Q3 2026 Aide-Memoire

Tel Aviv, Israel and Parsippany, N.J. September 23, 2026 - Teva Pharmaceutical Industries Ltd. (NYSE and TASE: TEVA) has compiled this document with public information that was previously provided by Teva in order to assist investors and analysts ahead of third quarter 2026 results, which are expected to be released on Tuesday, November 3, 2026, at 7am ET, followed by a conference call at 8am ET.

Summary of 2026 Outlook

The following outlook for 2026 (the "2026 Outlook") was provided on July 29, 2026, in the presentation of Teva's 2026 second quarter financial results (which included the Q2 2026 earnings call transcript, Q2 2026 earnings call presentation, Q2 2026 Press Release and/or the Form 10-Q for the quarter ended June 30, 2026), available on our website.[1] The 2026 Outlook is as of July 29, 2026, and should not be construed as updated or confirmed as of the date hereof in connection with this document.[2]

[1] See Teva Pharmaceutical Industries Ltd. - Financials - Quarterly Results

[2] Revenues and CAPEX figures presented on a GAAP basis. All other financial metrics presented on a non-GAAP basis. 2026 Outlook is as of July 29, 2026 and should not be construed as updated or confirmed as of the date hereof in connection with this document. 2026 Outlook assumes a full-year contribution from Teva API and Emalex as of the date of closing. Free cash flow includes cash flow from operating activities, beneficial interest collected in exchange for securitized accounts receivables, proceeds from divestitures of businesses and other assets, net of cash used for capital investment.

	2026 Outlook (July 29)		Δ YoY		Consensus Mean[3]	
	Provided	Emalex Impact	Provided vs. reported	Like-for-like[4]	Q3 2026	FY 2026
Revenues ($M)	16,500 – 16,850	None	(4%) – (2%)	(1%) – ~+1%	4,245	16,589
AUSTEDO® Family Global ($M)[5]	2,450 – 2,600	None	+8% – +15%	No change	681	2,570
AJOVY® Global ($M)	850 – 870	None	+26% – +29%	No change	205	875
UZEDY® U.S. ($M)	270 – 290	None	+42% – +52%	No change	69	286
Non-GAAP Gross Profit Margin[6]	See commentary below	None	See commentary below		56.1%	55.2%
Non-GAAP Operating Income ($M)	3,800 – 4,000	(~775)	(23%) – (18%)	+1% – +7%	1,221	3,836
Non-GAAP Operating Margin[7]	23.0% – 23 .7%	(450bps) – (470bps)	(~540bps) – (~470bps)	+~70bps – +~160bps	28.7%	23.1%
Adjusted EBITDA ($M)	4,230 – 4,530	(775)	(20%) – (15%)	+2% – +8%	1,336	4,288
Adjusted EBITDA Margin[8]	25.6% - 26.9%	(460bps) – (480bps)	(~510bps) – (~380bps)	+~100bps – +~220bps	31.4%	25.9%
Finance Expenses ($M)	~800	None	(8%)	No change	201	821
Non-GAAP Tax Rate	20% – 23%	+400bps	+~420bps – +~720bps	+~50bps – +~350bps	18.8%	21.0%
Non-GAAP Diluted EPS ($)	1.91 – 2.11	(0.66)	(35%) – (28%)	(3%) – +5%	0.70	1.98
Free Cash Flow ($M)	2,000 – 2,400	None	(17%) – ~0%	+5% – +27%	720	1,726
Avg. Diluted Shares Outstanding	1,185 million	None	+2%	No change	1,184 million	1,184 million
CAPEX ($M)	~500	None	~0%	No change	128	513

Currency and Share Count

In a typical quarter, approximately half of Teva's revenues and costs are denominated in currencies other than the U.S. dollar. The euro and other highly correlated currencies constitute Teva's largest foreign currency exposure.

In the third quarter of 2026, Teva expects its share count to be in the range of approximately 1,181 to 1,183 million shares. The conversion of Teva's American Depositary Shares into ordinary shares, which became

[3] Virtua Research as of 09/22/2026. Consensus estimates are not internal estimates. The consensus estimates are based on third-party financial analysts' estimates, forecasts and predictions consolidated by an independent company, Virtua Research. To arrive at the consensus figures, Virtua Research has aggregated the expectations of financial analysts from financial institutions that provide global research coverage, and who, to the best of our knowledge, cover Teva on a continuous basis, and have provided Teva with their financial models, which we have provided to Virtua. These financial analysts cover Teva on their own initiative and Teva is not responsible for their views and does not prepare or check the information upon which they prepare their estimates. Teva is not involved in the collection of the information of the estimates, and such analyst consensus can only be seen as a consensus view on Teva's expected results from an outside perspective, as of the date provided. Various known and unknown risks, uncertainties and other factors could lead to material differences between Teva's actual future results and the outlook and consensus estimates provided here.

[4] Column excludes the impact of the development milestone payments received during Q4 2025 from Sanofi in connection with the initiation of Phase 3 studies for duvakitug (anti-TL1A), the results of the Japan BV in Q1 2025 and the impact of the acquisition of Emalex Biosciences in 2026, from year-over-year change to allow for a more like-for-like comparison.

[5] AUSTEDO (deutetrabenazine) tablets and AUSTEDO XR® (deutetrabenazine) extended-release tablets (hereinafter referred to as "AUSTEDO family").

[6] Non-GAAP gross profit margin is non-GAAP gross profit as a percentage of revenue.

[7] Non-GAAP operating margin is non-GAAP operating income as a percentage of revenue.

[8] Adjusted EBITDA margin is adjusted EBITDA as a percentage of revenue.

effective on September 14, 2026, was a one-for-one exchange and therefore does not impact Teva's share count or earnings per share.

Revenues

As referenced in the Q2 2026 earnings call transcript, Teva expects quarterly revenues to increase over the rest of the year.

Key Innovative Products

AUSTEDO Family: As referenced in the 2026 second quarter financial results, Teva sees a healthy market for AUSTEDO, with significant opportunities for growth given the low treatment rates of tardive dyskinesia patients with VMAT2 inhibitors, as well as opportunities to improve patient adherence through the continued shift to AUSTEDO XR®, which represented over 60% of new patients in the second quarter of 2026. Teva believes that AUSTEDO U.S. revenues will more closely track growth in milligrams dispensed than growth in prescriptions fulfilled.

- Teva's 2026 Outlook, as provided in the 2026 second quarter financial results, implies ~8% to ~15% year-over-year (YoY) growth in revenues for 2026, which, based on the reported first half financial results, implies a decline of ~13% to ~2% YoY in revenues for the second half of 2026.
- As discussed in the 2025 fourth quarter earnings call, AUSTEDO experienced one-time benefits from year-end inventory stocking as well as a reduction in sales allowances in Q4 2025, which together totaled approximately $100 million in revenues.
- Additionally, as discussed in the 2026 second quarter financial results, AUSTEDO's fourth quarter 2026 revenues are expected to decline year-over-year due to anticipated changes in purchasing patterns and pricing ahead of the agreement with the Centers for Medicare and Medicaid Services ("CMS") that will become effective January 1, 2027, as announced by CMS in November 2025, and the above-mentioned impact in the fourth quarter of 2025.
- As referenced in the 2026 second quarter financial results, Teva continues to see elevated levels of AUSTEDO inventory in the channel, and expects normalization of this excess inventory over the remainder of 2026.
- As referenced in the 2026 second quarter financial results, Teva expects to achieve its targets for AUSTEDO of >$2.5 billion revenue by 2027 and peak year revenue target of >$3.0 billion. These targets take into consideration the agreement with CMS that is set to begin on January 1, 2027, as discussed above.

AJOVY: Teva's 2026 Outlook, as provided in the 2026 second quarter financial results, implies ~26% to ~29% YoY growth in revenues for 2026, which, based on the reported first half financial results, implies ~8% to ~13% YoY growth in revenues for the second half of 2026. This growth is driven mainly by continued global market share gains, improved contracting and favorable gross-to-net in the U.S. As referenced in the 2026 second quarter financial results, Teva expects to achieve peak annual revenues of ~$1.0 billion for AJOVY.

UZEDY: Teva's 2026 Outlook, as provided in the 2026 second quarter financial results, implies ~42% to ~52% YoY growth in revenues for 2026, which, based on the reported first half financial results, implies ~32% to ~53% YoY growth in revenues for the second half of 2026. This is driven mainly by continued commercial execution and UZEDY's differentiated product profile. As referenced in the 2026 second quarter financial results, Teva expects to achieve its peak annual LAI franchise (UZEDY + olanzapine LAI) target revenues of $1.5 billion to $2.0 billion in the coming years, subject to regulatory approval of olanzapine LAI.

Olanzapine LAI (TEV-'749): Teva's NDA for olanzapine LAI was accepted by the FDA on February 20, 2026, with an anticipated decision date during Q4 2026. Teva's Marketing Authorization Application was accepted by the European Medicines Agency in the second quarter of 2026. As referenced in the 2026 second quarter financial results, Teva is preparing for a U.S. launch in Q4 2026, subject to regulatory approval. As referenced in the 2026 second quarter financial results, Teva expects minimal revenues in the fourth quarter of 2026 and the first half of 2027, subject to regulatory approval.[9]

Ecopipam (EBS-101): Teva submitted an NDA to the FDA for ecopipam for the treatment of pediatric Tourette syndrome on June 18, 2026. As announced on August 19, 2026, the FDA accepted the NDA and granted Priority Review, with a targeted action (PDUFA) date late in the first quarter of 2027. As referenced in the 2026 second quarter financial results, Teva anticipates approval in 2027 and a potential U.S. launch in 2027, subject to regulatory approval.

Generics, Biosimilars and OTC Products

For its generic products, inclusive of biosimilars and OTC products, Teva's 2026 Outlook contemplates a decline in revenues vs. 2025. When excluding the impact of the expected decline in generics revenues from lenalidomide capsules (the generic version of Revlimid®) due to increased generic competition in the U.S., and the divestment of our business venture in Japan, and as referenced at the Bank of America Global Healthcare Conference on September 23, 2026, Teva expects global generics revenues to be flat to slightly up in local currency compared to 2025.

As referenced in the 2026 second quarter financial results, Teva has 15 biosimilars in the market, with expected operational readiness for 3 additional biosimilars in 2027, and expects revenues from its biosimilars portfolio to exceed ~$800 million in 2027.

As referenced in the 2026 second quarter financial results, over the long-term, Teva expects its revenues from generic products to grow 1% to 2% per year. Generics outside the U.S., inclusive of biosimilars and OTC products, accounted for ~61% of total generics revenues in 2025.

Business Venture in Japan

On March 31, 2025, we de-consolidated the business venture in Japan from our financial statements upon the completion of its sale. As referenced in the 2026 first quarter financial results, the business venture contributed revenues and non-GAAP operating income of $75 million and $10 million, respectively, to our first quarter 2025 results.

Anda distribution business reclassification

- As referenced in Teva's 2025 fourth quarter results, to align with Teva's Pivot to Growth strategy, commencing January 1, 2026, Anda is no longer reported under Teva's United States segment and, from that date, is reported under Other Activities. As included in Teva's Q1 2026 Aide Memoire, the tables below include the United States segment historical results for each quarter of 2024 and 2025, which have been recast to conform to the reclassification. Additional recast information is included in the Company's Form 8-K filed with the SEC on September 3, 2026, and is available here.

[9] Initial volumes are expected to be largely samples or vouchers while payer coverage is established.

	2024 United States Segment Financial Results (in millions)				
	Q1	**Q2**	**Q3**	**Q4**	**FY**
Revenues	$1,344	$1,737	$1,845	$1,573	$6,498
Gross profit	$808	$1,117	$1,216	$1,046	$4,186
Gross profit margin	*60.1%*	*64.3%*	*65.9%*	*66.5%*	*64.4%*
R&D expenses	$154	$170	$151	$158	$633
S&M expenses	$230	$237	$228	$229	$925
G&A expenses	$93	$99	$107	$109	$407
Other	$1	($1)	§	$2	$2
Segment profit	$331	$611	$729	$548	$2,219
Operating income margin	*24.6%*	*35.2%*	*39.5%*	*34.9%*	*34.1%*

§ Represents an amount less than $0.5 million

	2025 United States Segment Financial Results (in millions)				
	Q1	**Q2**	**Q3**	**Q4**	**FY**
Revenues	$1,536	$1,786	$2,090	$2,278	$7,690
Gross profit	$1,013	$1,211	$1,446	$1,785	$5,455
Gross profit margin	*65.9%*	*67.8%*	*69.1%*	*78.3%*	*70.9%*
R&D expenses	$154	$152	$161	$166	$633
S&M expenses	$244	$250	$248	$310	$1,051
G&A expenses	$95	$111	$113	$136	$456
Other	$3	§	($3)	$2	$1
Segment profit	$518	$699	$927	$1,170	$3,313
Operating income margin	*33.7%*	*39.1%*	*44.3%*	*51.4%*	*43.1%*

§ Represents an amount less than $0.5 million

Acquisition of Emalex Biosciences ("Emalex")

As announced on June 10, 2026, Teva has completed its acquisition of Emalex for up-front consideration of ~$700 million, using cash on hand. On June 18, 2026, Teva submitted an NDA to the FDA for ecopipam, a first-in-class investigational therapy for the treatment of pediatric Tourette syndrome, which was accepted with priority review on August 19, 2026. As referenced in the 2026 second quarter financial results, the transaction was accounted for as an asset acquisition, and we have reported the following:

- $726 million of Emalex related expenses in the second quarter of 2026, including a $724 million IPR&D expense comprised of the up-front cash consideration, net liabilities acquired and transaction costs.
- Additional operating expenses for the remainder of 2026, with a total expected 2026 impact of Emalex to non-GAAP operating profit of ~$775 million.
- If ecopipam is approved and commercialized, we expect:

- Potential expenses of net sales-based royalties, up to $200 million in commercial milestones to Emalex's former shareholders and up to $125 million in milestones to other third parties.
- ~80% product-level gross margin.
- Accretion to margins and non-GAAP EPS in 2028.
- Orphan drug exclusivity (7 years post-approval) with a granted patent expiring in 2035 and pending patent applications that (if granted) will expire in the early 2040's.

Proposed Acquisition of Certain Assets from BioXcel Therapeutics ("BioXcel")

As announced on August 28, 2026, Teva has agreed to serve as the 'stalking horse bidder' to acquire certain assets from BioXcel, including dexmedetomidine sublingual film, through a court-supervised sale process. The transaction remains subject to bankruptcy court approval, potential higher bids and customary closing conditions. Teva's 2026 Outlook does not include any impact from the proposed transaction.

Profit and Margins

As referenced in the 2026 second quarter financial results, gross margins are expected to decline slightly in Q4 2026 versus Q3 2026, due to the anticipated revenue dynamics related to AUSTEDO discussed above. Excluding the impact from the Emalex transaction, Teva expects non-GAAP margins to improve in the second half of the year, in line with the revenue trajectory, as well as higher savings from the ongoing Teva Transformation programs announced on May 7, 2025. For our outlook, including the Emalex impact, see our Q2 Earnings Press release.

Teva Transformation Programs

On May 7, 2025, Teva announced the Teva Transformation programs, which are expected to generate approximately $700 million of net savings by 2027, and enable the achievement of its 30% operating margin target in 2027. As referenced in the 2026 second quarter financial results, approximately 2/3rds of these savings are expected to be realized in 2026 with $90 million to $100 million of cash related costs incurred in 2026, which are already included in Teva's 2026 Outlook for free cash flow. Teva realized approximately $70 million of net savings in 2025 related to these initiatives.

Non-GAAP Gross Profit Margin

As referenced in the 2026 second quarter financial results, Teva's 2026 Outlook assumes a non-GAAP gross profit margin between 54.5% to 55.5%, which continues to benefit from a positive product portfolio mix shift driven by our key innovative products. Also, as referenced in the 2026 second quarter financial results, this underlying year-over-year improvement is partially offset by the aforementioned increased generic competition in the U.S. to lenalidomide capsules (our generic version of Revlimid®), the impact from the IRA Part D redesign for AUSTEDO, and a decline in revenues from legacy innovative products.

As referenced in the 2026 second quarter financial results, as a consequence of the Teva Transformation programs mentioned above as well as continued growth in our key innovative products, Teva's gross profit margins are expected to expand from 2025 levels to a range of 57% to 58% in 2027 and greater than 60% beyond 2030. Most of the anticipated benefit to gross margin from these Transformation programs will be realized in 2027 and thereafter.

Non-GAAP Operating Income and Margins

As referenced in the 2026 second quarter financial results, Teva's 2026 Outlook assumes a 23.0% to 23.7% non-GAAP operating margin for fiscal year 2026. This includes the impact of ~$775 million of additional costs due to the acquisition of Emalex. As referenced in the 2026 second quarter financial results, for 2026, Teva expects non-GAAP operating expenses, excluding the impact of Emalex to be approximately 28% of revenues, at the higher end of the range of 27% to 28% of revenues, reflecting investments to support its growing innovative and biosimilars portfolios.

As referenced in the 2026 second quarter financial results, as a consequence of the Teva Transformation programs mentioned above, Teva expects its non-GAAP operating expenses as a percentage of revenues to be 27% to 28% in 2027. Teva expects its operating margins to be ~30% in 2027, implying ~150bps to ~240bps improvement from 2026 excluding the impact of Emalex.

Cash Flow, Balance Sheet and Capital Allocation

Cash Flow

Teva's primary use of free cash flow remains for its debt repayment and for payments under its legal and tax settlement agreements. Optimizing working capital remains a focus.

As referenced in the 2026 second quarter financial results, as it relates to its opioid settlement payments specifically, Teva expects to pay approximately $379 million in 2026 (of which $33 million was paid as of June 30, 2026), $365 million in 2027, $416 million in 2028 and $339 million in 2029 and $337 million in 2030.

Balance Sheet

Teva is currently rated Investment Grade (IG) by Fitch, Moody's and Standard & Poor's. Specifically,

- BBB- with a stable outlook by Fitch
- Baa3 with a stable outlook by Moody's
- BBB- with a stable outlook by Standard & Poor's

As of June 30, 2026, there were no outstanding borrowings under Teva's revolving credit facility.

On September 16, 2026, Teva completed a ~$4,900 (equivalent) million senior notes offering consisting of:

- $1,200 million USD 5.250% Senior Notes maturing in 2032
- $1,138 million EUR 4.250% Senior Notes maturing in 2033
- $1,000 million USD 5.500% Senior Notes maturing in 2034
- $569 million EUR 4.625% Senior Notes maturing in 2036
- $1,000 million USD 5.750% Senior Notes maturing in 2037

The net proceeds from this offering were used to fund the redemption of certain existing notes, set out below, as well as to pay fees and expense related to the redemptions. Following the redemptions, the outstanding amounts of the redeemed notes were as follows:

- None of the USD 6.750% Senior Notes due 2028
- None of the USD 7.875% Sustainability-Linked Senior Notes due 2029
- None of the EUR 7.375% Sustainability-Linked Senior Notes due 2029
- $199 million of the USD 4.750% Sustainability-Linked Senior Notes due 2027
- $405 million of the EUR 4.375% Sustainability-Linked Senior Notes due 2030
- None of the USD 8.125% Sustainability-Linked Senior Notes due 2031

Expenses related to the offering and redemptions will not impact our GAAP financials.

Over the next 12 months, the following debt issues will mature:

- 3.150% USD Senior Notes due 10/1/2026 - $1,798 million outstanding as of 06/30/2026
- 1.875% EUR Senior Notes due 3/31/2027 - $800 million outstanding as of 06/30/2026
- 3.750% EUR Senior Notes due 5/9/2027 - $1,256 million outstanding as of 06/30/2026
- 4.750% USD Senior Notes due 5/9/2027 - $199 million outstanding post-redemption

Transition from ADSs to Ordinary Share Listing on the NYSE

As referenced in the Form 8-K filed on September 14, 2026, Teva has completed its transition from American Depositary Shares ("ADSs") traded on the New York Stock Exchange ("NYSE") to a direct listing of its ordinary shares. The last trading day of the ADSs on the NYSE was Friday, September 11, 2026, and the first trading day of the ordinary shares on the NYSE was Monday, September 14, 2026. The ADSs were converted into ordinary shares in a mandatory one-for-one exchange, and Teva remains dually listed on both the NYSE and the Tel-Aviv Stock Exchange, with shares fully fungible between the two exchanges. Teva believes this change expands investor access, supports potential inclusion in leading indices and strengthens capital markets flexibility. The transition does not change Teva's share count, earnings per share or financial reporting.

Expected Pipeline Developments

As referenced in the 2026 second quarter financial results, and as updated based on publicly disclosed developments since then, below are the following pipeline developments expected in 2026:

	2026			
Pipeline Candidate	**Q1**	**Q2**	**Q3**	**Q4**
Anti-IL-15 (TEV-'408)		Vitiligo Phase 1b topline results*	Celiac Phase 2a topline results	
duvakitug[10] (TEV-'574 / SAR-'189)	UC/CD Phase 2 maintenance TLR data			HS and FSCD Phase 2 first patient
emrusolmin[11] (TEV-'286)				Phase 2 futility analysis
olanzapine LAI (TEV-'749)				Anticipated FDA NDA decision
ecopipam (EBS-101 / SCH-39166)			NDA for pediatric TS accepted by FDA with priority review	
DARI (TEV-'248)			H2: Targeted completion of pivotal Phase 3 studies	
Anti-PD1-IL-2[12] (TEV-'278)			H2: Initial basket data in various cancers	

*Data analysis completed in Q2, topline results were shared on July 7, 2026 due to scheduling considerations.
UC: ulcerative colitis; CD: Crohn's disease; HS: hidradenitis suppurativa; FSCD: fibrostenotic Crohn's disease; DARI: Dual-Action Asthma Rescue Inhaler; TS: Tourette syndrome; TLR: top line result

[10] duvakitug developed in a partnership between Teva and Sanofi.
[11] In collaboration with MODAG.
[12] In collaboration with Fosun Pharma.

Summary of Long-Term Financial Targets

As referenced in the 2026 second quarter financial results, as part of the launch of its Pivot to Growth strategy – Return to Growth phase – in May of 2023, Teva provided the following 2027 financial targets, which we remain on track to meet:

- **Revenue growth (CAGR '23 – '27)**: Mid-single-digit %
- **Operating income margin**[7,13] : 30%
- **Net debt/adjusted EBITDA**[13]: 2.0x
- **Cash-to-earnings**[13,14,15] **(Cash conversion)**: 80%

As part of the launch of its Pivot to Growth strategy – Accelerate Growth phase – in May of 2025, Teva provided the following details on the path to achieving its 2027 targets and additional 2030 targets.[16]

	2027	2030 & beyond
Revenues	Low-single-digit growth	Mid-single-digit CAGR
Operating margin[7,13]	30%	>30%
Free Cash Flow[15]	>$2.7B	>$3.5B
Net debt/adj. EBITDA[13]	2.0x	<2.0x
Innovative revenues[17]	$3.5 – $4.0B	>$5.0B

Some amounts in this Aide-Memoire may not add up due to rounding. All percentages have been calculated using unrounded amounts.

About Teva

Teva Pharmaceutical Industries Ltd. (NYSE and TASE: TEVA) is transforming into a leading innovative biopharmaceutical company, enabled by a world-class generics business. For over 120 years, Teva's commitment has never wavered. From innovating in the fields of neuroscience and immunology to providing complex generic medicines, biosimilars and pharmacy brands worldwide, Teva is dedicated to addressing patients' needs, now and in the future. At Teva, We Are All In For Better Health. To learn more about how, visit www.tevapharm.com.

[13] Operating income and operating income margin, Adjusted EBITDA, net debt and cash-to-earnings are presented on a non-GAAP basis. Excludes the impact of duvakitug milestone payments.
[14] Cash-to-earnings reflects free cash flow divided by non-GAAP net income attributable to ordinary shareholders.
[15] Free cash flow includes cash flow from operating activities, beneficial interest collected in exchange for securitized accounts receivables, proceeds from divestitures of businesses and other assets, net of cash used for capital investment. Excludes the impact of duvakitug milestone payments.
[16] For the purpose of this presentation, the 2026 column presented at the launch of Teva's Pivot to Growth strategy – Accelerate Growth phase in May of 2025, was removed in light of Teva's 2026 Outlook.
[17] Innovative revenues include revenue targets for the AUSTEDO Family, AJOVY, UZEDY and our late-stage pipeline assets, assuming regulatory approvals are received.

Non-GAAP Financial Measures

This document includes certain forward looking non-GAAP financial measures as defined by SEC rules. In the case of the non-GAAP financial measures disclosed in this document, we are not providing comparable forward looking guidance for GAAP financial measures or a quantitative reconciliation of forward-looking non-GAAP financial measures to the most directly comparable GAAP measure because we are unable to predict with reasonable certainty the ultimate outcome of certain significant items including, but not limited to, the amortization of purchased intangible assets, legal settlements and loss contingencies, impairment of long-lived assets and goodwill impairment, without unreasonable effort. These items are uncertain, depend on various factors, and could be material to our results computed in accordance with GAAP. For other non-GAAP financial measures, please see our press release reporting our financial results for the second quarter of 2026 for a reconciliation of the non-GAAP financial measures to their nearest GAAP equivalents, available here. Management believes that our non-GAAP financial measures provide useful information to investors to facilitate their understanding of our business because the non-GAAP financial measures are used by Teva's management and board of directors, in conjunction with other performance metrics, to evaluate the operational performance of the company, to compare against the company's work plans and budgets, and ultimately to evaluate the performance of management; the company's annual budgets are prepared on a non-GAAP basis; and senior management's annual compensation is derived, in part, using these non-GAAP measures. Investors should consider the non-GAAP financial measures in addition to, and not as replacements for, or superior to, measures of financial performance prepared in accordance with GAAP.

Cautionary Note on Forward-Looking Statements

In addition to historical information, this document contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, which are based on management's current beliefs and expectations and are subject to substantial risks and uncertainties, both known and unknown, that could cause our future results, performance or achievements to differ significantly from that expressed or implied by such forward-looking statements. These forward-looking statements include statements concerning our plans, strategies, objectives, future performance and financial and operating targets, and any other information that is not historical information. You can identify these forward-looking statements by the use of words such as "should," "expect," "anticipate," "estimate," "target," "may," "project," "guidance," "intend," "plan," "believe" and other words and terms of similar meaning and expression in connection with any discussion of future operating or financial performance. Important factors that could cause or contribute to such differences include risks relating to:

- our ability to successfully compete in the marketplace, including: that we are substantially dependent on our generic products; concentration of our customer base and commercial alliances among our customers; competition faced by our generic medicines from other pharmaceutical companies and changes in regulatory policy that may result in costs and delays; delays in launches of new generic products; our ability to develop and commercialize additional pharmaceutical products in a timely manner; intense competition for our innovative medicines; our ability to achieve expected results from investments in our product pipeline; our ability to successfully execute on our Pivot to Growth strategy, including to expand our innovative and biosimilar medicines pipeline and to profitably commercialize our innovative medicines and biosimilar portfolio, whether organically or through business development, to sustain and focus our portfolio of generic medicines, and to execute on our organizational transformation and to achieve expected cost savings; and the effectiveness of our patents and other measures to protect our intellectual property rights;
- our significant indebtedness, which may limit our ability to incur additional indebtedness, engage in additional transactions or make new investments; and our potential need to raise additional funds in the future, which may not be available on acceptable terms or at all;
- our business and operations in general, including: the impact of global economic conditions and other macroeconomic developments and the governmental and societal responses thereto, and our exposure to changes in international trade policies, including the imposition of tariffs in the jurisdictions in which we operate, and any effects of such developments on sales of our products and the pricing and availability of raw materials; effectiveness of our optimization efforts; significant disruptions of information technology systems, including cybersecurity attacks, as well as risks and uncertainties related to the adoption of artificial intelligence technologies, and breaches of our data security; interruptions in our supply chain or problems with internal or third party manufacturing; challenges associated with conducting business globally, including political or economic instability, prolonged government shutdowns, widespread outbreaks of major diseases and major hostilities or acts of terrorism, ongoing

global conflicts, including in the Middle East and the war involving Iran and the war between Russia and Ukraine; our ability to attract, hire, integrate and retain highly skilled personnel; our ability to successfully bid for suitable acquisition targets or licensing opportunities, or to consummate and/or integrate acquisitions successfully and cost-effectively; and our prospects and opportunities for growth if we sell or plan to sell assets or business units and close or divest plants and facilities, as well as our ability to successfully and cost-effectively effectuate and consummate such sales and divestitures, including our planned divestiture of our API business;

- compliance, regulatory and litigation matters, including: failure to comply with complex legal and regulatory requirements, the effects of regulatory uncertainty and changes and the results of increased regulatory oversight, including expenditures required to ensure compliance with research, production and quality control regulations and remedial actions taken to address product issues, such as delayed product launches, product recalls, and facility shutdowns; the effects of governmental, regulatory and civil proceedings and litigation which we are, or in the future become, party to; the effects of reforms in healthcare regulation and related reductions in pharmaceutical pricing, reimbursement and coverage, including as a result of the One Big Beautiful Bill signed into law in the U.S. in July 2025 ("OBBBA"), which will likely reduce the number of insured in Medicaid and Health Insurance Exchange markets, potentially altering utilization patterns and shifting negotiating leverage among payors, U.S. Executive Orders issued in April and May 2025 intended to reduce the prices paid for prescription medicines, including most-favored-nation pricing and related regulatory efforts; legal and regulatory actions in connection with public concern over the abuse of opioid medications; our ability to timely make payments required under our nationwide opioids settlement agreement and provide our generic version of Narcan® (naloxone hydrochloride nasal spray) in the amounts and at the times required under the terms of such agreement; scrutiny from competition and pricing authorities around the world, including our ability to comply with and operate under our deferred prosecution agreement ("DPA") with the U.S. Department of Justice ("DOJ"); potential liability for intellectual property right infringement; significant product liability claims; claims brought by regulatory agencies; failure to comply with complex Medicare, Medicaid and other governmental programs' reporting and payment obligations; compliance with sanctions and trade control laws; environmental risks and changes in governmental, investor and societal responses to climate change and sustainability related issues;
- financial, economic and other risks, including: our exposure to currency fluctuations and restrictions as well as credit risks; impairments of our long-lived assets; potential significant increases in tax liabilities; the effect on our overall effective tax rate of the termination or expiration of governmental programs or tax benefits, or of a change in our business; the impact of any failure to maintain effective internal control over our financial reporting; and our ability to achieve our aims and expected changes as a result of directly listing our ordinary shares in lieu of the American Depository Share (ADS) program, including but not limited to expanding investor access, supporting potential inclusion in leading indices and strengthening capital markets flexibility.

and other factors discussed in our Quarterly Report on Form 10-Q for the second quarter of 2026 and in our Annual Report on Form 10-K for the year ended December 31, 2025, including in the sections captioned "Risk Factors" and "Forward-looking statements." Forward-looking statements speak only as of the date on which they are made, and we assume no obligation to update or revise any forward-looking statements or other information contained herein, whether as a result of new information, future events or otherwise. You are cautioned not to put undue reliance on these forward-looking statements.