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

See Note 15, "INCOME TAXES" to our unaudited interim Condensed 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, Restructuring, integration and separation costs and Other expense (income), net, are not included in the measure of segment profit, as management excludes these items in assessing segment financial performance. See Note 18, "SEGMENT INFORMATION" to our unaudited interim Condensed Consolidated Financial Statements for a reconciliation of segment profit to Income (loss) before income taxes.

The following table presents segment revenues, segment revenues as a percentage of total revenues, and the period-over-period changes in segment revenues for the three months ended September 30, 2026 and 2025. The following table also presents segment profits, segment profits as a percentage of segment revenues and the period-over-period changes in segment profits for the three months ended September 30, 2026 and 2025.

	Three Months Ended September 30,					
	2026		2025		Change	
(in millions)	Amount	Pct.	Amount	Pct.	Amount	Pct.
Segment Revenues						
Salix	$ 831	28 %	$ 716	27 %	$ 115	16 %
International	299	10 %	286	11 %	13	5 %
Solta Medical	165	6 %	140	5 %	25	18 %
Diversified	271	9 %	258	10 %	13	5 %
Bausch + Lomb	1,375	47 %	1,281	47 %	94	7 %
Total revenues	$ 2,941	100 %	$ 2,681	100 %	$ 260	10 %
Segment Profits / Segment Profit Margins						
Salix	$ 716	86 %	$ 570	80 %	$ 146	26 %
International	99	33 %	90	31 %	9	10 %
Solta Medical	76	46 %	70	50 %	6	9 %
Diversified	195	72 %	182	71 %	13	7 %
Bausch + Lomb	410	30 %	301	23 %	109	36 %
Total segment profits	$ 1,496	51 %	$ 1,213	45 %	$ 283	23 %

Organic Revenues and Organic Growth Rates (non-GAAP)

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

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

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

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

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

The following table presents a reconciliation of GAAP revenues to organic revenues (non-GAAP) and the period-over-period changes in organic revenue (non-GAAP) for the three months ended September 30, 2026 and 2025 by segment.

	Three Months Ended September 30, 2026				Three Months Ended September 30, 2025			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	$ 831	$ —	$ —	$ 831	$ 716	$ 13	$ 729	$ 102	14 %
International	299	(4)	—	295	286	(1)	285	10	4 %
Solta Medical	165	(2)	(29)	134	140	—	140	(6)	(4)%
Diversified	271	—	—	271	258	1	259	12	5 %
Bausch + Lomb	1,375	6	(8)	1,373	1,281	(2)	1,279	94	7 %
Total	$ 2,941	$ —	$ (37)	$ 2,904	$ 2,681	$ 11	$ 2,692	$ 212	8 %

Salix Segment:

Salix Segment Revenue

The Salix segment includes our Xifaxan® product line which currently accounts for approximately 85% of the Salix segment revenues. Salix segment revenue for the three months ended September 30, 2026 and 2025 was $831 million and $716 million, respectively, an increase of $115 million, or 16%, primarily attributable to: (i) an increase in net realized pricing of $152 million and (ii) the impact from the discontinuation of certain non-promoted products of $13 million, partially offset by a decrease in volumes of $50 million. The revenue increases were partially due to channel mix and other net pricing factors, as well as the timing of channel inventory in the quarter, and were partially offset by lower volumes associated with our decision to exit certain channels, as previously discussed.

Salix Segment Profit

The Salix segment profit for the three months ended September 30, 2026 and 2025 was $716 million and $570 million, respectively, an increase of $146 million, or 26%. The increase was primarily driven by: (i) higher contribution attributable to the increase in revenues, as previously discussed, and (ii) lower SG&A and R&D expenses.

International Segment:

International Segment Revenue

The International segment has a diversified product line with no single product group representing 10% or more of its product sales. The International segment revenue was $299 million and $286 million for the three months ended September 30, 2026 and 2025, respectively, an increase of $13 million, or 5%. The increase was primarily attributable to: (i) an increase in net realized pricing of $10 million and (ii) the favorable impact of foreign currencies of $4 million.

International Segment Profit

The International segment profit for the three months ended September 30, 2026 and 2025 was $99 million and $90 million, respectively, an increase of $9 million, or 10% and was primarily driven by higher contribution attributable to the increase in revenues, as previously discussed, partially offset by higher SG&A expenses.

Solta Medical Segment:

Solta Medical Segment Revenue

The Solta Medical segment includes the Thermage® product line, which accounted for over 85% of the Solta Medical segment revenues. The Solta Medical segment revenue for the three months ended September 30, 2026 and 2025 was $165 million and $140 million, respectively, an increase of $25 million, or 18%. The increase was primarily attributable to: (i) incremental sales attributable to the acquisition of Shibo Zhenmei of $29 million and (ii) the favorable impact of foreign currencies of $2 million, partially offset by: (i) a decrease in net realized pricing of $4 million and (ii) a decrease in volumes of $2 million.

Solta Medical Segment Profit

The Solta Medical segment profit for the three months ended September 30, 2026 and 2025 was $76 million and $70 million, respectively, an increase of $6 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, partially attributable to the acquisition of Shibo Zhenmei.

Diversified Segment:

Diversified Segment Revenue

The Diversified segment revenue for the three months ended September 30, 2026 and 2025 was $271 million and $258 million, respectively, an increase of $13 million, or 5%, primarily driven by an increase in net realized pricing of $55 million, primarily in our Neuroscience and Dermatology businesses, partially offset by a decrease in volumes of $43 million, primarily in our Neuroscience business. These changes in net realized pricing, channel mix and volumes were partially the result of our decision to exit certain channels, as previously discussed.

Diversified Segment Profit

The Diversified segment profit for the three months ended September 30, 2026 and 2025 was $195 million and $182 million, respectively, an increase of $13 million, or 7%. The increase was primarily driven by higher contribution attributable to the increase in revenues, as previously discussed.

Bausch + Lomb Segment:

Bausch + Lomb Segment Revenue

The Bausch + Lomb segment revenue was $1,375 million and $1,281 million for the three months ended September 30, 2026 and 2025, respectively, an increase of $94 million, or 7%. The increase was primarily driven by: (i) an increase in volumes of $63 million, (ii) an increase in net realized pricing of $31 million, primarily driven by the Vision Care and Pharmaceuticals businesses and (iii) incremental sales attributable to acquisitions of $8 million, partially offset by: (i) the unfavorable impact of foreign currencies of $6 million and (ii) the impact of divestitures and discontinuations of $2 million.

Bausch + Lomb Segment Profit

The Bausch + Lomb segment profit for the three months ended September 30, 2026 and 2025 was $410 million and $301 million, respectively, an increase of $109 million, or 36%. The increase was primarily driven by: (i) the increase in revenues, as previously discussed and (ii) the impact of the amortization of inventory step-up related to the acquisition of XIIDRA® during the three months ended September 30, 2025, partially offset by higher selling expenses.

Nine Months Ended September 30, 2026 Compared to the Nine Months Ended September 30, 2025

Revenues

Our revenue was $8,317 million and $7,470 million for the nine months ended September 30, 2026 and 2025, respectively, an increase of $847 million, or 11%. The increase was primarily due to: (i) an increase in net realized pricing, partially the result of the change in channel mix, of $797 million attributable to our Salix, Diversified, Bausch + Lomb and International segments, (ii) incremental sales attributable to acquisitions of $105 million and (iii) the favorable impact of foreign currencies of $96 million. The increase was partially offset by a decrease in volumes of $151 million attributable to our Salix and Diversified segments, partially offset by an increase in volumes in our Bausch + Lomb and Solta Medical segments. These changes in net realized pricing and volumes were partially the result of our decision to exit certain channels, as previously discussed.

The changes in our segment revenues and segment profits for the nine months ended September 30, 2026, are discussed in further detail in the respective subsequent section titled " — Reportable Segment Revenues and Profits".

Cash Discounts and Allowances, Chargebacks and Distribution Fees

Provisions recorded to reduce gross product sales to net product sales and revenues for the nine months ended September 30, 2026 and 2025 were as follows:

	Nine Months Ended September 30,			
	2026		2025	
(in millions)	Amount	Pct.	Amount	Pct.
Gross product sales	$ 13,098	100.0 %	$ 12,770	100.0 %
Provisions to reduce gross product sales to net product sales				
Discounts and allowances	527	4.0 %	534	4.2 %
Returns	85	0.6 %	80	0.6 %
Rebates	2,956	22.6 %	3,210	25.1 %
Chargebacks	1,088	8.3 %	1,310	10.3 %
Distribution fees	205	1.6 %	248	1.9 %
Total provisions	4,861	37.1 %	5,382	42.1 %
Net product sales	8,237	62.9 %	7,388	57.9 %
Other revenues	80		82	
Revenues	$ 8,317		$ 7,470	

Cash discounts and allowances, returns, rebates, chargebacks and distribution fees as a percentage of gross product sales were 37.1% and 42.1% for the nine months ended September 30, 2026 and 2025, respectively, a decrease of 5.0 percentage points. The decrease was primarily due to:

- rebates as a percentage of gross product sales which were lower primarily due to lower rebates for Xifaxan® and Jublia® as well as lower gross product sales of certain branded products such as Relistor®, Apriso®, Onexton® and Wellbutrin® and Bausch + Lomb's XIIDRA®;
- chargebacks as a percentage of gross product sales which were lower primarily due to lower chargebacks for Xifaxan® and Wellbutrin® and lower gross product sales of certain generic products such as Elidel® AG.

Expenses

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

Cost of goods sold was $2,195 million and $2,166 million for the nine months ended September 30, 2026 and 2025, respectively, an increase of $29 million, or 1%. The increase was primarily driven by the unfavorable impact of foreign currencies, partially offset by: (i) a decrease in volumes, (ii) lower manufacturing variances and (iii) the impact in 2025 of the amortization of inventory step-up related to Bausch + Lomb's acquisition of XIIDRA®.

Cost of goods sold as a percentage of product sales revenue was 26.6% and 29.3% for the nine months ended September 30, 2026 and 2025, respectively, a decrease of 2.7 percentage points. The favorable change was primarily driven by: (i) increase in net realizable pricing, (ii) product mix and (iii) the favorable impact of foreign currencies to revenues. Cost of goods sold as a percentage of Product sales during the nine months ended September 30, 2025, was unfavorably impacted by the amortization of inventory step-up related to Bausch + Lomb's acquisition of XIIDRA®, as well as the impact of its voluntary recall of certain enVista® IOL products.

Selling, General and Administrative Expenses

SG&A expenses were $2,602 million and $2,556 million for the nine months ended September 30, 2026 and 2025, respectively, an increase of $46 million, or 2%. The increase is primarily attributable to higher compensation costs and selling expenses, partially offset by lower general and administrative expenses.

Research and Development

R&D expenses were $477 million and $468 million for the nine months ended September 30, 2026 and 2025, respectively, an increase of $9 million, or 2%. The increase is primarily attributable to an increase in spend on certain projects in the Bausch + Lomb and Solta Medical segments, partially offset by lower spend in our Salix segment.

R&D expenses as a percentage of Product sales were approximately 6% for each of the nine months ended September 30, 2026 and 2025.

Amortization of Intangible Assets

Amortization of intangible assets was $693 million and $765 million for the nine months ended September 30, 2026 and 2025, respectively, a decrease of $72 million, or 9%. The decrease was primarily attributable to fully amortized intangible assets no longer being amortized in 2026.

See Note 8, "INTANGIBLE ASSETS AND GOODWILL" to our unaudited interim Condensed 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 $1,426 million for the nine months ended September 30, 2026, related to the Salix reporting unit. 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 quantitative goodwill analysis for the Salix reporting unit using revised forecasts, an updated discount rate of 9.50%, and a new long-term growth rate that reflect the impact of the Phase 3 clinical trial results and recognized an impairment charge of $1,426 million.

Restructuring, integration and separation costs

Restructuring, integration and separation costs were $32 million and $49 million for the nine months ended September 30, 2026 and 2025, respectively, a decrease of $17 million. The Company continues to evaluate opportunities to streamline its operations and identify additional cost savings globally. Although a specific plan does not exist at this time, the Company may identify and take additional exit and cost-rationalization restructuring actions in the future, the costs of which could be material.

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

Other Expense, Net

Other expense, net for the nine months ended September 30, 2026 and 2025 consists of the following:

	Nine Months Ended September 30,	
(in millions)	**2026**	**2025**
Litigation and other matters, net of insurance recoveries and restitutions	$ 26	$ 40
Acquired IPR&D costs	16	110
Acquisition-related contingent consideration	14	(72)
Asset impairments	13	1
Acquisition-related transaction costs	4	5
Other, net	(4)	(6)
	$ 69	$ 78

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

Acquired IPR&D costs in 2025 are primarily related to the DURECT acquisition and certain acquisitions by Bausch + Lomb.

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

Asset impairments are related to a change in the future forecasted revenues and a product discontinuation.

Non-Operating Income and Expense

Interest Expense

Interest expense was $1,196 million and $1,207 million and included non-cash amortization and write-offs of debt premiums, discounts and deferred issuance costs of $46 million and $72 million for the nine months ended September 30, 2026 and 2025, respectively. Interest expense decreased $11 million. The decrease is primarily attributable to: (i) the write-off of financing costs associated with the April 2025 Refinancing Transactions and the B+L June 2025 Credit Facility Amendment and (ii) lower interest rates on Bausch + Lomb's January 2031 Refinancing Term Facility as compared to term facilities outstanding during 2025, partially offset by higher effective interest rates on the debt as refinanced in 2025.

The weighted average stated rate of interest as of September 30, 2026 and 2025 was 8.55% and 8.57%, respectively. Due to the accounting treatment for the 2022 Secured Notes, interest expense in the Company's financial statements will not be representative of the weighted average stated rate of interest.

Gain on Extinguishment of Debt

Gain on extinguishment of debt represents the differences between the amounts paid to settle extinguished debts and the carrying value of the related extinguished debt. In connection with the April 2025 Refinancing Transactions, the August 2025 Repurchase Activity and the B+L June 2025 Refinancing Activity, the Company recognized a net gain on extinguishment of debt of $181 million during the nine months ended September 30, 2025

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

Foreign Exchange and Other

Foreign exchange and other was a loss of $19 million and $41 million for the nine months ended September 30, 2026 and 2025, respectively, a favorable net change of $22 million.

Income Taxes

Provision for income taxes was $316 million and $88 million for the nine months ended September 30, 2026 and 2025, respectively, an unfavorable change of $228 million. Our effective income tax rate for the nine months ended September 30, 2026 differs from the statutory Canadian income tax rate primarily due to: (i) the recording of valuation allowances on entities for which no tax benefit of losses is expected and (ii) the tax provision generated from our annualized mix of earnings by jurisdiction.

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

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

Reportable Segment Revenues and Profits

The following table presents segment revenues, segment revenues as a percentage of total revenues, and the year-over-year changes in segment revenues for the nine months ended September 30, 2026 and 2025. The following table also presents segment profits, segment profits as a percentage of segment revenues and the year-over-year changes in segment profits for the nine months ended September 30, 2026 and 2025.

	Nine Months Ended September 30,					
	2026		2025		Change	
(in millions)	Amount	Pct.	Amount	Pct.	Amount	Pct.
Segment Revenues						
Salix	$ 2,228	27 %	$ 1,885	25 %	$ 343	18 %
International	889	11 %	826	11 %	63	8 %
Solta Medical	512	6 %	381	5 %	131	34 %
Diversified	675	8 %	682	9 %	(7)	(1)%
Bausch + Lomb	4,013	48 %	3,696	50 %	317	9 %
Total revenues	$ 8,317	100 %	$ 7,470	100 %	$ 847	11 %
Segment Profits / Segment Profit Margins						
Salix	$ 1,789	80 %	$ 1,396	74 %	$ 393	28 %
International	277	31 %	253	31 %	24	9 %
Solta Medical	242	47 %	177	46 %	65	37 %
Diversified	449	67 %	448	66 %	1	-
Bausch + Lomb	1,022	25 %	729	20 %	293	40 %
Total segment profits	$ 3,779	45 %	$ 3,003	40 %	$ 776	26 %

The following table presents organic revenue (non-GAAP) and the year-over-year changes in organic revenue (non-GAAP) for the nine months ended September 30, 2026 and 2025 by segment. Organic revenues (non-GAAP) and organic growth (non-GAAP) rates are defined in the previous section titled "— Reportable Segment Revenues and Profits".

	Nine Months Ended September 30, 2026				Nine Months Ended September 30, 2025			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	$ 2,228	$ —	$ —	$ 2,228	$ 1,885	$ 12	$ 1,897	$ 331	17 %
International	889	(41)	—	848	826	(2)	824	24	3 %
Solta Medical	512	(7)	(93)	412	381	—	381	31	8 %
Diversified	675	—	—	675	682	—	682	(7)	(1)%
Bausch + Lomb	4,013	(48)	(12)	3,953	3,696	(10)	3,686	267	7 %
Total	$ 8,317	$ (96)	$ (105)	$ 8,116	$ 7,470	$ —	$ 7,470	$ 646	9 %

Salix Segment:

Salix Segment Revenue

The Salix segment includes the Xifaxan® product line. Revenues from our Xifaxan® product line accounted for approximately 85% of the Salix segment revenues. The Salix segment revenue for the nine months ended September 30, 2026 and 2025 was $2,228 million and $1,885 million, respectively, an increase of $343 million, or 18%. The increase was primarily attributable to: (i) an increase in net realized pricing of $504 million and (ii) the impact from the discontinuation of certain non-promoted products of $12 million, partially offset by a decrease in volumes of $173 million. The revenue increases were partially due to channel mix and other net pricing factors and were partially offset by lower volumes associated with our decision to exit certain channels, as previously discussed.

Salix Segment Profit

The Salix segment profit for the nine months ended September 30, 2026 and 2025 was $1,789 million and $1,396 million, respectively, an increase of $393 million, or 28%. The increase was primarily driven by: (i) higher contribution attributable to the increase in revenues, as previously discussed, and (ii) lower SG&A and R&D expenses.

International Segment:

International Segment Revenue

The International segment has a diversified product line with no single product group representing 10% or more of its product sales. The International segment revenue was $889 million and $826 million for the nine months ended September 30, 2026 and 2025, respectively, an increase of $63 million, or 8%. The increase was primarily attributable to: (i) the favorable impact of foreign currencies of $41 million primarily attributable to Latin America and EMEA and (ii) an increase in net realized pricing of $24 million, partially offset by the impact of divestitures and discontinuations of $2 million.

International Segment Profit

The International segment profit for the nine months ended September 30, 2026 and 2025 was $277 million and $253 million, respectively, an increase of $24 million, or 9%. This increase was primarily driven by higher contribution attributable to the increase in revenues, as previously discussed, partially offset by higher SG&A expenses.

Solta Medical Segment:

Solta Medical Segment Revenue

The Solta Medical segment includes the Thermage® product line, which accounted for over 85% of the Solta Medical segment revenues. The Solta Medical segment revenue for the nine months ended September 30, 2026 and 2025 was $512 million and $381 million, respectively, an increase of $131 million, or 34%. The increase was primarily due to: (i) incremental sales attributable to the acquisition of Shibo Zhenmei of $93 million, (ii) an increase in volumes of $39 million and (iii) the favorable impact of foreign currencies of $7 million, partially offset by a decrease in net realized pricing of $8 million.

Solta Medical Segment Profit

The Solta Medical segment profit for the nine months ended September 30, 2026 and 2025 was $242 million and $177 million, respectively, an increase of $65 million, or 37%. The increase was primarily driven by higher contribution attributable to the increase in revenues, as previously discussed, partially offset by higher: (i) expenses related to the reacquired inventory attributable to the Shibo Zhenmei acquisition, (ii) selling, advertising and promotion expenses and (iii) R&D expenses.

Diversified Segment:

Diversified Segment Revenue

The Diversified segment revenue for the nine months ended September 30, 2026 and 2025 was $675 million and $682 million, respectively, a decrease of $7 million, or 1%. The decrease was primarily driven by a decrease in volumes of $156 million, primarily in our Neuroscience business, partially offset by an increase in net realized pricing of $149 million. These changes in net realized pricing, channel mix and volumes were partially the result of our decision to exit certain channels, as previously discussed.

Diversified Segment Profit

The Diversified segment profit for the nine months ended September 30, 2026 and 2025 was $449 million and $448 million, respectively, an increase of $1 million.

Bausch + Lomb Segment:

Bausch + Lomb Segment Revenue

The Bausch + Lomb segment revenue was $4,013 million and $3,696 million for the nine months ended September 30, 2026 and 2025, respectively, an increase of $317 million, or 9%. The increase was primarily due to: (i) an increase in volumes of $139 million across all the Bausch + Lomb businesses, (ii) an increase in net realized pricing of $128 million driven by the Pharmaceuticals and Vision Care businesses, (iii) the favorable impact of foreign currencies of $48 million and (iv) incremental sales attributable to acquisitions of $12 million, partially offset by the impact of divestitures and discontinuations of $10 million.

Bausch + Lomb Segment Profit

The Bausch + Lomb segment profit for the nine months ended September 30, 2026 and 2025 was $1,022 million and $729 million, respectively, an increase of $293 million, or 40%. The increase was primarily driven by: (i) the increase in revenues, as previously discussed and (ii) the impact of the amortization of inventory step-up related to the acquisition of XIIDRA® during 2025, partially offset by higher selling and R&D expenses.

LIQUIDITY AND CAPITAL RESOURCES

Cash Flows

	Nine Months Ended September 30,		
(in millions)	**2026**	**2025**	**Change**
Net (loss) income	$ (725)	$ 223	$ (948)
Adjustments to reconcile net (loss) income to net cash provided by operating activities	2,546	709	1,837
Cash provided by operating activities before changes in operating assets and liabilities	1,821	932	889
Changes in operating assets and liabilities	(107)	(27)	(80)
Net cash provided by operating activities	1,714	905	809
Net cash used in investing activities	(315)	(313)	(2)
Net cash used in financing activities	(229)	(507)	278
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(7)	54	(61)
Net increase in cash, cash equivalents and restricted cash	1,163	139	1,024
Cash, cash equivalents and restricted cash, beginning of period	1,325	1,201	124
Cash, cash equivalents and restricted cash, end of period	$ 2,488	$ 1,340	$ 1,148

Operating Activities

Net cash provided by operating activities was $1,714 million and $905 million for the nine months ended September 30, 2026 and 2025, respectively, an increase of $809 million.

Cash provided by operating activities before changes in operating assets and liabilities was $1,821 million and $932 million for the nine months ended September 30, 2026 and 2025, respectively, an increase of $889 million and is primarily attributable to our improved operating performance, as previously discussed.

Changes in operating assets and liabilities resulted in a net decrease in cash of $107 million and of $27 million for the nine months ended September 30, 2026 and 2025, respectively, a decrease of $80 million. During the nine months ended September 30, 2026, Changes in operating assets and liabilities were unfavorably impacted by: (i) the timing in the collection of trade receivables of $196 million and (ii) an increase in inventories of $31 million, partially offset by timing of certain payments in the ordinary course of business of $120 million. During the nine months ended September 30, 2025, Changes in operating assets and liabilities were unfavorably impacted by: (i) timing in the collection of trade receivables of $199 million and (ii) an increase in inventories of $7 million, partially offset by the favorable timing of certain payments in the ordinary course of business of $179 million.

Investing Activities

Net cash used in investing activities was $315 million for the nine months ended September 30, 2026 and was primarily driven by Purchases of property, plant and equipment and B+L acquisitions and other investments.

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

Financing Activities

Net cash used in financing activities was $229 million for the nine months ended September 30, 2026 and was driven by the repayment of long-term debt of $3,082 million which primarily included: (i) $2,802 million of repayments of debt with the proceeds related to the B+L January 2026 Credit Facility Amendment, (ii) $158 million of contractual interest payments on the Remaining Secured Notes (as defined below) allocated to the reduction of the recorded premiums, (iii) repayments of $75 million related to the B+L 2030 Revolving Credit Facility and (iv) $37 million of amortization payments related to our term loan facilities, partially offset by the Issuance of long-term debt of $2,930 million primarily representing $2,802 million of net proceeds from the B+L January 2026 Credit Facility Amendment and borrowings of $75 million under the B+L 2030 Revolving Credit Facility.

Net cash used in financing activities was $507 million for the nine months ended September 30, 2025 and was primarily driven by Issuance of long-term debt, net of discounts, of $10,421 million which included: (i) the net proceeds from the April 2025 Refinancing Transactions and the B+L June 2025 Refinancing Activity and (ii) additional borrowings under the B+L May 2027 Revolving Credit Facility. Issuance of long-term debt was offset by Repayments of long-term debt of $10,839 million and Payments of financing costs of $38 million. Repayments of long-term debt include: (i) repayments of debt with the proceeds of the April 2025 Refinancing Transactions, the B+L June 2025 Refinancing Activity and the August 2025 Repurchase Activity, (ii) $251 million of contractual interest payments on the 2022 Secured Notes allocated to the reduction of the recorded premiums and (iii) $42 million of amortization payments related to our term loan facilities. Payments of financing costs primarily relate to the April 2025 Refinancing Transactions and the B+L June 2025 Refinancing Activity.

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

Liquidity and Debt

Future Sources of Liquidity

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

Cash, cash equivalents and restricted cash as presented in the Condensed Consolidated Balance Sheet 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 September 30, 2026 and 2025, cash, cash equivalents and restricted cash was as follows:

(in millions)	2026	2025
Bausch Health	$ 1,973	$ 1,008
Bausch + Lomb	515	332
Total Cash, cash equivalents and restricted cash	$ 2,488	$ 1,340

As of September 30, 2026, we had aggregate maturities and mandatory payments of our principal balances of debt obligations as follows:

(in millions)	Remainder of 2026	2027	2028	2029	2030	2031	Thereafter	Total
Bausch Health debt obligations	$ 8	$ 673	$ 2,326	$ 1,639	$ 3,995	$ 462	$ 6,000	$ 15,103
Bausch + Lomb debt obligations	7	28	1,440	28	128	3,434	—	5,065
Total debt obligations	$ 15	$ 701	$ 3,766	$ 1,667	$ 4,123	$ 3,896	$ 6,000	$ 20,168

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 our Annual Report on Form 10-K for the year ended December 31, 2025.

Long-term Debt

Long-term debt, net of unamortized premiums, discounts and issuance costs was $20,637 million and $20,817 million as of September 30, 2026 and December 31, 2025, respectively. Aggregate contractual principal amounts due under our debt obligations were $20,168 million and $20,232 million as of September 30, 2026 and December 31, 2025, respectively, a decrease of $64 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 the nine months ended September 30, 2026 and 2025, the Company made contractual interest payments of $122 million and $282 million, respectively, related to the 2022 Secured Notes, of which $111 million and $251 million, respectively, were 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. During the nine months ended September 30, 2026, the Company made contractual interest payments of $300 million related to the 2032 Senior Secured Notes, of which $47 million was recorded as a reduction of the premium.

The following table presents the future scheduled contractual interest payments of our 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)	Remainder of 2026	2027	2028	2029	2030	2031 to 2032	Total
Interest payments:							
11.00% First Lien Secured Notes due 2028	$ —	$ 98	$ 97	$ —	$ —	$ —	$ 195
14.00% Second Lien Secured Notes due 2030	25	49	49	49	50	—	222
10.00% Senior Secured Notes due 2032	300	600	600	600	600	900	3,600
	$ 325	$ 747	$ 746	$ 649	$ 650	$ 900	$ 4,017
Interest payments recorded as:							
Interest expense	$ 283	$ 572	$ 566	$ 554	$ 550	$ 809	$ 3,334
Reduction of recorded premium	42	175	180	95	100	91	683
	$ 325	$ 747	$ 746	$ 649	$ 650	$ 900	$ 4,017

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 Senior 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 Senior Secured Notes (other than the 2032 Senior Secured Notes) had total assets of $26,250 million and total liabilities of $17,643 million as of September 30, 2026, and revenues of $4,774 million and operating income of $294 million for the nine months ended September 30, 2026. On a non-consolidated basis, the non-guarantor subsidiaries with respect to the 2032 Senior Secured Notes had total assets of $16,656 million and total liabilities of $8,249 million as of September 30, 2026, and revenues of $4,774 million and operating income of $294 million for the nine

months ended September 30, 2026.

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

Availability Under Revolving Credit Facilities

As of October 28, 2026, there were no outstanding borrowings, $31 million of issued and outstanding letters of credit and approximately $469 million of remaining availability under the 2030 Revolving Credit Facility.

As of October 28, 2026, there were $100 million of outstanding borrowings, $34 million of issued and outstanding letters of credit and $666 million of remaining availability under the B+L 2030 Revolving Credit Facility. Absent the payment of a dividend, which would be determined by the Board of Directors of Bausch + Lomb and paid pro rata to Bausch + Lomb’s shareholders, proceeds from the B+L 2030 Revolving Credit Facility are not available to fund the operations, investing and financing activities of any other subsidiaries of Bausch Health.

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 September 30, 2026, the weighted average interest rate of our debt as reported in our financial statements was 7.61% and the weighted average stated rate of interest was 8.55%.

Focus on Capitalization of the Post-separation Entities

In connection with a potential 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.

Credit Rating

As of October 28, 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 was no change to the corporate credit rating or other credit ratings of Bausch Health Companies Inc. during the third quarter of 2026.

Bausch + Lomb Corporation - There was no change to the corporate credit rating or other credit ratings of Bausch + Lomb during the third quarter of 2026.

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

OFF-BALANCE SHEET ARRANGEMENTS AND CONTRACTUAL OBLIGATIONS

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

A substantial portion of our cash requirements for the remainder of 2026 is for debt service. 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 September 30, 2026, we expect our primary cash requirements during the remainder of 2026 to include:

- *Debt repayments and interest payments*—We anticipate making mandatory maturities and amortization payments of approximately $15 million and interest payments of approximately $561 million during the period October 1, 2026 through December 31, 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 $80 million for property, plant and equipment during the period October 1, 2026 through December 31, 2026;
- *Contingent consideration and milestone payments*—We expect to make contingent consideration and milestone payments of approximately $40 million during the period October 1, 2026 through December 31, 2026;
- *Acquisitions*—On October 8, 2026, Bausch + Lomb entered into an agreement to acquire certain ophthalmic surgical manufacturing businesses. The acquisition is expected to close during the fourth quarter of 2026 for an upfront cash payment of approximately $85 million, due at closing; and
- On October 12, 2026, Brent Saunders, former Chief Executive Officer of Bausch + Lomb and a member of its Board of Directors, departed Bausch + Lomb pursuant to a mutual agreement with the Bausch + Lomb Board. Under the Separation Agreement entered into on October 11, 2026, Mr. Saunders will receive an aggregate lump-sum cash payment of approximately $75 million, payable in accordance with the agreement's terms.

Future Costs of Potential B+L Separation

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

Litigation Payments

In the ordinary course of business, the Company is involved in litigation, claims, government inquiries, investigations, charges and proceedings. As of September 30, 2026, the Company's Condensed Consolidated Balance Sheet includes accrued loss contingencies of $28 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 17, "LEGAL PROCEEDINGS" to our unaudited interim Condensed Consolidated Financial Statements for further details.

Future Cost Savings Programs

We continue to evaluate opportunities to improve our operating results and may initiate additional cost savings programs to streamline our operations and eliminate redundant processes and expenses. These cost savings programs may include, but are not limited to: (i) reducing headcount, (ii) eliminating real estate costs associated with unused or under-utilized facilities and (iii) implementing contribution margin improvement and other cost reduction initiatives. The expenses associated with the implementation of these cost savings programs could be material and may impact our cash flows.

Future Licensing Payments

In the ordinary course of business, the Company may enter into select licensing and collaborative agreements for the commercialization and/or development of unique products primarily in the U.S. and Canada. In connection with these agreements, the Company may pay an upfront fee to secure the agreement. See Note 4, "LICENSING AGREEMENTS AND

ACQUISITIONS" to our unaudited interim Condensed Consolidated Financial Statements. Payments associated with the upfront fee for these agreements cannot be reasonably estimated at this time and could be material.

Future Repurchases of Debt

The Company regularly evaluates market conditions, its liquidity profile, and available 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.

There have been no other material changes to the contractual obligations disclosed in Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations — Off-Balance Sheet Arrangements and Contractual Obligations" included in our Annual Report on Form 10-K for the year ended December 31, 2025.

Share Repurchase Program

On October 24, 2026, the Company's Board of Directors authorized a share repurchase program pursuant to which we may repurchase up to $50 million of our outstanding common shares. The timing and amount of any repurchases will depend on market conditions and other factors, and the program does not obligate us to repurchase any particular amount of common shares and may be suspended or discontinued at any time.

Redemption of 8.500% Senior Notes Due 2027

On October 28, 2026, the Company announced that its subsidiary, BHA will issue an irrevocable notice of redemption dated October 29, 2026 to redeem all of its outstanding 8.500% Senior Notes due 2027, representing approximately $643 million in aggregate principal amount and will be funded using cash on hand. The redemption is scheduled for November 30, 2026. In connection with the redemption, the indenture governing these notes will be terminated.

OUTSTANDING SHARE DATA

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

At October 23, 2026, we had 374,266,716 issued and outstanding common shares. In addition, as of October 23, 2026, we had outstanding 4,789,464 stock options, 12,235,928 time-based restricted share units that each represent the right of a holder to receive one of the Company's common shares and 4,706,468 performance-based restricted share units that represent the right of a holder to receive a number of the Company's common shares up to a specified maximum. A maximum of 9,412,937 common shares could be issued upon vesting of the performance-based restricted share units outstanding.

CRITICAL ACCOUNTING ESTIMATES

Critical accounting estimates are those estimates that are most important and material to the preparation of our financial statements, and which require management's most subjective and complex judgment due to the need to make estimates about matters that are inherently uncertain. Management has reassessed the critical accounting estimates as disclosed in Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations — Critical Accounting Estimates" included in our Annual Report on Form 10-K for the year ended December 31, 2025 and determined that there were no significant changes in our critical accounting estimates during the nine months ended September 30, 2026 except for:

Interim Goodwill Assessment

During the nine months ended September 30, 2026, no other events occurred, or circumstances changed that would indicate that the fair value of any of the Company's reporting units, other than the Salix and Generics reporting units might be below its carrying value.

Salix

In January 2026, we received the results for the double-blind Phase 3 clinical trials for two global RED-C clinical programs evaluating the 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 quantitative goodwill analysis for the Salix reporting unit using revised forecasts, an updated discount rate of 9.50%, and a new long-term growth rate that reflect the impact of the Phase 3 clinical trial results. Based on the quantitative fair value test, the carrying value of the Salix reporting unit exceeded its fair value as of January 22, 2026, and the Company recognized a goodwill impairment of $1,426 million. As of September 30,

2026, the Salix reporting unit had remaining goodwill of $1,733 million.

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

Generics

For the interim quantitative goodwill impairment assessment of the Generics reporting unit and the related forecast assumptions, see Note 8, "INTANGIBLE ASSETS AND GOODWILL" to our unaudited interim Condensed Consolidated Financial Statements.

NEW ACCOUNTING STANDARDS

None.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Other than as indicated below under "— Interest Rate Risk" and "— Inflation Risk", there have been no material changes to our exposures to market risks as disclosed in Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations — Quantitative and Qualitative Disclosures About Market Risks" included in our Annual Report on Form 10-K for the year ended December 31, 2025.

Interest Rate Risk

As of September 30, 2026, we had $13,553 million and $6,615 million in outstanding aggregate principal amount of fixed rate debt and variable rate debt, respectively. The estimated fair value of our issued fixed rate debt as of September 30, 2026 was $13,114 million. If interest rates were to increase by 100 basis points, the fair value of our issued fixed rate debt would decrease by approximately $295 million. If interest rates were to decrease by 100 basis points, the fair value of our issued fixed rate debt would increase by approximately $302 million. We are subject to interest rate risk on our variable rate debt as changes in interest rates could adversely affect earnings and cash flows. A 100 basis point increase in interest rates would have an annualized pre-tax effect of approximately $66 million in our Condensed Consolidated Statements of Operations and Cash Flows, based on current outstanding borrowings and effective interest rates on our variable rate debt. While our variable-rate debt may impact earnings and cash flows as interest rates change, it is not subject to changes in fair value.

Inflation Risk

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

Item 4. Controls and Procedures

Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), has evaluated the effectiveness of our disclosure controls and procedures as of September 30, 2026. Based on this evaluation, our CEO and CFO concluded that our disclosure controls and procedures were effective as of September 30, 2026.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the three months ended September 30, 2026 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

For information concerning legal proceedings, reference is made to Note 17, "LEGAL PROCEEDINGS" to the unaudited interim Condensed Consolidated Financial Statements included elsewhere in this Form 10-Q.

Item 1A. Risk Factors

Except as set forth below, as of the date of this Form 10-Q, there have been no material changes to the risk factors as disclosed in Item 1A. "Risk Factors" included in our Annual Report on Form 10-K for the year ended December 31, 2025.

Our chief executive officer also serves as interim chief executive officer and chairman of the board of directors of Bausch + Lomb, and these overlapping roles may create competing demands on management time and attention and actual or perceived conflicts of interest.

In October 2026, our chief executive officer, Thomas Appio, was appointed interim chief executive officer of Bausch + Lomb, effective October 12, 2026. In addition, in August 2026, Mr. Appio was appointed to the board of directors and as chairman of the board of directors of Bausch + Lomb. The overlapping roles at the Company and Bausch + Lomb may create competing demands on management time and attention. In addition, these overlapping roles may result in conflicts, or the appearance of conflicts, with respect to matters involving or affecting both companies. See Item 1A. "Risk Factors—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" included in our Annual Report on Form 10-K for the year ended December 31, 2025.

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

Unregistered Sales of Equity Securities

There were no unregistered sales of equity securities by the Company during the three months ended September 30, 2026.

Issuer Purchases of Equity Securities

During the three months ended September 30, 2026, the Company did not have a share repurchase program and no shares were repurchased.

On October 24, 2026, the Company's Board of Directors authorized a share repurchase program pursuant to which the Company may repurchase up to $50 million of its outstanding common shares. The timing and amount of any repurchases will depend on market conditions and other factors, and the program does not obligate the Company to repurchase any particular amount of common shares and may be suspended or discontinued at any time.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

None.

Item 5. Other Information

None.

Item 6. Exhibits

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

* Filed herewith.

** Furnished herewith. These exhibits shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, or otherwise subject to the liability of that Section. Such exhibits shall not be deemed incorporated into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934.

SIGNATURES

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

Bausch Health Companies Inc.
(Registrant)

Date: October 28, 2026

/s/ THOMAS J. APPIO

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

Date: October 28, 2026

/s/ JEAN-JACQUES CHARHON

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

Exhibit 31.1

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

I, Thomas J. Appio, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Bausch Health Companies Inc. (the "Company");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;

4. The Company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal quarter (the Company's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and

5. The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Date: October 28, 2026

/s/ THOMAS J. APPIO

Thomas J. Appio

Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

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

I, Jean-Jacques Charhon, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Bausch Health Companies Inc. (the "Company");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;

4. The Company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal quarter (the Company's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and

5. The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Date: October 28, 2026

/s/ JEAN-JACQUES CHARHON

Jean-Jacques Charhon

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

Exhibit 32.1

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

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

1. The Quarterly Report on Form 10-Q of the Company for the quarter ended September 30, 2026 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: October 28, 2026

/s/ THOMAS J. APPIO

Thomas J. Appio

Chief Executive Officer
(Principal Executive Officer)

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

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

Exhibit 32.2

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

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

1. The Quarterly Report on Form 10-Q of the Company for the quarter ended September 30, 2026 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: October 28, 2026

/s/ JEAN-JACQUES CHARHON

Jean-Jacques Charhon

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

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

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